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Bill Anderson,
Chairman of the Board of Management (CEO) of Bayer AG:

Enhance Performance - Regain Flexibility

Welcome everyone. And thanks for joining us today. As Michael just said, we have the whole board here, including our two newest members. Heike has been with us since last summer, so she may be familiar to some. And Julio is so new to the team that he's not even officially onboard yet. He was named the next President of our Consumer Health division. Julio has been in healthcare for 30 years, and he pairs strong commercial, financial, and analytic skillsets. He joins us from the Pharma division and he's spent considerable time in Consumer Health as well. Heiko is still fully on board until the end of April, and he will be representing his business today. But I would also like to give you the chance to get to know Julio, so why don't you say a few words.

Julio Triana:

Thanks Bill. And hi to all of you. It's a pleasure to be here today and I'm looking forward to officially joining the board and the Consumer Health team. The Consumer Health market is incredibly attractive. Our business is home to great brands and tremendous science. Heiko and the team have done a fantastic job with the business, and I can't wait to get started and get to know you.

Bill Anderson:

Thanks, Julio. To all of you: We appreciate you taking an interest in Bayer. We're very happy to have the opportunity to share our plans for the company with you today.

Bayer: A Global Leader in Health and Nutrition

Let me start by looking at where the company comes from. Over decades, Bayer has built businesses in Crop Science, Pharmaceuticals, and Consumer Health. That has happened through organic growth and a lot of M&A, including 12 major transactions in less than 20 years, including seven acquisitions and five separations. In that time, Bayer has almost completely changed its lines of business — from being one of the world's largest chemical companies now down to three areas of focus. That's a remarkable feat — and my predecessors have shown remarkable strategic foresight and guts — but all that rearrangement has come at a high cost, both in terms of the debt that we now have on our balance sheet, and in shifting the focus away from operations: the core task of ensuring that each employee can add value for customers every day.

That's where we come from. Today, we are only ten weeks into the year, but I'd like to share a snapshot of what's happened inside and outside of the company in just the past 65 days.

- In Pharma, we received market authorization for Eylea™ 8mg in the EU
- Our experimental medicine for menopause symptoms, elinzanetant, met all primary and secondary endpoints in two Phase III studies.
- We announced that we have the plan and the support of our employee representatives to implement our new operating model, with the massive changes that entails.
- To address our debt challenge, we proposed cutting the dividend to the legal minimum, a step unprecedented in Bayer's modern history.
- We received an adverse verdict in the glyphosate litigation, won another case, and saw a mistrial in a third.
- We're introducing short stature corn to farmers in the US.
- Yesterday, we strengthened our Pharma pipeline with a new cardiology drug in Europe.
- And tomorrow Aspirin™ celebrates its 125th birthday. We recently launched two new formulations behind the brand in both the US and Germany. Think about that. A 12-decade heritage, and we're still innovating behind it.
- Meanwhile, over the course of these ten weeks, our share price has hovered around a 20-year low.

What I Found at Bayer

I share this 65 day retrospective because it's indicative of what I found when I joined the company: a relevant mission, strong scientific and innovative capacity, a Pharma business that is progressing in an important rebuild. We have leading positions in Crop Science and Consumer Health, and a highly skilled workforce. But: we're facing some material challenges that remain unresolved, that weigh on our company. And it's time for that to change.

Capitalizing on our opportunities while resolving our challenges – that's what today is all about. We need to consider what's best for Bayer today to enable a better future for the company tomorrow.

Let me illustrate this idea with a personal experience: In 2021 I had a number of important plans and goals, both professional and personal. But on a Sunday morning in June that year, I was skateboarding, something I had been doing regularly for more than 40 years. And I had a freak fall which broke my right femur in four places. I was face down in the street, with no friends of family with me, and my leg was bent almost 90 degrees, and I was on the edge of unconsciousness from the pain. At that moment, all my plans and goals were suspended. Facts took over. I needed a hospital, an orthopedic surgeon, titanium parts to hold my bone together, days of nursing care and months of intense physical therapy. Today I stand before you with the ability to do everything I could before my accident — except for skateboarding, due to a lack of authorization from my wife. My change in circumstances didn't stop my pursuit of the most important goals, but it did force me to alter my path. Before the accident I was a man with a plan. After the accident I was a man with a plan — and a shattered femur! Having a broken leg didn't make me a lesser person, but it did dictate my immediate actions and greatly limited my options in the moment. Due to the wonders of modern video conferencing, I barely missed a day of work, but the accident did change my ability to do pretty much everything else!

There are some parallels between my personal story and Bayer today. Today, we're a company that makes a tremendous impact in the world everyday: for millions of farmers, patients and consumers. Sustainability is an integral part of our operations – and our businesses make enormous contributions to food security, health equity, and the health of the planet. We have shown that we can lead in industries. We have shown we can turn businesses around. We also have a decades-long track record of managing our portfolio, investing in businesses we want to grow and separating from businesses that are best positioned elsewhere.

If I stop the description of Bayer there, one could ask several strategic questions of the firm:

- What is the right structure for the company? Are these businesses best positioned under one roof?
- Are there new business areas we should be pursuing that are adjacent to existing ones, or even further afield?

But the description of Bayer doesn't stop there. We are a high-impact, mission-driven, life-science company with three strong businesses, but badly broken in four places. Shareholders who have been with us for the past five years have experienced the pain of this condition, and our employees have been through multiple rounds of lay-offs. All of that has been highly unsatisfactory – because the brokenness has not been fixed.

The four broken areas are: Pharma loss of exclusivities and pipeline, litigation, our debt levels, and hierarchical bureaucracy that blocks progress. Those four challenges greatly limit our ability to choose our destiny: whether that be as a three-division company or in smaller parts.

Conducted Our Strategic Review Based on Clear Criteria

We seriously considered the structure of our company. We did this with the help of numerous external advisors and a set of assessment criteria that included valuation levels, incremental value creation, speed of execution, execution certainty, timing of cash generation and resulting leverage ratios, and the impact on our future optionality.

At first glance, there are valid arguments to make a change. A pure play structure has become the norm in our industries. It's certainly the simplest approach and I think we can all understand its appeal. But you also always have to consider where you're coming from. And today these four broken areas severely limit our access to structural options.

Here's what I mean. When it comes to an IPO or a spin, this would require an all-hands-on deck effort for 18-24 months, and cash contributions would be delayed beyond that timeframe. In the meantime, the leverage ratios of Remain Co or New Co could go up significantly, jeopardizing our access to reasonable financing.

Then you could look at a sale, which is only relevant for Consumer Health in our case. And, you know, that could be attractive. We could pay down some debt with the one-time proceeds. Consumer Health is a great business, which has a track record of delivering great results. But a separation would come with significant costs and tax leakage. We also have some pretty clear indications from comparables that valuations aren't so strong at the moment. And we would have to say goodbye to a business that has been generating steady cash every year.

Further, neither of those options address the litigation ambiguity or the loss of exclusivities in Pharma. I've seen people try to get through patent cliffs by purchasing Phase III assets – and that's an expensive game with a lot of risk and the industry track record on these sorts of deals is poor.

Finally, any kind of structural change would consume the bulk of management's time and energy over at least a 24-month period. Since joining Bayer, I've talked to a number of CEOs who have gone through big structural changes. What I heard is clear: you can overhaul operations to improve performance, or you can make a big structural change, but you really can't do both at the same time. A big structural change could be good reason for all hands on deck, but not today when we need total focus on overcoming these four challenges.

No Break-Up Now, Creating Future Optionality

In short, on the question of structure, our answer is "not now" – and this shouldn't be misunderstood as "never." Of course, we will keep an open mind. We'll always do that. But our priority is on tackling our challenges, boosting performance, and creating strategic flexibility. We are convinced that this approach is what's best for Bayer. So for the next 24-36 months, that's where we'll put our energy and focus: implementing our Dynamic Shared Ownership operating model to improve performance, meaningfully addressing litigation, advancing the debt level toward an A rating, building a strong Pharma pipeline.

The past 11 months weren't just marked by analysis. Over that time, we've taken bold action. In summer of 2023, we initiated a decisive overhaul of Bayer's operating model that has already resulted in faster decision-making, an acceleration of innovation timelines, and simpler structures. We've mobilized the entire company, including our employee representatives, behind a reimagination of every aspect of our operations.

In July of 2023, we made the tough call to cut our guidance. In August, a few weeks later, I said we had to deliver to begin earning back trust. In November, I said that we were confident in our adjusted guidance. Today, as you saw from the results we published this morning, we delivered at the upper end of each aspect of our adjusted guidance. There are twelve 90-day cycles between today and the end of 2026. At each one of those, my team and I intend to say that we've delivered.

Bayer's Supervisory Board is also making major changes, including refreshing its membership with expertise in capital markets, mass litigation and pharma product development. They're also proposing a new incentive compensation system for us. Short term, I and my management team will be compensated by three simple measures: revenue growth, profitability, and cash. That's the triangle we will be measured against, and we will be measured not as individuals, but as a team. Long term, based closely on shareholder input, the Supervisory Board is proposing a compensation scheme that closely aligns outcomes for management with outcomes for shareholders.

There's a lot of change happening at Bayer. It's making us more accountable and transparent. That starts with taking a hard look at our four challenges.

Addressing our Challenges

The first is **Pharma loss of exclusivities and pipeline**. I see this as our biggest lever to recover value for the company. And I like the progress here, but we have a lot more to do. The company has developed a strong early pipeline. And we have some promising later-stage candidates, but there's no doubt we are facing some difficult years with Xarelto™ and Eylea™ facing loss of exclusivity. Our team has an unwavering focus on building the base business, accelerating our highest-impact early-stage projects, and maximizing the momentum behind our launch assets. We delivered eight investigational new drug applications in 2023 and we are going to keep moving at that pace. Our focus is on increasing the value of our assets over time. And we're leaning on our new operating model to boost our speed and efficiency in that work.

Another major challenge is **litigation**. This is a huge burden on our financials and our ability to invest in better medicines and solutions to feed the world. Both PCBs and glyphosate are at the top of the board's and my agenda right now. They're different cases, with very different dynamics. And that shapes the nature and pace of our response, but I can tell you we are making a number of changes in the way we manage them.

Let me briefly start with PCBs. This is a product that Monsanto stopped selling in the 1970s. And there were multiple parties involved in the production chain — so we're not alone. This is a different dynamic than glyphosate. The litigation will ebb and flow over time – and that will influence our response. We will defend ourselves in individual cases as we assess the broader situation.

Switching to glyphosate, let me start with some facts:

Glyphosate is safe.

That's been confirmed time and time again by regulatory authorities and scientific bodies worldwide. Just three months ago, the European Commission extended the product's registration for another 10 years, based on the European Food Safety Authority's thorough assessment. Even in California, a state I've lived in, where even routine household items carry cancer warnings, a court said it would be "false and misleading" to put a cancer warning label on glyphosate products.

Glyphosate is essential.

It is the most widely used crop protection chemical in the world because of the unique role it plays in keeping weeds at bay and protecting the yields of important crops, from row crops to fruits and vegetables. This has major implications on keeping food prices affordable which is especially important today after several years of high food inflation.

Glyphosate facilitates no-till farming, which is pivotal for keeping carbon in the soil, significantly reducing energy and fertilizer requirements. Without glyphosate, carbon emissions from farming would rise dramatically.

Glyphosate plays a major role in farm economics. Threats to its availability jeopardize the livelihood of farmers, as evidenced by the more than 360 farmer advocacy groups that recently brought this issue to the attention of the US congress. They are concerned because Bayer is the only US source of glyphosate.

Those are the facts. Now to actions. We have a number of cases upcoming this year. Our new general counsel has brought in some new external counsel, and we are adding a litigation expert to our supervisory board. We will defend ourselves vigorously. We welcome positive outcomes like the ones we saw on Friday, and we will appeal every unfavorable verdict. We continue to see reductions of awards by roughly 90 percent on average. And we are still working to have verdicts set aside completely.

But it's clear that a strategy of defense alone is not enough. We are looking at the litigation topic from every angle, inside and outside the courtroom. That includes much more thorough engagement with other stakeholders in the realm of public policy. It includes considering every possible means to bring closure to these lawsuits for the company and for our customers. Expect more action from Bayer in this space, but we will only comment on it when and where it is in the company's best interests.

Third, **the debt.** You can expect an intense focus on profitable growth from our base business — as well as conversion to higher cash flows. And we aren't stopping there. Two weeks ago, we shared our plans to amend the dividend policy to reduce debt. We plan to pay out only the legal minimum over the next three years. That wasn't an easy step to take. In fact, it's the first time in post-war history Bayer has taken such a decision. We're determined to get back to strategic optionality. And we will continue to make the hard decisions that are right for the company.

We are confident that our proposal will get approved by shareholders at the upcoming shareholders meeting. The reactions I've heard and seen confirm that this difficult step was a necessary one. Debt reduction will be our top priority with the retained cash. This step will help us advance toward a single A rating category over the next 34 months.

Finally, **bureaucracy**. We are well underway in implementing a radical new operating model, DSO. This system redesigns the entire company into teams focused on improving lives for our customers or improving our products – and eliminates everything else.

Our New Operating Model Yields Several Advantages

Let me be clear. This is not simply a cost savings program. Cost savings will be the outcome, not the goal. DSO will fuel growth through customer proximity and innovation. Consumer Health, our division with the shortest innovation cycles, has already shortened the timelines for some key launches. Crop Science is reimagining its commercial model to simplify the customer experience in all four regions, and Pharma is accelerating market access for Eylea™ 8mg, one of our biggest launches this year.

Work like that is what makes me confident. Because, beyond the four challenges I just addressed, we have a lot to build on in our businesses. Dynamic Shared Ownership will focus the entire organization on our customers and products. Resources will dynamically flow away from static processes and committees and toward our highest-impact projects. It will take out 2 billion euros in annual organizational costs as of 2026 – and costs are only one of the benefits. Now, let me hand over to Heike for more on how we're bringing DSO to life.

Heike Prinz,
Member of the Board of Management of Bayer AG,
Chief and Talent Officer and responsible for human resources:

Enabling DSO through Organizational Design

Thanks, Bill.
By the end of this year, Dynamic Shared Ownership will touch every part of our organization with dedicated teams organized around – and focused on – customers and products. These teams are supported by a network of enabling and technical functions – making decisions faster and in ways that best support customer needs in a more synergistic way than was possible in our previous hierarchical model.

At the end of 2023, we had 50 teams and 2500 people working in this model. Today, we've scaled it to 300 teams, with thousands more working in the system. And we'll continue to scale with unprecedented speed and expect to have nearly every employee at Bayer engaged in DSO by year-end.

To do this, we're working on a complete redesign of our operating model. We're reducing layers to the minimum imaginable – in some areas we have 12 layers between Bill and our customers today. Our target are 5 to 6 layers across the entire company. We're reimagining span of enablement and coaching – what we used to refer to as span of control – towards a minimum of more than 15 employees per leader. And, we're optimizing our management structures. To put this into perspective, today we have more than 17,000 people managers. More than 30% of those managers lead small, micro teams with 4 or fewer direct reports – some managers even only have 1 direct report. This not only creates complexity but also showcases the underlying challenges of a hierarchical model. So, we're really flipping the script across our businesses.

Let me give you one concrete example from our Pharma team in North America who went live at the end of last year with an entirely new operating model. They reduced the numbers of managers by 40 percent and increased their span of coaching from 8 to 9 employees per leader to 15 to 20. They now operate with 68 field-based microbusinesses that are designed to provide a unified, more seamless customer experience. These squads of 15 to 20 people are largely autonomous, cross-functional units that set and execute their own strategy. They have ownership of their spend and can flex resources or evolve team composition to address unique market dynamics and opportunities. This has already led to radical changes to unleash the power in our organization with a much flatter organization with more people being coached and guided by far fewer leaders.

Across our Enabling Functions, we can also see substantial movements. I want to highlight two big steps we've taken to move towards a system that puts customers – and not internal processes – at the center. We dissolved complete organizations – such as our in-house Business Consulting team – and we are substantially reducing ''control'' organizations – such as our Internal Audit team – by close to 50 percent by reducing their scope to focus on material risks. Across all our functions, we are putting everything on the table. We're not relying on ''how it's always been done'' but really looking at what is really required, what really adds value, and how can we best set ourselves up to deliver on customer needs.

As Labor Director, I would be remiss if I didn't point out how important our Employee Representatives are in this transformation. In a codetermination system like Germany, changes of the magnitude we're undertaking can sometimes take more time. Fortunately, our employee representatives understand the urgency of our situation and are supportive partners in this transformation – helping us to move swiftly and at the pace we need to succeed. I'm in regular contact with them, and we are confident that DSO will propel Bayer to a better performance, while creating more meaningful jobs at Bayer.

With that, I'm handing over to Bill again.

Bill Anderson:

Through 2026: Enhance Performance and Regain Flexibility

Thanks Heike. In a minute, Wolfgang will tell you how we see our business developing in 2024. First, I'd like to paint a picture of where we're taking Bayer over the next three years. By the end of 2026, I see a company that has weathered the loss of exclusivities and rebuilt the Pharma pipeline, that advanced effective strategies to contain litigation and has significantly improved our leverage ratios, that has strengthened its leading position in agriculture, and is well on its way to bringing 10 blockbusters to market in Crop Science, that is outperforming peers with leading brands in Consumer Health. I see a Bayer that has tackled the bureaucracy, fully centered on customers and products, with each one of our businesses leaner and more effective than their competitors – with the strategic flexibility to claim its own destiny and a system of performance that pushes us to be better in rapid intervals.

Health for all, Hunger for none

The reason all of that is important is because the work that we do really matters. When we say "Health for all, Hunger for none," we're not being naïve idealists. Hunger and disease aren't problems you can solve in a lifetime. But they're some of the biggest issues facing the world today, and we know our businesses can be a true force in addressing them. For Crop Science, that means taking today's level of agricultural production and then producing 50 percent more, all while restoring nature. For Pharma, that means looking at diseases that have afflicted human life for as long as we can remember and daring to go after a new treatment, if not a cure. For Consumer Health, that means delivering medicines most of us take for granted – for heart health, for cuts and bruises, or for a headache – and reaching 1 billion people with them, especially those who need healthcare most.

Those are big goals. They extend over decades. But they will give us clarity of what we're working toward – and I am confident we have the people, the products, and the plan to go after them. We're focused on doing that in the fastest, most productive way possible – and getting rid of everything that stands in our way.

Thank you very much and I'd like to hand it over to Wolfgang.

Wolfgang Nickl,

Chief Financial Officer of Bayer AG:

Thank you, Bill. First, I would like to briefly take you through our financial results for 2023.

As you all know, we lowered our outlook in July last year, mostly due to much lower-than-expected glyphosate prices. We have delivered against our revised commitments, based on a strong performance in the fourth quarter in particular on the cash side. Sales came in at 47.6 billion euros and EBITDA before special items at 11.7 billion euros, both at the higher end of the ranges provided.

Core earnings per share came in at 6.39 euros, at the upper end of the guidance corridor. With our revised outlook we forecasted zero free cash flow for the year, but we achieved 1.3 billion euros by end of the year. This also translated into a better-than-expected Net Financial Debt, where we closed the year with 34.5 billion euros.

There can be no doubt that we are far from our good results the year before. It must be kept in mind, however, that 2022 was an exceptionally good year for us in which we benefited from very high glyphosate prices.

If we look at the past five years, we can see that our performance over that time was very robust. And we achieved this in a highly volatile macroeconomic environment dominated by crises such as the pandemic and the war in Ukraine. Over the five-year period, we raised sales by around 2 percent per year and clean EBITDA by approximately 1 percent per year.

But the clean EBITDA results do not fully translate into consistent Free Cash Flow growth. Out of about 11.9 billion euros in EBITDA before special items we only generated 2.3 billion euros in free cash flow – on average per year. Of course, we need to account for CAPEX, tax, financial results and restructuring but another major impact comes from litigation related payouts. These latter include settlements and judgements and very significant cost of defense as well. Without these, our company would have generated about 5 billion euros of cash flow on average per year.

I would now like to briefly talk about the 2023 business performance in the divisions, which my colleagues will then explain in more detail. Please remember, that we always refer to sales growth in currency-and portfolio-adjusted terms. This applies to what you will hear from me and my colleagues today.

Let's start with the agricultural business: Sales at Crop Science fell by 4 percent to 23.3 billion euros. EBITDA before special items decreased by 27 percent to 5 billion euros. This development was mainly due to the significant price declines for glyphosate-based products. By contrast, the division achieved an above-market sales growth of 7 percent in its core business excluding glyphosate, thanks especially to price increases.

Sales at Pharmaceuticals in 2023 came in level year on year at 18.1 billion euros. We achieved significant gains with our most recently launched products Nubeqa™ and Kerendia™. Furthermore, we posted continued sales growth for Eylea™ and in our Radiology business. These effects were offset by declining Xarelto™ sales and much lower than anticipated sales in China. This latter was due partly to pandemic-related developments at the start of the year and an anticorruption campaign in the health sector that indirectly impeded demand there.

EBITDA before special items at Pharmaceuticals decreased by 12 percent to 5.2 billion euros in 2023. This was primarily due to an unfavorable product mix and higher R&D investments.

Sales at Consumer Health increased by an encouraging 6.3 percent to 6 billion euros, against an already strong previous year. We posted double-digit-percentage sales growth in the Dermatology category, thanks partly to continued high demand for Bepanthen™ and Canesten™, as well as in the Pain & Cardio category. We also significantly increased sales of cough and cold products, particularly in Europe.

EBITDA before special items at Consumer Health increased by 3 percent to 1.4 billion euros in 2023, mainly driven by operational productivity programs, successful price management and sustained sales growth. We thus more than offset the inflation-related strong rise in costs and higher investments in marketing innovative products. That concludes my review of our financial figures for full-year 2023.

Let's now move on to the outlook for 2024, which is again adjusted for currency effects. For sales, we expect a relatively moderate development of minus 1 to plus 3 percent in 2024, resulting in 47 billion to 49 billion euros. The fairly broad range that we are forecasting here is due to the unpredictability of key business drivers. Regarding our top line, these are the expected double-digit decline of Xarelto™ sales due to loss of exclusivity, the continued negative impact on our Pharma business in China, and the volatility of the agricultural markets. Furthermore, we expect increased pressure on our profitability and thus an approximately 3 to 9 percent decline in EBITDA before special items, resulting in 10.7 billion to 11.3 billion euros. We anticipate that core earnings per share will come in between 5.10 and 5.50 euros. Despite the lower profitability, we expect Free Cash Flow to increase to between 2 and 3 billion euros. As a result, we aim to reduce our net financial debt to between 32.5 and 33.5 billion euros.

As we already communicated two weeks ago, our clear focus for the next three years is to reduce our debt level. This is what we will mainly use our cash for. We therefore plan to change our dividend policy to only pay out the legally required minimum dividend for the next three years. For 2023, the Supervisory Board and Board of Management will propose a resulting dividend payment of 11 cents per share at the upcoming Annual Stockholders' Meeting.

And now I'd like to hand over to my colleagues who are in charge of running our operational businesses, starting with Rodrigo for Crop Science.

Rodrigo Santos,
Member of the Board of Management of Bayer AG and
Head of the Crop Science Division:

Thank you, Wolfgang. I'm pleased to provide more insight into the Crop Science performance.

Overall, our Crop Science business had a solid year, delivering on our revised guidance, as previously adjusted for glyphosate price normalization.

Our core business – so everything except glyphosate - has shown robust growth of 7 percent, outpacing our industry peers and the broader market. This growth spans across every region and nearly every business segment. With our world-class innovation in Seeds, Crop Protection and Digital Technologies, we are delivering value to farms of all sizes, regions and crops.

Let’s take Corn, for example, with the Preceon™ Smart Corn System. The breeding approach saw a successful Ground Breakers program last year and is now moving on to targeted commercial introduction in the U.S. Our biotech trait approach advanced to Phase IV, moving closer to an estimated 2027 launch. These are big milestones for this promising corn system solution, which is expected to fit on 220 million acres globally.

In our Crop Protection business, the launch of Fox Supra™, our newest offering for the control of Asian Soybean Rust, we are further strengthening our No. 1 position in Soybeans in Latin America.

And these are just two examples of the continuous innovation we bring to farmers every year. In 2023, we launched more than 400 new hybrids and varieties, registered more than 190 new crop protection products, and introduced 6 new formulations.

We are making big strides on our journey of scaling Regenerative Agriculture and tapping into adjacent market opportunities.

In India, we introduced our Direct-Seeded Rice system. Compared to traditional rice transplants grown in flooded paddy fields, Direct Seeded Rice is sown in the ground. This system has the potential to cut both water usage and greenhouse gas emissions by more than 40 percent.

We also saw first revenue streams from our Carbon programs – ForGround in the U.S. and ProCarbono in Brazil. With PRO Carbono Commodities, we were able to make our first shipments of Brazilian soybeans with a measured, tracked and deforestation-free carbon footprint. A great example of our efforts to protect forests and other natural vegetation!

On the digital front, the Azure Data Manager for Agriculture is officially in preview, developed as part of our strategic partnership with Microsoft. The platform enables companies in the agri-food value chain to accelerate digital innovation and build new business value. Built on top of the Azure Data Manager, our AgPowered Services leverage our industry-leading expertise to provide insights on crop health, weather forecast, crop growth tracking, and more.

On the operational side, we are moving fast with the implementation of our Dynamic Shared Ownership model, with 50 of the 450 planned customer facing squads already launched and executing changes.

In summary, we delivered solid Core business results and continued to advance key technologies in our pipeline, helping us to execute on our vision of Producing More, Restoring More and Scaling Regenerative Agriculture.

With that I would like to share our outlook for 2024:
We expect sales to grow by minus 1 to plus 3 percent on a currency and portfolio adjusted basis, with core growth of 1 to 4 percent and an EBITDA margin before special items in the range of 20 to 22 percent at constant currency.
With that, let me hand it over to Stefan for an update on the Pharma business.

Stefan Oelrich,
Member of the Board of Management of Bayer AG and
head of the Pharmaceuticals Division:

Thank you, Rodrigo.
For our Pharmaceuticals division, 2023 was a rollercoaster: We saw remarkable achievements and faced significant challenges.

First, let me highlight the progress we made in executing our strategy:
Our cancer medicine Nubeqa™ and our heart and kidney medicine Kerendia™ delivered good results in 2023. Sales of Nubeqa™ almost doubled, mainly driven by strong uptakes in the United States and Europe. For Nubeqa™, we aim to surpass the 1 billion euros in sales this year.

For our ophthalmology blockbuster product we received approval for Eylea™ 8mg in Europe as well as in Japan in January 2024, which will allow us to secure our market leadership for the treatment of two specific types of eye diseases and provide patients with up to five months between injections.

These positive developments will support us in driving sales momentum and support our top line. We also made considerable progress with our late-stage development pipeline.

For our potential blockbuster candidate elinzanetant, we obtained positive top-line results in two pivotal Phase III studies, reinforcing the candidate’s potential as a non-hormonal treatment option, capable of transforming the way menopausal symptoms are treated.

And we have just acquired the marketing rights in Europe for acoramidis, an orally administered small molecule drug for the treatment of a progressive and fatal heart disease. Acoramidis met all endpoints in phase III clinical studies and is already being reviewed by European regulators for marketing approval.

As part of the ongoing transformation of our Pharmaceuticals division, we further bolstered our research and development capabilities and sharpened our research focus on four therapeutic areas: Oncology, Cardiovascular & Renal Diseases, Neurology & Rare Diseases and Immunology.

Selected investments as well as the successful work of our teams at AskBio, BlueRock and Vividion continue to strengthen our early, mid, and late-stage pipeline. We have made significant progress in the area of cell therapies and gene therapies, reaching important clinical trial milestones and advancing development programs into the next phases of clinical testing. From our chemoproteomics platform, we successfully advanced the first two programs into the clinic to address unmet need in cancer patients.

However, we also encountered some challenges. While the results of a Phase III study investigating asundexian in patients with atrial fibrillation at risk for stroke did not allow for a continuation of this specific development, we will continue to investigate this important compound for secondary stroke prevention.

Another challenge was the expected loss of market exclusivity for Xarelto™. We felt increasing pressure from generics in several markets. This situation will continue and expand in further markets throughout 2024.

In China, the ongoing volume-based procurement policy had a negative impact on our business. Furthermore, the country’s anti-corruption campaign in the healthcare sector posed indirect challenges. We have seen an indirect negative effect on our business due to postponement of medical events and limited access to healthcare practitioners. However, with our strong compliance culture, we will benefit from a fairer and more ethical competitive environment in China in the long run.

In 2024, we will continue to deal with these and other challenges. At the same time our new Dynamic Shared Ownership operating model will help us to become more efficient and more product and customer centric. We will therefore continue to invest in our pharmaceutical business - and thus in the future. For 2024, we are forecasting sales decline of 0 to 4 percent and an EBITDA margin before special items of 26 to 29 percent.

Thank you. And with that I will hand over to Heiko.

Heiko Schipper,
Member of the Board of Management of Bayer AG and
President of the Consumer Health Division:

Thank you, Stefan. It is my pleasure to give you an overview of our Consumer Health divisional performance for 2023, and to give you a sense of where we want to go in 2024, and beyond.

In 2023, we achieved strong, broad-based sales growth of 6.3 percent, amounting to just over 6 billion Euros, on top of a very strong prior year growth. This performance surpassed our 2023 growth guidance of around 5 percent. Additionally, we recorded an EBITDA margin of 23.4 percent, a substantial expansion of 90 basis points versus the prior year, meeting the upper end of our full year guidance of around 23 percent.

Achieving this amid a volatile economic and geopolitical environment is a testament to our teams, to good consumer demand resilience, and the continued appreciation and trust in our iconic brands. Stand outs are our Dermatology category which saw strong 12 percent growth across regions and brands, driven by Bepanthen™ and Canesten™, and high demand for our regional brands in China, as well as the 12 percent growth we achieved in Pain & Cardio.

Our Allergy & Cold, as well as Digestive Health categories achieved single digit growth in 2023, while Nutritionals were on previous year levels. Other positive developments were the strong growth of our eCommerce business as it recorded over 20 percent growth and the launch of our new precision health unit. Looking at our results from a regional perspective, we achieved growth in 3 out of 4 regions, while North America sales were on prior year levels. A final point of pride is how in 2023 we reached over 75 million people in underserved communities with our access programs contributing around 20 percent of our total 2023 growth, demonstrating that expanding access to proven healthcare solutions is not only good for our business, but also the communities we serve.

Looking to 2024, we expect continued broad-based growth across regions and categories at around 3 to 6 percent, with an EBITDA margin between 23 and 24 percent, with acceleration towards these goals really kicking in post Q2.

Talking of acceleration, we are this year embarking on a bold vision to “Help over 1 billion people to live healthier lives with most trusted self-care solutions”. Achieving this will be based on an evolved gameplan to grow our brands ahead of the market, generating strong demand with our customers and consumers for our iconic, much-loved brands, a focus on innovation and launch effectiveness, and the winning, creative, and consumer-centric capabilities of our teams.

We will also seek to accelerate our operational efficiencies and our progress towards this vision by adopting new ways of working under DSO and have started working in truly cross-functional customer and category/brand teams. The impact of this way of working speaks for itself and our frontrunner teams are already achieving impressive outcomes, including significantly faster times to market for innovative products or much reduced supply chain lead times.

You already have heard that I will be leaving Bayer on April 30th. It is with tremendous pride that I look back on this team’s many accomplishments of the past 6 years, how we turned the business around and built a true foundation for success. In Julio Triana, the team is getting an experienced healthcare leader with a proven track-record of delivering and a fantastic knowledge of the company and this business having now been a member of Team Bayer for over 20 years, including time spent in Consumer Health. I leave knowing fully well that this division, under Julio’s leadership, is well positioned to deliver on its commitments and that it will work with passion and drive towards achieving continued success and growth in the future. Thank you.

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