

Kia Valuation Model

Professor Jason Tome

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Problem:

You are an investment banking associate at Evercore in the Automotive M&A Group. One of Evercore's clients, Honda, is looking to make a fast-paced acquisition in the Automotive industry, specifically Kia. Your Managing Director has a meeting with the sell-side banker,

Morgan Stanley representing Kia. To prepare for this meeting, he needs you to build him a model that will provide him with all the inputs required to build two valuations. The first valuation will be from the perspective of the acquirer (Honda) where the valuation will be pessimistic. The second valuation will be from the perspective of the target (Kia) where the valuation will be optimistic. The goal of these two valuations is to best prepare your Managing Director with his meeting to help him negotiate effectively with the sell-side bankers. It will help him justify the lower valuation and convince the bankers to price it lower.

Solution:

Build a super user-friendly valuation model using the three valuation methods: Discounted Cash Flow (DCF) Analysis, Public Comparable Companies Analysis, and Precedent Transactions Analysis. Build the model in such a way, that you are able to value Kia without hardcoding any inputs. Although the model was created for our Managing Director to assist him with his meeting, it can be used by all finance professionals. It is particularly helpful for individuals who want to value a company, but do not know how to build a financial model, such as students, analysts in equity research, and fresh investment bankers. It is built in a way in which you can evaluate Kia in a variety of perspectives such as a strategic acquirer looking to do an M&A deal, a private equity firm looking to take it private, an investor looking to make a secondary private transaction.

Precedent Transactions Analysis:

Model:

For the Precedent Transactions Analysis, we started by determining the criteria to include for the valuation which were the dates, target company, deal value, buyers, type of transactions, and three deal ratios: Valuation/Sales, Valuation/EBITDA, Valuation/EBIT. Next, using PitchBook, we screened for deals that took place in the Automotive industry, similar to Kia. We inputted all the deals, followed by all their details, ratios, etc (In Appendix - 1). At the bottom of the “Valuation” column, we calculated the average and median of all three multiples including every transaction to give the user more information regarding the multiples. Then, we created a list using data validation to include and exclude transactions from the valuation including the options “Yes” and “No”. This column was given the title “Included in Valuation” and if “Yes” was selected that transaction’s multiple in that row, would be included in the calculation for the valuation. If “No” was selected, that transaction’s multiple in that row, would not be included in the calculation for the valuation. Next, we set up a separate table in the analysis labelled “Selected Ratios” in which if “Yes” was selected in the previous column, it would show the ratios for that transaction. If “No” was selected in the previous column, it would keep the cells blank.

After the user selects which transactions they believe are relevant, they can move onto testing the three multiples (Valuation/Sales, Valuation/EBITDA, Valuation/EBIT) along with which statistical metric they want to use: Median or Average. This is set using data validation in which the user can test out the different ratios and statistical metrics. Once they select their preferred ratio and metric, it will automatically apply the statistical measure on the selected ratio, for the chosen companies. This was done using the formula,

“

=IFERROR(INDEX(\$O\$19:\$Q\$20,MATCH(E25,\$B\$19:\$B\$20,0),MATCH(E23,\$O\$5:\$Q\$5,0)),""))". This formula uses an index match to find the median or average value based on the metric the user chooses. If the user has not chosen a metric, it will leave the cell blank. After the ratios are calculated, it will apply the ratio to the appropriate financial metric in order to calculate the enterprise value. Ex. it will multiply EV/Sales Ratio by Sales to calculate EV, it will multiply EV/EBITDA by EBITDA to calculate EV, etc. This was done using the following IF statement:

=IF(C23="Valuation/Sales",C27*\$C\$29,IF(C23="Valuation/EBITDA",C27*\$C\$30,IF(C23="Valuation/EBIT",C27*\$C\$31,"")))). In this IF statement, it will check which multiple was selected, then multiply it with the correct financial metric that matches it. Depending on the three ratios that were initially selected, it will calculate the three values for the enterprise value accordingly. To build to the equity value, we will deduct Net Debt and Preferred Equity, then we will add minority interest. Minority Interest represents the ownership stakes of less than 50% that Kia has in other companies. For each of the three enterprise values, it will calculate the equity value. Then, it will divide the equity value by the number shares outstanding to build to the share price for each of the selections. For the three different share prices, we set up statistical measures such as average, minimum, and maximum, using the formulas: =AVERAGE(C44:E44), =MIN(C44:E44), and =MAX(C44:E44) (In Appendix - 2).

The goal of these metrics is to give the user more information regarding their valuation choices. For each of the the three share prices we have a graph on the right that shows us the share price on a football field graph, showing us which ratios/statistical measures leads to higher and lower share prices Lastly, it will ask the user to pick one of the three share prices that it would like to be included in the final valuation and final football field chart (In Appendix - 3).

Buyer Case:

In the seller's case, we are looking at the perspective of the buyer (Honda), and will need to determine an optimistic valuation. For the valuation, we will take the average of three multiples. There are not many transactions in this sector, giving us a more accurate picture.

To determine a pessimistic valuation we will focus on transactions involving companies similar to Kia. For the pessimistic valuation we used, KG Group's acquisition of SsangYong Motor Company and The Government of France's secondary private transaction in Renault automotive. Leveraged Buyouts tend to have lower multiples than M&A transactions as financial buyers such as private equity firms are price-sensitive, focus solely on returns (IRR), and do not benefit as much as strategic buyers in M&A. SsangYong and Renault are also similar to Kia as they are companies that focus on providing their customers with affordable and reliable cars, unlike Mercedes and Porsche. For these three transactions, we calculated an average share price of \$69.61.

Seller Case:

In the seller's case, we are looking at the perspective of the seller (Kia), and will need to determine an optimistic valuation. For the valuation, we will take the average of three multiples. There are not many transactions in this sector, giving us a more accurate picture.

To determine an optimistic valuation we will focus on transactions on companies similar to Kia, but also focusing on M&A transactions and higher multiple transactions. For the optimistic valuation, we used KG Group's acquisition of SsangYong Motor Company and a private secondary transaction in Mercedes M&A transactions tend to have higher multiples as strategic buyers are willing to spend more on the control premiums they pay for the target, as can benefit from synergies. We looked at transactions involving companies with higher multiples such as Mercedes because it has a stronger brand, and is more premium relative to Kia. The bankers at Morgan Stanley may use these transactions to justify an optimistic valuation of Kia. Using these two transactions, we calculated an average share price of \$94.33.

To conclude, the pessimistic valuation led us to a share price of \$69.61 and the optimistic valuation led us to a share price of \$94.33. These share prices give us a better understanding of Kia's value in the perspective of both the buyer and seller.

Public Comparable Companies Analysis:

In our Public Comparables Analysis we aim to find how Kia should be valued in relation to other market participants and its competitors. We have gathered financial data from 12 other companies with similar operations to Kia in order to make a comparison. To gather the data, we used FactSet to find similar companies and made a list of the comparable companies and created a table with each company's information such as price, TEV, market capitalization, sales, EBITDA, earnings, and ratios (In Appendix - 1). This model was constructed similarly to the Precedent Transactions Analysis model. We created five headings which were: Included in Valuation, Market Data, Financial Data, Valuation, and Selected Ratios. In the Included in Valuation heading, we used data validation (similar to precedents) to allow the user to select "Yes" to include companies and "No" to exclude companies. The Market Data consisted of data such as price, market capitalization, and TEV of each company. The financial data consisted of data such as Sales, EBITDA, and Earnings. The Valuation consisted of the key ratios which were: EV/EBIT, EV/EBITDA, EV/Sales, P/E, P/Sales, P/Free Cash Flows, and P/Book Value. The Selected Ratios were the ratios of the companies that were selected by the user in the Included in Valuation column.

For each ratio, it will multiply/divide it by its appropriate metric to build for the share price similar to the precedents. However, in the comps analysis we have more ratios such as

P/E, P/Sales, P/Free Cash Flows, and P/Book Value, which will need to be multiplied/divided by the appropriate metric. For example, we will need to multiply the P/Sales ratio by the Sales per Share to build to share price. This was done by the formula
=IFERROR(IF(G30=\$N\$5,G34*\$B\$48,IF(G30=\$O\$5,G34*\$B\$45,IF(G30=\$P\$5,G34*\$B\$47,IF(G30=\$Q\$5,G34*\$B\$46,G50/\$B\$52)))),""), which multiplies the multiple by the appropriate metric, and if a ratio is not chosen by the user, it will leave the cell empty. For the three different share prices, we set up statistical measures such as average, minimum, and maximum (In Appendix - 2).

In addition, we have made an interactive Football Field analysis (In Appendix - 3). This chart changes based on the selected companies that are chosen as comparables for valuation. The interactive analysis updates dynamically based on the selected comparables, making it easy to see how changes in the selected companies affect the valuation range and allow users to quickly adjust and present the most relevant and accurate data during negotiations.

Buyer case:

In this case we are taking the perspective of Honda. We aim to take a slightly pessimistic approach to the valuation, while maintaining the integrity of making fair valuation assumptions. The following companies are good comparables to Kia due to similar markets and strategies. Stellantis competes globally with affordable vehicles, including EVs and hybrids. Daewon Group connects to Kia as a South Korean supplier in the automotive supply chain. Mazda targets similar customers with compact cars, SUVs, and a focus on sustainability. Tata Motors shares Kia's focus on affordable vehicles for emerging markets. Honda aligns with Kia through fuel-efficient cars and expanding EV options. Mitsubishi competes in the same segments, like compact cars and SUVs, with a focus on green technology. SNT MOTIV supports Kia's EV growth with innovative components and shared roots in South Korea.

By looking at how comparable companies are valued, we can set a benchmark for how the market is likely to price Kia. Metrics like EV/EBIT, EV/ EBITDA, EV/ Sales, P/Book, and P/Sales help us understand how similar companies are priced based on their revenue, profitability, and assets. By averaging these values, we can get a clear idea of what investors might expect Kia to be worth. This gives us a realistic, market-driven estimate of Kia's value and helps ensure the pricing aligns with how the industry values similar businesses. Once we created an average of the metrics we concluded that the share price, in a pessimistic scenario should be worth \$66.32.

Seller Case:

In this case we are taking Kia's perspective. Therefore we will be making more optimistic valuations as Kia would want to be acquired at a premium. The following companies were chosen as comparables for Kia. Ford competes across segments, including compact cars, SUVs, and EVs, aligning with Kia's strategy. Stellantis offers a wide brand portfolio, focusing on affordability and EV expansion. General Motors shares Kia's focus on electric and autonomous vehicles. Tata Motors targets affordable vehicles for emerging markets and is expanding its EV lineup. Toyota, a hybrid leader, aligns with Kia's focus on reliability and eco-friendly models. Suzuki competes in the compact car market with affordable, efficient vehicles, especially in Asia. These companies align with Kia in design, technology, and market reach.

The following multiples are great for pricing Kia because they let us value the company based on how the market values similar businesses. Using EV/Sales, P/E, P/FCF, and P/Sales we can compare Kia to its peers to see how revenue, earnings, cash flow, and operations are priced. By taking the average multiples from these companies, we can estimate Kia's value based on market trends without relying on its internal numbers. We chose to use the median in of these metrics, similar to the buyer case to create a comparable valuation for Kia. Once all the share price for each metric was calculated, we took an average of the metrics to get an optimistic share price of \$139.83.

To conclude, the pessimistic valuation gave a share price of \$66.32 and the optimistic valuation led us to a share price of \$139.83. This gives us an insight of how Kia and Honda may view the acquisition, and price the stock.

DCF Analysis:

Model:

For the DCF analysis, we started by gathering all the inputs for the year 2023A for the unlevered free cash flow projection, such as Revenue, COGS, SG&A, Other Operating expenses, D&A, CapEx, and Net Working Capital. All these inputs were modeled to adjust relative to revenue generated on a forecasted year. Next, we assumed a forecast period of 6 years and created an input table that provides us with the options to adjust the change in each line item for each of the 6 years using data validation. For example, from 2024 to 2023, we can enter different revenue growths for each year, different COGS, different D&A expense etc (In Appendix-1). With this, we will be able to build a DCF model with hard coding any of the future forecasts that can be done using data validation. The model is linked in such a way that a single input can be changed without hardcoding, and any change will automatically be represented in the share price and the final football field chart.

For the terminal value, we assumed one way to calculate it, which is the EBITDA multiple. In the inputs selection, you can select what multiple you believe the company could be sold at, to use as a terminal value.

Finally, after determining the enterprise value, it will automatically make the necessary adjustments for Net Debt and Minority Interest to build the Equity Value. Then, divide by the number of shares to build to the share price (In Appendix-3).

For the WACC, we assumed three sources of capital: Debt, Common Equity, and Preferred Equity. The cost of common equity will be calculated using CAPM, where you can change the beta, expected market return, and risk-free rate, all using data validation. Kia has 0% preferred equity, however, we still kept it as an option (In Appendix-4).

In the DCF analysis, the main goal was to evaluate the share price at which KIA Corporation should be valued from the perspective of the acquirer, which is in this case Honda, and the perspective of the target company, which is KIA itself. As for the valuation from Honda's perspective, it will be a more pessimistic view, in order to undervalue the share price of KIA, which would allow KIA to be acquired at a discount. KIA will adopt a more optimistic view that will value the share price at a premium, which will benefit KIA from being acquired at premium.

Buyer Case:

For the acquirer, Honda, having a more pessimistic valuation, will be illustrated by a relatively lower revenue growth of approximately 4 percent, with a big reason being subcompact cars are being discontinued, which is contributing to a decrease in the gross profit margin between 1 and 3 percent over the forecasted period. Increases in the other operating expenses can be explained by the increase in quality costs, such as engine warranty extensions, as well as incentive increases, as in giving sales reps a higher commission for the models sold, is needed in response to greater sales competition from other EV manufacturing automotive companies. The increase in other operating expenses will reduce the EBITDA over time of the company. Assuming that the change in Depreciation and Amortization, Capital Expenditures, and Net Working Capital are approximately the same, the sum of the PV of FCF is approximately \$5 billion, with net debt of 13 billion USD, and minority interest of 5 billion, leading to an equity value of approximately 18 billion USD, which when divided by the 399 million shares outstanding, leads to a share price of approximately \$45.28 per share.

In addition, according to the Targets and Ratings section of KIA corporation on FactSet, most of the brokers have set KIA to a "buy" rating for the current share price with an average target price of \$102.85 per share. With a target price implied return of approximately

47.4% from the current share price according to FactSet, there is a clear indication that KIA is on course for immense growth for the future and with the current share prices, is a good time for Honda to acquire as the acquirer can take advantage of the huge implied returns that the target will be receiving in the future.

Seller Case:

For the target company, KIA, a more optimistic view is represented by a higher forecasted revenue growth between 3 and 15 percent over the next 6 forecasted years. Most of the sales will be EVs as the percentage of EV sales is rising all across the world and is reflected in the earnings presentations of KIA corporation. Assuming a constant growth in the COGS, the gross profit margin is increasing at a steady rate, although the gross margin may be less. Assuming a constant increase in SG&A as well as other expenses, the EBITDA is slightly on the decline, but still very promising. According to the earnings presentation, the EBITDA is also on the higher side than the pessimistic model due to certain drivers such as the reduced cost of materials, the F/X effect which is contributing to the higher sales numbers, as well as the price effect due to enhanced product value of the vehicles themselves. Depreciation is also increasing at a constant rate as most of the assets for a car manufacturing have a long lifespan, hence the assets are not depreciated as quickly as in other companies. The Capital Expenditures and Net Working Capital have been kept the same to observe how the valuations will differ based on the main metrics such as sales and costs. The overall Terminal value of the seller side valuation is higher than on the buyer side valuation, which influences the sum of the PV of Unlevered FCF, which when discounted at the same WACC, leading to a higher PV of FCF, which when summed up, is approximately \$37 billion, which when the same Net Debt and minority interest is added, leads to an equity value of approximately \$51 billion, which when divided by the same number of shares outstanding, leads to an approximate share price of \$127.63.

Conclusion:

After building the model, we are able to determine the final share price range from the buyer and seller perspectives. A buyer will be looking to value Kia between \$53.38 and \$66.32 achieving their objective of undervaluing, while a seller will be looking to value Kia between \$94.33 and \$139.83, hence overvaluing.

Appendix:

Precedent Transactions Analysis:

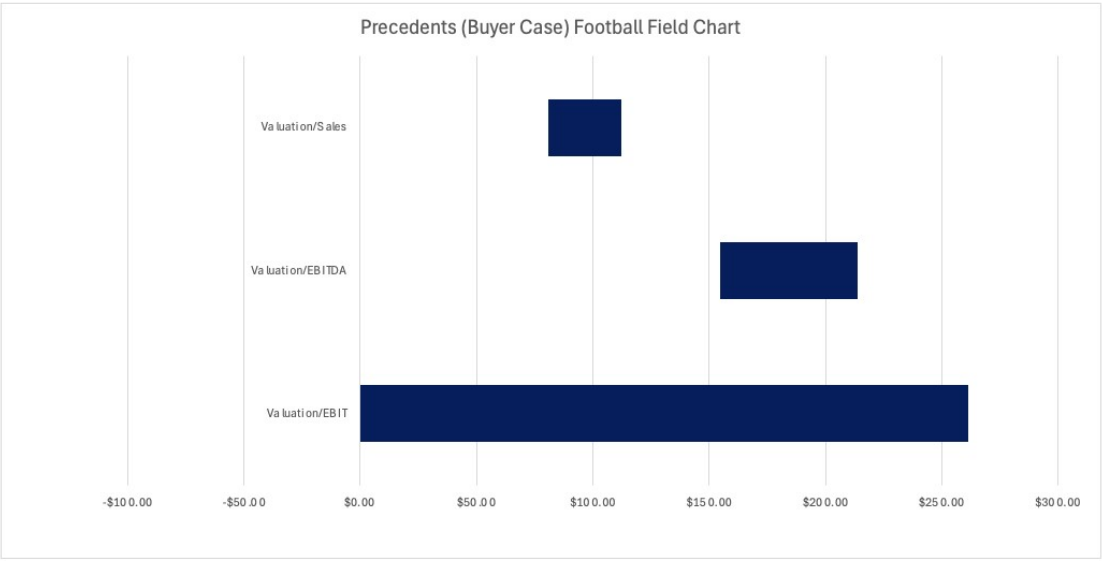
1:

Precedent Transactions Analysis - Buyer Case									
	Include in Valuation		Transaction		Buyers		Valuation		
Date		Target Company	Value (\$M)			Type of Transaction	Valuation/Sales	Valuation/EBITDA	Valuation/EBIT
2023-04-01	Yes	Mazda Motor	6,000		Bolt	M&A	0.21x	2.97x	4.84x
2022-08-15	No	SsangYong Motor Company	258		KG Group (Korea), Cactus Private Equity, and Kyobo AIM Asset Management	M&A	0.11x	2.22x	-5.06x
2018-12-06	Yes	Pioneer	920			Leveraged Buyout	0.29x	7.22x	-11.92x
2018-09-18	No	Erwin Hymer Group	1,760		Thor Industries	M&A	0.59x	5.91x	
2021-07-28	No	Europcar Mobility Group	2,630		Volkswagen Group	M&A	0.91x	5.83x	9.44x
2020-12-11	No	Suvero Trucks	4,520		Wetter Group	M&A	138.09x	2720.60x	2804.67x
2015-04-07	No	General Motors	2,700		The Goldman Sachs Group	Secondary Transaction - Private	0.38x	10.34x	10.34x
2017-11-02	No	Renault Automotive	1,420		The Government of France	Secondary Transaction - Private	0.45x	2.76x	4.03x
2019-08-28	Yes	Suzuki Motor	902		Undisclosed	Secondary Transaction - Private	0.54x	5.84x	10.56x
2018-10-08	No	Geely Automobile Holdings	309		Undisclosed	Secondary Transaction - Private	1.00x	6.52x	8.62x
2016-12-12	No	Tata Motors	357		Tata Group	Secondary Transaction - Private	0.52x	4.41x	10.54x
2021-05-04	No	Mercedes-Benz Group	1,380		Undisclosed	Secondary Transaction - Private	0.58x	4.10x	7.74x

2:

Which Ratio Would You Like to Use?	Valuation/EBIT	Valuation/EBITDA	Valuation/Sales
Would You Like to Use the Median or Average?	Average	Average	Average
	1.16x	5.34x	0.35x
Sales (2024)	\$76,694		
EBITDA (2024)	\$11,085		
EBIT (2024)	\$9,295		
Enterprise Value (\$M)	\$10,782	\$59,231	\$26,587
Net Debt	-\$13,067		
Preferred Equity	\$0		
Non-Controlling Interest	\$5		
Equity Value (\$M)	\$23,854	\$72,303	\$39,659
Shares Outstanding (in millions)	399.86		
Share Price	\$59.66	\$180.82	\$99.18
Average	\$113.22		
Min	\$59.66		
Max	\$180.82		
Which Share Price Would You Like to Use?	\$59.66		

3:



Public Comparable Companies Analysis:

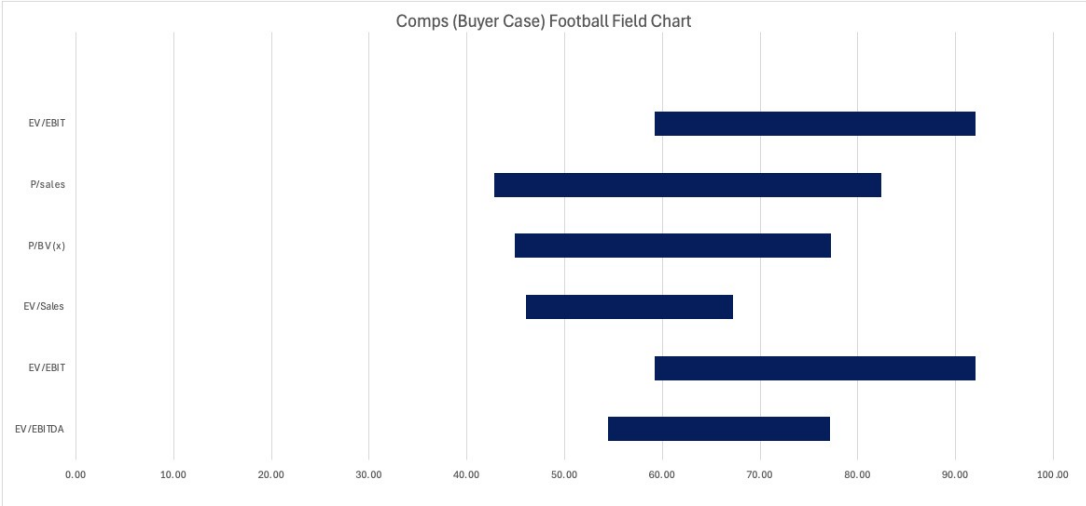
1:

Comparable Companies Analysis															
Company Name	Included in Valuation	Price (\$/Share)	Market Data Market Cap (\$M)	TEV (\$M)	Sales (\$M)	Financial Data		Earnings (\$M)	EV/Sales	Valuation EV/EBITDA	EV/EBT	P/BV (x)	P/E (x)	P/FCF	P/sales
						EBITDA (\$M)									
Kia	Yes	70.52	27479	-4077	77793	11044		7176	-0.05x	-0.37x	-0.44x	0.68x	3.83x	5.23x	0.35x
Stellantis	Yes	12.84	38525	20350	190509	26414	14377		0.11x	0.77x	1.11x	0.43x	2.71x	14.13x	0.20x
Daewon Sanup	Yes	4.26	85	-156	630	44	30		-0.25x	-3.58x	-5.28x	0.24x	2.82x	1.67x	0.14x
SUBARU	No	15.98	11679	7971	31624	4931	2641		0.25x	1.62x	2.30x	0.65x	4.49x	3.26x	0.37x
Nissan Motor	No	2.70	9323	54567	83832	6309	995		0.65x	8.65x	30.98x	0.24x	10.08x	-	0.12x
Ford Motor	No	10.73	43510	158157	182743	9625	3529		0.87x	16.43x	45.06x	0.97x	12.32x	6.77x	0.24x
General Motors	No	54.87	62524	41995	182718	24334	11072		0.23x	1.73x	3.45x	0.86x	5.94x	-	0.34x
Volkswagen	No	88.64	43892	219041	351703	58908	13282		0.62x	3.72x	7.85x	0.24x	3.32x	-	0.13x
Mazda Motor	Yes	6.47	4076	1857	32613	2259	897		0.06x	0.82x	1.25x	0.34x	4.58x	2.83x	0.13x
Tata Motors	Yes	9.28	34188	40227	52778	7137	3999		0.76x	5.64x	10.19x	2.93x	8.83x	-	0.67x
Toyota Motor	No	17.34	233613	405364	308527	49561	28346		1.31x	8.18x	11.59x	0.95x	8.23x	-	0.75x
Honda Motor	Yes	8.77	42288	77480	143750	19953	6554		0.54x	3.88x	8.16x	0.47x	6.42x	916.59x	0.28x
Mitsubishi Motors	Yes	2.87	4276	3219	18394	1660	832		0.17x	1.94x	2.73x	1.05x	9.45x	9.42x	0.54x
Tesla	No	342.03	1236919	1211263	97150	13338	12743		12.47x	90.81x	147.11x	15.58x	93.04x	329.01x	12.23x
Suzuki Motor	No	10.65	20857	23666	37670	5270	2366		0.63x	4.49x	6.28x	1.08x	8.85x	12.82x	0.56x
Renault	No	42.74	12480	46591	56749	7635	1512		0.82x	6.10x	10.13x	0.38x	7.72x	2.18x	0.21x
BMW	No	72.07	45066	104199	161437	24601	8868		0.65x	4.24x	6.89x	0.44x	5.11x	-	0.28x
Porsche	No	61.38	55797	65041	42233	10291	4316		1.54x	6.32x	10.87x	2.19x	12.65x	32.35x	1.29x
SNT MOTIV	Yes	30.70	427	101	720	97	52		0.14x	1.04x	1.34x	0.50x	7.26x	6.18x	0.51x
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2:

Which Ratio Would You Like to Use?	EV/EBITDA	EV/EBIT	EV/Sales	P/BV (x)	P/sales	EV/EBIT	
Would You Like to Use the Median or Average?	Median	Median	Median	Median	Median	Median	Average
	0.93	1.29	0.12	0.48	0.32	1.29	
Sales (2024)	76,694						
EBITDA (2024)	11085						
EBIT (2024)	9295						
Enterprise Value (\$M)	10325	12024	9483	-	-	12024	-
Net Debt	-13,067						
Preferred Equity	0						
Non-Controlling Interest	5						
EPS	18.25						
Sales per Share	191.80						
FCF Per Share	13.34						
Book Value Per Share	102.00						
Equity Value (\$M)	23397	25096	22555			25096	
Shares Outstanding (in millions)	399.86						
Share Price	\$58.51	\$62.76	\$56.41	\$49.40	\$60.97	\$62.76	
Average	\$58.47						
Min	\$49.40						
Max	\$62.76						
Which Share Price Would You Like to Use?							
Which Share Price Would You Like to Use?	\$68.19						

3:



DCF Analysis:

1:

DCF Model - Buyer Case							
Inputs							
Revenue Growth - 2024	6%	SG&A Change - 2024	2%	D&A Change - 2024	1%	CapEx Change - 2024	-3%
Revenue Growth - 2025	8%	SG&A Change - 2025	2%	D&A Change - 2025	1%	CapEx Change - 2025	-3%
Revenue Growth - 2026	15%	SG&A Change - 2026	2%	D&A Change - 2026	1%	CapEx Change - 2026	-6%
Revenue Growth - 2027	3%	SG&A Change - 2027	2%	D&A Change - 2027	1%	CapEx Change - 2027	-9%
Revenue Growth - 2028	7%	SG&A Change - 2028	2%	D&A Change - 2028	1%	CapEx Change - 2028	-12%
Revenue Growth - 2029	4%	SG&A Change - 2029	2%	D&A Change - 2029	1%	CapEx Change - 2029	-15%
COGS Change - 2024	1%	Other Operating Expense	3%			NWC Change - 2024	1%
COGS Change - 2025	1%	Other Operating Expense	8%	Tax Rate	30.00%	NWC Change - 2025	1%
COGS Change - 2026	1%	Other Operating Expense	6%			NWC Change - 2026	1%
COGS Change - 2027	1%	Other Operating Expense	4%	EBITDA Exit Multiple	8.00x	NWC Change - 2027	1%
COGS Change - 2028	1%	Other Operating Expense	5%			NWC Change - 2028	1%
COGS Change - 2029	1%	Other Operating Expense	7%			NWC Change - 2029	1%

2:

Sum of PV FCF	37,961
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Enterprise Value	37,961
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Net Debt	-13,067
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Preferred Equity	0
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Non-Controlling Interest	5
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Equity Value (<i>In millions</i>)	51033
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Shares Outstanding (<i>In millions</i>)	399.86
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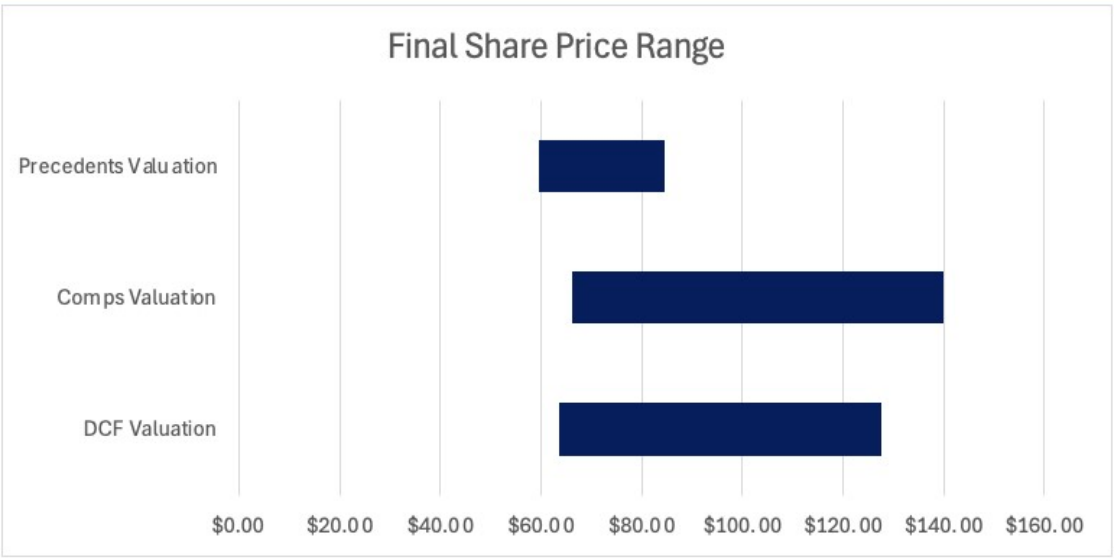
Share Price	\$127.63
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3:

WACC		11.43%		
Debt			Preferred Equity	
Cost of Debt	2.25%		Cost of Preferred Equity	0.00%
Debt-to-Enterprise Value Ratio	40.00%		Preferred Equity-to-Enterprise Value Ratio	0.00%
Common Equity				
Cost of Equity (CAPM)	18.00%			
Risk-Free Rate	4.00%			
Expected Market Return	11.00%			
Beta	2.00			
Common Equity-to-Enterprise Value Ratio	60.00%			

Conclusion:

1:



References:

Kia. (2024). *Business results: IR Library: Kia Global Brand Site*. Kia Corporation.
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All Precedents are From PitchBook

FactSet was used for DCF Inputs and Comps Analysis