



PORSCHE

Speech

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Dr. Ing. h.c. F. Porsche AG

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Check against delivery.

As Oliver mentioned a few moments ago, a new era began for Porsche on 29 September 2022. We're back on the stock market.

What that means for us, first and foremost, is newly gained autonomy and more flexibility. And new 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.

And that is why you will find us in a very optimistic mood here today.

Porsche is strengthening its capabilities in key technology such as software and battery development in a highly targeted fashion.

Moreover, Porsche unites the best of two worlds: the capital market recognises our strong positioning as a sporty and independent luxury brand. Yet we can also tap into synergies with the Volkswagen Group.

And that is allowing us to occupy what is, in our view, an almost unprecedented position in the international automotive industry.

It is no coincidence that the Porsche IPO was the biggest-ever IPO in Europe in terms of market capitalisation.

As the positive reception around the world has shown: investors recognise and honour the future potential of our brand. It is underscored, firstly, by the strong development of the Porsche stock since the IPO; and secondly by the fast entry to the DAX – after just 81 days.

Porsche's success on the stock market mirrors its positive business development.

We are very pleased with the business figures from 2022.

The year was marked by global crises, which resulted in disrupted supply chains, among other issues. The semiconductor shortages caused challenges in industries all around the world.

And then there was the scarcity on the energy and raw materials markets. In this difficult overall business environment, Porsche continued to develop with exceptional robustness.

In the reporting year, we increased deliveries by around three per cent to just less than 310,000 new cars. That's a new record.

And it shows that our product strategy is working extremely well.

Particularly impressive is the positive development for our iconic sports car, the 911. With more than 40,000 deliveries, the 911 came in roughly five per cent above the previous year's figure.

For its part, the Panamera saw a 13 per cent jump compared to 2021: more than 34,000 examples of our sports sedan were delivered to customers in 2022.

Our best-seller was once again the Cayenne, with nearly 96,000 deliveries in 2022. That's roughly a 15 per cent increase compared to the previous year.

China remains our biggest single market. We have been able to gain a good foothold there in various different areas and strengthen our position notably – for example in research and development, digitalisation and the charging network.

In the US, our second-biggest market, we are investing heavily in generating even greater customer enthusiasm – for example through expansion of the Porsche Experience Center in Atlanta.

And also through working with our dealers. Our goal is: By the end of the year, some 40 per cent of dealerships in the US will be completely revamped in order to inspire our customers even more with innovative concepts.

We've reached an extremely high level in terms of incoming orders. Our order books are bursting at the seams. That's an excellent basis for the current fiscal year and underscores the continued strong demand for our exclusive cars.

The positive development in deliveries is reflected in sales revenues as well: in fiscal year 2022, Group sales revenue amounted to 37.6 billion euros – 13.6 per cent more than in the previous year. This, too, is a new record.

Our Group operating profit for fiscal year 2022 was 6.8 billion euros – that's 27.4 per cent more than the previous year – which is also a record. The Group operating return on sales rose from 16 to 18 per cent.

With this exceptionally high profitability, we occupy a top position in the automotive industry.

Automotive net cash flow in fiscal year 2022 rose from 3.7 to 3.9 billion euros. The earnings per ordinary share were 5.43 euros, while the earnings per preferred share were 5.44 euros.

Our keys to success are improved price positioning, a strong product mix, increased Group sales, currency effects, and last but not least, our consistent cost discipline.

Added to this are the other business segments beyond our core business.

All this allowed us to successfully balance out rising procurement costs.

According to a survey by Brand Finance, a leading global brand valuation consultancy, Porsche remains the most valuable luxury brand in the world.

So as you can see: Porsche is on a very strong footing. From this strong position, we were able to achieve success even in very turbulent times for the economy as a whole. We have demonstrated a high degree of resilience in the face of crises rocking the overall economy.

But for all the satisfaction we feel, we are also approaching the future with a firm resolve. After all, we would not be Porsche if we were content to rest on our laurels. Not a chance!

We want to continue developing, improving, optimising.

There's one thing we've learned on the track: victories don't just fall into your lap – at least not over the long haul.

If you don't continually strive for success and embrace necessary changes, you lose the 'pole position' and will eventually watch the competition overtake. So we're continuing to work hard – and we are upping the pace yet again.

And that's why we're announcing an ambitious new programme today. Its name: Road to 20. The number 20 represents our strategic target of more than 20 per cent Group operating return on sales. As you know, this is the ambitious goal Porsche strives for in the long term.

And now we're going to take a fresh look at everything, from our product range and pricing to our cost structure. We're putting together a comprehensive raft of measures with which we can raise the quality of our contribution margins and make our products even more attractive.

With the Road to 20, we're taking our Porsche Profitability Programme 2025 a step further. This programme was exceptionally successful. It played a major role in enabling us to continuously boost our earnings power – despite adverse external conditions.

And just as with EP25, Road to 20 will not exclusively focus on costs.

Our main objective, rather, is to make our products even better, even more unique, and even more appealing than they are today. We want to centre our focus even more on customers and offer them even more performance and luxury experiences.

With Porsche-specific technology and partnerships, we want to fulfil even more of our customers' personal wishes. To make even more customers' dreams come true.

Our subsidiaries also have an important role to play in the Road to 20. And they are well on their way to doing so: Porsche Financial Services, Porsche Lifestyle Group, Porsche Engineering, Porsche Consulting, Porsche Digital and MHP all posted strong results in 2022.

And the newly founded Porsche eBike Performance has laid the foundation for a successful future.

We've also made great strides in the digital transformation: In the agile Digital Family business unit, we have brought together the capabilities of Porsche Digital, MHP and Porsche IT.

They now work together even more closely, helping us to forge ahead with the transformation in every unit, level and business segment in the company with even greater focus and drive.

And we believe being even more agile makes us a more attractive employer for IT experts than ever before. To the software specialists out there: we welcome you. With us, you can work together with the tech giants of the world – and on cars that are desired around the globe.

We have made strategic investments in the area of innovative drive technology, among others, including our investments in HIF Global, Group 14 Technologies, the Cellforce Group, and our long-standing partner Rimac.

Strategic investments like these help Porsche to secure long-term access to the important technologies of the future. And we will continue along this path in a targeted way. Investments in start-ups and innovations help to secure the future viability of Porsche.

Of course, Porsche also wants to let its shareholders share in the company's success through a dividend.

At the annual general meeting of Porsche AG in June, the Executive Board will propose to shareholders a distribution of 911 million euros as a dividend for fiscal year 2022. Adding in the additional dividends of five million euros for the preferred shares, the total sum is 916 million euros.

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

In the medium term, our plan is to distribute roughly half of the profit after tax.

Let us now move on to the financial outlook. What awaits us in the coming fiscal year and beyond?

Initially, a business environment that remains very challenging overall. But at Porsche, we've always approached challenges with a great deal of confidence.

We think in terms of opportunities – and have every intention of taking advantage of them.

Against this backdrop, I would like to reaffirm here today that we are sticking to our ambitious goals: for 2023, we are aiming for a target corridor for the Group operating return on sales of 17 to 19 per cent. We expect Group sales revenue to be in the range of 40 to 42 billion euros. And over the long term, we are aiming for a Group operating return on sales of more than 20 per cent.

As you can see, Porsche has turned onto the Road to 20 with real momentum. And now we're keeping our foot on the accelerator.