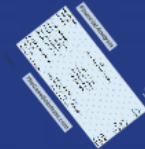
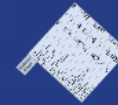
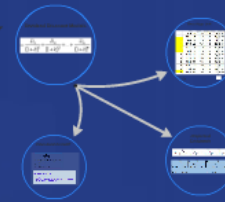


# Valuing Wal-Mart Stock

TheCaseSolutions.com





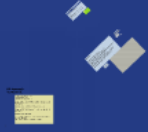
**Introduction**

Walmart's financial performance is a complex web of numbers and strategies. This report delves into the company's revenue, profit margins, and market share, providing a comprehensive overview of its economic standing. The analysis covers various aspects of Walmart's operations, from its retail footprint to its supply chain management, highlighting the company's resilience and growth in a competitive market.

**Summary**

Walmart's financial performance is characterized by strong revenue growth and a focus on operational efficiency. The company's market share remains a significant portion of the retail sector, demonstrating its ability to attract and retain customers. This report provides a detailed look at the factors contributing to Walmart's success, including its strategic investments and cost-cutting measures.

Category	Value
Revenue	\$1,557,616,500
Profit	\$2,700,000



Item	Value
Item 1	\$32,000,000
Item 2	\$54,000,000

**WAL-MART**  
ALWAYS HIGH PRICES  
*Always.*  
WE SELL FOR LESS ALWAYS

Annual Cost to U.S. Taxpayers	\$1,557,616,500
Wisconsin Healthcare per year	\$2,700,000
Calif. Healthcare per year	\$32,000,000
Calif. Public Assist. per year	\$54,000,000
Connecticut Medicaid per year	\$5,400,000
CEO Compensation	\$17,543,739
Federal Campaign Donations	\$2,163,591
Clean Water Act Violations	\$4,100,000
Overtime Lawsuit Settlement	\$50,000,000
<b>WAL-MART PROFITS (2014)</b>	<b>\$10,267,000,000</b>

Walmart's financial performance is a complex web of numbers and strategies. This report delves into the company's revenue, profit margins, and market share, providing a comprehensive overview of its economic standing.

Category	Value
Revenue	\$1,557,616,500
Profit	\$2,700,000

# Introduction

- The founding of WMT-Bentonville, Ak. Sam Walton, public in 1970
- Strategy “provide broad assortment of quality merchandise and services” at everyday low prices
- Diverse mix-discount stores, supercenters, neighborhood markets, Sams
- Global foot print-Mexico, Canada, Brazil, Germany, China, South Korea, Argentina, United Kingdom
- Stock trades on the Pacific and New York Stock exchange under ticker WMT

Capital Asset Pricing Model CAPM

Required Return= $R_f + B(MRP)$

$R_f = 0.044$

Beta = 0.84

MPR = 0.0505

8.642%

© 2014

TheCaseSolutions.com



# ***Capital Asset Pricing Model CAPM***

$$***Required Return = R_f + B(MRP)***$$

$$***R_f = 0.044***$$

$$***Beta = 0.84***$$

$$***MPR = 0.0505***$$

$$***8.642%***$$

## January 2006- Wal-Mart's Stock Price

$$P_3 = D_4 / r - g$$

$$P_2 = D_3 / r - g$$

$$P_1 = D_2 / r - g$$

*TheCaseSolutions.com*

	2006	2007	2008	2009	2009
	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>P4</b>
	0.64	0.75	0.85	0.97	83
PV-Capm	0.5891	0.6354	0.6629	0.6963	59.5782
<b>PRICE</b>	<b>\$ 65.67</b>	<b>\$ 74.43</b>	<b>\$ 84.94</b>		
<b>CAPM</b>	8.642%			<b>\$ 62.16</b>	
<b>Growth</b>	7.50%				

2019-2020	2018-2019	2017-2018
1.1	1.2	1.3
1.4	1.5	1.6
1.7	1.8	1.9
1.10	1.11	1.12

# Financial Analysis

<b>Liquidity Ratios</b>		
Current Ratio	CA/CL	0.8975
Quick Ratio	CA-Inventories/Current liabilities	0.2109
<b>Asset management</b>		
Inventory Turnover Ratio	Sales/Inventories	9.6859
Days Sales Outstanding	Receivables*365/Sales	2.1947
Fixed assets Turnover ratio	Sales/Net Fixed assets	4.1598
Total assets turnover ratio	Sales/Total assets	2.3724
<b>Debt Management Ratios</b>		
Debt Ratio	Total Liabilities/Total assets	0.5891
Debt to equity	Total liabilities/Total assets-Total liabilities	1.4339
Times interest earned ratio	EBIT/Interest expense	16.3337

**TheCaseSolutions.com**

# Financial Analysis

Financial Analysis

DISCOUNT GENERAL STORES			
Selected Financial Ratios and Key Performance Indicators			
Net Profit Margin	0.0360	ROA	0.8400
ROE	0.2079	Price Earnings Ratio	20.5214
Book Value per Share	11.5980		

TheCaseSolutions.com

Exhibit 1

<b>Profitability ratios</b>			
Net profit margin	Net income/sales		0.0360
ROA	Net income/total assets		0.8400
ROE	Net income/common equity		0.2079
Price earnings ratio	Price per share/earnings per share		20.5214
Book value per share	Common equity/Shares outstanding		11.5980

**TheCaseSolutions.com**

Exhibit 1

# Financial Analysis

<b>DUPONT ANALYSIS</b>				
<b>Net Profit Margin X Total Asset Turnover X Equity Multiplier</b>				
<b>NI/Sales</b>	<b>X</b>	<b>sales/assets</b>	<b>X</b>	<b>assets/ equity</b>
<b>0.036</b>	<b>X</b>	<b>2.3724</b>	<b>X</b>	<b>2.4339</b>
<b>20.7851%</b>				

***TheCaseSolutions.com***



# *Income Statement 2006 (Pro forma)*

Revenues	2004	2005	2006
Net Sales	256329	285222	324297
Other Income-net	<u>2352</u>	<u>2767</u>	<u>3146</u>
Total Revenues	258681	287989	327443
COGS	198747	219793	249905
Gross Profit	<u>59934</u>	<u>68196</u>	<u>77539</u>
<b>Expenses:</b>			
SGA	44909	51105	56103
Interest Expenses	832	986	947
TOTAL Expenses	<u>45741</u>	<u>52091</u>	<u>57050</u>
Earnings (income) before taxes and minority interest	<b>14193</b>	<b>16105</b>	<b>20488</b>
Income Tax	5118	5589	7110
Earnings (Income) before minority interest	9075	10516	13378
Minority Interest	-214	249	249
Earnings from discontinued operations (net of tax)	193	-	
Earnings after tax (net income)	<b>9054</b>	<b>10267</b>	<b>13129</b>
Shares outstanding	4363	4259	4259
Net income per share	2.08	2.41	3.08

***TheCaseSolutions.com***