

Porsche has placed a green Schuldschein of one billion euros

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12/08/2019 Porsche AG has issued the largest green Schuldschein to date with a volume of one billion euros. It is the first transaction of its kind by a car manufacturer: the funds will be used exclusively to refinance sustainable projects.

Porsche issued its green Schuldschein in tranches offering maturities of five, seven and ten years as well as fixed and variable interest rates. The huge demand resulted in the original order book volume having to be increased.

“We have seen that more and more investors want to invest their funds sustainably. With the green Schuldschein, we now give lenders such an opportunity”, says Lutz Meschke, Deputy Chairman and Member of the Executive Board for Finance and IT at Porsche. The funds raised from this transaction will be exclusively used to finance the Porsche Taycan vehicle project. This sports car is the first fully

electric vehicle by Porsche. “We have succeeded in issuing the Schuldschein at extremely favourable terms in the current favourable capital market environment. This shows the high level of trust investors have in the long-term development of our brand and in Porsche as a company,” says Meschke.

The Stuttgart-based sports car manufacturer is therefore continuing its innovative role in the electromobility and sustainability segment in its corporate financing structure. Porsche has identified a green project portfolio of more than 2.75 billion euros. Of this amount, approximately 55 per cent relates to costs for energy-efficient, resource-conserving production facilities and 45 per cent to development costs. At the time the Schuldschein was issued, the company had already reached the full allocation of funds in the context of the green project portfolio.

Porsche has subjected the sustainability of the green project portfolio and its suitability for green financing as part of the current Schuldschein to rigorous external audits - among others by the well-known rating agency ISS ESG and the Climate Bonds Initiative.

Huge demand from international investors

More than 100 institutional investors such as banks, pension funds and insurance companies have participated in the Schuldschein transaction. The huge demand from international investors that had not, in the past, participated in Schuldschein issues by Porsche was particularly encouraging. Primarily, these originated from the Asia region. The transaction was arranged by Landesbank Baden-Württemberg, Bayern LB and ING. In addition, ING provided support as a “green advisor” – an expert in green Schuldschein transactions.

As part of its digitalisation strategy, Porsche has additionally participated in marketing via the “Debtvision” third-party financing platform. Companies can market their Schuldschein on this platform efficiently and transparently, and reach a broad investor base.

The Porsche Taycan project qualified for green financing

The fully electric Porsche Taycan forms the core of the green product portfolio that qualified for the financing through green financial instruments. It meets all the requirements set out by the “Green Bond Principles” of the International Capital Markets Association (ICMA) for the use of funds in the “Clean Transportation” category. Therefore, not only is the result of the project – the combustion and emission-free sports car – categorised as sustainable, but also the development and design are characterised by sustainable and resource-conserving actions, as well as the construction of the modern plants.

In the multi-storey assembly hall for the Taycan, automated guided vehicle systems (AGVs) are used. They bring previously unknown flexibility to the production process. The AGVs move on a level floor – contrary to the traditional conveyor belt, no conveyor system foundations need to be provided. This

reduces the building height and ensures that the building does not negatively affect the circulation of air in the Stuttgart-Zuffenhausen area. All newly erected buildings have been designed for maximum energy and heat efficiency. The production processes follow the principle of the most efficient use of resources.

The Porsche Taycan will be introduced in September and will be launched onto the market at the end of the year. Across the globe, there are already more than 20,000 serious prospective buyers for the four-door vehicle. The potential customers have put their names down on an option programme list and made a down payment. Alongside the dynamic driving characteristics of the Taycan, a comprehensive charging infrastructure is key to the long-term success of electromobility. Porsche offers intelligent charging solutions for both the home and when on the road. The Porsche Charging System digital platform enables Europe-wide access to around 70,000 charging points from various providers and central billing via Porsche. In addition, both own fast charging stations and those installed in cooperation with charging networks such as Ionity in Europe or Electrify America in the USA are available.

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