

Pole Position

UBS European & US Autos Daily

Equities

Europe including UK
Automobiles

Mercedes-Benz: ~300bps negative Cars margin impact from US tariffs in FY25; 3-5% margin the new normal?

The key new piece of information in the earnings call was CFO Harald Wilhelm's guide of a ~300bps negative impact on Cars margin for calendar year 2025 should tariffs remain in place; this is before potential price mitigating action, but includes tactical mitigation like inventory management. We recently cut our forecasts to reflect the tariff impact; we had taken down Cars EBIT margin by ~200bps to 4.4% including some price mitigation. As the annualised impact excluding the tactical inventory management seems to be at least 400bps (before pricing), the question is whether 2026 could be even weaker than 2025. CEO Ola Källenius highlighted that any potential onshoring investments (be it in vehicle or powertrain assembly) would take several years to execute. On the positive side, management flagged solid European demand; and in-line performance in China (albeit with risks to imported GLE/GLS where buffer stock only lasts for ~1 quarter) and strong cost cutting performance. The capital allocation policy was also confirmed but the CFO cautioned that actual share buyback activity will be aligned with (potentially lower) FCF.

Our view:

We see no need to change our recently revised estimates. We think the buy side has already discounted a Cars EBIT margin in the 4-6% range (vs. 6-8% prior) even though a 3-5% range also seems possible based on the ~300bps tariff impact guide. We are at a 4.4% Cars margin for 2025E and 5.2% in 2026E; next year's number might be too high if we see only little pricing action on the US imported vehicles from Europe (S-Class and G, in particular). It seems German OEM management teams (not just MBG) remain somewhat optimistic that the tariff burden could be lower in the end as there is hope that the US administration would offer some relief in case of additional investment commitments in the US. There is little visibility on such a scenario materialising at this point. We remain Neutral on MBG: we think an attractive capital allocation policy, including upcoming SBB activity after the AGM, should be supportive to the share price, aligned with FCF generation (a potential DTG stake sale remains part of the plan as confirmed by the CEO in the call).

Earnings/Share price impact:

Negative.

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Stellantis: Not much additional colour on tariff impact in the earnings call

After withdrawing FY25 guidance due to US auto tariffs, CFO Doug Ostermann refrained from giving more detail about the potential US tariff impact. He highlighted that Stellantis' first priority is working with suppliers to increase US content (he said 80% of supplier content in US made vehicles is currently USMCA compliant), and Stellantis is also exploring boosting US output for models with dual production locations (the CFO mentioned trucks capacity in Michigan as example). No further commentary about US pricing plans and AOI/FCF impact. Commentary on Europe was generally constructive (good order situation for new B-Segment models, relatively stable pricing trend thanks to more flexible CO2 rules).

Our view: We recently downgraded Stellantis to Neutral because US tariffs have put the NA turnaround plan at risk. Should the tariff picture remain unchanged vs. today, we think group AOI may be just slightly above break-even and FCF clearly in negative territory. While Stellantis has the lowest utilisation in the US among the Detroit-3, just around 50%, tooling would likely be required to localise more production of the profitable Mexico-made trucks, and we think this would take several quarters to execute. We had cut 2025E AOI to €3.9bn for the group (2.5% margin), with NA in loss-making territory (-€1.8bn AOI). Our FCF forecast for 2025 of €-2.5bn could still turn out to be on the optimistic side, depending on working capital dynamics in NA. At this point, we lack confidence the Detroit-3 will partially offset the tariff burden for imported vehicles via price increases; especially Stellantis is very focused on regaining market share. While the latest tariff developments (deductibility of parts) are good news for the Detroit-3, we had already assumed this in our new base case, i.e. we see no reason to raise our estimates. The positive European order trend for passenger cars is reassuring (and seems an industry-wide theme), but we think share price performance will predominantly be driven by the trend in the US. We stay Neutral with unchanged estimates & €8.8/share PT. At PT, STLA would trade on 6.2x P/E (IFRS 2026E). Visibility on dividends is low and SBB will likely remain shelved for the foreseeable future.

Volkswagen: No US tariff guide in the call; Europe for once the source of strength

Three key (non-) messages from CFO Arno Antlitz in yesterday's earnings call: (1) No quantification whatsoever about US tariff impact, but VW signals willingness to invest more in the US; (2) European demand is strong for BEV and ICE, the order book stretches well into Q3 with a further increase m/m in April; pricing is also seen as healthy and stable; (3) China holds up better than expected; VW chose not to chase volume this year ahead of the busy launch year 2026 and instead focuses on pricing discipline.

Our view: VW's "bottom end of range" guidance confirmation pre-tariffs for OP margin (5.5-6.5%) and FCF (€2-5bn) still bears downside risk as the US tariff impact gets factored in – we think a new OP margin corridor of 4-5% is the most likely scenario if the status quo on tariffs doesn't change. We update our financial model for three items, resulting in a marginally higher OP estimate of €14.5bn (+2% vs. prior) for 2025E and €15.7bn (+1% vs. prior) for 2026E: (1) Porsche's profit warning, which was predominantly non-tariff related; (2) a better earnings outlook for Brand Group Core in Europe thanks to solid demand and a stronger order book; (3) a slightly less steep decline in China earnings this year. Regarding investments, VW might increase spending in NA but this would probably spread over several years and as pointed out by the CFO, there should be some scope for savings elsewhere. For example, we think Scout investments could be partially repurposed for Audi/Porsche SUVs. We stay Neutral, but believe the market is likely looking at VW with a more constructive bias vs. the other German OEMs near-term due to its Europe-centricity.

Figure 1: Volkswagen changes to key estimates (€m/€ per share)

	2025E				2026E				2027E			
	UBS old	UBS new	% chg.	VA cons.	UBS old	UBS new	% chg.	VA cons.	UBS old	UBS new	% chg.	VA cons.
Group revenue	320,136	321,973	1%	323,964	329,889	331,763	1%	328,844	340,266	342,178	1%	342,153
Op. profit (ex special items)	14,278	14,514	2%	17,269	15,428	15,653	1%	19,559	17,317	17,531	1%	22,216
Margin	4.5%	4.5%		5.3%	4.7%	4.7%		5.9%	5.1%	5.1%		6.5%
Volkswagen	2,185	2,853	31%	2,963	2,312	2,979	29%	3,084	2,591	3,258	26%	3,475
Margin	2.5%	3.2%		3.4%	2.5%	3.2%		3.5%	2.8%	3.4%		4.2%
Audi	3,648	3,630	0%	4,692	4,213	4,191	-1%	5,091	4,821	4,795	-1%	5,512
Margin	5.8%	5.7%		7.0%	6.3%	6.2%		7.4%	6.8%	6.7%		7.7%
Skoda	1,880	2,024	8%	1,959	1,916	2,058	7%	2,086	2,016	2,157	7%	2,154
Margin	6.8%	7.3%		7.0%	6.9%	7.4%		7.3%	7.1%	7.6%		7.9%
Seat	483	529	9%	551	373	417	12%	573	369	413	12%	597
Margin	3.3%	3.6%		3.8%	2.6%	2.9%		3.9%	2.5%	2.8%		4.3%
Porsche	2,213	1,602	-28%	3,619	2,534	1,921	-24%	4,385	3,195	2,580	-19%	4,420
Margin	6.4%	4.7%		10.1%	7.0%	5.3%		11.8%	8.3%	6.7%		12.6%
VW Commercial Vehicles	531	527	-1%	703	560	554	-1%	772	596	590	-1%	712
Margin	3.5%	3.4%		4.7%	3.6%	3.6%		5.1%	3.8%	3.7%		5.0%
Traton	3,599	3,594	0%	3,576	3,768	3,762	0%	3,670	3,953	3,946	0%	3,578
Margin	7.9%	7.8%		7.8%	8.0%	8.0%		8.1%	8.2%	8.2%		7.3%
Financial Services	3,038	3,054	1%	3,421	3,054	3,071	1%	3,694	3,075	3,092	1%	3,155
Margin	5.3%	5.3%		6.0%	5.3%	5.3%		6.4%	5.3%	5.3%		5.3%
Eliminations	-3,300	-3,300		-1,557	-3,300	-3,300		-1,799	-3,300	-3,300		-1,587
EPS (reported)	18.10	18.73	3%	20.60	19.15	19.76	3%	24.34	21.14	21.74	3%	28.46
DPS	5.47	5.66	3%	6.24	5.79	5.97	3%	7.29	6.39	6.56	3%	8.44
Industrial FCF	1,207	942	-22%	2,257	3,725	3,803	2%	4,319	5,906	5,997	2%	7,639

Source: UBS estimates, Visible Alpha consensus

Global Autos research

Dr. Ing. h.c. F. Porsche AG: "OP margin to linger in mass market territory for a while"

[See our full report here](#)

Unless US tariffs disappear, OP margins likely to remain well below 10%

Factoring in permanent US auto tariffs implies another ~20% downside to P911's sharply revised 2025 guidance; and even after stripping out 2025 charges with one-off character, we think the perspective for a better year 2026 is uncertain. We think Porsche is likely to remain in mass-market OEM territory from an OP margin perspective for the foreseeable future, and believe this bears risk of further de-rating of shares. The "luxury" PE of ~19x on 2026E, clean of one-offs, is only justifiable if Porsche delivers progress on: (1) right-sizing its structure; (2) a swift rebuild of the executive board (announced, but no timeline provided by the company); and (3) attractive new ICE/hybrid products supporting the mix. While we have some confidence Porsche will address these issues with a 12-24 month view, the near-term risk seems skewed to the downside. The silver lining on the horizon remains that Porsche, as a luxury car brand, should be able to generate double-digit margins but this will take time and depend on execution of the (new) team for a smaller, better Porsche. The CMD on 17 September might shed more light on this.

Another round of steep earnings cuts by ~15% underlying

[We recently cut our earnings forecasts across the board to factor in US tariffs](#), and revise down again for the ~€0.5bn Cellforce write-down (one-off in 2025) and the ~€0.7bn OP impact of even lower China volumes and related supplier compensation (likely not a one-off). We remain uncertain as to why Porsche decided to include the US tariff impact for April and May only, but we estimate extrapolating the impact for the remainder of 2025 implies another €1.0-1.1bn downside to its guidance (gross). We see potential for high-single digit % price hikes for the 911 range but not for SUVs, suggesting further downside risk to the new **2025** OP guide of at least €0.5bn. For **2026**, the one-offs should reverse (UBSe: ~€1.0bn y/y in total) but the US tariff needs to be factored in for the full year instead of 3Qs in 2025. We forecast €2.3bn OP in 2025E (6.2% OPM) and €3.1bn in 2026E (8.0% OPM). Some positive price/mix effects of the new 911 Turbo are included for 2026 in the OP bridge, but the risk is that China continues to weaken.

Valuation: New €41 PT (from €45), Neutral with near-term caution

Our lower EPS & FCF estimates drive a cut in our DCF-based price target to €41/share (from €45/share).

Tesla, Inc.: "5 quick thoughts on report TSLA opening CEO search"

[See our full report here](#)

We wanted to provide quick initial thoughts on the [WSJ report](#) that that Tesla's Board of Directors last month opened a search for a CEO to succeed Elon Musk. It is unclear if the search is ongoing.

1. If the report is true, and if Tesla were to install a new CEO, it would be a watershed moment for the company. There is no denying Musk's vision, leadership and contribution to the automotive industry.
2. That said, perhaps no other company has as large a key man risk as TSLA. This report may re-highlight that risk. Even if Musk stays on as CEO, we do believe it will eventually prove important for investors to have a better sense of succession planning at the company.
3. Musk recently stated on the 1Q25 earning call that he'll "be allocating far more of my time to Tesla." The report indicates that the Board asked Musk to spend more time on Tesla. So, it's possible that this action assuages Board concerns.
4. Even if Musk were no longer CEO, there is a path for him to remain heavily involved with the company and help guide strategy and vision. However, that could create tension between him and the theoretical new CEO. Further, Musk owns ~13% of TSLA shares, though he has publicly stated he [wants ~25% voting control](#) to feel comfortable in helping to grow Tesla to be a leader in AI and robotics.
5. Tesla as a company and stock is at a somewhat of a critical juncture. The core business (and actual financials of the company) is primarily auto which has been under greater sales and profit pressure. But the Tesla bull case narrative is that Tesla is an AI company, with Musk himself indicating in various ways that the value of Tesla is tied to autonomous vehicles and humanoid robots. Finding a CEO who can captivate the market and investors as much as Musk is a tall task, in our view. We'll end with this portion highlighted from the article: *"Last spring, he told that person that he no longer wanted to be CEO of Tesla, but that he was worried that no one could replace him atop the company and sell the vision that Tesla isn't just an automaker, but the future of robotics and automation as well."*

We will continue to monitor developments and provide updated thoughts.

Stellantis N.V.: "In line Q1 revenue print, guidance withdrawn"

See our full report [here](#)

Q: How did the results compare vs expectations?

A: €35.8bn revenues (-14% y/y) in line with consensus. Bridge: Volume/mix -9.6% y/y, net price -3.4% y/y, FX ~flat y/y.

Q: What were the most noteworthy areas in the results?

A: NA revenues down -25% y/y vs. volumes -20%, i.e. -5% attributable to price/mix/FX. EE shows -3% revenues and -8% shipments (positive mix effect). STLA highlights +190bps market share gain in EU30 q/q. Total inventory 1.21m, slightly up but down at dealer level q/q.

Q: Has the company's outlook/guidance changed?

A: Guidance withdrawn. In April, Stellantis has reduced imported shipments from Mexico and temporarily suspended European imports to US. We expect more colour on US tariff impact and mitigating action from the CFO in the call at 12:00pm UK time.

Q: How would we expect investors to react?

A: Neutral to the print; possibly share price moving commentary in the EPS call later.

Dana Inc.: "Beat, reiterate and sales process underway"

See our full report [here](#)

Net: We expect a positive reaction to DAN shares this AM. 1) ~3% 1Q25 EBITDA beat, 2) Reiterated 2025 EBITDA guidance and midpoint is ~10% above consensus – tariffs are manageable. 3) Accelerating \$300mm cost savings plan with 2025 cost savings now \$225mm from \$175mm prior. 4) Sale of Off-Highway business is underway with a competitive process. Call is at 9am. (888) 440-5873. Conference ID: 9943139.

1Q25 EBITDA beat. Revenue of \$2.4bn (-14% y/y) was inline with our estimate and consensus. Vol/mix reduced sales by -\$347mm y/y driven by lower volumes across all end markets, currency an additional -\$53mm headwind and commodities being an \$10mm headwind. This was slightly offset by performance which was a \$27mm tailwind, EBITDA-Adj was \$188mm (-15.7% y/y, 8% margin), above the Street at \$182mm. FCF was a (seasonal) use of \$101mm, but \$67mm improved y/y. EPS less important for DAN, but was \$0.13, above the \$0.08/\$0.12 estimates from UBS/consensus. See Figure 1 for more details.

Guidance reiterated: Sales still \$9.5-\$10bn but trending towards upper-end with tariff recoveries helping (no EBITDA impact). Adjusted EBITDA still ~\$975mm with cost savings offsetting softer market and tariff, FCF still ~\$225mm, EPS (less important for DAN) now \$1.40 from \$1.65 on tax impact of regional profit mix.

Other points:

- Efforts to improve FCF/cash by exploring 2025 capex reduction and identified non-core assets to monetize – expect pre-tax proceeds of \$50mm in 2Q25.
- Market outlook assumes NA CV demand softens, but offset by strength in SA and EU; OH seeing some 2Q25 pre-buy; LV production schedules stable bc see demand risk later in year.

Japan Autos, Auto Parts and Auto-tech Sector: "Parts tariffs to be limited in FY3/26"

See our full report [here](#)

Refunds for a limited time only, but positive for short-term profit

A partial refund of US auto parts tariffs for a limited period of two years has been [announced](#). The UBS Japan auto team has factored vehicle and parts tariffs of 25% into its forecasts, so this announcement provides potential upside to FY3/26-FY3/27 profits. Since various measures to address tariff impact are expected to be announced by the auto sector, and because US tariff-related news is likely to have both positive and negative effects on their share prices, our investment stance on Japan's auto sector is neutral. Our top pick stock is Toyota Motor. We also rate Suzuki and Denso Buy.

No tariffs on USMCA parts for the time being

For import tariffs on parts, a certain percentage of each company's average retail price is now due to be refunded. The maximum refund will be 3.75% of the vehicle price from 3 April 2025 through 30 April 2026 (tariffs: 15% of the vehicle price, $15\% \times 25\% = 3.75\%$), and 2.5% from 1 May 2026 through 30 April 2027 (tariffs: 10% of the vehicle price, $10\% \times 25\% = 2.5\%$). Additionally, auto parts that are compliant with the US-Mexico-Canada Agreement (USMCA) will be exempt from tariffs from April 2025 through April 2027. We estimate that the USMCA parts procurement rate for Japanese OEMs that produce vehicles in the US exceeds 60%, and it is now likely that there will be no or only limited tariffs on their parts in FY3/26. The purpose of the tariff refund is to provide a grace period for firms to transfer production to the US ([link, Japanese only](#)) and it is uncertain whether the 0% tariff rate on USMCA parts will continue after May 2027.

Suppliers are steadily passing tariff costs onto their prices

At the company's January-March results briefing, Valeo's [CFO commented](#) that '75% compensation has already been secured' against US tariffs. It appears that most of the suppliers' tariff costs will be passed on to the auto OEMs. We expect 100% of the tariff costs to be passed on to the Japanese OEMs and 70% to others.

Sector view

With looming US auto tariff and likely slowing global growth on unpredictability of US trade policies, we expect 2025 global auto production to decline by -1.5% y/y, noting that the range of potential outcomes is wide, even more so for 2026. We model NA to be hit the hardest at -8% y/y, but also other regions will be affected by lower exports and a softer GDP outlook.

As we included US tariffs impact, [our recent 2025E EPS cuts](#) ranged from ~20-30% for most OEMs and parts suppliers whereas tires show relative resilience; cuts for 2026E are in the same order of magnitude. Unless the auto specific tariffs get reduced or removed, a scenario with low probability in our view, we believe the sector is highly unlikely to outperform the broader market.

OEMs: Despite a significant tariff impact on earnings, we continue to prefer BMW on its high degree of localization, cash generation & returns and Neue Klasse. Renault stands out as European-centric OEM with very minor tariff risk, but it already is a consensual relative long.

Suppliers: For tier-1 suppliers, we tend to take a cautious stance overall and prefer the quality names like Autoliv. Companies with elevated financial leverage (Forvia, Valeo, Schaeffler) could in a recession scenario become vulnerable.

Tires: (Continental, Michelin, Pirelli) is a segment driven by aftermarket and therefore has the lowest downside risk to earnings, in our view. We still see Conti's likely value-crystallizing autos spin-off on track.

Top & bottom picks in autos

Top picks: BMW, Continental, Autoliv

Bottom picks: Volvo Car, Gestamp, Opmobility

Figure 2: Global Autos & suppliers regional sector valuation

Sub-sectors	P/E			EV/Sales			EV/EBITDA			Dividend yield		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
OEMs												
Europe	6.2x	9.0x	7.5x	0.1x	0.1x	0.1x	1.1x	1.4x	1.3x	5.6%	4.6%	5.2%
North America	6.3x	9.1x	9.4x	0.3x	0.2x	0.1x	2.7x	2.5x	2.5x	1.0%	1.2%	1.3%
Japan	6.1x	8.0x	10.5x	0.3x	0.3x	0.1x	2.3x	2.2x	2.4x	3.3%	3.8%	3.2%
China	17.4x	14.2x	11.9x	0.5x	0.3x	0.2x	4.1x	5.3x	2.9x	1.8%	0.7%	1.1%
Other Asia	4.7x	4.5x	4.9x	0.4x	0.8x	0.8x	7.3x	9.0x	9.7x	5.5%	5.7%	5.5%
Suppliers												
Europe	10.9x	10.9x	8.1x	0.5x	0.5x	0.5x	4.6x	4.5x	4.1x	4.5%	4.2%	4.8%
North America	11.5x	9.5x	9.7x	0.5x	0.5x	0.4x	5.1x	4.6x	4.3x	0.0%	0.0%	0.0%
South America	7.3x	5.2x	3.9x	0.5x	0.4x	0.4x	3.8x	3.2x	3.0x	2.0%	7.1%	11.2%
China	19.6x	17.6x	14.6x	2.0x	1.8x	1.5x	10.8x	11.4x	9.3x	1.4%	2.3%	2.8%
Other Asia and Australia	14.6x	12.7x	9.4x	0.6x	0.5x	0.5x	6.2x	4.7x	4.4x	1.8%	2.4%	2.6%
Global OEMs	7.1x	9.3x	9.5x	0.4x	0.2x	0.2x	3.5x	3.7x	3.0x	2.6%	2.5%	2.5%
Global suppliers	15.1x	13.6x	11.0x	0.9x	0.8x	0.7x	6.7x	6.4x	5.6x	2.1%	2.5%	2.9%

Source: UBS estimates

Note: Calculation based on median values of stocks covered by UBS

Figure 3: Relative Valuation

	Price (LC)	Market cap (LCm)	PT (LC)	Rating	P/E			Ind. EV/Sales			Ind. EV/EBITDA			Ind. EV/EBIT			Dividend yield			Ind. FCF yield		
					2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Premium OEM																						
BMW	76.3	47,668	78	B	7.3x	9.0x	8.0x	0.24x	0.22x	0.23x	1.3x	1.4x	1.4x	2.4x	3.1x	2.9x	5.6%	4.6%	5.2%	10.1%	5.8%	6.7%
Mercedes-Benz	55.0	53,172	50	N	6.2x	9.0x	7.5x	0.15x	0.15x	0.15x	1.0x	1.3x	1.2x	1.9x	3.5x	2.7x	7.8%	6.4%	7.3%	20.4%	9.0%	10.9%
Porsche AG	46.9	42,753	45	N	13.1x	22.6x	19.0x	1.25x	1.34x	1.29x	5.4x	8.8x	8.0x	9.4x	18.1x	15.4x	4.9%	2.7%	3.2%	7.3%	3.6%	4.1%
Rivian	13.2	14,447	12	N	n/a	n/a	n/a	1.73x	2.71x	2.72x	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%	-29.9%	-21.9%	-19.6%
Volvo Car	18.1	53,974	15	S	4.0x	10.2x	8.4x	0.09x	0.11x	0.11x	1.2x	1.5x	1.4x	2.3x	5.1x	4.6x	0.0%	0.7%	0.8%	6.2%	-14.8%	10.0%
Mean					7.7x	12.7x	10.7x	0.69x	0.91x	0.90x	2.2x	3.2x	3.0x	4.0x	7.4x	6.4x	3.7%	2.9%	3.3%	2.8%	-3.7%	2.4%
Median					6.8x	9.6x	8.2x	0.24x	0.22x	0.23x	1.2x	1.5x	1.4x	2.4x	4.3x	3.7x	4.9%	2.7%	3.2%	7.3%	3.6%	6.7%
Mass market OEM																						
Ford	10.0	39,860	9	N	6.3x	9.1x	9.4x	0.16x	0.14x	0.14x	2.2x	2.5x	2.5x	2.9x	3.6x	3.8x	5.2%	6.0%	6.0%	6.3%	-0.8%	3.4%
General Motors	47.2	47,004	51	N	4.3x	4.4x	5.2x	0.27x	0.18x	0.14x	2.7x	1.9x	1.6x	3.4x	2.4x	2.4x	1.0%	1.2%	1.3%	20.2%	15.9%	13.7%
Renault	46.5	12,663	47	N	11.6x	5.1x	4.8x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.7%	6.5%	7.4%	41.2%	21.6%	8.6%
Stellantis N.V.	8.2	24,466	8.8	N	2.5x	11.4x	6.9x	-0.07x	-0.07x	-0.07x	-0.7x	-1.1x	-0.9x	-1.6x	-4.0x	-2.4x	8.3%	3.6%	5.2%	-24.7%	-10.1%	4.0%
Tesla	285.9	919,962	190	S	92.1x	169.9x	109.2x	7.26x	10.11x	8.69x	44.2x	69.1x	50.4x	78.2x	160.8x	97.1x	0.0%	0.0%	0.0%	-0.4%	0.4%	0.5%
Volkswagen	98.4	49,321	84	N	5.8x	6.7x	6.0x	0.06x	0.06x	0.05x	0.3x	0.3x	0.3x	1.0x	1.4x	1.2x	6.5%	5.6%	5.9%	139.6%	74.3%	n/a
Mean					20.4x	34.4x	23.6x	1.54x	2.08x	1.79x	9.7x	14.5x	10.8x	16.8x	32.9x	20.4x	4.3%	3.8%	4.3%	30.4%	16.9%	6.0%
Median					6.0x	7.9x	6.5x	0.16x	0.14x	0.14x	2.2x	1.9x	1.6x	2.9x	2.4x	2.4x	4.9%	4.6%	5.5%	13.3%	8.2%	4.0%
Tire suppliers																						
Continental	67.6	13,513	78	B	10.9x	9.4x	6.8x	0.50x	0.51x	0.50x	4.5x	4.5x	3.9x	8.4x	8.5x	6.5x	3.7%	4.4%	5.5%	8.2%	8.5%	8.7%
Michelin	31.5	22,521	38	B	8.6x	8.8x	7.9x	0.93x	0.89x	0.85x	4.7x	4.5x	4.3x	7.4x	7.1x	6.5x	4.4%	5.5%	6.2%	9.4%	8.3%	9.5%
Nokian	6.9	949	7	N	36.8x	17.4x	13.1x	0.60x	0.54x	0.50x	3.9x	2.9x	2.6x	452.7x	9.3x	6.9x	3.6%	3.6%	3.4%	-18.4%	1.8%	15.1%
Pirelli	5.4	5,364	6.2	B	11.4x	10.6x	8.2x	1.15x	1.14x	1.11x	5.2x	5.2x	4.8x	7.4x	7.3x	6.6x	4.7%	4.7%	6.1%	6.3%	5.2%	6.9%
Mean					16.9x	11.5x	9.0x	0.79x	0.77x	0.74x	4.6x	4.3x	3.9x	119.0x	8.0x	6.6x	4.1%	4.6%	5.3%	1.4%	5.9%	10.1%
Median					11.2x	10.0x	8.1x	0.76x	0.71x	0.68x	4.6x	4.5x	4.1x	7.9x	7.9x	6.6x	4.0%	4.5%	5.8%	7.3%	6.7%	9.1%
Auto parts suppliers																						
Adient	12.5	930	13	N	15.9x	9.5x	12.1x	0.31x	0.21x	0.22x	5.2x	3.7x	3.9x	8.2x	5.9x	6.4x	0.0%	0.0%	0.0%	27.4%	14.2%	10.0%
American Axle & Manu	3.8	387	3.5	N	12.9x	210.5x	131.1x	0.48x	0.43x	0.42x	4.0x	3.9x	3.7x	11.0x	16.3x	16.3x	0.0%	0.0%	0.0%	58.7%	41.3%	41.6%
Aptiv PLC	56.3	11,483	58	N	11.5x	8.5x	7.8x	1.22x	0.96x	0.89x	7.7x	6.3x	5.8x	10.1x	8.4x	7.6x	0.0%	0.0%	0.0%	11.9%	8.7%	10.0%
Autoliv	92.1	8,115	103	B	11.1x	12.6x	10.1x	0.93x	0.99x	0.97x	7.0x	7.7x	6.7x	9.6x	11.0x	9.2x	3.0%	3.2%	3.9%	6.1%	5.9%	7.1%
BorgWarner	28.3	5,564	31	N	7.7x	7.0x	7.0x	0.69x	0.59x	0.54x	4.8x	4.3x	3.9x	6.9x	6.1x	5.5x	1.3%	1.6%	1.6%	10.8%	9.8%	10.8%
Dana Inc.	12.9	1,640	18	B	12.6x	13.1x	9.8x	0.41x	0.46x	0.43x	4.7x	5.2x	4.3x	9.0x	10.9x	7.7x	3.4%	3.1%	3.1%	10.9%	11.0%	22.6%
Forvia	6.9	1,355	6.5	N	8.7x	-27.1x	8.7x	0.32x	0.32x	0.32x	5.1x	5.1x	4.7x	14.9x	14.8x	10.7x	0.0%	0.0%	2.9%	48.4%	-5.8%	24.1%
Gestamp	2.6	1,507	2	S	8.0x	7.5x	7.4x	0.33x	0.34x	0.35x	3.1x	3.3x	3.3x	6.8x	7.2x	7.3x	5.6%	4.0%	4.0%	6.8%	6.2%	7.8%
Lear Corp	84.7	4,179	83	N	9.4x	8.9x	7.7x	0.37x	0.31x	0.29x	5.1x	4.6x	4.3x	7.9x	8.0x	7.4x	2.6%	3.6%	3.6%	13.5%	8.9%	11.5%
Magna International	34.3	8,580	34	N	8.6x	8.6x	7.9x	0.43x	0.39x	0.39x	4.8x	4.3x	4.3x	7.9x	8.1x	7.9x	4.1%	5.7%	5.7%	16.0%	9.3%	14.0%
Mobileye Global	15.1	10,737	15	N	89.0x	61.6x	46.1x	10.20x	6.25x	5.74x	66.1x	45.5x	34.3x	87.4x	60.7x	42.6x	0.0%	0.0%	0.0%	2.4%	2.3%	1.8%
Schaeffler	3.7	3,534	3.4	N	0.2x	20.5x	12.3x	0.40x	0.42x	0.41x	5.3x	5.8x	5.5x	11.6x	14.5x	12.5x	11.8%	2.4%	4.1%	-19.6%	2.7%	-1.8%
Valeo	8.9	2,116	8	N	n/a	18.1x	5.5x	0.26x	0.26x	0.26x	4.1x	3.5x	2.9x	10.0x	9.5x	6.8x	4.7%	4.7%	6.2%	23.8%	17.1%	26.5%
OPmobility	9.7	1,390	7.2	S	13.2x	11.3x	7.8x	0.26x	0.27x	0.27x	3.0x	3.4x	3.1x	9.3x	8.8x	7.0x	6.2%	5.0%	6.0%	17.7%	10.3%	13.0%
Visteon	80.2	1,960	85	N	11.4x	10.7x	9.7x	0.74x	0.58x	0.51x	6.1x	4.9x	4.4x	7.7x	6.5x	5.8x	0.0%	0.0%	0.0%	11.8%	4.5%	7.3%
Mean					15.7x	25.4x	19.4x	1.16x	0.85x	0.80x	9.1x	7.4x	6.3x	14.6x	13.1x	10.7x	2.8%	2.2%	2.7%	16.4%	9.8%	13.8%
Median					11.2x	10.7x	8.7x	0.41x	0.42x	0.41x	5.1x	4.6x	4.3x	9.3x	8.8x	7.6x	2.6%	2.4%	3.1%	11.9%	8.9%	10.8%
Sector																						
Mean					15.7x	23.6x	17.6x	1.09x	1.06x	0.98x	7.6x	7.6x	6.3x	28.4x	15.1x	11.3x	3.4%	3.0%	3.5%	14.9%	8.4%	10.0%
Median					10.2x	9.5x	8.0x	0.41x	0.42x	0.41x	4.7x	4.3x	3.9x	8.0x	8.1x	6.8x	3.7%	3.4%	3.8%	10.4%	7.2%	9.5%

Source: UBS estimates

Figure 4: Sector estimates (local currency million / per share)

Local currency million / per share	No of Shares	Sales (total)			EBITDA (underlying)			EBIT (underlying)			Net income (reported)			EPS (underlying)			DPS			Net cash/(debt)		
		2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Premium OEM																						
BMW	655	142,382	149,939	148,992	19,999	17,402	17,851	10,427	8,105	8,571	7,290	5,235	5,230	10.43	8.49	9.57	4.30	3.50	4.00	10,186	10,545	12,330
Mercedes-Benz	1070	145,594	144,134	146,297	20,257	15,972	17,104	11,353	7,423	8,996	10,207	6,842	7,462	8.85	6.10	7.37	4.30	3.50	4.00	31,797	30,833	31,760
Porsche AG	911	40,083	37,221	38,700	9,243	5,689	6,254	5,155	2,636	3,143	3,592	2,230	2,569	3.58	2.08	2.47	2.31	1.25	1.50	7,023	6,552	7,275
Volvo Car	2980	400,234	345,451	338,463	31,047	24,910	26,771	15,716	7,234	8,037	15,402	11,002	12,449	4.57	1.78	2.16	-	0.55	0.63	27,715	24,491	30,642
Mass market OEM																						
Ford	3991	184,992	175,337	174,480	13,631	10,022	9,877	10,208	6,781	6,636	5,879	3,201	4,284	1.84	1.09	1.06	0.60	0.60	0.60	8,248	7,035	7,047
General Motors	1451	187,441	174,935	169,236	18,518	16,681	14,973	14,933	12,653	10,324	7,244	10,334	8,636	10.61	10.59	8.90	0.48	0.57	0.60	4,653	7,744	11,524
Renault	272	56,232	56,163	56,696	4,361	3,831	3,461	2,604	2,044	1,636	752	2,503	2,663	4.02	9.04	9.62	2.20	3.00	3.42	7,096	8,113	7,910
Stellantis	3120	155,912	156,372	160,279	15,828	10,596	12,214	6,875	2,847	4,788	5,473	2,923	4,201	3.31	0.72	1.20	0.68	0.30	0.43	15,128	10,648	10,749
Tesla	3099	97,690	87,189	103,154	16,645	12,623	17,808	9,075	5,073	8,942	7,091	3,466	6,513	2.42	1.50	2.37	-	-	-	26,107	28,370	29,808
Volkswagen	501	324,656	320,136	329,889	48,080	49,837	51,496	16,025	11,945	13,411	10,721	9,056	9,580	16.99	14.80	16.29	6.36	5.47	5.79	33,989	35,028	37,027
Tire suppliers																						
Continental	200	39,719	39,310	40,166	4,441	4,402	5,135	2,376	2,354	3,064	1,167	1,310	1,856	6.19	7.16	9.89	2.50	2.95	3.71	-3,711	-3,078	-2,510
Michelin	714	27,193	28,360	29,453	5,361	5,556	5,870	3,378	3,561	3,863	1,884	2,444	2,682	3.67	3.60	3.99	1.38	1.75	1.94	-3,112	-2,479	-1,553
Nokian	138	1,290	1,424	1,548	196	268	296	2	83	112	-23	41	65	0.19	0.40	0.52	0.25	0.25	0.24	-613	-730	-702
Pirelli	1000	6,773	6,843	7,048	1,504	1,506	1,615	1,061	1,066	1,177	470	476	620	0.47	0.51	0.65	0.25	0.25	0.33	-1,926	-1,647	-1,275
Auto parts suppliers																						
Autoliv	88	10,391	9,830	10,049	1,393	1,258	1,437	1,006	885	1,055	647	570	706	8.30	7.33	9.09	2.72	2.93	3.64	-1,579	-1,331	-1,166
Forvia	151	29,950	29,793	30,497	1,880	1,896	2,066	643	651	898	-185	-15	196	0.79	-0.25	0.79	-	-	0.20	-6,623	-6,398	-5,976
Gestamp	576	12,001	11,551	11,422	1,294	1,214	1,209	582	547	540	188	202	203	0.33	0.35	0.35	0.15	0.11	0.11	-2,095	-2,303	-2,289
Schaeffler	666	24,313	23,102	23,580	1,845	1,670	1,791	842	675	783	-614	172	288	21.02	0.18	0.30	0.44	0.09	0.15	-4,835	-5,038	-5,189
Valeo	238	21,492	21,358	21,501	1,388	1,632	1,974	565	597	837	162	340	538	-0.35	0.49	1.62	0.42	0.42	0.55	-3,813	-3,546	-3,088
OPmobility	149	10,484	10,118	10,225	973	856	941	339	354	434	170	137	185	0.73	0.86	1.23	0.60	0.48	0.58	-1,563	-1,506	-1,394

Source: UBS estimates

Figure 5: Profitability and ratios

	ROIC			ROE			Net Debt / EBITDA			Capex / Sales			R&D / Sales			Capitalized R&D % of total		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2025E	2024E	2025E	2026E
Premium OEM																		
BMW	6.4%	4.7%	4.6%	9.0%	6.7%	6.5%	-0.5x	-0.6x	-0.7x	6.2%	5.2%	4.9%	6.1%	5.4%	5.0%	40.5%	35.0%	32.0%
Mercedes-Benz	9.5%	4.7%	5.5%	12.0%	7.6%	8.1%	-1.6x	-1.9x	-1.9x	2.7%	3.3%	3.0%	6.7%	7.0%	6.4%	42.4%	40.7%	40.0%
Porsche AG	11.3%	6.0%	6.8%	16.1%	9.7%	10.8%	-0.8x	-1.2x	-1.2x	10.3%	11.5%	11.5%	5.6%	6.6%	6.6%	62.6%	64.0%	64.0%
Volvo Car	10.1%	3.8%	4.1%	9.9%	3.6%	4.0%	-0.9x	-1.0x	-1.1x	6.1%	7.0%	5.9%	7.1%	6.5%	6.0%	66.1%	65.0%	65.0%
Mean	9.3%	4.8%	5.3%	11.7%	6.9%	7.3%	-1.0x	-1.3x	-1.3x	6.3%	6.8%	6.3%	6.4%	6.4%	6.0%	52.9%	51.2%	50.3%
Weighted average	9.9%	5.0%	5.5%	12.5%	7.1%	7.7%	-0.8x	-1.1x	-1.1x	7.5%	8.2%	7.8%	6.3%	6.4%	6.1%	57.9%	57.1%	56.5%
Mass market OEM																		
Ford	28.7%	17.9%	17.1%	16.9%	9.8%	9.3%	-0.6x	-0.7x	-0.7x	4.6%	4.8%	4.9%						
General Motors	22.9%	19.4%	15.0%	18.8%	15.4%	11.5%	-0.3x	-0.5x	-0.8x	5.7%	6.0%	6.2%						
Renault	21.5%	18.8%	15.4%	1.7%	5.3%	5.6%	-1.6x	-2.1x	-2.3x	2.9%	3.0%	3.4%	4.7%	4.7%	4.7%	43.6%	45.0%	45.0%
Stellantis	2.4%	3.5%	0.0%	2.4%	3.5%	0.0%	-1.0x	-1.0x	-0.9x	5.7%	4.3%	4.0%	4.4%	4.2%	4.1%	57.2%	52.0%	52.0%
Tesla	21.3%	10.6%	16.8%	12.5%	7.0%	10.1%	-1.6x	-2.2x	-1.7x	19.2%	13.2%	11.6%						
Volkswagen	5.1%	3.4%	3.7%	7.2%	5.2%	5.3%	-0.7x	-0.7x	-0.7x	5.2%	5.3%	4.9%	6.5%	6.5%	6.3%	48.8%	45.0%	44.0%
Mean	17.0%	12.3%	11.3%	9.9%	7.7%	7.0%	-1.0x	-1.2x	-1.2x	7.2%	6.1%	5.9%	5.2%	5.1%	5.0%	49.9%	47.3%	47.0%
Weighted average	21.7%	11.1%	16.8%	12.9%	7.4%	10.2%	-1.5x	-2.1x	-1.6x	18.4%	12.8%	11.3%	-0.5%	-1.2%	-1.0%	73.4%	66.8%	69.3%
Tire suppliers																		
Continental	12.8%	13.0%	17.1%	8.1%	8.9%	11.8%	0.8x	0.7x	0.5x	4.9%	6.0%	6.0%	10.2%	8.4%	8.3%	0.4%	0.5%	0.5%
Michelin	18.0%	18.7%	20.1%	10.1%	12.3%	12.7%	0.6x	0.4x	0.3x	8.3%	7.4%	6.8%	2.9%	2.7%	2.7%			
Nokian	0.1%	5.8%	7.6%	-1.8%	3.1%	4.9%	3.1x	2.7x	2.4x	27.1%	16.2%	8.0%						
Pirelli	14.2%	14.2%	15.6%	7.5%	7.1%	8.5%	1.3x	1.1x	0.8x	6.1%	6.3%	6.3%						
Mean	11.3%	12.9%	15.1%	6.0%	7.9%	9.5%	1.5x	1.2x	1.0x	11.6%	9.0%	6.8%	6.5%	5.5%	5.5%	0.4%	0.5%	0.5%
Weighted average	15.3%	15.7%	18.2%	8.8%	10.2%	11.7%	0.8x	0.7x	0.5x	7.0%	6.8%	6.4%	6.1%	5.2%	5.2%	0.4%	0.5%	0.5%
Auto parts suppliers																		
Autoliv	20.9%	17.9%	0.0%	27.5%	23.1%	0.0%	1.1x	1.1x	0.8x	5.4%	5.0%	5.0%	3.8%	4.0%	4.3%			
Forvia	19.5%	21.5%	30.4%	-4.3%	-0.4%	4.4%	3.5x	3.4x	2.9x	3.2%	3.2%	3.2%	7.2%	7.2%	7.2%	48.2%	45.0%	45.0%
Gestamp	9.7%	9.4%	11.2%	6.3%	6.3%	6.3%	1.6x	1.9x	1.9x	7.9%	7.9%	7.5%						
Schaeffler	5.4%	3.7%	-1.7%	355.5%	4.4%	7.0%	2.6x	3.0x	2.9x	3.7%	5.0%	5.0%	6.3%	6.3%	6.3%			
Valeo	8.6%	9.2%	12.7%	-2.3%	3.0%	8.7%	2.7x	2.2x	1.6x	5.3%	5.0%	5.5%	11.5%	11.0%	10.0%	42.1%	40.0%	40.0%
OPmobility	8.6%	8.8%	10.8%	8.4%	6.5%	8.2%	1.6x	1.8x	1.5x	2.7%	2.6%	2.6%	3.7%	3.7%	3.7%	69.1%	57.0%	57.0%
Mean	12.1%	11.8%	10.6%	65.2%	7.2%	5.8%	2.2x	2.2x	1.9x	4.7%	4.8%	4.8%	6.5%	6.4%	6.3%	53.1%	47.3%	47.3%
Weighted average	13.3%	12.7%	10.4%	91.4%	7.5%	5.1%	2.4x	2.4x	2.1x	4.5%	4.7%	4.7%	6.5%	6.5%	6.4%	32.0%	29.3%	29.3%
Sector																		
Mean	13.8%	12.5%	12.1%	31.6%	8.0%	7.6%	1.0x	0.8x	0.6x	6.5%	5.8%	5.2%	6.3%	6.0%	5.9%	40.9%	37.6%	37.1%
Weighted average	16.4%	14.0%	13.3%	30.9%	10.0%	9.1%	0.5x	0.4x	0.2x	5.6%	5.6%	5.4%	3.9%	3.6%	3.5%	12.0%	10.8%	10.5%

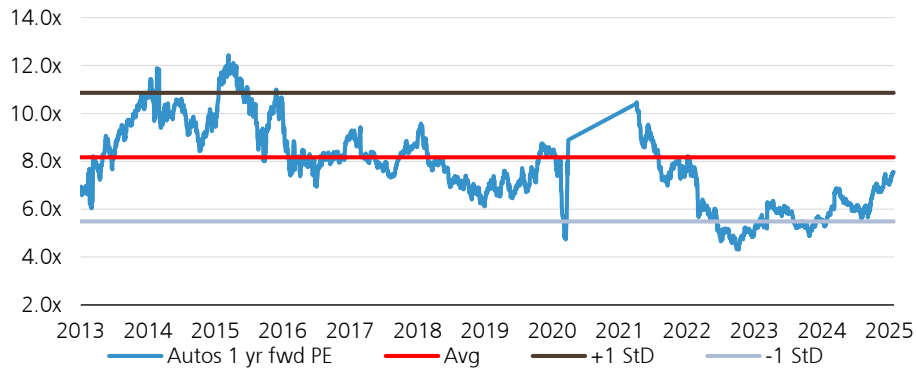
Source: UBS estimates

Figure 6: Sector growth

Year end	Sales			EBIT			EPS			DPS			EBITDA		
	2023-24E	2024-25E	2025-26E	2023-24E	2024-25E	2025-26E	2023-24E	2024-25E	2025-26E	2023-24E	2024-25E	2025-26E	2023-24E	2024-25E	2025-26E
Premium OEM															
BMW	-8.4%	5.3%	-0.6%	-42.4%	-22.3%	5.7%	-40.2%	-18.5%	12.7%	-28.3%	-18.6%	14.3%	-26.3%	-13.0%	2.6%
Mercedes-Benz	-5.0%	-1.0%	1.5%	-37.3%	-34.6%	21.2%	-29.6%	-31.1%	20.9%	-18.9%	-18.6%	14.3%	-23.7%	-21.2%	7.1%
Porsche AG	-1.1%	-7.1%	4.0%	-16.4%	-48.9%	19.2%	-25.4%	-41.9%	18.6%	0.0%	-45.9%	20.0%	-4.6%	-38.5%	9.9%
Volvo Car	0.2%	-13.7%	-2.0%	36.6%	-54.0%	11.1%	19.4%	-61.0%	21.3%				28.8%	-19.8%	7.5%
Median	-3.0%	-4.1%	0.4%	-26.8%	-41.7%	15.2%	-27.5%	-36.5%	19.7%	-18.9%	-18.6%	14.3%	-14.2%	-20.5%	7.3%
Weighted average	-2.3%	-6.5%	1.1%	-6.4%	-44.5%	14.6%	-14.4%	-42.8%	18.7%	-6.7%	-24.3%	12.2%	0.2%	-26.6%	7.6%
Mass market OEM															
Ford	5.0%	-5.2%	-0.5%	-2.0%	-33.6%	-2.1%	-9.5%	-40.8%	-2.5%	0.0%	0.0%	0.0%	-5.2%	-26.5%	-1.5%
General Motors	9.1%	-6.7%	-3.3%	20.8%	-15.3%	-18.4%	38.1%	-0.2%	-15.9%	33.3%	18.8%	5.3%	14.8%	-9.9%	-10.2%
Renault	7.4%	-0.1%	0.9%	-0.3%	-21.5%	-20.0%	-55.7%	124.7%	6.4%	18.9%	36.4%	14.0%	-9.4%	-12.1%	-9.7%
Stellantis	-17.3%	0.3%	2.5%	-69.2%	-58.6%	68.2%	-44.3%	-78.1%	65.3%	-56.1%	-56.3%	43.8%	-50.3%	-33.1%	15.3%
Tesla	0.9%	-10.7%	18.3%	-15.2%	-44.1%	76.3%	-22.5%	-37.9%	57.5%				0.1%	-24.2%	41.1%
Volkswagen	0.7%	-1.4%	3.0%	-3.6%	-25.5%	12.3%	-26.4%	-12.9%	10.1%	-29.8%	-14.0%	5.7%	7.1%	3.7%	3.3%
Median	7.4%	-5.2%	-0.5%	-2.8%	-29.5%	5.1%	-9.5%	-0.2%	-2.5%	0.0%	0.0%	5.7%	-2.6%	-18.2%	0.9%
Weighted average	1.6%	-10.5%	17.1%	-12.5%	-42.3%	70.2%	-19.5%	-35.8%	52.6%	1.8%	1.4%	-0.4%	1.4%	-23.2%	38.1%
Tire suppliers															
Continental	-4.1%	-1.0%	2.2%	-1.6%	-1.0%	30.2%	-27.4%	15.6%	38.1%	13.6%	17.9%	25.9%	-0.5%	-0.9%	16.6%
Michelin	-4.1%	4.3%	3.9%	-5.4%	5.4%	8.5%	-9.0%	-1.9%	11.0%	3.1%	7.7%	24.0%	-2.3%	3.6%	5.7%
Nokian	9.9%	10.4%	8.8%	-94.7%	4773.1%	35.1%	-27.4%	111.1%	32.5%	-54.5%	0.0%	-5.4%	8.7%	37.0%	10.5%
Pirelli	1.9%	1.0%	3.0%	5.9%	0.5%	10.4%	-1.9%	7.9%	28.3%	26.5%	1.2%	28.3%	4.0%	0.1%	7.3%
Median	0.9%	3.7%	4.5%	-24.0%	1194.5%	21.0%	-16.4%	33.2%	27.4%	-2.8%	6.7%	18.2%	2.4%	10.0%	10.0%
Weighted average	-3.0%	1.9%	3.2%	-3.6%	68.2%	17.2%	-15.1%	7.6%	23.8%	9.7%	10.4%	24.9%	-0.6%	1.9%	10.0%
Auto parts suppliers															
Autoliv	-0.8%	-5.4%	2.2%	9.3%	-12.1%	19.3%	5.1%	-11.6%	24.0%	3.1%	7.7%	24.0%	7.3%	-9.7%	14.2%
Forvia	-2.5%	-0.5%	2.4%	-28.8%	1.2%	37.8%	-9.5%	-132.0%	-412.3%	-100.0%	-	-	-10.5%	0.8%	9.0%
Gestamp	-4.2%	-3.7%	-1.1%	-16.2%	-6.0%	-1.3%	-38.8%	7.0%	0.5%	-8.9%	-28.1%	0.5%	-5.3%	-6.1%	-0.5%
Schaeffler	49.0%	-5.0%	2.1%	-29.0%	-19.9%	16.1%	2619.6%	-99.1%	67.0%	0.0%	-79.4%	67.0%	-15.7%	-9.5%	7.2%
Valeo	-2.5%	-0.6%	0.7%	51.1%	5.7%	40.2%	-17.9%	-241.0%	229.7%	5.0%	0.0%	31.7%	-1.5%	17.6%	21.0%
OPmobility	1.6%	-3.5%	1.1%	-11.1%	4.5%	22.7%	-31.4%	16.8%	44.0%	53.8%	-19.2%	19.1%	4.2%	-12.0%	10.0%
Median	-1.6%	-3.6%	1.6%	-13.6%	-2.4%	21.0%	-13.7%	-55.4%	34.0%	1.6%	-19.2%	24.0%	-3.4%	-7.8%	9.5%
Weighted average	10.4%	-3.2%	1.6%	-7.2%	-6.7%	24.0%	620.6%	-88.8%	-42.8%	-19.8%	-21.5%	27.0%	-5.1%	-3.2%	10.5%
Sector															
Median	0.0%	-1.0%	2.1%	-8.3%	-13.7%	17.7%	-24.4%	-12.3%	22.4%	0.0%	0.0%	16.7%	-1.9%	-9.6%	7.3%
Weighted average	1.5%	-9.1%	15.2%	-12.7%	-34.5%	63.6%	6.6%	-35.3%	46.0%	0.4%	0.3%	2.5%	0.2%	-20.8%	34.4%

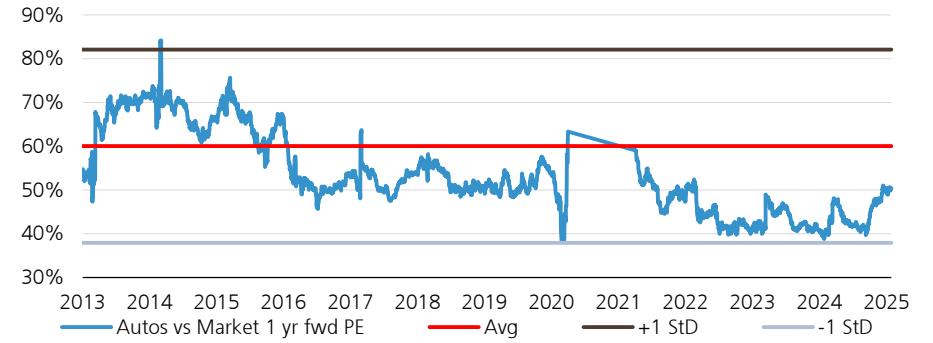
Source: UBS estimates

Figure 7: Autos 1 yr Forward PE



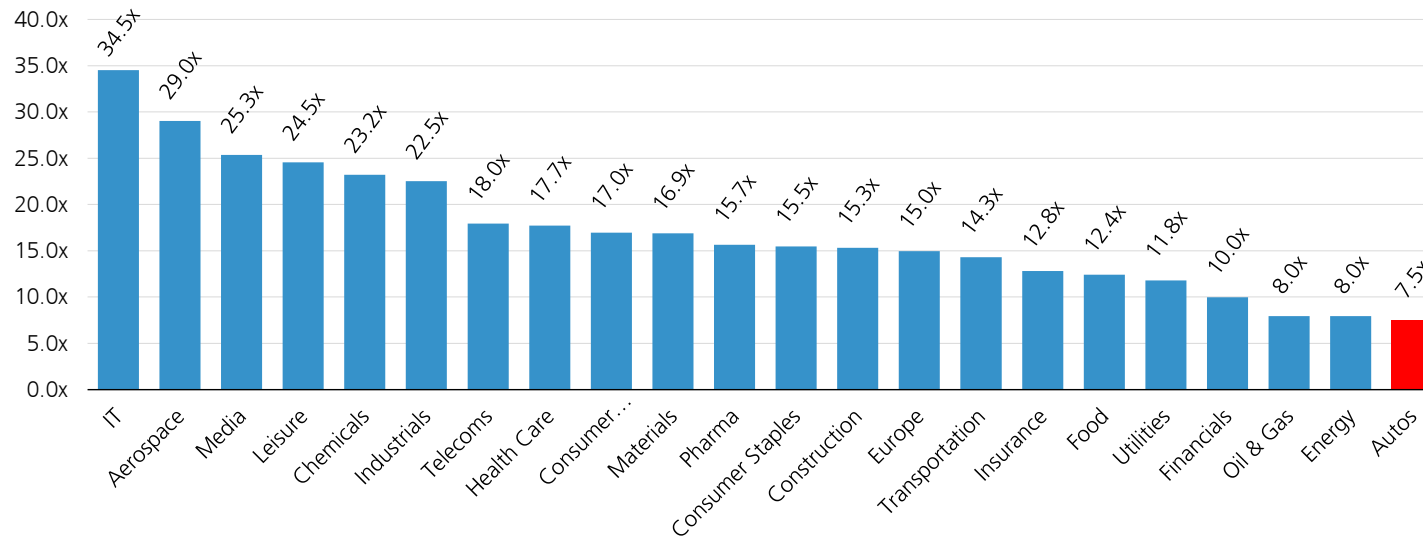
Source: Bloomberg, UBS estimates

Figure 8: Auto versus Market 1 yr Forward PE



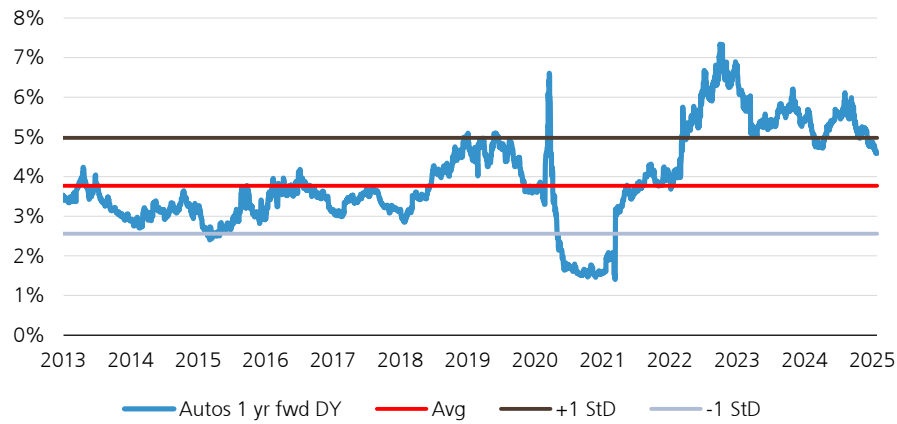
Source: Bloomberg, UBS estimates

Figure 9: Forward PE Sector Comparison



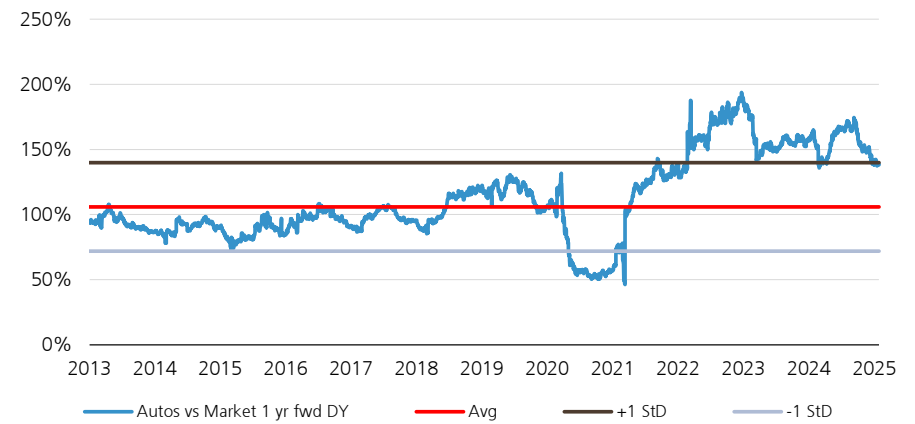
Source: Bloomberg, UBS estimates

Figure 10: Autos 1 yr Forward DY



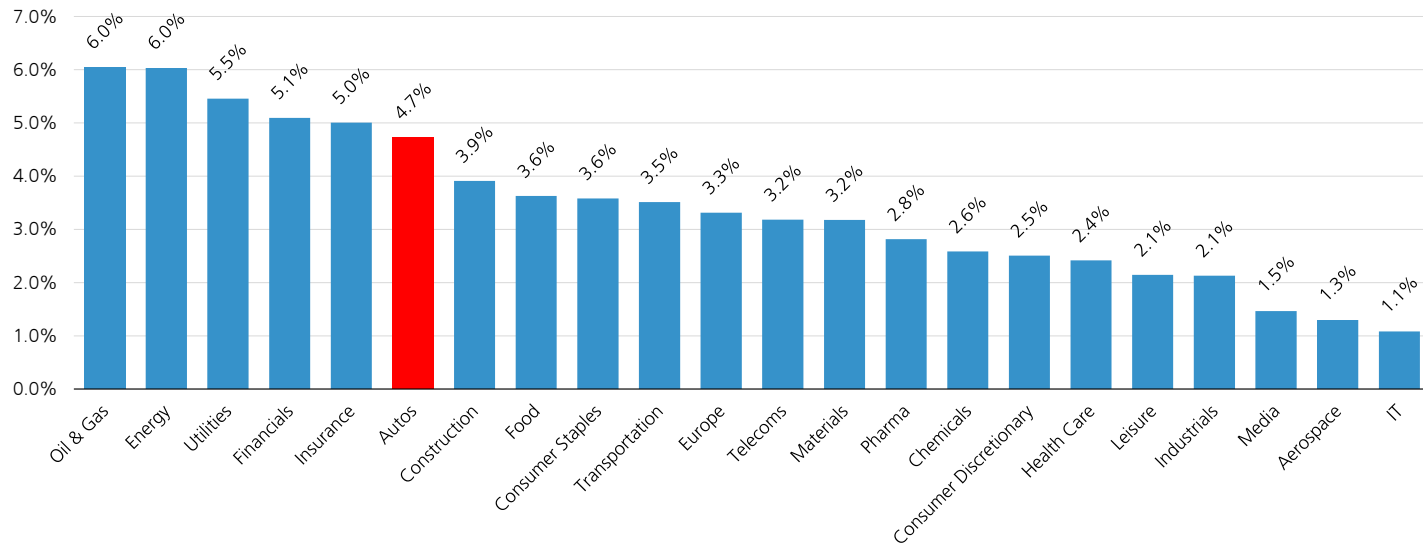
Source: Bloomberg, UBS estimates

Figure 11: Autos versus Market 1 yr Forward DY



Source: Bloomberg, UBS estimates

Figure 12: 1 yr Forward DY Sector Comparison



Source: Bloomberg, UBS estimates

Figure 13: Earnings calendar 2025

Reported period	pre FY 2024	FY 2024	Q1 2025	Q2/H1 2025	Q3 2025
BMW		14-Mar	7-May	31-Jul	5-Nov
Ferrari		~Feb			
Ford		5-Feb			
General Motors		28-Jan			
Mercedes-Benz	20-Feb	12-Mar	30-Apr	30-Jul	29-Oct
Porsche AG		12-Mar	29-Apr	30-Jul	24-Oct
Renault		20-Feb	24-Apr	31-Jul	23-Oct
Stellantis		26-Feb	30-Apr	24-Jul	30-Oct
Tesla		29-Jan			
Volvo Car		6-Feb	29-Apr	17-Jul	
Volkswagen		11-Mar	30-Apr	25-Jul	30-Oct
Aptiv		6-Feb			
Autoliv		31-Jan			
Brembo		18-Mar	8-May	29-Jul	6-Nov
Continental		4-Mar	6-May	5-Aug	6-Nov
Forvia		28-Feb	17-Apr	28-Jul	20-Oct
Gestamp		27-Feb			
OPmobility		20-Feb	23-Apr		
Schaeffler		5-Mar	7-May	6-Aug	4-Nov
Valeo		27-Feb			
Michelin		12-Feb	24-Apr		
Nokian		4-Feb	6-May	18-Jul	28-Oct
Pirelli	26-Feb	26-Mar	14-May	31-Jul	6-Nov

Source: Investor Relations, UBSe (" ~ " are estimated basing on previous years)

Valuation Method and Risk Statement

The automobile sector has in the past exhibited high levels of volatility in terms of profitability and valuation. Sector earnings and performance are highly sensitive to variations in volume, pricing, raw material costs and currency, all of which have been volatile recently. Long term structural trends continue to improve as a result of higher demand in EM, early signs of sector concentration improving and structurally lower currency exposure but near term cyclical drivers have become more challenging after several years of strong earnings and share price performance. We are also concerned that in a macro recovery rising interest rates would become a material headwind for the industry.

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Buy	FSR is > 6% above the MRA.	52%	24%
Neutral	FSR is between -6% and 6% of the MRA.	40%	20%
Sell	FSR is > 6% below the MRA.	8%	22%
Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 31 March 2025.

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

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Company Disclosures

Company Name	Reuters	12-month rating	Price	Price date
Autoliv ^{16,28,20}	ALV.N	Buy (CBE)	US\$92.83	30 Apr 2025
BMW ^{28,20}	BMWG.DE	Buy (CBE)	€74.30	30 Apr 2025
Continental ²⁸	CONG.DE	Buy	€68.44	30 Apr 2025
Dr. Ing. h.c. F. Porsche AG ^{28,20}	P911_p.DE	Neutral (CBE)	€44.09	30 Apr 2025
Forvia ^{28,20}	FRVIA.PA	Neutral (CBE)	€6.78	30 Apr 2025
Gestamp Automoción S.A. ²⁰	GEST.MC	Sell (CBE)	€2.62	30 Apr 2025
Mercedes-Benz Group AG ^{28,7,6a,6b,20}	MBGn.DE	Neutral (CBE)	€52.47	30 Apr 2025
Michelin ^{28,7}	MICP.PA	Buy	€32.17	30 Apr 2025
Opmobility ^{28,20}	OPM.PA	Sell (CBE)	€9.82	30 Apr 2025
Pirelli ²⁸	PIRC.MI	Buy	€5.42	30 Apr 2025
Schaeffler ²⁰	SHA0.DE	Neutral (CBE)	€3.78	30 Apr 2025
Stellantis N.V. ^{16,28,7,20}	STLAM.MI	Neutral (CBE)	€8.14	30 Apr 2025
Valeo ^{28,20}	VLOF.PA	Neutral (CBE)	€8.67	30 Apr 2025
Volkswagen ^{28,20}	VOWG_p.DE	Neutral (CBE)	€95.44	30 Apr 2025
Volvo Car AB ^{12,20}	VOLCARb.ST	Sell (CBE)	SKr16.44	30 Apr 2025

Source: UBS Global Research; LSEG Eikon. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.

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