# Credit Memo

Date: May 24, 2025

**Company: Porshe\_Full**

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# Credit Memorandum

\*\*To:\*\* Credit Committee   
\*\*From:\*\* [Your Name]   
\*\*Date:\*\* [Today's Date]   
\*\*Subject:\*\* Credit Analysis of Porsche Automobil Holding SE for FY 2024

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### 1. Executive Summary

This memo provides a comprehensive credit analysis of Porsche Automobil Holding SE based on its financial statements for the fiscal year ending December 31, 2024. The company is undergoing significant changes due to financial fluctuations but remains a major player in the automotive industry. Despite a reported net loss for the fiscal year, a strong equity base, manageable debt levels, and adequate liquidity position Porsche Automobil Holding SE favorably for creditworthiness.

### 2. Financial Highlights

- \*\*Revenue\*\*: Decreased from €96k in 2023 to €115k in 2024, indicating a growth trend albeit from a low base.  
- \*\*Net Loss\*\*: Recorded a net loss of €1,521,284k in 2024 compared to a profit of €1,441,088k in 2023, primarily due to significant impairments in financial assets.  
- \*\*EBITDA\*\*: Given the absence of direct EBITDA data, one can infer from operating income and expenses that core operations continue to face challenges but remain operationally supported by investment income totaling €1,682,887k.  
- \*\*Cash Flow\*\*: Strong improvement in cash positions with net cash and cash equivalents rising from €723,595k in 2023 to €1,822,850k in 2024, showcasing robust liquidity management.  
   
### 3. Key Ratios

- \*\*Debt/Equity Ratio\*\*:   
 - \*\*2024\*\*: Total Liabilities (€7,912,142k) / Total Equity (€25,060,859k) = 0.31.   
 - This ratio indicates a conservative capital structure, favorable for creditors.  
   
- \*\*Interest Coverage Ratio\*\*:  
 - \*\*2024\*\*: Operating Income before interest and taxes / Interest Expense.  
 - Given a significant interest result of -€243,578k, the coverage ratio has weakened. However, with investment income contributing positively, the company is still managing to cover interest obligations adequately.  
   
- \*\*Current Ratio\*\*:  
 - \*\*2024\*\*: Current Assets (€2,422,493k) / Current Liabilities (approx. €7,912,142k total liabilities excluding long-term obligations) = 0.31.   
 - This indicates potential liquidity risks given a less than 1 ratio.

### 4. Risk Analysis & Commentary

Key risks involve:

- \*\*Financial Performance Volatility\*\*: The transition from profit to loss in 2024 primarily due to hefty impairment charges indicates volatility in financial performance, which could affect investor and creditor perceptions.

- \*\*High Financial Leverage\*\*: While the debt/equity ratio is moderate, the substantial debt burden and reliance on investment income for revenue present inherent risks.

- \*\*Economic and Market Risks\*\*: The global automotive market is influenced by multiple factors including supply chain constraints, technological advancements in electric vehicles, and regulatory changes which may impact future performance.

- \*\*Liquidity Risks\*\*: Current ratio below 1 signals potential liquidity concerns; however, readily available cash could mitigate immediate risks.

### 5. Final Credit Recommendation

After careful consideration of the financial statements, ratios, and potential risks, it is recommended that Porsche Automobil Holding SE be evaluated with caution regarding credit facilities due to recent operational losses and market volatility. A favorable credit line could be extended given the strong asset base, available liquidity, and manageable debt levels, with stipulations for continuous monitoring of financial performance.

\*\*Recommendation\*\*: \*\*Extend credit facilities\*\* under closer scrutiny, with a focus on monitoring financial health over the next fiscal periods to ensure adequate recovery and performance sustainability. A credit limit should be conservative with periodic reviews at quarterly intervals.

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\*\*Approval:\*\*

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[Signature]   
[Name, Title]   
[Date]