# Credit Memo

Date: May 23, 2025

**Company: Porshe\_Full**

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# Credit Memo

## To: Credit Committee   
## From: [Your Name], Financial Analyst   
## Date: [Insert Date]   
## Subject: Credit Assessment of Porsche Automobil Holding SE for Fiscal Year 2024

### 1. Executive Summary  
This credit memo evaluates the financial health of Porsche Automobil Holding SE based on the financial statements for the fiscal year ending December 31, 2024. The analysis includes a review of the company’s balance sheet, income statement, and key financial ratios. Despite a significant loss reported in the current year, Porsche appears to maintain substantial assets and liquidity, with estimates for recovery in the upcoming fiscal year.

### 2. Financial Highlights  
- \*\*Revenue\*\*: The company reported a revenue of €115 thousand for 2024, an increase from €96 thousand in 2023.  
- \*\*Other Operating Income\*\*: A significant decrease was noted, dropping from €233,587 thousand in 2023 to €5,173 thousand in 2024, likely due to non-recurring items from the prior year.   
- \*\*Net Income\*\*: The company recorded a net loss of €1,521,284 thousand, reversing the profit of €1,441,088 thousand achieved in 2023.  
- \*\*Cash Flow\*\*: The document does not provide explicit cash flow figures for 2024, but cash and cash equivalents increased significantly to €1,822,850 thousand from €723,595 thousand in 2023, highlighting improved liquidity.  
- \*\*Total Assets\*\*: Decreased to €33,066,788 thousand from €34,529,841 thousand, predominantly due to a reduction in financial assets.

### 3. Key Ratios  
- \*\*Debt to Equity Ratio\*\*: The equity of Porsche decreased to €25,060,859 thousand from €27,365,224 thousand. Debt levels remain concerning, with total liabilities at €7,912,142 thousand, resulting in a Debt to Equity ratio of approximately 0.31.   
- \*\*Interest Coverage Ratio\*\*: This ratio fell due to an interest expense of €243,578 thousand against earnings before interest and taxes (EBIT), leading to a negative coverage ratio as the company reported a loss after tax.  
   
### 4. Risk Analysis & Commentary  
- \*\*Earnings Volatility\*\*: The considerable drop in operating income and the shift from profit to loss indicate vulnerability to market fluctuations and operational inefficiencies. The drastic reduction in other income raises concern for sustainable revenue generation.  
- \*\*Liquidity Risk\*\*: The increase in cash and cash equivalents suggests the company has better liquidity management but must leverage this to ensure operational stability going forward.  
- \*\*Financial Stability\*\*: Although the company retains a relatively stable debt to equity ratio, the significant period-to-period loss raises concerns over its ability to service debt moving forward, particularly in the context of interest obligations.  
- \*\*Management Efficiency\*\*: The reported drop in personnel expenses and a return to better operational management will need to be closely monitored in the next fiscal period to ensure improvements continue.

### 5. Final Credit Recommendation  
Given the substantial loss for the current year and the deterioration in operational performance, a cautious stance is recommended. However, the company maintains a strong asset base and improved liquidity position, which may support recovery.

\*\*Recommended Action\*\*: Assign a \*Neutral\* credit rating with close monitoring for the upcoming fiscal year. Future credit decisions may depend on the company's ability to turn around its operating performance and to manage its asset base more effectively in the face of volatility in revenues and operational output.

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Please do not hesitate to reach out for further details or clarifications regarding this assessment.