

# Volkswagen sets Porsche IPO at up to 9.4 billion euros

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Logo of the Porsche car manufacturer during the annual shareholders meeting of the Volkswagen stock company in Hannover, Germany, May 10, 2017.

Volkswagen has set the price range for the multibillion-euro sale of a minority stake in luxury brand Porsche as it prepares an initial public offering to fund VW's investments in new technologies and businesses including electric cars, software and services. Credit: AP Photo/Michael Sohn

Volkswagen has set the price range for the multibillion-euro sale of a

minority stake in luxury brand Porsche as it prepares an initial public offering to fund VW's investments in new technologies and businesses including electric cars, software and services.

The German automaker said it aims for a listing on the Frankfurt stock exchange on Sept. 29 after it places up to 25% of non-voting preferred shares in Porsche AG, maker of the 911 sports car and Cayenne SUV, with investors.

The Qatar Investment Authority has committed to acquire 4.99%, with smaller stakes going to Norges Bank Investment, T. Rowe Price and ADQ.

The price range per preferred share was set at 76.50 euros (dollars) to 82.50 euros, which translates to 8.71 billion to 9.39 billion euros. Porsche's share capital has been split into 50% preferred and 50% ordinary shares, so that the IPO stake represents 12.5% of the company.

The deal also includes the sale of 25% plus one share of ordinary shares at a 7.5% premium to Porsche Automobil Holding SE, Volkswagen's controlling shareholder representing the Porsche and Piech families.

Under the maximum price, the total reaped by the sale of both preferred and ordinary shares would be 19.5 billion euros, 49% of which would be paid out as a dividend to shareholders while the rest would be available for the company's investment objectives.



In this file photo dated April 23, 2020, company logo flags wave in front of a Volkswagen factory building in Zwickau, Germany. Volkswagen has set the price range for the multibillion-euro sale of a minority stake in luxury brand Porsche as it prepares an initial public offering to fund VW's investments in new technologies and businesses including electric cars, software and services. Credit: AP Photo/Jens Meyer, File

Volkswagen has launched a major push into electric vehicles and says future profits will increasingly come from investments in electric cars, software and services as traditional internal combustion cars take a smaller share of the market.

The automaker says the deal will give Porsche more "entrepreneurial autonomy" but that it will continue to fully include Porsche in its

financial statements. VW added that existing industrial cooperation between Volkswagen and Porsche would be "comprehensively continued."

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