Staples, Inc.: An Analysis of Current Financial Statements

Abstract

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Staples, Inc., the world’s largest office supply retailer, has recently released its financial statements for fiscal year 2011. The statements have been analyzed using a combination of vertical analysis, horizontal analysis, trend analysis, summary cash flow analysis, and ratio analysis. The analyses alongside a comparison to close competitors and industry averages indicate that Staples is in the strongest financial position of the major companies in its industries. The majority of the financial ratios are strong or improving. Despite a decrease in the market valuation of Staples since 2009, net income has increased relative to sales and the ability to generate cash from sales has increased in 2011. These higher profitability measures coupled with a decrease in outstanding debt indicate a strengthening financial position. With a high analyst rating and good profitability, it seems reasonable that Staples will continue to do well in future years.