



Debt Investor Information

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Status: FY 2020/Q1 2021

As of 28 May 2021

Cautionary Statements Regarding Forward-Looking Information

This presentation 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 <http://www.bayer.com/>.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



Our Business Areas

Crop Science



// Innovative chemical & biological crop protection, seeds & traits, digital technologies & services

Pharmaceuticals



// Prescription drugs

Consumer Health



// Over-the-counter medicines, dietary supplements and dermatology products



Our Strategic Priorities

Group Strategic Priorities

1

Positioning businesses to mega-trends
Contribution to health and nutrition¹

2

Developing innovative products
Leadership in our relevant markets

3

Sustainability
Long-term, sustainable growth

4

Focusing on our key strength
Innovation & operational performance

Divisional Focus



Crop Science

Create a leading innovation engine that transforms agriculture



Pharmaceuticals

Driving performance and delivering new growth opportunities



Consumer Health

Maintain a leading OTC position and improve profitability

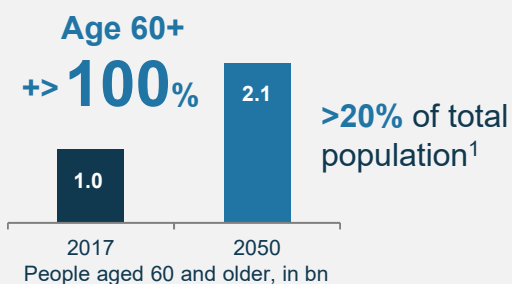
¹ We also seek to make a responsible contribution to the United Nations Sustainable Development Goals "Good Health and Well-Being" (SDG 3) and "Zero Hunger" (SDG 2)



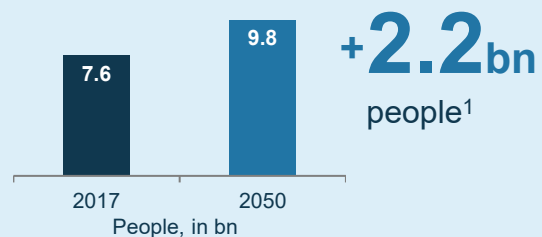
We address megatrends that impact lives across the globe

Megatrends through 2050

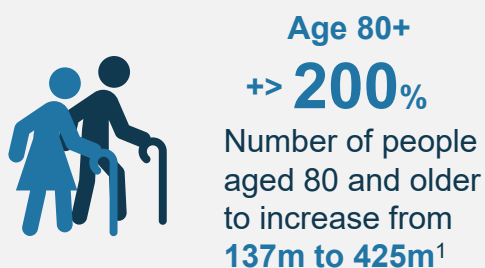
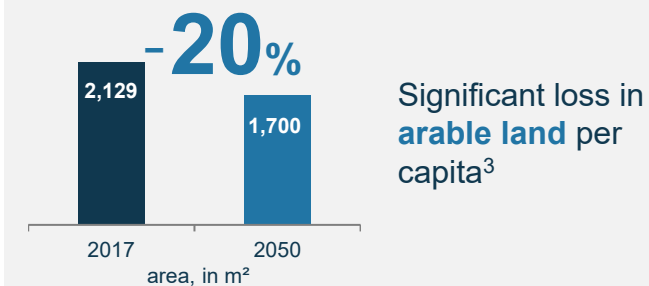
Aging population



Growing population



Pressure on ecosystems

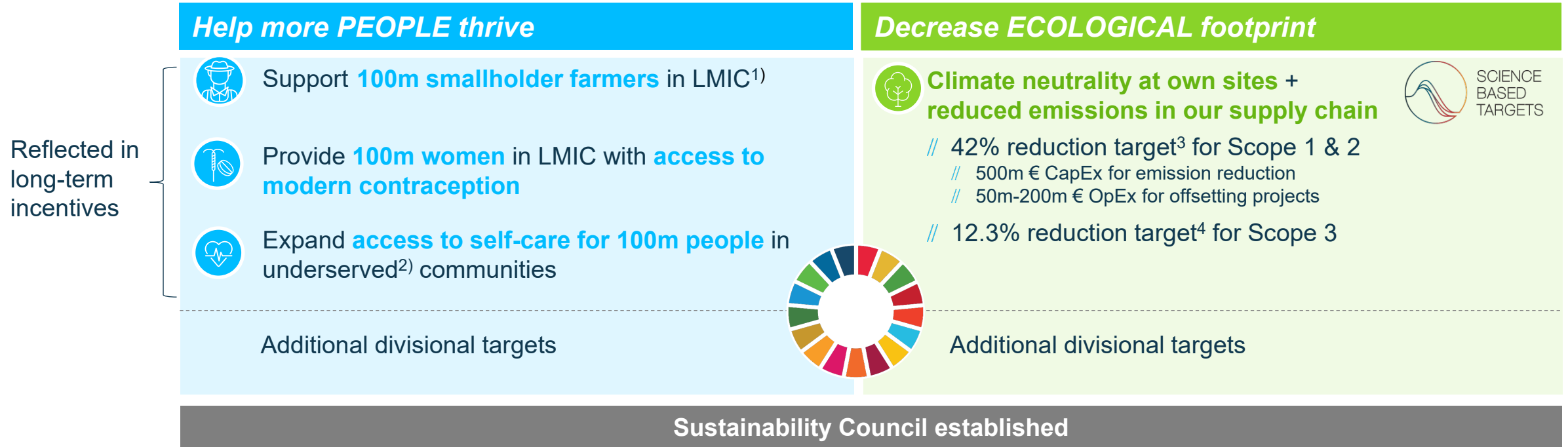


¹ World Population Prospects: The 2017 Revision | ² FAO 2017, (FAO Global Perspective Studies) | ³ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data | ⁴ Nelson et. al, (2014); FAO 2016 "Climate change and food security"



Ambitious Measurable Targets for Sustainable Development

2030 Targets, in line with the UN SDGs



¹⁾ LMIC: low and middle- income countries- All countries included in the [World Bank list](#) as per 1 July 2019

²⁾ underserved : Economically or medically



We Create Value by Accelerating our Transformation

Driving Innovation and Returns

1 Enable growth

- Clear plan for translating innovation into top-line growth

2 Drive profitability

- Comprehensive transformation program launched

3 Focus on cash

- Strong capacity to generate cash

4 Sustainability

- Inclusive growth by helping more people thrive, and decreasing our ecological footprint

5 Disciplined capital allocation

- Priorities: deleveraging, dividends, external growth investments

Value creation



We Focus on Cash Generation



Improve Free Cash Flow

Optimize **working capital** focusing on overdue management, inventory and payables; prioritizing **CapEx**



Adapt incentive scheme

Free Cash Flow integrated as a key performance metric in our **short-term incentive** plan for all managerial employees



Capital Employed / Divestments

Optimization of **fixed asset** portfolio, for example sale of property

Sale of businesses / brands below division level (e.g. ES professional)

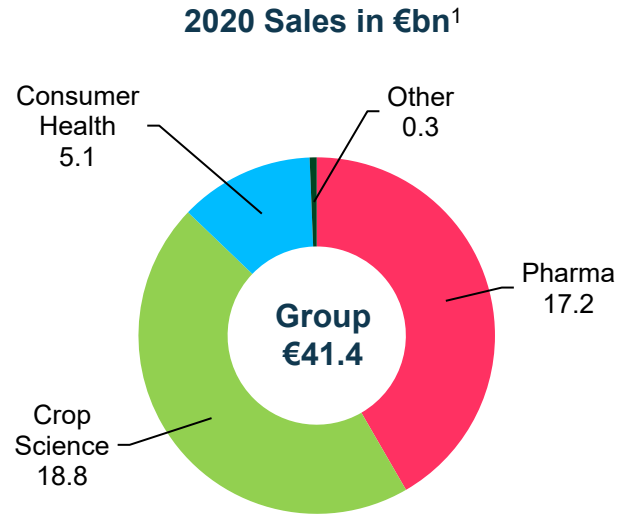


Litigation pay-outs & special items

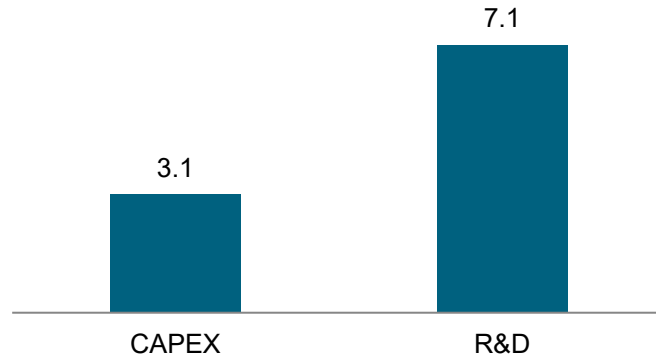
Our Free Cash Flow is impacted by **litigation** pay-outs and cash-effective **one-time costs** for transformation



Bayer Key Financials

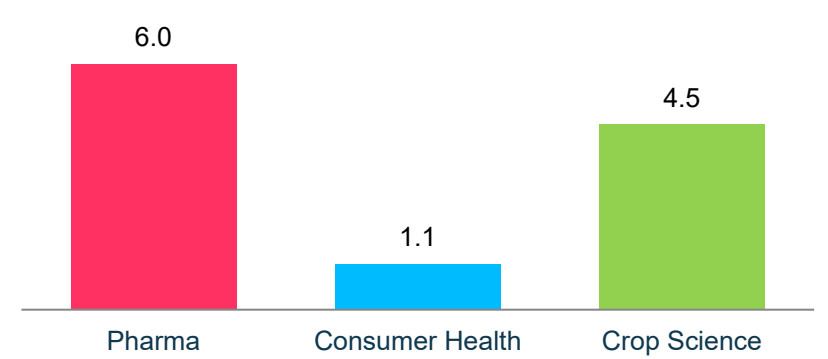


Capital Expenditures 2020 in €bn¹

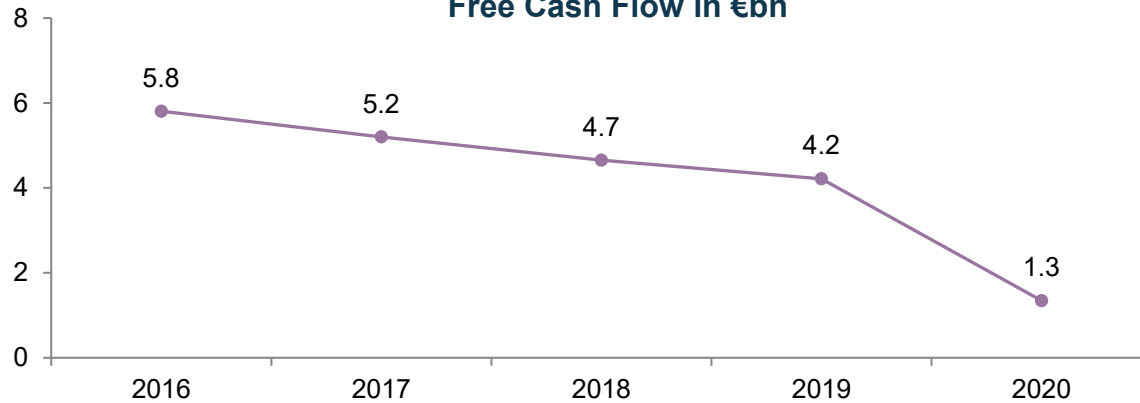


Research & Development Expenses 2020 in €bn¹

2020 EBITDA before Special Items in €bn¹



Free Cash Flow in €bn



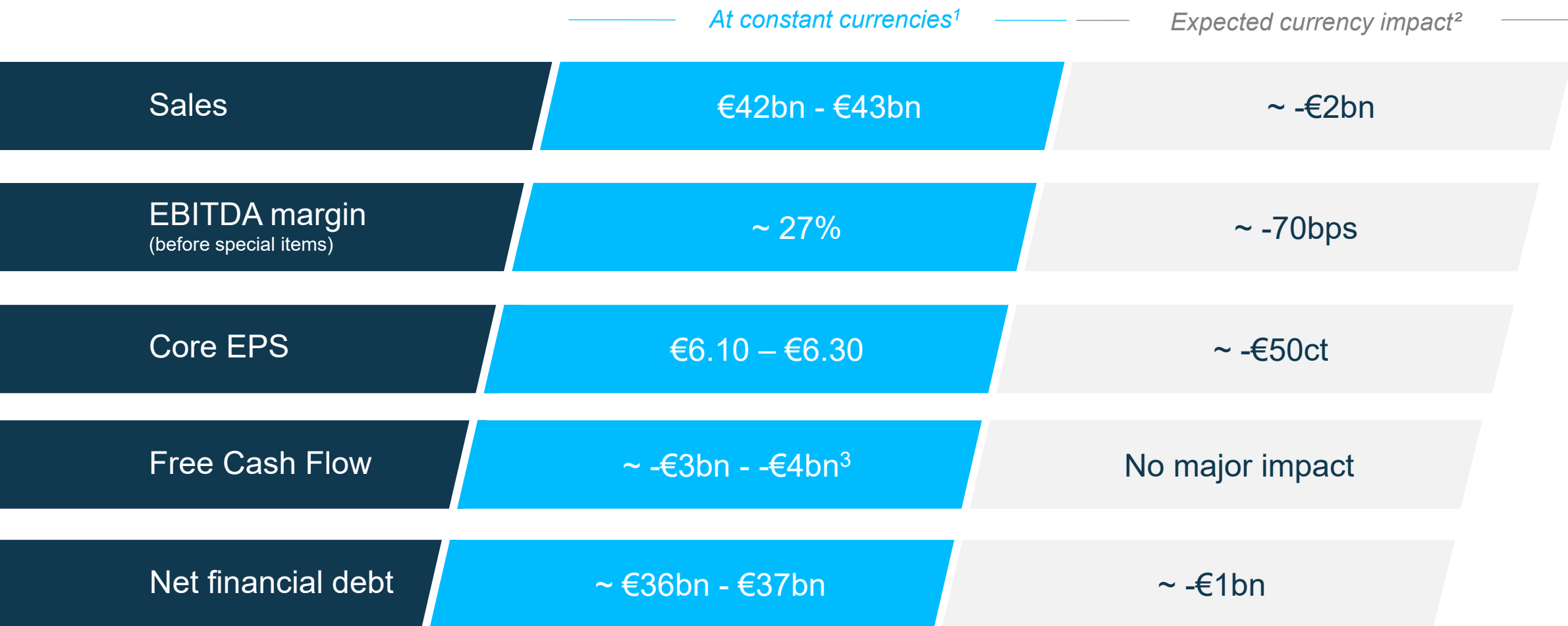
Net Financial Debt in €bn



1: As initially reported



Group Outlook for 2021



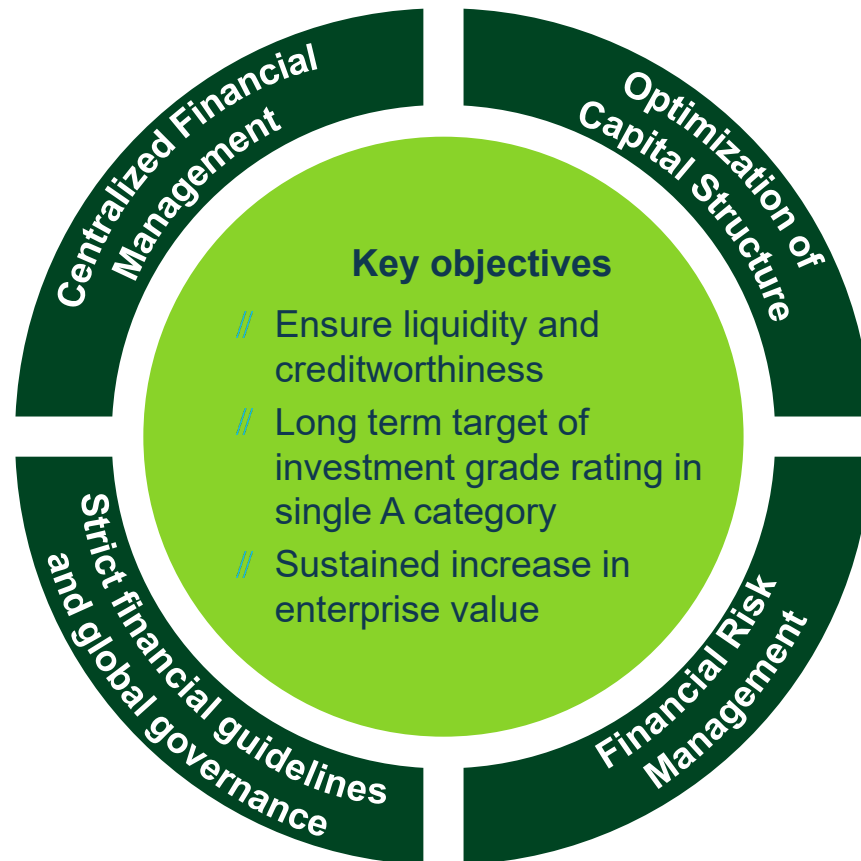
¹ Reflects our 2021 plan at the average actual currencies for 2020

² Currency assumptions based on month-end December spot rates (1 EUR=) 1.23 USD, 6.37 BRL, 8.00 CNY, 127 JPY, 24.4 MXN, 91.9 RUB. Impact is calculated as difference to constant currencies.

³ Settlement payouts of ~€8bn included



Bayer Pursues Conservative Financial Policy...



Financing instruments

// Syndicated credit facilities

// Global Commercial Paper program

// Senior bonds in different currencies

// Hybrid bonds

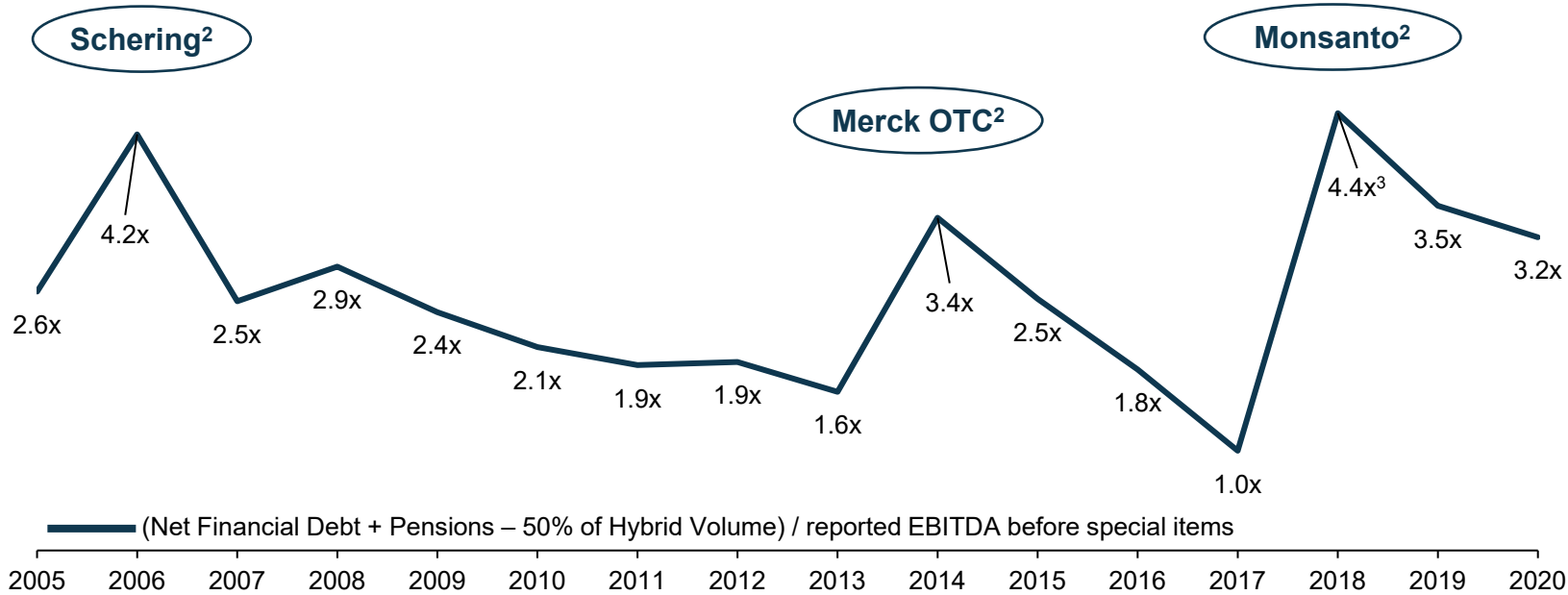
// Equity-linked instruments

Prudent debt management with excellent access to diverse sources of liquidity



... and Remains Committed to Rating in Single A Target Category

Development of Ratings and Leverage¹



Proven track record of disciplined deleveraging

Agency	Long Term Rating over time			
S&P	A	BBB+	A-	BBB
Moody's	A3			Baa1
Fitch ⁴	BBB+	A-	A	BBB+

Agency	LT-Rating	Outlook	ST-Rating
S&P	BBB	Stable	A2
Moody's	Baa2	Stable	P2
Fitch	BBB+	Stable	F2

¹ Figures as reported in the respective year's annual report without restatements

² Ratios of years where closing of acquisition took place are not fully comparable as EBITDA before special items of acquired business is only considered for months after closing

³ Full year 2018 multiple results in 3.7x instead of 4.4x if based on 2018 unaudited pro forma EBITDA of combined business as shown on Capital Markets Day in December 2018

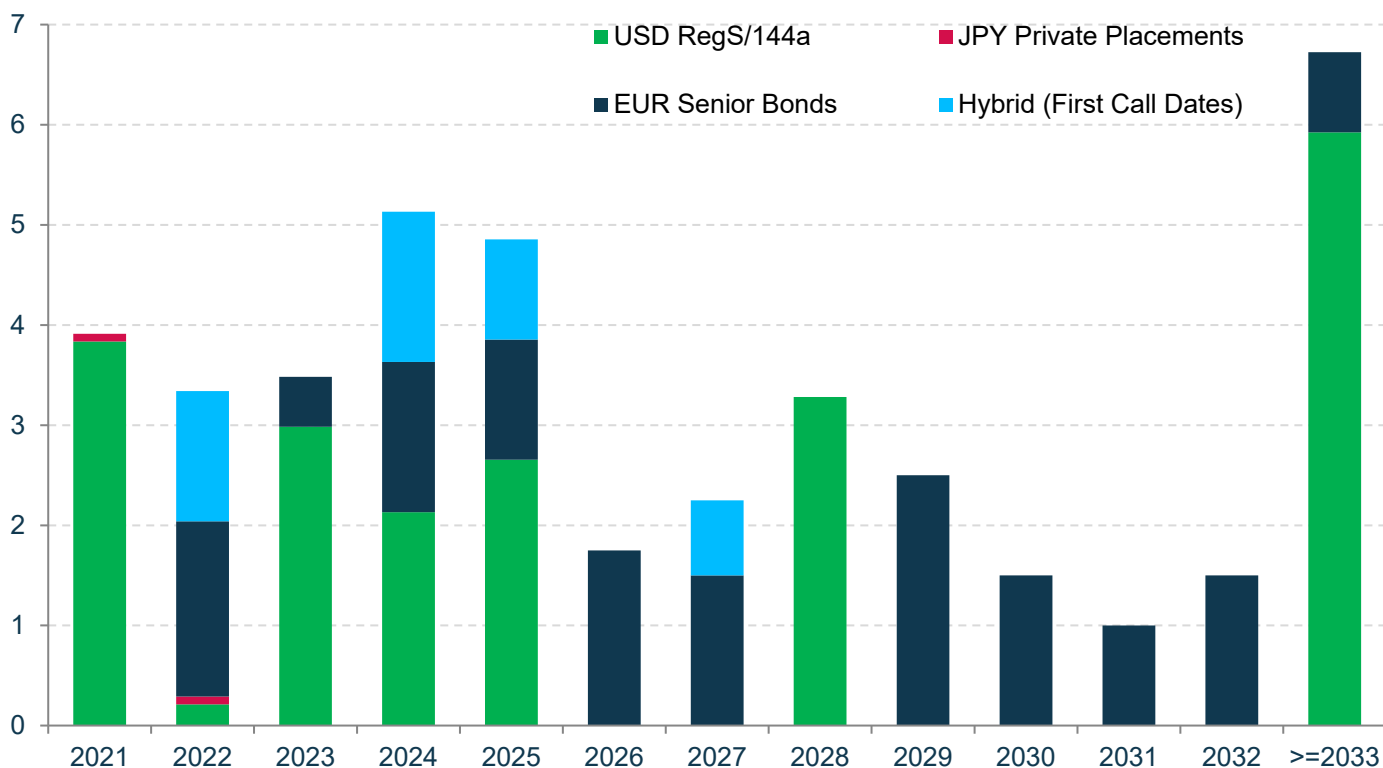
⁴ Solicited since 2018



Bayer's Maturity Profile is Well Balanced

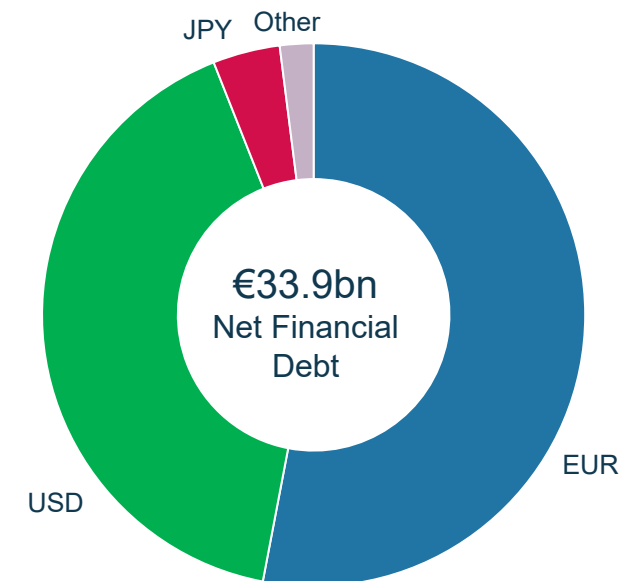
Bond and Loan Maturity Profile (€bn)

as of March 31, 2021¹



Currency Exposure incl. Derivatives

as of March 31, 2021²



1 Converted at quarter-end FX rates EURUSD 1.17 and EURJPY 130; not included: \$3.8bn USD term loan and €0.75bn EUR bond which were already repaid end of January 2021

2 Based on quarter-end FX rates



Overview of Bayer's Funding Structure

Net Financial Debt¹

	Dec. 31, 2019	Dec. 31, 2020	March 31, 2021
	€ million	€ million	€ million
Bonds and notes / promissory notes	33,569	36,745	40,878
of which hybrid bonds ²	4,528	4,532	4,534
Liabilities to banks ³	4,062	3,671	639
Lease Liabilities	1,251	1,137	1,148
Liabilities from derivatives ⁴	123	136	74
Other financial liabilities	89	77	126
Receivables from derivatives ⁴	(76)	(141)	(215)
Financial debt	39,018	41,625	42,650
Cash and cash equivalents	(3,185)	(4,191)	(5,550)
Current financial assets ⁵	(1,765)	(7,393)	(3,167)
Net financial debt	34,068	30,041	33,933

1 For definition see Annual Report 2020, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

2 Classified as debt according to IFRS

3 Including both financial and nonfinancial liabilities

4 Including the market values of interest-rate and currency hedges of recorded transactions

5 Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies, financial investments in debt and equity instruments that were recorded as current on first-time recognition, and shares in Elanco and Covestro

Nominal Volume of Major Instruments (bn)

as of March 31, 2021

1

Senior EUR Bonds	€15.5
Senior USD Bonds	\$24.7
JPY Private Placements	¥20.0
Hybrid EUR Bonds	€4.6

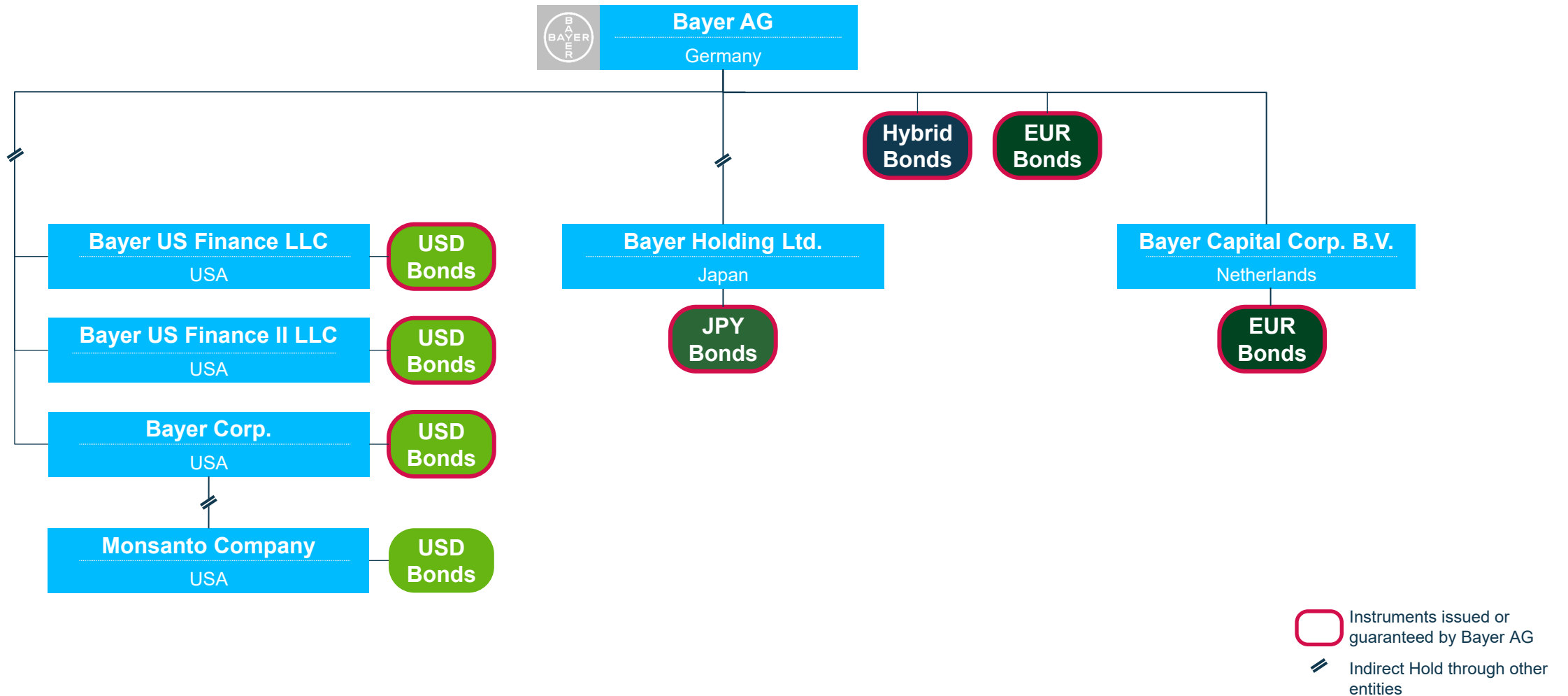
2

Other Sources of Liquidity

Syndicated Loan Facility	€4.5
Commercial Paper Program	\$8.0

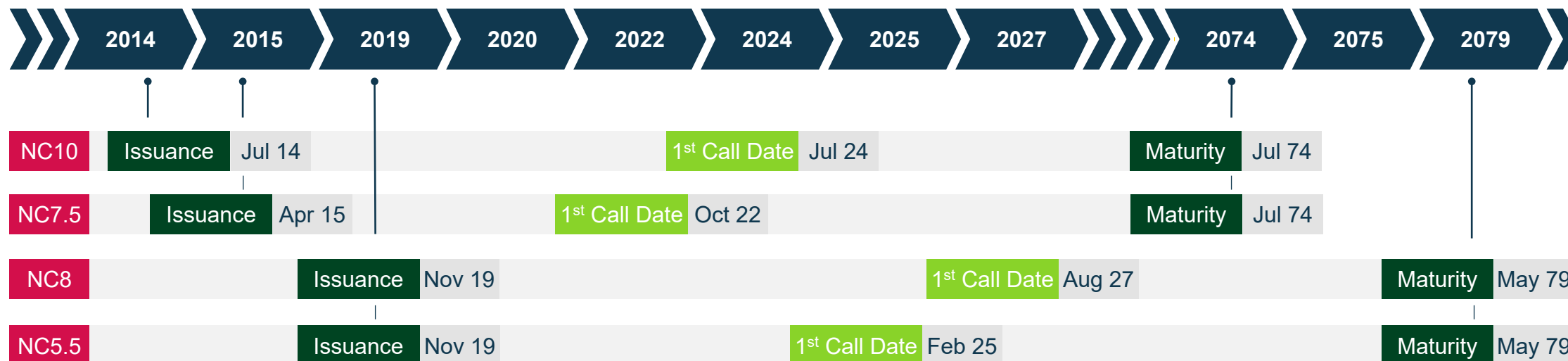


1 Main Issuing Entities at Bayer Group





2 Hybrid Bonds at Bayer



Hybrid Bond	Coupon (in%)	Outstanding Volume (in bn €)	Initial Credit Spread	1st Step-Up	2nd Step-Up
NC10	3.75	1.5	230 bps spread + 5Y Swap ¹	+25 bps/Jul 24	+75 bps/Jul 44
NC7.5	2.45	1.3	200.7 bps spread + 5Y Swap ¹	+25 bps/Oct 27	+75 bps/Jul 42
NC8	3.125	0.75	310.8 bps spread + 5Y Swap ¹	+25 bps/Nov 32	+75 bps/Nov 47
NC5.5	2.375	1	264.7 bps spread + 5Y Swap ¹	+25 bps/May 30	+75 bps/May 45

¹ Swap is reset every fifths year starting with the first call date



3 Other Sources of Liquidity

Syndicated Loan Facility

The multicurrency Syndicated Loan Facility can be used for general corporate purposes and is primarily a back-up line. Thus, it is not intended to be drawn in the course of ordinary business. The participating banks form Bayer's global banking group. Last renewed in December 2018, the credit facility was self-arranged.

Borrower	// Bayer AG, Germany // Bayer Corporation, USA
Total Amount	€4.5bn, thereof €1.5bn/\$1.5bn Swingline
Signing	December 2018
Initial Tenor	5Y + two 1Y extension options (second extension option also used)
Syndicate Size	23 Banks
Purpose	General Corporate Purposes

Commercial Paper Program

Commercial Paper (CP) is a short-term unsecured debt instrument. CP are normally issued at a discount and redeemed at nominal value. The term of CP generally lies between 1 and 364 days. Bayer's CP program allows the company to issue in both the U.S. market (USCP) and the Euro market (ECP). It is structured as a SEC regulation's section 4(a)(2) program so that there are no restrictions related to the use of proceeds.

Issuer	// Bayer AG, Germany // Bayer Corporation, USA
Guarantor	Bayer AG
Total Amount	\$8bn or equivalent
Dealer	// <u>ECP</u> : Barclays, Bayerische Landesbank, Citigroup, Goldman Sachs, ING // <u>USCP</u> : Barclays, Bank of New York Mellon, Citigroup, J.P. Morgan, Wells Fargo
Issue and Paying Agent	// <u>ECP</u> : The Bank of New York Mellon, London Branch // <u>USCP</u> : The Bank of New York Mellon



Upcoming Events 2021

Date	Event/ Publication
Wednesday, May 12, 2021	Q1 2021 Quarterly Statement
Thursday, August 5, 2021	Half-Year Report 2021
Tuesday, November 9, 2021	Q3 2021 Quarterly Statement

Please note that the event calendar might be subject to changes



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