Science for a Better Life

dbAccess Berlin Conference 2020

June 4, 2020
Werner Baumann, CEO
Forward-Looking Statements

This presentation 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 http://www.bayer.com/.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.
We are a global leader in Health and Nutrition

**Our purpose:** Science for a Better Life

**Our vision:**
- health for all
- hunger for none

Secure sufficient supply of quality food

Preserve & restore health

Use natural resources more efficiently & responsibly
We address megatrends that impact lives across the globe

**Aging population**

- **Age 60+**
  - 2017: 1.0
  - 2050: 2.1
  - +100% overall population¹

- **Age 80+**
  - 2017: 0.0
  - 2050: 2.1
  - +200% overall population

**Growing population**

- **People in bn**
  - 2017: 7.6
  - 2050: 9.8
  - +2.2bn people¹

**Pressure on ecosystems**

- **Area in m²**
  - 2017: 2,129
  - 2050: 1,700
  - -20% arable land per capita³

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2020: Good start to the year; COVID-19 influences outlook and priorities for the remainder

1. Employee Health
   - Securing health and safety of employees

2. Business Continuity
   - Safeguarding supply, production, logistics and business operations

3. Humanitarian Efforts
   - Health for all, hunger for none – using our expertise in health and nutrition in global crisis
Focus areas 2020

1. **Group**
   - Maintain operational targets; adapt as necessary from COVID-19
   - Continued focus on cash flow

2. **Crop Science**
   - Continue with integration
   - Focus on pipeline execution

3. **Pharmaceuticals**
   - Progress with pipeline developments, launch new indications / products

4. **Consumer Health**
   - Continue to drive growth acceleration program

5. **Efficiency / Bayer 2022**
   - Follow through with efficiency improvement program and realize synergies

6. **Portfolio Measures**
   - Closing of Animal Health sale, expected by mid 2020
Q&A Session

Werner Baumann, CEO

Oliver Maier, Head of Investor Relations
Appendix

Q1 2020 financial results
# Q1 2020 Financial Performance

Focused on business continuity

<table>
<thead>
<tr>
<th>Category</th>
<th>Figure</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€12,845m</td>
<td>+6% yoy*</td>
</tr>
<tr>
<td>EBITDA (before special items)</td>
<td>€4,391m</td>
<td>+10% yoy</td>
</tr>
<tr>
<td>Core EPS</td>
<td>€2.67</td>
<td>+10% yoy</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>€-793m</td>
<td></td>
</tr>
</tbody>
</table>

*Δ% yoy, Fx & portfolio adj

Note: All 2019 figures were re-based to reflect the change in cost allocations from enabling functions to the divisions effective Jan. 1, 2020.
Crop Science off to a good start

- 6% cpa sales growth, with contributions from all regions
- Good growth across insecticides, fungicides, corn seed & traits and herbicides
- Soybean seed & traits continue to decline due to competition
- Strong increase of EBITDA before special items due to volume increases and cost synergies

Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales In million €, ∆% yoy, Fx &amp; portfolio adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'19</td>
<td>6,444</td>
</tr>
<tr>
<td>Q1'20</td>
<td>6,834 (6%)</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA* In million €, ∆% yoy, before special items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'19</td>
<td>2,301 (14%)</td>
</tr>
<tr>
<td>Q1'20</td>
<td>2,611 (38.2%)</td>
</tr>
</tbody>
</table>

EBITDA Margin before special items

- 6% cpa sales growth, with contributions from all regions
- Good growth across insecticides, fungicides, corn seed & traits and herbicides
- Soybean seed & traits continue to decline due to competition
- Strong increase of EBITDA before special items due to volume increases and cost synergies

*2019 figures are restated
Pharmaceuticals performance driven by Xarelto

- Xarelto (+19%) as main growth contributor
- Eylea (+1%) impacted by phasing
- China with softer growth partly due to phasing in anticipation of volume-based procurement introduction
- Solid increase in EBITDA before special items
- EU approval for darolutamide and pre-filled syringe for Eylea
- Positive phase III data for Vericiguat (VICTORIA) and Xarelto (VOYAGER PAD)
Strong demand for Consumer Health products in all regions

- All regions with elevated demand primarily related to the COVID-19 epidemic
- Strong growth across categories, especially in Nutritionals (+34%), Pain and Cardio (+20%) and Allergy & Cold (+15%)
- Margin expansion driven by sales growth offsetting negative portfolio effect and higher marketing expenses
- Positive effect on earnings by growth acceleration program (“Fit to Win”)

### Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1'19</th>
<th>Q1'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,395</td>
<td>1,398</td>
</tr>
<tr>
<td>Volume</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>+0%</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Portfolio</td>
<td>-13%</td>
<td></td>
</tr>
</tbody>
</table>

### EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q1'19</th>
<th>Q1'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>290</td>
<td>301</td>
</tr>
<tr>
<td>Margin before special items</td>
<td>20.8%</td>
<td>21.5%</td>
</tr>
</tbody>
</table>

*2019 figures are restated
Measurable Group-level targets for Sustainable Development until 2030

Help more people thrive within planetary boundaries

Support 100m smallholder farmers\(^1\) in low- and middle-income countries (LMIC)

Provide 100m women in low- and middle-income countries with access to modern contraception

Expand access to everyday health for 100m people in underserved communities around the world

Help more people thrive

Making our own operations carbon neutral and working with our suppliers to reduce emissions across our value chain

Decrease environmental footprint

Our targets are in sync with the UN Sustainable Development Goals

Foundation of responsibility and good Corporate Governance

- Responsibility along the entire value chain: Leading ethical business-, procurement-, and product stewardship practices
- Clear and measurable targets tied to mgmt. compensation; transparency on actions
- CEO Chief Sustainability Officer; independent external Sustainability Council advising the BoM; sustainability expertise in Sup. Board

\(^1\) A farmer who farms crops on less than 10 ha (FAO definition)

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