BAYER

CONSUMER HEALTH
Driving Sustainable Industry Leading Performance

Capital Markets Day 2024
HEIKO SCHIPPER
President of the Consumer Health Division
The Consumer Health Market Continues to Remain Attractive
Category dynamics to settle again on a steady and attractive mid-single digit growth percentage

INDUSTRY GROWTH OUTLOOK

**3-5% CAGR**
CH global market outlook

INDUSTRY GROWTH DRIVERS

- Self-Care focus
- Healthcare systems overstretched
- Digital ecosystems & personalization
- Digital commerce
- Cough & cold dynamics
- Ageing population & growing middle class

Sources: Internal market model in-market sales OTC medicines, data from IQVIA, Nicholas Hall
Bayer Capital Markets Day 2024 /// March 5, 2024 /// Consumer Health
A Leading Player With a Well-Balanced Core Consumer Health Portfolio

**CATEGORY PORTFOLIO**

- Nutritionals: 23%
- Dermatology: 12%
- Digestive Health: 12%
- Allergy: 11%
- Pain: 15%
- Cough & Cold: 24%
- Cardiovascular: 3%

2023 €6.0bn

**GEOGRAPHIC FOOTPRINT**

- North America: ~38%
- Europe, Middle East & Africa: ~36%
- Asia Pacific: ~13%
- Latin America: ~13%

Sources: Bayer CH Portfolio – Company DB, IQVIA, IRI, & Nielsen, Oct MAT 2023; Bayer Geographic Footprint – Net Sales 2023

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Iconic Brands With Leading Market Positions

- **ASPIRIN**: #1 Cardio
- **Bepanthen**: #1 Wound Care
- **Redoxon**: #2 Immunity
- **elevit**: #1 Healthy Baby
- **Canesten**: #1 Women's Intimate Health
- **Rennie**: #2 Heartburn EMEA
- **Claritin**: #2 Allergy NA
- **Iberogast**: #2 Digestive Health EMEA
- **MiraLAX**: #2 Constipation US
- **Afrin**: #1 Nasal Cold US
- **Berocca**: #1 Energy
- **ONE A DAY**: #1 Multivitamins NA

Source: Market 360, MAT October 2023, Value, SAM - Strategically Addressable Markets, Top corporations / brands (private label not counted), brand positions in their respective biggest sub-category / segment(s)

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Consistent Track Record in Delivering Profitable Growth and Cash

GROWTH ACCELERATED ABOVE MARKET

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (€bn)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.5</td>
<td>-6% p.a.</td>
</tr>
<tr>
<td>2019</td>
<td>5.5</td>
<td>2.6%</td>
</tr>
<tr>
<td>2020</td>
<td>5.0</td>
<td>5.2%</td>
</tr>
<tr>
<td>2021</td>
<td>5.3</td>
<td>6.5%</td>
</tr>
<tr>
<td>2022</td>
<td>6.1</td>
<td>6.3%</td>
</tr>
<tr>
<td>2023</td>
<td>6.0</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Outperformed vs. CH peer growth
Exceeded 3-5% p.a. growth guidance

CONSTANT MARGIN EXPANSION DESPITE INFLATION

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (€bn)</th>
<th>AS % of Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>20.1%</td>
<td>22.0%</td>
</tr>
<tr>
<td>2019</td>
<td>20.9%</td>
<td>22.5%</td>
</tr>
<tr>
<td>2020</td>
<td>22.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td>2021</td>
<td>23.4%</td>
<td>22.5%</td>
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</table>

Productivity program > Inflation
Committed “mid-20s” margin in reach

IMPROVED CASH CONVERSION DRIVEN BY LOWER WSR

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital as % of Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>22.3%</td>
</tr>
<tr>
<td>2019</td>
<td>21.7%</td>
</tr>
<tr>
<td>2020</td>
<td>19.9%</td>
</tr>
<tr>
<td>2021</td>
<td>17.7%</td>
</tr>
<tr>
<td>2022</td>
<td>15.5%</td>
</tr>
<tr>
<td>2023</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

Cash productivity focus
Stable cash delivery of ~€800m
2023 rebound to secure supply

1 cpa = currency and portfolio adjusted; 2 EBITDA before Special Items; 3 WSR = Working Capital to Sales ratio: Sum of average inventories, trade accounts receivable less trade accounts payable (excl. refund liabilities), divided by net sales of last 12 months, bps 2023 vs 2018
A Clear Game Plan to Sustain Outperformance

// VISION
Help over 1 billion people to live healthier lives with most trusted self-care solutions

// AMBITION
Grow our brands ahead of market, achieve industry competitive EBITDA

// WHERE TO PLAY
Winning Portfolio in attractive categories and geographies where Bayer has a right to win

// HOW TO WIN
Driving growth-focused innovation
Industry leading commercial capabilities
Optimizing Cost & Cash and Resilience
Agile and focused organization

// OUR ACCELERATORS
Digital Transformation
Sustainability

// OUR DIFFERENTIATOR
Science for a better life
Growing our Brands and Innovating Across Four Growth Drivers

- **Core Business**
- **Innovation**
  - on unmet needs
- **Geographic expansion & access**
- **Digital commerce & health platforms**

**Innovation pipeline** value increased by 82% to €1bn

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1 2020 vs. 2023 Period - Value of late-stage new-product-development pipeline as measured by Year 5 incremental sales
Industry Leading Commercial Capabilities

**Creative excellence**

- Best-in-class creativity
- Top-tier content quality score (84% in 2023)
- External recognition (11 awards, 3 Cannes Lions\(^1\))

**Full funnel precision marketing**

- Personalized consumer experience
- Precision marketing (55% of media)
- AI technology integration

**Leading eCommerce capabilities**

- Strategic acquisitions in eCommerce
- Capability transfer to base portfolio
- 12% of Net Sales from eCommerce

**Customer and HCP centric mindset**

- Strategic customer partnerships in key markets
- Joined Business Planning
- HCP engagement

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\(^1\) Cannes Lions International Festival of Creativity is home of the world’s most prestigious advertising awards.

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Agile and Focused Organization with Dynamic Shared Ownership

FROM Functional Orientation

Senior Management

Marketing
Commercial
Product Supply

TO Consumer & Customer Centric Teams

Value creation through speed & simplification

ASEAN Dermatology & Allergy Impact

+ 30% Net Sales from Innovation¹

3x Faster time to market²

- 50% Supply Chain lead times

Note: ASEAN Results: ¹Net Sales from Innovation for 2024; ²Time to market relative to cosmetic registered products
Consumer Health as a Force for Good – and Growth

Expand Access to Everyday Health

75 million people1 with improved access to self-care in underserved communities 2023
Target: 100M in 2030

12% of net sales from low-income portfolio

Accelerating geographic expansion

Path to Climate Neutrality

42% CO2 emissions reduction achieved across operations since 2019
Target: climate neutral in 2030

€2.4M/year savings through energy efficiency

37% electricity from renewable sources across 60%+ sites

Advancing sustainable packaging

1 2023 Health access and environmental footprint achievements vs. 2019 baseline

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A Sustainable Value Creation Model, Accelerated by DSO

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

**MARGIN**
Continuously improve margin through scale effects and continuous efficiency programs.

**CASH**
Drive absolute growth and EBITDA at optimized working capital to increase cash generation.
Mid-term Outlook Anticipates Above Market Sales Growth
Disciplined Execution of New Operating Model to Improve Profitability and Operating Cash Flows

<table>
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<th>2023</th>
<th>2024e (at constant FX)</th>
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<tr>
<td><strong>Net Sales</strong></td>
<td>€6.0bn</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong> (before special items)</td>
<td>23.4%</td>
</tr>
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**Sustainable Growth above market**
- Investment for growth in attractive categories & geographies
- Innovation behind unmet needs: Gut Health, Healthy Ageing
- Accelerated growth expansion into growth markets like India, Mexico
- Operational model to support stronger consumer and customer centricity

**Profitability at industry competitive margin levels**
- Delayered and consumer/customer centric organization
- Continued roll-out of holistic, cross-organizational productivity program
- Fund sustainable growth and manage headwinds (FX, inflation)

**Further build our iconic brands**
- Innovation on consumer unmet needs
- Commercial excellence to continue winning with a growing number of consumers

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1 Reflects our 2024 plan at the average actual currencies for 2023. 2 Estimated FX impact: ~ -5% (Currency assumptions based on month-end December 2023 spot rates (1 EUR=1.11 USD, 5.36 BRL, 7.87 CNY. Impact is calculated as difference to constant currencies = at average actual currencies for 2023)
Driving Sustainable Peer Outperformance in Consumer Health

- Further build iconic brands through innovation and commercial excellence
- Consistent track record of delivering growth, margin and cash expansion
- A Game Plan to sustain outperformance, industry leading capabilities
- Agile and focused organization with Dynamic Shared Ownership
- A leading player with a well-balanced portfolio focused on core CH