

RECENT PRICE	58.75	P/E RATIO	13.4 (Trailing: 12.1 Median: 15.0)	RELATIVE P/E RATIO	0.74	DIV'D YLD	3.3%	VALUE LINE
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1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
37.02	42.80	49.36	56.09	60.00	68.02	75.79	84.40	95.34	103.34	107.82	119.98	130.76	141.57	147.32	150.45	152.95	158.35	Sales per sh ^A	195.00
1.81	2.05	2.25	2.61	2.95	3.47	3.78	4.27	4.83	5.16	5.64	6.42	6.92	7.69	7.92	7.93	7.50	7.00	"Cash Flow" per sh	9.10
1.28	1.40	1.50	1.81	2.03	2.41	2.63	2.92	3.16	3.42	3.66	4.07	4.45	5.02	5.11	5.07	4.50	4.10	Earnings per sh ^{A B}	5.50
.20	.24	.28	.30	.36	.52	.60	.67	.88	.95	1.09	1.21	1.46	1.59	1.88	1.92	1.96	2.05	Div'ds Decl'd per sh ^{A C}	2.25
5.80	7.01	7.88	8.95	10.12	11.67	12.77	14.91	16.26	16.63	18.69	19.49	20.86	23.04	23.59	25.22	27.50	30.00	Book Value per sh	35.00
4457.0	4470.0	4453.0	4395.0	4311.0	4234.0	4165.0	4131.0	3973.0	3925.0	3786.0	3516.0	3418.0	3314.0	3233.0	3228.0	3200.0	3180.0	Common Shs Outst'g ^D	2900.0
39.1	38.0	34.9	30.3	26.9	22.8	18.3	16.0	14.9	16.2	13.9	13.1	12.4	13.5	14.9	15.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
2.23	2.47	1.79	1.66	1.53	1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	.81			Relative P/E Ratio	1.00
.4%	.5%	.5%	.5%	.7%	.9%	1.2%	1.4%	1.9%	1.7%	2.1%	2.3%	2.7%	2.3%	2.5%	2.5%			Avg Ann'l Div'd Yield	2.6%

Cash Assets	7281	9135	575	BUSINESS: Wal-Mart Stores, Inc. is the world's largest retailer, operating 3,407 supercenters (includes sizable grocery departments), 470 discount stores, 647 Sam's Clubs, and 639 Neighborhood Markets in the U.S., plus 6,290 foreign stores, many in Latin America, with the balance in Asia, Canada, and the U.K. as of 1/31/15. Total store space: 1.135 billion square feet. Retail space is largely owned, and most stores are within 400 miles of a distribution center. Groceries accounted for 55% of U.S. sales; sales per square foot in 2014: about \$428. Has 2,200,000 employees. Off./dir. own 50.6% of shares (4/15 proxy). Chairman: S. Robson Walton. CEO and Pres.: Doug McMillon. Inc.: DE. Addr.: 702 S.W. 8th St., Bentonville, AR 72716. Tel.: 479-273-4000. Internet: www.walmart.com
Receivables	6677	6778	5275	
Inventory (LIFO)	44858	45141	45007	
Other	2369	2224	2099	
Current Assets	61185	63278	58132	
Accts Payable	37415	38410	37225	Wal-Mart updated its financial out-
Debt Due	4412	6402	5749	
Other	27518	20460	22288	
Current Liab.	69345	65272	65262	
				2016 through 2018. Earnings will likely

Fiscal Year Begins	QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
	Apr.30	Jul.31	Oct.31	Jan.31	
2012	113018	114296	113929	127919	469162
2013	114071	116829	115688	129706	476294
2014	114960	120125	119001	131565	485651
2015	114826	120229	117000	131945	484000
2016	116920	122000	121750	137830	498500

1%-2%. Excluding the FX impact, sales would likely be up in the 3% range. The earnings outlook was worse yet. Investment in e-commerce, digital marketing, and higher wages will reportedly cause earnings per share to decline 6%-12% year over year, in fiscal 2016.

to returning cash to shareholders. The board of directors recently authorized a new \$20 billion stock-repurchase program. This allotment, along with the \$8.6 billion left on its prior authorization, is expected to be exhausted over the next two years. **The e-commerce business is promis-**

Calendar	QUARTERLY DIVIDENDS PAID [■] C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.3025	.730	.365	--	1.40
2012	.365	.795	.3975	.3975	1.96
2013	.47	.47	.47	.47	1.88
2014	.48	.48	.48	.48	1.92
2015	.49	.49	.49	.49	

Wal-Mart updated its financial outlook, and the results were not pretty. At the annual analyst day in mid-October, the company revealed that a stronger-than-expected impact from currency exchange will likely lead to net sales being flat in fiscal 2015, below its prior call of up 1%-2%. Excluding the FX impact, sales would likely be up in the 3% range. The earnings outlook was worse yet. Investment in e-commerce, digital marketing, and higher wages will reportedly cause earnings per share to decline 6%-12% year over year, in fiscal 2016.

Wal-Mart has been able to demonstrate some improvement at home. The July-period comp of 1.5% (1.3% of which came from higher traffic) marked the fourth quarter in a row where comps were positive. It appears initiatives to reduce stockouts, have more registers open during peak hours, and make the shopping environment cleaner and more sightly have begun to pay off. **Eventually, recent investments should pay off.** Sales are expected to be the first line item to benefit. Management believes the top line will rise 3%-4% per year from

Wal-Mart reinforced its commitment to returning cash to shareholders. The board of directors recently authorized a new \$20 billion stock-repurchase program. This allotment, along with the \$8.6 billion left on its prior authorization, is expected to be exhausted over the next two years.

The e-commerce business is promising. Two new fulfillment centers should lower costs in the fourth quarter and have a more pronounced effect next year. A new platform that lets users shop for groceries online and pick them up in store is testing well. Wal-Mart is also testing a \$50 unlimited annual shipping program similar to *Amazon Prime*.

These untimely shares have limited appeal. Recent developments will likely cast a shadow over the equity for the intermediate term. We expect the shares to remain out of favor, for now.

Kevin Downing *October 30, 2015*

■ Dividend reinvest-	Company's Financial Strength	A++
	Stock's Price Stability	100
	Price Growth Persistence	50
	Earnings Predictability	100

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