

Lufthansa Has Activist Support for Potential Division IPO Plan
2020-01-23 14:21:07.535 GMT

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(Bloomberg) -- An activist investor in Deutsche Lufthansa AG backs the airline group's decision to consider a minority listing of its jet-maintenance unit and has met with management to discuss the matter. Representatives of London-based Bluebell Capital Partners met with Lufthansa Chief Executive Officer Carsten Spohr and other senior executives in Germany in December to discuss options for the division, according to a Jan 8. letter to Spohr from Bluebell Co-Founder Giuseppe Bivona. Attendees of the meeting discussed a listing of 25-30% of the unit, with Lufthansa retaining full operational control, Bivona wrote. "This is a beautiful business -- one out of five of any commercial aircraft in the world is maintained by Lufthansa Technik," Bivona said in a phone interview. "We are not advocating for a sale but we are advocating for an IPO." Bloomberg News reported on Wednesday that a potential listing of Lufthansa Technik is now under active consideration. The shares jumped early in Frankfurt before reversing gains and traded 0.9% lower at 2:20 p.m. on Thursday. Lufthansa Weighs Listing of Stake in Jet-Maintenance Unit A spokesman for Lufthansa declined to comment. Lufthansa is considering the sale of stock in its jet-aircraft maintenance business to raise funds for investment and to boost the airline group's share price, according to people familiar with the matter. The unit has an enterprise value of about 7.5 billion euros (\$8.3 billion), according to Bloomberg Intelligence analyst George Ferguson, more than Lufthansa's market capitalization of 6.9 billion euros. Bluebell, whose founders previously advised the likes of Elliott Management and Jana Partners on activist campaigns, started its hedge fund last year and manages about 60 million euros. In its first publicly disclosed campaign, the firm wrote to GAM Holding AG Chairman David Jacob last year, urging a strategic review of the private labeling business and seeking other changes at the Swiss money manager. Lufthansa Technik had revenue of 5.15 billion euros, including sales to other Lufthansa businesses, in the first nine months of 2019, and adjusted earnings before interest and taxes of 371 million euros. It employs about 26,000 people worldwide.

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