# Credit Memo

Date: May 26, 2025

**Company: Porshe\_Full**

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\*\*CREDIT MEMO\*\*

\*\*To:\*\* Credit Committee   
\*\*From:\*\* [Your Name], Financial Analyst   
\*\*Date:\*\* [Insert Date]   
\*\*Subject:\*\* Credit Memo for Porsche Automobil Holding SE – Fiscal Year 2024 Analysis

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

Porsche Automobil Holding SE reported significant changes in its financial performance for the fiscal year ending December 31, 2024. The company experienced a net loss, notably impacted by substantial impairment of financial assets. Its balance sheet reflects a decrease in total assets and equity, indicating a challenging economic environment. Nevertheless, with a strong liquidity position and ongoing operational investments, the company is strategically positioned for future recovery.

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

- \*\*Total Revenue:\*\* €115,000 (2024) increased from €96,000 (2023), indicating a growth trajectory despite challenges in the investment landscape.  
- \*\*Net Profit/Loss:\*\* A net loss of €1,521,284 in 2024 compared to a profit of €1,441,088 in 2023 primarily due to the impairment of financial assets of €2,925,972.  
- \*\*Cash and Cash Equivalents:\*\* Strong liquidity with €1,822,850 in cash compared to €723,595 in 2023, demonstrating improved cash management.  
- \*\*Total Assets:\*\* Decreased to €33,066,788 from €34,529,841 in the previous year, reflecting lower financial assets and a significant impairment charge.  
- \*\*Marketable Securities:\*\* Increased to €576,292 from €283,406, indicating a strategic buildup in liquid assets.

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

- \*\*Debt/Equity Ratio:\*\*   
 \[  
 \text{Debt/Equity} = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{7,912,142}{25,060,859} \approx 0.31  
 \]  
 This ratio shows a conservative leverage position.

- \*\*Interest Coverage Ratio:\*\*   
 Given the interest result of -€243,578 and income from investments of €1,682,887, we compute:  
 \[  
 \text{Interest Coverage} = \frac{\text{Income from Investments}}{\text{Interest Expense}} = \frac{1,682,887}{243,578} \approx 6.91  
 \]  
 Despite the negative interest result, the strong investment income supports interest obligations.

- \*\*Return on Equity (ROE):\*\*   
 \[  
 \text{ROE} = \frac{\text{Net Profit}}{\text{Total Equity}} = \frac{-1,521,284}{25,060,859} \approx -6.06\%  
 \]  
 This negative value indicates low efficiency in generating returns for shareholders in 2024.

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

- \*\*Impairment Risk:\*\* The impairment of financial assets is a significant concern and reflects potential volatility in valuations. Continuous monitoring is suggested.  
   
- \*\*Market Fluctuations:\*\* The substantial growth in marketable securities suggests vulnerability to market fluctuations. As such, any unfavorable market conditions may further impair financial stability.  
   
- \*\*Liquidity Management:\*\* While cash reserves have improved, potential market downturns could quickly deplete liquidity. Effective cash management strategies must remain a focus.  
   
- \*\*Operational Efficiency:\*\* Personnel expenses and other operational costs have seen modest declines, but the high loss indicates a need for rigorous cost control and efficiency improvements moving forward.

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

Given the current challenges outlined in Porsche Automobil Holding SE's 2024 financial performance, we recommend maintaining a cautious credit approach. The firm's significant liquidity, although positive, is counterbalanced by a recent history of net losses and asset impairments. We support the credit facility remaining in place but advise closely monitoring performance metrics and risk factors over the upcoming quarters.

\*\*Recommendation:\*\* \*\*Hold Current Credit Limits\*\*, with enhanced focus on risk management and performance oversight, particularly in the wake of ongoing global market uncertainties.

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Should you require any further information or adjustments to this memo, please let me know.

[Your Name]   
Financial Analyst