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Chairman of the Executive Board of Dr. Ing. h.c. F. Porsche AG

Speech at the Annual General Meeting 2025

21 May 2025

Thank you very much, dear Dr Porsche.

A warm welcome from me too, dear shareholders.

Thank you for joining us.

There is no substitute.

You heard it in the introductory movie.

There's nothing quite like it.

That's Porsche. That is our claim. For more than 75 years.

And I can promise you one thing: Nothing will change about that.

Because Porsche is investing resolutely in the future. In new products. In software. And in measures that will strengthen us in the long term. Measures that will make our company even more robust.

These are challenging times. But we are using them to further develop Porsche in a targeted manner. To recalibrate. To rescale. Our product planning. But also, our company itself.

You see us here with a new line-up. In February, Dr. Jochen Breckner took over the responsibilities of Board Member for finance and IT. Matthias Becker for sales and marketing.

There will be further changes in mid-August. Vera Schalwig succeeds Andreas Haffner as Board Member for human resources and social affairs. Joachim Scharnagl takes over responsibility for procurement from Barbara Frenkel.

Dr. Michael Steiner will take on an additional role as early as July 1. Our Chief Research and Development Officer will also become Deputy Chairman of the Executive Board. After three years in the dual role of Head of Development for the Volkswagen Group, he will once again focus 100% on Porsche.

The world around us has also changed. Faster and more comprehensively than ever before. And above all: not in the way we expected.

Last year, we were already facing massive headwinds. Now we are experiencing a fierce storm. But our position to weather the storm is rock solid.

The overall economic and geopolitical situation is highly dynamic and very volatile. And more difficult to calculate than ever before.

The ramp-up of electromobility has slowed considerably. Our market in China has literally collapsed. In addition, trade conflicts and unstable supply chains are driving up costs. We have increasing regional regulation. And high expenditure on flexible drive types and products undergoing transformation. In addition, the US import tariffs are now weighing on business – as is the uncertainty as to how this issue will continue.

At the same time, we have to do our homework. Reduce our costs. Work even harder on quality. Further develop our product strategy. Significantly reduce complexity. In development and in production. We need to further optimize our work in the markets. And also make our processes more efficient.

We can rely on a very solid foundation.

- On strong products and an almost completely renewed portfolio.
- On a valuable brand with global appeal.
- On a loyal customer base around the globe.
- And on a financial robustness that we have built up over the years.

2024 was the biggest year of product launches ever at Porsche. We completely renewed four of our six model series and launched them on the markets. If we include the Cayenne at the end of 2023, there were even five.

The current product portfolio is probably the most attractive and youngest we have ever had at Porsche. We are receiving strong feedback from our global markets. As well as from the national and international trade media.

Highly emotional combustion engines, superior hybrid vehicles and extremely powerful electric vehicles. We fulfill our customers' wishes with these three types of drive. Always with the aim of offering maximum driving pleasure.

This is also reflected in our motorsport activities. 2024 was one of the most successful years in Porsche history. The overall endurance titles in the WEC and the American IMSA as well as the drivers' world championship in Formula E speak for themselves. Porsche is motorsport. Motorsport is Porsche. And that inspires every one of our products.

We delivered just under 311,000 vehicles in 2024. This was only slightly below the previous year. Despite the significant decline in China. And although, as usual, the new models were only introduced gradually. We achieved record figures in all market regions except China. That shows: We can react well and flexibly to fluctuations.

We have once again increased the proportion of customizations. And we have successfully positioned our new products on the market with higher prices. This means: once again more sales per vehicle. And it is an expression of our strategy: "Value over volume".

As a result, Group sales revenue remained roughly stable at a good 40 billion euros.

The Group operating result, on the other hand, fell. To around 5.6 billion euros. Here we are feeling the effects of the challenging environment, which had a massive impact on our margin. The comprehensive renewal of our product portfolio. The tense market situation in China. The globally delayed ramp-up of electromobility. Disruptions in the supplier network and the financial consequences.

We were able to partially compensate for this, resulting in a Group operating return on sales of 14.1 percent. In terms of net cash flow, we were able to reach the level of our record year 2023.

We therefore met our adjusted forecast for 2024 in all respects.

But it's quite clear to us: you expect more from Porsche. Of course you do. We do too. We also have higher ambitions in the long term. And we are sticking to them.

At the same time, I would like to emphasize one thing: Under such difficult conditions, the 2024 result was an exceptionally strong performance by the entire Porsche team. In my opinion, it is even stronger than in the many successful years before, when the environment was much more stable.

Dear shareholders,
of course we would like you to participate in this result once again. We are proposing to the Annual General Meeting today that a total of 2.1 billion euros be paid out as a dividend. That is 2.30 euros per ordinary share. And 2.31 euros for each preference share. And thus, as for Porsche's record year 2023. Despite the significantly higher charges.

Let's take a look at the current year.

No question: the first quarter was weak. As expected. And as announced.

We delivered just under 71,500 vehicles. Eight percent less than in the first quarter of 2024. Once again, we experienced a significant decline in China. And once again, we were at least able to compensate for this to some extent in other regions. That speaks for our well-balanced sales structure.

Group sales revenue amounted to 8.9 billion euros.

The Group operating result was 762 million euros.

The Group operating return on sales was 8.6 percent.

The ongoing economic and political challenges had a massive impact on the first quarter. Porsche cannot escape this. But we are countering this with all our strength.

This costs extensive financial resources and places an additional burden on our earnings. We are planning around 1.3 billion euros in extraordinary expenses for 2025. For our product portfolio. For software and battery activities. And for adjustments in our organization. Around 200 million euros have already been spent on specific measures in the first quarter.

We are accepting this additional burden. Because we are convinced: It is right and important. What's more, it is absolutely necessary. We are setting the course for the future. So that Porsche remains robust and highly profitable.

However, these measures will naturally dampen the figures for the time being. We adjusted our forecast for the current year at the end of April.

We expect a Group sales revenue of 37 to 38 billion euros. And a Group operating return on sales of 6.5 to 8.5 percent.

This includes the effects of US import duties for April and May - not yet due to the pending decision situation.

There is nothing to discuss here either: We are not used to this from Porsche. You are not used to this from Porsche.

This also applies to the share price.

We will not be satisfied by that.

We have a clear plan. We are acting on it. And we are not wasting any time.

All the measures listed below form the basis for leading our company to a return corridor of 15 to 17 percent in the medium term. In a difficult environment, with concretely calculated and scheduled measures.

We are relying on our proven and successful Porsche strategy. We have developed it extensively over the past year. Because only a strategy that is regularly and pragmatically adapted in site of changes will be successful in the long term.

In particular, we have adjusted our product strategy in all segments.

For us, electromobility remains the technology of the future. We want to lead it to success in the long term. Our current products already show the way.

Porsche set standards in electromobility at an early stage. With the design and the driving characteristics. We have inspired many tens of thousands of customers around the world. After a strong start-up phase, it has now become clear that we were a step ahead of market developments. The comprehensive and above all sustainable ramp-up has not yet materialized. The transition phase will probably be much longer than originally thought.

That's why we're continuing to take a balanced approach: Combustion engines, hybrids and electric sports cars. In other words, we are consistently pursuing our electrification strategy. And we are expanding our range of combustion engines and hybrids with additional models.

At the same time, we are strengthening our brand core.

We presented the 911 Spirit 70 (Fuel consumption combined (WLTP) 10.9 – 10.7 l/100 km, CO₂-emissions combined: 246 – 242 g/km, CO₂ class weighted Combined: G) at the Auto Show in Shanghai. A new limited small series from our Design Heritage range. Our icon is reviving the legendary style of the 70s. Our fans can already look forward to other top derivatives of the 911. And I can reveal one thing: We are once again raising the bar in the sports car segment.

For the four-door sports cars, we are extending the phase of parallel drive types. For example, we will continue to develop and offer the Cayenne and the Panamera as combustion and hybrid vehicles well into the 2030s.

In the SUV segment, we are examining a new model series. It could come onto the market towards the end of the decade – also with combustion and hybrid drive. At the same time, the Porsche electric family will continue to grow as planned.

An important component of our balanced portfolio is the Cayenne in particular – with all three drive types. The fourth generation, fully electric, is in the starting blocks. Completely redeveloped and redesigned. This Cayenne will also be a true sports car. And set standards in its segment. Just like the Taycan and Macan before it.

In the medium term, our customers can also look forward to a fully electric sports car in the 718 segment. Even more dynamic, even more powerful. With a pure driving experience.

Of course, this has an impact on the BEV ramp-up overall. Our goal was to deliver more than 80 percent fully electric sports cars by 2030. One of the most ambitious goals in the entire industry. Our product strategy would still allow us to achieve this. In view of market developments, it is not realistic. Our BEV ramp-up will therefore adapt flexibly. To demand and market developments.

And I can promise you one thing: We will remain ambitious.

In 2024, 27 percent of the vehicles we delivered were electrified. This means electric vehicles or plug-in hybrids. The pure BEV share was around 13 percent. In the first quarter of 2025, well 38 percent were electrified. Of these, almost 26 percent were purely electric. That underlines the success of the new Macan.

Nevertheless, the ramp-up is slower than originally planed. That is why we have once again carefully analyzed our own battery activities. And reacted consistently and decisively. As you know: We had planned to expand our production capacities for high-performance battery cells with the Cellforce Group. We will no longer be pursuing these plans independently. This is because the expected sales volumes have been significantly reduced.

Regardless of which drive is preferred - at Porsche, we fulfill the dreams and wishes of our customers. No matter how individual they may be.

The possibilities for designing a vehicle according to your own ideas are already almost endless. It starts with individual options from the "Porsche Exclusive Manufaktur". And it extends to completely individual one-off pieces from the "Sonderwunsch" range.

Today, we offer more than a thousand options from the Exclusive Manufacture across all model ranges. And these are ordered extensively. The vast majority of all customers choose at least one.

We were able to double the average revenue per vehicle with these options between 2019 and 2023. And in 2024, it increased by a further seven percent.

We will significantly expand capacity for this in the coming years.

The same goes for our Sonderwunsch range. All-round personalized unique pieces. Co-designed by our customers. Professionally implemented by Porsche.

We will also expand our Sonderwunsch Experience worldwide. This is a tailor-made experience – for example during vehicle delivery. And this much can be revealed: The historic plant 1 in Zuffenhausen will play a central role in this.

This will also further strengthen Porsche's brand essence.

Dear shareholders,

Let us now turn to the changes within the company.

The following still applies: unit numbers are not a tipping scale for us. Value goes beyond volume. Especially in the current market environment.

However, this also means that we need to make our company even more robust. Further reduce the break-even point. Become even less dependent on volume scenarios.

And that is what we are doing.

We have started to rescale our cost structure to around 250,000 vehicles per year. And let's make no mistake, for clarity: We're talking about the cost structure here – not sales targets.

We want to cut around 1,900 jobs in the indirect area of Porsche AG by 2029. We are taking advantage of demographic trends and natural fluctuation. And we are

only hiring very restrictively. We are also implementing socially responsible measures. We are also allowing fixed-term employment contracts to expire. This will reduce the workforce by a further 2,000 jobs.

Management and the Works Council will also negotiate an additional structural package in the second half of the year.

We are also tackling the challenges in our organization in China with determination. Demand there has changed structurally. There is a strong electric trend in the volume segment. But there is no luxury market for fully electric vehicles. And whether this will develop in the foreseeable future is at least questionable.

One thing is clear: we have been delighting our Chinese customers with our sports cars for more than 20 years. And, above all, with our unique tradition.

We put the Porsche Heritage in the spotlight at the Shanghai car show. With great success. The response to our unusual exhibition stand was enormous.

But we're sticking with "Value over Volume" in China too.
Value goes beyond volume.

Therefore we want to make the dealer network more efficient. We are continuing to invest in busy locations with high demand. But where it no longer seems profitable in the long term, we are reducing the size of our network. We anticipate a reduction of around a third by 2027. That means around 100 instead of the current 150 sales outlets nationwide.

Dear shareholders,
In a nutshell:

In 2024, we achieved a convincing market result thanks to our new product range. This gives us a strong basis for the ongoing development of our company. In a challenging, completely changed environment.

Porsche is investing resolutely in the future.

We are using the year 2025 to further develop Porsche in a targeted manner. To recalibrate. To rescale – our product planning, but also our company itself.

This will cost more financial resources in the short term. But we accept that.

Because we are convinced that we are setting an important course in the long term. To further sharpen our brand. To make our products even more individual, even more exclusive and even more desirable. And to make our company even more profitable.

There is no substitute.

This is Porsche – and it will stay that way.

Thank you very much for your attention.