

# Investor Information

## Performance of Bayer stock

The performance of Bayer stock was clearly in negative territory in 2018. The company's shares reached their high for the year in January, at €107.48. Following declines through the end of March, the price recovered significantly to more than €100 per share in May. Bayer stock then registered declines over the further course of the year, particularly in August as a result of a judgment by a court of first instance in the United States in connection with glyphosate, and closed the year at €60.56. Including the dividend of €2.80 per share paid at the end of May, the return on Bayer stock was minus 39.2%. By comparison, the German stock index DAX30 fell by 18.3% in 2018.

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### Bayer Stock Data

		2017	2018
Earnings per share from continuing and discontinued operations	€	8.41	1.80
Core earnings per share from continuing operations <sup>1</sup>	€	6.64	5.94
Cash flow from operating activities in continuing operations per share	€	7.99	8.49
Equity per share	€	44.57	49.49
Dividend per share	€	2.80	2.80
Year-end price <sup>2</sup>	€	104.00	60.56
High for the year <sup>2</sup>	€	123.30	107.48
Low for the year <sup>2</sup>	€	100.00	59.16
Total dividend payment <sup>3</sup>	€ million	2,402	2,611
Number of shares entitled to the dividend (Dec. 31)	million shares	826.95	932.55
Market capitalization (Dec. 31)	€ billion	86.0	56.5
Average daily share turnover on German stock exchanges	million shares	2.0	3.6
Price/EPS <sup>2</sup>		12.4	33.6
Price/core EPS <sup>2</sup>		15.7	10.2
Price/cash flow <sup>2</sup>		13.0	7.1
Dividend yield	%	2.7	4.6

2017 figures restated

<sup>1</sup> For details on the calculation of core earnings per share see Combined Management Report, A 2.4

<sup>2</sup> Xetra closing prices (source: Bloomberg)

<sup>3</sup> In April 2018, the Republic of Singapore subscribed to 31 million new shares carrying dividend rights for 2017 through a subsidiary. The 2017 total dividend payment therefore increased by the sum of the dividends attributable to the newly issued shares.

## Successful financing in turbulent markets

In addition to the European Central Bank reducing its bond purchases, concerns about escalating trade disputes and a no-deal Brexit led to increased volatility in the capital markets. While interest rates remained low, credit spreads increased sharply, roughly doubling over the course of the year. The premiums for new issues commonly seen in the bond market also expanded markedly compared with the previous year. As expected, total issue volumes did not reach the record levels of the prior year, but were still well above the average of the last 10 years.

2018 was a very eventful year for Bayer, not only generally but also in terms of financing: All maturing bonds in U.S. dollars, British pound sterling and Japanese yen were redeemed and various financing sources leveraged to finance the Monsanto acquisition. On April 16, the Republic of Singapore subscribed to 31 million new Bayer AG shares through a subsidiary, generating gross

proceeds of €3.0 billion. This issuance was followed in June by a capital increase with subscription rights for existing stockholders that generated net proceeds of some €6.0 billion, with approximately 74.6 million shares issued.

Bond issues also took place at the same time. On June 18, Bayer issued unsecured bonds in 144a/RegS format with a volume of US\$15.0 billion. Eight tranches with maturities of between three and 30 years were successfully placed with institutional investors. The following day, Bayer completed the financing by placing unsecured bonds with a volume of €5.0 billion on the euro market.

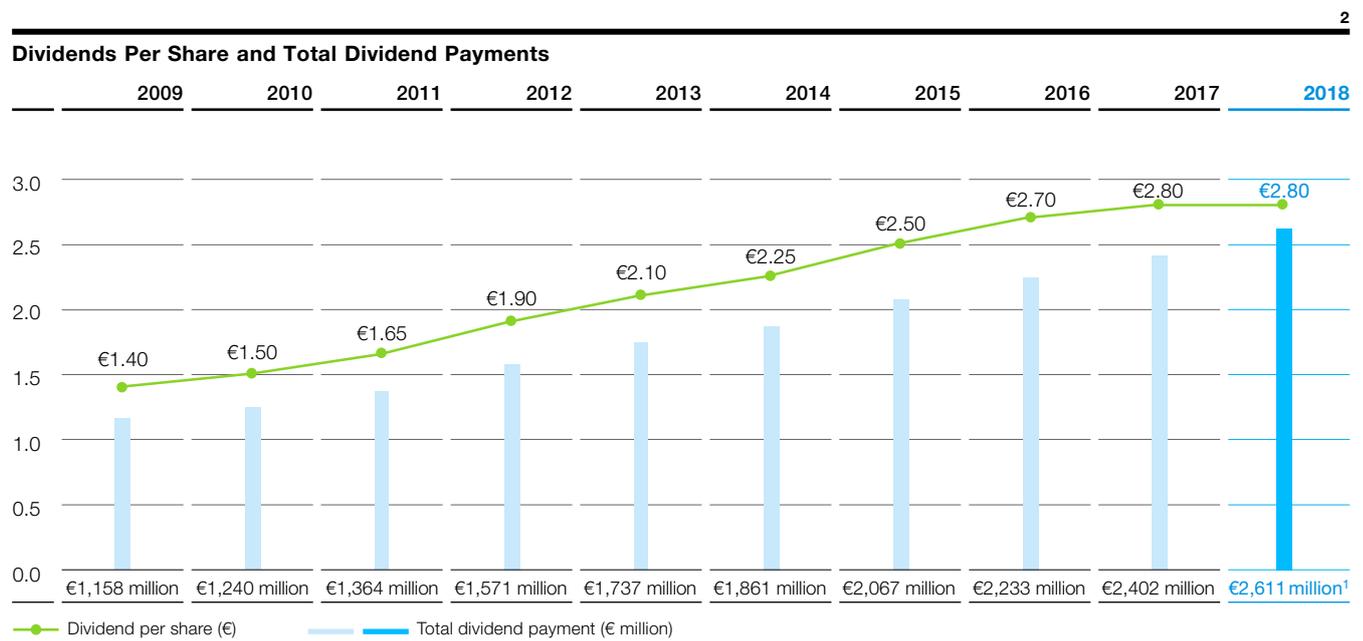
Bayer also took over 16 outstanding bonds with a total volume of US\$6.9 billion from Monsanto. Bayer initiated an exchange offer for all 16 debt instruments, granting the bondholders of Monsanto the option of acquiring securities guaranteed by Bayer AG. Some 83% of the outstanding bond volume was exchanged.

Further details of all outstanding bonds are given in B Consolidated Financial Statements, Note [27].

### Dividend of €2.80 per share, matching prior year

We registered successful operational performance overall in 2018 and want our stockholders to adequately share in the company's success through an attractive dividend. The Board of Management and the Supervisory Board will therefore propose to the Annual Stockholders' Meeting that the dividend remain unchanged at €2.80 per share, which corresponds to 47.1% of core earnings per share in 2018.

The dividend yield calculated on the share price at year-end 2018 amounts to 4.6%.



<sup>1</sup> In April 2018, the Republic of Singapore subscribed to 31 million new shares carrying dividend rights for 2017 through a subsidiary. The 2017 total dividend payment therefore increased by the sum of the dividends attributable to the newly issued shares.

## Investor relations activities in 2018

GRI 102-43

Bayer's investor relations activities in 2018 focused on the Monsanto acquisition and our Capital Markets Day, where we presented our new medium-term targets, along with the accompanying communications for the equity and debt measures. We intensified our contact with investors and analysts in general at a number of roadshows and conferences in Germany and abroad.

At the Capital Markets Day, our most important investor relations event of the year, institutional investors and analysts had the opportunity to engage in direct dialogue with our executive management. It was one of our company's best-attended IR events, with participation by more than 150 capital market representatives. The conference program offered information on our company's strategy and medium-term financial targets, as well as on the current business performance. In addition, topics relating specifically to Crop Science were addressed in depth during a series of workshops.

## A sustainable investment

GRI 102-43, 102-44

We continued our dialogue with sustainability-oriented investors, analysts and rating agencies in 2018. The discussions focused on the acquisition of Monsanto, as well as on business ethics, product stewardship and the environmental impact of our activities.


[www.bayer.com/awards](http://www.bayer.com/awards)

Bayer continues to be included in the important sustainability indices FTSE4Good, MSCI World Low Carbon Target Index, STOXX® Europe Sustainability Index and the STOXX® Global ESG Impact index.

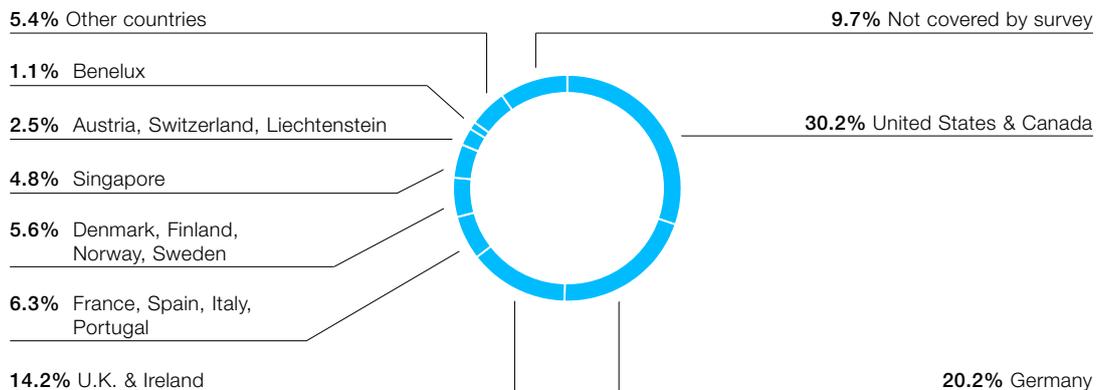
In addition, in 2018 Bayer was again evaluated by the CDP (Carbon Disclosure Project) as one of the leading international pharmaceutical companies in the areas of climate protection and sustainable water management.

## A growing number of stockholders

The number of Bayer stockholders rose substantially in 2018. At the end of 2018, approximately 383,000 stockholders were listed in our share register – an increase of more than 11% compared with the previous year. Our ownership structure illustrates the international distribution of our capital stock. The highest proportion of our outstanding shares, at approximately 30%, is held by investors in the United States and Canada, followed by Germany, with about 20%. Bayer has a 100% free float as defined by Deutsche Börse, the operator of the Frankfurt Stock Exchange.

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### Shareholder Composition – Regional Allocation



Source: Cmi2i