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News Release

Fiscal 2020:

Bayer delivers robust performance despite pandemic – foundation laid for future growth

- Group sales at 41.400 billion euros, impacted by negative currency effects of 1.941 billion euros (Fx & portfolio adj. plus 0.6 percent)
- EBITDA before special items level with prior year at 11.461 billion euros (minus 0.1 percent) – currency effects offset by stringent cost management
- Crop Science and Pharmaceuticals report stable operational business, Consumer Health sees strong growth
- Core earnings per share at 6.39 euros (plus 0.2 percent)
- Earnings per share at minus 10.68 euros (2019: plus 4.17 euros), impacted by litigation provisions and impairments
- Net financial debt improves by 11.8 percent to 30.041 billion euros
- Proposed dividend of 2.00 euros per share (2019: 2.80 euros)
- Portfolio and innovation capabilities strengthened
- Outlook for 2021: positive momentum and solid operational growth – stable earnings at constant currencies

Leverkusen, February 25, 2021 – The Bayer Group delivered robust operational performance in 2020. “Our operational strength in these turbulent times shows just how resilient our businesses are, even during the pandemic,” said Werner Baumann, Chairman of the Board of Management, on Thursday during the company’s Financial News Conference. “We also used the past year to lay the foundation for future growth. We continued to drive forward our company’s transformation, advanced our product pipelines and invested in new technologies across all our business units,” Baumann said. For 2021, Bayer expects to achieve solid operational growth and stable earnings at constant currencies.

In the pharmaceuticals business alone, Bayer entered into more than 25 acquisition or collaboration agreements in 2020, with the largest acquisition being biotech company Asklepios BioPharmaceutical, Inc. (AskBio). “With AskBio and BlueRock Therapeutics, we are building a platform for cell and gene therapy and are further consolidating our emerging leadership in this highly promising and fast-growing field,” explained Baumann. Bayer also systematically invested in innovation in other areas in 2020, such as personalized nutrition, with the company taking a majority stake in Care/of for its Consumer Health business, he said. In addition, Crop Science launched its new short-stature corn Vitala™ in Mexico as part of a pilot project, Baumann noted.

Since the beginning of the pandemic, Bayer has introduced extensive protective measures across all of its sites and has supported employees working from home. “Our primary focus has of course always been on our responsibility toward our roughly 100,000 employees around the globe – and especially on providing what are in some cases essential products and services to customers, patients and farmers,” said Baumann, who also highlighted the commitment shown by the company’s workforce. “Our employees have displayed great initiative in doing what they can to help since the pandemic began,” he said. Bayer has also entered into an extensive partnership with biopharmaceutical company CureVac N.V., Germany, as part of efforts to combat COVID-19. “Our initial focus is on supporting the clinical studies and approval process for CureVac’s vaccine,” Baumann explained. “At the same time, preparations are underway in Wuppertal and across our global production network so that we can help with vaccine manufacture, too, as soon as possible.”

Group sales level with prior year (Fx & portfolio adj.)

Group sales amounted to 41.400 billion euros in 2020. Adjusted for currency and portfolio effects (Fx & portfolio adj.), sales were level year on year (plus 0.6 percent). At 11.461 billion euros, EBITDA before special items also came in at the prior-year level (minus 0.1 percent). Currency effects diminished sales by 1.941 billion euros and EBITDA before special items by 741 million euros. EBIT amounted to minus 16.169 billion euros (2019: plus 4.162 billion euros) after net special charges of 23.264 billion euros (2019: 2.813 billion euros). The special charges particularly comprised provisions for the agreements reached in the glyphosate, dicamba, PCB and Essure™ litigations. Other special items mainly included impairment charges at Crop Science. Net income came in at minus 10.495 billion euros (2019: plus 4.091 billion euros), while core earnings per

share from continuing operations were level with the prior year, at 6.39 euros (plus 0.2 percent). “If you factor out the negative currency effects, core earnings per share would have been just under seven euros, which is almost the level we had been targeting before the pandemic spread,” Baumann said.

The Board of Management and Supervisory Board of Bayer AG will propose to the Annual Stockholders’ Meeting on April 27, 2021, a dividend payment for fiscal 2020 of 2.00 euros (fiscal 2019: 2.80 euros) per share entitled to the dividend. The company is thus upholding its dividend policy of distributing 30 to 40 percent of core earnings per share, with this year’s proposed dividend being at the lower end of this corridor, as previously announced. With 982.42 million shares entitled to the dividend, the total dividend payment would amount to 1.965 billion euros (fiscal 2019: 2.751 billion euros).

Free cash flow in 2020 was impacted by payments of just under 4 billion euros to resolve litigations and amounted to 1.343 billion euros (2019: 4.214 billion euros). Furthermore, Bayer reduced its net financial debt by 11.8 percent year on year to 30.041 billion euros. Thanks to strong operational cash generation, the company’s performance on these two indicators was better than projected in the revised outlook.

Crop Science registers higher sales (Fx & portfolio adj.) thanks to growth in Latin America and Asia/Pacific

In the agricultural business (Crop Science), Bayer increased sales by 1.3 percent (Fx & portfolio adj.) to 18.840 billion euros. The businesses in the Latin America and Asia/Pacific regions contributed to the increase, while declines occurred particularly in North America. Sales growth was particularly strong at Fungicides (Fx & portfolio adj. 8.5 percent) and Environmental Science (Fx & portfolio adj. 11.5 percent), with these businesses expanding in all regions. At Fungicides, Bayer posted sales gains in Latin America thanks to Fox Xpro™, which was launched in 2019. Sales also rose at Soybean Seed & Traits (Fx & portfolio adj. 2.3 percent). Greater market penetration in Latin America had a positive effect, while business in North America saw lower selling prices and volumes, mainly due to increased competition. At Corn Seed & Traits, sales remained at the prior-year level (Fx & portfolio adj. minus 0.5 percent). In North America, shifts in demand into 2019 and 2021 had a negative impact, while sales moved ahead in all the other regions. Sales at Herbicides declined by 1.0 percent (Fx & portfolio adj.), particularly

because the company lost registrations – in some cases only temporarily – in the Europe/Middle East/Africa and North America regions.

EBITDA before special items at Crop Science decreased by 3.8 percent to 4.536 billion euros. Business was particularly impacted by negative currency effects of 537 million euros, while the decline in sales in North America due to shifts in demand was also a key factor. By contrast, earnings benefited from the realization of cost synergies as the company progresses with the integration of the acquired business.

As regards the glyphosate litigation in the United States, the company announced in early February 2021 that it had reached an agreement with plaintiffs' counsel on a class plan intended to manage and resolve future Roundup™ cases, and plaintiffs' counsel filed a motion for preliminary approval of the class agreement. Both parties have worked diligently to address questions the court raised after their first settlement proposal for future Roundup™ cases last summer. The new agreement is now subject to court approval. The class plan is intended to be one part of a holistic solution designed to provide further closure to the Monsanto Roundup™ litigation. Approximately 90,000 current claims in the Roundup™ litigation overall are covered by settlement agreements, or did not meet the settlement program eligibility criteria. The company continues to negotiate with plaintiffs' counsel to reach agreements in the remainder of current cases.

Pharmaceuticals grows earnings despite decline in sales

Sales at Pharmaceuticals declined by 1.5 percent (Fx & portfolio adj.) to 17.243 billion euros. The decrease was driven by global COVID-19 restrictions, which particularly in the first half of the year led to a reduced number of nonurgent treatments, especially in the ophthalmology and women's health businesses. The situation in doctor's offices and hospitals began to normalize at mid-year. In the radiology business, stricter hygiene measures slowed down patient processing throughout the year, leading to a decline in sales. In addition, the implementation of new tender procedures in China weighed heavily on sales of Glucobay™ and Avelox™.

Sales of the oral anticoagulant Xarelto™ increased by 12.4 percent (Fx & portfolio adj.) due to a marked increase in volumes in China as well as substantial growth in Europe. Stivarga™ was also among the products recording a substantial increase in sales

(Fx & portfolio adj. 18.6 percent), especially in China and the United States. The increase was partly due to this cancer drug's oral administration, which enables treatment to continue outside of hospitals and doctor's offices during the ongoing pandemic. Sales of the ophthalmology drug Eylea™ were level year on year (Fx & portfolio adj. plus 0.2 percent), with the decline in business seen in the first half being offset in the latter part of the year. The effects of the pandemic also weighed on business with the Mirena™/Kyleena™/Jaydess™ intrauterine systems (Fx & portfolio adj. minus 8.7 percent) – due to a reduced number of procedures – and the cancer drug Xofigo™ (Fx & portfolio adj. minus 11.6 percent), which registered a particularly marked decline in the United States.

EBITDA before special items at Pharmaceuticals advanced by 2.6 percent to 6.016 billion euros, with stringent cost management and a milestone payment for the pulmonary hypertension treatment Adempas™ enabling earnings to grow despite the slight decline in sales and negative currency effects of 132 million euros.

Consumer Health posts growth (Fx & portfolio adj.) in all regions

Sales of self-care products (Consumer Health) increased by 5.2 percent (Fx & portfolio adj.) to 5.054 billion euros. The division's performance was ahead of market, with all regions reporting growth. The greater focus on health and prevention in connection with the COVID-19 pandemic generated substantial growth in demand, especially in the Nutritionals category, which saw sales advance by 22.6 percent (Fx & portfolio adj.). Sales were also up in the Pain & Cardio, Dermatology and Digestive Health categories. At the same time, increased protection and hygiene measures led to a decline in sales of cough and cold products, with the Allergy & Cold category recording a decline of 4.1 percent (Fx & portfolio adj.).

EBITDA before special items at Consumer Health declined by 2.5 percent to 1.114 billion euros. Currency effects of 69 million euros, the absence of contributions from the businesses divested in 2019, and increased costs in connection with the COVID-19 pandemic had a negative impact. Earnings primarily benefited from the significant increase in sales (Fx & portfolio adj.) and the contributions from the efficiency program initiated in late 2018.

Progress made on sustainability targets

With regard to the non-financial Group targets, Bayer has reported on the progress made in 2020 toward meeting its ambitious sustainability goals for 2030. These are centered around the health of people and the planet, with a particular focus on climate protection. The company's Sustainability Report, which was also published on Thursday, looks at these aspects in detail. Last year, Bayer drew up a roadmap based on the United Nations' Sustainable Development Goals and took steps to implement it. The independent Science Based Targets initiative reviewed Bayer's climate protection goals and confirmed that, by reducing its own emissions, the company is helping to limit global warming to 1.5°C and fulfill the Paris Climate Agreement. For example, Bayer has now switched to 100 percent green electricity in Spain and Mexico. As part of its efforts to protect the climate, the company has also initiated a pilot project in the United States and Brazil to help farmers adopt climate-friendly practices and utilize carbon capture and storage for their commercial benefit.

In line with its goals of reaching more people on low incomes, the company has launched the "Better Farms, Better Lives" program, for example. Under this program, the company has, for instance, provided more than 1.5 million smallholder farmers with access to modern crop protection products. In collaboration with The Challenge Initiative, Bayer is also providing support for solutions in the area of family planning and reproductive health for women and girls in Africa.

The establishment of the external Sustainability Council marked another important step. Furthermore, attainment of the sustainability targets has been incorporated into the long-term variable compensation of members of the Board of Management and other managers with a 20 percent weighting in the success factors starting in 2021. This highlights the importance of these targets for the company.

Outlook: Bayer targeting sales growth (Fx & portfolio adj.)

Bayer has issued the following currency-adjusted outlook for 2021: The company expects to post sales of approximately 42 billion to 43 billion euros, which corresponds to an increase of about 3 percent (Fx & portfolio adj.). The company expects to generate an EBITDA margin before special items of around 27 percent. This would correspond to EBITDA before special items of 11.2 billion to 11.5 billion euros. Bayer plans to generate

core earnings per share of approximately 6.10 to 6.30 euros. Free cash flow is expected to come in at between minus 3 billion and minus 4 billion euros. This figure takes into account an anticipated negative impact of around 8 billion euros from payments to resolve litigations. The company also expects net financial debt to be approximately 36 billion to 37 billion euros as of December 31, 2021.

Based on the exchange rates on December 31, 2020, Bayer expects in 2021 to post sales of approximately 41 billion euros, an EBITDA margin before special items of approximately 26 percent and thus EBITDA before special items of between 10.5 billion and 10.8 billion euros, and core earnings per share of approximately 5.60 to 5.80 euros. On this basis, the company anticipates a free cash flow of minus 3 billion to minus 4 billion euros and net financial debt of 35 billion to 36 billion euros.

Notes to editors:

The following tables contain the key data for the Bayer Group and its divisions for the full year and the fourth quarter of 2020.

The complete Annual Report 2020 is available on the internet at:
www.bayer.com/annualreport

The Sustainability Report 2020 is also published on the internet at:
www.bayer.com/sustainability-report

The speech given by Werner Baumann and Wolfgang Nickl to the media along with the charts will be available online from around 10 a.m. CET at: www.bayer.com/speeches

Live broadcast of the news conference call from around 10 a.m. CET and recording available from around 2 p.m. CET at: www.bayer.com/live-mc

Additional information for investors and access – from around 2 p.m. CET – to the live broadcast of the investor conference call at: www.bayer.com/live-ic

Print-quality photos can be found online at: www.bayer.com/photo-footage

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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 Group Key Data, Fourth Quarter and Full Year 2020

(Continuing operations – prior-year data are restated.)

Bayer Group (EUR million)	Q4 2019	Q4 2020	Change (%)	FY 2019	FY 2020	Change (%)
Sales	10,750	9,995	-7.0 +2.6*	43,545	41,400	-4.9 +0.6*
EBITDA before special items	2,476	2,392	-3.4	11,474	11,461	-0.1
EBITDA margin before special items	23.0%	23.9%	-	26.3%	27.7%	-
EBIT	389	1,515	-	4,162	-16,169	-
<i>Special items</i>	-922	67	-	-2,813	-23,264	-
EBIT before special items	1,311	1,448	+10.5	6,975	7,095	+1.7
Net income**	1,414	308	-78.2	4,091	-10,495	-
Earnings per share (EUR)**	1.44	0.32	-77.8	4.17	-10.68	-
Core earnings per share (EUR)	1.29	1.32	+2.3	6.38	6.39	+0.2
Free cash flow**	1,692	-503	-	4,214	1,343	-68.1
Number of employees***	103,824	99,538	-4.1	103,824	99,538	-4.1

Crop Science (EUR million)	Q4 2019	Q4 2020	Change (%)	FY 2019	FY 2020	Change (%)
Sales	4,652	4,176	-10.2 +4.3*	19,832	18,840	-5.0 +1.3*
EBITDA before special items	849	594	-30.0	4,714	4,536	-3.8
EBITDA margin before special items	18.3%	14.2%	-	23.8%	24.1%	-
EBIT	-472	91	-	514	-18,629	-
<i>Special items</i>	-596	54	-	-1,418	-20,420	-
EBIT before special items	124	37	-70.2	1,932	1,791	-7.3

Pharmaceuticals (EUR million)	Q4 2019	Q4 2020	Change (%)	FY 2019	FY 2020	Change (%)
Sales	4,682	4,476	-4.4 +0.5*	17,962	17,243	-4.0 -1.5*
EBITDA before special items	1,401	1,539	+9.9	5,861	6,016	+2.6
EBITDA margin before special items	29.9%	34.4%	-	32.6%	34.9%	-
EBIT	1,060	1,308	+23.4	4,686	3,467	-26.0
<i>Special items</i>	-72	9	-	-137	-1,565	-
EBIT before special items	1,132	1,299	+14.8	4,823	5,032	+4.3

Consumer Health (EUR million)	Q4 2019	Q4 2020	Change (%)	FY 2019	FY 2020	Change (%)
Sales	1,337	1,250	-6.5 +3.1*	5,462	5,054	-7.5 +5.2*
EBITDA before special items	299	258	-13.7	1,142	1,114	-2.5
EBITDA margin before special items	22.4%	20.6%	-	20.9%	22.0%	-
EBIT	381	352	-7.6	794	992	+24.9
<i>Special items</i>	162	174	-	-16	199	-
EBIT before special items	219	178	-18.7	810	793	-2.1

Sales changes on a currency- and portfolio-adjusted basis (Fx & portfolio adj.), EBIT(DA), special items, core earnings per share and free cash flow are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. For the definition of these indicators, see the current annual report at www.bayer.com.

* Fx & portfolio adj. / ** Including discontinued operations / *** Full-time equivalents at end of period