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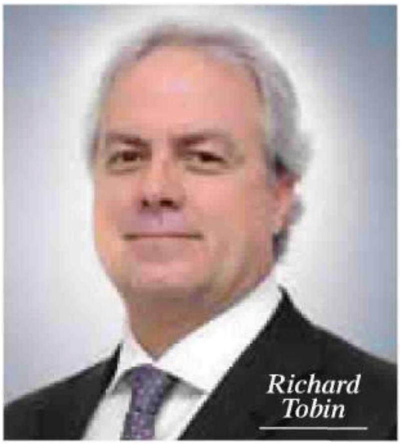
MF

EXOR'S SUBSIDIARY PROPOSES DIVIDEND OF €0.14

CNH returns to profit: USD 313 million



by Francesca Gerosa

CNH Industrial ended 2017 with net adjusted earnings up 39% to $669 million and net income of $313 million. This was a marked improvement on the $249 million loss in 2016. Consolidated earnings grew by 10% to $27.3, driven primarily by the excellent performance of agricultural machinery. Net industrial debt, of $900 million at 31 December 2017, struck a positive note. This marks a reduction of 45% with respect to 31 December 2016. Analysts were expecting an improvement, but not as sizeable as this: around 1.5 billion. In the third quarter of 2017 alone, earnings from industrial activity increased by 16.7% to $7.8 billion. Adjusted net income was stable at 197 million, operating profits from industrial activity settled at $494 million, a rise in absolute terms but with the margin down from 6.3% to 6.1%.

In the light of these results, at the shareholders' meeting the Board of Directors will propose a dividend of €0.14 per share, making a total of around €191 million ($237 million). This is an increase of 27% on the previous year. In addition, the management will seek to re-authorise and increase the share repurchase programme to $700 million, an increase of $400 million on the current programme.

For this year, the EXOR holding (which encompasses brands like Case New Holland and IVECO), has said it expects net turnover from industrial activity of $27-28 million. This is more or less stable with respect to 2017, and an increase of 30% on the adjusted diluted earnings per share, at between $0.63 and $0.67. Net industrial debt, on the other hand, is expected to be $0.8-1 billion dollars.

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BANOR SIM

After the 2017 accounts were published, CNH shares saw a day of profit taking. The session closed with a fall of 2.34%, to $11.915. Speaking to MF-Dow Jones with the results fresh off the press, Angelo Meda, head of equities at Banor SIM, said that “the debt figures were very good”, while earnings were slightly lower than expected: the question is “why?”. Overall, however, the expert described the accounts as “good”. In a conference call with analysts following publication of the account, CEO Richard Tobin pointed out that the company closed 2017 ahead of the goals it had set. “The results were better than the guidance”, he noted, adding that 2018 has got off to a good and promising start for the rest of the year.

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