



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



CAPITAL MARKETS DAY 2024

Bayer AG /// Capital Markets Day /// March 2024



Cautionary Statements Regarding Forward-Looking Information

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<http://www.bayer.com/>



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



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**CEO
Remarks**

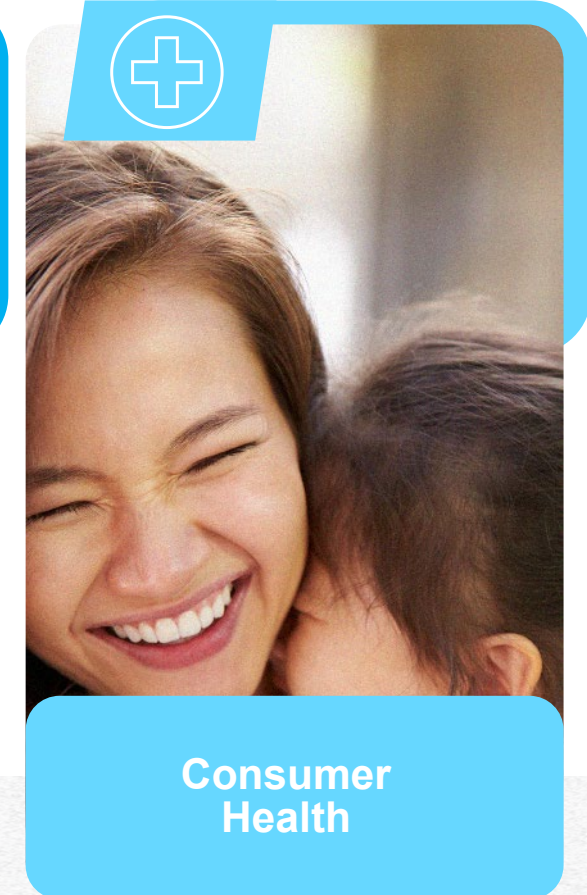
Financials



Crop Science



Pharmaceuticals



**Consumer
Health**



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



CAPITAL MARKETS DAY 2024

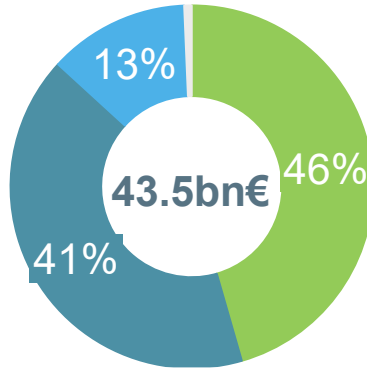
BILL ANDERSON
Chief Executive Officer



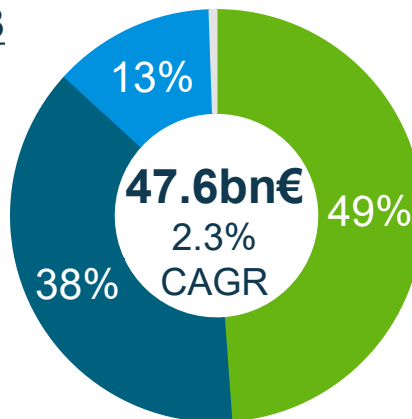
Bayer: A Global Leader in Health & Nutrition

Net Sales as rep¹

2019



2023



Crop Science

- #1 in Seed & Traits with Leading Crop Protection Portfolio
- >200bn€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 and 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 impact• One-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 Yields Several Advantages

Sustainable Cost **EFFICIENCIES**

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

Early financial implications

€2bn 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

GROUP	CROP SCIENCE	PHARMA	CONSUMER HEALTH
			
<p>Implement dynamic shared ownership to improve performance and fuel growth</p> <hr/> <p>Strengthen cash flow</p> <p>Improve towards single A category rating</p> <hr/> <p>Advance strategies to contain litigation</p>	<p>Outgrow market in core business</p> <hr/> <p>Improve profitability</p> <hr/> <p>Extend innovation leadership with annual portfolio refresh and advancement of blockbuster technologies</p>	<p>Support topline resilience during LoE's of major products</p> <hr/> <p>Drive productivity gains to support margins</p> <hr/> <p>Advance early assets to re-create promising mid-/late pipeline</p>	<p>Grow above market</p> <hr/> <p>Deliver profitability at industry competitive margin level</p> <hr/> <p>Further build our iconic brands through innovation and commercial excellence</p>



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

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



FINANCIALS

Strengthen Cash Flow – Reduce Debt

CAPITAL MARKETS DAY 2024

WOLFGANG NICKL
Chief Financial Officer



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

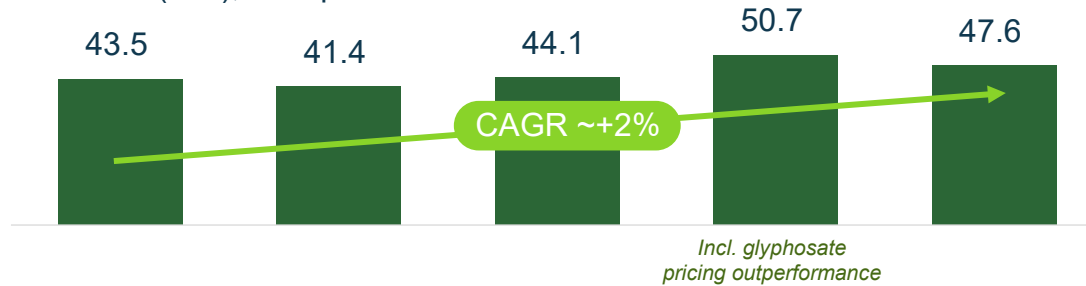
	<i>FY 2023 Outlook</i> <i>incl. FX impact</i>	<i>FY 2023 Actuals</i> <i>as reported</i>	
in €bn			
Net Sales	46.8 - 47.8	47.6	✓
EBITDA (before special items)	11.1 - 11.6	11.7	✓
Core EPS (in €)	6.20 - 6.40	6.39	✓
Free Cash Flow¹	~ 0	1.3	✓
Net Fin. Debt	~ 36	34.5	✓

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

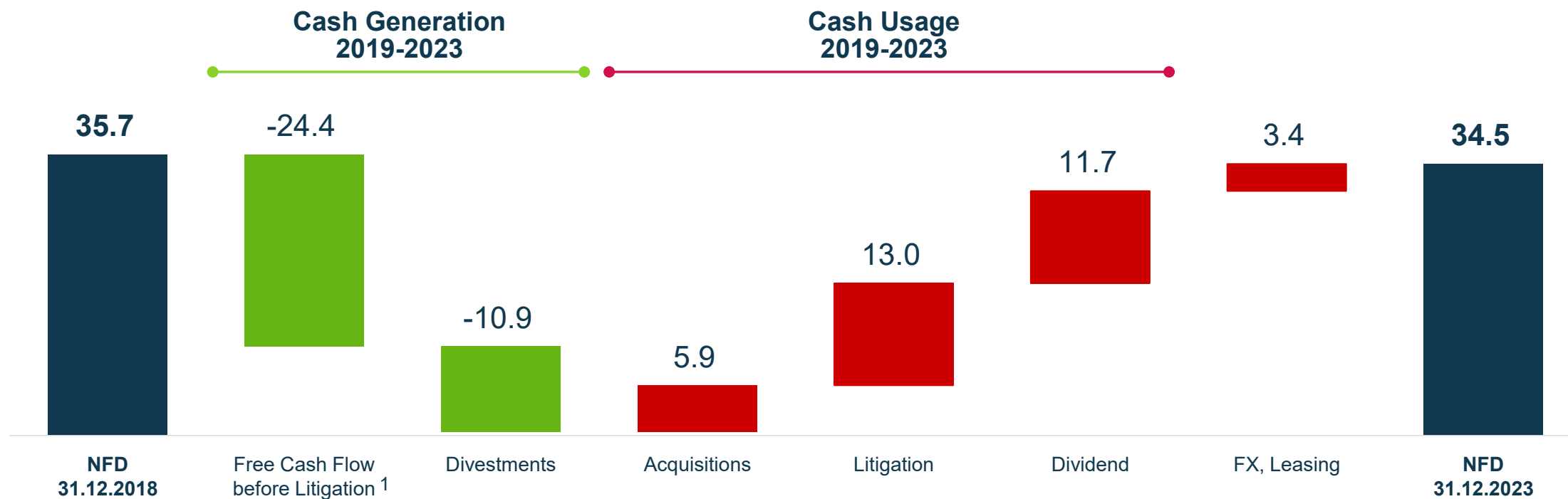
¹as rep = as reported, Animal Health business not included, Environmental Science Professional business included in figures until sale completion in 2022 (no restatement);

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

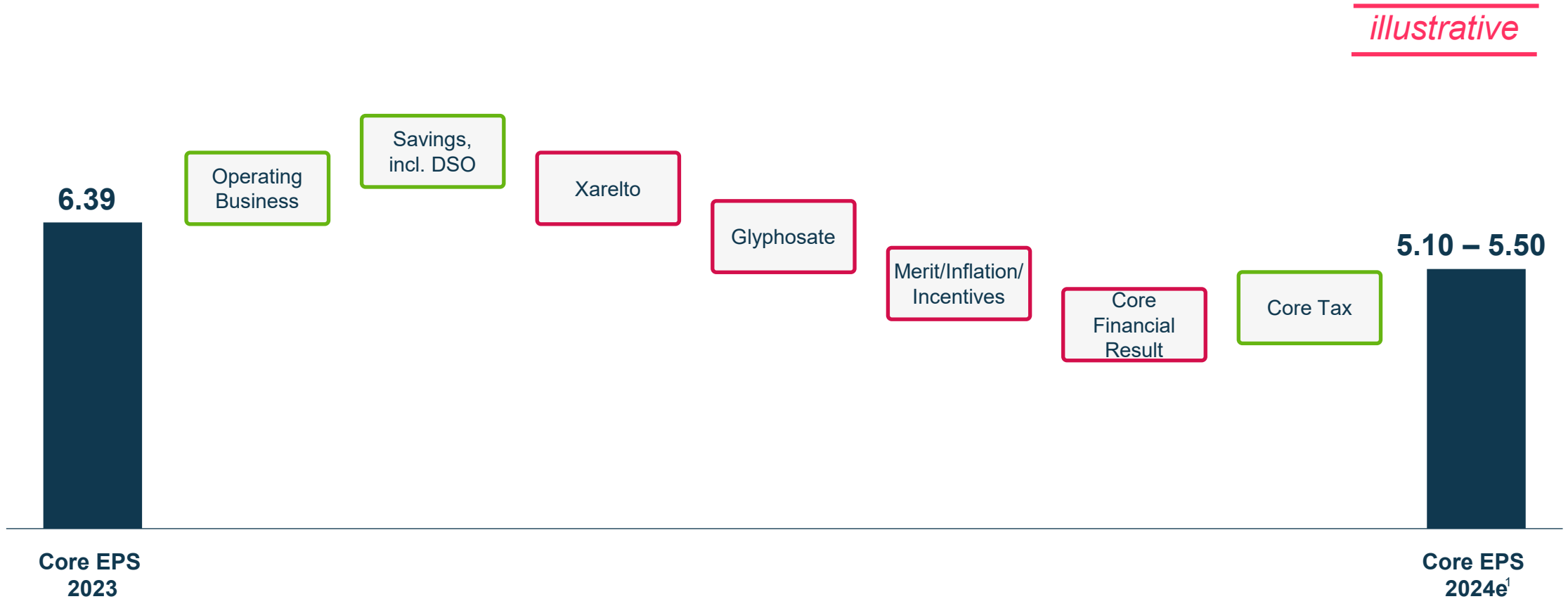
<i>in €bn</i>	2023 <i>as reported</i>	2024 <i>at constant FX¹</i>	2024 <i>estimated FX impact²</i>
Net Sales	47.6	-1% to +3%	-2% to -3%pts
EBITDA (before special items)	11.7	-9% to -3%	~-3%pts
Core EPS (in €)	6.39	5.10 to 5.50	-0.10 to -0.20
Free Cash Flow	1.3	2.0 to 3.0	not material
Net Financial Debt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

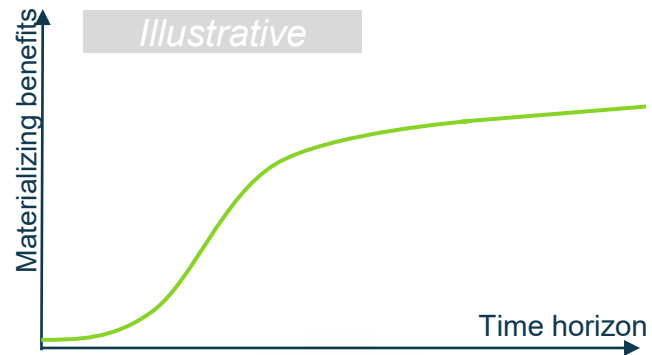
Further build our iconic brands through innovation and commercial excellence



Our New Operating Model is Key Enabler to Achieve our Ambitions



Sustainable Cost Efficiencies



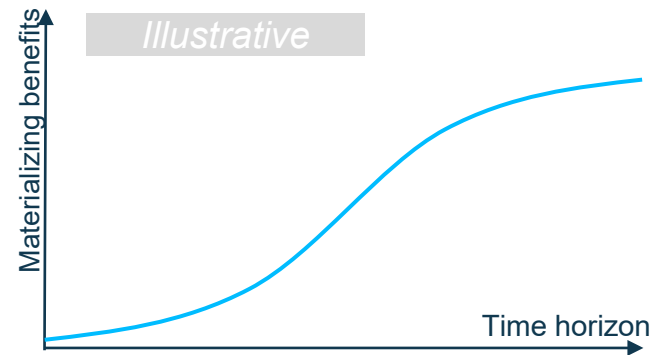
// ~€ 2 bn in sustainable organizational **savings** by end of 2026

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

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



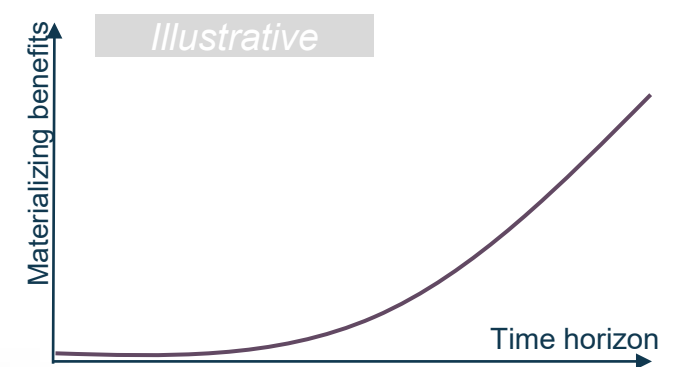
Growth through Customer Centricity



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

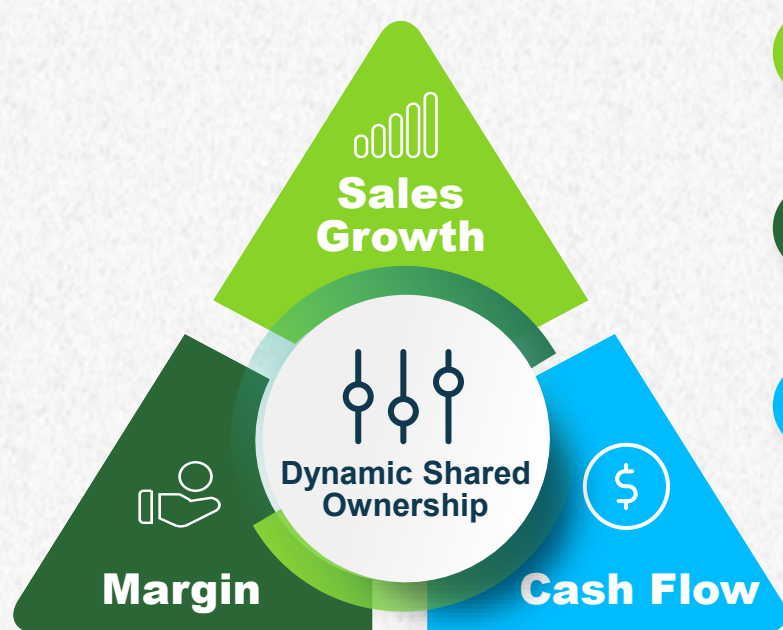


Growth through Innovation Speed



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

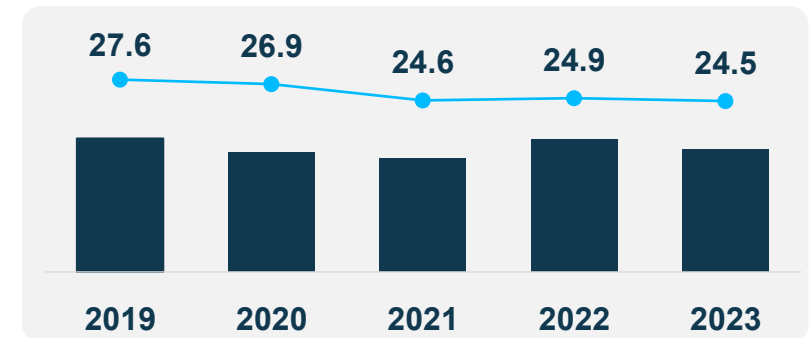
- Focused capital expenditures scrutinizing the entire investment portfolio

Active Monitoring & Steering

in €bn

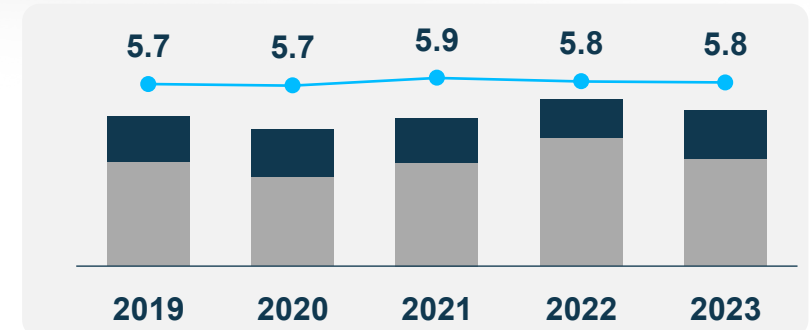
Trade WoC

- 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.



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

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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% cpa ²	<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

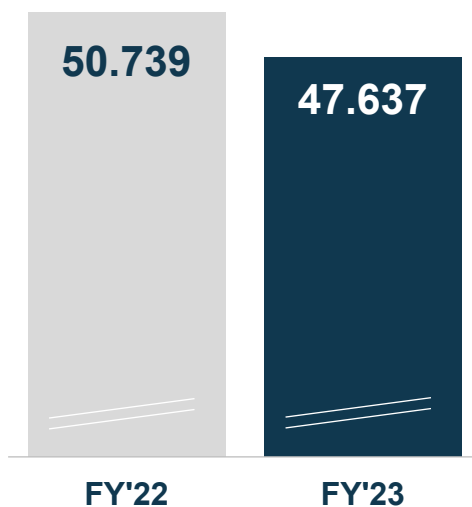


FY 2023: Group KPIs

NET SALES

in €m, $\Delta\%$ yoy

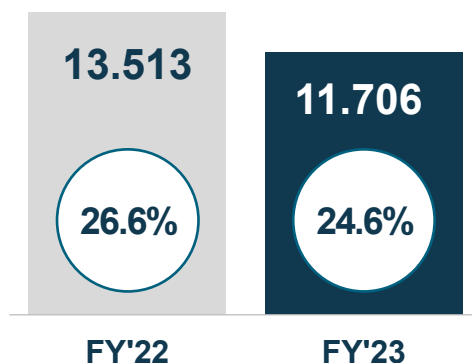
-1% cpa
(-6% rep)



EBITDA

in €m, before special items

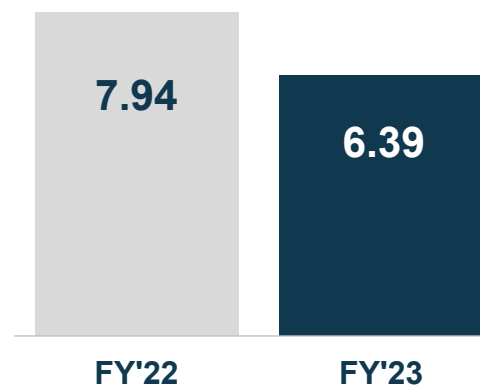
-13%



CORE EPS

in €, Cont. Operations

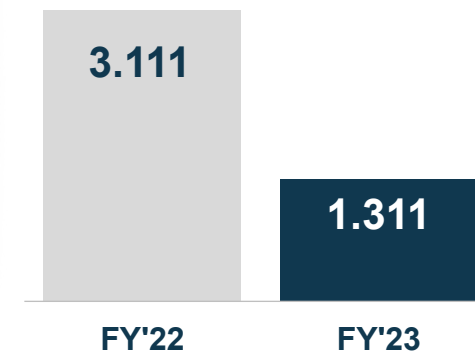
-20%



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

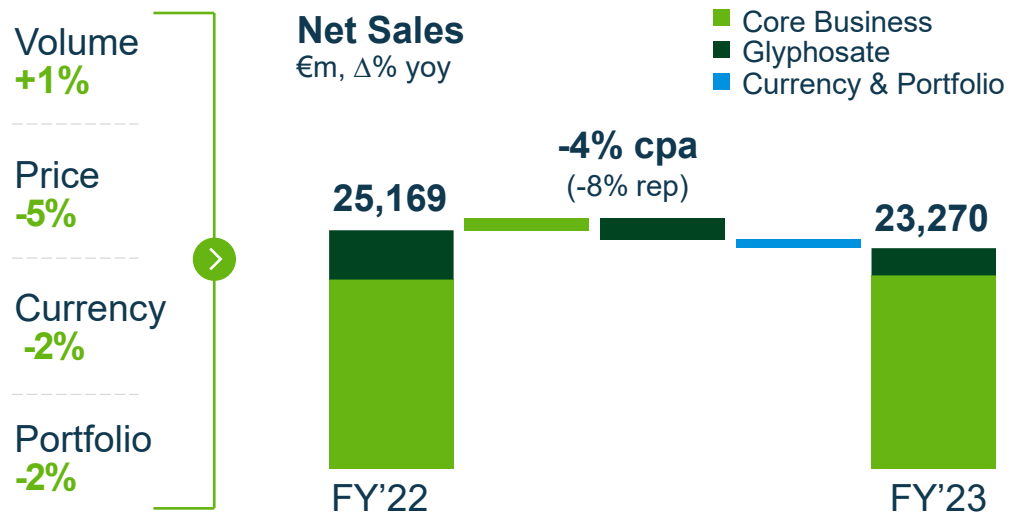
¹Net cash provided by (used in) operating activities (excluding Interest & dividends received); ²Cash flow-relevant capital expenditures (without leasing).



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

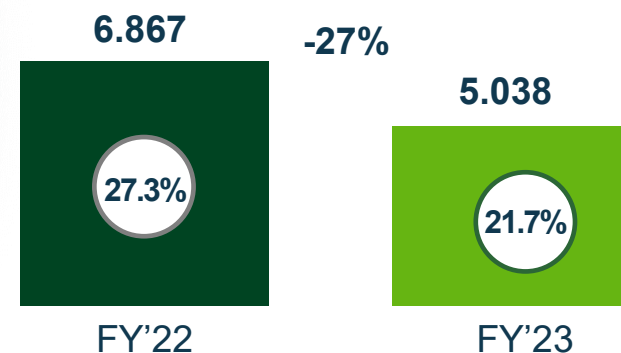


Crop Science FY 2023



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

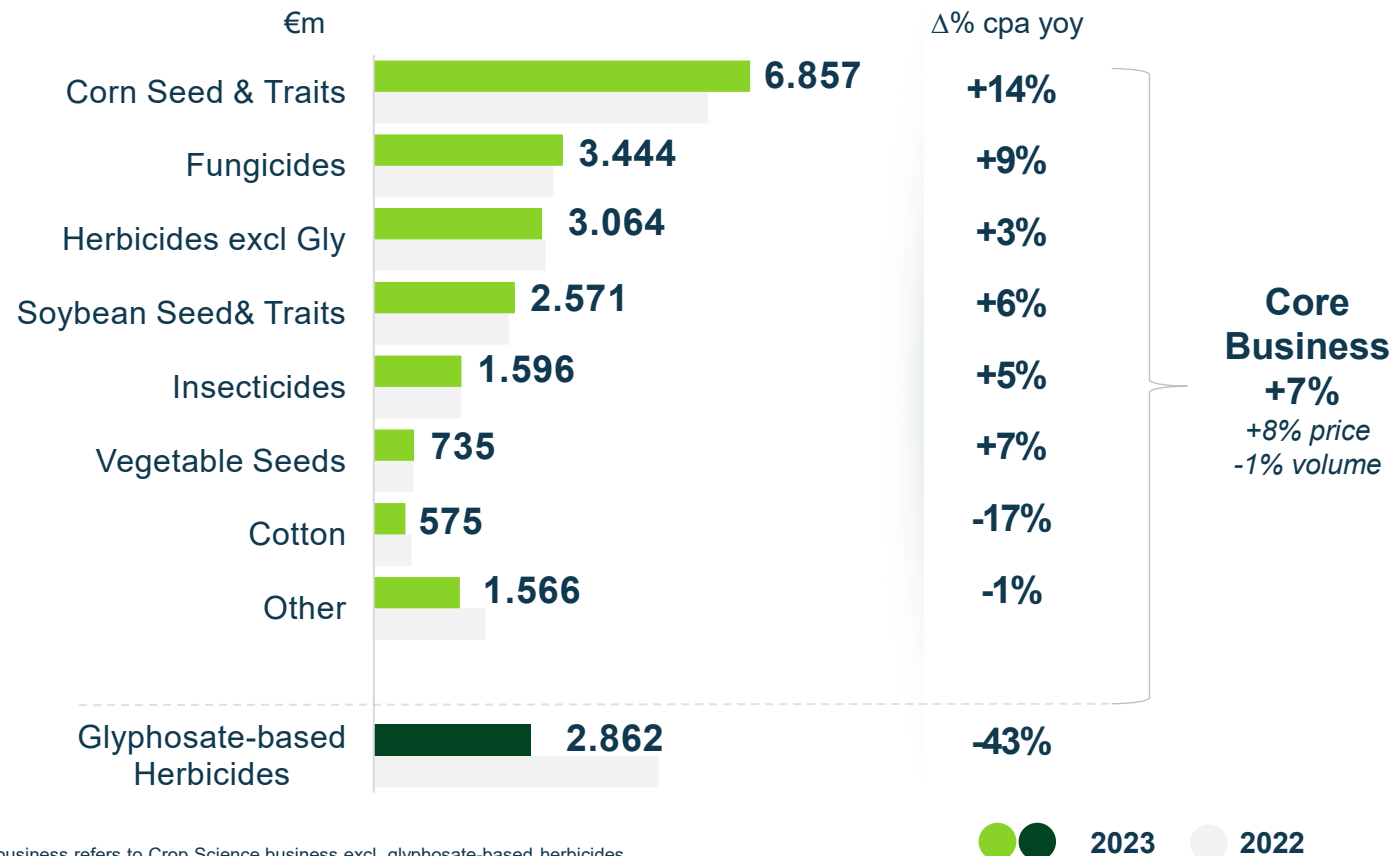


Strong Pricing from Innovation in the Core Business Partially Compensates for Glyphosate Normalization



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

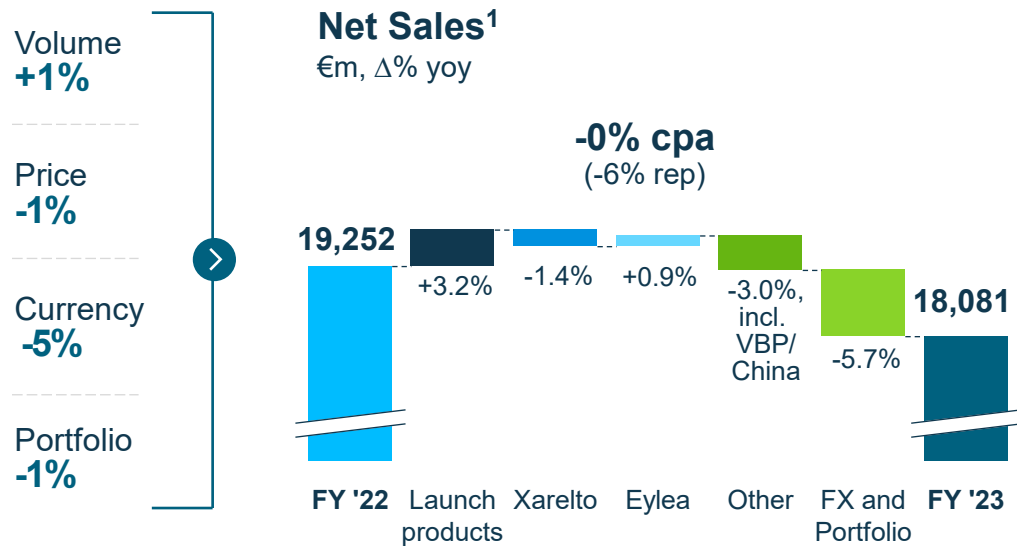
Glyphosate-based Herbicides: significant price decline to align to generics drives strong volume recovery, particularly in LATAM



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



Pharmaceuticals FY 2023



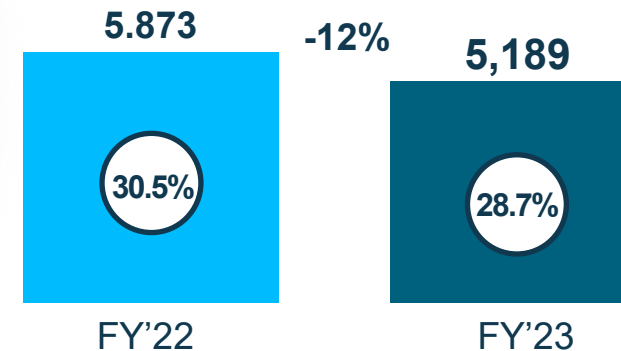
// Launch assets **Nubeqa** and **Kerendia** continue to grow strongly, combined sales crossing €1bn mark; **Eylea's** volume growth more than offsetting price pressure

// **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.

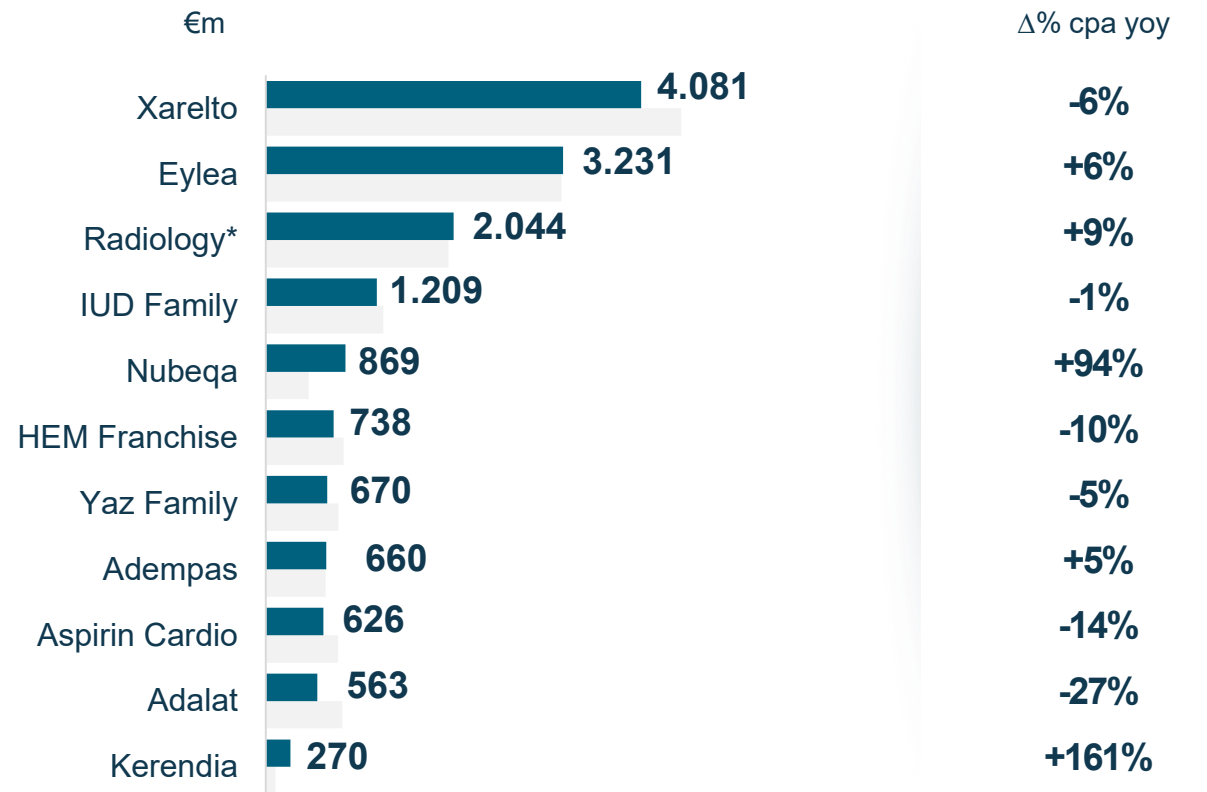


Launch Assets Continue Strong Growth Momentum, Eylea and Radiology Playing Out Market Leadership



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%

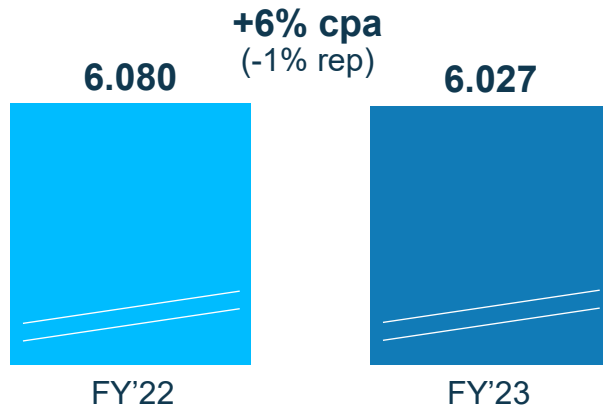
Currency
-7%

Portfolio
-0%



Net Sales

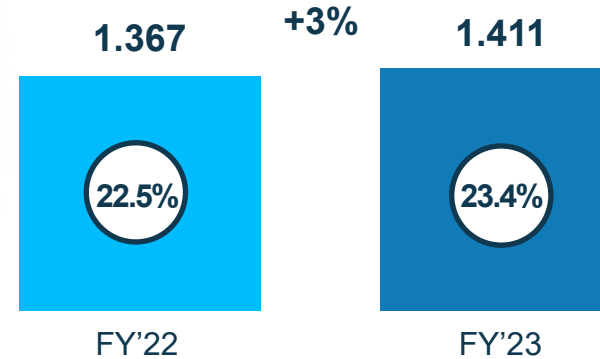
€m, Δ% yoy



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



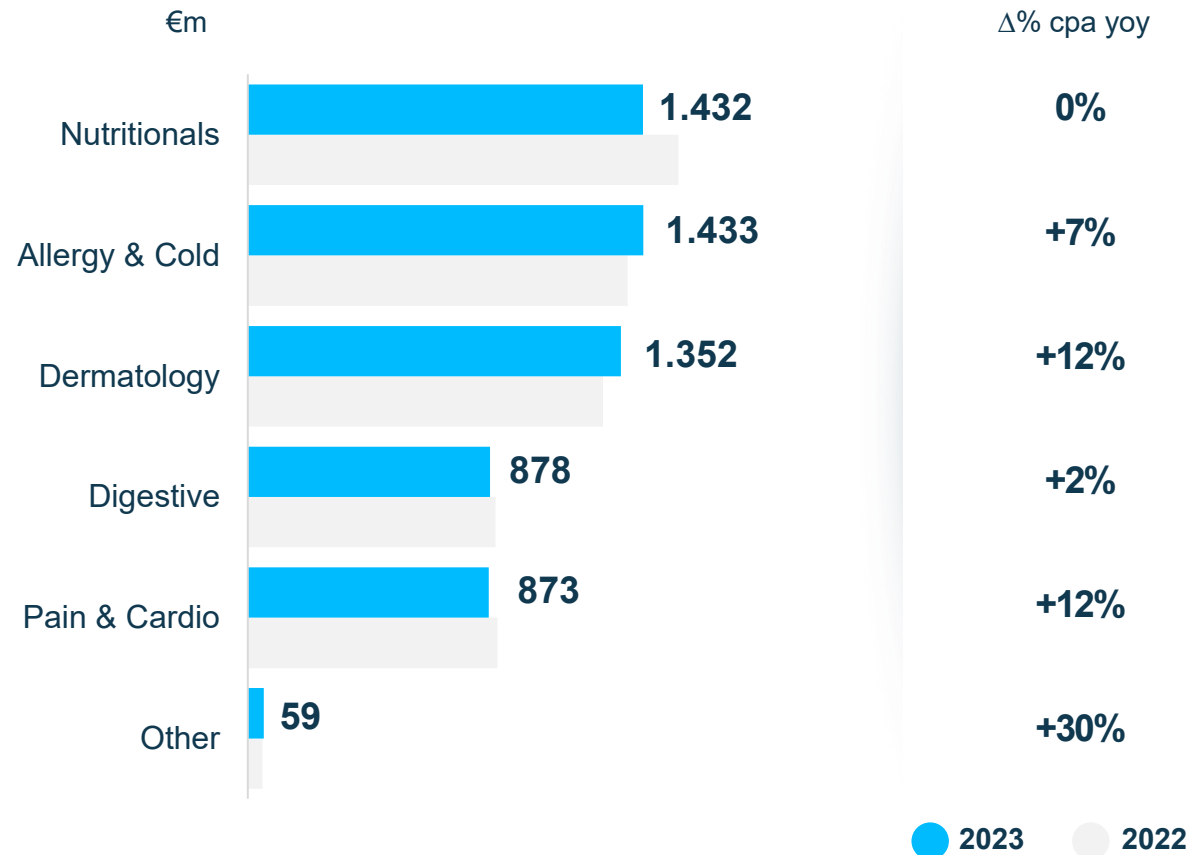


Innovation in Dermatology and Strong, Balanced Remaining Portfolio, Driving Growth



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

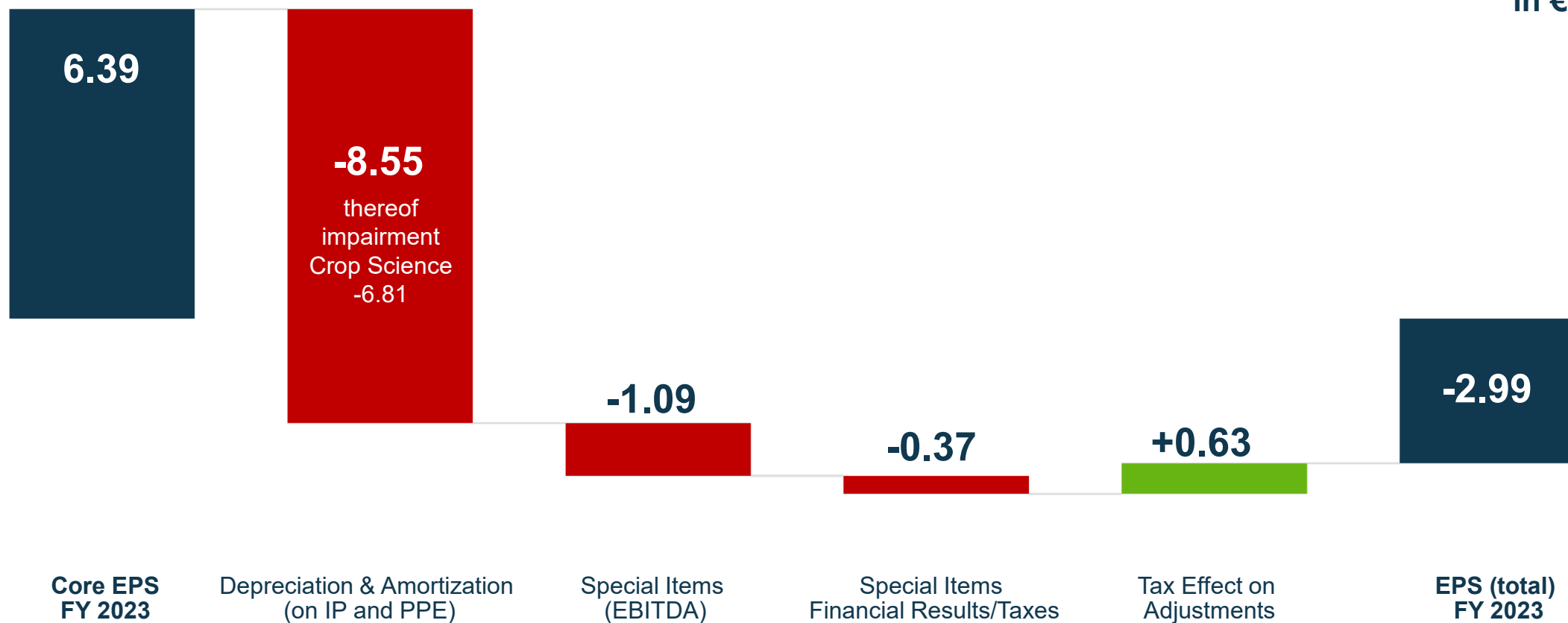
Digestive: Normalization of demand in North America and supply constraints in EMEA

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).

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



BAYER **CROP SCIENCE**

Scaling Regenerative Agriculture

Capital Markets Day 2024

RODRIGO SANTOS
President, Bayer Crop Science



Bayer Crop Science Strategic Agenda



**SCALE
REGENERATIVE AG**



Direct Seeded Rice Field



**DRIVE OPERATIONAL
EXCELLENCE**



Seed Chipper- Ankeny, IA



**DELIVER WORLD
CLASS INNOVATION**



Bayer Protected Culture Seed
Design Center - Petrolina, Brazil

// INDUSTRY LEADING FINANCIAL PERFORMANCE //



Our Vision Aspires to Address Global Challenges at Scale

Produce **50% More.**



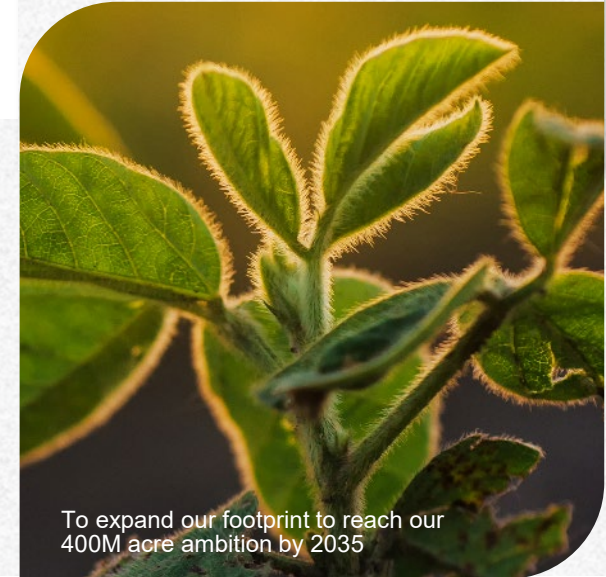
Required increase by 2050
to feed the world (FAO data)

Restore Nature.



To meet our 2030 sustainability commitments

Scale Regenerative Ag.



To expand our footprint to reach our
400M acre ambition by 2035



Sustainability Commitments¹

30%

Reduction in GHG
emissions per kg of
crops produced

30%

Reduction in
crop protection
impact on the
environment

25%

Improvement of
water use per kg
of rice produced

100m

Empower 100m
smallholder farmers

FAO= Food and Agriculture Organization; GHG= Greenhouse Gas; ¹For detailed commitments see our Sustainability Report



Ag Input Market Growing Over Two Percent to Meet Demand

Potential to Double our Accessible Market Through Investments in Innovation in Adjacent Spaces

>100bn¹ EUR
2023 Global Ag Input Market

>200bn¹ EUR
2030 Global Ag Input Market & Related Adjacencies

Crop
Protection

Seed and
Traits



>2%

expected annual growth rate in crop
protection and seed & traits market

>2x
opportunity

ADJACENT SPACES

- Biofuels
- Digital Platforms
- Carbon
- Crop Fertility
- Digital Marketplaces
- Precision Application

¹ Company estimates

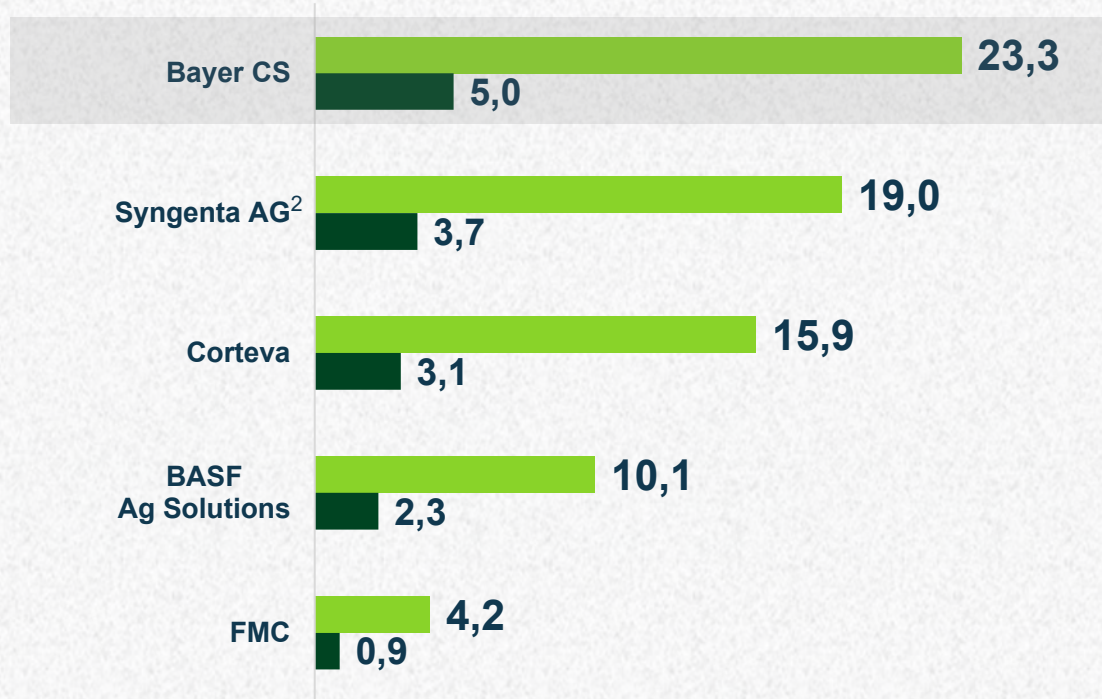


The Established Leader in Crop Science

Industry-Leader Outpacing Market and Peers in Core Business in 2023

GLOBAL LEADER IN AG INPUTS

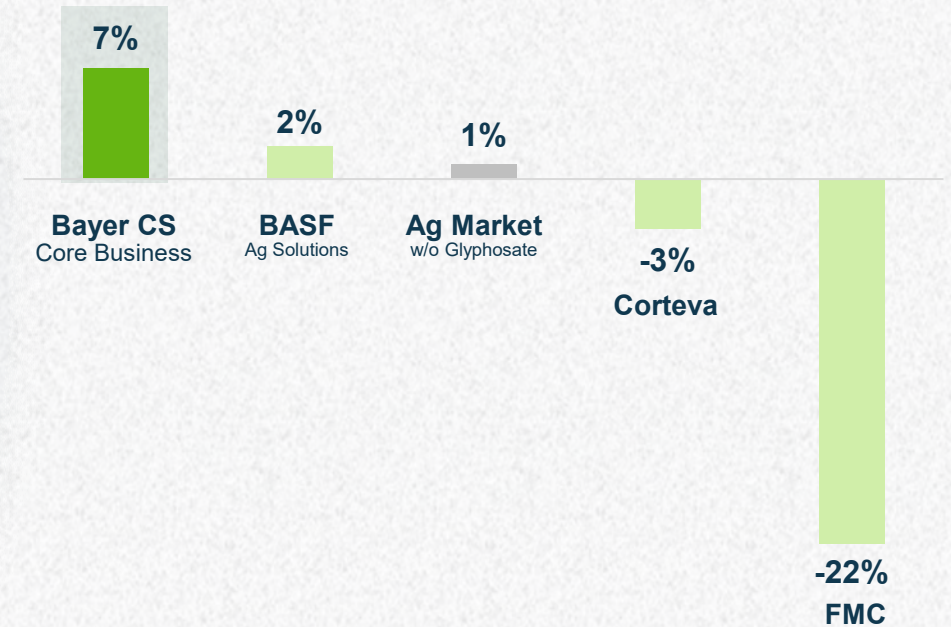
Sales / cEBITDA¹ (€bn) / FY 2023



OUT-PACING MARKET & PEERS³

with Core Business Sales Growth in 2023

FY 2023 cpa sales growth



¹ Company information; exchange rate: FY 2023: ~1.08 USD/EUR.;

² Syngenta AG as of FY'22, ~1.05 USD/EUR; ³ Syngenta not included as FY'2023 results were not yet published by March 5th, 2024.
Core = Crop Science business excl. glyphosate-based herbicides



Growers Worldwide Recognize the Value We Deliver

#1 in Seed & Traits with Leading Crop Protection Portfolio

Market Position



Bayer Crop Science 2023 Sales (€23.3bn)

#1 Corn Seed & Traits

#1 Herbicides

#1 Soybean Seed & Traits

#2 Fungicides

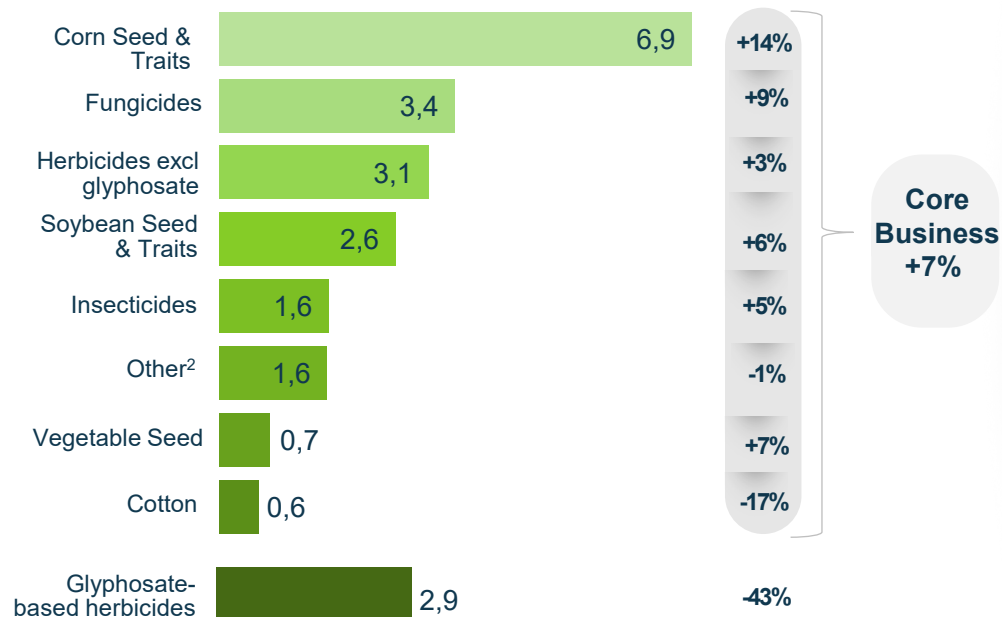
#2 Vegetable Seed

#3 Insecticides

SALES BY STRATEGIC BUSINESS ENTITY

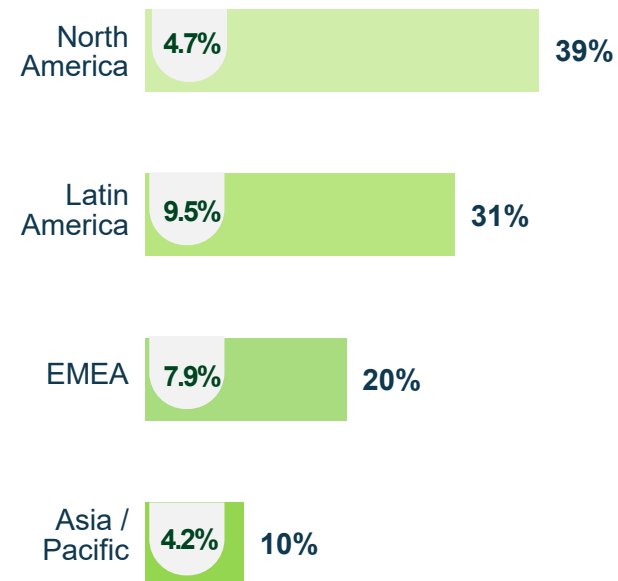
In €bn

2023 cpa% growth



SALES BY REGION

2023 Core¹ Business cpa% growth



Note: Market Position determined annually, as of Q1-2023

¹ Core business refers to Crop Science business excl. glyphosate-based herbicides; ² Other includes Environmental Science, Oilseeds, Other Seeds, SeedGrowth

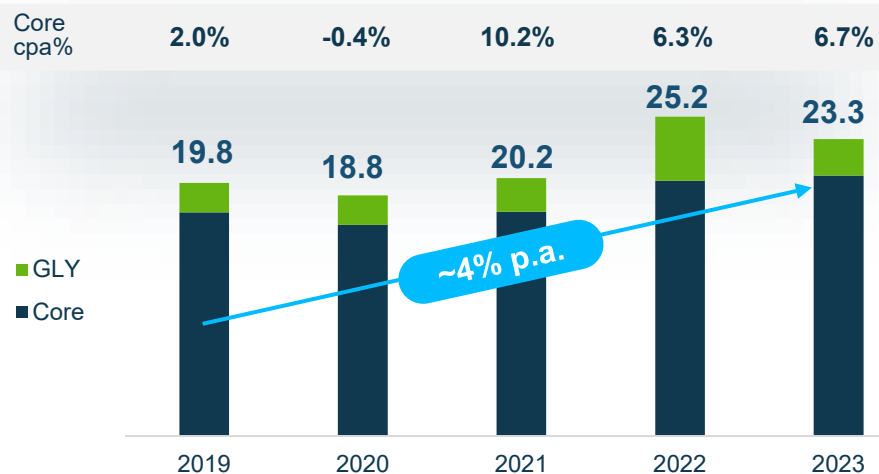


Pricing to Innovation in Our Core Business Powers Sales CAGR

Industry Leading EBITDA Despite Significant Cost Inflation

Bayer Crop Science Sales

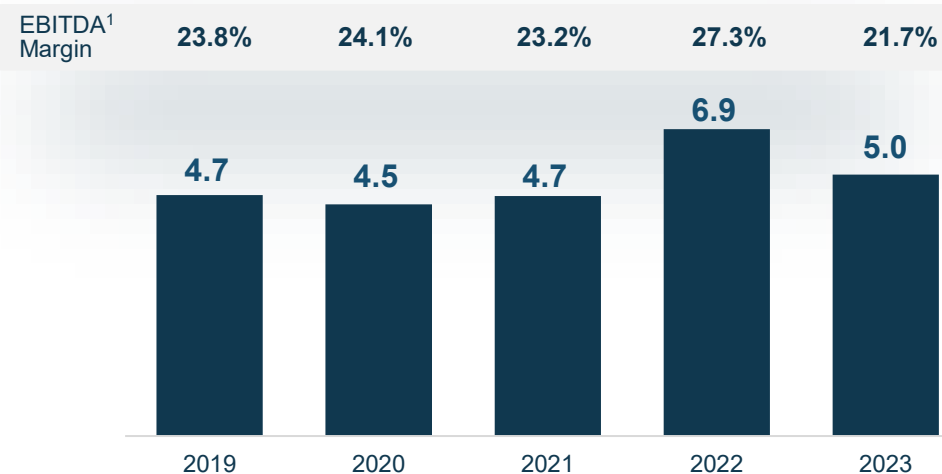
Sales (€bn) / core cpa CAGR %



- > Total division sales grew €3.5bn (~4% CAGR) '19-'23
 - **Core business** delivers ~4% CAGR '19-'23, mostly pricing from innovation
 - Glyphosate-based herbicide pricing out-performed in 2022; drove >€2.0bn sales growth before normalizing in 2023

Bayer Crop Science EBITDA¹

EBITDA before special items (€bn) / margin%

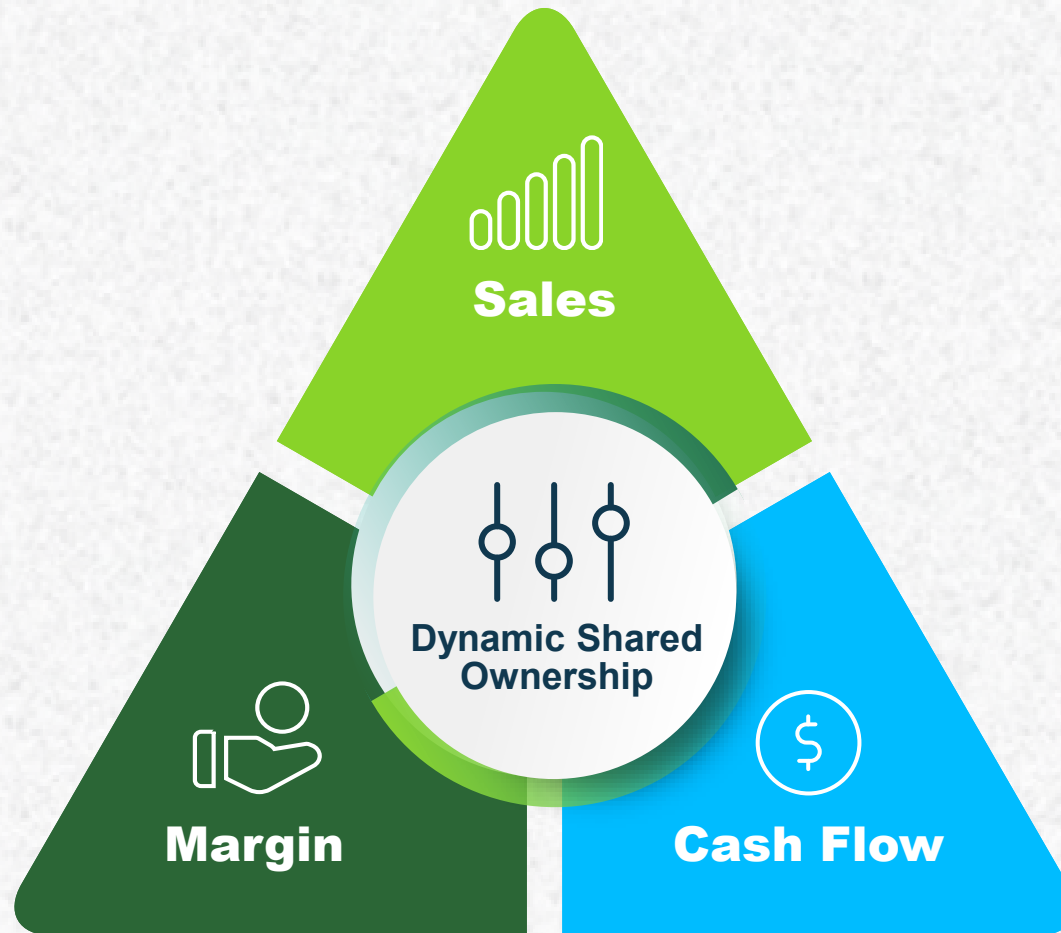


- > **Industry leading EBITDA¹**, despite >€2bn inflationary headwinds since 2020
- > Higher glyphosate pricing due to reduced generic supply drove out-performance of EBITDA¹ and related margin in 2022

¹ Before special items
Core = Crop Science business excl. glyphosate-based herbicides GLY = Glyphosate-based herbicides 2018: year of Monsanto acquisition, prior comparison not equivalent



Driving Operational Excellence to Outgrow the Market in the Core Business and Improve Profitability and Cash Generation



SALES

- Accelerated innovation and enablement of system solutions
- Optimized service to customers
- Reinvestment in growth opportunities

MARGIN

- Implement DSO driven organizational effectiveness and de-layering to generate personnel related savings
- Improve cost of goods and services in product supply

CASH FLOW

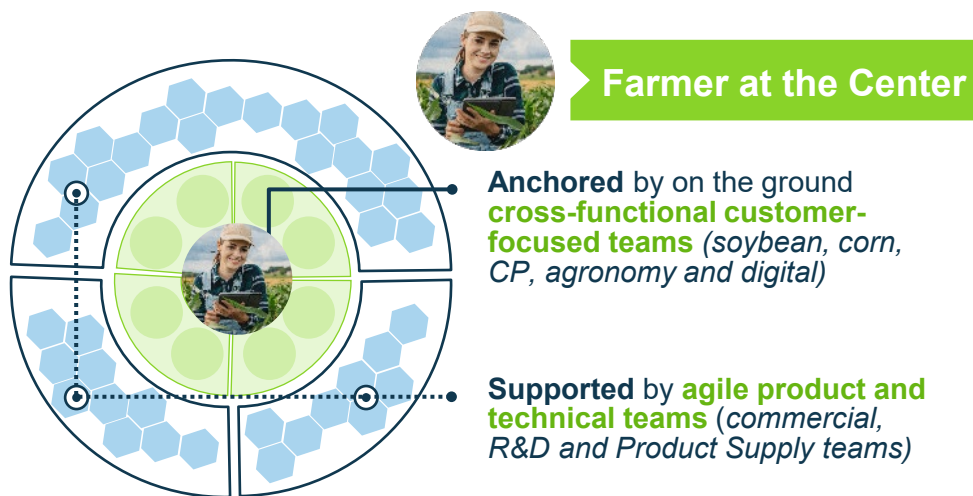
- Working capital to sales ratio improvement; focus on inventory
- Optimized CAPEX efficiency




DSO Anchored on Customer and Moving to Scale in 2024

Dynamic Shared Ownership Unlocks New Opportunity for Competitive Differentiation

DSO Operating Concept Anchored on Farmer




Dynamic and focused organization


Accelerated innovation


Increased share of farm

>450 Customer Mission Teams Implemented by End of 2024



Speed & Scale

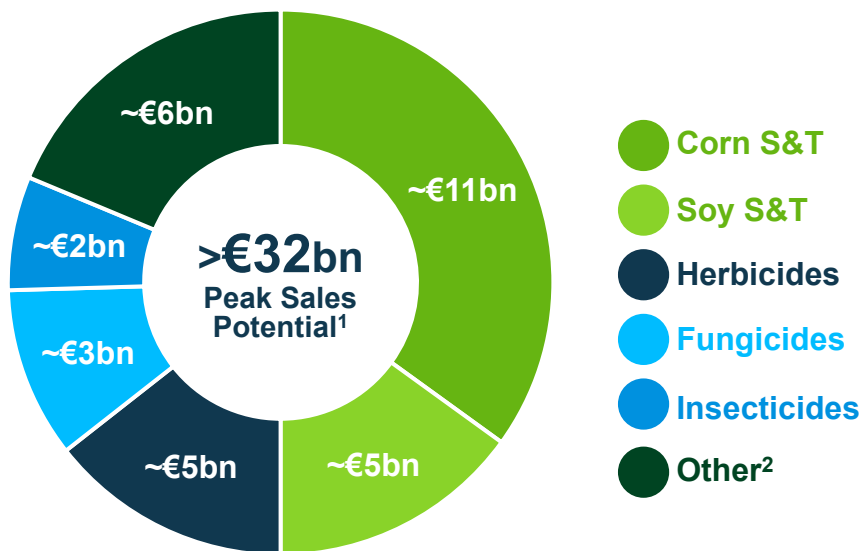
Ramping rapidly: ~50 customer-facing squads launched, with >450 planned by end of the year



Extending Our Leadership Position Through Our Pipeline

>€32bn Peak Sales Potential; Ten Blockbusters Expected to Launch in Next Decade

Bayer Crop Science R&D Pipeline



> ~50% incremental value;
~50% replacement value

> Assuming success, pipeline
peak sales values translate
to above market sales CAGR

Expected Launch Dates for Blockbuster Products

See appendix for comprehensive pipeline

2024

2027

2030+

>50% PSP

Annual Crop Protection Life Cycle Management
and Seed Germplasm Refresh

Plenexos Insecticide

PRECEON SMART Corn- Breeding

New Herbicide
Soy IP3 ★
CRW4 ★

>€4bn ★
Projects advanced to
phase 3 or 4 in 2023

Soy HT4 ★
PRECEON SMART Corn- Biotech* ★

Soy HT5 ★
Soy IP4 ★
Corn HT5 ★
New Fungicide

Blockbuster Products
>€0.5bn expected PSP

HT = Herbicide Tolerance; CRW = Corn Rootworm; IP = other Insect Protection
* In collaboration with BASF

¹ Represents non-risk adjusted estimated peak sales for the combined breeding, biotech, crop protection and environmental science pipelines, as well as new business models and new value areas. Note that products are excluded from the pipeline PSP typically the year following launch. Direct-seeded rice, carbon farming, corn biotech traits in Asia and Africa and ~1.5bn EUR sales ambition in biologicals are upsides.

² "Other" category includes seeds and traits, such as cotton, canola, wheat, OSR, rice, vegetable seeds and sugarbeets, plus digital platforms and SeedGrowth



Annual Portfolio Refresh Provides Foundation for Growth

Pricing and Sales Mix Opportunity Across Our Leading Global Footprint Enhanced by Digital Assets

ANNUAL SEED GERMPLASM REFRESH

~400-500

new seed **hybrids & varieties**
deployed **annually**

>400

hybrids and varieties
launched in **2023**

6

row crops and

>20

fruit and vegetable crops
in our **breeding programs**

CROP PROTECTION LIFE-CYCLE MANAGEMENT

~90-100

new **formulations** to
launch in the next decade

>190

crop protection
registrations in **2023**

6

formulation
launches in **2023**





Blockbuster Technologies for System Solutions Advancing

Ten Blockbuster Product Launches Anticipated in Next Decade; Five Advanced in 2023

PREC/EON™
SMART CORN SYSTEM

Preceon Smart Corn <7ft Traditional Corn 9-12ft

Phase IV ★
Biotech Trait *in collaboration with* **BASF**
We create chemistry

2024	2027
Breeding: Targeted Commercial Introduction (NA)	Biotech Launch

>€1.5bn Peak Sales Potential¹

HT4
4th Gen Soybean Herbicide Tolerance

IP3
3rd Gen Soybean Insect Protection

Phase IV ★ **Phase IV ★**

2027	2028
launch in NA	launch in LATAM

>€3bn Peak Sales Potential
Including subsequent next generation traits (HT5/IP4)

New Herbicide Molecule

First new mode of action in post emergence weed control in 30 years

Glyphosate Only Mix Partner + new Herbicide


Phase III

2028
launch

>€750m Peak Sales Potential



2024 Guidance and our Mid-Term Ambition Through 2026

	2023 In €bn	2024e at constant FX ¹
Net Sales	23.2	-1% to 3% ²
Core	20.3	1 to 4%
Glyphosate	2.9	-12% to -8% ³
<hr/>		
EBITDA margin <small>(before special items)</small>	21.7%	20% to 22%²
<hr/>		
Innovation		



Mid-Term

Outgrow market in Core business⁴:

- // Annual industry-leading seed germplasm refresh
- // Crop protection life cycle management
- // Crop protection volume recovery

Improve profitability:

- // DSO personnel related savings and efficiencies
- // CP raw material cost reduction and supply chain optimization
- // Pricing to value for physical and digital innovation

Extend innovation leadership

- // Sustain annual portfolio refresh
- // Advance pipeline to enable ten blockbuster launches in ten years
- // Invest in adjacent spaces and new markets

Core = Crop Science business excl. glyphosate-based herbicides

¹ Reflects our 2024 guidance at the average actual currencies for 2023; ² Estimated 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); ⁴ On a currency and portfolio adjusted basis



Delivering Regenerative Ag Solutions to Outperform the Market

> Vision to effectively **scale regenerative ag** and **expand market opportunity**

> **Established leader** growing core business across all regions

> **Renewed operational excellence** fueled by dynamic shared ownership

> **Industry leading pipeline** to widen competitive position

> **Attractive growth, profitability** and **cash generation** profile





Appendix



Crop Science: Seed & Traits and Digital R&D Pipeline

(Annual Update March 2024)

~€21bn
PSP

	Phase I	Phase II	Phase III	Phase IV	PSP
CORN SEED & TRAIT	Corn Disease Shield - NA	Corn LEP5 2nd Generation Seed Density Digital Tool - NA	Corn HT5 2nd Gen Seed Density Digital Tool – EMEA 2nd Gen Seed Density Digital Tool – LATAM	PRECEON Smart Corn - Breeding PRECEON Smart Corn – Biotech Trait ² Corn LEP4 CRW4	~€11bn
	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	
SOYBEAN SEED & TRAIT		Soy IP4 Digital Disease Mgmt. - NA Seed Placement Digital Tool – LATAM	2nd Generation Soy Cyst Nematode resistance Soy HT5 (6 Tolerances – Adds PPO) Seed Placement Digital Tool – NA	Soy IP3 Soy HT4 (5 Tolerances – Adds 2, 4-D and HPPD) Vistive Gold Xtend	~€5bn
	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	
VEGETABLES and OTHER ³ Including Carbon Model	Canola/OSR Digital Disease Mgmt. - NA	Wheat Digital Disease Mgmt. - EMEA Canola HT4	Sugarbeets 2nd Generation Herbicide Tolerance ¹ Cotton HT4 (5 tolerances – Adds 2, HPPD and PPO) Cotton IP4		~€5bn ³
	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	

Breeding
 Trait
 Digital Model

■ advanced to next phase

HT = Herbicide Tolerance
CRW = Corn Rootworm
LEP = Lepidoptera
IP = other Insect Protection

Projects listed here and included in the peak sales potential by segment do not include projects funded by our Leaps by Bayer investments; includes all advancements made in FY'23, updated Mar'24

PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2038 and remainder in 2039+; **Note that products are excluded from the pipeline PSP typically the year following launch**

¹ In collaboration with KWS; ² In collaboration with BASF; ³ "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 March 2024)

~€11bn
PSP

	Phase I	Phase II	Phase III	Phase IV	Life Cycle Management ¹	PSP
HERBICIDES	New AI Development New Herbicide ✓✓✓	New Herbicide ✓	New Herbicide ✓✓✓ New Herbicide ✓ New Herbicide ³ ✓		Non-Selective Glyphosate LCM ✓ Selective Merlin Flexx / Adengo LCM ✓ Balance Flexx LCM ✓ Convintro ✓ New over-the-top herbicide ✓ Council Family ✓ Ronstar One ✓ Mesosulfuron LCM ✓	~€5bn
		New Fungicide ✓ New Fungicide ✓	New Fungicide ³ ✓✓✓		Nativo Plus ✓✓ Delaro Forte ✓	~€3bn
	New Insecticide ✓✓	New Insecticide ✓ New Insecticide ✓		Plenexos ✓✓✓	Vayego Duo ✓ Fluopyram ✓	~€2bn
SEED GROWTH ²			New Seed Treatment ✓	Ibisio ✓	INS FUN ready mixture ✓ Ladoran ✓✓✓ Next gen. Potato Fungicide ✓	

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

¹ 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'23, updated Mar'24; ² SeedGrowth is currently reported within other SBEs; ³ 3rd party collaboration

PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2038 and remainder in 2039+; **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



► Sustainability
Report



► Innovation Summit
June 2023



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



BAYER **PHARMA**

PREPARING FOR LONG-TERM
GROWTH WHILE MANAGING
LOE TRANSITION

Capital Markets Day 2024

STEFAN OELRICH
President Bayer Pharmaceuticals



Bayer Pharma's Strategic Agenda



RENEW TOPLINE



Drive continued sales momentum and realize blockbuster potential of Nubeqa, Kerendia and Eylea 8mg

Maximize the full commercial value of base business, notably Radiology and Women's Health Care

Prepare launch of Elinzanetant and Acoramidis



GROW PIPELINE VALUE



Progress **late-stage pipeline**

Replenish and advance early pipeline with increased contributions from platform companies

New R&D model geared towards focus, quality and productivity



LEVERAGE NEW OPERATING MODEL



Diligently allocate resources towards areas of high impact and value potential

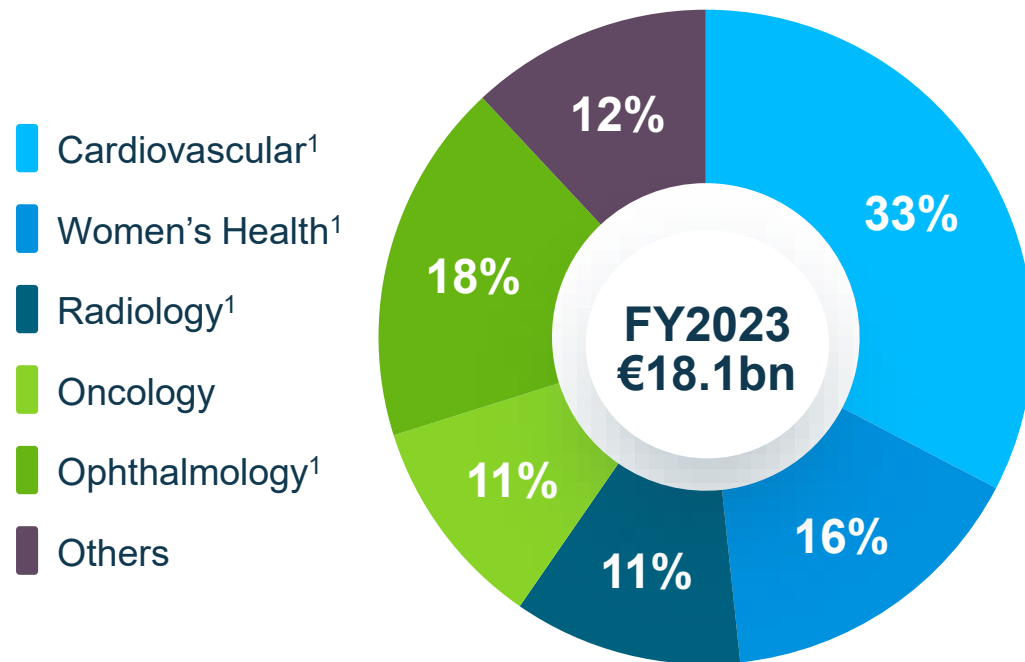
Improve **organizational efficiency and productivity**

Rapidly adopt DSO across division following frontrunner success

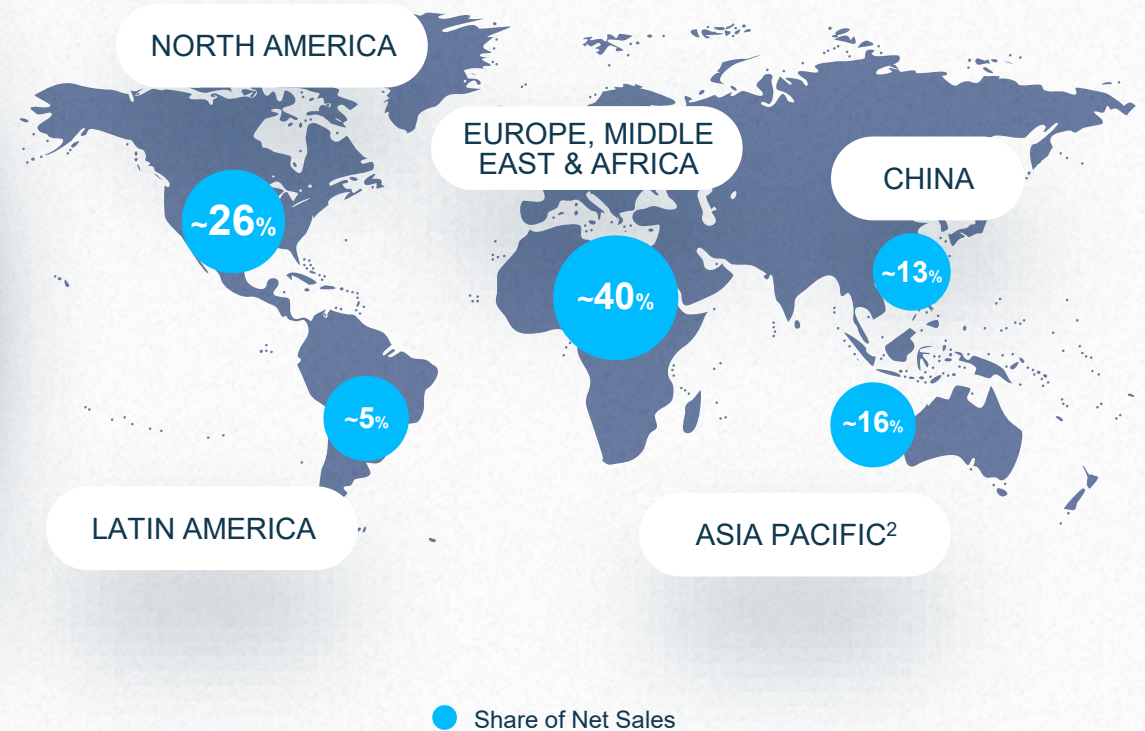


Bayer Pharma Sales Diversified Across Therapeutic Areas and Geographies

SALES BY THERAPEUTIC AREAS



GEOGRAPHIC FOOTPRINT



¹ Strong market positions in the respective indication ² excl. China

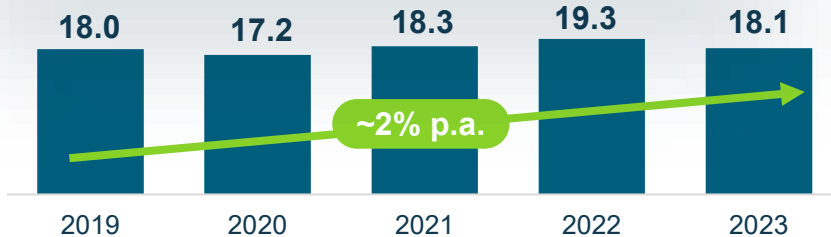


Leading Franchises Providing Sales Growth and Resilience, Margin Profile Impacted by LoE Transition and Strategy Execution

Pharmaceuticals Sales & Profitability

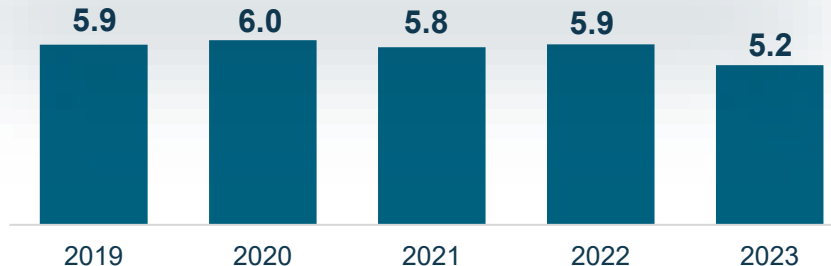
NET SALES (€bn) / cpa CAGR %

yoy cpa% **+5.6** **-1.5%** **+7.4%** **+1.1%** **-0.4%**



EBITDA before special items (€bn) / margin%

EBITDA¹ Margin **32.6%** **34.9%** **31.5%** **30.5%** **28.7%**



¹ before special items

Key Drivers

Growing sales contributions from recently launched Nubeqa and Kerendia

Strong Eylea and Radiology performance balancing increasing headwinds from China VBP program and first LoE's of Xarelto

Revision of R&D model and enhancement of capabilities through acquisitions of platform companies

Continued shift of resources towards R&D and launch brands; U.S. re-entry with R&D and commercial footprint

Tight cost management to fund growth investments while mitigating inflation and margin diluting change in product mix

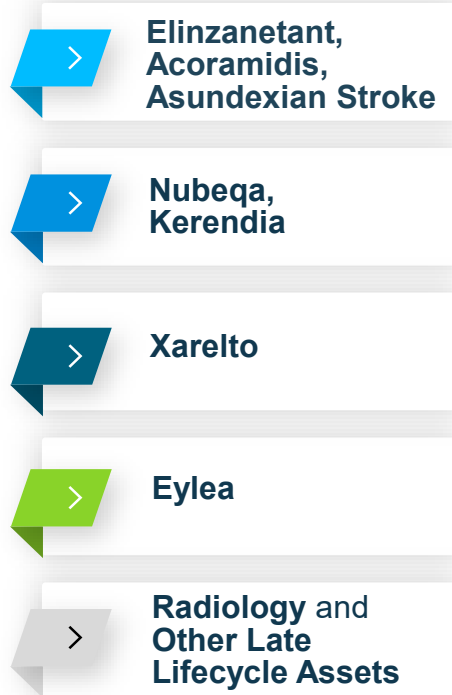


Launch Assets and Late-Stage Pipeline Expected to Largely Offset LoEs on Stable Base Business

illustrative



NET SALES



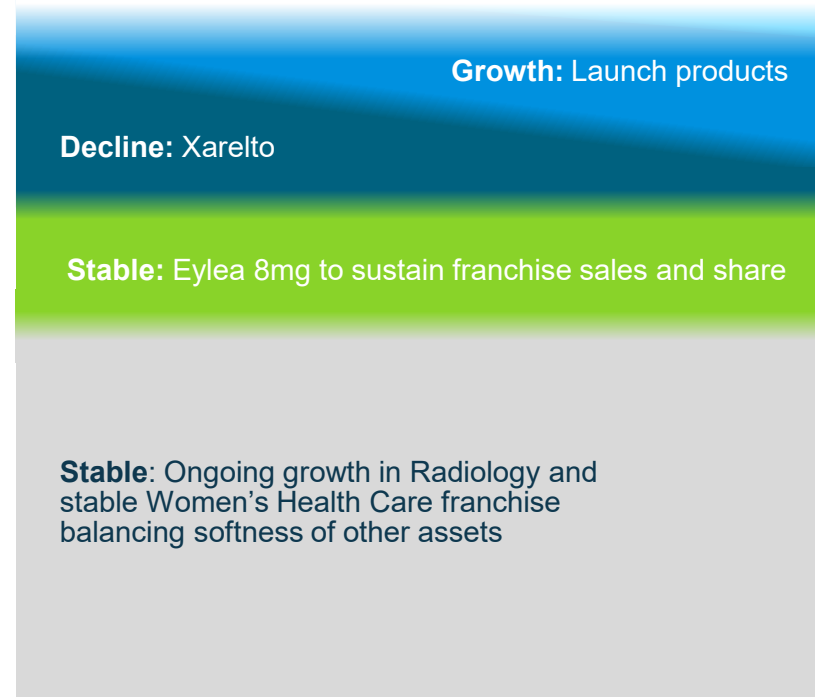
2023

€18.1bn



2024-2026 (cpa)

Elinzanetant, Acoramidis and Asundexian Stroke



>2027

Numerous pipeline assets to potentially fuel long-term growth

Rejuvenated portfolio

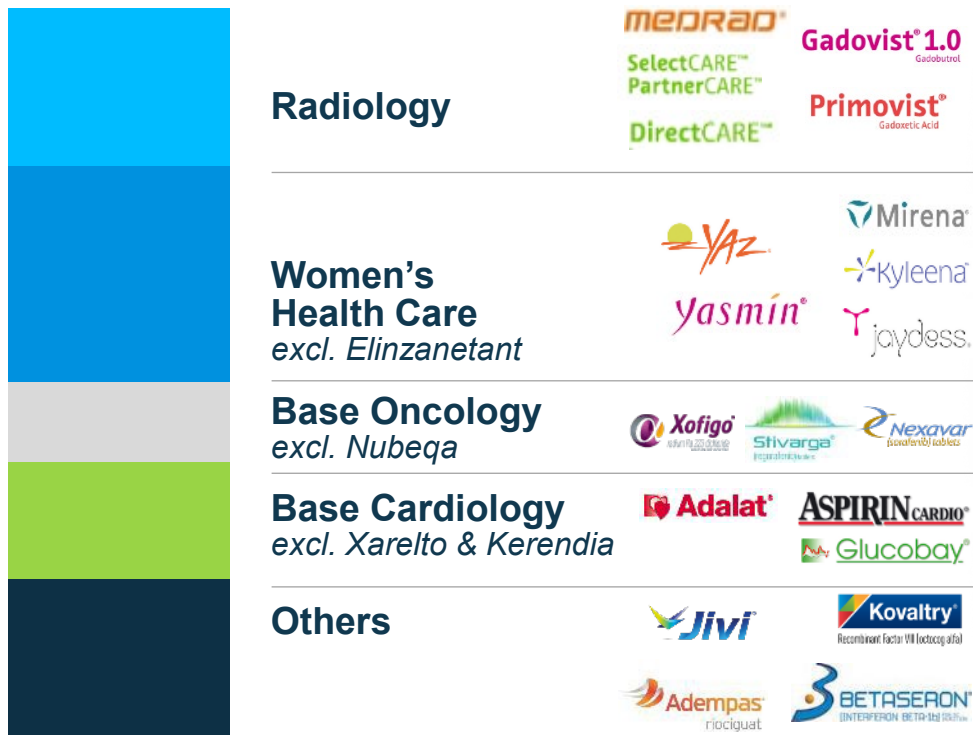
Steady base business



Despite its Maturity, Key Parts of Our Base Business Are Benefitting from Strong Market Positions and Supportive Trends

Bayer Pharma's Base Business

Net Sales 2023
€9.6bn



Short- and Mid-term Drivers

Radiology:

Building on leading positions in contrast media and fluid delivery systems to further expand into AI and digital imaging

Market to grow mid-single digits annually

Women's Health (excl. Elinzanetant):

Stable Business expected, benefiting from global presence and strong market positions

Other Late Lifecycle assets:

China business:

Continued VBP pressure, with Cardioaspirin and Visanne starting to be affected in 2024

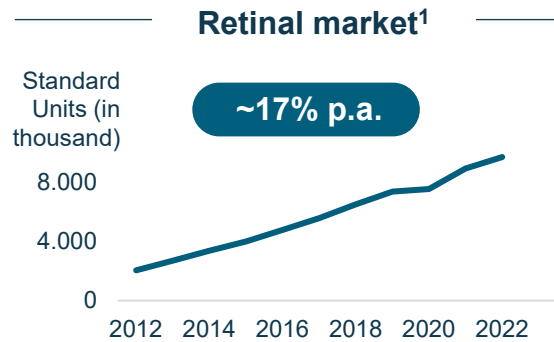
Continued softness of selected mature assets expected

Ongoing growth in Radiology and stable sales contributions from Women's Health balancing softness in remaining portfolio



With Its Unparalleled Clinical Profile, Eylea Positioned to Continue Market Leadership in a Growing Market

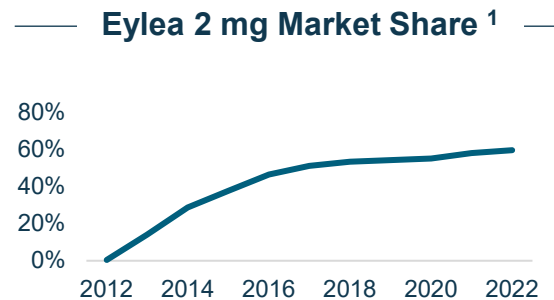
Global Retinal Disease Landscape



Growing ageing population

Rising prevalence of diabetes

Reduction in treatment burden in nAMD and DME remains unmet need – need for longer acting treatments



Eylea 2 mg is the standard of care in retinal diseases

Market leader as the #1 anti-VEGF treatment

Position to Sustain Market Leadership with Eylea 8 mg

Eylea 8 mg: Potential to establish the next **standard in retinal diseases**



// Address unmet need with reduction in treatment burden – **only drug with approved unprecedented treatment interval of up to 5 months²**

// Potential to improve ophthalmology clinic capacities, enabling better care for patients treated for nAMD and DME

Recently approved in e.g. EU, Japan, UK, Canada

Clinical differentiation:

Patient proportion in the Eylea 8 mg q16 groups achieving last assigned intervals ≥ 4 months at 96 week

PULSAR (nAMD)³



53% achieved $\geq q20^5$

PHOTON (DME)⁴



47% achieved $\geq q20^5$

¹ Source: MARS MIDAS – EX US, BAYER panel scope : IQVIA: IQVIA MIDAS® Quarterly for the following countries: Argentina, Australia, Belgium, Brazil, Canada, Czech Republic, Germany, Greece, Italy, Japan, Korea, Rep. Of, Mexico, Poland, PR of China, Russian Fed., Saudi Arabia, Spain, Switzerland, Taiwan, Turkey, United Kingdom, for ATC: S1P0; Volume sales (Standard Units), reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved. Close-up: Chile, Farminform: Netherlands, Insight Helath: Austria, Nordic Pharma Insights: Sweden ² Source: https://www.ema.europa.eu/en/documents/product-information/eylea-epar-product-information_en.pdf ³ Source: <https://www.bayer.com/media/en-us/aflibercept-8-mg-first-to-achieve-sustained-vision-gains-with-more-than-70-of-patients-extended-to-intervals-between-16-and-24-weeks-in-wet-age-related-macular-degeneration-at-two-years/> ⁴ Source: <https://www.bayer.com/media/en-us/aflibercept-8-mg-in-diabetic-macular-edema-first-to-achieve-sustained-vision-gains-with-up-to-83-of-patients-extended-to-16-24-weeks-at-two-years/> ⁵ Randomized to Eylea 8mg q16 groups



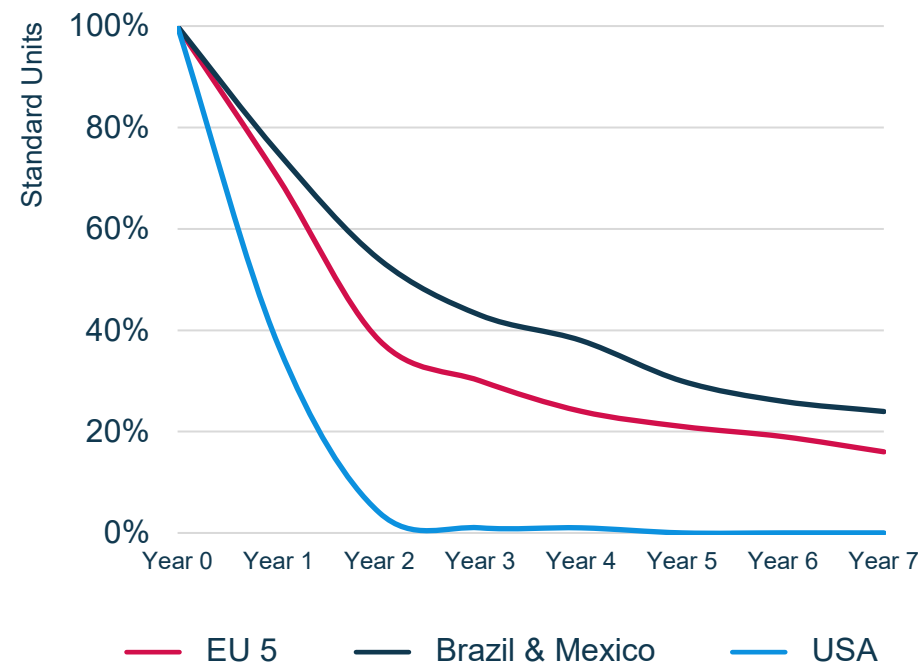
Xarelto to Face Genericization in the Next Three Years Globally

Xarelto's main patent expirations

Countries	% of Total Xarelto Sales ¹	Compound patent expiry	Once-daily patent expiry
China	6%	End 2020	--
Europe ²	60%	April 2024	January 2026
Japan	10%	Mid 2024	--
USA	13%	Beginning of 2025	2027
Others	11%	2020-2024 ³	January 2026 (few markets ⁴)

Historic Genericization Patterns of Small Molecules

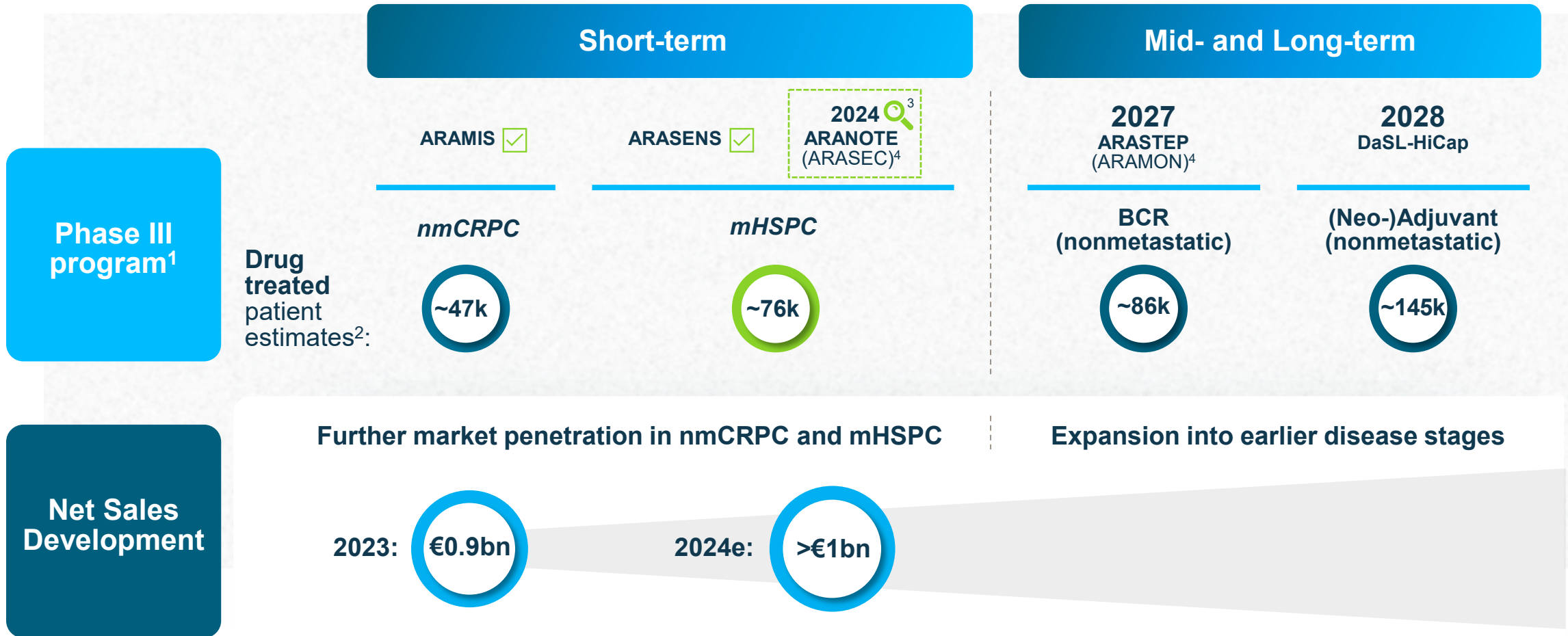
Prior cardiovascular LoE benchmark⁵



¹ Based on 2023 Actual Sales ² OD patent currently being challenged in several European countries ³ In most markets end 2020, longer expiry dates in Brazil (2021), Korea (2021), Mexico (2023), Australia (2023), Malaysia (2024), and others ⁴ Such as e.g. Australia, Indonesia ⁵ Typical cardiovascular brand volume genericization based on the CV brands Crestor™, Lipitor™, Valsartan™, and Plavix™ (atypical curves excluded)



Nubeqa Set for Continued Growth in Prostate Cancer Driven by Market Penetration and Label Expansion



¹ Stated timelines of the Phase III program refer to either launch dates of Nubeqa in this indication (ARAMIS, ARASENS) or estimated primary completion date of the respective study ² 2030 Treated Estimates G7: U.S., EU5, JP
³ Next expected Read-out ⁴ Not label generating; supports ARASTEP/ARANOTE submission



Kerendia With Potential to Become Foundational Treatment for Broad Groups of Patients with Kidney Disease or Heart Failure

Chronic Kidney Disease



Phase III program¹

T2D

FIDELIO-DKD
(2020)



FIGARO-DKD
(2021)



T1D

FINE-ONE
2025

Non-diabetic

FIND-CKD
2026



~ 700m

Patients
with CKD

Heart Failure



Phase III program¹

FINEARTS-HF
2024²



CONFIRMATION-HF
(Combination
with SGLT2i)
2025

REDEFINE-HF
2026

FINALITY-HF
2028



~ 60m

Patients with HF,
thereof 50% with
LVEF ≥40%

LVEF ≥40%

LVEF <40%

Net Sales Development



€270m

2023

Above-market
NBRx growth and
acceleration ex-US

**+160%
yoy**

led by:
1. US
2. China
3. Mexico

~€0.5bn

2024e

Continuous
strong market
penetration US
and ex-US

Development Rationale

**Phase III
data from
FIDELITY³:**

HR = 0.78
(95% CI 0.66-
0.92), $p=0.003$

Risk reduction of first
HF-related hospitalization
vs. placebo



-22%

> **High unmet need,
with only limited effective/
proven treatment options**

> **Potential market
launch: 2026**

Leveraging growing recognition of strong interlink between CKD and HF

¹ Timelines of the Phase III program refer to estimated primary completion dates of the respective study ² Next expected read-out ³ Agarwal et al, *EHJ* 2022, 43 (6), 474–484.



Asundexian is Targeting a High Unmet Need in Secondary Stroke Prevention

Unmet Need

~1 in 4¹

people have a stroke
in their lifetime



Patients
having a
recurrent
stroke within

the first
year²
10%

the first
5 years²
25%



~ 27m

diagnosed
patients per year
in top 8 markets

Mortality rate
increases with each
recurrent stroke²

Recurrence rate of stroke unchanged
over >20 years, despite increased SoC²



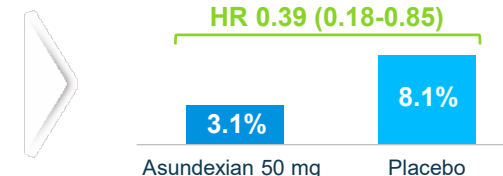
Clinical Rationale and Status of Asundexian

> Rationale

- Genetic correlation between FXIa deficiency and risk of stroke
- Asundexian: once-daily FXIa inhibitor** with proven clinical safety in phase II program PACIFIC

> Phase II Study PACIFIC-STROKE

Efficacy: >60% reduction of stroke and TIA observed in patients with pre-existing atherosclerosis³



Safety: no significant increase of bleeding vs. placebo³

> Phase III OCEANIC-STROKE

- ongoing despite early termination of atrial fibrillation program as etiology and SoC are materially different
- current status: U.S. FDA Fast Track Designation granted, data expected in HY2 2025

¹ Feigin VL et al., *Lancet Neurol.* 2023, 22(12), 1160-1206. 7. Global Stroke Factsheet, *International Journal of Stroke* 2022, 17(1), 18-29 [Accessed: February 2024]. ² Kolmos M et al., *J Stroke Cerebrovasc Dis.* 2021, 30(8), 105935. ³ Shoamanesh A et al., *Lancet* 2022, 400, 997-1007; composite outcome of ischemic stroke and TIA in patients with any atherosclerosis was an exploratory post-hoc analysis



Acoramidis¹ with Competitive Clinical Profile to Treat ATTR-CM, Complementing Our CVD Franchise in Europe

Unmet Need

// ATTR-CM

- // Transthyretin amyloidosis cardiomyopathy, a progressive and fatal disease
- // Causes diastolic dysfunction and heart failure due to deposition of TTR amyloid in the heart



~200k

patients in Europe,
diagnosis rates still in
low teens

// Pathogenic pathway

Native TTR
circulates in
blood as tetramer



Dissociation into
monomers initiates
pathogenesis

4 x



Monomers
aggregate and
cause disease



Acoramidis: stabilizes TTR tetramers, preventing dissociation and halting disease progression

Profile and Deal Rationale of Acoramidis

> Profile

- // Oral TTR stabilizer for patients with ATTR-CM
- // Pivotal Phase III study ATTRIBUTE-CM: significant reduction of hospitalization burden, improved survival and preserved functional capacity and quality of life
- // Competitive efficacy and safety vs. standard of care (tafamidis)

> Rationale

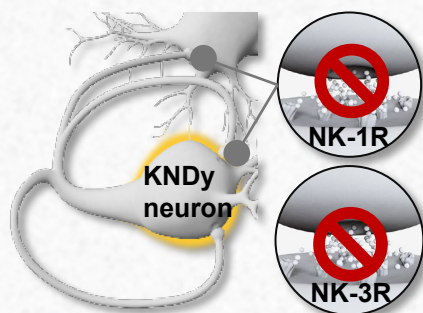
- // Exclusive license to commercialize Acoramidis in Europe
- // High unmet need in an underserved disease, ~17k EU patients treated with tafamidis (~€1bn of annual sales) today
- // Focused market with small, well-defined patient population and specialized centers-of-excellence playing a key role
- // High synergies with Bayer's existing CV infrastructure
- // Filed for regulatory approval in Europe, expected launch in 2025

¹ Acoramidis is an investigational molecule. The safety and efficacy have not been fully evaluated by regulatory authorities.

Elinzanetant Offers a Differentiated Clinical Profile to Treat Symptoms Associated With Menopause

Differentiated Clinical Profile

Elinzanetant Characteristics



Reduced sleep disturbance, hot flashes

- // Non-hormonal, oral, first dual neurokinin-1,3 receptor antagonist – first double mode of action in NK class
- // Studied for the effective reduction of vasomotor symptoms (VMS), and sleep disturbances
- // Reduces the hyperactivity of the KNDy neuronal network involved in thermoregulation
- // Generally well tolerated

Phase III Data



Expected Readout: March 2024

All **primary and key secondary** endpoints met:

- Moderate to severe hot flashes:** Significant reduction of frequency and severity
- Menopause-related sleep and quality of life:** Significant improvements
- Safety profile** consistent with previous published data



Elinzanetant Targeted to Enter Large and Underserved Market in 2025

Market Opportunity

Unmet need

Women who experience¹:

Hot flashes:

~4 in 5



Sleep disturbance:

~3 in 5



~ 1.3m

women per year entering menopause transition in US²

2/3

of women not choosing / not eligible for hormone therapy³

Well positioned for a successful launch

1st

non-hormonal, oral NK1,3-receptor antagonist



Differentiated clinical profile



#1

in Women's Health globally with ~30% of sales in US

Bayer Global Leader in Women's Health⁴



~€3bn
net sales



>60m
patients served



100.000
OB/Gyn reached

Strong foundation in Women's Healthcare for 100 years

Offering best in class solutions for women across all stages of their lives

Trusted relationships with patients and customers

Established strong commercial footprint, particularly in the U.S. as single biggest country

¹ Source: Market Research - IPSOS - Global VMS Women Segmentation ² Source: NIH. <https://www.ncbi.nlm.nih.gov/books/NBK507826> ³ Source: Project Heat Market Research, 2018 SHA VMS Prescriber analysis ⁴ IQVIA Feb 2023, Rx market comprising contraception, menopause management & gynecological therapies



New Innovation Model to Rapidly Rebuild Pipeline

High Level of Focus, Quality and Productivity

Focus



Narrowed research focus from eight to four core therapeutic areas

Quality



Rigorous application of selection criteria have let to a more streamlined and differentiated pipeline

Capabilities



Biotech-like R&D operating system with a mix of innovative and diverse therapeutic modality platforms

Productivity



Shift to value creation, product-centric operating model, leaner governance with renewed leadership team



Focus: Zeroing in on High Unmet Need With Great Value Potential

Four Therapeutic Areas in R&D



Research focus in four areas



> Oncology



> Cardiovascular+¹



> Neurology &
Rare Diseases



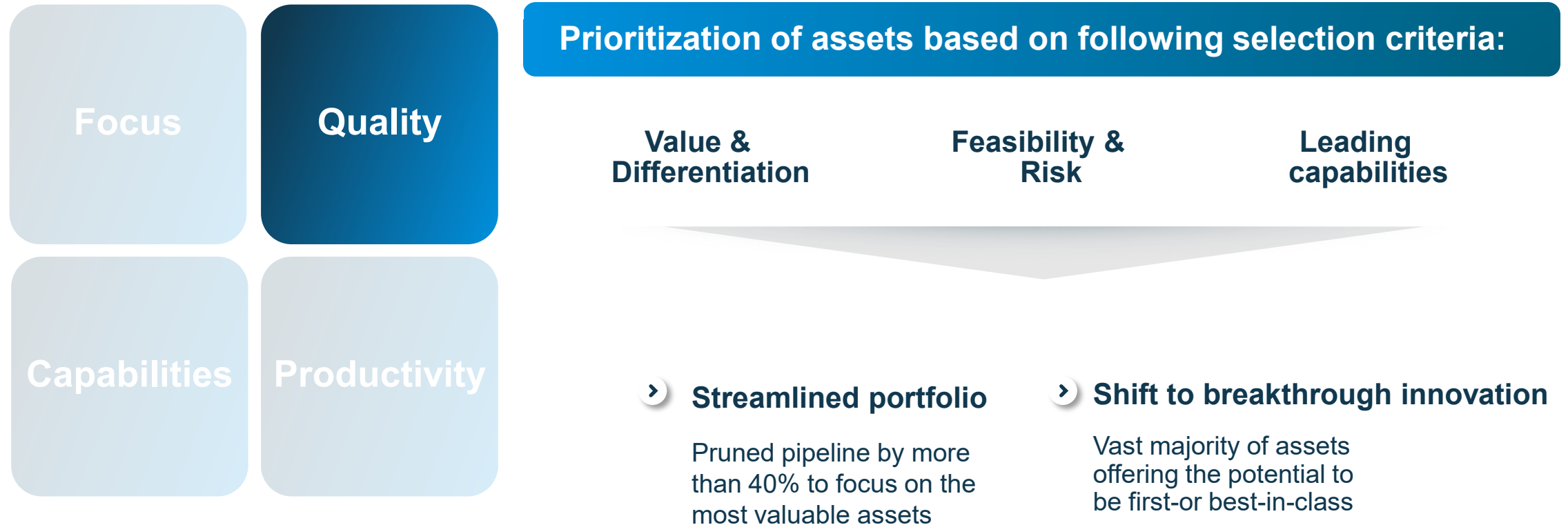
> Immunology

¹Including Precision Cardiovascular, Nephrology & Acute Care



Quality: Pursuing Leading Innovation Across all Focus Areas

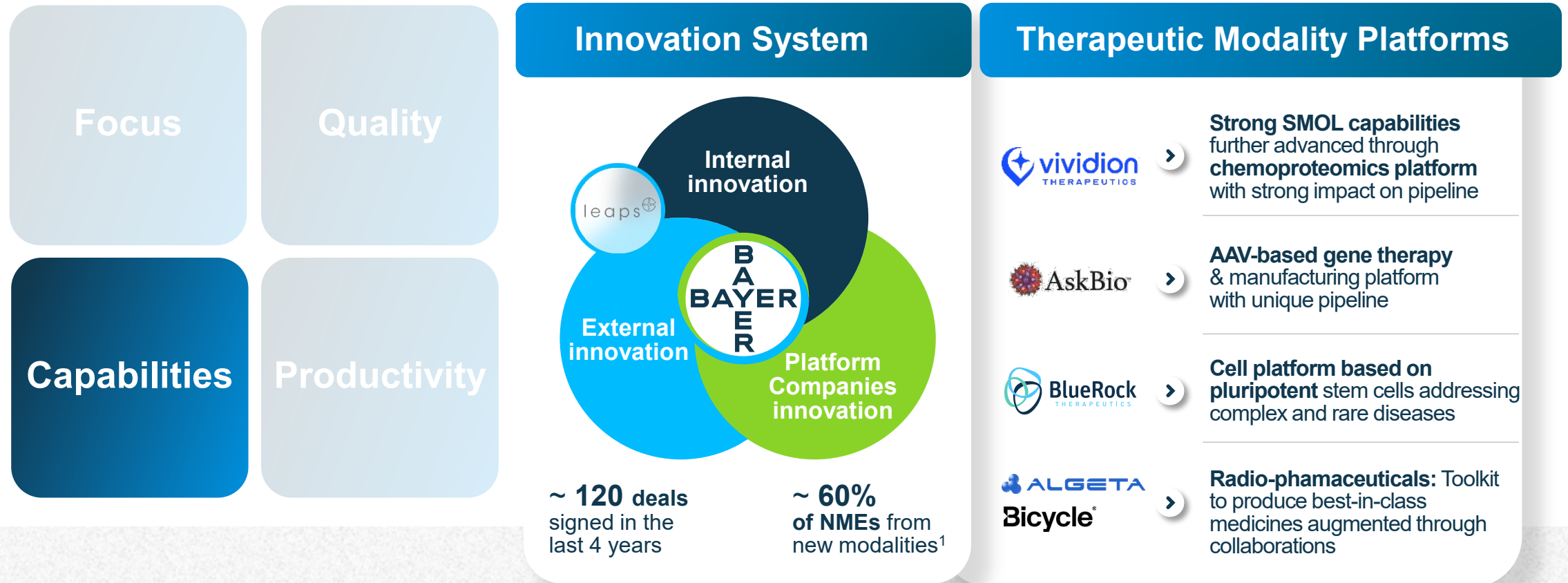
Revised Target-Product-Profile of Our Assets





Capabilities: Established Toolbox of Leading Modalities

Access to Leading Therapeutic Technology Platforms Through Acquisitions and Collaborations



¹ Portfolio February 2024: ~40% of SMOLs (in Phase I) vs Portfolio 2021: >80% of SMOLs (in Phase I)



Productivity: Reaching Higher, Sustainable Level of Output

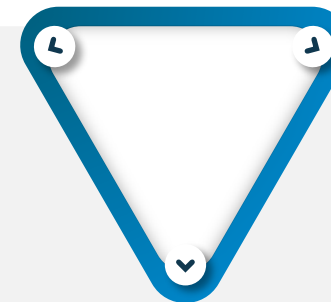
Achieve More and Better Solutions for Patients in a Time- and Cost-efficient Manner



- // Align target-disease link with unmet need and optimal therapeutic modality
- // Early de-risking of assets by strengthening relevant capabilities (e.g. human disease understanding, biomarkers, data science, digital capabilities)
- // Decrease in cycle times from IND to launch through tailored development approaches, removing stifling administration and by streamlining processes
- // Shift to a product-centric operating model to foster innovation, agility and collaboration

Generation of highly innovative INDs

Rapid progress of high-value assets



Sustainable R&D Impact



Replenishment of Early Pipeline in Full Swing; Numerous First-In-Class Pipeline Candidates to Potentially Transition into Phase II/III

Feeding from research into phase I

Advancing higher number of INDs into Phase I

Selected examples:

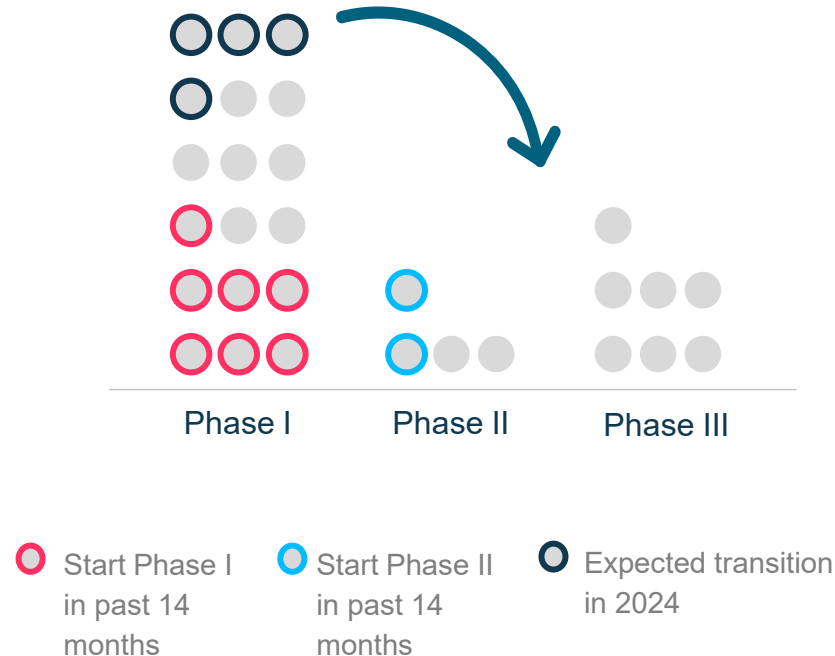
> **VVD Keap1 Act (advanced solid tumors)**
Demonstrating POC of Vividion's chemoproteomics platform

> **PSMA-TAC Cancer (advanced prostate cancer)**
FIC/BIC opportunity in targeted radiotherapies

> **VVD Stat3 Inhibitor (solid and heme cancers)**
Second asset from Vividion entering the clinic



Pipeline assets¹



Rejuvenate mid- / late-stage pipeline with several high-value assets

Actual / expected transitions to mid- and late-stage pipeline in 2024:

Selected examples:

Phase II **Bemdaneprocel (Parkinson's Disease)**
PSC-derived dopaminergic cell therapy; FIC potential

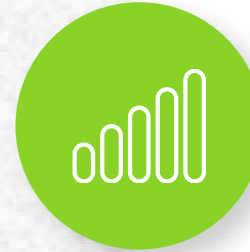
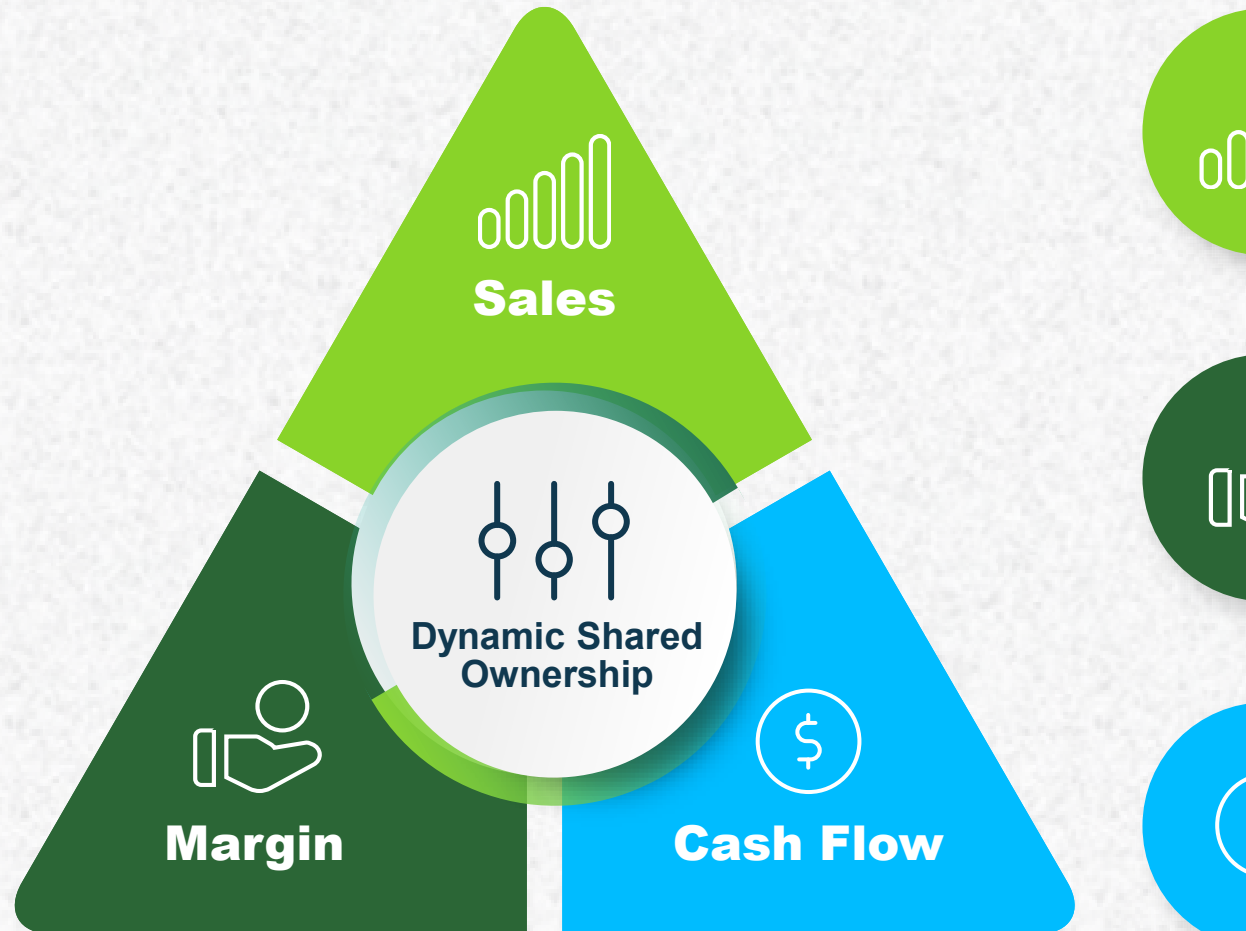
Phase II **Anti-Alpha2-Antiplasmin mAB (Ischemic Stroke)**
Effective thrombolytic with no increase in bleeding risk; FIC potential

Phase III **HER2/mEGFR Inhibitor (Lung Cancer)**
Targeting underserved NSCLC mutations; BIC potential

¹ Pipeline status as of Feb 20, 2024; excluding future external / inorganic projects



Leveraging DSO to Enhance Productivity and Speed While Managing LoE Transition



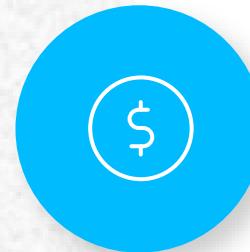
SALES

Launch products should largely balance LoE's near- and mid-term - business to return to growth thereafter



MARGIN

Drive productivity gains across whole value chain to support margins amid continued growth investments



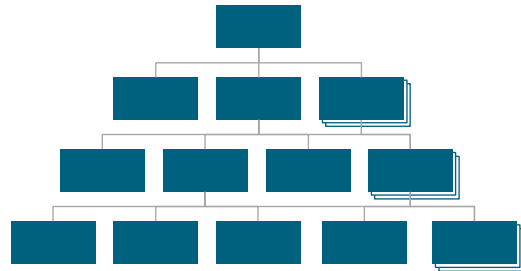
CASH

Focus on trade working capital optimization and stringent CapEx prioritization

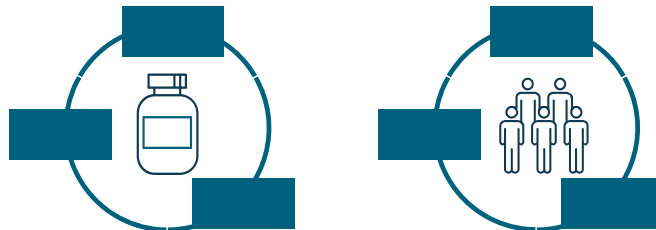
DSO Will Drive Speed and Productivity Enhancing Innovation and Growth

New Operating Model

FROM: Traditional hierarchic, org focus...



TO: ... mission-centric, value-focused operating model



Organization revolves around **customers and products** instead of functions

Teams to utilize **most appropriate functional expertise** when needed

Small clusters to operate with **speed and efficient decision-making**

Benefits

- // Customer centricity
- // Product fit set up
- // Faster decision-making
- // Enhanced resource allocation
- // Cost savings potential
- // Improved long-term returns



First Successes of Frontrunner Teams Demonstrate Huge Potential Across the Value Chain

Product Supply Inventory Management

Set-up of cross-functional team to redefine **collaboration with external suppliers**

Potential to shorten throughput time by up to **90% - from 30 days** to mere single day

Enhancing supply flexibility for our patients and **improved financial performance in terms of cash and costs**



US Commercial Team

Broke down franchise and functional silos to **create customer and product squads**

Squads are largely autonomous, cross-functional, entrepreneurial units with financial accountability

Flattened organization, e.g. **40% less managers**



R&D

Supply

Commercial

Regions

Early Clinical Development Oncology

Focusing on **patient centered drug development** across all modalities and biologics

Potential to accelerate clinical development with **rapid learning cycles** to explore ideas and assess progress every 90 days

Increases **quality and speed of decision-making**



Eylea Global Brand Team

Set-up of small, mission-focused teams, empowered to **make decisions at the lowest level possible**

Increased agility and ability to address critical tasks much faster than in the previous set-up, e.g. achieving fast approval of Eylea 8mg





2024 Guidance and our Mid-Term Ambition Through 2026



2023

2024e
at constant FX¹

Net Sales €18.1bn **-4% to 0%**²

EBITDA margin
(before special items) 28.7% **26% to 29%**²

Innovation



Mid-Term

Support topline resilience during LoE's of major products:

- // Drive further launch uptake of Nubeqa and Kerendia
- // Launch of Eylea 8mg, Elinzanetant and Acoramidis
- // Maximize the full commercial value of base business

Drive productivity gains to support margins:

- // Continue tight cost management to fund growth investments while mitigating inflation and margin diluting change in product mix
- // Improve organizational efficiency and productivity through DSO implementation

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

- // Sustainable generation of highly innovative INDs
- // Rapid progress of high-value assets

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



Preparing for Long-term Growth While Managing LoE Transition

- > Three strategic priorities:
Renew topline – grow pipeline value – leverage new operating model
- > Launch products should largely balance LoE's near- and mid-term, business expected to return to topline growth thereafter.
- > Our advanced R&D capabilities and priorities will continue to shape a pipeline of higher quality and differentiated assets.
- > Rapid rebuild of healthy early-/mid-stage pipeline is in full swing, three high potential products could enter market in 2025/2026.
- > Productivity gains across the whole value chain will support margins amid continued growth investments.





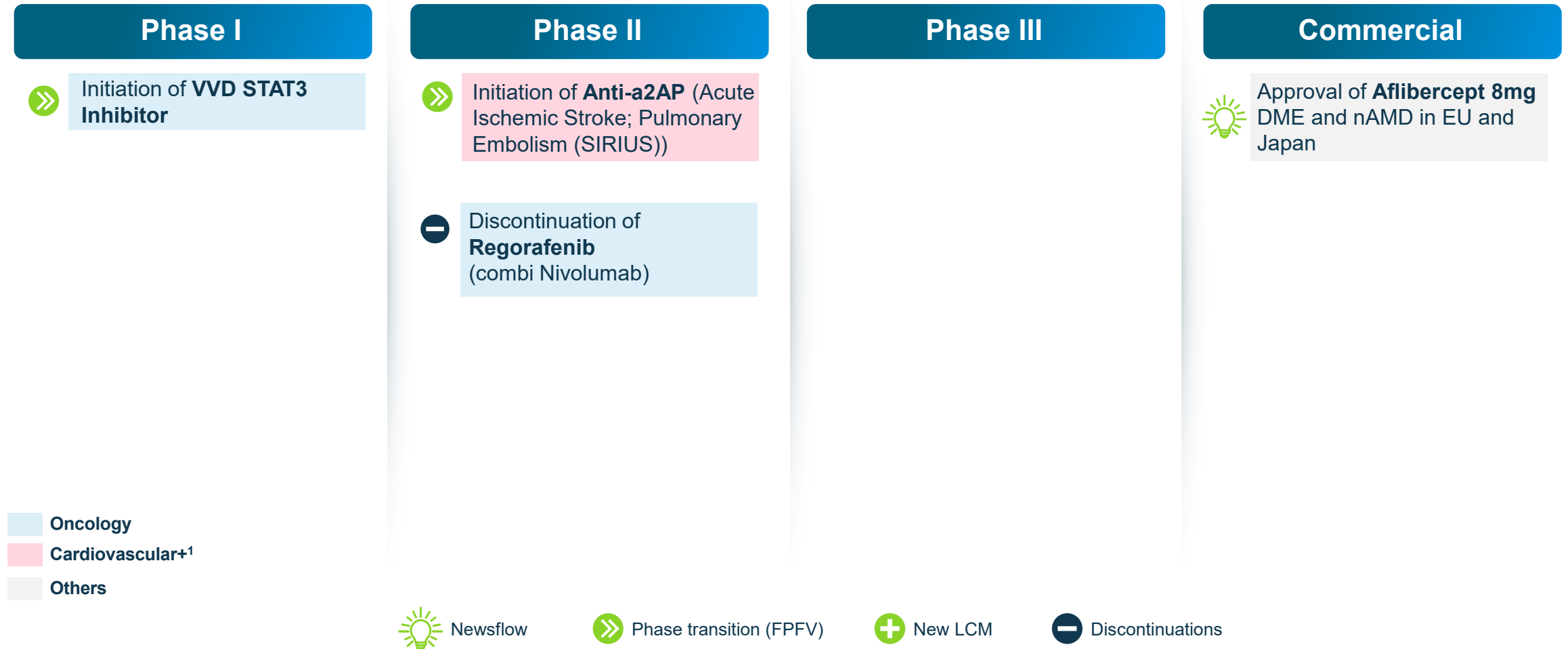
APPENDIX

01































































Pharmaceuticals: R&D Developments (since last update on December 19, 2023)












¹ Including Precision Cardiovascular, Nephrology & Acute Care



Pharmaceuticals – Pipeline Overview¹ (as of Feb 20, 2024)

Phase I	Phase II	Phase III
HER2/mEGFR Inhibitor (BAY 2927088)  	Congestive Heart Failure rAAV Gene Therapy (AB-1002)   // Congestive Heart Failure (GenePHIT)	Darolutamide (AR Inhibitor)   // Prostate Cancer (mHSPC) (ARANOTE) // Adjuvant Prostate Cancer (DASL-HiCaP) // Prostate Cancer with Biochemical Recurrence after Curative Radiotherapy (ARASTEP)
DGKzeta Inhibitor (BAY 2965501)  	Anti-a2AP (BAY 3018250)   // Acute Ischemic Stroke; Pulmonary Embolism (SIRIUS)	Finerenone (MR Antagonist)   // Heart Failure (HFmr/pEF) (FINEARTS-HF) // Non-diabetic CKD (FIND-CKD)
CCR8 Ab (BAY 3375968)  	Zabedoseritib (IRAK4 Inh.) (BAY 1834845)   // Atopic Dermatitis (DAMASK)	Vericiguat (sGC Stimulator)   // Heart Failure (HFrEF) (VICTOR ²)
VVD KEAP1 Act (VVD-130037 aka NRF2 Inh, BAY 3605349)  	Runcaciguat (sGC Activator) (BAY 1101042)   // Non-prolif. Diabetic Retinopathy (NPDR) (NEON-NPDR)	Asundexian (FX1a Inhibitor)   // 2 ^o Stroke Prevention (OCEANIC-STROKE)
DGKalpha Inh (BAY 2862789)  		Elinzanetant (Neurokinin-1,3 Rec Antagonist)   // Vasomotor Symptoms (OASIS)
PSMA TAC (BAY 3546828)  		Aflibercept 8mg (VEGF Inhibitor)   // Retinal Vein Occlusion (QUASAR)
VVD STAT3 Inhibitor (VVD-130850, BAY 3630914)  		Gadoquatrane (High Relaxivity Contrast Agent)   // Magnetic Resonance Imaging (QUANTI-CNS, QUANTI-OB ² R)
sGC Activator Oral (BAY 3283142)  		
SEMA 3a (BAY 3401016)  		
Anti-coagulant (BAY 3389934)  		
Bemdaneprocel (Parkinson's Disease Cell Therapy) (BRT-DA01)  		
Parkinson's Disease rAAV Gene Therapy (AB-1005 aka AAV2-GDNF-PD)  		
Multiple System Atrophy rAAV Gene Therapy (AB-1005 aka AAV2-GDNF-MSA)  		
Pompe Disease rAAV Gene Therapy (ACTUS-101)  		
Huntington's Disease rAAV Gene Therapy (AB-1001 aka BV-101)  		
LGMD2I/R9 rAAV Gene Therapy (AB-1003 aka LION-101)  		
GPR84 Antagonist (BAY 3178275)  		
BAY 2701250  		

Submissions
Aflibercept 8mg (VEGF-Inhibitor)  
// CN: Neovasc. Age-rel. Macular Degen. (nAMD)

 Oncology
 Cardiovascular+³
 Neurology & Rare Diseases
 Immunology
 Others
 New molecular entity
 Life cycle management

Full pipeline package available for download under:

<https://www.bayer.com/en/pharma/development-pipeline>

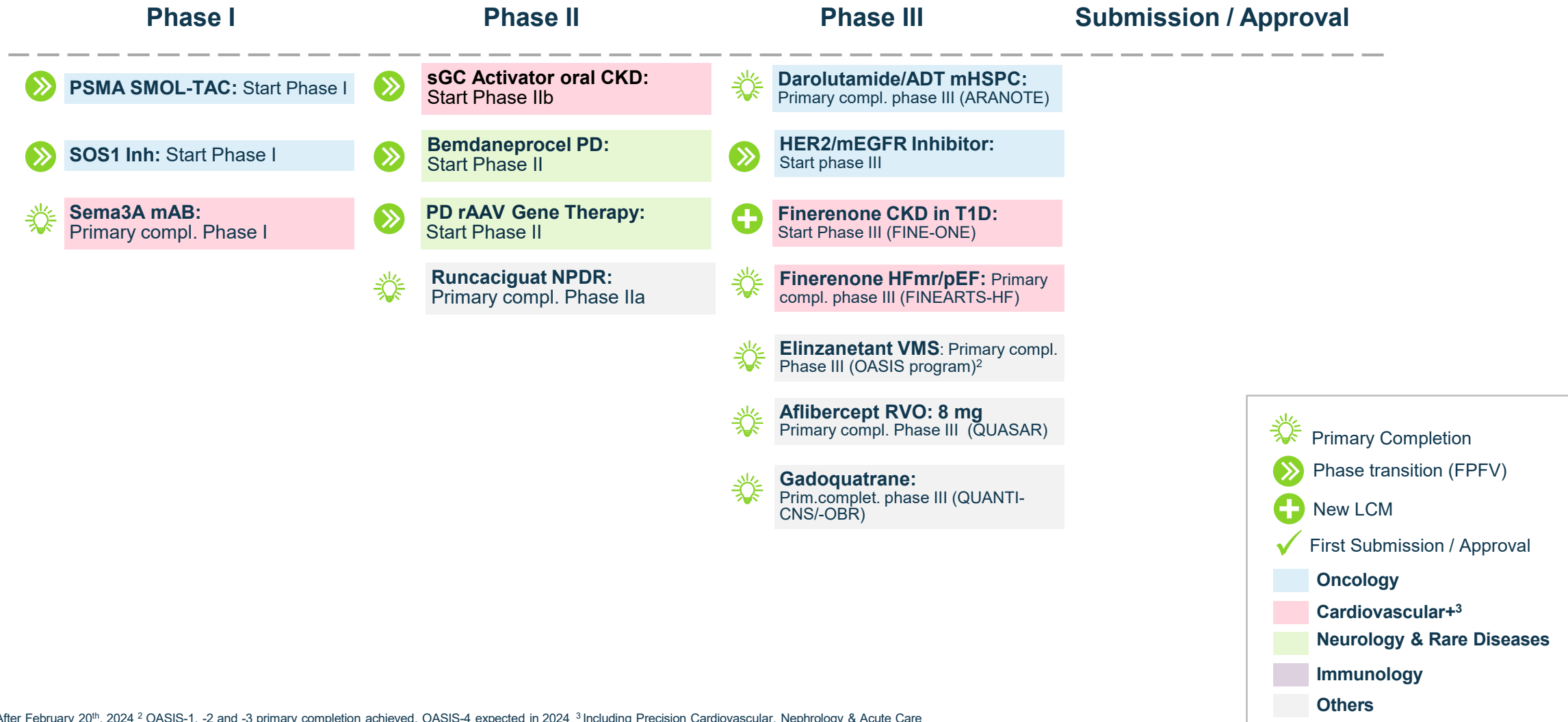
¹ Bayer and partner sponsored + 3rd party label enabling studies with first patient first visit

² Conducted by Merck & Co ³ Including Precision Cardiovascular, Nephrology & Acute Care

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Major R&D Milestones Expected in 2024






¹ After February 20th, 2024 ² OASIS-1, -2 and -3 primary completion achieved, OASIS-4 expected in 2024 ³ Including Precision Cardiovascular, Nephrology & Acute Care



Numerous First-In-Class Pipeline Candidates to Potentially Transition Into Mid- And Late-Stage Soon

Selected Assets with Expected Upcoming Phase Transition

Potential Launch between 2028-2032	Program (Indication)	Current Phase
 Cardiovascular+ including Precision CV, Nephrology & Acute Care	sGC Activator Oral (Chronic Kidney Disease) FIC/BIC	Phase I
	Runcaciguat (NDPR) FIC/BIC	Phase II
 Oncology	mEGFR/HER2i (Lung Cancer) FDA breakthrough therapy designation, BIC	Phase I
 Neurology & Rare Diseases	Bemdaneprocel (Parkinson's) FDA fast track, FIC/BIC	Phase I
	Parkinson's Disease rAAV Gene Therapy (Parkinson's) FIC/BIC	Phase I



Abbreviations (1/2)

AE	Adverse events	EU	European Union
AI	Artificial intelligence	EU5	France, Germany, Italy, Spain, United Kingdom
AAV	Adeno-associated virus	Excl.	Excluding
ATTR-CM	Transthyretin amyloidosis cardiomyopathy	FDA	U.S. Food and drug administration
BCR	Biochemical recurrence	FIC	First-in-class
BIC	Best-in-class	FPFV	First patient first visit
bn	billion	FX	Foreign Exchange
CAGR	Compound Annual Growth Rate	FY	Full Year
CV	Cardiovascular	Gyn	Gynecologist
CVD	Cardiovascular diseases	HF	Heart failure
CI	Confidence interval	HR	Hazard ratio
CKD	Chronic kidney disease	HY1 / HY2	Half year 1 / Half year 2
cpa	Currency and portfolio adjusted	IND	Investigational New Drug
DME	Diabetic macular edema	J	Japan
DSO	Dynamic shared ownership	k	thousands
EBITDA	Earnings before interest, tax, depreciation, and amortization	LCM	Life cycle management
e.g.	Exempli gratia (for example)	LoE	Loss of exclusivity
EMEA	Europe, Middle East, and Africa	LVEF	Left ventricular ejection fraction



Abbreviations (2/2)

m	million	T1D	Type 1 diabetes mellitus
mg	milligram	T2D	Type 2 diabetes mellitus
mHSPC	Metastatic hormone sensitive prostate cancer	TIA	Transient ischemic attack
nAMD	Neovascular age-related macular degeneration	TTR	Transthyretin
NBRx	New-to-brand prescriptions	Tx	Therapeutics
nmCRPC	Non-metastatic castration resistant prostate cancer	UACR	Urine albumin-to-creatinine ratio
NME	New molecular entity	UK	United Kingdom
NSCLC	Non-small cell lung cancer	U.S.	United States of America
OB	Obstetricians	VBP	Volume based procurement
OPEX	Operating expenses	VMS	Vasomotor symptoms
p	Probability	vs	versus
p.a.	Per annum	yoy	Year-over-year
POC	Proof of concept		
PSC	Pluripotent stem cells		
PTS	Probability of technical success		
R&D	Research & Development		
SGLT2i	Sodium-glucose Cotransporter 2 Inhibitors		
SoC	Standard of Care		



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

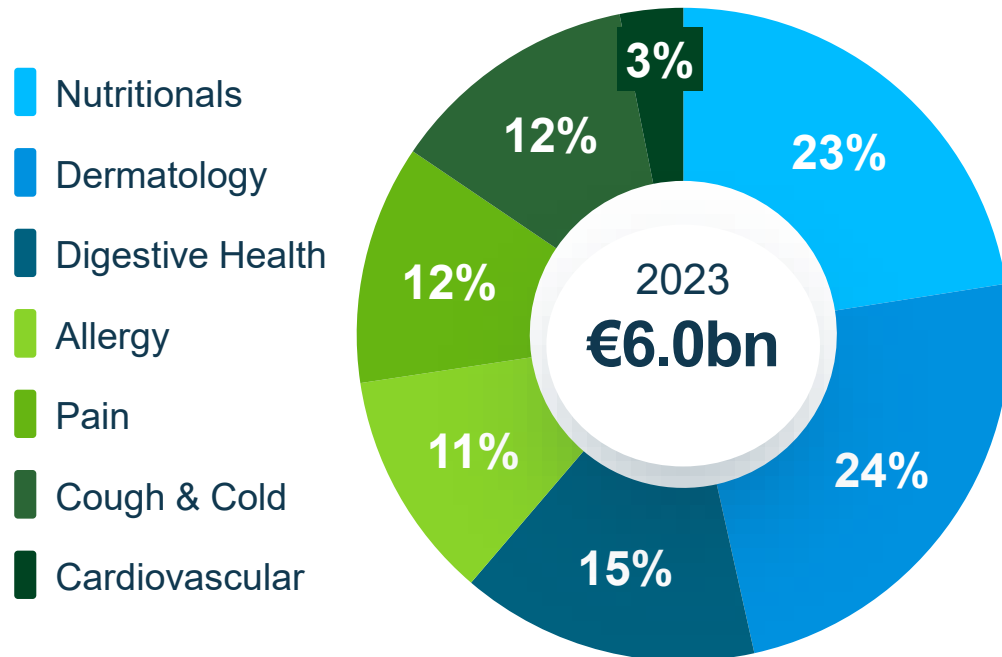


Ageing population &
growing middle class

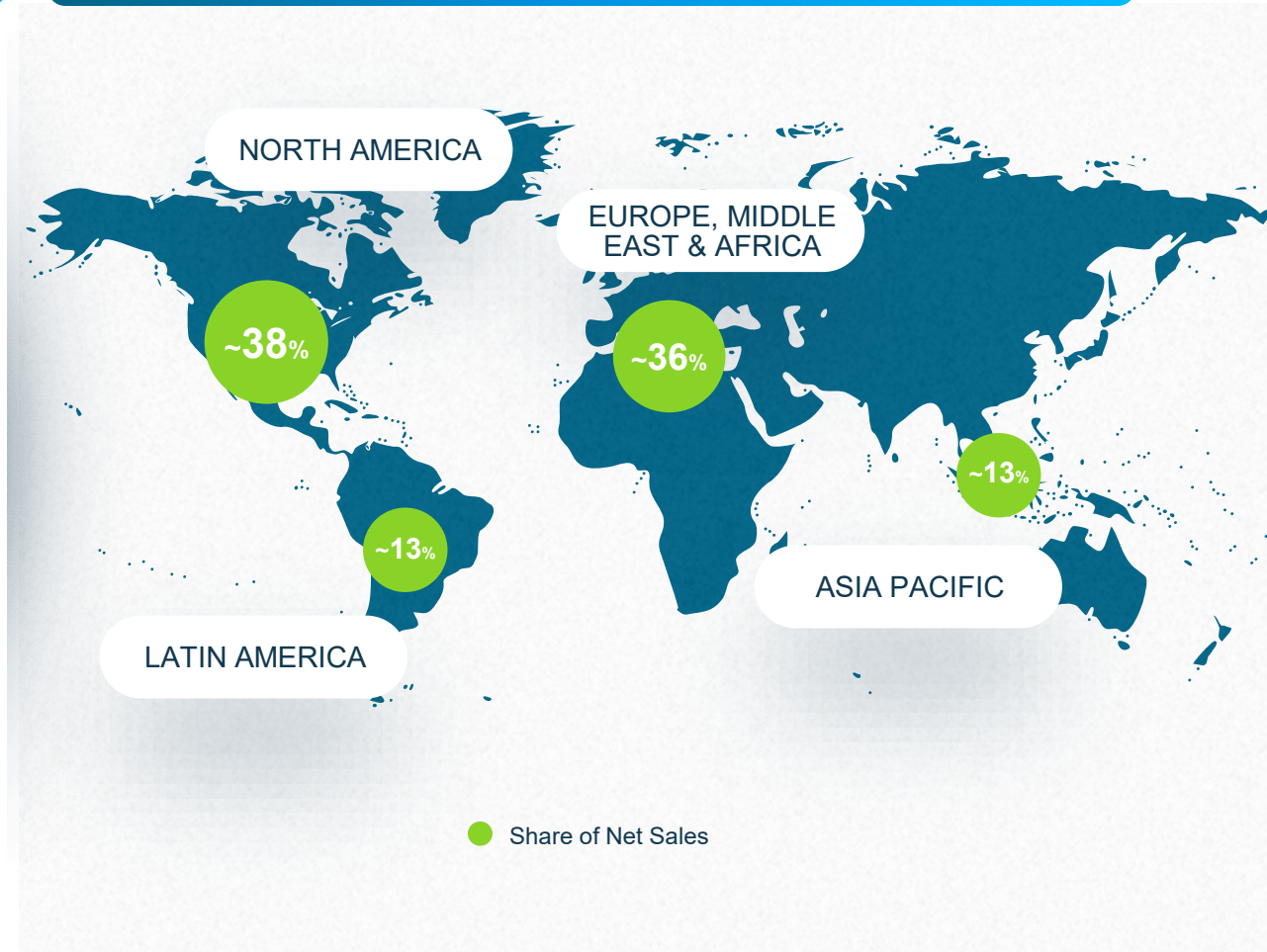


A Leading Player With a Well-Balanced Core Consumer Health Portfolio

CATEGORY PORTFOLIO



GEOGRAPHIC FOOTPRINT



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®
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

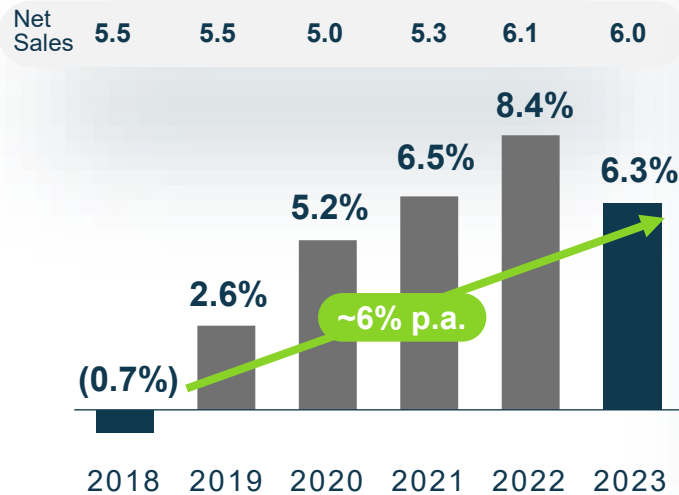
ONE A DAY®

#1 Multivitamins NA

Consistent Track Record in Delivering Profitable Growth and Cash

GROWTH ACCELERATED ABOVE MARKET

NET SALES €bn / GROWTH %¹

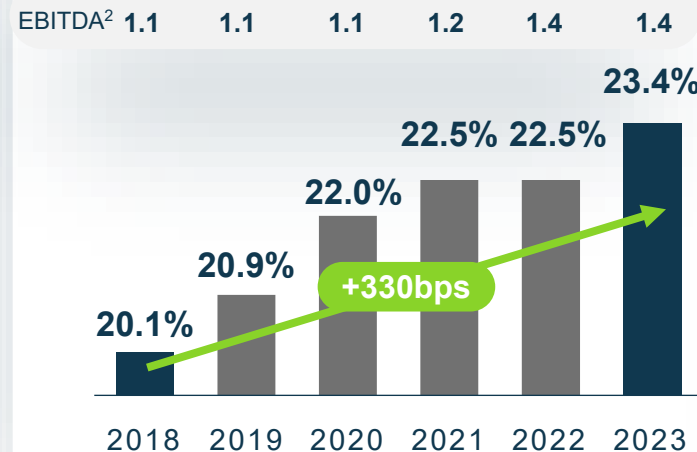


Outperformed vs. CH peer growth

Exceeded 3-5% p.a. growth guidance

CONSTANT MARGIN EXPANSION DESPITE INFLATION

EBITDA² €bn / AS % OF NET SALES

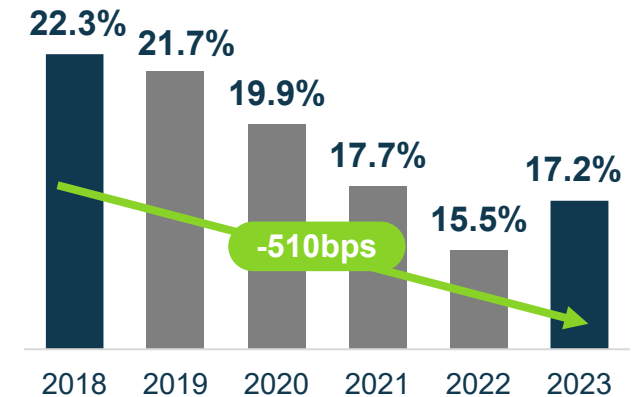


Productivity program > Inflation

Committed “mid-20s” margin in reach

IMPROVED CASH CONVERSION DRIVEN BY LOWER WSR

WORKING CAPITAL AS % OF NET SALES³



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



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

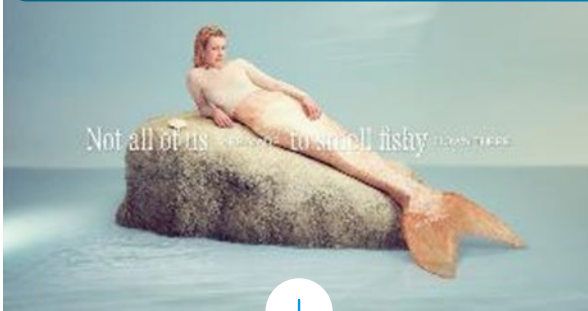
Digital Therapeutics

Innovation pipeline value increased by 82% to €1bn¹

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

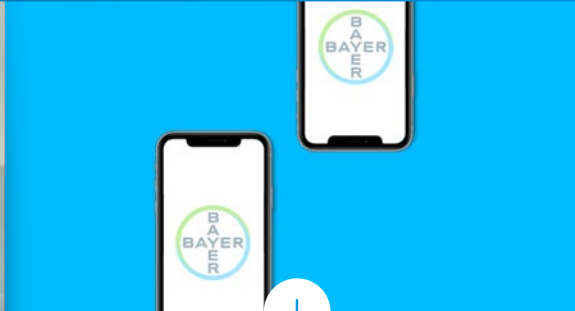


Best-in-class creativity

Top-tier content quality
score (84% in 2023)

External recognition
(11 awards, 3 Cannes Lions¹)

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

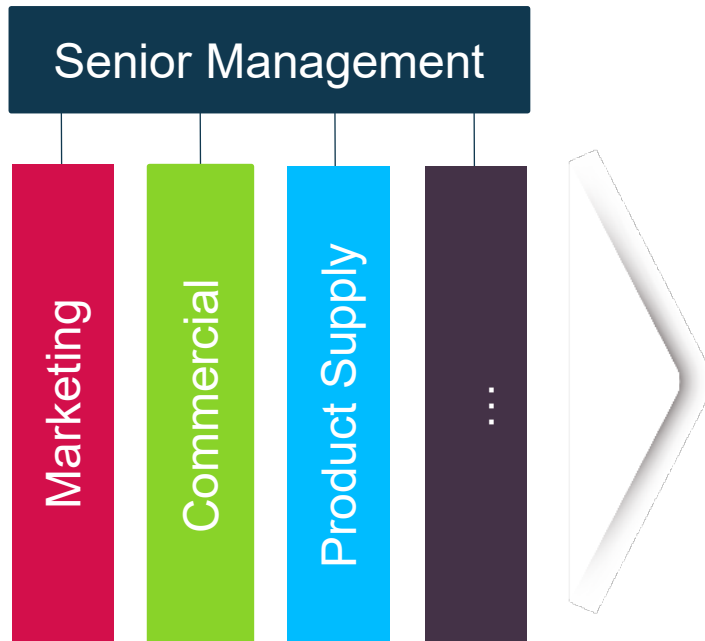
HCP engagement

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

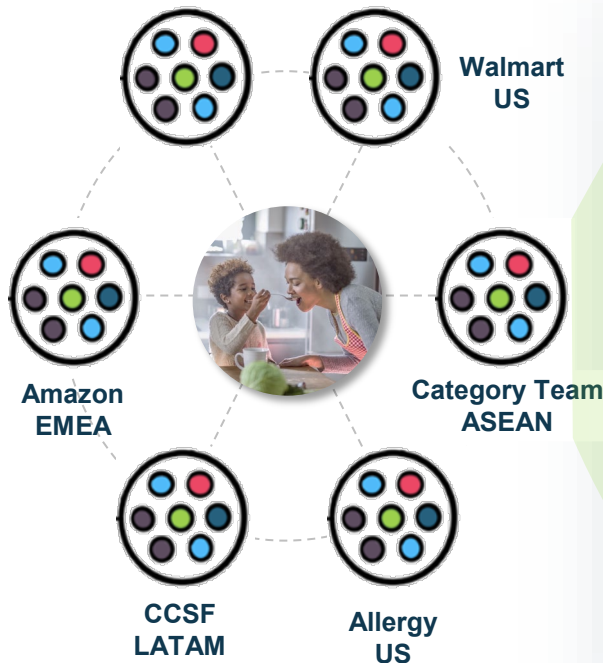
Agile and Focused Organization with Dynamic Shared Ownership

FROM —————> TO

Functional Orientation



Consumer & Customer Centric Teams



Value creation through speed & simplification

ASEAN Dermatology & Allergy Impact



+ 30% Net Sales from 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



NUTRITION



CARDIO



PAIN



Path to Climate Neutrality

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

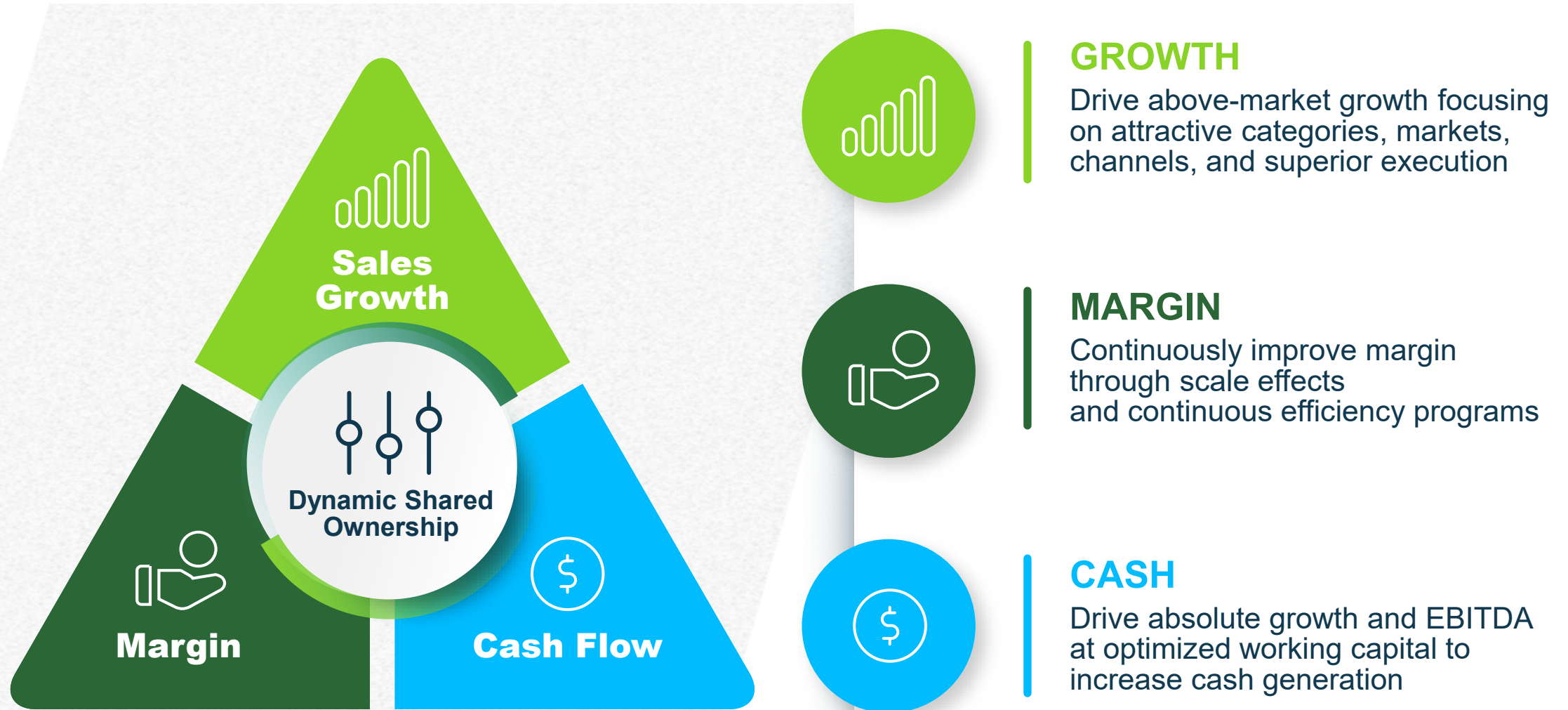
€2.4M/year savings through energy efficiency

37% electricity from renewable sources across 60%+ sites

Advancing sustainable packaging

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

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 FX¹

Net Sales €6.0bn **+3% to +6% ²**

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

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

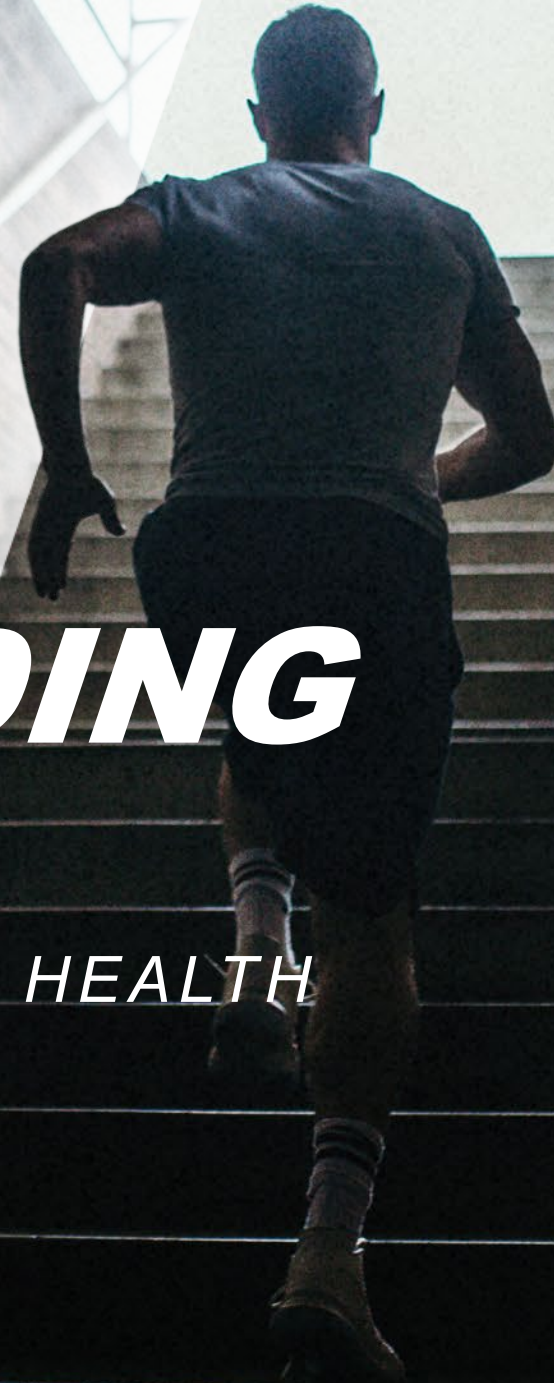
- > Further build iconic brands through innovation and commercial excellence
- > Consistent track record of delivering growth, margin and cash expansion
- > A Game Plan to sustain outperformance, industry leading capabilities
- > Agile and focused organization with Dynamic Shared Ownership
- > A leading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





DRIVING
***SUSTAINABLE
INDUSTRY LEADING
PERFORMANCE***

IN CONSUMER HEALTH





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



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