Consumer Health

Investor Webinar
September 15, 2022
Welcome – Oliver Maier (Head of Investor Relations Bayer AG)

Consumer Health - Driving sustainable outperformance in Consumer Health

Patrick Lockwood-Taylor
President Bayer USA / Head of Commercial Operations North America Consumer Health

David Evendon-Challis
Chief Scientific Officer, Head of R&D Consumer Health

Patricia Corsi
Strategic Marketing, Digital & IT Consumer Health

Oliver Rittgen
CFO Consumer Health

Q&A
Cautionary statements regarding forward-looking information

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.
A leading Consumer Health player with a well-balanced portfolio

Category Portfolio

- Cardiovascular: 3%
- Cough & Cold: 12%
- Pain: 25%
- Allergy: 11%
- Digestive Health: 15%
- Nutritionals: 23%
- Dermatology: 25%

Geographic Footprint

- North America: ~40%
- Europe, Middle East & Africa: ~35%
- Latin America: -10%
- Asia Pacific: -15%
- Asia: 11%

Sources: Bayer CH Portfolio – Company BD, IQVIA, IRI, & Nielsen, May MAT 2022; Bayer Geographic Footprint – Net Sales 2021

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Focused portfolio on core Consumer Health where we can win

Clear Focus on Core CH Market

Key Portfolio Moves Executed

Divestures

- Derma Rx
  - Jul 2019

Acquisitions / Licenses

- care/of
  - Personalized Nutritionals
    - Nov 2020

- Sun care
  - Sep 2019

- GloryFeel
  - Nutritionals eCom
    - Pure-players
      - Oct 2021 & Jun 2022

- Foot care
  - Nov 2019

- Astepro (Rx-to-OTC Switch)
  - Jun 2022 (Launch)

* Strategic minority stake in Natsana
Sources: OTC, VMS - Nicholas Hall DB, Global CHC Sales 2021; Others – Euromonitor Retail Value MSP, 2021

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Industry-leading science trusted by consumers

Q: “Which of these brands are based on science?”

35.5% 32.2% 32.1% 30.3% 29.9% 28.3%

Peer 1 Peer 2 Peer 3 Peer 4 Peer 5

Sources: Trusted Science Brand – Kantar Global Brand Health Tracking Program 2020; Top-tier Customer Engagement – IPSOS Study 2021 (Top 15 Pharmacy Markets)

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Iconic power brands
A management team with a proven track record

- Heiko Schipper, President, Consumer Health
- Oliver Rittgen, Finance
- Patricia Corsi, Strategic Marketing, Digital, & IT
- Patrick Lockwood-Taylor, Commercial Operations NA
- Stefan Meyer, Commercial Operations EMEA
- Lance Yuen, Commercial Operations APAC
- Arturo Sanchez, Commercial Operations LATAM
- David Evendon-Challis, Research & Development
- Abbie Lennox, Regulatory, Medical, Safety, & Compliance
- Dan Hallett, Product Supply
- Daniella Foster, Sustainability
- Maria Overgaard, Human Resources
- Thomas Barzan, Strategy & Transformation
- Jeremy Jessen, Legal
Financials reflect strong execution

**Net Sales Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% cpa</td>
<td>-0.7%</td>
<td>2.6%</td>
<td>5.2%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**EBITDA Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Net Sales</td>
<td>20.1%</td>
<td>20.9%</td>
<td>22.0%</td>
<td>22.5%</td>
</tr>
</tbody>
</table>

**Trade Working Capital***

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Net Sales</td>
<td>0 bps</td>
<td>-60bps</td>
<td>-180bps</td>
<td>-220bps</td>
</tr>
</tbody>
</table>

* Reduction in bps yoy; Trade Working Capital: Sum of inventories, trade accounts receivable less trade accounts payable (excl. refund liabilities), divided by net sales of last 12 months.

CMD = Bayer Capital Markets Day – March 10, 2021

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Growing ahead of Consumer Health peers

<table>
<thead>
<tr>
<th>Year</th>
<th>Bayer</th>
<th>CH Top 5 Peers Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.3%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>2019</td>
<td>2.6%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2020</td>
<td>5.2%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2021</td>
<td>6.5%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Source: Peer Net Sales growth vs previous year – Company analysis for Peer Like-For-Like growth estimates
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Δ vs CH Peer Avg

-400 BPS  +130 BPS  +430 BPS  +180 BPS
A clear Game Plan to sustain outperformance

<table>
<thead>
<tr>
<th>// AMBITION</th>
<th>Grow ahead of the market and increase margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>// WHERE TO PLAY</td>
<td>Winning Portfolio focused on where Bayer can win</td>
</tr>
<tr>
<td>// HOW TO WIN</td>
<td>Driving Growth-focused Innovation</td>
</tr>
<tr>
<td>// OUR ACCELERATORS</td>
<td>Digital Transformation</td>
</tr>
<tr>
<td>// OUR DIFFERENTIATOR</td>
<td>Science for a better life</td>
</tr>
</tbody>
</table>
Key platforms to sustain above-market growth

Attractive Demand Spaces
- Premium Nutritionals
- Healthy Ageing
- Stress and Sleep
- Medicated Skin

High-growth Markets
- China
- India
- Mexico
- ASEAN

Rx-to-OTC Switches
- Astepro
- Switch #2
- Switch #3

Digital Commerce & Health Platforms
- eCommerce
- Digital Diagnostics
- Digital Therapeutics
Consumer Health as a force for good

Expand Access to Everyday Health

59 Million people with improved access to self-care in underserved communities

// Investing in accessible and more sustainable products
// Reached 4+ Million underserved women and babies through the Nutrient Gap Initiative

Path to Climate Neutrality

35% CO₂ emissions reduction achieved across our operations

// Investing in energy efficiency projects and increasing green energy across our sites
// Advancing sustainable packaging

Note: 2021 Health access and environmental footprint achievements vs 2019 baseline
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A sustainable value creation model

Drive above-market growth focusing on attractive categories, markets, channels, and superior execution

Continuously improve margin towards mid-twenties through scale effects and continuous efficiency programs

Drive absolute growth and EBITDA at optimized working capital to increase cash generation
The Science of Self-Care

Growth-focused Innovation

September 2022
Innovation is a key value driver in Consumer Health

Drives brand relevance and builds brand equity with consumers

Plays a defence role vs commoditization and an offence role through share gain

Fuels total category growth along with marketing, pricing and distribution

No1 OTC growth driver

Sources: Sell-out market size and growth integrating various sources (Nicholas Hall DB, Euromonitor Retail Value MSP, 2021)
World-class innovation network

9 R&D Centers of Excellence

- 4% R&D spend
  Top-tier in industry

- End-to-end capabilities
  Idea to launch, deep science

- Talent & Diversity
  700+ scientists and innovators

- Open ecosystem
  External partnerships and collaboration

- Acquire & scale
  Asset transactions including switch
Science-led innovation model that drives overall category growth

Our Category Growth Model

20% TRANSFORM
categories and consumer experience

30% EXPAND
brands into adjacent consumer & medical needs

50% STRENGTHEN
core brand propositions

Science for a better life

Science of the human
Science of the consumer-product experience
Science of collaboration
Science of discovery
Science of regulation

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Strengthen core brand propositions

**Medical Need**
Sleep, environment, diet, stress, and activity can influence micronutrient status and threaten our immunity

**Consumer Need**
With the constant threat of upper respiratory infections, people want to be more resilient

**Differentiated Science**
Clinically proven to reduce: risk of getting sick in a polluted environment severity and duration of acute respiratory tract infections and reduce sick days by 64% (elderly)
Expand brands into adjacent consumer and medical needs

**Medical Need**

Efficacious prevention and **multi-symptom relief** from constipation and diarrhea

**Consumer Need**

Gut wellbeing from a specially designed probiotic compatible with **Chinese dietary habits**

**Differentiated Science**

// **Patented strains** derived from **Chinese infant gut**  
// **Superior efficacy** demonstrated by clinical trials

Science of Collaboration
Science of Discovery
Science of the Human

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Transform categories and consumer experience

Medical Need
Target histamine receptors in the nasal cavity for faster relief

Consumer Need
Fast relief is the #1 demand for allergy sufferers

Differentiated Science
Fast: Starts working in 30 minutes
Powerful: 24 hours of relief
Steroid-free: Unique proposition
Sustainability by design: for access and environment

Design for Environment

Developing products **with lower environmental impact**

Design for Access

Developing **self-care products for the underserved**
Precision health enabling self-care across the consumer journey

**QUESTIONNAIRE ON LIFESTYLE AND DIET**

- How many vitamins or supplements do you currently take?

**ALGORITHM PERSONALIZES OFFER**

- 30 different vitamins and supplements at launch
- Fueled
- 226,000 unique pack combinations to date

**DELIVERED IN A PERSONALIZED PACK**

**BECOME PART OF THE COMMUNITY**

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**CARE/OF SCIENTIFIC ADVISORY BOARD:**

- HARVARD SCHOOL OF PUBLIC HEALTH & TUFTS USDA NUTRITION CENTER M.D.S AND PHDS

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Industry-leading science, trusted by consumers

- World-class innovation network & capabilities
- Science-led innovation model driving overall category growth
- Winning by strengthening, expanding and transforming our brands
- Sustainability by design for access and environment
- Future-fit with big brand innovation, switch & precision health
Brand-building & Route to Market

Commercial Pillars for Success

September 2022
Building commercial capabilities to deliver sustainable outperformance

Commercial Pillars for Success

Modernized Marketing
- Iconic Purposeful Brands
- Creative Powerhouse in Health
- Data-driven Consumer Engagement

Customer-centric Sales
- Tailored Customer Strategies
- eCommerce Acceleration
- Strategic Value Programs

Rooted in consumer and medical unmet needs and enabled by technology and people capabilities

Lever: Growth ↔ Differentiation ↔ Penetration ➡️ Personalization

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Iconic brands backed by science, empowering everyday health

**Net Sales Growth**

- Claritin
- ONE A DAY
- Canesten
- Alka-Seltzer
- Afrin
- Supradyn
- MiraLAX
- elevit
- Redoxon
- Iberogast
- ASPIRIN
- Bepanthen
- ALEV
- Bayer

**Modernized Brands in Action**

- Spark the Energy
- Beocca
- Bepanthen
- The Drink for After the After Party
- Rennie

15 brands > 100M€ in sales
Power Brands 75% of sales

Source: Bayer Net Sales 2021
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Help Every Baby Have the Best Start in Life

Take Taboo Away from Intimate Health

Getting Kids and Parents Outside for Better Health

Over 7 million¹ women and babies given access to essential prenatal vitamins

40 million²+ views on TikTok

17k classrooms educated

66 million³+ impressions

260k Likes & Follows

¹ Pregnant women and babies gaining access to essential prenatal vitamins through partnership with Vitamin Angels as of Aug’22. ² Total impressions on the Intensivao da PPK TikTok channel. ³ Total impressions across social platforms for the Claritin Outsideologist campaign

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Leading transformation to world-class creativity enabling self-care

Creativity that Drives Change

Industry Leadership

"Creativity in healthcare has not been at the level it should be, but it has tremendous potential in terms of attention for consumers."

Patricia Corsi
Bayer
Accelerating use of data to personalize consumer engagement

<table>
<thead>
<tr>
<th>Data &amp; Digital First</th>
<th>Leading in Digital Platforms</th>
<th>Contextual Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Digital Media(^1)</td>
<td>Share of Data-driven Marketing Investments(^1)</td>
<td>Share of Personized Creatives(^1)</td>
</tr>
<tr>
<td>2X</td>
<td>3X</td>
<td>5X</td>
</tr>
</tbody>
</table>

2019 - 2022

- TikTok (Take Away Lover, Foodies)
- Instagram (Seasonality, Pregnancy)
- Alexa (Heartburn isn’t what)
- Twitch (A chocolatey treat)
- Tinder (Can’t control today’s pollen, and pollination boosts help you control your allergy symptoms with Allergy-Ready products)
- Facebook (Very High Tension Level, Very Much Worth It)

\(^1\) Bayer internal data

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Forging strong customer partnerships to drive category growth

Retail Key Accounts\(^1\)

Independent Pharmacies\(^2\)

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\(^1\) Astepro activation Walmart US 2022. \(^2\) Supradyn, Redoxon and Canesten activations in Superdrug UK 2021-22

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Doubling down on e-Commerce and growth platforms

### Winning in Key eCom Platforms

<table>
<thead>
<tr>
<th>Share of Digital Commerce</th>
<th>2019</th>
<th>2022</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4%</td>
<td>~11%</td>
<td>&gt;15%</td>
</tr>
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</table>

| eCom Growth FY’21 | >50% |

### Strategic Portfolio Moves

- **care/of**: Nov. 2020
- **GloryFeel**: Oct. 2021
- **n.**: June. 2022*

### Digital Engagement Mechanisms

1 Bayer internal sales data * Strategic minority stake in Natsana

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Pricing and trade excellence to drive value creation with customers

Innovations Playing Across Different Value Tiers

Premium

Value Offerings

Innovation

160+

140-160

120-130

100

<100

Low-income consumer solutions

Foundation
Continuously progressing to be best in the industry

Commercial Pillars for Success

Modernized Marketing
- Iconic Purposeful Brands
- Creative Powerhouse in Health
- Data-driven Consumer Engagement

Customer-centric Sales
- Tailored Customer Strategies
- eCommerce Acceleration
- Strategic Value Programs

Rooted in consumer and medical unmet needs and enabled by technology and people capabilities
Driving sustainable outperformance in Consumer Health

- A leading Consumer Health player with a well-balanced portfolio
- World-class science, consumer and HCP capabilities
- Clear strategy to sustain outperformance
- Track record of execution excellence
- Attractive growth profile and cash flow generation
Q&A session