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Bayer expects negative earnings impact from its Brazilian Crop Science business

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Despite an encouraging start to the year and continued good growth momentum, Bayer's Crop Science Division will have to adjust its business forecast for fiscal 2017. At the end of the harvest season in Brazil, regular stocktaking revealed an unexpectedly high channel inventory level of crop protection products. For this reason, Bayer will be working with its customers to initiate measures aimed at normalizing the situation. This will have a one-time effect of EUR 300 million to EUR 400 million on earnings (EBITDA before special items) for the full year 2017. Appropriate accounting measures are already being taken in the second quarter.

Bayer is also expecting earnings to be additionally impacted by unfavorable currency developments. Business performance by the Consumer Health Division is weaker than previously expected.

Against this background, Bayer will be adjusting its full-year forecasts for sales and earnings in the Crop Science and Consumer Health divisions. This will also result in adjustments to the forecasts for Group sales and earnings indicators.

By contrast, the Pharmaceuticals Division and Covestro continue to perform strongly. The Animal Health business unit is performing in line with expectations.

The outlook will be adjusted during preparation of the interim report for the second quarter and announced with its publication.

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