



ATTENTION: 1 Value Stock for Bargain Hunters

Description

Element Fleet Management ([TSX:EFN](#)) is a [global fleet-management company](#) that provides services and financing solutions for commercial vehicle fleets. The company operates nearly \$18 billion of assets and is North America's largest publicly traded fleet-management company.

The company has a price-to-earnings ratio of 13.31, price-to-book ratio of 1.65, dividend yield of 2.13%, and market capitalization of \$5.33 billion. Debt is high at Element Fleet, as evidenced by a debt-to-equity ratio of 2.96. The company has excellent performance metrics with an operating margin of 29.94% and a return on equity of 2.38%. Element Fleet has ready access to cost-efficient capital, and the company maintains multiple committed alternatives to fund the business.

Element Fleet is a market leader in North America, Australia, and New Zealand and is well diversified across clients, industries, geographies, revenue, and funding sources. Commercial vehicle fleets are mission critical assets that enable the company's [clients to conduct daily business](#) and usually represent a significant part of clients' overall capital spend. Through a suite of services that spans the total fleet lifecycle, Element Fleet helps clients optimize the productivity and performance of fleet assets, while lowering the total cost of ownership.

Element Fleet provides vehicle fleet-leasing and fleet-management solutions to international and domestic companies in a wide variety of industries. It offers a broad range of services across many asset types, including cars and light-duty vehicles, material handling equipment and medium-duty trucks. Element Fleet's scalable platform provides innovative end-to-end services and technology to businesses.

The company's clients have significant fleet needs beyond the base leasing of vehicles and equipment that are more efficiently and effectively managed by Element Fleet. The company's strategy is designed to deliver a consistent, superior client experience, meaningfully improve financial performance, strengthen and de-risk Element Fleet's balance sheet, and position the business for growth.

The company's technological platforms are designed to help simplify the complexity of fleet

management, promote productivity and capture pertinent data that supports better decision making. Element Fleet has a strong business model enabling the company to deliver consistent results in all economic conditions. Fleet assets are essential to the revenue productivity of the company's clients since it ensures continuity of both demand and payment. In addition, the nature of the asset and relationship with clients translate into high switching costs and thus low turnover.

Element Fleet also has strong credit protections. Approximately two-thirds of its client are investment grade and in the event of deteriorating credit conditions, clients are usually able to restructure rather than liquidate. In a restructuring, fleet assets are usually affirmed, ensuring continuity of business for Element Fleet. As a result, the company typically experiences low to mid-single-digit basis points of credit losses annually as a percentage of finance receivables.

Element Fleet's value proposition is a unique combination of exceptional service, technology-enabled insights, economies of scale and cost-efficient financing. This value proposition translates into increased fleet productivity, mitigated risk, reduced administrative burden, and, ultimately, a reduced total cost of ownership for the company's clients.

CATEGORY

1. Investing

POST TAG

1. dividend
2. Editor's Choice

TICKERS GLOBAL

1. TSX:EFN (Element Fleet Management Corp.)

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