



Q4 2021 Aide Memoire

As of February 7, 2022

In an effort, to continually improve our level of transparency and service to our investors, we are providing a quarterly Aide Memoire ahead of our quiet period and concurrent with our publication schedule. This communication is intended to provide some of the influencing macroeconomic and business factors and a summary of previously shared information impacting the respective quarter. Please note that this release and all information therein is preliminary and unaudited. Consistent with our prior practices, any necessary updates to our guidance will be provided during our quarterly or ad-hoc disclosures.

Group

- // For the full year 2021, guided towards ~€43bn net sales and ~25.5% cEBITDA margin, cEPS between €6.10 – €6.30 and Free Cash Flow of ~ -€0.5 to -€1.5bn (all at month end September spot rates)
- // **FX Impact**
 - // YTD Q3 2021 €1.4bn negative currency effect materialized in net sales
 - // For the full year 2021 we expect a negative currency impact of ~€1bn for net sales
 - // Please find here the link to our updated [FX Simulation Tool](#) for net sales
- // Previous quarter transcripts and Investor Call presentations can be found [HERE](#)

// **Litigation**

- // In the Roundup™ Hardeman case, on December 13th 2021, the U.S. Supreme Court requested the views of the Solicitor General following the company's petition.
- // The company expects that it will take the Solicitor General several months to prepare and file a brief in this case. In a second step, the US Supreme Court will then decide whether it accepts the case for review. Two possible outcomes:
 - // A denial of the US Supreme Court to accept the Hardeman case for review would end the process and would activate the voluntary claims administration program which is one element of the five-point plan to help bring closure to the litigation. We have incorporated this scenario in our provisions, i.e. latency, number of claims, average settlement amounts as well as occasional future trials.
 - // The acceptance of the case would be a positive sign for us. Following acceptance, the final ruling on the merits could come at the earliest 6 months thereafter.
- // Now that the Supreme Court has requested input from the Solicitor General in Hardeman, the company will not entertain any further settlement discussions with plaintiff lawyers that are representing a substantial number of Roundup™ claims.

Crop Science

Q4 2020

- // Single digit growth driven by strong performance in LATAM, partially offset by North America, where sales receded due mostly to lower soybean seed & trait and herbicide sales from the delayed registration of XtendiMax with VaporGrip, plus more normalized (lower) corn shipments in the U.S.
- // EBITDA before special items declined by 30% due mostly to a €450m negative currency impact from the devaluation of the Brazilian Real, plus the decline in sales in North America

Q4 2021

- // Guided to 9% cpa sales growth for full year 2021 as raised per Q3 2021 and ~23% margin (EBITDA before special items, based on month end September spot rates)
- // As mentioned in our Q3 2021 investor call, expected continued strong growth dynamics and customer interest in early buying in Q4 was anticipated to mostly offset expected lost glyphosate volumes in Q4 (~€200m), as well as the estimated pull forward of LATAM sales from Q3 into Q4 due to early demand from growers (~€150m). (Lost glyphosate volumes in Q4 arose from the 5-week Luling plant outage in the third quarter).

- // Earlier in 2021, we announced high-single to low-double digit percentage price increases, in local currency, for soybean and corn seed in Brazil for the season that began in Q3. For context, in 2019 and 2020, the Crop Science business generated about 23% of annual sales in the fourth quarter, with roughly 40% of those sales in Latin America.
- // In Q4 we begin shipping seed in North America for the upcoming spring planting. Pricing for this season, as announced earlier, is expected to be up mid-single digits as a percent in corn and up low-single digits as a percent in soybeans.
- // Global Roundup™ herbicide pricing increased 25% in Q3 YTD being a key sales growth contributor
- // On the cost side significant cost of goods and freight increases counterbalanced by focus on cost and pricing management as indicated in the Q3 2021 call

Reminder: Annual Crop Science R&D Pipeline Update for Investors – Webinar on February 16th, 14:00 CET

Pharmaceuticals

Q4 2020

- // Continued sequential recovery with sales growth back into low positive territory in Q4 2020
- // Sales gains for Xarelto and Eylea and other key products more than offset price cuts from volume-based procurement (VBP) in China (continued to be negatively affected by VBP for Glucobay™ and Avelox™)
- // EBITDA margin before special items significantly up yoy to 34.4% (+450 bps) in the quarter, helped by the proportionate recognition of the Adempas™ milestone, a decrease in selling expenses partly attributable to COVID-19-related restrictions and a COGS decline

Q4 2021

- // Guided to 6% cpa growth for FY 2021 as raised in Q2 2021 and ~32% margin (EBITDA before special items, based on average actual 2020 rates)
- // VBP in China for Xarelto™ expected to materialize in H2 2021 as mentioned in Q2 2021 Investor Call
- // As mentioned in our Q3 2021 investor call, Adempas™ milestone of ~€175m expected in the fourth quarter 2021

- // Continued product roll outs (Nubeqa™, Verquvo™, Kerendia™), Nubeqa sales reaching ~€220m in FY 2021
- // CHMP recommends Kerendia™ for the treatment of chronic kidney disease (stage 3 and 4 with albuminuria) associated with type 2 diabetes in adults
- // Phase III study ARASENS (Nubeqa™ + ADT + chemotherapy vs. ADT + chemotherapy in patients with metastatic hormone-sensitive prostate cancer) met its primary endpoint of Overall Survival; data to be presented at ASCO GU on Feb. 17

Reminder: Nubeqa™ Investor Webinar on February 18, 16:00 CET

Consumer Health

Q4 2020

- // Consumer Health continued strong growth momentum, especially in Nutritionals, while increased protection and hygiene measures led to a decline in sales of cough and cold products.
- // Margin was slightly under pressure due to negative currency effects, portfolio effects and increased costs in connection with the COVID-19 pandemic.

Q4 2021

- // Guided to 6% cpa growth for FY 2021 as raised in Q3 2021 and ~22 to 23% margin (EBITDA before special items, based on average actual 2020 rates).
- // Increased awareness for preventive health solutions remains, paired with stronger cough and cold season compared to previous year.
- // Continued innovation in all categories, e.g. Bepanthen™ and Aleve™.
- // Inflationary environment and tense supply chain situation ongoing, counterbalanced by strong focus on pricing management.

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports, which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Bayer IR News

We are happy to announce that since December 1st, 2021 Dr. Thomas Kornek has taken over the position of Dr. Jürgen Beunink who retired from the company after many years of service.

Contact for inquiries

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