



**INVEST/STAY CONNECTED**

INITIAL REPORT June 29, 2022  
LAST UPDATED June 29, 2022

## Stellantis N.V.

Common shares \$12.84 No Recommendation At This Time

Stellantis N.V. (STLA) is a multinational automotive manufacturer formed in the 2021 merger between Fiat Chrysler and Peugeot S.A. STLA designs, manufactures, and sells automobiles under 16 different brands: Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS, Fiat, Fiat Professional, Jeep, Lancia, Maserati, Mopar, Opel, Peugeot, Ram, and Vauxhall. Headquartered in Amsterdam, and with unit sales of 6.5 million autos, the company is the world's fifth largest automaker behind Toyota, Volkswagen, Hyundai, and GM. The company has approximately 300,000 employees, operations in more than 130 countries and manufacturing facilities in 30 countries.

Primary reasons for the merger include cost reduction synergies of €5 billion and an accelerated push into electric vehicles. 2021 should be considered a success with €3.2 billion of the synergies achieved and earnings of over 4 euro per share. CEO Carlos Tavares commented: "As you know, the results for 2021 were very encouraging, with a [100% increase in operating income and the tripling of net income] which says a lot about the initiatives that were taken in the company." The company reported revenue improvement in the first quarter of 2022 of 12% as well. Guidance for 2022 is stable but supply chain problems are expected to linger. Pockets of strength include the Jeep Wrangler 4xe and the Citroen brand.

Stellantis has an incredible 51 billion euro of cash and net cash of around 18 billion euro. The company is trading at around 3 X 2021 earnings with an enterprise value of 3 X EBITDA and the shares boast a current yield of 8.4%. In addition, STLA is showing good performance so far in 2022. This has failed to spark investor interest. There may be concern on the transition to EV. STLA targets 50% EV sales in the U.S. and 100% in Europe by 2030. Overall, we believe that the company is on the right track, but the shares are not showing stability. Year to date the shares are down 33% despite two good reports and the strong dividend. So, at this point we do not have a recommendation until we see stability in the shares.

See important information on STLA dividends on page 2

2022 PROJECTIONS MM	2022
Revenue	€ 155,396
Gross Profit	€ 31,079
Operating Income	€ 16,781
EPS	€ 4.17
EBITDA	€ 23,136
Capitalized Expense	€ 9,000
Cash Flow After Capex	€ 10,401
Equity Dividends	€ 3,257
<b>Dividends per share</b>	<b>€ 1.04</b>
Dividend Yield	8.40%
Enterprise Value	€ 73,797
EV/EBITDA	3.2 X
Revenue Growth	14%
Cash Flow Yield Vs. Equity	25.86%
<b>EV/EBITDA</b>	<b>3.2 X</b>
P.E Ratio	3.1
Enterprise Value	€ 73,797

[Recent STLA Presentation](#)

[STLA Long Term Strategic Plan](#)



## BROXTON CAPITAL ADVISORS Stellantis N.V. as of 12/31/2021

Wednesday, June 29, 2022

share price **USD** \$12.84

**PROJECTIONS IN MM €** 2022 2023 2024

### Income Statement

	€	€	€
Revenue	155,396	166,273	177,913
Gross Profit	31,079	33,255	35,583
Operating Income	16,781	18,006	19,313
Pre-Tax Income	15,981	17,006	18,313
Net Income	13,046	13,835	14,841
EPS	€ 4.17	€ 4.42	€ 4.74
Revenue growth	4%	7%	7%
<b>EBITDA</b>	<b>€ 23,136</b>	<b>€ 24,361</b>	<b>€ 25,668</b>
Interest*	800	1,000	1,000
Capitalized Expense	9,000	10,000	10,000
Cash Flow	10,401	10,190	11,196
Equity Dividends	3,257	3,257	3,257
Cash Flow Dividend Coverage	319%	313%	344%
Retained Cash Flow	7,143	6,933	7,938
<b>Retained Cash Flow Sum</b>	<b>7,143</b>	<b>14,076</b>	<b>22,014</b>

### Valuations €

Cash Flow Yield Vs. Equity	26%	25%	28%
<b>EV/EBITDA</b>	<b>3.2</b>	<b>3.0</b>	<b>2.9</b>
P.E Ratio	3.1	2.9	2.7
Enterprise Value	73,797		
Total Debt	33,582		
Equity Market Cap	40,215	40,215	40,215

### Debt Ratios

EBITDA/Interest Coverage ratio	29	24	26
<b>Debt/EBITDA</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>

### Liquidity €

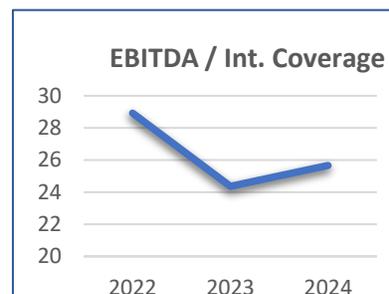
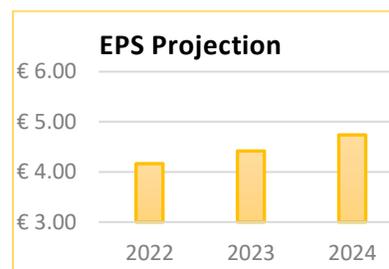
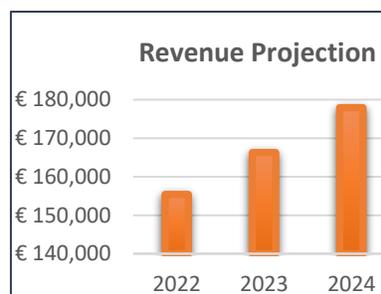
Cash	51,500		
Borrowing Availability est.	10,000		
Total Current Assets	74,795		
Total Current Liabilities	64,857		
Current Ratio	115%		

### Debt €

Borrowings	33,582
Total	33,582

### NOTES:

STLA dividends are subject to Netherlands withholding tax.



**Disclosures**

Previous reports are available upon request. Smart Yield Fund targets a mix of different security classes that contain the risk of loss. Investors should carefully consider the Fund's investment objectives and risk factors before investing. Investing involves risk, including possible loss of principal. Investors should consider the loss of principle and targeted returns are not guaranteed. Individual investors in Smart Yield are generally required to be accredited investors. Smart Yield is a fund operated through individual accounts creating the composite. Smart Yield Fund is a new product with an inception date of September 30, 2020, and as such does not have historical data. Asset Mix Projections on page 2 and 6, Smart Yield Portfolio Metrics on page 5 are estimated or targets of the fund. Asset class mix and targets may change based on the direction of the managers. Portfolio allocation projected annual return and beta assumption for each asset class on pages 7-10 are estimated. Beta for the fund and each asset class is estimated versus the S&P 500. The average beta for the entire fund is projected to be .32. Beta is a measure of the fund's volatility in relation to S&P 500 Index. This index has a beta of 1.0. The fund targets a total gross return before fees and expenses of 9.24%. The fund projects a blended return based on income securities and capital gains. Smart Yield attempts to continuously improve the value of investment portfolios by investing in corporate bonds, convertible bonds, other types of bonds (investment grade and sub-investment grade, [which may also have limited liquidity]), dividend paying equities, non-dividend paying equities, ETFs, including leveraged ETFs, and other securities. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. 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