 Name _____

# Walmart: Reading the Real Financial Statements

**Source:** Walmart Inc. Form 10-K, fiscal year ended January 31, 2025 (some lines combined; amounts in millions) · sec.gov/Archives/edgar/data/104169/000010416925000021/wmt-20250131.htm

## Walmart Inc.
## Consolidated Statement of Income

| | Fiscal 2025 |
|---|---|
| Net sales | $ 674,538 |
| Membership and other income | 6,447 |
| Total revenues | 680,985 |
| Cost of sales | 511,753 |
| Operating, selling, general & admin. expenses | 139,884 |
| Operating income | 29,348 |
| Interest, net | 2,245 |
| Other (gains) and losses | 794 |
| Income before income taxes | 26,309 |
| Provision for income taxes | 6,152 |
| Net income | $ 20,157 |

## Walmart Inc.
## Statement of Retained Earnings

| | Fiscal 2025 |
|---|---|
| Retained earnings, Jan 31, 2024 | $ 89,814 |
| Add: Net income | 20,157 |
| Less: Dividends | (6,688) |
| Less: Others (incl. share repurchases, Ch11) | (4,970) |
| Retained earnings, Jan 31, 2025 | $ 98,313 |

## Walmart Inc.
## Consolidated Balance Sheet

| | Jan 31, 2025 |
|---|---|
| Cash and cash equivalents | $ 9,037 |
| Receivables, net | 9,975 |
| Inventories | 56,435 |
| Prepaid expenses and other | 4,011 |
| Total current assets | 79,458 |
| Property and equipment, at cost | 231,617 |
| Less: Accumulated depreciation | (111,624) |
| Property and equipment, net | 119,993 |
| Leases, goodwill and other assets | 61,372 |
| Total assets | $ 260,823 |
| Accounts payable | $ 58,666 |
| Accrued and other current liabilities | 37,918 |
| Total current liabilities | 96,584 |
| Long-term debt | 33,401 |
| Lease obligations and other long-term liabilities | 33,417 |
| Total liabilities | 163,402 |
| Common stock and paid-in capital | 6,305 |
| Retained earnings | 98,313 |
| Others (AOCI) | (7,197) |
| Total equity | 97,421 |
| Total liabilities and equity | $ 260,823 |

## FIND IT IN THE STATEMENTS

Write the amount ($ millions). Definitions are on the back.

1. How much does Walmart expect to collect from its customers? **9,975**
2. What did the merchandise Walmart sold this year cost it? **511,753**
3. What expense did it record for wages, rent, utilities and advertising? **139,884**
4. What is the cost of the goods still on its shelves and in warehouses? **56,435**
5. How much does it owe suppliers for goods bought on credit? **58,666**
6. What is the government's share of this year's profit? **6,152**
7. What was left of revenue after all expenses this year? **20,157**
8. How much of its buildings' and equipment's cost has been used up so far? **111,624**
9. What did its buildings and equipment originally cost? **231,617**
10. How much does it owe lenders on long-term loans? **33,401**
11. How much did it pay its shareholders as dividends? **6,688**
12. How much profit has it earned over the years and kept in the business? **98,313**

## KEY CONCEPTS (HINTS)

### INCOME STATEMENT · A WHOLE YEAR

**Revenue (net sales)**
What the company earns from selling goods and services, recorded when *earned*.

**Cost of sales (cost of goods sold, merchandise costs)**
The cost of the inventory that was *sold*. It leaves the balance sheet and becomes an expense.

**Operating expenses (SG&A)**
Costs of running the business other than the goods: wages, rent, utilities, advertising.

**Depreciation**
The part of a building's or equipment's cost recorded as an expense each year as it is used up. No cash is paid when it is recorded.

**Income tax expense (provision)**
The government's share of the profit.

**Net income**
Revenue minus *all* expenses, including interest and taxes.

### STATEMENT OF RETAINED EARNINGS

**Retained earnings**
Profit earned since the start and kept in the business. Beginning + Net income − Dividends = Ending.

**Dividends**
Profit paid out to shareholders. Not an expense.

### BALANCE SHEET · ONE DATE

**Assets = Liabilities + Equity**
Everything the company owns is financed by creditors or by owners.

**Current assets / current liabilities**
Expected to be used up or paid within one year.

**Accounts receivable**
Amounts customers owe the company, expected to be collected in cash.

**Inventory**
Goods held for sale, recorded at cost until sold.

**Accumulated depreciation**
All depreciation recorded so far on buildings and equipment. Cost − accumulated depreciation = net (book value).

**Accounts payable**
Amounts owed to suppliers for goods or services bought on credit.

**Long-term debt**
Money borrowed (loans, bonds) that is due after more than one year.

## FINALLY, CALCULATE (USE THE NUMBERS ON THE FRONT)

**13** **Gross profit margin**
= (Net sales − Cost of sales) ÷ Net sales — **24.1%**

**14** **Net profit margin**
= Net income ÷ Total revenue — **3.0%**

**15** **Current ratio**
= Total current assets ÷ Total current liabilities — **0.82**

13: (674,538 − 511,753) ÷ 674,538 = 24.1% · 14: 20,157 ÷ 680,985 = 3.0% · 15: 79,458 ÷ 96,584 = 0.82.
Walmart keeps about 3 cents of every sales dollar as profit. A current ratio below 1 is normal for Walmart: it sells its inventory before it has to pay its suppliers (accounts payable is larger than inventory).

Some lines are combined. Receivables are reported net of an allowance for credit losses; Walmart does not disclose the allowance amount separately. In retained earnings, "Others" also includes the share of net income that belongs to minority owners of subsidiaries.