

Stock Spin-offs Survey

October 2024



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Stock Spin-off Investing

Jacobs (J) will spin off Amentum (AMTM) on Sept 30. Do you have a view on Amentum and/or Jacobs RemainCo? ▾

No view

to hard

not sure yet

have no idea

No

No

No

no interest at this time

Yes

Yes, I'm researching AMTM but it's a bit of a confusing situation for me since J will be combining aspects of their own government services business with AMTM. Government contracts are great since they typically last a good amount of time and once you've gotten a bid once it's easier to get it again. (The co I work for gets a lot of our business that way.) The fact that AMTM will replace BBWI on the S&P 500 is also a good sign but that also means there probably won't be a lot of indiscriminate selling.

I know nothing. You tell me!

Not following this one; my opinion on having "another cybersecurity" company would be "no thanks" I'm feeling full already.

I think it will unlock some value in RemainCo, unsure about AMTM

No

?

This deal will unlock value. Amentum (AMTM) is already included in the S&P 500, it will be interesting to see if there will be selling pressure after the spinoff. Jacobs (J) is overvalued at the moment, and the spinoff is more interesting for AMTM.

Yes, I will invest both in the parent and the spin off. I expect the value will be most on the side of the parent.

I will wait for the spin off to take place and keep an eye on Amentum (AMTM) after September 30.

no opinion, I don't study these situations enough to have an opinion

Don't know

No View

To hard

CURB has 600mm cash, no debt and 60-70mm of FFO from current biz—under 10-12 bucks want to buy it, parent will probably be sold

Have no idea

No

Yes but can be priced quite high

My view is that currently, the \$3B market cap is roughly fair for where the businesses should trade post-spin. Math is, going off the latest spin deck, \$22.5m CURB Q4 NOI. Annualized at 6.5% cap gets you \$1.4B plus \$600m cash. They're saying 6 cap in the deck but I shaved that a bit. SITC RemainCo about \$140m of NOI, \$650m net debt. A 9 cap gets you to \$1.6B EV, 950m market cap. I think 9 may be a bit conservative, so if there's upside it would be CURB getting a 6 cap and SITC getting 7-8 cap.

no interest at this time

No

Yes, I'm excited about it and it's one of the few times I purchased a small position in the RemainCo. In a month or two I'll probably open a larger position in CURB. I like that CURB doesn't seem to be saddled with SITC's debt. As long as we don't enter serious recession territory both of these seem like they've got some upward growth.

No clue. What do you think?

I think the Curblin properties sound more attractive as "convenience" RE for lease than the strip malls around me (which fit SITE centers portfolio theme).

I expect both sides to gain value

Yes,

? I love your newsletters and content

The spin-off should unlock value by creating two focused and flexible REITs with a clear growth strategy Curblin Properties (CURB) offers significant growth potential in a highly fragmented and liquid convenience retail market with a strong financial position and a diversified tenant base. It will appeal to investors seeking a high-growth, specialized REIT with inflation protection. SITE Centers (RemainCo) will retain a stable, high-quality portfolio of assets focused on maximizing value through leasing and asset sales. The company's financial management prior to the spin-off provides a solid foundation for continued performance post-spin-off.

I don't know, I will not invest in this as I tend to stay away from REITs. In my experience, the process of spin offs unlocking value as Greenblatt describes it does not seem to apply to REITs. I don't know why.

TC Energy (TRP) will spin off South Bow (SOBO) on Oct 1. Do you have a view on South Bow and/or TC Energy RemainCo ▾

No View

yes

yeah, SOBO worth 20, 2.00 divi TRP already ex got it for free

Have no idea

No

Yes

No

no interest at this time

Maybe

I personally don't invest in oil and gas for moral reasons so I'm not familiar with this one.

Also nothing, fill me in!

I think there's definitely appetite for South Bow (a pipeline company).

No real work on this I'm sorry

This Canadian company isn't too well known, but any initial selling pressure on the company after the spin-off is worth keeping an eye on.

I will not invest in this, I looked at the situation but do not understand which value this spin off would unlock.

I will wait for the spin off to take place and keep an eye South Bow (SOBO) after October 1.

no opinion, I don't study these situations enough to have an opinion

Yes. SOBO will probably be taken over/ merged with another pipeline operator within two years.

Have not reviewed this transaction yet

Investors appear to have reflected the value leading up to the spin

Yes

no