



Bayer CropScience Limited
Investor Presentation



June 14, 2018





Cautionary Statements Regarding Forward-Looking Information

Certain statements contained in this communication may constitute "forward-looking statements". Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: 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 Monsanto Company's ("Monsanto") operations into those of Bayer Aktiengesellschaft ("Bayer"); 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 retention of certain key employees at Monsanto; the parties' ability to meet expectations regarding the accounting and tax treatments of the merger; the impact of refinancing of the loans taken out for the transaction; the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company's future financial condition, operating results, strategy and plans; other factors detailed in Monsanto's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended August 31, 2017 and Monsanto's other filings with the SEC, which are available at <http://www.sec.gov> and on Monsanto's website at www.monsanto.com; and other factors discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. Bayer assumes no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.



Disclaimer

Bayer CropScience Limited in this presentation shall be referred to as BCSL/Company for the sake of simplification.

The information contained herein has been prepared to assist prospective investors and/ or their agents 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, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this information.

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The first quarter of the financial year 2018-2019 will end on June 30, 2018. Having said that, please understand that we will not comment on the results of the respective period.



Agenda

- // **Update Bayer Global**
- // Overview of Bayer in India
- // Monsanto Acquisition
- // BCSL: Financial Perspective
- // BCSL: Business Update





Key Data First Quarter of 2018

Bayer Global - by Segments in € Million

Sales

Other / Reconciliation

379

Animal Health

414
+3.0%*

Crop Science

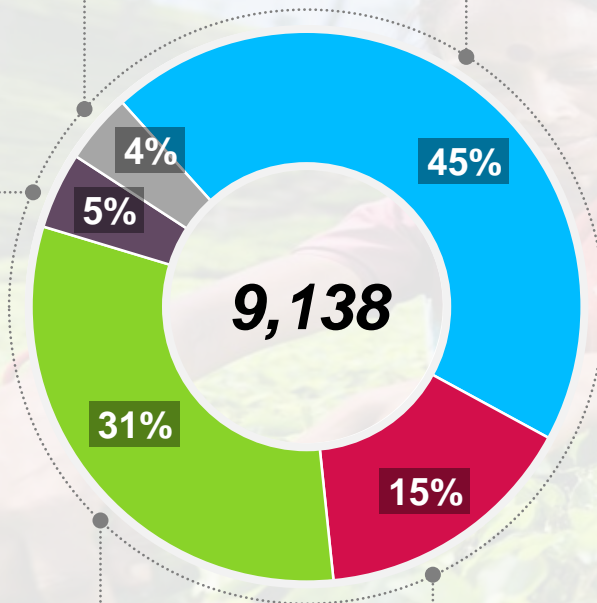
2,861
-1.0%*

Pharmaceuticals

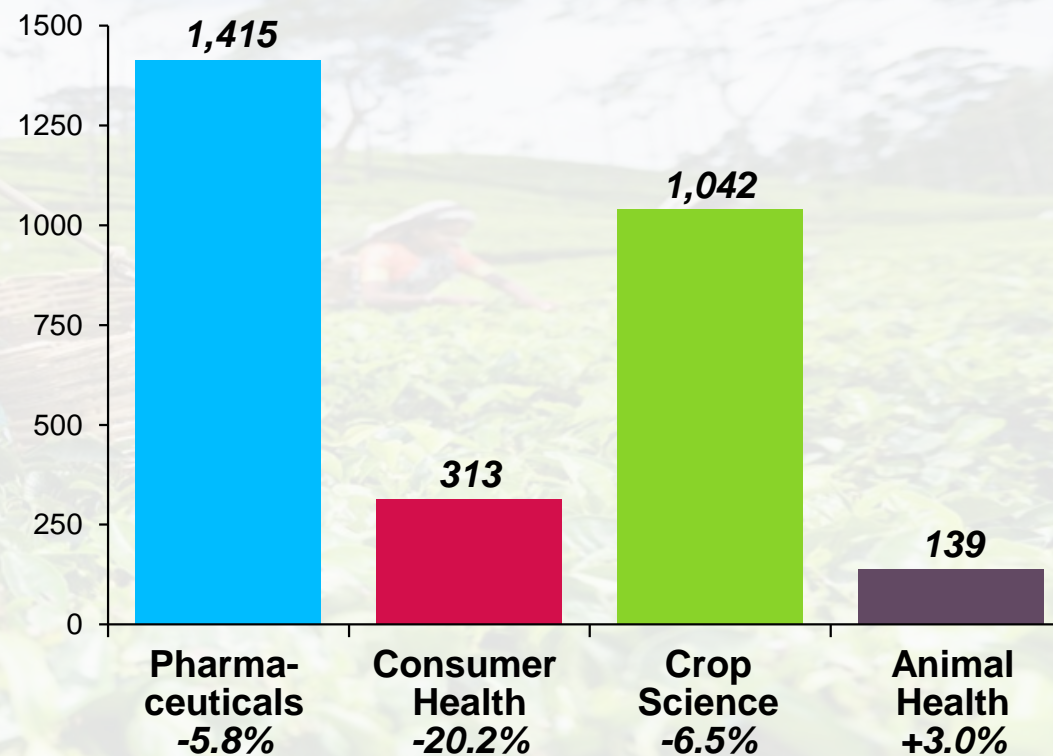
4,075
+2.9%*

Consumer Health

1,409
-2.2%*



EBITDA before special items



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



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Bayer's Legal Entities in Crop Science in India



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).



Bayer Seeds Pvt. Ltd.

Breeding, production, conditioning, marketing and sales of Vegetable Seeds (in the process of being divested to BASF).



Bayer's Other Legal Entities in India



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.



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The acquisition of Monsanto is an attractive opportunity to advance the next generation of farming





Highly attractive agriculture industry benefiting from macro trends



People on the planet by 2050



Biophysical effect of climate change shocks on yields by 2050



Declining hectares of farmland per capita by 2050



Productivity increase required to feed the planet by 2050



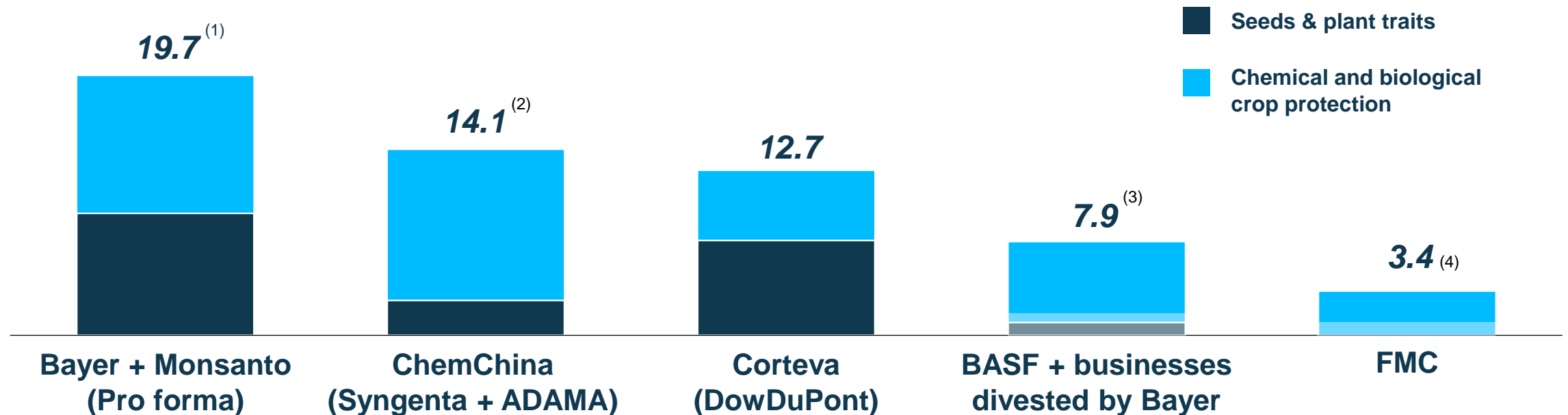
Estimated Agriculture inputs market size by 2025

(1) Nelson et. al. (2014);
(2) FAO 2016 "Climate change and food security";
(3) FAO 2017 "The Future of Food and Agriculture – Trends and Challenges";
(4) Seeds, Traits and crop protection market



Creating a leader in agriculture

2017 pro forma sales in the agriculture sector (billion euros)



(1) Based on company information and internal calculations / pro forma data take account of divestitures

(2) Excludes non-agro business sales of ADAMA

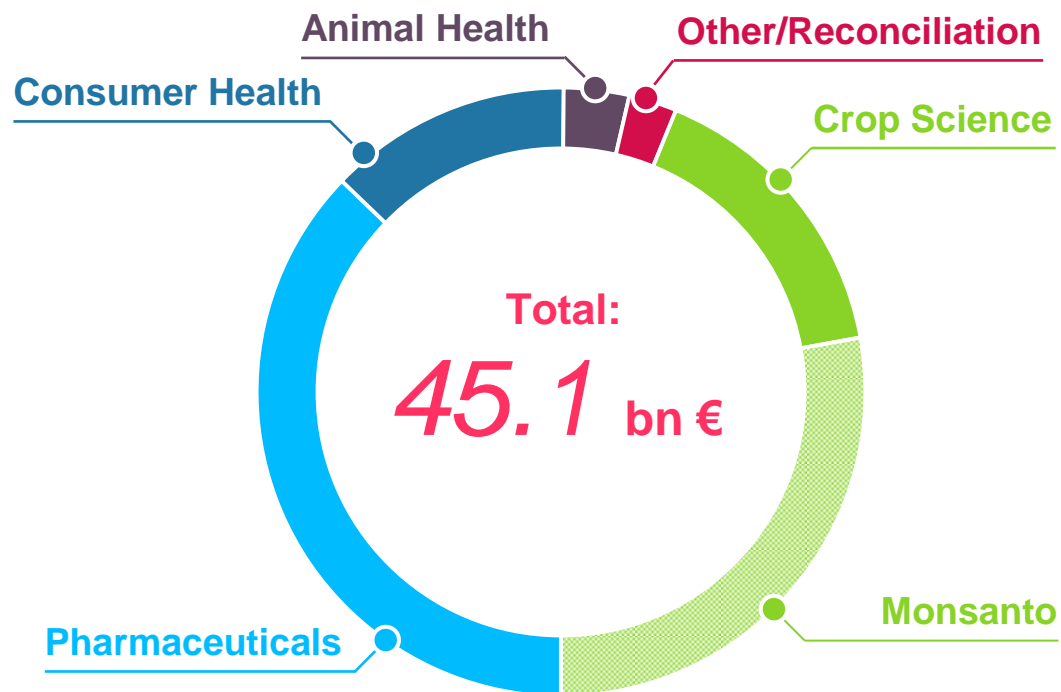
(3) BASF sales in the agriculture sector as per annual report (5.7 billion euros) + sales of 2.2 billion euros from the businesses divested by Bayer

(4) Includes acquired businesses from DowDuPont



A balanced business portfolio

2017 pro forma sales incl. Monsanto



Portfolio focused on building leading businesses in **health and nutrition**



Pro forma sales of Crop Science around **€20 billion – approx. 44%** of total sales



An outstanding portfolio – in all technologies



- // Monsanto is a leader in **seeds** and **plant traits**
- // Bayer's strengths are in **chemical** and **biological crop protection**
- // These technologies are enhanced by **digital tools** and **agronomic insights**
- // Together, they allow us to develop **truly customized agronomic solutions** to meet the needs of our customers



Science for a better life – We develop leading businesses in health and nutrition

Factors critical to our success



Innovation powered by science – new solutions to improve people’s lives



A clear commitment to *sustainability and responsibility*



A focus on delivering a *strong performance* – based on financial strength and efficient processes



A *portfolio management* approach that creates value for our stakeholders



Our strong *Bayer brand* – a global icon for quality and integrity



Monsanto's Legal Entities in India



Monsanto India Ltd.

Public listed entity engaged in research, breeding production of maize seeds, selling Glyphosate-based herbicide and IT based mobile platform on agronomic practice.



Monsanto Holdings Pvt. Ltd.

Breeding, production, conditioning, marketing and sale of vegetable seeds. Vegetable seeds include broccoli, cabbage cauliflower, cucumber, eggplant, gourds, hot pepper, musk melon, onion, tomato and other crops.



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 Limited (Mahyco) and Monsanto Investments India Private Limited, primarily engaged in promotion, marketing and sublicensing Trait Technology (Bollgard I-II) and supporting sub-licensees through market research.



Competition Commission of India – Approval conditions

// Divestment of Bayer's global Glufosinate ammonium business

// Divestment of Bayer's global Vegetable Seed business

// Mahyco divestment assets – Monsanto Investments India Pvt. Ltd. entire shareholding in Mahyco along with any rights held therein.

// Broad licensing policy on a Fair, Reasonable and non-discriminatory basis – (i) Trait licensing policy, (ii) Non-selective Herbicide/Active ingredient licensing policy and (iii) Access to Digital Farming *

// Not to bundle any of the products *

// Maintaining non-exclusive distribution channel *

// Commitment marked with (*) is for the period of seven years



Detailed Public Statement (“DPS”)

Salient Features

- // 4,488,315 equity shares of Monsanto India Limited (“MIL”) to be acquired from public shareholders – Open Offer triggered due to indirect acquisition of voting rights by Bayer AG in MIL
- // Price under the offer is INR 2926.87 per Equity Shares – (Consisting of INR 2,491.97 per share (PA* price) plus interest @10% till the date of DPS INR 434.90 per share)
- // BCSL (PAC*) shall acquire up to 1,350,000 equity shares amounting to approximately 7.82 % of voting share capital of the MIL and balance offered shares shall be acquired by the Bayer AG
- // The obligation to bring down the promoter shareholding of MIL in excess of 75%, if any, to be solely of Bayer AG
- // Intention to explore the possibility of a merger of MIL & BCSL subject to the receipt of necessary approvals from the board of directors and shareholders of respective companies
- // The offer is not conditional on any minimum level of acceptance by the Public Shareholders



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Income Overview

Financial Year 2017-18

Figures in INR Mio.

Δ over PY

Excise Duty

Sales

Other Operating Revenue

Other Income

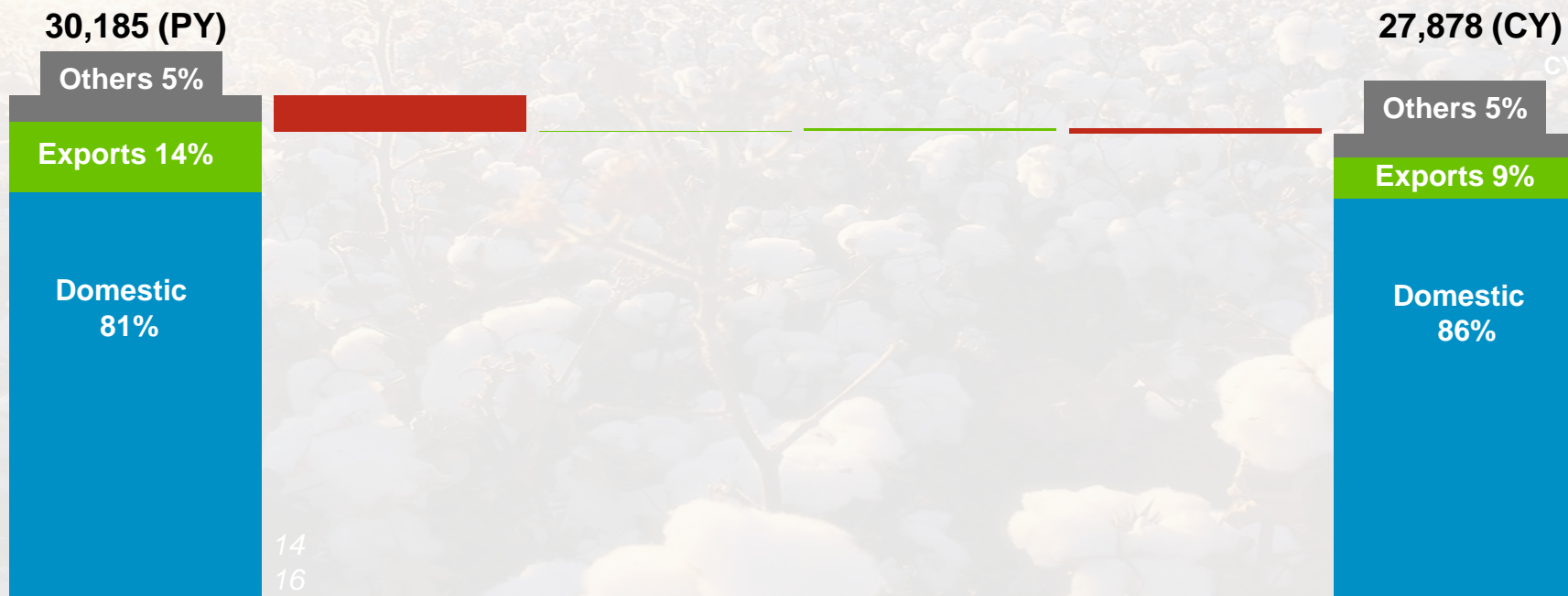
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2,164

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32

+16%
138

-45%
313

-8%



As % to Total Revenue

CY	3	93	3	1
PY	10	85	3	2



Profitability Overview*

Financial Year 2017-18

Figures in INR Mio.

	Gross Profit	Other Revenue	Employee Expenses	Other Expenses	Depreciation & Finance Cost	
Δ over PY	-9%	+3%	+7%	-12%	+24%	-10%
	874	87	180	612	86	4,038



As % to Sales

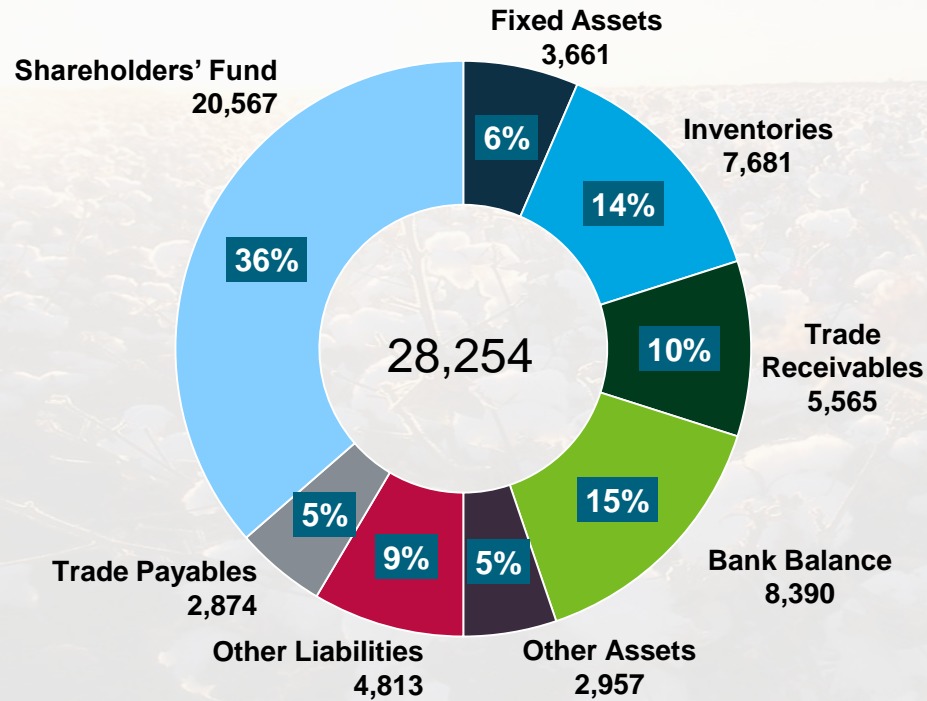
CY	33	10	10	16	2	15
PY	34	9	9	17	1	16



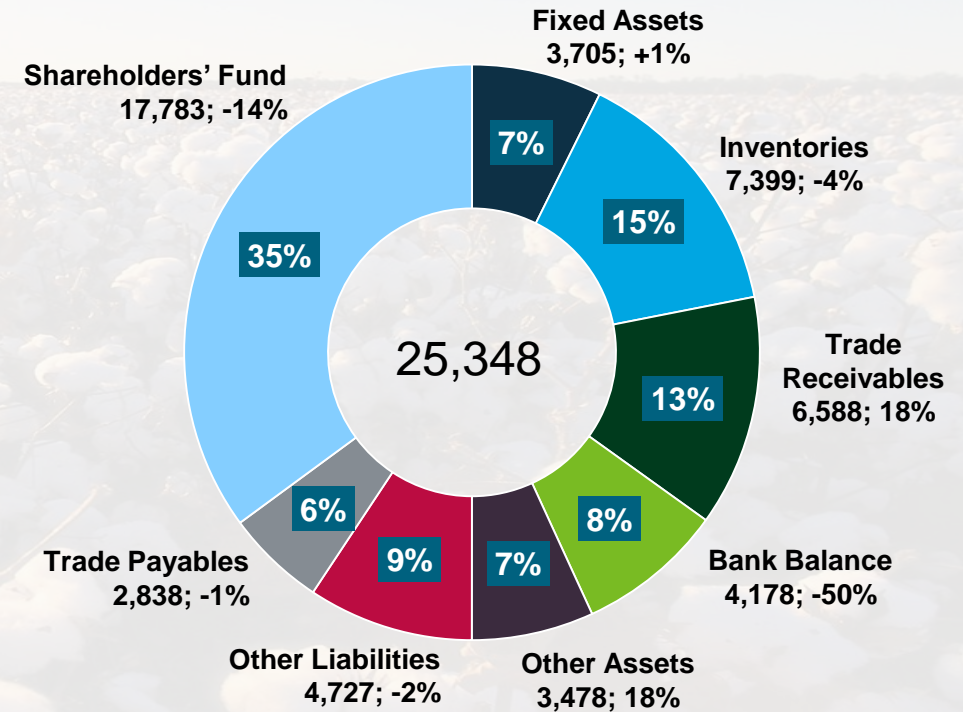
Balance Sheet Overview

Figures in INR Mio., Δ% over Previous Year

March 31, 2017



March 31, 2018



Shareholders' Fund and Bank Balance: Buyback of Equity Shares in CY 5,000



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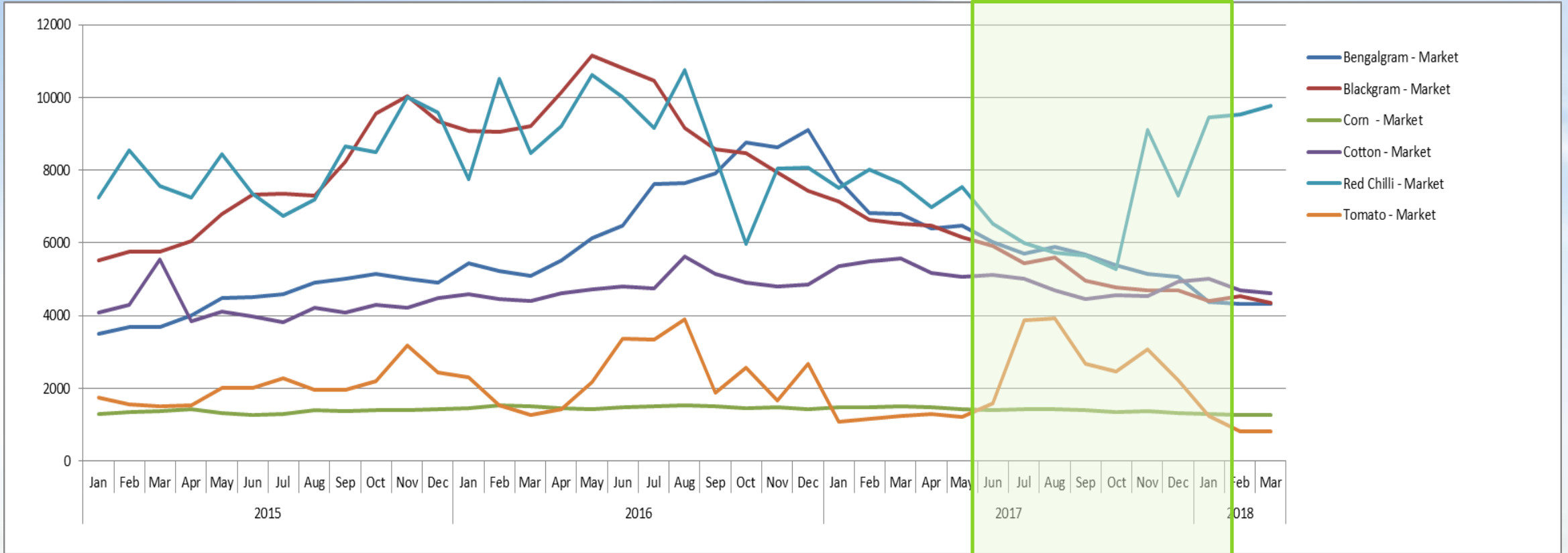




2017 - 18: Key takeaways

- // Most crops saw a decline in CP market value; reasons across crops were different
 - // Rice, vegetables, fruits and pulses saw decrease in planted area
 - // Less sprays on fruits, vegetables and cotton because of dry spells, less infestation and low commodity prices
 - // Small growth in cotton
- // Acute pricing pressure; shift to cheaper chemistries because of uncertainties in commodity prices, rains etc.
- // Bounce back in cotton seeds business because of positive crop economy

Commodity price development of key crops



// Unfavorable price development of major crops except Red Chilli

Source: Internal analysis

2018 – 19: Positive outlook, based on good monsoon forecast

Challenges

- // Unseasonal rains, hailstorm in major parts of country impacting standing crops
- // High channel inventory impacting channel liquidity
- // Farmer liquidity on low level

Opportunities

- // Good monsoon will considerably ease the situation
- // Industry is perceived working towards reduction in channel inventories
- // Commodity prices likely to be positive in 2018; positive outlook for fruits and vegetables
- // New product launches



Innovation is an integral part of our strategy

> 50 product launches planned from 2018 to 2022

Crop Protection

20 new products in pipeline

// Insecticides: **7** // Herbicides: **6** // Fungicides: **4** // SeedGrowth: **3**



Seeds

30 new products in pipeline

// Rice: **11** // Cotton: **5** // Millet: **8** // Mustard: **6**



Label Extensions

>100 in process





Enabling smallholder farmers to reach their farming potential: Chili pilot in Varanasi

VALUE CREATION

// Marketable yield **doubled**
// Profits for farmers **more than tripled***



Education



Customized Agronomic Solutions



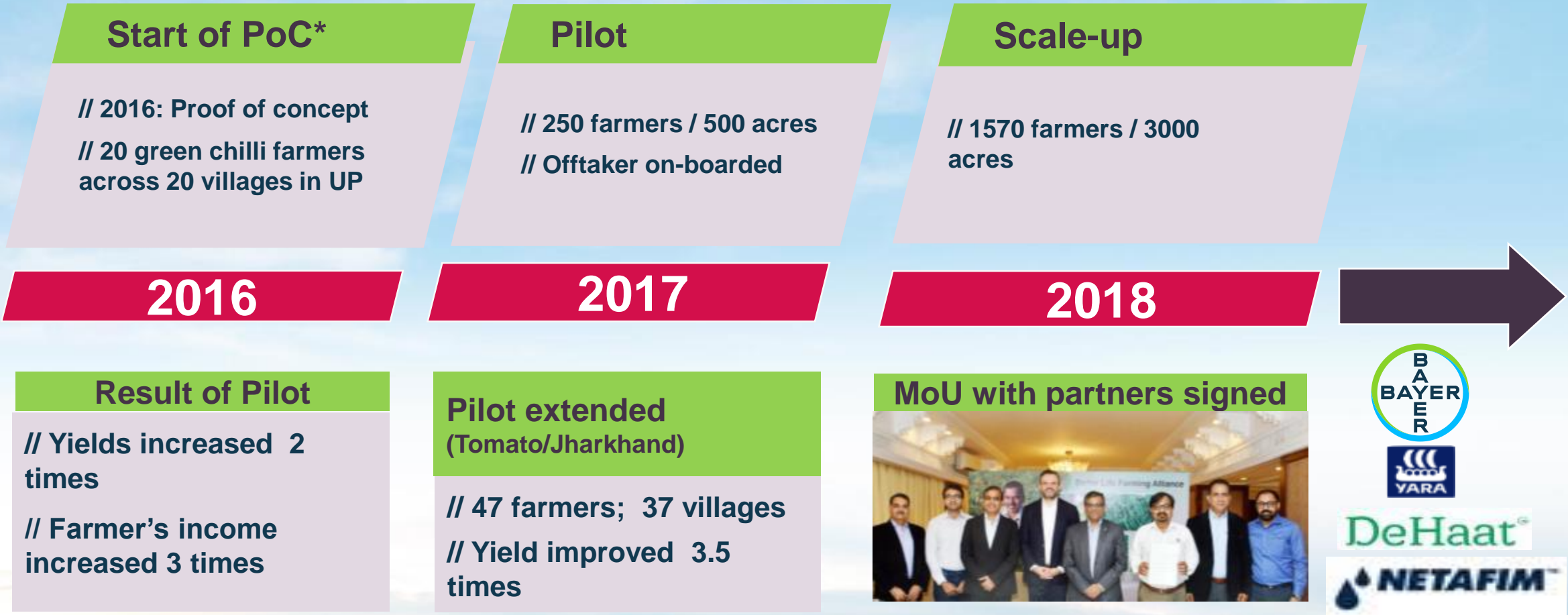
Partnerships

// Increasing agricultural productivity sustainably and improving lives of families and communities

* Compared to region average



Progress so far..





Summary

- // We remain confident for both seeds and CP business based on good monsoon forecast

- // Bayer Crop Science has strong portfolio pipeline to capture new segments and opportunities

- // We are continuously working to increase agricultural productivity, sustainably and improving lives of families and communities

- // Monsanto integration opportunities to be explored



Thank you!



June 2018

