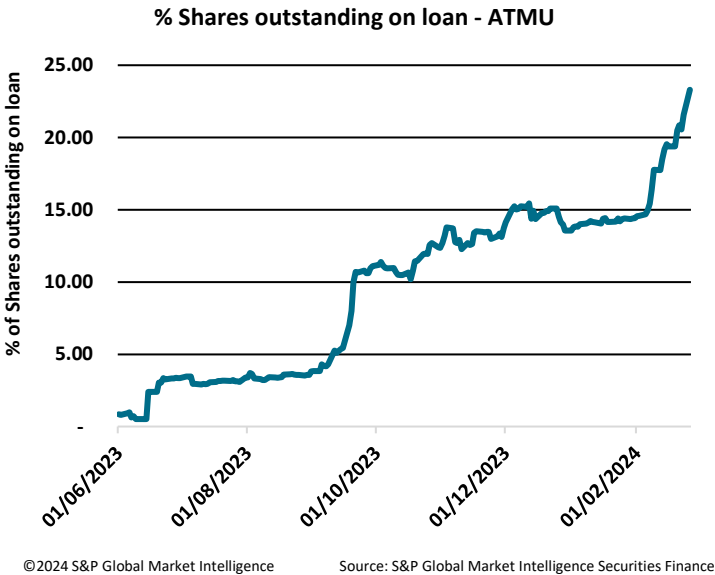


# Exchange offer in ATMU increases shares on loan.

Cummins Inc (CMI) recently launched an exchange offer for the separation of Atmus Filtration Technologies Inc (ATMU).

On February 14<sup>th</sup> 2024, Cummins Inc (CMI) announced it would commence an exchange offer to split off its remaining interest in Atmus Filtration Technologies Inc (ATMU). In May 2023, 19.5% of Atmus shares were sold via an initial public offering, with Cummins Inc retaining 80.5% of Atmus' common stock.



According to the Cummins investor website<sup>1</sup>, “the exchange offer is expected to permit Cummins shareholders to exchange all or a portion of their shares of Cummins common stock for shares of Atmus common stock at a 7% discount”.

Since this announcement, borrowing activity has increased significantly in ATMU stock, reaching 23% of outstanding shares. The discount permitted by the exchange offer produces an arbitrage opportunity for investors.

S&P Global Market Intelligence Securities Finance data also shows that borrowing fees have spiked as a

result of this strong increase in demand. Inventory in ATMU stock is dominated by a small number of lenders. The borrowing fee and the availability of supply is therefore likely to have a growing impact on investors ability to participate in this opportunity.

For more information on how to access this data set, please contact the sales team at: [h-ihsm-global-equitysalespecialists@spglobal.com](mailto:h-ihsm-global-equitysalespecialists@spglobal.com)

<sup>1</sup> [Cummins Launches Exchange Offer for Separation of Atmus Filtration Technologies Inc. :: Cummins Inc. \(CMI\)](#)

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