



////////// *Health for all, Hunger for none*



CAPITAL MARKETS DAY 2024

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Chief Executive Officer



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/>



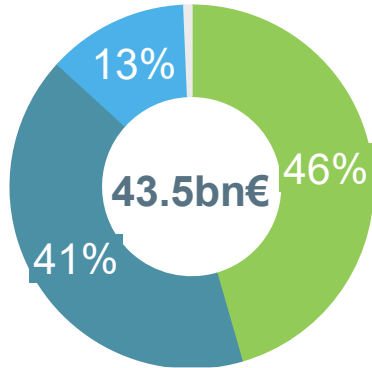
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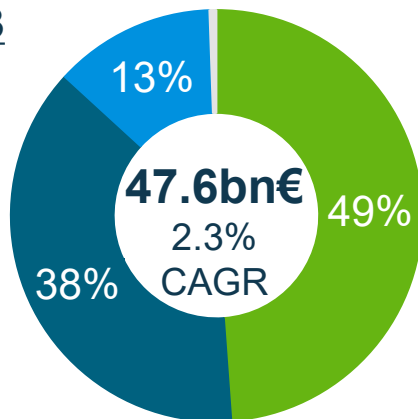
Bayer: A Global Leader in Health & Nutrition

Net Sales as rep¹

2019



2023



Crop Science

- #1 in Seed & Traits with Leading Crop Protection Portfolio
- >200 bn€² exp. Global Ag Input Market & Related Adjacencies by 2030



Pharmaceuticals

- Strong market positions in key therapeutic areas / resilient base
- Rebuilding R&D with technology platforms and improved productivity



Consumer Health

- Iconic brands with leading market positions
- 3-5% CAGR CH Global Market³

**Well Positioned
in Growing Markets**

to address

**Major Societal Needs
and Ecological Challenges**

with the

Power of Innovation.



Health for All, Hunger for None.



What I've found at Bayer

Strong *FOUNDATION* that can drive a prosperous future ...

- Importance of the Mission
- Science and Innovation
- Leading Positions in Crop and Consumer
- Rebuilding Pharma Business
- Skilled and Dedicated Workforce

... but *FOUR* major challenges that need to be addressed

- Pharma LoE, Pipeline Structure
- Litigation
- High Debt
- Bureaucracy



Completed Our Strategic Review Based on Clear Criteria

<i><u>Selected Key Criteria</u></i>	Crop Science Separation	Consumer Health Separation	New Operating Model
Value Creation	<ul style="list-style-type: none"><u>Limited to none</u>	<ul style="list-style-type: none"><u>Highly dependent on exit route</u> and <u>market environment</u>	<ul style="list-style-type: none"><u>Sustainable savings</u> and additional <u>growth potential</u>
Complexity Reduction	<ul style="list-style-type: none">Relatively higher vs. Consumer +	<ul style="list-style-type: none">Relatively lower vs. Crop +	<ul style="list-style-type: none">Less bureaucracy, leaner +
Cash Impact & Leverage	<ul style="list-style-type: none">Delayed cash impactOne-time costs, dis-synergies and tax leakage -High RemainCo leverage	<ul style="list-style-type: none">One-time proceeds (trade sale) +Separation costs, tax leakage -Loss of attractive business with stable cash flows -	<ul style="list-style-type: none">Sustainable savings & performance improvements +
Litigation Overhang	<ul style="list-style-type: none">Remains, impact amplified on smaller entity -	<ul style="list-style-type: none">Remains =	<ul style="list-style-type: none">Remains =
Speed of Execution	<ul style="list-style-type: none"><u>Two years or even longer</u> and <u>distraction of the organization</u> -		<ul style="list-style-type: none"><u>Implementation started</u>, clear roadmap to have every employee started in new model by end of 2024 +
Execution Certainty	<ul style="list-style-type: none"><u>Multiple factors outside of Bayer's control</u> -		



No Break-Up Now, Creating Future Optionality

- **Exhaustive review** of all options **for financial impact and feasibility**
- **Fixing the fundamental challenges** of the company **to gain flexibility**
- **Prioritizing** implementation of **Dynamic Shared Ownership** to **boost performance**

• _____ Committed to best outcome for each business, _____
including later structural options



Bayer Taking Decisive Action and Making Changes

ACTION

- ➔ Initiated operating model overhaul
- ➔ Proposed temporary minimum dividend
- ➔ Delivered adjusted guidance

CHANGES

- ➔ Proposed Supervisory Board refresh
- ➔ Proposed change to management compensation
- ➔ Changing guidance approach

Strengthening accountability and
transparency across the company



Addressing Our Challenges

**PHARMA LoE,
PIPELINE STRUCTURE**



LITIGATION

HIGH DEBT

BUREAUCRACY

- Capitalize on launch assets and base business
- Drive productivity gains
- Rapidly rebuild early- and mid-stage pipeline



Addressing Our Challenges

PHARMA LoE,
PIPELINE STRUCTURE

LITIGATION



HIGH DEBT

BUREAUCRACY

- Top of the agenda
- Taking a fresh look with different approaches
- Focusing on best interest of all stakeholders



Addressing Our Challenges

PHARMA LoE,
PIPELINE STRUCTURE

LITIGATION

HIGH DEBT



BUREAUCRACY

- Improve operational performance
- Cash conversion measures
- Change dividend policy



Addressing Our Challenges

PHARMA LoE,
PIPELINE STRUCTURE

LITIGATION

HIGH DEBT

BUREAUCRACY



- Implement Dynamic Shared Ownership
- Holistic customer- and product-centricity
- Eliminate off-mission activities and processes



Our New Operating Model DSO Yields Several Advantages

Sustainable Cost **EFFICIENCIES**

- // **Elimination of roles, processes and activities** not focused on our mission
- // **Reduction of management layers**

Early financial implications

€ 2 bn in sustainable organizational savings by end of 2026

GROWTH through Customer Centricity

- // Self-managed customer- and product teams with much **greater autonomy**
- // **Faster response** to customer needs



GROWTH through Innovation Speed

- // **Increased speed to market** due to **shorter innovation cycles** and faster decision-making in self-direction
- // More **dynamic resource flow** to highest-impact priorities





Strong Momentum in Scale Up, with Numerous Initiatives Globally

< 50 Customer and Product Teams at end of 2023
~ 300 in March 2024

By end of 2024, we will have started in every part of Bayer working in the new operating model.

North & Latin America

- // **PH US:** More versatile and agile organization with decision power at the customer
- // **CS US:** First deployment of new customer-centric teams in Illinois and Wisconsin
- // **CH US:** "One-A-Day" team (Nutritionals) as early adopters

~200 Customer & Product Teams now running

Europe, Middle East & Africa¹

- // **PH Global:** Accelerate launch for Eylea 8mg
- // **CS Romania:** Launched new customer-centric teams
- // **PH Product Supply API:** More targeted, agile & competitive set-up

~60 Customer & Product Teams now running

Asia-Pacific

- // **CH ASEAN:** Accelerate innovation cycles
- // **PH Japan:** Dynamic budgeting by teams
- // **CS Western India:** First deployment of new customer-centric teams

~40 Customer & Product Teams now running

Status: As of March 1st, 2024
1 Includes global initiatives



Achieved Our Revised Commitments in 2023; 2024 First in a Three-Year Rejuvenation Period

in €bn

2023
as reported



2024
at constant FX¹

Net Sales

47.6

-1% to +3%

EBITDA

(before special items)

11.7

-9% to -3%

Core EPS (in €)

6.39

5.10 to 5.50

Free Cash Flow

1.3

2.0 to 3.0

Net Financial Debt

34.5

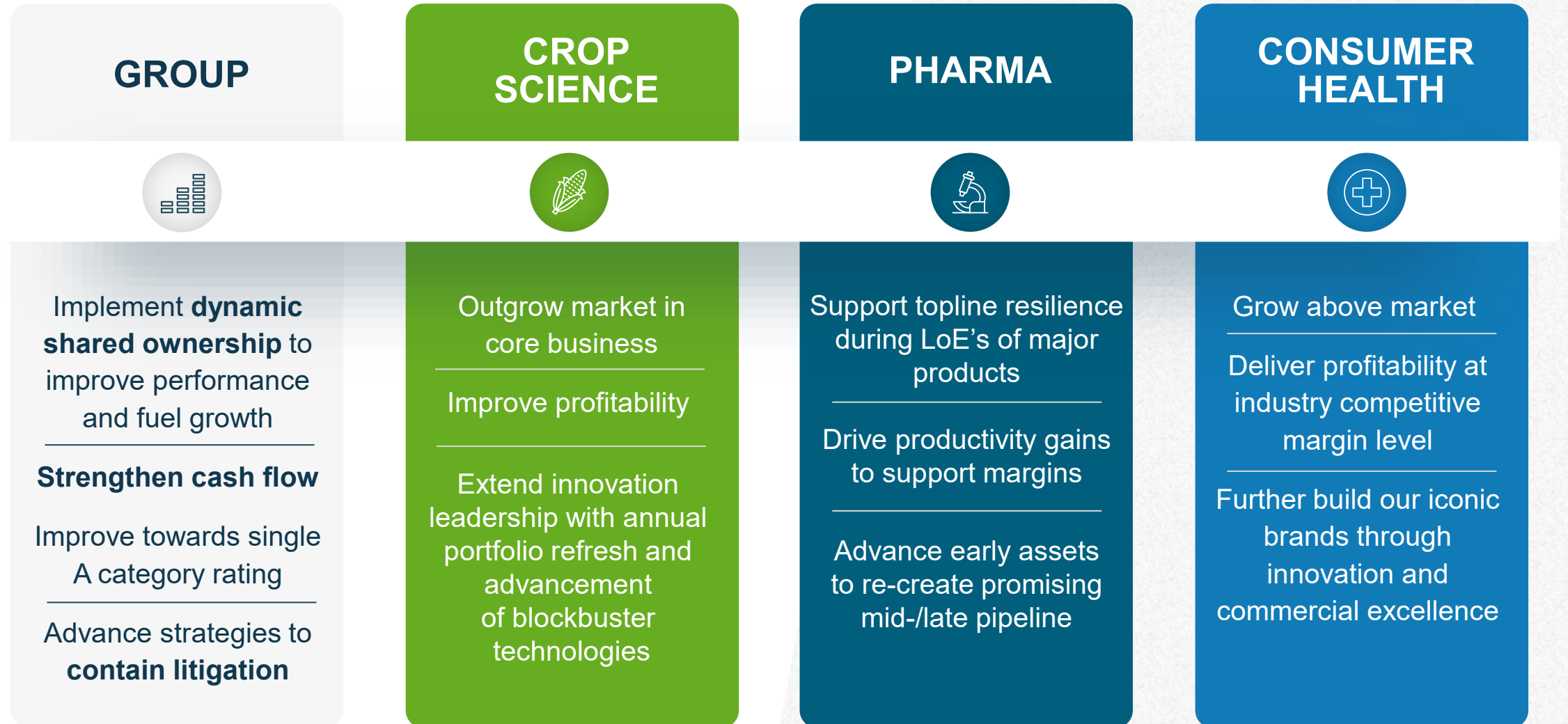
32.5 to 33.5

- Headwinds from Xarelto, China and glyphosate
- Growth in Crop core business, Pharma launch assets and Consumer Health portfolio
- Ongoing efficiencies and first DSO savings

¹Reflects our 2024 plan at the average actual currencies for 2023



Through 2026: Enhance Performance and Regain Flexibility





Health for All, Hunger for None.



*Produce 50% More.
Restore Nature.
Scale Regenerative Ag.*



*Treat the Untreatable.
Cure Disease.
Offer Hope.*



*Help >1bn People to
Live Healthier Lives With Most
Trusted Self-Care Solutions.*

////////// Health for all, Hunger for none



ENHANCE
PERFORMANCE

REGAIN
FLEXIBILITY