



Bayer Roadshow Presentation

Société Générale Premium Review Conference

Paris, December 5, 2019
CFO, Wolfgang Nickl





Cautionary statements regarding forward-looking information

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer management.

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

Guidance at constant currencies, not including portfolio divestitures if not mentioned differently.



We are a global leader in health and nutrition

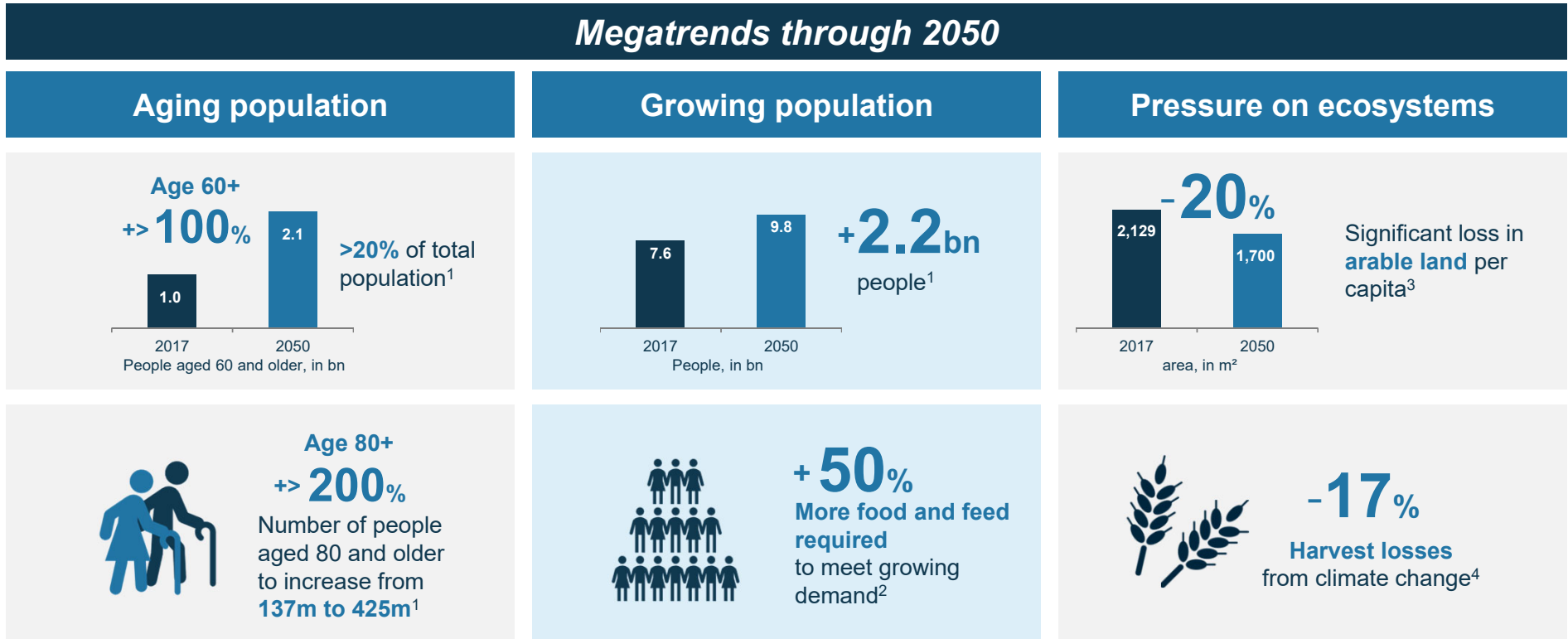


Science For A Better Life

We leverage science to address urgent societal needs – with the ultimate goal to *improve people's lives*



We address megatrends which impact lives across the globe

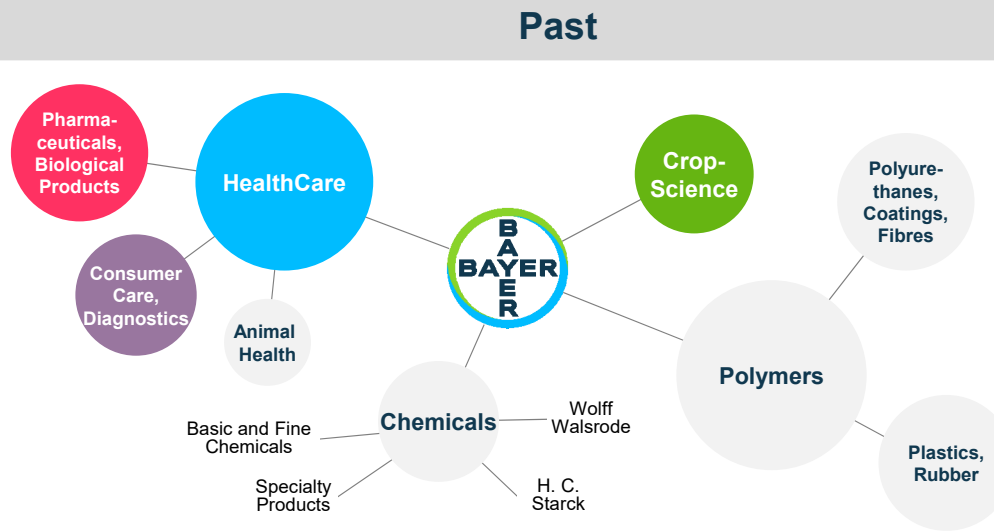


¹ World Population Prospects: The 2017 Revision | ² FAO 2017, (FAO Global Perspective Studies) | ³ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data | ⁴ Nelson et. al, (2014); FAO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



Successful transformation into a leader in health and nutrition completed

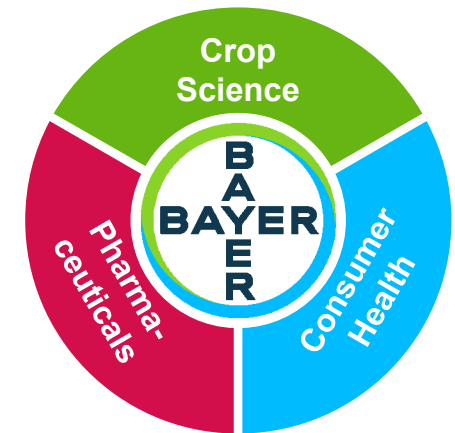
Group Profile



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

Today



- // Shaping the future of Health & Nutrition
- // Adjusted set-up for future value creation



Bayer delivers on announced portfolio measures

Animal Health

CURRENTA
Leistung für Chemie und Industrie

Coppertone

Dr.Scholl's

Sales & EBITDA* 2018	// Sales: €1,501m // EBITDA: €358m	// Sales: €1,344m // EBITDA: €220m	// Sales: 213m USD // Below average margin	// Sales: 234m USD // Below average margin
Gross Proceeds	// US\$7.6bn, thereof // US\$5.3bn in cash and // US\$2.3bn in Elanco stock**	// ~€1.4bn (60% stake and selected real estate)	// US\$550m	// US\$585m
Acquirer	// Elanco	// Macquarie Infrastructure and Real Assets (MIRA)	// Beiersdorf	// Yellow Wood Partners
Signing	// August 20, 2019 ✓	// August 6, 2019 ✓	// May 13, 2019 ✓	// July 19, 2019 ✓
Expected Closing	// Mid 2020	// Closed on November 29, 2019 ✓	// Closed on August 30, 2019 ✓	// Closed on November 4, 2019 ✓
Consolidation	// Discontinued operations	// Discontinued operations	// Until closing	// Until closing

* EBITDA = EBITDA before special items

** based on the unaffected 30-day volume weighted average price as of August 6, 2019 of 33,60 USD. The number of shares constituting the equity consideration is fixed within a 7.5% collar. This means that the number of Elanco shares that Bayer receives increases (decreases) in the event of share price decreases (increases) within this 7.5% corridor. Based on the closing price of Elanco shares on September 30, 2019, Bayer would receive approx. 73 million Elanco shares.



Good progress of Bayer 2022 synergy and efficiency programs

GROUP

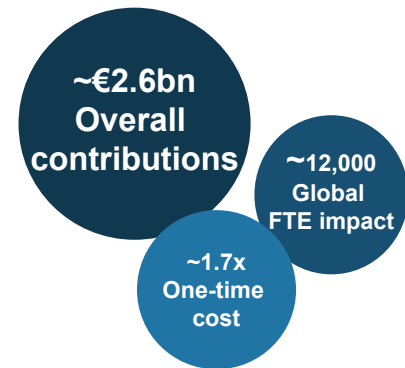
- ✓ Implementation of Bayer 2022 platform program well on track
 - Annual cost savings of €1.4bn by 2022 confirmed
 - Functional targets defined and translated into granular action plan
 - Consultation with employee representatives started
 - Good response to offered personnel instruments for FTE reduction in Germany

9M 2019

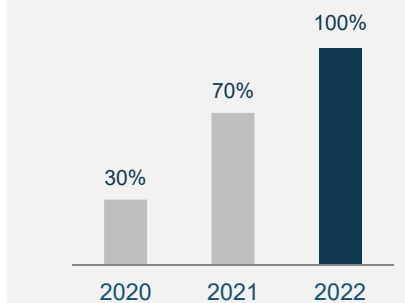
SEGMENTS

- ✓ **Crop Science**
 - Strong progress with integration
 - Synergy capture on track
- ✓ **Pharmaceuticals**
 - Target operating model for realigned R&D defined
 - Focus on disciplined cost management
- ✓ **Consumer Health**
 - Executing on Phase 2 of turnaround plan
 - Reset of cost base well advanced

Outlook 2020

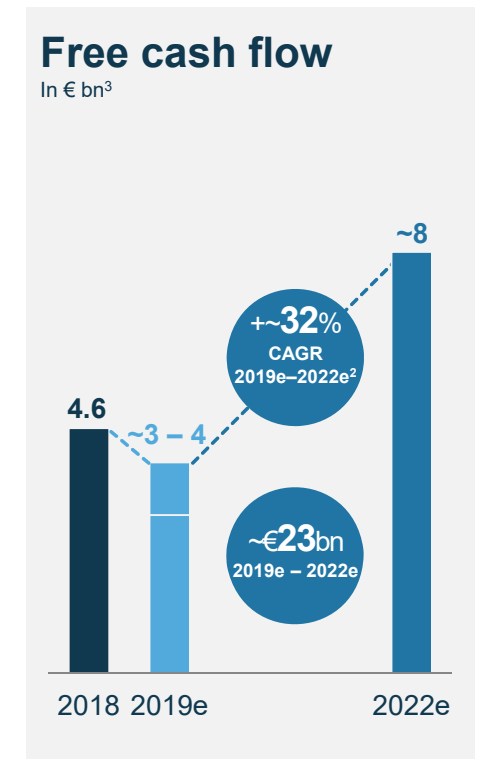
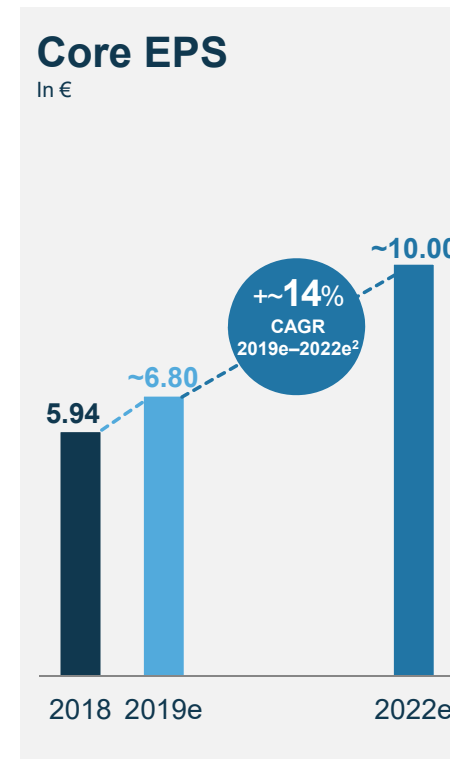
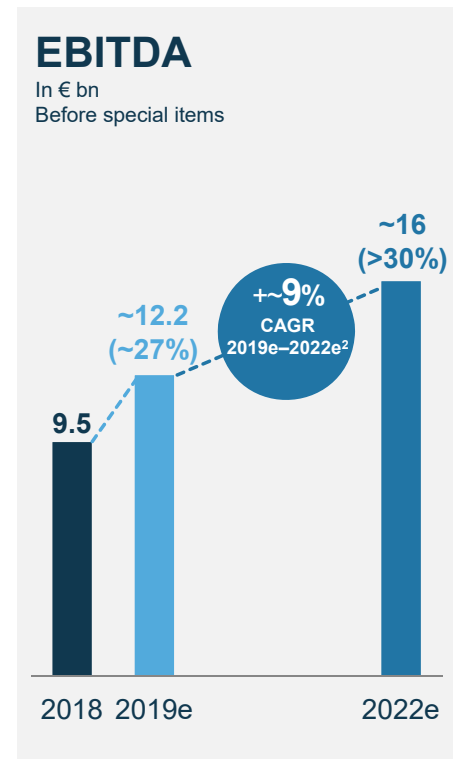
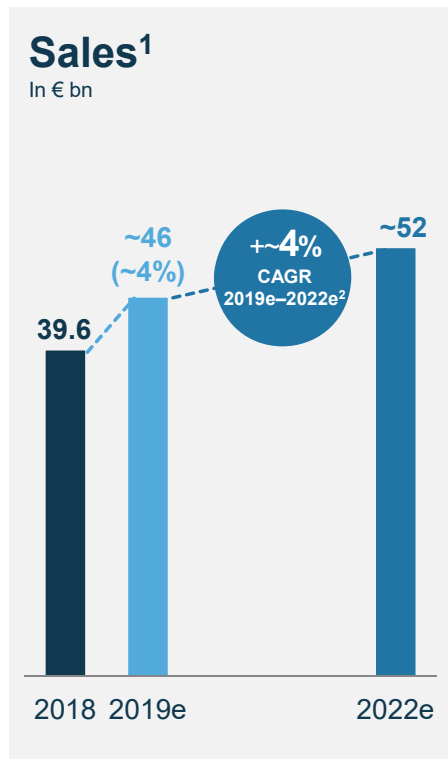


Indicative phasing of contributions





Group sales, EBITDA and EPS guidance 2019 & financial targets 2022 (not including portfolio measures)



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

¹ Sales: cpa growth | ² CAGR from 2019e base year

³ Free cash flow (FCF) defined as = Net cash flow provided by operating activities - CAPEX (PPE and Intangible assets) + interest & dividends received - interest paid + interest received from interest rate swaps



Bayer remains on track - good performance across all divisions in Q3 2019

(all figures: continuing operations)

€9,830m

Sales +5% cpa

€2,291

EBITDA +8%

Before special items

€1.16

Core EPS +6%

€1,263m

Free Cash Flow +13%

- Crop Science with positive growth dynamics
- Pharmaceuticals driven by Xarelto, Eylea and China
- Consumer Health with solid performance



FY 2019 guidance confirmed, aligned to continuing operations and including expected currency impact

confirmed

Excluding currency impact

	2019 outlook (excl. portfolio measures)	Of which discontinued operations	2019 outlook for continuing operations	Expected currency impact	2019 outlook for continuing operations incl. currency impact
Sales	~ €46 bn	~ €3bn	~ €43 bn	approx. +€0.5bn	~ €43.5 bn
EBITDA (before special items)	~ €12.2 bn	~ €0.6bn	~ €11.6 bn	approx. -€0.1bn	~ €11.5 bn
Core EPS	~ €6.80	~ €0.35	~ €6.45	approx. -€0.10	~ €6.35
Free cash flow	~ €3-4 bn	No impact	~ €3-4 bn	approx. -€0.1bn	~ €3-4 bn
Net financial debt	~ €36 bn	~ €2.0bn <small>Proceeds from the sale of Coppertone, Dr. Scholl's and Currenta</small>	~ €34 bn	approx. +€1.1bn	~ €35 bn



Bayer: a compelling investment

- 1** Global leader in health and nutrition
- 2** Active in highly attractive, growing and profitable markets driven by megatrends
- 3** Focused strategy and ambitious targets for 2022
- 4** Strong deleveraging ability to achieve single-A rating again
- 5** Clear priorities for capital allocation



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