

# PORSCHE

Corporate strategy class

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March, 4th 2025

# Outline



## MACRO PART

- 1.1. 7 questions and statements about the company
- 1.2. Porter's Force
- 1.3. Scope (Market Situation vs competitors)
- 1.4. Relative Position (Cost/Tech)
- 1.5. SWOT
- 1.6. Opportunities/Risks
- 1.7. Expectations (Income Statement)

## **MICRO PART**

1.1. Agile Method

1.2. Schedule

1.3. Release Plan (expected ROI)

1.4. Risks & Opportunities

# 7 questions and statements about the company



PORSCHE

## WHAT?

Porsche is a German luxury automobile manufacturer specializing in sports cars, SUVs, and electric vehicles. Established in 1931, it is a subsidiary of Volkswagen Group.



## WHY?

Strong brand heritage and racing legacy, high-quality engineering and innovation, loyal customer base willing to pay a premium for exclusivity and performance.



**Oliver Blume, CEO of Porsche and Volkswagen Group**

*Porsche employs around 40,000 people and generated a revenue of €39.5 billion in 2022.*

# Key milestones in Porsche's evolution



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**1948:** Launch of Porsche 356 (first official model).



**1964:** Introduction of the Porsche 911 (iconic sports car).



**2002:** Entry into the SUV market with the Porsche Cayenne.



**2019:** Porsche Taycan marks the shift towards electric mobility.



# Where is Porsche operating?



Headquarters: Stuttgart, Germany.



Main markets:



Manufacturing sites: Zuffenhausen, Leipzig, with some models built in collaboration with Volkswagen in Slovakia.



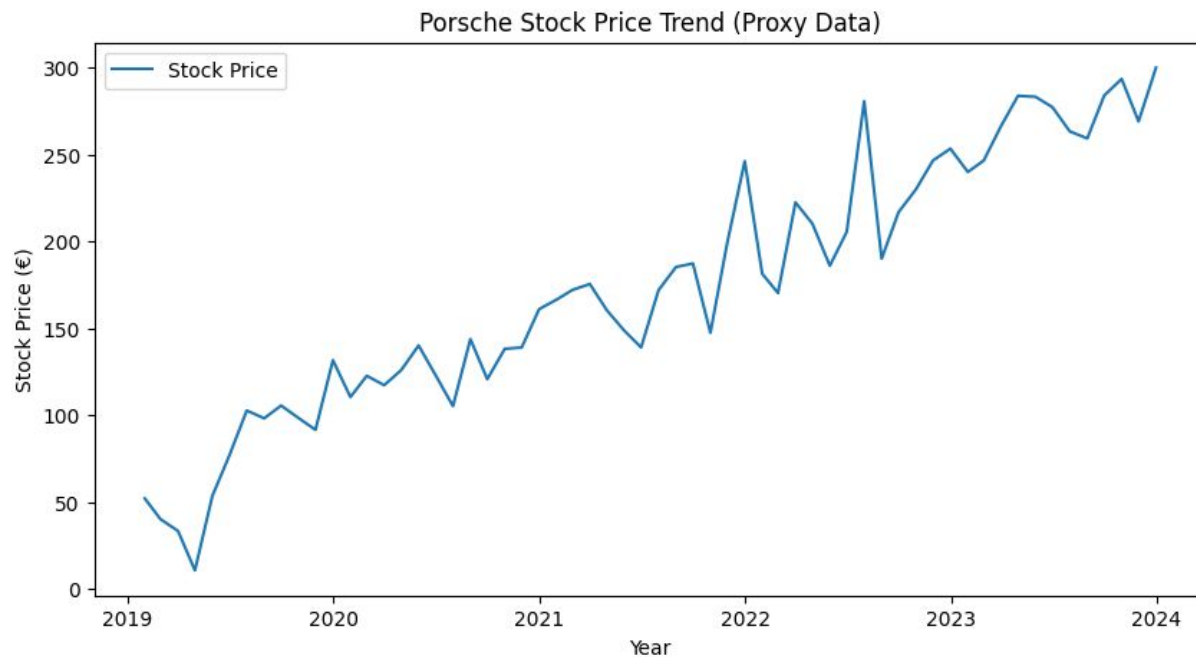
# How is Porsche innovating & differentiating?



- Electrification by expanding EV lineup (Taycan, upcoming Macan EV).
- Porsche Exclusive Manufaktur program for customization.
- AI integration, semi-autonomous driving, advanced connectivity...
- Balance between performance, luxury and sustainability.



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# Porter's Force



## Supplier Power

Porsche relies on specialized suppliers, but its strong brand gives it negotiation leverage.

## Buyer Power

Customers are demanding and brand-conscious → strong loyalty.

## Industry Rivalry

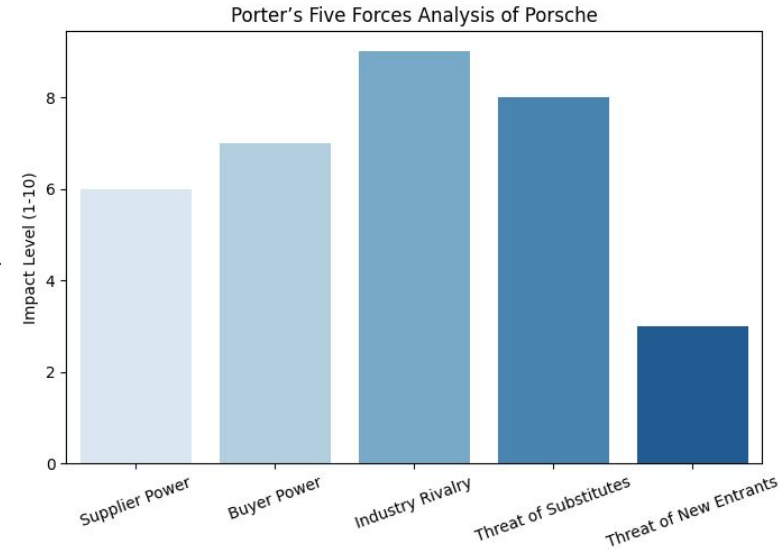
Intense competition with luxury and sports car brands like Ferrari, BMW, Mercedes-AMG, Lamborghini...

## Threat of Substitutes

Other luxury cars, electric mobility, and premium transport offer viable alternatives.

## Threat of New Entrants

High entry barriers due to costs, technology requirements, and strong established brands.



# Market scope



## Market positioning

Porsche targets the **high-end luxury and sports car segment**, including **hybrids and electric vehicles**. Its **competitive edge** lies in its **unique balance of performance, comfort, and daily usability**. Key **competitors** include **Ferrari, Lamborghini, Tesla (in EVs), BMW M, Mercedes-AMG, and Aston Martin**.

## Competitive landscape

In the **luxury sports car segment**, **Ferrari and Lamborghini** focus on **exclusivity and high performance**. The **luxury EV market** is growing, with **Tesla, Lucid, and Rimac** emerging as strong competitors. In **SUVs and crossovers**, Porsche competes with **Bentley, Range Rover, and Mercedes**.

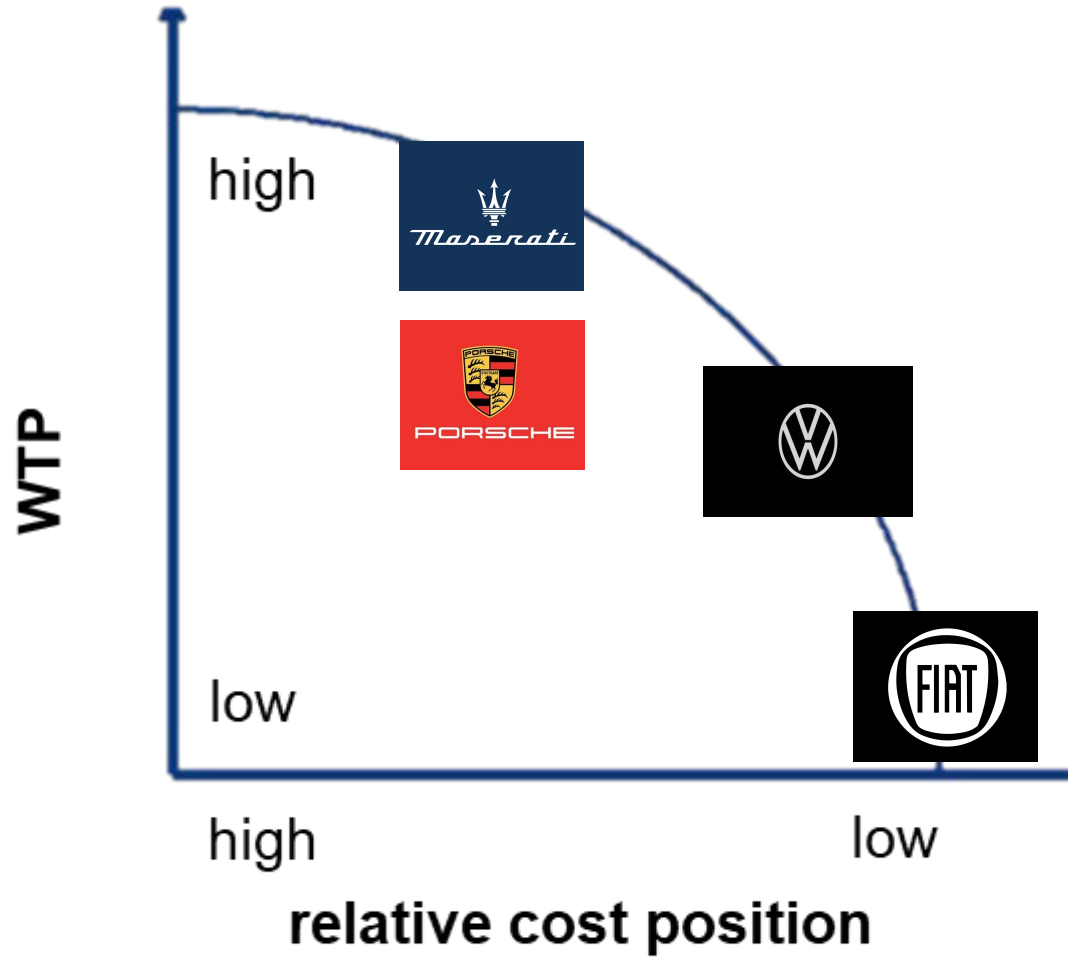
## Porsche's unique selling proposition

Porsche successfully combines **daily usability with high-performance driving**. It maintains a balance between **sportiness and comfort** → **customer satisfaction across different vehicle categories**. The **911** remains an industry icon, while the **Taycan** symbolizes Porsche's strategic shift towards **electrification**.

## Market trends & consumer demand

The market is witnessing a **growing demand for luxury electric vehicles**. Consumers show an **increased interest in sustainable and high-performance mobility**. Porsche is expanding its presence in **Asia and the Middle East**, where **rising wealth is driving luxury car demand**.





# SWOT



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Iconic brand and strong luxury image

Excellence in Engineering and Innovation

Diversification with SUVs (Cayenne, Macan) and electric (Taycan)

Synergy with Volkswagen for technology and batteries

Dependence on ecological standards (EU regulations)

High prices that can limit accessibility

Production and supply challenges (semiconductors, batteries)

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Growth of the premium electric market (Taycan, future EV models)

Expansion into Asia and the United States

Collaboration with other technology companies (e.g. Apple, Rimac)

Increased competition from Tesla, Lucid, and Chinese brands

Commodity crisis and economic fluctuations

Rapidly changing trends (autonomy, software, AI)

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# Opportunities & Risks



## Opportunities

Development of 100% electric vehicles while retaining the Porsche DNA (e.g. future 911 hybrid).

Optimization of manufacturing processes to reduce costs and speed up production.

New markets (India, Middle East, China).

Increased customization with AI and in-car connectivity.

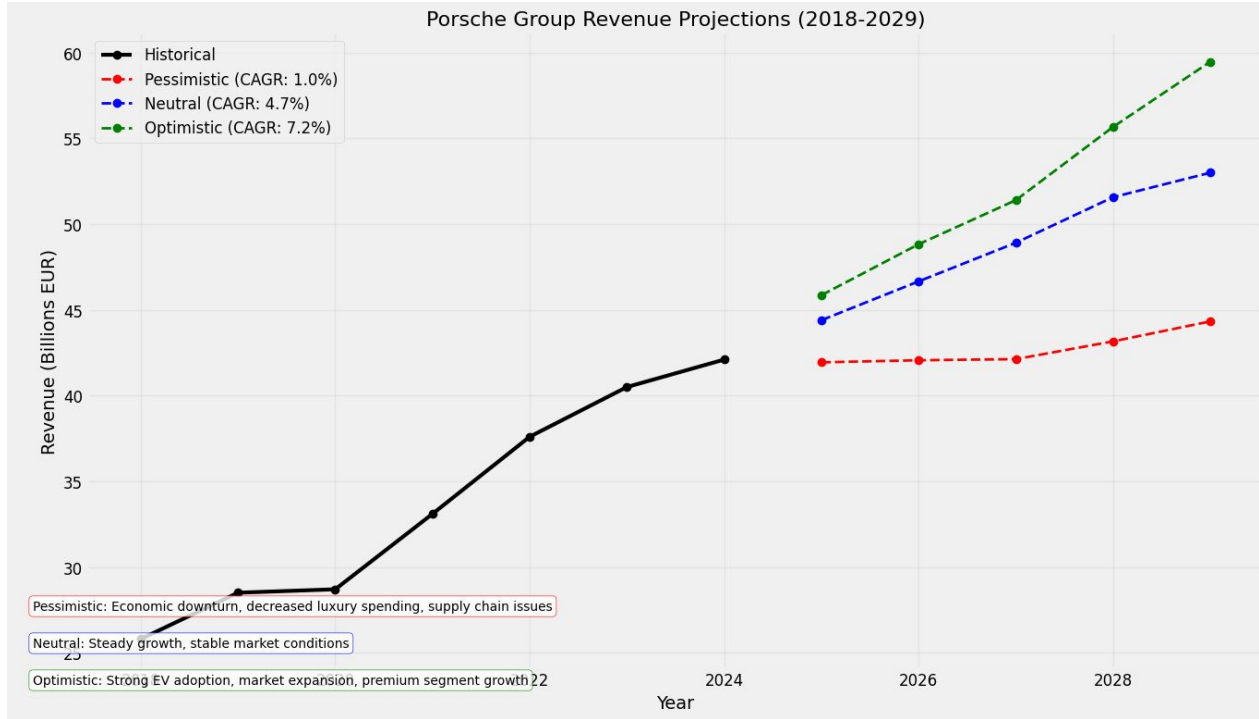
## Risks

Higher production costs related to batteries and rare materials.

Decline in sales of combustion models in the face of regulations.

Global economic events impacting demand in the luxury segment.

# Expectations (projected income statement)



# Forecasts (2024-2030)

| COGS<br>(Optimistic)<br>(€M) | Gross Profit<br>(Optimistic)<br>(€M) | Operating<br>Expenses<br>(Optimistic)<br>(€M) | EBITDA<br>(Optimistic)<br>(€M) | Depreciation<br>(Optimistic)<br>(€M) | EBIT<br>(Optimistic)<br>(€M) | EBT<br>(Optimistic)<br>(€M) | Tax<br>(Optimistic)<br>(€M) | Net Income<br>(Optimistic)<br>(€M) | ROI<br>(Optimistic) |
|------------------------------|--------------------------------------|---|--------------------------------|--------------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------------|---------------------|
| 24000.000000                 | 16000.000000                         | 5000.000000                                   | 11000.000000                   | 2000.000000                          | 9000.000000                  | 8500.000000                 | 2125.000000                 | 6375.000000                        | 0.159375            |
| 25920.000000                 | 17280.000000                         | 5150.000000                                   | 12130.000000                   | 2040.000000                          | 10090.000000                 | 9590.000000                 | 2397.500000                 | 7192.500000                        | 0.166493            |
| 27993.600000                 | 18662.400000                         | 5304.500000                                   | 13357.900000                   | 2080.800000                          | 11277.100000                 | 10777.100000                | 2694.275000                 | 8082.825000                        | 0.173243            |
| 30233.088000                 | 20155.392000                         | 5463.635000                                   | 14691.757000                   | 2122.416000                          | 12569.341000                 | 12069.341000                | 3017.335250                 | 9052.005750                        | 0.179644            |
| 32651.735040                 | 21767.823360                         | 5627.544050                                   | 16140.279310                   | 2164.864320                          | 13975.414990                 | 13475.414990                | 3368.853748                 | 10106.561243                       | 0.185716            |
| 35263.873843                 | 23509.249229                         | 5796.370372                                   | 17712.878857                   | 2208.161606                          | 15504.717251                 | 15004.717251                | 3751.179313                 | 11253.537938                       | 0.191474            |
| 38084.983751                 | 25389.989167                         | 5970.261483                                   | 19419.727684                   | 2252.324839                          | 17167.402846                 | 16667.402846                | 4166.850711                 | 12500.552134                       | 0.196937            |



|                     | 2024 | 2031 -<br>pessimistic | 2031 - neutral | 2031 -<br>optimistic |
|---------------------|------|-----------------------|----------------|----------------------|
| Revenue (\$B)       | 39.5 | 46.5                  | 57.5           | 70                   |
| Gains (\$B)         | 4.04 | 5.5                   | 9              | 13                   |
| Expenses (\$B)      | 34.8 | 41                    | 47.5           | 57.5                 |
| Losses (\$B)        | 1.5  | 3                     | 1.5            | 0.8                  |
| Net Income<br>(\$B) | 4.5  | 4.5                   | 7              | 11                   |
| ROI (%)             | 16   | 13                    | 16             | 20                   |

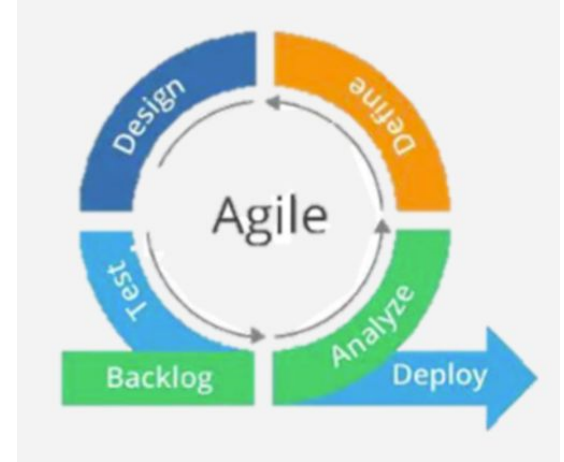
# Opportunity 1: Electrification

Objective: High-end electrification with a sporty driving experience

*Can enhance brand appeal and has the potential to attract eco-conscious customers*

# Opportunity 1: Electrification

- Cost estimation: 3.5 billion €
- Schedule: Prototype development (2 years), testing and refinement over the two following years, full-scale production (6-7 years) → until 2040
- Release plan: Gradual implementation
- Already locally implemented



|   | 2025 (now) | 2027 | 2030 | 2032 | 2035 | 2037 | 2040 |
|---|------------|------|------|------|------|------|------|
| Expansion/<br>enhancement                       |            |      |      |      |      |      |      |
| Transition to<br>a mostly<br>electric<br>lineup |            |      |      |      |      |      |      |
| Elimination<br>of pure<br>combustible<br>models |            |      |      |      |      |      |      |
| Final<br>optimization                           |            |      |      |      |      |      |      |
| General<br>deployment                           |            |      |      |      |      |      |      |

# Opportunity 1: Electrification

1. Change in political priorities delays the project
2. More constraints due to climate change
3. Technological innovation improves the car
4. Disruptive transport innovation
5. Disruption of supply chains



# Conclusion

Porsche is rapidly advancing its electrification strategy, which focuses on developing high-performance electric vehicles, such as the Taycan, to meet growing demand for sustainable luxury cars.

As part of the shift towards electrification, Porsche has eliminated 2,000 jobs at its Zuffenhausen factory  
→ balance the need for cost efficiency with the future profitability of electric vehicle production.

*"We are embracing a future where innovation and sustainability drive performance, and we are determined to lead the charge in electric mobility." – Porsche CEO*