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# Walmart, Inc. (WMT)

Deutsche Bank dbAccess Global Consumer Conference

## CORPORATE PARTICIPANTS

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

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## OTHER PARTICIPANTS

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

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## MANAGEMENT DISCUSSION SECTION

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Good morning. My name is Paul Trussell. I'm the U.S. retail analyst. And thank you all for being here at the DB Global Consumer Conference. I'm very excited to have with us today, Richard Mayfield. Thanks for being here, Richard.

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Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Thank you.

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Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Richard Mayfield is the Executive Vice President and Chief Financial Officer for Walmart International. In this complex division of Walmart's operations, Richard leads the international finance team and has responsibilities for indirect spend management, real estate, business development, and strategy. Before we get into our fireside chat, I just want to mention that there may be forward-looking statements, and please refer to Walmart.com for their Safe Harbor statement.

And, with that, Richard, you run a pretty big business within a pretty big business.

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Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Yeah.

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Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Maybe just give some opening remarks on really what the focus and priorities are right now at Walmart International.

**Richard Mayfield***Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Sure. Well, thanks for the introduction, Paul. I think most of you probably know we've had a consistent performance over the last four years. We've seen consistent improving comp sales across the business and we've grown profit faster than sales. I think Q1, you'd have seen the recent results. We had 7 of 10 markets with positive comp sales. The numbers were a little bit impacted by timing of Easter. Our quarter is January to March. Walmart Inc.'s is February to April, so UK in particular would have been in positive territory.

Just from a strategic point of view, we're executing our strategy, while at the same time making some thoughtful decisions around portfolio. So, I think over the last 12 months, you've seen us make a big investment in India. We've completed a partnership deal with Advent in Brazil which takes our ownership down to 20%. In the last three or four months, we've completed deals to exit our two remaining banks in Canada and Chile, which will both be ROI accretive this year. We're a little surprised by a couple of decisions on the portfolio actions in both the UK and on the Cornershop deal in Mexico and I'm sure we might reference those later.

Just on the strategy, we're building strong local businesses powered by Walmart. I'll just explain that briefly and then I think we'll hand over some of the questions. Strong local businesses means that we develop each business specific to the conditions in that market. So, building a business is relevant to local customers and position for long-term growth and success and that may mean different businesses and certainly different partnerships and ownership structures and business models in different markets.

And then the powered by Walmart is very much about leveraging the capabilities, the scale, and the people we have across, as you said, what is a large business. And probably I'd mention a couple of things there. One would be our global sourcing organization, really leveraging our scale in areas like general merchandise, packaged foods, and you mentioned, IFM or GNFR maybe the term that people know. And then the other area will be technology.

I think I'll just finish by saying that we're seeing some uncertain political and economic environments around the world, but we feel that the combination of our store portfolio is close to customers with our developing omnichannel online businesses makes us pretty well positioned for the future.

## QUESTION AND ANSWER SECTION

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

So, a lot to discuss but let's start on the top line. You've mentioned some of the success you've had in particular markets. Maybe give us a little bit more details on the outlook for the business over the balance of the year, and obviously, your current guidance kind of – how's the -with and without Flipkart.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean, obviously, we gave guidance at the start of the year, and we weren't updating that guidance until the end of Q2 and when we've announced earnings then. I mean obviously in Q1's results, you'll see the continued success we're seeing in Mexico is probably a standout. We had a 4.7 comp there with two-year stack of over 14% and that's been a pretty consistent theme.

Why are we seeing that? It's a – we're the market leader there. We have a multi-format business that we think is well-positioned for premium customers with the Sam's Club business. And about 40% of our business is a discount business called Bodega. That's important in Mexico, because about 45% of that market is still informal and formalizing. So, we think we've got plenty of growth opportunity there.

Just in terms of how the growth pans out, while I won't update the guidance, fair to say, from a comp sales perspective, we'll see a similar number to the one we saw last year. We're opening about 300 new stores, the vast majority of those will be in China and Mexico and Central America. And then, if – there are two kind of new pieces, if you like, is obviously the addition of Flipkart and the deconsolidation of Brazil. Those two numbers broadly offset one another. There's a slight accretion. The Flipkart numbers are a bit bigger, but broadly speaking, they cancel each other out.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

So, let's stay on the topic of Flipkart.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

Pretty meaningful investment that you made in that business, still a little bit less than a year, but what's been the learnings and takeaways, so far? And how should we think about the path going forward on both the top line and impact to the bottom line?

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. We're very excited about India, and we're very excited about Flipkart. To give a couple of stats, it's a population of 1.3 billion, average age of 28, which is pretty unusual. That's about 400 million smartphone users in India. We project it to grow to 860 million over the next five years, so there's a big growth opportunity there. We're very excited about the team in both Flipkart and PhonePe, the payments business. They're very strong tech data people, but there's just a culture of customer centricity, and they're very disruptive in the way they think about reinventing categories to address customers' needs.

We're building an omnichannel ecosystem to win in India. And that word, ecosystem, is part of the reason why we're excited. So really think about it in three pieces. There's an eCommerce business within Flipkart, Myntra, and Jabong, the brands. We have market leading positions in some key categories, so mobile phones, apparel, and large electricals and appliances. We have a – in Ekart, a logistics business, we think is the lowest cost logistics network across India, addressing all the PIN codes in the country. And then, we have PhonePe, which is a fintech digital payments business, which has been growing very rapidly and we're very excited about.

I think the one other thing I'd probably mention outside just the eCommerce business, one would be digital payments. It's an ecosystem component that's, as you know, been critical to the growth in China and we think is going to be the same in India. The other one would be marketplaces. The Flipkart marketplace has about 150 million SKUs, 160,000 vendors, and they build that with very strong seller propositions and using machine learning tools to curate the site. And we think that that's something we're learning a lot from and very excited about.

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**Paul Trussell***Analyst, Deutsche Bank Securities, Inc.*

Q

So, there's a lot of commentary about the regulatory environment in India as well as competition. Maybe just touch on what you've experienced over your time and how it's played out relative to expectations going in.

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**Richard Mayfield***Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean, it's important to remember, we've been in India for 10 years. So, we're used to the political and economic environment and it sometimes can surprise you. There was a change in the very early part of this year with Press Note 2. We are compliant with Press Note 2. It involves four or five weeks of running around and making change in some operational process and some technology, but had very little impact either on customer experience or on the financials. I think you can expect the unexpected going forward. But as I say, we're used to that environment.

I think one thing I'd probably say is that, of all the potential outcomes in the election, a Modi government with a bigger majority is probably the best outcome for business. But time will tell. And then, I think in terms of our position there, you mentioned competition. It's an unusual market. The retail market is still about 85%. It's small businesses, mom-and-pop shops called kiranas. The eCommerce network is largely ourselves, Amazon, and then some smaller players. So, we feel well positioned. I'm sure there will be a few more surprises, but we know the environment reasonably well and I'm confident about the future.

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**Paul Trussell***Analyst, Deutsche Bank Securities, Inc.*

Q

So, turning to Europe, Asda has been performing well. There's also been some big news on that front from a regulatory standpoint. Maybe just talk to us a little bit about both business, but also the go-forward strategy.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean, the business has been performing reasonably well. Again, if I adjust for the Easter impact, we'd have had eight quarters of positive comp sales. Our price positions improved. We've been doing particularly well in private brand, and online. But it remains a pretty challenging market. The consumer fundamentals are good. Wages are rising about 3%, prices about 2%. But given the Brexit uncertainty, the market is under some pressure and its growing more slowly. In fact, recent GDP figures look like they may have turned negative. So, it's a challenging environment. Our job right now is to focus on continuing to drive improvements in Asda. And actually, interestingly over the course of the M&A process we've been running, we reached at the number two spot. So the business is performing well. Credit to Roger and the team for avoiding the distractions and running the business.

That's the job going forward. We've mentioned the possibility of an IPO. I wouldn't see that as an end in itself, but if we believe that the combination of an independent board, local investment, a pathway to an IPO is the right incentive for growth of the business, then we'll clearly consider that when it comes down. Just referring to CMA, we spent a lot of time with the CMA before we announced the deal, so we knew we were using a consistent methodology to assess issues like local competition. We were frankly surprised by the decision. And obviously, it limits some of the strategic options I think for large players going forward, but our job is to focus on running the best [indiscernible] (00:11:06) we can.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

Also, the Asda market, it obviously has a very dynamic and powerful private label business.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

Maybe just touch on what you're seeing on that front and how that maybe shows itself in other markets as well.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean, I think one of the things that's important to understand about the UK business is, I mentioned three areas of leverage empowered by Walmart and one of them is expertise. And over the time period that we've owned Asda, three things I'll mention that we've brought out of the UK. One, online grocery; that's a big theme in the U.S. Really, we learned that business in the UK. Academies, so the stores are training – where we train associates. That was a thing that we grew in Asda, now 200 of those in the U.S. And then private brand would be the other obvious example.

The market is very highly penetrated for private brand and as I say, we continue to outperform the market there. We're excited about the future that that holds in our business from a growth and differentiation perspective. And no secret that that's also been an area that's performing well in the U.S. and have seen a lot of investment, the Culinary & Innovation Center that we opened three or four years ago in Bentonville. And some of the improved performance in areas like Apparel and General Merchandise has been on the back of strong private brand development. So I think we feel good about that.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

You mentioned online grocery. Let's talk a little bit more across the various markets on how the eCommerce or omnichannel business is developing? Talk a little bit more about Last-Mile capabilities?

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Well, the first thing to say is every market is different although there is some consistent themes. If you look at penetrations around the world, China is up at about 23%; the UK is about 17%; U.S. sort of mid-teens; Canada 8% to 10%; and then Mexico, India mid-single digit. So penetrations are very different. I think pickup and delivery models, what I will say is less dense populations tend to be – to tend more towards pickup. That would be true in this country; it'd be true in the U.S. In terms of what we're doing in the international business and this starts to go into the on-demand and Last-Mile Delivery question that you asked. We're focused very specifically on online growth strategy and then thinking second about extended assortments in market places. And the reason for that is because we think stores forward deployed and fulfillment centers are the fastest and the lowest cost route to customers for that head of the assortment.

We also believe that in particularly in densely-populated cities, crowd-sourced Last-Mile Delivery is the way forward. So, if you take China we have a partnership with JD and Dada, that's in just over 300 of our stores, three kilometer delivery rate is delivered – radius delivered in 40 minutes. We had one delivery was in seven minutes. So, I'm not quite sure [indiscernible] (00:14:26) can of Coke to the next door building. So that will be one example. And I mentioned Cornershop earlier, that's a service we use. Again, think Instacart, crowd-sourced delivery in Mexico and Chile growing extremely rapidly. So, we think that is likely to be the model with the number of partners and a self-built crowd-sourced delivery approach that we are using in the U.S. So, you see that delivery model really building across most of our markets. And I suspect that to continue.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

As we think about gross margin within the international division, what are some of the puts and takes that we should keep in mind over the balance of the year or even more long term?

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean I think on the plus side, you mentioned private brands in pretty much all of our markets excluding the UK where we're growing 2x the total, but the total is lower. We're growing double digits in private brand, so that has a positive mix effect on gross margins. We've also got a big program around cost analytics that's using data science to make better decisions about space allocations and to negotiate more effectively with our suppliers. So, there are some positives on that side. I think working against that there is some mix effects in general, food, grocery, consumables are growing faster than GM and Apparel, so there's a bit of a mix effect in there. And obviously, there's price investments to continue to extend our price leadership in most of our markets, and really it's just about striking the balance between those two things.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

In terms of striking the balance, you obviously, in your opening comments, spoke a little bit about the portfolio management strategy. Help us think a little bit more around capital allocation.



Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. Look, I think the first thing to say is capital allocation across the segments in the business, that's U.S. Retail, Sam's Club, U.S. and international remain broadly consistent. I think from an international perspective, I mentioned we'll open about 300 stores this year. To put it in a bit of context, if you go back five years, we're opening about 14 million square feet a year. Today, that's about 9 million square feet. And roughly speaking is a share of total CapEx spend. New store spending has roughly halved in terms of its share of the total. The bigger pieces of CapEx tend to be on existing store remodels, on technology, supply chain, and eCommerce spending.

But in terms of where the money is going on new stores, I mentioned earlier, roughly 75% of that money is going into Mexico, Central America and China. So, markets which are still high growth and where we see store based growth opportunities. And then remodel spending. A lot of that is about reinventing large stores and super centers. I'll give you – so, Canada would be a good example of that as is the U.S. I think the U.S. remodeled 100 stores in Q1. And a lot of that, if you think about large stores of 160,000 square feet and a couple of examples from Canada, we've recently put a couple of third-party offers and one is Planet Fitness, which is a gymnasium.

\$10 a month membership fee, so it very much fits with our brand and then a full-service clinic. So, very much health-focused. It's clearly driving a lot of new customer traffic, as well as some GM-based propositions that we're putting in. So, just to reiterate, I mean, broadly speaking, CapEx [indiscernible] (00:18:15) allocations across the segments remains the same. But you're seeing the – where that spend is going move more towards existing stores, eCommerce, and technology and away from new stores. And where the new stores are opening, it's in high growth markets.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

We'll open up the floor for questions in a minute. Maybe just before we do that, Richard, maybe just take a step back and talk a little bit about the health of your consumer, how you feel in terms of consumer trends and sentiment, speak about the different markets maybe even including how you feel about your China customer? I'd also be curious just to hear about what's happening in Massmart in South Africa as well as obviously the UK and Mexico.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. I mean, I think, general trends I think one thing that we see around the world is a customer that's focused on both value and convenience. So, you hear us talking a lot about saving money and time. I think we feel our brand is well positioned for both of those. First one is kind of fairly obvious. We're a low-priced retailer and known for that and continue to invest in prices to win with customers in that sense. And then, on the convenience side of things, as I mentioned previously, we do think that the combination of stores and eCommerce, particularly on that on-demand part of the assortment, the head, is a competitive advantage and one that we're leveraging around the world. I think if I look at some of the specifics, you mentioned China, so I'll spend a little bit of time on China and then refer briefly to Massmart and South Africa in particular.

In China, you saw Q1, our comp was 0.4%, the two year I think was 4.4%. One thing to mention, we're in a three-year process of exiting from bulk sales, which essentially a low margin business-to-business sales out of the stores. That has its biggest negative impact this year so that's slightly depressing the comp. Look, we're building again to be the largest omnichannel retailer in that market. We're really excited about the Sam's Club performance continued to be exceptionally strong and we're looking to expand. So I mentioned China new stores,



Sam's Club is a strong element of that. Online is growing pretty rapidly in the Dada O2O piece. So that, as I mentioned earlier, is the fastest growing element. And then in the Walmart business, we're focused very much on smaller formats, so small operator hypermarkets and supermarkets, which we started opening in the country.

Just moving to Massmart, yeah, it's a pretty challenging economic environment. In Q1, GDP was a minus 3. And obviously, when you're in a largely discretionary spend, we've got strong positions in general merchandise. So that business has been under a little bit of pressure in the first half of the year. I mean, again, I think with an election out of the way, I think we should start to see some improvement in economic conditions. We have a fairly strong food component to that business, but I'm sure this year is going to be a challenging one with those kind of economic conditions.

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Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Audience, please raise your hand.

A

Q

Thank you. I think Walmart [indiscernible] (00:21:48) Massmart in 2011 and it has consistently disappointed. And now you have the CEO and the CFO [indiscernible] (00:21:57). Can you give us [indiscernible] (00:22:01) economy is going to come around or are you going to split it up, what are the plans there?

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Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Yeah. I mean, obviously, as you said, we are about to see a changeover in CEO and CFO. Mitch is a pretty experienced international retailer and we've hired Mohammed, the new CFO, out of Illovo, which is a publicly [indiscernible] (00:22:20) sugar business owned by ABF. We feel pretty good about that management team. I think the first job is to trade the business well, but clearly, we'll be reviewing the portfolio of businesses, the operating model, I think there's a lot of opportunity for efficiency and cost savings. I mentioned GNFR as one example. I think there's some big opportunities to create value in that business and, clearly, with the new management team in place, we'll be looking to do that.

A

Q

Hi. Thanks. Two questions. One, are you seeing any pushback in areas like China to Walmart as a U.S. company in terms of the trade war and tariff issue? And then a completely unrelated question, hearing from a lot of companies here and in other places that freight costs have become less of a headwind than they were last year when it was a big issue. Can you comment on what you're seeing in terms of those costs? Thanks.

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Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Yeah. So, taking China, I don't think we've seen anything specific. I mean, there's obviously some concerns about whether Chinese [ph] government actually could change towards (00:23:34) the U.S. companies. We haven't seen that thing today. I mean, I think one thing I would say in our businesses around the world and this is true for the U.S. and our other businesses, the U.S. business sources two-thirds of its products in the U.S. and the remaining third is kind of from a diversified set of countries around the world. So I think we feel those trade risks

A

were reasonably well diversified and is well-placed as anybody to manage whatever we see coming down the track.

To your second question around freight costs, yeah, I mean, we mentioned in Q1 results that they have become much less of a headwind. I think there were a number of factors in there, but I think some of it's just the rebalancing of supply and demand in that marketplace I think, which is starting to take the pressure off cost inflation that we had been seeing last year.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

I have a few more. Richard, just earlier you spoke about the digital payments business in India.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

Maybe just speak a little bit more about the evolution of PhonePe over the last few months. Obviously, still a very young entity overall, just two-and-a-half years old, but there's certainly a lot of discussion in the marketplace around the longer-term opportunity and potential valuation. Maybe just give us some color on that. And to what extent you can potentially leverage some of their technology in other markets?

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

Yeah. Okay. So, PhonePe is aiming to build the India's largest transaction platform built on payments and then to use that platform to leveraging pretty big profit pools in markets like financial services. They're building an open platform for customers, merchants and financial institutions. Give you a couple of examples of what I mean by open. One thing they're not going to do is build an eCommerce business within the payments mechanism, which differentiates them from most of the other payments platforms and obviously attracts more merchants who don't feel they're going to get disaggregated. And then as they bring merchants onto the platform, their QR code works with all the payment apps in the market where the competitors are closed loop. Now, why are they making that bet? Because they believe it will attract more consumers, more merchants and more financial institutions.

How they built the proposition, the customer journey, they talk about send, spend, manage and grow. So, the send is person-to-person transfers and the technology they use is a direct bank account to bank account linkages, not a digital wallet, which means you can link any bank account to any bank account. The spend piece is Bill Pay and then shopping. And then manage and grow is financial services. Most of the journey has been the first two. They've just started launching mutual fund products on the site as of March.

Just to give you a couple of examples, so they've already built a pretty big customer base. It's growing very rapidly, high transaction frequency and large numbers of customers. They're also automating as they go. So, if you take the Bill Pay proposition, the cost per transaction has basically come down by over 90% in the last 18 months to almost 0% and that's really about using machine learning to target the customer marketing that they've used to [ph] hire (00:27:08) customers. And then if I take the merchant proposition, they initially – so if I go back to July of last year, there's about 60,000 merchants on the platform. Most of those were Bill Pay, so think telecom businesses, utilities companies. As of the summer of last year, they put down the sales force to start recruiting

offline merchants, kiranas, retail stores. There's now 4 million merchants already, so you can see the pace of development and that, obviously, those new use cases are driving frequency outputs.

I think one of the reasons we're – a couple of reasons particularly [ph] I'll cite about it (00:27:41), one is I've learned more about the fintech digital payments world in the last 12 months than I possibly could have imagined. And obviously, we built a wallet in Mexico called Cashi. So we're already starting to leverage learnings one from the other and thinking about whether we can redeploy technology.

I think the other reason is, if you look at the China market, if you look at WeChat Pay has 1.1 billion users, look at Ant Financial, an Alibaba's financial services business, that market in China flicked from a cash economy to a digital payments economy and you practically don't see credit cards being used there anymore. I think the same thing is happening in India for similar reasons I mentioned the smartphone penetration. The Indian government is making sure that every Indian has a bank account and a cellphone and a biometric ID so they want to link those things together. So I think the regulatory environment is pushing with us I think in this particular instance. And so we're just very excited about the future of that business, both for itself and in terms of what we can learn and leverage in places like the U.S. and Mexico.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

At the core of Walmart as being the low-price leader, talk to us about which markets do you feel are best positioned in terms of price and where are some of the areas or geographies where you are still making maybe more meaningful investments in price because of the competitive dynamics?

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

A

I mean, I led with Mexico. I think probably of our larger businesses, that's the one that's best positioned, partly because of market leadership, partly because the market is still growing and formalizing and we've got the right vehicle to address that. And our focus there now is on building our omnichannel online grocery and ecosystem components. I think it's fair to say that we're continuing to invest thoughtfully in price around the world. As I said, we've seen strong food and grocery performance consistently over the last couple of years with growth in excess of our total comp sales and a lot of that is because of price position as well as quality improvements in private brand. So, the stronger businesses tend to be because of format, scale, physical locations, we talk a lot about being within – 90% of the U.S. population within a 10-minute drive time, that figure for Mexico is 85%. So I think positioning for us, both now and in the future, tends to be based on store locations combined with price competitiveness and online and I think we're building that around the world, but some places clearly will be stronger than others.

Paul Trussell

*Analyst, Deutsche Bank Securities, Inc.*

Q

Any last questions from the audience? Well, with that, Richard, I'm going to turn it back to you for any kind of closing remarks.

Richard Mayfield

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Yeah. I mean, the only thing I'd finish with is we've covered performance and strategy. As I said, I think we feel well-positioned to address both the value trend and the convenience trend. We're increasingly convinced that the combination of stores and online is the winning model for the future, particularly for that head of the assortment,

but we're still evolving our thinking around marketplace and ecosystem. And I think in that space, you've heard a lot of the comments we've made about the U.S and I think what we're doing in India are actually we're ahead of the game in many cases around both marketplace and payment. So the ability to learn from there is really strong. We're in an uncertain world. I think we see challenging political and economic circumstances, but for those reasons I think we're pretty well-placed relative to our competition.

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**Paul Trussell**

*Analyst, Deutsche Bank Securities, Inc.*

Thank you, Richard.

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**Richard Mayfield**

*Executive Vice President and Chief Financial Officer, Walmart International, Walmart Inc.*

Thank you.

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**Paul Trussell**

*Analyst, Deutsche Bank Securities, Inc.*

Thank you, audience. And this concludes our webcast.

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