



May 29, 2019

General Manager  
DCS - Corporate Relationship Department  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**COMPANY CODE** : 506285  
**SCRIP CODE** : BAYERCROP

Dear Sir,

**Sub: Bayer CropScience Limited - Presentation at Investor / Analyst  
Meet being held on May 29, 2019**



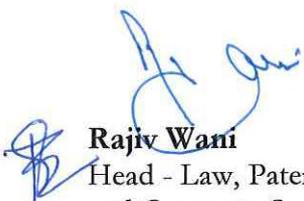
Please find enclosed herewith the presentation that will be made at the Investor / Analyst Meet of Bayer CropScience Limited being held on Wednesday, May 29, 2019.

Request you to please take the said presentation on record and upload onto the BSE website.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,  
for **Bayer CropScience Limited**

  
**Rajiv Wani**  
Head - Law, Patents & Compliance  
and Company Secretary

Bayer CropScience Ltd.  
CIN: L24210MH1958PLC011173

Registered and Corporate Office:  
Bayer House  
Central Avenue  
Hiranandani Estate  
Thane (West) – 400 607  
Maharashtra, India

Tel : +91 22 2531 1234  
Fax : +91 22 2545 5063  
[www.bayer.in](http://www.bayer.in)  
[www.cropscience.bayer.com](http://www.cropscience.bayer.com)

Encl.: As above



Bayer CropScience Limited

# *Investor Presentation*



May 29, 2019





# Caution regarding Forward-looking statements and Disclaimer

Certain statements contained in this communication may constitute "forward-looking statements". Actual results could differ materially from those projected or forecasted in the forward-looking statements on account of various known and unknown risks, uncertainties and other factors including the following aspects pertaining to the proposed integration of Monsanto India Limited ("MIL") with Bayer CropScience Limited ("BCSL / Company"): the risk that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected time-frames (or at all) and to successfully integrate MIL operations into those of BCSL; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater or more significant than expected following the transaction; the parties' inability to meet expectations regarding the accounting and tax treatments of the merger and so on.

Please note that the Company assumes no obligation to update the information in this communication. The information contained herein has been prepared to assist the investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. In all cases, investors and interested parties are cautioned not to place undue reliance on these forward-looking statements and are advised to conduct their own investigation and analysis of the Company and the data set forth in this information.

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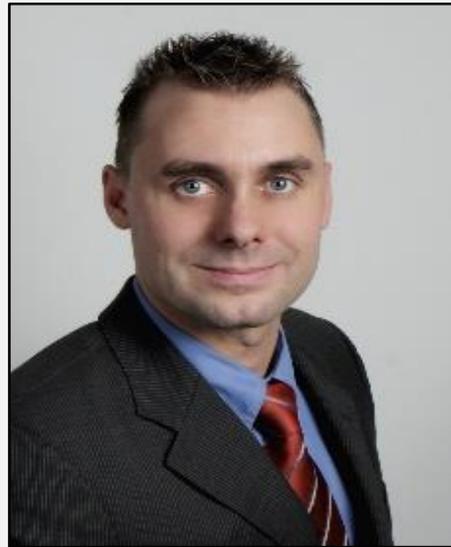


# The New Management Team



***Duraiswami Narain***

Vice Chairman &  
Managing Director



***Simon-Thorsten Wiebusch***

Chief Operating Officer for the  
Crop Science Division of India



***Rolf Hoffmann***

Chief Financial Officer\*

\* Effective July 1, 2019



# Agenda

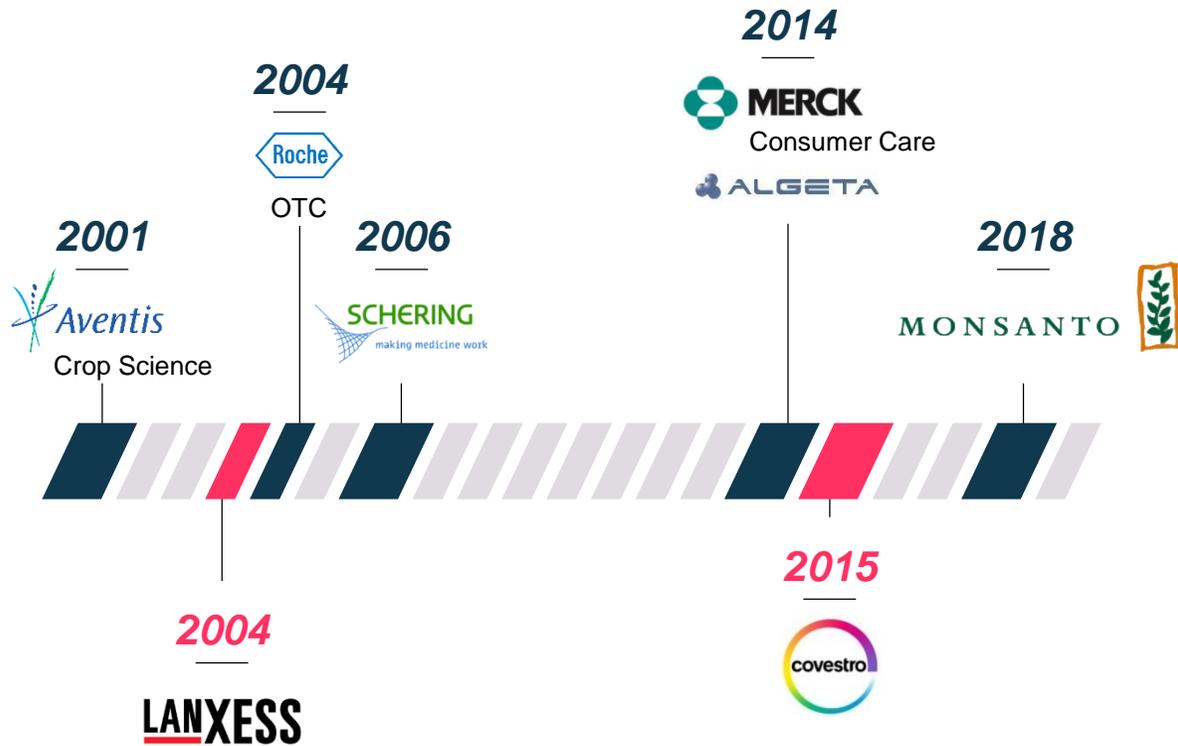
- // **Update Bayer Global**
- // Overview of Bayer and Monsanto in India
- // BCSL – MIL Merger
- // BCSL: Business Update
- // BCSL: Financial Perspective



# Bayer's development into a life science company

## Milestones to becoming a leader for health and nutrition

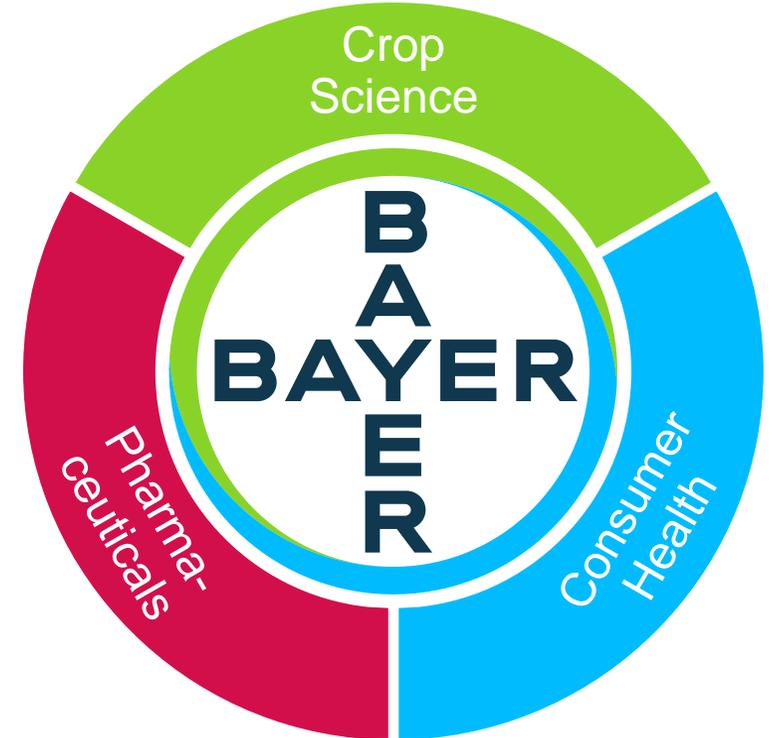
### Changes in recent years



■ Acquisitions ■ Separation / Sale

### Target structure

Growing ahead of competition over last five years on average



One of the fastest growing Pharma businesses over the past five years

Leading Positions in 7 of the Top 10 OTC Markets



# Crop Science

## Strategy

Shaping agriculture to benefit farmers, consumers and our planet

### *Our Mission as the industry leader*



Deliver world-class **innovation**



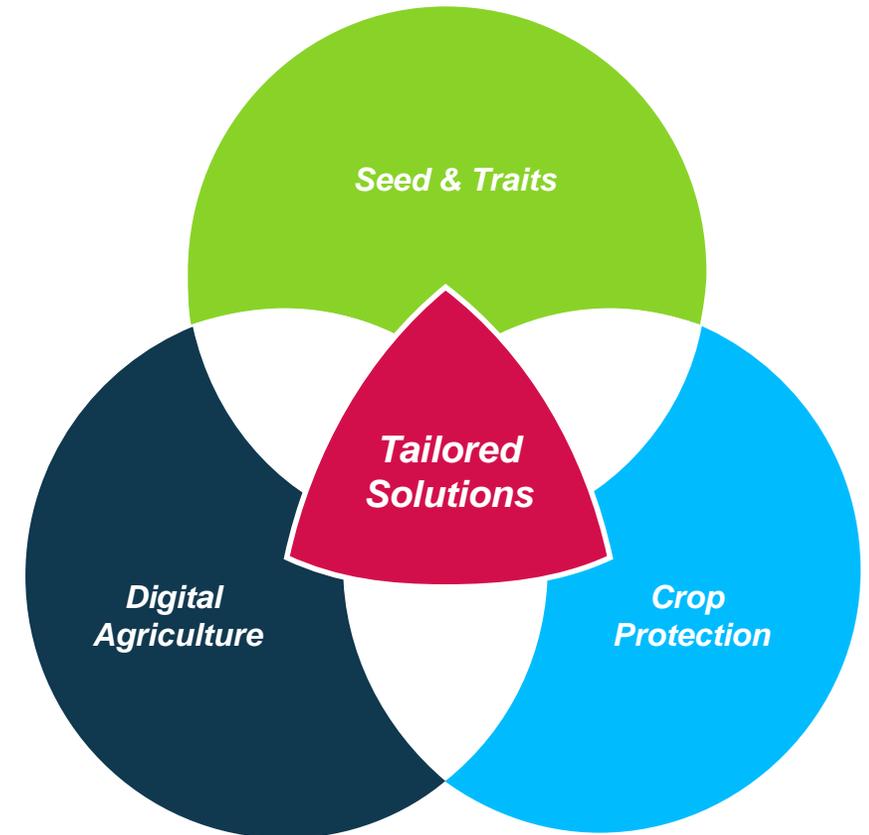
Pioneer the **digital transformation**



Set new standards of **sustainability**



*Drive operational excellence through an output-based business model*



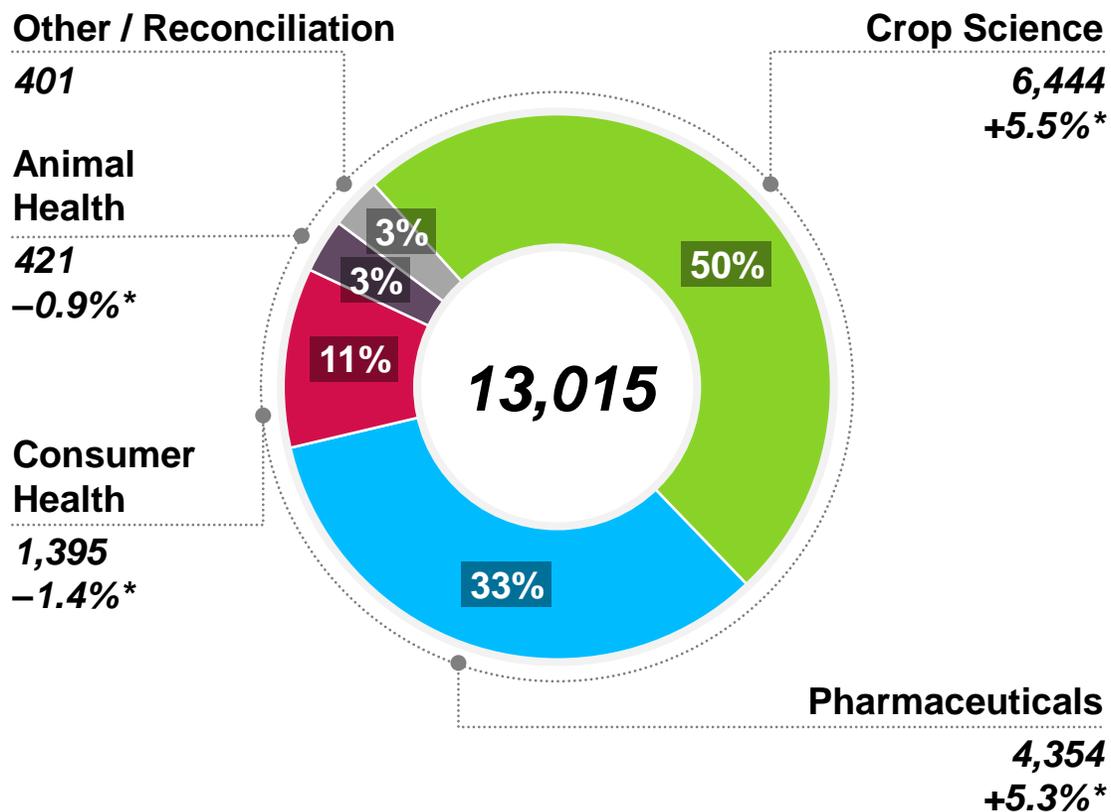
*Tailored solutions are key to sustainably managing resources and improving productivity*



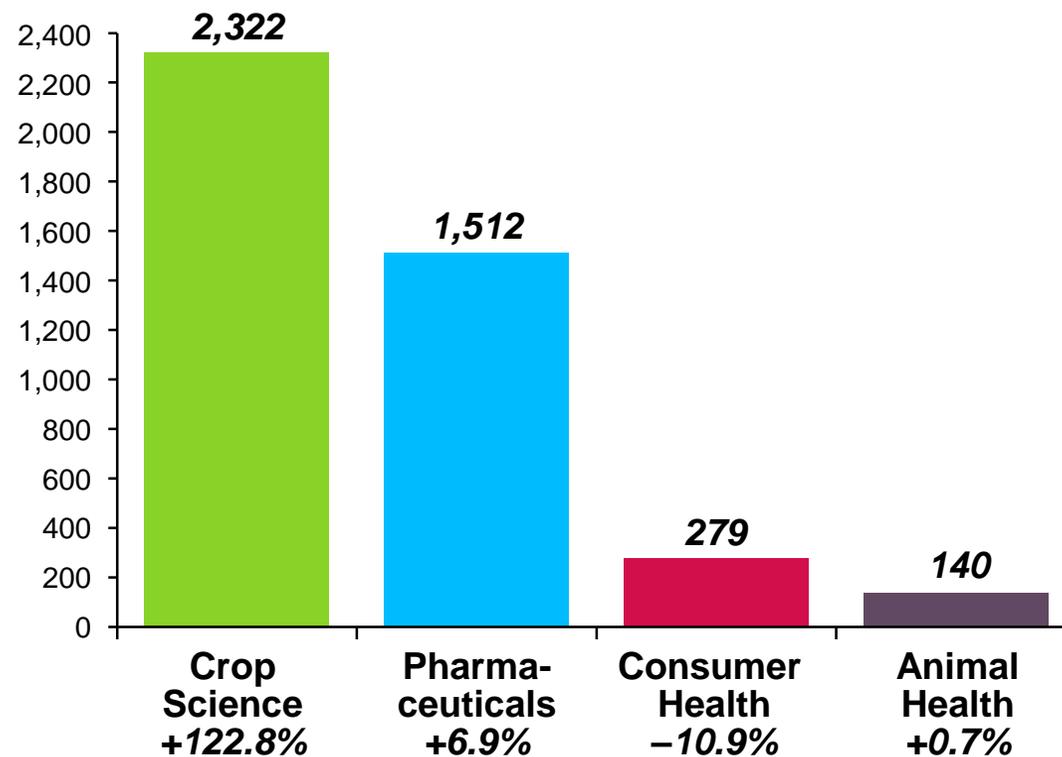
# Crop Science drives strong start into the year for Bayer

Group by Segments in € Million, Q1 2019

## Sales



## EBITDA before special items



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



# Bayer 2022 Synergy & Efficiency Programs

## Crop Science



Realization of Crop Science sales and cost synergies

## Pharmaceuticals



Re-alignment of R&D activities towards external innovation / Adjustment of the hematology manufacturing footprint

## Consumer Health



Comprehensive growth acceleration program

## Support functions cost optimization

Adjustment of corporate platform

- ✓ Targeted overall contribution of ~€2.6bn by 2022
- ✓ Global FTE impact ~12,000



# Let's talk about Glyphosate

Living up to our commitment – to farmers, to consumers and to the environment



- 1** *U.S. Environmental Protective Agency (EPA) reaffirms no risk to public health from Glyphosate in April 2019*
- 2** *800+ studies over several decades confirms that Glyphosate products are safe when used as directed*
- 3** *160+ countries have approved use of Glyphosate based products*
- 4** *Leaders across agriculture, politics, science & media globally acknowledge Glyphosate as a vital tool for sustainable agriculture*
- 5** *Glyphosate helps to control weeds and contribute to sustainable farming*
- 6** *[Bayer.com/glyphosate](http://Bayer.com/glyphosate)  
Visit our Glyphosate hub to find general information about Glyphosate*

Glyphosate products are safe when used as directed



# Agenda

- // Update Bayer Global
- // **Overview of Bayer and Monsanto in India**
- // BCSL – MIL Merger
- // BCSL: Business Update
- // BCSL: Financial Perspective



# Bayer's Legal Entities in India

Crop Science



**Bayer CropScience Ltd.**

Sales of Crop Protection products, Environmental Science products and Hybrid Seeds for field crops with a primary focus on the domestic market. Crop Protection and Environmental Science products partly formulated in-house



**Bayer Vapi Pvt. Ltd.**

One of the global core manufacturing sites for Bayer's Crop Science division, with key expertise in manufacturing and exporting active ingredients, intermediates and formulations



**Bayer BioScience Pvt. Ltd.**

Research, breeding, production and conditioning of high quality Hybrid Seeds for field crops (Rice, Cotton, Millet and Mustard)

Pharma



**Bayer Pharmaceuticals Pvt. Ltd.**

Third party manufacturing of Pharmaceuticals, Animal Health and Consumer Health products. Marketing and distribution of Animal Health and Consumer Health products



**Bayer Zydus Pharma Pvt. Ltd.**

Joint Venture; Marketing and distribution of Pharmaceuticals products

 Denotes listed entity



# Legacy Monsanto's Legal Entities in India

Crop Science



**Monsanto India Ltd.**

Entity engaged in research, production and sale of corn seeds, formulation and sale of Glyphosate-based herbicide. Entity also has an IT based mobile platform that provides farmers with information on agronomic practices



**Monsanto Holdings Pvt. Ltd.**

Licensing of seed technology and traits, research, production and sale of vegetable seeds, providing contract research services and shared services



**Monsanto Investments India Pvt. Ltd.**

Core Investment Company, holding investments in subsidiaries and group companies in India



**Mahyco Monsanto Biotech (India) Pvt. Ltd.**

Joint Venture between Maharashtra Hybrid Seeds Company Ltd. (Mahyco) and Monsanto Investments India Pvt. Ltd., primarily engaged in promotion, marketing and sublicensing of Cotton trait technology

 Denotes listed entity



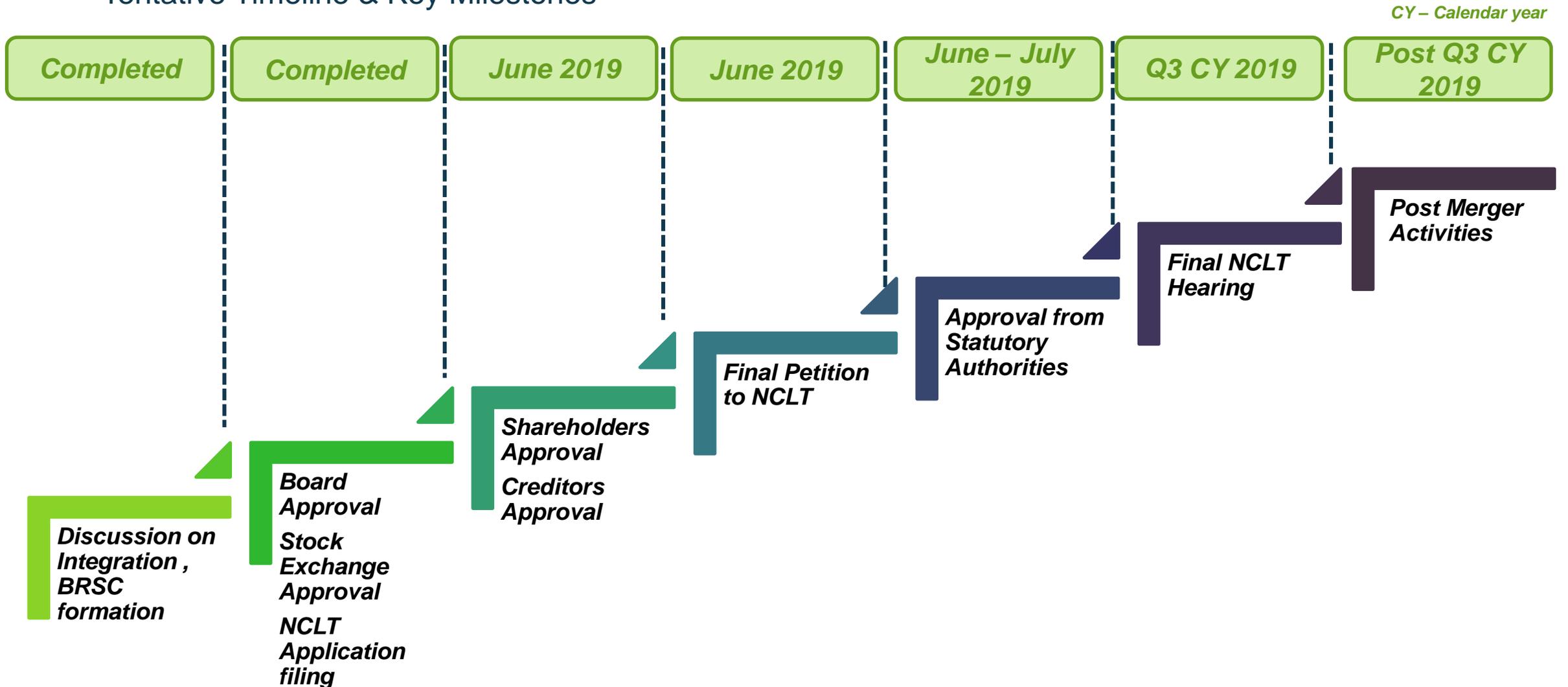
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# Integration Planning

## Tentative Timeline & Key Milestones





# BCSL – MIL Merger: High Level Synergy Assessment

- Opportunities for full value creation by ~ 2022\*

1

## Revenue Synergies

### Revenue upside of combined company portfolio:

- // Leveraging mutual portfolio, channel presence and farmer connect
- // Providing comprehensive solutions to farmers which are effective and sustainable (Seeds, CP, Biologics, etc.)
- // Capture opportunities from innovation in future product portfolio, consumer data/insights and digital offerings

2

## Commercial and Enabling Functions

### Savings in combined costs are expected from:

- // Consolidation of the organisation and optimisation of structures
- // Savings in promotional spends by combining activities, strengthening propositions and economies of scale
- // Re-calibration service level, increased automation/standardisation in light of higher scale/number of transactions

3

## Procurement, Product Supply and Logistics efficiencies

### Procurement and Supply Chain cost decrease to result from:

- // Procurement efficiencies – bundling, improvement, extension of favourable prices, terms and conditions
- // Consolidation of warehouses and CFA operations

4

## Administrative Costs

### Decrease in (other) administrative costs expected from:

- // Office consolidation to result in quick wins in rental expenses
- // Savings in IT costs by moving onto single ERP and infrastructure

Revenue Synergies & Cost Efficiencies expected to be >INR1.2bn p.a.\*

\* At integration target state, subsequent ERP system consolidation and excluding one time integration costs (estimated@up to INR1.8bn): amount to reflect predominantly BCSL/MIL efficiencies against baseline FY2017-18



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- // Update Bayer Global
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# IBSL: India, Bangladesh and Sri Lanka

## The Smallholder Market

### Farmer's profile



### Crop Protection Market



### Seeds & Traits Market



Sources:

1. GDP: International Monetary Fund, World Bank
2. % employment in agriculture: World Bank
3. Average farm size: country census, external studies, etc.

India is the ...

7th largest economy in the world

GDP Growth 2008-2018  
+8.2%

AGRICULTURE as % fraction of GDP

15.5%

% employment in agriculture

41.6%

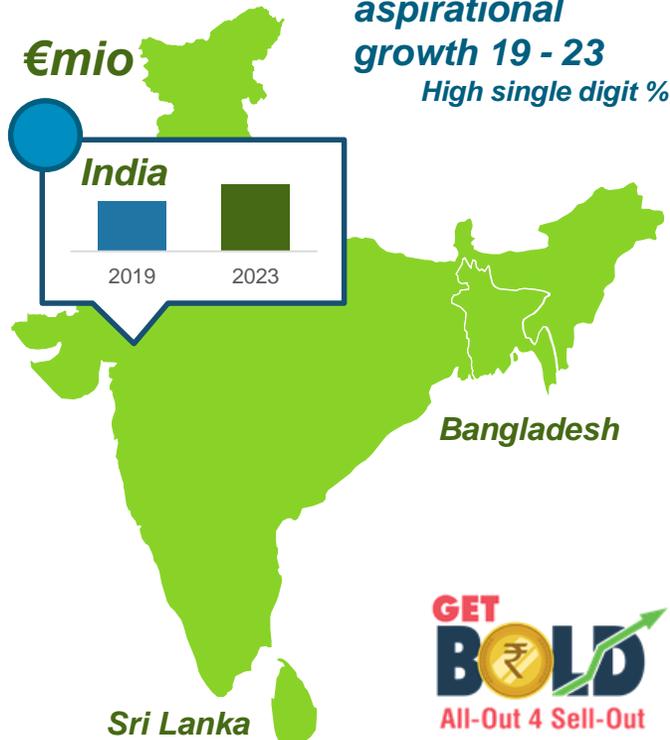
v/s. Germany 1.3%

Average farm size

1.1 ha

v/s. US average 175 ha

### Our footprint and ambition

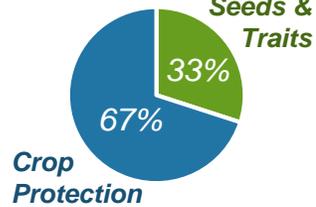


### Business by Segments

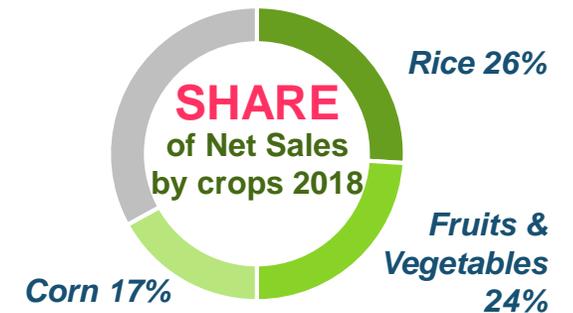
IBSL

accounts for... 31% of total Bayer, APAC business being 5th largest in the world

... of which



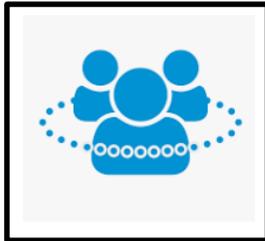
### Business by Crops





# BCSL – Priorities & Vision

**Deliver Successful Integration**



**Strengthen Learning Culture**



**Build a diverse & fit for future workforce**



**Cultivate Transformational Leaders**



## **People & Culture**

## **Customer & Business**

- Customer Centricity – closer to field
- Enable Robust growth
- Effectively Manage Sell-in and Sell-out
- Focus & Prioritization to build efficiencies
- Execution Excellence/ Synergy delivery

## **Innovation**

- Innovation in Process, Solutions, Product
- Superior Customer Insights
- Innovation in Capability/ Capacity building

## **Digital Leapfrogging**

- Data management/ analytics/ insights
- Best digital solutions
- Digitizing operations/ Digital transformation

## **Prosperity for People & Planet**

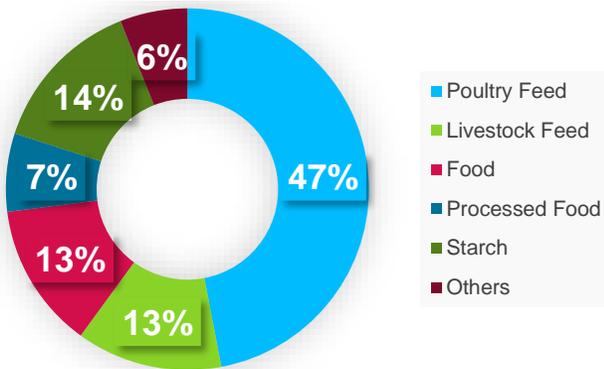
- Secure License to Operate
- Smallholder Lighthouse to business model
- Engage with Stakeholders/ Collaborate



# India Corn opportunity

**Productivity gain imperative to meet growing demand**

Demand - **24 Mn MT\***  
to grow by 6 %



Production just meeting demand ; Drop in production in 2018 & growing demand increased commodity price

\* Agriwatch estimates

**4<sup>th</sup> Largest by Area**  
~ 9 Mn Ha

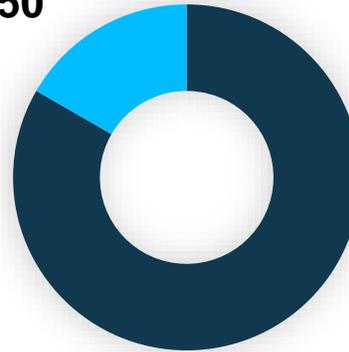
**Farmer engaged in corn farming**  
~10 Mn

**Productivity 2.6 ton/Ha**  
(World Avg. – 5.5)

Market to grow

**8% CAGR**

Crop Protection  
€mio 50



Seed Market  
€mio 250

**> Market Growth Aspiration**

**Combined Portfolio Seeds and CP; BCSL to offer integrated solution to enhance Yield & Income**



**Seeds**



**Crop Protection**



**Drones & Digital Farming**



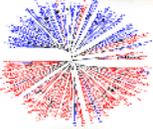
# Precision Breeding to Transform Bayer Rice for Breakout Value

Rapidly advancing genomic and data science capabilities for yield, quality and cost improvements

## Precision Breeding (2019-2029)



**Disruptive Yield, Genetic Gain and Quality Improvements** – Increase heterosis by 50%, double rate of genetic gain, improve quality, and reduce COGs to drive market expansion and Bayer value



**Genotype Rice Germplasm** – building capabilities to genotype rice are fundamental to breakthrough yield, quality and value creation



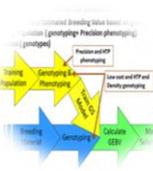
**Expand and Modernize Field Testing** – expanding testing network in 2019 for high quality digital field data fuels data science models



**Build Data Science & IT Capability** – secure resources and build short and long term capabilities with global teams



**Genomic Selection Models for Decisions** – build performance prediction and selection models with new genotyping and field data; use to make breeding and advancement decisions



**Prescribe Breeding Methods and Efforts** – data insights and predictions drive germplasm decisions, optimize breeding strategies and methods and expose needs to drive heterosis, genetic gain, quality and operational cost. Use partners (eg IRRI) to expand internal capabilities

Talent & Teams Expanding Capability



# Positive indications for season on back of poor Rabi and policy decisions



## Long Range Forecast of the 2019 Southwest Monsoon Rainfall better than previous years

- // Q4 impacted by crop failure due to extreme weather and draughts
- // For Karif: 96 % of the Long Period Average (LPA); Weak EL Nino conditions – IMD (Govt. Of India) seem positive



## Commodity Prices improved for key crops

- // Poor Rabi impacted farmer liquidity resulting in lack of cash and investments
- // Crops like cotton, corn, grapes etc. have seen good commodity price in recent months which will have positive impact on season. North India wheat production was above average which will have positive impact on kharif season Paddy



## New Launches gaining momentum

- // Crop Protection products like Velum Prime, EverGol Xtend, Ambition, Infinito and Movento are growth drivers
- // Council activ to launch in rice



## Seeds in demand

- // Higher cotton seeds sales in North India
- // Bayer inline with planned growth which is higher than market growth driven by cotton and paddy seeds



## Distribution upgrades

- // Channel re-balancing conducted in Q4; resulting in higher sales returns; to allow for healthy start of main season
- // Policy aligning sell-in and sell-out with aim to better WoC & risk management as well as predictability of sales returns
- // Increased industry partnering to better utilize vast portfolio and improve market reach



# Key initiatives across organization

Pillars to our vision



## Liquidation based sales policy

// Focus shifted to consumption and seasonal placement to improve predictability and derisk business



## Inclusion and Diversity

// Project Samavesh on track with 9 female territory managers working across South and West Geography. (10 more this year)



## Channel Segmentation (Distributor level)

// Customized approach of dealing with distributors (~3,500). Better working capital management and cost efficiency/leveraging partnerships to drive growth



## Linking brand Arize with farming communities

// A for Arize - campaigning spread across multiple states in East India. Awareness on education in farming communities. (supporting ~50 student scholarships)

## Kashmir to have 3 more virtual weather stations



## Collaboration

// Bayer CropScience Ltd signed MoU with SK University of Agricultural Sciences and Technology, Kashmir. Focus Crop - Apple

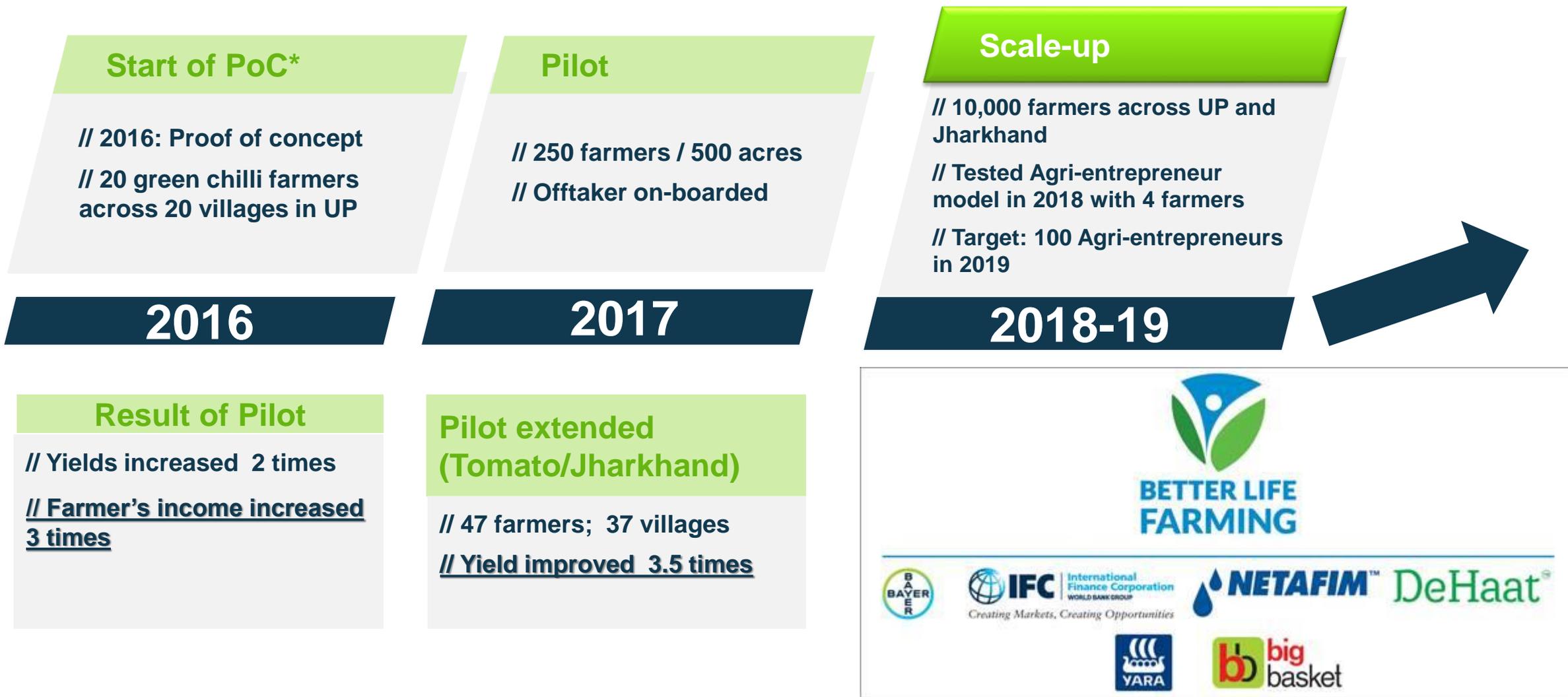


## Food Chain Partnerships Expansion

// Leveraging on our continuous efforts in value chain improvement. 20,000+ acres of additional paddy fields under food chain partnerships across MP, UP & Haryana



# Enabling smallholder farmers to reach their farming potential





# Agenda

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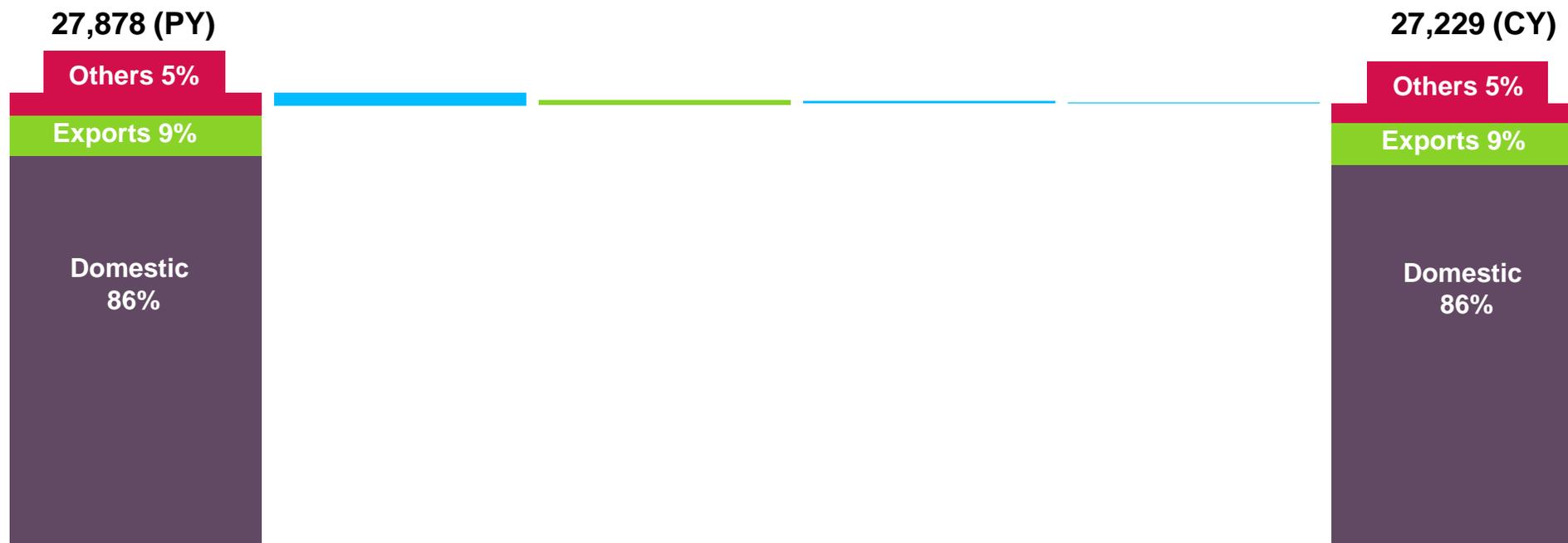
# Income Overview

FY 2018-19

Figures in INR Mio.

Δ over PY

	Excise Duty	Sales	Other Operating Revenue	Other Income	
	--	+1%	-15%	-4%	-2%
	753	272	152	16	



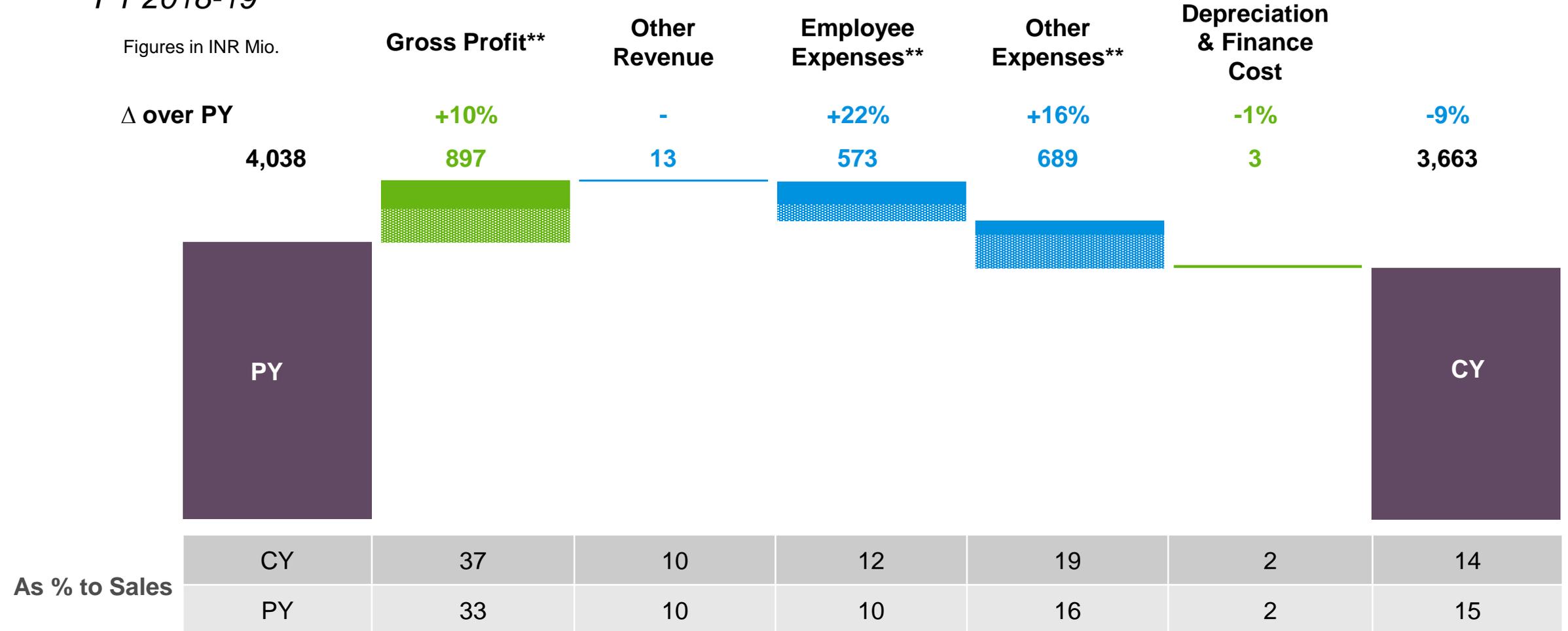
As % to Total Income	CY				
	PY	-	96	3	1
	3	92	4	1	



# Profitability Overview\*

FY 2018-19

Figures in INR Mio.



\*Profit Before Tax

\*\*Includes one time impacts

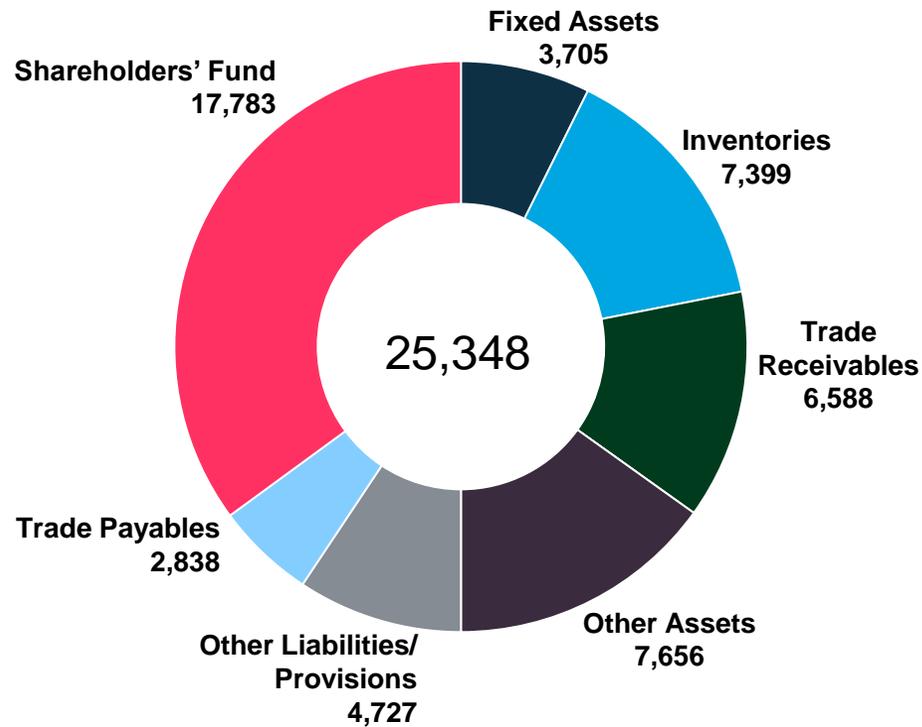
PY - Previous Year, CY - Current Year



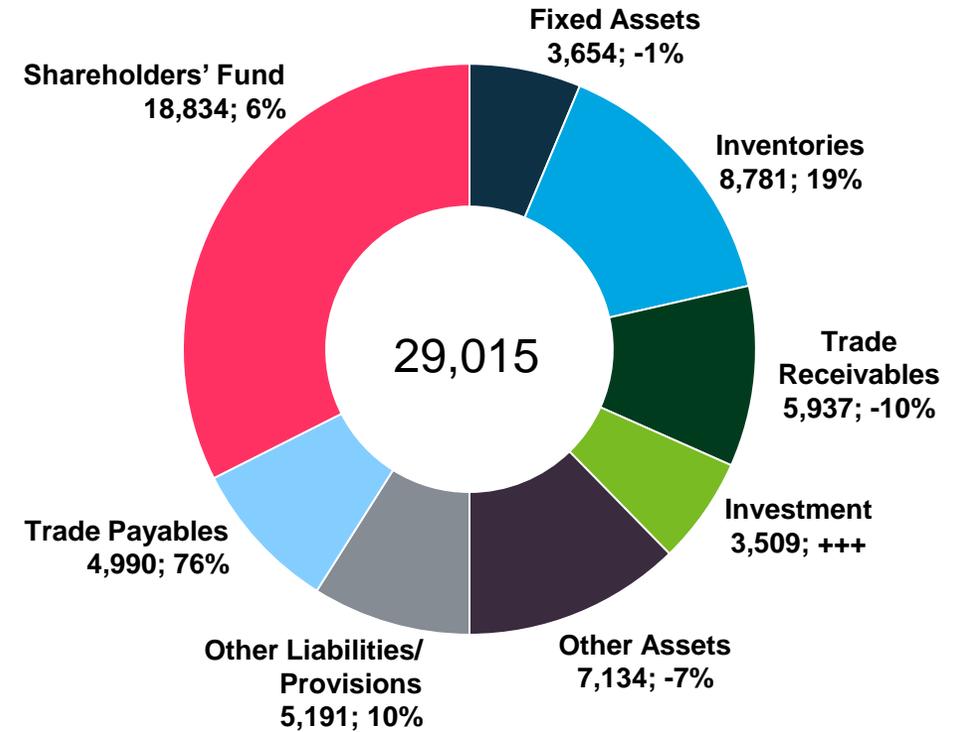
# Balance Sheet Overview

Figures in INR Mio.,  $\Delta\%$  over Previous Year

**March 31, 2018**



**March 31, 2019**





# Summary and Focus Areas

Shaping Agriculture to Benefit Farmers, Consumers and our Planet

**1**

**Business: Deliver on operational targets**

**2**

**Innovation: Realize potential new products and pipeline**

**3**

**Merger / Efficiency: Provided approval, execute integration and efficiency programs**



*Thank you!*



May 29, 2019

