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News Release

Bayer Q1 Media Update
Tuesday, May 14, 2024
Leverkusen

Address by
Board of Management

(Please check against delivery)

(2024-1503e)

Bill Anderson,

Chairman of the Board of Management (CEO) of Bayer AG:

Thanks to all of you for joining us today as we share our first quarter results. This call comes 70 days after our comprehensive strategic update in March. So, today, I'll be focusing my remarks on our performance, our progress in each of the focus areas we shared in March, and our priorities going forward. That should leave us with enough time to take your questions.

I'll start with our Q1 performance. Our sales came in at 13.8 billion euros. In currency and portfolio adjusted terms, which I'll use throughout my remarks, that puts us slightly below Q1 last year. We posted core earnings per share of 2 euros and 82 cents. Finally, free cash flow came in at minus 2.6 billion euros. This is an improvement over Q1 last year and is largely driven by lower litigation payouts. Overall, this result is in line with our expectations, and we're reaffirming our 2024 outlook at constant currencies.

Wolfgang will go through the financial performance in more detail in a few minutes. I would like to share a few highlights and some headwinds we saw in Q1.

First, on the highlights: In Crop Science, we outperformed all our peers in terms of sales trajectory in a challenging market environment. In Pharmaceuticals, our launch assets Nubega™ and Kerendia™ fueled our topline growth. In Consumer Health, our Dermatology category continued its impressive growth trajectory.

As you know, we also have some headwinds to manage: Glyphosate prices hurt our profitability in Crop Science. And we're seeing additional pressure from generics in some markets in Pharma – even if our team was actually able to manage a slight sales increase for Xarelto™ in the quarter.

Finally, currency effects weighed on our profitability across all three divisions, particularly Consumer Health.

So, while we're certainly never satisfied with declines, given market dynamics – particularly in agriculture – I think we can say that our teams kept their eyes on the ball in Q1. I'm proud of that and confident in our ability to deliver this year.

Beyond those results, a lot happened that didn't immediately show up in our numbers. In March, I highlighted four areas we're focused on to get Bayer back on track. Two months later, we've made progress in each area.

On growth and innovation: In Pharma, elinzanetant has consistently delivered positive topline results across all three late-stage trials. The first data from the OASIS program will be presented at the annual ACOG meeting on Friday. And our preparations to obtain first marketing authorizations are running at full steam.

Another highlight in the first quarter was the in-licensing of acoramidis from BridgeBio. This is an exciting opportunity. And we have started preparing ourselves to launch this important product in 2025.

In Crop Science, we are building on our leading position. With all of the new innovation we bring to the market, including hundreds of new hybrids and seed varieties, as well as several new crop protection formulations, we were able to outperform our peers in the first quarter. Just recently, we signed an agreement with AlphaBio Control. This deal gives us exclusive rights to market the first ever biological insecticide for arable crops.

And in Consumer Health, we introduced Iberogast™ to the United States last month. We acquired this trusted product in 2013 and have since scaled it to many countries in Europe and beyond. I've even been a customer in the past. Now, the tens of millions of Americans who experience occasional issues with their digestive health have the chance to benefit from Iberogast™ as well.

Regarding litigation: About two weeks ago, a Washington court decided in our favor by completely overturning a 185-million-dollar verdict. That's an important win because of its potential implications – as the errors that the court identified are relevant for all of the Sky Valley Education Center, or SVEC, trials and verdicts.

So what happened in this case? First, the court threw out a substantial portion of the key plaintiffs' expert's testimony on exposure. That decision impacts both prior and future trials. The court's decision found that testimony, I quote, "unreliable, untested, or junk science."

Second, the court found that the Company was improperly prevented from making an important legal defense argument – a critical error that was repeated in many of the subsequent trials.

Plaintiffs will appeal the decision. However, we feel strongly that the appellate court's decision on these two points is in line with the applicable law.

Now, on glyphosate: Both inside and outside of the courtroom, this issue remains at the top of our agenda – because it's bigger than just us. Threats to a sustainable supply of glyphosate have big consequences for our operations, for U.S. agriculture, for food prices, and for our planet. Farmers across the United States realize this. And they are concerned. That's why more than 80 groups have joined the Modern Ag Alliance – a coalition who wants to see U.S. agriculture regulated by science-based law – not the litigation industry. Simply put, we want lawmakers to hear the voice of the American farmer. Beyond that, we're looking at new ways to address this threat to our operations, carefully and urgently weighing the best way forward for U.S. farmers, U.S. consumers and our employees.

Next, on cash: Less than three weeks ago, at Bayer's Annual Stockholders' Meeting, 99 percent of voters approved our dividend proposal. We appreciate the overwhelming endorsement of this tough measure. It will help us deleverage and address the financial health of the company. Beyond this decision, Wolfgang will highlight our improved focus on cash conversion in just a few minutes.

Finally, regarding Dynamic Shared Ownership: I'll say more on the holistic impact on our businesses in a second. For now, I'll focus on the organizational changes we've made. Both our Crop Science and Pharmaceuticals teams have already announced the architecture of their new organizations. Julio just took over Consumer Health two weeks ago and they are shaping their organization with speed and focus. We're consolidating roles, designing teams for more impact, and taking out layers. Our senior leadership circle is already noticeably smaller than it was a year ago. In the first quarter alone, we've reduced 1,500 roles, approximately two thirds of these were management jobs. We have a target of 500 million euros of sustainable cost savings in 2024 and 2 billion euros in 2026. And we're focused on delivering. We'll continue to report on this on a quarterly basis so you're clear on how our organization is progressing.

But the most important measure of our impact will be much greater than a job number or a cost savings target. It will be in our ability to innovate, grow our businesses, and improve life for our customers.

That's what teams across Bayer are working on. Our Crop Science division has more than 250 teams in place working in Dynamic Shared Ownership, including all of the customer-facing teams in our two largest regions, North and Latin America.

Our Pharmaceuticals division has more than 180 teams up and running, including teams behind our biggest launches, like Nubeqa™, Kerendia™ and Eylea™ 8mg.

And our 90 DSO teams in Consumer Health are seeing improvements in product supply and innovation delivery.

Overall, we have increased the number of customer and product teams more than tenfold in just five months.

It's been an eventful start to the year at Bayer. There's a lot of change underway, and that can be distracting for a large organization. But I am daily inspired by our people's mission commitment and their drive to always deliver a better result. That's why I'm convinced there are plenty of wins in store for Bayer – both this year and in years to come, and on and off the football pitch. We're proud of our colleagues in Bayer 04 and we're happy to lean on their example as we focus on steering Bayer to a consistent winning performance, one quarter at a time.

In that spirit, before handing over to Wolfgang, let me leave you with some innovation highlights that will shape the next months at Bayer.

Our Pharmaceuticals' team soon expects a read out of the first Phase III study on Kerendia™ in heart failure. They're also expecting a readout of the Nubeqa™ ARANOTE trial.

Our Crop Science team is partnering with US farmers on the commercial introduction of Preceon™ Smart Corn System, featuring short-stature corn – a true gamechanger with the opportunity to reach more than 220 million acres globally.

And our Consumer Health team has a focus on increasing launch effectiveness, to get the most out of the science we're bringing to the consumer market.

That's just a glimpse of some of the great things happening in our pipelines and our portfolios. We're confident in our prospects for the year. And now, I'd like to turn it over to Wolfgang for more on our financial performance.

Wolfgang Nickl,

Chief Financial Officer of Bayer AG:

Thank you, Bill, and hello also from my side. I'd like to provide a bit more color on the drivers of our first quarter results.

Our financial results came in largely as expected.

On a currency and portfolio adjusted basis, Q1 sales were slightly below the prior year, down 1 percent. As reported, however, we saw a 4 percent decline, driven by about 500 million euros in foreign exchange headwinds.

On earnings, our EBITDA before special items came in at 4.4 billion euros which is 1 percent or about 60 million euros below the prior year quarter. We saw two major effects that largely compensated each other. A decline in Crop Science profitability, which is largely a function of lower glyphosate pricing, and a positive reconciliation result driven by lower long-term incentive provisions.

We also saw about 200 million euros of FX headwinds in our EBITDA before special items.

Core earnings per share of 2 euros and 82 cents were 13 cents or 4 percent below the prior year period, mainly impacted by higher interest payments and FX effects in the core financial result. The core financial result is in line with our modelling assumptions of around minus 2.3 billion euros for the full year.

Our free cash flow came in at minus 2.6 billion euros. In line with the crop business cycle, we saw a negative cash flow in the first quarter. However, it improved 1.5 billion euros

compared to last year. This was mainly driven by lower litigation related payouts for PCB. Additionally, the organization is laser focused on improving earnings conversion into cash and actively managing the working capital. Our Q1 free cash flow includes first positive results from our inventory initiatives.

Net financial debt increased to 37.5 billion euros by the end of Q1, in line with the seasonality of our cash flow profile. The debt level was also impacted by the appreciation of the US dollar.

Let's now look at the outlook. Based on our latest forecasts, we reaffirm our full year outlook at constant currencies.

In Crop Science, we are still well positioned to deliver a fourth consecutive year of growth in our core business and remain within the ranges we guided. The key vectors we anticipate for our core business are higher crop protection volumes and pricing in corn. The latter despite lower planted acres. For glyphosate we expect lower pricing, partially mitigated by volume recovery.

In Pharmaceuticals, we are still expecting headwinds on Xarelto™ to increase throughout the year, likely resulting in year-on-year sales declines of the division for the next three quarters to come. With the first quarter results, we feel comfortable to deliver on the division's full-year guidance for 2024.

For Consumer Health we continue to further improve the supply situation and also focus on driving consumption. In addition, we are launching new innovation to the market. With that, we plan to return to growth again in Q2 and to accelerate growth in the second half of the year.

As you can see on the right-hand side of this slide, we have updated our FX estimates, based on March end spot rates. Compared to December end spot rates, we have seen an appreciation in the US dollar. While this positively impacts our topline, it has a proportionally higher negative effect on our cost positions. Furthermore, the portion of our debt denominated in US dollar will see a negative translation impact. At the same time, we have seen depreciation in other currencies like the Argentinian Peso, Turkish Lira and Japanese Yen.

The current FX estimate considers these latest developments: Sales growth as reported remains in the range provided due to offsetting dynamics in the currency basket. At the same time, we now see an increased headwind on EBITDA before special items of minus 4 percentage points compared to about minus 3 percentage points previously. This then translates down to approximately minus 30 cents FX effect in core EPS. We also updated our FX estimate on Free Cash Flow to approximately minus 300 million euros and Net Financial Debt to about 500 million euros.

Thank you very much for your attention.

Forward-Looking Statements

These explanations 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. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.