



Investor Meet

Bayer CropScience Ltd.

November 15, 2019





Forward-Looking Statements

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

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

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



ONE team, ONE mission





Agenda

- // **Update - Bayer Global**
- // MIL – BCSL Combined Organization
- // Precision Breeding- Innovation in Agriculture
- // BCSL: Financial perspective
- // BCSL- Business Update





Key Data – First Nine Months of 2019

Group by Segments in € Million

Sales

Other / Reconciliation

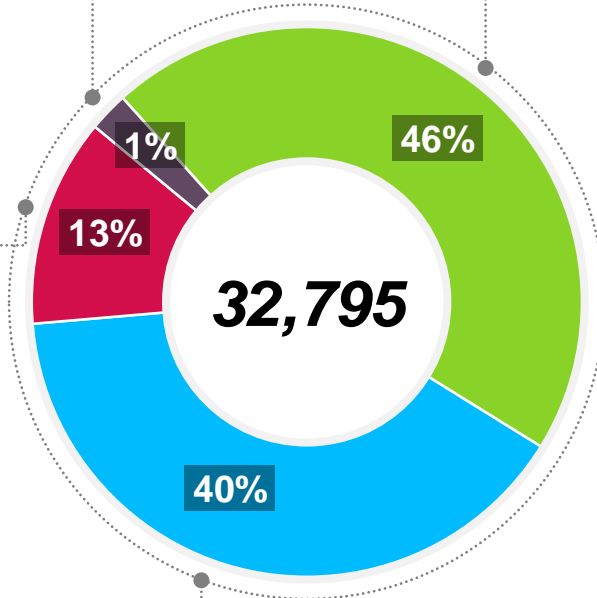
210

Crop Science

15,180
+2.6%*

Consumer Health

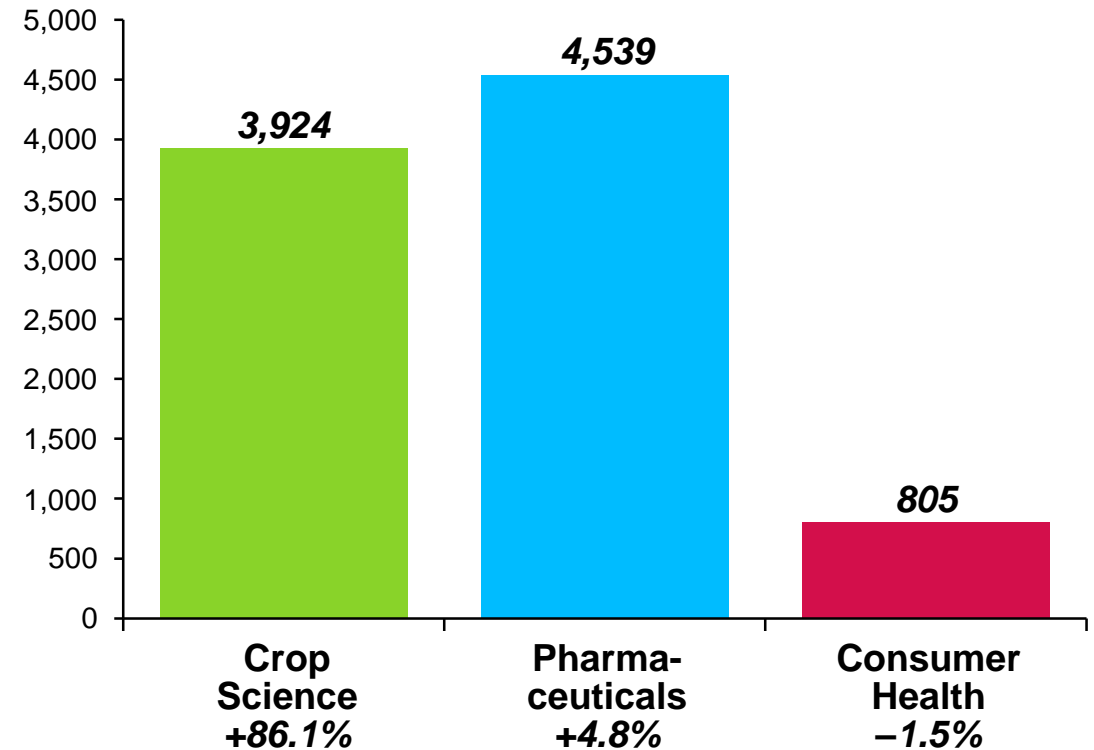
4,125
+1.4%*



Pharmaceuticals

13,280
+5.0%*

EBITDA before special items



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



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Need for Innovation Driven by Megatrends

Producing More with Less: A Fundamental Driver for our Crop Science Business

Megatrends
through 2050

Societal Needs

Growing Population

+2.2bn
people¹



+50%

more food and feed
required to meet
growing demand and
changing diets²

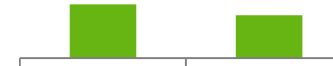
Pressure on Ecosystems



-17%

Harvest losses from
climate change³

-20%



2016 2050
Significant loss in
arable land per capita⁴

Secure a sufficient
supply of quality food

Use natural resources more
efficiently and responsibly



Science For A Better Life

¹ UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision); ² FAO 2017 (FAO Global Perspective Studies)

³ Nelson et. all. (2104); (2) FAO 2016 "Climate change and food security"; ⁴ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data.



2050 Megatrends: India

Need for innovation and rapid growth in Agriculture



India, projected to surpass China as the world's most populous country by 2027. Expected to add ~273 million by 2050 as per UN Reports



Food demand will increase by 70% by 2050 and is already outstripping domestic food production / supply



Half of India's population will be urban by 2050

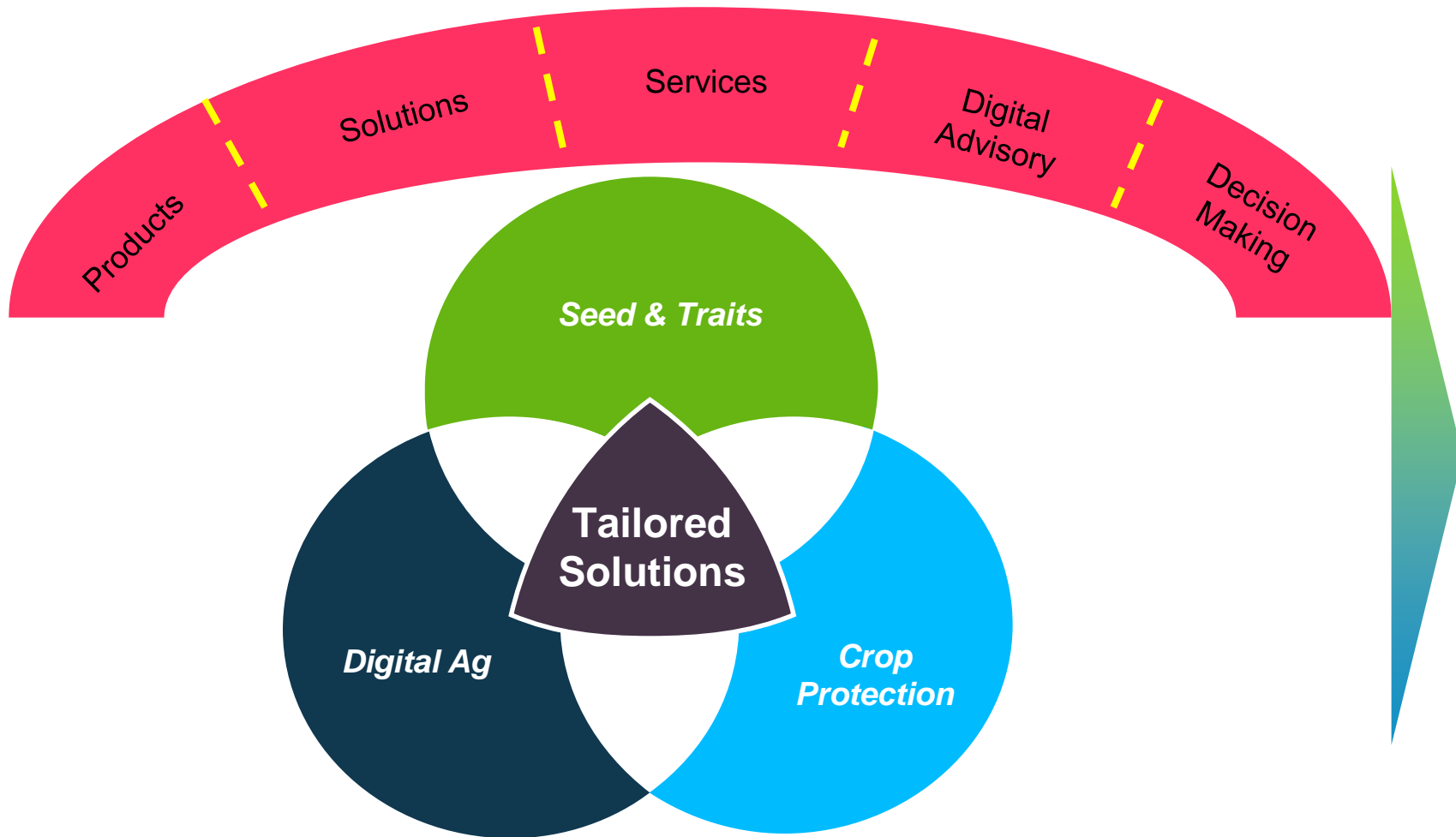
**DOUBLING
FARMERS' INCOMES**

**DRIVE SUSTAINABLE
AGRICULTURE**

**NATIONAL PRIORITIES
SUPPORTED BY BCSL
STRATEGIC DIRECTION
& BAYER AG VISION**



Combined offering of both companies from Customer's (Farmer's) perspective

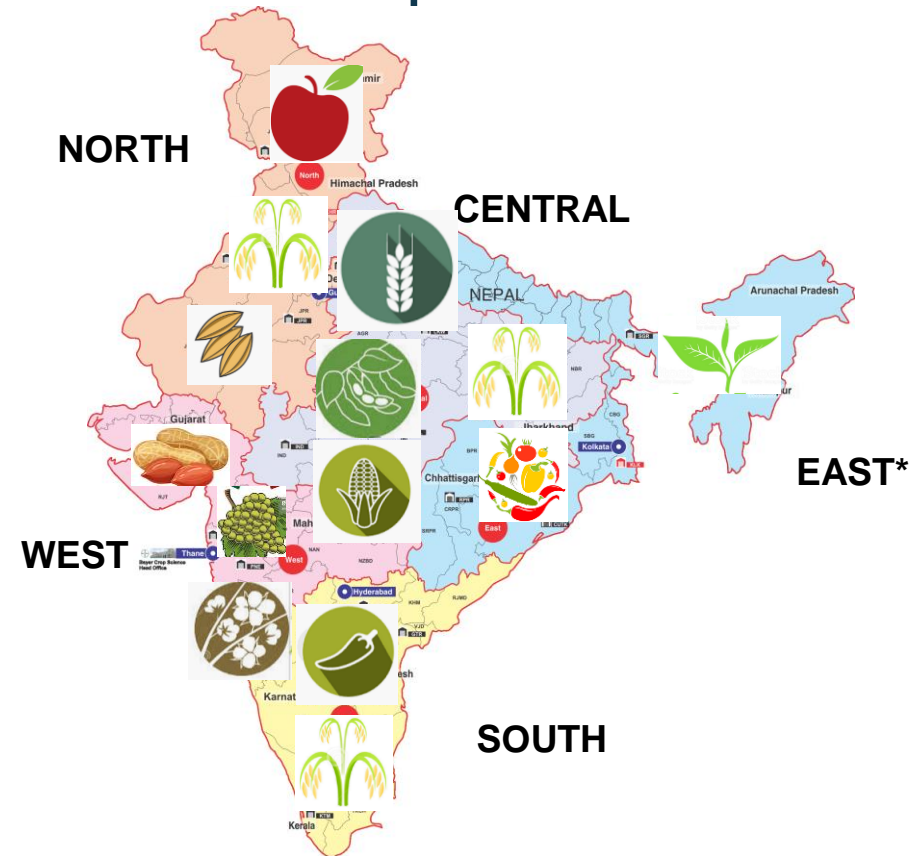




New Organizational Structure of commercial operations

Improved focus with 5 Commercial Units

- // Aiming at agility in decisions and execution with less layers between COO and Field Staff
- // Based on focus and potential of respective market
- // Inline with the synergy delivery
- // Closer Channel engagement
- // Separate Grower Engagement





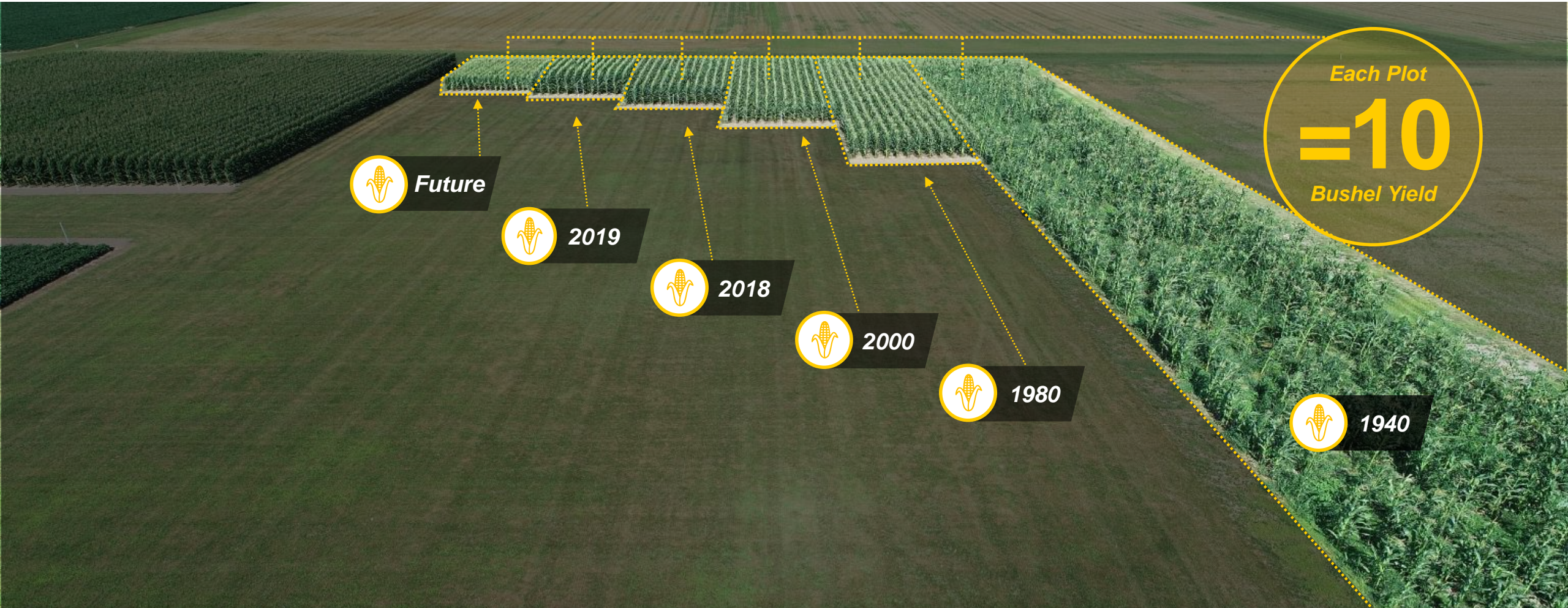
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- // **Precision Breeding- Innovation in Agriculture**
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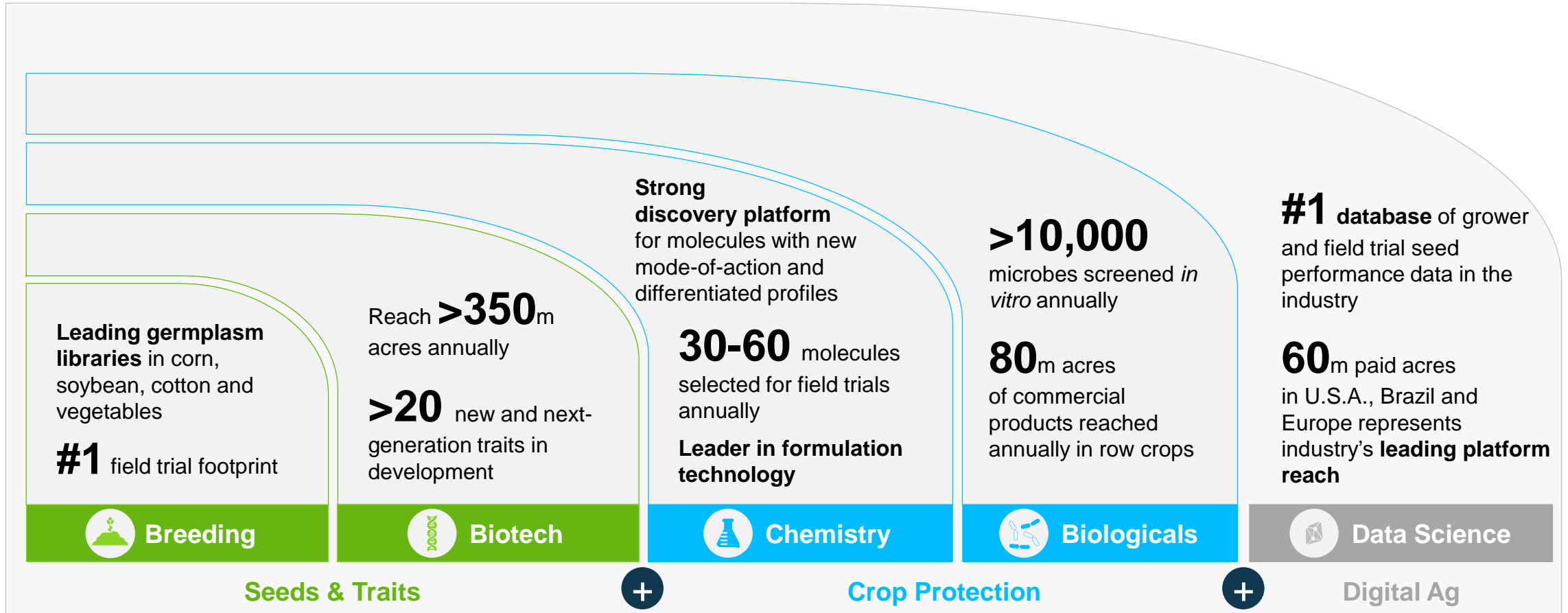
Innovation in agriculture allows us to grow more with less in a more sustainable manner





Convergence of Leading R&D Platforms

Extensive Germplasm and Biotech Foundation, Leadership in Chemistry and Biologicals, and Data Science Optimization Serve as Innovation Engine to Accelerate Benefits for Farmers



Best positioned to discover, combine and tailor solutions for growers



Seeds

Laying the foundation for a successful planting season

Through high quality seeds and traits,
we deliver solutions to help farmers

- // **Protect harvests** against damaging weeds, insects, diseases, and stresses like drought and heat
- // **Enhance productivity** and sustainability
- // **Improve the quality and characteristics** of harvested crops to meet the needs from seed to shelf; e.g., better cotton fibers, improved flavor in produce





Proprietary Global, Diverse Germplasm Library Foundational to Successful Breeding Program

Our germplasm library includes *hundreds of thousands of unique sets of genetic information.*

Our diversity of germplasm, based on seed companies and global assets acquired over more than 20 years, helps us generate *more than 1 million new genetic combinations every year.*

This is the *foundation for continued seed product development* that can perform in the various field environments in which our customers farm.





Evolving from Selecting the Best to Designing the Best

Precision Breeding Tools Lead to Best Recommendations for Growers

// Proprietary Seed Chipping Technology enables breeder to **know every seed**



// Latest marker-assisted breeding, genetic mapping and predictive analytics to **increase the number of products screened early in the breeding process**



// Driving faster decisions to pinpoint which products are best **for testing in local fields**



// Powered by data analytics, breeders can make more informed **selections earlier in the pipeline** to enable **longer field testing before commercialization**



Seed Chipper



Sample of DNA from seed chip is sequenced and analyzed

Sequencing Machine



Millions of data records are analyzed every night, all year round from our breeding database, accelerating our research pipeline. Use of molecular markers identifies key genes in combating diseases.



A 2X2 inch gene sequencing chip holds the equivalent of 14 acres of information



Key Takeaways

Breeding Technology

1

Leading breeding genetics and technology platform is a pipeline frontrunner in scale and value

2

Investment in data science and machine learning leverage data for thousands of pipeline decisions

3

AI driven, globally connected pipeline is unlocking new potential fueled by globally connected data and insights

4

Protected culture and advanced breeding methods drive increases in cycle-time and throughput for breeding improvements, biotech trait delivery and gene edits

5

***Precision Breeding* enables a new generation of products and data insights**



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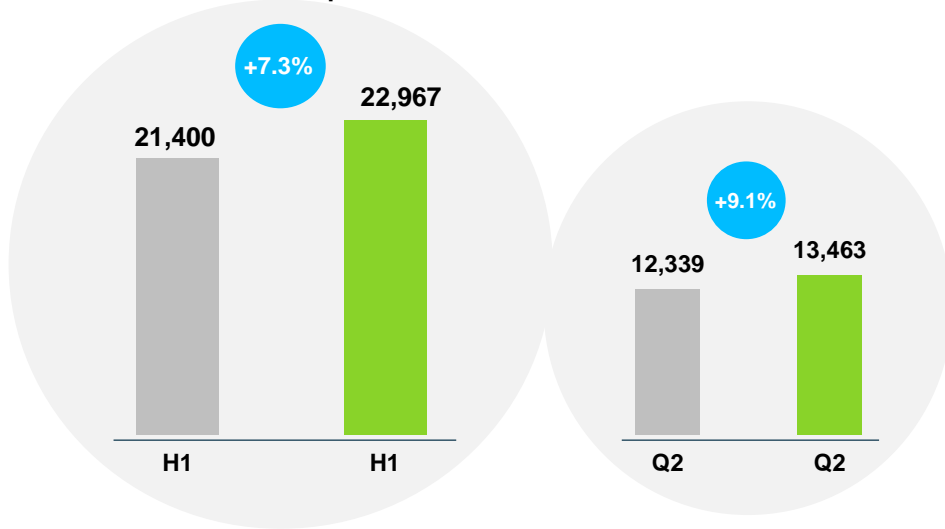




Financial Performance

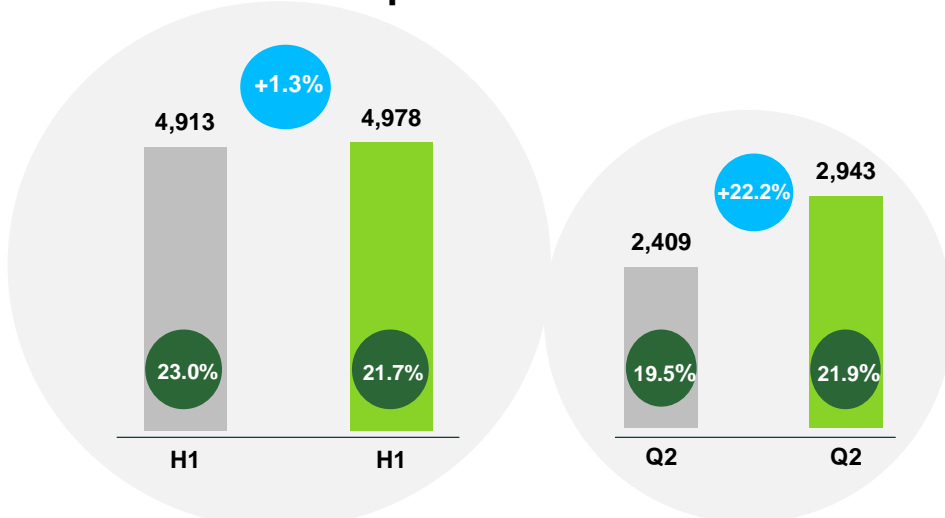
2018-19 2019-20

Revenue from Operations



- // Good Kharif planting season during Q2 aided by strong performances in key crops including corn and vegetables offsetting effects from a slow onset of the monsoon
- // Sales linked to Liquidation
- // On a proforma base HY1 stands at -1% growth

Profit Before Exceptional Items and Tax



- // Margin progression impacted by material cost increases mainly triggered by significant Fall Army Warm (FAW) infestations in Corn and product mix
- // Integration activities are well on track to deliver gross savings amount by end of the FY 2022/23

The H1 results are not comparable as H1 2018-19 include results of erstwhile Monsanto India Ltd from June 7, 2018



Balance Sheet

₹ millions

As At	30-Sep-2019	30-Sep-2018
Assets		
Fixed Assets	5,266	4,823
Inventories	8,839	7,940
Trade Receivable	14,523	15,873
Cash and Cash Equivalents	3,242	4,091
Other Assets	5,816	5,890
	37,686	38,617

- // Fixed Assets - Ind AS 116 (Leases) implementation
- // Inventories - driven by returns in previous quarter
- // Receivables – Continued focus on credit management

Equity and Liabilities		
Shareholders Fund	24,167	22,961
Borrowings	-	1,719
Trade Payables	3,468	4,967
Provisions	1,688	1,333
Other Liabilities	8,363	7,637
	37,686	38,617

- // Trade Payables – from different phasing of purchases and seasonal shift
- // Provisions for integration related expenses



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Key Business highlights and achievements of H1 2019



Placement Tactics

// Placement closer to liquidation window coupled with good liquidation has brought down inventory CP business/ bettered WoC

Positive Contributors

// Apple business was as per expectation with improvement in sales and liquidation
// Paddy business growth both in CP & Seeds
// New milestone in Arize business with volume achievement 15,570 MT

Negative Contributors

// Cotton crop damage due to scarcity of rain had led to losses in Maharashtra, Gujarat and AP states
// Fruit (Pomegranate) & Vegetables (Onion, Tomato) business impacted in western Maharashtra

Combined Portfolio Success

// Combined portfolio of Corn, fruits and vegetables had impressive growth in Kharif season
// Similar trend is expected in Rabi season starting from Nov month



New Launches: Drivers for growth

EverGol Xtend & Velum prime



Budget
15 KL

Sept YTD 17 KL

Full Year est. 23
KL



Well trained team and trade – well planned campaigns

Key Regions converged with thorough product as well as seed and seedling disease training – how to identify

Clear target customer segmentation –

Growers want to save costly seed from getting wasted – generate value though FIT FAST FIRST

Knowledge transfer to growers focusing need gap vs product USPs - communication to early adopters. Nursery field ready for growers to see before sowing – treated vs un-treated

Quick spread through market priming activities – Launches involving opinion leader growers/ trade partners/ University personnel /



25000 Treated Acres



Happy Farmers

+10 Crops for market Development





Key take-aways

1. Successful completion of legal Merger with integration activities well on track
2. Q2 with 9% growth on a positive trend
3. Continue emphasis on innovative solutions as key driver of the combined business for long term value creation

