



Debt Investor Information

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Status: Q3 2022 / FY 2021

As of 8 November 2022



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.



Our Business Areas

Crop Science



// Innovative chemical & biological crop protection, seeds & traits, digital technologies & services

Pharmaceuticals



// Prescription drugs

Consumer Health



// Over-the-counter medicines, dietary supplements and dermatology products



Our Strategic Priorities

Group Strategic Priorities

1

Positioning businesses to mega-trends
Contribution to health and nutrition¹

2

Developing innovative products
Leadership in our relevant markets

3

Sustainability
Long-term, sustainable growth

4

Focusing on our key strength
Innovation & operational performance



Divisional Focus



Crop Science

Create a leading innovation engine that transforms agriculture



Pharmaceuticals

Driving performance and delivering new growth opportunities



Consumer Health






Maintain a leading OTC position and improve profitability

¹ We also seek to make a responsible contribution to the United Nations Sustainable Development Goals "Good Health and Well-Being" (SDG 3) and "Zero Hunger" (SDG 2)



Leadership and Innovation Set the Course for Our Future Growth

Key Growth Drivers

-  Long-term megatrend tailwinds are propelling growing demand in the Life Sciences
-  Number one position in Ag inputs and leading positions in key Pharma and Consumer categories
-  World-class innovation: technological breakthroughs driven by the bio-revolution
-  Accelerated transformation and further efficiency gains in our operations
-  Focus on sustainability to create new value

Crop Science Innovation Pipeline

Annual R&D Investment:

€2.0bn

Key Current Launch Products:



Key Mid-/Late-Stage Pipeline Opportunities:

- **Short Stature Corn**
- **Soybean Herbicide Trait Stack with Five-Tolerances**



Fox Supra (Indiflin®)¹

Pharmaceuticals Innovation Pipeline

Annual R&D Investment:

€2.7bn

Key Current Launch Products:



Key Mid-/Late-Stage Pipeline Opportunities:

Finerenone

- Non-diabetic CKD
- Heart Failure

Factor XI(a) portfolio

- Thrombo-embolic diseases

Elinzanetant (KaNDy NT-814)

- Vasomotor symptoms during menopause

Note: Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline.

¹ In collaboration with Sumitomo Chemical Co., Ltd.



Global Megatrends in Health & Nutrition

Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation

Megatrends through 2050

Societal Needs

Our Mission

Pharma/Consumer Health

Crop Science

Ageing Population



Population of people age **60+ more than doubling¹**

>20% of total population¹

Preserve and restore health

Growing Population

+2.2bn people¹



+50%

more food and feed required to meet growing demand²

Secure sufficient supply of quality food

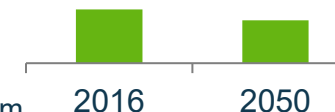
Pressure on Ecosystems



-17%

Harvest losses from climate change³

-20%



Significant loss in arable land per capita⁴

Use natural resources more efficiently and responsibly

We leverage science to address these societal needs – with the ultimate goal to improve people's lives



Science For A Better Life

¹ UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)

² FAO 2017, (FAO Global Perspective Studies)

³ Nelson et. al, (2014); FAO 2016 "Climate change and food security"

⁴ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data



Ambitious Measurable Targets for Sustainable Development

2030 Targets in Line with UN SDGs and Our Vision: **Health for All, Hunger for None**

Help More PEOPLE Thrive: Drive Growth in Underserved Regions



Support **100m¹ smallholder farmers** in LMICs²



Provide **100m¹ women** in LMICs with **access to modern contraception**



Expand **access to self-care for 100m¹ people** in underserved³ communities



Decrease ECOLOGICAL Footprint: Drive Growth Through Sustainable Resource Use



Climate neutrality at own sites + reduced emissions in our supply chain

// 42%¹ reduction target for Scope 1 & 2⁴

// 12.3%¹ reduction target for Scope 3⁴

+ Net Zero emission target until 2050 in line with long term goal of Paris Agreement (Scope 1, 2 & 3)⁴

Established a Sustainability Council comprised of highly renowned experts to provide advice and review progress on sustainable business strategy and social innovation in consultation with our CEO and Boards

¹ Baseline (2019). Numbers reflect people; preliminary figures; pending external audit : ~42m smallholder farmers; ~38m women; ~41m people; 3.7m tCO₂e for Scope 1&2; 10m tCO₂e for Scope 3.

² LMICs: low and middle income countries - All countries included in the [World Bank list](#) as per 1 July 2019

³ Underserved defined in economical/medical terms

⁴ Scope 1: emissions from own operations; Scope 2: emissions from purchased energy; Scope 3: emissions along the value chain



We Create Value by Accelerating our Transformation

Driving Innovation and Returns

1

Enable growth

- Clear plan for translating innovation into top-line growth

2

Drive profitability

- Comprehensive transformation program launched

3

Focus on cash

- Strong capacity to generate cash

4

Sustainability

- Inclusive growth by helping more people thrive, and decreasing our ecological footprint

5

Disciplined capital allocation

- Priorities: deleveraging, dividends, external growth investments

Value creation



We Focus on Cash Generation



Improve Free Cash Flow

Optimize **working capital** focusing on overdue management, inventory and payables; prioritizing **CapEx**



Adapt Incentive Scheme

Free Cash Flow integrated as a key performance metric in our **short-term incentive** plan for all managerial employees



Capital Employed / Divestments

Optimization of **fixed asset** portfolio, for example sale of property

Sale of businesses / brands below division level (e.g., ES¹ professional)



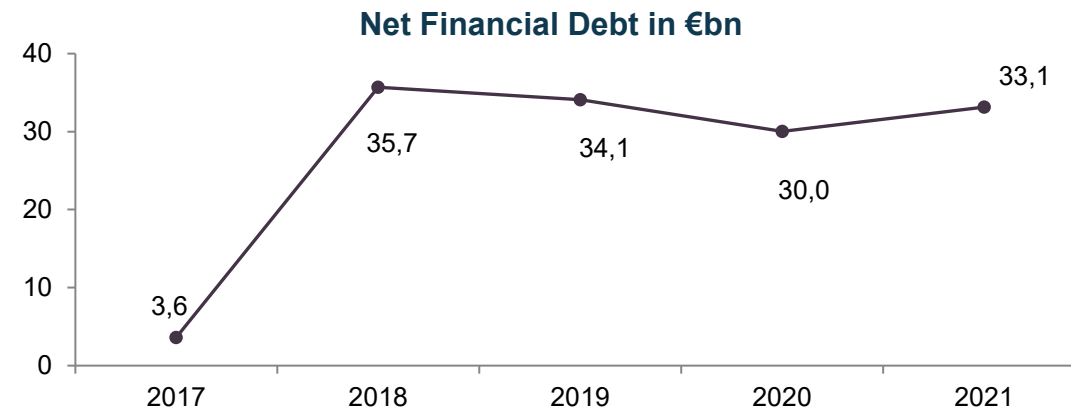
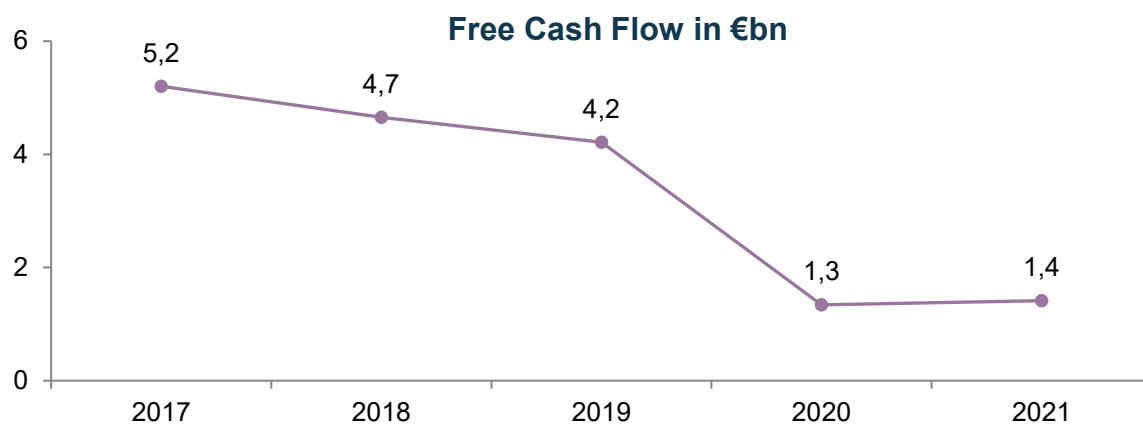
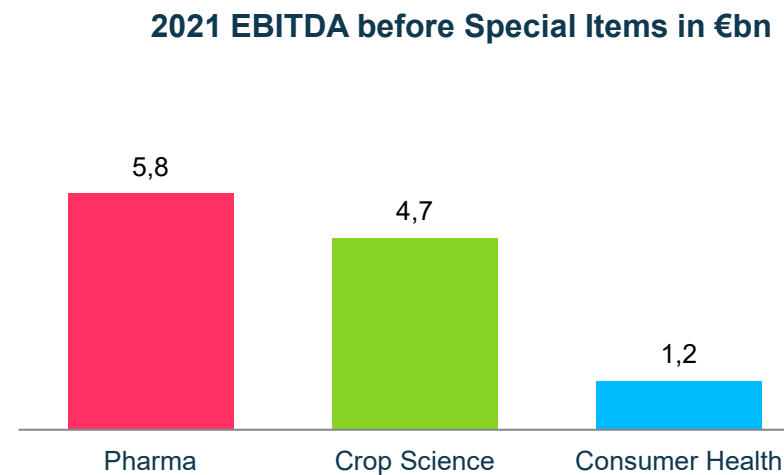
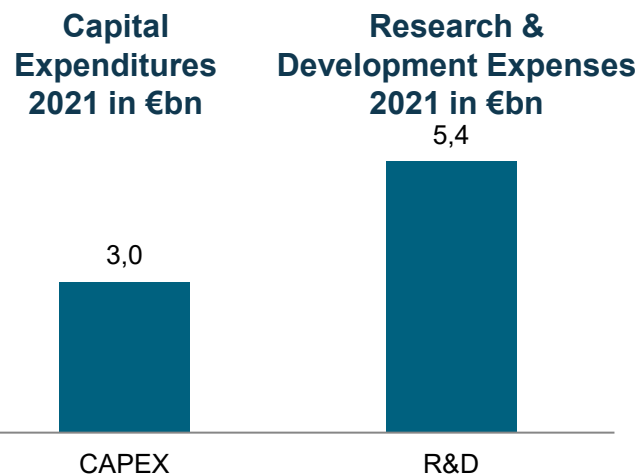
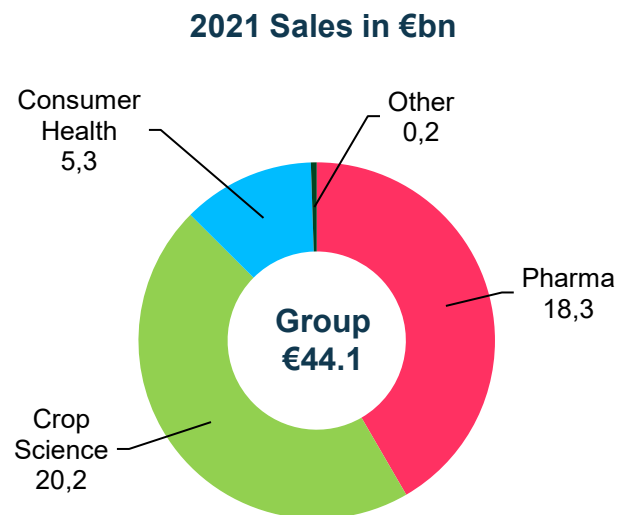
Litigation Pay-outs & Special Items

Our Free Cash Flow is impacted by **litigation** pay-outs and cash-effective **one-time costs** for transformation

¹ Environmental Science



Bayer Key Financials



Notes:

- 2021 figures and net financial debt figures as initially reported; Net financial debt increase in 2021 mainly due to litigation payments
- Free cash flow was initially reported in 2018; 2017 free cash flow figure were taken from 2019 annual report; Free cash flow includes litigation payments



ES divestment effects included;
at constant currencies
(based on 2021 average Actual rates)

FY 2022: Group P&L Outlook Confirmed

	At constant currencies	Estimated currency impact ¹	
Net Sales	€47bn – €48bn	~ + €3.5bn	
EBITDA margin <i>(before special items)</i>	26 - 27%	~ - 0.7%pts	
Core EPS	~ €7.30	~ + €0.40	• Now including ES divestment effect
Free cash flow	~ €3.0bn ²	not material	• Increased by 0.5bn due to lower net settlement payments
Net financial debt	~ €31bn	~ + €2.0bn	• Updated for ES divestment proceeds of €2.1bn in 2022



Bayer Pursues a Conservative Financial Policy...



Financing Instruments

// Syndicated credit facilities

// Global Commercial Paper program

// Senior bonds in different currencies

// Hybrid bonds

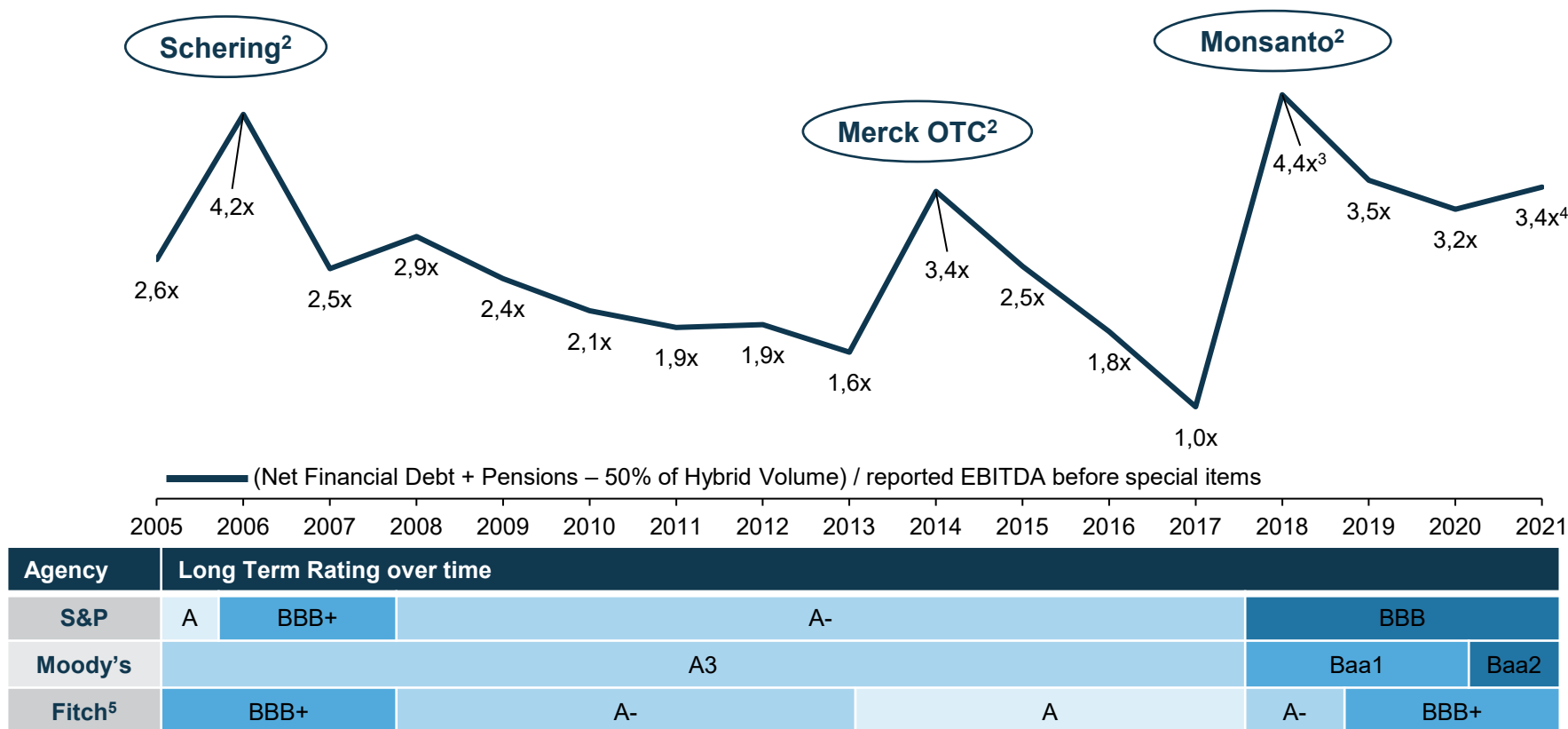
// Equity-linked instruments

Prudent debt management with excellent access to diverse sources of liquidity



... and Remains Committed to a Rating in the Single A Target Category

Development of Ratings and Leverage¹



Proven track record of disciplined deleveraging

Agency	LT-Rating	Outlook	ST-Rating
S&P	BBB	Stable	A2
Moody's	Baa2	Negative	P2
Fitch	BBB+	Stable	F2

¹ Figures as reported in the respective year's annual report without restatements

² Ratios of years where closing of acquisition took place are not fully comparable as EBITDA before special items of acquired business is only considered for months after closing

³ Full year 2018 multiple results in 3.7x instead of 4.4x if based on 2018 unaudited pro forma EBITDA of combined business as shown on Capital Markets Day in December 2018

⁴ Increase of ratio mainly driven by litigation payments

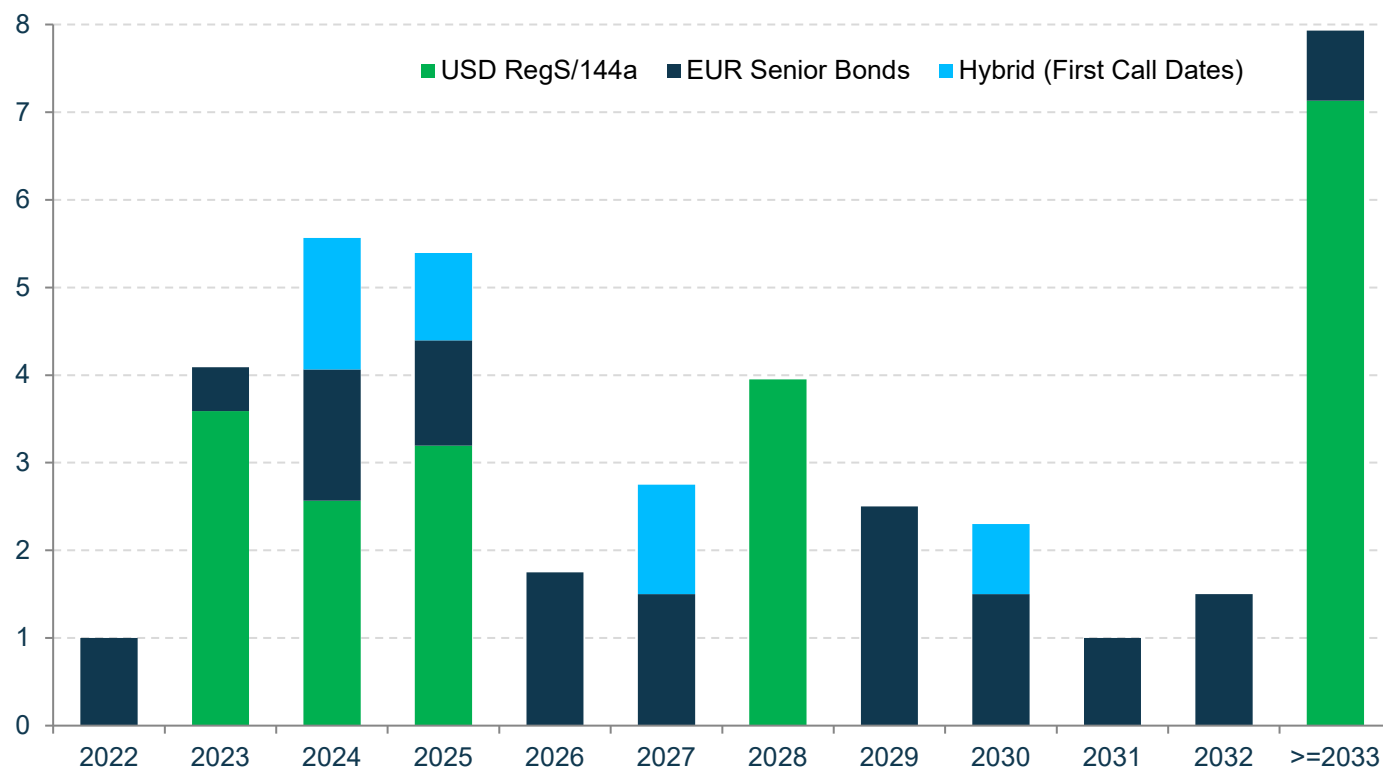
⁵ Solicited since 2018



Bayer's Maturity Profile is Well Balanced

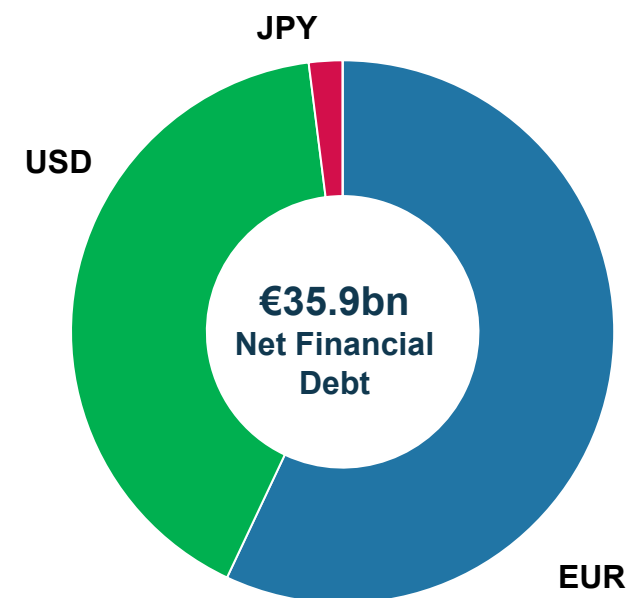
Bond Maturity Profile (€bn)

as of September 30, 2022¹



Currency Exposure incl. Derivatives

as of September 30, 2022²



¹ Converted at quarter-end FX rates EURUSD 0.97; Total of €1.1 bn senior bonds already repaid in 2022; € 1.3 bn Hybrid bonds with first call date in October 2022 already refinanced in March 2022

² Based on quarter-end FX rates



Overview of Bayer's Funding Structure

Net Financial Debt¹

	Dec. 31, 2020	Dec. 31, 2021	Sept. 30, 2022
	€ million	€ million	€ million
Bonds and notes / promissory notes	36,745	37,593	39,343
of which hybrid bonds ²	4,532	4,537	4,527
Liabilities to banks ³	3,669	773	3,543
Lease Liabilities	1,143	1,165	1,287
Liabilities from derivatives ⁴	136	69	90
Other financial liabilities	77	1,272	528
Receivables from derivatives ⁴	(141)	(114)	(143)
Financial debt	41,629	40,758	44,648
Cash and cash equivalents	(4,191)	(4,564)	(4,361)
Current financial assets ⁵	(7,393)	(3,057)	(4,403)
Net financial debt	30,045	33,137	35,884

2020 figures restated

¹ For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Classified as debt according to IFRS

³ Including both financial and nonfinancial liabilities

⁴ Including the market values of interest-rate and currency hedges of recorded transactions

⁵ Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies, financial investments in debt and equity instruments that were recorded as current on first-time recognition

Nominal Volume of Major Instruments (bn)

as of September 30, 2022

1

Senior EUR Bonds	€14.8
Senior USD Bonds	\$19.9
Hybrid EUR Bonds	€4.6

2

Loan Facility	€3.0
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3

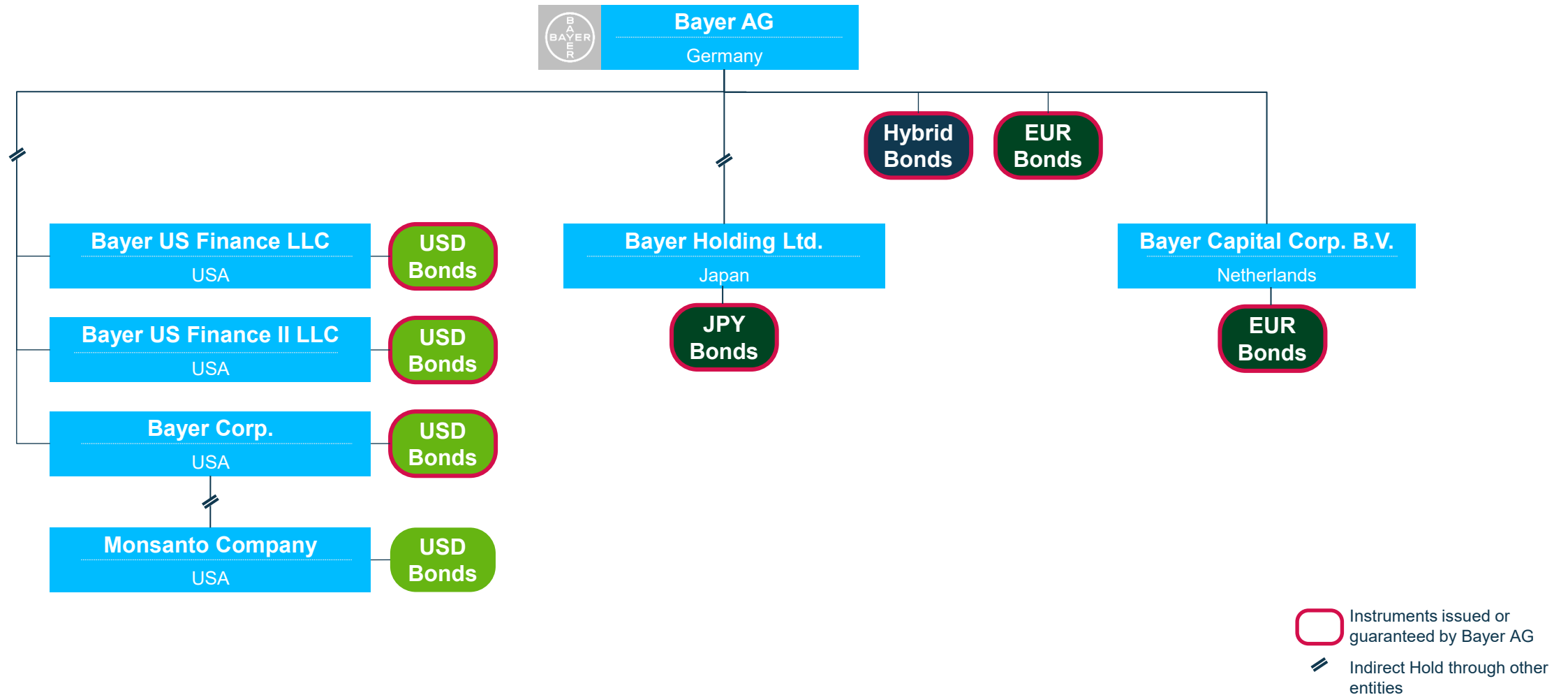
Commercial Paper	€0.5
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Further undrawn Source of Liquidity:

Syndicated Loan Facility	€4.5
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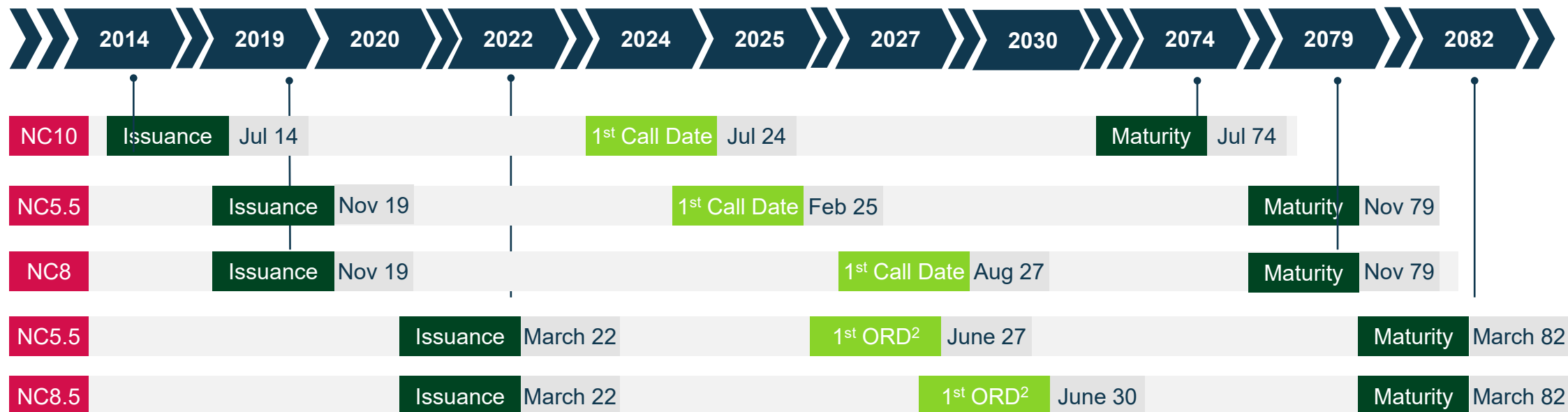


Main Issuing Entities at Bayer Group





Hybrid Bonds at Bayer



Hybrid Bond	Coupon (in%)	Outstanding Volume (in bn €)	Initial Credit Spread	1st Step-Up	2nd Step-Up
NC10	3.75	1.5	230 bps spread + 5Y Swap ¹	+25 bps/Jul 24	+75 bps/Jul 44
NC5.5	2.375	1	264.7 bps spread + 5Y Swap ¹	+25 bps/May 30	+75 bps/May 45
NC8	3.125	0.75	310.8 bps spread + 5Y Swap ¹	+25 bps/Nov 32	+75 bps/Nov 47
NC5.5	4.5	0.5	375.1 bps spread + 5Y Swap ¹	+25 bps/Sept 32	+75 bps/Sept 47
NC8.5	5.375	0.8	445.8 bps spread + 5Y Swap ¹	+25 bps/Sept 35	+75 bps/Sept 50

¹ Swap is reset every fifth year starting with the first reset date

² Optional Redemption Date



Sources of Liquidity

Syndicated Loan Facility

The multicurrency Syndicated Loan Facility can be used for general corporate purposes and is primarily a back-up line. Thus, it is not intended to be drawn in the course of ordinary business. The participating banks form Bayer's global banking group. Last renewed in December 2018, the credit facility was self-arranged.

Borrower	// Bayer AG, Germany // Bayer Corporation, USA
Total Amount	€4.5bn, thereof €1.5bn/\$1.5bn Swingline
Signing	December 2018, amended with an ESG feature in July 2021
Initial Tenor	5Y + two 1Y extension options (second extension option also used)
Syndicate Size	23 Banks
Purpose	General Corporate Purposes

Commercial Paper Program

Commercial Paper (CP) is a short-term unsecured debt instrument. CP are normally issued at a discount and redeemed at nominal value. The term of CP generally lies between 1 and 364 days. Bayer's CP program allows the company to issue in both the U.S. market (USCP) and the Euro market (ECP). It is structured as a SEC regulation's section 4(a)(2) program so that there are no restrictions related to the use of proceeds.

Issuer	// Bayer AG, Germany // Bayer Corporation, USA
Guarantor	Bayer AG
Total Amount	\$8bn or equivalent
Dealer	// <u>ECP</u> : Barclays, Bayerische Landesbank, Citigroup, Goldman Sachs, ING // <u>USCP</u> : Barclays, Bank of New York Mellon, Citigroup, J.P. Morgan, Wells Fargo
Issue and Paying Agent	// <u>ECP</u> : The Bank of New York Mellon // <u>USCP</u> : The Bank of New York Mellon



Upcoming Events 2022/2023

Date	Event/ Publication
Tuesday, November 8, 2022	Q3 2022 Quarterly Statement
Friday, April 28, 2023	Annual Stockholders' Meeting 2023
Thursday, May 11, 2023	Q1 2023 Quarterly Statement

Please note that the event calendar might be subject to changes

/// Bayer Debt Investor Relations /// Status: Q3 2022 / FY 2021



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