



General Motors Company

Analyst Report

Recommendation:
Sell

Closing Price: \$57.22 (as of Apr. 30, 2021) **Sector:** Consumer Cyclical
12-Mo. Target Price: \$48.57

Industry: Automotive

Ticker: GM

Date: 4 May 2021

Corporate Information

Headquarters:
Detroit, Michigan

Website:
<https://www.gm.com>

Board of Directors:
Chairman and CEO:
Mary T. Barra

Wesley G. Bush

Linda R. Gooden

Joseph Jimenez

Jane L. Mendillo

Judith A. Miscik

Patricia F. Russo

Thomas M. Schoewe

Business Description

General Motors Company (NYSE: GM) engages in the designing, manufacturing, and selling of cars, trucks, and automobile parts. It also provides automotive financing services through General Motors Financial Company, Inc. The firm operates through the following segments: GM North America, GM International, GM Financial, and Cruise. The company sells vehicles under their brand portfolio which includes Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Wuling, Maven, and OnStar. General Motors was founded by William C. Durant on September 16, 1908 and is headquartered in Detroit, MI. General Motors has established themselves as a worldwide leader in the automotive industry employing over 155,000 people, serving six continents, and operating across 22 time zones. With more than 85,000 employees in the USA, GM contributes hundreds of millions of dollars in economic activities to communities across the country. In the USA alone, they have 122 facilities, 4232 dealers, 5694 suppliers and over 2.5 million vehicles delivered. General Motor's strategy is to deliver safer, simpler and more sustainable transportation solutions for their customers. By doing so, they hope to realize their future vision of a world with zero crashes, zero emissions, and zero congestion.

Industry Overview

The automotive industry is made up of the world's largest passenger automobile and truck manufacturers. Auto manufacturers offer a variety of makes and models through their broad dealership networks in the global market, that cover developed and emerging countries. Most of these companies operate their facilities in multiple geographic regions to be able to best serve their customers based on the levels of demand.

Revenue Streams

In terms of revenue streams, the automotive industry is subject to the demand of a vast worldwide pool of customers. The economic conditions of different countries are major contributors to overall industry sales. For example, the COVID-19 pandemic negatively impacted the industry as fewer people were driving, resulting in less people purchasing vehicles. To cope with the changes in demand based off different economic conditions and the finances of a typical consumer, car companies offer a wide range of products from small, affordable sedans, to family mid-size SUVs, to high-end luxury sport cars to meet customers' desires. Another example of how economic conditions can affect automotive sales relates to the price of gasoline. Theoretically, when the gas prices are high we might see a trend in consumer buying of more fuel efficient or electric vehicles whereas when gas prices are low, we might see more purchases of trucks and muscle cars that don't get efficient gas mileage.

Costs and Expenses

In terms of the costs and expenses in this industry, automobile manufacturing is both capital and labor intensive. These businesses have to manage many expenses associated with facilities, materials, parts, equipment, product development, and employment. They also have to deal with the costs of research and development, marketing and advertising. Due to the extreme costs automobile companies deal with, their business structures tend to rely heavily on debt to maintain their operations and pay out benefits, resulting in significant interest expenses. This reliance creates a risky environment for many companies as the possibility of defaulting on loans or going bankrupt is something managers are wary of. Successful automotive companies have figured out the best strategies to implement when it comes to dealing with such high amounts of debt, for example the proper allocation of resources and capital. Generally, many domestic companies have suffered market share losses over the long term because of this. Overall, the automotive industry is a valuable contributor to the global economy circulating billions of dollars every year and creating many new jobs and opportunities. Investors looking to get into this market need to understand the business cycle and the best times to take a stake in the industry. Many companies offer dividends to support investor loyalty and have generally low market volatility, attracting more risk averse investors who want to commit to the long term.

Competitive Positioning

With global sales of automobiles forecasted to fall around 70 million units in 2021 and worldwide automotive revenue projected to grow just under 9 trillion dollars by 2030, we can not only assume that there is room for massive growth in the industry, but also the increasing competition among many different car companies. In the automotive industry, General Motors stands out as a big competitor amongst others due to its worldwide brand recognition and sheer size. GM's brands rival the likes of many well-established companies like Toyota (TM), Ford (F), Honda (HMC), Hyundai (HYMTF), and more. Toyota is one of the leading automobile firms that has strong brand recognition and sales worldwide. They place heavy focus on innovation and are a leading competitor of GM as they sold 9.5 million vehicles in 2020. Ford Motor Company is a big American competitor of GM as they have similar company focuses and brand recognition. Honda is a competitor of GM as their brand includes Honda and Acura cars along with motorcycles and power equipment, creating a much more diversified portfolio than GM. Finally, Hyundai Motors is a competitor to GM as they offer premium cars under the Hyundai and Kia brands. They have an innovative brand that has focused on environment friendly cars in recent years, selling a total of 4.4 million vehicles in 2019.

Porter's Five Forces

General Motors seeks to address competitive issues in their automotive industry, that can be outlined using Porter's Five Forces analysis. This analysis seeks to determine the intensities of forces linked to competition, along with external factors. The five forces include competitive rivalry, bargaining power of buyers, bargaining power of suppliers, threat of substitutes and threat of new entrants, where they will be ranked as a strong, moderate, or weak force.

GM has a strong force in their competitive rivalry as competing firms are always looking to be aggressive in their different business segments. Competing firms seek to improve their marketing, innovation, products, operations, and manufacturing, which puts pressure on GM to compete. Additionally, there are many automobile manufacturers across domestic and foreign markets that GM must compete with. This force highlights the benefits of aggressiveness in a competitive environment.

GM has a moderate force in their bargaining power of buyers as customers determine the company's revenues. Customers have switching costs which refers to the difficulty of transferring from one firm to another. For GM, customers are somewhat likely to shift from GM to another firm due to the price level of purchases where they can pursue a competing price elsewhere. GM also has a small size of individual buyers because a typical individual buys a single unit compared to the millions of units they sell every year.

GM has a weak force in their bargaining power of suppliers as suppliers are the ones who control the availability of materials used in production. There is high overall supply available to GM creating a weak ability for GM to bargain prices. Additionally, changes in supplier production is insignificant to the industry because of the high availability.

GM has a moderate force on their threat of substitutes as substitute firms can cause a decrease in revenues if buyers find better value elsewhere. The threat of substitution for GM is weakened because of the low variety of substitutes for customers. Consumers within a specific budget range generally won't seek out a substitute and it is then reliant on GM's ability to retain customers and produce quality vehicles consistently.

GM has a moderate force on their threat of new entrants as new entrants can quickly affect market share. The potential of new competitors in large corporations like Apple, who have interests in advanced technology implementation in automobiles, is soon to be evident and GM must prepare accordingly to retain customers. However, high economies of scale in the automotive industry make it difficult for new entrants to be an extreme competitor which does lift some weight off GM's shoulders.

Investment Summary

A **SELL** recommendation on General Motors is being initiated with a target price of \$48.57, resulting in a 15.12% loss over the current price of \$57.22 as of the closing of April 30th, 2021. This price considers the last 5 years of financials and projected financial performance, as well as the company outlook and industry nature. The 12-month target price is based on a weighted average between a Dividend Discount Model (DDM), a Discounted Cash Flow Model (DCF or FCFM) and a Residual Income Model (RIM), a Market Value Added Model (MVA) and Relative Market Multipliers.

Share Price Analysis

GM finds their share price at all-time highs after passing \$50/share in mid-January. This was the result of company news of plans for new electric vehicles and autonomous vehicles coming around 2025. This increase is also due to the tremendous amount of money being put into the economy from the government because of the pandemic. Investors have been putting this money back into the stock market in hopes of making returns. Based on historical share prices of GM, over the past 4-5 years, the price has generally been sitting between \$30 - \$40/share and never saw growth beyond that. Based off this finding, the analysis signifies that the share price will return to these numbers. This finding was a big factor when determining growth rates and the 12-month target price for the company.

Credit Ratings

GM has received corporate investment grade ratings from Fitch and ratings from S&P. In May of 2020, Fitch downgraded GM's bond credit rating from BBB to BBB-. This comes due to speculation that the company's credit profile will remain weak for a prolonged period due to the continued macroeconomic weaknesses caused by the coronavirus pandemic. Moody's affirms GM ratings of Baa2 for unsecured bank facility and Baa3 for senior unsecured notes as they have maintained liquidity and flexibility in their operations. Although GM will have to battle adversity through this rough period, they will be able to maintain an investment-grade credit profile once they fully recover from the economic setback.

Cost of Equity

Risk-Free Rate	1.61%
Beta	1.39
Market Risk Premium	5.60%
Cos of Equity	9.40%

Valuation

A target price of \$48.57 was derived utilizing five methodologies (DDM, FCFM, RIM, MVA, and Relative Market Multipliers). The target price yields an expected return of -15.12% (as of April 30th, 2021). The intrinsic value models produced a \$52.82 12-month target price. The market multipliers produced a \$44.85 12-month target price, utilizing the Price-to-Book, Price-to-Sales, Price-to-Earnings Per Share, Price-to-Free Cash Flow, and Price-to-Earnings Before Interest Taxes Depreciation Amortization. These two methods produced an

average target price of \$48.57 per share. The Cost of Equity is derived using the Capital Asset Pricing Model (CAPM). The Risk-Free Rate of 1.61% is based on the U.S. 10 Year Treasury Yield. The Market Risk Premium of 5.60% and beta of 1.39 is based on U.S. government reportings and company reportings, respectfully.

Intrinsic value			
		P 0	P 1
DDM	\$	6.06	\$ 6.18
FCFM	\$	39.68	\$ 42.82
RIM	\$	40.48	\$ 43.82
MVAM	\$	113.74	\$ 116.32
Average	\$	49.99	\$ 52.28

Multipliers' Prices			
P/B Price	\$	27.85	\$ 27.85
P/Sales Price	\$	38.89	\$ 38.89
P/EPS Price	\$	27.69	\$ 27.69
P/FCF Price	\$	38.61	\$ 38.61
P/EBITDA Price	\$	91.21	\$ 91.21
Average			\$ 44.85

Average	\$	47.42	\$ 48.57
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DDM

An intrinsic valuation of \$6.18 per share was derived using a Dividend Discount Model. The valuation is improper given GM's low dividend paid over the past 5 years of 0.38 every quarter and high cost of equity of 9.4%. The scalability of GM's dividend compared to its cost of equity produced a low 12-month target price.

FCFM

An intrinsic valuation of \$42.82 per share was derived using the Free Cash Flow Model. The valuation is proper given GM's consistent growth in cash flow and appropriate WACC. After finding GM's value of equity along with their current shares outstanding in 2020, the price of the stock is determined.

RIM

An intrinsic valuation of \$43.82 per share was derived using the Residual Income Model. The valuation is proper given GM's consistent EPS and BVPS growth over the past 5 years. In addition, the cost of equity derived from CAPM was sufficient in the calculations of this model. This model estimates future earnings to compensate for the equity cost and place a value to GM.

MVA

An intrinsic valuation of \$116.32 per share was derived using the Market Value Added. The valuation is improper given GM's high invested capital numbers and low Net Operating Profit After Tax (NOPAT). The WACC of 5.5% was used in this model's valuation as well. The results from this model is an indication of GM's capacity to increase shareholder value over time.

Relative Market Multipliers

A relative valuation of \$44.85 per share was derived from the Relative Market Multipliers. Four competitors were chosen based on similar size, company performance, and portfolio holdings relative to GM. The competitors used included: Ford (F), Toyota (TM), Honda (HMC), and

Hyundai (HYMTF). The model takes the competitors' average multipliers and determines a price compared to GM's multipliers.

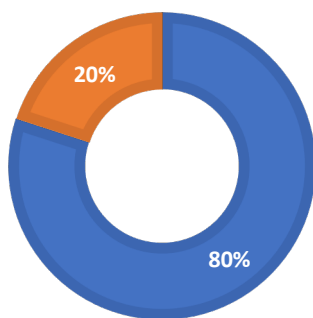
Financial Analysis

Earnings

GM's total sales have been decreasing over the past five years as their revenue in 2016 was \$149 billion and in 2020 it was \$122 billion. Their steady decline in sales is expected to continue over the next few years as they are in the midst of recovering from the global pandemic. It will be up to GM's management to continue to persevere through this time and rely on their expressed plans for electric vehicles to increase sales back up to where they belong. Additionally, GM's EPS has decreased from 6.12 in 2016 to 4.33 in 2020 indicating a weaker trend in earnings.

GM CAPITAL STRUCTURE

■ Debt ■ Equity



Capital Structure

The capital structure of GM is heavily weighed on debt as the weights are about 80% debt and 20% equity. Given the importance of GM's capital structure, it is up to management to decide how much capital should be financed by debt and how much by equity. Many of GM's assets are financed by debt that includes both long-term and short-term borrowings and tangible and intangible assets. This makes sense because the cost of production in the automotive industry is an expensive investment and would be extremely hard to use equity for financing. GM's debt ratio is about 39% which makes GM a highly leveraged company. GM also issues corporate bonds to finance operations for purposes like buying new equipment, financing mergers and acquisitions, and paying dividends to shareholders. Overall, due to the high reliance of debt and increasing debt numbers, GM has bankruptcy risk and can lose share price value.

Dividend Yield Dropoff

The trailing annual dividend rate of 0.38 and yield of 0.66% has recently been halted back in March of 2020 as GM had been struggling due to the global pandemic. They had been offering a 0.38 dividend consistently over the past five years, as this kept investors loyal to the company and was attractive to new investors. GM mentioned that the suspension in dividends and buybacks, was to help them enhance "liquidity to help navigate the uncertainties in the global market created by this pandemic." This suspension influenced the analysis of the 12-month target price by indicating lower growth rate numbers.

Investment Risk

Competitive Risk

GM operates in a very competitive industry with market participants routinely introducing new and innovative automobiles and products. They must produce new and inventive vehicles, including electric vehicles, that not only preserve their reputation for designing and building high-quality and reliable cars, but also make them stand out among competing firms. GM's ability to maintain profitability is reliant on their ability to fund and produce these innovations in order to respond to changing consumer preferences and attractiveness.

Global Market Risk

GM is highly dependent upon global automobile market sales volume, which can be volatile. A number of economic and market conditions drive changes in new vehicle sales, like levels of unemployment, availability of financing, and occurrence of disease like COVID-19. These risk factors may disrupt business operations and negatively impact financials.

High Cost of Materials

Increases in prices for raw materials or other inputs GM uses in manufacturing products, may lead to higher production cost for parts and systems. Changes in policy and fluctuations in supply and demand places pressure on pricing for materials which in turn, can negatively impact GM's profitability that they can't necessarily put onto customers or suppliers.

Financial Risk/Debt Obligations

GM's Financial business faces risk factors that can reduce its ability to produce financing services at competitive rates. These factors include the sufficiency, availability and cost of sources of financing such as credit facilities, debt issuances, performance of loans and leases, and fluctuations in interest rates and currencies. They also face financial risk in the large amounts of debt they incur that was mentioned in the capital structure section above. This leaves GM with the potential for defaulting on loans or even bankruptcy if they are unable to pay off debt.

Appendix 1: Intrinsic Valuation Models

Dividend Discount Model						
Year	0	1	2	3	4	5
g		20.00%	12.00%	8.00%	5.00%	2.50%
DVD	0.38	\$ 0.46	\$ 0.40	\$ 0.43	\$ 0.45	\$ 0.46
Rs	9.40%					
Horizon Value (P4)					\$ 6.69	
PV		\$0.42	\$0.33	\$0.33	\$4.99	
			\$0.36	\$0.36	\$5.46	
DDM Price	\$6.06					
12-month Target	\$6.18					

Discounted Cash Flow Model							
Year	0	1	2	3	4	5	
g		15.00%	12.00%	8.00%	5.00%	2.50%	
FCF	\$ 9,536.00	\$ 3,941.06	\$ 4,413.99	\$ 4,767.11	\$ 5,005.46	\$ 5,130.60	
WACC	5.50%						
Horizon Value (Vop 4)					\$ 171,019.99		
PV		\$3,735.60	\$3,965.76	\$4,059.73	\$142,090.69		
			\$4,183.88	\$4,283.02	\$149,905.68		
	Vop		\$ 153,851.79	\$158,372.58			
+	Short-Term Investments		\$9,046	\$ 9,046.00			
+	Other Non_operating Assets		\$0	\$ -			
	Value of Firm		\$ 162,897.79	✓ \$ 167,418.58			
-	Total Debt		\$110,863	\$ 110,863.00			
-	Preferred Equity and Minority Interest		\$5,139	\$ 5,139.00			
-	Value of Equity		\$ 57,173.79	✓ \$ 61,694.58			
	Current Shares Outstanding		1,441	1,440.91			
	FCF Price		\$ 39.68				
	12-month Target		\$ 39.68	\$ 42.82			

Residual Income Model						
Year	0	1	2	3	4	5
g		15.00%	12.00%	8.00%	5.00%	2.50%
EPS	4.33	\$ 4.04	\$ 4.53	\$ 4.89	\$ 5.13	\$ 5.26
BVPS	32.16	\$ 35.75	\$ 39.88	\$ 44.34	\$ 49.02	\$ 53.82
Rs	9.40%					
RI		\$ 1.02	\$ 1.17	\$ 1.14	\$ 0.97	\$ 0.65
Horizon Value RI					\$ 6.96	
PV		\$0.93	\$0.98	\$0.87	\$5.54	
			\$1.07	\$0.95	\$6.06	
RI 0	\$8.32					
RI Price = BVPS +RI	\$40.48					
12-month Target	\$ 43.82					

Market Value Added Model						
Year	0	1	2	3	4	5
g		15.00%	12.00%	8.00%	5.00%	2.50%
NOPAT	\$ 10,000.00	\$ 11,017	\$ 12,339	\$ 13,327	\$ 13,993	\$ 14,343
Capital	150,000.0000	\$ 149,824	\$ 167,802	\$ 181,227	\$ 190,288	\$ 195,045
WACC		5.50%				
EROICt = NOPAT t+1 /Capital t		7.345%	8.236%	7.942%	7.721%	7.537%
MVA		\$ 2,764.13	\$ 4,591.07	\$ 4,425.29	\$ 4,226.77	\$ 3,973.87
Horizon Value MVA					\$ 132,462.24	
PV		\$2,620.02	\$4,124.86	\$3,768.64	\$110,337.66	
MVA0		\$120,851.18				
MVA1		\$124,733.87	\$4,351.73	\$3,975.91	\$116,406.23	
Vop = MVA + Capital =	P0 \$270,851	P1 \$274,557.43				
Vop	\$ 270,851	\$274,557				
Short-Term Investments	\$ 9,046	\$ 9,046				
Other Non_operating Assets	\$ -	\$ -				
Value of Firm	\$ 279,897	\$ 283,603				
Total Debt	\$ 110,863	\$ 110,863				
Preferred Equity and Minority In	\$ 5,139	\$ 5,139				
Value of Equity	\$ 163,895	\$ 167,601				
Current Shares Outstanding	1,440.91	1,440.91				
MVA Price	\$ 113.74					
12-month Target	113.7440598	\$ 116.32				

Appendix 2: Relative Market Multipliers

Competitors' Ticker	1	2	3	4	Avg.	GM US Equity
	F	TM	HMC	HYMTF		
P/Book Price	1.09	1.06	0.63	0.36	0.79	1.35
P/Sales Price	0.27	0.87	0.39	0.29	0.46	0.52
P/EPS Price	8.22	15.17	13.58	20.12	14.27	13.62
P/FCF Price	1.88	42.60	5.97	0.01	12.61	6.30
P/EBITDA Price	9.15				9.15	20.59

Market Multipliers		
	Competitors' Average Multipliers	Price
P/B Price	0.79	27.85
P/Sales Price	0.46	38.89
P/EPS Price	14.27	27.69
P/FCF Price	12.61	38.61
P/EBITDA Price	9.15	91.21
Average		44.85

Appendix 3: Income Statement Summary

CONSOLIDATED INCOME STATEMENTS (In millions, except per share amounts)

	Years Ended December 31,		
	2020	2019	2018
Net sales and revenue			
Automotive	\$ 108,673	\$ 122,697	\$ 133,045
GM Financial	13,812	14,540	14,004
Total net sales and revenue (Note 3)	122,485	137,237	147,049
Costs and expenses			
Automotive and other cost of sales	97,539	110,651	120,656
GM Financial interest, operating and other expenses	11,274	12,614	12,298
Automotive and other selling, general and administrative expense	7,038	8,491	9,650
Total costs and expenses	115,851	131,756	142,604
Operating income	6,634	5,481	4,445
Automotive interest expense	1,098	782	655
Interest income and other non-operating income, net (Note 19)	1,885	1,469	2,596
Equity income (Note 8)	674	1,268	2,163
Income before income taxes	8,095	7,436	8,549
Income tax expense (Note 17)	1,774	769	474
Income from continuing operations	6,321	6,667	8,075
Loss from discontinued operations, net of tax (Note 22)	—	—	70
Net income	6,321	6,667	8,005
Net loss attributable to noncontrolling interests	106	65	9
Net income attributable to stockholders	\$ 6,427	\$ 6,732	\$ 8,014
Net income attributable to common stockholders	\$ 6,247	\$ 6,581	\$ 7,916
Earnings per share (Note 21)			
Basic earnings per common share – continuing operations	\$ 4.36	\$ 4.62	\$ 5.66
Basic loss per common share – discontinued operations	\$ —	\$ —	\$ 0.05
Basic earnings per common share	\$ 4.36	\$ 4.62	\$ 5.61
Weighted-average common shares outstanding – basic	1,433	1,424	1,411
Diluted earnings per common share – continuing operations	\$ 4.33	\$ 4.57	\$ 5.58
Diluted loss per common share – discontinued operations	\$ —	\$ —	\$ 0.05
Diluted earnings per common share	\$ 4.33	\$ 4.57	\$ 5.53
Weighted-average common shares outstanding – diluted	1,442	1,439	1,431

Appendix 4: Balance Sheet Summary

CONSOLIDATED BALANCE SHEETS (In millions, except per share amounts)

	December 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 19,992	\$ 19,069
Marketable debt securities (Note 4)	9,046	4,174
Accounts and notes receivable (net of allowance of \$224 and \$201)	8,035	6,797
GM Financial receivables, net (Note 5; Note 11 at VIEs)	26,209	26,601
Inventories (Note 6)	10,235	10,398
Other current assets (Note 4; Note 11 at VIEs)	7,407	7,953
Total current assets	80,924	74,992
Non-current Assets		
GM Financial receivables, net (Note 5; Note 11 at VIEs)	31,783	26,355
Equity in net assets of nonconsolidated affiliates (Note 8)	8,406	8,562
Property, net (Note 9)	37,632	38,750
Goodwill and intangible assets, net (Note 10)	5,230	5,337
Equipment on operating leases, net (Note 7; Note 11 at VIEs)	39,819	42,055
Deferred income taxes (Note 17)	24,136	24,640
Other assets (Note 4; Note 11 at VIEs)	7,264	7,346
Total non-current assets	154,270	153,045
Total Assets	\$ 235,194	\$ 228,037
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	\$ 19,928	\$ 21,018
Short-term debt and current portion of long-term debt (Note 13)		
Automotive	1,276	1,897
GM Financial (Note 11 at VIEs)	35,637	35,503
Accrued liabilities (Note 12)	23,069	26,487
Total current liabilities	79,910	84,905
Non-current Liabilities		
Long-term debt (Note 13)		
Automotive	16,193	12,489
GM Financial (Note 11 at VIEs)	56,788	53,435
Postretirement benefits other than pensions (Note 15)	6,277	5,935
Pensions (Note 15)	12,902	12,170
Other liabilities (Note 12)	13,447	13,146
Total non-current liabilities	105,607	97,175
Total Liabilities	185,517	182,080
Commitments and contingencies (Note 16)		
Equity (Note 20)		
Common stock, \$0.01 par value	14	14
Additional paid-in capital	26,542	26,074
Retained earnings	31,962	26,860
Accumulated other comprehensive loss	(13,488)	(11,156)
Total stockholders' equity	45,030	41,792
Noncontrolling interests	4,647	4,165
Total Equity	49,677	45,957
Total Liabilities and Equity	\$ 235,194	\$ 228,037

Appendix 5: Cash Flow Statement Summary

CONSOLIDATED STATEMENTS OF CASH FLOWS (In millions)

	Years Ended December 31,		
	2020	2019	2018
Cash flows from operating activities			
Income from continuing operations	\$ 6,321	\$ 6,667	\$ 8,075
Depreciation and impairment of Equipment on operating leases, net	7,178	7,332	7,604
Depreciation, amortization and impairment charges on Property, net	5,637	6,786	6,065
Foreign currency remeasurement and transaction (gains) losses	203	(85)	168
Undistributed earnings of nonconsolidated affiliates, net	524	585	(141)
Pension contributions and OPEB payments	(851)	(985)	(2,069)
Pension and OPEB income, net	(765)	(484)	(1,280)
Provision (benefit) for deferred taxes	925	(133)	(112)
Change in other operating assets and liabilities (Note 25)	(399)	(3,789)	(1,376)
Other operating activities	(2,103)	(873)	(1,678)
Net cash provided by operating activities	16,670	15,021	15,256
Cash flows from investing activities			
Expenditures for property	(5,300)	(7,592)	(8,761)
Available-for-sale marketable securities, acquisitions	(16,204)	(4,075)	(2,820)
Available-for-sale marketable securities, liquidations	11,941	6,265	5,108
Purchases of finance receivables, net	(30,090)	(24,538)	(25,671)
Principal collections and recoveries on finance receivables	19,726	22,005	17,048
Purchases of leased vehicles, net	(15,233)	(16,404)	(16,736)
Proceeds from termination of leased vehicles	13,399	13,302	10,864
Other investing activities	(65)	138	39
Net cash used in investing activities – continuing operations	(21,826)	(10,899)	(20,929)
Net cash provided by investing activities – discontinued operations (Note 22)	—	—	166
Net cash used in investing activities	(21,826)	(10,899)	(20,763)
Cash flows from financing activities			
Net increase (decrease) in short-term debt	277	(312)	1,186
Proceeds from issuance of debt (original maturities greater than three months)	78,527	36,937	43,801
Payments on debt (original maturities greater than three months)	(72,663)	(39,156)	(33,323)
Proceeds from issuance of subsidiary preferred and common stock (Note 20)	492	457	2,862
Dividends paid	(669)	(2,350)	(2,242)
Other financing activities	(412)	(253)	(830)
Net cash provided by (used in) financing activities	5,552	(4,677)	11,454
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(222)	2	(299)
Net increase (decrease) in cash, cash equivalents and restricted cash	174	(553)	5,648
Cash, cash equivalents and restricted cash at beginning of period	22,943	23,496	17,848
Cash, cash equivalents and restricted cash at end of period	\$ 23,117	\$ 22,943	\$ 23,496
Significant Non-cash Investing and Financing Activity			
Non-cash property additions – continuing operations	\$ 2,300	\$ 2,837	\$ 3,813

Appendix 6: References

<https://www.statista.com/statistics/574151/global-automotive-industry-revenue/>

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