



**Walmart U.S. Q3 comp sales¹ grew 9.2%; 15.6% two-year stack; Comp transactions up 5.7%
Q3 FY22 GAAP EPS of \$1.11; Adjusted EPS^{2,3} of \$1.45**

**Company expects Walmart U.S. Q4 comp sales of around 5%; Raises EPS guidance for third consecutive quarter
Walmart U.S. inventory up 11.5% ahead of holidays**

- ✦ Walmart raises full-year guidance
 - Walmart U.S. comp sales above 6%, excluding fuel
 - FY22 GAAP EPS of around \$5.00; Adjusted EPS⁴ of around \$6.40 versus prior guidance of \$6.20-\$6.35
 - FY22 capital expenditures of around \$13 billion
- ✦ Total revenue was \$140.5 billion, up 4.3%, negatively affected by approximately \$9.4 billion related to divestitures. Excluding currency², total revenue would have increased 3.3% to \$139.2 billion.
- ✦ Walmart U.S. eCommerce sales grew 8% for the quarter and 87% on a two-year stack.
- ✦ Sam's Club comp sales¹ increased 13.9%, and 25% on a two-year stack. E-commerce sales grew 32%. Membership income increased 11.3%, which is the fifth consecutive quarter of double-digit growth.
- ✦ Walmart International net sales were \$23.6 billion, a decrease of \$5.9 billion, or 20.1%, negatively affected by \$9.4 billion related to divestitures. Changes in currency exchange rates positively affected net sales by approximately \$1.3 billion. Flipkart, China, and Mexico delivered strong growth in eCommerce.
- ✦ Consolidated gross profit rate decreased 42 basis points, primarily due to increased supply chain costs, a higher mix of lower margin fuel business in the U.S. and a shifting international format mix.
- ✦ Consolidated operating expenses as a percentage of net sales declined 4 basis points reflecting strong sales growth and lower expenses for COVID-19, offset by investments in wages.
- ✦ Consolidated operating income was \$5.8 billion, an increase of 0.2%, negatively affected by \$0.4 billion related to divestitures, or about 750 basis points.
- ✦ Repurchased \$7.4 billion in shares year to date, representing around 35% of the \$20 billion authorization announced earlier this year.

"Our momentum continues with strong sales and profit growth globally. Our omnichannel focus is pushing digital penetration to record levels. We gained market share in grocery in the U.S., and more customers and members are returning to our stores and clubs around the world. Looking ahead, we have the people, the products, and the prices to deliver a great holiday season for our customers and members."

Doug McMillon
President and CEO, Walmart

¹ Comp sales for the 13-week period ended October 29, 2021 compared to 13-week period ended October 30, 2020, and excludes fuel. See Supplemental Financial Information for additional information.


² See additional information at the end of this release regarding non-GAAP financial measures.

³ Adjusted EPS excludes the effects, net of tax, of a loss on extinguishment of debt of \$0.67 and net gains on equity investments of \$0.33.

⁴ Fiscal year 2022 GAAP EPS and Adjusted EPS guidance reflects year to date GAAP EPS and Adjusted EPS, respectively, for the nine months ended October 31, 2021, and updated expectations for the fourth quarter. The Company's fourth quarter expectations exclude certain elements that the company cannot predict such as the impact of foreign exchange translation and externally adjusted items.





Key results


(Amounts in billions, except as noted. Dollar and percentage changes may not recalculate due to rounding.)





Walmart 		Q3 FY22	Q3 FY21	Change	
Revenue		\$140.5	\$134.7	\$5.8	4.3%
Revenue (constant currency) ¹		\$139.2	\$134.7	\$4.5	3.3%
Operating income		\$5.8	\$5.8	\$—	0.2%
Operating income (constant currency) ¹		\$5.7	\$5.8	-\$0.1	-1.1%
Free Cash Flow ¹		YTD FY22	\$ Change	Returns to Shareholders	
Operating cash flow		\$16.3	-\$6.6	Dividends	Q3 FY22
Capital expenditures		\$8.6	\$2.2	Share repurchases ²	% Change
Free cash flow ¹		\$7.7	-\$8.7	Total	
				\$1.5	-0.8%
				\$2.2	368.3%
				\$3.7	84.1%

Segment results

(Amounts in billions, except as noted. Dollar and percentage changes may not recalculate due to rounding.)

Walmart  U.S.		Q3 FY22	Q3 FY21	Change	
Net sales		\$96.6	\$88.4	\$8.3	9.3%
Comp sales (ex. fuel) ³		9.2%	6.4%	NP	NP
 Transactions		5.7%	-14.2%	NP	NP
 Average ticket		3.3%	24.0%	NP	NP
 eCommerce contribution		< 10 bps	~570 bps	NP	NP
Operating income		\$4.9	\$4.6	\$0.3	5.9%

Walmart  International		Q3 FY22	Q3 FY21	Change	
Net sales		\$23.6	\$29.6	-\$5.9	-20.1%
Net sales (constant currency) ¹		\$22.3	\$29.6	-\$7.3	-24.6%
Operating income		\$0.9	\$1.1	-\$0.2	-19.2%
Operating income (constant currency) ¹		\$0.8	\$1.1	-\$0.3	-26.5%

sam's club 		Q3 FY22	Q3 FY21	Change	
Net sales		\$19.0	\$15.8	\$3.1	19.7%
Comp sales (ex. fuel) ³		13.9%	11.1%	NP	NP
 Transactions		11.1%	6.8%	NP	NP
 Average ticket		2.6%	4.0%	NP	NP
 eCommerce contribution		~170 bps	~230 bps	NP	NP
Operating income		\$0.5	\$0.4	\$0.0	10.2%

¹ See additional information at the end of this release regarding non-GAAP financial measures.

² \$13.1 billion remaining of \$20 billion authorization approved in February 2021. The company repurchased approximately 15 million shares in Q3 fiscal 2022.

³ Comp sales for the 13-week period ended October 29, 2021 compared to 13-week period ended October 30, 2020, and excludes fuel. See Supplemental Financial Information for additional information.

NP - Not provided

About Walmart

Walmart Inc. (NYSE: WMT) helps people around the world save money and live better - anytime and anywhere - in retail stores, online, and through their mobile devices. Each week, approximately 220 million customers and members visit approximately 10,500 stores and clubs under 48 banners in 24 countries and eCommerce websites. With fiscal year 2021 revenue of \$559 billion, Walmart employs 2.2 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <https://corporate.walmart.com>, on Facebook at <https://facebook.com/walmart> and on Twitter at <https://twitter.com/walmart>.

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Forward-Looking Statements

This release and related management commentary contains statements or may include or may incorporate by reference, statements that may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. Assumptions on which such forward-looking statements are based are also forward-looking statements. Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's or business', economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. Our actual results may differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including: the impact of the COVID-19 pandemic on our business and the global economy; economic, capital markets and business conditions; trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations, changes in market interest rates and market levels of wages; changes in the size of various markets, including eCommerce markets; unemployment levels; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; the effectiveness of the implementation and operation of our strategies, plans, programs and initiatives; unexpected changes in our objectives and plans; the impact of acquisitions, investments, divestitures, and other strategic decisions; our ability to successfully integrate acquired businesses; changes in the trading prices of certain equity investments we hold; initiatives of competitors, competitors' entry into and expansion in our markets, and competitive pressures; customer traffic and average transactions in our stores and clubs and on our eCommerce websites; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; our gross profit margins; the financial performance of Walmart and each of its segments, including the amounts of our cash flow during various periods; the amount of our net sales and operating expenses denominated in the U.S. dollar and various foreign currencies; commodity prices and the price of gasoline and diesel fuel; supply chain disruptions and disruptions in seasonal buying patterns; the availability of goods from suppliers and the cost of goods acquired from suppliers; our ability to respond to changing trends in consumer shopping habits; consumer acceptance of and response to our stores, clubs, eCommerce platforms, programs, merchandise offerings and delivery methods; cyber security events affecting us and related costs and impact to the business; developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith; casualty and accident-related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; our effective tax rate and the factors affecting our effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations; changes in existing tax, labor and other laws and regulations and changes in tax rates including the enactment of laws and the adoption and interpretation of administrative rules and regulations; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions; adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives; changes in accounting estimates or judgments; the level of public assistance payments; natural disasters, changes in climate, geopolitical events, global health epidemics or pandemics and catastrophic events; and changes in generally accepted accounting principles in the United States.

Our most recent annual report on Form 10-K and subsequent quarterly report on Form 10-Q filed with the SEC discuss other risks and factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statement in the release and related management commentary. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this release. Walmart cannot assure you that the results reflected in or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects for or on our operations or financial performance. The forward-looking statements made today are as of the date of this release. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Walmart Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended			Nine Months Ended		
	October 31,			October 31,		
<i>(Amounts in millions, except per share data)</i>	2021	2020	Percent Change	2021	2020	Percent Change
Revenues:						
Net sales	\$139,207	\$133,752	4.1 %	\$416,237	\$404,248	3.0 %
Membership and other income	1,318	956	37.9 %	3,646	2,824	29.1 %
Total revenues	140,525	134,708	4.3 %	419,883	407,072	3.1 %
Costs and expenses:						
Cost of sales	105,023	100,339	4.7 %	313,478	305,054	2.8 %
Operating, selling, general and administrative expenses	29,710	28,591	3.9 %	86,350	84,957	1.6 %
Operating income	5,792	5,778	0.2 %	20,055	17,061	17.5 %
Interest:						
Debt	408	455	(10.3)%	1,326	1,542	(14.0)%
Finance lease obligations	78	86	(9.3)%	241	249	(3.2)%
Interest income	(44)	(25)	76.0 %	(111)	(91)	22.0 %
Interest, net	442	516	(14.3)%	1,456	1,700	(14.4)%
Loss on extinguishment of debt	2,410	—	N/A	2,410	—	N/A
Other (gains) and losses	(1,207)	(1,853)	(34.9)%	2,275	(5,796)	(139.3)%
Income before income taxes	4,147	7,115	(41.7)%	13,914	21,157	(34.2)%
Provision for income taxes	1,015	1,914	(47.0)%	3,607	5,443	(33.7)%
Consolidated net income	3,132	5,201	(39.8)%	10,307	15,714	(34.4)%
Consolidated net income attributable to noncontrolling interest	(27)	(66)	(59.1)%	(196)	(113)	73.5 %
Consolidated net income attributable to Walmart	<u>\$ 3,105</u>	<u>\$ 5,135</u>	<u>(39.5)%</u>	<u>\$ 10,111</u>	<u>\$ 15,601</u>	<u>(35.2)%</u>
Net income per common share:						
Basic net income per common share attributable to Walmart	\$ 1.11	\$ 1.81	(38.7)%	\$ 3.61	\$ 5.51	(34.5)%
Diluted net income per common share attributable to Walmart	\$ 1.11	\$ 1.80	(38.3)%	\$ 3.59	\$ 5.48	(34.5)%
Weighted-average common shares outstanding:						
Basic	2,785	2,833		2,799	2,832	
Diluted	2,797	2,849		2,813	2,849	
Dividends declared per common share	\$ —	\$ —		\$ 2.20	\$ 2.16	

Walmart Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

<i>(Amounts in millions)</i>	October 31, 2021	January 31, 2021	October 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 16,111	\$ 17,741	\$ 14,325
Receivables, net	7,349	6,516	5,770
Inventories	57,484	44,949	51,842
Prepaid expenses and other ⁽¹⁾	2,020	20,861	1,665
Total current assets	<u>82,964</u>	<u>90,067</u>	<u>73,602</u>
Property and equipment, net	92,242	92,201	102,232
Operating lease right-of-use assets	13,863	13,642	17,128
Finance lease right-of-use assets, net	4,226	4,005	4,929
Goodwill	28,923	28,983	30,236
Other long-term assets	22,633	23,598	22,736
Total assets	<u>\$ 244,851</u>	<u>\$ 252,496</u>	<u>\$ 250,863</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	\$ 447	\$ 224	\$ 240
Accounts payable	57,156	49,141	54,152
Dividends payable	1,528	—	1,529
Accrued liabilities ⁽¹⁾	24,474	37,966	24,995
Accrued income taxes	446	242	548
Long-term debt due within one year	1,575	3,115	4,358
Operating lease obligations due within one year	1,486	1,466	1,725
Finance lease obligations due within one year	508	491	574
Total current liabilities	<u>87,620</u>	<u>92,645</u>	<u>88,121</u>
Long-term debt	36,425	41,194	40,849
Long-term operating lease obligations	13,095	12,909	15,982
Long-term finance lease obligations	4,061	3,847	4,750
Deferred income taxes and other	12,893	14,370	13,657
Commitments and contingencies			
Equity:			
Common stock	277	282	283
Capital in excess of par value	4,811	3,646	3,485
Retained earnings	85,674	88,763	92,279
Accumulated other comprehensive loss	(8,488)	(11,766)	(14,616)
Total Walmart shareholders' equity	<u>82,274</u>	<u>80,925</u>	<u>81,431</u>
Noncontrolling interest	8,483	6,606	6,073
Total equity	<u>90,757</u>	<u>87,531</u>	<u>87,504</u>
Total liabilities and equity	<u>\$ 244,851</u>	<u>\$ 252,496</u>	<u>\$ 250,863</u>

¹ As of January 31, 2021, prepaid expenses and other included assets held for sale of \$19.2 billion and accrued liabilities included liabilities held for sale of \$12.7 billion related to our operations in the U.K. and Japan. We completed the sale of our operations in the U.K. and Japan in the first quarter of fiscal 2022.

Walmart Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(Amounts in millions)</i>	Nine Months Ended	
	October 31,	
	2021	2020
Cash flows from operating activities:		
Consolidated net income	\$ 10,307	\$ 15,714
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	7,952	8,333
Net unrealized and realized (gains) and losses	1,831	(6,883)
Losses on disposal of business operations	433	1,028
Deferred income taxes	(1,402)	1,246
Loss on extinguishment of debt	2,410	—
Other operating activities	1,057	930
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:		
Receivables, net	(842)	165
Inventories	(12,663)	(8,260)
Accounts payable	7,906	8,553
Accrued liabilities	(722)	1,796
Accrued income taxes	24	258
Net cash provided by operating activities	<u>16,291</u>	<u>22,880</u>
Cash flows from investing activities:		
Payments for property and equipment	(8,588)	(6,438)
Proceeds from the disposal of property and equipment	290	99
Proceeds from disposal of certain operations, net of divested cash	7,935	12
Payments for business acquisitions, net of cash acquired	(248)	(180)
Other investing activities	(919)	—
Net cash used in investing activities	<u>(1,530)</u>	<u>(6,507)</u>
Cash flows from financing activities:		
Net change in short-term borrowings	228	(301)
Proceeds from issuance of long-term debt	6,945	—
Repayments of long-term debt	(13,010)	(4,132)
Premiums paid to extinguish debt	(2,317)	—
Dividends paid	(4,627)	(4,582)
Purchase of Company stock	(7,368)	(1,186)
Dividends paid to noncontrolling interest	(20)	(76)
Sale of subsidiary stock	3,231	116
Other financing activities	(1,175)	(1,179)
Net cash used in financing activities	<u>(18,113)</u>	<u>(11,340)</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	<u>(118)</u>	<u>(170)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(3,470)	4,863
Change in cash and cash equivalents classified as held for sale	1,848	—
Cash, cash equivalents and restricted cash at beginning of year	17,788	9,515
Cash, cash equivalents and restricted cash at end of period	<u>\$ 16,166</u>	<u>\$ 14,378</u>

Walmart Inc.
Supplemental Financial Information
(Unaudited)

Net sales and operating income

<i>(dollars in millions)</i>	Net Sales			Operating Income		
	Three Months Ended October 31,			Three Months Ended October 31,		
	2021	2020	Percent Change	2021	2020	Percent Change
Walmart U.S.	\$ 96,609	\$ 88,353	9.3%	\$ 4,860	\$ 4,589	5.9%
Walmart International	23,627	29,554	-20.1%	871	1,078	-19.2%
Sam's Club	18,971	15,845	19.7%	475	431	10.2%
Corporate and support	—	—	—	(414)	(320)	29.4%
Consolidated	\$ 139,207	\$ 133,752	4.1%	\$ 5,792	\$ 5,778	0.2%

U.S. comparable sales results

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	10/29/2021	10/30/2020	10/29/2021	10/30/2020	10/29/2021	10/30/2020
Walmart U.S.	9.6%	6.3%	9.2%	6.4%	0.4%	-0.1%
Sam's Club	19.8%	7.9%	13.9%	11.1%	5.9%	-3.2%
Total U.S.	11.1%	6.6%	9.9%	7.1%	1.2%	-0.5%

Comparable sales is a metric that indicates the performance of our existing stores and clubs and it is important to review in conjunction with the company's financial results reported in accordance with GAAP. Comparable sales excluding fuel is also an important, separate metric that indicates the performance of our existing stores and clubs without considering fuel, which is volatile and unpredictable. Other companies in our industry may calculate comparable sales differently, limiting the comparability of the metric.

Walmart Inc.
Reconciliations of and Other Information Regarding Non-GAAP Financial Measures
(Unaudited)

The following information provides reconciliations of certain non-GAAP financial measures presented in the press release to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The company has provided the non-GAAP financial information presented in the press release, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in the press release that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the press release. The non-GAAP financial measures in the press release may differ from similar measures used by other companies.

Constant Currency

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months.

Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and nine months ended October 31, 2021.

	Three Months Ended October 31, 2021				Nine Months Ended October 31, 2021			
	Walmart International		Consolidated		Walmart International		Consolidated	
	2021	Percent Change ¹	2021	Percent Change ¹	2021	Percent Change ¹	2021	Percent Change ¹
<i>(Dollars in millions)</i>								
Total revenues:								
As reported	\$ 24,040	-19.4%	\$ 140,525	4.3 %	\$ 75,098	-14.0%	\$ 419,883	3.1 %
Currency exchange rate fluctuations	(1,367)	N/A	(1,367)	N/A	(4,720)	N/A	(4,720)	N/A
Constant currency total revenues	\$ 22,673	-24.0%	\$ 139,158	3.3 %	\$ 70,378	-19.4%	\$ 415,163	2.0 %
Net sales:								
As reported	\$ 23,627	-20.1%	\$ 139,207	4.1 %	\$ 73,962	-14.5%	\$ 416,237	3.0 %
Currency exchange rate fluctuations	(1,347)	N/A	(1,347)	N/A	(4,657)	N/A	(4,657)	N/A
Constant currency net sales	\$ 22,280	-24.6%	\$ 137,860	3.1 %	\$ 69,305	-19.9%	\$ 411,580	1.8 %
Operating income:								
As reported	\$ 871	-19.2%	\$ 5,792	0.2 %	\$ 2,926	8.5%	\$ 20,055	17.5 %
Currency exchange rate fluctuations	(79)	N/A	(79)	N/A	(280)	N/A	(280)	N/A
Constant currency operating income	\$ 792	-26.5%	\$ 5,713	-1.1 %	\$ 2,646	-1.9%	\$ 19,775	15.9 %

¹ Change versus prior year comparable period.

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$16.3 billion for the nine months ended October 31, 2021, which decreased when compared to \$22.9 billion for the nine months ended October 31, 2020 primarily due to an increase in inventory purchases to support strong sales and lapping the impact of accelerated inventory sell-through in fiscal 2021, as well as timing and payment of wages. We generated free cash flow of \$7.7 billion for the nine months ended October 31, 2021, which decreased when compared to \$16.4 billion for the nine months ended October 31, 2020 due to the same reasons as the decrease in net cash provided by operating activities, as well as \$2.2 billion in increased capital expenditures.

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

	Nine Months Ended	
	October 31,	
<i>(Dollars in millions)</i>	2021	2020
Net cash provided by operating activities	\$ 16,291	\$ 22,880
Payments for property and equipment (capital expenditures)	(8,588)	(6,438)
Free cash flow	<u>\$ 7,703</u>	<u>\$ 16,442</u>
Net cash used in investing activities ¹	\$ (1,530)	\$ (6,507)
Net cash used in financing activities	(18,113)	(11,340)

¹ "Net cash used in investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

Adjusted EPS

Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the SEC's rules because it excludes certain amounts included in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance with that of the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance with that of the prior year.

We adjust for the unrealized and realized gains and losses on our equity investments each quarter because although the investments are strategic decisions for the company's retail operations, management's measurement of each strategy is primarily focused on the operational results rather than the fair value of such investments. Additionally, management does not forecast changes in the fair value of its equity investments. Accordingly, management adjusts EPS each quarter for the realized and unrealized gains and losses related to those equity investments.

We have calculated Adjusted EPS for the three and nine months ended October 31, 2021 by adjusting EPS for the following:

1. unrealized and realized gains and losses on the company's equity investments,
2. loss on extinguishment of debt; and
3. the incremental loss on sale of our operations in the U.K and Japan recorded during the first quarter of fiscal 2022.

Three Months Ended October 31, 2021				
Diluted earnings per share:				
Reported EPS				\$ 1.11
	Pre-Tax Impact	Tax Impact^{1,2}	Net Impact	
Unrealized and realized (gains) and losses on equity investments	\$ (0.42)	\$ 0.09	\$ (0.33)	
Loss on extinguishment of debt	0.86	(0.19)	0.67	
Net adjustments			\$ 0.34	
Adjusted EPS			\$ 1.45	

Nine Months Ended October 31, 2021³				
Diluted earnings per share:				
Reported EPS				\$ 3.59
	Pre-Tax Impact	Tax Impact^{1,2}	Net Impact	
Unrealized and realized (gains) and losses on equity investments	\$ 0.65	\$ (0.13)	\$ 0.52	
Loss on extinguishment of debt	0.86	(0.19)	0.67	
Incremental loss on sale of our operations in the U.K. and Japan	0.15	—	0.15	
Net adjustments			\$ 1.34	
Adjusted EPS			\$ 4.93	

¹ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. Minimal realizable tax benefit was provided in connection with the incremental loss on sale.

² The reported effective tax rate was 24.5% and 25.9% for the three and nine months ended October 31, 2021, respectively. Adjusted for the above items, the effective tax rate was 24.3% and 24.5% for the three and nine months ended October 31, 2021, respectively.

³ Quarterly adjustments or adjusted EPS may not sum to YTD adjustments or YTD adjusted EPS due to rounding.

As previously disclosed in our third quarter ended October 31, 2020 press release, we have calculated Adjusted EPS for the three and nine months ended October 31, 2020 by adjusting EPS for the following: (1) unrealized gains and losses on the Company's equity investments and (2) the loss on sale of Walmart Argentina classified as held for sale as of October 31, 2020. For the nine months ended October 31, 2020 we also adjusted EPS for (3) a business restructuring charge resulting from changes to corporate support teams to better support the Walmart U.S. omnichannel strategy and (4) a discrete tax item.

Three Months Ended October 31, 2020				
Diluted earnings per share:				
Reported EPS				\$ 1.80
Adjustments:	Pre-Tax Impact	Tax Impact^{1,2}	NCI Impact³	Net Impact
Unrealized (gains) and losses on equity investments	\$ (1.01)	\$ 0.21	\$ —	\$ (0.80)
Loss on sale of Walmart Argentina	0.34	—	—	0.34
Net adjustments				\$ (0.46)
Adjusted EPS				\$ 1.34
Nine Months Ended October 31, 2020⁴				
Diluted earnings per share:				
Reported EPS				\$ 5.48
Adjustments:	Pre-Tax Impact	Tax Impact^{1,2}	NCI Impact³	Net Impact
Unrealized (gains) and losses on equity investments	\$ (2.42)	\$ 0.50	\$ —	\$ (1.92)
Business restructuring charge	0.13	(0.03)	—	0.10
Discrete tax item	0.06	0.05	(0.03)	0.08
Loss on sale of Walmart Argentina	0.34	—	—	0.34
Net adjustments				\$ (1.40)
Adjusted EPS				\$ 4.08

¹ Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions. The loss on sale of Walmart Argentina provided minimal realizable tax benefit.

² The reported effective tax rate was 26.9% and 25.7% for the three and nine months ended October 31, 2020, respectively. When adjusted for the above items, the effective tax rate was 25.2% and 25.0% for the three and nine months ended October 31, 2020, respectively.

³ Calculated based on the ownership percentages of our noncontrolling interests.

⁴ Quarterly adjustments or adjusted EPS may not sum to YTD adjustments or YTD adjusted EPS due to rounding.