

WAL MART STORES INC

Form 10-Q

December 01, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended October 31, 2014.

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____.

Commission file number 1-6991

WAL-MART STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of

incorporation or organization)

71-0415188

(I.R.S. Employer

Identification No.)

702 S.W. 8th Street

Bentonville, Arkansas

(Address of principal executive offices)

72716

(Zip Code)

Registrant's telephone number, including area code: (479) 273-4000

Former name, former address and former fiscal year, if changed since last report: N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

☒

Accelerated Filer

☐

Non-Accelerated Filer

☐

Smaller Reporting Company

☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 3,223,189,895 shares of common stock outstanding as of November 26, 2014.

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Form 10-Q
For the Quarterly Period Ended October 31, 2014

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Wal-Mart Stores, Inc.

Condensed Consolidated Statements of Income

(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2014	2013	2014	2013
(Amounts in millions, except per share data)				
Revenues:				
Net sales	\$118,076	\$114,876	\$351,579	\$344,290
Membership and other income	925	812	2,507	2,298
Total revenues	119,001	115,688	354,086	346,588
Costs and expenses:				
Cost of sales	89,247	86,687	265,971	260,098
Operating, selling, general and administrative expenses	23,489	22,691	68,917	66,965
Operating income	6,265	6,310	19,198	19,525
Interest:				
Debt	561	527	1,601	1,556
Capital leases	115	65	237	198
Interest income	(20)	(12)	(76)	(92)
Interest, net	656	580	1,762	1,662
Income from continuing operations before income taxes	5,609	5,730	17,436	17,863
Provision for income taxes	1,783	1,860	5,810	5,856
Income from continuing operations	3,826	3,870	11,626	12,007
Income from discontinued operations, net of income taxes	—	15	285	38
Consolidated net income	3,826	3,885	11,911	12,045
Less consolidated net income attributable to noncontrolling interest	(115)	(147)	(514)	(454)
Consolidated net income attributable to Walmart	\$3,711	\$3,738	\$11,397	\$11,591
Basic net income per common share:				
Basic income per common share from continuing operations attributable to Walmart	\$1.15	\$1.14	\$3.47	\$3.53
Basic income per common share from discontinued operations attributable to Walmart	—	0.01	0.06	—
Basic net income per common share attributable to Walmart	\$1.15	\$1.15	\$3.53	\$3.53
Diluted net income per common share:				
Diluted income per common share from continuing operations attributable to Walmart	\$1.15	\$1.14	\$3.46	\$3.51
Diluted income per common share from discontinued operations attributable to Walmart	—	—	0.05	0.01
Diluted net income per common share attributable to Walmart	\$1.15	\$1.14	\$3.51	\$3.52
Weighted-average common shares outstanding:				
Basic	3,229	3,257	3,231	3,279
Diluted	3,240	3,271	3,243	3,293
Dividends declared per common share	\$—	\$—	\$1.92	\$1.88

See accompanying notes.

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Wal-Mart Stores, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions)	2014	2013	2014	2013
Consolidated net income	\$3,826	\$3,885	\$11,911	\$12,045
Less consolidated net income attributable to nonredeemable noncontrolling interest	(115)	(131)	(514)	(407)
Less consolidated net income attributable to redeemable noncontrolling interest	—	(16)	—	(47)
Consolidated net income attributable to Walmart	3,711	3,738	11,397	11,591
Other comprehensive income (loss), net of income taxes				
Currency translation and other	(2,340)	724	(1,328)	(2,171)
Derivative instruments	(161)	—	(165)	180
Minimum pension liability	10	1	16	117
Other comprehensive income (loss), net of income taxes	(2,491)	725	(1,477)	(1,874)
Less other comprehensive income (loss) attributable to nonredeemable noncontrolling interest	197	(15)	222	240
Less other comprehensive income (loss) attributable to redeemable noncontrolling interest	—	(4)	—	38
Other comprehensive income (loss) attributable to Walmart	(2,294)	706	(1,255)	(1,596)
Comprehensive income, net of income taxes	1,335	4,610	10,434	10,171
Less comprehensive income (loss) attributable to nonredeemable noncontrolling interest	82	(146)	(292)	(167)
Less comprehensive income (loss) attributable to redeemable noncontrolling interest	—	(20)	—	(9)
Comprehensive income attributable to Walmart	\$1,417	\$4,444	\$10,142	\$9,995
See accompanying notes.				

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Wal-Mart Stores, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(Amounts in millions)	October 31, 2014	January 31, 2014	October 31, 2013
ASSETS			
Current assets:			
Cash and cash equivalents	\$6,718	\$7,281	\$8,736
Receivables, net	6,091	6,677	6,206
Inventories	51,501	44,858	49,673
Prepaid expenses and other	1,531	1,909	2,160
Current assets of discontinued operations	—	460	367
Total current assets	65,841	61,185	67,142
Property and equipment:			
Property and equipment	177,494	173,089	170,967
Less accumulated depreciation	(62,519)	(57,725)	(56,313)
Property and equipment, net	114,975	115,364	114,654
Property under capital leases:			
Property under capital leases	5,632	5,589	5,668
Less accumulated amortization	(3,115)	(3,046)	(3,095)
Property under capital leases, net	2,517	2,543	2,573
Goodwill	18,888	19,510	19,729
Other assets and deferred charges	5,668	6,149	5,778
Total assets	\$207,889	\$204,751	\$209,876