



Q2 2024 Aide Memoire

as of July 2nd, 2024

As a service to our investors and analysts, we are providing a quarterly Aide Memoire ahead of our quiet period and concurrent with our publication schedule. This document is intended to provide a summary of relevant information that we have communicated previously and of the key drivers in the corresponding prior year's quarter. It may also include key macroeconomic developments that have an impact on our businesses. Please note that this release and all information therein is unaudited. Consistent with our general practices, any updates to our outlook or business prospects will be provided in our quarterly or ad-hoc disclosures.

***** Please note that our Quiet Period starts on July 9th, 2024. *****

Group

Full Year Outlook 2024 (as of May 14th, 2024)

Please refer to the following table for an overview of all KPIs including additional modelling support:

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€47.6bn	-1% to +3%	-2% to -3%pts
EBITDA (before special items)	€11.7bn	-9% to -3%	~ -4%pts
Core EPS	€6.39	€5.10 to €5.50	~ - €0.30
Free Cash Flow	€1.3bn	€2.0bn to €3.0bn	~ - €0.3bn
Net Financial Debt	€34.5bn	€32.5bn to €33.5bn	~ €0.5bn

Special Items (EBITDA)	- €1.1bn	- €2.0bn to - €1.0bn	not material
Core Depreciation	- €1.6bn	~ - €1.7bn	
Core Financial Result	- €1.9bn	~ - €2.3bn	
Core Tax Rate	23%	~ 23%	
Reconciliation (cEBITDA)	€0.1bn	- €0.5bn	

- Outlook at constant FX reflects our 2024 outlook at average actual 2023 FX rates. Estimated FX impact was based on month-end March 2024 spot rates.
- Please find links to additional documents:
 - [FX Simulation Tool](#) for net sales 2024;
 - [Q1 2024 Results](#).

Crop Science

Q2 2023

	Actual Q2 2023	Delta vs PY
Net Sales	€4.9bn	-19% cpa*
EBITDA (before special items)	€0.7bn	-59%
EBITDA margin (before special items)	14.7%	

*cpa: currency- and portfolio adjusted

Commentary:

- **Net Sales:**
 - Core Business with sales of €4.4bn was down by 1% cpa (+7% price, -8% volumes), particularly from lower U.S. cotton and soybean planted acres/license revenues and lower fungicide & insecticide volumes due to adverse weather;
 - Glyphosate-based herbicides sales €0.5bn declined -70% cpa equally driven by price and volume, as prices reverted to historic average, retailers reduced channel inventory and dry weather impacted demand in key markets.
- **EBITDA (before special items):** Glyphosate sales declined, volume loss in core business, currency and inflation weighed on earnings. Strong pricing in core business and ongoing efficiencies partially compensated downsides.

Full Year Outlook 2024 (as of May 14th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€23.3bn	-1% to +3%	~ -1%pts
EBITDA margin (before special items)	21.7%	20% to 22%	not material

Commentary:

- **Net Sales:**
 - **Core Business** (Crop Science business excl. glyphosate-based herbicides) expected to grow **+1% to +4% cpa**. We expect to deliver a fourth consecutive year of growth in our core business. We anticipate higher crop protection volumes and growth in our corn business due to increased pricing, despite lower planted acres.
 - **Glyphosate-based herbicide** sales expected to decline **-12% to -8% cpa**, from lower pricing, partially mitigated by volume recovery.
- **EBITDA Margin** before special items expected to be **20% to 22%** with 4% cost inflation, higher incentives and absence of Luling insurance payment mitigating expected CP COGS reduction and personnel savings from new operating model.
- **Calendarization:** For Q2, low-single-digit sales growth is expected, mostly from crop protection volumes, with additional growth anticipated for HY2, particularly in Latin America. EBITDA Margin expected to decline in HY1 vs PY with continued normalization of glyphosate pricing and inflation. To mitigate these effects, we anticipate benefits from our cost productivity programs in HY2.

Latest Market Information

- Dec. 2024 corn contracts at ~\$4.20/bu and Nov. 2024 soybean contracts at ~\$11.01/bu as of June 28th, 2024.
- The national average spot price for generic glyphosate technical sourced out of China was \$3.55/kg, close to the 15-year median price of \$3.80/kg.
- The June 28th USDA Prospective Plantings report estimated U.S. planted corn acres to decline to 91.5 million (-3%), in the 2024/25 season, planted soybean acres to increase to 86.1 million (+3%) and cotton acres to increase to 11.7 million (+14%).

Pharmaceuticals

Q2 2023

	Actual Q2 2023	Delta vs PY
Net Sales	€4.6bn	0% cpa
EBITDA (before special items)	€1.4bn	-7%
EBITDA margin (before special items)	30.3%	

Commentary:

- **Net Sales:**

- Nubeqa™ (+96% cpa) and Kerendia™ (+250% cpa) continued strong growth;
- Xarelto™ declined (-3% cpa) due to loss of exclusivity in some regions and pricing headwinds;
- Eylea™ (+6% cpa) showed continued volume growth;
- Radiology (+7% cpa) benefitted from volume growth and price increases;
- China business showed improvement from weak Q1 2023, continued VBP pressure on Adalat™.

- **EBITDA (before special items):** Ongoing growth investments in R&D, particularly early-stage and asundexian's PIII program. Prior year benefited from sales of non-core businesses.

Full Year Outlook 2024 (as of May 14th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€18.1bn	-4% to 0%	~ -3%pts
EBITDA margin (before special items)	28.7%	26% to 29%	~ -2%pts

Commentary:

• Net Sales:

- Robust base business expected with varying dynamics of individual franchises;
 - Ongoing headwinds in China anticipated, particularly related to VBP;
 - Xarelto™ to decline double-digit % driven by ongoing pricing pressure, genericization and patent expiries in e.g. Canada and Japan;
 - Eylea™ expected to be flattish yoy; higher volumes (total of Eylea 2mg and 8mg) to be offset by adverse pricing dynamics;
 - Combined sales of Nubeqa™ and Kerendia™ to exceed €1.5bn driven by market growth and further market expansion in existing indications.
- **EBITDA Margin** before special items: Unfavorable product mix, persisting inflationary and pricing headwinds as well as continued growth investments (launches and pipeline) expected to impact EBITDA margin before special items.
 - **Calendarization:** HY1 sales above HY2. Headwinds on Xarelto are expected to increase throughout the year. HY1 and HY2 EBITDA margin before special items at about same level as tight OPEX management in HY2 compensating for expected lower topline.

Newsflow (until June 28th, 2024)

- May 30 Announcement of Regenerative Medicine Advanced Therapy (RMAT) designation from FDA for Parkinson's disease cell therapy candidate bemandanepocel (BlueRock Therapeutics)
- May 29 Presentation of additional analyses from Phase III study ATTRIBUTE-CM (acoramdis in patients with transthyretin amyloid cardiomyopathy) at 2024 International Symposium on Amyloidosis (ISA) by BridgeBio Pharma, Inc.
- May 17 Presentation of Elinzanetant's Pivotal Phase III studies OASIS 1 and 2 at 2024 ACOG Annual Meeting
- May 15 Announcement of Phase I study initiation with novel targeted radionuclide therapy 225Ac-PSMA-Trillium in advanced metastatic prostate cancer

Consumer Health

Q2 2023

	Actual Q2 2023	Delta vs PY
Net Sales	€1.5bn	+5% cpa
EBITDA (before special items)	€0.3bn	+2%
EBITDA margin (before special items)	22.9%	

Commentary:

- **Net Sales:**
 - Further expansion of Bepanthen Derma in Dermatology (+11%);
 - Pain & Cardio (+10%), particularly strong in LATAM & Asia Pacific;
 - Cough & Cold (+12%) was driven by still elevated cold & flu incidences;
 - Supply constraints, particularly for Digestive Health (0%).
- **EBITDA (before special items):** Operational productivity programs and active pricing compensated cost inflation and currency effects. Continued investments into innovation.

Full Year Outlook 2024 (as of May 14th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€6.0bn	+3% to +6%	~ -5%pts
EBITDA margin (before special items)	23.4%	23% to 24%	not material

Commentary:

- **Net Sales:** We continue to further improve the supply situation and focus on driving consumption. In addition, we are launching innovation to the market.
- **EBITDA Margin** before special items: Further margin expansion leveraging DSO and operational efficiencies, while compensating for sticky inflation and currency headwinds.

- **Calendarization:** We plan to return to sales growth again in Q2 and to accelerate growth in the second half of the year. Inventory optimization by US retailers expected to remain for Q2. Normalization as of HY2 expected. The supply situation is expected to show ongoing improvement. For EBITDA Margin before special items, HY1 impacted by higher investment levels to support innovation, while operational efficiencies (incl. DSO savings) to materialize towards HY2.

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.

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