

# Q1

**Quarterly Statement  
First Quarter of 2020**



## **Bayer: Good start to 2020 – activities marked by COVID-19**

- // Employee safety and business continuity are top priorities
- // Wide-ranging humanitarian and social engagement
- // Group sales increase to €12.8 billion (Fx & portfolio adj. +6.0%)
- // EBITDA before special items up by 10.2% to €4.4 billion
- // All divisions report higher sales and earnings – strong demand at Consumer Health
- // Net income €1.5 billion (+20.0%)
- // Core earnings per share €2.67 (+9.9%)
- // Outlook for 2020: impact of COVID-19 not yet reliably quantifiable

## Bayer Group Key Data

€ million	Q1 2019	Q1 2020	Change %	Full Year 2019
<b>Sales</b>	12,252	12,845	+ 4.8	43,545
Change (adjusted for currency and portfolio effects) <sup>1</sup>			+ 6.0	+ 3.5%
<b>Change in sales<sup>1</sup></b>				
Volume	+ 4.0%	+ 6.6%		+ 2.6%
Price	+ 0.1%	- 0.6%		+ 0.9%
Currency	+ 1.2%	+ 0.3%		+ 1.5%
Portfolio	+ 40.4%	- 1.5%		+ 13.5%
<b>Sales by region</b>				
Europe/Middle East/Africa	3,953	4,238	+ 7.2	13,185
North America	5,056	5,317	+ 5.2	15,087
Asia/Pacific	2,123	2,112	- 0.5	8,610
Latin America	1,120	1,178	+ 5.2	6,663
<b>EBITDA<sup>1</sup></b>	<b>2,939</b>	<b>3,776</b>	<b>+ 28.5</b>	<b>9,529</b>
Special items <sup>1</sup>	(1,044)	(615)		(1,945)
<b>EBITDA before special items<sup>1</sup></b>	<b>3,983</b>	<b>4,391</b>	<b>+ 10.2</b>	<b>11,474</b>
EBITDA margin before special items <sup>1</sup>	32.5%	34.2%		26.3%
<b>EBIT<sup>1</sup></b>	<b>1,780</b>	<b>2,499</b>	<b>+ 40.4</b>	<b>4,162</b>
Special items <sup>1</sup>	(1,043)	(639)		(2,813)
<b>EBIT before special items<sup>1</sup></b>	<b>2,823</b>	<b>3,138</b>	<b>+ 11.2</b>	<b>6,975</b>
<b>Financial result</b>	<b>(298)</b>	<b>(652)</b>	<b>+ 118.8</b>	<b>1,309</b>
<b>Net income (from continuing and discontinued operations)</b>	<b>1,241</b>	<b>1,489</b>	<b>+ 20.0</b>	<b>4,091</b>
Earnings per share <sup>1</sup> from continuing and discontinued operations (€)	1.27	1.52	+ 19.7	4.17
Core earnings per share <sup>1</sup> from continuing operations (€)	2.43	2.67	+ 9.9	6.38
<b>Net cash provided by operating activities (from continuing and discontinued operations)</b>	<b>1,079</b>	<b>(229)</b>	.	<b>8,207</b>
Free cash flow (from continuing and discontinued operations)	508	(793)	.	4,214
<b>Net financial debt (at end of period)</b>	<b>36,740</b>	<b>35,399</b>	<b>- 3.6</b>	<b>34,068</b>
<b>Cash outflows for capital expenditures and intangible assets (from continuing and discontinued operations)</b>	<b>395</b>	<b>391</b>	<b>- 1.0</b>	<b>2,650</b>
<b>Research and development expenses</b>	<b>1,317</b>	<b>1,302</b>	<b>- 1.1</b>	<b>5,301</b>
<b>Depreciation, amortization and impairment losses/loss reversals</b>	<b>1,159</b>	<b>1,277</b>	<b>+ 10.2</b>	<b>5,367</b>
<b>Number of employees<sup>2</sup> (at end of period)</b>	<b>107,202</b>	<b>102,201</b>	<b>- 4.7</b>	<b>103,824</b>
Personnel expenses (including pension expenses) <sup>3</sup>	3,278	2,760	- 15.8	11,788

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

<sup>2</sup> Employees calculated as full-time equivalents (FTEs)

<sup>3</sup> Personnel expenses in the prior-year period included additions to provisions in connection with restructuring programs.

## Key Events

Our business activities were greatly marked by the COVID-19 pandemic in the first quarter of 2020. With our product portfolio in health and nutrition, we have shown our ability to successfully continue our business operations and deliver a positive contribution for our stakeholders even in a challenging environment.

We have implemented extensive measures at our sites in a bid to halt or at least slow the spread of the virus. In doing so we observe, and sometimes exceed, the guidance and directives of national governments and health authorities. The health and safety of our employees is our top priority. We are also focusing on ensuring that patients, farmers and consumers receive our products and life-saving medicines.

While the COVID-19 pandemic is leading to higher sales at some business units due to a substantial increase in demand caused in part by inventory buildup, the restrictions related to the pandemic are having an adverse impact on parts of our business. Due to the implemented measures, we have been able to maintain our business operations throughout the world, especially in production and logistics.

We have also provided substantial support in areas affected by COVID-19, such as through donations of money, medicines and medical supplies and the provision of testing equipment from our laboratories, complemented by exceptional efforts on the part of our employees.

Further key events are outlined below:

In February we announced that we had entered into a definitive agreement to transfer a large part of our Berlin-based small molecule research unit to Nuvisan ICB GmbH, Neu-Ulm, Germany. The Nuvisan group is an international service provider for clinical studies, laboratory services and contract manufacturing for the pharmaceuticals industry. The agreement will support Bayer's increased focus on the flexibility and productivity of its R&D operating model.

In late February, the Supervisory Board of Bayer AG resolved to appoint Prof. Dr. Norbert Winkeljohann as its new Chairman with effect from the end of the Annual Stockholders' Meeting on April 28, 2020. He will succeed Werner Wenning, who will then step down from the Supervisory Board.

At the end of March we announced the results of a voluntary special audit of our due diligence procedures conducted by Prof. Dr. Hans-Joachim Böcking of the Goethe University, Frankfurt am Main. The audit, which was conducted on the basis of recent projects, found that our internal specifications and requirements for conducting due diligence are appropriate for material M&A transactions in the future. It also confirmed that numerous internal reporting lines through which employees tasked with due diligence investigations for material M&A transactions can communicate right up to top management level exist to an appropriate extent, and that the M&A transactions, the related procedures and reporting lines are monitored.

## Earnings Performance of the Bayer Group<sup>1</sup>

In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), financial information is given for continuing operations unless otherwise explicitly indicated. Here it should be noted that the previously reportable Animal Health segment has been reported under discontinued operations since the divestment agreement was signed, as was the Currenta business in 2019. The data for prior periods has been restated accordingly. As explained in the Annual Report 2019, we adjusted our internal value flows at the start of 2020. Information on the impact of this change in the first quarter is provided from page 17 ("Modified Value Flow Concept").

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<sup>1</sup> For definition of alternative performance measures see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## First quarter of 2020

### Group sales

Group sales in the first quarter of 2020 rose by 6.0% (Fx & portfolio adj.) to €12,845 million (reported: +4.8%), of which Germany accounted for €743 million.

Crop Science posted a 5.7% sales increase (Fx & portfolio adj.) to €6,834 million, with all regions contributing to growth. Sales at Pharmaceuticals advanced by 3.9% (Fx & portfolio adj.) to €4,546 million, mainly due to the sales gains for Xarelto™. Consumer Health grew sales by 13.5% (Fx & portfolio adj.) to €1,398 million, driven primarily by a substantial increase in demand due to the COVID-19 pandemic.

### EBITDA before special items

Group EBITDA before special items rose by 10.2% to €4,391 million. This figure included a positive currency effect of €41 million. EBITDA before special items at Crop Science moved ahead by 13.5% to €2,611 million, mainly due to higher volumes. At Pharmaceuticals, EBITDA before special items advanced by 7.3% to €1,594 million, largely as a result of the good development of business. EBITDA before special items at Consumer Health rose by 3.8% to €301 million, with an increase in sales standing against higher marketing expenses and other factors.

### EBIT and special items

Group EBIT advanced by 40.4% to €2,499 million (Q1 2019: €1,780 million), after net special charges of €639 million (Q1 2019: €1,043 million) that primarily related to legal fees, ongoing restructuring programs and the integration of Monsanto. We also recorded impairment losses at Crop Science in connection with a production facility at the Herbicides unit, as well as an impairment loss reversal at Consumer Health for our Afrin™ brand. EBIT before special items rose by 11.2% to €3,138 million (Q1 2019: €2,823 million).

The following special effects were taken into account in calculating EBIT and EBITDA:

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<b>Special Items by Category<sup>1</sup></b>				
€ million	EBIT Q1 2019	EBIT Q1 2020	EBITDA Q1 2019	EBITDA Q1 2020
<b>Total special items</b>	(1,043)	(639)	(1,044)	(615)
<b>Crop Science</b>	(616)	(279)	(616)	(201)
<b>Pharmaceuticals</b>	(16)	(252)	(16)	(252)
<b>Consumer Health</b>	(27)	43	(27)	(11)
<b>Reconciliation</b>	(384)	(151)	(385)	(151)
<b>Special items by category</b>				
Restructuring	(392)	(130)	(393)	(130)
of which in the Reconciliation	(365)	(129)	(366)	(129)
Acquisition/integration	(492)	(103)	(492)	(102)
of which in the Reconciliation	(6)	–	(6)	–
Divestments	(108)	(14)	(108)	(14)
of which in the Reconciliation	–	(9)	–	(9)
Litigations/legal risks	(51)	(368)	(51)	(368)
of which in the Reconciliation	(13)	(13)	(13)	(13)
Impairment losses/loss reversals	–	(24)	–	(1)

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

### Income after income taxes from discontinued operations

Income after income taxes from discontinued operations amounted to €120 million (Q1 2019: €112 million) and was attributable to Animal Health. The prior-year figure also included the Currenta Group business.

Sales at Animal Health rose by 17.2% (Fx & portfolio adj.) to €496 million (Q1 2019: €421 million). The substantial growth is attributable to the positive performance of Seresto™ (€153 million, Fx & portfolio adj. +51.0%) and the Advantage™ product family (€115 million, Fx & portfolio adj. +10.5%), both of which registered their strongest sales gains in the United States. This development was partly attributable to inventory buildup effects in connection with the ongoing COVID-19 pandemic. In addition to strong sales growth of 35.8% (Fx & portfolio adj.) to €214 million in North America following a weak prior-year quarter, business also expanded by 9.1% (Fx & portfolio adj.) to €162 million in Europe/Middle East/Africa and by 12.2% (Fx & portfolio adj.) to €41 million in Latin America. Sales in Asia/Pacific, at €79 million (Fx & portfolio adj. –0.8%), were level with the prior-year quarter. EBITDA before special items at Animal Health increased by 36.3% to €199 million (Q1 2019: €146 million), primarily due to sales gains as a result of higher volumes.

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### Income Statements for Discontinued Operations

€ million	Currenta		Animal Health		Total	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
<b>Net sales</b>	<b>342</b>	<b>–</b>	<b>421</b>	<b>496</b>	<b>763</b>	<b>496</b>
Cost of goods sold	(295)	–	(123)	(139)	(418)	(139)
<b>Gross profit</b>	<b>47</b>	<b>–</b>	<b>298</b>	<b>357</b>	<b>345</b>	<b>357</b>
Selling expenses	(3)	–	(117)	(124)	(120)	(124)
Research and development expenses	–	–	(29)	(32)	(29)	(32)
General administration expenses	(5)	–	(14)	(53)	(19)	(53)
Other operating income/expenses	(2)	–	(5)	4	(7)	4
<b>EBIT<sup>1</sup></b>	<b>37</b>	<b>–</b>	<b>133</b>	<b>152</b>	<b>170</b>	<b>152</b>
<b>Financial result</b>	<b>(16)</b>	<b>–</b>	<b>(1)</b>	<b>(1)</b>	<b>(17)</b>	<b>(1)</b>
<b>Income before income taxes</b>	<b>21</b>	<b>–</b>	<b>132</b>	<b>151</b>	<b>153</b>	<b>151</b>
Income taxes	(7)	–	(34)	(31)	(41)	(31)
<b>Income after income taxes</b>	<b>14</b>	<b>–</b>	<b>98</b>	<b>120</b>	<b>112</b>	<b>120</b>
of which attributable to noncontrolling interest	–	–	–	–	–	–
of which attributable to Bayer AG stockholders (net income)	14	–	98	120	112	120

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

### Net income

After a financial result of minus €652 million (Q1 2019: minus €298 million), income before income taxes amounted to €1,847 million (Q1 2019: €1,482 million). The financial result mainly comprised a loss of €166 million from investments in affiliated companies (Q1 2019: income of €62 million), net interest expense of €364 million (Q1 2019: €335 million) and interest cost of €65 million (Q1 2019: €59 million) for pension and other provisions. The financial result included net special charges of €159 million (Q1 2019: net special gains of €54 million) that mainly resulted from the change in the fair value of our interest in Covestro. After deducting income tax expense of €479 million (Q1 2019: €358 million) and accounting for noncontrolling interest, net income in the first quarter of 2020 came in at €1,489 million (Q1 2019: €1,241 million).

### Core earnings per share

Earnings per share (total) increased to €1.52 in the first quarter of 2020 (Q1 2019: €1.27). Core earnings per share from continuing operations rose by 9.9% to €2.67 (Q1 2019: €2.43).

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**Core Earnings per Share<sup>1</sup>**

€ million	Q1 2019	Q1 2020
<b>EBIT (as per income statements)</b>	<b>1,780</b>	<b>2,499</b>
Amortization and impairment losses/loss reversals on goodwill and other intangible assets	702	767
Impairment losses/loss reversals on property, plant and equipment, and accelerated depreciation included in special items	(2)	80
Special items (other than accelerated depreciation, amortization and impairment losses/loss reversals)	1,044	615
<b>Core EBIT</b>	<b>3,524</b>	<b>3,961</b>
Financial result (as per income statements)	(298)	(652)
Special items in the financial result	(54)	159
Income taxes (as per income statements)	(358)	(479)
Special items in income taxes	-	-
Tax effects related to amortization, impairment losses/loss reversals and special items	(441)	(366)
Income after income taxes attributable to noncontrolling interest (as per income statements)	5	1
Above-mentioned adjustments attributable to noncontrolling interest	-	(1)
<b>Core net income from continuing operations</b>	<b>2,378</b>	<b>2,623</b>
Shares (million)		
Weighted average number of shares <sup>2</sup>	980.15	982.42
€		
<b>Core earnings per share from continuing operations</b>	<b>2.43</b>	<b>2.67</b>

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Business Development by Division

### Crop Science

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**Key Data – Crop Science**

€ million	Q1 2019	Q1 2020	Change % <sup>1</sup>	
			Reported	Fx & p adj.
<b>Sales</b>	<b>6,444</b>	<b>6,834</b>	<b>+ 6.1</b>	<b>+ 5.7</b>
<b>Change in sales<sup>1</sup></b>				
Volume	+ 3.7%	+ 5.5%		
Price	+ 1.8%	+ 0.2%		
Currency	+ 0.2%	+ 0.4%		
Portfolio	+ 119.5%	0.0%		
<b>Sales by region</b>				
Europe/Middle East/Africa	1,764	1,894	+ 7.4	+ 7.8
North America	3,524	3,713	+ 5.4	+ 2.5
Asia/Pacific	388	416	+ 7.2	+ 8.0
Latin America	768	811	+ 5.6	+ 14.3
<b>EBITDA<sup>1</sup></b>	<b>1,685</b>	<b>2,410</b>	<b>+ 43.0</b>	
Special items <sup>1</sup>	(616)	(201)		
<b>EBITDA before special items<sup>1</sup></b>	<b>2,301</b>	<b>2,611</b>	<b>+ 13.5</b>	
EBITDA margin before special items <sup>1</sup>	35.7%	38.2%		
<b>EBIT<sup>1</sup></b>	<b>978</b>	<b>1,500</b>	<b>+ 53.4</b>	
Special items <sup>1</sup>	(616)	(279)		
<b>EBIT before special items<sup>1</sup></b>	<b>1,594</b>	<b>1,779</b>	<b>+ 11.6</b>	
<b>Net cash provided by operating activities</b>	<b>(485)</b>	<b>(1,761)</b>		
Capital expenditures	223	163	- 26.9	
Research and development expenses	564	560	- 0.7	

2019 figures restated; fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## First quarter of 2020

### Sales

Sales at Crop Science increased by 5.7% (Fx & portfolio adj.) to €6,834 million in the first quarter of 2020, with all regions registering growth.

- // Business at **Corn Seed & Traits** expanded in all regions. In Europe/Middle East/Africa, we benefited from shifts in demand from the second quarter. Business in North America was buoyed by an anticipated substantial increase in acreages, while growth in Latin America was mainly the result of higher volumes in Brazil and Mexico.
- // Sales at **Herbicides** were also up year on year. Uncertainty due to COVID-19 brought forward demand and resulted in substantial volume growth, especially in the Asia/Pacific and North America regions. In addition, normalized weather conditions in North America resulted in higher volumes.
- // Sales at **Fungicides** rose by a double-digit percentage. Business in Europe/Middle East/Africa improved following a weak prior-year quarter that was adversely impacted by drought and a late start to the season. In North America we benefited from higher volumes in the United States. The market launch of Fox Xpro™ in Brazil in the prior year had a positive effect on business in Latin America. In Asia/Pacific, however, we recorded a decline in China in particular as a result of the restrictions in connection with COVID-19.
- // At **Soybean Seeds & Traits**, sales were down against the prior-year quarter. Declines in North America due in part to lower selling prices were only partially offset by strong sales gains in Latin America.
- // Business at **Insecticides** was up in all regions. In North America and Europe/Middle East/Africa, in particular, we primarily benefited from a good start to the season in the respective countries as well as shifts in demand from future quarters.
- // We also increased sales at **Environmental Science**. Our business with professional users was up against the prior-year quarter, primarily due to the favorable weather conditions in North America and higher volumes in Europe/Middle East/Africa.
- // Sales at **Vegetable Seeds** were down, especially in North America, due to shifts in demand into the previous quarter and the impact of COVID-19.
- // Sales at the reporting unit **Other** declined overall. We registered a decrease in sales for our oilseed rape/canola seed business due to a reduction in acreages and lower market share. In our cotton seed business, by contrast, we achieved stronger market penetration and an increase in selling prices in Brazil as well as higher volumes and selling prices in the United States.

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### Sales by Strategic Business Entity

€ million	Q1 2019	Q1 2020	Change % <sup>1</sup>	
			Reported	Fx & p adj.
<b>Crop Science</b>	<b>6,444</b>	<b>6,834</b>	<b>+ 6.1</b>	<b>+ 5.7</b>
Corn Seed & Traits	2,374	2,650	+ 11.6	+ 9.8
Herbicides	1,373	1,420	+ 3.4	+ 4.8
Fungicides	697	785	+ 12.6	+ 14.0
Soybean Seed & Traits	604	568	- 6.0	- 7.6
Insecticides	336	382	+ 13.7	+ 15.4
Environmental Science	252	283	+ 12.3	+ 11.1
Vegetable Seeds	168	146	- 13.1	- 13.5
Other	640	600	- 6.2	- 6.1

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Earnings

**EBITDA before special items** at Crop Science rose in the first quarter of 2020 by 13.5% to €2,611 million (Q1 2019: €2,301 million). The increase was primarily attributable to advance demand in connection with COVID-19, higher volumes in all regions and the realization of cost synergies as we progress with the integration of the acquired business. There was also a positive currency effect of €29 million.

**EBIT** amounted to €1,500 million (Q1 2019: €978 million) after net special charges of €279 million (Q1 2019: €616 million) that primarily related to the integration of Monsanto, defense costs in connection with the glyphosate litigation, and impairments recognized on a production facility in the Herbicides unit.

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### Special Items<sup>1</sup> Crop Science

€ million	EBIT Q1 2019	EBIT Q1 2020	EBITDA Q1 2019	EBITDA Q1 2020
Acquisition/integration	(486)	(103)	(486)	(102)
Divestments	(99)	(5)	(99)	(5)
Litigations/legal risks	(31)	(94)	(31)	(94)
Impairment losses/loss reversals	–	(77)	–	–
<b>Total special items</b>	<b>(616)</b>	<b>(279)</b>	<b>(616)</b>	<b>(201)</b>

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Pharmaceuticals

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### Key Data – Pharmaceuticals

€ million	Q1 2019	Q1 2020	Change % <sup>1</sup>	
			Reported	Fx & p adj.
<b>Sales</b>	<b>4,354</b>	<b>4,546</b>	<b>+ 4.4</b>	<b>+ 3.9</b>
<b>Change in sales<sup>1</sup></b>				
Volume	+ 6.3%	+ 6.7%		
Price	– 1.0%	– 2.8%		
Currency	+ 1.6%	+ 0.5%		
Portfolio	– 0.1%	0.0%		
<b>Sales by region</b>				
Europe/Middle East/Africa	1,675	1,799	+ 7.4	+ 7.0
North America	925	1,009	+ 9.1	+ 6.4
Asia/Pacific	1,529	1,504	– 1.6	– 2.8
Latin America	225	234	+ 4.0	+ 15.7
<b>EBITDA<sup>1</sup></b>	<b>1,469</b>	<b>1,342</b>	<b>– 8.6</b>	
Special items <sup>1</sup>	(16)	(252)		
<b>EBITDA before special items<sup>1</sup></b>	<b>1,485</b>	<b>1,594</b>	<b>+ 7.3</b>	
EBITDA margin before special items <sup>1</sup>	34.1%	35.1%		
<b>EBIT<sup>1</sup></b>	<b>1,181</b>	<b>1,088</b>	<b>– 7.9</b>	
Special items <sup>1</sup>	(16)	(252)		
<b>EBIT before special items<sup>1</sup></b>	<b>1,197</b>	<b>1,340</b>	<b>+ 11.9</b>	
<b>Net cash provided by operating activities</b>	<b>1,270</b>	<b>957</b>	<b>– 24.6</b>	
Capital expenditures	80	120	+ 50.0	
Research and development expenses	696	686	– 1.4	

2019 figures restated

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."



## First quarter of 2020

### Sales

Sales at Pharmaceuticals rose by 3.9% (Fx & portfolio adj.) in the first quarter of 2020 to €4,546 million (Q1 2019: €4,354 million). Business was impacted by the implementation of new tender procedures in China as well as the spread of the COVID-19 pandemic and the related effects on medical care and ordering behavior.

- // We registered significant growth in sales of our oral anticoagulant **Xarelto™**, mainly due to higher volumes in Europe/Middle East/Africa resulting, among other things, from changes in ordering behavior due to COVID-19. In China and Russia we continued to grow our operational business. Our license revenues – recognized as sales – in the United States, where Xarelto™ is marketed by a subsidiary of Johnson & Johnson, were at the same level as in the prior-year quarter.
- // Sales of our eye medicine **Eylea™** were up slightly year on year. Declines caused by a change in ordering behavior due to imminent price reductions in Japan and France were offset by sales gains in the United Kingdom, Germany and Canada.
- // We saw a decrease in sales of our cancer drug **Nexavar™**, driven by a decline in business in China and lower volumes due to persistent competitive pressure in the United States.
- // Sales of our pulmonary hypertension treatment **Adempas™** rose substantially, primarily due to continued volume growth in the United States. As in the past, sales reflected the proportionate recognition of the upfront and milestone payments resulting from the sGC collaboration with Merck & Co., United States.
- // Business with our cancer drug **Stivarga™** continued to expand significantly, mainly as a result of higher volumes in China, the United States and Russia.
- // We recorded a significant sales decline for our diabetes treatment **Glucobay™** due to a sharp decrease in business in China resulting from restrictions in connection with COVID-19 and the significant price reductions anticipated with the introduction of the volume-based procurement policy.

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### Best-Selling Pharmaceuticals Products

€ million	Q1 2019	Q1 2020	Change % <sup>1</sup>	
			Reported	Fx & p adj.
Xarelto™	937	1,115	+ 19.0	+ 18.8
Eylea™	583	593	+ 1.7	+ 1.1
Mirena™ / Kyleena™ / Jaydess™	322	319	- 0.9	- 2.4
Kogenate™ / Kovaltry™ / Jivi™	213	237	+ 11.3	+ 9.6
YAZ™ / Yasmin™ / Yasminelle™	159	177	+ 11.3	+ 11.7
Aspirin™ Cardio	156	171	+ 9.6	+ 11.0
Nexavar™	184	163	- 11.4	- 11.4
Adalat™	175	162	- 7.4	- 8.3
Adempas™	95	123	+ 29.5	+ 26.5
Stivarga™	97	121	+ 24.7	+ 23.8
Glucobay™	187	116	- 38.0	- 38.2
Gadovist™ product family	105	112	+ 6.7	+ 6.9
Avalox™ / Avelox™	104	107	+ 2.9	+ 2.2
CT Fluid Delivery <sup>2</sup>	93	102	+ 9.7	+ 7.8
Betaferon™ / Betaseron™	101	102	+ 1.0	- 0.9
<b>Total best-selling products</b>	<b>3,511</b>	<b>3,720</b>	<b>+ 6.0</b>	<b>+ 5.4</b>
Proportion of Pharmaceuticals sales	81%	82%		

Fx & p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

<sup>2</sup> The CT Fluid Delivery product family comprises injection systems marketed primarily under the Stellant™ brand.

## Earnings

**EBITDA before special items** at Pharmaceuticals rose in the first quarter of 2020 by 7.3% to €1,594 million (Q1 2019: €1,485 million). This was primarily due to the good development of our business. There was also a positive currency effect of €14 million.

**EBIT** declined by 7.9% to €1,088 million (Q1 2019: €1,181 million) after net special charges of €252 million (Q1 2019: €16 million) that mainly comprised expenses in connection with the Essure™ litigation.

A9

### Special Items<sup>1</sup> Pharmaceuticals

€ million	EBIT Q1 2019	EBIT Q1 2020	EBITDA Q1 2019	EBITDA Q1 2020
Restructuring	(9)	10	(9)	10
Litigations/legal risks	(7)	(261)	(7)	(261)
Impairment losses/loss reversals	-	(1)	-	(1)
<b>Total special items</b>	<b>(16)</b>	<b>(252)</b>	<b>(16)</b>	<b>(252)</b>

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Consumer Health

A10

### Key Data – Consumer Health

€ million	Q1 2019	Q1 2020	Reported	Change % <sup>1</sup> Fx & p adj.
<b>Sales</b>	<b>1,395</b>	<b>1,398</b>	<b>+ 0.2</b>	<b>+ 13.5</b>
<b>Changes in sales<sup>1</sup></b>				
Volume	- 1.3%	+ 11.3%		
Price	- 0.1%	+ 2.2%		
Currency	+ 1.6%	- 0.1%		
Portfolio	- 1.2%	- 13.2%		
<b>Sales by region</b>				
Europe/Middle East/Africa	460	490	+ 6.5	+ 14.3
North America	603	583	- 3.3	+ 13.7
Asia/Pacific	206	192	- 6.8	+ 6.1
Latin America	126	133	+ 5.6	+ 22.3
<b>EBITDA<sup>1</sup></b>	<b>263</b>	<b>290</b>	<b>+ 10.3</b>	
Special items <sup>1</sup>	(27)	(11)		
<b>EBITDA before special items<sup>1</sup></b>	<b>290</b>	<b>301</b>	<b>+ 3.8</b>	
EBITDA margin before special items <sup>1</sup>	20.8%	21.5%		
<b>EBIT<sup>1</sup></b>	<b>181</b>	<b>263</b>	<b>+ 45.3</b>	
Special items <sup>1</sup>	(27)	43		
<b>EBIT before special items<sup>1</sup></b>	<b>208</b>	<b>220</b>	<b>+ 5.8</b>	
<b>Net cash provided by operating activities</b>	<b>239</b>	<b>147</b>	<b>- 38.5</b>	
Capital expenditures	25	27	+ 8.0	
Research and development expenses	51	50	- 2.0	

2019 figures restated

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## First quarter of 2020

### Sales

Sales at Consumer Health increased by 13.5% (Fx & portfolio adj.) to €1,398 million in the first quarter of 2020. The strong growth is primarily attributable to a substantial increase in demand due to the COVID-19 pandemic, partly for inventory buildup. We were able to respond very flexibly to significantly higher volumes and shifts in the product mix thanks to our supply chain operation.

- // Sales in the **Europe/Middle East/Africa** region rose by 14.3% (Fx & portfolio adj.) to €490 million, with business expanding in all categories. We posted significant increases in the Nutritionals category, with sales advancing across all brands. In the Dermatology category we achieved substantial sales gains in Germany and the Middle East, especially for our Bepanthen™ brand of wound and skin care products.
- // In the **North America** region, sales increased by 13.7% (Fx & portfolio adj.) to €583 million. We posted substantial sales growth in the Allergy & Cold category, especially for our antihistamine Claritin™. Business was also up in the Nutritionals category, primarily as a result of the impact of COVID-19 and product-line extensions for our One A Day™ vitamin range.
- // Sales in the **Asia/Pacific** region advanced by 6.1% (Fx & portfolio adj.) to €192 million, with significant growth in the Nutritionals category in particular outweighing some supply disruption in connection with COVID-19.
- // We recorded strong growth in **Latin America**, with sales rising 22.3% (Fx & portfolio adj.) to €133 million. Sales in this region were also lifted in the Nutritionals category, where business was up in Mexico, Ecuador and Brazil in particular.

A11

### Sales by Category

€ million	Q1 2019	Q1 2020	Change % <sup>1</sup>	
			Reported	Fx & p adj.
<b>Consumer Health</b>	1,395	1,398	+ 0.2	+ 13.5
Nutritionals	266	351	+ 32.0	+ 33.7
Allergy & Cold	310	361	+ 16.5	+ 14.5
Dermatology	266	278	+ 4.5	+ 4.6
Pain & Cardio	182	214	+ 17.6	+ 19.6
Digestive Health	169	181	+ 7.1	+ 6.6
Other <sup>2</sup>	202	13	- 93.6	- 2.2

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."<sup>2</sup> The divested sun care, prescription dermatology (outside the U.S.) and foot care businesses are included until their respective transfer dates (August 30, 2019, July 1, 2019, and November 1, 2019).

### Earnings

**EBITDA before special items** at Consumer Health increased by 3.8% to €301 million in the first quarter of 2020 (Q1 2019: €290 million) due to the substantial growth in sales, although the absence of earnings from the businesses divested in 2019 and higher marketing expenses had a negative impact. The efficiency program launched in late 2018 also had a positive effect on earnings.

**EBIT** rose by 45.3% to €263 million (Q1 2019: €181 million) after net special gains of €43 million (Q1 2019: net special charges of €27 million). The special gains resulted from the reversal of impairment losses recognized on our Afrin™ brand, while special charges in connection with the aforementioned efficiency program had a negative impact on EBIT.

A12

### Special Items<sup>1</sup> Consumer Health

€ million	EBIT	EBIT	EBITDA	EBITDA
	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Restructuring	(18)	(11)	(18)	(11)
Divestments	(9)	-	(9)	-
Impairment losses/loss reversals	-	54	-	-
<b>Total special items</b>	<b>(27)</b>	<b>43</b>	<b>(27)</b>	<b>(11)</b>

2019 figures restated

<sup>1</sup> For definition see Annual Report 2019, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Financial Position of the Bayer Group

### Statement of Cash Flows

#### Net cash used in operating activities

- // Net operating cash flow from continuing operations in the first quarter of 2020 amounted to minus €189 million (Q1 2019: €1,045 million).
- // The sharp decline compared with the prior-year period despite the growth in operating income was attributable to changes in working capital, especially in our Crop Science Division, resulting partly from a shift between the reporting periods that adversely impacted the first quarter of 2020. This occurred due to the comparatively early decline in trade accounts receivable at the end of 2019 and the settling of a comparatively large amount of trade payables in the first quarter of 2020.
- // Other reasons for the decline in operating cash flow were the payments made under the Xarelto™ settlement reached in 2019 and the rescheduling of short-term incentive payments to employees in the United States. The positive tax balance due to tax refunds had an opposing effect.
- // Total net operating cash flow came to minus €229 million (Q1 2019: €1,079 million).

#### Net cash used in investing activities

- // Net investing cash flow amounted to minus €598 million (Q1 2019: €77 million).
- // We invested €391 million (Q1 2019: €395 million) in property, plant and equipment and intangible assets.
- // Cash outflows for acquisitions amounted to €106 million (Q1 2019: €0 million). Divestments resulted in a net cash outflow of €3 million (Q1 2019: €49 million inflow).
- // Net cash inflows from noncurrent financial assets came to €180 million (Q1 2019: €79 million outflow) and mainly included proceeds from the sale of shares in CRISPR Therapeutics AG, Switzerland.

#### Net cash provided by financing activities

- // There was a net cash inflow of €36 million from financing activities (Q1 2019: €1,168 million outflow).
- // Net borrowings led to a cash inflow of €232 million (Q1 2019: €968 million outflow for net loan repayments).
- // Net interest payments amounted to €196 million (Q1 2019: €200 million).

#### Free cash flow

- // Free cash flow (total), which is the total operating cash flow less capital expenditures plus interest and dividends received less interest paid, was minus €793 million in the first quarter of 2020 (Q1 2019: €508 million). The decrease was mainly attributable to the lower operating cash flow caused by the changes in working capital mentioned above.

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#### Statements of Cash Flows for Discontinued Operations

€ million	Animal Health		Currenta		Total	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Net cash provided by (used in) operating activities	22	(40)	12	–	34	(40)
Net cash provided by (used in) investing activities	(13)	(12)	(23)	–	(36)	(12)
Net cash provided by (used in) financing activities	(9)	52	11	–	2	52
<b>Change in cash and cash equivalents</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

As no cash is assigned to the discontinued operations, the balance of the cash provided is deducted again in financing activities.

### Net financial debt

// Net financial debt of the Bayer Group rose by €1.3 billion in the first quarter of 2020 to €35.4 billion (December 31, 2019: €34.1 billion), mainly as a result of cash outflows from operating activities and negative currency effects.

## Corporate Outlook

The forecast published in February 2020 did not take into account the effects of the COVID-19 pandemic and continues to reflect our targets.

We anticipate that, following the positive start to the year, COVID-19 will continue to impact our business over the course of 2020. It will not be possible to reliably assess the positive and negative effects until later in the year.

We have already identified the key factors that will have a major impact on the development of our business:

- // Production and supply
  - // Stability of entire supply chain
  - // Inventory / safety stock
  - // Logistics, also impact on costs
  
- // Demand dynamics
  - // Demand patterns, e.g. stockpiling
  - // Impact on elective treatments
  - // Biofuel demand and seasonal labor
  - // Clinical trials and regulatory processes
  
- // Financial markets
  - // Debt market access / interest rates
  - // Payment behavior of customers and solvency of suppliers
  - // FX volatility
  
- // Trends / opportunities
  - // Cost management
  - // Acceleration of digitalization
  - // Role of science in society

## Bayer Group Consolidated Income Statements

B1

€ million	Q1 2019	Q1 2020
<b>Net sales</b>	<b>12,252</b>	<b>12,845</b>
Cost of goods sold	(4,867)	(4,656)
<b>Gross profit</b>	<b>7,385</b>	<b>8,189</b>
Selling expenses	(2,967)	(3,023)
Research and development expenses	(1,317)	(1,302)
General administration expenses	(1,083)	(814)
Other operating income	133	423
Other operating expenses	(371)	(974)
<b>EBIT<sup>1</sup></b>	<b>1,780</b>	<b>2,499</b>
Equity-method income (loss)	(19)	(8)
Financial income	170	36
Financial expenses	(449)	(680)
<b>Financial result</b>	<b>(298)</b>	<b>(652)</b>
Income before income taxes	1,482	1,847
Income taxes	(358)	(479)
<b>Income from continuing operations after income taxes</b>	<b>1,124</b>	<b>1,368</b>
of which attributable to noncontrolling interest	(5)	(1)
of which attributable to Bayer AG stockholders	1,129	1,369
<b>Income from discontinued operations after income taxes</b>	<b>112</b>	<b>120</b>
of which attributable to noncontrolling interest	–	–
of which attributable to Bayer AG stockholders	112	120
<b>Income after income taxes</b>	<b>1,236</b>	<b>1,488</b>
of which attributable to noncontrolling interest	(5)	(1)
<b>of which attributable to Bayer AG stockholders (net income)</b>	<b>1,241</b>	<b>1,489</b>
€		
<b>Earnings per share</b>		
<b>From continuing operations</b>		
Basic	1.15	1.39
Diluted	1.15	1.39
<b>From discontinued operations</b>		
Basic	0.12	0.13
Diluted	0.12	0.13
<b>From continuing and discontinued operations</b>		
Basic	1.27	1.52
Diluted	1.27	1.52

2019 figures restated

## Bayer Group Consolidated Statements of Financial Position

B 2

€ million	Jan 31, 2019	March 31, 2019	Dec. 31, 2019	March 31, 2020
<b>Noncurrent assets</b>				
Goodwill	38,442	39,074	39,126	39,068
Other intangible assets	36,696	36,625	34,709	34,834
Property, plant and equipment	12,943	13,933	12,479	12,103
Investments accounted for using the equity method	515	544	522	524
Other financial assets	2,212	2,251	1,536	1,566
Other receivables	526	586	751	663
Deferred taxes	4,369	4,834	4,612	3,719
	<b>95,703</b>	<b>97,847</b>	<b>93,735</b>	<b>92,477</b>
<b>Current assets</b>				
Inventories	11,012	10,512	10,650	10,006
Trade accounts receivable	11,714	14,264	11,678	14,305
Other financial assets	1,166	852	2,326	2,762
Other receivables	1,958	1,843	1,811	1,431
Claims for income tax refunds	809	742	1,652	940
Cash and cash equivalents	4,052	4,062	3,185	2,289
Assets held for sale	234	232	1,137	1,264
	<b>30,945</b>	<b>32,507</b>	<b>32,439</b>	<b>32,997</b>
<b>Total assets</b>	<b>126,648</b>	<b>130,354</b>	<b>126,174</b>	<b>125,474</b>
<b>Equity</b>				
Capital stock	2,387	2,387	2,515	2,515
Capital reserves	18,388	18,388	18,261	18,261
Other reserves	25,118	27,051	26,477	27,833
<b>Equity attributable to Bayer AG stockholders</b>	<b>45,893</b>	<b>47,826</b>	<b>47,253</b>	<b>48,609</b>
Equity attributable to noncontrolling interest	171	171	180	172
	<b>46,064</b>	<b>47,997</b>	<b>47,433</b>	<b>48,781</b>
<b>Noncurrent liabilities</b>				
Provisions for pensions and other post-employment benefits	8,717	8,865	8,213	7,564
Other provisions	3,418	3,930	3,766	3,700
Refund liabilities	160	166	105	157
Contract liabilities	986	998	733	703
Financial liabilities	37,712	37,951	36,912	36,812
Income tax liabilities	1,433	1,495	1,603	1,719
Other liabilities	366	364	439	623
Deferred taxes	4,667	4,609	3,755	3,095
	<b>57,459</b>	<b>58,378</b>	<b>55,526</b>	<b>54,373</b>
<b>Current liabilities</b>				
Other provisions	3,365	3,857	3,251	3,460
Refund liabilities	3,622	5,626	4,134	6,133
Contract liabilities	3,235	959	3,319	957
Financial liabilities	3,682	4,186	2,182	3,200
Trade accounts payable	6,038	5,714	6,426	5,331
Income tax liabilities	1,050	1,327	758	660
Other liabilities	2,121	2,296	2,483	1,938
Liabilities directly related to assets held for sale	12	14	662	641
	<b>23,125</b>	<b>23,979</b>	<b>23,215</b>	<b>22,320</b>
<b>Total equity and liabilities</b>	<b>126,648</b>	<b>130,354</b>	<b>126,174</b>	<b>125,474</b>

2019 figures restated

## Bayer Group Consolidated Statements of Cash Flows

B 3

€ million	Q1 2019	Q1 2020
Income from continuing operations after income taxes	1,124	1,368
Income taxes	358	479
Financial result	298	652
Income taxes paid	(481)	25
Depreciation, amortization and impairments	1,159	1,277
Change in pension provisions	(96)	(66)
(Gains) losses on retirements of noncurrent assets	113	8
Decrease (increase) in inventories	475	396
Decrease (increase) in trade accounts receivable	(2,143)	(2,949)
(Decrease) increase in trade accounts payable	(148)	(1,072)
Changes in other working capital, other noncash items	386	(307)
<b>Net cash provided by (used in) operating activities from continuing operations</b>	<b>1,045</b>	<b>(189)</b>
Net cash provided by (used in) operating activities from discontinued operations	34	(40)
<b>Net cash provided by (used in) operating activities</b>	<b>1,079</b>	<b>(229)</b>
Cash outflows for additions to property, plant, equipment and intangible assets	(395)	(391)
Cash inflows from the sale of property, plant, equipment and other assets	14	39
Cash inflows from (outflows for) divestments less divested cash	49	(3)
Cash inflows from noncurrent financial assets	–	207
Cash outflows for noncurrent financial assets	(79)	(27)
Cash outflows for acquisitions less acquired cash	–	(106)
Interest and dividends received	24	23
Cash inflows from (outflows for) current financial assets	464	(340)
<b>Net cash provided by (used in) investing activities</b>	<b>77</b>	<b>(598)</b>
Capital contributions	–	–
Dividend payments	–	–
Issuances of debt	493	1,455
Retirements of debt	(1,461)	(1,223)
Interest paid including interest-rate swaps	(206)	(206)
Interest received from interest-rate swaps	6	10
Cash outflows for the purchase of additional interests in subsidiaries	–	–
<b>Net cash provided by (used in) financing activities</b>	<b>(1,168)</b>	<b>36</b>
<b>Change in cash and cash equivalents due to business activities</b>	<b>(12)</b>	<b>(791)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,052</b>	<b>3,185</b>
Change in cash and cash equivalents due to changes in scope of consolidation	(1)	(7)
Change in cash and cash equivalents due to exchange rate movements	23	(68)
<b>Cash and cash equivalents at end of period</b>	<b>4,062</b>	<b>2,319</b>

2019 figures restated



## Legal Risks

To find out more about the Bayer Group's legal risks, please see Note 30 to the consolidated financial statements in the Bayer Annual Report 2019, which can be downloaded free of charge at [www.bayer.com](http://www.bayer.com). Since the Bayer Annual Report 2019, the following significant changes have occurred in respect of the legal risks:

### Product-related litigation

**Roundup™ (Glyphosate):** As of April 14, 2020, lawsuits from approximately 52,500 plaintiffs claiming to have been exposed to glyphosate-based products manufactured by Bayer's subsidiary Monsanto had been served upon Monsanto in the United States. Glyphosate is the active ingredient contained in a number of Monsanto's herbicides, including Roundup™-branded products. Plaintiffs allege personal injuries resulting from exposure to those products, including non-Hodgkin lymphoma (NHL) and multiple myeloma, and seek compensatory and punitive damages. Additional lawsuits are anticipated. There are no trials currently scheduled to begin before end of June 2020. However, the trial schedule remains fluid and subject to change. In the court-ordered mediation process we had seen some progress before the outbreak of the COVID-19 pandemic slowed down this procedure as well. As of April 14, 2020, nine Canadian lawsuits relating to Roundup™ seeking class action certification had been served upon Bayer.

### Patent disputes

**Xarelto™:** In March 2020, Bayer received notice of an Abbreviated New Drug Application with a paragraph IV certification pursuant to which Unichem, Inc. seeks approval of a generic version of Xarelto™, an oral anticoagulant for the treatment and prevention of blood clots, in the United States prior to expiration of Bayer's compound patent protection until 2024. Bayer believes it has meritorious arguments and intends to defend itself vigorously.

## Reporting Principles

The present document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules of the Frankfurt Stock Exchange (as of April 1, 2020) and does not constitute an interim report according to the International Accounting Standard (IAS) 34. This Quarterly Statement should be read in conjunction with the Annual Report for the 2019 fiscal year and the additional information about the company provided therein. The Annual Report 2019 is available on our website at [www.bayer.com](http://www.bayer.com).

The accounting policies and measurement principles applied in this Quarterly Statement are based on those used in the consolidated financial statements of the Bayer Group for fiscal 2019.

Special mention should be made of an adjustment resulting from the final purchase price allocation for Monsanto in the second quarter of 2019. This consisted partly of a retroactive €0.3 billion goodwill adjustment as of March 31, 2019. The income statement was unaffected.

A modified value flow concept was introduced throughout the Bayer Group on January 1, 2020, necessitating the restatement of prior-period data. This is explained in detail below.

### Modified Value Flow Concept

The reason for the new value flow concept being applied throughout the Bayer Group is the Bayer 2022 efficiency program. As part of this program, steering and controlling principles and responsibilities have been revised and simplified. For example, the enabling functions now have global responsibility for their primary costs. The services provided by the enabling functions are therefore to be planned and coordinated at the divisional rather than the country level in the future.

To facilitate this steering, the primary costs of the enabling functions are now being passed through to the income statements of the divisions or segments using a standardized, centrally implemented allocation logic in place of multiple local allocation keys.

This gives rise to shifts in the cost allocations to the divisions or to "Other Segments/Consolidation" and between the functional cost items. This does not affect Group earnings as a whole – with the exception of a very small proportion related to the change in the amount of capitalized inventories.

The effects on the functional costs and their allocation to the divisions are shown (in € thousand) in the following tables:

€ million	Crop Science		Pharmaceuticals		Consumer Health	
	As reported	Restated	As reported	Restated	As reported	Restated
	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019
Cost of goods sold	(3,414)	(3,446)	(895)	(895)	(483)	(487)
Gross profit	3,030	2,998	3,459	3,459	912	908
Selling expenses	(895)	(949)	(1,384)	(1,390)	(635)	(621)
Research and development expenses	(583)	(564)	(689)	(696)	(54)	(51)
General administration expenses	(371)	(324)	(136)	(141)	(48)	(42)
Other operating income	83	83	35	35	12	12
Other operating expenses	(268)	(266)	(86)	(86)	(26)	(25)
EBIT	996	978	1,199	1,181	161	181
EBIT before special items	1,614	1,594	1,215	1,197	189	208
EBITDA	1,704	1,685	1,496	1,469	251	263
EBITDA before special items	2,322	2,301	1,512	1,485	279	290
Net income	1,090	1,072	1,268	1,250	150	170
Net cash provided by operating activities	(471)	(485)	1,293	1,270	232	239

€ million	Reconciliation									
	All Other segments		Enabling Functions and Consolidation		Group			Discontinued Operations		
	As reported	Restated	As reported	Restated	As reported	Change	Restated	As reported	Change	Restated
	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019
Cost of goods sold	(22)	(22)	(24)	(17)	(4,838)	+ 29	(4,867)	(418)	0	(418)
Gross profit	36	35	(23)	(15)	7,414	- 29	7,385	345	0	345
Selling expenses	(2)	(2)	5	(5)	(2,911)	+ 56	(2,967)	(125)	- 5	(120)
Research and development expenses	0	0	(1)	(6)	(1,327)	- 10	(1,317)	(29)	0	(29)
General administration expenses	(112)	(112)	(481)	(464)	(1,148)	- 65	(1,083)	(21)	- 2	(19)
Other operating income	12	12	(9)	(9)	133	0	133	1	0	1
Other operating expenses	(1)	(1)	7	7	(374)	- 3	(371)	(8)	0	(8)
EBIT	(68)	(68)	(501)	(492)	1,787	- 7	1,780	163	+ 7	170
EBIT before special items	(37)	(37)	(148)	(139)	2,833	- 10	2,823	167	+ 7	174
EBITDA	(8)	(9)	(497)	(469)	2,946	- 7	2,939	192	+ 6	198
EBITDA before special items	23	23	(144)	(116)	3,992	- 9	3,983	196	+ 6	202
Net income	(638)	(635)	(737)	(728)	1,133	- 4	1,129	109	+ 3	112
Net cash provided by operating activities	(9)	(8)	4	29	1,049	- 4	1,045	30	+ 4	34

The above value flow changes have also led to a change in the allocation of overheads to inventories. All other things being equal, this resulted in a €120 million reduction in the amount of capitalized overheads contained in total inventories (€10.8 billion) and a €36 million increase in deferred tax assets. These figures have been restated accordingly as of January 1, 2019, along with equity. They had no material impact on subsequent quarters.

## Financial Calendar

Annual Stockholders' Meeting 2020 (online)	<i>April 28, 2020</i>
Planned dividend payment day	<i>May 4, 2020</i>
2020 Half-Year Report	<i>August 4, 2020</i>
Q3 2020 Quarterly Statement	<i>November 3, 2020</i>
2020 Annual Report	<i>February 25, 2021</i>
Annual Stockholders' Meeting 2021	<i>April 27, 2021</i>
Q1 2021 Quarterly Statement	<i>May 12, 2021</i>

## Masthead

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