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Investment Intelligence

# Walmart Inc. (WMT) 10-K Report Analysis

Publication date: Fri, 14 Mar 2025 15:40:52 EDT



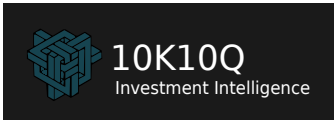
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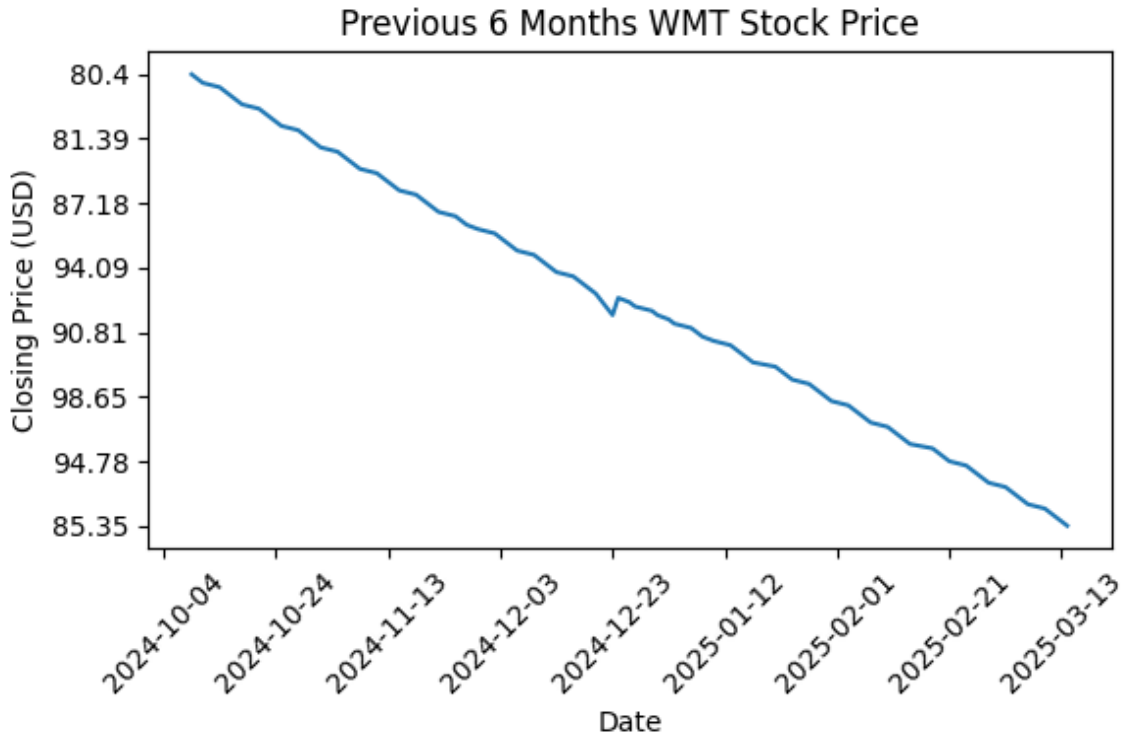
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## Executive Summary

Walmart Inc. continues to solidify its position as a leading omni-channel retailer, dedicated to helping customers save money and live better. The company's operations span three segments: Walmart U.S., Walmart International, and Sam's Club U.S., serving approximately 270 million customers weekly across over 10,750 retail locations and numerous eCommerce platforms globally. For fiscal 2025, Walmart reported total revenues of \$680.985 billion, reflecting a 5.1% increase driven by strong sales in grocery and health and wellness categories. The company emphasizes a customer-centric approach, leveraging technology to enhance the shopping experience and drive growth across its omni-channel offerings.

Stock price at report publication: \$85.35/per share



## Financial Highlights

Walmart's total revenues increased by \$32.9 billion (5.1%) in fiscal 2025, reaching \$680.985 billion, primarily due to a rise in net sales of \$31.9 billion (5.0%). Consolidated net income was reported at \$20.157 billion, an increase of \$3.887 billion (23.9%) compared to the previous year. The gross profit margin improved to 24.1%, up from 23.7% in fiscal 2024. Operating income also rose to \$29.348 billion, reflecting a 8.6% increase from the prior year. The diluted earnings per share (EPS) was \$2.41, compared to \$1.91 in fiscal 2024. The company maintained a strong liquidity position with cash and cash equivalents totaling \$9.037 billion as of January 31, 2025.

## Operational Highlights

Walmart U.S. segment achieved net sales of \$462.415 billion, marking a 4.7% increase from fiscal 2024, driven by strong growth in grocery and health and wellness. The eCommerce sales contributed significantly to overall sales, accounting for approximately \$79.3 billion. The Walmart International segment reported net sales of \$121.885 billion, a 6.3% rise, with positive comparable sales across all markets despite currency fluctuations. Sam's Club U.S. segment also performed well, with a 4.7% sales increase, bolstered by a growing membership base. The company continues to invest in technology, supply chain enhancements, and customer-facing initiatives to support long-term growth.

## Unique Insights

Walmart's commitment to everyday low prices (EDLP) and everyday low costs (EDLC) remains a cornerstone of its strategy, enhancing customer trust and loyalty. The company's investments in eCommerce and technology, particularly in artificial intelligence and supply chain automation, are expected to bolster operational efficiencies and customer engagement. The recent acquisition of VIZIO aligns with Walmart's strategy to leverage digital platforms to improve customer experiences. Furthermore, the company's ability to navigate through macroeconomic challenges such as inflation and supply chain disruptions demonstrates its resilience and adaptability in a competitive retail landscape.

## Actionable Intelligence

Investors should consider Walmart's robust market position and strategic investments in technology and eCommerce as key drivers for future growth. The company's strong financial performance, including revenue growth and improved margins, suggests a resilient business model. Given the increasing consumer shift towards online shopping, potential investors may view Walmart's ongoing digital transformation and expansion of its omni-channel capabilities as a prudent investment opportunity. Monitoring the company's progress in managing costs and optimizing its supply chain will also be critical in assessing its future profitability.

## Risks

Walmart faces several risks, including intense competition in the retail and eCommerce sectors, potential disruptions from global supply chain challenges, and regulatory scrutiny related to its business practices. Ongoing opioid-related litigation and other legal proceedings pose significant contingent liabilities. Additionally, macroeconomic factors such as inflation, changing consumer preferences, and currency fluctuations can adversely impact the company's financial performance. The company's reliance on third-party suppliers and service providers also exposes it to risks related to quality, compliance, and operational effectiveness.

## Forward Looking Statements

Walmart's management anticipates continued investments in eCommerce, technology, and supply chain improvements to enhance customer experiences and operational efficiencies. The company aims to navigate the evolving retail landscape by leveraging its omni-channel capabilities and expanding its service offerings. However, management cautions that uncertainties related to economic conditions, regulatory changes, and competitive pressures may impact future performance.

## Outlook for the Future

Looking ahead, Walmart is well-positioned to capitalize on growth opportunities through its strategic initiatives in automation, eCommerce, and customer service enhancements. The company aims to maintain its competitive edge by focusing on operational efficiency and cost management while continuing to invest in innovative technologies. With a strong balance sheet and cash flow generation capabilities, Walmart is likely to sustain its dividend payments and share repurchase programs, reflecting confidence in its long-term growth trajectory.