

VW aims to raise up to 1.9bn euros by floating Traton

June 14 2019



By unloading part of its truck unit Traton, which includes the Man and Scania brands, VW aims to take in up to 1.9 billion euros

Volkswagen aims to raise between 1.6 billion and 1.9 billion euros (\$2.1 billion) by listing between 10 and 11.5 percent of the capital for its truck division Traton on the stock market.

The German car giant will offer shares in Frankfurt and Stockholm, each costing between 27 and 33 euros (289 and 353 Swedish krona, \$30 and \$37) and expects the first listing on June 28, Volkswagen announced Thursday night.

The transaction is expected to be one of Germany's 10 largest initial public offerings (IPOs), but remains well below the largest for 2018, when Siemens' Healthcare Division was floated for 4.2 billion euros.

Volkswagen had initially scheduled floating Traton in April but postponed in mid-March as the market was deemed unfavourable, but the launch targets announced are down on what had been expected.

According to press reports, Volkswagen had considered floating up to 25 percent with the hope of raising six billion euros in new money.

The initial public offer of shares, or IPO, values Traton at between 13.5 billion and 15.5 billion euros, below analysts' estimates.

Traton, which includes the MAN and Scania brands, sold 233,000 vehicles in 2018 to take in nearly 26 billion euros, and employs around 81,000 people.

The money raised from the IPO will go to Volkswagen, currently Traton's sole shareholder, the German group said.

© 2019 AFP

Citation: VW aims to raise up to 1.9bn euros by floating Traton (2019, June 14) retrieved 25 April 2024 from <https://phys.org/news/2019-06-vw-aims-19bn-euros-traton.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is

provided for information purposes only.