

chain, operating 3,465 supercenters (includes grocery departments), 442 discount stores, 655 Sam's Clubs, and 667 Neighborhood Markets in the U.S., plus 6,299 foreign stores, many in Latin America, with the rest in Asia, Canada, and the U.K. as of 1/31/16. Total store space: 1.149 billion square feet. Retail space is largely

ter. Groceries accounted for 56% of U.S. sales; sales per square foot in 2015: about \$420. Has 2,300,000 employees. Off./dir. own 51.6% of shares (4/16 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.

ANNUAL RATES Past Est'd '13-'15 Past 10 Yrs. to '19-'21 of change (per sh) 5 Yrs. Sales "Cash Flow" 8.0% 8.5% 6.5% 6.5% Earnings Dividends Book Value 6.0% 12.0% 6.5% 2.0% 2.5% 3.5% 7.5%

2224 63278

38410

6402 20460

Current Assets

Accts Payable Debt Due

Current Liab.

Other

1441

58232

39902

60239

38487

6004 20128

Dook value		0.070 0.0		0 / 0	0.070
Fiscal Year Begins	QUA Apr.30	RTERLY S Jul.31	ALES (\$ m Oct.31	ill.) ^A Jan.31	Full Fiscal Year
2013	114071	116829	115688	129706	476294
2014	114960	120125	119001	131565	485651
2015	114826	120229	117408	129667	482130
2016	115904	120900	118500	131696	487000
2017	119000	125000	122000	134000	500000
Fiscal	EARNINGS PER SHARE A B				_Full
Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Fiscal Year
2013	1.14	1.24	1.14	1.59	5.11
2014	1.10	1.21	1.15	1.61	5.07
2015	1.03	1.08	1.03	1.43	4.57
2016	.98	1.07	.95	1.35	4.35
2017	1.01	1.05	1.00	1.44	4.50
Cal-	QUARTERLY DIVIDENDS PAID = C				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
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	1.96
2016	.50	.50	.50		

Wal-Mart is making deals. The company plans on buying e-tailer Jet.com for \$3 billion in cash and \$300 million in stock (pending regulatory approval). If successful, this would be the largest e-commerce acquisition in U.S. history. Jet.com has proven popular with value-conscious urban millenials, thanks largely to its innovative Smart Cart technology. This functionality entices shoppers with lower unit prices when more of the same item are added to the shopping cart. With Wal-Mart also being a favorite of young adult shoppers, the customer bases should prove complementary. Elsewhere, the company announced an increased stake in JD.com from 5.9% to 10.8%. That business is China's answer to Amazon. JD.com should help WMT gain customers in that region world's largest market for commerce), as Wal-Mart's goods are expected to be sold through the Chinese website. The deals make sense since WMT can learn from these young companies and increase its share of digital spending.

The company hosted its annual meeting with investment analysts. The main takeaway was that digital platform

is becoming increasingly important to Wal-Mart's long-term investment case. In fact, there should be around 25% fewer U.S. store openings next year as focus shifts away from physical footprint expansion. Items sold online have more than doubled in the past six months, and the online offering is expanding at around a million products a month. The company aims to achieve online sales growth of 20%-30% per quarter, a far cry from the 12% achieved in the most recent period. Focus on creating new ways to make the customer shopping experience faster and easier should help augment increased sales from the aforementioned new businesses. Nonetheless, building out Web properties and capabilities ought to result in modestly higher earnings in fiscal 2017, before 5%-10% growth can be achieved in fiscal 2018. These shares are favorably ranked. Conservative investors may find Wal-Mart's solid dividend yield and dependable business model appealing. However, nearterm sales catalysts appear limited, and investors will have to be patient in order to capitalize on earnings improvement. Kevin Downing October 28, 2016

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. (B) Based on diluted shares. May not sum due to rounding. Excls. n/r

(losses)/gains: '01, (\$0.01); '05, \$0.03; '08, | early Mar., May, Aug., and Dec.■ Dividend (\$0.07); '09, \$0.04; '10, \$0.40; '11, \$0.03; '13, | reinvestment plan available. (**D**) In millions. November 17th. (C) Divds. historically paid in

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**

A++ 95 30 95