

## **Project 1- Financial Statement Analysis for COSTCO WHOLESALE CORPORATION**

### **Overview:**

The Costco Wholesale Corporation can be easily categorized as a service. Big-box retailers with exclusive memberships are run by Costco Wholesale Corporation, a membership-based warehouse club. The core of Costco's business strategy is to offer its members premium goods in large, frequently discounted quantities at competitive prices. The company sells a broad range of goods, such as food, gadgets, apparel, furniture, appliances, and more. In addition, Costco provides its members with several services, such as banking, pharmaceutical, travel, and even gas station services. Costco has over 800 warehouses in various countries around the world and is known for its high-quality products and low prices.

### **Mission Statement:**

We have a very straightforward, but important mission: to continually provide our members with quality goods and services at the lowest possible prices.

### **Vision Statement:**

To provide a wide selection of merchandise, plus the convenience and exclusive member services, all designed to make the shopping experience pleasurable.

### **Values:**

- Obey the law.
- Take care of our members.
- Take care of our employees.
- Respect our suppliers.

### **Preferred Aspects of Costco:**

- Costco runs membership warehouses and online stores with the idea that its small assortment of private label and nationally branded goods (Kirkland).
- Cheap prices: Compared to other merchants, Costco frequently offers prices that are much lower.
- High-quality goods: Costco is renowned for its high-quality goods in addition to its affordable costs. A large selection of private-label and name-brand goods are available at Costco.
- Costco membership model: To shop at Costco, members must pay an annual fee. Also, we think that our inventory losses are significantly lower than those of traditional retail operations because we rigorously regulate the entrances and exits utilizing a membership system.
- Additional Services: Costco provides its members with several other services in addition to its retail offerings, such as petrol stations, travel agencies, pharmaceutical services, and financial services. This enhances the membership benefit and sets Costco apart from other merchants.

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- Generous return policy: Costco members can return most things at any time for a full refund thanks to the store's highly generous return policy. Customers may shop with confidence and peace of mind thanks to our policy. Costco normally offers free technical support and a 90-day return policy.
- Treatment of employees: Costco is renowned for providing fair pay, benefits, and chances for career progression to its staff members. Better customer service results from this since it fosters a positive work atmosphere.
- Environmental and social duty: Through programs like trash reduction, sourcing sustainable items, and philanthropic organization support, Costco is dedicated to environmental and social responsibility. Customers who are concerned about these concerns find resonance in this.
- Exclusive items: Kirkland Signature brand, which is renowned for its quality and value, is one of the exclusive products that Costco offers. These special goods set Costco apart from other merchants and give members more value.
- Convenience: Costco members may purchase from the comfort of their homes with its online store and its warehouses, which are frequently situated in handy places. The convenience element is further increased by the fact that many warehouses offer amenities like tire centers and petrol stations.
- We often operate longer hours for our gasoline business. Because the store operates with fewer hours than many other stores and because of other inherent economies, labor expenses are also lower in relation to sales volume.

### **Indications of a Commodity-Based Business:**

Since it sells a large variety of non-commodity items, including electronics, apparel, appliances, furniture, and other consumer goods, Costco is essentially a retail company. Numerous of these items are name-brand or exclusive to Costco, meaning they cannot be substituted with other items of the same kind.

### **Capital Intensive:**

Costco Corporation is a labor-intensive business rather than a capital-intensive one because of its heavy reliance on workers. Compared to fixed assets, human labor is more important to Costco. Costco does own fixed assets, like machinery, warehouses, and trucks for transportation, but these assets don't need as much capital as those needed in heavy industries or manufacturing. Costco depends primarily on labor, not assets, to manage the warehouse and move goods, thus staff members must work fast and effectively to keep inventory stocked and well-organized. Furthermore, Costco's emphasis on customer service necessitates having many staff members on hand to help consumers with their purchases and expedite transaction processing.

### **Business Outlook Section: Cautionary or Upbeat**

Costco's yearly reports frequently reference several business outlooks, and the fiscal year 2022 annual report is no exception. Costco remains committed to enhancing its core warehouse business by incorporating online services to expand customer choices in home goods, consumer electronics,

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health and beauty clothing, lawn, and garden items, and more. The company emphasizes concepts like two-day delivery and continues to focus on sustainability initiatives. Costco is dedicated to the success of its climate action plan, striving to reduce packaging and plastic usage, incorporate recycled materials, and foster creativity in packaging, reengineering, and design. Despite these efforts, Costco's business outlook section is notably conservative rather than optimistic.

Comparisons between Costco and other businesses are scarce, given the factors contributing to intense industry competition, including cost, product quality and variety, location, accessibility, distribution strategy, and customer service. Costco takes into consideration various global rivals such as super centers, department and specialty stores, hard discounters, Internet retailers, gas stations, and supermarkets. Noteworthy competitors in the general merchandise retail sector in the United States include Walmart, Target, Kroger, and Amazon. Furthermore, warehouse clubs like Sam's Club and BJ's Wholesale Club compete directly with Costco, as highlighted in the 2023 annual report.

### **Examining Costco's Financial Statements: Footnote Details**

#### **Financial Ratios and their Interpretations**

This analysis will consider Profitability, Liquidity, and Ratios for 10 years i.e., 2014 to 2023. These include the Current ratio, Quick Ratio, Cash Ratio, Debt Ratio, Debt to Equity Ratio, Return on Equity, Return on Assets, Assets Turnover, Profit Margin, and Days Sales Outstanding. For all the calculation, we have used noted the different types of variables for the companies filling data such as Net Income, Net Sales, Average Assets, etc., for complete table you can refer **Table 1**. The detailed calculations and their significance will be discussed further.

For all the calculation of ratios we have used different – different formula which are given in the **Table 2**. And after calculation the ratios are stored in **Table 3**.

#### **1. Current Ratio:**

The current ratio defines the correlation between a company's assets and liabilities. An excessively high current ratio might suggest inefficient utilization of assets, whereas a low ratio could indicate potential financial or managerial challenges.

Reference: **Table 4: Data for Current Ratio** and **Graph 1: Plot of Current Ratio**.

- Over the previous ten years, Costco Wholesale Corporation's current ratio has shown some minor variations, with a generally consistent trend, ranging from a low of 0.977 in 2016 to a peak of 1.132 in 2020.
- Despite a minor increase from the prior year, the current ratio of 1.068 in 2023 shows that Costco keeps a strong balance between its current assets and liabilities, suggesting the company's capacity to satisfy short-term obligations.

#### **2. Cash Ratio:**

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The cash ratio assesses a company's capacity to settle its existing liabilities solely with cash and cash equivalents. A ratio equal to or exceeding 1 signifies that the company possesses ample cash to meet its current obligations.

Reference:

Table 5: Data for Cash Ratio and Graph 2: Plot of Cash Ratio.

- Over the course of time, Costco Wholesale Corporation's cash ratio has fluctuated, rising from a high of 0.54 in 2020 to a low of 0.30 in 2016.
- The overall trend, with the ratio continuously staying over 0.30, shows a general consistency in the company's capacity to cover its short-term liabilities with cash, despite periodic fluctuations.

### 3. Quick Ratio:

The quick ratio assesses a company's capability to settle its current liabilities using its most liquid assets. A quick ratio of 1 or above suggests that the company possesses sufficient quick assets to meet its current liabilities.

Reference: Table 6: Data for Quick Ratio and

Graph 3: Plot of Quick Ratio

- The fast ratio has consistently remained above 0.4, showing that Costco has had little trouble meeting its short-term obligations over the years.
- From 2014 to 2023, the quick ratio typically trended upward, with occasional swings. This suggests better liquidity management and maybe healthier financial health in the long run.
- The quick ratio did, however, decline in a few years, most notably in 2015 and 2016, suggesting possible short-term liquidity issues during those times. These declines may call for a more thorough analysis of Costco's immediate liquidity management plans.

### 4. Debt to Equity Ratio:

The debt-to-equity ratio measures a company's leverage or the extent to which it is financing its operations through debt versus equity. A higher ratio indicates that the company is relying more heavily on debt to finance its operations.

Reference:

Table 7: Data for Debt-to-Equity Ratio and Graph 4: Plot of Debt-to-Equity Ratio

- During the years, Costco Wholesale Corporation's Debt to Equity Ratio has fluctuated a bit. It peaked in 2017 at 2.281 and continued to rise generally until 2022, when it reached 2.108, reflecting a changing capital structure.
- Notwithstanding fluctuations in the ratio, the general trend indicates that the company has been financing its operations more through debt than through stock in recent years. Given the potential influence on the company's financial risk and leverage, investors would want to keep an eye on this development.

### 5. Debt Ratio:

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The higher the debt ratio means that the company has greater financial risks. If the Debt ratio is higher or greater than 1, it will indicate that the company has more debt than assets and it will take time to pay back its loans, debts, and financial obligations.

Reference: Table 8: Data for Debt Ratio and Graph 5: Plot of Debt Ratio

- Costco Wholesale Corporation's debt ratio has shown a variable tendency, peaking at 0.695 in 2017 and then down to 0.637 in 2023.
- The company has consistently maintained a moderate to high debt ratio over the examined period, with a few notable exceptions. This suggests a substantial reliance on debt financing in its capital structure.
- Costco's capital structure has always included debt, indicating the necessity for continual oversight and smart financial planning to guarantee a fair and long-lasting approach to debt management.

### 6. Day Sales Outstanding:

The Days Sales Outstanding (DSO) ratio signifies the average duration a company requires to collect payments from its accounts receivable.

Reference: Table 9: Data for Day Sales Outstanding and

#### Graph 6: Plot of Day Sales Outstanding

- Costco Wholesale Corporation's Day Sales Outstanding (DSO) ratio has shown a comparatively steady trend over time, demonstrating effective accounts receivable management.
- The steady drop in DSO between 2018 and 2020 points to improved sales revenue collection capabilities for the organization, indicating efficient credit and collection procedures.
- The DSO ratio is still within a respectable range in 2022, even with a minor increase. This suggests that Costco is still able to sustain a stable ratio between sales revenue and accounts receivable turnover.

### 7. Return on Equity:

Return on Equity (ROE) is a financial metric that measures a company's profitability by evaluating the percentage of net income relative to shareholders' equity, indicating how efficiently it utilizes investor funds to generate returns.

Reference: Table 10: Data for Return on Equity and Graph 7: Plot of Return on Equity

- From 2014 to 2020, the company showed steady growth and solid financial performance, reaching a noteworthy peak in profitability in 2021 and 2022.
- A decline in Return on Equity (ROE) in 2023, however, points to a possible problem or modification in the elements influencing profitability and calls for more research into the operational dynamics and financial stability of the organization.

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### 8. Asset Turnover:

An efficient asset turnover ratio signifies effective performance for a company, indicating higher revenue generation. Typically, when the asset turnover approaches 1.5, it suggests that the income generated surpasses the value of assets utilized.

Reference: Table 11: Data for Asset Turnover and

#### Graph 8: Plot of Asset Turnover

- With an asset turnover ratio that ranges from 3.304 in 2020 to 3.712 in 2017, Costco Wholesale Corporation has demonstrated a steady and efficient use of its assets to drive sales over the years.
- Costco appears to have managed its assets well to produce revenue, despite occasional oscillations; the ratio exhibits robustness and has remained over 3.5 for the bulk of the examined time.

### 9. Inventory Turnover:

The frequency with which a business sells and replaces its inventory over a certain period is known as inventory turnover, and it serves as a gauge for the effectiveness of inventory management.

Reference: Table 12: Plot for Inventory Turnover and Graph 9: Plot for Inventory Turnover

- From 2014 to 2023, Costco Wholesale Corporation's inventory turnover ratio shown a steady and positive trend, suggesting effective inventory management.
- The upward trend between 2014 and 2020 points to better inventory turnover, which reflects the business's capacity to swiftly sell out and replenish stock. While there was a minor decline in 2022, the notable increase in 2023 suggests that there may be a resurgence and improved efficiency in handling inventory turnover.

### 10. Profit Margin:

Profit margin is a financial metric representing the percentage of profit a company earns from its revenue, calculated by dividing net profit by total revenue; a higher profit margin is generally considered favorable, while a lower margin may indicate financial challenges or inefficient operations.

Reference: Table 13: Data of Profit Margin and

#### Graph 10: Plot for Profit Margin

- Over the years, Costco's profit margin has steadily increased, suggesting a progressive enhancement in the business's capacity to turn sales into profits.

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- The company's financial stability and profitability may be attributed to good cost management and operational efficiency, as evidenced by the incremental growth in Profit Margin from 1.85% in 2014 to 2.60% in 2023.
- Investors are reassured about Costco Wholesale Corporation's profitability future by the steady and positive trajectory of Profit Margin, which reflects the company's tenacity and good financial performance.

### 11. Return on Investment:

Return on Investment (ROI) is a financial metric that evaluates the profitability of an investment by dividing the net gain or loss from the investment by its initial cost. A higher positive ROI is generally regarded as good, while a lower or negative value may indicate a less favorable or unprofitable investment for a company.

Reference: Table 14: Data of Return on Investment and Graph 11: Plot for Return on Investment

- From 2014 to 2023, Costco Wholesale Corporation's Return on Investment (ROI) showed a steady rising trend, demonstrating increased efficiency in producing profits in relation to its investment base.
- Although there have been a few minor variations over the years, the company's return on investment (ROI) has generally increased, indicating that invested capital has been used effectively to produce returns for shareholders.
- Over the course of the analysis period, Costco has demonstrated an ability to sustain profitability and generate value for investors, as evidenced by its improving ROI trend.

### Conclusion:

As we can see from the Financial Ratios research that Costco Wholesale Corporation is operating profitably and steadily. The corporation is well-positioned to manage risks and preserve financial stability because of its sizable capital base. Furthermore, Costco has a positive debt-to-equity ratio, which shows that it is in a sound financial position with little obligations relative to its equity. Ample cash liquidity also indicates that the business can pay off short-term debt in a reasonable amount of time—roughly one to one and a half years. Potential investors find the company appealing because of its increasing Return on Investment (ROI), which increased from 6.60% in 2014 to 9.45% in 2023. This indicates the firm's effectiveness in effectively leveraging investments to deliver significant returns.

Therefore, Costco stands out as a highly recommended investment, demonstrating strong and effective performance even in challenging conditions.

### Reference:

- <https://www.studocu.com/en-us/document/william-penn-university/business-administration/merrill-lynch-how-to-read-a-financial-report/15029692>



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- <https://www.sec.gov/edgar/browse/?CIK=909832&owner=exclude>
- <https://www.macrotrends.net/stocks/charts/COST/costco/financial-ratios>
- <https://investor.costco.com/financials/sec-filings/default.aspx>

### Appendix:

**Table 1: Values from Costco's Annual Reports (2014-2023)**

| Variable                 | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Income               | 2,088   | 2,409   | 2,376   | 2,714   | 3,134   | 3,659   | 4,002   | 5,007   | 5,844   | 6,292   |
| Net Sales                | 112,640 | 116,199 | 118,719 | 129,025 | 141,576 | 152,703 | 166,761 | 195,929 | 226,954 | 242,290 |
| Average Assets           | 31653.5 | 33020.5 | 33090   | 34755   | 38588.5 | 43115   | 50478   | 57412   | 61717   | 66580   |
| A/C Receivables          | 1,148   | 1,224   | 1,252   | 1,432   | 1,669   | 1,535   | 1,550   | 1,803   | 2,241   | 2,285   |
| COGS                     | 98,458  | 101,065 | 102,901 | 111,882 | 123,152 | 132,886 | 144,831 | 170,684 | 199,382 | 212,586 |
| Average OE               | 11,762  | 11,678  | 11,588  | 11,706  | 12,091  | 14,344  | 17,145  | 18,392  | 19,363  | 22,853  |
| Inventory                | 8,456   | 8,908   | 8,969   | 9,834   | 11,040  | 11,395  | 12,242  | 14,215  | 17,907  | 16,651  |
| Current Assets           | 17,588  | 16,779  | 15,218  | 17,317  | 20,289  | 23,485  | 28,120  | 29,505  | 32,696  | 35,879  |
| Current Liabilities      | 14,412  | 16,539  | 15,575  | 17,495  | 19,926  | 23,237  | 24,844  | 29,441  | 31,998  | 33,583  |
| Inventory                | 8,456   | 8,908   | 8,969   | 9,834   | 11,040  | 11,395  | 12,242  | 14,215  | 17,907  | 16,651  |
| Avg Revenue              | 68,405  | 32,337  | 33,055  | 33,923  | 36,672  | 40,852  | 46,797  | 53,945  | 59,565  | 64,149  |
| Net Sales                | 112,640 | 116,199 | 118,719 | 129,025 | 141,576 | 152,703 | 166,761 | 195,929 | 226,954 | 242,290 |
| Total Debts              | 20,509  | 22,174  | 20,831  | 25,268  | 27,727  | 29,816  | 36,851  | 41,190  | 43,519  | 43,936  |
| Total Assets             | 33,024  | 33,017  | 33,163  | 36,347  | 40,830  | 45,400  | 55,556  | 59,268  | 64,166  | 68,994  |
| Total Liability          | 20,509  | 22,174  | 20,831  | 25,268  | 27,727  | 29,816  | 36,851  | 41,190  | 43,519  | 43,936  |
| SHE(Share Holder Equity) | 12,512  | 10,843  | 12,332  | 11,079  | 13,103  | 15,584  | 18,705  | 18,078  | 20,647  | 25,058  |
| Current Ratio            | 1.22    | 1.01    | 0.97    | 0.98    | 1.02    | 1.01    | 1.13    | 1.00    | 1.02    | 1.06    |
| Quick Ratio              | 0.63    | 0.48    | 0.40    | 0.43    | 0.46    | 0.52    | 0.64    | 0.52    | 0.46    | 0.57    |
| Cash Ratio               | 0.51    | 0.39    | 0.30    | 0.33    | 0.36    | 0.41    | 0.54    | 0.41    | 0.35    | 0.45    |

**Table 2: Formula for Calculation of Ratios**

| Type                 | Ratio                 | Formula  |
|----------------------|-----------------------|--|
| Profitability Ratios | Return on Investment  | Net Income/Avg Assets                          |
| Profitability Ratios | Profit Margin         | Net Income/Net Sales                           |
| Actively Ratio       | Day Sales Outstanding | (Acc Receivables/Net Sales)*365                |
| Actively Ratio       | Inventory Turnover    | COGS/Avg Inventory                             |
| Liquidity Ratio      | Current Ratio         | Current Assets/Current Liabilities             |
| Liquidity Ratio      | Quick Ratio           | (Current Assets-Inventory)/Current Liabilities |
| Leverage Ratio       | Debt Ratio            | Total Debt/Total Assets                        |
| Leverage Ratio       | Debt to Equity Ratio  | Total Liability/Share Holder's Equity          |
| Profitability Ratios | Asset Turnover        | Net Sales/Avg Assets                           |
| Profitability Ratios | Return on Equity      | Net Income/Avg OE                              |



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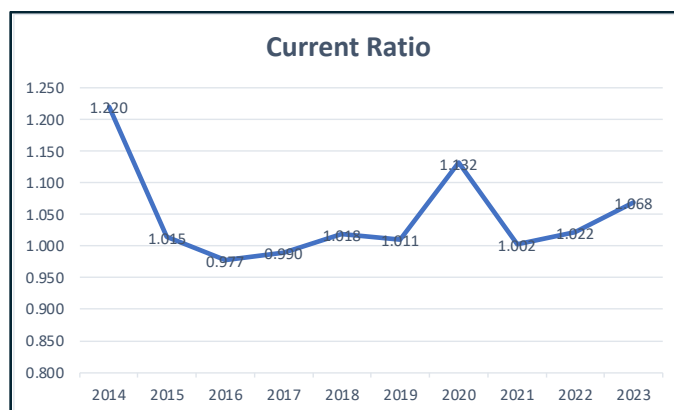
**Table 3: Calculated Ratios**

| Ratio                 | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Return on Investment  | 6.60%  | 7.30%  | 7.18%  | 7.81%  | 8.12%  | 8.49%  | 7.93%  | 8.72%  | 9.47%  | 9.45%  |
| Profit Margin         | 1.85%  | 2.07%  | 2.00%  | 2.10%  | 2.21%  | 2.40%  | 2.40%  | 2.56%  | 2.57%  | 2.60%  |
| Day Sales Outstanding | 3.72   | 3.84   | 3.85   | 4.05   | 4.30   | 3.67   | 3.39   | 3.36   | 3.60   | 3.44   |
| Inventory Turnover    | 11.644 | 11.345 | 11.473 | 11.377 | 11.155 | 11.662 | 11.831 | 12.007 | 11.134 | 12.767 |
| Current Ratio         | 1.220  | 1.015  | 0.977  | 0.990  | 1.018  | 1.011  | 1.132  | 1.002  | 1.022  | 1.068  |
| Quick Ratio           | 0.634  | 0.476  | 0.401  | 0.428  | 0.464  | 0.520  | 0.639  | 0.519  | 0.462  | 0.573  |
| Debt Ratio            | 0.621  | 0.672  | 0.628  | 0.695  | 0.679  | 0.657  | 0.663  | 0.695  | 0.678  | 0.637  |
| Debt to Equity Ratio  | 1.639  | 2.045  | 1.689  | 2.281  | 2.116  | 1.913  | 1.970  | 2.278  | 2.108  | 1.753  |
| Asset Turnover        | 3.559  | 3.519  | 3.588  | 3.712  | 3.669  | 3.542  | 3.304  | 3.413  | 3.677  | 3.639  |
| Return on Equity      | 0.178  | 0.206  | 0.205  | 0.232  | 0.259  | 0.255  | 0.233  | 0.272  | 0.302  | 0.275  |

**Table 4: Data for Current Ratio**

| Ratio         | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Current Ratio | 1.220 | 1.015 | 0.977 | 0.990 | 1.018 | 1.011 | 1.132 | 1.002 | 1.022 | 1.068 |

**Graph 1: Plot of Current Ratio**

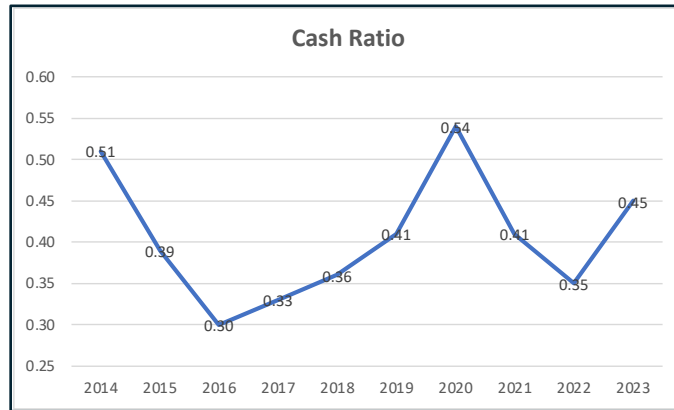


**Table 5: Data for Cash Ratio**

| Ratio      | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------|------|------|------|------|------|------|------|------|------|------|
| Cash Ratio | 0.51 | 0.39 | 0.30 | 0.33 | 0.36 | 0.41 | 0.54 | 0.41 | 0.35 | 0.45 |

**Graph 2: Plot of Cash Ratio**

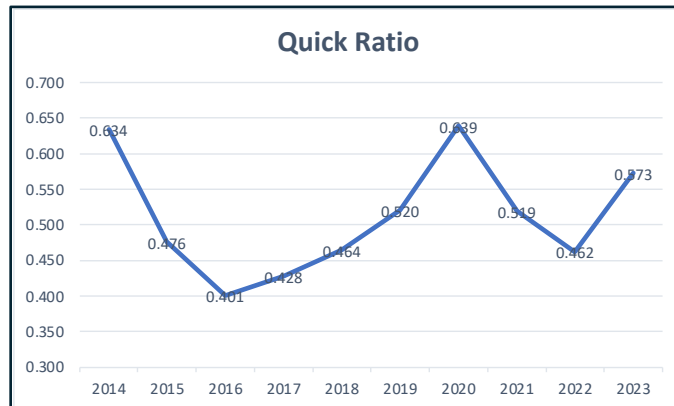
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**Table 6: Data for Quick Ratio**

| Ratio       | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Quick Ratio | 0.634 | 0.476 | 0.401 | 0.428 | 0.464 | 0.520 | 0.639 | 0.519 | 0.462 | 0.573 |

**Graph 3: Plot of Quick Ratio**

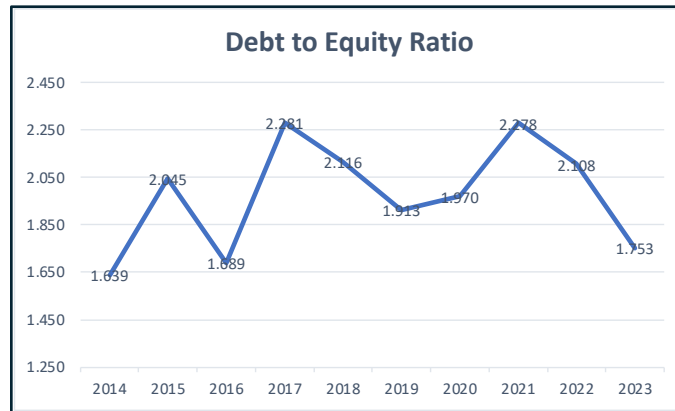


**Table 7: Data for Debt-to-Equity Ratio**

| Ratio                | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt to Equity Ratio | 1.639 | 2.045 | 1.689 | 2.281 | 2.116 | 1.913 | 1.970 | 2.278 | 2.108 | 1.753 |

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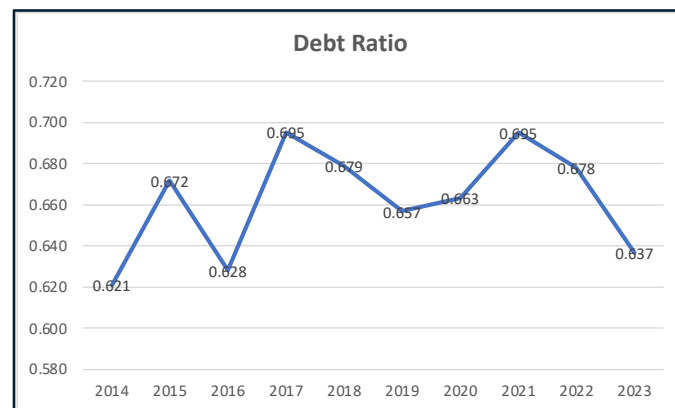
**Graph 4: Plot of Debt-to-Equity Ratio**



**Table 8: Data for Debt Ratio**

| Ratio      | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt Ratio | 0.621 | 0.672 | 0.628 | 0.695 | 0.679 | 0.657 | 0.663 | 0.695 | 0.678 | 0.637 |

**Graph 5: Plot of Debt Ratio**

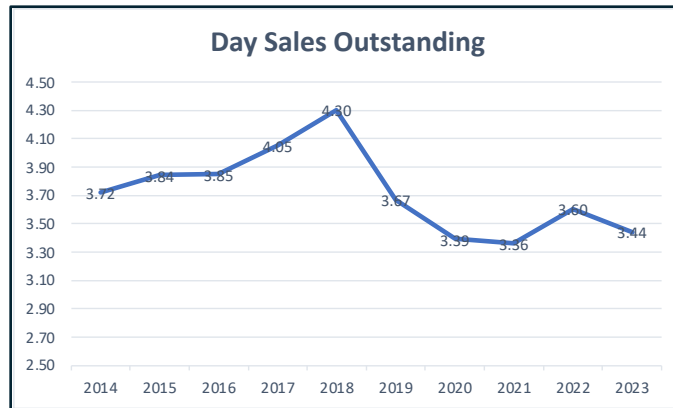


**Table 9: Data for Day Sales Outstanding**

| Ratio                 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| Day Sales Outstanding | 3.72 | 3.84 | 3.85 | 4.05 | 4.30 | 3.67 | 3.39 | 3.36 | 3.60 | 3.44 |

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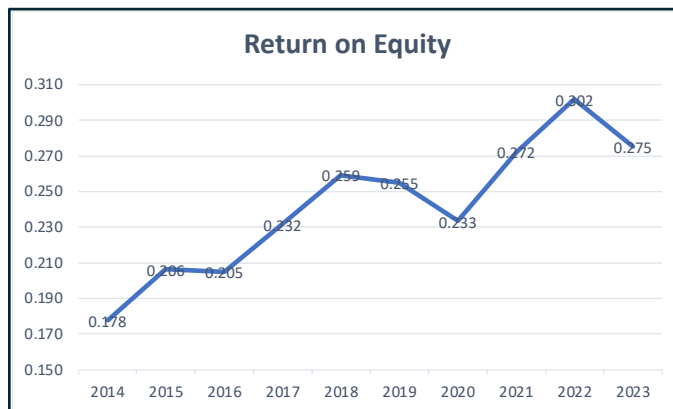
**Graph 6: Plot of Day Sales Outstanding**



**Table 10: Data for Return on Equity**

| Ratio            | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Return on Equity | 0.178 | 0.206 | 0.205 | 0.232 | 0.259 | 0.255 | 0.233 | 0.272 | 0.302 | 0.275 |

**Graph 7: Plot of Return on Equity**

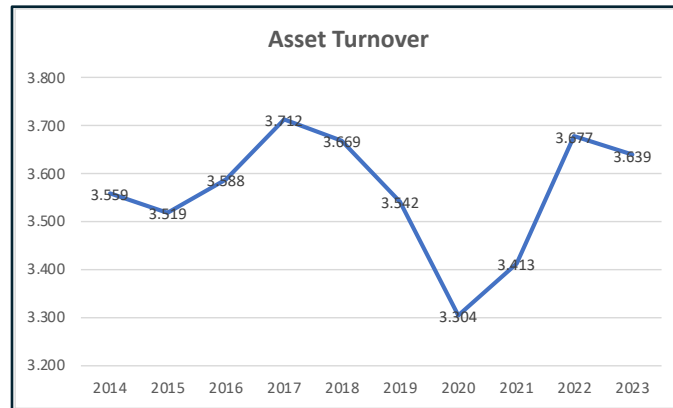


**Table 11: Data for Asset Turnover**

| Ratio          | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Asset Turnover | 3.559 | 3.519 | 3.588 | 3.712 | 3.669 | 3.542 | 3.304 | 3.413 | 3.677 | 3.639 |

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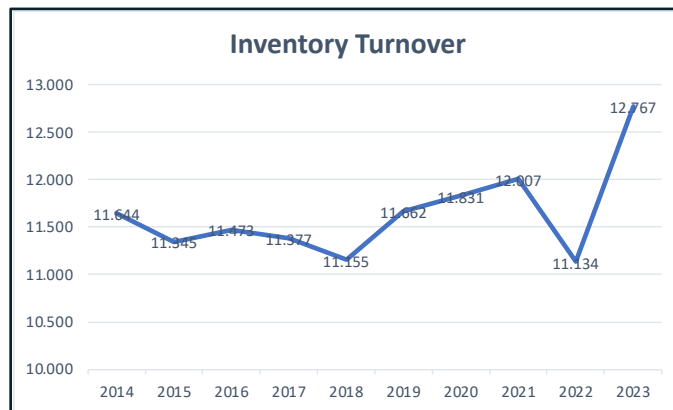
**Graph 8: Plot of Asset Turnover**



**Table 12: Plot for Inventory Turnover**

| Ratio              | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Inventory Turnover | 11.644 | 11.345 | 11.473 | 11.377 | 11.155 | 11.662 | 11.831 | 12.007 | 11.134 | 12.767 |

**Graph 9: Plot for Inventory Turnover**

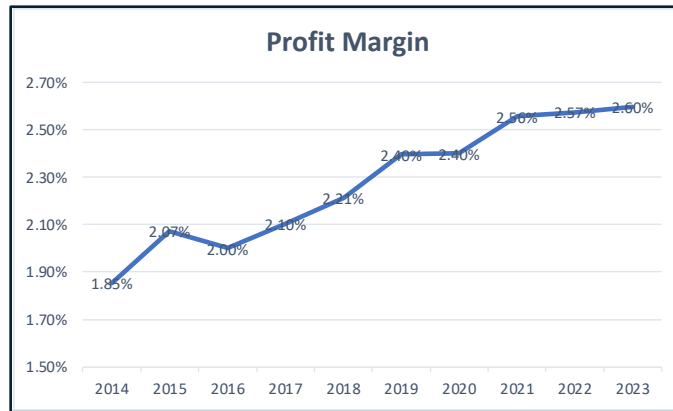


**Table 13: Data of Profit Margin**

| Ratio         | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Profit Margin | 1.85% | 2.07% | 2.00% | 2.10% | 2.21% | 2.40% | 2.40% | 2.56% | 2.57% | 2.60% |

## Project 1- Financial Statement Analysis for COSTCO WHOLESALE CORPORATION

**Graph 10: Plot for Profit Margin**



**Table 14: Data of Return on Investment**

| Ratio                | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Return on Investment | 6.60% | 7.30% | 7.18% | 7.81% | 8.12% | 8.49% | 7.93% | 8.72% | 9.47% | 9.45% |

**Graph 11: Plot for Return on Investment**

