

20 Investment Community  
20 Meeting | INNOVATION CONTINUED



# Brett Biggs

Executive Vice President & CFO,  
*Walmart*

20 Investment Community  
20 Meeting | INNOVATION CONTINUED



# Today's headlines



Achieved most FY20 financial goals

8:00 AM - 18 Feb 2020



Expense leverage is sustainable

8:00 AM - 18 Feb 2020



Recent investments are paying off

8:00 AM - 18 Feb 2020



Productivity loop is alive and well

8:00 AM - 18 Feb 2020



Leveraging scale & unique assets

8:00 AM - 18 Feb 2020



FY21 guidance reflects continued progress

8:00 AM - 18 Feb 2020

20 Investment Community  
20 Meeting | INNOVATION CONTINUED





# Solid sales results

FY20 net sales  
**+2.7%**

\$510.3B

\$524.1B<sup>1</sup>

Q4 net sales  
**+2.1%**

\$137.7B<sup>1</sup>

\$140.6B<sup>1</sup>

■ FY19

■ FY20

<sup>1</sup>On a constant currency basis. See non-GAAP reconciliations provided in Q4 FY20 earnings presentation.

<sup>2</sup>Excludes fuel and tobacco

Note: Comp sales are presented on a 53-week basis

## Full-year highlights:

Walmart U.S. comp sales **+2.8%**; two-year stack **+6.4%**

Strong U.S. eCommerce growth (incl. online grocery) **+37%**

International net sales<sup>1</sup> **+2.8%**

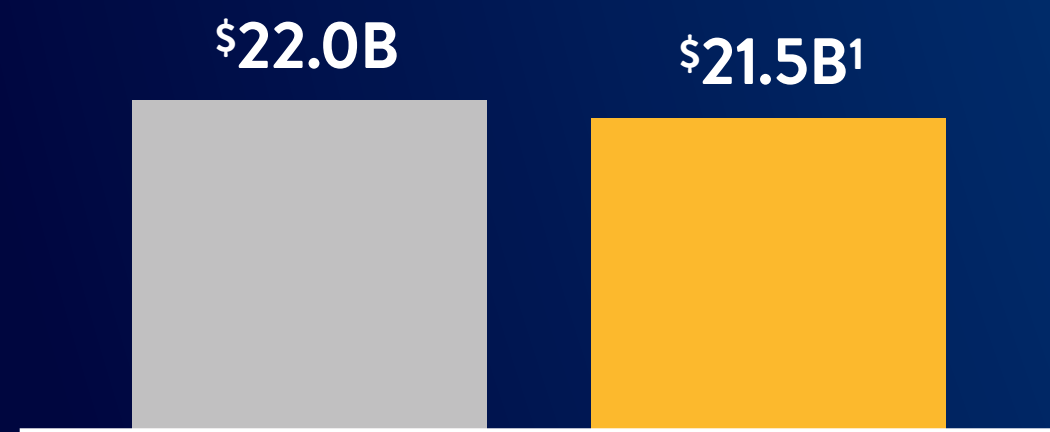
- Strength in China, Mexico & India; softness in U.K., Canada & Chile

Sam's Club comp sales<sup>2</sup> **+3.8%**

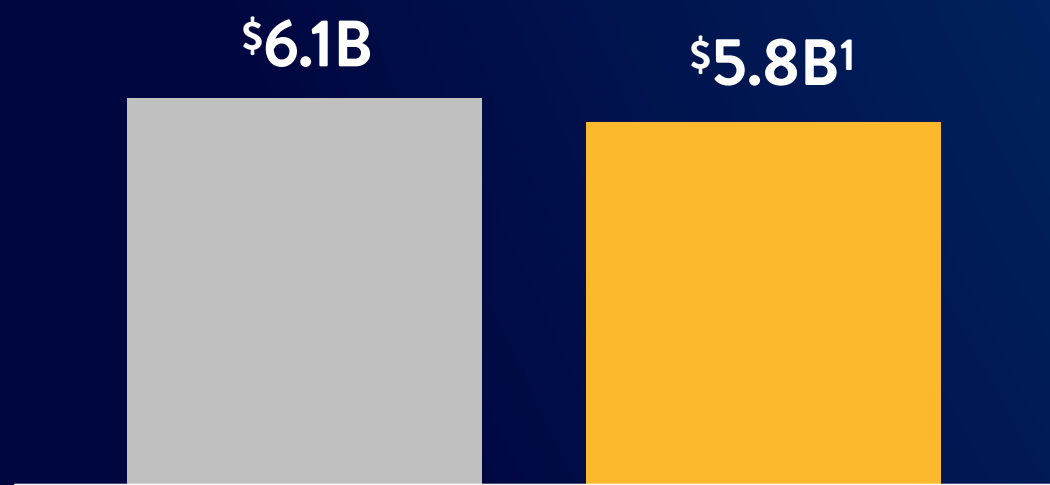
- Strong membership trends, transactions & eCommerce growth

# FY20 underlying profitability healthy

FY20 adj. operating income  
**(1.9%)**



Q4 adj. operating income  
**(3.7%)**



Adjusted EPS  
**+0.4%**

## Full-year highlights:

Walmart U.S. adjusted operating income **+2.6%**

- Strong progress on expense leverage

International strength in Mexico & China

- Headwind from Chile unrest









Sam's Club operating income **+8%**

- Continued strength in membership trends

■ FY19   ■ FY20

<sup>1</sup>On a constant currency basis and excludes externally adjusted items  
Note: See non-GAAP reconciliations provided in Q4 FY20 earnings presentation

# Achieved most FY20 guidance metrics

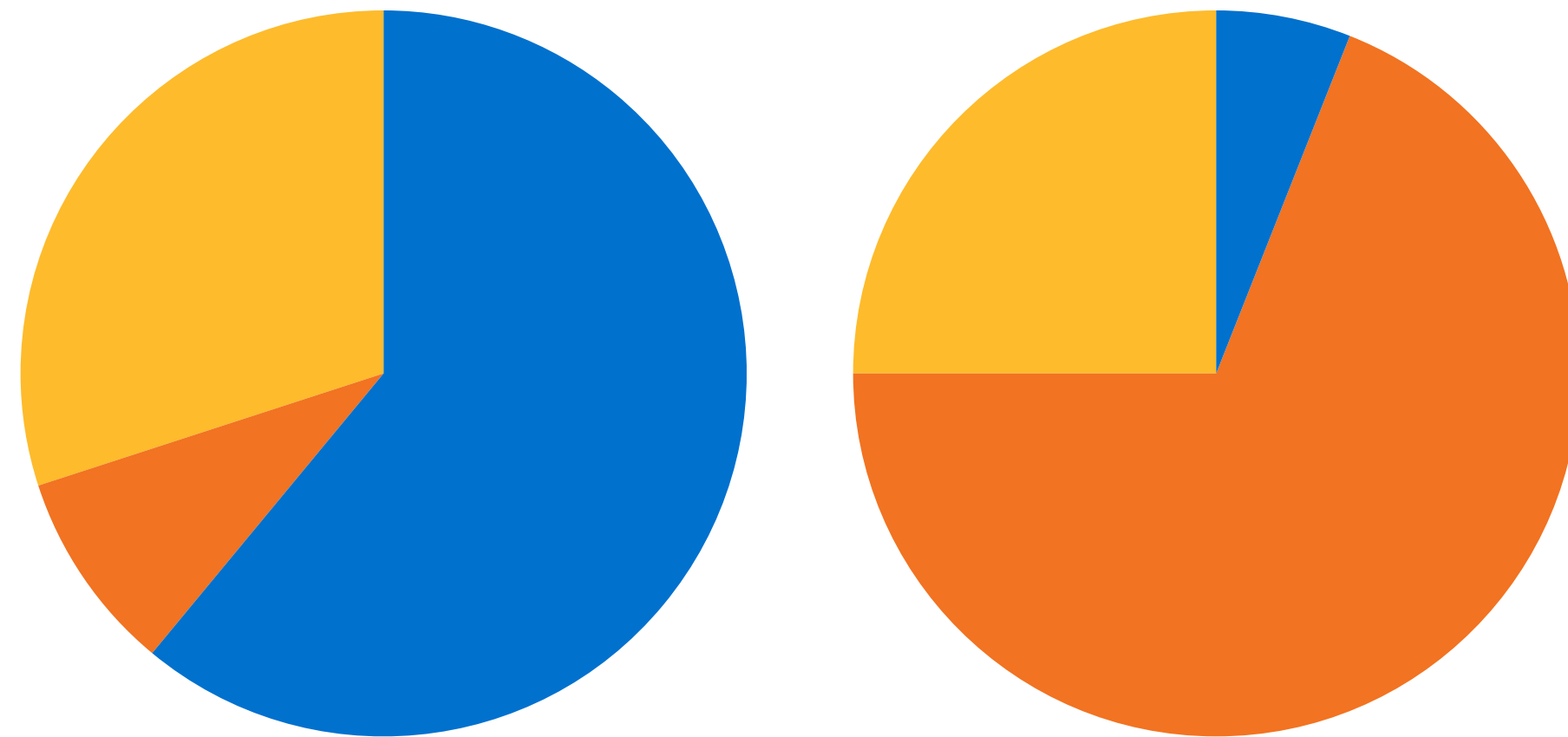
Metric	Original guidance	Grade
Consolidated net sales growth	At least 3% in constant currency	
Walmart U.S. comp sales growth	+2.5% - +3%	
Walmart U.S. eCommerce sales growth	Around 35%	
International net sales growth	Around 5% in constant currency	
Sam's Club comp sales growth (excludes fuel & tobacco)	+3%	
Adjusted expense leverage	Approximately 20 bps	
Adjusted operating income	Decline by a low single digit percentage range, including Flipkart	
Adjusted EPS	Decline by a low single digit percentage range, including Flipkart	

Note: See non-GAAP reconciliations provided in Q4 FY20 earnings presentation



# Company has evolved significantly

## Net sales growth contributors



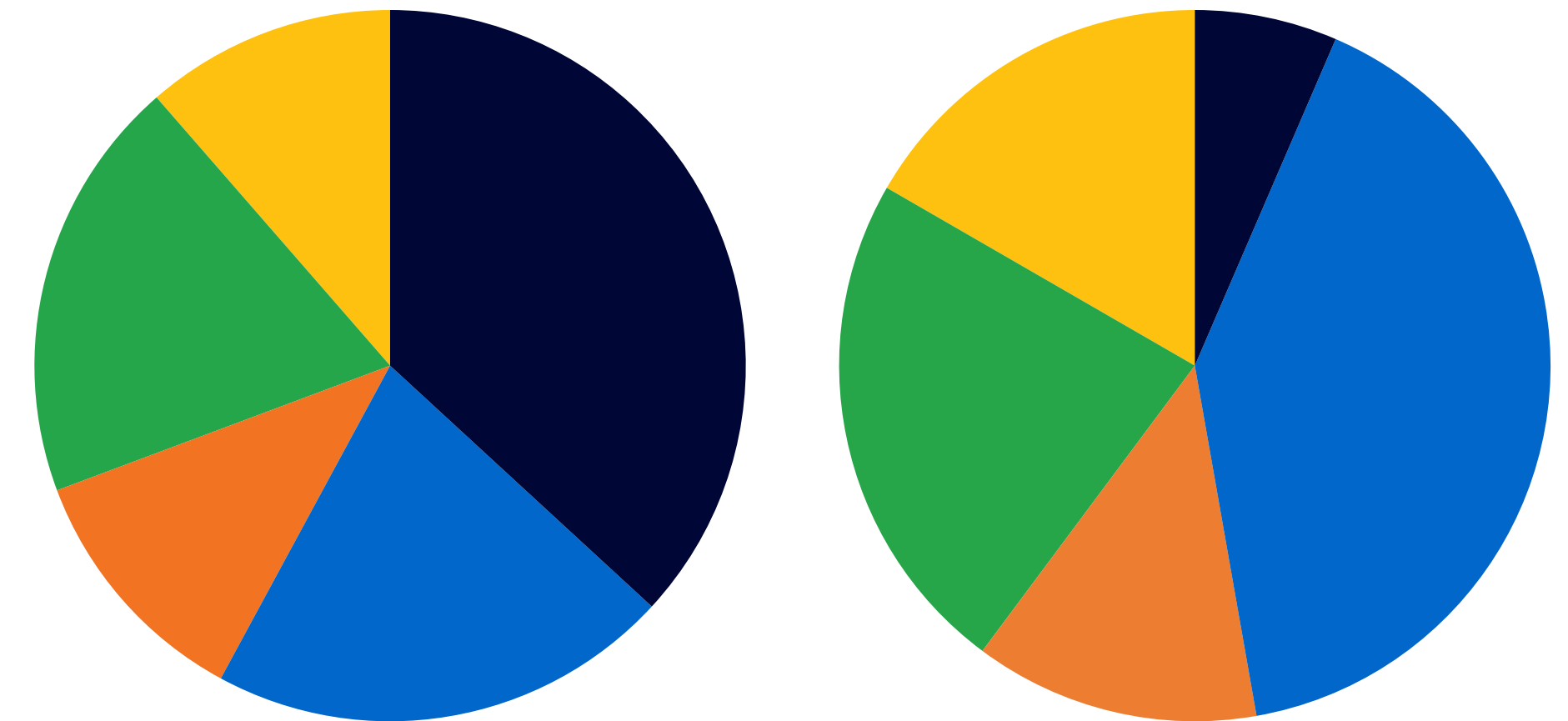
**FY15**

**FY20**

■ New stores/clubs   ■ eCommerce  
■ Store/club comps

## CapEx spending by type

Excludes acquisitions



**FY15**

**FY20**

■ New stores/clubs   ■ Remodels & customer initiatives  
■ Supply Chain   ■ eCommerce & tech  
■ Maintenance & other

# Leveraging our scale & unique assets

Revenue

~\$525B

Customers  
each week

>265M

Associates

2.2M



AA credit  
rating

Diversified  
asset base

Strong, stable  
cash flow



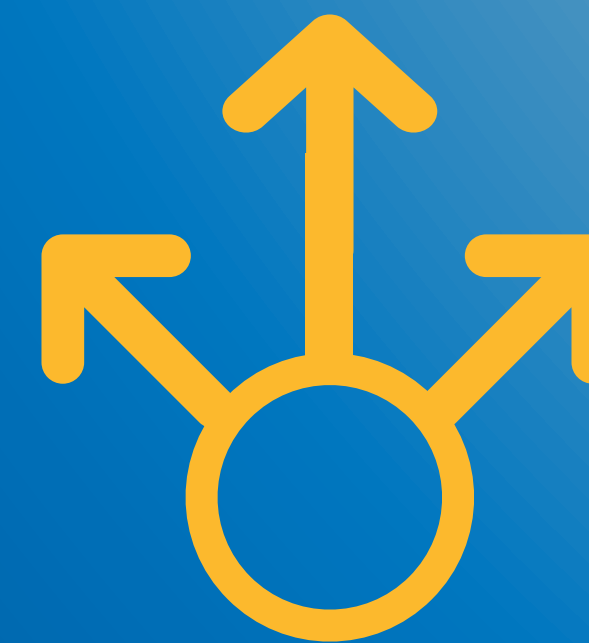
# Financial framework remains consistent



**Strong, efficient  
growth**



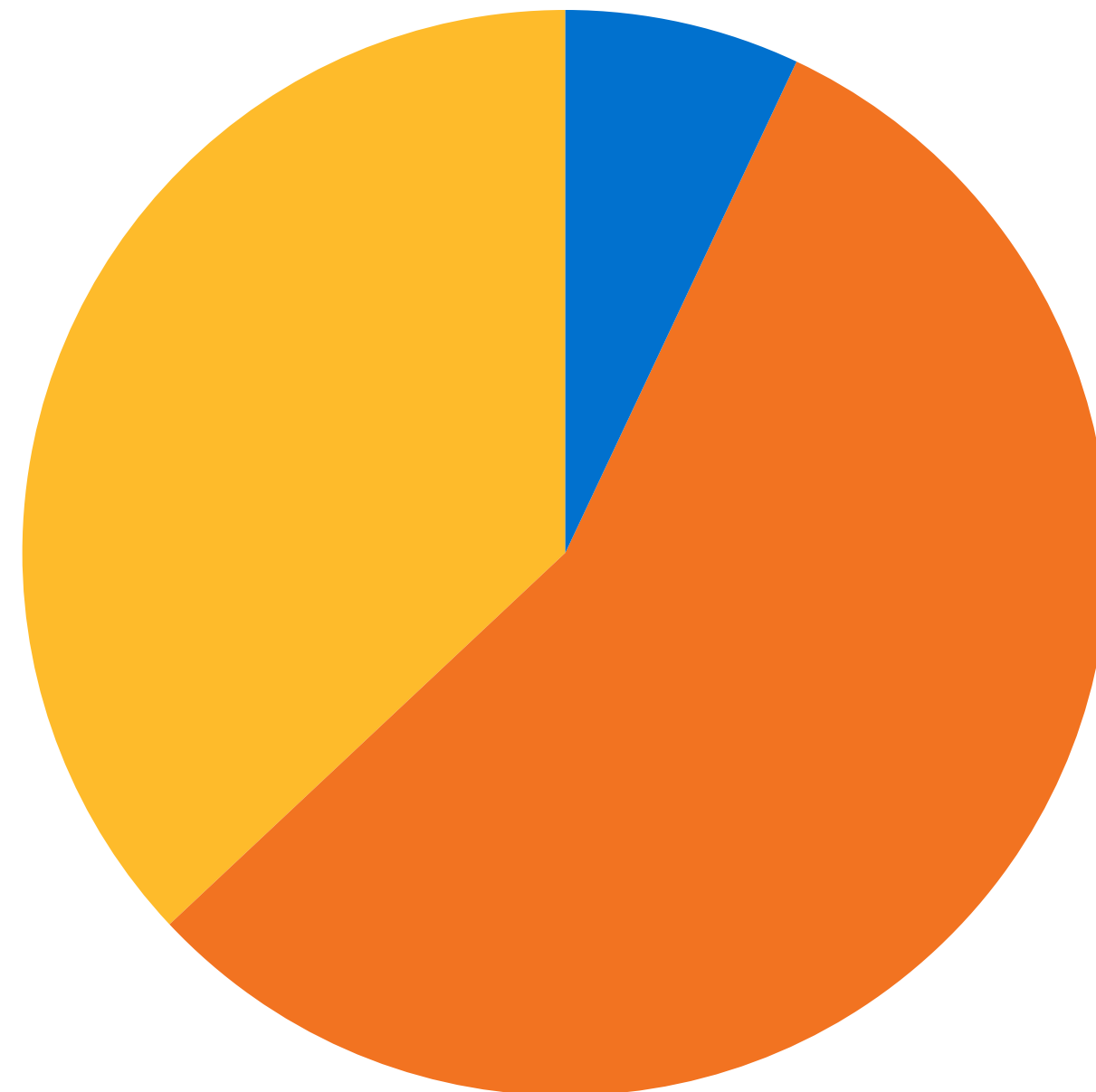
**Consistent operating  
discipline**



**Strategic capital  
allocation**

# Strong, efficient growth

## FY21 net sales growth



■ New stores/clubs   ■ eCommerce   ■ Store/club comps

## FY21 sales guidance:

- Total net sales<sup>1</sup>: ~+3%
- Walmart U.S. comp:  $\geq$ +2.5%
  - U.S. eCommerce: ~+30%
- Walmart International<sup>1</sup>: ~+4%
- Sam's Club comp<sup>2</sup>:  $\geq$ 3%

<sup>1</sup>On a constant currency basis

<sup>2</sup>Excludes fuel and tobacco

# Consistent operating discipline

**FY20 adjusted expense leverage<sup>1</sup>**



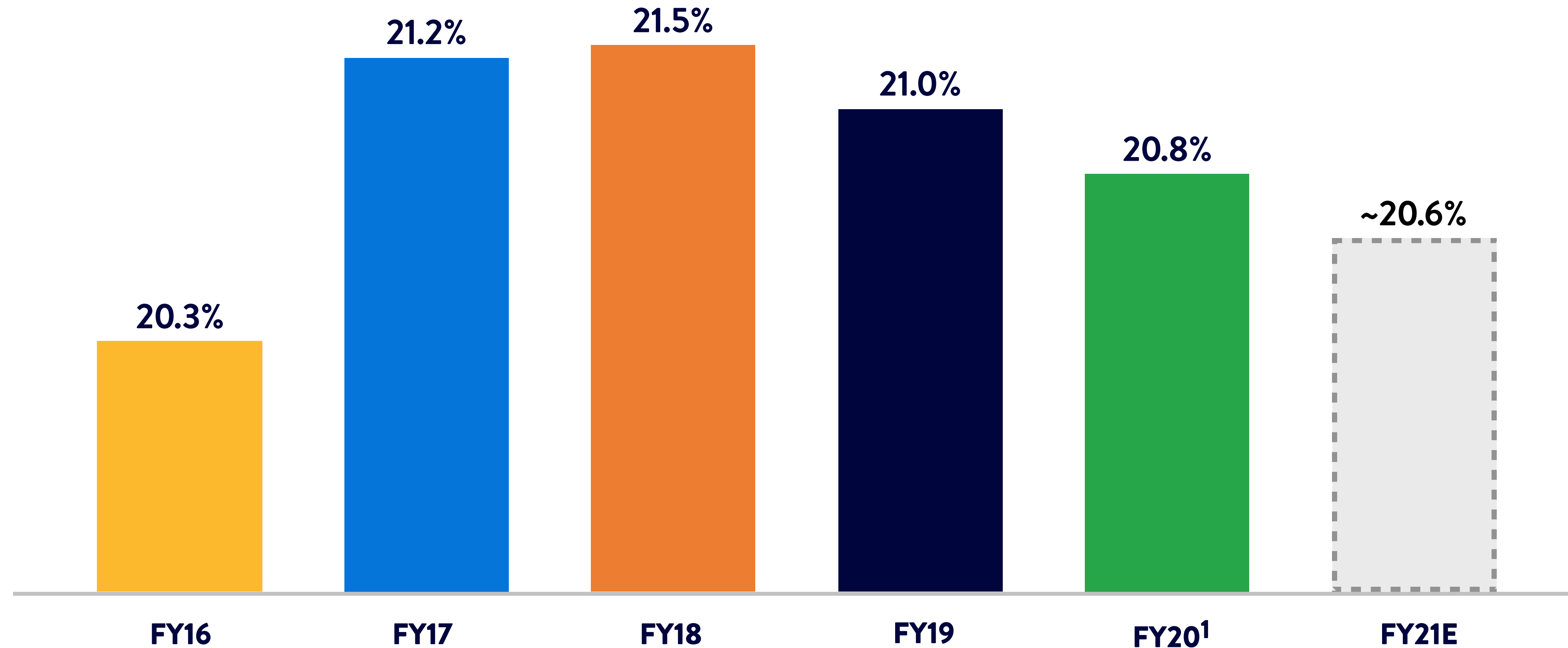
**24bps**

<sup>1</sup>Excluding externally adjusted items

*Note: See non-GAAP reconciliations provided in Q4 FY20 earnings presentation*



# Strong progress on expense leverage



<sup>1</sup>On an externally adjusted basis  
Note: See non-GAAP reconciliations provided in Q4 FY20 earnings presentation



# Cost culture is strong



“Smart Spend”



Operational efficiencies



Goods not for resale



# Expense leverage is sustainable

**Annual expense leverage goal**  
(for FY21 and beyond)

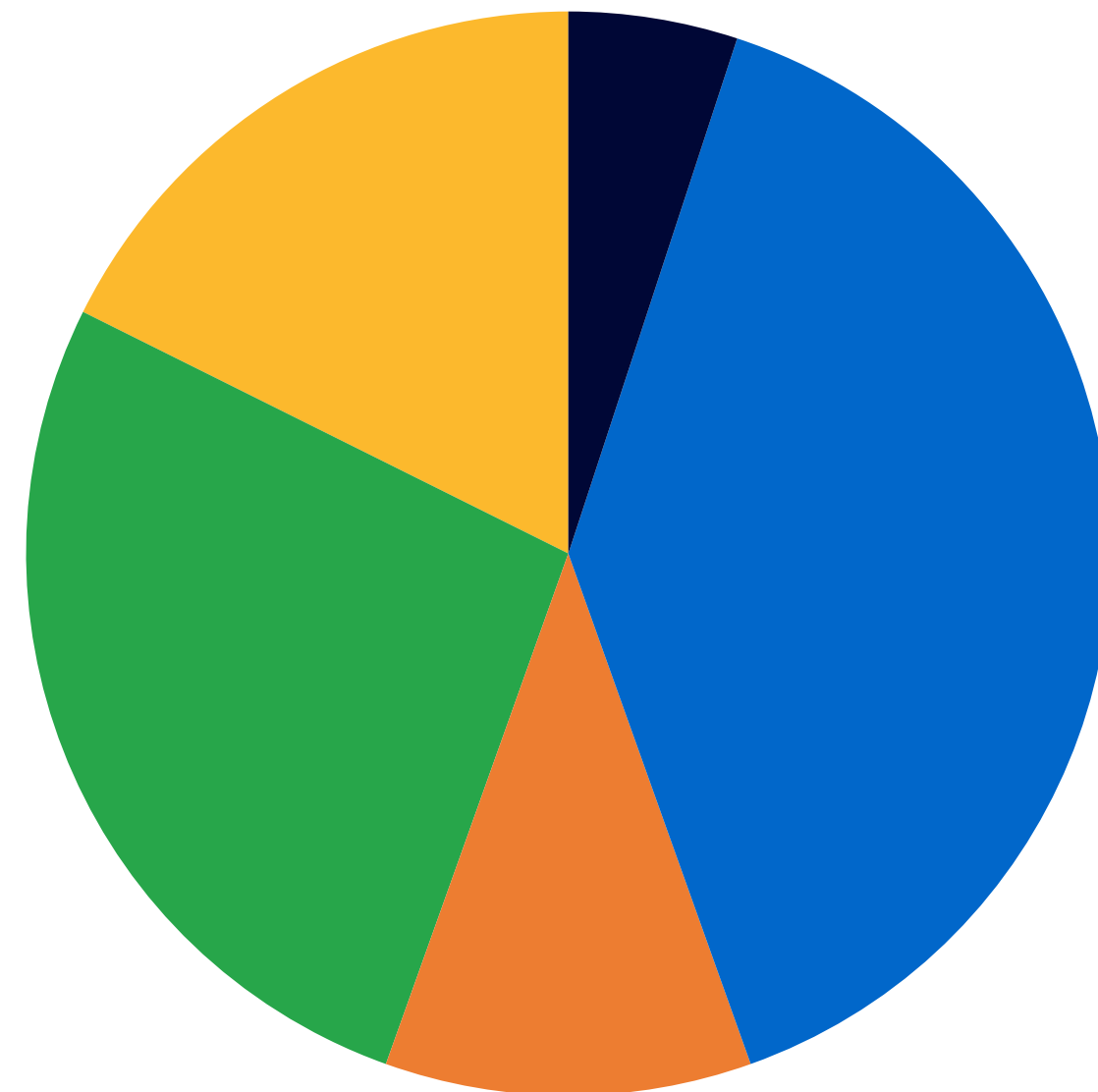


**~20bps**

# Strategic capital allocation - customer focused

## FY21 CapEx spending by type

Excludes acquisitions

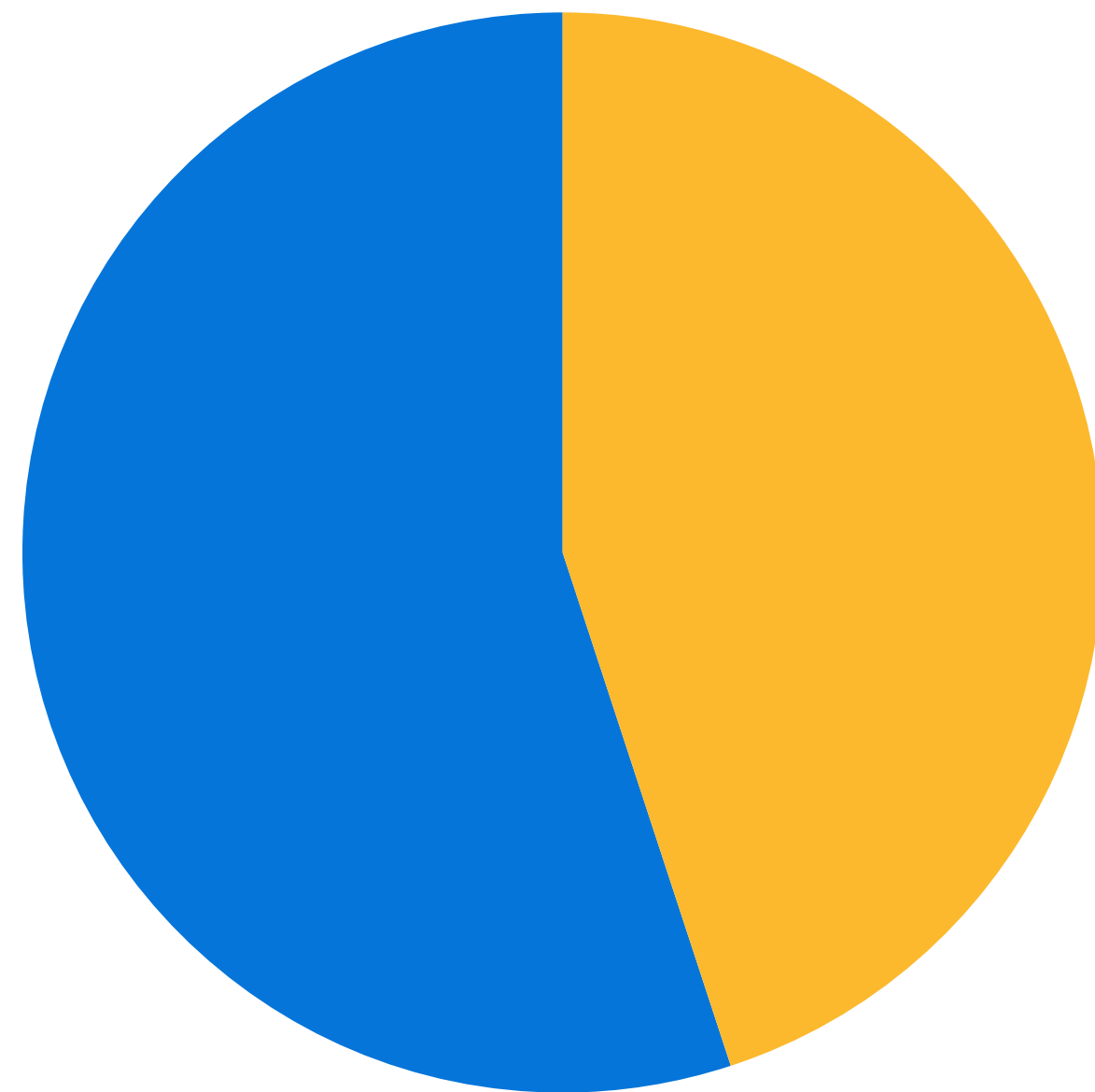


~\$11.0B



- Almost 1,000 store/club remodels globally
- Expansion of same-day pickup & delivery
- ~250 new stores/clubs - Mexico & China
- Technology upgrades

# Significant cash returns for shareholders



**~\$130B**

over the past 10 years

■ Dividends   ■ Share repurchase

- **47 consecutive years of dividend increases**
- **Intend to complete current share repurchase program in FY21**



# Fiscal year 2021 guidance<sup>1</sup>

Net sales  
growth  
~3%

EPS  
\$5.00-\$5.15  
[+1.5%-4.5% growth]

Walmart U.S.  
comp sales growth  
≥ 2.5%  
*(excl. fuel)*

Walmart International  
net sales growth  
~4%

Walmart U.S.  
eCommerce  
sales growth  
~30%

Sam's Club  
comp sales growth  
≥ 3%  
*(excl. fuel & tobacco)<sup>2</sup>*

Operating income growth  
Similar range to  
EPS growth

SG&A leverage  
~20bps

Effective tax rate  
25%-26%

Capital expenditures  
~\$11.0B

<sup>1</sup> Assumes metrics on a constant currency basis and compared to adjusted FY20 metrics. Refer to the complete listing of FY21 guidance metrics in our Q4 FY20 earnings release.

<sup>2</sup> Excludes ~350 bps impact for tobacco

# Key takeaways

**Company is strong**

**Transformation leverages scale & unique assets**

**Recent investments paying off**

**Expense leverage is sustainable**

**FY21 guidance reflects continued progress**

20 Investment Community  
20 Meeting | INNOVATION CONTINUED

