

Veteran City banker lined up to chair GKN Automotive spin-off

A veteran investment banker is being lined up to chair one of Britain's biggest car parts manufacturers as it prepares for a newly independent life as a standalone listed company.

Sky News has learnt that Simon Mackenzie-Smith, a prominent City figure during a long career at Bank of America Merrill Lynch, is close to being appointed as chairman of GKN Automotive.

Melrose Industries, GKN's parent, announced last month that it planned to demerge GKN's automotive business, with Melrose retaining ownership of the GKN aerospace division.

Analysts expect the car parts business to become a member of the FTSE-250 index with a valuation of well over £1bn.

It will trade under a new name when it launches on the London Stock Exchange next year.

The GKN Automotive unit is one of the world's leading suppliers of vehicle drive-shafts, and will continue to be run by Liam Butterworth, its current chief executive.

Headhunters are also working on recruiting a slate of non-executive directors to work alongside Mr Mackenzie-Smith, according to City insiders.

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Melrose bought GKN, one of Britain's oldest engineering groups, in 2018.

The parent company has a market capitalisation of £4.6bn, having seen its shares fall by 27% over the last year.

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A Melrose spokesman declined to comment on Friday.