

THE OHIO STATE UNIVERSITY

Student Investment Management June 28, 2017

FISHER COLLEGE OF BUSINESS

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Recommendation of BUY: Wal-Mart Stores, Inc. (NYSE: WMT) has a target price of \$82.21, resulting in a projected total return of 12.58%. The 2017, 2018, and 2019 projected EPS are \$4.44, \$4.45, and \$4.52, respectively. The 2017, 2018, and 2019 EPS consensus values are \$4.31, \$4.36, and \$4.59 and the 2017, 2018, and 2019 EPS estimates are 3.11%, 1.95%, and 1.43% above consensus, respectively.

2017, 2018, and 2019 projected revenues are \$489,153, \$499,089, and \$514,117, respectively with consensus revenues being \$485,697M, \$495,531M, and \$507,000M. Projected revenues for 2017, 2018, and 2019 are above consensus by 0.71%, 0.72%, and 1.40%, respectively.

<u>Company Overview</u>: Wal-Mart Stores, Inc. operates discount stores, supercenters, and neighborhood markets that offer merchandise such as apparel, housewares, small appliances, electronics, and hardware. It has three business segments: Wal-Mart U.S., Wal-Mart International, and Sam's Club.

Segment	% of Total Sales	% of Total Profit
Wal-Mart U.S.	63.40%	73.10%
Wal-Mart International	23.90%	20.60%
Sam's Club	12.70%	6.30%

<u>Investment Thesis</u>: A BUY recommendation is being implemented for Wal-Mart Stores, Inc. The target price is \$82.21 and would result in a total return of 12.58%, based off of the current price of \$74.84 and dividend yield of 2.74%. Growth catalysts:

- 1) Wal-Mart continues to become more competitive in the e-commerce realm. By offering free 2-day shipping on purchases of \$35 or more in 2017, combating Amazon's main appeal.
- 2) Wal-Mart management continues to focus on minimizing expenses. Process improvements are continually ongoing and capital is being allocated to reinvest in the business.
- 3) Wal-Mart has not yet achieved it goals for improvement in the U.S. Management has

Wal-Mart Stores, Inc.

Sector: Industry:

Consumer Staples

Retail

NYSE: Rating: Price Target: Projected Return: WMT Buy \$82.21 12.58%

Market Data



52 Wk. Range: Market Capitalization: Shares Outstanding: Dividend Yield: \$65.28-\$80.47 \$230.69 Billion 3.014 Billion 2.74%

accomplished approximately a third of its goals in the U.S., indicating there is desire improvement and investment.

<u>Risks to Recommendation</u>: The following are the associated risks:

- 1) Amazon has acquired Whole Foods, a direct competitor of Wal-Mart in the food retail industry. Amazon also announced a reduced membership rate for low-income customers, a demographic that comprises a large percentage of Wal-Mart's customer base.
- 2) Lidl is expanding to the United States and will compete with Wal-Mart in the food retail industry.



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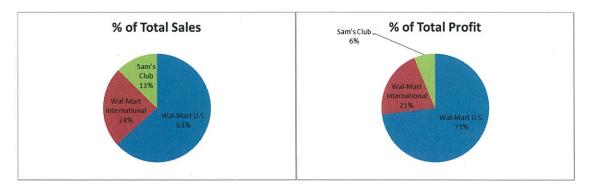


Company Overview and Description

Wal-Mart Stores, Inc. is an American retailing company that operates discount department stores, grocery stores, neighborhood markets, and Sam's Club retail warehouses. They sell a variety of products to include apparel, hardware, electronics, and appliances. Their headquarters are located in Bentonville, Arkansas. The company was originally founded by Sam Walton in 1962. Since then, Wal-Mart has expanded to operate approximately 12,000 stores and clubs in 28 countries. Wal-Mart is the world's largest company by revenue, totaling approximately \$480 Billion, and the world's largest private employer with nearly 2.3 million employees.

Business Segments

Wal-Mart Stores, Inc. operates three business segments: Wal-Mart U.S., Wal-Mart International, and Sam's Club.



Wal-Mart U.S.: Wal-Mart U.S. is the company's largest division and accounts for 63.4% of sales and 73.1% of total profit. In the U.S., Wal-Mart operates numerous supercenters, discount stores, and neighborhood markets. The difference between each of the store formats lies in the services that are offered. Wal-Mart supercenters are hypermarkets with store size that ranges from 69,000 to 260,000 square feet. They sell general merchandise and also have a full-service supermarket, garden center, pet shop, pharmacy, tire and lube express, optical center, one our photo, portrait studio, various shops, and normally a fast food outlet. Wal-Mart discount stores are generally smaller than supercenters and typically range in size from 30,000 to 206,000 square feet. They offer general merchandise and a limited range of groceries. These stores also typically possess the secondary services in the supercenters listed above. The Wal-Mart Neighborhood Market is Wal-Mart's chain of grocery stores that range in size from 28,000 to 66,000 square feet and offer a full line of groceries, pharmaceuticals, health and beauty products, and a limited selection of general merchandise. They serve the

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purpose of providing a Wal-Mart presence in areas where competing supermarket chains have closed all stores due to competition from Wal-Mart supercenters.

<u>Wal-Mart International</u>: Wal-Mart International is the second largest segment comprising of 23.9% of sales and 20.6% of total profit. Wal-Mart operates nearly 6,400 stores outside the United States and employs close to 800,000 workers in 26 different countries. Internationally they operate both international store variants and wholesale stores. International stores and wholesale stores are typically smaller than the supercenters and discount stores, ranging from 4,000 to 185,000 square feet and 35,000 to 70,000 square feet, respectively. International and wholesale stores sell general merchandise and may sell a limited range of groceries, pharmaceuticals, and health and beauty products.

Sam's Club: Wal-Mart operates a series of wholesale warehouse club stores, known as Sam's Club, that sell general merchandise and groceries in bulk. These warehouses typically range from 71,000 to 168,000 square feet and are operated both in the U.S. and internationally. These stores allow customers to buy discounted goods in bulk with an approved membership. There are three variants of membership, the most common being the annual membership. Sam's Clubs are frequented both by individual customers and small business owners, and have become particularly popular in recent years with small business owners. The stores are typically open in the early morning hours to provide convenience to small business owners and typically sell discounted gasoline as well. Sam's Club stores comprise 12.7% of total sales and 6.3% of total profit.

Competitive Advantages

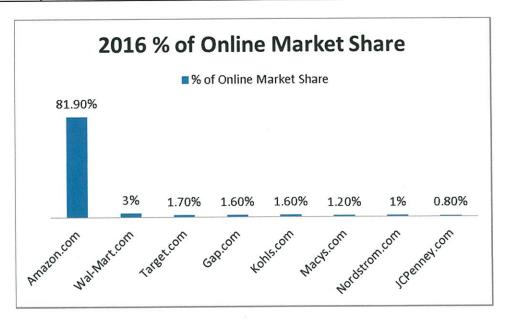
Retail: Wal-Mart has continued to excel in retail bringing in \$478.6 Billion in sales in 2016. It is and continues to be the largest retailer in the world, with its most direct competitor in retail being Target whose sales totaled \$69.5 Billion in 2016 and its most direct competitor in wholesale retail being Costco with 2016 sales revenue of \$118.7 Billion. Other competitors include Aldi, Kmart, Meijer, Winn Dixie, Ingles, Dollar General, Dollar Tree, and BJ's Wholesale Club. Due to Wal-Mart's implementation of full grocery stores in their supermarkets, Wal-Mart now has a 21.5% share in the U.S. traditional grocery industry. Wal-Mart continues to utilize the traditional retail method of operating "brick and mortar" stores and remains the dominant presence.

<u>E-Commerce</u>: Wal-Mart has successfully gained ground in the e-commerce industry. With their acquisition of Jet.com in 2016, Wal-Mart gained access to innovative pricing and gave Wal-Mart a platform to compete with Amazon. Marc Lore, Jet.com founder, is

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also now leading Wal-Mart's push to compete with Amazon. Their announcement of free 2-day shipping on orders of \$35 or more in January, 2017 and their decision to start discounting online orders picked up in-store has further put Wal-Mart in a strategic competitive position against Amazon. With e-commerce sales increasing 30% in 2016 to \$17.81 Billion, Wal-Mart has gained a greater share in e-commerce. However, Amazon still remains the leader with \$136 Billion in e-commerce sales in 2016. Amazon has also countered Wal-Mart by offering reduced Amazon Prime membership fees for low-income shoppers.

Market Share, Addressable Market, and Growth Drivers



Market Share and Addressable Market: Wal-Mart continues to be the largest retailer in the world with \$478 Billion in sales in 2016, accounting for approximately 40% of the retail market share. In its food retail and wholesale segments, Wal-Mart possesses approximately 25% and 12% of the market share, respectively. Wal-Mart has recently made a strong push to gain ground in the e-commerce industry with approximately \$18 Billion dollars in sales in 2016, and is projected to continue to grow in 2017. Amazon continues to dominate online market share with 89%, with Wal-Mart its closest competitor at 3% of market share.

<u>Growth Driver</u>: Wal-Mart's growth continues to be fueled by its increasing presence in the e-commerce industry. It has implemented several competitive policies, such as free 2-day shipping and discounted prices for online orders that are picked up in store that



have put it at a position to gain on Amazon. Retail sales remain strong in both its general retail, wholesale, and food retail operations.

Issues Influencing Stock Price/Recent News and Events

Amazon: Amazon continues to counter Wal-Mart's attempts to gain ground in the e-commerce market and recently announced that it would offer discounted Amazon Prime memberships for low income customers. Amazon is currently in the process of acquiring Whole Foods, which will provide additional competition to Wal-Mart in the food retail industry, should Amazon choose to utilize Whole Foods food retail operations. There is a possibility that Amazon purchase Whole Foods only for their data and information system platforms.

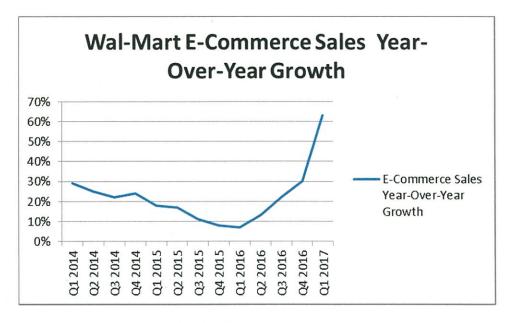
<u>Wal-Mart de Mexico</u>: Wal-Mart International's scandal in Mexico involving bribery of Mexican government officials and workers and the destruction of artifacts during store construction is undergoing legal settlement. An original settlement amount of \$600 Million was declined and countered by Wal-Mart earlier this year. Wal-Mart has agreed to pay \$300 Million to settle the probe by the U.S. Government and the case is predicted to conclude this year.

Investment Thesis

Fundamental Drivers

<u>E-Commerce</u>: Wal-Mart continues to gain a larger presence in the e-commerce industry as it continues to find competitive ways to offer retail online. With its introduction of free 2-day shipping and discounted prices for online purchases that are picked up in store, Wal-Mart has made it clear that it has a significant desire to become a player in the e-commerce industry. Amazon continues to be the leader in online sales offering over 365 million products for purchase online from nearly 2 million suppliers, compared to Wal-Mart's 8 million products offered online in 2016. Despite the task ahead of competing with Amazon, Wal-Mart continues to evolve its online retail experience and has demonstrated significant growth in e-commerce sales in Q4 of 2016 at 30% and Q1 of 2017 at 63%. With the recent acquisition of Jet.com and its founder, Marc Lore, leading Wal-Mart's charge against Amazon, it can be expected that Wal-Mart will continue to be a critical player in the e-commerce marketplace.

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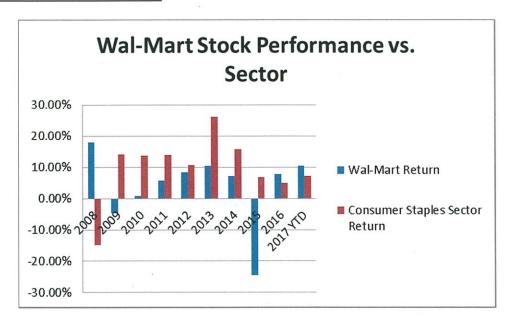
Retail Customer Share: As the world's largest retailer, Wal-Mart continues to develop its in-store experience for its customers and is maintaining its possession of the largest retail market share. Early in 2017, Wal-Mart further sought to revolutionize the in-store shopping experience with the Scan and Go feature of the Wal-Mart App. The app allows customers to utilize their smart phones to scan bar codes of items as they shop, allowing them to change quantities and maintaining an instantly available running total. Customers can then pay for their total through the app and simply have their receipt reviewed by a Wal-Mart employee before leaving the store. Wal-Mart reported that of the 140 million customers that shop at Wal-Mart weekly, approximately 22 million customers used the Scan and Go feature of the Wal-Mart app. Despite the feature only being available to use at certain Wal-Mart locations, it is continually growing in popularity among Wal-Mart shoppers.

Wal-Mart also continues to find ways to return savings to customers. With their Savings Catcher function of their Wal-Mart app, users can scan their receipts and Wal-Mart will scan local stores to ensure that the Wal-Mart customer received the lowest price. If another retailer offered the same item for a lower price, Wal-Mart will refund the customer with the balance difference. The customer can utilize the amount any time or let it collect over time; however the funds can only be used in the form of a Wal-Mart gift card.

Omni-Channel Presence: Wal-Mart continues to exert and develop its Omni-channel presence in retail, finding newer and more creative ways to attract customers and generate sales. The company has made several moves of the last year (acquiring

Jet.com, revised app and features, online services, etc.) that demonstrate its commitment and desire to grow.

Sector Economic Environment



Until last year and this year to date, Wal-Mart has been outperformed by the Consumer Staples Sector Index. In spite of its recent scandal in Mexico and its increase competition from technological advances in the retail industry, Wal-Mart is on the rebound and has been forced to evolve to maintain its status as a retail giant. It has made numerous improvements and advancements in incorporating new technology into the shopping experience, which has begun its process paying off.

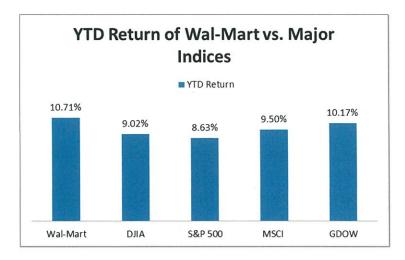
Outperforming the Consumer Staples Index in 2016, Wal-Mart is set to outperform again posting a year to date return of 10.71% compared to the current return of the Consumer Staples sector of 7.20%. Consumer Staples perform well in times of investor uncertainty and anxiety and are viewed as a safe haven for investors during volatile periods. With anticipated health care and tax reform expected to be implemented this year, the U.S. is expected to demonstrate growth. Global economic growth is also expected due to PMI readings increasing in various regions around the globe. Therefore, Consumer Staples are expected to dampen returns due to improving economic conditions and anticipated stimulation of the U.S. and global economies.

Macro-Economic Outlook

The current U.S. economic outlook remains healthy with all signs pointing toward economic growth. The GDP growth rate is expected to remain between the 2% and 3% range with unemployment remaining around the natural rate of approximately 5%. GDP growth rate is expected to rise to 2.2% in 2017 from 2.1% in 2016, and further predicted to be 2.1% and 1.9% in 2018 and 2019 respectively. Inflation will be 1.6% in 2017 and 2.0% in 2018, falling in line with the Federal Reserve's targeted inflation rate of 2%. U.S. manufacturing is expected to grow faster than the general economy at predicted rates of 3%, 2.8%, 2.6%, and 2% in 2017, 2018, 2019, and 2020, respectively. The Federal Open Market Committee raised the federal funds rate to 1.25% in June 2017 and it is currently expected to raise to 1.5% by the end of 2017.

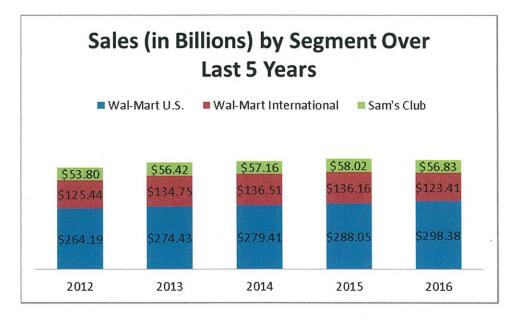
The global outlook also remains positive with GDP growth expected around the world. Anticipated GDP growth in emerging markets is 4.5% with GDP growth in advanced economies expected to be around 2%, for an estimated world GDP growth rate of 3.5%.

Wal-Mart has currently over performed in the U.S. in 2017 with a year to date return of 10.71%, compared with the S and P 500's year to date return of 9.02% and Dow Jones Industrial Average year to date return of 8.63%. Compared with global markets, Wal-Mart stock has over performed when compared with MSCI World Index (NYSE: MXWO) year to date return of 9.50% and over performed when compared to the Global Dow's year to date return of 10.17%.





Wal-Mart continues to operate competitively both in the U.S and internationally. Over the last five years, Wal-Mart has seen an increase in sales generated in the U.S. with a corresponding decrease in international sales. It continues to adapt and find new ways to improve the customer experience and become competitive with the advances in technology. Because this transformation has not yet made its way to the Wal-Mart International segment, sales have lowered but have been more than made up for by the sales acquired in the United States.



Economic conditions that could affect Wal-Mart's stock performance could be as follows:

<u>Economic Stimulus and Growth</u>: As Wal-Mart is considered a lower risk stock and has provided a stable investment during times of uncertainty in the past; it could be negatively affected by the positive outlook for the U.S. economy and the expected GDP growth both in the U.S. and worldwide. An upside in market performance could cause individuals to choose to invest in companies that provide more risk and in turn a higher possible return, thus reducing the number of investors in Wal-Mart stock.

<u>Consumer Spending</u>: With economic stimulus and a lower unemployment rate, consumer spending will likely increase directly affecting Wal-Mart sales as the world's largest retailer. As more consumers are employed and receive more disposable income, they are more likely to purchase merchandise at Wal-Mart, leading to an increase in sales generated. Wal-Mart sales are predicted to increase over the next three years.

<u>Median Income</u>: With economic stimulus and a lowering of unemployment, the reverse effect may negatively affect Wal-Mart in the form of customers using government assistance programs such as the Supplemental Nutrition Assistance Program. It was estimated that Wal-Mart took in the most SNAP dollars in 2016, approximately 18% of the total amount, which would equate to \$13 Billion or approximately 4% of Wal-Mart's total sales. With a population that would be earning a higher income due to employment and improving economic conditions, Wal-Mart's sales could be negatively affected.

Financials

Income Statement Projections: Appendix A displays the income statement projections for Wal-Mart Stores, Inc. for years 2017, 2018, and 2019. Overall the projected sales and EPS are in line with consensus forecasts.

Sales (in Millions)				EPS			
Year	Predicted	Consensus	% Difference	Year	Predicted	Consensus	% Difference
2017	\$486,042	\$485,697	0.07%	2017	4.42	4.31	2.55%
2018	\$491,101	\$495,531	0.89%	2018	4.37	4.36	0.23%
2019	\$498,595	\$507,000	1.66%	2019	4.38	4.59	4.58%

According to predictions, sales are projected to increase over the next three years while EPS is expected to decrease in 2017 and 2018, but increase in 2019. Sales estimates concur with consensus estimates that sales will increase in the next three consecutive years, however EPS estimates differ slightly in the fact that consensus estimates project a moderate decrease in 2017 with increases in EPS in 2018 and 2019. Our estimate EPS predicts decreases in 2017 and 2018, with increases in EPS returning in 2019.

Ticker	P/E TTM	P/S TTM	P/B	P/CF TTM	EV/EBITDA TTM
Average	19.48	0.67	3.80	10.22	9.71
WMT	17.97	0.49	3.21	7.82	8.51
TGT	10.96	0.44	2.71	4.71	5.6
COST	32.34	0.63	6.1	15.24	15.07
DG	15.65	0.9	3.57	12.3	9.14
DLTR	20.49	0.89	3.42	11.01	10.21

Comparison of Wal-Mart with its peers shows that Wal-Mart is still at a very competitive position in the retail sector. With P/E, P/S, P/B, P/CF, and EV/EBITDA ratios all lower than the industry average and at healthy levels, Wal-Mart seems to be priced attractively for buying. Estimates for P/E ratio for 2017, 2018, 2019, and 2020 are 17.40,

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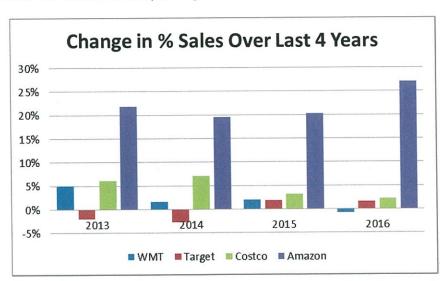
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17.57, 16.64, and 15.50 respectively, continuing support that earnings for Wal-Mart are expected to increase in the future. Historical P/E ratios for Wal-Mart are also indicated below, demonstrating the previous 5 years' worth of P/E ratios. Projections of other pertinent ratios are reflected below and concur with Wal-Mart stock being attractive.

Multiple	2017	2018	2019	2020
P/E	17.4	17.57	16.64	15.5
P/S	0.46	0.47	0.46	0.44
P/B	3.2	3.1	3.01	2.89
P/CF	5.44	9.88	9.13	8.53
EV/EBITDA	8.16	8.21	8.09	7.85

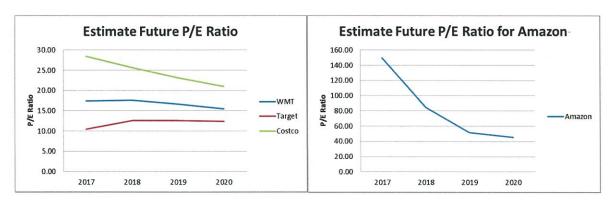
Ratio	2012	2013	2014	2015	2016
P/E	14	15.2	17.9	13.2	15

In Q1 of 2017, Wal-Mart's sales were already up 0.60% and are predicted to increase by 1.25% by the end of 2017. Sales are projected to increase by 2% and 3% in 2018 and 2019, respectively. Compared with its rival target, who has experienced a 5% decrease in sales so far in 2017, and Costco who has experienced slowing sales growth over the previous 3 years, Wal-Mart is currently in a position to continue its his performance in the retail sector. However, Wal-Mart's rival in the e-commerce sector, Amazon, has experienced double digit sales growth over the past five years; creating a formidable obstacle to Wal-Mart's attempts to gain market share in the e-commerce industry.



Valuation and Price Target

<u>Multiples</u>: Consensus estimates concur with the expectation that Wal-Mart Stores, Inc. earnings will increase over the next three years. Using the table of multiples discussed in the previous financial section, it can be seen that the P/E, P/S, P/B, P/CF, and EV/EBITDA multiples are all estimated to increase in 2018 and decrease in the subsequent years. This can be useful insight as the lowering of the projected multiples indicates the estimated overall "good" health of Wal-Mart. Examining the P/E multiple, the estimated lower future P/E multiple indicates that it is expected that Wal-Mart will produce more earnings in relation to its current stock price. Therefore, Wal-Mart is expected to be priced at an attractive value as it is predicted to generate future earnings and in turn, its stock price to follow the increase in earnings.



In comparison with competitors, Target's P/E ratio is expected to increase over the next 4 years providing expectation that they will not generate earnings as before. As for Costco and Amazon, both are estimated to have lowering P/E ratios, indicating the expectation that they will perform well and generate earnings. With respect to Amazon and its currently high P/E multiple, part of the estimate of a lowering P/E ratio may be that the stock price cannot remain at such high levels. In this case, it may be expected that Amazon will not be able to maintain its performance in the future and may experience some draw back.

<u>Discounted Cash Flow</u>: Appendix B displays the discounted cash flow for Wal-Mart. Reviewing the cash flow, a target price of \$82.21 is desired. This is based off estimation that sales growth will eventually reach 3% and using a terminal discount rate of 9% and a terminal growth rate of 3.5%.

In determination of the discount rate and growth rate, I took several factors into consideration:



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- 1. Wal-Mart has a positive outlook and strong performance is anticipated in the future. Consensus estimates concur with our perception and Wal-Mart recent actions show that Wal-Mart is dedicated to evolving to become more competitive. They are making major moves to acquire larger market shares of the e-commerce sector and have implemented several changes to improve customer experience.
- 2. Wal-Mart is settling the investigation into its bribery scandal in Mexico and should complete the legal case this year. To date, Wal-Mart has spent approximately \$800 million dollars on investigation, legal costs, and training/implementation programs to prevent corruption. Most of Wal-Mart's recent losses in stock price can be attributed to the Mexico scandal and recent counters by Amazon to limit Wal-Mart's recent attempts to gain ground in ecommerce. All costs resulting from the incident have been expended and it is expected that Wal-Mart will recover and come back better than before.

A target price of \$82.21 would provide a total return on investment of 12.58%, which incorporates the current dividend yield of 2.74%.

<u>Sensitivity Analysis</u>: The table listed below is a sensitivity analysis for Wal-Mart's stock price based off of varying growth rate and discount rate.

	Sensitivity	Analysis	Terminal (Growth Rat	te			
9	\$82.21	6%	7%	8%	9%	10%	11%	12%
Rate	0%	95.69	81.36	70.66	62.36	55.74	50.36	45.88
	1%	107.72	89.26	76.10	66.26	58.62	52.52	47.55
owth	2%	125.76	100.31	83.36	71.27	62.21	55.17	49.55
9	3%	155.84	116.89	93.53	77.95	66.83	58.48	51.99
ш	4%	215.98	144.53	108.78	87.31	72.98	62.74	55.04
FC	5%	396.41	199.80	134.20	101.35	81.60	68.41	58.97

<u>Technical Analysis</u>: To estimate future performance of Wal-Mart, there are some useful technical indicators that may be used:

1. Simple Moving Average: When plotting Wal-Mart's stock closing price for both the year to date and the previous 12 months, some useful insight to the future direction of Wal-Mart's stock price can be gained.

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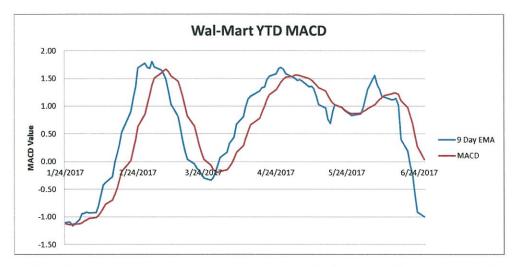


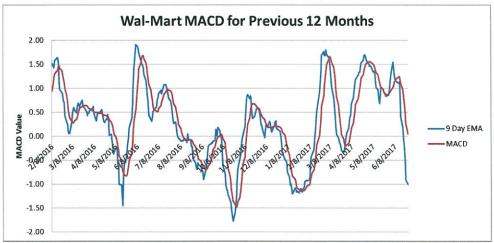


The charts above indicate the daily close price, 15 day simple moving average (SMA), 40 day simple moving average, and 200 day simple moving average. By utilizing these different timed SMA's, momentum of the stock can be determined. Examining the 15 day and 40 day SMA's, it is noted that the 15 day SMA is plotted above the 40 day SMA. This is indicative that the stock is expected to have upward momentum in the near term. However, the recent drop in stock price has caused the 15 day SMA and 40 day SMA to almost be equal. The purple line in the diagram is the 200 day SMA. This line often provides resistance to the stock price and will often coincide with the bottom during a sell off. It appears in the price plot that the stock has met some resistance after its recent sell off and that it may be poised for another rally. However, using on SMA's does not provide enough insight to make an accurate assessment.

2. Moving Average Convergence-Divergence: To obtain better insight into the future performance of the Wal-Mart stock another technical indicator will be used. This is the Moving Average Convergence Divergence (MACD). This indicator uses momentum by means of moving averages and their divergence and convergence to provide indications of long term stock movement.

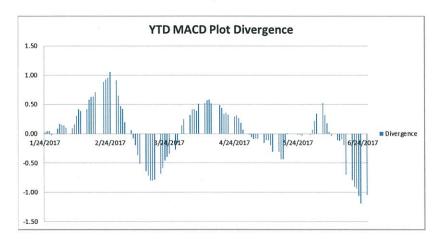
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Utilizing the MACD, it can be seen that Wal-Mart may be poised for a long term gain due to upward momentum. Looking at both charts, it is seen that stocks at times follow cyclical behavior. The MACD utilizes this cyclical behavior and momentum changes to predict extended gains or losses in the stock. Due to the recent selloff, downward momentum has been generated. This is indicated by plotting the 9 day exponential moving average (EMA) and the convergence or divergence of the 12 and 26 day EMA's, which is plotted as the MACD. If the 9 day EMA is above the MACD line, upward momentum is predicted and vice versa if it is below the MACD line. Currently, the 9 day EMA is below the MACD line and downward momentum is generated. Referencing historical bottoms for the MACD plot, it can be seen that the stock momentum is in the region of past bottoms and it is likely that the stock may experience upward momentum in the near future resulting in gains.

An accompanied indicator with the MACD plot is a histogram depicting the divergence between the 9 day EMA and the MACD plot. The histogram is useful because when the two lines begin to converge, it is an indication that a change in momentum is near.



The histogram above depicts the magnitude of divergence between the 9 day EMA and the MACD plot. With the recent selloff and downward momentum that was generated, it is seen on the histogram that the peak of the divergence between the 9 day EMA and the MACD line has occurred. This is a good indicator that a change in momentum may be near. Referencing the historical pattern of the histogram, it is seen that momentum shifts often occur and are somewhat cyclical. In all previous divergences on the histogram, momentum shifted in either the upward or downward direction following the peak divergence in that series.

Utilizing the technical indicators listed above, I believe that there is good indication to believe that Wal-Mart will achieve upward momentum in the near future and experience gains in stock price.



Risks and Concerns to Recommendation

The risks and concerns with the recommendation to <u>BUY</u> are as follows:

Amazon: Wal-Mart and Amazon have been in fierce competition in the e-commerce market and both companies seem dedicated to outperforming the other. Wal-Mart has made numerous advances in the e-commerce industry with their acquisition of Jet.com and hiring of Marc Lore, Jet.com's founder. The have offered discounted prices on items purchased online that are picked up in store and have offered free 2-day shipping on online orders of \$35 or more, a service that was previously only offered by Amazon. Wal-Mart has increased their shopping technology by upgrading their app to allow shoppers to scan items in store and pay through the app, skipping the checkout line. They also have introduced a savings feature of their app where they reimburse customers should a local retailer be selling the same item for a lesser price. Despite all these advances, Amazon has made counter moves. They acquired Whole Foods in 2017 for possible entry into the food retail market and have announced they will offer reduced Amazon Prime Membership fees for low income subscribers, in an attempt to gain market share. Amazon has remained firm in its anticipated growth and ability to innovate, which may provide problems for Wal-Mart in the future.

<u>Wal-Mart de Mexico</u>: Wal-Mart is close to the settlement of the lawsuit filed against it by the United States Government in its scandal of bribery and destroying artifacts while building a store in Mexico. The settlement should be completed by the end of the year, however if more issues arise or the settlement continues for an extended period of time, it could negatively impact Wal-Mart.

<u>Lidl</u>: A large competitor in Europe, Lidl operates discount supermarkets and is beginning its entry into business in the United States. It has secured locations for 10 stores and will become a strong competitor with Wal-Mart in the food retail industry.

Conclusion

Wal-Mart is fully expected to produce the estimated results in the near future. With their recent improvements and evolutions, Wal-Mart has made it clear that they are serious about changing for the better. We recommend a BUY rating with a target price of \$82.21, which represents a return of 9.84% over the current price of \$74.84 and a total return of 12.58% when the dividend yield is incorporated. Wal-Mart exhibits the qualities of a strong company that will implement the changes necessary to thrive.

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THE OHIO STATE UNIVERSITY FISHER COLLEGE OF BUSINESS

Appendix A: Income Statement

Commentation	Wal-Mart	509,117	494,289	484,597						
Medical Subsection Subsecti	(Millions)	FY19E	FY18E	FY17E	FY16	FY15	FY14	FY13	FY12	FY11
Membership and Other Incores 6,000 4,000 4,506 3,616 3,422 3,149 3,047 3,003 2,897 2,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,2697 3,003 3,0										
COSS S82,347 371,211 S8,392 30,084 36,084 36,084 32,277 32,493 314,546 200					a second contract of	The second of the second of the second	- Committee of the Comm			
Consembroid 126,770 123,070 120,076 120,056 110,255										
Stimute Revenue		- Contract - Contract	The second second second	The second section is a second section of	V	and the second second	The state of the s			OF THE RESIDENCE OF THE
Consensus					121,140	120,000	110,220	110,004	111,010	100,401
Pre-cent of Consensus										
General Administration Selling and store operating 103,860 100,888 98,073 97,041 93,418 91,933 88,622 85,025 81,935 7100 (O Expenses 104,135 100,668 98,604 97,312 93,735 91,691 89,464 88,333 81,623 81,625 81,025										
Pre-Opening Expenses 104,155 100,666 9,364 97,312 271 317 338 316 308 320 1010 CEDICATOR CEDICATE 100,665 94,313 100,666 97,312 31,375 9,1861 88,466 88,333 81,861 Expenses as % of Sales 20.46% 20.44% 20.33% 19.44% 19.38% 19.00% 19.24					97 041	93 418	91 353	88 629	85 025	81 361
Total Cor Expenses										
Experience as a % of Sales 20.45% 20.41% 20.33% 20.33% 19.40% 19.38% 19.10% 19.24% 19.52% Operating Income 22.655 22.210 22.160 23.834 26.80 26.534 27.409 26.183 24.770 Capital Leases (400) (400) (232) (521) (300) (263) (272) (268) (277) Interest A Invest Inc 120 110 100 81 113 119 166 161 201 110 110 100 81 113 119 166 161 201 110 110 100 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 81 113 119 166 161 201 110 110 110 110 110 110 110 110 11										
Capital Leases			The second second	the state of the s						19.52%
Capital Lesses	Operating Income	22.635	22,210	22,160	23.834	26.830	26.534	27,409	26,183	24,770
Interest Expired Interest Expired 1 (2009) (2,109) (2,049) (2,			and the second second second second	(323)			And the second second	and the second second	The second second second second second	
Interest DP/Debt (2,009) (2,004) (2,024) (2,027) (2,161) (2,072) (1,977) (2,034) (1,928) (1,928) (1,928) (1,938) (1,										
Interest, Net (2,444) (2,373) (2,327) (2,467) (2,348) (2,216) (2,063) (2,169) (2,004)			(2,100)	(2,044)	(2,027)	(2,161)	(2,072)	(1,977)	(2,034)	(1,928)
Income Taxes										(2,004)
Income Taxes	Farnings before Inc Taxes	20.191	19.837	19.834	21.367	24.482	24.318	25.346	24.024	22,766
Net Earnings										
Earnings from dicont ops	Income Taxes		and the second second second second			THE RESERVE OF THE PERSON NAMED IN				
Net Earnings	Net Earnings	14,080	13,833	13,830	14,809	16,497	16,213	17,388	16,100	15,187
Basic EPS Wild Avg Comm Shs Outst Customer 4.40 Consensus 4.59 4.36 4.47 Percentage of Consensus 7.4396 7.9996 7.4396 7.9996 7.4396	Earnings from dicont ops									
Substance	Net Earnings	14,080	13,833	13,830	14,809	16,782	16,357	17,440	16,079	16,221
Cutdance	Basic EPS				4.58	5.07	4.90	5.04	4.54	4.48
Consensus	Wtd Avg Comm Shs Outst				3,207	3,230	3,269	3,374	3,460	3,656
Consensus	Guidance			4.40						
Diluted EPS		4.59	4.36							
Percentage of Consensus					4 57	5.05	4.88	5.02	4.52	4 47
Wild Avg Diluted Shs Outst 3,112 3,112 3,112 3,217 3,243 3,283 3,389 3,474 3,670					4.01	0.00	4.00	0.02	4.02	7.71
Customer Transactions Avg SalerTrans (S) Wild Avg Wildy Saler'st Square Footage-End of Period (1000's) Chy Yo Sales'st Square Footage-End of Period (1000's) Cap Ex (1,47% 3,19% 2,81% 2,23% 1,62% #REF! Sales'sq foot (10,437 10,380 10,619 11,477 12,174 13,115 12,898 13,510 12,699 Cap Ex (10,437 10,380 10,619 11,477 12,174 13,115 12,898 13,510 12,699 Cap Ex (2,10% 2,19% 2,40% 2,52% 2,77% 2,77% 3,05% 3,03% 0,000 11,200 11,201 10,627 10,080 9,454 9,173 8,870 8,478 8,130 7,641 0,000 1,00					3,217	3.243	3.283	3.389	3,474	3,670
Chg YoY L47% 3.19% 2.81% 2.23% 1.62% #REFI Sales/sg foot 10,437 10,380 10,619 11,477 12,174 13,115 12,698 Cap Ex 2.05% 2.10% 2.19% 2.40% 2.52% 2.77% 2.77% 3.05% 3.03% Depree & Amort 11,201 10,627 10,080 9,454 9,173 8,870 8,478 8,130 7,641 Depree & G Sales 2.20% 2.15% 2.08% 1.98% 1.90% 1.87% 1.82% 1.83% 1.83% D&A growth 2.20% 2.15% 2.08% 9,34% 9,173 8,870 8,478 8,130 7,641 Inventories 47,576 46,190 45,285 44,469 45,141 44,858 43,803 40,714 36,437 Chg YoY 1.14m 1.24% 9.23% 9,34% 9,44% 9,34% 9,34% 9,44% 9,44% 9,24% 9,54% 9,54% 9,44% 9,44% 9,44%										
Sales/sq foot 693.64 709.16 717.87 726.37 707.20 678.28 Cap Ex 10,437 10,380 10,619 11,477 12,174 13,115 12,898 13,510 12,699 Cap Ex K of Sales 2.05% 2.19% 2.49% 2.62% 2.77% 2.77% 3.05% Depree & Amort 11,201 10,627 10,080 9,454 9,173 8,870 8,478 8,130 7,641 DeA growth 2.20% 2.15% 2.08% 1,98% 1,90% 1.82% 1.83% 1.83% DAB growth 47,576 46,190 45,285 44,469 45,141 44,858 43,803 40,714 36,437 Chg YOY 1.49% 0.63% 2.41% 7.59% 11,74% #REF! Inventory-to-sales 6,908 6,707 6,576 5,524 4,469 45,141 44,858 43,803 40,714 #REF! Inventory-to-sales 9,34% 9,34% 9,34% 9,34%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st				200	000	050	044	027	647
Cap Ex % of Sales 10,437 10,380 10,619 11,477 12,174 13,115 12,898 13,510 12,699 Cap Ex % of Sales 2.05% 2.10% 2.19% 2.40% 2.52% 2.77% 3.05% 3.03% 3.03% 3.03% 3.03% 3.05% 4.62% 4.83% 4.83% 1.83% 1.83% 1.83% 1.83% 1.83% 1.83% 1.83% 1.83% 1.80% 4.62% 4.28% 6.40% #REFI Inventory-to-sales 46,190 45,285 44,469 45,141 44,858 43,803 40,714 36,487 1.14% 0.63% 2.41% 7.59% 11,74% #REFI Inventory-to-sales 9,34% 9,34% 9,34% 9,41% 9,13% 8.61	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's)									617 #BEE!
Cap Ex % of Sales 2.05% 2.19% 2.49% 2.52% 2.77% 2.77% 3.05% 3.03% Depree & Armort 11,201 10,627 10,080 9,454 9,173 8,870 8,478 8,130 7,641 Depree & of Sales 2.20% 2.15% 2.08% 1.89% 1.89% 1.82% 1.83% 1.83% D&A growth 47,576 46,190 45,285 44,469 45,141 44,858 43,803 40,714 36,437 Chg YOY 1.49% 0.63% 2.41% 7.59% 11,74% #REFI Inventory-to-sales 9.34% 9.34% 9.34% 9.29% 9.36% 9.44% 9.18% 8.71% REFI Receivables 6.908 6,707 6,676 5,624 6,778 6,677 6,68 5,937 5,089 9.4% 9.41% 9.14% 9.14% 9.14% 9.14% 9.14% 9.14% 9.14% 9.14% 1.14% 1.41% 1.41% 1.45% 1.41% <td< td=""><td>Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY</td><td></td><td></td><td></td><td>1.47%</td><td>3.19%</td><td>2.81%</td><td>2.23%</td><td>1.62%</td><td>#REF!</td></td<>	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY				1.47%	3.19%	2.81%	2.23%	1.62%	#REF!
Deprec & Amort 11,201 10,627 10,080 9,454 9,173 8,870 8,478 8,130 7,641	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot	40.407	40.200	40.040	1.47% 693.64	3.19% 709.16	2.81% 717.87	2.23% 726.37	1.62% 707.20	#REF! 678.28
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D&A growth 3.06% 3.42% 4.62% 4.28% 6.40% #REFI Inventories	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales	2.05%	2.10%	2.19%	1.47% 693.64 11,477 2.40%	3.19% 709.16 12,174 2.52%	2.81% 717.87 13,115 2.77%	2.23% 726.37 12,898 2.77%	1.62% 707.20 13,510 3.05%	#REF! 678.28 12,699 3.03%
Chg YoY -1.49% 0.63% 2.41% 7.59% 11.74% #REFI Inventory-to-sales 9.34% 9.34% 9.29% 9.36% 9.48% 9.41% 9.18% 8.71% Receivables 6,908 6,707 6,576 5,624 6,778 6,677 6,768 5,937 5,089 Payables 41,748 40,285 39,252 38,487 34,140 37,415 38,080 36,608 33,676 Chg in WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC 2,200% 2,20%	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort	2.05% 11,201	2.10% 10,627	2.19% 10,080	1.47% 693.64 11,477 2.40% 9,454	3.19% 709.16 12,174 2.52% 9,173	2.81% 717.87 13,115 2.77% 8,870	2.23% 726.37 12,898 2.77% 8,478	1.62% 707.20 13,510 3.05% 8,130	#REF! 678.28 12,699 3.03% 7,641
Chg YoY -1.49% 0.63% 2.41% 7.59% 11.74% #REFI Inventory-to-sales 9.34% 9.34% 9.29% 9.36% 9.48% 9.41% 9.18% 8.71% Receivables 6,908 6,707 6,576 5,624 6,778 6,677 6,768 5,937 5,089 Payables 41,748 40,285 39,252 38,487 34,140 37,415 38,080 36,608 33,676 Chg in WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Chain WC 2,200% 2,20%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales	2.05% 11,201	2.10% 10,627	2.19% 10,080	1.47% 693.64 11,477 2.40% 9,454 1.98%	3.19% 709.16 12,174 2.52% 9,173 1.90%	2.81% 717.87 13,115 2.77% 8,870 1.87%	2.23% 726.37 12,898 2.77% 8,478 1.82%	1.62% 707.20 13,510 3.05% 8,130 1.83%	#REF! 678.28 12,699 3.03% 7,641 1.83%
Inventory-to-sales	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg Yoy' Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth	2.05% 11,201 2.20%	2.10% 10,627 2.15%	2.19% 10,080 2.08%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF!
Receivables 6,908 6,707 6,576 5,624 6,778 6,677 6,768 5,937 5,089 Payables 41,748 40,285 39,252 38,487 38,410 37,415 38,080 36,608 33,676 By Department 8,20% 8,15% 8,10% 8,04% 7.97% 7.91% 8,18% 8,26% 8,05% Chair WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Change In Sales 3,00% 2,00% 1,25% -0.75% 1,93% 1,60% 5,00% 5,95% #REF! Comps 20076 24,90% 24,90% 24,90% 25,31% 25,00% 24,99% 25,15% 25,449 Chy YoY 0,00% 0,00% -0,41% 0,31% 0,01% 0,00% -0,14% -0,29% #REF! Chg YoY 0,00% 0,00% 20,28% 19,37% 19,31% 19,04% 19,17% 19,449	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories	2.05% 11,201 2.20%	2.10% 10,627 2.15%	2.19% 10,080 2.08%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF!
Payables	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY	2.05% 11,201 2.20% 47,576	2.10% 10,627 2.15% 46,190	2.19% 10,080 2.08% 45,285	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF!
Payables 41,748 40,285 39,252 38,487 38,410 37,415 38,080 36,608 33,676 Chg in WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850 Change In Sales 3.00% 2.00% 1.25% -0.75% 1.93% 1.60% 5.00% 5.95% #REF! Comps 8.79 (1,000) 24.90% 24.90% 25.31% 25.00% 24.99% 24.99% 25.45% Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.30% 0.80% 0.92% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% -0.01% 6.92%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex (Sales Sales Sale	2.05% 11,201 2.20% 47,576 9.34%	2.10% 10,627 2.15% 46,190 9.34%	2.19% 10,080 2.08% 45,285	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71%
Chg in WC 8.20% 8.15% 8.10% 8.04% 7.97% 7.91% 8.18% 8.26% 8.05% Chg in WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850) Change In Sales 3.00% 2.00% 1.25% -0.75% 1.93% 1.60% 5.00% 5.95% #REF! Comps 24.90% 24.90% 24.90% 25.31% 25.00% 24.99% 25.15% 25.44% Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.16% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.30% 0.80% 0.92% 0.90% 0.66% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 6.90% 5.92% <td>Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales</td> <td>2.05% 11,201 2.20% 47,576 9.34% 6,908</td> <td>2.10% 10,627 2.15% 46,190 9.34% 6,707</td> <td>2.19% 10,080 2.08% 45,285 9.34% 6,576</td> <td>1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624</td> <td>3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778</td> <td>2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677</td> <td>2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768</td> <td>1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937</td> <td>#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089</td>	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales	2.05% 11,201 2.20% 47,576 9.34% 6,908	2.10% 10,627 2.15% 46,190 9.34% 6,707	2.19% 10,080 2.08% 45,285 9.34% 6,576	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089
Chg in WC (124) (5) (1,002) 1,903 611 (1,629) (2,448) (2,193) (7,850) Change In Sales 3.00% 2.00% 1.25% -0.75% 1.93% 1.60% 5.00% 5.95% #REF! Comps Gross Margin 24.90% 24.90% 24.90% 25.31% 25.00% 24.99% 24.99% 25.15% 25.44% Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.16% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.17% 19.49 Chg YoY 0.30% 0.80% 0.92% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.92% Chg YoY -0.05% -0.08% -0.41% -0.58% -0.08% -0.02% -0.02%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9,41% 6,768 1.45%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089
Comps Comps 24.90% 24.90% 24.90% 25.31% 25.00% 24.99% 25.15% 25.44% Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.16% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.77% 19.44% Chg YoY 0.30% 0.80% 0.92% 0.90% 0.66% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.92° Chg YoY -0.05% -0.06% 0.03% 0.06% 0.07% -0.28% -0.02% -0.01% #REF! Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 9.29% 5,624 1.18% 38,487	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676
Comps Comps 24.90% 24.90% 24.90% 25.31% 25.00% 24.99% 25.15% 25.44% Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.16% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.77% 19.44% Chg YoY 0.30% 0.80% 0.92% 0.90% 0.66% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.92° Chg YoY -0.05% -0.06% 0.03% 0.06% 0.07% -0.28% -0.02% -0.01% #REF! Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg Ycy Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg Ycy Inventory-to-sales Receivables	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18% 38,487 8.04%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,440 7.97%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05%
Chg YoY 0.00% 0.00% -0.41% 0.31% 0.01% 0.00% -0.16% -0.29% #REF! Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.77% 19.449 Chg YoY 0.30% 0.30% 0.92% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.90% 5.92% Chg YoY -0.05% -0.08% -0.41% -0.58% -0.05% -0.02% -0.01% #REF! Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.07% 0.08% Gen & Admin to Sales 20.40% 20.35% 20.30% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.05% 0.05% 0.09% 0.06% 0.28% -0.14% -0.27%	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124)	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5)	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002)	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5.624 1.18% 38,487 8.04% 1,903	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611	2.81% 717.87 13,115 2.77% 8.870 1.87% 4.62% 44,858 2.41% 9.48% 6.677 1.41% 37,415 7.91% (1,629)	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448)	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193)	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850
Selling Exp to Sales 22.30% 22.00% 21.20% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.30% 0.80% 0.92% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.45% 4.57% 4.98% 5.56% 5.61% 5.89% 5.90% 5.92% Chg YoY -0.05% -0.08% -0.44% -0.58% -0.02% -0.01% #REF! Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.07% 0.08% Gen & Admin to Sales 20.40% 20.35% 20.30% 20.28% 19.37% 19.31% 19.04% 19.44% Chg YoY 0.05% 0.05% 0.05% 0.09% 0.06% 0.28% -0.14% -0.27% #REF! Interest, net to sales -0.48% -0.48% -0.48% -0.48% -0.48% -0.45% -0.49% -0	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002)	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18% 38,487 8.04% 1,903	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 7.97% 611	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629)	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850
Chg YoY 0.30% 0.80% 0.92% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.92% Chg YoY -0.05% -0.05% -0.41% -0.58% -0.05% -0.05% -0.06% 0.06% -0.02% -0.02% -0.02% -0.01% #REF! Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.08%	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25%	1.47% 693,64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,524 1.18% 38,487 8.04% 1,903	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 9.48% (1,629) 1.60%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850
Operating Income 4.45% 4.49% 4.57% 4.98% 5.56% 5.61% 5.89% 5.90% 5.92% Chg YoY -0.05% -0.08% -0.04% -0.58% -0.05% -0.02% -0.04% -0.05% -0.05% -0.07% 0.0	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Dex Gay Ex Deyrec & Amort Deprec % of Sales Dex Gay Ex Deyrec % of Sales Dex Gay Footage Developer & Gay Foota	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24,90% 0.00%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24,90% 0.00%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24,90% -0.41%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18% 38,487 8.04% 1,903	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01%	2.81% 717.87 13,115 2.77% 8.870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60%	2.23% 726.37 12,898 2.778 8.478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29%	#REF! 678.28 12,699 3.039 7,641 1.83% #REF! 36,437 #REF! 8.71% 5.089 1.22% 33,676 8.05% (7,850 #REF!
Chg YoY -0.05% -0.08% -0.41% -0.58% -0.05% -0.28% -0.02% -0.01% #REFI Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.07% 0.08% Gen & Admin to Sales 20.40% 20.35% 20.30% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.05% 0.05% 0.02% 0.90% 0.06% 0.28% -0.14% -0.27% #REFI Interest, net to sales -0.48% -0.48% -0.48% -0.52% -0.49% -0.47% -0.44% -0.48% Tax Rate 30.27% 30.27% 30.27% 30.69% 32.62% 33.33% 31.40% 32.98% Total Stores 4,574 4,516 4,203 4,005 3,868 3,804 Store growth YoY 1.28% 7.45% 4.94% 3.54% 1.68% #REFI New stores qtr 216 316 198	Avg Sale/Trans (\$) Wtd Avg Wkly Sales/st Square Footage-End of Period (1000's) Chg YOY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Dex a growth Inventories Chg YOY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YOY Selling Exp to Sales	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24.90% 2.30%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24.90% 2.00%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24.90% -0.41% 21.20%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 9.29% 5,624 1.18% 38,487 8.04% 1,903	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4,62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 5,089 1.22% 33,676 8.05% (7,850 #REF! 25,44% #REF!
Pre-opening to Sales 0.05% 0.06% 0.03% 0.06% 0.07% 0.07% 0.07% 0.07% 0.08% Gen & Admin to Sales 20.40% 20.35% 20.30% 20.28% 19.37% 19.11% 19.04% 19.44% 19.449 Chg YoY 0.05% 0.05% 0.09% 0.06% 0.28% -0.14% -0.27% #REF! Interest, net to sales -0.48% -0.48% -0.48% -0.45% -0.45% -0.45% -0.44% -0.44% -0.49% -0.47% Tax Rate 30.27% 30.27% 30.27% 30.69% 32.62% 33.33% 31.40% 32.98% 33.29% Total Stores 4,574 4,516 4,203 4,005 3,868 3,804 Store growth YoY 1.28% 7.45% 4,94% 3.54% 1,68% #REF! New stores qtr 216 316 316 198 141 70 52	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Saling Exp to Sales Chg YoY Saling Exp to Sales Chg YoY	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24,90% 0.00% 22,30% 0.30%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24,90% 0.00% 22,00%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24,90% -0.41% 21,20% 0.92%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,624 1.18% 38,487 8.047 1.903 -0.75% 25.31% 0.31% 20.28% 0.90%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 7.97% 611 1.93% 25,00% 0.01% 19,37% 0.06%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4,62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7,919 (1,629) 1.60% 24,99% 0.00% 19,31% 0.28%	2.23% 726.37 72,838 2.778 8.478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24,99% -0.16% 19.04%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850 #REF! 25.44% #REF!
Gen & Admin to Sales 20.40% 20.35% 20.30% 20.28% 19.37% 19.31% 19.04% 19.17% 19.44% Chg YoY 0.05% 0.05% 0.02% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Interest, net to sales -0.48% -0.48% -0.48% -0.52% -0.49% -0.47% -0.44% -0.49% -0.49% Tax Rate 30.27% 30.27% 30.69% 32.62% 33.33% 31.40% 32.98% 33.29% Total Stores 4,574 4,516 4,203 4,005 3,864 7,864 4,94% 3.54% 1,68% #REF! New stores qtr 126 316 316 198 141 70 52	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Selling Exp to Sales Chg YoY Operating Income	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 2.30% 4.45%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24.90% 0.00% 22.00% 4.49%	2.19% 10,080 2.08% 45,285 9.344% 6,576 1.365% 39,252 8.105% (1,002) 1.25% 24.90% -0.41% 21.20% 0.92% 4.57%	1.47% 693,64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,524 1.18% 38,487 8.04% 1,903 -0.75% 25.31% 0.31% 20.28% 0.98%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 0.06% 5.56%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 7,415 7,91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61%	2.23% 726.37 72,838 2.77% 8.478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04% -0.14% 5.89%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17% -0.27% 5.90%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850 #REF! 25.44% #REF! 19.44% #REF! 19.44%
Chg YoY 0.05% 0.05% 0.02% 0.90% 0.06% 0.28% -0.14% -0.27% #REF! Interest, net to sales -0.48% -0.48% -0.48% -0.52% -0.49% -0.47% -0.44% -0.48% -0.48% Tax Rate 30.27% 30.27% 30.69% 32.62% 33.33% 31.40% 32.98% 33.29% Total Stores 4,574 4,516 4,203 4,005 3,868 3,804 Store growth YoY 1.28% 7.45% 4,94% 3.54% 1,68% #REF! New stores qtr 216 316 198 141 70 52	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Deprec & Governor Sales Devernor Sales Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Selling Exp to Sales Chg YoY Operating Income Chg YoY	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% (124) 3.00% 24.90% 0.00% 22.30% 0.30% 4.45% -0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 0.00% 22.00% 0.80% 4.49% -0.08%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24.90% -0.41% 21.20% 0.92% 4.57% -0.41%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 9.29% 5,624 1.18% 38,487 8.04% 1,903 -0.75% 25.31% 0.31% 20.28% 0.90% 4.98% -0.58%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 0.01% 19.37% 0.06% 5.56% -0.05%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04% -0.14% 5.89% -0.02%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 5,937 1.34% 36,608 8.26% (2,193) 5.95% -0.29% 19.17% -0.27% 5.90%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 5,089 1.22% 33,676 8.05% (7,850 #REF! 19.44% #REF! 5,929 #REF!
Interest, net to sales -0.48% -0.48% -0.48% -0.48% -0.49% -0.49% -0.47% -0.44% -0.48% -0.48% -0.52% -0.49% -0.47% -0.44% -0.49% -0.48% -0.48% -0.49%	Avg Sale/Trans (\$) Witd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YOY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Dex 6 Cay Ex % of Sales Dex 6 Deyrec % of Sales Dex 7 Deyrec % of Sales Dex 9 D	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.30% 4.45% 0.30% 0.30% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24.90% 0.00% 22.00% 0.80% 4.49% -0.08% 0.06%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24.90% 21.20% 0.92% 4.57% -0.41% 0.03%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,624 1.18% 38,487 1,903 -0.75% 25,31% 0.31% 20,28% 0.90% 4.98% -0.58% 0.90%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 1.93% 25.00% 0.01% 19.37% 0.06% 5.56% -0.05%	2.81% 717.87 13.115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7,415 1.60% 24.99% 0.00% 19.31% 0.28% 5.61% -0.28%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 5.00% 24.99% -0.16% 19.04% -0.14% 5.89% -0.07%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 5,937 1.34% 36,008 8,208 (2,193) 5.95% 25,15% -0.29% 5.90% -0.27% 5.90%	#REF! 678.28 12,699 3.039 7,641 1.837 #REF! 36,437 #REF! 8.717 5,089 1.227 33,676 (7,850 #REF! 25.449 #REF! 19.449 #REF! 5,929 #REF!
Tax Rate 30.27% 30.27% 30.27% 30.69% 32.62% 33.33% 31.40% 32.98% 33.29% Total Stores 4,574 4,516 4,203 4,005 3,868 3,804 Store growth YoY 1,28% 7,45% 4,94% 3,54% 1,68% #REF! New stores qtr 216 316 198 141 70 52	Avg Sale/Trans (\$) Witd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Operating Income Chg YoY Operating Income Chg YoY Pre-opening to Sales Gen & Admin to Sales Gen & Admin to Sales	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24,90% 0.00% 22,30% 0.30% 4.45% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 24,90% 0.00% 2.00% 4.49% -0.06% 0.08% 0.08%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24,90% -0.41% 0.92% 4.57% -0.41% 0.023% 20.30%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18% 38,487 8.04% 0.25% 0.25% 0.21% 0.21% 0.21% 0.25% 0	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 19.37%	2.81% 717.87 13,115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 5.61% -0.28% 0.07% 19.31%	2.23% 726.37 12,898 2.778 8,478 1.82% 4.28% 43,803 7.59% 9,41% 6,768 1.45% 38,080 24,498) -0.16% 19.04% 5.89% -0.02% 0.07% 19.04%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17% 0.07% 19.17%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8,71% 5,089 1.22% 33,676 8,105% (7,850 #REF! 25.44% #REF! 19.44% #REF! 5.92% #REF! 0.089 19.44%
Total Stores 4,574 4,516 4,203 4,005 3,868 3,804 Store growth YoY 1,28% 7,45% 4,94% 3,54% 1,68% #REF! New stores qtr 216 316 198 141 70 52	Avg Sale/Trans (\$) Witd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Deprec & Agrowth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Operating Income Chg YoY Pre-opening to Sales Chg YoY	2.05% 11,201 2.20% 47,576 9.34% 6,908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 2.30% 0.05% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% 40,285 8.15% (5) 2.00% 0.00% 22.00% 0.80% 0.06% 20.35% 0.05%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.36% 39,252 8.10% (1,002) 1.25% 24,90% -0.41% 0.92% 4.57% -0.41% 0.03% 20.30% 0.02%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,524 1.18% 38,487 8.04% 1,903 -0.75% 25.31% 0.31% 20.28% 0.90% 4.98% 0.96% 20.28% 0.90%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 0.06% -0.05% 0.07% 19.37% 0.06%	2.81% 717.87 13,115 2.77% 8.870 1.87% 4.62% 44,858 2.41% 9.48% 7,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 0.07% 19.31% 0.28%	2.23% 726.37 72.838 2.778 8.478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04% -0.14% -0.02% 0.07% 19.04% -0.14%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17% -0.27% -0.07% 19.17% -0.27%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850 #REF! 25.44% #REF! 0.089 19.449 #REF!
Store growth YoY 1.28% 7.45% 4.94% 3.54% 1.68% #REF! New stores qtr 216 316 198 141 70 52	Avg Sale/Trans (\$) Witd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YOY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales D&A growth Inventories Chg YOY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Selling Exp to Sales Chg YoY Operating Income Chg YoY Pre-opening to Sales Gen & Admin to Sales Chg YoY Interest, net to sales	2.05% 11,201 2.20% 47,576 9.34% 6.908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 22.30% 0.05% 0.05% 0.05% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% (5) 2.00% 24.90% 0.00% 22.00% 0.80% 4.49% 0.06% 20.35% 0.05%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.366% 1.9,252 8.10% (1,002) 1.25% 24.90% 0.92% 4.57% 0.03% 20.30% 0.02% 0.02%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 9.29% 5,624 1.18% 38,487 8.04% 1,903 -0.75% 20.28% 0.90% 4.98% 0.06% 20.28% 0.90% 4.98% 0.06%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 0.06% 5.56% 0.07% 19.37% 0.06% 6.73%	2.81% 717.87 13.115 2.77% 8,870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61% 0.28% 0.07% 19.31% 0.28%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 5.00% 19.04% -0.16% 19.04% -0.14% 5.89% -0.02% 0.07% 19.04% -0.14% -0.14% -0.14% -0.14% -0.04% -0.14% -0.04% -0.14% -0.14% -0.04% -0.14% -0.04% -0.04% -0.04%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% -0.29% 19.17% -0.27% 5.90% -0.01% 0.07% 19.17% -0.27%	#REF! 678.28 12,699 3.039 7,641 1.839 #REF! 36,437 #REF! 8.719 5,089 1.229 33,676 8.059 (7,850 #REF! 19.449 #REF! 0.089 19.444 #REF! -0.489
New stores qtr 216 316 198 141 70 52	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Deprec & Gales Deprec % of Sales Depreceivables Inventory-to-sales Receivables Chg yoY Inventory-to-sales Change In Sales Comps Gross Margin Chg YoY Operating Income Chg YoY Operating Income Chg YoY Interest, net to sales Tax Rate	2.05% 11,201 2.20% 47,576 9.34% 6.908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 22.30% 0.05% 0.05% 0.05% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% (5) 2.00% 24.90% 0.00% 22.00% 0.80% 4.49% 0.06% 20.35% 0.05%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.366% 1.9,252 8.10% (1,002) 1.25% 24.90% 0.92% 4.57% 0.03% 20.30% 0.02% 0.02%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 9.29% 5,624 1.18% 38,487 8.04% 1,903 -0.75% 25.31% 0.31% 20.28% 0.06% 4.98% 0.06% 0.06% 0.09% -0.52% 30.69%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 9.36% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 0.05% 0.07% 0.06% -0.05% 0.06% -0.49% 32.62%	2.81% 717.87 13,115 2.77% 8.870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61% -0.28% 0.07% 19.31% 0.28% -0.47% 33.33%	2.23% 726.37 712,898 2.779 8.478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04% 5.89% -0.02% 0.07% 9.014% -0.14% -0.14% 31.40%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17% 5.90% -0.01% 0.07% 5.90% -0.11% 0.27% -0.27% -0.29%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8,71% 5,089 1.22% 33,676 #REF! 25,44% #REF! 19,44% #REF! 0,08% 19,44% #REF! -0,48% 33,29%
	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Deprec & Amort Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Operating Income Chg YoY Pre-opening to Sales Chg YoY Interest, net to sales Tax Rate Total Stores	2.05% 11,201 2.20% 47,576 9.34% 6.908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 22.30% 0.05% 0.05% 0.05% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% (5) 2.00% 24.90% 0.00% 22.00% 0.80% 4.49% 0.06% 20.35% 0.05%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.366% 1.9,252 8.10% (1,002) 1.25% 24.90% 0.92% 4.57% 0.03% 20.30% 0.02% 0.02%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 9.29% 5,624 1.18% 38,487 1,903 -0.75% 20.28% 0.90% 4.98% 0.06% 20.28% 0.90% 4.90% 6.90% 4.90% 6.90%	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 7.97% 611 1.93% 25.00% 0.01% 19.37% 0.06% 5.56% 0.07% 19.37% 0.06% 5.40% 0.07% 19.37% 0.06% 4.516	2.81% 717.87 13,115 2.77% 8,870 1.87% 4,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61% 0.28% 0.07% 19.31% 0.28% 0.07% 19.31% 0.28% 0.47% 33.33%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 8.18% (2,448) 5.00% 24.99% -0.16% 19.04% -0.14% 5.89% 0.07% 19.04% -0.44% 31.40%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,608 8.26% (2,193) 5.95% 25.15% -0.29% 19.17% -0.27% 5.90% 19.17% -0.01% 0.07% 19.17% -0.49% 32.98%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850 #REF! 19.44% #REF! 0.08% 19.44% #REF! 0.08% 19.44% #REF! -0.48% 33.29%
	Avg Sale/Trans (\$) Wtd Avg Wikly Sales/st Square Footage-End of Period (1000's) Chg YoY Sales/sq foot Cap Ex Cap Ex % of Sales Deprec & Amort Deprec % of Sales Dex Gan Ex Deyre C & Amort Deprec % of Sales Dex Growth Inventories Chg YoY Inventory-to-sales Receivables Payables Chg in WC Change In Sales Comps Gross Margin Chg YoY Selling Exp to Sales Chg YoY Operating Income Chg YoY Pre-opening to Sales Gen & Admin to Sales Chg YoY Interest, net to sales Tax Rate Total Stores Store growth YoY	2.05% 11,201 2.20% 47,576 9.34% 6.908 1.36% 41,748 8.20% (124) 3.00% 24.90% 0.00% 22.30% 0.05% 0.05% 0.05% 0.05% 0.05%	2.10% 10,627 2.15% 46,190 9.34% 6,707 1.36% (5) 2.00% 24.90% 0.00% 22.00% 0.80% 4.49% 0.06% 20.35% 0.05%	2.19% 10,080 2.08% 45,285 9.34% 6,576 1.366% 1.9,252 8.10% (1,002) 1.25% 24.90% 0.92% 4.57% 0.03% 20.30% 0.02% 0.02%	1.47% 693.64 11,477 2.40% 9,454 1.98% 3.06% 44,469 -1.49% 5,624 1.18% 38,487 8.04% 1,903 -0.75% 25.31% 0.31% 20.28% 0.90% 4.98% 0.96% 20.28% 0.96% 20.28% 0.96% 20.28% 0.96% 4.96% 20.28% 0.96% 20.28% 0.96% 4.96% 20.28% 0.96% 4.96% 20.28% 0.96% 4.96% 20.28% 0.96% 4.96% 20.28% 0.96% 20.28% 20	3.19% 709.16 12,174 2.52% 9,173 1.90% 3.42% 45,141 0.63% 6,778 1.41% 38,410 1.93% 25.00% 0.01% 19.37% 0.06% 5.56% 0.07% 19.37% 0.06% 4.516 7.45%	2.81% 717.87 13.115 2.77% 8.870 1.87% 4.62% 44,858 2.41% 9.48% 6,677 1.41% 37,415 7.91% (1,629) 1.60% 24.99% 0.00% 19.31% 0.28% 5.61% 0.28% -0.28% 0.07% 19.31% 0.28% 4.203 4.94%	2.23% 726.37 12,898 2.77% 8,478 1.82% 4.28% 43,803 7.59% 9.41% 6,768 1.45% 38,080 5.00% 24.99% -0.16% -0.14% -0.14% 31.40% 4,005 3.54%	1.62% 707.20 13,510 3.05% 8,130 1.83% 6.40% 40,714 11.74% 9.18% 5,937 1.34% 36,088 8.26% (2,193) 5.95% -0.29% -0.27% 5.90% -0.27% 5.90% -0.17% -0.27% 5.90% -0.49% 32.98%	#REF! 678.28 12,699 3.03% 7,641 1.83% #REF! 36,437 #REF! 8.71% 5,089 1.22% 33,676 8.05% (7,850 #REF! 25.44% #REF! 19.44% #REF! 0.08% 19.449 #REF! -0.48% 33.29%

BUSFIN 4228 Student Investment Management June 28, 2017

Appendix B: Discounted Cash Flow

Walmart (WMT)											
Analyst: Jordan Buchanan				Terminal Di	iscount Rate =	9.0%	1				
Date: 6/8/2017				Terminal	FCF Growth =	3.5%	(J				
Year	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Revenue	484.597	494.289	509,117	519,300	532.282	548.251	564.698	581.639	599.088	617.061	635,573
% Growth	404,001	2.0%	3.0%	THE RESERVE AND PARTY OF THE PA	2.5%	Anna artista de la companya del la companya de la c		3.0%	3.0%	3.0%	3.0%
76 Glowari			0.0								Maria di Caralina di Maria
Operating Income	22,160	22,210	22,635	23,087	23,665	24,375	25,106	25,859	26,635	27,434	28,257
Operating Margin	4.6%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Interest	(2,327)	(2,373)	(2,444)	(2,493)	(2,555)	(2,632)	(2,711)	(2,792)	(2,876)	(2,962)	(3,051)
Interest % of Sales	-0.5%	The second second second second second	The second secon	** Annual Control of the Control of	-0.5%			-0.5%		-0.5%	-0.5%
Taxes	6,003	6,004	6,111	6,234	6,389	6,581	6,779	6,982	7,191	7,407	7,629
Tax Rate	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%
Net Income	13,830	13,833	14,080	14,361	14,720	15,162	15,617	16,085	16,568	17,065	17,577
% Growth		0.0%			2.5%					3.0%	3.0%
Add Depreciation/Amort	10.080	10.627	11.201	11,425	11.710	12.062	12.423	12.796	13.180	13,575	13,983
% of Sales	2.1%			Secretary and a Secretary and a second property of the least of the le	2.2%	Commence of the Commence of th	The second secon	The second district of	And are the control of the control o	13,373	13,963
Plus/(minus) Changes WC	(1,002)			The state of the s	(129)	NATURAL PROPERTY AND ADDRESS OF				(150)	(155)
% of Sales	-0.2%			The second and a facilities of the second and the second	0.0%	the residence of the second section is		0.0%	the same of the sa	0.0%	0.0%
Subtract Capital Expenditure		10,380	10,437	10,646	10,912	11,239	11,576	11,924	12,281	12,650	13,029
Capex % of sales	2.2%	2.1%	2.1%	6 21%	2.1%			all profits 1874 of Guidelph (parties and	2.1%	2.1%	2.1%
Free Cash Flow	12.290	14,075	14,719	15.014	15,389	15,851	16,326	16,816	17.321	17,840	18,376
% Growth		14.5%			2.5%					3.0%	3.0%
NPV of Cash Flows	101.702	41%									
NPV of Cash Flows	146,067	59%								Terminal Value	345,794
Projected Equity Value	247,769	100%								Terriniai value	343,134
Free Cash Flow Yield	5.45%									Free Cash Yield	5.31%
Current P/E	16.3	16.3	16.0							Terminal P/E	19.7
Projected P/E	17.9 8.2	17.9	17.6							Terminal EV/EBITDA	0.4
Current EV/EBITDA Projected EV/EBITDA	8.2 8.9	8.1 8.8	7.8 8.5							Terminal EV/EBITDA	9.1
Shares Outstanding	3,014.0	Million		-	0.5000000000000000000000000000000000000	Sensitivit	y Analysis	Terminal	Growth Ra	ite	No. of the Control of the
Onal of Careaniania					Market State of the State of th	\$82.21	6%	7%		9%	10%
Current Price	\$ 74.84				Rate	0%					55.74
Implied equity value/share	\$ 82.21				E .	1%					58.62
Upside/(Downside) to DCF	9.84%	,			wt	2%	125.76	100.31	83.36	71.27	62.21
Dividend Yield	2.74%	Total Retu	urn:	12.58%	Growth	3%	155.84	116.89	93.53	77.95	66.83
Debt	46,500	Million			FCF	4%	215.98	144.53	108.78	87.31	72.98
Cash	6,550	Million			F	5%	396.41	199.80	134.20	101.35	81.60
Cash/share	2.17										