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# Walmart, Inc. (WMT)

Barclays Global Consumer Staples Conference

## CORPORATE PARTICIPANTS

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

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## OTHER PARTICIPANTS

**Karen Short**

*Analyst, Barclays Capital, Inc.*

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## MANAGEMENT DISCUSSION SECTION

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Good morning, everyone. My name is Karen Short and I'm a staples and hardline retail analyst at Barclays. Today, we're very pleased to once again welcome Walmart to the Barclays Staples Conference.

Not needing any introduction, but with more than \$560 billion in global sales, to state the obvious, Walmart is one of the largest global retailers. This point cannot be emphasized enough given how much momentum they currently have on growth that they have had with them. But equally important, the list of actually successful global brands is very short and clearly Walmart would be included and would be at the top of this list.

So with us from Walmart, we're pleased to welcome, John Furner, Executive Vice President (sic) [President] (00:00:42) and CEO of Walmart U.S. We do also have listening in Dan Binder, Senior Vice President of Investor Relations and Interim Financial Planning & Analysis; and Kary Brunner, Senior Director of Investor Relations.

Unfortunately, no live Q&A. Hopefully, this time next year, we'll all be in person doing this. So I will just be conducting a fireside. And there is also a Safe Harbor statement on Walmart's website which you can refer to.

So, with that, I think we'll open it up to questions.

## QUESTION AND ANSWER SECTION

### Karen Short

*Analyst, Barclays Capital, Inc.*

Q

So, John, who would have known in February of 2020 that you would be taking over the reins of Walmart U.S. in such a turbulent time. But obviously, as things start to settle down, you can reflect back a little bit on the last year-and-a-half. So, I guess, I wanted to start off asking, what do you think the greatest opportunities are for the Walmart U.S. business and where do you think you're ahead of the competition today and what are the biggest areas of opportunity?

### John R. Furner

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

All right. Good question, Karen. Good morning. Thanks for having me.

Well, let me go back to, I guess, November of 2019 when I moved over from leading the Sam's Club team to Walmart U.S., probably been quite a long list of things that I wouldn't have anticipated happening at that time that have happened in the last two years and I think the biggest lesson from all of it is the need to be able to be flexible and ready for a change in consumers which I think we all knew that going into the pandemic. It was clear that over time, of course, we all know for looking at history and the future, things always tend to change. But the rate of change clearly accelerated in March of 2020 and beyond at a rate we haven't seen before.

And the best way to describe this is it feels like we just skipped a few years of transition as customers became more digital and became more omni in nature in terms of the way they shop with and that helped us in really accelerate, bringing the two teams together. We had an eCommerce team that was based in San Bruno, California and we had a retail team for stores that was largely based in Arkansas and those have come together in the way we think about the customer is understanding where the customer is going, understanding customer intent, managing that with artificial intelligence to help them and Walmart match each other's intent to catalog, so that we can move in more anticipatory.

And going forward, I think the customer changes will continue to accelerate. There's nothing I would see today or the last couple of years that would suggest we're going back to where we were or landing in a spot that's temporary because of how fast the shifts have been. So, I think we're all looking forward to what the new normal may be and what we're doing actively and aggressively in the business which I think is the answer to your questions is where we're well positioned is.

The business has scale with momentum, in which we're excited about the momentum, the fact that we're in 5,000 communities with a local presence, we've got a capital plan, we talked to our investors about back in February to expand our capacity to be able to serve customers more flexibly with automation and fulfillment centers and our store network.

And then, finally, we are aggressively reshaping our P&L. We've got a core retail business that is strong and has momentum. And then, we have other areas that we're expanding and are exciting to see the progress, example is Walmart Connect that roughly doubled in the last quarter. The ability to connect buyers, sellers, suppliers and customers all together is a really great position for us to be in. And that will enable us to serve customers in the way they want to be served over the next few years.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



And when you think about all these other exciting opportunities, say, Walmart Connect, marketplace, fulfillment services, how do you – I don't know if you can put in kind of ranked order where you see the greatest opportunity. And how do you see the growth rate going forward? Because I think you've been asked this today, like does the growth rate kind of have to start to plateau, or is it – are some of those going to meaningfully accelerate going forward and actually be meaningful contributors to your P&L?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



Yeah. Good question. I knew you'd ask that and it's hard to say if you – which you prioritize because they're interdependent. Having a strong marketplace means more sellers on the platform and more customers, more customers and sellers mean more opportunities for advertisers to use the platform they're building. So, they really all work together and being able to scale all those simultaneously is really important. So, I think being able to push all these initiatives in parallel is important.

As far as scale, certainly, a percentage growth on a big number obviously results in big dollar share and some of our businesses are large and at scale, but others are relatively small and being built. And then within the business units, there are areas like healthcare where you may hear us talk about building healthcare business. We already have a large healthcare business all across the country with our pharmacies and our professionals that are serving communities each and every day.

So, in some ways, we're building on top of a big base. Other places, we're building from something that's much smaller. And then in our core retail business, then we're growing on top of a large retail business. And the way we think about that is relativity based on where the market is. So, having trends in things like food and consumables where we see unit share growing faster than the dollar share is a good thing. So, we're taking this longer-term view of share and the scale of businesses as really important for us.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



Yeah. So, speaking of share, obviously, the dollar and the comp doesn't tell a story as you just said. It's about the actual tonnage and the units. But you've obviously picked up a lot of your momentum this year that you may have trailed behind a little bit last year from a share perspective. So, now, as we look today, who do you think you're gaining share back from? And how do you see that playing out going forward into the next several quarters?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



Look, what I'm – maybe what we'd do is go back really the last year first, and when the shutdown happened in March of 2020, we did a number of things that slowed the top line, obviously, to take care of customers and safety and that included closing stores at night. In many locations, we're 24 hours. We moved all the way from 7:00 in the morning to 8:30. We restricted the number of entrances because we were, obviously, wanting to make sure we were compliant with things like social distancing. We closed some of our services like optical and tires. So, we really narrowed down the offer to the core grocery consumable business which definitely slowed us down.

And then customers, at that time, were shopping at channels that they probably hadn't before and many were just moving to whatever is closest to their home. So, as things have begun to somewhat normalize to where we were, I think we still have a lot to work through with the Delta variant, the pandemic, and we're going to continue to

prioritize safety and customer service, overall other things while this is going on. Thus the formats that were closer to home have been where we've seen some of the sales decreases in the second quarter and the first quarter.

So, it looks like the momentum in Walmart is picking up as you said through the first couple of quarters. And we're happy about where things were in the first two quarters. And also, closing the second quarter with inventory levels up 20% over a year ago puts us into a position going into some really important seasons. We have great plans for the back-to-school season which is underway now. We've got big holidays coming and we were positioned well coming out of that quarter to be able to serve customers going into the back half of the year.

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**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And actually – so on that note then, the price gaps at least from what we've seen have never been wider. This is a grocery comment. But, I guess, the question is how do you communicate the value that is there with the Walmart price points relative to some of the competition, I guess, again, this is more of a grocery question, when seemingly value still hasn't become that much more important to the consumer given how much stimulus dollars there are just floating around?

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**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

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Yeah. There're a couple of things that are important. First, our customer value proposition, we think about price [ph] sorbent (00:09:15) experience and trust. And for 59 years, and the 28 years I've been a part of the organization, everyday low price and having price leadership has always been the core of what we do. And [indiscernible] (00:09:29) important, because as we expand the offer into adjacent services like healthcare, financial services, or we focus on things like Walmart Connect, Walmart+, we won't ever lose focus on the core retail business, and core retail business is successful because of the relative values that we can offer versus our competition. And the value comes from leverage of things like the supply chain and fixed costs and all – Karen, all the things we've been talking about over the years. Those won't change. And throughout all of last year, we maintained pricing levels at what they were. Certainly, saw a number of promotions stop around the market. But we maintained price positions where they are. And in terms of costing and inflation and all the things that could happen to us, we'll stay disciplined.

And our merchants have such a broad range of categories in managing their portfolios that merchants can mix their own portfolio within their department. We can mix our categories within our departments. And then building density in the local markets for delivery and offering delivery as a service like we announced a couple of weeks ago with GoLocal. And we can do things for other small businesses and communities and really kind of make the most out of being local in close to 5,000 communities around the country.

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**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

Great. That's helpful. And then, maybe just thinking about inflation a little bit. Obviously, that comes up with every single conversation. Maybe how do you see inflation today? And I guess, I would ask that cost and relative to retail inflation versus cost inflation, and I don't know if you could maybe parse that out from a consumable perspective versus a non-consumable.

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**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Yeah. Sure. The easiest answer would be the share numbers and the trends we're seeing in food and consumables where unit shares are growing faster than dollar shares. So, we think about things like dollar. We would refer to it internally as penny profit versus margin rates. Now, in the P&L, you see some strength in margin, but that also includes other income activities like Walmart Connect. So, the core retail margins, we want to maintain price [ph] caps (00:11:37), ensure that customers have a value and they can trust that they'll have a value in a basket of goods when they either shop from Walmart digitally or they buy a basket of groceries inside the store.

And so, as the supply chain pressures continue, then, of course, we're dynamic. We've been chartering vessels. We've been securing containers. We have our own private fleet here inside the country that we can leverage in shortages. So, back to something I said at the beginning, since March of 2020, we have been really focused on building flexibility and being able – yeah, and ensuring that we can use our supply chain assets including our stores and fulfillment centers dynamically to serve customer demand.

If we can understand the intent and meet demand, then what you can really depend on is that the Walmart team has – they have a lot of capabilities in terms of being able to optimize costs which they've been doing for a long time and they're great at those things. Ultimately, supply chain costs are what they are and they tend to flow, but growing volume on our base, the advantage that it gives back to the customers is that our ability to leverage fixed costs create room in the P&L that can be invested in customer proposition.

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**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And then, I guess, how are you thinking about, I guess, broadly inventory and then the promotional environment as we are aiming to the back-to-school and then the holiday season? And I guess, I ask it partly from the supply/demand perspective where there probably still will be some shortages on the supply side. So, maybe it kind of leads me to think that the promotional environment will be much more muted even for a more extended period of time into even 2022 possibly. Any thoughts on that?

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**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Yeah, sure. I can't speak for what other retailers will do, but we decided late last year and early this year as it was quite obvious that the consumer balance sheet was strong at that point and we assumed it would remain strong for some time. So, we really took a step back early this year and decided what it would take in terms of purchasing and what we call Open to Buy with our merchants to position us well late in the first quarter, second quarter, and beyond. And so, we took a more aggressive stance on inventory which led to then the closing second quarter of the inventory levels being up 20%. Throughout the first two quarters, we had a significant presence of our Walmart Rollback program in stores and online and we'll continue to maintain those kinds of promotional activities.

As I said earlier, one of the things I used to do when I was a buyer and our merchants still do today is if you get cost inflation coming through, you can actually mitigate it by taking prices down on higher margin items with rollbacks to mix within categories.

So, I think important for us is that the relative value gaps are – in a position, you mentioned food which we're proud of, but we work hard in those every day. We want to maintain relative value gaps, so that in any situation whether customer is budget sensitive or time sensitive, they can trust that they'll get a value when transacting with Walmart.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



Okay. And then this came up in the prior meeting and I think I've been asked it many times, but, when I just kind of – how you are now thinking about eCom profitability broadly because, obviously, at your Analyst Day in February of 2020, you had indicated that the losses on \$1 and I think a margin basis had peaked. And then we obviously saw this massive acceleration in eCom which would have helped profitability. But can you kind of frame how you're thinking about that specifically within the P&L?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



Yeah. Sure can. What we're really doing is thinking about the business in total. In July of 2020 just four months after we had talked to you in New York, we merged the two businesses together and we had our eCom team and our source team come together, and then we changed really from thinking about how we measured things internally and externally and in terms of channel businesses to a customer business. And that led to the work on the customer value proposition and ultimately what we're trying to do is understand intent in any situation whether it's physical or digital. And then, the reason that it leads you to not having the clarity of reporting of the two channels is the lines become really blurred after that point. So I'll give you an example. This morning, I ordered an express order at 8:36 on the Walmart app. And at 9:20 you were on and heard the dogs barking as the order arrived, which included the items from the store. The part of the order that I placed is also going to come from fulfillment centers, which part of its tomorrow and there's another piece that looks like it'll be the next day.

So the signal, even though it was an eCom order on the app, it was fulfilled partially by the store and fulfillment centers. And so there's not a lot of value to spending just a lot of time trying to break out that internally. So, we're looking at the total profitability. But the important thing is over the next few years is the balance of profitability that's coming from core margins at retail and then the other items that are in the P&L like Walmart Connect or data monetization, marketplace. So we have a number of opportunities that can really mix well together. Ultimately, what it's all trying to do is make sure we understand customer intent and can we match our catalog with intent.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



Okay. And then actually, on that note, there's been some changes, I guess, on the app and there's been some consolidation that's happened. But can you talk a little bit about what's still to come – what's already been accomplished and then what's still to come from an app perspective and a consolidation perspective?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



I can and I'm glad you asked. A couple years ago, we had two apps. We called one the Orange app because it was orange and it represented grocery shopping. And then we had the other app which is called Blue app because it was blue, and it was our Walmart eCommerce business and both worked well and served a purpose for the time they were there and – but they did create some friction for customers. And the analogy I would compare it to is if you went all the way back to the late 1980s, early 1990s, we had grocery stores and we had GM stores, and when those together, we had the supercenter. And it was really our CEO, David Glass, who scaled the supercenter opportunity through the 90s. And so we've been managing something we call Project Glass, which is the consolidation of the Orange and the Blue app in honor of David's legacy and what he did for the company.

And last year, we put both of those apps in one tile. So you had one Walmart tile but you still had to pick either shopping eCommerce or stores. And up to about last week, we had about 10% of our traffic on one single shopping application with universal search with universal checkout. It's a great experience. We're now scaling to traffic now and hope to have it in front of all users by the end of the month. So we're making a lot of progress there. But that actually is what enables like the transaction I had this morning where I needed a few things from the store and a few things other places, and you search, you put it on one basket and then transact one time and then the supply chain team in the background will optimize the best way to get it to the customer to meet the customer promise. So, more to come there, but I'm really excited about the replatforming. And I say that because of the customer experience. The customer deserves to be able to enter anything that they need from Walmart and we should figure out how to fill it in the background. We always say to ourselves internally, we never want to show our customer our org chart. And what the Blue app and the Orange app did is it pretty clearly showed you the org chart, which what you're dealing with. So, we want to take that visibility away from the customer and be there for anything that they need from us.

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**Karen Short***Analyst, Barclays Capital, Inc.*

Q

Okay. And then thinking just about your – I guess, your core customer. And I realize mirror kind of the general population. But I would argue that your core customer is probably not going to be as flush with cash as they get into 2022, and would argue that that puts Walmart in a very good position. But mostly because I would say that your core customer doesn't tend to save as much as maybe a higher income demographic would. But, how do you think about the state of your consumers we get through to the end of this year and into next year, like from a stimulus year-over-year comparison perspective but also child tax credit? And then maybe [ph] we could weave SNAP (00:20:00) into that as well because some change is coming along the pipeline on October 1 on that?

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**John R. Furner***President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Yeah. I think, in general, I said it earlier that, the overall balance sheet is strong amongst customers across the country. The way we think about the customer that maybe at the core or in income brackets aren't as high is more will be back in the workforce in the next few months and real incomes are the big benefit for shopping in addition to stimulus. So I think we're ready to be flexible in any direction. The price gap that you mentioned earlier could be even more important at that time. So going into that timeframe, having maintained it throughout the last couple of years, but we were thinking about the entire attempt of the pandemic is we don't want to do anything that would ever erode customer trust. It's taken years to build the trust they have in the business and many teams before me and my team. So trust was always top of mind, and we currently -- throughout the pandemic, we prioritize safety, serving communities, managing results as we needed to in the building for the future. And I think what the team did was a nice job of balancing those and always focus on trust and safety at the beginning.

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**Karen Short***Analyst, Barclays Capital, Inc.*

Q

And how do you think specifically about SNAP? Because I know the headlines are 25% increase starting October 1. But I don't – that's not really the reality sequentially when you're talking about dollars in the pockets of consumers on a year-over-year basis. So maybe can you just help frame that a little bit?

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**John R. Furner***President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Yeah. I think you're describing it well. The headline makes it sound higher than it is because there are other benefits that are running out. So we'll know more at the end of the quarter how it washes out, but I don't think –



we're not thinking of it as a 25% increase. We'll focus on making sure we're in stock and price right and ready for customers. And then the results will reflect how well you execute in the values here in at retail.

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And then maybe just an update on how you're kind of envisioning Walmart Plus going forward, but then also an update on like 3P versus 1P in general, where you are on inventory levels, where you are on mark -- sellers on marketplace and how you see that evolving?

**John R. Fumer**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

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Yeah. I think back to the point on being dynamic and flexible, inventory is positioned well versus a year ago. We continue to add sellers to the platform. Our Walmart Fulfillment Services offering continues to expand and we're bringing on more capacity. And all those answers go back to a decision that we've communicated earlier this year, which is to expand our CapEx program to build more capacity for eCommerce, which ultimately, an eCommerce capacity does include stores because of the fulfillment that happens locally all around the country. So, the supply chain investments will build capacity for all channels. [ph] Then that (00:22:57) strong marketplace is important. Having a number of -- a large number of sellers is important. Those things together obviously fuel the Connect business which connects the buyers -- buyers and sellers together in the platform. So, the Walmart flywheel, as it all comes together, it's mutually -- I could say that, mutually reinforcing in a way that's unique to Walmart because of our digital, national, and local presence.

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

And then I would be remiss not to bring up the wage increase that was just announced. So maybe a little background on the decision to make that announcement. And, I mean, we can all do the math on how that might impact your P&L from a basis point perspective. But, just wanted to see if you could frame that a little bit?

**John R. Fumer**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Sure. Sure. Our associates have done an amazing job the last couple of years serving communities and I've always said if you -- if you want to be inspired, just go to a few Walmart stores and talk to a couple Walmart associates who are in the midst of a natural disaster and a truck driver and you'll see the backbone of how the country can run us. Just in Louisiana last Wednesday and saw exactly that just amazing to see the resilience of people and the communities how they come together.

And like we've always said, we'll have a competitive proposition for associates. You can get your college education, working at Walmart that's paid for by Walmart. There are benefits available. Wages are a part of it. Digital products, while at the workforce, also are part of it, because it helps with productivity. And in many of our stores, they're 4.5 acres. So buying devices that people can use on the sales floor and be able to get right to the -- right to the work is important because it saves a lot of time walking.

And then ultimately with wages, we'll be competitive with the market. It's a really large country and wage rates are different all across the country and we were -- we're really proud of the third investment we've made in our associates this year -- the last year, the last four months.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



Okay. And then maybe just because you did bring it up, but Walmart go local. Can you maybe just give a little bit of a background on what the genesis of that was? And then help kind of trying to frame the fact that like are you – where are you may be helping your competitors in some shape or form or maybe just any color you can give on that?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



Yeah. Happy to. It's actually a really good example of kind of the definition of a platform aggregator. So, we have customers who are shopping at Walmart. We've built our local business -- our local delivery business pretty substantially the last two years. Obviously, it accelerated the last year when the pandemic began. And our drivers who are contractors that are working on what we call the Spark platform and one of the keys to serving the drivers well as having enough work that they stay busy and they want to stay in the platform. So, we have not only the Walmart business being delivered but that service can be offered to other retailers or other stores or other kinds of businesses in the local market. That keeps the drivers busier, which that we know is important to them. It also lowers the cost of delivery when you can – what we would call batch orders together. So you'd have more than one order in a vehicle.

At times, that can be more than one Walmart order. But if you have perishables in the card and that'll limit the number of Walmart orders can go to a single vehicle. So they will be able to go to other retailers, other stores. Some of these can be small local businesses that can be changed. But ultimately, what we're trying to do is make sure the customer has access to the things they want and provided a benefit to not only the supercenters for other retailers and markets. And it's especially important, Karen, in some of the smaller mid-sized markets that we're in where some of the large platforms just don't operate or they don't operate at scale. So we think it's a unique position for us. And having other retailers where we have complementary assortments is ultimately great for the customer.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



And actually, can you just remind me, have you given the latest number of how many Spark drivers you have?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*



Well, it's growing every day. We haven't communicated the number recently. But the progress of the platform and what the team are working on, we'll just say they're making a lot of progress in the growth within the company was the first step. And then being able to offer this to others which we'll have more to talk about in the near future was really the second step of this.

**Karen Short**

*Analyst, Barclays Capital, Inc.*



And then I know part of the flywheel is it hasn't really gotten that much airtime recently, it would be healthcare in general and Walmart health centers. So maybe give us – take a step back and kind of frame how you think about that as an opportunity. And that I don't get the sense that you're trying to deemphasize it at all, you just had a lot of things going on. So maybe a little color on how you see that evolving and how you see that actual, I guess, add-on to the actual store, how that changes the behavior within the rest of the store from an attachment perspective, I guess?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

Yeah. You said that very well and framed it well. We haven't deemphasized that there have just been a number of things happening including initiatives and things in the external environment that we've all been managing. Look, we're really excited about healthcare and the aspiration goes back to the founder and the founder got into healthcare in the late 1970s, which has turned into an at scale healthcare business that we have today in the pharmacies and optical in thousands of locations and other services then, as you know, really well late 2019 and mid-2019.

We opened our first clinics in Georgia. We've expanded into locations in Illinois, Arkansas. [ph] We're about to move (00:28:34) into the State of Florida. So, we're still expanding and growing. I'm also really excited about the opportunity for [ph] Omni Healthcare (00:28:42) customers who'll be able to access, seeing a physician with one of our recent acquisitions. And then past the point of seeing the physician, we've got the ability to fill from the stores. We got the ability in a number of states for pharmacists to practice at a much higher range of their license which has been really inspiring since vaccinations began. We have pharmacists and techs all over the country administering vaccines, immunizations, some diagnostics in states where it's allowed. So, yeah, I think the future of healthcare like many things, and it could be healthcare or getting your tires changed or getting a cake ordered, the app and the physical environment being local, all connected together will be a really important way that we'll be able to serve customer's needs.

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And then maybe just one last one on that. I mean, I did see your Dallas, Georgia facility. How would some of the more recent openings be different maybe from the earlier one, like earlier ones that you've opened?

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

A

They are similar in terms of the setup and the flow. Dallas is the largest clinic that we opened. And what we wanted to do in the first clinic was open with all services that we thought were relevant and then learn from theirs. And this is a learning journey where we still have a relatively small number of clinics open under 30 at this point. But as we expand, we'll continue to refine the offer of Dallas and the other sites like Calhoun and some of the other sites are really encouraging in terms of consumer demand and the number of patients who are looking for healthcare solutions that were accessible and affordable and delivered in a quality way.

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Okay. I think we're out of time now. So, operator, I don't know if there's a countdown here or how you want us to end. But it is past the 11:50 mark.

Thank you, everyone. Thanks for listening and thank you Walmart for participating. We really appreciate it. And hope to see you live...

**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

[indiscernible] (00:30:38).

**Karen Short**

*Analyst, Barclays Capital, Inc.*

Hope to see you live next year.

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**John R. Furner**

*President & Chief Executive Officer-Walmart U.S., Walmart, Inc.*

I agree.

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**Karen Short**

*Analyst, Barclays Capital, Inc.*

[ph] Okay (00:30:43).

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