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Bayer refinances 1.75 billion euro hybrid bond

New issue of two tranches with a non-call period of 5.5 and 8 years combined with a tender offer for Bayer's existing hybrid bond

Leverkusen, Germany, November 7, 2019 – Bayer AG on Thursday successfully placed hybrid capital with a total volume of 1.75 billion euros. The issue comprises two tranches and exclusively targets institutional investors. It was more than five times oversubscribed. Bayer intends to list the hybrid bonds on the Luxembourg Stock Exchange.

Both tranches have a final maturity of 60 years. The first tranche in the amount of 1 billion euros with a non-call period of 5.5 years pays a coupon of 2.375 percent. The second tranche in the amount of 750 million euros with a non-call period of 8 years pays a coupon of 3.125 percent.

The proceeds will be used for general corporate purposes including financing a tender offer for Bayer's existing 1.75 billion euro 3 percent hybrid bond which is callable on July 1, 2020 (ISIN DE000A11QR65). The tender offer was launched on November 6, 2019.

Hybrids are a permanent feature of Bayer's financing strategy and support its conservative financial policy. The new hybrid bonds rank pari-passu with Bayer's outstanding hybrid bonds and are subordinated to all other financial liabilities. They are structured to receive equity credit of 50 percent from the rating agencies (Standard & Poor's, Moody's and Fitch). The purpose of the tender offer and issuance of hybrid capital is to proactively manage Bayer's hybrid portfolio and is expected to be broadly equity credit neutral for Bayer.

“Our new hybrid bonds were very well received by the market,” said Bayer CFO Wolfgang Nickl. “The high level of oversubscription and strong investor demand confirms the confidence that Bayer enjoys in the capital markets.”

BNP Paribas, BofA Securities and MUFG structured and placed the transaction as active bookrunners.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2018, the Group employed around 117,000 people and had sales of 39.6 billion euros. Capital expenditures amounted to 2.6 billion euros, R&D expenses to 5.2 billion euros. For more information, go to www.bayer.com.

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