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# **NYSE:WMT**

**2012 International Meeting for the Investment Community**



# Shelley Broader

President and CEO  
Walmart Canada

# Today's presenters



Shelley Broader  
President & CEO



Bill Tofflemire  
Chief Financial  
Officer



Gino DiGioacchino  
SVP, Ecommerce



Trudy Fahie  
President & CEO  
Walmart Can. Bank



Bob Hakeem  
SVP, People  
Division



Emma Fox  
SVP, Marketing



Lee Tappenden  
Chief Merchandising  
Officer



Jim Thompson  
Chief Operations  
Officer

# Walmart Canada's strategy

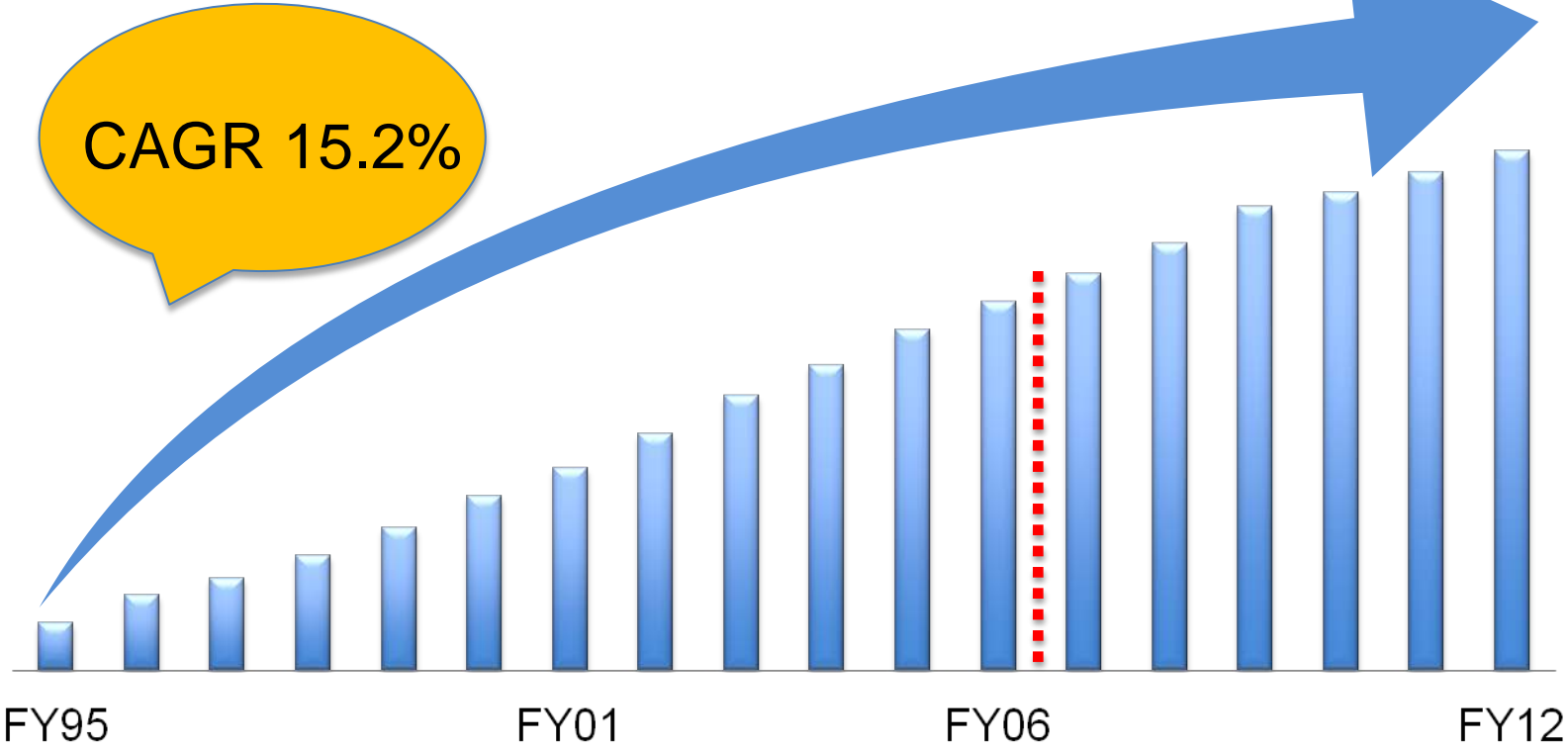


# Walmart Canada's top 12 focus areas

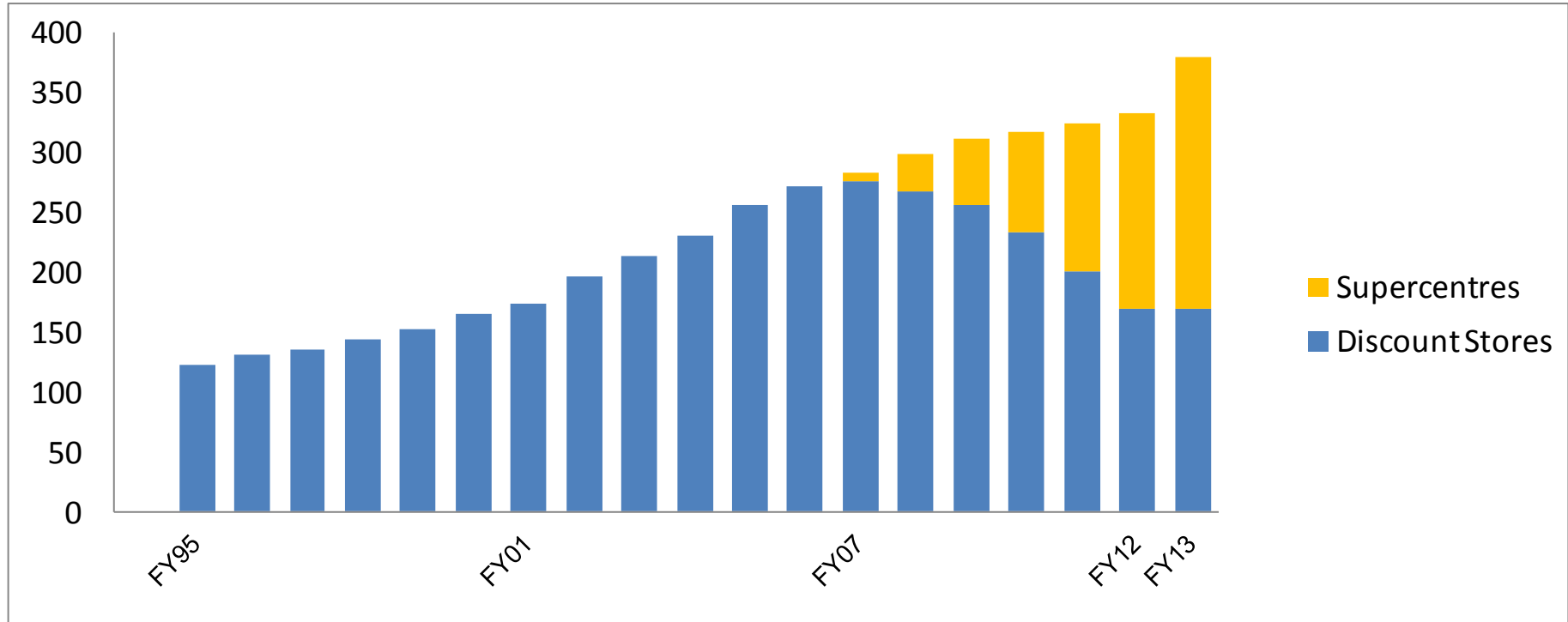


# Momentum of Growth Video 1994 to today

# Sales growth

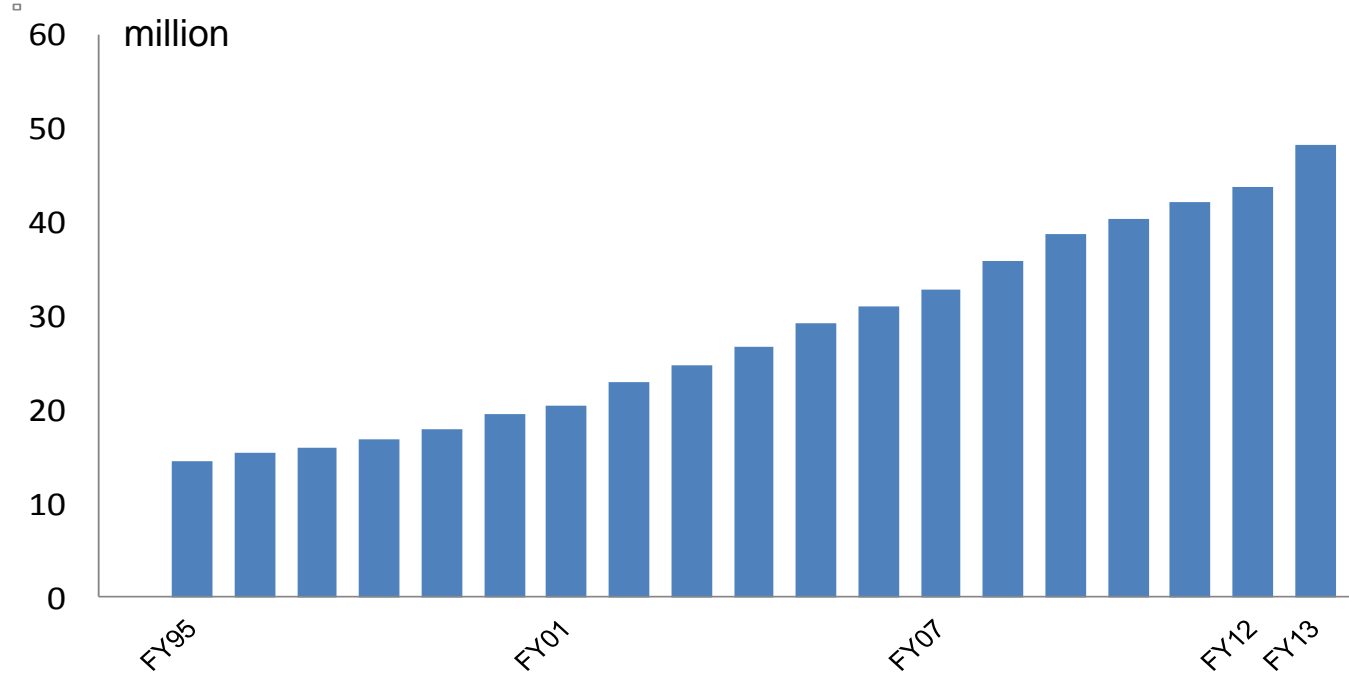


# Store growth FY13





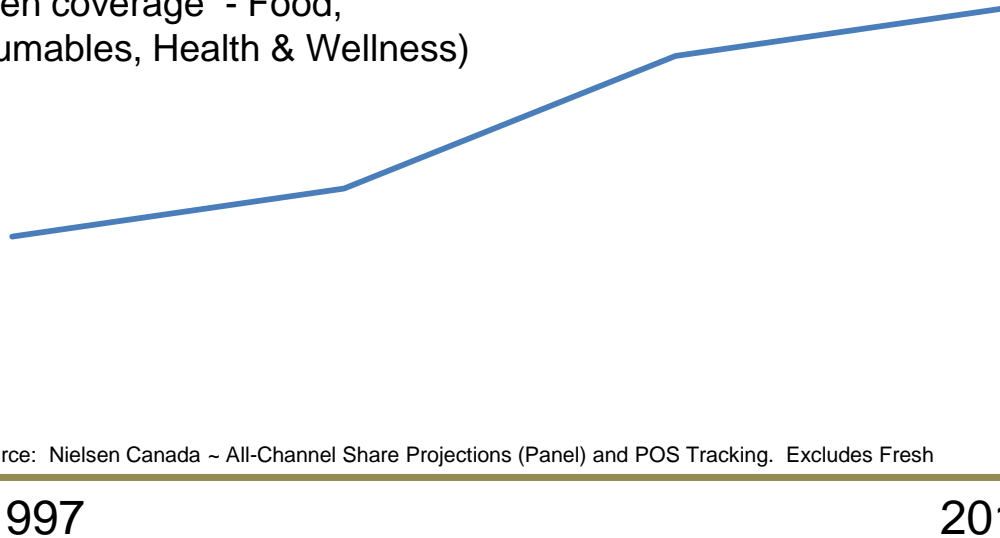
# Square footage growth



# Market share growth

## \$ share of market

(Nielsen coverage - Food,  
Consumables, Health & Wellness)

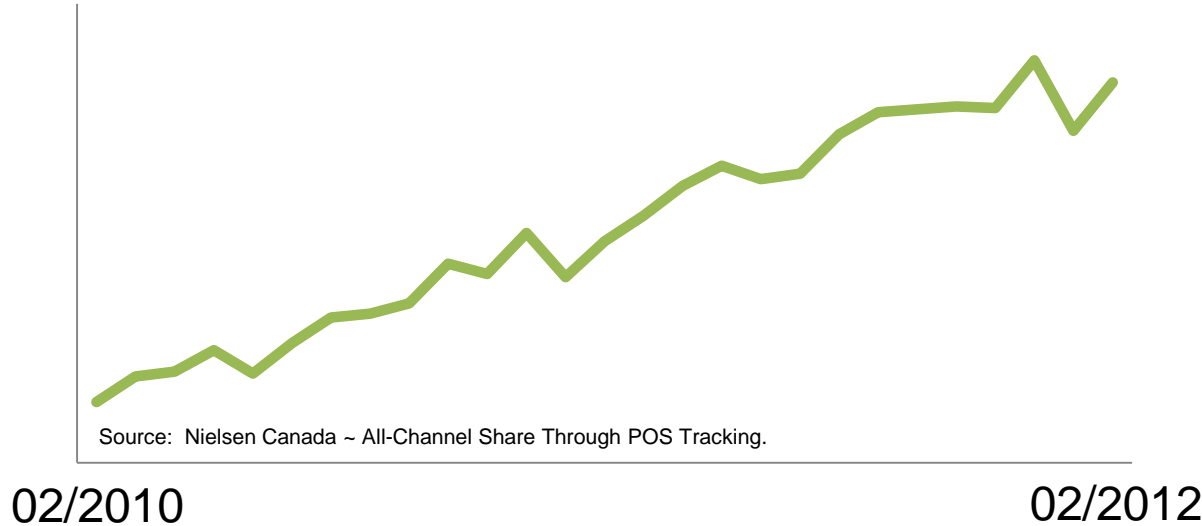


- Continue to increase market penetration
- Continue to increase average ticket and traffic

Source: Nielsen Canada ~ All-Channel Share Projections (Panel) and POS Tracking. Excludes Fresh

# Market share growth – fresh food

Fresh  
\$ share of market



- Almost doubled share of fresh over the last two years.

# Our mission



**We save Canadians money  
so they can live better**

# Canada's most shopped retailer



- 9 out of 10 Canadians shop at Walmart\*
- More than 100,000 SKUs
- Store of the community
- Dominant seasonal retailer
- Specialty services/licensees

(\*Walmart Canada research)

# Canada's price leader

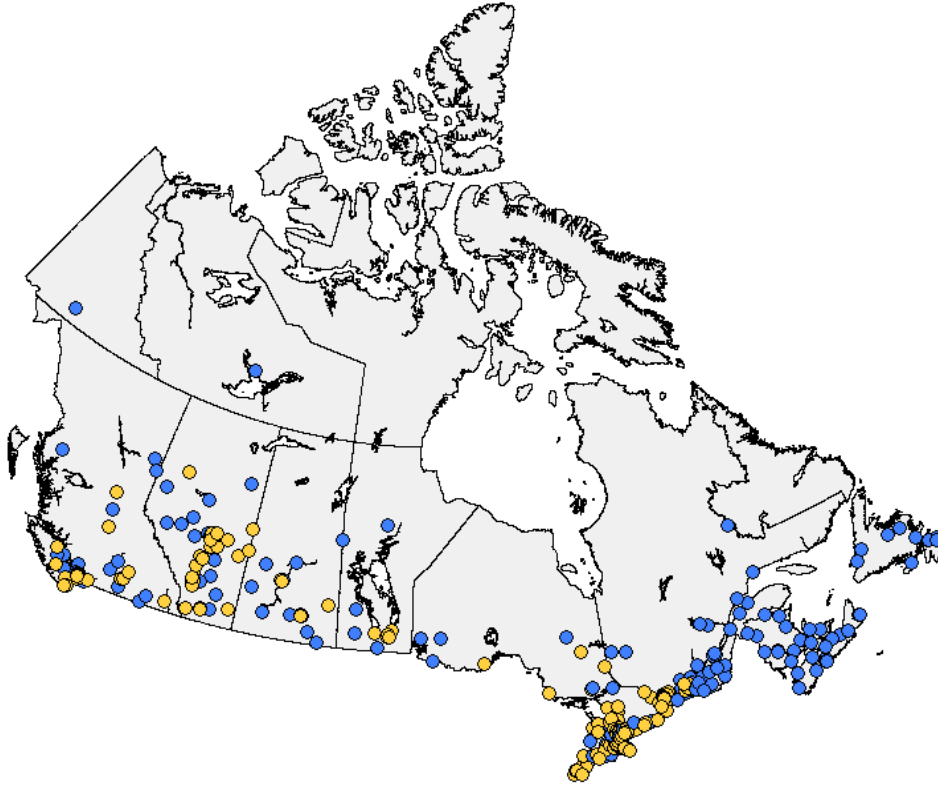


- 11% price gap on a like-for-like basket of goods
- 150 price checks weekly



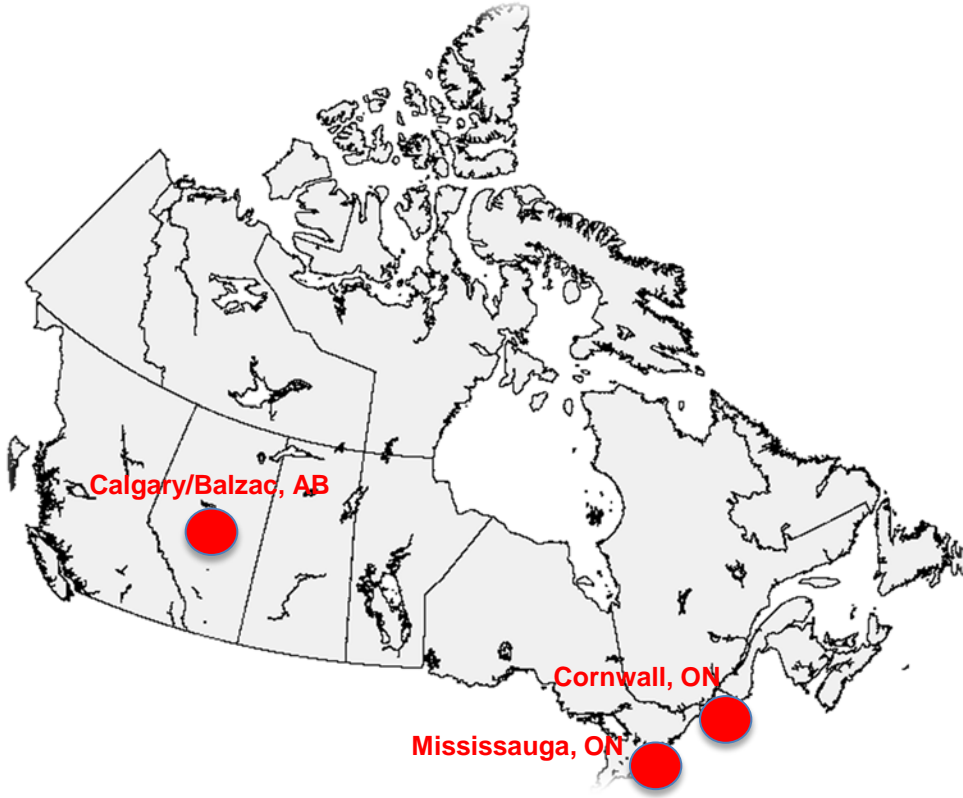


# Walmart Canada today



- 333 stores and growing
  - 167 supercentres
  - 166 discount stores
- 1.1m customers / day
- 90,000 associates

# Distribution network



## 3 Distribution hubs

- Mississauga, ON
- Cornwall, ON
- Calgary, AB



# License to grow

## Community



## Sustainability



## Women in Retail



## Government



# Record year of expansion in FY13



- 73 store projects
- C\$750m investment
- 4.6 million square feet
- 14,000 jobs

# Canada at a glance



- Population of 33 million
- Second largest land mass
- 10th largest economy in the world
- One of the highest standards of living

# The customer



- Multicultural
  - Well-educated
  - Socially progressive
  - Value-conscious
- 
- Changing face of Canada
  - Customer insights
  - Communication mix

# Key takeaways

- Great business - 18 years of success
- Seasoned operators and merchants
- Poised for record growth in FY13 and beyond



**Bill Tofflemire**  
Chief Financial Officer

# Walmart Canada's strategy





# Fastest-growing retailer in FY12

## Total sales growth

*(Over last four reported quarters)*

Walmart Canada	4.6%
Shoppers Drug Mart	2.6%
Canadian Tire <sup>a</sup>	2.5%
Loblaws	1.3%
Sobeys <sup>b</sup>	2.6%
Metro	1.7%
Sears	-6.5%

a) CTC (excluding Petroleum & Forzani)

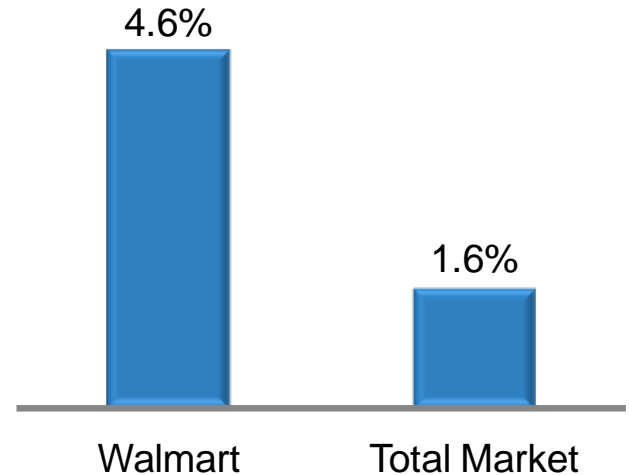
b) 52 weeks

\*Data from published financial reports



## Total net sales

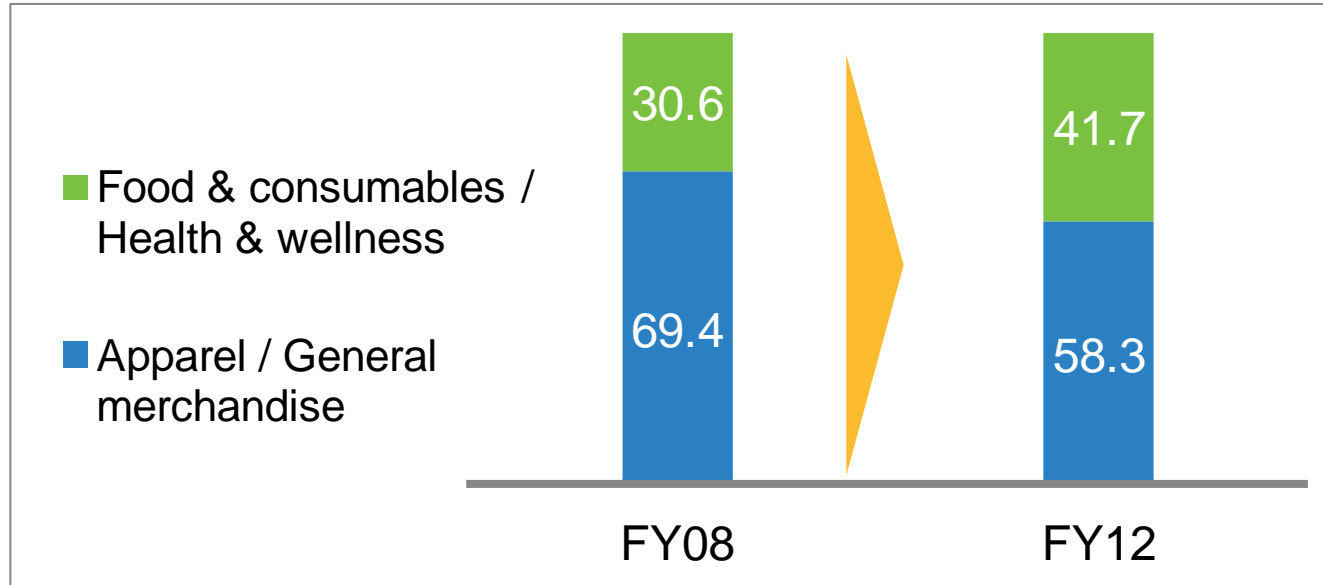
*Last 52 Weeks ending January 31, 2012*





# Poised for future growth

## Assortment mix (%)

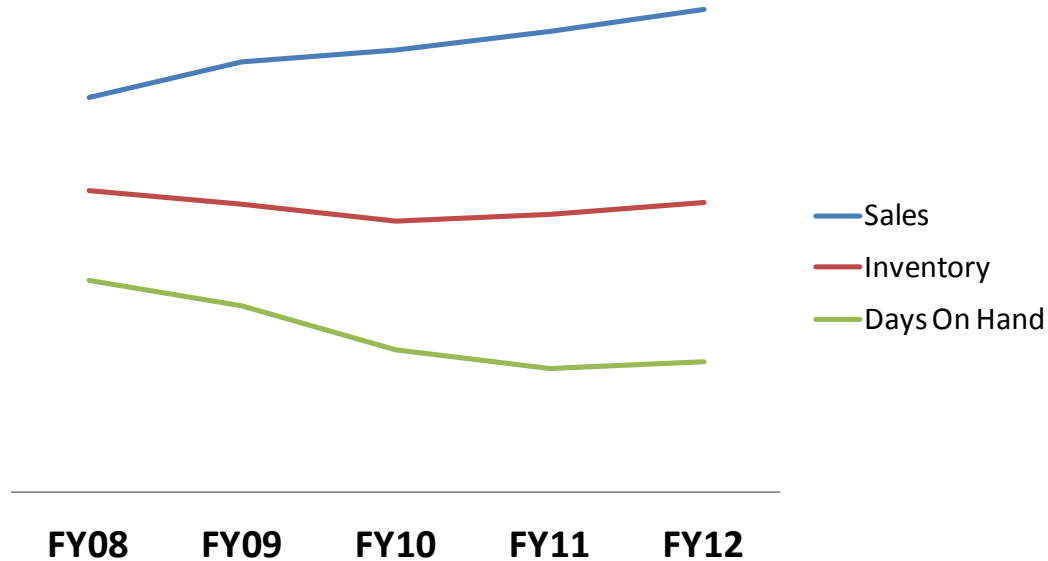


# Leverage framework



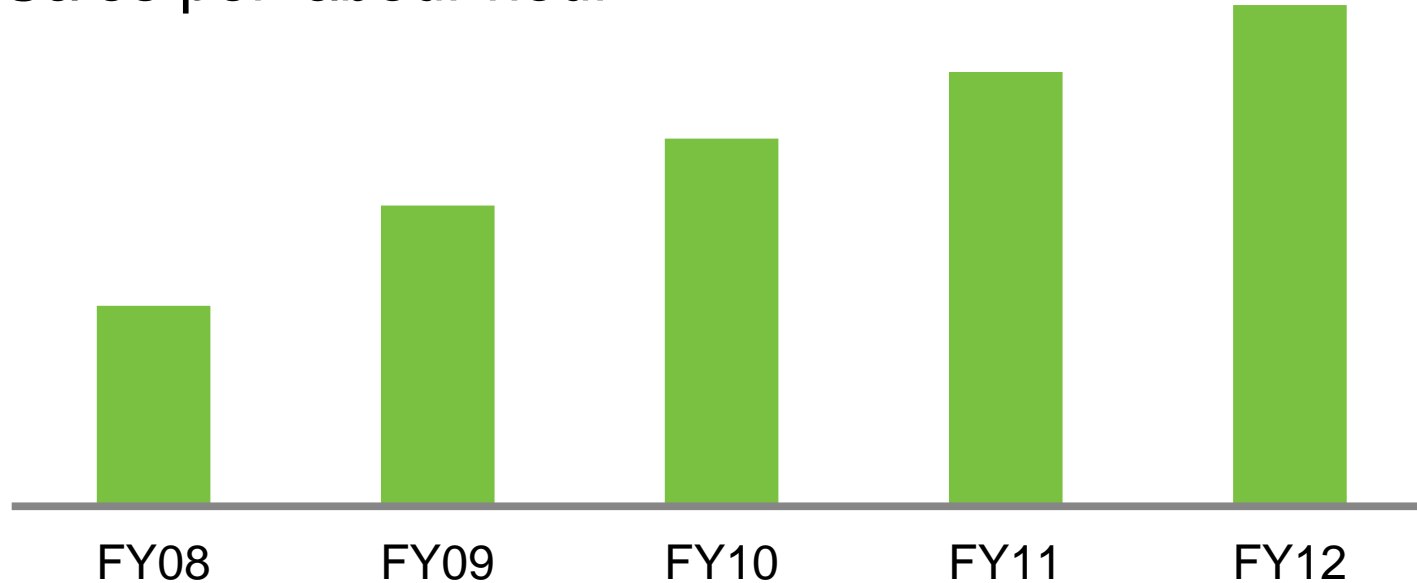
# Strong inventory productivity

Growing sales while improving inventory position



# Continued labour productivity

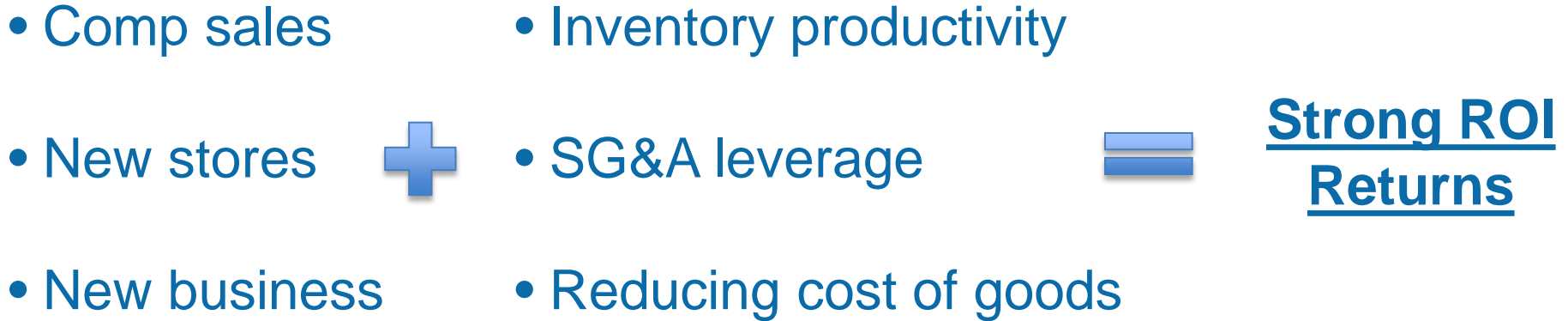
Sales per labour hour



# Reducing cost of goods



# Key takeaways





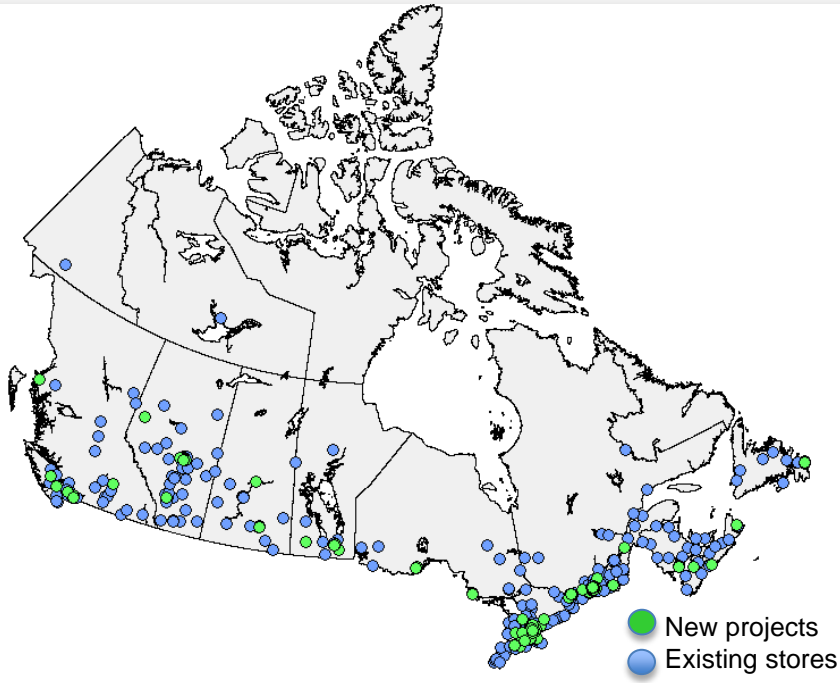
**Jim Thompson**  
Chief Operations Officer

# Walmart Canada's strategy





# Record year of expansion



- 73 projects
- \$750m investment
- 4.6 million sq. ft.
- 14,000 jobs

# Store expansion and operations

## Supercentre Rollout



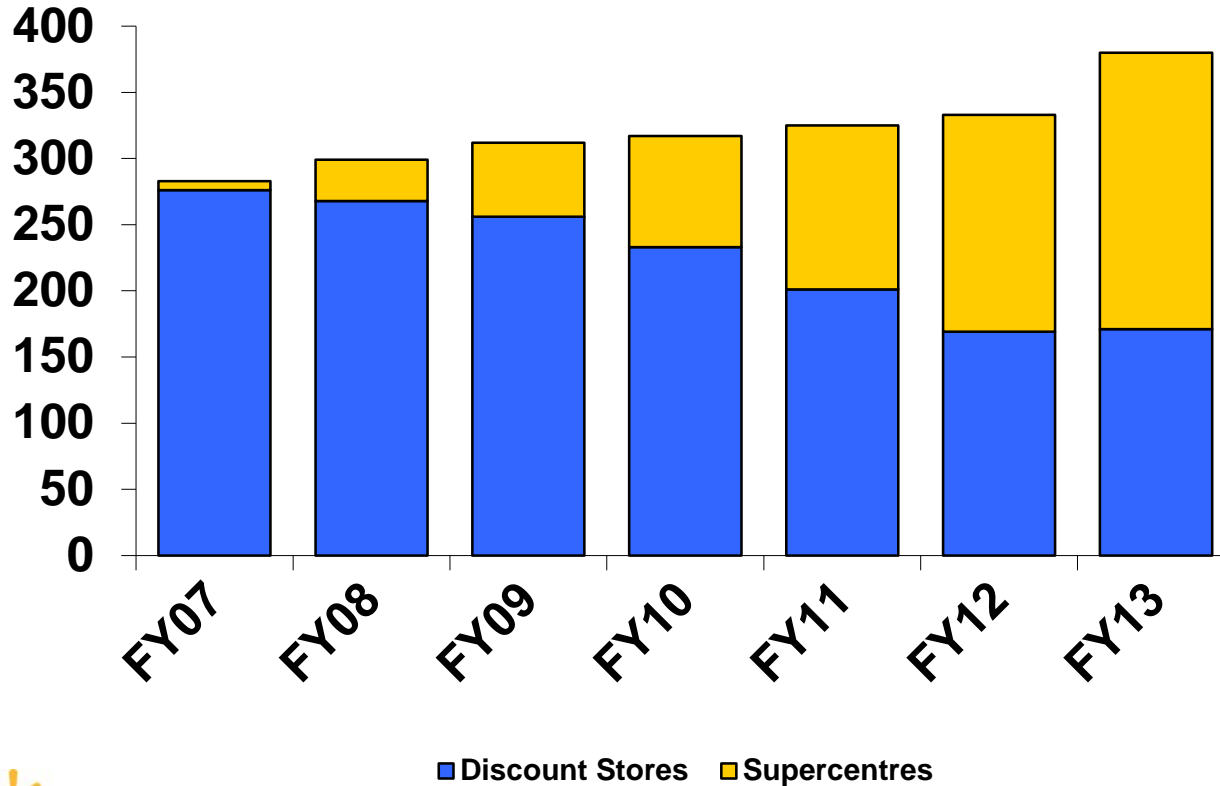
## Urban Strategy



## Zellers Integration



# Supercentre timeline



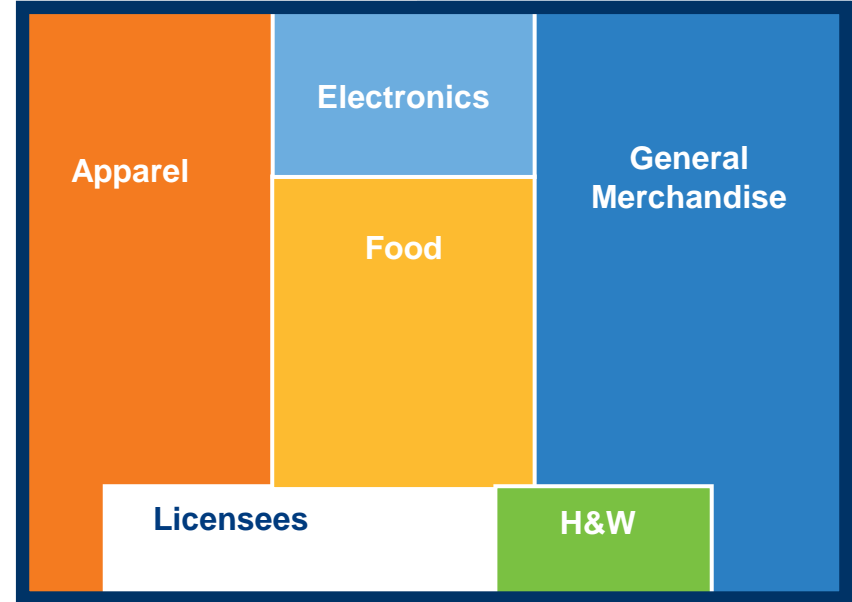
# Supercentre strategy



## Growth

- New stores
- Expansions
- In-box conversions

# In-box conversion



# Urban strategy



- Smaller parcels, smaller stores
- Custom store design
- Stilted/multi-level stores
- Access to parking
- Vertical circulation

# Urban strategy – Scarborough (South)



- 93,000 sq. ft.
- Stilted
- Population density





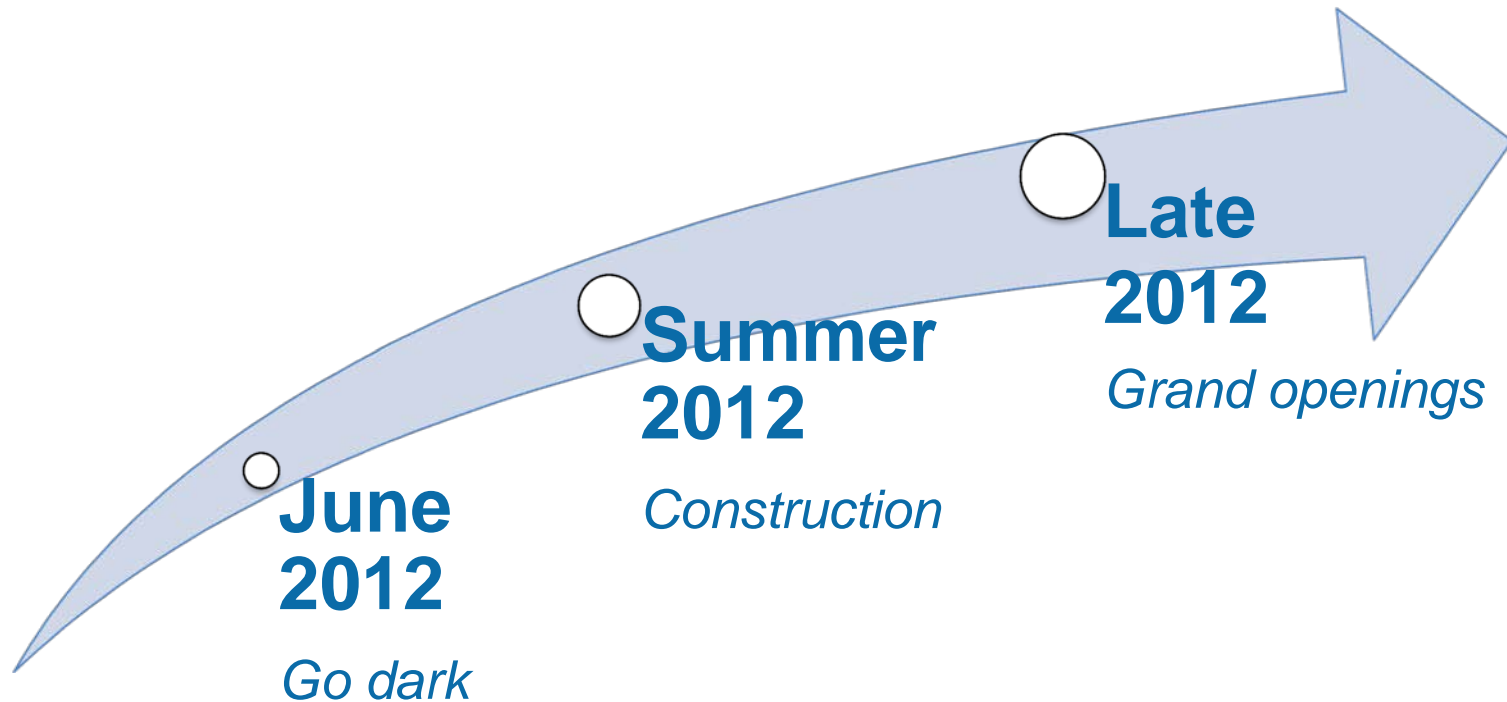
# Zellers integration



- 39 Zellers leasehold interests acquired from Target
- Incremental markets, market gaps



# Zellers integration timeline



# Zellers pharmacy integration



- Franchisee agreement with Zellers
- 60% will stay open during renovations
- 9 stores will have phased openings

# Key takeaways

**Supercentre  
Rollout**



**Urban  
Strategy**



**Zellers**



**Record  
year of  
growth**



# Gino DiGioacchino

## SVP, e-Commerce

# Walmart Canada's strategy



# Canadians online



- Canada is a growing e-Comm market
  - 2% of retail vs 7% in U.S.\*
- e-Comm will double in next 5 years
- No real winner in the marketplace

\*eMarketer 2011

# A multi-channel leader

- Shop Walmart at home
- Shop Walmart while you're out and about
- Shop Walmart stores for products at unbeatable prices



# FY12 e-commerce successes



Walmart Canada eComm Team

- Merged product informational site with transactional site
- Collaborated with GEC to leverage global technology
- Launched 24/7 customer service



# Walmart.ca today

The screenshot shows the Walmart.ca homepage. At the top, there's a blue header with the Walmart logo and navigation links like 'Welcome, Please Sign In', 'My Account', 'Help', and 'Financials'. Below this is a search bar and a 'Cart (0)' button. A large red banner in the center reads 'Cyber Monday Continues!' with 'Prices effective until Thursday, December 1st' and a 'Shop now' button. To the left of the banner is a vertical menu with categories like Apparel, Appliances, Automobile, Baby, Electronics, Grocery, Health & Wellness, Home, Jewelry, Movies, Music & Books, Office, Outdoor Living, See Store, Sports, Tools, and Video Games. Below the banner, there are several product tiles. One tile features a Kindle Fire tablet. Another tile shows a Vizio LED TV. A third tile is for a 'BAKE CENTRE' Caramel Apple Crumble Pie. Below these, there are more product tiles including a HP DeskJet printer and an RCA LCD TV. The bottom of the page has a 'Shop Featured Partners' section with logos for JiveSource, Kobo, and others.

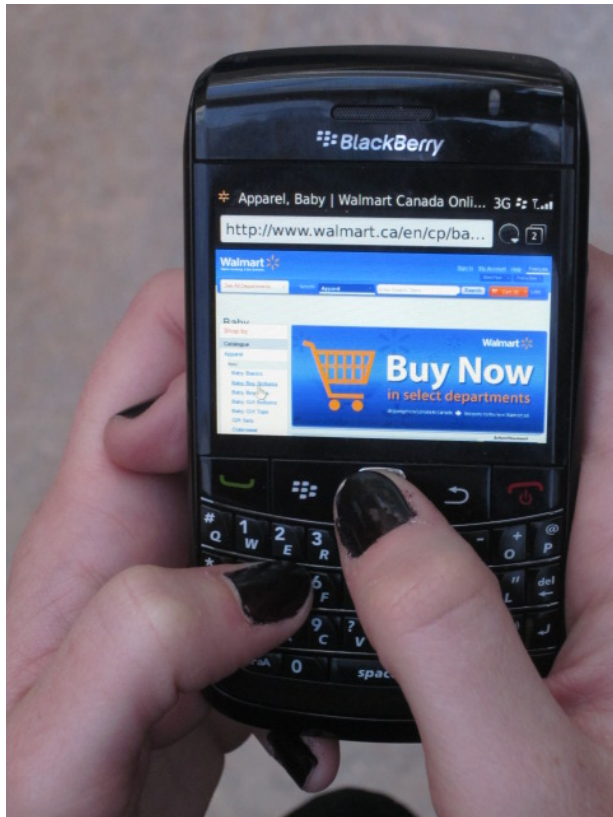
- 40K store finder visits daily
- 50K items on the site
- In-store pricing and availability
- Interactive flyers
- 83M visits in 2012

# Top 5 e-commerce categories



- Electronics
- Home
- Baby
- Outdoor living
- Appliances

# What's next?



- Customer feedback
  - Ratings and reviews
  - Social commerce
- Mobile
  - Research in the store
  - Shop on-the-go
- Continue to expand merchandise offering

# Loyalty loop



# Key takeaways

- Canadian e-Comm market is a great opportunity
- Walmart Canada is investing in e-Comm
- The focus is on a true multi-channel experience



**Trudy Fahie**  
President and CEO  
Walmart Canada Bank

# Walmart Canada's strategy





# Our lines of business



Accelerated Store Manager Development Program



# Enhancing sales and loyalty

Adding a card increases share of spend at Walmart\*

13%  
increase



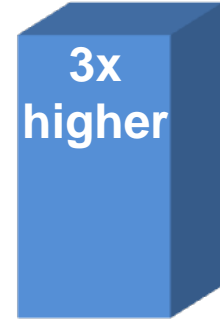
...and deepens relationships with our best customers

Annual  
Spend



Non-  
Cardholder

3x  
higher



\* Walmart internal research

# Front-end profit centre



- Simple, fast POS application process
- Instant credit
- Instant redemption, offered on every card transaction
- Easy bill payment

# Walmart Rewards MasterCard



- Customers save even more
  - Earn Rewards faster
- Redeem for anything Walmart sells
  - Walmart Rewards = \$
- Instantly at the register
  - Redeem every time or save for something special

# Rewarding experiences



“I’ve been in need of a new cookware set for some time now, but I’ve been holding out for a really great sale. So, when the Paula Deen Stainless Steel 10 piece set recently went on rollback for \$89, I used my Walmart Rewards and felt like I was one of those people on the Extreme Couponing show!

My heart raced while the cashier rang everything up... When she said my balance was **46 cents** I did a happy dance right there on the spot!”

# Growth opportunities

## Affordable financial services

- Instalment loan options to ease big ticket purchases
- Additional credit card alternatives
- Increasing selection in core banking alternatives



## Simple insurance protection

- Leverage brand and distribution to offer simple protection products to under-served mass market
- Walmart Compare - call or click to have multiple insurers compete for your car & home insurance



# Key takeaways

- Extending Walmart's brand promise by helping customers save even more
- Walmart Rewards MasterCard driving sales and loyalty
- Delivering strong results and future growth opportunities



# Bob Hakeem

## Senior Vice President, People

# Walmart Canada's strategy





# Exporting talent



**Lesley Smith**  
SVP, Supply Chain  
Walmart China



**Duncan Mac Naughton**  
EVP, Chief Merchandising &  
Marketing Officer  
Walmart U.S.



**Sean Clarke**  
Chief Operating Officer  
Walmart China



**Corey Gillon**  
Ops. Integration Lead –  
Sr. Director  
Massmart



**David Cheesewright**  
President and CEO  
EMEA Region



# Great leadership

- We have the best leadership talent in the industry with a deep talent bench



# Talent

- We know our needs and are well-positioned to fill our talent supply chain



2014

Store / Co-managers: 425  
Assistant managers: 1,400



# The war for talent

- Talent demands are intensifying as Canadian retailers change and new retailers enter the market



# Strong employer brand



- Canada's fastest-growing retailer
- A development destination
- 70% associate engagement

# Building talent

- Walmart international EMBA program

## Go to school

Harvard  
program for  
leadership  
development

## Go abroad

Visit Walmart  
international  
companies

## Go together

Working in  
teams on a  
real business  
issue

## Go it alone

Working with  
executive  
coaches

1-year program

# Building talent

- Women in Retail (WIR)



- Launched in 2010
- Networking, education, development
- Strong role models
- Advancing women at every level



# Key takeaways

- Experienced leadership
- Strong talent supply chain
- Talent demands intensifying
- Great employer brand





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