Bayer 2022:
Delivering Value Creation

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Kepler Cheuvreux, One-Stop-Shop Tour
May 14-15, 2019
Disclaimer

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Global Megatrends in Health & Nutrition

Attractive Macro Drivers of Our Businesses

Megatrends through 2050

<table>
<thead>
<tr>
<th>Aging Population</th>
<th>Growing Population</th>
<th>Pressure on Ecosystems</th>
</tr>
</thead>
<tbody>
<tr>
<td>People 60+ more than doubling&lt;sup&gt;1&lt;/sup&gt;</td>
<td>+2.2bn people&lt;sup&gt;1&lt;/sup&gt;</td>
<td>-17%%</td>
</tr>
<tr>
<td>&gt;20% of total population&lt;sup&gt;1&lt;/sup&gt;</td>
<td>+50% more food and feed required to meet growing demand&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-20%</td>
</tr>
<tr>
<td>Preserve and restore health</td>
<td>Secure sufficient supply of quality food</td>
<td>Use natural resources more efficiently and responsibly</td>
</tr>
</tbody>
</table>

Societal Needs

Our Mission

We leverage science to address these societal needs – with the ultimate goal to improve people’s lives

<sup>1</sup> UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)

<sup>2</sup> FAO 2017. (FAO Global Perspective Studies)

<sup>3</sup> Nelson et. al, (2014); FAO 2016 “Climate change and food security”

Transformation into a Leader in Health & Nutrition – Next Phase to Deliver Future Value Creation

Group Profile

Past

- HealthCare
- Crop-Science
- Polymers
- Basic and Fine Chemicals
- Specialty Products
- Wolff Walsrode
- H. C. Starck

Today

- Crop Science
- Pharmaceuticals, Biological Products
- Consumer Care, Diagnostics
- Animal Health
- Pharmaceuticals, Biological Products

Measures

- Organic top-line growth and profitability improvement
- Transformational M&A in all of today’s businesses
- Synergies realized from strategic acquisitions
- Value crystallized through optimally-timed divestments

- Shaping the future of Health & Nutrition
- Adjusted set-up for future value creation
We are a Global Leader in Health & Nutrition

Well-Positioned Across Our Businesses

~€45bn 2018 Pro-forma Sales

<table>
<thead>
<tr>
<th>Crop Science</th>
<th>Pharmaceuticals</th>
<th>Consumer Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€19bn / ~43% of Group</td>
<td>~€17bn / ~38% of Group</td>
<td>~€5bn / ~12% of Group</td>
</tr>
<tr>
<td>#1 Position</td>
<td>#2 Position in Cardiovascular</td>
<td>#2 Position</td>
</tr>
</tbody>
</table>

Growing ahead of competition over last five years on average
Best-in-class profitability through the cycle

- Leading portfolio of seed & traits, crop protection and digital farming
- World-class R&D platform with best talent and technology in the industry
- Positioned to shape the future of agriculture: development of tailored solutions to address farmers’ individual needs and challenges

One of the fastest growing Pharma businesses over the past five years
Xarelto and Eylea among the world’s leading Pharma brands

- Innovative medicines in areas of high unmet medical need
- Therapeutic focus areas: Cardiology, Oncology, Gynecology, Hematology and Ophthalmology
- Strong position in emerging markets
- Leading in Radiology and Women’s Health

Leading Positions in 7 of the Top 10 OTC Markets

- Focus categories: Allergy & Cold, Cough, Sinus and Flu; Nutritionals; Dermatology; Pain and Cardio; Digestive Health
- Concentrated portfolio of 16 mega-brands with annual sales of >€100m

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1 The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2018. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting. Due to this simplified procedure, they explicitly do not reflect sales according to IFRS or IDW RH HFA 1.004, meaning they have not been audited.
FY 2018 – Sales Breakdown by Region

Group €39,586m

Pharma €16,746m (42%*)
Crop Science €14,266m (36%*)
Consumer Health €5,450m (14%*)
Animal Health €1,501m (4%*)

Europe / Middle East / Africa
North America
Latin America
Asia / Pacific

in € million; ∆% yoy, Fx & portfolio adj.; *Sales share; remaining 4% all other segments and corporate
Pharma
Innovative Medicines in Areas of High Unmet Medical Need

- **Cardiovascular**
- **Women's Health**
- **Radiology**
- **Oncology**
- **Hematology**
- **Other**

**Therapeutic area focus**

- Emerging markets exposure
  - Sales 2018 €16.7bn
  - Emerging Markets 33%

- Established Markets

**Global leadership in important therapeutic areas**

- No. 1 in Retinal Diseases
- No. 1 in Women's Health
- No. 1 in Radiology
- No. 2 in Cardiovascular
- No. 2 in Hematology

**Leading Brands**

- Xareto
- Adempas
- Nexavar
- Stivarga
- Xofigo
- Eylea
- Mirena
- Gadovist
- Aspirin

Emerging markets include Latin America, Asia (w/o Japan, Australia, New Zealand), Africa and Middle East incl. Turkey, Eastern Europe.
Crop Science
World’s Broadest Commercial Footprint in Agriculture

~7,800 Customer-facing Employees with Significant Opportunity to Optimize Portfolio Across Key Regions

Sales 2018\(^1\)  

:\[€19.3bn\]

Seed & Trait Technology Acres 2017/2018\(^2\):  

>400m acres (160m ha)

Crop Protection Sales 2018\(^1\)  

:\[~€9.5bn\]

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\(^1\) The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2018. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting. Rounded to the nearest 5%.

\(^2\) Internal estimates; represents acres containing at least one Bayer seed or biotech trait technologies.
Crop Science
The Established Leader in Crop Science
Industry Leading Sales and Unmatched Investment in R&D

### Sales 2018 (€bn)

<table>
<thead>
<tr>
<th></th>
<th>Bayer Crop Science¹</th>
<th>ChemChina Ag²</th>
<th>Corteva</th>
<th>BASF Ag³</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seed &amp; Traits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AgChem</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19.3</td>
<td>14.4</td>
<td>12.1</td>
<td>7.6</td>
</tr>
</tbody>
</table>

### 2018 Ag R&D Investment (€bn)¹

<table>
<thead>
<tr>
<th></th>
<th>Bayer Crop Science</th>
<th>Corteva</th>
<th>ChemChina Ag</th>
<th>BASF Ag</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seed &amp; Traits</strong></td>
<td>2.3</td>
<td>1.2</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>AgChem</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2017. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting.

² Excludes non-agro business sales of ADAMA (nutritional supplements, aromatic products, industrial products)

³ Includes BASF Ag Sales 2018 as reported plus €1.4bn (€2.027bn sales FY 2018 excluding €586m sales from Jan '18 until cut-off in Aug '18) reported sales in 2018 from Bayer businesses sold to BASF. Split between Seed and CP businesses based on internal estimates.

Exchange rate: FY 2018: ~1.18 USD/EUR

Competitor Pro forma R&D cost split not available
Consumer Health
We Will Focus on our Core OTC Categories To Leverage our Science and Marketing Capabilities

<table>
<thead>
<tr>
<th>Categories to accelerate</th>
<th>Sales Split 2018¹</th>
<th>Global Position²</th>
<th>Main Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allergy + Cough + Cold</td>
<td>#5</td>
<td>#2</td>
<td>Claritin</td>
</tr>
<tr>
<td>Nutritionals</td>
<td>#2</td>
<td></td>
<td>elevit</td>
</tr>
<tr>
<td>Dermatology</td>
<td>#2</td>
<td></td>
<td>Bepanthen</td>
</tr>
<tr>
<td>Pain + Cardio</td>
<td>#4</td>
<td></td>
<td>AEVE</td>
</tr>
<tr>
<td>Digestive Health</td>
<td>#2</td>
<td></td>
<td>MiraLAX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Categories to exit</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Divestment of Rx Dermatology - US business closed; closing ex-US expected in H2 2019³</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explore exit options for Sun- and Footcare in 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Excluding Derma Rx, Suncare, Footcare
² PARS database January 2019
³ Subject to the fulfillment of customary closing conditions
Next Phase to Deliver Value Creation

Transformation Completed

Next Phase Focused on …

1. Growth ahead of competition in Health and Nutrition
2. Consistent profitability enhancement
3. Strong free cash flow generation
4. Disciplined capital allocation
We Focus on Growth in Attractive Markets

<table>
<thead>
<tr>
<th>Bayer Group</th>
<th>Market</th>
<th>Bayer’s growth levers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Size 2017</td>
<td>CAGR 2018-2022</td>
</tr>
<tr>
<td>Crop Science</td>
<td>~€90bn(^1)</td>
<td>~3%(^2)</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>~€870bn(^3)</td>
<td>4-5%</td>
</tr>
<tr>
<td>Consumer Health</td>
<td>~€140bn(^4)</td>
<td>3-4%</td>
</tr>
</tbody>
</table>

\(^1\) Pro-forma calculations Bayer, Bayer CS market model; \(^2\) excluding potential cyclical recovery of the Crop Science market; \(^3\) IQVIA; \(^4\) Market model in-market sales OTC medicines, data from IQVIA, Nicholas Hall

Using our leading positions in Agriculture, Pharmaceuticals and Self-care to address societal needs and benefit from global megatrends

- Drive innovation

- Leading portfolio of seed & traits, crop protection and digital farming
- World-class R&D platform with best talent and technology in the industry
- Positioned to shape the future of agriculture: Development of tailored solutions to address farmers’ individual needs and challenges

- Innovative medicines in areas of high unmet medical need
- Therapeutic focus areas: Cardiology, Oncology, Gynecology, Hematology and Ophthalmology
- Leverage external innovation and partnering as well as pipeline and potential of current products

- Branded self-care solutions that help transform people’s daily health
- Focus on five core categories
Bayer 2022 Synergy & Efficiency Programs

<table>
<thead>
<tr>
<th>Platform</th>
<th>Crop Science</th>
<th>Consumer Health</th>
<th>Pharmaceuticals</th>
</tr>
</thead>
<tbody>
<tr>
<td><del>€0.47bn (</del>$0.55bn) cost synergies</td>
<td>Realization of Crop Science sales and cost synergies</td>
<td>Comprehensive growth acceleration program</td>
<td>Re-alignment of R&amp;D activities towards external innovation / Hemophilia production footprint</td>
</tr>
<tr>
<td><del>€0.17bn (</del>$0.2bn) sales synergies</td>
<td>~€0.4bn contribution</td>
<td>~€0.2bn contribution</td>
<td>~€0.9bn contribution</td>
</tr>
<tr>
<td><del>€0.40bn (</del>$0.45bn) cost synergies</td>
<td>Adjustment of corporate platform</td>
<td>~€0.1bn contribution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>~€0.9bn contribution</td>
<td></td>
</tr>
</tbody>
</table>

^1 EBITDA before special items impact from sales synergies

^2 Indicative Phasing: ~30% effective in 2020, ~70% in 2021 and 100% in 2022

Overall Contribution ~€2.6bn

Global FTE impact ~12,000

One-Time Cost ~1.7X
Targeting Significant Profitability Improvements Across All Divisions

Sales and EBITDA before special items (margin) development (in €bn, %)

**Crop Science**
- ~4%
- ~25%
- >4% p.a.
- 19.3
- 2018 PF

**Pharmaceuticals**
- ~4%
- ~34%
- ~4-5% p.a.
- 16.7
- 2019 Guidance

**Consumer Health**
- ~1%
- ~21%
- ~2% p.a.
- 5.5
- Target 2022

**Bayer Group**
- ~4%
- ~46
- ~4-5% p.a.
- 44.7

Notes:
- 2022 targets at constant currencies, not including portfolio measures (except for Consumer Health)
- ~4% p.a.
- ~2% p.a.
- ~4-5% p.a.
- Includes portfolio measures
Cash Flow Improvement Focusing on Capex and Working Capital Optimization

### Capex spend in €bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.5</td>
<td>1.9</td>
<td>2.2</td>
<td>2.5</td>
<td>3.1</td>
</tr>
</tbody>
</table>

- **Intangibles**
- **Fixed assets**

**in % of sales**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4.3%</td>
<td>4.9%</td>
<td>5.7%</td>
<td>7.4%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

- **Focused CapEx below current levels** ~ 5-6%

### Working Capital in €bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018 PF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>9.3</td>
<td>10.1</td>
<td>12.0</td>
<td>9.5</td>
<td>14.1</td>
</tr>
</tbody>
</table>

**in % of sales**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>26%</td>
<td>25%</td>
<td>29%</td>
<td>27%</td>
<td>32%</td>
</tr>
</tbody>
</table>

- **Annual contribution of ~0.5bn EUR by 2022**
- Past and current levels impacted by single large-scale investments in fixed assets
- Licensing will continue to be an element to drive growth

- **Working capital optimization** ~ 32%

1 Crop Science 48%, Pharmaceuticals 24%, Consumer Health 24%
## Group Targets - Value Creation from Strengthened Base

### Triple Leverage

<table>
<thead>
<tr>
<th>€bn</th>
<th>2018 PF</th>
<th>Guidance 2019</th>
<th>Target 2022</th>
<th>CAGR 2018-22(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales(^1)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Group</td>
<td>44.7</td>
<td>~46 (~4%)</td>
<td>~52</td>
<td>~4%</td>
</tr>
<tr>
<td>Crop Science</td>
<td>19.3</td>
<td>~4%</td>
<td></td>
<td>&gt;4%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>16.7</td>
<td>~4%</td>
<td></td>
<td>~4-5%</td>
</tr>
<tr>
<td>Consumer Health</td>
<td>5.5</td>
<td>~1%</td>
<td></td>
<td>~2%</td>
</tr>
<tr>
<td><strong>EBITDA before special items (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Group</td>
<td>~12.2 (~27%)</td>
<td>~16 (&gt;30%)</td>
<td></td>
<td>~9%</td>
</tr>
<tr>
<td>Crop Science</td>
<td>~25%</td>
<td>&gt;30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>~34%</td>
<td>&gt;35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Health</td>
<td>~21%</td>
<td>~24%(^4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Core EPS (€)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>~6.8</td>
<td>~10</td>
<td></td>
<td>~10%</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>~4.7(^3)</td>
<td>~3-4</td>
<td>~8</td>
<td>~18%</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>~35.7(^3)</td>
<td>~36(^5)</td>
<td>~26-28</td>
<td></td>
</tr>
</tbody>
</table>

2022 targets at constant currencies, not including portfolio measures (except for Consumer Health)

\(^1\) Sales: cpa growth; \(^2\) CAGR from 2018 base year; \(^3\) as reported; \(^4\) includes portfolio measures; \(^5\) including around ~€1bn lease liability due to IFRS 16
We Have Clear Priorities for Capital Allocation

Focus on Shareholder Return, Innovation and Deleveraging

Disciplined capital allocation

Shareholder Return
- Growing dividends
- Consider share buy backs with parts of divestment proceeds

Deleveraging
- Target range ~€26-28bn\(^1\) net financial debt by end 2022

Innovation & Acquisitions
- Investment in licensing opportunities
- Potentially selective bolt-on acquisitions

Divestment proceeds

Free Cash Flow Targeted
~€23bn
2019e-2022e

\(^1\) Before M&A / Portfolio
**We Will Create Significant Value Through 2022 and Beyond**

*Focus on Execution and Driving Sustained Profitable Growth…*

<table>
<thead>
<tr>
<th>1</th>
<th>We have completed Bayer’s portfolio transformation into a global leader in Health &amp; Nutrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>The next phase is focused on driving value creation through (i) growth ahead of competition enabled by innovation and portfolio measures (ii) profitability enhancement through Bayer 2022 synergy and efficiency programs and (iii) strong cash generation</td>
</tr>
<tr>
<td>3</td>
<td>We target Sales, Core EPS and FCF CAGR* until 2022 of 4%, 10% and 18%, respectively</td>
</tr>
<tr>
<td>4</td>
<td>Strong FCF along with proceeds from divestments enable (i) growing dividends, (ii) quick deleveraging of our balance sheet and (iii) selective bolt-ons and in-licensing transactions</td>
</tr>
</tbody>
</table>

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*2018e PF used for Sales and Core EPS; 2018e used for FCF*
### Q1 Results

#### Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1’18</th>
<th>Q1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9,138</td>
<td>13,015</td>
</tr>
<tr>
<td>Δ% yoy</td>
<td>+42%</td>
<td>+45%</td>
</tr>
<tr>
<td>Fx &amp; portfolio adj.</td>
<td>▲ 31.7%</td>
<td>▲ 32.2%</td>
</tr>
</tbody>
</table>

**Positive Fx effect of €108m**

#### EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q1’18</th>
<th>Q1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>2,896</td>
<td>4,188</td>
</tr>
<tr>
<td>Δ%</td>
<td>+45%</td>
<td>+42%</td>
</tr>
</tbody>
</table>

**Negative Fx effect of €110m**

#### Core EPS

<table>
<thead>
<tr>
<th></th>
<th>Q1’18</th>
<th>Q1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core EPS</td>
<td>2.24</td>
<td>2.55</td>
</tr>
<tr>
<td>Δ%</td>
<td>+14%</td>
<td>+14%</td>
</tr>
</tbody>
</table>

- # of shares increased from 886m to 980m
- Core financial result went from -€106m to -€370m

#### Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q1’18</th>
<th>Q1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>257</td>
<td>508</td>
</tr>
<tr>
<td>Δ%</td>
<td>+98%</td>
<td>+98%</td>
</tr>
</tbody>
</table>

Expanded CS business working capital need offset by positive PH and CH development

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*EBITDA Margin before special items*
### Divisional Q1 Results

#### Crop Science
- Sales: Q1'18: 2,861 million €, Q1'19: 6,444 million €, +100% yoy
- EBITDA: Q1'18: 1,042 million €, Q1'19: 2,322 million €, +36.0% yoy

#### Pharma
- Sales: Q1'18: 4,075 million €, Q1'19: 4,354 million €, +5% yoy
- EBITDA: Q1'18: 1,415 million €, Q1'19: 1,512 million €, +7% yoy

#### Consumer Health
- Sales: Q1'18: 1,409 million €, Q1'19: 1,395 million €, +1% yoy
- EBITDA: Q1'18: 313 million €, Q1'19: 279 million €, -11% yoy

**Note:** All figures are in million €, yoy (year-over-year), adjusted for FX and portfolio changes.
### FY 2019 Guidance Confirmed

<table>
<thead>
<tr>
<th></th>
<th>2018¹</th>
<th>Group Forecast 2019</th>
<th>Δ 2018 – 2019</th>
<th>Fx-sensitivity:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€39.6bn</td>
<td>~€46bn</td>
<td>+~16% (thereof +~12% portfolio)</td>
<td>± 1% change of the € vs all other currencies =</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>€9.5bn</td>
<td>~€12.2bn</td>
<td>+~28%</td>
<td>⊕ ~€340m on Sales &amp;</td>
</tr>
<tr>
<td><strong>Core EPS</strong></td>
<td>€5.94</td>
<td>~€6.80</td>
<td>+~14%</td>
<td>⊕ ~€100m on EBITDA (before special items)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>€4.7bn</td>
<td>~€3.4bn</td>
<td>~(−15%) – (−36%)</td>
<td></td>
</tr>
</tbody>
</table>

¹ Monsanto included since June 7 and assets divested to BASF included until August 2018
Progress in All Focus Areas

1. Target Delivery
   - Deliver on operational targets

2. Crop Science
   - Integration of acquired business to shape the future of agriculture

3. Pharmaceuticals
   - Further strengthening of pipeline and intensify external sourcing

4. Consumer Health
   - Drive performance improvement

5. Efficiency / Bayer 2022
   - Execute efficiency improvement program and realize synergies

6. Portfolio Measures
   - Execution of announced portfolio measures for sharpened business focus
## FY 2019 Guidance: Further Growth Expected for All Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales 2018 (€bn)</th>
<th>EBITDA-margin 2018</th>
<th>Sales Growth 2019 (at constant currencies)</th>
<th>EBITDA-margin 2019 (before special items)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop Science</td>
<td>€14.3bn¹</td>
<td>18.6%</td>
<td>~4%</td>
<td>~25%</td>
</tr>
<tr>
<td>Pharma</td>
<td>€16.7bn</td>
<td>33.4%</td>
<td>~4%</td>
<td>~34%</td>
</tr>
<tr>
<td>Consumer Health</td>
<td>€5.5bn</td>
<td>20.1%</td>
<td>~1%</td>
<td>~21%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>€1.5bn</td>
<td>23.9%</td>
<td>~4%</td>
<td>~24%</td>
</tr>
</tbody>
</table>

¹ Monsanto included since June 7 and assets divested to BASF included until August 2018; ² currency and portfolio adjusted
Pharma
Xarelto – Continued Growth of a Leading Anticoagulant

Sales in €bn

2014 2015 2016 2017 2018

1,7 2,3 2,9 3,3 3,6

// Most broadly indicated anticoagulant for use in venous and arterial thromboembolic conditions

// A leading pharma brand with global sales of €5.2bn in 2018 incl. sales at Johnson & Johnson

// New CAD/PAD indication launching in EU and the US

// Peak sales potential: >€5.0bn

// Further growth driven by:
  // Under-served patient populations
  // Demographics
  // Shift from warfarin
  // New indications targeting patients currently not treated with anticoagulants

CAD: Coronary artery disease; PAD: Peripheral artery disease
1 Ex-US sales plus royalty from J&J as reported by Bayer
Pharma
Eylea – A Leader in Retinal Diseases

Sales in €bn

2014  2015  2016  2017  2018

0.8  1.2  1.6  1.9  2.2

A leader in retinal diseases with global brand sales of €5.6bn in 2018 incl. sales at Regeneron1

Approved for the treatment of 5 retinal diseases:
wAMD, DME, BRVO, CRVO, mCNV

Treat and extend dosing regimen with injection intervals of up to 12 weeks or more for wAMD

Peak sales potential: >€2.5bn2

Further growth driven by:

Continued generation of real-life experience in wAMD across key markets and treatment-naïve patient share gains

Market expansion in DME

1 Marketed by Bayer ex-US only; 2 As reported by Bayer
wAMD: Wet age related macular degeneration; DME: Diabetic macular edema; BRVO: Branch retinal vein occlusion; CRVO: Central retinal vein occlusion, mCNV: Myopic choroidal neovascularization
## Pharma
### Late-stage Pipeline with Progress in Oncology

Darolutamide met Primary Endpoint in Phase III-trial and FDA-approval of Vitrakvi

<table>
<thead>
<tr>
<th>Indication</th>
<th>Status</th>
<th>Commercial Potential</th>
<th>Clinical Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vitrakvi</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRK-fusion Cancer</td>
<td>FDA approved / in registration</td>
<td>PSP &gt;€750m</td>
<td>Clinical program ongoing</td>
</tr>
<tr>
<td>Prostate Cancer</td>
<td>Phase III (nmCRPC)</td>
<td>PSP &gt;€1bn</td>
<td></td>
</tr>
<tr>
<td>Lymphoma</td>
<td>Launched in the US</td>
<td>PSP &gt;€0.5bn</td>
<td></td>
</tr>
<tr>
<td>Diabetic Kidney Disease</td>
<td>Phase III</td>
<td>PSP &gt;€1bn</td>
<td></td>
</tr>
<tr>
<td>Chronic Heart Failure</td>
<td>Phase III (HFrEF)</td>
<td>PSP ~€0.5bn</td>
<td></td>
</tr>
</tbody>
</table>

| **Darolutamide** |                        |                      |                           |
| Prostate Cancer | Phase III (nmCRPC) | PSP >€1bn |                         |
| Lymphoma | Launched in the US | PSP >€0.5bn |                         |
| Diabetic Kidney Disease | Phase III | PSP >€1bn |                         |
| Chronic Heart Failure | Phase III (HFrEF) | PSP ~€0.5bn |                         |

| **Copanlisib** |                        |                      |                           |
| Lymphoma | Launched in the US | PSP >€0.5bn |                         |
| Diabetic Kidney Disease | Phase III | PSP >€1bn |                         |
| Chronic Heart Failure | Phase III (HFrEF) | PSP ~€0.5bn |                         |

| **Finerenone** |                        |                      |                           |
| Diabetic Kidney Disease | Phase III | PSP >€1bn |                         |
| Chronic Heart Failure | Phase III (HFrEF) | PSP ~€0.5bn |                         |

| **Vericiguat** |                        |                      |                           |
| Chronic Heart Failure | Phase III (HFrEF) | PSP ~€0.5bn |                         |

NTRK: Neurotrophic receptor tyrosine kinase; nmCRPC: Non-metastatic castration resistant prostate cancer; mHSPC: Metastatic hormone sensitive prostate cancer; HFrEF: Heart failure with reduced ejection fraction; HFpEF: Heart failure with preserved ejection fraction; PSP: Peak sales potential
## Consumer Health
### Strong Consumer Brands Built up Over Decades

<table>
<thead>
<tr>
<th>Brand</th>
<th>Category</th>
<th>Age</th>
<th>Sales 2018</th>
<th>CAGR 2014-2018</th>
<th># of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASPIRIN</td>
<td>Pain, Cardio, Cough &amp; Cold</td>
<td>120</td>
<td>€975m</td>
<td>3.0%</td>
<td>88</td>
</tr>
<tr>
<td>Claritin</td>
<td>Allergy</td>
<td>26¹</td>
<td>€516m</td>
<td>-1.0%</td>
<td>82</td>
</tr>
<tr>
<td>Bepanthen</td>
<td>Dermatology</td>
<td>75</td>
<td>€371m</td>
<td>7.0%</td>
<td>116</td>
</tr>
<tr>
<td>ALEVE</td>
<td>Pain</td>
<td>43¹</td>
<td>€351m</td>
<td>-0.9%</td>
<td>42</td>
</tr>
<tr>
<td>Alka-Seltzer</td>
<td>Digestive Health, Cough &amp; Cold</td>
<td>88</td>
<td>€225m</td>
<td>-1.2%</td>
<td>7</td>
</tr>
<tr>
<td>elevit</td>
<td>Nutritionals</td>
<td>35</td>
<td>€209m</td>
<td>20.9%</td>
<td>6</td>
</tr>
</tbody>
</table>

¹ Rx launch; ² Past 20 years of clinical data, as of December 2018
Consumer Health
US Turnaround Plan

Levers and key focus areas

- **People & Organization**
  - Increase category and brand building experience
  - Drive leaner more agile organization

- **Winning Portfolio**
  - Focus our resources on categories where we can win

- **Accelerate growth-focused Innovation**
  - Rebuild innovation pipeline

- **Modernized Marketing & Sales**
  - Rebuild brand fundamentals
  - Accelerate digital

First actions

- Right-size the organization
- New leadership team in place
- Divested Rx Dermatology
- Explore exit options: Suncare / Footcare
- Strengthen innovation for core brands
- Establish Rx-to-OTC switch pipeline
- Step up e-commerce
  - Amazon 2018e sales +60%
  - Online (8.3%) to offline (8.7%) share

Q4 2018
Q1 2019
H2 2018
2019
2020
2018
Consumer Health
Our Strategic and Operational Roadmap

2018

Setting the foundation

- Put in new leadership team
- Make portfolio choices
- Initiate stricter cost control
- Make necessary impairments

Growth

- Stabilize growth

Profitability

- Stop margin erosion through strict cost controls

2019 / 2020

Driving rigorous change

- Execute portfolio choices
- Right-size cost base
- Recover product supply
- Regain momentum in APAC/EMEA
- Reset US cost base to strengthen margin

- Return to growth
- Improve margins

2021 / 2022

Acceleration phase

- Drive higher innovation level
- Accelerate US growth momentum
- Capitalize on portfolio choices
- Realize full benefit of efficiency program

- Accelerate growth
- Accelerate margins
**Crop Science**

**Leading Position in All Major Categories**

Crop Science Market\(^2\) Currently Valued at \(~\text{€90bn}\) // \(~3\%\) Long-term CAGR Expected

<table>
<thead>
<tr>
<th>Category</th>
<th>Market Value</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>(~\text{€20bn})</td>
<td>#1 position</td>
</tr>
<tr>
<td>Soybean</td>
<td>(~\text{€15bn})</td>
<td>#1 position</td>
</tr>
<tr>
<td>Horticulture(^1)</td>
<td>(~\text{€15bn})</td>
<td>#1 position</td>
</tr>
<tr>
<td>Cereals</td>
<td>(~\text{€10bn})</td>
<td>#1 position</td>
</tr>
<tr>
<td>Digital Farming</td>
<td>#1 position</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Includes fruits, vegetables, flowers and nuts

\(^2\) Includes seeds, traits, crop protection chemistries and environmental science; does not include fertilizer

Note: Reflecting BCS' portfolio after divestments. Market sizes rounded to nearest $5bn. Source: Pro-forma calculations Bayer; Bayer CS market model
Crop Science
Next Growth Opportunity: Convergence of Leading R&D Platforms

Extensive Germplasm and Biotech Foundation, Combined with Leadership in Chemistry and Biologicals and Data Science Optimization, Serves As Innovation Engine To Accelerate Benefits Across The Industry

Best positioned to discover, combine and tailor solutions for growers
Crop Science
FieldView: The Leading Brand and Platform for Growers

Our Value Creation is Supported by our Performance Trends; Paid Acres >7x Closest Competitor

**Global Paid Acres**

- **FY15**: 5m
- **FY16**: 15m
- **FY17**: >35m
- **FY18e**: 60m
- **FY19 Target**: 90m

**Brand Health** (U.S.)

- **Awareness**: 77%
- **Familiarity**: 65%
- **Consideration**: 44%
- **Have Used**: 37%
- **Currently Use**: 33%

**#1 brand in the digital Ag space**

> **35** next-generation projects in the pipeline

1 Internal estimates
2 2018 Brand Health Monitor
Thank you