

# STELLANTIS

Sector: Industrials

## NEUTRAL

Price: Eu16.22 - Target: Eu17.40

### Pricing Holding Up and Low Bar Allows FY23 Consensus Upgrades

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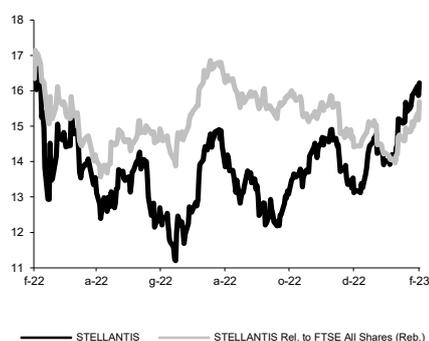
#### Stock Rating

**Rating:** Unchanged

**Target Price (Eu):** from 14.90 to 17.40

	2023E	2024E	2025E
Chg in Adj EPS	15.7%	13.1%	

#### STELLANTIS - 12M Performance



#### Stock Data

Reuters code: STLA.MI

Bloomberg code: STLA IM

Performance	1M	3M	12M
Absolute	15.6%	10.5%	-0.8%
Relative	10.8%	0.2%	-4.1%
12M (H/L)	17.07/11.20		
3M Average Volume (th):	10,443.11		

#### Shareholder Data

No. of Ord shares (mn): 3,228

Total no. of shares (mn): 3,151

Mkt Cap Ord (Eu mn): 52,345

Total Mkt Cap (Eu mn): 52,345

Mkt Float - Ord (Eu mn): 34,869

Mkt Float (in %): 66.6%

Main Shareholder:

Exor 14.4%

#### Balance Sheet Data

Book Value (Eu mn): 79,892

BVPS (Eu): 25.35

P/BV: 0.6

Net Financial Position (Eu mn): 26,568

Enterprise Value (Eu mn): 24,542

■ **2H22 results better than expected.** STLA reported a positive end to FY22, beating forecasts thanks to stronger pricing, and a lower impact from cost inflation as well as from SG&A and R&D expenses, more than offsetting the lower Vol&Mix. In brief, revenues were €91.6bn (€90.2/87.8bn our estimate/consensus), growing +19% YoY thanks to pricing up +8% (+7% est.), ForEx +7% (in line), Vol&Mix +1% (est. +4%) and others +2% (est. +0%). Adj. EBIT was €10.9bn (€10.4/9.7bn our estimate/consensus) with a margin of 12.0%, essentially flat YoY, but down 2.1pp HoH due to a weaker inflation pass-through and a lower reversal from changes in dealer inventories (1.2pp impact vs. 2.6pp in 1H22). FCF was €5.5bn (€3.0/3.3bn our estimate/consensus) due to higher operating results and lower CapEx. Net cash closed at €25.7bn, or 15% of sales.

■ **Management more open to shareholder remuneration.** Management proposed a DPS of €1.34 for a 25% payout on reported EPS. In addition, a buyback of €1.5bn was announced, bringing total remuneration to €5.7bn, which could be deemed low in the context of FCF of €10.8bn in 2022 and net cash of €25.7bn.

■ **2023 guidance: “wide and undemanding” as usual, but indications and consensus position leaves room for upgrades.** For FY23, management provided “wide and undemanding” guidance, as usual, pointing to a double-digit adj. EBIT margin and positive FCF vs. 13.0% and €10.8bn respectively in FY22. Nevertheless, indications support a 2023 performance that should not be as bad as previously expected, driving high-single digit consensus upgrades, in our view. As a reference, with a 2pp/1pp YoY margin drop, consensus adj. EBIT could be improved by 8%/15% from current low levels.

■ **Pricing: less pressure than expected for now.** Since Tesla cut prices at the beginning of the year (by ~10% globally), we note that among the major players only Ford has followed suit with cuts on its EV offering (although it had pushed prices up a lot in previous months). Indeed, all the big names advocated “disciplined” pricing, including STLA which gave guidance for pricing growth in 2023 deriving from the carryover effect of 2022 price hikes (we estimate +4%, vs. +1% previously). The accumulated backlog is helping in that sense, with 1H still seen as healthy, but we believe increased competition from newcomers, reduced car affordability, rebalancing supply/demand as supply chain conditions ease and higher inventories are undermining pricing power.

■ **Change in estimates.** We are revising our estimates upwards as a function of stronger pricing for the trends mentioned above, while cost inflation assumptions are confirmed (COGS per unit up +5% vs. +6% in 2022). Given the 100% drop-through of pricing, our adj. EBIT increases by ~20%. With pricing well above benchmark (+6.1% in main markets by brand), we expect STLA to continue to lose market share in 2023 with volumes essentially flat. The EPS improvement is lower, as are we no longer calculating adj. EPS.

■ **NEUTRAL; target from €14.9 to €17.4.** STLA again reported positive results, with guidance still “wide and undemanding”. While we recognise the stock’s undemanding valuation, we remain NEUTRAL as we expect pricing power to reduce while cost inflation remains. We welcome the announced buyback, although the size doesn’t appear enough to warrant a tangible re-rating. TP from €14.9 to €17.4 due to higher estimates.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	152,119	179,592	176,129	184,721	199,616
EBITDA Adj (Eu mn)	23,999	30,095	27,651	29,134	31,606
Net Profit Adj (Eu mn)	13,346	16,779	14,305	15,535	16,646
EPS New Adj (Eu)	4.235	5.324	4.539	4.930	5.282
EPS Old Adj (Eu)	4.235	5.319	3.922	4.357	
DPS (Eu)	1.040	1.340	1.142	1.241	1.329
EV/EBITDA Adj	1.3	0.6	0.9	0.7	0.4
EV/EBIT Adj	1.7	0.8	1.2	1.0	0.7
P/E Adj	3.8	3.0	3.6	3.3	3.1
Div. Yield	6.4%	8.3%	7.0%	7.6%	8.2%
Net Debt/EBITDA Adj	-0.8	-0.9	-1.0	-1.1	-1.2

<b>STELLANTIS – Key Figures</b>						
<b>Profit &amp; Loss (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Sales	133,882	152,119	179,592	176,129	184,721	199,616
EBITDA	14,538	21,287	26,784	26,651	29,134	31,606
EBIT	7,436	15,299	20,012	18,725	20,268	21,525
Financial Income (charges)	-672	-746	-768	-768	-743	-611
Associates & Others	110	740	264	478	501	542
Pre-tax Profit	6,764	14,553	19,244	17,957	19,524	20,914
Taxes	-2,084	-1,939	-2,729	-4,130	-4,491	-4,810
Tax rate	24.4%	11.2%	12.1%	23.0%	23.0%	23.0%
Minorities & Discontinued Operations	4	-8	0	0	0	0
Net Profit	4,794	13,346	16,779	14,305	15,535	16,646
EBITDA Adj	16,326	23,999	30,095	27,651	29,134	31,606
EBIT Adj	9,224	18,011	23,323	19,725	20,268	21,525
Net Profit Adj	4,794	13,346	16,779	14,305	15,535	16,646
<b>Per Share Data (Eu)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total Shares Outstanding (mn) - Average	3,228	3,151	3,151	3,151	3,151	3,151
Total Shares Outstanding (mn) - Year End	3,228	3,151	3,151	3,151	3,151	3,151
EPS f.d	1.485	4.235	5.324	4.539	4.930	5.282
EPS Adj f.d	1.485	4.235	5.324	4.539	4.930	5.282
BVPS f.d	14.255	17.867	22.152	25.351	29.138	33.179
Dividend per Share ORD	2.257	1.040	1.340	1.142	1.241	1.329
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	151.9%	24.6%	25.2%	25.2%	25.2%	25.2%
<b>Cash Flow (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Gross Cash Flow	15,279	23,090	24,775	22,231	24,402	26,726
Change in NWC	-588	-6,143	-4,749	-3,055	-1,421	-1,015
Capital Expenditure	-11,407	-10,875	-9,207	-14,090	-14,778	-15,969
Other Cash Items	-1,130	-282	-841	0	0	0
Free Cash Flow (FCF)	3,284	6,072	10,819	5,086	8,203	9,742
Acquisitions, Divestments & Other Items	308	-565	-87	0	0	0
Dividends	-111	-4,204	-3,277	-4,223	-3,600	-3,910
Equity Financing/Buy-back	0	243	1	0	0	0
Change in Net Financial Position	2,351	1,264	6,615	863	4,603	5,832
<b>Balance Sheet (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total Fixed Assets	88,457	96,971	99,493	105,657	111,569	117,457
Net Working Capital	-36,690	-30,547	-25,798	-22,743	-21,322	-20,306
Long term Liabilities	-19,856	-27,972	-27,120	-27,120	-27,120	-27,120
Net Capital Employed	31,911	38,452	46,576	55,795	63,127	70,031
Net Cash (Debt)	17,826	19,090	25,705	26,568	31,171	37,003
Group Equity	46,008	56,307	69,810	79,892	91,827	104,563
Minorities	0	0	0	0	0	0
Net Equity	46,008	56,307	69,810	79,892	91,827	104,563
<b>Enterprise Value (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Average Mkt Cap	32,651	49,817	44,515	51,110	51,110	51,110
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	17,826	19,090	25,705	26,568	31,171	37,003
Enterprise Value	14,825	30,727	18,810	24,542	19,939	14,107
<b>Ratios (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
EBITDA Adj Margin	12.2%	15.8%	16.8%	15.7%	15.8%	15.8%
EBIT Adj Margin	6.9%	11.8%	13.0%	11.2%	11.0%	10.8%
Gearing - Debt/Equity	-38.7%	-33.9%	-36.8%	-33.3%	-33.9%	-35.4%
Interest Cover on EBIT	11.1	20.5	26.1	24.4	27.3	35.2
Net Debt/EBITDA Adj	-1.1	-0.8	-0.9	-1.0	-1.1	-1.2
ROACE*	23.3%	39.8%	43.0%	33.6%	32.1%	30.7%
ROE*	10.4%	26.1%	26.6%	19.1%	18.1%	17.0%
EV/CE	0.5	0.8	0.4	0.4	0.3	0.2
EV/Sales	0.1	0.2	0.1	0.1	0.1	0.1
EV/EBITDA Adj	0.9	1.3	0.6	0.9	0.7	0.4
EV/EBIT Adj	1.6	1.7	0.8	1.2	1.0	0.7
Free Cash Flow Yield	6.3%	11.6%	20.7%	9.7%	15.7%	18.6%
<b>Growth Rates (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Sales	-18.9%	13.6%	18.1%	-1.9%	4.9%	8.1%
EBITDA Adj	-14.4%	47.0%	25.4%	-8.1%	5.4%	8.5%
EBIT Adj	-21.6%	95.3%	29.5%	-15.4%	2.7%	6.2%
Net Profit Adj	-9.5%	178.4%	25.7%	-14.7%	8.6%	7.2%
EPS Adj	-44.1%	185.1%	25.7%	-14.7%	8.6%	7.2%
DPS	nm	-53.9%	28.8%	-14.7%	8.6%	7.2%

\*Excluding extraordinary items Source: Intermonte SIM estimates

## 2H22 results

### Revenue and adj. EBIT by division, income statement and key cash flow metrics

Revenue	2H22A	2H22E	A/E %	2H22C	A/E %
North America	43,032	43,437	-1%	43,709	-2%
Europe & Middle East	35,406	35,498	-0%	35,498	-0%
LATAM	8,387	7,347	+14%	7,783	+8%
APAC	2,353	2,157	+9%	2,260	+4%
Maserati	1,379	1,152	+20%	1,266	+9%
<b>Automotive</b>	<b>90,557</b>	<b>89,591</b>	<b>+1%</b>	<b>90,516</b>	<b>+0%</b>
Others	1,036	568	+82%	-2,742	-138%
<b>Revenue</b>	<b>91,593</b>	<b>90,159</b>	<b>+2%</b>	<b>87,774</b>	<b>+4%</b>
YoY growth	+19%	+17%		+14%	
<b>Shipments</b>	<b>2,848</b>	<b>2,882</b>	<b>-1%</b>		
Shipments growth YoY	+3%	+5%			
<b>ASP (€ k)</b>	<b>31.8</b>	<b>31.1</b>	<b>+2%</b>		
YoY growth	+15%	+12%			
Adj. EBIT	2H22A	2H22E	A/E %	2H22C	A/E %
North America	6,306	7,346	-14%	6,619	-5%
Europe & Middle East	3,632	2,548	+43%	3,008	+21%
LATAM	1,046	602	+74%	884	+18%
APAC	365	228	+60%	252	+45%
Maserati	139	64	+119%	104	+34%
<b>Automotive</b>	<b>11,488</b>	<b>10,787</b>	<b>+6%</b>	<b>10,866</b>	<b>+6%</b>
Others	-539	-401	+34%	-1,216	-56%
<b>Adj. EBIT</b>	<b>10,949</b>	<b>10,386</b>	<b>+5%</b>	<b>9,651</b>	<b>+13%</b>
North America	14.7%	16.9%		15.1%	
Europe & Middle East	10.3%	7.2%		8.5%	
LATAM	12.5%	8.2%		11.4%	
APAC	15.5%	10.6%		11.2%	
Maserati	10.1%	5.5%		8.2%	
<b>Automotive</b>	<b>12.7%</b>	<b>12.0%</b>		<b>12.0%</b>	
Others	-52.0%	-70.6%		44.3%	
Adj. EBIT margin	12.0%	11.5%		11.0%	
P&L	2H22A	2H22E	A/E %	2H22C	A/E %
<b>Revenue</b>	<b>91,593</b>	<b>90,159</b>	<b>+2%</b>	<b>87,774</b>	<b>+4%</b>
YoY growth	+19%	+17%		+14%	
<b>Adj. EBIT</b>	<b>10,949</b>	<b>10,386</b>	<b>+5%</b>	<b>9,651</b>	<b>+13%</b>
YoY growth	+17%	+11%		+3%	
Adj. EBIT margin %	12.0%	11.5%		11.0%	
- Restructuring & Others	-1,257	-800			
- Net financial expense	-337	-253			
<b>Pre-tax income</b>	<b>9,355</b>	<b>9,333</b>	<b>+0%</b>	<b>10,331</b>	<b>-9%</b>
- Tax income	-744	-3,092			
Tax rate adj. %	7.0%	30.5%			
- Profit from equity inv.	208	364			
<b>Net income</b>	<b>8,819</b>	<b>6,605</b>	<b>+34%</b>	<b>8,318</b>	<b>+6%</b>
<b>EPS</b>	<b>2.80</b>	<b>2.10</b>	<b>+34%</b>	<b>2.62</b>	<b>+7%</b>
YoY growth	+17%	-12%		+10%	
<b>Operating Cash Flow</b>	<b>10,050</b>	<b>8,858</b>	<b>+13%</b>	<b>9,754</b>	<b>+3%</b>
CapEx	-4,550	-5,903	-23%	-6,451	-29%
<b>FCF</b>	<b>5,500</b>	<b>2,955</b>	<b>+86%</b>	<b>3,303</b>	<b>+66%</b>
<b>Net cash position ind.</b>	<b>25,705</b>	<b>24,001</b>	<b>+7%</b>	<b>18,033</b>	

Source: Company data & Intermonte SIM Estimates

**Revenue and adj. EBIT by division, income statement and key cash flow metrics**

Revenue	1H21A	3Q21A	4Q21A	2H21A	2021A	1H22A	3Q22A	4Q22A	2H22A	2022A	2023E
North America	32,447	15,532	21,757	37,289	69,736	42,443	21,071	21,961	43,032	85,475	81,201
Europe & Middle East	34,587	12,667	17,007	29,674	64,261	34,358	14,810	20,596	35,406	69,764	71,159
LATAM	4,936	2,546	3,199	5,745	10,681	7,233	3,965	4,422	8,387	15,620	14,995
APAC	1,883	949	1,148	2,097	3,980	2,152	1,138	1,215	2,353	4,505	4,415
Maserati	885	514	622	1,136	2,021	941	630	749	1,379	2,320	2,450
<b>Automotive</b>	<b>74,738</b>	<b>32,208</b>	<b>43,733</b>	<b>75,941</b>	<b>150,679</b>	<b>87,127</b>	<b>41,614</b>	<b>48,943</b>	<b>90,557</b>	<b>177,684</b>	<b>174,221</b>
Others	572	343	525	868	1,440	872	487	549	1,036	1,908	1,908
<b>Revenue</b>	<b>75,310</b>	<b>32,551</b>	<b>44,258</b>	<b>76,809</b>	<b>152,119</b>	<b>87,999</b>	<b>42,101</b>	<b>49,492</b>	<b>91,593</b>	<b>179,592</b>	<b>176,129</b>
YoY growth	+46%	-14%	-1%	-7%	+14%	+17%	+29%	+12%	+19%	+18%	-2%
<b>Shipments</b>	<b>3,171</b>	<b>1,131</b>	<b>1,626</b>	<b>2,756</b>	<b>5,927</b>	<b>2,934</b>	<b>1,281</b>	<b>1,567</b>	<b>2,848</b>	<b>5,782</b>	<b>5,784</b>
YoY growth	+44%	-27%	-18%	-22%	+4%	-7%	+13%	-4%	+3%	-2%	+0%
<b>ASP (€ k)</b>	<b>23.6</b>	<b>28.5</b>	<b>26.9</b>	<b>27.6</b>	<b>25.4</b>	<b>29.7</b>	<b>32.5</b>	<b>31.2</b>	<b>31.8</b>	<b>30.7</b>	<b>30.1</b>
YoY growth	+1%	+18%	+21%	+19%	+10%	+26%	+14%	+16%	+15%	+21%	-2%
<b>Adj. EBIT</b>	<b>1H21A</b>	<b>3Q21A</b>	<b>4Q21A</b>	<b>2H21A</b>	<b>2021A</b>	<b>1H22A</b>	<b>3Q22A</b>	<b>4Q22A</b>	<b>2H22A</b>	<b>2022A</b>	<b>2023E</b>
North America	5,236			6,120	11,356	7,683			6,306	13,989	11,909
Europe & Middle East	3,076			2,839	5,915	3,739			3,632	7,371	6,309
LATAM	326			556	882	1,002			1,046	2,048	1,711
APAC	206			236	442	289			365	654	566
Maserati	29			74	103	62			139	201	171
<b>Automotive</b>	<b>8,873</b>			<b>9,825</b>	<b>18,698</b>	<b>12,775</b>			<b>11,488</b>	<b>24,263</b>	<b>20,665</b>
Others	-251			-436	-687	-401			-539	-940	-940
<b>Adj. EBIT</b>	<b>8,622</b>			<b>9,389</b>	<b>18,011</b>	<b>12,374</b>			<b>10,949</b>	<b>23,323</b>	<b>19,725</b>
North America	16.1%			16.4%	16.3%	18.1%			14.7%	16.4%	14.7%
Europe & Middle East	8.9%			9.6%	9.2%	10.9%			10.3%	10.6%	8.9%
LATAM	6.6%			9.7%	8.3%	13.9%			12.5%	13.1%	11.4%
APAC	10.9%			11.3%	11.1%	13.4%			15.5%	14.5%	12.8%
Maserati	3.3%			6.5%	5.1%	6.6%			10.1%	8.7%	7.0%
<b>Automotive</b>	<b>11.9%</b>			<b>12.9%</b>	<b>12.4%</b>	<b>14.7%</b>			<b>12.7%</b>	<b>13.7%</b>	<b>11.9%</b>
Others	-43.9%			-50.2%	-47.7%	-46.0%			-52.0%	-49.3%	-49.3%
<b>Adj. EBIT margin</b>	<b>11.4%</b>			<b>12.2%</b>	<b>11.8%</b>	<b>14.1%</b>			<b>12.0%</b>	<b>13.0%</b>	<b>11.2%</b>
<b>P&amp;L</b>	<b>1H21A</b>	<b>3Q21A</b>	<b>4Q21A</b>	<b>2H21A</b>	<b>2021A</b>	<b>1H22A</b>	<b>3Q22A</b>	<b>4Q22A</b>	<b>2H22A</b>	<b>2022A</b>	<b>2023E</b>
<b>Revenue</b>	<b>75,310</b>	<b>32,551</b>	<b>44,258</b>	<b>76,809</b>	<b>152,119</b>	<b>87,999</b>	<b>42,101</b>	<b>49,492</b>	<b>91,593</b>	<b>179,592</b>	<b>176,129</b>
YoY growth	+46%	-14%	-1%	-7%	+14%	+17%	+29%	+12%	+19%	+18%	-2%
<b>Adj. EBIT</b>	<b>8,622</b>			<b>9,389</b>	<b>18,011</b>	<b>12,374</b>			<b>10,949</b>	<b>23,323</b>	<b>19,725</b>
YoY growth	+1047%			+9%	+95%	+44%			+17%	+29%	-15%
Adj. EBIT margin %	11.4%			12.2%	11.8%	14.1%			12.0%	13.0%	11.2%
- Restructuring & Others	-1,105			-1,607	-2,712	-2,054			-1,257	-3,311	-1,000
- Net financial expense	-229			-517	-746	-431			-337	-768	-768
<b>Pre-tax income</b>	<b>7,288</b>			<b>7,265</b>	<b>14,553</b>	<b>9,889</b>			<b>9,355</b>	<b>19,244</b>	<b>17,957</b>
- Tax income	-1,757			-182	-1,939	-1,985			-744	-2,729	-4,130
Tax rate adj. %	24.1%			2.1%	11.2%	16.6%			7.0%	12.1%	23.0%
- Profit from equity inv.	405			335	740	56			208	264	478
<b>Net income</b>	<b>5,936</b>			<b>7,418</b>	<b>13,354</b>	<b>7,960</b>			<b>8,819</b>	<b>16,779</b>	<b>14,305</b>
<b>EPS</b>	<b>1.85</b>			<b>2.39</b>	<b>4.23</b>	<b>2.53</b>			<b>2.80</b>	<b>5.32</b>	<b>4.54</b>
YoY growth	-807%			+37%	+185%	+37%			+17%	+26%	-15%
<b>Operating Cash Flow</b>	<b>4,170</b>			<b>12,777</b>	<b>16,947</b>	<b>9,749</b>			<b>10,277</b>	<b>20,026</b>	<b>19,176</b>
CapEx	-5,333			-5,542	-10,875	-4,430			-4,777	-9,207	-14,090
<b>FCF</b>	<b>-1,163</b>			<b>7,235</b>	<b>6,072</b>	<b>5,319</b>			<b>5,500</b>	<b>10,819</b>	<b>5,086</b>
<b>Net cash position ind.</b>	<b>11,506</b>			<b>19,090</b>	<b>19,090</b>	<b>22,054</b>			<b>25,705</b>	<b>25,705</b>	<b>26,568</b>

Source: Company data &amp; Intermonte SIM Estimates

## Change in estimates

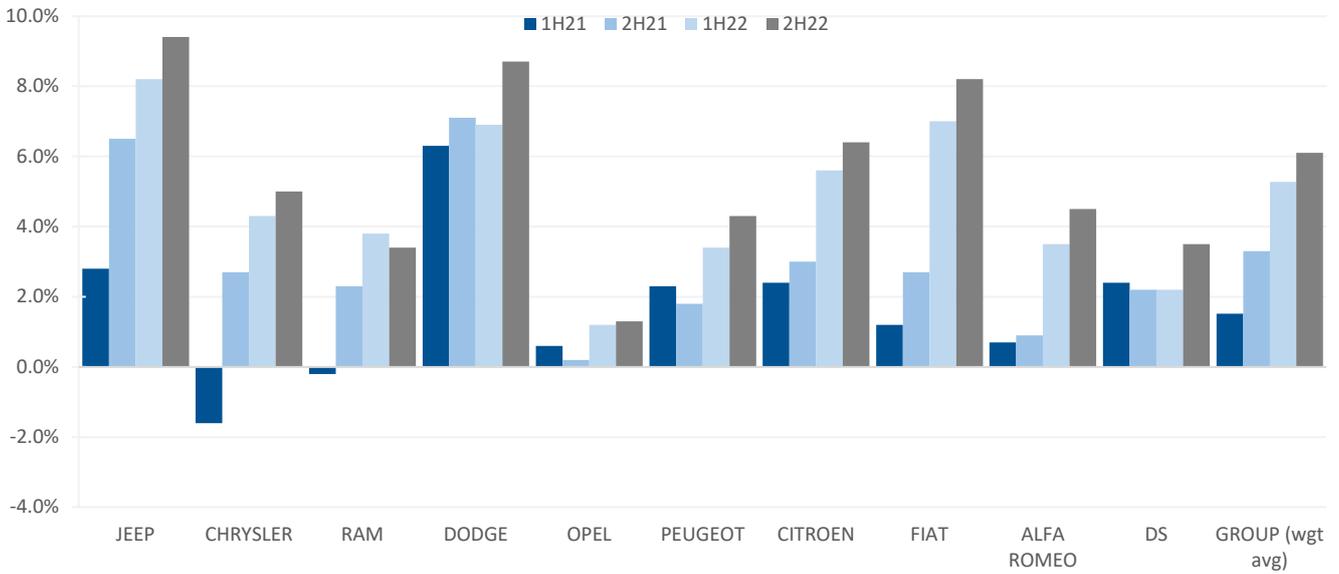
### Change in estimates

	New			Old			Δ %		
	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E
<b>Group shipments</b>	<b>5,782</b>	<b>5,784</b>	<b>5,900</b>	<b>5,816</b>	<b>5,932</b>	<b>6,109</b>	<b>-1%</b>	<b>-2%</b>	<b>-3%</b>
YoY growth	-2%	+0%	+2%	-2%	+2%	+3%			
<b>Revenue</b>	<b>179,592</b>	<b>176,129</b>	<b>184,721</b>	<b>178,158</b>	<b>170,978</b>	<b>176,084</b>	<b>1%</b>	<b>3%</b>	<b>5%</b>
YoY growth	+18%	-2%	+5%	+17%	-4%	+3%			
<b>Adj. EBIT</b>	<b>23,323</b>	<b>19,725</b>	<b>20,268</b>	<b>22,760</b>	<b>15,695</b>	<b>17,424</b>	<b>2%</b>	<b>26%</b>	<b>16%</b>
YoY growth	+29%	-15%	+3%	+26%	-31%	+11%			
Adj. EBIT margin %	13.0%	11.2%	11.0%	12.8%	9.2%	9.9%			
<b>EPS</b>	<b>5.32</b>	<b>4.54</b>	<b>4.93</b>	<b>5.32</b>	<b>3.92</b>	<b>4.36</b>	<b>0%</b>	<b>16%</b>	<b>13%</b>
YoY growth	+26%	-15%	+9%	25.6%	-26.3%	11.1%			
<b>Net debt/(cash) Ind.</b>	<b>-25,705</b>	<b>-26,568</b>	<b>-31,171</b>	<b>-24,001</b>	<b>-24,837</b>	<b>-30,018</b>			
Net cash on Sales %	14.3%	15.1%	16.9%	13.5%	14.5%	17.0%			

Source: Company data & Intermonte SIM Estimates

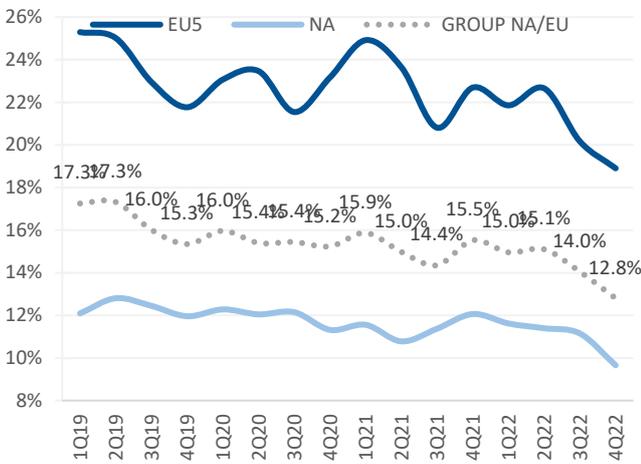
## Pricing & Market share

### Pricing by brand vs benchmark in key markets



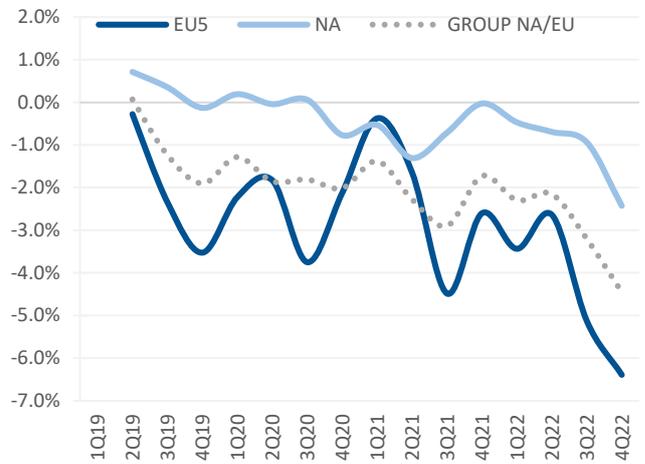
Source: company presentation

### STLA market share evolution in EU5 and North America



Source: Intermonte SIM on unrae, ccfa, kba, smmt, anfac, autonews, amda, company data

### STLA market share evolution in Europe and North America



Source: Intermonte SIM on unrae, ccfa, kba, smmt, anfac, autonews, amda, company data

**Automakers multiples**

	EV_EBITDA			EV_EBIT			PE			FCF YIELD %		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Stellantis @ our TP	0.84	0.88	0.68	1.1x	1.2x	1.0x	3.3x	3.8x	3.5x	20%	9%	15%
Stellantis @ our e.	0.71	0.74	0.55	0.9x	1.0x	0.8x	3.0x	3.6x	3.3x	21%	10%	16%
Stellantis @ c. e.	0.71	0.90	0.73	0.9x	1.2x	1.0x	3.0x	3.8x	3.7x	21%	15%	18%
BMW	1.56	1.37	1.08	2.4x	2.2x	1.7x	3.7x	6.9x	6.6x	15%	12%	13%
Mercedes-Benz	2.24	2.22	2.09	3.0x	3.1x	2.9x	5.5x	6.2x	6.2x	11%	12%	13%
Volkswagen	1.38	1.51	1.41	2.8x	3.3x	3.0x	4.1x	4.5x	4.3x	15%	15%	14%
Renault	1.14	0.71	0.13	2.9x	1.7x	0.3x	6.7x	4.4x	3.7x	17%	19%	21%
Volvo Car	4.90	3.90	3.33	13.3x	8.4x	6.6x	21.5x	13.2x	9.3x			
General Motors	2.95	2.99	2.49	3.4x	3.9x	3.4x	5.5x	6.7x	6.7x	18%	9%	8%
Ford Motor	2.37	2.70	2.50	3.6x	4.1x	3.9x	6.6x	8.1x	7.5x	19%	6%	7%
<b>Median</b>	<b>2.24</b>	<b>2.22</b>	<b>2.09</b>	<b>3.0x</b>	<b>3.3x</b>	<b>3.0x</b>	<b>5.5x</b>	<b>6.7x</b>	<b>6.6x</b>	<b>16%</b>	<b>12%</b>	<b>13%</b>
<b>Disc./Pre. vs our e.</b>	<b>-68%</b>	<b>-66%</b>	<b>-74%</b>	<b>-69%</b>	<b>-69%</b>	<b>-74%</b>	<b>-45%</b>	<b>-47%</b>	<b>-50%</b>	<b>5%</b>	<b>-2%</b>	<b>3%</b>
<b>STOXX 600</b>	<b>12.3</b>	<b>8.8</b>	<b>8.5</b>	<b>22.4x</b>	<b>12.6x</b>	<b>12.1x</b>	<b>24.4x</b>	<b>13.5x</b>	<b>12.5x</b>			
<b>Discount/Premium</b>	<b>-82%</b>	<b>-75%</b>	<b>-75%</b>	<b>-87%</b>	<b>-73%</b>	<b>-75%</b>	<b>-77%</b>	<b>-50%</b>	<b>-47%</b>			

Source: Company data & Intermonte SIM Estimates

**Automakers stock price performance (total return)**

	-1m	-3m	-6m	YTD	-1y	-2y	-3y	-10ay	23/02/22
STELLANTIS	+15.6%	+10.5%	+17.1%	+22.3%	+6.9%	+43.5%	+79.5%	+818.0%	+2.4%
BMW	+9.4%	+17.0%	+34.8%	+18.0%	+16.5%	+52.1%	+77.1%	+117.2%	+15.7%
MERCEDES-BENZ	+12.4%	+19.0%	+32.3%	+20.5%	+9.2%	+45.4%	+133.7%	+211.2%	+8.6%
VOLKSWAGEN	+5.6%	+9.1%	+9.4%	+12.7%	-15.0%	-5.6%	+2.5%	+19.2%	-14.2%
RENAULT	+11.3%	+21.6%	+44.9%	+29.8%	+20.9%	+10.0%	+28.1%	+10.5%	+26.3%
VOLVO	+6.4%	+0.1%	-25.5%	+7.4%	-21.0%				-21.5%
FORD	+4.7%	-7.8%	-13.0%	+11.6%	-22.9%	+15.1%	+70.7%	+55.2%	-21.4%
GENERAL MOTORS	+15.7%	+2.5%	+6.6%	+21.6%	-12.2%	-21.0%	+20.0%	+96.0%	-11.4%
<b>MARKET (FTSE MIB)</b>	<b>+5.1%</b>	<b>+10.2%</b>	<b>+22.3%</b>	<b>+14.3%</b>	<b>+4.1%</b>	<b>+17.8%</b>	<b>+9.4%</b>	<b>+67.0%</b>	<b>+4.4%</b>
<b>PEERS</b>	<b>+9.3%</b>	<b>+8.8%</b>	<b>+12.8%</b>	<b>+17.4%</b>	<b>-3.5%</b>	<b>+16.0%</b>	<b>+55.4%</b>	<b>+84.9%</b>	<b>-2.6%</b>
<b>STELLANTIS vs MKT</b>	<b>+10.5%</b>	<b>+0.3%</b>	<b>-5.2%</b>	<b>+8.0%</b>	<b>+2.9%</b>	<b>+25.7%</b>	<b>+70.1%</b>	<b>+751.0%</b>	<b>-2.0%</b>
<b>STELLANTIS vs PEERS</b>	<b>+6.3%</b>	<b>+1.7%</b>	<b>+4.3%</b>	<b>+4.9%</b>	<b>+10.4%</b>	<b>+27.5%</b>	<b>+24.1%</b>	<b>+733.1%</b>	<b>+5.0%</b>

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	STELLANTIS		
Current Recomm:	NEUTRAL	Previous Recomm:	NEUTRAL
Current Target (Eu):	17.40	Previous Target (Eu):	14.90
Current Price (Eu):	16.22	Previous Price (Eu):	14.02
Date of report:	23/02/2023	Date of last report:	25/01/2023

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- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
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- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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OUTPERFORM:	48.76 %
NEUTRAL:	28.10 %
UNDERPERFORM:	02.48 %
SELL:	00.00 %

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OUTPERFORM:	49.02 %
NEUTRAL:	11.76 %
UNDERPERFORM:	00.00 %
SELL:	00.00 %

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