

German chemical giant BASF sees 'significant' profit leap

January 18 2018



"The earnings figures exceed analyst estimates significantly," said BASF in a statement

German chemicals and pharmaceuticals giant BASF said it expects to post a 50-percent leap in net profits for 2017 on strong demand and a tax

windfall due to lower levies in the United States.

Net income for the year is expected to reach 6.1 billion euros (\$7.5 billion), up from 4.1 billion in 2016, according to unaudited preliminary results, said the group.

"The earnings figures exceed analyst estimates significantly," said BASF in a statement.

A cut in the US corporate tax rate from 35 percent to 21 percent is expected to contribute to almost 400 million euros in savings in the last three months of 2017.

Sales rose by 12 percent to 64.5 billion euros, said the group.

"The year-on-year earnings growth is primarily attributable to the strong earnings increase in the chemicals segment," added BASF, which will post its full-year report on February 27.

BASF said last year that it plans to spend nearly six billion euros acquiring parts of the agrochemical business of competitor Bayer, which is pursuing a mega-merger with US seeds and pesticides maker Monsanto.

In October, BASF confirmed its full-year forecast, saying it expected sales and operating profit to "increase considerably" over 2016's figures.

© 2018 AFP

Citation: German chemical giant BASF sees 'significant' profit leap (2018, January 18) retrieved 1 May 2024 from <https://phys.org/news/2018-01-german-chemical-giant-basf-significant.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.