

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported)
May 18, 2021

Walmart Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction of incorporation or
organization)

001-06991
(Commission File Number)

71-0415188
(I.R.S. Employer Identification No.)

702 S.W. 8th Street
Bentonville, AR 72716-0215
(Address of Principal Executive Offices) (Zip code)

Registrant's telephone number, including area code
(479) 273-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	WMT	NYSE
1.900% Notes Due 2022	WMT22	NYSE
2.550% Notes Due 2026	WMT26	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

In accordance with Item 2.02 of Form 8-K of the Securities and Exchange Commission (the "SEC"), Walmart Inc., a Delaware corporation (the "Company"), is furnishing to the SEC a press release that the Company will issue on May 18, 2021 (the "Press Release") and a financial presentation that will be first posted by the Company on the Company's website at <http://stock.walmart.com> on May 18, 2021 (the "Financial Presentation"). The Press Release and the Financial Presentation will disclose information regarding the Company's results of operations and cash flows for the three months ended April 30, 2021, and the Company's financial condition as of April 30, 2021.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, which are furnished herewith pursuant to and relate to this Item 2.02, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of Section 18 of the Exchange Act. The information in this Item 2.02 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 hereto shall not be incorporated by reference into any filing or other document filed by the Company with the SEC pursuant to the Securities Act of 1933, as amended, the rules and regulations of the SEC thereunder, the Exchange Act, or the rules and regulations of the SEC thereunder except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

The following documents are furnished as exhibits to this Current Report on Form 8-K:

- 99.1 [Press Release](#)
 - 99.2 [Financial Presentation](#)
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 18, 2021

WALMART INC.

By: /s/ M. Brett Biggs

Name: M. Brett Biggs

Title: Executive Vice President and
Chief Financial Officer



Walmart U.S. Q1 comp sales¹ grew 6.0%; 16.0% on a two-year stack

Q1 FY22 GAAP EPS of \$0.97; Adjusted EPS² of \$1.69

Walmart U.S. eCommerce sales increased 37%

Walmart U.S. gains market share in grocery

Company raises outlook for Q2 and full-year

- * Total revenue was \$138.3 billion, an increase of \$3.7 billion, or 2.7%. Revenue was negatively affected by approximately \$4.2 billion related to recent divestitures in Walmart International. Excluding currency², total revenue would have increased 2.1% to reach \$137.4 billion.
- * Walmart U.S. comp sales¹ increased 6.0% with market share gains in grocery. Operating income increased 26.8%.
- * Walmart U.S. eCommerce sales grew 37% with strong results across all channels, contributing approximately 360 basis points to comp sales. Sales more than doubled over the last two years.
- * Sam's Club comp sales¹ increased 7.2%, and eCommerce sales grew 47%. Reduced tobacco sales negatively affected comp sales by approximately 340 basis points. Membership income increased 12.7%, and total member count reached an all-time high.
- * Walmart International net sales were \$27.3 billion, a decrease of \$2.5 billion, or 8.3%, and eCommerce sales increased 49%. Net sales were negatively affected by \$4.2 billion, or 14.1%, related to recent divestitures, and changes in currency exchange rates positively affected net sales by approximately \$0.9 billion.
- * Consolidated gross profit rate increased 104 basis points, led by strength in Walmart U.S., while consolidated operating expenses as a percentage of net sales was relatively flat.
- * Consolidated operating income was \$6.9 billion, an increase of 32.3%, with strength across the company. Recently divested businesses in the U.K. and Japan contributed operating income of \$289 million, or \$0.07 of EPS.
- * Adjusted EPS² excludes the effects, net of tax, of:
 - net losses on equity investments of \$0.57; and
 - an incremental loss on the sale of our operations in the U.K. and Japan of \$0.15

"This was a strong quarter. Every segment performed well, and we're encouraged by traffic and grocery market share trends. Our optimism is higher than it was at the beginning of the year. In the U.S., customers clearly want to get out and shop. We have a strong position as our store environment improves and eCommerce continues to grow. Stimulus in the U.S. had an impact, and the second half has more uncertainty than a typical year. We anticipate continued pent-up demand throughout 2021. Our results reflect the continued hard work and commitment our associates have shown throughout the pandemic — serving others and helping provide vaccines — and we're grateful to them."


Doug McMillon
President and CEO, Walmart

¹ Comp sales for the 13-week period ended April 30, 2021 compared to 13-week period ended May 1, 2020, and excludes fuel. See Supplemental Financial Information for additional information.

² See additional information at the end of this release regarding non-GAAP financial measures.










Key results

(Amounts in billions, except as noted. Dollar and percentage changes may not recalculate due to rounding.)

Walmart 		Q1 FY22	Q1 FY21	Change	
Revenue		\$138.3	\$134.6	\$3.7	2.7%
Revenue (constant currency) ¹		\$137.4	\$134.6	\$2.8	2.1%
Operating income		\$6.9	\$5.2	\$1.7	32.3%
Operating income (constant currency) ¹		\$6.9	\$5.2	\$1.6	31.3%
Free Cash Flow¹		Q1 FY22	\$ Change	Returns to Shareholders	
Operating cash flow		\$2.9	-\$4.2	Dividends	\$1.5 1.3%
Capital expenditures		\$2.2	\$0.5	Share repurchases ²	\$2.8 288.4%
Free cash flow ¹		\$0.6	-\$4.6	Total	\$4.4 93.5%

Segment results

(Amounts in billions, except as noted. Dollar and percentage changes may not recalculate due to rounding.)

Walmart  U.S.		Q1 FY22	Q1 FY21	Change	
Net sales		\$93.2	\$88.7	\$4.4	5.0%
Comp sales (ex. fuel) ³		6.0%	10.0%	NP	NP
 Transactions		-3.2%	-5.6%	NP	NP
 Average ticket		9.5%	16.5%	NP	NP
 eCommerce contribution		~360 bps	~390 bps	NP	NP
Operating income		\$5.5	\$4.3	\$1.2	26.8%
Walmart  International		Q1 FY22	Q1 FY21	Change	
Net sales		\$27.3	\$29.8	-\$2.5	-8.3%
Net sales (constant currency) ¹		\$26.4	\$29.8	-\$3.4	-11.4%
Operating income		\$1.2	\$0.8	\$0.4	48.1%
Operating income (constant currency) ¹		\$1.1	\$0.8	\$0.3	41.8%
sam's club 		Q1 FY22	Q1 FY21	Change	
Net sales		\$16.7	\$15.2	\$1.5	10.1%
Comp sales (ex. fuel) ³		7.2%	12.0%	NP	NP
 Transactions		2.2%	11.9%	NP	NP
 Average ticket		4.9%	0.1%	NP	NP
 eCommerce contribution		~310 bps	~170 bps	NP	NP
Operating income		\$0.6	\$0.5	\$0.1	16.4%

¹ See additional information at the end of this release regarding non-GAAP financial measures.

² \$17.6 billion remaining of \$20 billion authorization approved in February 2021. The company repurchased approximately 20.6 million shares in Q1 fiscal 2022.

³ Comp sales for the 13-week period ended April 30, 2021 compared to 13-week period ended May 1, 2020, and excludes fuel. See Supplemental Financial Information for additional information.

NP - Not provided

Fiscal 2022 Q2 and full-year guidance

The following guidance reflects the company's updated expectations for fiscal year 2022 and is provided on a non-GAAP basis as the company cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange translation and externally adjusted items. Prior year results are on an adjusted basis. The company's updated guidance assumes COVID-19 conditions continue to improve as well as no significant additional government stimulus packages for the remainder of the year.

Metric	Prior FY22 Guidance	Updated FY22 Guidance
Consolidated net sales	Decline in constant currency <ul style="list-style-type: none"> Excluding divestitures¹, consolidated net sales growth up low single-digits 	Decline low single-digits in constant currency <ul style="list-style-type: none"> Excluding divestitures¹, consolidated net sales growth up low-to-mid single-digits
Comp sales growth	<ul style="list-style-type: none"> Walmart U.S., up low single-digits, ex. fuel Sam's Club, up low single-digits, ex. fuel and tobacco 	No change
Walmart International net sales	Decline in constant currency <ul style="list-style-type: none"> Higher growth percentage than U.S., excluding divestitures¹ 	Decline 20-25% in constant currency due to divestitures ¹ <ul style="list-style-type: none"> Increase mid single-digits, excluding divestitures¹
Consolidated expense leverage	Maintain rate, or slightly deleverage	Maintain rate, or slightly leverage
Consolidated operating income	Decline slightly in constant currency <ul style="list-style-type: none"> Flat to up slightly, excluding divestitures¹ 	Increase mid single-digits in constant currency <ul style="list-style-type: none"> Increase high single-digits, excluding divestitures¹ in constant currency
Walmart U.S. operating income	Increase slightly	Increase high single-digits
Effective tax rate	24.5% to 25.5%	No change
EPS	Decline slightly <ul style="list-style-type: none"> Flat to up slightly, excluding divestitures¹ 	Increase high single-digits <ul style="list-style-type: none"> Increase low double-digits, excluding divestitures¹
Capital expenditures	Around \$14 billion with a focus on supply chain, automation, customer-facing initiatives and technology	No change

Metric	Prior Q2 FY22 Guidance	Updated Q2 FY22 Guidance
Comp sales growth	N/A	Walmart U.S., up low single-digits, excluding fuel
Consolidated operating income	Decline mid-to-high single-digits	Decline low-to-mid single-digits <ul style="list-style-type: none"> Up slightly, excluding divestitures¹
EPS	Decline mid-to-high single-digits	Decline low single-digits <ul style="list-style-type: none"> Up low single-digits, excluding divestitures¹

¹We completed the sales of Walmart Argentina in November 2020, Asda in February 2021 and Seiyu in March 2021.

About Walmart

Walmart Inc. (NYSE: WMT) helps people around the world save money and live better - anytime and anywhere - in retail stores, online, and through their mobile devices. Each week, approximately 220 million customers and members visit approximately 10,500 stores and clubs under 48 banners in 24 countries and eCommerce websites. With fiscal year 2021 revenue of \$559 billion, Walmart employs 2.2 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <https://corporate.walmart.com>, on Facebook at <https://facebook.com/walmart> and on Twitter at <https://twitter.com/walmart>.

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Forward-Looking Statements

This release and related management commentary contains statements or may include or may incorporate by reference, statements that may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. Assumptions on which such forward-looking statements are based are also forward-looking statements. Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's or business', economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. Our actual results may differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including: the impact of the COVID-19 pandemic on our business and the global economy; economic, capital markets and business conditions; trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations, changes in market interest rates and market levels of wages; changes in the size of various markets, including eCommerce markets; unemployment levels; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; the effectiveness of the implementation and operation of our strategies, plans, programs and initiatives; unexpected changes in our objectives and plans; the impact of acquisitions, investments, divestitures, and other strategic decisions; our ability to successfully integrate acquired businesses; changes in the trading prices of certain equity investments we hold; initiatives of competitors, competitors' entry into and expansion in our markets, and competitive pressures; customer traffic and average transactions in our stores and clubs and on our eCommerce websites; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; our gross profit margins; the financial performance of Walmart and each of its segments, including the amounts of our cash flow during various periods; the amount of our net sales and operating expenses denominated in the U.S. dollar and various foreign currencies; commodity prices and the price of gasoline and diesel fuel; supply chain disruptions and disruptions in seasonal buying patterns; the availability of goods from suppliers and the cost of goods acquired from suppliers; our ability to respond to changing trends in consumer shopping habits; consumer acceptance of and response to our stores, clubs, eCommerce platforms, programs, merchandise offerings and delivery methods; cyber security events affecting us and related costs and impact to the business; developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith; casualty and accident-related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; our effective tax rate and the factors affecting our effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations; changes in existing tax, labor and other laws and regulations and changes in tax rates including the enactment of laws and the adoption and interpretation of administrative rules and regulations; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions; adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives; changes in accounting estimates or judgments; the level of public assistance payments; natural disasters, changes in climate, geopolitical events, global health epidemics or pandemics and catastrophic events; and changes in generally accepted accounting principles in the United States.

Our most recent annual report on Form 10-K and subsequent quarterly report on Form 10-Q filed with the SEC discuss other risks and factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statement in the release and related management commentary. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this release. Walmart cannot assure you that the results reflected in or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects for or on our operations or financial performance. The forward-looking statements made today are as of the date of this release. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Walmart Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended April 30,		
	2021	2020	Percent Change
<i>(Amounts in millions, except per share data)</i>			
Revenues:			
Net sales	\$ 137,159	\$ 133,672	2.6 %
Membership and other income	1,151	950	21.2 %
Total revenues	138,310	134,622	2.7 %
Costs and expenses:			
Cost of sales	103,272	102,026	1.2 %
Operating, selling, general and administrative expenses	28,129	27,372	2.8 %
Operating income	6,909	5,224	32.3 %
Interest:			
Debt	481	510	(5.7)%
Finance lease obligations	85	82	3.7 %
Interest income	(30)	(43)	(30.2)%
Interest, net	536	549	(2.4)%
Other (gains) and losses	2,529	(721)	(450.8)%
Income before income taxes	3,844	5,396	(28.8)%
Provision for income taxes	1,033	1,322	(21.9)%
Consolidated net income	2,811	4,074	(31.0)%
Consolidated net income attributable to noncontrolling interest	(81)	(84)	(3.6)%
Consolidated net income attributable to Walmart	<u>\$ 2,730</u>	<u>\$ 3,990</u>	<u>(31.6)%</u>
Net income per common share:			
Basic net income per common share attributable to Walmart	\$ 0.97	\$ 1.41	(31.2)%
Diluted net income per common share attributable to Walmart	\$ 0.97	\$ 1.40	(30.7)%
Weighted-average common shares outstanding:			
Basic	2,815	2,831	
Diluted	2,829	2,849	
Dividends declared per common share	<u>\$ 2.20</u>	<u>\$ 2.16</u>	

Walmart Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

<i>(Amounts in millions)</i>	April 30, 2021	January 31, 2021	April 30, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,846	\$ 17,741	\$ 14,930
Receivables, net	5,797	6,516	5,029
Inventories	46,383	44,949	41,217
Prepaid expenses and other ⁽¹⁾	1,565	20,861	2,152
Total current assets	76,591	90,067	63,328
Property and equipment, net	90,996	92,201	101,872
Operating lease right-of-use assets	13,650	13,642	16,895
Finance lease right-of-use assets, net	3,979	4,005	4,611
Goodwill	28,872	28,983	29,416
Other long-term assets	22,493	23,598	16,770
Total assets	\$ 236,581	\$ 252,496	\$ 232,892
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	\$ 362	\$ 224	\$ 4,048
Accounts payable	48,151	49,141	44,096
Dividends payable	4,651	—	4,588
Accrued liabilities ⁽¹⁾	21,371	37,966	20,377
Accrued income taxes	851	242	1,303
Long-term debt due within one year	3,500	3,115	5,983
Operating lease obligations due within one year	1,448	1,466	1,729
Finance lease obligations due within one year	507	491	523
Total current liabilities	80,841	92,645	82,647
Long-term debt	40,273	41,194	43,006
Long-term operating lease obligations	12,930	12,909	15,669
Long-term finance lease obligations	3,802	3,847	4,474
Deferred income taxes and other	14,143	14,370	12,986
Commitments and contingencies			
Equity:			
Common stock	280	282	284
Capital in excess of par value	3,424	3,646	2,983
Retained earnings	82,577	88,763	81,141
Accumulated other comprehensive loss	(7,946)	(11,766)	(16,168)
Total Walmart shareholders' equity	78,335	80,925	68,240
Noncontrolling interest	6,257	6,606	5,870
Total equity	84,592	87,531	74,110
Total liabilities and equity	\$ 236,581	\$ 252,496	\$ 232,892

¹ As of January 31, 2021, prepaid expenses and other included assets held for sale of \$19.2 billion and accrued liabilities included liabilities held for sale of \$12.7 billion related to our operations in the U.K. and Japan. We completed the sale of our operations in the U.K. and Japan in the first quarter of fiscal 2022.

Walmart Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended April 30,	
	2021	2020
<i>(Amounts in millions)</i>		
Cash flows from operating activities:		
Consolidated net income	\$ 2,811	\$ 4,074
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	2,661	2,791
Net unrealized and realized (gains) and losses	2,077	(783)
Losses on disposal of business operations	433	—
Deferred income taxes	(155)	84
Other operating activities	270	(51)
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:		
Receivables, net	828	924
Inventories	(1,487)	2,221
Accounts payable	(1,004)	(1,183)
Accrued liabilities	(4,004)	(2,109)
Accrued income taxes	428	1,049
Net cash provided by operating activities	2,858	7,017
Cash flows from investing activities:		
Payments for property and equipment	(2,214)	(1,752)
Proceeds from the disposal of property and equipment	72	60
Proceeds from disposal of certain operations, net of divested cash	7,935	—
Payments for business acquisitions, net of cash acquired	—	(10)
Other investing activities	57	6
Net cash provided by (used in) investing activities	5,850	(1,696)
Cash flows from financing activities:		
Net change in short-term borrowings	138	3,542
Repayments of long-term debt	(510)	—
Dividends paid	(1,549)	(1,529)
Purchase of Company stock	(2,809)	(723)
Other financing activities	(669)	(725)
Net cash (used in) provided by financing activities	(5,399)	565
Effect of exchange rates on cash, cash equivalents and restricted cash	(51)	(415)
Net increase in cash, cash equivalents and restricted cash	3,258	5,471
Change in cash and cash equivalents classified as held for sale	1,848	—
Cash, cash equivalents and restricted cash at beginning of year	17,788	9,514
Cash, cash equivalents and restricted cash at end of period	\$ 22,894	\$ 14,985

Walmart Inc.
Supplemental Financial Information
(Unaudited)

Net sales and operating income

(dollars in millions)

Walmart U.S.
Walmart International
Sam's Club
Corporate and support
Consolidated

Net Sales			Operating Income		
Three Months Ended April 30,			Three Months Ended April 30,		
2021	2020	Percent Change	2021	2020	Percent Change
\$ 93,167	\$ 88,743	5.0%	\$ 5,455	\$ 4,302	26.8%
27,300	29,766	-8.3%	1,194	806	48.1%
16,692	15,163	10.1%	575	494	16.4%
—	—	—	(315)	(378)	-16.7%
\$ 137,159	\$ 133,672	2.6%	\$ 6,909	\$ 5,224	32.3%

U.S. comparable sales results

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	4/30/2021	5/1/2020	4/30/2021	5/1/2020	4/30/2021	5/1/2020
Walmart U.S.	6.2%	9.9%	6.0%	10.0%	0.2%	-0.1%
Sam's Club	11.1%	8.5%	7.2%	12.0%	3.9%	-3.5%
Total U.S.	6.9%	9.7%	6.2%	10.3%	0.7%	-0.6%

Comparable sales is a metric that indicates the performance of our existing stores and clubs and it is important to review in conjunction with the company's financial results reported in accordance with GAAP. Comparable sales excluding fuel is also an important, separate metric that indicates the performance of our existing stores and clubs without considering fuel, which is volatile and unpredictable. Other companies in our industry may calculate comparable sales differently, limiting the comparability of the metric.

Walmart Inc.
Reconciliations of and Other Information Regarding Non-GAAP Financial Measures
(Unaudited)

The following information provides reconciliations of certain non-GAAP financial measures presented in the press release to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The company has provided the non-GAAP financial information presented in the press release, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in the press release that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the press release. The non-GAAP financial measures in the press release may differ from similar measures used by other companies.

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. 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.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three months ended April 30, 2021.

	Three Months Ended April 30, 2021			
	Walmart International		Consolidated	
	2021	Percent Change ¹	2021	Percent Change ¹
<i>(Dollars in millions)</i>				
Total revenues:				
As reported	\$ 27,669	(7.9)%	\$ 138,310	2.7 %
Currency exchange rate fluctuations	(928)	N/A	(928)	N/A
Constant currency total revenues	\$ 26,741	(11.0)%	\$ 137,382	2.1 %
Net sales:				
As reported	\$ 27,300	(8.3)%	\$ 137,159	2.6 %
Currency exchange rate fluctuations	(913)	N/A	(913)	N/A
Constant currency net sales	\$ 26,387	(11.4)%	\$ 136,246	1.9 %
Operating income:				
As reported	\$ 1,194	48.1 %	\$ 6,909	32.3 %
Currency exchange rate fluctuations	(51)	N/A	(51)	N/A
Constant currency operating income	\$ 1,143	41.8 %	\$ 6,858	31.3 %

¹ Change versus prior year comparable period.

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$2.9 billion for the three months ended April 30, 2021, which decreased when compared to \$7.0 billion for the three months ended April 30, 2020 primarily due to an increase in inventory purchases due in part to lapping the impact of accelerated inventory sell-through in the first quarter of fiscal 2021. We generated free cash flow of \$0.6 billion for the three months ended April 30, 2021, which decreased when compared to \$5.3 billion for the three months ended April 30, 2020 due to the same reasons as the decrease in net cash provided by operating activities, as well as \$0.5 billion in increased capital expenditures.

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

	Three Months Ended April 30,	
	2021	2020
<i>(Dollars in millions)</i>		
Net cash provided by operating activities	\$ 2,858	\$ 7,017
Payments for property and equipment (capital expenditures)	(2,214)	(1,752)
Free cash flow	\$ 644	\$ 5,265
Net cash provided by (used in) investing activities ¹	\$ 5,850	\$ (1,696)
Net cash (used in) provided by financing activities	(5,399)	565

¹ "Net cash provided by (used in) investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

Adjusted EPS

Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the SEC's rules because it excludes certain amounts included in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance with that of the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance with that of the prior year.

We adjust for the unrealized and realized gains and losses on our equity investments each quarter because although the investments are strategic decisions for the company's retail operations, management's measurement of each strategy is primarily focused on the operational results rather than the fair value of such investments. Additionally, management does not forecast changes in the fair value of its equity investments. Accordingly, management adjusts EPS each quarter for the realized and unrealized gains and losses related to those equity investments.

We have calculated Adjusted EPS for the three months ended April 30, 2021 by adjusting EPS for the following:

1. the incremental loss on sale of our operations in the U.K and Japan during the first quarter of fiscal 2022; and
2. unrealized and realized gains and losses on the company's equity investments.

Three Months Ended April 30, 2021			
Diluted earnings per share:			
Reported EPS			\$ 0.97
Adjustments:	Pre-Tax Impact	Tax Impact^{1, 2}	Net Impact
Unrealized and realized (gains) and losses on equity investments	\$ 0.74	\$ (0.17)	\$ 0.57
Incremental loss on sale of our operations in the U.K. and Japan	0.15	—	0.15
Net adjustments			\$ 0.72
Adjusted EPS			\$ 1.69

¹ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. Minimal realizable tax benefit was provided in connection with the incremental loss on sale.

² The reported effective tax rate was 26.9% for the three months ended April 30, 2021. Adjusted for the above items, the effective tax rate was 23.3% for the three months ended April 30, 2021.

As previously disclosed in our first quarter ended April 30, 2020 press release, we have calculated Adjusted EPS for the three months ended April 30, 2020 by adjusting EPS for the unrealized gains and losses on our JD.com investment.

Three Months Ended April 30, 2020			
Diluted earnings per share:			
Reported EPS			\$ 1.40
Adjustments:	Pre-Tax Impact	Tax Impact¹	Net Impact
Unrealized (gains) and losses on JD.com investment	\$ (0.27)	\$ 0.05	\$ (0.22)
Net adjustments			\$ (0.22)
Adjusted EPS			\$ 1.18

¹ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.



Financial presentation to accompany management commentary

Q1 FY2022



Safe harbor and non-GAAP measures



This presentation contains statements or may include or may incorporate by reference, statements that may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. Assumptions on which such forward-looking statements are based are also forward-looking statements. Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's or business', economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. Our actual results may differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including: the impact of the COVID-19 pandemic on our business and the global economy; economic, capital markets and business conditions; trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations, changes in market interest rates and market levels of wages; changes in the size of various markets, including eCommerce markets; unemployment levels; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; the effectiveness of the implementation and operation of our strategies, plans, programs and initiatives; unexpected changes in our objectives and plans; the impact of acquisitions, investments, divestitures, and other strategic decisions; our ability to successfully integrate acquired businesses; changes in the trading prices of certain equity investments we hold; initiatives of competitors, competitors' entry into and expansion in our markets, and competitive pressures; customer traffic and average transactions in our stores and clubs and on our eCommerce websites; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; our gross profit margins; the financial performance of Walmart and each of its segments, including the amounts of our cash flow during various periods; the amount of our net sales and operating expenses denominated in the U.S. dollar and various foreign currencies; commodity prices and the price of gasoline and diesel fuel; supply chain disruptions and disruptions in seasonal buying patterns; the availability of goods from suppliers and the cost of goods acquired from suppliers; our ability to respond to changing trends in consumer shopping habits; consumer acceptance of and response to our stores, clubs, eCommerce platforms, programs, merchandise offerings and delivery methods; cyber security events affecting us and related costs and impact to the business; developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith; casualty and accident-related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; our effective tax rate and the factors affecting our effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations; changes in existing tax, labor and other laws and regulations and changes in tax rates including the enactment of laws and the adoption and interpretation of administrative rules and regulations; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions; adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives; changes in accounting estimates or judgments; the level of public assistance payments; natural disasters, changes in climate, geopolitical events, global health epidemics or pandemics and catastrophic events; and changes in generally accepted accounting principles in the United States.

Our most recent annual report on Form 10-K and subsequent quarterly report on Form 10-Q filed with the SEC discuss other risks and factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statement in the presentation. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this presentation. Walmart cannot assure you that the results reflected in or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects for or on our operations or financial performance. The forward-looking statements made today are as of the date of this presentation. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

This presentation includes certain non-GAAP measures as defined under SEC rules, including net sales, revenue, and operating income on a constant currency basis, adjusted operating income, adjusted operating income in constant currency, adjusted EPS, free cash flow and return on investment. Refer to information about the non-GAAP measures contained in this presentation. Additional information as required by Regulation G and Item 10(e) of Regulation S-K regarding non-GAAP measures can be found in our most recent Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at www.stock.walmart.com.

Fiscal 2022 Q2 and full-year guidance



The following guidance reflects the company's updated expectations for fiscal year 2022 and is provided on a non-GAAP basis as the company cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange translation and externally adjusted items. Prior year results are on an adjusted basis. The company's updated guidance assumes COVID-19 conditions continue to improve as well as no significant additional government stimulus packages for the remainder of the year.

Metric	Prior FY22 Guidance	Updated FY22 Guidance
Consolidated net sales	Decline in constant currency <ul style="list-style-type: none"> Excluding divestitures¹, consolidated net sales growth up low single-digits 	Decline low single-digits in constant currency <ul style="list-style-type: none"> Excluding divestitures¹, consolidated net sales growth up low-to-mid single-digits
Comp sales growth	<ul style="list-style-type: none"> Walmart U.S., up low single-digits, excluding fuel Sam's Club, up low single-digits, ex. fuel and tobacco 	No change
Walmart International net sales	Decline in constant currency <ul style="list-style-type: none"> Higher growth percentage than U.S., excluding divestitures¹ 	Decline 20%-25% in constant currency due to divestitures ¹ <ul style="list-style-type: none"> Increase mid single-digits, excluding divestitures¹
Consolidated expense leverage	Maintain rate, or slightly deleverage	Maintain rate, or slightly leverage
Consolidated operating income	Decline slightly in constant currency <ul style="list-style-type: none"> Flat to up slightly, excluding divestitures¹ 	Increase mid single-digits in constant currency <ul style="list-style-type: none"> Increase high single-digits, excluding divestitures¹, in constant currency
Walmart U.S. operating income	Increase slightly	Increase high single-digits
Effective tax rate	24.5% to 25.5%	No change
EPS	Decline slightly <ul style="list-style-type: none"> Flat to up slightly, excluding divestitures¹ 	Increase high single-digits <ul style="list-style-type: none"> Increase low double-digits, excluding divestitures¹
Capital expenditures	Around \$14 billion with a focus on supply chain, automation, customer-facing initiatives and technology	No change

Metric	Prior Q2 FY22 Guidance	Updated Q2 FY22 Guidance
Comp sales growth	N/A	Walmart U.S., up low single-digits, excluding fuel
Consolidated operating income	Decline mid-to-high single-digits	Decline low-to-mid single digits <ul style="list-style-type: none"> Up slightly, excluding divestitures¹
EPS	Decline mid-to-high single-digits	Decline low single-digits <ul style="list-style-type: none"> Up low single-digits, excluding divestitures¹

¹ We completed the sales of Walmart Argentina in November 2020, Asda in February 2021 and Seiyu in March 2021.

Walmart Inc. - Q1 FY22



Dollars in billions, except per share.
Change is calculated as the change versus the prior year comparable period

Total revenue	Net sales	Operating expense as a percentage of net sales ²	Effective tax rate
\$138.3	\$137.2	20.5%	26.9%
+2.7%	+2.6%	+3 bps	
Total revenue, constant currency ^{1,2}	Net sales, constant currency ^{1,2}	Operating income	EPS
\$137.4	\$136.2	\$6.9	\$0.97
+2.1%	+1.9%	+32.3%	-30.7%
Membership and Other Income	Gross profit rate ²	Operating income, constant currency ^{1,2}	Adjusted EPS ¹
\$1.2	24.7%	\$6.9	\$1.69
+21.2%	+104 bps	+31.3%	+43.2%

¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

² When removing the divestitures of U.K., Japan and Argentina:

- Total revenue in constant currency would have increased 5.8%, excluding \$4.7 billion and \$9.2 billion in Q1 fiscal 2022 and 2021, respectively.
- Net sales in constant currency would have increased 5.6%, excluding \$4.7 billion and \$9.1 billion in Q1 fiscal 2022 and 2021, respectively.
- Gross profit rate would have increased 96 bps, excluding a benefit of 8 bps due to the divestitures.
- Operating expense as a percentage of net sales would have increased 21 bps, excluding a benefit of 18 bps due to the divestitures.
- Operating income in constant currency would have increased 28.3%, excluding \$273 million and \$90 million in Q1 fiscal 2022 and 2021, respectively.
- eCommerce net sales in constant currency would have increased 42.8%, excluding \$706 million and \$730 million in Q1 fiscal 2022 and 2021, respectively.

Walmart Inc. - Q1 FY22

Dollars in billions.

Change is calculated as the change versus the prior year comparable period

Receivables, net

\$5.8

+15.3%

Inventories

\$46.4

+12.5%

Accounts payable

\$48.2

+9.2%

Debt to capitalization¹

38.2%

-780 bps

Return on assets²

5.3%

-130 bps

Return on investment²

14.4%

+100 bps



¹ Debt to total capitalization calculated as of April 30, 2021. Debt includes short-term borrowings, long-term debt due within one year, finance lease obligations due within one year, long-term debt and long-term finance lease obligations. Total capitalization includes debt and total Walmart shareholders' equity.

² Calculated for the trailing 12 months ended April 30, 2021. For ROI, see reconciliations at the end of presentation regarding non-GAAP financial measures.

Walmart Inc. - YTD Q1 FY22

Dollars in billions. Dollar changes may not recalculate due to rounding.
Change is calculated as the change versus the prior year comparable period

Operating cash flow

\$2.9

-\$4.2

Capital expenditures

\$2.2

+\$0.5

Free cash flow¹

\$0.6

-\$4.6

Dividends

\$1.5

Share repurchases²

\$2.8

Total shareholder returns

\$4.4



¹ See press release located at www.stock.walmart.com and reconciliations at the end of this presentation regarding non-GAAP financial measures.

² \$17.6 billion remaining of \$20 billion authorization approved in February 2021. The company repurchased approximately 20.6 million shares in Q1 fiscal 2022.

Walmart U.S. - Q1 FY22

Dollars in billions.
Change is calculated as the change versus the prior year comparable period



Net Sales
\$93.2
+5.0%

eCommerce net sales growth
+37%

eCommerce contribution to comp^{1, 2}
~360 bps

- Strong eCommerce sales growth across channels throughout Q1; led by growth in store pickup & delivery and marketplace
- On a two-year stack, eCommerce sales more than doubled

Comparable sales^{1, 2}
6.0%

Comparable transactions
-3.2%

Comparable average ticket
9.5%

- Comp sales stronger than expected aided by stimulus spending despite lapping last year's COVID-related stock-up phase and stimulus
- On a two-year stack, comp sales increased 16%
- Customers continued to consolidate store shopping trips with larger average basket sizes; more purchases via eCommerce; comparable transactions declined less than prior quarters

Inventory
Total: +15.8%

- Increase reflects inventory build to support higher sales trends and lapping last year's COVID-related effects on inventory

Remodels: **89 stores**
Pickup: **~3,800 locations**
Same-day delivery: **>3,200 stores**

¹ Comp sales for the 13-week period ended April 30, 2021 compared to the 13-week period ended May 1, 2020, and excludes fuel.

² The results of new acquisitions are included in our comp sales metrics in the 13th month after acquisition.

Walmart U.S. - Q1 FY22

Dollars in billions.
Change is calculated as the change versus the prior year comparable period



Gross profit rate

+142 bps

- Benefited from mix shifts into General Merchandise, due in part to stimulus, and lower markdowns
- Also benefited from lapping last year's weaker results due to COVID-related mix shifts into Food and closures of Auto Care Centers and Vision Centers

Operating expense rate

+49 bps

- Expenses deleveraged primarily due to strategic wage and technology investments
- COVID-related costs were lower by ~\$400 million and benefited expense leverage by ~50 bps

Operating income

\$5.5

+26.8%

Walmart U.S. - quarterly merchandise highlights



Category	Comp sales	Details
Grocery	- low single-digit	<ul style="list-style-type: none">Sales declined against a tough comparison as we lapped last year's customer stock up, but were up low-double digits on a two-year stacked basisFood categories saw mid-teens growth on a two-year stack aided by strong price positioning, improving in-stocks and expanded store hours while consumables sales reflected strength in household chemicals and a rebound in beauty sales with customer trends toward social interactionSales volumes from eCommerce pickup and delivery from store remain robust
Health & wellness	+ mid single-digit	<ul style="list-style-type: none">Strong sales reflected branded drug inflation, lapping last year's COVID-related closures of Vision Centers, and this year's vaccine administration
General merchandise	+ low 20%	<ul style="list-style-type: none">Sales were aided by stimulus spending and reflected customer trends toward recreation and home improvements including categories such as apparel, home, outdoor living and sporting goods

Walmart International - Q1 FY22



Dollars in billions. Dollar changes may not recalculate due to rounding.
Change is calculated as the change versus the prior year comparable period

<p>Net sales</p> <p>\$27.3</p> <p>-8.3%</p> <ul style="list-style-type: none"> • Divestitures contributed \$5.0 billion of net sales due to a partial period ownership; a reduction of \$4.2 billion YoY • Retained market growth of 8.4% <p>Net sales, constant currency¹</p> <p>\$26.4</p> <p>-11.4%</p> <ul style="list-style-type: none"> • Divestitures contributed \$4.7 billion of net sales due to a partial period ownership; a reduction of \$4.4 billion YoY • Retained market growth of 5.1%: <ul style="list-style-type: none"> ◦ Strength in Flipkart and Canada ◦ eCommerce net sales contributed 16% of total net sales ◦ Negatively affected by government-mandated restrictions in certain markets 	<p>Gross profit rate</p> <p>+42 bps</p> <ul style="list-style-type: none"> • Positively impacted by 18 bps from divestitures • Retained market gross profit rate increased 24 bps due to mix shift to higher margin categories and fewer markdowns <p>Operating expense rate</p> <p>-86 bps</p> <ul style="list-style-type: none"> • Operating expense rate leveraged ~90 bps from divestitures, primarily driven by ceasing depreciation & amortization for the U.K. and Japan (~60 bps) while held for sale under U.S. GAAP and lower COVID-related costs (~24 bps) • Retained market operating expense rate was relatively flat • Retained market lower COVID-related costs benefited leverage ~\$30 million (~8 bps) 	<p>Operating income</p> <p>\$1.2</p> <p>+48.1%</p> <ul style="list-style-type: none"> • Divestitures contributed \$289 million of operating income • Retained market growth of 26.4% <p>Operating income, constant currency¹</p> <p>\$1.1</p> <p>+41.8%</p> <ul style="list-style-type: none"> • Divestitures contributed \$273 million of operating income • Retained market growth of 21.5% 	<p>Inventory</p> <p>\$9.2</p> <p>+1.8%</p> <ul style="list-style-type: none"> • \$1.8 billion decrease from divestitures • Retained market inventory increased reflecting higher sales trends
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¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

Walmart International - Q1 FY22



Results are presented on a constant currency basis. Net sales and comp sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.

	Walmex ¹	China	Canada
Net sales growth	+0.4%	+4.1%	+3.5%
Comparable sales	-0.8%	+1.3%	+3.4%
Comparable transactions	-17.0%	+5.8%	+0.2%
Comparable ticket	+19.5%	-4.3%	+3.2%
	<ul style="list-style-type: none"> Growth in apparel and general merchandise, offset by slower growth in food and consumables against tougher comparisons In Mexico, comp sales slightly declined -0.1%; two-year stack of +10.7% Comp sales outpaced ANTAD² self-service and club Mexico eCommerce net sales +166% 	<ul style="list-style-type: none"> Strong sales in Sam's Club across all categories, offset by softer traffic in Hypermarkets Strong results from Chinese New Year Sam's Club delivered double digit comp sales growth eCommerce net sales +60% 	<ul style="list-style-type: none"> Strong sales in apparel and general merchandise Strong start with headwinds later in the quarter from COVID-related restrictions on non-essential categories and store capacity eCommerce net sales +116%, led by online grocery

¹ Walmex includes the consolidated results of Mexico and Central America

² ANTAD - Asociacion Nacional de Tiendas de Autoservicio y Departamentales; The National Association of Supermarkets and Department Stores

Walmart International - Q1 FY22



Results are presented on a constant currency basis.
Change is calculated as the change versus the prior year comparable period

	Walmex ¹	China	Canada
Gross profit rate	<p>Increase</p> <ul style="list-style-type: none"> Change in mix to higher margin categories such as apparel and general merchandise 	<p>Decrease</p> <ul style="list-style-type: none"> Change in mix to lower margin formats 	<p>Increase</p> <ul style="list-style-type: none"> Change in mix to higher margin categories, particularly earlier in the quarter
Operating expense rate	<p>Increase</p> <ul style="list-style-type: none"> Investments in omnichannel expansion 	<p>Decrease</p> <ul style="list-style-type: none"> Lapping Covid-related expenses, including associate benefits and health and safety measures, as well as cost discipline 	<p>Increase</p> <ul style="list-style-type: none"> Write-down on land combined with investments in omnichannel expansion and customer experience
Operating income \$	Increase	Increase	Decrease

¹ Walmex includes the consolidated results of Mexico and Central America.

Sam's Club - Q1 FY22

Dollars in billions.
Change is calculated as the change versus the prior year comparable period



With Fuel

Net sales

\$16.7

+10.1%

eCommerce net sales growth

+47%

- Strong curbside performance and solid direct-to-home contribution

Gross profit rate

-2 bps

- Lower fuel rate and unfavorable fuel mix negatively impacted gross profit
- Favorable merchandise mix shift and lower tobacco sales offset these headwinds

Operating income

\$0.6

+16.4%

Comparable sales¹

+11.1%

- Comp sales were aided by stimulus spending despite lapping last year's COVID-related stock-up phase and stimulus
- On a two-year stack, comp sales increased 19.6%
- Broad strength across categories, led by home and apparel
- Tobacco negatively affected comp sales

Membership income

+12.7%

- Strong membership trends with record total member count
- Renewal rates increased 580 bps with Plus member renewal rate increasing over 875 bps
- Plus penetration rate also improved significantly
- Significant increase in first year member renewals

Operating expense rate

-18 bps

- Higher fuel sales positively affected operating expense leverage
- Wage investments and lower tobacco sales somewhat offset that tailwind
- COVID-related costs were lower by ~\$25 mil. and benefited expense leverage by ~20 bps

Inventory

\$4.9

+13.7%

- Increase reflects inventory build to support higher sales trends and lapping last year's COVID-related effects on inventory

¹ Comp sales for the 13-week period ended April 30, 2021 compared to the 13-week period ended May 1, 2020.

Sam's Club - Q1 FY22

Dollars in billions.
Change is calculated as the change versus the prior year comparable period



Without Fuel

Net sales \$14.9 +6.2%	Gross profit rate +86 bps	Comparable sales ^{1, 2} +7.2% <ul style="list-style-type: none">On a two-year stack, comp sales increased 19.2%	eCommerce contribution ~310 bps
Operating expense rate +26 bps	Operating income \$0.5 +33.2%	Comparable transactions +2.2% <ul style="list-style-type: none">On a two-year stack, comp transactions increased 14.1%	Average comparable ticket +4.9% <ul style="list-style-type: none">On a two-year stack, average comp ticket increased 5.0%

¹ Comp sales for the 13-week period ended April 30, 2021 compared to the 13-week period ended May 1, 2020, and excludes fuel.

² Tobacco negatively affected comp sales for the 13-week period ended April 30, 2021 by 340 basis points. On a two-year stack, tobacco negatively affected comp sales by 750 basis points.

Sam's Club - quarterly financial highlights



Category	Comp sales	Details
Fresh / Freezer / Cooler	+ mid single-digit	<ul style="list-style-type: none"> Produce, prepared foods and fresh meat & seafood performed well
Grocery and beverage	+ high single-digit	<ul style="list-style-type: none"> Drinks, snacks and candy showed strength
Consumables	+ low single-digit	<ul style="list-style-type: none"> Laundry & home care, plasticware and pet supplies performed well
Home and apparel	+ high 50%	<ul style="list-style-type: none"> Strength in apparel, outdoor, seasonal and domestics.
Technology, office and entertainment	+ low double-digit	<ul style="list-style-type: none"> TVs and entertainment performed well but were partially offset by reduced mobile phone sales Sam's entered into a new strategic arrangement in its mobile phone business and no longer recognizes the full transaction value; instead, it receives a commission on each sale
Health and wellness	+ high single-digit	<ul style="list-style-type: none"> OTC, optical and hearing were strong

Non-GAAP measures - ROI



We include Return on Assets ("ROA"), which is calculated in accordance with U.S. generally accepted accounting principles ("GAAP") as well as Return on Investment ("ROI") as measures to assess returns on assets. Management believes ROI is a meaningful measure to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term strategic initiatives with possible short-term impacts. We consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI.

ROA was 5.3 percent and 6.6 percent for the trailing 12 months ended April 30, 2021 and 2020, respectively. The decrease in ROA was primarily due to the losses on divestiture of our operations in the U.K., Japan and Argentina, partially offset by the increase in operating income as well as the fair value change in our equity investments. ROI was 14.4 percent and 13.4 percent for the trailing twelve months ended April 30, 2021 and 2020. The increase in ROI was primarily due to the increase in operating income.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing twelve months divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and average amortization, less average accounts payable and average accrued liabilities for that period.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. As mentioned above, we consider ROA to be the financial measure computed in accordance with generally accepted accounting principles most directly comparable to our calculation of ROI. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities to arrive at total invested capital. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA. Although ROI is a standard financial measure, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.

Non-GAAP measures - ROI (cont.)



The calculation of ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, is as follows:

CALCULATION OF RETURN ON ASSETS				CALCULATION OF RETURN ON INVESTMENT			
		Trailing Twelve Months				Trailing Twelve Months	
		Ended	April 30,			Ended	April 30,
(Dollars in millions)		2021	2020	(Dollars in millions)		2021	2020
Numerator				Numerator			
Consolidated net income		\$ 12,443	\$ 15,369	Operating income	\$	24,233	\$ 20,847
Denominator				+ Interest income		108	184
Average total assets ¹		\$ 234,737	\$ 233,718	+ Depreciation and amortization		11,022	11,062
Return on assets (ROA)		5.3 %	6.6 %	+ Rent		2,534	2,694
				ROI operating income	\$	37,897	\$ 34,787
				Denominator			
		April 30,		Average total assets ¹	\$	234,737	\$ 233,718
Certain Balance Sheet Data		2021	2020	+ Average accumulated depreciation and amortization ¹		95,424	90,970
Total assets	\$	236,581	\$ 232,892	- Average accounts payable ¹		46,124	44,603
Accumulated depreciation and amortization		96,334	94,514	- Average accrued liabilities ¹		20,874	20,700
Accounts payable		48,151	44,096	Average invested capital	\$	263,163	\$ 259,385
Accrued liabilities		21,371	20,377	Return on investment (ROI)		14.4 %	13.4 %

¹ The average is based on the addition of the account balance at the end of the current period to the account balance at the end of the prior period and dividing by 2.

Non-GAAP measures - free cash flow



We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$2.9 billion for the three months ended April 30, 2021, which decreased when compared to \$7.0 billion for the three months ended April 30, 2020 primarily due to an increase in inventory purchases due in part to lapping the impact of accelerated inventory sell-through in the first quarter of fiscal 2021. We generated free cash flow of \$0.6 billion for the three months ended April 30, 2021, which decreased when compared to \$5.3 billion for the three months ended April 30, 2020 due to the same reasons as the decrease in net cash provided by operating activities, as well as \$0.5 billion in increased capital expenditures.

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows. Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

(Dollars in millions)	Three Months Ended April 30,	
	2021	2020
Net cash provided by operating activities	\$ 2,858	\$ 7,017
Payments for property and equipment (capital expenditures)	(2,214)	(1,752)
Free cash flow	\$ 644	\$ 5,265
Net cash provided by (used in) investing activities ¹	\$ 5,850	\$ (1,696)
Net cash (used in) provided by financing activities	(5,399)	565

¹ "Net cash provided by (used in) investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

Non-GAAP measures - 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. 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. The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three months ended April 30, 2021.

	Three Months Ended April 30, 2021			
	2021	Percent Change ¹	2021	Percent Change ¹
	Walmart International		Consolidated	
<i>(Dollars in millions)</i>				
Total revenues:				
As reported	\$ 27,669	(7.9)%	\$ 138,310	2.7 %
Currency exchange rate fluctuations	(928)	N/A	(928)	N/A
Constant currency total revenues	\$ 26,741	(11.0)%	\$ 137,382	2.1 %
Net sales²:				
As reported	\$ 27,300	(8.3)%	\$ 137,159	2.6 %
Currency exchange rate fluctuations	(913)	N/A	(913)	N/A
Constant currency net sales	\$ 26,387	(11.4)%	\$ 136,246	1.9 %
Operating income:				
As reported	\$ 1,194	48.1 %	\$ 6,909	32.3 %
Currency exchange rate fluctuations	(51)	N/A	(51)	N/A
Constant currency operating income	\$ 1,143	41.8 %	\$ 6,858	31.3 %

¹ Change versus prior year comparable period.

² For Q1 FY22, consolidated eCommerce net sales were \$17.2 billion which was positively impacted by \$126 million of currency exchange rate fluctuations. For Q1 FY21, consolidated eCommerce net sales were \$12.2 billion.

Non-GAAP measures - adjusted EPS



Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the SEC's rules because it excludes certain amounts included in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance with that of the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance with that of the prior year.

We adjust for the unrealized and realized gains and losses on our equity investments each quarter because although the investments are strategic decisions for the company's retail operations, management's measurement of each strategy is primarily focused on the operational results rather than the fair value of such investments. Additionally, management does not forecast changes in the fair value of its equity investments. Accordingly, management adjusts EPS each quarter for the realized and unrealized gains and losses related to those equity investments.

We have calculated Adjusted EPS for the three months ended April 30, 2021 by adjusting EPS for the following:

1. the incremental loss on sale of our operations in the U.K and Japan during the first quarter of fiscal 2022; and
2. unrealized and realized gains and losses on the company's equity investments.

Non-GAAP measures - adjusted EPS (cont.)



	Three Months Ended April 30, 2021			Percent Change ¹
Diluted earnings per share:				
Reported EPS			\$ 0.97	(30.7)%
Adjustments:	Pre-Tax Impact	Tax Impact ^{2,3}	Net Impact	
Unrealized and realized (gains) and losses on equity investments	\$ 0.74	\$ (0.17)	\$ 0.57	
Incremental loss on sale of our operations in the U.K. and Japan	0.15	—	0.15	
Net adjustments			\$ 0.72	
Adjusted EPS			\$ 1.69	43.2%

¹ Change versus prior year comparable period.

² Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. Minimal realizable tax benefit was provided in connection with the incremental loss on sale.

³ The reported effective tax rate was 26.9% for the three months ended April 30, 2021. Adjusted for the above items, the effective tax rate was 23.3% for the three months ended April 30, 2021.

Non-GAAP measures - adjusted EPS (cont.)



As previously disclosed in our first quarter ended April 30, 2020 press release, we have calculated Adjusted EPS for the three months ended April 30, 2020 by adjusting EPS for the unrealized gains and losses on our JD.com investment.

Three Months Ended April 30, 2020			
Diluted earnings per share:			
Reported EPS			\$ 1.40
Adjustments:	Pre-Tax Impact	Tax Impact¹	Net Impact
Unrealized (gains) and losses on JD.com investment	\$ (0.27)	\$ 0.05	\$ (0.22)
Adjusted EPS			\$ 1.18

¹ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

Additional resources at stock.walmart.com



- Unit counts & square footage
- Comparable store sales, including and excluding fuel
- Terminology

