The Financial X-Ray

Page 1 - Executive summary

General Motors Company (GM)

Share price: $81.51	**Market cap:** $76.0B	**Perf 7y:** +124.9%	**Perf YTD:** +0.7%
Volatility: High	**Upside:** Low	**Rating:** Weak	**Date:** 21-Feb-2026

Stock price development

in USD

Stock price vs global equity index (scaled)

Company assessment

Financial health: Weak — High leverage, weak cash buffer, and lower profitability constrain financial strength, but the equity base is normal.

Management quality: Medium — Management has executed forecasts reliably and conducted value-conscious buybacks, though some reported items are non-recurring.

Growth outlook: Medium — Steady growth persists in the cyclical sector, though moderating efficiency and balanced visibility limit expectations.

Valuation: Weak — Valuation support is limited by a weak balance sheet, but the current absolute valuation is normal.

Competitive position

Economic moat: Margin and return are below sector norms, revenue stability is medium, and free cash flow is average for the industry.

Risks: High geographic and product concentration increase vulnerability to regional demand shifts and structural risk.

Overall summary

Weak — General Motors faces high leverage and declining profitability, but stable buybacks and average cash flow provide some support.

The Inside Analyst

Appendix

General Motors Company (GM)

Sector: Consumer Cyclical | **Industry:** Auto - Manufacturers | **Country:** US | **Volatility:**[1] 40.4%

1. Company overview

Company description: General Motors designs, manufactures, and sells vehicles and related services worldwide through multiple brands and segments.

Business model: The company generates revenue from vehicle sales, financial services, and increasingly from software-enabled and subscription services.

Market environment: Operating in a highly cyclical and competitive automotive landscape, results are sensitive to product cycles and regional economic demand.

Business segments: GMNA contributed 91% of revenue in 2025, with smaller shares from GM Financial and GMI segments, highlighting strong domestic dependence.

Competitive position: Weak — Competitive pressure and cost challenges have led to below-sector margins and returns, with average free cash flow and stable revenue growth, but profitability and operational leverage lag, and market leadership is not supported by the margin structure.

Concentration risk: High — Dependence on a single product segment and high U.S. concentration expose GM to geographic and product-specific risk.

2. Quantitative dashboard

Financial year (Dec) in million USD	2019 Act	2020 Act	2021 Act	2022 Act	2023 Act	2024 Act	2025 Act	TTM
Revenue	137,237	122,485	127,004	156,735	171,842	187,442	185,019	-
Year-over-year growth	-	*(10.7%)*	*3.7%*	*23.4%*	*9.6%*	*9.1%*	*(1.3%)*	-
EBITDA	22,278	21,869	25,717	23,874	23,202	21,754	15,824	-
EBITDA margin	*16.2%*	*17.9%*	*20.2%*	*15.2%*	*13.5%*	*11.6%*	*8.6%*	-
Net income	6,732	6,427	10,019	9,934	10,127	6,008	2,697	-
Net margin	*4.9%*	*5.2%*	*7.9%*	*6.3%*	*5.9%*	*3.2%*	*1.5%*	-
Free cash flow (FCF)	(8,975)	(3,863)	(6,923)	(5,144)	(3,680)	(5,980)	11,074	-
Capex as % of revenue	17.5%	16.8%	17.4%	13.5%	14.3%	13.9%	8.5%	-
Net debt	85,265	90,871	90,324	96,513	103,795	110,821	109,332	-
Net debt / EBITDA	3.8x	4.2x	3.5x	4.0x	4.5x	5.1x	6.9x	-
Return on equity (RoE)	-	14.8%	19.1%	15.6%	15.3%	9.4%	4.3%	-
Share buyback / equity	0.0%	0.2%	(2.9%)	3.7%	17.3%	11.2%	9.9%	-
Dividend yield	4.5%	1.1%	0.2%	0.8%	1.2%	1.1%	0.8%	-
Free cash flow yield	(17.7%)	(6.1%)	(7.4%)	(6.7%)	(4.9%)	(8.2%)	24.8%	-
EV / EBITDA	2.3x	2.9x	3.6x	3.2x	3.2x	3.4x	2.8x	9.8x
Price-to-earnings ratio (P/E)	7.8x	9.3x	8.6x	4.9x	4.9x	10.0x	29.3x	29.3x
Price-to-3-year-earnings ratio	-	-	11.1x	5.6x	4.9x	6.9x	12.6x	-
Price-to-book ratio (P/B)	1.3x	1.3x	1.4x	0.7x	0.8x	1.0x	1.3x	-

Revenue quality: Medium — Revenue growth is stable and medium relative to peers, reflecting the auto industry's cyclical nature and showing some volatility linked to product cycles and regional demand.

EBITDA quality: Weak — EBITDA growth is below sector norms and trending lower, but with stable results over time. This reflects margin and competitive challenges.

Net margin quality: Weak — Net margin is weaker than sector peers and has deteriorated recently, but margin levels are stable. This underscores industry cost pressures.

Capital efficiency (RoE): Weak — Return on equity is below sector norms and has been declining with low stability, indicating significant performance variability and risk.

1) Volatility: Measured as annualised standard deviation of daily returns. 40th percentile among peers.

Cash generation: Medium — Free cash flow is typical for the industry with an improving trend, but marked by substantial volatility, limiting predictability.

Balance sheet strength: Weak — Leverage is high and cash reserves are weak, with net debt rising, indicating a cautious financial position against sector norms.

Shareholder returns: Medium — Dividend yield is minimal and unattractive, but share buybacks are conducted in a disciplined and increasingly stable manner.

Valuation[2]: Weak — Valuation defensibility and support are limited by a weak balance-sheet buffer, however, the current valuation is in line with typical market levels and growth is reasonably reflected in the pricing.

3. Quality of management

Acquisition discipline: Medium — Acquisition activity is moderate, suggesting neither excessive risk-taking nor entirely conservative capital allocation, maintaining a neutral stance.

Ownership dilution: Medium — Insider ownership changes and stock-based compensation are balanced and do not pose a significant dilution risk, indicating moderate alignment.

Capital discipline: Strong — Buyback timing has been value-disciplined, supporting long-term capital efficiency for shareholders.

Accounting cleanliness: Medium — Reporting contains some non-recurring items such as recalls, which moderately impacts transparency for long-term holders.

Forecast accuracy: Strong — Results have consistently exceeded expectations in recent years, supporting confidence in management's guidance reliability.

4. Outlook & assessment

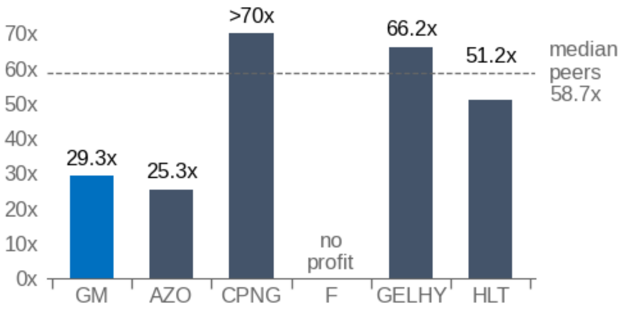
Opportunities: Opportunities include product innovation, expansion of software-enabled services, and growth in financial services.

Risks: Key risks are high leverage, geographic concentration, cyclical demand, regulatory changes, and exposure to trade and geopolitical events.

Growth: Growth may be driven by improved product offerings, margin recovery, and increased recurring revenue from connected services.

Prospects: General Motors' long-term prospects hinge on adapting to technology shifts and managing capital structure in a cyclical market.

Price-to-earnings ratio comparison



GM = General Motors Company, AZO = AutoZone, Inc., CPNG = Coupang, Inc., F = Ford Motor Company, GELHY = Geely Automobile Holdings Limited, HLT = Hilton Worldwide Holdings Inc.

5. Summary

The company faces strained financial health from high leverage and declining margins, while mid-cycle management execution and average cash flow lend some support, but strategic risks persist.

2) Valuation metrics: FCF yield, Enterprise Value (EV) / EBITDA, P/E and P/B ratios.