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## Valuation and Risks

Our DCF-derived target price is \$51/share. Our estimate assumes \$41/share for GM's 1.0 operation, implying a 10% FCF yield on our ~\$6.0 bn trend FCF forecast and translating to 4.0x 2018 EV/EBITDAP. We've also incorporated \$10/share to GM's Autonomous 2.0 opportunity, which is roughly 50% of the ~\$20/sh value noted above. We think a haircut is appropriate as the Autonomous business is new and involves significant risks.

Key risks, in our view, are likely to be concentrated around GM's 1.0 operations, especially in the near-term, as the company scales back production in NA to right-size inventory and to prepare for upcoming 2018/2019 launches of key products (namely its large pickups and SUVs).