

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



# ***FY / Q4 2023 Results***

March 05, 2024



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



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# FY 2023: Achieved Revised Outlook

in €bn	<b>FY 2023 Outlook</b> <i>incl. FX impact</i>	<b>FY 2023 Actuals</b> <i>as reported</i>	
<b>Net Sales</b>	<b>46.8 - 47.8</b>	<b>47.6</b>	
<b>EBITDA</b> (before special items)	<b>11.1 - 11.6</b>	<b>11.7</b>	
<b>Core EPS</b> (in €)	<b>6.20 - 6.40</b>	<b>6.39</b>	
<b>Free Cash Flow<sup>1</sup></b>	<b>~ 0</b>	<b>1.3</b>	
<b>Net Fin. Debt</b>	<b>~ 36</b>	<b>34.5</b>	

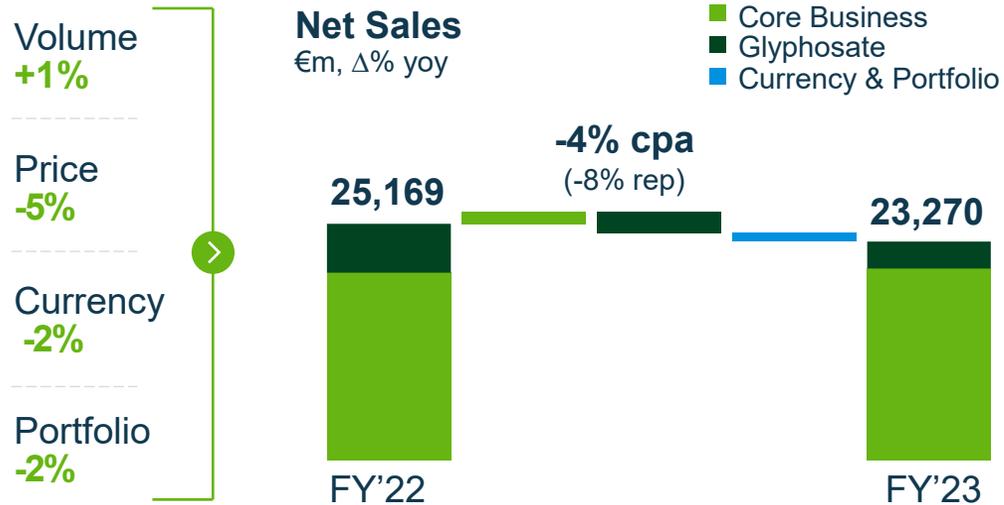
<sup>1</sup>Litigation related net payouts (settlements, judgements, reimbursements from insurances) amounting to -2.1 bn€.



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

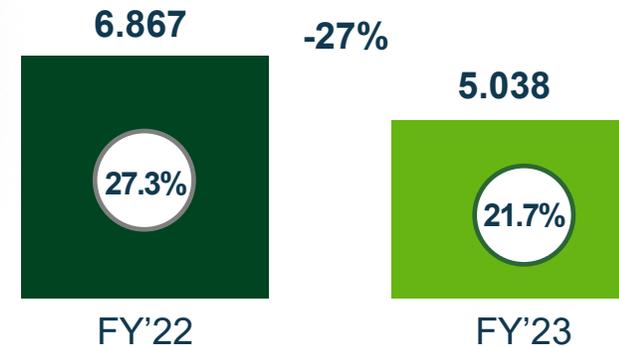


## Crop Science FY 2023



### EBITDA

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



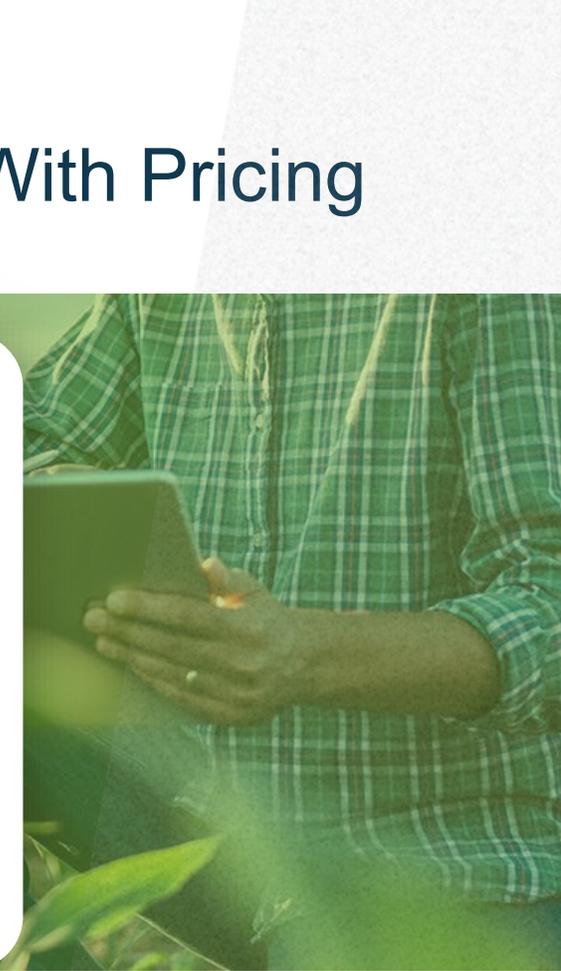
### // Core Business +7% with +8% price and -1% volume

// 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



Core business refers to Crop Science business excl. glyphosate-based herbicides



## 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

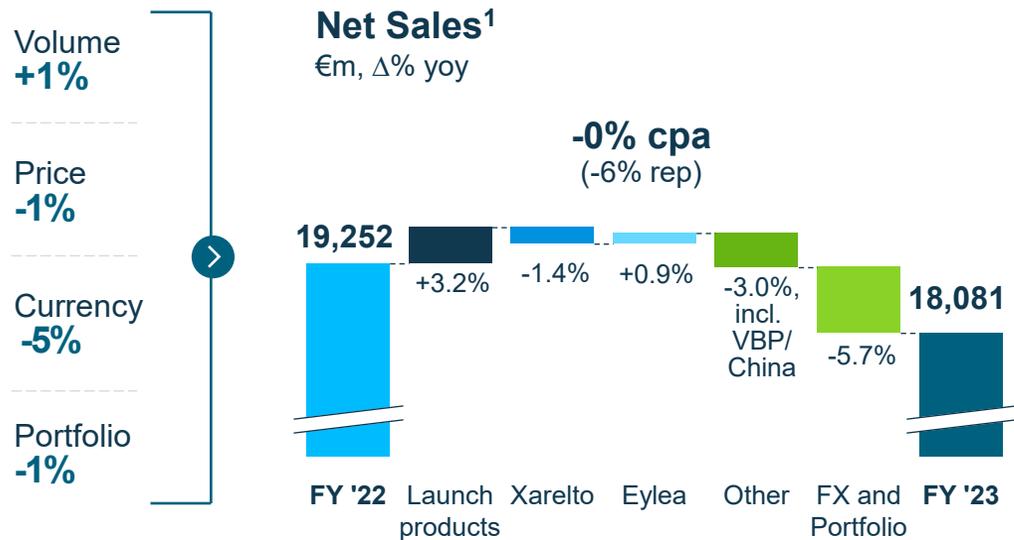
**Glyphosate-based Herbicides:** significant price decline to align to generics drives strong volume recovery, particularly in LATAM



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

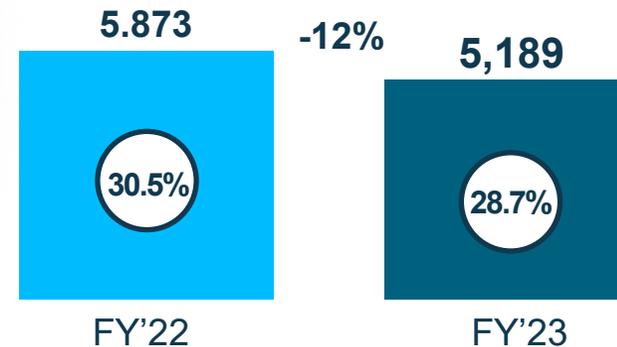


## Pharmaceuticals FY 2023



## EBITDA

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



// 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

// 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

<sup>1</sup>Sales growth rates in Net Sales bridge represent the contribution to the overall divisional growth.

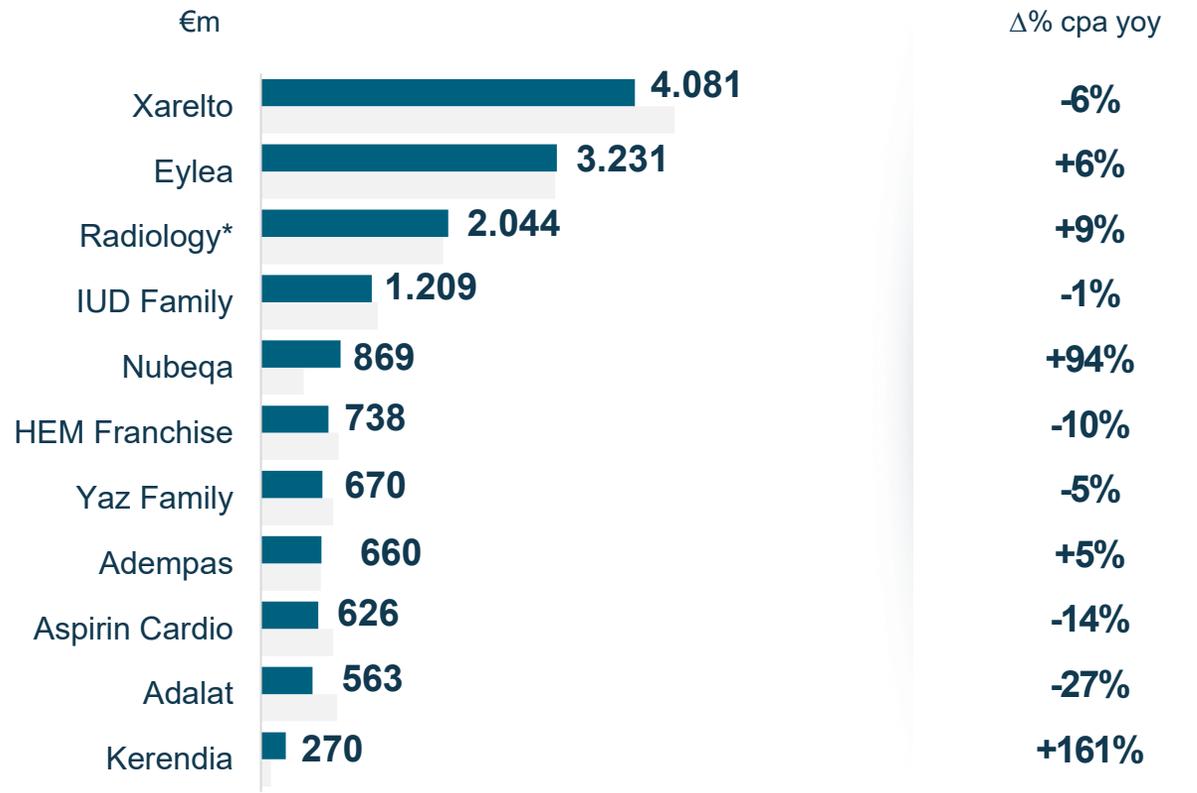




# Launch Assets Continue Strong Growth Momentum, Eylea and Radiology Playing Out Market Leadership

## Pharmaceuticals FY 2023

### FY 2023 Sales by Key Products



## 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

● 2023    ● 2022

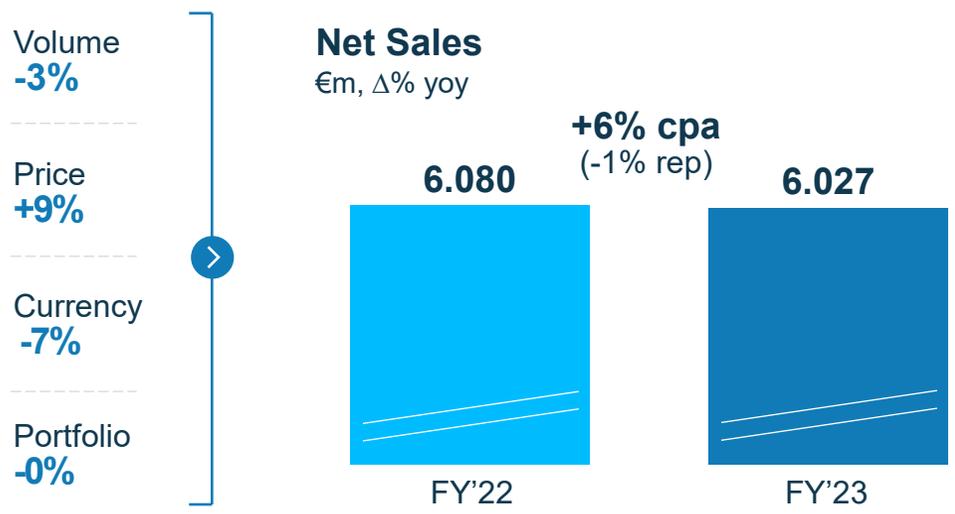
\*Radiology comprises 13 brands in total, among others CT Fluid Delivery, Ultravist and Gadovist product family



# Continued Broad-Based Sales Growth and Significant Margin Expansion

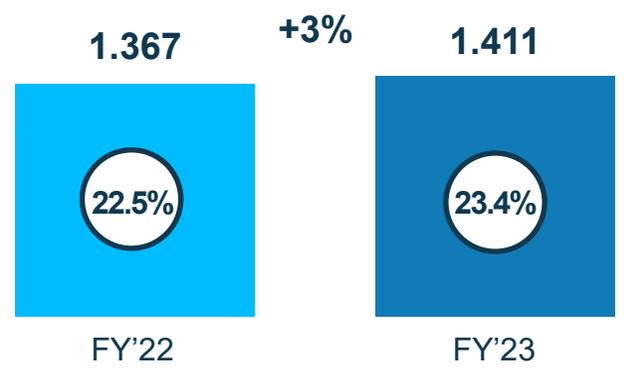


## Consumer Health FY 2023



### 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



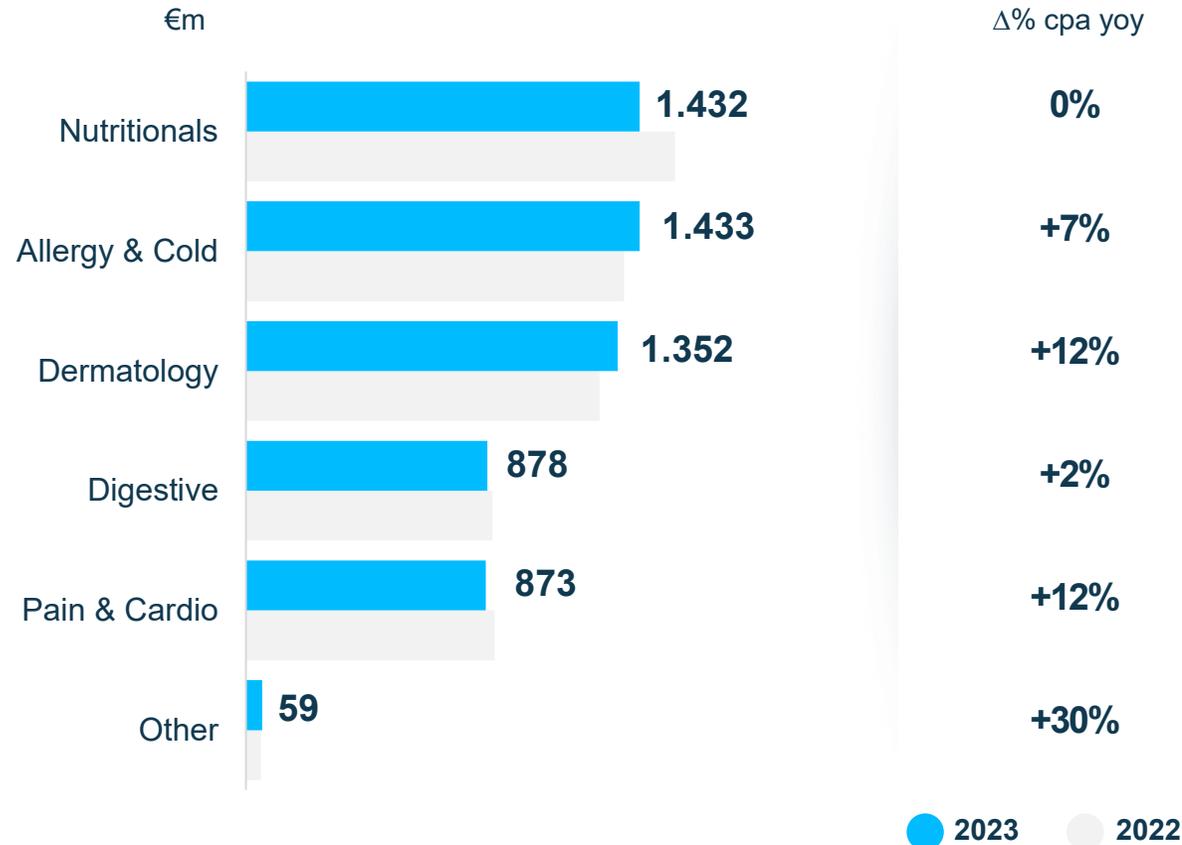


# Innovation in Dermatology and Strong, Balanced Remaining Portfolio, Driving Growth



## 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



# Outlook 2024: Key Drivers

## EXPECTED TAILWINDS

- Crop Science Core business to grow +1% to +4% cpa
- Expected 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 stringent CAPEX prioritization

## EXPECTED HEADWINDS

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



# Outlook 2024: Divisions

**2023**  
as reported

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

**2024**  
estimated FX impact<sup>2</sup>



## Crop Science

**Net Sales**

**€23.3bn**

-1% to +3%<sup>3</sup>

~-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

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



# Outlook 2024: Improved Free Cash Flow Despite Lower Profitability

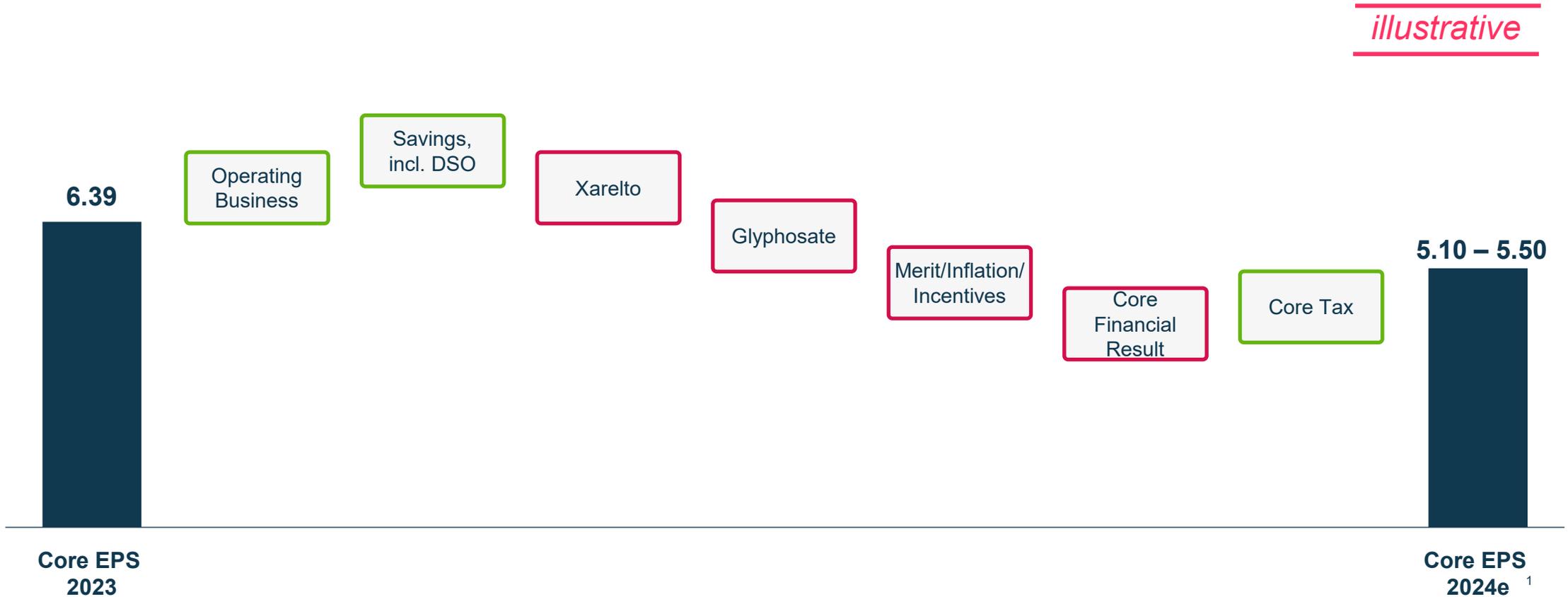
<i>in €bn</i>	<b>2023</b> <i>as reported</i>	<b>2024</b> <i>at constant FX<sup>1</sup></i>	<b>2024</b> <i>estimated FX impact<sup>2</sup></i>
<b>Net Sales</b>	47.6	-1% to +3%	-2% to -3%pts
<b>EBITDA</b> (before special items)	11.7	-9% to -3%	~-3%pts
<b>Core EPS</b> (in €)	6.39	5.10 to 5.50	-0.10 to -0.20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

<sup>1</sup>Reflects our 2024 guidance at the average actual currencies for 2023; <sup>2</sup>Estimated 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 €)



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

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# ***APPENDIX***

Outlook 2024



# Outlook 2024: Modeling Considerations

## GROUP

(€bn)

**2024**

*at constant FX<sup>1</sup>*

**Special Items (EBITDA)**      **-2.0 to -1.0**

**Core Depreciation**      **~ -1.7**

**Core Financial Result**      **~ -2.3**

**Core Tax Rate**      **~ 23%**

**Reconciliation<sup>2</sup>:**      **~ -0.5**  
(EBITDA before special items)

## KEY DRIVER

**Special items (EBITDA)** primarily driven by ongoing restructuring programs and DSO related severance payouts

**Core Financial Result** with increased interest payments on high debt level and impact of hyper-inflation countries

**Reconciliation (cEBITDA)** back to regular levels driven by short- and long-term incentives

**FX effect on these items hardly material** based on latest estimate

<sup>1</sup>Reflects our 2024 guidance at the average actual currencies for 2023; <sup>2</sup>Reconciliation 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 <sup>1</sup>	Key Assumptions & Drivers
Net Sales	23.2	-1 to 3% cpa <sup>2</sup>	
<b>Core</b>	<b>20.3</b>	<b>1 to 4% cpa</b>	<b>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</b>
Glyphosate	2.9	-12 to -8% cpa <sup>3</sup>	Pricing decline, mostly in Q1, based on \$3.80/kg Chinese generic reference price (15 yr. median)
<b>EBITDA (margin)</b> (before special items)	<b>21.7%</b>	<b>20 to 22%<sup>2</sup></b>	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; <sup>1</sup>Reflects our 2024 guidance at the average actual currencies for 2023; <sup>2</sup>Estimated 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); <sup>3</sup> Assumes pricing based on \$3.80/kg Chinese generic reference price (15 yr. median)



# Outlook 2024: Pharmaceuticals

	2023 In €bn	2024 at constant FX <sup>1</sup>	Key Assumptions & Drivers
<b>Net Sales</b>	<b>18.1</b>	<b>-4% to 0% cpa<sup>2</sup></b>	<ul style="list-style-type: none"> <li>• Robust base business with varying dynamics of individual franchises</li> <li>• China facing ongoing headwinds, particularly related to VBP</li> </ul>
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
<b>EBITDA margin (before special items)</b>	<b>28.7%</b>	<b>26% to 29%<sup>2</sup></b>	<b>Continued growth investments (launches and pipeline), unfavourable product mix, persisting inflationary and pricing headwinds</b>

## 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

<sup>1</sup> Reflects our 2024 guidance at the average actual currencies for 2023; <sup>2</sup> 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 <sup>1</sup>	Key Assumptions & Drivers
<b>Net Sales</b>	6.0	+3% to +6% cpa <sup>2</sup>	<b>Continued broad-based growth across regions and categories</b> Innovation, pricing and volume increase will equally contribute to growth Uncertain Economic environment might impact consumer demand and retail inventory
<b>EBITDA margin</b> (before special items)	23.4%	23% to 24% <sup>2</sup>	<b>Further margin expansion leveraging DSO and operational efficiencies, while compensating for sticky inflation and currency headwinds</b>

## 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

<sup>1</sup>Reflects our 2024 guidance at the average actual currencies for 2023; <sup>2</sup>Estimated 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).

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



# ***APPENDIX***

FY 2023

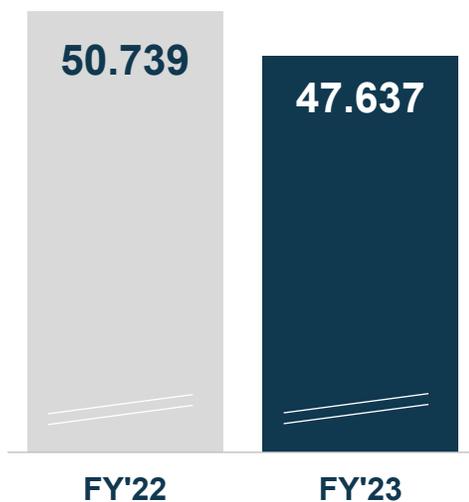


# FY 2023: Group KPIs

## NET SALES

in €m, Δ% yoy

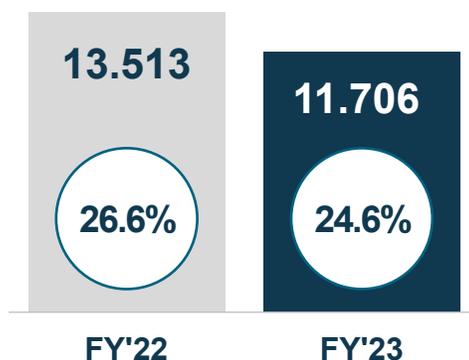
**-1% cpa**  
(-6% rep)



## EBITDA

in €m, before special items

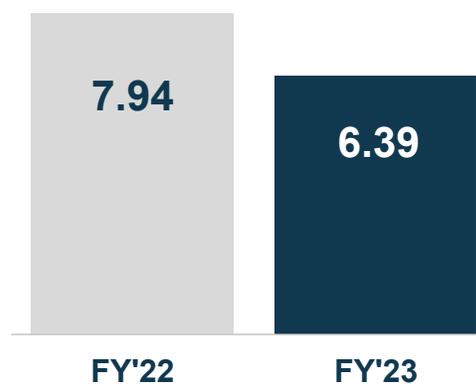
**-13%**



## CORE EPS

in €, Cont. Operations

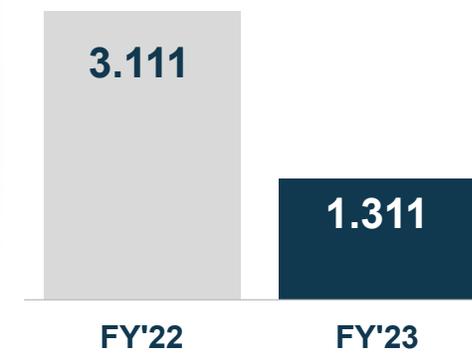
**-20%**



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

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

[€ bn]	FY 2022	FY 2023
<b>Reported EBITDA</b>	<b>13.5</b>	<b>10.6</b>
Tax payments	-2.0	-1.3
Delta pensions	-0.1	-0.2
Gains/Losses Divestments	-1.7	-0.2
<b>Delta Working Capital</b>	<b>-2.6</b>	<b>-3.9</b>
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
<b>Operating Cash Flow<sup>1</sup></b>	<b>7.1</b>	<b>5.1</b>
Interest & dividends received	-1.0	-1.1
CapEx <sup>2</sup>	-2.9	-2.8
<b>Free cash flow</b>	<b>3.1</b>	<b>1.3</b>

→ 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

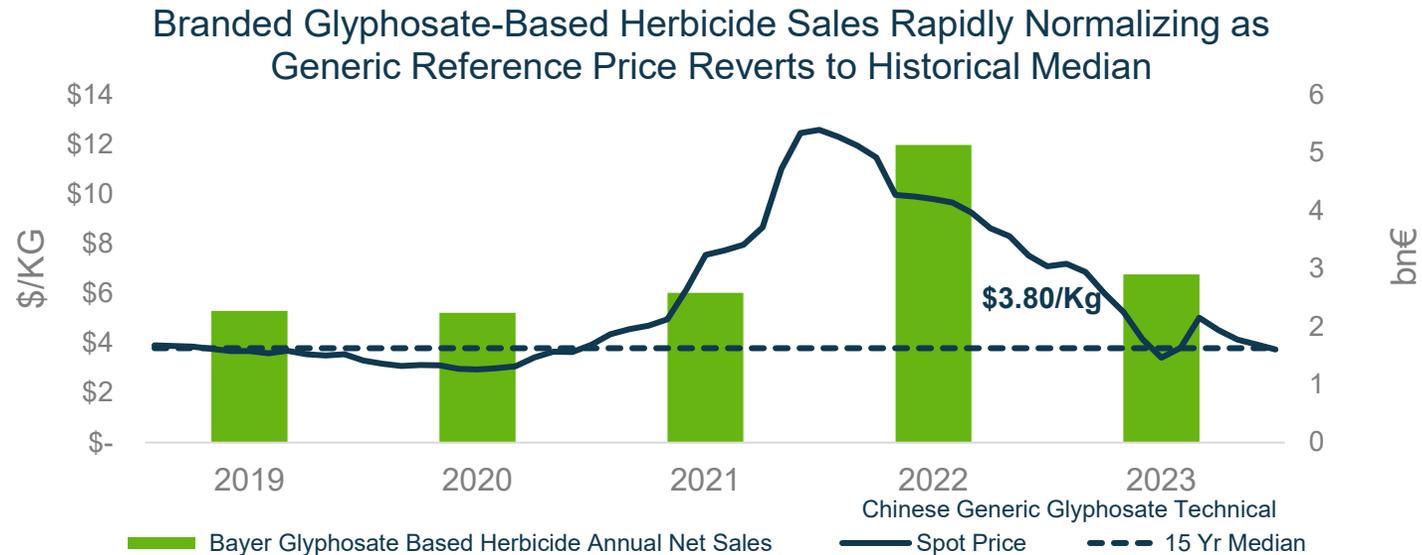
<sup>1</sup>Net cash provided by (used in) operating activities (excluding Interest & dividends received); <sup>2</sup>Cash flow-relevant capital expenditures (without leasing).



# Strong Volume Recovery Partially Compensates for Glyphosate Pricing Normalization in 2023



## Crop Science



### Market Trends:

- > Global demand increased in HY'2 following channel inventory destocking and reduction in China inventories
- > Generic Chinese glyphosate technical reference spot price reverted to 15-year historical median price mid-year
- > Chinese generic production capacity normalizing

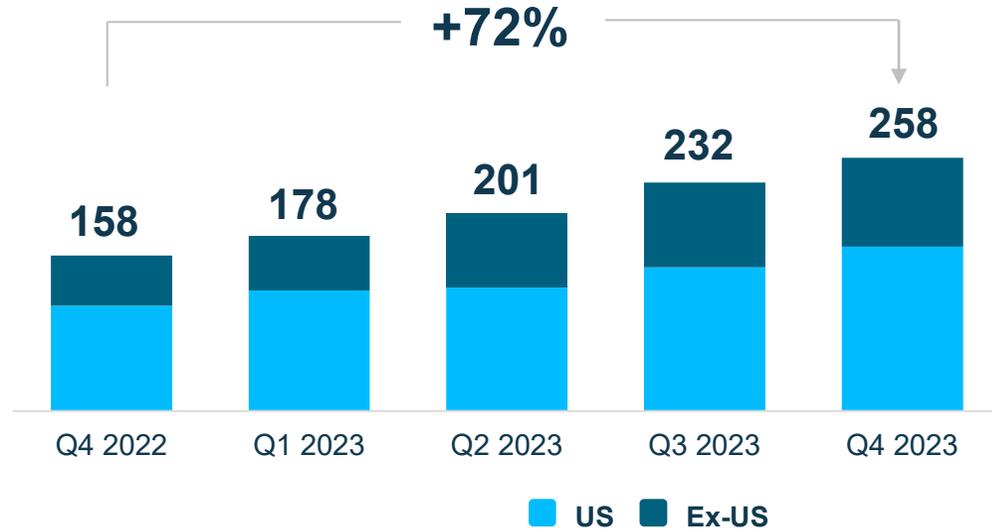
### Our Strategy:

- > Maintain supply for ~40% global glyphosate market, with focus on the over-the-top markets in the Americas
- > Maintain a brand premium over generic price for glyphosate-based herbicides at the retail level
- > Focus on low-cost, sustainable manufacturing and operating model

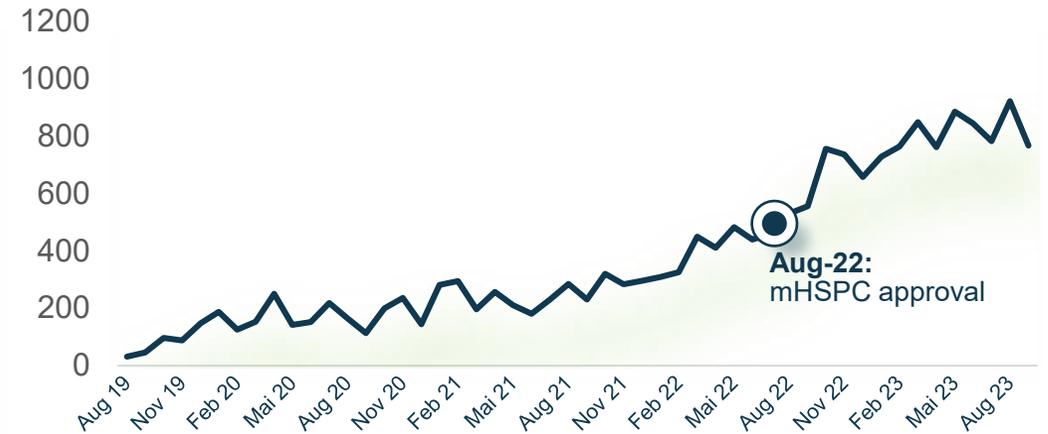


# Nubeqa Continues to Show Strong Uptake With Gains in All Regions

### Global sales development (€m, cpa growth rates)



### US launch performance (monthly NBRx)<sup>1</sup>



- Nubeqa continues to be the fastest growing ARI<sup>2</sup> in the US

- The mHSPC<sup>3</sup> launch continues to be a success in all markets, with particularly strong uptake in EMEA

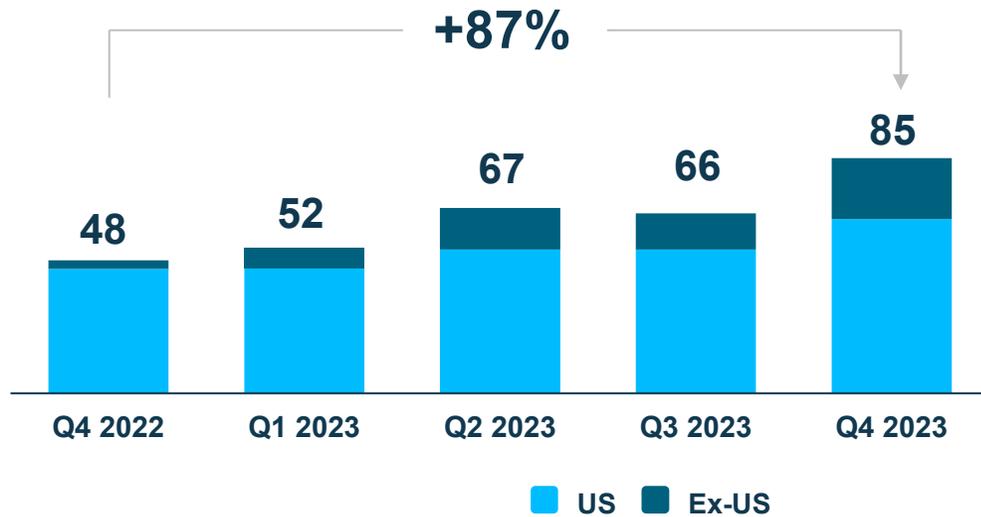
- Nubeqa is approved in more than 87 countries today (mHSPC approvals in 77 markets)

<sup>1</sup>Source: IQVIA, July 2023; <sup>2</sup>ARI: Androgen Receptor Inhibitor; <sup>3</sup>mHSPC: metastatic hormone sensitive prostate cancer

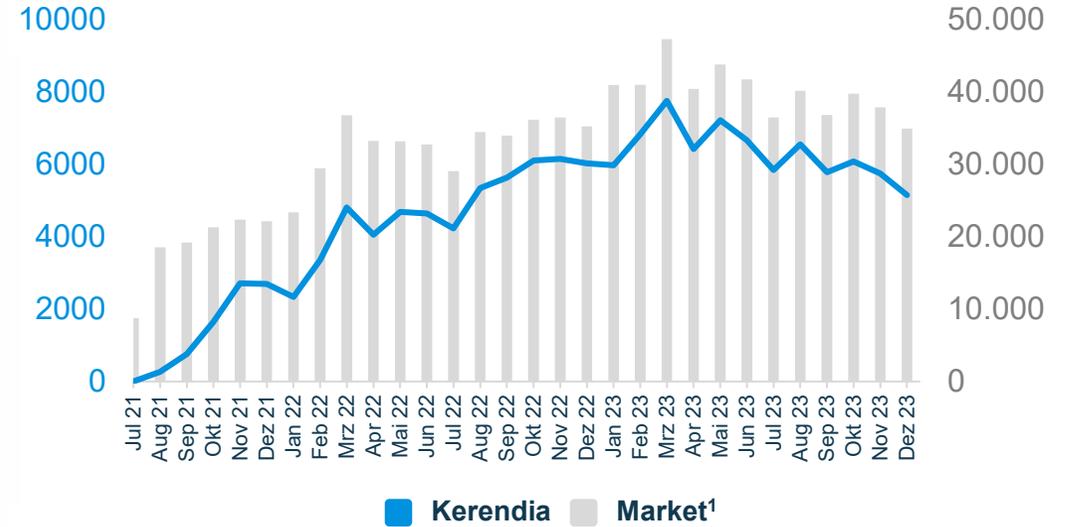


# Kerendia Demonstrated Continued Launch Momentum in 2023, Growing +161% vs PY (cpa)

Global sales development (€m, cpa growth rates)



US launch performance (monthly NBRx)<sup>1</sup>



➤ Solid growth momentum in the US with 32% NBRx growth vs. prior year, continuing to outperform the market (NBRx growth of 21%)

➤ Continued ex-US growth confirmed in key countries, including China as highest volume contributor

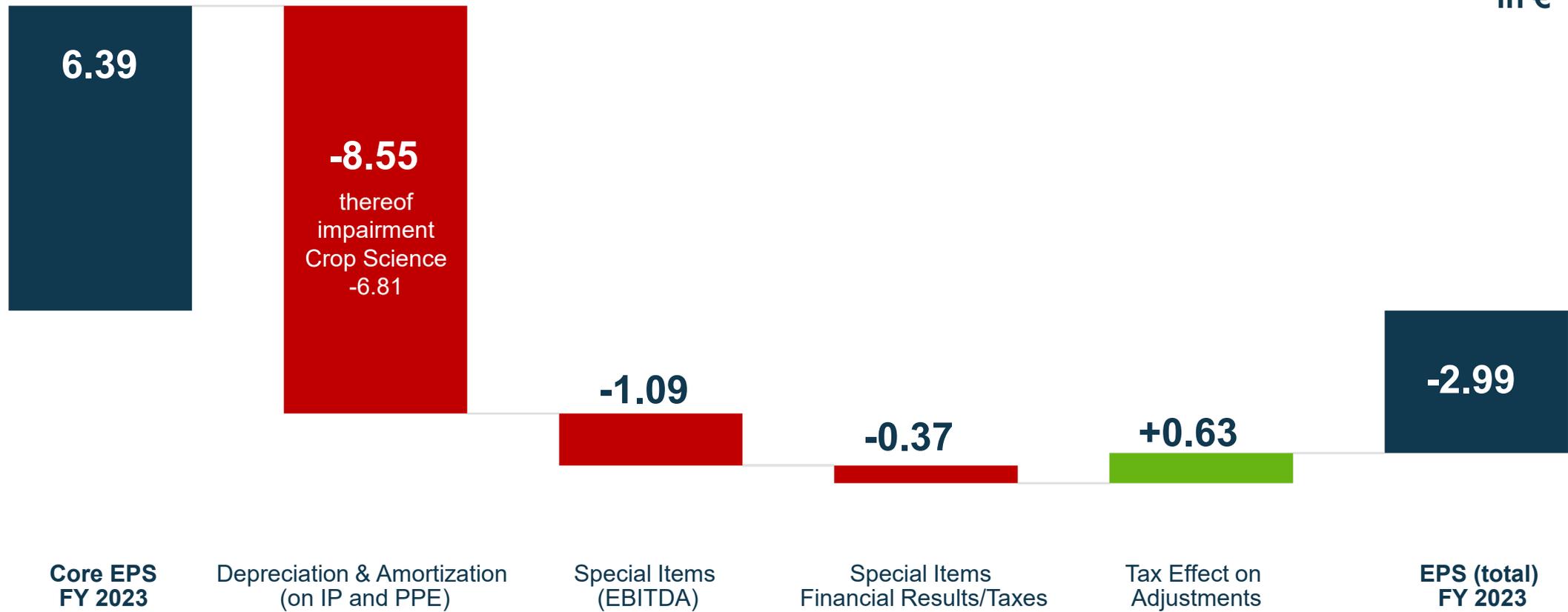
➤ Accelerating market penetration expected in 2024 with estimated sales of ~€500m

<sup>1</sup>Source: IQVIA, National NBRx, Dec 31, 2023; US Market includes NBRx linked to T2D and CKD.



# 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
<b>Sales</b>	<b>25,169</b>	<b>23,270</b>	<b>19,252</b>	<b>18,081</b>	<b>6,080</b>	<b>6,027</b>	<b>238</b>	<b>259</b>	<b>50,739</b>	<b>47,637</b>
<b>Sales by region:</b>										
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 <sup>1,2</sup>	-12,501	-13,480	-4,081	-4,175	-2,116	-2,089	-188	-2	-18,886	-19,746
Selling expenses <sup>1,2</sup>	-4,634	-4,278	-6,180	-5,843	-2,593	-2,525	-139	74	-13,546	-12,572
Research and development expenses <sup>1,2</sup>	-2,551	-2,355	-3,321	-3,333	-218	-224	-78	77	-6,168	-5,835
General administration expenses <sup>1</sup>	-785	-696	-779	-800	-160	-148	-766	-498	-2,490	-2,142
Other operating income / expenses <sup>1</sup>	-288	87	-155	265	11	7	40	-112	-392	247
<b>EBIT before special items</b>	<b>4,410</b>	<b>2,548</b>	<b>4,736</b>	<b>4,195</b>	<b>1,004</b>	<b>1,048</b>	<b>-893</b>	<b>-202</b>	<b>9,257</b>	<b>7,589</b>
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 <sup>1</sup>	2,457	2,490	1,137	994	363	363	299	270	4,256	4,117
<b>EBITDA before special items</b>	<b>6,867</b>	<b>5,038</b>	<b>5,873</b>	<b>5,189</b>	<b>1,367</b>	<b>1,411</b>	<b>-594</b>	<b>68</b>	<b>13,513</b>	<b>11,706</b>
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
<b>Operating cash flow, continuing<sup>3</sup></b>	<b>3,394</b>	<b>1,850</b>	<b>3,588</b>	<b>3,409</b>	<b>1,046</b>	<b>951</b>	<b>-935</b>	<b>-1,093</b>	<b>7,093</b>	<b>5,117</b>
Cash flow-relevant capital expenditures <sup>4</sup>	-1,486	-1,268	-1,045	-1,064	-173	-142	-245	-277	-2,949	-2,751

<sup>1</sup>Before special items; <sup>2</sup>Includes 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; <sup>3</sup>Net cash provided by (used in) operating activities; <sup>4</sup>Cash flow-relevant capital expenditures (without leasing).

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



# ***APPENDIX***

Q4 2023

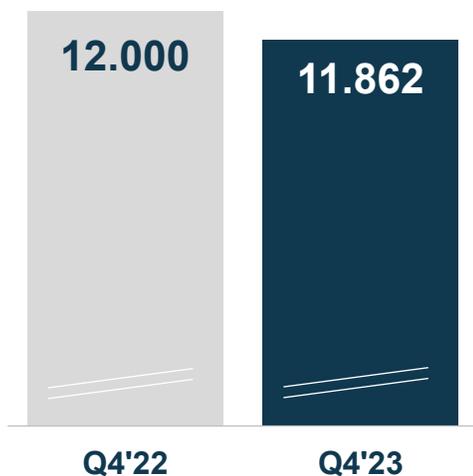


# Q4 2023: Group Performance

## NET SALES

in €m,  $\Delta\%$  yoy

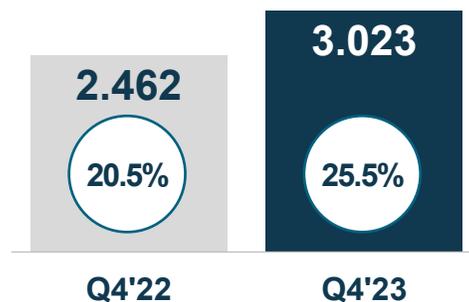
**+6% cpa**  
(-1% rep)



## EBITDA

in €m, before special items

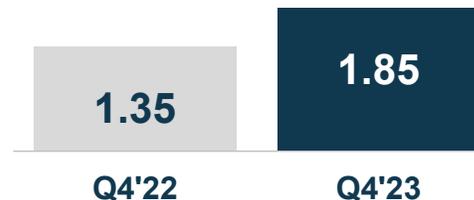
**+23%**



## CORE EPS

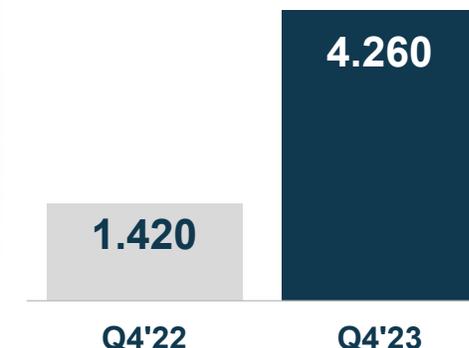
in €, Cont. Operations

**+37%**



## FREE CASH FLOW

in €m



**i** Currency headwind of **€0.8bn**

Currency headwind of **€0.2bn**

Mainly higher Reconciliation earnings

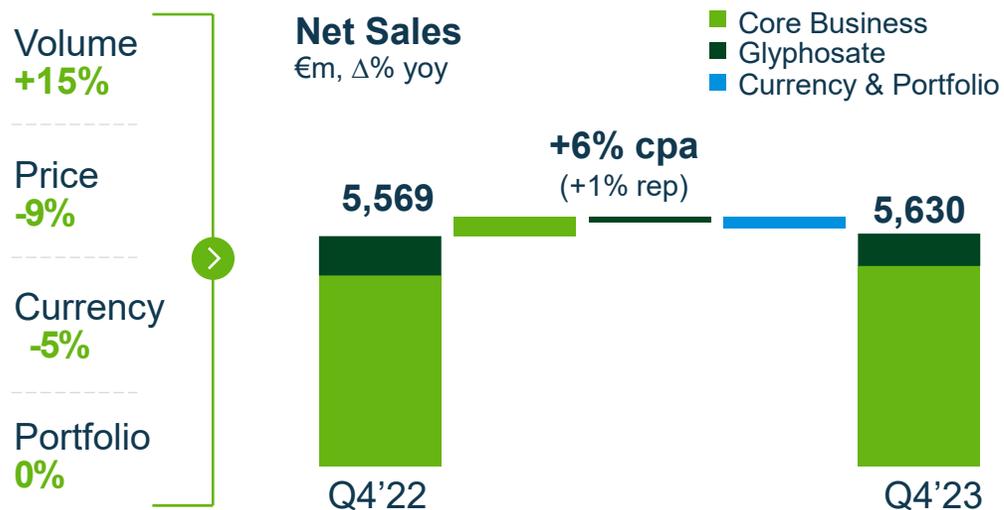
**%** EBITDA Margin before special items, cpa = currency and portfolio adjusted



# 10% Core Business Growth Driven by Higher Volumes in LATAM



## Crop Science Q4 2023



### EBITDA

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



// **Core Business sales +10%**, with **+3% price** and **+7% volumes**, mainly driven by higher pricing in corn, higher licensing revenue in LATAM in soy and significant Q4 volume growth in Fungicides and Insecticides, particularly in LATAM

// **Glyphosate-based herbicide sales -14%** driven exclusively by price as volume has recovered

// Volume growth, insurance payment related to hurricane Ida, and positive FX drive margin expansion

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

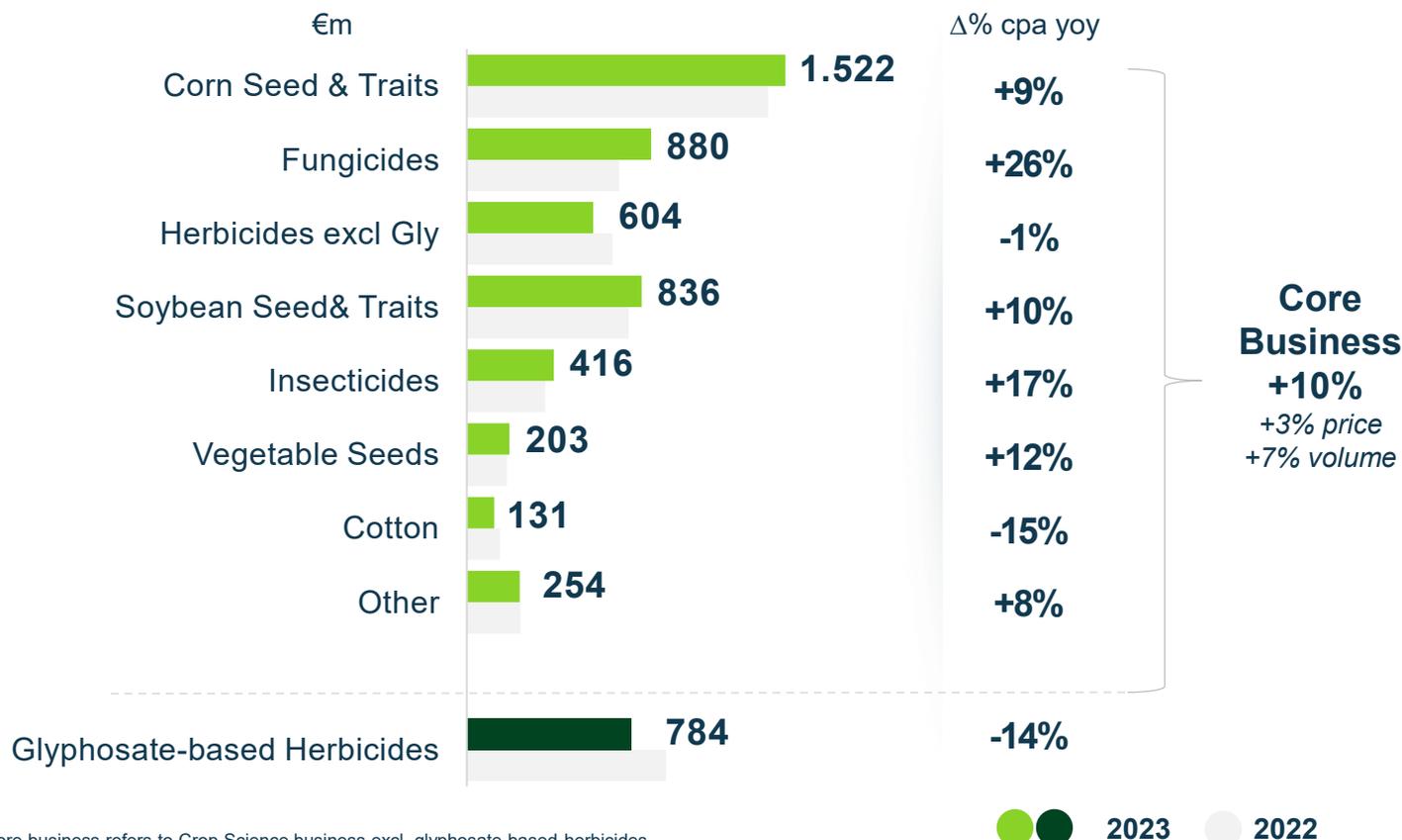


# Strong LATAM Fungicide and Insecticide Volume Drive Growth



## Crop Science Q4 2023

### Q4 2023 Sales by Strategic Business Entity



Core business refers to Crop Science business excl. glyphosate-based herbicides

● 2023 ● 2022



## Key Drivers

**Corn S&T:** higher pricing in NA and LATAM

**Fungicides:** exceptional volume growth in LATAM and volume recovery in NA

**Herbicides excl. GLY:** price and volume upside in LATAM offset by lower prices in NA

**Soy S&T:** higher licensing revenues in LATAM

**Insecticides:** significant volume growth, particularly in LATAM

**Vegetable Seeds:** pricing gains mainly in EMEA and higher volumes in LATAM

**Cotton:** decline driven mainly by lower acreage in APAC

**Other:** decline driven mainly by lower acreage in APAC

**Glyphosate-based Herbicides:** significant price decline to align to generics partly offset by strong volume recovery



# Solid Finish of The Year, Launch Products and Eylea More Than Offset Xarelto Decline and China Weakness



## Pharmaceuticals Q4 2023

Volume  
**+4%**

Price  
**-2%**

Currency  
**-7%**

Portfolio  
**-0%**

### Net Sales<sup>1</sup>

€m, Δ% yoy

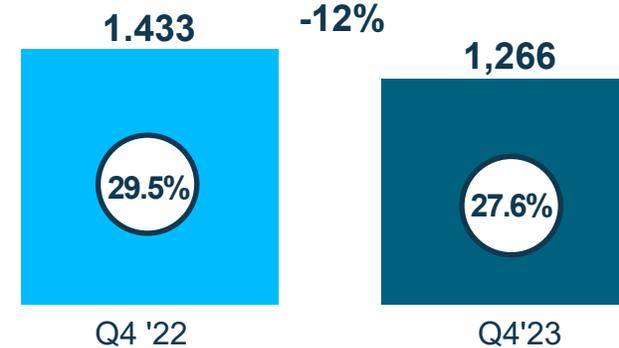
**+2% cpa**  
(-6% rep)



### EBITDA

€m, before special items

○ EBITDA Margin before special items



// Launch assets **Nubeqa** and **Kerendia** continue strong growth; **Eylea's** volume growth more than offsetting price pressure

// **Xarelto** declining as expected due to pricing headwinds and additional generic entries in smaller markets

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

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

// Proceeds from disposal of non-core businesses supporting margin

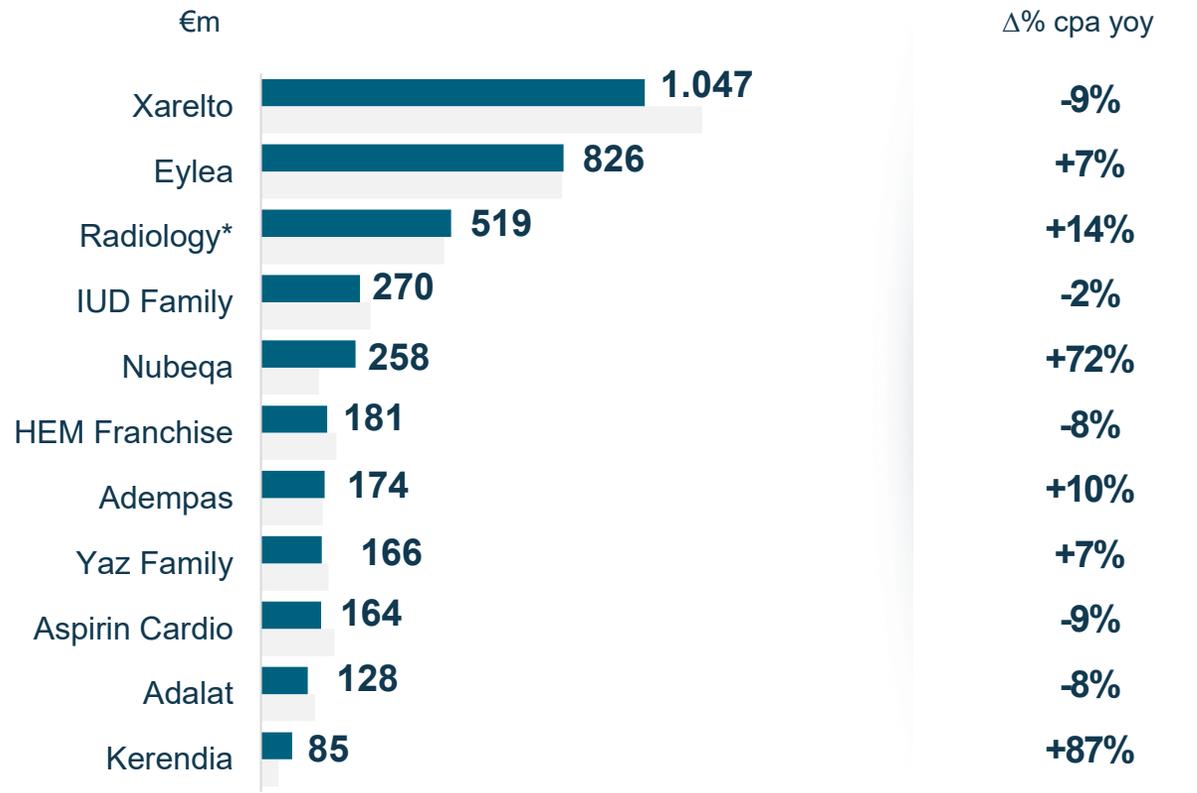
<sup>1</sup>Sales growth rates in Net Sales bridge represent the contribution to the overall divisional growth.



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

## Pharmaceuticals Q4 2023

### Q4 2023 Sales by Key Products



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

● 2023    ● 2022

## Key Drivers

**Xarelto:** Sales decline driven by loss of exclusivity in some regions and pricing headwinds

**Eylea:** Continued volume growth

**Radiology:** Substantial sales gain, particularly for Ultravist, Gadovist Family and CT Fluid Delivery

**Nubeqa:** Strong growth momentum driven by market share gains and label expansions

**Kerendia:** Growth driven by US market uptake, non-US regions with growing contributions, particularly China

**Adempas:** Considerable increase driven primarily by gains in the US

**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



# Strong Broad-Based Growth Across all Regions and Categories, Showing Continued Underlying Business Strength



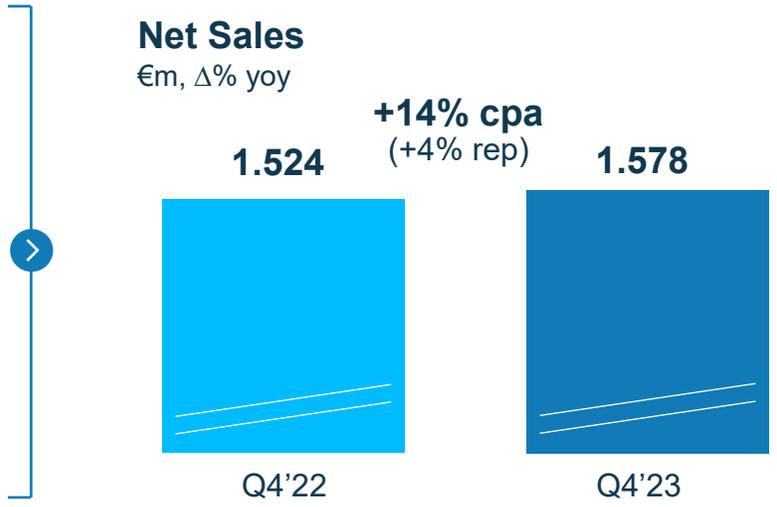
## Consumer Health Q4 2023

Volume **+3%**

Price **+11%**

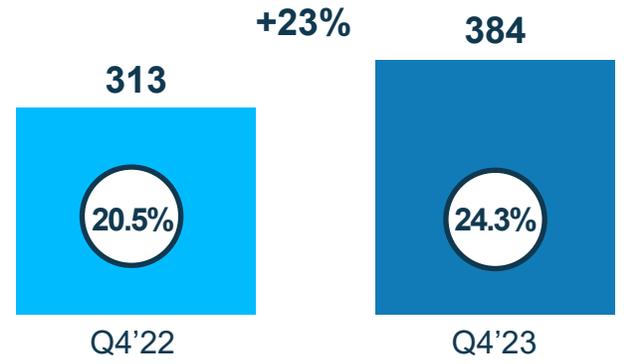
Currency **-10%**

Portfolio **-0%**



### EBITDA

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



- // Strong Dermatology growth with Bepanthen and Canesten as main contributors
- // Significant business expansion in Pain & Cardio in LATAM
- // Improved supply situation
- // Value of our brands allows for targeted and active pricing

- // Operational productivity programs and active pricing management
- // Ongoing cost pressure from inflation and adverse currency effects



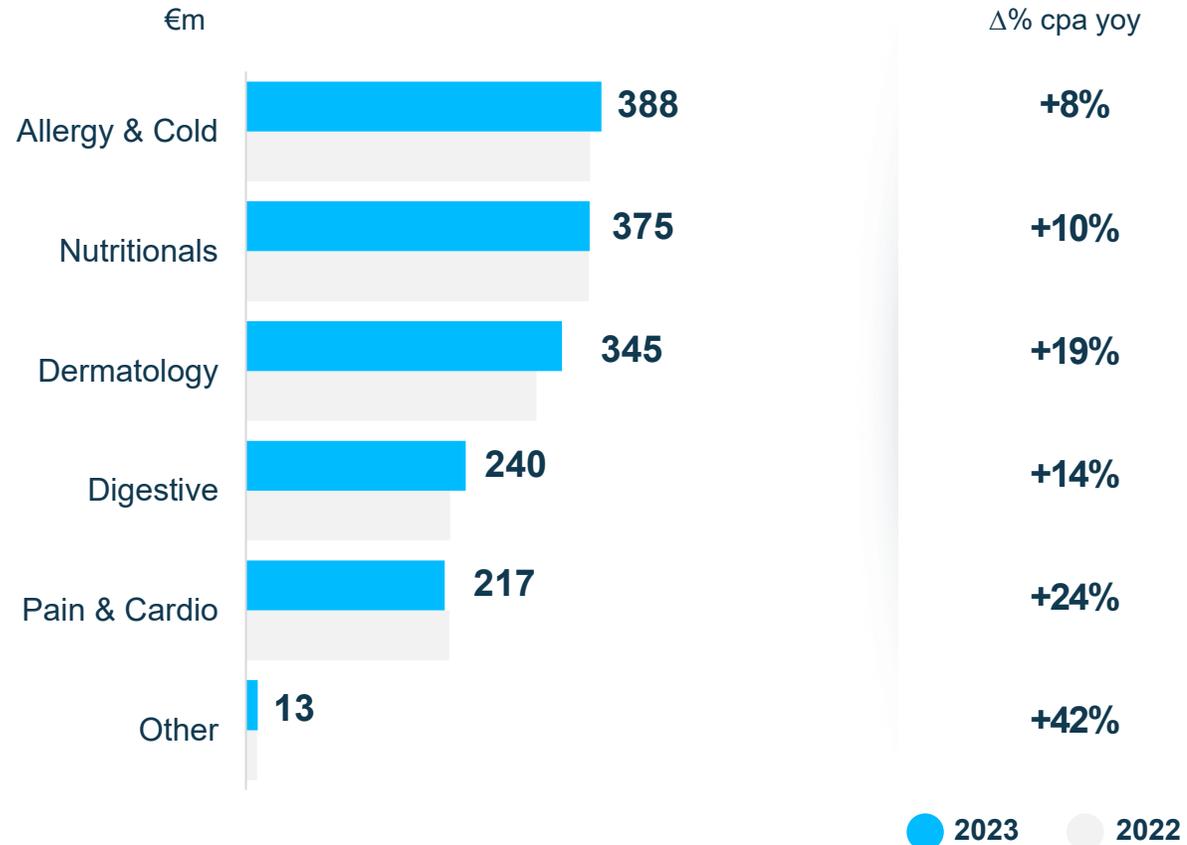


# Solid Growth Compared to Strong Q4 2022



## Consumer Health Q4 2023

### Q4 2023 Sales by Category



## Key Drivers

**Allergy & Cold:** Pronounced wave of cold and flu, particularly in Europe

**Nutritionals:** Continued demand normalization, including contributions from Elevit

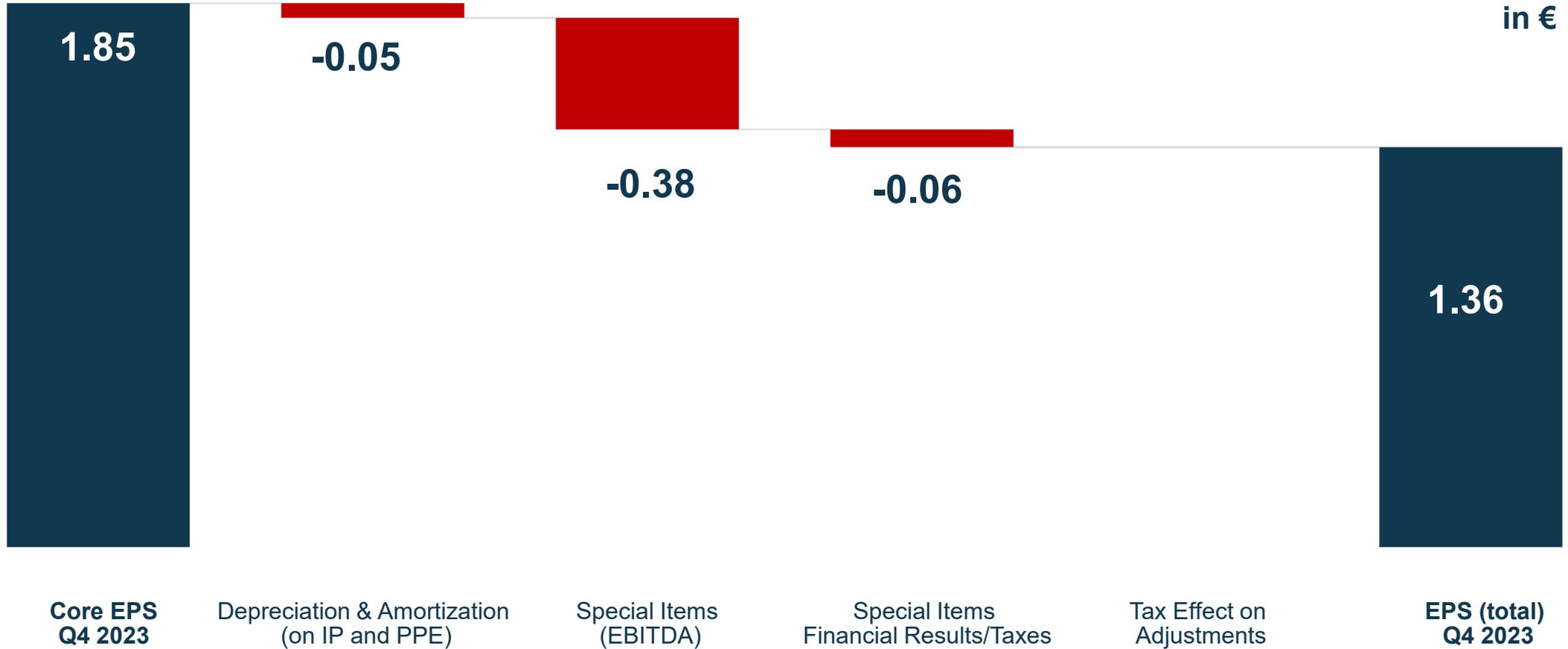
**Dermatology:** Strong performance with Bepanthen and Canesten as main contributors

**Digestive:** Strong performance, including contributions from MiraLAX in North America

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



# Q4 2023: Core EPS to EPS Bridge





# Q4 2023: Key Financial Measures by Division

[€ million, if not specified]	Crop Science		Pharmaceuticals		Consumer Health		Reconciliation		Group	
	Q4 22	Q4 23	Q4 22	Q4 23	Q4 22	Q4 23	Q4 22	Q4 23	Q4 22	Q4 23
<b>Sales</b>	<b>5,569</b>	<b>5,630</b>	<b>4,855</b>	<b>4,579</b>	<b>1,524</b>	<b>1,578</b>	<b>52</b>	<b>75</b>	<b>12,000</b>	<b>11,862</b>
<b>Sales by region:</b>										
Europe / Middle East / Africa	632	610	1,882	1,866	496	535	58	74	3,068	3,085
North America	2,014	1,946	1,286	1,221	638	624	-1	-2	3,937	3,789
Asia / Pacific	625	567	1,428	1,252	230	247	0	1	2,283	2,067
Latin America	2,298	2,507	259	240	160	172	-5	2	2,712	2,921
Cost of goods sold <sup>1,2</sup>	-3,007	-3,444	-1,068	-1,152	-534	-536	-41	92	-4,650	-5,040
Selling expenses <sup>1,2</sup>	-1,240	-1,129	-1,530	-1,478	-666	-644	-55	139	-3,491	-3,112
Research and development expenses <sup>1,2</sup>	-710	-659	-855	-888	-64	-65	-30	109	-1,659	-1,503
General administration expenses <sup>1</sup>	-214	-183	-211	-209	-42	-35	-138	-147	-605	-574
Other operating income / expenses <sup>1</sup>	-145	181	-48	170	-1	-5	52	-37	-142	309
<b>EBIT before special items</b>	<b>253</b>	<b>396</b>	<b>1,143</b>	<b>1,022</b>	<b>217</b>	<b>293</b>	<b>-160</b>	<b>231</b>	<b>1,453</b>	<b>1,942</b>
EBIT margin before special items [%]	4.5%	7.0%	23.5%	22.3%	14.2%	18.6%	-307.7%	308.0%	12.1%	16.4%
Special items	-126	579	282	-87	-22	131	-155	-376	-21	247
EBIT	127	975	1,425	935	195	424	-315	-145	1,432	2,189
Depreciation & Amortization <sup>1</sup>	567	674	290	244	96	91	56	72	1,009	1,081
<b>EBITDA before special items</b>	<b>820</b>	<b>1,070</b>	<b>1,433</b>	<b>1,266</b>	<b>313</b>	<b>384</b>	<b>-104</b>	<b>303</b>	<b>2,462</b>	<b>3,023</b>
EBITDA margin before special items [%]	14.7%	19.0%	29.5%	27.6%	20.5%	24.3%	-200.0%	404.0%	20.5%	25.5%
Special items	691	18	282	-33	-22	-22	-137	-340	814	-377
EBITDA	1,511	1,088	1,715	1,233	291	362	-241	-37	3,276	2,646
<b>Operating cash flow, continuing<sup>3</sup></b>	<b>2,073</b>	<b>3,535</b>	<b>1,061</b>	<b>1,169</b>	<b>317</b>	<b>443</b>	<b>-390</b>	<b>460</b>	<b>3,061</b>	<b>5,607</b>
Cash flow-relevant capital expenditures <sup>4</sup>	-760	-468	-420	-413	-74	-53	-70	-62	-1,324	-996

<sup>1</sup>Before special items; <sup>2</sup>Includes purchase price amortization (PPA) of €245m in COGS, €41m in selling expenses, €30m in R&D in 2023 and €186m in COGS, €43m in selling, €31m R&D in 2022, for Crop Science and Group; <sup>3</sup>Net cash provided by (used in) operating activities; <sup>4</sup>Cash flow-relevant capital expenditures (without leasing).