

Q1 2023

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Investor Conference Call

May 11th, 2023





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.

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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.



CEO Remarks



Werner Baumann, CEO



Slow Start – Outlook Confirmed



1 *Solid Underlying Growth*



2 *Glyphosate Dynamics Key Variable*



3 *Earnings at Lower End of Range*



Results & Outlook



Wolfgang Nickl, CFO

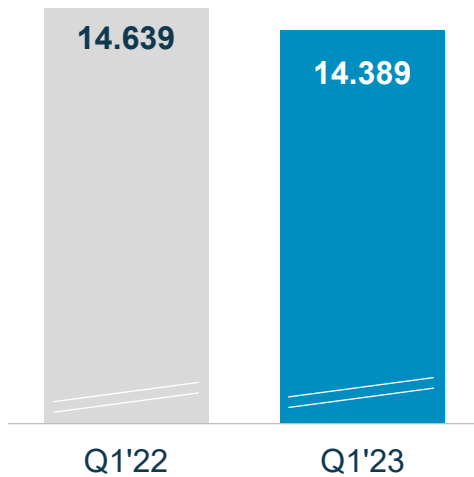


Group Performance Q1 2023

NET SALES

in m€, Δ% yoy

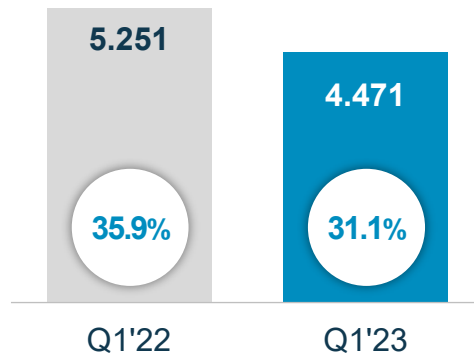
-2%
(-1% cpa)



EBITDA

in m€,
before special items

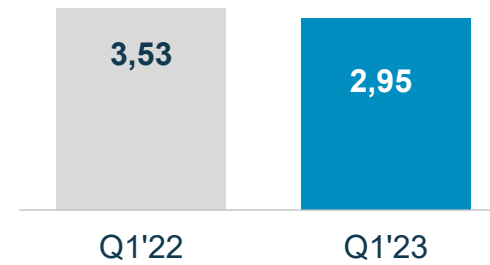
-15%



CORE EPS

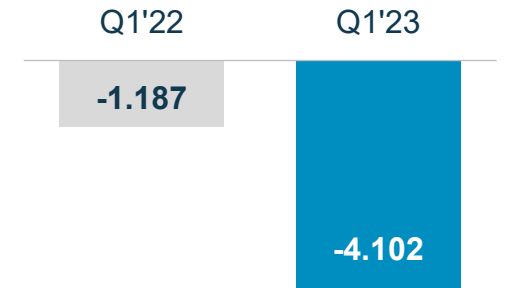
in €, Cont. Operations

-16%



FREE CASH FLOW

in m€



i Minor currency tailwind of **€102m**

i Impacted by inflation

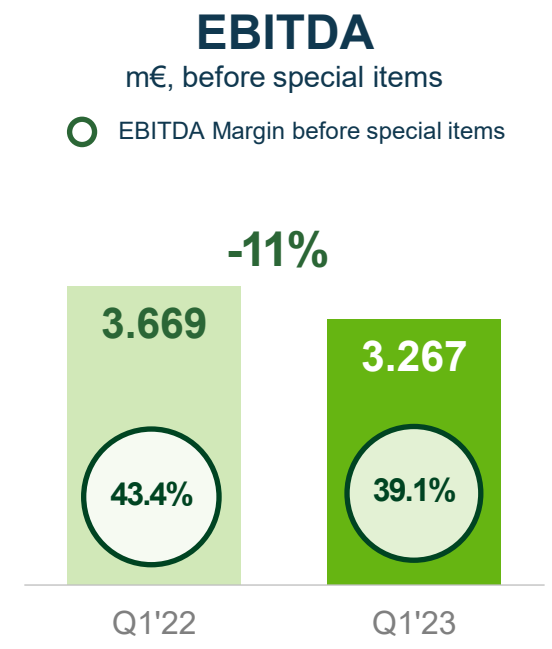
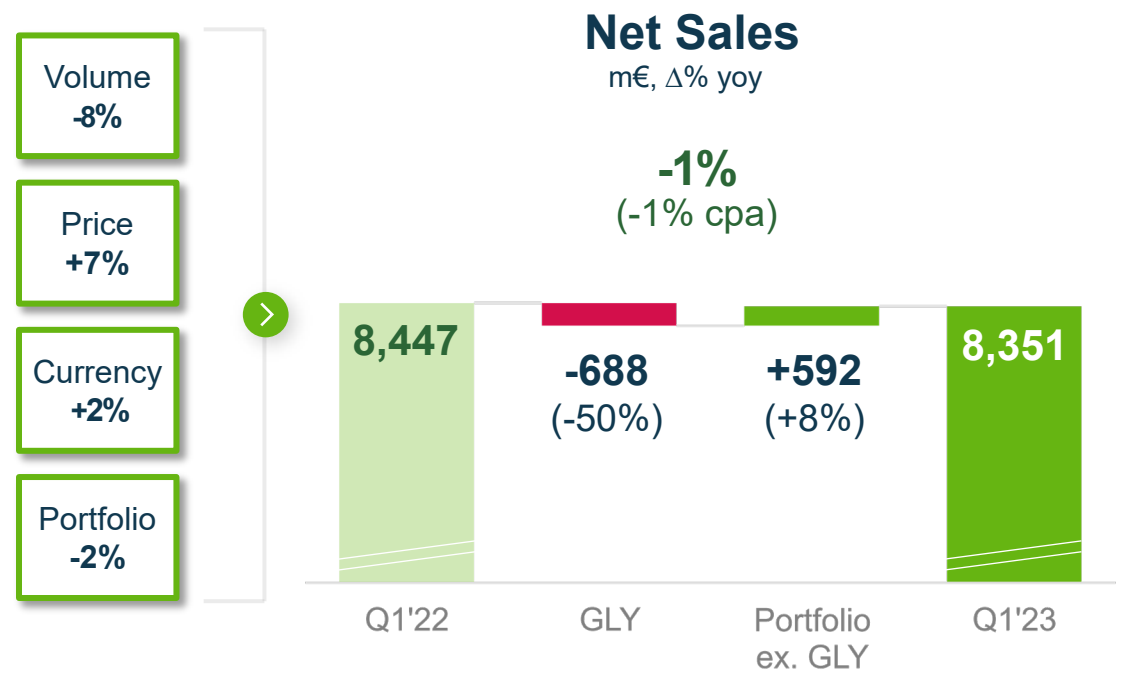
i Lower divisional contributions; better core financial result

i Including PCB settlement payouts





Faster glyphosate normalization nearly offset by strong growth of 8% in remaining portfolio



Crop Science Q1 2023

- > ~€700m decline in glyphosate-based **herbicides (GLY)** almost compensated by **remaining portfolio (+8%)**
- > Higher pricing drives **Corn S&T (+16%)** and **Insecticides (+13%)**
- > **Soy S&T (+1%)** with volume gains in LATAM
- > Strong pricing in **Fungicides** offset by lower volumes

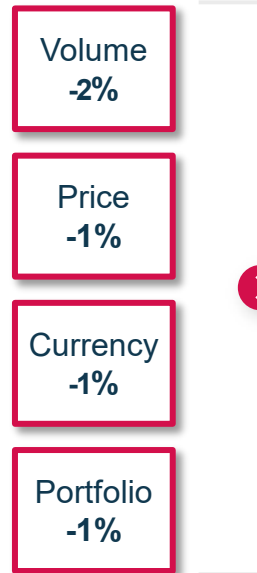
- > Decline in Glyphosate-based herbicides and cost inflation weigh on earnings
- > Strong pricing across remaining portfolio partly compensate downsides



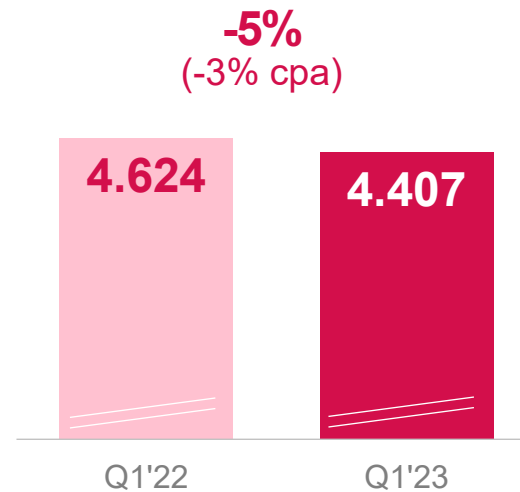
Launch assets continue to perform well, headwinds in China



Pharmaceuticals Q1 2023

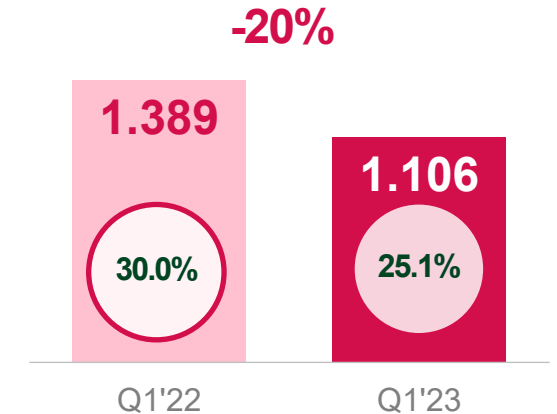


Net Sales m€, Δ% yoy



EBITDA m€, before special items

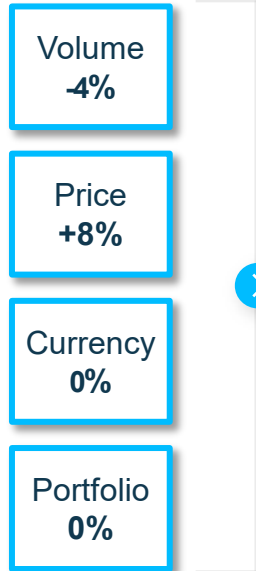
○ EBITDA Margin before special items



- > **Nubeqa** (+131%) and **Kerendia** (+362%) continue strong growth, Kerendia entering Top 15 Pharma products
- > **Eylea** (+5%) with higher volumes across regions
- > Sales shortfall, changes in product mix and inflation weigh on gross margin
- > **Radiology** (+9%) benefiting from volume growth and healthy pricing
- > Ongoing growth investments in R&D, asundexian PIII recruitment accelerating
- > China impacted by COVID dynamics across the portfolio incl. **Xarelto**, in addition to VBP pressure on **Adalat**



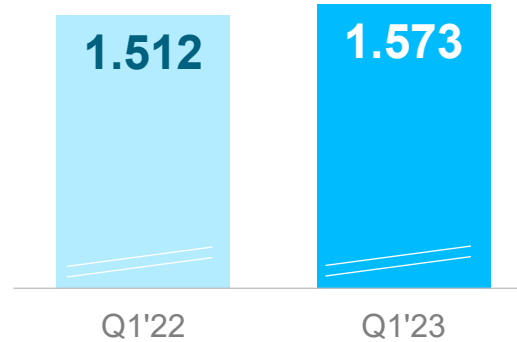
Continued growth, Nutritionals normalize at high level



Net Sales

m€, Δ% yoy

+4%
(+4% cpa)

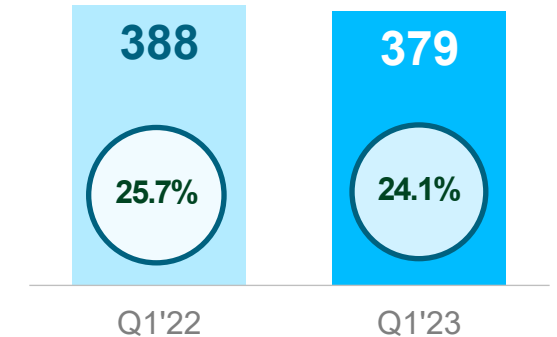


EBITDA

m€, before special items

○ EBITDA Margin before special items

-2%



Consumer Health Q1 2023

- > **Allergy** (+16%) on top of strong prior year and with major contribution from Astepro
- > **Cough & Cold** (+16%) driven by still elevated cold & flu incidences
- > **Operational productivity** programs and active pricing compensate cost inflation
- > Bepanthen continuing to support **Dermatology** (+10%)
- > **Nutritionals** (-10%) facing temporary supply constraints and strong prior year
- > Continued investments into innovation



Updated Divisional Outlook Full Year 2023

	Sales Growth as of Feb, cpa ¹	Sales Growth revised May, cpa ¹	EBITDA Margin before special items ¹
 Crop Science	~ +3%	~ +1.5%	~25%
 Pharmaceuticals	~ +1%	~ +1%	> 29%
 Consumer Health	~ +5%	~ +5%	~ 23%



Group P&L Outlook confirmed towards lower end of range

in €

FY 2023 OUTLOOK at constant currencies ¹

Net Sales

51bn – 52bn

EBITDA
(before special items)

12.5bn – 13bn

Core EPS

7.20 – 7.40

Free Cash Flow

~ 3bn

Net Financial Debt

32bn – 33bn

Key Assumptions

- Representing sales growth of **2% to 3% cpa**
- Including **portfolio effects** of -€500m in sales
- **FX** headwinds of **~€1.7bn** estimated for sales ²
- Price pressure and inflation to be partially compensated by higher volumes, active pricing management and cost savings
- Including expected settlement payouts of **€2-3bn**
- **Net Financial Debt** expected towards upper end

Q1 2023

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Back Up



May 11th, 2023





FY 2023: Group Other KPIs (as of Feb. 2023)

FY 2023 OUTLOOK at constant currencies¹

Special Items (EBITDA)	~ - €1.0bn
Core Depreciation	~ - €1.6bn
Core Financial Result	~ - €1.9bn
Core Tax Rate	~ 23%
Reconciliation (cEBITDA)	- €0.7bn to - €0.8bn

Key Assumptions

- **Special items (EBITDA)** primarily driven by ongoing restructuring programs
- **Core depreciation:** Formerly guided for “as depreciation and amortization (clean)” (2023e: - €4.0bn) and “of which for intangible assets (clean) (2023e: - €2.4bn)”
- **Reconciliation (cEBITDA)** includes the catch ups in long-term incentive provisions based on estimated share price of €60 at year-end 2023



Accelerating Growth Excluding Glyphosate (updated May 2023)

	Sales Growth ¹ (cpa)	EBITDA Margin ¹ (before special items)
Crop Science FY Outlook (revised May 2023)	~ +1.5%	~25%

Key Assumptions

Sales

- **Portfolio ex. glyphosate expected to grow by ~10%, or ~€2.0bn:** Expect double-digit percent sales increases in corn S&T, fungicides, insecticides, supported by higher prices from continued innovation and strong farm incomes. Anticipating share and volume gains in corn S&T from higher planted acres and volume gains in fungicides and insecticides, particularly in Q4 in LATAM.
- **Glyphosate-based herbicide sales expected to decline by -30% to -35%, or ~€1.7bn at the midpoint:** Anticipating continued normalization of pricing as a result of improving supply, partially offset by higher sales volumes

EBITDA

- Stronger pricing (ex. glyphosate) and >€500m cost saving measures to partially offset incremental inflation (~4% of sales) and declines in glyphosate-based herbicide sales



New Products to Offset Declines in Mature Portfolio (as of Feb. 2023)

	Sales Growth ¹ (cpa)	EBITDA Margin ¹ (before special items)
Pharmaceuticals FY Outlook (Feb. 2023)	~ +1%	> 29%

Key Assumptions

Sales

- Accelerated growth from **Nubeqa** and **Kerendia** to exceed €1bn, **Eylea** expected to offset increasing price pressure through higher volumes
- Xarelto to decline mid-single digit driven by ongoing pricing headwinds and patent expiries in various smaller markets
- Volume-based procurement in China to lower **Adalat** sales by ~50%
- HY1 to be significantly below HY2 in top and bottom line

EBITDA

- Stringent OPEX management and execution of ongoing transformation program; focused R&D investment and reallocation of spend towards launch assets



Above-Market Growth and Margin Expansion in a Challenging Environment (as of Feb. 2023)

	Sales Growth ¹ (cpa)	EBITDA Margin ¹ (before special items)
Consumer Health FY Outlook (Feb. 2023)	~ +5%	~ 23%

Key Assumptions

Sales

- Executing on our mid-term ambitions, innovation and the value of our brands will drive outperformance vs. market
- Supply constraints and price elasticity also expected to continue, leading to market growth expectation of 3% - 5% p.a.
- Expecting softer development in HY1 due to challenging macroeconomic environment and strong prior year comparable

EBITDA

- Overcompensating cost pressures by firmly executing on ongoing comprehensive cost productivity program
- Strong focus on optimizing gross margin, enhancing digital capabilities and lifting SG&A efficiencies



Q1 2023: Core EPS to EPS Bridge





Q1 2023: Summary

[€ million, if not specified]	Crop Science		Pharmaceuticals		Consumer Health		Reconciliation		Group	
	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23
Sales	8,447	8,351	4,624	4,407	1,512	1,573	56	58	14,639	14,389
Sales by region:										
Europe / Middle East / Africa	2,133	2,297	1,835	1,771	491	516	55	55	4,514	4,639
North America	4,361	4,182	1,020	1,110	581	612	0	2	5,962	5,906
Asia / Pacific	624	632	1,535	1,305	252	244	0	0	2,411	2,181
Latin America	1,329	1,240	234	221	188	201	1	1	1,752	1,663
EBITDA	3,715	3,249	1,437	1,064	370	373	-230	-368	5,292	4,318
Special items	46	-18	48	-42	-18	-6	-35	-87	41	-153
EBITDA before special items	3,669	3,267	1,389	1,106	388	379	-195	-281	5,251	4,471
EBITDA margin before special items [%]	43.4%	39.1%	30.0%	25.1%	25.7%	24.1%	-348.2%	-484.5%	35.9%	31.1%
EBIT	3,028	2,319	1,202	806	284	282	-302	-434	4,212	2,973
Special items	45	-296	48	-42	-18	-6	-35	-87	40	-431
EBIT before special items	2,983	2,615	1,154	848	302	288	-267	-347	4,172	3,404
EBIT margin before special items [%]	35.3%	31.3%	25.0%	19.2%	20.0%	18.3%	-476.8%	-598.3%	28.5%	23.7%
Operating cash flow, continuing	-2,387	-3,364	1,024	707	313	183	324	-1,076	-726	-3,550
Free operating cash flow ¹	-2,577	-3,623	875	480	285	158	342	-1,031	-1,866	-4,874
Free cash flow									-1,187	-4,102
EBITDA before special items									5,251	4,471
Core depreciation ²									-374	-395
Core EBIT									4,877	4,076
Core financial result									-419	-275
Core taxes & minorities									-989	-900
Core tax rate									22.1%	23.6%
Core Net Income									3,469	2,901
No. of shares [million]									982.42	982.42
Core EPS [€]									3.53	2.95

Q1 2023

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**Back Up
Innovation**



May 11th, 2023





Crop Science: Seed & Traits and Digital R&D Pipeline (Annual Update Feb 2023)

**€21bn
PSP**

	Phase I	Phase II	Phase III	Phase IV	PSP
CORN SEED & TRAIT	Corn Disease Shield - NA 2nd Generation Seed Density Digital Tool - NA	5th Generation Lepidoptera Protection 5th Generation Herbicide Tolerance w/ (RHS2) Digital Disease Mgmt. – NA Seed Placement Digital Tool - NA	Short Stature Corn – Biotech Trait ³ 4th Generation Coleoptera Protection	Short Stature Corn – Breeding Approach 4th Generation Lepidoptera Protection Seed Density Digital Tool – EMEA Seed Density Digital Tool – LATAM	~€11bn
	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	Annual Germplasm Upgrades	
SOYBEAN SEED & TRAIT	Digital Disease Mgmt. - NA	Seed Placement Digital Tool – NA 4th Generation Insect Protection	3rd Generation Insect Protection 2nd Generation Soy Cyst Nematode resistance 4th Generation Herbicide Tolerance (HT4) (Adds 2, 4-D and HPPD tolerance) 5th Generation Herbicide Tolerance (Adds PPO tolerance)	Vistive Gold Xtend	~€4bn
	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	Annual Germplasm Upgrades Soybean Native Resistance	
VEGETABLES and OTHER ⁴ Including Carbon Model	Canola/OSR Digital Disease Mgmt. - NA	Wheat Digital Disease Mgmt. - EMEA	Canola Dicamba Tolerance Sugarbeets 2nd Generation Herbicide Tolerance ² Cotton 4th Generation Herbicide Tolerance (HT4) (5 tolerances – Adds 2, HPPD and PPO) Cotton 4th Generation Insect Protection	Lygus and Thrips Control (ThryvOn Technology) - Stewarded Commercial Launch	~€6bn
	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	Wheat Annual Germplasm Upgrades	
	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	Wheat Disease Package Upgrades	
	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	Cotton Annual Germplasm Upgrades	
	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	Canola/OSR Annual Germplasm Upgrades	
	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	Veg- Annual Germplasm Upgrades	
	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	Rice Annual Germplasm Upgrades	

Breeding
 Trait
 Digital Model
■ advanced to next phase

Projects listed here and included in the peak sales potential by segment do not include projects funded by our LEAPS investments; includes all advancements made in FY'22, updated Feb'23

PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2037 and remainder in 2038+; **Note that products are excluded from the pipeline PSP typically the year following launch**

² In collaboration with KWS; ³ In collaboration with BASF; ⁴ "Other" category includes seeds and traits, such as cotton, canola, wheat, OSR, rice, vegetable seeds and sugarbeets, plus carbon and digital Models



Crop Science: Crop Protection R&D Pipeline (Annual Update Feb 2023)

€9bn
PSP

	Phase I	Phase II	Phase III	Phase IV	Life Cycle Management ¹	PSP	
SEED GROWTH ²			New Seed Treatment ✓ New Seed Treatment ✓		INS FUN ready mixture ✓ Redigo FS 25 ✓		
			Novel Mite Solution ✓✓✓✓	Plenexos ✓✓✓	Vayego Duo ✓ Velum LCM ✓ Rice Plant Hopper ✓	~€2bn	
	New Insecticide ✓✓				Luna Flexx ✓ Super Nativo ✓✓ Delaro Forte ✓	~€3bn	
	New Fungicide ✓	New Fungicide ✓	New Fungicide ³ ✓✓✓				
INSECT. FUNGIC.							
HERBICIDES	New AI Development New Herbicide ✓ New Herbicide ✓✓ New Herbicide ✓		New Herbicide ✓✓✓ New Herbicide ✓ New Herbicide ³ ✓		Non-Selective Glyphosate LCM ✓ Selective Merlin Flexx / Adengo LCM ✓ Balance Flexx LCM ✓ Convintro ✓ New over-the-top herbicide ✓	Mateno Complete ✓ Council Family ✓ Ronstar One ✓ Mesosulfuron LCM ✓	~€4bn

✓ Corn
 ✓ Soybeans
 ✓ Fruits and vegetables
 ✓ Cereals, oilseed rape, sugarbeets, cotton and rice
 🌿 Biological
 🧬 Small Molecule

¹ Shown here is a subset of Bayer's total life cycle management activities; focused on new formulation developments which have the potential to bring significant innovation to customers compared to currently marketed product; Products shown may not yet be fully registered in all jurisdictions; includes all advancements made in FY'22, updated Feb'23; ² SeedGrowth is currently reported within other SBEs; ³ 3rd party collaboration

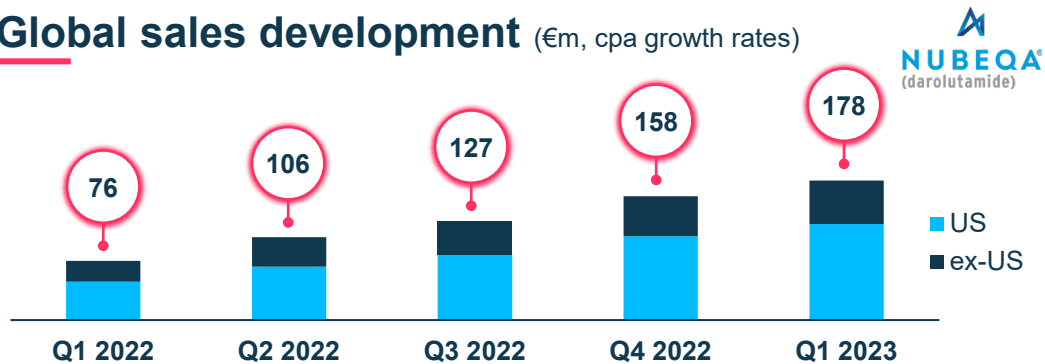
PSP = Peak Sales Potential, 50% incremental; Expected to reach 30% of PSP by 2032, 80% of PSP by 2037 and remainder in 2038+; **Note that products are excluded from the pipeline PSP typically the year following launch.**

■ **advanced to next phase** Selection of projects listed here and included in the peak sales potential by segment do not include projects in early research or discovery

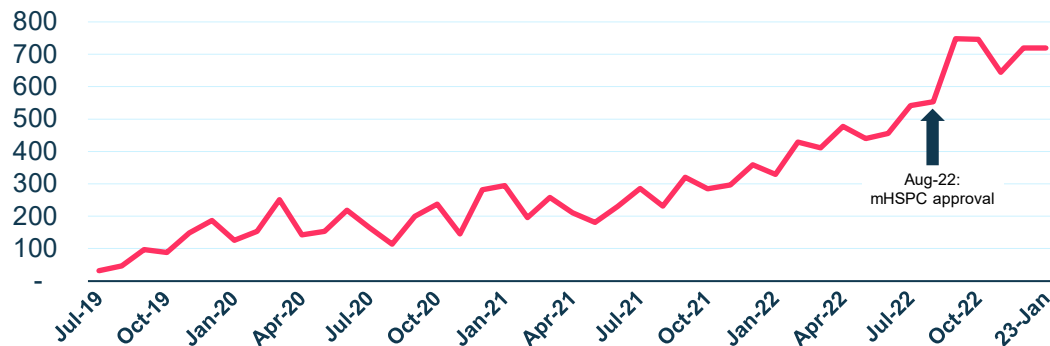


Pharmaceuticals: Nubeqa sales more than doubled again in Q1, continuing to gain market share

Global sales development (€m, cpa growth rates)



US launch performance (monthly NBRx)¹



Key sales drivers

Q1 2023:

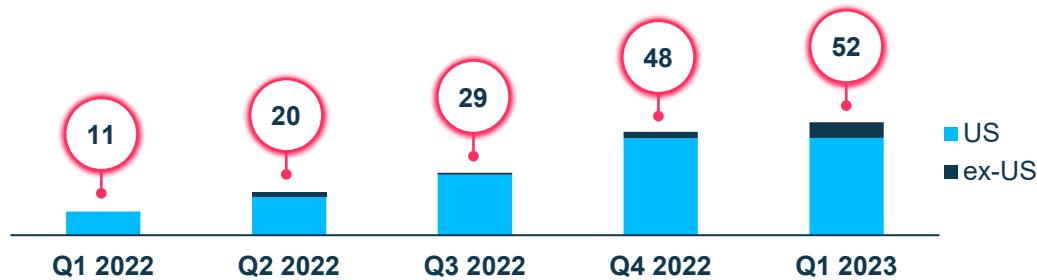
- // US continues to be key growth driver, driven by mHSPC² launch and ongoing nmCRPC³ gains
 - // Nubeqa now at #2 in 2nd generation ARIs⁴ for non-metastatic patients, set to become #2 in metastatic patients in its indications
- // Additional approvals and strong launch momentum also drive sales dynamics in non-US regions
- // Overall, Nubeqa approved in more than 80 countries (mHSPC approvals in 47 markets)

¹ Source: IQVIA, Jan 2023 ² mHSPC: metastatic hormone sensitive prostate cancer ³ nmCRPC: non-metastatic castration resistant prostate cancer ⁴ ARI: Androgen Receptor Inhibitor

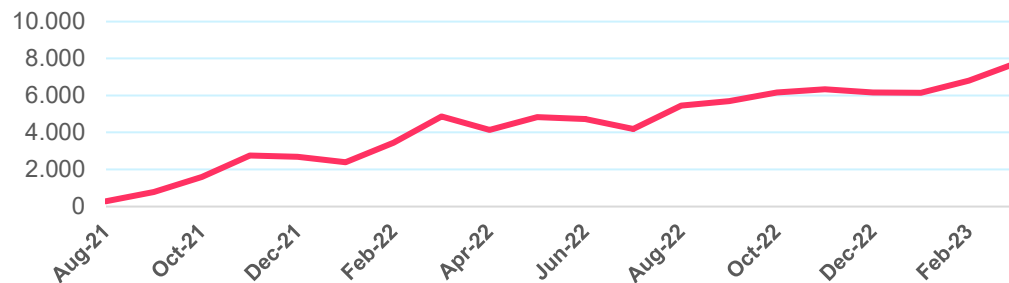


Pharmaceuticals: Kerendia continues strong launch momentum since initial US launch in Aug 2021

Global sales development (€m, cpa growth rates)



US launch performance (monthly NBRx)¹



¹ Source: IQVIA, National NBRx, March 31, 2023

Key sales drivers

Q1 2023:

- // Continued US market uptake
 - // Significant growth in NBRx compared to Q1 2022 (>90%)
 - // Broad utility and relevance across GPs and specialists
- // China: NRDL Listing starting March 2023
- // EU label extension reflecting results from Phase III study FIGARO-DKD
- // Potential for further inclusion in treatment guidelines



Pharmaceuticals: R&D Developments (since last update on Feb 15, 2023)

Phase I	Phase II	Phase III	Commercial
<ul style="list-style-type: none"> Initiation of LGMD2i Gene Therapy (LION-101) Discontinuation of BDKRB1 Receptor Antagonist Discontinuation of P2X4 Antagonist	<ul style="list-style-type: none"> Discontinuation of BDKRB1 Receptor Antagonist Neuropathic Pain (BRADiNP) Discontinuation of Runcaciguat (sGC Activator) CKD	<ul style="list-style-type: none"> Darolutamide (AR Inhibitor) / Prostate Cancer with Biochemical Recurrence after Curative Radiotherapy (ARASTEP)	<ul style="list-style-type: none"> Nubeqa (Darolutamide)<ul style="list-style-type: none">Approval in mHSPC in Europe, Japan and in China Eylea<ul style="list-style-type: none">EU and Japan submission of 8mg aflibercept (DME, nAMD)

- Oncology
- Cardiovascular Diseases
- Neurology / Rare Diseases
- Immunology & Inflammation
- Others



Newsflow



Advancements







































Additions










Discontinuations



Pharmaceuticals: Pipeline Overview¹ (as of Apr 26, 2023)

Phase 0 ²	Phase I	Phase II	Phase III
DGKalpha Inh (BAY 2862789)  ●	Elimusertib (ATR Inhibitor) (BAY 1895344)  ●	Regorafenib (combi Nivolumab) (BAY 734506)  ○	Copanlisib (PI3K Inhibitor)  ○
PSMA TAC (BAY 3546828)  ●	AhR Inhibitor (BAY 2416964)  ●	Asundexian (FXIa Inhibitor) (BAY 2433334)  ●	Darolutamide (AR Inhibitor)  ○
PSMA SMOL TAC (BAY 3563254)  ●	mEGFR Inhibitor (BAY 2927088)  ●	Adrenomedullin Pegol (PEG-ADM) (BAY 1097761)  ●	Finerenone (MR Antagonist)  ○
VVD Keap1 Act (BAY 3605349)  ●	DGKzeta Inhibitor (BAY 2965501)  ●	Zabedoseritib (IRAK4 Inh.) (BAY 1834845)  ●	Vericiguat (sGC Stimulator)  ○
VVD STAT3 Inh (BAY 3630914)  ●	CCR8 Ab (BAY 3375968)  ●	Gadoquatrane (High Relaxivity Contrast Agent) (BAY 1747846)  ●	Asundexian (FXIa Inhibitor)  ●
SEMA 3a (BAY 3401016)  ●	Congestive Heart Failure Gene Therapy (AB-1002 formerly NAN-101)  ●	Runcaciguat (sGC Activator) (BAY 1101042)  ●	Elinzanetant (Neurokinin-1,3 Rec Antagonist)  ●
Anti-coagulant (BAY 3389934)  ●	sGC Activator Oral (BAY 3283142)  ●		
Next Generation Liver MRI (BAY 3393081)  ●	Anti-a2AP (BAY 3018250)  ●		
	sGC Activator Inhale (BAY 1211163)  ●		
	Bemdaneprocel (Parkinson's Disease Cell Therapy) (BRT-DA01)  ●		
	Parkinson's Disease Gene Therapy (AB-1005 formerly AAV2-GDNF-PD)  ●		
	Multiple System Atrophy Gene Therapy (AB-1005 formerly AAV2-GDNF-MSA)  ●		
	Pompe Disease Gene Therapy (ACTUS-101)  ●		
	Huntington's Disease Gene Therapy (BV-101)  ●		
	LGMD2i Gene Therapy (LION-101)  ●		
	GPR84 Antagonist (BAY 3178275)  ●		

-  Oncology
-  Cardiovascular*
-  Neurology / Rare Diseases
-  Immunology & Inflammation
-  Others

-  New molecular entity
-  Life cycle management

-  Antibody
-  Biologic
-  Cell Therapy
-  Contrast Agent
-  Gene Therapy
-  Radiotherapy
-  Small Molecule

Full pipeline package available for download under:
<https://www.bayer.com/en/pharma/development-pipeline>

* Including Precision Cardiovascular, Nephrology & Acute Care

¹ Bayer and partner sponsored + 3rd party label enabling studies with first patient first visit ² Pre-clinical selected assets on path to IND ³ Conducted by Merck & Co ⁴ US submission made by Regeneron

