



Q4 2024 Aide Memoire

as of Jan 15th, 2025

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 January 22nd, 2025. *****

Group

Full Year Outlook 2024 (as of Nov 12th, 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%	-3% to -4%pts
EBITDA (before special items)	€11.7bn	-11% to -8%	~ -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	~ €0.0bn

Special Items (EBITDA)	- €1.1bn	- €2.0bn to - €1.0bn	not material
Core Depreciation	- €1.6bn	~ - €1.7bn	
Core Financial Result	- €1.9bn	~ - €2.0bn	
Core Tax Rate	23%	24% to 25%	
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 September 2024 spot rates.
- Please find links to additional documents:
 - [FX Simulation Tool](#) for net sales 2024
 - [Q3 2024 Results](#)

Expected Group Vectors 2025 (as of Q3 2024 Investor Call, Nov 12th, 2024):

- Continued headwinds from foreign exchange
- Muted outlook on top and bottom line next year with likely declining earnings
- Accelerated efficiency measures and ongoing strong focus on cash

Crop Science

Performance Prior Year Quarter: Q4 2023

	Actual Q4 2023	Delta vs PY
Net Sales	€5.6bn	+6% cpa*
EBITDA (before special items)	€1.1bn	+30%
EBITDA margin (before special items)	19.0%	

**cpa: currency- and portfolio adjusted*

Commentary Q4 2023:

- **Net Sales:**
 - Core Business sales grew 10% cpa in Q4 2023 (+3% price, +7% volumes), mainly driven by higher pricing in corn, higher licensing revenue in LATAM in soy and significant volume growth in Fungicides and Insecticides, particularly in LATAM;
 - Glyphosate-based herbicides sales declined -14% cpa driven exclusively by price as volume had recovered.
- **EBITDA (before special items):** Increase driven by volume growth, one-time insurance payment of €195 million related to Hurricane Ida, and positive FX. Overall margin expansion was partially offset by glyphosate pricing decline and inflationary increases, particularly in COGS.

Full Year Outlook 2024 (as of Nov 12th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€23.3bn	-3% to -1%	~ -3%pts
EBITDA margin (before special items)	21.7%	18% to 20%	~ +1%pts

Commentary Full Year Outlook 2024:

- **Net Sales:**
 - **Core Business** (Crop Science business excl. glyphosate-based herbicides) expected to deliver between **-2% and 0% cpa**, driven by lower corn acreage in NA and LATAM, combined with adverse weather conditions and generic pricing pressure affecting the Core Crop Protection business. Higher corn pricing, increased NA soy volume on expanded acres, and insecticide volume growth in EMEA and LATAM are expected to partially mitigate.
 - **Glyphosate-based herbicide** sales expected to decline **-10% to -8% cpa**, from lower year over year pricing, partially mitigated by volume recovery.
 - **EBITDA Margin** before special items expected to come in between **18% and 20%** at constant currencies, driven mainly by lower glyphosate pricing, generic pricing pressure on Core Crop Protection and unfavorable product mix. COGS recovery and DSO efficiency savings anticipated to partially offset.
- **Calendarization:**
 - Business seasonality is generally determined by the different planting seasons for key crops in the Northern and Southern hemispheres. 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.
 - 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.

Expected Crop Science Vectors 2025 (as of Q3 2024 Investor Call, Nov 12th, 2024):

- Increased pressure on profitability driven by:
 - Muted ag market growth: driven by continuation of generic pricing pressure in crop protection and challenged on-farm profitability as commodity prices expected to remain near current levels given strong 2024 harvest projections.
 - Regulatory challenges: from risk to approved U.S. Dicamba label for 2025 season and loss of Movento registration in EMEA. Given the impact on global licensing business and mix effect on sales, expect a material effect on sales and margin (in the area of 200-300bps).

Latest Market Information:

- 2025 corn futures are near \$4.50 per bushel, consistent with last quarter. 2025 soybean futures have declined by -7% since last quarter, approaching approximately \$10 per bushel.

	2025 Futures	
\$/bu	As of Sep 24 th 2024	As of Jan 7 th 2025
Corn (Dec 2025)	\$4.49	\$4.46
Soy (Nov 2025)	\$10.84	\$10.11

- The national average spot price for generic glyphosate technical sourced out of China was ~\$3.25/kg as of January 8th, compared to the 15-year median price of \$3.80/kg.
- The November 2024 USDA report projects U.S. corn acres to rise slightly to 92 million (+1% YoY) in the 2025/26 season, while soybean acres are expected to drop to 85 million (-2% YoY).
- Conab estimates Brazil's 2024/25 planted soybean acreage at 116.9 million acres (+2.8% YoY) and corn at 51.9 million acres (-0.2% YoY).
- The Buenos Aires Grain Exchange expects to see a shift from corn at 15.6 million acres (-17% YoY) to soybeans at 47 million acres (+10% YoY) in Argentina for 2024/25 season due to ongoing leafhopper pressure.

Pharmaceuticals

Performance Prior Year Quarter: Q4 2023

	Actual Q4 2023	Delta vs PY
Net Sales	€4.6bn	+2% cpa
EBITDA (before special items)	€1.3bn	-12%
EBITDA margin (before special items)	27.6%	

Commentary Q4 2023:

- **Net Sales:**
 - Nubeqa™ (+72% cpa) and Kerendia™ (+87%) continued strong growth
 - Eylea™ (+7% cpa) showed volume growth more than offsetting price pressure;
 - Xarelto™ (-9% cpa) declining as expected due to pricing headwinds and additional generic entries in smaller markets;
 - Radiology (+14% cpa) showed substantial sales gain, particularly for Ultravist, Gadovist Family and CT Fluid Delivery.
 - Headwinds in China caused by the country's anti-corruption campaign in the healthcare sector, additionally weighed on VBP affected franchises
- **EBITDA (before special items):** Adverse product mix weighed on profitability, in addition, ongoing growth investments in R&D and OCEANIC-AF termination costs. Proceeds from disposal of non-core businesses supported margin.

Full Year Outlook 2024 (as of Nov 12th, 2024)

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

Commentary Full Year Outlook 2024:

- We anticipate coming in towards the higher end of the sales and margin guidance ranges.
- **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 %, 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.
- **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.

Expected Pharmaceuticals Vectors 2025 (as of Q3 2024 Investor Call, Nov 12th, 2024):

- Continued strong growth dynamics of launch brands
- Likely rising generic headwinds for Xarelto, creating additional margin pressure

Newsflow (until January 13th, 2025)

- **Jan 13:** Announcement of plans to initiate Phase III study of BlueRock's bempdaneprocil in Parkinson's Disease
- **Jan 10:** Announcement of submission of application for HF indication for finerenone / Kerendia to US FDA and China's CDE, based on FINEARTS-HF data
- **Jan 10:** Announcement of Gadoquatrane meeting primary and main secondary endpoints in Phase III QUANTI studies in MRI
- **Jan 9:** Announcement of Elinzanetant's Phase III study OASIS 4 for treatment of moderate to severe vasomotor symptoms caused by breast cancer treatments, meeting all primary and secondary endpoints in study
- **Dec 17:** Announcement of Eylea's positive Phase III QUASAR study data; Aflibercept 8 mg met primary endpoint, demonstrating vision gains with extended treatment intervals in retinal vein occlusion
- **Dec 13:** Announcement of positive CHMP opinion for Acoramidis in the treatment of transthyretin amyloid cardiomyopathy

Consumer Health

Performance Prior Year Quarter: Q4 2023

	Actual Q4 2023	Delta vs PY
Net Sales	€1.6bn	+14% cpa
EBITDA (before special items)	€384m	+23%
EBITDA margin (before special items)	24.3%	

Commentary Q4 2023:

- **Net Sales:** Strong broad-based growth across all regions and categories
 - Strong Dermatology growth (+19% cpa) with Bepanthen and Canesten as main contributors;
 - Pain & Cardio (+24% cpa): Significant business expansion in in LATAM
 - Improved supply situation;
 - Value of our brands allowed for targeted and active pricing.
- **EBITDA (before special items):** Operational productivity programs and active pricing compensated ongoing cost pressure from inflation and adverse currency effects.

Full Year Outlook 2024 (as of Nov 12th, 2024)

	Actual 2023	Outlook 2024 at constant FX	Estimated FX impact
Net Sales	€6.0bn	+1% to +3%	~ -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 and targeted price management, while compensating for sticky inflation and currency headwinds.
- **Calendarization:**
 - We expect moderately lower market growth for Q4 2024, largely due to softening economic conditions in selected markets.

- US consumers are becoming more cost conscious, and there are early signs of a weaker-than-expected cough and cold season.
- In China, we see a deceleration of market growth. For Q4, we anticipate that our retailers will continue to optimize their working capital due to improved supply chains and product availability. From a full year perspective, this affects our ex-factory net sales, while our sell-out performance remains consistent with market trends.

Expected Consumer Health Vectors 2025 (as of Q3 2024 Investor Call, Nov 12th, 2024):

- Market growth in the range of 2024
- Focus on volume growth

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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