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 countries where the functional currency is not the U.S. dollar into U.S. dollars or for countries experiencing hyperinflation. 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. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months. 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. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations.
- **Comparable sales** – Comparable store sales is a metric commonly referred to as "same-store" sales by others within the retail industry. The method of calculating comparable store sales may vary across the industry. As a result, our calculation of comparable store sales is not necessarily comparable to similarly titled measures reported by other companies. For Walmart, comparable store sales include sales from stores and clubs open for the previous 12 months, including remodels, relocations and expansions. Changes in format are excluded from comparable store sales when the conversion is accompanied by a relocation or expansion that results in a change in square footage of more than five percent. Additionally, sales related to eCommerce acquisitions are excluded until such acquisitions have been owned for 12 months.

Walmart

Earnings Key Terms

- **Comparable sales excluding fuel** – A comparable sales metric that indicates the performance of our existing stores and clubs without considering fuel due to fuel's volatility and unpredictability.
- **Comp transactions** – Comp transactions (formerly referred to as comp traffic) are a component of comparable sales to measure the number of sales transactions in our stores and clubs as well as for eCommerce.
- **Contribution profit**– In eCommerce, contribution profit is a measure of variable profitability and is equal to gross profit less variable fulfillment costs, payment processing costs and other variable costs.
- **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.
- **eCommerce –** Includes all sales initiated online or through a mobile app, such as walmart.com, ship-to-home, ship-to-store, pick-up-today, online grocery, grocery pickup, as well as transactions through jet.com and other sites in our family of brands.
- **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.

Walmart

Earnings Key Terms

- **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.

Additional resources available at stock.walmart.com

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