WALMART INC. NYSE-WMT

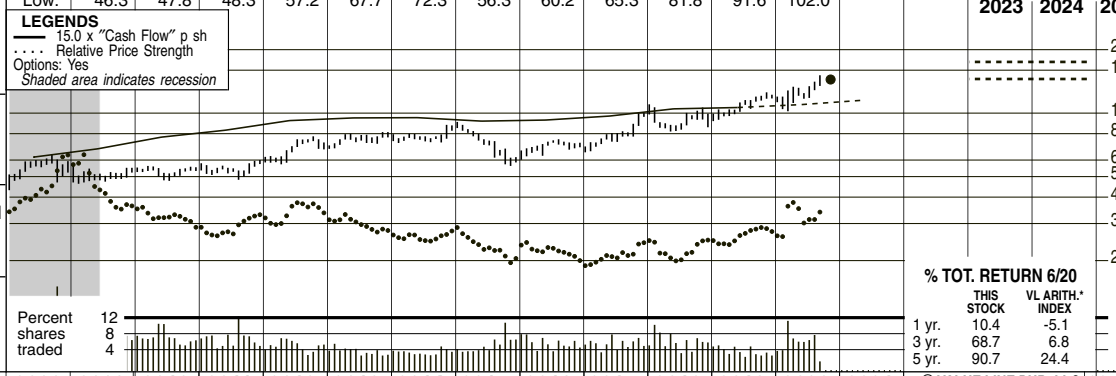
RECENT PRICE **144.25** | P/E RATIO **26.9** (Trailing: 26.0 / Median: 15.0) | RELATIVE P/E RATIO **1.22** | DIV'D YLD **1.5%** | VALUE LINE

TIMELINESS 1 Raised 7/24/20
SAFETY 1 Raised 2/15/02
TECHNICAL 2 Lowered 7/24/20
BETA .60 (1.00 = Market)

High:	57.5	56.3	60.0	77.6	81.4	88.1	91.0	75.2	100.1	110.0	125.4	133.6
Low:	46.3	47.8	48.3	57.2	67.7	72.3	56.3	60.2	65.3	81.8	91.6	102.0

Target Price Range
2023 | 2024 | 2025

LEGENDS
—— 15.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$92-$141	$117 (-10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	175	(+35%)	9%
Low	145	(+10%)	5%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	894	1026	957
to Sell	832	847	1017
Hld's(000)	874047	877252	854077

Percent shares traded 12 8 4

% TOT. RETURN 6/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.4	-5.1
3 yr.	68.7	6.8
5 yr.	90.7	24.4

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
68.02	75.79	84.40	95.34	103.34	107.82	119.98	130.76	141.57	147.32	150.45	152.48	159.41	169.49	178.74	185.02	*196.25*	*200.90*	Sales per sh A	*232.70*
3.47	3.78	4.27	4.83	5.16	5.64	6.42	6.92	7.69	7.92	7.93	7.64	7.72	8.07	8.73	8.85	*9.35*	*9.75*	"Cash Flow" per sh	*11.50*
2.41	2.63	2.92	3.16	3.42	3.66	4.07	4.45	5.02	5.11	5.07	4.57	4.32	4.42	4.91	4.93	*5.30*	*5.60*	Earnings per sh A B	*7.20*
.52	.60	.67	.88	.95	1.09	1.21	1.46	1.59	1.88	1.92	1.96	2.00	2.04	2.09	2.12	*2.16*	*2.20*	Div'ds Decl'd per sh ■C	*2.90*
11.67	12.77	14.91	16.26	16.63	18.69	19.49	20.86	23.04	23.59	25.22	25.47	25.52	26.38	25.19	26.37	*29.20*	*30.20*	Book Value per sh	*34.00*
4234.0	4165.0	4131.0	3973.0	3925.0	3786.0	3516.0	3418.0	3314.0	3233.0	3228.0	3162.0	3048.0	2952.0	2878.0	2832.0	*2800.0*	*2765.0*	Common Shs Outst'g D	*2600.0*
22.8	18.3	16.0	14.9	16.2	13.9	13.1	12.4	13.5	14.9	15.4	15.5	16.2	18.6	18.7	22.3	*Bold figures are*		Avg Ann'l P/E Ratio	*22.0*
1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	.81	.78	.85	.94	1.01	1.19	*Value Line*		Relative P/E Ratio	*1.20*
.9%	1.2%	1.4%	1.9%	1.7%	2.1%	2.3%	2.7%	2.3%	2.5%	2.5%	2.8%	2.9%	2.5%	2.3%	1.9%	*estimates*		Avg Ann'l Div'd Yield	*1.8%*

CAPITAL STRUCTURE as of 7/31/20
Total Debt $52091 mill. **Due in 5 Yrs** $20220 mill.
LT Debt $45632 mill. **LT Interest** $2380 mill.
Incl. $4673 mill. in finance lease obligations.
(Total interest coverage: 9.7x) (38% of Cap'l)

Leases, Uncapitalized Annual rentals $1734 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 2,833,752,938 shs.
as of 8/31/20

MARKET CAP: $409 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
421849	446950	469162	476294	485651	482130	485873	500343	514405	523964	*549500*	*555500*	Sales ($mill) A	*605000*
25.3%	25.0%	24.9%	24.8%	24.8%	25.1%	25.6%	25.4%	25.1%	24.7%	*24.5%*	*24.5%*	Gross Margin	*25.0%*
7.9%	7.7%	7.7%	7.7%	7.6%	7.0%	6.7%	6.7%	6.3%	6.2%	*6.2%*	*6.3%*	Operating Margin	*6.5%*
8970	10130	10773	10942	11453	11528	11695	11718	11361	11501	*11640*	*11700*	Number of Stores	*12000*
14921	15523	16999	16728	16426	14694	13452	13283	14460	14081	*15150*	*15650*	Net Profit ($mill)	*18750*
34.0%	33.4%	31.0%	32.2%	31.9%	30.3%	30.6%	31.4%	24.5%	24.2%	*25.0%*	*25.0%*	Income Tax Rate	*25.0%*
3.5%	3.5%	3.6%	3.5%	3.4%	3.0%	2.8%	2.7%	2.8%	2.7%	*2.8%*	*2.8%*	Net Profit Margin	*3.1%*
d6591	d7325	d11878	d8160	d1994	d4380	d9239	d18857	d15580	d15984	*d14860*	*d18610*	Working Cap'l ($mill)	*d9200*
43842	47079	41417	44559	43692	44030	42018	36825	50203	48021	*45000*	*45000*	Long-Term Debt ($mill)	*40000*
68542	71315	76343	76255	81394	80546	77798	77869	72496	74669	*81800*	*83500*	Shr. Equity ($mill)	*88400*
14.1%	14.0%	15.3%	14.7%	14.0%	12.6%	12.1%	12.1%	12.7%	12.5%	*12.0%*	*12.0%*	Return on Total Cap'l	*14.5%*
21.8%	21.8%	22.3%	21.9%	20.2%	18.2%	17.3%	17.1%	19.9%	18.9%	*18.5%*	*19.0%*	Return on Shr. Equity	*21.0%*
15.3%	14.7%	15.2%	13.9%	12.6%	10.4%	9.3%	9.2%	11.5%	10.8%	*11.0%*	*11.5%*	Retained to Com Eq	*12.5%*
30%	33%	32%	37%	38%	43%	46%	46%	42%	43%	*41%*	*39%*	All Div'ds to Net Prof	*40%*

CURRENT POSITION ($MILL.)	2018	2019	7/31/20
Cash Assets	7722	9465	16906
Receivables	6283	6284	5111
Inventory (LIFO)	44269	44435	41084
Other	3623	1622	1895
Current Assets	61897	61806	64996
Accts Payable	47060	46973	46326
Debt Due	2605	6448	6459
Other	27812	24369	29190
Current Liab.	77477	77790	81975

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Sales	5.5%	4.0%	*3.5%*
"Cash Flow"	5.0%	1.5%	*5.0%*
Earnings	3.5%	-1.5%	*7.0%*
Dividends	8.0%	3.0%	*5.5%*
Book Value	4.0%	1.5%	*4.5%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2017	117542	123355	123179	136267	500343
2018	122690	128028	124894	138793	514405
2019	123925	130377	127991	141671	523964
2020	134622	137742	*131815*	*145321*	*549500*
2021	*130000*	*137500*	*135850*	*152150*	*555500*

Fiscal Year Begins	EARNINGS PER SHARE A B Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2017	1.00	1.08	1.00	1.33	4.42
2018	1.14	1.29	1.08	1.41	4.91
2019	1.13	1.27	1.16	1.38	4.93
2020	1.18	1.56	*1.18*	*1.38*	*5.30*
2021	*1.25*	*1.55*	*1.25*	*1.55*	*5.60*

Cal-endar	QUARTERLY DIVIDENDS PAID ■ C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.50	.50	.50	.50	2.00
2017	.51	.51	.51	.51	2.04
2018	.52	.52	.52	.52	2.08
2019	.53	.53	.53	.53	2.12
2020	.54	.54	.54		

BUSINESS: Walmart Inc. owns the world's largest retail chain, operating 3,570 supercenters (includes grocery departments), 386 discount stores, 599 Sam's Clubs, and 813 Neighborhood Markets in the U.S., plus 5,993 foreign stores, many in Latin America, with the rest in Asia, Canada, and the U.K. as of 1/31/20. Total store space: 1.129 billion square feet. Retail space is largely owned, and most stores are within 400 miles of a distribution center. Groceries accounted for 56% of U.S. sales; sales per square foot in 2019: about $455. Has 2,200,000 employees. Off./dir. own 50.4% of shares (4/20 proxy). Chairman: Gregory B. Penner. CEO and Pres.: Doug McMillon. Inc.: DE. Addr.: 702 S.W. 8th St., Bentonville, AR 72716. Tel.: 479-273-4000. Internet: www.walmart.com.

Walmart continues to record healthy results. The retailer's same-store sales rose an impressive 9.3% during the July quarter. In addition to government stimulus checks aiding results, shoppers spent more time at home during the quarter due to the pandemic. This caused strong sales in categories such as TVs, computing, and connected homes. Sports, outdoor products, cleaning supplies, and paper products all remained in high demand. We expect recent momentum to continue for the foreseeable future.

A new service is being rolled out. The company's answer to Amazon Prime is called Walmart+, a recently-launched subscription service offering unlimited free delivery including groceries. We think the company's more established grocery operation, combined with discounts on gas, create some differentiation from Amazon's offering. At $98 per year, it also costs less than Prime. Although its probably true that many consumers think they have too many subscriptions already, we think the value proposition and unique perks may entice many consumers to pay for both services.

The company is selling its majority stake in U.K. grocery store chain Asda and focusing elsewhere. Walmart has been trying to divest the asset for the past year, and recently reached a deal with investors that values the business at $8.8 billion less than what it was originally purchased for. The unit has been struggling for quite a while, and no longer fit with Walmart's strategy of focusing on higher-growth initiatives. Indeed, the company has been pivoting to some encouraging deals including a stake in TikTok that would open new advertising opportunities with young social media influencers. Too, in June, Walmart announced a partnership with Shopify that will open the Walmart Marketplace to the more than one million businesses using the successful e-commerce platform. Finally, the company recently announced it is launching Walmart Insurance Services, a licensed brokerage that will sell Medicare insurance plans.

These high-quality shares receive top marks across the board, but long-term appreciation potential is modest.

Kevin Downing *October 23, 2020*

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. **(B)** Based on diluted shares. May not sum due to rounding. Excls. n/r (losses)/gains: '05, $0.03; '08, ($0.07); '09, $0.04; '10, $0.40; '11, $0.03; '13, ($0.23); '15 ($0.08). Next earnings report due November 17th. **(C)** Divds. historically paid in early Mar., May, Aug., and Dec.■ Dividend reinvestment plan available. **(D)** In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	40
Earnings Predictability	100

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