



Model updated: 30 April 2015

Running the numbers

North America

United States

Autos & Auto Parts

**Delphi Automotive**

Reuters: DLPH.N

Bloomberg: DLPH US

**Buy**

Price (30 Apr 15) USD 83.00

Target Price USD 94.00

52 Week range USD 58.30 - 84.71

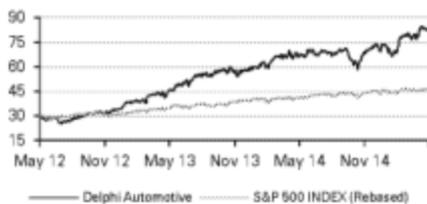
Market Cap (m) USDm 23,673

EURm 21,136

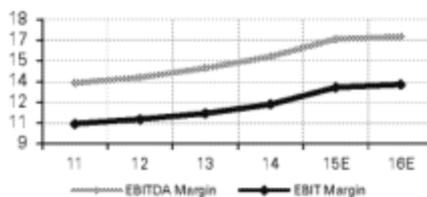
Company Profile

Delphi is one of the largest global auto suppliers, with strong geographic / customer diversity, including a particularly strong position in China (approx 15% of sales). It does business through 4 core business segments (Powertrain, Electrical Architecture, Electronics/Safety, & Thermal), and its focus on key automotive mega-themes: Safe, Green, and Connected, positions the company favorably for sustained secular growth. Delphi also feature one of the industry's leanest cost structures, with 92% of the hourly workforce located in low-cost countries and

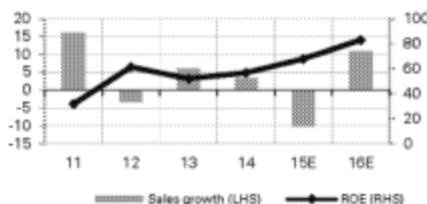
Price Performance



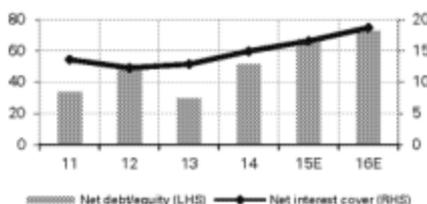
Margin Trends



Growth & Profitability



Solvency



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Fiscal year end 31-Dec

2011 2012 2013 2014 2015E 2016E

Financial Summary

DB EPS (USD)	2.78	3.84	4.40	5.09	5.32	6.30
Reported EPS (USD)	2.78	3.84	4.40	5.09	5.32	6.30
DPS (USD)	0.00	0.00	0.68	1.00	1.20	1.20
BVPS (USD)	4.01	7.25	9.36	8.37	6.90	7.91

Valuation Metrics

Price/Sales (x)	0.6	0.6	1.0	1.2	1.5	1.4
P/E (DB) (x)	7.6	7.9	11.4	13.2	15.6	13.2
P/E (Reported) (x)	7.6	7.9	11.4	13.2	15.6	13.2
P/BV (x)	5.4	5.3	6.4	8.7	12.0	10.5
FCF yield (%)	8.4	8.1	6.8	6.3	4.7	5.7
Dividend yield (%)	0.0	0.0	1.4	1.5	1.4	1.4
EV/Sales	0.6	0.7	1.0	1.3	1.7	1.5
EV/EBITDA	4.6	5.3	7.1	8.4	10.2	9.2
EV/EBIT	5.9	6.8	9.2	10.9	12.9	11.6

Income Statement (USDm)

Sales	16,041	15,519	16,463	17,023	15,293	16,947
EBITDA	2,150	2,142	2,384	2,605	2,534	2,839
EBIT	1,675	1,671	1,844	2,018	2,000	2,251
Pre-tax profit	1,537	1,553	1,722	1,916	1,892	2,151
Net income	1,169	1,240	1,371	1,538	1,522	1,702

Cash Flow (USDm)

Cash flow from operations	1,377	1,478	1,750	2,135	1,927	2,133
Net Capex	-630	-688	-682	-855	-810	-850
Free cash flow	747	790	1,068	1,280	1,117	1,283
Equity raised/(bought back)	-4,747	-403	-457	-1,024	-1,340	-1,150
Dividends paid	-29	0	-211	-301	-329	-389
Net inc/(dec) in borrowings	1,689	345	-85	8	73	-286
Other investing/financing cash flows	484	-990	-31	-448	521	0
Net cash flow	-1,856	-258	284	-485	42	-543
Change in working capital	-121	-37	-66	48	-74	-77

Balance Sheet (USDm)

Cash and cash equivalents	1,372	1,113	1,393	905	904	361
Property, plant & equipment	2,315	2,860	3,216	3,343	3,095	3,357
Goodwill	0	0	0	0	0	0
Other assets	5,441	6,203	6,438	6,498	6,768	7,118
Total assets	9,128	10,176	11,047	10,746	10,768	10,836
Debt	2,103	2,464	2,412	2,451	2,573	2,287
Other liabilities	4,854	4,882	5,201	5,282	5,719	5,911
Total liabilities	6,957	7,346	7,613	7,733	8,292	8,197
Total shareholders' equity	2,171	2,830	3,434	3,013	2,476	2,639
Net debt	737	1,357	1,019	1,546	1,669	1,925

Key Company Metrics

Sales growth (%)	16.1	-3.3	6.1	3.4	-10.2	10.8
DB EPS growth (%)	198.4	38.1	14.6	15.9	4.4	18.4
Payout ratio (%)	0.0	0.0	15.4	19.5	22.5	19.0
EBITDA Margin (%)	13.4	13.8	14.5	15.3	16.6	16.8
EBIT Margin (%)	10.4	10.8	11.2	11.9	13.1	13.3
ROE (%)	31.9	61.5	52.2	56.7	68.0	83.0
Net debt/equity (%)	33.7	47.7	29.7	51.3	67.4	73.0
Net interest cover (x)	13.6	12.3	12.9	14.9	16.6	18.7

DuPont Analysis

EBIT margin (%)	10.4	10.8	11.2	11.9	13.1	13.3
x Asset turnover (x)	1.6	1.6	1.6	1.6	1.4	1.6
x Financial cost ratio (x)	0.9	0.9	0.9	0.9	0.9	0.9
x Tax and other effects (x)	0.8	0.8	0.8	0.8	0.8	0.8
= ROA (post tax) (%)	11.6	12.8	12.9	14.1	14.2	15.8
x Financial leverage (x)	2.8	4.8	4.0	4.0	4.8	5.3
= ROE (%)	31.9	61.5	52.2	56.7	68.0	83.0
annual growth (%)	185.2	92.8	-75.2	8.8	19.8	22.1
x NTA/share (avg) (x)	8.7	6.2	8.4	9.0	7.8	7.6
= Reported EPS	2.78	3.84	4.40	5.09	5.32	6.30
annual growth (%)	198.4	38.1	14.6	15.9	4.4	18.4

Source: Company data, Deutsche Bank estimates