

# Atandt

Finance



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Financial Forecast Analysis of AT&T

The trends observed in the financial Forecast of AT&T for the periods ending at 2016/2015/2014/2013/1012 show that the sales of the company are improving year by year with a significant growth rate. The expected sales of the first forecasted year are expected to be the 4% of the current value and then will increase 1% every year and by the end of 2016, sales growth will be 8% of the current value. Every year, stability in the sales has been expected to be achieved with an improvement. The expected net income of the company is expected to fall with consistent intervals of two years time. The core assumption behind this movement of net income is the increasing expected costs and expenses of the company of the forth-coming periods. A little variation is the assets of the company is forecasted and the levels of assets are not expected to increase or decrease significantly. The company plans to reduce the levels of its equity in the future periods with minor deductions. AT&T tries to improve the paid dividends by increasing the value slightly every year, these movements show that the organization is planning and persuading an organic growth for the future periods. The cash flow generation is likely to drop down every year due to increased expected expenses.

Due to increased expenses, the profit margins of the company will be affected and expected to fall in the future periods. The retention ratio also signifies the affect of gradual declinations of retained profits over the years and is dropping down following the same trend of Earnings of the company. The asset turnover is expected to increase due to increasing sale and reducing assets, the ratio is expected to improve continuously every year.

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The financial gearings of the company are assumed to remain stable with little variation that will make the company more predictable to the investors by consistency in the in the operational and financial sustainability of the organization. (Helfert, 2001)

#### Reference

Helfert, E. (2001). Financial Analysis: Tools and Techniques : A Guide for Managers. New York: McGraw hills.