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Walmart (WMT) Q4 2026 Earnings Call Transcript

By Motley Fool Transcribing (/author/20032/) – Feb 19, 2026 at 9:24AM EST

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Walmart

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DATE

Feb. 19, 2026 at 8:00 a.m. ET

CALL PARTICIPANTS

- President and Chief Executive Officer — John Furner
- Executive Vice President and Chief Financial Officer — John David Rainey
- Executive Vice President, Walmart U.S. — Dave Gagina

Image source: The Motley Fool.

STOCKS MENTIONED

- Executive Vice President, Sam's Club U.S. — Latrice Watkins
- President and Chief Executive Officer, Walmart International — Chris Nicholas

TAKEAWAYS

- **Consolidated revenue growth** -- Up 4.9% in constant currency, driven by 24% eCommerce growth.
- **Adjusted operating income** -- Rose 10.5% in constant currency, outpacing sales growth.
- **Segment profitability** -- All three operating segments achieved profit growth faster than sales.
- **Walmart U.S. comparable sales** -- Increased 4.6%, with fashion cited as a key contributor.
- **eCommerce performance** -- U.S. eCommerce sales grew 27%, with 35% of store-fulfilled orders delivered in under three hours.
- **International eCommerce** -- China eCommerce rose 28% and surpassed 50% of local sales mix; Flipkart delivered in under fifteen minutes in more than 30 Indian cities.
- **Inventory management** -- Inventory rose 2.6%, approximately half the sales growth rate, supporting working capital efficiency.
- **Advertising growth** -- Global advertising income expanded 37%, with Walmart Connect in the U.S. up 41%.
- **Membership income** -- Grew over 15% globally; Sam's Club China increased more than 35%, U.S. Walmart+ advanced at a double-digit rate.
- **Business mix impact** -- Advertising and membership income together represented nearly one third of operating profit.
- **Supply chain automation** -- About 60% of U.S. stores receive freight from automated distribution; 50% of U.S. eCommerce center volume is automated.
- **Gross margin outlook** -- Management guided for further gross profit improvement and SG&A leverage from mix and productivity initiatives.
- **AgenTek Commerce and Sparky** -- Customers engaging with Sparky posted 35% higher average order values; half of app users in the U.S. used the agent.
- **Cash flow** -- Operating cash flow $42 billion, free cash flow up 18% year over year.
- **Share repurchase** -- Board approved a $30 billion repurchase program, described as the largest to date.
- **Fiscal 2027 guidance** -- Sales growth projected at 3.5%-4.5%, operating income up 6%-8%, and EPS between $2.75 and $2.85.

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- **Fiscal Q1 2027 outlook** -- Sales growth of 3.5%-4.5%, operating income up 4%-6%, with EPS expected at $0.63-$0.65.
- **Capital expenditure plans** -- Fiscal 2027 capex to be approximately 3.5% of sales, with supply chain automation and remodels peaking.
- **Inflation trends** -- Recent like-for-like inflation just above 1%; anticipated as stable, but drug pricing legislation creates a 100 basis point headwind for the year.
- **Express delivery** -- U.S. fast delivery (under three hours) increased more than 60% for the year.
- **Marketplace growth** -- Categories such as cook and dine, fashion, and home décor on the marketplace grew over 40%.
- **eCommerce profitability** -- U.S. eCommerce was profitable in each quarter, with double-digit incremental margins cited.
- **Store investments** -- In the last year, 12 new stores opened, and 674 remodeled; store investments outperforming internal plans.

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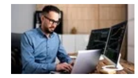
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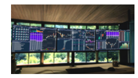
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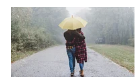
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RISKS

- John David Rainey said, "maximum fair pricing, legislation arou ject to contribute to about a 100 basis point headwind for the full ye...
- Quarterly guidance flagged "timing of expenses, and the year-over-year tariff impacts that started in last year's second quarter," leading to fiscal Q1 2027 operating income growth being lower than other quarters.

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SUMMARY

Walmart (NYSE: WMT) reported broad-based revenue and profit increases, with eCommerce, advertising, and membership fees driving a greater share of operating income. Management highlighted operational efficiency gains from automation and a strategic emphasis on global platform scaling and digital expansion. The company committed to the largest share repurchase authorization in its history and expects continued gross margin and profitability improvements in the upcoming year, supported by disciplined capital allocation and strong cash generation.

- Walmart noted substantial benefits from shifting toward higher-margin profit streams, including advertising and membership, contributing nearly a third of operating income, without disclosing any material change in store margins.
- Automation penetration reached critical mass in distribution and fulfillment, enabling lower labor costs and enhanced inventory visibility.
- Sparky and other AI initiatives accelerated customer adoption, with management attributing higher average order values and improved conversion directly to

increased digital engagement.

- Guidance for fiscal 2027 was positioned as "prudent" due to ongoing economic volatility, but management expressed confidence in exceeding targets based on recent multi-year outperformance.
- The board's approval of a $30 billion share repurchase program was linked to high free cash flow and a multi-year capital framework, signaling balance sheet strength and a focus on shareholder returns.

INDUSTRY GLOSSARY

- **AgenTek Commerce**: Walmart's AI-driven commerce model, integrating digital platforms such as Sparky with advanced fulfillment capabilities to personalize and expedite customer transactions.
- **Sparky**: Walmart's proprietary AI shopping assistant designed to boost engagement, basket size, and customer conversion via online and app channels.
- **Walmart Connect**: Walmart U.S.'s digital advertising platform enabling suppliers and sellers to target Walmart shoppers based on purchasing data.
- **Maximum fair pricing (MFP)**: Legislative limits on drug price increases, creating potential headwinds in pharmacy revenue and gross margin.

Full Conference Call Transcript

John Furner: I'd like to start by saying thank you to our associates around the world in helping us deliver another year of strong growth. Across markets, our teams continue to demonstrate the power of omnichannel model Since the year began, I've visited great stores and clubs in The US, Canada, and Mexico. The automation of our supply chain is on track, We're gaining market share. And we have momentum in growth areas like marketplace, advertising, and membership. Looking at our results for the quarter, revenue was up 4.9% in constant currency, including growth in e commerce of 24%. Adjusted operating income grew even faster at 10.5%. All three segments grew profits faster than sales for the quarter.

And we're doing a great job of managing inventory that's so important in running our business day to day. We ended the quarter with inventory up 2.6% or about half the rate of sales growth. Sales were strong across each segment of the business. And this includes sales of general merchandise, which grew on a global base and was up low single digits for Walmart US led by fashion. Fashion was a bright spot for us both in store and online. Driving a healthier mix of sales growth in our business is important to the strategy overall so I'm pleased with the trends we're seeing. Across our customer base, spending continues to be resilient.

In The US, we see the customer as choiceful in their spending, Again, this quarter, the majority of our share gains came from households making more than $100,000. For households earning below $50,000, we continue to see that wallets are stretched. And in some cases, people are managing spending paycheck to paycheck. That said, even these households are emphasizing convenience nearly as much as price. Stepping back, when I look at the enterprise today, it's a portfolio of businesses anchored in growth. Especially our digital channels, with an emphasis on having inventory close to the customer to maximize our delivery speed. Our associates have made this vision a reality and I couldn't be prouder of them.

They've been open to change, learn new skills, and they pushed us to keep the customer and the member at the center of everything we do. Ultimately, what matters is how we show up for our customers and members. Did we serve their needs better today than we did yesterday? If so, we did our job. And how we approach getting better every day is what's important to me. We do that by living our purpose and values. That won't change. Our mission help people save money and live better is as true today as it's ever been. It guides the strategy we've outlined, and that strategy is clear. We're executing on it at a high level.

And this includes the allocation of capital, which remains consistent with how we've described it as a percentage of sales. We look at capital spending through the lens of return on investment. Every dollar we spend has to compete for the highest return. Walmart Inc. is widely known for value on a broad assortment of items and for being a company that people trust. And thanks to how we leverage our assets for a truly omnichannel experience we're now known for ultra fast delivery times and providing convenience. The investments we've made in technology and supply chain help us deliver items even faster. They're paying off.

Here in The US, customers using fast delivery, that's delivery in under three hours, grew more than 60% for the year. We know that customers and members from around the world are more alike than they are different. They love great quality products, value for their money, and more often, they're turning to Walmart Inc. for speed of delivery on a broad assortment. And being people led and tech powered helps our associates to find better ways to serve customers and members with our growing assortment faster delivery speeds, and experiences they love. The way we're using technology and AI is helping us create great customer solutions reduce friction, simplify decision making, and pinpoint where our inventory is.

All while maintaining the trust we've earned from our customers and members. And we aren't just embracing the tools that are changing the way people shop, We're creating them. We're enhancing our shopping assistance like Sparky and building new experiences with partners like OpenAI and Alphabet. That are shaping the future of AgenTek commerce. Looking more closely at Sparky, we're seeing good momentum. Customer engagement is up, and the customers who use Sparky have an average order value that's about 35% higher than non Sparky customers. And I love how Sparky perfectly fits within our omnichannel strategy. It connects digital intent to fulfillment through forward deployed inventory and 1,500,000 associates here in The US.

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When Sparky builds a basket, we execute it through fast delivery, pickup, or in store, turning AI engagement into immediate physical outcomes. in store, And as we expand Sparky across experiences like voice, and through services. We expect continued acceleration in customer adoption and the impact on commerce. We've started with Sparky here in The US, but we know that winning in a connected world means we need to deliver consistent experiences across markets. And to do that, need to focus on technology platforms that are built for a global business. The idea of build once scale globally makes us faster, lowers cost, and ensures consistency.

And we'll use AI to layer on top of existing platforms getting better leverage out of the assets we already own. This platform centric approach helps us scale innovation consistently and reduce capital intensity. As I close, I'll say the pace of change in retail is accelerating. It's exciting. For Walmart Inc., the future is fast, convenient, and personalized. And I'm challenging our teams to move even faster as the opportunities with AI become broader and deeper. I feel great about our future. Over the past several weeks, I've talked with associates in Mexico, Canada, and across a number of cities here in The US, and I love what I'm seeing.

The enthusiasm, the passion, the execution, all the things that make Walmart Inc. a great place to shop and a great place to build a career they've been on display. And I can't wait to get out to more markets in the coming weeks. I'm so grateful for the opportunity to lead a business that has momentum built on a strong foundation and with a deeply experienced leadership team. And mostly, I'm excited about what's to come and the plans we have to grow the business as we look ahead. And, John David, I'll turn it over to you.

Operator: Thanks, John.

John David Rainey: I also want to thank all of our associates for helping us deliver these results. If there's one thing I want you to take away from this call, it's that our teams are executing well, and our business model is delivering strong growth incremental profits. Even in the context of the highly dynamic operating conditions we and the rest of the retail industry are experiencing. We finished the year strong with a quarter of broad based share gains continued e commerce momentum, and adjusted operating income growing at 10 and a half percent in constant currency. Which is over twice the rate of sales growth. The advantages of our omnichannel model and diversified profit streams are increasingly clear.

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For the full year, we grew the top line by approximately 5% in constant currency. Adding $35,000,000,000 in revenue. With sales exceeding $700,000,000,000 for the first time. And we grew adjusted operating income 5.4%. Even with a 300 basis point headwind from increased claims expenses and navigating a bumpy tariff environment. This was the third consecutive year that we grew profits at a faster rate than sales growth. We're playing offense by reinforcing our customer and member value proposition evolving our model, and delivering on our financial framework. Our strategy is working. And we're excited about the opportunities ahead. For the fourth quarter, consolidated revenue in constant currency increased nearly 5%. With Walmart U. S. Comp sales up 4.6%.

E commerce sales were strong across markets. With growth up 24%. We're using our unique assets, stores and clubs, DCs and FCs, and last mile delivery networks to get orders to customers faster and more efficiently. Remove friction from the experience, and accelerate our sales momentum. In Walmart US, ecommerce sales grew 27%, with 35% of store fulfilled orders delivered in under three hours. In China, e commerce grew 28% and represented more than 50% of the sales mix in that market. Flipkart is delivering orders in less than fifteen minutes across more than 30 cities in India. And Sam's Club US doubled their growth in club fulfilled delivery sales.

The increase in fourth quarter operating income was led by more than 26% growth in international reflecting improved e commerce economics as well as lapping last year's strategic investments. And nearly 7% growth in Walmart US. Several factors contributed to our operating profit growth. First, business mix. As e commerce drives the majority of our sales growth, we're improving e commerce economics with increased contributions from business mix most notably in higher margin areas like advertising and membership fees. Our advertising businesses globally increased 37%, including an acceleration in Walmart Connect in The US up 41%. Importantly, we lapped the acquisition of Visio in December, so their performance will now be in our base.

Consolidated membership income increased more than 15% reflecting strength in Sam's Club in China which grew over 35%. In The US, Walmart Plus membership income was strong, up double digits, as our core offering as well as newer benefits like our One Pay Cash Rewards credit card continue to resonate with members. Sam's Club U. S. Membership income grew more than 6% as members gravitate toward the omnichannel capabilities Sam's offers. Notably the combination of advertising income and membership fees represented nearly one third of our operating income this quarter. Second is inventory management. Inventory increased 2.6% in constant currency. Or approximately half the rate of sales growth for the full year.

With our growing 3P marketplace, we can better balance owned and third party assortment, minimize markdowns, and improve our working capital. Inventory efficiency is also enabled by the tech AI and automation in our stores, clubs, and supply chain. In Walmart US, approximately 60% of stores are receiving some freight from automated distribution and approximately 50% of e commerce fulfillment center volume is automated. This enables better visibility into what inventory we own and inventory we can access, and also improved our labor productivity. we're increasingly leveraging stores, With the proximity so close to customers, as digital fulfillment nodes to move inventory faster and more efficiently than ever before.

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When you simplify our model, inventory and labor, are our two largest costs.

Technology enabled productivity benefits are critical to our ability to grow our core omni business at lower marginal cost. We're extending these platform benefits from the Walmart US to Sam's US and we're at the early stages of deploying automation across our supply chain in select international markets. And third, merchandise category mix. This is an exciting one to call out as it's been many years in the making, particularly in Walmart US. As we lean into lower prices through rollbacks in EDLP and grocery categories, we're helping customers unlock purchasing power for general merchandise. We've worked hard to mitigate grocery inflation.

As tariff related costs lifted prices across many categories. We're seeing share gains in GM and in fashion We've had several quarters in a row of mid single digit sales growth. Importantly, the strategies that drove our results throughout FY '26 are consistent with what we expect to support our financial framework in FY '27. First, we have strong momentum across our businesses. Most notably in digital. E commerce sales grew nearly 25% this year, and exceeded a $150,000,000,000 for the first time. With Q4 representing 23% of sales mix. This is up 550 basis points from just two years ago. This sets us up uniquely well to serve customers however they want to shop with us.

Particularly as they adopt Agintic Commerce solutions. Second we've demonstrated the durability of our model especially in complex operating conditions. We're realizing the benefits of our diversified growth oriented global portfolio. This has enabled us to grow underlying profits meaningfully faster than sales for each of the past three years. Our advertising businesses globally were up 46% this year to $6,400,000,000 And membership fees exceeded $4,300,000,000 And many of these initiatives are early in their maturity curve. We have a combination of profit drivers, including automation related inventory and labor productivity, favorable business mix, and continued expense discipline. To support continued investment and to drive faster operating income growth.

And third, to orient us to move faster at lower cost, we're now aligned globally to leverage common platforms in tech, AI and digital businesses. We believe this will result in our growth continuing to come at a much lower marginal cost than what it has historically. Now I'll discuss guidance. Full year constant currency sales are expected to grow between 3.54.5%. And operating income is expected to grow between 68%. With EPS in the range of $2.75 to $2.85. Sales guidance reflects a continuation of underlying business drivers and share gains, It considers our efforts to mitigate food price inflation and the headwinds on sales growth from maximum fair pricing legislation in pharmacy.

And we expect e commerce will continue to be the primary driver of growth with modest increases from store and club sales across the enterprise. Operating income guidance reflects a higher level of confidence relative to prior year's original guidance that we can deliver growth in the upper half of the range depicted in our framework. Our goal is to outperform this guidance. But we believe it's prudent to start the year with a level of conservatism given the backdrop is still somewhat unstable. We're assuming continued margin expansion driven by favorable business mix, automation benefits and productivity, and less headwinds from merchandise category mix. The business continues to generate strong cash flow.

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With operating cash flow of $42,000,000,000 and growth in free cash flow of 18% in FY 2026. This provides flexibility to reinvest in the business while at the same time returning significant capital to shareholders. Given our confidence in the ability to continue to generate strong cash flows, and consistency in our multiyear capital investment plans, our board authorized a $30,000,000,000 share repurchase program our largest to date. For f y '27, we expect capital expenditure levels to be approximately three and a half percent of sales. We're hitting the peak of annual spending levels on supply chain automation and store remodels.

We're moving quickly on these projects as we see benefits to customer experience, business performance, and financial returns from these investments. Investments in AI are incorporated into our assumptions for capital spend. And as you've seen from the announcements we've made, we're approaching AI development through partnerships. This lets tech companies do what they do best, develop innovative technology. And it provides us clarity to do what we do best: to translate the best of tech to retail experiences that create value for our customers and members and our enterprise. In Q1 we expect constant currency growth in sales of 3.5% to 4.5%. And operating income of 4% to 6%.

With EPS of $0.63 to $0.65 Q1 operating income growth is expected to be lower than any other quarter in FY 'twenty seven. Due in part to timing of expenses, and the year over year tariff impacts that started in last year's second quarter. Importantly, our first half results are expected to be in the range of our full year guide. Recall also that we guide on a constant currency basis. If current exchange rates were to stay where they are now, we would expect an approximate 150 basis point benefit to reported sales growth. And an approximate 200 basis point benefit to operating income growth in Q1.

For the full year, we would expect an approximate 70 basis point benefit to sales and an approximate 120 basis point benefit to OI. With that, we're ready to take your questions. Thank you.

Operator: Thank you. We'll now be conducting a question and answer session. If you'd like to ask a question, please press 1 on your telephone keypad. You may press 2 if you like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys. Thank you. And our first question comes from the line of Simeon Gutman with Morgan Stanley. Please proceed with your question. Hey, good morning, everyone. Hey, John. I want to ask you, John, on AgenTeCommerce. You mentioned it.

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Simeon Gutman: And it's rapidly reshaping e commerce as we speak. Realize a lot is still, to be determined. I wanna ask how you're thinking about first customer traffic flows and loyalty. Related to AgenTic, and second, advertising and monetization.

John Furner: Yeah. Good morning, Simeon. Thanks for the question. So first, I just want to say thanks to our associates for a great quarter. They've been executing at a very consistent level with a clear strategy that's omni And as it relates to your question, AgenTic is definitely a part of the omni strategy. I mean, our omni strategy, what we've been saying for a long time and building to is the ability to deliver what customers want, when they want it, and how they want it. And flexibility that we've built on the backside of this, which includes our fulfillment centers, our distribution centers, our stores, forward deployed inventory, are all parts of the solution to deliver.

What AgenTic is doing for us, and we can talk about this in a couple ways, But I'll talk about Sparky first with our own agentic agent Sparky is going to be and is and is vastly becoming as it learns new skills. A way that we can understand customer intent better than when they've been able to understand it before. Generate solutions for them, and then deliver with speed. You heard earlier that our fast delivery was up 60% year on year. Walmart's getting faster. Sam's Club is getting faster. We're able to scale these platforms to international markets. So our ability to understand consumer customer intent generate them solutions and deliver quickly is really exciting.

It's been the quarter what we saw is that customers who engage with Sparky, we saw an average order volume order value, I should say, about 35% higher than the customers who weren't using it. What's also exciting is we had a really high number of customers who are now engaging with Sparky quarter over quarter, but a lot to come here. AgenTek Commerce is gonna be great for our customers. It's also gonna be great Agentic AI will be great for our associates because it helps them focus on the things that are most important. And, Dave, do you want anything on Sparky in the quarter?

Simeon Gutman: Absolutely. Thanks, John. And good morning, Simeon.

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Dave Gagina: As John noted, AI is increasingly embedded across Walmart. It's strengthening our operations. It's improving associate productivity. And it's enhancing the customer experience. And that's really coming to life with Sparky. Sparky is essentially helping us evolve from traditional search to intent driven commerce. And as John noted, we're seeing strong engagement, roughly half of our app users have used Sparky. And when they use Sparky, it drives them to build bigger baskets. And John mentioned the 35% higher average order value. And what that's telling us is that it's it's helping customers convert with greater confidence. And I want to note that it is still early in this space and we're continuing to add capabilities.

More personalization, deeper contextual understanding, We're building execution capabilities. And I'm excited about the future for Sparky. And then for this group in particular, from an economic standpoint, better discovery and higher conversion translates into bigger baskets and greater frequency. So simply put, Sparky is helping customers find the things they need, they want, and they love. And it's strengthening our digital unit economics as it scales.

John Furner: So Simeon, second part of your question then, you asked about advertising as well. We had a really good quarter in advertising, up 37% around the world, while Walmart Connect in The United States was up 41%, which is a very strong quarter. So how this will work with Agenda Commerce, I think we're all learning as we go, and we'll figure that out. But what we do know and is clearly happened in the quarter, is our ability to connect suppliers and sellers with a group of customers groups of customers who are interested in their products is working, and our capability to do that is getting stronger.

Operator: Our next question is from the line of Michael Lasser with UBS. Please proceed with your question. Good morning. Thank you so much for taking my question. Last year was obviously marked by a number of unanticipated costs that impacted Walmart's profitability, such as tariffs, the liability expense, and others, how did you factor that there could be other unknowns into your outlook this year, what could those be? And if they do not occur, how would you frame or quantify the potential upside of reinvestment And along those lines, how would you quantify the degree that you've embedded in your outlook for this year. Thank you so much. Michael, this is John David. I'll I'll take that.

John David Rainey: Let me let me give a little bit of context to our full year guidance, which I think will speak to your question. If you if you rewind and you look back over the last three years, prior to this one, we've increased our guidance effectively increased our guidance if you adjust for the Visio acquisition each of those three years. And each of those years, we've outperformed that guidance. In some cases, with operating income by several 100 basis points. And in fact, if you were to adjust for claims being somewhat anomalous last year, have the same performance in this most recent year.

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So as we sit here one month into this new fiscal year, very much like in past years, we're taking a measured approach with the outlook. There's nothing that we've seen among consumer behavior or KPIs, macroeconomic KPIs, that would make us be any more cautious than what we have been, but I think it's prudent to be somewhat balanced. We are know, I think overall constructive on the economy, but there are certainly indicators out there, whether it be a hiring recession or maybe subdued consumer sentiment, student loan delinquencies, things like that, that make you wanna be more balanced as you sit here at this point in time.

And we've been very fortunate to be able to take a very long term perspective with the way that we manage this business. To do things that are best for customers. And I would argue that translated into what's best for shareholders as well. So said maybe slightly differently, we want to maintain maximum flexibility as we sit here at this point in the year. And it's it's no different than the posture that we took in prior years. So the guidance that we've given, which at the upper end of operating income is 8% on a currency neutral basis, over 9% on a reported basis. We're excited about it. We see the momentum in our business.

Each year has gotten better than the last, and we've outperformed that. And we would certainly expect to do that this year as well. But I think given that we are as large as we are and so tied to consumer health and the economy, we want to maintain maximum and not get out ahead of ourselves at this point in the year.

Operator: Our next question is from the line of Greg Melich with Evercore ISI. Please proceed with your question. Hi, thanks. I wanted to

Greg Melich: get a little deeper into disinflation. I think it was up a little over 1% this quarter and maybe that was down a little bit sequentially. Can you just help us understand in your guide what you're expecting from inflation or particularly inflation especially with drug prices coming down?

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John David Rainey: Sure, Greg. This is John David again. I'm happy to take that. The most recent quarter, we had like for like inflation that was trending a little bit above 1%. That breaks down into food inflation being a little bit less than that. GM inflation being a little bit more than that. That's generally what our outlook is for the next quarter and the balance of the year. There are some pressures. You mentioned one. The maximum fair pricing, legislation around drugs we expect to contribute to about a 100 basis point headwind for the full year. Within the most recent quarter, having only one month of that is about 30 basis points.

So the health and wellness business continues to do really well and have strong comps, but that's a that's a headwind that it will face for the year. Generally speaking, we would expect the price levels to, you know, somewhat be in the range that they are right now. We're excited about the some of the commentaries that we've heard from suppliers focusing on lower prices, but that plays to our value proposition. Everyday low prices is what we stand for. We've seen as we've leaned into these lower prices that consumers have responded. And we've continued to gain share among all income demographics, I might point out.

Notably probably skewed more towards the higher income demographic but we're gonna continue to play offense.

Operator: The next question is from the line of Kate McShane with Goldman Sachs. Please proceed with your question.

Stephanie Wissink: Good morning. Thanks for taking our question.

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Operator: I wondered if you could focus on your outlook for gross margin for 2026. Can you maybe talk

Katharine McShane: to what you're expecting to be that contribution from mix And also, can you go into a little bit more detail about the inventory management enhancements you need? Is it all from automation, or are there other initiatives here? And how does this get going across? The regions? Hey, Kate. It's John. Let me start with inventory.

John Furner: And then I'll turn it over to John David. We'll talk about mix together. On inventory, I would say there are a number of factors that have helped us manage inventory the way we're managing. I'm really proud that the team this is a great team who dealt with a lot of uncertainty the last twelve months and really the last few years to manage inventory. Half the rate of sales growth is an impressive number. There are a number of technologies we're using to manage inventory, more effectively today than we were in years past. Part of that is automation. We have a number of locations now that are receiving the majority of their goods. From automated facilities.

We have a couple thousand that are getting some kind of automation and make expect that to grow over the course of the year. We had a couple of our regional distribution centers, and I believe you've been in the in one of these before. That retired the old conveyor belt system that we ran on top of for about twenty years. Some of those buildings up to thirty years. So the conversion is underway. We're really pleased with the capital investments and the returns we're getting on those. In the supply chain, those investments probably peak this year and next year. So automation is a part of it, but also in store.

Our associates are over a million associates just in The US alone have handheld devices, and they're using computer vision. To map our inventory to know what we have, to know exactly where it is, and know how it's deployable. So that when a customer places an order, shops at the counter, wants pickup, the inventory, we can believe, confidently is there and it's available. So there's really a system from end to end that the entire team has been working on to get to the point where we are today. The third thing I'd say is the team's done a really nice job managing seasonal inventory buys. Fashion has been stronger. Sell throughs have been stronger.

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We've done a great job in last few quarters with holiday. If anything, I'd say in the fourth quarter, we may have bought a bit light in certain categories. We had a strong quarter, as we mentioned, in general merchandise and fashion, but there were categories that if you could rewind the tape, we probably would have bought even more aggressive. But the good thing about that is we enter this first quarter, we're We have momentum. And so I think we're in a good spot in terms of mix. And I'll turn it over to John David to talk about overall business mix.

John David Rainey: Yeah. Kate, let me before I talk about the coming year, I think it's important to talk about some of the improvement that we had in the fourth quarter. A lot of what John talked about in terms of the improvements we've made in our supply chain translate into improved operational benefits like fewer fresh throwaways, better inventory management, things like that, fewer markdowns. And so we saw a benefit of that. In the fourth quarter. We'd expect a continued benefit of that going into the next year. If I if I break down the p and l, generally speaking, we're expecting gross profit to improve next year. We're also expecting some leverage in s g and a.

And I should pause here for a second. We leveraged in s g and a for the fourth quarter this fourth quarter, and that's the first time in a while. We're excited about that because you all are starting to see some of the benefits of this supply chain automation and productivity benefits that we've been implementing for years, and that's translating into improved financial performance. But to the heart of your question about business mix, we would continue to expect an improvement to gross profit related to business mix going into next year. I noted, in my prepared remarks, fully a third of our profit in the most recent quarter was related to advertising and membership income.

And so what we're excited about that. We expect a continuation of those types of benefits. And you overlay on that the other parts of the business that we don't talk quite as much about, but fulfillment services, marketplace, which are all doing really well, translates into the improved economics that we're expecting in the coming year.

Operator: Our next question is from the line of Chris Horvers with JPMorgan. Please proceed with your question.

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Christopher Horvers: So a

Operator: a follow-up question on that. Can you talk about the progression of marketplace growth and fulfillment services how are you expecting the profitability of this alternate profit pool to progress from last year? And then as we look forward over the next couple of years, And then more of a near term question, there's a lot of hope that The U. S. Consumer will benefit from significant tax stimulus this year. Your stores tend to be on the leading edge because you see those consumers cashing those checks Curious if you if you've seen anything so far and how those funds are being spent. Thanks so much.

John David Rainey: Chris, I'll start with that, and others may wanna jump in after my comments. Marketplace, I would characterize as an area of ongoing investment. We haven't talked about when we expect that by itself to achieve profitability. This is something that as you think about the two legs of growth or profitability, we wanna lean a lot more into growth right now. We think that's what's best for our business. If you just look at the most recent quarter, there are many categories, cook and dine, fashion, home decor. That all grew north of 40%. On our marketplace. That's exactly what we wanna see.

And we don't wanna overly fixate on one aspect of our of our ecosystem of services that we provide to try to achieve profitability there. So we think investment is the best opportunity there. Walmart fulfillment services today has 52% of our sellers. Take advantage of that. And I've you've heard me say this before, Chris, but I think if you're selling on Walmart and not using Walmart fulfillment services, you're almost using us in the wrong way. It is too good of a service. We continue to see that penetration increase and continue to see the teams perform in that area for our sellers.

So, you know, those would be a couple areas that I think are we'd highlight for the coming year. As it pertains to the increase in tax refunds, We certainly have some of that in our guidance. We have to make assumptions about how much of that will be saved versus spent. And of what is spent, how much goes into the first quarter versus later quarters in the year. You know, it remains to be seen. You are correct in to suggest that we tend to be very levered to that when we see those move up or down, it impacts our business. But we our guidance does assume an increase in tax refunds this year.

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Operator: Our next question is from the line of Oliver Chen with TD Cowen. Please proceed with your question. John, it's John David. E commerce profitability has been really encouraging and impressive. What do you see ahead in terms of how the business model Continues to evolve and densification. And as we think more broadly about retail on the topic of personalization and moving from predictive to prescriptive with the aid of AI, what are your thoughts for what will happen with personalization, particularly as you see so much interaction with Sparky and have a lot of

Oliver Chen: veracity, volume, and velocity of data. Thank you.

John Furner: Hey, Oliver. Great question that John David was just alluding to many parts of what we built to try to serve customers any way they want to be served, where they want to be served, how they want to be served. And that's really the center of what we'd call the omni strategy. This would include our stores, our e commerce business that's pure fulfillment. We have our stores that are delivering. We have a mix of all the above. It's really all designed about channel flexibility.

What we've been saying for a few years is that channel flexibility has been, and again in this quarter, has helped us meet new customers, serve new customers, grow with customers that we haven't been transacting with in the past. So it's really encouraging. But all these pieces have to work together in order for this all to come to the point that we can have results like we had in the quarter.

So the best way to say it is if you look at Walmart on the top line, and you look at Walmart on the bottom line, those are those are where I would encourage you to just hold us accountable, because we have a great team here with a lot of experience that can manage the pieces in the middle, ultimately driving it faster delivery speeds and more intuitive experiences so that customers trust us to be a great place for a great assortment and great prices. Delivered the way that they want it to be delivered. And what we're seeing with Sparky and again, it's early days, with agent of commerce being live in the site.

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But the quarter was really encouraging. We had a lot of growth from Q4 over Q3. A lot of engagement. Dave mentioned earlier about half of our customers did engage with Sparky. And when they do engage with Sparky, we see better order value We had a 27% growth rate in ecommerce in the fourth quarter, which is a big quarter for Walmart US, 24% globally. Sparky is only live in The US, but we have hope and ambition that quickly we can expand these platforms into other markets, and I think that will be accretive in those markets.

But what Sparky can do is it can help understand really clearly what it is that you're trying to accomplish in your life, whether that's a birthday party or camping trip or planning meals for the week or just planning dinner for this evening, and then we can generate you great, unique solutions real time if we need to. Or by knowing you a bit better than we did in the past, we can help suggest things to you are more in line with your own personal preferences.

So all this put together we believe, is a great way for customers to build a trust that Walmart will save them time while shopping save them time in the transaction, but also save them time in delivery. A large number of our orders now we're really proud of are now happening in less than half an hour. We're We're averaging under an hour. Our express delivery when customers choose that. Then as we mentioned earlier, for our express delivery or total fast delivery, which under three hours grew 60% year on year. So when you put it all together, we're confident in the strategy. We like the assets that we have in place.

Continue to invest our capital in a disciplined way. That provides returns but ultimately drives great customer experiences over the long term.

Kelly Bania: The next question is from the line of Kelly Bania with BMO Capital Markets.

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Operator: Please proceed with your question.

Katharine McShane: Good morning, and congrats to the promotions across the segment leaders as well. Wanted to talk a little bit about advertising. 6,400,000,000.0 now. I was wondering if you could share with us just any color on what kind of growth you are planning for here. It's it's been very strong. Should we expect that to moderate a little bit? I know The US really accelerated this quarter too, and maybe you can talk a little bit about

Kelly Bania: what drove that? What are the types of advertisers or categories that are accelerating there? And where do you feel your know, still kind of underpenetrated or overpenetrated and just trying to think about where that could go from here.

John David Rainey: Kelly, this is John David. I'll I'll make an attempt at that. In terms of what to expect on advertising, you know, the you're right in terms of what you're applying. You get to a law of large number where it gets more challenging to enjoy those same growth rates. But in terms of overall progress, that we're making with advertising, I don't I really don't see that slowing down. Some of the areas that we've really expanded in are areas like our marketplace business where we folk we're we're seeing more of the growth come from that part of the business versus some of the first party brands The other thing I'll point out is the Visio acquisition.

We saw triple digit growth in advertising with our Visio business in the quarter. We've talked a lot about this. This is exciting because it gives us yet another channel to, to market to our customers. And I feel like that's really just getting started. Obviously, the base there is not as large as the overall US business, but has a whole lot of runway.

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As we've talked about in the past, and I know you're very familiar with, Kelly, you know, if you if you measure us advertising as a percent of, like, the addressable market or our GMV, We still have a long ways to go here to get in the neighborhood of some of the best in class competitors here. And so we feel like we can improve our own advertising capabilities while doing it on a growing base, which gives us a lot of runway into the future.

John Furner: Kelly, you mentioned the team. I'm really proud of the promotions here. At Walmart. Dave Gagina, who spent what most of his career in ecommerce and logistics, Chris in businesses all around the world, and Latrice Watkins, twenty seven years, and majority of that in merchandising. They're going to do a great job, and they have a lot of experience. There was a structure change that we made in January, which is also really important. And I think that signals confidence that the capabilities we have built in The US are exportable to other markets, and we can work with our other markets to accelerate these platforms to grow.

And so that change was set to layer included the marketplace, Visio, advertisements, our data services, and Walmart plus being moved from inside Walmart U. To an enterprise role where we can build once build these platforms once, scale them globally. So we're optimistic that what Seth has done here in The US with his team can accelerate growth in other markets additionally. So John David said it well. This is a big business that's growing, but our share is relatively low. Compared to what it could be in terms of the addressable market. And we are really excited about the opportunity for Seth and his team to work across the entire enterprise.

Operator: The next question comes from the line of Corey Tarlowe with Jefferies. Please proceed with your question. Great. Thanks and good morning. I wanted to ask about stores versus ecommerce, and how you expect store comps to trend going forward? And what the impact to margins will be as a result, given we know that the margins are better in stores versus e commerce? Thanks so much.

John Furner: Hey, Corey. It's John, and, Dave, and I'll I'll take this one together. You know, as you step back and just think about this the omni strategy the role of stores, the role of the app and how they work together, it's just important to remember that stores are a huge part of the solution to deliver the customer experiences that the customers are looking for. Having inventory, and I'll talk about The US and globally just here in a second, Having The US with 5,200 locations between Walmart and Sam's where inventory is forward deployed is really helpful.

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And that's great for a customer who wants to shop in a store, pick up at the curb, or have delivery and do it in a very fast way. We have strength in international markets as well, places like China has had record deliveries from the clouds in Sam's Club for the season in Chinese New Year. That's also true in other markets in Mexican Canada where I visited in the last few months. So stores are a really important part of it. How a customer wants to shop, that is completely up to the customer. It's pretty typical that you'd see in the holiday front type frame people leaning on delivery more.

We had really great experiences and great results in November with Thanksgiving. More and more customers chose to have their Thanksgiving meal delivered. And then this recent ice storm we had in The United States, we also saw a significant number of customers looking for delivery services much higher than the year before. So whether people are shopping at the counter, shopping at the curb, they're shopping in the store, we wanna be there for all of them.

In terms of the mix and the impact of the p and l, getting to where we were last year with ecommerce moving to profitability, the growth of advertisement, the growth of the other services, We like the way our P and L is set up in terms of providing mix over time. Again, we'll manage that really well. We have a great team of people who do that. So again, excited about the top line growth. Excited that our operating income grew faster than our than our sales in all three segments. And I'm also very confident in the guidance that John David talked about. So do you wanna talk about remodels and investments in stores?

Dave Gagina: Yeah. Absolutely. As John mentioned, you know, we're focused on serving customers how, where, and when they wanna shop across stores, pickup, and delivery. And our ecommerce growth of 27% you know, is leveraging our physical footprint. So this is an interconnected system. So we are making further investments in our store network as a result in that physical footprint. Over the past twelve months, we've opened 12 new stores, and we've remodeled 674 stores. Our investments in both of those areas are outperforming plan, and I think that just reinforces the strength in the omnichannel model.

Operator: The next question is from the line of Edward Kelly with Wells Fargo. Please proceed with your question.

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Oliver Chen: Impressive progress in ecommerce again. I was hoping that you could

Edward Kelly: maybe update us on current profitability and how you're thinking about 2026. And then as it pertains to all this, you mentioned, you know, pace of change accelerating Competition in e com, you know, certainly seems to be intense. You maybe just touch on, you know, what Walmart needs to be vigilant on, to sustain share momentum. And does this impact at all the near term profit path for the business?

John David Rainey: This is John David. I'll start with the e comm profitability. Ed, we've reached a point where we don't even really talk about this internally anymore. We've far surpassed the breakeven level. We were profitable in each of the four quarters in The US segment, and the momentum is only up from here. We've been enjoying roughly double digit incremental margins in ecommerce. We don't expect that to change. Feel really good about the plan going forward. And as you know, the nature of this business is you build a large digital platform. And the marginal cost of growth is very low. You don't have to continue to build that platform to achieve the next percentage point of growth.

And so we're enjoying the scale economics that come from a digital business. That's not going to change. And getting to the second part of your question, we're seeing that is resonating with our customer member base. We, we continue to gain share. And I think a big part of that is convenience. It is the fact that we can serve 95% of America in three hours. There are very few people that can do that. And as John and Dave noted, in some cases, less than minutes. But it's not just convenience. I'll I'll I'll point you to fashion as an example. Like, we've had several consecutive quarters now of fashion growth in the mid single digits.

I'd argue fashion is not really a convenience item. It shows that our broader assortment is appealing to a much larger customer base And they're and they're coming to Walmart in many cases, some of them for the first time. And they're they're enjoying an experience that makes them want to come back.

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John Furner: Yeah. These platforms that we've put together, they work at Walmart US. They work in other businesses. Sam's Club is an example. Obviously, a category or a channel that's focused on curation and quality. But, Latrice, maybe you comment on the experience your members are having with the delivery platform as we have scaled the platform for Walmart US exams?

Kelly Bania: Sure. Good morning. Thank you, John.

Latrice Watkins: I am a merchant, so

Latrice Watkins: this is what I love. I love to talk about how we give members access to products, and you've said it however they want to shop with us. So a couple of things are happening at Sam's Club. We are leveraging the platform that is what we've created as part of Walmart. And what we're seeing from members who choose to shop with us from home on our app is that 60% of our members can get delivery in three hours. So we're growing that. We're we won't stop there at the 60%. We are growing our ability to give members their items quickly. For members who want to come in club, they love Scan and Go.

So scan and go is an is a seamless way for members to get the items they want, get checked out, use our exit arches, have a frictionless experience fast. So in the spirit of what members want, and what they need, they want items, and they wanna get through our, clubs quickly. And Scan and Go gives them the opportunity to do that. And delivery from club gives them the speed that they want.

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Operator: The next question comes from the line of Chuck Grom with Gordon Haskett. Please proceed with your question.

Edward Kelly: Good morning, everyone, and good luck, John, as you embark here.

Charles Grom: Could you talk about the health of The U. S. Consumer across income cohorts at this point in time? Any surprises this past holiday season? And looking ahead, when you look at the baskets of GLP one users, how is their shopping behavior changed in terms of frequency and basket size? And I guess how does that influence your planning of inventory in the coming quarters and years?

John Furner: Hey, Chuck. In the earlier comments, we talked about the consumer in The US. We had a lot of growth with customers who are income bracket of 100,000 or above. That's pretty consistent with the last few quarters and the way we've talked about it. So I don't think there's any big change. I think with the way we describe our customers is very thoughtful. They're choiceful. And the lower income segment, 50,000 and below, we did see, of course, Leslie mentioned, some stress In many cases, we see people living paycheck to paycheck.

In the fourth quarter specifically, there was some sales impact early on that was driven by benefits during the government shutdown that affected Walmart US in The United States. The most part, Walmart US, that recovered as the quarter went on. There seems to be some impact to Sam's over time. On the pharmacy business, the biggest change that'd be notable would be the NFP MFP pricing changes on branded drugs. The remaining categories have been pretty consistent over time, and we did provide some comments and guidance about what kind of impact we think that MFP will affect us by. As far as categories around the store, digitally and physically, We are always watching changes in subcategories, what's growing.

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Our team starts every Monday talking about customer experiences and unit growth in particular. So as we enter or potentially enter a period where inflation is lower or higher, it doesn't really matter to us. We'll manage the commodities as they come through. We'll focus on the lowest prices we can focus on. We had 6,200 rollbacks in Walmart US this quarter. Up about 23% from a year ago. So we'll just continue to focus on low prices, but as category shift, categories grow, or they slow, our team will be very reactive in terms of being able to be ready for customers wherever they're looking.

John David Rainey: Yeah. And on GLP one, I just some of the impacts that you would that we see to our business are as you would expect. So as an example, we see that fresh is a big driver, one of the big things in baskets. The unique thing about fresh is that it's a basket driver. When someone buys fresh items, the baskets tend to be larger by a double digit percentage. So when you take all of the puts and takes related to that, it you know, it's kind of a wash. It doesn't really isn't a big driver of our growth one way or the other.

Operator: The next question comes from the line of Joe Feldman with Telsey Advisory Group. Please proceed with your question.

Edward Kelly: Yes. Thanks, guys, for taking the question. Congrats to all the new business leaders. Actually, it's it's more for you guys. I was just curious. I know there's three of you, but you're

Operator: maybe brief thoughts as you take over your new role what you guys see with fresh eyes as you kinda enter each of the divisions you've taken over?

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Seth Sigman: Thanks.

John Furner: Chris, you wanna start with international? Sure. Yeah. Hey, Joe. So

Chris Nicholas: I'm thrilled to be in international. It's kind of a homecoming for me because I started out in international when I joined. And there's lots of words you could use to describe international, but if I was to choose one it would be growth, I think growth is the top line, growth in the bottom line, the so much opportunity globally. And as we think about all of the words we've used today, build one scale globally, AI helping accelerate that, a platform centric approach, the ability to take the magic of the culture, great assets that we've got internationally, and leverage platforms, gives us the opportunity to do something we haven't been able to do before.

Latrice Watkins: Good morning. It's Latrice. I am thrilled also a homecoming to be back at Sam's Club. And what I've felt in the time there is the energy and the momentum of the business both with our associates and with our members. So, being in clubs with members and associates has been a thrill We can see how they love items. We can see how they love to shop. And I'm excited about the opportunity to serve them. The way they wanna be served with great merchandise at great value. As fast as they want it, either from our clubs or as they use the mechanisms we have in the club.

Dave Gagina: Thanks for the question, Joe. Know, first, I wanna take the opportunity to thank the Walmart US associates in our stores, our supply chain, our home office, for delivering a fantastic quarter. US achieved 4.6% comp sales with profits growing faster than sales. As John mentioned earlier, I've spent the majority of my career in ecommerce and logistics. And one feeling I've had the last few weeks is I'm humbled. I'm humbled to learn from and serve 1,500,000 associates across Walmart US, and I am energized by what I've seen in my first few weeks.

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I've been in stores in California, Texas, Florida, visited a distribution center in Florida that is delivering fully palletized loads to all of the over 120 stores that it serves. And then last week, I was with the Walmart US leadership team at the year beginning meeting. And what's clear to me is that we are operating from a position of strength and the opportunity ahead of us is significant. We're investing with confidence in automation, new stores, remodels, our marketplace, membership, advertising, and all of this. Will strengthen the customer experience, It's going to drive productivity. It's going to improve our economics over time. And I am excited about the runway ahead.

Operator: Thank you. The next question is from the line of Rupesh Parikh with Oppenheimer. Please proceed with your question. Good morning and thanks for taking my question.

Edward Kelly: I just wanted to go back to membership income. So we saw another quarter of strong double digit membership income growth.

Operator: So just curious as you look towards this fiscal year, just overall confidence in sustained momentum

Charles Grom: I recall last quarter, you guys were very happy with Walmart's plus sign ups, including some on credit card side.

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Edward Kelly: So just curious, just overall on Walmart plus whether any additional

Operator: surprises as that program continues to ramp? Thank you.

John Furner: No surprises, Rupesh. In fact, I'm really pleased with the fourth quarter. John David mentioned the credit card offer. You asked about that. That's been strong. Really pleased with the number of sign ups. The usage rate of the benefits has been fantastic. One of the fastest growing benefits, obviously, with free shipping is the express delivery and fast delivery services. That was up 60% year on year. And we just we are really excited about the proposition. Having Walmart Plus with Seth DeLayer move to an enterprise level, we see room to expand this into more markets in The United States, and we're working on those plans. But overall, membership in Walmart has been strong.

Sam's Club also had great results with membership in the quarter. We see continued momentum there, which should include Sam's Club in The United States and Sam's Club in China. We talked about that earlier. So really strength across all these areas. The other thing I'd say about membership is it does give us a chance to serve customers really frequently. Again, when you combine membership with the work we're doing with Agenda Commerce, whether that's with Sparky, or partnerships with Alphabet or OpenAI, it just gives us more ways be able to understand the best way that our customers and our members wanna be served.

Operator: Thank you. This now concludes our question and answer session. I'd like to turn the floor back over to John Furner for closing comments.

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John Furner: Yeah. Thanks, everyone, for the time and the investment and time in Walmart today. Great to have you on the call. I just wanna close by saying we have a clear strategy, and that's an omni strategy. It's working in The United States, it's working around the world. It's working in The United States, it's working around the world. We see a lot of opportunity to expand what we've built to serve customers better, both here in this country and around the world. We have a great team. This is a real experienced leadership team. You heard from a number of those people today.

And while they're new in new in their roles, I can tell you each and every one of them care about our associates. They care about our culture. They wanna grow, and they're really experienced at the things they do. So I have a lot of confidence in this team as we look ahead. Our capital strategy I'm also really pleased with investments that we've made. We'll continue to remain disciplined. How we invest capital. John David said it earlier, every dollar will compete for the best returns. That is true and will remain true.

And then finally, I just wanna thank our associates all around the world, over 2,000,000 people who are really hard each and every day to serve our customers. They're the ones that make all this happen. Our people really do make the difference. And I'm looking forward to a great year in getting out to the markets and meeting more of our people.

Kelly Bania: Thank you. Ladies and gentlemen, thank you for your

Operator: This does conclude today's conference. You may now disconnect your lines at this time.

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John Furner: Everyone, welcome to The Huddle.

Unknown Executive: And this is a fun one. This is the hundredth episode of the huddle. And I am in one of my favorite places in the cab of a Walmart truck one of our amazing drivers, Janice. Janice and I met just over a year ago in Eastern Tennessee after hurricane Helene had done such extraordinary damage to the entire region. And Janice was there that day, and we got to talking and got know each other. Now we've met a few times since then. And, we've become buddies. So today, a really fun experience where we get to talk about what it is being a driver at Walmart. Exactly. How's that sound? I love it.

Kelly Bania: I love it. You love it. So you've been with the company about ten years.

Unknown Executive: But you've been driving for forty one. Yeah.

Katharine McShane: Off and off. Not the big rigs, but

Unknown Executive: you know, all sorts things. Yeah. Yeah. So your career started getting your CDL because you needed to move some cars around. Very different than what we're doing today. And forty one years later, ten years in the cab, here we are.

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Katharine McShane: Here we are.

Unknown Executive: We are in beautiful Northwest Arkansas, must add. So where are you heading from here? Well, I'll go back to the DC, probably pick

Janice: up a loan, and head back to head back to Kentucky because I go home tomorrow. I'm a Saturday through Wednesday out. So

Unknown Executive: Saturday, Wednesday out, and I'm so grateful you're with us today because today is a pretty special day for you and your husband. Is that right? Yes. It is. Anniversary? Yes. It is. Thirty six years together. Thirty six. Married.

Janice: Three together. Okay. Congratulations. Thank you. So you grew up

Unknown Executive: in Eastern or Western Kentucky? Mhmm. And 20 years old, you decided to start driving commercially.

John Furner: Yep. And what

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Unknown Executive: what caused that? Well What got attention?

Janice: My mama's family is all truck drivers. So was sorta in the blood anyway. Yeah. Yeah. So kinda Justin. Oh, yeah. Oh, yeah. And then we met about a year ago,

Kelly Bania: A little over. Yeah. Little over. Yeah. We're out in Eastern Tennessee after the

Unknown Executive: big hurricane Helene. Mhmm. And you were doing an emergency load. Mhmm. I think it was water, if I remember right. Yeah. From one of the region or the food disease. Yes. And, man, what a difference that makes. Oh. When you get out and see the impact of that So bright of tornadoes, is. It is. And it's funny. You the truck drivers are always there where we are. Like, you find you find a way to get in. Which is amazing. It's sorta like

Janice: we're there before FEMA even gets there. I mean, it's just it's know, what we do. And that's that's part of this job that and I always cheer up because I'm so grateful

Kelly Bania: for people. Yeah.

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Janice: to get to do I get to do that. I get to work for a company that does things like that

Unknown Executive: Yeah. It means a lot. And someone told me a few years ago, I was leaving a hurricane, was I think it was hurricane Michael down Mhmm. Florida Panhandle. There's somebody that was with us that said, you know, if you have a really big problem, all you need is to Walmart Associates and Walmart truck driver, and you'll figure it out. I think that's right. I think that's right.

Janice: Absolutely. But that makes a big difference.

Unknown Executive: In Helene. The convoy that came out of South Carolina, they came in a just a couple days after

Janice: Yeah.

Unknown Executive: we were there.

Janice: Yeah.

Unknown Executive: But what a difference that'll that'll make.

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Janice: It's just it's astronomical. You know, what they do for people. Yeah.

Unknown Executive: Sure. And did you mostly drive the food loads

Janice: Well, actually bit of mix. We do it you know, we haul the frozen dairy meat produce, general merchandise, backhauls. We do it all. So what's what's it like in holiday time when you

Unknown Executive: get into November, December, few things We first of we always pride ourselves, you know, this really well on being safe and taking care of the equipment. So this have a very dependable private fleet. That's really important. But this time of year, got weather, you got holidays, people are in a hurry. How's it feel to you when you're when you're moving an 80,000 pound rig around

Janice: Well, you know, you just you've got to, you know, it's not that we I mean, we're always paying attention to the road, but it seems like it's just you know, there's just that much more traffic out here. And seems like some people are just really in a hurry just to get know, I gotta get there. I gotta get there. You know? So you gotta be real, you know, real vigilant of that. And then

Unknown Executive: let's talk about new drivers. If you wanna be a driver at Walmart or anywhere, how do you start? I mean, it's a great profession. Know, you do really double work like we were talking about. Everything from basic everyday essentials to general merchandise for holidays, to disaster relief. Like, this these jobs really make a difference for our country and for our communities. But if you if you're interested or you wanna know more about it, how do get started? Do

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Janice: first of all, you gotta stay safe. You gotta have a clean driving record. I mean, you know, the only regret that I have about Walmart is why wasn't I here twenty years ago? Because the job it is, you know, And that's just like, you know, when I see people out on the road and, you know, that's a thing about being a CDT. You know? I watch other folk. When they come up on the on the DC to back, and get I watch And I think, maybe they've got some good potential, and I'll go over and talk to them. Ask them how long they've been driving You know? What's their what's their driving record?

Is it are they safe? Know? That's a potential that could be a potential driver for us. You know? Mhmm. And I love the a two d program.

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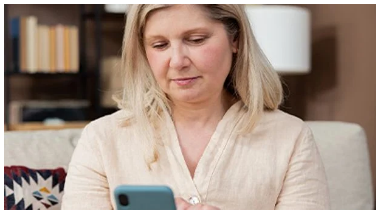

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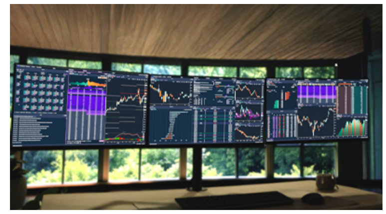

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