



# Raymond James Institutional Investors Conference

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EVP & Chief Financial Officer

Walmart Inc.

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# Forward Looking Statements

Walmart includes the following cautionary statement so that any forward-looking statements made by, on behalf of, Walmart will enjoy the safe harbor protection of the PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, as amended. These forward-looking statements can be identified by their use of words or phrases such as “anticipate,” “expect,” “forecast,” “plan,” “projected,” “will be,” or similar words or phrases. Statements of our guidance, projections, estimates, expectations, plans and objectives for FY 19, including guidance regarding consolidated net sales growth, Walmart U.S. and Sam’s Club comp sales, Walmart International net sales growth, operating income, earnings per share, and Walmart U.S. eCommerce sales growth, and for subsequent fiscal years are forward-looking statements. Our actual results might differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in facts, assumptions not being realized or other circumstances or as a result of risks, uncertainties and other factors, including: economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations; changes in market interest rates and commodity prices; unemployment levels; competitive pressures; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; consumer enrollment in health and drug insurance programs and such programs' reimbursement rates; our effective tax rate and factors affecting our effective tax rate; including assessments of certain tax contingencies, valuation allowances, changes in law (including the Tax Cuts and Jobs Act of 2017), administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart’s International operations; customer traffic and average ticket in our stores and clubs and on our digital platforms; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; the amount of total sales and operating expenses in the various markets in which we operate; transportation, energy and utility costs and the selling prices of gasoline and diesel fuel; supply chain disruptions and disruptions in seasonal buying patterns; consumer acceptance of and response to our stores, clubs, digital platforms, initiatives, programs and merchandise offerings; cyber security events affecting us and related costs; developments in, outcomes of, and costs incurred in legal proceedings and investigations, including our FCPA investigation and the adequacy of our accrual made with respect to that matter; casualty and accident-related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; changes in accounting estimates or judgments; changes in existing tax, labor and other laws and changes in tax rates, trade restrictions, trade agreements and tariff rates; the level of public assistance payments; natural disasters, public health emergencies, civil disturbances, and terrorist attacks. Our most recent Annual Report on Form 10-K and subsequent filings with the SEC discuss other risks and factors that could cause actual results to differ materially from those expressed in or implied by any forward-looking statement in the presentations. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in the presentations. We cannot assure you that the results discussed in or implied by any 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. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

# We Save People Money So They Can Live Better

Service to the customer



Make every day easier for busy families

**Customers**

Respect for the individual



Change how we work

**Associates**

Strive for excellence



Deliver results and operate with discipline

**Communities**

Act with Integrity



Be the most trusted retailer

**Shareholders**

# Financial Framework

Strong,  
efficient growth

- 
- ❑ Focus on most productive growth opportunities
  - ❑ Prioritize comp and eCommerce growth

Consistent  
operating discipline

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

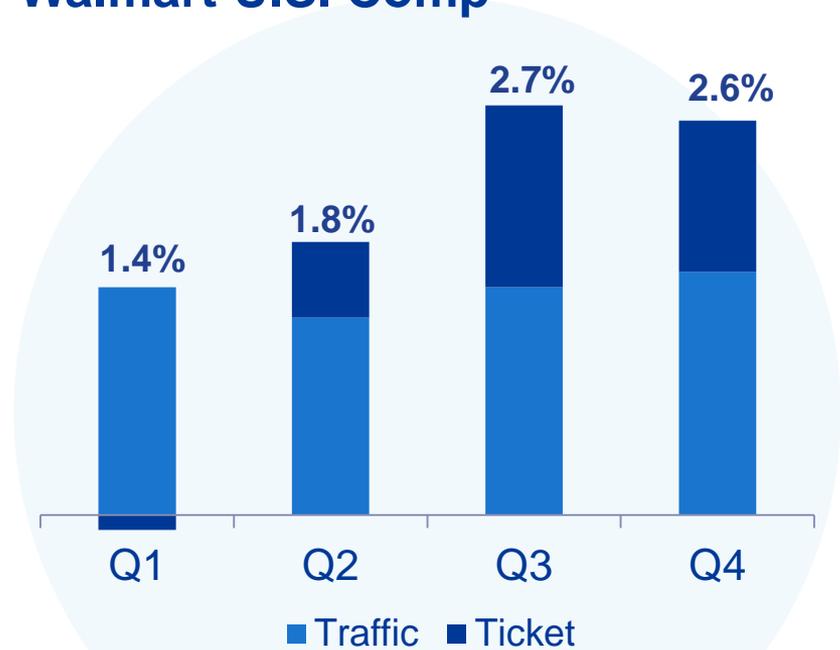
Strategic  
capital allocation

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- ❑ Capital alignment with long-term strategy
  - ❑ Strengthen key businesses, markets, and initiatives
  - ❑ Strong shareholder returns

# Good Progress in FY2018

- ❑ Total revenue surpassed \$500B
- ❑ Walmart U.S. comps<sup>1</sup>: +2.1%
- ❑ Walmart U.S. eCommerce sales: +44%
- ❑ Sam's Club comps<sup>1</sup>: +2.0%
- ❑ Positive comps: 10 of 11 International markets
- ❑ Adjusted EPS<sup>2</sup> increased 2.3%
- ❑ Solid expense management
- ❑ Generated \$28.3B in operating cash flow

## Walmart U.S. Comp



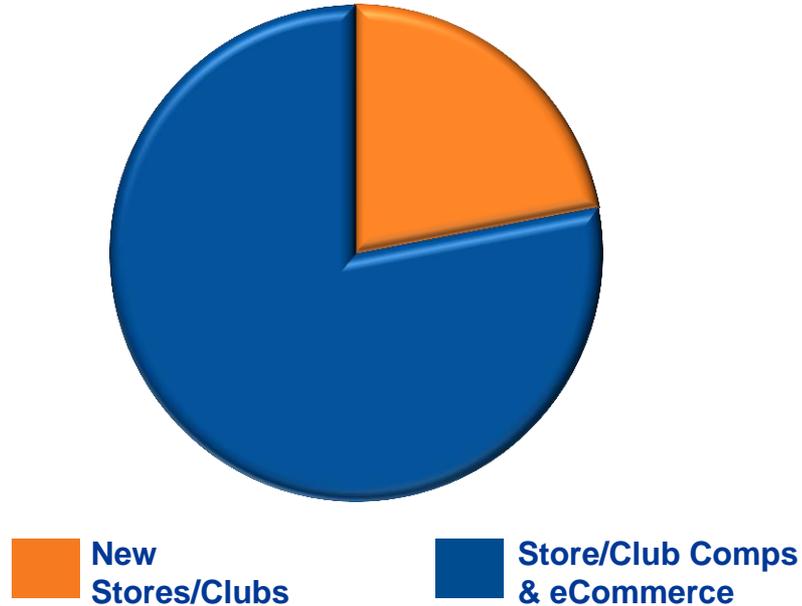
1. 52-week period ended Jan. 26, 2018, compared to 52-week period ended Jan. 27, 2017, and excludes fuel. Including fuel Walmart U.S. comp sales increased 2.2% and Sam's Club comp sales increased 3.0%.

2. See additional information regarding non-GAAP financial measures in the Company's Q4 & FY18 earnings press release on February 20, 2018. FY18 and FY17 adjusted EPS were \$4.42 and \$4.32, respectively. GAAP EPS for FY18 and FY17 were \$3.28 and \$4.38, respectively.

# Strong, Efficient Growth

Driving sales growth through comps and eCommerce

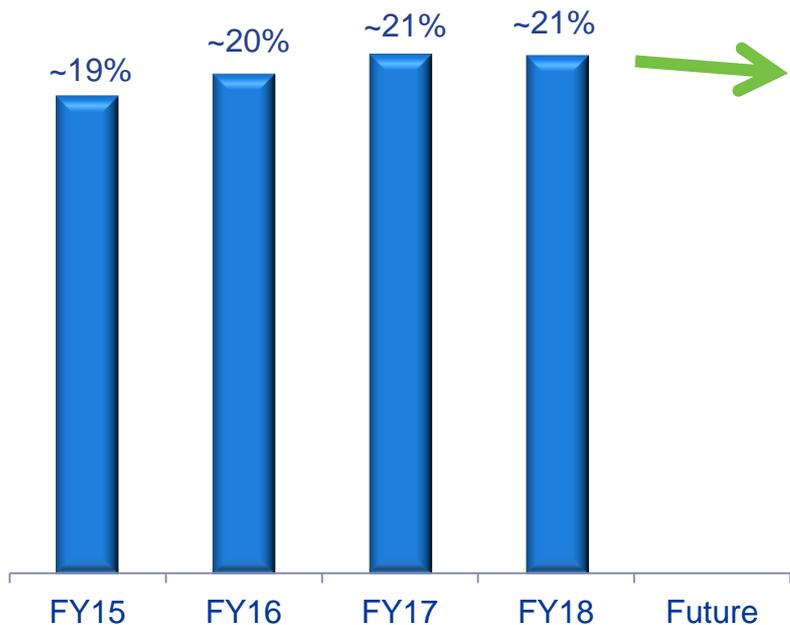
## FY18 Total Sales Growth\*



\*Excludes fuel sales and sales from Yihaodian in China from the comparable prior year period.

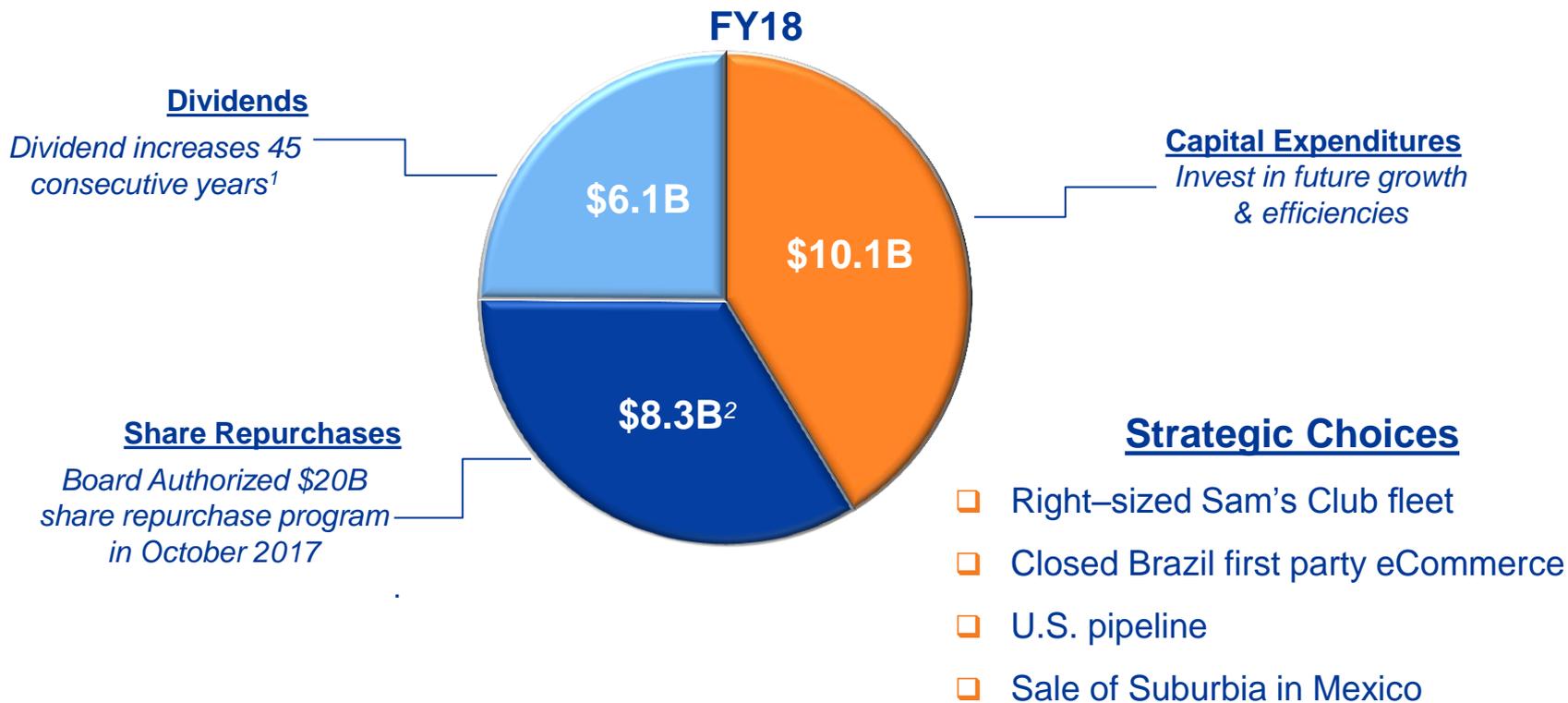
# Operating Discipline

## SG&A % to Sales



- Good progress with cost discipline:
  - Leverage in the U.S. stores and Int'l
  - EDLC culture reinforced
- Savings to be offset some in FY19 by accelerated U.S. investment:
  - Associates (wages & benefits)
  - Customers (price & experience)
  - Technology
  - eCommerce
  - Supply Chain

# Disciplined Capital Allocation



1. Announced a 2% dividend increase to \$2.08 per share for fiscal year 2019 on February 20, 2018.
2. The majority of the \$8.3B in share repurchases were made under the previous board authorization.

# Walmart U.S. eCommerce

FY18 Sales

\$11.5B



~40%

Expected FY19 growth

# Strategy to Win in eCommerce



# Select FY19 Guidance

- ❑ Consolidated net sales growth<sup>1</sup>: +1.5% to +2.0%
- ❑ Walmart U.S. comp sales<sup>2</sup>: at least +2.0%
- ❑ Sam's Club comp sales<sup>2</sup>: +3.0% to +4.0%
- ❑ Walmart International total net sales growth: around +3.0% (constant currency)
- ❑ Operating income as a percentage of net sales: approximately 4.3% to 4.4% (constant currency)
- ❑ EPS: \$4.75 - \$5.00 (+7% to +13% vs. FY18 adjusted EPS<sup>3</sup>)

1. On a constant currency basis,
2. Excluding fuel for Walmart U.S. and excluding fuel and tobacco for Sam's Club (tobacco represents a negative impact to comp sales of approximately 400 basis points). See additional information regarding non-GAAP financial measures in the Company's Q4 & FY18 earnings press release on February 20, 2018.
3. See additional information regarding non-GAAP financial measures in the Company's Q4 & FY18 earnings press release on February 20, 2018. FY18 adjusted EPS was \$4.42 and GAAP EPS was \$3.28.

# Key Takeaways

- ❑ Good FY2018 – entering FY2019 with momentum
- ❑ Driving more efficient growth
- ❑ Focused on operating discipline
- ❑ Leveraging our unique assets for the customer
- ❑ Investing to win