

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (date of earliest event reported)  
May 18, 2023

Walmart Inc.

(Exact name of registrant as specified in its charter)

DE  
(State or other jurisdiction of incorporation or  
organization)

001-06991  
(Commission File Number)

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

In accordance with Item 2.02 of Form 8-K of the Securities and Exchange Commission (the "SEC"), Walmart Inc., a Delaware corporation (the "Company"), is furnishing to the SEC a press release that the Company will issue on Thursday, May 18, 2023 (the "Press Release") and a financial presentation that will be first posted by the Company on the Company's website at <http://stock.walmart.com> on May 18, 2023 (the "Financial Presentation"). The Press Release and the Financial Presentation will disclose information regarding the Company's results of operations and cash flows for the three months ended April 30, 2023, and the Company's financial condition as of April 30, 2023.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

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

99.1 [Press Release](#)

99.2 [Financial Presentation](#)

Exhibit 104 Cover Page Interactive Data File (formatted as Inline XBRL).

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**SIGNATURES**

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

Dated: May 18, 2023

WALMART INC.

By: /s/ John David Rainey

Name: John David Rainey

Title: Executive Vice President and  
Chief Financial Officer

# Walmart Reports First Quarter Results

- Strong revenue growth of 7.6%; operating income growing faster at 17.3%
- eCommerce up 26% globally
- GAAP EPS of \$0.62; Adjusted EPS of \$1.47<sup>1</sup>
- Guides Q2 and raises FY24 outlook

BENTONVILLE, Ark., May 18, 2023 – Walmart Inc. (NYSE: WMT) announces first quarter results, including strong revenue and operating income growth of 7.6% and 17.3%, respectively. Operating expense leverage, along with progress from the Company's connected value streams, including advertising, helps deliver operating margin expansion. The Company sees strong comp sales globally, including 7.4%<sup>3</sup> for Walmart U.S., as its omnichannel model continues to resonate with customers and members.

## First Quarter Highlights

- Consolidated revenue of \$152.3 billion, up 7.6%, or 7.7% in constant currency ("cc")<sup>1</sup>
- Consolidated gross margin rate declines 18 basis points on mix of sales
- Consolidated operating expenses as a percentage of net sales down 58 basis points
- Consolidated operating income up \$0.9 billion, or 17.3%, operating margin up 34 bps
- ROA at 4.5%; ROI at 12.7%<sup>1</sup>, negatively affected by discrete charges totaling 140bps in Q3 & Q4 FY23
- Global advertising business<sup>2</sup> grew over 30%
- Walmart U.S. comp sales up 7.4%<sup>3</sup>; eCommerce up 27%, led by pickup & delivery
- PhonePe reaches more than \$1 trillion in annualized TPV<sup>4</sup>
- Company commits to build its own EV fast-charging network at thousands of its locations in the U.S.

<sup>1</sup> See additional information at the end of the release regarding non-GAAP financial measures.

<sup>2</sup> Our global advertising business is recorded in either net sales or as a reduction to cost of sales, depending on the nature of the advertising arrangement.

<sup>3</sup> Comp sales for the 13-week period ended April 28th, 2023 compared to the 13-week period ended April 29th, 2022, and excludes fuel. See Supplemental Financial Information for additional information.

<sup>4</sup> Represents Total Payment Volume. See earnings terminology at [stock.walmart.com](https://stock.walmart.com)

"cc" - constant currency

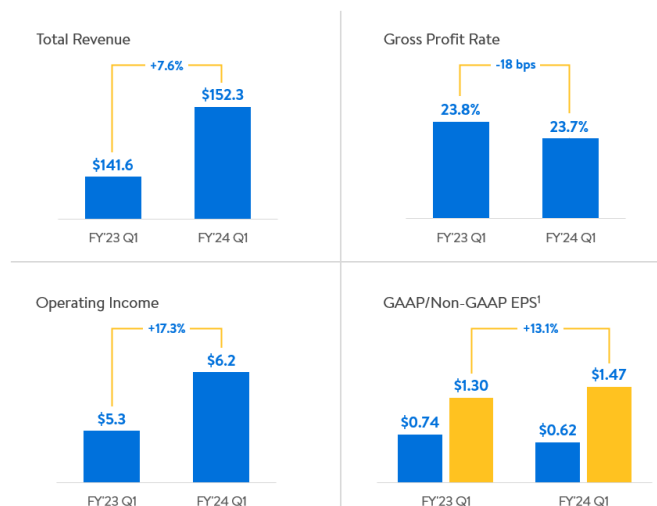
“We had a strong quarter. Comp sales were strong globally with eCommerce up 26%. We leveraged expenses, expanded operating margin, and grew profit ahead of sales. And a big thank you to our associates, who continue to step up and deliver for customers and members whenever and however they want to be served.”

Doug McMillon  
President and CEO, Walmart



## Key Financial Metrics

Dollars in billions, except per share data. Dollar and percentage changes may not recalculate due to rounding.



## Balance Sheet and Liquidity

- Cash and cash equivalents of \$10.6 billion
- Total debt of \$49.5 billion<sup>2</sup>
- Operating cash flow of \$4.6 billion, an increase of \$8.4 billion
- Free cash flow of \$0.2 billion<sup>1</sup>, an increase of \$7.5 billion
- Repurchased 4.8 million shares<sup>3</sup>, returning \$0.7 billion to shareholders

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

<sup>2</sup> Debt includes short-term borrowings, long-term debt due within one year, finance lease obligations due within one year, long-term debt and long-term finance lease obligations.

<sup>3</sup> \$18.6 billion remaining of \$20 billion authorization approved in November 2022.

# Business Highlights and Strategic Initiatives

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

Walmart U.S.	FY'24Q1	FY'23Q1	Change	
Net Sales	\$103.9	\$96.9	\$7.0	7.2%
Comp Sales (ex. fuel) <sup>2</sup>	7.4%	3.0%	NP	NP
Transactions	2.9%	flat	NP	NP
Average Ticket	4.4%	3.0%	NP	NP
eCommerce contribution to comp	~270 bps	~(30) bps	NP	NP
Operating Income	\$5.0	\$4.5	\$0.5	11.7%

## Walmart U.S.

- Growth in eCommerce of 27%, with strength in pickup & delivery and advertising
- Walmart Connect advertising grew nearly 40%
- Gained market share in grocery, including with higher-income households
- Operating expense leverage of 65 bps, partially offset by 41 bps decline in gross profit rate
- Inventory declined 9% with higher in-stock levels

Walmart International	FY'24Q1	FY'23Q1	Change	
Net sales	\$26.6	\$23.8	\$2.8	12.0%
Net sales cc <sup>1</sup>	\$26.8	\$23.8	\$3.1	12.9%
Operating income	\$1.2	\$0.8	\$0.4	50.8%
Operating income cc <sup>1</sup>	\$1.1	\$0.8	\$0.3	41.5%

## Walmart International

- Strong growth in net sales cc<sup>1</sup>: led by China, Walmex, and Flipkart
- Growth in eCommerce sales of 25%, with strength in store-fulfilled and advertising
- Gross margin expanded 12 bps over last year
- Operating expense leverage of 111 bps on strong growth in net sales and operating discipline
- Operating income cc<sup>1</sup> growth of 41.5% with strength across markets

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

<sup>2</sup> Comp sales for the 13-week period ended April 28th, 2023 compared to the 13-week period ended April 29th, 2022, and excludes fuel. See Supplemental Financial Information for additional information.

NP - Not provided

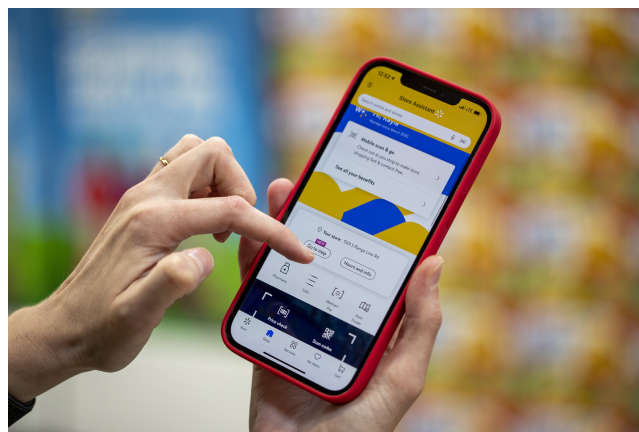
cc - constant currency

Sam's Club U.S.	FY'24Q1	FY'23Q1	Change	
Net Sales	\$20.5	\$19.6	\$0.9	4.5%
Net Sales (ex. fuel)	\$17.8	\$16.5	\$1.2	7.4%
Comp Sales (ex. fuel) <sup>1</sup>	7.0%	10.2%	NP	NP
Transactions	2.9%	10.0%	NP	NP
Average Ticket	4.0%	0.2%	NP	NP
eCommerce contribution to comp	~160 bps	~150 bps	NP	NP
Operating Income	\$0.5	\$0.5	\$0.0	-0.4%

#### Sam's Club U.S.

- Strong comp sales, led by food and consumables, and positive unit growth overall
- Growth in eCommerce of 19% led by curbside
- Strong growth in membership income, up 6.3%, with largest quarterly member sign-up on record
- Membership count and Plus penetration reached all-time highs in the quarter
- Active advertisers on Member Access Platform (MAP) have grown more than 50% year-over-year

<sup>1</sup> Comp sales for the 13-week period ended April 28th, 2023 compared to the 13-week period ended April 29th, 2022, and excludes fuel. See Supplemental Financial Information for additional information.  
NP - Not provided



## Guidance

The following guidance reflects the Company's expectations for the second quarter and fiscal year 2024 and is provided on a non-GAAP basis as the Company cannot predict certain elements that are included in reported GAAP results, such as the changes in fair value of the Company's equity and other investments. Growth rates reflect an adjusted basis for prior year results. Additionally, the Company's guidance assumes a generally stable consumer and continued pressure from its mix of products and formats globally. The Company's fiscal year guidance is based on the following previously disclosed FY23 figures: Net sales: \$605.9 billion, adjusted operating income<sup>1</sup>: \$24.6 billion, adjusted EPS<sup>1</sup> \$6.29.

### Second Quarter

Metric	Q2
Consolidated net sales (cc)	Increase approximately 4.0%
Consolidated operating income (cc)	Decline approximately 2.0%
Adjusted EPS	\$1.63 to \$1.68

### Fiscal Year 2024<sup>2</sup>

Metric	FY 2024
Consolidated net sales (cc)	Increase approximately 3.5%
Consolidated operating income (cc)	Increase approximately 4.0%-4.5%, including an expected 100bps impact from LIFO
Interest, net	Increase approximately \$600M v. LY
Effective tax rate	Approximately 26.5%
Non-controlling interest	Approximately \$0.20 headwind to EPS v. LY
Adjusted EPS	\$6.10 to \$6.20, including an expected \$0.14 impact from LIFO
Capital expenditures	Flat to up slightly v. LY, unchanged from prior guidance

<sup>1</sup> For relevant reconciliations, see Q4 FY23 earnings release furnished on Form 8-K on February 21, 2023.

<sup>2</sup> Our expectations are for Walmart U.S. and International to grow slightly faster than our prior view and for Sam's Club growth to be consistent with our February guidance



### About Walmart

Walmart Inc. (NYSE: WMT) is a people-led, tech-powered omnichannel retailer helping people save money and live better - anytime and anywhere - in stores, online, and through their mobile devices. Each week, approximately 240 million customers and members visit more than 10,500 stores and numerous eCommerce websites in 20 countries. With fiscal year 2023 revenue of \$611 billion, Walmart employs approximately 2.1 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy, and employment opportunity. Additional information about Walmart can be found by visiting [corporate.walmart.com](https://corporate.walmart.com), on Facebook at [facebook.com/walmart](https://facebook.com/walmart), on Twitter at [twitter.com/walmart](https://twitter.com/walmart), and on LinkedIn at [linkedin.com/company/walmart](https://linkedin.com/company/walmart).

**Investor Relations contact:** Steph Wissink – [ir@walmart.com](mailto:ir@walmart.com)

**Media Relations contact:** Randy Hargrove – (800) 331-0085

## Forward-Looking Statements

This release and related management commentary contains statements or may include or may incorporate by reference Walmart management's guidance regarding adjusted earnings per share, consolidated net sales, consolidated operating income and consolidated adjusted operating income, consolidated operating expense, net interest expenses, non-controlling interest, capital expenditures, share repurchases, Walmart's effective tax rate for the fiscal year ending January 31, 2024, and comparable sales, among other items. Walmart believes such statements may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act") and are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. Assumptions on which such forward-looking statements are based are also forward-looking statements. Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's or business', economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. Our actual results may differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including: capital markets and business conditions; trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations, changes in market interest rates and market levels of wages; changes in the size of various markets, including eCommerce markets; unemployment levels; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; the effectiveness of the implementation and operation of our strategies, plans, programs and initiatives; unexpected changes in our objectives and plans; the impact of acquisitions, investments, divestitures, and other strategic decisions; our ability to successfully integrate acquired businesses; changes in the trading prices or fair value of certain equity investments we hold; initiatives of competitors, competitors' entry into and expansion in our markets, and competitive pressures; customer traffic and average transactions in our stores and clubs and on our eCommerce websites; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; our gross profit margins; the financial performance of Walmart and each of its segments, including the amounts of our cash flow during various periods; the amount of our net sales and operating expenses denominated in the U.S. dollar and various foreign currencies; commodity prices and the price of gasoline and diesel fuel; challenges with our supply chain, including disruptions and issues relating to inventory management; disruptions in seasonal buying patterns; the availability of goods from suppliers and the cost of goods acquired from suppliers; our ability to respond to changing trends in consumer shopping habits; consumer acceptance of and response to our stores, clubs, eCommerce platforms, programs, merchandise offerings and delivery methods; cyber security events affecting us and related costs and impact to the business; developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith; casualty and accident related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; our effective tax rate and the factors affecting our effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations; changes in existing tax, labor and other laws and regulations and changes in tax rates including the enactment of laws and the adoption and interpretation of administrative rules and regulations; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions; adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives; changes in accounting estimates or judgments; the level of public assistance payments; natural disasters, changes in climate, geopolitical events, global health epidemics or pandemics (such as the COVID-19 pandemic) and catastrophic events; and changes in generally accepted accounting principles in the United States.

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

# Walmart Inc.

## Condensed Consolidated Statements of Income

(Unaudited)

(Amounts in millions, except per share data)	Three Months Ended		
	2023	April 30, 2022	Percent Change
<b>Revenues:</b>			
Net sales	\$ 151,004	\$ 140,288	7.6 %
Membership and other income	1,297	1,281	1.2 %
Total revenues	152,301	141,569	7.6 %
<b>Costs and expenses:</b>			
Cost of sales	115,284	106,847	7.9 %
Operating, selling, general and administrative expenses	30,777	29,404	4.7 %
<b>Operating income</b>	<b>6,240</b>	<b>5,318</b>	<b>17.3 %</b>
<b>Interest:</b>			
Debt	568	372	52.7 %
Finance lease obligations	96	83	15.7 %
Interest income	(107)	(36)	197.2 %
Interest, net	557	419	32.9 %
Other (gains) and losses	2,995	1,998	49.9 %
<b>Income before income taxes</b>	<b>2,688</b>	<b>2,901</b>	<b>(7.3)%</b>
Provision for income taxes	792	798	(0.8)%
<b>Consolidated net income</b>	<b>1,896</b>	<b>2,103</b>	<b>(9.8)%</b>
Consolidated net income attributable to noncontrolling interest	(223)	(49)	355.1 %
<b>Consolidated net income attributable to Walmart</b>	<b>\$ 1,673</b>	<b>\$ 2,054</b>	<b>(18.5)%</b>
<b>Net income per common share:</b>			
Basic net income per common share attributable to Walmart	\$ 0.62	\$ 0.75	(17.3)%
Diluted net income per common share attributable to Walmart	\$ 0.62	\$ 0.74	(16.2)%
<b>Weighted-average common shares outstanding:</b>			
Basic	2,694	2,754	
Diluted	2,704	2,765	
<b>Dividends declared per common share</b>	<b>\$ 2.28</b>	<b>\$ 2.24</b>	

# Walmart Inc.

## Condensed Consolidated Balance Sheets

(Unaudited)

(Amounts in millions)	April 30, 2023	January 31, 2023	April 30, 2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 10,575	\$ 8,625	\$ 11,817
Receivables, net	7,647	7,933	7,674
Inventories	56,932	56,576	61,229
Prepaid expenses and other	3,357	2,521	2,500
Total current assets	78,511	75,655	83,220
Property and equipment, net	102,335	100,760	94,741
Operating lease right-of-use assets	13,679	13,555	13,971
Finance lease right-of-use assets, net	5,124	4,919	4,505
Goodwill	28,306	28,174	29,438
Other long-term assets	17,098	20,134	20,267
<b>Total assets</b>	<b>\$ 245,053</b>	<b>\$ 243,197</b>	<b>\$ 246,142</b>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	\$ 1,711	\$ 372	\$ 11,432
Accounts payable	54,268	53,742	52,926
Dividends payable	4,602	—	4,631
Accrued liabilities	27,527	31,126	21,061
Accrued income taxes	1,325	727	904
Long-term debt due within one year	3,975	4,191	3,580
Operating lease obligations due within one year	1,490	1,473	1,485
Finance lease obligations due within one year	607	567	511
Total current liabilities	95,505	92,198	96,530
Long-term debt	38,120	34,649	32,174
Long-term operating lease obligations	12,925	12,828	13,226
Long-term finance lease obligations	5,039	4,843	4,409
Deferred income taxes and other	13,999	14,688	13,943
Commitments and contingencies			
Redeemable noncontrolling interest	234	237	260
<b>Equity:</b>			
Common stock	269	269	275
Capital in excess of par value	5,248	4,969	4,587
Retained earnings	78,035	83,135	80,532
Accumulated other comprehensive loss	(11,147)	(11,680)	(8,498)
Total Walmart shareholders' equity	72,405	76,693	76,896
Nonredeemable noncontrolling interest	6,826	7,061	8,704
Total equity	79,231	83,754	85,600
<b>Total liabilities, redeemable noncontrolling interest, and equity</b>	<b>\$ 245,053</b>	<b>\$ 243,197</b>	<b>\$ 246,142</b>

# Walmart Inc.

## Condensed Consolidated Statements of Cash Flows

(Unaudited)

(Amounts in millions)	Three Months Ended	
	2023	2022
<b>Cash flows from operating activities:</b>		
Consolidated net income	\$ 1,896	\$ 2,103
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	2,845	2,680
Investment (gains) and losses, net	3,062	1,989
Deferred income taxes	(725)	(69)
Other operating activities	249	(59)
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:		
Receivables, net	376	837
Inventories	(154)	(4,699)
Accounts payable	971	(1,640)
Accrued liabilities	(4,447)	(4,949)
Accrued income taxes	560	49
Net cash provided by (used in) operating activities	4,633	(3,758)
<b>Cash flows from investing activities:</b>		
Payments for property and equipment	(4,429)	(3,539)
Proceeds from the disposal of property and equipment	47	35
Proceeds from disposal of certain operations, net of divested cash	48	—
Payments for business acquisitions, net of cash acquired	—	(598)
Other investing activities	(526)	(456)
Net cash used in investing activities	(4,860)	(4,558)
<b>Cash flows from financing activities:</b>		
Net change in short-term borrowings	1,343	10,995
Proceeds from issuance of long-term debt	4,967	—
Repayments of long-term debt	(1,784)	(926)
Dividends paid	(1,538)	(1,543)
Purchase of Company stock	(686)	(2,408)
Sale of subsidiary stock	483	35
Other financing activities	(845)	(838)
Net cash provided by financing activities	1,940	5,315
Effect of exchange rates on cash, cash equivalents and restricted cash	154	49
Net increase (decrease) in cash, cash equivalents and restricted cash	1,867	(2,952)
Cash, cash equivalents and restricted cash at beginning of year	8,841	14,834
Cash, cash equivalents and restricted cash at end of period	\$ 10,708	\$ 11,882

## Net sales and operating income

(dollars in millions)

	Net Sales			Operating Income		
	Three Months Ended April 30,			Three Months Ended April 30,		
	2023	2022	Percent Change	2023	2022	Percent Change
Walmart U.S.	\$ 103,901	\$ 96,904	7.2 %	\$ 4,984	\$ 4,462	11.7 %
Walmart International	26,604	23,763	12.0 %	1,164	772	50.8 %
Sam's Club	20,499	19,621	4.5 %	458	460	-0.4 %
Corporate and support	—	—	—	(366)	(376)	-2.7 %
<b>Consolidated</b>	<b>\$ 151,004</b>	<b>\$ 140,288</b>	<b>7.6 %</b>	<b>\$ 6,240</b>	<b>\$ 5,318</b>	<b>17.3 %</b>

## U.S. comparable sales results

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	4/28/2023	4/29/2022	4/28/2023	4/29/2022	4/28/2023	4/29/2022
Walmart U.S.	7.2 %	3.5 %	7.4 %	3.0 %	-0.2 %	0.5 %
Sam's Club	4.2 %	17.0 %	7.0 %	10.2 %	-2.8 %	6.8 %
Total U.S.	6.7 %	5.6 %	7.3 %	4.0 %	-0.6 %	1.6 %

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

# Walmart Inc.

## Reconciliations of and Other Information Regarding Non-GAAP Financial Measures

(Unaudited)

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

### Constant Currency

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months.

Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three months ended April 30, 2023.

(Dollars in millions)	Three Months Ended April 30, 2023			
	Walmart International		Consolidated	
	2023	Percent Change <sup>1</sup>	2023	Percent Change <sup>1</sup>
<b>Total revenues:</b>				
As reported	\$ 26,955	11.8 %	\$ 152,301	7.6 %
Currency exchange rate fluctuations	230	N/A	230	N/A
Total revenues (cc)	\$ 27,185	12.8 %	\$ 152,531	7.7 %
<b>Net sales:</b>				
As reported	\$ 26,604	12.0 %	\$ 151,004	7.6 %
Currency exchange rate fluctuations	226	N/A	226	N/A
Net sales (cc)	\$ 26,830	12.9 %	\$ 151,230	7.8 %
<b>Operating income:</b>				
As reported	\$ 1,164	50.8 %	\$ 6,240	17.3 %
Currency exchange rate fluctuations	(72)	N/A	(72)	N/A
Operating income (cc)	\$ 1,092	41.5 %	\$ 6,168	16.0 %

<sup>1</sup> Change versus prior year comparable period reported results.  
N/A - Not applicable

Free Cash Flow

We define free cash flow as net cash provided by or used in operating activities in a period minus payments for property and equipment made in that period. Net cash provided by operating activities was \$4.6 billion for the three months ended April 30, 2023, which represents an increase of \$8.4 billion when compared to the same period in the prior year. The increase is primarily due to moderated levels of inventory purchases and timing of certain payments. Free cash flow for the three months ended April 30, 2023 was \$0.2 billion, which represents an increase of \$7.5 billion when compared to the same period in the prior year. The increase in free cash flow is due to the increase in operating cash flows described above, partially offset by an increase of \$0.9 billion in capital expenditures to support our investment strategy.

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

Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our 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 Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow.

(Dollars in millions)	Three Months Ended	
	April 30,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 4,633	\$ (3,758)
Payments for property and equipment (capital expenditures)	(4,429)	(3,539)
Free cash flow	\$ 204	\$ (7,297)

## Adjusted EPS

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

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

We have calculated Adjusted EPS for the three months ended April 30, 2023 by adjusting EPS for unrealized and realized gains and losses on the Company's equity and other investments.

Three Months Ended April 30, 2023				
<b>Diluted earnings per share:</b>				
Reported EPS				\$0.62
<b>Adjustments:</b>	<b>Pre-Tax Impact</b>	<b>Tax Impact<sup>1,2</sup></b>	<b>NCI Impact<sup>3</sup></b>	<b>Net Impact</b>
Unrealized and realized (gains) and losses on equity and other investments	\$1.13	\$(0.27)	\$(0.01)	\$0.85
Adjusted EPS				<u>\$1.47</u>

<sup>1</sup> Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

<sup>2</sup> The reported effective tax rate was 29.5% for the three months ended April 30, 2023. Adjusted for the above item, the effective tax rate was 26.5% for the three months ended April 30, 2023.

<sup>3</sup> Calculated based on the ownership percentages of our noncontrolling interests.

As previously disclosed in our first quarter ended April 30, 2022 press release, we have calculated Adjusted EPS for the three months ended April 30, 2022 by adjusting EPS for unrealized and realized gains and losses on the company's equity and other investments.

Three Months Ended April 30, 2022				
<b>Diluted earnings per share:</b>				
Reported EPS				\$0.74
<b>Adjustments:</b>	<b>Pre-Tax Impact</b>	<b>Tax Impact<sup>1,2</sup></b>	<b>NCI Impact</b>	<b>Net Impact</b>
Unrealized and realized (gains) and losses on equity and other investments	\$0.71	\$(0.15)	—	\$0.56
Adjusted EPS				<u>\$1.30</u>

<sup>1</sup> Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

<sup>2</sup> The reported effective tax rate was 27.5% for the three months ended April 30, 2022. Adjusted for the above item, the effective tax rate was 24.9% for the three months ended April 30, 2022.

## Return on Investment

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

ROA was 4.5 percent and 5.5 percent for the trailing twelve months April 30, 2023 and 2022, respectively. The decrease in ROA was primarily due to the decrease in net income, which was driven by lower operating income, partially offset by lapping debt extinguishment charges. ROI was 12.7 and 13.9 for the trailing 12 months ended April 30, 2023 and 2022, respectively. The decrease in ROI was primarily due to the decrease in operating income which included opioid legal charges and reorganization and restructuring charges recorded in Q3 and Q4 of fiscal 2023.

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

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

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

CALCULATION OF RETURN ON ASSETS				
		Trailing Twelve Months Ended April 30,		
(Dollars in millions)		2023	2022	
Numerator				
Consolidated net income	\$	11,085	\$	13,232
Denominator				
Average total assets¹		245,598		241,362
Return on assets (ROA)		4.5 %		5.5 %
CALCULATION OF RETURN ON INVESTMENT				
Numerator				
Operating income	\$	21,350	\$	24,351
+ Interest income		323		163
+ Depreciation and amortization		11,110		10,679
+ Rent		2,301		2,270
ROI operating income	\$	35,084	\$	37,463
Denominator				
Average total assets¹	\$	245,598	\$	241,362
+ Average accumulated depreciation and amortization¹		108,730		100,315
- Average accounts payable¹		53,597		50,539
- Average accrued liabilities¹		24,294		21,216
Average invested capital	\$	276,437	\$	269,922
Return on investment (ROI)		12.7 %		13.9 %
		April 30,		
Certain Balance Sheet Data		2023	2022	2021
Total assets	\$	245,053	\$	246,142
Accumulated depreciation and amortization		113,164		104,295
Accounts payable		54,268		52,926
Accrued liabilities		27,527		21,061

<sup>1</sup> 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

# Financial presentation

to accompany management commentary

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Q1 FY24

# Guidance

The following guidance reflects the Company's expectations for the second quarter and fiscal year 2024 and is provided on a non-GAAP basis as the Company cannot predict certain elements that are included in reported GAAP results, such as the changes in fair value of the Company's equity and other investments. Growth rates reflect an adjusted basis for prior year results. Additionally, the Company's guidance assumes a generally stable consumer and continued pressure from its mix of products and formats globally.

The Company's fiscal year guidance is based on the following previously disclosed FY23 figures: Net sales: \$605.9 billion, adjusted operating income<sup>1</sup>: \$24.6 billion, adjusted EPS<sup>1</sup> \$6.29.

Metric	Q2
Consolidated net sales (cc)	Increase approximately 4.0%
Consolidated operating income (cc)	Decline approximately 2.0%
Adjusted EPS	\$1.63 to \$1.68

Metric	FY24
Consolidated net sales (cc)	Increase approximately 3.5%
Consolidated operating income (cc)	Increase approximately 4.0%-4.5%, including an expected 100bps impact from LIFO
Interest, net	Increase approximately \$600M v. LY
Effective tax rate	Approximately 26.5%
Non-controlling interest	Approximately \$0.20 headwind to EPS v. LY
Adjusted EPS	\$6.10 to \$6.20, including an expected \$0.14 impact from LIFO
Capital expenditures	Flat to up slightly v. LY, unchanged from prior guidance

<sup>1</sup> For relevant reconciliations, see Q4 FY23 earnings release furnished on Form 8-K on February 21, 2023.

<sup>2</sup> Our expectations are for Walmart U.S. and International to grow slightly faster than our prior view and for Sam's Club growth to be consistent with our February guidance  
CC = Constant currency



# Total Revenue

Total Revenue (cc)<sup>1</sup> \$152.5 billion, up +7.7%



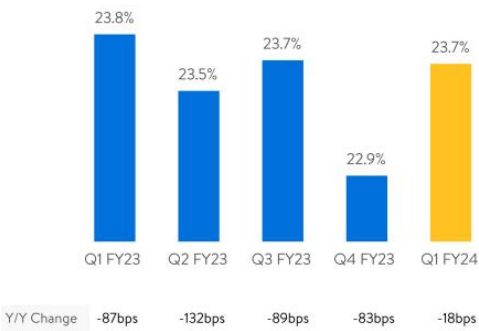
- Total revenue reached \$152.3 billion with strength across all operating segments
- Negatively affected by \$0.2 billion from currency fluctuations
- eCommerce net sales up 26% globally led by omnichannel, including pickup and delivery
- Strong growth in membership income, globally
- Other income negatively affected by a decline in sustainability income

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.

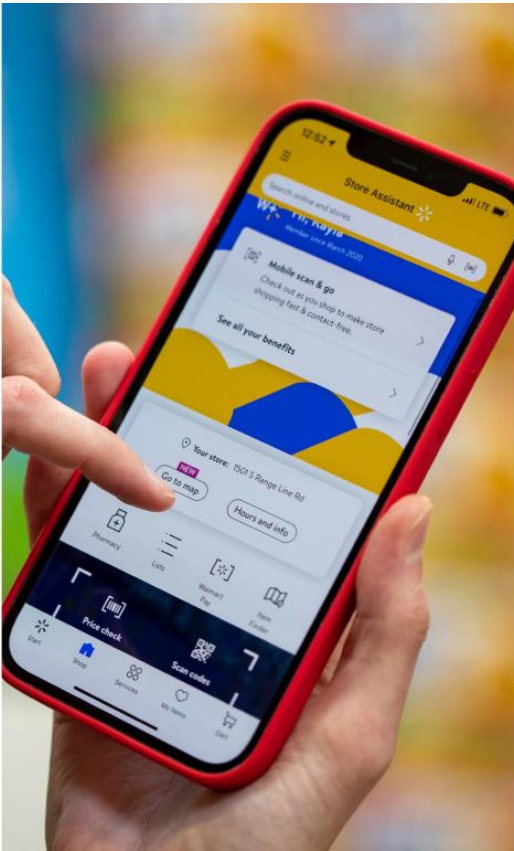


# Gross Profit Rate

Gross Profit Rate -18bps to 23.7%

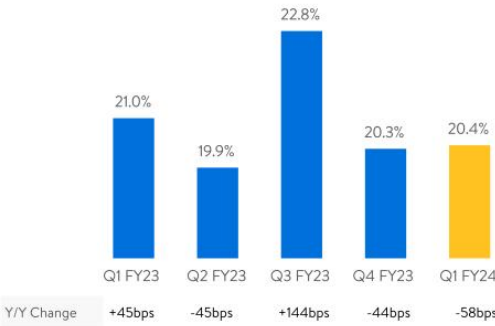


- Gross profit rate declined primarily due to mix of sales globally, partially offset by normalization of supply chain and freight costs in the U.S., and favorable business mix from higher margin initiatives
- Sales mix negatively affected by a shift from general merchandise to grocery and health & wellness, including nearly 360 bps shift in Walmart U.S.



# Operating Expenses

As a percentage of net sales, -58bps to 20.4%



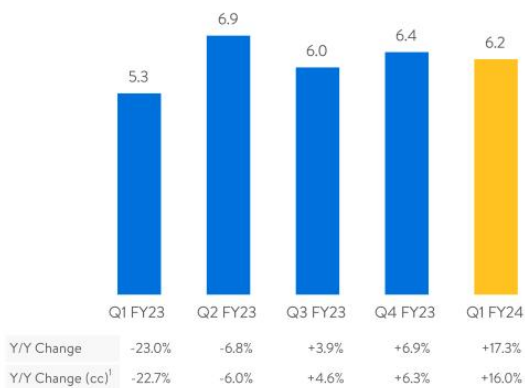
• Leverage driven by strong net sales growth and operating discipline

# Operating Income

## Operating Income



## Adjusted Operating Income<sup>1</sup>



- Operating income up 17.3% relative to 7.6% growth in net sales
- Net income margin decreased ~40bps and EBITDA margin<sup>1</sup> increased ~30bps over last year
- Q3 FY23 and Q4 FY23 negatively affected by discrete charges of \$3.3B and \$0.8B, respectively, associated with the opioid legal settlement frameworks, and business reorganization and restructurings

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.

# EPS

Adjusted EPS<sup>1</sup> of \$1.47, up 13.1%

## EPS



Q1 FY23 Q2 FY23 Q3 FY23 Q4 FY23 Q1 FY24

## Adjusted EPS<sup>1</sup>



Q1 FY23 Q2 FY23 Q3 FY23 Q4 FY23 Q1 FY24

- Adjusted EPS excludes the effects of \$0.85 from net losses on equity and other investments

Y/Y Change

-23.7%

+23.7%

NM

+81.3%

-16.2%

py

Y/Y Change

\$1.69

\$1.78

\$1.45

\$1.53

\$1.30

-23.1%

-0.6%

+3.4%

+11.8%

+13.1%

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.  
NM = not meaningful

# Cash Flow

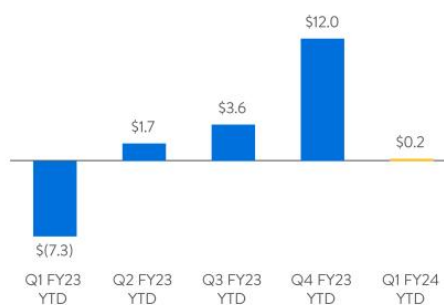
Amounts in billions, except as noted. Dollar changes may not recalculate due to rounding.

## Operating Cash Flow



PY	\$2.9	\$12.4	\$16.3	\$24.2	\$(3.8)
Y/Y Change	NM	-25.6%	-3.6%	+19.3%	NM

## Free Cash Flow<sup>1</sup>



PY	\$0.6	\$7.4	\$7.7	\$11.1	\$(7.3)
Y/Y Change	NM	-76.4%	-52.8%	+8.2%	NM

- Operating cash flow increased primarily due to moderated levels of inventory purchases and timing of certain payments
- Free cash flow increased due to the improvement in operating cash flow, partially offset by an increase of \$0.9B in capital expenditures to support the company's growth strategy

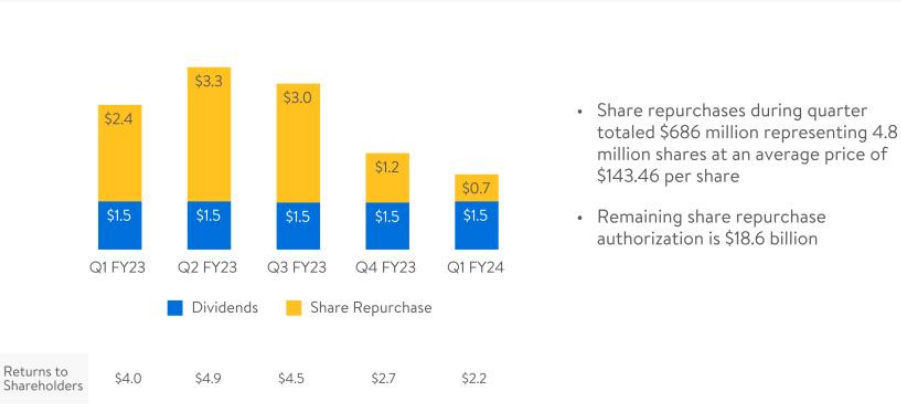
<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.  
NM = not meaningful



# Returns to Shareholders

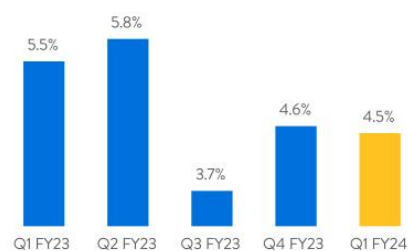
Through dividends and share repurchases

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



# Returns

## Return on Assets (ROA)



Y/Y Change +20bps +140bps +40bps -100bps -100bps

## Return on Investment (ROI)<sup>1</sup>



Y/Y Change -50bps -100bps -170bps -220bps -120bps

- ROI declined on a trailing 12-month basis as a result of discrete charges for the opioid legal settlement frameworks in Q3 FY23 and business reorganization and restructurings in Q4 FY23
- Discrete charges totaled 140 bps headwind to ROI

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.

# Walmart U.S. Comp Sales<sup>1</sup>

Net Sales +7.2%, eCommerce +27%



- Comp sales +7.4% with strength in grocery and health & wellness, offset by softness in general merchandise
- Monthly comp sales growth moderated as the quarter progressed
- Strength in food categories, private brand sales, and higher average ticket and store transactions
- Strong market share gains in grocery, including higher-income households
- Strong growth for eCommerce in store-fulfilled pickup and delivery as well as nearly 40% growth in advertising

<sup>1</sup>Comp sales for the 13-week period ended April 28, 2023 compared to the 13-week period ended April 29, 2022, and excludes fuel.



### Gross profit rate

-41 bps

- Unfavorable product mix shifts as grocery and health & wellness, which have a lower margin rate than general merchandise, increased nearly 360 bps as a portion of sales mix
- Partly offset by lower supply chain and freight costs

### Operating expenses as a percentage of net sales

-65 bps

- Aided by strong net sales growth
- Also, lapping last year's COVID-related wage expenses
- Continued investment in associates; raised average wage to \$17.50 per hour in February

### Operating income

\$5.0 billion, +11.7%

- Operating expense leverage and membership income growth, partially offset by a decline in the gross profit rate

### Inventory

-9.4%

- Better efficiency and merchandise flow; in-stock levels improved versus last year

## Walmart U.S.

Store Remodels: 96

Pickup: >4,600 stores

Delivery from Store: >3,900

# Walmart U.S.

## Merchandise category performance details

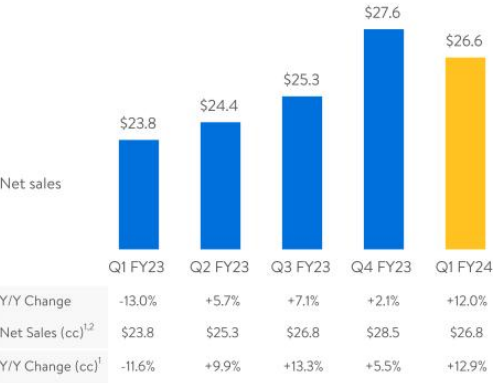
Category	Comp	Comments
Grocery	+ low double-digit	<ul style="list-style-type: none"><li>• Strength in food (+LDD) reflected continued market share gains (according to Nielsen), including from higher income households, and growth in private brand penetration (+110bps)</li><li>• Food inflation increased +LDD in Q1 and was up +mid-20s on a two-year stack</li><li>• Food units sold increased year-over-year</li><li>• Consumables led by strength in pet and personal care products due in part to inflation</li></ul>
Health & Wellness	+ high teens	<ul style="list-style-type: none"><li>• Strong pharmacy sales reflected increased script counts, higher mix of branded versus generic prescriptions, strength in immunizations, and branded drug inflation</li></ul>
General Merchandise	- mid single-digit	<ul style="list-style-type: none"><li>• General merchandise sales reflected softness in discretionary categories including home, electronics and apparel</li><li>• Automotive and seasonal performed well</li></ul>





# Walmart International Net Sales

Net Sales (cc)<sup>1</sup> \$26.8 billion, +12.9%



- Strong sales growth (cc)<sup>1</sup> led by double digit growth in China, Walmex and Flipkart
- eCommerce sales grew 25% with particular strength in store-fulfilled and advertising
- Sales negatively affected by \$0.2 billion due to currency rate fluctuations

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.  
<sup>2</sup>For Q1 FY23, net sales constant currency reflects reported results for comparison to current quarter growth in constant currency.

# Walmart International

Strong local businesses  
powered by Walmart

## Gross profit rate

+12 bps

- Increase primarily due to lapping higher markdowns from slower sales growth last year
- Partially offset by ongoing format and channel mix changes

## Operating expenses as a percentage of net sales

-111 bps

- Leverage driven by strong sales growth driving fixed cost leverage across most markets
- Strong operating efficiencies

## Operating income

\$1.2 billion, +50.8%; \$1.1 billion (cc)<sup>1</sup>, +41.5%

- 41.5% increase driven by widespread growth as all markets improved operating income

## Inventory

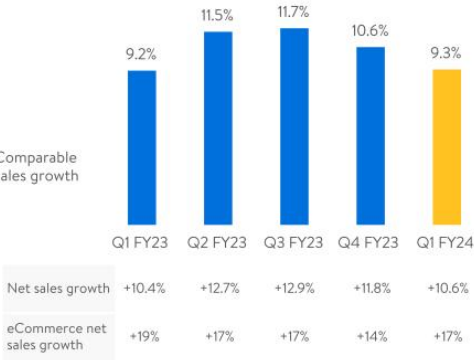
+1.7%

<sup>1</sup>See additional information at the end of this presentation regarding non-GAAP financial measures.



# Walmex<sup>1,2</sup>

Net Sales (cc): \$10.1 billion, +10.6%



### Sales

- Double-digit growth with continued strength in food and consumables
- In Mexico, comp sales grew 8.7% driven by Sam's Club and Bodega
- Opened more than 120 new stores in the past twelve months, including 12 new stores in the quarter

### Gross profit rate Increase

- Primarily from efficiencies in logistics and lower imports costs

### Operating expense rate Increase

- Primarily due to planned investments in associates and strategic priorities

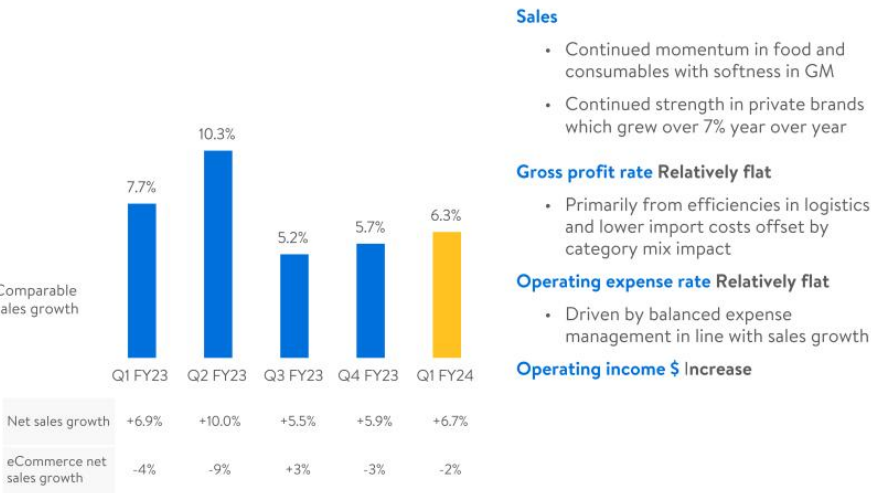
### Operating income \$ Increase

<sup>1</sup>Walmex includes the consolidated results of Mexico and Central America  
<sup>2</sup>Results are presented on a constant currency basis. Net sales and comparable sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.



# Canada<sup>1</sup>

Net Sales (cc): \$5.5 billion, +6.7%

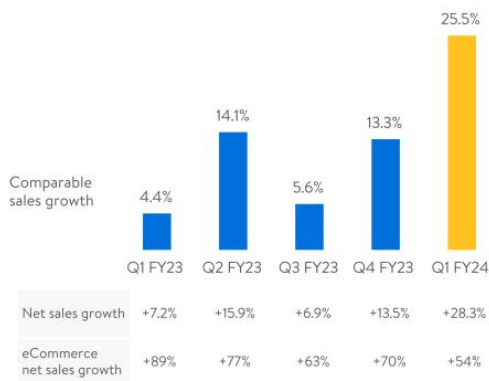


<sup>1</sup>Results are presented on a constant currency basis. Net sales and comparable sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.



## China<sup>1</sup>

Net Sales (cc): \$5.3 billion, +28.3%



### Sales

- Strength in both formats and eCommerce
- Post-covid reopening helped fuel a strong Chinese New Year season and sustained momentum through the entire quarter
- Members Mark private brand was particularly strong, growing 46%
- eCommerce penetration at 40%

### Gross profit rate Increase

- Lapping higher markdowns from slower sales growth last year, partially offset by higher mix of Sam's Club and eCommerce sales

### Operating expense rate Decrease

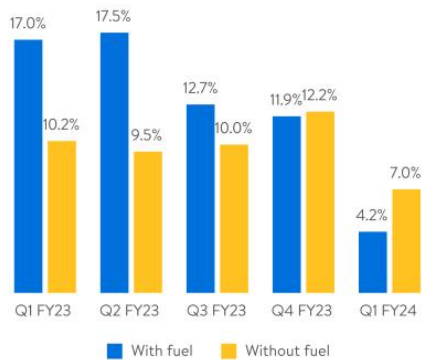
- Driven by strong sales growth, operational efficiencies, and higher penetration of Sam's Club

### Operating income \$ Increase

<sup>1</sup>Results are presented on a constant currency basis. Net sales and comparable sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.

# Sam's Club Comp Sales<sup>1</sup>

Net sales with fuel +4.5%, Net sales without fuel +7.4%, eCommerce +19%



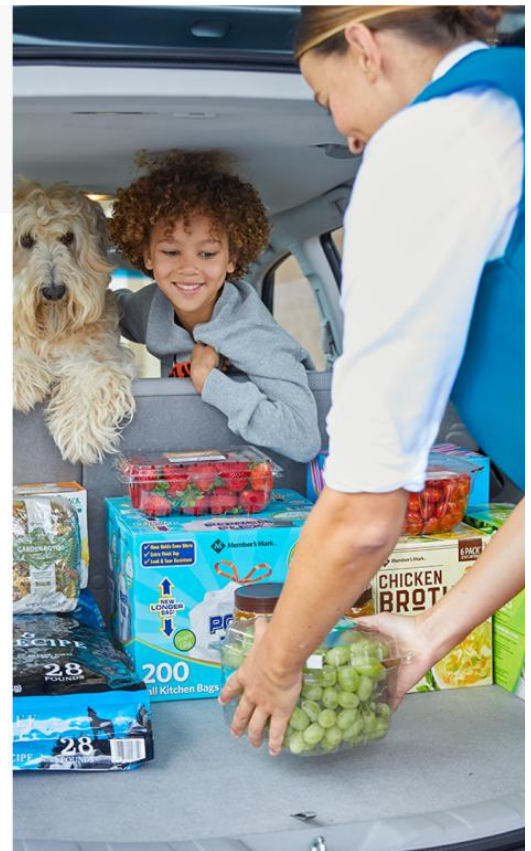
eComm Cont.  
without fuel

~150bps    ~170bps    ~120bps    ~120bps    ~160bps

## Comparable sales

- Strong comp sales driven by solid increases in ticket and transactions as well as unit growth
  - Ticket without fuel +4.0%
  - Transactions without fuel +2.9%
- Strength led by food and consumables
- eCommerce +19%, led by curbside
- Scan & Go penetration increased more than 600 bps y/y

<sup>1</sup>Comp sales for the 13-week period ended April 28, 2023 compared to the 13-week period ended April 29, 2022.



### Gross profit rate

+36 bps, without fuel +26 bps

- Rate increase primarily due to lapping elevated supply chain costs last year
- LIFO expense \$48M

### Operating expenses as a percentage of net sales

+47 bps, without fuel +23 bps

- Lower fuel sales negatively affected expense leverage
- Without fuel, deleverage primarily due to elevated technology investments

### Membership income

+6.3%

- Continued strength primarily due to Plus membership growth, acquisitions, and renewals
- Membership count and Plus penetration reached all-time highs in the quarter

### Operating income

\$458M, -0.4%, without fuel \$354M, +5.7%

- LIFO reduced operating income by 10.0% y/y

### Inventory

-6.0%

- Better inventory efficiency and merchandise flow as well as a LIFO reserve adjustment

## Sam's Club

Celebrating 40 years of  
Member Obsession

# Sam's Club

Category comparable sales

Category	Comp	Comments
Fresh / Freezer / Cooler	+ high single-digit	• Cooler, prepared foods, produce & floral, and bakery performed well
Grocery and Beverage	+ low double-digit	• Drinks, dry grocery, and snacks showed strength
Consumables	+ low double-digit	• Paper goods, tabletop & bags, laundry & home care, and pet supplies performed well
Home and Apparel	- low single-digit	• Softness in outdoor living, toys and sporting goods, partially offset by strength in tires, auto, and apparel
Technology, Office and Entertainment	- low double-digit	• Softness in consumer electronics, partially offset by strength in gift cards
Health and Wellness	+ mid-teens	• Pharmacy and over the counter performed well



# Safe harbor and non-GAAP measures

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

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

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

# Non-GAAP measures - ROI

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

ROA was 4.5% percent and 5.5% percent for the trailing twelve months ended April 30, 2023 and 2022, respectively. The decrease in ROA was primarily due to the decrease in net income, which was driven by lower operating income, partially offset by lapping debt extinguishment charges. ROI was 12.7% and 13.9% for the trailing 12 months ended April 30, 2023 and 2022, respectively. The decrease in ROI was primarily due to the decrease in operating income which included opioid legal charges and reorganization and restructuring charges recorded in Q3 and Q4 of fiscal 2023.

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

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

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# Non-GAAP measures – ROI (cont.)

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

(Dollars in millions)	CALCULATION OF RETURN ON ASSETS				
	Trailing Twelve Months Ending				
	Apr 30, 2022	Jul 31, 2022	Oct 31, 2022	Jan 31, 2023	Apr 30, 2023
<b>Numerator</b>					
Consolidated net income	\$ 13,232	\$ 14,015	\$ 9,116	\$ 11,292	\$ 11,085
<b>Denominator</b>					
Average total assets <sup>1</sup>	\$ 241,362	\$ 242,876	\$ 246,254	\$ 244,029	\$ 245,598
<b>Return on assets (ROA)</b>	5.5 %	5.8 %	3.7 %	4.6 %	4.5 %

	April 30, 2021	Jul 31, 2021	Oct 31, 2021	Jan 31, 2022	April 30, 2022	Jul 31, 2022	Oct 31, 2022	Jan 31, 2023	April 30, 2023
<b>Certain Balance Sheet Data</b>									
Total assets	\$ 236,581	\$ 238,552	\$ 244,851	\$ 244,860	\$ 246,142	\$ 247,199	\$ 247,656	\$ 243,197	\$ 245,053
Accumulated depreciation and amortization	96,334	98,346	100,168	102,211	104,295	105,963	107,628	110,286	113,164
Accounts payable	48,151	49,601	57,156	55,261	52,926	54,191	57,263	53,742	54,268
Accrued liabilities	21,371	23,915	24,474	26,060	21,061	23,843	27,443	31,126	27,527

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

# Non-GAAP measures – ROI (cont.)

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

CALCULATION OF RETURN ON INVESTMENT					
	Trailing Twelve Months Ending				
	Apr 30,	Jul 31,	Oct 31,	Jan 31,	Apr 30,
(Dollars in millions)	2022	2022	2022	2023	2023
<b>Numerator</b>					
Operating income	\$ 24,351	\$ 23,851	\$ 20,754	\$ 20,428	\$ 21,350
+ Interest income	163	155	196	254	323
+ Depreciation and amortization	10,679	10,733	10,840	10,945	11,110
+ Rent	2,270	2,302	2,296	2,306	2,301
ROI operating income	<u>\$ 37,463</u>	<u>\$ 37,041</u>	<u>\$ 34,086</u>	<u>\$ 33,933</u>	<u>\$ 35,084</u>
<b>Denominator</b>					
Average total assets <sup>1</sup>	\$ 241,362	\$ 242,876	\$ 246,254	\$ 244,029	\$ 245,598
+ Average accumulated depreciation and amortization <sup>1</sup>	100,315	102,155	103,898	106,249	108,730
- Average accounts payable <sup>1</sup>	50,539	51,896	57,210	54,502	53,597
- Average accrued liabilities <sup>1</sup>	21,216	23,878	25,959	28,593	24,294
Average invested capital	<u>\$ 269,922</u>	<u>\$ 269,257</u>	<u>\$ 266,983</u>	<u>\$ 267,183</u>	<u>\$ 276,437</u>
<b>Return on investment (ROI)</b>	<u>13.9 %</u>	<u>13.8 %</u>	<u>12.8 %</u>	<u>12.7 %</u>	<u>12.7 %</u>

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

## Non-GAAP measures – free cash flow

We define free cash flow as net cash provided by or used in operating activities in a period minus payments for property and equipment made in that period. Net cash provided by operating activities was \$4.6 billion for the three months ended April 30, 2023, which represents an increase of \$8.4 billion when compared to the same period in the prior year. The increase is primarily due to moderated levels of inventory purchases and timing of certain payments. Free cash flow for the three months ended April 30, 2023 was \$0.2 billion, which represents an increase of \$7.5 billion when compared to the same period in the prior year. The increase in free cash flow is due to the increase in operating cash flows described above, partially offset by an increase of \$0.9 billion in capital expenditures to support our investment strategy.

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

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# Non-GAAP measures – free cash flow (cont.)

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.

	Year to Date Period Ended				
(Dollars in millions)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24
Net cash provided by (used in) operating activities	\$ (3,758)	\$ 9,240	\$ 15,698	\$ 28,841	\$ 4,633
Payments for property and equipment (capital expenditures)	(3,539)	(7,492)	(12,061)	(16,857)	(4,429)
Free cash flow	\$ (7,297)	\$ 1,748	\$ 3,637	\$ 11,984	\$ 204

	Year to Date Period Ended				
(Dollars in millions)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Net cash provided by (used in) operating activities	\$ 2,858	\$ 12,423	\$ 16,291	\$ 24,181	\$ (3,758)
Payments for property and equipment (capital expenditures)	(2,214)	(5,019)	(8,588)	(13,106)	(3,539)
Free cash flow	\$ 644	\$ 7,404	\$ 7,703	\$ 11,075	\$ (7,297)

Y/Y Change in Free Cash Flow	NM	-76.4%	-52.8%	+8.2%	NM
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NM = not meaningful

# Non-GAAP measures – constant currency

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations.

The table below reflects the calculation of constant currency for net sales for the Walmart International segment for the trailing five quarters and operating income for the current quarter.

(Dollars in millions)	Three Months Ended				
	Walmart International				
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24
<b>Net sales:</b>					
As reported	\$ 23,763	\$ 24,350	\$ 25,295	\$ 27,575	\$ 26,604
Currency exchange rate fluctuations	376	956	1,473	901	226
Net sales (cc)	\$ 24,139	\$ 25,306	\$ 26,768	\$ 28,476	\$ 26,830
PY Reported	\$ 27,300	\$ 23,035	\$ 23,627	\$ 26,997	\$ 23,763
% change (cc)	-11.6%	+9.9%	+13.3%	+5.5%	+12.9%
<b>Operating income:</b>					
As reported				\$ 1,164	
Currency exchange rate fluctuations				(72)	
Operating income (cc)				\$ 1,092	
PY Reported				\$ 772	
% change (cc)				+41.5%	

# Non-GAAP measures – constant currency (cont.)

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the trailing five quarters.

(Dollars in millions)	Three Months Ended				
	Consolidated				
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24
<b>Total Revenue:</b>					
As reported	\$ 141,569	\$ 152,859	\$ 152,813	\$ 164,048	\$ 152,301
Currency exchange rate fluctuations	377	996	1,491	917	230
Total Revenue (cc)	\$ 141,946	\$ 153,855	\$ 154,304	\$ 164,965	\$ 152,531
PY Reported	\$ 138,310	\$ 141,048	\$ 140,525	\$ 152,871	\$ 141,569
% change (cc)	+2.6%	+9.1%	+9.8%	+7.9%	+7.7%
<b>Net sales:</b>					
As reported	\$ 140,288	\$ 151,381	\$ 151,469	\$ 162,743	\$ 151,004
Currency exchange rate fluctuations	376	956	1,473	901	226
Net sales (cc)	\$ 140,664	\$ 152,337	\$ 152,942	\$ 163,644	\$ 151,230
PY Reported	\$ 137,159	\$ 139,871	\$ 139,207	\$ 151,525	\$ 140,288
% change (cc)	+2.6%	+8.9%	+9.9%	+8.0%	+7.8%
<b>Operating income:</b>					
As reported	\$ 5,318	\$ 6,854	\$ 2,695	\$ 5,561	\$ 6,240
Currency exchange rate fluctuations	20	62	38	(57)	(72)
Operating income (cc)	\$ 5,338	\$ 6,916	\$ 2,733	\$ 5,504	\$ 6,168
PY Reported	\$ 6,909	\$ 7,354	\$ 5,792	\$ 5,887	\$ 5,318
% change (cc)	-22.7%	-6.0%	-52.8%	-6.5%	+16.0%

# Non-GAAP measures – Adjusted Operating Income

Adjusted operating income is considered a non-GAAP financial measure under the SEC's rules because it excludes certain charges included in operating income calculated in accordance with GAAP. Management believes that adjusted operating income is a meaningful measure to share with investors because it best allows comparison of the performance with that of the comparable period. In addition, adjusted operating income affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance as compared with that of the prior year.

When we refer to adjusted operating income in constant currency, this means adjusted operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations. The table below reflects the calculation of adjusted operating income and adjusted operating income in constant currency, when applicable, for the trailing five quarters.

(Dollars in millions)	Three Months Ended									
	Q1 FY23	Q1 FY22	Q2 FY23	Q2 FY22	Q3 FY23	Q3 FY22	Q4 FY23	Q4 FY22	Q1 FY24	Q1 FY23
<b>Operating income:</b>										
Operating income, as reported	\$ 5,318	\$ 6,909	\$ 6,854	\$ 7,354	\$ 2,695	\$ 5,792	\$ 5,561	\$ 5,887	\$ 6,240	\$ 5,318
Business reorganization and restructuring charges <sup>1</sup>	—	—	—	—	—	—	849	108	—	—
Opioid legal charges <sup>2</sup>	—	—	—	—	3,325	—	—	—	—	—
Adjusted operating income	\$ 5,318	\$ 6,909	\$ 6,854	\$ 7,354	\$ 6,020	\$ 5,792	\$ 6,410	\$ 5,995	\$ 6,240	\$ 5,318
Percent change <sup>3</sup>	-23.0%	NP	-6.8%	NP	+3.9%	NP	+6.9%	NP	+17.3%	NP
Currency exchange rate fluctuations	\$ 20	—	\$ 62	—	\$ 38	—	\$ (39)	—	\$ (72)	—
Adjusted operating income, constant currency	\$ 5,338	\$ 6,909	\$ 6,916	\$ 7,354	\$ 6,058	\$ 5,792	\$ 6,371	\$ 5,995	\$ 6,168	\$ 5,318
Percent change <sup>3</sup>	-22.7%	NP	-6.0%	NP	+4.6%	NP	+6.3%	NP	+16.0%	NP

<sup>1</sup>Business reorganization and restructuring charges in the fourth quarter of fiscal 2023 primarily relate to compensation expenses incurred in connection with the strategic decisions made in the Walmart International segment. Business restructuring charges in the fourth quarter of fiscal 2022 primarily consist of severance and store closure related costs due to strategic decisions made in the Walmart International segment.

<sup>2</sup>The opioid legal charges are recorded in Corporate and support.

<sup>3</sup>Change versus prior year comparable period.

NP = not provided

# Non-GAAP measures – adjusted EPS

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

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

We have calculated Adjusted EPS for the trailing five quarters as well as the prior year comparable periods by adjusting EPS for the relevant adjustments for each period presented.

	Three Months Ended Apr 30, 2023				Three Months Ended Apr 30, 2022				Percent Change
Diluted earnings per share:									
Reported EPS	\$0.62				\$0.74				-16.2%
Adjustments:	Pre-Tax Impact	Tax Impact <sup>1,2</sup>	NCI Impact <sup>4</sup>	Net Impact	Pre-Tax Impact	Tax Impact <sup>1,3</sup>	NCI Impact	Net Impact	
Unrealized and realized (gains) and losses on equity and other investments	\$1.13	\$(0.27)	\$(0.01)	\$0.85	\$0.71	\$(0.15)	\$—	\$0.56	
Adjusted EPS	\$1.47				\$1.30				+13.1%

<sup>1</sup> Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

<sup>2</sup> The reported effective tax rate was 29.5% for the three months ended April 30, 2023. Adjusted for the above item, the effective tax rate was 26.5% for the three months ended April 30, 2023.

<sup>3</sup> The reported effective tax rate was 27.5% for the three months ended April 30, 2022. Adjusted for the above item, the effective tax rate was 24.9% for the three months ended April 30, 2022.

<sup>4</sup> Calculated based on the ownership percentages of our noncontrolling interests.

# Non-GAAP measures – adjusted EPS (cont.)

	Three Months Ended Jan 31, 2023				Three Months Ended Jan 31, 2022				Percent Change
Diluted earnings per share:									
Reported EPS				\$2.32				\$1.28	+81.3%
Adjustments:	Pre-Tax Impact	Tax Impact <sup>1,2</sup>	NCI Impact <sup>3</sup>	Net Impact	Pre-Tax Impact	Tax Impact <sup>1</sup>	NCI Impact <sup>3</sup>	Net Impact	
Unrealized and realized (gains) and losses on equity and other investments	\$(1.43)	\$0.27	\$—	\$(1.16)	\$0.22	\$(0.05)	\$0.02	\$0.19	
Business reorganization and restructuring charges	0.31	0.40	(0.16)	0.55	0.08	(0.02)	—	0.06	
Net Adjustments				\$(0.61)				\$0.25	
Adjusted EPS				\$1.71				\$1.53	+11.8%

	Three Months Ended Oct 31, 2022				Three Months Ended Oct 31, 2021				Percent Change
Diluted earnings per share:									
Reported EPS	\$(0.66)				\$1.11				NM
Adjustments:	Pre-Tax Impact	Tax Impact <sup>1</sup>	NCI Impact <sup>3</sup>	Net Impact	Pre-Tax Impact	Tax Impact <sup>1</sup>	NCI Impact	Net Impact	
Unrealized and realized (gains) and losses on equity and other investments	\$1.34	\$(0.24)	\$0.01	\$1.11	\$(0.42)	\$0.09	\$—	\$(0.33)	
Opioid legal charges	1.22	(0.17)	—	1.05	—	—	—	—	
Loss on extinguishment of debt	—	—	—	—	0.86	(0.19)	—	0.67	
Net Adjustments <sup>4</sup>	\$2.16				\$0.34				
Adjusted EPS <sup>4</sup>	\$1.50				\$1.45				+3.4%

<sup>1</sup> Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

<sup>2</sup> Business reorganization and restructuring charges include tax amounts incurred on separation of Flipkart and PhonePe.

<sup>3</sup> Calculated based on the ownership percentages of our noncontrolling interests.

<sup>4</sup> Adjusted EPS for the three months ended October 31, 2022 was calculated using weighted average shares outstanding of 2,720 million, which includes the dilutive impact of share-based payment awards.

NM = not meaningful

# Non-GAAP measures – adjusted EPS (cont.)

	Three Months Ended Jul 31, 2022				Three Months Ended Jul 31, 2021				Percent Change
<b>Diluted earnings per share:</b>									
Reported EPS	\$1.88				\$1.52				+23.7%
<b>Adjustments:</b>	<b>Pre-Tax Impact</b>	<b>Tax Impact<sup>1,2</sup></b>	<b>NCI Impact<sup>3</sup></b>	<b>Net Impact</b>	<b>Pre-Tax Impact</b>	<b>Tax Impact<sup>1</sup></b>	<b>NCI Impact</b>	<b>Net Impact</b>	
Unrealized and realized (gains) and losses on equity and other investments	\$0.14	\$(0.02)	\$(0.01)	\$0.11	\$0.34	\$(0.08)	\$—	\$0.26	
Gain on sale of equity method investment in Brazil	(0.16)	—	—	(0.16)	—	—	—	—	
Discrete tax item	—	(0.06)	—	(0.06)	—	—	—	—	
<b>Net Adjustments</b>	<b>\$(0.11)</b>				<b>\$0.26</b>				
Adjusted EPS	<b>\$1.77</b>				<b>\$1.78</b>				-0.6%

	Three Months Ended Apr 30, 2022				Three Months Ended Apr 30, 2021				Percent Change
Diluted earnings per share:									
Reported EPS	\$0.74				\$0.97				-23.7%
Adjustments:	Pre-Tax Impact	Tax Impact <sup>1</sup>	NCI Impact	Net Impact	Pre-Tax Impact	Tax Impact <sup>1</sup>	NCI Impact	Net Impact	
Unrealized and realized (gains) and losses on equity and other investments	\$0.71	\$(0.15)	\$—	\$0.56	\$0.74	\$(0.17)	\$—	\$0.57	
Incremental loss on sale of our operations in the U.K. and Japan	—	—	—	—	0.15	—	—	0.15	
Net Adjustments	\$0.56				\$0.72				
Adjusted EPS	\$1.30				\$1.69				-23.1%

<sup>1</sup> Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

<sup>2</sup> No tax expense was incurred in connection with the gain on sale of equity method investment in Brazil.

<sup>3</sup> Calculated based on the ownership percentages of our noncontrolling interests.

# Non-GAAP measures - EBITDA and EBITDA Margin

We include net income and net income margin, which are calculated in accordance with U.S. generally accepted accounting principle as well as EBITDA and EBITDA margin to provide meaningful information about our operational efficiency compared with our competitors by excluding the impact of certain items. We calculate EBITDA as earnings before interest, taxes, depreciation and amortization. We also exclude other gains and losses, which is primarily comprised of fair value adjustments on our investments which management does not believe are indicative of our core business performance. From time to time, we will adjust EBITDA ("Adjusted EBITDA") for certain items that we adjust from operating income, which we believe is meaningful because it best allows comparison of the performance with that of the comparable period. EBITDA or Adjusted EBITDA margin is calculated by dividing EBITDA or Adjusted EBITDA by consolidated net sales.

EBITDA and EBITDA margin are considered non-GAAP financial measures. Management believes, however, that these measures provide meaningful information about our operational efficiency by excluding the impact of differences in tax jurisdictions and structures, debt levels, capital investments and other items which management does not believe are indicative of our core business performance. We consider net income to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of EBITDA. We consider net income margin to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of EBITDA margin. Although EBITDA and EBITDA margin are standard financial measures, numerous methods exist for calculating a company's EBITDA and EBITDA margin. As a result, the method used by management to calculate our EBITDA and EBITDA margin may differ from the methods used by other companies to calculate similarly titled measures.

Net income margin was 1.1% and 1.5% for the three months ended April 30, 2023 and 2022, respectively. The decrease in net income margin was primarily due to the decrease in net income, which was impacted by higher unrealized losses on our equity and other investments, when compared to the same period in the previous year. EBITDA margin was 6.0% and 5.7% for the 3 months ended April 30, 2023 and 2022, respectively. The increase in EBITDA margin was due to higher operating income driven primarily by an increase in net sales when compared to the same period in the previous year.

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# Non-GAAP measures – EBITDA & EBITDA margin

The calculation of net income margin and EBITDA margin, along with a reconciliation of EBITDA margin to the calculation of net income margin, is as follows:

	Three Months Ended	
	Q1 FY24	Q1 FY23
(Amounts in millions)	2023	2022
Consolidated net income attributable to Walmart	1,673	2,054
Consolidated net income attributable to noncontrolling interest	(223)	(49)
Provision for income taxes	792	798
Other (gains) and losses	2,995	1,998
Interest, Net	557	419
<b>Operating Income</b>	<b>\$ 6,240</b>	<b>\$ 5,318</b>
+ Depreciation and Amortization	2,845	2,680
<b>EBITDA</b>	<b>\$ 9,085</b>	<b>\$ 7,998</b>
Net Sales	\$ 151,004	\$ 140,288
Consolidated net income margin	1.1%	1.5%
EBITDA margin	6.0%	5.7%

