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How Family Ownership Shapes Ipo Valuation and Market Perception: Evidence from the Porsche Ag Listing Integrating Comparable Company Analysis and Investor Survey Insights

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Abstract

This thesis examines how family ownership influences IPO valuation and pricing dynamics, using the Porsche AG listing as a central reference point. Through a mixed-methods design combining expert interviews, survey analysis, and a comparable company analysis, the study finds that family ownership does not directly affect IPO pricing. Instead, governance quality, signaling behavior, and investor expectations shape market outcomes. The Porsche IPO illustrates that concentrated family control is well-received when embedded in credible governance structures and strong fundamentals. Overall, the thesis shows that the impact of family ownership is contingent rather than causal, operating through mechanisms that reduce uncertainty and build investor trust.

Keywords:

Family Owned, IPO Valuation, Corporate Governance, Market Perception, Porsche AG IPO

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1 Introduction (Group Part)

1.1 Background & Motivation

Family-controlled firms represent one of the most prevalent and economically significant ownership forms worldwide, accounting for a substantial share of listed and private enterprises. Their enduring presence and distinct strategic behavior have positioned them as a critical field of inquiry in both corporate governance and corporate finance research. (Ritter, 2020). Unlike widely held corporations, family firms typically combine ownership and management within closely aligned groups, creating unique governance structures that emphasize long-term continuity, over short-term financial maximization (Michiels & Molly, 2017).

Despite these advantages, the integration of family objectives into financial decision-making introduces tensions, particularly when firms seek access to public equity markets. Family owners often perceive initial public offerings (IPOs) as both an opportunity and a threat: while listing on a stock exchange enables capital expansion and market visibility, it also exposes the firm to the risk of control dilution and shareholder pressure. This inherent trade-off between capital market efficiency and family influence makes IPOs a particularly rich context for examining how families balance economic rationality with governance preservation.

The Porsche AG IPO represents this dynamic. Structured through a dual-class share system and complex voting rights, the listing demonstrated how the Porsche-Piëch family engineered a transaction to retain influence while accessing public capital. The IPO not only reflected strategic financial engineering but also highlighted investor reactions to family control, governance transparency, and perceived long-term stability. The public discourse surrounding the offering underscored the dual perception of family ownership as both a stabilizing anchor and a potential governance risk.

This tension constitutes the central motivation for this thesis. The study seeks to understand how family ownership structures, governance mechanisms, and investor perceptions interact to shape IPO valuation and pricing behavior.

1.2 Research Problem

Research on IPOs has traditionally focused on information asymmetry and investor behavior, often assuming that all firms entering public markets act in similar ways. This view neglects the diversity introduced by ownership structures, especially in family-controlled firms, which pursue long-term goals alongside financial objectives (LI & et al., 2022).

Families frequently design listings with control-preserving mechanisms (CPMs) such as dual-class shares to safeguard their influence. While these mechanisms can signal long-term commitment and stability, they may also raise investor concerns about governance transparency and minority protection. As a result, family control can be viewed both as a strength and a potential risk, leading to mixed market reactions.

The central research problem of this thesis lies in understanding how such governance and ownership structures influence IPO valuation and pricing outcomes. Do markets reward family control for signaling stability and stewardship, or do they discount it as a source of entrenchment and limited accountability? To explore this question, the study examines the Porsche AG IPO as a key case. This approach aims to reveal whether the observed pricing and valuation patterns reflect an isolated case or a broader trend among family-controlled firms.

1.3 Research Objective & Contribution

The main objective of this thesis is to examine how family ownership structures influence IPO valuation and pricing dynamics. In doing so, the study challenges the conventional view of IPOs as purely financial transactions and instead highlights their role as governance events shaped by ownership motives and investor interpretation. Building on this objective, the thesis develops the central hypothesis that family ownership, in isolation, does not exert a direct effect

on IPO pricing or valuation outcomes. This hypothesis reflects the theoretical expectation that ownership identity alone is insufficient to drive market valuation; rather, its influence depends on governance mechanisms and contextual investor perceptions.

The research contributes to both academic and practical discussions. Theoretically, it integrates Agency–Stewardship Theory, Socioemotional Wealth (SEW), and Signaling Theory to explain how family motives, governance design, and IPO signaling tools jointly influence investor perception and valuation expectations. Together, these frameworks allow for a more differentiated understanding of why family-controlled firms may differ from non-family firms in their governance architecture, yet do not necessarily experience systematic differences in pricing or valuation at the time of the IPO.

Methodologically, the study adopts a mixed-method design that combines qualitative expert interviews, a quantitative survey, and financial valuation analyses using Comparable Company Analysis (CCA). This triangulated approach enables both the testing of the central hypothesis and the exploration of the mechanisms through which family ownership interacts with governance structures and market behavior.

This thesis advances the understanding of how ownership, governance, and investor interpretation jointly shape IPO outcomes. Its findings offer theoretical contributions to corporate governance and behavioral finance while providing practical insights for family firms, investors, and advisors navigating the complexities of going public.

1.4 Research Question

This thesis examines the impact of family control on the structuring of IPOs, the interpretation of ownership and governance signals by investors, and the subsequent pricing of these enterprises in the market upon issuance. The research is based on the observation that family-controlled issuers often implement control-enhancing techniques to maintain strategic influence

post-listing. These mechanisms, while bolstering governance stability, may concurrently influence investor views and valuation results.

Accordingly, this study is guided by the following research question:

How does family ownership influence IPO valuation and pricing dynamics, and to what extent does the Porsche AG IPO provide insight into broader patterns among family-controlled listings?

1.5 Thesis Structure

The structure of this thesis follows a logical and cumulative progression, linking theoretical reasoning with empirical investigation to explore how family ownership shapes IPO valuation and pricing dynamics (see Appendix A).

The opening chapter introduces the research context and motivation, outlining the relevance of family ownership in capital markets and formulating the guiding research question.

Building on this foundation, the following chapter develops the theoretical and literature background. It synthesizes prior studies on IPO behavior and corporate governance to explain how control orientation and investor perception interact in family-controlled IPOs.

The methodology chapter translates this theoretical framework into an analytical research design. A qualitative case study of the Porsche AG IPO is combined with a comparative analysis to ensure both contextual depth and generalizability.

The empirical section integrates evidence from the Porsche AG IPO, semi-structured expert interviews, practitioner survey, and a CCA to illustrate how family ownership, CPMs, and governance structures shape valuation outcomes and influence investor perceptions of family-controlled listings.

Subsequently, the discussion situates these findings within the theoretical framework, assessing how family motives and investor reactions align or diverge from established academic expectations. It also highlights implications for scholars and family enterprises.

The thesis concludes by summarizing key insights, outlining theoretical contributions, and proposing practical recommendations for future IPO strategies and governance design. Through this structure, the study forms an integrated narrative connecting ownership, governance, and valuation within the broader dynamics of family firms entering public markets.

2 Project Literature Review (Group Part)

This study conducted a structured literature review to develop a comprehensive understanding of the research field and to identify opportunities for new theoretical and empirical contributions. The review process was guided by the PRISMA framework (see Fig. 1), which ensures transparency, methodological rigor, and replicability. Following the four main stages of identification, screening, eligibility, and inclusion, relevant studies were systematically collected and assessed. Predefined selection criteria were applied to secure both the scientific quality and the contextual relevance of the final body of literature.

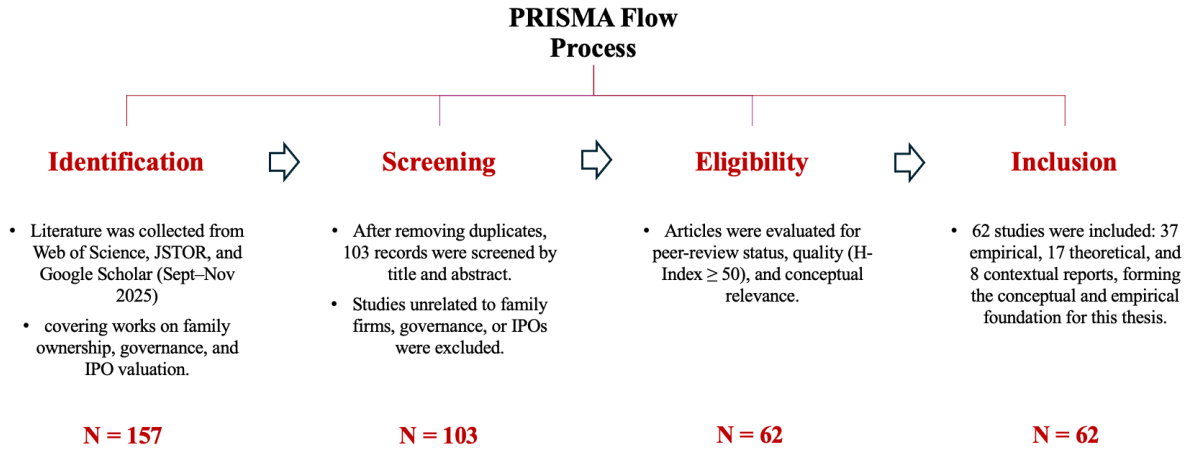

Figure 1: PRISMA Flow Diagram of Literature Selection

2.1 Family Ownership and Corporate Governance

Family ownership remains a defining feature of the global corporate landscape and plays an essential role in shaping both internal governance and external capital market interactions.

Although the term “family firm” is widely used, its definition has evolved across disciplines, leading to a spectrum of conceptualizations. Early studies defined family firms primarily through ownership thresholds, often referring to a minimum family stake, commonly 20–30 percent, as a criterion for effective control (Nordqvist & et al., 2014). Later approaches extended the definition to include family involvement in management and boards, acknowledging that influence is not merely financial but also behavioral. A more nuanced perspective is offered by the F-PEC scale (Rau, Astrachan, & Smyrnios, 2005), which captures three dimensions of family influence: Power (control through ownership and voting rights), Experience (generational continuity and participation), and Culture (shared values, identity, and emotional attachment). This multidimensionality underscores that “family firms” are not homogeneous entities but vary widely depending on governance form, generational stage, and strategic priorities.

Beyond formal ownership, family firms are increasingly viewed as transgenerational organizations characterized by a strong desire for continuity and identity preservation (Carbone & et al., 2024). This long-term orientation differentiates them from non-family firms driven primarily by short-term shareholder expectations. It also shapes financial decision-making: when families choose to access external capital, through an IPO or debt issuance, they face a fundamental trade-off between control retention and market legitimacy (Stangej & Skudiene, 2013). Going public offers liquidity, visibility, and reputational benefits but exposes the firm to market scrutiny and potential dilution of control. Conversely, remaining private safeguards autonomy but limits growth potential and access to capital. The way families navigate this trade-off reveals much about their governance philosophy and risk tolerance.

2.2 Theoretical Frameworks

2.2.1 Socioemotional Wealth

SEW complements classical agency-based views by introducing a behavioral dimension that captures the non-financial motives driving family ownership. It suggests that family owners derive utility not only from economic returns but also from preserving identity and continuity within the firm (Gómez-Mejía & et al., 2007). Consequently, families may adopt governance structures that safeguard influence even when such decisions involve financial trade-offs, reflecting their preference for maintaining SEW (Reina, Pla-Barber, & Villar, 2022).

Recent research extends the SEW framework beyond the traditional FIBER dimensions (Family control and influence, Identification, binding social ties, Emotional attachment, and Renewal of family bonds) to emphasize the balance between socioemotional and financial objectives (Hauck , Prügl, & et al., 2015). In IPO contexts, this manifests in a tension between preserving family control and demonstrating openness to external investors. Families must therefore signal accessibility and professional governance without undermining the socioemotional value attached to ownership.

Empirical evidence reflects this duality. Some studies find that SEW-driven decision-making can increase underpricing, as markets discount family control viewed as emotionally motivated rather than financially rational (Stockmans & et al., 2010). Others report that a clear stewardship orientation and credible governance enhance valuation stability and long-term investor confidence (Berrone, Cruz, & Gómez-Mejía, 2012).

2.2.2 Agency vs. Stewardship Theory

Agency and Stewardship theories offer contrasting views on how control and trust shape outcomes in family firms. Both explain why ownership concentration influences governance quality and, consequently, IPO performance.

Agency theory (Jensen & Meckling, 1976) conceptualizes the firm as a nexus of contracts between owners and managers, where self-interest and information asymmetry create conflicts. In widely held corporations, these Type I agency problems arise when managers pursue personal goals rather than shareholder value. Family firms mitigate such conflicts through overlapping ownership and management, allowing closer oversight and stronger goal alignment. Yet, this alignment introduces Type II agency conflicts, where controlling families may prioritize influence over minority shareholder welfare (Villalonga & Amit, 2006). Family ownership thus replaces managerial agency costs with control agency costs, shifting the nature rather than eliminating the problem.

In the context of IPOs, this trade-off becomes visible when families implement structures that preserve voting power or limit external influence. Investors may view these mechanisms as signs of governance risk, anticipating reduced transparency which often results in valuation discounts or higher underpricing (Anderson , Duru, & Reeb, 2009).

Conversely, Stewardship theory (Davis, Schoorman, & Donaldson, 1997) views family owners as long-term stewards rather than self-interested principals. Guided by intrinsic motivation and identification with the firm, they prioritize continuity and stakeholder welfare over short-term gains. This mindset aligns with SEW, where preserving control and legacy reflects commitment rather than opportunism.

Empirical evidence shows that stewardship-oriented families pursue conservative financing and sustain long-term investment horizons (Miller & Le Breton-Miller, 2006), which can enhance investor trust and stabilize pricing at the IPO.

The interplay between agency and stewardship perspectives captures the duality of family ownership in public markets. Families can act as stewards when emphasizing continuity, but as agents when control outweighs accountability.

2.2.3 Signaling Theory

Signaling theory explains how firms communicate private information to mitigate information asymmetry between insiders and investors during an IPO. Originating with (Spence, 1973) and applied to finance by (Leland & Pyle, 1977), it suggests that firms use observable actions, such as governance structures to convey quality to the market.

In family-controlled IPOs, signaling is particularly relevant since external investors face limited visibility into internal decision-making and governance integrity. Families therefore use structural and behavioral cues to influence market perception. Credible commitment expressed through high insider retention or active managerial involvement, signals confidence in the firm's prospects and alignment with minority shareholders, thereby reducing perceived risk and information gaps (Brav & Gompers, 2003).

By contrast, when governance mechanisms appear designed primarily to preserve control, they may generate adverse signals. Market interpretation depends strongly on the institutional setting. In environments with robust investor protection can trigger skepticism, whereas in relationship-based markets, similar mechanisms may be read as evidence of continuity and stability (Smart & Zutter, 2003).

Ultimately, how investors interpret these signals shapes IPO outcomes. Positive signals foster trust and tempering underpricing, while negative signals heighten uncertainty or prompting valuation discounts (Certo & et al., 2001).

2.3 Control-Preserving Mechanisms and Expected Price Effects

2.3.1 Dual-Class and Non-Voting Share Structures

Dual-class and non-voting share structures constitute one of the most prominent CPMs in family-controlled firms. Such arrangements separate voting power from cash-flow rights, allowing families to attract external capital while retaining strategic authority. In practice, firms issue multiple share classes with unequal voting rights, or, in some cases, shares that carry no votes

but entitle holders to dividends. This structure enables families to raise equity without relinquishing control, particularly when continuity of vision or protection against external interference is a central objective (Gompers, Ishii, & Metrick, 2010).

From a theoretical standpoint, dual-class systems create an ownership wedge, defined as the divergence between the proportion of voting rights and the corresponding share of economic ownership (Smart & Zutter, 2003). When insiders' voting control exceeds their financial exposure, the potential for Type II agency conflicts increases, as controlling shareholders may pursue private benefits at the expense of minority investors. Empirical studies provide consistent evidence that firms with such structures tend to display lower valuations, higher initial underpricing, and weaker long-term performance, largely because investors demand compensation for governance risk and diminished accountability (Masulis, Wang, & Xie, 2009).

2.3.2 Lock-Ups and Free Float

Lock-up agreements and the level of free float are key structural elements of IPO design that shape investor perceptions of commitment and control. Lock-ups restrict insiders from selling their shares for a defined period, typically between six months and two years. The free float denotes the proportion of shares available for public trading immediately after the IPO. Together, they signal the degree of insider commitment and the extent to which control is retained post-listing (Brav & Gompers, 2003).

Within signaling theory (Leland & Pyle, 1977), lock-ups serve as credible commitments by voluntarily restricting sales and alignment with new investors. Longer lock-up durations and higher retained stakes are interpreted as positive signals that reduce information asymmetry. But, limited free float or excessively restrictive lock-ups can also raise liquidity concerns, and increasing post-IPO volatility once restrictions expire.

However, when trading volume is constrained by a small free float, markets may apply a liquidity discount, limit market depth and delaying efficient price discovery (Chahine, 2007).

2.4 IPO Valuation and Pricing Dynamics

The IPO process functions simultaneously as a valuation mechanism, translating firm value into market price, and as a signaling process, where information asymmetries between insiders and investors are reduced through pricing and allocation strategies. The central challenge lies in aligning the firm's intrinsic worth with market demand under conditions of uncertainty.

IPOs are typically priced through bookbuilding, in which underwriters collect and interpret investor bids to determine the final offer price (von Bodman, 2024). This process integrates firm fundamentals and underwriter discretion, producing a price that balances value and demand. While bookbuilding enhances price discovery relative to fixed-price offerings, information asymmetry between informed and uninformed investors remains, sustaining the persistent phenomenon of IPO underpricing (Loughran & Ritter, 2004).

Underwriters further act as certifiers of quality, using their reputation to signal credibility and coordinate market expectations (Sonu C. , 2022). High-reputation banks tend to reduce perceived risk and narrow underpricing margins, reflecting investor confidence in their due diligence. However, pricing outcomes are shaped not only by fundamentals and market conditions but also by the ownership and governance structures of the issuing firm.

2.4.1 Determinants of Valuation Multiples

Valuation in IPOs commonly relies on relative valuation metrics such as the price-to-earnings (P/E) ratio, enterprise value to EBITDA (EV/EBITDA), or enterprise value to EBIT (EV/EBIT) multiples. These multiples capture the relationship between market expectations and firm fundamentals, providing benchmarks against comparable listed peers (Dybevik & Lie, 2002). Higher multiples generally signal investor confidence in future growth and profitability. Conversely, discounts may arise due to perceived risks related to ownership concentration, limited free float, or uncertainty surrounding earnings sustainability.

2.4.2 IPO Underpricing

The persistent underpricing of IPOs, defined as the positive difference between the first day closing price and the offer price, has generated extensive theoretical debate. The information asymmetry model (Sonu C. H., 2022) posits that issuers deliberately set lower offer prices to attract uninformed investors and ensure full subscription, he so-called "winner's curse". Informed investors, who are better able to discern firm quality, will only participate if they expect sufficient short-term gains, forcing underwriters to offer an initial discount to balance participation. Alternatively, signaling models (Boulton, Smart, & Zutter, 2010) suggest that high-quality firms intentionally underprice to create positive aftermarket performance, thereby signaling their quality to the market and facilitating future financing rounds. A further explanation stems from principal-agent considerations, where underwriters prefer conservative pricing to minimize placement risk and preserve relationships with institutional investors (Michel, Oded , & Shaked, 2020).

Furthermore, IPO pricing dynamics are shaped by investor interpretation of ownership-related signals, as discussed under Signaling Theory. When family control is perceived as a stabilizing force, valuations can be sustained near peer averages. Conversely, when control retention raises concerns about minority protection, investors demand additional compensation through lower pricing or higher initial returns (Teti & Montefusco, 2022).

2.5 Family Ownership and IPO Valuation Dynamics

In family-controlled listings, valuation and underpricing reflect the market's interpretation of whether control retention signals commitment and stability or entrenchment and risk.

Empirical evidence shows that family control can simultaneously reduce and create agency tensions. On one hand, it aligns managerial and shareholder interests, fostering continuity and long-term orientation; on the other, it heightens governance risk when concentrated control limits transparency or minority protection. The resulting market response depends on how

investors evaluate this trade-off between stewardship-driven trust and potential self-serving behavior (Jensen & Meckling, 1976).

SEW considerations reinforce these dynamics by influencing how families design IPOs. Families often accept less favorable pricing or reduced proceeds to maintain influence or avoid external interference. These internal motives shape IPO structures that may appear conservative financially but serve to preserve identity and control (Miller & Le Breton-Miller, 2006).

Investor interpretation ultimately determines whether such governance choices are priced as signals of commitment or sources of concern. The resulting pricing outcomes differ across institutional environments, reflecting variations in investor sophistication, disclosure standards, and family reputation (Villalonga & Amit, 2009).

Empirical studies underscore this heterogeneity (La Porta, R., Lopez-de-Silanes , & Shleifer).While some find higher underpricing when governance appears weak (Funaoka, 2024), others show lower underpricing when family participation or oversight strengthens market confidence (Shi, 2019) (Teti & Montefusco, 2021). These mixed findings suggest that family control neither systematically advantages nor disadvantages IPOs; rather, its impact depends on the equilibrium between perceived stewardship credibility and governance risk (Lukas & Chandera, 2021).

3 Methodology (Group Part)

This section outlines the rationale for adopting a mixed-method research design (See Figure 2), combining qualitative and quantitative elements to ensure both depth and analytical robustness. The study primarily follows an exploratory qualitative approach, justified by the need to capture complex perceptions and strategic motives behind family-controlled IPOs.

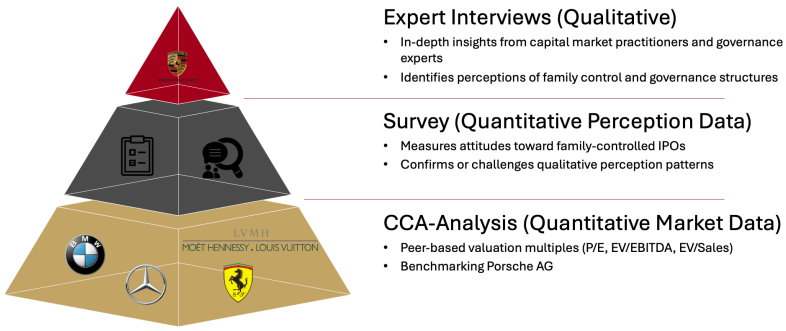

Figure 2: Overview of the Multi-Method Research Design

3.1 Research Design (Group Part)

The research design follows an exploratory mixed-method approach, developed to capture both the qualitative and quantitative dimensions of how family ownership influences IPO valuation and pricing behavior. This design allows for a multidimensional understanding of the phenomenon by governance structures and market perceptions.

The qualitative component focuses on uncovering expert perspectives regarding the perceived role of family control, its influence on valuation and underpricing, and its implications for governance quality and investor confidence. To achieve this, semi-structured expert interviews were conducted with capital market professionals, family business advisors, and financial analysts. This method provides the flexibility to explore nuanced viewpoints and contextual interpretations while maintaining comparability across interviews (Berger-Grabner, 2022). The

collected data are systematically evaluated using qualitative content analysis following (Mayring, 2008) to identify recurring themes and conceptual relationships across expert statements.

In addition to the interview component, a structured quantitative survey was conducted to capture broader practitioner perceptions regarding the role of family ownership in IPO contexts. The survey targeted professionals in investment banking, equity research, private equity, and corporate finance who routinely engage with valuation, governance assessment, and IPO execution. By eliciting standardized responses across themes such as perceived governance credibility, pricing expectations, underpricing interpretations, and overall IPO success, the survey complements the qualitative insights with measurable patterns in investor sentiment. The collected data was subsequently coded and analyzed using statistical software (Jamovi), allowing the study to identify perceptual relationships and potential drivers of valuation expectations.

Complementing the previous analysis, a quantitative peer-group assessment was integrated to contextualize and validate the interview and survey findings. This involved the use of CCA, focusing on valuation multiples such as EV/EBITDA, EV/EBIT and P/E ratios. These analyses compare the Porsche AG IPO with a selected peer group, enabling an empirical assessment of whether family ownership structures systematically affect market pricing and investor reactions.

Through this combined design, the study seeks to triangulate insights from expert interpretation and market data, offering a comprehensive view of how family control, governance mechanisms, and investor perceptions interact in shaping IPO outcomes.

3.2 Data Sources (Group Part)

As mentioned before the study relies on a combination of primary and secondary data sources The primary data consist of two components: a structured survey and a set of semi-structured expert interviews. The survey was designed to capture the perceptions of respondents with

professional exposure to financial markets and was distributed within financial institutions through internal channels. In addition, semi-structured interviews were conducted to complement the survey data by providing contextual depth and practitioner perspectives that surveys alone may not fully capture. The interviews enriched the interpretation of key themes by offering real-world viewpoints on governance credibility, pricing expectations, and the specific dynamics surrounding family-controlled IPOs.

The secondary data sources underpin the quantitative market analysis and ensure an objective assessment of valuation and pricing outcomes. Information related to the Porsche AG IPO was collected from official and reliable sources including the IPO prospectus Pitchbook and analyst reports. These datasets provided detailed information on ownership structure, governance mechanisms, valuation multiples, and market conditions at the time of listing.

To contextualize the Porsche IPO and isolate the potential influence of family ownership, a structured peer-group analysis was developed. This segmentation makes it possible to differentiate between sector-specific valuation patterns and effects potentially linked to ownership structure.

3.3 Survey (Individual – Falk Poeschke)

In addition to the interviews, the survey represents one of the quantitative elements of this study. While the interview findings offer detailed qualitative insights, the survey provides a broader and quantifiable perspective on respondent perceptions.

The survey followed a cross-sectional format and consisted of 9 multiple-choice questions. Each question offered four predefined response options (A-D) that reflected different evaluative positions: positive, negative, neutral, or none of the above. This consistent structure made it easier for respondents to work through the questionnaire and allowed the answers to be converted into numerical data for statistical analysis. The questions were grouped into four thematic sections that mirror the conceptual structure of the thesis. The first section focused on

general attitudes toward family ownership in publicly listed firms, such as whether it is viewed as stabilizing or potentially restrictive for investors. The second section turned to valuation and pricing aspects, including expectations about valuation multiples, interpretations of underpricing, and anticipated first-day performance relative to non-family IPOs. The third section addressed views on specific control mechanisms, such as lock-up periods or dual-class share structures. The final section contained a single question that asked respondents for an overall judgement on whether family ownership enhances or limits the success of an IPO.

The survey was targeted at respondents who engage with IPOs or valuation topics in their professional activities. These included individuals working in investment banking, equity research, private equity, corporate finance, and related areas. A purposive sampling approach was used, meaning that the survey was distributed selectively rather than randomly mainly through professional networks and internal communication channels such as financial institutions' newsletters. This approach ensured that the responses reflected the views of people who work with or closely observe IPO processes. In total, 52 complete responses were collected, which provided a sufficient dataset for additional exploratory statistical analysis.

The data was collected using Google Forms, which ensured a consistent layout and anonymous participation. After exporting the responses, each answer option was converted into a numerical value to support statistical testing. Positive responses were coded as "3," neutral responses as "2," negative responses as "1," and "none of the above" as "0." Treating the responses as ordered numerical values made it possible to examine relationships between perceptions and to run regression models in the analysis.

The coded dataset was then imported into Jamovi for statistical processing. The first step involved reviewing descriptive statistics to understand how respondents answered each question. This was followed by correlation tests to identify which survey items were meaningfully related

to one another. Based on these relationships and the relevance of the variables, selected questions were incorporated into the regression models.

3.4 CCA (Individual – Falk Poeschke)

The CCA forms the quantitative market-based component of this study and serves to contextualize the qualitative and perceptual findings. While interviews and survey evidence capture investor perceptions, the CCA provides an empirical reference point by comparing the Porsche AG IPO with a systematically constructed peer group of publicly listed firms. This approach enables the study to assess whether the pricing and valuation patterns observed around the Porsche listing align with broader trends among family-controlled and non-family-controlled firms.

The CCA was conducted using market and financial data obtained from PitchBook, which served as the primary database for identifying comparable companies and extracting valuation multiples. PitchBook was selected due to its comprehensive financial coverage and its ability to filter companies based on ownership characteristics, industry classification, IPO timing, and size metrics. These features made it suitable for isolating a relevant set of peers and ensuring consistency in multiple calculations.

To build a meaningful peer universe, a multi-step screening process was applied. First, publicly listed firms operating within the automotive sector were identified, including both family-controlled and non-family-controlled manufacturers. This ensured that Porsche AG was compared with firms sharing similar product markets, cyclical sensitivities, capital intensity, and regulatory environments. Second, a broader set of family-controlled companies outside the automotive industry was added to the peer universe. This decision reflects the theoretical interest of the thesis: to determine whether family ownership, independent of industry effects, produces systematic differences in valuation at the time of listing. Including family-controlled firms beyond the automotive segment therefore widens the analytical frame, allowing the study to

distinguish ownership-related valuation effects from sector-specific ones. Third, a group of non-family-controlled IPOs of comparable size and maturity was included to ensure an appropriate benchmark for assessing whether Porsche's valuation and pricing behavior differed from typical IPO outcomes in the wider market.

After constructing the peer group, the next step involved collecting the relevant valuation metrics. PitchBook was used to extract key multiples, including EV/EBITDA**,** EV/Revenue**,** and P/E ratios, at various points post-listing. These multiples were chosen because they represent standard valuation measures in equity capital markets and allow for comparison across industries and ownership types. Extracting historical data at consistent time intervals enabled the study to observe whether valuation convergence or divergence occurred after the IPO, and whether family-owned firms exhibited systematically higher or lower multiples relative to non-family peers.

To ensure comparability, adjustments were made to account for differences in fiscal year-end alignment and reporting conventions, and outliers were reviewed manually to avoid distortions caused by incomplete financials or atypical performance periods. The final dataset was organized into a structured model that allowed averages, medians, and dispersion measures to be calculated for each peer subgroup: (1) automotive family-owned firms, (2) automotive non-family firms, and (3) non-automotive family-owned firms. Porsche AG was then positioned relative to these subgroups to assess whether its valuation at IPO was consistent with expected benchmarks or deviated in a manner suggestive of ownership effects.

To interpret the results, the CCA was not only evaluated in terms of absolute multiple comparisons but also in the context of perceived governance quality and investor sentiment identified in the survey and interview components. This triangulated approach enables the study to connect market pricing outcomes with practitioner perceptions and with governance structures typically associated with family-controlled firms. By integrating financial multiples with

qualitative and perceptual insights, the CCA strengthens the empirical contribution of the thesis and provides a grounded reference point for assessing whether family ownership materially influences IPO valuation outcomes.

3.5 Limitations (Group Part)

Despite the multi-method design adopted in this thesis, several methodological limitations must be acknowledged. These limitations do not compromise the validity of the analysis but contextualize its scope and should be considered when interpreting the results.

Although the expert interviews provided valuable and practice-oriented insights, some methodological limitations remain. The limited number of interviewees reduces the range of perspectives included and makes it difficult to generalize the findings to a broader population. Even though the participants came from different professional backgrounds, the sample may still reflect selection bias, as those willing to take part might already have stronger or more specific views on family ownership and IPOs.

The qualitative nature of the analysis also introduces a level of subjectivity. Decisions about how statements were coded, how themes were grouped, and how the overall patterns were interpreted depend partly on the researcher's judgement. A structured coding framework helps increase consistency, but it cannot remove this interpretive element completely.

In addition to these interview-specific limitations the survey design presents different ones. Because the instrument relies mainly on closed-ended questions, it supports comparability but does not allow respondents to express more detailed or context-specific reasoning. Participants were required to choose from predefined options, which reduces the nuance that could have emerged from more open formats.

The peer group used in the comparable company analysis is also shaped by data availability and the need to ensure consistency across firms and time periods. This leads to a relatively small sample that cannot fully reflect the diversity of family-owned and non-family firms across

different markets. In addition, valuation multiples used in the analysis are sensitive to short-term market movements and may capture temporary conditions rather than underlying differences tied to governance or ownership.

Finally, bringing together quantitative market data, survey findings, and qualitative interview insights introduces challenges for triangulation. Each method highlights a different aspect of the research question, and they vary in scope, depth, and time horizon. While this mixed-method approach strengthens the overall analysis, differences between the Porsche case, the CCA sample, and the survey data mean that some interpretive caution is necessary when formulating broader conclusions.

4 Empirical Results and Analysis

4.1 Quantitative Results – Survey (Individual – Falk Poeschke)

This section presents the quantitative findings from the survey conducted to examine how respondents perceive family ownership in the context of IPO valuation, pricing behavior, and overall market outcomes.

4.1.1 Descriptive Statistics

The descriptive statistics provide an initial overview of the survey responses after recoding the categorical items into numerical values. Across all nine questions, the number of valid responses was 52, with no substantial missingness. Mean values fell between 1.60 and 2.00, indicating that respondents generally positioned themselves between a neutral and moderately positive evaluation of family ownership and its impact on IPO processes. Standard deviations ranged from 0.73 to 1.03, which reflects a moderate degree of variability in the responses. Overall, these values suggest that participants did not express extreme opinions but tended to cluster around the middle of the evaluative scale. A detailed numerical overview is provided in the appendix (see Appendix I).

4.1.2 Correlation Analysis

The correlation analysis offers insight into how the different perception variables relate to each other. Only a subset of correlations reached statistical significance, and these were concentrated around the valuation-, pricing-, governance-, and outcome-related items. The strongest relationship was observed between the interpretation of underpricing in family-controlled IPOs (Q5) and the expectation of first-day performance differences between family and non-family IPOs (Q6). These two variables correlated at $r = .546$ ($p < .001$), indicating that respondents who interpret underpricing as a meaningful or strategic mechanism are considerably more likely to expect differentiated first-day pricing outcomes. A further significant association was found between Q6 and the perceived impact of family ownership on valuation multiples (Q4), with a correlation of $r = .360$ ($p = .008$). This result suggests that respondents who anticipate stronger first-day performance differences are also more inclined to believe that family ownership influences valuation levels such as EV/EBITDA, EV/EBIT or P/E ratios.

Two pricing-related variables also correlated significantly with the respondents' overall assessment of whether family ownership enhances or constrains IPO success (Q10). The interpretation of underpricing (Q5) correlated with Q10 at $r = .363$ ($p = .008$), while the expectation of first-day performance differences (Q6) correlated with Q10 at $r = .447$ ($p < .001$). These relationships indicate that respondents who hold stronger or more differentiated views about underpricing and pricing behavior also tend to form more pronounced evaluations of the overall effects of family ownership on IPO outcomes.

In addition, some significant relationships were found for Q7, which measures how respondents evaluate dual-class or non-voting share structures. Q7 showed a significant positive correlation with valuation perceptions (Q4) at $r = .433$ ($p = .001$), meaning that participants who viewed dual-class structures more positively were also more likely to believe that family ownership affects valuation multiples. Q7 also correlated with underpricing interpretation (Q5) at $r = .272$

($p = .049$) and with expected first-day performance differences (Q6) at $r = .412$ ($p = .002$). This indicates that respondents who take a more favorable view of control-enhancing mechanisms tend to interpret underpricing differently and expect stronger first-day pricing effects. In addition, Q7 correlated with the overall assessment of family ownership's impact on IPO success (Q10) at $r = .300$ ($p = .029$), showing that governance perceptions are linked to respondents' broader judgements about IPO outcomes.

In contrast, the more general perception items, like Q1 (general view of family control), Q2 (investor trust), and Q3 (reaction to control-preserving mechanisms), did not show significant correlations with valuation (Q4), pricing-related perceptions (Q5 or Q6), governance assessments (Q7), or overall IPO evaluation (Q10). The same applies to Q8, which measured the perceived signaling value of lock-up periods. These non-significant results suggest that broad attitudes toward family firms and high-level governance impressions are not directly connected to respondents' views on valuation, pricing behavior, or IPO outcomes.

In summary, the correlation analysis shows that only the variables Q4 (valuation impact), Q5 (interpretation of underpricing), Q6 (expected first-day performance), and Q10 (overall IPO assessment) are significantly related. Q5 and Q6 correlate strongly with each other, both correlate with Q10, and Q6 also correlates with Q4. This means that respondents' views on underpricing and first-day performance are closely tied to how they think about valuation and overall IPO outcomes. Q7 (evaluation of dual-class shares) also shows significant correlations with these variables, but because it reflects attitudes toward a governance mechanism rather than valuation or pricing itself, it was not included in the regression analysis. All other items (Q1–Q3 and Q8) showed no significant correlations with any valuation- or pricing-related variables and were therefore not relevant for further modelling. Based on these results, the subsequent regression analyses focus on Q4, Q5, Q6, and Q10 (see Appendix J).

4.1.3 Regression Analysis

Three linear regression models were estimated to examine how respondents' perceptions relate to valuation, pricing behavior, and overall assessments of family-owned IPOs. Before interpreting the models, the key statistical assumptions were evaluated in Jamovi. Collinearity was not a concern in any model, as all VIF values ranged between 1.00 and 1.43. Normality tests showed only minor deviations that did not materially affect model interpretability. Lastly, Heteroskedasticity checks indicated generally stable error variances across models. The outputs are provided in the appendix (see Appendix K, L, M).

The first regression examined whether respondents' expectations regarding first-day pricing differences in family IPOs (Q6) predict how they believe family ownership affects IPO valuation multiples (Q4). The model was statistically significant, $F(1, 51) = 7.60$, $p = .008$, explaining 13.0% of the variance in valuation assessments ($R^2 = .130$). Q6 was a significant predictor of Q4 (Estimate = 0.365, SE = .132, t = 2.76, p = .008). Since higher numerical values represent more positive evaluations (i.e., A = 3 = positive effect on valuation; B = 1 = negative; C = 2 = neutral), the positive coefficient indicates that the more respondents expect family IPOs to show distinctive first-day pricing behavior (e.g., lower underpricing or increased stability), the more positively they rate the valuation impact of family ownership. Therefore, respondents who believe that family ownership leads to more stable or predictable first-day performance also tend to believe that family firms achieve more favorable valuation multiples. Conversely, respondents who anticipate weaker or risk-driven first-day behavior tend to judge family-firm valuation outcomes less favorably (see Appendix M).

The second model tested whether respondents' interpretation of underpricing in family-controlled IPOs (Q5) predicts their expectations of first-day pricing outcomes (Q6). The model showed a strong effect, $F(1, 51) = 21.7$, $p < .001$, explaining 29.8% of the variance ($R^2 = .298$, adjusted $R^2 = .285$). Essentially, Q5 had a significant positive coefficient (Estimate = 0.489, SE = .105, t = 4.66, $p < .001$), as higher values represent more positive interpretations (e.g.,

underpricing as a deliberate and constructive tool). Thus, one can argue that respondents who interpret underpricing in a more positive or strategic way, are more likely to expect better first-day performance in family IPOs. It also reflects the pattern seen in the correlation matrix, which showed that respondents who interpret underpricing positively are also more likely to expect that family-owned IPOs will show different first-day returns compared to non-family IPOs (see Appendix L).

The third regression model tested if underpricing interpretations (Q5) and expected first-day performance (Q6) predict respondents' overall judgement of whether family ownership enhances or constrains IPO success (Q10). The model was significant, $F(2, 50) = 7.04$, $p = .002$, explaining 22.0% of the variance ($R^2 = .220$, adjusted $R^2 = .189$). Moreover, the results showed that only Q6 was a significant predictor (Estimate = 0.371, SE = .156, t = 2.38, p = .021) and the positive coefficient indicates that respondents who expect stronger first-day performance in family IPOs are more likely to judge family ownership as enhancing IPO success overall. On the contrary, Q5 did not significantly predict Q10 once Q6 was included in the model (Estimate = 0.158, SE = .140, t = 1.13, p = .263). This suggests that the way respondents interpret underpricing on its own does not directly influence their overall judgement of IPO success. Although Model 3 only shows that Q6 directly predicts Q10, this result becomes clearer when combined with the earlier findings. Model 2 showed that Q5 predicts Q6, and the correlations indicated a strong link between Q6 and Q10. In summary, the results suggest that Q6 is the key factor shaping respondents' overall IPO assessments, while Q5 does not directly influence Q10 once expectations of first-day performance are considered. This indicates that respondents place more weight on expected market behavior than on their interpretation of underpricing (see Appendix K).

4.2 Quantitative Results – CCA (Individual – Falk Poeschke)

The quantitative assessment of the CCA deepens the understanding of how governance structures and ownership concentration shape valuation outcomes among peer firms. While the numerical metrics offer a first indication of relative market positioning, the qualitative interpretation reveals how investors incorporate perceptions of stewardship and governance quality into valuation levels elements that have been central throughout this thesis. The valuation patterns illustrated in the peer comparison table (see Figure 5) highlight clear differences between family-controlled and non-family firms.

Across the observation period, family-controlled firms consistently trade at materially higher valuation levels than non-family automotive manufacturers. Firms such as LVMH, Kering, Heineken, and Roche exhibit EV/EBITDA multiples in the range of 11× to 15× and P/E ratios between 18× and 30× (see Figure 5). These premiums are consistent with the findings of Li, Liu, and Yu (2022), who show that persistent family ownership is associated with long-term policy stability and disciplined investment behavior. Markets appear to reward this stability by assigning higher valuation multiples, suggesting that concentrated ownership when paired with transparent governance functions as a positive stewardship signal rather than an indication of entrenchment (Li, Liu, H., & Yu, 2022).

In contrast, non-family automotive peers, such as Volkswagen Group, Mercedes-Benz, Stellantis, Renault, and Ford, trade at meaningfully lower multiples, typically reporting EV/EBITDA values of 4× to 8× and P/E ratios between 4× and 10× (see Figure 6). This discount is consistent with research by Cremers, Lauterbach, and Pajuste (2018), who demonstrate that firms with governance structures perceived as less stable or more complex tend to face valuation penalties. In the case of mass-market automakers, fragmented ownership, cyclicality, and higher operational risks lead investors to apply more conservative valuation benchmarks, reflecting concerns about long-term strategic alignment and governance predictability (Cremers,

Lauterbach, & Pajuste, 2018). Within this valuation landscape, Porsche AG occupies a distinct intermediate position**.** With EV/EBITDA multiples around 9× and P/E ratios near 14× in 2023 (see Figure 6), Porsche trades above conventional mass-market automakers but below premium luxury peers such as Ferrari or Hermès. This relative positioning reflects the dual nature of investor perception identified throughout this thesis. On the one hand, Porsche benefits from premium brand equity and a strong profitability profile, which aligns with the stewardship-oriented features highlighted by Li et al. (2022). On the other hand, governance arrangements introduced during the IPO most notably the dual-class structure and limited free float constrain minority voting influence and reduce liquidity, which are factors shown by Cremers et al. (2018) to contribute to structural valuation discounts in dual-class firms (Cremers, Lauterbach, & Pajuste, 2018).

Overall, the qualitative CCA findings reinforce the central argument of this thesis**:** family ownership exerts a measurable and context-dependent influence on valuation outcomes**,** and its effects are mediated by investor interpretation of governance structures.

		2022 Valuation			2023 Valuation			2024 Valuation		
	Company Name	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E
Automotive	Aston Martin Lagonda Global Holdings	7,12	n.a.	n.a.	n.a.	n.a.	n.a.	9,84	n.a.	n.a.
	Ford Motor	10,2	18,23	5,27	11,31	22,07	7,68	18,13	59,35	11,72
	Mercedes-Benz Group	5,09	6,88	5,12	4,67	6,12	4,41	5,46	7,85	5,07
	Renault	8,26	22,02	7,32	8,26	15,11	3,25	11,32	29,5	9,28
	Stellantis	0,95	1,29	2,73	1,35	1,79	3,36	1,33	2,01	2,89
	Volkswagen Group	3,93	8,84	3,6	4,45	10,2	4,02	3,93	9,84	3,64
	Volvo Car	3,02	5,2	8,79	2,61	5,24	8,02	2,03	3,83	4,45
A & F	Bayerische Motoren Werke	1,01	1,35	3,06	5,53	8,64	5,82	6,45	10,93	6,08
	Ferrari	22,37	31,89	52,01	25,82	36,64	47,03	30,59	42,21	39,64
	Porsche	n.a.	n.a.	17,17	5,77	8,51	14,02	5,43	9,19	13,37
Family Owned	Habib Metropolitan Bank	n.a.	n.a.	2,21	n.a.	n.a.	2,26	n.a.	n.a.	3,91
	Heineken	9,3	12,95	14,24	12,15	18,68	20,48	11,07	26,07	36,54
	Kering	9,3	11,97	15,97	8,46	11,37	14,35	8,41	13,29	14,06
	LVMH Moet Hennessy Louis Vuitton	15,21	19,39	25,76	13,63	17,01	22,95	12,58	16,65	22,75
	Roche	12,21	14,83	17,52	12,09	15,02	18,78	13,68	16,95	19,7

Figure 3: CCA Analysis

5 Discussion

5.1 Survey Discussion (Individual – Falk Poeschke)

The survey results provide an important empirical perspective on how market participants perceive the role of family ownership in IPO valuation and pricing dynamics. Interpreting these findings through the lens of the underlying theoretical frameworks Agency Theory, SEW, and Signaling Theory allows a more nuanced understanding of how investors conceptualize family-controlled IPOs and which mechanisms they consider most relevant. Taken together, the results offer meaningful insights into the research question and allow an evaluation of the initial hypothesis that family ownership alone does not systematically influence IPO pricing outcomes.

The first major pattern to emerge from the survey is that respondents do not hold uniformly positive or negative perceptions of family-controlled firms. The descriptive statistics suggest overall neutral-to-moderately positive attitudes, with little polarization. This aligns with prior literature showing that investor views of family firms tend to be highly context-dependent rather than uniformly biased (Anderson & Reeb, 2003). Family ownership can reduce agency costs through concentrated control and long-term orientation, but it can also increase them through entrenchment risks. The survey responses reflect this ambivalence: while respondents do not penalize family ownership per se, they also do not attribute automatic advantages in valuation or pricing to it. This supports the premise and the core hypothesis that family ownership is not a valuation determinant in isolation but interacts with other governance and market features to shape investor expectations.

A second important insight emerges from the correlation patterns. Only a limited set of survey variables namely valuation perceptions (Q4), underpricing interpretation (Q5), expected first-day performance (Q6), views on dual-class structures (Q7), and overall IPO assessment (Q10) show statistically meaningful relationships. These variables form a coherent cluster centered on pricing behavior and governance characteristics, rather than on general impressions of family

control. This distinction is theoretically consistent with Signaling Theory, which suggests that investors place greater weight on observable, transaction-specific signals (e.g., pricing behavior, share structure, governance mechanisms) than on broad ownership labels. General perceptions of family firms (Q1–Q3) were statistically unrelated to valuation or pricing variables, reinforcing the idea that family identity alone does not serve as a decisive signal in IPO contexts, again aligning with the hypothesis.

A particularly notable result is the strong relationship between underpricing interpretation (Q5) and expectations of first-day performance (Q6). Both the correlation analysis ($r = .546$, $p < .001$) and the regression model ($\beta = .489$, $p < .001$) highlight this link. Respondents who view underpricing more positively consistent with the interpretation of underpricing as a strategic tool or a confidence signal also expect clearer or more pronounced differences in first-day returns for family-owned IPOs. This aligns closely with academic work that interprets underpricing as a signaling mechanism (Spence, 1973; Loughran & Ritter, 2004). In the context of family firms, underpricing can act as a credible commitment to minority shareholders by absorbing early uncertainty, especially when the firm retains control-enhancing elements. The results therefore indicate that respondents interpret underpricing not simply as mispricing, but as a potentially deliberate governance or market signal. These findings reinforce the hypothesis by showing that pricing expectations are shaped by signaling behavior, not by ownership identity.

The regression results further clarify how these perceptual relationships translate into broader assessments of family-owned IPOs. Across the three models, Q6 emerges as the most central variable. It predicts valuation perceptions (Q4) and overall IPO assessments (Q10) and is itself predicted by underpricing interpretations (Q5). This suggests that market participants anchor their judgments of family-owned IPOs primarily on expectations of first-day performance. This interpretation is consistent with behavioral finance literature showing that first-day returns are salient reference points for market participants, often shaping downstream assessments of IPO

quality and issuer credibility (Ritter & Welch, 2002). Importantly, this supports the hypothesis by demonstrating that investor assessments rely on expected market behavior rather than on family ownership per se.

The fact that Q6 not Q5 is the significant predictor of overall IPO assessment (Model 3) underscores that respondents evaluate family-controlled IPOs through a performance-based lens rather than through attitudinal or interpretive judgments alone. When Q5 and Q6 are examined together, Q5 becomes statistically irrelevant ($p = .263$), while Q6 remains significant ($p = .021$). This result does not indicate that underpricing interpretations are unimportant; rather, their influence appears to operate through their effect on expectations of first-day performance. In other words, respondents form their overall IPO assessments not directly from how they interpret underpricing, but from how these interpretations shape their expectations about actual market behavior. This aligns directly with the hypothesis by showing that ownership does not directly determine outcomes; market expectations do. The pattern is also consistent with Agency Theory's emphasis on observable performance as a mechanism for reducing uncertainty and resolving information asymmetries at the IPO stage.

The role of dual-class structures (Q7) adds a complementary perspective. Although Q7 was not included in the regression models due to its conceptual function as a governance perception variable rather than a valuation variable, its significant correlations with Q4, Q5, Q6, and Q10 reveal that governance mechanisms shape how respondents interpret pricing behavior and valuation effects. This is directly aligned with the SEW framework, which highlights that families often adopt control-preserving structures to maintain long-term influence. Whether such structures are viewed favorably or unfavorably by investors depends heavily on context and perceived governance quality. The survey results reflect this contextuality: respondents who view dual-class structures more positively also tend to report stronger valuation effects, strategic underpricing interpretations, and clearer expectations about first-day performance. This

reinforces the idea central to the hypothesis that the governance architecture surrounding family ownership, not family ownership alone, drives investor perceptions and pricing expectations.

Taken together, the survey findings provide important evidence regarding the research question. Family ownership, by itself, is not a powerful explanatory variable for how respondents perceive valuation or pricing outcomes. Instead, respondents' evaluations are shaped by a combination of perceived governance quality, first-day performance expectations, and the signaling interpretation of underpricing. These relationships clearly support the initial hypothesis that family ownership does not directly affect IPO pricing, while also demonstrating how family ownership interacts with governance features to shape investor expectations. This nuanced understanding aligns with existing literature showing that the market does not penalize family firms simply for being family-controlled; rather, performance signals and governance structures determine how these firms are evaluated in the IPO setting.

Finally, the perceptual structure revealed by the survey mirrors the empirical findings in the CCA and the interview insights, where governance credibility and context emerged as central determinants of how family-controlled IPOs are valued. The survey results therefore reinforce the broader thesis conclusion: the influence of family ownership on IPO valuation is contingent on its interaction with governance mechanisms and market-based signals, rather than on ownership identity alone, directly confirming the hypothesis.

5.2 CCA Discussion (Individual – Falk Poeschke)

The CCA provides another important quantitative and qualitative benchmark against which to interpret the valuation dynamics observed in the Porsche IPO. The CCA findings demonstrate that family ownership does not, in itself, generate a structural valuation discount or premium, but instead interacts with broader governance and performance characteristics. This conclusion aligns closely with both the interview insights and the survey results discussed earlier and

directly supports the thesis hypothesis that family ownership alone does not exert a direct effect on IPO valuation outcomes.

Across the three-year observation period, the CCA shows that family-controlled firms with strong brand equity and professionalized governance structures tend to trade at elevated multiples, particularly in the luxury goods and consumer sectors (see Section 4.4). Companies such as LVMH and Roche exhibited EV/EBITDA multiples significantly above those of non-family automotive firms, supporting the interpretation that markets reward well-governed family firms with clear strategic positioning and high operational performance. These patterns reinforce the idea that valuation outcomes depend on fundamentals and governance credibility core elements emphasized in Signaling Theory and SEW not on the mere presence of family ownership.

By contrast, non-family automotive peers Volkswagen, Mercedes-Benz, Renault, and Ford consistently traded at markedly lower valuation levels. These firms face structurally different operating environments, higher cyclicality, and lower margins, which drove their multiples closer to the bottom end of the peer group. Importantly, the CCA findings indicate that these lower multiples are driven by sector dynamics rather than ownership status, underscoring that markets differentiate primarily on business fundamentals rather than on ownership form. This further supports the hypothesis by showing that ownership identity does not produce systematic pricing differences across comparable firms.

The positioning of Porsche AG within the CCA universe is particularly revealing. Porsche's valuation multiples were consistently situated between mass-market automotive firms and the luxury segment, reflecting its hybrid identity as a premium performance brand embedded within a broader industrial group. As shown in Section 4.4, Porsche traded at EV/EBITDA multiples around 9× and P/E ratios around 14× above most non-family automotive peers but below luxury benchmarks such as Ferrari. This valuation pattern corresponds closely to Porsche's strategic

and operational profile rather than its ownership structure, again demonstrating that family ownership does not impose a valuation penalty.

Crucially, Porsche's valuation did not exhibit any meaningful governance-related discount despite the clear presence of control-preserving mechanisms, including dual-class shares and a limited free float. This is entirely consistent with the interview results, where experts emphasized that investors evaluate control structures through the lens of governance quality, reputation, and communication, rather than rejecting or penalizing family ownership on principle. Similarly, the survey results reinforce that practitioners do not apply categorical valuation penalties to family firms but instead weigh ownership in combination with signaling strength and stewardship credibility. Taken together, these insights confirm the hypothesis by illustrating that family ownership does not directly drive valuation outcomes; investor responses depend primarily on governance sophistication and perceived issuer quality.

The CCA thus provides empirical support for the overarching conclusion that emerged throughout the qualitative analysis: investor perception of family ownership is highly contingent and moderated by firm-specific characteristics, not by ownership type alone. Porsche's competitive valuation illustrates that strong fundamentals, credible governance, and brand strength can neutralize potential agency concerns associated with concentrated family control. This directly aligns with Agency and SEW frameworks, which both emphasize that the governance behavior of family firms not their ownership identity determines investor trust.

In sum, the CCA findings reinforce the central insight of this thesis: the influence of family ownership on IPO valuation is not determined by ownership type alone but by how ownership interacts with governance sophistication, signaling effectiveness, and operational performance. When these elements are aligned as illustrated in the case of Porsche family ownership does not impede valuation and may, under the right conditions, even support stronger market positioning.

6 Conclusion (Group Part)

This thesis set out to examine how family ownership influences IPO valuation and pricing dynamics, using the Porsche AG listing as an anchor case and drawing on qualitative interviews, a survey, and a CCA. Guided by the hypothesis that family ownership does not exert a direct or systematic influence on IPO pricing or valuation outcomes, the study combined market-based evidence with perceptual and governance-related insights to evaluate how ownership structure interacts with investor interpretation and capital-market mechanisms. The findings across all methodological components consistently support this hypothesis.

Across the qualitative interviews, practitioners emphasized that family ownership is not evaluated positively or negatively by default but is interpreted through the lens of governance quality, and transparency. Experts consistently noted that investor concerns do not stem from the mere presence of a controlling family, but from how this influence is institutionalized and communicated. When governance is well aligned with minority-shareholder interests, family ownership is perceived as a stabilizing force that signals continuity and strategic commitment. Conversely, concerns arise not because of ownership per se, but when control rights appear insufficiently balanced by formal accountability structures. These insights already suggest that ownership identity alone does not determine valuation or pricing; rather, its market impact depends on how investors interpret associated governance mechanisms. The survey findings provide strong quantitative support for the hypothesis that family ownership alone does not determine IPO valuation or pricing outcomes. Respondents expressed generally neutral to moderately positive attitudes toward family-controlled firms, indicating that investors do not view family ownership as inherently beneficial or detrimental. Instead, their assessments were shaped by contextual factors, particularly expectations of how the stock would perform on the first trading day. This emphasis on anticipated market behavior shows that investors anchor their valuation and pricing judgments in observable signals rather than in assumptions about ownership

identity. Similarly, respondents who viewed underpricing as a strategic or confidence-building action tended to expect more favorable outcomes, highlighting that pricing behavior is interpreted through the lens of signaling rather than family control.

Governance quality also played a key role in shaping perceptions. Respondents who viewed control-enhancing structures or governance mechanisms more positively were more inclined to assess valuation and IPO success favorably, consistent with Agency and SEW perspectives. These results indicate that investors evaluate family-controlled IPOs largely based on the credibility and professionalism of governance arrangements rather than on ownership type itself. Taken together, the survey findings confirm that ownership does not exert a direct effect on valuation; instead, its influence emerges only through the governance and signaling mechanisms that accompany it.

The CCA provides an important market-based reference point for these perceptual findings. Porsche traded consistently between mass-market automakers and luxury family-controlled firms above Volkswagen, Renault, or Ford, but below Ferrari or Hermès. Importantly, Porsche's valuation did not display a structural governance-related discount, despite its dual-class structure and limited free float. This mirrors the interview insights: investors do not penalize family ownership automatically but assess its credibility in the context of brand strength, governance professionalism, and overall performance. The CCA further confirms that sector dynamics and firm-specific fundamentals explain valuation differences. Family-controlled luxury firms trade at higher multiples because of structural advantages and stable governance, not because of ownership identity. Porsche's intermediate valuation position is therefore consistent with its hybrid profile rather than its ownership structure.

Taken together, the evidence from all methods strongly supports the central hypothesis. Neither the interviews, nor the survey, nor the CCA indicate that family ownership on its own drives valuation levels, underpricing, or overall IPO pricing outcomes. Instead, family ownership acts

as a contextual variable whose effects depend on governance design and the market signals embedded in the IPO process. Ownership interacts with but does not independently determine valuation and pricing dynamics.

Finally, the findings allow a clear answer to the research question. Family ownership influences IPO valuation and pricing dynamics not as an isolated factor but through its interaction with governance mechanisms and investor expectations. The Porsche AG IPO illustrates that when governance is credible and strategically communicated, family control is not associated with valuation discounts or adverse pricing outcomes. Instead, investor assessments are shaped by perceptions of stewardship, operational performance, and expected market behavior. This confirms that the influence of family ownership is contingent, mediated, and highly dependent on complementary factors rather than intrinsic to the ownership form itself.

In conclusion, this thesis demonstrates that family ownership does not systematically advantage or disadvantage IPO issuers. Its impact emerges only when considered together with the governance arrangements and pricing strategies choices that shape how investors interpret control in a public-market setting. These findings contribute to a more nuanced understanding of family business governance in capital markets and provide practical implications for families and advisors designing future IPO strategies

7 Recommendations (Group Part)

The findings of this thesis highlight that successful family-controlled IPOs depend less on ownership itself and more on the credibility of the structures and signals surrounding it. For firms preparing to go public, the priority should be to translate family control into a governance and communication framework that investors can clearly understand and trust.

First, family firms should establish strong, transparent, and visibly independent governance mechanisms. Such structures reduce perceived agency risks and demonstrate professionalism, making concentrated ownership easier for investors to accept.

Second, a clear and consistent communication strategy is essential. Articulating the family's long-term orientation, stewardship role, and governance logic helps transform identity into a positive market signal rather than a source of uncertainty.

Third, pricing decisions should be viewed as a strategic signaling instrument. Moderate underpricing, if used purposefully, can reinforce confidence and support a stable aftermarket, especially when aligned with the broader governance narrative.

Fourth, control-preserving mechanisms such as dual-class shares should only be employed when backed by a credible justification and embedded in a transparent governance structure. Investors respond to clarity, not to the mechanism itself.

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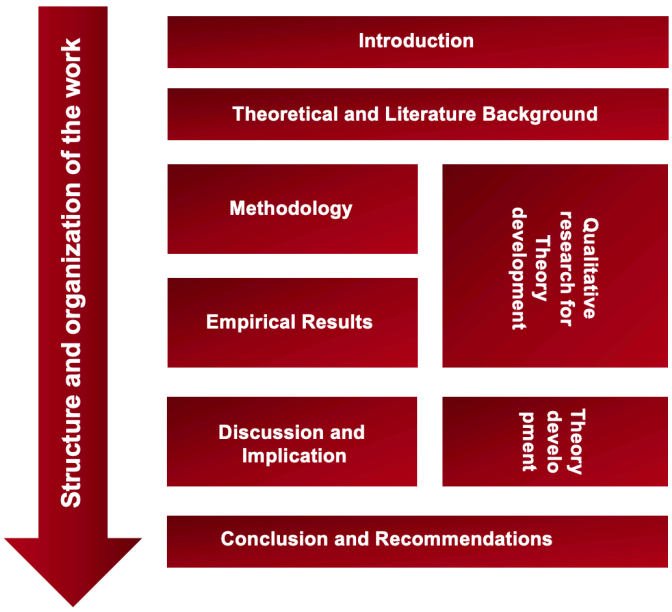
9 Appendix

Appendix Table of Contents

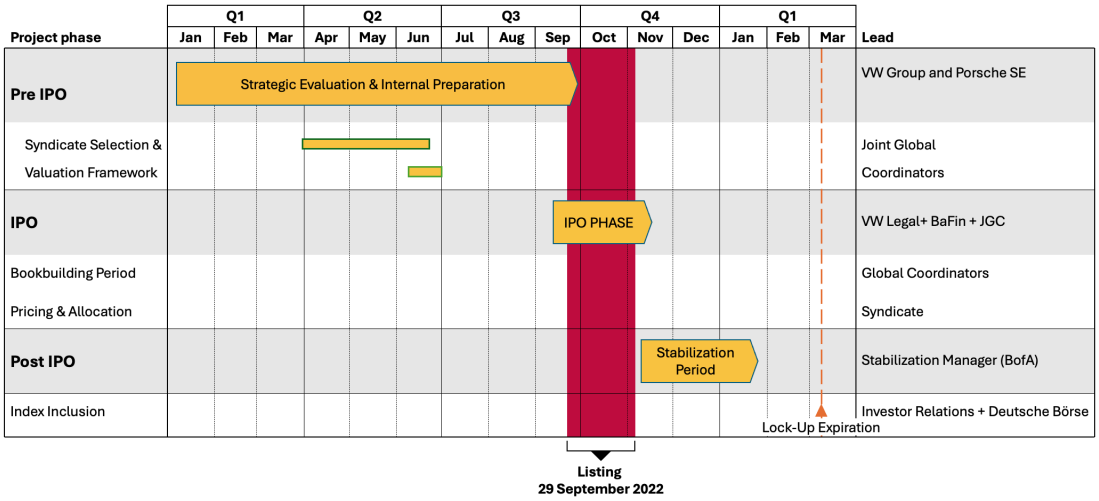
List of Abbreviations

ABBREVIATION	MEANING
AG	Aktien Gesellschaft (stock company)
CCA	Comparable Company Analysis
CPM	Control peserving mechanisims
SEW	Socioemotional Wealth
IPO	Initial Public offering
P/E	Price-to-earning
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBIT	Earnings before interest, taxes
EV	Enterprise Value

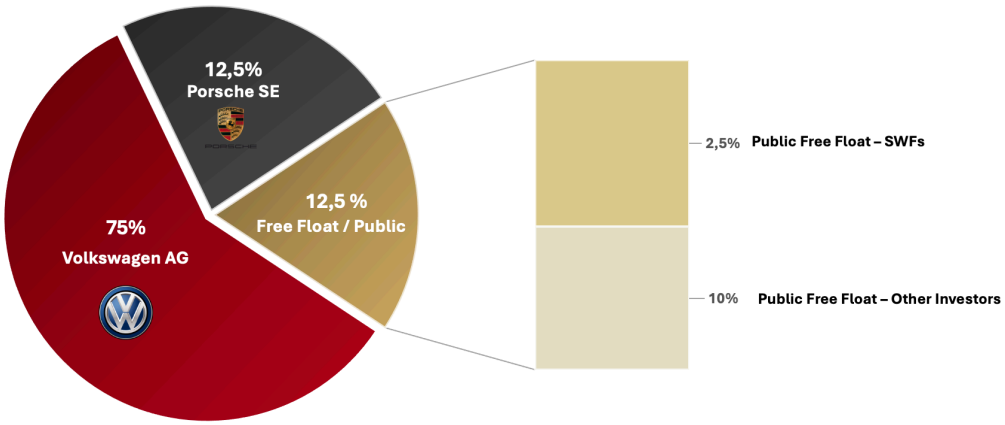
Appendix A: Structure of the Thesis



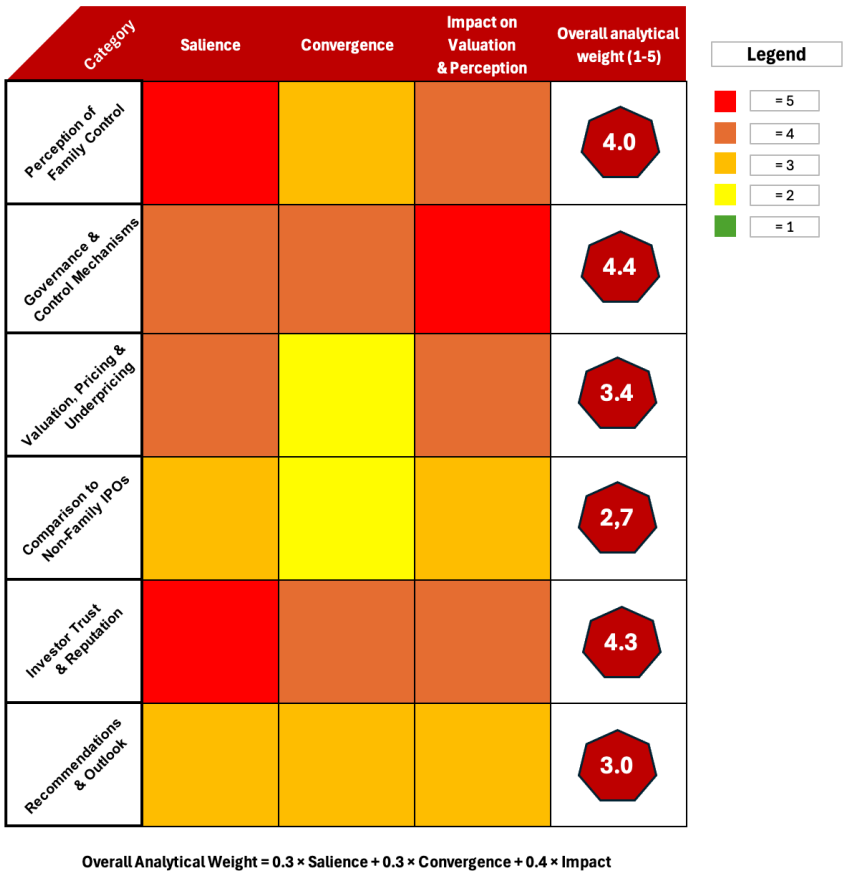
Appendix B: Timeline of the Porsche AG 2022/2023 IPO Project Phase



Appendix C: Ownership structure of Porsche AG at IPO

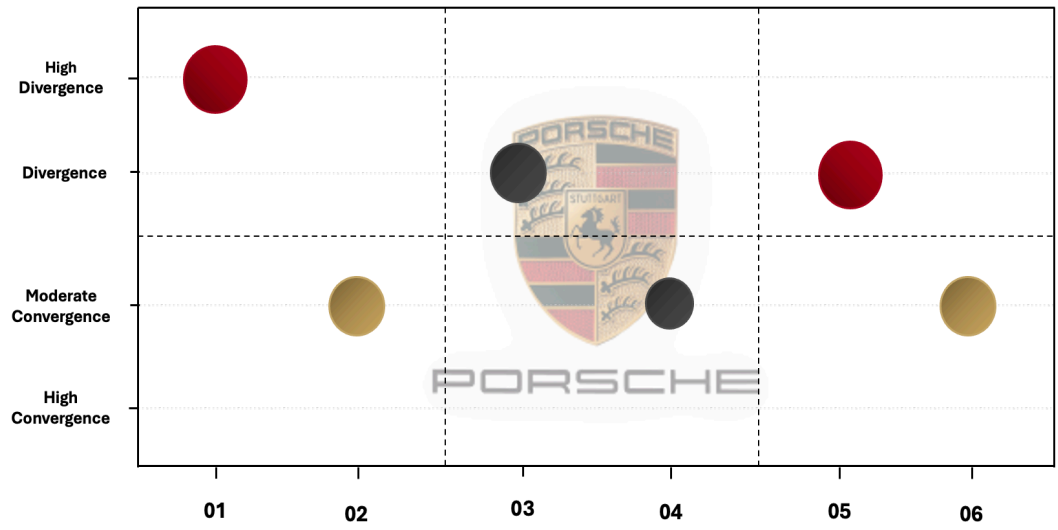


Appendix D: Heatmap of Thematic Salience and Valuation Relevance



Overall Analytical Weight = 0.3 × Salience + 0.3 × Convergence + 0.4 × Impact

Appendix E: Mapping Expert Agreement: Divergence–Convergence Overview



Appendix F: Overview of the Interview Partner

Interview ID	Date (2025)	Duration	Role / Position	Industry / Organization Type
IB–01	Oct 04	42 min	Equity Capital Markets	International Investment Bank
IB–02	Oct 10	45 min	ECM / IPO Execution	European Universal Bank
FO–01	Oct 12	38 min	Investment Analyst	Multi-Family Office
FO–02	Oct 18	44 min	Junior Portfolio Manager	Single Family Office
INV–01	Oct 20	50 min	Equity Research Associate	Institutional Asset Manager
INV–02	Oct 27	41 min	Portfolio Manager	Pension Fund / Institutional Investor
CFA–01	Oct 30	45 min	Consultant, Corporate Finance	IPO & M&A Advisory Boutique
CFA–02	Nov 03	39 min	Senior Consultant, Capital Markets Advisory	Big Four Advisory Firm
AC–01	Nov 05	35 min	PhD, Corporate Governance	Research University
AC–02	Nov 08	48 min	Postdoctoral Fellow, Family Business Research	Governance Research Institute
IR–01	Nov 12	46 min	Investor Relations Associate	Publicly Listed Mid-Cap Family Firm
IR–02	Nov 15	40 min	Corporate Communications / IR Coordinator	Family-Controlled DAX Supplier (Automotive)

Appendix G: Structured Category Table

Mayring Coding Framework

Structured Category Table

Category	Subcategories	Definition	Content	Analytical Extension
Perception of Family Control	Family control as stability signal	Explores how experts interpret the role and meaning of family ownership in public markets.	"Family control signals continuity and long-term commitment." (FO–01)	**Perception shifts depending on contextual legitimacy:** Market acceptance increases significantly when family influence aligns with institutional norms and demonstrates procedural rationality, creating a hybrid governance identity that is neither purely family-driven nor fully market-driven
	Family control as governance sensitivity		"Control can become risky without institutional balancing mechanisms." (INV–01)	
Governance & Control Mechanisms	Dual-class share structures	Captures mechanisms that formalize, balance, or legitimize family influence.	"Dual-class structures are acceptable when transparently communicated." (IB–01)	**Governance operates as a credibility infrastructure:** Its effectiveness hinges not only on structural design, but on perceived enforceability, allowing minority investors to internalize family control as disciplined rather than discretionary.
	Independent supervisory oversight		"Independent boards neutralize concentrated control." (CFA–01)	
Valuation, Pricing & Underpricing	Family control as stability signal	Examines IPO pricing behavior under family ownership conditions.	"A small governance discount was applied but offset by reputation." (INV–01)	**Pricing functions as a strategic relational contract:** Underpricing is interpreted not merely as a financial decision, but as a mechanism to enter a psychological contract with investors, reducing perceived behavioral uncertainty in the family's future actions.
	Family control as governance sensitivity		"Underpricing was a deliberate trust-building gesture." (FO–02)	
Comparison to Non-Family IPOs	Investor expectation differences	Identifies systematic differences between family-run and non-family listings.	"Family IPOs are trust projects—non-family IPOs are financial transactions." (CFA–02)	**Family IPOs generate a dual evaluation logic:** Investors assess both economic prospects and institutional character, meaning family firms are judged not only on performance metrics but on narrative coherence, heritage, and perceived integrity.
	Liquidity and governance contrasts		"Non-family firms provide more liquidity but less identity." (INV–02)	
Investor Trust & Reputation	Trust-building through consistency	Explores trust and credibility formation in family-controlled IPO contexts.	"Trust is the currency of capital markets." (IB–02)	**Reputation becomes a meta-governance mechanism:** It substitutes formal oversight by reducing perceived opportunism and elevates family firms into relationally governed entities, where credibility, predictability, and past conduct matter as much as financial disclosure.
	Reputation as informal governance		"Consistency builds credibility; inconsistency destroys it immediately." (IR–01)	
Recommendations & Outlook	Governance readiness	Consolidates expert-derived guidance for family firms approaching public markets.	"Explain control—don't defend it." (IR–02)	**IPO readiness requires identity institutionalization:** Family firms must translate implicit family logic into explicit governance artifacts—turning values, traditions, and long-term vision into codified structures that withstand generational and market scrutiny.
	Transparent rationale for control		"Capital-market readiness is a mindset." (CFA–02)	

Appendix H: Interview Guideline Structure and Questions

Interview Guideline

Introduction (approx. 3–5 minutes)

Purpose: Establish context and build rapport.

Brief introduction to the project:

"This study examines how family ownership influences investor perception, valuation, and

governance assessments during IPOs, with the Porsche AG listing serving as a central reference point."

Clarifications:

- Voluntary participation
- Confidentiality and anonymization
- Consent to audio recording

Opening Question:

"How would you describe developments in the German IPO landscape in recent years, particularly with regard to major listings such as Porsche?"

Block 1: Perception of Family Control in IPOs

Objective: Capture overall attitudes toward family ownership.

- What opportunities and risks do you associate with family-controlled firms going public?
- From your perspective, how does family ownership influence investor trust?
- Is family control generally viewed more as a source of stability or as a constraint on corporate governance?
- In your experience, do investors differentiate between “active” and “passive” family control?

Block 2: Governance and Ownership Structure in the Porsche Case

Objective: Evaluate the specific governance design of the Porsche IPO.

- How do you assess Porsche AG's dual-class share structure (voting vs. non-voting shares)?
- What impact did Porsche SE's majority control have on transparency, valuation, and investor demand?
- In your opinion, did the governance setup strengthen or weaken investor confidence?
- Does the Porsche structure represent a best-practice model or a unique exception?

Block 3: Effects on Valuation, Pricing, and Underpricing

Objective: Link governance perceptions to capital-market mechanics.

- What were, in your view, the key drivers of valuation in the Porsche IPO?
- How did family control directly or indirectly influence price formation and investor demand?
- Was any degree of underpricing used as a deliberate signal to reinforce confidence?
- How do you interpret the stock performance following the IPO in light of the ownership structure?

Block 4: Comparison with Non-Family IPOs

Objective: Situate patterns in a broader context.

- What differences do you observe between family-led and non-family IPOs in terms of valuation, communication, and governance?
- Are there cases where family control had a particularly positive or negative impact on market reception?
- What patterns or lessons does the market draw from past family and non-family IPOs?

- Do investors benchmark family issuers differently from widely held firms?

Block 5: Investor Perspective and Trust Formation

Objective: Investigate investor expectations and behavioral responses.

- How would you characterize investor attitudes toward family-controlled firms more long-term oriented or more cautious?
- How important is trust in the family as a steward for the firm's strategic direction?
- What factors most strongly enhance or undermine investor confidence in family-controlled issuers?
- How can families balance control retention with capital-market compatibility?

Block 6: Closing and Reflection

Objective: Gather practical recommendations and broader insights.

- What recommendations would you give to family firms considering an IPO?
- What personal lessons do you draw from the Porsche IPO?
- Are there aspects of family control that you believe are frequently misunderstood in public or investor discussions?

Closing Statement:

"Thank you very much for your time and valuable insights. Your perspective contributes significantly to understanding how family ownership shapes market perception and IPO outcomes."

Appendix I: Descriptives

Descriptives

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q10
N	53	53	53	53	53	53	53	52	53
Missing	0	0	0	0	0	0	0	1	0
Mean	2.00	1.83	1.74	1.75	1.85	1.60	1.87	1.94	1.91
Median	2	2	2	2	2	2	2	2.00	2
Standard deviation	0.981	1.01	0.812	0.897	0.988	0.884	0.856	0.895	0.925
Variance	0.962	1.03	0.660	0.804	0.977	0.782	0.732	0.801	0.856
Minimum	0	0	0	0	0	0	0	0	0
Maximum	3	3	3	3	3	3	3	3	3

Appendix J: Correlation Analyses

Correlation Matrix

		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q10
Q1	Pearson's r	—								
	df	—								
	p-value	—								
Q2	Pearson's r	-0.097	—							
	df	51	—							
	p-value	0.491	—							
Q3	Pearson's r	-0.121	-0.032	—						
	df	51	51	—						
	p-value	0.389	0.819	—						
Q4	Pearson's r	0.087	0.017	-0.196	—					
	df	51	51	51	—					
	p-value	0.533	0.905	0.159	—					
Q5	Pearson's r	-0.179	0.147	-0.099	0.174	—				
	df	51	51	51	51	—				
	p-value	0.201	0.295	0.483	0.212	—				
Q6	Pearson's r	-0.089	0.181	0.039	0.360	0.546	—			
	df	51	51	51	51	51	—			
	p-value	0.528	0.195	0.782	0.008	< .001	—			
Q7	Pearson's r	0.138	0.173	-0.051	0.433	0.272	0.412	—		
	df	51	51	51	51	51	51	—		
	p-value	0.326	0.215	0.716	0.001	0.049	0.002	—		
Q8	Pearson's r	0.046	0.074	0.141	0.032	0.100	-0.127	-0.115	—	
	df	50	50	50	50	50	50	50	—	
	p-value	0.746	0.601	0.317	0.823	0.482	0.369	0.416	—	
Q10	Pearson's r	-0.042	0.106	-0.059	0.087	0.363	0.447	0.300	0.063	—

Correlation Matrix

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q10
df	51	51	51	51	51	51	51	50	—
p-value	0.763	0.452	0.673	0.533	0.008	< .001	0.029	0.657	—

Appendix K: Linear Regression (Q5&6 →Q10)

Model Fit Measures

				Overall Model Test			
Model	R	R^2	Adjusted R^2	F	df1	df2	p
1	0.469	0.220	0.189	7.04	2	50	0.002

Model Coefficients - Q10

Predictor	Estimate	SE	t	p
Intercept	1.018	0.268	3.80	< .001
Q5	0.158	0.140	1.13	0.263
Q6	0.371	0.156	2.38	0.021

Assumption Checks

Normality Tests

	Statistic	p
Shapiro-Wilk	0.951	0.031
Kolmogorov-Smirnov	0.160	0.133
Anderson-Darling	0.978	0.013

Note. Additional results provided by *moretests*

Heteroskedasticity Tests

	Statistic	p
Breusch-Pagan	4.62	0.099
Goldfeld-Quandt	0.814	0.690
Harrison-McCabe	0.537	0.675

Note. Additional results provided by *moretests*

Collinearity Statistics

	VIF	Tolerance
Q5	1.43	0.702
Q6	1.43	0.702

Appendix L: Linear Regression (Q5 →Q6)

Model Fit Measures

				Overall Model Test			
Model	R	R^2	Adjusted R^2	F	df1	df2	p
1	0.546	0.298	0.285	21.7	1	51	< .001

Model Coefficients - Q6

Predictor	Estimate	SE	t	p
Intercept	0.700	0.220	3.19	0.002
Q5	0.489	0.105	4.66	< .001

Assumption Checks

Normality Tests

	Statistic	p
Shapiro-Wilk	0.956	0.047
Kolmogorov-Smirnov	0.162	0.124
Anderson-Darling	1.14	0.005

Note. Additional results provided by *moretests*

Heteroskedasticity Tests

	Statistic	p
Breusch-Pagan	0.125	0.724
Goldfeld-Quandt	0.905	0.598
Harrison-McCabe	0.516	0.610

Heteroskedasticity Tests

	Statistic	p

Note. Additional results provided by *moretests*

Collinearity Statistics

	VIF	Tolerance
Q5	1.00	1.00

Appendix M: Linear Regression (Q6→Q4)

Model Fit Measures

				Overall Model Test			
Model	R	R^2	Adjusted R^2	F	df1	df2	p
1	0.360	0.130	0.113	7.60	1	51	0.008

Model Coefficients - Q4

Predictor	Estimate	SE	t	p
Intercept	1.169	0.242	4.83	< .001
Q6	0.365	0.132	2.76	0.008

Assumption Checks

Normality Tests

	Statistic	p
Shapiro-Wilk	0.964	0.112
Kolmogorov-Smirnov	0.150	0.183
Anderson-Darling	0.766	0.044

Note. Additional results provided by *moretests*

Heteroskedasticity Tests

	Statistic	p
Breusch-Pagan	5.01	0.025
Goldfeld-Quandt	1.62	0.122
Harrison-McCabe	0.375	0.118

Heteroskedasticity Tests

	Statistic	p

Note. Additional results provided by *moretests*

Collinearity Statistics

	VIF	Tolerance
Q6	1.00	1.00

Appendix N: Ethics Declaration

Declaration

We hereby declare on our honor that we have prepared this thesis independently. All thoughts taken directly or indirectly from external sources are clearly identified as such. This thesis has not been submitted to any other examination authority and has not been published previously.

Lisbon, 16.12.2025

Last Name: **Hinderthür** First Name: **Lukas**

Student ID: 64835 Signature: 

Last Name: **Poeschke** First Name: **Falk**

Student ID: 64629 Signature: