SUPER Investment Memo — GM

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1) Your thesis (what you believe)

GM: Thesis

enterprise value expansion drives margin recovery

2) What the model concluded (plain English)

- **Rating:** **AVOID** (score **52/100**)
- **Evidence confidence / veracity:** **46** (higher = more trustworthy coverage)

3) The 30-second explanation (for total beginners)

Think of this like a **car dashboard**:

- The **score** is the overall attractiveness estimate.
- The **buckets** explain *why* the score happened.
- The **news/risk** items try to spot headline landmines.
- The **thesis test** checks whether the facts match the story you're betting on.

Good vs Bad cheat-sheet (how to judge the numbers)

Think of every metric like a **warning light** on a car.

Revenue growth compared to last year

- ✅ Usually good: **more than +10%**
- 🟡 Depends: **0% to +10%**
- ❌ Usually bad: **below 0%** (shrinking sales)

Free cash flow

- ✅ Good: **positive** and steady/rising

- 🟡 Mixed: small positive but bouncy
- ❌ Bad: negative often (burning cash)

Free cash flow margin

- ✅ Good: **10% or higher** (industry dependent)
- 🟡 Mixed: **3% to 10%**
- ❌ Bad: **0% or negative**

Free cash flow yield (cash vs what you pay for the stock)

- ✅ Often cheap: **above 5%**
- 🟡 Neutral: **2% to 5%**
- ❌ Often expensive: **below 2%**

Net debt (debt minus cash)

- ✅ Better: low net debt (or net cash)
- 🟡 Watch: moderate net debt if cash is strong
- ❌ Risky: big net debt while cash is weakening

Net debt divided by free cash flow (years-to-pay debt)

- ✅ Good: **below 3x**
- 🟡 Watch: **3x to 6x**
- ❌ High risk: **above 6x**

4) Core numbers (sanity-check)

- Revenue growth compared to last year: **-1.29%** _(source: comps_snapshot → revenue_ttm_yoy_pct)_
- Free cash flow over the last 12 months: **$11.07B** _(source: comps_snapshot → fcf_ttm)_
- Free cash flow margin: **5.99%** _(source: comps_snapshot → fcf_margin_ttm_pct)_
- Free cash flow yield: **14.19%** _(source: comps_snapshot → fcf_yield_pct / fcf_yield)_

5) Balance sheet snapshot (why debt matters)

- Market cap: **$78.05B**

- Cash: **$20.95B**
- Debt: **$130.28B**
- Net debt: **$109.33B** _(debt minus cash)_
- Net debt divided by free cash flow: **9.87x** _(how many years of cash it takes to pay debt)_

6) Bucket scores (what drove the rating)

- **cash_level** = **21**
- **valuation** = **17**
- **growth** = **0**
- **quality** = **6**
- **balance_risk** = **8**

7) Red flags (things that can hurt stock fast)

- over the last 12 months revenue declining compared to last year
- over the last 12 months free cash flow declining compared to last year
- Net debt high vs over the last 12 months free cash flow
- Frequent LABOR/INSURANCE/REGULATORY negatives (30d)

8) Thesis test (PASS/FAIL vs your claims)

- **Claim** — `latest_revenue_yoy_pct` >= 10.0
- **Claim** — `latest_free_cash_flow` > 0.0
- **Claim** — `latest_fcf_margin_pct` >= 10.0
- **Claim** — `fcf_yield_pct` >= 3.0
- **Claim** — `news_shock_30d` >= -15.0
- **Claim** — `risk_insurance_neg_30d` <= 3.0
- **Claim** — `risk_regulatory_neg_30d` <= 3.0
- **Claim** — `risk_labor_neg_30d` <= 3.0

Storytime walkthrough (explain it like I'm five)

Okay. Imagine **GM** is a **gigantic toy factory**.

You (the investor) are basically asking:

> “Is this toy factory going to make **more money later**, or get hit with **expensive problems**?”

Step A — Sales (revenue)

“Revenue growth compared to last year” means: **are more kids buying the toys this year, or fewer?**

- Today it shows: **-1.29%**.

If this number is negative, it means **fewer toys are being sold** than last year (usually not great).

Step B — Real cash (free cash flow)

“Free cash flow” means: after paying for everything **and** investing in the business… is there money left in the piggy bank?

- Today it shows: **$11.07B**.

Positive = piggy bank fills. Negative = piggy bank leaks.

Step C — Efficiency (free cash flow margin)

This is: out of every **$100** of toy sales, how many dollars become free cash?

- Today it shows: **5.99%**.

Step D — Price vs cash (free cash flow yield)

This is: if you buy the whole factory at today’s stock price, how much free cash do you get back each year?

- Today it shows: **14.19%**.

Step E — Debt stress (net debt / free cash flow)

This is: how many “years of piggy-bank money” it would take to pay off debt.

- Today it shows: **9.87x**.

Higher numbers here mean **less flexibility** if something goes wrong.

9) What to open (dopamine mode)

- Dashboard: `outputs/decision_dashboard_GM.html`
- News clickpack: `outputs/news_clickpack_GM.html`
- Alerts: `outputs/alerts_GM.json`
- Claim evidence: `outputs/claim_evidence_GM.html`

10) Next steps (what a human should do)

1) Open the **dashboard** first. Read rating + red flags.

2) Open the **news clickpack**. Click the top negative headlines and confirm they're real + recent.

3) If your thesis depends on a specific risk (labor/regulatory/insurance), open **alerts** + **claim evidence**.

4) If anything looks off, treat score as directional and verify via earnings + filings.