

Deutsche Telekom rings up big profits thanks to US tax reform

February 22 2018



Deutsche Telekom saved 1.7 billion euros in taxes following Donald Trump's tax reforms in the US

German telecoms giant Deutsche Telekom on Thursday announced a big jump for its 2017 net profit, as a tax bump from the United States helped offset record investments in fibre-optic infrastructure.

Profit leapt by 29.4 percent to 3.46 billion euros (\$4.2 billion) for the year, thanks partly to one-off tax savings of 1.7 billion euros resulting from reforms pushed through by US President Donald Trump in December.

By comparison, the German group's 2016 profits had been dragged down by a decline in the British Telecom share price and in the pound sterling following the UK's vote to leave the European Union.

Adjusted operating, or underlying [profit](#) increased 3.8 percent, to 22.23 billion euros, on the back of a 2.5-percent increase in full-year revenues to 74.95 billion euros, Deutsche Telekom said.

One of the German firm's biggest earners remained its high-performing T-Mobile USA division, although there were signs growth was beginning to slow at the unit.

In 2017, it added just 1.13 million new customers compared with 8.2 million the previous year, and a hoped-for merger with the fourth-largest US mobile operator Sprint fell through.

Investments meanwhile reached a record 12.1 billion euros last year, almost half of them in Germany as the company pumped funds into laying 40,000 kilometres of new fibre-optic cables.

In advance of the results release, Deutsche Telekom had already announced that chief executive Tim Hoettges would see his contract extended for a further five years.

The group said it would increase its dividend by 5 [euro](#) cents to 0.65 euros per share, in line with the increases seen over the past three years.

Looking ahead to this year, the group expects a "moderate" increase in

revenue and an increase in adjusted operating profit of more than 4.0 percent, to around 23.2 billion euros.

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Citation: Deutsche Telekom rings up big profits thanks to US tax reform (2018, February 22)
retrieved 1 May 2024 from <https://phys.org/news/2018-02-deutsche-telekom-big-profits-tax.html>

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