

# Defying turmoil, Porsche to go 'full throttle' with blockbuster IPO

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Luxury sports carmaker Porsche will debut on the Frankfurt stock exchange Thursday in one of Europe's biggest listings in years, hoping its

brand power can attract investors despite market turbulence.

Even as stocks worldwide suffer from surging inflation and mounting recession fears, the maker of the 911 sports car is pushing ahead with the blockbuster flotation.

The [initial public offering](#) (IPO) has generated buzz in Porsche's home market of Germany, where top tabloid Bild described it as "crazy, cool, fast-paced".

"On Thursday, [sports car](#) icon Porsche goes full throttle and races onto the [stock market](#)," read a column in the paper.

"It will be the largest IPO in Germany for decades!"

Parent company Volkswagen is set to raise 9.4 billion euros (\$9.2 billion) from the listing. Porsche's shares will each be issued at 82.50 euros—the top end of an initial range—which gives the carmaker a valuation of 75 billion euros.

Some of the cash raised will be ploughed into Volkswagen's high-speed drive towards [electric vehicles](#), which has brought the legacy carmaker into more direct competition with US rival Tesla.

In terms of value of shares issued, Porsche's is set to be the biggest stock market debut in Germany since Deutsche Telekom's in 1996, and the largest in Europe since the 2011 flotation of Switzerland-based commodities giant Glencore.



A 1973 Porsche 911 Carrera RS 2.7 Touring: The listing has generated buzz in Germany.

### **'Car market catalyst'**

Analysts are looking to the carmaker's market entry for some cheer against a morose economic backdrop, with investment bank Berenberg saying it could "offer a catalyst in an industry sorely lacking positive surprises".

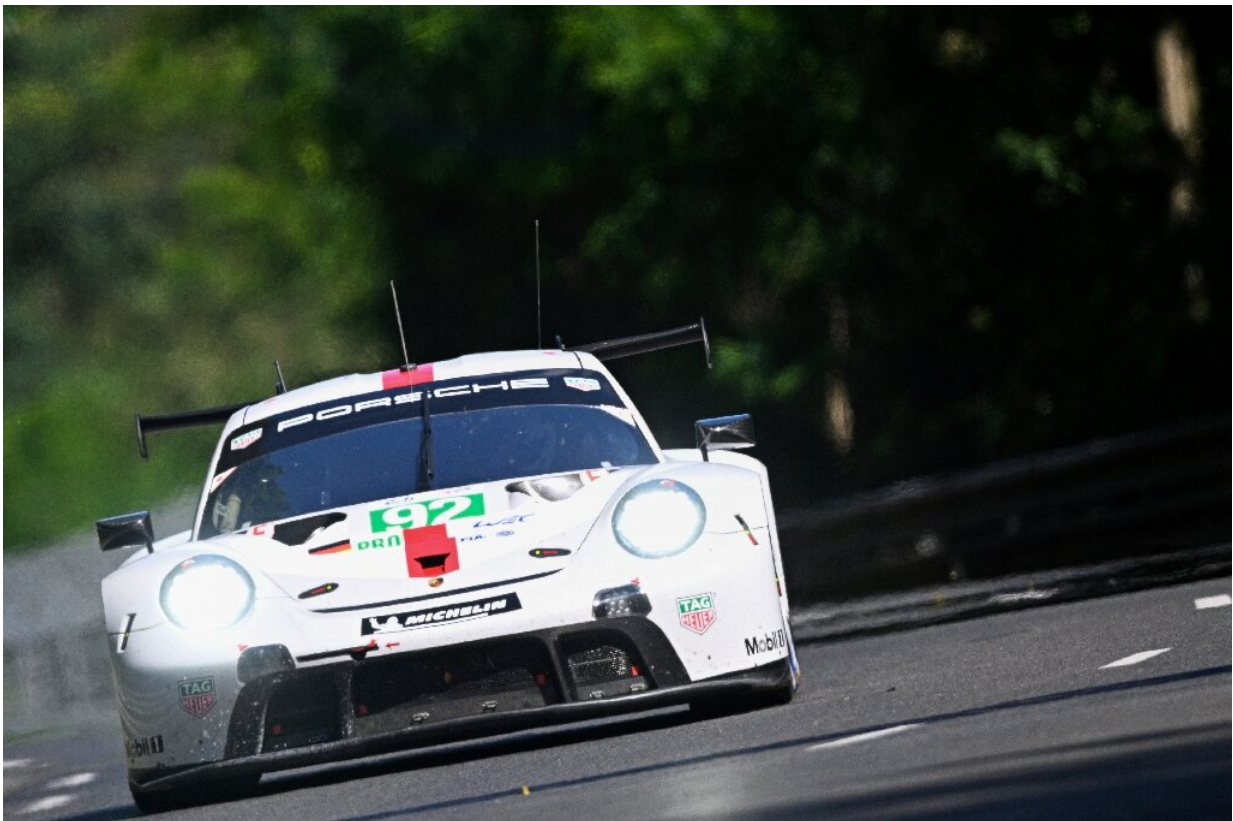
It has generated interest from major investors, including Qatar and Abu Dhabi's public investment funds, Norway's sovereign wealth fund and US asset management firm T. Rowe Price.

But German automotive expert Ferdinand Dudenhoeffer cautioned "it is not the best time for an IPO", noting the Frankfurt stock market had fallen heavily since the start of the year.

But he said the conditions did exist for Porsche's listing to be a success, and it would be "exciting to see how it develops in a difficult economic environment".

The IPO will see 113.9 million shares of "Porsche AG" issued.

The carmaker's valuation will be below some earlier estimates—but should still catapult it above rivals such as BMW, with a valuation of 47 billion euros, and Mercedes-Benz, with a 56-billion-euro capitalisation.





The eponymous company is a listed holding controlled by the Porsche-Piech family.

## Electric drive

Porsche has joined the electric drive of the Volkswagen group, whose brands also include Audi and Skoda, in earnest.

The electric "Taycan" has been the brand's best-selling model since January, an electric version of the "Macan" is due in 2024, as well as the launch of a new SUV in the middle of the decade.

The electric strategy includes building battery factories across Europe and the US. Volkswagen announced this week it will work with Belgian group Umicore to produce battery materials.

The IPO will see preferential shares sold to investors, which have no [voting rights](#), while Volkswagen will also sell 25 percent of the carmaker to Porsche SE.

The eponymous company is a listed holding controlled by the Porsche-Piech family, who in turn are the main shareholders in Volkswagen.

This means that Porsche SE will have a blocking minority that will allow it to steer the future of the company.

Volkswagen hopes that listing a [minority stake](#) in Porsche will push up its own stock [market](#) value, which is 85 billion euros—just a fraction of Tesla's, at just over \$900 billion.

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