Week in Review General Electric Co

Corporate week in review, October 6

GE and Pfizer chief executives, Aston Martin IPO, Amazon, Nomura and Elon Musk



OCTOBER 5, 2018

A round-up of some of the week's most significant corporate events and news stories.

Flannery exits GE

Feedback

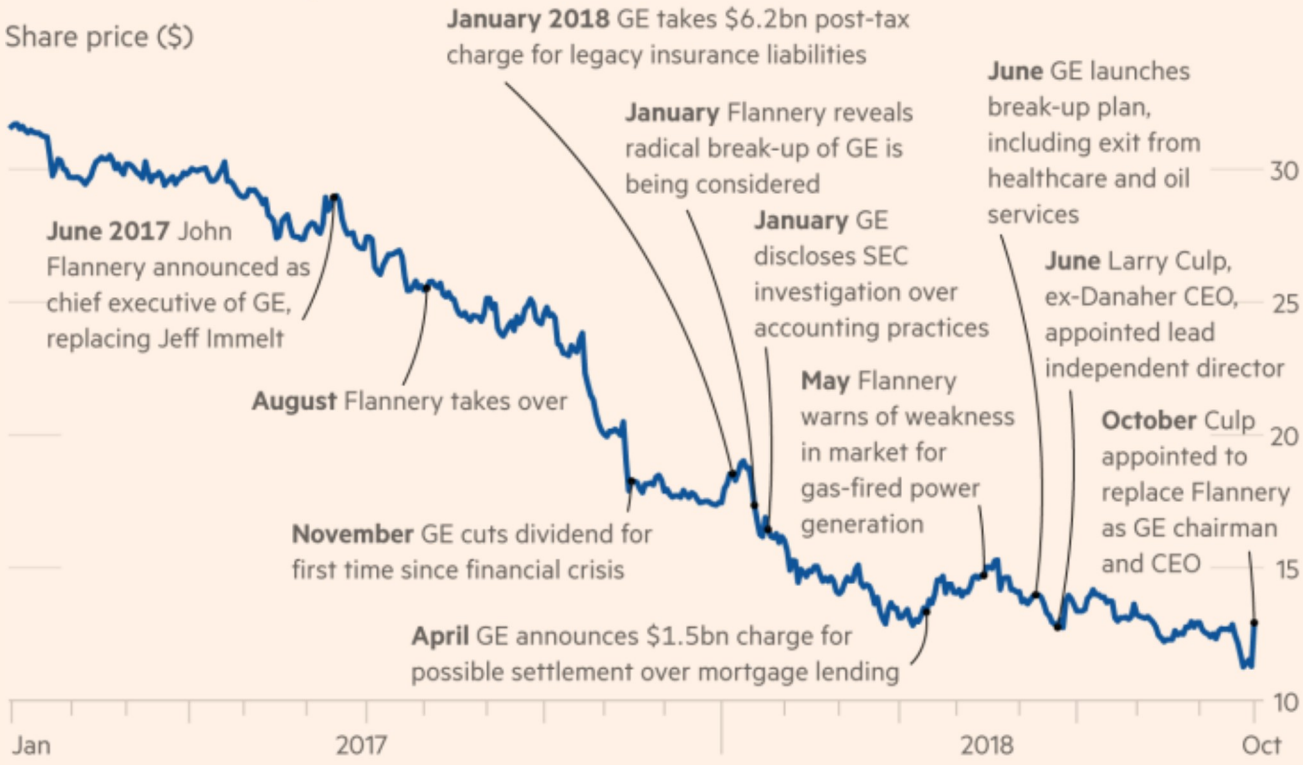


© AP

General Electric replaced John Flannery, the chief executive who spent just over a year in the role, after the conglomerate cut its profit outlook for 2018 and said it would take a $23bn writedown against its struggling power business.

Larry Culp— who had been appointed as GE's lead independent director in June — succeeded Mr Flannery, becoming the first outsider to lead the company in its 126-year history. Shares in GE have fallen 50 per cent under Mr Flannery's tenure, but were pushed 7 per cent higher by the close of trading on the day of his departure.

Feedback



Source: Thomson Reuters Datastream
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Pfizer's Read to step down



Ian Read is to step aside as Pfizer chief executive after eight years leading one of the world's biggest pharmaceutical companies © Bloomberg

Feedback

Ian Read announced plans to step down as chief executive of Pfizer after eight years at the helm of one of the world's biggest pharmaceutical companies.

Albert Bourla, the chief operating officer, will take over the running of the drugs group, which recently faced criticism from Donald Trump over price increases. Mr Read, who is also chairman, will become executive chairman at the start of next year. In July, Pfizer reversed its decision to increase prices.



Aston Martin splutters

Feedback



Andy Palmer (C), chief executive of luxury British sports car maker Aston Martin speaks with his chief financial officer Mark Wilson as the company was floated on the London Stock Exchange © AFP

Aston Martin had a disappointing first day trading in London, despite its shares being priced at the lower end of the initial range ahead of the IPO.

Shares in the luxury carmaker closed the day down almost 5 per cent, dashing its hopes of a spot in the FTSE 100 index of blue-chip stocks.

Andy Palmer, chief executive, said he was nonetheless “delighted by the positive response” from investors to a “historic milestone” for the maker of James Bond’s most famous cars.

Broker Olivetree highlighted that during the past three years, there had been just over 300 IPOs in London of £25m and up. Just over 60 of those closed below the offer price on day one.

Feedback

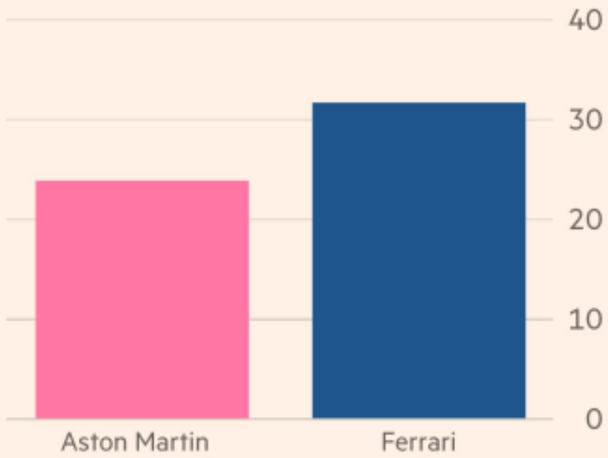
Valuations

Enterprise values as a multiple of ebitda



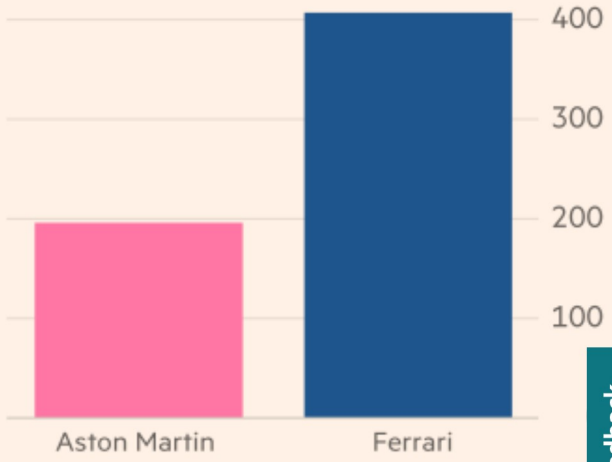
Ebitda margins

H1 2018 (%)



Revenue per car sold

€ '000, 2017)



Sources: S&P Global; company

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Feedback

Amazon raises wages



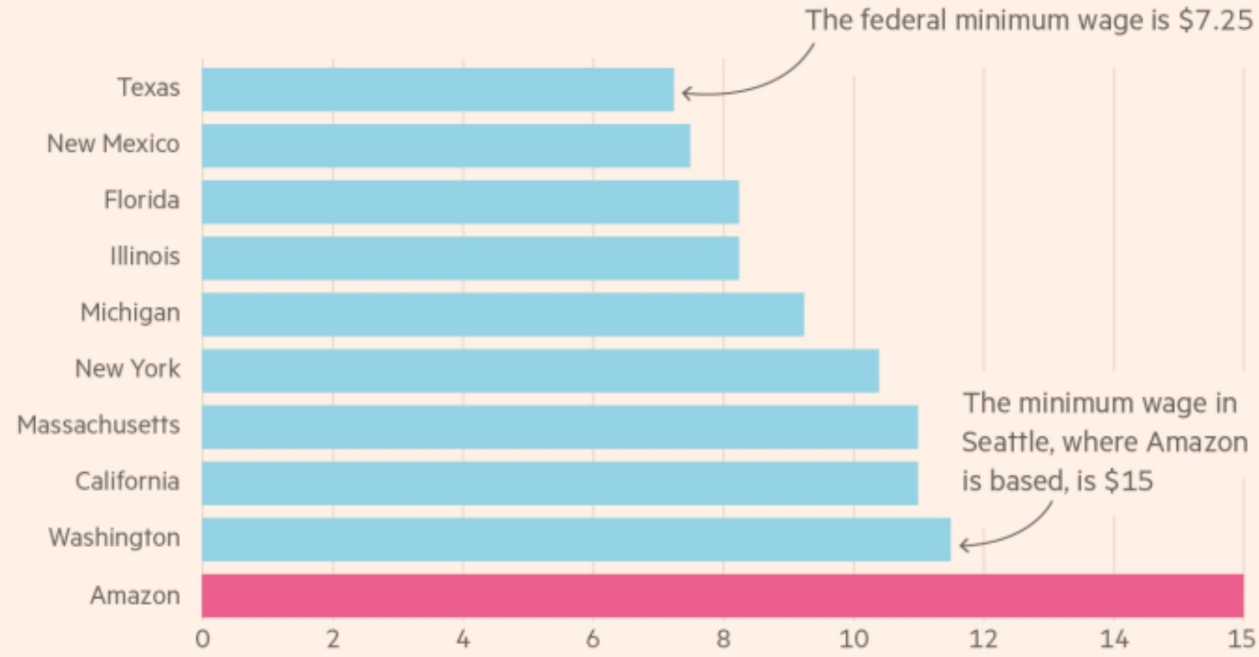
© AP

Amazon said it would raise the minimum wage paid to its US and UK workers from next month, in the face of political criticism of the treatment of its employees.

Jeff Bezos, chief executive, said the ecommerce giant had "listened" to its critics, when he announced new wage floors of $15 per hour in the US and £9.50 in the UK, with a higher £10.50 rate for London employees. Amazon employs more than 575,000 people worldwide.

Feedback

Amazon's minimum wage will exceed that of any US state



Source: National Conference of State Legislatures
© FT

Nomura eyes Paris move



Nomura employs around 2,300 people in London © Alamy

Nomura is in advanced talks with regulators over using Paris as its post-Brexit European lending

Feedback

hub.

Recommended

Three people familiar with the discussions said the Japanese bank wanted to use the French capital as an alternative banking centre for clients that wanted to borrow from an EU counterparty instead of continuing to deal with Nomura's existing Europe, Middle East and Africa hub in London. Nomura declined to comment.

Musk mocks SEC



© AFP

Elon Musk mocked the Securities and Exchange Commission in a tweet just days after he agreed a settlement that required Tesla to exercise greater oversight of his Twitter account.

Mr Musk said in the tweet: "The Shortseller Enrichment Commission is doing incredible work. And the name change is so on point!"

The Tesla chief executive on Saturday agreed to pay $20m and step down as chairman to settle fraud charges related to his August 7 claim on Twitter that he had "funding secured" for a plan to take the electric carmaker private.

Feedback

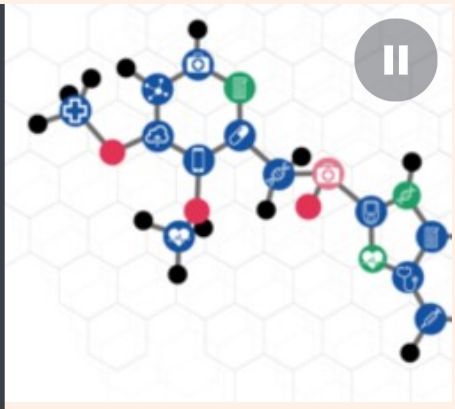
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