

De La Rue chief has licence to print his money, top investor says

The chief executive of De La Rue, the banknote printer, has come under fire from a leading shareholder after taking a £265,000 bonus last year despite a sharp fall in its share price.

Speaking to Sky News, Richard Bernstein, chief investment officer of the fund manager Crystal Amber, said Clive Vacher's pay was inappropriate for the boss of a company valued by the London stock market at only £161m.

De La Rue's annual report showed that Mr Vacher was awarded a total pay package worth £792,000 last year, including the cash bonus.

The company has, however, been the source of perennial discontent from shareholders after seeing its value slide over the last decade.

In May, it issued a profit warning – its second this year alone – over rising costs.

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Crystal Amber, which has previously urged De La Rue's board to put the company up for sale, owns a roughly 10% stake.

Mr Bernstein said that "management alignment is absent at De La Rue", pointing to the fact that its shares had fallen by more than half during the last year.

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"The market cap is £160m – even after the £100m that we and other shareholders invested two years ago."

He accused the De La Rue board of failing to benchmark Mr Vacher's pay against returns to shareholders.

"This level of pay may be appropriate for a CEO of a FTSE 250 constituent but not for a small-cap company," Mr Bernstein added.

"If shareholders are suffering, why should executives be given

huge cash bonuses? It's time for management to provide evidence of its worth."

De La Rue declined to comment.