
CNH Industrial considers spin-off of Iveco truck unit

2019/08/30 10:35 στην κατηγορία INTERNATIONAL

Italian-American industrial vehicles maker CNH Industrial is considering a possible spin-off of its truck unit Iveco as part of a wider reorganization plan, a source with knowledge of the matter said on Thursday.

The source said a spin-off is one of the most likely developments for Iveco, confirming a Bloomberg report on Thursday, but added that many aspects of the deal are yet to be defined.

The Iveco spin-off might be part of a wider reorganization plan for CNH Industrial, which is expected to be announced during a presentation to investors scheduled for Sept. 3 in New York.

CNH Industrial's main shareholder is Exor, the holding group of Italy's Agnelli family, which also controls Fiat Chrysler and premium sports car maker Ferrari. It makes most of its profit from farming machinery, Iveco commercial vehicles, construction equipment and powertrains.

Iveco has often been cited as a potential spin-off candidate to boost its value.

CNH's commercial vehicles unit, which accounted for roughly 38% of total sales from industrial activities in the second quarter of this year, posted adjusted earnings before interest and tax of \$100 million in the same period, around 19% of the group's total adjusted EBIT from industrial activities.

Its EBIT margin was 3.7%, short of 7.5% for the group's total industrial activities.

Chief Executive Officer Hubertus Muhlhauser, who was appointed in 2018, said this year that Iveco was a core part of CNH Industrial but added a wider strategy review for the group was in progress.

CNH Industrial's previous CEO said he was open to the possibility of hiving off some businesses once their balance sheets were sound.

Milan-listed shares in CNH Industrial shares rose 5.2% on Thursday.

(Reuters)