Motorola Financial Analysis Essay, Research Paper

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Motorola

The phone rings. Your pager vibrates off the bed stand. Your PowerPC boots up for the day. Your boss calls you on your cell phone claiming that you?re late. The supercomputers that operate the streetlights in your neighborhood continue to keep your streets safe. If not for Motorola, none of these everyday occurrences would be possible.

Motorola, Inc. is headquartered in Schaumburg, Illinois with other offices throughout Illinois and the US, plus offices in China, Japan and throughout Europe. Motorola?s Semiconductor?s Products Sector designs, produces and distributes a broad line of discrete semiconductors and integrated circuits, including microprocessors, RF devices, microcontrollers, digital signal processors, memories, logic and analog circuits, and sensors. Motorola?s Cellular Subscriber Sector designs, manufactures and distributes a full range of wireless telephone products for worldwide markets. Motorola?s Cellular Network?s and Space Sector designs and manufactures equipment for wireless telephone systems, advanced electronic systems and satellite communications for commercial and government customers and is responsible for forming joint-venture telecom operating companies worldwide. Motorola?s Land Mobile Products Sector designs, manufactures and distributes analog and digital two-way radio products and systems for applications worldwide, from on-site to wide-area communications. Motorola?s Messaging, Information and Media Sector designs, manufactures and distributes a variety of messaging products, including pagers and paging systems, wireless and wireline data communications products, infrastructure equipment and systems, handwriting-recognition software products, image communications products and services, and Internet software products. Motorola?s Automotive, Energy and Components Sector designs and manufactures a broad range of electronic components, modules and integrated electronic systems and products for automotive, industrial, transportation, navigation, communication, energy systems, consumer and lighting markets. Motorola?s Computer Group designs, manufactures and distributes Mac? OS-compatible systems, computer board products and technical computer system platform products. Many of the products Motorola creates are used in everyday life unknowingly.

FINANCIAL INFORMATION-SEE APPENDIX 1

GRAPHS-SEE APPENDIX 2-5

APPENDIX 2- this graph shows that most of Motorola, Inc.?s sales are done in the US, with Europe a distant second. This is rational due to the well being of the US economy compared to foreign economies.

APPENDIX 3- this graph shows that the net sales for Motorola, Inc. have increased steadily over the past three years. This is due in part to the increase of products made available by Motorola and the increase in demand for increasingly inexpensive products.

APPENDIX 4- this graph shows earnings before income taxes. Seen next to Appendix 3, this graph seems unreasonable, however, research and development costs have increased, plus their more expensive processors? sales have decreased due to the instability of Apple, while their inexpensive cellular devices have increased. Motorola did sell more, but they also spent more than in the past two years.

Motorola, Inc. appears to be doing quite will for the 1997 fiscal year compared to their 1996 year. After the poor year in ?96, they cut programs that weren?t living up to expectations and have recently joined in several joint-venture projects including the IRIDUIM? satellite communications system. Prior to ?96, Motorola?s value was climbing steadily, but several new programs failed and their joint venture with Apple to create PowerPC Mac?s tumbled, taking their value down in ?96. Motorola is constantly producing new communications devices including, but not limited to, phones, Internet accessories, satellites, handheld computers and software that will continue to drive their value up.

As an investor, I would invest in Motorola. They are not a brilliant stock that would rise suddenly, but they are a safe, long-term investment that will prove profitable over time. The need for the devices that primarily Motorola provides will not decrease, but will instead increase with the increase of population and space colonization, thus forcing their value up slowly over time. Motorola, Inc. is a business looking towards the future.