

Walmart Inc. (WMT)

Consumer Staples – Discount Stores

October 1, 2024

Stock Rating

HOLD

Investment Thesis

We recommend a **HOLD** rating for Walmart Inc. with a target price of \$83 (an upside of 1.7%). Walmart remains a dominant player in retail, supported by its vast scale, strong position in grocery, and ongoing investments in omnichannel capabilities. However, general merchandise margin pressure, lagging e-commerce presence, and current valuation limit short-term upside. Given these factors, Walmart offers solid long-term prospects, but with limited near-term catalysts, we recommend holding at current price levels.

Drivers of Thesis

- **Omnichannel Growth and Automation:** Walmart's investments in omnichannel and supply chain automation are expected to boost operating margins by ~50 bps by FY27, driving long-term efficiency.
- **Strong Grocery Position:** With grocery comprising 60% of its U.S. sales and its status as the dominant U.S. grocery retailer, Walmart benefits from reliable foot traffic. The grocery sector, less susceptible to online disruption, provides a stable revenue stream that insulates Walmart from volatility in discretionary categories.
- **International Growth:** Walmart's focus on high-growth markets like India (Flipkart) positions it for global expansion and potential value unlock from a Flipkart IPO.

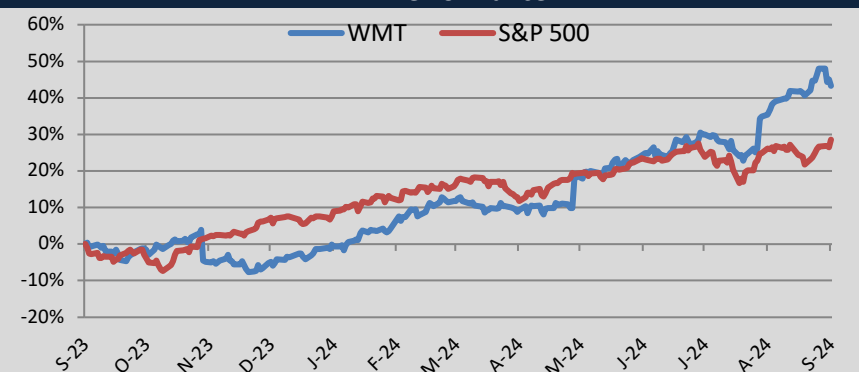
Risks to Thesis

- **Margin Pressure in General Merchandise:** Walmart faces margin pressure in general merchandise from strong e-commerce competition (Amazon).
- **Operational and Cost Challenges:** Walmart's e-commerce and third-party marketplace continue to trail Amazon. While Walmart's investments have improved its digital capabilities, it remains challenging for the company to compete at the same level as Amazon in terms of third-party seller offerings, fulfillment, and revenue generation.
- **Trading at Historic Premiums:** Recent price appreciation has largely priced in the company's future growth, which may limit near-term upside potential in the stock's value.

Earnings Estimates

Year	2022	2023	2024	2025E	2026E	2027E
EPS	\$ 1.63	\$ 1.43	\$ 1.92	\$ 2.45	\$ 2.72	\$ 3.07
HF est.				\$2.51	\$ 2.90	\$ 3.9
Growth	2.70%	-12.43%	34.27%	30.80%	15.38%	6.77%

TTM Performance



Target Price

\$75 - 90

Henry Fund DCF	\$83
Henry Fund DDM	\$80
Relative Multiple	\$77

Price Data

Current Price	\$81
52wk Range	\$50 - 81
Consensus 1yr Target	\$81

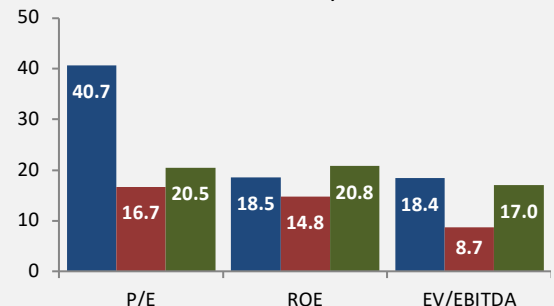
Key Statistics

Market Cap (B)	\$635.5
Shares Outstanding (M)	8,038
Institutional Ownership	35.1%
Beta	0.5
Dividend Yield	1.1%
Est. 5yr Growth	13.2%
Debt/Equity	0.73
Price/Earnings (TTM)	40.7
Price/Earnings (FY1)	32.0
Price/Sales (TTM)	1.0
Price/Book (mrq)	7.4

Profitability

Operating Margin	4.7%
Profit Margin	2.3%
Return on Assets (TTM)	7.0%
Return on Equity (TTM)	18.5%

■ WMT ■ Industry ■ Sector



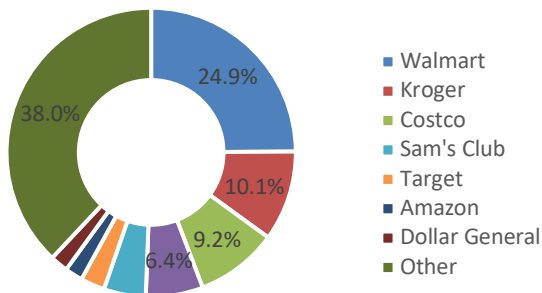
Company Description

Founded in 1962, Walmart quickly became one of the world's most recognized retail chains. By 2024, it has expanded to 19 countries with around 10,600 stores, serving over 250 million customers weekly. Walmart is a dominant force in both U.S. and international markets, operating Walmart-branded stores and Sam's Club (a membership-based warehouse). The company continues to improve its omnichannel capabilities, integrating in-store and digital experiences for customers.

COMPANY DESCRIPTION

Walmart is one of the largest retailers globally with over 5,200 domestic stores and 5,200 international stores, generating over \$648 billion in annual revenue (FY24). Walmart has cemented its position as a retail leader despite the fragmented and highly competitive retail landscape. The company's success is largely due to its proximity to most U.S. consumers with nearly 90% of the population living within 10 miles of a Walmart store. Walmart locations offer a large range of products at low prices which make it a convenient one-stop shop for consumers. This vast footprint, coupled with Walmart's omnichannel capabilities, enables it to reach customers through both physical stores and online platforms, driving consistent foot traffic and sales. Its store base (which is more than double that of competitors like Target) gives Walmart a significant advantage, as 20% of total sales for major consumer goods companies like General Mills, Kraft Heinz, and Clorox flow through Walmart's network.

Grocery Market Share US (2023)



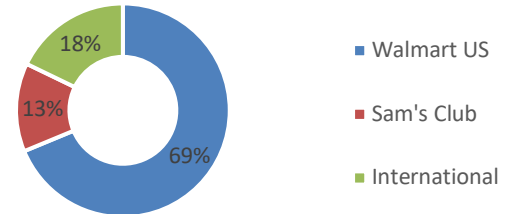
Source: Statista

Walmart is the dominant player in the U.S. grocery market, with a 25% market share, outpacing competitors like Kroger, Costco, and Target. Groceries account for about 60% of Walmart's U.S. sales which helps ensure consistent revenue even in times of economic uncertainty (Over 90% of its U.S. stores offer grocery items). Walmart continues to grow in the e-commerce space with 37% market share in online grocery sales. The company's ability to combine physical storefronts with online fulfillment options like curbside pickup and home delivery has been a key advantage in the grocery space. Walmart's private-label brands, such as Great Value and Spring Valley, account for

20% of domestic sales and help benefit the company's overall margins.

Revenue Overview

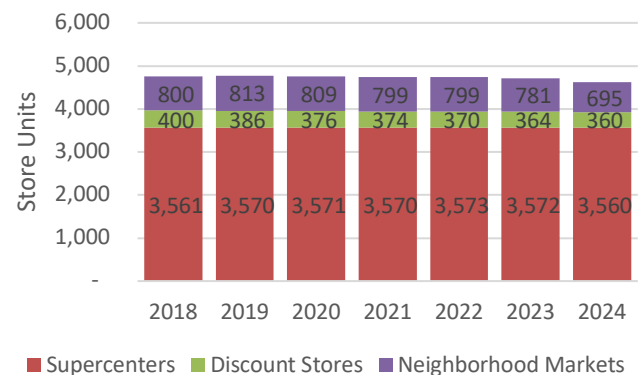
Revenue Segmentation-Net Sales (2024)



Source: WMT – 10k³

The majority of revenue stems from Walmart U.S., which contributes around 70% of net sales. This segment includes supercenters, discount stores, and neighborhood markets. Supercenters are Walmart's largest and most diverse stores, offering groceries and general merchandise (driving the bulk of domestic revenue). Discount stores focus on general merchandise at lower prices, while neighborhood markets are smaller stores aimed at providing convenient access to fresh groceries and essentials.

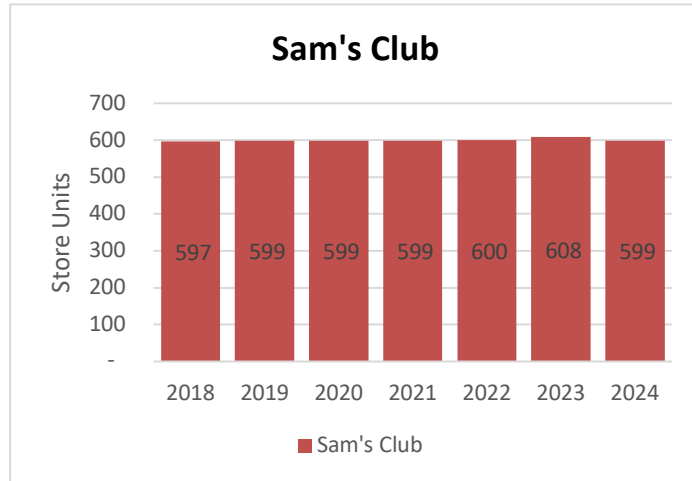
Walmart US



Source: WMT – 10k³

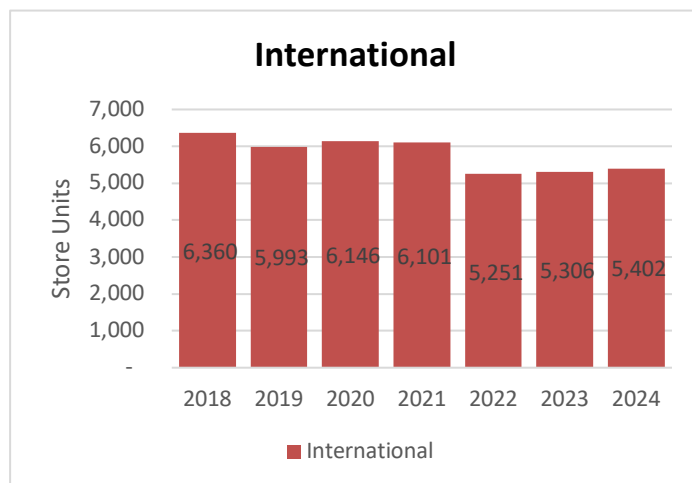
The next segment, Sam's Club, a membership-based warehouse club, represents roughly 14% of total revenue. The warehouse operates on a subscription model where customers pay annual fees to access bulk products at discounted prices. Membership fees are an additional

source of income and help bolster margins, with Sam's Club seeing strong membership growth in recent years. We forecast strong growth in this segment, as Walmart management has revealed plans to increase the store count by 30 locations over the next few years. These new stores should help drive growth beyond same-store sales and improve competition with Costco.



Source: WMT – 10k³

Walmart International makes up about 16% of total revenue, operating in 19 countries with key markets in Mexico, Canada, China, and India through its investment in Flipkart. Though international sales have been less profitable historically, Walmart's focus on high-growth markets provides long-term potential.

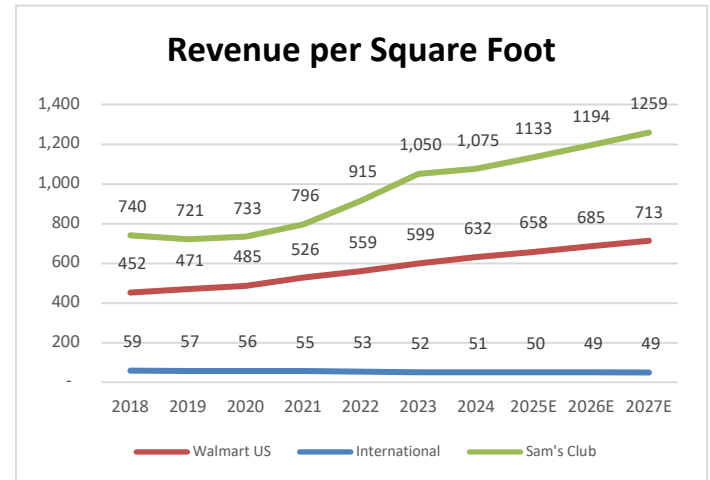


Source: WMT – 10k³

In addition to these segments, Walmart generates revenue from membership fees, advertising services, and financial services like money transfers and prepaid cards (especially

from the Walmart+ program and Sam's Club memberships) which accounts for ~1% of total revenue.

Revenue per Square Foot



Source: WMT – 10k³

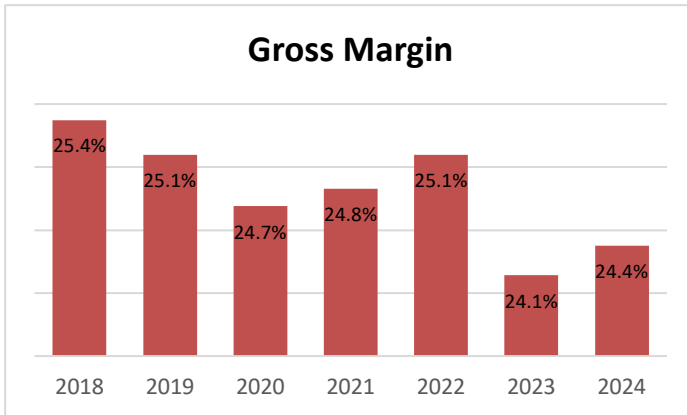
Walmart's revenue per square foot continues to show strong growth (out pacing inflation and resulting in organic growth), particularly in Sam's Club and Walmart U.S. Supercenters, which we expect to be the main drivers of future revenue. Looking forward, we believe Sam's Club will maintain its momentum due to the rising popularity of bulk purchasing and membership growth, while Walmart U.S. Supercenters will continue to drive revenue per square foot through enhanced omnichannel capabilities and expanded e-commerce offerings. These two segments will be critical in driving overall growth.

In contrast, International revenue per square foot remains relatively flat, projected to hover around \$49-\$52 over the next three years. This is due to Walmart's ongoing investments in building out infrastructure (particularly in China and India) where the company is focusing on establishing the needed resources to support itself. We anticipate that once these investments mature, international revenue will reaccelerate, with strong growth expected to start in FY28.

Cost Structure Overview

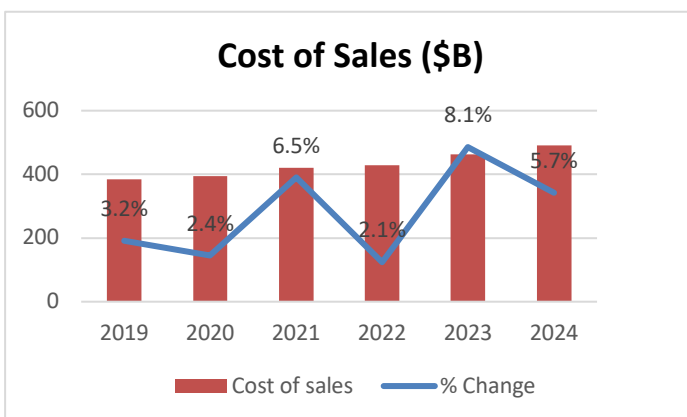
Walmart's cost of sales represents a significant portion of its overall expenses (75.6% of total revenue), as it encompasses the direct costs associated with the goods it sells, including procurement, transportation, and warehousing. Given Walmart's leadership in the grocery

and general merchandise sectors, which are typically low-margin categories, the company faces pressure on its gross margins.



Source: WMT – 10k³

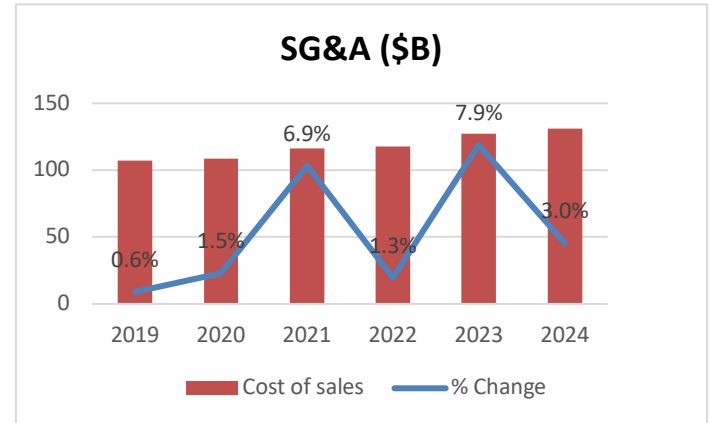
In recent years, Walmart has worked to manage its cost of sales through improved supply chain efficiencies and automation in its distribution network. By optimizing its massive logistics and supplier network Walmart can negotiate better terms with suppliers, which helps contain cost inflation. Management also suggest that automation will reduce reliance on labor and help cut down on wage expenses. Wages represent around 50-60% of Walmart's operating expenses, making it a major cost driver. Additionally, Walmart's investments in private-label products (like Great Value) contribute positively to margins as these products typically come with better profit margins compared to branded goods.



Source: WMT – 10k³

Walmart's SG&A expenses have steadily risen as the company continues to invest in e-commerce infrastructure, technology, and wage increases to retain

employees (particularly in its stores and fulfillment centers). These costs include wages, store operations, marketing, and administrative expense. In recent years, Walmart has invested heavily in omnichannel initiatives, including expanding its digital presence, automating its supply chain, and enhancing customer experience through Walmart+ and pickup services.



Source: WMT – 10k³

Additional Company Analysis

Flipkart

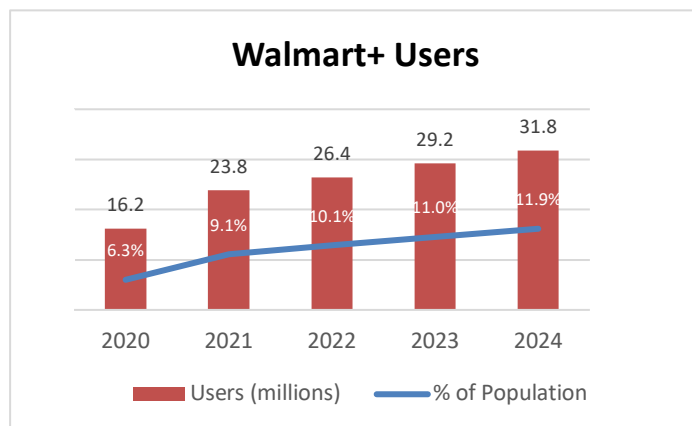
Walmart's investment in Flipkart, one of India's largest e-commerce platforms, is a key part of its international growth strategy. Flipkart offers consumers a range of goods from electronics to groceries. In 2018, Walmart acquired a majority stake in Flipkart for \$16 billion to position itself to tap into India's rapidly growing e-commerce market. Growth in India is driven by increasing internet access and usage, along with a growing middle class. Flipkart provides Walmart with access to a fast-expanding digital retail space in one of the world's most populous countries.

Since the acquisition, Flipkart has seen significant growth, and Walmart continues to invest in the platform's development, including logistics, supply chain infrastructure, and new services like digital payments through PhonePe (a Flipkart subsidiary). Walmart sees Flipkart as a long-term growth driver, and there is potential for further expansion through an eventual public offering. Although Flipkart is not yet profitable, Walmart's management is confident in its path to profitability, citing expanding positive contribution margins on a quarterly basis. For FY2023, Flipkart Internet reported a 42%

increase in operating revenue to \$1.78 billion, while narrowing its total losses by 9% to \$480 million.

Walmart+

Walmart+ is the company's subscription-based membership program launched in 2020 as a direct competitor to Amazon Prime. Priced at \$98 per year, Walmart+ offers members various perks, including free unlimited deliveries from stores, free shipping, fuel discounts at select gas stations, and access to the Paramount+ streaming service. Walmart+ plays a pivotal role in Walmart's efforts to boost customer loyalty and digital interaction as consumers increasingly shift to online shopping. The service also utilizes Walmart's strong physical presence with many orders fulfilled through local stores via same-day delivery or curbside pickup, leveraging the company's existing network. Over time, Walmart has expanded the program's offerings, positioning itself as a direct competitor to Amazon in the online retail industry.



Source: WMT – 10k³

The growth of Walmart's e-commerce platform has also driven higher demand for advertising space on the Walmart Marketplace. Walmart's advertising business, known as Walmart Connect, currently represents ~1% of the company's total revenue. In 2023, the average cost per click (CPC) for a Walmart Marketplace ad was \$0.54, notably lower than Amazon's \$0.82. However, Walmart's CPCs saw a significant 28% year-over-year increase, highlighting rising competition among advertisers and growing traffic on Walmart's digital platforms (compared to a 2% decrease in Amazon's CPC). Despite being a small portion of overall sales, it is a high-margin segment that significantly contributes to profitability growth and helps boost Walmart's bottom line.

Although Walmart+ is still growing, management emphasizes its role in improving the customer experience, creating a more consistent revenue stream, and strengthening Walmart's omnichannel capabilities by integrating online and in-store operations.

Recent Divestitures

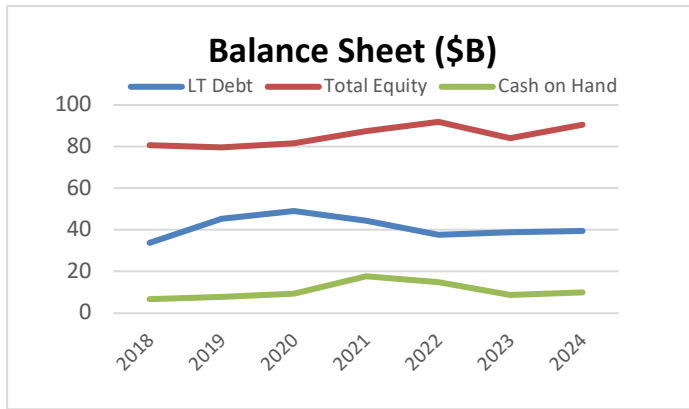
In recent years, Walmart has made several significant divestitures to streamline operations and focus on higher growth markets. In 2021, Walmart sold its majority stake in the UK-based grocery chain Asda to TDR Capital and the Issa brothers, marking its exit from the UK. This followed earlier divestitures, including the sale of its majority stake in Japan's Seiyu and its operations in Argentina. These moves reflect Walmart's decision to pull back from less profitable and/or challenging markets, allowing it to concentrate on regions with greater growth potential (such as India with Flipkart).

Consumer Breakdown

Walmart's diverse consumer base spans a wide range of income groups with its core customers traditionally coming from middle and lower-income households. These price conscious consumers are attracted by the company's prices and value-driven offerings. In recent years, Walmart has also successfully attracted more affluent consumers, particularly during times of economic uncertainty when price sensitivity increases. Additionally, Walmart's investments in e-commerce and its Walmart+ membership program are helping the company gain ground with consumers who prioritize online shopping and home delivery services.

Debt Maturity Analysis

Walmart's debt strategy has shown an increase in leverage over recent years while still maintaining a strong balance sheet. The company's debt-to-capital ratio rose to 40.6% in 2023 (calendar year), compared to 38.5% in 2022, highlighting an increase in the use of debt financing to fuel growth (investments in technology, supply chain, and international expansion).



Source: WMT – 10k³

The rise in Walmart's total debt raises slight concerns about leverage, but it should be viewed in the context of Walmart's strong cash flow generation and ability to service debt. Walmart's EBITDA-to-interest expense ratio, at 15.0, helps prove that the company comfortably generates operating income to cover its interest obligations multiple times over. This high interest coverage ratio highlights Walmart's solid operational performance and suggests that the company is in no immediate risk of financial distress despite the uptick in leverage.

Five-Year Debt Maturity Schedule	
Fiscal Year	Payment (\$mil)
2025	3,447
2026	2,600
2027	3,483
2028	1,760
2029	3,458
Thereafter	24,831
Total	39,579

Source: WMT – 10k³

ESG Analysis

ESG Peer Comparison		
Company	Risk Score	Risk Rating
COST	25.9	Medium
WMT	23.3	Medium
TGT	17.1	Low
KR	23.2	Medium
DG	21.1	Medium
DLTR	18.8	Low

Source: Sustainalytics¹⁸

Walmart has made notable progress in ESG initiatives, committing to zero emissions by 2040 and sourcing 100% renewable energy by 2035. The company is also focused

on waste reduction, aiming to divert all waste from landfills in key markets.

Walmart's biggest ESG weakness is often cited as its labor practices and employee wages. These concerns have raised questions about Walmart's social responsibility, particularly in comparison to other large employers who have taken more proactive steps. While these issues are an ESG weakness, it is unlikely to materially impact the business in the near term due to the company's market position, global reach, and customer base.

RECENT DEVELOPMENTS

Recent Earnings Announcement

In Walmart's fiscal 2025 second-quarter earnings (reported 8/15/2024), the company reported EPS of \$0.67, slightly exceeding the mean estimate of \$0.65, resulting in a 3.7% earnings surprise. The company once again demonstrated strong top-line growth, with comparable sales increasing by 4.2% in Walmart U.S. and 5.2% in Sam's Club. This growth was primarily driven by an increase in transaction volume and the company's success in attracting high-income households to its stores (a trend we expect to continue throughout the year). Walmart's operating margin also improved, with the Walmart U.S. segment margin rising to 5.7%, thanks to efficiencies in omnichannel fulfillment and growth in higher-margin revenue streams such as advertising, which saw a 30% increase in the U.S.

Walmart's grocery and health and wellness segments continued their upward trajectory, with grocery growing by mid-single digits and health and wellness up by double digits. The Sam's Club segment saw comparable sales growth of 5.2%, which was driven by a 6% increase in volume, with strong performance across all product categories. Additionally, membership fee income surged by 14%, supported by record-high penetration of Sam's Club's membership tier (which we believe positions the segment for further growth).

Walmart's updated guidance for FY2025 includes projected net sales growth of 3.75% to 4.75%, adjusted operating income growth of 6.5% to 8.0%, and adjusted EPS in the range of \$2.35 to \$2.43. This compares to our estimates, where we forecast net sales of \$690 billion, slightly above the upper end of Walmart's guidance. Additionally, our projected EPS of \$2.52 exceeds

Walmart's updated guidance range. We believe that management's guidance is conservative, particularly in light of the macroeconomic environment, and we believe buy-side estimates currently pricing in forecasts similar to our own.

2021-2023 Inflation Surge Impact

The recent period of heightened inflation had a mixed impact on Walmart by influencing both its cost structure and consumer behavior. On one hand, rising prices in labor, transportation, and raw materials increased Walmart's operational costs, putting pressure on margins. In particular, the cost of goods sold, especially in categories like grocery and household essentials, rose as inflation drove up the prices of inputs and supply chain expenses. However, Walmart was able to offset some of these pressures through its scale, leveraging its supplier network to negotiate better terms and implement cost efficiencies. On the consumer side, inflation caused a shift in shopping habits, as more price-conscious customers turned to Walmart's low-price offerings to meet their essential needs. Walmart's strong positioning in grocery and everyday low prices attracted new and higher-income customers seeking value in an inflationary environment. This shift in consumer behavior allowed Walmart to maintain strong sales growth, even as discretionary spending on general merchandise declined.³

INDUSTRY TRENDS

Looking ahead, the retail industry is expected to experience steady growth driven by the expansion of e-commerce and investments in omnichannel. The global retail market is projected to grow at a CAGR of around ~5-6% through 2027, with the e-commerce portion expected to grow at a significantly higher rate of ~12-15% CAGR. This growth is largely fueled by the increasing shift toward digital shopping, with more consumers opting for the convenience of online purchases. Traditional retailers are positioning themselves to take advantage of these developments by investing in omnichannel infrastructure, offering consumers a seamless shopping experience across online and in-store.

Grocery and essential goods remain key growth drivers for the retail industry (especially in times of economic uncertainty) as consumers will prioritize necessities over discretionary spending. The grocery retail sector is

expected to grow at a CAGR of 4-5%, with a focus on innovation in delivery services and private-label products.

E-Commerce and Omnichannel Retail

Retailers are combining online shopping with in-store experiences to enhance customer convenience in response to increased demand. This is apparent in the increase of click-and-collect services, curbside pickup, and same-day delivery options. Walmart has invested heavily in developing its omnichannel capabilities by integrating its vast network of physical stores with its growing digital presence. The Walmart+ membership program aims to rival Amazon Prime by providing perks such as free delivery, fuel savings, and streaming service access.



Source: Statista

Walmart's e-commerce sales have been growing faster than Amazon's over the past five years due to its online grocery strength and focus on digital retail. Although Amazon still dominates the market with around 40% share compared to Walmart's less than 10%, Walmart's growth trajectory has been impressive, surpassing \$100 billion in global e-commerce sales in 2023. Between 2022 and 2023, Walmart made significant strides in enhancing its e-commerce logistics capabilities. As of the FY23, Walmart operates 34 e-commerce fulfillment centers in the United States (compared to Amazon with ~110), up from 31 the previous year. Internationally, the number of distribution centers grew from 83 in 2022 to 100 in 2023. Additionally, Walmart's store infrastructure serves as a crucial asset in supporting its omnichannel operations as they enable fast fulfillment and last-mile delivery. By using its stores as fulfillment centers, Walmart can reach a significant portion of the U.S. population quickly, creating a competitive edge in terms of delivery speed and convenience. These investments in digital capabilities, along with leveraging its physical infrastructure, are

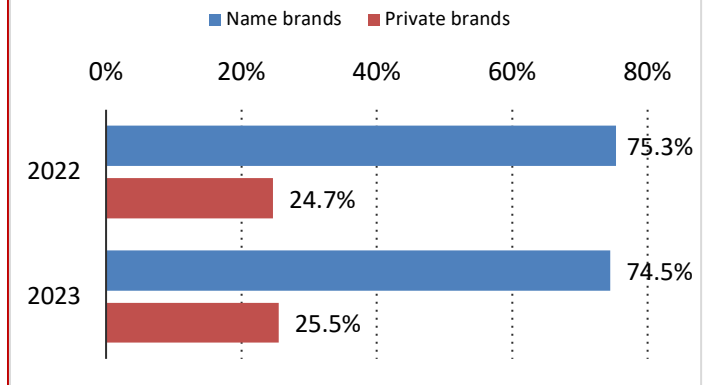
helping position Walmart as a formidable competitor to Amazon in the e-commerce space.

Private Label Brands

The trend of private labels and trade downs has become increasingly significant in the retail industry as more consumers look for value-driven alternatives amid economic uncertainty and inflation. In 2023, private label products accounted for 20.7% of grocery industry unit sales, setting an all time high according to data from the Private Label Manufacturers Association. Store brands gained ground on national brands with private label sales reaching a record \$236 billion (up nearly 5% YoY). This growth highlights the growing consumer preference for private label products as inflationary pressures led to increased price sensitivity. Retailers like Walmart are capitalizing on this trend by expanding their private label offerings. Walmart's private labels have become key drivers of both market share and margin expansion. In fact, 33% of Walmart shoppers report that they frequently purchase private label brands, significantly higher than shoppers at competitors like Target (20%) and Amazon (14%). This focus on private label products allows Walmart to offer competitive prices while benefiting from higher profit margins compared to national brands.

The trend of trading down (where consumers opt for lower-priced alternatives during times of economic pressure) has accelerated private label growth. More consumers are switching to private label products not just for savings, but also due to a perception of higher value. 57% of consumers believe that private labels offer above-average value for their price. Even as inflation moderates, this shift is expected to be sticky, with 51% of consumers indicating they would continue purchasing private labels even if grocery prices decline. This trend highlights the lasting impact of economic pressures on consumer behavior and the growing importance of private labels for retailers to maintain market share and profitability.

Unit Share US



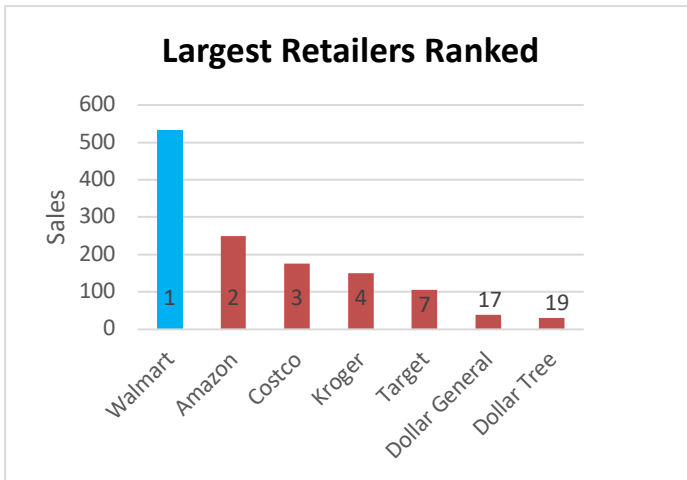
Source: Statista

Automation and Supply Chain Efficiency

Automation and supply chain optimization are important drivers in the retail industry's ongoing transformation. To maintain competitiveness, retailers are expected to aggressively invest in these areas to maintain their edge. An example is Walmart's partnership with Symbotic, a robotics and automation company, which has allowed Walmart to implement advanced technology in its warehouses, enabling faster sorting and restocking of products. This system assists Walmart in making sure that popular products (especially in its grocery department) are consistently in stock for customers, reducing item shortages and improving the overall shopping experience. Additionally, Walmart's integration of AI-driven analytics in its supply chain has optimized last-mile delivery, reducing transportation costs and improving delivery times.

MARKETS AND COMPETITION

The Consumer Staples - retail industry is led by key players like Amazon, Walmart, Target, Kroger, Costco, Dollar Tree, and Dollar General. These companies offer a broad range of products, including groceries, household items, personal care products, and everyday necessities.



Source: Statista

Our outlook for the retail space is positive, driven by consumers shopping closer to home and seeking value amidst inflation. The industry is evolving beyond traditional retail with growth in higher-margin services such as advertising, fulfillment, subscriptions, and data monetization. Cost pressures, particularly in transportation and freight are easing, although challenges in inflation, ongoing wage pressures, and weak discretionary sales remain. While store traffic is strong for consumable products like groceries and household items, consumers are buying fewer items per trip, suggesting the impact of higher prices. Additionally, discretionary categories continue to struggle. Retailers are increasingly relying on private-label brands and online platforms to drive margins, and we also expect discounts and promotions to increase in 2024 as costs ease.

Competition Forces and Industry Structure

- **Rivalries:** The retail industry is highly competitive and fragmented with firms competing around pricing, customer experience, and innovation. Retailers invest heavily in omnichannel capabilities like same-day delivery and curbside pickup to meet consumer expectations and find an edge. The rise of e-commerce has intensified the rivalry, as seamless shopping experiences are now essential. Constant pressure to offer low prices, alongside the need for technological advancements, makes the industry fiercely competitive and fast evolving.
- **Entry Barriers:** The retail sector presents significant entry barriers due to economies of scale, extensive logistics networks, and significant investments in infrastructure. Established retailers like Walmart and

Amazon have developed massive distribution centers, proprietary technology for logistics, and omnichannel platforms. These factors make it challenging for new entrants to match the pricing power, efficiency, and reach of the giants. Additionally, maintaining a physical store presence with fulfillment capabilities further raises costs for new entrants aiming to compete.

- **Supplier/Customer Powers:** Major retailers wield substantial influence over suppliers due to their size and purchasing power, allowing them to secure favorable terms. However, customer preferences are pivotal in shaping the industry. With the rise of e-commerce and increased demand for personalized shopping experiences, retailers must adapt quickly to changing consumer behaviors (highlighted in the recent struggles of DLTR and DG). Trends like the shift toward private-label products, and seamless online/offline shopping experiences (e.g., curbside pickup, same-day delivery) are forcing retailers to innovate to retain consumers.⁹

Peer Comparisons

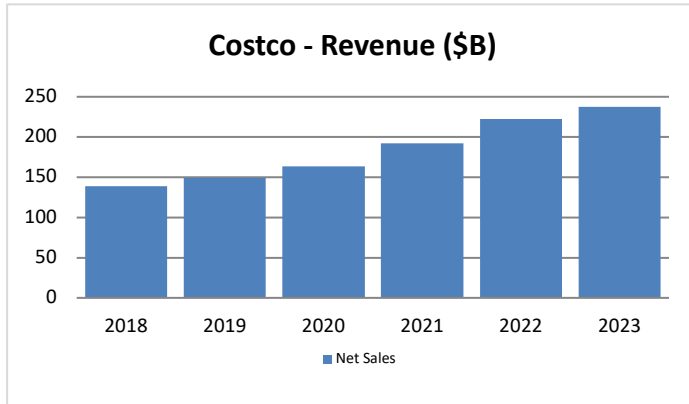
Company	Stores	Total Sq. Ft. (Millions)	Revenue per Sq. Ft. (\$)	Membership
WMT	10,600	1,050	610	Yes
AMZN	500	N/A	N/A	Yes
COST	860	120	1,450	Yes
KR	2,700	180	505	Yes
TGT	1,900	240	440	Yes
DG	19,000	175	250	No
DLTR	16,000	130	215	No

Source: Company 10k's

Costco Wholesaler Corp. (COST): 39.40% YTD

Costco operates membership-based warehouses, focusing on bulk sales and providing value to its members through low prices. Known for its private-label brand Kirkland Signature, Costco leverages its bulk purchasing power to negotiate favorable terms with suppliers (which helps maintain competitive pricing). The company's strategy is centered around driving membership renewal and growth, with membership fees contributing significantly to its bottom line. Costco typically has higher operating margins than traditional retailers because of its membership-based revenue system, minimal operating costs, and effective store layouts. In terms of growth, Costco has steadily expanded both its physical stores and online operations, however, its online presence still lags behind some rivals. Costco still sees advantages from loyal customers who

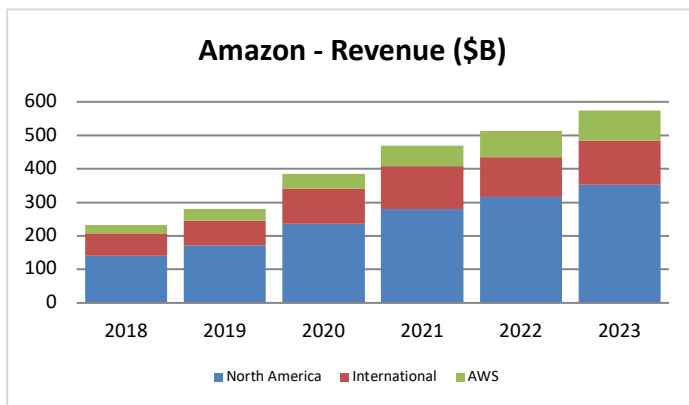
usually look for deals on large quantities of products, especially in the areas of groceries and household necessities. Its business model is well-positioned to weather economic fluctuations, as consumers often turn to Costco for savings during times of financial uncertainty. However, Costco's growth potential is somewhat limited by its membership model and reliance on physical stores.



Source: COST-10k⁴

Amazon.com, Inc. (AMZN): 27.79% YTD

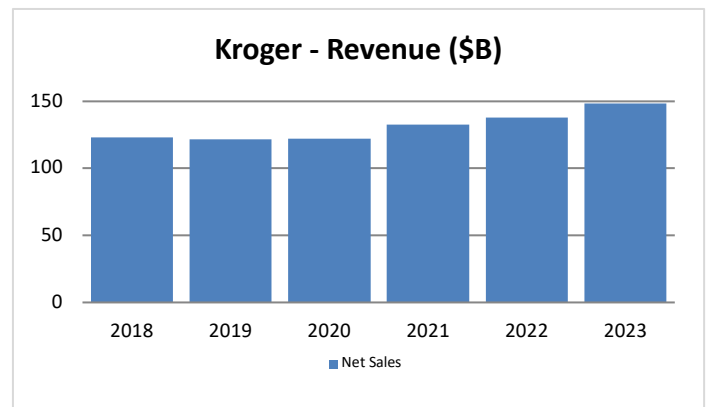
Amazon dominates the e-commerce market, holding around 40% of U.S. market share. The Prime membership program is a key driver, with over 200 million members globally benefiting from free shipping and exclusive services. Amazon's extensive logistics network and investment in AI and automation enable faster and more efficient delivery than its peers. In addition to its dominance in e-commerce, Amazon has expanded into physical retail with the acquisition of Whole Foods and the launch of Amazon Fresh grocery stores. Despite these moves, Amazon's reliance on third-party sellers remains a core component of its success.



Source: AMZN-10k⁵

The Kroger Co. (KR): 19.71% YTD

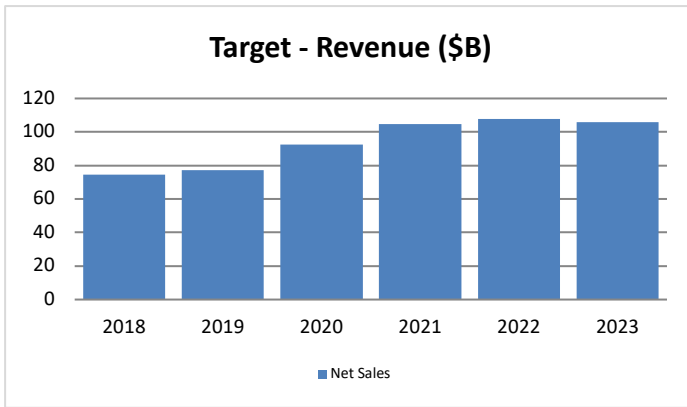
Kroger is one of the largest grocery chains in the U.S., operating ~2,700 stores across the country. These include traditional supermarkets, department stores, and discount stores, offering a wide variety of fresh foods, household goods, and private-label products. Kroger's private labels (such as Simple Truth and Kroger-branded items) are a key driver of its profitability (which offer higher-margins). Despite these strengths, Kroger operates in a low-margin sector where pricing pressure and competition are intense, particularly from discount retailers and big-box stores. However, its scale, store network, and investment in loyalty programs (like Kroger Plus) give it some leverage to retain customers.



Source: KR-10k⁶

Target Corp. (TGT): 8.14% YTD

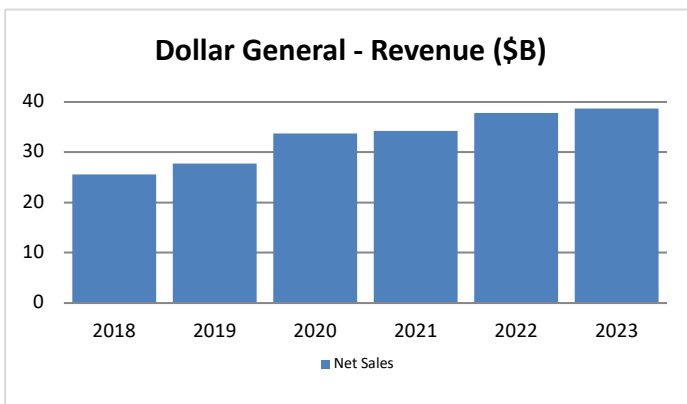
Target's focus is on providing a unique shopping experience, blending affordability with quality across a wide range of product categories, including apparel, home goods, electronics, and grocery. Operating over 1,900 stores across the United States, Target has built a customer base among middle and upper-income shoppers, by positioning itself as a more upscale alternative. However, Target's reliance on discretionary categories such as apparel, furniture, and home decor makes its business more vulnerable to economic fluctuations compared to retailers that focus on grocery and other essential goods. Due to economic uncertainty, consumers are spending less on non-essential items, leading to a decrease in the number of people visiting Target stores. Target's business model heavily depends on in-store visits, and any significant reduction in traffic will directly impact revenue.



Source: TGT-10k⁷

Dollar General Corp. (DG): -38.75% YTD

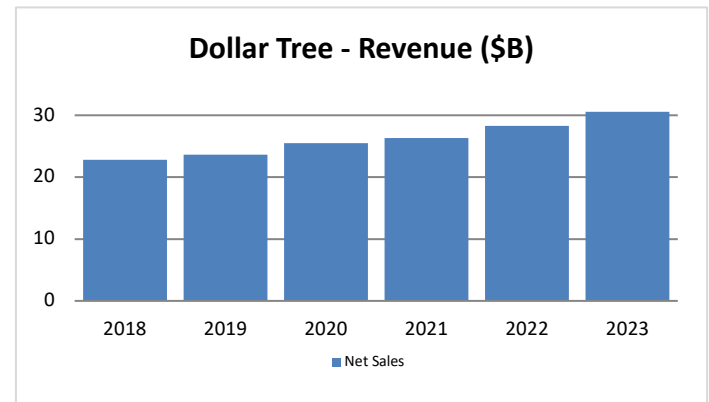
Dollar General is a leading discount retailer, serving low to middle-income consumers with affordable essentials like food, household items, and personal care products. With over 19,000 stores across the U.S. (primarily in rural and underserved areas) its small-format stores allow for rapid expansion in areas where it often faces limited competition. The company's success is driven by its small-format stores, which are cheaper to operate and allow for quick expansion. Dollar General's emphasis on value and low prices has made it more resilient during periods of economic uncertainty, as consumers often trade down to more affordable options. One of the primary struggles has been weaker than expected sales growth as inflation persisted. While Dollar General typically benefits from price sensitive shoppers, inflationary pressures on core consumers have led to lower spending per trip and a decline in discretionary purchases. Additionally, Dollar General has been losing market share as consumers seek better value at competitors who offer lower prices on essential goods.



Source: DG-10k⁸

Dollar Tree Inc. (DLTR): -49.68% YTD

Dollar Tree is another major player in the discount retail sector that operates over 16,000 stores across the United States and Canada. Known for its traditional \$1 pricing model (recently raised to \$1.25 for most items), Dollar Tree caters to value conscious shoppers. Dollar Tree offers a wide variety of household essentials, party supplies, and seasonal goods at low prices. In recent years, Dollar Tree has faced significant challenges. One of the most notable issues is the impact of inflation on its business model. As costs for goods, labor, and transportation have risen, Dollar Tree was forced to raise its standard price point for most items. While this helped offset rising costs, it also worked to alienate its core customer base, which is highly price sensitive. Similarly to Dollar General, Dollar Tree has been facing increased competition and has been losing market share as consumers seek better value at competitors who offer a better value proposition. The company has also been slower to invest in e-commerce and omnichannel capabilities, which has left it lagging behind competitors that are capitalizing on the shift toward online.



Source: DLTR-10k⁹

Capital Structure Analysis

Company	Debt / Equity	Debt Rating	Beta	Debt / Assets
WMT	73.12	AA	0.53	24.30
AMZN	76.56	AA-	1.15	29.28
COST	42.05	AA	0.79	15.27
KR	165.71	BBB	0.46	38.11
TGT	158.17	A	1.24	38.38
DG	268.05	BBB	0.44	53.61
DLTR	142.03	BBB	0.87	47.16

Source: FactSet

Compared to peers, Walmart and Costco maintain conservative balance sheets with strong credit ratings which reflects their position as lower-risk investments. Amazon takes on more leverage to support its capital-intensive growth strategy while still maintaining a strong balance sheet. In contrast, Kroger, Target, Dollar General, and Dollar Tree operate with considerably higher leverage, relying heavily on debt to finance operations and growth. While these companies may effectively use debt to expand, their higher financial risk is noticeable. The most apparent is Dollar General, which shows the most aggressive use of leverage. These companies face increased exposure to interest rate changes and economic downturns (especially in more price-sensitive or discretionary segments).

Profitability Analysis

TTM (%)				
Company	Gross Margin	Operating Margin	Pretax Margin	Net Margin
WMT	24.38%	4.17%	3.37%	2.39%
AMZN	46.98%	6.54%	6.53%	5.29%
COST	12.26%	3.35%	3.50%	2.60%
KR	20.15%	3.30%	1.89%	1.43%
TGT	25.38%	5.41%	4.93%	3.85%
DG	30.29%	6.34%	5.48%	4.29%
DLTR	30.42%	2.28%	-3.23%	-3.26%
5 Year Avg. (%)				
Company	Gross Margin	Operating Margin	Pretax Margin	Net Margin
WMT	24.63%	4.41%	3.39%	2.39%
AMZN	42.68%	5.13%	4.95%	4.30%
COST	12.68%	3.46%	3.34%	2.50%
KR	20.14%	2.71%	1.90%	1.48%
TGT	25.76%	6.16%	5.55%	4.36%
DG	31.09%	8.72%	8.14%	6.35%
DLTR	30.24%	6.53%	4.38%	3.25%

Source: FactSet

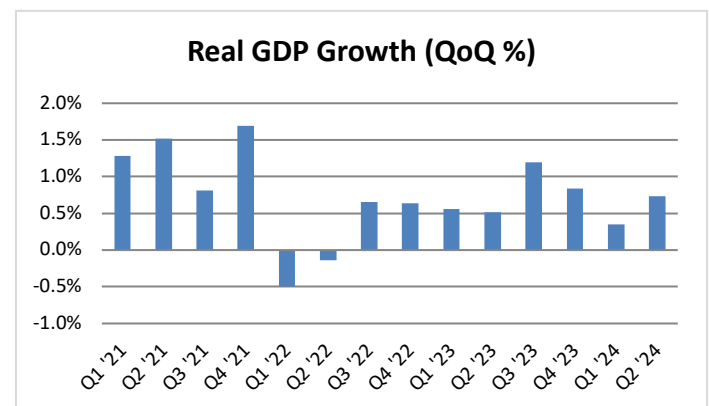
Companies focused on grocery and essentials (WMT, COST, and KR) tend to have lower gross and operating margins as they operate on high volume and low margins. In contrast, e-commerce companies (AMZN) enjoy significantly higher gross margins due to high-margin services and scalable operations. Discount retailers (DG and DLTR), while benefiting from higher gross margins, face challenges in maintaining consistent profitability, particularly those undergoing strategic changes. Retailers with a more diverse product mix (TGT), including discretionary items, tend to have stronger margins, although they are more susceptible to economic pressures that affect consumer spending.

ECONOMIC OUTLOOK

The US economic outlook remains relatively strong despite concerns surrounding growth and interest rate policy. After a slow start in the first quarter of 2024, GDP growth rebounded to a solid 3.0% in the second quarter, and the economy is expected to expand by 2.7% for the year. Consumer spending has been robust, supported by the potential for continued interest rate cuts by the Federal Reserve, which may further boost household debt and consumption. Business investment is also predicted to grow, driven by initiatives like the Inflation Reduction Act and the CHIPS and Science Act, which will continue to fuel investments in structures, machinery, and IP. Inflation, which fell below 3.0% in July, is expected to continue declining, while the Federal Reserve is likely to reduce interest rates by 100 basis points by year-end. Despite slowing labor force participation and a slight rise in unemployment, the broader economic outlook remains positive, with real GDP forecasted to grow steadily.

Economic Growth

The U.S. economy is projected to grow at a steady pace, with real GDP expected to increase by 2.7% in 2024 and moderate to 1.5% in 2025 as inflation continues to decline and the Federal Reserve begins cutting interest rates. Consumer spending (a key driver of economic growth) is forecasted to rise 2.4% this year, bolstered by a likely easing of monetary policy that will support increased consumption.



Source: FRED ¹⁴

As the largest retailer in the U.S., Walmart is well-positioned to benefit from steady consumer spending growth as households regain purchasing power with potential interest rate cuts. Walmart's focus on low prices

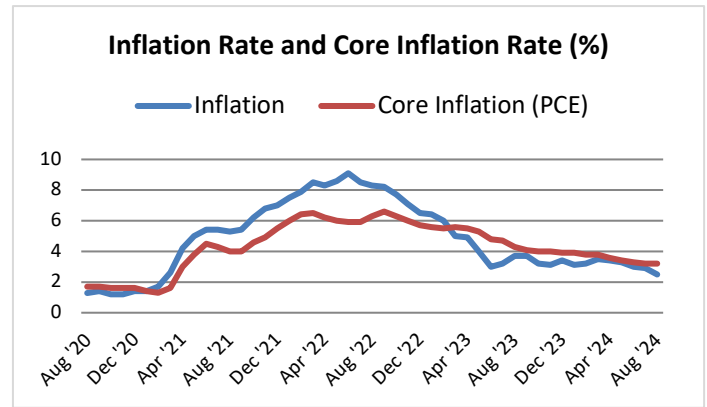
and essential goods makes it resilient in periods of economic uncertainty or slower growth where consumers tend to trade down to more value-oriented retailers. However, the projected moderation in GDP growth in 2025 could temper overall consumer demand, particularly in discretionary categories, impacting Walmart's higher-margin product sales.

Monetary Policy

The Federal Open Market Committee has signaled it will continue to reduce the federal funds rate following the latest 50 basis point cut (which brings the target range to 4.75% - 5%). This decision reflects the FOMC's growing confidence that inflation is moving closer to its 2% objective while economic activity remains strong. According to the Fed's dot plot projections, policymakers expect an additional 50 basis points of rate cuts by the end of 2024, bringing the federal funds rate to a range of 4.25-4.5%, with further cuts planned for 2025 to lower rates to 3.25-3.5%. Despite these planned cuts, borrowing costs are expected to remain historically elevated for some time.

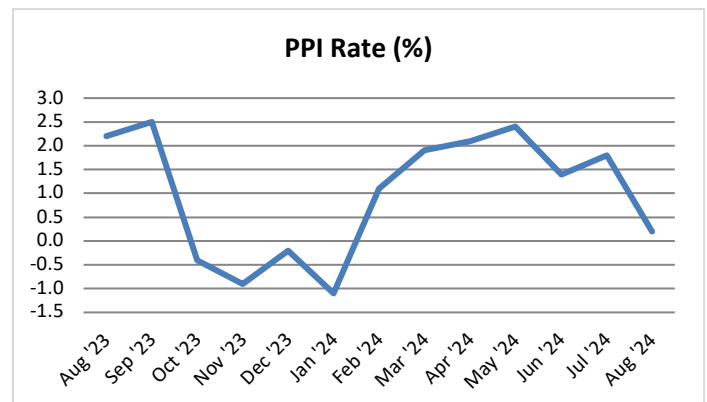
Inflation

Inflation has been a central issue for the U.S. economy over the past couple of years, reaching multi-decade highs due to a confluence of factors. The surge in inflation began in 2021, driven by pandemic-related supply chain disruptions, labor shortages, and significant increases in commodity prices like oil and food. These issues were compounded by pent-up consumer demand following the pandemic lockdowns and unprecedented levels of fiscal and monetary stimulus. As a result, inflation rose sharply, with both headline inflation and core inflation (excluding food and energy) climbing well above the Federal Reserve's 2% target. To combat rising inflation the Federal Reserve started an aggressive cycle of interest rate hikes in 2022, which has helped to moderate inflation. However, core inflation (driven by services and wage growth) has remained more persistent. As inflation begins to recede, the Federal Reserve has signaled a potential shift towards monetary easing, with continued gradual interest rate cuts expected in the near future.



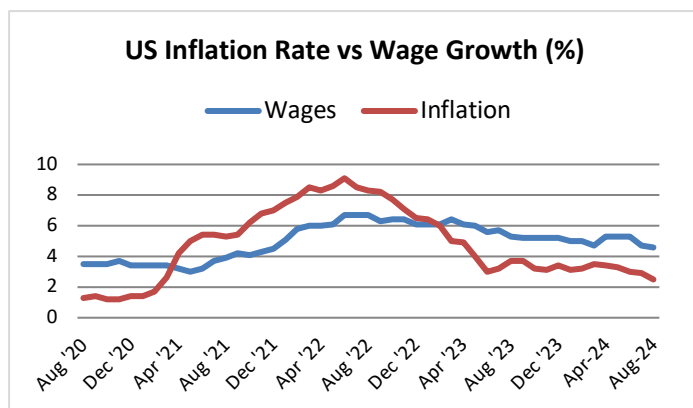
Source: Statista

Looking ahead, inflation is likely to continue its downward trend as supply chains normalize and commodity prices stabilize. However, underlying pressures such as tight labor markets and elevated wage growth may keep core inflation above the target for some time. The challenge for the FOMC will be to balance cooling inflation with maintaining economic growth, especially as the lagged effects of tighter monetary policy start to have a more pronounced impact.



Source: Statista

With CPI moderating from its recent highs, Walmart is benefiting from a stabilization in consumer prices which helps maintain demand for essential goods while easing pressure on pricing strategies. As inflation slows consumers may feel less constrained, potentially supporting spending across a broader range of product categories. However, PPI remains elevated, suggesting that Walmart could still face upward pressure on input costs from suppliers in the near term. If PPI continues to decline in the future, it will reduce cost pressures for Walmart allowing the company to preserve and even expand margins.



Source: FRED ¹⁶

As wages are now growing faster than inflation, this trend is likely to continue to have a positive impact on Walmart's customer sales. With more disposable income consumers are likely to increase their spending on essential goods such as groceries, household items, and everyday necessities (categories in which Walmart has a strong presence). Higher wages enable customers to purchase more or shop more frequently, benefiting Walmart's overall sales volume. Both resulting in increased same stores sales/organic growth.

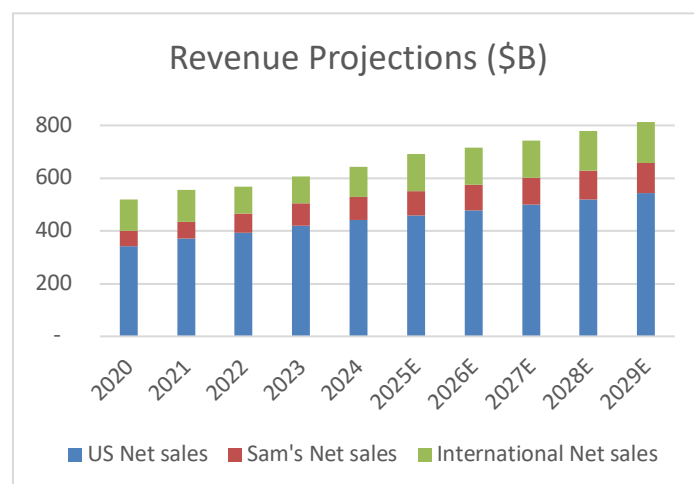
VALUATION

Revenue Decomposition

For Walmart's revenue decomposition, I applied a hybrid approach using management expectations and historical growth rates to estimate revenue contributions from each store type: Supercenters, Discount Stores, Neighborhood Markets, Sam's Club, and International operations. By calculating the average square footage per store type and multiplying this by the number of stores in each category, I was able to determine the total square footage for each segment. Next, I determined revenue per square foot for each store type, adjusting for historical growth. Notably, Sam's Club has the highest revenue per square foot at \$1,075, Walmart U.S. generate around \$632 per square foot, while International stores trail at \$51 per square foot.

We project that Walmart will close fiscal year 2024 with same-store sales growth of approximately 7%, before moderating to a more historical range of 4% in the following years. Over a longer-term horizon, we anticipate Walmart U.S., which accounts for around 70% of total sales, to deliver low-single-digit top-line growth, primarily driven by comparable store sales increases driven by

growth in e-commerce rather than physical store expansion.

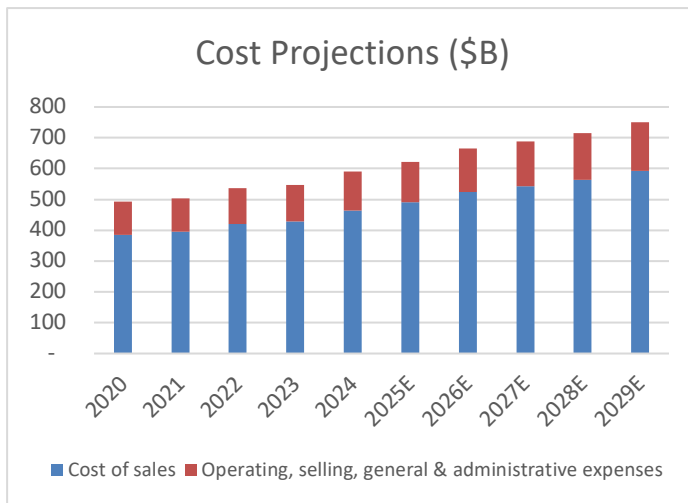


Source: Henry Fund Model

Walmart is peaking in terms of US store count, so future growth will be focused on improving sales per store. Our estimate of ~4% comparable store sales growth reflects modest gains in both volume and pricing, slightly exceeding the historical growth rate of 2.5%-3.5% observed over the past two decades. Walmart's ongoing investments in digital capabilities, customer membership programs, and in-store experience are expected to sustain growth. Additionally, Sam's Club has emerged as a significant growth driver, benefiting from strong membership gains and a 46% sales increase over the past four years. We believe Sam's Club will continue to capture market share solidifying its position as one of the top wholesalers in the space.

Cost Structure

Walmart's cost of sales and operating expenses are expected to rise steadily through 2029 (% of expenses), driven by input costs, logistics, labor expenses, and ongoing investments in technology. Inflationary pressures and supply chain disruptions have increased cost of goods sold, while investments in omnichannel capabilities and supply chain automation are expected to drive efficiency improvements (however, with upfront costs). SG&A expenses are also set to grow due to rising wages and technology investments. Walmart's push to automate 55% of fulfillment center volume within two years should help contain labor costs but will require significant near-term investment.



Source: Henry Fund Model

Capital Expenditure Projections

Walmart has significantly shifted its Capex strategy over the past decade, pivoting away from physical store expansion to focus on omnichannel and digital improvements. Investments in opening new domestic stores and Sam's Club locations have dropped dramatically from 34% of total Capex in FY15 to less than 1% in FY24. Walmart has been focused on growing its third-party marketplace, expanding the range of products available from 35 million SKUs in 2017 to over 400 million SKUs today. Additionally, the company is also building out new distribution centers both domestically and internationally. Given this strategic shift toward digital and supply chain investments, we project Walmart's Capex to moderate around \$21 billion (~2% increase from FY24), reflecting a focus in digital infrastructure rather than physical locations.

WACC

Walmart's Weighted Average Cost of Capital is estimated at 6.33%. The capital structure comprises approximately 91% equity and 9% debt. The cost of equity, calculated using the Capital Asset Pricing Model, stands at 6.6%. This is calculated with a risk-free rate of 3.74% (10-year treasury bond yield), a beta of 0.57 (average of semi-annual beta over a 3-year period), and an equity risk premium of 5%. Given that the marginal tax rate is 24%, which influences the cost of debt, the after-tax cost of debt remains the same as the pre-tax cost at 4.63%, based on the yield to maturity of the highest maturity corporate bond.

DCF/EP Models

The Discounted Cash Flow (DCF) and Economic Profit (EP) valuation models provide an optimistic forecast for Walmart. The DCF model, focusing on projected free cash flows—which are the Net Operating Profit Less Adjusted Taxes (NOPLAT) minus changes in invested capital—projects growth from \$21.8B in 2024 to \$35.3B in 2034E, reflecting a CAGR of ~5%. The present value of these cash flows and the continuing value are then adjusted to today's terms to assess the operating assets' worth.

The EP model uses the economic value added for shareholders over the required return on invested capital. It assesses wealth creation by determining the excess of ROIC over the WACC. This excess return, when applied to the initial invested capital, yields the EP for a given period. The sum of these present values, when discounted back to today and combined with the ending invested capital, reflects the operating assets' total value.

Utilizing these methodologies, Walmart's operating assets are valued at \$704.9B. After accounting for total debt and the present value of operating leases, other liabilities, and excess cash, the value of Walmart's equity stands at \$641.5B. Given the 8.1B outstanding shares, the intrinsic value per share we arrive at is \$83, indicating a protentional upside of 1.7%.

DDM Model

Walmart is a dividend aristocrat, being on pace to increase its dividend for the 50th consecutive year. We expect the company to maintain a dividend payout ratio within the 30%-40% range. Walmart's consistent dividend growth makes the Discount Dividend Model (DDM) a useful model in estimating the firm's intrinsic value.

To determine Walmart's price using a DDM, we incorporated an EPS growth rate of 3%, a CV year return on equity of approximately 40%, and a cost of equity of 6.6%. This allowed us to estimate the P/E multiple in the continuing value year. By multiplying this P/E multiple by the projected EPS in the CV year, we arrived at Walmart's future stock price. We then discounted this future stock price, along with projected dividend payments, back to the present to determine the intrinsic value of the stock. We reached a target price of \$77, suggesting that Walmart's steady dividend growth, strong ROE, and solid cash flows support its current valuation as fairly priced.

Relative Valuation

Using a relative valuation approach, we compared Walmart against key industry peers, including Costco, Target, Kroger, Dollar General, and Dollar Tree. Walmart's P/E ratio of 29.79 for 2024 reflects a significant premium over the peer average of 22.74, suggesting that the market is pricing in substantial growth expectations. This premium suggests that investors anticipate strong future gains from Walmart's investments in omnichannel capabilities, e-commerce expansion, and market share growth. However, its PEG ratios of 2.2 for 2024 and 1.9 for 2025 also underscore the belief that Walmart's growth initiatives are well-justified compared to its peers. Looking at EV/EBITDA, Walmart trades at 17.17, slightly above the peer average of 14.93. Walmart's P/S ratio of 0.96 is in line with the peer average of 0.94, suggesting that the market is pricing Walmart's revenue generation similarly to its peers.

The relative multiple range for Walmart is roughly \$63 - \$88 when removing outliers. Overall, we believe that Walmart's premium pricing relative to peers is justified by its stronger growth outlook and dominant market position. However, this also suggests that Walmart's stock may have limited near-term upside unless the company significantly outperforms expectations.

KEYS TO MONITOR

Catalysts for Growth

1. **Market Share Gains Amid Consumers Trading Down:** Walmart has benefitted from inflationary pressures since March 2021 as consumers traded down (allowing the retailer to gain market share), and with the economic environment expected to soften further, this trend is likely to continue.
2. **Cost-Cutting and E-Commerce Initiatives:** Several upcoming cost-cutting measures and e-commerce expansions should drive additional growth moving forward.
3. **International Growth:** Walmart's international divisions are beginning to show signs of renewed growth as the company removes unprofitable locations and focuses on optimizing its operations.

Risk to Thesis

1. **Shift in Sales Mix:** A decline in Walmart's higher-margin general merchandise categories due to strong digital penetration could result in long-term margin erosion.
2. **Elevated Reinvestment Costs:** The ongoing elevated level of reinvestment, including wages and store remodel costs, could impact profitability and margin expansion.
3. **Sam's Club Growth Subsidies:** Recent growth at Sam's Club could slow, leading to continued underperformance compared to Costco and other wholesalers.

Conclusion

We recommend a hold rating on Walmart with limited short-term upside, though we believe in the company's long-term potential. Walmart continues to stand out as a go-to retailer during economic downturns, allowing it to gain market share among price-conscious consumers. The company is making continued investments in supply chain efficiency, technology, and training, which should drive improved profitability in the medium to long term. Management has indicated that these investments will take time to fully materialize, with growth acceleration expected over a longer-term horizon. We are confident that these efforts, alongside Walmart's focus on services like Walmart+ and e-commerce expansion, will support sustained growth.

Walmart's ability to grow operating income faster than revenue is a key driver of long-term success as the company implements technology and automation throughout its supply chain and expands higher-margin operations such as advertising, fulfillment services, and data monetization. Therefore, we believe that Walmart's premium valuation compared to its retail peers is justified by its business model. Although consumer spending is showing signs of slowing and the broader economic environment remains challenging, Walmart's value proposition should allow it to retain the shoppers gained over the past few years. The company's recession-resistant business model positions it to weather economic headwinds, and while it may not offer the high returns seen in the tech sector, Walmart is likely to deliver

consistent growth. In conclusion, we have **HOLD** rating on Walmart, with a target price of \$83 (an upside of 1.7%).

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7. [TGT – 10k](#)
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10. [Wholesale Boom – Forbes](#)
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14. [US Real GDP Growth – FRED](#)
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18. [ESG Scores - Sustainalytics](#)

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Walmart Inc
Revenue Decomposition

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net sales	567,762,000	605,881,000	642,637,000	689,316,507	712,936,107	738,386,403	773,925,524	806,386,082	837,889,110	869,531,176	901,892,388	935,293,194	969,924,125
% change	2.26%	6.71%	6.07%	7.26%	3.43%	3.57%	4.81%	4.19%	3.91%	3.78%	3.72%	3.70%	3.70%
Membership & other income	4,992,000	5,408,000	5,488,000	5,824,385	6,326,999	6,714,810	7,126,392	7,563,202	8,026,786	8,518,785	9,040,941	9,595,103	10,183,232
% change	27.41%	8.33%	1.48%	6.13%	8.63%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%
Total revenues	572,754,000	611,289,000	648,125,000	695,140,893	719,263,105	745,101,213	781,051,916	813,949,284	845,915,896	878,049,961	910,933,329	944,888,297	980,107,357
% change	2.43%	6.73%	6.03%	7.25%	3.47%	3.59%	4.82%	4.21%	3.93%	3.80%	3.75%	3.73%	3.73%
US Net sales	393,247,000	420,553,000	441,817,000	458,961,692	478,471,460	498,866,438	520,145,575	542,336,546	565,475,667	589,602,748	614,759,806	640,990,782	668,341,531
Sam's Net sales	73,556,000	84,345,000	86,179,000	89,832,081	93,767,135	97,874,563	102,161,915	106,637,073	111,308,263	116,184,072	121,273,464	126,585,794	132,130,829
International Net sales	100,959,000	100,983,000	114,641,000	140,522,735	140,697,512	141,645,402	151,618,033	157,412,463	161,105,180	163,744,355	165,859,119	167,716,618	169,451,766
total	567,762,000	605,881,000	642,637,000	689,316,507	712,936,107	738,386,403	773,925,524	806,386,082	837,889,110	869,531,176	901,892,388	935,293,194	969,924,125

Number of Stores

Walmart US

Supercenters	3,573	3,572	3,560	3,565	3,570	3,575	3,580	3,585	3,590	3,595	3,600	3,605	3,610
Discount Stores	370	364	360	356	355	355	355	355	355	355	355	355	355
Neighborhood Markets	799	781	695	699	703	707	711	715	719	723	727	731	735
US Total	4,742	4,717	4,615	4,620	4,628	4,637	4,646	4,654	4,664	4,673	4,682	4,691	4,700

Sam's Club	600	608	599	601	603	606	608	610	612	615	617	619	621
Domestic Total	5,342	5,325	5,214	5,221	5,231	5,242	5,253	5,265	5,276	5,287	5,298	5,310	5,321

International	5,251	5,306	5,402	5,453	5,505	5,557	5,610	5,663	5,717	5,771	5,826	5,882	5,937
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Number of Stores Total	10,593	10,631	10,616	10,674	10,736	10,800	10,863	10,928	10,993	11,059	11,125	11,191	11,259
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Square Feet

Walmart US

Supercenters	634,754	634,615	632,771	633,335	634,224	635,113	636,005	636,897	637,791	638,685	639,582	640,479	641,378
Discount Stores	38,947	38,226	37,816	37,441	37,338	37,312	37,306	37,304	37,304	37,303	37,303	37,303	37,303
Neighborhood Markets	29,295	28,885	28,424	26,686	26,835	26,986	27,137	27,289	27,442	27,596	27,751	27,907	28,063
Total	702,996	701,726	699,011	697,462	698,397	699,411	700,447	701,490	702,537	703,585	704,636	705,689	706,745

Sam's Club	80,351	80,351	80,199	80,383	80,677	80,972	81,269	81,566	81,864	82,164	82,464	82,766	83,069
Domestic Total	783,347	782,077	779,210	777,845	779,074	780,384	781,716	783,056	784,401	785,749	787,101	788,455	789,813

International	277,125	273,450	273,865	281,769	284,445	287,145	289,872	292,624	295,403	298,207	301,039	303,897	306,783
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Total Square Footage	1,060,472	1,055,527	1,053,075	1,059,614	1,063,518	1,067,529	1,071,588	1,075,680	1,079,804	1,083,957	1,088,140	1,092,353	1,096,596
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Revenue per Square Foot

US	559	599	632	658	685	713	743	773	805	838	872	908	946
Sam's	915	1,050	1,075	1,118	1,162	1,209	1,257	1,307	1,360	1,414	1,471	1,529	1,591
International	53	52	51	50	49	49	52	54	55	55	55	55	55
Total	535	574	610	651	670	692	722	750	776	802	829	856	884

Walmart Inc
Income Statement

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net sales	567,762,000	605,881,000	642,637,000	689,316,507	712,936,107	738,386,403	773,925,524	806,386,082	837,889,110	869,531,176	901,892,388	935,293,194	969,924,125
Membership & other income	4,992,000	5,408,000	5,488,000	5,824,385	6,326,999	6,714,810	7,126,392	7,563,202	8,026,786	8,518,785	9,040,941	9,595,103	10,183,232
Total revenues	572,754,000	611,289,000	648,125,000	695,140,893	719,263,105	745,101,213	781,051,916	813,949,284	845,915,896	878,049,961	910,933,329	944,888,297	980,107,357
Cost of sales	429,000,000	463,721,000	490,142,000	524,220,461	541,647,342	560,709,133	587,555,564	612,194,900	636,181,746	660,319,422	685,033,561	710,560,290	737,041,115
Operating, selling, general & administrative expenses	117,812,000	127,140,000	130,971,000	140,471,819	145,346,358	150,567,639	157,832,440	164,480,234	170,939,943	177,433,491	184,078,456	190,939,965	198,056,919
Operating income (loss)	25,942,000	20,428,000	27,012,000	30,448,612	32,269,406	33,824,442	35,663,911	37,274,150	38,794,207	40,297,047	41,821,312	43,388,042	45,009,323
Interest expense on debt	1,674,000	1,787,000	2,259,000	1,975,082	2,084,890	2,186,328	2,294,879	2,384,597	2,466,716	2,542,182	2,611,280	2,673,942	2,729,910
Interest income	158,000	254,000	546,000	369,322	563,771	833,814	1,142,056	1,544,906	1,852,569	2,267,647	2,723,535	3,298,900	3,939,398
Interest income (expense), net	(1,836,000)	(1,874,000)	(2,137,000)	(1,605,760)	(1,521,119)	(1,352,515)	(1,152,823)	(839,691)	(614,147)	(274,536)	112,255	624,958	1,209,488
Other gains & (losses)	(3,000,000)	(1,538,000)	(3,027,000)	(1,748,971)	-	-	-	-	-	-	-	-	-
Income (loss) before income taxes	18,696,000	17,016,000	21,848,000	27,093,881	30,748,287	32,471,927	34,511,088	36,434,459	38,180,060	40,022,512	41,933,567	44,013,000	46,218,811
Provision (benefit) for income taxes	4,756,000	5,724,000	5,578,000	6,466,406	7,338,591	7,749,967	8,236,646	8,695,691	9,112,308	9,552,039	10,008,145	10,504,436	11,030,890
Consolidated net income (loss)	13,940,000	11,292,000	16,270,000	20,627,474	23,409,696	24,721,961	26,274,442	27,738,768	29,067,752	30,470,472	31,925,423	33,508,564	35,187,922
Consolidated net loss (income) attributable to noncontrolling interest	(267,000)	388,000	(759,000)	(433,714)	(216,857)	(108,429)	-	-	-	-	-	-	-
Consolidated net income (loss) attributable to Walmart Inc.	13,673,000	11,680,000	15,511,000	20,193,760	23,192,839	24,613,532	26,274,442	27,738,768	29,067,752	30,470,472	31,925,423	33,508,564	35,187,922
Weighted average shares outstanding - basic	8,376,000	8,172,000	8,077,000	8,040,702	8,003,673	7,955,493	7,900,052	7,838,527	7,777,912	7,718,194	7,659,360	7,601,396	7,544,291
Year end shares outstanding	8,283,000	8,079,000	8,054,000	8,027,405	7,979,941	7,931,045	7,869,060	7,807,993	7,747,830	7,688,557	7,630,162	7,572,631	7,515,951
Net income (loss) per common share - basic	1.63	1.43	1.92	2.51	2.90	3.09	3.33	3.54	3.74	3.95	4.17	4.41	4.66
Dividends declared per common share	0.73	0.75	0.76	0.82	0.88	0.94	1.01	1.08	1.16	1.25	1.34	1.44	1.54

Walmart Inc
Common Size Income Statement

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net sales	99.13%	99.12%	99.15%	99.16%	99.12%	99.10%	99.09%	99.07%	99.05%	99.03%	99.01%	98.98%	98.96%
Membership & other income	0.87%	0.88%	0.85%	0.84%	0.88%	0.90%	0.91%	0.93%	0.95%	0.97%	0.99%	1.02%	1.04%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	74.90%	75.86%	75.62%	75.41%	75.31%	75.25%	75.23%	75.21%	75.21%	75.20%	75.20%	75.20%	75.20%
Operating, selling, general & administrative expenses	20.57%	20.80%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%
Operating income (loss)	4.53%	3.34%	4.17%	4.38%	4.49%	4.54%	4.57%	4.58%	4.59%	4.59%	4.59%	4.59%	4.59%
Interest expense on debt	0.29%	0.29%	0.35%	0.28%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.28%	0.28%
Interest on finance lease	0.06%	0.06%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest income	0.03%	0.04%	0.08%	0.05%	0.08%	0.11%	0.15%	0.19%	0.22%	0.26%	0.30%	0.35%	0.40%
Interest income (expense), net	-0.32%	-0.31%	-0.33%	-0.23%	-0.21%	-0.18%	-0.15%	-0.10%	-0.07%	-0.03%	0.01%	0.07%	0.12%
Other gains & (losses)	-0.52%	-0.25%	-0.47%	-0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income (loss) before income taxes	3.26%	2.78%	3.37%	3.90%	4.27%	4.36%	4.42%	4.48%	4.51%	4.56%	4.60%	4.66%	4.72%
Provision (benefit) for income taxes	0.83%	0.94%	0.86%	0.93%	1.02%	1.04%	1.05%	1.07%	1.08%	1.09%	1.10%	1.11%	1.13%
Consolidated net income (loss)	2.43%	1.85%	2.51%	2.97%	3.25%	3.32%	3.36%	3.41%	3.44%	3.47%	3.50%	3.55%	3.59%
Consolidated net loss (income) attributable to noncontrolling interest	-0.05%	0.06%	-0.12%	-0.06%	-0.03%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Consolidated net income (loss) attributable to Walmart Inc.	2.39%	1.91%	2.39%	2.90%	3.22%	3.30%	3.36%	3.41%	3.44%	3.47%	3.50%	3.55%	3.59%

Walmart Inc
Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash & cash equivalents	14,760,000	8,625,000	9,867,000	15,062,005	22,276,614	30,511,775	41,274,542	49,494,223	60,583,673	72,763,438	88,135,196	105,247,088	123,203,576
Receivables, net	8,280,000	7,933,000	8,796,000	9,151,321	9,468,883	9,809,034	10,282,314	10,715,398	11,136,229	11,559,265	11,992,164	12,439,171	12,902,820
Inventories	56,511,000	56,576,000	54,892,000	59,957,078	62,598,021	65,136,977	68,431,923	71,393,494	74,238,554	77,080,054	79,977,825	82,964,744	86,060,092
Prepaid expenses & other current assets	1,519,000	2,521,000	3,322,000	3,366,525	3,483,347	3,608,480	3,782,587	3,941,907	4,096,719	4,252,342	4,411,594	4,576,036	4,746,600
Total current assets	81,070,000	75,655,000	76,877,000	87,536,930	97,826,865	109,066,265	123,771,366	135,545,022	150,055,175	165,655,098	184,516,780	205,227,039	226,913,088
Property & equipment, gross	189,324,000	202,370,000	219,859,000	236,465,983	251,505,522	265,074,836	278,152,091	288,374,215	297,397,471	305,141,200	311,520,313	316,445,054	319,820,752
Less: accumulated depreciation	94,809,000	101,610,000	109,049,000	117,285,983	124,745,522	131,475,836	137,962,091	143,032,215	147,507,706	151,348,559	154,512,568	156,955,215	158,629,545
Property & equipment, net	94,515,000	100,760,000	110,810,000	119,180,000	126,760,000	133,599,000	140,190,000	145,342,000	149,889,765	153,792,642	157,007,745	159,489,839	161,191,207
Operating lease right-of-use assets	13,758,000	13,555,000	13,673,000	14,705,786	15,641,093	16,484,966	17,298,239	17,933,952	18,495,107	18,976,688	19,373,404	19,679,673	19,889,607
Finance lease right-of-use assets, net	4,351,000	4,919,000	5,855,000	6,297,256	6,697,769	7,059,130	7,407,386	7,679,608	7,919,904	8,126,125	8,296,005	8,427,155	8,517,052
Goodwill	29,014,000	28,174,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000	28,113,000
Other long-term assets	22,152,000	20,134,000	17,071,000	19,115,232	20,195,475	21,136,907	22,269,935	23,266,905	24,211,323	25,146,951	26,096,966	27,074,007	28,085,363
Total assets	244,860,000	243,197,000	252,399,000	274,948,204	295,234,202	315,459,268	339,049,926	357,880,487	378,684,273	399,810,504	423,403,901	448,010,713	472,709,316
Short-term borrowings	410,000	372,000	878,000	949,604	989,899	1,029,262	1,080,916	1,127,482	1,172,302	1,217,115	1,262,842	1,309,990	1,358,856
Accounts payable	55,261,000	53,742,000	56,812,000	62,399,492	64,057,055	67,120,919	70,449,754	73,444,752	75,547,499	78,471,343	81,652,817	84,670,774	88,067,522
Accrued liabilities	26,060,000	31,126,000	28,759,000	31,300,027	34,945,881	37,190,077	41,054,576	39,601,348	40,863,600	41,258,766	43,510,067	46,453,543	48,624,415
Accrued income taxes	851,000	727,000	307,000	355,896	403,899	426,540	453,326	478,590	501,520	525,722	550,825	578,139	607,114
Operating lease obligations due within one year	1,483,000	1,473,000	1,487,000	1,599,320	1,701,039	1,792,814	1,881,261	1,950,398	2,011,426	2,063,800	2,106,944	2,140,253	2,163,084
Long-term debt due within one year	2,803,000	4,191,000	3,447,000	3,421,000	3,872,000	3,802,000	3,897,050	3,994,476	4,094,338	4,196,697	4,301,614	4,409,154	4,519,383
Finance lease obligations due within one year	511,000	567,000	725,000	779,763	829,357	874,102	917,225	950,934	980,688	1,006,224	1,027,259	1,043,499	1,054,631
Total current liabilities	87,379,000	92,198,000	92,415,000	100,805,102	106,799,130	112,235,714	119,734,108	121,547,981	125,171,374	128,739,666	134,412,368	140,605,353	146,395,006
Long-term debt	37,667,000	38,840,000	39,579,000	42,658,364	45,030,016	47,220,914	49,565,413	51,503,181	53,276,794	54,906,748	56,399,147	57,752,530	58,961,340
Long-term debt (net current maturities)	34,864,000	34,649,000	36,132,000	39,237,364	41,158,016	43,418,914	45,668,363	47,508,704	49,182,456	50,710,052	52,097,533	53,343,375	54,441,957
Less: amounts due within one year	2,803,000	4,191,000	3,447,000	3,421,000	3,872,000	3,802,000	3,897,050	3,994,476	4,094,338	4,196,697	4,301,614	4,409,154	4,519,383
Long-term operating lease obligations	13,009,000	12,828,000	12,943,000	13,920,646	14,806,016	15,604,836	16,374,688	16,976,460	17,507,655	17,963,525	18,339,060	18,628,977	18,827,703
Long-term finance lease obligations	4,243,000	4,843,000	5,709,000	6,140,228	6,530,754	6,883,103	7,222,676	7,488,110	7,722,414	7,923,492	8,089,137	8,217,016	8,304,671
Total long-term debt	52,116,000	52,320,000	54,784,000	59,298,237	62,494,786	65,906,854	69,265,727	71,973,274	74,412,525	76,597,069	78,525,729	80,189,368	81,574,331
Deferred income taxes & other liabilities	13,474,000	14,688,000	14,629,000	16,958,956	19,246,370	20,325,253	21,601,632	22,805,532	23,898,162	25,051,414	26,247,607	27,549,192	28,929,882
Total liabilities	152,969,000	159,206,000	161,828,000	177,062,295	188,540,285	198,467,821	210,601,467	216,326,787	223,482,061	230,388,148	239,185,704	248,343,913	256,899,220
Redeemable noncontrolling interest	-	237,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000
Common Equity	5,115,000	5,238,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000	5,349,000
Retained earnings (accumulated deficit)	86,904,000	83,135,000	89,814,000	99,909,480	110,571,203	121,795,590	134,179,459	147,284,700	160,933,212	175,153,355	189,949,197	205,397,800	221,541,097
Accumulated other comprehensive income (loss)	(8,766,000)	(11,680,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)	(11,302,000)
Total Walmart Inc. shareholders' equity	83,253,000	76,693,000	83,861,000	93,956,480	104,618,203	115,842,590	128,226,459	141,331,700	154,980,212	169,200,355	183,996,197	199,444,800	215,588,097
Noncontrolling interest	8,638,000	7,061,000	6,488,000	3,707,429	1,853,714	926,857	-	-	-	-	-	-	-
Total equity	91,891,000	83,991,000	90,571,000	97,885,909	106,693,917	116,991,447	128,448,459	141,553,700	155,202,212	169,422,355	184,218,197	199,666,800	215,810,097
Total equity (deficit)	91,891,000	83,754,000	90,349,000	97,663,909	106,471,917	116,769,447	128,226,459	141,331,700	154,980,212	169,200,355	183,996,197	199,444,800	215,588,097

Walmart Inc
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash & cash equivalents	2.58%	1.41%	1.52%	2.17%	3.10%	4.09%	5.28%	6.08%	7.16%	8.29%	9.68%	11.14%	12.57%
Receivables, net	1.45%	1.30%	1.36%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
Inventories	9.87%	9.26%	8.47%	8.63%	8.70%	8.74%	8.76%	8.77%	8.78%	8.78%	8.78%	8.78%	8.78%
Prepaid expenses & other current assets	0.27%	0.41%	0.51%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Total current assets	14.15%	12.38%	11.86%	12.59%	13.60%	14.64%	15.85%	16.65%	17.74%	18.87%	20.26%	21.72%	23.15%
Property & equipment, gross	33.06%	33.11%	33.92%	34.02%	34.97%	35.58%	35.61%	35.43%	35.16%	34.75%	34.20%	33.49%	32.63%
Less: accumulated depreciation	16.55%	16.62%	16.83%	16.87%	17.34%	17.65%	17.66%	17.57%	17.44%	17.24%	16.96%	16.61%	16.18%
Property & equipment, net	16.50%	16.48%	17.10%	17.14%	17.62%	17.93%	17.95%	17.86%	17.72%	17.52%	17.24%	16.88%	16.45%
Operating lease right-of-use assets	2.40%	2.22%	2.11%	2.12%	2.17%	2.21%	2.21%	2.20%	2.19%	2.16%	2.13%	2.08%	2.03%
Finance lease right-of-use assets, net	0.76%	0.80%	0.90%	0.91%	0.93%	0.95%	0.95%	0.94%	0.94%	0.93%	0.91%	0.89%	0.87%
Goodwill	5.07%	4.61%	4.34%	4.04%	3.91%	3.77%	3.60%	3.45%	3.32%	3.20%	3.09%	2.98%	2.87%
Other long-term assets	3.87%	3.29%	2.63%	2.75%	2.81%	2.84%	2.85%	2.86%	2.86%	2.86%	2.86%	2.87%	2.87%
Total assets	42.75%	39.78%	38.94%	39.55%	41.05%	42.34%	43.41%	43.97%	44.77%	45.53%	46.48%	47.41%	48.23%
Short-term borrowings	0.07%	0.06%	0.14%	0.11%	0.10%	0.09%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%
Accounts payable	9.65%	8.79%	8.77%	8.98%	8.91%	9.01%	9.02%	9.02%	8.93%	8.94%	8.96%	8.96%	8.99%
Accrued liabilities	4.55%	5.09%	4.44%	4.50%	4.86%	4.99%	5.26%	4.87%	4.83%	4.70%	4.78%	4.92%	4.96%
Accrued income taxes	0.15%	0.12%	0.05%	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
Operating lease obligations due within one year	0.26%	0.24%	0.23%	0.23%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.23%	0.23%	0.22%
Long-term debt due within one year	0.49%	0.69%	0.53%	0.49%	0.54%	0.51%	0.50%	0.49%	0.48%	0.48%	0.47%	0.47%	0.46%
Finance lease obligations due within one year	0.09%	0.09%	0.11%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.11%	0.11%	0.11%	0.11%
Total current liabilities	15.26%	15.08%	14.26%	14.50%	14.85%	15.06%	15.33%	14.93%	14.80%	14.66%	14.76%	14.88%	14.94%
Long-term debt	6.58%	6.35%	6.11%	6.14%	6.26%	6.34%	6.35%	6.33%	6.30%	6.25%	6.19%	6.11%	6.02%
Less: amounts due within one year	0.49%	0.69%	0.53%	0.49%	0.54%	0.51%	0.50%	0.49%	0.48%	0.48%	0.47%	0.47%	0.46%
Long-term operating lease obligations	2.27%	2.10%	2.00%	2.00%	2.06%	2.09%	2.10%	2.09%	2.07%	2.05%	2.01%	1.97%	1.92%
Long-term finance lease obligations	0.74%	0.79%	0.88%	0.88%	0.91%	0.92%	0.92%	0.92%	0.91%	0.90%	0.89%	0.87%	0.85%
Total long-term debt	9.10%	8.56%	8.45%	8.53%	8.69%	8.85%	8.87%	8.84%	8.80%	8.72%	8.62%	8.49%	8.32%
Deferred income taxes & other liabilities	2.35%	2.40%	2.26%	2.23%	2.37%	2.40%	2.42%	2.37%	2.33%	2.31%	2.33%	2.37%	2.38%
Total liabilities	26.71%	26.04%	24.97%	24.44%	26.68%	27.73%	27.77%	28.80%	28.83%	28.85%	28.88%	29.92%	29.95%
Redeemable noncontrolling interest	0.00%	0.04%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%
Common Equity	0.89%	0.86%	0.83%	0.77%	0.74%	0.72%	0.68%	0.66%	0.63%	0.61%	0.59%	0.57%	0.55%
Accumulated other comprehensive income (loss)	-1.53%	-1.91%	-1.74%	-1.63%	-1.57%	-1.52%	-1.45%	-1.39%	-1.34%	-1.29%	-1.24%	-1.20%	-1.15%
Total Walmart Inc. shareholders' equity	14.54%	12.55%	12.94%	13.52%	14.55%	15.55%	16.42%	17.36%	18.32%	19.27%	20.20%	21.11%	22.00%
Noncontrolling interest	1.51%	1.16%	1.00%	0.53%	0.26%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total equity	16.04%	13.74%	13.97%	14.08%	14.83%	15.70%	16.45%	17.39%	18.35%	19.30%	20.22%	21.13%	22.02%
Total equity (deficit)	16.04%	13.70%	13.94%	14.05%	14.80%	15.67%	16.42%	17.36%	18.32%	19.27%	20.20%	21.11%	22.00%

Walmart Inc
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024
Consolidated net income (loss)	10,523,000	7,179,000	15,201,000	13,706,000	13,940,000	11,292,000	16,270,000
Depreciation & amortization	10,529,000	10,678,000	10,987,000	11,152,000	10,658,000	10,945,000	11,853,000
Unrealized losses & (gains)	-	-	(1,886,000)	-	-	-	-
Net unrealized & realized losses & (gains)	-	-	-	(8,589,000)	2,440,000	1,683,000	2,642,000
Unrealized gain (loss) on investments	-	3,516,000	-	-	-	-	3,193,000
Losses (gains) on disposal of business operations	-	4,850,000	15,000	8,401,000	433,000	-	-
Asda Group Limited ("Asda") pension contribution	-	-	(1,036,000)	-	-	-	-
Deferred income taxes	(304,000)	(499,000)	320,000	1,911,000	(755,000)	449,000	(175,000)
Loss (gain) on extinguishment of debt	3,136,000	-	-	-	2,410,000	-	-
Other operating activities	1,210,000	1,734,000	1,981,000	1,521,000	1,652,000	1,919,000	-
Receivables, net	(1,074,000)	(368,000)	154,000	(1,086,000)	(1,796,000)	240,000	(797,000)
Inventories	(140,000)	(1,311,000)	(300,000)	(2,395,000)	(11,764,000)	(528,000)	2,017,000
Accounts payable	4,086,000	1,831,000	(274,000)	6,966,000	5,520,000	(1,425,000)	2,515,000
Accrued liabilities	928,000	183,000	186,000	4,623,000	1,404,000	4,393,000	(1,324,000)
Accrued income taxes	(557,000)	(40,000)	(93,000)	(136,000)	39,000	(127,000)	(468,000)
Net cash flows from operating activities	28,337,000	27,753,000	25,255,000	36,074,000	24,181,000	28,841,000	35,726,000
Payments for property & equipment	(10,051,000)	(10,344,000)	(10,705,000)	(10,264,000)	(13,106,000)	(16,857,000)	(20,606,000)
Proceeds from the disposal of property & equipment	378,000	519,000	321,000	215,000	394,000	170,000	250,000
Proceeds from disposal of certain operations, net of divested cash	1,046,000	876,000	833,000	56,000	7,935,000	-	135,000
Payments for business acquisitions, net of cash acquired	(375,000)	(14,656,000)	(56,000)	(180,000)	(359,000)	(740,000)	(9,000)
Other investing activities	(58,000)	(431,000)	479,000	102,000	(879,000)	(295,000)	(1,057,000)
Net cash flows from investing activities	(9,060,000)	(24,036,000)	(9,128,000)	(10,071,000)	(6,015,000)	(17,722,000)	(21,287,000)
Net change in short-term borrowings	4,148,000	(53,000)	(4,656,000)	(324,000)	193,000	(34,000)	512,000
Proceeds from issuance of long-term debt	7,476,000	15,872,000	5,492,000	-	6,945,000	5,041,000	4,967,000
Repayments of long-term debt	(13,061,000)	(3,784,000)	(1,907,000)	(5,382,000)	(13,010,000)	(2,689,000)	(4,217,000)
Premiums paid to extinguish debt	(3,059,000)	-	-	-	(2,317,000)	-	-
Dividends paid	(6,124,000)	(6,102,000)	(6,048,000)	(6,116,000)	(6,152,000)	(6,114,000)	(6,140,000)
Purchase of company stock	(8,296,000)	(7,410,000)	(5,717,000)	(2,625,000)	(9,787,000)	(9,920,000)	(2,779,000)
Dividends paid to noncontrolling interest	(690,000)	(431,000)	(555,000)	(434,000)	(424,000)	(444,000)	(763,000)
Sale of subsidiary stock	-	-	-	-	3,239,000	66,000	716,000
Purchase of noncontrolling interest	(8,000)	-	-	-	-	(827,000)	(3,462,000)
Other financing activities	(261,000)	(629,000)	(908,000)	(1,236,000)	(1,515,000)	(2,118,000)	(2,248,000)
Net cash flows from financing activities	(19,875,000)	(2,537,000)	(14,299,000)	(16,117,000)	(22,828,000)	(17,039,000)	(13,414,000)
Effect of exchange rates on cash, cash equivalents & restricted cash	-	(438,000)	(69,000)	235,000	(140,000)	(73,000)	69,000
Net increase (decrease) in cash, cash equivalents & restricted cash	487,000	742,000	1,759,000	10,121,000	(4,802,000)	(5,993,000)	1,094,000
Change in cash & cash equivalents reclassified from (to) assets held for sale	(111,000)	-	-	(1,848,000)	1,848,000	-	-
Cash, cash equivalents & restricted cash at beginning of year	6,867,000	7,014,000	7,756,000	9,515,000	17,788,000	14,834,000	8,841,000
Cash, cash equivalents & restricted cash at end of year	6,756,000	7,756,000	9,515,000	17,788,000	14,834,000	8,841,000	9,935,000
Income taxes paid	6,179,000	3,982,000	3,616,000	5,271,000	5,918,000	3,310,000	5,879,000
Interest paid	2,450,000	2,348,000	2,464,000	2,216,000	2,237,000	2,051,000	2,519,000

Walmart Inc
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net Income	20,193,760	23,192,839	24,613,532	26,274,442	27,738,768	29,067,752	30,470,472	31,925,423	33,508,564	35,187,922
Depreciation and amortization expense	12,858,000	13,521,000	14,158,000	14,788,000	15,329,000	16,138,045	16,989,791	17,886,491	18,830,518	19,824,369
Receivables, net	(355,321)	(317,562)	(340,151)	(473,280)	(433,084)	(420,831)	(423,035)	(432,900)	(447,007)	(463,648)
Inventories	(5,065,078)	(2,640,943)	(2,538,956)	(3,294,946)	(2,961,571)	(2,845,060)	(2,841,500)	(2,897,772)	(2,986,918)	(3,095,349)
Prepaid expenses & other current assets	(44,525)	(116,822)	(125,132)	(174,107)	(159,320)	(154,812)	(155,623)	(159,252)	(164,442)	(170,564)
Accounts payable	5,587,492	1,657,563	3,063,864	3,328,835	2,994,998	2,102,747	2,923,844	3,181,474	3,017,957	3,396,748
Accrued income taxes	48,896	48,003	22,641	26,786	25,265	22,930	24,202	25,103	27,315	28,975
Accrued expenses & other liabilities	2,541,027	3,645,854	2,244,196	3,864,499	(1,453,228)	1,262,252	395,166	2,251,301	2,943,477	2,170,872
Net cash flows from operating activities	35,764,251	38,989,932	41,097,994	44,340,228	41,080,828	45,173,023	47,383,317	51,779,868	54,729,463	56,879,324
Capital expenditures	(21,228,000)	(21,101,000)	(20,997,000)	(21,379,000)	(20,481,000)	(20,685,810)	(20,892,668)	(21,101,595)	(21,312,611)	(21,525,737)
Operating lease right-of-use assets	(1,032,786)	(935,307)	(843,874)	(813,273)	(635,712)	(561,155)	(481,581)	(396,716)	(306,269)	(209,934)
Finance lease right-of-use assets, net	(442,256)	(400,513)	(361,360)	(348,257)	(272,222)	(240,296)	(206,221)	(169,880)	(131,149)	(89,897)
Other long-term assets	(2,044,232)	(1,080,243)	(941,432)	(1,133,028)	(996,970)	(944,418)	(935,628)	(950,015)	(977,041)	(1,011,356)
Long-term debt	3,105,364	1,920,652	2,260,898	2,249,449	1,840,341	1,673,752	1,527,596	1,387,481	1,245,842	1,098,582
Deferred income taxes & other liabilities	2,329,956	2,287,414	1,078,884	1,276,379	1,203,901	1,092,630	1,153,251	1,196,193	1,301,586	1,380,690
Redeemable noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Noncontrolling interest	(2,780,571)	(1,853,714)	(926,857)	(926,857)	-	-	-	-	-	-
Net cash flows from investing activities	(22,092,526)	(21,162,711)	(20,730,741)	(21,074,587)	(19,341,663)	(19,665,297)	(19,835,252)	(20,034,532)	(20,179,642)	(20,357,652)
Common stock	-	-	-	-	-	-	-	-	-	-
Stock repurchases	(3,494,000)	(5,467,000)	(5,888,000)	(5,888,000)	(6,110,506)	(6,341,420)	(6,581,061)	(6,829,757)	(7,087,852)	(7,355,700)
Dividends	(6,604,280)	(7,064,116)	(7,501,144)	(8,002,573)	(8,523,021)	(9,077,820)	(9,669,269)	(10,299,824)	(10,972,109)	(11,688,925)
Short-term borrowings	71,604	40,295	39,363	51,655	46,566	44,820	44,813	45,727	47,148	48,867
Current portion of long-term debt	(26,000)	451,000	(70,000)	95,050	97,426	99,862	102,358	104,917	107,540	110,229
Long-term operating lease obligations	977,646	885,371	798,819	769,852	601,772	531,195	455,870	375,535	289,917	198,726
Long-term finance lease obligations	431,228	390,526	352,350	339,572	265,434	234,304	201,079	165,644	127,879	87,656
Operating lease obligations due within one year	112,320	101,719	91,775	88,447	69,137	61,028	52,374	43,145	33,308	22,831
Finance lease obligations due within one year	54,763	49,594	44,746	43,123	33,708	29,755	25,535	21,036	16,240	11,132
Net cash flows from financing activities	(8,476,720)	(10,612,612)	(12,132,092)	(12,502,874)	(13,519,484)	(14,418,276)	(15,368,300)	(16,373,577)	(17,437,929)	(18,565,185)
Cash & equivalents increase (decrease)	5,195,005	7,214,609	8,235,161	10,762,767	8,219,681	11,089,450	12,179,765	15,371,758	17,111,892	17,956,488
Cash & equivalents at beginning of year	9,867,000	15,062,005	22,276,614	30,511,775	41,274,542	49,494,223	60,583,673	72,763,438	88,135,196	105,247,088
Cash & equivalents at end of year	15,062,005	22,276,614	30,511,775	41,274,542	49,494,223	60,583,673	72,763,438	88,135,196	105,247,088	123,203,576

Walmart Inc*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	3.74%
Beta	0.57
Equity Risk Premium	5.00%
Cost of Equity	6.61%

ASSUMPTIONS:

10-year Treasury Bond
Average of Semi-Annual Beta (3-year Range)
HF Estimate

Cost of Debt:

Risk-Free Rate	3.74%
Implied Default Premium	0.89%
Pre-Tax Cost of Debt	4.63%
Marginal Tax Rate	24%
After-Tax Cost of Debt	3.52%

10-year Treasury Bond

YTM of Longest Maturity Bond

Market Value of Common Equity:

Total Shares Outstanding	8,038,251
Current Stock Price	\$81.27
MV of Equity	653,268,659

MV Weights

91.12%

Market Value of Debt:

Short-Term Debt	878,000
Current Portion of LTD	6,537,000
Long-Term Debt	54,784,000
PV of Operating Leases	1,487,000
MV of Total Debt	63,686,000.00

8.88%

Market Value of the Firm**716,954,658.77**

100.00%

Estimated WACC

6.33%

Walmart Inc
Value Driver Estimation

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:	21,139,530	15,479,845	21,831,931	26,677,263	27,166,354	27,101,322	28,648,875	29,724,294	30,712,856	31,832,298	32,938,213	34,107,816	35,274,373
% change	21.02%	-26.77%	41.03%	22.19%	1.83%	-0.24%	5.71%	3.75%	3.33%	3.64%	3.47%	3.55%	3.42%
EBIT Calculation:													
Add: Net sales	567,762,000	605,881,000	642,637,000	689,316,507	712,936,107	738,386,403	773,925,524	806,386,082	837,889,110	869,531,176	901,892,388	935,293,194	969,924,125
Add: Membership & other income	4,992,000	5,408,000	5,488,000	5,824,385	6,326,999	6,714,810	7,126,392	7,563,202	8,026,786	8,518,785	9,040,941	9,595,103	10,183,232
Less: Cost of sales	429,000,000	463,721,000	490,142,000	524,220,461	541,647,342	560,709,133	587,555,564	612,194,900	636,181,746	660,319,422	685,033,561	710,560,290	737,041,115
Less: Operating, sg&a expenses	117,812,000	127,140,000	130,971,000	140,471,819	145,346,358	150,567,639	157,832,440	164,480,234	170,939,943	177,433,491	184,078,456	190,939,965	198,056,919
Add: Implied lease interest	514,962	507,364	511,780	550,438	585,446	617,032	647,473	671,268	692,272	710,297	725,147	736,610	744,468
Total EBIT	26,456,962	20,935,364	27,523,780	30,999,049	32,854,852	34,441,474	36,311,384	37,945,417	39,486,479	41,007,345	42,546,459	44,124,652	45,753,791
Tax Adjustments													
Income tax provision	4,756,000	5,724,000	5,578,000	6,466,406	7,338,591	7,749,967	8,236,646	8,695,691	9,112,308	9,552,039	10,008,145	10,504,436	11,030,890
Add: Implied lease interest	122,904	121,091	122,145	131,371	139,726	147,265	154,530	160,209	165,222	169,524	173,068	175,804	177,680
Add: Tax on Interest Expense	399,528	426,497	539,148	471,386	497,594	521,804	547,711	569,124	588,723	606,734	623,226	638,181	651,539
Add: Tax on other gains	(716,000)	(367,069)	(722,444)	(417,421)	-	-	-	-	-	-	-	-	-
Total Adjusted Taxes	4,562,432	5,904,519	5,516,849	6,651,742	7,975,911	8,419,035	8,938,888	9,425,024	9,866,253	10,328,298	10,804,439	11,318,421	11,860,108
Total Change in Deferred Taxes	(755,000)	449,000	(175,000)	2,329,956	2,287,414	1,078,884	1,276,379	1,203,901	1,092,630	1,153,251	1,196,193	1,301,586	1,380,690
Operating Current Assets:													
Normal Cash	7,733,747	8,254,075	8,751,461	9,386,305	9,712,021	10,060,906	10,546,339	10,990,543	11,422,180	11,856,078	12,300,093	12,758,578	13,234,132
Trade & other receivables, net	8,280,000	7,933,000	8,796,000	9,151,321	9,468,883	9,809,034	10,282,314	10,715,398	11,136,229	11,559,265	11,992,164	12,439,171	12,902,820
Inventories	56,511,000	56,576,000	54,892,000	59,957,078	62,598,021	65,136,977	68,431,923	71,393,494	74,238,554	77,080,054	79,977,825	82,964,744	86,060,092
Prepaid expenses & other assets	1,519,000	2,521,000	3,322,000	3,366,525	3,483,347	3,608,480	3,782,587	3,941,907	4,096,719	4,252,342	4,411,594	4,576,036	4,746,600
Total Operating CA	74,043,747	75,284,075	75,761,461	81,861,229	85,262,272	88,615,396	93,043,162	97,041,342	100,893,682	104,747,738	108,681,677	112,738,529	116,943,644
Operating Current Liabilities:													
Accounts payable	55,261,000	53,742,000	56,812,000	62,399,492	64,057,055	67,120,919	70,449,754	73,444,752	75,547,499	78,471,343	81,652,817	84,670,774	88,067,522
Accrued income taxes	851,000	727,000	307,000	355,896	403,899	426,540	453,326	478,590	501,520	525,722	550,825	578,139	607,114
Accrued liabilities	26,060,000	31,126,000	28,759,000	31,300,027	34,945,881	37,190,077	41,054,576	39,601,348	40,863,600	41,258,766	43,510,067	46,453,543	48,624,415
Total Operating CL	82,172,000	85,595,000	85,878,000	94,055,415	99,406,835	104,737,536	111,957,656	113,524,691	116,912,619	120,255,831	125,713,708	131,702,457	137,299,052
Net Working Capital	(8,128,253)	(10,310,925)	(10,116,539)	(12,194,186)	(14,144,564)	(16,122,140)	(18,914,493)	(16,483,348)	(16,018,937)	(15,508,092)	(17,032,031)	(18,963,928)	(20,355,408)
Property & Equipment, Net	94,515,000	100,760,000	110,810,000	119,180,000	126,760,000	133,599,000	140,190,000	145,342,000	149,889,765	153,792,642	157,007,745	159,489,839	161,191,207
Net Other Operating Assets:													
Finance lease right-of-use assets	4,351,000	4,919,000	5,855,000	6,297,256	6,697,769	7,059,130	7,407,386	7,679,608	7,919,904	8,126,125	8,296,005	8,427,155	8,517,052
Operating lease right-of-use assets	13,758,000	13,555,000	13,673,000	14,705,786	15,641,093	16,484,966	17,298,239	17,933,952	18,495,107	18,976,688	19,373,404	19,679,673	19,889,607
Total Net Other Operating Assets	18,109,000	18,474,000	19,528,000	21,003,042	22,338,862	23,544,096	24,705,625	25,613,560	26,415,011	27,102,813	27,669,409	28,106,828	28,406,659
Net Other Operating Liabilities:													
Other liabilities	13,474,000	14,688,000	14,629,000	16,958,956	19,246,370	20,325,253	21,601,632	22,805,532	23,898,162	25,051,414	26,247,607	27,549,192	28,929,882
Total Net Other Operating Liabilities	13,474,000	14,688,000	14,629,000	16,958,956	19,246,370	20,325,253	21,601,632	22,805,532	23,898,162	25,051,414	26,247,607	27,549,192	28,929,882
Invested Capital (IC)	91,021,747	94,235,075	105,592,461	111,029,900	115,707,929	120,695,703	124,379,500	131,666,679	136,387,676	140,335,948	141,397,517	141,083,546	140,312,575
Free Cash Flow (FCF):													
NOPLAT	21,139,530	15,479,845	21,831,931	26,677,263	27,166,354	27,101,322	28,648,875	29,724,294	30,712,856	31,832,298	32,938,213	34,107,816	35,274,373
Change in IC	3,016,678	3,213,328	11,357,387	5,437,438	4,678,029	4,987,774	3,683,798	7,287,179	4,720,997	3,948,272	1,061,569	(313,971)	(770,971)
FCF	18,122,852	12,266,517	10,474,545	21,239,825	22,488,325	22,113,548	24,965,078	22,437,116	25,991,859	27,884,026	31,876,644	34,421,787	36,045,344
Return on Invested Capital (ROIC):													
NOPLAT	21,139,530	15,479,845	21,831,931	26,677,263	27,166,354	27,101,322	28,648,875	29,724,294	30,712,856	31,832,298	32,938,213	34,107,816	35,274,373
Beginning IC	88,005,069	91,021,747	94,235,075	105,592,461	111,029,900	115,707,929	120,695,703	124,379,500	131,666,679	136,387,676	140,335,948	141,397,517	141,083,546
ROIC	24.02%	17.01%	23.17%	25.26%	24.47%	23.42%	23.74%	23.90%	23.33%	23.34%	23.47%	24.12%	25.00%
Economic Profit (EP):													
Beginning IC	88,005,069	91,021,747	94,235,075	105,592,461	111,029,900	115,707,929	120,695,703	124,379,500	131,666,679	136,387,676	140,335,948	141,397,517	141,083,546
x (ROIC - WACC)	17.69%	10.67%	16.83%	18.93%	18.13%	17.09%	17.40%	17.56%	16.99%	17.01%	17.14%	17.79%	18.67%
EP	15,565,166	9,714,401	15,862,950	19,988,889	20,133,566	19,772,221	21,003,841	21,845,924	22,372,905	23,193,313	24,049,139	25,151,500	26,337,945

Walmart Inc*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	
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EPS	\$	2.51	\$	2.90	\$	3.09	\$	3.33	\$	3.54	\$	3.74	\$	3.95	\$	4.17	\$	4.41	\$	4.66
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Key Assumptions

CV growth of EPS	3.00%
CV Year ROE	38.85%
Cost of Equity	6.61%

Future Cash Flows

P/E Multiple (CV Year)																				25.58
EPS (CV Year)																				\$ 4.66
Future Stock Price																				\$ 119.29
Dividends Per Share	\$	0.82	\$	0.88	\$	0.94	\$	1.01	\$	1.08	\$	1.16	\$	1.25	\$	1.34	\$	1.44		
Discounted Cash Flows	\$	0.77	\$	0.77	\$	0.78	\$	0.78	\$	0.79	\$	0.79	\$	0.80	\$	0.80	\$	0.81	\$	67.07

Intrinsic Value as of Last FYE	\$	74.15
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Implied Price as of Today	\$	76.79
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Walmart Inc

Relative Valuation Models

Ticker	Company	Price	EPS 2024E	EPS 2025E	P/E 24	P/E 25	Est. 5yr EPS gr.	PEG 24	PEG 25	EBITDA	EV	Sales	EV/EBITDA	P/S
COST	COSTCO WHOLESALE CORP	\$ 877.38	\$16.35	\$17.79	53.66	49.32	9.7	5.55	5.10	11.24	403.89	253.70	35.93	1.53
HD	THE HOME DEPOT, INC.	\$ 409.21	\$14.82	\$15.58	27.61	26.27	3.8	7.27	6.91	24.58	440.44	152.09	17.92	2.67
TGT	TARGET CORPORATION	\$ 152.20	\$9.55	\$10.54	15.94	14.44	8.2	1.94	1.76	9.23	84.97	107.30	9.21	0.65
KR	THE KROGER CO.	\$ 56.71	\$4.44	\$4.54	12.77	12.49	8.0	1.60	1.56	8.07	55.93	150.20	6.93	0.27
BJ	BJ'S WHOLESALE CLUB HO	\$ 84.48	\$3.84	\$4.25	22.00	19.88	8.0	2.75	2.48	1.04	13.60	20.41	13.08	0.55
DG	DOLLAR GENERAL CORPO	\$ 84.46	\$5.88	\$6.43	14.36	13.14	-2.1	(6.94)	(6.35)	3.03	35.63	39.68	11.76	0.47
DLTR	DOLLAR TREE, INC.	\$ 70.44	\$5.52	\$6.29	12.76	11.20	15.0	0.85	0.75	2.60	25.21	30.97	9.70	0.49
Average					22.73	20.96		3.33	3.09				14.93	0.95

WMT	Walmart Inc	\$81.27	2.51	2.90	32.4	28.0	13.0	2.5	2.2	40.78	700.38	665.04	17.17	0.98
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Implied Relative Value:

P/E (EPS24)	\$ 57.08
P/E (EPS25)	\$ 60.74
PEG (EPS24)	\$ 108.66
PEG (EPS25)	\$ 116.64
EV/EBITDA	\$ 70.90
P/S	\$ 78.44

Walmart Inc
Key Management Ratios

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:													
Current Ratio (Current Assets / Current Liabilities)	0.928	0.821	0.832	0.868	0.916	0.972	1.034	1.115	1.199	1.287	1.373	1.460	1.550
Quick Ratio ((Cash + Recievables + Investment Securities) / Current Liabilities)	0.264	0.180	0.202	0.240	0.297	0.359	0.431	0.495	0.573	0.655	0.745	0.837	0.930
Cash Ratio (Cash / Current Liabilities)	0.169	0.094	0.107	0.149	0.209	0.272	0.345	0.407	0.484	0.565	0.656	0.749	0.842
Non-Cash Current Ratio ((Current Assets - Cash) / Current Liabilities)	0.759	0.727	0.725	0.719	0.707	0.700	0.689	0.708	0.715	0.722	0.717	0.711	0.708
Asset-Management Ratios:													
Total Asset Turnover (Revenue / Total Assets)	2.339	2.514	2.568	2.528	2.436	2.362	2.304	2.274	2.234	2.196	2.151	2.109	2.073
Net Working Capital Turnover (Revenue / Net Working Capital)	70.465	59.286	64.066	57.006	50.851	46.216	41.294	49.380	52.807	56.619	53.484	49.826	48.150
Receivables Turnover (Revenue / Net Receivable)	69.173	77.056	73.684	75.961	75.961	75.961	75.961	75.961	75.961	75.961	75.961	75.961	75.961
Financial Leverage Ratios:													
Debt to Equity (Total Liabilities / Total Shareholder's Equity)	1.665	1.896	1.787	1.809	1.767	1.696	1.640	1.528	1.440	1.360	1.298	1.244	1.190
Debt to Equity (Total Long-Term Liabilities / Total Shareholder's Equity)	0.567	0.623	0.605	0.606	0.586	0.563	0.539	0.508	0.479	0.452	0.426	0.402	0.378
Equity Multiplier (Total Assets / Total Equity)	2.665	2.896	2.787	2.809	2.767	2.696	2.640	2.528	2.440	2.360	2.298	2.244	2.190
Debt to Assets (Total Liabilities / Total Assets)	0.625	0.655	0.641	0.644	0.639	0.629	0.621	0.604	0.590	0.576	0.565	0.554	0.543
Profitability Ratios:													
Return on Equity (Net Income/Beg TSE)	15.93%	12.29%	19.37%	22.77%	23.92%	23.17%	22.46%	21.60%	20.53%	19.63%	18.84%	18.19%	17.62%
Return on Assets (Net Income / Total Assets)	5.58%	4.80%	6.15%	7.34%	7.86%	7.80%	7.75%	7.75%	7.68%	7.62%	7.54%	7.48%	7.44%
Gross Profit Margin (Operating Income / Revenue)	4.53%	3.34%	4.17%	4.38%	4.49%	4.54%	4.57%	4.58%	4.59%	4.59%	4.59%	4.59%	4.59%
Net Profit Margin (Net Income / Revenue)	2.39%	1.91%	2.39%	2.90%	3.22%	3.30%	3.36%	3.41%	3.44%	3.47%	3.50%	3.55%	3.59%
Payout Policy Ratios:													
Dividend Payout Ratio (Dividend/EPS)	44.89%	52.24%	39.58%	32.65%	30.37%	30.38%	30.34%	30.61%	31.11%	31.61%	32.14%	32.62%	33.09%
Total Payout Ratio ((Divs. + Repurchases)/NI)	114.34%	141.99%	54.82%	50.01%	54.03%	54.40%	52.87%	52.75%	53.05%	53.33%	53.65%	53.90%	54.12%

Walmart Inc*Valuation of Options Granted under ESOP*

Current Stock Price	\$81.27
Risk Free Rate	3.74%
Current Dividend Yield	1.27%
Annualized St. Dev. of Stock Returns	12.77%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	49,191	46.79	3.00	\$ 36.42	\$ 1,791,549
Total	49,191	\$ 46.79	3.00	\$ 39.45	\$ 1,791,549

Walmart Inc*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	49,191
Average Time to Maturity (years):	<u>3.00</u>
Expected Annual Number of Options Exercised:	16,397

Current Average Strike Price:	\$ 46.79
Cost of Equity:	6.61%
Current Stock Price:	\$81.27

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	16,397	16,397	16,397							
Average Strike Price:	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79	\$ 46.79
Increase in Common Stock Account:	767,216	767,216	767,216	-	-	-	-	-	-	-
Share Repurchases (\$)	3,494,000	5,467,000	5,888,000	5,888,000	6,110,506	6,341,420	6,581,061	6,829,757	7,087,852	7,355,700
Expected Price of Repurchased Shares:	\$ 81.27	\$ 85.61	\$ 90.18	\$ 94.99	\$ 100.06	\$ 105.40	\$ 111.03	\$ 116.96	\$ 123.20	\$ 129.78
Number of Shares Repurchased:	42,992	63,861	65,293	61,984	61,067	60,163	59,273	58,396	57,531	56,680
Shares Outstanding (beginning of the year)	8,054,000	8,027,405	7,979,941	7,931,045	7,869,060	7,807,993	7,747,830	7,688,557	7,630,162	7,572,631
Plus: Shares Issued Through ESOP	16,397	16,397	16,397	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	42,992	63,861	65,293	61,984	61,067	60,163	59,273	58,396	57,531	56,680
Shares Outstanding (end of the year)	8,027,405	7,979,941	7,931,045	7,869,060	7,807,993	7,747,830	7,688,557	7,630,162	7,572,631	7,515,951

Walmart Inc
Sensitivity Tables

Equity Risk Premium	DCF	Beta						
	82.65	0.45	0.50	0.55	0.57	0.60	0.70	0.75
	4.50%	109.44	100.82	93.38	90.29	86.90	76.15	71.64
	4.75%	104.97	96.56	89.32	86.32	83.02	72.60	68.24
	4.85%	103.27	94.94	87.78	84.81	81.56	71.26	66.96
	5.00%	100.82	92.62	85.57	82.65	79.45	69.34	65.12
	5.15%	98.48	90.39	83.46	80.59	77.44	67.51	63.37
	5.25%	96.97	88.96	82.10	79.26	76.15	66.34	62.25
	5.50%	93.38	85.57	78.88	76.12	73.09	63.56	59.59

Average Sq. Ft. of Supercenters	DCF	Average Growth Rate of New US Stores						
	82.65	3.75%	4.00%	4.10%	4.11%	4.15%	4.25%	4.50%
	155.00	71.87	73.34	73.94	74.00	74.24	74.84	76.37
	165.00	75.56	77.12	77.75	77.82	78.07	78.71	80.33
	175.00	79.26	80.90	81.56	81.64	81.90	82.57	84.28
	177.65	80.24	81.90	82.57	82.65	82.91	83.60	85.33
	180.00	81.11	82.79	83.47	83.55	83.81	84.50	86.26
	190.00	84.80	86.57	87.28	87.36	87.64	88.37	90.21
	200.00	88.49	90.34	91.10	91.18	91.47	92.24	94.17

Cost of Equity	DDM	CV EPS Growth Rate						
	76.79	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
	5.75%	85.99	91.44	97.80	105.32	114.35	125.37	139.16
	6.00%	79.20	83.80	89.10	95.29	102.60	111.37	122.09
	6.25%	73.29	77.20	81.67	86.82	92.84	99.95	108.48
	6.52%	67.80	71.13	74.89	79.19	84.15	89.94	96.77
	6.75%	63.49	66.39	69.65	73.35	77.57	82.45	88.14
	7.00%	59.40	61.92	64.74	67.91	71.50	75.61	80.35
	7.25%	55.73	57.93	60.38	63.13	66.21	69.70	73.70

WACC	DCF	CV NOPLAT Growth Rate						
	82.65	2.75%	3%	3.20%	3.25%	3.30%	3.50%	3.75%
	5.50%	105.35	113.31	120.93	123.04	125.26	135.21	150.84
	5.75%	95.76	102.17	108.21	109.86	111.59	119.27	131.02
	6.00%	87.64	92.89	97.75	99.08	100.46	106.51	115.60
	6.25%	80.76	85.11	89.10	90.18	91.30	96.18	103.38
	6.50%	74.66	78.30	81.60	82.49	83.41	87.38	93.16
	6.75%	69.39	72.46	75.23	75.97	76.73	80.02	84.75
	7.00%	64.74	67.35	69.70	70.32	70.96	73.71	77.62

Depreciation Rate	DCF	Capital Expenditure Growth Rate						
	82.65	0.25%	0.50%	0.75%	1.00%	1.50%	2.50%	5.00%
	4.00%	82.55	82.46	82.37	82.28	82.10	81.74	80.79
	4.50%	82.69	82.60	82.51	82.43	82.25	81.88	80.93
	5.00%	82.84	82.75	82.66	82.57	82.39	82.03	81.08
	5.28%	82.92	82.83	82.74	82.65	82.47	82.11	81.16
	5.50%	82.98	82.89	82.80	82.72	82.54	82.17	81.23
	6.00%	83.13	83.04	82.95	82.86	82.68	82.32	81.37
	7.00%	83.43	83.34	83.25	83.16	82.98	82.62	81.67

Cost of Sales Margin	DCF	SG&A Expense Margin						
	82.65	19.5%	19.8%	20.0%	20.2%	20.3%	20.5%	21.0%
	72.0%	103.06	97.23	91.39	86.54	85.56	79.72	68.05
	73.0%	101.92	96.09	90.25	85.40	84.41	78.58	66.91
	74.0%	100.78	94.95	89.11	84.26	83.27	77.44	65.77
	75.4%	99.17	93.33	87.50	82.65	81.66	75.83	64.15
	76.0%	98.50	92.66	86.83	81.98	80.99	75.16	63.48
	77.0%	97.36	91.52	85.69	80.84	79.85	74.02	62.34
	78.0%	96.22	90.38	84.55	79.70	78.71	72.87	61.20