



FIRST QUARTER 2017

Financial Results
January 5, 2017





Forward Looking Statements

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Fiscal Year

References to year, or to fiscal year, are on a fiscal year basis and refer to the 12-month period ending August 31.

Certain statements contained in this presentation are “forward-looking statements,” such as statements concerning the company’s anticipated financial results, current and future product performance, regulatory approvals, business and financial plans and other non-historical facts, as well as the pending transaction with Bayer Aktiengesellschaft (“Bayer”). These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company’s actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: risks related to the pending transaction between the company and Bayer, including the risk that the regulatory approvals required for the transaction may not be obtained on the anticipated terms or time frame or at all, the risk that the other conditions to the completion of the transaction may not be satisfied, the risk that disruptions or uncertainties related to the pending transaction could adversely affect the company’s business, financial performance and/or relationships with third parties, and the risk that certain contractual restrictions during the pendency of the transaction could adversely affect the company’s ability to pursue business opportunities or strategic transactions; continued competition in seeds, traits and agricultural chemicals; the company’s exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public understanding and acceptance of our biotechnology and other agricultural products; the success of the company’s research and development activities; the outcomes of major lawsuits, including potential litigation related to the pending transaction with Bayer; developments related to foreign currencies and economies; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company’s estimates related to distribution inventory levels; the recent increases in levels of indebtedness, continued availability of capital and financing and rating agency actions; the company’s ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters, accidents, and security breaches, including cybersecurity incidents, on the agriculture business or the company’s facilities; and other risks and factors detailed in the company’s most recent periodic report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this presentation. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.

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Non-GAAP Financial Information

This presentation may use the non-GAAP financial measures of “free cash flow,” earnings per share (EPS) on an ongoing basis, gross profit on an ongoing basis, operating expenses on an ongoing basis and net income (loss) attributable to Monsanto Company on an ongoing basis.

We define free cash flow as the total of cash flows from operating activities and investing activities. A non-GAAP EPS financial measure, which we refer to as ongoing EPS, excludes certain after-tax items that we do not consider part of ongoing operations, which are identified in the reconciliation. Earnings (loss) is intended to mean net income (loss) attributable to Monsanto Company as presented in the Statements of Consolidated Operations under GAAP. Ongoing gross profit and ongoing operating expenses exclude certain pretax items that we do not consider part of ongoing operations, which are identified in the reconciliations. Ongoing net income (loss) attributable to Monsanto Company is defined as net income (loss) attributable to Monsanto Company excluding the cumulative after-tax impact of certain items we do not consider part of ongoing operations.

Our presentation of non-GAAP financial measures is intended to supplement investors’ understanding of our operating performance, not replace gross profit, operating expenses, other expenses, net, net income (loss) attributable to Monsanto Company, diluted EPS, cash flows, financial position, or comprehensive income (loss), as determined in accordance with GAAP. Furthermore, these non-GAAP financial measures may not be comparable to similar measures used by other companies. The non-GAAP financial measures used in this presentation are reconciled to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Financial Results: Fiscal 2017 First Quarter

	2017 FISCAL 1 ST QUARTER			2016 FISCAL 1 ST QUARTER			CHANGE	
	As Reported	Adjustments ¹	Ongoing ¹	As Reported	Adjustments ¹	Ongoing ¹	As Reported	Ongoing
NET SALES	\$2,650M	-	\$2,650M	\$2,219M	-	\$2,219M	19%	19%
GROSS PROFIT	\$1,259M	\$1M	\$1,260M	\$901M	\$52M	\$953M	40%	32%
OPERATING EXPENSES	\$1,012M	\$(65)M	\$947M	\$1,173M	\$(271)M	\$902M	(14)%	5%
NET INCOME ATTRIBUTABLE TO MONSANTO COMPANY	\$29M	\$62M	\$91M	\$(253)M	\$201M	\$(52)M	111%	275%
DILUTED EPS	\$0.07	\$0.14	\$0.21	\$(0.56)	\$0.45	\$(0.11)	113%	291%
FREE CASH FLOW	\$1,136M			\$1,027M			11%	

1. Adjustments and ongoing metrics defined at the front of this presentation and reconciled at the end of this presentation.

Bayer and Monsanto to Create Global Leader in Agriculture¹

Combination creates a leader in life science with a balanced portfolio

Transaction Summary

- All-cash consideration of \$128 per Monsanto share
- Reverse break-up fee of \$2 billion
- Transaction approved by Monsanto's shareowners

Path to Completion

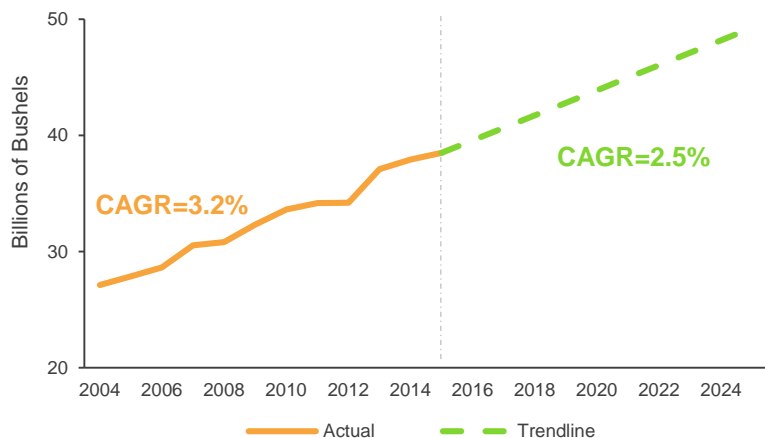
Q1 '17 Sep-Nov	Q2'17 Dec-Feb	Q3 '17 Mar-May	Q4 '17 Jun-Aug	Q1 '18 Sep-Nov	Q2 '18 Dec-Feb
September 14, 2016 <i>Signing of merger agreement between Bayer and Monsanto</i>	December 13, 2016 <i>Monsanto shareowners approve transaction; 99% of votes cast vote in favor of merger agreement</i>				
Filings with regulatory agencies					End of 2017 <i>Expected transaction closure</i>

1. The acquisition is subject to customary closing conditions including receipt of required regulatory approvals.

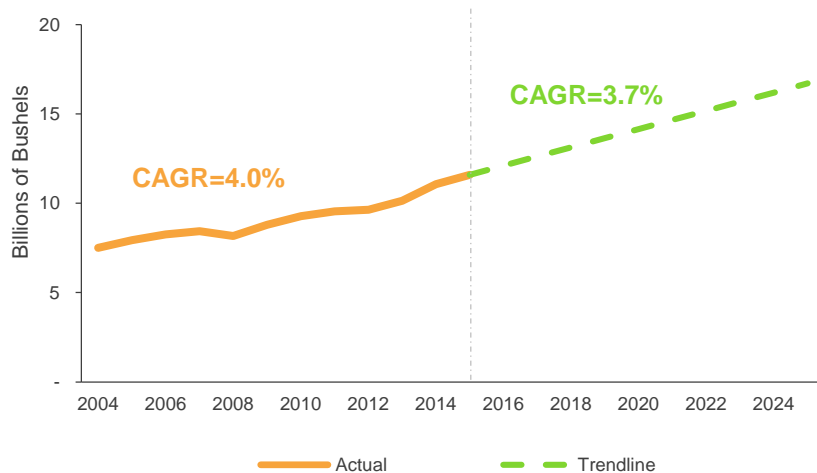
Global Population and Income Growth Fuels Long-Term Demand Trends in Corn and Soybeans

Meeting trendline demand requires 2-fold increase in corn yield rate of gain and 4-fold increase in soybean yield rate of gain over the next decade

Corn Long-Term Demand Trends¹



Soybeans Long-Term Demand Trends¹



1. USDA historical data for actual and trendline – WASDE December 2016; future forecast and projections represent Monsanto internal estimates.

Uniquely Positioned to Address Grower Requirements with Digitally Integrated Solutions

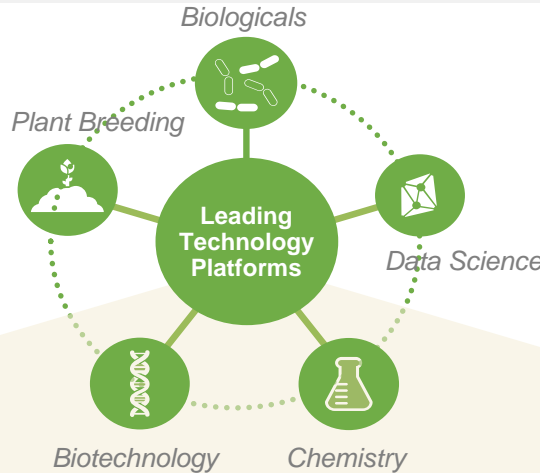
Industry's leading technology platforms and digital integration are addressing evolving grower needs

BREEDING

Leading germplasm positions in corn, soybeans, cotton and vegetables enhanced by cutting edge breeding technology expected to widen gap

BIOTECH

Industry leader with broadly licensed biotech traits reaching >350M acres globally in corn, soybeans, cotton and canola. Multi-generation of traits in pipeline to provide new modes of action.



BIOLOGICALS

BioAg Alliance with Novozymes; Industry leader in fermentation technology

DATA SCIENCE

Climate *FieldView* is leading platform with 100M acres of penetration and leading connectivity, retail & equipment partnerships

CHEMISTRY

Herbicide leader with glyphosate; partner of choice for new molecule development

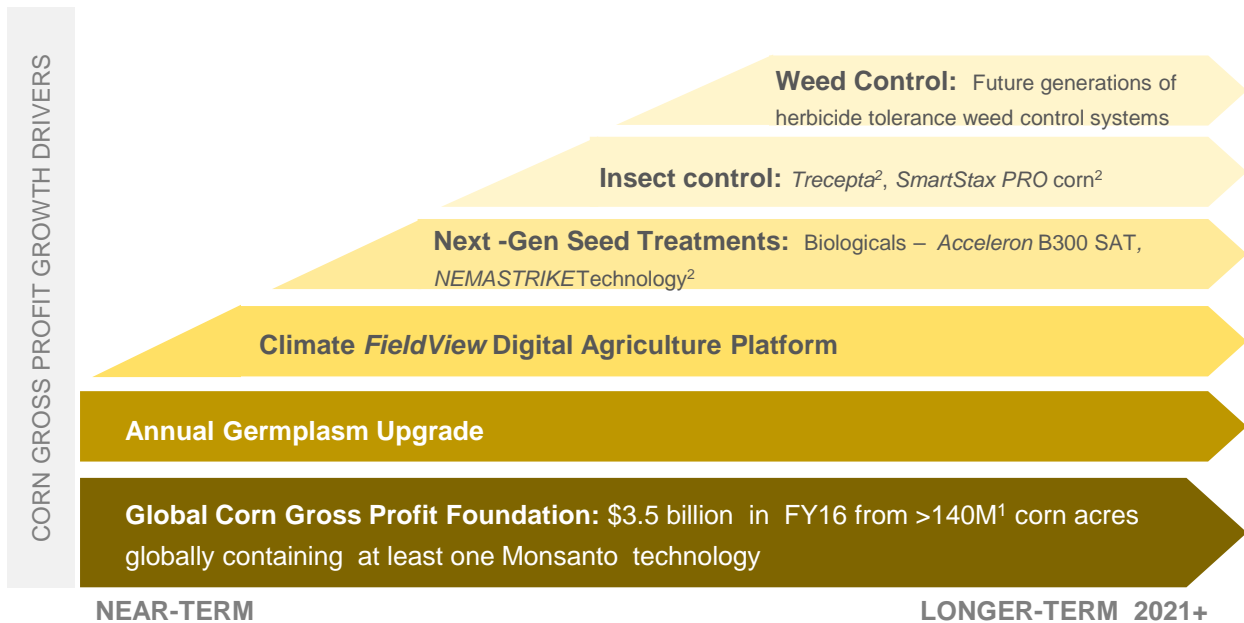


Corn Gross Profit Growth Drivers

Innovation across seeds, traits, crop protection, biologicals and digital ag further strengthens leading share position driving expected share gains and overall gross profit growth

2017 Key Growth Drivers

- Strong momentum in South America; double digit planted acre increases accompanied by double digit price increases in the first quarter
- Expect to grow global germplasm footprint, despite flat global acre outlook
- Global germplasm price mix expected to be flat to up low-single digits as a percentage



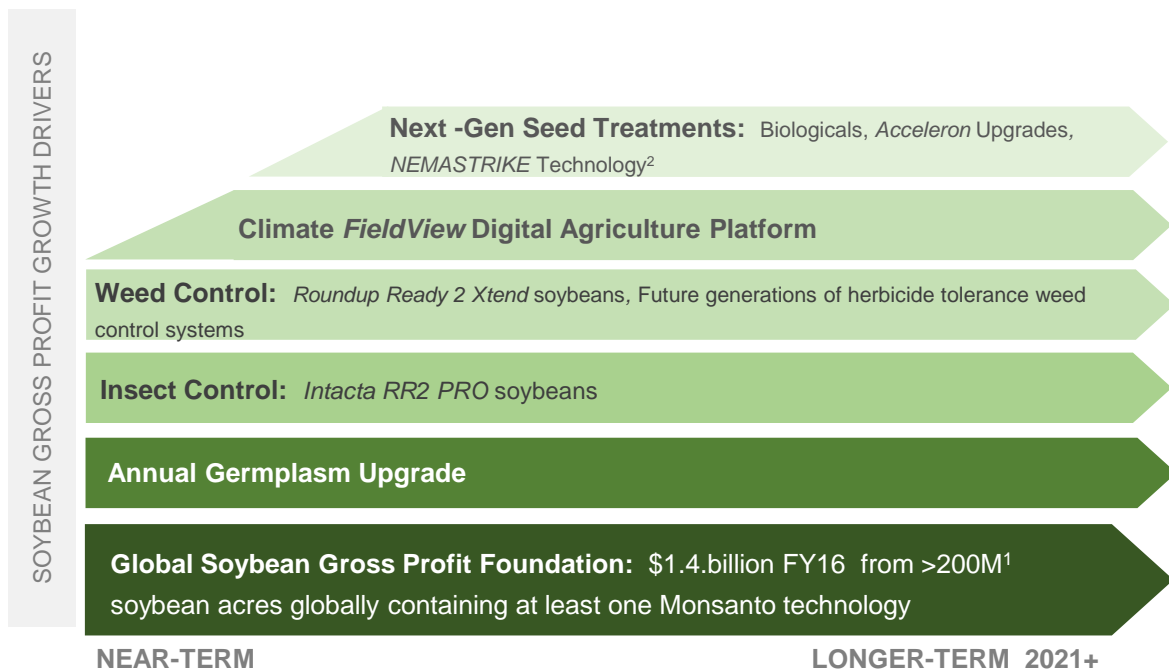
1. Monsanto internal estimate 2. Pending regulatory approvals

Soybean Gross Profit Growth Drivers

Innovation across seeds, traits, crop protection, biologicals and digital ag further strengthens leading share position and supports targeted >20% gross profit growth in FY17

2017 Key Growth Drivers

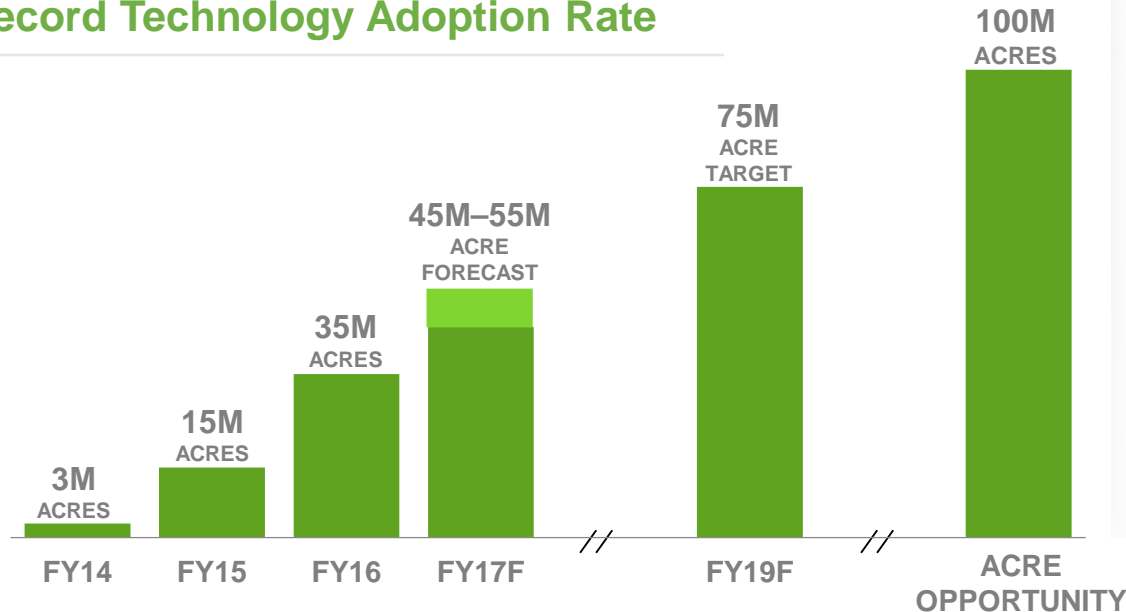
- Targeting >20% gross profit growth with meaningful penetration of key soybean traits across the Americas
- *Intacta RR2 PRO* soybeans targeting 10-20M acreage growth in South America
- *Roundup Ready 2 Xtend* soybeans targeting 15M acres in first year of full system launch



Intacta RR2 PRO Soybeans: Consistent Trait Performance Provides Strong Foundation for Growth

First generation expected to rapidly penetrate 100M acre opportunity; Second generation already in Phase 4

INTACTA RR2 PRO: South America Record Technology Adoption Rate



Key Metrics

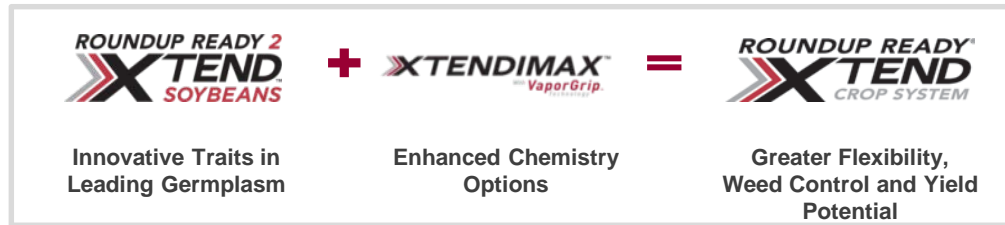
- Targeting 45M-55M acres in FY17
- 2016 marks third year of an average of > 4 BU/AC yield advantage in Brazil; similar in Argentina
- Argentina interim policy supports mandatory testing and approves testing protocol; extended to cover FY17
- Licensed technology to DuPont; technology licensed to germplasm providers with >90% share in South America

Roundup Ready Xtend Crop System: Upgrade of Industry's Largest Seed Technology Platform

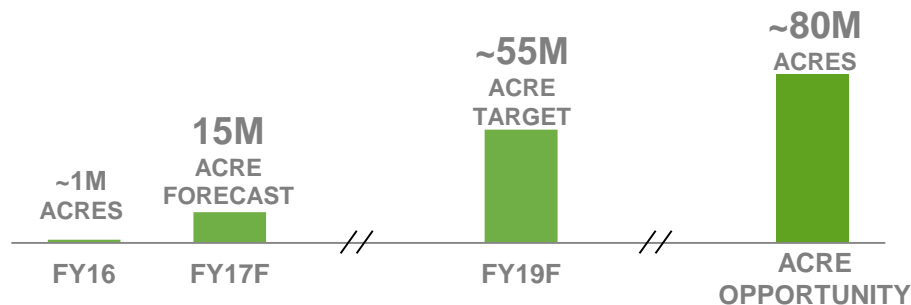
Roundup Ready Xtend crop system poised to rapidly accelerate penetration in 200-250M acre trait opportunity

Roundup Ready Xtend Crop System

Sources of Value in Roundup Ready Xtend Crop System



Roundup Ready 2 Xtend Soybeans: U.S. Acreage Penetration Targets



Key Metrics

- NEW** Received EPA approval for XtendiMax herbicide with VaporGrip Technology enabling system launch; nearly two-thirds of the state approvals obtained
- >120 Roundup Ready 2 Xtend soybean varieties across all relative maturity zones; 10x the products in Roundup Ready 2 Yield soybeans launch
- \$5-10/acre premium vs. Roundup Ready 2 Yield varieties
- Licenses in place with seed companies with > 90% U.S. soybean seed share
- Both DuPont and Syngenta now able to sell authorized formulations containing VaporGrip technology

First Mover Advantage: Climate *FieldView* Established as the Leading Global Digital Ag Platform

First mover advantage and open infrastructure enables platform expansion opportunities

CLIMATE *FIELDVIEW* PLATFORM



CLIMATE *FIELDVIEW* SERVICES

On track for **25M** paid acres in the U.S. in FY17; expanding in Canada, Europe and Brazil

PLATFORM ADOPTION

100M acres on Climate *FieldView* Platform
Veris Technology signed on as the 1st platform partner

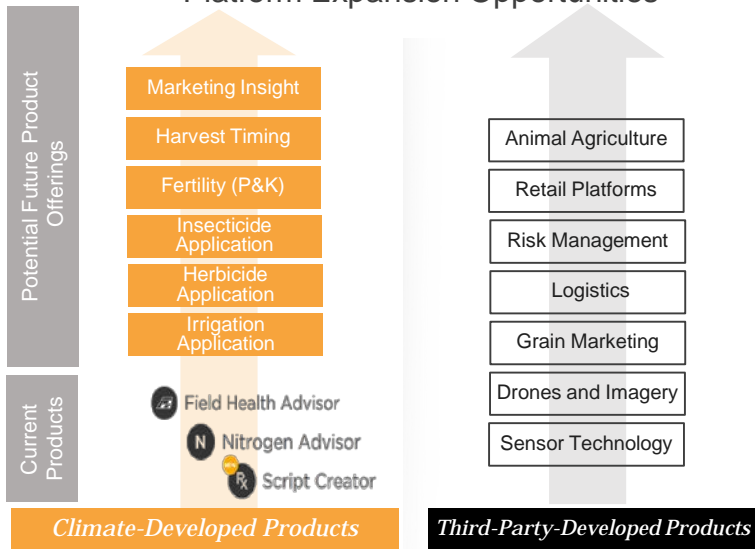
COLLABORATIONS

3 equipment collaborations including recent John Deere agreement enabling **1,000+** John Deere dealers

PARTNERSHIPS

6 strategic retail partnerships enabling **3,000+** trusted advisor sellers

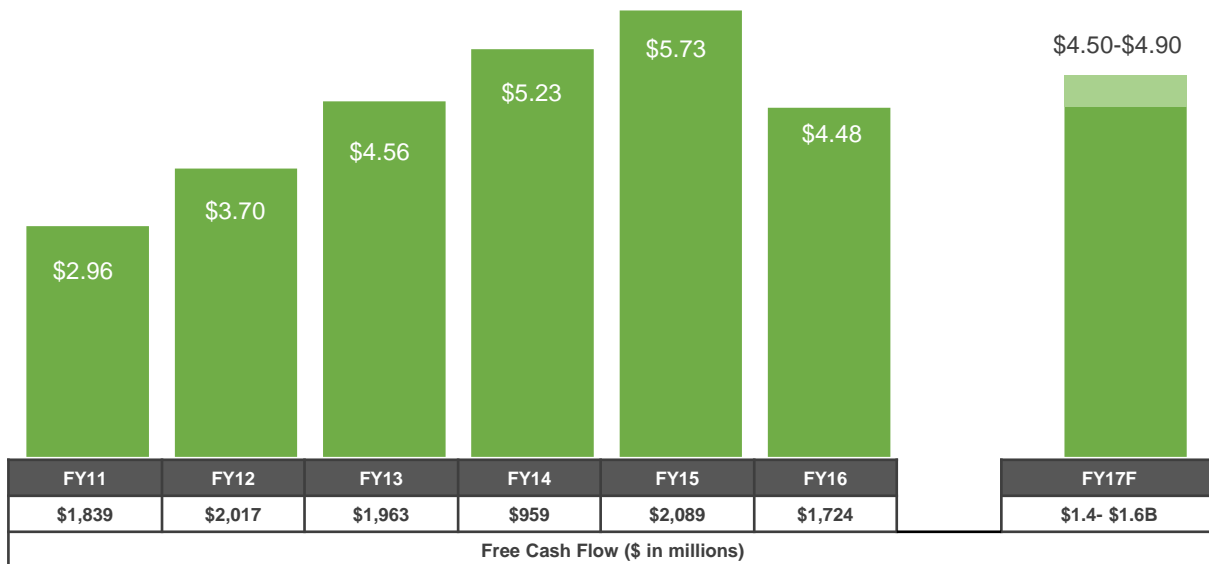
First Mover Advantage + Open Infrastructure Enables Platform Expansion Opportunities



Foundation Established in 2016 for EPS Growth in 2017

Continued focus on innovation and strong cost discipline in 2016 sets up a strong base for growth in 2017

Ongoing EPS FY11-FY17F¹



FY17 Financial Guidance

Ongoing Earnings per Share¹:
\$4.50 - \$4.90

- **Seeds & Genomics:** Gross profit increases mid-single digits
- **Ag Productivity:** Gross profit range of \$850M - \$950M

1. Adjustments and metrics reconciled at the end of this presentation.

Driving Value through Greater Efficiency: Expected to Yield Annual Savings of \$500 Million in 2018

Using business analytics aligned with strategic objectives to enhance commercial success & optimize cost structure

Restructuring and cost savings initiatives:

- 1 Four strategic **commercial hubs**
- 2 Modernize and optimize **IT and supply chain networks**
- 3 Accelerate use of **data and analytics** to speed up R&D cycle
- 4 **Global R&D centers** of excellence

Restructuring Expense:

~\$1.0B

FY15-FY18F

\$500M

TOTAL EXPECTED ANNUAL
SAVINGS IN FY18F



NON-GAAP

FINANCIAL INFORMATION



Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF FREE CASH FLOW

	\$ Millions	Fiscal Year							Q1 FY17	Q1 FY16
		2017 Guidance	2016	2015	2014	2013	2012	2011		
Net Cash Provided by Operating Activities	\$2,400-\$2,800	\$2,588	\$3,108	\$3,054	\$2,740	\$3,051	\$2,814	\$1,463	\$1,363	
Net Cash Required by Investing Activities	(\$1,000-\$1,200)	\$(864)	\$(1,019)	\$(2,095)	\$(777)	\$(1,034)	\$(975)	\$(327)	\$(336)	
Free Cash Flow	\$1,400-\$1,600	\$1,724	\$2,089	\$959	\$1,963	\$2,017	\$1,839	\$1,136	\$1,027	
Net Cash Required by Financing Activities	N/A	\$(3,742)	\$(430)	\$(2,259)	\$(1,485)	\$(1,165)	\$(864)	\$(655)	\$(2,414)	
Cash Assumed from Initial Consolidation of Variable Interest Entities	N/A	--	--	--	--	--	\$77	--	--	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	N/A	\$(7)	\$(325)	\$(1)	\$(93)	\$(141)	\$35	\$(28)	\$(37)	
Net Increase/(Decrease) in Cash and Cash Equivalents	N/A	\$(2,025)	\$1,334	\$(1,301)	\$385	\$711	\$1,087	\$453	\$(1,424)	

RECONCILIATION OF ONGOING EPS

	\$ Per share	Fiscal Year 2017 Guidance	Fiscal Year					Fiscal 1 st Quarter		Fiscal 2 nd Quarter Guidance
			2016	2015	2014	2013	2012	2011	2017	2016
Diluted Earnings per Share	\$3.97-\$4.45	\$2.99	\$4.81	\$5.22	\$4.60	\$3.79	\$2.96	\$0.07	(\$0.56)	\$2.62-\$2.86
Restructuring Charges (a)	\$0.08-\$0.12	\$0.59	\$0.70	--	--	\$(0.02)	--	(\$0.06)	\$0.46	\$0.03-\$0.05
Environmental and Litigation Matters (b)	\$0.01	\$0.38	\$0.11	\$0.04	--	\$0.05	--	\$0.01	\$0.01	--
SEC Settlement Matters	--	--	\$0.17	--	--	--	--	--	--	--
Pending Bayer Transaction Related Costs(c)	\$0.27-\$0.31	--	--	--	\$(0.02)	\$(0.11)	--	\$0.19	--	\$0.03-\$0.05
Resolution of Tax Matters	--	--	--	--	\$(0.02)	\$(0.11)	--	--	--	--
Argentine-Related Tax Matters (e)	\$0.11-\$0.13	\$0.56	--	--	--	--	--	\$0.02	--	\$(0.01)
Income from Discontinued Operations (d)	\$(0.02)-\$(0.04)	\$(0.04)	\$(0.06)	\$(0.03)	\$(0.02)	\$(0.01)	--	(\$0.02)	(\$0.02)	\$(0.01)
Diluted EPS from Ongoing Business	\$4.50-\$4.90	\$4.48	\$5.73	\$5.23	\$4.56	\$3.70	\$2.96	\$0.21	(\$0.11)	\$2.70-\$2.90

See slides 18-19 at the end of the presentation for discussion of reconciling items.

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF ONGOING GROSS PROFIT

	Fiscal 1 st Quarter		
	2017	2016	
\$ Millions			
Gross Profit (GAAP)	\$1,259	\$901	
Restructuring Charges	\$1	\$52	(a)
Ongoing Gross Profit	\$1,260	\$953	

RECONCILIATION OF ONGOING OPERATING EXPENSES

	\$ Millions	Fiscal 1 st Quarter		
		2017	2016	
Operating Expenses (GAAP)		\$1,012	\$1,173	
Restructuring Charges		\$36	\$(266)	(a)
Environmental and Litigation Matters		\$(8)	\$(5)	(b)
Pending Bayer Transaction Related Costs		\$(93)	--	(c)
Ongoing Operating Expenses		\$947	\$902	

RECONCILIATION OF ONGOING NET INCOME Attributable to Monsanto Company

	\$ Millions	Fiscal 1 st Quarter		
		2017	2016	
Net Income Attributable to Monsanto Co. (GAAP)		\$29	\$(253)	
Restructuring Charges		\$(35)	\$318	(a)
Environmental and Litigation Matters		\$8	\$5	(b)
Pending Bayer Transaction Related Costs		\$131	--	(c)
Income Tax Benefit ⁽¹⁾		\$(42)	\$(110)	
Argentine-Related Tax Matters ⁽²⁾		\$10	--	(e)
Income from Discontinued Operations		\$(10)	\$(12)	(d)
Ongoing Net Income Attributable to Monsanto Co.		\$91	\$(52)	

See slide 18-19 at the end of the presentation for discussion of reconciling items. 1. Income tax impact of non-GAAP adjustments is the summation of the calculation of income tax (benefit) charge related to each non-GAAP non-income tax adjustment. Income tax charge is calculated using the actual tax rate in effect during the period for the locality of the related non-GAAP adjustment. 2. Item includes a translation gain recorded in other expense, net of \$18 million and a net charge against tax expense of \$28 million.

Reconciliation of Non-GAAP Financial Measures

DEFINITION OF ONGOING ADJUSTMENTS

(a) Restructuring Charges: Fiscal first quarter 2017 and 2016 included a pretax net reversal of previously recognized restructuring charges totaling \$35 million (\$0.08 a share), or after-tax \$25 million (\$(0.06 a share), and pretax restructuring charges totaling \$318 million (\$0.70 a share), or after-tax \$210 million (\$0.46 a share), respectively. The fiscal year 2017 and fiscal second quarter 2017 guidance represents pretax restructuring charges of \$0.14 to \$0.19 and \$0.05 to \$0.08 a share, respectively. The fiscal year 2017 and fiscal second quarter 2017 EPS guidance reflects restructuring charges of \$0.08 to \$0.12 and \$0.03 to \$0.05 a share, respectively.

(b) Environmental and Litigation Matters: Fiscal first quarter 2017 and 2016 included pretax charges of \$8 million (\$0.02 a share), or after-tax \$5 million (\$0.01 a share), and \$5 million (\$0.01 a share), or after-tax \$3 million (\$0.01 a share), respectively, for legacy litigation matters. The pretax charges in both periods were recorded in selling, general and administrative expenses. The fiscal year 2017 guidance reflects pretax environmental and litigation matters charges of \$0.02 a share. The fiscal year 2017 guidance reflects environmental and litigation matters charges of \$0.01 a share.

(c) Pending Bayer Transaction Related Costs: Fiscal first quarter 2017 included pretax charges of \$131 million (\$0.30 a share), or after-tax \$82 million (\$0.19 a share). Item represents expenses incurred in connection with the pending merger agreement with Bayer. The pretax charges in the three months ended Nov. 30, 2016, were recorded in operating expenses of \$93 million and other expense, net of \$38 million. The fiscal year 2017 and fiscal second quarter 2017 guidance above represents pretax deal related matters charges of \$0.43 to \$0.49 and \$0.05 to \$0.08 a share, respectively. The fiscal year 2017 and fiscal second quarter 2017 EPS guidance reflects pending Bayer transaction related costs of \$0.27 to \$0.31 and \$0.03 to \$0.05 a share, respectively.

Reconciliation of Non-GAAP Financial Measures

DEFINITION OF ONGOING ADJUSTMENTS

(d) Income from Discontinued Operations: The company reports annual earn-out payments received as a result of the 2008 divestment of the Dairy Business as discontinued operations. Fiscal first quarter 2017 and 2016, included pretax income from discontinued operations of \$16 million or (\$0.04 a share), or after-tax \$10 million or (\$0.02 a share), and \$20 million or (\$0.04 a share), or after-tax \$12 million or (\$0.02 a share), respectively. The fiscal year 2017 and fiscal second quarter 2017 guidance represents pretax income from discontinued operations per share of \$0.03 to \$0.06 and \$0.01, respectively. The fiscal year 2017 and fiscal second quarter 2017 EPS guidance reflects income from discontinued operations per share of \$0.02 to \$0.04 and \$0.01, respectively.

(e) Argentine-Related Tax Matters: Fiscal first quarter 2017 included a net charge of \$10 million, or \$0.02 a share. Due to losses generated in Argentina in recent years as well as recent uncertainties around the Argentina business, the company evaluated the recoverability of various items on the Statement of Consolidated Financial Position related to the Argentina business and determined an allowance against certain assets was necessary, which resulted in a translation gain recorded in other expense, net of \$18 million and a net charge against tax expense of \$28 million. The fiscal year 2017 and fiscal second quarter 2017 EPS guidance represents Argentine-related tax matters charges of \$0.11 to \$0.13 and \$(0.01) a share, respectively.