Bayer 2022: Delivering Value Creation

UniCredit // Kepler Cheuvreux
German Corporate Conference
January 21st & 22nd, 2019
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## 2018: Progress Across all Divisions
Delivering on Guidance Despite Headwinds

<table>
<thead>
<tr>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>// 2018 on track</td>
</tr>
<tr>
<td>// Status of Glyphosate litigation</td>
</tr>
<tr>
<td>// Value crystallization of Covestro stake</td>
</tr>
<tr>
<td>// Net financial debt at ~€36bn by end of 2018, ~€3bn ahead of plan</td>
</tr>
</tbody>
</table>

### Crop Science

- Growth ahead of competition and best-in-class profitability\(^1\)
- Full recovery in Brazil
- Successful start of integration

### Pharmaceuticals

- Growth at rate of competition\(^2\)
- cGMP remediation in Leverkusen fully on track
- Xarelto approvals/launch in CAD/PAD in EU/US
- Progress with Larotrectinib and Darolutamide

### Consumer Health

- Growth acceleration plan with strengthened management underway
- Return to growth in H2 2018
- Portfolio further focused through divestiture of Rx dermatology

\(^1\) Reported data peer group; \(^2\) IQVIA; cGMP: current Good Manufacturing Practices; CAD: Coronary Artery Disease, PAD: Peripheral Artery Disease

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We Will Create Significant Value Through 2022 and Beyond
Focus on Execution and Driving Sustained Profitable Growth…

1. We have completed Bayer’s portfolio transformation into a global leader in Health & Nutrition

2. The next phase is focused on driving value creation through (i) growth ahead of competition enabled by innovation and portfolio measures (ii) profitability enhancement through Bayer 2022 synergy and efficiency programs and (iii) strong cash generation

3. We target Sales, Core EPS and FCF CAGR* until 2022 of 4%, 10% and 18%, respectively

4. Strong FCF along with proceeds from divestments enable (i) growing dividends, (ii) quick deleveraging of our balance sheet and (iii) selective bolt-ons and in-licensing transactions

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2018e PF used for Sales and Core EPS; 2018e used for FCF

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## We Will Make Further Portfolio Adjustments: Crystallizing Value of Non-core Assets

<table>
<thead>
<tr>
<th>Portfolio assets</th>
<th>Rationale</th>
<th>Financials (2018e)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Animal Health</strong></td>
<td>// Explore strategic exit options for Animal Health // Inorganic investments required to build a leading position will be shifted to other investment priorities</td>
<td>~€1.5bn</td>
</tr>
<tr>
<td><strong>CURRENTA</strong></td>
<td>// Explore strategic options for share in CURRENTA // Non-core business; mismatch between Bayer’s ownership share (60%) and demand of services (20%)</td>
<td>~€1.2bn</td>
</tr>
<tr>
<td>Coppertone, Dr. Scholl’s</td>
<td>// Explore strategic options for Suncare &amp; Footcare // Crystallize value of consumer care brands to focus capital allocation on core OTC brands</td>
<td>~€0.4bn</td>
</tr>
</tbody>
</table>

**Total:** ~€3.1bn >€0.6bn
Transformation Completed

**Group Profile**

**Past**
- HealthCare
- Crop-Science
- Polymers
- Consumer Care, Diagnostics
- Specialty Products
- Basic and Fine Chemicals

**Today**
- Crop Science
- Pharmaceuticals, Biological Products
- Specialty Products
- Wolff Walsrode
- H. C. Starck
- Polymers
- Plastics, Rubber

**Measures**
- Organic top-line growth and profitability improvement
- Transformational M&A in all of today’s businesses
- Synergies realized from strategic acquisitions
- Value crystallized through optimally-timed divestments
- Shaping the future of Health & Nutrition
- Adjusted set-up for future value creation
We are a Global Leader in Health & Nutrition
Well-Positioned Across Our Businesses

~€45bn 2018 Pro-forma Sales

Crop Science
~€19bn / ~43% of Group
#1 Position
Growing ahead of competition over last five years on average
Best-in-class profitability through the cycle
// Leading portfolio of seed & traits, crop protection and digital farming
// World-class R&D platform with best talent and technology in the industry
// Positioned to shape the future of agriculture: development of tailored solutions to address farmers’ individual needs and challenges

Pharmaceuticals
~€17bn / ~38% of Group
#2 Position in Cardiovascular
One of the fastest growing Pharma businesses over the past five years
Xarelto and Eylea among the world’s leading Pharma brands
// Innovative medicines in areas of high unmet medical need
// Therapeutic focus areas: Cardiology, Oncology, Gynecology, Hematology and Ophthalmology
// Strong position in emerging markets
// Leading in Radiology and Women’s Health

Consumer Health
~€5bn / ~12% of Group
#2 Position
Leading Positions in 7 of the Top 10 OTC Markets
// Focus categories: Allergy & Cold, Cough, Sinus and Flu; Nutritionals; Dermatology; Pain and Cardio; Digestive Health
// Concentrated portfolio of 16 mega-brands with annual sales of >€100m

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1 The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2018. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting. Due to this simplified procedure, they explicitly do not reflect sales according to IFRS or IDW RK HFA 1.004, meaning they have not been audited.

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Next Phase to Deliver Value Creation

Transformation Completed

Next Phase Focused on …

1. Growth ahead of competition in Health and Nutrition
2. Consistent profitability enhancement
3. Strong free cash flow generation
4. Disciplined capital allocation

Crop Science
Pharmaceuticals
Consumer Health
Global Megatrends in Health & Nutrition
Attractive Macro Drivers of Our Businesses

Megatrends through 2050

<table>
<thead>
<tr>
<th>Aging Population</th>
<th>Growing Population</th>
<th>Pressure on Ecosystems</th>
</tr>
</thead>
<tbody>
<tr>
<td>People 60+ more than doubling¹</td>
<td>+2.2bn people¹</td>
<td>-20%</td>
</tr>
<tr>
<td>&gt;20% of total population¹</td>
<td>+50%</td>
<td>Harvest losses from climate change³</td>
</tr>
</tbody>
</table>

Societal Needs

Preserve and restore health

Secure sufficient supply of quality food

Use natural resources more efficiently and responsibly

Our Mission

We leverage science to address these societal needs – with the ultimate goal to improve people’s lives

² FAO 2017, (FAO Global Perspective Studies)
³ Nelson et. al. (2014); FAO 2016 “Climate change and food security”

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We Focus on Growth in Attractive Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Bayer’s growth levers</th>
</tr>
</thead>
</table>
| **Bayer Group** | ◆ Using our leading positions in Agriculture, Pharmaceuticals and Self-care to address societal needs and benefit from global megatrends  
                  ◆ Drive innovation                                                                     |
| **Crop Science**| ◆ Leading portfolio of seed & traits, crop protection and digital farming             
                  ◆ World-class R&D platform with best talent and technology in the industry           
                  ◆ Positioned to shape the future of agriculture: Development of tailored solutions to address farmers’ individual needs and challenges |
| **Pharmaceuticals** | ◆ Innovative medicines in areas of high unmet medical need                            
                  ◆ Therapeutic focus areas: Cardiology, Oncology, Gynecology, Hematology and Ophthalmology  
                  ◆ Leverage external innovation and partnering as well as pipeline and potential of current products |
| **Consumer Health** | ◆ Branded self-care solutions that help transform people’s daily health                
                  ◆ Focus on five core categories                                                        |

1. Pro-forma calculations Bayer, Bayer CS market model; 2. excluding potential cyclical recovery of the Crop Science market; 3. IQVIA; 4. Market model in-market sales OTC medicines, data from IQVIA, Nicholas Hall

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Bayer 2022 Synergy & Efficiency Programs

Crop Science
Realization of Crop Science sales and cost synergies
~€0.17bn (=$0.2bn) sales synergies
~€0.47bn (=$0.55bn) cost synergies

~€0.40bn (= $0.45bn) cost synergies

Consumer Health
Comprehensive growth acceleration program
~€0.4bn contribution

Pharmaceuticals
Re-alignment of R&D activities towards external innovation / Hemophilia production footprint
~€0.2bn contribution

Overall Contribution ~€2.6bn\(^2\)
Global FTE impact ~12,000
One-Time Cost ~1.7X

1 EBITDA before special items impact from sales synergies
2 Indicative Phasing: ~30% effective in 2020, ~70% in 2021 and 100% in 2022

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## Targeting Significant Profitability Improvements Across All Divisions

### Sales and EBITDA before special items (margin) development (in €bn, %)

<table>
<thead>
<tr>
<th>Division</th>
<th>2018e PF</th>
<th>2019 Indicative Guidance</th>
<th>Target 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crop Science</strong></td>
<td>~46</td>
<td>~21%</td>
<td>~30%</td>
</tr>
<tr>
<td><strong>Pharmaceuticals</strong></td>
<td>~19.3</td>
<td>~23%</td>
<td>~35%</td>
</tr>
<tr>
<td><strong>Consumer Health</strong></td>
<td></td>
<td>~20%</td>
<td>~30%</td>
</tr>
<tr>
<td><strong>Bayer Group</strong></td>
<td></td>
<td>~26%</td>
<td>~30%</td>
</tr>
</tbody>
</table>

- 2022 targets at constant currencies, not including portfolio measures (except for Consumer Health)
- Includes portfolio measures

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Cash Flow Improvement Focusing on Capex and Working Capital Optimization

### Capex spend in €bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Intangibles</th>
<th>Fixed assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>2014</td>
<td>2.2</td>
<td>2.5</td>
</tr>
<tr>
<td>2016</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>2017</td>
<td>3.1</td>
<td></td>
</tr>
</tbody>
</table>

in % of sales: 4.3%, 4.9%, 5.7%, 7.4%, 6.0%, 7.0%

- **Focused CapEx below current levels** ~ 5-6%
- Annual contribution of ~0.5bn EUR by 2022
- Past and current levels impacted by single large-scale investments in fixed assets
- Licensing will continue to be an element to drive growth

### Working Capital in €bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Intangibles</th>
<th>Fixed assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>9.9</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>15.0</td>
<td></td>
</tr>
</tbody>
</table>

in % of sales: 26%, 25%, 29%, 27%, 28%, 34%

- **Working capital optimization** ~ 32%
- Annual contribution of ~0.5bn EUR by 2022
- Focus on optimization of inventory levels and receivables management

---

1 Crop Science 48%, Pharmaceuticals 24%, Consumer Health 24%; 2 Working Capital estimated at year-end

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## Group Targets - Value Creation from Strengthened Base

### Triple Leverage

<table>
<thead>
<tr>
<th>€bn</th>
<th>2018e PF</th>
<th>Indicative Guidance 2019</th>
<th>Target 2022</th>
<th>CAGR 2018-22²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales¹</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Group</td>
<td>44.6</td>
<td>~46 (~4%)</td>
<td>~52</td>
<td>~4%</td>
</tr>
<tr>
<td>Crop Science</td>
<td>19.3</td>
<td>~4%</td>
<td></td>
<td>&gt;4%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>16.8</td>
<td>~4%</td>
<td></td>
<td>~4-5%</td>
</tr>
<tr>
<td>Consumer Health</td>
<td>5.5</td>
<td>~1%</td>
<td></td>
<td>~2%</td>
</tr>
<tr>
<td><strong>EBITDA before special items (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Group</td>
<td>11.5 (~26%)</td>
<td>~12.2 (~27%)</td>
<td>~16 (&gt;30%)</td>
<td>~9%</td>
</tr>
<tr>
<td>Crop Science</td>
<td>4.5 (~23%)</td>
<td>~25%</td>
<td>&gt;30%</td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>5.6 (~33%)</td>
<td>~34%</td>
<td>&gt;35%</td>
<td></td>
</tr>
<tr>
<td>Consumer Health</td>
<td>1.1 (~20%)</td>
<td>~21%</td>
<td>~24%⁴</td>
<td></td>
</tr>
<tr>
<td><strong>Core EPS (€)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>~6.7</td>
<td>~6.8</td>
<td>~10</td>
<td>~10%</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>~4.1³</td>
<td>~3.4</td>
<td>~8</td>
<td>~18%</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>~36³</td>
<td>~36⁵</td>
<td>~26-28</td>
<td></td>
</tr>
</tbody>
</table>

² 2022 targets at constant currencies, not including portfolio measures (except for Consumer Health)

¹ Sales: cpa growth; ² CAGR from 2018 base year; ³ FCF 2018e (as reported); ⁴ including around ~€1bn lease liability due to IFRS 16

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We Have Clear Priorities for Capital Allocation

Focus on Shareholder Return, Innovation and Deleveraging

Disciplined capital allocation

- **Shareholder Return**
  - Growing dividends
  - Consider share buy backs with parts of divestment proceeds

- **Deleveraging**
  - Target range ~€26-28bn\(^1\) net financial debt by end 2022

- **Innovation & Acquisitions**
  - Investment in licensing opportunities
  - Potentially selective bolt-on acquisitions

Free Cash Flow Targeted

~€23bn
2019e-2022e

\(^1\) Before M&A / Portfolio

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2018e PF used for Sales and Core EPS; 2018e used for FCF

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# Pharma Innovative Medicines in Areas of High Unmet Medical Need

## Therapeutic area focus

<table>
<thead>
<tr>
<th>Therapeutic Area</th>
<th>Sales 2017</th>
<th>Established Markets</th>
<th>Emerging Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular</td>
<td>€16.8bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hematology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ophthalmology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oncology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radiology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women’s Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Emerging markets exposure

- **Emerging Markets: 32%**
- **Established Markets: 68%**

<table>
<thead>
<tr>
<th>Therapeutic Area</th>
<th>Sales 2017</th>
<th>Established Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular</td>
<td>€16.8bn</td>
<td></td>
</tr>
</tbody>
</table>

## Global leadership in important therapeutic areas

- **No. 1 in Retinal Diseases**
- **No. 1 in Women’s Health**
- **No. 1 in Radiology**
- **No. 2 in Cardiovascular**
- **No. 2 in Hematology**

### Leading Brands

- Xarelto
- Adempas
- Kovaltry
- Xofogo
- Eylea
- Mirena
- Gadovist
- Aspirin

Emerging markets include Latin America, Asia (w/o Japan, Australia, New Zealand), Africa and Middle East incl. Turkey, Eastern Europe.

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Pharma
Xarelto – Continued Growth of a Leading Anticoagulant

- Most broadly indicated anticoagulant for use in venous and arterial thromboembolic conditions
- A leading pharma brand with global sales of €5.0bn in 2017 incl. sales at Johnson & Johnson
- New CAD/PAD indication launching in EU and the US
- Peak sales potential: >€5.0bn\(^1\)
- Further growth driven by:
  - Under-served patient populations
  - Demographics
  - Shift from warfarin
  - New indications targeting patients currently not treated with anticoagulants

Sales in €bn

- 2013: 0.9
- 2014: 1.7
- 2015: 2.3
- 2016: 2.9
- 2017: 3.3

\(^1\)Ex-US sales plus royalty from J&J as reported by Bayer
Pharma
Eylea – A Leader in Retinal Diseases

// A leader in retinal diseases with global brand sales of €5.2bn in 2017 incl. sales at Regeneron¹

// Approved for the treatment of 5 retinal diseases: wAMD, DME, BRVO, CRVO, mCNV

// Treat and extend dosing regimen with injection intervals of up to 12 weeks or more for wAMD

// Peak sales potential: >€2.5bn²

// Further growth driven by:
  // Continued generation of real-life experience in wAMD across key markets and treatment-naïve patient share gains
  // Market expansion in DME

¹ Marketed by Bayer ex-US only; ² As reported by Bayer

wAMD: Wet age related macular degeneration; DME: Diabetic macular edema; BRVO: Branch retinal vein occlusion; CRVO: Central retinal vein occlusion, mCNV: Myopic choroidal neovascularization

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Pharma
China is a Growth Engine for Pharma

Sales in PR China in €bn

- 1.3 in 2013
- 1.8 in 2015
- 2.0 in 2017
- ~3.0 in 2022 target

~13% CAGR cpa

cpa: Currency and portfolio adjusted

- Ranked among the top 5 multi-national pharma companies in China
- Targeting sales of ~€3bn in PR China by 2022
- Portfolio of established and innovative drugs matches China’s needs
- Strong growth of key products
- Xarelto and Nexavar entered the National Reimbursement Drug List in 2017
- Glucobay, Adalat, Nimotop, Bayaspirin and Ciprobay listed on China’s Essential Drug List
### Pharma

**Late-stage Pipeline with Progress in Oncology**

Darolutamide met Primary Endpoint in Phase III-trial and FDA-approval of Larotrectinib

<table>
<thead>
<tr>
<th>Indication</th>
<th>Status</th>
<th>Commercial Potential</th>
<th>Clinical Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larotrectinib</td>
<td>TRK-fusion Cancer</td>
<td>PSP &gt;€750m</td>
<td>Clinical program ongoing</td>
</tr>
<tr>
<td>Darolutamide</td>
<td>FDA approved / in registration</td>
<td>PSP &gt;€1bn</td>
<td></td>
</tr>
<tr>
<td>Copanlisib</td>
<td>Launched in the US</td>
<td>PSP &gt;€0.5bn</td>
<td></td>
</tr>
<tr>
<td>Finerenone</td>
<td>Phase III</td>
<td>PSP &gt;€1bn</td>
<td></td>
</tr>
<tr>
<td>Vericiguat</td>
<td>Chronic Heart Failure</td>
<td>PSP ~€0.5bn</td>
<td></td>
</tr>
</tbody>
</table>

- TRK-fusion Cancer: Neurotrophic receptor tyrosine kinase
- nmCRPC: Non-metastatic castration resistant prostate cancer
- mHSPC: Metastatic hormone sensitive prostate cancer
- HFrEF: Heart failure with reduced ejection fraction
- HFpEF: Heart failure with preserved ejection fraction
- PSP: Peak sales potential

Darolutamide completed Phase III (ARASENS, mHSPC) and launched in the US.

Larotrectinib met Primary Endpoint in Phase III-trial and FDA-approved.

FIDELIO-DKD and VICTORIA trials for Diabetic Kidney Disease.

CHRONOS-3 and VITALY trials for Chronic Heart Failure.

January 2020 for VICTORIA, HFrEF.

September 2021 for CHRONOS-4, HFrEF.

May 2020 for ARASENS, nmCRPC.

August 2022 for ARASENS, mHSPC.

May 2020 for FIDELIO-DKD.

Sept 2021 for CHRONOS-4.

Jan 2020 for VICTORIA, HFpEF.

Oct 2019 for VITALY, HFpEF.

NTRK: Neurotrophic receptor tyrosine kinase; nmCRPC: Non-metastatic castration resistant prostate cancer; mHSPC: Metastatic hormone sensitive prostate cancer; HFrEF: Heart failure with reduced ejection fraction; HFpEF: Heart failure with preserved ejection fraction; PSP: Peak sales potential.

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## Consumer Health

**Strong Consumer Brands Built up Over Decades**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Category</th>
<th>Age</th>
<th>Sales 2017</th>
<th>CAGR 2013-2017</th>
<th># of studies²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASPIRIN</strong></td>
<td>Pain, Cardio, Cough &amp; Cold</td>
<td>119</td>
<td>€1,043m³</td>
<td>2.6%</td>
<td>88</td>
</tr>
<tr>
<td><strong>Claritin</strong></td>
<td>Allergy</td>
<td>25¹</td>
<td>€585m</td>
<td>2.2%</td>
<td>82</td>
</tr>
<tr>
<td><strong>Bepanthen</strong></td>
<td>Dermatology</td>
<td>74</td>
<td>€379m</td>
<td>9.7%</td>
<td>116</td>
</tr>
<tr>
<td><strong>ALEVE</strong></td>
<td>Pain</td>
<td>42¹</td>
<td>€375m</td>
<td>1.3%</td>
<td>42</td>
</tr>
<tr>
<td><strong>Alka-Seltzer</strong></td>
<td>Digestive Health, Cough &amp; Cold</td>
<td>87</td>
<td>€244m</td>
<td>4.4%</td>
<td>7</td>
</tr>
<tr>
<td><strong>elevit</strong></td>
<td>Nutritionals</td>
<td>34</td>
<td>€189m</td>
<td>17.1%</td>
<td>6</td>
</tr>
</tbody>
</table>

¹ Rx launch; ² Past 20 years of clinical data; ³ Combined sales (Consumer Health and Pharmaceuticals)

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Consumer Health

We Will Focus on our Core OTC Categories To Leverage our Science and Marketing Capabilities

### Categories to accelerate

- Allergy + Cough + Cold
- Nutritionals
- Dermatology
- Pain + Cardio
- Digestive Health

<table>
<thead>
<tr>
<th>Sales Split 2017¹</th>
<th>Global Position²</th>
</tr>
</thead>
<tbody>
<tr>
<td>#5</td>
<td>#5</td>
</tr>
<tr>
<td>#2</td>
<td>#2</td>
</tr>
<tr>
<td>#2</td>
<td>#2</td>
</tr>
<tr>
<td>#4</td>
<td>#4</td>
</tr>
<tr>
<td>#2</td>
<td>#2</td>
</tr>
</tbody>
</table>

### Main Brands

- Claritin
- elevit
- Bepanthen
- ALEVE
- MiraLAX

### Categories to exit

- Divestment of Rx Dermatology - US business closed; closing ex-US expected in H2 2019³
- Explore exit options for Sun- and Footcare in 2019

---

¹ Excluding Derma Rx, Suncare, Footcare
² PARS database December 2017
³ Subject to the fulfillment of customary closing conditions

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Consumer Health
US Turnaround Plan

**Levers and key focus areas**

- **People & Organization**
  - Increase category and brand building experience
  - Drive leaner more agile organization

- **Winning Portfolio**
  - Focus our resources on categories where we can win

- **Accelerate growth-focused Innovation**
  - Rebuild innovation pipeline

- **Modernized Marketing & Sales**
  - Rebuild brand fundamentals
  - Accelerate digital

**First actions**

- **Q4 2018**
  - Right-size the organization
  - New leadership team in place

- **Q1 2019**
  - Divested Rx Dermatology
  - Explore exit options: Suncare / Footcare

- **H2 2018**
  - Strengthen innovation for core brands
  - Establish Rx-to-OTC switch pipeline

- **2020**
  - Step up e-commerce
  - Amazon 2018e sales +60%
  - Online (8.3%) to offline (8.7%) share

- **2018**
  - Bayer // UniCredit - Kepler Cheuvreux German: Corporate Conference 2019
Consumer Health
Our Strategic and Operational Roadmap

<table>
<thead>
<tr>
<th>2018</th>
<th>2019 / 2020</th>
<th>2021 / 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic focus</strong></td>
<td><strong>Driving rigorous change</strong></td>
<td><strong>Acceleration phase</strong></td>
</tr>
<tr>
<td>Put in new leadership team</td>
<td>Execute portfolio choices</td>
<td>Drive higher innovation level</td>
</tr>
<tr>
<td>Make portfolio choices</td>
<td>Right-size cost base</td>
<td>Accelerate US growth momentum</td>
</tr>
<tr>
<td>Initiate stricter cost control</td>
<td>Recover product supply</td>
<td>Capitalize on portfolio choices</td>
</tr>
<tr>
<td>Make necessary impairments</td>
<td>Regain momentum in APAC/EMEA</td>
<td>Realize full benefit of efficiency program</td>
</tr>
<tr>
<td></td>
<td>Reset US cost base to strengthen margin</td>
<td></td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stabilize growth</td>
<td>Return to growth</td>
<td>Accelerate growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stop margin erosion through strict cost controls</td>
<td>Improve margins</td>
<td>Accelerate margins</td>
</tr>
</tbody>
</table>

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Crop Science
The Established Leader in Crop Science
Grower Endorsement of Excellent Product Portfolio Evidenced by Industry Leading Sales

Broadest Crop Science Product Portfolio

<table>
<thead>
<tr>
<th>Product Portfolio</th>
<th>Sales 2017 (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer Crop Science</td>
<td>20.1</td>
</tr>
<tr>
<td>ChemChina Ag</td>
<td>14.1</td>
</tr>
<tr>
<td>Corteva</td>
<td>12.7</td>
</tr>
<tr>
<td>BASF Ag</td>
<td>7.9</td>
</tr>
</tbody>
</table>

1 The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2017. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting.

2 Excludes non-agro business sales of ADAMA (nutritional supplements, aromatic products, industrial products)

3 Includes BASF Ag sales 2017 as reported (€ 5.7bn) plus €2.2bn Pro-forma sales in 2017 from Bayer businesses sold to BASF

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Crop Science
Leading Position in All Major Categories

Crop Science Market currently valued at ~€90bn // ~3% Long-term CAGR Expected

- **Corn**: ~€20bn market\(^2\) #1 position
- **Soybean**: ~€15bn market\(^2\) #1 position
- **Horticulture\(^1\)**: ~€15bn market\(^2\) #1 position
- **Cereals**: ~€10bn market\(^2\) #1 position
- **Digital Farming**: #1 position

\(^1\) Includes fruits, vegetables, flowers and nuts
\(^2\) Includes seeds, traits, crop protection chemistries and environmental science; does not include fertilizer

Note: Reflecting BCS' portfolio after divestments. Market sizes rounded to nearest $5bn. Source: Pro-forma calculations Bayer; Bayer CS market model
Crop Science
World’s Broadest Commercial Footprint in Agriculture

~7,800 Customer-facing Employees with Significant Opportunity to Optimize Portfolio Across Key Regions

Sales 2017¹: €20.1bn

Seed & Trait Technology Acres 2017/2018²:
>400m acres (160m ha)

Crop Protection Sales 2017¹: ~€9.5bn

¹ The unaudited Pro-forma data are presented as if both the acquisition of Monsanto and the associated divestments had taken place as of January 1, 2017. Sales of Monsanto are presented in periods as per the Bayer fiscal year. One-time effects of business operations, the accounting for discontinued operations and the recognition and measurement of sales from certain business transactions have been adjusted in line with our accounting. Rounded to the nearest 5%.

² Internal estimates; represents acres containing at least one Bayer seed or biotech trait technologies.
Crop Science
Unmatched Investment in R&D

Shaping the Future of Agriculture with Most Productive Innovation Platform in the Industry

#1 R&D Platform in Crop Science

// ~7,300 R&D employees

// >35 R&D sites

// >175 breeding locations delivering innovation

// Partner of choice

// Technology provider to the industry

2017 Ag R&D Investment (€bn)¹

Bayer Crop Science 2.4
Corteva 1.4
ChemChina Ag 1.2
BASF Ag 0.6

¹ Pro-forma estimates based on company information and internal calculations. | Bayer Pro-forma figures consider Monsanto acquisition and related divestments | Monsanto calendarized to twelve-month-period ended November 30, 2017

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Crop Science
Next Growth Opportunity: Convergence of Leading R&D Platforms

Extensive Germplasm and Biotech Foundation, Combined with Leadership in Chemistry and Biologicals and Data Science Optimization, Serves As Innovation Engine To Accelerate Benefits Across The Industry

Best positioned to discover, combine and tailor solutions for growers
Crop Science
Driving the Largest and Most Valuable R&D Pipeline in Ag
Highly Effective in Converting Investment into Meaningful Products for Farmers

Newly Combined Pipeline

<table>
<thead>
<tr>
<th>Scale</th>
<th>Advancements</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmatched in the Industry</td>
<td>&gt;70 advancements in 2016 and 2017</td>
<td>Up to €30bn Peak Sales¹</td>
</tr>
<tr>
<td>// &gt;75 projects in seed &amp; traits, crop protection and digital ag pipelines</td>
<td>// &gt;50 advancements in 2018</td>
<td>// Potential to accelerate with combined pipelines</td>
</tr>
<tr>
<td>// 100’s of new hybrids and varieties commercialized annually</td>
<td>// Climate tools serve as an enabler to reach peak opportunity</td>
<td></td>
</tr>
</tbody>
</table>

Peak Sales Opportunity by Crop

- **Corn** ~ €11-14bn
- **Soybean** ~ €6-7bn
- **Cereals & Other** ~ €4-5bn
- **Horticulture** ~ €3-4bn

¹ Represents non-risk adjusted estimated peak sales for the combined breeding, biotech, crop protection and environmental science pipelines. Applied FX rate of USD/EUR of 1.15

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Crop Science
FieldView: The Leading Brand and Platform for Growers

Our Value Creation is Supported by our Performance Trends; Paid Acres >7x Closest Competitor

Global Paid Acres¹

- FY15: 5m
- FY16: 15m
- FY17: >35m
- FY18e: 60m
- FY19 Target: 90m

#1 platform in the digital Ag space

Brand Health² (U.S.)

- Awareness: 77%
- Familiarity: 65%
- Consideration: 44%
- Have Used: 37%
- Currently Use: 33%

#1 brand in the digital Ag space

>35 next-generation projects in the pipeline

¹ Internal estimates
² 2018 Brand Health Monitor

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