



PORSCHE

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# ANNUAL PRESS CONFERENCE

15<sup>th</sup> March 2019



## Speech channels

- 1 – Deutsch
- 2 – English
- 3 – 中文
- 4 – 日本語
- 5 – Français
- 6 – Italiano
- 7 – Español



1

Page 3 - 5  
**Press Release**  
A strong year for Porsche: in pole position for electromobility.

2

Page 6 - 31  
**Speeches Oliver Blume & Lutz Meschke**  
Check against delivery.



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Porsche Media

Password:  
911\_Carrera



3

Page 32  
**Infographic**  
Porsche in numbers

## New start

2019 is the year of the Taycan – the beginning of a new era for Porsche.

## Responsibility

Porsche reconciles economic, ecological and social interests.

## Sustainable

Our goals are secure jobs, enthusiastic customers and good returns: Profitability and sustainability are not contradictory.

## Flexible

Our powertrain strategy has three pillars: further optimized gasoline engines, performance-oriented plug-in hybrids and pure electric drives.

## Power play

In 2019, we are relying more than ever on the power of our products: modern drive concepts, sporty driving dynamics and digital innovations.

## Profitable

With our Profitability Program, we are securing our return on sales for the future.

## Oliver Blume

Chairman of the Executive Board



## Lutz Meschke

Deputy Chairman of the Executive Board and Member of the Executive Board for Finance and IT



# A strong year for Porsche: in pole position for electromobility

Sales revenue of 25.8 bn euro – operating profit of 4.3 bn euro – return on sales of 16.6 percent

**Stuttgart, Germany.** Success in a time of transformation: In the 2018 financial year, Porsche AG achieved new records for operating profit, sales revenue, deliveries, and headcount. The company's operating profit grew by around 4% compared with the same period in the previous year, reaching €4.3 billion, and sales revenue increased by 10% to €25.8 billion. The operating return on sales was 16.6%. In 2018, the company delivered 256,255 vehicles to customers, representing a 4% increase on the previous year. The workforce grew around 9%, to 32,325 employees.

"In the 2018 financial year, our attractive product range enabled us to once again significantly increase deliveries. Porsche is synonymous with emotional petrol engines and high-performance plug-in hybrids; in the future it will be known just as well for pure electric drive systems," comments Oliver Blume, CEO of Porsche AG. Porsche will be investing around 15 billion euros in new products in the period up to 2023.

The sports car manufacturer is systematically expanding its offering in the field of electromobility: The Taycan, the first purely electrically driven sports car from Porsche, will debut in September, with its first derivative, the Cross Turismo, following at the start of the next decade, while the new generation of the Macan compact SUV will also feature electric drive, making it the second entirely battery-powered model series from Porsche. In this area, the company's efforts are based on the projection that by 2025, half of all sales from the Porsche product range will be of electrically driven models, or partially electrically driven plug-in hybrid models.

"Our workforce has more than doubled since 2012," Blume points out, "and electromobility is another driver of jobs; we're creating 1,500 new roles for producing the Taycan alone. Our first purely electric sports car heralds the start of a new era – and we're very optimistic that the Taycan will be a success. Given that we already have more than 20,000 people seriously interested in buying one, we will be adjusting our production capacities upward."

## Double-digit growth rates for the Panamera, Cayenne and 911

"We achieved new records for sales revenue and operating profit in 2018. The increase in profit resulted in particular from a growth in volume, improved product mix, and positive development in our other business fields and divisions," comments Lutz Meschke, Deputy Chairman and Executive Board Member for Finance and IT at Porsche AG.



**„The transformation of the automotive industry is in full swing. We are very much engaging with digitalisation, connectivity, and new mobility concepts.“**

*Oliver Blume*



potential in the area of synthetic fuels as a way of making the operation of vehicles with combustion engines even more environmentally friendly – particularly in the existing vehicles,” says Blume.

**Further growth expected for 2019**

“The switch to the new WLTP test cycle and gasoline particulate filters, combined with our elimination of new diesel-driven models, mean that the months ahead will also be challenging,” comments CFO Meschke. Despite this, Porsche expects increased deliveries in 2019, as well as a slight rise in sales revenue. “Our products create the foundation for a successful financial year. In particular in 2019, we will have the new generation of the 911 being launched in all markets worldwide; further model derivatives of the 718 and Cayenne; and the launch of the Taycan,” Meschke added. He goes on to say that, despite very high levels of investment in electrification, the digital transformation, and the expansion and renewal of certain sites, the company wants to ensure that it continues to meet its ambitious earnings target. “Through the use of efficiency enhancement measures and the opening up of new profitable areas of business, we want to continue achieving our strategic objective of an operating return on sales of 15%,” Meschke emphasises.

With a 38% increase, the Panamera achieved the strongest growth in terms of deliveries, reaching 38,443 vehicles. But even the 911 recorded double-digit growth, despite the change in model generation: the number of sports cars delivered increased by 10% to 35,573 vehicles. Deliveries of the Cayenne grew by 12%, to 71,458 cars. The Macan continued to be the most successful model in terms of volume, at 86,031 vehicles. The Chinese market also retained its position as top performer in 2018, with growth of 12% there, amounting to 80,108 units. With an increase of 3% to 57,202 vehicles, the USA again took the second spot.

“The transformation of the automotive industry is in full swing. We are very much engaging with digitalisation, connectivity, and new mobility concepts,” comments Blume. In order to further reduce carbon emissions, Porsche is also focusing its attention on synthetic “power-to-liquid” fuels that are produced using renewable energy. “We see significant

**Consumption data**

- 718 Cayman T:**  
Urban fuel consumption 11.3 l/100 km, extra-urban 6.3 l/100 km, combined 8.1 l/100 km; CO<sub>2</sub> emissions 186 g/km
- 718 Boxster GTS:**  
Urban fuel consumption 12.8 l/100 km, extra-urban 7.1 l/100 km, combined 9.2 l/100 km; CO<sub>2</sub> emissions 210 g/km
- 911 Cabriolet:**  
Urban fuel consumption 11.9 l/100 km, extra-urban 6.5 l/100 km, combined 8.5 l/100 km; CO<sub>2</sub> emissions 195 g/km
- 911 Targa 4S:**  
Urban fuel consumption 12.6 l/100 km, extra-urban 6.8 l/100 km, combined 9.0 l/100 km; CO<sub>2</sub> emissions 208 g/km
- 991 GT3 RS:**  
Urban fuel consumption 19.2 l/100 km, extra-urban 9.0 l/100 km, combined 12.8 l/100 km; CO<sub>2</sub> emissions 291 g/km
- 991 GT2 RS:**  
Urban fuel consumption 18.1 l/100 km, extra-urban 8.2 l/100 km, combined 11.8 l/100 km; CO<sub>2</sub> emissions 269 g/km
- Panamera GTS:**  
Urban fuel consumption 14.6 l/100 km, extra-urban 7.8 l/100 km, combined 10.3 l/100 km; CO<sub>2</sub> emissions 235 g/km
- Panamera Sport Turismo:**  
Urban fuel consumption 10.0 - 9.9 l/100 km, extra-urban 6.7 - 6.6 l/100 km, combined 7.9 - 7.8 l/100 km; CO<sub>2</sub> emissions 180 - 178 g/km



**Porsche wants to continue achieving the strategic objective of an operating return on sales of 15 percent.**



# The Taycan marks a new era

Oliver Blume on an exciting 2018: highlights and challenges



**Oliver Blume**  
Chairman of the  
Executive Board

Over the past year, we have significantly set the course for the future at Porsche: We have massively increased our investment in future technologies and made even more progress in terms of e-mobility, digitalisation and connectivity. We are driving the transformation forward with all our might – though we never forget our heritage. That was all the more true in 2018, which was a year of notable anniversaries and big birthdays, not least the 80th anniversary of the Zuffenhausen site, the 75th birthday of Dr Wolfgang Porsche and 70 years of Porsche sports cars.

Our brand's 70th was a special focus for celebration. In part that was because we know that what's coming next will be as historic as the moment in 1948 when Ferry Porsche brought his 356 No. 1 Roadster to the world. 2019 is the year of the Taycan, our first fully electric sports car. The start of a new era.



## 2018 was all about the new 911

Let me first take a look back at 2018. In the past year, we presented a range of highly attractive products. We started at the Geneva Motor Show with the Mission E Cross Turismo concept study, which will go into series production at the end of 2020 as the Taycan Cross Turismo and the 911 GT3 RS. And along with the new Macan, we also

„We are driving the transformation forward with all our might – though we never forget our heritage.“

presented two new GTS models of the Panamera, our GT2 RS Clubsport and, at the motorsport reunion in Laguna Seca, something special: the Porsche 935 as a homage to the legendary "Moby Dick" racing car. Since we presented the 911 Speedster Concept study at our 70-year celebration in June, it has been confirmed that this model will go into series production – limited to 1,948 vehicles.

More than anything though, 2018 was the year of the new 911. The eighth generation of our icon has been equipped for the first time with extensive digital functions and our new Porsche Wet-Mode: Acoustic sensors detect a wet road and warn the driver against aquaplaning. We celebrated its world premiere in Los Angeles at the end of November. Just a few days ago, we were back at the Geneva



Motor Show and presented the 911 convertible alongside the 718 T.

The success of the previous 911 was made perfectly clear in the Best Cars Awards, presented by leading German automobile magazine *auto motor und sport*, as the car took the winning spot in 2 categories of the most recent event. The 911 secured 29



percent of votes in the "Sports cars" category, while the 911 Cabriolet and the 911 Targa also triumphed in the "Convertibles" category for the second year in a row, and the Panamera came first in the "Luxury class" group.

#### Motorsport

We won some spectacular motorsport victories in 2018, securing first and third place in the IMSA SportsCar Championship in Sebring and winning the 24 Hours at the Nürburgring, not to mention our double victory in the GT class at the 24 Hours of Le Mans.

We also set a new record on the Nürburgring Nord-schleife track in 2018: our GT2 RS MR achieved a

lap time of 6:40.3 minutes in early November, making it the fastest car approved for road use on the track nicknamed the "green hell".

A further highlight for motorsport fans was the tribute tour of the 919 Hybrid to mark the end of our factory involvement in the LMP1 class – an era crowned with six World Championship titles and three Le Mans victories. Preparations for our entry into the Formula E are also in full swing following the 2018 announcement of Neel Jani as our first driver, and the starting of test runs.

Our cars are pushed to the limit in motorsport, and we know that our customers love to push their own cars in the same way. We have already created several Experience Centres across the globe to enable them to do just that. The most recent of these was opened in Shanghai in April 2018, and in October we laid the foundation stone for the Porsche Experience Centre at the Hockenheimring circuit.

#### Other highlights

We also had many great opportunities for celebration in 2018 beyond the racetrack. Some of the highlights include the 30th anniversary of Porsche Financial Services and our joint venture with Schuler AG, the world's leading manufacturer of automation and press systems. We opened our first Porsche Studio in Beirut at the end of January. In September, 80,000 Porsche fans flocked to Rennsport Reunion VI in Laguna Seca, USA.

Then at the end of October, all eyes were on Atlanta, as "Project Gold" was auctioned by Sotheby's auctioneers. The car, based on an original 993 body shell, eventually sold for a total price of 2,743,500 euros, with net proceeds of 2,589,027 euros going to the newly founded Ferry Porsche Foundation, which supports various projects in the fields of education and science, culture and the environment, as well as sports and social causes.

And of course, who could forget Angelique Kerber's Wimbledon victory. In July, our brand ambassador became the first German since Steffi Graf to win the most important tennis tournament in the world, beating the American Serena Williams in two straight sets. Incidentally, she held her press conference right here in the Porsche Museum.

#### Porsche moves on without diesel

Our withdrawal from producing diesel vehicles in 2018 also caused quite a stir in the media. On this matter I always feel it is important to emphasise that diesel is and remains an important drive technology – especially with respect to CO<sub>2</sub> targets. However, because diesel has traditionally played a rather minor role in the sports car segment, we have decided that we want to do without diesel in future, as a manufacturer.

We will concentrate on what we do best: developing and producing highly emotional sports cars with optimised petrol engines, advanced plug-in hybrid technology and soon with fully electric drives too. We are honing the core of our brand and consistently focusing our company on the mobility of the future.

We take responsibility for all Porsche diesel vehicles provided to customers. No ifs, no buts. If something is not right, we will make it right. We will also continue to perform extensive analyses for Porsche diesel vehicles, always in close coordination with the authorities, particularly the Federal Motor Transport Authority (KBA).

Porsche employees are still under investigation in relation to the diesel issue. We are cooperating fully with the investigating authorities. We are hopeful that everything will be resolved in the near future, and will do everything in our power to assist this.

We have learned valuable lessons from the diesel crisis, and have drawn up a five-point programme as a result. This programme is intended to ensure that in future, irregularities can be prevented, and where they do arise can be more quickly and consistently handled. We guarantee absolute transparency and full disclosure to the authorities. We take full responsibility in respect of our customers. We expect 100 percent compliance with regulations from our employees. We monitor our suppliers consistently and ensure that agreements are strictly followed. We are also investing massively in future technologies and constructing an environmentally responsible value chain – without compromising on quality or performance.

#### WLTP

Aside from the diesel issue, 2018 brought huge challenges for the automotive industry in Europe,



with the introduction of new emissions legislation. Porsche is fully committed to the new legal basis. This is not least because WLTP-calculated measurement values are a great deal more realistic than those produced using NEDC methods. That said, the new regulations were introduced on 1 September 2018 – a year earlier than originally planned.

The re-typification and switching of the model range to use gasoline particulate filters (GPF) doesn't only require massive intervention in existing product cycles, but is also forcing many manufacturers to introduce model derivatives on a staggered basis, and to temporarily restrict their model range due to substantial test bench bottlenecks.





> Delivered vehicles  
**256,255**

> Sales revenue  
**25.8 bn €**

> Operating profit  
**4.3 bn €**

> Return on sales  
**16.6 %**



**We are also investing massively in future technologies and constructing an environmentally responsible value chain.**



Global economy 2018



**Global automotive market**

That is one reason why the automotive market declined in 2018, after eight successive years of growth. The decrease was 1.2 percent on a total of 82.8 million units worldwide.

Only the USA managed to maintain the same level of sales as 2017, at 17.3 million units (a 0.2 percent increase), with demand there shifting from traditional passenger cars to light commercial vehicles. In China, business and consumer confidence were affected by the trade conflict with the USA in particular. This led to a considerable drop, with demand falling by 4.6 percent, especially in the second half of the year.

In Western Europe, the number of new passenger cars was 0.7 percent lower than in the previous year, at 14.2 million vehicles. After a slight increase in the first half of 2018, the switch to WLTP testing on 1 September 2018 led to some significant decreases up to the end of December.

**Porsche deliveries and financial figures**

Taken in that context, the delivery figures for Porsche look all the more pleasing: in 2018, we delivered 256,255 vehicles worldwide – more than ever before. This figure is 4 percent higher than the record that was set the previous year.

In other words, we once again exceeded the record values from the previous year for sales, revenue and operating profit. Our sales revenue grew ten percent on 2017 figures, to 25.8 billion euros, while our operating profit improved by 4 percent to 4.3 billion euros. This has resulted in an operating return on sales of 16.6 percent.

At this point, I must extend my most heartfelt thanks to all of our employees. It is mainly thanks to their efforts that we were able to close the 2018 financial year on such a high note.

# Successfully launching into the future

Lutz Meschke on the strong 2018 fiscal year, how Porsche is securing high returns, and driving digital transformation



## Lutz Meschke

Deputy Chairman of the Executive Board and Member of the Executive Board for Finance and IT

The current prevailing conditions represent an enormous challenge for us. In spite of this, Porsche can look back on the strongest fiscal year in the history of the company. In 2018, we were able to once more better the record values of the previous year in deliveries, revenue and operating profit. We therefore continued our value-generating growth – for the eighth year in succession.

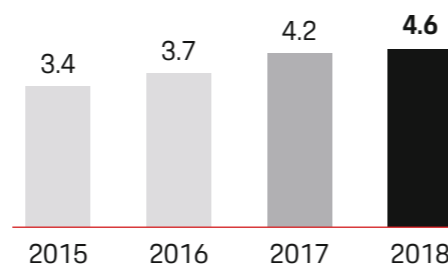
Our sales revenue grew by ten percent to 25.8 billion euros compared with 2017. We were able to improve the operating profit by four percent to 4.3 billion euros. The profit before taxes were 4.6 billion euros. After deduction of taxes amounting to a good 1.4 billion euros, our profit was 3.1 billion euros – which is more than 100 million euros above the profit after tax in 2017.

In addition to the increased vehicle deliveries, this record result was also due to the very positive development of our model mix – driven by our 911 derivatives and the Panamera. The decisive factor

for us still remains our outstanding profitability. With an operating return on sales of 16.6 percent, we continue to be one of the most profitable car manufacturers worldwide. We therefore again exceeded our ambitious strategic target of 15 percent – and achieved this in spite of the difficult overall conditions and the significant financial challenges in these times of radical change.

In 2018, we again made very large investments in the future, above all in the areas of electromobility and digitalisation. We also increased our real investments. We invested around 1.9 billion euros in our vehicle business in 2018. Personnel costs accounted for a total of 3.6 billion euros. This was an increase of 13 percent compared with the previous year – due mainly to the growth in the number of employees. In concrete terms, we are talking here of more than 2,000 new colleagues.

### > Profit before tax in billion euros



### > Profit after tax

**3.1 bn €**

### > Cash flow from operating activities Porsche AG Group

**3.8 bn €**

### > Return on equity (normalised) Financial services division

**29 %**

We continuously review all processes in the company with respect to their efficiency and are economically disciplined. We therefore have our costs under control: the costs for research and development were 2.2 billion euros in 2018, which corresponds to a similar level as in the previous year. Due to the growth in deliveries, our distribution expenses increased slightly to 1.9 billion euros. However, their share in terms of sales revenue fell from eight to seven percent. There was a similar development for administrative expenses: Here also, there was a small increase of 75 million euros to 1.1 billion euros. However, their share in terms of sales revenue remained constant at four percent.

Our cost and balance sheet structure is stable: this is reflected among other things by our equity ratio of 43 percent and the return on investment in the Automotive division of 25 percent. In the fiscal year 2018, Porsche generated a cash flow from operating activities of 3.8 billion euros. The clearly positive inflow of funds from operating activities covered all investments. Net liquidity increased further in the Automotive division: it was 2.3 billion euros as at the balance sheet date. This corresponds to an increase of 75 million year-on-year.

To conclude, let us take a look at our financial services division. Alongside our vehicle business, these services make an important contribution to



### > Equity ratio Porsche AG Group

**43 %**

### > Return on investment Automotive division

**25 %**

### > Net liquidity Automotive division

**2.3 bn €**

Figures 2018





Outlook for fiscal year 2019



the success of our company: with a normalised return on equity of 29 percent, we again achieved an outstanding result here in 2018.

**Outlook for fiscal year 2019**

The figures prove it: Porsche was again remarkably successful in 2018. But how will things continue in the coming months? What do we expect in the fiscal year 2019 that has already started?

The forecasts for the rest of the year are characterised by considerable uncertainty. In our planning, we assume that there will be continued growth in the global economy. However, there are initial signs that the growth momentum could tail off, especially in China.

We nevertheless expect that we will be able to deliver more vehicles this year than in 2018. The basis for this positive assessment is our attractive model range, including the new generation of the 911. We also expect slight growth in sales revenue. On the cost side, we will still be burdened by high investments and the related depreciation costs. The

changeover to the new WLTP test cycle and the gasoline particulate filter will also remain challenging for Porsche well into the current fiscal year. Our decision to no longer offer diesel engines will also be noticeable. However, we will still maintain our earnings target and our strategic goal of an operating return on sales of 15 percent in spite of these factors.

**Future profitability**

We need this success. We need it to actively shape change and to secure our value-generating growth for the future. For Porsche, profitability is not an end in itself. It provides us with the financial support to tackle and realise the necessary transformation of our company with our own resources. We want to and must preserve this strength in the long term.

The associated challenges are great. In the next few years, we must make considerable investments: in electromobility, in digital transformation of products and processes, and in the development of new business models. Profits could fall as a result if we do not take appropriate action: the costs of a hybrid or electric vehicle are currently significantly higher

than for a model with a combustion engine – we are talking here of around 10,000 euros per vehicle on average. We cannot and will not pass on these additional costs one-to-one to our customers.

The fact that we have to develop and offer two drive types simultaneously in the transitional phase to electromobility also costs money. On top of this, our fixed costs have risen due to our strong growth over the past years. The doubling of the number of employees within just eight years has led to a significant increase in our personnel costs. And the modernisation and expansion of our capacities in development, production and administration is not just reflected in high investment costs, but also in high depreciation costs. In the longer term, this means that we must implement appropriate counter-measures now – otherwise our profitability could come under pressure. And that is exactly what we are doing.

**Profitability Program**

We at Porsche plan and act with the future in mind. Our entrepreneurial decisions are based on a clear strategy. That is why we developed a Profitability Program in 2018 and rolled this out in late autumn. The goals that we have set ourselves with this program are ambitious: by 2025 we want to achieve a cumulative result effect of six billion euros. From 2025, the aim is to realise a sustainable effect of two billion euros per year. In this way, we want to ensure that our operating return on sales also achieves the target value of 15 percent in the future as well, the value that we defined in the Porsche Strategy 2025.

How can we achieve this ambitious goal? First, we are adopting a two-pronged strategy. Porsche is a Swabian company that pays careful attention to balancing its income and expenditure, but we will not just focus on efficiency measures. Above all,



We are acting from a position of strength.

Profitability Program





the goal is to develop new sources of revenue. We are acting today from a position of strength – and are not waiting until we are already under pressure. Our business is currently performing very well. Our company has a strong, healthy foundation and is exceptionally well positioned both strategically and operationally. We can therefore act in a considered, orderly and far-sighted way – and thus secure our future.

#### Digital transformation

We are heading towards the era of electromobility. And the era of digitalisation. Digital Transformation is therefore a crucial pillar of the Porsche Strategy 2025.

We have been taking important steps into the digital future since 2015 – and we are already seeing the first successful results. With the help of digital technologies, we are making our company processes safer and more efficient. We are enhancing the exclusive brand experience in the vehicle. We are developing new digital products and services and turning Porsche into the leading provider of digital mobility solutions in the premium segment. We are also improving the relationship with our customers – both at the point of sale in the Porsche Centres and in direct dialogue.

We are very aware of the fact that what is relevant today can already be out-of-date tomorrow. The situation is changing almost daily in the digital environment. Complexity and speed are increasing exponentially. In order to transport the special brand experience of Porsche into the digital future, we are developing digital solutions in three areas: Firstly: company processes, secondly: products and services, and thirdly: customer relationships.

#### Digitalisation (1): Company processes

When we speak of digitalisation of company processes, we mean much more than just administration tasks. We are increasingly also implementing digital solutions in production – the catchwords here are “Factory 4.0” with “Augmented Reality” applications, predictive maintenance and networked automation. In development, digital prototypes and simulations do not just serve to improve process reliability. They also shorten development times and reduce costs.

#### Digitalisation (2): Products & Services

Digitalisation is also increasingly relevant for products, above all when it comes to the connectivity of our vehicles. With the Taycan, we will offer “on-demand” functions and “over-the-air” updates for the first time. As far as our services are concerned, we distinguish between our offerings in the car, mobility in the extended sense and the lifestyle of our customers.

Porsche Road Trip is app-based. It helps in the planning, organisation and navigation for exciting outings – with spectacular viewpoints and points of interest as well as individually matched recommendations for restaurants and hotels. The focus is on the driving experience, and this is extended by the digital service.

The Porsche 360 Plus service goes one step further and helps in organisation of everyday life. A personal assistant can purchase gifts, find tickets for sold-out concerts or book a table at a certain restaurant, for example.

With exclusive lifestyle services like this, we can transfer the experience of the Porsche brand into everyday life – away from mobility. The customers do not even need to own a vehicle for this. We therefore extend our brand world and open up target groups that were not necessarily sports car enthusiasts before.

#### Digitalisation (3): Customer relationships

That brings us to the third important area for digitalisation: the relationships with our customers. We also want to make it possible for our



## Digital transformation

customers to digitally experience our values and brand world. The key element of this will be a new, integrated online sales platform, which combines existing offers with completely new services. The individual Porsche ID already allows customers to enter their personal Porsche world.

All of this, that is to say digital products and services, from the car and mobility through to digital lifestyle, is taken care of by our subsidiary Porsche Digital, which works hand-in-hand with all our other divisions. The employees here work end-to-end: from trend scouting and venturing, the search for suitable partners, through initial prototypes up to launch of a finished product.

#### International locations

Porsche Digital is represented internationally – with locations and tech labs in innovation regions and in the most important hotspots of the start-up scene, and with its finger on the pulse of our customers in our strongest markets. In Berlin, Silicon Valley and Tel Aviv. And – something I personally believe to be extremely important – in China. This is because our Chinese customers are around one generation younger than in other markets, are very willing to experiment and have a keen interest in technology. Having a good feeling for what they expect is becoming increasingly important in our business. China provides massive support for innovations and is now even in front of Silicon Valley when it comes to future technologies. We must not underestimate this. We therefore work with partners in China to develop customised offerings for our customers there. And we must do this at tremendous speed.

#### New digital business models

In the digital environment, we do not just work very internationally, but also in cross-disciplinary and cross-departmental teams using agile methods. In this way, completely new products are created in just a few weeks. The rapid development cycles are critical in the digital field – as is customer feedback, which we obtain in order to bring exactly the right products onto the market.

A central objective of our digital strategy is to develop new digital revenue streams for Porsche. In the medium term, we aim to develop our digital business activities so that they account for a double-digit percentage of our overall revenue. In order to build



**China provides massive support for innovations. We must not underestimate this. We therefore work with partners in China to develop customised offerings for our customers there.**

up this business systematically, we must invest. In total, we are today planning a digital budget of 800 million euros. In future, this must be in adequate relation to our budget for research and development.

We are well aware that we will not succeed in achieving the digital transformation quickly and successfully enough on our own with our current internal resources. There are some requirements both in the company and on the customer side for which we currently have insufficient capacity ourselves in the company, and in some cases also do not have the specialist expertise in-house. If we think about software developers and AI experts, there are not enough specialists on the market to meet demand.

#### Participations

That is why we are building a strong eco-system with competent partners. We bring external expert know-how into our company in a targeted way by means of participations and cooperations. We also systematically scout the global start-up scene. This allows us to identify technologies and innovative business models early on and to make these available to us by means of investments.

In order to safeguard our access to trends, new technologies and business ideas, we have increased our budget for venture capital activities again by 150 million euros and also significantly expanded our portfolio of participations in recent months.

- In April 2018, we acquired a minority share in Anagog. The Israeli start-up specialises in the development of artificial intelligence in the mobility context.
- In July, Porsche invested in the US start-up Miles. Founded in 2016 and based in Silicon Valley, California, the company launched the first smartphone-based rewards scheme for all forms of mobility.
- In September, Porsche became a key investor in WayRay. The start-up from Zurich develops and produces holographic head-up display technologies. Augmented reality allows virtual objects to be integrated seamlessly into the driving experience.
- Porsche holds a minority share in the Berlin-based start-up Gapless. Using blockchain

technology, Gapless allows classic car enthusiasts to manage vehicles digitally and to share the vehicle data with other users in a for-gery-proof way.

- At the start of this year, Porsche made a strategic investment in the start-up Urgent.ly from the USA – a world-leading platform for mobility and roadside assistance. On the basis of artificial intelligence and geolocalisation, the company provides an innovative solution for real-time networking of the driver, manufacturer and breakdown service.
- And that is not all. In addition to investments in various venture capital funds such as Magma and Grove from Israel as well as e.ventures in Germany and the USA, negotiations are already taking place for the next participations.



**Partnerships and other innovation formats**

We are also strengthening our innovative power with partnerships and various innovation formats. For example with APX – our joint venture between Porsche Digital and Axel Springer Digital Ventures. This is an accelerator, which supports start-ups in the early stage when the companies are founded and accelerates their development. APX invests across sectors and industries in digital business models.

A good example of how innovation formats work is Startup Autobahn here in Stuttgart, bringing together industrial partners and young companies. Porsche has already realised around 40 innovation projects in collaboration with start-ups via this platform since the start of 2017. Around one third of these find their way into series development of our vehicles.

**Mobility offers**

Mobility is changing at a tremendous pace. Individual ownership is becoming less important, while temporary and flexible vehicle use is increasingly popular.

Only two weeks ago, a study by Oliver Wyman was published which shows that there is an initial interest in car subscriptions – accompanied by a noticeable willingness to pay in the high-price segment. More than 30 percent of Germans are prepared to pay more than 1,000 euros a month for a car subscription. We are also looking very closely at these topics. We are focusing on holistic premium mobility solutions and services that allow us to offer our customers real added value.

With the Porsche Passport subscription model offered in the USA, it will soon be possible at five locations to choose from 22 models from our product range and to change vehicles at any time for a fixed monthly fee. The first year of Porsche Passport showed that we can reach completely new target groups with this offer: it is not just the fact that Porsche Passport members are on average six years younger than our existing customers. 80 percent of them have never owned a Porsche before.

Together with the Californian start-up Turo, we have also developed an exclusive peer-to-peer sharing programme for private vehicles of Porsche

customers. The service has been offered under the name Porsche Host in San Francisco and Los Angeles since September.

At the start of this month we launched Porsche inFlow, a very flexible and convenient leasing offering for our German customers with young pre-owned vehicles that have been inspected by Porsche. Except for fuel, all costs are covered by the monthly fee. The contract is concluded digitally in just a few minutes via an app from our partner Cluno. Customers have already shown keen interest in this model in the first few days.



**Mobility is changing at a tremendous pace. Individual ownership is becoming less important, while temporary and flexible vehicle use is increasingly popular.**



**Artificial intelligence**

Artificial intelligence is not just relevant for digital offerings like those just mentioned. AI is also a key topic for us at Porsche and is correspondingly anchored in our strategy. That is because it increases productivity throughout the entire value chain.

Something which is important to us at Porsche: we do not want to and will not displace work by humans. We will use artificial intelligence preferably in order to relieve employees from routine tasks – so that they have more time to find creative solutions or to make the right decisions when faced by complex challenges. We are always committed to our ethical responsibility in the development and application of AI.

In the area of crash simulation, we already use AI today to automatically save and update design data in databases. We also successfully use AI solutions in motor sports. An example of this is the lap record of the 919 Hybrid Evo on the Nürburgring. We were able to significantly enhance the vehicle aerodynamics using artificial intelligence.

We are investing a lot of effort to greatly expand our competencies in this strategically important field and we plan to recruit 100 AI experts by the end of 2020. Porsche already actively participates

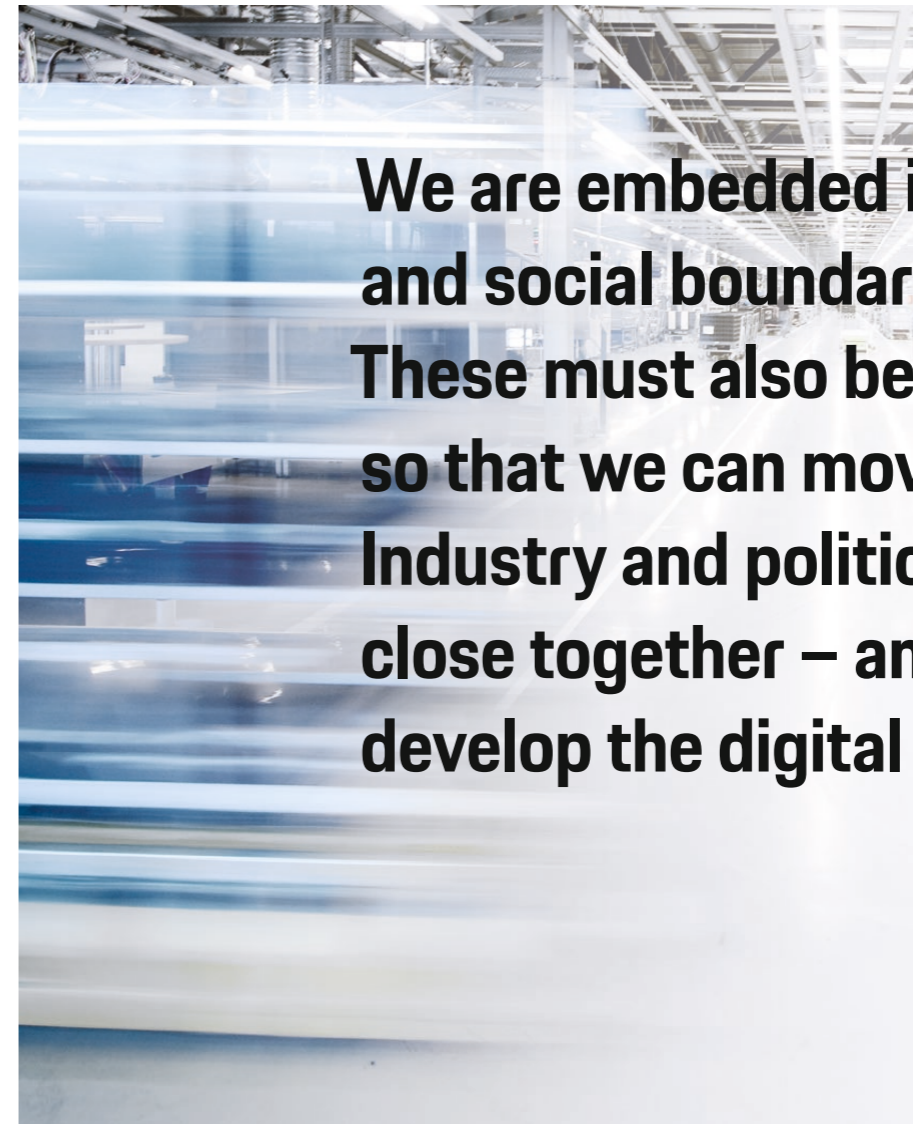


**We are investing a lot of effort to greatly expand our competencies in this strategically important field and we plan to recruit 100 AI experts by the end of 2020.**

in AI expert groups together with representatives from politics, industry and research. For example, we are a member of the AI Council of Experts and Cyber Valley, the largest European research network in the area of artificial intelligence.

**Boundary conditions**

As you can see, there are many aspects to this digital transformation. Their implementation is hard work. In order for this to be successful, we need financial strength, innovative power and a



**We are embedded in economic and social boundary conditions. These must also be favourable so that we can move forward. Industry and politics must work close together – and quickly develop the digital infrastructure.**

completely new way of thinking and acting. However, companies such as Porsche do not operate in a vacuum. We are embedded in economic and social boundary conditions. These must also be favourable so that we can move forward.

The digital transformation is an enormous task that we as automotive industry in the state of Baden-Württemberg are driving forward together with the state government in a strategic dialogue. It can be realised successfully only if all those involved are pulling in the same direction. We must approach this topic across industries, nationally and Europe-wide. Industry and politics must work close together – and quickly develop the digital infrastructure. We need a powerful digital infrastructure. Autonomous driving or full networking are inconceivable without area-wide fiber optic or 5G networks.

We must ensure that Germany does not fall behind in this area. The global competition will not wait for stragglers. I can therefore only appeal to all those responsible to drive forward the topic digitalisation on all levels with maximum energy. We as representatives of industry will make our contribution.

**General outlook**

Porsche stands today on a strong foundation. We are in an excellent strategic position for the coming months and years. We are structurally lean and flexible, and are open to new ideas. And while we act, we are learning continuously – new things every day. On the basis of the Porsche Strategy 2025, we will continue to extend our readiness for the future – very systematically, looking well ahead and taking the necessary measures.



# Success and responsibility – neither is possible without the other

Oliver Blume on the holistic view of sustainability at Porsche



Those lucky enough to build a business out of a dream owe it to the world to be the caretakers of dreams.

Ferry Porsche



Economic responsibility



This is how our company founder Ferry Porsche once expressed it. But what does it mean to be a “caretaker of dreams?” Building timeless sports cars, creating values that last, securing jobs. There is no doubt that these things were important to Ferry Porsche. However, he wasn’t only thinking about his trainees, customers and employees. He was also always concerned with what happens beyond the company limits: what do we owe the world and the generations that will follow us?

At Porsche, we continue to be shaped by Ferry Porsche’s understanding of corporate responsibility to this very day. We take responsibility internally, for our employees and colleagues. But we also take responsibility externally: for people, society and the environment. We take a holistic view. We continue to see this as our duty even today, and we believe that success and responsibility are closely linked. We can only be truly successful when economic, social and environmental aspects are all in

harmony. Healthy companies need a healthy society – and vice versa.

## Economic responsibility

Earning money and growing profitably is a central requirement for a company to be able to take responsibility in ways that are effective. Excellent profitability creates value for our owners and customers, but also for our employees and society. It strengthens the soil on which we build the future of our company.

Ferry Porsche always knew that his success was largely built on the quality and the commitment of his employees. He was well known for treating his people like family – they received excellent training, were well paid and were part of the company’s success.

The Porsche workforce has more than doubled since 2012 to 32,325 employees (as at 31

December 2018), and our new e-vehicle production facility will add approximately 1,500 more jobs. Nevertheless, we continue to hold to the maxims of Ferry Porsche.

Regardless of their role, every Porsche employee received a special anniversary bonus of EUR 9,656 last year – that is the highest bonus in the automotive industry. Porsche also provides training, and as at 31 December 2018, a total of 903 young men and women were in the process of training with us. Additionally, we offer a funding year for young refugees, as well as training initiatives in developing countries.

Our distinctively Porsche corporate culture is very important to us: with our recent years of strong growth as a backdrop, we have developed a mission statement that sets out what cooperation is all about at Porsche. It is what makes us special: lifeblood, sportiness, a pioneering spirit and a sense of family.

That fact that Porsche is not a run-of-the-mill employer is also reflected in our extremely low turnover rate of 0.7 percent. We received over 160,000

applications in 2018 alone. We were ranked 1st among engineers and economists in the Univer-sum employer attractiveness study.

## Corporate responsibility

We feel that we have a duty to people – not just the people who work or want to work at Porsche, but also a responsibility for society as a whole. That’s why we sponsor the Stuttgart Ballet, the Leipzig Gewandhaus Orchestra and young footballers, to name but a few of our interests. We see this commitment as a way of truly adding value to society, and we do not look at art simply as an investment opportunity for our company.

We also support many charitable projects, with a particular focus on initiatives that are local to our company sites. Last year, we spent 7 million euros supporting around 125 initiatives all over the globe. Through our work with the Ludwigs-burg Youth Traffic School, for example, we help to make children and young people more aware of the dangers of road traffic. We also help to promote reading skills in children through the “Leseohren” (“reading ears”) reading project, and support talented youth in the areas of culture and sports – for

Corporate responsibility



example at the Stuttgart School of Music or at an international level through the Porsche Dream-up programme in Korea.

In September 2018, around 3,500 employees put on their running shoes for a good cause, as the six-hour run in Zuffenhausen took place for the fourth time. Their efforts raised 195,000 euros for social institutions.

We also set up the Ferry Porsche Foundation to mark the “70 years of Porsche sports cars” anniversary. The Foundation will fund the first professorship in Germany to focus on corporate history, among other things. That’s because at Porsche, we already believe in our duty to look after our own history, and by sponsoring this professorship we hope to enable other companies to do the same.

With “Ferry Porsche bildet”, the foundation has recently launched an educational initiative for the benefit of children and young people in the Stuttgart and Leipzig areas who are socially or physically disadvantaged. And in April, the first Ferry Porsche Challenge will kick off, with applications being accepted from associations and initiatives in the Stuttgart and Leipzig areas until the end of June. We have a total of one million euros in sponsorship to distribute to new, creative projects in the Foundation’s five

sponsorship areas: education and science; culture; sport; society; and the environment.

**Environmental responsibility**

It goes without saying that our understanding of environmental responsibility goes far beyond supporting external projects. Although our share of the global automotive market is just 0.3 percent, as a sports car manufacturer we are acutely aware of our responsibility to protect the environment and climate. Like pieces of a puzzle that fit together, the many large and small initiatives at Porsche form an overall concept of how we can gradually improve our environmental sustainability in all divisions of the company.

We are putting effort into reducing the environmental impact of our actions across the entire value chain, and for the complete lifecycle of our products from procurement to recycling – though the latter concept is rarely needed. 70 percent of all Porsche vehicles ever built are still roadworthy – which also says something about our sustainability.

In view of the increasing traffic in metropolitan areas, we are striving to reduce emissions in the field of logistics. We are already using the first natural gas, electric and hybrid trucks as part of a “Green Logistics” strategy, and the transportation

of vehicles produced in our German sites by rail has been 100-percent powered with energy from renewable resources since January 2018.

Compared to the production year of 2014, we have reduced the energy consumption per vehicle produced by approximately 30 percent, and lowered the CO<sub>2</sub> emissions by around 75 percent. Although we are currently producing almost twice as many vehicles as in 2014, we have reduced CO<sub>2</sub> emissions in production by approximately 55 percent in total. We also power production with trackable green energy; this means that we have proof of origin for the physical source of the power. These measures enable us to achieve our goal of meeting the highest environmental standards.

We are pursuing the vision of a zero-impact factory. That means minimizing any environmental emissions caused by production. As a matter of course, this also holds for our waste that we preferably try to avoid entirely. Where this is not possible we at least want to reuse this waste by bringing it back to our production chain.

Incidentally, this will also apply to the battery of the Taycan and our plug-in-hybrids: We are currently working together with waste disposal companies and research institutions on developing



appropriate recycling processes to ensure that most of the components of the battery can be reused.

Production of the Taycan at this site will be CO<sub>2</sub>-neutral. Our guiding principles are: first that we avoid emissions, for example by building e-vehicles and using renewable sources of energy. Second that we reduce emissions – through environmentally friendly drive systems, energy-efficient buildings and general resource efficiency. And third, we compensate for those emissions that we cannot avoid.

**Responsibility for areas beyond our control**

However, what we do also has environmental effects in areas that we do not directly control – among suppliers, in the area of logistics and in the use of our products by customers. We take responsibility for these aspects too, for example in the form of our supplier checks: Porsche has stringent requirements for its approximately 4,200 suppliers, in terms of environmental, social and compliance standards. In future, each of these suppliers will be subject to a sustainability rating. No other automotive manufacturer currently demonstrates such rigor in demanding and checking that sustainability principles are observed.



**We are acutely aware of our responsibility to protect the environment and climate.**



Advancing digitalisation is also helping us to achieve increased transparency in the supply chain: In future, blockchain technology will enable us to trace the materials used to produce our vehicles back to their sources and to ascertain their sustainability – we are already enjoying a very positive experience in this respect, with our pilot project focusing on the leather we use. But the eventual goal is to use blockchain technology to protect human rights and ensure decent working conditions.

Finally, with “Porsche Impact”, we also offer our customers an opportunity to reduce their CO<sub>2</sub> footprint. “Porsche Impact” measures the emissions of a vehicle based on its mileage, model and vehicle characteristics. The customer can choose to offset these emissions by supporting suitable climate protection products – in fact, Porsche itself uses this mechanism for its internal vehicle fleet. However, we must not forget that offsetting alone is not enough to achieve our climate goals. Compensating for emissions can only be the last resort.

#### **Porsche has committed to climate goals**

In order to prevent the climate from heating up by more than two degrees, which would have disastrous consequences for much of the world, the

Paris Agreement stipulates that traffic should be largely free of greenhouse gas emissions by 2050. The intermediate goal for 2030 is to reduce traffic greenhouse gas emissions from 95 to 98 million tonnes of CO<sub>2</sub> equivalents.

The automotive industry has a duty to reduce CO<sub>2</sub> emissions. There are many ways to do this, from the digital networking of vehicles to prevent accidents, traffic jams and traffic caused by drivers looking for parking spaces, to the use of low-CO<sub>2</sub> or CO<sub>2</sub>-neutral fuels, or even new mobility concepts such as those we are currently testing at Porsche.

But if we wish to make real improvements, there is no way around optimising conventional technologies and especially ramping up alternative drive systems. After all, driving emissions make up the largest share of CO<sub>2</sub> emissions over the lifecycle of a vehicle.

Nonetheless, e-vehicles are only superior to combustion engines if the electricity they use comes from renewable sources. The proportion of our power that is derived from burning coal is still much too high. Those in the political and energy sectors must work harder to develop renewable energy sources.



**In Europe the take rate for the Panamera plug-in-hybrid is already 60 percent.**

We can only speak about true climate neutrality if it applies across the entire lifecycle – from the upstream supply chain and zero-impact factories to the complete recyclability of a vehicle. At Porsche, we feel we are on the right path.

#### **Successful hybridisation strategy**

We have already begun the hybridisation of our fleet at a very early stage: We are the first premium sports car manufacturer to offer plug-in hybrids in three different series. Indeed, in the case of the Panamera, the hybrid is the top model in the series – and it has been hugely successful, with a European take-rate of 60 percent already.

E-mobility is a perfect fit for Porsche – highly efficient with outstanding performance values. Chalking up three Le Mans overall wins in a row, our 919 Hybrid has also demonstrated this in impressive style. As a result, we doubled the total planned future investment in this area during the last financial year, amounting to three billion euros in real investment and slightly more than three billion euros for development costs.

In 2018, we also acquired shares in “Rimac Automobili” among others. This Croatian company develops and produces electromobility components and also produces electric sports supercars in-house. It focuses on high-voltage battery technology, electric drive systems and the development of

digital interfaces between humans and machines. Our objective here is to establish a development partnership with the company – the fact is, as a sports car manufacturer we see no alternative to e-mobility in the foreseeable future. A well-to-wheel analysis focusing on the primary energy requirements per kilometre driven, from the extraction of the fuel to the movement of the vehicle, found that the electric drive system is far superior to all other drive systems that are locally CO<sub>2</sub>-free: It is about three times more efficient than hydrogen and six times more efficient than synthetic fuels. This advantage will be even more pronounced in future, as battery technology is further enhanced.

We believe that the most promising approach to electromobility for the generation after next will be in solid-state batteries – for higher energy density, better safety, better fast-charging capability and smaller spatial requirements. Currently this technology is not mature enough to suit our needs, but we will develop it further – using expertise that far exceeds the abilities of the Asian cell manufacturers. The Volkswagen Group has established a joint venture with QuantumScape, a manufacturer of solid-state batteries. The shared goal of the companies is large-scale production, initially in the USA, and then in Europe from the middle of the next decade.



### Charging infrastructure

In order for electromobility to become suitable for everyday use, the issue of charging is of central importance. There are three important pillars in this regard.

First: a comprehensive charging grid along major transportation routes. We are driving our IONITY joint venture forward to achieve this, along with our partners Audi, VW, Daimler, Ford and BMW. A total of 400 charging points will be in place by the start of 2020. In other words, we are building the most powerful fast-charging network in Europe.

Second: charging at home. We want to offer our customers fast, practical solutions in this area. For example, as well as the simple charging pillars we are working on, we are looking at a base plate via which the vehicle could be inductively charged.

Third: charging in cities. Essentially, the fast-charging system needs to be connected to the medium-voltage grid to make use of the one-megawatt output. The infrastructure for this is typically in place in cities.

### Electrification strategy

The Taycan, our first fully electric sports car, will be launched in autumn. It will be the sportiest, most technologically advanced vehicle in its segment. And although it is not yet possible to order it, demand is already huge. Worldwide more than 20,000 people have expressed a serious interest in purchasing the vehicle, by paying 2,500 euros each to put their names on a reservation list – which is not certain to give them the right of first refusal.

Also, as you are probably aware, there are rumours of us doubling our production capacities for the Taycan to 40,000 cars per year. We are not going to release figures yet, but in light of the extremely strong global interest in this model, we are in fact increasing our production capacities – especially as its first derivative, the Taycan Cross Turismo, is set to follow at the end of 2020.

Furthermore, as we announced almost three weeks ago, the next generation of the Macan will be a BEV – that is, it will have a drive system that is 100-percent electric. The groundbreaking

ceremony for the new body construction plant in Leipzig took place three days ago, and over the next few years, Porsche will invest more than 600 million euros in modernising and expanding this site. The fifth extension will also make it possible to manufacture fully electric vehicles on the existing production line at the site. The fully electric Macan will be based on the Premium Platform Electric architecture we have developed jointly with Audi. Like the Taycan, the Macan will feature our innovative 800-volt technology.

In 2025, we expect that at least every second new Porsche will contain an electric drive system, either as a hybrid or a BEV. That said, the various markets are developing at different paces when it comes to e-mobility, and in order to do justice to the different wishes of our customers all over the world, we are offering a product range with four dimensions: The “Basic” dimension consists of logical derivatives such as the Panamera Sport Turismo. The “Image” dimension includes highly sporty vehicles that show traces of the



## Strategy 2025

motorsport gene. The “Lifestyle” group features advanced cars, combined with elements from earlier generations. The “Future” dimension stands for plug-in hybrids and fully electric vehicles. So as you can see, we use a mix of highly efficient combustion engines, hybrid drives and fully electric drive systems.

By the way, we are also heavily engaging with the development of synthetic fuels in order to further reduce CO<sub>2</sub> emissions from fossil fuels. This is because synthetic fuels produced using renewable energy – referred to as power-to-liquid fuels – result in no fossil CO<sub>2</sub> emissions. We have already identified significant potential for making the operation of combustion engine vehicles in our existing fleet even more environmentally friendly.

### Porsche strategy

In this respect, our Strategy 2025 sets a course, with the vision of making Porsche the most successful brand for mobility that is exclusive and sporty. It shows us the way. And yes, it is flexible enough to



**In light of the extremely strong global interest, we are increasing our production capacities for the Taycan.**

enable us to take unforeseen developments into account, and make use of new opportunities.

In all areas of the company, we are facing up to the challenges of the transformation by way of six cross-sectoral strategies: using the Porsche brand and product strategies, our digital strategy, innovative spirit, sustainability, flexibility and scalability. Our strategy roadmap has proven its worth in its implementation: In order to firmly anchor Strategy 2025 within the company, we have broken down the responsibilities into individual regions, subsidiaries and people within Porsche. Clearly defined responsibilities and interim goals help us on an everyday basis. And as Lutz Meschke has already mentioned, we added a results programme in 2018. With its eight action areas, this programme complements our Strategy 2025 across all divisions.

We need to do this because consistent countermeasures are required to avoid our results being impacted by the massive investments we have made; the higher material costs for e-vehicles, which we cannot and don't want to pass directly onto our customers; and increased fixed costs for staff. As such, our Profitability Program will be a top priority in the years ahead, supporting us to achieve our strategic target of securing a return on sales of 15 percent.

## Challenges for the future





**Challenges for 2019**

Another major challenge for 2019 we see in the ongoing trade dispute with the USA: if tariffs really do increase, this will have a considerable impact on Porsche. At the very least we would need to pass on any higher tariffs to our customers in the form of price increases. That would not be very conducive to our sales. In 2018, 22 percent of our new vehicles were shipped to the USA.

The UK is and will remain an important market for Porsche, too, regardless of how Brexit turns out. So we continue to closely monitor developments and prepare for all possible scenarios. The entire industry needs clarity on the form that the future relationship between the UK and the EU will take, in order that just-in-time production and our European supply chains do not suffer. There is no way around free trade. In order to counter further isolationist trends, we need a visionary idea of Europe that will inspire people once again.

Besides emerging protectionist trends, we see risks in turbulence on the financial markets and structural deficits in individual countries. Potential

growth is also suffering as a result of continuing geopolitical tension and conflicts.

**Outlook 2019**

With this in mind, we are assuming that the growth of the global economy will slow down in 2019: We expect to see weaker performance than in 2018, both in advanced economies and emerging markets. We expect the highest growth rates to occur in the emerging Asian economies.

Economic growth will probably weaken in Western Europe. In Germany, we expect a slight increase in GDP from 2018 figures. For the USA, we expect the economic situation to remain stable in 2019. However, we expect growth to be slower compared to the year under review. We are anticipating further growth at a relatively high level for the Chinese economy, though in view of the trade disputes with the USA, we expect that the momentum will be less dynamic than in previous years.

**Digital strategy on the right track**

2019 is the "Year of Artificial Intelligence" – not just in Germany, but also at Porsche. AI is a core

element of our strategic IT alignment. We are empowering our employees to develop and use these technologies responsibly.

Since 2015, we have been working intensively on the various areas of digitalisation across the board. They have undergone extensive development, and we are now seeing our first successes. But we must also remember that our customers always have high expectations of digital products and services, and of the way that they want to interact with us as a company. That's why in 2019, we will implement digital solutions that are tailored perfectly to the requirements of our customers.

Their usage habits are changing with increasing urbanization, which in turn is posing completely new challenges in terms of individual mobility. In order to take this development into account and be able to offer attractive products in the sporty and exclusive sector as well, we are developing distinctively Porsche solutions. This will not only enable us to develop completely new, futureproof business models, but will also help us to attract new customers who have never previously owned a Porsche.

**Porsche is fit for transformation**

Electromobility, connectivity, artificial intelligence, new mobility models – the challenges of

transformation are multifaceted. But Porsche is ready. The latest proof is in the 2018 financial results we presented today. We are highly profitable, and our Profitability Program guarantees returns into the future.

2019 is the year of the Taycan and thus the beginning of a new era for Porsche. Yet our powertrain strategy allows us to remain flexible - with ever-more optimised combustion engines, performance-oriented plug-in hybrids, and purely electric drives. More than ever, we are relying on the power of our products: modern drive concepts, sporty driving dynamics, and digital innovations.

Our goals are clear: We want secure jobs, excited customers, and solid returns. Because profitability and sustainability are not a contradiction. Quite the opposite: At Porsche, economic, environmental, and social interests must be in harmony. Success and responsibility – neither is possible without the other.

However, whether you find us on the racetrack, in the sports car segment or in currently unimaginable new business areas, we will always remain true to the maxims of our founder Ferry Porsche:

**When Porsche enters a race, we're in it to win.**

Economic outlook



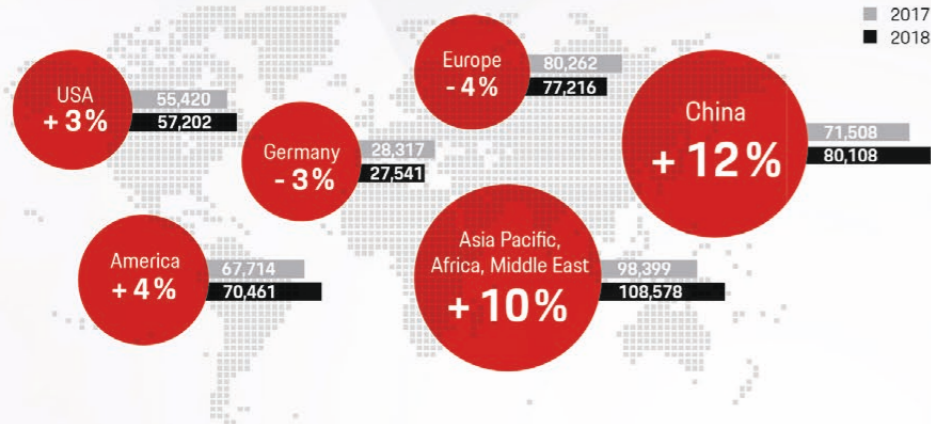
**2019 marks the beginning of a new era – also for motorsport at Porsche with the entry into Formula E.**



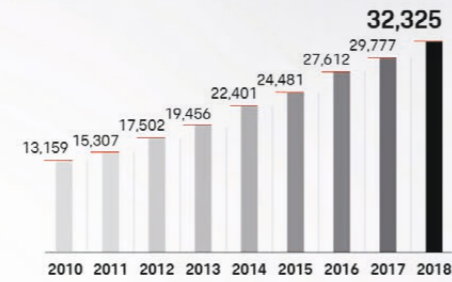
# 2018: A strong year for Porsche



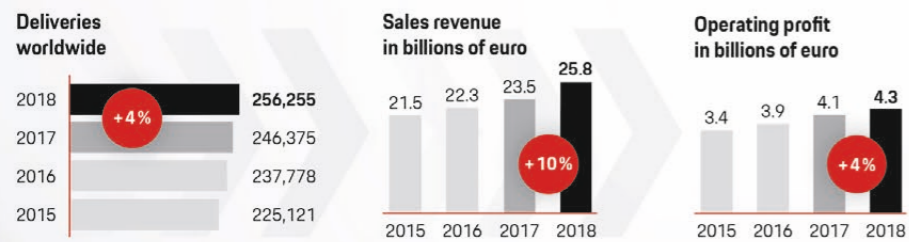
## › Deliveries worldwide



## › Workforce



## › Key figures



„Since 2012, our workforce has more than doubled. And electro-mobility is another job engine: we are creating 1,500 new jobs for the Taycan alone.“

Oliver Blume, CEO of Porsche since 2015



## › Sales success hybrid technology

**>60%** of all delivered Panamera models in Europe are e-hybrids.



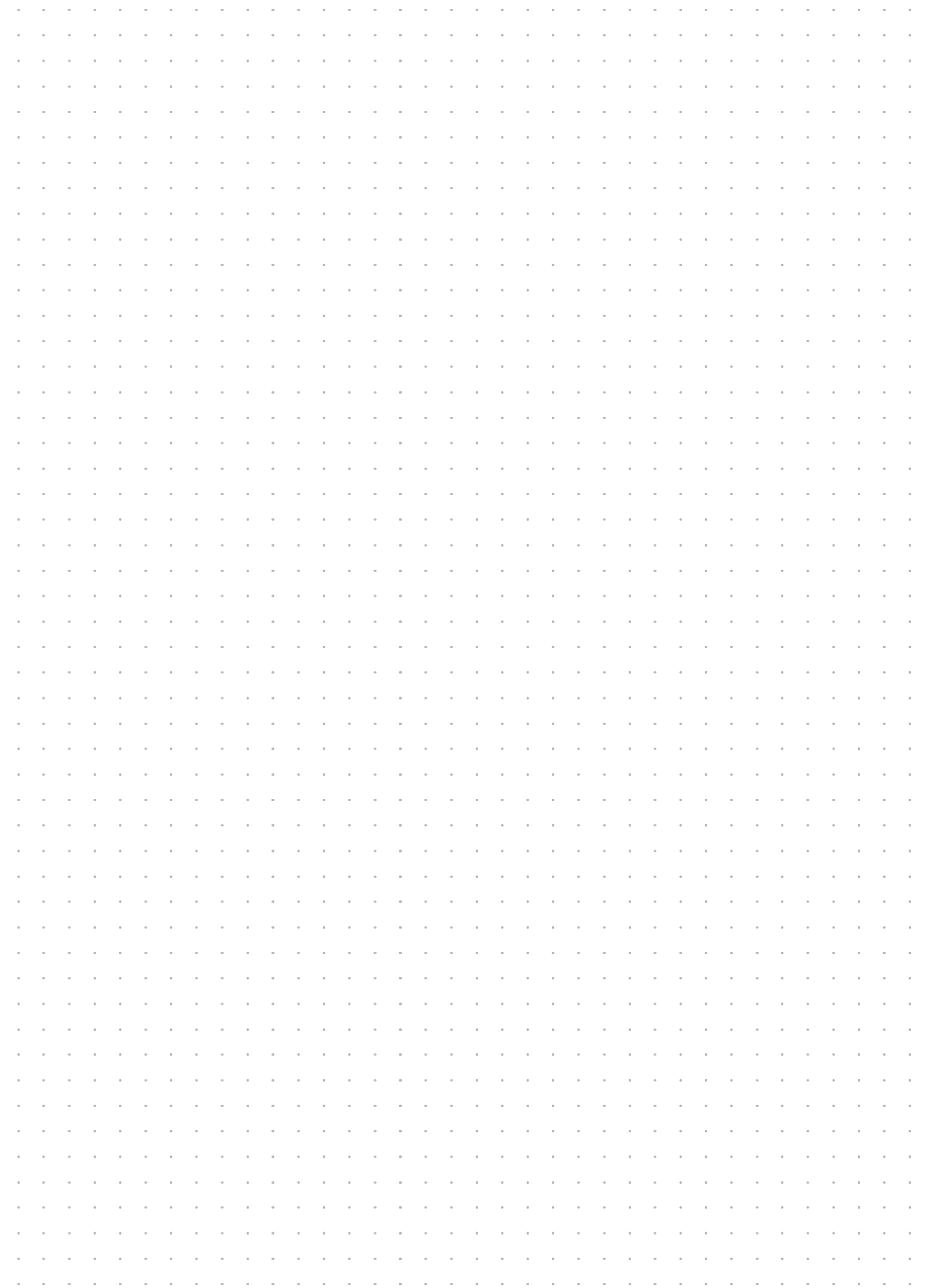
## › Massive investment in electromobility

**6** billion euros will be invested by 2022 in the development and infrastructure of the Porsche e-fleet.

## › Strong final phase for the 911

**» 10%** more 911 were delivered in comparison to the previous year.





# ANNUAL PRESS CONFERENCE

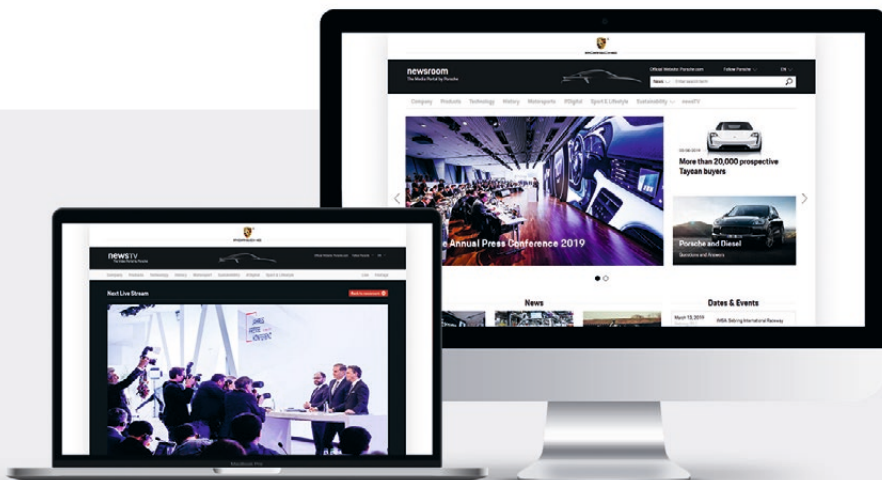
15<sup>th</sup> March 2019

## Newsroom

On "newsroom.porsche.com" you can find texts, pictures and graphs.

## NewsTV

A recording of the annual press conference is available on "newstv.porsche.com".



## Annual and Sustainability report

On "newsroom.porsche.com/reports" you can find a microsite and the report as a PDF-file.

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