

WALMART INC. NYSE-WMT

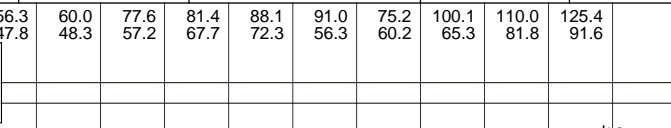
RECENT PRICE **116.18** P/E RATIO **22.8** (Trailing: 23.4 Median: 15.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **1.9%**

VALUE LINE

TIMELINESS 1 Raised 12/27/19
SAFETY 1 Raised 2/15/02
TECHNICAL 2 Raised 1/3/20
BETA .75 (1.00 = Market)

High: 63.8 57.5 56.3 60.0 77.6 81.4 88.1 91.0 75.2
 Low: 43.1 46.3 47.8 48.3 57.2 67.7 72.3 56.3 60.2

LEGENDS
 — 12.0 x "Cash Flow" p sh
 ... Relative Price Strength
 Options: Yes
 Shaded area indicates recession



Target Price Range	2022	2023	2024
200			
160			
100			
80			
60			
50			
40			
30			
20			

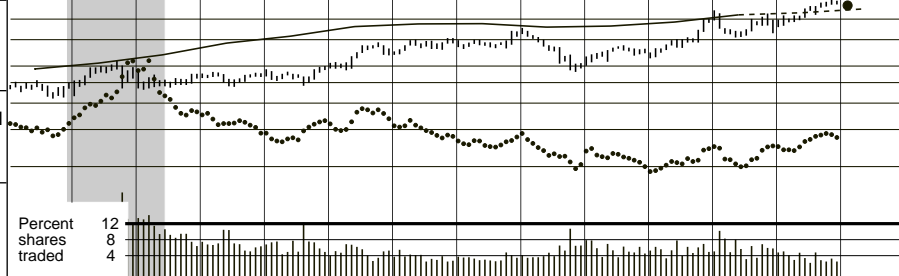
18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$89-\$134 \$112 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	170	(+45%)	12%
Low	140	(+20%)	7%

Institutional Decisions

	1Q2019	2Q2019	3Q2019
to Buy	887	878	894
to Sell	870	835	832
Hlds(000)	854942	868976	874047



% TOT. RETURN 12/19	THIS STOCK	VL ARITH. INDEX
1 yr.	30.2	23.6
3 yr.	84.2	26.5
5 yr.	56.8	42.2

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	178.74	186.90	197.75	Sales per sh ^A	217.50
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	8.73	8.95	9.35	"Cash Flow" per sh	11.30
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	4.91	5.00	5.20	Earnings per sh ^{A B}	7.10
.36	.52	.60	.67	.88	.95	1.09	1.21	1.46	1.59	1.88	1.92	1.96	2.00	2.04	2.09	2.12	2.16	Div'ds Decl'd per sh ^{■C}	2.80
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	25.19	26.70	27.80	Book Value per sh	32.00
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	2878.0	2830.0	2765.0	Common Shs Outst'g ^D	2600.0
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	18.7	18.7	18.7	Avg Ann'l P/E Ratio	22.0
1.53	1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	.81	.78	.85	.94	1.01	1.01	1.01	Relative P/E Ratio	1.20
.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%	2.3%	2.3%	2.3%	Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 10/31/19
 Total Debt \$58467 mill. Due in 5 Yrs \$21569 mill.
 LT Debt \$48980 mill. LT Interest \$2400 mill.
 Incl. \$4068 mill. property under capital lease.
 (Total interest coverage: 9.6x) (41% of Cap'l)

Leases, Uncapitalized Annual rentals \$2270 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 2,837,174,936 shs. as of 12/2/19

MARKET CAP: \$330 billion (Large Cap)

408214	421849	446950	469162	476294	485651	482130	485873	500343	514405	528925	546820	Sales (\$mill) ^A	565500
25.4%	25.3%	25.0%	24.9%	24.8%	24.8%	25.1%	25.6%	25.4%	25.1%	24.5%	24.5%	Gross Margin	25.0%
7.6%	7.9%	7.7%	7.7%	7.7%	7.6%	7.0%	6.7%	6.7%	6.3%	6.3%	6.3%	Operating Margin	6.5%
8416	8970	10130	10773	10942	11453	11528	11695	11718	11361	11490	11655	Number of Stores	12000
14204	14921	15523	16999	16728	16426	14694	13452	13283	14460	14340	14750	Net Profit (\$mill)	18450
34.1%	34.0%	33.4%	31.0%	32.2%	31.9%	30.3%	30.6%	31.4%	24.5%	25.0%	25.0%	Income Tax Rate	25.0%
3.5%	3.5%	3.5%	3.6%	3.5%	3.4%	3.0%	2.8%	2.7%	2.8%	2.7%	2.7%	Net Profit Margin	3.3%
d7230	d6591	d7325	d11878	d8160	d1994	d4380	d9239	d18857	d15580	d18880	d16580	Working Cap'l (\$mill)	d9200
36401	43842	47079	41417	44559	43692	44030	42018	36825	50203	48000	45000	Long-Term Debt (\$mill)	40000
70749	68542	71315	76343	76255	81394	80546	77798	77869	72496	75600	76900	Shr. Equity (\$mill)	83200
14.1%	14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	12.1%	12.7%	11.5%	12.0%	Return on Total Cap'l	15.0%
20.1%	21.8%	21.8%	22.3%	21.9%	20.2%	18.2%	17.3%	17.1%	19.9%	19.0%	19.0%	Return on Shr. Equity	22.0%
14.1%	15.3%	14.7%	15.2%	13.9%	12.6%	10.4%	9.3%	9.2%	11.5%	11.0%	11.0%	Retained to Com Eq	13.5%
30%	30%	33%	32%	37%	38%	43%	46%	46%	42%	42%	42%	All Div'ds to Net Prof	39%

CURRENT POSITION (SMILL.)

	2017	2018	10/31/19
Cash Assets	6756	7722	8606
Receivables	5614	6283	5612
Inventory (LIFO)	43783	44269	51546
Other	3511	3623	2148
Current Assets	59664	61897	67912
Accts Payable	46092	47060	49750
Debt Due	9662	2605	9487
Other	22767	27812	24547
Current Liab.	78521	77477	83784

BUSINESS: Walmart Inc. owns the world's largest retail chain, operating 3,570 supercenters (includes grocery departments), 386 discount stores, 599 Sam's Clubs, and 813 Neighborhood Markets in the U.S., plus 5,993 foreign stores, many in Latin America, with the rest in Asia, Canada, and the U.K. as of 1/31/19. Total store space: 1.129 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 2018: about \$455. Has 2,200,000 employees. Off/dir. own 50.2% of shares (4/19 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 '16-'18 to '22-'24
of change (per sh)			
Sales	6.0%	4.0%	4.5%
"Cash Flow"	5.5%	1.5%	5.5%
Earnings	3.5%	-1.5%	7.5%
Dividends	9.5%	4.5%	4.0%
Book Value	5.0%	2.5%	3.5%

Walmart recorded another solid performance in the fiscal third quarter. The company's net sales rose 3.3% year over year, and adjusted earnings advanced 7.4%. Walmart U.S. recorded same-store sales growth of 3.2%, with traffic up 1.3% and the average transaction amount growing 1.9%. Fresh food sales were strong, as improvements in bakery and meats helped drive a mid-single-digit comp gain. Health and wellness comp sales increased around the same amount thanks to branded drug inflation and higher prescription volume. The e-commerce business grew an impressive 41%, the best result in the first nine months of the fiscal year.

using the service once they start. Even though associates must wear body cameras, some customers have bought a refrigerator for their garage so Walmart associates are not in their house. Eventually, the company thinks delivery will end up to be bigger than pickup.

The produce department is getting an overhaul. Dubbed Produce 2.0, Walmart is separating organic items, creating an "open air market feel," freeing up more space for shopping, and updating signage and fixtures. The changes also make it easier for associates to stock produce. The plan is to update the majority of stores by this summer.

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2016	115904	120854	118179	130936	485873
2017	117542	123355	123179	136267	500343
2018	122690	128028	124894	138793	514405
2019	123925	130377	127991	146632	528925
2020	129180	134800	132875	149965	546820

Grocery pickup has proven to be quite popular. The company was wise to assume that people in the U.S. would embrace drive-through grocery delivery. To be sure, if given the option to not leave their cars, many Americans will take it, particularly those with young children.

Walmart is trying to be a healthcare destination. The first Walmart Health center opened last fall. Its services include primary and urgent care, lab tests, X-rays, diagnostics, counseling, dental, optical, and hearing. Several services are offered at very low prices regardless of insurance status. The company hopes these locations will drive traffic and improve satisfaction.

EARNINGS PER SHARE ^{A B}

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
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	1.41	4.91
2019	1.13	1.27	1.16	1.44	5.00
2020	1.16	1.33	1.18	1.53	5.20

The initial phase of grocery delivery also seems to be going well. The service is now live in Kansas City; Pittsburgh; and Vero Beach, Florida. Management claims it hasn't had many customers stop

These timely shares remain a solid choice for conservative investors.
 Kevin Downing
 January 24, 2020

QUARTERLY DIVIDENDS PAID ^{■C}

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.50	.50	.50	.50	2.00
2017	.51	.51	.51	.51	2.04
2018	.52	.52	.52	.52	2.08
2019	.53	.53	.53	.53	2.12

(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 February 18th. (C) Divds. historically paid in early Mar., May, Aug., and Dec. ■ Dividend reinvestment plan available. (D) In millions.

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Company's Financial Strength A++
Stock's Price Stability 95
Price Growth Persistence 40
Earnings Predictability 95

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