



BAYER

# CONSUMER HEALTH

*Driving Sustainable Industry Leading Performance*

*Capital Markets Day 2024*

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# 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

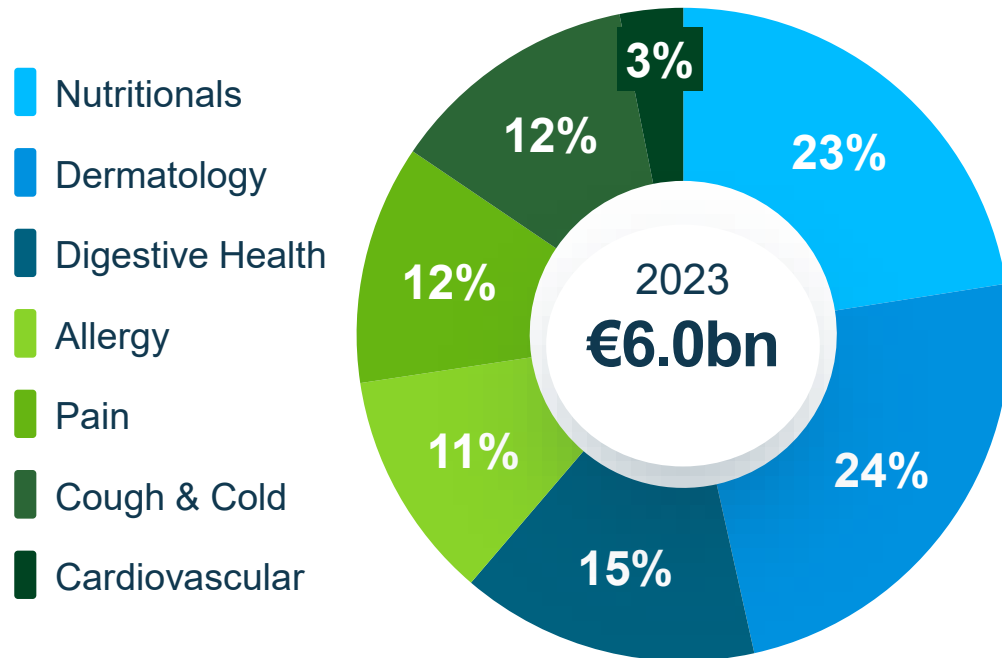


Ageing population &  
growing middle class

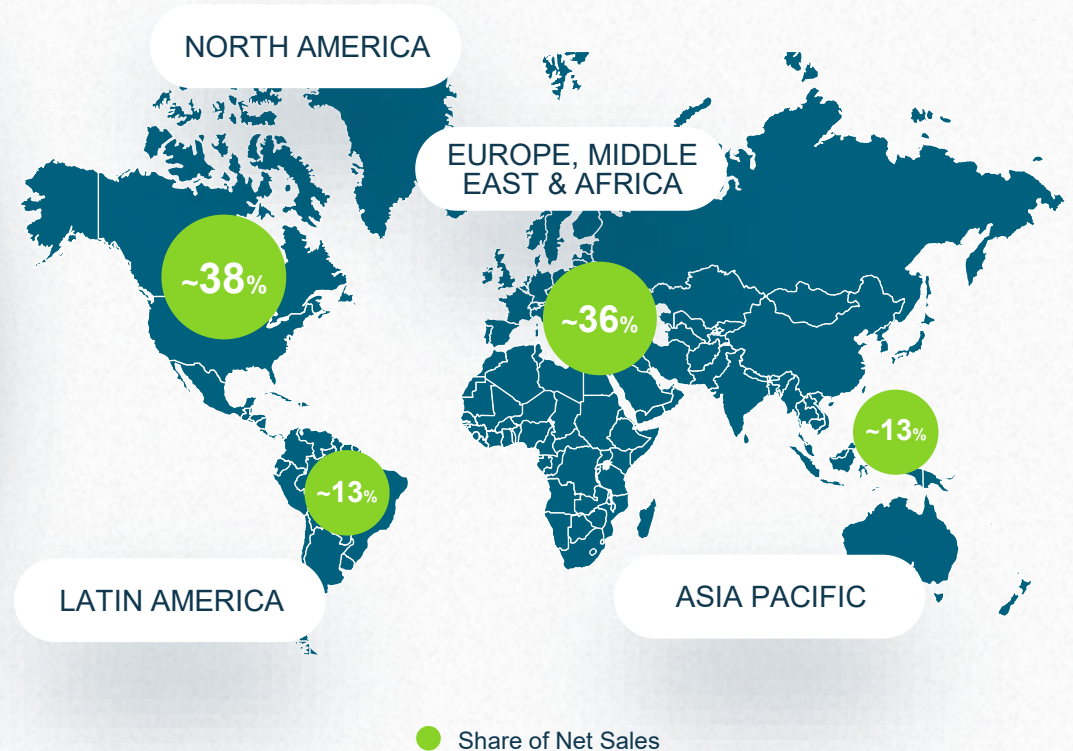


# A Leading Player With a Well-Balanced Core Consumer Health Portfolio

## CATEGORY PORTFOLIO



## GEOGRAPHIC FOOTPRINT







# Iconic Brands With Leading Market Positions

**ASPIRIN®**

#1 Cardio

**Bepanthen®**

#1 Wound Care

**Redoxon®**  
IMMUNITY SUPPLEMENTS

#2 Immunity

**elevit®**

#1 Healthy Baby

**Canesten®**

#1 Women's Intimate Health

**Rennie®**

#2 Heartburn EMEA

**Claritin®**

#2 Allergy NA



#2 Digestive Health EMEA

**MiraLAX®**

#2 Constipation US

**Afrin®**

#1 Nasal Cold US



#1 Energy

**ONE A DAY®**

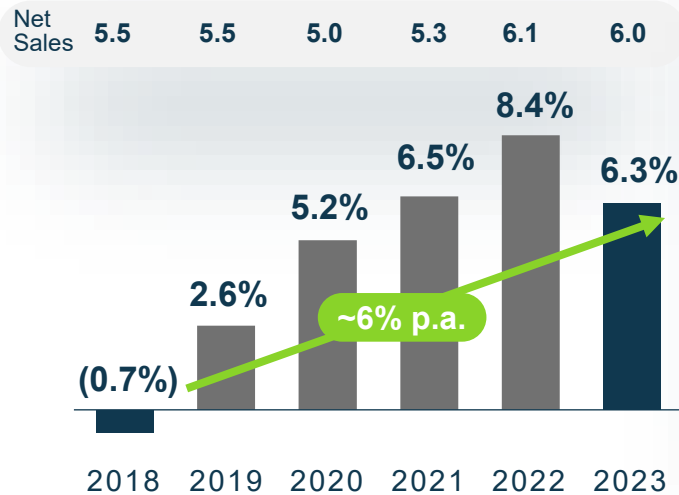
#1 Multivitamins NA



# Consistent Track Record in Delivering Profitable Growth and Cash

## GROWTH ACCELERATED ABOVE MARKET

NET SALES €bn / GROWTH %<sup>1</sup>

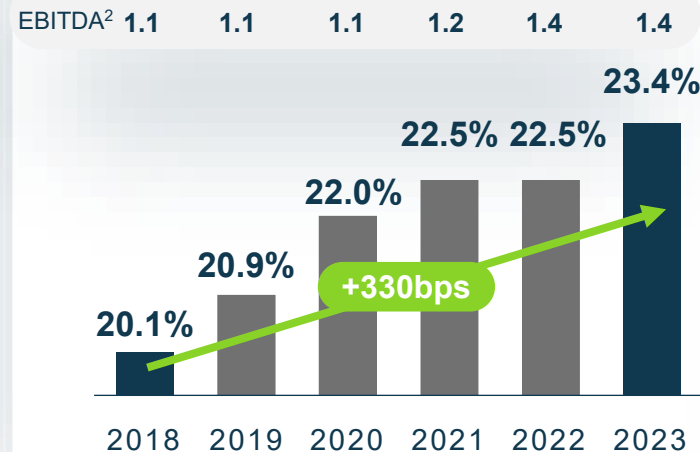


Outperformed vs. CH peer growth

Exceeded 3-5% p.a. growth guidance

## CONSTANT MARGIN EXPANSION DESPITE INFLATION

EBITDA<sup>2</sup> €bn / AS % OF NET SALES

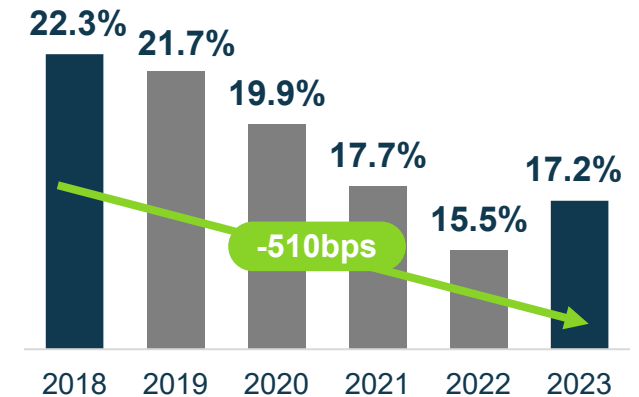


Productivity program > Inflation

Committed “mid-20s” margin in reach

## IMPROVED CASH CONVERSION DRIVEN BY LOWER WSR

WORKING CAPITAL AS % OF NET SALES<sup>3</sup>



Cash productivity focus

Stable cash delivery of ~€800m

2023 rebound to secure supply

<sup>1</sup> cpa = currency and portfolio adjusted; <sup>2</sup> EBITDA before Special Items <sup>3</sup> 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



Household penetration

Trial and awareness

Net Revenue Mgmt

Rx-to-OTC Switch

Holistic gut health

Relax & Restore

Brand expansion

India, ASEAN

Low-income consumers

eCommerce

Digital Diagnostics

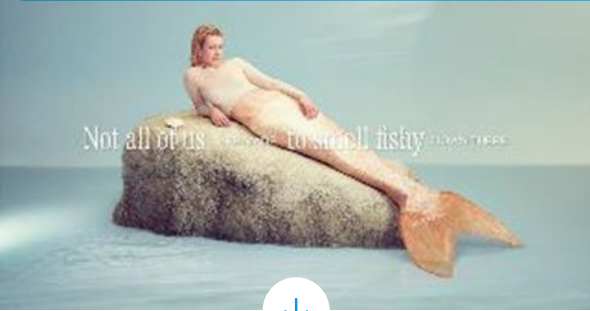
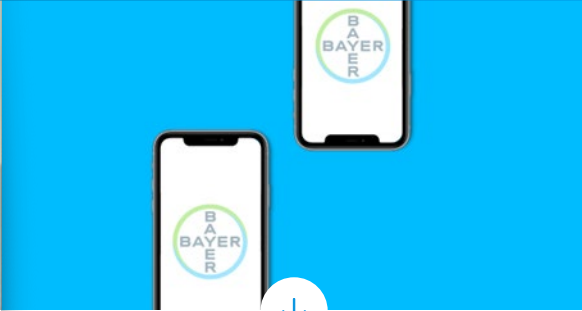


Digital Therapeutics

**Innovation pipeline value increased by 82% to €1bn<sup>1</sup>**

<sup>1</sup> 2020 vs. 2023 Period - Value of late-stage new-product-development pipeline as measured by Year 5 incremental sales



# Industry Leading Commercial Capabilities

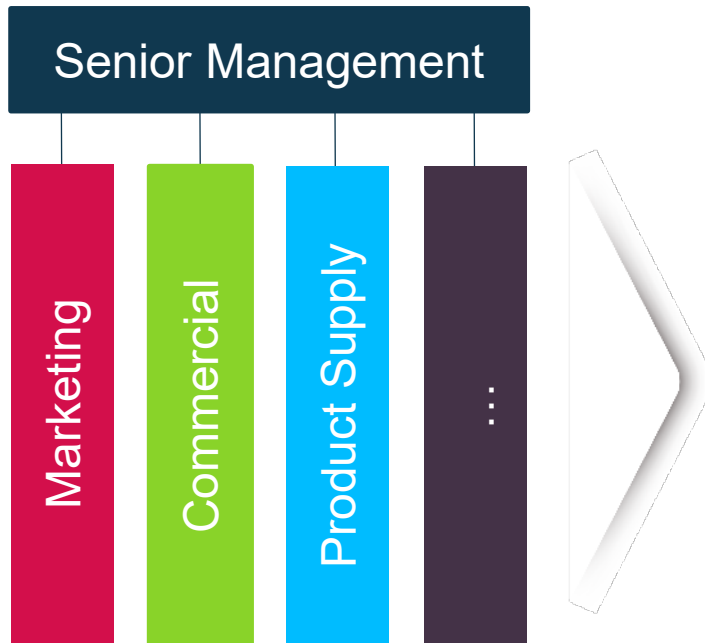
Creative excellence	Full funnel precision marketing	Leading eCommerce capabilities	Customer and HCP centric mindset
			
<p>Best-in-class creativity</p> <hr/> <p>Top-tier content quality score (84% in 2023)</p> <hr/> <p>External recognition (11 awards, 3 Cannes Lions<sup>1</sup>)</p>	<p>Personalized consumer experience</p> <hr/> <p>Precision marketing (55% of media)</p> <hr/> <p>AI technology integration</p>	<p>Strategic acquisitions in eCommerce</p> <hr/> <p>Capability transfer to base portfolio</p> <hr/> <p>12% of Net Sales from eCommerce</p>	<p>Strategic customer partnerships in key markets</p> <hr/> <p>Joined Business Planning</p> <hr/> <p>HCP engagement</p>

<sup>1</sup> Cannes Lions International Festival of Creativity is home of the world's most prestigious advertising awards.

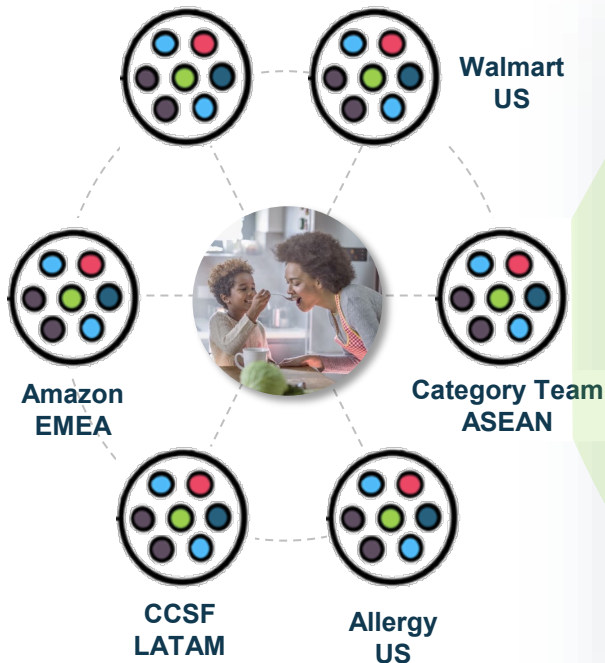
# Agile and Focused Organization with Dynamic Shared Ownership

FROM → TO

## Functional Orientation



## Consumer & Customer Centric Teams



## Value creation through speed & simplification

### ASEAN Dermatology & Allergy Impact



**+ 30%** Net Sales from Innovation<sup>1</sup>

**3x** Faster time to market<sup>2</sup>

**- 50%** Supply Chain lead times

Note: ASEAN Results: <sup>1</sup>Net Sales from Innovation for 2024 ; <sup>2</sup>Time to market relative to cosmetic registered products





# Consumer Health as a Force for Good – and Growth



## Expand Access to Everyday Health



**75 million people<sup>1</sup>** 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



**NUTRITION**



**CARDIO**



**PAIN**



## Path to Climate Neutrality

**42% CO<sub>2</sub> emissions** reduction achieved across operations since 2019  
Target: climate neutral in 2030

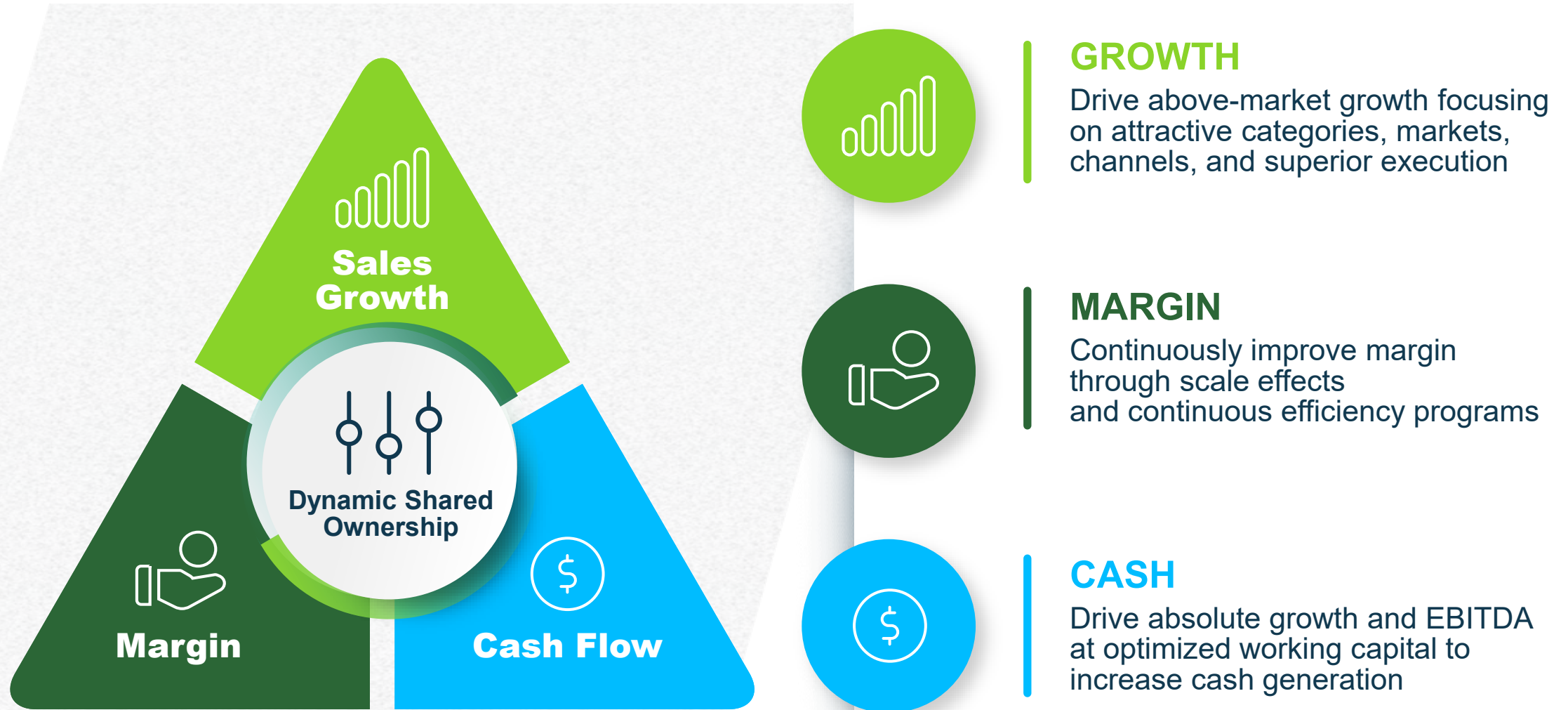
€2.4M/year savings through energy efficiency

37% electricity from renewable sources across 60%+ sites

Advancing sustainable packaging

<sup>1</sup> 2023 Health access and environmental footprint achievements vs. 2019 baseline

# A Sustainable Value Creation Model, Accelerated by DSO







# Mid-term Outlook Anticipates Above Market Sales Growth

Disciplined Execution of New Operating Model to Improve Profitability and Operating Cash Flows



2023

2024e  
at constant FX<sup>1</sup>

**Net Sales** €6.0bn **+3% to +6% <sup>2</sup>**

**EBITDA margin** 23.4% **23% to 24%**  
(before special items)

**Innovation**



**Mid-Term**

## 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

- // Delayed 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

<sup>1</sup> Reflects our 2024 plan at the average actual currencies for 2023 <sup>2</sup> 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







DRIVING  
***SUSTAINABLE  
INDUSTRY LEADING  
PERFORMANCE***

IN CONSUMER HEALTH

