

# [Sprint financial condition](https://assignbuster.com/sprint-financial-condition/)

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Sprint Nextel Corporation is the third largest wireless communications company in the United States offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, and government subscribers. Sprint Nextel Corporation has seen revenues shrink from $35. 6 billion to 32. 3 billion, though the company was able to grow net income from a loss of $2. 8 billion to a smaller loss of $2. billion. A reduction in the percentage of sales devoted to selling, general and administrative costs from 31. 5% to 29. 30% was a key component in the bottom line growth in the face of falling revenues. Although debt as a percent of total capital increased at Sprint Nextel Corporation over the last fiscal year, it is still in-line with the wireless telecommunication services industry’s norm. Additionally, there are enough liquid assets to satisfy current obligations.

Accounts Receivable is typical for the industry, with an average 40 day average collection period. Last, inventories seem to be well managed as the inventory processing period is typical for the industry, at 18 days. In tough economic times, Sprint is generating substantial cash and reducing costs to ensure to remain financially sound. They have cash on hand to be able to meet their debt requirements. The company is expected to continue generating positive free cash flow during 2009.

Sprint Nextel Corporation has been having a rough time trying to keep up with its competitions, AT&T and Verizon. Sprint Nextel has been posting loss after loss, loss in profit, loss in number of subscribers, and so on, but despite how things appear on the surface, analyst appear to be optimistic with the future outcome of Sprint Nextel financial position. There is no indication as to how long it will take Sprint Nextel to accomplish this goal, the numbers are consistently moving in a positive direction.