

Oliver Blume speech

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

Annual General Meeting

June 28, 2023

Consumption data:

911 GT3 models: Fuel consumption combined: 13.4 – 12.9 l/100 km (WLTP); CO₂ emissions combined: 305 – 292 g/km (WLTP); Status 06/2023

Check against delivery.

A dream becoming reality – that is how Porsche came to be. Fulfilling dreams is what drives us – to this day.

For 75 years, we have been “Driven by Dreams”. And we always will be.

Good morning to all of you here at the Porsche Arena. And many thanks, dear Wolfgang Porsche.

Ladies and gentlemen, esteemed shareholders,

We’re back. Porsche AG is back on the stock market. And I am delighted to be able to welcome you once again to an Annual General Meeting – in the confines of our Porsche family.

75 years ago, Ferry Porsche realised his great dream – with a sports car unlike any that came before it. In so doing he laid the foundation of a dreamlike story. The Porsche story.

And that's why we remain to this day the brand for all people who follow their dreams.

We're proud of our heritage. And at the same time we are convinced: We are ideally positioned to continue this success story.

We see ourselves as pioneers in sustainable mobility. One of the most valuable luxury brands in the world. Sporty and modern. With strong financial results. And always driven by the one all-important question: How can we inspire our customers, our fans, again and again?

That's exactly what I want to show you today.

I would also like to take a look back with you at a very successful 2022 – and a promising start to this year.

And I would like to take a look at the future of Porsche with you. We are forging ahead with our strategy of modern, sporty luxury. And we are setting ourselves ambitious goals:

And with our IPO last autumn, a great dream came true for us as well.

I would first like to thank you all for that. It is, after all, especially also thanks to you, our shareholders, that our return to the capital market was such a rousing success.

That we managed to make a direct entry into the DAX after just 81 days. And that the price of our P911 stock has developed so well ever since.

Prior to the IPO in the autumn, over 170,000 private investors had bought shares in Porsche AG. And just under half of them bought between 1 and 40 shares, so investing up to around 3,000 euros.

We're proud of that as well. Because it demonstrates that Porsche is a brand that speaks to people. Many people feel connected to Porsche. They have all believed in us and given us their trust. And they continue to do so. That's very gratifying for us.

Our IPO in September was the largest ever in Europe in terms of market capitalization.

It gave us new autonomy and greater flexibility. And above all: fresh opportunities. Porsche can now focus its efforts even more on the essentials, on its greatest strengths. And we can step up the pace of our race into the future yet again.

Yet we can also continue to tap into synergies with the Volkswagen Group. And that allows us to occupy what is, in our view, an almost unprecedented position in the international automotive industry.

In 2022, we achieved the strongest result in the history of Porsche, by some distance. We increased deliveries to just under 310,000 new vehicles. What's more, Sales, Operating Profit, Return on Sales and Net Cash Flow all set new records. And all despite very challenging circumstances.

Group Sales increased to 37.6 billion euros and our Group consolidated profit rose to 6.8 billion euros. And we managed to increase our Group Return on Sales from 16 to 18 per cent.

And we've started year 1 after the IPO with great success as well. In the first quarter of 2023, we've delivered almost 81,000 new vehicles. That's more than ever before in a quarter – although for us, the focus is not on volume but on the exclusivity and the quality of our products.

Our sales revenue as well as our operating profit rose significantly – both by more than a quarter. Sales revenue rose to 10.1 billion euros, while profit rose to 1.84 billion euros. This amounts to a Group Return on Sales of 18.2 per cent.

With these results, we're stronger than ever as we celebrate our 75th anniversary. They demonstrate Our products are popular all over the world. With a balanced positioning in the regions of the world, our business model is flexible and robustly balanced even in challenging times.

All of this is a great achievement by a strong team. And for that I would like to say thank you again today: to my Executive Board colleagues, our Supervisory Board and above all, the entire Porsche workforce. You do an amazing job!

Dear Shareholders,

Our annual result for 2022 was still to be transferred to Volkswagen on the basis of the profit and loss transfer agreement, which has now been terminated. Nevertheless, we want you to share in our success as well.

So today we would like to propose to you a sum of 915.5 million euros as a dividend to be distributed for fiscal year 2022. This amount includes an additional dividend of around 4.5 million euros for the preference shares.

This amounts to a dividend of 1.01 euros per preference share. The dividend per ordinary share comes to 1.00 euro.

In the medium term, our plan is to distribute roughly half of our after-tax consolidated profit as a dividend.

As you know, for just over nine months now, I have served as the CEO of the Volkswagen Group as well. It's a great honour for me, and of course a challenge as well.

At the same time, I remain a Porsche man, through and through. Being able to continue my work here was an essential prerequisite for me.

The first months since I took over have clearly demonstrated that my dual role works well. With benefits for Porsche and benefits for the Volkswagen Group. And of course, we have also established a stable set of rules for this.

Here at Porsche, I am close to the processes. To the technologies. With close contact to the team.

This basis gives me the foundation for sound strategic decisions for the VW Group that benefit all of the brands. For this reason, we have also created additional dual roles at the group level: in production and procurement, sales and quality, in development and design, as well as in communications. This is not only efficient, but also particularly effective.

Dear friends,

Dreams can come true. That's been our conviction at Porsche for 75 years. But it doesn't happen by itself. It requires a pioneering spirit and passion. Perseverance and conviction. And teamwork.

Our entire industry is experiencing the most fundamental changes in its history. With digitisation and the shift to electromobility, it's about more than just new technologies.

They require a radical change in our thinking – from the way in which we develop and produce vehicles to the various processes in the company, and even our business models.

And all of this comes in a context in which we are questioning our understanding of mobility more fundamentally than ever before – and well beyond the question of powertrains.

Let me be clear: this debate is proper and important – and an elementary component of our democratic culture. As long as everyone is prepared to follow its rules.

We are engaging in the debate. It's absolutely clear to us leaving our descendants a world worth living in is the biggest challenge of our generation.

We are working all-out to make it happen. With the conviction that we have good ideas for the future.

So let us now, as I mentioned at the top, take a look at the future of Porsche together. What are our objectives? And how do we want to achieve them?

We have devised a clear plan. With concrete targets. With clearly defined measures and responsibilities. With measurable metrics.

Let's begin with the central strategic and financial groundwork.

Porsche is on a very strong footing. From this position of strength, we can pursue sustainable results – even in a difficult overall economic environment. We have demonstrated a high degree of robustness in the face of crises.

But we would not be Porsche if we were content to rest on our laurels. We always want to continue developing, improving, optimising. Leading the field – that is our standard.

Then there is the incredible pace of change. There are new competitors on the market – particularly in the area of electromobility. And the established manufacturers are also continuing to develop.

So we've launched our "Road to 20" programme. The number 20 stands for our strategic Group Return on Sales target of over 20 per cent. This is the mark we're aiming for long-term.

To do so, we're taking a fresh look at everything: from the product range and pricing to the cost structure. And we're putting together a comprehensive package of measures. We want to increase the quality of our contribution margins and make our products even more attractive.

We're thus building on a successful basis: the Porsche profitability programme 2025. It, too, was geared towards preventing sinking margins. We have identified roughly 3,000 measures in this effort since 2018 – and have already successfully implemented the majority with an impact on results.

With the "Road to 20", we're taking this programme a step further. And we're picking up the measures that are currently still being implemented – roughly 500 all told.

The important thing is that here again, the focus is not exclusively on costs. The "Road to 20" is not a savings programme – but rather a fully comprehensive profitability programme to improve performance across all stages of value creation and business models.

Strong cash flow is important to position our company for the future. For electrification and digitisation alone, we are planning investments upwards of 20 billion euros in the next five years – with a focus on our vehicle projects.

At Porsche, we stand for modern, sporty luxury. That means a unique brand, craftsmanship, attention to detail and an unforgettable customer experience.

When you buy a Porsche, you get more than just a car. You get a world full of special experiences.

We combine our fascinating products with moments that will never be forgotten. That's what makes our Porsche community.

A sports car was once Ferry Porsche's big dream. And for many of our customers today, a Porsche is a life's dream come true. There could be no greater motivation for us than that.

You dream it – we build it. This is the motto of the Sonderwunsch programme from the Porsche Exclusive Manufaktur. It makes one-of-a-kind vehicles possible through a technically unique concept. One might also say: it turns dreams into realities – no matter how fanciful they might be.

Paolo Barilla is a former racing driver. In 1985, he won at Le Mans in Porsche 956. Today he is a businessman – and he had one such dream: an homage to his winning car from back then.

This dream became reality: For three years, a Porsche team of designers and engineers worked together on it. The 911 GT3 doesn't just look like Barilla's Le Mans racing car. It also feels like it.

Paolo Barilla was personally involved in every phase of realising his dream. As part of the team – with his own Porsche works pass.

Being able to finally hand over this extraordinary vehicle to him was an unforgettable experience for us as well.

This brings us to another central point: our product portfolio.

Our strategy is clear: electromobility is the utmost priority at Porsche. We're ramping it up with an intensity matched by few others. Our goal is for more than 80 per cent of the new cars we deliver to customers in 2030 to be all-electric.

Our entire product strategy is focused on that single-minded objective.

Let's begin with the all-electric Macan: it is scheduled to go on sale in the course of 2024. Then there's the 718: we have planned it to be all-electric by the middle of the decade. This will be followed immediately by the all-electric Cayenne.

We will also expand our product portfolio upwards – with a new all-electric SUV, with a performance-focused character, above the Cayenne.

We are thereby underlining and strengthening our luxury positioning. We are targeting strongly growing profit pools in this segment, i.e. high-yield fields, in particular in China and the US.

This is a new car concept – with a characteristic Porsche flyline, impressive performance, automated driving functions and a new interior experience.

The transition to e-mobility is proceeding at different speeds in different regions of the world. Strategically, we are therefore flexibly positioned in terms of drive types – with a triad of internal combustion engines, hybrids and pure e-models.

One good example is the Cayenne. It has shaped the sporty SUV segment over the past 20 years – as a family-friendly tourer, a robust off-roader and a highly dynamic sports car all rolled into one.

We have just unveiled the new Cayenne: one of the most extensive product upgrades in Porsche's history. With a new display and control concept, a significantly refined exterior and strong new hybrid versions with a high electric range.

The all-electric Cayenne will subsequently complete the series and is expected to continue this success story.

We are also committed to eFuels as a sensible complement to electromobility. Using them would give us a potential opportunity to reduce CO₂ emissions from existing vehicles with combustion engines.

And their use also looks promising for other transport sectors – such as for ships and aircraft, as well as for heavy goods transport, emergency vehicles and snow removal and spreading vehicles in winter.

Together with partners, we have built an e-fuel pilot plant in Chile. Production has been running since December. This plant demonstrates that e-fuels can be produced on an industrial scale.

This brings us to the next important pillar in our strategy: software.

This area is absolutely critical – with a huge impact on the entire architecture of the vehicle. And I can assure you: We have drawn the right conclusions from the delays in the joint Group platform in recent months – and have initiated the necessary steps in the Cariad software unit.

At Porsche, we are strengthening our software expertise all the way up to the Executive Board.

Sajjad Khan will join us as of November 1. He will be responsible for the new Car IT area on the board. And we are all delighted to have such an experienced and well-connected expert in the role.

Together, we will implement our Car IT strategy with drive and customer-focus.

Our customers want to have their familiar digital environment in their Porsche as well. That's why, where there are good, established solutions, we will collaborate with strong partners.

This year, we formed a strategic partnership in the area of automated driving with Mobileye. Cutting-edge technology perfectly tailored to the characteristic Porsche driving experience.

In the agile "Digital Family" business unit, we have now brought together the capabilities of Porsche Digital, MHP and Porsche IT. They now work together even more closely,

Porsche AG and Porsche Digital have jointly initiated the formation of a global Digital Campus. With the Digital Campus, we aim to connect highly qualified

students and young professionals with the private sector and research communities – including in the fields of artificial intelligence and data analytics.

Another essential factor in our Porsche strategy is sustainability. Sustainability is also an issue very close to the heart of myself and the whole team.

We face up to our responsibility as a company. Our goal is ambitious here as well: The entire value chain of our vehicles is set to be carbon-neutral in 2030.

The core elements of this are

- the full-scale electrification of our product range,
- our vision of a "zero-impact" factory, i.e. a factory that should have as little impact on the environment as possible,
- clear targets for the carbon footprint of our car projects,
- and ambitious requirements for our partners.

We have already undertaken important steps in sustainability.

We operate our main locations in Zuffenhausen, Leipzig and Weissach in a carbon-neutral manner. The new all-electric Macan is also to be produced in a carbon-neutral manner at the plant in Leipzig.

Like the car itself, the high-voltage battery cell modules for the new Macan are to be manufactured in Germany. Plans are in place for the production of the cell modules to be done using only renewable energy sources.

It's also absolutely clear to us that our responsibility extends beyond our own factory gates. It extends over the entire value creation chain. That's why we're working closely in this regard with our direct partners in the supply industry.

We look at the issue of sustainability holistically – as an environmental, economic, social and even digital issue. We stand by our values. We help where help is needed. And we want to help other people turn their dreams into reality.

Social commitment is particularly close to our hearts. We therefore provide very intensive support to the work of the Ferry Porsche Foundation, which is involved in this area. One of many fields is the issue of "inclusion in sport".

Another fine example is the development of young people in sport. With the motto "Turbo for Talents", we are committed to supporting young talent in a wide variety of sports. In football, for example, but also in ice hockey and basketball.

It's not only about high-quality sports training. It's also about the social and personal development of the children and young people.

Let's move on to another key issue: the transformation.

As I said at the outset, this is the most fundamental transformation our industry has ever encountered.

This also affects the way we work. The transformation has already greatly changed our everyday lives – and it will continue to do so. We are also tackling this – with vigour, but in a planned and forward-looking manner.

We have devised a comprehensive qualification programme for this purpose. We take a close look: What skills will we need in the future – and what skills do we have? We make the best possible use of these and further develop them in a targeted manner. In this way, we can successfully manage the transformation together with our colleagues.

Finally, I would like to mention one particularly important aspect – and that is you. Our shareholders. The capital market. And the question of what you can expect from us.

The overall economic environment remains challenging – specifically the market situation in China. There, demand is recovering more slowly following the pandemic and at the same time the transformation to fully electric vehicles is progressing faster than originally thought.

It is also about supply chains, securing the supply of parts and the potential impact on our production. Costs are also generally still on the rise. And the various geopolitical tensions continue to pose risks as well.

At the same time, we are investing extensively in our development, in innovations and in our Porsche ecosystem so that we can continue to offer our customers the products and services they expect from us.

We are in a strong position. We benefit from our robust business model and our highly financially stable customer base.

So we are able to confirm our forecast for the current year. In concrete terms: we expect Group Sales Revenue in a corridor of roughly 40 to 42 billion euros. And for the Group Return on Sales, we expect a figure of 17 to 19 per cent – provided the global and supply situation does not worsen significantly.

As I mentioned, long-term we are aiming for a Group Operating Return on Sales of over 20 per cent. And we're sticking with that.

Dear friends,

The team is the star, as they say in sports. Here at Porsche, that's exactly how we see things. That's how we run the company.

We strongly believe success is teamwork. constructive cooperation, mutual respect and trust – on every level. Performance and team spirit guide us.

Advanced technology and efficient processes are important. But making the best of them requires the right team. The right people in the right positions. A good system, clever tactics – and the relentless desire to win the title.

We have a world-class team. And that is what has made Porsche such a formidable company.

Together, we have a clear picture of the future. With the IPO, Porsche embarked on a new era – and now we're shifting into a high gear.

We retain the capacity to invest comprehensively in top technology. In the transformation. In the sustainable development of our business and the product portfolio. For all this, we have a clear plan – and we are resolutely putting it into action.

The Porsche story is shaped by dreams – and the drive to make them come true. Through pioneering spirit and passion. Through a combination of tradition and innovation.

For 75 years, we have been "Driven by Dreams". And we always will be.

And we're delighted and proud to have on board with us.

Thank you very much.