



Q3 2024 Aide Memoire

as of Oct 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 October 15th, 2024. *****

Group

Full Year Outlook 2024 (as of August 6th, 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	

- Reconciliation (EBITDA before special items) including latest assumptions for long-term incentive provisions.
- Outlook at constant FX reflects our 2024 outlook at average actual 2023 FX rates. Estimated FX impact was based on month-end June 2024 spot rates.
- Please find links to additional documents:
 - [FX Simulation Tool](#) for net sales 2024 (based on month-end September 2024 spot rates)
 - [Q2 2024 Results](#)

Crop Science

Performance Prior Year Quarter: Q3 2023

	Actual Q3 2023	Delta vs PY
Net Sales	€4.4bn	+1% cpa*
EBITDA (before special items)	€-24m	
EBITDA margin (before special items)	-0.5%	

*cpa: currency- and portfolio adjusted

Commentary Q3 2023:

- **Net Sales:**
 - Core Business sales grew 9% cpa in Q3 2023 (+7% price, +2% volumes), driven by double digit percentage growth in corn, soybeans and fungicides;
 - Glyphosate-based herbicides sales declined -23% cpa as volume recovery only partly offset price decline.
- **EBITDA (before special items):** Glyphosate pricing decline, inflation and higher-cost inventory weighed on earnings; strong pricing in core business, currency tailwinds, lower incentives and ongoing efficiencies partially compensated.

Full Year Outlook 2024 (as of August 6th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€23.3bn	-1% to +3%	~ -2%pts
EBITDA margin (before special items)	21.7%	20% to 22%	not material

Commentary Full Year Outlook 2024:

- Given market-driven headwinds, **expect to deliver on the lower end of our sales growth and margin guidance.**
- **Net Sales:**
 - **Core Business** (Crop Science business excl. glyphosate-based herbicides) expected to deliver on the lower end of our guidance range **+1% to +4% cpa**. Guidance anticipates 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 at the lower end of our guidance range, **20% to 22%**. Margin expansion in the second half of the year leaning on dynamic shared ownership, COGS recovery and other efficiency savings expected to mitigate inflation and merit increases.
- **Calendarization:**
 - Business seasonality is generally determined by the different planting seasons for key crops in the Northern and Southern hemisphere. Historically, the first half of the year generates the majority of net sales and EBITDA with the second half of the year focused on cash flow generation.
 - Q3 generally shows the smallest values in terms of sales and profit, with the majority driven by the start to the season in the Southern Hemisphere. North America results can be influenced by seed returns and seasonal adjustments for the end of the planting season.
 - On the heels of this seasonally low quarter, we expected a slight decline in Q3 top-line as glyphosate returns to normalized shipping patterns vs. prior year.
 - Similar to prior year, below zero EBITDA is also typical for the third quarter.
 - Full year guidance expects stronger growth in Q4 from our core crop protection business, including innovative products like the Fox family and Curbix in Latin America.

Latest Market Information:

- December Corn Futures softened -2% from last quarter with 2025 remaining around \$4.50/bu. November 2024 Soy futures declined further -5% with 2025 futures also dropping below \$11.00/bu.

	2024 Futures		2025 Futures	
\$/bu	As of June 28 th , 2024	As of Sep 24 th , 2024	As of June 28 th , 2024	As of Sep 24 th , 2024
Corn	\$4.20	\$4.11	\$4.58	\$4.49
Soy	\$11.01	\$10.42	\$11.01	\$10.84

- The September 12th USDA WASDE report estimated U.S. planted corn acres remained at 90.7 million (-4%), in the 2024/25 season, planted soybean acres remained at 87.1 million (+4%) and cotton acres at 11.2 million (+9%).
- The national average spot price for generic glyphosate technical sourced out of China was ~\$3.58/kg as of September 24th, 2024, compared to the 15-year median price of \$3.80/kg.
- The Buenos Aires Grain Exchange expects to see a shift from Corn at 15.6m acres (-17%) to Soy at 47m acres (+10%) in Argentina for 2024/25 season due to ongoing leafhopper pressure.

Pharmaceuticals

Performance Prior Year Quarter: Q3 2023

	Actual Q3 2023	Delta vs PY
Net Sales	€4.5bn	0% cpa
EBITDA (before special items)	€1.4bn	-9%
EBITDA margin (before special items)	31.7%	

Commentary Q3 2023:

- **Net Sales:**
 - NubeqaTM (+97% cpa) and KerendiaTM (+146%) continued strong growth
 - Stable XareltoTM sales (0% cpa) as solid volume growth in major markets was offset by UK pricing and China headwinds and lower US royalties;
 - EyleaTM (+5% cpa) continued strong volume trend in all marketed regions partially held back by softer pricing, particularly in Europe;
 - Radiology (+7% cpa) showed substantial sales gain, particularly for CT Fluid Delivery and Ultravist.
 - US sales grew double digit %, led by NubeqaTM and KerendiaTM; China business negatively impacted by the country's anti-corruption campaign

in the healthcare sector, also resulting in stronger pressure on all volume-based procurement (VBP) affected franchises

EBITDA (before special items): Adverse product mix and ongoing investments in R&D balanced by lower marketing spend.

Full Year Outlook 2024 (as of August 6th, 2024)

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

Commentary Full Year Outlook 2024:

- **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™ (total of Eylea 2mg and 8mg) expected to grow low-single-digit % (previously flattish yoy growth), building on a strong first half year (driven by both volume and price);
 - Combined sales of Nubeqa™ and Kerendia™ to exceed €1.5bn driven by market growth and further market expansion in existing indications. In September 2024, sales of Nubeqa™ exceeded sales of €1bn year-to-date.
- **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:** Headwinds on Xarelto are expected to increase in HY2 compared to HY1. This headwind is expected to be partially compensated by ongoing strong sales performance of our launch assets and Eylea. EBITDA margin before special items to sequentially decline in HY2 vs HY1, largely driven by an unfavorable product mix and continued investments in launches as well as R&D investments in our pipeline.

Newsflow (until Oct 8th, 2024)

- **Sept 27:** Announcement of BlueRock Therapeutics Phase I exPDite trial for Parkinson's disease continuing to show positive data at 24-months
- **Sept 26:** Submission of application to U.S. FDA for third indication of darolutamide
- **Sept 16:** Presentation of Phase III ARANOTE trial data (darolutamide with androgen deprivation therapy alone in patients with mHSPC) at the 2024 ESMO Congress
- **Sept 10:** Presentation of Elinzanetant's efficacy and long-term safety Phase III study OASIS 3 at 2024 TMS Annual Meeting
- **Sept 10:** Presentation of prespecified subgroup analysis of finerenone's Phase III FINEARTS-HF study at the European Association for the Study of Diabetes (EASD) Annual Meeting 2024
- **Sep 9:** Presentation of Phase I/II SOHO-01 trial data (BAY 2927088 in HER2-mutant non-small cell lung cancer) at 2024 World Conference on Lung Cancer
- **Sep 9:** Approval of Eylea™ 8 mg pre-filled syringe in EU
- **Sep 1:** Presentation of pivotal Phase III FINEARTS-HF study data (finerenone in patients with heart failure with LVEF $\geq 40\%$) at ESC Congress 2024; Presentation of finerenone FINE-HEART prespecified pooled analysis on cardiovascular and kidney outcomes and mortality in high-risk patient populations at ESC Congress 2024
- **Aug 29:** Announcement of Phase III trial start of HER2 inhibitor BAY 2927088 in non-small cell lung cancer (NSCLC)

Consumer Health

Performance Prior Year Quarter: Q3 2023

	Actual Q3 2023	Delta vs PY
Net Sales	€1.4bn	+2% cpa
EBITDA (before special items)	€313m	-7%
EBITDA margin (before special items)	22.2%	

Commentary Q3 2023:

- **Net Sales:** Value of our brands allowed for targeted and active pricing, while facing overall market slowdown in North America and Asia / Pacific
 - Broad based growth across all regions and brands in Dermatology (+9%), with strong contribution from our Bepanthen and Canesten brands families;

- Pain & Cardio (+4%) driven by strong contribution from our brands in Latin America;
- Nutritionals (-1%): Lower demand in particular for Elevit due to temporarily low birth rates in China compared with prior years
- Digestive Health (-2%): Normalization of demand in North America and supply constraints in EMEA;
- Allergy & Cold (-3%) was driven by a soft allergy season, particular in North America and strong prior year comparable.
- **EBITDA (before special items):** Operational productivity programs and active pricing compensated cost inflation; negative currency effects weighed on earnings.

Full Year Outlook 2024 (as of August 6th, 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 Full Year Outlook 2024:

- **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 expect to accelerate growth in HY2, driven by innovation and targeted pricing, coupled with further improvements of our supply situation. We see continued cost pressure which is weighing on our profitability. Together with enhanced operational efficiencies, targeted price management and speedy implementation of DSO, we are actively offsetting these effects.

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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