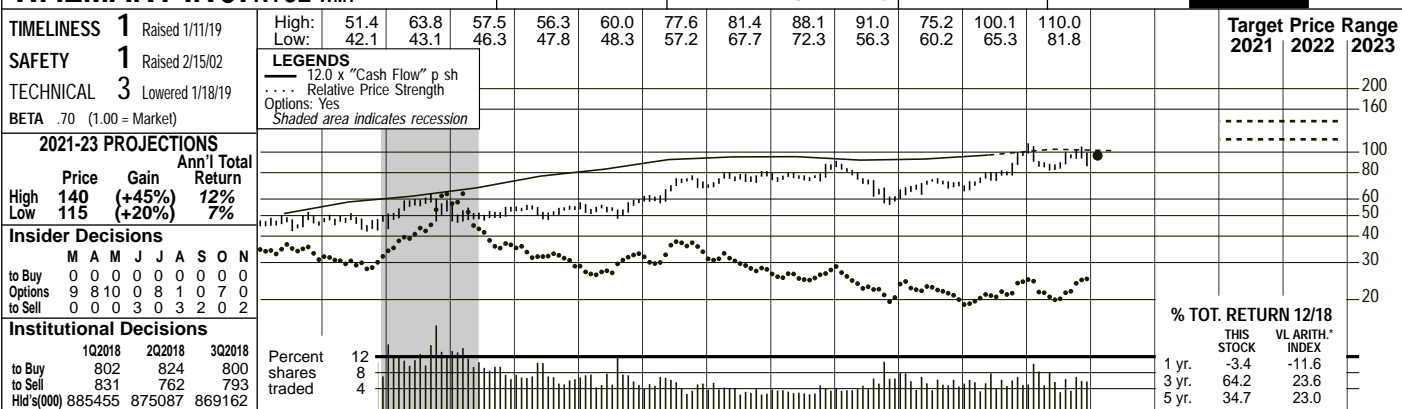


WALMART INC. NYSE-WMT

RECENT PRICE **96.25** P/E RATIO **20.4** (Trailing: 19.9; Median: 15.0) RELATIVE P/E RATIO **1.28** DIV'D YLD **2.2%** 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	169.49	177.75	184.65	Sales per sh ^A	217.50
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	8.07	8.60	8.45	"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	4.85	4.70	Earnings per sh ^{A B}	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	2.08	2.12	Div'ds Decl'd per sh ^C	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	27.05	27.05	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	2952.0	2900.0	2870.0	Common Shs Outst'g ^D	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	<i>Bold figures are Value Line estimates</i>		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	.93			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%			Avg Ann'l Div'd Yield	2.4%

2021-23 PROJECTIONS
 Price High **140** Low **115** Gain **(+45%)** Ann'l Total Return **12%**
 TECHNICAL **3** Lowered 1/18/19
 BETA .70 (1.00 = Market)

Insider Decisions
 M A M J J A S O N
 to Buy 0 0 0 0 0 0 0 0 0 0
 Options 9 8 10 0 8 1 0 7 0
 to Sell 0 0 0 3 0 3 2 0 2

Institutional Decisions
 1Q2018 2Q2018 3Q2018
 to Buy 802 824 800
 to Sell 881 762 793
 Hlds(000) 85455 875087 869162

CAPITAL STRUCTURE as of 10/31/18
 Total Debt \$60991 mill. Due in 5 Yrs \$13861 mill.
 LT Debt \$49896 mill. LT Interest \$2100 mill.
 Incl. \$6621 mill. property under capital lease.
 (Total interest coverage: 10.5x) (41% of Cap'l)

Leases, Uncapitalized Annual rentals \$2270 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 2,905,260,059 shs. as of 11/28/18

MARKET CAP: \$280 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23							
405607	408214	421849	446950	469162	476294	485651	482130	485873	500343	515500	530000	565500	24.5%	25.4%	25.3%	25.0%	24.9%	24.8%	25.1%	25.6%	24.5%	24.5%	Sales (\$mill) ^A	565500		
24.5%	25.4%	25.3%	25.0%	24.9%	24.8%	25.1%	25.6%	24.8%	24.8%	25.1%	25.6%	24.5%	24.5%	25.4%	24.5%	24.5%	24.5%	24.5%	25.4%	25.6%	24.5%	24.5%	Gross Margin	25.0%		
7.3%	7.6%	7.9%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.6%	7.0%	6.7%	6.7%	6.3%	6.2%	6.3%	6.2%	6.3%	6.7%	6.7%	6.3%	6.2%	Operating Margin	7.0%	
7720	8416	8970	10130	10773	10942	11453	11528	11695	11718	11810	11980	12605	13512	14204	14921	15523	16999	16728	16426	14694	13452	13283	14250	13500	Number of Stores	12605
13512	14204	14921	15523	16999	16728	16426	14694	13452	13283	14250	13500	17550	34.2%	34.1%	34.0%	33.4%	31.0%	32.2%	31.9%	30.3%	30.6%	31.4%	25.0%	25.0%	Net Profit (\$mill)	17550
3.3%	3.5%	3.5%	3.5%	3.6%	3.5%	3.4%	3.0%	3.2%	3.1%	3.0%	3.0%	2.8%	2.7%	2.8%	2.5%	2.8%	2.5%	2.8%	2.7%	2.8%	2.7%	2.8%	2.5%	2.5%	Income Tax Rate	25.0%
d6441	d7230	d6591	d7325	d11878	d8160	d1994	d4380	d9239	d18857	d5300	d5000	53000	34549	36401	43842	47079	41417	44559	43692	44030	42018	36825	50000	47500	Working Cap'l (\$mill)	5300
65285	70749	68542	71315	76343	76255	81394	80546	77798	77869	78500	77650	83200	14.5%	14.1%	14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	12.1%	11.0%	11.0%	Long-Term Debt (\$mill)	40000
14.5%	14.1%	14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	12.1%	11.0%	11.0%	11.0%	11.0%	12.1%	12.1%	11.0%	11.0%	11.0%	11.0%	12.6%	12.1%	12.1%	11.0%	11.0%	Return on Total Cap'l	14.0%
20.7%	20.1%	21.8%	21.8%	22.3%	21.9%	20.2%	18.2%	17.3%	17.1%	18.0%	17.5%	21.0%	15.0%	14.1%	15.3%	14.7%	15.2%	13.9%	12.6%	10.4%	9.3%	9.2%	10.0%	9.5%	Return on Shr. Equity	21.0%
28%	30%	30%	33%	32%	37%	38%	43%	46%	46%	43%	45%	45%	28%	30%	30%	33%	32%	37%	38%	43%	46%	46%	43%	45%	Retained to Com Eq	11.5%
28%	30%	30%	33%	32%	37%	38%	43%	46%	46%	43%	45%	45%	28%	30%	30%	33%	32%	37%	38%	43%	46%	46%	43%	45%	All Div'ds to Net Prof	46%

CURRENT POSITION 2016 2017 10/31/18 (\$MILL.)

Cash Assets	6867	6756	9174
Receivables	5835	5614	5785
Inventory (LIFO)	43046	43783	50380
Other	1941	3511	4107
Current Assets	57689	59664	69446
Accts Payable	41433	46092	49729
Debt Due	3920	9662	11095
Other	21575	22767	24927
Current Liab.	66928	78521	85751

BUSINESS: Walmart Inc. owns the world's largest retail chain, operating 3,522 supercenters (includes grocery departments), 415 discount stores, 660 Sam's Clubs, and 735 Neighborhood Markets in the U.S., plus 6,363 foreign stores, many in Latin America, with the rest in Asia, Canada, and the U.K. as of 1/31/18. Total store space: 1.164 billion square feet. Retail space is largely owned, and

most stores are within 400 miles of a distribution center. Groceries accounted for 56% of U.S. sales; sales per square foot in 2016: about \$420. Has 2,300,000 employees. Off/dir. own 51.6% of shares (4/18 proxy). Chairman: Gregory B. Penner. 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 10 Yrs. Past 5 Yrs. Est'd '15-'17 of change (per sh)

Sales	6.5%	4.0%	4.5%
"Cash Flow"	6.0%	2.0%	6.0%
Earnings	4.5%	-0.5%	7.0%
Dividends	11.0%	7.0%	7.5%
Book Value	6.0%	4.0%	3.5%

Walmart's consistent results have allowed it to outperform its Dow counterparts of late. In the October quarter, revenue increased 1.4% year over year and 2.4% on a constant-currency basis. The domestic business saw same-store sales (excluding fuel) rise 3.4%, with traffic up 1.2% and the average transaction amount increasing 2.2%. Nonetheless, the gross margin dropped 28 basis points on lower pricing, greater transportation costs, and a mix shift toward less-profitable e-commerce sales. The online business continues to thrive, with sales growing an eye-opening 43%. The division is on pace for 40% growth for the full year. The company credits a larger product assortment and more-efficient delivery for improving demand. Meanwhile, 2,100 grocery pickup locations are functional, 700 "pickup towers" will be active by the end of the year, and close to 40% of the U.S. population will soon have access to home delivery through 800 stores.

Recently, Indian regulators announced an update to the country's policy on foreign direct investment that bans sales of exclusive merchandise and places restrictions on discounts/cash back incentives. Too, brands won't be able to derive more than 25% of sales from any one online platform. We think that the government is trying to appease mom and pop shopkeepers ahead of an election this year. From our perspective, it may prove difficult for Walmart to circumvent these rules and maintain a competitive advantage in India. Further, integration costs will likely reduce this year's earnings by \$0.25-\$0.30 and next year's by \$0.60.

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2015	114826	120229	117408	129667	482130
2016	115904	120854	118179	130936	485873
2017	117542	123355	123179	136267	500343
2018	122700	128028	124894	139878	515500
2019	125800	131000	129000	144200	530000

The company faces a roadblock in its efforts to expand in India. Walmart paid \$16 billion to purchase a 77% stake in India's leading online retailer Flipkart.

These shares are favorably ranked (Timeliness: 1). Initiatives to improve the shopping experience appear to be paying off. Too, same-store sales may get a bump if Sears liquidates. The new India regulations are a bit concerning, but we expect the e-commerce arm to continue to grow at a fast clip. Still, the shares are trading at a relatively high earnings multiple versus the rest of the retail industry, which may dissuade value-oriented investors.

EARNINGS PER SHARE ^{A B}

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
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	1.14	1.29	1.08	1.34	4.85
2019	1.08	1.22	1.04	1.36	4.70

QUARTERLY DIVIDENDS PAID ^C

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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
2019					

(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: '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-February. (C) Divds. historically paid in early Mar., May, Aug., and Dec. Dividend reinvestment plan available. (D) In millions.

Company's Financial Strength A++
Stock's Price Stability 95
Price Growth Persistence 25
Earnings Predictability 95

Kevin Downing January 25, 2019