

# Q3 2023

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*Investor Webinar*

November 8<sup>th</sup>, 2023





# 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.

► ***WWW.BAYER.COM***



**The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.**



**Bill Anderson**  
CEO





**Wolfgang Nickl**  
CFO

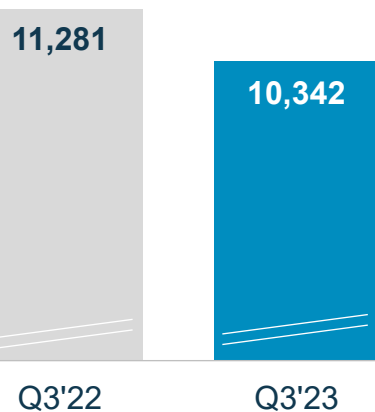


# Q3 Below Prior Year As Expected

## NET SALES

in m€, Δ% yoy

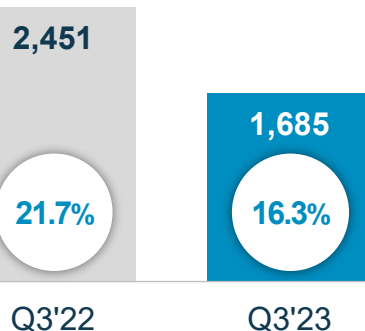
**0% cpa**  
(-8% rep)



## EBITDA

in m€,  
before special items

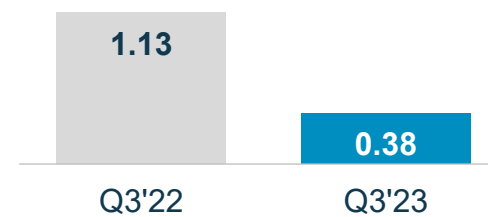
**-31%**



## CORE EPS

in €, Cont. Operations

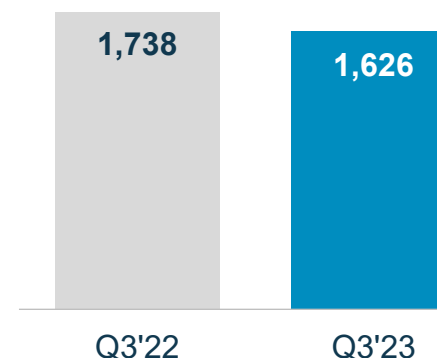
**-66%**



## FREE CASH FLOW

in m€

**-6%**



**i** Currency headwind  
of **€742m**

**i** Mainly lower Crop  
Science result

**i** Driven by lower  
earnings; higher core  
tax rate

**i** In line with business  
seasonality and our  
expectations



# Full Year Outlook Confirmed

in €

	<b>FY 2023e</b> at constant currencies <sup>1</sup>	<b>Estimated FX Impact <sup>2</sup></b>
<b>Net Sales</b>	<b>48.5bn – 49.5bn</b>	<b>-1.7bn</b>
<b>EBITDA</b> (before special items)	<b>11.3bn – 11.8bn</b>	<b>-0.2bn</b>
<b>Core EPS</b>	<b>6.20 – 6.40</b>	} not material
<b>Free Cash Flow</b>	<b>~ 0bn</b>	
<b>Net Financial Debt</b>	<b>~ 36bn</b>	

## Key Assumptions

- Updated estimated FX impact on EBITDA before special items, effect on other KPIs not material
- Robust business performance and cash generation in Crop Science anticipated for Q4
- Strong focus on working capital management across the businesses

<sup>1</sup> Reflects our 2023 plan at the average actual currencies for 2022.

<sup>2</sup> Currency assumptions based on month-end September 2023 spot rates (1 EUR=) 1.06 USD, 5.31 BRL, 7.73 CNY.  
Impact is calculated as difference to constant currencies.

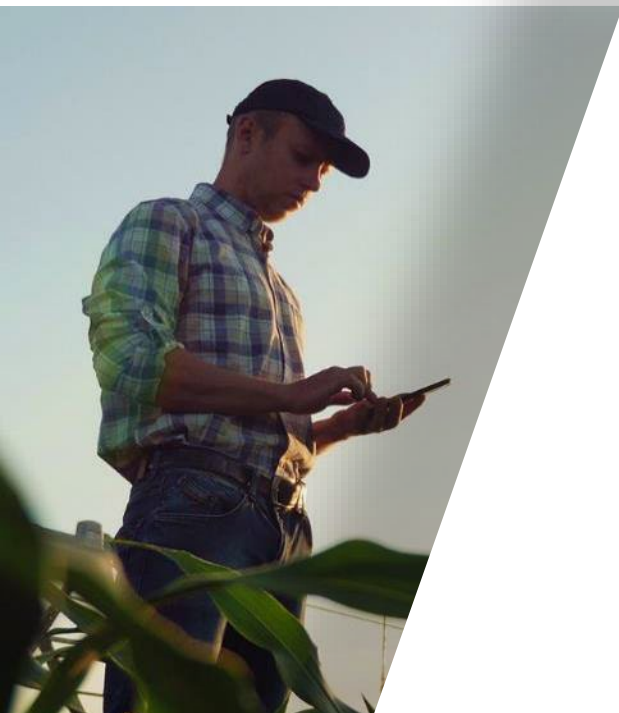


**Rodrigo Santos**

**Crop Science**



# Q3: Crop Science Core Business Growth of 9% Exceeding Glyphosate Decline



Volume  
**+25%**

Price  
**-24%**

Currency  
**-5%**

Portfolio  
**-3%**



4,692

Q3'22

Core Business

## Net Sales

m€, Δ% yoy

**+1% cpa**  
(-7% rep)

4,365

Q3'23

Glyphosate

Currency & Portfolio

## EBITDA

m€, before special items

EBITDA Margin before special items

629

13.4%

Q3'22

-0.5%

Q3'23

-24

## Crop Science Q3 2023



**Core Business +9%** with **+7% price** and **+2% volume** upside, driven by double digit percentage growth in corn, soybeans and fungicides



**Glyphosate-based herbicides sales -23%** as volume recovery only partly offset price decline



Glyphosate pricing decline, inflation and higher-cost inventory weigh on earnings



Strong pricing in core business, currency tailwinds, lower incentives and ongoing efficiencies partially compensate



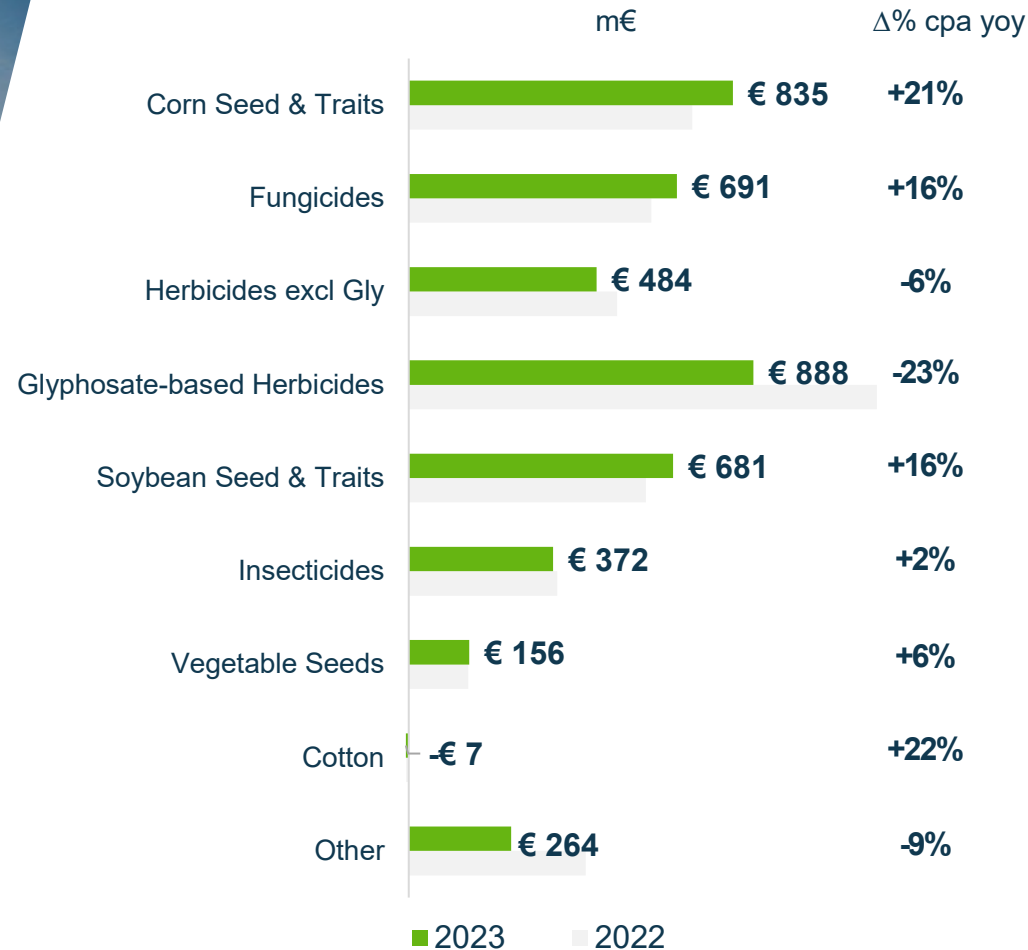


# Q3: Corn S&T, Fungicides and Soybean S&T Compensate for Glyphosate Decline



## Crop Science Q3 2023

### Q3 2023 Sales by Strategic Business Entity



### Key Drivers

- > **Corn S&T:** strong double-digit growth across all regions driven by price, particularly in LATAM
- > **Fungicides:** growth driven by strong LATAM volumes
- > **Rest of Herbicides:** growth in LATAM offset by lower volumes in EMEA
- > **Glyphosate-based Herbicides:** significant price decline to align to generics drives strong volume recovery
- > **Soy S&T:** driven by higher licensing revenues in LATAM
- > **Insecticides:** volume and price growth in EMEA more than offset price declines in LATAM
- > **Vegetable Seeds:** growth mostly driven by higher pricing in EMEA
- > **Cotton:** lower volumes in the U.S. in a seasonally low quarter
- > **Other:** decline mostly from lower prices on glyphosate-based products in the professional business



# FY Outlook Confirmed: Growth in Every Region in Core Business, Powered by Innovation-Driven Pricing



## Crop Science FY 2023 Outlook (revised Aug 2023)

**Sales Growth <sup>1</sup>**  
(cpa)

**EBITDA Margin <sup>1</sup>**  
(before special items)

### Crop Science

~ -5%

~ 21%

Core  
Business

+5 to 7%

Glyphosate

-45 to -50%

**Corn**

~15%

**Insecticides**

5 to 8%

**Soybeans**

0 to 2%

**Other**

>-1%

**Herbicides**

excl. GLY

2 to 4%

**Fungicides**

~10%

**Vegetables**

6 to 8%

**Cotton**

-15%

Sales growth rates Δ% cpa yoy

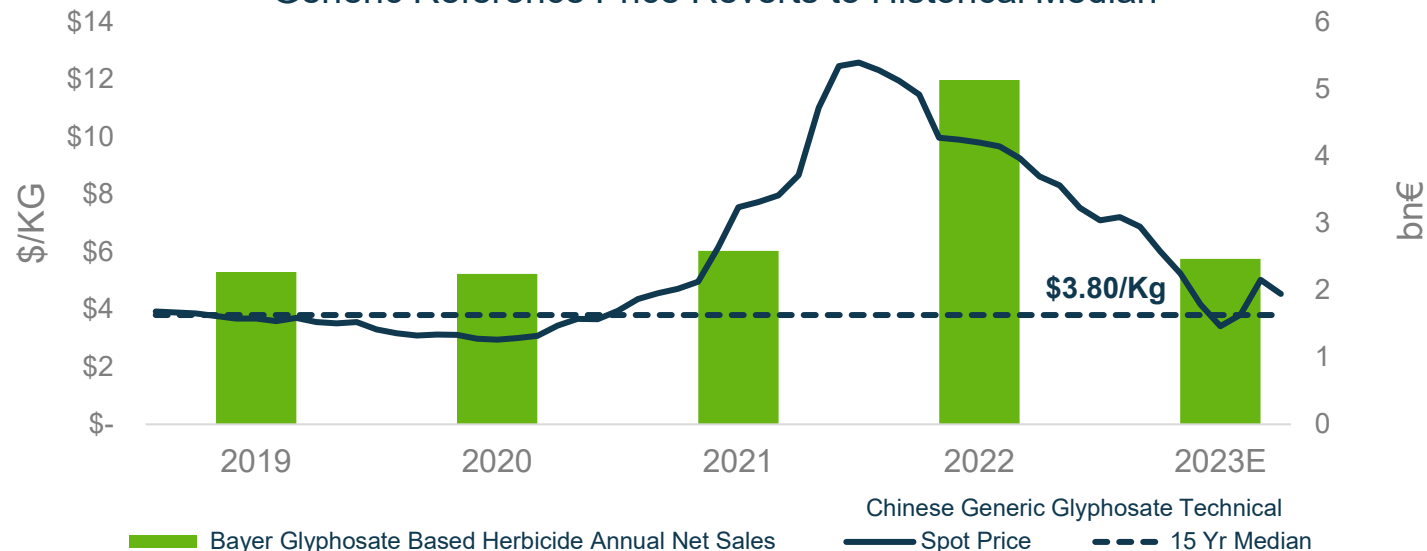
**FY 2023e**  
Sales Growth by  
Segment



# Glyphosate-Based Herbicides Sales Reverting to 2020 Levels



Branded Glyphosate-Based Herbicide Sales Rapidly Normalizing as Generic Reference Price Reverts to Historical Median



## Crop Science Glyphosate

### Market Trends:

- > U.S. retailers demand increased in Q3 following channel inventory destocking and reduction in China inventories
- > Generic Chinese glyphosate technical reference spot price reverted to 15-year historical median price mid-year
- > Chinese generic production capacity normalizing

### Our Strategy:

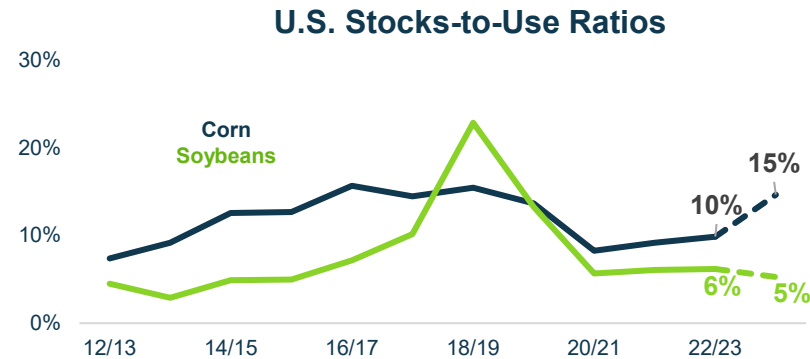
- > Maintain supply for ~40% global glyphosate market, with focus on the over-the-top markets in the Americas
- > Maintain a brand premium over generic price for glyphosate-based herbicides at the retail level
- > Focus on low-cost, sustainable manufacturing and operating model



# Expected 2024 Crop Science Market Dynamics



## > U.S. Corn & Soybean Stocks-to-Use Ratios Pressure Commodity Prices<sup>1</sup>



- Dec. 2023 **corn** contracts **~\$4.78/bu<sup>2</sup>**; >20% decline vs. one year ago
- Nov. 2023 **soybean** contracts **~\$12.92/bu<sup>2</sup>**; ~6% decline vs. one year ago.

- Potential for **4-to-5 million decline** in **U.S. corn acres planted** in 2024; 4-5% decline<sup>3</sup>
- **Ukraine** wheat and corn **acres** planted **down** significantly since start of war<sup>4</sup>

## > Significant Retail Destocking of Competitors' Inventory

- Significant **retail** partner **inventory destocking** for generics and key competitor's crop protection products **pressures crop protection prices** in key markets

## > Glyphosate Pricing and Sales Back to Historical Levels

- Planning based on **15-year median** generic reference price of \$3.80/kg<sup>5</sup>

## > Persistent wage inflation and elevated inventory costs

<sup>1</sup> Source: USDA, as of Oct 12th report; <sup>2</sup> Bloomberg as of Oct 31st; <sup>3</sup> Internal estimates; <sup>4</sup> >30% wheat and -30% corn area decline, calculated since 2021/22 season; <sup>5</sup> as of Oct 20th, Bloomberg CEFWPEST Index



**Stefan Oelrich**  
Pharmaceuticals





# Q3: Strong US Sales Growth, Headwinds in China; Sequential Improvement in Profitability as Guided



Volume  
+1%

Price  
-1%

Currency  
-7%

Portfolio  
-1%



## Net Sales

m€, Δ% yoy

0% cpa  
(-8% rep)

4,955

4,538

Q3'22

Q3'23

## EBITDA

m€, before special items

○ EBITDA Margin before special items

-9%

1,573

1,438

Q3'22

Q3'23

31.7%

31.7%

## Pharmaceuticals Q3 2023

- > **USA** sales growing double digit %, led by Nubeqa and Kerendia
- > **China business** negatively impacted by the country's anti-corruption campaign in the healthcare sector, also resulting in stronger pressure on all volume-based procurement (VBP) affected franchises
- > Single digit % sales growth in **Europe/Middle East/Africa** driven by Xarelto and Nubeqa

- > Adverse product mix and ongoing investments in R&D balanced by lower marketing spend
- > Prior year benefitting from sale of non-core businesses

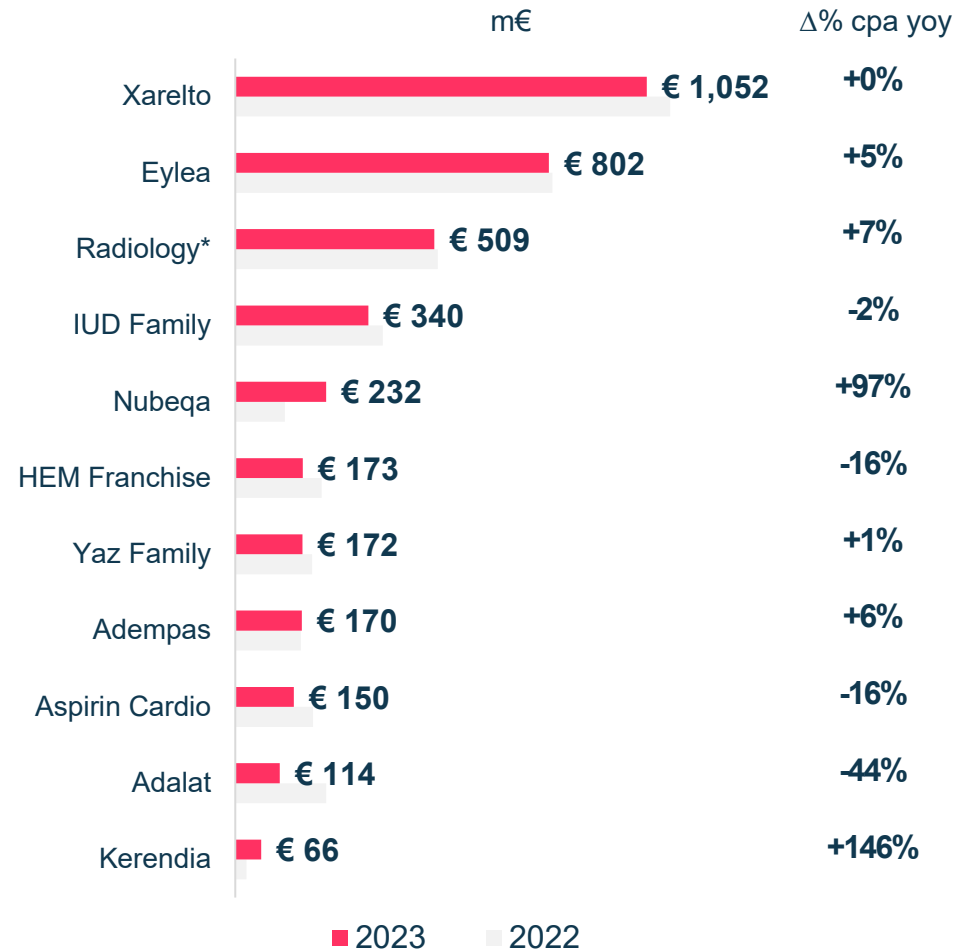


# Q3: Launch Assets, Eylea and Radiology Business With Ongoing Strong Performance, Offsetting Softness in Mature Portfolio



## Pharmaceuticals Q3 2023

### Q3 2023 Sales by Key Products



\* Radiology comprises 13 brands in total, among others CT Fluid Delivery, Ultravist and Gadovist product family

### Key Drivers

- > **Xarelto:** solid volume growth in major markets offset by UK pricing and China headwinds and lower US royalties
- > **Eylea:** continued strong volume trend in all marketed regions partially held back by softer pricing, particularly in Europe
- > **Nubeqa:** sales almost doubled again, being the fastest growing ARI<sup>1</sup> in the US
- > **Kerendia:** growth driven by continued US market uptake
- > **Radiology:** substantial sales gain, particularly for CT Fluid Delivery and Ultravist
- > **IUD Family:** volume declines largely compensated by higher prices
- > **HEM Franchise:** decline mostly due to competition, mainly in US and China
- > **Aspirin Cardio:** sales decline driven by lower channel demand
- > **Adalat:** sales continued to be impacted by VBP in China

<sup>1</sup> ARI: Androgen Receptor Inhibitor



# Progressing Our Pipeline With Differentiated Assets Addressing High Unmet Medical Need



## Major newsflow since Q2 2023 Earnings Release on August 8

### Cardio-vascular+

- > **Kerendia: Start of three additional Phase III studies (MOONRAKER)**
  - Extending the heart failure (HF) program with finerenone
- > **Asundexian: Start of additional Phase III study AFINA**
  - Expanding atrial fibrillation program to patients deemed ineligible for oral anticoagulation therapies due to higher bleeding risk

### Oncology

- > **BAY2927088 (mEGFR inhibitor): Phase I data in NSCLC with HER2 or EGFR mutations presented**
  - Manageable safety profile of selective TKI targeting HER2- and EGFR-activating mutations (incl. Ex20insertions)
  - Encouraging preliminary anti-tumor activity demonstrated, particularly in patients with HER2 mutations
- > **BAY3605349 (KEAP1 activator): Start of Phase I in advanced solid tumors**
  - First-in-class clinical candidate to target cancers with activation of KEAP1-NRF2 pathway
- > **BAY3546828 (PSMA TAC Antibody): Start of Phase I in prostate cancer**
  - Potentially first-in-class targeted alpha therapy targeting PSMA



### Neurology & Rare Diseases

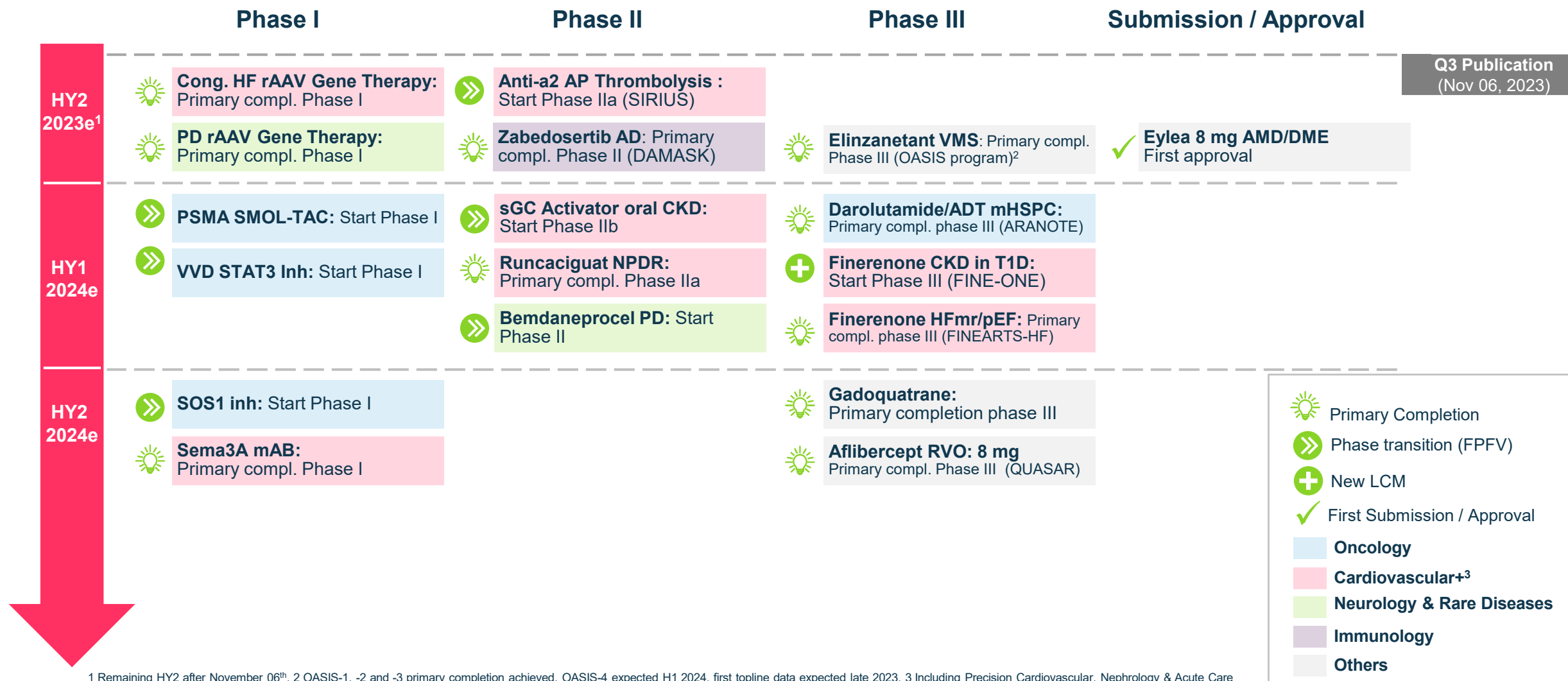
- > **Bemdaneprocel: Phase I data in patients with Parkinson's Disease presented**
  - Well tolerated, no major safety issues related to bemdaneprocel in all 12 participants in both cohorts through one year
  - Exploratory endpoints showed overall improvement; feasibility of transplantation, cell survival and engraftment demonstrated





# Several Pipeline Milestones Expected in Upcoming Quarters

## Major R&D Milestones



<sup>1</sup> Remaining HY2 after November 06<sup>th</sup>, <sup>2</sup> OASIS-1, -2 and -3 primary completion achieved, OASIS-4 expected H1 2024, first topline data expected late 2023, <sup>3</sup> Including Precision Cardiovascular, Nephrology & Acute Care



**Heiko Schipper**  
Consumer Health





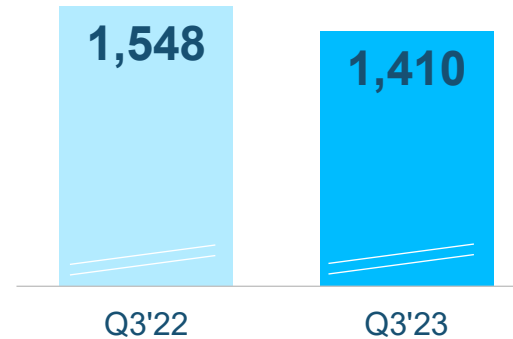
# Q3: Consumers Continue to Acknowledge Our Science-Based Health Solutions



## Net Sales

m€, Δ% yoy

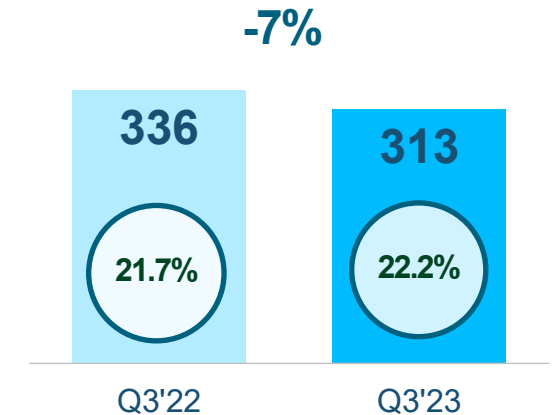
**+2% cpa**  
(-9% rep)



## EBITDA

m€, before special items

○ EBITDA Margin before special items



## Consumer Health Q3 2023

- > Value of our brands allows for targeted and active pricing
- > Overall market slowdown in North America and in Asia / Pacific
- > Reduction of trade inventories
- > Operational productivity programs and active pricing compensate cost inflation
- > Negative currency effects weigh on earnings

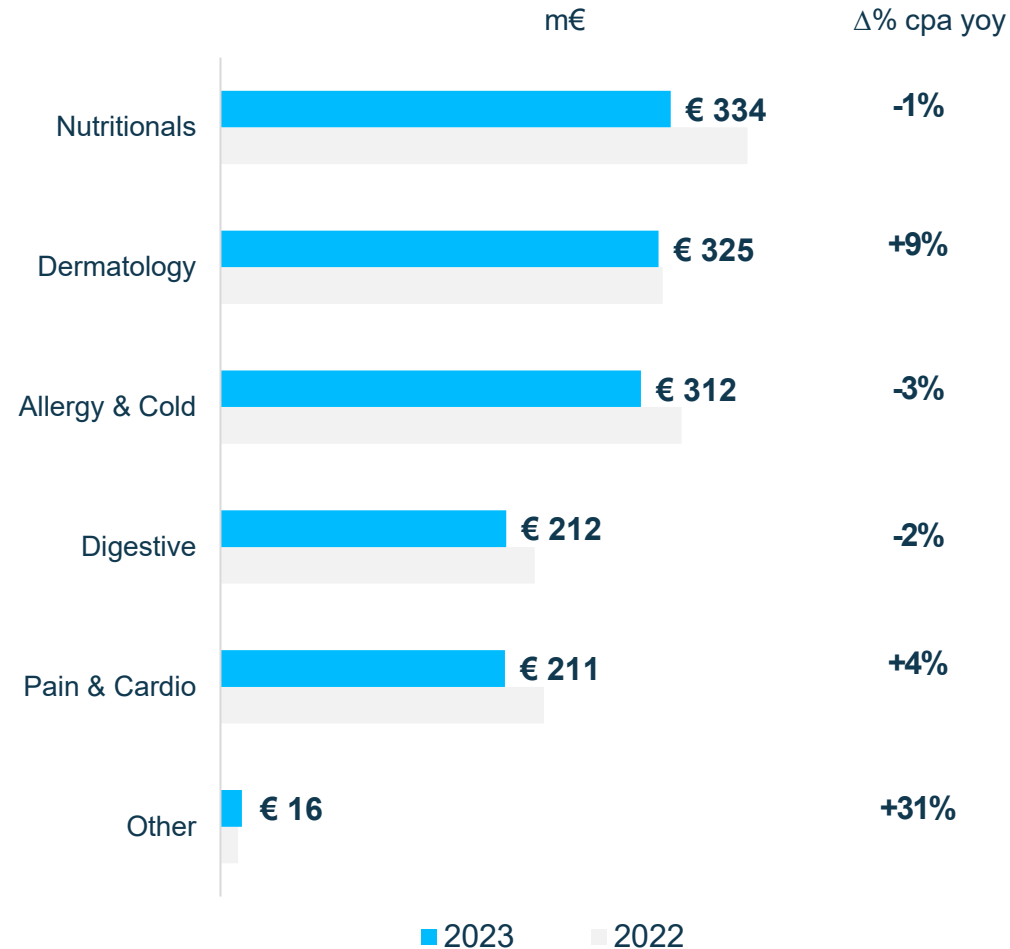


# Q3: Innovation in Dermatology, Together with Active Pricing, Driving Growth



## Consumer Health Q3 2023

### Q3 2023 Sales by Category



### Key Drivers

- > **Nutritionals:** Lower demand in particular for Elevit due to temporarily low birth rates in China compared with previous years
- > **Dermatology:** Broad based growth across all regions and brands, with strong contribution from our Bepanthen and Canesten brand families
- > **Allergy & Cold:** Soft allergy season, particular in North America and strong prior year comparable
- > **Digestive:** Normalization of demand in North America and supply constraints in EMEA
- > **Pain & Cardio:** Strong contribution from our brands in Latin America



# Digital Transformation Delivers Value for Our Business and Consumers

## Impactful Digital Engagement

> **6X** increase in  
**personalized creatives**  
↓  
**+40%** increase in  
**Consumer Engagement**

> **3X** increase in  
**data driven marketing**  
↓  
**+15%** increase in  
**Return-on-Investment**

## Accelerating eCommerce

> **4X** of Sales  
online

> **13%** of Sales  
driven by **eCommerce**

## Tapping into Digital Therapeutics

> Key addition to our  
**portfolio of care**

> **Expanding the  
availability** of innovative  
digital therapeutics.

> **Eliminating gaps in  
care provision**

## Upskilling our Operations

> Building a high-performing  
**product supply** ecosystem

> Leveraging **Artificial  
Intelligence & Machine  
Learning** through **Predictive  
Business Steering**

## Key Partnerships for growth





**Bill Anderson**  
CEO

# Advancing Our Strategic Review

? Analyzing

X Removed from consideration

✓ Implementing

Structure

Operating Model

## Option Space

- ? Separation of CS
- ? Separation of CH
- ? Maintaining Three Divisions
- ? Sequential Three-Way Break-Up
- X Simultaneous Three-Way Break-Up
- ✓ System Change
- X Traditional Restructuring

## Assessment Criteria

- // Value creation
  - // One-time costs & dis-synergies
  - // Tax leakage
  - // Cash flow / leverage
  - // Operational effectiveness
  - // Customer value perception
  - // Innovation acceleration
- // Speed of execution
- // Execution certainty
- // Maintaining optionality



- // Implementing system change to return Bayer to value creation, maintaining optionality
- // Continuing structural evaluation, with external advisors and clear assessment criteria





# Acting on Three Priorities



***Focusing on  
the Mission***



***Advancing Leading  
Innovation***



***Strengthening  
Performance***



# Dynamic Shared Ownership

## What is it?

- // **Radical realignment** from hierarchical departments and internal focus to customer and products
- // **Transfer of decision-making** from top management to the people doing the work
- // **Acceleration of progress** through rapid cycles and doing rather than planning

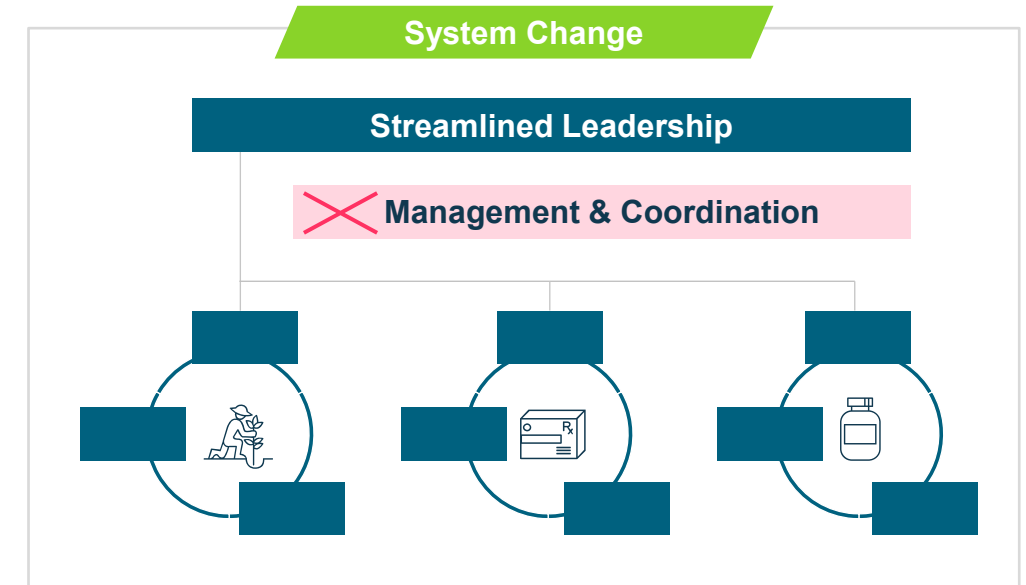
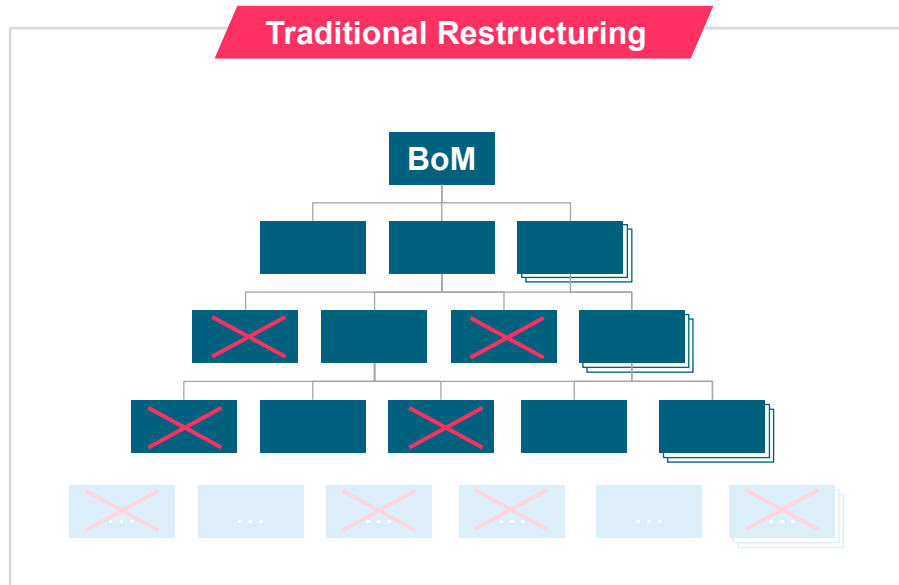
## How do you do it?

- // **Everyone working in small teams with customer / product focus**, working in 90-day cycles and success ownership as well as accountability
- // **Every process, role, activity** assessed, transformed, replaced or removed
- // **Significant reduction** in management and coordination roles

## What does it deliver?

- // **Doubling of speed** in customer response, science and product innovation as well as manufacturing improvement.
- // **Major – and lasting – reduction in cost**
- // **Better quality and compliance**
- // **More fulfilled and committed workforce**

# Fundamental System Change versus Traditional Restructuring



Org. Principle	Hierarchical bureaucracy	Customer- and product-centered
Change	Eliminates jobs, not work, often at operational level	Remove oversight and coordination – team decides
Savings	Delivers temporary savings	Sustainable gains via speed elimination of work
Performance	Not performance-focused	Entrepreneurial workforce delivering continued improvement



# Acting on Three Priorities



## ***Focusing on the Mission***

- // Leadership and org changes
- // Scaling new system across Bayer
- // All three divisions redesigning commercial models



## ***Advancing Leading Innovation***

- // Strong momentum in pipeline and launch assets
- // Product-centric R&D model for faster, more productive innovation



## ***Strengthening Performance***

- // Supervisory Board proposing changes to Board of Management long-term incentives (for 2024 AGM approval)
- // Evaluating structural options

90-day  
Progress

# *Q&A Session*

//////////





# Q3 2023

/////////  
*Appendix*

November 8<sup>th</sup>, 2023





# 9M: Group Performance

## NET SALES

in m€, Δ% yoy

**-8%**  
(-3% cpa)

38,739

35,775

9M'22

9M'23

## EBITDA

in m€,  
before special items

**-21%**

11,051

28.5%

9M'22

8,683

24.3%

9M'23

## CORE EPS

in €, Cont. Operations

**-31%**

6.59

9M'22

4.55

9M'23

## FREE CASH FLOW

in m€

9M'22

1,691

9M'23

-2,950



Currency headwind  
of **€1.2bn**



Currency headwind of  
**€155m**



EBITDA Margin before special items, cpa = currency and portfolio adjusted



# FY Outlook: Other Group KPIs

in €

**FY 2023e**  
at constant currencies <sup>1</sup>

**Special Items (EBITDA)** ~ - €1.0bn

**Core Depreciation** ~ - €1.6bn

**Core Financial Result** ~ - €1.9bn

**Core Tax Rate** ~ 23%

**Reconciliation <sup>3</sup> (cEBITDA)** ~ - €0.5bn

## Key Assumptions

- **Special items (EBITDA)** primarily driven by ongoing restructuring programs
- **Core depreciation:** Formerly guided for “as depreciation and amortization (clean)” (2023e: - €4.0bn) and “of which for intangible assets (clean) (2023e: - €2.4bn)”
- **Reconciliation (cEBITDA)** includes catch ups in long-term incentive provisions based on assumed share price of now about €45.45 at year-end
- No material FX effect based on latest estimate <sup>2</sup>

<sup>1</sup> Reflects our 2023 plan at the average actual currencies for 2022.

<sup>2</sup> Currency assumptions based on month-end September 2023 spot rates (1 EUR=) 1.06 USD, 5.31 BRL, 7.73 CNY.  
Impact is calculated as difference to constant currencies.

<sup>3</sup> Reconciliation reported as “All Other Segments” and “Enabling Functions and Consolidation”



# FY Outlook: Divisions

**Sales Growth  
2023e**  
cpa <sup>1</sup>

**EBITDA Margin  
2023e**  
before special items <sup>1</sup>



**Crop Science**

~ -5%

~ 21%



**Pharmaceuticals**

~ 0%

~ 28%



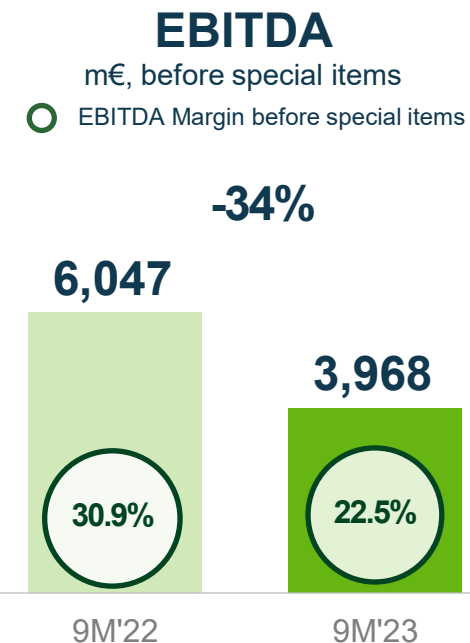
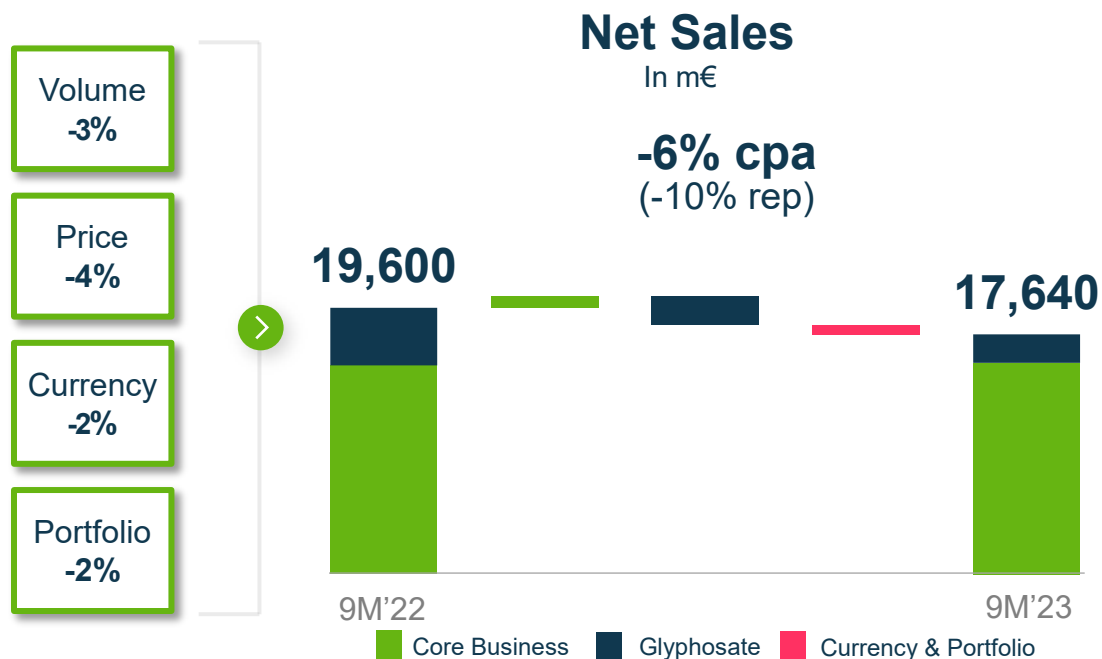
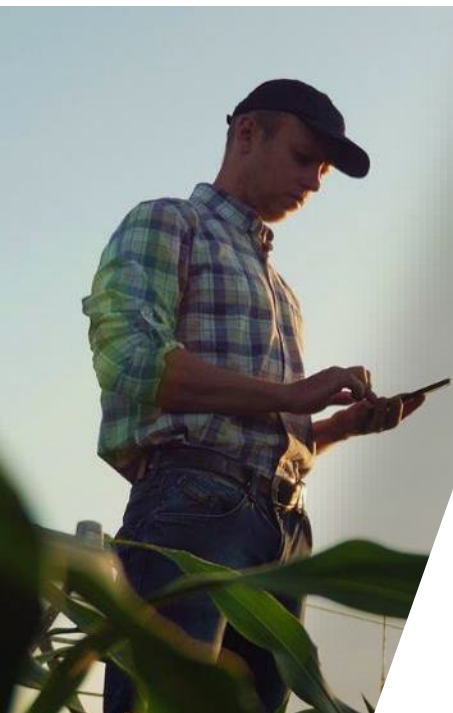
**Consumer Health**

~ +5%

~ 23%



# 9M: Core Business Grows 6%; Glyphosate Sales Decline ~€2.1bn



## Crop Science 9M 2023

- > **Core Business sales +6%**, with **+9% price** and **-3% volumes**, driven by strong double-digit growth in corn and mid single-digit price increases offsetting volume declines
- > **Glyphosate-based herbicide sales -50%** driven exclusively by price as volume has recovered in Q3

- > Glyphosate pricing decline, inflation and higher-cost inventory weigh on earnings
- > Strong pricing in core business, currency tailwinds and ongoing efficiencies partially compensate



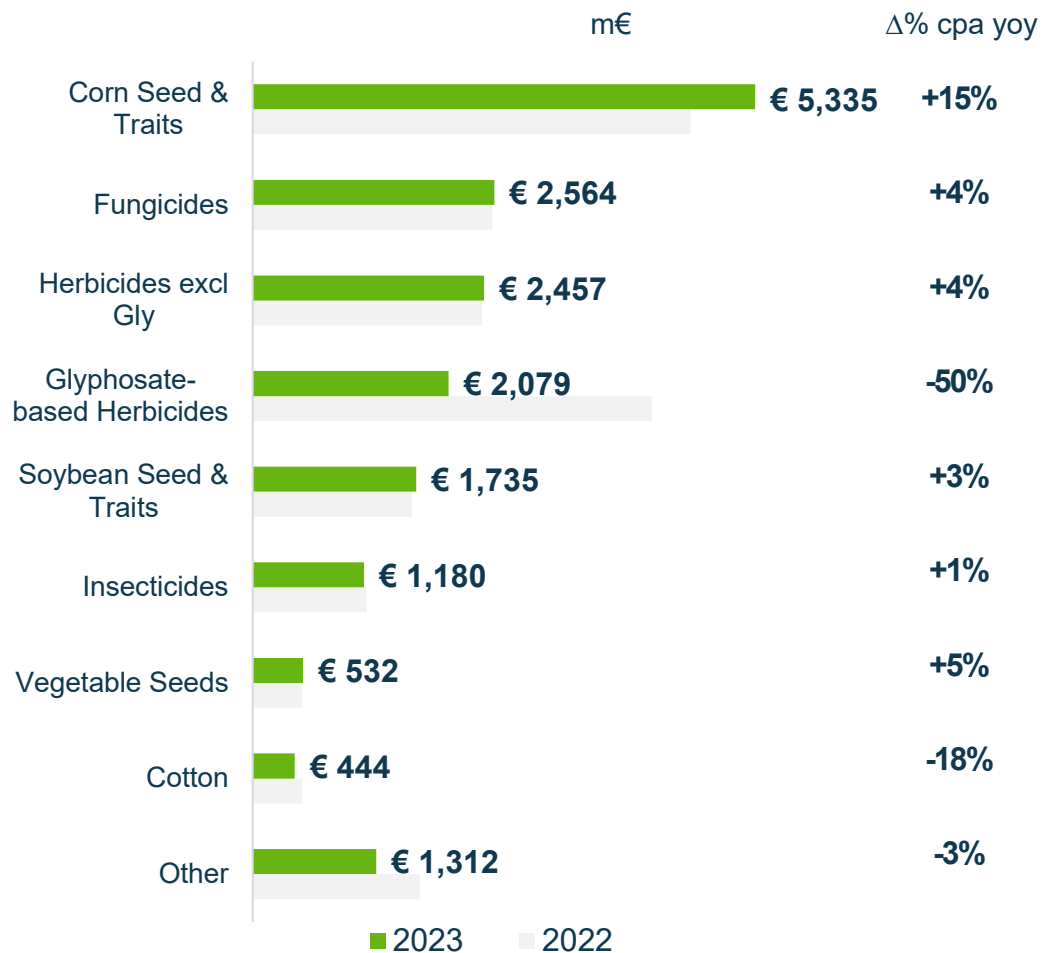


# 9M: Glyphosate Sales Decline ~50%; Corn Leads with +15% Growth



## Crop Science 9M 2023

### 9M 2023 Sales by Strategic Business Entity



### Key Drivers

- > **Corn S&T:** growth driven by double digit % pricing and volume growth in NA and APAC
- > **Fungicides:** pricing gains, mostly in EMEA and NA; partially offset by HY1 weather related volume decline
- > **Rest of Herbicides:** price increases globally and mid single-digit % volume growth in LATAM and APAC
- > **Glyphosate-based Herbicides:** decline by ~50% due to pricing; volume recovered to flat YTD
- > **Soy S&T:** growth in price and volume in LATAM more than offset NA volume decline
- > **Insecticides:** growth driven by EMEA pricing, partially offset by lower NA volume due to wet weather in CA
- > **Vegetable Seeds:** pricing gains, mainly in EMEA
- > **Cotton:** decline due to lower volumes from -26% U.S. planted acres; partially offset by U.S. share gains
- > **Other:** lower price and volume for glyphosate-based products in the professional business



# Industry Leading Soybean Seed & Trait Platform

Upgrading the Americas with Recent XtendFlex and Intacta 2 Xtend Trait Launches

**#1** South America soybean platform<sup>1</sup>

PLATAFORMA  
**INTACTA2**  
XTEND

Leading Soybean Platform in NA

ROUNDUP READY<sup>®</sup>  
**XTEND**  
CROP SYSTEM

**>80%** soybean trait share in Brazil in 2022/23

- Expect **>10m acres** of next-generation **Intacta 2 Xtend** in 23/24 season
- Performance advantage of **3.1 bags/ha**; **tripled** number of growers that produced **>100 bags/ha<sup>3</sup>**

**~45%** soybean trait share in the U.S. in 2023<sup>1</sup>

- Over the last 4 years, **RR2Xtend & XtendFlex soybeans** saw a **2.9+bu/acre** advantage vs. Enlist™ E3 soybeans
- **Reached 44m combined** acres in 2023 with **significantly more weed control** than Enlist system<sup>2</sup>
- Launch of **HT4 expected in 2027**; good progress on over-the-top label for **new herbicide formulation** for use with HT4

PSP of  
**~€4bn**

Industry Leading Soybean Pipeline

- Launch of **3<sup>rd</sup> gen soybean insect trait** expected 2027/28; made fourth regulatory submission in Americas

PSP of  
**>€0.8bn**

3rd & 4th Gen Insect Traits

PSP of  
**>€1bn**

4th & 5th Gen HT





# World Benchmarking Alliance Recognizes Bayer's Industry Leadership

Reaching Prime Status at ISS ESG with B- Rating



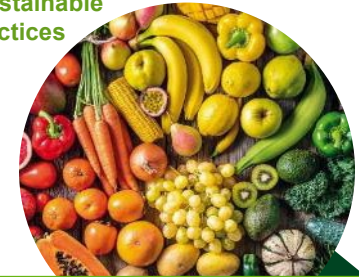
- > Rating: B- (formerly C+)
- > Prime Status
- > Industry: Chemicals
- > Transparency Level: Very High



Transformation of food systems through the application of sustainable business practices

# 2 / 44 *Up from 4<sup>th</sup> in 2021*

Agricultural inputs segment



Food & Agriculture Benchmark

Reduction of environmental impact and contribution towards a nature-positive future

# 1 / 44 *Remained #1*

Agricultural inputs segment



Nature & Biodiversity Benchmark



# 9M: Various Headwinds in China Largely Offset by Strong US Performance



Volume  
-0%

Price  
-1%

Currency  
-4%

Portfolio  
-1%



## Net Sales

m€, Δ% yoy

-1% cpa  
(-6% rep)

14,397

13,502

9M'22

9M'23

## EBITDA

m€, before special items

○ EBITDA Margin before special items

-12%

4,440

3,923

30.8%

29.1%

9M'22

9M'23

## Pharmaceuticals 9M 2023

- > Nubeqa and Kerendia driving growth in the **US**, more than offsetting softness in mature portfolio
- > **China business** held back by COVID dynamics and anti-corruption campaign in the healthcare sector, also resulting in stronger pressure on all VBP affected franchises
- > Sales in **Europe/Middle East/Africa** on par with prior year, strong Nubeqa performance offset by declines of Xarelto and mature portfolio

- > Ongoing growth investments in R&D, particularly early-stage and asundexian's PIII studies
- > Adverse product mix, inflation and non-recurring income from prior year's sale of non-core businesses weigh on margin

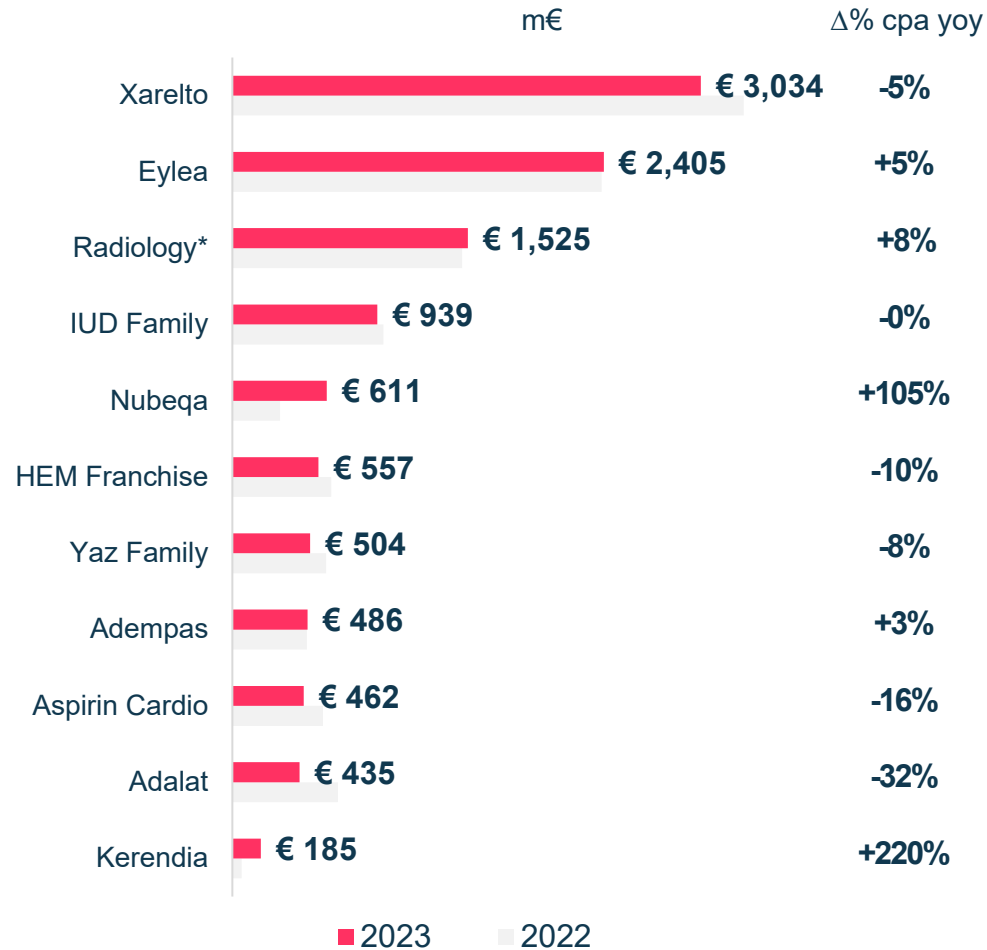


# 9M: Strong Performance of Launch Assets, Eylea and Radiology Largely Balancing Headwinds, Particularly on Xarelto and Adalat



## Pharmaceuticals 9M 2023

### 9M 2023 Sales by Key Products



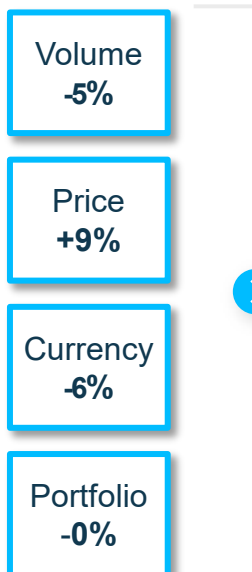
\* Radiology comprises 13 brands in total, among others CT Fluid Delivery, Ultravist and Gadovist product family

### Key Drivers

- > **Xarelto:** Sales decline driven by loss of exclusivity in some regions and pricing headwinds
- > **Eylea:** Continued volume growth
- > **Nubeqa:** Strong growth momentum driven by market share gains and label expansions
- > **Kerendia:** growth driven by US market uptake, non-US regions with growing contributions, particularly China
- > **Radiology:** substantial sales gain, particularly for CT Fluid Delivery and Ultravist
- > **IUD Franchise:** Volume losses almost fully compensated by price increases
- > **HEM Franchise:** decline mostly due to competition, mainly in US and China
- > **Aspirin Cardio:** sales decline driven by lower channel demand
- > **Adalat:** sales continued to be impacted by VBP



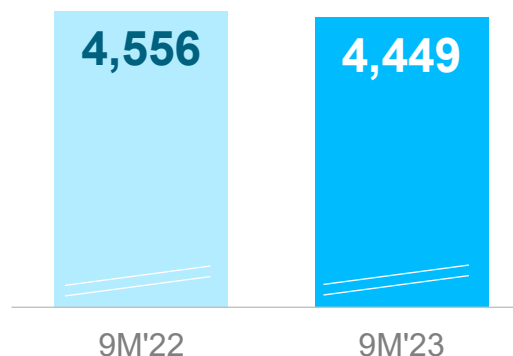
# 9M: With Solid Growth, On Track to Achieve Full Year Guidance



## Net Sales

m€, Δ% yoy

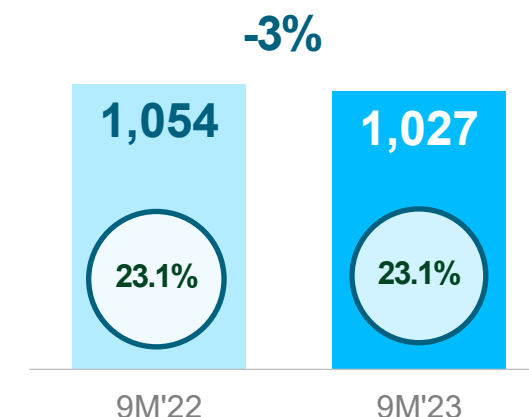
**+4% cpa**  
(-2% rep)



## EBITDA

m€, before special items

○ EBITDA Margin before special items



## Consumer Health 9M 2023

- > Broad based growth in LATAM and EMEA across almost all categories
- > APAC growth impacted by normalization of Nutritionals demand
- > Supply constraints in particular in HY1
- > Strong cold season in HY1, while soft allergy season
- > Operational productivity programs and active pricing compensate cost inflation
- > Continued investments into innovation

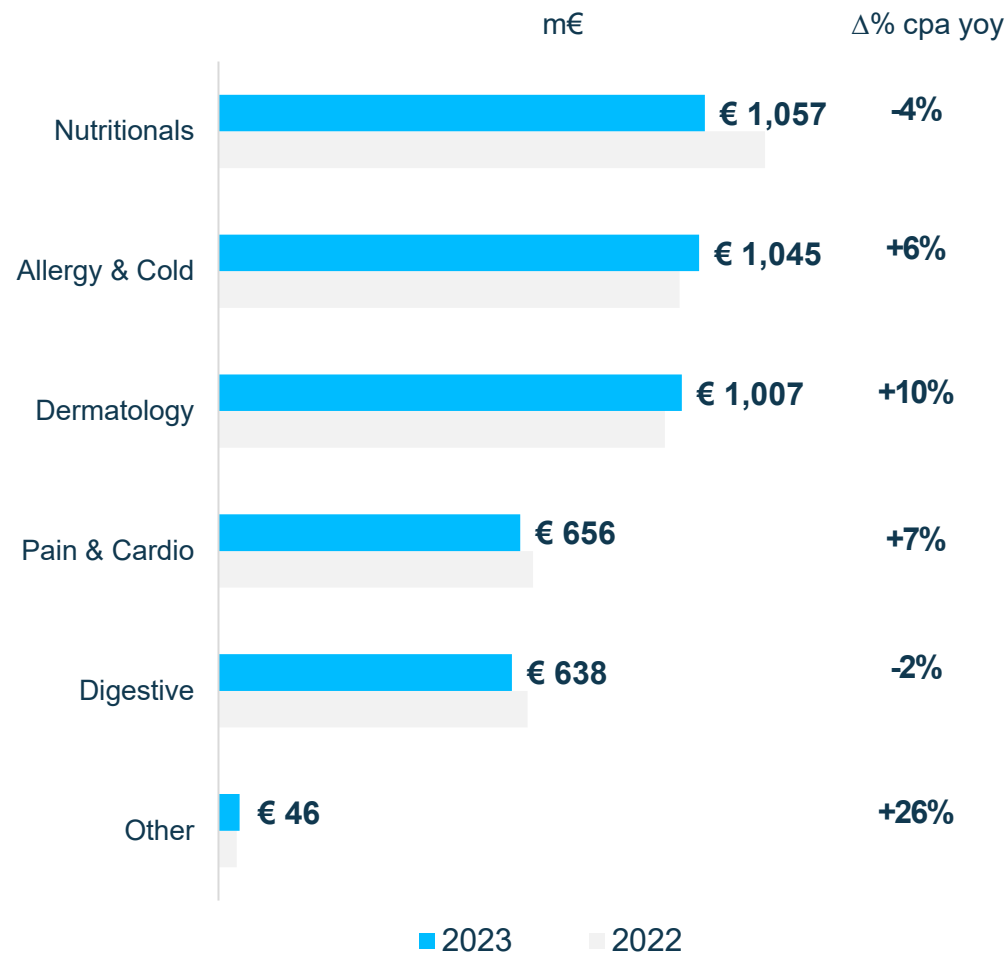


# 9M: Solid Growth Compared to Strong 2022



## Consumer Health 9M 2023

### 9M 2023 Sales by Category

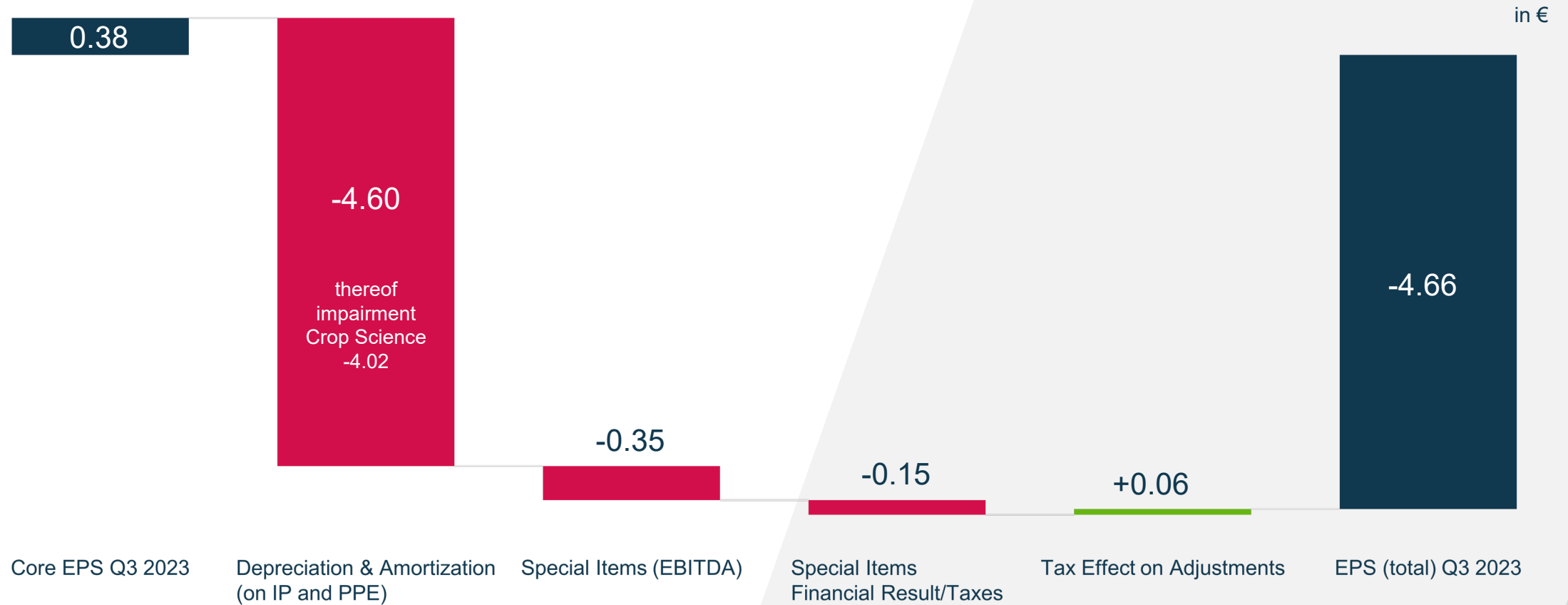


### Key Drivers

- > **Nutritionals:** Continued demand normalization on an overall elevated level
- > **Allergy & Cold:** Strong demand across regions and brands, driven by innovation
- > **Dermatology:** High cold incidence levels especially throughout the first half of 2023
- > **Pain & Cardio:** Strong contribution from our brands in particular in Latin America
- > **Digestive:** Normalization of demand in North America and supply constraints in EMEA



## Q3 2023: Core EPS to EPS Bridge





# Q3: Summary

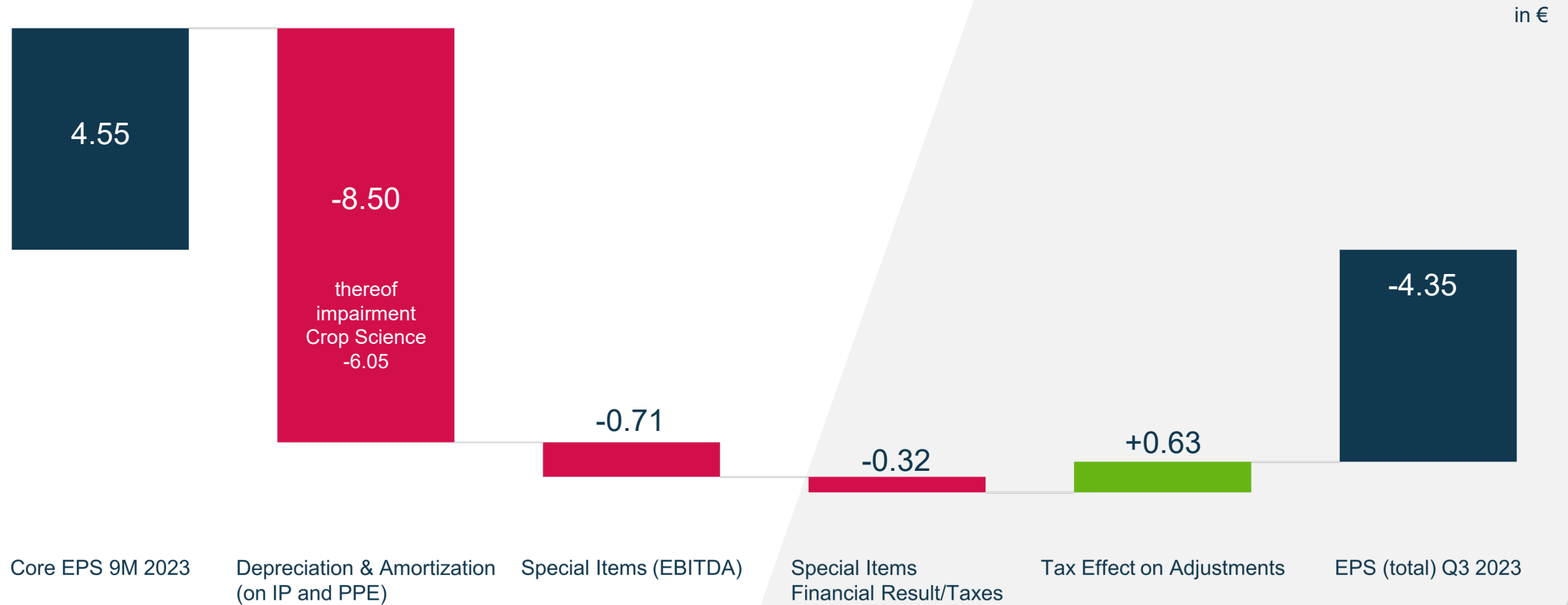
[€ million, if not specified]

	Crop Science		Pharmaceuticals		Consumer Health		Reconciliation		Group	
	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23
<b>Sales</b>	<b>4,692</b>	<b>4,365</b>	<b>4,955</b>	<b>4,538</b>	<b>1,548</b>	<b>1,410</b>	<b>86</b>	<b>29</b>	<b>11,281</b>	<b>10,342</b>
<b>Sales by region:</b>										
Europe / Middle East / Africa	823	788	1,829	1,772	472	468	84	27	3,208	3,055
North America	910	734	1,317	1,263	628	522	0	2	2,855	2,521
Asia / Pacific	480	437	1,538	1,230	247	219	0	0	2,265	1,886
Latin America	2,479	2,406	271	273	201	201	2	0	2,953	2,880
<b>EBITDA</b>	<b>619</b>	<b>-35</b>	<b>1,501</b>	<b>1,420</b>	<b>332</b>	<b>305</b>	<b>-156</b>	<b>-353</b>	<b>2,296</b>	<b>1,337</b>
Special items	-10	-11	-72	-18	-4	-8	-69	-311	-155	-348
<b>EBITDA before special items</b>	<b>629</b>	<b>-24</b>	<b>1,573</b>	<b>1,438</b>	<b>336</b>	<b>313</b>	<b>-87</b>	<b>-42</b>	<b>2,451</b>	<b>1,685</b>
EBITDA margin before special items [%]	13.4%	-0.5%	31.7%	31.7%	21.7%	22.2%	-101.2%	-144.8%	21.7%	16.3%
<b>EBIT</b>	<b>53</b>	<b>-4,573</b>	<b>1,152</b>	<b>1,183</b>	<b>239</b>	<b>213</b>	<b>-245</b>	<b>-417</b>	<b>1,199</b>	<b>-3,594</b>
Special items	-10	-3,964	-71	-20	-4	-8	-68	-311	-153	-4,303
EBIT before special items	63	-609	1,223	1,203	243	221	-177	-106	1,352	709
EBIT margin before special items [%]	1.3%	-14.0%	24.7%	26.5%	15.7%	15.7%	-205.8%	-365.5%	12.0%	6.9%
<b>Operating cash flow, continuing</b>	<b>1,157</b>	<b>1,341</b>	<b>1,468</b>	<b>1,091</b>	<b>300</b>	<b>273</b>	<b>-271</b>	<b>-129</b>	<b>2,654</b>	<b>2,576</b>
Free operating cash flow <sup>1</sup>	775	982	1,181	869	254	232	-282	-190	1,928	1,893
<b>Free cash flow</b>									<b>1,738</b>	<b>1,626</b>
<b>EBITDA before special items</b>									<b>2,451</b>	<b>1,685</b>
Core depreciation <sup>2</sup>									-398	-404
<b>Core EBIT</b>									<b>2,053</b>	<b>1,281</b>
Core financial result (before special items)									-544	-559
Core taxes & minorities									-395	-353
Core tax rate									25.9%	48.1%
<b>Core Net Income</b>									<b>1,114</b>	<b>370</b>
No. of shares [million]									982.42	982.42
<b>Core EPS [€]</b>									<b>1.13</b>	<b>0.38</b>





## 9M 2023: Core EPS to EPS Bridge



# 9M: Summary

[€ million, if not specified]

	Crop Science		Pharmaceuticals		Consumer Health		Reconciliation		Group	
	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023
<b>Sales</b>	<b>19,600</b>	<b>17,640</b>	<b>14,397</b>	<b>13,502</b>	<b>4,556</b>	<b>4,449</b>	<b>186</b>	<b>184</b>	<b>38,739</b>	<b>35,775</b>
<b>Sales by region:</b>										
Europe / Middle East / Africa	4,211	4,058	5,542	5,332	1,425	1,432	183	179	11,361	11,001
North America	8,327	7,189	3,486	3,544	1,820	1,728	1	4	13,634	12,465
Asia / Pacific	1,808	1,720	4,623	3,891	737	691	0	0	7,168	6,302
Latin America	5,254	4,673	746	735	574	598	2	1	6,576	6,007
<b>EBITDA</b>	<b>6,035</b>	<b>3,880</b>	<b>4,497</b>	<b>3,788</b>	<b>1,029</b>	<b>1,006</b>	<b>-1,322</b>	<b>-688</b>	<b>10,239</b>	<b>7,986</b>
Special items	-12	-88	57	-135	-25	-21	-832	-453	-812	-697
<b>EBITDA before special items</b>	<b>6,047</b>	<b>3,968</b>	<b>4,440</b>	<b>3,923</b>	<b>1,054</b>	<b>1,027</b>	<b>-490</b>	<b>-235</b>	<b>11,051</b>	<b>8,683</b>
EBITDA margin before special items [%]	30.9%	22.5%	30.8%	29.1%	23.1%	23.1%	-263.4%	-127.7%	28.5%	24.3%
<b>EBIT</b>	<b>2,823</b>	<b>-4,461</b>	<b>3,560</b>	<b>3,036</b>	<b>762</b>	<b>734</b>	<b>-1,565</b>	<b>-886</b>	<b>5,580</b>	<b>-1,577</b>
Special items	-1,334	-6,613	-33	-137	-25	-21	-832	-453	-2,224	-7,224
EBIT before special items	4,157	2,152	3,593	3,173	787	755	-733	-433	7,804	5,647
EBIT margin before special items [%]	21.2%	12.2%	25.0%	23.5%	17.3%	17.0%	-394.1%	-235.3%	20.1%	15.8%
<b>Operating cash flow, continuing</b>	<b>1,321</b>	<b>-1,685</b>	<b>2,527</b>	<b>2,240</b>	<b>729</b>	<b>508</b>	<b>-545</b>	<b>-1,553</b>	<b>4,032</b>	<b>-490</b>
Free operating cash flow <sup>1</sup>	468	-2,637	1,843	1,525	615	403	-519	-1,536	2,407	-2,245
<b>Free cash flow</b>									<b>1,691</b>	<b>-2,950</b>
<b>EBITDA before special items</b>									<b>11,051</b>	<b>8,683</b>
Core depreciation <sup>2</sup>									-1,163	-1,205
<b>Core EBIT</b>									<b>9,888</b>	<b>7,478</b>
Core financial result (before special items)									-1,528	-1,378
Core taxes & minorities									-1,884	-1,634
Core tax rate									22.4%	26.5%
<b>Core Net Income</b>									<b>6,476</b>	<b>4,466</b>
No. of shares [million]									982.42	982.42
<b>Core EPS [€]</b>									<b>6.59</b>	<b>4.55</b>

# Q3 2023

/////////  
**Innovation  
Appendix**

November 8<sup>th</sup>, 2023





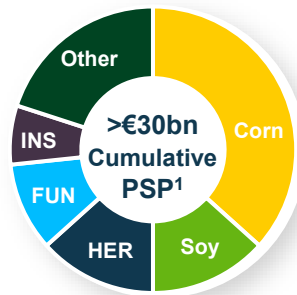


# Crop Science Innovation Summit Recap – NY, June 20, 2023

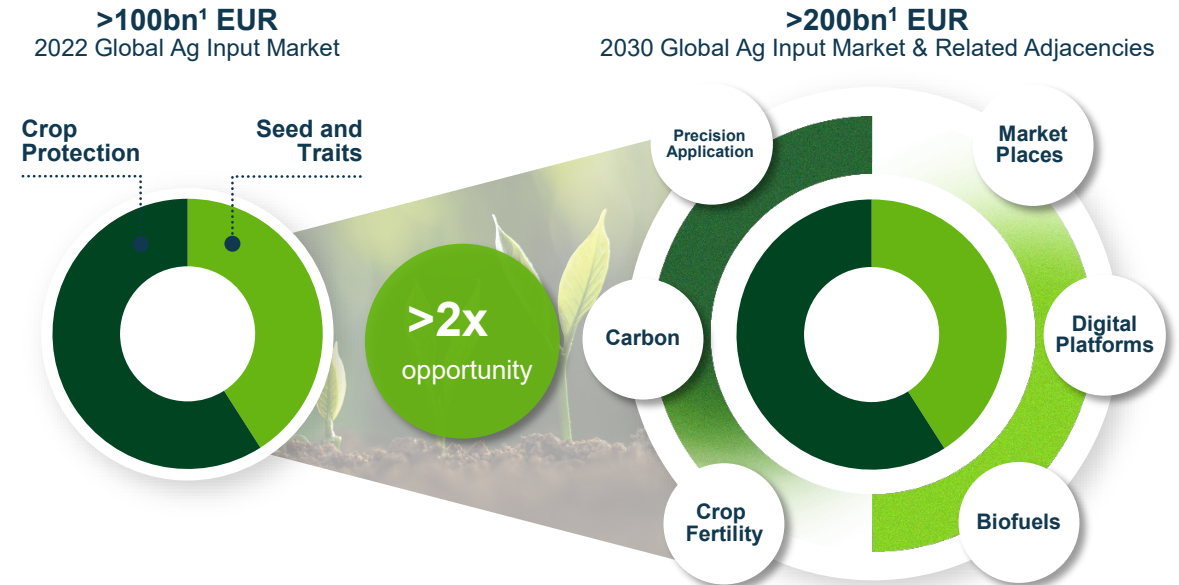


## Delivering a Portfolio of Blockbuster Products

- PRECEON Smart Corn System >€1.5b
- Next Gen Fungicide >€1.2b
- Next Gen Corn Insect traits >€1b
- 4<sup>th</sup> & 5<sup>th</sup> Gen Soy HT traits >€1b
- 3<sup>rd</sup> & 4<sup>th</sup> Gen Soy insect traits >€0.8b
- New Herbicide >€0.8b
- Hybrid Wheat ~€0.7b
- Plenexos insecticide ~€0.5b



## More than Doubling our Accessible Markets by 2030



## Evolving from Products to Outcome-Based Systems and Solutions



**Powered by Industry Leading Innovation Engines**



# Crop Science: Seed & Traits and Digital R&D Pipeline (Annual Update Feb 2023)

	Phase I	Phase II	Phase III	Phase IV	PSP
CORN SEED & TRAIT	Corn Disease Shield - NA	5th Generation Lepidoptera Protection 5th Generation Herbicide Tolerance w/ (RHS2) <b>Digital Disease Mgmt. – NA</b> <b>Seed Placement Digital Tool - NA</b>	Short Stature Corn – Biotech Trait <sup>3</sup> 4th Generation Coleoptera Protection	Short Stature Corn – Breeding Approach 4th Generation Lepidoptera Protection <b>Seed Density Digital Tool – EMEA</b> <b>Seed Density Digital Tool – LATAM</b>	~€11bn
	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	
	Digital Disease Mgmt. - NA	Seed Placement Digital Tool – NA <b>4th Generation Insect Protection</b>	3rd Generation Insect Protection 2nd Generation Soy Cyst Nematode resistance 4th Generation Herbicide Tolerance (HT4) (Adds 2, 4-D and HPPD tolerance) <b>5th Generation Herbicide Tolerance</b> (Adds PPO tolerance) Annual Germplasm Upgrades Soybean Native Resistance	Vistive Gold Xtend  Annual Germplasm Upgrades Soybean Native Resistance	~€4bn
VEGETABLES and OTHER <sup>4</sup> Including Carbon Model	Canola/OSR Digital Disease Mgmt. - NA	Wheat Digital Disease Mgmt. - EMEA	Canola Dicamba Tolerance Sugarbeets 2nd Generation Herbicide Tolerance <sup>2</sup> Cotton 4th Generation Herbicide Tolerance (HT4) (5 tolerances – Adds 2, HPPD and PPO) Cotton 4th Generation Insect Protection	Lygus and Thrips Control (ThryvOn Technology) - <b>Stewarded Commercial Launch</b>	~€6bn
	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	
	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	
	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	
	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	
	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	
	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	

**€21bn  
PSP**

Breeding

Trait

Digital Model

advanced to next phase

Projects listed here and included in the peak sales potential by segment do not include projects funded by our LEAPS investments; includes all advancements made in FY'22, updated Feb'23

PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2037 and remainder in 2038+; **Note that products are excluded from the pipeline PSP typically the year following launch**

<sup>2</sup> In collaboration with KWS; <sup>3</sup> In collaboration with BASF; <sup>4</sup> "Other" category includes seeds and traits, such as cotton, canola, wheat, OSR, rice, vegetable seeds and sugarbeets, plus carbon and digital Models



# Crop Science: Crop Protection R&D Pipeline (Annual Update Feb 2023)

€9bn  
PSP

	Phase I	Phase II	Phase III	Phase IV	Life Cycle Management <sup>1</sup>	PSP
SEED GROWTH <sup>2</sup>	New AI Development					
	New Herbicide ✓		New Herbicide ✓ ✓ ✓		<b>Non-Selective</b> Glyphosate LCM ✓	
	New Herbicide ✓ ✓		New Herbicide ✓		<b>Selective</b> Merlin Flexx / Adengo LCM ✓	
	New Herbicide ✓		New Herbicide <sup>3</sup> ✓		Mateno Complete ✓	
INSECT.					Balance Flexx LCM ✓	
					Convinto ✓	
					New over-the-top herbicide ✓	
FUNGIC.	New Fungicide ✓	New Fungicide ✓	New Fungicide <sup>3</sup> ✓ ✓ ✓		Luna Flexx ✓	
					Super Nativo ✓ ✓	
					Delaro Forte ✓	
HERBICIDES					Vayego Duo ✓	
					Velum LCM ✓	
					Rice Plant Hopper ✓	
SEED GROWTH <sup>2</sup>			New Seed Treatment ✓		INS FUN ready mixture ✓	
			New Seed Treatment ✓		Redigo FS 25 ✓	

Corn
 Soybeans
 Fruits and vegetables
 Cereals, oilseed rape, sugarbeets, cotton and rice
 Biological
 Small Molecule

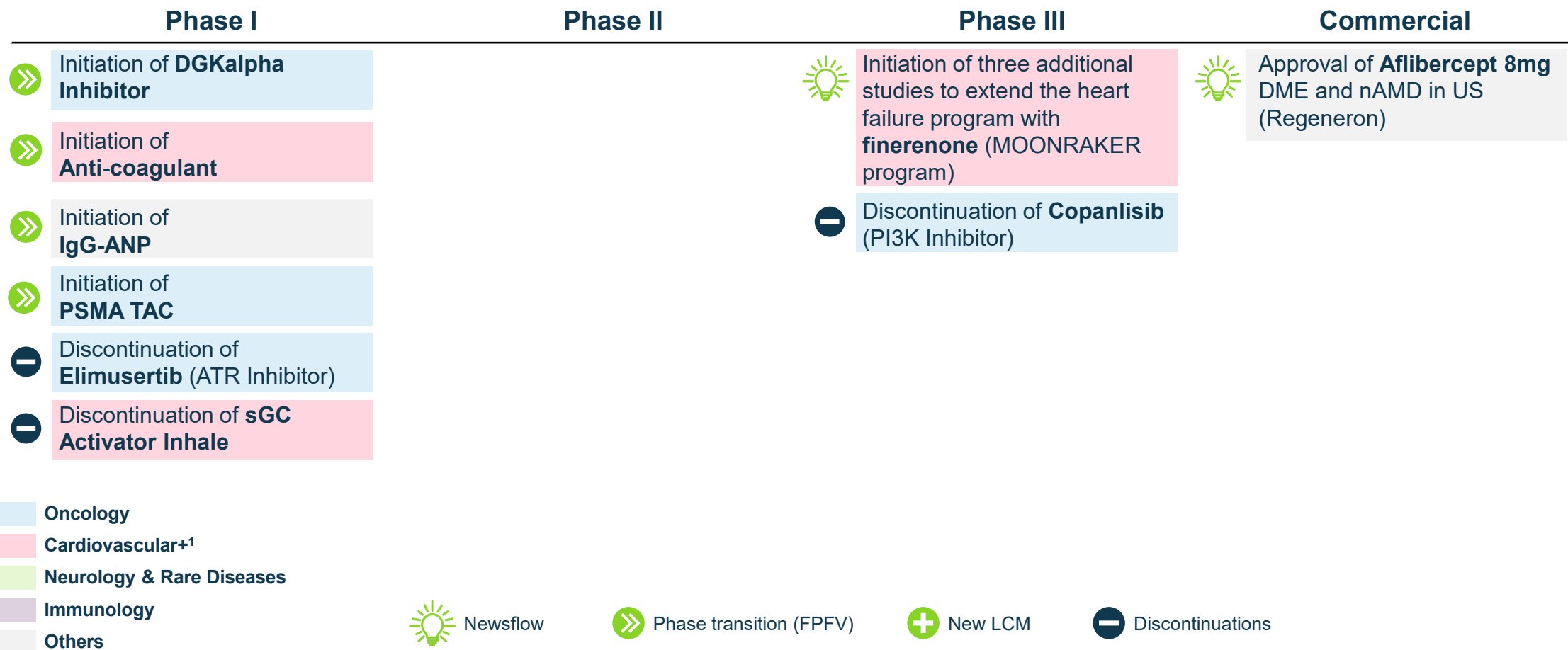
<sup>1</sup> Shown here is a subset of Bayer's total life cycle management activities; focused on new formulation developments which have the potential to bring significant innovation to customers compared to currently marketed product; Products shown may not yet be fully registered in all jurisdictions; includes all advancements made in FY'22, updated Feb'23; <sup>2</sup> SeedGrowth is currently reported within other SBEs; <sup>3</sup> 3<sup>rd</sup> party collaboration

PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2037 and remainder in 2038+; **Note that products are excluded from the pipeline PSP typically the year following launch.**

advanced to next phase Selection of projects listed here and included in the peak sales potential by segment do not include projects in early research or discovery



# Pharmaceuticals: R&D Developments (since last update on July 31, 2023)




































<sup>1</sup> Including Precision Cardiovascular, Nephrology & Acute Care





# Pharmaceuticals: Pipeline Overview<sup>1</sup> (as of Nov 6, 2023)

Phase 0 <sup>2</sup>	Phase I	Phase II	Phase III
<b>PSMA SMOL TAC</b> (BAY 3563254)  ●	<b>AhR Inhibitor</b> (BAY 2416964)  ●	<b>Regorafenib</b> (combi Nivolumab) (BAY 734506)  ○	<b>Darolutamide</b> (AR Inhibitor)  ○
<b>VVD STAT3 Inh</b> (BAY 3630914)  ●	<b>mEGFR Inhibitor</b> (BAY 2927088)  ●	<b>Asundexian (FXIa Inhibitor)</b> (BAY 2433334)  ●	<b>Finerenone</b> (MR Antagonist)  ○
<b>Next Generation Liver MRI</b> (BAY 3393081)  ●	<b>DGKzeta Inhibitor</b> (BAY 2965501)  ●	<b>Zabedoseritib</b> (IRAK4 Inh.) (BAY 1834845)  ●	<b>Vericiguat</b> (sGC Stimulator)  ○
	<b>CCR8 Ab</b> (BAY 3375968)  ●	<b>Runcaciguat</b> (sGC Activator) (BAY 1101042)  ●	<b>Asundexian</b> (FXIa Inhibitor)  ●
	<b>VVD KEAP1 Act</b> (VVD-13307 aka NRF2 Inh, BAY 3605349)  ●		<b>Elinzanetant</b> (Neurokinin-1,3 Rec Antagonist)  ●
	<b>DGKalpha Inh</b> (BAY 2862789)  ●		<b>Aflibercept 8mg</b> (VEGF Inhibitor)  ○
	<b>PSMA TAC</b> (BAY 3546828)  ●		<b>Gadoquatrane</b> (High Relaxivity Contrast Agent)  ●
	<b>Congestive Heart Failure rAAV Gene Therapy</b> (AB-1002 aka NAN-101)  ●		
	<b>sGC Activator Oral</b> (BAY 3283142)  ●		
	<b>Anti-a2AP</b> (BAY 3018250)  ●		
	<b>SEMA 3a</b> (BAY 3401016)  ●		
	<b>Anti-coagulant</b> (BAY 3389934)  ●		
	<b>Bemdaneprocel</b> (Parkinson's Disease Cell Therapy) (BRT-DA01)  ●		
	<b>Parkinson's Disease rAAV Gene Therapy</b> (AB-1005 aka AAV2-GDNF-PD)  ●		
	<b>Multiple System Atrophy rAAV Gene Therapy</b> (AB-1005 aka AAV2-GDNF-MSA)  ●		
	<b>Pompe Disease rAAV Gene Therapy</b> (ACTUS-101)  ●		
	<b>Huntington's Disease rAAV Gene Therapy</b> (AB-1001 aka BV-101)  ●		
	<b>LGMD2I/R9 rAAV Gene Therapy</b> (AB-1003 aka LION-101)  ●		
	<b>GPR84 Antagonist</b> (BAY 3178275)  ●		
	<b>IgG-ANP</b> (BAY 2701250)  ●		

Oncology

Cardiovascular+<sup>4</sup>

Neurology & Rare Diseases


Immunology

Others

● New molecular entity

○ Life cycle management

**Submissions**

**Aflibercept 8mg** (VEGF-Inhibitor)  ○  
// EU, JP: Diabetic Macular Edema (DME)  
// EU, JP, CN: Neovasc. Age-rel. Macular Degen. (nAMD)

Full pipeline package available for download under:  
<https://www.bayer.com/en/pharma/development-pipeline>

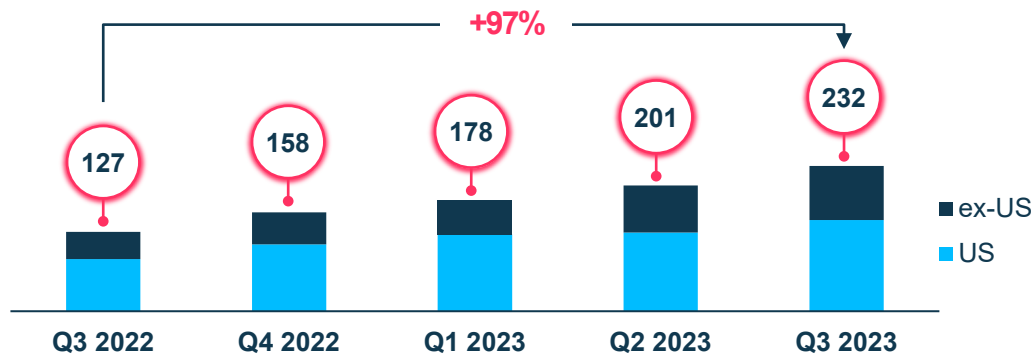
<sup>1</sup> Bayer and partner sponsored + 3rd party label enabling studies with first patient first visit

<sup>2</sup> Pre-clinical selected assets on path to IND <sup>3</sup> Conducted by Merck & Co <sup>4</sup> Including Precision Cardiovascular, Nephrology & Acute Care

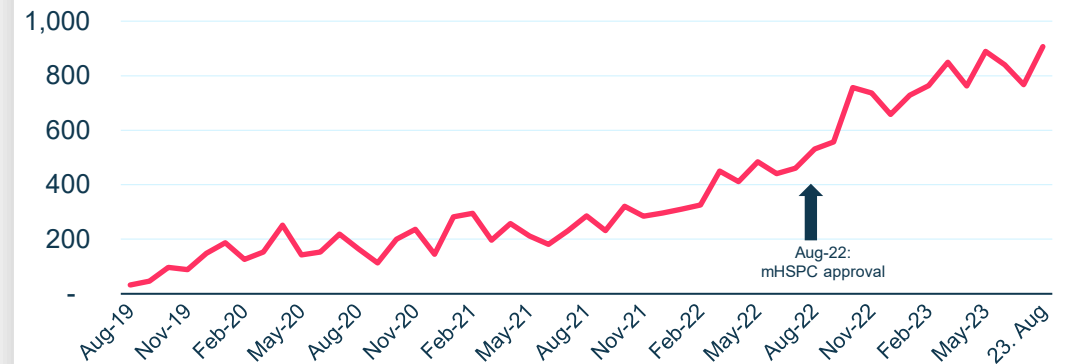


# Nubeqa Continues to Show Strong Uptake With Sales Nearly Doubling Again in Q3

## Global sales development (€m, cpa growth rates)



## US launch performance (monthly NBRx)<sup>1</sup>



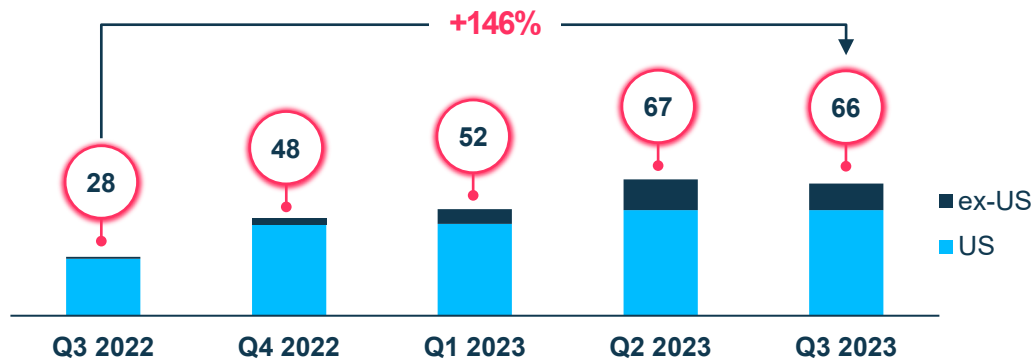
- // Nubeqa continues to be the fastest growing ARI<sup>2</sup> in the US, establishing new highs in NBRx share in total prostate cancer and volume
- // The mHSPC<sup>3</sup> launch continues to be a success in all markets, with particularly strong uptake in EMEA
- // Nubeqa is approved in more than 86 countries today (mHSPC approvals in 73 markets)

<sup>1</sup> Source: IQVIA, July 2023, <sup>2</sup> ARI: Androgen Receptor Inhibitor, <sup>3</sup> mHSPC: metastatic hormone sensitive prostate cancer

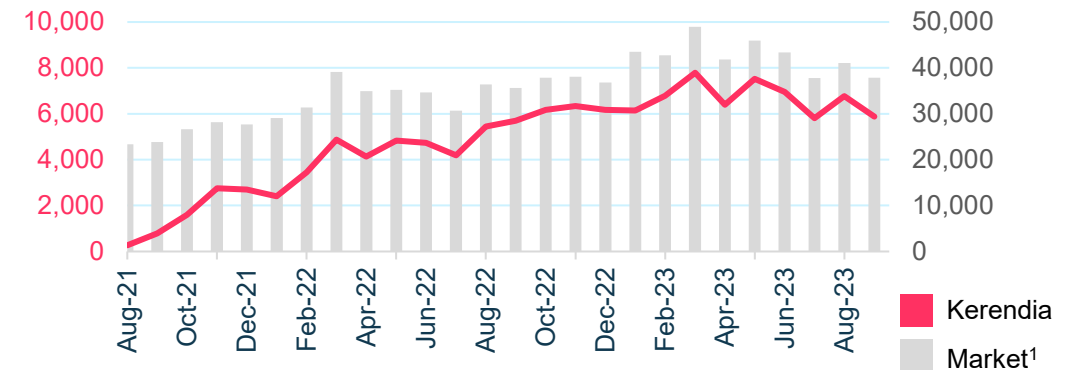


# Kerendia Growing Above US Market, Demonstrating Continued Launch Momentum

## Global sales development (€m, cpa growth rates)



## US launch performance (monthly NBRx)<sup>1</sup>



- // Solid growth momentum in the US with 51% NBRx growth YTD vs. prior year, showing that Kerendia is consistently outperforming the market (NBRx growth of 25%), despite annual market seasonality slowdown in Q3
- // Announcement to extend Heart Failure Program with three additional Phase III studies across a broad range of patients and clinical settings, setting up one of the largest Heart Failure trial programs to date
- // Two additional 1A Guideline recommendations in ESC Guidelines to reduce risk of CV events and renal decline, and to reduce risk of Heart Failure Hospitalization in patients with CKD/T2D

<sup>1</sup> Source: IQVIA, National NBRx, Sep 29, 2023; US Market includes NBRx linked to T2D and CKD.

