

Bayer stock plunges on profit warning

June 30 2017

Shares in German chemicals and pharmaceuticals giant Bayer plummeted in Frankfurt Friday, after it issued a profit warning over weak performance at its agrochemical and over-the-counter medicines units.

The group's stock fell 4.06 percent to trade at 113.30 euros around 0850 GMT, while the blue-chip DAX index of leading German shares was roughly unchanged.

In a statement early Friday, Bayer said it would suffer an unexpected loss of 300-400 million euros (\$340-450 million) in its crop protection unit, after ending the harvest season in Brazil with higher than expected inventory.

Bayer will book a provision to cover the cost in its second-quarter accounts.

The group also pointed to weaker than [forecast](#) performance at its over-the-counter medicines unit, as well as unfavourable exchange rate effects.

"Against this background, Bayer will adjust its full-year forecast for revenue and profits at the crop science and consumer health divisions," the company said, promising to offer concrete figures when it releases its second-quarter report in late July.

Bayer, based in Leverkusen, western Germany, in April reported healthy

growth across all its divisions in the first quarter.

At the time, it upped its full-year forecast to 51 billion euros in revenue—around 4.0 billion more than in 2016—and projected growth of around 10 percent in operating profits before special items.

The group still hopes to complete a merger with US seed and pesticide maker Monsanto, launched last year, which will be the biggest-ever acquisition by a German company if it receives the green light from competition authorities.

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