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Billionaire Peugeots Face Shareholder Heat for a Second Year (1)

By Tara Patel

(Bloomberg) -- The investment firm controlled by the billionaire Peugeot family came under fire for a second year in a row from its largest outside shareholder unhappy with governance, operating costs and a deeply discounted share price.

Peugeot Invest SA clashed with minority investor Moneta Asset Management ahead of its annual general meeting on Tuesday. The Paris-based asset manager, which owns about a 4% stake, is critical of Peugeot's trading discount on the local stock exchange of about 56% to net asset value, as well as royalties paid by the investment firm for use of the family name.

Moneta's claims come just as ninth-generation heir Edouard Peugeot, 41, replaces his 75-year-old father Robert as chairman of the holding company, 80% owned by the family. The Peugeots are among France's most prominent industrial dynasties tracing their auto empire to 1810, but the investment firm has come under pressure after losses related to the collapse of Austrian property empire Signa and the persistent discount weighing on the stock.

"There is a wide misalignment between the Peugeot family interests and those of minority shareholders," Moneta said in a series of questions to the outgoing chairman ahead of the meeting. The investor also pushed for change last year and managed to obtain some concessions from the company.

Robert Peugeot

At Tuesday's meeting, Moneta called for a significantly higher dividend, greater transparency and lower costs, as well as a possible splitting of the company via distribution of its stock in automaker Stellantis NV, which makes Peugeot brand cars.

Robert Peugeot and company executives were peppered with questions at the meeting about costs, investment strategy and the poor performance of Stellantis, with the chairman saying no study on a possible breakup of the investment firm has been announced “at this stage.”

Asked about “colossal” spending on travel and other expenses, CEO Jean-Charles Douin pledged to work to keep costs down, although said that “we’re not going to make the best investments by sitting” at headquarters in Neuilly-sur-Seine.

Shares of Peugeot Invest rose 1.3% as of 1:48 p.m. Paris time.

Moneta also found fault with Peugeot 1810, the Peugeot Invest unit that holds stakes in Stellantis and Forvia, calling it “an inappropriate and costly” entity created for tax purposes.

In response, Peugeot Invest said the creation of Peugeot 1810 benefited all shareholders and costs have fallen significantly from a year ago. Fees for use of the Peugeot brand have also come down, while those for travel and events dropped 70% between 2023 and 2024, it said. Operating costs as a proportion of assets under management should decline further, it said.

As part of the “active management” of its portfolio promised by Douin, who was hired last year, the firm on Monday announced the sale of part of its interests in private equity funds for about €227 million. Since the start of the year, it has invested in insurance broker BroadStreet Partners and health-care educator Novetude as well as cutting its stake in Spie.

Minority investors on Tuesday overwhelmingly rejected a resolution to cap royalties paid to the family at 1 million euros annually. Moneta had called for the sum to be merely symbolic at a few thousand euros.

Read more about Peugeot Invest:

- Peugeot Family Elevates Millennial Son to Helm Investment Firm
- Billionaire Peugeot Family Faces Rare Revolt by Shareholders
- Billionaire Peugeot Dynasty Takes Near $300 Million Signa Hit

(Updates with meeting details from sixth paragraph.)

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