Financial Position of the Bayer Group

Statement of Cash Flows

Net cash provided by operating activities

// Net operating cash flow amounted to €631 million in the third quarter of 2026 (Q3 2025: €1,685 million). This year-on-year decline was partly due to higher payments to resolve legal proceedings, which largely related to the glyphosate and PCB litigations and resulted in a net outflow of €1,121 million (Q3 2025: €703 million). That figure also included payments into a trust fund as part of the class settlement to resolve current and future glyphosate claims.

Net cash used in investing activities

// Net investing cash flow stood at minus €3,081 million in the third quarter of 2026 (Q3 2025: minus €1,067 million).
// Net cash outflows for current financial assets totaled €2,547 million (Q3 2025: €472 million). These outflows were largely attributable to investments in money market funds.

Net cash provided by financing activities

// There was a net cash inflow of €7,416 million from financing activities in the third quarter of 2026 (Q3 2025: €730 million).
// This figure included net borrowings of €4,809 million (Q3 2025: €1,096 million), which mainly reflected the issuance of bonds and hybrid bonds totaling €7,154 million (Q3 2025: €3,440 million). These factors were partly offset by the repayment of bonds and notes amounting to €2,345 million.
// In addition, we received a €3,000 million contribution from noncontrolling interests in connection with the agreement with Apollo Global Management, Inc., United States (Q3 2025: €0 million).
// Net interest payments amounted to €318 million (Q3 2025: €358 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, declined to minus €293 million in the third quarter of 2026 (Q3 2025: €596 million), mainly due to the decrease in operating cash flow.
// Adjusted for the aforementioned payments to resolve legal proceedings, which largely related to the glyphosate and PCB litigations, free cash flow amounted to €828 million (Q3 2025: €1,299 million).

Net financial debt

// Net financial debt of the Bayer Group decreased by €2.5 billion to €31.1 billion in the third quarter of 2026 (June 30, 2026: €33.6 billion), mainly due to the €3.0 billion payment stemming from the agreement with Apollo Global Management, Inc., United States. Net financial debt also fell year on year (September 30, 2025: €32.7 billion).
// In July, Bayer US Finance LLC, United States, placed bonds with a volume of US$5.0 billion (€4.4 billion) that are guaranteed by Bayer AG. The placement comprises five tranches with maturities of between 5 and 30 years and fixed interest rates of between 5.125% and 6.375% p.a.
// Also in July, Bayer AG issued two additional bonds on the Chinese capital market. Known as “Panda” bonds, the issuances have a volume of CNY 3.0 billion (€386 million) and CNY 1.0 billion (€129 million), as well as maturities of three and five years and coupons of 1.9% and 2.2%, respectively.
// In September, Bayer AG issued hybrid bonds with a total volume of €2.0 billion. The two tranches have a final maturity of 30 years. The first tranche in the amount of €1.0 billion with a noncall period of six years pays a coupon of 5.75%. The second tranche in the amount of €1.0 billion with a noncall period of nine years pays a coupon of 6.25%.
// In August, Bayer AG repaid a bond with a volume of €750 million. In October, Bayer US Finance LLC, United States, redeemed a bond with a volume of US$1.0 billion (€0.9 billion) before maturity.
// In the third quarter, Bayer AG and Bayer Corporation, United States, repaid commercial paper with a nominal volume of €318 million and US$711 million (€618 million), respectively. In addition, Bayer Corporation, United States, repaid commercial paper with a nominal volume of US$669 million (€595 million) in October.
// In the third quarter, Bayer AG and Bayer US Finance LLC, United States, terminated their US$8.0 billion bank loan facility (jointly signed in February) due to the implementation of the respective financing measures. Furthermore, credit facilities available to Bayer AG totaling €1.5 billion expired.

Future Perspectives

Economic outlook

Global economy remains relatively resilient

Based on International Monetary Fund (IMF) data, we continue to expect the global economy to exhibit slower growth in 2026, expanding by a low single-digit percentage[3]. Headwinds arising from geopolitical conflicts are partially being offset by growth momentum in a number of countries, which is primarily being driven by AI. Meanwhile, inflation-related risks are on the rise, with energy importers hit particularly hard.

We now expect the global **seed and crop protection market** to see flat or modest expansion of 0 to 2%[4] in 2026 (previously: 0 to 3%). The market environment continues to be shaped by high volatility, geopolitical and weather-related uncertainties, high input costs and financial strains in the agriculture industry. In crop protection, intense competition from suppliers of generic products, weather-related factors and the financial pressures facing farmers are having a greater impact on market development than previously anticipated. For seeds and traits, meanwhile, we continue to project moderate growth.

Reflecting continued uncertainty around geopolitical and macroeconomic developments and the resulting volatility, we now expect the **consumer health market** to expand by 2.5 to 3%[5] in 2026, with our updated growth projection falling within the lower half of the previously communicated range of 2.5 to 3.5%. This downward revision primarily reflects the subdued market development in the United States, where uncertainties continue to weigh on consumer sentiment. Key factors shaping market dynamics continue to include the development of the seasonal categories and, in particular, the cough and cold season.

Corporate outlook

We continue to evaluate the impacts of current geopolitical developments on an ongoing basis. Based on current calculations, the financial effects do not have any material impact on our full-year guidance. However, we are continuing to monitor developments in terms of primary and secondary effects (e.g., energy and raw material prices, logistics costs and demand-related effects) to ensure we are in a position to implement appropriate countermeasures if necessary. Predicting future impacts from any additional developments that may arise in this connection remains subject to uncertainty.

In view of its better-than-anticipated performance in the first nine months of the year, we are raising our full-year guidance for the Pharmaceuticals Division's EBITDA margin before special items to between 25 and 27% (previous forecast: between 23 and 25%). As a result, we now expect Group EBITDA before special items to come in at between €9.8 billion and €10.3 billion on a currency-adjusted basis (previous forecast: between €9.6 billion and €10.1 billion).

We are also upgrading our free cash flow guidance, lifting the projected range by €1.0 billion to between minus €1.5 billion and minus €0.5 billion (previous forecast: between minus €2.5 billion and minus €1.5 billion). In this connection, we now expect year-end net financial debt to come in lower than previously anticipated, with an updated range of between €28.0 billion and €29.0 billion (previous forecast: between €29.0 billion and €30.0 billion).

[3] Source: International Monetary Fund (as of October 2026)
[4] Source: Bayer's estimate (as of October 2026), plus various local sources; currency-adjusted
[5] Source: Bayer's estimate (as of September 2026), taking into account external sources; currency-adjusted