



Walmart – Flipkart Group Investor Presentation

May 9, 2018



Forward Looking Statement

This presentation, and information discussed on the related webcast call with the investment community, contains statements as to Walmart management's guidance regarding the earnings per share impact of Walmart's investment in Flipkart for the fiscal year ending January 31, 2019, and the subsequent fiscal year, revenue growth attributable to this investment, anticipated growth in eCommerce in India and other metrics for growth in India, Flipkart's future performance, and steps being undertaken to position the Walmart International business for future growth, as well as statements by Walmart about its share buyback program and its credit profile. Walmart believes such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that are intended to enjoy the protection of the safe harbor for forward-looking statements in Section 21E of the Securities Exchange Act of 1934, as amended. Assumptions on which such forward-looking statements are based are also forward-looking statements. Walmart's actual results may differ materially from the guidance provided as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and other factors, including: the closing date for Walmart's investment in Flipkart; the level of Walmart's investment in Flipkart from time to time; currency exchange rate fluctuations; changes in market interest rates; competitive pressures and other economic, geo-political, capital markets and business conditions, trends and events in India; changes in existing rules and regulations regarding foreign direct investment in the retail business in India; other changes in existing tax, labor or other law or regulations in India; and other risks, uncertainties and factors relating to Walmart's operations and financial performance discussed in its filings with the SEC. You should read this presentation in conjunction with our Annual Report on Form 10-K for the year ended January 31, 2018, and our subsequent filings with the SEC. You should consider all of the risks, uncertainties and other factors identified above and in those SEC reports carefully when evaluating the forward-looking statements in this presentation. Walmart cannot assure you that the future results reflected in or implied by any such forward-looking statement will be realized or, even if substantially realized, will have the forecasted or expected consequences and effects for or on our operations or financial performance. Such forward-looking statements are made as of the date of this presentation, and Walmart undertakes no obligation to update such statements to reflect subsequent events or circumstances.

Strategy



We Save People Money So They Can Live Better

Service to the
customer



Make every day easier
for busy families

Respect for the
individual



Change how
we work

Strive for
excellence



Deliver results and
operate with discipline

Act with
Integrity



Be the most
trusted retailer

Customers

Associates

Communities

Shareholders

Flipkart Group Investment Fits within Walmart's International Strategy



Active portfolio management

Strong North American Core

- ✓ Mexico
- ✓ Canada
- ✓ Central America

Key Growth Markets

- ✓ China
- ✓ India

Diversified Portfolio Markets

- ✓ Africa
- ✓ Argentina
- ✓ Brazil
- ✓ Chile
- ✓ Japan
- ✓ UK



Disciplined growth through differentiated customer proposition



Be the lowest cost operator



Build strong foundations

High Growth, Attractive Market Opportunity with the Local Leader



Flipkart Group Transforms Our eCommerce Opportunity in a Critical Growth Market

Market



Attractive Market & Growth Opportunity

One of the world's largest and fastest growing markets



Accelerating eCommerce Environment

eCommerce growing 4x faster than retail industry

Flipkart



The Local Leader

\$7.5 billion¹ annual GMV and 54 million active customers



Experienced & Committed Management Team

Management with strong in-country expertise



Strong Partnerships

Strong shareholder partners with successful track records of investments in Asia



Creating Value for all Stakeholders

Long-term value for shareholders, associates, Indian economy & communities

1. Gross Merchandise Value or GMV as defined by Flipkart represents the total dollar value of orders processed on its marketplaces in the period without reduction for returns.

India Is a Compelling Growth Market with Long-term Potential



9.4%

GDP CAGR over
past 10 years¹



443M

Millennials plus
393M Generation Z,
or 66% of the population²



35%

Percentage of population
using internet³; 2nd largest
internet market globally



79%

Mobile percentage of internet
traffic, vs. global average of
50%⁴



58%

Estimated smartphone
penetration by 2020 vs.
30% in 2017⁵

1. Source: CAGR calculated from World Bank reported historical GDP data 2006 to 2016 (last reported)

2. Source: Goldman Sachs "India" Consumer Close-up" which cites Euromonitor; UN population estimates

3. Source: Internet Live Stats 2016 data in PlanetRetail RNG "Ecommerce & Digital Ecosystem Management;" India market size defined by number of users

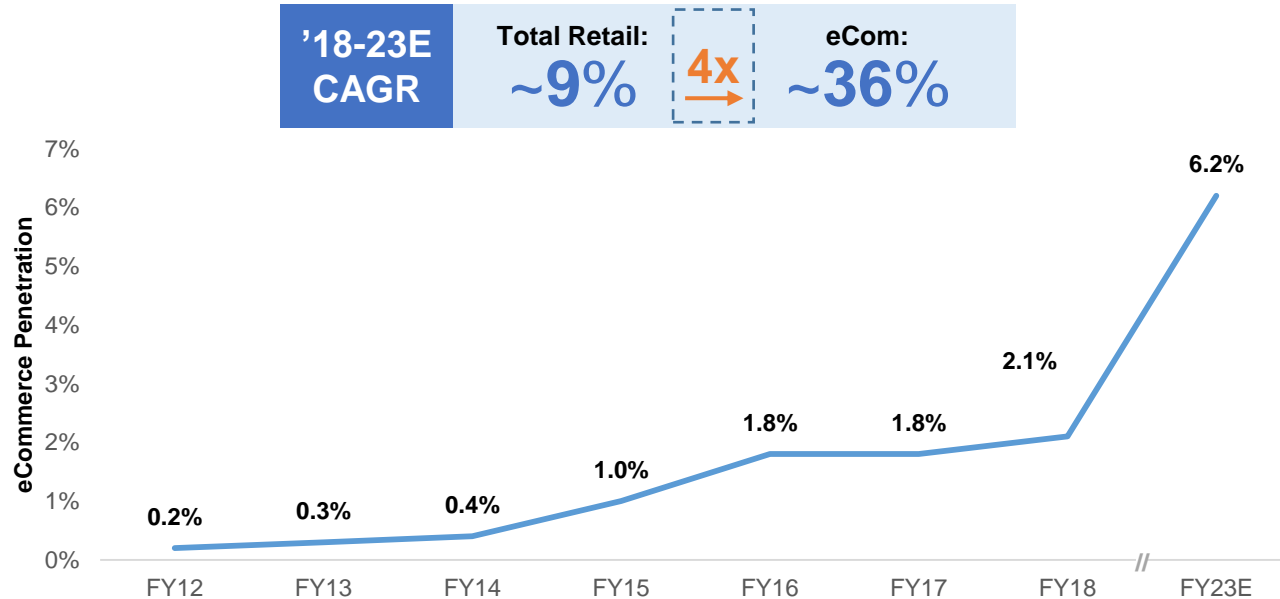
4. Source: Statcounter 2017 data in PlanetRetail RNG "Ecommerce & Digital Ecosystem Management"

5. Source: Deloitte "Digital Media: Rise of On-Demand Content"

India eCommerce Projected to Grow 4x Faster Than Total Retail over Next Five Years



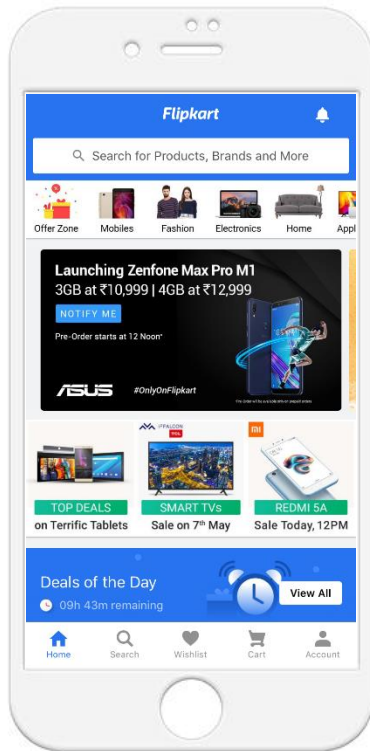
India's eCommerce vs. Total Retail Growth¹



Sources: Bain & Company estimates based on primary and secondary sources, and shall not be construed as definitive predictions or forecasts

1. Excludes services

Flipkart Group Is the Local Leader in India eCommerce



Flagship Flipkart Businesses

Flipkart

Leading India's
eCommerce transformation



Myntra and Jabong

India's leading online
fashion destination



India's Retail Landscape Derives
Support from Flipkart's Ecosystem



Technology that digital
consumers trust



Logistics arm Ekart - 500k
deliveries every day

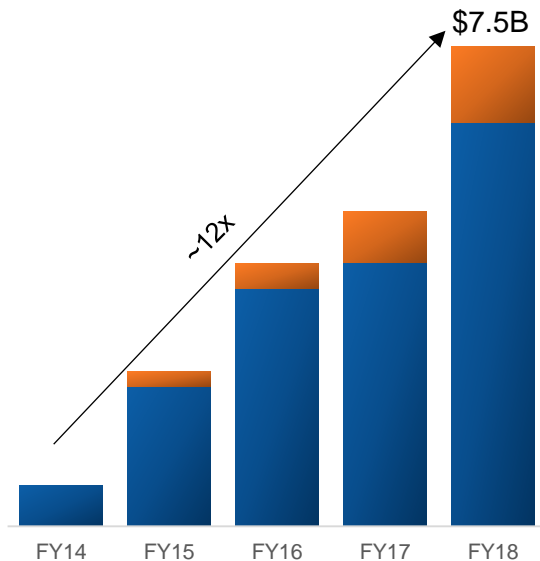


PhonePe app facilitates
seamless payments

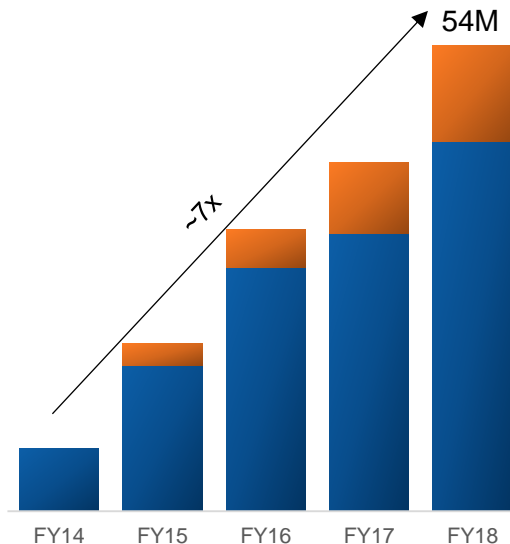
Flipkart Group Is Positioned for Significant Growth



Gross Merchandise Value (\$M)¹



Active Customers (M)²



■ Flipkart ■ Myntra and Jabong

\$7.5B¹

Annual GMV

54M

Active customers

261M

Units sold in FY18

Note: Exchange rate \$ / INR 65; Fiscal year ends 31-Mar; FY2015 has 8 months of Myntra & FY2016 has 8 months of Jabong. FY 2018 does not include eBay

1. Gross Merchandise Value or GMV as defined by Flipkart represents the total dollar value of orders processed on its marketplaces in the period without reduction for returns.

2. Active customers are customers transacting at least once in the last 12 months. Total does not exclude customer overlap between entities

Flipkart Group Maintains Leading Position in Fast Growth Categories with Significant Upside



Fashion

#1



Mobile

#1



Electronics

#2



Large Appliances

#1

**Flipkart Group
Category Rank by
GMV Share**

Source: Wall Street analysts and Bain & Company estimates based on primary and secondary sources and shall not be construed as definitive predictions or forecasts

Experienced and Committed Management Team with Strong Market and eCommerce Expertise



Binny Bansal

CEO, Flipkart Group and
Co-Founder of Flipkart

- 2017 CEO of Flipkart Group
- 2016 CEO of Flipkart
- 2007-2016 COO of Flipkart
- B. Tech in Comp. Engineering from IIT-Delhi



Kalyan Krishnamurthy

CEO Flipkart

- 2017 CEO of Flipkart
- 2016 key positions with Flipkart
- 2006-2016 key positions with Tiger Global Management and eBay Asia-Pacific
- MBA from AIM, Philippines



Ananth Narayanan

CEO of Myntra and Jabong

- 2015-2017 CEO of Myntra
- 2000-2015 Director, Managing Partner, McKinsey Chicago, Shanghai, Taipei, India
- MS from University of Michigan



Sameer Nigam

Founder and CEO of PhonePe

- 2014-2017 Founder and CEO of PhonePe
- 2011-2014 VP and SVP at Flipkart
- 2009-2012 Founded Mime360 as digital distribution platform
- MBA from Wharton Business School

Walmart Is Working with Strong Shareholder Partners



Walmart 

Tencent 腾讯

TIGERGLOBAL

 **Microsoft**

Walmart and Flipkart Group Create Value for Everyone



Customers



- Quality, affordable goods
- Easier and quicker ways to shop
- Broad product assortment

Associates



- Better opportunities
- Stronger business

Communities



- Job creation
- Support farmers and develop supply chains
- Supports women entrepreneurs

Shareholders



- Attractive growth market
- Strengthens global portfolio
- Generates long-term value
- Executes on committed international strategy

Transaction Details and Guidance



Transaction Overview and Financial Highlights

Transaction Structure

- Walmart's approximately \$16 billion investment includes \$2 billion of new equity funding, which will help Flipkart achieve its growth potential.
- Walmart initial ownership stake of approximately 77%.
- Remainder of ownership held by Flipkart's existing shareholders, including Flipkart co-founder Binny Bansal, Tencent Holdings Limited, Tiger Global Management LLC, and Microsoft Corp.
- While the immediate focus will be on serving customers and growing the business, Walmart supports Flipkart's ambition to transition into a publicly-listed, majority-owned subsidiary in the future.
- Closing expected later in FY19, subject to regulatory approval.

Financing and EPS Impact

- Finance the investment with a combination of newly issued debt and cash on hand.
- Flipkart's financials will be reported as part of Walmart's International business segment.
- Assuming the transaction closes at the end of the second quarter of this fiscal year, Walmart expects a negative impact to FY19 EPS of approximately \$0.25 to \$0.30, which includes incremental interest expense related to the investment.
- In FY20, as we look to accelerate growth in this important market, Walmart anticipates an EPS headwind in total of around \$0.60 per share, comprised of:
 - Operating losses of approximately \$0.40 to \$0.45 per share, assuming minimal tax benefit for the losses in the near to mid term. This amount includes about \$0.05 per share related to amortization of intangible assets and depreciation of short lived assets resulting from purchase accounting, which will only last for a few years post-closing.
 - Interest expense of approximately \$0.15 per share.
- In the mid to long term, as the business scales and efficiencies are realized, we expect losses to decline and returns to improve.
- Given Walmart's financial strength, we anticipate the continuation of our current share buyback program, while maintaining our strong credit profile.

Creates Significant Long-Term Value for Shareholders



Critical growth
market



A leader in
eCommerce



Local talent with
global expertise



Long-term
growth