

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



FINANCIALS

Strengthen Cash Flow – Reduce Debt

CAPITAL MARKETS DAY 2024

WOLFGANG NICKL
Chief Financial Officer



Cautionary Statements Regarding Forward-Looking Information

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer management.

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



Summary

- > Revised 2023 outlook achieved; implementation of new operating model started
- > Outlook for 2024 muted in terms of growth and profitability; first DSO savings included
- > Clear focus on strengthening cash flow by improving cash generation
- > Prioritization in capital allocation towards debt reduction



FY 2023: Achieved Revised Outlook

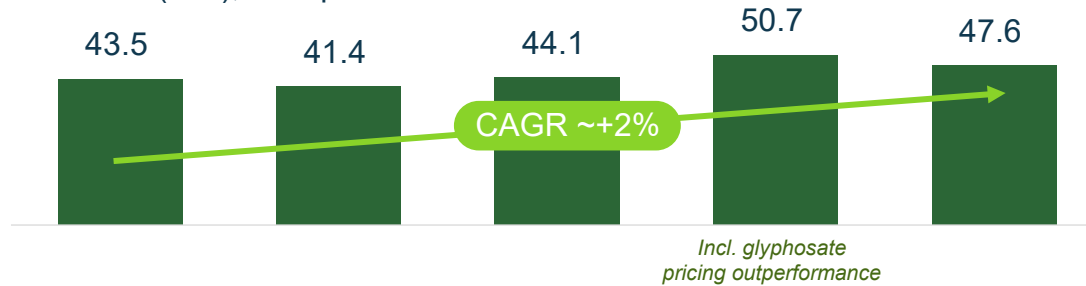
	<i>FY 2023 Outlook</i> <i>incl. FX impact</i>	<i>FY 2023 Actuals</i> <i>as reported</i>	
in €bn			
Net Sales	46.8 - 47.8	47.6	✓
EBITDA (before special items)	11.1 - 11.6	11.7	✓
Core EPS (in €)	6.20 - 6.40	6.39	✓
Free Cash Flow¹	~ 0	1.3	✓
Net Fin. Debt	~ 36	34.5	✓

¹Litigation related net payouts (settlements, judgements, reimbursements from insurances) amounting to -2.1 bn€.



Resilient Performance in a Volatile Macroeconomic Environment; Litigation Impacting Cash Flow

Net Sales (€bn), as rep¹



EBITDA before special items (€bn), as rep¹ // core EPS (€)



Free Cash Flow (€bn), as rep¹



- Solid growth across the portfolio, 2022 driven by glyphosate pricing outperformance
- Material foreign exchange effects on topline throughout the period
- Broadly stable EBITDA helped by cost efficiency programs
- Increased inflationary pressure as of 2022
- Significant impact from litigation related payouts
- Inflation impact on inventories and CAPEX as of 2022

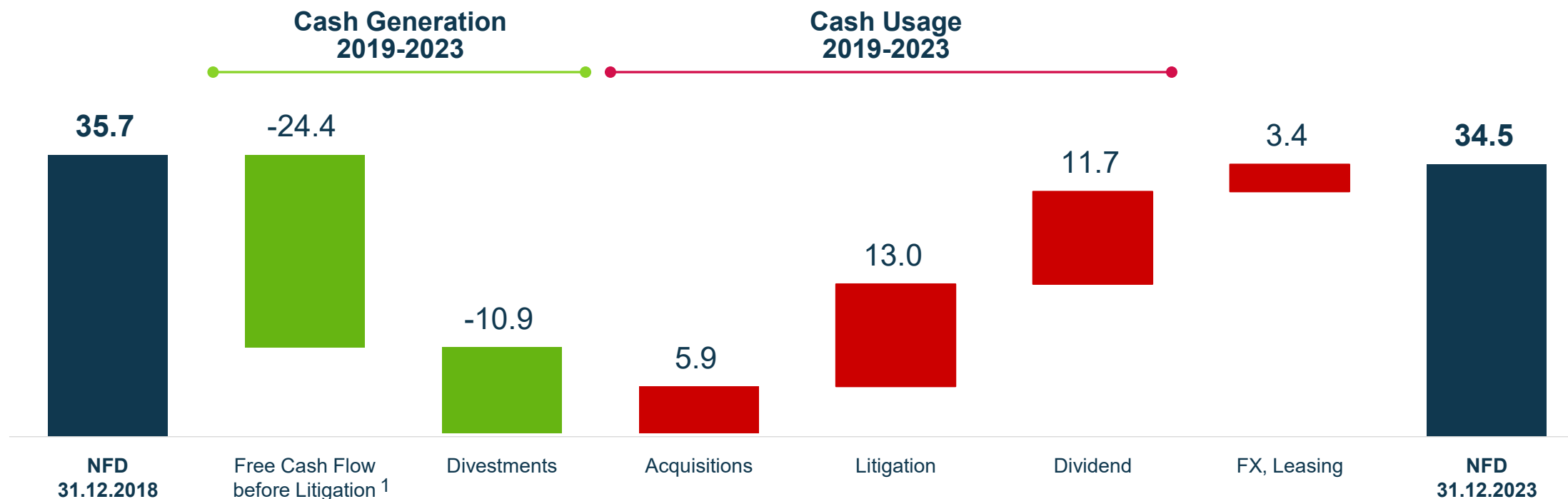
¹as rep = as reported, Animal Health business not included, Environmental Science Professional business included in figures until sale completion in 2022 (no restatement);

² Average Free Cash Flow before litigation related payouts '19-'23 (settlements, judgements, reimbursements from insurances, cost of defense).



Cash Flow Mainly Used for Dividend and Litigation Related Payouts

Net Financial Debt Development in €bn, as reported



Free Cash Flow before Litigation¹:
~€5 bn on avg p.a.



Litigation:
~€3 bn on avg p.a.



Dividend:
~€2 bn on avg p.a.

NFD = Net Financial Debt; ¹Free Cash Flow before litigation related payouts '19-'23 (settlements, judgements, reimbursements from insurances, cost of defense).



Outlook 2024: Key Drivers

EXPECTED TAILWINDS



- Crop Science Core business to grow +1% to +4% cpa
- Continued strong momentum of Nubeqa and Kerendia, strengthened US presence
- Continued broad-based growth anticipated for Consumer Health
- Ongoing cost optimization, first DSO related organizational cost savings
- Strong focus on working capital management and CAPEX prioritization

EXPECTED HEADWINDS

- Glyphosate generic reference pricing to be back at historical levels
- Accelerated Xarelto decline with negative product mix effect and continued VBP impact on China business
- Ongoing inflationary pressure
- Increase in interest payments on high debt level, impact of hyper-inflation countries
- Litigation and restructuring continue to impact cash flow



Outlook 2024: Divisions

		2023 as reported	2024 at constant FX ¹	2024 estimated FX impact ²
 Crop Science	Net Sales	€23.3bn	-1% to +3% ³	~-2%pts
	EBITDA Margin (before special items)	21.7%	20% to 22%	not material
 Pharmaceuticals	Net Sales	€18.1bn	-4% to 0%	~-2%pts
	EBITDA Margin (before special items)	28.7%	26% to 29%	~-2%pts
 Consumer Health	Net Sales	€6.0bn	+3% to +6%	~-5%pts
	EBITDA Margin (before special items)	23.4%	23% to 24%	not material

¹Reflects our 2024 guidance at the average actual currencies for 2023; ²Estimated FX impact: 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; ³Core growth +1% to +4%, Glyphosate growth -12% to -8%.



Outlook 2024: Improved Free Cash Flow Despite Lower Profitability

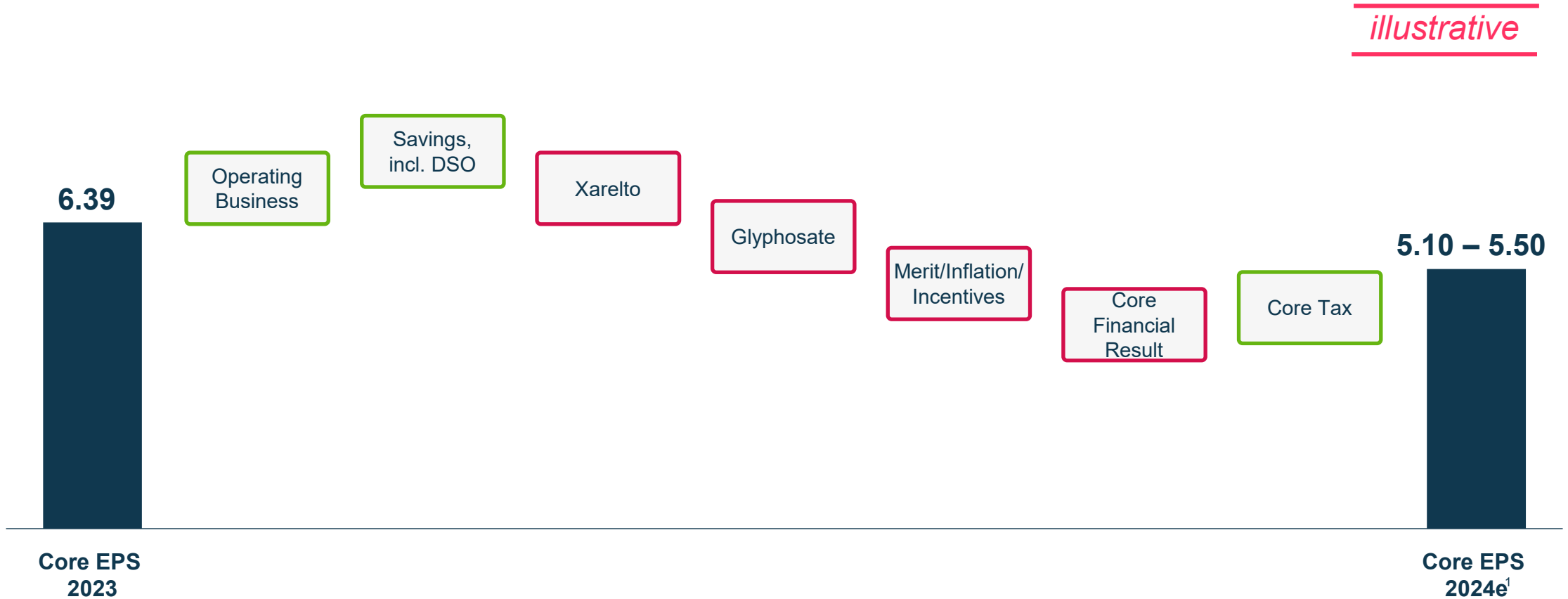
<i>in €bn</i>	2023 <i>as reported</i>	2024 <i>at constant FX¹</i>	2024 <i>estimated FX impact²</i>
Net Sales	47.6	-1% to +3%	-2% to -3%pts
EBITDA (before special items)	11.7	-9% to -3%	~-3%pts
Core EPS (in €)	6.39	5.10 to 5.50	-0.10 to -0.20
Free Cash Flow	1.3	2.0 to 3.0	not material
Net Financial Debt	34.5	32.5 to 33.5	not material

¹Reflects our 2024 guidance at the average actual currencies for 2023; ²Estimated FX impact: 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.



Outlook 2024: Muted Outlook for Core EPS

Core Earnings per Share Development (in €)



¹Reflects our 2024 guidance at constant FX (average actual currencies for 2023).



Through 2026: Enhance Performance and Regain Flexibility

GROUP



Implement **dynamic shared ownership** to improve performance and fuel growth

Strengthen cash flow

Improve towards single A category rating

Advance strategies to **contain litigation**

CROP SCIENCE



Outgrow market in core business

Improve profitability

Extend innovation leadership with annual portfolio refresh and advancement of blockbuster technologies

PHARMA



Support topline resilience during LoE's of major products

Drive productivity gains to support margins

Advance early assets to re-create promising mid-/late pipeline

CONSUMER HEALTH



Grow above market

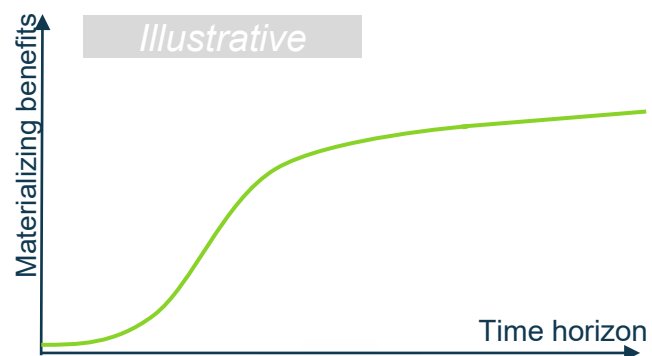
Deliver profitability at industry competitive margin level

Further build our iconic brands through innovation and commercial excellence

Our New Operating Model is Key Enabler to Achieve our Ambitions



Sustainable Cost Efficiencies



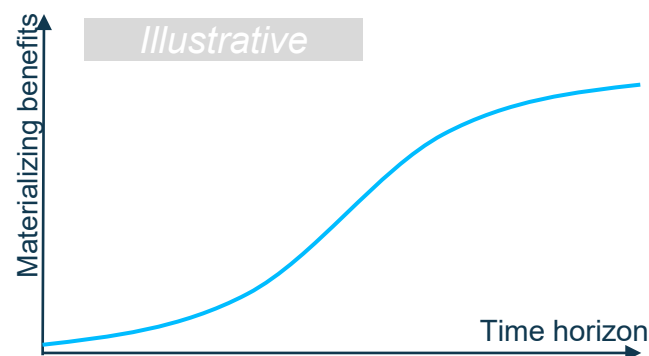
// ~€ 2 bn in sustainable organizational **savings** by end of 2026

// Lower expected **one-time cost ratio**

// ~€ 0.5 bn savings expected in 2024 with a steady ramp-up until 2026



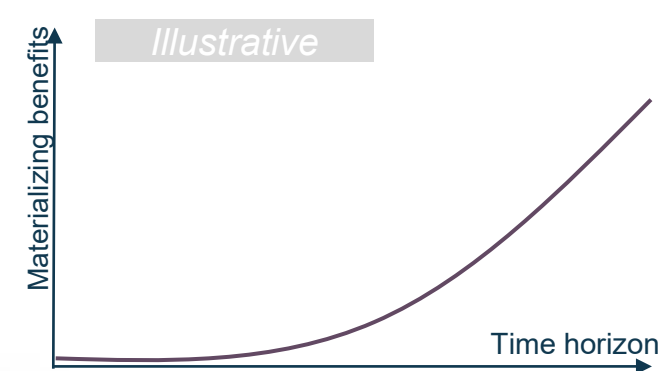
Growth through Customer Centricity



Significant change is ongoing.
Financial impact is **realized in stages**.

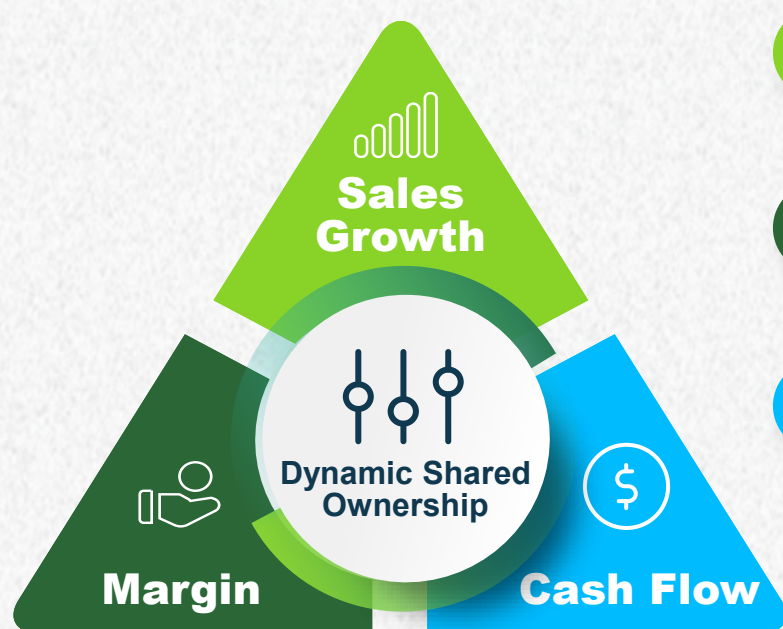


Growth through Innovation Speed



We Improve Cash Generation and Manage Adverse Impacts

Driving Operational Performance and Strengthen Cash Flow



Growth



Drive **profitable growth** beyond Xarelto LoE



Margin



Focused spend and realization of **savings**



Balance Sheet Efficiency



Working Capital Optimization
Focused CAPEX spend

Divestment Proceeds



Prudent asset review below divisional level¹

Adverse Effects



Litigation related Payouts: Settlements and defense

Severance Payouts: Cash outs for DSO related personnel reductions

¹e.g. brands or fixed assets.

We Have a Clear Focus on Improving Working Capital Management and Prioritization of Capital Expenditures

WoC Optimization

- Close tracking and management of Working Capital to Sales Ratio development
- Improvement initiatives started, e.g. for accounts payable on Group level and on inventories in Crop Science and in Pharmaceuticals

CAPEX Prioritization

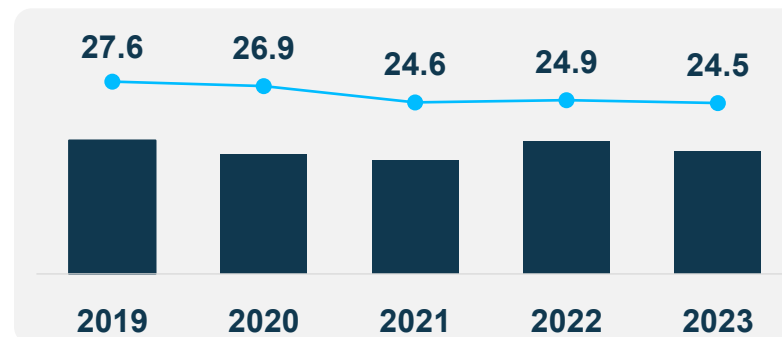
- Focused capital expenditures scrutinizing the entire investment portfolio

Active Monitoring & Steering

in €bn

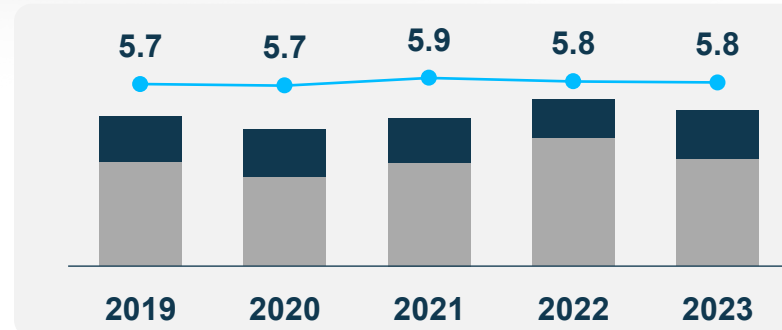
Trade WoC

- Trade WoC¹
- Year-end WSR² (in %)



CAPEX

- Intangible Assets
- Fixed Assets
- CapEx in % of Net Sales



¹Trade Working Capital: Inventories, Trade Accounts Receivables, Trade Accounts Payables and Advance Payments received from customer (year-end); ²WSR = Working Capital to Sales ratio.



We Will Prioritize our Capital Allocation to Achieve a Step Down in Debt

Organic Investments

(before Free Cash Flow)

- Ongoing and New Launches
- Focused R&D Investments
- Focused CAPEX Spend (incl. BD&L¹)

Cash Generation

→ **FREE CASH FLOW**

Limited Divestments

Cash Usage

Minimum Dividend

→ **DEBT REDUCTION**

Improve Towards Single A
Category Rating

Limited Acquisitions²

¹Business Development & Licensing.

²Including milestone payments for already announced acquisitions and others.



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APPENDIX

Outlook 2024



Outlook 2024: Modeling Considerations

GROUP		KEY DRIVER
(€bn)	2024 <i>at constant FX¹</i>	
Special Items (EBITDA)	-2.0 to -1.0	Special items (EBITDA) primarily driven by ongoing restructuring programs and DSO related severance payouts
Core Depreciation	~ -1.7	
Core Financial Result	~ -2.3	Core Financial Result affected by increased interest payments on high debt level and impact of hyper-inflation countries
Core Tax Rate	~ 23%	
Reconciliation ² : (EBITDA before special items)	~ -0.5	Reconciliation (cEBITDA) back to regular levels driven by short- and long-term incentives
		FX effect on these items is limited based on latest estimate

¹Reflects our 2024 guidance at the average actual currencies for 2023; ²Reconciliation reported as "All Other Segments" and "Enabling Functions and Consolidation".



Outlook 2024: Crop Science

Core Business Expected to Outpace the Market

	2023 In €bn	2024 at constant FX ¹	Key Assumptions & Drivers
Net Sales	23.2	-1 to 3% cpa ²	
Core	20.3	1 to 4% cpa	Industry-leading seed germplasm refresh and volume recovery in crop protection drive sales growth; U.S. planted acreage shift from corn to soy of 4-5m acres
Glyphosate	2.9	-12 to -8% cpa ³	Pricing decline, mostly in Q1, based on \$3.80/kg Chinese generic reference price (15 yr. median)
EBITDA (margin) (before special items)	21.7%	20 to 22%²	4% cost inflation, higher incentives and absence of Luling insurance payment mitigates expected CP COGS reduction and personnel savings from new operating model

Calendarization



Q1 Net Sales:

Sales expected to decline slightly due to delays in EMEA and mid-teens declines in glyphosate sales due to pricing



Q1 EBITDA:

Margin declines with normalization of glyphosate pricing. Cost productivity program progress in HY2 to compensate for Q1 glyphosate price pressure and inflation

Core business refers to Crop Science business excl. glyphosate-based herbicides; ¹Reflects our 2024 guidance at the average actual currencies for 2023; ²Estimated Sales FX impact of ~-2%, estimated EBITDA Margin FX impact not material (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); ³ Assumes pricing based on \$3.80/kg Chinese generic reference price (15 yr. median)



Outlook 2024: Pharmaceuticals

	2023 In €bn	2024 at constant FX ¹	Key Assumptions & Drivers
Net Sales	18.1	-4% to 0% cpa²	<ul style="list-style-type: none">• Robust base business with varying dynamics of individual franchises• China facing ongoing headwinds, particularly related to VBP
Xarelto	4.1	Double-digit % decline	Ongoing pricing pressure, genericization and patent expiries in e.g. Canada and Japan
Eylea	3.2	Flattish	Higher volumes offset by adverse pricing dynamics; launch of Eylea 8 mg
Nubeqa & Kerendia	1.1	>€1.5bn	Further market penetration in launched indications
EBITDA margin (before special items)	28.7%	26% to 29%²	Continued growth investments (launches and pipeline), unfavourable product mix, persisting inflationary and pricing headwinds

Calendarization



Net Sales:

HY1 above HY2 due to increasing impact from Xarelto LoE



EBITDA margin (before special items):

HY1 and HY2 at about same level, tight OPEX management compensating for topline headwinds

¹ Reflects our 2024 guidance at the average actual currencies for 2023; ² Estimated Sales FX impact of ~-2% pts, estimated EBITDA Margin FX impact of ~-2% pts; 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



Outlook 2024: Consumer Health

	2023 In €bn	2024 at constant FX ¹	Key Assumptions & Drivers
Net Sales	6.0	+3% to +6% cpa ²	Continued broad-based growth across regions and categories Innovation, pricing and volume increase will equally contribute to growth Uncertain Economic environment might impact consumer demand and retail inventory
EBITDA margin (before special items)	23.4%	23% to 24% ²	Further margin expansion leveraging DSO and operational efficiencies, while compensating for sticky inflation and currency headwinds

Calendarization



Net Sales:

Seasonalization comparable to prior year



EBITDA margin:

HY1 impacted by higher investment levels to support innovation, while operational efficiencies (incl. DSO savings) to materialize towards HY2

¹Reflects our 2024 guidance at the average actual currencies for 2023; ²Estimated Sales FX impact of ~-5%, estimated EBITDA Margin FX impact not material (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).



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APPENDIX

FY 2023

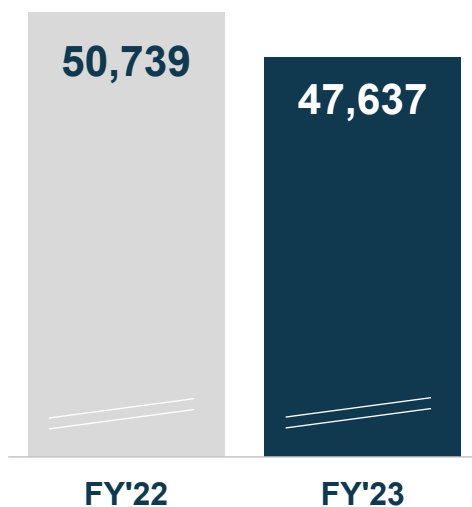


FY 2023: Group KPIs

NET SALES

in €m, $\Delta\%$ yoy

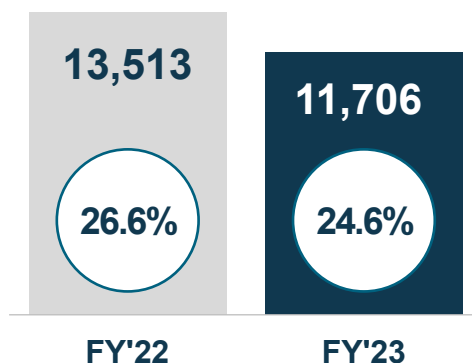
-1% cpa
(-6% rep)



EBITDA

in €m, before special items

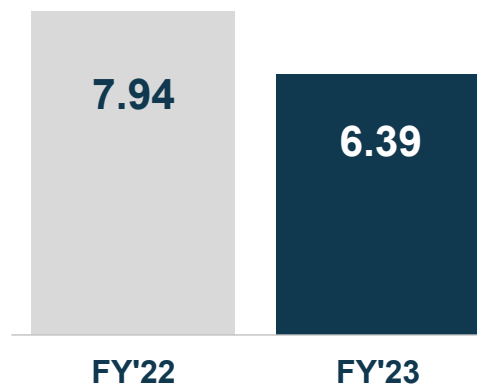
-13%



CORE EPS

in €, Cont. Operations

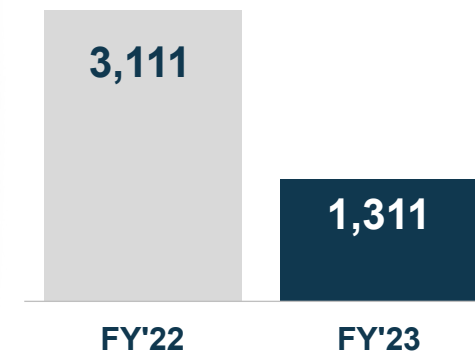
-20%



FREE CASH FLOW

in €m

-58%



Currency headwind of **€2.0bn**

Mainly lower Crop Science result

Driven by lower earnings

Lower earnings and litigation payouts



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

FY 2023: Core Net Income and Free Cash Flow

[€ bn]	FY 2022	FY 2023
Net Sales	50.7	47.6
EBITDA before special items	13.5	11.7
Core depreciation	-1.6	-1.6
Core EBIT	11.9	10.1
Core financial result (before special items)	-1.9	-1.9
Core EBT	10.0	8.2
Minorities / noncontrolling interest	0.0	0.0
Core tax rate	21.7%	23.2%
Core tax	-2.2	-1.9
Core Net income	7.8	6.3
Amortization & extraordinary depreciation	-4.9	-8.4
Special Items (EBITDA & Financial Result)	-0.4	-1.4
Tax Effect on Adjustments	1.7	0.6
Net income	4.2	-2.9

→ **Net Income** impacted by Crop Science impairments

[€ bn]	FY 2022	FY 2023
Reported EBITDA	13.5	10.6
Tax payments	-2.0	-1.3
Delta pensions	-0.1	-0.2
Gains/Losses Div.	-1.7	-0.2
Delta Working Capital	-2.6	-3.9
t/o Delta Inventories	-2.2	-0.4
t/o Delta Receivables	0.3	0.7
t/o Delta Payables	0.6	0.1
t/o Other Working Capital	-1.3	-4.2
Operating Cash Flow¹	7.1	5.1
Interest & dividends received	-1.0	-1.1
CapEx ²	-2.9	-2.8
Free cash flow	3.1	1.3

→ Stabilization of **trade working capital** after material price-driven inventory build-up in 2022

→ **Other Working Capital driven** by increased cash out for incentives in 2023 (for strong 2022 performance) and litigation payments

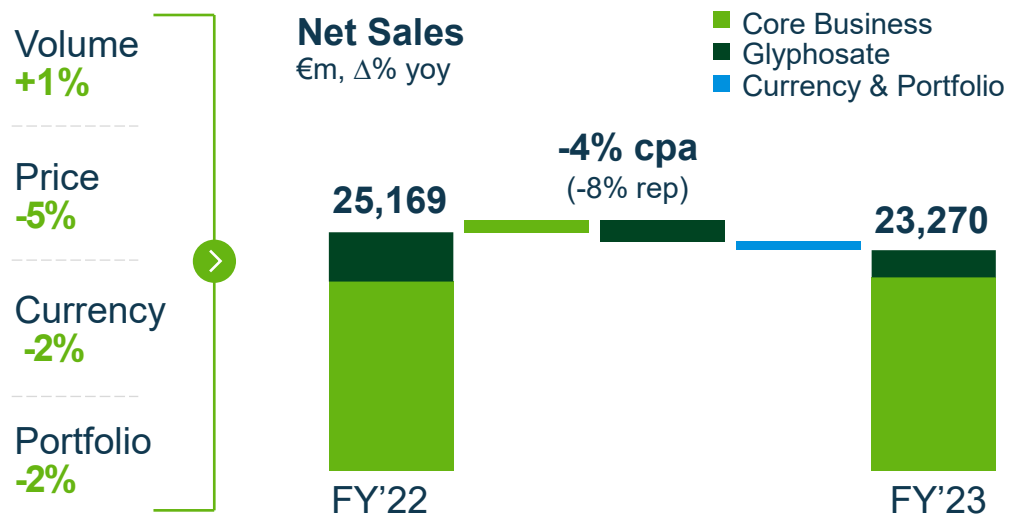
¹Net cash provided by (used in) operating activities (excluding Interest & dividends received); ²Cash flow-relevant capital expenditures (without leasing).



Crop Science Core Business +7%; Outpaces Market With Pricing

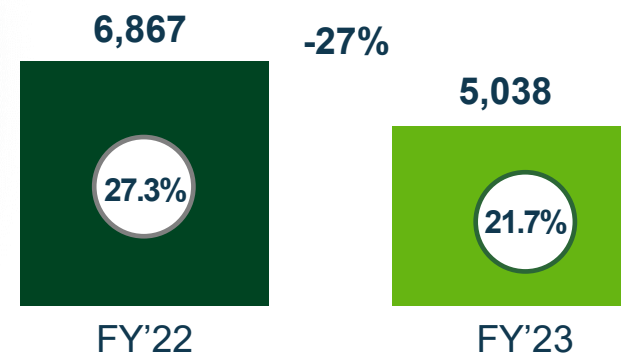


Crop Science FY 2023



EBITDA

€m, before special items
○ EBITDA Margin before special items



// Core Business +7% with +8% price and -1% volume

// Strong pricing led to double-digit growth in corn while soy benefited from higher licensing revenues in LATAM. Significant volume increases in LATAM in Q4, coupled with pricing, mostly in EMEA, drove sales growth for Insecticides and Fungicides

// **Glyphosate-based herbicides sales -43%:** Significant price decline to align to generics, partially offset by as volume recovery

// Glyphosate pricing decline and higher inflation, particularly in COGS, weigh on earnings

// Strong pricing in core business, lower incentives, insurance payment related to hurricane Ida, positive FX effects and ongoing efficiencies partially compensate

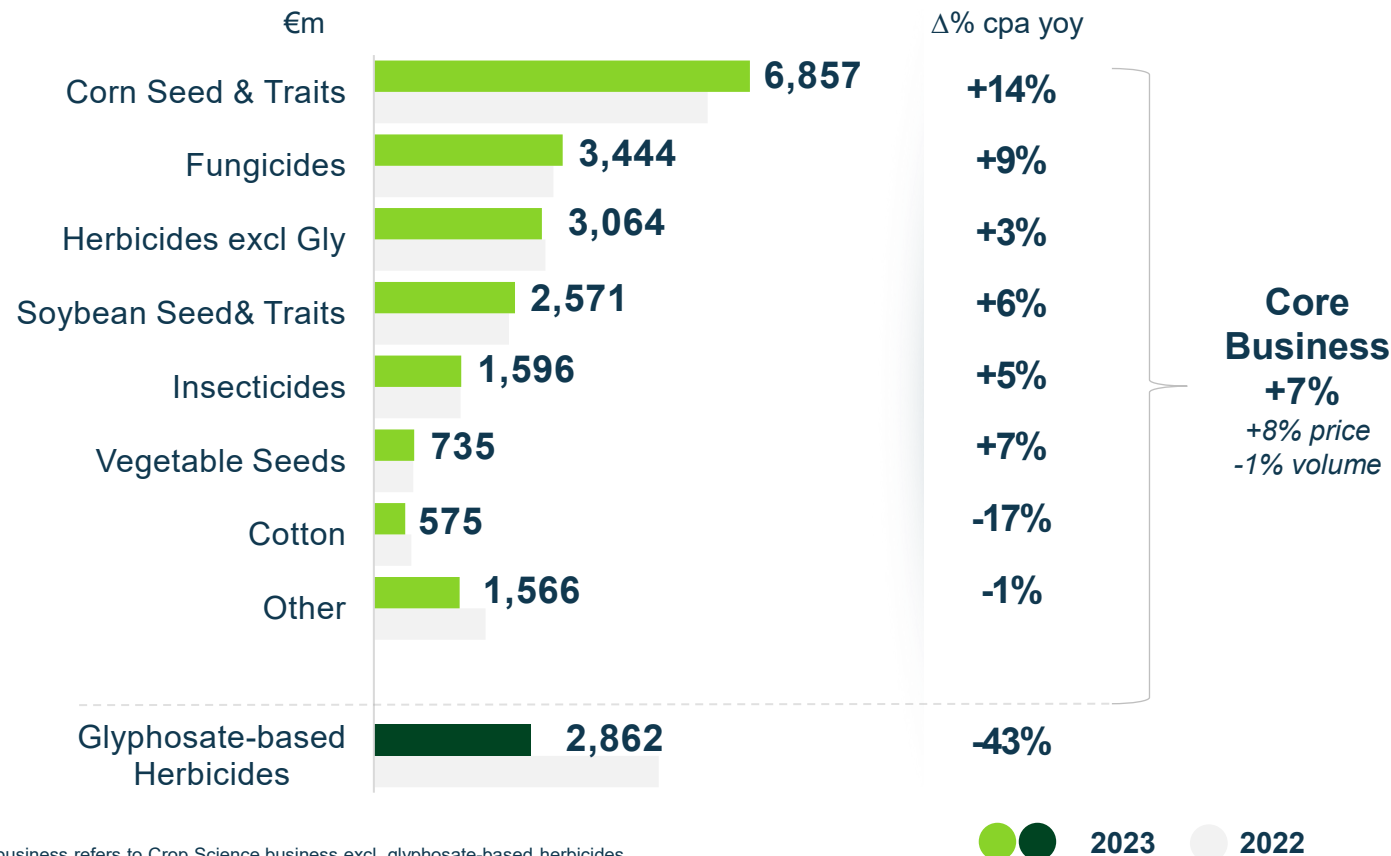


Strong Pricing from Innovation in the Core Business Partially Compensates for Glyphosate Normalization



Crop Science FY 2023

FY 2023 Sales by Strategic Business Entity



Key Drivers

Corn S&T: strong price increases across all regions, higher volumes in NA and APAC

Fungicides: exceptional Q4 volume growth in LATAM, volume recovery in NA, and strong pricing

Herbicides excl. GLY: growth in LATAM driven by 2022 drought recovery slightly offset by lower NA volume

Soy S&T: higher licensing revenues in LATAM

Insecticides: significant Q4 volume growth in LATAM and strong pricing particularly in EMEA

Vegetable Seeds: higher pricing in EMEA

Cotton: lower volumes in the U.S. and APAC mainly due to acreage reduction

Other: lower prices on glyphosate-based products in the professional business

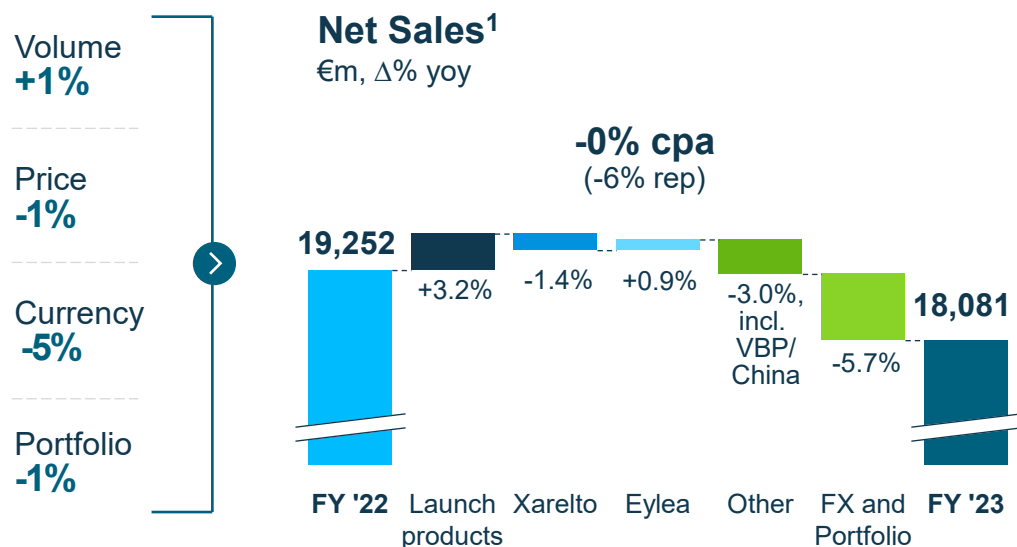
Glyphosate-based Herbicides: significant price decline to align to generics drives strong volume recovery, particularly in LATAM



Launch Products and Eylea Largely Make up for Xarelto Decline and China Weakness



Pharmaceuticals FY 2023



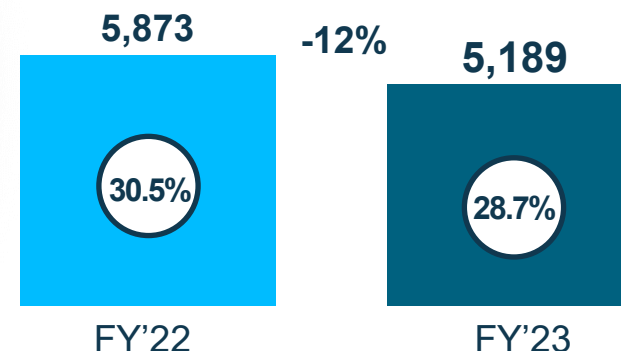
// Launch assets **Nubeqa** and **Kerendia** continue to grow strongly, combined sales crossing €1bn mark; **Eylea's** volume growth more than offsetting price pressure

// **Xarelto** declining as expected due to pricing headwinds and tougher competitive dynamics

// Headwinds in **China** caused by COVID dynamics and the country's anti-corruption campaign in the healthcare sector, additionally weighing on VBP affected franchises

EBITDA

€m, before special items
○ EBITDA Margin before special items



// Changes in product mix weighing on profitability, in addition ongoing growth investments in R&D and OCEANIC-AF termination costs

// Tight management of marketing spend and proceeds from disposal of non-core businesses supporting margin

¹Sales growth rates in Net Sales bridge represent the contribution to the overall divisional growth.

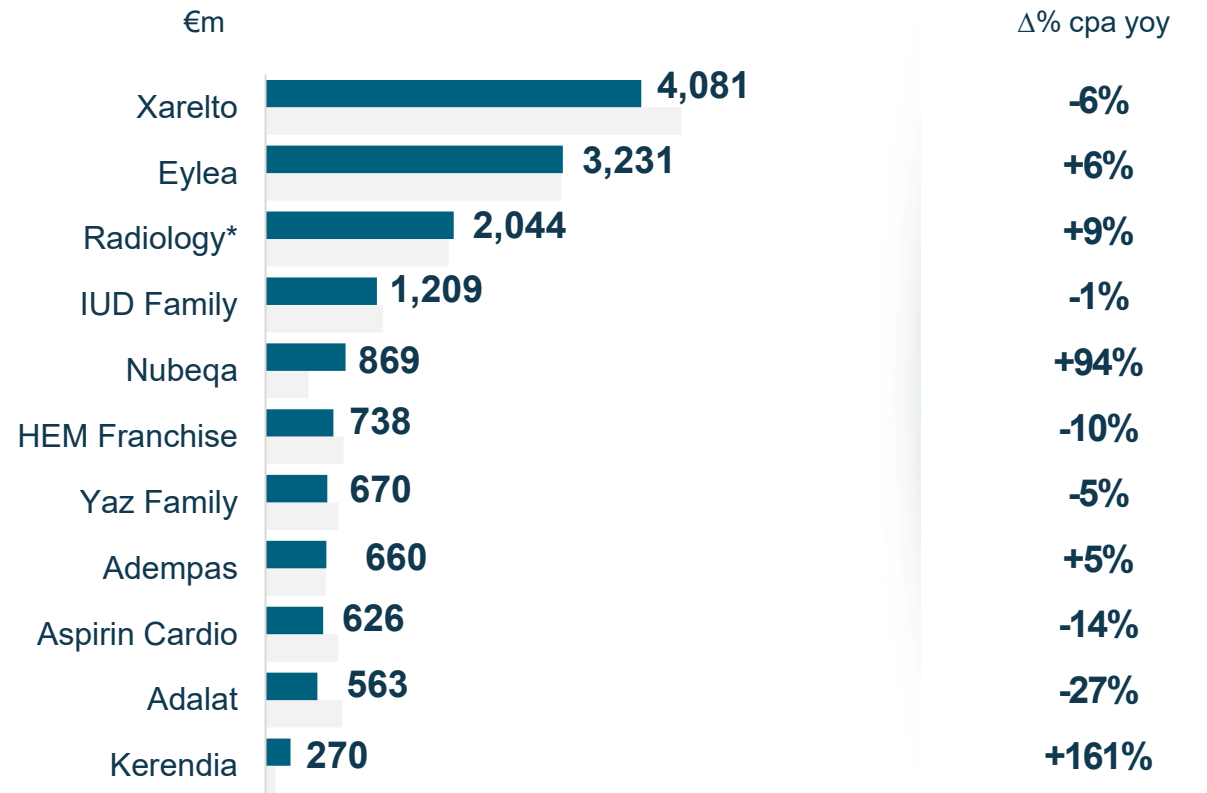


Launch Assets Continue Strong Growth Momentum, Eylea and Radiology Playing Out Market Leadership



Pharmaceuticals FY 2023

FY 2023 Sales by Key Products



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



Key Drivers

Xarelto: decline caused by competitive and pricing pressure, especially in China and UK; 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 (Androgen Receptor Inhibitor) 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



Continued Broad-Based Sales Growth and Significant Margin Expansion



Consumer Health FY 2023

Volume
-3%

Price
+9%

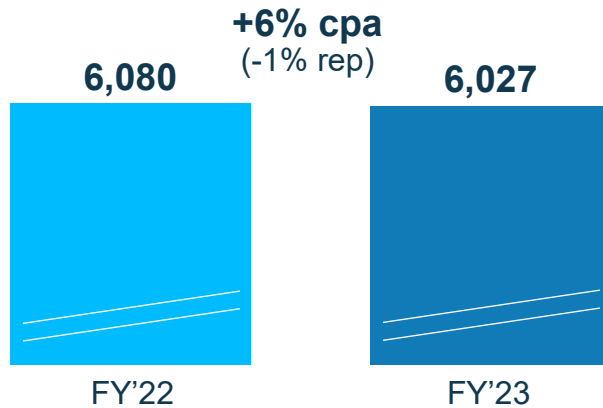
Currency
-7%

Portfolio
-0%



Net Sales

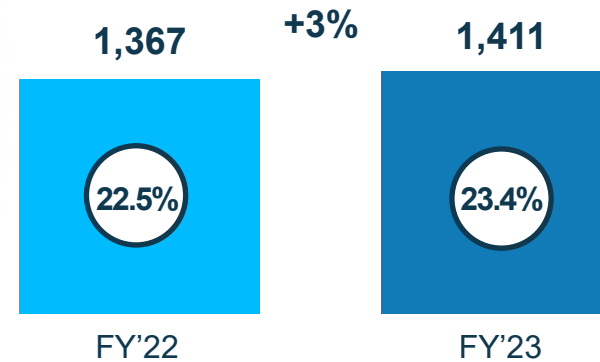
€m, Δ% yoy



EBITDA

€m, before special items

○ EBITDA Margin before special items



// Broad based growth in LATAM and EMEA across all categories

// Customer destocking patterns in North America and slowdown of demand in APAC (esp. Nutritionals)

// Continued roll-out of innovation in Dermatology and high number of cold incidences in HY1

// Value of our brands allows for targeted and active pricing

// Operational productivity programs and active pricing compensate cost inflation

// Negative currency effects weigh on earnings





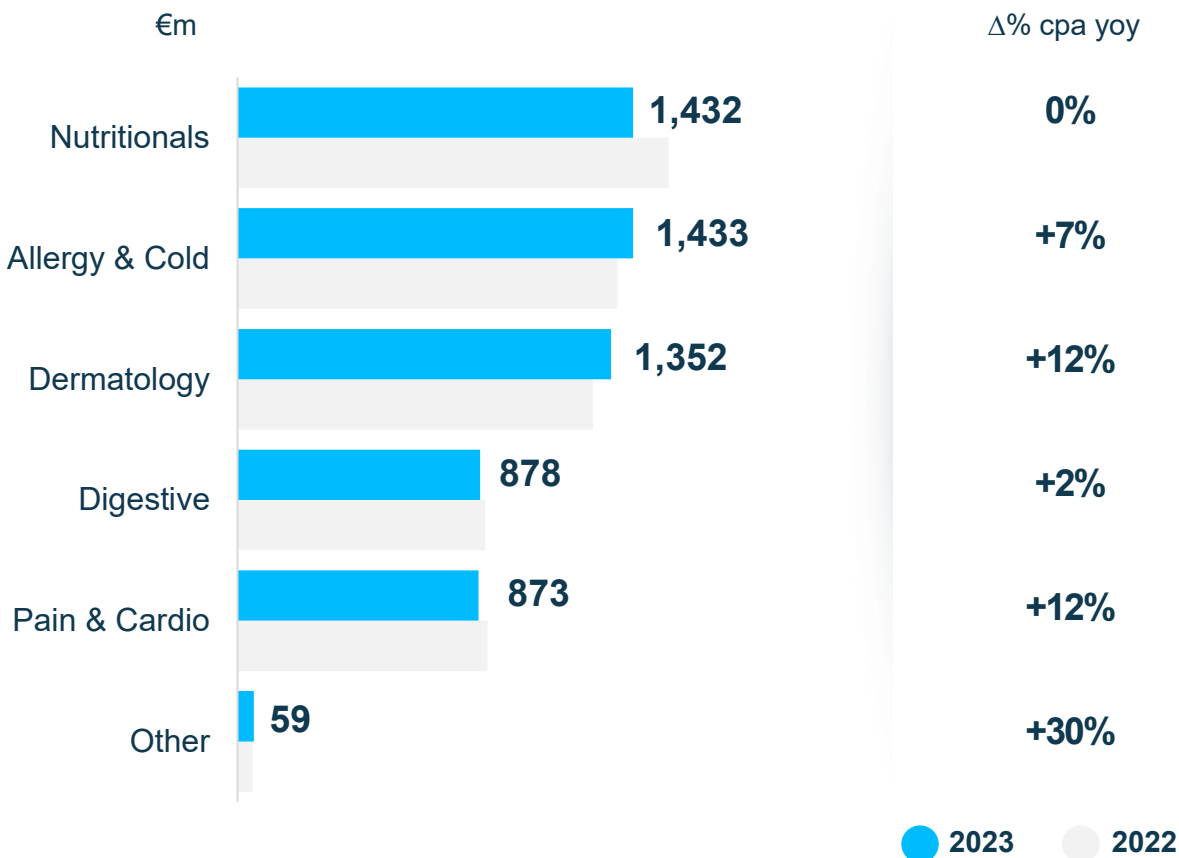
Innovation in Dermatology and Strong, Balanced Remaining Portfolio, Driving Growth



Consumer Health FY 2023

FY 2023

Sales by Category



Key Drivers

Nutritionals: Sales were on previous year level, especially due to temporarily decline of birth rates in China and a softer market environment in ASEAN

Allergy & Cold: high cold incidence levels in the first half of 2023 and slight growth in Allergy despite soft allergy season especially in North America

Dermatology: Broad based growth across all regions and brands, with strong contribution from our Bepanthen, Canesten brand families and strong demand for our regional brands in China

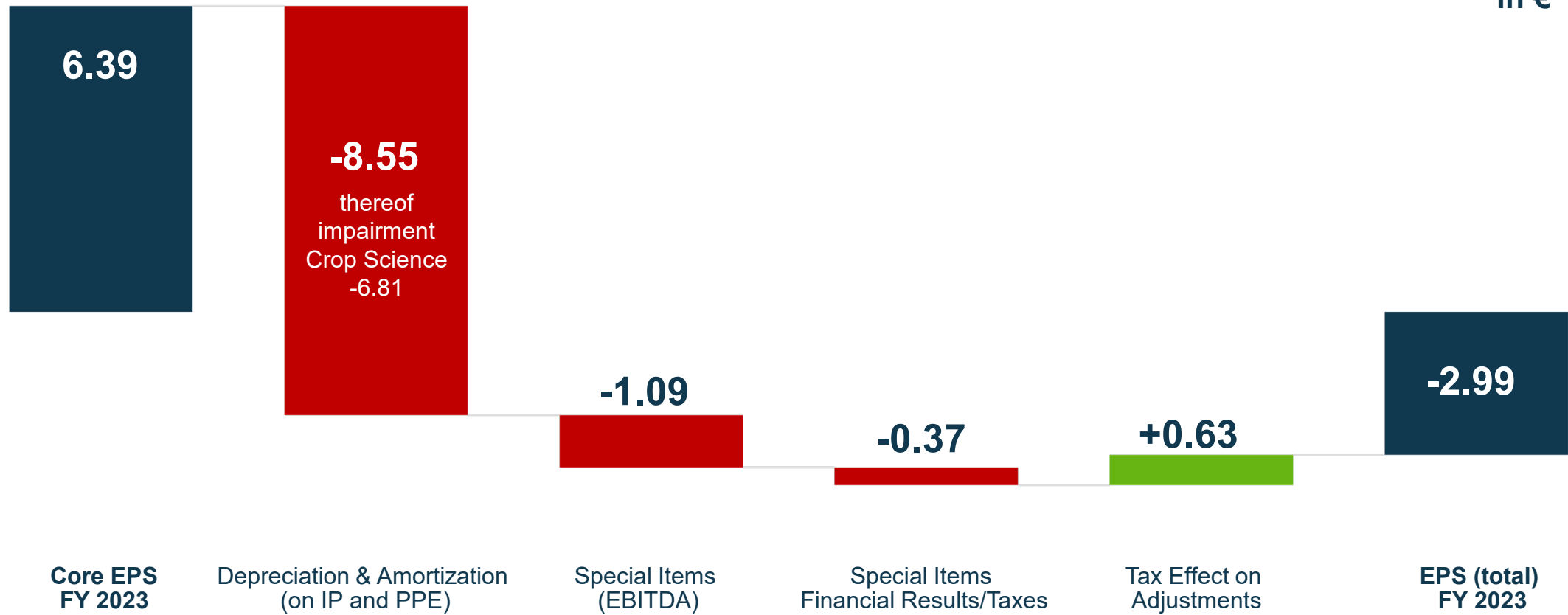
Digestive: Normalization of demand in North America and supply constraints in EMEA

Pain & Cardio: Strong contribution from our brands in Latin America



FY 2023: Core EPS to EPS Bridge

in €



FY 2023: Key Financial Measures by Division

[€ million, if not specified]	Crop Science		Pharmaceuticals		Consumer Health		Reconciliation		Group	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
Sales	25,169	23,270	19,252	18,081	6,080	6,027	238	259	50,739	47,637
Sales by region:										
Europe / Middle East / Africa	4,843	4,668	7,424	7,198	1,921	1,967	241	253	14,429	14,086
North America	10,341	9,135	4,772	4,765	2,458	2,352	0	2	17,571	16,254
Asia / Pacific	2,433	2,287	6,051	5,143	967	938	0	1	9,451	8,369
Latin America	7,552	7,180	1,005	975	734	770	-3	3	9,288	8,928
Cost of goods sold ^{1,2}	-12,501	-13,480	-4,081	-4,175	-2,116	-2,089	-188	-2	-18,886	-19,746
Selling expenses ^{1,2}	-4,634	-4,278	-6,180	-5,843	-2,593	-2,525	-139	74	-13,546	-12,572
Research and development expenses ^{1,2}	-2,551	-2,355	-3,321	-3,333	-218	-224	-78	77	-6,168	-5,835
General administration expenses ¹	-785	-696	-779	-800	-160	-148	-766	-498	-2,490	-2,142
Other operating income / expenses ¹	-288	87	-155	265	11	7	40	-112	-392	247
EBIT before special items	4,410	2,548	4,736	4,195	1,004	1,048	-893	-202	9,257	7,589
EBIT margin before special items [%]	17.5%	10.9%	24.6%	23.2%	16.5%	17.4%	-375.2%	-78.0%	18.2%	15.9%
Special items	-1,460	-6,034	249	-224	-47	110	-987	-829	-2,245	-6,977
EBIT	2,950	-3,486	4,985	3,971	957	1,158	-1,880	-1,031	7,012	612
Depreciation & Amortization ¹	2,457	2,490	1,137	994	363	363	299	270	4,256	4,117
EBITDA before special items	6,867	5,038	5,873	5,189	1,367	1,411	-594	68	13,513	11,706
EBITDA margin before special items [%]	27.3%	21.7%	30.5%	28.7%	22.5%	23.4%	-249.6%	26.3%	26.6%	24.6%
Special items	679	-70	339	-168	-47	-43	-969	-793	2	-1,074
EBITDA	7,546	4,968	6,212	5,021	1,320	1,368	-1,563	-725	13,515	10,632
Operating cash flow, continuing³	3,394	1,850	3,588	3,409	1,046	951	-935	-1,093	7,093	5,117
Cash flow-relevant capital expenditures ⁴	-1,486	-1,268	-1,045	-1,064	-173	-142	-245	-277	-2,949	-2,751

¹Before special items; ²Includes purchase price amortization (PPA) of €955m in COGS, €157m in selling expenses, €117m in R&D in 2023 and €956m in COGS, €172m in selling, €123m R&D in 2022, for Crop Science and Group; ³Net cash provided by (used in) operating activities; ⁴Cash flow-relevant capital expenditures (without leasing).