Earnings Key Terms

- **Constant Currency** – In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for all countries where the functional currency is not the U.S. dollar ("non-USD entities") into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates, and the comparable prior year period's currency exchange rates. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations and without the impact of acquisitions of non-USD entities, if any, until such acquisitions are included in both comparable periods. The disclosure of constant currency amounts or results permits investors to understand better Walmart's underlying performance without the effects of currency exchange rate fluctuations or acquisitions of non-USD entities.

- **Earnings per Share (EPS)** – EPS is the portion of the company's profit allocated to each share of outstanding common stock – it's a profitability indicator. We set a target range each year and report our progress.

Earnings Key Terms

- **GMV** – We define GMV as the total U.S. dollar volume of merchandise sold or services rendered for all transactions, including marketplace transactions, that are generally initiated through our eCommerce platforms or include our owned inventory sold on other third party platforms.

- **Diluted Earnings per Share** – This measures the company's profitability against all outstanding convertible securities (convertible bonds or convertible preferred stock). Because this pool includes common stock (as measured in EPS) and convertible securities, it is typically lower than the EPS number and a very conservative metric used to gauge the company's profitability.

- **Gross Profit** – When we refer to gross profit, we are referring to actual gross profit dollars.

- **Gross Profit Rate** – Gross profit as a percentage of net sales, or gross profit rate, refers to the percentage obtained by dividing gross profit dollars by net sales dollars.

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