



Science For A Better Life



Investor Conference Call

FY/Q4 2016 Results

February 22, 2017 / Werner Baumann, CEO

Cautionary Statements Regarding Forward-Looking Information



Certain statements contained in this communication may constitute “forward-looking statements.” Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: uncertainties as to the timing of the transaction; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate Monsanto Company’s (“Monsanto”) operations into those of Bayer Aktiengesellschaft (“Bayer”); such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the announcement of the transaction; the retention of certain key employees at Monsanto; risks associated with the disruption of management’s attention from ongoing business operations due to the transaction; the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger; the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company’s future financial condition, operating results, strategy and plans; other factors detailed in Monsanto’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) for the fiscal year ended August 31, 2016 and Monsanto’s other filings with the SEC, which are available at <http://www.sec.gov> and on Monsanto’s website at www.monsanto.com; and other factors discussed in Bayer’s public reports which are available on the Bayer website at www.bayer.com. Bayer assumes no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.



FY 2016 – Highlights

- Another record year for Bayer: Sales +3% (cpa), adj. EBITDA +10%, core EPS +7%
- Substantial sales and earnings increases at Pharmaceuticals
- Consumer Health grows with competition
- Crop Science successful in a difficult market environment
- Good progress with the acquisition of Monsanto
- Major innovation milestones achieved – ≥€6bn combined peak sales potential of key pharma pipeline products
- Combined peak sales potential of key pharma growth products raised to >€10bn
- Mid-term aspirations emphasize attractive growth and margin potential of Life Science businesses
- Dividend proposal for 2016: €2.70 per share (+8%)
- Outlook for 2017 projects further growth in sales and earnings

Q4 2016 – Further Growth in Sales and Underlying Earnings



Sales

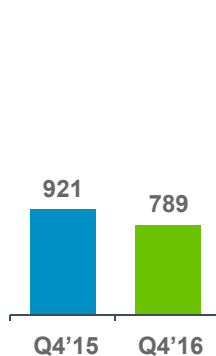
in € million
% currency & portfolio adj.



+5%

EBIT

in € million



-14%

EBITDA

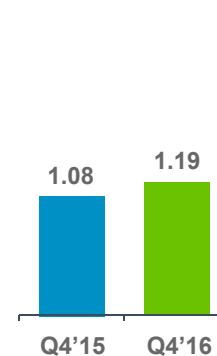
before special items
in € million



+14%

Core EPS

cont. op.
in €



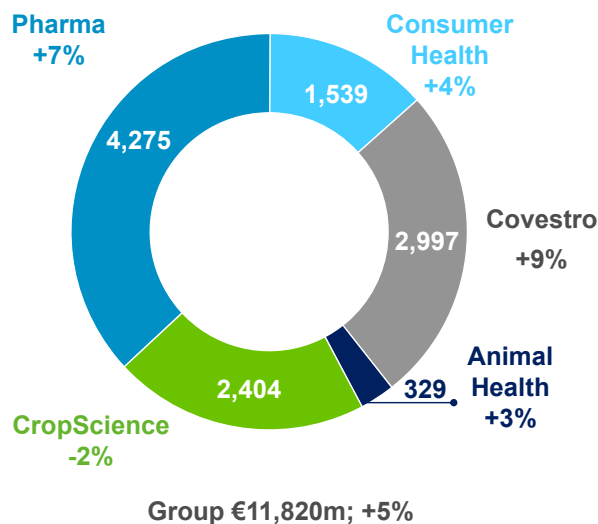
+10%



Q4 2016 – Breakdown by Segment

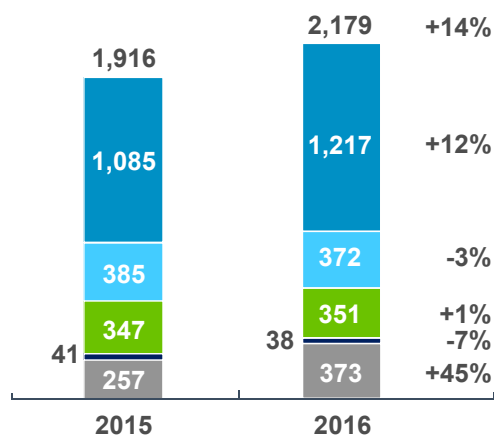
Sales

in € million; Δ% yoy, Fx & portfolio adj.



EBITDA

before special items, in € million; Δ% yoy



Q4 2016 – Cash Flow And Net Financial Debt Development



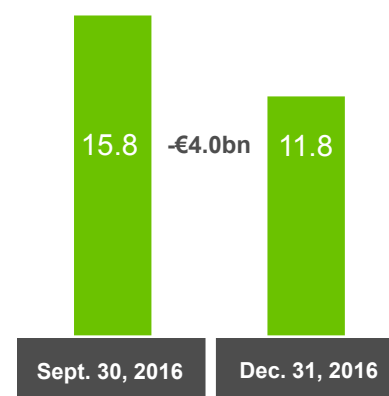
Cash Flow

in € million, Δ% yoy Fx adj., continuing operations

	EBITDA	Operating Cash Flow	CapEx
	1,914	2,678	970
Δ y-o-y	+2%	+39%	+6%

Net Financial Debt

in € billion



FY 2016 – Earnings Targets More Than Achieved



Sales $\Delta\%$ yoy, Fx & portfolio adj., EBITDA before special items, continuing operations

	2015 Actual	2016 Guidance (original)	2016 Actual	Δ 2016 vs. 2015
Sales	€46.1bn	low-single-digit % increase to >€47bn	€46.8bn	+3% ✓
adj. EBITDA	€10.3bn	mid-single-digit % increase	€11.3bn	+10% ✓ ✓
core EPS	€6.82	mid-single-digit % increase	€7.32	+7% ✓ ✓
core EPS (excl. MCN)	€6.82	mid-single-digit % increase	€7.37	+8% ✓ ✓

Page 7 • FY/Q4 2016 Investor Conference Call • Werner Baumann

MCN: Mandatory convertible notes issued in November 2016
2015 figures restated

FY 2016 – Pharmaceuticals Delivers Substantial Increases in Sales and Earnings



Sales

in € million; $\Delta\%$ yoy, Fx & portfolio adj.



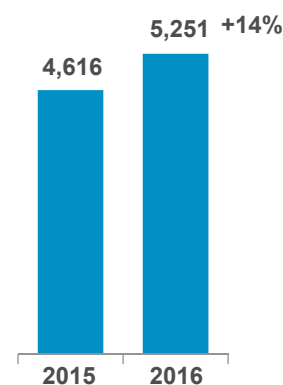
Key Growth Products

2016 sales in € million, $\Delta\%$ yoy, Fx adj.

Xarelto rivaroxaban	2,928	+31%
EYLEA ophthocept solution for injection	1,625	+33%
Xofigo rifaximin HCl 200 mg tablets	331	+29%
Stivarga regorafenib tablets	275	-12%
Adempas riociguat	254	+39%
Sum	5,413	+29%

EBITDA

before special items, in € million; $\Delta\%$ yoy



Page 8 • FY/Q4 2016 Investor Conference Call • Werner Baumann

2015 figures restated

FY 2016 – Consumer Health Grows with Competition



Sales

in € million; Δ% yoy, Fx & portfolio adj.



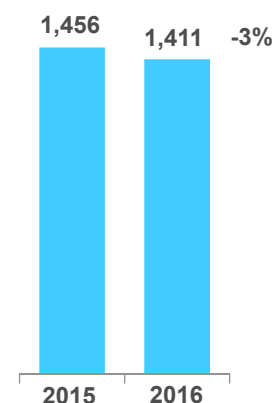
Top Products

2016 sales in € million, Δ% yoy, Fx adj.

	ASPIRIN	1,001*	+5%
	Claritin	605	-3%
	ALEVE	416	+2%
	Bepanthen	362	+9%
Sum		2,384	+3%

EBITDA

before special items, in € million; Δ% yoy

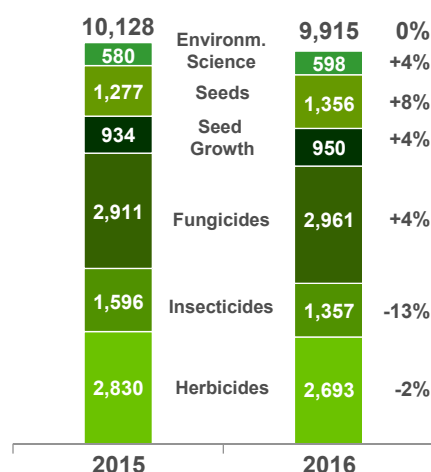


FY 2016 – Crop Science Successful in a Difficult Market Environment



Sales

in € million; Δ% yoy, Fx & portfolio adj.



Regions

2016 sales in € million, Δ% yoy, Fx adj.

Europe / Middle East / Africa	3,290	+2%
North America	2,616	+4%
Asia / Pacific	1,548	+3%
Latin America	2,461	-7%

EBITDA

before special items, in € million; Δ% yoy

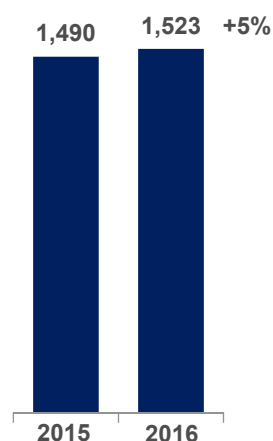


FY 2016 – Animal Health With Strong Performance of Seresto



Sales

in € million; Δ% yoy, Fx & portfolio adj.



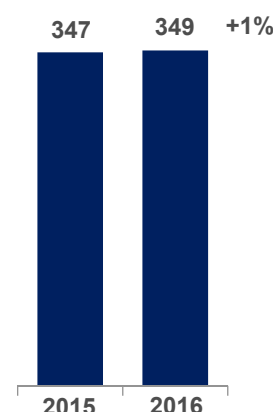
Top Products

2016 sales in € million, Δ% yoy, Fx adj.

advantage	535	0%
seresto	174	+55%
Drontal®	128	+7%
Baytril®	113	-5%
Sum	950	+7%

EBITDA

before special items, in € million; Δ% yoy



Page 11 • FY/Q4 2016 Investor Conference Call • Werner Baumann

FY 2017 Forecast Projects Further Growth in Sales and Earnings



Sales Δ % yoy Fx and portfolio adj., EBITDA before special items
Continuing operations

		2016	Forecast 2017
Sales	Group	€46.8bn	Low- to mid-single-digit % increase to >€49bn
	Life Sciences	€34.9bn	Mid-single-digit % increase to ~€37bn
adj. EBITDA	Group	€11.3bn	Mid-single-digit % increase
	Life Sciences	€9.3bn	Mid- to high-single-digit % increase
core EPS	Group	€7.32	Mid-single-digit % increase

Page 12 • FY/Q4 2016 Investor Conference Call • Werner Baumann

Assuming end Q4 2016 Fx rates (USD 1.05)
Outlook depends on specific planning assumptions as detailed in the Annual Report

FY 2017 – Guidance by Life Science Segment



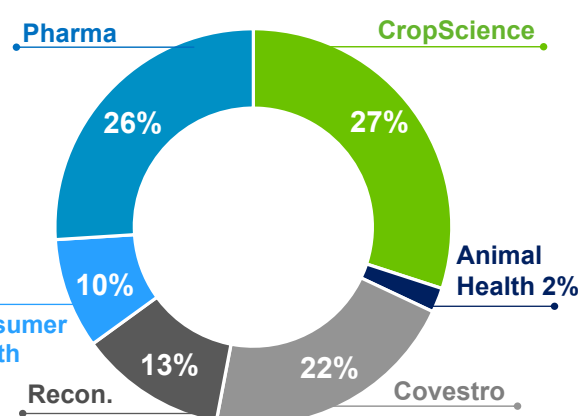
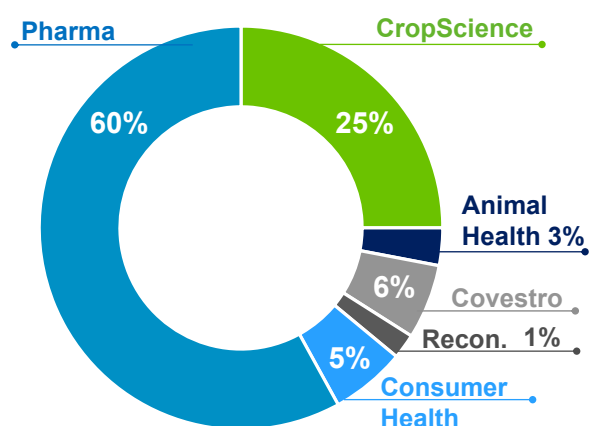
	Sales *	Adj. EBITDA *
Pharma	Mid-single-digit % increase to >€17bn Key growth products >€6bn	High-single-digit % increase Margin improvement
Consumer Health	Low- to mid-single-digit % increase to >€6bn, in line with expected market growth	Low- to mid-single-digit % increase
Crop Science	Low-single-digit % increase to >€10bn	At prior year level
Animal Health	Low- to mid-single-digit % increase	High-single-digit % increase

FY 2017 – R&D and CapEx Budgets



R&D 2017e: €4.8bn

CapEx (PPE) 2017e: €2.5bn





Agreed Monsanto Acquisition – Status

Regulatory

- Good progress in obtaining antitrust approvals
- Filings in roughly 2/3 of approx. 30 jurisdictions submitted
- Regulatory filing in the European Union planned for Q2 2017

Financing

- Successful placement of €4 billion mandatory convertible notes
- Further take-out financing with debt (incl. hybrid) and equity planned
- Should we identify options to further optimize financing structures, instruments and also the timing of financing steps in the context of this transaction, we will consider these

Page 15 • FY/Q4 2016 Investor Conference Call • Werner Baumann



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