

Date 21/08/2013

Consensus Rating*: 1.00 (Acc.)

Previous rating 1.17 (Acc.)

Stock price (in Euro) 87.51

High/Low (52 weeks) 88.23/86.47

Market cap (in Euro m) 72,366.1

ISIN DE0005752000

Reuters BAYG.X

Bloomberg BAY GR

Exchange XETRA

Sector Chemicals

 Internet www.investor.bayer.com

Coverage 20

Core EPS Estimates in Euro:**

YoY Change in Estimates

	Q3 13E	Q3 12A	Change
Sales	9,915.1	9,661.0	2.6%
EBITDA clean	1,901.5	1,842.0	3.2%
EBITDA	1,859.7	1,578.0	17.9%
Core EPS	1.23	1.17	5.3%
EPS	0.88	0.62	42.5%

** Core EPS as defined by Bayer

*** Consensus Rating (CR):**
Classification:

Buy: 1.50 ≤ CR < 2.00

Accumulate: 0.50 ≤ CR < 1.50

Hold: -0.50 < CR < 0.50

Reduce: -1.50 ≤ CR < -0.50

Sell: -2.00 ≤ CR < -1.50

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Bayer

Summary

Outlook given by the company after its Q2 2013 results:

Bayer maintains its forecast for 2013 that it published at the end of February, even if this appears increasingly ambitious. It remains to be seen to what extent the unexpectedly weak development at MaterialScience will be offset by the company's improved performance in the Life Sciences.

Bayer expects sales for the full year 2013 to increase by 4% – 5% after adjusting for currency and portfolio effects. The following guidance is based on average exchange rates for the first half of 2013 (previously: average exchange rates for the fourth quarter of 2012). Bayer expects to achieve Group sales of €40 billion to €41 billion (previously: €41 billion). The company aims to increase EBITDA before special items by a mid-single digit percentage and improve core earnings per share (calculated as explained in Chapter 7) by a high single-digit percentage.

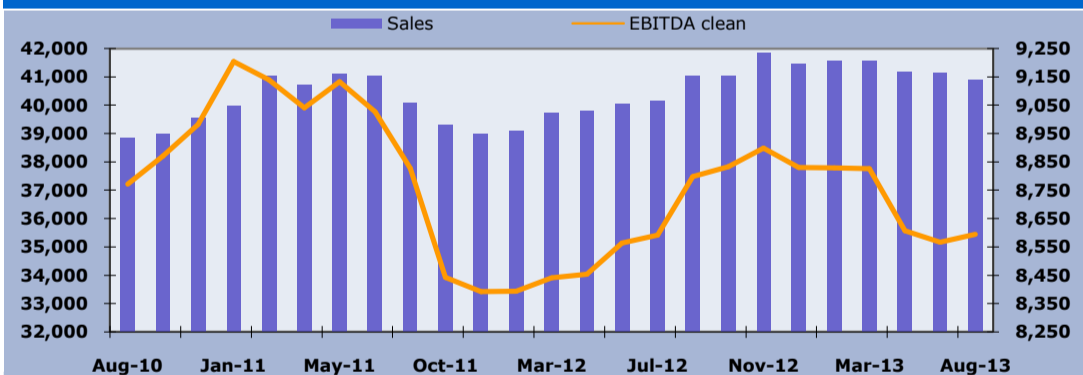
Bayer will release its Q3 2013 results on 31st October 2013.

Price targets in Euro

	Current	Previous	Change	Up-/Downside
Current Price	87.51			
Highest	110.00	110.00	0.0%	25.7%
Consensus	92.53	90.42	2.3%	5.7%
Median	95.00	93.00	2.2%	8.6%
Lowest	75.00	68.00	10.3%	-14.3%

Consensus Valuation

	Core EPS**	EBITDA clean	P/E	EV/Sales	EV/EBITDA	Div.Yield
2010	4.19	7,101	13.1	1.52	7.49	2.7%
2011	4.83	7,613	10.3	1.32	6.34	3.3%
2012	5.30	8,280	13.6	1.67	8.03	2.6%
2013E	5.73	8,594	15.3	1.94	9.25	2.4%
2014E	6.50	9,408	13.5	1.79	8.18	2.6%

FY 2013 Consensus Estimates

Quarterly Development (in Euro m)
