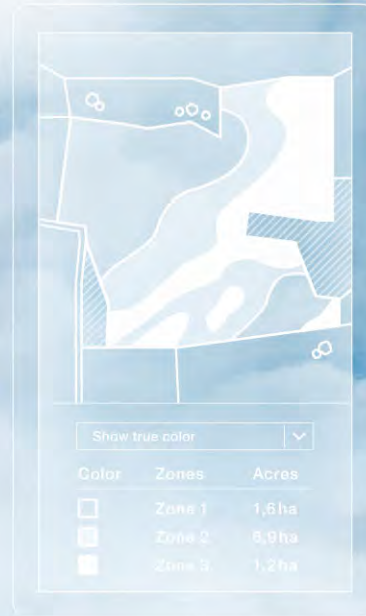




Science For A Better Life



# Investor Handout

March 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 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](http://www.monsanto.com); and other factors discussed in Bayer’s public reports which are available on the Bayer website at [www.bayer.com](http://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.



**Disclaimer**



## 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

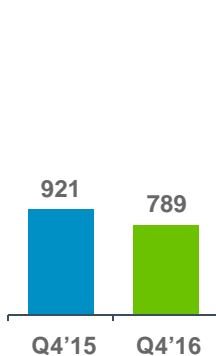
in €million  
% currency & portfolio adj.



**+5%**

### EBIT

in €million



**-14%**

### EBITDA

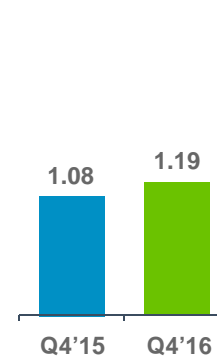
before special items  
in €million



**+14%**

### Core EPS

cont. op.  
in €



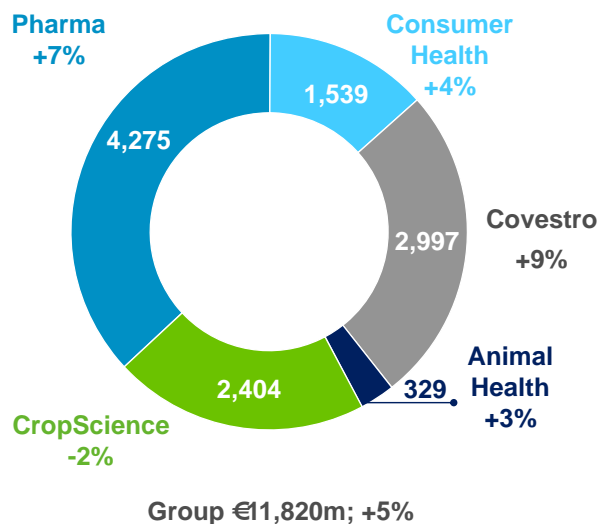
**+10%**



# Q4 2016 – Breakdown by Segment

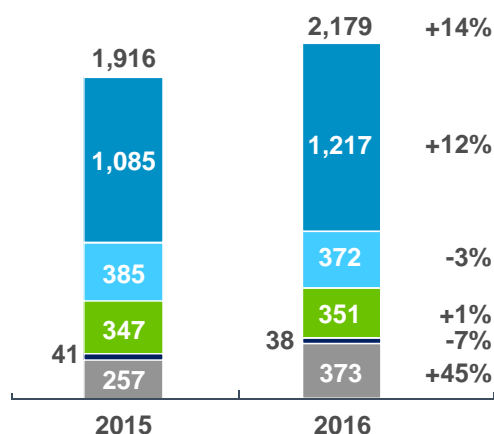
## Sales

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



## EBITDA

before special items, in €million; Δ% yoy



# Q4 2016 – Cash Flow And Net Financial Debt Development



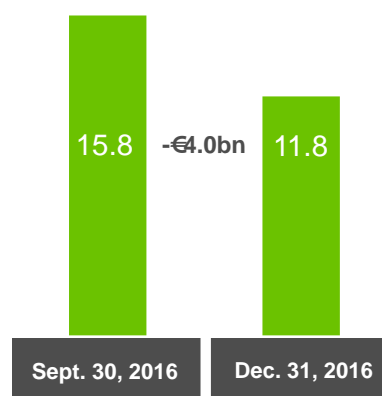
## Cash Flow

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 Δ% yoy, Fx & portfolio adj., EBITDA before special items, continuing operations

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

# FY 2016 – Pharmaceuticals Delivers Substantial Increases in Sales and Earnings



## Sales

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



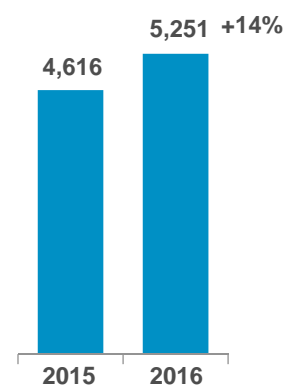
## Key Growth Products

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

Xarelto	2,928	+31%
EYLEA	1,625	+33%
Xofigo	331	+29%
Stivargo	275	-12%
Adempas	254	+39%
<b>Sum</b>	<b>5,413</b>	<b>+29%</b>

## EBITDA

before special items, in €million; Δ% yoy

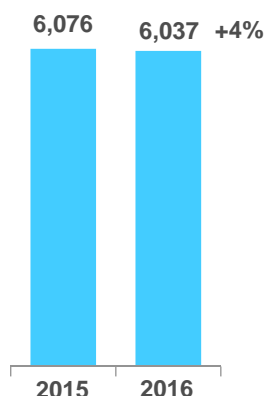


# FY 2016 – Consumer Health Grows with Competition



## Sales

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



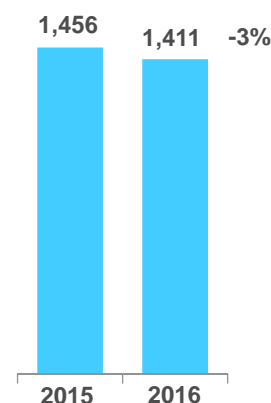
## Top Products

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

	1,001*	+5%
	605	-3%
	416	+2%
	362	+9%
<b>Sum</b>	<b>2,384</b>	<b>+3%</b>

## EBITDA

before special items, in €million; Δ% yoy

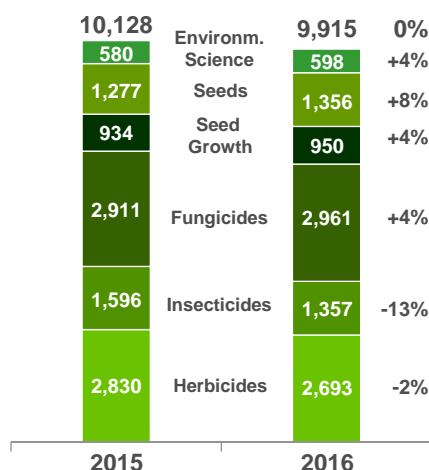


# FY 2016 – Crop Science Successful in a Difficult Market Environment



## Sales

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



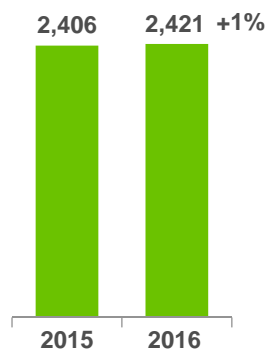
## Regions

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

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

## EBITDA

before special items, in €million; Δ% yoy

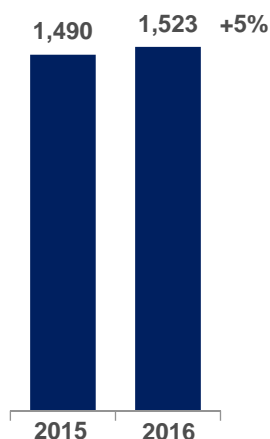


# FY 2016 – Animal Health With Strong Performance of Seresto



## Sales

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



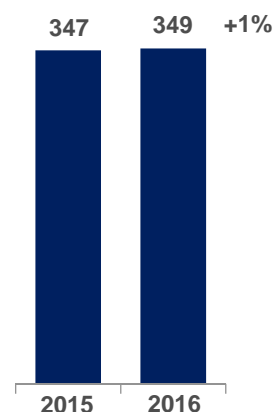
## Top Products

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

	535	0%
	174	+55%
	128	+7%
	113	-5%
<b>Sum</b>	<b>950</b>	<b>+7%</b>

## EBITDA

before special items, in €million; Δ% yoy



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



# FY 2017 – Guidance by Life Science Segment

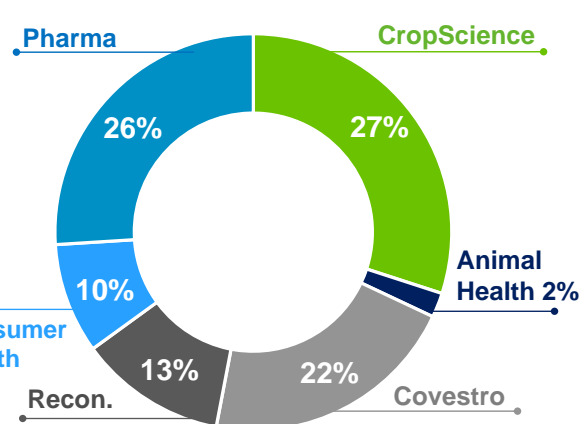
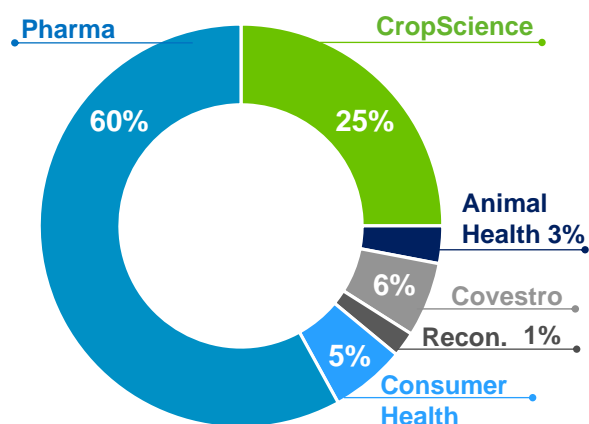
	Sales *	Adj. EBITDA *
<b>Pharma</b>	Mid-single-digit % increase to >€17bn Key growth products >€6bn	High-single-digit % increase Margin improvement
<b>Consumer Health</b>	Low- to mid-single-digit % increase to >€6bn, in line with expected market growth	Low- to mid-single-digit % increase
<b>Crop Science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

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## 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



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