

Fiat Chrysler profit skids as sales slow

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A bright final quarter helped Fiat Chrysler weather a slowing global market for cars

US-Italian automaker Fiat Chrysler said Thursday its net earnings fell by nearly a fifth last year as sales slowed, although both rose in the final quarter.

The firm, which is set to merge with France's Peugeot-Citroen to create the world's third-largest automaker by revenues, saw net earnings fall 19 percent to 2.7 billion euros (\$3.0 billion) in 2019.

Sales slid 2.0 percent to 108.2 billion euros, similar to the slowdown in the global auto market.

Although sales by volume slipped in the key North American market, Fiat Chrysler said it managed to increase margins there and made record earnings before interest payments and taxes in the region.

The results in the fourth quarter also gave reason for hope.

Revenues edged higher even if unit sales dipped. Moreover, net profit shot 35 percent higher to nearly 1.6 billion euros, accounting for nearly half of the 2019 total.

"Last year was a historic year for FCA," chief executive Mike Manley said in a statement.

"We continued to deliver value for our shareholders and we took actions to thrive in the future by substantially strengthening our financial position, committing to key product investments and entering into a combination agreement with PSA," he added.

The firm confirmed its 2020 outlook despite "new headwinds", saying it was monitoring recent developments such as increases in raw materials prices and the global impact of the coronavirus.

It is targeting adjusted diluted earnings per share at 2.80 euros, up from 2.73 euros in 2019 but below the 3.00 euros it earned in 2018.

The firm also expects operating profits to rise to nearly 7.0 billion euros

from 6.7 billion euros in 2019.

Fiat Chrysler shares accelerated 3.0 percent in afternoon trading in Milan, where the main market index was up 0.7 percent.

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