



Science For A Better Life



Bayer Investor Handout
Deutsche Bank Access Asia Conference
Singapore, May 2017



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’s operations into those of 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 the refinancing of the loans taken out for the transaction, 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 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 and Monsanto assume 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.



Disclaimer



Science For A Better Life



Company Profile

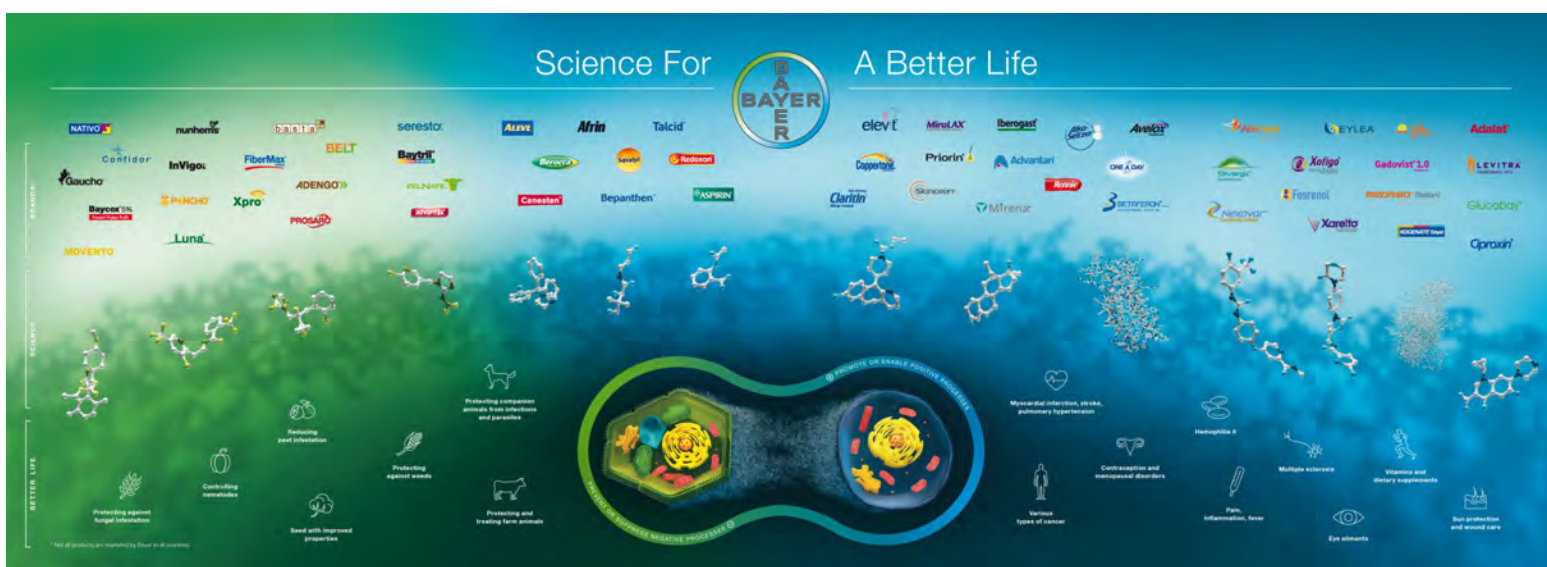
As of February 22, 2017

Our Mission Bayer: Science For A Better Life



Our Products

Bayer: Science For A Better Life



Group Strategy



Our mission “Bayer: Science For A Better Life” guides our endeavors to address some of today’s most pressing global challenges in health and nutrition through better medicines and a sufficient quantity of high-quality food for a steadily growing and aging population. Together with our partners, we are developing innovative solutions to tackle these challenges and thus improve people’s quality of life.

We want to safeguard our company’s long-term success in balance with ecological responsibility and societal acceptance. Sustainability is embedded in all our business practices as a fundamental condition for achieving this.

1

Positioning businesses to mega-trends: Health and Nutrition

We provide solutions for two of the most pressing challenges of our times

2

Steering a leading portfolio: Leadership in our relevant markets

We invest in a portfolio of strong, value-generating businesses

3

Driving value: Profitable growth

We increase the value of our businesses in the long-term

4

Focusing on our strength: Innovation

We address unmet societal challenges through innovation



Bayer Core Strengths

Innovation		<ul style="list-style-type: none"> Our innovations are driven by deep scientific expertise and know-how, developed across boundaries of organizations and supported by new digital technologies and business models
Customer Centricity		<ul style="list-style-type: none"> Ability to understand and successfully serve a wide range of customers and consumers Focus on the value of long-term customer relationships
Quality		<ul style="list-style-type: none"> Stringent, enterprise-wide quality management enabling us to consistently develop, process and handle our products to the highest standards
Process Excellence		<ul style="list-style-type: none"> Global and local platforms of support functions and a global supply network provide efficiencies and enable our businesses to focus on their core value drivers
Portfolio Management		<ul style="list-style-type: none"> Continuously evolving our business portfolio supported by strong ability to execute
People		<ul style="list-style-type: none"> Our ability to attract, develop and retain the best talents Strong commitment to Bayer and the company's values, and high level of employee engagement



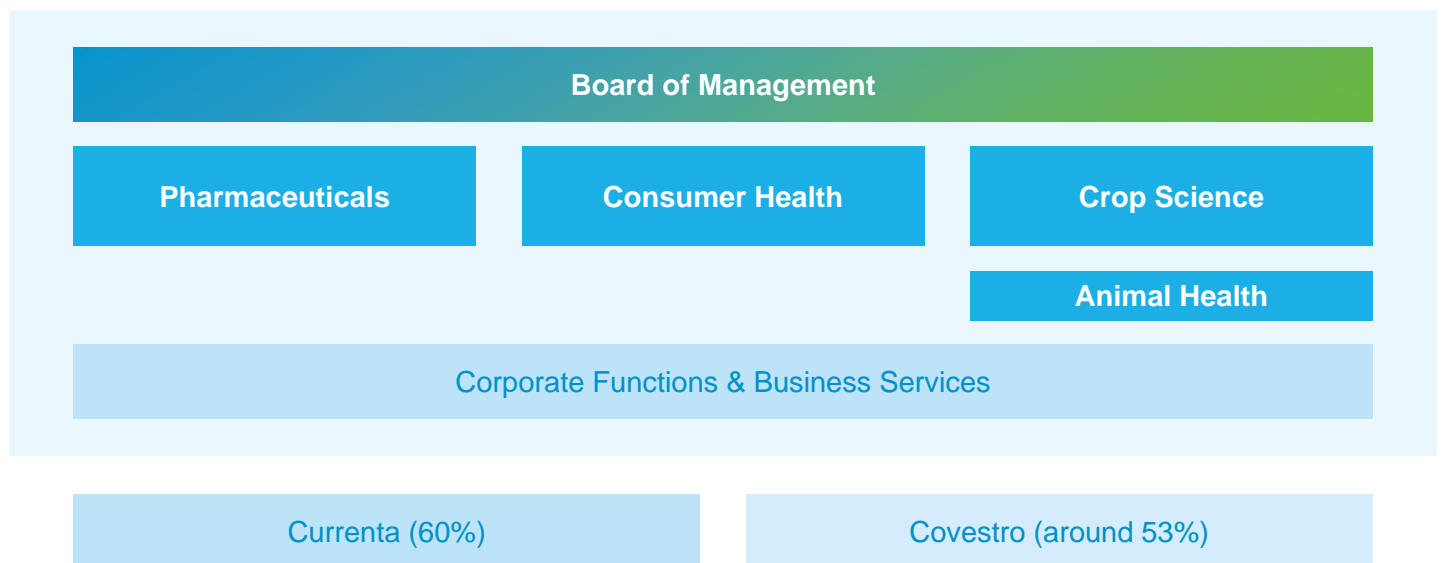
Corporate History

1863	Company founded by F. Bayer and J.F. Weskott in Wuppertal
1912	Corporate headquarters established in Leverkusen
1951	Re-establishment of Farbenfabriken Bayer AG
2005	Lanxess AG is spun off from the Bayer Group
2006	Takeover of Schering AG, Berlin, Germany
2014	Takeover of the Consumer Care business of Merck & Co., Inc., USA
2015 / 9 / 1	Bayer MaterialScience an independent company under the name "Covestro"
2016 / 1 / 1	Reorganization of the Bayer Group





Bayer Group Structure



Our Business Areas



Pharmaceuticals

- Prescription drugs



Consumer Health

- Over-the-counter medicines, dietary supplements, dermatology products, foot care and sunscreen

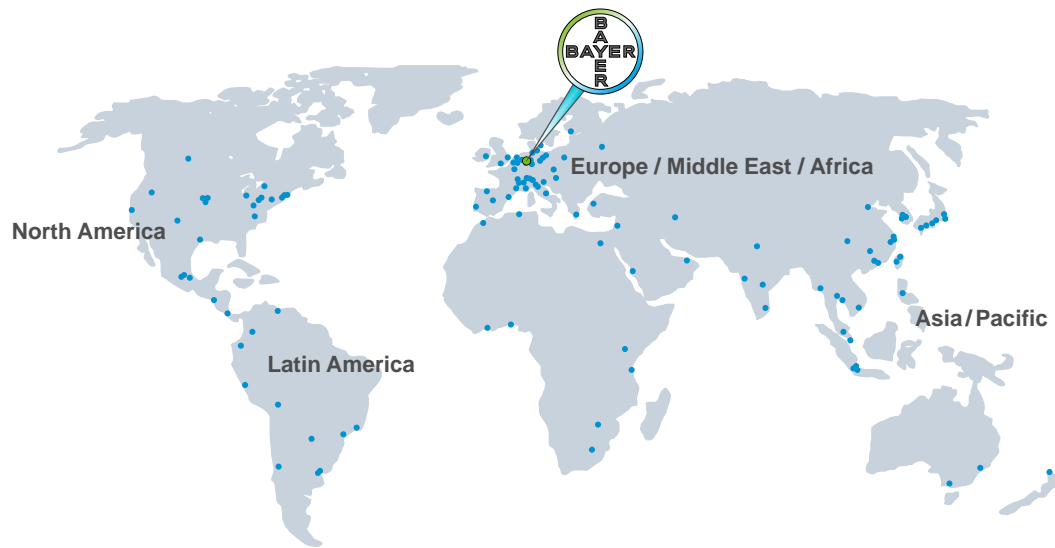


Crop Science

- Innovative crop protection and seeds
- Animal Health



Key Locations / Regions



The Bayer Group is a global enterprise with companies in 78 countries.

Employees

As of December 31, 2016, incl. Covestro



Bayer Group

115,200* (previous year: 116,600)



Regions

Europe / Middle East / Africa	59,500
North America	15,800
Asia / Pacific	27,400
Latin America	12,500

Segments

Pharmaceuticals	40,100
Consumer Health	12,800
Crop Science	22,400
Animal Health	4,000
Corporate Functions, Business Services and other	20,300
Covestro	15,600

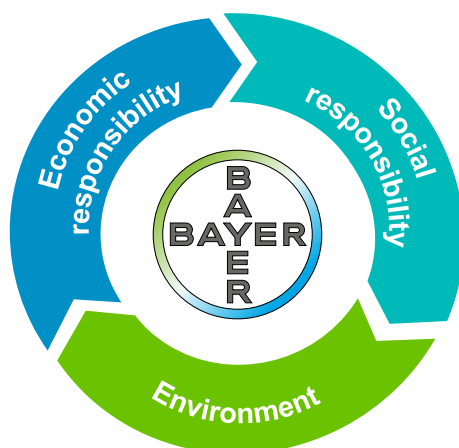
Functions

Production	50,200
Marketing and Distribution	40,200
Research and Development	15,200
General Administration	9,600

* Excluding Covestro: 99,600 (previous year: 100,800)

Employees in full-time equivalents

Sustainability at Bayer Ensures our “Licence to Operate”



1 Achieving commercial success

while

2 Meeting the needs of our employees and society

and

3 Protecting the environment and natural resources

Sustainability is modern risk management

Corporate Social Responsibility



Health and Social Topics:

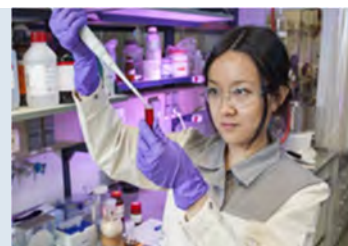
- We support the voluntary work carried out by our employees.
- We support social progress, for example through the Aspirin Social Innovation Award.
- We provide financial and material aid in response to natural disasters and support reconstruction projects.
- We cooperate with the WHO in fighting neglected tropical diseases.
- We are involved in the “Access Accelerated” initiative against non-communicable diseases.

Science & Education:

- We get children interested in the natural sciences.
- We support innovative school education, as well as providing support to pupils, trainees and students.
- We award prizes to researchers and young scientists.

Sport & Culture:

- We support popular, youth and disabled sports and offer a wide range of cultural activities at our German sites.





Bayer is Included in Leading Sustainability Indices

Our rationale:

- External assessment of our sustainability performance increases our credibility and trust.
- Institutional investors integrate rating results in their financial analysis, e.g. as an early risk indicator.
- Stakeholders expect good rating performances, reflecting a well-established risk and opportunity management.
- The evaluation criteria are becoming increasingly stringent, requiring more outcome-related data and publicly available sources.

Our goal:

- Achieve a fair and transparent assessment.

Examples:

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good



access TO
medicine
INDEX

Fiscal 2016: Another Record Year for Bayer

Good Progress with the Acquisition of Monsanto



- Group sales €46.8 billion (Fx & portfolio adj. + 3.5%)
- Substantial sales and earnings increases at Pharmaceuticals
- Consumer Health grows with competition
- Crop Science successful in a difficult market environment
- EBITDA before special items €11.3 billion (+ 10.2%)
- Net income €4.5 billion (+ 10.2%)
- Core earnings per share €7.32 (+ 7.3%)
- Operating cash flow €8.3 billion (+ 20.8%)
- Forecast for 2017: further growth in sales and earnings

Bayer Group Key Data

Full Year 2016

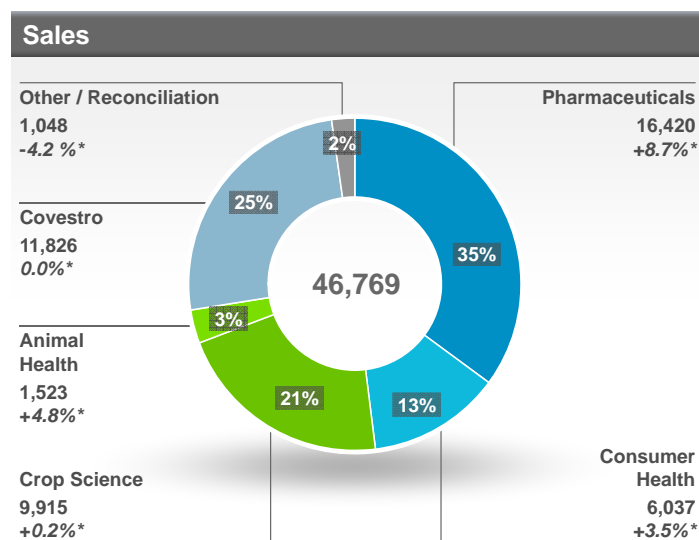


€million	2015	2016	Change from 2015
Sales	46,085	46,769	+1.5%
EBITDA	9,573	10,785	+12.7%
EBITDA before special items	10,256	11,302	+10.2%
EBITDA margin before special items	22.3%	24.2%	
EBIT	6,241	7,042	+12.8%
EBIT before special items	7,060	8,130	+15.2%
Income before income taxes	5,236	5,887	+12.4%
Net income (from continuing and discontinued operations)	4,110	4,531	+10.2%
Earnings per share (from continuing and discontinued operations) (€)	4.97	5.44	+9.5%
Core earnings per share (from continuing operations) (€)	6.82	7.32	+7.3%
Net cash provided by operating activities (from continuing and discontinued operations)	6,890	9,089	+31.9%
Net financial debt	17,449	11,778	-32.5%
Capital expenditures as per segment table	2,511	2,578	+2.7%

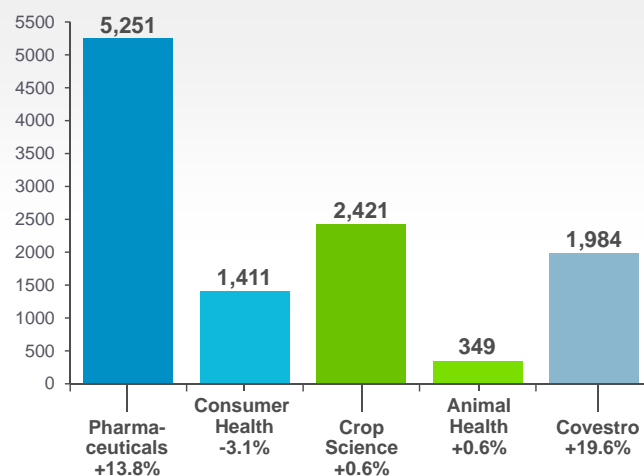
2015 figures restated

Key Data, Full Year 2016

Group by Segments in € Million



EBITDA before special items



* year-on-year change currency-adjusted

Key data Covestro please click here ►

Key Data, Full Year 2016

By Region, € Million, incl. Covestro



Sales (by market)

Latin America

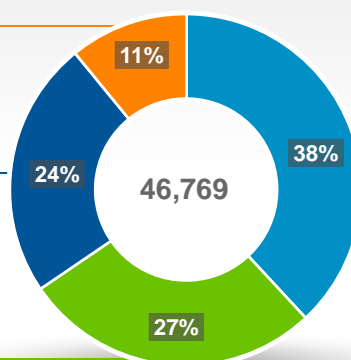
5,108
+0.8%*

Asia/Pacific

11,032
+7.9%*

North America

12,806
+2.0%*



Europe/Middle East/Africa

17,823
+2.8%*

* year-on-year change currency-adjusted

Capital Expenditures

Distribution 2016



Capital expenditures*

Other

€25 million

Covestro

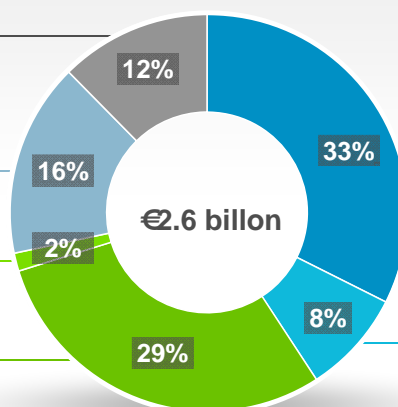
€419 million

Animal Health

€39 million

Crop Science

€73 million



Pharmaceuticals

€851 million

Consumer Health




€220 million

* As per segment table

Innovation at Bayer

Addressing Unmet Market Needs

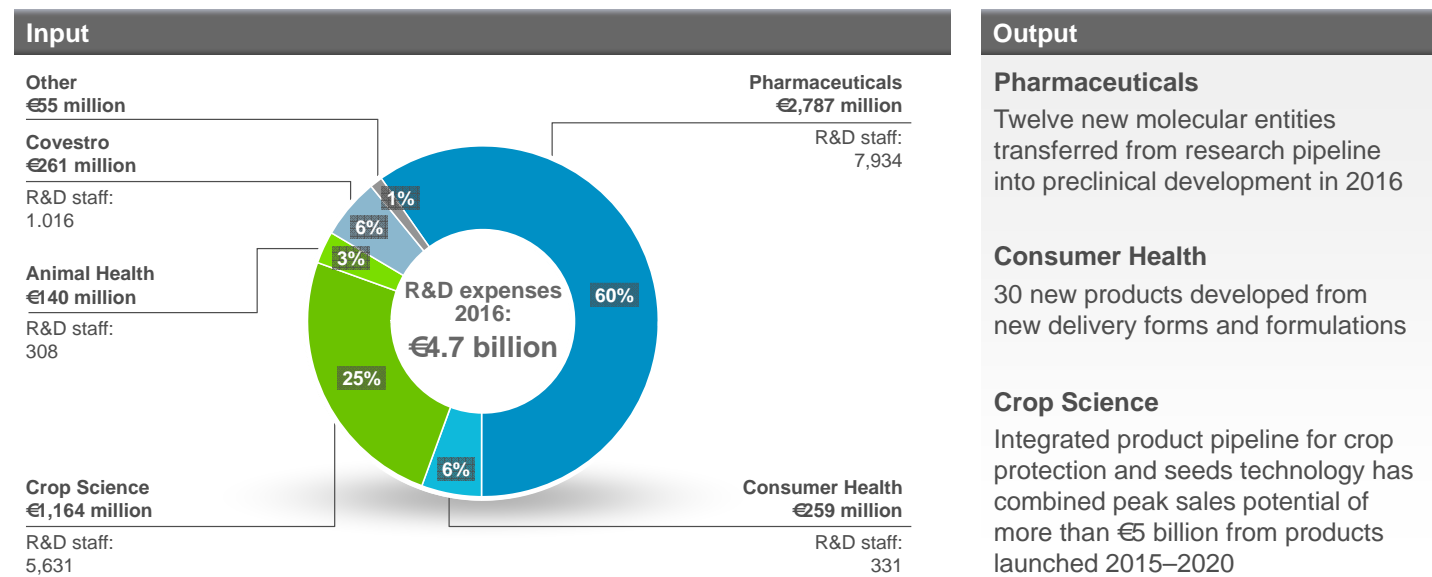


Challenges	Our Approach	Innovation Highlights
Higher life expectancy and demand for innovative drugs increase cost pressure on healthcare industry	Pharmaceuticals: Developing innovative treatments which offer added value compared to standard therapy; especially for diseases with a high medical need	Important launches: <ul style="list-style-type: none"> • Kovaltry™ • Kyleena™ • Xofigo™ 
Global efforts to reduce health care costs increases need for access to self-care products and solutions	Consumer Health: Consumer-centric innovation	Important launches: <ul style="list-style-type: none"> • Clarispray™ • Elevit™ • Aleve™ Direct Therapy • Canestest™ 
Growing need for food, feed and renewable resources	Crop Science: Solutions tailored to customer requirements, from seed to shelf	Important launches: <ul style="list-style-type: none"> • Council™ • Sivanto™ 

In line with our mission “Bayer: Science For A Better Life”

Bayer's Success is Based on Excellence in Research & Development

Continuous Investment in R&D Projects



Pharmaceuticals

Twelve new molecular entities transferred from research pipeline into preclinical development in 2016

Consumer Health

30 new products developed from new delivery forms and formulations

Crop Science

Integrated product pipeline for crop protection and seeds technology has combined peak sales potential of more than €5 billion from products launched 2015–2020

Pharmaceuticals

Business Areas



Cardiovascular diseases



Oncology



Ophthalmology



Women's health



Hematology



Radiology



Other illnesses

- Multiple sclerosis
- Infections
- Diabetes
- Erectile dysfunction
- Testosterone deficiency



Pharmaceuticals

Top Products



Cardiovascular diseases

- *AdalatTM*
- *AdempasTM*
- *AspirinTM Cardio*
- *XareltoTM*

Oncology

- *NexavarTM*
- *StivargaTM*
- *XofigoTM*

Ophthalmology

- *EyleaTM*

Women's health

- *YAZTM/YasminTM/YasminelleTM*
- *MirenaTM/JaydessTM/SkylaTM/KyleenaTM*



Pharmaceuticals

Top Products



Hematology	Radiology	Other illnesses	
<ul style="list-style-type: none"> • Kogenate™/Kovaltry™ 	<ul style="list-style-type: none"> • Gadovist™ • Medrad Spectris Solaris™ • Medrad Stellant™ • Primovist™ • Radimetrics™ • Ultravist™ 	Multiple sclerosis <ul style="list-style-type: none"> • Betaferon™/Betaseron™ Infections <ul style="list-style-type: none"> • Avalox™/Avelox™ • Cipro™/Ciprobay™ 	Diabetes <ul style="list-style-type: none"> • Glucobay™ Erectile dysfunction <ul style="list-style-type: none"> • Levitra™ Testosterone deficiency <ul style="list-style-type: none"> • Nebido™



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Pharmaceuticals – Key Data

Full Year of 2016



€million	Q4 2015	Q4 2016	Change	2015	2016	Change
Sales	3,986	4,275	+7.3% (+7.1%*)	15,308	16,420	+7.3% (+8.7%*)
Change in sales						
Volume	+9.2%	+7.2%		+9.1 %	+9.0%	
Price	-0.6%	-0.1%		0.0 %	-0.3%	
Currency	+0.2%	+0.2%		+4.6 %	-1.4%	
Portfolio	0.0%	0.0%		-0.4 %	0.0%	
EBITDA	949	1,065	+12.2%	4,375	5,084	+16.2%
Special items	(136)	(152)		(241)	(167)	
EBITDA before special items	1,085	1,217	+12.2%	4,616	5,251	+13.8%
EBITDA margin before special items	27.2%	28.5%		30.2%	32.0%	
EBIT	569	606	+6.5%	3,028	3,389	+11.9%
Special items	(190)	(310)		(299)	(558)	
EBIT before special items	759	916	+20.7%	3,327	3,947	+18.6%
Net cash provided by operating activities	911	1,326	+45.6%	3,157	3,368	+6.7%

2015 figures restated

* Fx & p adj. = currency- and portfolio-adjusted

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Consumer Health

Business Areas



Analgesics and cardio



Cough, allergy, sinus & flu



Gastrointestinals



Nutritionals



Sun protection



Foot care



Medicated skincare



Prescription dermatology products



Consumer Health

Top Products



Analgesics and cardio

- AspirinTM
- AleveTM

Cough, allergy, sinus & flu

- ClaritinTM
- AspirinTM
- Alka-SeltzerTM
- AfrinTM

Gastrointestinals

- MiraLAXTM
- RennieTM
- IberogastTM

Nutritionals

- One A DayTM
- ElevitTM
- BeroccaTM
- SupradynTM
- RedoxonTM



Consumer Health

Top Products



Sun protection

- Coppertone™

Foot care

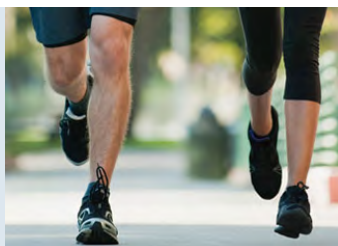
- Dr. Scholl's™

Medicated skincare

- Bepanthen™
- Canesten™

Prescription dermatology products

- Advantan™
- Skinoren™/
Finacea™



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Consumer Health – Key Data

Full Year 2016



€million	Q4 2015	Q4 2016	Change	2015	2016	Change
Sales	1,506	1,539	+2.2% (+4.4%*)	6,076	6,037	-0.6% (+3.5%*)
Change in sales						
Volume	+6.8%	+1.5%		+3.0%	+0.6%	
Price	+3.0%	+2.9%		+3.1%	+2.9%	
Currency	-1.2%	-2.2%		+2.7%	-4.1%	
Portfolio	+0.2%	0.0%		+34.3%	0.0%	
EBITDA	333	334	+0.3%	1,222	1,296	+6.1%
Special items	(52)	(38)		(234)	(115)	
EBITDA before special items	385	372	-3.4%	1,456	1,411	-3.1%
EBITDA margin before special items	25.6%	24.2%		24.0%	23.4%	
EBIT	194	68	-64.9%	768	695	-9.5%
Special items	(55)	(199)		(237)	(292)	
EBIT before special items	249	267	+7.2%	1,005	987	-1.8%
Net cash provided by operating activities	140	221	+57.9%	816	874	+7.1%

2015 figures restated

* Fx & p adj. = currency- and portfolio-adjusted

Crop Science

Business Areas



Crop Protection

- Insecticides
- Fungicides
- Herbicides
- SeedGrowth

Seeds

- Vegetables seeds
- Seeds for agricultural crops (canola / oilseed rape, cotton, rice, soy)
- Traits

Environmental Science

- Professional Products



Crop Science

Top Products (Selection)



Crop Protection

Fungicides

- Luna™
- Serenade™
- Nativio™
- Xpro™
- Prosaro™
- family
- family

Insecticides

- Belt™
- Velum™
- Confidor™
- Movento™
- Sivanto™

Herbicides

- Adengo™
- Alion™
- Basta™/
- Liberty™

SeedGrowth

- Gaucho™
- Poncho™

Seeds

- Credenz™
- FiberMax™/
- Stoneville™
- InVigor™
- Nunhems™

Environmental Science

- Esplanade™
- Fludora™
- Maxforce™
- Signature™



Crop Science – Key Data

Full Year 2016



€million	Q4 2015	Q4 2016	Change	2015	2016	Change
Sales	2,405	2,404	0.0% (-1.6%*)	10,128	9,915	-2.1% (+0.1%*)
Change in sales						
Volume	+5.8%	-0.4%		+1.3%	-1.3%	
Price	-0.4%	-1.2%		+0.4%	+1.4%	
Currency	+5.1%	+1.6%		+6.9%	-2.3%	
Portfolio	+0.7%	0.0%		+0.7%	+0.1%	
EBITDA	642	314	-51.1%	2,628	2,280	-13.2%
<i>Special items</i>	295	(37)		222	(141)	
EBITDA before special items	347	351	+1.2%	2,406	2,421	+0.6%
<i>EBITDA margin before special items</i>	14.4%	14.6%		23.8%	24.4%	
EBIT	491	153	-68.8%	2,094	1,755	-16.2%
<i>Special items</i>	301	(39)		222	(143)	
EBIT before special items	190	192	+1.1%	1,872	1,898	+1.4%
Net cash provided by operating activities	175	622	•	749	2,071	+176.5%

2015 figures restated

* Fx & p adj. = currency- and portfolio-adjusted



Life Science Focus Sets Strategic Priorities – Update on Selected Topics



Bayer – A World-Class Life Science Company

Group Strategic Priorities

**Positioning businesses to mega-trends:
Health and Nutrition**

**Steering a leading portfolio:
Leadership in our relevant markets**

Driving value: Profitable growth

Focusing on our strength: Innovation

Divisional Strategies

**Pharma-
ceuticals**

Focused leadership strategy to deliver growth and to create value

**Consumer
Health**

Maintain global OTC leadership and improve profitability

**Crop Science /
AH**

Combined crop science company well positioned to deliver superior performance

AH: Animal Health

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Mid-Term Aspirations Emphasize Attractive Growth and Margin Potential

As presented on
Sept. 20, 2016



	Sales Growth CAGR 2015-2018	Adjusted EBITDA Margin 2018
Pharma	~6%	32-34% <i>Despite dilution through Radiology and significant R&D investment</i>
Consumer Health	4-5%	~25%
Animal Health	4-5%	23-24%
Crop Science (incl. Monsanto)*	Above market growth	>30% after year 3 post closing

Sales Δ Fx & portf. adjusted, EBITDA before special items, continuing operations
Outlook depends on specific planning assumptions outlined in the Interim Report Q2 2016
Acquisition of Monsanto pending
*Not including any potential divestments

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Focused Leadership Strategy at Pharma to Deliver Growth and to Create Value



Deliver Growth

- Focus on key therapeutic areas and build / maintain leading positions
 - Cardiovascular
 - Hemophilia
 - Women's Health
 - Oncology
- Continue to maximize growth potential of Xarelto, Eylea, Xofigo, Stivarga, Adempas

Drive Innovation

- Build pipeline organically and pursue in-licensing and bolt-on M&A options
- Focus research on Cardiovascular and Oncology
- Foster late-stage development to fully develop high value projects
- Support leading positions in Hemophilia, Women's Health and Ophthalmology

Create Value

- Deliver on mid-term growth and margin aspirations
- Balance margin expansion and need to invest in securing long-term growth

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Pharma – Key Growth Drivers Going Forward



- **Mid-term aspirations 2018** reflect further growth and margin potential
- **Key growth products*** with significant potential reflected in combined peak sales estimate of > €10bn
- Execution of a comprehensive **life-cycle management** program, e.g. potentially adding 5 new indications and uses to expand the usability of Xarelto
- **Pipeline** holds promise with a combined peak sales potential of selected assets** of ≥ €6bn
- Pursuing in-licensing and other **external growth opportunities**

*Xarelto, Eylea, Xofigo, Stivarga, Adempas

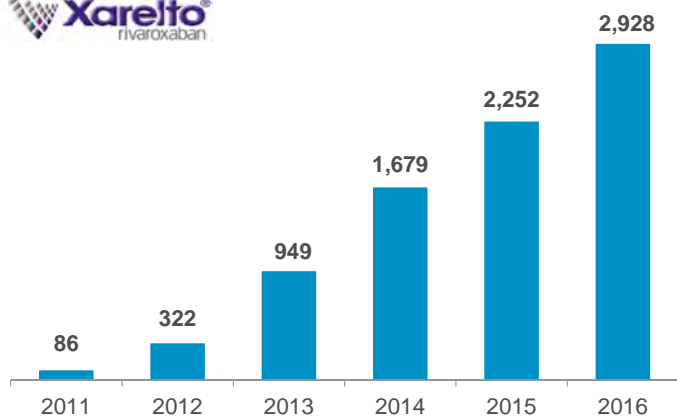
**Copanlisib, Anetumab Ravtansine, Finerenone, Vericiguat, Vilaprisan and ODM-201 assuming approvals and launches as planned



Xarelto – Continued Attractive Growth

Sales

€ million



*according to IMS; **calculation based on IMS Health MIDAS database

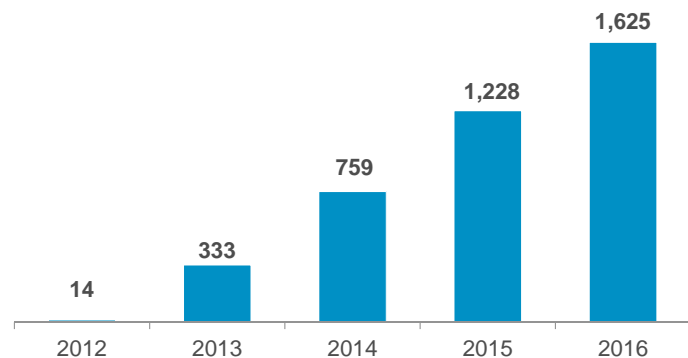
- Continued excellent performance – Xarelto now a **TOP 10 global Pharma brand***; >26 million patients treated since launch**
- **Guidance 2017**: mid-teens percentage increase vs. 2016 (fx-adj.)
- **Peak sales** estimate: >€5.0bn
- **COMPASS** Phase III stopped early on success, showing overwhelming efficacy
- Further **growth potential** driven by:
 - Under-served patient populations in launched indications
 - Demographics
 - Shift from warfarin
 - New indications targeting patients currently not treated with anticoagulants



Eylea – Well-Positioned in Retinal Diseases

Sales

€ million



*marketed by Bayer ex-US only; **source: IMS monthly market share data; ***in collaboration with Regeneron; Ang2: Angiopoietin 2

- Eylea* **gaining market** share in multiple countries, achieving market leadership across several important ex-US territories**
- Confidence in growth potential – **peak sales** estimates raised to >€2.5bn
- **Guidance 2017**: mid-teens percentage increase vs. 2016 (fx-adj.)
- **Life-cycle management** including combination therapy with Ang2-antibody***
- Further **growth potential** driven by:
 - Continued generation of real-life experience in wAMD across key markets and treatment-naïve patient share gains
 - Market expansion in DME

Consumer Health to Maintain Global OTC Leadership and to Improve Profitability



Build Global Brands

- Focus on category-leading, global brands
- Execute brand strategies in a differentiated, country-specific approach, tailored to local market requirements

Drive Key Market Growth

- Deliver growth in key markets including USA, China, Brazil, Russia
- Refocus investments to mature markets which are regaining momentum
- Continue prudent investments in emerging markets
- Leverage scale to grow more profitably

Accelerate Innovation

- Accelerate consumer-centric innovation
- Create more effective innovation processes
- Exploit growth potential of Rx/OTC switches
- Build new digital capabilities

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Consumer Health to Focus on Growth and Profitability



- We continue to invest into our **growth opportunities**
- We are making progress with the **turnaround of Dr. Scholl's** and, in particular, **Coppertone**
- We have implemented a number of organizational changes that allow us to **concentrate our investments** better than before on individual growth brands in certain countries
- In addition, we have **revamped our innovation process**

Mid-term aspirations for Consumer Health confirmed

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Foster Innovation at Consumer Health



- Tailor development to needs of different product categories, e.g. nutritionals, vs OTCs, vs personal care
- Build Rx-to-OTC switches pipeline
- Provide new benefit areas to consumers

Combined Crop Science Company Well Positioned to Deliver Superior Performance

Integrated Solutions

- Create integrated agriculture offerings
- Smarter combinations of products on broader footprint, supported by more targeted digitally enabled agronomic advice
- Enable customized solutions for broad-acre crops corn and soy

Lead Innovation

- Advance strong pipeline across crops, indications and technologies
- Deploy joint innovation capabilities to deliver enhanced solutions for the next generation of farming
- Customized systems based on synergistic technology application and powered by digitally enabled agronomic engine

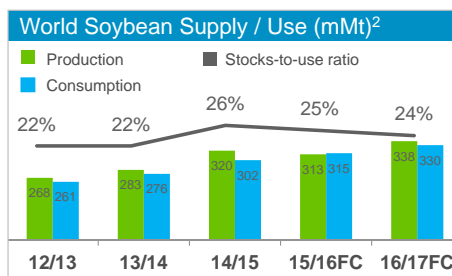
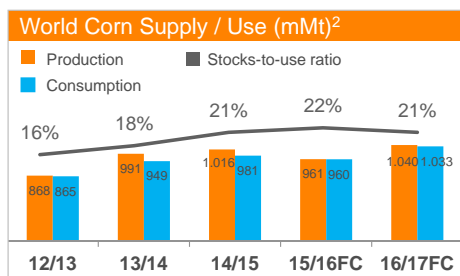
Deliver Value Proposition

- Realize full synergy potential of the combined businesses
- Deliver above market growth and superior margins

Current Ag Market Downturn Driven by Supply – Demand Steadily Growing

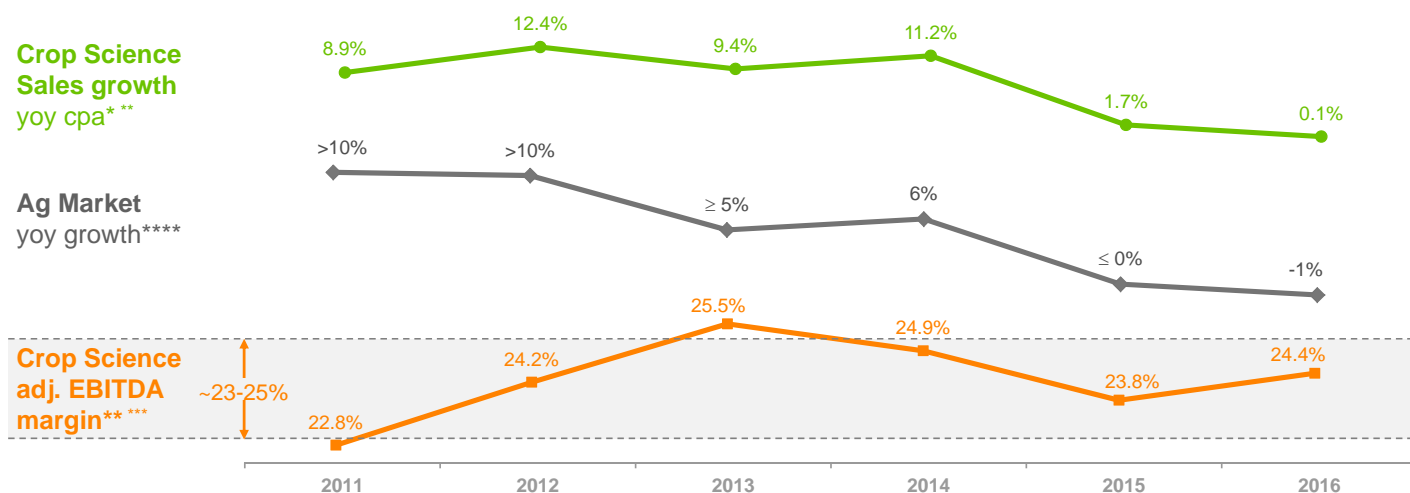


- Demand is steadily growing as long-term drivers are intact
- Several strong harvests in a row hiked global stocks of key commodities
- Stocks-to-use ratios for corn and soybean expected to stabilize
- CBOT* futures for corn and soybean trending upwards
- ➔ Early indicators suggest that bottom of the ag cycle has been reached
- ➔ Ag market recovery expected to start in late 2017, depending on harvests over the year



*CBOT: Chicago Board of Trade (Corn futures chain; c1 Soybean front month continuation), as of Feb 22, 2017
 **Source: USDA WASDE, as of Feb 9, 2017

Crop Science Delivers Growth and Robust Margins Over the Ag Cycle



*currency and portfolio adjusted **2015 data restated ***before special items
 ****Seeds, traits and crop protection market; source 2011: internal estimation, source 2012-2016: Bayer Annual Reports

Strong Innovators are Needed to Step-up the Pace in Agriculture R&D



- The Pharma industry spends ~\$150bn* per year on R&D to enhance health, whilst the Agricultural industry spends only ~\$8bn** per year on R&D to enhance food security, which is the basis for good health
 - United Nations FAO*** sees need for more sustainable food and agricultural production and calls for innovative systems that protect and enhance the natural resource base, while increasing productivity:
 - More efficient use of land, water and other inputs
 - Climate-smart agriculture: adapting and building resilience to climate change, while capturing potential mitigation co-benefits
 - Greater conservation of biodiversity
 - Achieve a greater quality and quantity of production with shift from "ready-to-use" to "custom-made" production systems
- ➔ "Adoption and adaptation of sustainable farming systems and practices require technological innovation and investment in R&D"

*2015, source: EvaluatePharma, Aug 2016; **Estimation based on Phillips McDougall AgriService data; 2015 R&D expenditure of leading companies in conventional crop protection and agricultural biotechnology
***Source: FAO. 2016. The future of food and agriculture – Trends and challenges. Rome

Accelerating Innovation Through Joint R&D Forces in Combined Entity



- Innovation in agrochemicals, seeds & traits has become more costly and takes longer* due to higher regulatory demands
 - New unmet needs and challenges (e.g. climate change, resistances) require break-through innovation based on synergistic technology application
 - Emerging technologies allow to generate new customized solutions
- ➔ Increasing need for interdisciplinary approaches to accelerate R&D productivity

Bayer & Monsanto's Joined R&D Forces**

- Strong R&D technology platforms with cross-technology capabilities
 - Superior access to innovation resources (including emerging technologies like genome-editing) through alliances and ventures
- ➔ Strong commitment to innovation with 2016 pro forma R&D investment of €2.5bn

*Based on: Phillips McDougall, AgriFutura Apr 2016 and AgriService Nov 2016;
**2016 Bayer + Monsanto pro forma; Fx rate USD/EUR=1.11; Monsanto R&D investment calendarized to Nov 2016



Science For A Better Life



Good Progress with the Agreed Acquisition of Monsanto

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Monsanto Acquisition - Transformative Step to Strengthen Life Science Portfolio



Industry Leadership

- Creating an integrated agricultural offering
- Broad product portfolio and R&D pipeline to deliver enhanced solutions for farmers

Significant Value Creation

- Substantial synergy potential
- Accretion to core EPS in the first full year
- Potential for premium valuation of combined agriculture business

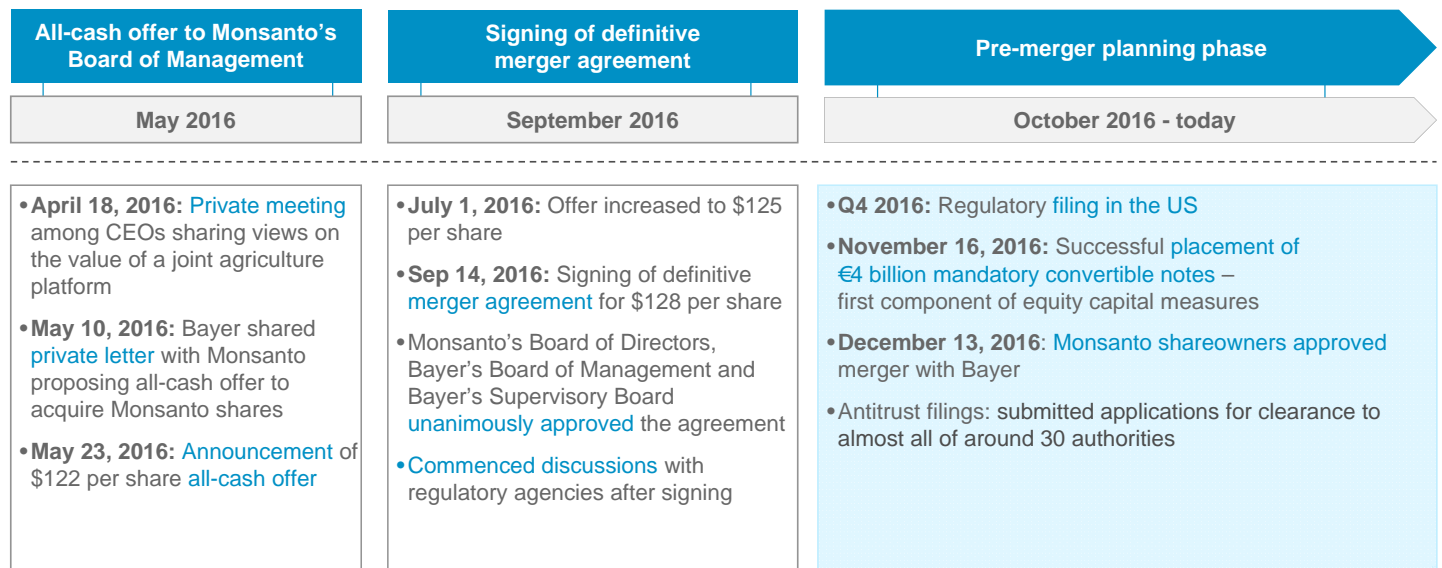
Consistent with Bayer's Strategy

- Agriculture market driven by innovation
- Attractive long-term growth market

Acquisition of Monsanto pending

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Agreed Monsanto Acquisition – Achievements



First Quarter 2017 – Strong start to the year for Bayer



Q1 2017 – Highlights

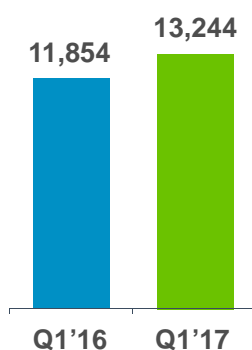
- Strong start to the year for Bayer
- Growth momentum across all segments – very good business development at Pharma
- Key growth products at Pharma on track
- Significant increase in sales and earnings at Covestro
- Group outlook for FY 2017 raised, driven by Covestro performance
- COMPASS study with Xarelto stopped early due to overwhelming efficacy
- Good progress with the agreed acquisition of Monsanto
- Stake in Covestro further reduced



Q1 2017 – Strong Start to the Year

Sales

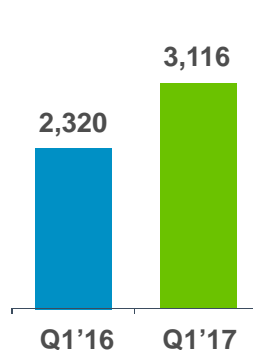
in €million
% currency & portfolio adj.



+9%

EBIT

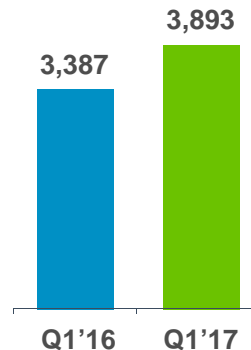
in €million



+34%

EBITDA

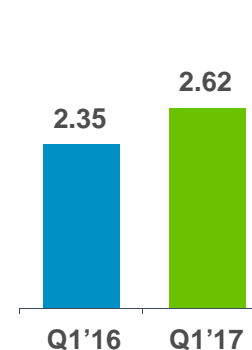
before special items
in €million



+15%

Core EPS

cont. operations
in €



+11%

Q1 2017 – Cash Flow And Net Financial Debt Development



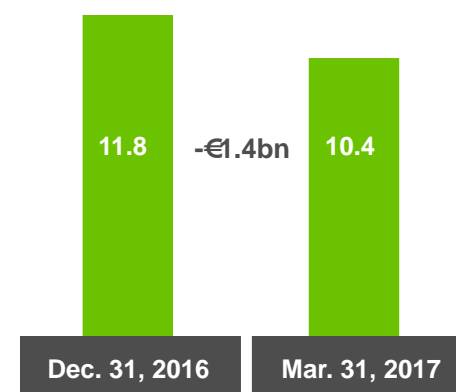
Cash Flow

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

	EBITDA	Operating Cash Flow	CapEx
	3,846	826	415
Δ y-o-y	+14%	+50%	+14%

Net Financial Debt

in €billion

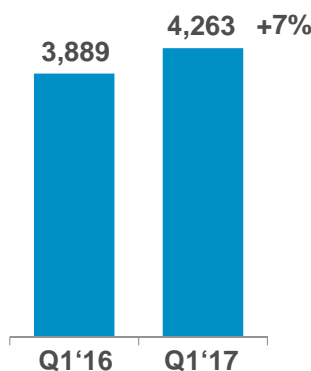


Q1 2017 – Very Good Business Development at Pharmaceuticals



Sales

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



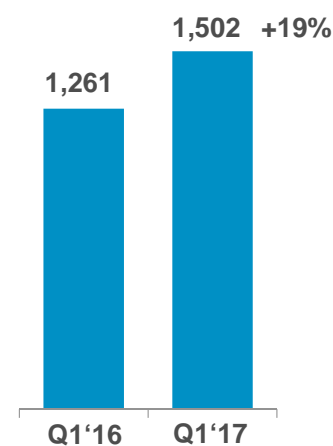
Key Growth Products

Q1'17 sales in €million, Δ% yoy, Fx adj.

	751	+20%
	446	+19%
	100	+31%
	75	+9%
	73	+28%
Sum	1,445	+20%

EBITDA

before special items, in €million; Δ% yoy

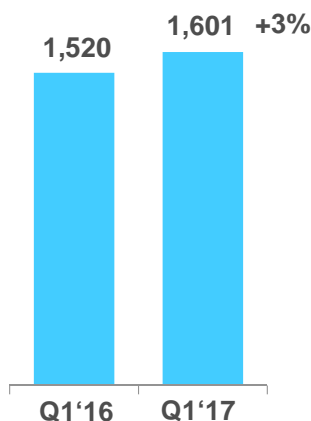


Q1 2017 – Increase in Sales and Earnings at Consumer Health



Sales

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



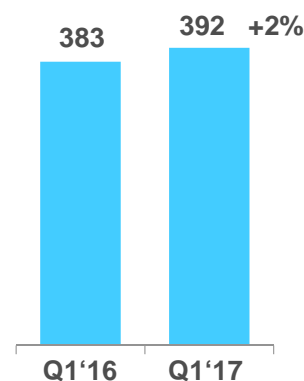
Top Products

Q1'17 sales in €million, Δ% yoy, Fx adj.

	274*	+8%
	190	-2%
	102	+21%
	95	+2%
Sum	662	+5%

EBITDA

before special items, in €million; Δ% yoy

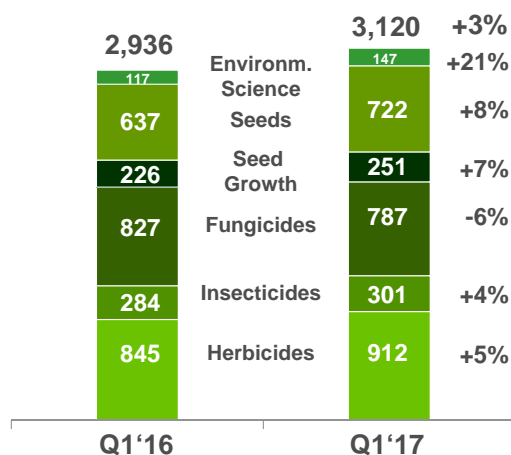


Q1 2017 – Crop Science with Encouraging Performance in North America



Sales

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



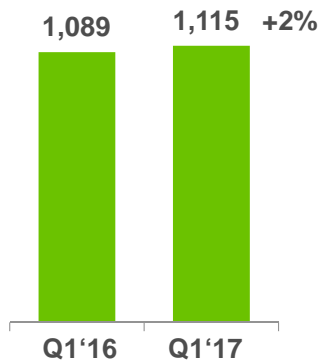
Regions

Q1'17 sales in €million, Δ% yoy, Fx adj.

Europe / Middle East / Africa	1,462	+2%
North America	1,042	+9%
Asia / Pacific	366	+3%
Latin America	250	-10%

EBITDA

before special items, in €million; Δ% yoy

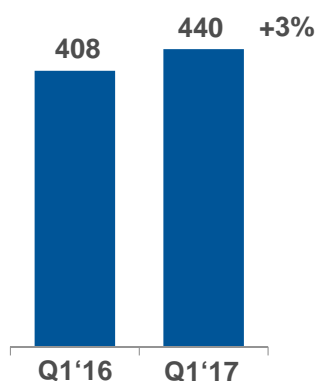


Q1 2017 – Animal Health with Significant Earnings Growth



Sales

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



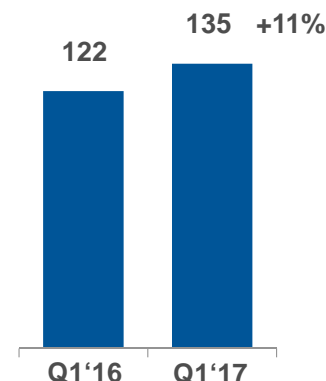
Top Products

Q1'17 sales in €million, Δ% yoy, Fx adj.

	136	-10%
	76	+38%
	35	+6%
	27	-6%
Sum	274	+2%

EBITDA

before special items, in €million; Δ% yoy



Group Outlook for FY 2017 Raised, Driven by Covestro Performance



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

		2016		Forecast 2017 update April	Change
Sales	Group	€46.8bn	▶	Mid- to high-single-digit % increase to ~€51bn	↑
	Life Sciences	€34.9bn	▶	Mid-single-digit % increase to ~€37bn	●
Adj. EBITDA	Group	€11.3bn	▶	Low-teens % increase	↑
	Life Sciences	€9.3bn	▶	Mid- to high-single-digit % increase	●
Core EPS		€7.32	▶	Mid- to high-single-digit % increase	↑



Bayer in Asia

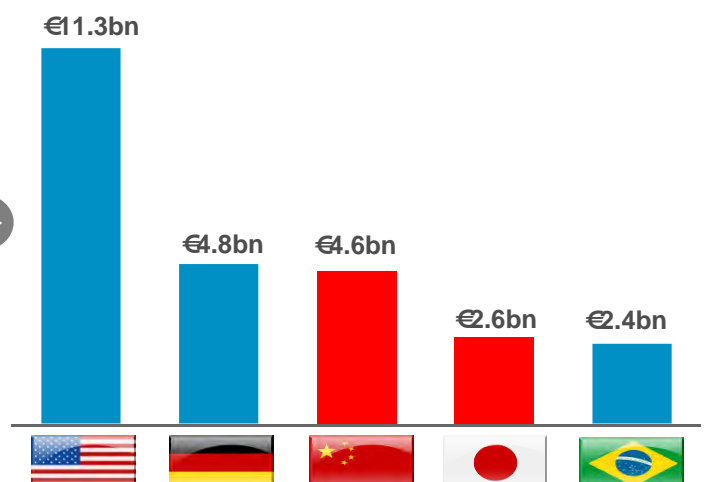
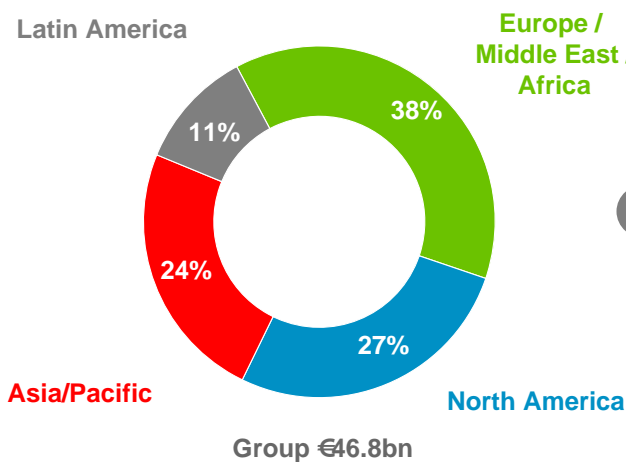
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Our Regional Presence – Two of our Most Important Markets are in Asia



FY 2016 Sales in € billion
Regions

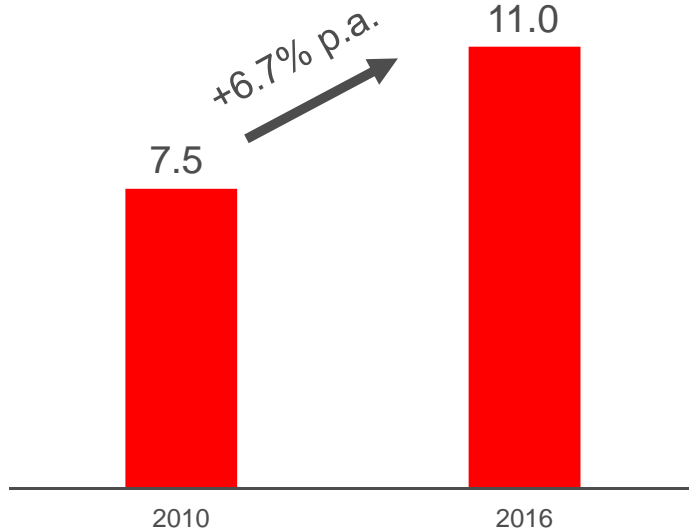
Top 5 Countries



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Strong Increase in Sales in Asia/Pacific

Sales in Asia/Pacific in € bn



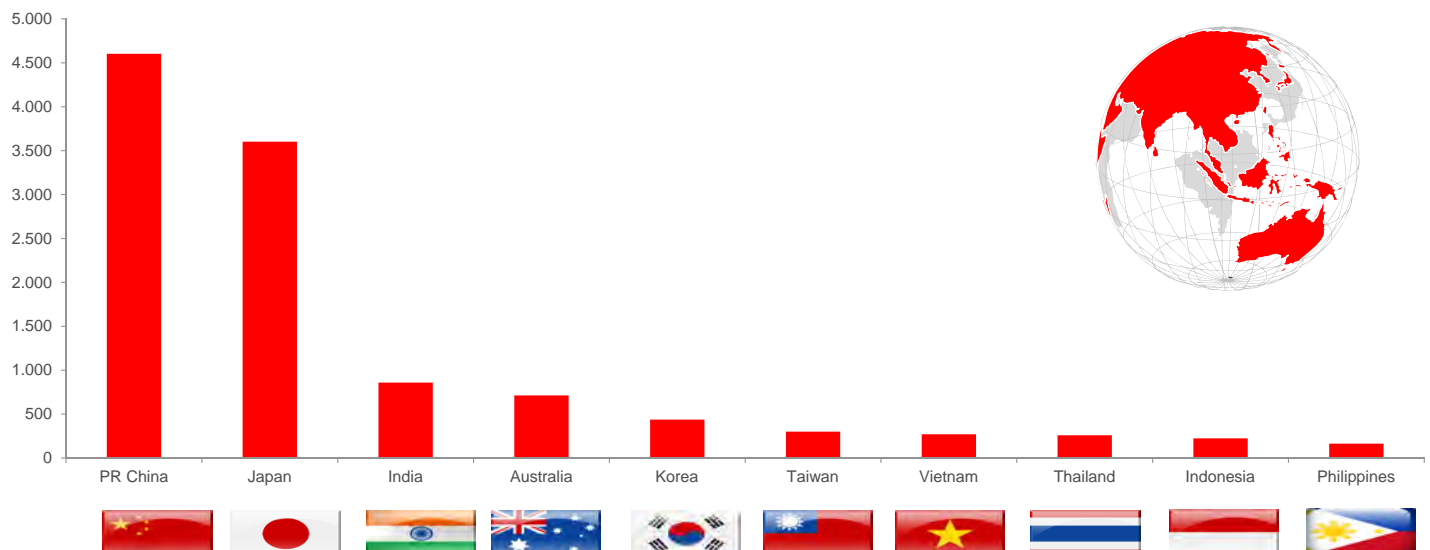
*Figures as reported in the respective Annual Reports

Asia/Pacific Sales Development

- 47% sales increase in Asia/Pacific since 2010*
- Asia/Pacific has become more important for Bayer – share of Group sales increased
 - 2010: 21%
 - 2016: 24%

China and Japan are our Most Important Markets in Asia/Pacific

2016 Sales in € million



Pharmaceuticals – Recently Launched Innovations in Asia Pacific Addressing Unmet Medical Need



Products recently launched in Asia Pacific



Now world's **Number 1** non-VKA oral anticoagulant with more patients treated than any other NOAC and most comprehensive **Real World Experience** amongst NOACs



Real Life Evidence from treatment of wet age-related macular degeneration (wet AMD) confirm high patient acceptance



New treatment option for bacterial skin infections due to Gram-positive pathogens including Methicillin-Resistant Staphylococcus Aureus (MRSA)



New long-term low-dose oral treatment option for women with **endometriosis**

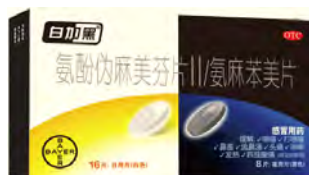
Local Presence of Consumer Health Strengthened Through Bolt-on Acquisitions



Topsun:

Chinese OTC/CC brands

- Acquisition of Western OTC Cough and Cold business of Topsun
- Increase presence in China, one of the fastest growing OTC markets in the world
- Enhanced sales force and infrastructure capabilities



Dihon Pharmaceutical Group: Chinese OTC brands

- Creating a leading position amongst OTC companies in China
- Access to lower-tier cities
- Entry into Traditional Chinese Medicine



Note: Topsun closed in 2008, Dihon closed in 11/2014



Date	Event	Publication
Thursday, July 27, 2017	Investor Conference Call	Q2 2017 Interim Report
Thursday, October 26, 2017	Investor Conference Call	Q3 2017 Interim Report
Wednesday, February 28, 2018	Investor Conference Call	2017 Annual Report
Thursday, May 03, 2018	Investor Conference Call	Q1 2018 Interim Report
Friday, May 25, 2018	Annual Stockholders' Meeting	



Reporting Events

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