Letter to our shareholders

Hans Dieter Pötsch
Chairman of the board of management

Dear shareholders,

The European automotive industry faced major challenges in the fiscal year 2024. The core investments of Porsche SE, Volkswagen AG and Porsche AG, had to contend with increasingly difficult economic and political conditions, in particular the intensifying competitive situation in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies.

This also had an impact on Porsche SE. The group result after tax of Porsche SE for the fiscal year 2024 amounted to minus 20.0 billion euro (prior year: 5.1 billion euro). It was significantly influenced by the non-cash impairment losses on the carrying amounts of the investments in Volkswagen AG of minus 19.9 billion euro and Porsche AG of minus 3.4 billion euro. The impairment losses recognized have no impact on Porsche SE's liquidity or net debt. Adjusted for the impairment effects on the two core investments, Porsche SE generated a profit. This is shown by the adjusted group result after tax of 3.2 billion euro compared to 5.1 billion euro in the prior year. The adjusted group result after tax was significantly influenced by the result from the ongoing at equity accounting of shares in Volkswagen of 3.0 billion euro (prior year: 4.8 billion euro) and the result from the ongoing at equity accounting of shares in Porsche AG of 0.5 billion euro (prior year: 0.4 billion euro).

From Porsche SE's perspective, our core investments need to focus on competitiveness, profitability and the sustainable implementation of their strategic future programs. Against this backdrop, we welcome the "Zukunft Volkswagen" agreement reached between Volkswagen AG and its employee representatives at the end of 2024. Porsche AG has also planned extensive measures to strengthen the company's profitability in the short and medium term. The measures that have been negotiated are necessary and right. They must now be rigorously implemented.

At the same time, Porsche SE is determined to continue on its path to becoming a diversified investment platform. We continuously review promising investment opportunities, both in portfolio investments and in the segment of potential new core investments. In the fiscal year 2024, we successfully established investments in Flix SE, Waabi and Quantum Systems. We also founded the joint venture Incharge Capital Partners together with the investment company DTCP. The investment focus of the fund jointly launched is on software companies in the field of connected mobility.

Our investment activities are based on robust financial management and our successful refinancing measures provide the necessary financial headroom. In April 2024, we placed two bonds totaling 1.6 billion euro with investors, giving our financing profile an even longer timeline. For us, it was a big success: The transaction was one of the largest unrated bond issues in the world up to that time.

Porsche SE's financial position is very solid and its financial strength is high. This is reflected in the group's net debt, which we continued to decrease as planned in the past fiscal year. As of 31 December 2024, it stood at 5.2 billion euro compared to 5.7 billion euro a year before.

For the fiscal year 2025, we expect Porsche SE to record an adjusted group result after tax of between 2.4 billion euro and 4.4 billion euro. In addition, we expect the group's net debt to be between 4.9 billion euro and 5.4 billion euro as of 31 December 2025.

We will ensure that you, our shareholders, participate in the financial development of Porsche SE in the fiscal year 2024 in the usual reliable and appropriate manner. The board of management and supervisory board therefore propose a dividend for the fiscal year of 1.91 euro per preference share (prior year: 2.56 euro) and 1.904 euro per ordinary share (prior year: 2.554 euro). The decrease in the proposed dividend compared to the prior year's dividend is mainly due to the expected lower dividend inflow from Volkswagen AG.

Dear shareholders,

It is already becoming apparent that the macroeconomic and political conditions will remain challenging in 2025. We nevertheless believe that Porsche SE is well positioned to be successful in this environment. And we continue to count on your trust and support.

Hans Dieter Pötsch