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## **Analysis of Starbucks**

Starbucks Corporation is a global American company and a coffeehouse chain whose headquarters are in Seattle. This is the largest coffeehouse company whose stores are estimated to be 20, 891 in over 62 countries. The company's products include whole-bean coffee, full-leaf teas, cold beverages, micro ground instant coffee, snacks and pastries. In addition, they sell packaged food items, cold and hot sandwiches and items such as tumblers and mugs. Moreover, their locations offer beers, appetizers and even wines. They also have an Entertainment division which offers 'Hear Music' brand, sells music, films and even market books. The company's portfolio also has coffee, ice-cream and grocery stores. As evident, the company has very many products designed for various parts of the market, targeting all types of clientele. Expectedly, the financial strength of this company is huge.

Studying its balance sheet for the last five years brings to the fore interesting data. To begin with, the sales or revenue for 2012 was 13.3 billion, in 2011, 11.7, in 2010, 10.71, in 2009, 9.78 and in 2008, 10.39 billion. The trend shows increase of revenue over the past five years. Next, the Cost of Goods Sold (COGS) does not exhibit a similar trend, though it is almost similar. In 2008, COGS was 9.26 billion. In 2009, it reduced to 8.54 billion. However, between 2010 and 2012 there was a gradual increase. COGS increased from 8.81 billion in 2010 to 9.54 billion in 2011 and finally to 10.71 billion in 2012.

Finally, looking at the income trend, the gross income increased in the five years leading to 2012. In 2008, the gross income was 1.12 billion, in 2009,

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1. 24, in 2010, 1. 89, in 2011, 2. 16 and in 2012 it rose to 2. 59 billion. The net income, which is gross income less taxes, interest paid and other expenses, also shows an upward trend. In 2008, it was 315. 5 million, in 2009, 390. 8, in 2010, 945. 6, in 2011, 1. 25 billion and finally in 2012 1. 38 billion. The trend shown is upward. In my opinion, therefore, Starbucks is doing very well financially. Both the sales/revenue and the income give a rising trend. Although COGS also rises over time, the profitability of the company is steady.

Work cited" SBUX Annual Income Statement - Starbucks Corp. Annual Financials." MarketWatch - Stock Market Quotes, Business News, Financial News. N. p., n. d. Web. 1 Nov. 2013.