



Science For A Better Life

A Licensees Perspective

What makes the business tick

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Agenda

- Setting the Scene.
- What makes the business tick
 - How licensing can help
 - Some considerations to make/some questions to ask
- Qualifiers and Disqualifiers
- Conclusions



Setting the Scene

Our Industry faces a lot of challenges and will have even more which requires from our product innovation that:

- We will need continuing flow of new products;
- We need these products for corporate growth and sustainability;
- As the market is very demanding with shorter product life cycles we will need these products even faster than today.

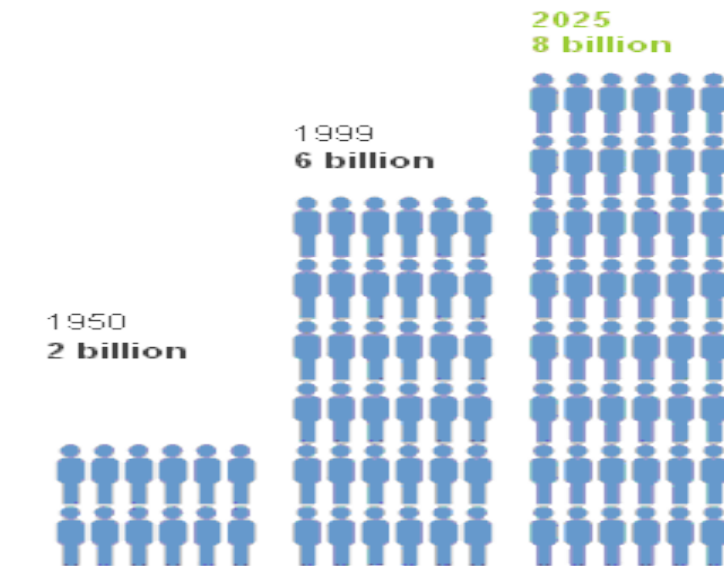




Setting the Scene (C'td)

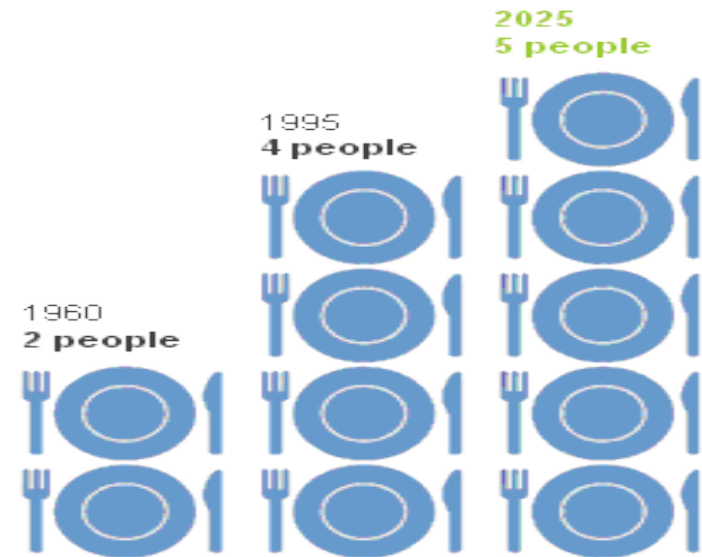
So what's the main challenge ?

World population



Source: FAO, World Bank statistics

People fed per hectare





What makes the business tick

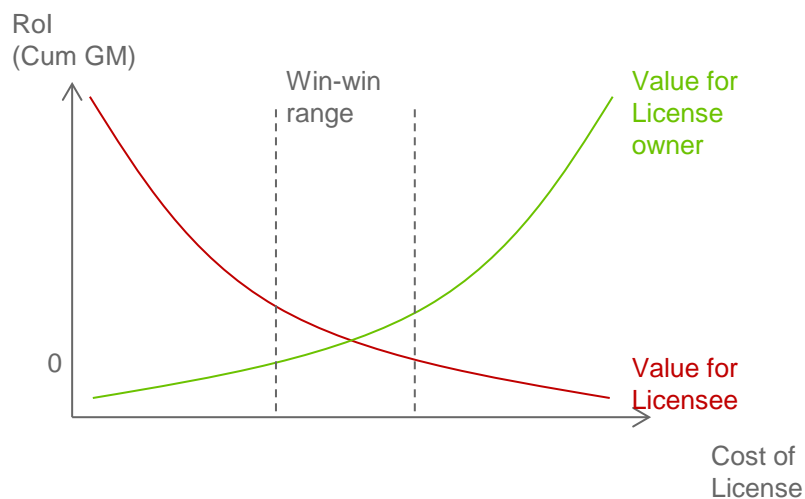
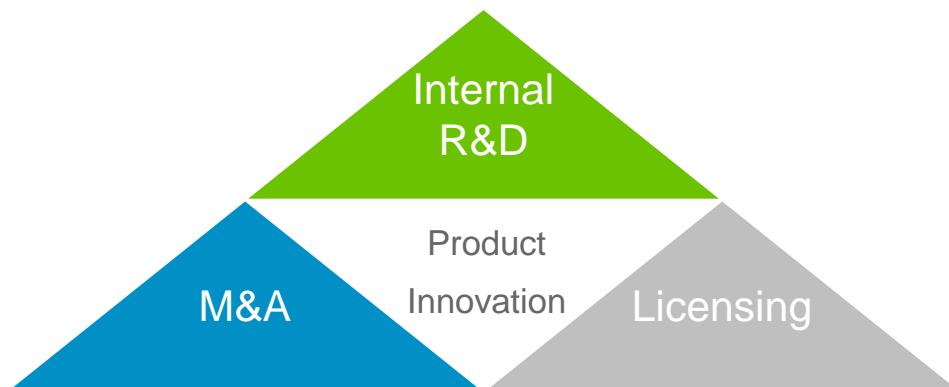


How Licensing can help

Product innovation basically comes from three places:

1. Internal R&D – Your own R&D employees develop products for you;
2. M&A – Buying companies and integrating their products in your portfolio;
3. Licensing in – License in products, which you can sell better, as developed by others who may be better at developing them than you are.

Some considerations to make/some questions to ask



- Generally internal R&D cost versus turnover;
- How does the ROI relate to internal R&D;
- Focus on major or incremental gains in R&D.

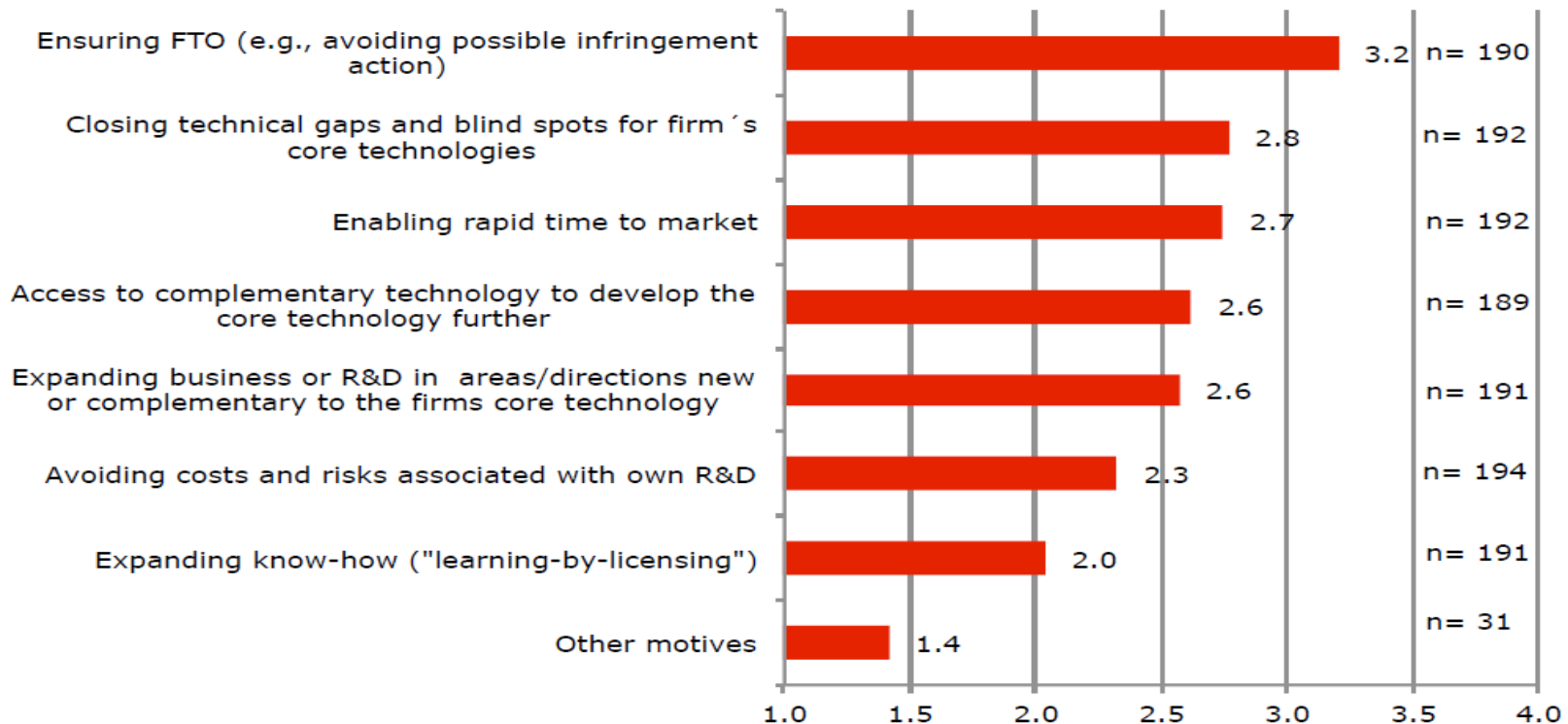
- Synergies in acquisition-target by respecting (product) integrity;
- Availability of key people management;
- Balance acquisition costs vs. acquired assets.

- (under)utilization what's in it for you (quality/price/added value as such etc.);
- Win-win scenario's considered (like in Ogura);
- Other reasons.

Qualifiers



International Business

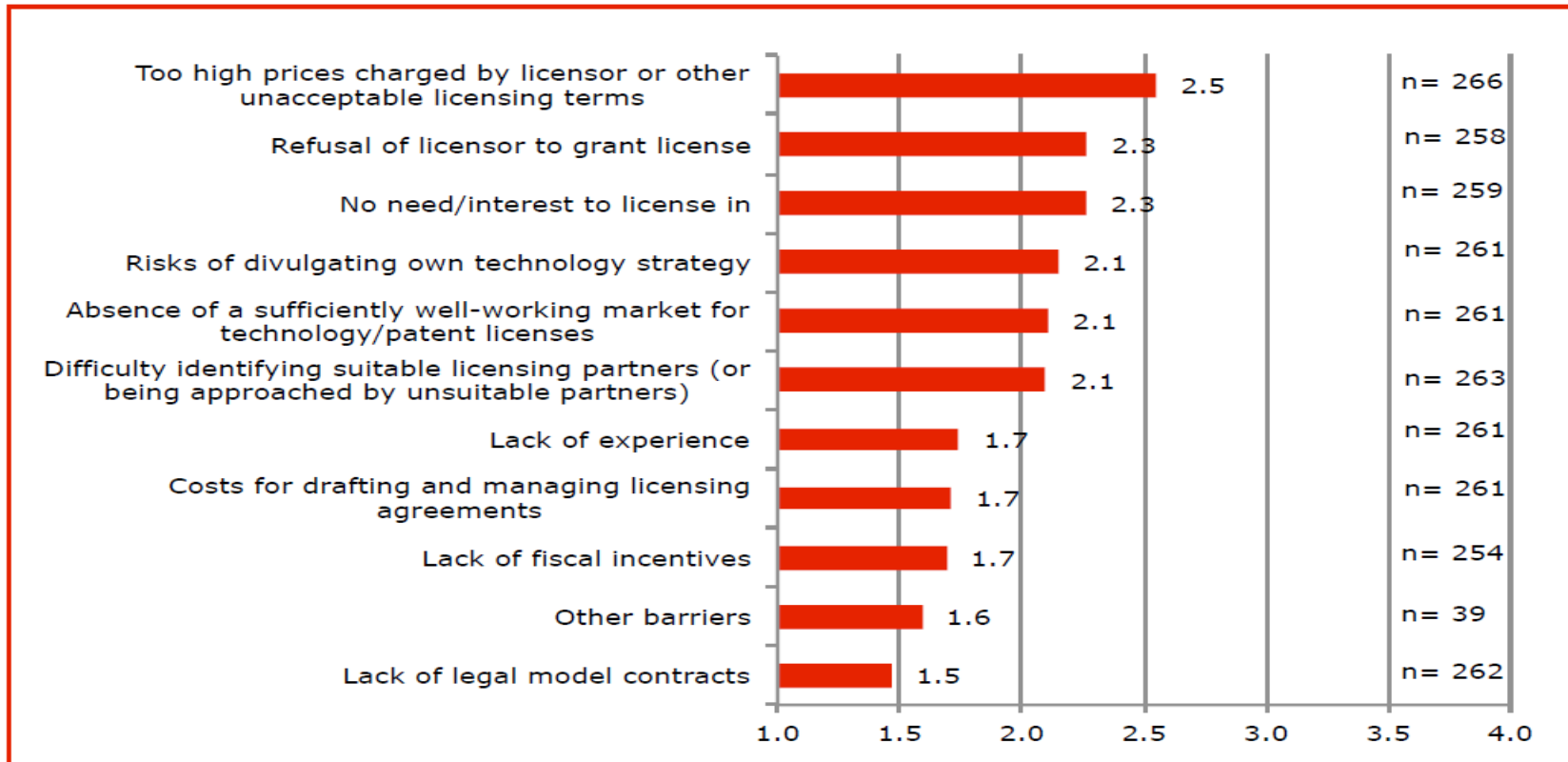


*) arithmetic mean on a scale from 1='unimportant motive' to 4='very important motive'

Source: Technopolis survey



Disqualifiers



*) arithmetic means on a scale from 1='unimportant barrier' to 4='very important barrier'

Source: Technopolis survey



Conclusions

Depends foremost on your business model, (risk) appetite and what you want to achieve overall.

Licensing
Yes or No

Qualifiers

Lowering cost vs. Turnover.
Quality addition to Products.
Win-Win.

Disqualifiers

Too high a cost.
Unsuitable partners.
Not (really) innovative – me too.



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Thank you