

Company research of wal-mart



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Company Research Company Wal-Mart Stores, Inc. Industry in which company competes: Retail industry, particularly Discount Variety Stores

Stocksymbol: WMT

Exchange where the stock is traded: New York Stock Exchange and Pacific Stock Exchange

52-week high: \$50. 87

52-week low: \$42. 31

Average daily volume: 11. 4 million

Weekly closing price for the last 5 weeks:

Week

Closing Price (\$)

24 April 2006

45. 03

01 May 2006

47. 25

08 May 2006

46. 54

15 May 2006

47. 32

22 May 2006

49. 65

Source: Yahoo! Finance

General information about company:

Wal-Mart is the operator of retail stores in two main formats, Wal-Mart Stores and SAM's Club, in different countries. Its Wal-Mart Stores features supercenters, discount stores and neighborhood markets. On the other hand,

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SAM's Club offers warehouse club membership. These retail stores sell myriad products which includes, among others, apparel, stationery, sporting goods, toys, hard goods, soft goods, electronics and jewelry.

General financial information: (in the past 12 months, as at end-January 2006)

Financial Highlight

Sales

\$321, 132. 0 million

Income

\$11, 385. 0 million

Source: MSN Money

Recent developments:

As per its 2006 Annual Report, the firm has recently purchased retail operations of Sonae in Brazil and Seiyu of Japan. This means that 537 new international stores have been added to Wal-Mart's retail space. To enhance its international operations, the company has also experienced switch in leadership roles. Mr John Menzer is now in charge of US operations and several other divisions, while Mr Mike Dune currently heads international operations.

Future prospects:

In view of the recent developments, it can be seen that the company is seeking to grow externally as it focuses on its international operations. Moreover, Wal-Mart continues to have a positive outlook as it remains committed to the improvement of merchandise mix by constantly offering new products that target a wide market range. The firm also continues to control expenses as it implements various cost-cutting measures such as the

recruiting of younger and healthier workers to save on healthcare cost.

Personal appraisal:

Given the company's strategy, I believe that continuous growth may be expected as Wal-Mart focuses on expanding internationally. With the firm's established brand equity not only in the US but throughout the world as well, it could easily capture a fair share of the overseas retail market.

Accompanied by an appropriate financial strategy, the company's expansion binge may have a positive effect on the value of its shares.

This conclusion is further supported by the firm's financial prudence. In this period when energy cost is escalating, it is vital for Wal-Mart to effectively manage cost by undertaking various cost-cutting measures. This would substantially contribute to the enhancement of the firm's bottom line.

References

MSN Money. 30 May 2006 Walmart. 30 May 2006 Yahoo! Finance. 30 May 2006