



Dear Shareholders and Associates,

Thank you. Gratitude is the first, last and most important thing that I'd like to convey with this letter. To our shareholders, we appreciate your confidence in our company. Many of you have held our shares for a long time and that means the world to us. To our associates, you did such a great job navigating a challenging year. Fiscal year 2023 brought new surprises and challenges, and as I visited with many of you in our stores, clubs, distribution, and fulfillment centers, you handled everything with such a positive attitude. We're impressed and grateful.

I've been with our company for more than 32 years. I've seen us evolve from being a business that sold mostly general merchandise in the U.S., to creating the most successful store format in retail called the Supercenter, to now being the leading omnichannel retailer in the world. I'm excited about what we'll do next.

Around the world, we have great people and a powerful set of assets and capabilities. With our combination of stores, Sam's Clubs, and eCommerce capabilities, we're positioned to serve people however they want to shop. They can come see us in a store or club or use their mobile device to order from an increasingly broad assortment. They can save money and time with us however they choose to in that moment.

Our ability to serve people how they want to be served has enabled us to add \$156 billion in revenue in the last five years and \$125 billion in the last three years, reflecting a compounded annual growth rate of 6 percent and 8 percent, respectively. Our results from last year included sales growth of 9 percent in our retained markets outside the U.S., and comp sales of 10.5 percent in Sam's Club U.S. and 6.6 percent in Walmart U.S. That reflects double-digit comps at Sam's Club U.S. for the third- consecutive year, record membership counts, and a growing popularity with Gen Z members. Globally, our eCommerce sales have reached \$82 billion and now make up 14 percent of our total sales. We ended the year with inventory in good shape despite the challenges earlier in the year.

I've been asked lately, "How do you describe the company today given how much we've changed?" We describe today's Walmart as a people-led, tech-powered omnichannel retailer dedicated to helping people save money and live better. We work to bring the purpose Sam Walton described in 1992 to life for those we have the privilege to serve. We know who we are. We like who we are. And we like who we're becoming. I wouldn't trade what we have with anyone.

Let's break down the description of today's Walmart. I'll start with our people because it's our 2.1 million associates that make the difference. They make it all happen. Our job is to create opportunities for them to fulfill their potential and to make sure every one of them feels like they belong at Walmart. We provide a ladder of opportunity. We're constantly changing to create the right level of investments in wages and benefits, including healthcare, opportunities to save through a 401k, our Walmart stock ownership plan, and our investments in educational opportunities with our own academies and Live Better U. In the U.S., about 75 percent of salaried store, club, and supply chain managers started their careers as hourly associates. Healthcare coverage for a U.S. associate starts at \$33 per pay period. We provide up to

\$20,000 in support for adoption or surrogacy, and a birth mom can receive up to 22 weeks of paid leave. In addition to our own internal academies, Live Better U lets associates choose from 75 programs across 25 education providers where they can develop skills in areas like business management and data analytics. We've seen 105,000 associates use these programs since 2018, and we estimate they've saved about \$333 million in tuition costs.

More than ever, we're being powered by technology. Our customers and members engage through our apps and sites, and our associates have information and capabilities at their fingertips. We're learning to put our data to work. We've modernized our tech stack, and we're building and scaling new applications like a virtual fitting room and Scan & Go. We've built a conversational AI platform enabling voice and chat capabilities that's being used by more than 50 million customers across many of our markets. Our associates used our Ask Sam application to answer 1.3 billion questions last year to help them do things like find an item, check a modular, or see who is working in a particular area that day.

When we bring our people and our tech together to serve customers and members, we create a true omnichannel experience. There isn't another retailer with over 10,500 stores, Sam's Clubs, and a scaled eCommerce business. For the first time I know of, our reputation for convenience has risen to nearly the same level as our strong reputation for price. This is an exciting development.

During a recent investor conference, we shared our focus on growth as well as improved operating margin and return on investment. We can deliver value with everyday low prices for customers and members and improve our profitability and returns through productivity improvements and a new mix of businesses, including a growing marketplace and advertising.

We're dedicated to helping people save money and live better. Everyone understands what we mean when we say save money, but what does it mean to help people live better? This part of our strategy includes saving people time, helping them improve their health, providing tools to save on financial transactions, and strengthening their communities, and the planet. We have an aspiration to become a regenerative company. Being regenerative means restoring, renewing, and replenishing. Based on our latest estimates, we are now diverting 78 percent of our waste from landfills, and 46 percent of our energy is provided by renewables. And we're now three-quarters of the way toward our Project Gigaton goal to reduce or avoid one billion metric tons of greenhouse gas emissions by 2030. Incredible. A huge thank you to our merchants and our participating suppliers!

It's an exciting time to be at Walmart. We're at an important strategic and financial inflection point. Our strategy is simple. It's to bring our purpose to life. The business we're building positions us to earn trust and build an even stronger relationship with our customers and members. Thank you for the role you play.

With Gratitude,

A handwritten signature in black ink that reads "Doug". The signature is written in a cursive, slightly slanted style.