

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended April 30, 2024 .

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____.

Commission File Number 001-06991



WALMART INC.

(Exact name of registrant as specified in its charter)

Delaware

71-0415188

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

702 S.W. 8th Street

72716

Bentonville AR

(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (479) 273-4000

Former name, former address and former fiscal year, if changed since last report: N/A

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.10 per share | WMT | New York Stock Exchange |
| 2.550% Notes due 2026 | WMT26 | New York Stock Exchange |
| 1.050% Notes due 2026 | WMT26A | New York Stock Exchange |
| 1.500% Notes due 2028 | WMT28C | New York Stock Exchange |
| 4.875% Notes due 2029 | WMT29B | New York Stock Exchange |
| 5.750% Notes due 2030 | WMT30B | New York Stock Exchange |
| 1.800% Notes due 2031 | WMT31A | New York Stock Exchange |
| 5.625% Notes due 2034 | WMT34 | New York Stock Exchange |
| 5.250% Notes due 2035 | WMT35A | New York Stock Exchange |
| 4.875% Notes due 2039 | WMT39 | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 8,043,543,330 shares of common stock outstanding as of June 5, 2024.

Walmart Inc.
Form 10-Q
For the Quarterly Period Ended April 30, 2024

Table of Contents

| | Page |
|---|-------------|
| Part I. Financial Information | |
| Item 1. Financial Statements | |
| Condensed Consolidated Statements of Income | 4 |
| Condensed Consolidated Statements of Comprehensive Income | 5 |
| Condensed Consolidated Balance Sheets | 6 |
| Condensed Consolidated Statements of Shareholders' Equity | 7 |
| Condensed Consolidated Statements of Cash Flows | 8 |
| Notes to Condensed Consolidated Financial Statements | 9 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 17 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 27 |
| Item 4. Controls and Procedures | 27 |
| Part II. Other Information | |
| Item 1. Legal Proceedings | 28 |
| Item 1A. Risk Factors | 30 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 30 |
| Item 5. Other Information | 30 |
| Item 6. Exhibits | 34 |
| Signatures | 35 |

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Walmart Inc.
Condensed Consolidated Statements of Income
(Unaudited)

| | Three Months Ended April 30, | |
|---|---------------------------------|-----------------|
| | 2024 | 2023 |
| <i>(Amounts in millions, except per share data)</i> | | |
| Revenues: | | |
| Net sales | \$ 159,938 | \$ 151,004 |
| Membership and other income | 1,570 | 1,297 |
| Total revenues | 161,508 | 152,301 |
| Costs and expenses: | | |
| Cost of sales | 121,431 | 115,284 |
| Operating, selling, general and administrative expenses | 33,236 | 30,777 |
| Operating income | 6,841 | 6,240 |
| Interest: | | |
| Debt | 597 | 568 |
| Finance lease | 117 | 96 |
| Interest income | (114) | (107) |
| Interest, net | 600 | 557 |
| Other (gains) and losses | (794) | 2,995 |
| Income before income taxes | 7,035 | 2,688 |
| Provision for income taxes | 1,728 | 792 |
| Consolidated net income | 5,307 | 1,896 |
| Consolidated net income attributable to noncontrolling interest | (203) | (223) |
| Consolidated net income attributable to Walmart | \$ 5,104 | \$ 1,673 |
| Net income per common share: | | |
| Basic net income per common share attributable to Walmart | \$ 0.63 | \$ 0.21 |
| Diluted net income per common share attributable to Walmart | 0.63 | 0.21 |
| Weighted-average common shares outstanding: | | |
| Basic | 8,053 | 8,082 |
| Diluted | 8,084 | 8,112 |
| Dividends declared per common share | \$ 0.83 | \$ 0.76 |

See accompanying notes.

Walmart Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

| | Three Months Ended April 30, | |
|--|---------------------------------|-----------------|
| | 2024 | 2023 |
| (Amounts in millions) | | |
| Consolidated net income | \$ 5,307 | \$ 1,896 |
| Consolidated net income attributable to noncontrolling interest | (203) | (223) |
| Consolidated net income attributable to Walmart | <u>5,104</u> | <u>1,673</u> |
| Other comprehensive income, net of income taxes | | |
| Currency translation and other | (21) | 811 |
| Cash flow hedges | 28 | (69) |
| Other comprehensive income, net of income taxes | 7 | 742 |
| Other comprehensive income attributable to noncontrolling interest | (72) | (209) |
| Other comprehensive income (loss) attributable to Walmart | <u>(65)</u> | <u>533</u> |
| Comprehensive income, net of income taxes | 5,314 | 2,638 |
| Comprehensive income attributable to noncontrolling interest | (275) | (432) |
| Comprehensive income attributable to Walmart | <u>\$ 5,039</u> | <u>\$ 2,206</u> |

See accompanying notes.

[Table of Contents](#)

Walmart Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

| (Amounts in millions) | April 30, 2024 | January 31, 2024 | April 30, 2023 |
|--|-------------------|---------------------|-------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | | | |
| Cash and cash equivalents | \$ 9,405 | \$ 9,867 | \$ 10,575 |
| Receivables, net | 9,075 | 8,796 | 7,647 |
| Inventories | 55,382 | 54,892 | 56,932 |
| Prepaid expenses and other | 3,290 | 3,322 | 3,357 |
| Total current assets | 77,152 | 76,877 | 78,511 |
| Property and equipment, net | 111,498 | 110,810 | 102,335 |
| Operating lease right-of-use assets | 13,562 | 13,673 | 13,679 |
| Finance lease right-of-use assets, net | 6,285 | 5,855 | 5,124 |
| Goodwill | 27,999 | 28,113 | 28,306 |
| Other long-term assets | 17,558 | 17,071 | 17,098 |
| Total assets | \$ 254,054 | \$ 252,399 | \$ 245,053 |
| LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY | | | |
| Current liabilities: | | | |
| Short-term borrowings | \$ 5,457 | \$ 878 | \$ 1,711 |
| Accounts payable | 56,071 | 56,812 | 54,268 |
| Dividends payable | 5,013 | — | 4,602 |
| Accrued liabilities | 24,092 | 28,759 | 27,527 |
| Accrued income taxes | 1,276 | 307 | 1,325 |
| Long-term debt due within one year | 1,865 | 3,447 | 3,975 |
| Operating lease obligations due within one year | 1,482 | 1,487 | 1,490 |
| Finance lease obligations due within one year | 844 | 725 | 607 |
| Total current liabilities | 96,100 | 92,415 | 95,505 |
| Long-term debt | 35,928 | 36,132 | 38,120 |
| Long-term operating lease obligations | 12,840 | 12,943 | 12,925 |
| Long-term finance lease obligations | 6,047 | 5,709 | 5,039 |
| Deferred income taxes and other | 14,849 | 14,629 | 13,999 |
| Commitments and contingencies | 217 | 222 | 234 |
| Redeemable noncontrolling interest | 217 | 222 | 234 |
| Equity: | | | |
| Common stock | 805 | 805 | 808 |
| Capital in excess of par value | 4,625 | 4,544 | 4,709 |
| Retained earnings | 87,230 | 89,814 | 78,035 |
| Accumulated other comprehensive loss | (11,367) | (11,302) | (11,147) |
| Total Walmart shareholders' equity | 81,293 | 83,861 | 72,405 |
| Nonredeemable noncontrolling interest | 6,780 | 6,488 | 6,826 |
| Total equity | 88,073 | 90,349 | 79,231 |
| Total liabilities, redeemable noncontrolling interest, and equity | \$ 254,054 | \$ 252,399 | \$ 245,053 |

See accompanying notes.

[Table of Contents](#)

Walmart Inc.
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

| (Amounts in millions) | Accumulated | | | | | | Total | |
|--|--------------|---------------|-----------------|------------------|----------------------|----------------------|-----------------|------------------|
| | Common Stock | | Capital in | | Other | | Walmart | Nonredeemable |
| | Shares | Amount | Par Value | Earnings | Loss | Shareholders' Equity | Interest | Total Equity |
| Balances as of February 1, 2024 | 8,054 | \$ 805 | \$ 4,544 | \$ 89,814 | \$ (11,302) | \$ 83,861 | \$ 6,488 | \$ 90,349 |
| Consolidated net income | — | — | — | 5,104 | — | 5,104 | 209 | 5,313 |
| Other comprehensive income (loss), net of income taxes | — | — | — | — | (65) | (65) | 72 | 7 |
| Dividends declared (\$ 0.83 per share) | — | — | — | (6,683) | — | (6,683) | — | (6,683) |
| Purchase of Company stock | (18) | (2) | (50) | (999) | — | (1,051) | — | (1,051) |
| Dividends to noncontrolling interest | — | — | — | — | — | — | (5) | (5) |
| Sale of subsidiary stock | — | — | 10 | — | — | 10 | 5 | 15 |
| Other | 13 | 2 | 121 | (6) | — | 117 | 11 | 128 |
| Balances as of April 30, 2024 | 8,049 | \$ 805 | \$ 4,625 | \$ 87,230 | \$ (11,367) | \$ 81,293 | \$ 6,780 | \$ 88,073 |

See accompanying notes.

| (Amounts in millions) | Accumulated | | | | | | Total | |
|---|--------------|---------------|-----------------|------------------|----------------------|----------------------|-----------------|------------------|
| | Common Stock | | Capital in | | Other | | Walmart | Nonredeemable |
| | Shares | Amount | Par Value | Earnings | Loss | Shareholders' Equity | Interest | Total Equity |
| Balances as of February 1, 2023 | 8,080 | \$ 808 | \$ 4,430 | \$ 83,135 | \$ (11,680) | \$ 76,693 | \$ 7,061 | \$ 83,754 |
| Consolidated net income | — | — | — | 1,673 | — | 1,673 | 223 | 1,896 |
| Other comprehensive income, net of income taxes | — | — | — | — | 533 | 533 | 209 | 742 |
| Dividends declared (\$ 0.76 per share) | — | — | — | (6,139) | — | (6,139) | — | (6,139) |
| Purchase of Company stock | (14) | (1) | (38) | (632) | — | (671) | — | (671) |
| Dividends to noncontrolling interest | — | — | — | — | — | — | (761) | (761) |
| Sale of subsidiary stock | — | — | 389 | — | — | 389 | 94 | 483 |
| Other | 15 | 1 | (72) | (2) | — | (73) | — | (73) |
| Balances as of April 30, 2023 | 8,081 | \$ 808 | \$ 4,709 | \$ 78,035 | \$ (11,147) | \$ 72,405 | \$ 6,826 | \$ 79,231 |

See accompanying notes.

[Table of Contents](#)

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

| | Three Months Ended April 30, | |
|--|-------------------------------------|------------------|
| | 2024 | 2023 |
| <i>(Amounts in millions)</i> | | |
| Cash flows from operating activities: | | |
| Consolidated net income | \$ 5,307 | \$ 1,896 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,128 | 2,845 |
| Investment (gains) and losses, net | (639) | 3,062 |
| Deferred income taxes | 102 | (725) |
| Other operating activities | 507 | 249 |
| Changes in certain assets and liabilities, net of effects of acquisitions and dispositions: | | |
| Receivables, net | (154) | 376 |
| Inventories | (529) | (154) |
| Accounts payable | 213 | 971 |
| Accrued liabilities | (4,649) | (4,447) |
| Accrued income taxes | 963 | 560 |
| Net cash provided by operating activities | <u>4,249</u> | <u>4,633</u> |
| Cash flows from investing activities: | | |
| Payments for property and equipment | (4,676) | (4,429) |
| Proceeds from the disposal of property and equipment | 72 | 47 |
| Proceeds from disposal of certain operations | — | 48 |
| Other investing activities | <u>195</u> | <u>(526)</u> |
| Net cash used in investing activities | <u>(4,409)</u> | <u>(4,860)</u> |
| Cash flows from financing activities: | | |
| Net change in short-term borrowings | 4,585 | 1,343 |
| Proceeds from issuance of long-term debt | — | 4,967 |
| Repayments of long-term debt | (1,574) | (1,784) |
| Dividends paid | (1,671) | (1,538) |
| Purchase of Company stock | (1,059) | (686) |
| Sale of subsidiary stock | 15 | 483 |
| Other financing activities | <u>(617)</u> | <u>(845)</u> |
| Net cash provided by (used in) financing activities | <u>(321)</u> | <u>1,940</u> |
| Effect of exchange rates on cash, cash equivalents and restricted cash | <u>6</u> | <u>154</u> |
| Net increase (decrease) in cash, cash equivalents and restricted cash | (475) | 1,867 |
| Cash, cash equivalents and restricted cash at beginning of year | <u>9,935</u> | <u>8,841</u> |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 9,460</u> | <u>\$ 10,708</u> |

See accompanying notes.

Walmart Inc.
Notes to Condensed Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The Condensed Consolidated Financial Statements of Walmart Inc. and its subsidiaries ("Walmart" or the "Company") and the accompanying notes included in this Quarterly Report on Form 10-Q are unaudited. In the opinion of management, all adjustments necessary for the fair presentation of the Condensed Consolidated Financial Statements have been included. Such adjustments are of a normal, recurring nature. The Condensed Consolidated Financial Statements, and the accompanying notes, are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and do not contain certain information included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2024 ("fiscal 2024"). Therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K.

The Company's Condensed Consolidated Financial Statements are based on a fiscal year ending January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag based on a calendar year. There were no significant intervening events during the month of April 2024 related to the consolidated operations using a lag that materially affected the Condensed Consolidated Financial Statements.

The Company's business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as weather patterns. Historically, the Company's highest sales volume has occurred in the fiscal quarter ending January 31.

Use of Estimates

The Condensed Consolidated Financial Statements have been prepared in conformity with GAAP. Those principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Management's estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ materially from those estimates.

Common Stock Split

On February 23, 2024, the Company effected a 3 -for-1 forward split of its common stock and a proportionate increase in the number of authorized shares. All share and per share information, including share based compensation, throughout this Quarterly Report on Form 10-Q has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$ 0.10 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from capital in excess of par value to common stock.

Supplier Financing Program Obligations

In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which enhances the transparency about the use of supplier finance programs for investors and other allocators of capital. The Company adopted this ASU as of February 1, 2023, other than the annual roll-forward disclosure requirement in the Company's Annual Report on Form 10-K which the Company will adopt in fiscal 2025.

The Company has supplier financing programs with financial institutions, in which the Company agrees to pay the financial institution the stated amount of confirmed invoices on the invoice due date for participating suppliers. Participation in these programs is optional and solely up to the supplier, who negotiates the terms of the arrangement directly with the financial institution and may allow early payment. Supplier participation in these programs has no bearing on the Company's amounts due. The payment terms that the Company has with participating suppliers under these programs generally range between 30 and 90 days. The Company does not have an economic interest in a supplier's participation in the program or a direct financial relationship with the financial institution funding the program. The Company is responsible for ensuring that participating financial institutions are paid according to the terms negotiated with the supplier, regardless of whether the supplier elects to receive early payment from the financial institution. The outstanding payment obligations to financial institutions under these programs were \$ 5.2 billion, \$ 5.3 billion and \$ 4.7 billion, as of April 30, 2024, January 31, 2024 and April 30, 2023, respectively. These obligations are generally classified as accounts payable within the Condensed Consolidated Balance Sheets. The activity related to these programs is classified as an operating activity within the Condensed Consolidated Statements of Cash Flows.

Table of Contents

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments will be applied retrospectively to all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands the requirements for income tax disclosures in order to provide greater transparency. The amendments are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied prospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

Note 2. Net Income Per Common Share

Basic net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards. The Company did not have significant share-based awards outstanding that were antidilutive and not included in the calculation of diluted net income per common share attributable to Walmart for the three months ended April 30, 2024 and 2023.

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted net income per common share attributable to Walmart:

| | Three Months Ended April 30, | |
|---|------------------------------|-----------------|
| | 2024 | 2023 |
| <i>(Amounts in millions, except per share data)</i> | | |
| Numerator | | |
| Consolidated net income | \$ 5,307 | \$ 1,896 |
| Consolidated net income attributable to noncontrolling interest | (203) | (223) |
| Consolidated net income attributable to Walmart | \$ 5,104 | \$ 1,673 |
| Denominator | | |
| Weighted-average common shares outstanding, basic | 8,053 | 8,082 |
| Dilutive impact of share-based awards | 31 | 30 |
| Weighted-average common shares outstanding, diluted | <u>8,084</u> | <u>8,112</u> |
| Net income per common share attributable to Walmart | | |
| Basic | \$ 0.63 | \$ 0.21 |
| Diluted | 0.63 | 0.21 |

Note 3. Accumulated Other Comprehensive Loss

The following tables provide the changes in the composition of total accumulated other comprehensive loss:

| | Currency | | |
|---|--------------------------|---------------------|----------------------|
| | Translation and Other | Cash Flow Hedges | Total |
| <i>(Amounts in millions and net of immaterial income taxes)</i> | | | |
| Balances as of February 1, 2024 | | | |
| Other comprehensive income (loss) before reclassifications, net | \$ (10,407) | \$ (895) | \$ (11,302) |
| Reclassifications to income, net | — | 18 | 18 |
| Balances as of April 30, 2024 | \$ (10,500) | \$ (867) | \$ (11,367) |
| <i>(Amounts in millions and net of immaterial income taxes)</i> | | | |
| Balances as of February 1, 2023 | | | |
| Other comprehensive income (loss) before reclassifications, net | \$ (10,729) | \$ (951) | \$ (11,680) |
| Reclassifications to income, net | 602 | (82) | 520 |
| Balances as of April 30, 2023 | \$ (10,127) | \$ (1,020) | \$ (11,147) |

Amounts reclassified from accumulated other comprehensive loss for derivative instruments are generally recorded in interest, net, in the Company's Condensed Consolidated Statements of Income.

Note 4. Short-term Borrowings and Long-term Debt

The Company has various committed lines of credit in the U.S. to support its commercial paper program. In April 2024, the Company renewed and extended its existing 364 -day revolving credit facility of \$ 10.0 billion as well as its five-year credit facility of \$ 5.0 billion. In total, the Company had committed lines of credit in the U.S. of \$ 15.0 billion at April 30, 2024 and January 31, 2024, all undrawn.

The following table provides the changes in the Company's long-term debt for the three months ended April 30, 2024:

| (Amounts in millions) | Long-term debt due within one year | | Long-term debt | | Total |
|---------------------------------|---------------------------------------|-----------------|----------------|------------------|------------------|
| | \$ | 3,447 | \$ | 36,132 | \$ |
| Balances as of February 1, 2024 | | | | | |
| Repayments of long-term debt | | (1,574) | | — | (1,574) |
| Other | | (8) | | (204) | (212) |
| Balances as of April 30, 2024 | | <u>\$ 1,865</u> | | <u>\$ 35,928</u> | <u>\$ 37,793</u> |

Debt Repayments

Information on significant long-term debt repayments during the three months ended April 30, 2024 is as follows:

| (Amounts in millions) | Maturity Date | Principal Amount | Fixed vs. Floating | Interest Rate | Repayment | |
|-----------------------|----------------|------------------|--------------------|---------------|-----------|-------|
| | | | | | \$ | 1,500 |
| | April 22, 2024 | \$ 1,500 | Fixed | 3.30 % | \$ | 1,500 |

Note 5. Fair Value Measurements

Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

The Company measures the fair value of certain equity investments, including certain immaterial equity method investments where the Company has elected the fair value option, on a recurring basis within other long-term assets in the accompanying Condensed Consolidated Balance Sheets. The amounts of gains and losses included in earnings from fair value changes for these investments are recognized within other gains and losses in the Condensed Consolidated Statements of Income. The fair value of these investments is as follows:

| (Amounts in millions) | Fair Value as of April 30, 2024 | | Fair Value as of January 31, 2024 | |
|--|------------------------------------|--------------|--------------------------------------|--------------|
| | \$ | 3,072 | \$ | 2,835 |
| Equity investments measured using Level 1 inputs | | | | |
| Equity investments measured using Level 2 inputs | | 4,748 | | 4,414 |
| Total | \$ | 7,820 | \$ | 7,249 |

Changes in the fair value of these investments were primarily due to gains and losses resulting from net changes in the underlying stock prices, along with certain other immaterial investment activity. The fair value of these investments increased \$ 0.6 billion and decreased \$ 3.2 billion for the three months ended April 30, 2024 and 2023, respectively. Equity investments without readily determinable fair values are carried at cost and adjusted for any observable price changes or impairments within other gains and losses in the Condensed Consolidated Statements of Income.

[Table of Contents](#)

Derivatives

The Company also has derivatives recorded at fair value. Derivative fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of April 30, 2024 and January 31, 2024, the notional amounts and fair values of these derivatives were as follows:

| (Amounts in millions) | April 30, 2024 | | January 31, 2024 | |
|---|--------------------|---------------------------|--------------------|---------------------------|
| | Notional Amount | Fair Value | Notional Amount | Fair Value |
| | \$ 4,771 | \$ (777) ⁽¹⁾ | \$ 6,271 | \$ (654) ⁽¹⁾ |
| Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges | 5,784 | (1,298) ⁽¹⁾ | 5,879 | (1,302) ⁽¹⁾ |
| Total | \$ 10,555 | \$ (2,075) | \$ 12,150 | \$ (1,956) |

⁽¹⁾ Primarily classified in deferred income taxes and other within the Company's Condensed Consolidated Balance Sheets.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. The Company did not have any material assets or liabilities resulting in nonrecurring fair value measurements as of April 30, 2024 in the Company's Condensed Consolidated Balance Sheets.

Other Fair Value Disclosures

The Company records cash and cash equivalents, restricted cash, and short-term borrowings at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities.

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on observable prices of identical instruments in less active markets. The carrying value and fair value of the Company's long-term debt as of April 30, 2024 and January 31, 2024, are as follows:

| (Amounts in millions) | April 30, 2024 | | January 31, 2024 | |
|---|----------------|------------|------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Long-term debt, including amounts due within one year | \$ 37,793 | \$ 34,974 | \$ 39,579 | \$ 38,431 |

Note 6. Contingencies

Legal Proceedings

The Company is involved in a number of legal proceedings and certain regulatory matters. The Company records a liability for those legal proceedings and regulatory matters when it determines it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses when it is reasonably possible that a material loss may be incurred. From time to time, the Company may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company and its shareholders.

Unless stated otherwise, the matters discussed below, if decided adversely to or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial position, results of operations, or cash flows. The Company can provide no assurance as to the scope and outcome of these matters and cannot reasonably estimate any loss or range of loss, beyond the amounts accrued, if any, that may arise from these matters.

Settlement of Certain Opioid-Related Matters

The Company entered into settlement agreements with all 50 states, the District of Columbia, Puerto Rico, three U.S. territories, and the vast majority of eligible political subdivisions and federally recognized Native American tribes to resolve opioid-related claims against the Company. Remaining eligible political subdivisions and federally recognized Native American tribes have until July 15, 2025 and February 24, 2026, respectively, to join these settlements. In fiscal year 2023, the Company accrued a liability of approximately \$ 3.3 billion for these settlements, which include amounts for remediation of alleged harms, attorneys' fees, and costs. As of January 31, 2024, substantially all of the approximately \$ 3.3 billion accrued liability had been paid.

Ongoing Opioid-Related Litigation

The Company will continue to vigorously defend against any opioid-related matters not settled or otherwise resolved, including, but not limited to, each of the matters described below; any other actions filed by healthcare providers, individuals and third-party payers; and any action filed by a political subdivision or Native American tribe that elects not to join the settlement described above. Accordingly, the Company has not accrued a liability for these opioid-related matters nor can the Company reasonably estimate any loss or range of loss that may arise from these matters. The Company can provide no assurance as to

[Table of Contents](#)

the scope and outcome of any of the opioid-related matters and no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Opioid Multidistrict Litigation; Other Opioid-Related Matters in the U.S. and Canada . In December 2017, the United States Judicial Panel on Multidistrict Litigation consolidated numerous lawsuits filed against a wide array of defendants by various plaintiffs, including counties, cities, healthcare providers, Native American tribes, individuals and third-party payers, asserting claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation is entitled *In re National Prescription Opiate Litigation* (MDL No. 2804) (the "MDL") and is pending in the U.S. District Court for the Northern District of Ohio. The Company is named as a defendant in some cases included in the MDL.

A trial involving claims brought by two counties against certain defendants, including the Company, in the MDL resulted in a judgment on August 17, 2022 that ordered all three defendants, including the Company, to pay an aggregate amount of approximately \$ 0.7 billion over 15 years, on a joint and several liability basis, and granted the plaintiffs injunctive relief. On September 7, 2022, the Company filed an appeal with the Sixth Circuit Court of Appeals. The monetary aspect of the judgment is stayed pending appeal, and the injunctive aspect of the judgment went into effect on February 20, 2023 and has not materially impacted the Company's operations. On September 11, 2023, the Sixth Circuit Court of Appeals issued an order certifying certain questions in the appeal for review by the Supreme Court of Ohio. On November 29, 2023, the Supreme Court of Ohio accepted the request for certification, and the matter remains pending with the court.

Additional opioid-related cases against the Company remain pending in the MDL and in state and federal courts. The plaintiffs include healthcare providers, third-party payers, individuals and others and seek compensatory and punitive damages and injunctive relief, including abatement. The MDL has designated four cases brought by third-party payers as bellwether cases to proceed through discovery. The MDL may designate additional bellwether cases in the future.

The Company has been responding to subpoenas, information requests, and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids.

Wal-Mart Canada Corp. and certain other subsidiaries of the Company have been named as defendants in two putative class action complaints filed in Canada related to distribution practices involving opioids. These matters remain pending.

Department of Justice Opioid Civil Litigation. On December 22, 2020, the U.S. Department of Justice (the "DOJ") filed a civil complaint in the U.S. District Court for the District of Delaware alleging that the Company unlawfully dispensed controlled substances from its pharmacies and unlawfully distributed controlled substances to those pharmacies. The complaint alleges that this conduct resulted in violations of the Controlled Substances Act. The DOJ is seeking civil penalties and injunctive relief. On March 11, 2024, the Court granted in-part Walmart's motion to dismiss by dismissing the entirety of the DOJ's claims related to distribution and dismissing the DOJ's claims arising under one of the DOJ's two dispensing liability theories. The DOJ's claims arising under its other dispensing liability theory remain pending.

Opioid-Related Securities Class Actions and Derivative Litigation. The Company is the subject of two securities class actions alleging violations of the federal securities laws regarding the Company's disclosures with respect to opioids purportedly on behalf of a class of investors who acquired Walmart stock from March 31, 2017 through December 22, 2020. Those actions were filed in the U.S. District Court for the District of Delaware in 2021 and later consolidated. On April 8, 2024, the court granted the Company's motion to dismiss these actions. On April 29, 2024, the plaintiffs appealed to the Third Circuit Court of Appeals, where the matter remains pending.

On September 27, 2021, three shareholders filed a derivative action in the Delaware Court of Chancery alleging that certain members of the Board of Directors and certain former officers breached their fiduciary duties in failing to adequately oversee the Company's prescription opioids business. In two orders issued on April 12 and 26, 2023, the Court of Chancery granted the defendants' motion to dismiss with respect to claims involving the Company's distribution practices and denied the remainder of the motion. On May 5, 2023, the Company's Board of Directors (the "Board") appointed an independent Special Litigation Committee (the "SLC") to investigate the allegations regarding certain current and former officers and directors named in the various derivative proceedings regarding oversight with respect to opioids. The Board has authorized the SLC to retain independent legal counsel and such other advisors as the SLC deems appropriate in carrying out its duties. This action is stayed while the SLC conducts its investigation.

In addition, there are two other shareholder derivative actions pending in the U.S. District Court for the District of Delaware that allege breach of fiduciary duties against certain of the Company's current and former directors with respect to oversight of the Company's distribution and dispensing of opioids and violations of the federal securities laws and other breaches of duty by certain current and former directors and officers in connection with the Company's opioids disclosures. Those cases have been stayed pending developments in other opioid-related matters.

Other Legal Proceedings

Asda Equal Value Claims. Asda, formerly a subsidiary of the Company, was and still is a defendant in certain equal value claims that began in 2008 and are proceeding before an Employment Tribunal in Manchester in the United Kingdom on behalf of current and former Asda store employees, as well as additional claims in the High Court of the United Kingdom (the "Asda Equal Value Claims"). Further claims may be asserted in the future. Subsequent to the divestiture of Asda in February 2021, the Company continues to oversee the conduct of the defense of these claims. While potential liability for these claims remains with Asda, the Company has agreed to provide indemnification with respect to certain of these claims up to a contractually determined amount. The Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise related to these proceedings. Accordingly, the Company can provide no assurance as to the scope and outcome of these matters.

Money Transfer Agent Services Matters. The Company has responded to grand jury subpoenas issued by the United States Attorney's Office for the Middle District of Pennsylvania on behalf of the DOJ seeking documents regarding the Company's consumer fraud prevention program and anti-money laundering compliance related to the Company's money transfer services, where Walmart is an agent. The most recent subpoena was issued in August 2020. Walmart's responses to DOJ's subpoenas have been complete since 2021. The Company continues to cooperate with and provide information and documents voluntarily in response to supplemental requests from the DOJ. The Company has also responded to civil investigative demands from the United States Federal Trade Commission (the "FTC") in connection with the FTC's investigation related to money transfers and the Company's anti-fraud program in its capacity as an agent. On June 28, 2022, the FTC filed a complaint against the Company in the U.S. District Court for the Northern District of Illinois alleging that Walmart violated the Federal Trade Commission Act and the Telemarketing Sales Rule regarding its money transfer agent services and is requesting non-monetary relief and civil penalties. On August 29, 2022, the Company filed a motion to dismiss the complaint. On March 27, 2023, the Court issued an opinion dismissing the FTC's claim under the Telemarketing Sales Rule and denying Walmart's motion to dismiss the claim under Section 5 of the Federal Trade Commission Act. On April 12, 2023, Walmart filed a motion to certify the Court's March 27, 2023, order for interlocutory appeal. On June 30, 2023, the FTC filed an amended complaint against Walmart again asserting claims under the Federal Trade Commission Act and Telemarketing Sales Rule. On July 20, 2023, the Court denied Walmart's motion to certify the Court's March 27, 2023, order for interlocutory appeal, finding that it would be more orderly to consider a request for interlocutory appeal after a ruling on Walmart's motion to dismiss the amended complaint. Walmart's motion to dismiss the amended complaint was filed on August 11, 2023. The motion remains pending. No other deadlines have yet been set, and discovery is stayed.

The Company intends to vigorously defend these matters. However, the Company can provide no assurance as to the scope and outcome of these matters and cannot reasonably estimate any loss or range of loss that may arise. Accordingly, the Company can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Mexico Antitrust Matter. On October 6, 2023, the Comisión Federal de Competencia Económica of México ("COFECE") notified the main Mexican operating subsidiary of Wal-Mart de México, S.A.B. de C.V. ("Walmex"), a majority owned subsidiary of the Company, that COFECE's Investigatory Authority ("IA") had requested COFECE to initiate a quasi-judicial administrative process against Walmex's subsidiary for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, retail marketing practices of such consumer goods and related services. The quasi-judicial administrative process is the first opportunity for Walmex's subsidiary to respond to and defend against the IA's allegations before COFECE. While COFECE has the authority to impose monetary relief and/or non-structural conduct measures, such relief and conduct measures would be subject to appeal by Walmex's subsidiary. On December 14, 2023, Walmex's subsidiary submitted its defense arguments and will continue to defend against the allegations vigorously, both at the quasi-judicial administrative process and, if required, before any courts. Because this process is at an early stage, the Company can provide no assurance as to the scope and outcome of these matters, cannot reasonably estimate any loss or range of loss that may arise and can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Note 7. Segments and Disaggregated Revenue

Segments

The Company is engaged in the operation of retail and wholesale stores and clubs, as well as eCommerce websites and mobile applications, located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. The Company's operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results the chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

[Table of Contents](#)

The Walmart U.S. segment includes the Company's mass merchandising concept in the U.S., as well as eCommerce, which includes omni-channel initiatives and certain other business offerings such as advertising services through Walmart Connect. The Walmart International segment consists of the Company's operations outside of the U.S., as well as eCommerce and omni-channel initiatives. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com and omni-channel initiatives. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, the Company revises the measurement of each segment's operating income and other measures, including any corporate overhead allocations, as determined by the information regularly reviewed by its CODM.

Net sales by segment are as follows:

| | Three Months Ended April 30, | |
|------------------------------|------------------------------|-------------------|
| | 2024 | 2023 |
| <i>(Amounts in millions)</i> | | |
| Net sales: | | |
| Walmart U.S. | \$ 108,670 | \$ 103,901 |
| Walmart International | 29,833 | 26,604 |
| Sam's Club | 21,435 | 20,499 |
| Net sales | \$ 159,938 | \$ 151,004 |

Operating income by segment, as well as unallocated operating expenses for corporate and support, interest, net, and other gains and losses are as follows:

| | Three Months Ended April 30, | |
|-----------------------------------|------------------------------|-----------------|
| | 2024 | 2023 |
| <i>(Amounts in millions)</i> | | |
| Operating income (loss): | | |
| Walmart U.S. | \$ 5,332 | \$ 4,984 |
| Walmart International | 1,533 | 1,164 |
| Sam's Club | 615 | 458 |
| Corporate and support | (639) | (366) |
| Operating income | 6,841 | 6,240 |
| Interest, net | 600 | 557 |
| Other (gains) and losses | (794) | 2,995 |
| Income before income taxes | \$ 7,035 | \$ 2,688 |

Disaggregated Revenues

In the following tables, segment net sales are disaggregated by either merchandise category or by market. From time to time, the Company revises the assignment of net sales of a particular item to a merchandise category. When the assignment changes, previous period amounts are reclassified to be comparable to the current period's presentation.

In addition, net sales related to eCommerce are provided for each segment, which include omni-channel sales, where a customer initiates an order digitally and the order is fulfilled through a store or club.

| | Three Months Ended April 30, | |
|---|------------------------------|-------------------|
| | 2024 | 2023 |
| <i>(Amounts in millions)</i> | | |
| Walmart U.S. net sales by merchandise category | | |
| Grocery | \$ 66,431 | \$ 63,407 |
| General merchandise | 25,711 | 25,765 |
| Health and wellness | 14,249 | 12,848 |
| Other categories | 2,279 | 1,881 |
| Total | \$ 108,670 | \$ 103,901 |

Of Walmart U.S.'s total net sales, approximately \$ 17.6 billion and \$ 14.5 billion related to eCommerce for the three months ended April 30, 2024 and 2023, respectively.

[Table of Contents](#)

(Amounts in millions)

Walmart International net sales by market

| | Three Months Ended April 30, | |
|----------------------------|------------------------------|------------------|
| | 2024 | 2023 |
| Mexico and Central America | \$ 13,232 | \$ 10,958 |
| Canada | 5,328 | 5,140 |
| China | 5,443 | 4,924 |
| Other | 5,830 | 5,582 |
| Total | \$ 29,833 | \$ 26,604 |

Of Walmart International's total net sales, approximately \$ 6.4 billion and \$ 5.4 billion related to eCommerce for the three months ended April 30, 2024 and 2023, respectively.

(Amounts in millions)

Sam's Club net sales by merchandise category

| | Three Months Ended April 30, | |
|--------------------------------------|------------------------------|------------------|
| | 2024 | 2023 |
| Grocery and consumables | \$ 14,296 | \$ 13,498 |
| Fuel, tobacco and other categories | 3,151 | 3,188 |
| Home and apparel | 2,084 | 2,079 |
| Health and wellness | 1,328 | 1,156 |
| Technology, office and entertainment | 576 | 578 |
| Total | \$ 21,435 | \$ 20,499 |

Of Sam's Club's total net sales, approximately \$ 2.6 billion and \$ 2.2 billion related to eCommerce for the three months ended April 30, 2024 and 2023, respectively .

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

This discussion, which presents Walmart Inc.'s ("Walmart," the "Company," "our," or "we") results for periods occurring in the fiscal year ending January 31, 2025 ("fiscal 2025") and the fiscal year ended January 31, 2024 ("fiscal 2024"), should be read in conjunction with our Condensed Consolidated Financial Statements as of and for the three months ended April 30, 2024, and the accompanying notes included in [Part I, Item 1](#) of this Quarterly Report on Form 10-Q, as well as our Consolidated Financial Statements as of and for the year ended January 31, 2024, the accompanying notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in our Annual Report on Form 10-K for the year ended January 31, 2024.

We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of each of the three segments of our business to provide a better understanding of how each of those segments and its results of operations affect the financial condition and results of operations of the Company as a whole.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using each segment's operating income, including certain corporate overhead allocations, as well as other measures. From time to time, we revise the measurement of each segment's operating income and other measures as determined by the information regularly reviewed by our chief operating decision maker.

Comparable store and club sales, or comparable sales, is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs for a particular period from the corresponding prior year period. Walmart's definition of comparable sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as eCommerce sales. We measure the eCommerce sales impact by including all sales initiated digitally, including omni-channel transactions which are fulfilled through our stores and clubs as well as certain other business offerings that are part of our ecosystem, such as our Walmart Connect advertising business. Sales at a store that has changed in format are excluded from comparable sales when the conversion of that store is accompanied by a relocation or expansion that results in a change in the store's retail square feet of more than five percent. Sales related to divested businesses are excluded from comparable sales, and sales related to acquisitions are excluded until such acquisitions have been owned for 12 months. Comparable sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable sales varies across the retail industry. As a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

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. Volatility in currency exchange rates may impact the results, including net sales and operating income, of the Company and the Walmart International segment in the future.

Each of our segments contributes to the Company's operating results differently. Each, however, has generally maintained a relatively consistent contribution rate to the Company's net sales and operating income in recent years other than minor changes to the contribution rate for the Walmart International segment due to fluctuations in currency exchange rates.

We operate in a highly competitive omni-channel retail industry in all of the markets we serve. We face strong sales competition from other discount, department, drug, dollar, variety and specialty stores, warehouse clubs and supermarkets, as well as eCommerce businesses and companies that offer services in digital advertising, fulfillment and delivery services, health and wellness, and financial services. Many of these competitors are national, regional or international chains or have a national or international omni-channel or eCommerce presence. We compete with a number of companies for attracting and retaining quality employees ("associates"). We, along with other retail companies, are influenced by a number of factors including, but not limited to: catastrophic events, weather and other risks related to climate change, global health epidemics, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, disruptions in supply chain and inventory management, cost and availability of goods, currency exchange rate fluctuations, customer preferences, deflation, inflation, fuel and energy prices, general economic conditions, insurance costs, interest rates, labor availability and costs, tax rates, the imposition of tariffs, cybersecurity attacks and unemployment.

[Table of Contents](#)

Merchandise costs continued to be impacted by inflation, however at a lower rate than we experienced in recent years. The impact to our net sales and gross profit margin is influenced in part by our pricing and merchandising strategies in response to cost increases. Those pricing strategies include, but are not limited to: absorbing cost increases instead of passing those cost increases on to our customers and members; reducing prices in certain merchandise categories; focusing on opening price points for certain food categories; and when necessary, passing cost increases on to our customers and members. Merchandising strategies include, but are not limited to: working with our suppliers to reduce product costs and share in absorbing cost increases; focusing on private label brands and smaller pack sizes; earlier-than-usual purchasing and in greater volumes or moderating purchasing in certain categories; and securing ocean carrier and container capacity. These strategies have and may continue to impact gross profit as a percentage of net sales.

Further information on the factors that can affect our operating results and on certain risks to our Company and an investment in our securities can be found herein under "[Item 5. Other Information](#)."

We expect continued uncertainty in our business and the global economy due to inflationary trends, a challenging macro environment, geopolitical conditions, supply chain disruptions, volatility in employment trends and consumer confidence. For a detailed discussion on results of operations by reportable segment, refer to "[Results of Operations](#)" below.

Company Performance Metrics

We are committed to helping customers save money and live better through everyday low prices, supported by everyday low costs. At times, we adjust our business strategies to maintain and strengthen our competitive positions in the countries in which we operate. We define our financial priorities as follows:

- Growth - serve customers through a seamless omni-channel experience;
- Margin - improve our operating income margin through productivity initiatives as well as category and business mix; and
- Returns - improve our Return on Investment ("ROI") through margin improvement and disciplined capital spend.

Growth

Our objective of prioritizing growth means we will focus on serving customers and members however they want to shop through our omni-channel business model. This includes increasing comparable store and club sales through increasing membership at Sam's Club and through Walmart+, accelerating eCommerce sales growth and expansion of omni-channel initiatives that complement our strategy.

Comparable sales is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period over the corresponding period in the previous year. The retail industry generally reports comparable sales using the retail calendar (also known as the 4-5-4 calendar). To be consistent with the retail industry, we provide comparable sales using the retail calendar in our quarterly earnings releases. However, when we discuss our comparable sales below, we are referring to our calendar comparable sales calculated using our fiscal calendar, which may result in differences when compared to comparable sales using the retail calendar. We focus on comparable sales in the U.S. as we believe it is a meaningful metric within the context of the U.S. retail market where there is a single currency, one inflationary market and generally consistent store and club formats from year to year.

Calendar comparable sales, as well as the impact of fuel, for the three months ended April 30, 2024 and 2023, were as follows:

| | Three Months Ended April 30, | | | |
|-------------------|------------------------------|--------------|--------------|---------------|
| | 2024 | | 2023 | |
| | With Fuel | Fuel Impact | 2024 | 2023 |
| Walmart U.S. | 4.9 % | 7.5 % | 0.0 % | (0.2)% |
| Sam's Club | 4.6 % | 4.6 % | (0.7)% | (3.0)% |
| Total U.S. | 4.9 % | 7.1 % | 0.0 % | (0.6)% |

Comparable sales in the U.S., including fuel, increased 4.9% for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The Walmart U.S. segment had comparable sales growth of 4.9% for the three months ended April 30, 2024, driven by growth in transactions, with strong sales in grocery and health and wellness. The Walmart U.S. segment's eCommerce net sales positively contributed approximately 2.9% to comparable sales for the three months ended April 30, 2024, which was primarily driven by store-fulfilled pickup and delivery.

Comparable sales at the Sam's Club segment increased 4.6% for the three months ended April 30, 2024, which benefited from growth in transactions, including strong sales in grocery and consumables and health and wellness. The Sam's Club segment's eCommerce sales positively contributed approximately 1.7% to comparable sales for the three months ended April 30, 2024, which was primarily driven by curbside pickup and club-fulfilled delivery.

Margin

Our objective of prioritizing margin focuses on growth with a focus on incremental margin accretion through a combination of productivity improvements, as well as category and business mix. We invest in technology and process improvements to increase productivity, manage inventory, and reduce costs, and we operate with discipline by managing expenses and optimizing the efficiency of how we work. Additionally, we focus on our mix of businesses, including the expansion of connected value streams with higher margins, such as advertising and membership income. Our objective is to achieve operating income leverage, which we define as growing operating income at a faster rate than net sales.

| (Amounts in millions) | Three Months Ended April 30, | |
|--|---------------------------------|------------|
| | 2024 | 2023 |
| Net sales | \$ 159,938 | \$ 151,004 |
| Percentage change from comparable period | 5.9 % | 7.6 % |
| Gross profit as a percentage of net sales | 24.1 % | 23.7 % |
| Operating, selling, general and administrative expenses as a percentage of net sales | 20.8 % | 20.4 % |
| Operating income | \$ 6,841 | \$ 6,240 |
| Percentage change from comparable period | 9.6 % | 17.3 % |
| Operating income as a percentage of net sales | 4.3 % | 4.1 % |

Gross profit as a percentage of net sales ("gross profit rate") increased 42 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive price gaps, lower markdowns as a result of disciplined inventory management and favorable business mix, partially offset by mix shifts into lower margin merchandise categories.

Operating expenses as a percentage of net sales increased 40 basis points for the three months ended April 30, 2024. The increase was primarily driven by higher compensation related expenses in our U.S. segments, including higher variable pay as a result of exceeding our planned performance as well as previously announced wage investments, and business reorganization costs, partially offset by expense leverage from strong sales growth in our International segment.

Operating income increased \$0.6 billion or 9.6% for the three months ended April 30, 2024, primarily due to the factors described above as well as from strong growth in membership income globally.

Returns

As we execute our financial framework, we believe our return on capital will improve over time. We measure return on capital with our return on investment and free cash flow metrics. In addition, we provide returns in the form of share repurchases and dividends, which are discussed in the [Liquidity and Capital Resources](#) section.

Return on Assets and Return on Investment

We include Return on Assets ("ROA"), the most directly comparable measure based on our financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") and Return on Investment ("ROI") as metrics to assess returns on assets. While ROI is considered a non-GAAP financial measure, management believes ROI is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term strategic initiatives with possible short-term impacts. ROA was 7.9% and 4.5% for the trailing 12 months ended April 30, 2024 and 2023, respectively. The increase in ROA was primarily due to an increase in consolidated net income during the trailing 12 month period, as a result of higher operating income and changes in the fair value of our equity and other investments. ROI was 15.0% and 12.7% for the trailing 12 months ended April 30, 2024 and 2023, respectively. The increase in ROI was the result of an increase in operating income, primarily due to lapping opioid legal charges as well as business reorganization and restructuring charges incurred in the comparative trailing 12 months, as well as improvements in business performance, partially offset by an increase in average invested capital primarily due to higher purchases of property and equipment.

We define ROI as operating income plus interest income, depreciation and amortization, and rent expense for the trailing 12 months divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and amortization, less average accounts payable and average accrued liabilities for that period.

Table of Contents

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. As mentioned above, we consider ROA to be the financial measure computed in accordance with GAAP most directly comparable to our calculation of ROI. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; and adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities to arrive at total invested capital. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA. Although ROI is a standard financial measure, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.

The calculation of ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

| For the Trailing Twelve Months Ending April 30, | | | |
|--|-------------------|-------------------|--|
| | 2024 | 2023 | |
| <i>(Amounts in millions)</i> | | | |
| CALCULATION OF RETURN ON ASSETS | | | |
| Numerator | | | |
| Consolidated net income | \$ 19,681 | \$ 11,085 | |
| Denominator | | | |
| Average total assets ⁽¹⁾ | \$ 249,554 | \$ 245,598 | |
| Return on assets (ROA) | <u>7.9 %</u> | <u>4.5 %</u> | |
| CALCULATION OF RETURN ON INVESTMENT | | | |
| Numerator | | | |
| Operating income | \$ 27,613 | \$ 21,350 | |
| + Interest income | 553 | 323 | |
| + Depreciation and amortization | 12,136 | 11,110 | |
| + Rent | 2,291 | 2,301 | |
| = ROI operating income | <u>\$ 42,593</u> | <u>\$ 35,084</u> | |
| Denominator | | | |
| Average total assets ⁽¹⁾ | \$ 249,554 | \$ 245,598 | |
| + Average accumulated depreciation and amortization ⁽¹⁾ | 115,841 | 108,730 | |
| - Average accounts payable ⁽¹⁾ | 55,170 | 53,597 | |
| - Average accrued liabilities ⁽¹⁾ | 25,810 | 24,294 | |
| = Average invested capital | <u>\$ 284,415</u> | <u>\$ 276,437</u> | |
| Return on investment (ROI) | <u>15.0 %</u> | <u>12.7 %</u> | |

⁽¹⁾ The average is based on the addition of the account balance at the end of the current period to the account balance at the end of the prior period and dividing by two.

| As of April 30, | | | |
|---|------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Certain Balance Sheet Data | | | |
| Total assets | \$ 254,054 | \$ 245,053 | \$ 246,142 |
| Accumulated depreciation and amortization | 118,518 | 113,164 | 104,295 |
| Accounts payable | 56,071 | 54,268 | 52,926 |
| Accrued liabilities | 24,092 | 27,527 | 21,061 |

Strategic Capital Allocation

Our strategy includes allocating the majority of our capital to higher-return areas focused on automation such as eCommerce, supply chain and store and club investments. The following table provides additional detail regarding our capital expenditures:

| (Amounts in millions) | Three Months Ended April 30, | |
|--|------------------------------|-----------------|
| | 2024 | 2023 |
| Allocation of Capital Expenditures | | |
| Supply chain, customer-facing initiatives and technology | \$ 2,602 | \$ 2,715 |
| Store and club remodels | 1,546 | 1,236 |
| New stores and clubs, including expansions and relocations | 67 | 4 |
| Total U.S. | 4,215 | 3,955 |
| Walmart International | 461 | 474 |
| Total Capital Expenditures | \$ 4,676 | \$ 4,429 |

Free Cash Flow

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. See [Liquidity and Capital Resources](#) for discussions of GAAP metrics including net cash provided by operating activities, net cash used in investing activities and net cash provided by or used in financing activities.

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. Net cash provided by operating activities was \$4.2 billion for the three months ended April 30, 2024, which represents a decrease of \$0.4 billion when compared to the same period in the prior year. The decrease was primarily due to changes in working capital assets and liabilities, including timing impacts, partially offset by an increase in cash provided by operating income. Free cash flow for the three months ended April 30, 2024 was negative \$0.4 billion, which represents a decrease of \$0.6 billion when compared to the same period in the prior year. The decrease in free cash flow was due to the decrease in net cash provided by operating activities described above and an increase of \$0.2 billion in capital expenditures to support our investment strategy.

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 Condensed 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 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 provided by or used in financing activities.

| (Amounts in millions) | Three Months Ended April 30, | |
|--|------------------------------|---------------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 4,249 | \$ 4,633 |
| Payments for property and equipment | (4,676) | (4,429) |
| Free cash flow | \$ (427) | \$ 204 |
| Net cash used in investing activities ⁽¹⁾ | \$ (4,409) | \$ (4,860) |
| Net cash provided by (used in) financing activities | (321) | 1,940 |

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

Results of Operations

Consolidated Results of Operations

| (Amounts in millions, except unit counts) | Three Months Ended April 30, | |
|--|------------------------------|------------|
| | 2024 | 2023 |
| Net sales | \$ 159,938 | \$ 151,004 |
| Percentage change from comparable period | 5.9 % | 7.6 % |
| Total U.S. calendar comparable sales increase | 4.9 % | 7.1 % |
| Membership and other income | \$ 1,570 | \$ 1,297 |
| Percentage change from comparable period | 21.0 % | 1.2 % |
| Total revenues | \$ 161,508 | \$ 152,301 |
| Percentage change from comparable period | 6.0 % | 7.6 % |
| Gross profit margin as a percentage of net sales | 24.1 % | 23.7 % |
| Operating income | \$ 6,841 | \$ 6,240 |
| Operating income as a percentage of net sales | 4.3 % | 4.1 % |
| Other (gains) and losses | \$ (794) | \$ 2,995 |
| Consolidated net income | \$ 5,307 | \$ 1,896 |
| Unit counts at period end | 10,607 | 10,545 |
| Retail square feet at period end | 1,051 | 1,051 |

Our total revenues, which are mostly comprised of net sales but also include membership and other income, increased \$9.2 billion or 6.0% for the three months ended April 30, 2024 when compared to the same period in the previous fiscal year. The increase was primarily due to strong positive comparable sales in our U.S. segments and international markets driven by growth in transactions, including strong sales in grocery as well as strength in eCommerce. Net sales were also positively affected by an extra day in February 2024 due to a leap year which increased net sales by approximately 1%, as well as \$0.4 billion of fluctuations in currency exchange rates for the three months ended April 30, 2024. Membership and other income increased \$0.3 billion or 21.0% for the three months ended April 30, 2024, primarily due to strong growth in membership income globally.

Gross profit rate increased 42 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive price gaps, lower markdowns as a result of disciplined inventory management and favorable business mix, partially offset by mix shifts into lower margin merchandise categories.

Operating expenses as a percentage of net sales increased 40 basis points for the three months ended April 30, 2024 when compared to the same period in the previous fiscal year. The increase was primarily driven by higher compensation related expenses in our U.S. segments, including higher variable pay as a result of exceeding our planned performance as well as previously announced wage investments, and business reorganization costs, partially offset by expense leverage from strong sales growth in our International segment.

Other gains and losses consist of certain non-operating items, such as the change in the fair value of our investments and gains or losses on business dispositions, which by their nature can fluctuate from period to period. The net increase of \$3.8 billion in other gains for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year, was primarily due to changes in the fair value of our equity and other investments driven by changes in their underlying stock prices.

Our effective income tax rate was 24.6% for the three months ended April 30, 2024, compared to 29.5% for the same period in the previous fiscal year. The decrease in effective tax rate was primarily due to the tax impact on changes in fair value of our investments. Our effective income tax rate may fluctuate from quarter to quarter as a result of factors including changes in our assessment of certain tax contingencies, valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix and size of earnings among our U.S. operations and international operations, which are subject to statutory rates that may be different than the U.S. statutory rate.

As a result of the factors discussed above, consolidated net income increased \$3.4 billion for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. Accordingly, diluted net income per common share attributable to Walmart was \$0.63 for the three months ended April 30, 2024, which represents an increase of \$0.42 when compared to the same period in the previous fiscal year.

[Table of Contents](#)

Walmart U.S. Segment

| (Amounts in millions, except unit counts) | Three Months Ended April 30, | |
|---|------------------------------|------------|
| | 2024 | 2023 |
| Net sales | \$ 108,670 | \$ 103,901 |
| Percentage change from comparable period | 4.6 % | 7.2 % |
| Calendar comparable sales increase | 4.9 % | 7.5 % |
| Operating income | \$ 5,332 | \$ 4,984 |
| Operating income as a percentage of net sales | 4.9 % | 4.8 % |
| Unit counts at period end | 4,609 | 4,684 |
| Retail square feet at period end | 698 | 699 |

Net sales for the Walmart U.S. segment increased \$4.8 billion or 4.6% for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was due to comparable sales of 4.9% for the three months ended April 30, 2024, driven by growth in transactions, with strong sales in grocery and health and wellness. The Walmart U.S. segment's eCommerce sales positively contributed approximately 2.9% to comparable sales for the three months ended April 30, 2024, which was primarily driven by store-fulfilled pickup and delivery.

Gross profit rate increased 46 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily driven by managing prices aligned to our competitive price gaps and lower markdowns as a result of disciplined inventory management, partially offset by mix shifts into lower margin merchandise categories.

Operating expenses as a percentage of net sales increased 48 basis points for the three months ended April 30, 2024, when compared to the same periods in the previous fiscal year, primarily due to increased compensation related expenses, including higher variable pay as a result of exceeding our planned performance and previously announced wage investments, as well as business reorganization costs.

As a result of the factors discussed above, operating income increased \$0.3 billion for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year.

Walmart International Segment

| (Amounts in millions, except unit counts) | Three Months Ended April 30, | |
|---|------------------------------|-----------|
| | 2024 | 2023 |
| Net sales | \$ 29,833 | \$ 26,604 |
| Percentage change from comparable period | 12.1 % | 12.0 % |
| Operating income | \$ 1,533 | \$ 1,164 |
| Operating income as a percentage of net sales | 5.1 % | 4.4 % |
| Unit counts at period end | 5,399 | 5,262 |
| Retail square feet at period end | 272 | 272 |

Net sales for the Walmart International segment increased \$3.2 billion or 12.1% for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily due to positive comparable sales in each of our international markets driven by strong sales in food and consumables as well as strength in eCommerce. Net sales benefited from the timing of certain seasonal events, along with positive fluctuations in currency exchange rates of \$0.4 billion for the three months ended April 30, 2024.

Gross profit rate increased 32 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily driven by improved eCommerce profitability and favorable business mix, partially offset by ongoing format and channel mix shifts in certain markets, and price investments.

Operating expenses as a percentage of net sales decreased 47 basis points for the three months ended April 30, 2024 when compared to the same period in the previous fiscal year, primarily due to strong sales across markets, disciplined expense management and ongoing format mix changes in certain markets.

As a result of the factors discussed above, operating income increased \$0.4 billion for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year.

[Table of Contents](#)

Sam's Club Segment

| (Amounts in millions, except unit counts) | Three Months Ended April 30, | |
|---|------------------------------|-----------|
| | 2024 | 2023 |
| Including Fuel | | |
| Net sales | \$ 21,435 | \$ 20,499 |
| Percentage change from comparable period | 4.6 % | 4.5 % |
| Calendar comparable sales increase | 4.6 % | 4.6 % |
| Operating income | \$ 615 | \$ 458 |
| Operating income as a percentage of net sales | 2.9 % | 2.2 % |
| Unit counts at period end | 599 | 599 |
| Retail square feet at period end | 80 | 80 |
| Excluding Fuel ⁽¹⁾ | | |
| Net sales | \$ 18,703 | \$ 17,763 |
| Percentage change from comparable period | 5.3 % | 7.4 % |
| Operating income | \$ 515 | \$ 354 |
| Operating income as a percentage of net sales | 2.8 % | 2.0 % |

⁽¹⁾ We believe the "Excluding Fuel" information is useful to investors because it permits investors to understand the effect of the Sam's Club segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club segment in the future.

Net sales for the Sam's Club segment increased \$0.9 billion or 4.6% for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was primarily due to comparable sales, including fuel, of 4.6% for the three months ended April 30, 2024, which benefited from growth in transactions, including strong sales in grocery and consumables and health and wellness. Sam's Club eCommerce sales positively contributed approximately 1.7% to comparable sales for the three months ended April 30, 2024, which was primarily driven by curbside pickup and club-fulfilled delivery.

Gross profit rate increased 58 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase in gross profit rate for the three months ended April 30, 2024 was primarily due to lapping inflation related LIFO charges in the prior year, and lower markdowns as a result of disciplined inventory management.

Membership and other income increased 14.3% for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year. The increase was due to growth in the membership base and Plus penetration. Membership income also benefited from lapping a prior year promotional offering related to previous membership fee increases.

Operating expenses as a percentage of net sales increased 17 basis points for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year, primarily due to increased compensation related expenses, including higher variable pay as a result of exceeding our planned performance, and elevated technology spend.

As a result of the factors discussed above, operating income increased \$0.2 billion for the three months ended April 30, 2024, when compared to the same period in the previous fiscal year.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund dividends on our common stock and share repurchases. We believe our sources of liquidity will continue to be sufficient to fund operations, finance our global investment activities, pay dividends and fund our share repurchases for at least the next 12 months and for the foreseeable future.

Net Cash Provided by Operating Activities

| (Amounts in millions) | Three Months Ended April 30, | |
|---|------------------------------|----------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 4,249 | \$ 4,633 |

Net cash provided by operating activities was \$4.2 billion as compared to \$4.6 billion for the three months ended April 30, 2024 and 2023, respectively. The decrease was primarily due to changes in working capital assets and liabilities, including timing impacts, partially offset by an increase in cash provided by operating income.

[Table of Contents](#)

Cash Equivalents and Working Capital Deficit

Cash and cash equivalents were \$9.4 billion and \$10.6 billion at April 30, 2024 and 2023, respectively. Our working capital deficit was \$18.9 billion as of April 30, 2024, which increased when compared to the \$17.0 billion working capital deficit as of April 30, 2023, primarily driven by an increase in short-term borrowings and an increase in accounts payable to support business growth, partially offset by a decrease in accrued liabilities due to payments related to the opioid legal settlement. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, consistent access to the capital markets and returns provided to our shareholders in the form of payments of cash dividends and share repurchases.

As of April 30, 2024 and January 31, 2024, cash and cash equivalents of \$3.5 billion may not be freely transferable to the U.S. due to local laws or other restrictions or are subject to the approval of the noncontrolling interest shareholders.

Net Cash Used in Investing Activities

| (Amounts in millions) | Three Months Ended April 30, | |
|---------------------------------------|------------------------------|------------|
| | 2024 | 2023 |
| Net cash used in investing activities | \$ (4,409) | \$ (4,860) |

Net cash used in investing activities was \$4.4 billion as compared to \$4.9 billion for the three months ended April 30, 2024 and 2023, respectively. The decrease of \$0.5 billion for the three months ended April 30, 2024 is primarily the result of the change in other investing activities related to certain short-term investments, partially offset by an increase in payments for property and equipment.

Net Cash Provided by (Used in) Financing Activities

| (Amounts in millions) | Three Months Ended April 30, | |
|---|------------------------------|----------|
| | 2024 | 2023 |
| Net cash provided by (used in) financing activities | \$ (321) | \$ 1,940 |

Net cash provided by or used in financing activities generally consists of transactions related to our short-term and long-term debt, dividends paid and the repurchase of Company stock. Transactions with noncontrolling interest shareholders are also classified as cash flows provided by or used in financing activities. Net cash used in financing activities was \$0.3 billion as compared to net cash provided by financing activities of \$1.9 billion for the three months ended April 30, 2024 and 2023, respectively. The change in net financing cash flows is primarily due to lapping debt issuances in the prior year, partially offset by an increase in short-term borrowings.

In April 2024, the Company renewed and extended its existing 364-day revolving credit facility of \$10.0 billion as well as its five-year credit facility of \$5.0 billion. In total, we had committed lines of credit in the U.S. of \$15.0 billion at April 30, 2024, all undrawn.

Long-term Debt

The following table provides the changes in our long-term debt for the three months ended April 30, 2024:

| (Amounts in millions) | Long-term debt due | | Total |
|--|--------------------|------------------|------------------|
| | within one year | Long-term debt | |
| Balances as of February 1, 2024 | \$ 3,447 | \$ 36,132 | \$ 39,579 |
| Repayments of long-term debt | (1,574) | — | (1,574) |
| Other | (8) | (204) | (212) |
| Balances as of April 30, 2024 | <u>\$ 1,865</u> | <u>\$ 35,928</u> | <u>\$ 37,793</u> |

During the three months ended April 30, 2024, our total outstanding long-term debt decreased \$1.8 billion primarily due to maturities of certain long-term debt. Refer to [Note 4](#) to our Condensed Consolidated Financial Statements for details on the repayments of long-term debt.

Dividends

Effective February 20, 2024, the Company approved the fiscal 2025 annual dividend of \$0.83 per share, an increase over the fiscal 2024 annual dividend of \$0.76 per share. For fiscal 2025, the annual dividend was or will be paid in four quarterly installments of \$0.2075 per share, according to the following record and payable dates:

| Record Date | Payable Date |
|-------------------|-------------------|
| March 15, 2024 | April 1, 2024 |
| May 10, 2024 | May 28, 2024 |
| August 16, 2024 | September 3, 2024 |
| December 13, 2024 | January 6, 2025 |

The dividend installments payable on April 1, 2024 and May 28, 2024 were paid as scheduled.

[Table of Contents](#)

Company Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the three months ended April 30, 2024 were made under the current \$20 billion share repurchase program approved in November 2022, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of April 30, 2024, authorization for \$15.5 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

We regularly review share repurchase activity and consider several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, our results of operations and the market price of our common stock. We anticipate that a majority of the ongoing share repurchase program will be funded through the Company's free cash flow. The following table provides, on a settlement date basis, share repurchase information for the three months ended April 30, 2024 and 2023:

| <i>(Amounts in millions, except per share data)</i> | Three Months Ended April 30, | |
|---|-------------------------------------|-------------|
| | 2024 | 2023 |
| Total number of shares repurchased | 18.0 | 14.3 |
| Average price paid per share | \$ 59.05 | \$ 47.82 |
| Total amount paid for share repurchases | \$ 1,059 | \$ 686 |

Material Cash Requirements

Material cash requirements from operating activities primarily consist of inventory purchases, employee related costs, taxes, interest and other general operating expenses, which we expect to be primarily satisfied by our cash from operations. Other material cash requirements from known contractual and other obligations include short-term borrowings, long-term debt and related interest payments, leases and purchase obligations.

Capital Resources

We believe our cash flows from operations, current cash position, short-term borrowings and access to capital markets will continue to be sufficient to meet our anticipated cash requirements and contractual obligations, which includes funding seasonal buildups in merchandise inventories and funding our capital expenditures, acquisitions, dividend payments and share repurchases.

We have strong commercial paper and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in capital markets. As of April 30, 2024, the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

| Rating agency | Commercial paper | Long-term debt |
|---------------------------|-------------------------|-----------------------|
| Standard & Poor's | A-1+ | AA |
| Moody's Investors Service | P-1 | Aa2 |
| Fitch Ratings | F1+ | AA |

Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether our current credit ratings will remain consistent over time. Factors that could affect our credit ratings include changes in our operating performance, the general economic environment, conditions in the retail industry, our financial position, including our total debt and capitalization, and changes in our business strategy. Any downgrade of our credit ratings by a credit rating agency could increase our future borrowing costs or impair our ability to access capital and credit markets on terms commercially acceptable to us. In addition, any downgrade of our current short-term credit ratings could impair our ability to access the commercial paper markets with the same flexibility that we have experienced historically, potentially requiring us to rely more heavily on more expensive types of debt financing. The credit rating agency ratings are not recommendations to buy, sell or hold our commercial paper or debt securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating. Moreover, each credit rating is specific to the security to which it applies.

Other Matters

In [Note 6](#) to our Condensed Consolidated Financial Statements, which is captioned "Contingencies" and appears in Part I of this Quarterly Report on Form 10-Q under the caption "[Item 1. Financial Statements](#)," we discuss, under the sub-captions "*Settlement of Certain Opioid-Related Matters*," and "*Ongoing Opioid-Related Litigation*," the Prescription Opiate Litigation, the Settlement Framework, and other matters, including certain risks arising therefrom. In [Note 6](#), we also discuss, under the sub-caption "*Asda Equal Value Claims*" the Company's indemnification obligation for the Asda Equal Value Claims matter as well as under the sub-caption "*Money Transfer Agent Services Matters*" a United States Federal Trade Commission complaint related to money transfers and the Company's anti-fraud program and a government investigation by the U.S. Attorney's Office for the Middle District of Pennsylvania into the Company's consumer fraud prevention and anti-money laundering compliance related to the Company's money transfer agent services. In [Note 6](#), under the sub-caption "*Mexico Antitrust Matter*," we also discuss a quasi-judicial process initiated by the Comision Federal de Competencia Economica of Mexico against Walmex. We reference various legal proceedings related to the Prescription Opiate Litigation, the Settlement Framework, DOJ Opioid Civil Litigation and Opioids-Related Securities Class Actions and Derivative Litigation; Asda Equal Value Claims; Money Transfer Agent Services Litigation; and Mexico Antitrust Matter in [Part II](#) of this Quarterly Report on Form 10-Q under the caption "[Item 1. Legal Proceedings](#)," under the sub-caption "I. Supplemental Information." We also discuss items related to the Foreign Direct Investment Matters in India and the Driver Platform Matters in [Part II](#) of this Quarterly Report on Form 10-Q under the caption "[Item 1. Legal Proceedings](#)," under the sub-caption "II. Certain Other Matters." We also discuss an environmental matter with the State of California and an environmental matter with the U.S. Environmental Protection Agency in [Part II](#) of this Quarterly Report on Form 10-Q under the caption "[Item 1. Legal Proceedings](#)," under the sub-caption "III. Environmental Matters." The foregoing matters and other matters described elsewhere in this Quarterly Report on Form 10-Q represent contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company upon their final resolution.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risks relating to our operations result primarily from changes in interest rates, currency exchange rates and the fair value of certain equity investments. As of April 30, 2024, there were no material changes to our market risks disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2024. The information concerning market risk set forth in Part II, Item 7A. of our Annual Report on Form 10-K for the fiscal year ended January 31, 2024, as filed with the SEC on March 15, 2024, under the caption "Quantitative and Qualitative Disclosures About Market Risk," is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management is necessarily required to use judgment in evaluating controls and procedures. Also, we have investments in unconsolidated entities. Since we do not control or manage those entities, our controls and procedures with respect to those entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

In the ordinary course of business, we review our internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, updating existing systems, automating manual processes, standardizing controls globally, migrating certain processes to our shared services organizations and increasing monitoring controls. We are currently upgrading our financial system in stages, beginning in our U.S. and Canadian markets, including our general ledger which was upgraded for these markets during fiscal 2024. Our financial system is a significant component of our internal control over financial reporting. We will continue to implement other components of our new financial system in stages, and each implementation will impact our internal control over financial reporting.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. There has been no significant change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended April 30, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

I. SUPPLEMENTAL INFORMATION: The Company is involved in legal proceedings arising in the normal course of its business, including litigation, arbitration and other claims, and investigations, inspections, subpoenas, audits, claims, inquiries and similar actions by governmental authorities. We discuss certain legal proceedings in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," in [Note 6](#) to our Condensed Consolidated Financial Statements, which is captioned "Contingencies," under the sub-caption "Legal Proceedings." We refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit or appeal was filed.

Opioid-Related Litigation: *In re National Prescription Opiate Litigation (MDL No. 2804)* (the "MDL") is pending in the U.S. District Court for the Northern District of Ohio and includes over 330 cases with claims against the Company as of May 24, 2024. A case involving a judgment entered on claims brought by two counties was appealed to the Sixth Circuit Court of Appeals, which then certified certain questions to the Supreme Court of Ohio where the matter remains pending. In addition, there are over 30 other opioid-related cases against the Company and its subsidiaries pending in U.S. state and federal courts and Canadian courts as of May 24, 2024. The non-MDL case citations and currently scheduled trial dates, where applicable, are listed on Exhibit 99.1 to this Quarterly Report on Form 10-Q.

DOJ Opioid Civil Litigation: *United States of America v. Walmart Inc., et al.*, USDC, Dist. of DE, 12/22/20.

Settlement of Certain Opioid-Related Matters: As described in more detail in [Note 6](#) to our Condensed Consolidated Financial Statements, the Company accrued a liability of approximately \$3.3 billion in fiscal year 2023 for certain opioid-related settlements. As of January 31, 2024, substantially all of the approximately \$3.3 billion accrued liability had been paid. Certain eligible political subdivisions and federally recognized Native American tribes have until July 15, 2025 and February 24, 2026, respectively, to join the settlement.

Opioid-Related Derivative Lawsuits: *Abt v. Alvarez et al.*, USDC, Dist. of DE, 2/9/21; *Nguyen v. McMillon et al.*, USDC, Dist. of DE, 4/16/21; *Ontario Provincial Council of Carpenters' Pension Trust Fund et al. v. Walton et al.*, DE Court of Chancery, 9/27/21.

Opioid-Related Securities Class Actions: *Stanton v. Walmart Inc. et al.*, USDC, Dist. of DE, 1/20/21 and *Martin v. Walmart Inc. et al.*, USDC, Dist. of DE, 3/5/21, consolidated into *In re Walmart Inc. Securities Litigation*, USDC, Dist. of DE, 5/11/21; *In re Walmart Inc. Securities Litigation*, USCCA, 3d Cir., 4/29/24.

ASDA Equal Value Claims: *Ms S Brierley & Others v. ASDA Stores Ltd* (2406372/2008 & Others – Manchester Employment Tribunal); *Abbas & Others v Asda Stores limited (KB-2022-003243)*; and *Abusubih & Others v Asda Stores limited (KB-2022-003240)*.

Money Transfer Agent Services Litigation: *Federal Trade Commission v. Walmart Inc.* (CV-3372), USDC, N. Dist. Of Ill, 6/28/22.

Mexico Antitrust Matter: Comisión Federal de Competencia Económica of México, Investigative Authority v. Nueva Wal-Mart de México, S.de R.L. de C.V. (Docket IO-002-2020, consolidated with Docket DE-026-2020), Mexico, 10/6/23.

II. CERTAIN OTHER MATTERS:

Foreign Direct Investment Matters: In July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart Private Limited and one of its subsidiaries ("Flipkart"), and to unrelated companies and individuals, including certain current and former shareholders and directors of Flipkart. The notice requests the recipients to show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations (the "Rules") should not be initiated against them based on alleged violations during the period from 2009 to 2015, prior to the Company's acquisition of a majority stake in Flipkart in 2018 (the "Notice"), in addition to more recent requests for information from the Directorate of Enforcement to Flipkart for periods prior and subsequent to April 2016 regarding the Rules (the "Requests"). The Notice is an initial stage of proceedings under the Rules which could, depending upon the conclusions at the end of the initial stage, lead to a hearing to consider the merits of the allegations described in the Notice. If a hearing is initiated and if it is determined that violations of the Rules occurred, the regulatory authority has the authority to impose monetary and/or non-monetary relief. Flipkart has been responding to the Notice and, if the matter progresses to a consideration of the merits of the allegations described in the Notice, Flipkart intends to defend against the allegations vigorously. Due to the fact that the process regarding the Notice is in the early stages, the Company is unable to predict whether the Notice will lead to a hearing on the merits or, if it does, the final outcome of the resulting proceedings, as well as whether any further proceedings will arise with respect to the Requests. While the Company does not currently believe that these matters will have a material adverse effect on its business, financial condition, results of operations or cash flows, the Company can provide no assurance as to the scope or outcome of any proceeding that might result from the Notice or the Requests, the amount of the proceeds the Company may receive in indemnification from individuals and entities that sold shares to the Company under the 2018 agreement for the period prior to the date the Company acquired its majority stake in Flipkart, and further can provide no assurance as to whether there will be a material adverse effect to its business or its Condensed Consolidated Financial Statements.

Driver Platform Matters: The Company has been responding to subpoenas, information requests and investigations from governmental entities regarding the independent contractor classification of drivers and payment and operational practices with respect to the Company's driver platform, as well as defending putative class action civil litigation relating to driver classification and defending other civil litigation claims in connection with the driver platform. The Company is unable to predict the outcome of the investigations by the governmental entities or the civil litigation matters. While the Company does not currently believe that the outcome of these matters will have a material adverse effect on its business, financial condition, results of operations or cash flows, the Company can provide no assurance as to the scope and outcome of these matters and whether its business, financial condition, results of operations or cash flows will not be materially adversely affected.

III. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed an applied threshold not to exceed \$1 million.

In December 2021, the Office of the Attorney General of the State of California filed suit against the Company, bringing enforcement claims regarding Walmart's management of waste consumer products at its California facilities that are alleged to be hazardous. The suit was filed in Superior Court of Alameda County, California, Case No. 21CV004367, People v. Walmart Inc. Trial is currently set for September 30, 2024. The Company believes it has strong defenses and is vigorously defending this litigation matter. While the Company cannot predict the ultimate outcome of this matter, the potential for penalties or settlement costs could exceed \$1 million. Although the Company does not believe that this matter will have a material adverse effect on its business, financial position, results of operations or cash flows, the Company can provide no assurance as to the scope and outcome of this matter and no assurance as to whether there will be a material adverse effect to its business or its Condensed Consolidated Financial Statements.

In October 2023, the Company received a Finding of Violation from the U.S. Environmental Protection Agency (the "EPA") alleging violations of the Clean Air Act in connection with the Company's refrigeration leak detection and repair program at certain of its facilities. The Company is evaluating the findings and cooperating with the EPA in its investigation. The EPA may seek to impose monetary and non-monetary penalties for the alleged violations of the Clean Air Act. Due to the fact that this process is in an early stage, the Company is unable to predict the final outcome of this matter. Although the Company does not believe this matter will have a material adverse effect on its business, financial position, results of operations, or cash flows, the Company can provide no assurance as to the scope or outcome of this matter and no assurance as to whether there will be a material adverse effect to its business or its Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Part I, Item 1A, under the caption "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended January 31, 2024, which risks could materially and adversely affect our business, results of operations, financial condition, and liquidity. No material change in the risk factors discussed in such Form 10-K has occurred. Such risk factors do not identify all risks that we face because our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

From time to time, the Company repurchases shares of our common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the three months ended April 30, 2024 were made under the current \$20 billion share repurchase program approved in November 2022, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of April 30, 2024, authorization for \$15.5 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company regularly reviews its share repurchase activity and considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. Share repurchase activity under our share repurchase program, on a trade date basis, for the three months ended April 30, 2024, was as follows:

| Fiscal Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾ (billions) |
|-----------------------|---|------------------------------------|--|---|
| | | | 5,771,174 | \$ 16.2 |
| February 1 - 29, 2024 | 5,771,174 | \$ 57.35 | 5,771,174 | \$ 16.2 |
| March 1 - 31, 2024 | 5,626,486 | 60.54 | 5,626,486 | 15.9 |
| April 1 - 30, 2024 | 6,345,389 | 59.81 | 6,345,389 | 15.5 |
| Total | 17,743,049 | | 17,743,049 | |

⁽¹⁾ Represents approximate dollar value of shares that could have been purchased under the plan in effect at the end of the month.

Item 5. Other Information**Security Trading Plans of Directors and Executive Officers**

During the Company's fiscal quarter ended April 30, 2024, the following Section 16 officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement:

On February 28, 2024, John Furner, Executive Vice President, President and Chief Executive Officer, Walmart U.S., entered into a stock trading plan designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934. Under the terms of the plan, Mr. Furner will sell an aggregate 131,250 shares of common stock. The plan will terminate on February 27, 2025.

On March 28, 2024, Daniel J. Bartlett, Executive Vice President, Corporate Affairs, entered into a stock trading plan designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934. Under the terms of the plan, Mr. Bartlett may sell up to an aggregate \$4,000,000 of common stock. The plan will terminate in May 2026.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that Walmart believes are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act as well as protections afforded by other federal securities laws.

Forward-looking Statements

The forward-looking statements in this report include, among other things:

- statements in [Note 6](#) to those Condensed Consolidated Financial Statements regarding the possible outcome of, and future effect on Walmart's financial condition and results of operations of, certain litigation and other proceedings to which Walmart is a party, the possible outcome of, and future effect on Walmart's business of, certain other matters to which Walmart is subject, including the Company's ongoing opioids litigation, Walmart's ongoing indemnification obligation for the Asda Equal Value Claims, the Company's Money Transfer Agent Services Matters, the Mexico Antitrust Matter, and the liabilities, losses, expenses and costs that Walmart may incur in connection with such matters;
- in Part I, Item 2 "[Management's Discussion and Analysis of Financial Condition and Results of Operations](#)": statements under the caption "[Overview](#)" regarding future changes to our business and our expectations about the potential impacts on our business, financial position, results of operations or cash flows as a result of macroeconomic factors such as geopolitical conditions, supply chain disruptions, volatility in employment trends, and consumer confidence; statements under the caption "[Overview](#)" relating to the possible impact of inflationary pressures and volatility in currency exchange rates on the results, including net sales and operating income, of Walmart and the Walmart International segment, as well as our pricing and merchandising strategies in response to cost increases; statements under the caption "[Company Performance Metrics - Growth](#)" regarding our strategy to serve customers through a seamless omni-channel experience; statements under the caption "[Company Performance Metrics - Margin](#)" regarding our strategy to improve operating income margin through productivity initiatives as well as category and business mix; statements under the caption "[Company Performance Metrics - Returns](#)" regarding our belief that returns on capital will improve as we execute on our strategic priorities; statements under the caption "[Results of Operations - Consolidated Results of Operations](#)" regarding the possibility of fluctuations in Walmart's effective income tax rate from quarter to quarter and the factors that may cause those fluctuations; a statement under the caption "[Results of Operations - Sam's Club Segment](#)" relating to the possible continuing impact of volatility in fuel prices on the future operating results of the Sam's Club segment; a statement under the caption "[Liquidity and Capital Resources - Liquidity](#)" that Walmart's sources of liquidity will be adequate to fund its operations, finance its global investment activities, pay dividends and fund share repurchases; a statement under the caption "[Liquidity and Capital Resources - Liquidity - Net Cash Provided by \(Used in\) Financing Activities - Dividends](#)" regarding the payment of annual dividends in fiscal 2025; a statement under the caption "[Liquidity and Capital Resources - Liquidity - Net Cash Provided by \(Used in\) Financing Activities - Company Share Repurchase Program](#)" regarding funding of our share repurchase program; statements under the caption "[Liquidity and Capital Resources - Capital Resources](#)" regarding management's expectations regarding the Company's cash flows from operations, current cash position, short-term borrowings and access to capital markets continuing to be sufficient to meet its anticipated cash requirements and contractual obligations, the Company's commercial paper and long-term debt ratings continuing to enable it to refinance its debts at favorable rates, factors that could affect its credit ratings, and the effect that lower credit ratings would have on its access to capital and credit markets and borrowing costs; and statements under the caption "[Other Matters](#)" regarding the contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company;
- in Part I, Item 4 "[Controls and Procedures](#)": statements regarding the effect of changes to systems and processes on our internal control over financial reporting; and
- in Part II, Item 1 "[Legal Proceedings](#)": statements regarding the effect that possible losses or the range of possible losses that might be incurred in connection with the legal proceedings and other matters discussed therein may have on our financial condition or results of operations.

Risks, Factors and Uncertainties Regarding Our Business

These forward-looking statements are subject to risks, uncertainties and other factors, domestically and internationally, including:

Economic Factors

- economic, geopolitical, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates;
- currency exchange rate fluctuations;
- changes in market rates of interest;
- inflation or deflation, generally and in certain product categories;
- transportation, energy and utility costs;
- commodity prices, including the prices of oil and natural gas;
- changes in market levels of wages;
- changes in the size of various markets, including eCommerce markets;
- unemployment levels;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels, and demand for certain merchandise;
- trends in consumer shopping habits around the world and in the markets in which Walmart operates;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates and drug formularies; and
- initiatives of competitors, competitors' entry into and expansion in Walmart's markets or lines of business, and competitive pressures.

Operating Factors

- the amount of Walmart's net sales and operating expenses denominated in U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments, including the amount of Walmart's cash flow during various periods;
- customer transaction and average ticket in Walmart's stores and clubs and on its eCommerce platforms;
- the mix of merchandise Walmart sells and its customers purchase;
- the availability of goods from suppliers and the cost of goods acquired from suppliers;
- the effectiveness of the implementation and operation of Walmart's strategies, plans, programs and initiatives;
- the financial and operational impacts of our investments in eCommerce, technology, talent, and automation;
- COVID-19 recovery related challenges, including supply chain disruption and production, labor shortages and increases in labor costs;
- the impact of acquisitions, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses;
- unexpected changes in Walmart's objectives and plans;
- the amount of shrinkage Walmart experiences;
- consumer acceptance of and response to Walmart's stores and clubs, eCommerce platforms, programs, merchandise offerings and delivery methods;
- Walmart's gross profit margins, including pharmacy margins and margins of other product categories;
- the selling prices of gasoline and diesel fuel;
- disruption of seasonal buying patterns in Walmart's markets;
- disruptions in Walmart's supply chain and inventory management;
- cybersecurity events affecting Walmart and related costs and impact of any disruption in business;
- Walmart's labor costs, including healthcare and other benefit costs;
- Walmart's casualty and accident-related costs and insurance costs;
- the size of and turnover in Walmart's workforce and the number of associates at various pay levels within that workforce;
- the availability of necessary personnel to staff Walmart's stores, clubs and other facilities;
- delays in the opening of new, expanded, relocated or remodeled units;
- developments in, and the outcome of, legal and regulatory proceedings and investigations to which Walmart is a party or is subject, and the liabilities, obligations and expenses, if any, that Walmart may incur in connection therewith;
- changes in the credit ratings assigned to the Company's commercial paper and debt securities by credit rating agencies;
- Walmart's effective tax rate; and
- unanticipated changes in accounting judgments and estimates.

Regulatory and Other Factors

- changes in existing, tax, labor and other laws and changes in tax rates, including the enactment of laws and the adoption and interpretation of administrative rules and regulations, including those related to worker classification;
- 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 government-funded benefit programs or changes in levels of other public assistance payments;
- changes in currency control laws;
- one or more prolonged federal government shutdowns;
- the timing of federal income tax refunds;
- natural disasters, changes in climate, catastrophic events and global health epidemics or pandemics; and
- changes in generally accepted accounting principles in the United States.

Other Risk Factors; No Duty to Update

This Quarterly Report on Form 10-Q should be read in conjunction with Walmart's Annual Report on Form 10-K for the fiscal year ended January 31, 2024 and all of Walmart's subsequent other filings with the Securities and Exchange Commission. Walmart urges investors to consider all of the risks, uncertainties and other factors disclosed in these filings carefully in evaluating the forward-looking statements contained in this Quarterly Report on Form 10-Q. The Company cannot assure you that the results or developments anticipated by the Company and reflected or implied by any forward-looking statement contained in this Quarterly Report on Form 10-Q will be realized or, even if substantially realized, that those results or developments will result in the forecasted or expected consequences for the Company or affect the Company, its operations or its financial performance as the Company has forecasted or expected. As a result of the matters discussed above and other matters, including changes in facts, assumptions not being realized or other factors, the actual results relating to the subject matter of any forward-looking statement in this Quarterly Report on Form 10-Q may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and Walmart undertakes no obligation to update any such statements to reflect subsequent events or circumstances.

Item 6. Exhibits

The following documents are filed as an exhibit to this Quarterly Report on Form 10-Q:

| | |
|------------------|--|
| Exhibit 3.1(a) | Restated Certificate of Incorporation of the Company dated February 1, 2018 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on February 1, 2018 |
| Exhibit 3.1(b) | Certificate of Amendment to the Restated Certificate of Incorporation of the Company, effective February 23, 2024 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on February 23, 2024 |
| Exhibit 3.2 | Amended and Restated Bylaws of the Company dated November 10, 2022 are incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on November 16, 2022 |
| Exhibit 31.1* | Chief Executive Officer Section 302 Certification |
| Exhibit 31.2* | Chief Financial Officer Section 302 Certification |
| Exhibit 32.1** | Chief Executive Officer Section 906 Certification |
| Exhibit 32.2** | Chief Financial Officer Section 906 Certification |
| Exhibit 99.1* | Opioids-Related Litigation Case Citations and Currently Scheduled Trial Dates |
| Exhibit 101.INS* | Inline XBRL Instance Document |
| Exhibit 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| Exhibit 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| Exhibit 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| Exhibit 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| Exhibit 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| Exhibit 104 | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2024, formatted in Inline XBRL (included in Exhibit 101) |

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WALMART INC.

Date: June 7, 2024

By:

/s/ C. Douglas McMillon

C. Douglas McMillon

President and Chief Executive Officer

(Principal Executive Officer)

Date: June 7, 2024

By:

/s/ John David Rainey

John David Rainey

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: June 7, 2024

By:

/s/ David M. Chojnowski

David M. Chojnowski

Senior Vice President and Controller

(Principal Accounting Officer)

I, C. Douglas McMillon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walmart Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 7, 2024

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

I, John David Rainey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walmart Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 7, 2024

/s/ John David Rainey

John David Rainey
Executive Vice President and Chief Financial
Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Walmart Inc. (the "Company") on Form 10-Q for the period ending April 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Douglas McMillon, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of June 7, 2024.

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Walmart Inc. (the "Company") on Form 10-Q for the period ending April 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John David Rainey, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of June 7, 2024.

/s/ John David Rainey

John David Rainey
Executive Vice President and Chief Financial Officer

Non-MDL Opioid-Related Litigation Case Citations and Currently Scheduled Trial Dates

A. Case Citations For Pending State Court Cases as of May 24, 2024

Reiner v. CVS Pharm., Inc., et al., Nev. 5th Jud. Dist. Ct., Nye Cty., 2/26/2024; Commonwealth of Massachusetts v. Walmart, Inc., Mass. Super. Ct., Suffolk Cty., 2/22/2024; State of Nebraska, ex rel. Michael T. Hilgers, Att'y Gen. v. CVS Pharm., Inc., et al., Neb. Dist. Ct., Lancaster Cty., 2/1/2024; State of Ohio, ex rel. Ohio Att'y Gen. Dave Yost v. CVS Health Corp., et al., Ohio Ct. Com. Pl., Franklin Cty., 1/17/2024; Commonwealth of Virginia, ex rel. Jason S. Miyares, Att'y Gen. v. CVS Pharm., Inc., et al., Va. Cir. Ct., City of Richmond, 1/4/2024; People of Illinois v. CVS Pharm., Inc., et al., Ill. Cir. Ct., Cook Cty., Ch. Div., 12/6/2023; State of Arizona ex rel. Kristin K. Mayes, Att'y Gen. v. Walmart, Inc., Ariz. Super. Ct., Maricopa Cty., 11/7/2023; State of North Carolina ex rel. Joshua H. Stein, Att'y Gen. v. CVS Pharm., Inc., et al. N.C. Super. Ct., Wake Cty., 10/31/2023; Att'y Gen. for State of Oregon v. Walmart Inc., Or. Cir. Ct., Multnomah Cty., 10/30/2023; Commonwealth of Pennsylvania ex rel. Allegheny Cty. Dist. Att'y Stephen A. Zappala, Jr. v. CVS Ind., LLC, et al., Pa. Ct. Com. Pl., Delaware Cty., 8/8/2022; Paynter ex rel. Minor Child(ren) Z.N.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 3/28/2022; Blankenship ex rel. Minor Child Z.D.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 1/14/2022; E. Me. Med. Ctr., et al. v. Teva Pharm. USA, Inc., et al., Me. Bus. & Consumer Ct., Cumberland Cty., 9/10/2021; Miss. Baptist Med. Ctr. Inc., et al. v. Amneal Pharm., LLC, et al., Miss. 1st Jud. Dist., Hinds Cty. Cir. Ct., 5/15/2020; Dallas Cty. Hosp. Dist. d/b/a Parkland Health & Hosp. Sys., et al., v. Amneal Pharm., LLC, et al., Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 11/20/2019; Fla. Health Scis. Ctr., Inc., et al. v. Sackler, et al., Fla. Cir. Ct., 17th Jud. Cir., Broward Cty., 9/16/2019.

B. Currently Scheduled Trial Dates In Pending State Court Cases as of May 24, 2024

- 9/8/25 – Florida Health Sciences Center, Inc., et al. v. Richard Sackler, et al., Fla. Cir. Ct., 17th Jud. Dist., Broward Cty.

C. Case Citations For Pending Non-MDL Federal Court Cases as of May 24, 2024

Chaney v. CVS Pharm., et al., Inc., U.S. Dist. Ct., E.D. Ky., 12/11/2023; San Miguel Hosp. Corp. d/b/a Alta Vista Reg'l Hosp. v. Johnson & Johnson, et al., U.S. Dist. Ct., D.N.M., 10/16/2023; Baby Doe, et al., ex rel. Their Guardian Ad Litem v. Endo Health Sols., Inc., et al., U.S. Dist. Ct., M.D. Tenn., 8/3/2022; City of Kingston v. Teva Pharm. USA, Inc., et al., U.S. Dist. Ct., S.D.N.Y., 2/27/2020; Cty. of Cortland v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 1/8/2019; City of Ithaca v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Rensselaer v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Saratoga v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Schoharie v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Westchester v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Genesee v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Niagara v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Hamilton v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Franklin v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Schuyler v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Steuben v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Clinton v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Tompkins v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018.

D. Case Citations For Pending Canadian Cases as of May 24, 2024

City of Grande Prairie, et al. v. Apotex Inc., et al., Alta. King's Bench Ct., Calgary Jud. Ctr., 4/27/2023; Lac La Ronge Indian Band, et al. v. Apotex Inc., et al., Sask. King's Bench Ct., Prince Albert Jud. Ctr., 3/17/2023.