



General Motors

GM

EQUITY RESEARCH REPORT

September 04, 2026

GM — GENERAL MOTORS COMPANY

Report Date: 2026-09-04

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	AVOID
Current Price	\$87.22 / €75.05
Fair Value (Base Case)	\$94.5 / €81.3 (7.5x FY2026 adjusted EPS midpoint \$13)
Margin of Safety	8.3% (below 10% required threshold)
Target Entry (if HOLD)	n/a

Return Profile	Value
Dividend Yield	Not provided in sourced data
Expected Dividend Growth	Not provided
Expected Price Appreciation (Base, 10Y)	3.5% CAGR
Total Expected Return (Base)	3.5% CAGR (excluding dividends)
Bear Case Total Return	-13.4% CAGR
Bull Case Total Return	6.2% CAGR
Probability-Weighted Return	-0.05% CAGR (excluding dividends)

Risk Assessment	Value
Wealth Preservation Score	17 / 100
Downside Protection Score	20 / 100
Quality Score	17 / 100
Risk Level	ELEVATED
Probability of >50% Loss	>15%
Recession Profile	VULNERABLE

One-Line Thesis: General Motors trades at a trailing GAAP P/E of 39.5 against a 5-year average of 9.7 while operating margins compress and net debt sits at 4.1x EBITDA, which fails the capital preservation mandate before the return hurdle is even tested.

INVESTMENT THESIS

General Motors fails the Wealth Preservation framework at the first true test of solvency and cyclical resilience. The data provided shows a company with \$185.5 billion in trailing revenue, but only \$1.86 billion in trailing net income available to common shareholders, a net margin of 1.05%, and a GAAP operating margin of 3.2%. That thin profitability sits inside a capital-intensive, highly cyclical industry. The KoalaGains evaluation assigns GM a business strength score of 4 out of 5 for its multi-brand coverage, global scale, dealer network, supply chain control, and internal combustion engine pricing power. The same evaluation assigns a 2 out of 5 score for holding up through market cycles. That second number matters more for this mandate.

The framework requires a base case total return of at least 7% to justify accepting equity risk when a 4% high-yield savings account carries no capital loss risk. GM's base case does not clear that hurdle. Using the FY2026 adjusted EPS guidance midpoint of \$13, a 3% annual growth assumption, and a terminal multiple of 7x on adjusted earnings, the 10-year price works out near \$122.5. That is a 3.5% price CAGR from the current \$87.22. The sourced research contains no dividend figures, so the total return calculation excludes dividends. Even if GM pays a small dividend, the base case return sits below the 7% threshold. The stock would need to trade lower or the earnings trajectory would need to reaccelerate for this to change.

The downside is the disqualifying factor. GM's recession profile is vulnerable. Revenue is flat year over year, volumes fell 5.4% in Q3 CY2025, and GAAP operating margin collapsed from 7.5% to 2.2% in that quarter. Net debt-to-EBITDA is reported at 4.1x. A severe recession would compress adjusted EPS from roughly \$13 to perhaps \$5, and a multiple derating toward 5x would put the stock near \$25, a loss of more than 70% from the current price. A 25% probability of that outcome produces a negative bear case return. The framework's absolute requirement that the bear case total return be at least zero is not met. The margin of safety is insufficient. Against a 4% savings account and defensive alternatives, GM does not preserve capital at this price. The recommendation is AVOID.

1. BUSINESS QUALITY ASSESSMENT

General Motors operates as a multi-brand automotive manufacturer on the NYSE under ticker GM. The SEC EDGAR record identifies it as a large accelerated filer in SIC code 3711, Motor Vehicles and Passenger Car Bodies, with fiscal year end December 31. Headquarters remain at 1240 Woodward Avenue in Detroit, Michigan. The company falls outside the preferred defensive sectors of utilities, healthcare, and consumer staples. Automobiles are a highly cyclical consumer discretionary business. That alone forces the framework into heightened balance sheet scrutiny, which GM cannot pass on the available data.

The KoalaGains source rates GM's business strength at 4 out of 5. The evaluation considers multi-brand coverage, global scale and utilization, dealer network strength, supply chain control, and internal combustion engine profit and pricing power. Those are real advantages. Chevrolet, GMC, Cadillac, and Buick give GM a broad product range anchored by the profitable truck and SUV franchises. The dealer network and supply chain scale create operational barriers that smaller entrants cannot replicate quickly. The 2025 stock performance supports this view. GM shares rose more than 55% in 2025 to a record above \$80, the best annual result since the 2009 bankruptcy emergence, according to CBT News dated December 30, 2025. Earnings beats, raised guidance, and analyst upgrades drove that move.

The business quality still sits on a cyclical foundation. The same KoalaGains evaluation scores GM at 2 out of 5 for holding up through market cycles. The source data shows quarterly revenue growth of just 1.9% year over

year and quarterly earnings growth of negative 31.1%. Vehicle sales volumes fell 5.4% year over year in Q3 CY2025. Management faces tariff pressure, product launch costs for the next-generation Silverado and Sierra, and an anticipated year-over-year production headwind of roughly 35,000 units during the fourth quarter transition. The China segment has improved, with equity income rising from \$71 million in Q2 2025 to \$83 million in Q2 2026 and from \$116 million to \$248 million in the first half, but the overall strategic retreat from China remains a long-term uncertainty. The EPA's proposal to delay enforcement of Biden-era vehicle pollution rules reduces near-term compliance costs but introduces longer-term regulatory uncertainty.

The moat is moderate in width and moderate in durability. Brand scale, dealer distribution, and truck pricing power are legitimate, but they do not create the durable protected economics of a regulated utility or a switching-cost software franchise. Electric vehicle transition spending demands heavy capital investment with uncertain returns. The framework requires a durable moat and a recession profile of RESILIENT or at least SENSITIVE. GM's 2 out of 5 market-cycle resilience score and its 2009 bankruptcy history place it in the VULNERABLE bucket. That result blocks the capital preservation path before valuation is considered.

2. FINANCIAL FORTRESS ANALYSIS

The solvency gate is the most critical test for this mandate. GM fails it on the available evidence. The framework requires a fortress or adequate balance sheet. The data supports a MARGINAL rating at best.

Trailing twelve-month figures as of the most recent quarter ending June 30, 2026, sourced from Yahoo Finance, show revenue of \$185.53 billion and gross profit of \$18.88 billion, a gross margin of approximately 10.2%. EBITDA is \$16.46 billion, an 8.9% margin. Net income available to common shareholders is only \$1.86 billion, a net margin of 1.05%, and diluted EPS is \$2.24. The GAAP operating margin is 3.2%. That narrow profitability leaves little cushion for a downturn.

The critical leverage metric appears in the StockStory source. It reports net debt-to-EBITDA of 4.1x. The framework's debt-to-equity threshold prefers below 1.0x, ideally below 0.5x. Net debt-to-EBITDA of 4.1x is not directly equivalent to debt-to-equity, but it signals significant leverage. A capital-intensive automaker carrying 4.1 turns of net debt to EBITDA enters a recession with high fixed costs and inflexible debt service. The framework's interest coverage threshold of 5.0x minimum cannot be verified because the sourced data does not include interest expense or EBIT. Free cash flow is also absent from the search results. The Yahoo Finance data did not provide operating cash flow or capital expenditures, so the FCF positivity test cannot be completed. Debt maturity schedule, current ratio, and cash as a percentage of total debt are not in the provided sources.

The stress test produces an unacceptable answer. If revenue dropped 30% for two years, revenue would fall from \$185.5 billion to roughly \$130 billion. Given an operating margin of 3.2% and high fixed costs, GAAP net income would turn negative. Adjusted EPS would fall well below the \$13 FY2026 guidance midpoint. The company would likely need to preserve cash, which raises the question of dividend sustainability even though the sourced data does not provide dividend figures. A 4.1x net debt-to-EBITDA starting point leaves limited capacity to absorb a synchronized volume and price decline. The wide gap between adjusted EBITDA margin of 12.8% in Q3 CY2025 and the GAAP operating margin of 2.2% in the same quarter also raises earnings quality concerns. Management guides to adjusted figures while GAAP profitability compresses, which is a red flag under the framework's earnings quality check.

The solvency assessment is MARGINAL. The framework permits a marginal rating to proceed only with an exceptional valuation discount. No such discount exists. The forward adjusted earnings multiple is roughly 6.7x,

which for a cyclical automaker is fair, not exceptional. The solvency gate does not pass.

3. DIVIDEND ANALYSIS

No dividend data provided in sourced research.

The capital return discussion in the available sources emphasizes buybacks rather than dividends. CBT News notes that management continues to emphasize buybacks and long-term shareholder value. Without sourced dividend yield, payout ratio, dividend growth, or dividend history, the framework's dividend sustainability section cannot be completed. The dividend analysis is skipped under the instruction that if no dividend data is present, the section ends here.

4. VALUATION ANALYSIS

The valuation picture is distorted and is not supportive of a capital preservation entry. Fullratio.com reports a trailing P/E of 39.54 as of August 11, 2026. That figure compares to a 5-year average P/E of 9.73, a 3-year average of 12.01, a 10-year average of 10.46, and a 15-year average of 10.71. The current trailing multiple is roughly 4.1 times the 5-year average. Against the Consumer Cyclical sector average of 21.38, GM trades 85% higher. On a trailing GAAP basis, the market has already re-rated the stock to a level that embeds expectations far above its historical norm.

The distortion comes from the depressed GAAP denominator. Trailing GAAP EPS is \$2.24, but management raised full-year FY2026 adjusted EPS guidance to a \$13 midpoint, with a range of \$12 to \$14. The market at \$87.22 implies a forward adjusted P/E of approximately 6.7x on that \$13 midpoint. That is not expensive for a cyclical automaker, but it is not cheap. The historical forward adjusted multiple is not provided in the sourced data, so the framework cannot establish a truly comparable mean-reversion baseline.

Enterprise value adds another lens. Shares outstanding can be derived from the stated TTM net income of \$1.86 billion and diluted EPS of \$2.24, which implies approximately 830.4 million shares. At \$87.22, market capitalization is approximately \$72.4 billion. If net debt is 4.1x the \$16.46 billion TTM EBITDA, net debt is approximately \$67.5 billion, and enterprise value is roughly \$139.9 billion. That produces a trailing EV/EBITDA of about 8.5x. The Fullratio source states GM's EV/EBITDA is at premium levels without giving a figure. A trailing EV/EBITDA of 8.5x for an automaker whose GAAP margins are compressing is not a margin-of-safety setup.

The base case fair value uses the adjusted EPS midpoint of \$13 and a 7.5x terminal multiple, which lands at \$97.5. A more conservative 7x multiple lands at \$91. A 7.5x multiple applied with a 3% growth rate over 10 years produces a target of roughly \$122.5 at the end of the horizon, but the framework's fair value for entry purposes tests whether the current price offers a discount to normalized worth today. Using a range of \$84.5 to \$97.5, the midpoint is approximately \$91. The current \$87.22 sits inside that range, offering no clear discount. The margin of safety versus the \$91 midpoint is about 4.3%, and versus \$94.5 it is 8.3%. Both fall below the 10% minimum required for a BUY under the framework. The valuation is FAIR to FULL. Fair or full valuations do not support adding a cyclical name with an elevated downside risk profile.

5. SCENARIO ANALYSIS

The scenario framework uses a 25/50/25 weighting across bear, base, and bull cases over a 10-year horizon. Dividends are excluded because the sourced data provides no dividend figures. The current price is \$87.22.

Bear Case (25% weight). A recession arrives in 2027. Revenue falls 20% to 30% from the \$185.5 billion TTM level. Fixed manufacturing costs cause adjusted EPS to fall from the \$13 FY2026 midpoint to roughly \$5. The market derates the multiple to a recessionary 5x on depressed earnings. Price target: \$25. The decline from \$87.22 is approximately 71%. Over 10 years, that is a compound annual decline of about 13.4%. This case fails the framework's absolute requirement that the bear case total return be at least zero. A 71% drawdown also implies a probability of permanent capital loss above 15%, violating the wealth preservation mandate.

Base Case (50% weight). The economy grows at trend, GM maintains its truck and SUV share, and adjusted EPS grows from \$13 to approximately \$17.5 over 10 years at a 3% CAGR. The market assigns a 7x terminal multiple. Price target: \$122.5. The price CAGR from \$87.22 is approximately 3.5%. That is below the 7% total return hurdle even before considering that cash in a 4% high-yield savings account compounds at roughly the same rate with no drawdown risk. The base case does not justify equity exposure.

Bull Case (25% weight). The Silverado and Sierra launches succeed, China stabilizes, software and EV monetization expand, and adjusted EPS grows to \$20 by 2036. The market assigns an 8x multiple. Price target: \$160. The 10-year price CAGR is approximately 6.2%. Even the optimistic case barely approaches the 7% minimum threshold and still carries the full downside risk of the bear case.

The probability-weighted expected return is approximately -0.05% CAGR excluding dividends. That is negative on a 10-year horizon. The asymmetry is mispriced against the investor. The framework states that asymmetric risk/reward must favor the capital allocator. This profile favors the seller, not the buyer. The negative expected return and the negative bear case make the decision unambiguous.

6. RISK ASSESSMENT

The risk assessment confirms the AVOID recommendation. The framework's absolute requirements include a bear case return of at least zero, a solvency assessment of FORTRESS or ADEQUATE, a probability of permanent loss below 10%, and a base case return above 7%. GM fails three of these four tests. The solvency assessment is MARGINAL. The bear case return is negative. The probability of a greater than 50% decline exceeds 10% because the bear scenario alone carries a 71% drawdown and the company's cyclical history includes a 2009 bankruptcy.

The specific risks from the sourced materials include regulatory compliance threats, litigation from recalls, and ESG concerns over emissions and sustainability. The older GM 10-K language flagged the Takata inflator recall risk as potentially material to results of operations and cash flows. That language predates the most recent annual filing but demonstrates the recurring nature of recall liability. The search summary from StockTitan states that no material changes in risk factors were noted in the most recent filings, which is a neutral signal, not a positive one.

Operational risks are compounding. GAAP operating margin fell from 4.5% to 3.0% in Q2 2026 and from 7.5% to 2.2% in Q3 CY2025. Vehicle volumes fell 5.4% in Q3 CY2025. Tariffs, inflation, and the Silverado and Sierra launch costs pressure near-term margins. The next-generation launch carries a 35,000-unit production headwind. China remains profitable at \$248 million in first-half 2026 equity income, but the overall retreat from

China introduces strategic uncertainty. North American trade agreement revisions and EV battery capacity plan changes, including the Ohio restart versus Indiana pullback, create additional unresolved variables.

Market-based risks also accumulate. Short interest as of August 14, 2026 reached 21.94 million shares, 2.51% of public float, an increase of 9.22% from the prior report. Days-to-cover was 4.7. The source notes notable insider selling, including CEO Mary Barra's stock sales and a Form 4 showing Christopher Hatto sold 6,895 shares on May 28, 2026 for \$586,075. The trailing P/E of 39.5 against a 5-year average of 9.73 leaves no valuation cushion if earnings normalize downward. Net debt-to-EBITDA of 4.1x amplifies the impact of any operating shortfall.

The probability of permanent capital loss is elevated. The framework caps acceptable permanent loss probability at 15%, with a stricter 10% threshold for higher-growth or structurally complex names. GM's recession scenario, leveraged balance sheet, and thin GAAP profitability push the probability above 15%. The risk level is ELEVATED.

7. MANAGEMENT & GOVERNANCE

The sourced data provides limited but telling governance signals. CEO Mary Barra leads the company. CBT News dated December 30, 2025 reported that GM shares rose more than 55% in 2025 despite CEO Mary Barra's stock sales. The Perplexity market expectations summary lists notable insider selling among the bear case factors. EDGAR insider transaction flags are present for both the owner and the issuer, and the most recent specific transaction disclosed in the search results is Christopher Hatto's sale of 6,895 shares on May 28, 2026 for \$586,075. A single sale of that size is not material by itself, but the pattern of insider selling during a multi-year high matters for a capital preservation review.

The KoalaGains market-cycle resilience score of 2 out of 5 is the most direct governance proxy available. It suggests management has not reliably held the business through downturns. That aligns with the 2009 bankruptcy history, which remains the defining governance event for GM. The current management team did not preside over that bankruptcy, but the culture and capital structure that emerged from it still operate in a cyclical industry with high fixed costs.

The positive governance signals exist. GM has not operated as a serial acquirer in recent years, with deal activity described as selective and capability-driven rather than roll-up oriented. Management emphasizes buybacks and long-term shareholder value. The GM Financial subsidiary 10-K states no changes in internal control over financial reporting and no going concern warnings. The most recent filings show no auditor warnings. Those are baseline governance standards, not competitive advantages.

Capital allocation history over the past five years is absent from the sourced data. The framework cannot verify whether buybacks occurred at accretive prices. The stock at \$87.22 trades at a trailing GAAP P/E of 39.5, far above the historical average of 9.7. Buybacks executed at those multiples destroy per-share value rather than create it. The framework penalizes buybacks above intrinsic value. Without historical price points, the allocation record earns no benefit of the doubt. Management quality is ADEQUATE at best, with the insider selling pattern and weak market-cycle resilience dragging the assessment down to CONCERNING for a wealth preservation mandate.

8. PEER COMPARISON

The peer set from GlobalData includes Volkswagen, Toyota, Ford, and Stellantis, with Honda also cited as a comparable. The sourced data provides revenue for the major peers. Volkswagen leads at \$363.2 billion, Toyota follows at \$325.7 billion, Ford at \$187.3 billion, and Stellantis at \$173.2 billion. GM's TTM revenue of \$185.53 billion places it closest to Ford.

Financial metrics for peers are absent from the search results. The Seeking Alpha table headers show valuation, growth, dividends, dividend grades, quant rankings, risk, and EPS revisions, but no values appear. The framework cannot populate a proper peer comparison table without inventing figures. What exists is directional. Macroaxis identifies Ford as GM's most direct competition. The capital preservation screen accompanying the search results states that Volkswagen screens best for capital preservation among GM's closest peers. That matters because Volkswagen offers a different geographic and brand diversification profile with a larger revenue base.

GM's trailing P/E of 39.54 sits 85% above the Consumer Cyclical sector average of 21.38. Ford's forward sales multiple is 0.31 and Stellantis trades at 0.11, while GM trades at 0.4 forward sales. The market embeds higher expectations into GM than into its Detroit rival and its European counterpart. GM was the top-performing US-traded automaker stock of 2025 per CBT News, which suggests the valuation re-rating may have already captured the near-term good news.

Without sub-metrics for debt-to-equity, interest coverage, dividend yield, payout ratio, FCF margin, ROIC, or dilution, the quantitative quality ranking cannot be produced. The qualitative read is that GM does not distinguish itself as the preservation choice within the peer set. Volkswagen earns the top preservation ranking from the source summary. GM's cyclical exposure, net debt-to-EBITDA of 4.1x, and negative earnings growth of 31.1% year over year place it behind that defensive alternative. The peer comparison reinforces the AVOID recommendation.

9. KEY METRICS SUMMARY

Metric	Value	Source
Price	\$87.22 / €75.05	Authoritative current price
TTM Revenue	\$185.53B	Yahoo Finance
TTM Gross Profit	\$18.88B	Yahoo Finance
TTM EBITDA	\$16.46B	Yahoo Finance
TTM Net Income	\$1.86B	Yahoo Finance
TTM Diluted EPS	\$2.24	Yahoo Finance
Gross Margin	10.2%	Derived
EBITDA Margin	8.9%	Derived
GAAP Operating Margin	3.2%	Yahoo Finance
Net Margin	1.05%	Yahoo Finance
Quarterly Revenue Growth	+1.9%	Yahoo Finance

Metric	Value	Source
Quarterly Earnings Growth	-31.1%	Yahoo Finance
Trailing P/E	39.54	Fullratio.com
5-Year Avg P/E	9.73	Fullratio.com
Sector Avg P/E	21.38	Fullratio.com
Net Debt-to-EBITDA	4.1x	StockStory
Short Interest	2.51% of float	MarketBeat
Days-to-Cover	4.7	MarketBeat
FY2026 Adj EPS Guidance	\$12–\$14 (midpoint \$13)	Perplexity/StockStory
FY2026 EBIT Guidance	\$14–\$16B	Perplexity
Analyst Consensus	Moderate Buy	Perplexity
Avg Price Target	\$101.41	Perplexity

10. MONITORING CHECKLIST

Item	Trigger	Action
Adjusted EPS	Sustains \$3.00+ quarterly; FY above \$13 midpoint	Reviseth base case upward
GAAP operating margin	Falls below 2% for two consecutive quarters	Reaffirm AVOID
Vehicle volumes	Declines more than 10% YoY in a quarter	Stress test bear case
Net debt-to-EBITDA	Rises above 5x	Escalate solvency concern
Trade policy	NAFTA/USMCA revisions enacted	Reassess cost structure
China equity income	Turns negative for two consecutive quarters	Downgrade quality
Short interest	Increases above 5% of float	Review positioning
Insider sales	Barra or officers sell additional large blocks	Negative governance flag
Dividend/buyback	Company announces new buyback at \$87+P	Penalize capital allocation
Silverado/Sierra launch	Production headwind exceeds 35k units	Lower near-term EPS

11. MARKET EXPECTATIONS & CONSENSUS

The market currently prices GM at \$87.22. MarketBeat reports a predicted upside of 15.26% based on 12-month forecasts. Perplexity's August 7 snapshot put the average analyst price target at \$101.41 with a Moderate Buy consensus. That implies roughly 16% upside from the current price. The market expects continued earnings

beats and guidance raises, the pattern GM rode through 2025 and into 2026.

The Q2 CY2026 results support the bull narrative. GM reported revenue of \$48.03 billion against analyst estimates of \$46.67 billion, a 2.9% beat. Non-GAAP EPS was \$3.57 against a \$3.18 consensus, a 12.1% beat. Management raised full-year adjusted EPS guidance to a \$13 midpoint, up 4%, with EBIT guidance of \$14 to \$16 billion. The stock rose 1.3% to \$76.82 after the report. Institutional buying activity appeared from Legal and General, OMERS, and Sanctuary Advisors.

The bear case centers on structural risks. Perplexity lists North American trade agreement revisions, GM's retreat from China, EV battery capacity plan changes including the Ohio restart versus Indiana pullback, and notable insider selling. Q2 operating margin fell to 3% from 4.5% a year earlier. Net debt-to-EBITDA sits at 4.1x. Short interest rose 9.22% to 2.51% of float as of August 14, 2026. Days-to-cover of 4.7 sits between the MarketBeat positive threshold of 1 to 4 and the strong pessimism threshold of 10, so positioning is mixed.

The forward valuation table from deep_dive_metrics is not populated because that dataset was not included in the provided research. The available data derives an implied forward adjusted P/E of approximately 6.7x on the \$13 EPS midpoint and an implied EV/EBITDA of roughly 8.5x using the 4.1x net debt-to-EBITDA ratio. Beta is not provided. The assessment is that the market has priced in a smooth continuation of the truck-led profit cycle. Any interruption of that cycle removes the valuation support quickly.

12. KEY BUSINESS DRIVERS

Driver 1: Adjusted EPS

Why it matters: This is the metric management guides to and the market rewards with multiple expansion.

Current level: FY2026 guidance midpoint \$13; Q2 CY2026 delivered \$3.57 against \$3.18 consensus.

Bull threshold: Sustained quarterly beats above \$3.50, full-year above \$14.

Bear threshold: Quarterly adjusted EPS below \$2.50 or FY guidance cut below \$12.

Next data point: Next quarterly earnings release, date not specified in sourced data.

Driver 2: GAAP Operating Margin

Why it matters: This separates underlying profitability from adjusted adjustments and exposes cost and pricing pressure.

Current level: 3.2% TTM; Q2 2026 at 3.0%, down from 4.5%; Q3 CY2025 collapsed to 2.2% from 7.5%.

Bull threshold: Recovery above 5% on launch cost normalization.

Bear threshold: Persistence below 2% for two consecutive quarters.

Next data point: Quarterly income statement.

Driver 3: Vehicle Sales Volumes

Why it matters: Unit volume drives capacity utilization and fixed cost absorption in a capital-intensive business.

Current level: Down 5.4% YoY in Q3 CY2025.

Bull threshold: Flat to positive volume growth while pricing holds.

Bear threshold: Accelerating declines beyond 10% YoY.

Next data point: Monthly or quarterly sales reports.

Driver 4: Net Debt-to-EBITDA

Why it matters: This measures the survival capacity through a recession.

Current level: 4.1x.

Bull threshold: Reduction below 3x through debt paydown or EBITDA growth.

Bear threshold: Increase above 5x.

Next data point: Quarterly balance sheet.

Driver 5: China Equity Income

Why it matters: GM's China restructuring determines whether international operations contribute or drain.

Current level: \$83 million Q2 2026, \$248 million first half 2026.

Bull threshold: Sustained profitability above \$100 million quarterly.

Bear threshold: Return to losses in consecutive quarters.

Next data point: Quarterly segment disclosure.

13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker/Symbol	Relationship	Signal
Ford Motor Co	F	Most direct competitor per Macro thesis	Bullish if F holds or gains; bearish if F breaks
Stellantis NV	STLA	Global peer trading at 0.11 forward EV multiple	Bullish if STLA stabilizes; bearish if STLA drops
Toyota Motor Corp	TM	Larger diversified global automaker	Bullish if TM maintains premium multiple; bearish if TM drops
Volkswagen AG	VOW/VWA	Best capital preservation screen	Bullish if VW outperforms GM on relative

Monitoring rule: If Ford breaks below a 50-day moving average on deteriorating truck pricing news, GM's thesis weakens within 5 days and the bear case probability increases.

EXIT TRIGGERS (If BUY recommendation)

This is an AVOID recommendation. No exit triggers apply because no position should be established. For completeness, the conditions that would change the AVOID are listed in the Final Recommendation section.

FINAL RECOMMENDATION

RECOMMENDATION: AVOID

The Wealth Preservation framework rejects General Motors at the current price of \$87.22. The absolute requirements fail. The solvency assessment is MARGINAL with net debt-to-EBITDA of 4.1x. The bear case produces a 71% drawdown and a negative 13.4% CAGR. The base case excluding dividends is 3.5% CAGR, below the 7% hurdle and roughly equivalent to a 4% savings account with none of the downside. The probability-weighted expected return is approximately -0.05% CAGR. The probability of permanent capital loss exceeds 15%.

The trailing P/E of 39.5 against a 5-year average of 9.73 means the market has already priced the good news. The adjusted forward multiple of 6.7x is fair, not cheap. There is no margin of safety. Insider selling persists at multi-year highs. Operating margins compress. The framework demands that every analysis answer "How much can I lose" first. In GM's case, the answer is more than 70% in a plausible recession scenario, while the maximum gain in the base case does not clear the savings account benchmark by a meaningful amount. Capital stays in cash or in a defensible alternative.

ANALYST NOTES

Key Assumptions:

- Base case uses FY2026 adjusted EPS midpoint of \$13 with 3% annual growth and a 7x terminal multiple.
- Bear case uses adjusted EPS of \$5 with a 5x terminal multiple.
- Bull case uses adjusted EPS of \$20 with an 8x terminal multiple.
- Dividends excluded because no dividend figures appear in the sourced research.
- Shares outstanding derived as \$1.86 billion net income divided by \$2.24 EPS, approximately 830.4 million.
- Net debt derived from 4.1x times \$16.46 billion TTM EBITDA, approximately \$67.5 billion.

Limitations:

- No five-year fiscal history was provided; only TTM figures are available.
- No free cash flow, interest coverage, current ratio, debt maturity schedule, or cash-to-debt data were provided.
- No dividend yield, payout ratio, dividend growth, or dividend history were provided.
- No peer financial sub-metrics were provided, preventing a quantitative peer preservation score.
- No deep_dive_metrics forward P/E, PEG, beta, or analyst target data were provided in the structured dataset.

Confidence Level: MEDIUM. The AVOID conclusion rests on the combination of a highly cyclical business, compressed GAAP profitability, 4.1x net debt-to-EBITDA, a negative bear case, and a trailing P/E far above historical averages. The confidence is medium rather than high because the absence of five-year historical financials and balance sheet detail prevents full solvency verification.

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