



May 28, 2021

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

SECURITY ID : **BAYERCROP**
SECURITY CODE : **506285**

Dear Sir,

**Sub: Bayer CropScience Limited - Presentation at Investor Meet
being held on May 28, 2021**

In furtherance of our letter dated May 26, 2021, please find enclosed herewith the presentation that will be made at the Investor Meet of Bayer CropScience Limited being held on Friday, May 28, 2021.

Request you to kindly take the said presentation on record.

Thanking you,

Yours faithfully,
for **Bayer CropScience Limited**

Nikunj Kumar Savaliya
Company Secretary and Compliance Officer

Encl.: As above

Bayer CropScience Ltd.
CIN: L24210MH1958PLC011173

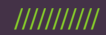
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Bayer CropScience Limited

Investors' Meet



May 28, 2021





Caution regarding forward-looking statements and Company Disclaimer

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer management.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at <https://www.bayer.com/en/>.

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



Agenda

- // Covid-19 response
- // Bayer Global Update
- // BCSL: Financial perspective
- // BCSL: Business update
- // Key Takeaways

Our efforts
to counter
Covid-19



//// **AGAINST**
COVID-19
Stronger Together



Bayer group efforts to counter Covid-19 in India

Committed towards our employees, business operations & local communities

Employees



Vaccination program for employees & families



Additional employee advisories



Reimbursing expenses not covered under insurance

Business



Smooth functioning of activities



CP production remains normal



Corn supplies on track



Rice seed supplies delayed



Warehouses continue to function



No supply impact for PH products



CH virtual business launch



Vapi: No business impact yet
Non-critical projects on hold



SSCDN: Stable operations & focus on providing medical emergency response

★ other Bayer Group entities

Local Communities



Educating & mobilizing local communities about vaccination benefits



Helpline for frontline workers & farming communities to tackle mental health challenges



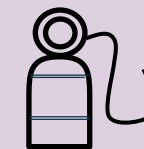
Nutritious food for marginalized communities



200,000 N95 masks & 1,000,000 3Ply masks to network hospitals



Sponsoring beds in major hospitals across cities



Oxygen generation from existing Nitrogen plant at Vapi site



80 bed COVID care facility set up at our non-operational site at Chittegaon, Aurangabad



Bayer Global Financial update





Strong start into 2021

in € Million

Key Financials – Q1 2021

SALES

12,328

(+3%*)

EBITDA

before Special items

4,118

(-6%)

*Adjusted for currency and portfolio effects

Highlights

// Crop Science:

// Strong growth supported by a better market environment, increase commodity prices for Soybean and Corn

// Pharmaceuticals:

// Continued recovery for elective treatments as well as positive performance of Eylea (Ophthalmology) & Xarelto (Cardiovascular)

// Consumer Health:

// Continued to outperform the market despite challenging Q1 with low C&C incidents and distorted PY comparison (COVID). Nutritionals and Dermatology with good growth



BCSL Financial perspective

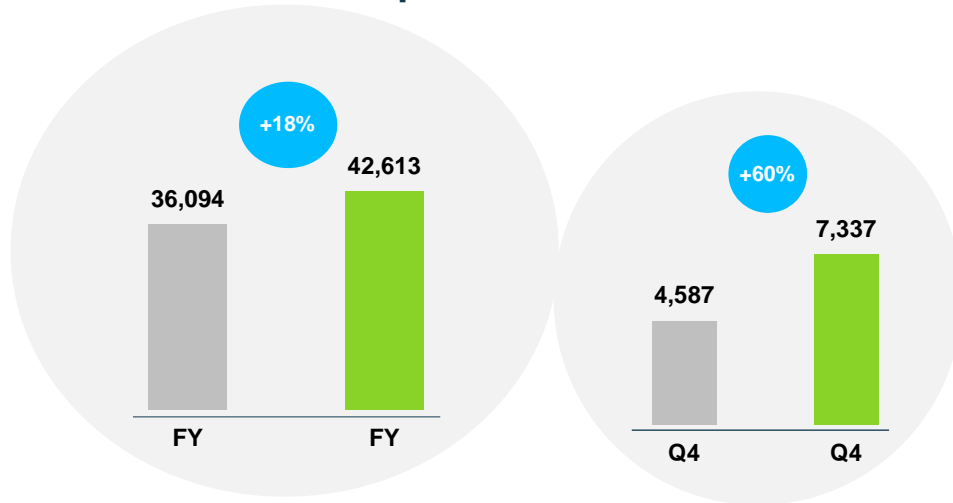




Financial Performance

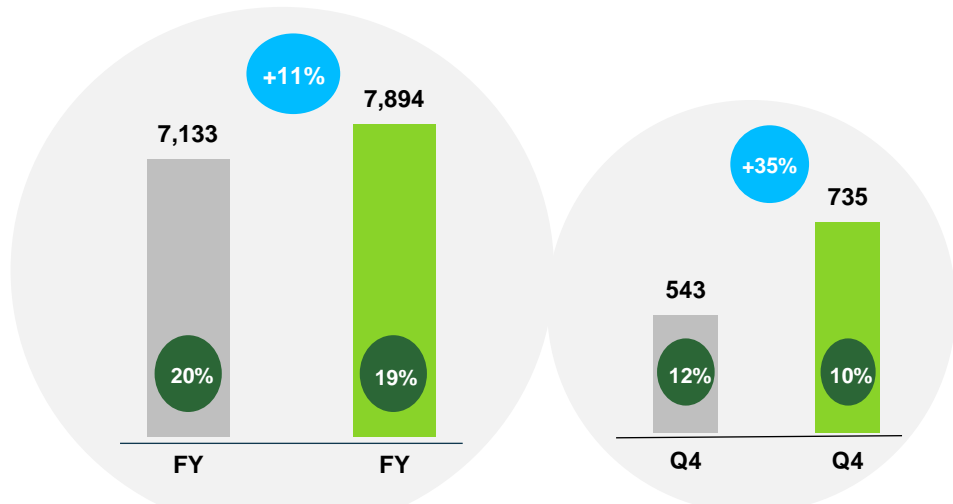
■ 2019-20 ■ 2020-21
₹ millions

Revenue from Operations



- // Growth driven by Crop Protection products based on good monsoon, strong portfolio performance and good liquidation
- // Low corn prices and reduced acreage affected Rabi / Spring corn sowing
- // Continued leveraging of combined distribution strength

Profit Before Exceptional Items and Tax



- // Revenue growth, spend management and synergies supported increase in Profit
- // Unfavorable portfolio mix from lower corn sales growth impacted gross margin



Balance Sheet

| | ₹ millions | |
|-------------------------------|---------------|---------------|
| As At | 31-Mar-21 | 31-Mar-20 |
| Assets | | |
| Fixed Assets | 5,010 | 5,244 |
| Inventories | 13,251 | 9,635 |
| Trade Receivable | 7,549 | 7,180 |
| Cash and Cash Equivalents | 12,045 | 10,669 |
| Other Assets | 4,538 | 5,629 |
| | 42,393 | 38,357 |
| Equity and Liabilities | | |
| Shareholders' Fund | 25,503 | 25,725 |
| Trade Payables | 8,303 | 4,749 |
| Provisions | 1,680 | 1,844 |
| Other Liabilities | 6,907 | 6,039 |
| | 42,393 | 38,357 |

// Strong cash position even after significant interim dividend payout

// Other Assets: Provision of INR1,272 mio. in current year for income tax under Vivad Se Vishwas Scheme

// Inventory and Trade payable: Higher purchases for upcoming season



Cash Flow

₹ millions

| For the year ended | 31-Mar-21 | 31-Mar-20 |
|---|--------------|--------------|
| Operating profit before working capital changes | 8,566 | 7,737 |
| Net change in Working Capital | (74) | 281 |
| Taxes paid | (1,625) | (1,359) |
| Net cash from/ (used in) operating activities | 6,867 | 6,659 |
| Net cash from/ (used in) investing activities | 67 | (289) |
| Net cash from/ (used in) financing activities | (5,558) | (1,483) |
| Increase in Cash and Cash Equivalent | 1,376 | 4,887 |

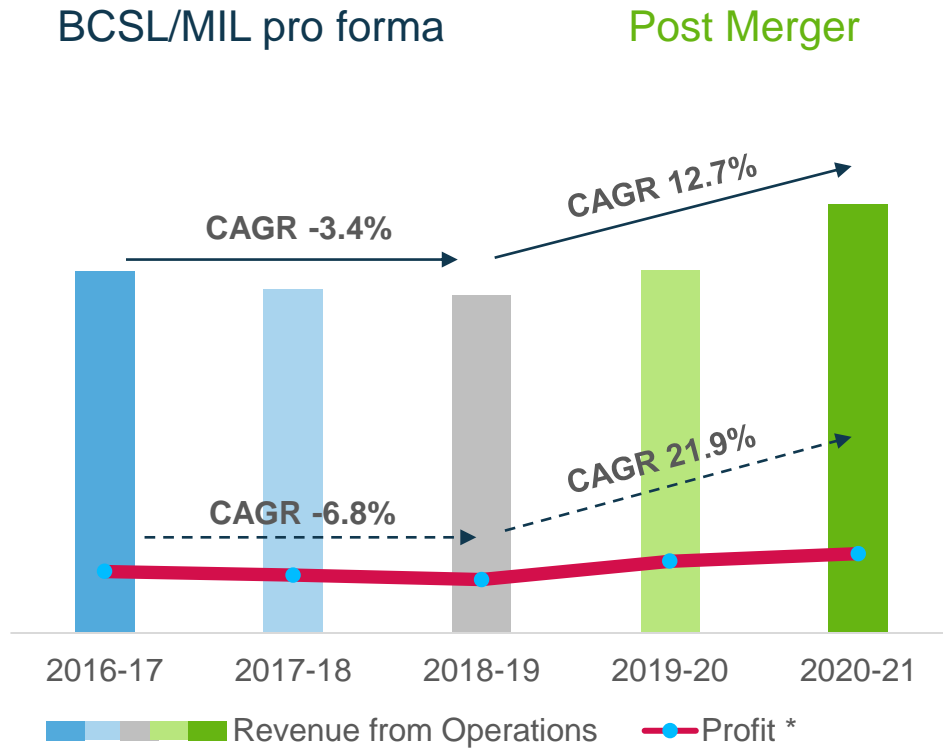
// Higher cashflow from business operations

// Strong focus on collection and better incentivization

// Interim Dividend payment of INR 4,036 mio. in current year



Synergies delivered ahead of schedule



* Profit Before Tax and Exceptional Items

- // **Topline Synergies** from combined distribution and portfolio strength mainly from Corn, Roundup and Laudis
- // **Operational Cost Savings** accelerated with timely integration of organizational and promotional measures
- // Integration **One Time Cost** related to employee separation and amalgamation expenses concluded
- // Strategic **Reinvestment** in **New Business models**, including Smallholder initiatives, Digital to augment future growth



BCSL Business update





COVID-19 impacting farmer behaviour & channel cashflow: factoring it in commercial decisions to tide over challenges



Covid-19 Rural Context

- // Rural areas impacted across the country
- // Agriculture related movement allowed but local authorities deciding on restrictions with no uniform rule across district / state
- // Agricultural operations being sustained by farmers with local / family labour
- // Adverse impact on commodity price of perishables - vegetables



Farmer

- // Farmers restricting movement to reduce risk due to prevalence of COVID-19 in rural areas
- // Limited access to labour will play a role in purchase decisions – similar to previous year
- // Unlike normal, farmers may visit the market only once and buy what is available rather than explore the best solution / offer



Channel

- // Shop opening duration being curtailed by local authorities despite agriculture inputs being defined as 'essential'
- // Retailers / Distributors holding cash for emergency COVID-19 requirement
- // Channel cashflow impacted; both retailer & distributor lower ability and willingness to extend credit beyond a limit
 - // Lower risk appetite, unlike last year



Commercial Ops

- // Restricted field movement; team impacted due to increasing cases
- // Marketing, Capacity Building and Outreach efforts with farmer and channel moved online / digital
- // Considering extending credit duration / waiver of interest for channel on a need-basis to ensure product availability
- // On time & Last mile availability at retail points critical this season with little or no opportunity to make amends



Outstanding Achievement in a tough environment in Jan-Mar quarter; Kharif outlook normal

Growth in CP driven by Veg, Rice & Apple and pre-orders of RUP. Loss of spray in wheat in North in Jan-Mar

Loss of Spring Corn acres due to low commodity price result in lower Seed sale in Jan-Mar; made inroads in silage segment

CP Liquidation higher than last year; three-quarters of gain coming from Veg, Rice & Fruits; registered growth in almost all crops

Historically low inventory & low return; qualitative improvement in AR and low DSOs

Sales



Liquidation



Southwest monsoons most likely to be normal, according to the long-range forecast by the India Meteorological Department (IMD) - April 16, 2021

Commodity price improvement in Oilseeds & Cotton, continued volatility in Corn; large gains in Soy & Rice at levels similar to last kharif Perishable Veg crops like tomato & cauliflower continue to be lower

Cotton acres expected to stay stable & normal kharif acres of Rice. Move to oilseeds / soy expected at the expense of Corn

Weather



Commodity Price

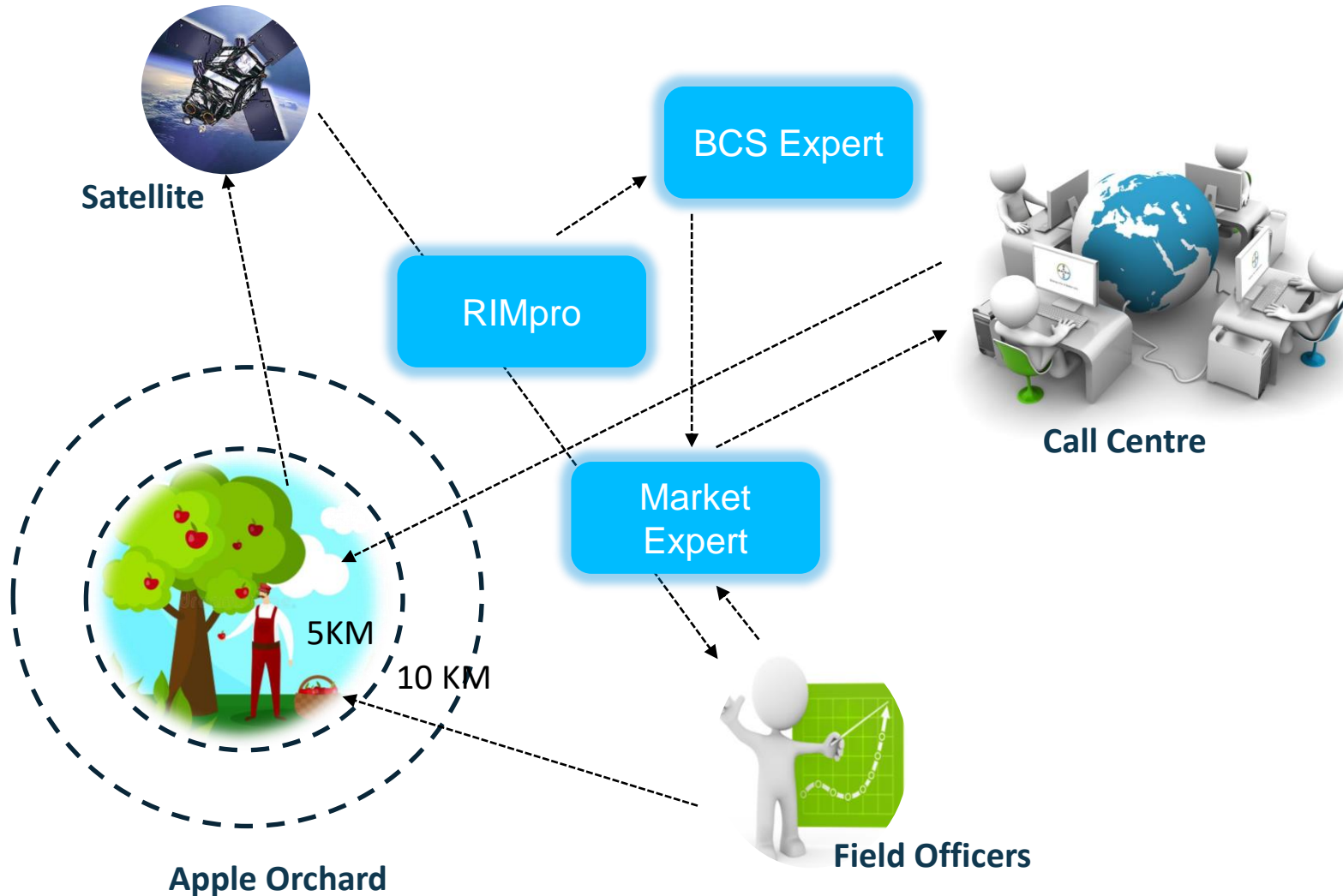


Acreages





Digital Initiatives creating value for farmers: AI application in apple orchards



Advance disease alert to farmers to improve quality of produce & create differentiation from competition

// No of Weather Stations:
HP - 16; Kashmir - 11

// No of Farmers' Group:
HP - 14; Kashmir - 8

// No of Farmers Engaged:
+6000

// Call Centre:
Kashmir - 1



Smallholders report substantial benefits from Bayer led initiatives & capacity building



- // Livelihood improvement
- // Financing Solutions & easy access to banking
- // Women empowerment & Rural development
- // Access to:-
 - // Capacity building forums
 - // Holistic eco-system via one uniform platform
 - // Products, technology and markets

Early outcomes from impact assessment for smallholder outreach during Covid-19



- // 93% respondents used the kits (entirely or partially)
- // High recall of products used with majority willing to purchase next season and to recommend



- // 90% reported the kits played a positive role in enhancing yields and income
- // Increase in avg yield as compared to use of conventional seeds (control group); across all crops
- // 36%, 31%, 28% higher yield of corn, millets & rice respectively in the group that attended agronomy training



- // Women farmers reported yield 19-20% below the average yield
- // Scope for improvement in participation of women farmers in trainings
- // A more focused approach needed to improve gender specific outcomes

April 2021: United Nations Economic Commission for Europe (UNECE) special commendation to Better Life Farming



Key Takeaways





Key Takeaways



- Successful Integration, leveraging our combined portfolio and channel strength
- Improving Farm incomes and Sustainability - Core to our key deliverables
- Good long-term outlook with strong focus on market expansion
- Innovation Drive : New business models, brands, digital solutions to enhance the overall eco-system
- Financial Discipline remains key to ensure Strategic Value Creation



Thank You!

