# Credit Memo

Date: May 25, 2025

**Company: Porshe\_Full**

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\*\*CREDIT MEMO\*\*

\*\*To:\*\* Credit Committee   
\*\*From:\*\* Financial Analyst   
\*\*Date:\*\* October 2024   
\*\*Re:\*\* Credit Analysis of Porsche Automobil Holding SE for Fiscal Year 2024

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\*\*1. Executive Summary\*\*

Porsche Automobil Holding SE, a prominent player in the automotive industry, demonstrates a resilient operational structure but faces financial challenges outlined in its fiscal year 2024 results. The company has reported significant losses primarily due to impairments and fluctuations in income, which are critical factors that must be evaluated as part of our credit risk assessment. Despite these challenges, Porsche SE maintains solid asset backing and has access to liquidity which mitigates some risks.

\*\*2. Financial Highlights\*\*

- \*\*Revenue:\*\*   
 - 2024: €115,000 (up from €96,000 in 2023)  
 - Signifies growth but remains modest amidst higher expenses.  
   
- \*\*Net Loss:\*\*  
 - 2024: -€1,521,284 (compared to a profit of €1,441,088 in 2023).  
   
- \*\*EBITDA:\*\*   
 - Not explicitly provided, but significant losses indicate that operating income is under pressure due to higher impairment and operational costs. Pro forma analysis may be required for EBITDA calculations.

- \*\*Cash Flow:\*\*  
 - Cash and cash equivalents increased sharply to €1,822,850 from €723,595, highlighting a substantial improvement in liquidity.  
   
- \*\*Total Assets:\*\*  
 - As of 31 December 2024, total assets amounted to €33,066,788, a decrease from €34,529,841 in 2023, largely driven by a decline in financial assets.

\*\*3. Key Ratios\*\*

- \*\*Debt/Equity Ratio:\*\*  
 - Total liabilities: €7,912,142 / Total equity: €25,060,859   
 - Debt/Equity = 0.31  
 - Indicates a conservative leveraging approach.

- \*\*Interest Coverage Ratio:\*\*  
 - Interest expense: -€243,578 (interest result)  
 - Operating income before interest and taxes suggests a severe interest coverage issue, necessitating caution regarding the ability to meet debt obligations.

- \*\*Liquidity Ratio:\*\*  
 - Current Assets: €2,422,493 / Current Liabilities (€7,912,142 total liabilities noted)  
 - Reflects a lower immediate liquidity position against its total liabilities but relies on liquid assets, thus maintaining operational flexibility.

\*\*4. Risk Analysis & Commentary\*\*

- \*\*Market Risks:\*\*   
 - The automotive industry is subject to market volatility, including supply chain disruptions and changing consumer preferences which may affect Porsche SE's future revenues.  
   
- \*\*Credit Risks:\*\*   
 - The entity reported a net loss for 2024 due to substantial impairments of financial assets, suggesting potential credit exposure issues, particularly in affiliated company investments.  
   
- \*\*Operational Risks:\*\*   
 - The increase in personnel expenses and other operating costs impacts net profitability, requiring management to improve cost efficiency.  
   
- \*\*Regulatory Risks:\*\*   
 - Compliance with local and international regulations remains an ongoing challenge, particularly as the automotive sector faces stringent environmental standards.

\*\*5. Final Credit Recommendation\*\*

Despite the downturn in profitability and rising impairments, Porsche Automobil Holding SE exhibits strong liquidity, supported by a good cash position. Its conservative capital structure and the backing of substantial financial assets mitigate some credit risk factors reviewed.

However, the significant net loss and lack of consistent operational income raise red flags regarding its future earnings potential and creditworthiness.

\*\*Recommendation:\*\* Approve a cautious credit limit or refinancing option with heightened monitoring and a prerequisite of strategic plans to mitigate operational costs and asset impairments in the near term.

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This credit memo is designed to facilitate informed decision-making for additional financing or restructuring needs of Porsche Automobil Holding SE amidst its current financial landscape.