

Transcript of the Investor Meet of Bayer CropScience Limited held on Tuesday, November 25, 2025

Commencement Time: 04:30 pm IST

End Time: 05:45 pm IST

Management Participants:

Mr. Simon-Thorsten Wiebusch - Vice Chairman & Managing Director and Chief Executive Officer (MD & CEO)

Mr. Vinit Jindal - Executive Director (ED) & Chief Financial Officer (CFO)

- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- At Bayer CropScience we believe that innovation and sustainability are not just goals, they are the foundation of our future.
- Good evening and Namaste. A very warm welcome to all of you to the Investor Meet 2025 of Bayer CropScience Limited. It is truly a pleasure to meet you all in person. My name is Sunil Narwani and I am heading the Investor Relations function at Bayer CropScience Limited.
- Before we begin, please note that this session is being recorded and the recording will be available on the Company's website. The presentation for today's meet has already been uploaded on our Company website, as well as on the BSE portal for your reference. To ensure a smooth experience, please keep your mobile phone on silent mode.
- It's my pleasure to introduce the Bayer Management team seated on the dais. Mr. Simon Thorsten Weibusch - Vice Chairman, Managing Director and Chief Executive Officer. Mr. Vinit Jindal - Executive Director and Chief Financial Officer.
- Today's session is designed to give you a comprehensive overview of operations, financial performance and the strategic growth drivers for future. The sequence of the program will be a presentation by the management team followed by a Question & Answer session. We will endeavour to address as many questions as possible, except those relating to commercially sensitive matters, forward looking statements or unpublished price sensitive information. As we have received a lot of questions in advance, we have tried to capture responses to those questions in our presentation itself. However, if any questions remain unanswered due to paucity of time, please feel free to reach out to us at IR_BCSL@bayer.com. With that I invite Mr. Simon for his opening remarks.
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- All right, thank you. You may give him a hand. It's his first time, please.
- Now, Namaste. Thank you for coming. Thank you for taking the time to spend the evening with us, afternoon and evening. You will have noticed I'm here with a bit of a new team. I think Bharti has been introduced to many of you already. Bharti, maybe if you want to just say hello, our company secretary; Sunil, doing Investor Relations. And that's a little bit of feedback that we got from many of you that combining those two functions might not have always given the full service. And I appreciate that probably we're not where you want us to be yet. So we're happy to take further feedback. But as Sunil said, having some questions in advance might have helped us also to get the slides to be a bit more relevant. And then with Vinit, we have a new CFO in the Company as well, and I hope you're starting to see impact on bottom line performance with him coming to terms.
- In any case, we have our slogan up here, "Health for all, hunger for none." I've spent more than 7 years in the Country now and more than 25 years in the Company. And very often when I come across this

slogan again, I so much have to relate it to this Country and realize how relevant it is. And if you go through some of the wording there, while we all agree that India has overcome hunger with the green revolution over the time, we are also aware that this is really a calorie topic. And you hear it more and more also in the disperse in the news, in the government deliberations, that the topic of nutrition and the nutrition's sufficiency for 1.4 billion people is really, really the driver of what we need to do as a Country to really reach also Viksit Bharat by 2047.

- And that is where sustainability comes in, where availability comes in. And broadening the basket for our, by that time actually 1.7 billion people is going to be super, super important. And that's where, making sure that we use the land that we have most efficiently, that we produce especially fruit and vegetables to the quantity, quality, but also price that much more people can afford, is going to be driving what this country is going to be about.
- What we see at this point, and I think I said it last time around already as an indication, and now we clearly have proof to it, is that corn has become the third field crop of the country and is the one that's really also driving market value at this point, right? We have a specific slide on it. There's a lot of discussions on what is driving this. One of them clearly is ethanol because that's what you hear everywhere. But fundamentally, and I think much more to bank on, it is the feed demand which is so important in the Country and it's linked. Broader nutrition actually also means that there is broader food basket over and above just fruit and vegetables for those people who are non-veg, and that's what you really are seeing there. But it's also in terms of the milk production. So when you look at the silage segment, for example, more and more farmers are actually moving to better quality feed, which then also meets better quality milk requirements, and that's a little bit where things are going as well, right?
- Now, we'll go a little bit more into the details of the season. We've set it up, but I think you've all picked it up. It was probably the most unpredictable season and most surprising season that I've seen in more than half a decade that I've been around. We have been talking about erratic monsoons. But I think we've never talked about a monsoon coming, exploding and not going away, right? So this is not professional terms, but it's been unbelievable as the monsoon literally came into the *Rabi* season, and that's probably what we are going to be talking about a little bit, yeah? But in many ways, I think that's also what we need to get used to, right? If we want to have nutritious food for 1.7 billion people, we need to be ready to realize that the old ways of looking at it; monsoon will come at the first of whatever it is June and will be gone by the end of September and will be somewhat predictable, is not the environment that we're dealing in. And that's where I think we're going to be seeing a lot of discussions around how do we ensure resilience in the Indian agricultural system. And that's again something where I would hope we are a leading Company to support the Country to go forward to.
- But let me close it up here for the time being, go a little bit more into the meet. Obviously, we would like to have you challenge us, yeah? Especially on the question and answers, be outright, be upfront. As Sunil said we might not be able to answer everything, but do believe that we're going to pick it up and we're going to find ways and means to then meet your expectations, also in terms of disclosures, and yes, with Vinit on board, also in terms of bottom line delivery.
- So thank you very much for the opportunity, and let's have a great afternoon and evening together, thank you.
- **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**
- Good evening, am I clear? Perfect. Good evening, namaste from my side and a warm welcome. As Simon said, I'm Vinit. I've joined the beautiful organization a year before almost, from January, but this is my 25th year with Bayer Group of Companies. And, I'm really looking forward for the next few minutes to spend with all of you and get some insights and share some insights. Let's get the show going.

- So I'll give you quick insights on a little bit of data which you already have. So I'll be very concise. Please bear with me so that we will have enough time for Q&A. So we'll just brush through. This is more like a quick reminder, a quick warm-up for us to get ready for Q&A as well.
- This is absolutely classic. Like Simon said, this year first half, April to September has been a tale of most distinct two quarters we have seen probably. While the 1st Quarter came with early monsoon, and we also of course benefited with early placement for Crop Protection portfolio and corn seeds sowing, the 2nd Quarter was everything which was not 1st Quarter. In the 2nd Quarter to be very honest, we were praying that the rain takes a break; it was that relentless. And that of course, is been seen, reflected in the performance for our Company. Having said so, let's see how did it look in our numbers.
- The bottom line, if we summarize the story of first half, based on the 1st Quarter's early onset of monsoon, which looked normal or maybe even pretty above normal, the acreages looked good. The acreages were fantastic. It helped with our corn seeds; it helped with our Crop Protection business. The commodity prices, with the exception of paddy, rice, important crop for us for a Crop Protection business, more or less remained under pressure. What did that mean for our sales?
- As the title suggests, this first half of BCSL is underpinned with a very strong, but yet resilient corn performance. We faced challenges. Our corn portfolio did extremely well in the first six months of the year, both in terms of volume as well as with price. We'll see in the numbers in the next slide what does that mean. Our top brands of Crop Protection like Dekalb, Roundup, Nativo, Laudis, Council Activ, which includes all of them, fungicides, herbicides, and insecticides, continued to progress well despite the challenging weather conditions. This is more or less the story of Quarter 1.
- Quarter 2, we faced an extremely difficult situation which impacted our liquidation, and consequently our sales. We were extremely vigilant and careful that we do not want to leave a lot of inventory in the market, and also risk collections. And therefore, you will see the impact on our sales in the next quarter.
- The Quarter 2 also meant that with the persistent rains, we missed sprays at many of our key geographies. You've all seen this; this is just a summary, as I said. With all those challenges which I mentioned, first half still grew 3% over last year, primarily due to corn, which grew by double digit; grew by both volumes and sales.
- From a margin perspective, 2024-25 full year was probably the most challenging year we have seen, underpinned by increase in input prices for a variety of reasons. Additionally, the supply and the prices from China were such, that it limited our ability to pass any price increase in the market. So full year 2024-25, in some sense, was a perfect storm. On one hand, we were not able to increase our prices; something which our portfolio has enabled over the years. And on the other hand, we had the challenges of input prices going up quite significantly. You can see that impact in the last year of 2024-25 over previous years.
- This year, we are seeing stabilization in our input prices. In the first half year, we have also seen the benefit of that in our Gross Profit or Gross Margin. We've seen more than 100 basis point expansion in our Gross Margin. And the follow-through of that is visible on the slides in the last column, where we can see the Profit Before Tax has expanded by 6% over last year. And our Profit After Tax has expanded by nearly 12.5% over last year.
- We've always... in the last few quarters when I was here, we have always got questions from some of you to understand how our corn seeds portfolio versus our CP portfolio is doing. So this is our last five years snapshot. And you can see the colour at the bottom, which is dark blue, represents our CP portfolio, Crop Protection Portfolio. It remains our dominant portfolio. It's also this portfolio which got really impacted with high input prices last year and with very extreme weather conditions in 2nd Quarter of this year. The corn portfolio has nearly doubled in this period. This translates into a Compounded Annual Growth Rate of about 15 to 16% versus a growth of Crop Protection shade less than 6%. Overall, during this period,

the revenues grew by 6.5%, primarily due to the corn growth. The others here include exports and Roundup along with traded seeds.

- The impact of revenue, and especially you can see on my right side on the EPS, the impact of rising cost in the input was very visible in our Profit After Tax or Earnings Per Share. From a very steady 140 to 169 to 165 journey last year, we saw a significant correction to 126 per share. As I alluded, it was primarily because of the combination of high input prices and inability to pass prices in our agrochemical sector due to the supply and the prices from China.
- We've acknowledged that as an event which cannot remain forever, and as a Board, therefore, the dividend policy remains, or the dividend distribution remains, intact. We continue to have the same amount of dividend for this year in half year, which was Rs. 90 per share.
- So, to summarize, in the last five years we are seeing very strong growth in corn seeds, both from volume as well as price. For the future of what we are aspirational, what we are targeting, how we are targeting what we are targeting, I'm going to request Simon to share some details on strategy, and then we'll probably summarize where we are aiming at or targeting at our aspirational growth over the next few years.
- Simon, over to you.

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

- All right, thank you Vinit. Future Framework, big words. Many of you will have seen this, and many of you, because I assume you don't just look at BCSL but you also sometimes look at our mother company, right? And this is what Crop Science went out with, don't quote me, would have been in March this year. And why do I show it? I show it because I want to give you a little bit of a sense what India is in this context.
- India is within the top 5 or 6 countries, if you look at countries individually for Crop Science globally. In the CP business itself, it's actually a little bit higher, because you did see that the CP business for us is bigger, significantly bigger actually than the seeds business, and that's not the case in many other countries, especially not those which are large scale field crop countries like Brazil, Argentina or the US, which would be ahead of us, right. And when you look at such a framework where a company says, hey, we need to grow top line, but actually when you look at it, over proportionally, expand our margins and our cash delivery, then probably a large country like India cannot lag behind. And that's a little bit different than to where we stood probably in some of the discussions we would have had 2-3 years ago, where I would have told you the primary target here is reach. We need to get to more smallholders, yeah? We need to get to more smallholders still, and I'll come to it. We are also strategically important for the company, but we need to do it in a margin framework which makes sense for the Company. And what Vinit was showing you was an impact that we clearly had in terms of our supply chains being linked to Europe and the war that broke out there, and energy costs, yeah? And that transmitted itself straight into our margin framework. But the other one is really also the competitive environment.
- In the past you would have sat here and said okay, there's a squeeze on production costs. Most of the products coming from Europe will be in the same situation. European companies are quite large in the markets; that'll have an uplift effect on prices. That's today not necessarily always the case, especially not if the overall agriculture is not picking up enough stuff from China, right? So what we need to understand is that if we want to be successful in India and deliver on margin expectations, we need to do certain things, yeah? So that's the bottom line: we need to do certain things to be able to meet a strategic target of serving more smallholders, but also ensuring that we're not dilutive to the global business, and in that sense also here.
- Now, I'd say the first two levers are really relevant for us here because what happens in 2032, we'll see in 2032, right? So in many a way, strengthening the foundation is really what we've been working on. And I

would argue, given our top line development, if you see what's happening on the bottom line, we were anticipating some of this, yeah? So many of you will have come back over the years and often said, hey Simon, we're actually seeing you being timid on the OPEX development, is that to stick? And I was always careful to confirm that, but it helped us here a lot.

- The other one clearly is, and that's where I'll go in a bit more, is really, that's... let me go to another slide first because that's much more important here... that we started prioritizing on the portfolio. Now, we really sat back and said, what do we got in terms of portfolio that is important to farmers, but that also has the margin profile to allow me immediately to have an impact on bottom line. Some of it started with divestment. As there was also some discussions last year why is Bayer divesting; that was more driven from a global perspective. But it gives me an opportunity also in India to relook at my portfolio and make sure that I focus, while trying to make up for divested products, on really expanding margins, right?
- But just going back here very, very quickly, Portfolio means prioritizing what's profitable today, where I can really drive success to farmers, but also backing on our R&D pipeline. And again, many of you will have heard me say in the past, I'm not really that interested to discuss new launches with you. That's changing a bit because we really have new launches coming in that do both, right? That do impact on the business because they're big enough to impact the business and really make a difference, but they also bring a profitability profile with it that it has bottom line impact. We are working on product supply, and product supply is not overnight changing to an Indian source, that doesn't work. There's regulatory reasons, there's global reasons, but we're on a path. We're on a path to say, okay, we're sourcing for Asia more in Asia, and for India obviously, that in many ways means more in India, be it from our own plants, be it also from partners we have here. And this will be trickling through the system now more and more aggressively, right? Decisions were even made in the past but you wouldn't have seen them, and it doesn't make sense to talk about things that don't start having impact; we're starting to have larger compounds where actually we're backward integrated in India, which will help us significantly.
- Go-to-markets is another aspect, right? When I take costs out of the organization, there's 2-3 ways you do it; one is obviously the synergy wave which you all saw, the other one is operational efficiency over time. The next one, and that's what we're going into now, is very specific go to markets. And that means we're starting to analyze, on what we call FOT's which is Field Officer Territories, which in many ways means almost village level. What is the type of portfolio I'm selling there and can I afford to have the type of footprint that I usually would be putting down in that area, right?
- And often what you see is, companies like ours, we measure on what we call efficiency. Efficiency is turnover per head. Our turnover per head doesn't help me when that turnover is not profitable and the head is expensive. So we're actually looking more at margin per head, and that leads to having to look at the country in a very, very different way than in the past. So you're going to be seeing us focusing in terms of physical manpower more in areas where farmers buy more profitable products and where we have the growth opportunities. While in areas where that's not the case we're going to be relying on partners; we're going to be looking also at is there more digital ways of doing it, and where yes, in the worst of cases, we might not even be active ourselves. But at this point, again, having a strategic view of saying I want to literally service every single farmer in India, my route right now is really to look at digital ways to go forward there.
- Cash is king. This has never been a huge problem in India to be honest; we've been very, very vigilant at managing the channel. But you might remember last year, we did have some issues with receivables, and yes, we've learned our lesson. The market is not easy, especially in the cash crops this year. That's something where we are very timidly looking at it as well, and partly some of the go-to-market discussions will also be around can we safeguard cash with the measures we take, right?
- Now pipeline is clear: corn is the one for the Country which is really, really important, and we are the main breeders in the country, there's no question about it. We're seeing that a broad portfolio is allowing us to go into new geographies; there's a slide on it, I'll jump over it. And the other seed and trades is for us the

rice business; we trade rice only. But for us rice is important because it carries a large part of our Crop Protection portfolio, and here direct seeded rice is going to be super, super key. But still core CP, and Vinit showed it, is the area for us to grow in this country.

- We need to grow our core CP portfolio, and that is really where these new products are coming in, yeah. And this is where maybe at one point I will really also be in a position to say, hey guys, we started from zero. This is where we stand, without disclosing something that gives too much information to competitors here, because this is really... but you will be hearing of Bicota in the market, yeah. We launched at beginning of the year literally, and I mean I'm sitting here and it's actually having impact on my bottom line, yeah. Etcio Star is something which will help us on DSR portfolio, where it really will help farmers to successfully have mechanized direct seeded rice in the Country, yeah. There is a lot of HT discussions as well which you're aware of; that works in certain areas. But this will be necessary also for the HT program to really work.
- So that is where the innovation aspect of the company is really starting to kick in again. I spent a couple of years having to sweat the assets, having to really also make sure that Bayer stays out there. Then we looked at our portfolio, needed to streamline, but we could also streamline because we have new things coming through, and that's where it's really important to look at that.
- Now, corn is the topic; I spoke about it, right. We, I think Vinit said it, expect to double corn still from half of where we were before. And there is a lot of discussion around oh, what's this going to do if we import corn from the US, etc., right? Honestly speaking, I'm not in a position to speculate. It's very clear that it will have an effect on the corn landscape in India, but when you look at the underlying demand that is here, and a lot of it is localized demand, yeah, be it on the silage part specifically, which is growing, but also on the feed part. I do not expect that we're going to be having 50–80% of our corn coming from the US, yeah. But we will have a discussion on how do we grow corn in the country, how do we equip farmers to be successfully pushing up those productivity gaps that we see, because there is not more acreage. And especially when you see also with the weather conditions, there's certain areas where you don't want to grow corn when the weather gets bad and it starts tilting over, etc., right? So I am fundamentally convinced that a country where corn has not been the biggest of topics for generations, this is really where the drive is going to be, and we are, to my mind, best set to put ourselves into it here.
- There is a little bit what is going around. I mean, it's more than one obviously. But commercial excellence, making sure that we accelerate portfolio very, very quickly, right? And you will be seeing some of the newer launches; you would have seen spring corn if somebody really follows the numbers out there. We move from a 9108 to 9208 in the fastest of times ever, right? If we're convinced in a hybrid, we go big time now, and we've gone into areas where, in the past we were very, very timid; Karnataka etc. where we're really, really taking market share. And that's where, I believe, you're going to be seeing us really excelling, and again it's going to do good to the overall P&L of the system.
- Direct seeded rice - this is a long bet, right. But when you think, when we started out with it, we were on 5,000 acres last year, approaching 20,000–25,000 this year; above 1 lakh. It is very much driven by labour shortage, but there are so many fundamental reasons from a sustainability angle to believe that direct seeding of rice is the solution for many of the problems we have in India, that I am convinced the farmer will want it, the government will want it, and the future will want it. And this is where again, we to my mind, are the Company that has the solutions that is ready to partner who we need to partner with, we don't have the HT, for example, but we're going to be seeing the next systemic change to agriculture. First one, recently being corn, second one is really direct seeding of rice. And this will open up opportunities for more fruit and vegetables.
- Go-to-market, I spoke about it already; it's several aspects that go in. I'm happy to answer questions if there's something. But bottom line is we're going to be very deliberate at saying, yes, we want to literally service every farmer by expanding our retail landscape, but we will do it in a very selective manner, and Bayer will look different depending on farmer ecosystem, if I may say so, in the Country.

- Better Life Farming is part of this game, and we've talked about Better Life Farming a lot. This is literally where our partner-based retail ecosystem is helping us to take these type of decisions. So, where we've done the go-to-market change, which is at the East of the country, that is the area where we have most Better Life Farming centres. So what I intend to look at is, that while in many of the area I have a lot of people servicing the channel, in these areas I'd rather have partners servicing the farmer. And that's what we're betting on, it's a big bet by the way, but it has immediate positive effects on relative P&L, because there is an OPEX aspect to it, and I fundamentally believe these partners, equipped with a broader portfolio, are better partners to the farmer than I am, where I sometimes only have a limited portfolio for one season, which is not very profitable to me. So that's a little bit where you need to expect Bayer to be maybe pivoting a bit from what we did before, but it does not mean we're abandoning these areas, we're just trying to service them through partners who are better fit to do this profitably.
- With this, I'll close for the time being, ask Vinit to give it a little bit of an outlook, and then answer your questions, thank you.

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

- So this is the journey which we discussed in the last 20 minutes. So let's do a very quick recap. 5 years ending 2024-25, revenue growth of 6.5%. 2024-25, I'm not sure, but the standout would be the impact on profitability. The journey from there, we saw, the focus for our entire team remains on improving profitability, and we saw some of the means, some of the key measures which will deliver the higher profitability.
- The next 5 year, you can call it 3-5 year strategic framework, our aspirational... our target is to grow by high single-digit to low double-digit in revenue, driven by both, a strong focus strategic way of doing CP portfolio backed by innovations, and a continued doubling of our corn seeds portfolio. With the growth in revenue, we expect improvement steadily in the profitability. It's at this stage, as we mentioned, dependency on margins from the prices influenced by inventory and supply situations in China. Difficult to predict. So the profitability which I'm going to share is more as a target, more as an aspiration.
- With the sales growth from a high single-digit to low double-digit, we should see an improvement of 100 basis points with that sales increase.
- That's where we would like to now invite questions. I am going to hand it over to Sunil. As Sunil mentioned in the beginning that we have a variety of questions, we've taken the liberty to combine some of them, answer some of them through the slides. However, if we've not been able to satisfactorily answer all your questions, we would be here or you can reach out to us later for some questions. Thank you so much. At this stage, over to Sunil.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

- Thank you, Simon and Vinit, for sharing your perspective on the Company's operations, performance and strategic priorities going forward.
- As Vinit said, we now open the floor for question and answer. If you have any question, I request you to please raise your hand. A mic will come to you. You can announce your name and question. And for better inclusion of all the questions, I request you to keep it short and maybe one or two questions. In between, I will take some of the questions which we have received in advance and try to answer them.

Q&A Session:

– Mr. Prashant – Elara Securities:

- Sir, this is Prashant from Elara Securities.
- Vinit sir, the margin guidance that you have given of 100 bps, what is the base year for it and is it 100 bps every year improvement or any particular point-to- point?

– Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:

- Thanks, Prashant.
- The base year would be '24-25.
- Can you hear me? Is the mic working? Yeah, thanks.
- So, the base year is '24-25.

– Mr. Prashant – Elara Securities:

- And it is improvement every year 100 bps or?

– Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:

- At least we are very confident to start with, the first two to three years we should be able to see this. As I said, a lot depends on the margins. Simon also alluded to the fact that there are wheels in motion where we want to further improve that with sourcing strategies. So, one or two years we have high level of visibility, we have relatively we have noted down to the lowest details. The last outer two to three years would depend on what goes into the first three years.
- Simon, do you want to add anything on this?

– Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:

- Yeah, I mean, margins don't grow into the sky, they are a bit like trees. So, I think to be fair, it will start tapering off. The bigger steps are to be taken now. And then, yes, the more we are able, and Vinit gave the time frame, two to three years to also change supply.
- We can have always two options, right, or three literally. One is we take whatever advantage in the cost of goods we get, provided external prices are the same, put them into bottom line.
- The other is to drive growth, right. And I probably want to then pitch a little bit for the higher guidance, which is the double-digit top-line guidance, if I have more room in the cost of goods as well, right. So it is, in the end, in a country like India, growth is important.
- I can only take so much OPEX out, and OPEX will inflate over time, and that means I need to have top-line growth, because otherwise I get what happened with the P&L which makes it shorter, right. So, take it as that. We've hit rock bottom in terms of margins. It is a clear focus to pull it up. You've got a guidance now, but do not expect that at one point we're at 50% EBIT margin. That's not going to happen in this type of business, and all of you know that.

- **Mr. Prashant – Elara Securities:**
- And, Simon, in earlier interactions, you have mentioned we may look for in licensing of molecules with Japanese players, be it from India perspective or globally. Any work on that front?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Prashant, it's really a margin lens that I need to put on, and experience shows that much of the third-party licensing from abroad, especially if they don't have a local production here, it doesn't make that much sense to me. What we do is we have a lot of global arrangements where we will, if anything, start as a proprietary molecule and a mixture to come in. But we are developing mixtures with local companies here which might have Japanese backgrounds as well, and that's where we're going to be focusing on when it makes sense from a larger perspective, and that's what we go into.
- **Mr. Arjun – Kotak Mutual Funds:**
- Hi. This is Arjun from Kotak Mutual Funds.
- Simon, aren't we kind of lowballing in terms of margins? If I look at FY24-25, we were at about 12.5%. If I look at FY23-24, essentially, we were close to 18-19%. So effectively, on a five-year period with a sharp top-line growth, we are essentially saying we would be sub those margins, what we already delivered in the past. So, what are we missing here?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- I mean, one thing which is not spoken about is obviously, especially in the time frame that you are mentioning, is a significant global shortage of glyphosate, right. And you saw the other segment on that slide, assume a lot of that is glyphosate. Now, glyphosate margins usually are rock-bottom. That time we shot up, yeah. So yes, if you now get a glyphosate glut and I got a super-pricing opportunity, that will be lowballing. What I'm trying to do here, or what Vinit is trying to do here, is give you something which you can hedge against, expect that to be baseline, yes. Obviously, if things go very different, you'll see differences. But I don't want to sit here and hope that a glyphosate spike will give us an upside.
- **Mr. Arjun – Kotak Mutual Funds:**
- Just to understand, and thank you for the break-up in terms of corn seed, because earlier it was just speculated about, now we do have a sense of growth. Could you talk about these three elements which you gave us in terms of the pie division in terms of margins, which would be higher/lower going forward. We are anticipating doubling of the corn seed portfolio. So how does that play out in terms of margins improving or getting impacted going forward? One would assume seeds would be a higher margin business.
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Yeah, I mean, first of all, the advantage with corn seeds is I'm literally 100% backward integrated except maybe some licensing costs or so that will be there. So yes, very clearly the corn seed portfolio is more profitable. You always need to see how mathematics works though, right. Doubling of corn seeds still means it is then, I don't know, with a good growth of Crop Protection portfolio - 20-25%, yes, it helps, but it doesn't solve the basic topic. So whatever corn does, it helps, and it does improve margins. That's back to your where's your baseline.
- If I come back next year and tell you corn seeds has doubled, yes, it's going to have a margin effect. Over a five-year period, it helps, but it doesn't change the overall view completely.

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

- Just to add, it's important to understand that the incremental cost of production when we are trying to meet the demands of the, in this case if I may take the liberty of saying nation, because we see that the corn seeds are important in the plans of growth of the nation, right. So, in order to do the incremental corn production after a certain time, because remember this is grown in. It is influenced by the same weather conditions as our in-sales are, right. So therefore, the incremental cost of production of corn also goes up significantly higher. Something which is not comparable directly with this chemicals business, because there the incremental cost depends on the capacities, and at this stage we don't see capacity limitation, right? Whereas with corn, the incremental cost will grow also faster. So, the margins don't sustain beyond a certain level.

– **Mr. Arjun – Kotak Mutual Funds:**

- Sure. Just one final question, if I may. In terms of generic competition, so obviously that continues to grow in India, how would you characterize Bayer's defensive moat beyond the brand equity that we have built for the underperforming product lines, and you also talked about probably underperforming markets for us in terms of margins. So, how do you measure success for these decisions about exiting certain products, and in terms of certain markets you hinted that probably you'd look at a new go-to-market. We have seen a cycle of bad debts in the previous cycle. So how do you see that go about?
- I know these are a couple of questions, but given that this was the last question, I thought I'd roll them in together. Thank you.

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

- Yeah, I mean it's rather comprehensive, and there's a lot of things which come together. It's very much linked also to what I said to the go-to-market and the complexity with it, right. I mean yes, brand equity is something that Bayer has, but we have a lot of also domain equity, right.
- If you go through Delhi circles, you speak with regulators, etc., Bayer has a huge recognition, right. And that is something which we will sustain by also ensuring that our portfolio leads sustainably, right. And that's the argumentation, for example, when you look at DSR.
- The other thing is when I do portfolio optimization, I obviously try to migrate to something which has a better competitive position, and part of the story is the new compounds, right. The beauty of a sales team is they don't usually like to be idle. So, when I take a product away or I divest it, they cry like crazy. Their life is over, but you know what - when I come with something which halfway fits that geographic area, it might not be exactly the same farmer or so, they're going to go after it, and that's what we're seeing right now, big launches. Being very, very clear about our agronomic positioning and doing a launch big, as I said with BICOTA, for example, that's where we can really come back into segments where maybe we've lost it, right. But we're also looking at things which personally I'm not 100% convinced in yet, but which could be good, like soybean herbicides, right. So, segments where we're absolutely not in right now, but where we have a line of sight that will have a portfolio which will allow us also to compete.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

- Okay. Just to do justice to the online advance questions, we'll take a few of them, again, come back to the live questions.
- So, the next question is for Vinit from Darshita Shah. What is the revenue contribution from product launched over the past three years? Has this contribution increased during the last three years, and do any of these new products rank among our top ten products?

- **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**
- So, thanks, Darshita. Let me answer the third question, it's easy, yes. Council Activ which was launched in FY 2022-23, probably now is in our top two, if not in top three products, right, maybe in top two.
- Almost one-sixth of our last year's sales from CP would be from these products which were launched in the last three years.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- The next question, again, for Vinit, in first half of FY26, did we take any price hikes in Dekalb products, and if yes, then how much?
- **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**
- That's again an easy one, Thank you Sunil, for giving me an easy one.
- Yes, we did take a price increase, I mentioned it already, that we had a nearly double-digit increase for sales and for corn driven by both price and volume. We had macroeconomic factors favorable, as well as, as Simon explained, a strong execution efficiency getting the new hybrid, which is really important in this business, but the main reasons for us being able to take price hike.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- Okay, Simon, the next one is for you, and a favorite question of lots of investors.
- New product pipeline. Kindly provide details on new product launches expected over the next couple of years. Specifically, would like to understand the flow of proprietary products from the parent that have been introduced in India in the last few years, and whether any additional launches are planned in the next year. This is from B&K Securities, Rohit Nagaraj.
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Yes, I mean, I had it on the slide, so I'm not going to repeat it, but things that really excite us right now is BICOTA and Camalus.
- We have actually also in the longer pipeline two very new compounds, Xivana Smart coming in, which we expect in the fruit and vegetable segment really to be very, very competitive in the country. And we're also launching what is called a global blockbuster, Plenexos, in the next couple of years, which is an insecticide, a completely new one, which in a country like India, which probably is the second biggest insecticide market in the world, is going to be important. It's going to be very important.
- This is where we're in the preparation phase, and again, I don't want to be sitting here and telling you something in four years, but it is not just these seven or eight products that were behind me, which are literally hitting the ground now, and some of them we're really excited already. I think Xivana might be coming beginning of next year, depending a little bit on whether the, what is it, CBIRC, or I always forget what they're exactly called, comes through with MRLs before the season, right. But that's definitely online, and as I say, this is really something where we are seeing innovation, and I cannot quote the number of new hybrids which are also coming through. The big one we're all waiting for is Bihar, that's clearly understood, although even there we're seeing a reasonably good development right now during the season.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- Thanks, Simon. One last question for Simon before we again go back to the live questions.

- Global Bayer leadership has been active in reducing management layers and redesigning the organization. What changes have been noticed in BCSL, and what more can be expected in future?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Yeah, I think it was in another one of the questions also regarding the one-time costs. We've reduced, on the basis of this program, dynamic shared ownership from literally 24 months ago, where really the impact was last year, with also quite significant one-time costs being booked. This year, the go-to-market change in the East is somewhat related, but wasn't driven by this drive, right. So, the DSO drive, taking out layers, we've reduced management levels within the organization. It's really something we were early on, we did it last year, that's under the belt, and you can see it in the OPEX development already.
- The go-to-market change in the East this year, which again, I say is big, actually the one-time costs you don't even see in comparison, because we took the big ones last year, right. There was some involved, but that's not any longer the target.
- Do I look at efficiencies when they come through the system? Are we still looking at, are we optimized go-to-market everywhere? May I also invest a little bit in certain areas again? Definitely. But it's more portfolio management than radical changes.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- The question was from Saurabh Jain from HSBC Security.
- Now over to you.
- **Mr. Ahmed Madha – Unifi Capital:**
- This is Ahmed from Unifi Capital.
- So, the question was regarding, you spoke about in India for India, right. So, considering significant sourcing of assets from the parent entity, we obviously have a structural higher cost. And so, in this sort of a scenario, are we effectively paying a global sourcing premium compared to our competitors which rely on Indian and Chinese supply chain? How are we thinking about considering the entire supply chain architecture and sort of making sure that we don't have a cost competitiveness issue?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- It's a moving target, yeah. Very clearly, the industry is changing a bit. In the past, the proprietor, if I may say so, so the person that invented the compound, usually had such benefits of scale that they were able to compete also in an off-patent environment. And it didn't matter whether you were in a high-personnel cost environment, which probably most of these people were because of automation. But when now we have a situation where extremely high energy costs and extremely high environmental costs due to regulation come in, these large do-it-for-everybody plants probably not competitive to more nimble plants, right. And that's an interesting thing if you look at it. If you look what China has done, China has very much replicated what we have done in the past. Very big plants, one line, we blow the stuff out cheap.
- Interestingly enough, the Indian plants are much more flexible. They can move from one compound to the other. They can be switched over reasonably quickly, and they can make smaller batches. That's what's interesting in an environment where I cannot any longer register one compound in a large country and expect it to be registered around the world. It doesn't work like that anymore, right.
- So, one thing is, yes, while still hanging on to certain big compounds coming from big plants in my legacy organization, I might have a cost disadvantage which I need to cycle through. But I think coming into a more nimble environment that we're looking at now, getting the opportunity also to switch my source,

and again, here, CBIR ...CIBRC, I don't get it to my head, I'm sorry, I'm not good with five-letter words. CBIRC, yeah, needs to help me as well, which means I need to do a source change, etc, and that just takes time.

– **Mr. Ahmed Madha – Unifi Capital:**

– Follow-up will be what sort of steps we have already taken to improve on that in the last year or so?

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

– Look, we're not blind, right. So, this is a multi-year process. But there are certain aspects which play in. Bayer has registered quality standards which not always are met by some of our suppliers. So, we need to work with our suppliers to hit those quality standards. They're not necessary for regulatory approval, but they're necessary for our internal quality standards.

– When we say a formulation needs to whatever have stability, right, so there is more work than just calling somebody up and saying, hey, please can you supply me XYZ? And that is why the whole thing takes place, because I'm not going to do it compromising my quality, because we're back at, hey, if I'm Bayer, I have sustainability standards, I have expectations from customers. I don't want to deal with more complaints, because I've taken a decision which wasn't thought through, right. Sorry to say, yes, we're a bit slower, but hey, be sure that where in the past we put a sticker on "Made in Germany" for a reason, I will be proud to also put a sticker on "Made in India", not just to make people happy, but to say this is Indian quality which I can also export, and they're in the little special column that you saw.

– Obviously, it's also exports, which you could see from the publication pages, and that is something where the better I get here, maybe an opportunity lies also to support the rest of Asia.

– **Mr. Ahmed Madha – Unifi Capital:**

– Sure, got it.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

– For the benefit of all, I request some other questions from other participants.

– Yeah, over to you first, and then you.

– **Participant:**

– Hi, clarification on the margin side. If we take last year FY25 EBITDA margin, adjusting your one-off cost, you had around 15% of EBITDA margin because you had some one-off cost, and in 1H26 also you have clocked around 16% margin.

– Instead of giving guidance of 100 bps, can you tell us that, because there is some confusion on the base side as well. Give us the absolute number, what normalized margin was for you in FY25, adjusting those one-off, and what margin one should expect in next 1-2 years?

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

– I'm sure you'll appreciate, I can't give the absolute number.

– **Participant:**

– Give us at least the base adjusted margin, normalized margin, what was it in FY25?

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

- Given that our seasonal nature, and we just actually spent a lot of time in it, and you all know that, right, it's very difficult to tell what is normalized margin. A lot of it goes into the nature of our business, you'll appreciate, is that we invest first. The costs are a little bit ahead in terms of our marketing campaigns and sales expenditure. So, sometimes in a short span of six months, it's difficult.
- Your question if you're asking, is that what do we expect in the next six months or over the next years compared to one-time cost, right. One thing is for sure, what we refer to as one-time cost, or what you are referring to as one-time cost, is probably about the new operating model and the severance cost, which Simon alluded to, right. He also clarified that most of it is behind us, yeah. And then last year, FY24-25, we had an, I may use the word unprecedented accounts receivable collection issues for a variety of reasons, right. That's not normal for our business, right. So, what we expect in going forward, that is from current year and future, both of this, if we use the word one-time, though I'm strictly speaking, receivable provision is not a one-time, right, because it's a nature of the business, right. We expect that to be significantly lower than the previous one.
- Now, how much of that will impact our margin, whether it is 0.2 or 20 basis point/40 basis point, that will depend on various other factors, including the revenue percentage increase or change over the corresponding period. So, it's very difficult to give you a number.

– **Participant:**

- Again, just for the clarification, if '21 to '23 were abnormal period for us and for the industry as a whole, can we take pre-pandemic margin as a base and then expect improvement on that side?
- Because until and unless we have base clarity in our heads, 100 bps guidance means I think we can't make out anything on that. So instead of, you know, give us some clarity in terms of from which base we should start thinking about that improvement.

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

- I mean, I'm not the CFO here, but I also don't want to split hair.
- If you go pre-pandemic, you're actually in the phase of a post-merger. With all due respect, what I would say is let us close this year and take that as something you can carry forward, right.
- We don't have a massive special effect coming in the next half year, and if that is so, we'll tell you, and that's probably a pretty good basis to see it's better than last year, I think that's what we can indicate already. And from that basis we will be building, as Vinit said, especially if we move to the higher top-line guidance, because the top line will have an effect on whether we can push it into the bottom line, right. And that's a non-financial answer to a very, very complicated question.

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

- I appreciate, but that was an indication that with that amount of revenue growth, that's what we expected to percolate down to that. So, the maths can be worked out, but as I said, you saw what happens between quarter one and quarter two, right. So, the more we indulge into every detailing, to be very honest, the possibility or the probability of that happening is not that high also, right. So, this is an indication that a sustained improvement in our profitability from the base year of '24-25 is our aspiration.

– **Participant:**

- Just a clarification on the growth side, is that a volume growth guidance you're giving, or would that be a value growth?

- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- That's a combo. That's a combo, yeah.
- **Participant:**
- Thanks.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- One more question from you, then I'll take a couple of, because we are already running behind, we are over time, but we'll try to answer a few critical ones.
- **Mr. Abhijit – Kotak Securities:**
- Sure, thank you. This is Abhijit from Kotak Securities. I'll try to keep it brief, just two from my side.
- First is, with regard to the growth guidance, so the high single digits to low double digits, does that apply for fiscal '26 as well, given we've done 3% growth in the first half. Therefore, should we expect significantly better in the second half?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- No. I don't think that that is realistic to see. I mean, even looking forward to a good Rabi, and you might remember we had a very strong Q4 last year, a very strong spring, and how much we have under the belt already, I think that would be too much to ask. So, we're going to be looking to mid-single, hopefully, towards, but we're at 3% now, if I'm not mistaken. It would really take a blowout, and I'm not in a position to promise you that blowout.
- **Mr. Abhijit – Kotak Securities:**
- Fair enough, appreciate that. And the other one was on the margin side, a couple of specific numbers, and then one slightly, you know, conceptual question. Last year in fiscal 25, we saw a doubling of the grower payments to seed growers. It went up from 260 crores to 530 crores or something like that. We also saw a doubling of your purchases of goods from your parent, Bayer AG, went up very sharply. What were the reasons behind this? How should we expect this to trend? And, sorry, just one addendum there. When you mentioned this 100 basis point progression over the next 2-3 years, should we assume that you're actually talking about a progression assuming, you know, no one-off items in the base?
- In other words, the provisions for doubtful receivables, the severance payments, those are not counted in the base, and you're expecting 100 basis points of improvement on a normalized basis?
- **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**
- Thanks, yeah. We just discussed this in the last one minute, right, that few months ago, after the quarter one, even into the quarter two, we were expecting to be a low double-digit growth for this year, after clocking 17% the first quarter, right, and here we are. So, I think that's the uncertainty of what we just discussed today.
- All our projections are aspirational, and they assume normal. So, we are assuming normal what we are calling as one-time effects here. We are assuming a normal scenario, of course.
- As to your question on the margin, I think we've shared the amount of details which we have at this stage, right. It's very difficult to break it down further, but maybe I'll try later on. Right now, it's difficult. I'll have

a discussion with you to understand a little bit detail what you're expecting. But at the moment, we were able to share the following, just to summarize.

- '24-25 was the first time we got hit with that increase in prices and inability to pass the transfer price, impacting our gross margin, right.
- And second point was that we are seeing stabilization this year.
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Yeah, and to the grower payments, this is a little bit, Vinit was referring to it. There is competition on professional growers, but it gives you an indication on our margin, on our volume expectations as well. It's a good one to read what we expect of the next season. Part of the story, though, is also we sold out completely, right. So, some of it might also go into a bit of safety stock. Given weather conditions, it's not a very comfortable thing, and we're looking at it right now again. When you have a delayed season and you come hand-to-mouth for the spring season. So, there is a bit of trying to mitigate frantic seed production close to the season. So, we will try to carry a bit more seed inventory going forward if that allows.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- Okay, I'll take a couple of online questions, since a lot of questions have been already answered in this interaction. And maybe one last question after that, before we close the session.
- I've combined questions from Ms. Arpita from Millennium MAM and Ahmed Madha from Unifi Capital – about... India is planning to open its market to duty-free import of U.S. corn for ethanol. And what if the GMO corn imports are allowed in India from the USA? What implications does that create for the Company? And how do we handle the challenges?
- **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**
- Yeah, I think I referred to it also during the opening a little bit. I mean, first of all, it's still speculation. It's not confirmed. It will make everybody look different at corn, but we are not an efficient country. So, if we were to import everything from the U.S. to a port in Gujarat, I think we'd have an issue feeding our chicken in Karnataka, right, let alone Odisha. So, let us be clear. There is going to be local corn production in the country. The bigger question is on policy. Will such a decision lead to a policy reconsideration as to - do we allow Indian farmers access to technology? And I have my opinion where I would hope this would go, and then yes, we would be looking at a different corn scenario again. Because traits definitely will be something which changes markets, and we need to look what would it do to an Indian market, because this would be probably the largest country to latest take such a decision, and it's a very special country. 1.4 billion farmers, obviously not all of them grow corn. We don't have a lot of countries where we've seen it, but we've seen pockets. We've seen how it happened in Philippines, for example, and we can learn from that. I think in another panel, I was very clear, India is late, but we're not too late, and we can learn from other countries and try to emulate while making sure that it works for India.
- **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**
- One last question from online from Naushad from Aditya Birla. While we have talked about OPEX and measures taken and one-times. But, Vinit, how much scope do we have for rationalizing other expenses?
- **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**
- Thanks, Naushad. So, I think we spoke about input cost have increased significantly. On the operating cost, there are, at least we have managed to keep it lower. The growth of operating expenses is lower than the growth of revenue. This improvement is partly driven by reduced employee cost, as you have seen,

and when I mean employee cost, it's also inflation comparison, right, relatively, and reflecting the benefits of our new operating model. I think we already addressed that question about layers being taken out and a reasonably moderate salary cycle. So, we had to moderate our salary cycle this year as well as last year.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

– Okay, one last question from the live before we close the session. Okay, over here.

– **Mr. Saurabh Jain – HSBC:**

– Can I ask a question? I have a mic in my hand. This is Saurabh Jain from HSBC. Yeah, sorry about that.

– So, my question is, can you also talk a bit about how your supply chains of your raw material sourcing and technicals is kind of structured? Because what we understand, reading from the annual reports, you have a lot of purchases from the global parent, Bayer AG. But everything isn't getting manufactured in Europe, or there are more supply chain linkages coming to Asia, especially the entities in India and China. So, any numbers around that would also be useful to, you know, for us to make some mapping in terms of how the supply chains for you are structured. That's my first question.

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

– Yeah, I mean, it's in a flow, and you know what, this is very, very sensitive information. If I were to tell you each compound, and I'd get calls from five companies tomorrow, they could do it cheaper for me or so. So just take it as such, right. You're absolutely right. Right now, over-proportionally, we are linked to buying also, and this is not to be underestimated, from high currency or strong currency countries. This needs to change, and it will change over time. Not a hundred percent, never, because there is still good reasons also to produce certain things abroad, and maybe even in high energy cost Europe, right. And you will have heard that also Europe is looking at industrial support. But it is very, very clear that also when you look into the future, be it carbon pricing, etc., probably barging low-value, high-volume stuff from the US over here is not going to be a good idea, right. So, there's going to be changes, and you're going to be seeing them.

– **Mr. Saurabh Jain – HSBC:**

– Numbers, you can share what percentage could be dependent on India sourcing or the other parts of Asia sourcing, say, for China. I mean, any ballpark estimates would also be useful for me.

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

– I mean, I would love to come more to a 50-50 situation. Whether I can achieve that is a different discussion, right. Anything above that is probably also not realistic. But take it, please, as Simon shoots into the air. This is just to be friendly to you and give you a number.

– **Mr. Saurabh Jain – HSBC:**

– Sure, thank you.

– **Mr. Vinit Jindal – ED & CFO, Bayer CropScience Limited:**

– This is really our CP portfolio.

– **Mr. Saurabh Jain – HSBC:**

– Yeah, I'm talking about the CP.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

– So, can we ask the last question from you?

– **Participant:**

– Yeah, so thank you for taking the question. This was regarding the cost of maize production, the increase that we have seen in the last one and a half odd years, that had a lot to do with maize prices going up. So, with the price fall that we have seen in maize, does that kind of result in cost of production for us going down now, especially when the maize prices are under MSPs?

– And how do we see the margin profile in the corn seeds business? Before the merger, when we looked at Monsanto financials, the margins used to be anywhere close to 28 to 30 odd percent. Are we far away from that? Are we close to that? And when you mentioned that the cost of production for incremental corn seeds goes up, so how much impact does it have on our corn margins?

– **Mr. Simon Wiebusch – Vice Chairman, MD & CEO, Bayer CropScience Limited:**

– Yeah, very, very detailed question. Thank you.

– I mean, first of all, the commercial or the corn seed production is a very different topic than an MSP when it comes to what I need to pay. What is true is if MSPs go up, they do push the expectation of farmers as well. So, we contract always above MSP. So, when the MSP goes down, and I usually contract also half a year or whatever in advance, that doesn't necessarily help me that much. And let's be honest also, we don't move so far away from the MSP that that would make a huge difference, right. So, it is rather that there's a fundamental increase coming, also driven by the MSP increase, but primarily because more corn seeds need to be produced, and there's not that many professional corn seeds producers. And there are certain areas of the country where it makes most sense, and there are certain drying facilities, etc.

– And when you look at the corn development that we've seen in the last couple of years, it's not just Bayer. It's generally in the country corn is coming up, and that means we're competing more for growers, right. So, this is a trend which per se is there, and that at the same time, when we have good MSPs, it is better for us on the pricing side, and that means I can make up for the increases in production costs more. So, we do not really expect corn margins to significantly go down. I think rather we are at a good space, right.

– Now Monsanto was a very, very different setup than we were. They were reasonably clean. They did not have a sales force in areas where there was no corn seeds. They did about a third of the corn seeds that we do today. It's not difficult to have a profitable business if you're just focused on profitable parts of a country because it doesn't really make a lot of difference in your global footprint. So, I don't necessarily like to go back in that comparison. But as we said, corn seed growth will be over-proportionally profitable for us here, which means that corn seeds on average probably have a slightly higher margin than the CP portfolio and carry a lower cost to serve.

– **Mr. Sunil Narwani – Head, Investor Relations Function, Bayer CropScience Limited:**

– Okay, thank you, Simon, and thank you, Vinit.

– Ladies and gentlemen, on behalf of Bayer CropScience Limited, I extend my heartfelt gratitude to each one of you for joining us today in person. Your trust and support have been instrumental in our journey, and we deeply value your partnership.

– As we conclude, let me leave you with this thought from Malcolm X – ‘The future belongs to those who prepare for it today’. At Bayer, we are preparing today to create sustainable growth and value for tomorrow.

- Thank you once again for your time and engagement. We wish you continued success and well-being. With this, we formally conclude the Investor Meet 2025.
- Please join us for high tea. Thank you.
- *END OF TRANSCRIPT*