



Science For A Better Life



Investor Conference Call

Q2 2017 Results

July 27, 2017 / Werner Baumann, CEO

Cautionary Statements Regarding Forward-Looking Information



Certain statements contained in this communication may constitute “forward-looking statements.” Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: uncertainties as to the timing of the transaction; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate Monsanto’s operations into those of Bayer; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the announcement of the transaction; the retention of certain key employees at Monsanto; risks associated with the disruption of management’s attention from ongoing business operations due to the transaction; the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger; the impact of the refinancing of the loans taken out for the transaction, the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company’s future financial condition, operating results, strategy and plans; other factors detailed in Monsanto’s Annual Report on Form 10-K filed with the SEC for the fiscal year ended August 31, 2016 and Monsanto’s other filings with the SEC, which are available at <http://www.sec.gov> and on Monsanto’s website at www.monsanto.com; and other factors discussed in Bayer’s public reports which are available on the Bayer website at www.bayer.com. Bayer and Monsanto assume no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date.



Q2 2017 – Highlights

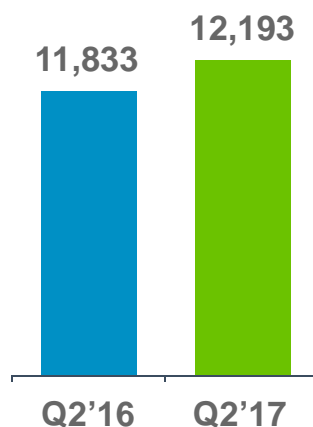
- Group performance matches prior year, despite declines at Crop Science
- Pharmaceuticals posts strong growth in earnings and margins
- Brazil business weighs on Crop Science
- Consumer Health encounters difficult market environment in the United States
- Group outlook for FY 2017 adjusted
- Pharma pipeline progress with Xarelto, Stivarga and Vilaprisan – Anetumab disappoints
- Takeover approval of the agreed acquisition of Monsanto filed with EU regulators
- Stake in Covestro further reduced

Q2 2017 – Slight Increase in Sales While Adjusted EBITDA Matched Prior-year Period



Sales

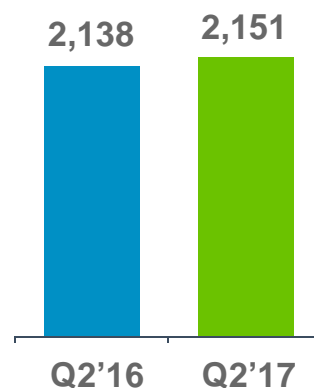
in € million
% currency & portfolio adj.



+2%

EBIT

in € million



+1%

EBITDA

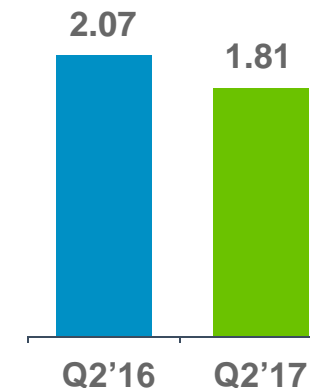
before special items
in € million



±0%

Core EPS

cont. operations
in €



-13%



Key Themes for Q2 2017

- Pharma is on track to deliver growth and margin improvement
- Consumer Health impacted by a difficult US market environment
- Inventory adjustment in Brazil affecting the performance of Crop Science



Group Outlook for FY 2017

Sales Δ % yoy Fx and portfolio adj., EBITDA before special items
Continuing operations

		2016		Forecast 2017 update July	Change
Sales	Group	€46.8bn	▶	Mid-single-digit % increase to >€49bn	↓
	Life Sciences	€34.9bn	▶	Low-single-digit % increase to €35bn -€36bn	↓
Adj. EBITDA	Group	€11.3bn	▶	High-single-digit % increase	↓
	Life Sciences	€9.3bn	▶	Slightly above prior year level	↓
Core EPS		€7.32	▶	Low- to mid-single-digit % increase	↓



Main Aspects for 2H 2017 and Going Forward

- Pharma with continued momentum and on track to achieve FY 2017 guidance
- COMPASS trial data for Rivaroxaban (Xarelto) to be presented at ESC meeting, Aug.27th
- Consumer Health focus is to manage and improve the performance in the U.S.
- Crop Science positioned to resume growth in H2 2017
- Next steps in financing of Monsanto transaction contingent on visibility to closing
- Still targeting to close the acquisition of Monsanto by the end of 2017



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Appendix

Q2 2017 – Cash Flow And Net Financial Debt Development



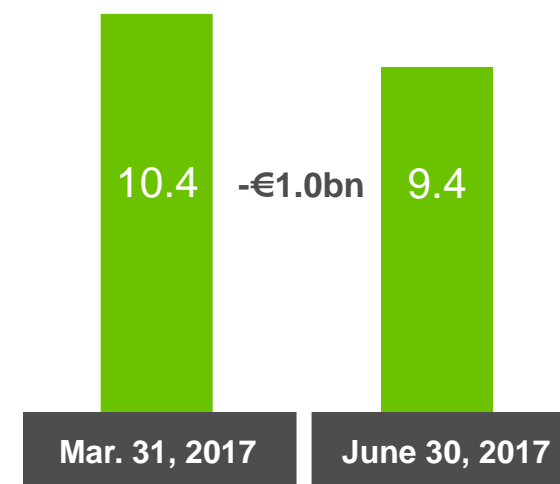
Cash Flow

in € million, Δ% yoy Fx adj., continuing operations

	EBITDA	Operating Cash Flow	CapEx
	2,983	2,316	476
Δ y-o-y	+1%	+16%	-19%

Net Financial Debt

in € billion

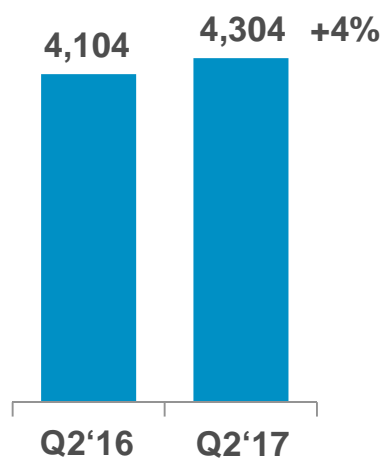


Q2 2017 – Pharmaceuticals Posts Strong Growth in Earnings and Margins



Sales

in € million; Δ% yoy, Fx & portfolio adj.



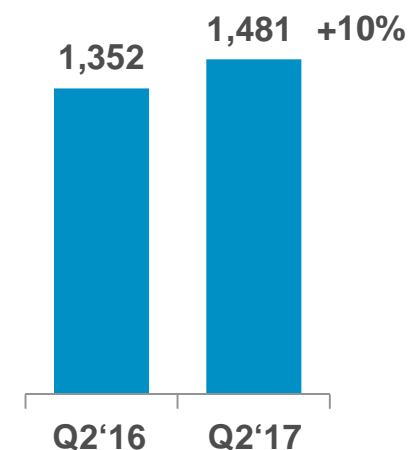
Key Growth Products

Q2'17 sales in € million, Δ% yoy, Fx adj.

Xarelto <small>tivaroxaban</small>	834	+18%
EYLEA <small>(allergocept solution for injection)</small>	458	+11%
Xofigo <small>adum 10, 20, 40 mg/ml</small>	105	+28%
Stivarga <small>regorafenib tablets</small>	83	+21%
Adempas <small>riociguat</small>	75	+18%
Sum	1,555	+17%

EBITDA

before special items, in € million; Δ% yoy

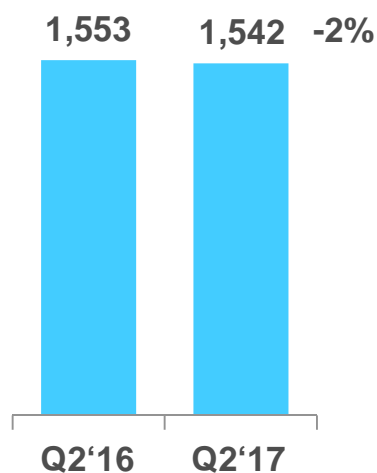


Q2 2017 – Consumer Health Encounters Difficult Market Environment in the U.S.



Sales

in € million; Δ% yoy, Fx & portfolio adj.



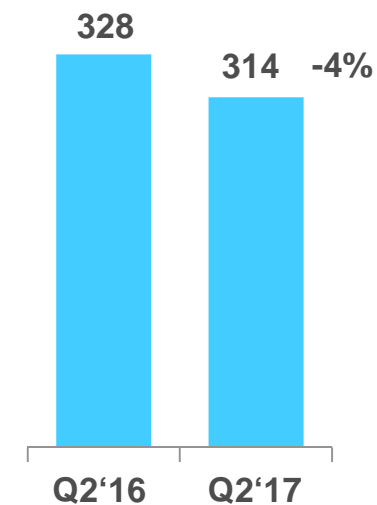
Top Products

Q2'17 sales in € million, Δ% yoy, Fx adj.

	252*	+5%
	159	-12%
	101	-11%
	100	+5%
Sum	612	-3%

EBITDA

before special items, in € million; Δ% yoy

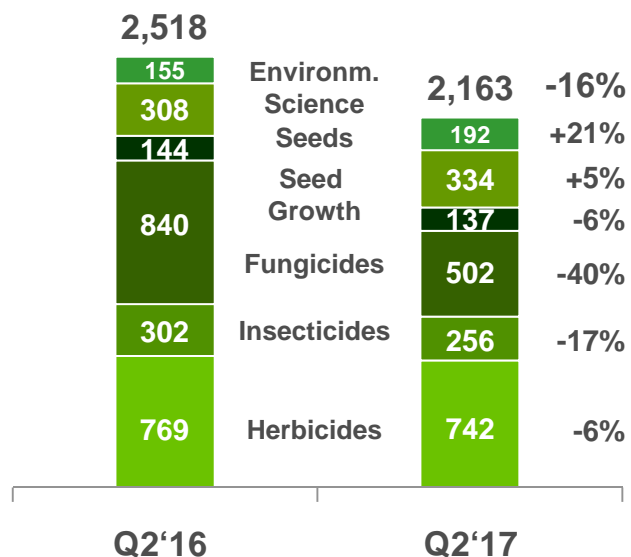


Q2 2017 – Brazil Business Weighs on Crop Science



Sales

in € million; Δ% yoy, Fx & portfolio adj.



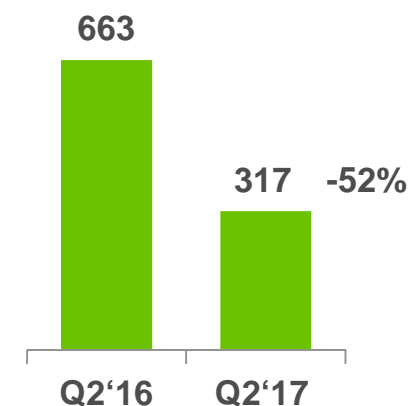
Regions

Q2'17 sales in € million, Δ% yoy, Fx adj.

Europe / Middle East / Africa	908	±0%
North America	865	+5%
Asia / Pacific	459	-2%
Latin America	-69	•

EBITDA

before special items, in € million; Δ% yoy

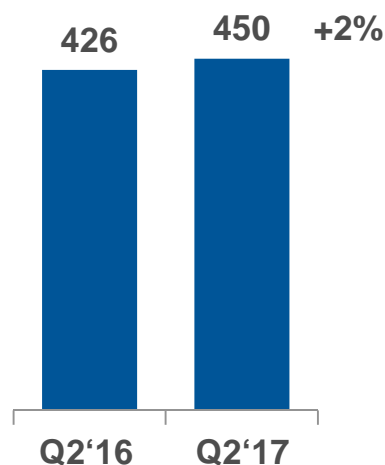


Q2 2017 – Gratifying Performance at Animal Health



Sales

in € million; Δ% yoy, Fx & portfolio adj.



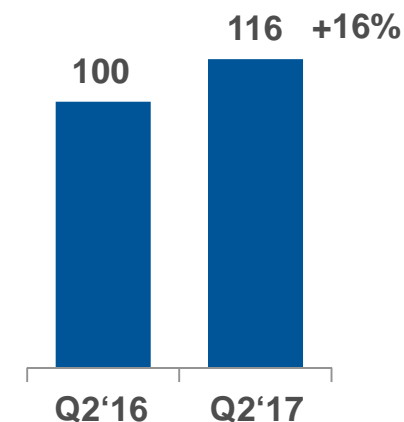
Top Products

Q2'17 sales in € million, Δ% yoy, Fx adj.

advantage	146	-8%
seresto	81	+17%
Drontal®	33	+5%
Baytril® <small>SUCCESS IN MOTION</small>	31	+26%
Sum	291	+3%

EBITDA

before special items, in € million; Δ% yoy



FY 2017 – Guidance by Life Science Segment

(update July 2017)



Sales Δ % yoy Fx and portfolio adj., EBITDA before special items Continuing operations	Sales	Adj. EBITDA	Change
Pharma	Mid-single-digit % increase to >€17bn. Key growth products >€6bn	High-single-digit % increase. Margin improvement	●
Consumer Health	On prior-year level (~€6bn)	High-single-digit percentage decline	↓
Crop Science	Low-single-digit % decrease to <€10bn	Mid-teens-percentage decline	↓
Animal Health	Low- to mid-single-digit % increase	High-single-digit % increase	●



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