

General de Alquiler de Maquinaria SA GALQ ★★★^Q 20 Nov 2019 02:00 UTC

Last Close
20 Nov 2019
1.78

Fair Value^Q
20 Nov 2019 02:00 UTC
1.92

Market Cap
20 Nov 2019
76.3 Mil

Sector
Industrials

Industry
Aerospace & Defense

Country of Domicile
ESP Spain

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Company Profile

General de Alquiler de Maquinaria SA is a machinery rental company. The company's rental fleet includes compactors, compressors, dumpers, electric machinery, platforms, cranes, scaffolds and transport vehicles, as well as auxiliary equipment and machinery used in the infrastructure, agricultural, port, construction, industrial and energy sectors. In addition, the company is involved in the sale of second-hand equipment.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	52	52	34
Valuation	Undervalued	32	33	55
Quantitative Uncertainty	Very High	65	57	52
Financial Health	Weak	14	4	3



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.92	0.91	0.80	0.87
Price/Earnings	57.3	4.4	16.8	15.0
Forward P/E	—	—	13.9	12.5
Price/Cash Flow	5.9	2.9	11.2	8.8
Price/Free Cash Flow	13.4	5.2	18.4	15.2
Trailing Dividend Yield %	—	—	2.30	3.93
Price/Book	—	43.4	1.6	1.9
Price/Sales	1.9	0.7	0.9	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	—	—	11.5	12.9
Return on Assets %	1.5	-4.8	4.8	3.3
Revenue/Employee (K)	112.9	100.9	515.1	240.3

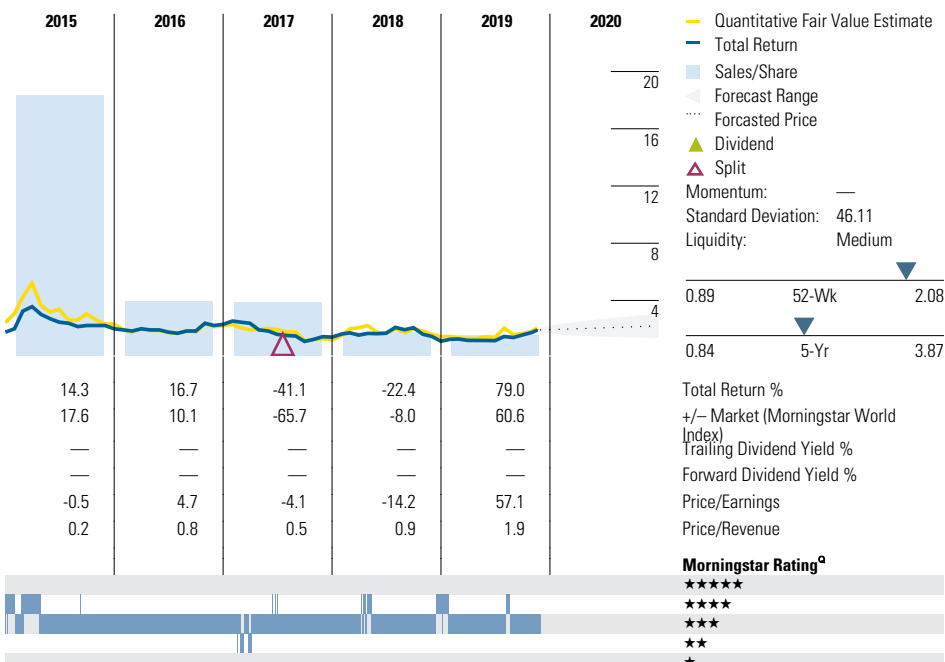
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.2	0.2	0.6	0.7
Solvency Score	—	—	484.2	556.5
Assets/Equity	-11.8	13.5	1.8	2.7
Long-Term Debt/Equity	-9.8	11.1	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	9.2	3.0	-1.0	-11.1
Operating Income %	—	—	—	—
Earnings %	0.0	—	—	—
Dividends %	—	—	—	—
Book Value %	—	-51.5	-72.8	-43.9
Stock Total Return %	35.2	-2.9	-3.2	-27.2

Price vs. Quantitative Fair Value



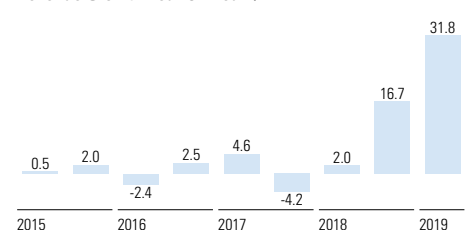
	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	103,862	105,143	105,189	105,250	114,917	125,550	Revenue
% Change	-14.0	1.2	0.0	0.1	9.2	9.3	% Change
Operating Income	-15,119	-8,516	-1,524	-4,856	-8,012	-7,306	Operating Income
% Change	—	—	—	—	—	—	% Change
Net Income	-28,308	-5,820	-11,144	-7,746	-4,036	3,635	Net Income
Operating Cash Flow	16,710	21,105	17,124	34,315	38,445	39,298	Operating Cash Flow
Capital Spending	-252	-23,730	-31,308	-22,905	-24,846	-21,949	Capital Spending
Free Cash Flow	16,458	-2,625	-14,184	11,410	13,599	17,349	Free Cash Flow
% Sales	15.8	-2.5	-13.5	10.8	11.8	13.8	% Sales
EPS	-4.42	-0.23	-0.23	-0.18	-0.09	0.03	EPS
% Change	—	—	—	—	—	—	% Change
Free Cash Flow/Share	5.88	1.47	-0.15	-0.40	0.12	0.13	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	-6.87	-1.76	-0.05	-0.32	-0.37	-0.24	Book Value/Share
Shares Outstanding (K)	8,748	42,682	42,832	42,964	42,968	42,968	Shares Outstanding (K)
Return on Equity %	—	—	—	—	—	—	Profitability
Return on Assets %	-10.7	-2.6	-5.2	-3.7	-2.0	1.5	Return on Assets %
Net Margin %	-27.3	-5.5	-10.6	-7.4	-3.5	2.9	Net Margin %
Asset Turnover	0.39	0.46	0.49	0.51	0.56	0.53	Asset Turnover
Financial Leverage	—	126.4	—	—	—	—	Financial Leverage
Gross Margin %	81.9	82.5	82.7	77.0	70.3	67.6	Gross Margin %
Operating Margin %	-14.6	-8.1	-1.5	-4.6	-7.0	-5.8	Operating Margin %
Long-Term Debt	10,423	176,134	176,374	176,462	173,106	179,086	Long-Term Debt
Total Equity	-72,990	1,717	-8,725	-10,463	-17,589	-10,300	Total Equity
Fixed Asset Turns	0.6	0.8	0.8	0.8	0.9	0.8	Fixed Asset Turns

Semi-Annual Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	—	71.9	—	—	—
2018	—	54.6	—	60.4	114.9
2017	—	53.5	—	51.7	105.3
2016	—	51.2	—	54.0	105.2

Earnings Per Share (€)	Mar	Jun	Sep	Dec	Total
2019	—	0.09	—	—	—
2018	—	-0.04	—	-0.05	-0.09
2017	—	-0.15	—	-0.02	-0.18
2016	—	-0.08	—	-0.15	-0.23

Revenue Growth Year On Year %



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The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

Two-Star - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*

Five-Star – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

Other Definitions

i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

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Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

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