

# Walmart Inc 2018 Business Update and Celebration for Associates and Shareholders

## Company Participants

- Brett M. Biggs, Executive VP & CFO
- C. Douglas McMillon, President, CEO & Director
- Dana Hork, Unknown
- Gisel Ruiz, Executive VP & COO of Sam's Club
- Gregory Boyd Penner, Chairman
- Gregory S. Foran, Executive VP, CEO & President of Walmart US
- Jacqueline P. Canney, EVP of Global People Division
- Jennifer Fleiss, CEO of e
- John Furner, Executive VP, President & CEO of Sam's Club
- Judith McKenna, Executive VP, President & CEO of Walmart International
- Lupita Morales, Unknown
- Marc E. Lore, Executive VP, President & CEO of Walmart eCommerce US
- Sam Walton, Unknown
- Unidentified Speaker, Unknown

## Other Participants

- Amanda Mabaso, Analyst, Unknown
- Carly Rae Jepsen, Analyst, Unknown
- Cassadee Pope, Analyst, Unknown
- Jamie Foxx, Analyst, Unknown
- Mason Ramsey, Analyst, Unknown
- Unidentified Participant, Analyst, Unknown

## Presentation

### Unidentified Participant

(presentation)

### Unidentified Speaker

Ladies and gentlemen, welcome to the Walmart Associates and Shareholders Meeting.

(inaudible), are you in the house? Come on.

International?

Come on, (inaudible).

And I think we already know that Sam's Club is in the house.

Okay. What a start! Walmart U.S. Let me hear it.

So leaving the best to last. Walmart International, are you out there? Thank you. Thank you. Let's get this meeting started with a cheer. Let's go. Give me a W-A-L-squiggly-M-A-R-T. What to -- what's that spell? Whose Walmart is it? Who's #1? Thank you. Let's get started.

(presentation)

Ladies and gentlemen, please help us welcome our host, Jamie Foxx.

**Jamie Foxx** {BIO 2176041 <GO>}

What's up, what's up, what's up? How are we doing? How are we doing? How are we doing? DJ (Mta), take me there.

(presentation)

Back here with my Walmart, my Walmart extended family. Are we family? Yes. How's everybody doing this morning? Listen, I'm so excited to spend some time with you all because this is awesome. Thank you. So much for inviting me. Listen, things have changed in -- since 2009. I was here in 2009. You remember that? 2009 changed. I mean, back then, Walmart was in 16 countries. Now you are in 28 countries. Where my band at? Where my band at? 28 countries.

How about Massmart? Where you at in the house right now, Massmart? South Africa? That's my home. That's where I'm from. That's my home.

(presentation)

South -- Wakanda. No, no, no. I'll give you some Black Panther up in here. You know people actually think Wakanda is a real place now too. My brother was like, "I'm going to Wakanda this year."

In 2009 -- now when I read this, I was like this must be a misprint. In 2009, you guys did \$400 billion in sales. Give it up for that. But this year, give me a drumroll, this year, this year, sales are over \$0.5 trillion. Make some noise, right. \$0.5 trillion, I mean, that's God blessing. I mean, give it up for that. \$0.5 trillion, give it up for that, man.

You had 7,990 stores around the world. Today, there's over 11,600. Make some noise.

What was that? Is that Sam's Club? (inaudible) What we got for Sam's Club? Sam's Club.

(presentation)

I know you're looking at me like Foxx, we got to go. We got to get going, baby.

Doug was the CEO of Walmart International. Give it up for Doug. Not the entire company. Greg Penner was a member of the board for less than a year. And Rob Walton -- I mean, what can you say about Rob Walton? Still looking good, baby, still handsome fellow, still beautiful, still beautiful, baby, still good looking, baby. GQ Magazine, baby. Rob Walton. Too sexy. \$1 trillion. \$1 trillion? \$0.5 trillion.

Look, I'm pretty familiar how this goes. I'm sure how the shareholders' meeting thing works. We connect with all friends. We make new friends. We're going to laugh a little bit. We're going to get some music on. We're going to learn about each other. Ain't that right, Sam's Club? Yes. Indeed. Ain't that right, Walmart? Yes. Indeed. And listen, we're going to have a lot of great music and have a great time. Anyway, I promise you we're going to do all of these things and more, all at 8:00 a.m. getting it down on a Friday morning with 14,000 people in the building right now.

What do you say we get this thing going? To kick this off, I want to bring up a guy that I have a lot in common with. We're both very good looking. Got to give (half a code). You know what I'm saying, half a code? Smart, sophisticated, we will travel. But there's a big difference. One of us just scaled Mount Everest a couple of weeks ago. Give it up. Yes. That -- you know that ain't me. Black people -- I mean, I am brothers, I don't do a lot of snow. You know what I'm saying? If it was in the Bahamas, you know what I'm saying. (inaudible) Anyway, please welcome to the stage the man who did scale Mount Everest, the Walmart Chairman of the Board, Greg Penner.

### **Gregory Boyd Penner {BIO 5585986 <GO>}**

All right. Good morning. Great to have you. Wow, that is a lot of energy. Good morning. It's my honor, as your Chairman, to welcome you to the 48th Annual Walmart Associate and Shareholders' Meeting.

As Jamie mentioned, I was actually on Mount Everest 10 days ago. But the most interesting part of the climb was that it actually took 2 attempts to reach the peak. And I think there's a powerful story in that. On our first try, a few days before, we were only 1,000 feet from the top when about half of our oxygen regulators failed. This is a really dangerous situation. It'd be like flying in an airplane in cruising altitude when suddenly the cabin depressurizes and the oxygen masks don't work. So we quickly descended 7,000 feet to the safety of camp and prepared to head home. But over breakfast the next morning, we started to think about our six months of training, how hard we had worked, how close we came and whether there was any

possible way to make another attempt. We talked through a strategy, cobbled together the oxygen that we needed and convinced a few sherpa who were a little superstitious after our first attempt to make a run at it. Two days later, the Moosejaw flag was on top of the world with me.

In that experience, I saw something. And I've seen only one other place and with only one other group of people: going big, taking risks, never giving up and succeeding. That's what Walmart, that's what you, our associates, are all about now more than ever. Please know that I appreciate you. Your board and your leaders appreciate you. This incredible year that we've had that we'll discuss and celebrate today is all thanks to you.

At Walmart, the core of our business is strong. We're on a growth trajectory that not too long ago most people wouldn't have predicted. We're seeing that in the traditional ways we measure our growth. For example, across our businesses, comp store sales are at their highest levels in years. But we're also growing rapidly to meet the changing needs of our customers, take grocery pickup in the U.S. In 2014, we were still experimenting with this concept and covered only 2% of the population. By the end of this year, we'll expand access to this innovative, money-saving, time-saving and some joke life-saving service to as many -- as much as 70% of Americans.

Walmart is transforming and not by making some false choice between being a store-only retailer or an e-commerce-only retailer because we see the world differently. We see it through our customers' eyes. Walmart is a growth company with the customer at the center of everything that we do.

One of the biggest reasons for our success is our culture of risk-taking. It's vibrant. And it's back. Think about the last few years. We delivered the largest single-day private sector pay raise in history to our associates. We followed that up with another \$700 million in raises and bonuses this January. We've made our biggest commitment ever to e-commerce and have grown at a much faster rate in the U.S. since walmart.com became Jet-powered. We're also being creative and flexible on how we reshape the markets that we're in such as with our jd.com investment in China, combining our business in the U.K. with Sainsbury and our recent acquisition of the leading e-commerce company in India, Flipkart.

Today, at our company, making bold changes is normal and it's expected. And we're not going to let up. Being bold will keep us on a growth trajectory and leading the race to build the retail model of the future. We've seen boldness work in our company before. And often in ways that few predicted. One of the most important and meaningful examples is our work to solve big social and environmental challenges in our world. 13 years ago, Hurricane Katrina devastated the American Gulf Coast. At the peak of the crisis, we sent nearly 2,500 truckloads of supplies and made \$18 million in donations. We made a difference that no other company could make at a moment when it mattered most.

Our CEO at the time, Lee Scott, he asked a great question, "What would it take for Walmart to be that company at our best every day?" Over time, we've turned those words into massive meaningful value. Take our commitment to double the efficiency of our trucking fleet. We set that goal in 2005 and achieved it, as promised, in 2015. Over that 10-year period, compared to when we started, we delivered 1 billion more cases of merchandise, drove 450 million fewer miles and prevented emissions equal to taking 138,000 cars off the road. And we saved our company nearly \$1 billion annually in the process.

I'm just as excited to talk about and think about what's ahead with our opportunity to reduce food waste. It's hard to believe. But about 1/3 of the food produced in the world is wasted. We've been working on this problem at Walmart. Over the last two years, with just one pilot program on strawberries in the U.S., we've taken 1.5 days out of the product supply chain, added 2 to three days of freshness and reduced inventory in our distribution centers by 70%. Extraordinary. What if we could take that approach across our entire fresh business? We don't have to think too hard to imagine what's possible, because last year, Walmart U.S. cut its food waste by 100 million units.

Walmart's opportunity to make a difference is bigger than with any other company in the world. But the only way we'll realize our full potential is by finding more partners to work with in new ways. I say this especially to suppliers, where I believe we have our biggest opportunity. Join us to do even more. No partner can help you make a bigger difference on the toughest social and environmental issues facing the world than Walmart.

There's no question that we're leading. Walmart is a growth company again. And we're doing that while redefining the role that businesses can and should play in our world. I believe we'll look back on this moment as a time of true transformation for our company. We went big, we took risks, we never gave up and we succeeded. This is when we restarted our climb. And the world began to see that Walmart could win and, I believe, will win the future of retail.

Now I'd like to take a moment to introduce your Board of Directors. This is a truly outstanding group of individuals. They're diverse with their backgrounds, their thinking and their contributions. I'd like to ask each board member to stand when I call their name. And please hold your applause until the end. The Chair of our Audit Committee, retired KPMG Chairman, Tim Flynn; Square Chief Financial Officer, Sarah Friar; Morgan Stanley Vice Chairman, Carla Harris; former American Airlines Chairman and CEO and our new lead independent director, Tom Horton; former Yahoo! President and CEO and now the co-Founder of Lumi Labs, Marissa Mayer; Walmart President and CEO, Doug McMillon; the Chair of our Compensation Management and Development Committee, former PepsiCo Chairman and CEO, Steve Reinemund; Founder of RZC Investments, Stuart Walton; and of course, my predecessor as Chairman of the Board, Rob Walton. Thank you, all. Please be seated.

I'm also excited to introduce one new independent member of the board, Steve Easterbrook. Steve, please stand up. Steve's been the President and CEO of

McDonald's since 2015. He's an inclusive leader. And he's transforming one of the world's great businesses. We're fortunate to have him on the Walmart board. Thank you, Steve.

Stepping off the board and not standing for reelection are 2 directors who have made significant contributions to our company. First, Instagram Co-Founder and CEO, Kevin Systrom. Kevin's brought an entrepreneur's perspective and technology expertise to our board. Kevin's leaving us a little earlier than we'd like. But we've enjoyed working with him and benefited immensely from his time with us. Thank you, Kevin.

I'd also like to recognize Dr. Jim Cash. Jim's rolling off our board after 12 years of service, including, most recently, as our lead independent director. Dr. Cash always seems to strike the perfect balance between being supportive yet very challenging to our senior management team. If there was a Board of Director Hall of Fame, Jim, you would be in it as one of the all-time greats. Thank you.

That's your Walmart Board of Directors. Thank you for your service. And thank you to all of our shareholders for the opportunity to represent you. I'd also like to introduce one of my heroes who is here today, our former CEO, David Glass.

Now I've just one more piece of business to take care of before we proceed. On Wednesday, we held a formal meeting where we heard proposals and cast votes. The preliminary voting results were included in a press release that's now available on our corporate website. Let me share those with you in person now. All 11 director nominees were elected. The nonbinding advisory resolution regarding our executive compensation was approved. The proposal ratifying the appointment of Ernst & Young as our independent accountants was approved. And each of the shareholder proposals presented failed to receive a majority vote. The official voting results will be disclosed next week in a filing with the Securities and Exchange Commission.

Now let's get on with the meeting. Thank you.

## **Unidentified Participant**

Hi. I'm (Sarah Grunewald) from store 4164 in Kaufman, Texas. I'm thrilled to be here and honored to introduce our next speaker. Please welcome a fellow Texan and our Chief Financial Officer, Brett Biggs.

## **Brett M. Biggs** {BIO 17414705 <GO>}

How are you? It's good to have another Texan up here.

## **Unidentified Participant**

Yes. Thank you.

**Brett M. Biggs** {BIO 17414705 <GO>}

Do you think we -- are there some other Texans out here? I wanted to -- you're brave. There's -- meeting a Texan in Arkansas sometimes has ramifications. So you're brave to do this. And I appreciate it. Did you know that Jamie Foxx, his hometown, is like 15 minutes from where you live?

**Unidentified Participant**

I do.

**Brett M. Biggs** {BIO 17414705 <GO>}

Maybe you guys can go hang when you get back?

**Unidentified Participant**

Maybe.

**Brett M. Biggs** {BIO 17414705 <GO>}

Let me talk to him backstage.

**Unidentified Participant**

Yes. We should all get together and have lunch sometime.

**Brett M. Biggs** {BIO 17414705 <GO>}

I'd like that, a Texan thing. It's great to see you. You did a great job. Give it up for Sarah.

Hi. Walmart. Sam's Club too. Anyone having fun? I wish you could see this view. It's one of my favorite views. I love this day. It's unbelievable to see the colors and the lights. Unbelievable. And is this a great time to be at Walmart? It's exciting.

So I'm the numbers guy. I'll try not to make this boring. But I'm going to start with a number, all right? 3 minutes, 59 and 4/10 of a second? Anyone know what that number is? Couple of people. So on May 6, 1954, a British medical student named Roger Bannister did something most everyone thought was impossible. He ran a mile in less than 4 minutes. So did anyone here ran a mile less than 4 minutes before? Anyone hate running? Yes. I figured that would probably be a bigger crowd.

No one had ever been able to run a 4-minute mile. And many, including doctors, thought it might be impossible. Most thought the only way it could be done was if all of these conditions existed. You need to be a professionally trained runner. The runner had to use really short bursts of energy at the right times. You have to have

perfect weather conditions. And you needed a crowd like this one to cheer on the runner. Roger Bannister wasn't even go to run that morning. He had been working at the hospital all day. And the weather wasn't great. I'm sure that will surprise everybody from the U.K. that the weather was not great that day. But his coach implored him to run as others were getting really close to breaking the record. So 30 minutes before the race, he decided to give it a go. That's a great decision because we're not sitting here today talking about the second guy who broke the 4-minute mile. But as he came to the finish line that day, he collapsed. But as he came to, he heard the announcer say, "A new world record of 3," and no one else needed to hear anything else. The impossible had been done.

So conventional wisdom was wrong that day. Was Roger Bannister a professionally trained runner? No. He trained a lot less than others. But he had studied how to run differently. Did he use short bursts of energy? No. He medically knew that a steady pace was the key to being able to do this. Were there perfect weather conditions? No. Again, surprisingly, it was windy and wet. Was there a large crowd like this one? No, a really small crowd. So the conditions weren't perfect. And the only way to do it wasn't quite correct. It rarely is.

Roger Bannister did things differently. And that's what we're doing at Walmart. Retail is changing. And we're leading and taking a different approach to serving our customers. We are disrupting retail. We're serving customers in new ways. We're bringing our stores, our clubs and e-commerce all together in ways that no one else can. Our assets are unlike any in the world, which allows us to do things our way. And we are delivering results.

Let's take a look at some of the numbers from our last fiscal year. Walmart U.S., highest comps in nine years. Unbelievable. I got to do it. Sam's Club. Sam's had over 3% sales growth. And you're leading the company in how we're adopting new technology to serve our members. Anyone here from U.S. e-commerce? 44% growth last year. And you guys are making great progress on a number of key initiatives for us. Thank you. International? International, another unbelievable year. 10 out of 11 of our markets had positive comps, another unbelievable year.

As a company with operating cash flow of over \$28 billion -- so by the way, that is nearly \$60 billion of cash that this business has generated over the last two years. And in addition to everything we're doing inside this business, we're making sure we take care of our shareholders. We've increased our dividend for the 45th consecutive year. And we returned over \$14 billion to our shareholders. We have one of the highest credit ratings in the world. And our company is valued by the market at nearly \$250 billion. Amazing number. Your company, our company is one of the strongest most successful companies in the world, period.

So recently, I was reading an article about Walmart. And it said things like times had changed. The retail market has changed. Competition's fierce. A company that's built on great simplicity is now diversifying. Can they stay ahead of the change? That sound familiar to you? And the article had a quote from the CEO saying, "We're laying the pipes to be successful in the future. It's the tuition you pay to get the



education you need to get where you want to be." And you might wonder why I just said the CEO and I didn't mention Doug McMillon. That's because the quote was from David Glass. And the article was from 1996. And as Greg mentioned, Mr. Glass is with us today. Good to see you, Mr. Glass. And this article went on to say things how's Walmart going to continue to grow? Its sales have doubled to nearly \$100 billion. It's risky bet getting into groceries. But you see, Walmart's always been the disruptor. And we still are. We've done things differently. We still do. Mr. Glass, I'd say that was a pretty good idea to get into groceries. Thank you.

So you remember that \$100 billion company that might not grow? Your company hit \$500 billion in revenue this year. And that was going to be awesome until Jamie Foxx told you first. Our financial strength and our willingness to do things differently is going to help us continue to grow, continue to win. And Mr. Sam taught us this from the beginning. He said fight conventional wisdom. Have the energy to develop ideas that the world suggests or either not sophisticated enough or far too away from the way everybody does it. We have all the assets in the world to win. We have that energy to develop new ideas. And we're doing that. We're disrupting retail again. We're making decisions to set this business up for the success for decades to come. We focused on providing returns to shareholders. And we talked about that in the short term. But winning business is also focused on the long term. We're doing both.

Take our recent announcement to grow in India by acquiring Flipkart. We have some of our Indian associates right here in the middle. India is a market with 1.3 billion people and great growth potential. And Flipkart is an amazing company with great leadership. And they're changing how people shop in India. We have some of our Flipkart team with us today. Welcome to the team.

Disrupting and winning. It's in our DNA. We have it all. We have dedicated store and club associates and so many of them in this room, we have great merchants, we have the best truck drivers, we have tech engineers, we have data scientists, we have global business services, we have best-in-class logistics and we have world-class corporate functions. The main thing is, though, we have the culture, we have the values, we have the purpose and we have you. No other company in this world has all these assets that we have to win. No one. But now it's on us. It's up to us to ensure that this wonderful company thrives now and into the future.

So would anyone would like to go with me and go win? Me, too. Thank you for all you do for Walmart.

**Jamie Foxx** {BIO 2176041 <GO>}

Brett, what a man! Give it up for Brett once again, please, ladies and gentlemen.

**Brett M. Biggs** {BIO 17414705 <GO>}

I'm Texan.

**Jamie Foxx** {BIO 2176041 <GO>}

Texas.

**Brett M. Biggs** {BIO 17414705 <GO>}

I'm a Texan.

**Jamie Foxx** {BIO 2176041 <GO>}

Baby, come on.

**Brett M. Biggs** {BIO 17414705 <GO>}

Come on. I'm used to this. I'm used to this.

**Jamie Foxx** {BIO 2176041 <GO>}

(presentation)

**Brett M. Biggs** {BIO 17414705 <GO>}

Doug gave me a funny look last night. Now I know why.

**Jamie Foxx** {BIO 2176041 <GO>}

(presentation)

Give it up for Brett (inaudible). Texas, baby.

**Brett M. Biggs** {BIO 17414705 <GO>}

Texas forever.

**Jamie Foxx** {BIO 2176041 <GO>}

Yes. We're just hanging out with the family. They're going to adopt me. You're ready for -- speaking of country music about where are my country music people at right now? Man, you all know Arkansas, you better make some noise for some country music, baby. George Strait. Miranda Lambert. Lee Greenwood. (We're talking about) some Lee. It's old school.

(presentation)

All right, don't get me started. Go back to the Texas -- Listen, listen, listen. We've got some country music for you right now. Our next guest, listen, Season 3 winner of The

Voice. If you watch The Voice, make some noise. She released her solo album in 2013 that debuted at #1. She was named 2016's People Choice Award for Favorite Female Country Artist and won a GRAMMY in 2017 for Best Country Duo/Group Performance with Chris Young.

Ladies and gentlemen, get on your feet right now. Get on your feet right now. Everybody on your feet right now. If you love country music, make some noise right now. Come on. Cassadee Pope.

## **Cassadee Pope**

Hello, Arkansas.

(presentation)

Thank you. So much. Jamie Foxx just introduced me. So that's cool. That's crazy. Thank you. So much for having me here at your Shareholders' Meeting. This is the coolest meeting I've ever been a part of.

Again, my name is Cassadee Pope. I have had the pleasure of doing some events with Walmart and Sam's Club. And I just want to thank you guys for the support over the years. I'm going to leave you with this one. This is my new single, Take You Home. It goes like this.

(presentation)

Thank you.

## **Dana Hork**

Good morning, Walmart. My name is Dana Hork. And I'm so proud to lead the Social Media and Content Marketing team for Walmart here in the U.S. It is my pleasure to introduce to you the President and CEO of Walmart E-commerce U.S., Marc Lore.

## **Marc E. Lore** {BIO 3597588 <GO>}

Thank you, Dana. Dana has done an amazing job with Walmart's social media campaign. If you haven't seen what she's done, it's really cool. Let's give a round of applause to Dana.

Hello, Walmart. Wow! There's nothing like Shareholders' Week, is there? Makes me so proud to be a Walmart associate. Of course, I'm really proud of our e-commerce team. 44% sales growth last year. And this year, we expect 40% again.

We're moving faster than ever before. And moving fast has never been more important. It feels like life gets more and more hectic every day, especially for a

family. If your family is anything like mine, there's work, there's school, there's soccer practice or, as most of our international colleagues call it, football practice. Today's families are busy. They text each other. But the time they actually spend together never seems to be enough.

Well that's where Walmart can help. This is that place where we can make every day easier for busy families. One way is with our stores. We pretty much have a store near everyone. You can get everything you need at a low price, milk, diapers, even a prepared meal for that extra busy day. And our apps have made shopping easier and faster. You can use our apps to do returns, to pay or see what aisle something's in. You can even use the skin and go out to totally skip the checkout line. Right, Sam's Club? Good to see you guys fired up again this year.

But in addition to our stores, we also have to nail the fundamentals of e-commerce because busy families love the convenience and selection of shopping online. We just redesigned walmart.com. Now when you go to the site, you'll see a personalized homepage showing what's trending where you live. You'll see the option of the groceries from your local store like store 3278 in Lincoln, Nebraska. You can search for pretty much anything else you need, whether that's premium brand clothing or a hand-carved leather saddle. By the way, the horse is not included. The new site represents a ton of hard work by hundreds of associates like (Ammu) from the engineering team, (Christine) from the design team and (Uja) from the product team. Great job.

When a busy family orders something online, they expect to get it fast in a way that works for their lives. Sometimes, they want 2-day free shipping to their home with no membership fee. But other times, they need their order even sooner. And because of pickup and delivery options, Walmart has an unmatched advantage. At some stores, you can get an online order out of a pickup tower. And others will load the groceries right into the trunk so you can be on your way. You can even choose to send something we don't sell in the store to a store. In many cases, we're able to offer a discount for doing that since we avoid last-mile delivery costs. Like if you come in and pick up that 32-pound saddle you sell, we'll give you discount.

We're also offering same-day delivery at more and more places. Same-day is the height of convenience. And there's a huge opportunity in retail for whoever can do it best. We think we're in the best position because of our 10,000-plus stores we already have worldwide that are already full of the items families need. We'll be in 100 U.S. markets by the end of the year, covering 40% of the population. We're even offering 1-hour delivery in parts of China, Mexico and Chile.

Now as we do all of that, we're also focused on the future. And I want you to meet an associate who's obsessed with how we'll win with customers tomorrow. She cofounded a website called Rent The Runway. And last year, she joined Walmart. She's part of what we call Store No. 8, where we're incubating businesses that will shape the future of retail. Please welcome Jenny Fleiss.

Hi, Jenny. It's so great to have you here.

**Jennifer Fleiss** {BIO 17229673 <GO>}

Thank you. This is incredible. Hello, Walmart.

**Marc E. Lore** {BIO 3597588 <GO>}

Isn't this incredible?

**Jennifer Fleiss** {BIO 17229673 <GO>}

Yes.

**Marc E. Lore** {BIO 3597588 <GO>}

We've been talking a lot about busy families. And I know that you can relate.

**Jennifer Fleiss** {BIO 17229673 <GO>}

Oh, my goodness. I have 3 young kids at home. It's definitely busy in my house.

**Marc E. Lore** {BIO 3597588 <GO>}

So what's the future look like for a busy family like yourself?

**Jennifer Fleiss** {BIO 17229673 <GO>}

Well it's about simplicity, the simplicity of just sending a text or speaking when you need something and having it show up. So you might be driving in your car and you just say diapers, dog food and garbage bags. And then later that day, like magic, you have it. Or it might be canceling or tracking an order with a one-word text or even just saying, "I need a birthday present for a 7-year-old girl," and instantly receiving a specific recommendation.

**Marc E. Lore** {BIO 3597588 <GO>}

Jenny leads a team that's been working on that vision. And just yesterday, they unveiled a new service called Jetblack. Take a look.

(presentation)

Wow, pretty exciting stuff.

**Jennifer Fleiss** {BIO 17229673 <GO>}

Thank you. Right now, it's limited to New York City. I don't know how many requests we'll get for saddles there. But you never know. The cool thing is to think of how fast things are moving in this direction all over the world. More and more families are going to be shopping by just texting or speaking as the years go by. And what excites me. And I know it excites you, too, Marc, is that Walmart is uniquely positioned to offer these experiences.

**Marc E. Lore** {BIO 3597588 <GO>}

That's right. Our stores and our people allow us to do things no one else can. Thanks, Jenny. So glad you're a part of Walmart.

**Jennifer Fleiss** {BIO 17229673 <GO>}

Thank you.

**Marc E. Lore** {BIO 3597588 <GO>}

Something I love about Jenny is that she's always thinking about new ideas. Because of the creativity and energy of associates like Jenny, we've been trying a lot of new things lately. Our goal isn't to have a perfect track record. It's to make sure we're moving fast, taking smart risks. We want to continually learn, adapt and push the limits of what's possible. At the end of the day, everything we're doing adds up to something really special. We're giving families a little bit more time to spend together, whether that's going for a hike, reading a bedtime story or sharing some laughs over dinner. In today's hectic world, those moments mean everything. And the work we're doing, the work you are doing make those moments possible. Thank you.

**Unidentified Participant**

Hello. I'm (Brandy Delgado), Claims Supervisor from store 942 in Ocoee, Florida. Thank you.

I'm happy to help introduce our next musical act from her starring role as the iconic pink lady, Frenchy, in the award-winning musical Grease: Live to her mostly -- I'm sorry, most recently voided (sic) (voiced) character of Odette in the animated movie Leap!. Everyone, leap to your feet and help me welcome multi-platinum GRAMMY-nominated singer, songwriter, Carly Rae Jepsen.

**Carly Rae Jepsen** {BIO 17935883 <GO>}

(presentation)

Thank you. So much everyone here. Have a great day.

**Unidentified Participant**

Good morning. I'm (Arianna Valdez) from club 8167 in Franklin, Wisconsin. I'm proud to be a Sam's Club associate. It is my pleasure to introduce President and CEO for Sam's Club, John Furner.

**John Furner** {BIO 19351533 <GO>}

Hello, Walmart. Hello, Walmart. And hello, Sam's Club. I'm really proud of our team. Now earlier this year, I put out a challenge for us to become a 5% comp business. And well, as you may have heard, last quarter, we were on a 5.2%. Congratulations. And we've been working on simplifying our business and getting the business back on the warehouse model. And that's why our comp was the highest since it's been in over five years. So congratulations.

Now I just want to say it's really an honor to be speaking to you here today. I started my career here 25 years ago at store #100 in Bentonville, Arkansas. Now remember, on my first day. And some of you will relate to this, my supervisor walked in and said, "Okay, John, just go zone the Garden Center." Okay? I said repeat that, "Zone the Garden Center?" "Yes, just zone the Garden Center." So I had absolutely no idea what that meant. So I just acted busy. And then a few minutes later, someone came up and they said, "Okay, just go grab a Garvey gun." Okay, I got this one. So I ran back to sporting goods. And it turns out there are no Garvey guns in sporting goods. But over time, I learned what both of those things meant. And as the years went by, I learned more and more. And I actually never thought I'd have the opportunity to stand on in this stage and talk to you. But opportunity, that's what makes this company so great.

Now so many of us in this room, we have a story. And I want to talk about a few. (Emma Tsu). Emma grew up in Tianjin, China. And she began her career in Walmart China as a software engineer. And today, she's the Vice President of Technology and Club Support here in Northwest Arkansas. And Daniel McGow. Daniel began working in a temporary position at a supercenter in Las Vegas. He attended a Walmart Academy. And he's been promoted to be an assistant manager. (Masihi Shirakawa). He served in the Japan Maritime Self-Defense Force. And today, he's an assistant manager at one of our Seiyu stores. Then (Stacy) and (Steven Binkley). They met while working at one of our clubs in Texas while they're both in college. And today, they are serving their community as a teacher and a police officer. So whether you spent your entire professional career here at Walmart, like I have, or it's a second career or it's just a place to get a start, this is a place that's full of opportunity.

Now another associate that I'm so proud to work with is Gisel Ruiz. Gisel grew up in California. And she was the first person in her family to graduate college. She joined Walmart as an hourly management trainee in 1992. And today, she leads 100,000 people as the Chief Operations Officer at Sam's Club. Gisel. Good morning.

**Gisel Ruiz** {BIO 15323604 <GO>}

Hi. Good morning, John. (foreign language)

## Unidentified Participant

(foreign language)

**Gisel Ruiz** {BIO 15323604 <GO>}

(foreign language)

## Unidentified Participant

(foreign language)

**Gisel Ruiz** {BIO 15323604 <GO>}

(foreign language)

## Unidentified Participant

(foreign language)

**Gisel Ruiz** {BIO 15323604 <GO>}

(foreign language)

## Unidentified Participant

(foreign language)

**Gisel Ruiz** {BIO 15323604 <GO>}

(foreign language)

**John Furner** {BIO 19351533 <GO>}

(foreign language)

Now let's take a moment and hear what some of you had to say about opportunity here this week.

(presentation)

Now we have such amazing associates. Don't we, Gisel?

**Gisel Ruiz** {BIO 15323604 <GO>}



We do. And this is one of the reasons that I am so proud to work for this company, all of you.

**John Furner** {BIO 19351533 <GO>}

And I know you're also proud of some of the investments we've been making at Sam's Club this year.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes, I am. I am especially proud of what we're doing in the fresh department. Grocery. You see grocery is such a priority across the Walmart enterprise. Our members and customers are counting on us to provide quality items like fruit, meat, baked goods. And it's an area, as we heard before, that we're very well positioned to win.

**John Furner** {BIO 19351533 <GO>}

And it's so important to us that we announce a new training program for our hourly fresh associates at Sam's Club this year.

**Gisel Ruiz** {BIO 15323604 <GO>}

That's right. So here's how it works: associates who complete training and receive certification will be eligible for a 40% to 60% increase in pay.

**John Furner** {BIO 19351533 <GO>}

So that means that an hourly associate who completes the full program could earn over \$50,000 a year. Now how does that sound?

Now of course, when we talk about investing in our associates, we've also got to talk about technology because it has changed how we work.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes. It has. All over the world. And you heard a little bit about it today, mobile tools are making work easier for our associates. And that's meant less hours in the back office and more hours out on the sales floor. John, I know, especially, you love the way that we're communicating on new platforms like Workplace.

**John Furner** {BIO 19351533 <GO>}

I do. I really love Workplace because it's such a great way to see what's going on in different clubs. We can share new ideas, we share best practices and, importantly, we can share really special events, like promotions or anniversaries.

**Gisel Ruiz** {BIO 15323604 <GO>}

That's exactly right. In fact if you look on the screen, you could see some of the posts from our Sam's Club associates this week.

**John Furner** {BIO 19351533 <GO>}

Of course, while technology does create new opportunities, it also brings new challenges. And the reality is not all of today's jobs will exist in the future. And we want to prepare our people by teaching them new skills and, in some cases, creating new roles altogether.

**Gisel Ruiz** {BIO 15323604 <GO>}

That's exactly right. So John and I want to tell you about Ellen Martinez. Ellen started out as an hourly associate at Sam's Club. Now four years ago, she moved into Walmart to manage a new grocery pickup location.

**John Furner** {BIO 19351533 <GO>}

And today, Ellen, she's a regional e-commerce manager who oversees the rollout of new pickup towers, pickup locations and same-day delivery all across the Northeast United States.

**Gisel Ruiz** {BIO 15323604 <GO>}

That's right.

**John Furner** {BIO 19351533 <GO>}

And I just love Ellen's story, not only does it show how she's advanced within the company. But it also shows how we're bringing associates along as the work continues to change.

**Gisel Ruiz** {BIO 15323604 <GO>}

That's exactly right. In fact, Ellen's last 3 roles didn't even exist a few years ago. Great work, Ellen.

So no matter who you are or where you're from or where you might be in your career, this is that place. This is where opportunity is here for you.

**John Furner** {BIO 19351533 <GO>}

And I agree, Gisel. And from my very first role back at store 100, I knew this is the place where I wanted to be. There is so much opportunity for you as an individual,

for us together as a team. And together, we can all make a difference in millions of people's lives. Thank you.

**Jamie Foxx** {BIO 2176041 <GO>}

Yes, yes, yes. Man, when I say Sam's Club is on fire. But Walmart is on fire, too. Don't sleep. Walmart is on fire, too. (Mta), where you at?

**Unidentified Participant**

Having a really good time right now...

**Jamie Foxx** {BIO 2176041 <GO>}

Walmart is on fire, too. Shout out to all my international crowd, too.

(presentation)

All right. All right. All right, man. I'll be here all day, man. I'm sorry. Is this beat going great or what?

Just so -- but I can't believe all of the stuff we've already covered. Listen, you guys, you got to get busy in the morning. I mentioned family at the beginning. I feel like I'm part of your family. I don't know who's cooking. Are you cooking? Because I'm coming over to eat later on. What you want? Whatever you got. Grits. Whatever you got. Grits.

Walmart is different. Walmart is different because you focus on the customer. Can't tell you how many Christmases I'm up in Walmart December 23 getting it done. You're willing to take risks and help make the planet a better place. And you really care about each other. Give it up.

And it all started with Sam Walton. Make some noise. Come on, man. Come on. (inaudible) make some noise.

(presentation)

Sam was one of the greatest entrepreneurs of all time. He was willing to try new ideas, always listen to his associates and push the company to swim upstream. So it's time to bring back to the stage a guy who has a really easy job carrying on that legacy. Give it up for Greg Penner in the building. Keep going.

**Gregory Boyd Penner** {BIO 5585986 <GO>}

No dancing, no dancing. What a great meeting so far.

Our Walton family is as passionate as ever about this company, its leaders and our incredible associates from around the world. This year marks what would've been Sam Walton's 100th birthday. What an incredible legacy he left for us. That includes the responsibility we all feel as part of Walmart to make a difference in the world around us.

Toward the end of his life, Sam thought a lot about this and what our family could do through philanthropy. But also what the company could do as a successful business. In his autobiography, *Made in America*, Sam wrote, "We aren't the least bit naïve about how big a stick Walmart swings in the world of retailing these days. We know we can be very influential. And we want to find more ways in which we can use our influence to give back." That's Sam talking about scale and how we can use it for good 25 years ago. It's amazing how much he got right and how far ahead he was in his thinking.

Now it's my privilege to introduce some members of the Walton family who are here today. First, my father-in-law, Rob Walton and his wife, Melani. Go ahead and stand up. I don't see him here. Is Ben here? Ben -- there they are. Ben and Lucy Ana and their girls; Alice Walton, of course; Jim Walton, his wife, Lynne. And their sons; their sons, James and Steuart Walton; also, their daughter, Annie and her husband, Joey Proietti; uncle Frank Robson; and finally, Ann Kroenke and her daughter, Whitney. Thank you, all for being here today.

Now we've got a special video with Rob, Jim and Alice about the origins and meaning of the Sam Walton Entrepreneur of The Year Award.

(presentation)

## Unidentified Speaker

Good morning. Today, we recognize another incredible Walmart associate with the Sam M. Walton Entrepreneur Award. During her career at Walmart, this associate has built a track record of outstanding performance and reputation for developing and mentoring future leaders. Last year, she was promoted to lead a business that has since created significant growth and income for Walmart in her home country. What's most impressive is how she's done it. She created a brand-new store format of digitally-connected working families. It includes pickup, self-ordering, self-checkout, kiosks to shop online and numerous other innovations. Result has been an increase in customer traffic, growing customer -- glowing customer reviews and \$4 million sales increase for one store. Walmart Mexico has now committed to rolling out 250 of these new prototypes across the country. What I find most amazing is that this leader is driving innovation and still looking for new ideas after more than 40 years of service to our country. This year's Sam M. Walton Entrepreneur Award recipient is Mexico's Superama format leader, Lupita Morales. Please come up.

It's going to take her a little while to get down here.

This metal one here has got (inaudible).

Yes.

Congratulations. Yes. Congratulations.

## **Lupita Morales**

Thank you.

## **Unidentified Speaker**

Yes. Thank you. Welcome to the family. (inaudible)

## **Jamie Foxx** {BIO 2176041 <GO>}

So beautiful. Man, that's so beautiful, man. That is so beautiful. I mean, please keep it going. She didn't know her family was back there, man. That caught me in the...

(presentation)

That's going to be on iTunes. I just made that up, iTunes. I'm taking 100% of the publishing, though. Oh my goodness. But you know what, you know what's great coming about here is the family aspect. And what you couldn't see backstage was the family waiting to surprise her and then -- and the tears. And it hit me in my tear box. And that's why you're all successful because in a world where it gets a little tricky -- I don't know. But you came right on it. Did she come in on there? Like I was in a Disney film for a second.

Hi. hey, Ray, is that you? Ray. Ray, what are you doing here? Is that you? Ray, is that really you?

## **Unidentified Participant**

You know what, I'm so happy to be here in Arkansas. Make some noise right now.

Make some noise. Make some noise.

(presentation)

## **Jamie Foxx** {BIO 2176041 <GO>}

We got out of control with so much happiness and so much love. But that's what it's about, man. Walmart family, make some noise right now. I don't know what we're doing right now. But I know we're having a great time. Shout out to China. (foreign language) Shout out to America. And I will continue to say this, we have the greatest country in the world. I will continue to say that, continuously prayerful, continue to have this type of look. The (fact) is different, different hairstyles. This over here. And

this over here. I'm trying to tell you, girl, no. But to be able to look out and see a crowd of different nationalities is beautiful, is positive, is so necessary. And I don't care what goes on, on the outside world, politically or whatever. All I know is this is the greatest country in the world to live in. And we've got to protect it. We got to protect it. And we got to love it. And we got to love each other. And listen, here's what we do. Don't -- and I got to say this. Don't look for the bad in anybody. Let's start looking for the good in everybody. Every time, every time we're on our Instagram or some story in the news, they're always looking for something bad. Turn it off. Put on a good song. And think about the good in people and think about Walmart. All right. Thank you. Thank you. We love you. Good night. No, no, no. We got more show. We got more show. All right guys, listen. Let's go. Yes, let's get it. All right. I'm going to go hit it. I'm going to get a squeegee and get this (fold) here. All right. Great. Great, great. Love you, guys. Love you, guys. Yes. All right. Okay. Got a real -- okay, there it is. Instagram.

## Unidentified Participant

Hello. I am (Jennifer Davis) from Store 42 in Coffeyville, Kansas. Here to share how Walmart creates better products, services and experiences for our customers and associates, please welcome President and CEO of Walmart U.S., Greg Foran.

## Gregory S. Foran {BIO 4687375 <GO>}

Good day. I am so glad that you had to follow Jamie and I didn't, (Jennifer). So thank you for that. Thanks for what you do.

## Unidentified Participant

Thank you.

## Gregory S. Foran {BIO 4687375 <GO>}

You do a fantastic job for us.

Good morning. I'm going to spend some time this morning talking about innovation at Walmart. And in particular, how we innovate for the customer. But let me start by giving some context in terms of where the U.S. business is right now.

As you heard from Brett, for FY '18, our comp sales were the highest in nine years. Fantastic. More customers are shopping with us. And you know we've had 14 straight quarters of increases in traffic. And you, you have improved our customer experience cores. Thank you. You're doing an amazing job with inventory. And these results tell me that we're moving our business from fixing to leading in this industry.

Now innovating for the customer is a leadership activity. And when I hear the word innovation, the first thing that comes to my mind is winning. Innovation creates better items, services and experiences for our customers and our associates. And if

you are looking for great innovation, you don't need to look any further than Walmart. This is that place for great innovation.

We're all merchants at heart. So we have to be innovative with items. It starts by getting into the details. And we have really gotten into the details with bakery. Our Marketside ring cakes are a great example. The team tried over 50 cakes from competitors. And I hear they've been at the gym ever since. But what they found is that we needed premium ingredients like cocoa, cinnamon and vanilla beans. Our croissant program underwent a similar reinvention. The team went to France. Coming out of that, they developed a new process, one that takes 15 hours from start to finish. And the result is our product that is on par with the very best that you would find in a French bakery.

Beyond product, we've changed our packaging. Transparent. It sends a message to the customer. We've got confidence in our products. And the whole section has the feel of a fresh market. Chalkboard inspired signs, shorter tables, the wicker basket. And each of these underscores a promise of appealing, well-made items.

Now I want to introduce you to someone, (Victoria) from Store 3382, down the back, Pueblo West, Colorado. Hi there, Victoria . Victoria runs the bakery. And you know what? She is an innovator because Victoria saw customers coming into the bakery, looking for cake designs that went on our list. But instead of telling customers, "Sorry, we don't have that," she went ahead and created the designs herself. And you can see some of what she's done. I'm told her unicorn cakes are a big hit. So Victoria, your story, like everything that we've done in bakery, shows that we're merchants. And it also shows this is that place for innovative items. Thanks, Victoria.

Another set of innovations are designed to provide customers with better, faster services. Our Mobile Express services, for example, pharmacy, money, dotcom returns, innovations designed for low friction and high speed. So take Mobile Express Returns. Some things that can get sent to us can be tough to take back. Really tough. So we've developed Mobile Express Returns. The process is pretty simple. You simply open the Walmart app. Go to your purchase history. You select the item that you want to return. And then you take that item to the store. You step into the Mobile Express lane, scan the QR code, hand the associate your item. And that's it. Refunds get credited to your payment account as soon as the next day. So like I said, it's as easy to describe as it is to use, which is why this is that place for innovative services.

Finally, we innovate to create better experiences for our associates and our customers. How about our fast unloader? It's an innovation that fundamentally changes the experience that an associate goes through when they unload a truck. And it improves the customer's experience by reducing outs. You know what, I think there's someone back here unloading a truck right now. So come on.

(presentation)

Hi, everybody. I want you to say good morning to Tanaka.

**Unidentified Participant**

Hi.

**Gregory S. Foran** {BIO 4687375 <GO>}

(Tanaka), you did a terrific job back there. But I'm also being told you're doing a terrific job in your store as a CAP team supervisor. And that's why this delivery is actually for you.

**Unidentified Participant**

Oh, thank you.

**Gregory S. Foran** {BIO 4687375 <GO>}

So can you open it up for me please?

**Unidentified Participant**

Yes, sir. Wow.

**Gregory S. Foran** {BIO 4687375 <GO>}

So let's pull it up. (Tanaka)...

**Unidentified Participant**

(inaudible)

**Gregory S. Foran** {BIO 4687375 <GO>}

Congratulations, my friend.

**Unidentified Participant**

Thank you very much.

**Gregory S. Foran** {BIO 4687375 <GO>}

You've just been promoted to Support Manager. And you deserve every bit of it.

**Unidentified Participant**

Thank you very much.



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**Gregory S. Foran** {BIO 4687375 <GO>}

Walmart is a place of a lot of things. It's that place where customers save money so they can live better. It's also that place for associate opportunity. It's that place where great innovation happens. And like I said at the top, when I think about innovation, I think about winning. And when it comes to winning, this is definitely that place.

Thank you.

**Unidentified Participant**

Ladies and gentlemen, please welcome, Executive Vice President, Global People Division, Jacqui Canney.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

Good morning. Good morning. My favorite part of this week is spending time with so many of our associates from all around the world. I'm here with (Brandon) from store -- Walmart Store 194 in Baytown, Texas. So what do you think of the meeting so far?

**Unidentified Participant**

It's been incredible. All the guests and speakers have been amazing. And thank you for inviting us.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

Oh, thank you for everything you do. I also have with me, (Mary Ciela) and (Emilio) from Puerto Rico. We're so grateful for you to be here. Tell us what you've had experienced this week.

**Unidentified Participant**

Well it has been an amazing week, full of fun and knowledge, having the opportunity to meet all people all around the world. It's just amazing. And I also have the privilege to represent Walmart Puerto Rico, is amazing.

Yes. It is wonderful experience to be here.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

Thank you. Thank you for being here.

All around the world, associates like (Brandon), (Mary Ciela) and (Emilio) are doing amazing things in our communities, whether it's volunteering, donating food or helping a community recover from a natural disaster. Our associates truly make the difference. And that work doesn't go unnoticed. Take a look at this.

(presentation)

## **Amanda Mabaso**

Hi. (foreign language) Good morning, Walmart. My name is Amanda Mabaso. I'm a Vice Assistant at Massdiscounters Head Office in Durban, South Africa.

Like a lot of us, volunteering is a very important part of my life. And so is my son, (Luandili) He attends (Egachuwabeli) Children School, a local organization that supports their rehabilitation and development of children with special needs. Supporting him and the organization is how I make a difference in my community.

Thank you. Now it is my pleasure to welcome our Chief Executive Officer, Walmart International, Judith McKenna.

## **Judith McKenna** {BIO 4806787 <GO>}

Amanda, Amanda, thank you. Thank you, International. Thank you. Thank you. In case anybody didn't know, that was my team over here, Walmart International. They're brilliant. Amanda's amazing. She's amazing for what she does for our company, for what she does for our community and what she does for her family as well. So thank you, Amanda, for the introduction.

I am incredibly proud to be here today, representing Walmart International. But I would -- and I'd also say, Walmart U.S., I'm incredibly proud of you as well.

In our business, we've seen four years of improving sales growth. We've been investing in price, in markets like Mexico, China, Canada. And it's driving traffic. And as a segment, we continue to drive our profits ahead of sales. So we are consistently delivering results. And I just want to say a huge thank you to each one of you who's here today who helped make that possible. Thank you.

Across our company, we're making bold changes to position our business for the future. And that's certainly true for our business, where we've recently announced big decisions in the U.K. and in India. Those were the right decisions, unique solutions for those markets.

For Asda in the U.K., the proposed merger with Sainsbury's, another leading U.K. supermarket, will ensure that Asda goes on to even greater success in the future and benefits both colleagues and our customers as well.

And in India, you've already heard a few folks talk about our India changes. But you heard Brett mentioned Flipkart earlier. And I want to extend a very personal welcome to the team from Flipkart to Walmart International as the newest members of the Walmart family. Welcome. Flipkart is India's leading e-commerce retailer. And their scale, their momentum and their culture make them a natural fit for Walmart.

And we're very excited to be a part of the next stage of your journey. Thank you for being here.

They joining our Walmart business, that's truly special. Because it's not just what we deliver. But it's how we deliver it. At Walmart, we're committed to creating shared value. And for me, that means doing business for the benefit of everybody, customers, associates, communities and shareholders. It's at the heart of what we do. And it's how we earn trust every single day with everybody that we touch.

I want to share a few examples of how we bring this idea of shared value to life, one of our associates. And one of our top communities.

For associates, it truly begins with opportunity and education. I have a very personal passion for education. Both my parents were teachers. When I think about growing up, I think about this photo. This is my dad. This is him at school, carrying his books. That's how I remember him. And I remember how much he loved teaching and the pride that he took in getting his students prepared for the future.

When I think about our company, it's the same. I think about great leaders, Sam Walton, Don Soderquist, David Glass, their passion for teaching and learning. And today, we're building on that legacy. And we're creating shared value in the process of doing it.

In the U.S., we're graduating more than 30,000 associates every month through the academy's training program. I stood in those graduations. And I can tell you firsthand how much it means to our associates and to their families.

In Canada, the team there has placed a special focus on the training and development of women through the Women in Retail program.

And in Massmart, South Africa, we're partnering with academic institutions to equip our associates to be ready for the future, associates here like (Suan Jones), who's with us today. (Suan) took the opportunity -- she took the opportunity after 12 years with Massmart to reskill and retrain. She told us that the store management program that she has been on has changed her from being a manager to being a leader. And by the way, since she's been on the program, she's been promoted 3 times and is now a proud Store Manager in Durban, South Africa. Well done, Suan .

Education and opportunity are available for everybody at Walmart. And we know that when you feel valued, you create value. So this is the place where we can help you grow and you help us grow in return. That's what shared value is actually all about.

So we also create shared value in our communities by taking on some of the bigger issues that really matter. Greg talked about food waste. The great thing about Walmart is that our scale, we're uniquely positioned to be able to tackle the

problem. It begins with buying great quality food and then sending just the right amount to our stores and to our clubs. Around the world, we're using advanced analytics and data to get better at knowing just how much needs to go to a store and, more importantly, just when we need it on our shelves. Once we got it into the store, well, then the simplest way to reduce food waste is by being great merchants.

We've got new training programs like leaders in fresh certification in Mexico, our academy's fresh schools in the U.S. Now great quality, fresh food at everyday low prices is one of the things that our customers know us for and trust us for. But increasingly, they care about where the foods come from, how it's sourced. And that's why we're innovating in using technology there as well. In China, just last week we introduced a new traceability initiative. Customers can simply scan a QR code on their pack of vegetables and see exactly where they came from, where they were grown and when they were processed. It's clever, isn't it?

So technology and training together are working to reduce waste, improve transparency and create a much more efficient business for us. But at the same time, we've got the opportunity to find safe, affordable and healthier food for our customers and for all of our communities. When we talk about communities, we're also talking about our suppliers. They live and work alongside us. And they help us bring to life shared value. Because we know that when their businesses are good, then actually the communities succeed as well. And so I'd like you to meet somebody. This is (Deepti) from Lucknow in India. She has, through her partnership with us, been able to grow her business to accomplish some incredible things. Take a look at the story.

(presentation)

Walmart India, thank you for what you're doing to create shared value. We appreciate it. I can't think of a better way to actually illustrate what shared value means than that video.

We all work for a company that really cares. It cares about our associates and our communities and earning the trust of every single person in this business. We don't choose between what's good for our communities and what's good for our business. We choose every day to do what's right for both. So thank you to all of you for the choices that you make. And thank you for truly making a difference. Thank you very much. Thank you, (inaudible).

**Jamie Foxx** {BIO 2176041 <GO>}

Yes, I know, I'm from Texas. I had to -- but I had to like give love. I hope they don't put this out on Instagram. I'll be in trouble.

Your international business is on fuego, fire. Isn't it amazing how much Walmart is doing in the world? Look, I know nothing is going to beat the last performance by Judith. But I have a hot band. So hot. Why do I sound like Dave Chappelle for a

second? I got a hot band, yes. I was in Sam's. It's a hot band coming. You got to see it. It's incredible. It's a hot band. Anyway, I don't know what happened.

The multi-platinum band was nominated for Top Artist at iHeartRadio, Billboard and American Music Awards. Start clapping your hands right now. Get on your feet for me right now. They are currently on tour with their album, Joyful. It just dropped. Please welcome to the stage, start clapping right now, give me some noise, The X Ambassadors.

(presentation)

## Unidentified Participant

Ladies and gentlemen, please welcome Walmart's customer who shops at store 237 in Harrisburg, Illinois, Mason Ramsey.

## Mason Ramsey

Good morning, Walmart. It is great to be here with you this morning. I am so excited to introduce your President and CEO member, Doug McMillon.

## C. Douglas McMillon {BIO 17082935 <GO>}

Hi. Mason. Good morning, buddy. We're so glad you're here. I can tell Mason is familiar to some of you, isn't he? Thank you. I got one, I'm good.

## Mason Ramsey

There's many out there.

## C. Douglas McMillon {BIO 17082935 <GO>}

And I placed it. Thanks for the love. Mason is one of our customers. But for those of you that don't know, he's become famous this year because he got discovered in a Walmart store. Check him out.

(presentation)

Can you believe the year you've had?

## Mason Ramsey

I know, right? But I just wanted to say thank you, thank you, thank you. If you did not build this Walmart, I would not be here. Thank you.

## C. Douglas McMillon {BIO 17082935 <GO>}

I heard -- I saw you on Ellen. Did you really say you'd been in Walmart performing 50,000 times?

**Mason Ramsey**

Well that's what you call -- well, I guess, I would say that. Yes. I love Walmart, of course.

**C. Douglas McMillon** {BIO 17082935 <GO>}

Would you mind giving just a little bit of sample of your talent?

**Mason Ramsey**

Sure.

(presentation)

**C. Douglas McMillon** {BIO 17082935 <GO>}

Mason's got a new song out. It's called Famous. So you can check it out and go buy it.

**Mason Ramsey**

And there's one thing I would love -- like to say before I leave this show but -- go ahead.

**C. Douglas McMillon** {BIO 17082935 <GO>}

No, after you. It's all yours.

**Mason Ramsey**

Always remember where you came from. And thank you.

**C. Douglas McMillon** {BIO 17082935 <GO>}

Stay humble. Thank you, buddy. See you next time.

So if you have any talent at all, just go stand in your local Walmart and sing. Let it rip. You never know what will happen. Or (inaudible).

Okay. Wait, wait, wait. In case you haven't noticed, we're

(technical difficulty)

to every one for you, I want to say thank you for the feedback and the ideas that you've shared with us this week. We're following up on them. And we're making something happen.

This is honestly my favorite week of the year. And I know that Sam Walton loved it, too. He brought such great energy and passion to these meetings. He loved us all being together. We are truly blessed to have had him as our founder. He gave us our purpose, he gave us our values and our culture and they very much continue to guide us today.

And when he combined his beliefs and behaviors with this disruptive idea that he could build a good business by providing quality merchandise at affordable prices to people in small towns, well, he had something special. And he planted that seed of an idea right here in small-town America. And from that start, we grew. And as we grew, we became deeply rooted by our purpose, our values and our culture. We respect one another. We're here to serve our customers. We have high standards of performance. And we do the right thing.

Acting with integrity is a core value. That's why we pay such close attention to and invest so much in ethics and compliance. These core values, these roots give us strength and stability, a strong foundation. Over time, our foundation enabled us to grow bigger and stronger. We bore fruit, fruit for our customers, for our associates in the form of opportunity, for the communities we serve and for our shareholders.

We bore a lot of fruit last year, didn't we? We grew revenues by more than \$15 billion to become \$0.5 trillion business. First company in history to achieve that milestone. But our goal was never and isn't to be big. Our goal is to be the best. And that's measured by our customer satisfaction and our growth. Last year, our revenue was higher than the -- our revenue growth was higher than the annual growth of Target, eBay, Netflix, Snapchat, Spotify, Twitter and Tesla, combined. So we are a growth company. We just happen to be a big one.

Just last year, you served 270 million customers a week. More customers are shopping with us. And our customer scores are improving. As we strive to exceed their expectations, we create a stronger company. Our operating cash flow of \$28 billion enabled us to return more than \$14 billion to shareholders. The fundamentals of our business, thanks to all of you, are strong. And the resulting financial strength gives us flexibility.

And we're delivering more than just financial results. We believe the business can maximize value by addressing societal needs. So we're using the strengths of our business to do that and create share value for our communities. Our communities are the soil where we live and grow. And we're giving back to keep it rich.

This past year, we were reminded of just how important our role can be. These natural disasters hit places like Texas, Florida, Puerto Rico and Mexico. You stepped up. You gave your time and your heart to help those in your community.

I want you to meet Dennis Northam. Dennis, would you please stand? Dennis, when Hurricane Harvey brought over 60 inches of rain to parts of Texas, Dennis braved major flooding and was among the first to arrive at the convention center in Houston with needed supplies. When many others were leaving, Dennis went in. And he helped people whose lives had been turned upside down. Thank you, Dennis, for your service.

Meet Jorge Arroyo. Jorge, please stand. He and his family lost everything in Hurricane Maria. Their house and all their possessions were gone. With nothing but the clothes on his back and the shoes on his feet, he went to work the next day because he knew how much the community needed his store. A few days later, as Jorge was searching through what was left of his home, he found something that had remained unscathed, his Walmart vest. It's become a symbol of perseverance to him as he serves others. And he's become a symbol to us of all of our associates in Puerto Rico and their ability to overcome. Please help me congratulate and thank him for his service. Good job.

The people we serve in communities not only trust us to be there for them when disaster strikes, they also want to feel good about our social environmental impact every day and trust that the products we sell are good for their kids and the planet. In our own operations, as a result of new solar and wind projects, we will more than double our renewable energy use in the United States. Once these new projects are operational, 35% of our energy globally will be supplied by renewables.

And when it comes to products, did you know that every banana we sell at Walmart, Sam's Club or Asda is now sourced from a sustainably certified farm? Last year, in the U.S. alone, we sold over 1 billion pounds of bananas. That's billions of bananas. Last year, we launched a commitment to work with suppliers to reduce 1 gigaton of emissions from our supply chain by 2030. And in the first year, our suppliers reported reductions of more than 20 million metric tons. Thank you, to our suppliers for helping us make this happen. We appreciate you. Please congratulate and thank our supplies for their progress.

Our customers care about these issues. And they want to feel good about shopping at Walmart and they expect us to do the right things. We welcome that. Let's talk about what else they want. They want value for their money. They want great items. And they want a shopping experience that's easy, fast, friendly and fun. Our customers are the boss. Their expectations are going up. And we're transforming to serve them even better tomorrow.

So what does our transformation look like? Well let's take a look at what we've done over the last few years. We started out by strengthening our foundation. We committed that our investments in our people, in our stores and in e-commerce would lead to a stronger positioning for the company. You've embraced better tools, better training, improved benefits and wages. And we're seeing a better store experience as a result.



We acquired Jet. Our e-commerce business is now stronger. And we've made acquisitions to give our customers even more choice. We've been aggressive with grocery pickup and delivery, leveraging our expertise from around the world. Investing in JD.com has opened new doors for us in China. We're adding hundreds of thousands of Walmart Pay users a month. And Scan & Go has enabled Sam's Club members to save time by skipping the checkout altogether. And we continue to expand pickup and delivery capabilities around the world.

Focus is a priority. That's why you see us divesting noncore assets like shopping malls and banks and investing in new growth areas and technologies. We've announced bold steps like our investment in India's Flipkart and the proposed combination with Sainsbury's in the U.K. so that our Asda colleagues are positioned to thrive.

Meaningful change is rarely easy. But it's essential to set us up for success in the future. The common thread in this story is that we're positioning ourselves for sustained growth while at the same time, finding new ways to serve customers today. We know we ask our shareholders for patience sometimes so that we can set this business up for long-term success. We're mindful of how important that balance is. These results today matter.

Let me introduce you to someone who is delivering great results right now. This is David Han. David, would you please stand? He leads our digital product team in China, where we're moving very quickly. David is one of the people responsible for one of my favorite recent stories about speed.

One of our customers who lives near our new supermarket in Shenzhen placed an order on the JD Daojia app. And it was delivered from the store in just 9 minutes. 9 minutes from the click on the app to the knock on the door. David and the team are also connecting digitally with our customers through Tencent's WeChat app. Take a look.

(presentation)

Now that's easy and fast, isn't it? David, thank you. And thank your team for all you're doing. Way to go.

We have a talented team of technologists in this company. And they, combined with entrepreneurial business leaders, are working to get ahead to where customers are going. We're experimenting with the use of virtual reality to create amazing interactive shopping experiences. We see a future where we'll use autonomous vehicles for grocery delivery. What's cool to me is that as we use technology to build new solutions, you can see people's creativity come to life. It's clear that in the future that is even more tech-empowered, it will be our human characteristics that set us apart.

You can certainly set that in merchandising. Let me tell you about 1 merchant that blew me away while I was visiting Mexico City not long ago. I want to introduce you to Blanca Malvido. And she runs the produce area. Blanca's down here. Would you come here for a second? I want you to see her. So we return to our store. And we're in the produce area that she leads and we're standing in front of a pumpkin display. And I happen to ask her, "How many pumpkins do you think you're going to sell in the season?" And she looked at me and said, "15."

And I thought, that's a little light. That doesn't seem very many to me. And she could see the look on my face and so she corrected herself or restated what she meant. She said, "No. 15 tons, 15 tons." And I thought, that sounds a little high. So we went back and checked. And during the season, Blanca sold more than 15 tons of pumpkins in her store. She's a merchant. Thank you. So much. (foreign language)

Sometimes you can sell more than a computer thinks you can sell. Blanca got behind that item and drove it. Is it fun to be a merchant? It's like a never-ending study in human behavior. And it's further evidence that we need to keep learning. And we need to equip -- keep equipping our people for the future.

We want you to fulfill your potential. And as you grow, to help you fulfill your potential, we must have strong leaders, creating inclusive environments in every club, every store, every DC, every part of our business. Diverse teams help us perform better. And they make us stronger. We want to be that place where you can find opportunity where everyone is included. And we'll keep learning to help us prepare for the future of work. From apps on our mobile devices to automation in the back room, we'll keep innovating to help you spend more time with customers and members.

We'll continue to create new opportunities, new skills and new jobs, like personal shoppers for grocery, customer host and academy facilitators. From our fresh certification program in Japan that we now have in Sam's Club in the U.S. to our Women in Retail programs around the world, we are developing new knowledge and new training.

We're becoming lifelong learners. That's why we're proud to announce this week that we'll help U.S. associates earn a college degree at accredited universities. Those of you who graduate from our academies can get college credit towards that degree. We want to help you.

Let me share the story of a lifelong learner I met earlier this year. Meet Krystal Rivas.

(presentation)

Krystal, please stand up. Krystal, you're an inspiration to me and you're an inspiration to all of us. She seized opportunity for herself. And now she's investing in others.

I also want to introduce you to Lourdes Garcia. Lourdes, would you please stand and just stay standing? Lourdes was one of our students at the Academy, where Krystal teaches. She was proud to graduate for the first time when she completed her Academy training. Lourdes wrote down her thoughts about that day. We'll read them.

I'd never experienced a graduation before. I've tried on my gown. And my emotions were overwhelming. Walking to the stage and seeing my 4-year old son, hearing him scream my name, having my family there to see was such a life-changing experience I'll never forget and forever hold in my heart.

This is Lourdes. We're so proud of both of you. You represent a lot of people in this company. Thank you.

Look at how these 2 partnered together. As the world becomes more digital and technology continues to change our lives, it will be our associates, our people, the humanity of Walmart that makes us special. That's what Sam Walton taught us. He knew people were our edge. This is that place, where we care for one another, where you can make a difference and help people live better. We know we believe that. We heard him say it so many times. I have often wished that those of you that didn't get the chance to hear him, to be around him in person, to experience him could have that opportunity.

And the videos we show of him are great. But with today's technology, we're going to take a shot at going to the next level this morning. As you get a chance to see him and hear him, please listen carefully to what he says.

### **Sam Walton** {BIO 1481595 <GO>}

Good morning, friends. This is Sam Walton. And I wanted to visit as many of you as I can. Your Chairman appreciates you. Your whole company appreciates you. And together, it'll be mind-boggling what we can achieve if we continue to work with one another, listen to one another and keep the ideas flowing from all of you in each of your stores, doing the good things that need to be done.

I've enjoyed every minute that I have spent. And I guess, I could talk to you all morning or in half of the afternoon. But I've got to shut this thing off. I sure have enjoyed visiting with you. Thanks for all the wonderful things you're doing. Good luck to you. God bless you. And let's be listening to one another in every way that we possibly can and helping one another. See you around.

### **C. Douglas McMillon** {BIO 17082935 <GO>}

Did you hear him? He said it will be mind-boggling what we can achieve if we continue to work with one another, to listen to one another and keep the ideas flowing. He put it right there on our name badges: our people make the difference. Listen, we could just be happy that we had a good run and keep doing things the

same way. But I don't think that's what Sam Walton would have done. The purpose, values and culture he instilled in us are worth fighting for.

The world is a better place with Walmart in it. The next generation needs this company. You save people money. So they can take care of their kids, invest in their education, pay the rent, buy a home. And with people like Dennis and Jorge and David and Blanca, Krystal and Lourdes and all of you, we can make a difference.

Sam's original seed of an idea has grown big and strong and tall with a deep root system. How long can we keep this up? How high is up? Trees can grow for thousands of years. There is so much room for us to grow. Let's go do it together. Thank you.

### **Gregory Boyd Penner** {BIO 5585986 <GO>}

Wow, that vision of Sam gave me the chills, Doug. This has been a great morning and a great week. I don't know what I feel luckier about, making it down from Everest alive or Jamie Foxx not making me sing or dance today.

I want to leave you by echoing what I said at the beginning of our meeting. Go big and bold, keep taking risks and never give up. We will win the race to build the retail model of the future. And as Sam Walton envisioned, Walmart will help build a better life for all.

Thank you for everything you and your fellow associates at home do every day for our company. Now I'd like to welcome back to the stage. And I think he did a fantastic job today. Would you help me in appreciating our host, Jamie Foxx? Thank you. We really appreciate it. Great job.

### **Jamie Foxx** {BIO 2176041 <GO>}

What's up? How we doing out there? Make some noise. Give it up for Greg one more time. Give it up for (Patrice) and the band over there. Hi. what a great morning this has been. I think the last time I was here, I didn't think this meeting could get any better. But I think we did our thing today, right?

Everybody should have meetings like this. You beautiful people out here. You have more energy that I've ever seen in this -- yes, in this smart center, Walmart. Walmart Associates, have you enjoyed your time? And Arkansas, make some noise right now.

I'm so happy to have the honor and opportunity to join my Walmart family this morning. Thank you. So very much. I've had an incredible time.

But listen, where the ladies? You've got to make some noise right now. Ladies, ladies, ladies, if you're strong and you're independent, you've got your own money, you don't need a man for nothing, you make some noise right now. Get the look on your face.

Because I'm telling you right now, we got an international singer-songwriter and dancer. And he -- the boy is in shape. He's looking incredible back there. He's ready to come out here. Look, he started his solo career in 2009. He has sold over 150 million records worldwide. Give it up for that. 15, 15 platinum singles and 5 billion views on YouTube. And you can look forward to his next album coming out later this year. I want everybody to start clapping. Everybody, up on your feet. Everybody, start clapping right now. Ladies, make some noise right now. Mr. Jason Derulo.

(presentation)

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