UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the quarterly period ended July 31, 2021.

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the transition period from ______ to ______.

Commission File Number 001-06991

WALMART INC.
(Exact name of registrant as specified in its charter)

Delaware	**71-0415188**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
702 S.W. 8th Street	
Bentonville AR	**72716**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (479) 273-4000
Former name, former address and former fiscal year, if changed since last report: N/A

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	New York Stock Exchange
1.900% Notes Due 2022	WMT22	New York Stock Exchange
2.550% Notes Due 2026	WMT26	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 2,788,497,816 shares of common stock outstanding as of August 31, 2021.

Walmart Inc.
Form 10-Q
For the Quarterly Period Ended July 31, 2021

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Walmart Inc.
Condensed Consolidated Statements of Income
(Unaudited)

(Amounts in millions, except per share data)	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Revenues:				
Net sales	$ 139,871	$ 136,824	$ 277,030	$ 270,496
Membership and other income	1,177	918	2,328	1,868
Total revenues	141,048	137,742	279,358	272,364
Costs and expenses:				
Cost of sales	105,183	102,689	208,455	204,715
Operating, selling, general and administrative expenses	28,511	28,994	56,640	56,366
Operating income	7,354	6,059	14,263	11,283
Interest:				
Debt	437	577	918	1,087
Finance lease	78	81	163	163
Interest income	(37)	(23)	(67)	(66)
Interest, net	478	635	1,014	1,184
Other (gains) and losses	953	(3,222)	3,482	(3,943)
Income before income taxes	5,923	8,646	9,767	14,042
Provision for income taxes	1,559	2,207	2,592	3,529
Consolidated net income	4,364	6,439	7,175	10,513
Consolidated net (income) loss attributable to noncontrolling interest	(88)	37	(169)	(47)
Consolidated net income attributable to Walmart	$ 4,276	$ 6,476	$ 7,006	$ 10,466
Net income per common share:				
Basic net income per common share attributable to Walmart	$ 1.53	$ 2.29	$ 2.50	$ 3.70
Diluted net income per common share attributable to Walmart	1.52	2.27	2.48	3.67
Weighted-average common shares outstanding:				
Basic	2,799	2,832	2,807	2,832
Diluted	2,812	2,848	2,820	2,848
Dividends declared per common share	$ —	$ —	$ 2.20	$ 2.16

See accompanying notes.

Walmart Inc.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(Amounts in millions)	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Consolidated net income	$ 4,364	$ 6,439	$ 7,175	$ 10,513
Consolidated net (income) loss attributable to noncontrolling interest	(88)	37	(169)	(47)
Consolidated net income attributable to Walmart	4,276	6,476	7,006	10,466
Other comprehensive income (loss), net of income taxes				
Currency translation and other	201	298	3,160	(3,670)
Net investment hedges	—	(191)	(1,202)	(34)
Cash flow hedges	(155)	313	(135)	34
Minimum pension liability	2	16	1,971	31
Other comprehensive income (loss), net of income taxes	48	436	3,794	(3,639)
Other comprehensive (income) loss attributable to noncontrolling interest	(78)	(52)	(4)	660
Other comprehensive income (loss) attributable to Walmart	(30)	384	3,790	(2,979)
Comprehensive income, net of income taxes	4,412	6,875	10,969	6,874
Comprehensive (income) loss attributable to noncontrolling interest	(166)	(15)	(173)	613
Comprehensive income attributable to Walmart	$ 4,246	$ 6,860	$ 10,796	$ 7,487

See accompanying notes.

Walmart Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(Amounts in millions)	July 31, 2021	January 31, 2021	July 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	$ 22,831	$ 17,741	$ 16,906
Receivables, net	6,103	6,516	5,111
Inventories	47,754	44,949	41,084
Prepaid expenses and other	1,555	20,861	1,895
Total current assets	78,243	90,067	64,996
Property and equipment, net	91,621	92,201	101,182
Operating lease right-of-use assets	13,868	13,642	16,869
Finance lease right-of-use assets, net	4,109	4,005	4,843
Goodwill	29,159	28,983	29,542
Other long-term assets	21,552	23,598	19,950
Total assets	$ 238,552	$ 252,496	$ 237,382
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	$ 671	$ 224	$ 357
Accounts payable	49,601	49,141	46,326
Dividends payable	3,109	—	3,060
Accrued liabilities	23,915	37,966	23,768
Accrued income taxes	267	242	610
Long-term debt due within one year	1,617	3,115	5,553
Operating lease obligations due within one year	1,441	1,466	1,734
Finance lease obligations due within one year	501	491	549
Total current liabilities	81,122	92,645	81,957
Long-term debt	39,581	41,194	40,959
Long-term operating lease obligations	13,116	12,909	15,669
Long-term finance lease obligations	3,952	3,847	4,673
Deferred income taxes and other	13,654	14,370	12,927
Commitments and contingencies			
Equity:			
Common stock	278	282	283
Capital in excess of par value	3,655	3,646	3,197
Retained earnings	84,572	88,763	87,614
Accumulated other comprehensive loss	(7,976)	(11,766)	(15,784)
Total Walmart shareholders' equity	80,529	80,925	75,310
Noncontrolling interest	6,598	6,606	5,887
Total equity	87,127	87,531	81,197
Total liabilities and equity	$ 238,552	$ 252,496	$ 237,382

See accompanying notes.

Walmart Inc.
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

(Amounts in millions)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Walmart Shareholders' Equity	Noncontrolling Interest	Total Equity
Balances as of February 1, 2021	2,821	$ 282	$ 3,646	$ 88,763	$ (11,766)	$ 80,925	$ 6,606	$ 87,531
Consolidated net income	—	—	—	2,730	—	2,730	81	2,811
Other comprehensive income (loss), net of income taxes	—	—	—	—	3,820	3,820	(74)	3,746
Dividends declared ($2.20 per share)	—	—	—	(6,200)	—	(6,200)	—	(6,200)
Purchase of Company stock	(21)	(2)	(112)	(2,718)	—	(2,832)	—	(2,832)
Dividends declared to noncontrolling interest	—	—	—	—	—	—	(408)	(408)
Other	5	—	(110)	2	—	(108)	52	(56)
Balances as of April 30, 2021	2,805	$ 280	$ 3,424	$ 82,577	$ (7,946)	$ 78,335	$ 6,257	$ 84,592
Consolidated net income	—	—	—	4,276	—	4,276	88	4,364
Other comprehensive income (loss), net of income taxes	—	—	—	—	(30)	(30)	78	48
Purchase of Company stock	(17)	(2)	(94)	(2,273)	—	(2,369)	—	(2,369)
Dividends to noncontrolling interest	—	—	—	—	—	—	(10)	(10)
Other	3	—	325	(8)	—	317	185	502
Balances as of July 31, 2021	2,791	$ 278	$ 3,655	$ 84,572	$ (7,976)	$ 80,529	$ 6,598	$ 87,127

See accompanying notes.

(Amounts in millions)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Walmart Shareholders' Equity	Noncontrolling Interest	Total Equity
Balances as of February 1, 2020	2,832	$ 284	$ 3,247	$ 83,943	$ (12,805)	$ 74,669	$ 6,883	$ 81,552
Consolidated net income	—	—	—	3,990	—	3,990	84	4,074
Other comprehensive loss, net of income taxes	—	—	—	—	(3,363)	(3,363)	(712)	(4,075)
Dividends declared ($2.16 per share)	—	—	—	(6,117)	—	(6,117)	—	(6,117)
Purchase of Company stock	(6)	(1)	(26)	(666)	—	(693)	—	(693)
Dividends declared to noncontrolling interest	—	—	—	—	—	—	(359)	(359)
Other	6	1	(238)	(9)	—	(246)	(26)	(272)
Balances as of April 30, 2020	2,832	$ 284	$ 2,983	$ 81,141	$ (16,168)	$ 68,240	$ 5,870	$ 74,110
Consolidated net income	—	—	—	6,476	—	6,476	(37)	6,439
Other comprehensive income, net of income taxes	—	—	—	—	384	384	52	436
Dividends to noncontrolling interest	—	—	—	—	—	—	(3)	(3)
Other	2	(1)	214	(3)	—	210	5	215
Balances as of July 31, 2020	2,834	$ 283	$ 3,197	$ 87,614	$ (15,784)	$ 75,310	$ 5,887	$ 81,197

See accompanying notes.

Walmart Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(Amounts in millions)	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Cash flows from operating activities:		
Consolidated net income	$ 7,175	$ 10,513
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	5,302	5,562
Net unrealized and realized (gains) and losses	3,019	(4,006)
Losses on disposal of business operations	433	37
Deferred income taxes	(385)	472
Other operating activities	606	305
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:		
Receivables, net	452	823
Inventories	(2,725)	2,466
Accounts payable	119	1,052
Accrued liabilities	(1,412)	1,428
Accrued income taxes	(161)	304
Net cash provided by operating activities	12,423	18,956
Cash flows from investing activities:		
Payments for property and equipment	(5,019)	(3,569)
Proceeds from the disposal of property and equipment	176	83
Proceeds from disposal of certain operations, net of divested cash	7,935	—
Payments for business acquisitions, net of cash acquired	(248)	(175)
Other investing activities	(442)	27
Net cash provided by (used in) investing activities	2,402	(3,634)
Cash flows from financing activities:		
Net change in short-term borrowings	441	(178)
Repayments of long-term debt	(3,010)	(2,937)
Dividends paid	(3,091)	(3,058)
Purchase of Company stock	(5,200)	(723)
Dividends paid to noncontrolling interest	(14)	(66)
Other financing activities	(685)	(852)
Net cash used in financing activities	(11,559)	(7,814)
Effect of exchange rates on cash, cash equivalents and restricted cash	(21)	(69)
Net increase in cash, cash equivalents and restricted cash	3,245	7,439
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	9,515
Cash, cash equivalents and restricted cash at end of period	$ 22,881	$ 16,954

See accompanying notes.

Walmart Inc.

Notes to Condensed Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The Condensed Consolidated Financial Statements of Walmart Inc. and its subsidiaries ("Walmart" or the "Company") and the accompanying notes included in this Quarterly Report on Form 10-Q are unaudited. In the opinion of management, all adjustments necessary for the fair presentation of the Condensed Consolidated Financial Statements have been included. Such adjustments are of a normal, recurring nature. The Condensed Consolidated Financial Statements, and the accompanying notes, are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and do not contain certain information included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2021 ("fiscal 2021"). Therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K.

The Company's Consolidated Financial Statements are based on a fiscal year ending January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag based on a calendar year. In July 2021, the Company's majority-owned Flipkart subsidiary completed a $3.6 billion new equity funding, a portion of which was contributed by the Company. This transaction reduced the Company's ownership of Flipkart to approximately 75% in the third quarter of fiscal 2022.

The Company's business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as weather patterns. Historically, the Company's highest sales volume and operating income have occurred in the fiscal quarter ending January 31.

Use of Estimates

The Condensed Consolidated Financial Statements have been prepared in conformity with GAAP. Those principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Management's estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ materially from those estimates.

Investments

Investments in equity and debt securities are recorded in other long-term assets in the Condensed Consolidated Balance Sheets. Changes in fair value of equity securities measured on a recurring basis are recognized in other gains and losses in the Condensed Consolidated Statements of Income. Refer to Note 5 for details. Equity investments without readily determinable fair values are carried at cost and are adjusted for any observable price changes or impairments within other gains and losses in the Condensed Consolidated Statements of Income. Investments in debt securities classified as trading are reported at fair value with interest income recorded in interest income in the Condensed Consolidated Statements of Income. As of July 31, 2021, the Company had $1.0 billion in debt securities classified as trading.

Indemnification Liabilities

The Company has provided certain indemnifications in connection with its divestitures and has recorded indemnification liabilities equal to the estimated fair value of the obligations upon inception. As of July 31, 2021 and January 31, 2021, the Company had $0.8 billion and $0.6 billion, respectively, of certain legal and tax indemnification liabilities recorded within deferred income taxes and other in the Condensed Consolidated Balance Sheets. The maximum amount of potential future payments under these indemnities was $3.6 billion, based on exchange rates as of July 31, 2021.

Note 2. Net Income Per Common Share

Basic net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards. The Company did not have significant share-based awards outstanding that were anti-dilutive and not included in the calculation of diluted net income per common share attributable to Walmart for the three and six months ended July 31, 2021 and 2020.

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted net income per common share attributable to Walmart:

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions, except per share data)	2021	2020	2021	2020
Numerator				
Consolidated net income	$ 4,364	$ 6,439	$ 7,175	$ 10,513
Consolidated net (income) loss attributable to noncontrolling interest	(88)	37	(169)	(47)
Consolidated net income attributable to Walmart	$ 4,276	$ 6,476	$ 7,006	$ 10,466
Denominator				
Weighted-average common shares outstanding, basic	2,799	2,832	2,807	2,832
Dilutive impact of share-based awards	13	16	13	16
Weighted-average common shares outstanding, diluted	2,812	2,848	2,820	2,848
Net income per common share attributable to Walmart				
Basic	$ 1.53	$ 2.29	$ 2.50	$ 3.70
Diluted	1.52	2.27	2.48	3.67

Note 3. Accumulated Other Comprehensive Loss

Amounts reclassified from accumulated other comprehensive loss for derivative instruments are generally recorded in interest, net, in the Company's Condensed Consolidated Statements of Income. Amounts for the minimum pension liability, as well as the cumulative translation and any related net investment hedge impacts resulting from a disposition of a business, are recorded in other gains and losses in the Company's Condensed Consolidated Statements of Income. The following tables provide the changes in the composition of total accumulated other comprehensive loss for the three months ended April 30, 2021 and July 31, 2021, respectively, as well as for the three months ended April 30, 2020 and July 31, 2020, respectively:

(Amounts in millions and net of immaterial income taxes)	Currency Translation and Other	Net Investment Hedges	Cash Flow Hedges	Minimum Pension Liability	Total
Balances as of February 1, 2021	$ (10,772)	$ 1,296	$ (304)	$ (1,986)	$ (11,766)
Other comprehensive loss before reclassifications, net	(225)	(7)	(26)	(1)	(259)
Reclassifications related to business dispositions, net[(1)]	3,258	(1,195)	30	1,966	4,059
Reclassifications to income, net	—	—	16	4	20
Balances as of April 30, 2021	$ (7,739)	$ 94	$ (284)	$ (17)	$ (7,946)
Other comprehensive income (loss) before reclassifications, net	123	—	(193)	(3)	(73)
Reclassifications to income, net	—	—	38	5	43
Balances as of July 31, 2021	$ (7,616)	$ 94	$ (439)	$ (15)	$ (7,976)

(1) Upon closing of the sale of the Company's operations in the U.K. and Japan during the first quarter of fiscal 2022, these amounts were released from accumulated other comprehensive loss, the majority of which was considered in the impairment evaluation when the individual disposal groups met the held for sale classification in fiscal 2021.

(Amounts in millions and net of immaterial income taxes)	Currency Translation and Other	Net Investment Hedges	Cash Flow Hedges	Minimum Pension Liability	Total
Balances as of February 1, 2020	$ (11,827)	$ 1,517	$ (539)	$ (1,956)	$ (12,805)
Other comprehensive income (loss) before reclassifications, net	(3,256)	157	(295)	(4)	(3,398)
Reclassifications to income, net	—	—	16	19	35
Balances as of April 30, 2020	$ (15,083)	$ 1,674	$ (818)	$ (1,941)	$ (16,168)
Other comprehensive income (loss) before reclassifications, net	246	(191)	303	(2)	356
Reclassifications to income, net	—	—	10	18	28
Balances as of July 31, 2020	$ (14,837)	$ 1,483	$ (505)	$ (1,925)	$ (15,784)

Note 4. Short-term Borrowings and Long-term Debt

The Company has various committed lines of credit in the U.S. that are used to support its commercial paper program. In April 2021, the Company renewed and extended its existing 364-day revolving credit facility of $10.0 billion as well as its five-year credit facility of $5.0 billion. In total, the Company had committed lines of credit in the U.S. of $15.0 billion at July 31, 2021 and January 31, 2021, all undrawn.

The following table provides the changes in the Company's long-term debt for the six months ended July 31, 2021:

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2021	$ 3,115	$ 41,194	$ 44,309
Repayments of long-term debt	(3,010)	—	(3,010)
Reclassifications of long-term debt	1,511	(1,511)	—
Other	1	(102)	(101)
Balances as of July 31, 2021	$ 1,617	$ 39,581	$ 41,198

Note 5. Fair Value Measurements

Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

As described in Note 1, the Company measures the fair value of certain equity investments on a recurring basis in the accompanying Condensed Consolidated Balance Sheets. The fair value of the Company's equity investments measured on a recurring basis is as follows:

(Amounts in millions)	Fair Value as of July 31, 2021	Fair Value as of January 31, 2021
Equity investments measured using Level 1 inputs	$ 5,567	$ 6,517
Equity investments measured using Level 2 inputs	5,730	7,905
Total	$ 11,297	$ 14,422

Derivatives

The Company also has derivatives recorded at fair value. Derivative fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of July 31, 2021 and January 31, 2021, the notional amounts and fair values of these derivatives were as follows:

	July 31, 2021		January 31, 2021	
(Amounts in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	$ 3,250	$ 133 (1)	$ 3,250	$ 166 (1)
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as net investment hedges	—	—	1,250	311 (1)
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	8,243	(616) (2)	5,073	(394) (2)
Total	$ 11,493	$ (483)	$ 9,573	$ 83

(1) Classified in other long-term assets within the Company's Condensed Consolidated Balance Sheets.
(2) Classified primarily in deferred income taxes and other within the Company's Condensed Consolidated Balance Sheets.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges.

As of January 31, 2021, the Company's operations in the U.K. ("Asda") and operations in Japan ("Seiyu") met the held for sale criteria, and as a result the Company recorded non-recurring impairment charges in the fourth quarter of fiscal 2021 as the carrying value of the disposal groups exceeded their fair value, less costs to sell. Upon completing the sales of Asda in February 2021 and Seiyu in March 2021, the Company recorded incremental non-recurring impairment charges of $0.4 billion in the first quarter of fiscal 2022 within other gains and losses in the Condensed Consolidated Statements of Income. Refer to Note 6. The Company did not have other material assets or liabilities resulting in nonrecurring fair value measurements as of July 31, 2021.

Other Fair Value Disclosures

The Company records cash and cash equivalents, restricted cash, and short-term borrowings at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities.

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The carrying value and fair value of the Company's long-term debt as of July 31, 2021 and January 31, 2021, are as follows:

	July 31, 2021		January 31, 2021	
(Amounts in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	$ 41,198	$ 50,373	$ 44,309	$ 54,240

Note 6. Divestitures

During fiscal 2022, the Company completed the following transactions related to the Company's Walmart International segment. After closing these transactions, total assets of the Walmart International segment were $87.8 billion as of July 31, 2021, as compared to $109.4 billion as of January 31, 2021.

Asda

In February 2021, the Company completed the divestiture of Asda, the Company's retail operations in the U.K., for net consideration of $9.6 billion. Upon closing of the transaction, the Company recorded an incremental pre-tax loss of $0.2 billion in other gains and losses in its Condensed Consolidated Statement of Income in the first quarter of fiscal 2022, primarily related to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing. During the first quarter of fiscal 2022, the Company deconsolidated the financial statements of Asda and recognized its retained investment in Asda as a debt security within other long-term assets and also recognized certain legal and tax indemnity liabilities within deferred income taxes and other on the Condensed Consolidated Balance Sheet.

Seiyu

In March 2021, the Company completed the divestiture of Seiyu, the Company's retail operations in Japan, for net consideration of $1.2 billion. Upon closing of the transaction, the Company recorded an incremental pre-tax loss of $0.2 billion in other gains and losses in its Condensed Consolidated Statement of Income in the first quarter of fiscal 2022, primarily related to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing. During the first quarter of fiscal 2022, the Company deconsolidated the financial statements of Seiyu and recognized its retained 15 percent ownership interest in Seiyu as an equity investment within other long-term assets on the Condensed Consolidated Balance Sheet.

Note 7. Contingencies

Legal Proceedings

The Company is involved in a number of legal proceedings. The Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's Condensed Consolidated Financial Statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made. However, where a liability is reasonably possible and may be material, such matters have been disclosed. The Company may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company and its shareholders.

Unless stated otherwise, the matters discussed below, if decided adversely or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial condition, results of operations or cash flows.

Opioids Litigation

In December 2017, the United States Judicial Panel on Multidistrict Litigation consolidated numerous lawsuits filed against a wide array of defendants by various plaintiffs, including counties, cities, healthcare providers, Native American tribes, individuals, and third-party payers, asserting claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation is entitled *In re National Prescription Opiate Litigation* (MDL No. 2804), and is pending in the U.S. District Court for the Northern District of Ohio. The Company is named as a defendant in some of the cases included in this multidistrict litigation. Similar cases that name the Company have also been filed in state courts by state, local and tribal governments, health care providers and other plaintiffs. Plaintiffs are seeking compensatory and punitive damages, as well as injunctive relief including abatement. The Company cannot predict the number of such claims that may be filed, but believes it has substantial factual and legal defenses to these claims, and intends to defend the claims vigorously. The Company has also been responding to subpoenas, information requests and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids. On October 22, 2020, the Company filed a declaratory judgment action in the U.S. District Court for the Eastern District of Texas against the U.S. Department of Justice (the "DOJ") and the U.S. Drug Enforcement Administration, asking a federal court to clarify the roles and responsibilities of pharmacists and pharmacies as to the dispensing and distribution of opioids under the Controlled Substances Act (the "CSA"). The Company’s action was dismissed. The Company has appealed this decision to the fifth circuit and awaits the court's decision. On December 22, 2020, the DOJ filed a civil complaint in the U.S. District Court for the District of Delaware alleging that the Company unlawfully dispensed controlled substances from its pharmacies and unlawfully distributed controlled substances to those pharmacies. The complaint alleges that this conduct resulted in violations of the CSA. The DOJ is seeking civil penalties and injunctive relief. The Company filed a motion to dismiss the DOJ complaint on February 22, 2021. The DOJ filed its opposition brief on April 23, 2021 and the Company filed its reply brief on May 24, 2021.

In addition, the Company is the subject of two securities class actions alleging violations of the federal securities laws regarding the Company's disclosures with respect to opioids, filed in the U.S. District Court for the District of Delaware on January 20, 2021 and March 5, 2021 purportedly on behalf of a class of investors who acquired Walmart stock from March 30, 2016 through December 22, 2020. Those cases have been consolidated. Derivative actions were also filed by two of the Company's shareholders in the U.S. District Court for the District of Delaware on February 9, 2021 and April 16, 2021 alleging breach of fiduciary duties against certain of its current and former directors with respect to oversight of the Company's distribution and dispensing of opioids and also alleging violations of the federal securities laws and other breaches of duty by current directors and two current officers in connection with the Company's opioids disclosures.

The Company cannot reasonably estimate any loss or range of loss that may arise from the various Opioids Litigation and intends to vigorously defend these litigation matters. Accordingly, the Company can provide no assurance as to the scope and outcome of these matters and no assurance as to whether its business, financial position, results of operations or cash flows will not be materially adversely affected.

Asda Equal Value Claims

Prior to the divestiture of Asda, the Company, through its Asda subsidiary, was a defendant in certain equal value claims that began in 2008 and are proceeding before an Employment Tribunal in Manchester in the United Kingdom on behalf of current and former Asda store employees (the "Asda Equal Value Claims"), and further claims may be asserted in the future. Subsequent to the divestiture of Asda in February 2021, the Company will continue to conduct the defense of these claims. While potential liability for these claims remains with Asda, the Company has agreed to provide indemnification with respect to these claims up to a contractually determined amount. The Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise related to these proceedings. Accordingly, the Company can provide no assurance as to the scope and outcomes of these matters.

Note 8. Segments and Disaggregated Revenue

Segments

The Company is engaged in the operation of retail, wholesale, eCommerce websites and other units located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. The Company's operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results the chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

The Walmart U.S. segment includes the Company's mass merchandising concept in the U.S., as well as eCommerce and omni-channel initiatives. The Walmart International segment consists of the Company's operations outside of the U.S., as well as eCommerce and omni-channel initiatives. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com and omni-channel initiatives. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, the Company revises the measurement of each segment's operating income and other measures, including any corporate overhead allocations, as determined by the information regularly reviewed by its CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

Net sales by segment are as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions)	2021	2020	2021	2020
Net sales:				
Walmart U.S.	$ 98,192	$ 93,282	$ 191,359	$ 182,025
Walmart International	23,035	27,167	50,335	56,933
Sam's Club	18,644	16,375	35,336	31,538
Net sales	$ 139,871	$ 136,824	$ 277,030	$ 270,496

Operating income by segment, as well as operating loss for corporate and support, interest, net and other gains and losses are as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions)	2021	2020	2021	2020
Operating income (loss):				
Walmart U.S.	$ 6,089	$ 5,057	$ 11,544	$ 9,359
Walmart International	861	812	2,055	1,618
Sam's Club	660	592	1,235	1,086
Corporate and support	(256)	(402)	(571)	(780)
Operating income	7,354	6,059	14,263	11,283
Interest, net	478	635	1,014	1,184
Other (gains) and losses	953	(3,222)	3,482	(3,943)
Income before income taxes	$ 5,923	$ 8,646	$ 9,767	$ 14,042

Disaggregated Revenues

In the following tables, segment net sales are disaggregated by either merchandise category or by market. From time to time, the Company revises the assignment of net sales of a particular item to a merchandise category. When the assignment changes, previous period amounts are reclassified to be comparable to the current period's presentation.

In addition, net sales related to eCommerce are provided for each segment, which include omni-channel sales, where a customer initiates an order digitally and the order is fulfilled through a store or club.

(Amounts in millions)	Three Months Ended July 31,		Six Months Ended July 31,	
Walmart U.S. net sales by merchandise category	2021	2020	2021	2020
Grocery	$ 54,649	$ 51,545	$ 106,040	$ 104,466
General merchandise	31,707	31,682	62,314	57,148
Health and wellness	10,480	9,154	20,450	18,754
Other categories	1,356	901	2,555	1,657
Total	$ 98,192	$ 93,282	$ 191,359	$ 182,025

Of Walmart U.S.'s total net sales, approximately $11.2 billion and $10.5 billion related to eCommerce for the three months ended July 31, 2021 and 2020, respectively, and approximately $22.5 billion and $18.8 billion related to eCommerce for the six months ended July 31, 2021 and 2020, respectively.

(Amounts in millions)	Three Months Ended July 31,		Six Months Ended July 31,	
Walmart International net sales by market	2021	2020	2021	2020
Mexico and Central America	$ 8,658	$ 7,208	$ 16,988	$ 15,704
United Kingdom	—	6,698	3,811	13,830
Canada	5,492	5,127	10,340	9,413
China	3,001	2,579	6,774	5,947
Other	5,884	5,555	12,422	12,039
Total	$ 23,035	$ 27,167	$ 50,335	$ 56,933

Of Walmart International's total net sales, approximately $4.1 billion and $3.3 billion related to eCommerce for the three months ended July 31, 2021 and 2020, respectively, and approximately $8.4 billion and $6.2 billion related to eCommerce for the six months ended July 31, 2021 and 2020, respectively.

(Amounts in millions)	Three Months Ended July 31,		Six Months Ended July 31,	
Sam’s Club net sales by merchandise category	**2021**	**2020**	**2021**	**2020**
Grocery and consumables	$ 12,014	$ 10,715	$ 22,683	$ 21,076
Fuel, tobacco and other categories	2,816	2,068	5,115	4,081
Home and apparel	2,194	1,953	4,276	3,233
Health and wellness	956	931	1,897	1,832
Technology, office and entertainment	664	708	1,365	1,316
Total	$ 18,644	$ 16,375	$ 35,336	$ 31,538

Of Sam's Club's total net sales, approximately $1.6 billion and $1.3 billion related to eCommerce for the three months ended July 31, 2021 and 2020, respectively, and approximately $3.2 billion and $2.3 billion related to eCommerce for the six months ended July 31, 2021 and 2020, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

This discussion, which presents Walmart Inc.'s ("Walmart," the "Company," "our," or "we") results for periods occurring in the fiscal year ending January 31, 2022 ("fiscal 2022") and the fiscal year ended January 31, 2021 ("fiscal 2021"), should be read in conjunction with our Condensed Consolidated Financial Statements as of and for the three and six months ended July 31, 2021, and the accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q, as well as our Consolidated Financial Statements as of and for the year ended January 31, 2021, the accompanying notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in our Annual Report on Form 10-K for the year ended January 31, 2021.

We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of each of the three segments of our business to provide a better understanding of how each of those segments and its results of operations affect the financial condition and results of operations of the Company as a whole.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using each segment's operating income, including certain corporate overhead allocations, as well as other measures. From time to time, we revise the measurement of each segment's operating income and other measures as determined by the information regularly reviewed by our chief operating decision maker.

Comparable store and club sales, or comparable sales, is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period from the corresponding prior year period. Walmart's definition of comparable sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as eCommerce sales. We measure the eCommerce sales impact by including all sales initiated digitally, including omni-channel transactions which are fulfilled through our stores and clubs. Sales at a store that has changed in format are excluded from comparable sales when the conversion of that store is accompanied by a relocation or expansion that results in a change in the store's retail square feet of more than five percent. Sales related to divested businesses are excluded from comparable sales, and sales related to acquisitions are excluded until such acquisitions have been owned for 12 months. Comparable sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable sales varies across the retail industry. As a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

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. Volatility in currency exchange rates may impact the results, including net sales and operating income, of the Company and the Walmart International segment in the future.

Each of our segments contributes to the Company's operating results differently. Each, however, has generally maintained a consistent contribution rate to the Company's net sales and operating income in recent years other than minor changes to the contribution rate for the Walmart International segment due to fluctuations in currency exchange rates. Consistent with our strategy to strengthen our Walmart International portfolio for the long-term, we completed the following actions during the six months ended July 31, 2021:

- Completed the sale of Asda, our retail business in the U.K., for net consideration of $9.6 billion in February 2021. During the first quarter of fiscal 2022, we recognized an incremental non-cash loss of $0.2 billion, after tax, primarily due to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing.
- Completed the sale of Seiyu, our retail business in Japan, for net consideration of $1.2 billion in March 2021. During the first quarter of fiscal 2022, we recognized an incremental non-cash loss of $0.2 billion, after tax, primarily due to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing.

We operate in the highly competitive omni-channel retail industry in all of the markets we serve. We face strong sales competition from other discount, department, drug, dollar, variety and specialty stores, warehouse clubs and supermarkets, as well as eCommerce businesses. Many of these competitors are national, regional or international chains or have a national or international omni-channel or eCommerce presence. We compete with a number of companies for attracting and retaining quality employees ("associates"). We, along with other retail companies, are influenced by a number of factors including, but not limited to: catastrophic events, weather and other risks related to climate change, global health epidemics, including the ongoing COVID-19 pandemic, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, cost of goods, currency exchange rate fluctuations, customer preferences, deflation, inflation, fuel and energy prices, general economic conditions, insurance costs, interest rates, labor costs, tax rates, the imposition of tariffs, cybersecurity attacks and unemployment. Further information on the factors that can affect our operating results and on certain risks to our Company and an investment in our securities can be found herein under "Item 5. Other Information."

We expect continued uncertainty in our business and the global economy due to the duration and intensity of the COVID–19 pandemic; the duration and extent of economic stimulus; timing and effectiveness of global vaccines; and volatility in employment trends and consumer confidence which may impact our results. For a detailed discussion on results of operations by reportable segment, refer to "Results of Operations" below.

Company Performance Metrics

We are committed to helping customers save money and live better through everyday low prices, supported by everyday low costs. At times, we adjust our business strategies to maintain and strengthen our competitive positions in the countries in which we operate. We define our financial framework as:

- strong, efficient growth;
- consistent operating discipline; and
- strategic capital allocation.

As we execute on this financial framework, we believe our returns on capital will improve over time.

Strong, Efficient Growth

Our objective of prioritizing strong, efficient growth means we will focus on the most productive growth opportunities, increasing comparable store and club sales, accelerating eCommerce sales growth and expansion of omni-channel initiatives while slowing the rate of growth of new stores and clubs. At times, we make strategic investments which are focused on the long-term growth of the Company.

Comparable sales is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period over the corresponding period in the previous year. The retail industry generally reports comparable sales using the retail calendar (also known as the 4-5-4 calendar). To be consistent with the retail industry, we provide comparable sales using the retail calendar in our quarterly earnings releases. However, when we discuss our comparable sales below, we are referring to our calendar comparable sales calculated using our fiscal calendar, which may result in differences when compared to comparable sales using the retail calendar.

Calendar comparable sales, as well as the impact of fuel, for the three and six months ended July 31, 2021 and 2020, were as follows:

	Three Months Ended July 31,				Six Months Ended July 31,			
	2021	2020	2021	2020	2021	2020	2021	2020
	With Fuel		Fuel Impact		With Fuel		Fuel Impact	
Walmart U.S.	5.4 %	9.7 %	0.4 %	(0.2)%	5.4 %	10.1 %	0.4 %	(0.3)%
Sam's Club	13.9 %	8.8 %	6.2 %	(4.7)%	12.0 %	9.2 %	5.0 %	(4.0)%
Total U.S.	6.7 %	9.6 %	1.3 %	(0.8)%	6.4 %	10.0 %	1.1 %	(0.7)%

Comparable sales in the U.S., including fuel, increased 6.7% and 6.4% for the three and six months ended July 31, 2021, respectively, when compared to the same period in the previous fiscal year. The Walmart U.S. segment had comparable sales growth of 5.4% for the three and six months ended July 31, 2021, driven by growth in average ticket during the first quarter of fiscal 2022 primarily aided by stimulus spending while transactions decreased as customers consolidated shopping trips and purchased larger baskets. Transaction growth turned positive in April 2021 and continued with strong growth in the second quarter of fiscal 2022 as customers started to return to pre-pandemic behaviors, partially offset by a decline in average ticket through the second quarter. The Walmart U.S. segment's eCommerce sales positively contributed approximately 0.3% and 1.9% to comparable sales for the three and six months ended July 31, 2021, respectively, and was primarily driven by store pickup and delivery.

Comparable sales at the Sam's Club segment increased 13.9% and 12.0% for the three and six months ended July 31, 2021, respectively. Growth in comparable sales benefited from growth in transactions and average ticket and was aided by stimulus spending. The growth in comparable sales was partially offset by our decision to remove tobacco from certain club locations. The Sam's Club segment's eCommerce sales positively contributed approximately 1.1% and 1.9% to comparable sales for the three and six months ended July 31, 2021, respectively.

Consistent Operating Discipline

We operate with discipline by managing expenses and optimizing the efficiency of how we work and creating an environment in which we have sustainable lowest cost to serve. We invest in technology and process improvements to increase productivity, manage inventory and reduce costs. We measure operating discipline through expense leverage, which we define as net sales growing at a faster rate than operating, selling, general and administrative ("operating") expenses.

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions)	2021	2020	2021	2020
Net sales	$ 139,871	$ 136,824	$ 277,030	$ 270,496
Percentage change from comparable period	2.2 %	5.7 %	2.4 %	7.2 %
Operating, selling, general and administrative expenses	$ 28,511	$ 28,994	$ 56,640	$ 56,366
Percentage change from comparable period	(1.7)%	7.9 %	0.5 %	6.7 %
Operating, selling, general and administrative expenses as a percentage of net sales	20.4 %	21.2 %	20.4 %	20.8 %

Operating expenses as a percentage of net sales decreased 81 and 39 basis points for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. These decreases were primarily driven by growth in net sales, lower incremental COVID-19 related costs of $1.2 billion and $1.7 billion as compared to the three and six months ended July 31, 2020, respectively, and lapping a $0.4 billion business restructuring charge in the Walmart U.S. segment recorded in the second quarter of fiscal 2021. Operating expenses as a percentage of net sales also benefited from depreciation and amortization expense not having been recorded for our operations in the U.K. and Japan subsequent to their held for sale classification at the end of fiscal 2021 and prior to closing during the first quarter of fiscal 2022. These decreases were partially offset by increased wage investments in the Walmart U.S. segment.

Strategic Capital Allocation

Our strategy includes improving our customer-facing initiatives in stores and clubs and creating a seamless omni-channel experience for our customers. As such, we are allocating more capital to supply chain, customer-facing initiatives, technology and store remodels, and less to new store and club openings. The following table provides additional detail:

(Amounts in millions)	Six Months Ended July 31,	
Allocation of Capital Expenditures	2021	2020
Supply chain, customer-facing initiatives and technology	$ 2,454	$ 1,814
Store and club remodels	1,446	822
New stores and clubs, including expansions and relocations	73	43
Total U.S.	3,973	2,679
Walmart International	1,046	890
Total Capital Expenditures	$ 5,019	$ 3,569

Returns

As we execute our financial framework, we believe our return on capital will improve over time. We measure return on capital with our return on investment and free cash flow metrics. In addition, we provide returns in the form of share repurchases and dividends, which are discussed in the Liquidity and Capital Resources section.

Return on Assets and Return on Investment

We include Return on Assets ("ROA"), the most directly comparable measure based on our financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), and Return on Investment ("ROI") as metrics to assess returns on assets. While ROI is considered a non-GAAP financial measure, management believes ROI is a meaningful metric 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. ROA was 4.4% and 7.7% for the trailing twelve months ended July 31, 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 as well as net fair value changes in our equity instruments, partially offset by the increase in operating income. ROI was 14.8% and 13.5% for the trailing twelve months ended July 31, 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 12 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 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.

The calculation of ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

	For the Trailing Twelve Months Ending July 31,	
(Amounts in millions)	2021	2020
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	$ 10,368	$ 18,128
Denominator		
Average total assets[(1)]	$ 237,967	$ 236,122
Return on assets (ROA)	4.4 %	7.7 %
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	$ 25,528	$ 21,323
+ Interest income	122	151
+ Depreciation and amortization	10,892	11,113
+ Rent	2,451	2,679
= ROI operating income	$ 38,993	$ 35,266
Denominator		
Average total assets[(1)]	$ 237,967	$ 236,122
+ Average accumulated depreciation and amortization[(1)]	97,685	93,418
- Average accounts payable[(1)]	47,964	46,099
- Average accrued liabilities[(1)]	23,842	22,230
= Average invested capital	$ 263,846	$ 261,211
Return on investment (ROI)	14.8 %	13.5 %

[(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.

	As of July 31,		
	2021	2020	2019
Certain Balance Sheet Data			
Total assets	$ 238,552	$ 237,382	$ 234,861
Accumulated depreciation and amortization	98,346	97,023	89,813
Accounts payable	49,601	46,326	45,871
Accrued liabilities	23,915	23,768	20,691

Free Cash Flow

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate 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. See Liquidity and Capital Resources for discussions of GAAP metrics including net cash provided by operating activities, net cash used in investing activities and net cash used in financing activities.

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 $12.4 billion for the six months ended July 31, 2021, which decreased when compared to $19.0 billion for the six months ended July 31, 2020 primarily due to an increase in inventory purchases due in part to lapping the impact of accelerated inventory sell-through in the first half of fiscal 2021. We generated free cash flow of $7.4 billion for the six months ended July 31, 2021, which decreased when compared to $15.4 billion for the six months ended July 31, 2020 due to the same reasons as the decrease in net cash provided by operating activities, as well as $1.5 billion in increased capital expenditures.

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 Condensed 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 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.

	Six Months Ended July 31,	
(Amounts in millions)	**2021**	**2020**
Net cash provided by operating activities	$ 12,423	$ 18,956
Payments for property and equipment	(5,019)	(3,569)
Free cash flow	$ 7,404	$ 15,387
Net cash provided by (used in) investing activities[1]	$ 2,402	$ (3,634)
Net cash (used in) provided by financing activities	(11,559)	(7,814)

[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.

Results of Operations

Consolidated Results of Operations

(Amounts in millions, except unit counts)	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Total revenues	$ 141,048	$ 137,742	$ 279,358	$ 272,364
Percentage change from comparable period	2.4%	5.6%	2.6 %	7.1%
Net sales	$ 139,871	$ 136,824	$ 277,030	$ 270,496
Percentage change from comparable period	2.2%	5.7%	2.4 %	7.2%
Total U.S. calendar comparable sales increase	6.7%	9.6%	6.4 %	10.0%
Gross profit margin as a percentage of net sales	24.8%	24.9%	24.8 %	24.3%
Operating income	$ 7,354	$ 6,059	$ 14,263	$ 11,283
Operating income as a percentage of net sales	5.3%	4.4%	5.1 %	4.2%
Other (gains) and losses	$ 953	$ (3,222)	$ 3,482	$ (3,943)
Consolidated net income	$ 4,364	$ 6,439	$ 7,175	$ 10,513
Unit counts at period end	10,524	11,496	10,524	11,496
Retail square feet at period end	1,063	1,127	1,063	1,127

Our total revenues, which are mostly comprised of net sales, but also include membership and other income, increased $3.3 billion or 2.4% and $7.0 billion or 2.6% for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The increases in revenues were primarily due to strong positive comparable sales for the Walmart U.S. and Sam's Club segments which benefited from consumer stimulus dollars in the U.S., along with positive comparable sales in several of our remaining international markets. These increases were partially offset by net sales decreases of $8.9 billion and $13.1 billion for the three and six months ended July 31, 2021, respectively, primarily related to the divestiture of our operations in the U.K. and Japan, which closed in February 2021 and March 2021, respectively. Net sales also benefited from a $2.4 billion and $3.3 billion positive impact of fluctuations in currency exchange rates for the three and six months ended July 31, 2021, respectively.

Gross profit as a percentage of net sales ("gross profit rate") decreased 15 basis points for the three months ended July 31, 2021 when compared to the same period in the previous fiscal year, primarily due to category mix shifts in the Sam's Club segment, increased supply chain costs in the Walmart U.S. segment and format mix shifts in the Walmart International segment. These decreases were partially offset by benefits in the Walmart U.S. segment related to administering COVID-19 vaccines, lapping the temporary COVID-19 related closure of our Auto Care Centers and Vision Centers in the previous year, lower markdowns and growth in our advertising business.

Gross profit rate increased 43 basis points for the six months ended July 31, 2021 when compared to the same period in the previous fiscal year. The decrease for the three months ended July 31, 2021 was more than offset by increases in the first quarter of fiscal 2022 primarily driven by mix shifts into general merchandise in the Walmart U.S. segment, due in part to stimulus, lower markdowns and lapping last year's COVID-19 related mix shifts into lower margin categories such as food and consumables.

Operating expenses as a percentage of net sales decreased 81 and 39 basis points for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. These decreases were primarily driven by growth in net sales, lower incremental COVID-19 related costs of $1.2 billion and $1.7 billion as compared to the three and six months ended July 31, 2020, respectively, and lapping a $0.4 billion business restructuring charge in the Walmart U.S. segment recorded in the second quarter of fiscal 2021. Operating expenses as a percentage of net sales also benefited from depreciation and amortization expense not having been recorded for our operations in the U.K. and Japan subsequent to their held for sale classification at the end of fiscal 2021 and prior to closing during the first quarter of fiscal 2022. These decreases were partially offset by increased wage investments in the Walmart U.S. segment.

Other gains and losses for the three months ended July 31, 2021 consisted of a net loss of $1.0 billion which primarily reflects $0.9 billion in net losses associated with the fair value changes of our equity investments. Other gains and losses for the six months ended July 31, 2021 consisted of a net loss of $3.5 billion which primarily reflects $3.0 billion in net losses associated with the fair value changes of our equity investments, as well as $0.4 billion in incremental losses associated with the divestiture of our operations in the U.K. and Japan upon closing of the transactions during the first quarter of fiscal 2022. For the three and six months ended July 31, 2020, other gains and losses consisted of a gain of $3.2 billion and $3.9 billion, respectively, primarily representing the fair value changes of our equity investments.

Our effective income tax rate was 26.3% and 26.5% for the three and six months ended July 31, 2021, respectively, compared to 25.5% and 25.1% for the same periods in the previous fiscal year. Our effective income tax rate may fluctuate from quarter to quarter as a result of factors including changes in our assessment of certain tax contingencies, valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix and size of earnings among our U.S. operations and international operations, which are subject to statutory rates that may be different than the U.S. statutory rate.

As a result of the factors discussed above, consolidated net income decreased $2.1 billion and $3.3 billion for the three and six months ended July 31, 2021 respectively, when compared to the same periods in the previous fiscal year. Accordingly, diluted net income per common share attributable to Walmart was $1.52 and $2.48 for the three and six months ended July 31, 2021, respectively, which represents respective decreases of $0.75 and $1.19, when compared to the same periods in the previous fiscal year.

Walmart U.S. Segment

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions, except unit counts)	2021	2020	2021	2020
Net sales	$ 98,192	$ 93,282	$ 191,359	$ 182,025
Percentage change from comparable period	5.3 %	9.5 %	5.1 %	10.0 %
Calendar comparable sales increase	5.4 %	9.7 %	5.4 %	10.1 %
Operating income	$ 6,089	$ 5,057	$ 11,544	$ 9,359
Operating income as a percentage of net sales	6.2 %	5.4 %	6.0 %	5.1 %
Unit counts at period end	4,740	4,754	4,740	4,754
Retail square feet at period end	703	703	703	703

Net sales for the Walmart U.S. segment increased $4.9 billion or 5.3% and $9.3 billion or 5.1% for the three and six months ended July 31, 2021, respectively when compared to the same periods in the previous fiscal year. The increases were due to comparable sales of 5.4% for both the three and six months ended July 31, 2021, driven by growth in average ticket during the first quarter of fiscal 2022 primarily aided by stimulus spending while transactions decreased as customers consolidated shopping trips and purchased larger baskets. Transaction growth turned positive in April 2021 and continued with strong growth in the second quarter of fiscal 2022 as customers started to return to pre-pandemic behaviors, partially offset by a decline in average ticket through the second quarter. Walmart U.S. eCommerce sales positively contributed approximately 0.3% and 1.9% to comparable sales during the three and six months ended July 31, 2021, respectively, which was primarily driven by store pickup and delivery.

Gross profit rate increased 20 basis points for the three months ended July 31, 2021 when compared to the same period in the previous fiscal year, primarily driven by a benefit from administering COVID-19 vaccines, lapping last year's temporary COVID-19 related closure of our Auto Care Centers and Vision Centers, lower markdowns and growth in our advertising business, partially offset by increased supply chain costs. For the six months ended July 31, 2021, gross profit rate increased 80 basis points due primarily to shifts into general merchandise due in part to stimulus and lapping last year's COVID-related mix shifts into food and consumables in the first quarter of fiscal 2022. Gross profit rate was also impacted by lower markdowns, lapping the temporary closures of our Auto Care Centers and Vision centers, and a benefit from administering vaccines, partially offset by increased supply chain costs.

Operating expenses as a percentage of net sales decreased 49 basis points for the three months ended July 31, 2021 when compared to the same period in the previous fiscal year, primarily due to strong sales, $1.0 billion of lower incremental COVID-19 costs and lapping a $0.4 billion business restructuring charge in the second quarter of fiscal 2021. These decreases were partially offset by increased investments in wages, marketing, and technology. Despite the increase in net sales for the six months ended July 31, 2021, operating expenses as a percentage of net sales were relatively flat when compared to the same period in the previous fiscal year, primarily due to increased wage, technology and marketing investments in the first and second quarters of fiscal 2022, which were offset by $1.4 billion of lower incremental COVID-19 related costs and lapping the business restructuring charge.

As a result of the factors discussed above, operating income increased $1.0 billion and $2.2 billion for the three and six months ended July 31, 2021, respectively, when compared to the same period in the previous fiscal year.

Walmart International Segment

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions, except unit counts)	2021	2020	2021	2020
Net sales	$ 23,035	$ 27,167	$ 50,335	$ 56,933
Percentage change from comparable period	(15.2)%	(6.8)%	(11.6)%	(1.7)%
Operating income	$ 861	$ 812	$ 2,055	$ 1,618
Operating income as a percentage of net sales	3.7 %	3.0 %	4.1 %	2.8 %
Unit counts at period end	5,185	6,143	5,185	6,143
Retail square feet at period end	280	344	280	344

Net sales for the Walmart International segment decreased $4.1 billion or 15.2% and $6.6 billion or 11.6% for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The reduction in net sales was due to decreases of $8.9 billion and $13.1 billion for the three and six months ended July 31, 2021, respectively, primarily related to the divestiture of Asda and Seiyu during the first quarter of fiscal 2022. The decreases were partially offset by positive net sales growth in several of our remaining markets, which included a benefit from lapping tighter government-mandated restrictions in the prior comparable periods, primarily in India. Net sales for the three and six months ended July 31, 2021 included positive fluctuations in currency exchange rates of $2.4 billion and $3.3 billion, respectively.

Gross profit rate decreased 76 basis points for the three months ended July 31, 2021 when compared to the same period in the prior fiscal year, primarily driven by shifts into lower margin formats, partially offset by lower markdowns. The divested markets also negatively impacted our gross profit rate. Gross profit rate decreased 14 basis points for the six months ended July 31, 2021, when compared to the same period in the previous fiscal year primarily driven by shifts into lower margin formats and the decrease related to our divested markets, partially offset by benefits in the first quarter of fiscal 2022 related to mix shifts into higher margin categories and lower markdowns.

Operating expenses as a percentage of net sales decreased 85 basis points and 87 basis points for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. For the three months ended July 31, 2021, the decrease was primarily due to lower incremental COVID-19 related costs as compared to the prior period and lapping a discrete tax charge in the prior comparable period. For the six months ended July 31, 2021, the decrease was primarily due to lower incremental COVID-19 related costs, depreciation and amortization expense not having been recorded for our operations in the U.K. and Japan subsequent to their held for sale classification at the end of fiscal 2021 and prior to closing during the first quarter of fiscal 2022, as well as lapping the discrete tax charge.

As a result of the factors discussed above, operating income increased $49 million and $437 million for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year.

Sam's Club Segment

	Three Months Ended July 31,		Six Months Ended July 31,	
(Amounts in millions, except unit counts)	**2021**	**2020**	**2021**	**2020**
Including Fuel				
Net sales	$ 18,644	$ 16,375	$ 35,336	$ 31,538
Percentage change from comparable period	13.9 %	8.8 %	12.0 %	9.2 %
Calendar comparable sales increase	13.9 %	8.8 %	12.0 %	9.2 %
Operating income	$ 660	$ 592	$ 1,235	$ 1,086
Operating income as a percentage of net sales	3.5 %	3.6 %	3.5 %	3.4 %
Unit counts at period end	599	599	599	599
Retail square feet at period end	80	80	80	80
***Excluding Fuel* [(1)]**				
Net sales	$ 16,437	$ 15,264	$ 31,374	$ 29,333
Percentage change from comparable period	7.7 %	13.5 %	7.0 %	13.2 %
Operating income	$ 575	$ 527	$ 1,105	$ 925
Operating income as a percentage of net sales	3.5 %	3.5 %	3.5 %	3.2 %

(1) We believe the "Excluding Fuel" information is useful to investors because it permits investors to understand the effect of the Sam's Club segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club segment in the future.

Net sales for the Sam's Club segment increased $2.3 billion or 13.9% and $3.8 billion or 12.0% for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The increases were primarily due to comparable sales, including fuel, of 13.9% and 12.0% for the three and six months ended, respectively. Growth in comparable sales benefited from growth in transactions and average ticket and was aided by stimulus spending. The growth in comparable sales was partially offset by our decision to remove tobacco from certain club locations. Sam's Club eCommerce net sales positively contributed approximately 1.1% and 1.9% to comparable sales for the three and six months ended July 31, 2021, respectively.

Gross profit rate decreased 88 and 47 basis points for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The gross profit rates were negatively impacted by increased fuel sales which have lower margins and cost inflation, partially offset by favorable changes in mix.

Membership and other income increased 13.1% and 12.3% for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The increases were due to increases in overall renewal rates, new member sign-ups and Plus penetration.

Operating expenses as a percentage of segment net sales decreased 82 and 52 basis points and for the three and six months ended July 31, 2021, respectively, when compared to the same periods in the previous fiscal year. The decreases were primarily the result of higher fuel sales as well as a benefit from lower incremental COVID-19 related costs, partially offset by increased wage investments and reduced tobacco sales when compared to the same period in the previous fiscal year.

As a result of the factors discussed above, operating income increased $0.1 billion for both the three and six months ended July 31, 2021 when compared to the same periods in the previous fiscal year.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund the dividends on our common stock and share repurchases. In the current environment, we believe our sources of liquidity will continue to be adequate to fund operations, finance our global investment and expansion activities, pay dividends and fund our share repurchases for the foreseeable future.

Net Cash Provided by Operating Activities

	Six Months Ended July 31,	
(Amounts in millions)	2021	2020
Net cash provided by operating activities	$ 12,423	$ 18,956

Net cash provided by operating activities was $12.4 billion and $19.0 billion for the six months ended July 31, 2021 and 2020, respectively. The decrease in cash provided by operating activities for the six months ended July 31, 2021 was primarily due to an increase in inventory purchases due in part to lapping the impact of accelerated inventory sell-through in the first half of fiscal 2021.

Cash Equivalents and Working Capital Deficit

Cash and cash equivalents were $22.8 billion and $16.9 billion at July 31, 2021 and 2020, respectively. Our working capital deficit was $2.9 billion as of July 31, 2021, which decreased when compared to $17.0 billion as of July 31, 2020, primarily driven by the increase in inventory described above as well as an increase in cash and cash equivalents. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, consistent access to the capital markets and returns provided to our shareholders in the form of payments of cash dividends and share repurchases.

As of July 31, 2021 and January 31, 2021, cash and cash equivalents of $3.0 billion and $2.8 billion, respectively, may not be freely transferable to the U.S. due to local laws or other restrictions. Of the $3.0 billion at July 31, 2021, approximately $1.0 billion can only be accessed through dividends or intercompany financing arrangements subject to approval of the Flipkart minority shareholders; however, this cash is expected to be utilized to fund the operations of Flipkart.

Net Cash Provided by or Used in Investing Activities

	Six Months Ended July 31,	
(Amounts in millions)	2021	2020
Net cash provided by (used in) investing activities	$ 2,402	$ (3,634)

Net cash provided by investing activities was $2.4 billion as compared to net cash used in investing activities of $3.6 billion for the six months ended July 31, 2021 and 2020, respectively. Net cash provided by investing activities increased $6.0 billion for the six months ended July 31, 2021 primarily due to the net proceeds received from the divestitures of Asda and Seiyu, partially offset by increased capital expenditures.

Net Cash Used in Financing Activities

	Six Months Ended July 31,	
(Amounts in millions)	2021	2020
Net cash used in financing activities	$ (11,559)	$ (7,814)

Net cash from financing activities generally consists of transactions related to our short-term and long-term debt, dividends paid and the repurchase of the Company's common stock. Transactions with noncontrolling interest shareholders are also classified as cash flows from financing activities. Net cash used in financing activities was $11.6 billion as compared to $7.8 billion for the six months ended July 31, 2021 and 2020, respectively. The increase in net cash used in financing activities is primarily due to increased share repurchases.

In April 2021, the Company renewed and extended its existing 364-day revolving credit facility of $10.0 billion as well as its five-year credit facility of $5.0 billion. In total, we had committed lines of credit in the U.S. of $15.0 billion at July 31, 2021, all undrawn.

In the third quarter of fiscal 2022, the Company's majority-owned Flipkart subsidiary completed a $3.6 billion new equity funding, a portion of which was contributed by the Company, which reduced the Company's ownership of Flipkart to approximately 75%.

Long-term Debt

The following table provides the changes in our long-term debt for the six months ended July 31, 2021:

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2021	$ 3,115	$ 41,194	$ 44,309
Repayments of long-term debt	(3,010)	—	(3,010)
Reclassifications of long-term debt	1,511	(1,511)	—
Other	1	(102)	(101)
Balances as of July 31, 2021	$ 1,617	$ 39,581	$ 41,198

Dividends

Effective February 18, 2021, the Board of Directors approved the fiscal 2022 annual dividend of $2.20 per share, an increase over the fiscal 2021 annual dividend of $2.16 per share. For fiscal 2022, the annual dividend was or will be paid in four quarterly installments of $0.55 per share, according to the following record and payable dates:

Record Date	Payable Date
March 19, 2021	April 5, 2021
May 7, 2021	June 1, 2021
August 13, 2021	September 7, 2021
December 10, 2021	January 3, 2022

The dividend installments payable on April 5, 2021 and June 1, 2021 were paid as scheduled.

Company Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made prior to February 22, 2021 were made under the plan in effect at the beginning of fiscal 2022. On February 18, 2021, the Board of Directors approved a new $20.0 billion share repurchase program which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning February 22, 2021, replaced the previous share repurchase program. As of July 31, 2021, authorization for $15.2 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

We regularly review share repurchase activity and consider several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, our results of operations and the market price of our common stock. We anticipate that a majority of the ongoing share repurchase program will be funded through the Company's free cash flow. The following table provides, on a settlement date basis, share repurchase information for the six months ended July 31, 2021 and 2020:

	Six Months Ended July 31,	
(Amounts in millions, except per share data)	2021	2020
Total number of shares repurchased	37.7	6.3
Average price paid per share	$ 137.94	$ 114.73
Total amount paid for share repurchases	$ 5,200	$ 723

Capital Resources

We believe cash flows from operations, our current cash position and access to capital markets will continue to be sufficient to meet our anticipated operating cash needs, which include funding seasonal increases in merchandise inventories, our capital expenditures, acquisitions, dividend payments and share repurchases.

We have strong commercial paper and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in the capital markets. We also have $15.0 billion in various committed lines of credit in the U.S., all of which currently remains undrawn. At July 31, 2021, the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

Rating agency	Commercial paper	Long-term debt
Standard & Poor's	A-1+	AA
Moody's Investors Service	P-1	Aa2
Fitch Ratings	F1+	AA

Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether our current credit ratings will remain consistent over time. Factors that could affect our credit ratings include changes in our operating performance, the general economic environment, conditions in the retail industry, our financial position, including our total debt and capitalization, and changes in our business strategy. Any downgrade of our credit ratings by a credit rating agency could increase our future borrowing costs or impair our ability to access capital and credit markets on terms commercially acceptable to us. In addition, any downgrade of our current short-term credit ratings could impair our ability to access the commercial paper markets with the same flexibility that we have experienced historically, potentially requiring us to rely more heavily on more expensive types of debt financing. The credit rating agency ratings are not recommendations to buy, sell or hold our commercial paper or debt securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating. Moreover, each credit rating is specific to the security to which it applies.

Other Matters

In Note 7 to our Condensed Consolidated Financial Statements, which is captioned "Contingencies" and appears in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," we discuss, under the sub-caption "*Opioids Litigation* ," the Prescription Opiate Litigation and other matters, including certain risks arising therefrom. In that Note 7, we also discuss, under the sub-caption "*Asda Equal Value Claims,"* the Company's indemnification obligation for the Asda Equal Value Claims matter. We discuss various legal proceedings related to the Federal and State Prescription Opiate Litigation, DOJ Opioid Civil Litigation and Opioids Related Securities Class Actions and Derivative Litigation in Part II of this Quarterly Report on Form 10-Q under the caption "Item 1. Legal Proceedings," under the sub-caption "I. Supplemental Information." We also discuss items related to the Asda Equal Value Claims matter, the Money Transfer Agent Services Proceedings matter and the Foreign Direct Investment matters in Part II of this Quarterly Report on Form 10-Q under the caption "Item 1. Legal Proceedings," under the sub-caption "II. Certain Other Matters." The foregoing matters and other matters described elsewhere in this Quarterly Report on Form 10-Q represent contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company upon their final resolution.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risks relating to our operations result primarily from changes in interest rates, currency exchange rates and the fair value of certain equity investments. Our market risks at July 31, 2021 are similar to those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2021. The information concerning market risk set forth in Part II, Item 7A. of our Annual Report on Form 10-K for the fiscal year ended January 31, 2021, as filed with the SEC on March 19, 2021, under the caption "Quantitative and Qualitative Disclosures About Market Risk," is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management is necessarily required to use judgment in evaluating controls and procedures. Also, we have investments in unconsolidated entities. Since we do not control or manage those entities, our controls and procedures with respect to those entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

In the ordinary course of business, we review our internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, updating existing systems, automating manual processes, standardizing controls globally, migrating certain processes to our shared services organizations and increasing monitoring controls. These changes have not materially affected, and are not reasonably likely to materially affect, the Company's internal control over financial reporting and they allow us to continue to enhance our internal controls over financial reporting and ensure that they remain effective.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

There has been no change in the Company's internal control over financial reporting during the most recently completed fiscal quarter, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

I. SUPPLEMENTAL INFORMATION: We discuss certain legal proceedings in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," in Note 7 to our Condensed Consolidated Financial Statements, which is captioned "Contingencies," under the sub-caption "Legal Proceedings." We refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit was filed.

Prescription Opiate Litigation: *In re National Prescription Opiate Litigation (MDL No. 2804)* (the "MDL"). The MDL is pending in the U.S. District Court for the Northern District of Ohio and includes over 2,100 cases as of August 23, 2021, some of which cases are in the process of being transferred to the MDL or have remand motions pending. A trial is currently scheduled to begin in one of the MDL cases in October 2021 against a number of parties, including the Company, regarding opioid dispensing and distribution claims. There is one case in which the Company is named as a defendant that was remanded from the MDL court to the U.S. District Court for the Eastern District of Oklahoma, where trial is currently scheduled to begin in September 2022. In addition, there are over 200 state court cases pending as of August 23, 2021, some of which may be removed to federal court to seek MDL transfer. The case citations for the state court cases are listed on Exhibit 99.1 to this Quarterly Report on Form 10-Q.

DOJ Opioid Civil Litigation: On October 22, 2020, the Company filed a declaratory judgment action in the U.S. District Court for the Eastern District of Texas against the U.S. Department of Justice (the "DOJ") and the U.S. Drug Enforcement Administration, asking a federal court to clarify the roles and responsibilities of pharmacists and pharmacies as to the dispensing and distribution of opioids under the Controlled Substances Act (the "CSA"). The Company's action, *Walmart Inc. v. U.S. Department of Justice et al.,* USDC, Eastern Dist. of Texas, 10/22/20, was dismissed. The Company has appealed this decision to the fifth circuit and awaits the court's decision. A civil complaint pending in the U.S. District Court for the District of Delaware has been filed by the DOJ against the Company, in which the DOJ alleges violations of the CSA related to nationwide distribution and dispensing of opioids. *U.S. v. Walmart Inc., et a*l., USDC, Dist. of DE, 12/22/20. The Company filed a motion to dismiss the DOJ complaint on February 22, 2021. The DOJ filed its opposition brief on April 23, 2021 and the Company filed its reply brief on May 24, 2021.

Opioids Related Securities Class Actions and Derivative Litigation: Two derivative complaints and two securities class action lawsuits drawing heavily on the allegations of the DOJ complaint have been filed in Delaware naming various current and former directors and certain officers as defendants. The plaintiffs in the derivative suits (in which the Company is a nominal defendant) allege, among other things, that the defendants breached their fiduciary duties in connection with oversight of opioids dispensing and distribution; and that the defendants violated Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are liable for contribution under Section 10(b) of the Exchange Act in connection with the Company's disclosures about opioids. The securities class actions, alleging violations of Sections 10(b) and 20(a) of the Exchange Act regarding the Company's disclosures with respect to opioids were purportedly filed on behalf of a class of investors who acquired Walmart stock from March 30, 2016 through December 22, 2020. On May 11, 2021, the court consolidated the class actions and appointed a lead plaintiff and lead counsel.

Derivative Lawsuits: *Abt v. Alvarez et al.,* USDC, Dist. of DE, 2/9/21; *Nguyen v. McMillon et al.,* USDC, Dist. of DE, 4/16/21.

Securities Class Actions: *Stanton v. Walmart Inc. et al.,* USDC, Dist. of DE, 1/20/21 and *Martin v. Walmart Inc. et al.,* USDC*,* Dist. of DE, 3/5/21, consolidated into *In re Walmart Inc. Securities Litigation*, USDC, Dist. of DE, 5/11/21.

II. CERTAIN OTHER MATTERS

ASDA Equal Value Claims: Ms S Brierley & Others v ASDA Stores Ltd (2406372/2008 & Others - Manchester Employment Tribunal); ASDA Stores Ltd v Brierley & Ors (A2/2016/0973 - United Kingdom Court of Appeal); ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0059/16/DM - United Kingdom Employment Appeal Tribunal); and ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0009/16/JOJ - United Kingdom Employment Appeal Tribunal).

Money Transfer Agent Services Proceedings: The Company has received grand jury subpoenas issued by the United States Attorney's Office for the Middle District of Pennsylvania seeking documents regarding the Company's consumer fraud program and anti-money laundering compliance related to the Company's money transfer services, where Walmart is an agent. The most recent subpoena was issued in August 2020. The Company has been responding to these subpoenas and is cooperating with the government's investigation. The Company has also responded to civil investigative demands from the United States Federal Trade Commission (the "FTC") and is cooperating with the FTC's investigation related to money transfers and the Company's anti-fraud program in its capacity as an agent. The Company is engaging in discussions with the FTC regarding a potential resolution of this matter, although there can be no assurance that the Company will reach any such resolution with the FTC. If there is no resolution of the matter, the FTC staff could request authority of the FTC to file a civil complaint against the Company seeking various forms of monetary and injunctive relief. The Company is unable to predict the final outcome of the investigations, any discussions, or any related actions by the governmental entities regarding these matters. While the Company does not currently believe that the final outcome of these matters will have a material adverse effect on its business, financial condition, results of operations or cash flows, the Company can provide no assurance as to the scope and final outcome of these matters and whether its business, financial position, results of operations or cash flows will not be materially adversely affected.

Foreign Direct Investment Matters: In July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart Private Limited and one of its subsidiaries ("Flipkart"), and to unrelated companies and individuals, including certain current and former shareholders and directors of Flipkart. The notice requests the recipients to show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations (the "Rules") should not be initiated against them based on alleged violations during the period from 2009 to 2015, prior to the Company's acquisition of a majority stake in Flipkart in 2018. The notice is an initial stage of proceedings under the Rules which could, depending upon the conclusions at the end of the initial stage, lead to a hearing to consider the merits of the allegations described in the notice. If a hearing is initiated and if it is determined that violations of the Rules occurred, the regulatory authority has the authority to impose monetary and/or non-monetary relief. Flipkart has begun the process of responding to the notice and, if the matter progresses to a consideration of the merits of the allegations described in the notice is initiated, Flipkart intends to defend against the allegations vigorously. Due to the fact that this process is in an early stage, the Company is unable to predict whether the notice will lead to a hearing on the merits or, if it does, the final outcome of the resulting proceedings. While the Company does not currently believe that this matter will have a material adverse effect on its business, financial condition, results of operations or cash flows, the Company can provide no assurance as to the scope or outcome of any proceeding that might result from the notice, the amount of the proceeds the Company may receive in indemnification from individuals and entities that sold shares to the Company under the 2018 agreement pursuant to which the Company acquired its majority stake in Flipkart, or whether the Company's business, financial position, results of operations or cash flows will not be materially adversely affected.

III. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed an applied threshold of $1 million.

In June 2021, the Company signed a tolling agreement with the State of California to toll the statute of limitations for potential claims regarding Walmart's management of waste consumer products at its California facilities that are alleged to be hazardous. The Company is presently engaged in settlement discussions. It is not presently known whether a settlement will be reached or enforcement action will ensue, but the potential for penalties or settlement costs could exceed $1 million. The Company does not believe that this matter will have a material adverse effect on its business, financial position, results of operations, or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Part I, Item 1A, under the caption "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended January 31, 2021 which risks could materially and adversely affect our business, results of operations, financial condition, and liquidity. No material change in the risk factors discussed in such Form 10-K has occurred. Such risk factors do not identify all risks that we face because our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made prior to February 22, 2021 were made under the plan in effect at the beginning of fiscal 2022. On February 18, 2021, the Board of Directors approved a new $20.0 billion share repurchase program which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning February 22, 2021, replaced the previous share repurchase program. As of July 31, 2021, authorization for $15.2 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company regularly reviews its share repurchase activity and considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. Share repurchase activity under our share repurchase program, on a trade date basis, for the three months ended July 31, 2021, was as follows:

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(1)] (billions)
May 1 - 31, 2021	5,141,955	$ 140.73	5,141,955	$ 16.9
June 1 - 30, 2021	6,521,995	138.89	6,521,995	16.0
July 1 - 31, 2021	5,242,319	141.11	5,242,319	15.2
Total	16,906,269		16,906,269	

(1) Represents approximate dollar value of shares that could have been purchased under the plan in effect at the end of the month.

Item 5. Other Information

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that Walmart believes are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act as well as protections afforded by other federal securities laws.

Forward-looking Statements

The forward-looking statements in this report include, among other things:

- statements in Note 7 to those Condensed Consolidated Financial Statements regarding the possible outcome of, and future effect on Walmart's financial condition and results of operations of, certain litigation and other proceedings to which Walmart is a party, the possible outcome of, and future effect on Walmart's business of, certain other matters to which Walmart is subject, including the Company's Opioids Litigation as well as Walmart's ongoing indemnification obligation for the Asda Equal Value Claims and the liabilities, losses, expenses and costs that Walmart may incur in connection with such matters;
- in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations": statements regarding future changes to our business and our expectations about the potential impacts on our business, financial position, results of operations or cash flows as a result of the COVID-19 pandemic; statements under the caption "Overview" relating to the possible impact of volatility in currency exchange rates on the results, including net sales and operating income, of Walmart and the Walmart International segment; statements under the caption "Company Performance Metrics - Strong, Efficient Growth" regarding the focus of our investments and the impact of such investments; statements under the caption "Company Performance Metrics – Strategic Capital Allocation" regarding our strategy and discipline for capital allocation; statements under the caption "Company Performance Metrics - Returns" regarding our belief that returns on capital will improve as we execute on our strategic framework;

statements under the caption "Results of Operations - Consolidated Results of Operations" regarding the possibility of fluctuations in Walmart's effective income tax rate from quarter to quarter and the factors that may cause those fluctuations; a statement under the caption "Results of Operations - Sam's Club Segment" relating to the possible continuing impact of volatility in fuel prices on the future operating results of the Sam's Club segment; a statement under the caption "Liquidity and Capital Resources - Liquidity" that Walmart's sources of liquidity will be adequate to fund its operations, finance its global investment and expansion activities, pay dividends and fund share repurchases; statements under the caption "Liquidity and Capital Resources - Liquidity - Net Cash Provided by Operating Activities - Cash Equivalents and Working Capital Deficit" regarding management's expectation that cash in market will be utilized to fund Flipkart's operations; a statement under the caption "Liquidity and Capital Resources Liquidity - Net Cash Used in Financing Activities - Dividends" regarding the payment of dividends in fiscal 2022; a statement under the caption "Liquidity and Capital Resources Liquidity - Net Cash Used in Financing Activities - Company Share Repurchase Program" regarding funding of our share repurchase program; statements under the caption "Liquidity and Capital Resources - Capital Resources" regarding management's expectations regarding the Company's cash flows from operations, current cash position and access to capital markets continuing to be sufficient to meet its anticipated operating cash needs, the Company's commercial paper and long-term debt ratings continuing to enable it to refinance its debts at favorable rates, factors that could affect its credit ratings, and the effect that lower credit ratings would have on its access to capital and credit markets and borrowing costs; and statements under the caption "Other Matters" regarding the contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company;

- in Part I, Item 4 "Controls and Procedures": the statements regarding the effect of changes to systems and processes on our internal control over financial reporting; and
- in Part II, Item 1 "Legal Proceedings": statements regarding the effect that possible losses or the range of possible losses that might be incurred in connection with the legal proceedings and other matters discussed therein may have on our financial condition or results of operations.

Risks, Factors and Uncertainties Regarding Our Business

These forward-looking statements are subject to risks, uncertainties and other factors, domestically and internationally, including:

Economic Factors

- economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates;
- currency exchange rate fluctuations;
- changes in market rates of interest;
- changes in market levels of wages;
- changes in the size of various markets, including eCommerce markets;
- unemployment levels;
- inflation or deflation, generally and in certain product categories;
- transportation, energy and utility costs;
- commodity prices, including the prices of oil and natural gas;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels, and demand for certain merchandise;
- trends in consumer shopping habits around the world and in the markets in which Walmart operates;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates and drug formularies; and
- initiatives of competitors, competitors' entry into and expansion in Walmart's markets or lines of business, and competitive pressures.

Operating Factors

- the amount of Walmart's net sales and operating expenses denominated in U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments, including the amount of Walmart's cash flow during various periods;
- customer transaction and average ticket in Walmart's stores and clubs and on its eCommerce platforms;
- the mix of merchandise Walmart sells and its customers purchase;
- the availability of goods from suppliers and the cost of goods acquired from suppliers;
- the effectiveness of the implementation and operation of Walmart's strategies, plans, programs and initiatives;
- COVID-19 related challenges, including reduced customer transactions and ticket, reduced store hours, shifts in demand from discretionary products, supply chain disruption and production and dissemination of global vaccines;
- the impact of acquisitions, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses;
- unexpected changes in Walmart's objectives and plans;
- the amount of shrinkage Walmart experiences;
- consumer acceptance of and response to Walmart's stores and clubs, eCommerce platforms, programs, merchandise offerings and delivery methods;
- Walmart's gross profit margins, including pharmacy margins and margins of other product categories;
- the selling prices of gasoline and diesel fuel;
- disruption of seasonal buying patterns in Walmart's markets;
- disruptions in Walmart's supply chain and inventory management;
- cybersecurity events affecting Walmart and related costs and impact of any disruption in business;
- Walmart's labor costs, including healthcare and other benefit costs;
- Walmart's casualty and accident-related costs and insurance costs;
- the size of and turnover in Walmart's workforce and the number of associates at various pay levels within that workforce;
- the availability of necessary personnel to staff Walmart's stores, clubs and other facilities;
- delays in the opening of new, expanded, relocated or remodeled units;
- developments in, and the outcome of, legal and regulatory proceedings and investigations to which Walmart is a party or is subject, and the liabilities, obligations and expenses, if any, that Walmart may incur in connection therewith;
- changes in the credit ratings assigned to the Company's commercial paper and debt securities by credit rating agencies;
- Walmart's effective tax rate; and
- unanticipated changes in accounting judgments and estimates.

Regulatory and Other Factors

- changes in existing, tax, labor and other laws 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 government-funded benefit programs and the extent and effectiveness of any further COVID-19 related stimulus packages;
- changes in currency control laws;
- changes in the level of public assistance payments;
- one or more prolonged federal government shutdowns;
- the timing of federal income tax refunds;
- natural disasters, changes in climate, catastrophic events and global health epidemics or pandemics, including COVID-19; and
- changes in generally accepted accounting principles in the United States.

Other Risk Factors; No Duty to Update

This Quarterly Report on Form 10-Q should be read in conjunction with Walmart's Annual Report on Form 10-K for the fiscal year ended January 31, 2021 and all of Walmart's subsequent other filings with the Securities and Exchange Commission. Walmart urges investors to consider all of the risks, uncertainties and other factors disclosed in these filings carefully in evaluating the forward-looking statements contained in this Quarterly Report on Form 10-Q. The Company cannot assure you that the results or developments anticipated by the Company and reflected or implied by any forward-looking statement contained in this Quarterly Report on Form 10-Q will be realized or, even if substantially realized, that those results or developments will result in the forecasted or expected consequences for the Company or affect the Company, its operations or its financial performance as the Company has forecasted or expected. As a result of the matters discussed above and other matters, including changes in facts, assumptions not being realized or other factors, the actual results relating to the subject matter of any forward-looking statement in this Quarterly Report on Form 10-Q may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and Walmart undertakes no obligation to update any such statements to reflect subsequent events or circumstances.

Item 6. Exhibits

The following documents are filed as an exhibit to this Quarterly Report on Form 10-Q:

Exhibit 3.1	Restated Certificate of Incorporation of the Company dated February 1, 2018 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K that the Company filed on February 1, 2018 (File No. 001-06991)
Exhibit 3.2	Amended and Restated Bylaws of the Company dated July 23, 2019 are incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K that the Company filed on July 26, 2019 (File No. 001-06991)
Exhibit 10.1*	Walmart Inc. Deferred Compensation Matching Plan, as amended effective February 1, 2021
Exhibit 31.1*	Chief Executive Officer Section 302 Certification
Exhibit 31.2*	Chief Financial Officer Section 302 Certification
Exhibit 32.1**	Chief Executive Officer Section 906 Certification
Exhibit 32.2**	Chief Financial Officer Section 906 Certification
Exhibit 99.1*	State Court Opioids Litigation Case Citations and Currently Scheduled Trial Dates
Exhibit 101.INS*	Inline XBRL Instance Document
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended July 31, 2021, formatted in Inline XBRL (included in Exhibit 101)

* Filed herewith as an Exhibit.
** Furnished herewith as an Exhibit.

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 thereunto duly authorized.

WALMART INC.

Date: September 2, 2021	By:	/s/ C. Douglas McMillon **C. Douglas McMillon** **President and Chief Executive Officer** **(Principal Executive Officer)**
Date: September 2, 2021	By:	/s/ M. Brett Biggs **M. Brett Biggs** **Executive Vice President and Chief Financial Officer** **(Principal Financial Officer)**
Date: September 2, 2021	By:	/s/ David M. Chojnowski **David M. Chojnowski** **Senior Vice President and Controller** **(Principal Accounting Officer)**

Exhibit 10.1

WALMART DEFERRED COMPENSATION MATCHING PLAN

Amended and Restated Effective February 1, 2021

TABLE OF CONTENTS

PAGE

WALMART DEFERRED COMPENSATION MATCHING PLAN

ARTICLE I.
GENERAL

1.1 Purpose.

The purpose of the Walmart Deferred Compensation Matching Plan is to enable certain individuals to defer compensation and to be credited with matching allocations and earnings. The Plan is intended to reward such individuals for their contributions to the success of Walmart and its Related Affiliates. The Plan is also intended to assist such individuals in saving for retirement by providing benefits that are in excess of benefits permitted by applicable law under the 401(k) Plan.

1.2 Effective Date.

The effective date of the amended and restated Plan is February 1, 2021.

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be "unfunded" for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant's interests under the Plan do not represent or create a claim against specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, the Participant's beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart. The Plan is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A and guidance issued thereunder.

ARTICLE II.
DEFINITIONS

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

(a) **Account** means the bookkeeping account maintained on behalf of a Participant under the Plan to reflect such Participant's Class Accounts.

(b) **Class Account** means a bookkeeping subaccount maintained under a Participant's Account to reflect such Participant's Deferral Credits and Matching Contribution Credits, and earnings credited in accordance with Section 4.4.

(1) Each Class Account shall be a Post-2020 Class Account or a Pre-2021 Class Account. A Post-2020 Class Account shall be maintained under a Participant's Account to reflect Deferral Credits and Matching Contribution Credits earned for each Plan Year commencing on or after February 1, 2021. A Pre-2021 Class Account shall be maintained under a Participant's Account to reflect Deferral Credits and Matching Contribution Credits attributable to all Plan Years commencing prior to February 1, 2021.

(2) Each Post-2020 Class Account shall consist of a Deferral Account and a Matching Account. Such Deferral Account may be allocated among one or more Scheduled In-Service Accounts and one or more Retirement Accounts, as elected or deemed elected by the Participant in accordance with Section 3.5. Such Matching Account may be allocated to one Retirement Account, as elected or deemed elected by the Participant in accordance with Section 3.5.

(3) Each Pre-2021 Class Account shall consist of a Deferral Account and a Matching Account. Such Deferral Account may be allocated among one or more Scheduled In-Service Accounts and one or more Retirement Accounts to the extent authorized hereunder and as elected or deemed elected by the Participant in accordance with Section 3.5. Such Matching Account may be allocated among one or more Retirement Accounts as elected or deemed elected by the Participant in accordance with Section 3.5.

(c) **Code** means the Internal Revenue Code of 1986, as amended from time to time.

(d) **Committee** means the Compensation and Management Development Committee of the Board of Directors of Walmart.

(e) **Compensation** means a Participant's base compensation for a Plan Year with respect to services rendered for an Employer. Compensation includes, but is not limited to, short-term disability payments made by an Employer. Compensation does not include military differential payments.

(f) **Deferral Account** means a bookkeeping subaccount maintained under a Participant's Class Account to reflect his or her Deferral Credits.

(g) **Deferral Credit** means the amount of Deferred Compensation credited to a Participant's Deferral Account in accordance with Section 3.1, the amount of Deferred MIP Bonus credited to a Participant's Deferral Account in accordance with Section 3.2, and the amount of Deferred Special Bonus credited to a Participant's Deferral Account in accordance with Section 3.3.

(h) **Deferred Compensation** means the Compensation deferred by a Participant in accordance with Section 3.1.

(i) **Deferred MIP Bonus** means the amount deferred by a Participant in accordance with Section 3.2 from bonuses payable to the Participant under the MIP.

(j) **Deferred Special Bonus** means the amount deferred by a Participant in accordance with Section 3.3 from a Special Bonus payable to the Participant.

(k) **Disabled** means the Participant has incurred a Separation from Service because the Participant, as determined by the Committee or its delegate, is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(l) **Eligible Officer** means an individual who is a corporate officer of an Employer, and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank or other position as determined by the Committee. In no event will any individual constitute an Eligible Officer if he or she is not subject to federal income tax withholding in the United States. Notwithstanding anything in the preceding provisions of this Section 2.1(k), Eligible Officer shall exclude any individual who, pursuant to Walmart's Global Assignment Policy, is seconded to an Employer and, under the terms of his or her offer or assignment letter, he or she is intended to remain on the home country's benefit and pension programs. For purposes of this Plan, effective February 1, 2019 an individual shall not become an Eligible Officer prior to the first day of the month immediately following the month in which the individual would otherwise satisfy the requirements of being an Eligible Officer.

(m) **Eligible Participant** means with respect to a Plan Year an individual who either (1) is an Eligible Officer, or (2) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year is in a Senior Director or Senior Director equivalent position in Position Pay Range X8 or X9 or a Market Manager position or Market Manager position equivalent in Position Pay Range 10F, or (3) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year has an annual rate of base compensation from the Employer that is equal to or greater than the annual compensation limit in effect under Code Section 401(a)(17) (or under a comparable provision of the Internal Revenue Code of the Commonwealth of Puerto Rico if the Participant is an eligible participant under the Walmart Puerto Rico 401(k) Plan) for the calendar year in which the Plan Year begins, or if such limit for such calendar year has not been determined as of such October 31 then such annual compensation limit as in effect for the calendar year that includes such October

31. For purposes of this Plan, effective February 1, 2019, an individual shall not become an Eligible Participant prior to the first day of the month immediately following the month in which the individual would otherwise satisfy the requirements of being an Eligible Participant.

(n) **Employer** means Walmart and any entity, whether or not incorporated, which is a member of a controlled group of corporations, trades or businesses, as defined in Code Sections 414(b) and 414(c), of which Walmart is a member, and which has been designated by the Committee as a participating employer in the Plan.

(o) **Employer Matching Contribution Credits** means the amount credited to a Participant's Matching Account pursuant to Section 3.4.

(p) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(q) **Excess Compensation** means for a Plan Year the excess, if any, of (1) the sum of (i) the Participant's base compensation for the Plan Year for services rendered for an Employer, and (ii) the Participant's MIP bonus payable with respect to a performance period that coincides with the Plan Year or that ends within the Plan Year, over (2) the annual compensation limit under Code Section 401(a)(17) (or under a comparable provision of the Internal Revenue Code of the Commonwealth of Puerto Rico if the Participant is an eligible participant under the Walmart Puerto Rico 401(k) Plan) in effect for the calendar year in which the Plan Year begins. For purposes of this paragraph, a Participant's base compensation and a Participant's MIP bonus shall include the cash amounts of such base compensation and MIP bonus payable to the Participant regardless of whether the payment of any or all of such amounts to the Participant is deferred or not made on account of (1) a deferral election by the Participant under the 401(k) Plan, (2) a deferral election by the Participant under this Plan, (3) a pre-tax contribution by the Participant under Code Section 125, (4) a pre-tax contribution by the Participant under Code Section 132(f)(4), or (5) withholding for the payment of employment taxes or income taxes with respect to the Participant.

(r) **401(k) Plan** means the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan, as amended from time to time.

(s) **Gross Misconduct** means conduct engaged in by the Participant which has been deemed by the Committee or its delegate to be detrimental to the best interests of Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.

(t) **Matching Account** means a bookkeeping subaccount maintained under a Participant's Class Account to reflect his or her Employer Matching Contribution Credits.

(u) **MIP** means the Walmart Inc. Management Incentive Plan, as amended from time to time, without regard to any non-U.S. subplans.

(v) **Participant** means any individual for whom an Account is maintained. An individual will cease to be a Participant at such time that the Participant's Account has been fully distributed or forfeited in accordance with the Plan.

(w) **Plan** means the Walmart Deferred Compensation Matching Plan, as set forth herein, and as amended from time to time.

(x) **Plan Year** means the twelve (12)-month period commencing on February 1 and ending on January 31.

(y) **Post-2020 Class Account** means a Class Account maintained under a Participant's Account to reflect Deferral Credits and Matching Contribution Credits earned for each Plan Year commencing on or after February 1, 2021.

(z) **Pre-2021 Class Account** means a Class Account maintained under a Participant's Account to reflect Deferral Credits and Matching Contribution Credits attributable to all Plan Years commencing prior to February 1, 2021.

(aa) **Related Affiliate** means all persons with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.

(bb) **Retirement Account** means a bookkeeping subaccount maintained under a Participant's Deferral Account or Matching Account to which Deferral Credits and Employer Matching Contribution Credits (as applicable), and earnings credited in accordance with Section 4.4, may be allocated pursuant to the election or deemed election of the Participant in accordance with Section 3.5.

(cc) **Scheduled In-Service Account** means a bookkeeping subaccount maintained under a Participant's Deferral Account to which Deferral Credits and earnings credited in accordance with Section 4.4 may be allocated pursuant to the election of the Participant in accordance with Section 3.5.

(dd) **Scheduled Pay Date** means, with respect to each Scheduled In-Service Account, the first day of a calendar month designated by the Participant in accordance with Section 3.5. In no event shall such date be earlier than the first day of the second Plan Year beginning after the Plan Year for which Deferral Credits are first allocated to such Scheduled In-Service Account. Once selected, the Scheduled Pay Date with respect to any Scheduled In-Service Account is irrevocable. If a Participant fails to designate a Scheduled Pay Date with respect to a Scheduled In-Service Account, then the Participant is deemed to have designated as the Scheduled Pay Date for such Scheduled In-Service Account the first day of the second Plan Year beginning after the Plan Year for which Deferral Credits are first allocated to such Scheduled In-Service Account.

(ee) **Separation from Service** means the Participant has a termination of employment (other than on account of death) with the Company. For purposes of this paragraph, "Company" means the Employer and any Related Affiliate. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and the Company reasonably anticipate that no further services will be performed by the Participant for the Company; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she actually performs for the Company after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Company by the Participant (whether as an employee or independent contractor) over the immediately preceding 36-month period (or the full period of services for the Company if the Participant has been providing services to the Company for less than 36 months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Company under an applicable statute or by contract. This definition of Separation from Service is intended to be consistent with the separation from service requirements as defined in Code Section 409A.

(ff) **Separation Pay Date** means the last day of the calendar month in which falls the date that is six (6) months after a Participant's Separation from Service.

(gg) **Special Bonus** means a bonus, other than a bonus payable under the MIP, that is payable to an Eligible Officer with respect to services rendered or to be rendered for an Employer and that is eligible for deferral under the Plan either because (1) the bonus is payable pursuant to an offer letter accepted in writing by the Eligible Officer before commencement of employment and that specifically refers to the deferability of the bonus by explicit reference to this Plan or (2) the bonus is eligible for deferral in accordance with guidelines established by the Committee, or by an officer to whom the Committee has delegated authority to establish such guidelines, and the bonus requires as a condition of receipt of the bonus and to avoid forfeiture of the bonus that the recipient continue to perform services for the Employer for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to the bonus.

(hh) **Unforeseeable Emergency** means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2) and (d)(1)(B)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

(ii) **Valuation Date** means the last business day of each month of the Plan Year.

(jj) **Walmart** means Walmart Inc., a Delaware corporation.

(kk) **Years of Participation** means a period of Plan Years which includes the first Plan Year with respect to which an Eligible Participant makes a deferral election in accordance with any one or more of Sections 3.1, 3.2 and 3.3 and an amount is credited to the Participant's Account with respect to any such deferral election, and each subsequent Plan Year during all or part of which the Participant remains a Participant and an employee of an Employer. In addition to the preceding definition, a Participant's Years of Participation shall include any period commencing February 1 and ending January 31, whether before or after the effective date of the Plan, during which or with respect to which an account is maintained for the Participant under the Walmart Inc. Officer Deferred Compensation Plan, as such plan may be amended from time to time.

ARTICLE III.
DEFERRAL CREDITS AND MATCHING CONTRIBUTION CREDITS AND ACCOUNT ALLOCATIONS

3.1 Deferred Compensation.

(a) For each Plan Year, each Eligible Officer may elect to defer, as Deferred Compensation, all or a portion of the Eligible Officer's Compensation to be otherwise paid for such Plan Year by the Employer, provided, however, that no election shall be effective to reduce amounts paid by the Employer to an Eligible Officer to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) or for insurance premiums or other withholdings as allowed by Code Section 409A. The Eligible

Officer's Deferred Compensation will be deferred proratably for each payroll period of the Plan Year. If a payroll period begins in one Plan Year and ends in the following Plan Year, the Deferred Compensation with respect to such payroll period shall be determined by the Eligible Officer's deferral election made with respect to the Plan Year in which the payroll period ends. All deferral elections made under this Section 3.1 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation.

(b) Compensation deferral elections must be filed:

(1) With respect to an individual who is an Eligible Officer as of the December 31 preceding the Plan Year for which the deferral election is to be effective, no later than such December 31; or

(2) With respect to an individual who first becomes an Eligible Officer during the Plan Year, within thirty (30) days following the first date he or she becomes an Eligible Officer. For purposes of this rule, an Eligible Officer will be treated as first becoming an Eligible Officer during the Plan Year only if:

(A) he or she was not eligible to participate in the Plan or any other plan required by Code Section 409A to be aggregated with the Plan at any time during the twenty-four (24)-month period ending on the date during the Plan Year he or she becomes an Eligible Officer; or

(B) he or she was paid all amounts previously due under the Plan and any other plan required by Code Section 409A to be aggregated with the Plan and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan and any other plan required by Code Section 409A to be aggregated with the Plan for periods after such payment.

A deferral election under this Section 3.1(b)(2) will be effective only with respect to Compensation for payroll periods beginning after the payroll period in which the Eligible Officer's election form (which may be electronic) is received by Walmart's Executive Compensation department. In addition, a deferral election under this Section 3.1(b)(2) will be effective only if the deferral election meets the requirements set forth in Code Section 409A(a)(4)(B).

(c) The Deferred Compensation of an Eligible Officer who elects to defer all or a portion of the Eligible Officer's Compensation under this Section 3.1 with respect to a Plan Year shall be credited to the Eligible Officer's Deferral Account under his or her Class Account for such Plan Year and shall be allocated to a Retirement

Account or to a Scheduled In-Service Account under such Deferral Account in accordance with Section 3.5.

3.2 Deferred MIP Bonuses.

(a) For each Plan Year, each Eligible Participant may elect to defer all or a portion of the Eligible Participant's bonus (if any) to be otherwise paid to the Eligible Participant under the MIP with respect to a performance period under the MIP that coincides with the Plan Year or that ends within the Plan Year; provided, however, an Eligible Participant who is not an Eligible Officer may elect to defer no more than eighty percent (80%) of the Eligible Participant's MIP bonus for a Plan Year. No election under this Section 3.2 shall be effective to reduce amounts paid by the Employer to an Eligible Participant to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) or for insurance premiums or other withholdings as allowed by Code Section 409A. All bonus deferral elections made under this Section 3.2 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation.

(b) MIP bonus deferral elections must be filed:

(1) No later than the December 31 (or such other date as determined by the Committee or its delegate) preceding the first day of the performance period for which the deferral election is to be effective.

(2) If authorized by the Committee or its delegate with respect to an Eligible Participant, and if the MIP bonus constitutes "performance-based compensation" within the meaning of Code Section 409A based on services performed over a performance period of at least twelve (12) months, and if the Eligible Participant has been continuously employed by an Employer or a Related Affiliate since the first day of the performance period, then no later than the earlier of (i) the date that is six months prior to the last day of the performance period, or (ii) the date in the performance period as of which the amount of the MIP bonus has become both substantially certain to be paid and calculable.

(3) Solely with respect to an Eligible Officer who first becomes an Eligible Participant during the Plan Year, within thirty (30) days following the first date he or she becomes an Eligible Participant, as described in Code Section 409A(a)(4)(B). For purposes of this rule, an Eligible Officer will be treated as first becoming an Eligible Participant during the Plan Year only if:

(A) he or she was not eligible to participate in the Plan or any other plan required by Code Section 409A to be aggregated with the

Plan at any time during the twenty-four (24)-month period ending on the date during the Plan Year he or she becomes an Eligible Participant; or

(B) he or she was paid all amounts previously due under the Plan and any other plan required by Code Section 409A to be aggregated with the Plan and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan and any other plan required by Code Section 409A to be aggregated with the Plan for periods after such payment.

An MIP bonus deferral election under this Section 3.2(b)(3) will be effective only with respect to an MIP bonus paid for services performed after such election. For this purpose, the amount of the MIP bonus payable to the Eligible Officer for services rendered subsequent to the Eligible Officer's election will be determined by multiplying the bonus by a fraction, the numerator of which is the number of calendar days remaining in the performance period after the election and the denominator of which is the total number of calendar days in such performance period. For purposes of this Section 3.2(b)(3), the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Walmart's Executive Compensation department.

(c) The Deferred MIP Bonus of an Eligible Participant who elects to defer all or a portion of the Eligible Participant's MIP bonus under this Section 3.2 with respect to a performance period that coincides with a Plan Year or that ends within a Plan Year shall be credited to the Eligible Participant's Deferral Account under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account under such Deferral Account in accordance with Section 3.5.

3.3 Deferred Special Bonuses.

(a) An Eligible Officer may elect to defer all or a portion of the Eligible Officer's Special Bonus to be otherwise paid to the Eligible Officer in a Plan Year. All Special Bonus deferral elections made under this Section 3.3 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation. No election under this Section 3.3 shall be effective to reduce amounts paid by the Employer to an Eligible Participant to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) for insurance premiums or other withholdings as allowed by Code Section 409A. For purposes of this Section 3.3, the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive

Compensation. A deferral election is not permitted with respect to a Special Bonus unless the Special Bonus is a type described in, and the deferral election with respect to the Special Bonus satisfies the applicable conditions of, Section 3.3(b) or Section 3.3(c).

(b) A Special Bonus described in this Section 3.3(b) is one that: (1) requires as a condition of receipt of the Special Bonus and to avoid forfeiture of the Special Bonus that the Eligible Officer continue to perform services for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to the Special Bonus; (2) may not have an earlier vesting date for a good reason termination or the Eligible Officer's retirement; and (3) must otherwise meet the qualifications as described in Code Section 409A. The deferral election with respect to a Special Bonus described in this Section 3.3(b) must be filed within thirty (30) days after the Eligible Officer obtains the legally binding right to the Special Bonus.

(c) A Special Bonus described in this Section 3.3(c) is one payable pursuant to an offer letter accepted in writing by an Eligible Officer before commencement of employment and that specifically refers to the deferability of the Special Bonus by explicit reference to the Plan. The deferral election with respect to a Special Bonus described in this Section 3.3(c) must be filed prior to the time the Eligible Officer renders any services to the Employer, regardless of whether the deferral election relates to all of the Special Bonus or a portion of the Special Bonus.

(d) The Deferred Special Bonus of an Eligible Officer who elects to defer all or a portion of the Eligible Officer's Special Bonus under this Section 3.3 otherwise payable in a Plan Year shall be credited to the Eligible Officer's Deferral Account under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account under such Deferral Account in accordance with Section 3.5.

3.4 Employer Matching Contribution Credits.

(a) If a Participant is employed by the Employer or any Related Affiliate on the last day of the Plan Year and has not incurred a Separation from Service during that Plan Year, and if Deferral Credits have been made to the Participant's Account with respect to the Plan Year, then to the extent applicable under the following provisions of this Section 3.4 an Employer Matching Contribution Credit will be made to the Participant's Matching Account under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account under such Matching Account in accordance with Section 3.5. The amount of the Employer Matching Contribution Credit, if any, made to such Matching Account for the Plan Year will equal the total amount of Deferred Compensation and Deferred MIP Bonus credited to the Participant's Account for the Plan Year under Section 3.1(c) and Section 3.2(c); provided, however, in no event shall the Employer Matching Contribution Credit made to such Matching Account for a Plan Year exceed 6% of the Participant's Excess Compensation for such Plan Year. Notwithstanding the preceding provisions of this Section 3.4(a), an Employer Matching Contribution Credit for a Plan Year shall not be made with respect to any Deferral Credits for the Plan Year that have been withdrawn in accordance with Section 5.5.

(b) A Participant shall become vested in his or her Matching Accounts, including earnings thereon, if the Participant has completed at least three (3) Years of Participation. If a Participant is not otherwise vested in the Participant's Matching Accounts under the preceding sentence of this Section 3.4(b), the Participant will become vested in the Participant's Matching Accounts if the Participant dies prior to the Participant's Separation from Service, or if the Participant is Disabled. Notwithstanding any provision hereunder to the contrary, a Participant's Matching Accounts shall be distributed pursuant to Article V only if the Participant has become vested in the Participant's Matching Accounts under this Section 3.4(b) as of the date of the Participant's Separation from Service.

3.5 Account Allocation Elections

(a) At the same time that an Eligible Participant makes an election to defer Compensation, an MIP bonus, or a Special Bonus to a Deferral Account in accordance with the provisions of the Plan, the Eligible Participant shall also make an election to allocate the amount or amounts subject to each such deferral election either to a Retirement Account or to a Scheduled In-Service Account under such Deferral Account. In addition to the preceding requirement, at the same time that an Eligible Participant makes an election to defer Compensation or an MIP bonus in accordance with the provisions of this Plan, the Eligible Participant shall also make an election to allocate the Employer Matching Contribution Credits (if any) with respect to such Deferred Compensation or Deferred MIP Bonus either to a Retirement Account or to a Scheduled In-Service Account under the Matching Account of his or her Class Account for the Plan Year to which such Employer Matching Contribution Credits relate.

(b) At the time of an Eligible Participant's first election to allocate any amount subject to a deferral election (regardless of whether the amount is Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credit) to a Retirement Account, the Eligible Participant shall also designate the form of distribution with respect to such Retirement Account. The form of distribution must be a form permitted under Section 5.4(a).

(c) At the time of an Eligible Participant's first election to allocate any amount subject to a deferral election (regardless of whether the amount is Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credit) to a Scheduled In-Service Account, the Eligible Participant shall also designate the Scheduled Pay Date with respect to such Scheduled In-Service Account.

(d) If at the time of an Eligible Participant's deferral election under the Plan the Eligible Participant fails to make an account allocation election under Section 3.5(a), then:

(1) If the amount subject to such deferral election is for services attributable to a Plan Year commencing prior to February 1, 2021, such amount shall be allocated in the same manner as the same category of deferred amounts (meaning either Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credits) were allocated for the most recent preceding Plan Year for which the Eligible Participant made an allocation election, but if none then to the Eligible Participant's Retirement Account under the Deferral Account or Matching Account (as applicable) of his Pre-2021 Class Account if there is only one, or equally to the Eligible Participant's Retirement Accounts under such Deferral Account or Matching Account if the Eligible Participant has more than one Retirement Account thereunder, but if the Eligible Participant has no Retirement Account thereunder then the amount subject to such deferral election shall be allocated to a Retirement Account deemed to be elected by the Participant under such Deferral Account or Matching Account with a lump sum form of payment, and such Retirement Account shall be one of the Participant's permitted Retirement Accounts under the Plan.

(2) If the amount subject to such deferral election is for services attributable to a Plan Year commencing on or after February 1, 2021, such amount shall be allocated in the same manner as the same category of deferred amounts (meaning either Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credits) were allocated for the most recent preceding Plan Year for which the Eligible Participant made an allocation election, but if none then such deferral election shall be allocated to a Retirement Account deemed to be elected by the Participant under the Deferral Account or Matching Account (as applicable) of his Class Account for such Plan Year with a lump sum form of payment.

3.6 Irrevocability of Deferral Elections and Account Allocation Elections.

(a) Except as otherwise provided herein, once made for a Plan Year, a deferral election or elections under Sections 3.1(b)(1), 3.2(b)(1) and 3.2(b)(2), and the corresponding account allocation election or elections under Section 3.5, may not be revoked, changed or modified after the applicable deferral election filing deadline specified in Sections 3.1(b)(1), 3.2(b)(1), and 3.2(b)(2), and a deferral election or elections under Sections 3.1(b)(2), 3.2(b)(3), 3.3(b) and 3.3(c), and the corresponding account allocation election or elections under Section 3.5, may not be revoked, changed or modified after the date of each such deferral election as provided in Sections 3.1(b)(2), 3.2(b)(3), 3.3(b) and 3.3(c). A deferral election for one Plan Year will not automatically be given effect for a subsequent Plan Year, so that if a deferral is desired for a subsequent Plan Year, a separate election must be made by the Eligible Participant.

(b) In the event an Eligible Officer has a Separation from Service for any reason, then his or her deferral election under Section 3.1 will terminate as of the date of such Separation from Service (but will be effective with respect to the last regular paycheck issued to such Eligible Officer), regardless of whether the Eligible Officer continues to receive Compensation, or other remuneration, from any Employer or Related Affiliate thereafter. If an Eligible Officer has a Separation from Service for any reason and is rehired (whether or not as an Eligible Officer) within the same Plan Year, his or her deferral election, if any, under Section 3.1 shall be automatically reinstated and shall remain in effect for the remainder of such Plan Year.

(c) In the event an Eligible Participant has a Separation from Service for any reason, then his or her deferral elections, if any, under Sections 3.2 and 3.3 will remain in effect with respect to the bonus, if any, subject to any such deferral election. If an Eligible Participant has a Separation from Service for any reason and is rehired (whether or not as an Eligible Participant) within the same Plan Year or the same performance period, his or her deferral elections, if any, under Sections 3.2 and 3.3 will remain in effect with respect to the bonus, if any, subject to any such deferral elections.

(d) In the event an Eligible Participant who is an Eligible Officer ceases to be an Eligible Officer (other than on account of a Separation from Service) during any Plan Year, then his or her Compensation deferral election, if any, under Section 3.1 will terminate as of the next following January 31. In addition, in the event the Compensation of such individual is reduced as a result of the change in status, his or her deferral election following such loss and through the date of termination of such election as provided in the preceding sentence will be pro rated based on his or her new level of Compensation.

(e) In the event an Eligible Officer receives Company-paid short term disability payments and the Compensation of such individual is reduced as a result of the short term disability status, then following such reduction in Compensation his or her Compensation deferral election, if any, under Section 3.1 will be pro rated based on his or her new level of Compensation through the date of termination of such election.

(f) In the event an Eligible Participant ceases to be an Eligible Participant (other than on account of a Separation from Service) during any Plan Year, then his or her bonus deferral election, if any, under Section 3.2 will terminate for any performance period beginning in the calendar year following the year of the loss of Eligible Participant status.

(g) In the event an Eligible Participant who is an Eligible Officer ceases to be an Eligible Officer (other than on account of Separation from Service) during any Plan Year, then his or her bonus deferral election, if any, under Section 3.3 will remain in effect.

(h) Notwithstanding anything herein to the contrary, in the event an Eligible Officer goes on an unpaid leave of absence, his or her Compensation deferral election, if any, under Section 3.1 shall automatically cease when he or she commences the unpaid leave of absence; provided, however, that if he or she returns from the unpaid leave of absence during the same Plan Year, his or her Compensation deferral election under Section 3.1 shall automatically resume immediately upon return from the leave of absence and shall continue in effect for the balance of the Plan Year. An Eligible Officer's Compensation deferral election under Section 3.1, if any, shall remain in effect with respect to any Compensation to which such election applies that is paid while on a leave of absence. An Eligible Participant's deferral election under Sections 3.2 or 3.3, if any, shall not be affected by his or her leave of absence.

3.7 Automatic Suspension of Deferral Elections.

In the event a Participant requests a distribution pursuant to Section 5.5 due to an Unforeseeable Emergency, or the Participant requests a cancellation of deferrals under the Plan in order to alleviate his or her Unforeseeable Emergency, and the Committee or its delegate determines that the Participant's Unforeseeable Emergency may be relieved through the cessation of deferrals under the Plan, some or all the Participant's deferral elections under Sections 3.1, 3.2 and 3.3, if any, for such Plan Year as determined by the Committee or its delegate, shall be cancelled as soon as administratively practicable following such determination by the Committee or its delegate.

ARTICLE IV.
ACCOUNTS AND TIMING OF CREDITS TO ACCOUNTS

4.1 Nature of Accounts.

Each Participant's Account will be used solely as a measuring device to determine the amount to be paid a Participant under this Plan. The Accounts do not constitute, nor will they be treated as, property or a trust fund of any kind. All amounts at any time attributable to a Participant's Account will be, and remain, the sole property of Walmart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. The Plan represents an unsecured promise by Walmart to pay the benefits provided by the Plan.

4.2 Deferral Credits and Employer Matching Contribution Credits.

Deferral Credits and Employer Matching Contribution Credits for a Plan Year will be credited to each Participant's Class Account for such Plan Year as follows:

(a) Deferred Compensation will be credited to the Deferral Account of such Class Account as soon as practicable after the date such Compensation would have otherwise been paid in cash.

(b) Deferred MIP Bonuses and Deferred Special Bonuses will be credited to the Deferral Account of such Class Account as soon as practicable after the date the bonus could have otherwise been paid in cash.

(c) Employer Matching Contribution Credits will be credited to the Matching Account of such Class Account as of the last day of the Plan Year.

A Participant's Account, including earnings credited thereto, will be maintained by the Committee until the Participant's Plan benefits have been paid in full.

4.3 Valuation of Accounts.

Each Participant's Account will be valued monthly as of each Valuation Date.

4.4 Credited Earnings.

Every Valuation Date during a Plan Year, a Participant's Account will be credited with an equivalent of a daily rate of simple interest based on the yield on United States Treasury securities (not indexed for inflation) with a constant maturity of ten (10) years, as of the first business day of January preceding such Plan Year, plus two hundred seventy (270) basis points. This rate shall be determined on the basis of Federal Reserve Statistical Release H-15 (or any successor statistical release of the Federal Reserve) and, if there is no such statistical release, on the basis of such other generally recognized source of information concerning the market for United States Treasury securities as the Committee selects.

ARTICLE V.
PAYMENT OF PLAN BENEFITS

5.1 Scheduled In-Service Benefits.

(a) In-Service Benefits. Each of a Participant's Scheduled In-Service Accounts will be distributed in a lump sum within the 90-day period commencing on the Scheduled Pay Date applicable to such Scheduled In-Service Account. The lump sum amount will be the value of the applicable Participant's Scheduled In-Service Account as of the Scheduled Pay Date.

(b) Intervening Separation or Death. Notwithstanding the preceding, should an event occur prior to the Scheduled Pay Date of any Scheduled In-Service Account that would trigger a distribution under Section 5.2 or 5.3 earlier than the Scheduled Pay Date, such Scheduled In-Service Account or Accounts shall be distributed in accordance with Section 5.2 or 5.3, as applicable, and not in accordance with Section 5.1(a).

5.2 Separation Benefits.

(a) Separation Benefits. In the event of a Participant's Separation from Service, the Participant's Scheduled In-Service Accounts will be distributed in a lump sum under Section 5.2(b) and the Participant's Retirement Accounts will be distributed in one of the forms provided in Section 5.2(b) or 5.2(c) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 with respect to each such Retirement Account.

(b) Lump Sum Distributions.

(1) Any lump sum to be paid under this Section 5.2(b) shall be paid within the 90-day period commencing on the Participant's Separation Pay Date.

(2) The lump sum amount will be the value of the Participant's Account, or Retirement Account, as applicable, as of the last day of the month preceding the date of the distribution.

(c) Installment Distributions.

(1) If a Participant's Retirement Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 following the Participant's Separation from Service; provided, however, that if such January 31 is earlier than the Participant's Separation Pay Date, the first such installment shall be made within the 90-day period commencing on the Participant's Separation Pay Date. Subsequent installments shall be made within the 90-day period commencing on each successive January 31, until the Participant's benefits under such Account are distributed in full.

(2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Retirement Account determined in accordance with Section 5.2(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Separation from Service occurs.

5.3 Death Benefits.

(a) General. In the event of the Participant's death before incurring a Separation from Service or before commencement of benefits, the Participant's Account will be distributed in one of the forms provided in Section 5.3(b) or 5.3(c) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 below.

A Participant may elect only one form of payment under the Plan for all beneficiaries (at any level). If the Participant fails to make an effective election as provided in Section 5.4 below, the Participant will be deemed to have elected distribution in a lump sum under Section 5.3(b) for all beneficiary levels.

(b) Lump Sum Distributions.

(1) Any lump sum to be paid under this Section 5.3(b) shall be paid within the 90-day period commencing on the last day of the month in which the Participant's death occurs.

(2) The lump sum amount will be the value of the Participant's Account as of the last day of the month preceding the date of distribution.

(c) Installment Distributions.

(1) If the Participant's Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 coincident with or next following the Participant's death. Subsequent installments will be made during the 90-day period commencing on each successive January 31, until the Participant's benefits are distributed in full.

(2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Account determined in accordance with Section 5.3(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs.

(d) Death After Commencement of Installments. Notwithstanding the preceding, in the event of a Participant's death after installment payments to the Participant have commenced, such installment payments shall continue to be made to the Participant's designated beneficiary in the same manner as they were being distributed to the Participant prior to his or her death, provided, however, that if the Participant's distribution election applicable to Section 5.3(a) is a lump sum payment, the Participant's remaining installments will be distributed in lump sum to the Participant's designated beneficiary within the 90-day period commencing on the last day of the month in which the Participant's death occurs.

(e) Designation of Beneficiary. A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries (which may be a trust or trusts) to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designation from time to time and the last designation filed with the Committee in accordance with its procedures prior to the Participant's death will control. In the event no beneficiary is designated, or if all designated beneficiaries predecease the Participant, payment shall be payable to the following "default" beneficiaries of the Participant in the following order of priority: (1) the Participant's surviving spouse known to the Committee, if any; (2) the Participant's living children known to the Committee in equal shares; (3) the Participant's living parents known to the Committee in equal shares; (4) the Participant's surviving siblings known to the Committee in equal shares; or (5) the beneficiary's estate for distribution in accordance with the terms of the beneficiary's last will and testament or as a court of competent jurisdiction shall determine.

(f) Death of Beneficiary. In the event a beneficiary dies before full payment of the Participant's benefits under the Plan, benefits that would have been paid to such beneficiary shall continue in the same form in equal shares to the remaining beneficiaries at the same level (i.e., primary, contingent) and, if none, to the next level of beneficiaries. If there are no beneficiaries at the next level, then any remaining benefits shall be paid to the following "default" beneficiaries of the last living beneficiary in the following order of priority: (1) the beneficiary's surviving spouse known to the Committee, if any; (2) the beneficiary's living children known to the Committee in equal shares; (3) the beneficiary's surviving parents known to the Committee in equal shares; (4) the beneficiary's surviving siblings known to the Committee in equal shares; or (5) the beneficiary's estate for distribution in accordance with the terms of the beneficiary's last will and testament or as a court of competent jurisdiction shall determine.

5.4 Form of Distribution.

(a) Forms Available. In the event of a Participant's Separation from Service, or in the event of a Participant's death if the Participant dies prior to Separation from Service, distribution of his or her Retirement Account or, in the event of death, his or her Account, may be made, at the Participant's election per this Section 5.4, in one of the following forms:

(1) a lump sum;

(2) subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years; or

(3) solely with respect to distribution of the Participant's Account in the event of death, partially a lump sum and, subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years;

Notwithstanding the foregoing:

(A) With respect to an installment election applicable to a Retirement Account under a Participant's Pre-2021 Class Account, such election will be given effect only if, as of the date on which any lump sum payment would be valued, the value of such Retirement Account, or, in the event of death, the Participant's Account, is at least fifty thousand dollars ($50,000). If such Retirement Account, or in the event of death, the Participant's Account, is valued at less than fifty thousand dollars ($50,000) as of the date on which any lump sum payment would be valued, such Retirement Account shall be defaulted to a lump sum payment.

(B) With respect to an installment election applicable to a Retirement Account under a Participant's Post-2020 Class Account, such election will be given effect only if, as of the date on which any lump sum payment would be valued, the combined value of all of the Participant's Retirement Accounts subject to an installment election under his or her Post-2020 Class Accounts, or, in the event of death, the Participant's Account, is at least fifty thousand dollars ($50,000). If the total of all such Retirement Accounts, or in the event of death, the Participant's Account, is valued at less than fifty thousand dollars ($50,000) as of the date on which any lump sum payment would be valued, such Retirement Account shall be defaulted to a lump sum payment.

(b) Subsequent Elections. In accordance with the procedures and rules established by the Company, a Participant may change his or her distribution election (or deemed distribution election) with respect to his or her Retirement Account, or, in the event of death, his or her Account, per this Section 5.4 at any time by making a new election (referred to in this subsection as a "subsequent election") on a form (which may be electronic) approved by Walmart's Executive Compensation department and filed with Executive Compensation; provided, however, that such subsequent election shall be subject to the following restrictions:

(1) A subsequent election may not take effect until at least twelve (12) months after the date on which such subsequent election is made;

(2) Payment or initial payment pursuant to a subsequent election may not be made earlier than five (5) years from the date such payment would have been made absent the subsequent election (but, for this purpose, installment payments shall not commence until the first January 31 after such delay), unless the distribution is made on account of the Participant's death;

(3) A subsequent election related to a payment must be made not less than twelve (12) months before the date the payment is scheduled to be paid;

(4) Payment of a Participant's Retirement Account or, in the event of death, Account, pursuant to a subsequent election must be completed by the last day of the Plan Year which contains the twentieth (20^{th}) anniversary of the Participant's Separation Pay Date or the Participant's death;

(5) For purposes of this Section 5.4(b) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment.

If a Participant's distribution election does not satisfy the requirements of this Section 5.4(b), it will not be recognized or given effect by the Committee. In that event, distribution of the benefit will be made in accordance with the Participant's most recent distribution election which does satisfy the requirements of this Section 5.4(b).

(c) Filing of Election. A Participant's distribution election applicable to the Participant's Account in the event of the Participant's death prior to Separation from Service, and a Participant's distribution election with respect to the Participant's Retirement Account or Retirement Accounts, and the Participant's Scheduled Pay Date with respect to the Participant's Scheduled In-Service Accounts, must be filed with Executive Compensation on forms (which may be electronic) prescribed by Executive Compensation.

5.5 Distributions for Unforeseeable Emergencies.

(a) In the event of an Unforeseeable Emergency, the Committee or its delegate, in its sole and absolute discretion and upon written application of a Participant or, following the Participant's death, the beneficiary to whom a Participant's benefits are then being paid, or will be paid, pursuant to Section 5.3, may direct immediate distribution of all or a portion of the Participant's Account (excluding the Participant's Matching Account and related earnings if the Participant is not fully vested in his or her Matching Account). The Committee will permit distribution on account of an Unforeseeable Emergency only to the extent reasonably necessary to satisfy the emergency need, plus amounts necessary to pay federal, state or local income taxes and penalties reasonably anticipated to result from the distribution, after taking into account the extent to which such need is or may be relieved through reimbursement or compensation by insurance, by liquidation of the Participant's or beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan. Any distribution under this Section 5.5 shall first be made from the Participant's Scheduled In-Service Accounts with respect to Deferral Credits made in the same Plan Year as the Distribution under this Section 5.5, and then from the Participant's Retirement Accounts with respect to Deferral Credits made in the same Plan Year as the Distribution under this Section 5.5, and then proratably from the remaining amount of the Participant's Scheduled In-Service Accounts and then proratably from the Participant's Retirement Accounts.

(b) Notwithstanding anything in the Plan to the contrary, if Walmart reasonably anticipates that its deduction with respect to any distribution under this Section 5.5 that occurs prior to January 1, 2021 would not be permitted due to the application of Code Section 162(m); such payment shall be suspended to the extent a deduction would not be permitted until the earliest date at which it reasonably anticipates that the deduction of such distribution would not be barred by application of Code Section 162(m); provided, however, that the conditions of Section 5.5(a) are still satisfied as of such date.

5.6 Distributions for Payment of Taxes.

Walmart's Senior Vice President of Global Compensation, or any successor position, may accelerate and pay a portion of a Participant's Plan benefits in a lump sum equal to (a) the Federal Insurance Contributions Act tax imposed on Plan benefits and any income tax withholding related to such amounts, as well as (b) any state, local or foreign tax obligations arising from participation in the Plan (and related withholding under Code Section 3401) that apply to the amounts deferred under the Plan before such amount is paid or made available to the Participant.

5.7 Reductions Arising from a Participant's Gross Misconduct.

Notwithstanding anything herein to the contrary, a Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with any Employer or Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. In the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period, then notwithstanding any provisions hereunder to the contrary: (a) the Participant shall forfeit all Employer Matching Contribution Credits and credited Plan earnings thereon; (b) earnings credited to the Participant's Deferral Accounts shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect for such Plan Year; and (c) if the Participant is then receiving installment payments, any remaining installments shall be recalculated to reflect the amount which would otherwise have been paid if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect with respect to such installment payments. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation, Deferred MIP Bonus and Deferred Special Bonus. Any payments received hereunder by a Participant (or the Participant's beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with any Employer or Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the

Participant's beneficiary) shall repay to Walmart any amount in excess of that to which the Participant is entitled under this Section 5.7.

ARTICLE VI.
ADMINISTRATION

6.1 General.

The Committee is responsible for the administration of the Plan and is granted the following rights and duties:

(a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may arise regarding the rights of Participants (or their beneficiaries) under this Plan;

(b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;

(c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;

(d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and

(e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

6.2 Allocation and Delegation of Duties.

(a) The Committee shall have the authority to allocate, from time to time, by instrument in writing filed in its records, all or any part of its respective responsibilities under the Plan to one or more of its members as may be deemed advisable, and in the same manner to revoke such allocation of responsibilities. In the exercise of such allocated responsibilities, any action of the member to whom responsibilities are allocated shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall periodically report to the Committee concerning the discharge of the allocated responsibilities.

(b) The Committee shall have the authority to delegate, from time to time, by written instrument filed in its records, all or any part of its responsibilities under the Plan to such person or persons as the Committee may deem advisable (and may authorize such person to delegate such responsibilities to such other person or persons as the Committee shall authorize) and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall periodically report to the Committee concerning the discharge of the delegated responsibilities.

ARTICLE VII.
CLAIMS PROCEDURE

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary ("claimant") in writing with the Committee or its delegate within one (1) year of the Participant's Separation from Service. If the claim is not filed within one (1) year of the Participant's Separation from Service, neither the Plan nor any Employer nor any Related Affiliate shall have any obligation to pay the benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

(a) the specific reason or reasons for the denial;

(b) specific reference to the pertinent Plan provision upon which the denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) an explanation of the Plan's claim review procedure, including the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse determination on review.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant's duly authorized representative:

(a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;

(b) may review pertinent documents; and

(c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include:

(a) the specific reason or reasons for the adverse determination;

(b) specific reference to pertinent Plan provisions on which the adverse determination is based;

(c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(d) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures, as well as a statement of the claimant's right to bring an action under ERISA section 502(a).

7.3 Disability Claims.

Claims for disability benefits shall be determined under DOL Regulation section 2560.503-1 which is hereby incorporated by reference.

ARTICLE VIII.
MISCELLANEOUS PROVISIONS

8.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then-existing Account.

Notwithstanding the preceding, Walmart may, by action of the Committee within the thirty (30) days preceding or twelve (12) months following a change in control (within the meaning of Code Section 409A) of a relevant affiliate, partially terminate the Plan and distribute benefits to all Participants involved in such change in control within twelve (12) months after such action, provided that all plans sponsored by the service recipient immediately after the change in control (which are required to be aggregated with this Plan pursuant to Code Section 409A) are also terminated and liquidated with respect to each Participant involved in the change in control. Any action taken in this Section 8.1 will be done in accordance with Code Section 409A.

8.2 Non-Alienability.

No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 Recovery of Overpayments.

In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to Walmart as requested by Walmart.

8.4 No Employment Rights.

Nothing contained herein shall be construed as conferring upon any Eligible Participant or Participant the right to continue in the employ of any Employer or any Related Affiliate as an officer or in any other capacity.

8.5 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the MIP or any other bonus or award from any Employer or a Related Affiliate. A Participant's entitlement to such a bonus or award is governed solely by the provisions of the MIP or such other plan or arrangement.

8.6 Withholding and Employment Taxes.

To the extent required by law, the Employer or a Related Affiliate will withhold from a Participant's current compensation such taxes as are required to be withheld for employment taxes. To the extent required by law, the Employer or a Related Affiliate will withhold from a

Participant's Plan distributions such taxes as are required to be withheld for federal, Puerto Rican, state or local government income tax purposes.

8.7 Income and Excise Taxes.

The Participant (or the Participant's Beneficiaries) is solely responsible for the payment of all federal, Puerto Rican, state and local income and excise taxes resulting from the Participant's participation in this Plan.

8.8 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and each other Employer, their successors and assigns, and the Participant, the Participant's beneficiaries, heirs, and legal representatives.

8.9 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Delaware to the extent not preempted by federal law.

Exhibit 31.1

I, C. Douglas McMillon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walmart Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2021

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

Exhibit 31.2

I, M. Brett Biggs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walmart Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2021

/s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Walmart Inc. (the "Company") on Form 10-Q for the period ending July 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Douglas McMillon, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of September 2, 2021.

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Walmart Inc. (the "Company") on Form 10-Q for the period ending July 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Brett Biggs, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of September 2, 2021.

/s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer

Exhibit 99.1

State Court Opioids Litigation Case Citations and Currently Scheduled Trial Dates

A. Case Citations For Pending State Court Cases as of August 23, 2021

Fort Payne Hosp. Corp., et al. v. McKesson Corp., et al., Ala. Cir. Ct., Conecuh Cty., 3/26/2021; State of West Virginia ex rel. Morrisey v. Walmart, Inc., W. Va. Cir. Ct., Putnam Cty., 8/18/2020; City of Fernley v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Lyon Cty., 7/30/2020; City of W. Wendover v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Elko Cty., 7/30/2020; Churchill Cty. v. Teva Pharm. USA. Inc., et al., Nev. Dist. Ct., Churchill Cty., 7/29/2020; Carson City v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Carson City, 7/29/2020; Douglas Cty. v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Douglas Cty., 7/29/2020; City of Sparks v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Washoe Cty., 7/28/2020; Esmeralda Cty. v. Teva Pharm. USA Inc., et al., Nev. Dist. Ct., Esmeralda Cty.; Cty. of Chester v. Rite Aid of S.C., Inc., et al., S.C. Ct. Com. Pl., 6th Jud. Cir., 7/28/2020; Cty. of Marlboro v. Rite Aid of S.C., Inc., et al., S.C. Ct. Com. Pl., 4th Jud. Cir., 7/28/2020; Washoe Cty. v. Teva Pharm. USA, Inc., et al., Nev. Dist. Ct., Washoe Cty., 7/24/2020; Cty. Comm'rs of Grant Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 6/17/2020; Cty. Comm'n of Mineral Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 6/17/2020; Cty. Comm'n of Monroe Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 6/17/2020; Miss. Baptist Med. Ctr. Inc., et al. v. Amneal Pharm., LLC, et al., Miss. 1st Jud. Dist., Hinds Cty. Cir. Ct., 5/15/2020; City of Holly Springs v. Johnson & Johnson, et al., Miss. 3d Jud. Dist., Marshall Cty. Cir. Ct., 5/13/2020; City of Fairmont v. Allergan PLC, et al., W. Va. Cir. Ct., Kanawha Cty., 4/30/2020; Lester E. Cox Med. Ctrs., et al. v. Amneal Pharm. LLC, et al., Mo. Cir. Ct., Greene Cty., 4/14/2020; City of Beckley v. Allergan PLC, et al., W. Va Cir. Ct., Kanawha Cty., 3/3/2020; City of Kingston v. Teva Pharm. USA, Inc., et al., N.Y. Sup. Ct., Suffolk Cty., 2/27/2020; Mayor Elmer Ray Spence ex rel. Town of Delbarton v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Cty. Comm'n of Tucker Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Cty. Comm'n of Hardy Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Sheila Kessler ex rel. Town of Matewan v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Virginia Ann Martin ex rel. City of Mullens v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Thomas Evans, Jr. ex rel. Town of Oceana v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Cty. Comm'n of Preston Cty. v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Maureen Lasky-Setchell ex rel. City of Belington v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Brian Billings ex rel. City of Point Pleasant v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Gary A. Miller ex rel. Town of Junior v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor David Wood ex rel. City of Moundsville v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Mayor Harold E. Miller ex rel. City of Weirton v. Cardinal Health Inc., et al., W. Va. Cir. Ct., Kanawha Cty., 2/20/2020; Cty. of Newberry v. Rite Aid of S.C., Inc., et al., S.C. Ct. Com. Pl., 8th Jud. Cir., 12/13/2019; City of Clarksburg v. Allergan PLC, et al., W. Va. Cir. Ct., Kanawha Cty., 11/20/2019; City of Richwood v. Allergan PLC, et al., W. Va. Cir. Ct., Kanawha Cty., 11/20/2019; City of White Sulphur Springs v. Allergan PLC, et al., W. Va. Cir. Ct., Kanawha Cty., 11/20/2019; Mobile Cty. Bd. of Health & Family Oriented Primary Health Care Clinic v. Sackler, et al., Ala. Cir. Ct., Mobile Cty., 10/15/2019; Fla. Health Scis. Ctr., Inc., et al. v. Sackler, et al., Fla. Cir. Ct., 17th Jud. Cir., Broward Cty., 9/16/2019; State of Mississippi v. Cardinal Health, Inc., et al., Miss. 1st Jud. Dist., Hinds Cty. Cir. Ct., 9/12/2019; DCH Health Care Auth. v. Purdue Pharma L.P., et al., Ala. Cir. Ct., Conecuh Cty., 9/3/2019; City of Myrtle Beach v. Purdue Pharma L.P., et al., S.C. Ct. Com. Pl., 15th Jud. Cir., 8/29/2019; State of South Dakota ex rel. Ravnsborg v. Purdue Pharma L.P., et al., S.D. Cir. Ct., 6th Jud. Cir., Hughes Cty., 8/27/2019; Town of Canton v. Purdue Pharma L.P., et al., Mass. Super. Ct., Suffolk Cty., 8/23/2019; City of Chicopee v. Purdue Pharma L.P., et al., Mass. Super. Ct., Suffolk Cty., 8/23/2019; City of Framingham v. Purdue Pharma L.P., et al., Mass. Super. Ct., Suffolk Cty., 8/23/2019; City of Gloucester v. Purdue Pharma L.P., et al., Mass. Super. Ct., Suffolk Cty., 8/23/2019; City of Haverhill v. Purdue Pharma L.P., et al., Mass. Super. Ct., Suffolk Cty., 8/23/2019; Town of Lynnfield v. 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B. Currently Scheduled Trial Dates In Pending State Court Cases as of August 23, 2021

- On June 22, 2021, Walmart, Inc., on behalf of all subsidiaries, affiliates and other related individuals and entities, reached a settlement agreement to pay an immaterial amount to dismiss all claims with prejudice brought by Nassau County, New York ("Nassau") and Suffolk County, New York ("Suffolk") in the opioid actions captioned *County of Suffolk v. Purdue Pharma L.P.*, et al., Index No. 400001/2017 and *County of Nassau v. Purdue Pharma L.P.*, et al., Index No. 400008/2017. The trial for these matters was scheduled to begin on June 8, 2021. As part of the settlement agreement, the Company paid an immaterial amount to Suffolk and Nassau, but continues to deny any liability with respect to the claims raised in these actions.
- 6/6/2022 – Jefferson Cty. v. Williams, et al., Mo. Cir. Ct., 23d Jud. Dist., Jefferson Cty.
- 7/18/2022 – The DCH Health Care Authority, et al., v. Purdue Pharma LP, et al., Ala. Cir. Ct., Conecuh Cty. (Trial limited to defendants' liability for public nuisance)
- 9/6/2022 – State of New Mexico ex rel. Balderas v. Purdue Pharma L.P., et al., N.M. Dist. Ct, 1st Jud. Dist., Santa Fe Cty.
- 1/3/2023 – State of Nevada ex. rel. Ford v. McKesson Corp., et al., Nev. Dist. Ct., Clark Cty.