Investor Relations

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TRANSCRIPT

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Jost Reinhard

Head of Investor Relations, Bayer AG

Good afternoon and good morning, everybody. Welcome to our Conference Call to review Q4 and Full Year 2025 and to look into 2026.

To begin, Bill will share his perspective on our business development, the progress we've made in our transformation and the path ahead of us. Wolfgang will then provide an overview of our financials in 2025 and the outlook for 2026. We will then hear from our divisional presidents on the performance of their businesses and plans going forward to execute their strategies, and then we move to the Q&A.

Before we begin, please note the cautionary language in our safe harbor statement.

Let me also remind you that we'll speak about our sales growth in currency and portfolio adjusted terms throughout today's presentation, if not stated differently.

And with that, over to you, Bill.

Bill Anderson

CEO, Bayer AG

Thanks, Jost. Thanks to all of you for joining today's call.

We're really happy to go through our 2025 results and to provide an outlook for '26.

Before doing that, I do want to share a short update on company leadership. As we announced in November, Judith Hartmann has joined the company and the Board of Management as of March 1. So she's going to spend the coming weeks getting to know the company, its customers, our people, our products before taking over as CFO in June. So she's looking forward to meeting you. I know some of you know her already, picking up from Wolfgang, who's definitely locked in on steering the company through an important next three months.

So let's get into 2025.

In July, we upgraded our currency adjusted sales and earnings guidance for the year. And today, we're announcing that we delivered that guidance, landing comfortably within the improved corridor. Sales came in at EUR 45.5 billion, and we posted core earnings per share of EUR 4.91, and our free cash flow came in at EUR 2.1 billion. Here's a picture of our businesses.

Crop Science progressed in the first year of its profitability improvement program. A rejuvenated picture of our Pharmaceuticals business emerged with launch medicines establishing themselves as growth drivers and others advancing through our pipeline to the market. Our Consumer Health business suffered from the market softness in the United States and China, but maintained the

bottom line. And across the firm, we're seeing improvements to the way we operate. Launches are moving at great speed, resources moving much more fluidly.

Our organization is considerably flatter and leaner, less managerial and more mission-oriented. We have roughly half as many layers, and we've reduced management by two-thirds compared with when we kicked off this work. The 88,000 people of Bayer are doing more faster with less.

And all in all, we recognize progress on our comprehensive turnaround plan, but the journey is far from over. There's much more to do in each of our priorities and each of our businesses. Our focus is on the important work ahead.

One of those key priorities is significantly containing litigation. Two weeks ago, Monsanto and plaintiff lawyers in the U.S. announced a nationwide class settlement to resolve eligible current and future cases in the glyphosate litigation. And today, I want to reiterate a few key points.

First, the class settlement is moving through approvals. Just as we said two weeks ago, we're confident in the merits of the agreement. We await the judge's ruling, and we'll be ready for any scenario.

Second, Monsanto has filed its opening briefs with the U.S. Supreme Court, and the case has received strong support from the U.S. government, Attorneys General in 15 states, the U.S. Chamber of Commerce and many more. We will continue preparing our case in anticipation of a ruling likely in the second half of June. We're particularly grateful for the backing we've gotten from farmer groups across the United States who know better than anyone how important glyphosate is for their vital work. In fact, the White House recently recognized how essential glyphosate is for U.S. food security with an executive order. We share that view, and we're fully prepared to comply.

Overall, our multi-pronged strategy proceeds at pace. We know we have some important milestones ahead of us. We'll stay focused on taking the right steps for the company and remaining prepared for all outcomes. Beyond that, this issue has garnered a lot of attention lately. And in the coming months, we expect a rigorous debate about American agriculture and what's needed to create a food system that's robust, sustainable, healthy and regulated by sound science.

We appreciate that people come to this issue with a range of opinions, and we welcome that conversation. Most importantly, we've got to be clear on the facts.

Fact 1, glyphosate safety is resoundingly confirmed by regulators. More than 50 countries including the U.S., Canada and countries across Europe say so. These are thorough reviews, not designed at getting clicks or going viral, but carefully assessed risk and reaching scientific assessments.

Fact 2, glyphosate is essential for agriculture and food systems. It keeps carbon in the soil and protects harvest from being wiped out by weeds. It helps keep a trip to the grocery store affordable at a time when food prices are a topic of concern. American farmers are a bedrock of the nation's economy. And a force for food security around the world, and we want to keep it that way.

Fact 3, litigation in the U.S. is big business. Litigation costs amount to more than $600 billion a year. That's taking more than $4,000 out of the pocket of every American household. And it's growing, thanks to backing by private equity and foreign investors who enjoy tax-free returns.

Last week, the Washington Post called on Congress to pass tort reform and specifically cited the glyphosate litigation as an example of how the system has gone wrong. So the next time the narrative is framed as sticking it to the big corporation, people should question who is actually the big corporation here and who's ultimately bearing the cost.

For years now Bayer has been on the record on this issue and many others surrounding the glyphosate litigation. We've made our case to politicians across political lines and the general public, and we'll continue to be clear and transparent about our interests. We'll engage with people of different opinions, and we'll hope to find common ground. Most importantly, when it comes to questions this big, we'll always start with what's true.

Now beyond litigation, we have a full agenda for 2026. We have ambitions to help many more patients with Nubeqa and Kerendia. 2026 will be the first full year of sales for both Beyonttra and Lynkuet, and we want to launch Asundexian as soon as possible. Our Crop Science business set the foundation in 2025, establishing its five-year framework. Execution is underway and will continue in 2026 with the goal of improving the top and bottom line in '26, all while preparing important launch plans scheduled for '27 and beyond. Consumer Health plans to advance its Road to Billions strategy, offsetting an uncertain market by making the right investment decisions in categories where we have the most to win.

And in a year where we're bearing the brunt of litigation-related impact, we're exercising vigilant discipline in how we manage our resources. Cash conversion is of the utmost importance. Deleveraging remains a big focus area, and Wolfgang will tell you more about our financing plans for this year. And we're laser-focused on delivering the EUR 2 billion in organizational savings through our operating model.

In terms of our outlook, we expect a solid performance in 2026 with product declines in Pharma and Crop Science due to loss of exclusivity and regulatory pressure in the EU, offset by continued strong performance of our launch products and our annual portfolio refresh. In addition, we want to ensure continued investment in our pipeline and launch products in '26 to set ourselves up for growth in '27 and beyond.

Before accounting for FX changes, we see our core earnings per share landing roughly in line with last year. And as we shared two weeks ago, we're expecting a negative free cash flow this year due to litigation-related payouts.

That outlook is emblematic of the company's current strategic position, strong signs of progress, but still working on a comprehensive turnaround. We've made major gains across the company, but that work is not yet complete. We're focused on delivering what we've committed for '26 and making the right long-term decisions to set Bayer up for sustained profitable growth.

We have a clear picture of what needs to be done in every area. We're dialed in on the tasks at hand, and we're ready to deliver. So, Wolfgang will walk you through the numbers.

Over to you.

Wolfgang Nickl

CFO, Bayer AG

Thanks, Bill. Welcome also from my side.

Let's first take a closer look at the group financials for the full year '25.

In a pivotal year, we fully achieved our raised financial guidance for all group KPIs. Group net sales came -- grew by 1% year-over-year in a currency and portfolio adjusted terms. All divisions delivered their adjusted guidance.

Let me briefly highlight the main business drivers by division.

For Crop Science, the anticipated regulatory headwinds from the Dicamba label vacatur and the Movento expiration were offset by strong corn seeds and traits growth. Corn growth was driven by several factors, historically high corn acreage in North America, strong performance of our corn seeds and traits globally and finally, a portion of incremental licensing revenue from the resolutions with Corteva in Q4.

Let me pause for a few additional comments on the Corteva resolutions.

First, the resolutions represent licensing fees rightfully owed to us for the usage of our proprietary technology across multiple periods including the years '25 and '26. Licensing fees are an important element of our business model and thus are accounted for as operating revenue.

Second, based on content and timing of the resolutions, about EUR 300 million supported our corn performance in Q4 of '25. And as you may have read in the annual report, about EUR 450 million will support our soy performance in Q1 '26 which is reflected in our outlook. We always had a high level of confidence that we would prevail, but these numbers were higher than what we modeled before.

Third, given the positive impact, we decided to advance certain strategic measures like product portfolio streamlining. Together with an impact on incentives, this is largely offsetting the positive effects from licensing income in 2025. It is important to note that the underlying operational targets would have been achieved without these effects as well.

Our Pharma business fully delivered on its raised guidance. Nubeqa and Kerendia continued the significant growth momentum and finished the year ahead of our raised expectations. With that, the launch assets performance more than offset the expected decline in Xarelto as well as headwinds in Eylea.

Our Consumer Health division delivered resilient performance in a challenging market environment with net sales stable year-over-year and in line with our revised guidance. Nutritionals were partially affected by difficult market conditions in both China and the U.S., while softer seasonality in cough, cold and allergy led to a decline in this category.

As previously indicated, our group top line was impacted by material FX headwinds of around EUR 1.7 billion, driven by the depreciation of the U.S. dollar, the Brazilian real and some hyperinflation currencies.

Let's move to the bottom line. Group EBITDA before special items came in at EUR 9.7 billion compared to the prior year, negative foreign exchange effects of around EUR 500 million weighed on profitability. We also saw higher incentive provisions and growth investments compared to the prior year, while top line growth and cost savings helped to compensate. In an important year for our transformation, all our divisions and the enabling function delivered on the profitability commitments, balancing necessary growth investments with disciplined resource allocation and cost savings.

Core earnings per share came in at EUR 4.91. The decline versus the prior year was driven by the expected lower EBITDA before special item and includes FX headwinds of about EUR 0.30. Our core financial results came in better than anticipated. Compared to the prior year, it improved markedly, mainly driven by lower interest expenses and positive changes in ‘at-equity’ results. Reported earnings per share were at minus EUR 3.68, as you can see in the appendix. Main drivers for the delta next to the regular amortization of intangibles are significant litigation-related provisions and liabilities classified as special items. Litigation-related special items amounted to EUR 7.5 billion in total, including the increases that we announced two weeks ago.

Let me also clarify again that our litigation-related provisions and liabilities are based on a comprehensive assessment. The provision and liabilities of EUR 11.8 billion contain all litigation-related costs we know today and can reliably forecast, also covering past glyphosate verdicts either settled or pending in appeals.

Our free cash flow came in at the upper end of our guidance range at EUR 2.1 billion. The anticipated year-over-year decrease is mainly driven by the expected higher incentive and litigation-related payouts. With our continued focus on improving working capital and prioritizing capital expenditures, we have further reduced our year-end working capital to sales and our CapEx to sales ratios in '25. Net financial debt was reduced to below EUR 30 billion by the end of '25 due to the cash flow contribution and about EUR 1.4 billion in foreign exchange tailwinds driven by a weaker U.S. dollar.

Let's now move to the outlook for '26.

Let me start by explaining the background for a methodology change that we will implement for our core earnings per share KPI as of this year.

What we want to achieve with that is to provide enhanced transparency around our operational performance, reflecting necessary cost of doing business and moving core EPS closer to reported EPS. Previously, our core EPS definition only included the core depreciation linked to usual depreciation of property, plant and equipment. All amortizations of intangibles were excluded. As of this year, we will also factor in the amortization of certain intangible assets, in particular, software. The change in methodology leads to an approximately EUR 0.35 step down in '25. Adjusting for the new methodology, we come from the EUR 4.91 that I just mentioned to EUR 4.57 in 2025.

For '26, we anticipate stable core earnings per share at constant currencies on a like-for-like basis. All businesses plan to further progress in the transformation, continue to execute their strategic agenda and set the basis for future growth. Overall, expected higher earnings contributions from Crop Science and Consumer Health will be offset by anticipated lower earnings in Pharma, in line with the divisional strategies.

On the corporate level, our outlook assumes higher long-term incentive provisions due to the increased share price compared to '25. This also results in higher reconciliation cost, as you can see in our modeling assumptions in the appendix.

We also expect higher interest expenses impacting our core financial result. This is driven by an anticipated increase in net financial debt due to the substantial litigation-related payouts and the resulting negative free cash flow in 2026.

Finally, on geopolitics. Let me start by addressing the recently started war in the Middle East. Our thoughts are with the people across the region. Our focus is on ensuring the safety of our people and the continuity of our business. At this point in time we do not see a material impact on our business and we will continue to closely monitor the situation. We are in close contact with our people on the ground who ensure continued supply of our essential products.

Regarding tariff and FX, we are prepared to deal with a new dimension of volatility across businesses and regions. In '25, we successfully managed the dynamic trade environment and limited the impact of additional tariffs. This was achieved through a combination of mitigating measures by our cross-functional teams as well as tariff exemptions based on the relevance of our products. Our new way of working proved extremely helpful in flexibly handling the situation, and we will continue to build on that strength going forward. For 2026, our outlook includes our latest assessment of estimated direct and indirect geopolitical impacts.

As mentioned previously, we expect foreign exchange rate fluctuations to remain a major swing factor. Based on year-end spot rates, we anticipate continued foreign exchange headwinds of about EUR 0.30 to our core earnings per share, as shown on the right side of the chart. Managing our FX exposure in the geopolitical context has been a major priority for us in '25 and will continue to be a major priority in '26.

Overall, we will continue to monitor the situation very closely. This includes the future of the U.S., EU trade relations following the recent court ruling on IEPA-based tariffs.

Let me summarize with the outlook for all group KPIs for 2026.

We anticipate net sales of between EUR 45 billion and EUR 47 billion at constant currencies, representing a growth range of 0% to 3% in currency and portfolio adjusted terms. For EBITDA before special items, we target between EUR 9.6 billion and EUR 10.1 billion in '26 at constant currencies, representing a minus 1% to plus 4% development versus the prior year. As mentioned, core earnings per share are expected to come in between EUR 4.30 and EUR 4.80 at constant currencies.

In our free cash flow outlook of minus EUR 1.5 billion to minus EUR 2.5 billion at constant currencies, we account for the expected significant litigation-related payouts of around EUR 5 billion as also announced two weeks ago. With the negative cash flow, we expect net financial debt to increase to between EUR 32 billion and EUR 33 billion at constant currencies.

As also announced two weeks ago, ultimate financing for the litigation resolutions is planned to rely on senior bonds on the one side and instruments receiving equity-credit ratings by the rating agencies [should be: equity-credit by the rating agencies] on the other side and not on the AGM authorized capital increase. While finalizing these measures, please note that the current net financial debt outlook for now conservatively reflects straight debt financing.

In the last column of this slide, you will find the estimated foreign exchange impact based on month end December 2025 spot rates. And for modeling purposes, we have included all relevant assumptions in the appendix to this presentation including the combined value for core depreciation and core amortization based on the core EPS methodology change.

And with that, Rodrigo, over to you.

Rodrigo Santos

President Bayer Crop Science

Thank you, Wolfgang.

In Crop Science, we have built a more agile organization through DSO and strengthen our operational discipline through our five-year framework. That discipline is already delivering tangible impacts.

It shows up in three areas, underscoring the strength of our core business and the differentiated growth we see through the end of the decade. Number one, in the resilient performance we delivered in 2025. Number two, in the clear step forward we expect in 2026; and number three, in the progress already made against our five-year framework, laying the foundation for a stronger performance through the mid-term.

So before turning to 2025 and 2026 specifically, let me anchor us in where we stand in the five-year framework because this is the lens through which we manage the business and the roadmap that guides every decision we make.

We are on track to deliver across the triangle sales growth, margin and cash. We've strengthened the operational foundation of the business by simplifying the portfolio and sharpening our footprint, we are firmly on course to deliver the more than EUR 1 billion margin improvement. Actions include divesting and outsourcing multiple active ingredients, exiting nearly 200 crop protection products and streamlining our global site footprint from crop protection to seed production. We are also exiting lower return vegetable crops and the noncore seed treatment equipment business. As we advance our efforts, portfolio streamlining and go-to-market models will be largely completed by year-end.

Innovation remains our engine for future growth. Protecting our proprietary traits and R&D capabilities is critical.

Simply put, the recent resolution with Corteva is licensing revenue for the use of our technology. It does not change our growth outlook or licensing expectation. It does ensure fair compensation for our technologies today and well into the future. And it safeguards the value of our innovation engine with advanced six projects and introduced 470 new hybrids and varieties last year. Our industry-leading pipeline position us for differentiated durable growth.

Our first blockbuster Plenexos is now launched and will expand into Brazil this year. Icafolin submissions are complete. NewGold Camelina is now in the market for biofuels and the nine additional blockbusters are on track for upcoming introductions. And that includes the Preceon Smart Corn introduced with biotech approach, along with the Vyconic in 2027.

As followed closely by our fifth-generation herbicide-tolerant soybean trait – position us for double-digit share growth and put us firmly on a path to reclaim the number one soybean trade position in North America. This is the strength of our pipeline. We have an unprecedented number of markets shape innovations on the horizon with a clear pathway for growth. With that strategic context in place, let's look at how this foundation is already showing up in our results, starting with the resilient performance in 2025.

2025 demonstrated the strength and resilience of our growth engine. We delivered on guidance despite significant regulatory pressure and additional market and currency headwinds. We recognized additional licensing revenue and executed strategic measures specifically to streamline our portfolio, advancing our five-year framework and strengthening the financial health of our business.

Seed and traits delivered robust growth propelled by a near double-digit increase in corn, excluding licensing income, with a strong start to the LATAM season and expansion globally. In addition, vegetables delivered a fourth straight year with growth over 5%. Finally, through disciplined execution, we delivered roughly EUR 400 million of efficiency and cost savings. We closed out 2025 with a business that is structurally healthier, better positioned to deliver a steady improvement towards our mid-term ambition.

So let's talk about 2026. '26 represents yet another step forward in delivering our five-year framework. We expect ag market fundamentals to remain challenging and project below average market growth. However, our resilient base and focused execution give us confidence while we benefit from the license income, we will continue pushing hard on our five-year framework measures. Overall, 2026 is another year of diligent execution of our strategic plan, setting us for the future.

Our core business growth is expected at 1% to 4% currency and portfolio adjusted. An important contributor for this growth is the recent approval of our Stryax dicamba formulation. This marks the first step in re-establishing the momentum of our North America soybean business, giving farmers the added flexibility they have been waiting for. For 2026, we expect Stryax herbicide growth as well as pricing gains in soy and cotton. Still, we do not expect full recovery yet preparing for the Vyconic introduction in 2027. For corn, we expect low single-digit growth globally based on anticipated price and market share increase despite acreage reduction in the U.S. And in Core Crop Protection, we anticipate softer growth on higher volumes driven by new products, offsetting continued pricing pressure and EU regulatory impact as previously expected.

For glyphosate, tariffs recently have been reduced on Chinese import into the U.S. and in generic. So generic PRC pricing has declined below the historical median. With that, we currently expect glyphosate sales to decrease by 2% to 6% compared to the prior year. We will continue to monitor the situation and adjust pricing as needed for the separate managed commodity business.

As we look at calendarization, the noted soy licensing revenue will benefit the first quarter. However, lower tariffs and generic price decline adversely affecting glyphosate sales. And in addition, we expect a soft start to the Crop Protection season on top of continued regulatory effects in Europe. Our growth drivers, such as Stryax sales, will only emerge later in the season.

On the bottom line, we will strengthen our margin profile with expected EBITDA margins before special items of 20% to 22% at constant currency, inclusive of the dilutive glyphosate margins.

This reflects continued cost discipline as well as pricing and mix benefits from portfolio streamlining in line with our five-year framework.

For example, in soy, we are focused on pricing-to-value and improved utilization rates – over top line growth. We will monitor currency closely, as sales seasonality in the soft-currency markets like Brazil can create volatility in both on top and bottom line results. Taken together, these factors underpin a realistic execution-focused 2026 outlook and underscore the momentum we are building for the years ahead.

Our sharpened portfolio, leaner footprint and increasingly resilient earnings model give us strong confidence in delivering our mid-term targets and navigating ag cycles with a greater consistency.

We will provide updates through the year and also invite you to join us in Iowa this September for an innovation showcase and a deeper dive into our strategic progress.

And with that, over to you, Stefan.

Stefan Oelrich

President Bayer Pharmaceuticals

Thank you, Rodrigo.

And over to the Pharmaceuticals division in which we continue to make great progress on our strategic agenda as we have now entered what we call the last year of the so-called resilience phase. And we've seen tangible results for all of our strategic pillars throughout 2025.

We're well on track in renewing our top line and our strategy of balancing expected declines for our mature products with growth from new products which is ultimately working out really well. I will shortly provide more details on our 2025 performance and also on our expectations for 2026, which are both fully in line with this strategy. However, I want to also highlight that we're well set for our next wave of growth right into the next decade, driven by significant sustained Nubeqa and Kerendia sales as well as a successful launch of Beyonttra, the first launch of Lynkuet in the U.S. and very positive data presented for Asundexian only a few weeks ago.

We have demonstrated also great success in our efforts to grow our pipeline value and nourishing our foundation for future growth. Driven by our innovation, our new innovation model, we have progressed 16 clinical programs across the development phases and achieved approval for five new key indications or products in 2025.

I already mentioned Asundexian, but I do want to reiterate the genuine excitement we witnessed among attending physicians at the International Stroke Conference in New Orleans earlier this year. Not many were expecting such groundbreaking results. With this potential new treatment option in secondary stroke prevention, we may have an opportunity to truly rewrite the future for stroke survivors and their families. In addition, this study is a great example of how we are derisking our pipeline. It also demonstrates our excellence in executing a study that has been praised by the scientific community for its pragmatic design and for being very representative of clinical practice.

In addition, we are continuing to leverage our new operating model for increased performance. With a significantly more outcome-centered organization, we're fully focused on those activities that generate the most value for our customers and the company, and therewith also for our shareholders.

At the same time we're applying very stringent OpEx management which has enabled us to not only increase our performance, but also our efficiency. We have consequently been able to sustain our margin in the mid-20s range, all of this despite facing continued LoE, pricing and VBP-related pressures, while we continue to invest into our launches and also into our pipeline.

Now briefly turning to our 2025 performance. Bayer Pharma has delivered on its upgraded 2025 guidance, growing by about 2% in 2025. With strong growth of Nubeqa across regions as well as a fantastic growth of Kerendia, mainly driven by the U.S. and China, resulting in a total combined sales of EUR 3.2 billion just for these two medicines, we clearly overachieved expectations.

In line with our narrowed guidance corridor, Xarelto declined by 32% or EUR 1.1 billion due to continued genericization, especially in Japan and Europe. For Eylea, we're seeing increased pricing pressures with the market entry of biosimilars which we were only partially able to offset with volume growth including an increasing contribution of Eylea 8 milligrams, making up 26% of total Eylea franchise sales through the year and roughly 40% at year-end.

With strong growth in radiology and women's health more than offsetting VBP-related declines, mainly affecting Cardio Aspirin and Stivarga as well as declines in our mature portfolio, our base business grew by 2% and achieved 2025 sales of EUR 9.2 billion.

Looking at our margins, we also delivered on our guidance. While the declines from 26% in the prior year to 25.4% in 2025 were driven by changed product mix and pricing pressure, higher growth investments into launches and innovation as well as FX headwinds. We were able to partially offset these by volume growth, continued savings from efficiency programs and reversals of write-downs in inventory.

Moving into 2026, we expect an unbroken growth momentum for Nubeqa and Kerendia, amounting to an expected growth of approximately 50% at constant currencies, respectively, driven by continued market penetration and indication expansions such as, for example, the upcoming EU approval for Kerendia in heart failure following the recent positive CHMP opinion that we received. This growth momentum will be further supported by the continued launch dynamics of Beyonttra and also of Lynkuet.

While we were able to defend Xarelto well in 2025 overall, we experienced increased generic pressure towards this year-end. Therefore, we also expect a slight acceleration of relative declines in 2026 in comparison to last year, being in the range of 35% to 40%.

With the accelerated pricing pressures we have seen for Eylea with the entry of 2-milligram biosimilars since Q3 2025, which we may have slightly underestimated, we will focus our activities to build on the strong clinical profile and unparalleled label of Eylea 8 milligrams to significantly expand its contribution to the Eylea franchise to approximately 70% and sustain our market-leading position in volume shares. Despite these efforts, we will likely see declines for the Eylea franchise in the range of approximately 20% to 25% at constant currencies in this year with the pricing pressures somewhat leveling out thereafter. Since 2 milligrams biosimilars only

entered the market fairly recently, we will continue to closely observe and evaluate the evolving situation and we'll provide updates as we gain more clarity as per usual reporting practice.

In line with the stringent shift of resources to focus our activities on our current and future growth drivers as well as continued VBP pressures out of China and declines in our mature product portfolio, we expect a modest contraction of our base business in 2026.

In sum, we're expecting growth of 0% to plus 3% at constant currencies for this last year of what we call our resilience phase before returning to mid-single-digit growth as of 2027.

As we are hovering over a prior year during which the IRA, VBP and LoE-related pressures increased over the quarters and Nubeqa and Kerendia will continue to grow as this year progresses, we expect the topline for the second half of 2026 to come in stronger than the first half.

Looking at our 2026 margin, we would expect that the impact of a changed product mix and increasing growth investments throughout the year will only be partially balanced by cost savings from efficiency measures. We, therefore expect a 2026 EBITDA margin before special items in between 23% and 25% at constant currencies as we keep working to expand our margin as of '28 towards 30% by 2030.

With that, over to you, Julio.

Julio Triana

President Bayer Consumer Health

Thank you, Stefan. Over to Consumer Health now.

So as we review our performance and set our priorities, I want to begin with the progress we're making on our Road to Billion strategy. Last year's market environment was challenging for two reasons. First, market dynamics in the U.S. and in China; and second, the continuation of seasonal softness in cough, cold and allergy. Despite these obstacles, we have stayed committed to our strategic approach, focusing on areas where we can create the most value and actively respond to evolving market conditions. Across markets, we also see structural shifts. Consumers are more deliberate in how they spend. E-commerce continues to scale quickly.

At the same time traditional retail is consolidating and retailers have reduced inventory levels to manage working capital more tightly, especially in the United States and China. Despite this backdrop, the fundamentals of our business remain attractive. A growing middle class, rising health care adoption and constrained health care systems continue to support durable demand for our categories.

In the near term, we expect continued volatility in China and in the U.S. with performance likely to contract. Over the long-term, we expect both markets to return to sustainable healthy growth pattern. While allergy, cough and cold have been soft for two years, the fundamentals underlying our categories remain very solid.

Our Road to Billion strategy is designed to convert this solid foundation into sustainable value creation. At its core, the strategy aims to increase household penetration by reaching billions of consumers through both online and off-line channels as well as through our strong presence in pharmacy and health care professional settings.

In the medium-term, this will support consistent sell-out growth and more predictable sell-in. We're executing this strategy through four pillars; focusing resources on our power couples, the brand and market combinations with the highest right to win, strengthening our trusted brands through innovation and leveraging our repeatable growth model, aligning our lean organization around consumers, customers and categories and driving productivity and protect our margin and reinvest in growth.

I remain confident in our fundamentals. Executing with focus across these four levers will deliver long-term value creation.

Now let me turn to our performance in 2025. 2025 was a challenging year that tested our resilience in a difficult environment across the entire industry. Against this backdrop, our sell-out held in line with the market at close to 3%. This was supported by our active approach to partnering with retailers, aligning sell-in with sell-out.

We delivered EUR 5.8 billion in net sales. This was essentially flat year-over-year and in line with our revised guidance. Price contributed modestly, while volume declined as expected, reflecting market dynamics.

However, sell-out overall was stronger than sell-in. Category performance was mixed. Dermatology, Digestive Health and Cardio gained market share. The allergy and cold categories were held back by softer seasons. Nutritionals came under pressure in the U.S. And in China, the prenatal segment contracted as demand for Elevit declined in line with falling birth rates.

Our EBITDA margin before special items was 23.1%, slightly below last year. On a currency-adjusted basis, it was in line with 2024 at 23.3%. This demonstrates resilience in a year marked by volatility. Productivity gains from our new operating model and active cost management offset inflation and help fund investment in our power couples and in the fast-growing e-commerce channel.

Now looking ahead to 2026, we expect continued macro and geopolitical volatility. Given our geographic footprint and the segments where we compete, we expect our relevant market to grow by about 2% to 3%. This is about 100 basis points slower than the total consumer health market. Category dynamics, geographic mix and increased volatility underpin our net sales growth outlook of 0% to 4% in currency and portfolio adjusted terms. Building on our 2025 base, we aim for continued volume recovery.

The United States and China, our two biggest markets, will play a crucial role in our overall performance. Slowing growth and market volatility there could heavily influence our results. Consumer confidence remains soft across the world. If consumer spending picks up and seasonal categories see higher incidents, we might achieve the higher end of our growth forecast. If not, growth could be toward the lower end.

Given the volatility and its impact on our topline, our EBITDA margin outlook before special items for 2026 is 22% to 24% on a constant currency basis. Savings from our new operating model and active cost management are expected to offset annual cost increases. We continue to

reinvest a portion of those efficiencies to strengthen our brand equity and gain share. We will continue to accelerate investment in e-commerce and AI across brand building and activation, consumer engagement and product supply. Prioritizing self-care and empowering people to take control of their health has never been more important.

Through our Road to Billion strategy focused on building trusted brands, we are uniquely positioned to meet the needs of consumers, creating lasting impact and long-term value. Thank you.

Jost, over to you for the Q&A.

Q&A

Jost Reinhard: Thank you all.

We now begin our Q&A session. And before we start, just a few housekeeping comments. (Operator Instructions)

We'll start today with Richard Vosser from JPMorgan, followed by Sachin Jain from Bank of America.

Richard Vosser (JPMorgan): First question is on Eylea, please. Thanks very much for the guidance for the year. But could you give us a little bit more color in terms of the building blocks in terms of price, volume and how you're thinking about the 8 milligrams ability to increase volume in your regions for Eylea. Just some color there on '26 would be helpful. And then second question, just on crop.

Maybe you could talk about the -- with dicamba coming back on the market, how you see the benefit on pricing for soy and cotton seeds through '26 and how we should think about that impacting those two seeds?

Stefan Oelrich: Richard, thanks for the question.

So on Eylea, I'm pleased to report that we're seeing very positive volume uptake of 8 milligrams, and that is bound to continue throughout all of '26. So I was talking about 70% of our total sales should come from 8 milligrams by end of the year. And I think that will continue quarter-over-quarter.

We're seeing excellent demand based on the, I think, category-leading label that we have for 8 milligram. And so that will unfortunately not fully compensate for the price declines that we're seeing on the 2 milligrams because it's -- a biosimilar entry is not so much a volume erosion for us as it is much more a price erosion, and that's really hard to beat.

Rodrigo Santos: And Richard, let me cover the crop question here. Thanks for that one.

So on soybean, let me separate two elements here. Of course, having Stryax label back in 2026 is important for us because it allow us to recover some price, both in soy and cotton, as you said.

Important to say that we are expecting significant volume growth and share gains when we are launching the next generation that is Vyconic that we are planning for '27. This is when we're planning to recover a significant portion of market share in the market, grow double digit and recover that leadership that we have in the trade market.

'26 is a transition for soybean as we laid out in our last five-year framework. Important to have that to recover some of that value, but the key driver of growth will come in '27 and beyond when we launch the new technology in U.S.

Jost Reinhard: So next one in line is Sachin Jain from Bank of America, and he's followed by Charles Pitman-King from Barclays.

Sachin Jain (Bank of America): Two topics, please. I'm going to kick off with litigation and perhaps you could just touch on how you think about opt-out. So any color on class timelines for preliminary approval and how important it is for the opt-out period to conclude pre-SCOTUS final decision? And just any color on your scenario around what happens if SCOTUS is a no? Some of our feedback suggests the class could fall apart. I'm just interested in your thoughts there.

And then the second one for Stefan, I have to ask on Asundexian, I class your excitement. I wonder if you could just comment on two factors that could drive Asundexian market size to be different to the existing antiplatelets. Wondering if you could touch on treatment duration potentially being longer and then usage in a broader population, prevalent versus incidents. And the reason for the latter point is I think there's some data ISC that suggested you could use it broader than within 72 hours of index. Do you plan any further analysis that could further build on that?

Bill Anderson: Yes. Thanks, Sachin.

So on the litigation questions, first off, the timeline for preliminary approval, the standard timeline is 15 days which is today. But the judge can extend that at his discretion. So it could come today. It could come in the days ahead.

As I said before we designed the settlement agreement in collaboration with a large set of the plaintiffs lawyers. We designed it in a way that it met the needs of the plaintiffs and the needs of Bayer. And so we would anticipate that it would receive preliminary approval and ultimate approval. The timeline can be 90 days after preliminary approval for opt-out period or it can be longer than that.

And yes, I mean there's probably different scenarios where it comes before or after a Supreme Court decision. It would be better if it comes before but it doesn't change the fundamental nature of the question there that's before SCOTUS and the opportunity in the settlement agreement.

You asked about opt-outs. I think we said before the opt-outs needs to be something approaching zero, okay? Because, yes, if people opt out, then you don't really have an agreement and then we'd have to move on to other potential solutions.

But I probably won't speculate beyond that. And maybe Asundexian, Stefan?

Stefan Oelrich: Yes. Sachin, thank you for sharing our enthusiasm on the Asundexian data. You can imagine we're all thrilled. And I don't want to tell you how that day went when we opened the data. It's certainly memorable to me and will be so for a long time.

So the questions you asked are really good questions. Based on the strong data, we're looking at analyzing our study data to the full degree. So there will be scientific meetings where we will share some of these analyses throughout the year.

Of course, it's also in our interest, and I think in anybody's interest, given the strong data to derisk secondary stroke patients risk as much as possible. And that includes potentially taking a product like Asundexian longer and also maybe at a later point in time than just at the point of the event.

That's something that we'll be discussing with regulators. Those discussions have just started. So stay tuned for more.

But I understand that, obviously the answer to those questions also determines very much the potential of the product.

Jost Reinhard: So the next to get ready in our queue is Christian Faitz from Kepler Cheuvreux.

But before that, we hear from Charles Pitman-King from Barclays.

Charles Pitman-King (Barclays): Firstly, on Crop Science. I'm just thinking about the impact of the Corteva in-licensing and your kind of margin target. You mentioned the underlying in-licensing was better than you expected or more beneficial than you expected which in turn allow you to pursue that further product streamlining. So I'm just wondering if you could give us a little bit more detail. We understand that you have the EUR 300 million and then the EUR 450 million guided on the in-licensing, but how much of the greater streamlining on the negative side have you seen impact in the underlying Crop Science business?

And just thinking about the kind of potential repetition of these in-licensing payments going forward, how is that impacting your mid.term margin target? Are you still expecting that mid-20s EBITDA pre by 2029. Is that, therefore more derisked given these in-licensing revenues should be booked at 100% margin?

And then just secondly, more briefly on Xarelto, given the accelerated erosion versus consensus, I'm just wondering if that timeline to hit your sales target floor of EUR 900 million to EUR 1 billion mentioned at 3Q within two years is still valid. And what gives you that confidence that is a defendable floor?

Rodrigo Santos: So let me start, Charles, with the last part of your question.

So the licensing resolution doesn't change our five-year plan and our goals to achieve the mid-20 EBITDA margin targets that we mentioned about that one. And that includes, of course, our licensing business that is over EUR 2 billion today. So yes, it doesn't change that outlook that we have planned for the next five years. Going deeper a little bit on the elements here.

When you think about the impact in 2025, we delivered the upper end of our guidance in Crop Science, also impacted by that licensing resolution. But even excluding that licensing resolution, and just let me do one remark here. Part of that should be impacting '25 and '26 as well. But even

if you exclude completely that resolution, we would achieve our guidance in 2025. And to give you even a deeper information on that one, when you look to the corn performance that we book our results in '25, we grew by 13%. If you take again completely that resolution, we would still at the double-digit growth in corn based on the global performance that we have. If you go to '26, the year-on-year is a marginal or is not material impact of that licensing because of the year-on-year element here. We're going to have in soybean, and you're going to see that on the Q1, but year-on-year, it's not a material performance.

In the end of the day, it's an important recognition of our licensing, our R&D innovation and our leadership, but doesn't change the course of the plan that we have on the five-year framework and the growth that we are planning for the next five years. Thank you for that.

Stefan Oelrich: Charles, thanks for the question.

So last year, we had guided that we may land Xarelto at EUR 1 billion to EUR 1.5 billion negative. We're happy that we could do better than that and land at the upper end of this.

So what we sort of like failed to lose last year, we're going to lose it this year. And that's where the increased pace comes from. That does not change the fact that we're going to land at what you call the floor.

Now there is no mathematical precision around the floor, but I think the numbers you indicated resonate with us. And why do we believe that to be the case? There are a number of regions where already today, we have cash-paying patients that prefer to buy a branded product over a generic product. And those are typically regions in the global South, in parts of Eastern Europe or also in China. And there is every reason to believe that this floor will hold. Thank you.

Jost Reinhard: Great. Before moving to Christian from Kepler Cheuvreux, we will -- after moving to Christian, we will hear from James Quigley from Goldman Sachs.

But the next one is Christian from Kepler.

Christian Faitz (Kepler Cheuvreux): Two questions, please, on crop that is. Rodrigo, I note your remarks of a soft start in Crop Protection into 2026. What are the key reasons? Is it weather, channel inventories or continued share losses versus generics or a combination of all three? And then the second question is, when would you expect Icafolin having a significant contribution to your non-glyphosate herbicides franchise? Is that still -- is it this decade or rather early next decade?

Rodrigo Santos: Thank you very much. So let me go deeper on our Crop Protection.

On our core Crop Protection, excluding glyphosate, we are planning to grow in 2026. The growth will come from the launches that we have, the expansion of Plenexos to Brazil or Verango Prime and the Fox family that we have there, also the new launches like Stryax in U.S., offsetting some of the regulatory losses that we're going to continue to have in EU as we planned and also, of course, the pricing that you mentioned of the generics in the market. With that, we still plan to grow our core business here.

Glyphosate is a different element here as we guided for minus 2% to minus 6%, and this is really a high commodity business here. We are planning Icafolin to launch, and we already complete the regulatory process and the plan is to launch '27, '28 [should be: '28; first launch of Icafolin

planned in Brazil in 2028]. And we're going to expand that launch to globally, and that will come with the new launches that we have.

So we should have an impact, as you said, by the end of this decade of Icafolin coming to that market to complete our portfolio as well. So that's the frame that we have in Crop Protection here.

Jost Reinhard: So James Quigley from Goldman Sachs, followed by Vincent Andrews from Morgan Stanley.

James Quigley (Goldman Sachs): I've got two, please. First of all, thank you for the help over the years, it's a shame that I won't see you tomorrow in person, but best of luck for the future.

So first is on Nubeqa. So you're expecting 50% growth next year. It seems to suggest sales around EUR 3.4 billion. The previous targets were greater than EUR 3 billion peak sales. You would have reached that after about six years with four to five years left of patent life.

So how are you thinking about the trajectory from here? The market is quite dynamic with generics on the horizon, J&J published a study suggesting a leader in the real world stronger than Nubeqa not necessarily a fair comparison. And you're going to have competition on the horizon from Pluvicto and also Pfizer's EZH2 combination with XTANDI. So how are you thinking about the trajectory here over the next couple of years?

And then secondly, also, Stefan, and a follow-up on Sachin's question on Asundexian. So the data did look pretty impressive in oceanic stroke at ISC, justifying your excitement there. So what are you hearing from KOL diligence that you had at the conference? How are you thinking about potential indication expansion as well particularly those patients who can't dose up on Factor X inhibitors or can't tolerate Factor X inhibitors, to what extent is there potential for expansion here? Or do the results of OCEANIC-AF make this tricky?

Stefan Oelrich: Okay. So first of all, James, thanks for -- on Nubeqa, we're super pleased. We're seeing extremely strong growth momentum across all regions in the world. And I don't see good reasons why that would change anytime soon. Last year, remember, we already had an impact on IRA-related impact in the U.S. because of the overall situation there. So we're quite bullish on Nubeqa. I've said publicly, this is likely to be the largest product we've ever had. I think our outlook for this year proves that. How far this is going to get us? Well we'll see. And the entry of generics, of course, will have an impact. We clearly anticipate that. But let's not forget also that we have a very differentiated profile with this product and patients appreciate that and also prescribing doctors appreciate that. So we see continued growth for Nubeqa also beyond 2026.

For Asundexian, that's an excellent question. And that's precisely an area that I've had the pleasure of discussing with KOLs including our lead investigators of the OCEANIC-STROKE study. And obviously the results promise to redefine standard of care in secondary stroke survivors, but they also open new questions about can this type of mechanism be a solution for improved brain health in patients maybe with or without prior stroke. And then, of course, can it also be an option for the population you described in atrial fibrillation. Those are questions we're looking at constantly. And stay tuned. You'll hear more from us during the course of the year. This is a very competitive space. So I won't share it all here on this forum.

Jost Reinhard: So Alek Ebbeling from UBS will follow after Vincent Andrews from Morgan Stanley. Vincent, please go ahead.

Vincent Andrews (Morgan Stanley): Just wondering, Rodrigo, if you can talk a little bit about the seed order book for North America, in particular, the mix you're seeing between corn orders and soy orders from an acreage perspective. And if you think that might shift a little bit more towards soy, just given there's been a pretty significant run-up in nitrogen prices this week given the conflict in the Middle East and if you think that might skew your book more towards soy? And if you could remind us sort of what the profitability differential is these days between a corn acre and a soy acre in North America? And then I have a follow-up.

Rodrigo Santos: Thanks, Vincent, and you are spot on.

So this is part of why we are guiding '26, and we are expecting a modest market growth. One of the elements of that is the shift from corn to soy. Of course, geopolitical is another important element and the farm economics, as you said. That's why low single-digit expectation in terms of market, and that's why we guide our core business to grow 1% to 4%. One of the reasons is that one. We will see a shift from corn to soy. The order book in corn is very strong in U.S. I need to say that to you. Also with canola, we're having a very great season in terms of order books by now in Canada as well.

So on our seeds and traits, we have that element, but we will see. How much will be the shift from corn to soy is still hard to define right now but we'll have more soybean. And as you mentioned, corn is more profitable for us per acre than soybean. So this is not a year that is ideal when we have that shift. It's -- when we have the corn years is where we have the highest benefit here. And this is included in our guidance of the 1% to 4% growth in the core.

One of the elements is exactly what you said, Vincent. Thank you.

Jost Reinhard: Good. The next one in line is Alek Ebbeling from UBS. And we have two more waiting then, Thibault Boutherin from Morgan Stanley and Sebastian Bray from Berenberg.

But Alek, the floor is yours now.

Alek Ebbeling (UBS): Two, please, on Pharma.

First on Lynkuet. I was just wondering if you have insights you can share on how the initial launch has been progressing. Previously you said that there's kind of maybe a wide range of potential peak sales outcomes. So just wondering if the initial launch has given you any more clarity on the potential peak sales or when we could have that?

And second, on your Actinium PSMA radioligand. So you recently presented Phase I data for this asset and noted that the results support moving to the next stage of clinical development, but you didn't say it was being moved forward. Previously you also mentioned that there was a possibility to move this asset straight into a Phase III trial. So just wondering how we should view the next steps in development for this asset?

Stefan Oelrich: Thank you, Alex. Both excellent questions.

So maybe on Lynkuet first, it's going to be mostly qualitative. So we're seeing high awareness. We're seeing awareness growth. I think we're also seeing very positive uptake compared to comparator brands in that space which is not surprising because we've been there for such a long time and have so much experience in the OB/GYN space.

So we're in the PCP launch as we speak. So all of this speaks to that we're on the right track. We still consider this a blockbuster brand, but it's still early days. So stay with us. I don't think that it makes much sense to give you much, much more than that for now. But we're seeing that we're seeing good uptake across the board. Also the prescriber base is broader than what we've seen in this particular non-hormonal class before. So all of this points in the right direction.
And on PSMA-Trillium, this is an area certainly one of our potential catalysts for the future, not just to sustain our leadership position in prostate cancer, but overall.

So we were super pleased and continue to be super pleased with the Phase I data, and we will be moving this medicine in all likelihood forward this year. That could be to a level that could be sufficient for registrational trials. And if you have single-agent activity in oncology, you typically see something in Phase I. That's what we saw. And so we feel confident about this. And it's a modality that bears a lot of promise. It's an alpha emitter. So we believe it's more targeted than other therapies that are out there. And so yes, we're going to move this forward. Whether we call it a Phase III or we call it potentially registrational remains to be seen.

Jost Reinhard: So next one is Thibault Boutherin from Morgan Stanley.

Thibault Boutherin (Morgan Stanely): Just a question for Stefan on Beyonttra.

If you can give us any indication on what sales look like in '25 and an expected contribution in 2026 and your estimated sort of shape of the ramp to reach the blockbuster potential?

And then second question is for Rodrigo, just on the Corteva one-off benefit in Q1 '26.So you talked about the step-up, I mean the step from '25 to '26 because both of the one-offs, then it's fine. But just if you could help us in terms of how we should think about the step from '26 to '27. So how should we think about modeling '27 from '26 if you should adjust for the benefits and model from here. So basically, how to think about that sequential step on the following year?

Stefan Oelrich: Yes. Thank you, Thibault.

So sales in '25 are still modest. We don't report them out at that level. I don't think it adds anything. So '26, you're going to -- we're going to see gradual increase.

This is not a switch product. At least we're not seeing it as such up to now unless you have situations like in Denmark with national tenders. So that means we have to go out for new patients, and that means it's a slow ramp. It's not a fast ramp. So don't expect blockbuster status anytime in the very near future.

Rodrigo Santos: Thibault, on your question on the licensing resolution, right? We have the impact on corn in 2025, the impact of Q1 soybean in '26. We're not expecting this kind of resolution for '27. We're going to continue to have our licensing revenue.

Licensing is a very important business for us. I mentioned we have over EUR 2 billion of licensing today. Most of that comes from medium to small regional companies, and this will continue in the course of the next years.

But I'm excited about '27 and beyond, and we're going to talk about in the future about that one because then it's where we start to have a lot of the launches.

Just to mention to you very briefly, when we think about '27, we're talking about the Preceon Smart Corn System biotech version, Vyconic soybean, and we are preparing the biggest launch of soybean that we had in many years in U.S. Then you have the new formulations like Icafolin that I shared as well.

So very consistent. When you hear about the approach, and Bill talks a lot about that one, what we did in '25 on the resilience performance, a solid performance in '26 and preparing for the growth that we are planning for the future here. That's the consistent of an execution that we are doing today.

Jost Reinhard: Great. The last participant in our queue is Sebastian Bray from Berenberg.

Sebastian Bray (Berenberg): I have two, both on Crop Science. The first is, Bill, I think you mentioned at the start there would be further regulatory pressure in Europe. I thought most of the Movento phase-out is done. What is fair to expect for 2027 or 2026, I should say, in this respect?

And my second question is on margins in seeds and royalties. Am I right in saying that the EBITDA margin in seeds has declined substantially over the last five years at Bayer. I ask this because it looks as if there has been a loss of royalty revenue.

I don't know what it was five years ago, maybe around EUR 2 billion now. And how exactly does Bayer expect the EUR 2 billion of royalty revenues to develop in future?

Rodrigo Santos: Good. So let me address both. And let me start with the last one.

No. We have a very healthy margin on our seeds and traits business. Yes. In soybean, specifically North America, you have the penetration of that technology because of the vacant. We lost some licensing revenue in 2025 on soybean. But the business that we have on the licensing and the seeds and traits margin is healthy because we continue to have.

When you think about the licensing in the future, and we talk about the end of this decade, think about all the biotech traits that I mentioned here, and you can go to the Intacta 5+ in Brazil or SIP4 in Brazil or you can think about the Corn Rootworm 4 that we are launching in the U.S.

So those are the engines of the licensing that we're going to continue to see, and this should be helping us to expand our margin and also, again, to help our seeds and traits business continue to grow.

The first question?

Bill Anderson: The first question was about the regulatory pressure.

Rodrigo Santos: That's an important one because if you go back to May, when we shared the five-year framework, we mentioned that on the next five years, we're going to continue to see because of the European Green Deal, you're going to see still regulatory impacts for us and for the entire industry.

So we have one example for '26. Flufenacet is one that we have an impact for '26, but this is part of the plan that we have. We are planning to grow modest our crop protection in '26, and we have our plans for the next five years including the impact that we have on the regulatory. This is as expected and it's part of the plans that we have for the next five years.

Thank you for that question as well.

Jost Reinhard: Thank you very much. Thanks for your interest and the quite detailed questions today. And that concludes our conference call for the full year and the fourth quarter of 2025. And with that, I wish you a great day.