

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
February 19, 2019

Walmart Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-06991
(Commission File Number)

71-0415188
(IRS Employer Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas 72716
(Address of Principal Executive Offices) (Zip Code)

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

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

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

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

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

In accordance with Item 2.02 of Form 8-K of the Securities and Exchange Commission (the "SEC"), Walmart Inc., a Delaware corporation (the "Company"), is furnishing to the SEC a press release that the Company will issue on February 19, 2019 (the "Press Release") and a financial presentation that will be first posted by the Company on the Company's website at <http://stock.walmart.com> on February 19, 2019 (the "Financial Presentation"). The Press Release and the Financial Presentation will disclose information regarding the Company's results of operations for the three and twelve months ended January 31, 2019, and the Company's financial condition as of January 31, 2019.

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

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

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

- 99.1 [Press Release](#)
 - 99.2 [Financial Presentation](#)
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SIGNATURES

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

Dated: February 19, 2019

WALMART INC.

By:	<u>/s/ M. Brett Biggs</u>
Name:	M. Brett Biggs
Title:	Executive Vice President and Chief Financial Officer



**Walmart U.S. Q4 comp sales ¹ grew 4.2% and Walmart U.S. eCommerce sales grew 43%,
Q4 2019 GAAP EPS of \$1.27 ; Adjusted EPS ² of \$1.41 ,
Fiscal year 2019 GAAP EPS of \$2.26 ; Adjusted EPS ² of \$4.91 ,
Company reiterates fiscal 2020 guidance**

Fourth-quarter highlights

- ✱ Total revenue was \$138.8 billion, an increase of \$2.5 billion, or 1.9%. Excluding currency ², total revenue was \$140.5 billion, an increase of \$4.2 billion, or 3.1%.
- ✱ Walmart U.S. comp sales ¹ on a two-year stack of 6.8% is the strongest growth in 9 years.
- ✱ Walmart U.S. eCommerce continued to benefit from the expansion of grocery pickup and delivery and a broader assortment on Walmart.com.
- ✱ Sam's Club comp sales ¹ increased 3.3% ³, and eCommerce sales grew 21%.
- ✱ Net sales at Walmart International were \$32.3 billion, a decline of 2.3%. Excluding currency ², net sales were \$34.0 billion, an increase of 2.7%.
- ✱ Adjusted EPS ² excludes the effects of two items:
 - A charge of \$0.17 due to an adjustment in the provisional amount related to Tax Reform
 - An unrealized gain of \$0.03 on the company's equity investment in JD.com

"We had a good year, and I want to thank our associates for their great work and openness to change. They continue to inspire us as we strive to serve our customers better every day. Progress on initiatives to accelerate growth, along with a favorable economic environment, helped us deliver strong comp sales and gain market share. We're excited about the work we're doing to reach customers in a more digitally-connected way. Our commitment to the customer is clear - we'll be there when, where and how they want to shop and deliver new, convenient experiences that are uniquely Walmart."


Doug McMillon
President and CEO, Walmart

Fiscal 2019 highlights

- ✱ Total revenue was \$514.4 billion, an increase of \$14.1 billion, or 2.8%. Excluding currency ², total revenue was \$515.1 billion, an increase of \$14.8 billion, or 3.0%.
- ✱ Walmart U.S. comp sales ¹ increased 3.6%. Grocery pickup and delivery are available in more than 2,100 and nearly 800 locations, respectively.
- ✱ Walmart U.S. eCommerce sales increased 40%. Net Promoter Score and the company's Customer Value Index continue to improve.
- ✱ The company generated \$27.8 billion in operating cash flow and returned \$13.5 billion to shareholders through dividends and share repurchases.
- ✱ Adjusted EPS ² excludes the effects of three items:
 - A charge of \$1.54 related to the sale of a majority stake in Walmart Brazil
 - An unrealized loss of \$0.95 on the company's equity investment in JD.com
 - A charge of \$0.16 due to an adjustment in the provisional amount related to Tax Reform

Key results

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

Walmart 	Q4 FY19	Q4 FY18	Change		FY19	FY18	Change	
Revenue	\$138.8	\$136.3	\$2.5	1.9%	\$514.4	\$500.3	\$14.1	2.8%
Revenue (constant currency) ²	\$140.5	\$136.3	\$4.2	3.1%	\$515.1	\$500.3	\$14.8	3.0%
Operating income	\$6.1	\$4.5	\$1.6	35.8%	\$22.0	\$20.4	\$1.5	7.4%
Operating income (constant currency) ²	\$6.2	\$4.5	\$1.7	37.9%	\$22.0	\$20.4	\$1.5	7.4%

¹ 13-week period ended January 25, 2019 compared to 13-week period ended January 26, 2018, and excludes fuel. See Supplemental Financial Information for additional information.

² See additional information at the end of this release regarding non-GAAP financial measures.

³ Tobacco sales negatively affected Sam's Club's comparable sales by approximately 200 basis points.

NYSE: WMT

February 19, 2019

stock.walmart.com

Free Cash Flow ¹	FY19	\$ Change	Returns to Shareholders	FY19	% Change
Operating cash flow	\$27.8	-\$0.6	Dividends	\$6.1	-0.3%
Capital expenditures	\$10.3	\$0.3	Share repurchases ²	\$7.4	-10.7%
Free cash flow ¹	\$17.4	-\$0.9	Total	\$13.5	-6.3%

Fiscal 2020 full year guidance

The company reiterates the following guidance, which was originally provided at its meeting for the investment community on October 16, 2018. Assumptions in the guidance include that economic conditions, currency rates and the tax and regulatory landscape in our largest markets remain generally consistent. Additionally, the guidance assumes no further change in fair value of the company's equity investment in JD.com.

Metric	FY20 Guidance
Consolidated net sales growth	At least 3 percent in constant currency, affected: <ul style="list-style-type: none"> Positively by the acquisition of Flipkart Negatively by deconsolidation of Walmart Brazil Negatively by planned tobacco sales reduction at Sam's Club
Comp sales growth	<ul style="list-style-type: none"> Walmart U.S.: +2.5 percent to +3 percent, excluding fuel Sam's Club: around +1 percent, excluding fuel; around +3 percent, excluding fuel and tobacco
Walmart U.S. eCommerce net sales growth	Around 35 percent
Walmart International net sales growth	Around 5 percent in constant currency
Consolidated Operating Income	<ul style="list-style-type: none"> Decline by a low single-digit percentage range, including Flipkart Increase by a low single-digit percentage range, excluding Flipkart
EPS	<ul style="list-style-type: none"> Decline by a low single-digit percentage range compared with FY19 adjusted EPS ³ Increase by a low to mid single-digit percentage range compared with FY19 adjusted EPS, excluding Flipkart
Effective tax rate	Approximately 26.5 percent - 27.5 percent
Expense leverage	Approximately 20 bps
Walmart U.S. grocery pickup and delivery	<ul style="list-style-type: none"> Approximately 3,100 grocery pickup locations by year-end FY20 Approximately 1,600 grocery delivery locations by year-end FY20
Capital expenditures	Approximately \$11 billion <ul style="list-style-type: none"> Strong focus on store remodels, customer initiatives, eCommerce, technology and supply chain
New Units	<ul style="list-style-type: none"> Walmart U.S. expects to open fewer than 10 stores Walmart International expects to open slightly more than 300 new stores primarily in Walmex and China

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


² \$11.3 billion remaining of \$20 billion authorization approved in October 2017. The company repurchased approximately 80 million shares in fiscal 2019.


³ Increase significantly compared with FY19 GAAP EPS


Segment results

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

In the first quarter of fiscal 2019, the company revised its corporate overhead allocations to the operating segments. Accordingly, previous segment operating income was recast to be comparable to the current period.

	Q4 FY19	Q4 FY18	Change		FY19	FY18	Change	
Net sales	\$90.5	\$86.6	\$3.9	4.6%	\$331.7	\$318.5	\$13.2	4.1%
Comp sales (ex. fuel) ¹	4.2%	2.6%	160 bps	N/A	3.6%	2.1%	150 bps	N/A
✱ Traffic	0.9%	1.6%	-70 bps	N/A	NP	NP	NP	NP
✱ Ticket	3.3%	1.0%	230 bps	N/A	NP	NP	NP	NP
✱ eCommerce	~180 bps	~60 bps	~120 bps	N/A	NP	NP	NP	NP
Operating income	\$5.0	\$4.7	\$0.3	7.3%	\$17.4	\$17.0	\$0.4	2.3%

	Q4 FY19	Q4 FY18	Change		FY19	FY18	Change	
Net sales	\$32.3	\$33.1	-\$0.8	-2.3%	\$120.8	\$118.1	\$2.8	2.3%
Net sales (constant currency) ²	\$34.0	\$33.1	\$0.9	2.7%	\$121.5	\$118.1	\$3.5	2.9%
Operating income	\$1.2	\$1.3	-\$0.1	-9.9%	\$4.9	\$5.2	-\$0.3	-6.6%
Operating income (constant currency) ²	\$1.3	\$1.3	\$—	-2.8%	\$4.9	\$5.2	-\$0.3	-6.6%

	Q4 FY19	Q4 FY18	Change		FY19	FY18	Change	
Net sales	\$14.9	\$15.5	-\$0.6	-3.7%	\$57.8	\$59.2	-\$1.4	-2.3%
Comp sales (ex. fuel) ¹	3.3%	2.4%	90 bps	N/A	3.8%	2.0%	180 bps	N/A
✱ Traffic	6.4%	4.3%	210 bps	N/A	NP	NP	NP	NP
✱ Ticket	-3.1%	-1.9%	-120 bps	N/A	NP	NP	NP	NP
✱ eCommerce	~90 bps	~80 bps	~10 bps	N/A	NP	NP	NP	NP
Operating income	\$0.4	-\$0.3	\$0.7	NM	\$1.5	\$0.9	\$0.6	66.1%

¹ 13-week period ended January 25, 2019 compared to 13-week period ended January 26, 2018, and excludes fuel. See Supplemental Financial Information for additional information.

² See additional information at the end of this release regarding non-GAAP financial measures.

Additional highlights for fiscal year 2019

- Added about 1,000 grocery pickup locations, and reached nearly 800 grocery delivery locations
- Announced pilot with Udelv for custom autonomous cargo vans to deliver groceries
- Announced collaboration with Ford to test grocery delivery with self-driving cars
- Launched Spark Delivery test, a new last-mile grocery delivery service
- Announced the expansion of grocery delivery providers
- Showcased new in-store innovations, including autonomous shelf-scanning robots and floor cleaners and FAST unloaders
- Remodeled approximately 500 U.S. stores
- Launched 17,000 virtual reality training devices
- Launched new adoption benefit for associates
- Raised U.S. starting wages for hourly associates to bring our average hourly total compensation and benefits to more than \$17.50
- Trained about 450,000 associates in our nearly 200 Walmart U.S. training academies
- Expanded parental leave benefits for associates
- Launched \$1 a day college program for associates through partnership with Guild
- Launched new digital scheduling system for store associates
- Launched Checkout with Me in all U.S. stores, a service that allows customers to checkout from anywhere
- Launched new endless aisle feature allowing customers to order and pay for online items while inside a store
- Launched Item Finder and store maps chain-wide in Walmart app
- Launched new features for the Walmart.com Marketplace, including free two-day shipping on millions of new items and the ability to return marketplace items in stores
- Announced Alphabot, highly efficient picking system for grocery pickup
- Launched Ellen DeGeneres fashion line, EV1, online and in stores
- Launched redesign of Walmart.com and Jet.com
- Launched Fanatics store on Walmart.com
- Launched Apple store on Jet.com
- Launched Nike store on Jet.com
- Launched Lord & Taylor shop on Walmart.com
- Announced partnership with Advance Auto Parts on Walmart.com
- Launched Jetblack in New York, a new conversational commerce platform
- Introduced 3D virtual shopping and “Buy the Room” feature for the Home category on Walmart.com
- Introduced new Nursery destination launched on Walmart.com
- Launched Walmart eBooks through partnership with Kobo
- Acquired virtual reality studio, Spatialand
- Announced partnership with Eko to create interactive storytelling for entertainment and retail
- Acquired Bare Necessities, a specialty retailer focused on women’s fashion
- Acquired ELOQUII, a digitally-native brand focused on women’s fashion
- Launched Allswell, a digitally-native vertical mattress brand
- Announced Capital One credit card program for Walmart customers
- Opened first food manufacturing facility in the U.S., a milk processing plant
- Announced high-tech distribution center, which can move 40 percent more product than a traditional DC
- Announced high-tech consolidation center that can receive, sort and ship freight and enable 3x more volume
- Jet announced new fulfillment center in Bronx, NY
- Acquired majority stake in Flipkart Group, India’s leading eCommerce business
- Announced proposed combination of Sainsbury’s and Asda, the company’s wholly-owned U.K. subsidiary
- Reduced ownership in Walmart Brazil with sale of 80 percent stake
- Sold financial services business in Chile
- Announced agreement to sell Walmart Canada Bank
- Increased investment in Dada-JD Daojia, a crowd-sourced delivery platform in China
- Launched online marketplace in Canada
- Launched first Walmart Rakuten Ichiba Store, the first Walmart eCommerce store in Japan
- Established joint venture with Rakuten for grocery delivery in Tokyo
- Announced agreement to acquire Cornershop for last-mile delivery capabilities in Mexico and Chile
- Walmart Mexico launched “Walmart Cashi”, a secure digital payment option for mobile devices

- Walmart India recognized as India's "Top 10 Best Workplaces in Retail, 2018"
- Walmart India recognized among "Top 100 Best Companies for Women, 2018"
- Launched Retail Academy in India
- Launched new partnerships in Canada to expand delivery options in grocery and general merchandise
- Launched same-day delivery from stores in Mexico
- Opened 1,000th Bodega Aurrera Express store in Mexico
- Mi Bodega Aurrera launched in-store eCommerce kiosks targeting rural areas in Mexico
- Walmart China established strategic partnership with Tencent, including use of WeChat Pay and Scan & Go
- Launched new depots in China for accelerated eCommerce fulfillment and delivery
- Asda opened its new Merchandising Centre of Excellence
- Launched free shipping for Plus members from Samsclub.com
- Announced partnership with Instacart for last-mile delivery at Sam's Club
- Launched Fresh Certification Program at Sam's Club
- Opened new Sam's Club Now, a live club and innovation lab
- Converted four Sam's Clubs to eCommerce fulfillment centers
- Received A- grade on CDP report for climate change, up from B the last three years, and was the top performing U.S.-based food retailer
- Suppliers announced emissions reductions from our supply chain of 20 million metric tons through Project Gigaton
- Launched Project Gigaton in China
- Announced the phase out of paint removal products with methylene chloride and NMP
- Asda announced removal of wrapping from greetings cards, saving over 100 tons of plastic per year
- Asda and FareShare celebrated five years of partnership and almost eight million meals donated to charity
- Announced goal to achieve 100 percent recyclable packaging in our private brand packaging by 2025
- Walmart India announced commitment to increase direct sourcing from farmers to 25% of produce sold in cash and carry stores
- Signatory to the G7 Oceans Plastics Charter
- Signatory to the New Plastics Economy Global Commitment
- Announced agreement with SunPower, a commercial energy provider, to install solar systems at 19 stores and two distribution centers
- Announced three power purchase agreements with EDP Renewables that will enable the construction of three new utility-scale wind farms

About Walmart

Walmart Inc. (NYSE: WMT) helps people around the world save money and live better - anytime and anywhere - in retail stores, online, and through their mobile devices. Each week, over 275 million customers and members visit our more than 11,300 stores under 58 banners in 27 countries and eCommerce websites. With fiscal year 2019 revenue of \$514.4 billion, Walmart employs over 2.2 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <http://corporate.walmart.com>, on Facebook at <http://facebook.com/walmart> and on Twitter at <http://twitter.com/walmart>.

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Forward-Looking Statements

This release contains statements as to Walmart management's guidance regarding earnings per share, consolidated net sales growth, Walmart U.S. eCommerce net sales growth, Walmart International net sales growth, consolidated operating income, expense leverage, grocery pickup and delivery locations, number of new units, capital expenditures and Walmart's effective tax rate for the fiscal year ending January 31, 2020, and comparable sales for Walmart U.S. and Sam's Club for the 53 weeks ending January 31, 2020. Walmart believes such statements are "forward-looking statements" as defined in, and are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Assumptions on which such forward-looking statements are based are also forward-looking statements. Walmart's actual results may differ materially from the guidance provided as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including:

- economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates;
- currency exchange rate fluctuations, changes in market interest rates and commodity prices;
- unemployment levels; competitive pressures; inflation or deflation, generally and in particular product categories;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates;
- the amount of Walmart's net sales denominated in the U.S. dollar and various foreign currencies;
- the impact of acquisitions, investments, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses, including within the eCommerce space;
- Walmart's effective tax rate and the factors affecting Walmart's effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations;
- changes in existing tax, labor and other laws and changes in tax rates;
- the imposition of new taxes on imports and new tariffs and changes in tariff rates;
- changes in existing trade restrictions and new trade restrictions;
- customer traffic and average ticket in Walmart's stores and clubs and on its eCommerce websites;
- the mix of merchandise Walmart sells, the cost of goods it sells and the shrinkage it experiences;
- the amount of Walmart's total sales and operating expenses in the various markets in which it operates;
- transportation, energy and utility costs and the selling prices of gasoline and diesel fuel
- supply chain disruptions and disruptions in seasonal buying patterns;
- consumer acceptance of and response to Walmart's stores, clubs, digital platforms, programs, merchandise offerings and delivery methods;
- cyber security events affecting Walmart and related costs;
- developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which Walmart is a party;
- casualty and accident-related costs and insurance costs;
- the turnover in Walmart's workforce and labor costs, including healthcare and other benefit costs;
- changes in accounting estimates or judgments;
- the level and consistent availability of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- Walmart's expenditures for Foreign Corrupt Practices Act "FCPA" and other compliance related costs, including the adequacy of the accrual with respect to this matter.

Such risks, uncertainties and factors also include the risks relating to Walmart's strategy, operations and performance and the financial, legal, tax, regulatory, compliance, reputational and other risks discussed in Walmart's most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the SEC. Walmart urges you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this release. Walmart cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects for or on Walmart's operations or financial performance. The forward-looking statements made in this release are as of the date of this release. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Walmart Inc.
Consolidated Statements of Income
(Unaudited)

	Quarters Ended			Fiscal Years Ended		
	January 31,			January 31,		
	2019	2018	Percent Change	2019	2018	Percent Change
<i>(Amounts in millions, except per share data)</i>						
Revenues:						
Net sales	\$ 137,743	\$ 135,150	1.9 %	\$ 510,329	\$ 495,761	2.9 %
Membership and other income	1,050	1,117	(6.0)%	4,076	4,582	(11.0)%
Total revenues	138,793	136,267	1.9 %	514,405	500,343	2.8 %
Costs and expenses:						
Cost of sales	104,907	102,640	2.2 %	385,301	373,396	3.2 %
Operating, selling, general and administrative expenses	27,819	29,160	(4.6)%	107,147	106,510	0.6 %
Operating income	6,067	4,467	35.8 %	21,957	20,437	7.4 %
Interest:						
Debt	577	448	28.8 %	1,975	1,978	(0.2)%
Capital lease and financing obligations	92	88	4.5 %	371	352	5.4 %
Interest income	(64)	(37)	73.0 %	(217)	(152)	42.8 %
Interest, net	605	499	21.2 %	2,129	2,178	(2.2)%
Loss on extinguishment of debt	—	1,004	(100.0)%	—	3,136	(100.0)%
Other (gains) and losses	(202)	—	N/A	8,368	—	N/A
Income before income taxes	5,664	2,964	91.1 %	11,460	15,123	(24.2)%
Provision for income taxes	1,851	601	208.0 %	4,281	4,600	(6.9)%
Consolidated net income	3,813	2,363	61.4 %	7,179	10,523	(31.8)%
Consolidated net income attributable to noncontrolling interest	(126)	(188)	(33.0)%	(509)	(661)	(23.0)%
Consolidated net income attributable to Walmart	\$ 3,687	\$ 2,175	69.5 %	\$ 6,670	\$ 9,862	(32.4)%
Net income per common share:						
Basic net income per common share attributable to Walmart	\$ 1.27	\$ 0.74	71.6 %	\$ 2.28	\$ 3.29	(30.7)%
Diluted net income per common share attributable to Walmart	\$ 1.27	\$ 0.73	74.0 %	\$ 2.26	\$ 3.28	(31.1)%
Weighted-average common shares outstanding:						
Basic	2,896	2,959		2,929	2,995	
Diluted	2,914	2,978		2,945	3,010	
Dividends declared per common share	\$ —	\$ —		\$ 2.08	\$ 2.04	

Walmart Inc.
Consolidated Balance Sheets
(Unaudited)

<i>(Amounts in millions)</i>	January 31, 2019	January 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,722	\$ 6,756
Receivables, net	6,283	5,614
Inventories	44,269	43,783
Prepaid expenses and other	3,623	3,511
Total current assets	61,897	59,664
Property and equipment:		
Property and equipment	185,810	185,154
Less accumulated depreciation	(81,493)	(77,479)
Property and equipment, net	104,317	107,675
Property under capital lease and financing obligations:		
Property under capital lease and financing obligations	12,760	12,703
Less accumulated amortization	(5,682)	(5,560)
Property under capital lease and financing obligations, net	7,078	7,143
Goodwill	31,181	18,242
Other long-term assets	14,822	11,798
Total assets	\$ 219,295	\$ 204,522
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	\$ 5,225	\$ 5,257
Accounts payable	47,060	46,092
Accrued liabilities	22,159	22,122
Accrued income taxes	428	645
Long-term debt due within one year	1,876	3,738
Capital lease and financing obligations due within one year	729	667
Total current liabilities	77,477	78,521
Long-term debt	43,520	30,045
Long-term capital lease and financing obligations	6,683	6,780
Deferred income taxes and other	11,981	8,354
Commitments and contingencies		
Equity:		
Common stock	288	295
Capital in excess of par value	2,965	2,648
Retained earnings	80,785	85,107
Accumulated other comprehensive loss	(11,542)	(10,181)
Total Walmart shareholders' equity	72,496	77,869
Noncontrolling interest	7,138	2,953
Total equity	79,634	80,822
Total liabilities and equity	\$ 219,295	\$ 204,522

Walmart Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Fiscal Years Ended	
	January 31,	
	2019	2018
<i>(Amounts in millions)</i>		
Cash flows from operating activities:		
Consolidated net income	\$ 7,179	\$ 10,523
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	10,678	10,529
Unrealized (gains) and losses	3,516	—
(Gains) and losses for disposal of business operations	4,850	—
Deferred income taxes	(499)	(304)
Loss on extinguishment of debt	—	3,136
Other operating activities	1,734	1,210
Changes in certain assets and liabilities, net of effects of acquisitions:		
Receivables, net	(368)	(1,074)
Inventories	(1,311)	(140)
Accounts payable	1,831	4,086
Accrued liabilities	183	928
Accrued income taxes	(40)	(557)
Net cash provided by operating activities	27,753	28,337
Cash flows from investing activities:		
Payments for property and equipment	(10,344)	(10,051)
Proceeds from the disposal of property and equipment	519	378
Proceeds from disposal of certain operations	876	1,046
Payments for business acquisitions, net of cash acquired	(14,656)	(375)
Other investing activities	(431)	(77)
Net cash used in investing activities	(24,036)	(9,079)
Cash flows from financing activities:		
Net change in short-term borrowings	(53)	4,148
Proceeds from issuance of long-term debt	15,872	7,476
Repayments of long-term debt	(3,784)	(13,061)
Premiums paid to extinguish debt	—	(3,059)
Dividends paid	(6,102)	(6,124)
Purchase of Company stock	(7,410)	(8,296)
Dividends paid to noncontrolling interest	(431)	(690)
Purchase of noncontrolling interest	—	(8)
Other financing activities	(629)	(261)
Net cash used in financing activities	(2,537)	(19,875)
Effect of exchange rates on cash, cash equivalents and restricted cash	(438)	487
Net increase (decrease) in cash, cash equivalents and restricted cash	742	(130)
Cash, cash equivalents and restricted cash at beginning of year	7,014	7,144
Cash, cash equivalents and restricted cash at end of period	\$ 7,756	\$ 7,014

Note: Due to the adoption of ASU 2016-18, *Statement of Cash Flows-Restricted Cash (Topic 230)*, on February 1, 2018, restricted cash is now included with cash and cash equivalents when reconciling the beginning and ending period amounts for both fiscal 2019 and 2018.

Walmart Inc.
Supplemental Financial Information
(Unaudited)

Net sales and operating income

(dollars in millions)

	Net Sales			Operating Income		
	Three Months Ended			Three Months Ended		
	January 31,			January 31,		
	2019	2018	Percent Change	2019	2018	Percent Change
Walmart U.S.	\$ 90,520	\$ 86,579	4.6 %	\$ 5,043	\$ 4,701	7.3 %
Walmart International	32,317	33,092	-2.3 %	1,170	1,298	-9.9 %
Sam's Club	14,906	15,479	-3.7 %	414	-308	NM
Corporate and support	—	—	N/A	-560	-1,224	-54.2 %
Consolidated	\$ 137,743	\$ 135,150	1.9 %	\$ 6,067	\$ 4,467	35.8 %

(dollars in millions)

	Net Sales			Operating Income		
	Fiscal Years Ended			Fiscal Years Ended		
	January 31,			January 31,		
	2019	2018	Percent Change	2019	2018	Percent Change
Walmart U.S.	\$ 331,666	\$ 318,477	4.1 %	\$ 17,386	\$ 16,995	2.3 %
Walmart International	120,824	118,068	2.3 %	4,883	5,229	-6.6 %
Sam's Club	57,839	59,216	-2.3 %	1,520	915	66.1 %
Corporate and support	—	—	— %	-1,832	-2,702	-32.2 %
Consolidated	\$ 510,329	\$ 495,761	2.9 %	\$ 21,957	\$ 20,437	7.4 %

U.S. comparable sales results

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	1/25/2019	1/26/2018	1/25/2019	1/26/2018	1/25/2019	1/26/2018
Walmart U.S.	4.2%	2.7%	4.2%	2.6%	0.0%	0.1%
Sam's Club	3.7%	3.6%	3.3%	2.4%	0.4%	1.2%
Total U.S.	4.1%	2.8%	4.0%	2.6%	0.1%	0.2%

	With Fuel		Without Fuel		Fuel Impact	
	52 Weeks Ended		52 Weeks Ended		52 Weeks Ended	
	1/25/2019	1/26/2018	1/25/2019	1/26/2018	1/25/2019	1/26/2018
Walmart U.S.	3.7%	2.2%	3.6%	2.1%	0.1%	0.1%
Sam's Club	5.5%	3.0%	3.8%	2.0%	1.7%	1.0%
Total U.S.	3.9%	2.3%	3.6%	2.1%	0.3%	0.2%

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

Walmart Inc.
Reconciliations of and Other Information Regarding Non-GAAP Financial Measures
(Unaudited)

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

Constant Currency

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

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

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and twelve months ended January 31, 2019 .

	Three Months Ended January 31,				Twelve Months Ended January 31,			
	Walmart International		Consolidated		Walmart International		Consolidated	
	2019	Percent Change ¹	2019	Percent Change ¹	2019	Percent Change ¹	2019	Percent Change ¹
<i>(Dollars in millions)</i>								
Total revenues:								
As reported	\$ 32,646	-2.4 %	\$ 138,793	1.9%	\$ 122,140	2.0 %	\$ 514,405	2.8%
Currency exchange rate fluctuations	1,692	N/A	1,692	N/A	702	N/A	702	N/A
Constant currency total revenues	\$ 34,338	2.6 %	\$ 140,485	3.1%	\$ 122,842	2.6 %	\$ 515,107	3.0%
Net sales:								
As reported	\$ 32,317	-2.3 %	\$ 137,743	1.9%	\$ 120,824	2.3 %	\$ 510,329	2.9%
Currency exchange rate fluctuations	1,680	N/A	1,680	N/A	708	N/A	708	N/A
Constant currency net sales	\$ 33,997	2.7 %	\$ 139,423	3.2%	\$ 121,532	2.9 %	\$ 511,037	3.1%
Operating income:								
As reported	\$ 1,170	-9.9 %	\$ 6,067	35.8%	\$ 4,883	-6.6 %	\$ 21,957	7.4%
Currency exchange rate fluctuations	92	N/A	92	N/A	2	N/A	2	N/A
Constant currency operating income	\$ 1,262	-2.8 %	\$ 6,159	37.9%	\$ 4,885	-6.6 %	\$ 21,959	7.4%

¹ Change versus prior year comparable period.

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$27.8 billion for the twelve months ended January 31, 2019, which declined when compared to \$28.3 billion for the twelve months ended January 31, 2018 primarily due to timing of vendor payments, partially offset by lower tax payments mainly resulting from Tax Reform and the timing of tax payments. We generated free cash flow of \$17.4 billion for the twelve months ended January 31, 2019, which declined when compared to \$18.3 billion for the twelve months ended January 31, 2018 due to the same reasons as the decline in net cash provided by operating activities, as well as \$0.3 billion in increased capital expenditures.

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

Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

	Fiscal Year Ended	
	January 31,	
	2019	2018
<i>(Dollars in millions)</i>		
Net cash provided by operating activities	\$ 27,753	\$ 28,337
Payments for property and equipment (capital expenditures)	-10,344	-10,051
Free cash flow	\$ 17,409	\$ 18,286
Net cash used in investing activities ¹	\$ -24,036	\$ -9,079
Net cash used in financing activities	-2,537	-19,875

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

Adjusted EPS

Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the SEC's rules because it excludes certain amounts not excluded in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance for the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance.

We have calculated Adjusted EPS for the three months and fiscal year ended January 31, 2019 by adjusting EPS for the following: (1) adjustments in the provisional amount related to Tax Reform, (2) unrealized gains and losses on the company's equity investment in JD.com and (3) for the fiscal year ended January 31, 2019 only, the loss on sale of a majority stake in Walmart Brazil. We adjust for the following two items on a recurring basis each quarter:

- **Tax Reform** - The SEC allowed companies to record provisional amounts during a one year measurement period from the U.S. Tax Reform enactment date. While the company recorded provisional amounts in fiscal 2018, the company adjusted such provisional amounts during fiscal 2019. As the company adjusted EPS in fiscal 2018, for consistency, the company also adjusted EPS in fiscal 2019 for changes to the provisional amounts. This is the last quarter the company will adjust for Tax Reform.
- **Unrealized gains and losses** - Beginning in fiscal 2019, due to a change in U.S. accounting principles, Walmart is required to include unrealized gains/losses of certain equity investments within net income. The company's unrealized gains/losses primarily relate to Walmart's equity investment in JD.com. While the company's investment in JD.com was a strategic decision for the company's retail operations in China, management's measurement of that strategy is primarily focused on the Walmart China financial results rather than the investment value of JD.com. Additionally, management does not forecast changes in fair value of its equity investments. Accordingly, management adjusts EPS for the unrealized JD.com investment gains/losses.

Three Months Ended January 31, 2019			
Diluted earnings per share:			
Reported EPS		\$	1.27
Adjustments:			
	Pre-Tax Impact	Tax Impact 1	Net Impact
Unrealized (gains) and losses on JD.com investment	\$ -0.06	\$ 0.03	\$ -0.03
Adjustment to provisional amount for Tax Reform	—	0.17	0.17
Net adjustments		\$	0.14
Adjusted EPS		\$	1.41
Fiscal Year Ended January 31, 2019 ²			
Diluted earnings per share:			
Reported EPS		\$	2.26
Adjustments:			
	Pre-Tax Impact	Tax Impact 1	Net Impact
Loss on sale of majority stake in Walmart Brazil	\$ 1.64	\$ -0.10	\$ 1.54
Unrealized (gains) and losses on JD.com investment	1.20	-0.25	0.95
Adjustment to provisional amount for Tax Reform	—	0.16	0.16
Net adjustments		\$	2.65
Adjusted EPS		\$	4.91

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

² Quarterly net impact of individual adjustments or Adjusted EPS may not sum to YTD net impact of individual adjustments or YTD Adjusted EPS due to rounding. Additionally, the sum of all individual adjustments may not sum due to rounding.

As previously disclosed in our fiscal year ended January 31, 2018 press release, we have calculated Adjusted EPS for the three months and the fiscal year ended January 31, 2018 by adjusting EPS for the following: (1) restructuring charges, (2) losses on the early extinguishment of certain debt, (3) asset impairments and write-offs, (4) U.S. associate lump sum bonuses, (5) the impact of U.S. Tax Reform, (6) a legal settlement recovery and, for the fiscal year ended January 31, 2018 only, the (7) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter and (8) the gain on sale of Suburbia. The most directly comparable financial measure calculated in accordance with GAAP is EPS.

Three Months Ended January 31, 2018				
Diluted earnings per share:				
Reported EPS				\$ 0.73
Adjustments:				
	Pre-Tax Impact	Tax Impact 1	NCI Impact	Net Impact
Restructuring charges 2	\$ 0.40	\$ -0.12	—	\$ 0.28
Loss on extinguishment of debt	0.34	-0.13	—	0.21
Asset impairments and write-offs 3	0.18	-0.06	—	0.12
Associate lump sum bonus	0.15	-0.06	—	0.09
U.S. Tax Reform benefit	—	-0.07	—	-0.07
Legal settlement recovery	-0.05	0.02	—	-0.03
Net adjustments				\$ 0.60
Adjusted EPS				\$ 1.33

Fiscal Year Ended January 31, 2018				
Diluted earnings per share:				
Reported EPS				\$ 3.28
Adjustments:				
	Pre-Tax Impact	Tax Impact 1	NCI Impact 4	Net Impact
Loss on extinguishment of debt	\$ 1.05	\$ -0.38	—	\$ 0.67
Restructuring charges 2	0.40	-0.12	—	0.28
Asset impairments and write-offs 3	0.23	-0.07	—	0.16
FCPA accrual	0.09	—	—	0.09
Associate lump sum bonus	0.15	-0.06	—	0.09
U.S. Tax Reform benefit	—	-0.07	—	-0.07
Gain on sale of Suburbia	-0.13	0.04	0.04	-0.05
Legal settlement recovery	-0.05	0.02	—	-0.03
Net adjustments				\$ 1.14
Adjusted EPS				\$ 4.42

¹ Calculated based on nature of item and statutory rate in effect for relevant jurisdictions.

² Restructuring charges include \$0.20 for restructurings in the U.S., primarily relating to Sam's Club store closures and Home Office severance, and \$0.08 for Walmart International, primarily due to the winding down of the first party Brazil eCommerce operations.

³ Asset impairments and write-offs for Q4 includes \$0.08 of impairment charges due to decisions to discontinue certain real estate projects at Walmart U.S. and Sam's Club and technology assets at Corporate, and \$0.04 for the write-off of certain assets at Walmart International. Additionally, Q3 includes \$0.04 related to a decision to exit certain properties in a Walmart International market.

⁴ Calculated based on the ownership percentages of the noncontrolling interest at WalMex.



Financial presentation to accompany management transcript



Safe harbor and non-GAAP measures

This presentation contains statements as to Walmart management's guidance regarding earnings per share, consolidated net sales growth, Walmart U.S. eCommerce net sales growth, Walmart International net sales growth, consolidated operating income, expense leverage, grocery pickup and delivery locations, number of new units, capital expenditures and Walmart's effective tax rate for the fiscal year ending January 31, 2020, and comparable sales for Walmart U.S. and Sam's Club for the 53 weeks ending January 31, 2020. Walmart believes such statements are "forward-looking statements" as defined in, and are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Assumptions on which such forward-looking statements are based are also forward-looking statements. Walmart's actual results may differ materially from the guidance provided as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including:

- economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates;
- currency exchange rate fluctuations, changes in market interest rates and commodity prices;
- unemployment levels; competitive pressures; inflation or deflation, generally and in particular product categories;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates;
- the amount of Walmart's net sales denominated in the U.S. dollar and various foreign currencies;
- the impact of acquisitions, investments, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses, including within the eCommerce space;
- Walmart's effective tax rate and the factors affecting Walmart's effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations;
- changes in existing tax, labor and other laws and changes in tax rates;
- the imposition of new taxes on imports and new tariffs and changes in tariff rates;
- changes in existing trade restrictions and new trade restrictions;
- customer traffic and average ticket in Walmart's stores and clubs and on its eCommerce websites;
- the mix of merchandise Walmart sells, the cost of goods it sells and the shrinkage it experiences;
- the amount of Walmart's total sales and operating expenses in the various markets in which it operates;
- transportation, energy and utility costs and the selling prices of gasoline and diesel fuel
- supply chain disruptions and disruptions in seasonal buying patterns;
- consumer acceptance of and response to Walmart's stores, clubs, digital platforms, programs, merchandise offerings and delivery methods;
- cyber security events affecting Walmart and related costs;
- developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which Walmart is a party;
- casualty and accident-related costs and insurance costs;
- the turnover in Walmart's workforce and labor costs, including healthcare and other benefit costs;
- changes in accounting estimates or judgments;
- the level and consistent availability of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- Walmart's expenditures for Foreign Corrupt Practices Act "FCPA" and other compliance related costs, including the adequacy of the accrual with respect to this matter.

Such risks, uncertainties and factors also include the risks relating to Walmart's strategy, operations and performance and the financial, legal, tax, regulatory, compliance, reputational and other risks discussed in Walmart's most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the SEC. Walmart urges you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this release. Walmart cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects for or on Walmart's operations or financial performance. The forward-looking statements made in this release are as of the date of this release. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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



Fiscal Year 2020 Guidance

Metric	FY20 Guidance
Consolidated net sales growth	At least 3 percent in constant currency, affected: <ul style="list-style-type: none"> Positively by the acquisition of Flipkart Negatively by deconsolidation of Walmart Brazil Negatively by planned tobacco sales reduction at Sam's Club
Comp sales growth	<ul style="list-style-type: none"> Walmart U.S.: +2.5 percent to +3 percent, excluding fuel Sam's Club: around +1 percent, excluding fuel; around +3 percent, excluding fuel and tobacco
Walmart U.S. eCommerce net sales growth	Around 35 percent
Walmart International net sales growth	Around 5 percent in constant currency
Consolidated Operating Income	<ul style="list-style-type: none"> Decline by a low single-digit percentage range, including Flipkart Increase by low single-digit percentage range, excluding Flipkart
EPS	<ul style="list-style-type: none"> Decline by a low single-digit percentage range compared with FY19 adjusted EPS¹ Increase by a low to mid single-digit percentage range compared with FY19 adjusted EPS, excluding Flipkart
Effective tax rate	Approximately 26.5 percent - 27.5 percent
Expense leverage	Approximately 20 bps
Walmart U.S. grocery pickup and delivery	<ul style="list-style-type: none"> Approximately 3,100 grocery pickup locations by year-end FY20 Approximately 1,600 grocery delivery locations by year-end FY20
Capital expenditures	Approximately \$11 billion <ul style="list-style-type: none"> Strong focus on store remodels, customer initiatives, eCommerce, technology and supply chain
New Units	<ul style="list-style-type: none"> Walmart U.S. expects to open fewer than 10 stores Walmart International expects to open slightly more than 300 new stores primarily in Walmex and China

¹ Increase significantly compared with FY19 GAAP EPS

Walmart Inc.

(Amounts in millions, except per share data)

	Q4	\$ Δ^1	% Δ^1	FY19	\$ Δ^1	% Δ^1
Total revenue	\$ 138,793	\$ 2,526	1.9%	\$ 514,405	\$ 14,062	2.8%
Total revenue, constant currency ²	140,485	4,218	3.1%	515,107	14,764	3.0%
Net sales	137,743	2,593	1.9%	510,329	14,568	2.9%
Net sales, constant currency ²	139,423	4,273	3.2%	511,037	15,276	3.1%
Membership & other income	1,050	-67	-6.0%	4,076	-506	-11.0%
Operating income	6,067	1,600	35.8%	21,957	1,520	7.4%
Operating income, constant currency ²	6,159	1,692	37.9%	21,959	1,522	7.4%
Interest expense, net	605	106	21.2%	2,129	-49	-2.2%
Other (gains) and losses	-202	-202	NM	8,368	8,368	NM
Consolidated net income attributable to Walmart	3,687	1,512	69.5%	6,670	-3192	-32.4%
EPS	1.27	0.54	74.0%	2.26	-1.02	-31.1%
Adjusted EPS ²	1.41	0.08	6.0%	4.91	0.49	11.1%



¹ Change versus prior year comparable period.

² See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

NM = Not meaningful

Walmart Inc.

	Q4	bps Δ^1	FY19	bps Δ^1
Gross profit rate	23.8%	-21 bps	24.5%	-18 bps
Operating expenses as a percentage of net sales	20.2%	-138 bps	21.0%	-48 bps
Effective tax rate ²	32.7%	1,240 bps	37.4%	694 bps
Debt to total capitalization ³	NP	NP	44.5%	710 bps
Return on assets ⁴	NP	NP	3.4%	-180 bps
Return on investment ⁴	NP	NP	14.2%	— bps

¹ Basis points change versus prior year comparable period.

² The increase in the effective tax rate for the quarter was primarily due to adjustments related to Tax Reform and the impact of Flipkart, partially offset by the benefit of federal tax regulations issued late in Q4. The increase in the effective tax rate for the full year was primarily due to the loss on sale of a majority stake in Walmart Brazil, adjustments related to Tax Reform and the impact of Flipkart.

³ Debt to total capitalization calculated as of January 31, 2019. Increase versus prior comparable period primarily due to \$16 billion debt issuance to fund a portion of the purchase price for the Flipkart acquisition. Debt includes short-term borrowings, long-term debt due within one year, capital lease and financing obligations due within one year, long-term debt and long-term capital lease and financing obligations. Total capitalization includes debt and total Walmart shareholders' equity.

⁴ Calculated for the trailing 12 months ended January 31, 2019. For ROI, see press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

NP = not provided; NM = not meaningful



Walmart Inc.

(Amounts in millions)

	Q4	\$ Δ^1	% Δ^1
Receivables, net	\$ 6,283	\$ 669	11.9%
Inventories	44,269	486	1.1%
Accounts payable	47,060	968	2.1%

¹ Change versus prior year comparable period.



Walmart Inc.

(Amounts in millions)		FY19		\$ Δ ¹
Operating cash flow	\$	27,753	\$	-584
Capital expenditures		10,344		293
Free cash flow²	\$	17,409		-877



(Amounts in millions)		Q4		% Δ ¹		FY19		% Δ ¹
Dividends	\$	1,505		—%	\$	6,102		-0.3%
Share repurchases ³		3,249		98.1%		7,410		-10.7%
Total	\$	4,754		51.2%	\$	13,512		-6.3%



¹ Change versus prior year comparable period.

² See press release located at www.stock.walmart.com and reconciliations at the end of this presentation regarding non-GAAP financial measures.

³ \$11.3 billion remaining of \$20 billion authorization approved in October 2017. The company repurchased approximately 80 million shares in fiscal 2019.

Walmart U.S.

(Amounts in millions)

	Q4	Δ^1	FY19	Δ^1
Net sales	\$90,520	4.6%	\$331,666	4.1%
Comparable sales ^{2,3}	4.2%	160 bps	3.6%	150 bps
• Comp traffic	0.9%	-70 bps	NP	NP
• Comp ticket	3.3%	230 bps	NP	NP
eCommerce impact ³	~180 bps	~120 bps	NP	NP
Gross profit rate	Decrease	-27 bps	Decrease	-28 bps
Operating expense rate	Decrease	-46 bps	Decrease	-23 bps
Operating income ⁴	\$5,043	7.3%	\$17,386	2.3%

¹ Change versus prior year comparable period.

² Comp sales for the 13-week and 52-week period ended January 25, 2019, excluding fuel.

³ The results of new acquisitions are included in our comp sales metrics in the 13th month after acquisition.

⁴ In the first quarter of fiscal 2019, the company revised its corporate overhead allocations to the operating segments. Accordingly, previous segment operating income was recast to be comparable to the current period.

NP - Not provided



Walmart U.S. - quarterly financial highlights

Sales

- Comp sales¹ increased 4.2% driven by ticket growth of 3.3% and traffic growth of 0.9%. eCommerce contributed approximately 180 basis points to segment comp sales growth with strength in Grocery Pickup & Delivery and eCommerce ship-to-home.
- On a two-year stacked basis, comp sales were up 6.8%, the best result in nine years. Traffic was up 2.5% on a two-year stack basis.
- Grocery was particularly strong with mid single-digit comp growth in the quarter and the best two-year stack comp in nine years.
- The early release of government SNAP assistance benefited segment comp sales by about 40 basis points.

Gross profit rate

- Gross profit rate declined 27 basis points due primarily to the mix effects from our growing eCommerce business, our planned pricing strategy, and increased transportation expenses.

Expenses

- Operating expenses leveraged 46 basis points. Physical stores leveraged expenses for the eighth consecutive quarter largely due to strong sales performance and productivity improvements, partly offset by investments in eCommerce and technology. The overlap from last year's discrete charges benefited expense leverage by 12 basis points.

Inventory

- Inventory levels and in-stocks are in good shape as we start the new fiscal year. Q4 comp store inventory was up 0.8% and total inventory was up approximately 2%.

Format growth

- We had net openings of 2 Supercenters and closed 1 Neighborhood Market. We remodeled about 90 stores in Q4 and nearly 500 stores in FY19.
- As of Q4, we had more than 2,100 grocery pickup locations, nearly 800 stores with grocery delivery and more than 700 pickup towers.



¹ Comp sales for the 13-week period ended January 25, 2019, excluding fuel.

Walmart U.S. - quarterly merchandise highlights

Category	Comp	Comments
Grocery ¹	+ mid single-digit	Momentum continued in food and consumables with strong comp sales and traffic in the quarter. On a two-year stack basis, the grocery comp was the best in nine years. Sales strength was broad-based as customers are responding favorably to our pricing strategy, omni offer and improved private brands. Also, the early release of February SNAP assistance benefited comp sales.
Health & wellness	+ low single-digit	Pharmacy comp sales benefited from branded drug inflation, but was partially offset by a decline in 90-day scripts due to lapping last year's elevated cold, cough and flu season.
General merchandise ²	+ mid single-digit	We delivered solid sales results across all categories, including strong holiday sales. Toys, home, seasonal and electronics categories were the strongest performers in the quarter.



¹ Includes food and consumables.

² General merchandise includes entertainment, toys, hardlines, apparel, home and seasonal.

Walmart International

(Amounts in millions)	Reported		Constant currency ¹		Reported		Constant currency ¹	
	Q4	Δ^2	Q4	Δ^2	FY19	Δ^2	FY19	Δ^2
Net sales	\$32,317	-2.3%	\$33,997	2.7%	\$120,824	2.3%	\$121,532	2.9%
Gross profit rate	Decrease	-116 bps	NP	NP	Decrease	-41 bps	NP	NP
Operating income ³	\$1,170	-9.9%	\$1,262	-2.8%	\$4,883	-6.6%	\$4,885	-6.6%



¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

² Change versus prior year comparable period.

³ In the first quarter of fiscal 2019, the company revised its corporate overhead allocations to the operating segments. Accordingly, previous segment operating income was recast to be comparable to the current period.

Walmart International - quarterly financial highlights

Sales

- Positive comp sales growth in three of our four largest markets - Mexico, U.K. and Canada. In China, we saw a slightly negative comp in the quarter as a calendar shift of the Mid-Autumn Festival and a slower economic environment affected sales growth.
- The deconsolidation of Brazil was a sales headwind in the quarter offset by the inclusion of Flipkart sales for a full quarter.
- Currency negatively affected net sales by \$1.7 billion.

Gross profit

- Gross profit rate declined 116 bps on a reported basis, primarily due to Flipkart.

Operating income

- Operating income in the quarter declined 9.9% on a reported basis and declined 2.8% in constant currency.
- Changes in currency rates resulted in an approximately \$90 million headwind to operating income.
- Factors affecting our 4Q19 comparison included:
 - The inclusion of Flipkart during the full quarter this year
 - Lapping approximately \$400 million of restructuring and impairment charges last year;
- Without these items, underlying operating income would have increased slightly in constant currency.

Inventory

- During the quarter, inventory grew faster than sales on a reported basis.



Walmart International - key market quarterly results

Country ^{1,2}	Comp ³			Net sales ³	Gross profit rate ³	Operating income ³
	Sales	Traffic	Ticket			
Walmex ⁴	3.8%	0.1%	3.7%	5.3%	Increase	Increase
China	-0.2%	1.3%	-1.5%	1.0%	Decrease	Increase
Canada	1.1%	0.7%	0.4%	1.5%	Increase	Decrease
United Kingdom ⁵	1.0%	0.7%	0.3%	2.7%	Decrease	Decrease

¹ Results are presented on a constant currency basis here and for all key market highlights. Net sales and comp sales are presented on a nominal, calendar basis.

² eCommerce results are included for each of the markets listed in the table.

³ Change versus prior year comparable period.

⁴ Walmex includes the consolidated results of Mexico and Central America.

⁵ Comp sales for the United Kingdom are presented excluding fuel.



Walmart International - key market highlights

Walmex

- Net sales increased 5.3% and comp sales increased 3.8%, led by strength in Mexico.
 - In Mexico, comp sales increased 4.6% or 11.0% on a two-year stacked basis.
 - Continued to grow ahead of the market, including during the El Buen Fin event.
 - Accelerated expansion with the opening of 57 new stores (45 new stores in Mexico and 12 new locations in Central America).
- Comp sales growth continued to outpace ANTAD¹ self-service and clubs; Walmex has now outperformed the market for 16 consecutive quarters.
 - Increased omnichannel sales in Mexico by over 40% during 4Q FY19.
- Gross profit rate increased due to more effective negotiations with suppliers, especially for seasonal events, which was partly offset by price investments.
- Operating income grew faster than sales, primarily through gross profit improvement and other income contribution, while expenses were held in line with sales.

China

- Net sales increased 1.0% and comp sales decreased -0.2%.
- Sales were affected by factors including:
 - Calendar shift of the Mid-Autumn Festival from early October 2017 (4Q FY18) into late September 2018 (3Q FY19);
 - Intensifying competition from both online and traditional retailers;
 - Slower economic growth.
- Gross profit rate declined due to promotional events, investments to support increased online and multichannel sales growth and price investments in fresh.
- Operating expense leverage due to store cost controls resulting from our "operate for less" program, which included lower store occupancy, labor and utility costs.
- Operating income increased due to sales growth and expense leverage.



¹ ANTAD - Asociación Nacional de Tiendas de Autoservicio y Departamentales; The National Association of Supermarkets and Department Stores

Walmart International - key market highlights

Canada

- Net sales increased 1.5%, with comp sales growth of 1.1%.
 - Comp sales growth benefited from strength in grocery, consumables and health and wellness, partly offset by softer general merchandise sales.
 - Maintained our market share position in grocery, consumables and health & wellness, for the 12-week period ended January 26th, according to Nielsen.
- Gross profit rate increased mainly due to margin rates improvement in the grocery, health & wellness and consumables categories.
- Expenses deleveraged due to a combination of factors, including statutory wage changes, investments to accelerate omnichannel and store investments to improve the customer experience.
- Operating income declined primarily due to SG&A expense deleverage.

U.K.

- Net sales increased by 2.7%, with comp sales growth of 1.0%.
 - This is the seventh consecutive quarter of positive comp sales growth in a highly competitive market.
 - Sales excluding fuel benefited from continued strength in grocery with increased private label brand penetration and strong online grocery sales.
 - An improved customer experience supported positive comp traffic growth for the second consecutive quarter.
- Gross profit rate declined, reflecting continued price investments in food and mix dilution from higher fuel sales, only partly offset by non-food category margin rate improvement.
- Leveraged operating expenses on higher sales and strong cost controls.
- Operating income declined in the quarter, as planned, primarily due to the decrease in gross profit rate.



Sam's Club

(Amounts in millions)

	With fuel		Without fuel ¹		With fuel		Without fuel ¹	
	Q4	Δ ²	Q4	Δ ²	FY19	Δ ²	FY19	Δ ²
Net sales	\$14,906	-3.7%	\$13,657	-4.1%	\$57,839	-2.3%	\$52,332	-3.9%
Comparable sales ³	3.7%	10 bps	3.3%	90 bps	5.5%	250 bps	3.8%	180 bps
• Comp traffic	NP	NP	6.4%	210 bps	NP	NP	NP	NP
• Comp ticket	NP	NP	-3.1%	-120 bps	NP	NP	NP	NP
eCommerce impact	NP	NP	~90 bps	~10 bps	NP	NP	NP	NP
Gross profit rate	Increase	98 bps	Increase	85 bps	Decrease	-2 bps	Increase	12 bps
Membership income	NP	NP	NP	2.2%	NP	NP	NP	1.5%
Operating income ⁴	\$414	NM	\$356	NM	\$1,520	66.1%	\$1,383	73.5%

¹ Represents financial information of all non-fuel operations. For the three and twelve months ended January 31, 2019, fuel sales were \$1.2 billion and \$5.5 billion, respectively, and fuel operating income was \$58 million and \$137 million, respectively.

² Change versus prior year comparable period.

³ Comp sales for the 13-week and 52-week period and ended January 25, 2019. Tobacco sales negatively affected comparable sales by approximately 200 and 190 basis points for Q4 and FY19, respectively.

⁴ In the first quarter of fiscal 2019, the company revised its corporate overhead allocations to the operating segments. Accordingly, previous segment operating income was recast to be comparable to the current period.

NP - Not provided



Sam's Club - quarterly financial highlights

Sales

- Comp sales¹ increased 3.3% and comp traffic grew 6.4%. Tobacco negatively affected comp sales by 200 basis points, and the transfer of sales from closed clubs contributed approximately half of the 3.3% growth, excluding fuel.
- eCommerce sales increased 21%.
- Private brand sales penetration reached 26%, excluding fuel and tobacco.

Gross profit

- Gross profit rate increased 98 basis points and 85 basis points, with and without fuel, respectively. Higher margins on sales of fuel benefited gross profit. Without fuel, gross profit increased as a result of lapping markdowns and inventory liquidation associated with club closures in January 2018, as well as a reduction in sales of tobacco. These were partially offset by investments in price, higher eCommerce fulfillment costs and shrink.

Operating expenses

- Operating expenses as a percentage of net sales decreased 355 and 383 basis points, with and without fuel, respectively. Operating expense leverage is primarily the result of lapping a charge of approximately \$565 million associated with club closures and discontinued real estate projects in January 2018. This was partially offset by a reduction in sales of tobacco, along with greater incentive compensation and wages.

Membership income

- Membership income increased 2.2%. Trends in membership improved, and membership count is essentially flat versus last year despite the closure of nearly 10% of the club base. The Plus membership tier performed well due to improvements in the value proposition, including free shipping with no minimum purchase.

Inventory

- Inventory declined 5.6% and inventory at comp clubs declined 3.0%.



¹ Comp sales for the 13-week period ended January 25, 2019, excluding fuel.

Sam's Club - quarterly category highlights

Category	Comp	Comments
Fresh / Freezer / Cooler	+ mid single-digit	Deli, cooler and frozen performed well.
Grocery and beverage	+ high single-digit	Soda, water, candy, snacks and chips performed well.
Consumables	+ low double-digit	Most categories achieved at least mid single-digit growth.
Home and apparel	+ mid single-digit	Apparel, toys, home and hardlines performed well.
Technology, office and entertainment	- mid single-digit	Intentional de-emphasis on events across consumer electronics were offset by mobile and gift cards that performed well.
Health and wellness	+ low single-digit	OTC and pharmacy performed well.



Third-party FCPA and compliance-related expenses

(Amounts in millions)	Q4		YTD	
	FY19	FY18	FY19	FY18
Ongoing inquiries and investigations	\$3	\$4	\$17	\$14
Global compliance program and organizational enhancements	3	3	13	26
Total	\$6	\$7	\$30	\$40

These expenses are included in our Corporate and support expenses. These amounts exclude the accrual made in Q3 FY19 for the securities class-action and the accrual made in Q3 FY18 for the FCPA matter.

Non-GAAP measures - ROI

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

ROA was 3.4 percent and 5.2 percent for the trailing twelve months ended January 31, 2019 and 2018, respectively. The decline in ROA was primarily due to the decrease in consolidated net income over the trailing twelve months, resulting from the \$4.5 billion net loss related to the sale of a majority stake in Walmart Brazil and unrealized loss on our JD.com investment. ROI was 14.2 percent for the trailing twelve months ended January 31, 2019, which was flat compared to the prior year comparable period.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing 12 months divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and average amortization, less average accounts payable and average accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year or trailing 12 months multiplied by a factor of 8.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. In addition, we include a factor of 8 for rent expense that estimates the hypothetical capitalization of our operating leases. As mentioned above, we consider ROA to be the financial measure computed in accordance with generally accepted accounting principles most directly comparable to our calculation of ROI. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities; and incorporates a factor of rent to arrive at total invested capital. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA. Although ROI is a standard financial measure, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI. Beginning in the first quarter of fiscal year 2020, our calculation of ROI will change upon adoption of ASU 2016-02, *Leases*, primarily to replace the factor of rent times 8 with US GAAP operating lease assets.



Non-GAAP measures - ROI cont.

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

CALCULATION OF RETURN ON ASSETS				CALCULATION OF RETURN ON INVESTMENT			
		Trailing Twelve Months Ended January 31,				Trailing Twelve Months Ended January 31,	
(Dollars in millions)		2019	2018	(Dollars in millions)		2019	2018
Numerator				Numerator			
Consolidated net income		\$ 7,179	\$ 10,523	Operating income		\$ 21,957	\$ 20,437
Denominator				+ Interest income		217	152
Average total assets ¹		\$ 211,909	\$ 201,674	+ Depreciation and amortization		10,678	10,529
Return on assets (ROA)		3.4%	5.2%	+ Rent		3,004	2,932
				Adjusted operating income		\$ 35,856	\$ 34,050
		As of January 31,		Denominator			
Certain Balance Sheet Data		2019	2018	2017	Average total assets ¹	\$ 211,909	\$ 201,674
Total assets	\$ 219,295	\$ 204,522	\$ 198,825	+ Average accumulated depreciation and amortization ¹	85,107	79,995	
Accumulated depreciation and amortization	87,175	83,039	76,951	- Average accounts payable ¹	46,576	43,763	
Accounts payable	47,060	46,092	41,433	- Average accrued liabilities ¹	22,141	21,388	
Accrued liabilities	22,159	22,122	20,654	+ Rent x 8	24,032	23,456	
				Average invested capital	\$ 252,331	\$ 239,974	
				Return on investment (ROI)	14.2%	14.2%	



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

Non-GAAP measures - free cash flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$27.8 billion for the twelve months ended January 31, 2019, which declined when compared to \$28.3 billion for the twelve months ended January 31, 2018 primarily due to timing of vendor payments, partially offset by lower tax payments mainly resulting from Tax Reform and the timing of tax payments. We generated free cash flow of \$17.4 billion for the twelve months ended January 31, 2019, which declined when compared to \$18.3 billion for the twelve months ended January 31, 2018 due to the same reasons as the decline in net cash provided by operating activities, as well as \$0.3 billion in increased capital expenditures.

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

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

(Dollars in millions)	Fiscal Years Ended January 31,	
	2019	2018
Net cash provided by operating activities	\$ 27,753	\$ 28,337
Payments for property and equipment (capital expenditures)	-10,344	-10,051
Free cash flow	\$ 17,409	\$ 18,286
Net cash used in investing activities ¹	\$ -24,036	\$ -9,079
Net cash used in financing activities	-2,537	-19,875



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

Non-GAAP measures - constant currency

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

Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations. The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and twelve months ended January 31, 2019.

	Three Months Ended January 31,				Twelve Months Ended January 31,			
	2019	Percent Change ¹	2019	Percent Change ¹	2019	Percent Change ¹	2019	Percent Change ¹
<i>(Dollars in millions)</i>	Walmart International		Consolidated		Walmart International		Consolidated	
Total revenues:								
As reported	\$ 32,646	-2.4%	\$ 138,793	1.9%	\$ 122,140	2.0%	\$ 514,405	2.8%
Currency exchange rate fluctuations	1,692	N/A	1,692	N/A	702	N/A	702	N/A
Constant currency total revenues	\$ 34,338	2.6%	\$ 140,485	3.1%	\$ 122,842	2.6%	\$ 515,107	3.0%
Net sales:								
As reported	\$ 32,317	-2.3%	\$ 137,743	1.9%	\$ 120,824	2.3%	\$ 510,329	2.9%
Currency exchange rate fluctuations	1,680	N/A	1,680	N/A	708	N/A	708	N/A
Constant currency net sales	\$ 33,997	2.7%	\$ 139,423	3.2%	\$ 121,532	2.9%	\$ 511,037	3.1%
Operating income:								
As reported	\$ 1,170	-9.9%	\$ 6,067	35.8%	\$ 4,883	-6.6%	\$ 21,957	7.4%
Currency exchange rate fluctuations	92	N/A	92	N/A	2	N/A	2	N/A
Constant currency operating income	\$ 1,262	-2.8%	\$ 6,159	37.9%	\$ 4,885	-6.6%	\$ 21,959	7.4%



¹ Change versus prior year comparable period.

Non-GAAP measures - adjusted EPS

Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the SEC's rules because it excludes certain amounts not excluded in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance for the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance.

We have calculated Adjusted EPS for the three months and fiscal year ended January 31, 2019 by adjusting EPS for the following: (1) adjustments in the provisional amount related to Tax Reform, (2) unrealized gains and losses on the company's equity investment in JD.com and (3) for the fiscal year ended January 31, 2019 only, the loss on sale of a majority stake in Walmart Brazil. We adjust for the following two items on a recurring basis each quarter:

- *Tax Reform* - The SEC allowed companies to record provisional amounts during a one year measurement period from the U.S. Tax Reform enactment date. While the company recorded provisional amounts in fiscal 2018, the company adjusted such provisional amounts during fiscal 2019. As the company adjusted EPS in fiscal 2018, for consistency, the company also adjusted EPS in fiscal 2019 for changes to the provisional amounts. This is the last quarter the company will adjust for Tax Reform.
- *Unrealized gains and losses* - Beginning in fiscal 2019, due to a change in U.S. accounting principles, Walmart is required to include unrealized gains/losses of certain equity investments within net income. The company's unrealized gains/losses primarily relate to Walmart's equity investment in JD.com. While the company's investment in JD.com was a strategic decision for the company's retail operations in China, management's measurement of that strategy is primarily focused on the Walmart China financial results rather than the investment value of JD.com. Additionally, management does not forecast changes in fair value of its equity investments. Accordingly, management adjusts EPS for the unrealized JD.com investment gains/losses.



Non-GAAP measures - adjusted EPS

	Three Months Ended January 31, 2019			Percent Change ¹	Fiscal Year Ended January 31, 2019 ²			Percent Change ¹					
Diluted earnings per share:													
Reported EPS ³			\$	1.27	74.0%		\$	2.26	-31.1%				
Adjustments:		Pre-Tax Impact		Tax Impact ⁴		Net Impact		Pre-Tax Impact		Tax Impact ⁴		Net Impact	
Loss on sale of majority stake in Walmart Brazil		—		—		—		1.64		-0.10		1.54	
Unrealized (gains) and losses on JD.com investment	\$	-0.06	\$	0.03	\$	-0.03	\$	1.20	\$	-0.25	\$	0.95	
Adjustment to provisional amount for Tax Reform		—		0.17		0.17		—		0.16		0.16	
Net adjustments				\$	0.14							\$	2.65
Adjusted EPS ³			\$	1.41	6.0%						\$	4.91	11.1%

¹ Change versus prior year comparable period.

² Quarterly net impact of individual adjustments or Adjusted EPS may not sum to YTD net impact of individual adjustments or YTD Adjusted EPS due to rounding. Additionally, the sum of all individual adjustments may not sum due to rounding.

³ The reported effective tax rate was 32.7% and 37.4% for the three months and fiscal year ended January 31, 2019, respectively. When adjusted for the above items, the effective tax rate was 22.8% and 24.6% for the three months and fiscal year ended January 31, 2019, respectively.

⁴ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.



Non-GAAP measures - adjusted EPS

As previously disclosed in our fiscal year ended January 31, 2018 press release, we have calculated Adjusted EPS for the three months and the fiscal year ended January 31, 2018 by adjusting EPS for the following: (1) restructuring charges, (2) losses on the early extinguishment of certain debt, (3) asset impairments and write-offs, (4) U.S. associate lump sum bonuses, (5) the impact of U.S. Tax Reform, (6) a legal settlement recovery and, for the fiscal year ended January 31, 2018 only, the (7) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter and (8) the gain on sale of Suburbia. The most directly comparable financial measure calculated in accordance with GAAP is EPS.

Three Months Ended January 31, 2018				Fiscal Year Ended January 31, 2018			
Diluted earnings per share:							
Reported EPS				\$ 0.73			
Adjustments:	Pre-Tax Impact	Tax Impact ¹	Net Impact	Pre-Tax Impact	Tax Impact ¹	NCI Impact ⁴	Net Impact
Restructuring charges ²	\$ 0.40	\$ -0.12	\$ 0.28	\$ 0.40	\$ -0.12	\$ —	\$ 0.28
Loss on extinguishment of debt	0.34	-0.13	0.21	1.05	-0.38	—	0.67
Asset impairments and write-offs ³	0.18	-0.06	0.12	0.23	-0.07	—	0.16
FCPA accrual	—	—	—	0.09	—	—	0.09
Associate lump sum bonus	0.15	-0.06	0.09	0.15	-0.06	—	0.09
U.S. Tax Reform benefit	—	-0.07	-0.07	—	-0.07	—	-0.07
Gain on sale of Suburbia	—	—	—	-0.13	0.04	0.04	-0.05
Legal settlement recovery	-0.05	0.02	-0.03	-0.05	0.02	—	-0.03
Net adjustments			\$ 0.60				\$ 1.14
Adjusted EPS				\$ 1.33			

Additional resources at stock.walmart.com

- Unit counts & square footage
- Comparable store sales, including and excluding fuel
- Terminology
- Fiscal year 2020 earnings dates



