

# ModernGraham Valuation

## Company Name:

Company Ticker GM

Date of Analysis

4/17/2018

General Motors  
Company



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$54,928,567,932	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.89	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-92.48%	Fail
5. Earnings Growth	PEmg < 20	11.89	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.62	Pass
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.89	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.35	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.30
MG Growth Estimate	4.23%
<b>MG Value</b>	<b>\$55.96</b>
MG Value based on 3% Growth	\$47.82
MG Value based on 0% Growth	\$28.03
Market Implied Growth Rate	1.70%

### MG Opinion

Current Price	\$39.22
% of Intrinsic Value	70.08%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

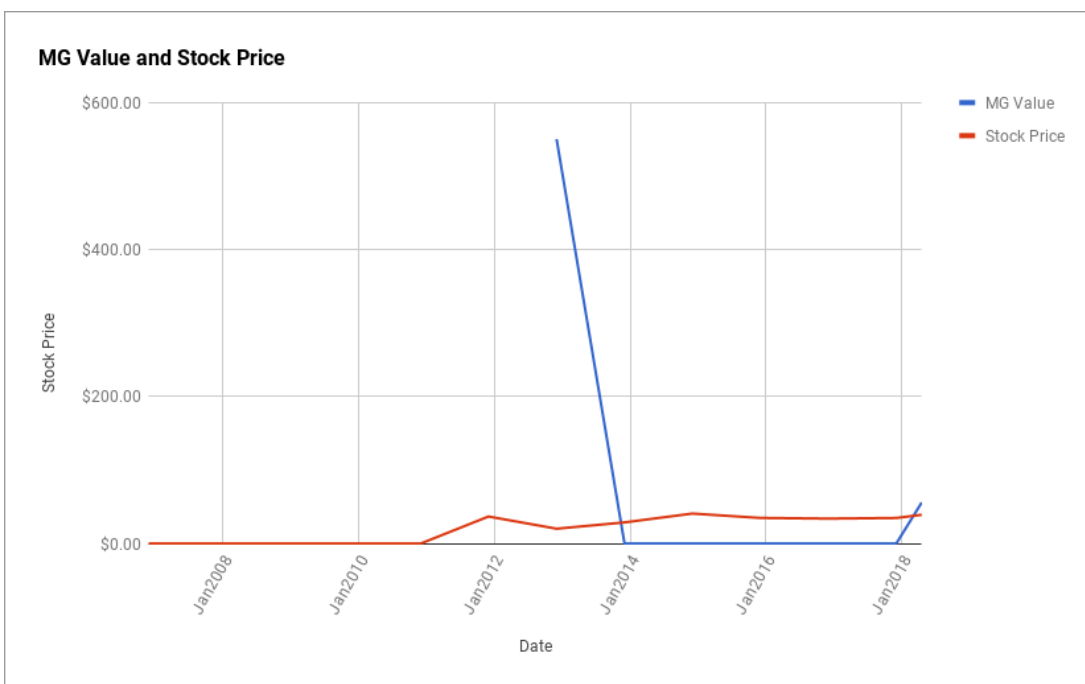
Net Current Asset Value (NCAV)	-\$75.15
Graham Number	\$56.31
PEmg	11.89
Current Ratio	0.89
PB Ratio	1.62
Current Dividend	\$1.52
Dividend Yield	3.88%
Number of Consecutive Years of Dividend Growth	4

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$5.72		\$3.30
Dec2017	-\$2.65	Dec2017	\$2.28
Dec2016	\$6.00	Dec2016	\$4.42
Dec2015	\$5.91	Dec2015	\$3.58
Dec2014	\$1.65	Dec2014	\$2.57
Dec2013	\$2.38	Dec2013	\$10.42
Dec2012	\$2.92	Dec2012	\$14.30
Dec2011	\$4.58	Dec2011	\$17.80
Dec2010	\$2.89	Dec2010	\$20.45
Dec2009	\$113.18	Dec2009	\$23.47
Dec2008	-\$53.47	Dec2008	-\$17.82
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.00	Total Current Assets	\$68,744,000,000
Dec1999	\$0.00	Total Current Liabilities	\$76,890,000,000
Dec1998	\$0.00	Long-Term Debt	\$10,987,000,000
		Total Assets	\$212,482,000,000
		Intangible Assets	\$5,849,000,000
		Total Liabilities	\$177,481,000,000
		Shares Outstanding (Diluted Average)	1,447,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

**Other ModernGraham posts about the company**

- [General Motors Company Valuation – November 2016 \\$GM](#)
- [General Motors Company Analysis – 2015 Update \\$GM](#)
- [17 Companies in the Spotlight This Week – 8/2/14](#)
- [General Motors Co. Annual Valuation – 2014 \\$GM](#)

**Other ModernGraham posts about related companies**

- [O'Reilly Automotive Inc Valuation – April 2018 \\$ORLY](#)
- [Goodyear Tire & Rubber Co Valuation – March 2018 \\$GT](#)
- [Genuine Parts Co Valuation – March 2018 \\$GPC](#)
- [AutoZone Inc Valuation – February 2018 \\$AZO](#)
- [Thor Industries Inc Valuation – Initial Coverage \\$THO](#)
- [Titan International Inc Valuation – Initial Coverage \\$TWI](#)
- [Harley-Davidson Inc Valuation – August 2017 \\$HOG](#)
- [Wabash National Corp Valuation – Initial Coverage \\$WNC](#)
- [Advance Auto Parts Inc Valuation – August 2017 \\$AAP](#)
- [Fox Factory Holding Corp Valuation – Initial Coverage \\$FOXF](#)