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What Walmart Inc. 2025 Annual Report assumes, believes and expects

Source: Walmart Inc. - Form 10-K Annual Report, 2025 (97 pages).

5 assumptions worth your attention

These claims are never argued for directly, but the document depends on them.

DEMAND AND MARKET SIZE

Store cross-sales and customer foot traffic will withstand accelerating eCommerce migration and omni-channel shift.

Why it matters: With eCommerce growing 27% to $121B and U.S. eCommerce contributing 2.9% to comparable sales, physical store traffic remains critical to maintaining sales across 10,771 stores.

How we deduced this: Item 1A states that greater concentration of eCommerce sales could reduce store traffic and cross-store sales, which the business model depends on to sustain high-margin store profitability without explicitly validating physical store traffic retention rates.

What would prove or disprove it: Year-over-year physical store transaction counts and unit volume figures across U.S. supercenters in subsequent quarterly filings.

CAPACITY, SUPPLY CHAIN AND OPERATIONS

Suppliers and common carriers will absorb potential tariff increases and supply chain disruptions without passing severe cost inflation.

Why it matters: Net sales of $674.5B depend on maintaining everyday low costs across 379 distribution facilities and global supply networks, particularly for imported general merchandise.

How we deduced this: Item 1 (page 10) and Item 1A (page 15) note that global sourcing enables EDLP/EDLC and that tariffs increase merchandise costs, which assumes suppliers will co-absorb cost increases or bear volume commitments without degrading product margins.

What would prove or disprove it: U.S. gross profit rate fluctuations relative to historical baseline price gaps and imported inventory cost metrics in 2025-2026 filings.

GROWTH BEYOND THE CORE

High-margin growth initiatives like global advertising and marketplace services will grow faster than core net sales over the long term.

Why it matters: Global advertising grew 27% to ~$3.6B in fiscal 2025, serving as a core driver for operating income margin expansion beyond retail gross margins.

How we deduced this: Item 1A (page 22) highlights high expectations for advertising and higher-margin initiatives driving operating income faster than net sales, but the text leaves out underlying standalone margin guarantees if underlying retail foot traffic or seller participation moderates.

What would prove or disprove it: Segment operating income growth rate exceeding net sales growth rate in annual fiscal reports.

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TECHNOLOGY AND PRODUCT EXECUTION

Automated distribution facilities and digital associate tools will yield expected operating cost leverage without major technology integration failures.

Why it matters: Capital expenditures of $23.8B in fiscal 2025 and projected $21B-$25B in fiscal 2026 heavily prioritize supply chain automation and technology to offset rising variable wage costs.

How we deduced this: Item 1A (pages 18-21) and MD&A detail substantial capital allocation into supply chain automation, assuming these complex implementations will execute seamlessly despite explicitly noting inherent risks of system disruption during major updates.

What would prove or disprove it: Operating expenses as a percentage of net sales leverage metrics below the fiscal 2025 baseline of 20.7%.

LEGAL, LITIGATION AND COMPLIANCE

Legal contingencies including opioid settlements, antitrust claims, and financial agent litigation will not exceed recorded accruals or materially impair liquidity.

Why it matters: Walmart paid out $3.3B in accrued opioid liabilities through fiscal 2025 while facing ongoing DOJ, FTC, CFPB, and international antitrust litigation with unquantified loss ranges.

How we deduced this: Note 10 details numerous active lawsuits (DOJ Opioid, FTC Money Transfer, CFPB Driver Platform, India/Mexico Antitrust) for which no loss estimates are accrued, assuming potential adverse judgments won't impair financial position without arguing defense success probabilities.

What would prove or disprove it: Absence of material non-operating legal charges or cash reserve draws exceeding operating cash flow in Note 10 disclosures.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Dimension	Source
Stated outright	Walmart U.S. will continue to grow its eCommerce business and drive comparable store sales through store-fulfilled pickup and delivery.	Growth beyond the core	*Item 1 (page 7)*
Stated outright	Operating cash flow and access to capital markets will remain sufficient to meet operating cash needs, debt service, and dividend payments.	Financing, liquidity and capital allocation	*Item 7 (page 45)*
Stated outright	Sam's Club U.S. membership income will remain a stable and significant component of segment operating income growth.	Pricing and margins	*Item 1 (page 9)*
Stated outright	The fiscal 2026 capital expenditures will range between $21 billion and $25 billion with focus on technology and supply chain.	Resources and budget	*Item 7 (page 43)*
Stated outright (risk framing)	Changes in international trade policies, tariffs, or economic sanctions could increase merchandise cost of sales and disrupt supply chain logistics.	Government, policy and regulation	*Item 1A (page 24)*

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Category	Claim	Dimension	Source
Stated outright (risk framing)	Unfavorable foreign currency exchange rate fluctuations will adversely impact reported net sales and operating income for Walmart International.	Macro, currency and commodity prices	*Item 7 (page 34)*
Stated outright (risk framing)	Cybersecurity threats or data privacy breaches could damage reputation, trigger regulatory fines, and disrupt critical business operations.	Technology and product execution	*Item 1A (page 19)*
Partly third-party	Third-party payment card processors and financial partners maintain sufficient protocols to prevent payment security compromises.	Counterparties and dependencies	*Item 1A (page 21)*
Asserted, no evidence shown	Combining a purpose-driven, people-centric culture with world-class technology forms the winning formula for long-term retail leadership.	People, management and governance	*CEO Message (page 2)*
Aspiration, no numbers	Walmart aims to create shared value across stakeholders by advancing sustainability, economic opportunity, community resilience, and ethics.	Climate, ESG and transition	*Item 1 (page 11)*
Implicit, derived from the figures	Fuel price volatility will not impair total Sam's Club U.S. profitability due to high membership fee contribution and non-fuel gross margin expansion. ***How deduced:*** *Note 12 shows Sam's Club fuel expenses were $9.9B in fiscal 2025, which requires non-fuel categories to absorb price swings that the document does not explicitly guarantee.*	Macro, currency and commodity prices	*Item 7 (page 42)*
Implied by the text	Independent contractor drivers on the Spark platform will maintain contractor status without reclassification into hourly associates. ***How deduced:*** *Item 1A notes active governmental investigations regarding driver classification; keeping contractor status is required for fulfillment cost estimates, which the text never establishes.*	Legal, litigation and compliance	*Item 1A (page 27)*
Standard legal boilerplate	Forward-looking statements express estimates subject to risks and speak only as of the filing date of March 14, 2025.	Evidence and disclosure quality	*Item 1 (page 4)*

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