

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Market Underestimating Wide-Moat Wal-Mart's Ability to Weather Competition; Valuation Attractive

See Page 2 for the full Analyst Note from 01 Jul 2015

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The primary analyst covering this company does not own its stock.

Research as of 01 Jul 2015
Estimates as of 27 May 2015
Pricing data through 04 Aug 2015
Rating updated as of 04 Aug 2015

Currency amounts expressed with "\$" are in U.S. dollars (USD) unless otherwise denoted.

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Investment Thesis 30 Apr 2015

With unrivaled scale, Wal-Mart focuses on operating at the lowest cost possible (everyday low cost, or EDLC) so that it can offer customers lower prices than its competitors (everyday low prices, or EDLP). Wal-Mart's "productivity loop," which summarizes the firm's strategy, is based upon four mutually reinforcing pillars: operate for less, buy for less, sell for less, and grow sales.

Historically, Wal-Mart gained scale by saturating local markets in the U.S. and convincing consumers that its one-stop shop offered inexpensive products and convenience. Positive price perception bolstered brand loyalty and volume levels, driving down Wal-Mart's costs relative to peers'; the combination of a cost advantage and a brand intangible asset resulted in a virtuous cycle of improving results, despite few customer switching costs.

That said, the firm has been challenged by competitors offering low prices and convenience, namely the dollar stores and the online channel. In response, Wal-Mart is investing in e-commerce capabilities and expanding its footprint by opening smaller-format Neighborhood Market stores (basic grocery and pharmacy) so that it can serve all trip types (stockups at existing Supercenters and basic food trips/fill-in trips at small and medium-sized Neighborhood Market outlets). We believe that Wal-Mart's scale will allow the firm to operate efficiently in all channels and defend its turf.

Wal-Mart is also squarely focused on improving international returns and driving comp growth at Sam's Club through merchandising, but outperformance could be harder to achieve. Wal-Mart wants to drive more consumer trips to Sam's through increased membership, more trips by current members, and a greater degree of online sales. The challenge will be profitably reallocating store space more frequently (although consumer data should help) and fending off rival Costco. On the international front, achieving returns comparable with those in the U.S. may be difficult to achieve. Wal-Mart's expansion strategy is similar to the one it executed in the U.S., but competition is more fierce today and international scale advantages do not appear as robust as in the U.S.

Vital Statistics

Market Cap (USD Mil)	232,685
52-Week High (USD)	90.97
52-Week Low (USD)	70.36
52-Week Total Return %	0.9
YTD Total Return %	-14.7
Last Fiscal Year End	31 Jan 2015
5-Yr Forward Revenue CAGR %	2.4
5-Yr Forward EPS CAGR %	3.7
Price/Fair Value	0.89

Valuation Summary and Forecasts

	Fiscal Year:	2014	2015	2016(E)	2017(E)
Price/Earnings		14.5	16.8	15.0	14.4
EV/EBITDA		8.2	8.9	7.8	7.5
EV/EBIT		11.0	11.9	10.4	10.2
Free Cash Flow Yield %		4.2	6.0	5.7	5.7
Dividend Yield %		2.8	2.5	2.7	2.8

Financial Summary and Forecasts (USD Mil)

	Fiscal Year:	2014	2015	2016(E)	2017(E)
Revenue		476,294	485,651	491,484	506,344
Revenue YoY %		1.5	2.0	1.2	3.0
EBIT		26,872	27,147	26,544	27,029
EBIT YoY %		-3.3	1.0	-2.2	1.8
Net Income, Adjusted		16,876	16,363	15,586	15,778
Net Income YoY %		-0.7	-3.0	-4.8	1.2
Diluted EPS		5.14	5.05	4.82	5.03
Diluted EPS YoY %		2.5	-1.8	-4.4	4.4
Free Cash Flow		11,918	17,238	14,421	14,433
Free Cash Flow YoY %		-12.7	44.6	-16.3	0.1

Historical/forecast data sources are Morningstar Estimates and may reflect adjustments.

Profile

Wal-Mart is the largest retailer in the world with more than \$485 billion in annual revenue and about 11,400 stores across the globe. The company mainly operates supercenters, followed by wholesale warehouse clubs, and is now rolling out smaller store formats to penetrate historically underrepresented urban areas. Groceries account for roughly half of total sales, with the other half in general merchandise that includes items in hardlines, apparel, health and wellness, entertainment, and home goods.

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Morningstar Analysis

Market Underestimating Wide-Moat Wal-Mart's Ability to Weather Competition; Valuation Attractive

01 Jul 2015

With its shares falling more than 20% (to around \$70 per share) since the beginning of 2015, we believe wide-moat Wal-Mart looks particularly attractive at current levels. As the world's largest retailer, Wal-Mart has struggled to generate meaningful sales growth in recent periods, and its decision to increase wages and e-commerce investments has left minimal room for leverage. The company also continues to face competitive pressure in the United States, primarily from the dollar stores, Amazon, and Costco, and abroad, leaving investors concerned about Wal-Mart's ability to generate growth. We believe that these headwinds will have an impact on near- to medium-term results, but we also think that they are fully priced into Wal-Mart's shares. We think that Wal-Mart's small-format, e-commerce, and ShippingPass (unlimited three-day delivery for \$50 per year, in pilot) offer should help the firm to compete with rival formats over the longer term.

If Wal-Mart is able to generate even modest growth over the medium to long term, we think that investors could realize decent risk-adjusted returns coming out of a low interest rate environment. The company still commands scale advantages, which give it negotiating leverage over suppliers and help it to support its brand perception as a low-priced leader. Moreover, we believe that our base case assumptions are fairly conservative relative to historical figures. Our \$81 fair value estimate assumes 2.5% average annual revenue growth (over the next decade), 7.5% average EBITDA margins, and a 7.5% cost of equity; over the past five years, revenue has increased by about 3.5% annually and EBITDA margin has averaged 7.7%. Thus, with earnings and free cash flow yields standing around 7%, Wal-Mart appears attractively priced relative to other no-moat defensive retailers.

Valuation, Growth and Profitability

27 May 2015

We are lowering our fair value estimate to \$81 per share from \$83 per share, primarily because of larger-than-expected currency headwinds, higher labor costs, and lower near-term sales growth at Sam's Club. Our updated fair value implies a fiscal 2016 price/earnings ratio of 17, enterprise value/EBITDA ratio of 8, and free cash flow yield around 5%. We continue to forecast overall annual domestic comparable-store sales in the 1% range (excluding changes in fuel prices) and about 2% total square footage, which equates to roughly 2%-3% total revenue growth over the medium term.

We project operating margins to contract slightly in fiscal 2016, as we expect weak near-term comp growth higher labor costs and e-commerce investments could limit leverage opportunities. Over the long term, we expect that Wal-Mart can leverage its cost structure, but we think cost savings will be reinvested into lower prices. Thus, we forecast operating margins to average around 5.4% over the next five years, roughly in line with the 5.6% operating margin generated in fiscal 2015 and the three-year historical average of 5.7%.

Scenario Analysis

We assign Wal-Mart a low uncertainty rating, as this wide moat firm has a solid competitive position in a relatively stable industry, providing greater visibility into future cash flows. The biggest drivers of our fair value estimate are our assumptions for unit and square footage growth, same-store sales growth, and operating margins.

Our fair value estimate would be \$65 per share in our downside case. In a worst-case scenario, we assume a number of incremental negative factors: sustained high unemployment, continued comparable-store sales weakness in general merchandise coupled with food deflation, and a tougher international competitive environment. All of these factors would have a negative impact on sales, margins,

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and operating cash flow. Under these conditions, we think competition could become very intense, and we assume that Wal-Mart would invest heavily in price to drive traffic into stores. As such, we only model 2%-3% annual top-line growth over the medium term in this scenario. Weaker sales growth could limit Wal-Mart's ability to leverage its cost structure, leaving Wal-Mart well short of its goal to expand margins. We project operating margins to average around 4.9 over our 10-year explicit forecast period in this scenario, below our 5.4% base-case projection.

In our upside case, Wal-Mart's fair value estimate would be \$96 per share. This scenario requires a sustained macroeconomic environment of employment and wage growth for lower-income consumers. Comparable-store sales would then exceed the 2% annual growth forecast in our base case by around 50 basis points, Wal-Mart would leverage expenses to a greater degree, the higher sales mix of general merchandise would move gross margin rates ahead of our forecast, and operating margins would increase to a peak at just below 6%, higher than in our base case.

Economic Moat

Wal-Mart has a wide economic moat because of the cost advantages that stem from volume purchasing power and massive scale. The company is the largest retailer in the world with more than \$485 billion in annual global sales, of which more than \$300 billion is generated in the U.S. So relative to other retailers, Wal-Mart has tremendous leverage to extract the most favorable terms possible from consumer goods suppliers, vendors, and manufacturers. Moreover, to gain access to the largest sales channel in retail, suppliers must tie into Wal-Mart's just-in-time inventory and logistics systems. Wal-Mart leverages its every-day low-cost advantages to communicate an every-day low-price message to consumers. We believe an intangible moat source stems from this messaging, as core consumers almost automatically perceive Wal-Mart to lead on price in most categories.

Moat Trend

Wal-Mart's moat trend is negative. Market share in general merchandise is less fragmented after considering the number of category-killer formats that have reached saturation. Amazon and the push to online sales by brick-and-mortar concepts only exacerbate the overstored problem in many retail subsectors. Amazon's direct distribution-to-consumer model is simply more efficient than Wal-Mart's distribution-to-supercenter-to-customer business. The supercenter, or any other store and its labor and other overhead (including rent or mortgage), is the unnecessary middleman in the Amazon business model.

Wal-Mart is leveraging its 4,000 stores as points of distribution for its delivery in a handful of U.S. cities, and is also testing a \$50 membership offer that guarantees members free 1-3-day shipping; we believe this latter option is directly aimed at Amazon. Additionally, the company has the "Pay with Cash" program that allows customers to purchase merchandise on its website and have the item or items delivered, but the transaction can be paid for at the

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store. The company continues to aggressively hire technology talent to drive its e-commerce initiative. It could be shifting to a greater emphasis on e-commerce, which requires less capital than a massive store buildout, to gain market share in developing countries. We believe Amazon has a massive first-mover advantage and core competencies in Internet retailing that cannot be easily replicated.

Food is even less fragmented than general merchandise, with U.S. consumers spending around 65% of their grocery dollars at just 20 firms, according to the U.S. Department of Agriculture. In our view, this consolidation (from less than 50% a little more than a decade ago) has been driven by Wal-Mart's and Costco's expansion into grocery, as supercenters and warehouse clubs continue to take grocery market share from traditional players. Costco derives nearly all of its profits from membership fees, so it sells food at essentially zero economic profit. As a result, the company has moved to number three in overall grocery share on about 450 units. The Costco model is essentially a backward Amazon: Instead of delivering goods directly to the consumer from the warehouse, members drive to a distribution center that has a cash register to pick items off freight pallets. If it's a bit of a drive, Costco sells gas as a loss leader, too, along with just about any other desired item. Wal-Mart does carry inventory across more stock-keeping units. But Wal-Mart and Costco have virtually the same merchandise sales mix without any major product differentiation in categories in which they compete. Switching costs should favor Wal-Mart supercenters because of the average \$55 membership at Costco. However, Costco's membership retention rates are very high, at more than 85%, and have not deviated materially in good or bad economic cycles.

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Bulls Say/Bears Say

Bulls Say

- ▶ Neighborhood Market stores could begin to counter the competitive threat from the dollar channel for Wal-Mart's core low-end consumers.
- ▶ The company remains the retail price leader in food and general merchandise and can regain market share through more aggressive prices.
- ▶ Wal-Mart is positioning itself to capture the attractive returns on capital in the online channel, evidenced by major investments in e-commerce.

Bears Say

- ▶ Wal-Mart will have to continue to invest gross margin to lower prices to keep comparable-store sales in the 1%-2% range.
- ▶ E-commerce could cannibalize Wal-Mart's in-store sales, leaving the firm at a cost disadvantage relative to online competitors that do incur the cost of operating physical store locations.
- ▶ Roughly three fourths of international stores operate in countries where Wal-Mart has been for more than 10 years, yet returns on assets have not meaningfully improved.

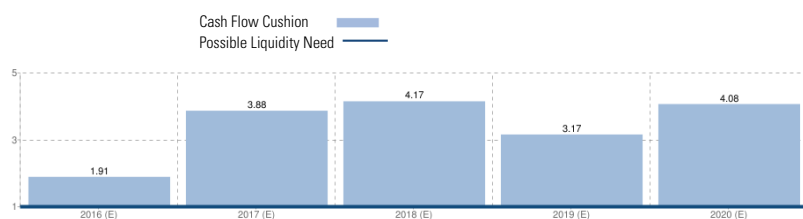
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Five Year Adjusted Cash Flow Forecast (USD Mil)

	2016(E)	2017(E)	2018(E)	2019(E)	2020(E)
Cash and Equivalents (beginning of period)	9,135	20,565	18,936	17,705	13,629
Adjusted Available Cash Flow	10,540	10,496	11,320	11,636	11,813
Total Cash Available before Debt Service	19,675	31,061	30,256	29,341	25,443
Principal Payments	-4,810	-2,312	-1,523	-3,518	-514
Interest Payments	-2,703	-2,850	-2,878	-2,837	-2,797
Other Cash Obligations and Commitments	-2,805	-2,833	-2,861	-2,890	-2,919
Total Cash Obligations and Commitments	-10,318	-7,995	-7,262	-9,245	-6,230

Cumulative Annual Cash Flow Cushion



Adjusted Cash Flow Summary

	USD Millions	% of Commitments
Beginning Cash Balance	9,135	22.3
Sum of 5-Year Adjusted Free Cash Flow	55,806	136.0
Sum of Cash and 5-Year Cash Generation	64,941	158.2
Revolver Availability	15,447	37.6
Asset Adjusted Borrowings (Repayment)	—	—
Sum of Cash, 5-Year Cash Generation, Revolver and Adjustments	80,388	195.8
Sum of 5-Year Cash Commitments	-41,050	—

Financial Health

We do not see any liquidity issues at Wal-Mart. At the end of fiscal 2015, Wal-Mart had more than \$9 billion in cash on the balance sheet and more than \$15 billion in undrawn credit facilities. Combining these factors, our base-case Cash Flow Cushion stands at around 2.0. The company's lease-adjusted fixed coverage ratio has averaged less than 2 times over the past five years, and given that Wal-Mart owns most of its stores, we think it has more than enough liquidity, even if a more distressed operating environment materializes. We place the company at a very low risk of default and grant it an issuer rating of AA.

Wal-Mart has not set an optimal capital structure target, but long-term debt has remained in the range of 35%-40% of total capital during the past five years. At the end of fiscal 2015, the company had a little less than \$50 billion in short- and long-term debt obligations on its balance sheet. Wal-Mart's dividend yield remains relatively low, around 2.5%, but the company maintains the ability to increase its dividend payout ratio. Management also returns cash to shareholders through stock repurchases; over the past three years, Wal-Mart bought back around \$15 billion worth of stock. While we anticipate that Wal-Mart will continue reinvesting in the business (particularly in international markets), we still think it can increase its dividend by a high-single-digit annually, and we also expect that the firm will allocate excess cash to share repurchases over time.

Enterprise Risk

Competition could intensify over the coming years, particularly if consumer income growth remains sluggish and existing players become increasingly price competitive (at the expense of margin) to drive traffic into stores. This aggressive price competition could also exacerbate the challenges posed by volatile commodity prices; the firm may be unable to pass through higher input costs (and preserve margins) without losing share. International business

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operations leave the firm exposed to various geopolitical risks, inflationary pressures, currency fluctuations, and differing regulatory standards. Finally, multichannel shopping could challenge Wal-Mart if consumers increasingly shift spending online; the firm needs to generate sufficient in-store sales to justify operating with a large store footprint.

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Management & Ownership

Management Activity

Name	Position	Shares Held	Report Date*	InsiderActivity
JIM. C. WALTON	Director	10,506,742	05 Jun 2015	—
S. ROBSON WALTON	Director	2,924,981	25 Jun 2015	—
MICHAEL T. DUKE	Director	1,274,564	05 Jun 2015	—
C. DOUGLAS MCMILLON	CEO/Director/President,Director	672,527	02 Mar 2015	—
CHARLES HOLLEY	CFO/Executive VP	277,678	01 Apr 2015	—
M. SUSAN CHAMBERS	Executive VP, Divisional	229,943	02 Mar 2015	—
ROSALIND G. BREWER	CEO, Divisional/Executive VP/ President, Divisional	219,175	30 Mar 2015	—
MR. NEIL ASHE	CEO, Divisional/Executive VP/ President, Divisional	198,545	02 Mar 2015	—

*Represents the date on which the owner's name, position, and common shares held were reported by the holder or issuer.

Fund Ownership

Top Owners	% of Shares Held	% of Fund Assets	Change (k)	Portfolio Date
Vanguard Total Stock Mkt Idx	0.80	0.46	-2,620	30 Jun 2015
Dodge & Cox Stock Fund	0.58	2.22	-150	30 Jun 2015
Vanguard Five Hundred Index Fund	0.56	0.61	140	30 Jun 2015
Vanguard Institutional Index Fund	0.52	0.61	140	30 Jun 2015
SPDR® S&P 500 ETF	0.47	0.61	19	03 Aug 2015
Concentrated Holders				
The Cook & Bynum Fund	0.01	12.81	—	30 Jun 2015
DUNCAN ROSS EQUITY	—	9.01	-2	30 Sep 2014
Market Vectors® Retail ETF	0.01	8.21	—	03 Aug 2015
DUNCAN ROSS POOLED TRUST	0.01	7.15	—	30 Sep 2014
Consumer Staples Select Sector SPDR® Fd	0.22	6.28	-37	03 Aug 2015

Institutional Transactions

Top 5 Buyers	% of Shares Held	% of Fund Assets	Shares Bought/ Sold (k)	Portfolio Date
Wal-Mart Stores Profit Sharing and 401K Plan	1.78	31.03	67,738	31 Dec 2009
Fidelity Management and Research Company	0.49	0.18	6,294	31 Mar 2015
Merrill Lynch & Co Inc	0.34	0.48	5,400	31 Mar 2015
National Fire & Marine Insurance Co	0.12	4.32	3,739	31 Dec 2014
Invesco Advisers, Inc	0.26	0.44	3,704	31 Mar 2015
Top 5 Sellers				
State Street Corp	2.22	0.60	-5,419	31 Mar 2015
Magellan Asset Management Limited	0.03	0.54	-4,553	31 Mar 2015
Wellington Management Company LLP	0.65	0.44	-4,161	31 Mar 2015
Harris Associates L.P.	0.01	0.05	-3,802	31 Mar 2015
M&G INVESTMENT MANAGEMENT LTD	0.01	0.18	-3,502	31 Mar 2015

Management 30 Apr 2015

Former CEO Michael Duke, who previously headed the international division, retired at the end of fiscal 2014. Effective Feb. 1, Doug McMillon, previously the president and CEO of Wal-Mart International, took over as president and CEO.

Duke spearheaded "project impact," the company's initiative to shift consumers' awareness of Wal-Mart as solely a low-cost provider toward more of a value proposition. This effort had little impact on U.S. same-store sales, which had been declining since the fiscal second quarter of 2010 (July 2009), and the company has since regrouped to place a great deal of energy behind reinforcing its EDLP proposition. The company's \$6 billion in price cuts, which helped to support domestic comparable-store sales despite fierce competition, is the most notable example.

McMillon has been with Wal-Mart for more than 20 years, working his way up from distribution and merchandising roles at Wal-Mart U.S. to segment president and CEO of Sam's Club (2006-09) and the international business most recently. We don't expect that McMillon will pursue a strategy that is materially different from the one outlined in the recent past; his long tenure at Wal-Mart and experience running the firm's global portfolio with vast distribution scale give us confidence that he will make decisions that reinforce the firm's wide economic moat. As such, we assign Wal-Mart a Standard Stewardship Rating, although we intend to update our analysis if the firm announces subsequent changes to its strategy and capital-allocation policies.

The board consists of 16 directors, 12 of whom are independent. Senior management compensation is mostly driven by variable performance that includes return on investment, pretax profits, domestic same-store sales, and international revenue growth. The CEO's compensation is within industry norms, especially given the size of the

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company. Walton Enterprises is the largest shareholder with about 48.9% of shares outstanding and consists of several Walton family members, including S. Robson Walton and Jim C. Walton, who is also on the board. There have been a handful of investigations into foreign business practices, and, the company has responded with programs to make sure employees and suppliers comply with the Foreign Corrupt Practices Act.

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Analyst Notes

E-Commerce and Labor Investments Weigh on Wal-Mart's Growth; Long-Term View Intact 19 May 2015

We don't expect a material change to our wide moat or \$83 fair value estimate for Wal-Mart after reviewing its first-quarter results, as the firm's profit drop and outlook were in line with our expectations. Having fallen after the earnings release, Wal-Mart's shares trade at a 7% discount to our fair value estimate. Given our low uncertainty rating and the less attractive valuations for other retailers, we suggest investors start looking to build a position in Wal-Mart.

Investments in e-commerce and labor, along with currency headwinds, will weigh on profit growth over the next 12-18 months, but we see room for long-term upside as sales increase at the same time investments moderate. Investors are justified in focusing on whether Wal-Mart's investments ultimately drive sales growth, but we think that many market players are expecting these long-term capital investments to drive improvements at a much faster rate than a firm of Wal-Mart's size is likely to deliver.

For example, wages, which Wal-Mart raised and will increase again in fiscal 2017, appear to be part of a broader strategy to drive employee productivity. While labor cost increases hit immediately, improvements in customer sentiment, traffic, and spending are likely to follow at a lag. That said, we don't believe the market is giving Wal-Mart enough credit for its potential to leverage higher sales to improve its brand image--a positive for its brand intangible asset--and to expand its margin longer term.

Similarly, e-commerce investments will remain elevated over the next two years, with fiscal 2016 representing the peak of e-commerce investments. Many of them, such as Wal-Mart's decision to offer free online shipping (in three days or fewer) for a \$50 annual fee, are in pilot mode, limiting the impact on consolidated results over the near term.

However, given changes in consumer shopping preferences and the multichannel sales opportunity that e-commerce poses, we think that these investments are vital.

We were encouraged by improving results at Wal-Mart U.S., and we see room for further comp upside over the medium term. Wal-Mart U.S. comp growth came in at 1.1% during the quarter, and we expect the firm to sustain this level of growth over the near term; traffic (up 1.0%) and modestly higher average tickets (up 0.1%) mostly drove the growth. Our optimism about medium-term comp upside stems from the fact that Wal-Mart noted that its customers are using lower gas prices to pay down debt or build up savings; we expect comparable-store sales growth to accelerate slightly over the medium to longer term, as contentment with debt levels and/or savings could prompt consumers to reallocate cash flow toward products sold in Wal-Mart's stores.

Sam's Club once again had the most disappointing results with comparable-store sales increasing a mere 0.4%. Sam's Club traffic declined during the quarter, driven by declining traffic from business customers. Management cited weak economic conditions and less than ideal merchandising as reasons, but we think that Costco and Amazon are the real drivers behind Sam's Club's weak traffic trends.

Wal-Mart's international segment reported decent results, although currency headwinds weigh on the bottom line. Most markets reported positive results, with the exception of the United Kingdom. The U.K. grocery market remains extremely intense, and Wal-Mart's Asda subsidiary has more demographic overlap with discounters Aldi and Lidl, which continue to take market share from traditional grocers. We expect weakness in the U.K. market to continue, but we think that Asda's e-commerce capabilities are quite sound, allowing Wal-Mart to leverage these strengths to improve its competitive position in other markets.

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Analyst Notes

Wide-Moat Wal-Mart's Shares Slide as Company Announces Wage Increases; Fairly Valued

19 Feb 2015

After reviewing Wal-Mart's fourth-quarter results and outlook, we don't expect a material change to our \$83 fair value estimate, as the potential cash flow hit from increased wages should be neutralized by the time value of money. We still believe the wide-moat firm commands a cost advantage over its peers and can compete effectively in multiple channels. The shares trade roughly in line with our fair value estimate, but given our low fair value uncertainty rating and the fact that most other U.S. retailers trade at less attractive valuations, we suggest investors look to Wal-Mart if it continues to trade down over the near term.

Wal-Mart's shares fell after earnings results were released, as the company said it intends to increase wages for about 500,000 U.S. employees, or a little more than 20% of the workforce. The wage increase is expected to be a \$0.20 (4%) headwind to earnings per share in fiscal 2016. Wages will increase again in fiscal 2017. Wal-Mart's wage increases appear to be part of a broader strategy to drive employee productivity; if successful in driving productivity, Wal-Mart could leverage higher sales and improve its brand image, a positive for its brand intangible asset. Moreover, competitors with thinner margins may also be forced to raise wages. As such, we do not expect to change our moat rating at present.

We expect e-commerce investments will remain elevated over the next two years, with fiscal 2016 representing the peak. These investments will be a drag on near-term profits, but we do believe Wal-Mart can leverage sales growth once these expenditures moderate, and we forecast the firm to sustain an operating margin around 5.5% (versus 5.6% in fiscal 2016) over the long term. If these estimates prove to be directionally correct, Wal-Mart should be able increase its dividend at a much higher rate than the recent 2.1% increase once investments moderate and free cash flow

improves.

Wal-Mart U.S. comp growth accelerated to 1.5% during the fourth quarter, and we expect this level of growth to be sustained over the near term; it was driven mostly by traffic (up 1.4%) and modestly higher average tickets (up 0.1%). We believe lower gas prices helped to drive traffic increases, as Wal-Mart noted that traffic trends were much stronger in rural areas (in which consumers have a longer trek to a Wal-Mart store) than in urban areas. Wal-Mart's Neighborhood Market also continued to perform well (comp growth of 7.7%), while e-commerce added about 0.3% to total comparable-store sales growth. Going forward, we expect Wal-Mart to generate low-single-digit comparable-store sales growth.

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Morningstar Analyst Forecasts

Financial Summary and Forecasts

Fiscal Year Ends in January

	3-Year Hist. CAGR	Forecast					5-Year Proj. CAGR
		2013	2014	2015	2016	2017	
Growth (% YoY)							
Revenue	2.8	5.0	1.5	2.0	1.2	3.0	2.4
EBIT	0.7	4.7	-3.3	1.0	-2.2	1.8	1.6
EBITDA	1.5	4.7	-1.5	1.6	-2.6	3.6	2.4
Net Income	1.4	8.3	-0.7	-3.0	-4.8	1.2	1.1
Diluted EPS	3.7	11.0	2.5	-1.8	-4.4	4.4	3.7
Earnings Before Interest, after Tax	-0.7	1.2	-3.5	0.4	-4.4	2.6	1.2
Free Cash Flow	27.3	63.5	-12.7	44.6	-16.3	0.1	-1.2

	3-Year Hist. Avg	Forecast					5-Year Proj. Avg
		2013	2014	2015	2016	2017	
Profitability							
Operating Margin %	5.7	5.9	5.6	5.6	5.4	5.3	5.4
EBITDA Margin %	7.6	7.7	7.5	7.5	7.2	7.2	7.4
Net Margin %	3.5	3.6	3.5	3.4	3.2	3.1	3.2
Free Cash Flow Margin %	3.0	2.9	2.5	3.6	2.9	2.9	2.9
ROIC %	11.3	11.9	11.0	10.9	11.1	11.1	11.2
Adjusted ROIC %	12.8	13.6	12.5	12.3	12.4	12.4	12.5
Return on Assets %	8.2	8.6	7.9	8.0	7.4	7.1	7.4
Return on Equity %	21.6	23.0	21.0	20.8	18.2	17.5	18.1

	3-Year Hist. Avg	Forecast					5-Year Proj. Avg
		2013	2014	2015	2016	2017	
Leverage							
Debt/Capital	0.41	0.41	0.43	0.38	0.39	0.39	0.38
Total Debt/EBITDA	1.49	1.49	1.58	1.39	1.60	1.56	1.48
EBITDA/Interest Expense	15.40	16.13	15.31	14.76	13.09	12.86	13.59

Valuation Summary and Forecasts

	2014	2015	2016(E)	2017(E)
Price/Fair Value	0.93	1.02	—	—
Price/Earnings	14.5	16.8	15.0	14.4
EV/EBITDA	8.2	8.9	7.8	7.5
EV/EBIT	11.0	11.9	10.4	10.2
Free Cash Flow Yield %	4.2	6.0	5.7	5.7
Dividend Yield %	2.8	2.5	2.7	2.8

Key Valuation Drivers

Cost of Equity %	7.5
Pre-Tax Cost of Debt %	5.5
Weighted Average Cost of Capital %	6.9
Long-Run Tax Rate %	33.0
Stage II EBI Growth Rate %	2.1
Stage II Investment Rate %	10.5
Perpetuity Year	20

Additional estimates and scenarios available for download at <http://select.morningstar.com>.

Discounted Cash Flow Valuation

	USD Mil	Firm Value (%)	Per Share Value
Present Value Stage I	117,072	39.1	36.24
Present Value Stage II	78,268	26.1	24.23
Present Value Stage III	104,305	34.8	32.28
Total Firm Value	299,645	100.0	92.74
Cash and Equivalents	9,135	—	2.83
Debt	-50,381	—	-15.59
Preferred Stock	—	—	—
Other Adjustments	-1,032	—	-0.32
Equity Value	257,367	—	79.66

Projected Diluted Shares 3,231

Fair Value per Share (USD) —

The data in the table above represent base-case forecasts in the company's reporting currency as of the beginning of the current year. Our fair value estimate may differ from the equity value per share shown above due to our time value of money adjustment and in cases where probability-weighted scenario analysis is performed.

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Morningstar Analyst Forecasts

Income Statement (USD Mil)

Fiscal Year Ends in January

	2013	2014	2015	Forecast	
				2016	2017
Revenue	469,162	476,294	485,651	491,484	506,344
Cost of Goods Sold	352,488	358,069	365,086	369,363	380,848
Gross Profit	116,674	118,225	120,565	122,121	125,495
Selling, General & Administrative Expenses	88,873	91,353	93,418	95,577	98,467
Other Operating Expense (Income)	—	—	—	—	—
Other Operating Expense (Income)	—	—	—	—	—
Depreciation & Amortization (if reported separately)	—	—	—	—	—
Operating Income (ex charges)	27,801	26,872	27,147	26,544	27,029
Restructuring & Other Cash Charges	—	—	—	—	—
Impairment Charges (if reported separately)	—	—	—	—	—
Other Non-Cash (Income)/Charges	—	—	—	—	—
Operating Income (incl charges)	27,801	26,872	27,147	26,544	27,029
Interest Expense	2,251	2,335	2,461	2,703	2,850
Interest Income	187	119	113	114	115
Pre-Tax Income	25,737	24,656	24,799	23,955	24,294
Income Tax Expense	7,981	8,105	7,985	7,876	8,017
Other After-Tax Cash Gains (Losses)	—	—	—	—	—
Other After-Tax Non-Cash Gains (Losses)	—	—	—	—	—
(Minority Interest)	-757	-529	-451	-493	-499
(Preferred Dividends)	—	—	—	—	—
Net Income	16,999	16,022	16,363	15,586	15,778
Weighted Average Diluted Shares Outstanding	3,389	3,283	3,243	3,231	3,134
Diluted Earnings Per Share	5.02	4.88	5.05	4.82	5.03
Adjusted Net Income	16,999	16,876	16,363	15,586	15,778
Diluted Earnings Per Share (Adjusted)	5.02	5.14	5.05	4.82	5.03
Dividends Per Common Share	1.56	1.88	1.92	1.96	2.05
EBITDA	36,302	35,742	36,320	35,391	36,649
Adjusted EBITDA	36,302	35,742	36,320	35,391	36,649

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Morningstar Analyst Forecasts

Balance Sheet (USD Mil)

Fiscal Year Ends in January

	2013	2014	2015	Forecast	
				2016	2017
Cash and Equivalents	7,781	7,281	9,135	20,565	18,936
Investments	—	—	—	—	—
Accounts Receivable	6,768	6,677	6,778	6,733	6,936
Inventory	43,803	44,858	45,141	45,538	46,954
Deferred Tax Assets (Current)	—	—	—	—	—
Other Short Term Assets	1,588	2,369	2,224	2,703	2,911
Current Assets	59,940	61,185	63,278	75,539	75,738
Net Property Plant, and Equipment	116,681	117,907	116,655	120,095	123,133
Goodwill	20,497	19,510	18,102	18,102	18,102
Other Intangibles	—	—	—	—	—
Deferred Tax Assets (Long-Term)	—	—	—	—	—
Other Long-Term Operating Assets	5,987	6,149	5,671	5,739	5,913
Long-Term Non-Operating Assets	—	—	—	—	—
Total Assets	203,105	204,751	203,706	219,475	222,886
Accounts Payable	38,080	37,415	38,410	39,466	40,693
Short-Term Debt	12,719	12,082	6,689	9,099	7,310
Deferred Tax Liabilities (Current)	—	—	—	—	—
Other Short-Term Liabilities	21,019	19,848	20,173	20,447	20,812
Current Liabilities	71,818	69,345	65,272	69,012	68,815
Long-Term Debt	41,417	44,559	43,692	47,380	49,857
Deferred Tax Liabilities (Long-Term)	7,613	8,017	8,805	8,911	9,180
Other Long-Term Operating Liabilities	—	—	—	—	—
Long-Term Non-Operating Liabilities	519	1,491	—	—	—
Total Liabilities	121,367	123,412	117,769	125,303	127,852
Preferred Stock	—	—	—	—	—
Common Stock	332	323	323	323	323
Additional Paid-in Capital	3,620	2,362	2,462	2,462	2,462
Retained Earnings (Deficit)	72,978	76,566	85,777	95,031	104,398
(Treasury Stock)	—	—	—	-1,032	-9,552
Other Equity	-587	-2,996	-7,168	-7,168	-7,168
Shareholder's Equity	76,343	76,255	81,394	89,616	90,463
Minority Interest	5,395	5,084	4,543	4,557	4,570
Total Equity	81,738	81,339	85,937	94,172	95,034

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Morningstar Analyst Forecasts

Cash Flow (USD Mil)

Fiscal Year Ends in January

	2013	2014	2015	Forecast	
				2016	2017
Net Income	17,756	16,551	16,814	16,079	16,277
Depreciation	8,501	8,870	9,173	8,847	9,621
Amortization	—	—	—	—	—
Stock-Based Compensation	—	—	—	—	—
Impairment of Goodwill	—	—	—	—	—
Impairment of Other Intangibles	—	—	—	—	—
Deferred Taxes	-133	-279	-503	106	269
Other Non-Cash Adjustments	527	938	785	—	—
(Increase) Decrease in Accounts Receivable	-614	-566	-569	45	-204
(Increase) Decrease in Inventory	-2,759	-1,667	-1,229	-397	-1,416
Change in Other Short-Term Assets	—	—	—	-479	-208
Increase (Decrease) in Accounts Payable	1,061	531	2,678	1,056	1,227
Change in Other Short-Term Liabilities	1,252	-1,121	1,415	274	365
Cash From Operations	25,591	23,257	28,564	25,531	25,931
(Capital Expenditures)	-12,898	-13,115	-12,174	-12,287	-12,659
Net (Acquisitions), Asset Sales, and Disposals	216	712	-101	—	—
Net Sales (Purchases) of Investments	—	—	—	—	—
Other Investing Cash Flows	71	105	-192	-68	-174
Cash From Investing	-12,611	-12,298	-12,467	-12,355	-12,832
Common Stock Issuance (or Repurchase)	-7,600	-6,683	-1,015	-1,032	-8,520
Common Stock (Dividends)	-5,361	-6,861	-6,785	-6,332	-6,410
Short-Term Debt Issuance (or Retirement)	2,754	911	-6,288	2,410	-1,789
Long-Term Debt Issuance (or Retirement)	-1,267	2,104	1,272	3,688	2,477
Other Financing Cash Flows	-84	-488	-409	-479	-485
Cash From Financing	-11,558	-11,017	-13,225	-1,746	-14,725
Exchange Rates, Discontinued Ops, etc. (net)	223	-442	-514	—	—
Net Change in Cash	1,645	-500	2,358	11,430	-1,629

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Comparable Company Analysis

These companies are chosen by the analyst and the data are shown by nearest calendar year in descending market capitalization order.

Valuation Analysis

Company/Ticker	Price/Fair Value	Price/Earnings			EV/EBITDA			Price/Free Cash Flow			Price/Book			Price/Sales		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	1.06	27.6	25.4	22.6	13.4	12.4	11.3	48.3	33.3	26.3	5.4	5.2	4.9	0.5	0.5	0.5
Target Corp TGT USA	1.14	17.3	16.9	15.5	9.1	8.4	8.1	14.0	12.7	16.1	3.4	3.3	3.4	0.6	0.7	0.7
Average		22.5	21.2	19.1	11.3	10.4	9.7	31.2	23.0	21.2	4.4	4.3	4.2	0.6	0.6	0.6
Wal-Mart Stores Inc WMT US	0.89	16.8	15.0	14.4	8.9	7.8	7.5	16.7	17.6	17.5	3.4	2.6	2.6	0.6	0.5	0.5

Returns Analysis

Company/Ticker	Last Historical Year Total Assets (Mil)	ROIC %			Adjusted ROIC %			Return on Equity %			Return on Assets %			Dividend Yield %		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	— USD	15.7	15.6	16.1	15.8	15.7	16.1	19.3	20.6	21.6	7.1	7.4	7.6	4.5	1.1	1.3
Target Corp TGT USA	41,404 USD	9.7	12.4	13.2	9.8	12.4	13.3	16.2	18.3	20.7	5.7	6.4	7.4	2.6	2.6	2.6
Average		12.7	14.0	14.7	12.8	14.1	14.7	17.8	19.5	21.2	6.4	6.9	7.5	3.6	1.9	2.0
Wal-Mart Stores Inc WMT US	203,706 USD	10.9	11.1	11.1	12.3	12.4	12.4	20.8	18.2	17.5	8.0	7.4	7.1	2.5	2.7	2.8

Growth Analysis

Company/Ticker	Last Historical Year Revenue (Mil)	Revenue Growth %			EBIT Growth %			EPS Growth %			Free Cash Flow Growth %			Dividend/Share Growth %		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	116,781 USD	3.7	9.0	10.3	12.4	7.3	9.8	12.9	8.8	12.1	-44.7	64.1	29.8	387.9	-74.3	12.0
Target Corp TGT USA	72,618 USD	0.0	2.6	2.7	18.2	13.3	5.0	-2.7	11.4	8.5	-41.1	10.2	-19.8	20.3	7.0	5.2
Average		1.9	5.8	6.5	15.3	10.3	7.4	5.1	10.1	10.3	-42.9	37.2	5.0	204.1	-33.7	8.6
Wal-Mart Stores Inc WMT US	485,651 USD	2.0	1.2	3.0	1.0	-2.2	1.8	-1.8	-4.4	4.4	44.6	-16.3	0.1	2.1	2.1	4.4

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

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72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive

Comparable Company Analysis

These companies are chosen by the analyst and the data are shown by nearest calendar year in descending market capitalization order.

Profitability Analysis

Company/Ticker	Last Historical Year Net Income (Mil)	Gross Margin %			EBITDA Margin %			Operating Margin %			Net Margin %			Free Cash Flow Margin %		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	2,325 USD	12.9	12.8	12.8	4.0	4.0	4.0	3.1	3.1	3.0	2.0	2.0	1.9	1.1	1.5	1.7
Target Corp TGT USA	2,728 USD	29.4	29.9	29.8	9.2	9.8	9.9	6.3	6.9	7.0	3.8	4.1	4.1	4.6	5.4	4.2
Average		21.2	21.4	21.3	6.6	6.9	7.0	4.7	5.0	5.0	2.9	3.1	3.0	2.9	3.5	3.0
Wal-Mart Stores Inc WMT US	16,363 USD	24.8	24.9	24.8	7.5	7.2	7.2	5.6	5.4	5.3	3.4	3.2	3.1	3.4	2.7	2.6

Leverage Analysis

Company/Ticker	Last Historical Year Total Debt (Mil)	Debt/Equity %			Debt/Total Cap %			EBITDA/Interest Exp.			Total Debt/EBITDA			Assets/Equity		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	5,093 USD	43.2	41.4	40.6	30.1	29.3	28.9	41.9	45.3	49.0	1.1	1.0	0.9	2.8	2.8	2.9
Target Corp TGT USA	12,796 USD	91.4	82.0	82.2	47.8	45.0	45.1	7.6	12.7	13.5	1.9	1.7	1.6	3.0	2.8	2.9
Average		67.3	61.7	61.4	39.0	37.2	37.0	24.8	29.0	31.3	1.5	1.4	1.3	2.9	2.8	2.9
Wal-Mart Stores Inc WMT US	50,381 USD	61.9	63.0	63.2	38.2	38.7	38.7	14.8	13.1	12.9	1.4	1.6	1.6	2.5	2.4	2.5

Liquidity Analysis

Company/Ticker	Market Cap (Mil)	Cash per Share			Current Ratio			Quick Ratio			Cash/Short-Term Debt			Payout Ratio %		
		2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)	2015	2016(E)	2017(E)
Costco Wholesale Corp COST USA	63,655 USD	8.77	8.03	8.43	1.00	0.97	0.95	0.47	0.43	0.41	2.99	3.17	3.00	28.4	29.2	29.2
Target Corp TGT USA	51,111 USD	3.45	7.67	6.16	1.20	1.23	1.01	0.45	0.53	0.38	24.29	6.55	1.67	49.7	48.4	41.5
Average		6.11	7.85	7.30	1.10	1.10	0.98	0.46	0.48	0.40	13.64	4.86	2.34	39.1	38.8	35.4
Wal-Mart Stores Inc WMT US	232,685 USD	2.82	6.37	6.04	0.97	1.09	1.10	0.28	0.43	0.42	1.37	2.26	2.59	38.1	40.6	40.6

Research Methodology for Valuing Companies

Components of Our Methodology

- ▶ Economic Moat™ Rating
- ▶ Moat Trend™ Rating
- ▶ Moat Valuation
- ▶ Three-Stage Discounted Cash Flow
- ▶ Weighted Average Cost of Capital
- ▶ Fair Value Estimate
- ▶ Scenario Analysis
- ▶ Uncertainty Ratings
- ▶ Margin of Safety
- ▶ Consider Buying/Selling
- ▶ Stewardship Rating

We believe that a company's intrinsic worth results from the future cash flows it can generate.

The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate, in Morningstar terminology. Five-star stocks sell for the biggest risk-adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth. Four key components drive the Morningstar rating: our assessment of the firm's economic moat, our estimate of the stock's fair value, our uncertainty around that fair value estimate and the current market price. This process ultimately culminates in our single-point star rating. Underlying this rating is a fundamentally focused methodology and a robust, standardized set of procedures and core valuation tools used by Morningstar's equity analysts.

The concept of the Morningstar Economic Moat™ Rating plays a vital role not only in our qualitative assessment of a firm's investment potential, but also in our actual calculation of our fair value estimates. We assign three moat ratings—none, narrow, or wide—as well as the Morningstar Moat Trend™ Rating—positive, stable, or negative—to each company we cover. Companies with a narrow moat are those we believe are more likely than not to achieve normalized excess returns on invested capital over at least the next 10 years. Wide-moat companies are those in which we have very high confidence that excess returns will remain for

10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. The assumptions that we make about a firm's economic moat play a vital role in determining the length of "economic outperformance" that we assume in the terminal sections of our valuation model. To assess the sustainability of excess profits, analysts perform ongoing assessments of what we call the moat trend. A firm's moat trend is positive in cases where we think its sources of competitive advantage are growing stronger; stable where we don't anticipate changes to competitive advantages over the next several years; or negative when we see signs of deterioration.

At the heart of our valuation system is a detailed projection of a company's future cash flows. The first stage of our three-stage discounted cash flow model can last from 5 to 10 years and contains numerous detailed assumptions about various financial and operating items. The second stage of our model—where a firm's return on new invested capital (RONIC) and earnings growth rate implicitly fade until the perpetuity year—can last anywhere from one year (for companies with no economic moat) to 10-15 years (for wide-moat companies). In our third stage, we assume the firm's RONIC equals its weighted average cost of capital, and we calculate a continuing value using a standard perpetuity formula. In deciding on the rate at which to discount future cash flows, we use a building block approach,

Morningstar Research Methodology for Valuing Companies



Source: Morningstar, Inc.

Detailed Methodology Documents and Materials*

- ▶ Comprehensive Equity Research Methodology
- ▶ Uncertainty Methodology
- ▶ Cost of Equity Methodology
- ▶ Morningstar DCF Valuation Model
- ▶ Stewardship Rating Methodology

*Please contact a sales representative for more information.

which takes into account expectations for market real return, inflation, country risk premia, corporate credit spread, and any additional systematic risk.

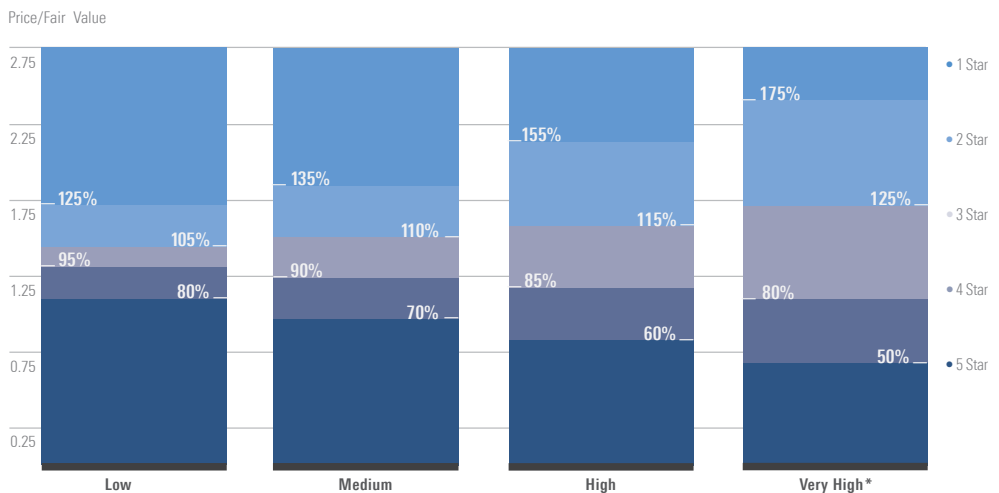
We also employ a number of other tools to augment our valuation process, including scenario analysis, where we assess the likelihood and performance of a business under different economic and firm-specific conditions. Our analysts model three scenarios for each company we cover, stress-testing the model and examining the distribution of resulting fair values.

The Morningstar Uncertainty Rating captures the range of likely potential fair values and uses it to assign the margin of safety required before investing, which in turn explicitly drives our stock star rating system. The Uncertainty Rating represents the analysts’ ability to bound the estimated value of the shares in a company around the Fair Value Estimate, based on the characteristics of the business underlying the stock, including

operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, and other company-specific factors.

Our corporate Stewardship Rating represents our assessment of management’s stewardship of shareholder capital, with particular emphasis on capital allocation decisions. Analysts consider companies’ investment strategy and valuation, financial leverage, dividend and share buyback policies, execution, compensation, related party transactions, and accounting practices. Corporate governance practices are only considered if they’ve had a demonstrated impact on shareholder value. Analysts assign one of three ratings: “Exemplary,” “Standard,” and “Poor.” Analysts judge stewardship from an equity holder’s perspective. Ratings are determined on an absolute basis. Most companies will receive a Standard rating, and this is the default rating in the absence of evidence that managers have made exceptionally strong or poor capital allocation decisions. ■■■

Morningstar Margin of Safety and Star Rating Bands

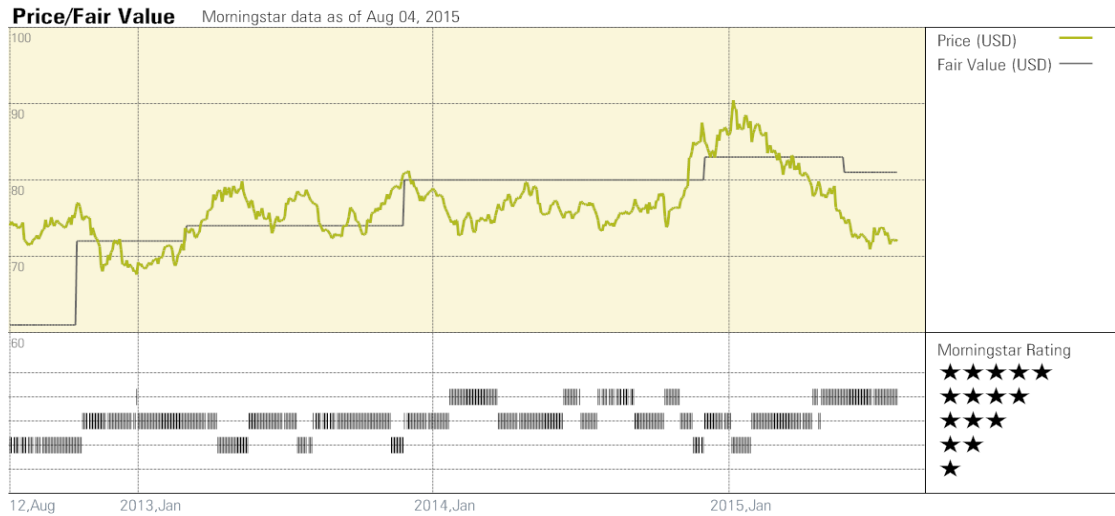


* Occasionally a stock’s uncertainty will be too high for us to estimate, in which case we label it Extreme.

Source: Morningstar, Inc.

Wal-Mart Stores Inc WMT (NYSE) | ★★★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
72.25 USD	81.00 USD	64.80 USD	101.25 USD	Low	Wide	Negative	Standard	Retail - Defensive



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