Porsche posts strong second quarter with a 17 percent return on sales – and a robust first six months of 2024

24/07/2024 Porsche AG achieved stronger results in the second quarter of 2024 than in the previous quarter and is reporting robust financial figures for the first half-year.

- *Second quarter better than previous quarter in sales revenue, operating profit and group operating return on sales*
- *Q2 group operating return on sales of 17.0 percent at the upper end of expectations.*
- *The year 2024 is one of Porsche product launches: four of six model lines updated*
- *Panamera, Taycan and 911 have already started on schedule*

- *The new all-electric Macan will be launched in September*
- *New products impress with technological world firsts*
- *Market-related weakness in China largely balanced out*
- *First half of 2024: 3.1 billion euros group operating profit, 15.7 percent group operating return on sales*
- *Porsche adjusts forecast for the full 2024 year due to supply shortage affecting various suppliers*

The sports car manufacturer is seeing high demand for its innovative 911 Carrera GTS T-Hybrid. The updated iconic 911 sports car and the new all-electric Macan have enhanced the product portfolio for the long term. Financially, the company has also picked up speed again after a restraint start to the year: the group operating return on sales in the second quarter was 17.0 percent, which was at the upper end of expectations. As a result, the group operating return on sales for the first half of 2024 rose above the 15 percent mark, despite challenging circumstances.

The current financial year continues to be characterized by Porsche's year of product launches. A further highlight in the campaign came in May with the presentation of the totally revamped 911. The sports car manufacturer has updated five of its six model lines in just a few months and will be offering the youngest product portfolio in years once the full changeover is complete.

"The new 911 Carrera GTS is the first road-approved 911 with the super-light performance hybrid system, the technology of which was developed and tested in motorsport. The demand for this exhilarating sports car has exceeded our expectations," says CEO Oliver Blume. "With the largest product offensive in Porsche's history, we are putting ourselves in pole position for this endurance race of transformation. Porsche's innovative strength is underscored by a whole host of technological highlights that we believe will delight and inspire our customers around the world."

The revamped Panamera, Taycan and 911 models have already been launched on schedule in recent months. The new all-electric Macan will follow in September. The new products impress with a number of technological world firsts. However, the numerous new launches in the first half-year are still having an impact on sales and inventories. Moreover, the model changes resulted in a substantial aperiodic increase in research and development costs and in sales activities.

This led to an expected decline in sales revenue and earnings. In the first half of 2024, group sales revenue amounted to 19.46 billion euros (previous year: 20.43 billion euros). The group operating return on sales came in at 15.7 percent (previous year: 18.9 percent). Automotive net cash flow amounted to 1.12 billion euros (previous year: 2.22 billion euros).

Sales structure even more balanced

At the midpoint of the 2024 year of Porsche product launches, Lutz Meschke, Deputy Chairman of the Executive Board and Board Member for Finance and IT, comments the results: “In challenging times, we are financially robust and highly profitable. Thanks to our strategy of value-oriented sales and our well-balanced sales structure. This gives us the ability to largely absorb fluctuations in individual markets.” Deliveries to customers fell by 6.8 percent to 155,945 cars in the first half of the year. Porsche recorded an even more balanced sales structure across the individual sales regions.

While the China market showed a decline, the markets in Europe and Germany posted increases. The Overseas and Emerging Markets sales region maintained the high level it posted in the previous year. Meschke: “Being in such a stable position enables us to forge ahead with our value-over-volume strategy. As the transformation to electromobility is developing very differently around the world, we have already started to recalibrate and reprioritize projects and products with regard to ICE technology.” Part of the strategy is retaining the greatest possible flexibility in the production of the different types of powertrains. Porsche continues to focus on three powertrain types: all-electric vehicles, efficient plug-in hybrids and exhilarating ICE engines. “Our customers will continue to be able to choose from a wide range of powerful and efficient combustion and hybrid models as well as electric models in the future,” emphasizes Meschke.

Porsche adjusts forecast for financial year 2024

Various suppliers of Porsche AG are currently affected by a significant supply shortage with regard to special aluminium alloys. The supply shortage is the result of the flooding of a production facility of an important European aluminium supplier who has informed its customers in writing of the occurrence of a force majeure event. Affected are lightweight body components made of aluminium, which are used in all vehicle series manufactured by Porsche.

Despite immediate countermeasures, it is becoming apparent that the impending supply shortage will lead to impairments in production that will not be fully compensated for over the course of the year.

Against this background, the Executive Board decided to adjust the forecast for the financial year. For the financial year 2024, the following figures are now expected:

- a return on sales between 14% and 15% (previous forecast: between 15% and 17%),
- sales revenues between € 39 and € 40 billion (previous forecast: € 40 to 42 billion),
- an automotive net cash flow margin between 7% and 8.5% (previous forecast: between 8.5% and 10.5%),
- an automotive EBITDA margin between 23% and 24% (previous forecast: between 24% and 26%)

and

- an automotive BEV share between 12% and 13% (previous forecast: between 13% and 15%).

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Porsche AG Group	**H1 2024**	**H1 2023**	**Change**
Sales revenue	€ 19.46 billion	€ 20.43 billion	-4.8%
Operating profit	€ 3.06 billion	€ 3.86 billion	-20.5%
Operating return on sales	15.7%	18.9%	
Deliveries to customers	155,945	167,354	-6.8%

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This press release contains forward-looking statements and information that reflect Dr. Ing. h.c. F. Porsche AG's current views about future events. These statements are subject to many risks, uncertainties, and assumptions. They are based on assumptions relating to the development of the economic, political, and legal environment in individual countries, economic regions, and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of publication. If any of these risks and uncertainties materializes or if the assumptions underlying any of the forward-looking statements prove to be incorrect, the actual results may be materially different from those Porsche AG expresses or

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Consumption data

911 Carrera GTS (WLTP)*: Fuel consumption combined: 10.6 – 10.1 l/100 km; CO_2 emissions combined: 242 – 230 g/km; CO_2 class: G

*Further information on the official fuel consumption and the official specific CO_2 emissions of new passenger cars can be found in the "Leitfaden über den Kraftstoffverbrauch, die CO_2-Emissionen und den Stromverbrauch neuer Personenkraftwagen" (Fuel Consumption, CO_2Emissions and Electricity Consumption Guide for New Passenger Cars), which is available free of charge at all sales outlets and from DAT (Deutsche Automobil Treuhand GmbH, Helmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, www.dat.de).

Video

https://newstv.porsche.com/porschevideos/291423_en_3000000.mp4

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