

08 Aug
2016

BOOKMARK ☆

FACEBOOK f

TWITTER

PRINT

TAG

 Industries
 stock market
 Equities
 Brexit
 Ipo

HOME › MARKETS

For ENAV's IPO a very successful debut against all odds

by Laura Serafini

It seemed an impossible goal, almost against common sense. The privatization process of the Italian air traffic control operator ENAV certainly cannot be described as a smooth and sure-to-succeed endeavour. It is the result of an act of bravery by the Italian government, the management of the company and the underwriting banks that three days after the Brexit referendum, and at a time of extremely high market volatility, they decided to go ahead with the IPO.

But we also have to take into account ENAV's recent history. At mid-2014, CEO Massimo Garbini left the company and a temporary civil servants triumvirate was entrusted with ENAV's management for the following nine months: Nicola Maione and Alessandro Tonetti as board of directors and Maria Teresa Di Matteo as president of the company. An actual board of directors with a new management team was put in place only in the summer of 2015, with Roberta Neri as a CEO. After less than a year, ENAV was listed on the stock market during one of the most severe political and financial storms the EU has ever gone through, due to Brexit.

For this reason, the remarkable success of the IPO is that much more important. Since the initial public offering on July 26, ENAV shares have kept gaining ground and are now up about 13% since the debut. The same characteristics of the company – well-managed and characterized by a regulated business and a dividend yield around 5% (the dividend announced for 2016 is €96 million) – made ENAV such a desirable target for investors all over the world and especially for infrastructure funds, at a time when basically there was no other offering on the financial and capital markets, remained frozen after Brexit.

The success is all in the numbers, as the offering was oversubscribed by 8 times and the stock gained 10% already in the first day of listing. And also by the decision by the underwriting banks to fully exercise the greenshoe option for further 22.6 million shares, which means more income for income for the Economy Ministry, the controlling shareholder.

The company headed by Roberta Neri has decided to make use of a rule recently approved by CONSOB that allows companies to approve the six-months financial results by September 30 rather than the beginning of August. The first opportunity for the financial community to interact with management will therefore take place after the summer. The meeting of the board of directors for the approval of the financial results is scheduled on September 26.

© ITALY EUROPE 24 - ALL RIGHTS RESERVED


RELATED
MARKETS
 June 22, 2016

News&Previews: Piazza Affari slows its pace as Brexit referendum gets nearer
MARKETS
 July 2, 2016

News&Previews: Piazza Affari up 3.6% for the week but banks are back in trouble
MARKETS
 July 5, 2016

News&Previews: Piazza Affari down on more banks' pain as S&P's cuts EU growth estimates