

National Investment Banking Competition Analysis of Volkswagen

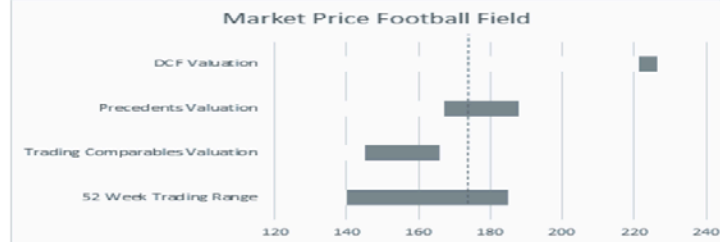
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Valuation - Summary

Factors Affecting GUY Stock Price

- The current price is slightly lower than the DCF valuation, but greater than the trading comparables valuation
- Current Price high relative is high compared to the one year trading range due to the rebound from the emission scandal
- Volkswagen may be performing better than the industry therefore showing a higher value than the fair value in comparables
- Based on the averages found below, Volkswagen is slightly undervalued
- The stock price of Volkswagen is high for the 52 trading range, which can be due to the continuous growth for Volkswagen

Football Field



Valuation Method	Fair Share Price	Enterprise Value (in millions)	Equity Value (in millions)	EV/EBITDA	
Precedent	Target Price	187.77	229,453	11,732.67	6.9x
	Current Price	175.45			
Comparables	Target Price	166.05	50,861	83,243	6.3x
	Current Price	175.45			
DCF	Target Price	221.53	78,670	111,052	4.3x
	Current Price	175.45			
Average	Target Price	191.78	119,661	68,676	5.8x
	Current Price	175.45			

(In euros)

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COMPETITION & CONFERENCE

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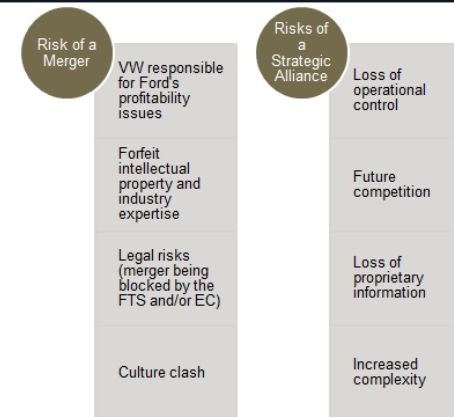
Executive Summary

Volkswagen AG is well-positioned to pursue a **strategic alliance** with Ford to advance its strategic and operational objectives and strengthen its long-term competitive advantage

- Strategic Benefit**
 - **Prioritize** the development and mass-production of **electric cars**
 - Build **leadership position** in the **autonomous driving** space
 - Lead **targeted initiative** to further the change in a **rapidly growing industry**
- Operational Benefit**
 - Realize **revenue growth** by **expanding** in **passenger cars** segment
 - Leverage **economies of scale** to minimize costs
 - **Boost margins** through new revenue opportunities and cost reduction capabilities
- Financial Benefit**
 - **Grow** valuation, financial performance, and competitive position to **pre-scandal** levels
 - **Long-term institutional investors** likely to react favorably to **clear vision**
 - Electric vehicles and autonomous driving sectors to **drive growth** for **years to come**

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Merger vs. Strategic Alliance



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