



Except for per share amounts or as otherwise specified, amounts presented within tables are stated in millions.
Currency Used is USDollars

Basic Information and Business Description

General Motors Company, the Company, General Motors, or GM was incorporated as a Delaware corporation in 2009. They design, build and sell trucks, crossovers, cars and automobile parts worldwide. Cruise is GM global segment responsible for the development and commercialization of autonomous vehicle technology. GM also provide automotive financing services through General Motors Financial Company, Inc. (GM Financial).

GM brands are Buick, Cadillac, Chevrolet and other GMC brands. GM main markets are North America, Middleeast, Africa, South America, and China.

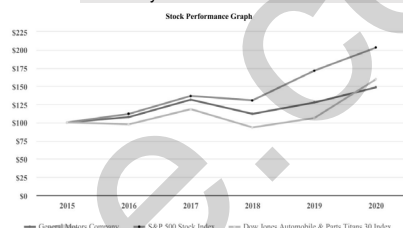
Growth Strategy

In determining Revenue growth, we assume that year 2021 will recover the drop of revenue happened in 2019 and 2020 due to corona virus. Also the vaccine showing improvement in Corona Virus treatment.



HighLights

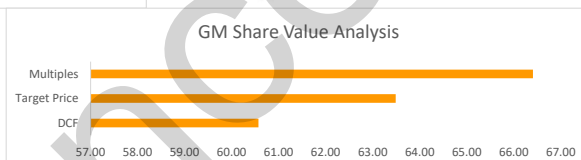
	29-May-21
Price (29-May-2021, US\$)	59.88
52-week price range (US\$)	23.33-63.42
Shares Outstanding	1,450,670,870
Market cap(US\$/Billions)	86.04
Enterprise value (\$Bilns)	183.85
Industry Sector	Auto/Truck Mnfrctr, Consumer Cyclical
EPS TTM	6.2
P/E TTM	9.57
EV/Revenues 2020	1.50
EV/EBITDA 2020	8.18
% Held by Insiders	4.92%
% Held by Institutions	84.43%



Valuation

Valuation methods indicate 63.49 USD target price per share, which near price at 29-May-2021

	DCF	Multiples
Est. Price	60.57	66.41
Weights	50%	50%
Target Price	63.49	



Key Financials & Ratios

	2018A	2019A	2020A	2021E	2022E	2023E	2024E	2025E
Total Revenue	147,049	137,237	122,485	135,958	149,554	163,014	176,055	190,140
Gross Profit Ratio	17.95%	19.37%	20.37%	19.23%	19.23%	19.23%	19.23%	19.23%
EBITDA USD	21,339	23,240	22,472	23,397	25,737	28,054	30,298	32,722
EBITDA Margin %	14.51%	16.93%	18.35%	17.21%	17.21%	17.21%	17.21%	17.21%
EBIT USD	7,670	9,122	9,657	9,863	12,248	14,774	16,864	19,321
EBIT Margin %	5.22%	6.65%	7.88%	7.25%	8.19%	9.06%	9.58%	10.16%
Net Income	8,005	6,667	6,321	6,803	8,615	10,755	12,334	14,166
Net Income Margin %	5.38%	4.80%	5.10%	4.67%	5.38%	6.16%	6.54%	6.95%
Interest Coverage (x)	2.0x	2.1x	2.3x	2.2x	2.5x	2.8x	3.0x	3.1x
Return On Equity (ROE)		15.75%	13.87%	12.08%	13.40%	14.27%	14.09%	13.92%
Earning Per Share Diluted (EPS)	5.53	4.57	4.33	4.40	5.57	6.96	7.98	9.17
Current Ratio (x)		0.9x	1.0x	1.1x	1.1x	1.2x	1.3x	1.4x
Quick Ratio		0.8x	0.9x	0.9x	1.0x	1.1x	1.2x	1.2x
DSO - days	18.08	23.94	23.94	23.94	23.94	23.94	23.94	23.94
DIO - days	34.30	38.30	37.76	37.76	37.76	37.76	37.76	37.76
DPO - days	69.33	74.57	74.57	74.57	74.57	74.57	74.57	74.57
Total Debt/Total Assets	79.85%	78.88%	77.59%	76.21%	74.59%	72.98%	71.40%	71.40%
Return on Total Assets	2.92%	2.69%	2.65%	3.14%	3.59%	3.79%	3.98%	3.98%
ROIC	3.69%	3.29%	3.25%	3.82%	4.34%	4.53%	4.72%	4.72%
Return on Equity	14.51%	12.72%	11.84%	13.20%	14.15%	14.04%	13.92%	13.92%
LT Debt to Assets (%)	28.91%	31.03%	31.03%	31.03%	31.03%	31.03%	31.03%	31.03%
Total Debt / Equity (x)	4.0x	3.7x	3.5x	3.2x	2.9x	2.7x	2.5x	2.5x

Valuation

DCF Analysis

Risk Free Rate 29/05/2021	1.61%
Market Risk Premium	4.72% http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html
Beta	1.36
Cost Of Equity (CAPM)	8.02%
Cost Of Debt	4.00%
Effective Tax Rate	24%
Equity Ratio	53.28%
Debt Ratio	46.72%
WACC	5.70%
Perpetual Growth	3%

	2021E	2022E	2023E	2024E	2025E
EBIT	9,863	12,248	14,774	16,864	19,321
Less: Taxes Subject	2,214	2,461	2,660	2,889	3,145
NOPAT	7,649	9,787	12,115	13,975	16,176
Plus: Depreciation & Amortization	13,534	13,489	13,279	13,434	13,401
EBITDA	23,397	25,737	28,054	30,298	32,722
Less: Capex	17,263	16,361	18,375	19,064	20,380
Changes in NWC	-949	-502	572	27	313
Changes in Long Term Financial Receivables	-3,496	-3,528	-3,493	-3,384	-3,655
Unlevered FCF	-525	2,885	4,099	4,988	5,855
Terminal Value					223,753
FCF Final	-525	2,885	4,099	4,988	229,608
NPV - Valuation in USD (EV)					183,619
Add Cash-Cash Equivalents & Non Operating Assets					37,444
Subtract Long Term Debts & Others Liabilities					-133,720
Equity Value					87,343

Number Of Shares	1,442
Target Value Per Share-DCF Implied Value Per Share	60.57

Intrinsic Value Share-DCF-Sensitivity Analysis						
Growth Rate	WACC					
	4.00%	5.00%	5.70%	7.00%	8.00%	
	1.50%	79.06	35.45	17.41	-4.08	-14.67
	2.00%	113.77	51.36	27.90	1.56	-10.84
	3.00%	287.31	107.03	60.57	17.05	-0.90
	3.50%	634.41	162.71	88.06	28.11	5.74
	4.50%	-753.97	608.12	212.05	63.51	24.69

GM Comparable public companies and valuation output

	EV/Revenues	EV/EBITDA	P/E
Ford	1.41	21.58	16.07
Honda	0.4	4.12	9.61
Mean	0.91	12.85	12.84
Actual Figures GM 2020 (Rev,EBITDA,Earnings)	122,485	22,472	6,247
GM Enterprise Value (Comps)	110,849	288,765	
Net debt GM 2020	-96,276	-96,276	
Equity Value	14,573	192,489	80,211
Shares Outstanding	1,442	1,442	1,442
Target Price GM (US\$)	10.11	133.49	55.63
Average Target Price-Multiples (US\$)	66.41		

Industry Overview - Competitive Positioning

Key External Drivers

The novel coronavirus driven pandemic has adversely affected a wide array of industries. The automotive industry is not immune to the disruptions caused by the virus either. According to data from IBISWorld. The market size, measured by revenue, of the Global Car & Automobile Manufacturing industry is \$2.7tr in 2021. The market size of the Global Car & Automobile Manufacturing industry is expected to increase 9.7% in 2021.

Global GDP Growth rate according to Worldbank

						Percentage point differences from June 2020 projections	
	2018	2019	2020e	2021f	2022f	2020e	2021f
World	3.0	2.3	-4.3	4.0	3.8	0.9	-0.2

Global Per Capita income Forecast according to World Economic Forum

The comparison between 1970 and 2016 shows that global growth has almost doubled, with average world GDP, per capita, growing from around \$5,000 to over \$10,000. The projected growth for 2030 sees world per capita GDP growing to around \$14,000.

Competitive Positioning

Vehicle Sales in thousands	2018			2019			2020		
	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share
Total North America	21,560	3,490	16.20%	21,144	3,367	15.90%	17,722	2,924	16.50%
Total Asia/Pacific, Middle East and	48,777	4,202	8.60%	46,855	3,678	7.90%	42,908	3,434	8.00%
Total South America	4,491	690	15.40%	4,318	669	15.50%	3,158	470	14.90%
Total in GM markets	74,828	8,382	11.20%	72,317	7,714	10.70%	63,788	6,828	10.70%
Total Europe	18,928	4		19,021	4		14,795	1	
Total Worldwide(b)	93,756	8,386	8.90%	91,338	7,718	8.50%	78,583	6,829	8.70%

Competitive Position and Vehicle Sales : The principal factors that determine consumer vehicle preferences in the markets in which GM operate include overall vehicle design, price, quality , available options, safety, reliability, fuel economy and functionality. Market leadership in individual countries in which GM compete varies widely.

From above figures, extracted from GM report 10 K, we see sales of cars decreases from 2018 to 2020 because of pandemic, however GM market share is smooth.

Investment Risk

If GM do not deliver new products, services and customer experiences in response to increased competition and changing consumer preferences in the automotive industry, GM business could suffer. GM believe that the automotive industry will continue to experience significant change in the coming years, particularly as traditional automotive original equipment manufacturers (OEMs) shift resources to the development of electric vehicles. In addition to GM traditional competitors, GM must also be responsive to the entrance of non-traditional participants in the automotive industry. Industry participants are disrupting the historic business model of GM industry through the introduction of new technologies, products, services, direct-to-consumer sales channels, methods of transportation and vehicle ownership. It is a strategic imperative that GM succeed in driving the technological disruption occurring in our industry, including consumer adoption of electric vehicles and commercialization of autonomous vehicles. To successfully execute long-term strategy, GM must continue to develop new products and services, including products and services that are outside of GM historically core business, such as autonomous and electric vehicles, digital services and transportation as a service. The process of designing and developing new technology, products and services is complex, costly and uncertain and requires extensive capital investment and the ability to retain and recruit the best talent. There can be no assurance that advances in technology will occur in a timely or feasible way, that others will not acquire similar or superior technologies sooner than GM do, or that GM will acquire technologies on an exclusive basis or at a significant price advantage. If GM do not adequately prepare for and respond to new kinds of technological innovations, market developments and changing customer needs, GM sales, profitability and long-term competitiveness may be harmed

Reference : GM 10-K ReportCommission file number 001-34960

Enviromental, Social, and Governance (ESG)

Battery Electric Vehicles : GM have committed to an all-electric future and are investing in multiple technologies offering increasing levels of vehicle electrification with a core focus on zero emission battery electric vehicles as part of GM long-term strategy to reduce petroleum consumption and GHG emissions. GM currently offer the Chevrolet Bolt EV, which has an Environmental Protection Agency (EPA)-estimated range of 259 miles on a full charge with the 2020 model year. GM have also announced all-new Ultium battery electric architecture capable of more than 400 miles of GM-estimated range on a full charge that will launch on the upcoming GMC Hummer EV in 2021, followed by the Cadillac LYRIQ in 2022 and additional models by 2025.

Automotive Criteria Emissions Control : GM products are subject to laws and regulations globally that require GM to control certain non-GHG automotive emissions, including vehicle and engine exhaust emission standards, vehicle evaporative emission standards and onboard diagnostic (OBD) system requirements. Emission requirements have become more stringent as a result of stricter standards and new diagnostic requirements that have come into force in many markets around the world, often with very little harmonization. While GM believe all products are designed and manufactured in material compliance with substantially all vehicle emissions requirements, regulatory authorities may conduct ongoing evaluations of products from all manufacturers.

Reference : GM 10-K ReportCommission file number 001-34960

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