



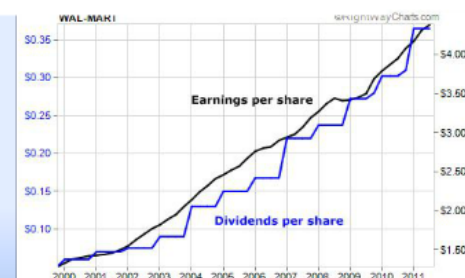
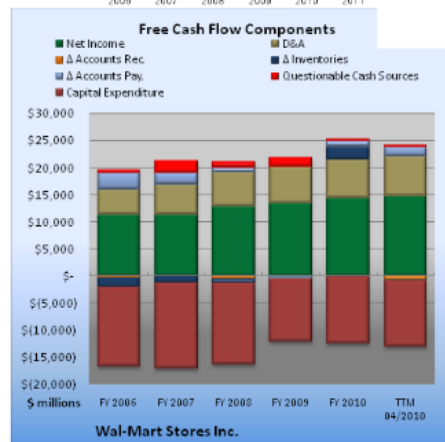
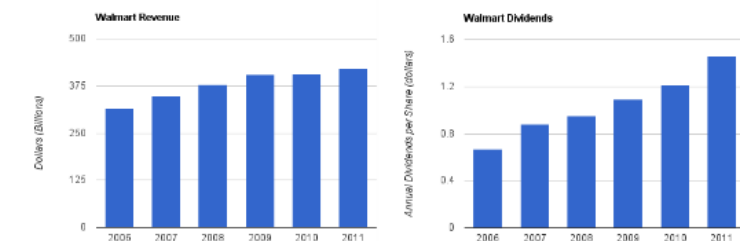
WAL-MART STORES INC Harvard Case Solution & Analysis

**WAL-MART**  
ALWAYS LOW PRICES.

*Always.*

**Walmart.com**

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Walmart's Ratio Analysis

|                                | 2011       | 2010       |                          | 2011   | 2010   |
|--------------------------------|------------|------------|--------------------------|--------|--------|
| <b>Income statement</b>        |            |            | <b>Profitability</b>     |        |        |
| Net sales                      | 438,552    | 440,532    | Gross profit margin      | 24.8%  | 24.8%  |
| Cost of sales                  | 334,640    | 384,306    | Net profit margin        | 10.11% | 10.47% |
| Gross margin                   | 104,000    | 100,020    | Return on Assets         | 6.07%  | 5.12%  |
| Net income                     | 10,388,000 | 14,370,000 | Return on Equity         | 20.69% | 20.82% |
| <b>Balance sheet</b>           |            |            | <b>Asset utilization</b> |        |        |
| Assets                         |            |            | Days sales in AR         | 4.43   | 4.70   |
| Current assets                 | 5,889      | 4,584      | AR Turnover              | 82.85  | 97.76  |
| Inventory                      | 86,818     | 82,713     | Inventory Turnover       | 8.07   | 9.36   |
| Non-current assets             | 13,883     | 48,892     | Asset Turnover           | 2.82   | 2.38   |
| Current liabilities            | 180,663    | 178,407    | <b>Liquidity</b>         |        |        |
| Non-current liabilities        | 18,484     | 15,345     | Current ratio            | 0.88   | 0.86   |
| Total liabilities              | 199,147    | 193,752    | Quick ratio              | 0.27   | 0.28   |
| Stockholder equity             | 68,342     | 78,468     | <b>Debt utilization</b>  |        |        |
| Total Assets & Equity          | 180,663    | 179,407    | Debt to total assets     | 0.62   | 0.58   |
| <b>Statement of Cash Flows</b> |            |            | Debt to equity           | 1.64   | 1.42   |
| From operations                | 23,640     | 26,208     | <b>Per share data</b>    |        |        |
| From investing                 | 12,189     | 11,620     | Price per share          | 58.44  | 50.74  |
| From financing                 | 12,628     | 14,584     | Earnings per share       | 4.44   | 4.07   |
|                                |            |            | EPS Ratio                | 11.90  | 12.47  |
|                                |            |            | Dividends per share      | 1.31   | 1.13   |
|                                |            |            | Dividend payout ratio    | 27%    | 28%    |

WAL MART STORES INC Harvard Case Solution & Analysis

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Chief Financial Officer  
Charles Holley

A close-up photograph of a dark-colored suit jacket with a visible lapel and a tie with a fine, light-colored pattern. The background is dark and out of focus.

Chief Executive Officer  
Michael T. Duke

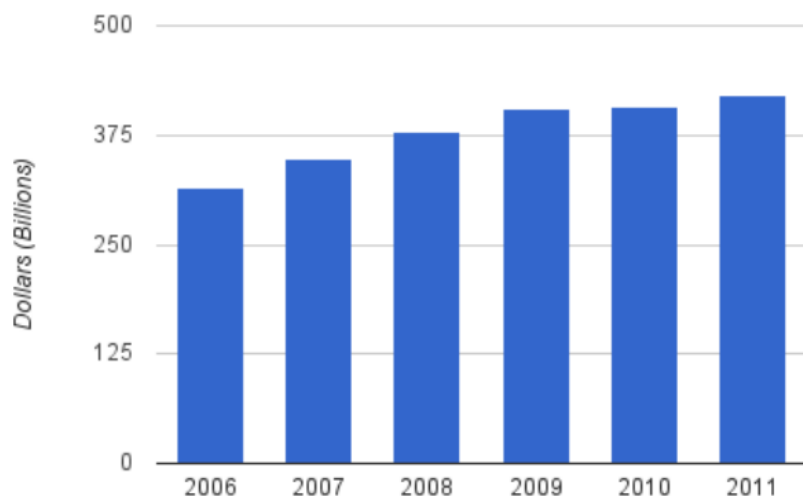
To expand Walmarks inventory Apple introduced them with the new Ipad with a 40% profit margin.

# WALTON'S

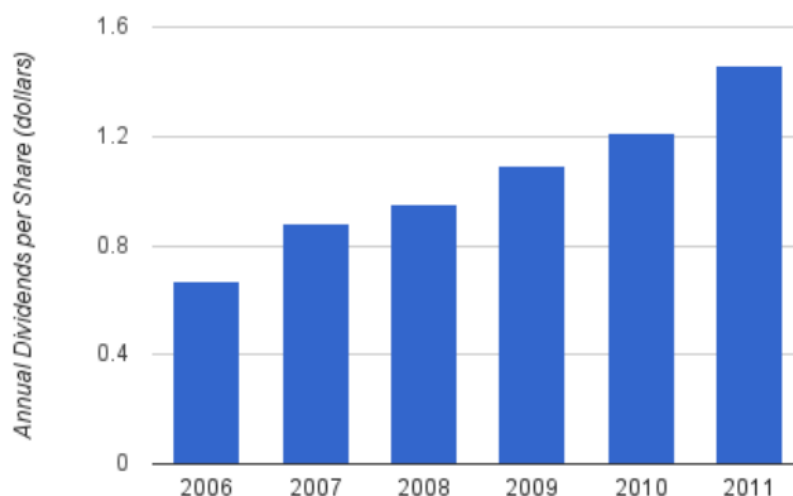
In 1962, the first Wal-Mart store opened in Columbus, Georgia and the first Walmart super center in Washington Missouri 1967.



**Walmart Revenue**

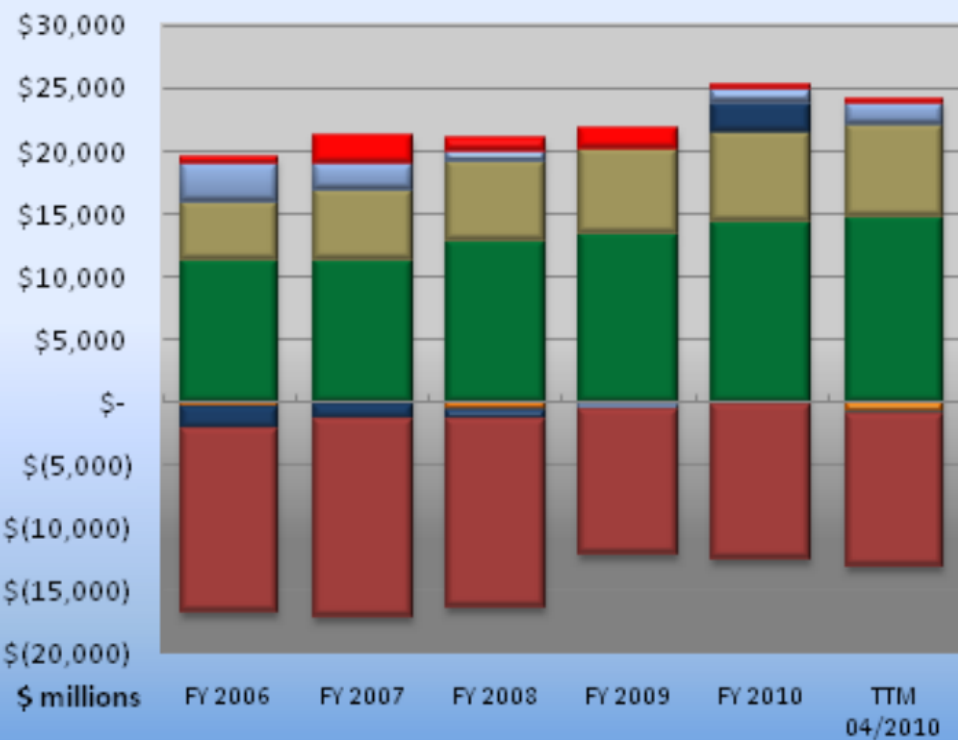


**Walmart Dividends**



**Free Cash Flow Components**

- Net Income
- Δ Accounts Rec.
- Δ Accounts Pay.
- Capital Expenditure
- D&A
- Δ Inventories
- Questionable Cash Sources



**Wal-Mart Stores Inc.**

**WAL-MART**

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# Walmart's Ratio Analysis

|                                | RATIOS     |            |                          |          |          |
|--------------------------------|------------|------------|--------------------------|----------|----------|
|                                | 2011       | 2010       |                          | 2011     | 2010     |
| <b>Income statement</b>        |            |            |                          |          |          |
| Net sales                      | 418,952    | 405,132    | <b>Profitability</b>     |          |          |
| Cost of sales                  | 314,946    | 304,106    | Gross profit margin      | 24.8%    | 24.9%    |
| Gross margin                   | 104,006    | 101,026    | Net profit margin        | 3911.9%  | 3547.0%  |
| Net income                     | 16,389,000 | 14,370,000 | Return on Assets         | 9071.6%  | 8432.8%  |
|                                |            |            | Return on Equity         | 23910.9% | 20392.2% |
|                                |            |            | <b>Asset utilization</b> |          |          |
|                                |            |            | Days sales in A/R        | 4.43     | 3.73     |
| <b>Balance sheet</b>           |            |            | A/R Turnover             | 82.33    | 97.76    |
| Accts Receivable               | 5,089      | 4,144      | Inventory Turnover       | 8.67     | 9.30     |
| Inventory                      | 36,318     | 32,713     | Asset Turnover           | 2.32     | 2.38     |
| Current assets                 | 51,893     | 48,032     | <b>Liquidity</b>         |          |          |
| Total assets                   | 180,663    | 170,407    | Current ratio            | 0.89     | 0.86     |
| Current liabilities            | 58,484     | 55,543     | Quick ratio              | 0.27     | 0.28     |
| Total liabilities              | 112,121    | 99,939     | <b>Debt utilization</b>  |          |          |
| Stockholder equity             | 68,542     | 70,468     | Debt to total assets     | 0.62     | 0.59     |
| Total liab & Equity            | 180,663    | 170,407    | Debt to equity           | 1.64     | 1.42     |
|                                |            |            | <b>Per share data</b>    |          |          |
| <b>Statement of Cash Flows</b> |            |            | Price per share          | 53.44    | 50.74    |
| From operations                | 23,643     | 26,249     | Earnings per share       | 4.49     | 4.07     |
| From investing                 | 12,193     | 11,620     | P/E Ratio                | 11.90    | 12.47    |
| From financing                 | 12,028     | 14,191     | Dividends per share      | 1.21     | 1.13     |
|                                |            |            | Divident payout ratio    | 27%      | 28%      |