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News Release

Bayer Q3 Media Update
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Address by

Board of Management

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

Thank you for joining today's call. We posted our results for the third quarter earlier today. As you saw, sales are slightly up in currency and portfolio-adjusted terms, both in the quarter and year-to-date. Note that we will refer to currency and portfolio-adjusted sales growth figures throughout today's presentation. Core EPS is at 4,29 euros, up 7 percent from last year. And free cash flow is at negative 800 million, which is in line with our projections and the seasonality of our business.

Here's what the picture looks like in our divisions. First, Crop Science: Q3 is always a smaller quarter for our agriculture business, but Crop Science continued to show resilience. Sales are slightly down nine months into the year, with the significant regulatory effects we're absorbing. Corn is up 9 percent this year, with solid Q3 growth coming from increased acreage in the US and a strong start to the season in Latin America. Our core crop protection business was down 2 percent in Q3 on the expiration of the Movento™ license in Europe. Glyphosate, which we steer separately, posted slight Q3 growth on account of pricing.

On the bottom line, we're realizing efficiency gains from our operating model and profitability measures. While Q3 had some favorable phasing, we're very well-positioned to deliver our commitments for the full year.

Moving on to Pharmaceuticals, we remain encouraged by the resilience of our topline. Both Nubeqa™ and Kerendia™ continued their impressive momentum, with Nubeqa™ up 60 percent year over year and Kerendia™ up nearly 80 percent in the same timeframe, thanks in particular to strong growth in the U.S. and China. Eylea™ declined in Q3. We saw significant pricing pressure in both Japan and Canada, as well as some one-time effects, but remain confident in our ambition to keep 2025 Eylea™ sales stable relative to 2024.

Our year-to-date EBITDA margin is at 26.1 percent. This is down slightly from last year, due to pricing pressure, currency effects, and investments into our launches, but we're on track to land within the guidance we upgraded in summer.

In Consumer Health: We see an increasingly challenging market environment, particularly in the U.S. and China. In that context, our year-to-date growth is currently behind our full-year projection, due to the soft market environment. We expect those dynamics will put further pressure on our top line growth in Q4, so we're lowering our 2025 sales growth expectation for Consumer Health. Regardless of how the market develops, we're committed to delivering an EBITDA margin in line with our guidance of 23 to 24 percent and continued strong cash contributions.

Overall, in a pivotal year, we're in a strong position to deliver the 2025 group guidance we upgraded last quarter. There's more to do, this year and beyond. Looking at 2026, we look forward to continued growth from Nubeqa™, Kerendia™, and the first meaningful sales from Beyonttra™ and Lynkuet™, which we just received FDA approval for. We remain confident that our Dynamic Shared Ownership system will deliver continued efficiency gains in line with our commitments. And we are aware that we have challenges to navigate, including declines in Xarelto™ sales, currency headwinds, and some trade uncertainty. However, overall, we are confident in our improvement plan and the trajectory of our business. We're finalizing our assumptions and will provide more transparency on 2026 in our call on 2025 Full-Year Results in February.

Now let's take a look at our strategic agenda. I'll mention a few of the highlights captured on this slide. On our Pharma pipeline, we announced FDA approval of Lynkuet™ just two-and-a-half weeks ago and we expect it to reach the US market in this month. Further, we are making good progress with our cell and gene therapy assets against Parkinson's, which are now in phase 3 and phase 2, respectively. In addition, we just announced study data for Kerendia™ in patients with chronic kidney disease associated with type-1-diabetes, making it the first medicine in over 30 years to demonstrate positive results in addressing the high risk of kidney disease progression and cardiovascular events in this patient population.

In litigation, as each prong of our strategy advances, we have a clearer view of the paths to significant containment. I say paths – plural – because there isn't just one way to get there and no one way alone will be enough. We are making significant progress and we are confident in our objective to significantly contain the litigation risk by the end of 2026. Here's where we stand. I'll start with PCBs. We recently received an adverse verdict on the PCB Erickson case by the Supreme Court in the state of Washington. This verdict confirms that our earlier decision to reach settlements on the remaining SVEC cases was

the right one. Nonetheless, we disagree with that decision and concur with the dissenting justices, who found the court's opinion judicially inconsistent on the statute of repose issue. We're considering further legal options for that specific case. And, overall, we will continue to consider all options to limit the company's risk exposure.

In the glyphosate litigation, we're expecting a recommendation from the US Solicitor General as to whether or not the US Supreme Court should hear our case. We remain optimistic that this recommendation will occur in time for the current session, which ends in June 2026. This is an important decision, and we have plans in place for all outcomes.

In the legislative realm, we continue to believe that U.S. farmers need certainty. That's particularly true in times of challenging farm economics. At the federal level, both the Appropriations Bill and the Farm Bill are important pieces of legislation that reinforce clarity on how essential crop protection tools are regulated in American agriculture. The government shutdown has delayed congressional activity. It's essential that progress is made, and we are making that case. At the state level, another round of legislative sessions will soon kick off, beginning in January. We think it's very important to defend the work of American farmers and we will advocate for the innovation and regulation they need.

Overall, we know that we have a crucial and highly dynamic phase ahead of us. You see this dynamic reflected in our provision, which moved over the past quarter due to a range of factors. For example, after Q2 we announced some confidential settlements, which were followed by a moderate increase in glyphosate case filings. It's natural that the prospect of settlements would prompt an increase in the case count and we expect that to continue as our containment efforts mature. The case count leads to additional provisions, as do the costs of litigation. At the same time, we've reached settlements on some verdicts at both the appeals and post-trial motion phases because settling them was advantageous in limiting the company's exposure. Finally, the recent PCB Erickson verdict led to an upward adjustment of our provision.

I share that background because it is emblematic of what we expect in the coming phase: consequential decisions, some in our control and others not, with important bearings on our path forward and the future of glyphosate in American agriculture. We're convinced

our multi-pronged strategy is the right one. As we continue to advance it, we'll continuously adjust our approaches to resolution, evaluating them for their future optionality, finality, cost and risk.

On cash and deleveraging: we saw a further reduction in net financial debt in Q3 and confirm our full-year free cash flow outlook, including litigation-related payouts.

Our Crop Science organization is aggressively focused on execution of our Five-Year Plan. We are actively streamlining our portfolio and operations by outsourcing 12 active ingredients and discontinuing 150 products. This strategic focus enables us to concentrate on innovative crop solutions. A prime example is our recent launch of Plenexos™, a cutting-edge insecticide, which hit the Latin America market last week.

Finally, on our operating model, we see benefits on the top and bottom line. Our organization continues to get leaner and more efficient, and we're seeing benefits in terms of speed and focus. I'll close with an example from our Pharmaceuticals division. Twenty months ago, we announced a deal to in-license Beyonttra™ in Europe. Prior to that, this medicine wasn't on the radar for many people in the company. But by April of this year, we had launched it in Germany, and the first European patients were able to receive Beyonttra™. Today, the medicine is off to a strong start, already exceeding our ambitions for 2025. Only months into the launch, we've reached around 50 percent market share in new-to-brand prescriptions in Germany – one of the fastest uptakes of a cardiovascular treatment we've seen. The teams are now focused on making Beyonttra™ the new standard of care in its treatment setting. And they attribute their speed and success in part to their ability to cut out inefficient handovers, flexible resource allocation across markets, and a keen focus on most important work.

With that, I will hand it over to Wolfgang. But before doing so: You have seen we announced Wolfgang's successor last week. Judith Hartmann will be joining Bayer in March of next year and she will take over as CFO on June 1st. Judith brings with her a wealth of finance and leadership experience across industries and countries, and we look forward to welcoming her.

It's far too early to say goodbye to Wolfgang, who will be retiring in June of next year as we've previously communicated. We've got a crucial period ahead for the company. And he is going to be dialed in on delivering 2025, planning 2026, and continuing our efforts to significantly contain litigation. Wolfgang, I look forward to continue working with you on that.

Wolfgang Nickl,
Chief Financial Officer of Bayer AG:

Let‘s look at the Group picture for Q3 first. Net Sales grew by 1 percent versus the prior year quarter in currency and portfolio adjusted terms. As reported, we saw a decline of 3 percent with continued foreign exchange headwinds affecting our topline with about 450 million euros.

In a seasonally low quarter, EBITDA before special items of 1.5 billion euros came in 21 percent above the prior year. The increase was largely driven by better Crop Science and Reconciliation results offsetting a decline in Pharmaceuticals.

Let me pause here and give you some more background on the Reconciliation line: It includes a rather predictable element for our Enabling Functions costs that cannot be clearly allocated to the divisions. In addition, there are other elements, mainly around incentive provisions, side businesses such as our soccer club and balance-sheet related hyperinflation effects that are more unpredictable. These factors can vary significantly from quarter to quarter and versus the prior year periods. For Q3, the main drivers versus last year were lower expenses for personnel-related adjustments and lower hyperinflation effects, while additions to long-term incentive provisions were comparable to the prior year.

For the full year, we anticipate favorability in Enabling Functions costs on top of positive one offs in our side businesses. While some elements can still move, we now expect around minus 400 million euros in RECON EBITDA before special items for 2025, an improvement of about 100 million euros versus our previous guidance.

Core earnings per share of 57 cents were 33 cents above the prior year quarter, largely due to the higher EBITDA as well as a better core financial result. The core financial result

improved by about 56 million euros year-on-year largely driven by lower interest expenses due to lower debt.

Earnings per share came in at minus 98 cents for the quarter. Main driver for the delta – next to the regular amortization of intangibles – are additional litigation related provisions classified as special items in the total amount of 934 million euros. These include amounts for the glyphosate litigation reflecting an increased case count, other litigation cost and the settlement of some cases which were strategically advantageous to resolve as Bill mentioned. We have also adjusted the provision for the impacts from the recently received PCB Erickson ruling by the Washington Supreme Court.

Our Free Cash Flow came in at about 0.6 billion euros for Q3. The delta versus the prior year is mainly driven by higher settlement payouts. Compared to the end of Q2, net financial debt decreased by about 600 million euros to 32.7 billion euros, mainly due to the operational cash inflow. Year-on-year, net financial debt was down by about 2.3 billion euros.

Let’s now move on to our divisional outlook for the full year 2025. Based on the year-to-date performance, we feel confident in the full year outlook for Crop Science and Pharmaceuticals, both in terms of top and bottom line. For the fourth quarter, we expect to see the following developments:

For Crop Science, growth in the fourth quarter is driven by glyphosate, which is now anticipated at the upper end of our full year sales guidance range but will have a dilutive impact to margin in Q4. In addition, growth is anticipated for Latin America, recovering from a weak prior year period.

For our Pharmaceuticals business, we anticipate increased price pressures for Eylea™ in conjunction with the entry of 2mg biosimilars in Q4. In addition, we expect continued genericization of Xarelto™ as well as VBP-related impacts on our business in China. The continued growth of our launch assets is expected to compensate for these headwinds. On our margin we expect to see accelerated launch investments in Q4, for example linked to our Lynkuet™ launch activities.

For Consumer Health, we have already pointed to the lower end of our sales growth guidance range for the full year at our Q2 call in August. Given our significant exposure to

markets with challenging dynamics like the U.S. and China, we now expect full year sales growth for Consumer Health in the range of minus 1 percent to plus 1 percent. This does not impact our Group outlook. In close partnership with retailers, we will carefully manage the balance of sell-in and sell-out, to ensure sustainable growth going forward. In terms of profitability, we are committed to achieve the expected EBITDA before special items margin range of 23 percent to 24 percent for the full year.

Based on month end September rates, we see similar foreign exchange effects for all three divisions compared to prior guidance.

Let’s conclude with the Group outlook for 2025 and early insights into the business drivers for 2026.

Overall, for the Group, we confirm our full year 2025 outlook at constant currencies and the latest currency estimate, which did not change materially from month end June to month end September rates.

At the same time, we updated our modelling assumptions for special items for the additional litigation-related provisions we booked this quarter. We now expect special items in the range of minus 3.5 to minus 4.0 billion euros for the full year.

We also adjusted the Recon modelling assumption as I mentioned earlier in my remarks.

Let’s now look at 2026:

For Pharma, we will continue to ramp Nubeqa™ and Kerendia™, scale Beyonttra™ and launch Lynkuet™. For Xarelto™ we expect declines in a similar percentage range as this year. For Eylea™, we will gain further insights into the evolving market dynamics with an aspiration to drive volume growth of the 8 mg dosage.

For Crop Science, the ag market outlook is quite dynamic. We are monitoring acreage development, particularly in the context of geopolitical uncertainty. In Corn, we plan to drive growth based on our portfolio refresh and build on continued technology adoption. For Soy and Cotton, we count on the registration for Dicamba for the next season. Overall, we remain intensely focused and on-track to deliver our five-year framework.

For Consumer Health, while we experience some challenges in key markets this year, we see the general market growth trends intact. We will keep investing in our brands to address consumer needs and drive consumption through household penetration.

On geopolitics, we have gained some more clarity on EU-US Pharma tariffs. In recent weeks, individual companies have announced drug pricing deals but some questions, particularly around sectoral Pharma tariffs or potential policy shifts in other countries, remain open. At the same time our cross-functional teams showcased their strength in managing the situation and limiting potential impacts this year. Looking ahead, we continue to carefully monitor the developments and will include the most likely scenario in our planning for next year.

We are also following the U.S. – China trade relations closely. As we are innovating for the benefit of our patients, farmers and consumers in all markets, both the U.S. and China remain mission critical for us.

On foreign currencies, this is a major swing factor for our business. As already pointed out previously we expect significant currency headwinds to continue in 2026.

In conclusion, we're fully focused on effectively managing what we control, adjusting to new realities quickly and advancing in our transformation. We're currently completing the picture for 2026 and will communicate specific guidance with our Full Year 2025 results at the end of February.