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## News Release

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First quarter at Bayer:

### **Very good start to the year – strong sales and earnings growth**

- Group sales grow by 14.3 percent (Fx & portfolio adj.) to 14.639 billion euros
  - EBITDA before special items increases by 27.5 percent to 5.251 billion euros
  - Substantial sales and earnings growth at Crop Science and Consumer Health
  - Sales up slightly at Pharmaceuticals – earnings lower than prior-year quarter due to investments in the future
  - Core earnings per share rise by 36.3 percent to 3.53 euros
  - Net income of 3.291 billion euros (up 57.5 percent)
  - Free cash flow improves by 63.2 percent to minus 1.187 billion euros
  - Outlook for 2022 confirmed – confident about the full year despite uncertainty due to global crises
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**Leverkusen, May 10, 2022** – The Bayer Group had a very successful start to 2022. “We achieved outstanding sales and earnings growth, with particularly substantial gains for our agriculture business,” said Werner Baumann, Chairman of the Board of Management, on Tuesday as he presented the quarterly statement for the first quarter of 2022. “Our forecast going forward this year remains confident despite the great uncertainties, including the stability of supply chains and energy supplies, and we confirm the currency-adjusted outlook for the full year published in March.”

Group sales in the first quarter increased by 14.3 percent on a currency- and portfolio-adjusted basis (Fx & portfolio adj.) to 14.639 billion euros. EBITDA before special items increased by 27.5 percent to 5.251 billion euros. Positive currency effects benefited sales by 529 million euros (Q1 2021: minus 938 million euros) and EBITDA before special items by 67 million euros (Q1 2021: minus 337 million euros). EBIT increased by 36.6 percent to 4.212 billion euros. This figure included net special gains of 40 million euros (Q1 2021:

15 million euros). These primarily related to provisions in connection with the glyphosate litigations. Net income rose by 57.5 percent to 3.291 billion euros. Core earnings per share from continuing operations advanced by 36.3 percent to 3.53 euros.

Group sales and earnings were not negatively impacted by Russia's invasion of Ukraine in the first quarter. In business terms, Russia and Ukraine do not rank among the company's top ten key countries; in total, the two countries account for around 3 percent of sales.

Free cash flow improved by 63.2 percent to minus 1.187 billion euros. Net financial debt as of March 31, 2022, at 34.527 billion euros, was 4.2 percent higher than at year-end 2021, mainly as a result of cash outflows from operating activities and negative currency effects.

### **Crop Science increases earnings by around 50 percent**

In the agricultural business (Crop Science), sales rose by 21.6 percent (Fx & portfolio adj.) to 8.447 billion euros thanks to substantial price and volume growth. Bayer's sales grew by double-digit percentages in all regions and achieved particularly strong growth at Herbicides (Fx & portfolio adj. 59.8 percent) and Fungicides (Fx & portfolio adj. 18.6 percent). While there was particularly strong growth for Herbicides in North America, Fungicides generated double-digit percentage sales growth in all regions. Corn Seed & Traits posted sales gains, primarily due to price increases in all regions. Here, Bayer also benefited from volume gains in the Europe/Middle East/Africa, Latin America, and Asia/Pacific regions. Sales at Soybean Seed & Traits were level with the prior-year period (Fx & portfolio adj. up 0.8 percent), and were higher in North America due to price increases but lower in Latin America due to lower volumes.

EBITDA before special items at Crop Science advanced by 49.9 percent to 3.669 billion euros, driven mainly by higher prices. Bayer also benefited from higher volumes and ongoing efficiency programs. By contrast, earnings were diminished by an increase in costs, particularly in the cost of goods sold, that was mainly due to high inflation. There was a positive currency effect of 98 million euros (Q1 2021: minus 252 million euros). The EBITDA margin before special items increased significantly by 6.6 percentage points to an all-time high of 43.4 percent; currency effects had a dilutive effect of 0.8 percentage points.

## **Pharmaceuticals: sales up thanks to Eylea™, Nubeqa™ and radiology business**

Sales of prescription medicines (Pharmaceuticals) rose by 2.6 percent (Fx & portfolio adj.) to 4.624 billion euros, climbing substantially in the Europe/Middle East/Africa region. The division was more than able to offset price-related declines in sales due to tender procedures in China, especially for the oral anticoagulant Xarelto™ (Fx & portfolio adj. minus 5.0 percent) and the cancer drug Nexavar™ (Fx & portfolio adj. minus 34.7 percent) through higher volumes for other products. This was possible in part by continuing to expand business with the ophthalmology drug Eylea™ (Fx & portfolio adj. 13.9 percent), which boosted market share in a growing market, particularly in Europe and China. Moreover, Bayer achieved gains in the Radiology category, particularly with Ultravist™ (Fx & portfolio adj. 26.4 percent), against a weaker prior-year quarter driven by the pandemic. Due to encouraging growth in volumes in the United States, Europe and Japan, the cancer drug Nubeqa™ recorded a sales gain of 61.5 percent (Fx & portfolio adj.). In addition, the market launch of Kerendia™ for the treatment of patients with chronic kidney disease and type 2 diabetes in the third quarter of 2021 had a positive impact.

EBITDA before special items at Pharmaceuticals declined by 7.3 percent to 1.389 billion euros. The main factors for this development were increased investments in future growth, primarily in the marketing and distribution of new products such as Kerendia™, Nubeqa™ and Verquvo™. The division also incurred higher research and development expenses compared to the prior-year quarter which had benefited from the proportionate recognition of 52 million euros in proceeds from the sale of a priority review voucher in the United States. Negative currency effects of 34 million euros (Q1 2021: 57 million euros) were an additional burden. The EBITDA margin before special items was 30.0 percent; currency effects had a dilutive effect of 1.6 percentage points.

## **Consumer Health posts strong sales increase and even better earnings growth**

Bayer's sales of self-care products (Consumer Health) advanced significantly by 17.2 percent (Fx & portfolio adj.) to 1.512 billion euros. This strong development followed a weaker prior-year quarter driven by the pandemic. Growth was once again broad-based, with all regions and categories contributing. Allergy & Cold had the highest growth contribution with sales up 38.7 percent (Fx & portfolio adj.), despite Bayer's comparatively smaller presence in Cough & Cold. The Nutritionals category delivered another

outstanding quarter of growth at 15.4 percent (Fx & portfolio adj.) with strong brands outperforming the market.

EBITDA before special items at Consumer Health advanced by 32.9 percent to 388 million euros. This was mainly due to exceptional sales growth, active price management and cost control. Bayer also recorded one-time gains through the sale of a minor, nonstrategic brand. Investments associated with the launch of innovation behind Bayer brands and inflation-related increases in costs weighed on earnings. There were positive currency effects of 6 million euros (Q1 2021: minus 26 million euros). The EBITDA margin before special items improved significantly by 2.4 percentage points to 25.7 percent; currency effects had a dilutive effect of 0.3 percentage points.

### **Recognition of Bayer's progress in the area of sustainability**

Bayer has made good progress with its sustainability targets, as was confirmed by the investor-led CA100+ initiative's Net-Zero Company Benchmark, in which Bayer was one of the top-rated companies. Bayer received seven (out of a total of ten) green indicators in the 2021 Benchmark published in late March (compared with only two in 2020), which was more than any other of the 166 evaluated companies. ISS ESG, one of the world's leading rating agencies in the Environmental, Social and Governance sustainable investment segment, likewise honored Bayer as a "climate outperformer" in its Climate Awareness Scorecard. ESG ratings are primarily used by investors as an indicator of a company's sustainability performance.

Furthermore, the Board of Management has decided to switch Bayer's vehicle fleet worldwide to electromobility, to take place as soon as possible. The specific time frame will be mainly influenced by market conditions and the pace of expansion of the EV charging infrastructure.

Notes:

The following tables contain the key data for the Bayer Group and its divisions for the first quarter of 2022.

The full quarterly statement for the first quarter is available online at:

[www.bayer.com/quarterly-statement](http://www.bayer.com/quarterly-statement)

Additional information for investors and access – from around 2 p.m. CEST – to the live broadcast of the investor conference call at: [www.bayer.com/live-ic](http://www.bayer.com/live-ic)

Print-quality photos can be found online at: [www.bayer.com/photo-footage](http://www.bayer.com/photo-footage)

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**Forward-Looking Statements**

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

## Bayer Key Data, First Quarter of 2022

(continuing operations)

<b>Bayer Group</b> (EUR million)	Q1 2021	Q1 2022	Change (%)
Sales	12,328	<b>14,639</b>	18.7 14.3*
EBITDA before special items	4,118	<b>5,251</b>	27.5
EBITDA margin before special items	33.4%	<b>35.9%</b>	-
EBIT	3,083	<b>4,212</b>	36.6
<i>Special items</i>	15	<b>40</b>	-
EBIT before special items	3,068	<b>4,172</b>	36.0
Net income**	2,089	<b>3,291</b>	57.5
Earnings per share (EUR)**	2.13	<b>3.35</b>	57.3
Core earnings per share (EUR)	2.59	<b>3.53</b>	36.3
Free cash flow**	-3,226	<b>-1,187</b>	-63.2
Number of employees***	99,329	<b>100,753</b>	1.4

<b>Crop Science</b> (EUR million)	Q1 2021	Q1 2022	Change (%)
Sales	6,646	<b>8,447</b>	27.1 21.6*
EBITDA before special items	2,448	<b>3,669</b>	49.9
EBITDA margin before special items	36.8%	<b>43.4%</b>	-
EBIT	1,753	<b>3,028</b>	72.7
<i>Special items</i>	-52	<b>45</b>	-
EBIT before special items	1,805	<b>2,983</b>	65.3

<b>Pharmaceuticals</b> (EUR million)	Q1 2021	Q1 2022	Change (%)
Sales	4,365	<b>4,624</b>	5.9 2.6*
EBITDA before special items	1,498	<b>1,389</b>	-7.3
EBITDA margin before special items	34.3%	<b>30.0%</b>	-
EBIT	1,369	<b>1,202</b>	-12.2
<i>Special items</i>	125	<b>48</b>	-
EBIT before special items	1,244	<b>1,154</b>	-7.2

<b>Consumer Health</b> (EUR million)	Q1 2021	Q1 2022	Change (%)
Sales	1,252	<b>1,512</b>	20.8 17.2*
EBITDA before special items	292	<b>388</b>	32.9
EBITDA margin before special items	23.3%	<b>25.7%</b>	-
EBIT	201	<b>284</b>	41.3
<i>Special items</i>	-6	<b>-18</b>	-
EBIT before special items	207	<b>302</b>	45.9

Sales changes on a currency- and portfolio-adjusted basis (Fx & portfolio adj.), EBIT(DA), special items, core earnings per share and free cash flow are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. For the definition of these indicators, see the current annual report at [www.bayer.com](http://www.bayer.com).

\* Fx & portfolio adj. / \*\* Including discontinued operations / \*\*\* Full-time equivalents at end of period