
# Bayer
# Q1 2025 Results

Tuesday, 13th May 2025

# Introduction

***Jost Reinhard***

*Head of Investor Relations, Bayer AG*

## Welcome

Good afternoon and good morning, everybody, and welcome to our conference call to discuss the First Quarter Results for 2025.

## Agenda

To kick things off, Bill will share his insights on our overall business performance and the progress we've made on our strategic priorities thus far. Wolfgang will then provide further insights into the quarter one financials, the current geopolitical environment and our outlook for the remainder of the year. The presentations will be followed by our Q&A session, which will also include the presidents of our three divisions.

As a reminder, we invite you also to join us for a Crop Science webinar later today. We start that at 4 p.m. Central European time or 10 a.m. Eastern time. And where we will delve further into the division’s strategy and outlook.

## Disclaimer

Before we begin, please note the cautionary language in our safe harbor statement. And with that, over to you, Bill.

# Business Overview

***Bill Anderson***

*CEO, Bayer AG*

## Introduction

Thanks, Jost. And yes, hi, everyone. Thanks for joining our call today. We're looking forward to going through our Q1 business results with you. And we're also aware that the present geopolitical and economic uncertainty is top of mind. So, Wolfgang and I will try to give you a sense of how we're approaching that as well.

## Solid Performance in First Quarter

So, let's start with our first quarter performance.

First, a reminder that we speak about our sales growth in currency and portfolio adjusted terms.

As a group, our sales are flat year-over-year positioning us well within the minus 3% to plus 1% corridor that we guided for in 2025.

Core EPS came in at EUR 2.49 and we're on track to reach our outlook of EUR 4.50 to EUR 5.00 at constant currencies.

Free cash flow is at minus EUR 1.5 billion. And as we've explained before, the negative figure is due to the seasonality of the crop business. It's also EUR 1 billion ahead of where we were last year at this time. So we're on pace to land within our 2025 guidance.

I'll now go through our businesses one by one. In March, we said we expected mid-single-digit sales declines in Crop Science in Q1. Sales declined 3%. As expected, regulatory impact cut into some of our higher margin sales, which is why our EBITDA margin is behind last year's Q1 number. Overall, we expect growth in Q2 and we're on track to deliver our outlook for the year.

In Pharmaceuticals, we posted a strong first quarter with 4% growth. Nubeqa and Kerendia continued their exceptional momentum. Together, they grew 80% year-over-year. These gains more than offset the declines we're seeing on Xarelto.

I also want to call out our cost management in pharma. We have launch activities underway across the business, so 12% earnings growth is a remarkable feat and an encouraging sign that our model is helping teams do more with less.

We know that Xarelto declines will weigh heavily on our top and bottom line over the remainder of the year, but we're equally confident in the momentum of our launches and the fundamentals of our business. In fact, in a more certain environment, we would likely have adjusted our guidance for pharmaceuticals upward. But given the uncertainty around tariffs, we feel it's prudent to reaffirm what we said in March and then closely monitor developments.

Given what we see right now, we expect our pharma business to come in at the upper end of our 2025 outlook in both the top and bottom line.

In Consumer Health, we grew 2.5% with contributions from across the business while experiencing soft conditions in key markets. Most importantly, we saw 2% volume growth in Q1. On margins, we were slightly behind prior year, but our guidance of 23% to 24% is well within reach.

Overall, these results put us in a good position to deliver the year.

## Executing with Full Force on All Strategic Priorities

Now on to our strategic priorities. You see them captured on the slide. I'll touch on select highlights here.

On the Pharma pipeline, the Beyonttra launch is underway in the EU and we're prepping to launch Elinzanetant in the second half of the year.

On litigation, we received an adverse decision by the Superior Court of Pennsylvania, an appeal court, last week. That led to a technical revision of the provision while we will continue to appeal. This also underscores the need of the U.S. Supreme Court to provide clarity on federal preemption.

Our multipronged strategy to significantly contain litigation proceeds a pace. We filed for U.S. Supreme Court review in the Durnell case, and we've received notable amici briefs in support of the argument from legal scholars, commodity groups and other experts in support of the merits of our petition. We also filed two hold petitions with SCOTUS for the Johnson and Salas cases as the issue of federal preemption exists for both as in Durnell and we seek the court to hold cases pending final resolution of the Durnell case.

In the legislative realm, we welcome the progress we've seen in several states, including passage in North Dakota and in Georgia, where the governor just signed this important bill last Friday. We await developments in additional key states as legislative sessions conclude in the coming weeks and months.

And on Crop Science profitability, our team is taking action to improve midterm performance. Yesterday, we announced some changes to our production and R&D network in Germany. These are difficult decisions. We don't make them lightly, but they're necessary to position our business for the future. Later today, Rodrigo and his team will provide more color on how we're setting the business up for gains in growth, in profit and in cash over a five-year horizon.

And finally, on to our new system. The people of Bayer are forged ahead in our journey to make Bayer leaner, faster and more productive. We reduced around 2,000 roles in the first quarter of 2025 amounting to a reduction of roughly 11,000 roles since we started the system in July of 2023.

We're currently focused on two big enablers. First, freeing up resources, so our teams can flow to the highest impact work; and second, installing people enablement tools that are fit for our new system and that we continue to attract and retain top talent.

So, I want to close with three points. First, despite headwinds from patent expiries and regulatory impact, our first quarter puts us in a good spot to deliver in a challenging and important year for the company.

Second, we have a plan to address the company's biggest priorities. You have a chance to get some more color on one of them, Crop Science profitability later today.

Finally, it's our mission to provide health and nutrition solutions whatever comes. So we're keeping a close eye on the macro environment and will adapt as required.

So over to you, Wolfgang.

# Financials

***Wolfgang Nickl***

*CFO, Bayer AG*

## Q1 2025: Group Performance

Thanks, Bill. And also hello from my side. I would like to start with some more color on the drivers of our first quarter results first.

For the group, Q1 net sales were flat versus the prior year quarter, both in currency and portfolio adjusted terms and as reported. A decline in Crop Science was offset by growth in both Pharmaceuticals and Consumer Health.

EBITDA before special items came in at EUR 4.1 billion, which is 7% or about EUR 300 million below the prior year quarter. The decline is largely related to lower Crop Science earnings and a lower reconciliation result. The latter was driven by higher long-term incentive provisions and balance sheet-related hyperinflation postings.

For Q1, the FX headwind on EBITDA before special items was EUR 165 million, largely driven by the before-mentioned hyperinflation impacts.

Core earnings per share of EUR 2.49 were 33 cents or 12% below the prior year quarter, mainly impacted by the lower EBITDA before special items.

In Q1, we recorded EBITDA-relevant special items of EUR 587 million, including the glyphosate litigation related provision update Bill referred to earlier. Consequently, we now expect that to come in rather towards the minus EUR 1.5 billion of our full year modelling range provided.

Driven by the crop business seasonality, we saw a negative free cash flow of EUR 1.5 billion in the first quarter. This reflects an improvement of about EUR 1 billion compared to last year, primarily due to effects relating to advanced payments from our Crop Science customers and including a change in factoring.

In line with the seasonality of our cash flow profile, net financial debt increased by EUR 1.7 billion to EUR 34.3 billion since year-end '24. Year-on-year, however, net financial debt was down by about EUR 3 billion.

## Q1 2025: Results Weighed by Regulatory Challenges and Phasing Effects

Let's now take a closer look at the divisional performance. When I talk about sales growth, I will also always refer to currency and portfolio-adjusted figures.

For Crop Science, net sales came in at EUR 7.6 billion in the first quarter, down 3% versus the prior year. As a reminder, we had projected mid-single-digit declines for the first quarter, so we are largely in line with our internal assumptions.

The core business declined by 3% with seeds and traits down 5% impacted by lower soybean and cotton sales due to the U.S. Dicamba label vacatur and corn volume phasing to the second quarter following a strategic adjustment of our distribution network.

The core crop protection business was up 2%, driven by higher non-glyphosate herbicide volumes, partially offset by lower insecticide volumes in the EU due to the expiration of the Movento registration. The regulatory impact related to Dicamba and Movento in Q1 is in line with the previously communicated 200 to 300 basis points margin impact for the full year. We expect the majority of the effect in the first half of the year.

Glyphosate sales declined by 10%, driven by phasing into subsequent quarters to support just-in-time purchases in the Southern Hemisphere.

On profitability, EBITDA before special items came in 10% lower at EUR 2.6 billion, resulting in a margin of 33.7%. As expected, the lower margin is primarily an effect of high-margin sales losses due to the regulatory impact and the corn phasing to Q2. We were able to partially compensate these effects by cost savings.

## Q1 2025: Growth Across the Portfolio More Than Offsetting Xarelto Decline

So, I'll move on to our pharma business.

Net sales of EUR 4.5 billion were up 4% in the first quarter with growth across the portfolio more than offsetting the expected Xarelto decline.

Our launch assets Nubeqa and Kerendia continued to perform particularly well, growing 80% year-over-year and reaching combined sales of EUR 680 million. This was largely driven by strong contributions from the United States.

Eylea grew by a solid 5%, supported by the ongoing rollout of 8 milligram, and sales were particularly strong in Europe and also in Japan.

Our base business grew by 6%, driven by strong contributions from radiology and women's health, in addition to high demand for cardio aspirin and Adalat in China.

And as expected, Xarelto declined in the first quarter, coming in 31% below the prior year. This was mainly driven by continued generic pressure in Europe and in Japan.

On the bottom line, EBITDA before special items increased by 12% to EUR 1.3 billion in the first quarter, resulting in a margin of 29.5%. Both higher sales as well as continued efficiency gains more than offset slightly higher R&D investments and an FX headwind of 1 percentage point.

## Q1 2025: Moderate Start to the Year

Finally, turning to Consumer Health.

Sales here grew by nearly 3% with balanced category and regional growth. Volumes were up by 2%, while price increases contributed 1%. All regions performed well with growth in North America, APAC and EMEA. And in LatAm, we remained flat due to muted consumer sentiment influence by the U.S.-Mexico trade relations.

The digestive health category increased by 13%, driven by product launches as well as supply improvements in products like Iberogast.

For Pain and Cardio, we recorded growth of 7%, fueled by product launches and good consumption of Saridon in Asia Pacific. Additionally, Aspirin also performed well across all regions.

Dermatology was up 2% for the quarter, thanks to Bepanthen and Canesten, along with innovations within our product range, KangWang in China.

The allergy and cold category grew by 2% with strong growth for cold products in North America, partially offset by a slow start to the allergy season.

Finally, Nutritional declined by 5% year-over-year due to weak demand in our prenatal nutrition supplements in China and the discontinuation of the Care/of business in the U.S. in June of last year.

Our EBITDA before special items increased to EUR 342 million, resulting in a margin of 22.8%, slightly below prior year, but within reach of our guidance range. The improvement in EBITDA before special items was primarily driven by increased sales. Additionally, our ongoing cost management efforts positively impacted profitability, including a reduction in COGS. This was partially offset by lower divestment income and increased investments in marketing our innovative products.

## Group Outlook Confirmed at Constant Currencies – Monitoring Geopolitical Developments and FX Volatility

So, let's now look at the outlook.

As we see high volatility in the geopolitical environment, I will also share our thinking about the potential direct and indirect impacts around tariffs as well as FX.

We are continuously monitoring the various tariff announcement. Our experts are analyzing potential impacts and working on possible solutions to secure supply to our customers. We are focused on maintaining the stability of our supply chains and on minimizing any potential impact.

Based on the current status of tariff announcement and our mitigation measures, we expect to manage the impact and we confirm our outlook at constant currencies for the full year 2025.

For Crop Science, we expect the direct tariff effects to be limited overall, mainly impacting the crop protection portfolio as seeds and traits are mostly produced in the regions where they are sold. As of now, most of our Crop Protection active ingredients as well as glyphosate are exempt from the latest tariffs. We're also evaluating indirect business implications. These could include amongst others, the magnitude of acreage shifts from soy to corn in the United States, potential shifts to LatAm in soy as well as several pricing and volume scenarios for glyphosate and the broader crop protection portfolio.

For the full year for Crop Science, we are taking decisive measures to maintain stable sales and margins in spite of notable regulatory headwinds. As the anticipated regulatory impact materializes, recovery in Latin America and Crop Protection, along with strong efficiency gains will help to compensate to achieve our full year guidance.

Let me move on to Pharma.

On tariffs, we expect to see certain direct effects on parts of our portfolio, mainly product flows between the U.S. and China. With our production footprint in the EU, there is an additional risk of potential tariffs on pharmaceutical imports from the EU into the U.S. As you know, these are currently exempt but under a Section 232 investigation.

The business performance in the first quarter, particular our launch assets provides confidence in our ability to sustainably compensate the Xarelto generalization. Considering this, together with what we currently know about tariffs, we expect pharma to deliver at the upper end of our sales and profitability guidance range.

For Consumer Health, our expectations for the phasing throughout the year are in line with the full year guidance. Based on the current tariff announcement, we expect to be able to manage the direct impacts within the guidance range. We are monitoring additional indirect risks mainly related to potential demand impact stemming from lower consumer confidence.

Let me close with some comments on foreign exchange rates as well.

In the past weeks, we have seen a material depreciation of the U.S. dollar and other currencies against the euro, which negatively impacts our top line, and to a lesser extent, our bottom line. In line with long-standing practice and legal requirements, we are updating the FX estimate based on March months end spot rates. Compared to constant currencies, this leads to the numbers shown in the last column of the table on Page 11 of our investor deck.

However, as we all know, currencies have materially changed since the announcements from the U.S. administration early April. To illustrate the potential impact, we performed further analysis based on the spot rates of April 24th. In that scenario, there is an incremental FX headwind of about EUR 900 million in net sales and approximately 10 cents in core EPS. On the other hand, this would reduce net financial debt by another EUR 500 million compared to the figures shown on the slide.

We will monitor these further developments and update you on the impact with our next reporting.

And with that, I close my remarks and hand it over to you, Jost, to moderate the Q&A, please.

## Q&A

**Jost Reinhard:** Thank you, Wolfgang. Thank you, Bill.

We will now start our Q&A session. And for that, we have Stefan and Julio as well here with us in the room and Rodrigo dialed in from the United States.

***(Q&A Instructions)***

The first two participants in the line are Richard Vosser from JPMorgan and Sachin Jain from Bank of America Merrill Lynch. So, Richard, please go ahead.

**Richard Vosser:** Firstly, on crop. Perhaps you could -- you mentioned growth in crop in Q2. Could you talk about the benefit of the shift from Q1 and what that is contributing in terms of the growth? And then whether you've seen any impact from forward purchasing maybe on crop protection products, given the uncertainty, particularly around the other herbicides and how you think that strength will continue, if at all, in the coming quarters?

And then a second question just on Eylea in pharma. Future expectations, obviously, very strong Q1. Could you just give us more color on how the 8-milligram is doing and how you're seeing the launch in the future of biosimilars? Thanks very much.

**Bill Anderson:** Great. Rodrigo, do you want to take the first one, and then Stefan can talk about Eylea?

**Rodrigo Santos:** Sure. So, thanks for the question, and let me go deeper on the performance here of the core business, right? So, if you would exclude the regulatory impact that we had in Q1, our core business would be growing 2.4%.

And on specific questions about the phasing on corn, and this is the accounting treatment that we are doing because of some of the changes in the go-to-market that we did in the U.S., our corn business would be growing at 2.5% on this first quarter. And this is basically the adjustment that we are doing on the accounting that you see on that one.

If you go to Crop Protection, we reported 2% growth in Q1, again, impacted by Movento. If you would exclude Movento, we would be growing by 5%. And on volume, to your question, was 7% higher in Q1.

And there is a little bit of these dynamics that you mentioned about the market about flowing elements from Q1 and Q2. And that's why we feel when we see the numbers of Q1, very consistent to what we were expecting. We are confirming our guidance for the year. And also our confidence on our core business growth based on the innovation.

That is a good confirmation of the healthy of the core business that we have when we look to the deeper on the performance number here. Thanks for the question.

**Stefan Oelrich:** Hi Richard, thanks for the question on Eylea. Yes, we're very pleased with the performance in the first quarter. What you can see is that in an increasingly competitive field, we're maintaining and in some geographies, even expanding market share following the introduction of the 8 milligrams. We're very pleased.

That being said, for now, essentially capturing new patients, so we're not seeing any movement from 2 milligrams to 8 milligrams for now. So, it's mostly new patients that will accelerate once biosimilars will enter the game, and we will probably see more movement from 2 milligrams to 8 milligrams. Until then, we had guided that we expect Eylea to remain north of EUR 3 billion over the coming years, and that's something that we still are targeting as of now.

**Jost Reinhard:** Great. Thanks both. So, the next one in line is Sachin Jain from Bank of America.

**Sachin Jain:** Yes. Two questions, please, on events upcoming.

So firstly, I guess Bill on Glyphosate, you referenced a SCOTUS application introduction. Just any color on when you expect to hear back on whether accepted review or not.

And then really, I want to ask you if you could flesh out plan B if not accepted by SCOTUS, you touched on state legislation, but any color on plans beyond that, particularly when you could give visibility on structural solutions you've been debating.

And then the second one, I'm sure Stefan you're expecting on Asundexian for me, Phase 3 dated towards yearend. I wanted to just touch on two points. One, learnings from Phase 2 that you've taken into Phase 3 regarding the population you're assessing and the endpoints. And then perhaps you could touch on the size of the market, given the focus mostly has been AF historically for this class. Thank you.

**Bill Anderson:** Yes. Thanks, Sachin. So, on SCOTUS, we think there's sort of two windows that we could hear. One is in June, and this is hearing back from them on they are accepting our petition or not. Could happen in June or it could happen in October or slightly later. So those are

kind of the timelines when that should happen. And we think the filing went in early enough that it could happen in the early window, but yes, it's hard to say.

In terms of a plan B, if what you mean by -- what do we do if Supreme Court doesn't accept or something like that. Yes, we definitely are not staking everything on any one plan. So, I think some of the other things that we can do, we're working with members of Congress from both the Republicans and the Democrats -- this is a bipartisan topic. It should be a bipartisan topic. And we were pleased to see that in Georgia that we had a bipartisan legislation. And we're working with members of Congress from both parties on that this sort of language should also be in the next farm bill.

The question there is when will be the next farm bill. I mean one was due last year. One is sort of overdue this year, but in the current environment in Washington, it's not so easy to say whether that will actually happen this year. But that would be very useful because that would be a national legislation which is, yes, yet more effective than having it from individual states.

We're still pursuing legislation in additional states. So that's I guess part of a plan B. There's always the potential for a settlement because most of the time these sorts of situations, they do get resolved by a settlement. But obviously, for us, a settlement would need to be something with a high degree of finality which was obviously not achieved on the one that was attempted a few years ago. So, we would have a very high standard for that.

And then finally, there are certain structural options that we are preparing for. And so, we want to make sure that we have one way or another, a way to put the litigation situation behind us. We think the -- yes, the Bayer employees, the shareholders, our customers, they deserve that, and we're working really hard on it.

Maybe Stefan, on Asundexian?

**Stefan Oelrich:** Okay. Yes, hi Sachin I was expecting your question to some degree. So, first of all, thank you for your continued interest in the Asundexian program. We're eagerly awaiting readout of the study in the second half and yes, we have modeled our Phase 3 population to the -- to those areas -- to those populations where we saw the biggest effect in our Phase 2. There is a subgroup, which against the composite of asymptomatic -- sorry, recurrent symptomatic ischemic stroke and TIA, where we saw a risk reduction of 36%. This is pretty much how we've built the Phase 3 to have mostly that population be present.

We're also looking at higher likelihood of events when patients present with atherosclerotic cases. So that's also taken into account as we have selected the patient population.

Your question on potential, this is one that has no easy answer because when you look at how the studies are built, we're studying acute cases for now. If you include the prevalent cases, then that would largely extend the market potential. So, I think you have to probably think about this in two steps.

**Jost Reinhard:** All right. The next two in line are James Quigley from Goldman Sachs and Jo Walton from UBS. James, you are next.

**James Quigley:** James Quigley from Goldman Sachs. I've got two questions, please, two Pharma ones.

So firstly, a follow-up on Asundexian. I think in the roadshow in the call last time, last quarter, you seem confident on the efficacy. Given this trial, also has a safety primary endpoint as well in terms of time to first major bidding events, can you -- how is your confidence around this given the data we've seen before, particularly data from the OCEANIC-AF trial, which again, I'm cognizant hasn't been presented externally. And can you confirm if that is a superiority endpoint or a non-inferiority endpoint on the bleeding side of things?

And then secondly, in terms of the phasing on the Pharma margin, so obviously, you had a very strong first quarter. The margin was well above the top end of the guidance range. You've already pointed you're going to come in in the full year towards the top end. But could you talk to the phasing through the year? And could you quantify how much of the sales beat was from one-off elements in the quarter? I think stocking in Aspirin was called out. So how should we think about that in the rest of the year in pharma, given Xarelto as well?

**Stefan Oelrich:** So, thanks. On Asundexian, I will have to get back to you on -- I think it's noninferiority, on bleeding, but it could be superiority. Bleeding, I'm not sure.

**Bill Anderson:** It's versus placebo, right? In stroke?

**Stefan Oelrich:** Yes. But he asked for the whole OCEANIC trial that includes the failed one.

So, what I can tell you is that we had in the PACIFIC program, we definitely met what the difference that we were seeking in bleeding. And from what I recall also in OCEANIC, but we'll get back to you, James, on this one. So, it's certainly a good data point.

But I remember -- and I don't have the top of my head that on the bleeding side, we had a pretty clean bill of health in terms of all the studies that we've done from Phase 2, including the first Phase 3 in the OCEANIC and the ongoing we'll have to see.

On the strong first quarter. Thank you. I agree. We had an incredibly first -- incredibly strong first quarter, and this against the backdrop of Xarelto being at minus 31%. We've also said, however, that we expect the first half to be a little stronger than the second half. I think that still holds true. So, we -- in order to get to progressively somewhere between more than EUR 1 billion. So somewhere between what did we say, Jost, EUR 1.2 billion to EUR 1.5 billion [**Jost:** 1 to 1.5] on Xarelto. We would have to accelerate the losses slightly in the second half. But the first half really was strong.

The only thing that was outside of what we would normally see was the Cardio Aspirin sales in anticipation of volume-based procurement in China. And then please note that we ran against a

relatively weak quarter last year. So, we're going to be running against stronger quarters for the remainder of the year comparatively.

But all in all, we're extremely pleased, of course, with Nubeqa and Kerendia, both at 80% and 90% growth. We're also pleased with our continued strong growth in radiology, and we see recovery in Women's Health, which I still attribute to somehow recovery from COVID, which is linked to these long-acting contraceptives that take a little longer to recover apparently.

**Jost Reinhard:** So, the next one in the line is Jo Walton from UBS.

**Jo Walton:** One Ag and one Pharma question, please. Just on the Plan B and the state legislature, just to get a sense of the importance of the states that you have succeeded in. So, North Dakota, not that many people live there. Georgia, you've got a ruling through there, which presumably gets rid of the Barnes case because that was in Georgia. But most relevant, how many of your cases are in Missouri? And can you just tell us a little bit about the time line for the next steps there?

We note that it's past the Lower House as it did last year, but it passed with a smaller majority this time than it did last year. And last year, it failed in the Upper House. So, can you just give us an idea of the sense of timing and any degree of confidence that you have that you've shifted the mindset there to get that one over the line?

And then my second question would be on Elinzanetant, now Astellas is not nearly as much of a powerhouse in Women's Health as you are. But Veozah really hasn't done very well. It's sort of fairly -- it's stuck now in the last three quarters of between $50 million and $60 million a quarter in the U.S. I wonder if you could just tell us a little bit about how we should see that grow, whether they've done a good job in at least educating people that there will be something around or whether you'll be stuck with -- well, you're another one of that not particularly good type of product?

**Bill Anderson:** Yes. Thanks, Jo.

Regarding the state legislation route, we think it's important beyond the simple question of what's the population of the state because in a way, if you think about it, the states shouldn't have to affirm a federal agency as having authority over the thing that the federal law in the first place said they have authority over. This would be a little bit like a state affirming that the FDA has authority over drug labels, right?

And the reason we're in the situation though is because state courts have, we believe, wrongly interpreted the FIFRA legislation as sort of that the EPA's mandate is not authoritative across the 50 states. And so, this is why it needs clarified.

Yes. So, one reason to get these bills is because it offers at least manufacturers certainty within those specific states that at least they know what the rules are.

Now in the case of Missouri, there's a large majority of glyphosate lawsuits that have been filed in Missouri. Now, how Missouri law applies versus the law of the state of origin. So for example, a person in Georgia who's filed suit in Missouri are they covered by the Georgia law or the Missouri law? And there's many questions that will basically need to get decided also in the courts.

But the bottom line is getting the state legislation is a -- I think it's a powerful signal also to the U.S. Congress that, hey, the states shouldn't have to do your job for you, the law needs clarified and frankly, the Supreme Court can do that. The U.S. Congress can do it, and state legislatures can assist with that as well. So hopefully, that gives you a little bit more color on it.

You want to talk about Elinzanetant versus Veozah.

**Stefan Oelrich:** Sure. Hi, Jo, and thanks for your interest in Elinzanetant.

So just maybe to preface, we're well on our way according to plan to get this product approved in middle of the year, U.S. will most likely be our first launch market actually, certainly of most -- our first launch market. We see a differentiated profile to other products in the space. We have an NK-3, NK-1 neurokinin inhibitor. And we think this also shows in our clinical results.

We have every reason to believe that we could be best product in this class, the unmet need of women who either cannot use hormone therapies, who do not want to take hormone therapies to treat their hot flashes and also sleep disorder potentially is there. And we believe that we have a very competitive product, and you named it. We are one of the leaders in this space with a strong legacy and we intend to play that.

So, stay tuned and we still think that this has potential north of €1 billion. So, this is a blockbuster in our view.

**Jost Reinhard:** Before we continue, we have one unidentified hand raised in the call. If you could just send us a short e-mail, so we can link the telephone number that will be super helpful.

In the meantime, we continue with Christian Faitz from Kepler Cheuvreux, followed by Joel Jackson from BMO. So Christian, please go ahead.

**Christian Faitz:** Yes, two questions, please.

First of all, on crop. The current drought in Europe, which seems to be ongoing well into May, June. Rodrigo, do you see this as a threat to demand for crop protection products, particularly fungicides and insecticides for Q2?

Second, on pharma, I know that news flow out of the U.S. is changing on at least daily basis. Yet, can you comment on yesterday's press conference at the White House and possible implications for your pharmaceutical product pricing?

**Rodrigo Santos:** Christian, thanks for that. So fair enough, and we are watching very closely. The next few weeks in Europe will be critical, right, and especially for the fungicide application, as you said. So, we're going to be watching very close.

We have -- it's always like that, right? We had a good season in the Americas overall. And in Europe, we have this dry right now in some countries. We had some impact in the irrigation area of Turkey as another element of that impact. We are watching close on that one to see the impact of that. But you nailed it. The key element is how the weather will be in the next weeks and the impact of that on fungicide. That could have an impact on that one. We're going to be watching on this one.

But overall, when I look globally, you have a more positive trend this year than we had last year. So that's also helpful for overall production globally. Thank you.

To you, Stefan?

**Stefan Oelrich:** Yes. Thanks, Christian, for the question.

Just like you were following this on a daily basis, and continue to be sometimes surprised. On the other hand, I think we can say that pricing is complex. And when you look at the executive order, you can see how it's formulated that this is not something that anyone can give a pinpointed answer to at this point. So, I think we'll have to see a little bit the specifics of how this is going to roll out.

That being said, I think it's a clear call to action also to other geographies, namely Europe, to look at how to better support innovation with pricing. So, this is, to me, a very clear ask and should be an opportunity for Europe to position itself as a strong supporter of this industry, the innovative industry.

**Jost Reinhard:** The next one is Joel Jackson from BMO. Joel we can’t here you …

All right. Then I would propose to continue with the next two in line. We'll come back to Joel. So, following from here is Vincent Andrews from Morgan Stanley. And then Laurent Favre from BNP Paribas.

**Vincent Andrews:** Wondering if just in soybeans, if you can help us reconcile how it's flowing through. So, I see a big, I think, 14% reduction in soybean seeds and traits revenue as a function of what's going on with Xtend. But then I also see the glyphosate, sorry, the herbicide ex-glyphosate sales are actually up, and I would have thought Dicamba sale will be down a fair amount.

So, can you just help us understand how it's flowing through? How much of the seeds and traits is volume versus price? And then why are you doing so well in herbicide ex-glyphosates even with what should be a pretty big headwind from Dicamba sales.

**Rodrigo Santos:** Thank you, Vincent. So let me give you a little bit of color on the seeds and traits.

If you think about cpa [growth] is a 6% impact negative on volume and a positive percent on price. This is including the regulatory impact. I mentioned before, Vincent, just going very briefly on corn, corn we have a negative cpa [growth], but this is impacted by the accounting treatment. Otherwise, we'll be a 2.5% growth. Specifically about North America, we would be at 3.5% growth, excluding the accounting element here.

Coming back to soybean. Soybean your spot on the impact that we have is mainly on Q1 on the regulatory side and mainly on the licensing revenue. I think the biggest impact that we have on the 14% that you mentioned is the licensing revenue coming from big companies on our business.

On CP, overall, we have a 7% volume increase, excluding Movento from Europe. And this is a little bit of the shift also comparing to the previous quarter of last year on the Q1 of last year. Some anticipation of the market probably as we talk a little bit about the -- a lot of uncertainty in the market in terms of tariffs and so on. So, some anticipation that we see in terms of volume, including the herbicide market, including the herbicide.

Dicamba, we already had that impact was not a massive volume in Q1. It was more impacted before. But overall, soybean, the only thing that I didn't mention here on my point is that we are seeing a great momentum on the Intacta2Extent in Latin America as well. And we are seeing growth of up to 20% penetration this year. So that will be also positive in the development of what we have in soybean there.

But this is a little bit of a deeper view on the numbers here that I provided, Vincent, on that one.

And just taking the opportunity of your question, I saw some of the notes before as well, we are expecting and we are confident to have that Dicamba label for the '26 season, and that's something that we are working with EPA as well. So, thank you for the question.

**Jost Reinhard:** The next one is Laurent Favre from BNP Paribas.

**Laurent Favre:** Rodrigo, two questions for you. The first one on seeds. Based on your comments, it sounds like you are not as optimistic as the USDA on corn acreage for this year. I was wondering what's driving that assumption? Is it just being conservative or are you maybe also losing market share in corn.

And then maybe attached to that, can you remind us how much more profitable is an acre of corn compared to soy, if you have any sort of rough sensitivity on a per acre basis, that would be very useful.

The second question is on CPC. Can you talk about the environment for pricing as raw material deflation starts to come in? Are you seeing an opportunity for margin expansion? Or would you expect more pricing pressure, especially from the generics?

**Rodrigo Santos:** That's great. So let me go first.

No, we are very optimistic about the corn acreage in U.S. as well. If this will land at 95 million acres as the USDA that you refer or it will be 94 million acres, that is hard to know right now. It's exactly the season that we have and this is normally by June, you're going to go after some of the returns, you have a great estimation. But definitely, you're going to have a very high growth of corn in U.S.

And that's why when you look specifically about our numbers in North America, if I take out the accounting treatment that we are moving from Q1 to Q2, some of the recognition of sales we would have a 3.5% growth on our corn business in U.S. by now. So, it's going in the right direction, and we are also expecting Q2 to help and including corn also for other geographies. It's not only the North America, we are expecting a good corn development globally. So, it's going to the right impact here.

On your question about overall CP, we do see competitive pricing pressure for the next quarters as we have a significant buildup of capacity in China. So, that's why -- and we're going to talk a lot about that earlier -- later today on our webinar, we're going to talk a lot about the plans that we have to expand our margin.

We announced in the last quarter that we have a plan to expand our margin by EUR 1 billion and that is coming from the entire value chain. We're going to talk about some of our R&D adjustments that we have, a massive contribution from product supply on the EUR 600 million and this will -- 80% of that is in crop protection, and that is to support the margin expansion that we have. And there are some also adjustments that we are doing in the go-to-market and the global functions. So that is a massive contribution to the margin expansion that we have.

So, we're going to continue monitoring prices, but the work that we are doing on the margin expansion is to be focused a lot on the controllables that we have. And that's something that we are working right now, and we're going to talk more later today and give you a little bit more details on the plans that we have for the next year.

So that's a little bit of the overall view here. Thank you.

**Jost Reinhard:** So fantastic. Thank you. Before we close the call because there's no more questions in the line. Stefan, you want to follow up on James' questions on the noninferiority.

**Stefan Oelrich:** Yes. So, James, that gave us the time to look it up. So, it was noninferiority because we compared to standard of care. And so that was the comparator with positive outcomes for bleeding.

**Jost Reinhard:** Thank you. Excellent. So, I guess there's plenty of more time this afternoon to speak about Crop Science. As a reminder, we have our event coming up at 4 p.m.

And for now, I want to thank you very much for your questions and interest. That concludes our earnings call. And I hope to see you all then at our virtual Crop Science event in less than an hour. The material for that is also now available on our IR website. And until then, have a great day.