

### **Volkswagen Ownership Structure**

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The ownership of Volkswagen company is as follows: 31.4% Porsche Automobil Holdings SE, 27% Foreign Institutional Investors, 10.5% Qatar Holdings LLC, 11.8% State of Lower Saxony, 16% private shareholders, 3.3% German Institutional Investors (Volkswagenag.com, 2022). This ownership criterion is based on the overall capitalization of dividends and shares. This makes the company's ownership structure to be vastly distributed between private investors and the government. Nevertheless, the biggest stake in terms of ownership by capital is by the Porsche Automobil Holdings SE, which is the holding company for the Porsche family. This proves that the Porsche family has been keen on maintaining majority stakes in the company – to the extent of having a diverse asset base (Schoch, 2022). It also shows that the family is interested in all matters Porsche, as there are high stakes in its ownership. The history of ownership by the Porsche family in the Volkswagen company started way back in the 2000s with the Porsche family continually increasing its stakes.

The ownership structure influences the voting rights distribution. As per the end of financial year, marked December 31, 2021, the company had 3 major shareholders (Volkswagenag.com, 2022). This is indicative of the power of ownership in the running and management of the company. The Volkswagen distribution of voting rights is based on ordinary shares. The voting power is concentrated with the Porsche Automobil Holding SE, Stuttgart which holds 53.3% of the 295,089,818 ordinary shares. It is followed in ownership by the State of Lower Saxony which has a 20.0% ownership, while Qatar Holding comes as third with 17.0% of the shares. The rest, which is 9.7% of the shares are in free float (Volkswagenag.com, 2022). With this regard, the company is owned by the Porsche Automobil Holding SE as they exercise a majority of the command in the company.

The Porsche Family is keen on holding the majority stake in the company. This is true as the company has plans to purchase at least 25% of the IPO valuation of the company. Thus, as the company is valued at approximately 90 billion euros, the company will be a major shareholder in the valued stake (Volkswagen.com, 2022). The Porsche family is keen on continuously holding and maybe increasing the overall percentage of its shareholding and overall holding in the company.

The implication of vast ownership by a family is that there is high control of the management of the company on all matters, including yielding power over its managerial aspects. The influence of ownership both in overall capital and the overall ordinary shares shows that the Porsche family has the power to execute its mandate as it deems appropriate. By having the majority stake of the ordinary shares, there is a high unilateral authority to vet on all the decisions of the company – and as such exercise authority as if it would be desired in a family-owned business (Schoch, 2021). The automaker, as such remains under the ownership of the Porsche family with the other investors being considered as partners in the company, and their interests often being protected through consensus rather than through their voting power.

## References

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