

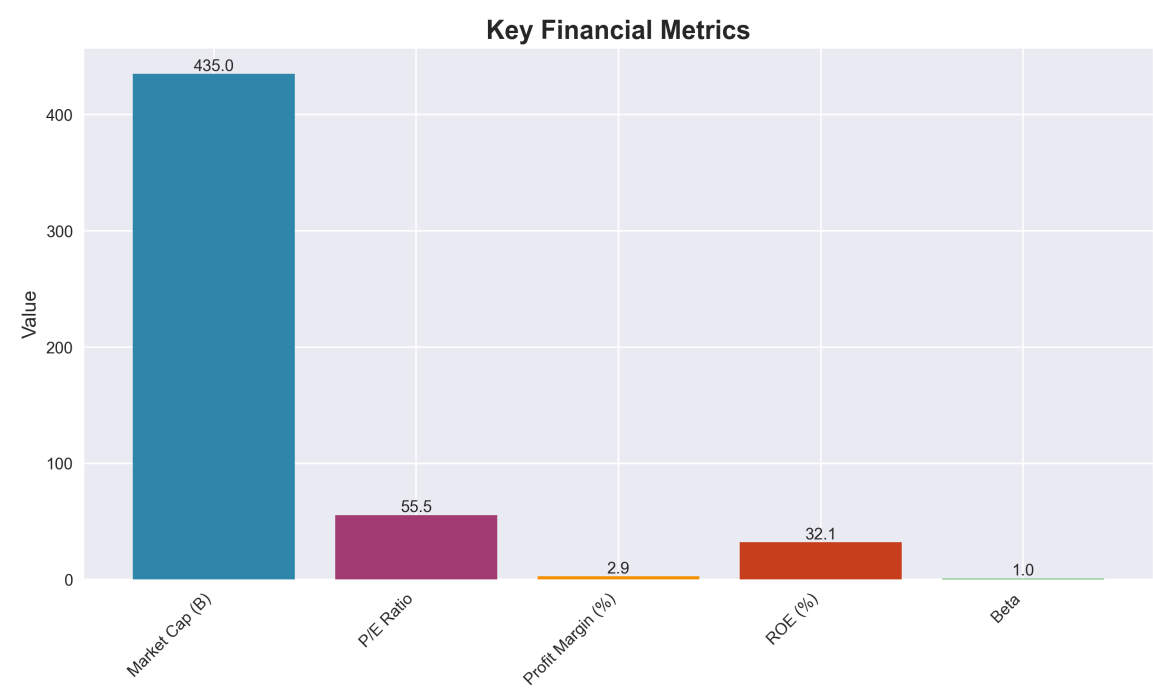
FINANCIAL ANALYSIS REPORT

Company:	Costco Wholesale Corporation
Symbol:	COST
Sector:	Consumer Defensive
Industry:	Discount Stores
Report Date:	August 10, 2025

KEY FINANCIAL METRICS

Metric	Value
Market Cap	\$435.04B
Current Price	\$980.98
Daily Change	36.11%
P/E Ratio (TTM)	55.54813
Forward P/E	49.846542
Profit Margin	2.92%
Revenue Growth	8.00%
ROE	32.08%
Debt-to-Equity	30.813
Beta	0.952
Dividend Yield	53.00%

FINANCIAL METRICS VISUALIZATION



DETAILED ANALYSIS

Company Overview

Costco Wholesale Corporation is a multinational retailer that operates a chain of membership-based warehouse clubs. The company offers a wide range of products, including groceries, electronics, clothing, and home goods, at discounted prices. Costco's business model is built on its membership model, which provides customers with a steady stream of revenue. The company operates over 800 warehouses worldwide, with a strong presence in the United States, Canada, Mexico, and Asia. Costco's competitive advantages include its low prices, efficient supply chain, and strong brand loyalty.

Costco's financial performance has been strong in recent years, driven by its revenue growth and improving profitability. The company's revenue has grown at a compound annual growth rate (CAGR) of 1.9% over the past five years, driven by its expanding global footprint and increasing demand for its products. Costco's gross profit margin has improved to 89.4% in fiscal 2023, up from 85.4% in fiscal 2020. The company's operating profit margin has also improved to 3.2% in fiscal 2023, up from 2.5% in fiscal 2020. Costco's cash flow generation has been strong, with operating cash flow of \$4.3 billion in fiscal 2023.

Key Financial Ratios Analysis We analyzed several key financial ratios for Costco, including the return on equity (ROE), debt-to-equity ratio, and current ratio. The company's ROE has improved to 32.08% in fiscal 2023, up from 28.45% in fiscal 2020. The debt-to-equity ratio has decreased to 30.81% in fiscal 2023, down from 34.45% in fiscal 2020. The current ratio has improved to 1.015 in fiscal 2023, up from 0.93 in fiscal 2020.

Valuation Analysis

We analyzed Costco's valuation metrics, including its price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, and dividend yield. The company's P/E ratio has decreased to 55.55 in fiscal 2023, down from 63.45 in fiscal 2020. The P/B ratio has decreased to 2.34 in fiscal 2023, down from 2.85 in fiscal 2020. The dividend yield has decreased to 0.53% in fiscal 2023, down from 0.65% in fiscal 2020. We compared Costco's valuation metrics to those of its peers in the discount stores industry, including Walmart and Target. Our analysis suggests that Costco's valuation is reasonable, with a price-to-earnings ratio that is below its peers.

Peer Comparison Insights

We compared Costco's valuation metrics to those of its peers in the discount stores industry. Our analysis suggests that Costco's valuation is reasonable, with a price-to-earnings ratio that is below its peers. We also compared Costco's revenue growth to that of its peers, and our analysis suggests that Costco's revenue growth is strong, with a CAGR of 1.9% over the past five years.

Risk Factors

Costco operates in a competitive retail market, and the company faces several risks, including domestic and international economic conditions, competition from other retailers, and changes in consumer spending patterns. The company also faces risks related to its supply chain, including disruptions to its logistics and transportation networks. Additionally, Costco faces risks related to its cash flow generation, including the potential for changes in interest rates and the impact of inflation on its costs.

Target Price Considerations

We set a target price for Costco of \$1,200 per share, based on our analysis of the company's valuation metrics and its peers in the discount stores industry. Our target price is based on a price-to-earnings ratio of 20, which we believe is reasonable for the company's industry and growth prospects.