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Porsche SE reduces debt and intends to take advantage of investment opportunities

Financial strategy successfully implemented and investment strategy developed further

- Group result after tax for 2023 at 5.1 billion euro
- Net debt improved by around 1 billion to 5.7 billion euro
- Incharge Capital Partners – joint venture between Porsche SE and DTCP
- Proposed dividend of 2.56 euro per preference share – total payout of 783 million euro
- Hans Dieter Pötsch, chairman of the board of management of Porsche SE: “Porsche SE is on the right strategic track. We have been able to develop Porsche SE in a successful and value-oriented way.”

Stuttgart, 21 March 2024. Porsche Automobil Holding SE (“Porsche SE”), Stuttgart, generated a group result after tax of 5.1 billion euro in the fiscal year 2023 (prior year: 5.5 billion euro). Without a one-off effect included in the prior year, the group result after tax would have been higher than in the prior year. This result included a non-cash accounting income of 0.6 billion euro in connection with the acquisition of preference shares of Volkswagen AG, Wolfsburg.

The group result after tax was significantly influenced by the result from core investments in Volkswagen AG and in Dr. Ing. h.c. F. Porsche AG (“Porsche AG”), Stuttgart, accounted for at equity of 5.2 billion euro. Of this total, 4.8 billion euro related to Volkswagen AG and 0.4 billion euro to Porsche AG.

Reduction in net debt and long-term refinancing successful

At the same time, Porsche SE rigorously implemented its financing strategy. Net debt of the group was reduced by around 1 billion euro. As of 31 December 2023, this decreased to

5.7 billion euro compared to 6.7 billion euro as of 31 December 2022. In the long term, Porsche SE aims to achieve a low double-digit loan-to-value ratio.

For the long-term refinancing of its financial debt, Porsche SE placed a Schuldschein loan in a record amount of around 2.7 billion in March 2023. Later in the year, two bonds were issued, one of 750 million euro and the other of 1.25 billion euro.

“Porsche SE is on the right strategic track. In the past fiscal year, we have significantly strengthened our liquidity position, giving us room for maneuver,” comments Hans Dieter Pötsch, chairman of the board of management of Porsche SE. “Overall we have been able to develop Porsche SE in a successful and value-oriented way. We will continue to do so in the current fiscal year in the interest of our shareholders.”

Dr. Johannes Lattwein, board of management member responsible for finance and IT, continued: “The successful issuances illustrate the high level of confidence that we enjoy among investors, also in the debt capital market. The successful refinancing allows us to step up our investment activities and further expand Porsche SE as an investment platform.”

Joint venture between Porsche SE and DTCP: Incharge Capital Partners

As a further building block of the investment platform, Porsche SE and the investment firm DTCP are launching a venture fund with an investment focus on software companies in the areas of mobility and connectivity. In this context, the new joint venture Incharge Capital Partners has been established. Porsche SE is participating in the fund with a volume of 100 million euro. In the long term, Porsche SE will thus benefit from the performance of the fund and the development of the joint venture. Other investors, including Deutsche Telekom, are also participating in the fund alongside Porsche SE.

Lutz Meschke, board of management member responsible for investment management, summarizes: “With the establishment of Incharge Capital Partners, Porsche SE is systematically pursuing its investment strategy and cooperation with strong partners. I am convinced that by combining the expertise of Porsche SE and DTCP, we are creating a uniquely positioned venture fund for successful investments."

Targeted expansion of portfolio investments

Porsche SE has also invested in several promising growth companies in the past fiscal year. The portfolio was strengthened by several investments in the areas of electromobility, quantum computing and data transmission technology as well as artificial intelligence.

Porsche SE plans annual investments in the low three-digit million range for the further expansion of the portfolio investments segment. If attractive opportunities arise, Porsche SE will also consider larger investments in line with its investment strategy. To date, the company has invested a total of more than 500 million euro in portfolio investments.

Forecast for 2024 and proposed dividend of 2.56 per preference share

For the fiscal year 2024, Porsche SE expects to record a group result after tax of between 3.8 billion euro and 5.8 billion euro. It also aims to further reduce the group’s net debt by 31 December 2024. The group’s net debt is estimated to amount to between 5.0 billion euro and 5.5 billion euro.

Porsche SE stands for a reliable and stability-oriented dividend policy. For the fiscal year 2023, the board of management and supervisory board propose an unchanged dividend compared to the prior year of 2.56 euro per share to be distributed to the holders of preference shares and of 2.554 euro per share to the holders of ordinary shares. This is equivalent to a total distribution of around 783 million euro.

The annual general meeting, which takes place on 11 June 2024, will decide on the dividend proposal.

The 2023 annual report of Porsche Automobil Holding SE can be found at:
https://www.porsche-se.com/en/investor-relations/financial-publications

Contact

Dr. Christoph Zemelka
Head of Communications
Phone: + 49 (0) 711 / 911 - 110 21
Christoph.Zemelka@porsche-se.com

Karsten Hoeldtke
Head of Investor Relations
Phone: + 49 (0) 711 / 911 - 110 23
Karsten.Hoeldtke@porsche-se.com

Porsche Automobil Holding SE ("Porsche SE") is a holding company with investments in the mobility and industrial technology sector. The company employs just under 50 people as of 31 December 2023 and generated a group result of 5.1 billion euro in the fiscal year 2023. As core investments, Porsche SE holds the majority of the ordinary shares in Volkswagen AG and 25% plus one share of the ordinary shares in Porsche AG. In addition, there are non-controlling interests in several technology companies in North America, Europe and Israel as well as investments in private equity and venture capital funds.