



Financial presentation to accompany management commentary

Q2 FY2023



Building our Flywheel

Best, first place to shop



Even more items and services



Health and Wellness



Financial Services



Lower Cost



Leveraging our assets for B2B opportunities



Customer and Member Value



Safe harbor and non-GAAP measures



This presentation contains statements or may include or may incorporate by reference Walmart management's guidance regarding earnings per share, consolidated net sales, consolidated operating income, capital expenditures, share repurchases, Walmart's effective tax rate for the fiscal year ending January 31, 2023, and comparable sales, among other items. Walmart believes such statements may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act") and are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. Assumptions on which such forward-looking statements are based are also forward-looking statements. Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's or business', economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. Our actual results may differ materially from those expressed in or implied by any of these forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including: the impact of the COVID-19 pandemic on our business and the global economy; economic, capital markets and business conditions; trends and events around the world and in the markets in which we operate; currency exchange rate fluctuations, changes in market interest rates and market levels of wages; changes in the size of various markets, including eCommerce markets; unemployment levels; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; the effectiveness of the implementation and operation of our strategies, plans, programs and initiatives; unexpected changes in our objectives and plans; the impact of acquisitions, investments, divestitures, and other strategic decisions; our ability to successfully integrate acquired businesses; changes in the trading prices or fair value of certain equity investments we hold; initiatives of competitors, competitors' entry into and expansion in our markets, and competitive pressures; customer traffic and average transactions in our stores and clubs and on our eCommerce websites; the mix of merchandise we sell, the cost of goods we sell and the shrinkage we experience; our gross profit margins; the financial performance of Walmart and each of its segments, including the amounts of our cash flow during various periods; the amount of our net sales and operating expenses denominated in the U.S. dollar and various foreign currencies; commodity prices and the price of gasoline and diesel fuel; challenges with our supply chain, including disruptions and issues relating to inventory management; disruptions in seasonal buying patterns; the availability of goods from suppliers and the cost of goods acquired from suppliers; our ability to respond to changing trends in consumer shopping habits; consumer acceptance of and response to our stores, clubs, eCommerce platforms, programs, merchandise offerings and delivery methods; cyber security events affecting us and related costs and impact to the business; developments in, outcomes of, and costs incurred in legal or regulatory proceedings to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith; casualty and accident-related costs and insurance costs; the turnover in our workforce and labor costs, including healthcare and other benefit costs; our effective tax rate and the factors affecting our effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations; changes in existing tax, labor and other laws and regulations and changes in tax rates including the enactment of laws and the adoption and interpretation of administrative rules and regulations; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions; adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives; changes in accounting estimates or judgments; the level of public assistance payments; natural disasters, changes in climate, geopolitical events, global health epidemics or pandemics and catastrophic events; and changes in generally accepted accounting principles in the United States.

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

This presentation includes certain non-GAAP measures as defined under SEC rules, including net sales, revenue, and operating income on a constant currency basis, adjusted operating income, adjusted operating income on a constant currency basis, adjusted EPS, free cash flow and return on investment. Refer to information about the non-GAAP measures contained in this presentation. Additional information as required by Regulation G and Item 10(e) of Regulation S-K regarding non-GAAP measures can be found in our most recent Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at www.stock.walmart.com.

Third quarter and Fiscal Year 2023 guidance



The following guidance reflects the company's expectations for Q3 and fiscal year 2023 and is provided on a non-GAAP basis as the company cannot predict certain elements which are included in reported GAAP results, including the changes in fair value of the company's equity and other investments. Growth rates reflect an adjusted basis for prior year results. The company's guidance assumes a generally stable consumer in the U.S., continued pressure from inflation and mix of products and formats globally.

Third quarter

- Consolidated net sales growth of about 5%, negatively affected by approximately \$1.3 billion from currency fluctuations.
- Walmart U.S. comp sales, excluding fuel, of about 3.0%.
- Consolidated operating income decline of 8.0% to 10.0%.
- Adjusted earnings per share decline of 9.0% to 11.0%.

Fiscal Year 2023

The company updates its guidance for the fiscal year to reflect second-quarter performance and maintains its outlook for the back-half of the year.

- Consolidated net sales growth is expected to be about 4.5%. Excluding divestitures¹, consolidated net sales growth is expected to be about 5.5%. Based on current exchange rates, the company expects a headwind of about \$2.1 billion in the second half of the year.
- The company maintains its expectations for Walmart U.S. comp sales growth, excluding fuel, of about 3% in the second half of the year. For the full year, the company expects Walmart U.S. comp sales growth, excluding fuel, of about 4%.
- Consolidated adjusted operating income is expected to decline 9.0% to 11.0%, which improved from the company's prior guidance of a decline of 11.0% to 13.0% and reflects better performance in the second quarter. Excluding divestitures¹, consolidated adjusted operating income is expected to decline 8.0% to 10.0%.
- Adjusted earnings per share are expected to decline 9.0% to 11.0%. Excluding divestitures¹, adjusted earnings per share is expected to decline 8.0% to 10.0%.

¹We completed the sale of our operations in the U.K. and Japan in the first quarter of fiscal 2022

Walmart Inc. - Q2 FY23



Dollars in billions, except per share.

Change is calculated as the change versus the prior year comparable period

Total revenue	Net sales	Operating expense as a percentage of net sales	Effective tax rate
\$152.9	\$151.4	19.9%	22.5%
+8.4%	+8.2%	-45 bps	Adjusted Effective tax rate ¹
Total revenue, constant currency ¹	Net sales, constant currency ¹	Operating income	26.2%
\$153.9	\$152.3	\$6.9	EPS
+9.1%	+8.9%	-6.8%	\$1.88
Membership and Other Income	Gross profit rate	Operating income, constant currency ¹	+23.7%
\$1.5	23.5%	\$6.9	Adjusted EPS ¹
+25.6%	-132 bps	-6.0%	\$1.77
			-0.6%

¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

Walmart Inc. - Q2 FY23

Dollars in billions.

Change is calculated as the change versus the prior year comparable period



Receivables, net

\$7.5

+23.3%

Inventories

\$59.9

+25.5%

Accounts payable

\$54.2

+9.3%

Debt to capitalization¹

39.5%

+300 bps

Return on assets²

5.8%

+140 bps

Return on investment²

13.8%

-100 bps



¹Debt to total capitalization calculated as of July 31, 2022. Debt includes short-term borrowings, long-term debt due within one year, finance lease obligations due within one year, long-term debt and long-term finance lease obligations. Total capitalization includes debt and total Walmart shareholders' equity.

²Calculated for the trailing 12 months ended July 31, 2022. For ROI, see reconciliations at the end of presentation regarding non-GAAP financial measures.

Walmart Inc. - YTD Q2 FY23

Dollars in billions. Dollar changes may not recalculate due to rounding.
Change is calculated as the change versus the prior year comparable period



Operating cash flow

\$9.2

-\$3.2

Capital expenditures

\$7.5

+\$2.5

Free cash flow¹

\$1.7

-\$5.7

Dividends

\$3.1

Share repurchases²

\$5.7

Returns to shareholders

\$8.8



¹ See press release located at www.stock.walmart.com and reconciliations at the end of this presentation regarding non-GAAP financial measures.

² \$4.9 billion remaining of \$20 billion authorization approved in February 2021. The company repurchased approximately 26 million shares in Q2 fiscal 2023.

Walmart U.S. - Q2 FY23



Dollars in billions.

Change is calculated as the change versus the prior year comparable period

Net Sales
\$105.1

+7.1%

eCommerce net sales growth

+12%

eCommerce contribution to comp¹

100 bps

- Continued strong market share gains in grocery categories
- Strong sales throughout the quarter
- Solid start to Back-to-School season
- E-commerce sales increased 18% on two-year stack

Comparable sales¹

6.5%

Comparable transactions

1.0%

Comparable average ticket

5.5%

- Comp sales accelerated sequentially and were led by strength in food categories, strong private brand sales, and higher average ticket
- Comp sales up 11.7% on two-year stack
- On a two-year stack, comp transactions increased 7.1%

Inventory

Total: **+25.6%**

- Increase reflects higher cost of goods, improved in-stocks and higher levels of general merchandise

Remodels: **>180 stores**

Pickup: **~4,600 locations**

Same-day delivery: **>3,800 stores**

¹ Comp sales for the 13-week period ended July 29, 2022 compared to the 13-week period ended July 30, 2021, and excludes fuel.

Walmart U.S. - Q2 FY23



Dollars in billions.

Change is calculated as the change versus the prior year comparable period

Gross profit rate

-106 bps

- Increased general merchandise markdowns, particularly in apparel, pressured gross margin
- Category mix shifts toward grocery and away from general merchandise negatively affected the rate
- Managing prices due to higher cost inflation

Operating expense rate

-21 bps

- Expense leverage reflects higher sales and lower COVID costs, partially offset by the effect of wage investments implemented last year
- COVID costs were lower by ~\$0.2 billion

Operating income

\$5.7

-6.7%

- Gross margin pressure was partly offset by expense leverage and solid growth in membership and other income

Walmart U.S. - quarterly merchandise highlights



Category	Comp sales	Details
Grocery	+ low double-digits	<ul style="list-style-type: none">• Sales growth led by strength in food (+mid-teens); reflected continued market share gains (according to Nielsen)• Grocery sales increased high-teens on a two-year stack• Units in food slightly negative and about flat exiting the quarter• Consumables led by strength in pet categories and paper goods driven partly by inflation
Health & wellness	+ high single-digits	<ul style="list-style-type: none">• Strong pharmacy sales primarily reflected favorable mix and branded drug inflation; sales were up mid-20% on a two-year stack
General merchandise	- mid single-digits	<ul style="list-style-type: none">• Softness in discretionary categories such as electronics, apparel and home products• Sales were solid in automotive, lawn & garden and back-to-school categories

Walmart International - Q2 FY23



Dollars in billions. Dollar changes may not recalculate due to rounding.
Change is calculated as the change versus the prior year comparable period

Net sales

\$24.4

+5.7%

Net sales, constant currency¹

\$25.3

+9.9%

- Strong sales growth with double digit comps in Mexico, Canada and China, each also growing faster than inflation
- Strength in food and consumables across all markets; softness in general merchandise in some markets
- eCommerce net sales contributed 19% of total net sales

Gross profit rate

-18 bps

- Lower rate from growth in lower margin formats of Sam's Club and eCommerce in China
- Continuing category mix shifts towards food and consumables

Operating expense rate

-7 bps

- Slight leverage due to strong sales growth, partially offset by planned strategic investments

Operating income

\$1.0

+21.1%

Operating income, constant currency¹

\$1.1

+28.3%

- Includes a \$0.2b insurance benefit received in Q2 this year related to the disruption in Chile in fiscal year 2020

Inventory

\$10.8

+15.1%

- Majority of increase is from planned growth and higher costs of goods due to inflation
- Some markets have higher general merchandise levels
- Overall increase is partially offset by currency exchange rate fluctuations

¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

Walmart International - Q2 FY23



Results are presented on a constant currency basis. Net sales and comp sales are presented on a nominal, calendar basis and include eCommerce results. Change is calculated as the change versus the prior year comparable period.

	Walmex ¹	China	Canada
Net sales growth	+12.7%	+15.9%	+10.0%
Comparable sales	+11.5%	+14.1%	+10.3%
Comparable transactions	+5.4%	-2.2%	+12.6%
Comparable ticket	+5.7%	+16.6%	-2.0%
	<ul style="list-style-type: none">• Double-digit growth with continued strength in food and consumables• In Mexico, comp sales increased 10.8% driven by Bodega and Sam's Club• Mexico eCommerce net sales +18%<ul style="list-style-type: none">◦ Two-year stack +31%	<ul style="list-style-type: none">• Strong sales growth in Sam's Club and eCommerce, primarily in food• eCommerce net sales +77%<ul style="list-style-type: none">◦ Two-year stack +152%◦ eCommerce net sales contributed 40% of China net sales	<ul style="list-style-type: none">• Strong sales in food and consumables• eCommerce net sales -9%, as overall market contracted<ul style="list-style-type: none">◦ Two-year stack +32%

¹ Walmex includes the consolidated results of Mexico and Central America.

Walmart International - Q2 FY23



Results are presented on a constant currency basis.

Change is calculated as the change versus the prior year comparable period

	Walmex ¹	China	Canada
Gross profit rate	Relatively Flat <ul style="list-style-type: none">New revenue streams and logistics efficiencies benefited gross profit while Walmex also expanded price gaps	Decrease <ul style="list-style-type: none">Growth in the lower margin Sam's Club format and eCommerce	Decrease <ul style="list-style-type: none">Higher transportation cost and higher sales in lower margin food and consumables
Operating expense rate	Decrease <ul style="list-style-type: none">Increased leverage from higher sales and cost savings initiatives, allowing for continued investment in strategic priorities	Decrease <ul style="list-style-type: none">Increased leverage from higher penetration of Sam's Club, which has a lower operating expense rate	Decrease <ul style="list-style-type: none">Disciplined cost management combined with leverage from higher sales
Operating income \$	Increase	Decrease	Decrease

¹ Walmex includes the consolidated results of Mexico and Central America.

Sam's Club - Q2 FY23



Dollars in billions.

Change is calculated as the change versus the prior year comparable period

With Fuel

Net sales

\$21.9

+17.5%

Comparable sales¹

+17.5%

- Strong comp sales growth driven by low-teen increase in transactions and inflation
- Strength across most categories, led by food and consumables
- On a two-year stack, comp sales increased 31.4%
- Fuel positively affected comp sales as both prices and gallons sold increased
- Tobacco negatively affected comp sales

eCommerce net sales growth

+25%

- Strong contribution from both curbside and direct-to-home

Membership income

+8.9%

- Solid membership trends with record total member count
- Plus penetration continues to improve, near all-time high
- Added more new members than any other quarter in recent years, benefiting from membership campaigns

Gross profit rate

-272 bps

- Higher markdowns and elevated supply chain and eCommerce fulfillment costs
- LIFO charge of \$123 million

Operating expense rate

-131 bps

- Higher sales positively affected operating expense leverage
- COVID-related costs were lower by ~\$25 million

Operating income

\$0.4

(35.3)%

Inventory

\$7.0

+45.0%

- Increase reflects inventory build to support higher sales trends, improving in-stocks and inflation

¹ Comp sales for the 13-week period ended July 29, 2022 compared to the 13-week period ended July 30, 2021.

Sam's Club - Q2 FY23



Dollars in billions.

Change is calculated as the change versus the prior year comparable period

Without Fuel

Net sales	Gross profit rate	Comparable sales ^{1, 2}	eCommerce contribution
\$18.0	-296 bps	+9.5%	~170 bps
+9.5%		<ul style="list-style-type: none">On a two-year stack, comp sales increased 17.2%	
Operating expense rate	Operating income	Comparable transactions	Average comparable ticket
-72 bps	\$0.2	+9.8%	-0.2%
	(61.4)%	<ul style="list-style-type: none">On a two-year stack, comp transactions increased 14.9%	<ul style="list-style-type: none">On a two-year stack, average comp ticket increased 2.3%

¹ Comp sales for the 13-week period ended July 29, 2022 compared to the 13-week period ended July 30, 2021, and excludes fuel.

² Tobacco negatively affected comp sales for the 13-week period ended July 29, 2022 by 50 basis points. On a two-year stack, tobacco negatively affected comp sales by 340 basis points.

Sam's Club - quarterly financial highlights



Category	Comp sales	Details
Fresh / Freezer / Cooler	+ low-teens	<ul style="list-style-type: none">Cooler, produce & floral, deli, and fresh meat & seafood performed well
Grocery and beverage	+ low-teens	<ul style="list-style-type: none">Drinks, dry grocery, and chips showed strength
Consumables	+ low-teens	<ul style="list-style-type: none">Paper goods, tabletop & bags, and pet supplies performed well
Home and apparel	+ low-teens	<ul style="list-style-type: none">Strength in apparel, outdoor living, seasonal, and toys
Technology, office and entertainment	- high single-digit	<ul style="list-style-type: none">Softness in consumer electronics, partially offset by strength in gift cards and office supplies
Health and wellness	+ mid single-digit	<ul style="list-style-type: none">Pharmacy and over the counter performed well

Non-GAAP measures - ROI



We include Return on Assets ("ROA"), which is calculated in accordance with U.S. generally accepted accounting principles ("GAAP") as well as Return on Investment ("ROI") as measures to assess returns on assets. Management believes ROI is a meaningful measure 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. We consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI.

ROA was 5.8 percent and 4.4 percent for the trailing 12 months ended July 31, 2022 and 2021, respectively. The increase in ROA was primarily due to the increase in net income. ROI was 13.8 percent and 14.8 percent for the trailing 12 months ended July 31, 2022 and 2021, respectively. The decrease in ROI was primarily due to a decrease in operating income and increase in average total assets driven by higher inventories.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing twelve 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 average amortization, less average accounts payable and average accrued liabilities for that period.

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.

Non-GAAP measures - ROI (cont.)



The calculation of ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, is as follows:

CALCULATION OF RETURN ON ASSETS				CALCULATION OF RETURN ON INVESTMENT			
<i>(Dollars in millions)</i>	Trailing Twelve Months			<i>(Dollars in millions)</i>	Trailing Twelve Months		
	Ended July 31,				Ended July 31,		
	2022	2021			2022	2021	
Numerator				Numerator			
Consolidated net income	\$ 14,015	\$ 10,368		Operating income	\$ 23,851	\$ 25,528	
Denominator				+ Interest income	155	122	
Average total assets ¹	\$ 242,876	\$ 237,967		+ Depreciation and amortization	10,733	10,892	
Return on assets (ROA)	5.8 %	4.4 %		+ Rent	2,302	2,451	
				ROI operating income	\$ 37,041	\$ 38,993	
				Denominator			
				Average total assets ¹	\$ 242,876	\$ 237,967	
				+ Average accumulated depreciation and amortization ¹	102,155	97,685	
				- Average accounts payable ¹	51,896	47,964	
				- Average accrued liabilities ¹	23,878	23,842	
				Average invested capital	\$ 269,257	\$ 263,846	
				Return on investment (ROI)	13.8 %	14.8 %	

	July 31,		
	2022	2021	2020
Certain Balance Sheet Data			
Total assets	\$ 247,199	\$ 238,552	\$ 237,382
Accumulated depreciation and amortization	105,963	98,346	97,023
Accounts payable	54,191	49,601	46,326
Accrued liabilities	23,843	23,915	23,768

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 2.

Non-GAAP measures - free cash flow



We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. Net cash provided by operating activities was \$9.2 billion for the six months ended July 31, 2022, which represents a decline of \$3.2 billion when compared to the same period in the prior year. The decline is primarily due to a decrease in operating income, higher inventory costs and purchases to support strong sales and the timing of certain payments. Free cash flow for the six months ended July 31, 2022 was \$1.7 billion, which represents a decline of \$5.7 billion when compared to the same period in the prior year. The decline in free cash flow is due to the reduction in operating cash flows described above, as well as an increase of \$2.5 billion in capital expenditures to support our investment strategy.

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows. Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

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

<i>(Dollars in millions)</i>	Six Months Ended July 31,	
	2022	2021
Net cash provided by operating activities	\$ 9,240	\$ 12,423
Payments for property and equipment (capital expenditures)	(7,492)	(5,019)
Free cash flow	\$ 1,748	\$ 7,404
Net cash (used in) provided by investing activities ¹	\$ (8,584)	\$ 2,402
Net cash used in financing activities	(1,400)	(11,559)

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

Non-GAAP measures - constant currency



In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, this means operating results without the impact of the currency exchange rate fluctuations. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations. The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and six months ended July 31, 2022.

	Three Months Ended July 31, 2022				Six Months Ended July 31, 2022			
	2022	Percent Change ¹	2022	Percent Change ¹	2022	Percent Change ¹	2022	Percent Change ¹
	Walmart International		Consolidated		Walmart International		Consolidated	
<i>(Dollars in millions)</i>								
Total revenues:								
As reported	\$ 24,884	6.4%	\$ 152,859	8.4 %	\$ 48,985	-4.1%	\$ 294,428	5.4 %
Currency exchange rate fluctuations	996	N/A	996	N/A	1,373	N/A	1,373	N/A
Constant currency total revenues	\$ 25,880	10.7%	\$ 153,855	9.1 %	\$ 50,358	-1.4%	\$ 295,801	5.9 %
Net sales:								
As reported	\$ 24,350	5.7%	\$ 151,381	8.2 %	\$ 48,113	-4.4%	\$ 291,669	5.3 %
Currency exchange rate fluctuations	956	N/A	956	N/A	1,332	N/A	1,332	N/A
Constant currency net sales	\$ 25,306	9.9%	\$ 152,337	8.9 %	\$ 49,445	-1.8%	\$ 293,001	5.8 %
Operating income:								
As reported	\$ 1,043	21.1%	\$ 6,854	-6.8 %	\$ 1,815	-11.7%	\$ 12,172	-14.7 %
Currency exchange rate fluctuations	62	N/A	62	N/A	83	N/A	83	N/A
Constant currency operating income	\$ 1,105	28.3%	\$ 6,916	-6.0 %	\$ 1,898	-7.6%	\$ 12,255	-14.1 %

¹ Change versus prior year comparable period.

Non-GAAP measures - adjusted EPS



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

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

We have calculated Adjusted EPS for the three and six months ended July 31, 2022 by adjusting EPS for the following:

1. unrealized gains and losses on the company's equity and other investments;
2. gain on sale of equity method investment in Brazil; and
3. discrete tax item

Non-GAAP measures - adjusted EPS (cont.)



	Three Months Ended July 31, 2022				Percent Change ¹	Six Months Ended July 31, 2022 ⁵				Percent Change ¹		
Diluted earnings per share:												
Reported EPS					\$ 1.88	23.7%					\$ 2.61	5.2%
Adjustments:	Pre-Tax Impact	Tax Impact^{2,3}	NCI Impact⁴	Net Impact								
Unrealized (gains) and losses on equity and other investments	\$ 0.14	\$ (0.02)	\$ (0.01)	\$ 0.11	\$ 0.85	\$ (0.16)	\$ (0.01)	\$ 0.68				
Gain on sale of equity method investment in Brazil	(0.16)	—	—	(0.16)	(0.16)	—	—	(0.16)				
Discrete tax item	—	(0.06)	—	(0.06)	—	(0.06)	—	(0.06)				
Net adjustments					\$ (0.11)					\$ 0.46		
Adjusted EPS					\$ 1.77	-0.6%					\$ 3.07	-11.8%

¹ Change versus prior year comparable period.

² Calculated based on nature of item, including any realizable deductions, and statutory rate in effect for relevant jurisdictions.

³ The reported effective tax rate was 22.5% and 24.0% for the three and six months ended July 31, 2022, respectively. Adjusted for the above item, the effective tax rate was 26.2% and 25.6% for the three and six months ended July 31, 2022, respectively.

⁴ Calculated based on the ownership percentages of our noncontrolling interests.

⁵ Quarterly adjustments or adjusted EPS may not sum to YTD adjustments or YTD adjusted EPS due to rounding.

Non-GAAP measures - adjusted EPS (cont.)



As previously disclosed in our second quarter ended July 31, 2021 press release, we have calculated Adjusted EPS for the three and six months ended July 31, 2021 by adjusting EPS for the following: (1) unrealized and realized gains and losses on the company's equity investments; and (2) the incremental loss on sale of our operations in the U.K. and Japan during the first quarter of fiscal 2022.

	<u>Three Months Ended July 31, 2021</u>			<u>Six Months Ended July 31, 2021³</u>		
Diluted earnings per share:						
Reported EPS			\$ 1.52			\$ 2.48
Adjustments:	Pre-Tax Impact	Tax Impact^{1,2}	Net Impact	Pre-Tax Impact	Tax Impact^{1,2}	Net Impact
Unrealized and realized (gains) and losses on equity investments	0.34	(0.08)	0.26	1.07	(0.22)	0.85
Incremental loss on sale of our operations in the U.K. and Japan	—	—	—	0.15	—	0.15
Net adjustments			\$ 0.26			\$ 1.00
Adjusted EPS			<u>\$ 1.78</u>			<u>\$ 3.48</u>

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

² The reported effective tax rate was 26.3% and 26.5% for the three and six months ended July 31, 2021, respectively. Adjusted for the above items, the effective tax rate was 25.6% and 24.5% for the three and six months ended July 31, 2021, respectively.

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

Additional resources at stock.walmart.com



- Unit counts & square footage
- Comparable store sales, including and excluding fuel
- Terminology