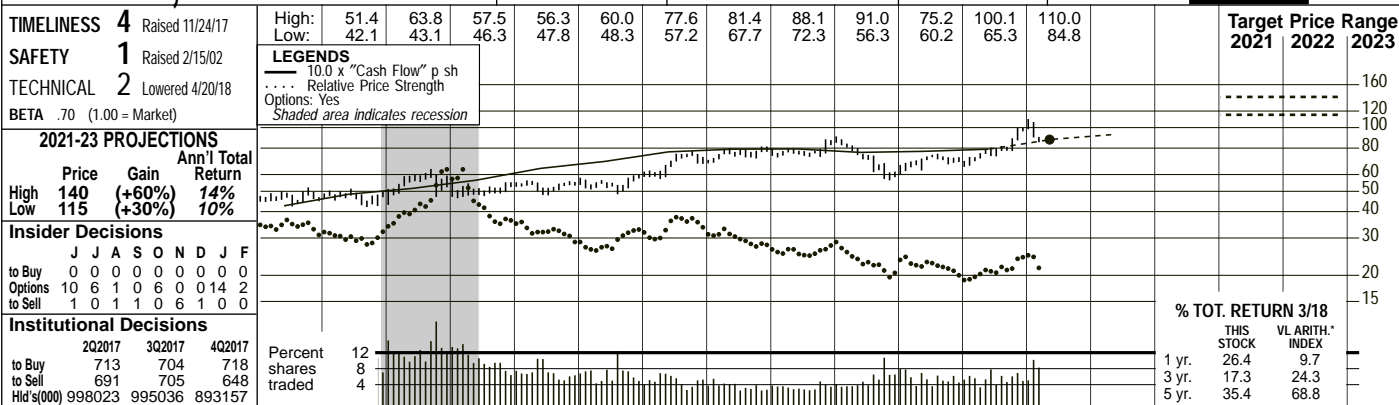


# WALMART, INC. NYSE-WMT

RECENT PRICE **87.90** P/E RATIO **18.4** (Trailing: 19.9; Median: 15.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **2.4%** **VALUE LINE**



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	152.48	159.41	166.25	<b>168.65</b>	<b>180.40</b>	Sales per sh <sup>A</sup>	209.45
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	7.64	7.72	7.91	<b>8.80</b>	<b>9.30</b>	"Cash Flow" per sh	11.20
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	4.57	4.32	4.42	<b>4.95</b>	<b>5.25</b>	Earnings per sh <sup>A B</sup>	6.75
.30	.36	.52	.60	.67	.88	.95	1.09	1.21	1.46	1.59	1.88	1.92	1.96	2.00	2.04	<b>2.08</b>	<b>2.12</b>	Div'ds Decl'd per sh <sup>■C</sup>	3.10
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	25.47	25.52	26.38	<b>24.00</b>	<b>25.00</b>	Book Value per sh	32.00
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	3162.0	3048.0	3010.0	<b>3000.0</b>	<b>2910.0</b>	Common Shs Outst'g <sup>D</sup>	2600.0
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	15.5	16.2	18.6	<b>18.6</b>	<b>18.6</b>	Avg Ann'l P/E Ratio	19.0
1.66	1.53	1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	.81	.78	.85	1.00	<b>1.00</b>	<b>1.00</b>	Relative P/E Ratio	1.20
.5%	.7%	.9%	1.2%	1.4%	1.9%	1.7%	2.1%	2.3%	2.7%	2.3%	2.5%	2.5%	2.8%	2.9%	2.5%	<b>2.9%</b>	<b>2.5%</b>	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 1/31/18				© VALUE LINE PUB. LLC																21-23
Total Debt \$46487 mill. Due in 5 Yrs \$12524 mill.				405607	408214	421849	446950	469162	476294	485651	482130	485873	500343	<b>506000</b>	<b>525000</b>	Sales (\$mill) <sup>A</sup>	565500			
LT Debt \$36825 mill. LT Interest \$2300 mill.				24.5%	25.4%	25.3%	25.0%	24.9%	24.8%	24.8%	25.1%	25.6%	25.6%	<b>25.0%</b>	<b>25.0%</b>	Gross Margin	25.0%			
Incl. \$6780 mill. capitalized leases.				7.3%	7.6%	7.9%	7.7%	7.7%	7.7%	7.6%	7.0%	6.7%	6.7%	<b>6.5%</b>	<b>6.5%</b>	Operating Margin	7.0%			
(Total interest coverage: 10.0x) (32% of Cap'l)				7720	8416	8970	10130	10773	10942	11453	11528	11695	11700	<b>11910</b>	<b>12080</b>	Number of Stores	12605			
Leases, Uncapitalized Annual rentals \$2270 mill.				13512	14204	14921	15523	16999	16728	16426	14694	13452	13283	<b>14400</b>	<b>14950</b>	Net Profit (\$mill)	17550			
No Defined Benefit Pension Plan				34.2%	34.1%	34.0%	33.4%	31.0%	32.2%	31.9%	30.3%	30.6%	30.6%	<b>25.5%</b>	<b>25.5%</b>	Income Tax Rate	25.0%			
Pfd Stock None				3.3%	3.5%	3.5%	3.5%	3.6%	3.5%	3.4%	3.0%	2.8%	2.7%	<b>2.8%</b>	<b>2.8%</b>	Net Profit Margin	3.1%			
Common Stock 2,950,696,818 shs. as of 3/28/18				d6441	d7230	d6591	d7325	d11878	d8160	d1994	d4380	d9239	d18857	<b>d15000</b>	<b>d8800</b>	Working Cap'l (\$mill)	5300			
MARKET CAP: \$259 billion (Large Cap)				34549	36401	43842	47079	41417	44559	43692	44030	42018	36825	<b>42500</b>	<b>45200</b>	Long-Term Debt (\$mill)	48000			
CURRENT POSITION				65285	70749	68542	71315	76343	76255	81394	80546	77798	79404	<b>72000</b>	<b>72750</b>	Shr. Equity (\$mill)	86400			
2015				14.5%	14.1%	14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	11.4%	<b>12.5%</b>	<b>12.5%</b>	Return on Total Cap'l	13.0%			
2016				20.7%	20.1%	21.8%	21.8%	22.3%	21.9%	20.2%	18.2%	17.3%	16.7%	<b>20.0%</b>	<b>20.5%</b>	Return on Shr. Equity	20.5%			
2017				15.0%	14.1%	15.3%	14.7%	15.2%	13.9%	12.6%	10.4%	9.3%	9.0%	<b>9.5%</b>	<b>10.5%</b>	Retained to Com Eq	10.5%			
2018				28%	30%	30%	33%	32%	37%	38%	43%	46%	46%	<b>42%</b>	<b>40%</b>	All Div'ds to Net Prof	48%			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16
of change (per sh)			to '21-'23
Sales	7.5%	5.0%	5.0%
"Cash Flow"	7.5%	4.0%	6.5%
Earnings	6.0%	3.0%	5.5%
Dividends	12.5%	9.5%	8.0%
Book Value	7.0%	5.0%	4.0%

Fiscal Year Begins	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Apr.30	Jul.31	Oct.31	Jan.31	
2015	114826	120229	117408	129667	482130
2016	115904	120854	118179	130936	485873
2017	117542	123355	123179	136267	500343
2018	<b>120625</b>	<b>125250</b>	<b>123700</b>	<b>136425</b>	<b>506000</b>
2019	<b>125150</b>	<b>130000</b>	<b>128350</b>	<b>141500</b>	<b>525000</b>

Fiscal Year Begins	EARNINGS PER SHARE <sup>A B</sup>				Full Fiscal Year
	Apr.30	Jul.31	Oct.31	Jan.31	
2015	1.03	1.08	1.03	1.43	4.57
2016	.98	1.07	.98	1.30	4.32
2017	1.00	1.08	1.00	1.33	4.42
2018	<b>1.10</b>	<b>1.25</b>	<b>1.10</b>	<b>1.50</b>	<b>4.95</b>
2019	<b>1.15</b>	<b>1.30</b>	<b>1.15</b>	<b>1.65</b>	<b>5.25</b>

Calendar	QUARTERLY DIVIDENDS PAID <sup>■C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.48	.48	.48	.48	1.92
2015	.49	.49	.49	.49	1.96
2016	.50	.50	.50	.50	2.00
2017	.51	.51	.51	.51	2.04
2018	.52	.52	.52	.52	2.08

**Walmart's stock has fallen back to earth.** The shares were up over 60% in the 12 months leading up to the release of fiscal first-quarter results. That report did not go over well with investors, and the shares are down around 20% since the release. The bottom line was \$0.04 shy of the average Wall Street estimate. The company expedited the start of some initiatives to take advantage of tax reform, which increased expenses and drove part of the miss. Domestic same-store sales rose 2.6% on a 1.6% rise in traffic. New technologies and apps that manage mark-down activity and help associates improve in-stock levels contributed to the solid result. The e-commerce business slowed with Web-initiated sales (includes ship-to-home, ship-to-store, pick up today, online grocery, and transactions through Jet.com and smaller e-commerce brands) growing 23%, versus 50% in the fiscal third quarter. The company anniversaried the Jet.com acquisition and encountered an operational mishap that hindered results. Still, management is confident the growth rate will bounce back, resulting in a 40% advance for the Web business in 2018.

**Walmart is proving to be an omnichannel thought leader.** The company was way ahead of rivals in establishing innovative ways to merge the online and in-store shopping experiences. The most successful initiative has been grocery pickup, which rolled out to 1,100 locations over the past 18 months, and is expected to arrive at 1,000 more this year. New "pickup towers" at 118 locations make this process even faster and easier than going into a designated area of a supercenter. Notably, customers that regularly buy both in store and online spend about double the amount of conventional shoppers. **Although unfavorably ranked, the shares offer compelling risk-adjusted long-term price appreciation potential at current price levels.** The financial strength of Walmart's core customer group — households making less than \$50,000 per year—is improving thanks to higher wages, relatively low unemployment, and tax reform. This, coupled with Walmart's pristine execution of its omnichannel strategy, should translate into steady earnings growth in coming years.

*Kevin Downing*  
April 27, 2018

(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, (\$0.07); '09, \$0.04; '10, \$0.40; '11, \$0.03; '13, (\$0.23); '15 (\$0.08). Next earnings report due mid-May. (C) Divds. historically paid in early Mar., May, Aug., and Dec. ■ Dividend reinvestment plan available. (D) In millions.