

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)
August 17, 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 August 17, 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 August 17, 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 and six months ended July 31, 2023, and the Company's financial condition as of July 31, 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).

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: August 17, 2023

WALMART INC.

By: /s/ John David Rainey

Name: John David Rainey

Title: Executive Vice President and
Chief Financial Officer

Walmart Reports Second Quarter Results

- Strong revenue growth of 5.7%; operating income growing faster at 6.7%
- eCommerce up 24% globally
- GAAP EPS of \$2.92; Adjusted EPS of \$1.84¹
- Guides Q3 and raises FY24 outlook

BENTONVILLE, Ark., Aug 17, 2023 – Walmart Inc. (NYSE: WMT) announces second quarter results, including strong revenue and operating income growth of 5.7% and 6.7%, respectively. The Company sees strength in its omnichannel model across segments with strong comp sales globally, including 6.4%³ for Walmart U.S. The Company raises guidance for FY24 to reflect Q2 upside, confidence in continued business momentum and ongoing customer response to its value proposition.

Second Quarter Highlights

- Consolidated revenue of \$161.6 billion, up 5.7%, or 5.4% in constant currency ("cc")¹
- Consolidated gross margin rate up 50bps on lapping elevated markdowns and supply chain costs, partially offset by ongoing mix pressure in grocery and health & wellness
- Consolidated operating expenses as a percentage of net sales grew 33bps
- Consolidated operating income up \$0.5 billion, or 6.7%, adjusted operating income up 8.1%¹
- ROA at 5.6%; ROI at 12.8%¹, negatively affected by 140bps of discrete charges in Q3 & Q4 FY23
- Global advertising business² grew approximately 35%
- Walmart U.S. comp sales up 6.4%³; eCommerce up 24%, led by pickup & delivery
- Celebrating the 65th anniversary of Bodega Aurrera stores in Mexico

“We had another strong quarter. Around the world, our customers and members are prioritizing value and convenience. They're shopping with us across channels — in stores, Sam's Clubs, and they're driving eCommerce, which was up 24% globally. Food is a strength, but we're also encouraged by our results in general merchandise versus our expectations when we started the quarter. Our associates helped deliver increases in transaction counts and units sold, and profit is growing faster than sales. We're in good shape with inventory, and we like our position for the back half of the year.”

Doug McMillon
President and CEO, Walmart



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

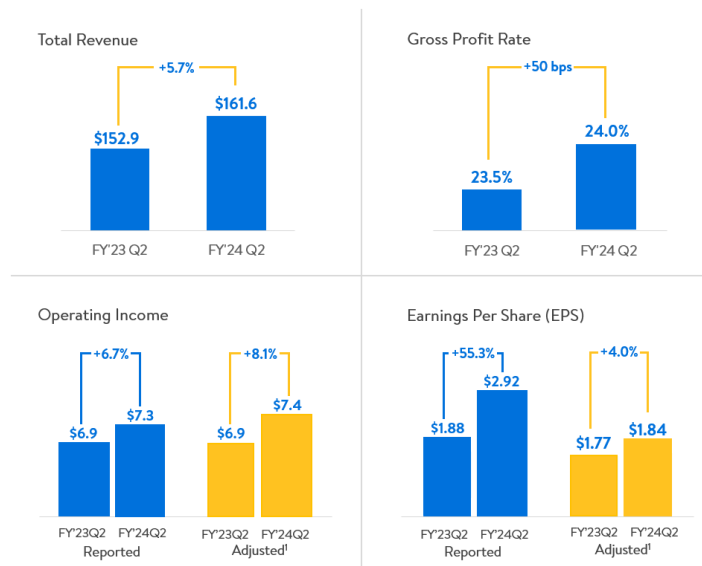
² Our global advertising business is recorded in either net sales or as a reduction to cost of sales, depending on the nature of the advertising arrangement.

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

^{cc} - constant currency

Key Financial Metrics

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



Balance Sheet and Liquidity

- Cash and cash equivalents of \$13.9 billion
- Total debt of \$50.4 billion²
- Operating cash flow of \$18.2 billion, an increase of \$9.0 billion
- Free cash flow of \$9.0 billion¹, an increase of \$7.2 billion
- Repurchased 8.0 million shares³ YTD, or \$1.2 billion

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

² 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.

³ \$18.2 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'24Q2	FY'23Q2	Change	
Net Sales	\$110.9	\$105.1	\$5.7	5.4%
Comp Sales (ex. fuel) ²	6.4%	6.5%	NP	NP
Transactions	2.9%	1.0%	NP	NP
Average Ticket	3.4%	5.5%	NP	NP
eCommerce contribution to comp	~230 bps	~100 bps	NP	NP
Operating Income	\$6.1	\$5.7	\$0.4	7.6%

Walmart U.S.

- Growth in eCommerce of 24%, with strength in pickup & delivery and advertising
- Walmart Connect advertising sales grew 36%
- Sales strength led by grocery and health & wellness, while general merchandise sales declined modestly
- Gained market share in grocery with strong unit growth
- Gross profit rate increased 40 bps, partially offset by operating expense deleverage of 28 bps
- Inventory declined 8% with higher in-stock levels

Walmart International	FY'24Q2	FY'23Q2	Change	
Net sales	\$27.6	\$24.4	\$3.2	13.3%
Net sales cc ¹	\$27.0	\$24.4	\$2.7	11.0%
Operating income	\$1.2	\$1.0	\$0.1	14.1%
Operating income cc ¹	\$1.1	\$1.0	\$—	2.2%

Walmart International

- Strong growth in net sales cc¹, led by Walmex, China and Flipkart. Positive traffic across markets
- Growth in eCommerce sales of 26% with strength in store-fulfilled
- Gross margin rate declined 37 bps over last year on changes in format and channel mix
- Advertising up nearly 40%³
- Operating expense leverage of 129 bps on strong growth in net sales, driving fixed cost leverage
- Operating income cc¹ up 2.2%, impacted 20 percentage points from lapping last year's \$0.2 billion one-time insurance benefit in Chile

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

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

³ 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.

NP - Not provided

cc - constant currency

Sam's Club U.S.	FY'24Q2	FY'23Q2	Change	
Net Sales	\$21.8	\$21.9	-\$0.1	-0.3%
Net Sales (ex. fuel)	\$18.9	\$18.0	\$0.9	5.3%
Comp Sales (ex. fuel) ¹	5.5%	9.5%	NP	NP
Transactions	2.9%	9.8%	NP	NP
Average Ticket	2.5%	-0.2%	NP	NP
eCommerce contribution to comp	~150 bps	~170 bps	NP	NP
Operating Income	\$0.5	\$0.4	\$0.1	22.0%

- Sam's Club U.S.**
- Strong comp sales, led by food and consumables, and healthcare as well as positive unit growth overall
 - Gained market share in grocery and general merchandise, including apparel, home, and toys
 - Growth in eCommerce of 18% led by curbside
 - Strong growth in membership income, up 7.0%, with continued strength in Plus member growth and renewals
 - Advertising up 33%²
 - Membership count increased mid single-digits with Plus penetration up 130 bps vs. last year

¹ Comp sales for the 13-week period ended July 28th, 2023 compared to the 13-week period ended July 29th, 2022, and excludes fuel. See Supplemental Financial Information for additional information.
² 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.
 NP - Not provided



Guidance

The following guidance reflects the Company's expectations for the third 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 income¹: \$24.6 billion, and adjusted EPS¹: \$6.29.

Third Quarter

Metric	Q3
Consolidated net sales (cc)	Increase approximately 3.0%
Consolidated operating income (cc)	Increase approximately 1.0%
Adjusted EPS	\$1.45 to \$1.50

Fiscal Year 2024²

Metric	FY 2024
Consolidated net sales (cc)	Increase approximately 4.0% to 4.5%
Consolidated operating income (cc)	Increase approximately 7.0%-7.5%, including an expected 30bps tailwind from LIFO
Interest, net	Increase approximately \$500M v. LY
Effective tax rate	Unchanged at 26.5%
Non-controlling interest	Approximately \$0.26 headwind to EPS
Adjusted EPS	\$6.36 to \$6.46, including an expected \$0.05 impact from LIFO
Capital expenditures	Flat to up slightly v. LY, unchanged from prior guidance

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

² 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 19 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, on Facebook at facebook.com/walmart, on X (formerly known as Twitter) at twitter.com/walmart, and on LinkedIn at linkedin.com/company/walmart.

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

Walmart Inc.

Condensed Consolidated Statements of Income

(Unaudited)

(Amounts in millions, except per share data)	Three Months Ended			Six Months Ended		
	2023	July 31, 2022	Percent Change	2023	July 31, 2022	Percent Change
Revenues:						
Net sales	\$ 160,280	\$ 151,381	5.9 %	\$ 311,284	\$ 291,669	6.7 %
Membership and other income	1,352	1,478	(8.5)%	2,649	2,759	(4.0)%
Total revenues	161,632	152,859	5.7 %	313,933	294,428	6.6 %
Costs and expenses:						
Cost of sales	121,850	115,838	5.2 %	237,134	222,685	6.5 %
Operating, selling, general and administrative expenses	32,466	30,167	7.6 %	63,243	59,571	6.2 %
Operating income	7,316	6,854	6.7 %	13,556	12,172	11.4 %
Interest:						
Debt	543	395	37.5 %	1,111	767	44.9 %
Finance lease obligations	99	84	17.9 %	195	167	16.8 %
Interest income	(148)	(31)	377.4 %	(255)	(67)	280.6 %
Interest, net	494	448	10.3 %	1,051	867	21.2 %
Other (gains) and losses	(3,905)	(238)	1,540.8 %	(910)	1,760	NM
Income before income taxes	10,727	6,644	61.5 %	13,415	9,545	40.5 %
Provision for income taxes	2,674	1,497	78.6 %	3,466	2,295	51.0 %
Consolidated net income	8,053	5,147	56.5 %	9,949	7,250	37.2 %
Consolidated net (income) loss attributable to noncontrolling interest	(162)	2	NM	(385)	(47)	719.1 %
Consolidated net income attributable to Walmart	\$ 7,891	\$ 5,149	53.3 %	\$ 9,564	\$ 7,203	32.8 %
Net income per common share:						
Basic net income per common share attributable to Walmart	\$ 2.93	\$ 1.88	55.9 %	\$ 3.55	\$ 2.62	35.5 %
Diluted net income per common share attributable to Walmart	\$ 2.92	\$ 1.88	55.3 %	\$ 3.54	\$ 2.61	35.6 %
Weighted-average common shares outstanding:						
Basic	2,693	2,736		2,694	2,745	
Diluted	2,703	2,745		2,703	2,755	
Dividends declared per common share	\$ —	\$ —		\$ 2.28	\$ 2.24	

NM = Not Meaningful

Walmart Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(Amounts in millions)	July 31, 2023	January 31, 2023	July 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,888	\$ 8,625	\$ 13,923
Receivables, net	7,891	7,933	7,522
Inventories	56,722	56,576	59,921
Prepaid expenses and other	3,531	2,521	2,798
Total current assets	82,032	75,655	84,164
Property and equipment, net	104,733	100,760	96,006
Operating lease right-of-use assets	13,710	13,555	13,872
Finance lease right-of-use assets, net	5,552	4,919	4,514
Goodwill	28,268	28,174	28,664
Other long-term assets	20,826	20,134	19,979
Total assets	\$ 255,121	\$ 243,197	\$ 247,199
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY			
Current liabilities:			
Short-term borrowings	\$ 4,546	\$ 372	\$ 10,634
Accounts payable	56,576	53,742	54,191
Dividends payable	3,067	—	3,049
Accrued liabilities	29,239	31,126	23,843
Accrued income taxes	770	727	868
Long-term debt due within one year	2,897	4,191	5,316
Operating lease obligations due within one year	1,472	1,473	1,464
Finance lease obligations due within one year	653	567	534
Total current liabilities	99,220	92,198	99,899
Long-term debt	36,806	34,649	29,801
Long-term operating lease obligations	12,978	12,828	13,140
Long-term finance lease obligations	5,449	4,843	4,420
Deferred income taxes and other	15,109	14,688	14,092
Commitments and contingencies			
Redeemable noncontrolling interest	232	237	260
Equity:			
Common stock	269	269	272
Capital in excess of par value	4,635	4,969	4,672
Retained earnings	85,470	83,135	82,519
Accumulated other comprehensive loss	(10,818)	(11,680)	(9,894)
Total Walmart shareholders' equity	79,556	76,693	77,569
Nonredeemable noncontrolling interest	5,771	7,061	8,018
Total equity	85,327	83,754	85,587
Total liabilities, redeemable noncontrolling interest, and equity	\$ 255,121	\$ 243,197	\$ 247,199

Walmart Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Six Months Ended	
	July 31,	
	2023	2022
<i>(Amounts in millions)</i>		
Cash flows from operating activities:		
Consolidated net income	\$ 9,949	\$ 7,250
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	5,750	5,379
Investment (gains) and losses, net	(773)	1,988
Deferred income taxes	436	111
Other operating activities	849	244
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:		
Receivables, net	115	874
Inventories	222	(3,730)
Accounts payable	2,999	(453)
Accrued liabilities	(1,368)	(2,439)
Accrued income taxes	22	16
Net cash provided by operating activities	18,201	9,240
Cash flows from investing activities:		
Payments for property and equipment	(9,216)	(7,492)
Proceeds from the disposal of property and equipment	133	72
Proceeds from disposal of certain operations	135	—
Payments for business acquisitions, net of cash acquired	(9)	(616)
Other investing activities	(952)	(548)
Net cash used in investing activities	(9,909)	(8,584)
Cash flows from financing activities:		
Net change in short-term borrowings	4,181	10,230
Proceeds from issuance of long-term debt	4,967	—
Repayments of long-term debt	(4,063)	(1,439)
Dividends paid	(3,072)	(3,081)
Purchase of Company stock	(1,171)	(5,747)
Dividends paid to noncontrolling interest	(214)	—
Sale of subsidiary stock	697	45
Purchase of noncontrolling interest	(3,462)	—
Other financing activities	(1,172)	(1,408)
Net cash used in financing activities	(3,309)	(1,400)
Effect of exchange rates on cash, cash equivalents and restricted cash	147	(100)
Net increase (decrease) in cash, cash equivalents and restricted cash	5,130	(844)
Cash, cash equivalents and restricted cash at beginning of year	8,841	14,834
Cash, cash equivalents and restricted cash at end of period	\$ 13,971	\$ 13,990

Net sales and operating income

(dollars in millions)

	Net Sales				Operating Income			
	Three Months Ended				Three Months Ended			
	July 31,		Percent Change		July 31,		Percent Change	
	2023	2022			2023	2022		
Walmart U.S.	\$ 110,854	\$ 105,130	5.4 %		\$ 6,114	\$ 5,683	7.6 %	
Walmart International	27,596	24,350	13.3 %		1,190	1,043	14.1 %	
Sam's Club	21,830	21,901	-0.3 %		521	427	22.0 %	
Corporate and support	—	—	—		(509)	(299)	70.2 %	
Consolidated	\$ 160,280	\$ 151,381	5.9 %		\$ 7,316	\$ 6,854	6.7 %	

U.S. comparable sales results

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	7/28/2023	7/29/2022	7/28/2023	7/29/2022	7/28/2023	7/29/2022
Walmart U.S.	6.1 %	7.2 %	6.4 %	6.5 %	-0.3 %	0.7 %
Sam's Club	-0.2 %	17.5 %	5.5 %	9.5 %	-5.7 %	8.0 %
Total U.S.	5.0 %	8.8 %	6.3 %	7.0 %	-1.3 %	1.8 %

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. 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. 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 and six months ended July 31, 2023.

(Dollars in millions)	Three Months Ended July 31, 2023				Six Months Ended July 31, 2023			
	Walmart International		Consolidated		Walmart International		Consolidated	
	2023	Percent Change ¹	2023	Percent Change ¹	2023	Percent Change ¹	2023	Percent Change ¹
Total revenues:								
As reported	\$ 27,954	12.3 %	\$ 161,632	5.7 %	\$ 54,909	12.1 %	\$ 313,933	6.6 %
Currency exchange rate fluctuations	(576)	N/A	(576)	N/A	(347)	N/A	(347)	N/A
Total revenues (cc)	\$ 27,378	10.0 %	\$ 161,056	5.4 %	\$ 54,562	11.4 %	\$ 313,586	6.5 %
Net sales:								
As reported	\$ 27,596	13.3 %	\$ 160,280	5.9 %	\$ 54,200	12.7 %	\$ 311,284	6.7 %
Currency exchange rate fluctuations	(574)	N/A	(574)	N/A	(349)	N/A	(349)	N/A
Net sales (cc)	\$ 27,022	11.0 %	\$ 159,706	5.5 %	\$ 53,851	11.9 %	\$ 310,935	6.6 %
Operating income:								
As reported	\$ 1,190	14.1 %	\$ 7,316	6.7 %	\$ 2,354	29.7 %	\$ 13,556	11.4 %
Currency exchange rate fluctuations	(124)	N/A	(124)	N/A	(196)	N/A	(196)	N/A
Operating income (cc)	\$ 1,066	2.2 %	\$ 7,192	4.9 %	\$ 2,158	18.9 %	\$ 13,360	9.8 %

¹ Change versus prior year comparable period reported results.

N/A - Not applicable

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 reflect the calculation of adjusted operating income and adjusted operating income in constant currency for the three months and three and six months ended July 31, 2023.

Three Months Ended July 31,		
Consolidated		
(Dollars in millions)	2023	2022
Operating income:		
Operating income, as reported	\$7,316	\$6,854
Incremental opioid settlement expense ¹	93	—
Adjusted operating income	7,409	6,854
Percent change ²	8.1%	NP
Currency exchange rate fluctuations	(124)	—
Adjusted operating income, constant currency	\$7,285	6,854
Percent change ²	6.3%	NP

Six Months Ended July 31,		
Consolidated		
(Dollars in millions)	2023	2022
Operating income:		
Operating income, as reported	\$13,556	\$12,172
Incremental opioid settlement expense ¹	93	—
Adjusted operating income	13,649	12,172
Percent change ²	12.1%	NP
Currency exchange rate fluctuations	(196)	—
Adjusted operating income, constant currency	\$13,453	\$12,172
Percent change ²	10.5%	NP

¹ Recorded in Corporate and support.

² Change versus prior year comparable period.

NP - Not provided

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. Net cash provided by operating activities was \$18.2 billion for the six months ended July 31, 2023, which represents an increase of \$9.0 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 six months ended July 31, 2023 was \$9.0 billion, which represents an increase of \$7.2 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 \$1.7 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, as well as information regarding net cash used in investing activities and net cash used in financing activities.

	Six Months Ended			
	July 31,			
	2023		2022	
<i>(Dollars in millions)</i>				
Net cash provided by operating activities	\$	18,201	\$	9,240
Payments for property and equipment (capital expenditures)		(9,216)		(7,492)
Free cash flow	\$	8,985	\$	1,748
Net cash used in investing activities ¹	\$	(9,909)	\$	(8,584)
Net cash used in financing activities		(3,309)		(1,400)

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

Adjusted EPS

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

We adjust for the unrealized and realized gains and losses on our equity 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 and six months ended July 31, 2023 by adjusting EPS for the following:

- 1. unrealized and realized gains and losses on the Company's equity and other investments; and
- 2. incremental opioid settlement expense.

Three Months Ended July 31, 2023 ⁴				
Diluted earnings per share:				
Reported EPS				\$2.92
Adjustments:				
Unrealized and realized (gains) and losses on equity and other investments ⁵				Pre-Tax Impact Tax Impact ^{1,2} NCI Impact ³ Net Impact
				\$(1.44) \$0.33 \$— \$(1.11)
Incremental opioid settlement expense				0.04 (0.01) — 0.03
Net adjustments				\$(1.08)
Adjusted EPS				\$1.84
Six Months Ended July 31, 2023 ⁴				
Diluted earnings per share:				
Reported EPS				\$3.54
Adjustments:				
Unrealized and realized (gains) and losses on equity and other investments				Pre-Tax Impact Tax Impact ^{1,2} NCI Impact ³ Net Impact
				\$(0.31) \$0.06 \$(0.01) \$(0.26)
Incremental opioid settlement expense				0.04 (0.01) — 0.03
Net adjustments				\$(0.23)
Adjusted EPS				\$3.31

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

² The reported effective tax rate was 24.9% and 25.8% for the three and six months ended July 31, 2023, respectively. Adjusted for the above items, the effective tax rate was 25.8% and 26.1% for the three and six months ended July 31, 2023, respectively.

³ Calculated based on the ownership percentages of our noncontrolling interests.

⁴ Quarterly adjustments or adjusted EPS may not sum to YTD adjustments or YTD adjusted EPS due to rounding. Additionally, the individual components in the tables above may include immaterial rounding.

⁵ For the three months ended July 31, 2023, unrealized gains were primarily driven by increases in the underlying stock prices of our investments in Symbotic and JD.com.

As previously disclosed in our second quarter ended July 31, 2022 press release, we have calculated Adjusted EPS for the three and six months ended July 31, 2022 by adjusting EPS for the following: (1) unrealized and realized gains and losses on the company's equity and other investments; (2) gain on sale of equity method investment in Brazil; and (3) a discrete tax item.

Three Months Ended July 31, 2022				
Diluted earnings per share:				
Reported EPS				\$1.88
Adjustments:	Pre-Tax Impact	Tax Impact^{1, 2}	NCI Impact³	Net Impact
Unrealized and realized (gains) and losses on equity and other investments	\$0.14	\$(0.02)	\$(0.01)	\$0.11
Gain on sale of equity method investment in Brazil	(0.16)	—	—	(0.16)
Discrete tax item	—	(0.06)	—	(0.06)
Net adjustments				\$(0.11)
Adjusted EPS				\$1.77

Six Months Ended July 31, 2022 ⁴				
Diluted earnings per share:				
Reported EPS				\$2.61
Adjustments:	Pre-Tax Impact	Tax Impact^{1, 2}	NCI Impact³	Net Impact
Unrealized and realized (gains) and losses on equity and other investments	\$0.85	\$(0.16)	\$(0.01)	\$0.68
Gain on sale of equity method investment in Brazil	(0.16)	—	—	(0.16)
Discrete tax item	—	(0.06)	—	(0.06)
Net adjustments				\$0.46
Adjusted EPS				\$3.07

¹ Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. No tax expense was incurred in connection with the gain on sale of equity method investment in Brazil.

² The reported effective tax rate was 22.5% and 24.0% for the three and six months ended July 31, 2022, respectively. Adjusted for the above item, the effective tax rate was 26.2% and 25.6% for the three and six months ended July 31, 2022, respectively.

³ Calculated based on the ownership percentages of our noncontrolling interests.

⁴ Quarterly adjustments or adjusted EPS may not sum to YTD adjustments or YTD adjusted EPS due to rounding.

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 5.6 percent and 5.8 percent for the trailing twelve months ended July 31, 2023 and 2022, respectively. The decrease in ROA was primarily due to the increase in average total assets driven by higher purchases of property and equipment. ROI was 12.8 percent and 13.8 percent for the trailing 12 months ended July 31, 2023 and 2022, respectively. The decrease in ROI was the result of a decrease in operating income primarily due to opioid legal charges and reorganization and restructuring charges recorded in Q3 and Q4 of fiscal 2023 respectively, as well as an increase in average invested capital primarily due to higher purchases of property and equipment.

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 July 31,		
(Dollars in millions)		2023		2022
Numerator				
Consolidated net income	\$	13,991	\$	14,015
Denominator				
Average total assets ¹		251,160		242,876
Return on assets (ROA)		5.6 %		5.8 %
CALCULATION OF RETURN ON INVESTMENT				
Numerator				
Operating income	\$	21,812	\$	23,851
+ Interest income		442		155
+ Depreciation and amortization		11,318		10,733
+ Rent		2,284		2,302
ROI operating income	\$	35,856	\$	37,041
Denominator				
Average total assets ¹	\$	251,160	\$	242,876
+ Average accumulated depreciation and amortization ¹		110,921		102,155
- Average accounts payable ¹		55,384		51,896
- Average accrued liabilities ¹		26,541		23,878
Average invested capital	\$	280,156	\$	269,257
Return on investment (ROI)		12.8 %		13.8 %
		July 31,		
Certain Balance Sheet Data		2023	2022	2021
Total assets	\$	255,121	\$	247,199
Accumulated depreciation and amortization		115,878		105,963
Accounts payable		56,576		54,191
Accrued liabilities		29,239		23,843

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.

Financial presentation

to accompany management commentary

FY24 Q2

Guidance

The following guidance reflects the Company's expectations for the third 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 income¹: \$24.6 billion, adjusted EPS¹ \$6.29.

Metric	Q3
Consolidated net sales (cc)	Increase approximately 3.0%
Consolidated operating income (cc)	Increase approximately 1.0%
Adjusted EPS	\$1.45 to \$1.50

Metric	FY24 ²
Consolidated net sales (cc)	Increase approximately 4.0% to 4.5%
Consolidated operating income (cc)	Increase approximately 7.0%-7.5%, including an expected 30bps tailwind from LIFO
Interest, net	Increase approximately \$500M v. LY
Effective tax rate	Unchanged at 26.5%
Non-controlling interest	Approximately \$0.26 headwind to EPS
Adjusted EPS	\$6.36 to \$6.46, including an expected \$0.05 impact from LIFO
Capital expenditures	Flat to up slightly v. LY, unchanged from prior guidance

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

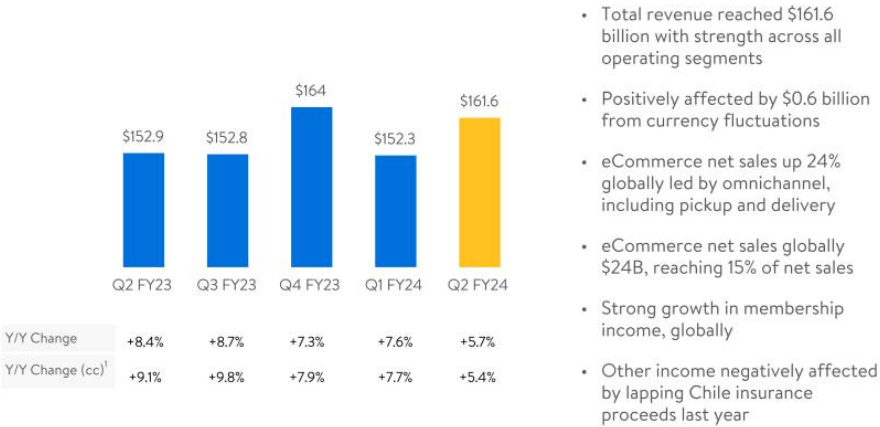
² Our expectations are for Walmart U.S. and International to grow slightly faster than our prior view and for Sam's Club growth to be consistent with our February guidance.
CC = Constant currency



Total Revenue

Total Revenue (cc)¹ \$161.1 billion, up +5.4%

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

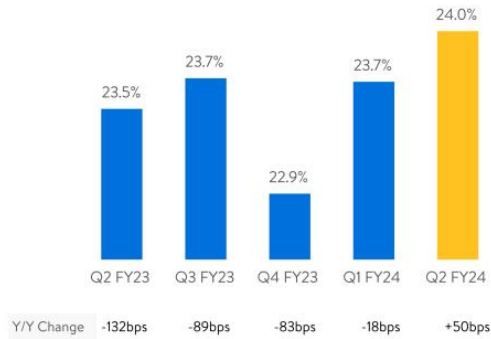


¹See additional information at the end of this presentation regarding non-GAAP financial measures.



Gross Profit Rate

Gross Profit Rate +50bps to 24.0%

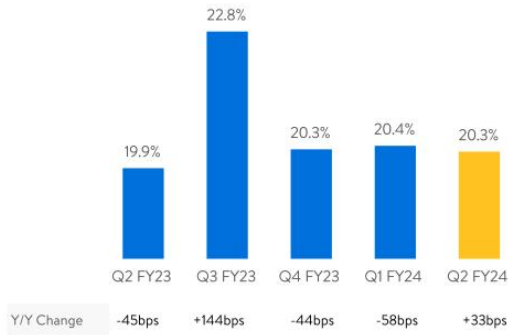


- Gross profit rate increased due to lapping last year's elevated levels of markdowns and supply chain costs
- Partially offset by ongoing category mix pressure as grocery and health & wellness sales outperform general merchandise
- Walmart US sales mix shifted 240bps from general merchandise to grocery and health & wellness



Operating Expenses

As a percentage of net sales, +33bps to 20.3%



- Expense deleverage reflects increased variable pay, higher tech expenses, and increased store remodel costs in the U.S.
- Partially offset by robust leverage in International on strong sales growth

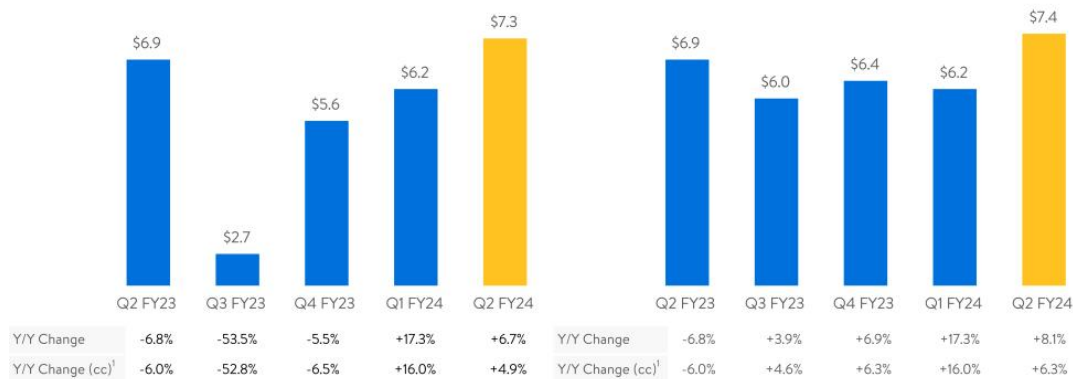
Operating Income

Adjusted Operating Income¹ of \$7.4 billion, up 8.1%

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

Operating Income

Adjusted Operating Income¹



- Adjusted operating income¹ up 8.1% relative to 5.9% growth in net sales
- Net income margin increased ~150bps and Adjusted EBITDA margin¹ increased ~10bps 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

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

EPS

Adjusted EPS¹ of \$1.84, up 4.0%

EPS



Adjusted EPS¹



- Adjusted EPS¹ excludes the net effects of \$1.08 from net gains on equity and other investments and an incremental opioid settlement expense

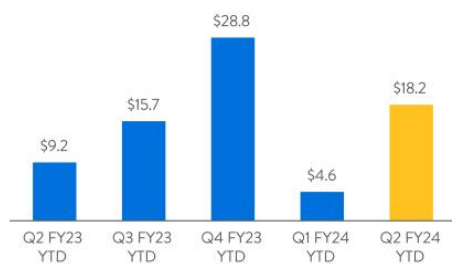
	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	py	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Y/Y Change	+23.7%	NM	+81.3%	-16.2%	+55.3%	Y/Y Change	-0.6%	+3.4%	+11.8%	+13.1%	+4.0%

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

Cash Flow

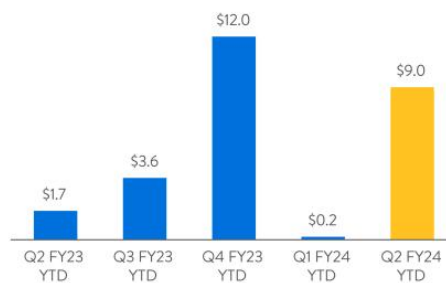
Amounts in billions, except as noted. Dollar changes may not recalculate due to rounding.

Operating Cash Flow



PY	\$12.4	\$16.3	\$24.2	\$(3.8)	\$9.2
Y/Y Change	-25.6%	-3.6%	+19.3%	NM	+97.0%

Free Cash Flow¹



PY	\$7.4	\$7.7	\$11.1	\$(7.3)	\$1.7
Y/Y Change	-76.4%	-52.8%	+8.2%	NM	+414.0%

- Operating cash flow increased primarily due to moderated levels of inventory purchases and timing of certain payments
- Free cash flow increased due to the increase in operating cash flow, partially offset by an increase of \$1.7B in capital expenditures to support the company's investment strategy

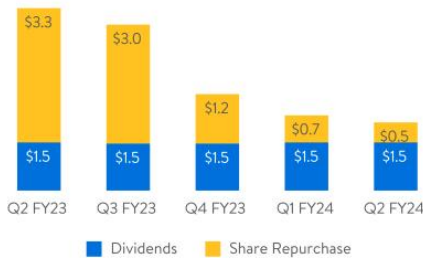
¹See additional information at the end of this presentation regarding non-GAAP financial measures.
NM = not meaningful



Returns to Shareholders

Through dividends and share repurchases

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

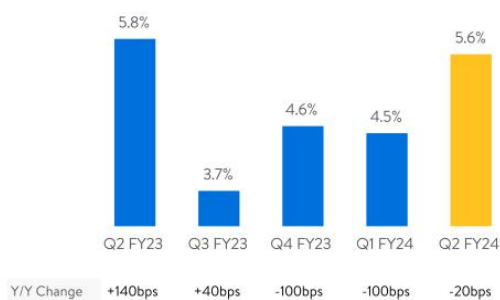


- Share repurchases during quarter totaled \$485 million representing 3.2 million shares at an average price of \$152.78 per share
- Remaining share repurchase authorization is \$18.2 billion

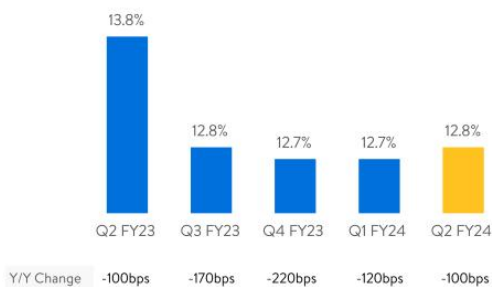
Returns to Shareholders	\$4.9	\$4.5	\$2.7	\$2.2	\$2.0
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Returns

Return on Assets (ROA)



Return on Investment (ROI)¹

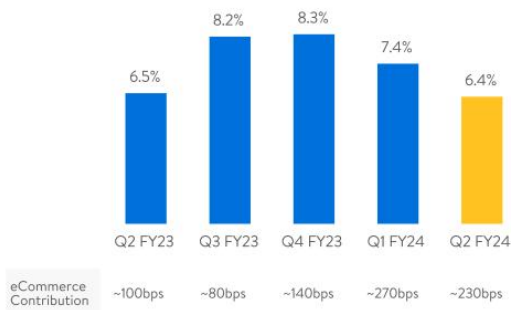


- ROI declined on a trailing 12-month basis as a result of discrete charges for the opioid legal settlement frameworks in Q3 FY23 and business reorganization and restructurings in Q4 FY23
- Discrete charges totaled 140 bps headwind to ROI

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

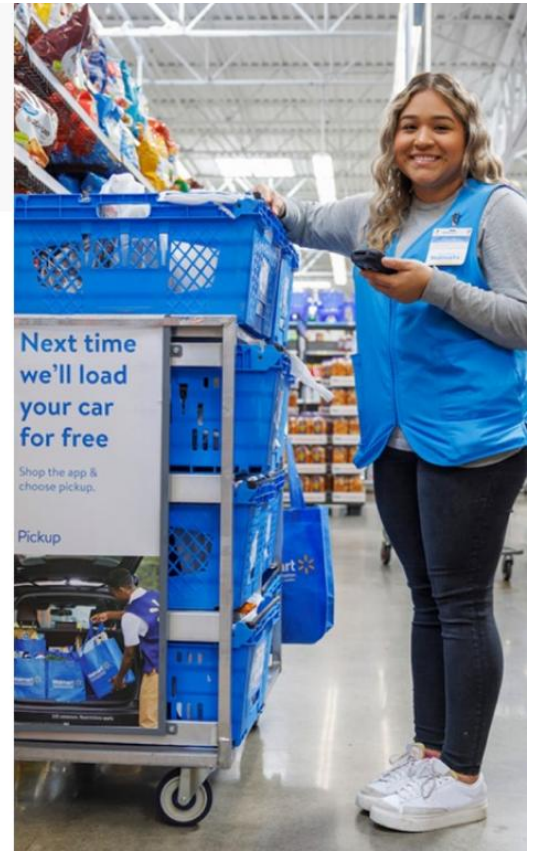
Walmart U.S. Comp Sales¹

Net Sales +5.4% , eCommerce +24%



- Comp sales +6.4% with strength in grocery and health & wellness, offset by softness in general merchandise
- Sales growth included increases in both store and digital transactions
- Strong market share gains in grocery
- eCommerce led by double-digit growth in store-fulfilled pickup and delivery and 36% increase in advertising
- Weekly active digital users grew >20%
- Marketplace customer counts +14%

¹Comp sales for the 13-week period ended July 28, 2023 compared to the 13-week period ended July 29, 2022, and excludes fuel.



Gross profit rate

+40 bps

- The lapping of last year's elevated markdowns and supply chain costs benefited margins
- Benefited from managing prices to reflect elevated levels of cost inflation
- Partly offset by unfavorable product mix shifts as grocery and health & wellness increased nearly 240 bps as a portion of sales mix, while general merchandise sales declined
- Growth initiatives like marketplace and advertising contributed to margin improvement

Operating expenses as a percentage of net sales

+28 bps

- Reflects higher variable pay relative to last year when we were below our planned performance, as well as technology investments
- Store remodel costs increased as we continue rollout of an elevated store experience

Operating income

\$6.1 billion, +7.6%

- Reflects increased gross margins and Walmart+membership income, partially offset by expense deleverage

Inventory

-7.6%

- In-stock levels and the composition of inventory mix has improved
- Maintaining discipline in buying general merchandise due to macro uncertainty

Walmart U.S.

Store Remodels: 165

Pickup: ~4,600 stores

Delivery from Store: >4,000

Walmart U.S.

Merchandise category performance details

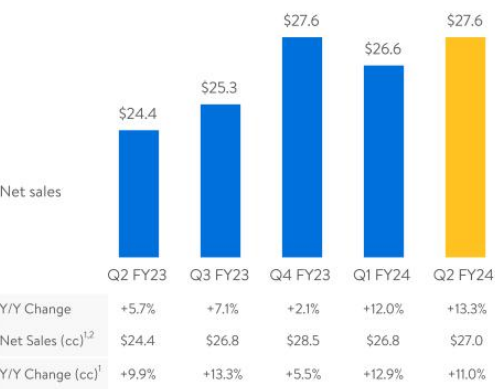
Category	Comp	Comments
Grocery	+ high single-digit	<ul style="list-style-type: none">Strong comps reflected continued market share gains in dollars and units (according to Nielsen), and growth in private brand penetration (+40 bps)Grocery inflation increased +HSD in Q2 (but moderated 400 bps versus Q1), and up +low-20s on a two-year stackSolid increase in food units soldConsumables led by strength in pet and personal care products due in part to inflation
Health & Wellness	+ high teens	<ul style="list-style-type: none">Strong pharmacy sales reflected increased script counts, higher mix of branded versus generic prescriptions, strength in immunizations, and branded drug inflation
General Merchandise	- low single-digit	<ul style="list-style-type: none">General merchandise sales reflected softness in discretionary categories including apparel, home, and sporting goodsAutomotive and back-to-school categories performed well





Walmart International Net Sales

Net Sales (cc)¹ \$27.0 billion, +11.0%



- Strong sales growth (cc)¹ led by double-digit growth in Walmex, China and Flipkart
- Sales positively affected by \$0.6 billion, or 2.2%, due to currency rate fluctuations
- eCommerce sales grew 26% with strength in China, Flipkart and Walmex.
- Continued strong growth in food and consumables as well as an increase in private brands penetration across markets

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

²For Q2 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

-37 bps

- Format and channel mix changes in China, consistent with prior quarters
- Continuing category mix shifts towards food and consumables

Operating expenses as a percentage of net sales

-129 bps

- Leverage driven by strong sales growth driving fixed cost leverage across most markets
- Benefited by format mix changes

Operating income

\$1.2 billion, +14.1%; \$1.1 billion (cc)¹, +2.2%

- Growth rate impacted 20 percentage points from lapping last year's \$0.2b insurance benefit related to the disruption in Chile in fiscal year 2020

Inventory

+6.2%

- Primarily due to currency rate fluctuations

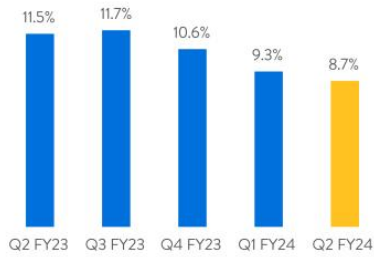
¹See additional information at the end of this presentation regarding non-GAAP financial measures.



Walmex^{1,2}

Net Sales (cc): \$10.7 billion, +10.1%

Comparable sales growth



Net sales growth	+12.7%	+12.9%	+11.8%	+10.6%	+10.1%
eCommerce net sales growth	+17%	+17%	+14%	+17%	+21%

Sales

- Double-digit growth with continued strength in food and consumables
- Opened more than 120 new stores in past twelve months, including 22 new stores in the quarter
- In Mexico, comp sales grew 8.5% driven by Sam's Club and Bodega
- Strong performance during the annual "Hot Sale" event

Gross profit rate Relatively flat

- New sources of revenue offsetting price investments

Operating expense rate Decrease

- Driven by strong sales growth partially offset by continued investments in associates and strategic priorities

Operating income \$ Increase

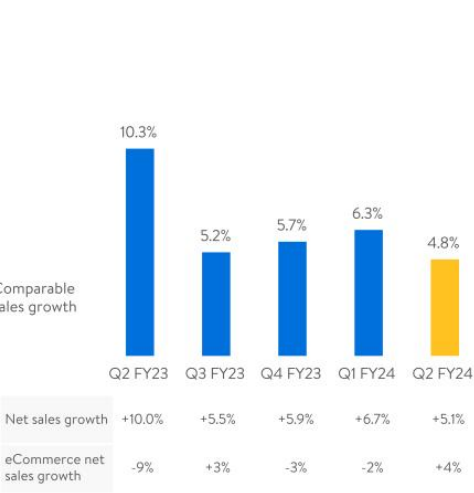
¹Walmex includes the consolidated results of Mexico and Central America

²Results 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.



Canada¹

Net Sales (cc): \$6.1 billion, +5.1%



Sales

- Continued momentum in food and consumables with softness in general merchandise
- eCommerce investments in customer experience showing positive results

Gross profit rate Relatively flat

- Primarily from higher shrink and food and consumables mix, offset by efficiencies in logistics and lower import costs

Operating expense rate Increase

- Higher maintenance costs and planned investments in eCommerce technology

Operating income \$ Decrease

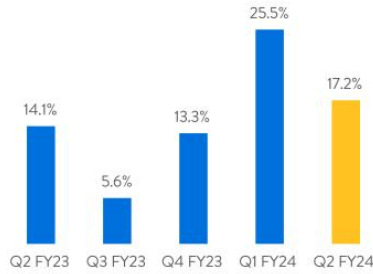
¹Results are presented on a constant currency basis. Net sales and comparable sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.



China¹

Net Sales (cc): \$4.1 billion, +21.7%

Comparable sales growth



Net sales growth	+15.9%	+6.9%	+13.5%	+28.3%	+21.7%
eCommerce net sales growth	+77%	+63%	+70%	+54%	+44%

Sales

- Continued strength in Sam's Club and eCommerce
- Both Sam's and Hyper formats with positive traffic online and offline
- eCommerce penetration at 47%

Gross profit rate Decrease

- Mix effect from continued growth in lower margin formats and channels

Operating expense rate Decrease

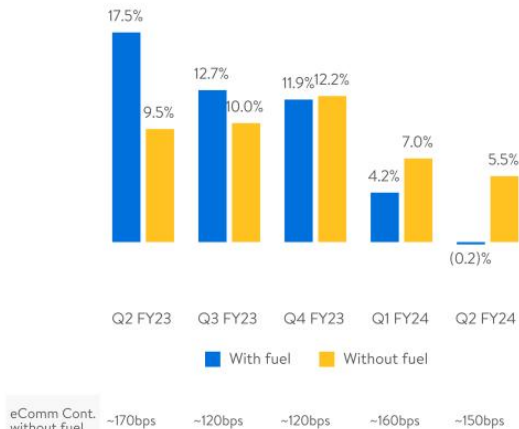
- Driven by strong sales growth, operational efficiencies, and higher penetration of Sam's Club

Operating income \$ Increase

¹Results 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.

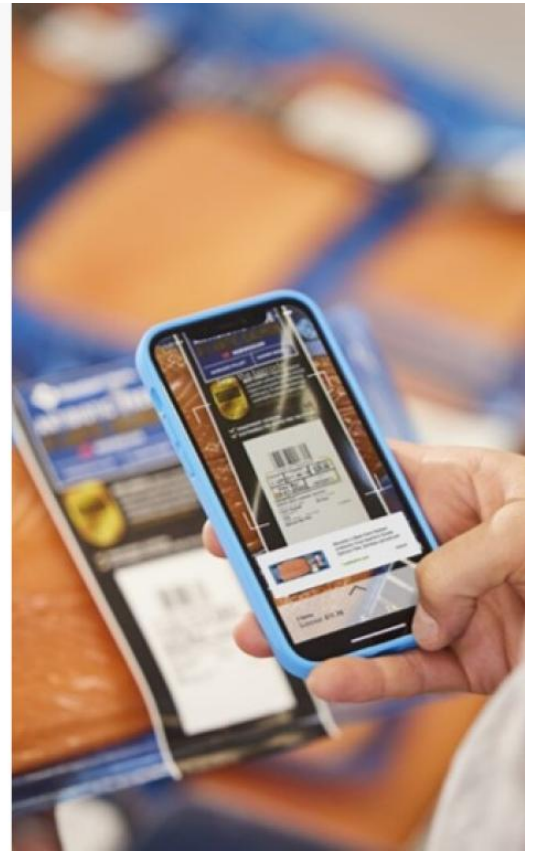
Sam's Club U.S. Comp Sales¹

Net sales with fuel -0.3%, Net sales without fuel +5.3%, eCommerce +18%



- Strong comp sales driven by solid increases in ticket, transactions, and units sold
 - Ticket without fuel +2.5%
 - Transactions without fuel +2.9%
- Strength in food and consumables, and healthcare
- Gained market share in grocery and general merchandise, including apparel, home, and toys (according to Circana)
- eCommerce +18%, led by curbside
- Scan & Go penetration is up nearly 570 bps

¹Comp sales for the 13-week period ended July 28, 2023 compared to the 13-week period ended July 29, 2022.



Gross profit rate

+135 bps, without fuel +143 bps

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

Operating expenses as a percentage of net sales

+107 bps, without fuel +64 bps

- Lower fuel sales negatively affected expense leverage
- Without fuel, deleverage primarily due to higher facilities costs and technology investments

Membership income

+7.0%

- Continued strength primarily due to Plus membership growth and renewals
- Member count strong with Plus penetration +130bps y/y

Operating income

\$521M, +22.0%, without fuel \$392M, +76.6%

- Lower LIFO charge this year (\$48M) vs. last year (\$123M) benefited operating income

Inventory

-9.5%

- Lapping supply chain challenges and reduced general merchandise demand last year as well as an elevated LIFO reserve adjustment
- Pleased with flow of inventory as merchandise is closer to customers, in Clubs and DCs

Sam's Club U.S.

Helping our members
share more, serve more
and live more

Sam's Club U.S.

Category comparable sales

Category	Comp	Comments
Fresh / Freezer / Cooler	+ mid single-digit	• Produce & floral, prepared foods, bakery, and fresh meat performed well
Grocery and Beverage	+ high single-digit	• Drinks, dry grocery, and snacks showed strength
Consumables	+ high single-digit	• Paper goods, tabletop & bags, pet supplies, and laundry & home care performed well
Home and Apparel	- low single-digit	• Softness in furniture and toys, partially offset by strength in tires
Technology, Office and Entertainment	- low double-digits	• Softness in office supplies and 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 and subsequent quarterly report on Form 10-Q filed with the SEC discuss other risks and factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statement in the 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.

Non-GAAP measures - ROI

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

ROA was 5.6% percent and 5.8% percent for the trailing twelve months ended July 31, 2023 and 2022, respectively. The decrease in ROA was primarily due to the increase in average total assets driven by higher purchases of property and equipment. ROI was 12.8% and 13.8% for the trailing 12 months ended July 31, 2023 and 2022, respectively. The decrease in ROI was the result of a decrease in operating income primarily due to opioid legal charges and reorganization and restructuring charges recorded in Q3 and Q4 of fiscal 2023 respectively, as well as an increase in average invested capital primarily due to higher purchases of property and equipment.

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.

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				
	Jul 31, 2022	Oct 31, 2022	Jan 31, 2023	Apr 30, 2023	Jul 31, 2023
Numerator					
Consolidated net income	\$ 14,015	\$ 9,116	\$ 11,292	\$ 11,085	\$ 13,991
Denominator					
Average total assets ¹	\$ 242,876	\$ 246,254	\$ 244,029	\$ 245,598	\$ 251,160
Return on assets (ROA)	5.8 %	3.7 %	4.6 %	4.5 %	5.6 %

	Jul 31, 2021	Oct 31, 2021	Jan 31, 2022	April 30, 2022	Jul 31, 2022	Oct 31, 2022	Jan 31, 2023	April 30, 2023	Jul 31, 2023
Certain Balance Sheet Data									
Total assets	\$ 238,552	\$ 244,851	\$ 244,860	\$ 246,142	\$ 247,199	\$ 247,656	\$ 243,197	\$ 245,053	\$ 255,121
Accumulated depreciation and amortization	98,346	100,168	102,211	104,295	105,963	107,628	110,286	113,164	115,878
Accounts payable	49,601	57,156	55,261	52,926	54,191	57,263	53,742	54,268	56,576
Accrued liabilities	23,915	24,474	26,060	21,061	23,843	27,443	31,126	27,527	29,239

¹The 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				
	Jul 31,	Oct 31,	Jan 31,	Apr 30,	Jul 31,
(Dollars in millions)	2022	2022	2023	2023	2023
Numerator					
Operating income	\$ 23,851	\$ 20,754	\$ 20,428	\$ 21,350	\$ 21,812
+ Interest income	155	196	254	323	442
+ Depreciation and amortization	10,733	10,840	10,945	11,110	11,318
+ Rent	2,302	2,296	2,306	2,301	2,284
ROI operating income	<u>\$ 37,041</u>	<u>\$ 34,086</u>	<u>\$ 33,933</u>	<u>\$ 35,084</u>	<u>\$ 35,856</u>
Denominator					
Average total assets ¹	\$ 242,876	\$ 246,254	\$ 244,029	\$ 245,598	\$ 251,160
+ Average accumulated depreciation and amortization ¹	102,155	103,898	106,249	108,730	110,921
- Average accounts payable ¹	51,896	57,210	54,502	53,597	55,384
- Average accrued liabilities ¹	23,878	25,959	28,593	24,294	26,541
Average invested capital	<u>\$ 269,257</u>	<u>\$ 266,983</u>	<u>\$ 267,183</u>	<u>\$ 276,437</u>	<u>\$ 280,156</u>
Return on investment (ROI)	<u>13.8 %</u>	<u>12.8 %</u>	<u>12.7 %</u>	<u>12.7 %</u>	<u>12.8 %</u>

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

Non-GAAP measures – free cash flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. Net cash provided by operating activities was \$18.2 billion for the six months ended July 31, 2023, which represents an increase of \$9.0 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 six months ended July 31, 2023 was \$9.0 billion, which represents an increase of \$7.2 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 \$1.7 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.

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, as well as information regarding net cash used in investing activities and net cash used in financing activities.

(Dollars in millions)	Year to Date Period Ended				
	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Net cash provided by operating activities	\$ 9,240	\$ 15,698	\$ 28,841	\$ 4,633	\$ 18,201
Payments for property and equipment (capital expenditures)	(7,492)	(12,061)	(16,857)	(4,429)	(9,216)
Free cash flow	\$ 1,748	\$ 3,637	\$ 11,984	\$ 204	\$ 8,985
Net cash used in investing activities ¹	\$ (8,584)	\$ (12,965)	\$ (17,722)	\$ (4,860)	\$ (9,909)
Net cash provided by (used in) financing activities	\$ (1,400)	\$ (5,581)	\$ (17,039)	\$ 1,940	\$ (3,309)

(Dollars in millions)	Year to Date Period Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Net cash provided by (used in) operating activities	\$ 12,423	\$ 16,291	\$ 24,181	\$ (3,758)	\$ 9,240
Payments for property and equipment (capital expenditures)	(5,019)	(8,588)	(13,106)	(3,539)	(7,492)
Free cash flow	\$ 7,404	\$ 7,703	\$ 11,075	\$ (7,297)	\$ 1,748
Net cash provided by (used in) investing activities ¹	\$ 2,402	\$ (1,530)	\$ (6,015)	\$ (4,558)	\$ (8,584)
Net cash provided by (used in) financing activities	(11,559)	(18,113)	(22,828)	5,315	(1,400)
Y/Y Change in Free Cash Flow	-76.4%	-52.8%	+8.2%	NM	+414.0%

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

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				
	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Net sales:					
As reported	\$ 24,350	\$ 25,295	\$ 27,575	\$ 26,604	\$ 27,596
Currency exchange rate fluctuations	956	1,473	901	226	(574)
Net sales (cc)	<u>\$ 25,306</u>	<u>\$ 26,768</u>	<u>\$ 28,476</u>	<u>\$ 26,830</u>	<u>\$ 27,022</u>
PY Reported	\$ 23,035	\$ 23,627	\$ 26,997	\$ 23,763	\$ 24,350
% change (cc)	+9.9%	+13.3%	+5.5%	+12.9%	+11.0%
Operating income:					
As reported				\$ 1,190	
Currency exchange rate fluctuations				\$ (124)	
Operating income (cc)				<u>\$ 1,066</u>	
PY Reported				\$ 1,043	
% change (cc)				+2.2%	

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				
	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Total Revenue:					
As reported	\$ 152,859	\$ 152,813	\$ 164,048	\$ 152,301	\$ 161,632
Currency exchange rate fluctuations	996	1,491	917	230	(576)
Total Revenue (cc)	\$ 153,855	\$ 154,304	\$ 164,965	\$ 152,531	\$ 161,056
PY Reported	\$ 141,048	\$ 140,525	\$ 152,871	\$ 141,569	\$ 152,859
% change (cc)	+9.1%	+9.8%	+7.9%	+7.7%	+5.4%
Net sales:					
As reported	\$ 151,381	\$ 151,469	\$ 162,743	\$ 151,004	\$ 160,280
Currency exchange rate fluctuations	956	1,473	901	226	(574)
Net sales (cc)	\$ 152,337	\$ 152,942	\$ 163,644	\$ 151,230	\$ 159,706
PY Reported	\$ 139,871	\$ 139,207	\$ 151,525	\$ 140,288	\$ 151,381
% change (cc)	+8.9%	+9.9%	+8.0%	+7.8%	+5.5%
Operating income:					
As reported	\$ 6,854	\$ 2,695	\$ 5,561	\$ 6,240	\$ 7,316
Currency exchange rate fluctuations	62	38	(57)	(72)	(124)
Operating income (cc)	\$ 6,916	\$ 2,733	\$ 5,504	\$ 6,168	\$ 7,192
PY Reported	\$ 7,354	\$ 5,792	\$ 5,887	\$ 5,318	\$ 6,854
% change (cc)	-6.0%	-52.8%	-6.5%	+16.0%	+4.9%

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									
	Q2 FY23	Q2 FY22	Q3 FY23	Q3 FY22	Q4 FY23	Q4 FY22	Q1 FY24	Q1 FY23	Q2 FY24	Q2 FY23
Operating income:										
Operating income, as reported	\$ 6,854	\$ 7,354	\$ 2,695	\$ 5,792	\$ 5,561	\$ 5,887	\$ 6,240	\$ 5,318	\$ 7,316	\$ 6,854
Business reorganization and restructuring charges ¹	—	—	—	—	849	108	—	—	—	—
Opioid legal charges ²	—	—	3,325	—	—	—	—	—	93	—
Adjusted operating income	\$ 6,854	\$ 7,354	\$ 6,020	\$ 5,792	\$ 6,410	\$ 5,995	\$ 6,240	\$ 5,318	\$ 7,409	\$ 6,854
Percent change ³	-6.8%	NP	+3.9%	NP	+6.9%	NP	+17.3%	NP	+8.1%	NP
Currency exchange rate fluctuations	\$ 62	—	\$ 38	—	\$ (39)	—	\$ (72)	—	\$ (124)	—
Adjusted operating income, constant currency	\$ 6,916	\$ 7,354	\$ 6,058	\$ 5,792	\$ 6,371	\$ 5,995	\$ 6,168	\$ 5,318	\$ 7,285	\$ 6,854
Percent change ³	-6.0%	NP	+4.6%	NP	+6.3%	NP	+16.0%	NP	+6.3%	NP

¹Business 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.

²Recorded in Corporate and support.

³Change 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 Jul 31, 2023 ⁵				Three Months Ended Jul 31, 2022 ⁵				Percent Change
Diluted earnings per share:									
Reported EPS	\$2.92				\$1.88				+55.3%
Adjustments:	Pre-Tax Impact	Tax Impact^{1,2}	NCI Impact⁴	Net Impact	Pre-Tax Impact	Tax Impact^{1,3}	NCI Impact⁴	Net Impact	
Unrealized and realized (gains) and losses on equity and other investments ⁵	\$(1.44)	\$0.33	\$—	\$(1.11)	\$0.14	\$(0.02)	\$(0.01)	\$0.11	
Incremental opioid settlement expense	0.04	(0.01)	—	0.03	—	—	—	—	
Gain on sale of equity method investment in Brazil	—	—	—	—	(0.16)	—	—	(0.16)	
Discrete tax item	—	—	—	—	—	(0.06)	—	(0.06)	
Net Adjustments	\$(1.08)				\$(0.11)				
Adjusted EPS	\$1.84				\$1.77				+4.0%

¹ Tax impact calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. No tax expense was incurred in connection with the gain on sale of equity method investment in Brazil.

² The reported effective tax rate was 24.9% for the three months ended July 31, 2023. Adjusted for the above items, the effective tax rate was 25.8% for the three months ended July 31, 2023.

³ The reported effective tax rate was 22.5% for the three months ended July 31, 2022. Adjusted for the above items, the effective tax rate was 26.2% for the three months ended July 31, 2022.

⁴ Calculated based on the ownership percentages of our noncontrolling interests, where applicable.

⁵ Individual components in the accompanying tables may include immaterial rounding.

⁶ For the three months ended July 31, 2023, unrealized gains were primarily driven by increases in the underlying stock prices of our investments in Symbotic and JD.com.

Non-GAAP measures – adjusted EPS (cont.)

	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 Impact¹	NCI Impact³	Net Impact	Pre-Tax Impact	Tax Impact¹	NCI Impact³	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%

	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^{1,2}	NCI Impact³	Net Impact	Pre-Tax Impact	Tax Impact¹	NCI Impact³	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%

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

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

³ Calculated based on the ownership percentages of our noncontrolling interests, where applicable.

Non-GAAP measures – adjusted EPS (cont.)

	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 ¹	NCI Impact ³	Net Impact	Pre-Tax Impact	Tax Impact ¹	NCI Impact ³	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 ⁴	\$2.16				\$0.34				
Adjusted EPS ⁴	\$1.50				\$1.45				+3.4%

	Three Months Ended Jul 31, 2022				Three Months Ended Jul 31, 2021				Percent Change
Diluted earnings per share:									
Reported EPS	\$1.88				\$1.52				+23.7%
Adjustments:	Pre-Tax Impact	Tax Impact^{1,2}	NCI Impact³	Net Impact	Pre-Tax Impact	Tax Impact¹	NCI Impact³	Net Impact	
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)	—	—	—	—	
Net Adjustments	\$(0.11)				\$0.26				
Adjusted EPS	\$1.77				\$1.78				-0.6%

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

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

³ Calculated based on the ownership percentages of our noncontrolling interests, where applicable.

⁴ 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 EBITDA and Adjusted 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 Adjusted EBITDA and Adjusted EBITDA margin to provide meaningful information about our operational efficiency compared with our competitors by excluding the impact of certain items. We calculate Adjusted 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 also adjust certain items from operating income, which we believe is meaningful because it best allows comparison of the performance with that of the comparable period. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by consolidated net sales.

Adjusted EBITDA and Adjusted 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 Adjusted 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 Adjusted EBITDA margin. Although Adjusted EBITDA and Adjusted EBITDA margin are standard financial measures, numerous methods exist for calculating a company's Adjusted EBITDA and Adjusted EBITDA margin. As a result, the method used by management to calculate our Adjusted EBITDA and Adjusted EBITDA margin may differ from the methods used by other companies to calculate similarly titled measures.

Net income margin was 4.9% and 3.4% for the three months ended July 31, 2023 and 2022, respectively. The increase in net income margin was primarily due to the increase in net income, which was impacted by higher unrealized net gains on our equity and other investments, when compared to the same period in the previous year. Adjusted EBITDA margin was 6.4% and 6.3% for the three months ended July 31, 2023 and 2022, respectively. The increase in Adjusted 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.

Non-GAAP measures – Adjusted EBITDA & Adjusted EBITDA margin

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

	Three Months Ended	
	Q2 FY24	Q2 FY23
(Amounts in millions)	2023	2022
Consolidated net income attributable to Walmart	7,891	5,149
Consolidated net (income) loss attributable to noncontrolling interest	(162)	2
Provision for income taxes	2,674	1,497
Other (gains) and losses	(3,905)	(238)
Interest, Net	494	448
Operating Income	\$ 7,316	\$ 6,854
+ Depreciation and Amortization	2,905	2,699
+ Incremental opioid settlement expense	93	—
Adjusted EBITDA	\$ 10,314	\$ 9,553
Net Sales	\$ 160,280	\$ 151,381
Consolidated net income margin	4.9%	3.4%
Adjusted EBITDA margin	6.4%	6.3%

