

Check against delivery

Dr Michael Leiters

Good morning and a warm welcome from me too.
Thank you very much for attending our press conference.

Allow me to begin with a few words about myself and my background.

My career has taken me to Porsche, Ferrari, and McLaren. All three companies have shaped me. Most recently, as CEO of McLaren, I led the company through a comprehensive restructuring and successfully launched several new models. Prior to that, I spent eight years as Chief Technology Officer at Ferrari, where I was responsible for research and development, the entire supply chain, the targeted use of capital, and the expansion of the highly successful product portfolio.

My 13 years at Porsche at the beginning of my career were particularly important. There I learned how manufacturing production, as it was prevalent at the time, was geared toward efficiency. How processes are optimized to lead to greater profitability. And how new, profitable models change the face of the brand in such a way that Porsche is perceived as a small and refined manufacturer of sports cars, despite higher production volumes.

Against this backdrop, I am particularly pleased that since the beginning of the year I have been able to take on responsibility for this great company and its proud brand.

So, I have been fortunate in my career to get to know a wide variety of companies. Larger companies such as the Volkswagen Group or Porsche – and smaller ones such as Ferrari and McLaren. I have supported companies in growth phases – and companies undergoing restructuring. I was able to gain experience in both strategy development and operational implementation. In the process, I was able to acquire broad technical knowledge as well as in-depth expertise in key areas such as corporate management, development, operations, quality, and finance, which are very helpful to me today.

All of this has also shown me important principles for success, which I will also pursue here at Porsche: A clear focus on the customer and a concentration on products that inspire customers.

A primary focus on cost efficiency. This is a hygiene factor for a company, regardless how profitable it is. And an outstanding team that is held together by a clear vision and a functioning set of values.

We at Porsche are currently facing difficult times. In a politically and economically uncertain world, we are falling short of our own standards and the expectations of the market. At present, we are unable to adequately counter many of the global upheavals we are facing. We must therefore find a way to turn these challenges into opportunities for ourselves.

As an engineer, I want to get to the bottom of things. That's important in order to make good decisions and improve things. That's also why I would have preferred to hold this press conference at a later date. Because many people—including some of you—are expecting answers. But we are still within the famous first 100 days, and it is only natural that we do not yet have an answer to every question or a solution for every problem.

For example, examining technical feasibility and holding discussions with our social partners takes time. We are taking this time to develop a sustainable, robust plan. We only want to announce what we can actually deliver.

Since I entered office, our management team has systematically analyzed the situation and taken immediate action. We have already introduced a series of initial targeted measures. These include the consistent application of our value over volume principle, particularly in the difficult market environment in China, the quality-oriented ramp-up of production of the all-electric Cayenne, and a stronger focus on our core business.

In addition, of course we are working intensively to find the necessary answers and solutions. We have identified the key areas for action. Our plan—our Strategy 2035—will take shape step by step over the coming months. We will then present all the details to the public in the fall.

We have set ourselves the no small task to comprehensively restructure Porsche. We must make the company leaner, faster, and its products even more desirable. Only in this way can Porsche become financially resilient and more profitable again.

I have no doubt whatsoever that we will succeed in restoring Porsche to its former strength. But that won't happen overnight. It will take time. And it will take discipline and determination.

The scale of the challenge becomes clear when we look at our company's financial performance. The figures for 2025 clearly reflect the measures that were rightly initiated under the leadership of my predecessor, Dr. Oliver Blume.

For this part, I'll hand over to our Chief Financial Officer, Dr. Jochen Breckner. Please, Jochen!

Dr. Jochen Breckner

Michael, thank you very much, and good morning, ladies and gentlemen.

I will now guide you through the business development in 2025 and the forecast for 2026.

2025 was an extraordinary year. This is also reflected in our financial performance.

As you know, we pushed ahead with a comprehensive realignment and scaling of our business.

These measures led to one-time charges totaling 3.1 billion euros in 2025.

What do these consist of?

Essentially: From the realignment of our product strategy, from battery activities, and from organizational adjustments.

These measures have had a negative impact on our results. But we made a conscious decision to take them.

I would like to emphasize this:

These steps are necessary to ensure Porsche's long-term profitability, resilience, and strategic flexibility.

And we have been developing these initiatives further since the beginning of the year.

Michael Leiters will discuss Porsche's current position later and provide an initial update on the status of Strategy 2035.

Let's start with the delivery figures.

Last year, deliveries to customers totaled 279,000 vehicles. This represents a decline of 10% compared to the previous year.

You know the main reasons for this development: there are delivery gaps for the 718 Boxster and Cayman as well as for the Macan with combustion engine. This is mainly due to regulatory requirements.

In our two most important individual markets, we saw the following picture: North America remained our largest market, with a stable 86,000 vehicles. In China, including Hong Kong, deliveries fell by 26% to just under 42,000 units.

Why? We are experiencing a difficult market environment in the luxury segment and intense competition there – especially in the fully electric sector. We have responded to this with a deliberately value-oriented sales management strategy.

Specifically, this means that we have firstly ensured a balanced regional distribution and secondly deliberately kept production below dealer sales and customer deliveries.

This discipline enables us to strengthen the Porsche brand in the long term and protect our pricing power.

This brings me to the key financial figures.

In 2025, Porsche generated consolidated revenue of €36.3 billion.

This represents a decline of 9.5%.

I would like to highlight an important aspect here:

Revenue declined less sharply than delivery figures, and we were able to maintain the quality of our revenue.

The main drivers for this were positive price effects and higher revenues in the financial services business.

Average revenue in the automotive sector rose to €121,000 per vehicle. That is €4,000 more than in the previous year.

This underscores our consistent approach to pricing—and our clear focus on nurturing our brand.

Let me now turn to cost development: Porsche recorded comprehensive increases here in 2025. Manufacturing costs rose by €1.5 billion to €31.2 billion.

We faced headwinds from external factors and additional burdens from our strategic realignment.

In our core business, the three most important operating cost drivers were firstly ongoing inflationary pressure along the supply chain, secondly costs associated with the slower ramp-up of electric mobility. This also includes compensation payments to suppliers. And thirdly: higher development costs recognized as expenses.

In addition, there were burdens outside our ongoing core business, primarily due to US tariffs amounting to €700 million and one-time effects from our strategic realignment amounting to €3.1 billion.

We countered this with our Push to Pass earnings program. Together with strict spending discipline, this program generated around €1 billion, thereby offsetting the cost increases.

Consolidated operating profit declined to €413 million. This corresponds to an operating return on sales of 1.1%.

Adjusted for the aforementioned one-time effects, the overall operating performance is solid—despite the macroeconomic challenges.

This brings me to the development of net cash flow in the Automotive segment.

On the one hand, net cash flow was supported by our solid overall operating performance, and our disciplined investments in ongoing business.

On the other hand, net cash flow was impacted by extraordinary cash outflows of around €900 million in connection with our strategic realignment. We also had customs-related expenses of around €700 million.

As a result, net cash flow fell to €1.5 billion. This corresponds to a net cash flow margin in the Automotive division of 4.7 percent. If we exclude the one-time expenses for the strategic realignment and US tariffs totaling €1.6 billion, we had a strong net cash flow in the automotive division.

In other words, the high cash conversion of our core business underscores the strength of the Porsche brand.

Let me now turn to capital allocation.

Porsche reduced its total assets and thus its tied-up capital by around €1 billion last year.

This was due to significantly higher depreciation, amortization, and impairment charges. These are in line with our capital allocation strategy and strategic realignment.

This puts Porsche in a strong financial position with high net liquidity and a healthy balance sheet.

This robust financial position gives us a stable foundation for the future.

It ensures strategic flexibility, resilience across market cycles, and the ability to continue investing in the brand, products, and technologies that create long-term value.

This brings me directly to our dividend strategy.

Our goal is to offer our long-term shareholders a reliable dividend – this year and in the years to come.

Against this background, the Board of Directors proposes the following dividend for the 2025 financial year:

- €1.00 per common share
- €1.01 per preferred share

This proposal underscores our commitment to long-term value creation – and preserves our financial flexibility during the transformation.

As you know, the final decision on the dividend amount will be made at the Annual General Meeting.

Let me now turn to our forecast.

In 2026, Porsche will continue to operate in an environment of profound transformation.

The market environment remains characterized by difficult factors such as the slower ramp-up of electric mobility and subdued demand for Western luxury goods in China.

Added to this is the more selective product range with restrictions on the 718 and Macan. We therefore expect lower vehicle sales in 2026.

But despite these effects, Porsche is sticking to its value-oriented sales strategy.

This means: We will continue to manage dealer inventories in all regions in a very disciplined manner. This will ensure both the strength of our brand and long-term value creation.

Now let's turn to the revenue forecast:

For 2026, we expect consolidated revenue to be in the range of €35 to €36 billion. This is roughly on par with the previous year.

Revenue will be influenced by lower vehicle sales on the one hand, and supportive price effects and a stronger mix for our iconic 911 on the other. Overall, we therefore expect revenue to develop better than delivery figures.

Now to costs.

On the cost side, we continue to anticipate inflationary pressure, particularly in material costs. This pressure is caused, among other things, by compensation payments to suppliers for BEV vehicles because our unit numbers are lower than planned.

On the other hand, our Push-to-Pass results program will have a positive effect.

This program targets our operating performance and our cost efficiency.

In addition, a possible second future package is on our agenda. We are still in discussions with employee representatives on this matter. However, please understand that I am unable to provide you with any new interim information on this today.

Our forecast is based on the current EU-US tariff framework and the existing luxury tax in China. It also assumes that geopolitical conditions will remain unchanged. The current situation in the Middle East could have a negative impact on supply chains and demand. These potential effects are not reflected in the current forecast.

Based on these assumptions, we expect:

- a consolidated return on sales of 5.5 to 7.5 percent and
- a net automotive cash flow margin of 3 to 5 percent.

Our forecast for the Group return on sales continues to take into account extraordinary expenses of a high three-digit million amount resulting from our strategic realignment. This represents a moderate increase compared to previous assumptions.

As Michael Leiters explained earlier, we have taken several additional measures since the beginning of the year to secure margins appropriate for Porsche in the medium term and strengthen our resilience in the long term.

The return forecast also takes into account an effect of around EUR 700 million from US import tariffs. In terms of net cash flow, we expect a significantly higher figure in 2026 than in 2025, adjusted for one-off effects primarily due to the realignment.

Let me briefly highlight an important measure that we have already taken as part of the realignment: our strategic adjustments in China. China is and will remain an important strategic market for us, despite the current challenges facing the entire industry there. On the other hand, we must adapt our presence in China to the new market conditions. This includes optimizing our dealer network and strengthening our presence in regions with high demand.

Our original plan was to reduce the dealer network in China from around 150 sales outlets to around 100 by 2027. We have since adjusted this target further to around 80 outlets by the end of 2026.

Finally, I would like to reiterate that despite the difficult conditions, Porsche is managing to stick to its medium-term goal thanks to the measures mentioned above. This goal is a return on sales of 10 to 15 percent for the Group. Despite all the challenges.

And with that, I hand back to Michael Leiters.

Thank you very much.

Dr Michael Leiters

Thank you very much, Jochen.

As you can see, we are facing major challenges. I would now like to outline what we are working on and how we are going about it. This is based on the results of a comprehensive analysis of the current situation, which we are currently conducting.

We have divided our strategy into three pillars. The first pillar stands for the brand and the customers.

Porsche is one of the most desirable brands in the world. To strengthen this valuable brand, we will continue to follow our principle of value over volume. The long-term value of our vehicles is more important than short-term sales figures. We will maintain this strategy even in a difficult market environment.

This also applies to China: a market in which we continue to believe, but on a different level. Demand for combustion engine vehicles will continue to offer us potential. The market for BEV vehicles is subject to a price war, which we will not follow for economic and brand policy reasons.

Market conditions in the US have also changed as a result of tariff policy. Despite the price increases that have been passed on, demand is good and we are currently seeing stable market development.

Porsche stands for both sporty luxury and sporty premium.

Porsche can produce highly customized vehicles, right down to completely unique models, as well as exceptional sports cars that are affordable for a slightly broader customer base. Exclusivity and approachability give Porsche a special, clearly defined profile.

This positioning of our brand creates unique opportunities for pricing, high margin quality, and high cash flows.

The right products and technologies are essential for realizing this price-volume equation. This brings us to the second pillar.

We stand for uncompromisingly good sports cars that you want to drive yourself – with genuine Porsche DNA, i.e. performance, emotion, design, heritage, exclusivity.

The 911 is an iconic vehicle that has broken many sales records in the high-price segment, most recently in 2025. Other products alongside two-door sports cars such as the 911 and

718 have complemented the brand and our portfolio over the past two decades and have been crucial to the strong development of our company.

However, it is also true that new models, new drive technologies, and numerous derivatives have significantly increased complexity for customers and within the company. We will therefore streamline our future product portfolio and reduce complexity and the number of variants – especially for derivatives with limited demand.

At the same time, we are considering expanding our product portfolio in order to grow in higher-margin segments. To this end, we are examining models and derivatives both above our current two-door sports cars and above the Cayenne. Expanding into these segments will also allow us to further expand our high-margin customization programs, such as Special Request, in order to further strengthen the exclusivity of the brand.

In addition to the question of future models, we also need to address the issue of the right drive technology. With the Taycan, we were pioneers in electric mobility and clearly ahead of our time. However, we are now seeing that market conditions have changed significantly, with European customers embracing the transformation more slowly than we had planned. Other markets, such as the US, have even created contrary conditions in terms of market policy and regulation.

We must take these new realities into account in our decisions. We are adjusting the ramp-up and portfolio of fully electric vehicles while extending the life of our combustion engine and hybrid offerings. We are doing this because we are open to technology and want to follow not only regulations but, above all, customer wishes. This will also enable us to minimize overlaps and cannibalization in our product portfolio, thereby increasing our capital efficiency.

Customer enthusiasm, high-margin products, and technologies are fundamental pillars of our plan. However, the third pillar is also essential: hard cost work.

In order to significantly improve our margin structure, we must create a competitive cost structure.

In terms of products, this means reducing both upfront costs and direct costs. To this end, we are fundamentally rethinking the development of our sports cars. We are investigating where we can leverage further synergies between our models. We are examining how we can use platforms and industry solutions more flexibly and make greater use of digital technologies. This explicitly includes the intelligent use of Group construction kits. We have already proven in the past with the Cayenne and Macan that we have mastered this recipe for success. Incidentally, this will also help us reduce our time to market.

We also need to improve our organizational efficiency. A program was already in place before my arrival, and we are now intensifying it across the board.

We will streamline our management structure, dismantle hierarchies, and reduce bureaucracy. Our goal is to make decisions faster and implement them consistently. At Porsche, we have a motivated and committed team with outstanding talent. However, the organization – especially in the indirect area – has grown disproportionately to the development of our business. The streamlining of the company planned to date is not sufficient under the changed conditions.

The corporate culture must also adapt to the changed environment. What counts is performance in teamwork and for each individual.

This performance culture will apply to all areas of our strategy and help us deliver the highest level of excellence.

Ladies and gentlemen,
with Strategy 2035, we will create the framework for realigning Porsche. It is a comprehensive program to strengthen competitiveness and financial robustness – and the basis for achieving a sustainably strong cash flow, strong results, and margins commensurate with Porsche.

Our program will require difficult decisions and measures. But a crisis is always an opportunity. Porsche has proven this many times in the past. In the end, we will emerge from this crisis stronger than ever.

Dr. Ing. h.c. F. Porsche AG. The sports car manufacturer. That is the core of this brand. A promise. Our promise.

And now we look forward to your questions.