

Company Report

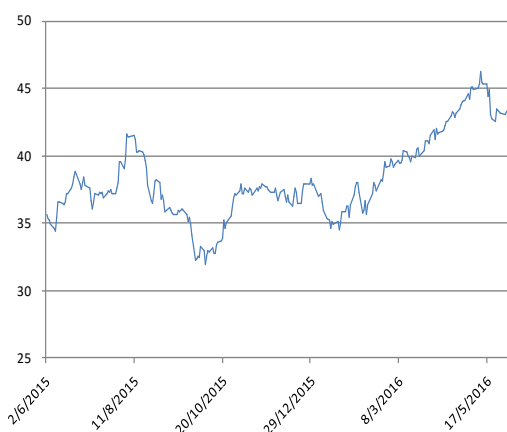
FLASH NOTE
June 3, 2016

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (03/06/2016) NYSE, in \$	
	\$43.48
# of Shares (mn)	552.26
Market Cap (in \$ mn)	24,012.40
A.D. Volume (p)	8,401,096
Beta Co-efficient	0.80
Statistical Data	
Max 52 week	46.25 USD
Min 52 week	31.98 USD
1-M Rtn	-1.75%
6-M Rtn	17.57%
12-M Rtn	24.60%

Source: VRS Calculations, Reuters.

Stock Price Performance (1 year, in \$)



Note: Share price performance based on share price closes on NYSE.
Period as day/month/year.

BAXTER INTERNATIONAL INC.

Listed on New York Stock Exchange, USA, [Bloomberg Ticker: BAX:US] [Reuters Ticker: BAX:N]

Business Sector: Pharmaceuticals, Health Care

Corporate & Investment Highlights

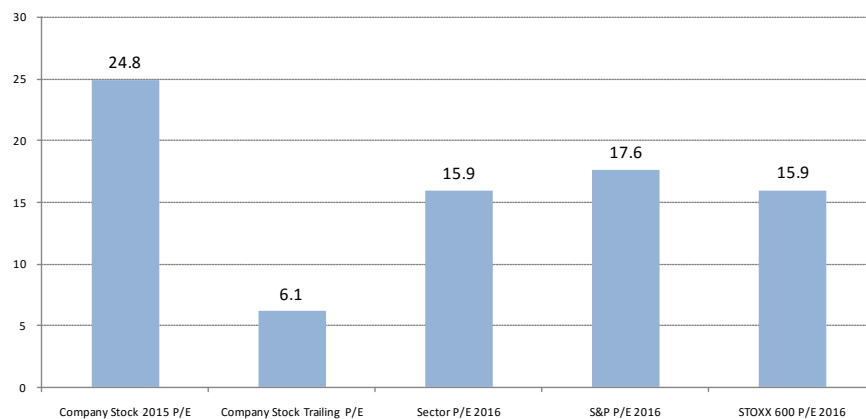
- Baxter International Inc., incorporated in October 1931, through its subsidiaries, provides a portfolio of essential renal and hospital products. The Company operates through two segments: Hospital Products and Renal. The Company manufactures products in approximately 30 countries and sells them in 120 countries.

Consolidated Revenue Breakdown per Geography

In \$ million	2010	2011	2012	2013	2014	2015
United States	5,264	5,709	6,056	3,584	3,999	4,001
Sales						
International	7,579	8,184	8,134	5,829	6,720	5,967
Sales						
Total	12,843	13,893	14,190	9,413	10,719	9,968
Sales						

Source: The Company.

Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated accounts, FACTSET.

Important Note:

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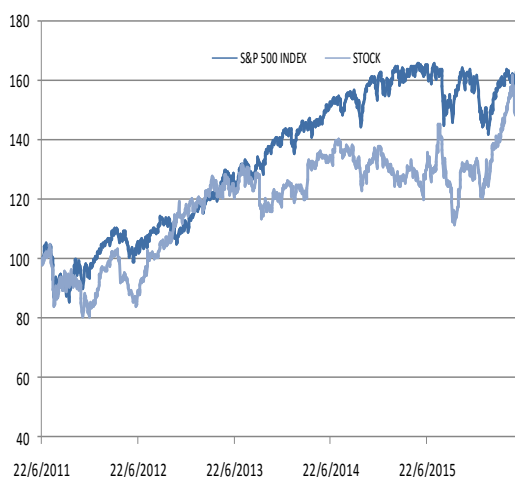
Business Sector: Pharmaceuticals, Health Care

BASIC FINANCIAL INDICATORS

(in \$ mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2010	12,843	2,662	1,890	1,420	16.9	3.7	10.5	0.67	22%
2011	13,893	3,533	2,809	2,256	10.6	3.6	7.8	0.76	34%
2012	14,190	3,688	2,889	2,326	10.3	3.5	6.9	0.69	34%
2013	9,413	3,313	2,550	2,012	11.9	2.8	8.3	0.72	24%
2014	10,719	3,989	3,052	2,497	9.6	3.0	7.4	1.02	31%
2015	9,968	2,065	1,180	968	24.8	2.7	13.3	0.65	11%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. Source: Official Consolidated Financial Statements, VRS Calculations. n/c stands for non calculable.

Stock Versus S&P 500 Index
(Last 5 Years, Base = 100)



Note: Share price performance based on share price closes on NYSE.
Period as day/month/year.

Working Capital Ratios

in \$ million		2010	2011	2012	2013	2014	2015
Revenues	\$ mn	12,843	13,893	14,190	9,413	10,719	9,968
Cost (net of depreciation)	\$ mn	6,885	6,847	6,889	5,251	6,138	5,822
Gross Profit Margin	%	46.39%	50.72%	51.45%	44.22%	42.74%	41.59%
Net Income / Profit	\$ mn	1,420	2,256	2,326	2,012	2,497	968
Net Profit Margin	%	11.1%	16.2%	16.4%	21.4%	23.3%	9.7%
Cash & Cash Equivalents	\$ mn	2,685	2,905	3,270	2,733	2,925	2,213

Stock Days	Days	126	140	149	243	94	101
Stock Inventory	\$ mn	2,371	2,628	2,803	3,499	1,577	1,604
Debtors Days	Days	64	64	62	113	64	63
Debtors - Receivables	\$ mn	2,265	2,420	2,425	2,911	1,884	1,731
Creditors Days	Days	213	235	234	338	159	167
Creditors - Suppliers	\$ mn	4,017	4,411	4,409	4,866	2,677	2,666
Operating Cycle (Days)	Days	190	204	211	356	158	164
Cash Cycle (Days)	Days	-23	-31	-23	18	-1	-3

Source: Official Consolidated Financial Statements, VRS Calculations.
Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
BAXTER INTERNATIONAL INC.	BAX:US	BAX:N	\$ 43.48	June 3, 2016	----

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2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
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