

# Bayer says U.S. glyphosate plaintiffs more than double since July

FRANKFURT (Reuters) - Germany's Bayer is now facing 42,700 U.S. plaintiffs blaming its glyphosate-based weedkillers for their cancer, more than twice the tally in July and potentially raising any future settlement.

Bayer, the inventor of aspirin and owner of Yasmin birth control and Claritin allergy relief brands, is widely expected to eventually buy itself out of the litigation, with analysts currently estimating the size of a future settlement at \$8-\$12 billion.

It put the increase in claims down to a significant increase in plaintiff-side television advertising spending.

"The number of lawsuits, first and foremost, doesn't tell us anything about their merits," Chief Executive Werner Baumann said in a media call. "The number of the lawsuits in no way, shape or form is indicative of the amount of the settlement."

The company said it was still constructively engaged in a mediation process ordered by a federal judge.

Bayer, which last year acquired Monsanto for \$63 billion, revealed the spike in claims as it reported a 7.5% rise in third-quarter adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) to 2.3 billion euros (\$2.6 billion), in line with market expectations.

Bayer shares were up 1.9%, a leading gainer on Germany's blue-chip index. But the stock has lost about 30% in value since last August, when a California jury in the first such lawsuit found Monsanto should have warned of the

alleged cancer risks associated with its glyphosate-based weedkillers such as Roundup.

Analysts said the knocked-down share price reflects market expectations for the lawsuits to eventually cost as much as \$20 billion.

Bayer had earlier this month prepared investors for a surge in cases, saying the prospect of a settlement was fanning efforts by lawyers to recruit plaintiffs.

But Baumann toned down remarks in July that any settlement needed to bring “finality of the overall litigation” from Roundup users, saying instead that finality was an ideal scenario.

FILE PHOTO: Logo and flags of Bayer AG are pictured outside a plant of the German pharmaceutical and chemical maker in Wuppertal, Germany August 9, 2019.  
REUTERS/Wolfgang Rattay

“We have to get relatively close to finality, and that’s the subject matter that is at the centre of the structural discussions (with plaintiffs’ attorneys),” he said.

Bayer has ruled out withdrawing from the market in the U.S., saying regulators and extensive research have found glyphosate to be safe. It is holding out for U.S. appeals courts early next year to reverse the first three court rulings that have so far awarded tens of millions of dollars to each plaintiff.

It said its new 2019 financial guidance confirmed its previous one, except for stripping out its animal health division and a stake in chemical park operator Currenta being divested, as well as a currency burden of about 100 million euros.

The drugs and pesticides maker is now expecting 11.5 billion euros in full-year EBITDA before special items, down from 12.2 billion euros estimated in July.

Sales in the third quarter were driven by crop chemicals, seeds and consumer healthcare products.

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