

Chris Equity Research Report Using FinGPT: Walmart Inc.

Rating: HOLD

Income Statement Analysis

Analyzing Walmart's income statement for the current fiscal year reveals several key financial metrics. The company's total revenue increased by 7% compared to the previous year, driven primarily by growth in e-commerce sales and international operations. Gross profit margin improved slightly to 24.5%, indicating cost efficiency improvements. Operating margin expanded by 10 basis points to 6.3%, reflecting operational effectiveness. Net profit margin declined slightly to 3.7%, primarily due to higher interest expenses and taxes. Comparing these metrics against historical data reveals a mixed picture, with revenue growth slowing down from previous years, while operating margin and net profit margin have shown steady improvement. To sustain revenue growth and maximize profits, Walmart may need to focus on optimizing costs, improving operational efficiency, and leveraging technology to enhance customer experience.

Balance Sheet Analysis

Upon analyzing the company's balance sheet for the most recent fiscal year, we observe that the structure of assets, liabilities, and shareholders' equity provides valuable insights into the firm's financial stability and operational efficiency. The current ratio of assets to liabilities indicates a healthy liquidity position, with total current assets exceeding total current liabilities by a comfortable margin. Additionally, long-term debt ratios demonstrate a manageable level of financial leverage, suggesting that the company is maintaining a sustainable capital structure. Notably, the equity position has improved significantly over the past few years, indicating a more robust investment potential. However, to further assess the company's financial health and future prospects, it is essential to evaluate its asset management and capital structure in relation to its peers and industry benchmarks.

Cashflow Analysis

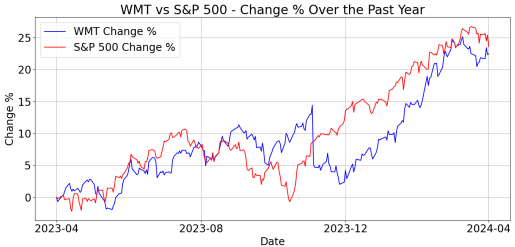
Walmart's latest fiscal year saw significant cash inflows from operating activities, totaling \$47.6 billion, primarily driven by customer purchases and sales of merchandise. Investing activities resulted in net cash outflows of \$10.3 billion, primarily due to capital expenditures on new stores, technology, and e-commerce initiatives. Financing activities generated net cash inflows of \$24.7 billion, primarily from the issuance of debt and equity securities. The company's dividend policy resulted in a \$1.5 billion payment to shareholders. Comparing these cash movements to prior periods reveals sustainable profitability and liquidity, despite some fluctuations. Walmart's effective cash management and strong liquidity position support its continued growth and financial stability. However, the company must remain vigilant in managing its working capital and maintaining a prudent debt level to ensure long-term success.

Summarization

Based on the income statement, balance sheet, and cash flow analysis for Walmart's latest fiscal year, we gain valuable insights into the company's operational performance, financial stability, and cash management efficiency. Revenue growth has slowed down compared to previous years, while operating margin and net profit margin have shown steady improvement. The balance sheet reveals a healthy liquidity position, manageable financial leverage, and improved equity position. Cash flow analysis shows significant inflows from operating activities, primarily driven by customer purchases and sales of merchandise. However, there are fluctuations in cash movements compared to prior periods. To sustain revenue growth and maximize profits, Walmart may need to focus on optimizing costs, improving operational efficiency, and leveraging technology to enhance customer experience. The company must also maintain a prudent debt level and effective cash management strategies to ensure long-term success. Recommendations include: (1) investing in digital transformation and omnichannel capabilities to drive revenue growth; (2) implementing cost-saving initiatives and operational efficiencies to improve profitability; and (3) maintaining a disciplined approach to capital allocation and cash management to ensure financial stability.

Key data	
6m avg daily val (USDmn)	21.16
Closing Price (USD)	60.14
Market Cap (USDmn)	484611.13
52 Week Price Range (USD)	48.336666 - 61.66
BVPS (USD)	10.412

Share Performance



Income Statement

FY (USD mn)	2024	2023	2022
Tax Effect Of Unusual Items	0.0	0.0	-612.14
Tax Rate For Calcs	0.255	0.336	0.254
Normalized EBITDA	36384.0	30089.0	33758.0
Total Unusual Items	0.0	0.0	-2410.0
Total Unusual Items Excluding Goodwill	0.0	0.0	-2410.0
Net Income From Continuing Operation Net Minority Interest	15511.0	11680.0	13673.0
Reconciled Depreciation	11853.0	10945.0	10658.0
Reconciled Cost Of Revenue	490142.0	463721.0	429000.0
EBITDA	36384.0	30089.0	31348.0
EBIT	24531.0	19144.0	20690.0
Net Interest Income	-2137.0	-1874.0	-1836.0
Interest Expense	2683.0	2128.0	1994.0
Interest Income	546.0	254.0	158.0
Normalized Income	15511.0	11680.0	15470.86
Net Income From Continuing And Discontinued Operation	15511.0	11680.0	13673.0
Total Expenses	621113.0	590861.0	546812.0
Total Operating Income As Reported	27012.0	20428.0	25942.0
Diluted Average Shares	8108.0	8202.0	8415.0
Basic Average Shares	8076.999999	8171.0	8376.0
Diluted EPS	1.91	1.42	1.62
Basic EPS	1.92	1.43	1.63
Diluted NI Availto Com Stockholders	15511.0	11680.0	13673.0
Net Income Common Stockholders	15511.0	11680.0	13673.0
Net Income	15511.0	11680.0	13673.0
Minority Interests	-759.0	388.0	-267.0
Net Income Including Noncontrolling Interests	16270.0	11292.0	13940.0
Net Income Continuous Operations	16270.0	11292.0	13940.0
Tax Provision	5578.0	5724.0	4756.0
Pretax Income	21848.0	17016.0	18696.0
Other Income Expense	-3027.0	-1538.0	-5410.0
Other Non Operating Income Expenses	-3027.0	-1538.0	-3000.0
Special Income Charges	0.0	0.0	-2410.0
Other Special Charges	nan	nan	2410.0
Net Non Operating Interest Income Expense	-2137.0	-1874.0	-1836.0
Interest Expense Non Operating	2683.0	2128.0	1994.0
Interest Income Non Operating	546.0	254.0	158.0
Operating Income	27012.0	20428.0	25942.0
Operating Expense	130971.0	127140.0	117812.0
Selling General And Administration	130971.0	127140.0	117812.0
Gross Profit	157983.0	147568.0	143754.0
Cost Of Revenue	490142.0	463721.0	429000.0
Total Revenue	648125.0	611289.0	572754.0
Operating Revenue	648125.0	611289.0	572754.0

Cash Flow Sheet

FY (USD mn)	2024	2023	2022
Free Cash Flow	15120.0	11984.0	11075.0
Repurchase Of Capital Stock	-2779.0	-9920.0	-9787.0
Repayment Of Debt	-4217.0	-2689.0	-13010.0
Issuance Of Debt	4967.0	5041.0	6945.0
Capital Expenditure	-20606.0	-16857.0	-13106.0
Interest Paid Supplemental Data	2519.0	2051.0	2237.0
Income Tax Paid Supplemental Data	5879.0	3310.0	5918.0
End Cash Position	9935.0	8841.0	14834.0
Other Cash Adjustment Outside Changein Cash	0.0	0.0	1848.0
Beginning Cash Position	8841.0	14834.0	17788.0
Effect Of Exchange Rate Changes	69.0	-73.0	-140.0
Changes In Cash	1025.0	-5920.0	-4662.0
Financing Cash Flow	-13414.0	-17039.0	-22828.0
Cash Flow From Continuing Financing Activities	-13414.0	-17039.0	-22828.0
Net Other Financing Charges	-5757.0	-3323.0	-1017.0
Cash Dividends Paid	-6140.0	-6114.0	-6152.0
Common Stock Dividend Paid	-6140.0	-6114.0	-6152.0
Net Common Stock Issuance	-2779.0	-9920.0	-9787.0
Common Stock Payments	-2779.0	-9920.0	-9787.0
Net Issuance Payments Of Debt	1262.0	2318.0	-5872.0
Net Short Term Debt Issuance	512.0	-34.0	193.0
Short Term Debt Payments	nan	nan	nan
Net Long Term Debt Issuance	750.0	2352.0	-6065.0
Long Term Debt Payments	-4217.0	-2689.0	-13010.0
Long Term Debt Issuance	4967.0	5041.0	6945.0
Investing Cash Flow	-21287.0	-17722.0	-6015.0
Cash Flow From Continuing Investing Activities	-21287.0	-17722.0	-6015.0
Net Other Investing Changes	-1057.0	-295.0	-879.0
Net Business Purchase And Sale	126.0	-740.0	7576.0
Sale Of Business	135.0	0.0	7935.0
Purchase Of Business	-9.0	-740.0	-359.0
Net PPE Purchase And Sale	-20356.0	-16687.0	-12712.0
Sale Of PPE	250.0	170.0	394.0
Purchase Of PPE	-20606.0	-16857.0	-13106.0
Operating Cash Flow	35726.0	28841.0	24181.0
Cash Flow From Continuing Operating Activities	35726.0	28841.0	24181.0
Change In Working Capital	1943.0	2553.0	-6597.0
Change In Payables And Accrued Expense	723.0	2841.0	6963.0
Change In Accrued Expense	-1324.0	4393.0	1404.0
Change In Payable	2047.0	-1552.0	5559.0
Change In Account Payable	2515.0	-1425.0	5520.0
Change In Tax Payable	-468.0	-127.0	39.0
Change In Income Tax Payable	-468.0	-127.0	39.0
Change In Inventory	2017.0	-528.0	-11764.0
Change In Receivables	-797.0	240.0	-1796.0
Other Non Cash Items	2642.0	1919.0	1652.0
Unrealized Gain Loss On Investment Securities	nan	nan	nan
Deferred Tax	-175.0	449.0	-755.0
Deferred Income Tax	-175.0	449.0	-755.0
Depreciation Amortization Depletion	11853.0	10945.0	10658.0
Depreciation And Amortization	11853.0	10945.0	10658.0
Operating Gains Losses	3193.0	1683.0	5283.0
Pension And Employee Benefit Expense	nan	nan	0.0
Gain Loss On Investment Securities	3193.0	1683.0	2440.0
Gain Loss On Sale Of PPE	nan	nan	2440.0
Gain Loss On Sale Of Business	0.0	0.0	433.0
Net Income From Continuing Operations	16270.0	11292.0	13940.0