

Walmart 

2016 Investment Community Meeting

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Update on FY 2017-2019 expectations

Financial strength

Financial framework

First half FY17 performance

Highlights

- Net sales increased +3.1%*
- Solid comps in most parts of the business
- Accelerating e-commerce growth
- Approximately \$15B - operating cash flow
- Returned ~\$8B via dividends and share repurchase

** Presented on a constant currency basis*

Financial expectations FY17

\$4.15-\$4.35

Adjusted
earnings/share*

~3%

Total net
sales growth**

~\$11B

Capital
expenditures

** Excludes the gain from sale of Yihaodian. A reconciliation of adjusted EPS to GAAP EPS can be found on the meeting event page.*

*** Presented on a constant currency basis*

October 2015 Guidance

Metrics	October 2015 guidance
Sales growth (constant currency)	\$45-60B over 3 years 3-4% CAGR over 3 years
EPS	FY17 ⬇️ 6-12% FY18 ⬆️ FY19 ⬆️ 5-10%
Operating cash flow	\$80B over 3 years
E-commerce sales growth	20-30% 3 year CAGR

Delivering against the guidance

Metrics	October 2015 guidance	Excluding <i>incremental</i> e-commerce investment*
Sales growth (constant currency)	\$45-60B over 3 years 3-4% CAGR over 3 years	● ●
EPS	FY17 ⬇ 6-12% FY18 ⬆ FY19 ⬆ 5-10%	● ● ●
Operating cash flow	\$80B over 3 years	●
E-commerce sales growth	20-30% 3 year CAGR	●

*Jet.com and incremental Walmart.com investments

Guidance update



Sales growth
(constant currency)

\$45-60B over 3 years
3-4% CAGR over 3 years



Operating
Cash Flow

\$80B over 3 years

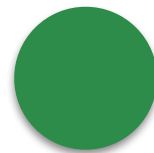
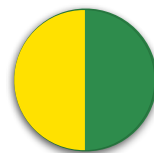
Guidance update

Including incremental
e-commerce investment*

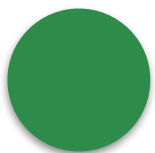
E-commerce
sales growth 20-30%
3 year CAGR

EPS

FY17



FY18-19



**Jet.com and incremental Walmart.com investments*

A position of strength...

- \$482B revenue FY16
- \$27B in operating cash flow FY16
- 260M customers served per week
- 11,500+ retail locations worldwide
- #2 most visited e-commerce website in the U.S.
- AA credit rating
- 43 consecutive years of dividend increases
- \$20B share repurchase program



A position of strength



Resources
to win



Flexibility on
how to win

Financial framework

STRONG, EFFICIENT GROWTH

- Focus on most productive growth opportunities
 - Comp growth prioritized over new stores
 - Accelerating e-commerce/marketplace

OPERATING DISCIPLINE

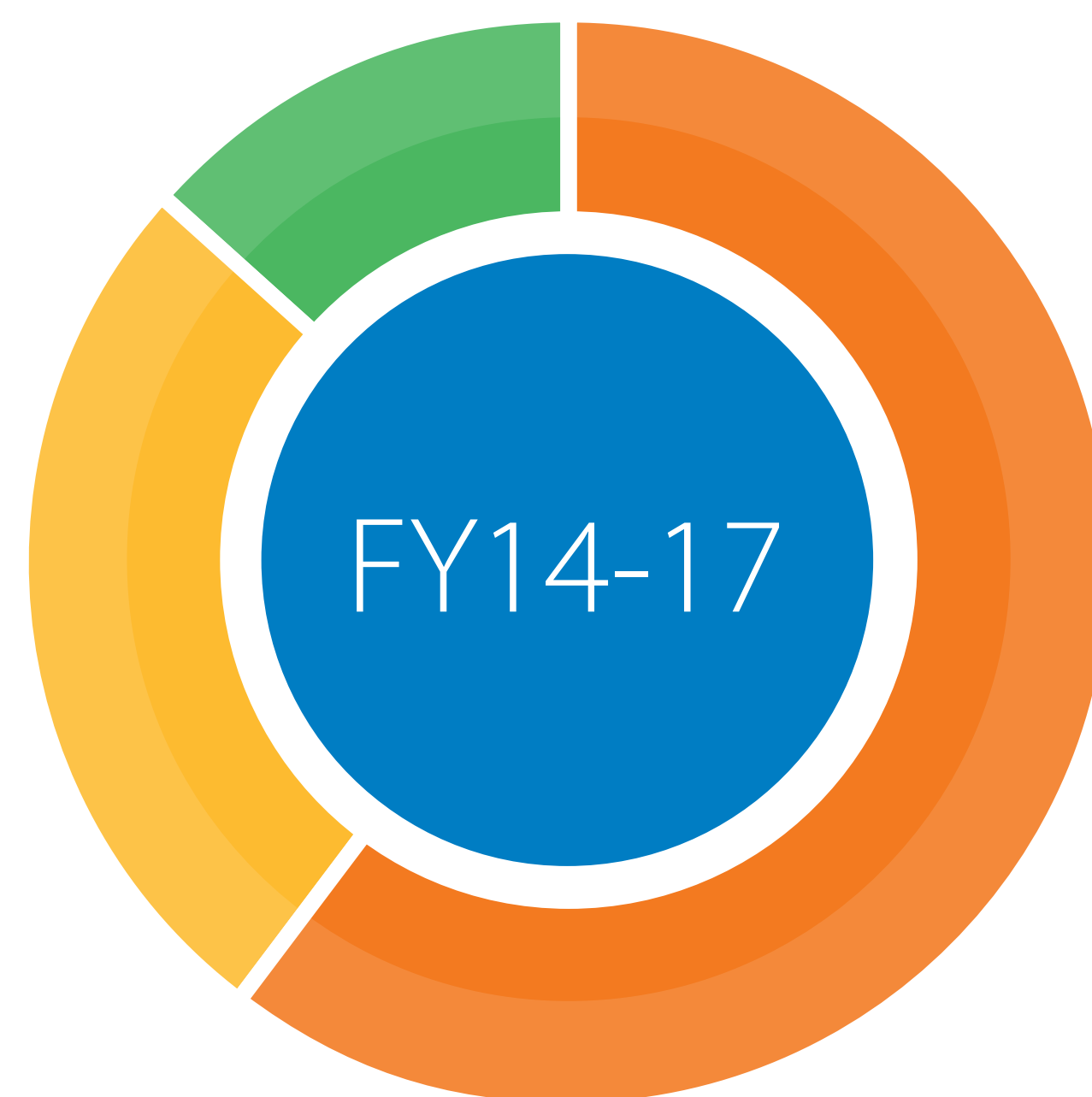
- Sustainable lowest cost to serve
- Consistent working capital management
- Technology and process focus

STRATEGIC CAPITAL ALLOCATION

- Capital alignment with long-term strategy
- Strengthen key businesses and markets
- Productivity/technology investments

STRONG,
EFFICIENT
GROWTH

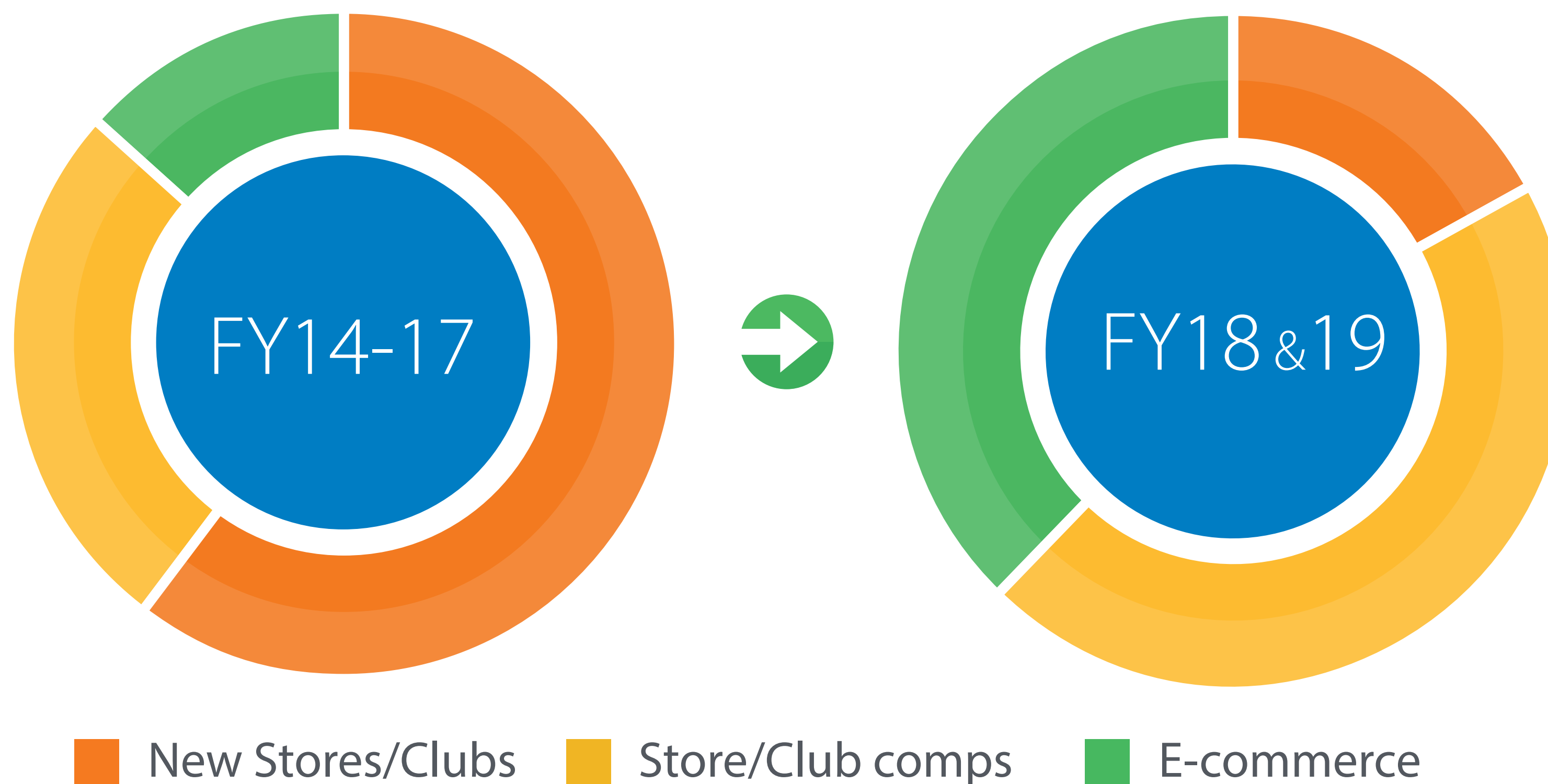
Increased sales growth through store/club comps and e-commerce



■ New Stores/Clubs ■ Store/Club comps ■ E-commerce

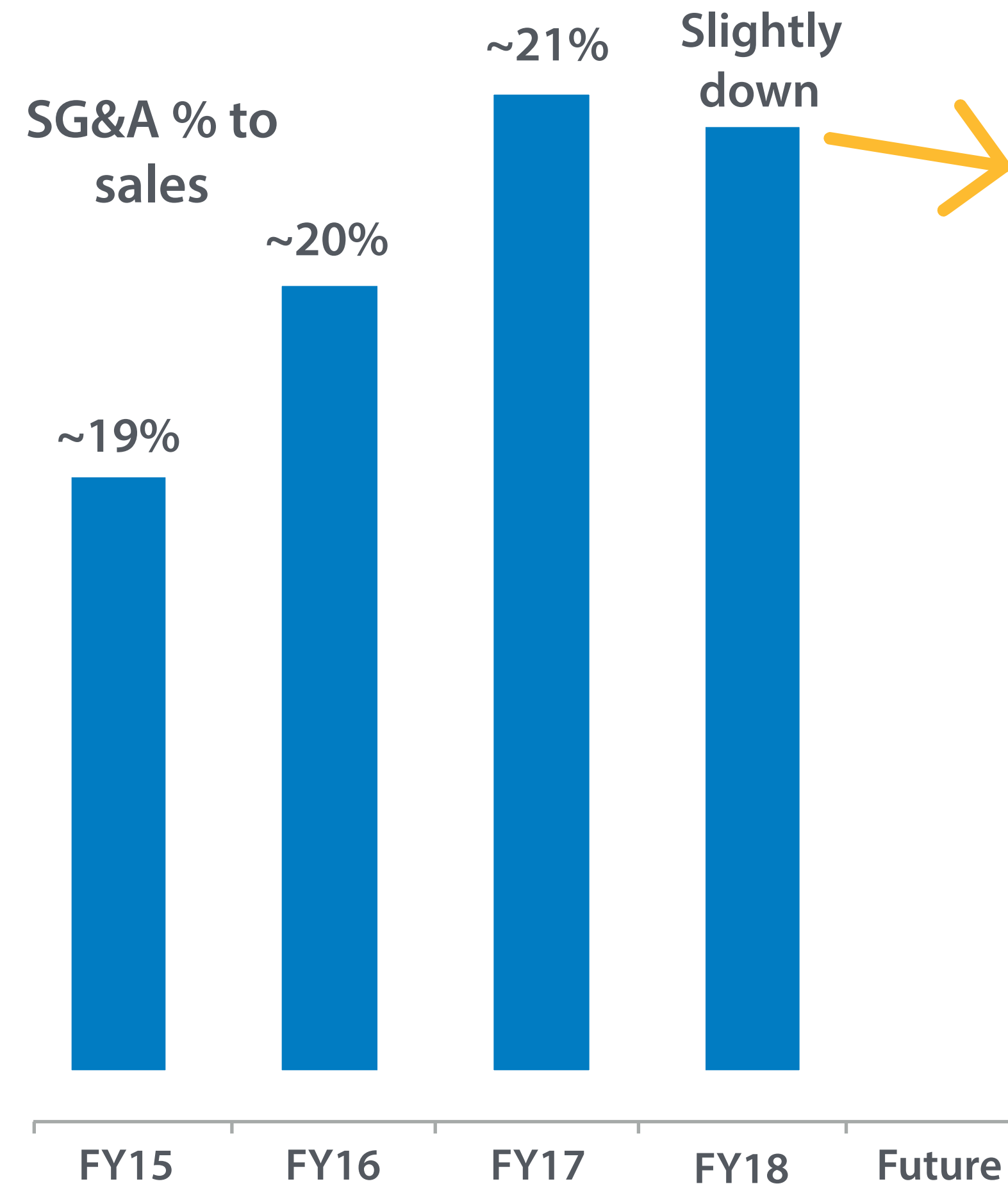
STRONG,
EFFICIENT
GROWTH

Increased sales growth through store/club comps and e-commerce



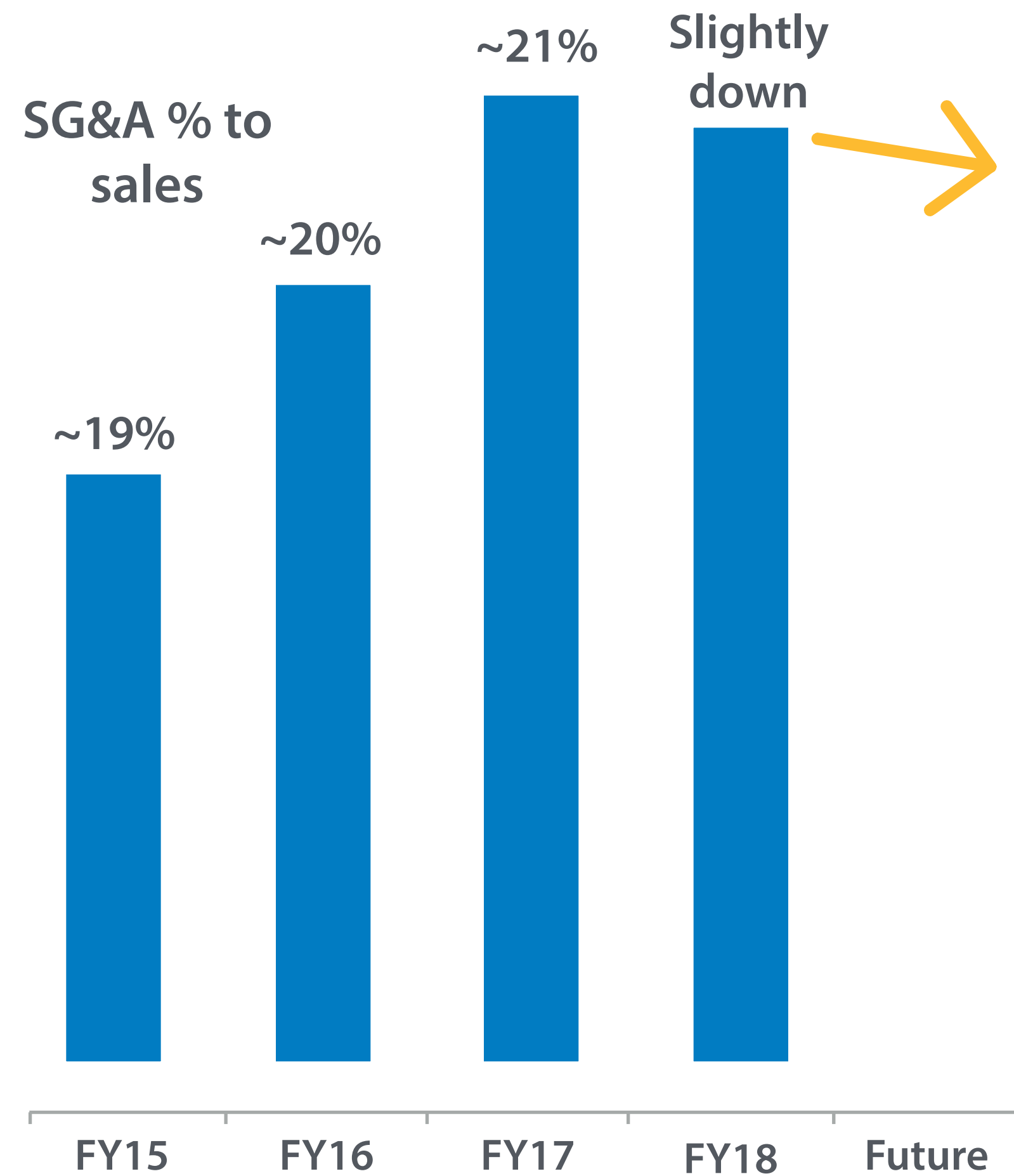
OPERATING DISCIPLINE

Disciplined expense management



OPERATING DISCIPLINE

Disciplined expense management



Bend the curve

- Rejuvenate EDLC culture
- Increase efficiency/productivity

Optimize

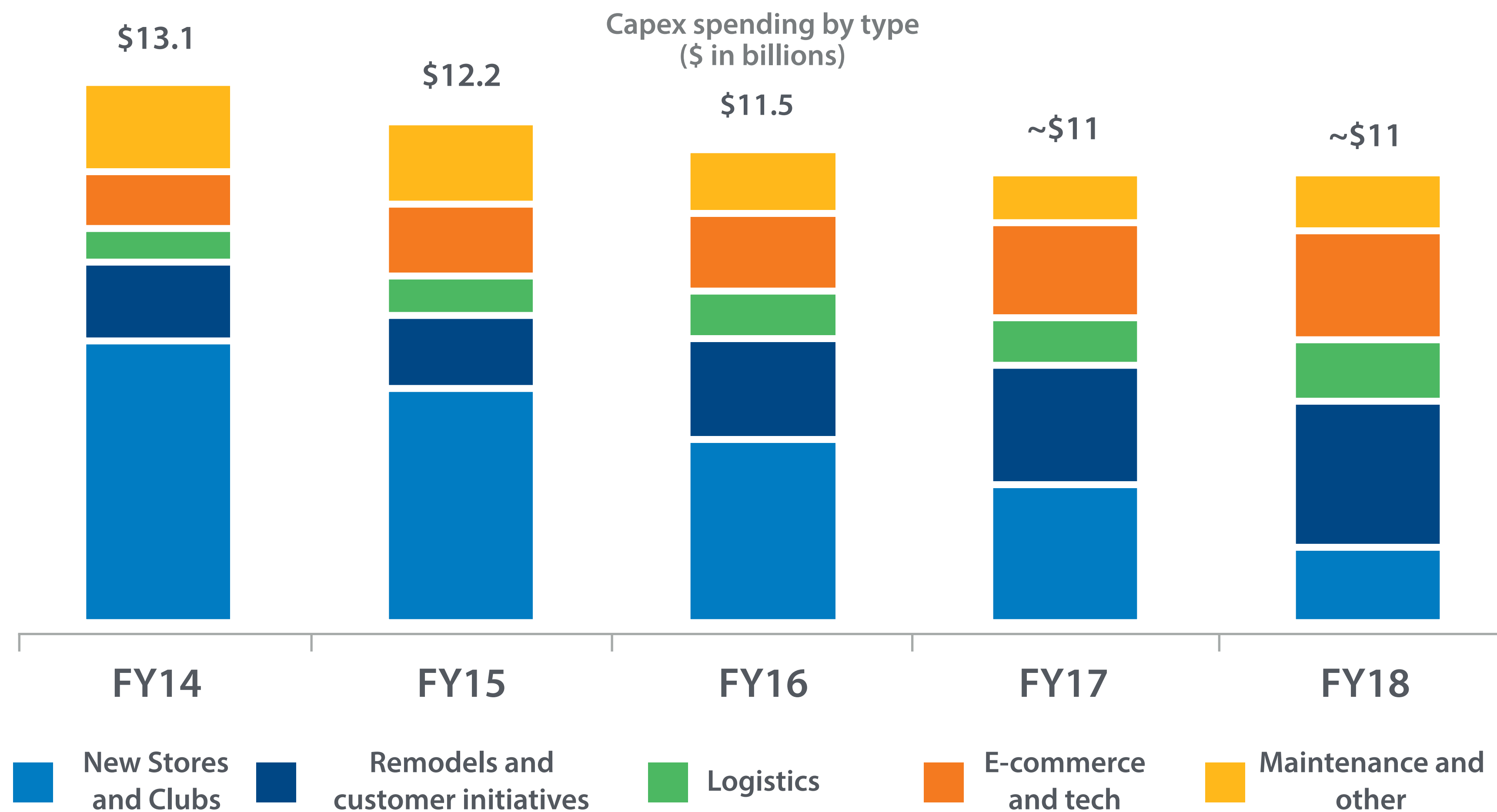
- Technology and process
- "Shared services"

Evolve

- Ways of working
- Digital transformation
- Supply chain

STRATEGIC CAPITAL ALLOCATION

Capital allocation



STRATEGIC CAPITAL ALLOCATION

Capital by segment

Capital expenditure detail

(US\$ billions)

Segment	FY17 Projected	FY18 Projected
Walmart U.S.	\$6.4	\$6.1
International	\$2.8	\$3.0
Sam's Club	\$0.6	\$0.7
Corporate and support	\$1.2	\$1.2
Total	~\$11	~\$11

Total unit growth

(Gross)

Segment	FY17 Projected	FY18 Projected
Supercenter	60	35
Neighborhood Markets	70	20
Total Walmart U.S.	130	55
International	190-210	190-220
Sam's Club U.S.	11	4
Total	~331-351	~249-279

Positioning our portfolio for the future

Acquisitions/Investments



Divestitures helping fund investments



Divestitures

Investments

Divestitures



Malls



Store closures



Sustainable earnings growth & strong returns

STRONG, EFFICIENT GROWTH

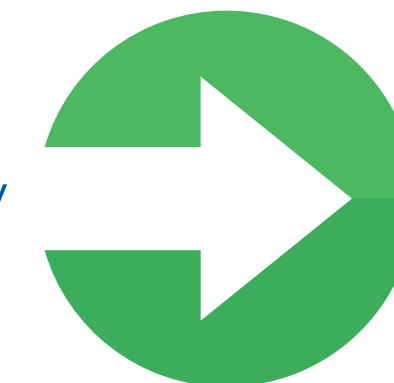
- Greater contribution from comp sales
- Accelerate e-commerce/marketplace

FY18 EPS: relatively flat

**FY19 EPS: increase
approximately 5%**

OPERATING DISCIPLINE

- Improve expense leverage
- Operating margin relatively steady
- Working capital improvement



**\$80B operating cash flow
over 3 years**

**43 consecutive years -
dividend increase**

STRATEGIC CAPITAL ALLOCATION

- Capex roughly flat
- Greater capital allocation to e-comm/tech/customer initiatives/remodels
- Fewer new stores/clubs in the U.S.
- Portfolio discipline

**Commitment to \$20B share
repurchase**



KEY TAKEAWAYS

**SOLID
FY17**

FINANCIAL
STRENGTH

FINANCIAL
FRAMEWORK

**SOLID
FY17**

**FINANCIAL
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FY17**

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