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Investor News

Bayer expects negative earnings impact from its Brazilian Crop Science business

Leverkusen, June 30, 2017 – Despite an encouraging start to the year and continued good growth momentum, Bayer's Crop Science Division will have to adjust its business forecast for fiscal 2017. At the end of the harvest season in Brazil, regular stocktaking revealed an unexpectedly high channel inventory level of crop protection products. For this reason, Bayer will be working with its customers to initiate measures aimed at normalizing the situation. This will have a one-time effect of EUR 300 million to EUR 400 million on earnings (EBITDA before special items) for the full year 2017. Appropriate accounting measures are already being taken in the second quarter.

Bayer is also expecting earnings to be additionally impacted by unfavorable currency developments. Business performance by the Consumer Health Division is weaker than previously expected.

Against this background, Bayer will be adjusting its full-year forecasts for sales and earnings in the Crop Science and Consumer Health divisions. This will also result in adjustments to the forecasts for Group sales and earnings indicators.

By contrast, the Pharmaceuticals Division and Covestro continue to perform strongly. The Animal Health business unit is performing in line with expectations.

The outlook will be adjusted during preparation of the interim report for the second quarter and announced with its publication.

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the Life Science fields of health care and agriculture. Its products and services are designed to benefit people and

improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2016, the Group employed around 115,200 people and had sales of EUR 46.8 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.7 billion. These figures include those for the high-tech polymers business, which was floated on the stock market as an independent company named Covestro on October 6, 2015. For more information, go to www.bayer.com.

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