

THE BARATELLI INSTITUTE

Mentoring at Scale

CASE STUDY

General Motors Company

NYSE: GM · Measurement date October 21, 2026

*The car business at 2.1x 2026E EBITDA and a 25.2% free-cash-flow yield on its equity. Base value **\$85.24**, probability-weighted **\$90.54**, take-private value near **\$96.64**, against a \$76.11 share price.*

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Institute EV method. Enterprise value = market capitalization + financial debt – cash. Operating lease liabilities are excluded for GM and every peer, because rent expense is already deducted in EBITDA. GM Financial is valued separately at book, so its \$113 billion of debt does not enter the car business's EV.

Position disclosure: the author holds no position in General Motors Company (NYSE: GM), actively follows the company, and may buy or sell shares at any time. Independent editorial analysis prepared for educational purposes. Not investment advice. Not affiliated with General Motors Company. Every company figure traces to SEC filings; market data as of the measurement date. The live Excel model accompanies this document.

CASE STUDY · AUTOMAKERS · NYSE: GM · MEASUREMENT DATE OCTOBER 21, 2026

General Motors — the car business at 2.1x EBITDA, buying back almost a third of itself

Take GM Financial out at book value and the market is pricing America's largest automaker at about twice its EBITDA and a 25% free-cash-flow yield. The board's answer on October 20: a \$20 billion buyback, worth 31% of the company at today's price.

\$76.11	\$64.2B	2.1x			
Share price	Market cap	Auto EV / 2026E EBITDA	25.2% FCF yield, auto equity	\$0.72 Dividend / share	31% Buyback / mkt cap

\$ in millions except per share. Price is the 10/21/2026 close. Shares 843.5M (10-Q cover, 10/9/2026). Balance sheet 9/30/2026 (Q3 2026 release and Form 10-Q). TTM = Q4 2025 through Q3 2026. Model: GM_Case_Study_Model.xlsx.

1 · VALUATION VERDICT

GM is two businesses in one ticker. The car company designs, builds and sells vehicles. GM Financial lends to the people who buy them, and it carries \$113 billion of debt to do it. Screens add that debt to GM's enterprise value and come back with a 9x multiple that describes neither business. The practitioner's move is to separate them: value GM Financial at its book equity, then price the car business on its own debt and its own cash.

Institute EV method. Enterprise value = market capitalization + financial debt – cash. Operating lease liabilities are excluded for GM and every peer, because rent is already deducted in EBITDA. For GM we apply the method to the car business: GM Financial is removed at book value, then automotive debt is added and automotive cash and securities subtracted.

Components of automotive enterprise value	\$ millions
Market capitalization (843.5M shares × \$76.11)	\$64,203
Less GM Financial equity at book	(\$16,521)
Implied value of the automotive equity	\$47,682
Plus automotive financial debt	\$15,799
Less automotive cash and marketable securities	(\$23,116)
Automotive enterprise value	\$40,365
Automotive EBITDA, 2026E (EBIT-adj guide midpoint – GM Financial EBT + automotive D&A;)	\$19,228
EV / automotive EBITDA, 2026E (TTM: 2.08x)	2.10x

Scenario	Auto EBITDA 2027E	EV/ EBITDA	Auto EV	Equity value	Per share	vs. \$76.11	Weight
Bear — tariffs, costs and pricing take \$3.2B out	\$16,000	2.0x	\$32,000	\$55,838	\$66.19	−13%	25%
Base — 2026 guide run-rate held flat	\$19,228	2.5x	\$48,070	\$71,908	\$85.24	+12%	50%
Bull — tariff relief, launch done, EV losses shrink	\$20,500	4.0x	\$82,000	\$105,838	\$125.47	+65%	25%
Probability-weighted value					\$90.54	+19%	100%

Equity bridge: automotive EV plus \$7,317 of automotive net cash plus \$16,521 for GM Financial at book. Multiples: bear 2.0x sits below today's 2.1x; base 2.5x sits below Ford's 2.7x automotive-only multiple; bull 4.0x is still less than a third of Honda's and Toyota's consolidated screen multiples. Pension and OPEB underfunding (\$7,958) is outside the Institute method and shown as a sensitivity in §7C.

Each turn of automotive EBITDA is worth \$22.79 per share, which is 30% of today's price. That is the leverage in this setup. The market is paying 2.1x for a car business that guided to \$15.0 billion of EBIT-adjusted this year and has already produced \$14,939 of adjusted automotive free cash flow in the past four quarters. Moving only to Ford's 2.7x, the closest like-for-like peer, gets you to \$90.13. Our 2.5x base asks for less than that.

The Institute's read: base value \$85.24, probability-weighted \$90.54 (+19%), take-private value near \$96.64. The \$20 billion authorization retires 31% of the share count at today's price, and GM can fund it from 1.8 years of post-dividend free cash flow.

2 · COMPARABLES — EV/EBITDA, DONE LIKE FOR LIKE

Uniform screen data first, at the 10/21/2026 close. The screen adds every captive finance arm's borrowings to enterprise value, which is why Ford shows 24x and GM 9x. We remove operating leases from screen EV to put each company on the Institute's method, then rebuild GM and Ford on an automotive-only basis.

Company	Tkr	Mkt cap (\$B)	Screen EV	Less op. leases	EV (Institute)	EBITDA TTM	EV/ EBITDA	Fwd P/E	FCF yield
Ford Motor	F	47.5	188.6	(3.3)	185.3	7.64	24.3x	6.8x	15.3%
Toyota Motor	TM	230.6	430.0	—	430.0	34.46	12.5x	14.2x	(2.3%)
Honda Motor	HMC	44.4	102.2	(2.0)	100.2	7.89	12.7x	10.9x	4.0%
Stellantis	STLA	13.0	36.2	(3.0)	33.2	(0.36)	n.m.	5.0x	n.m.
Tesla (contrast)	TSLA	1,530.0	1,490.0	(7.0)	1,483.0	9.84	150.7x	187.7x	0.2%
GM, consolidated screen	GM	64.2	165.1	(1.0)	164.1	17.77	9.2x	5.7x	18.7%
Median, Ford / Toyota / Honda							12.7x	10.9x	

Source: stockanalysis.com statistics pages, 10/21/2026 close (market cap, screen EV, TTM EBITDA, forward P/E, FCF yield). Operating lease liabilities from each company's latest balance sheet: Ford and Tesla Q2 2026, Stellantis H1 2026 (€2.59B at ~\$1.16), Honda long-term only (¥310.6B at ~¥153), GM 12/31/2025 10-K (\$1,035M); Toyota's is not disclosed on the screen and is not restated. GM's forward P/E uses the \$13.25 adjusted EPS guide midpoint; its FCF yield uses the \$12.0B adjusted FCF guide.

Automotive only, captive finance removed (\$B)	Ford	GM
Market capitalization	47.45	64.20
Less captive finance equity at book	(14.60)	(16.52)
Plus automotive debt	23.60	15.80
Less automotive cash and securities	(22.10)	(23.12)
Automotive EV	34.35	40.36
2026 EBIT guide midpoint	10.50	15.00
Less captive finance EBT	(2.50)	(2.62)
Plus automotive D&A; (annualized)	4.66	6.84
Automotive EBITDA, 2026E	12.66	19.23
EV / automotive EBITDA	2.71x	2.10x

Ford: Q2 2026 release (company excluding Ford Credit; Ford Credit equity \$14.6B; 2026 adjusted EBIT guide \$10.0–11.0B; Ford Credit EBT >\$2.5B; H1 D&A; and tooling amortization \$2,328M annualized). Ford reports Q3 on 10/28/2026. GM: Q3 2026 release and 10-Q.

What GM is worth at...	EV/EBITDA	Auto EV	Equity	Per share	vs. price
Today's market multiple	2.10x	\$40,365	\$64,203	\$76.11	—
Institute base	2.50x	\$48,070	\$71,908	\$85.24	+12%
Ford, automotive only	2.71x	\$52,187	\$76,025	\$90.13	+18%
3.0x	3.00x	\$57,684	\$81,522	\$96.64	+27%
Institute bull	4.00x	\$76,912	\$100,750	\$119.44	+57%
5.0x	5.00x	\$96,140	\$119,978	\$142.23	+87%

Applied to 2026E automotive EBITDA of \$19,228; equity adds \$7,317 of automotive net cash and \$16,521 for GM Financial at book.

Why the discount exists, and why it is too wide. The market is pricing a cyclical peak, tariffs, the EV write-downs and a softer fourth quarter while GM relaunches its full-size pickups. Those risks are real and they show up in our bear case. But Ford, which carries more automotive debt than cash, trades at 2.7x on the same basis, and GM's automotive business holds \$7,317 more cash than debt. Toyota and Honda trade at 12–13x on the consolidated screen. On automotive EV/EBITDA and free-cash-flow yield GM is the cheapest major automaker in this table, and it is the one buying back the most stock.

3 · THE EV/EBITDA BRIDGE, DONE THE PRACTITIONER'S WAY

A CFO or controller should rebuild the number from the release. GM reports EBIT-adjusted for the whole company, including GM Financial's pretax earnings. To isolate the car business, take GM Financial's earnings out and add back automotive depreciation.

Build	TTM	2026E	Source / note
EBIT-adjusted	\$15,145	\$15,000	TTM: Q4'25 \$2,843 + 9M 2026 \$12,302; 2026E: \$14.5–15.5B guide midpoint
Less GM Financial EBT-adjusted	(\$2,571)	(\$2,616)	TTM: four quarters as reported; 2026E: 9M \$1,962 annualized
Automotive EBIT-adjusted	\$12,574	\$12,384	Includes corporate costs and eliminations
Plus automotive depreciation and amortization	\$6,844	\$6,844	9M 2026 \$5,133 annualized; Q4'25 D&A; included EV impairments and is excluded
Automotive EBITDA	\$19,418	\$19,228	
Automotive enterprise value	\$40,365	\$40,365	Market cap – GM Financial at book + automotive debt – automotive cash
EV / automotive EBITDA	2.08x	2.10x	Operating leases excluded: rent is already in EBITDA

Rebuilt properly, GM's car business trades at about 2.1x EBITDA on both trailing and 2026 figures. Even if you treat the \$7,958 of net pension and retiree-health underfunding as debt, the multiple only rises to 2.5x. Either way it is a distressed-industrial multiple on a business with net cash, investment-grade bonds and positive adjusted automotive free cash flow in each of the last nine quarters.

4 · NINE QUARTERS OF FREE CASH FLOW — AND WHERE IT WENT

GM reports adjusted automotive free cash flow every quarter: automotive operating cash flow, less capital spending, plus add-backs for the EV strategic realignment and other items. We show both the adjusted and the unadjusted figure, because the difference is real cash. Each column ties to the quarter's release, and the 2025 quarters sum to within \$1 of the \$10,595 full-year figure GM reported.

\$ millions	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	9Q total
Automotive operating cash flow	7,863	4,765	2,404	4,653	6,070	5,606	533	5,071	8,049	45,014
Automotive capital spending	2,229	3,215	1,809	2,131	2,113	3,188	1,501	1,924	2,333	20,443
OCF less capex	5,634	1,550	595	2,522	3,957	2,418	(968)	3,147	5,716	24,571
GM add-backs (EV realignment, other)	200	273	216	305	244	337	2,237	1,886	166	5,864
Adjusted automotive FCF	5,834	1,823	811	2,827	4,201	2,755	1,269	5,033	5,882	30,435
TTM adjusted FCF	—	—	—	11,295	9,662	10,594	11,052	13,258	14,939	
Uses of cash										
Share repurchases	1,032	4,686	2,012	0	1,500	2,500	800	2,000	2,500	17,030
Common dividends	133	123	116	144	141	137	164	160	156	1,274
Automotive debt repayment	76	791	66	505	1,291	61	261	39	15	3,105
Total uses	1,241	5,600	2,194	649	2,932	2,698	1,225	2,199	2,671	21,409
Adjusted FCF less uses	4,593	(3,777)	(1,383)	2,178	1,269	57	44	2,834	3,211	9,026
Buybacks % of uses	83%	84%	92%	0%	51%	93%	65%	91%	94%	80%
Uses % of adjusted FCF	21%	307%	271%	23%	70%	98%	97%	44%	45%	70%
Share count and buyback price										
Shares repurchased (M)	22	87	43	0	27	34	11	25	29	278
Avg. price paid per share	\$46.91	\$53.86	\$46.79	—	\$55.56	\$73.53	\$72.73	\$80.00	\$86.21	\$61.26
Period-end shares out (M)	1,100	995	966	957	933	904	902	877	849	(251)
Diluted shares, adjusted (M)	1,131	1,075	1,002	976	964	949	926	910	887	
Cumulative share reduction*	0%	10%	12%	13%	15%	18%	18%	20%	23%	23%

*Versus 1,100M shares outstanding at Q3'24 period-end. Source: GM quarterly earnings releases (Forms 8-K) Q3 2025 through Q3 2026 with prior-year comparatives; Forms 10-Q and 10-K equity notes for shares repurchased; SEC EDGAR XBRL for year-to-date cash flow facts. Q4 figures and some items are derived by subtracting year-to-date totals. The February 2025 \$2.0B ASR delivered 43M shares (33M initially, 10M at settlement in Q2); all are shown in Q1, when the cash was paid. Q3'26 shares bought = 65M nine-month total (10-Q) less 36M in H1. Model tab: 9Q Free Cash Flow.

What the table shows. Over nine quarters GM generated \$30,435 of adjusted automotive free cash flow (\$24,571 before add-backs) and put \$21,409 to work: \$17,030 of buybacks, \$1,274 of common dividends and \$3,105 of debt repayment. Buybacks took 80% of every dollar deployed. The remaining \$9,026 built cash: automotive cash and securities stand at \$23,116.

What the buybacks bought. GM retired 278 million shares for \$17,030, an average of \$61.26 a share, and shares outstanding fell from 1,100 million to 849 million, down 22.8% in two years. At today's \$76.11 those shares are worth \$21,159, 24% above cost. The average price paid rose from \$55.56 in Q3 2025 to \$86.21 in Q3 2026, and the stock now sits 12% below the Q3 average. The new \$20 billion starts buying near the lowest prices GM has paid since late 2025.

One quarter to watch. Through nine months GM has produced \$12,184 of adjusted automotive FCF against a full-year guide of \$11.5–12.5 billion. The guide therefore implies roughly break-even in the fourth quarter, when the full-size pickup changeover costs about 35,000 units. That is a known, timed reduction in cash flow, not a change in the business.

5 · DEBT SCHEDULE — NET CASH, INVESTMENT GRADE, AND BONDS NEAR PAR

GM's automotive debt is mostly sixteen fixed-rate senior notes laddered from 2027 to 2049, totaling \$14,900 of principal. The balance sheet carries \$15,799 of automotive debt; the \$899 difference is other borrowings, finance leases and discounts. (The release's automotive column shows \$16,148, which includes \$349 owed to GM Financial and eliminated on consolidation; we use the 10-Q's consolidated figure.) GM Financial's \$113 billion is separate: it is funded and rated on its own and it lends against cars, not against GM's factories.

Note	Coupon	Maturity	Principal	Interest	Price	YTW	Mkt value	Yrs
Senior notes	6.800%	Oct 2027	\$1,000	\$68	101.26	5.15%	\$1,013	1.0
Senior notes	4.200%	Oct 2027	\$750	\$32	99.16	5.12%	\$744	1.0
Senior notes	5.350%	Apr 2028	\$750	\$40	100.16	5.21%	\$751	1.5
Senior notes	5.000%	Oct 2028	\$750	\$38	99.39	5.32%	\$745	2.0
Senior notes	5.400%	Oct 2029	\$1,000	\$54	99.66	5.52%	\$997	3.0
Senior notes	5.625%	Apr 2030	\$750	\$42	99.94	5.64%	\$750	3.5
Senior notes	5.600%	Oct 2032	\$1,250	\$70	98.85	5.83%	\$1,236	6.0
Senior notes	5.000%	Apr 2035	\$750	\$38	91.77	6.27%	\$688	8.5
Senior notes	6.250%	Apr 2035	\$500	\$31	99.66	6.30%	\$498	8.5
Senior notes	6.600%	Apr 2036	\$1,250	\$82	101.83	6.32%	\$1,273	9.5
Senior notes	5.150%	Apr 2038	\$1,000	\$52	89.43	6.47%	\$894	11.4
Senior notes	6.250%	Oct 2043	\$1,500	\$94	94.17	6.83%	\$1,413	16.9
Senior notes	5.200%	Apr 2045	\$1,250	\$65	82.62	6.87%	\$1,033	18.4
Senior notes	6.750%	Apr 2046	\$750	\$51	98.54	6.88%	\$739	19.4
Senior notes	5.400%	Apr 2048	\$750	\$40	83.61	6.87%	\$627	21.4
Senior notes	5.950%	Apr 2049	\$900	\$54	89.42	6.88%	\$805	22.4
Total / weighted	5.70%		\$14,900	\$849	95.33	6.11%	\$14,205	10.1

Principal, coupon and maturity of General Motors Company senior notes, prices and yield to worst: TradingView GM bonds page, October 2026; the 5.6% 2032 note cross-checked at 98.79 / 5.84% (therighttrader.com, 10/20/2026). TradingView lists three further GM Co. issues not itemized here. Ratings: Moody's Baa2 (stable), S&P BBB (stable), Fitch BBB (positive), DBRS BBB (high) (stable, confirmed 6/19/2026). Model tab: Debt Schedule.

Maturity ladder	2027	2028	2029	2030	2032	2035	2036	2038	2043	2045	2046	2048	2049
Principal due (\$B)	1.75	1.50	1.00	0.75	1.25	1.25	1.25	1.00	1.50	1.25	0.75	0.75	0.90
% of notes	12%	10%	7%	5%	8%	8%	8%	7%	10%	8%	5%	5%	6%

The runway is long and the cash is already there. The \$3,250 due in 2027–2028 equals 3.4 months of post-dividend free cash flow at the 2026 guide, and automotive cash and securities cover all sixteen notes 1.55x. Cash interest on the notes is about \$849 a year at a 5.70% weighted coupon, and the weighted maturity is 10.1 years.

What the bond market says. GM's notes trade at an average price of 95.3 with a weighted yield to worst of 6.11%. That is solid investment-grade pricing, and Fitch has the outlook on positive. The equity market prices the same car business at a 25.2% free-cash-flow yield on the automotive equity, about 19 points above the company's own bonds.

Bondholders get paid first and they are calm. That gap is the opportunity.

6 · THE SETUP

General Motors builds Chevrolet, GMC, Cadillac and Buick vehicles, with North America producing almost all of its profit, and finances them through GM Financial. The Q3 2026 print on October 20 beat expectations and raised the free-cash-flow guide, and the stock still fell 6.8% to \$77.09 on about four times normal volume. The market focused on the costs and ignored the cash.

Q3 2026 vs. Q3 2025	Q3 2026	Q3 2025	Change
Revenue	\$50,015	\$48,591	+2.9%
EBIT-adjusted	\$4,106	\$3,376	+21.6%
GM North America	\$3,592	\$2,506	+43.3%
GM International	\$28	\$226	-87.6%
GM Financial EBT-adjusted	\$668	\$804	-16.9%
Net income attributable to stockholders	\$3,335	\$1,327	+151%
EPS-diluted-adjusted	\$3.70	\$2.80	+32.1%
Adjusted automotive free cash flow	\$5,882	\$4,201	+40.0%

2026 guidance	Updated 10/20/2026	Prior (July)
EBIT-adjusted	\$14.5–15.5B	\$14.0–16.0B
EPS-diluted-adjusted	\$12.75–13.75	\$12.00–14.00
Net income attributable to stockholders	\$8.9–9.5B	\$8.4–9.8B
Adjusted automotive free cash flow	\$11.5–12.5B	\$9.5–11.5B
Capital spending	\$10–12B	\$10–12B

The costs the market is worried about are specific and sized. Gross tariff costs are tracking toward the low end of \$2.5–3.5 billion for 2026. Commodities, logistics and memory-chip (DRAM) costs add about \$2 billion of headwind. Onshoring and software investment add \$1–1.5 billion. The new full-size pickups reduce fourth-quarter output by about 35,000 units. And GM has taken \$11.2 billion of EV-related charges since the second half of 2025. Every operating cost here is inside the \$14.5–15.5 billion EBIT guide, and GM raised its free-cash-flow outlook anyway. The EV charges sit outside EBIT-adjusted; their cash portion (about \$7.4 billion, \$4.6 billion already paid) shows up in the free-cash-flow add-backs.

7 · PRACTITIONER EDGE — WHAT THE FOOTNOTES SAY

A · Three layers of EPS, and the one to use

2026 EPS layer	Per share	Multiple
GAAP guide midpoint (after EV charges and other special items)	\$10.22	7.4x P/E
Adjusted guide midpoint	\$13.25	5.7x P/E
Car business alone: adjusted EPS less GM Financial (~\$2.33 per diluted share after tax) against automotive equity of \$56.52 a share	\$10.92	5.2x P/E

The gap between GAAP and adjusted is the EV write-down cycle, which is cash GM has already spent or committed. Strip GM Financial out of both earnings and price, and the car business trades near 5x what it earns.

B · Adjusted free cash flow has add-backs, and they are real cash

GM's adjusted automotive FCF adds back EV strategic-realignment payments and other items: \$4,289 in the first nine months of 2026, mostly in the first half. The 2026 guide implies about \$4,200 of add-backs (operating cash flow \$17.3–20.3B less capex \$10–12B, against adjusted FCF of \$11.5–12.5B). We respect that: unadjusted FCF still yields 16.4% on the automotive equity, and our DCF base case uses \$10 billion, between the two figures.

C · Pensions and retiree health care: large, mostly OPEB, and not in our EV

At 12/31/2025 GM's net underfunding was \$7,958: U.S. pension \$657, non-U.S. pension \$2,929 and retiree health care (OPEB) \$4,372. The U.S. pension plan, once GM's biggest liability, is now nearly fully funded. The Institute method leaves these out of EV, as it does operating leases; added in, automotive EV becomes \$48,323 and the multiple 2.51x. The conclusion does not change.

D · The buyback is large because the balance sheet can carry it

\$20 billion is 31.2% of the market cap and would retire about 263 million shares at today's price, 31.2% of the count. GM finished its \$6 billion January program, including about \$1 billion in October, and has no ASR announced on the new authorization; management said it will be opportunistic. At the 2026 guide, post-dividend free cash flow funds the full amount in 1.8 years, and GM already holds \$23,116 of automotive cash and securities against \$15,799 of automotive debt. GM has used ASRs before: \$10 billion in November 2023 and \$2 billion in February 2025.

E · GM Financial is worth at least its book value

GM Financial has \$16,521 of equity, earns about \$2,616 pretax a year at the current pace (roughly a 12% after-tax return on equity) and paid GM a \$250 million dividend in the third quarter. We carry it at book. Valuing it at 1.2x book would add about \$3.92 a share to every scenario.

8 · CROSS-CHECKS — DCF AND REVERSE DCF

Normalized automotive FCF (leases excluded; rent in EBITDA)	Bear	Base	Bull
Normalized automotive free cash flow	\$8,000	\$10,000	\$12,500
Discount rate / perpetual growth	12% / -5%	11% / -2%	10% / 0%
Automotive enterprise value	\$44,706	\$75,385	\$125,000
Plus automotive net cash and GM Financial; less pension/OPEB	\$15,880	\$15,880	\$15,880
DCF value per share	\$71.82	\$108.19	\$167.01

Even the bear DCF, which shrinks cash flow 5% a year forever and discounts it at 12% after deducting pensions, lands near today's price. Reverse DCF: at \$76.11 the market implies an automotive EV of \$40,365. Against \$10 billion of normalized free cash flow and an 11% discount rate, that price only works if GM's car cash flow falls 11% a year, every year, forever. On the \$12 billion adjusted guide, the implied decline is 14% a year.

9 · THE PRIVATE-EQUITY SANITY CHECK — A TAKE-PRIVATE VALUE

The PE Guide asks whether a sponsor could pay a premium and still earn a return. A carmaker cannot carry buyout leverage, so we cut the house 5.0x to 2.5x of automotive EBITDA. The answer is still yes.

Take-private at 3.0x 2026E automotive EBITDA	Value
Automotive enterprise value	\$57,684
Equity purchase price (plus automotive net cash and GM Financial at book)	\$81,522
Offer price per share / premium to \$76.11	\$96.64 / +27%
New debt at 2.5x automotive EBITDA, 8% cost	\$48,070
Sponsor equity check	\$33,452
Annual levered FCF to paydown (\$10.0B normalized FCF less after-tax interest)	\$6,962
Five-year exit at 3.0x, flat EBITDA → exit equity	\$68,262
MOIC / IRR	2.04x / 15.3%

A sponsor paying \$96.64 a share, with no EBITDA growth and no multiple expansion, earns 15% a year. That is a well-defined anchor for strategic value, and it sits just below most post-earnings Street targets (Morgan Stanley \$95, Barclays \$105, Citi \$131; consensus about \$101–108).

10 · CATALYSTS AND THE SCORECARD TO WATCH

- Buyback pace: no ASR yet. An accelerated repurchase, as GM did in 2023 and 2025, would retire a large block at today's price in one step.
- Q4 2026 (late January): the guide implies about break-even fourth-quarter free cash flow through the pickup changeover. Delivering it confirms \$11.5–12.5 billion for the year.
- 2027 guidance: the first full year of the new pickups, with tariff and commodity costs annualized. EBIT-adjusted held near \$15 billion supports our base case.
- Tariffs: costs tracking to the low end of \$2.5–3.5 billion. Any relief flows almost entirely to EBITDA, and each \$1 billion of EBITDA is worth about \$3 a share at 2.5x.
- EV losses: \$11.2 billion of charges since mid-2025 reset the program. Smaller EV losses are the bull case's main lever.
- Ford's Q3 report on October 28 will update the closest like-for-like multiple.

What the bear case needs to be right

U.S. pricing weakens as the cycle turns, tariffs land at the high end, and the pickup launch slips into 2027, taking about \$3 billion out of automotive EBITDA. That is the \$66.19 case, and we weight it at 25%. Even there GM keeps \$7,317 of automotive net cash, investment-grade bonds and a buyback that shrinks the share count, so the bear case loses less the longer it takes to arrive.

11 · FOUNDER'S VIEW

I spent the early part of my career in bank loan review, and the first thing you learn is to look at who gets paid first. GM's bondholders are calm: investment grade, prices near par, yields around 6%. The stock is priced like the company is in trouble. When the debt says one thing and the equity says another, I trust the people with the senior claim. GM doesn't need to invent anything here. It needs to build the new trucks, pay the tariff bill it has already sized, and keep doing what it has done for two years: turn cash into a smaller share count. At about two times EBITDA, every share it retires is a bargain.

— Phil Baratelli, CPA · Founder, The Baratelli Institute



12 · THE METHODOLOGY LIVES IN THE GUIDES

Guide	Technique applied in this case
First Principles	Reverse DCF; price paid vs. the cash the business produces; who gets paid first (bonds vs. equity)
CFO & Controller's Guide	Separating a captive finance arm (sum of the parts); rebuilding automotive EBITDA from EBIT-adjusted; EV excluding operating leases; nine-quarter FCF, uses of cash and buyback price; adjusted vs. unadjusted FCF; three-layer EPS; pensions and OPEB as a sensitivity
PE Guide	Take-private sanity check with leverage sized to a cyclical business; strategic value anchor
Family Office Reference	Multi-engine valuation (comps, DCF, LBO); probability weighting; buybacks as a total-return engine

See the companion Library Crosswalk for the full mapping.

SOURCES

General Motors Company Q3 2026 earnings release (Form 8-K, Exhibit 99.1), October 20, 2026, SEC EDGAR accession 0001467858-26-000056 · Form 10-Q for the quarter ended September 30, 2026, accession 0001467858-26-000059 (cover share count, balance sheet, equity note) · Form 10-K for 2025, accession 0001467858-26-000013 (pension and OPEB, leases) · Quarterly earnings releases for Q3 2025, Q4 2025, Q1 2026 and Q2 2026 with prior-year comparatives, accessions 0001467858-25-000141, -26-000011, -26-000033, -26-000049 · SEC EDGAR XBRL company-concept data for CIK 0001467858 · Q3 2026 earnings call transcript, October 20, 2026 (Motley Fool) · GM share prices: stockanalysis.com history, statmuse.com and digrin.com (10/20 and 10/21/2026) · Peer and GM screen data: stockanalysis.com statistics and balance-sheet pages, 10/21/2026 · Ford Q2 2026 earnings release (company excluding Ford Credit) · Bond prices and yields: tradingview.com/symbols/NYSE-GM/bonds and therighttrader.com, October 2026 · Ratings: GM Financial disclosures (Moody's, S&P, Fitch) and DBRS Morningstar (June 19, 2026) · Post-earnings price targets: MoneyCheck, October 2026 · Cost headwinds and reaction: Yahoo Finance, Quartz and Alpha Spread, October 20–21, 2026.

Position disclosure. The author holds no position in General Motors Company (NYSE: GM), actively follows the company, and may buy or sell shares at any time. Disclaimer. Independent editorial analysis prepared for educational purposes under fair-use principles. Not investment advice and not a registered investment research report. The Baratelli Institute is not affiliated with General Motors Company. Every company figure traces to public SEC filings; market data is as of the measurement date and will change. Enterprise value is market capitalization plus financial debt less cash; operating lease liabilities are excluded because rent expense is already deducted in EBITDA; GM Financial is valued separately at book. Scenario values, discount rates, multiples and LBO terms are Institute assumptions, shown with their levers in the accompanying model.

About the Institute

The Baratelli Institute publishes practitioner-grade case studies on public companies and deals, written by Philip A. Baratelli, CPA, so readers can learn the method and apply it to the next ticker. Mentoring at Scale.
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PART II

Financial Model

Every tab of the Excel model, printed with calculated values. Inputs trace to the 10-K, 10-Q and earnings release; each hardcoded figure carries a source note in the live workbook.

MODEL · COVER

The Baratelli Institute — Mentoring at Scale · Case Study: General Motors Company (NYSE: GM)

Practitioner valuation model · Measurement date October 21, 2026 · Every hardcoded figure carries a source comment

www.baratelliinstitute.com

Tabs: Inputs · 9Q Free Cash Flow · Sum of Parts · Comps · Debt Schedule · EV-EBITDA Valuation · DCF & Reverse DCF · LBO Sanity Check · Checks

Color code: blue = hardcoded input with source comment; black = formula; green = link from another tab; yellow = key lever.

Institute EV method. Enterprise value = market capitalization + financial debt – cash. Operating lease liabilities are excluded for GM and every peer, because rent is already deducted in EBITDA.

For GM the method is applied to the car business: GM Financial is removed at book value (its \$113B of debt funds customer loans and leases, not the car business), then automotive debt is added and automotive cash subtracted.

\$ millions except per share unless noted. Price is the 10/21/2026 close. Balance sheet 9/30/2026 (Q3 2026 release and Form 10-Q).

Position disclosure: the author holds no position in General Motors, actively follows the company, and may buy or sell shares at any time.

Independent editorial analysis for education. Not investment advice. Not affiliated with General Motors Company.

MODEL · INPUTS

Inputs — General Motors Company (NYSE: GM)

\$ millions except per share. Blue = hardcoded input with source comment; black = formula; yellow = key lever. Measurement date 10/21/2026.

Input	Value	Note
Market		
Share price, 10/21/2026 close	\$76.11	Closing price 10/21/2026: \$76.11 (stockanalysis.com history; statmuse.com; digrin.com)
Shares outstanding (millions), 10-Q cover at 10/9/2026	843.5	GM Form 10-Q for the quarter ended 9/30/2026, SEC acc. 0001467858-26-000059, cover page: 843,549,423 shares
Market capitalization	\$64,203	
Automotive balance sheet, 9/30/2026		
Automotive cash and cash equivalents	\$18,765	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
Automotive marketable debt securities	\$4,351	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
Automotive short-term debt	\$529	GM Form 10-Q for the quarter ended 9/30/2026, SEC acc. 0001467858-26-000059, condensed consolidated balance sheet (automotive current debt)
Automotive long-term debt	\$15,270	GM Form 10-Q for the quarter ended 9/30/2026, SEC acc. 0001467858-26-000059, balance sheet
Automotive financial debt	\$15,799	
Automotive net cash (cash + securities – debt)	\$7,317	
GM Financial		
GM Financial stockholders' equity (book), 9/30/2026	\$16,521	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056, GM Financial balance sheet
GM Financial debt (short + long term)	\$112,944	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: \$42,939 + \$70,005
GM Financial value / book equity	1.00x	Institute assumption: captive valued at book. GMF earns ~\$2.6B EBT a year (~12% after-tax ROE), so book is conservative.
GM Financial equity value	\$16,521	
Guidance, FY2026 (updated 10/20/2026)		
EBIT-adjusted, low	\$14,500	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056



Input	Value	Note
EBIT-adjusted, high	\$15,500	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
EBIT-adjusted, midpoint	\$15,000	
EPS-diluted-adjusted, low	\$12.75	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
EPS-diluted-adjusted, high	\$13.75	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
EPS-diluted-adjusted, midpoint	\$13.25	
EPS-diluted (GAAP), low	\$9.72	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
EPS-diluted (GAAP), high	\$10.72	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
EPS-diluted (GAAP), midpoint	\$10.22	
Adjusted automotive free cash flow, low	\$11,500	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
Adjusted automotive free cash flow, high	\$12,500	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056
Adjusted automotive FCF, midpoint	\$12,000	
Automotive operating cash flow, midpoint (\$17.3–20.3B)	\$18,800	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: automotive operating cash flow guidance \$17.3B–\$20.3B
Capital spending, midpoint (\$10–12B)	\$11,000	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: capital spending \$10B–\$12B
TTM and run-rate EBITDA build		
EBIT-adjusted, TTM (Q4'25 + 9M 2026)	\$15,145	Q4'25 \$2,843 + 9M 2026 \$12,302
GM Financial EBT-adjusted, TTM	\$2,571	Q4'25 \$609 + Q1'26 \$689 + Q2'26 \$605 + Q3'26 \$668 (Q1'26 derived: 6M \$1,294 less Q2 \$605)
GM Financial EBT-adjusted, 2026E (9M \$1,962 annualized)	\$2,616	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: GM Financial EBT-adjusted nine months \$1,962
Automotive depreciation and amortization, 9M 2026	\$5,133	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056, automotive D&A nine months 2026. Q4 2025 reported D&A (\$3,209) includes EV-related impairments and is not used.



Input	Value	Note
Automotive D&A, run-rate (9M 2026 annualized)	\$6,844	
Automotive EBITDA, TTM (EBIT-adj – GMF EBT + D&A run-rate)	\$19,418	
Automotive EBITDA, 2026E (guide midpoint – GMF EBT + D&A)	\$19,228	
Other		
Dividend per share, annualized (\$0.18 quarterly)	\$0.72	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: \$0.18 per share payable 12/17/2026
New share repurchase authorization (10/20/2026)	\$20,000	GM Q3 2026 earnings release (8-K Ex. 99.1), 10/20/2026, SEC acc. 0001467858-26-000056: \$20 billion multi-year authorization, no expiration
Net pension and OPEB underfunding, 12/31/2025	\$7,958	GM Form 10-K FY2025, SEC acc. 0001467858-26-000013, pension/OPEB note: U.S. pension \$657 + non-U.S. pension \$2,929 + OPEB \$4,372 (net of plan assets)
Operating lease liabilities (consolidated), 12/31/2025	\$1,035	GM Form 10-K FY2025, SEC acc. 0001467858-26-000013, lease note. Excluded from EV under the Institute method.
Tax rate for valuation	21.0%	Institute assumption
Adjustments in 2026 adjusted FCF (OCF – capex vs. adjusted FCF, midpoints)	\$4,200	EV strategic-realignment and other cash items GM adds back in adjusted FCF

MODEL · COMPS

Comparables — EV/EBITDA, Forward P/E and FCF Yield

Screen data from stockanalysis.com statistics pages at the 10/21/2026 close. Institute restatement removes operating lease liabilities from screen EV.

Company	Ticker	Mkt cap (\$B)	Screen EV (\$B)	Less op. leases (\$B)	EV, Institute (\$B)	EBITDA TTM (\$B)	EV/EBITDA	Fwd P/E	FCF yield
Ford Motor	F	47.45	188.63	-3.31	185.32	7.64	24.3x	6.8x	15.3%
Toyota Motor	TM	230.55	429.99	-	429.99	34.46	12.5x	14.2x	(2.3%)
Honda Motor	HMC	44.35	102.25	-2.03	100.22	7.89	12.7x	10.9x	4.0%
Stellantis	STLA	13.02	36.20	-3.00	33.20	-0.36	n.m.	5.0x	n.m.
Tesla (contrast)	TSLA	1,530.00	1,490.00	-7.02	1,482.98	9.84	150.7x	187.7x	0.2%
GM, consolidated screen	GM	64.20	165.14	-1.03	164.10	17.77	9.2x	5.7x	18.7%
Median, Ford / Toyota / Honda (screen)							12.7x	10.9x	

Like for like: automotive only, captive finance arm removed

\$ billions	Ford	GM
Market capitalization	47.45	64.20
Less captive finance equity at book	-14.60	-16.52
Plus automotive debt	23.60	15.80
Less automotive cash and securities	-22.10	-23.12
Automotive EV	34.35	40.36
2026 EBIT guide midpoint	10.50	15.00
Less captive finance EBT	-2.50	-2.62
Plus automotive D&A (annualized)	4.66	6.84
Automotive EBITDA, 2026E	12.66	19.23
EV / automotive EBITDA	2.71x	2.10x

Ford balance sheet and D&A are 6/30/2026 (Ford reports Q3 on 10/28/2026); GM is 9/30/2026. Screen EVs for Toyota and Honda include their captive finance debt, which is why consolidated multiples are not like for like.



MODEL · 9Q FREE CASH FLOW

Nine Quarters of Automotive Free Cash Flow — and Where It Went

\$ millions except per share. Quarters as reported in each earnings release; Q4 and some items derived from year-to-date filings (see comments).

\$ millions	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	9Q total	TTM
Income statement and EBIT-adjusted											
Revenue	\$48,757	\$47,702	\$44,020	\$47,122	\$48,591	\$45,287	\$43,624	\$48,026	\$50,015	\$423,144	\$186,952
Net income attributable to stockholders	\$3,056	(\$2,961)	\$2,784	\$1,895	\$1,327	(\$3,310)	\$2,627	\$1,305	\$3,335	\$10,058	\$3,957
EBIT-adjusted	\$4,115	\$2,509	\$3,490	\$3,037	\$3,376	\$2,843	\$4,253	\$3,943	\$4,106	\$31,672	\$15,145
of which GM Financial EBT-adjusted	\$687	\$719	\$685	\$704	\$804	\$609	\$689	\$605	\$668	\$6,170	\$2,571
EPS-diluted-adjusted	\$2.96	\$1.92	\$2.78	\$2.53	\$2.80	\$2.51	\$3.70	\$3.57	\$3.70	\$26.47	\$13.48
Automotive EBIT-adjusted (excl. GM Financial)	\$3,428	\$1,790	\$2,805	\$2,333	\$2,572	\$2,234	\$3,564	\$3,338	\$3,438	\$25,502	\$12,574
TTM link: EBIT-adjusted (col K = TTM)										\$15,145	
TTM link: GM Financial EBT-adjusted (col K = TTM)										\$2,571	
Automotive free cash flow											
Automotive operating cash flow	\$7,863	\$4,765	\$2,404	\$4,653	\$6,070	\$5,606	\$533	\$5,071	\$8,049	\$45,014	\$19,259
Automotive capital expenditures	\$2,229	\$3,215	\$1,809	\$2,131	\$2,113	\$3,188	\$1,501	\$1,924	\$2,333	\$20,443	\$8,946
Automotive OCF less capex	\$5,634	\$1,550	\$595	\$2,522	\$3,957	\$2,418	(\$968)	\$3,147	\$5,716	\$24,571	\$10,313
Adjusted automotive free cash flow (GM definition)	\$5,834	\$1,823	\$811	\$2,827	\$4,201	\$2,755	\$1,269	\$5,033	\$5,882	\$30,435	\$14,939
GM add-backs (EV realignment, restructuring, other)	\$200	\$273	\$216	\$305	\$244	\$337	\$2,237	\$1,886	\$166	\$5,864	\$4,626
TTM adjusted automotive FCF				\$11,295	\$9,662	\$10,594	\$11,052	\$13,258	\$14,939		
Uses of cash											
Share repurchases (cash paid)	\$1,032	\$4,686	\$2,012	-	\$1,500	\$2,500	\$800	\$2,000	\$2,500	\$17,030	\$7,800
Common dividends	\$133	\$123	\$116	\$144	\$141	\$137	\$164	\$160	\$156	\$1,274	\$617
Automotive debt repayment (gross)	\$76	\$791	\$66	\$505	\$1,291	\$61	\$261	\$39	\$15	\$3,105	\$376
Total uses	\$1,241	\$5,600	\$2,194	\$649	\$2,932	\$2,698	\$1,225	\$2,199	\$2,671	\$21,409	\$8,793
Adjusted FCF less uses	\$4,593	(\$3,777)	(\$1,383)	\$2,178	\$1,269	\$57	\$44	\$2,834	\$3,211	\$9,026	\$6,146
Buybacks % of uses	83.2%	83.7%	91.7%	-	51.2%	92.7%	65.3%	91.0%	93.6%	79.5%	88.7%
Uses % of adjusted FCF	21.3%	307.2%	270.5%	23.0%	69.8%	97.9%	96.5%	43.7%	45.4%	70.3%	58.9%
Share count and buyback price											
Shares repurchased (millions)	22	87	43	0	27	34	11	25	29	278	



Average price paid per share	\$46.91	\$53.86	\$46.79	-	\$55.56	\$73.53	\$72.73	\$80.00	\$86.21	\$61.26
Period-end shares outstanding (millions)	1,100	995	966	957	933	904	902	877	849	-251
Diluted weighted shares, adjusted (millions)	1,131	1,075	1,002	976	964	949	926	910	887	
Cumulative share reduction vs. Q3'24 period-end	-	9.5%	12.2%	13.0%	15.2%	17.8%	18.0%	20.3%	22.8%	22.8%
Repurchased shares valued at today's price										\$21,159
Gain / (loss) vs. cost on repurchased shares										24.2%

Q1'25: the February 2025 \$2.0B accelerated share repurchase delivered 33M shares at once and 10M more at final settlement in Q2; all 43M are shown in Q1, when the cash was paid. Q3'26 shares bought = 65M nine-month total in the 10-Q equity note less 36M in H1. Diluted shares for loss quarters Q4'24 and Q4'25 are the adjusted (dilutive) counts from the releases. Automotive debt repayment is gross 'payments on debt (original maturities > 3 months)' in the automotive cash flow; derived quarters subtract year-to-date figures. Adjusted automotive FCF is GM's non-GAAP measure: automotive OCF less capital spending, plus add-backs for EV strategic realignment, restructuring and other items. Row 18 shows the unadjusted figure for comparison.

MODEL · SUM OF PARTS

Sum of the Parts — Pricing the Car Business on Its Own

Institute EV method applied to the automotive company: market cap less the captive finance arm, plus automotive financial debt, less automotive cash.

\$ millions	Value	Note
Market capitalization	\$64,203	843.5M shares × \$76.11
Less: GM Financial equity value (book × multiple)	(\$16,521)	Captive finance arm carried at book; its \$113B of debt stays inside it
Implied value of the automotive equity	\$47,682	
Plus: automotive financial debt	\$15,799	Short + long-term automotive debt
Less: automotive cash and marketable securities	(\$23,116)	
Automotive enterprise value (Institute method)	\$40,365	Operating leases excluded: rent is already deducted in EBITDA
Automotive EBITDA, TTM	\$19,418	EBIT-adj TTM – GM Financial EBT TTM + automotive D&A run-rate
Automotive EBITDA, 2026E	\$19,228	Guide midpoint \$15.0B – GMF ~\$2.6B + D&A ~\$6.8B
EV / automotive EBITDA, TTM	2.08x	
EV / automotive EBITDA, 2026E	2.10x	
Adjusted automotive FCF, 2026 guide midpoint	\$12,000	
FCF yield on automotive equity	25.2%	
FCF yield on total market cap	18.7%	
Unadjusted FCF (OCF – capex midpoints) yield on automotive equity	16.4%	Before GM's add-backs
SENSITIVITY: add net pension and OPEB underfunding as debt		
Automotive EV including pension/OPEB	\$48,323	Not part of the Institute method; shown because GM's obligations are large
EV / automotive EBITDA, 2026E, including pension/OPEB	2.51x	
For contrast: consolidated EV (screen method, includes GM Financial debt)	\$165,140	stockanalysis.com/stocks/gm/statistics, 10/21/2026 close
Consolidated screen EBITDA, TTM	\$17,770	stockanalysis.com/stocks/gm/statistics, 10/21/2026
Screen EV/EBITDA (what most screens show)	9.29x	Inflated by \$113B of GM Financial debt that funds car loans, not the car business



MODEL · DEBT SCHEDULE

Debt Schedule — General Motors Company Senior Notes

Parent-company (automotive) notes. Excludes GM Financial, which funds itself. Prices and yield to worst: TradingView GM bonds page, October 2026. Years measured from 10/21/2026.

Note	Coupon	Maturity	Year	Principal (\$M)	Interest (\$M)	Price	YTW	Mkt value (\$M)	Years to maturity	Month
Senior notes	6.800%	Oct 2027	2,027	\$1,000	\$68	101.26	5.15%	\$1,013	1.0	10
Senior notes	4.200%	Oct 2027	2,027	\$750	\$32	99.16	5.12%	\$744	1.0	10
Senior notes	5.350%	Apr 2028	2,028	\$750	\$40	100.16	5.21%	\$751	1.5	4
Senior notes	5.000%	Oct 2028	2,028	\$750	\$38	99.39	5.32%	\$745	2.0	10
Senior notes	5.400%	Oct 2029	2,029	\$1,000	\$54	99.66	5.52%	\$997	3.0	10
Senior notes	5.625%	Apr 2030	2,030	\$750	\$42	99.94	5.64%	\$750	3.5	4
Senior notes	5.600%	Oct 2032	2,032	\$1,250	\$70	98.85	5.83%	\$1,236	6.0	10
Senior notes	5.000%	Apr 2035	2,035	\$750	\$38	91.77	6.27%	\$688	8.5	4
Senior notes	6.250%	Apr 2035	2,035	\$500	\$31	99.66	6.30%	\$498	8.5	4
Senior notes	6.600%	Apr 2036	2,036	\$1,250	\$82	101.83	6.32%	\$1,273	9.5	4
Senior notes	5.150%	Apr 2038	2,038	\$1,000	\$52	89.43	6.47%	\$894	11.4	4
Senior notes	6.250%	Oct 2043	2,043	\$1,500	\$94	94.17	6.83%	\$1,413	16.9	10
Senior notes	5.200%	Apr 2045	2,045	\$1,250	\$65	82.62	6.87%	\$1,033	18.4	4
Senior notes	6.750%	Apr 2046	2,046	\$750	\$51	98.54	6.88%	\$739	19.4	4
Senior notes	5.400%	Apr 2048	2,048	\$750	\$40	83.61	6.87%	\$627	21.4	4
Senior notes	5.950%	Apr 2049	2,049	\$900	\$54	89.42	6.88%	\$805	22.4	4
Total / weighted	5.70%			\$14,900	\$849	95.33	6.11%	\$14,205	10.1	

Automotive debt, 10-Q consolidated balance sheet (release automotive column shows \$16,148 incl. \$349 owed to GM Financial, eliminated)

\$15,799

Other automotive debt (finance leases, other borrowings, discounts)

\$899

Maturity ladder

Calendar year	2027	2028	2029	2030	2032	2035	2036	2038	2043
Principal due	\$1,750	\$1,500	\$1,000	\$750	\$1,250	\$1,250	\$1,250	\$1,000	\$1,500
Cumulative	\$1,750	\$3,250	\$4,250	\$5,000	\$6,250	\$7,500	\$8,750	\$9,750	\$11,250
% of notes	11.7%	10.1%	6.7%	5.0%	8.4%	8.4%	8.4%	6.7%	10.1%

Calendar year	2045	2046	2048	2049	Total
Principal due	\$1,250	\$750	\$750	\$900	\$14,900

Coverage

Notes due 2027–2028 \$3,250

Adjusted FCF after dividends, 2026 guide \$11,393



Years of post-dividend FCF to retire 2027–2028 notes	0.29	
Automotive cash and securities / total notes	1.55x	
Bond yield (weighted YTW) vs. equity FCF yield on automotive equity	6.11%	25.2%

Ratings: Moody's Baa2 (stable), S&P BBB (stable), Fitch BBB (positive), DBRS BBB (high) (stable, confirmed 6/19/2026).

MODEL · EV-EBITDA VALUATION

Valuation Verdict — Automotive EV/EBITDA Scenarios

Car business valued on EV/EBITDA; GM Financial added at book; automotive net cash added. Leases excluded. Blue/yellow cells are levers.

Driver	Bear	Base	Bull		
Forward automotive EBITDA, 2027E (\$mm)	\$16,000	\$19,228	\$20,500		
EV / automotive EBITDA multiple	2.0x	2.5x	4.0x		
Automotive enterprise value	\$32,000	\$48,070	\$82,000		
Plus: automotive net cash	\$7,317	\$7,317	\$7,317		
Plus: GM Financial at book	\$16,521	\$16,521	\$16,521		
Equity value	\$55,838	\$71,908	\$105,838		
Value per share	\$66.19	\$85.24	\$125.47		
Upside / (downside) vs. \$76.11	(13.0%)	12.0%	64.9%		
Probability	25.0%	50.0%	25.0%		
Probability check (must = 100%)	100.0%				
Probability-weighted value per share			\$90.54		
Upside vs. price			19.0%		
Value of one turn of automotive EBITDA					
Each 1.0x of 2026E automotive EBITDA, per share			\$22.79		
As % of share price			29.9%		
What GM is worth at...					
Multiple of 2026E automotive EBITDA	EV/EBITDA	Auto EV	Equity	Per share	vs. price
Today's market multiple	2.10x	\$40,365	\$64,203	\$76.11	-
Institute base	2.50x	\$48,070	\$71,908	\$85.24	12.0%
Ford, automotive only	2.71x	\$52,187	\$76,025	\$90.13	18.4%
3.0x	3.00x	\$57,684	\$81,522	\$96.64	27.0%
Institute bull	4.00x	\$76,912	\$100,750	\$119.44	56.9%
5.0x	5.00x	\$96,140	\$119,978	\$142.23	86.9%
The \$20 billion buyback					
Authorization as % of market cap					31.2%
Shares retired at today's price (millions)					262.8
As % of shares outstanding					31.2%
Years of post-dividend adjusted FCF to fund it (2026 guide)					1.76
Pro forma shares if completed at today's price					580.8
Pro forma adjusted EPS (2026 guide midpoint, net income held)					\$19.25

Note: ignores lost interest on cash used and dilution from stock compensation; earnings held at the 2026 guide.

MODEL · DCF & REVERSE DCF

DCF Cross-Check and Reverse DCF — Automotive Business

Perpetuity on normalized automotive free cash flow. GM Financial and automotive net cash added separately.

Normalized automotive FCF	Bear	Base	Bull
Normalized automotive free cash flow (\$mm)	\$8,000	\$10,000	\$12,500
Discount rate (WACC)	12.0%	11.0%	10.0%
Perpetual growth	(5.0%)	(2.0%)	-
Automotive enterprise value	\$44,706	\$75,385	\$125,000
Plus automotive net cash	\$7,317	\$7,317	\$7,317
Plus GM Financial at book	\$16,521	\$16,521	\$16,521
Less net pension and OPEB underfunding	(\$7,958)	(\$7,958)	(\$7,958)
DCF value per share	\$71.82	\$108.19	\$167.01
REVERSE DCF — what does \$76.11 imply?			
Automotive EV implied by the market			\$40,365
Base normalized automotive FCF			\$10,000
Base discount rate			11.0%
Implied perpetual growth rate			(11.0%)
Same test on the 2026 adjusted FCF guide			(14.4%)

Read: the market prices GM's car business as if its cash flow shrinks at this rate every year, forever.

MODEL · LBO SANITY CHECK

Private-Equity Sanity Check — Take-Private of the Automotive Business

Leverage set at 2.5x, not the house 5.0x: a cyclical carmaker cannot carry buyout leverage. GM Financial and net cash stay with the company.

Assumption	Value	Note
Entry automotive EBITDA (\$mm)	\$19,228	2026E
Entry EV/EBITDA	3.0x	Institute assumption; above Ford's 2.7x
Entry automotive enterprise value	\$57,684	
Plus automotive net cash	\$7,317	
Plus GM Financial at book	\$16,521	
Equity purchase price	\$81,522	
Offer price per share	\$96.64	
Premium to current price	27.0%	
New debt / automotive EBITDA	2.5x	House standard is 5.0x; an OEM's cyclicity caps it far lower
New debt	\$48,070	
Sponsor equity check	\$33,452	
Cost of debt	8.0%	Institute assumption
Annual after-tax interest	\$3,038	
Normalized automotive FCF before interest	\$10,000	Base case
Annual levered FCF to debt paydown	\$6,962	Held flat; interest saved on paydown ignored (conservative)
Hold period (years)	5	
Exit EV/EBITDA	3.0x	Exit at entry multiple, no EBITDA growth
Exit debt	\$13,260	
Exit equity (auto EV – debt + net cash + GM Financial)	\$68,262	
MOIC	2.04x	
IRR	15.3%	



MODEL · CHECKS

Tie-Out Checks

Each check should read 0 (or TRUE). Recalculated with LibreOffice before publishing.

Check	Result	Expected
2025 adjusted automotive FCF: Q1–Q4'25 vs. FY2025 reported \$10,595	-1	0 (±1 rounding)
9M 2026 adjusted automotive FCF vs. reported \$12,184	0	0
9M 2026 automotive OCF vs. reported \$13,653	0	0
9M 2026 share repurchases vs. 10-Q \$5,300 (cash \$5,301)	0	0
9M 2026 shares repurchased vs. 10-Q 65M	0	0
9M 2026 EBIT-adjusted vs. reported \$12,302	0	0
Senior notes vs. automotive long-term debt (other debt should be small and positive)	True	TRUE
Maturity ladder total = notes total	0	0
Scenario probabilities sum to 100%	0	0
Market cap ties to screen (\$64.20B, stockanalysis.com)	0	0

LIBRARY CROSSWALK · CASE STUDY · NYSE: GM

General Motors — where every technique lives in the Library

Each move in the case maps to a Guide, so a reader can learn the method and use it on the next ticker.

FIRST PRINCIPLES

Technique	Application in the GM case	Where
Reverse DCF	Solve for the growth the price implies: \$76.11 means automotive cash flow falls 11% a year forever on \$10B normalized FCF.	Memo §8 · Model: DCF & Reverse DCF
Price vs. cash produced	Free-cash-flow yield of 25.2% on the automotive equity (18.7% on the whole market cap) at the 2026 guide.	Memo §1 · Model: Sum of Parts
Who gets paid first	Senior notes yield 6.11% at an average price of 95.3; the equity yields 25.2%. Trust the senior claim.	Memo §5, §11 · Model: Debt Schedule

CFO & CONTROLLER'S GUIDE

Technique	Application in the GM case	Where
Separating a captive finance arm	Remove GM Financial at book (\$16,521) so its \$113B of debt does not distort EV: screen 9.3x becomes 2.1x for the car business.	Memo §1–3 · Model: Sum of Parts
Rebuilding automotive EBITDA	EBIT-adjusted less GM Financial EBT plus automotive D&A;: \$19,418 TTM, \$19,228 for 2026E.	Memo §3 · Model: Inputs
EV method: leases excluded	EV = market cap + financial debt – cash, operating leases removed for GM and every peer because rent is already in EBITDA.	Memo §1–2 · Model: Comps
Like-for-like peer rebuild	Ford rebuilt on the same automotive-only basis: 2.7x vs. GM 2.1x.	Memo §2 · Model: Comps
Nine-quarter FCF and uses of cash	\$30,435 adjusted automotive FCF vs. \$17,030 buybacks, \$1,274 dividends, \$3,105 debt repayment.	Memo §4 · Model: 9Q Free Cash Flow
Buyback price and share-count bridge	278M shares at \$61.26 average; shares down 22.8%; repurchased shares worth \$21,159 today.	Memo §4 · Model: 9Q Free Cash Flow
Adjusted vs. unadjusted FCF	About \$4,200 of 2026 add-backs; unadjusted FCF still yields 16.4% on automotive equity.	Memo §7B · Model: 9Q Free Cash Flow
Three-layer EPS	GAAP guide \$10.22 → adjusted \$13.25 → car business alone about \$10.92 on \$56.52 of automotive equity per share.	Memo §7A
Pensions and OPEB as a sensitivity	\$7,958 net underfunding; EV/EBITDA moves from 2.10x to 2.51x.	Memo §7C · Model: Sum of Parts
Debt schedule and marking bonds to market	Sixteen notes, \$14,900 principal at 5.70%, priced at 95.3; 2027–2028 maturities equal 3.4 months of post-dividend FCF.	Memo §5 · Model: Debt Schedule

PE GUIDE

Technique	Application in the GM case	Where
Take-private sanity check	3.0x entry, 2.5x leverage (cut from 5.0x for a cyclical OEM), flat EBITDA → \$96.64 offer, 2.04x MOIC, 15.3% IRR.	Memo §9 · Model: LBO Sanity Check
Leverage sized to the business	House 5.0x would exceed the purchase price; the guide's principle is debt the cash flow can carry.	Memo §9

FAMILY OFFICE REFERENCE

Technique	Application in the GM case	Where
Multi-engine valuation	EV/EBITDA comps (primary), DCF and LBO side by side.	Memo §1–2, §8–9
Probability weighting	Bear \$66.19 / Base \$85.24 / Bull \$125.47 at 25/50/25 → \$90.54.	Memo §1 · Model: EV-EBITDA Valuation
Buybacks as a total-return engine	\$20B authorization = 31.2% of the market cap, funded by 1.8 years of post-dividend FCF.	Memo §7D · Model: EV-EBITDA Valuation

\$ in millions except per share. Companion to the General Motors Case Study Memo and Financial Model (measurement date 10/21/2026). Independent editorial analysis; not investment advice. The author holds no position in General Motors Company.