2017 Investment Community Meeting
Moving With Speed
Doug McMillon
Walmart
Moving with speed on a stronger foundation

**Foundational improvements**

- Investment in our associates - tools and training
- Store experience - Clean, Fast, Friendly improvement
- Lowering prices
- Reducing inventory
- eCommerce assortment improvement
- Portfolio adjustments

**AUG 2015**
U.S. Store Managers receive tablets

**JAN 2015**
Added 8,000 Department Managers

**JAN 2016**
269 stores closed globally

**FEB 2016**
Moved current associate wages to $10/hour

**MAY 2016**
250th Online Grocery location in U.S.

**JUN 2016**
Uber same day delivery launched

**JUN 2015**
200th Academy opens

**JUL 2016**
Improved returns process and launched Mobile Express Returns

**OCT 2016**
Online grocery delivery in Toronto

**MAR 2017**
50th Academy opened

**APR 2017**
100th Academy opened

**MAY 2016**
500th Online Grocery location in U.S.

**SEP 2016**
Sam’s Club Scan & Go nationwide

**JUN 2016**
250th Online Grocery location in U.S.

**JUN 2015**
24-hour automated grocery pickup in Oklahoma City

**MAR 2017**
Parcel acquired

**OCT 2016**
Sold Suburbia in Mexico

**APR 2017**
269 stores closed globally

**JAN 2017**
Sold Yihaodian and invested in JD.com

**JAN 2016**
Shoebuy acquired

**JUN 2017**
Bonobos acquired

**SEP 2016**
Jet acquired 1st Pickup Tower in-store

**JAN 2017**
1st Academy opened

**JUN 2016**
50th Academy opened

**APR 2017**
U.S. Store Managers receive tablets

**JUL 2015**
200th Academy opens

**MAY 2017**
1st Academy opened

**JAN 2017**
100th Academy opened

**APR 2017**
U.S. Store Managers receive tablets

**JUN 2015**
Added 8,000 Department Managers

**JAN 2016**
8M items on walmart.com

**FEB 2016**
Moved current associate wages to $10/hour

**MAY 2016**
10M items on walmart.com

**JUN 2016**
1,100th Online Grocery location in U.S.

**PLANNED JAN 2018**
1,100th Online Grocery location in U.S.

**PLANNED JAN 2018**
1,100th Online Grocery location in U.S.

**JUN 2016**
Uber same day delivery launched

**JUN 2016**
Provided associates with mobile devices

**MAY 2016**
50M items on walmart.com

**OCT 2016**
20M items on walmart.com

**SEP 2016**
Moosejaw acquired

**FEB 2017**
SEPT 2016
JAN 2017
Walmar.t Pay nationwide

**JAN 2017**
67M items on walmart.com assorment expanded

**JAN 2017**
2-Day Free Shipping on walmart.com orders of $35 or more

**AUG 2017**
Sold Yihaodian and invested in JD.com

**FEB 2016**
Easy Reorder on walmart.com

**APR 2017**
Yihaodian and invested in JD.com

**JUN 2015**
1st Academy opened

**JUN 2016**
50th Academy opened

**APR 2017**
1st Academy opened

**JUN 2016**
100th Academy opened

**APR 2017**
269 stores closed globally

**JAN 2016**
Shoebuy acquired

**JAN 2017**
10M items on walmart.com

**JAN 2016**
Investment in our associates - tools and training

**JAN 2016**
8M items on walmart.com

**FEB 2016**
Moved current associate wages to $10/hour

**MAY 2016**
10M items on walmart.com

**JAN 2016**
1st Academy opened
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- **MAY 2017**
  - Easy Reorder on walmart.com

- **JUN 2017**
  - Began associate delivery test in 3 U.S. stores
  - Jet Fresh delivery covers approximately 50% of U.S. population
  - Bonobos acquired

- **AUG 2017**
  - Google partnership to deliver personalized voice shopping
  - Expansion of Uber same day delivery

- **SEP 2017**
  - Walmart.com assortment expanded to 67M items
  - 1,000th Online Grocery location in U.S.

- **OCT 2017**
  - Improved returns process and launched Mobile Express Returns
  - 269 stores closed globally
  - Provided associates with mobile devices

- **PLANNED JAN 2018**
  - WalmarPay nationwide
  - 1,100th Online Grocery location in U.S.
  - WalmarPay in all Sam's Clubs
  - 1,100th Online Grocery location in U.S.
Moving with speed on a stronger foundation

- **Aug 2017**: Expansion of Uber same day delivery
- **Sep 2017**: 1,000th Online Grocery location in U.S.
- **Sep 2017**: Walmart.com assortment expanded to 67M items
- **Oct 2017**: Improved returns process and launched Mobile Express Returns
- **Oct 2017**: Parcel acquired
- **Oct 2017**: 100th Pickup Tower in-store
- **Planned Jan 2018**: 200th Academy opens
- **Planned Jan 2018**: 1,100th Online Grocery location in U.S.

Foundational improvements:
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Serving our customers
Sweet spot

Customers who shop in store and become eCommerce customers spend nearly twice as much overall.

When we convert store-only customers to be eCommerce customers, they spend more in stores.

Online Grocery Pickup customers spend more overall.
The U.S. retail market

The physical market is growing, and our position is strong.

It’s also foundational to winning online grocery.

$3.1T

Grocery

$0.4T

eCommerce
Growing 14%

Stores
Growing 2%

Forrester data
eCommerce penetration by category

Forrester data

U.S. market

80%

40%

0%


Entertainment
Books
Electronics
Toys
Sports
Apparel
Pets
Home
Health and Beauty
Grocery
eCommerce penetration - grocery

Customers
- Purchase frequently
- Buy in baskets
- Price sensitive

Winning requires
- Stores close to customers
- Perishable supply chain
- Associates
- Scale
Saving customers time with delivery
Seamless grocery customer experience

- Shop in a store
- Pick it up
- Have it delivered

5,316 stores and clubs, within 10 miles of 90% of the population, supported by 147 distribution centers.

To the home, in the garage, or all the way to the fridge.
Our plan to win

Make every day easier for busy families
Change how we work
Deliver results and operate with discipline
Be the most trusted retailer
Make every day easier for busy families

✓ Price and value
✓ Be great merchants
✓ Easy, fast, friendly, and fun experience
Change how we work

✓ Invest in and empower our associates
✓ Create a high-performance culture
✓ Strengthen diversity and inclusion
✓ High-performance digital enterprise
Deliver results and operate with discipline

✓ Strong, efficient growth
✓ Consistent operating discipline
✓ Strategic capital allocation
Be the most trusted retailer

✓ Model excellence in global compliance and ethics
✓ Lead on social and environmental issues globally
✓ Contribute to the communities where we operate
✓ Tell our story more effectively
Goals and progress in sustainability

50% of our operations will be powered by renewable energy by 2025

26% of our operations powered by renewable energy last year

We will sell more sustainable products

96% of high-priority chemicals removed in products we sell at Walmart and Sam’s Club

Zero waste to landfill in 4 of our larger markets across the supply chain by 2025

77% of our global waste was diverted from landfills last year

One Gigaton of emissions removed from our supply chain by 2030
Providing opportunity and serving our communities

- $250B Commitment to American jobs – on track
- 179,000+ Veterans hired
- 225,000 U.S. associates to be trained in Academies
- $35M Committed to 2017 hurricane and disaster relief
Key takeaways

Our plan to win plays to our strengths

Moving with speed

Momentum in the business

Disciplined with costs and capital