

Health for all, Hunger for none



Fostering our purpose of
Science for better life



Bayer CropScience Limited

Investor Presentation

////////

May 29, 2020



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Caution regarding forward-looking statements and Company Disclaimer

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 at <http://www.bayer.com/>.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



Agenda

- // Bayer Global Update
- // BCSL: Financial perspective
- // BCSL: Business update
- // Addressing the Covid-19 situation



2019: We delivered strong performance across the board

in € Million

Key Financials

SALES

43,545
(+4 %*)

EBITDA

before Special items

11,503
(+28 %)

Highlights

// Crop Science:

- // Solid operational performance in challenging markets
- // Very successful integration – synergy realization substantially accelerated

// Pharmaceuticals:

- // Strong top-line and earnings growth

// Consumer Health:

- // Top-line growth target overachieved

// Q1/2020

- // Good start, focus on business continuity

* Year-on-year change currency-and portfolio-adjusted

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Agenda

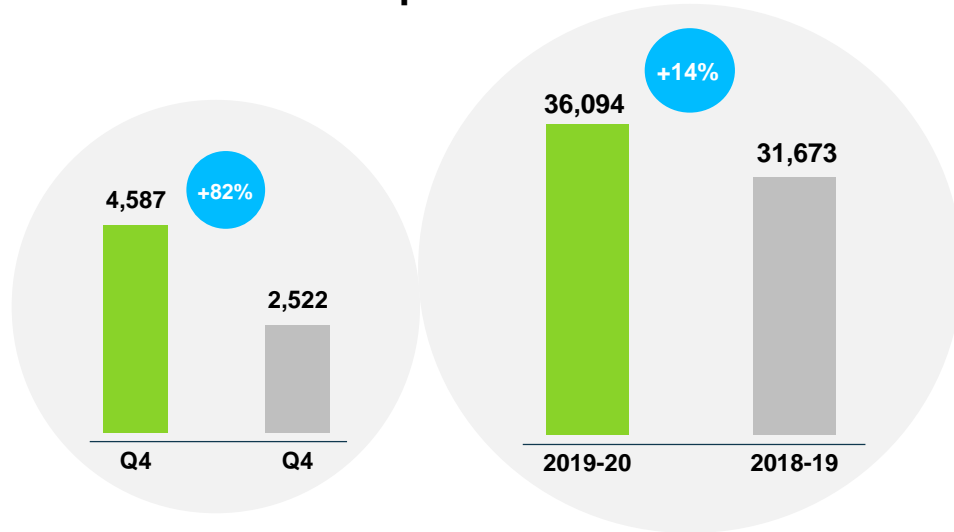
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Financial Performance

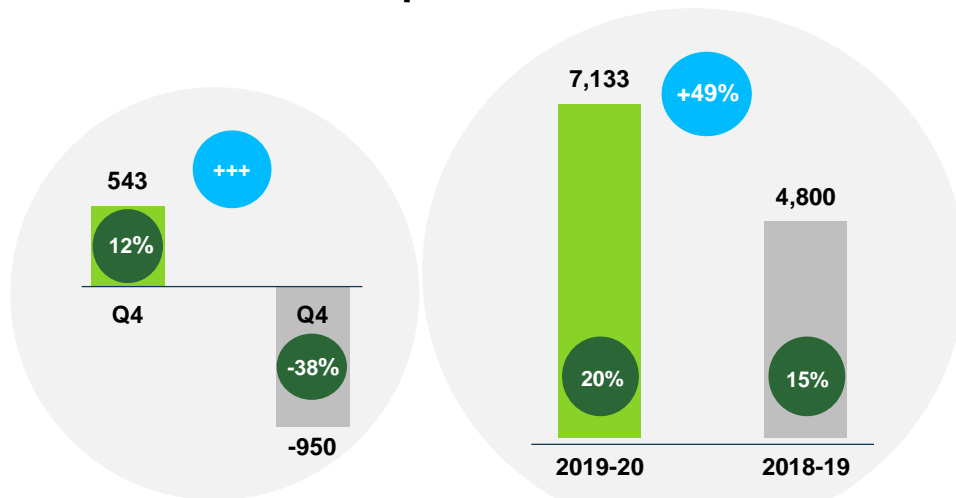
Revenue from Operations

2019-20 2018-19
₹ millions



- // Supportive season, good water availability which favorably impacted the vegetables, fruits and corn crops.
- // Increased channel penetration
- // On a proforma base FY stands at 8% growth

Profit Before Exceptional Items and Tax



- // Profit progression mainly from additional Topline, integration and one time effects, as well as first synergies
- // Overall, integration activities are well on track
- // On a proforma base FY stands at 34% growth



Balance Sheet

₹ millions

As At 31-Mar-2020 31-Mar-2019

Assets

Fixed Assets	5,244	4,874
Inventories	9,635	11,570
Trade Receivable	7,180	6,986
Cash and Cash Equivalents	10,669	5,782
Other Assets	5,629	6,280
	38,357	35,492

- // Fixed Assets - Ind AS 116 (Leases) implementation
- // Other Assets - Better utilization of GST credit post integration

Equity and Liabilities

Shareholders Fund	25,725	22,394
Trade Payables	4,749	6,442
Provisions	1,844	1,905
Other Liabilities	6,039	4,751
	38,357	35,492

- // Trade Payables & Inventory (AI) - production plan phasing
- // Other Liabilities - accruals for incentive in kind and Ind AS 116 (Leases) implementation



Cash Flow Overview

For the year ended	31-Mar-20	31-Mar-19	Δ
Operating profit before working capital changes	7,737	5,473	2,264
Net change in Working Capital	281	902	(621)
Taxes paid	(1,359)	(2,047)	688
Net cash from/ (used in) operating activities	6,659	4,328	2,331
Net cash from/ (used in) investing activities	(289)	(4,417)	3,858
Net cash from/ (used in) financing activities	(1,483)	(1,583)	100
Increase/ (Decrease) in Cash and Cash Equivalent	4,887	(1,402)	6,289

- // Trade Receivables - Increase in Domestic Sales
- // Other Receivables - Better utilisation of GST Receivable post integration
- // Taxes paid - Reduction in tax rate

- // Investment in Monsanto India Limited in FY 2018-19



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New Organisation Structured for optimum value creation

New Organisation effective Jan 1st 2020 – Geared towards Focus, Differentiation & Efficiency

Trade / Farmer (Sales & Marketing)

- // Team of 4000+ leading demand generation & channel outreach
- // Sales team clustered under 5 Commercial Units (CU) to manage farmer & channel relationships
- // Campaign Activation Managers in Sales for demand generation
- // Campaign Excellence & Crop Specialists in CUs to scale marketing campaigns
- // Communication & Marketing Operations managed centrally for optimum commercial & portfolio support

Key Accounts/ Relationships (Customer Key Accounts)

- // Focus on Key Accounts & innovation in Business Models
- // Key Account Management for CP, Seeds & Seed Growth
- // Manage partnerships: Food Chain and Plantations
- // Alternate Business Models and eCommerce

Smallholder Farming (Grower Engagement)

- // Focus on customer touch-point Innovations
- // Tailored Solutions and demo tech. farms
- // Collaborations and alternate demand generation models
- // Small-holder tailored solutions & capacity building

Sales Operations

- // Create data based rigour in managing sales operations including S&OP

Commercial
Lead

Customer
Marketing

Commercial
Key Accounts
& ABM

Sales
Operation

Grower
Engagement

Supply
Chain

Business
Strategy

Market
Development

Regulatory
Science

Field
Solutions

HR & Finance
BP



Positive market conditions coupled with synergistic market coverage driving growth



Weather :

Conducive weather for most crops with some variations from normal.



Acreages :

Increase in Rabi Rice acreages in South owing to improved irrigation availability & back-to-normal acres of Spring Corn in North; Overall good Rabi and Spring acres across country.



Commodity Price :

Stable commodity price except towards end of March due to COVID-19 leading to stable/higher acres



Sales :

Growth in CP sales on account of higher liquidation and improved channel management

Seeds' growth powered by all-time high sale of Spring Corn due to higher acres & share gain



Liquidation :

Good weather, stable commodity price leading to good acres & farmer demand

Targeted demand generation efforts backed by marketing campaigns drive growth in Bayer demand and liquidation



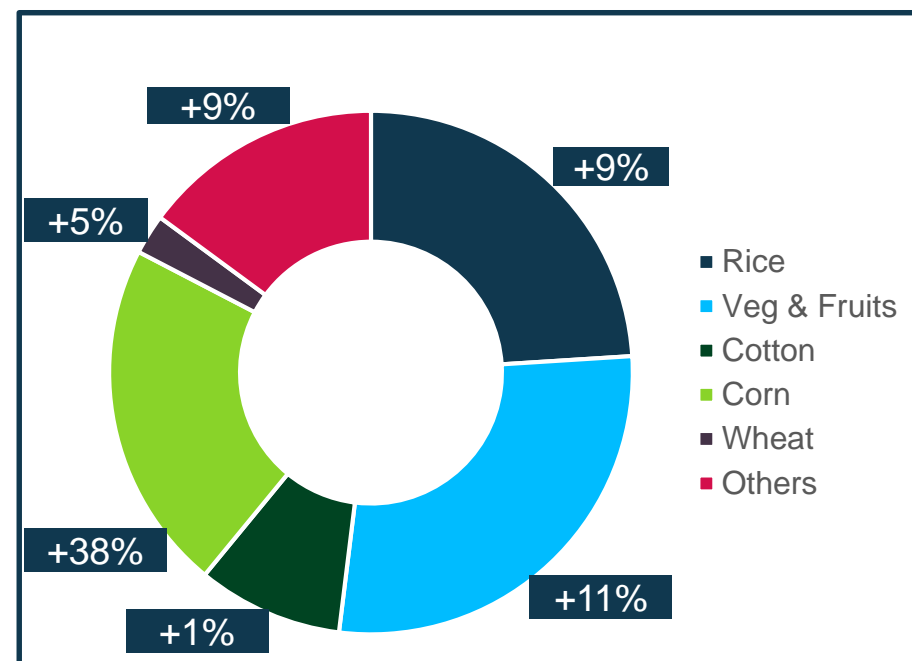
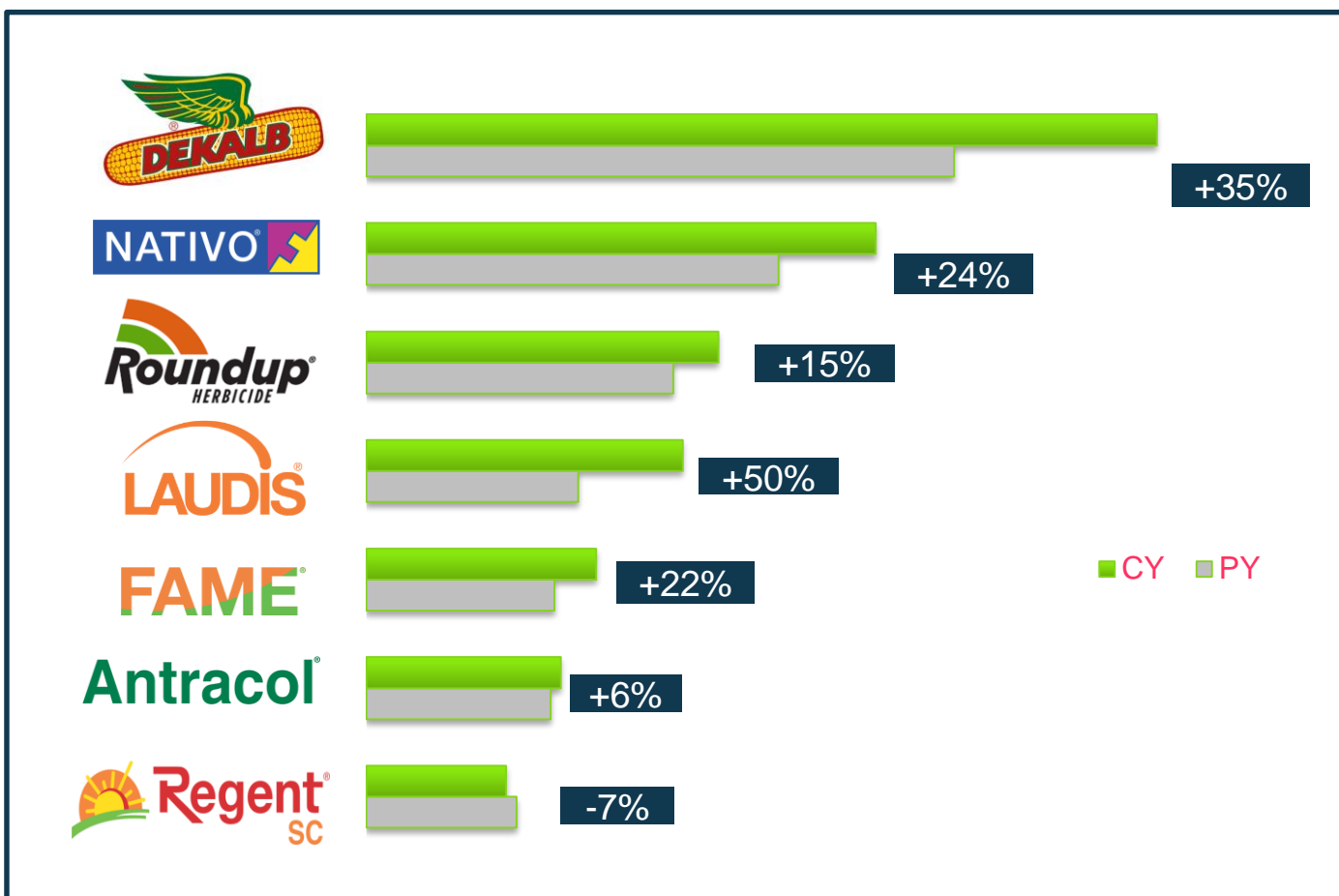
Synergies :

Cost efficiency measures well on track; with quick wins from integration and organisational optimisation

Leveraging mutual strength of CP & Corn Seeds to drive synergy in market coverage; early benefits seen in Roundup, Laudis and Spring Corn



Key Brands / Crops Growth-Story



Full year growth % vs PY is on proforma basis, for both charts

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BCSL Outlook in sync with broad megatrends and market

Megatrends

- // Renewed focus on self-sufficiency in Food with an increasing population and increasingly volatile world trade environment
- // Continued focus on doubling farmer income & Driving sustainable agriculture
- // COVID-19 pandemic led upheaval starting March – renewed focus on Digitisation; Farm-to-Plate connect biz-models in veg & fruits and on mitigating shortage of farm labour

Market & Season

- // Good water availability, stable commodity prices and conducive weather helped increase acres of Spring Corn and positively impact farm income in Jan-Mar quarter
- // Normal monsoon forecast for 2020 augurs well for upcoming kharif
- // COVID-19 impacted operations in March and early April but now inching back to normal: Liquidity impacted due to lower ag-exports & delay in sale of produce

BCSL Outlook

- // Plant operations & warehouses back to normal after COVID-19 interruption; majority of supplies back on-track
- // Demand generation & customer outreach ongoing with focus on digital connect
- // Higher than previous year sales in Apr indicates early onset of farmer purchase this kharif; Proactive channel incentives rolled out to target higher collections



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Managing in times of Covid-19

Current Status

Field Operations

- Commercial field activities initiated since early May 2020
- A risk based approach followed considering the district zoning (red, orange & green) and keeping employee health and wellbeing as top priority.

Manufacturing & other sites

- All owned & third party manufacturing sites and warehouses are operating at high capacity
- All owned manufacturing site following Bayer Pandemic Preparedness Plan

Offices

- IT enabled Work from Home implemented since mid-March 2020
- Plan for phased opening of offices in place and communicated to employees
- Health and safety advisory shared with all employees

Necessary safety precautions, hygiene guidelines and physical distancing norms being communicated by the management on regular intervals and also being adhered to across all locations



Business initiatives during Covid-19

Support to smallholder farmers

// Bayer is partnering with its value chain partners **DeHaat** & **AgriBazaar** to facilitate direct offtake of grape produce from farmers in Maharashtra.



// Through this initiative, we are connecting grape farmers directly to bulk buyers.

// Better Life Farming Centers are helping farmers with access to agri-inputs & technology, technical advisory and market linkages



// The BLF centers have already facilitated an offtake of ~100 metric tons of vegetables despite the lockdown.

// Bayer has collaborated with India Post to set up a temporary kiosk at one of its Better Life Farming Centers for better cash liquidity for farmers.



// The Post Office brought cash, biometric scanners & smartphones, enabling cash transactions for more than 100 smallholder farmers.



Business initiatives during Covid-19

Collaborating with our stakeholders effectively



- // Bayer set up an e-commerce collaboration with AgroStar for sale of seeds and crop protection inputs in North, West & Central India.
- // During the lockdown, the partnership has enabled home delivery of Bayer's agri-inputs to 15,000+ farmers.



- // Our 11 call centers across India continue to resolve farmer queries in 16 regional languages.
- // We are extending mobile-based live audio conf. & training programs as well as internet-based platforms & digital applications, in turn benefiting 2.5 lakh farmers since the lockdown



- // Engaging with multiple stakeholders including key decision makers and providing proactive inputs for critical policies thereby being a valued contributor and cementing trust.



Corporate Societal Engagement (CSE): COVID 19 Response



Protecting healthcare workers and farmers by providing consumables like masks and personal protective equipment ("PPE"), masks, etc.



Supporting communities around manufacturing sites, R&D sites, warehouse locations & offices sites with various Health & Hygiene Initiatives.



Providing support to needy - migrant workers and paramedics by providing food and other essentials.



Contributions to the Chief Minister Relief Fund (Maharashtra & Karnataka) and PM CARES fund





#StrongerTogether: Ensuring Business Continuity with strong employee engagement

- // **~5000 Employees** connected, updated and engaged on Microsoft Teams
- // **Assistance and wellness** propagated for employees
- // **0.5 million followers** informed of Bayer's support and Govt. advisory during covid-19
- // **>60 stories** shared within 3 weeks
- // **Business continuity** success stories
- // **Community** outreach across India
- // **10 #BayerHeroes** highlighted for personal contribution
- // **>15 #WorkFromHome** experiences and tips pooled
- // **Leadership** messages amplified

The collage features several key elements:

- Leadership Messages:** A screenshot of a video message from Manoj Saxena MD, Bayer Zydrus Pvt Ltd, expressing gratitude for the medical fraternity in India.
- Site Preparedness:** An image of a person in a full-body protective suit and mask, with the text "SITE PREPAREDNESS".
- Manufacturing Sites:** An image showing contact infrared temperature measurement at a facility, with the text "MANUFACTURING SITES".
- Employee Assistance:** A screenshot of the "Employee Assistance Program (EAP)" page, detailing services like counseling and support.
- Community Outreach:** An image of people receiving supplies, with the text "COMMUNITY OUTREACH".
- Tips:** A graphic titled "TIPS" showing various safety measures like hand hygiene and social distancing.
- Business Continuity:** A screenshot of a video titled "Ensuring business continuity in a lockdown".
- Work From Home:** An image of a person working from home, with the text "WORK FROM HOME".
- Shareable BayerNet Stories:** A screenshot of the BayerNet website showing stories like "Protecting our front line community helpers".
- Engagement Activities:** A screenshot of the BayerNet website showing activities like "Share your #StayHome playlist with us".



Key Takeaways

Strong Q4 and rebound from PY

Underlying market conditions remain intact besides COVID impact

Integration continues to be well on track

Bayer stepping-up as a strong partner, especially in times of COVID

Continued emphasis on innovative solutions and new business models as key driver of for long term value creation (accelerated due to COVID)

Thank You!



//// AGAINST
COVID-19
Stronger Together

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