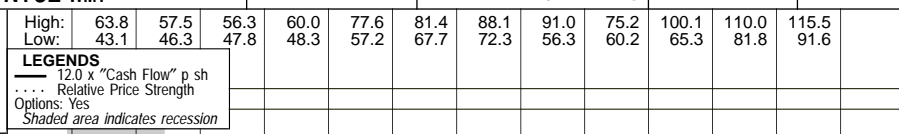


# WALMART INC. NYSE-WMT

RECENT PRICE **114.76** P/E RATIO **23.7** (Trailing: 23.4 Median: 15.0) RELATIVE P/E RATIO **1.39** DIV'D YLD **1.9%**

**VALUE LINE**

**TIMELINESS** 3 Lowered 6/7/19  
**SAFETY** 1 Raised 2/15/02  
**TECHNICAL** 4 Lowered 7/19/19  
**BETA** .75 (1.00 = Market)



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

**2022-24 PROJECTIONS**

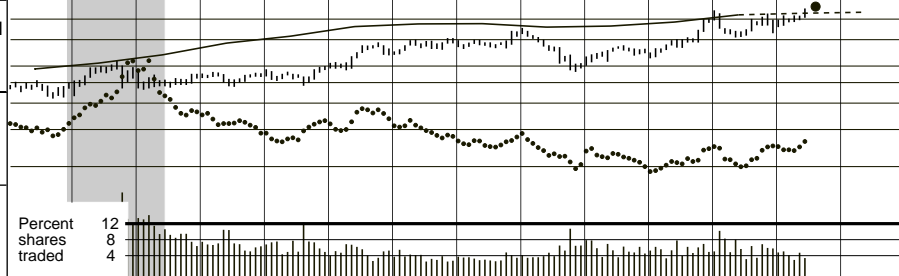
Price	Gain	Ann'l Total Return
High 150	(+30%)	9%
Low 120	(+5%)	3%

**Insider Decisions**

S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0
Options	0	7	0	0	17	110	8	0
to Sell	2	0	0	0	2	2	0	2

**Institutional Decisions**

	3Q2018	4Q2018	1Q2019
to Buy	800	863	887
to Sell	793	833	870
Hlds(000)	869162	859386	854942



**% TOT. RETURN 6/19**

	THIS STOCK	VL ARITH. INDEX
1 yr.	31.9	-1.2
3 yr.	62.8	33.7
5 yr.	67.2	35.3

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	<b>185.90</b>	<b>197.75</b>	Sales per sh <sup>A</sup>	217.50
2.95	3.47	3.78	4.27	4.83	5.64	6.42	6.92	7.69	7.92	7.93	7.64	7.72	8.07	8.73	<b>8.90</b>	<b>9.00</b>	"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	4.42	4.91	<b>4.85</b>	<b>5.05</b>	Earnings per sh <sup>A B</sup>	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	<b>2.12</b>	<b>2.16</b>	Div'ds Decl'd per sh <sup>C</sup>	2.60
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	<b>26.85</b>	<b>28.15</b>	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	<b>2845.0</b>	<b>2765.0</b>	Common Shs Outst'g <sup>D</sup>	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	<b>18.7</b>	<b>18.7</b>	Avg Ann'l P/E Ratio	19.0
1.53	1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	.81	.78	.85	.94	1.01	<b>1.01</b>	<b>1.01</b>	Relative P/E Ratio	1.05
.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%	<b>2.5%</b>	<b>2.3%</b>	Avg Ann'l Div'd Yield	2.1%

**CAPITAL STRUCTURE as of 4/30/19**  
**Total Debt** \$57962 mill. **Due in 5 Yrs** \$21569 mill.  
**LT Debt** \$51235 mill. **LT Interest** \$2345 mill.  
 Incl. \$3810 mill. property under capital lease.  
 (Total interest coverage: 9.2x) (43% of Cap'l)

**Leases, Uncapitalized** Annual rentals \$2270 mill.

**No Defined Benefit Pension Plan**  
**Pfd Stock** None

**Common Stock** 2,854,722,137 shs.  
**as of 6/25/19**

**MARKET CAP: \$328 billion (Large Cap)**

408214	421849	446950	469162	476294	485651	482130	485873	500343	514405	<b>528925</b>	<b>546820</b>	Sales (\$mill) <sup>A</sup>	565500
25.4%	25.3%	25.0%	24.9%	24.8%	24.8%	25.1%	25.6%	25.4%	25.1%	<b>24.5%</b>	<b>24.5%</b>	Gross Margin	25.0%
7.6%	7.9%	7.7%	7.7%	7.7%	7.6%	7.0%	6.7%	6.7%	6.3%	<b>6.2%</b>	<b>6.3%</b>	Operating Margin	6.5%
8416	8970	10130	10773	10942	11453	11528	11695	11718	11361	<b>11560</b>	<b>11630</b>	Number of Stores	12000
14204	14921	15523	16999	16728	16426	14694	13452	13283	14460	<b>13810</b>	<b>13965</b>	Net Profit (\$mill)	18450
34.1%	34.0%	33.4%	31.0%	32.2%	31.9%	30.3%	30.6%	31.4%	24.5%	<b>27.0%</b>	<b>27.0%</b>	Income Tax Rate	27.0%
3.5%	3.5%	3.5%	3.6%	3.5%	3.4%	3.0%	2.8%	2.7%	2.8%	<b>2.6%</b>	<b>2.6%</b>	Net Profit Margin	3.3%
d7230	d6591	d7325	d11878	d8160	d1994	d4380	d9239	d18857	d15580	<b>d13980</b>	<b>d12580</b>	Working Cap'l (\$mill)	d9200
36401	43842	47079	41417	44559	43692	44030	42018	36825	50203	<b>50000</b>	<b>49500</b>	Long-Term Debt (\$mill)	40000
70749	68542	71315	76343	76255	81394	80546	77798	77869	72496	<b>76360</b>	<b>77890</b>	Shr. Equity (\$mill)	83200
14.1%	14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	12.1%	12.7%	<b>11.0%</b>	<b>11.0%</b>	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%	<b>18.0%</b>	<b>18.0%</b>	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%	<b>10.0%</b>	<b>10.0%</b>	Retained to Com Eq	14.0%
30%	30%	33%	32%	37%	38%	43%	46%	46%	42%	<b>44%</b>	<b>43%</b>	All Div'ds to Net Prof	79%

**CURRENT POSITION**

	2017	2018	4/30/19
Cash Assets	6756	7722	9255
Receivables	5614	6283	5342
Inventory (LIFO)	43783	44269	44751
Other	3511	3623	2391
Current Assets	59664	61897	61739
Accts Payable	46092	47060	45110
Debt Due	9662	2605	6727
Other	22767	27812	28051
Current Liab.	78521	77477	79888

**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
of change (per sh)			
Sales	6.0%	4.0%	4.5%
"Cash Flow"	5.5%	1.5%	6.0%
Earnings	3.5%	-1.5%	7.0%
Dividends	9.5%	4.5%	7.5%
Book Value	5.0%	2.5%	3.5%

**Walmart reported solid results for the fiscal first quarter.** The top line grew 2.5% year over year to \$125.8 billion in constant-currency terms. Earnings per share of \$1.13 were well ahead of our estimate of \$1.02, but fell short of last year's \$1.14, as the company continues to invest in infrastructure, e-commerce, and wages. Walmart U.S. had a strong same-store sales performance, with that important metric rising 3.4%. The growth came despite SNAP (food stamp benefits) being pulled forward in the prior year quarter. That figure included e-commerce growth of 37%, which was in line with its performance over the last several years. The number of transactions increased 1.1%, while the average ticket was 2.3% higher. **Comparisons are getting more difficult.** The company faces tougher sales comparisons in the fiscal second quarter, due to the timing of weather related benefits last year. Too, currency is expected to remain a headwind during the period. **We think tariffs will hinder Walmart's results over the near term.** The company will continue to actively manage pricing/margins and execute mitigation strategies. That said, due to its size and breadth of product we think there will be some financial repercussions for Walmart. **Development of the omnichannel is coming along.** Walmart now has 2,450 stores in the U.S. with grocery pickup, and provided same-day grocery delivery in nearly 1,000 locations at quarter end. The company expects 1,600 stores to offer same-day delivery by year-end. Too, by the end of 2019, 75% of the country will be covered by next-day delivery for much of Walmart.com's inventory. The company also recently announced an in-home grocery delivery service (InHome) where associates wearing body cams will gain access to customers' homes via smart lock devices and then stock fridges and pantries with goods. The service will be rolled out in three market this fall. **These shares are an average choice.** The recent run up in price has limited the company's long-term price appreciation potential. Too, exposure to tariffs makes Walmart somewhat less insulated from an ongoing trade war with China than many other large cap stocks outside retail.

**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	130750	129000	145250	528925
2020	129180	134800	132875	149965	546820

**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	1.23	1.07	1.42	4.85
2020	1.16	1.27	1.12	1.50	5.05

**Cal-endar**

	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	.53	.53			

**Kevin Downing**  
 July 26, 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 (C) Divds. historically paid in early Mar., May, Aug., and Dec. (D) Dividend reinvestment plan available. (E) In millions.

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