



VALUE CREATION

Olga González, CFO

March 12, 2019

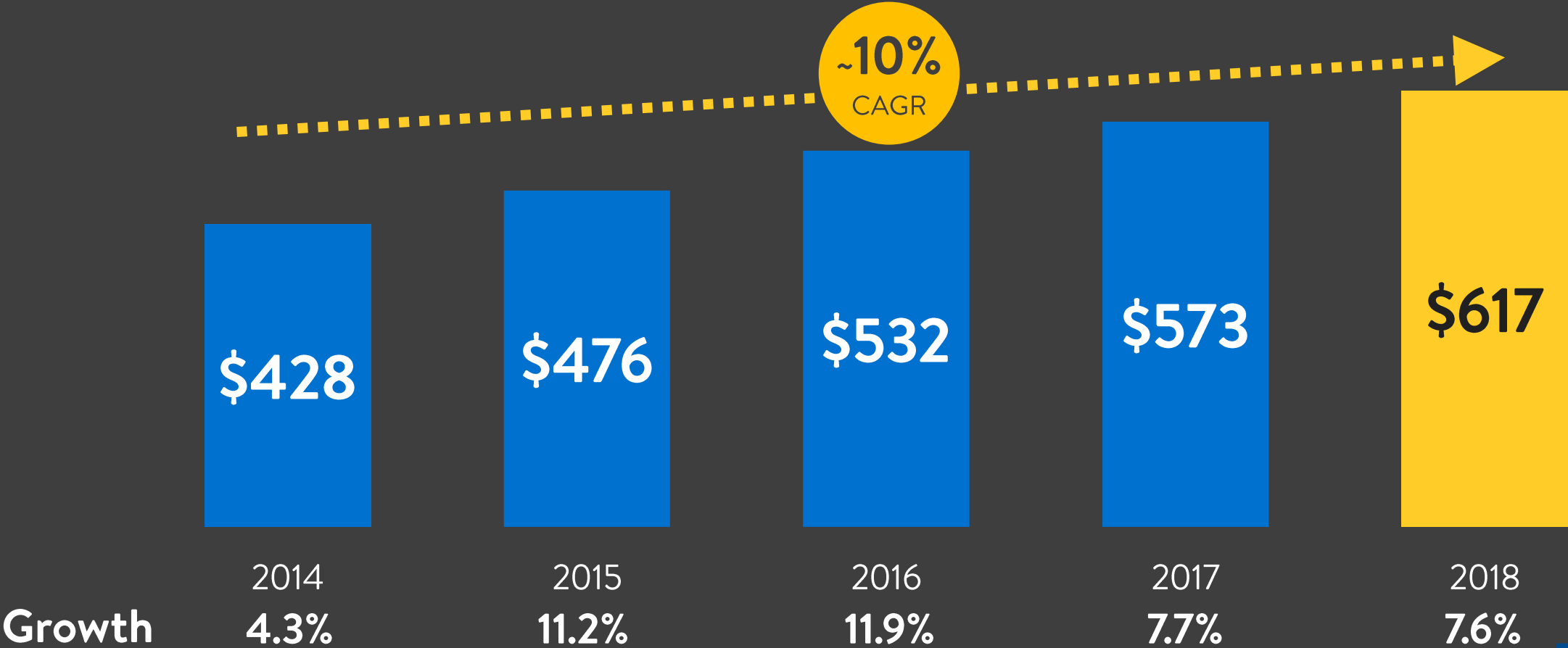


WINNING FROM A POSITION OF STRENGTH



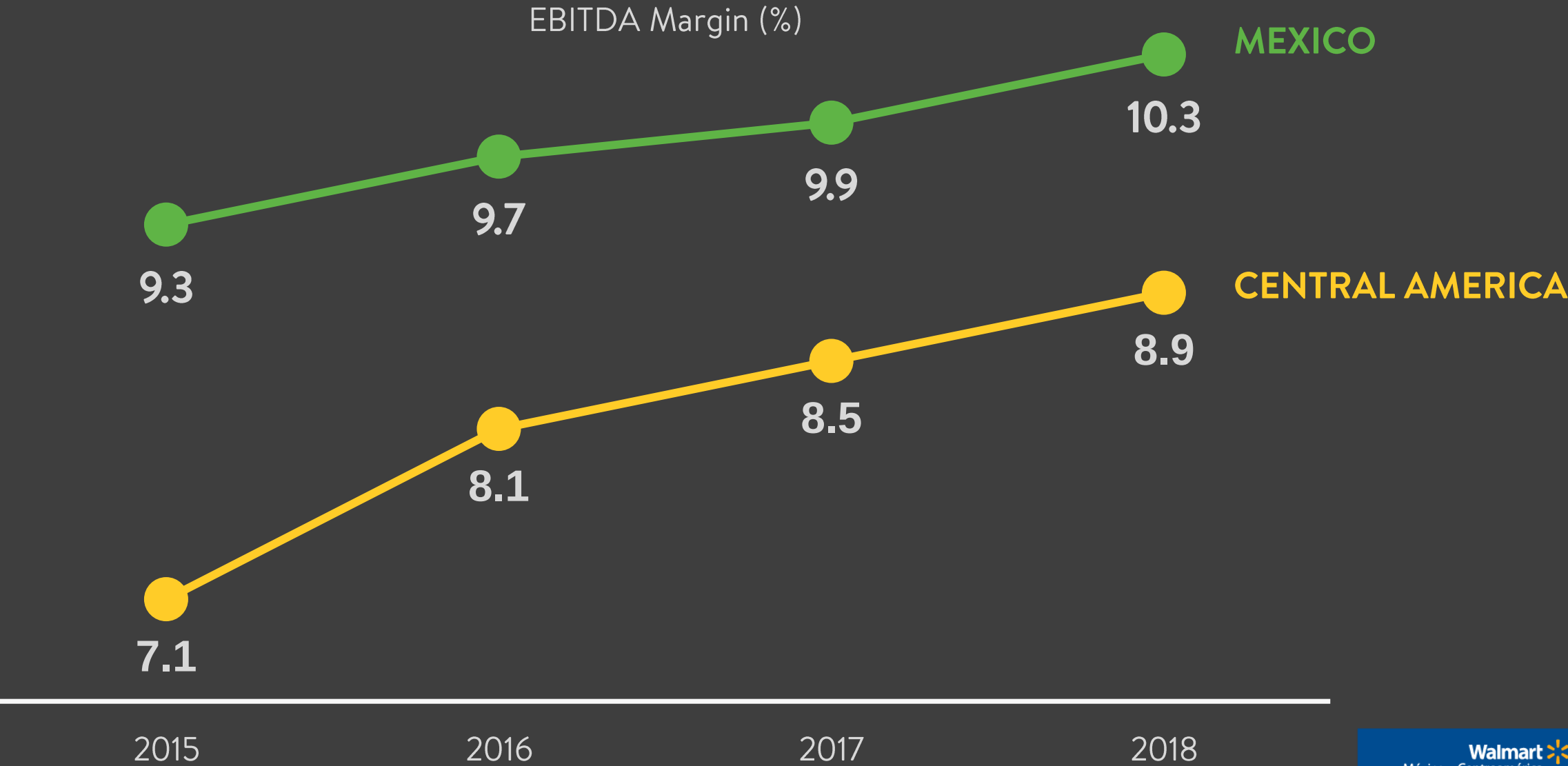
We have progressed on our goal to double the size of the company by 2024

Total Revenues– Walmex consolidated (\$MXN B)



Note: Excludes divestitures

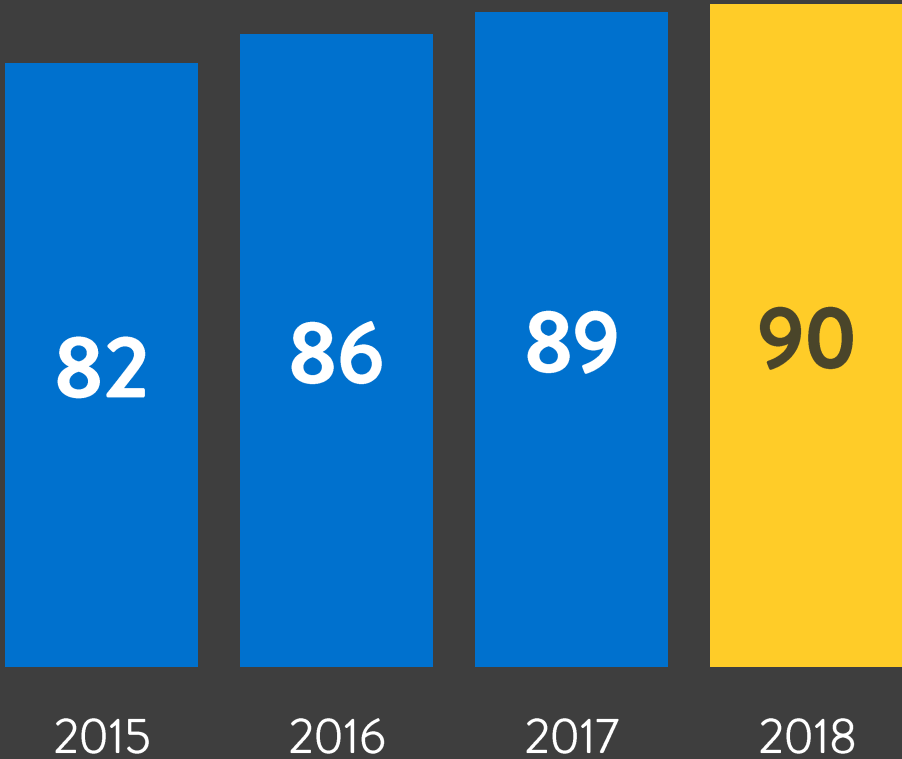
We have done so improving profitability



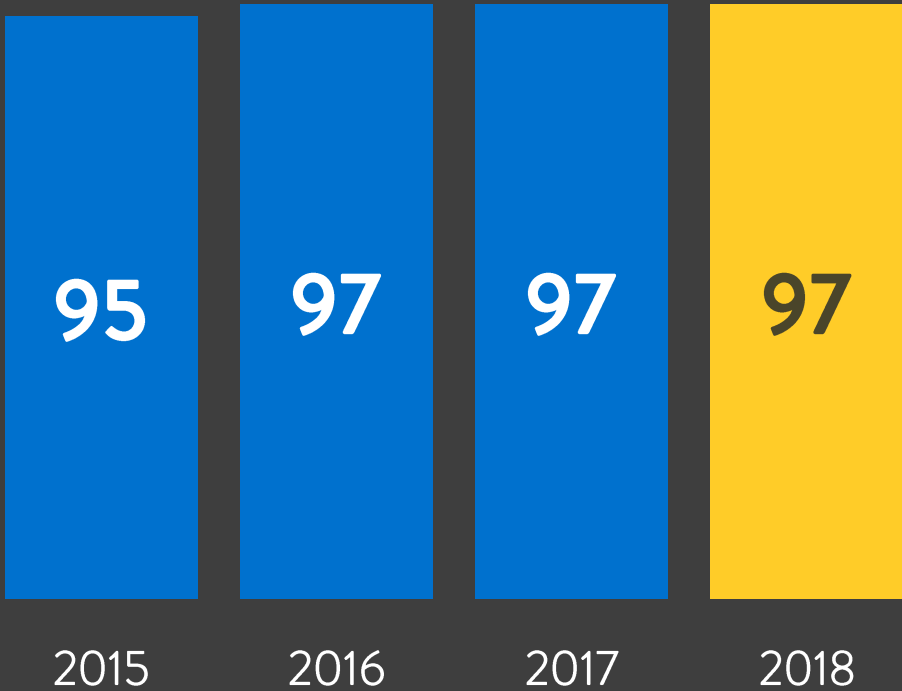
Note: Excludes divestitures

With consistent and sustainable results

% Stores with Positive
Operating Income



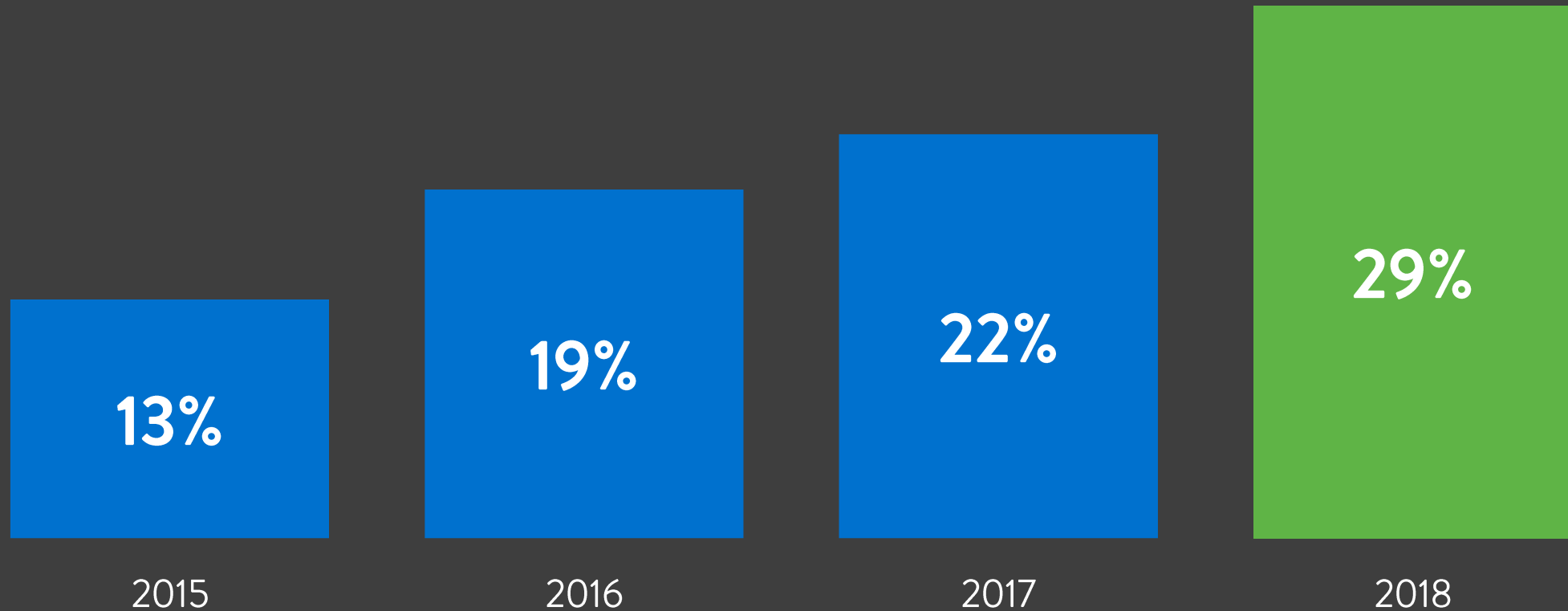
% Stores with Positive
Cash Flow



Note: Excludes divestitures

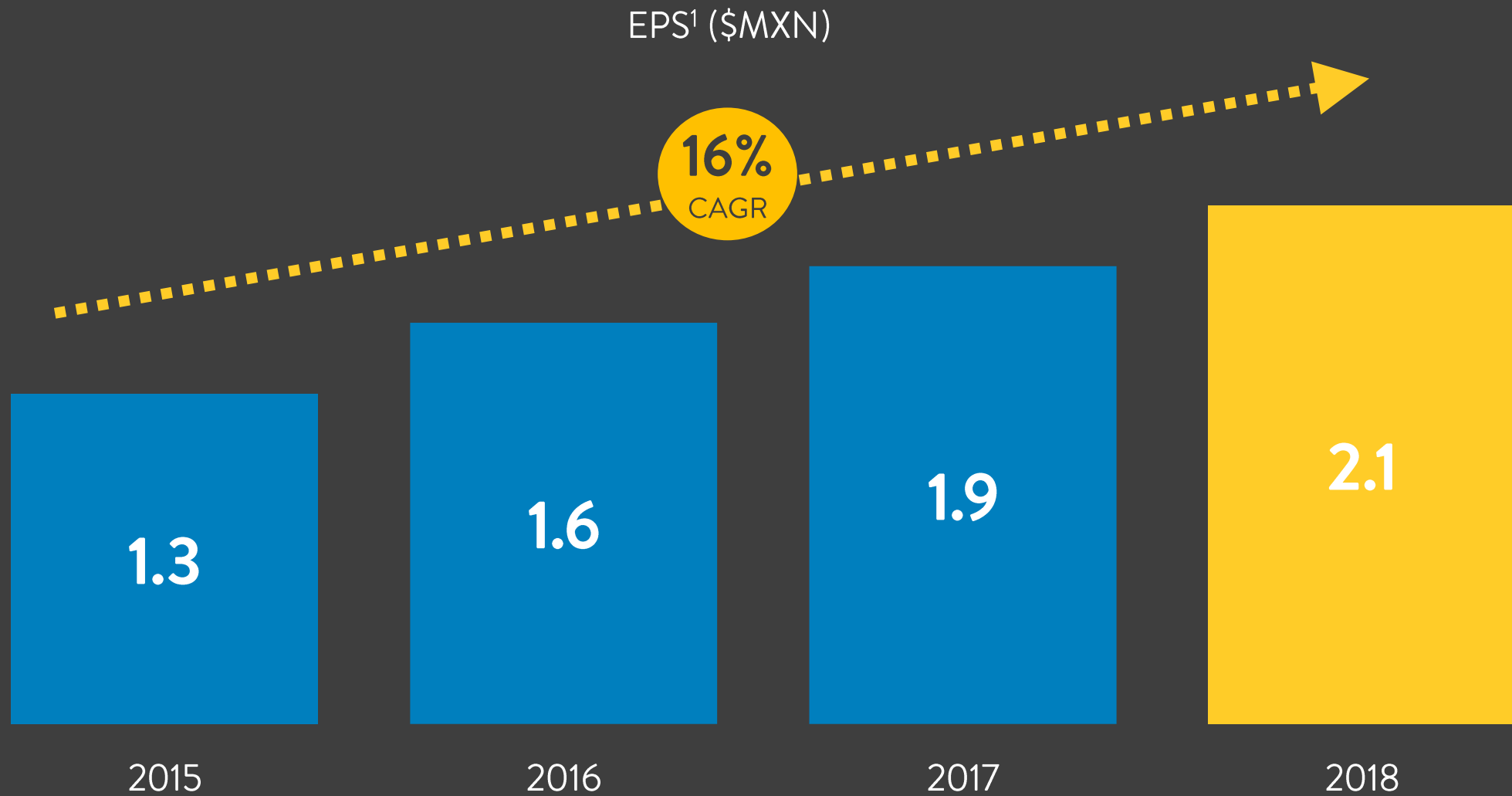
While investing to position our company for the future

% CapEx allocated to strategic initiatives¹



1: Strategic Initiatives = Logistics, eCommerce & Technology and Fresh upstreaming, excludes divestitures

And generating strong returns



1: Adjusted EPS, excludes divestitures

In 2018 we delivered on our financial strategy

GROWTH

6.7% | 2.1%

Same store sales
growth* (MX|CAM)

47%

GMV Growth*

2.3%

New stores
contribution
to growth

CAPITAL MANAGEMENT

+\$18B_{MXN}

Invested in our business

-7 days

Cash Conversion Cycle

PROFITABILITY

20_{bps}

Expense leverage

3.2% | 3.1%

UPLH
improvement in
comp stores*
(MX|CAM)

+30_{bps}

EBITDA
Margin
expansion

RETURNS

13%

EPS growth
(adj)

+\$26B_{MXN}

Distributed
in dividends

11%

Cash
generation
growth

Note: Consolidated figures unless marked with *
CAM = Central America

We will continue to build on our financial strategy



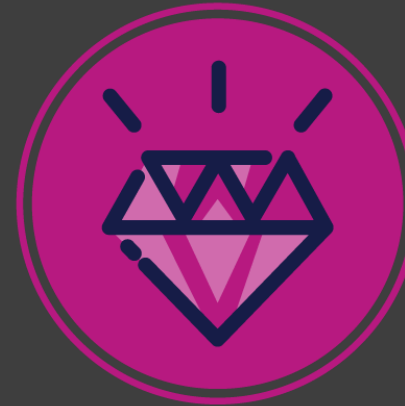
**QUALITY
GROWTH
ACROSS
THE BUSINESS**



**EDLC AND
PRODUCTIVITY
TO REINVEST IN
THE BUSINESS**



**STRATEGIC CAPITAL
MANAGEMENT**



**DELIVER
SHAREHOLDER
VALUE**



MAINTAIN MARKET LEADING GROWTH

- Strong same-store sales
- Omnichannel acceleration
- Efficient new store growth

We improved the accuracy and execution of our real estate process, by leveraging digitalization



Process
optimization

+

Digital
tools

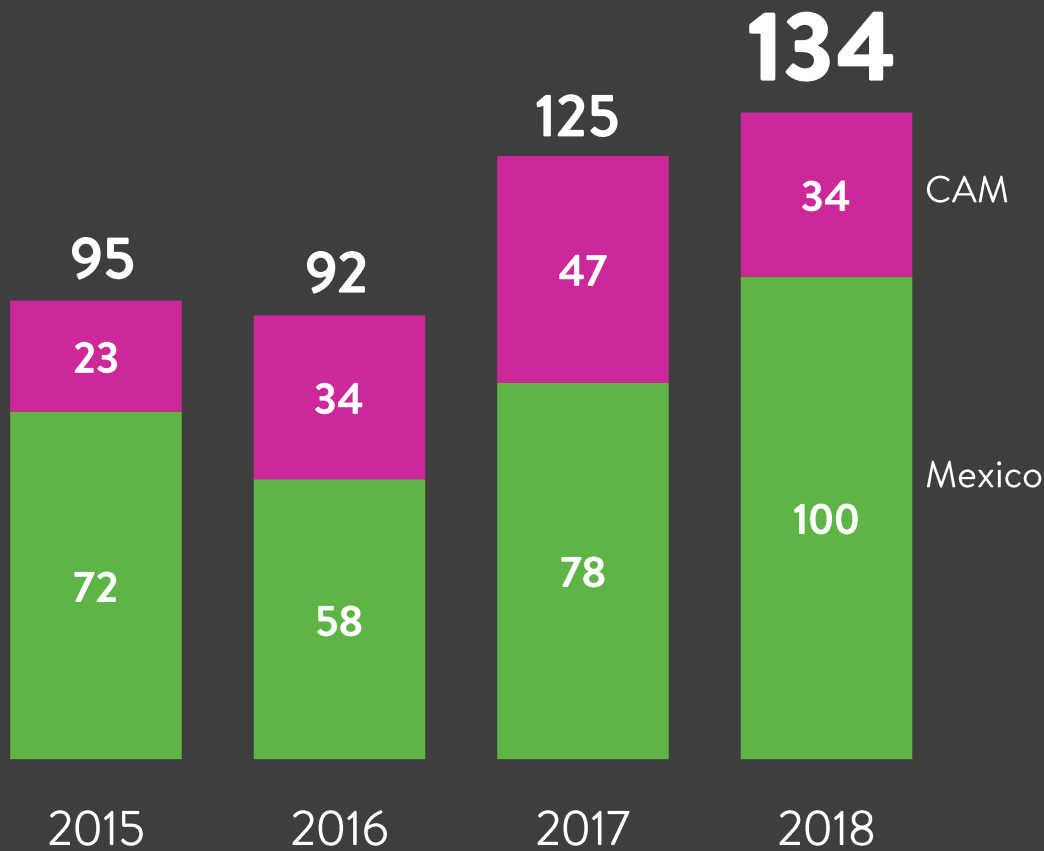
=

1.2x more
productivity

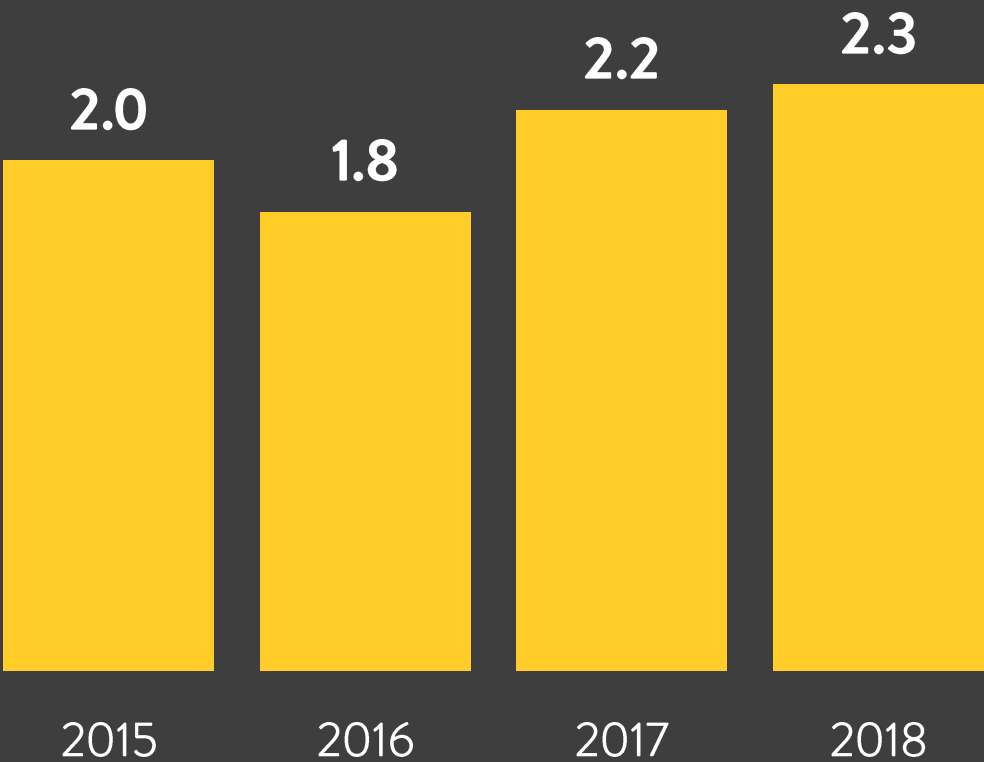
This allowed us to deliver what we promised



New store openings



New stores sales contribution to growth
Consolidated (%)



1: ANTAD self-service and clubs excluding Walmex

We are investing in omnichannel infrastructure to boost future growth



OMNICHANNEL INFRASTRUCTURE

1.8%-2.0%

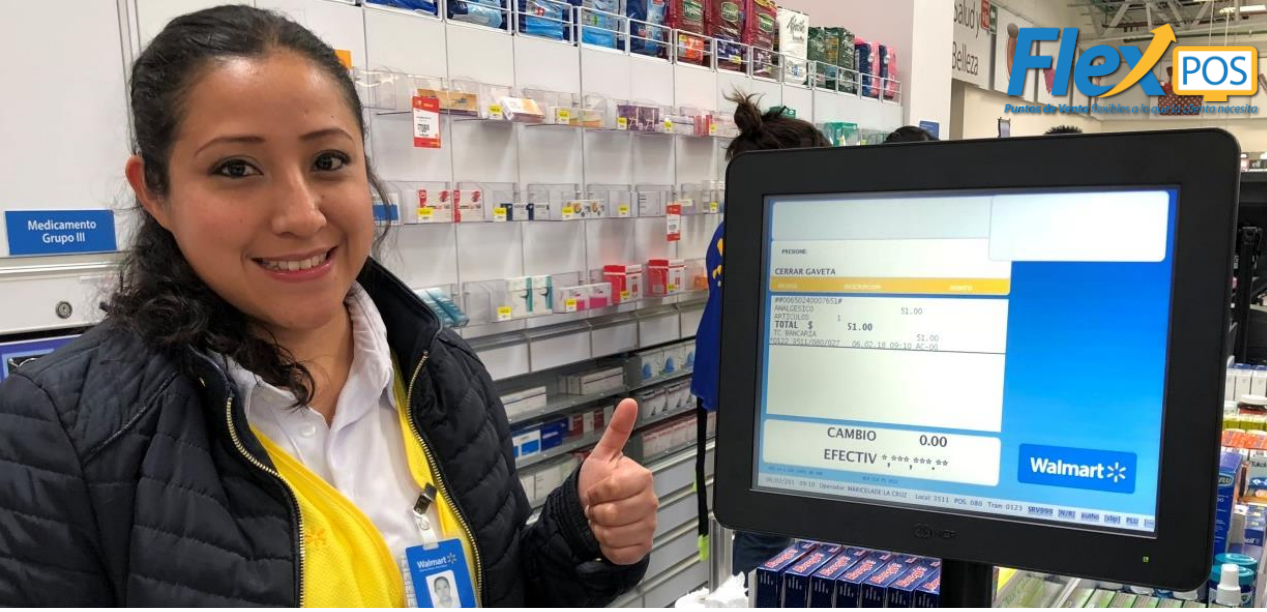
New store sales contribution to consolidated growth 2019





**STRONG EDLC
MENTALITY, FOCUSING
ON PRODUCTIVITY TO
REINVEST IN OUR
BUSINESS**

- Productivity improvements
- Digital tools and training



Flex POS
Puntos de Venta flexibles a la medida de tus necesidades



ROLLOUT OF FLEX POS TO 100% STORES

DIGITAL TOOLS



IN-STORE TECHNOLOGY

NINJA PROJECT

Reinvesting in
strategic
initiatives
to further
improve our
competitiveness



PRICES



COMPENSATION



eCOMMERCE AND IT



LOGISTICS



NEW STORES



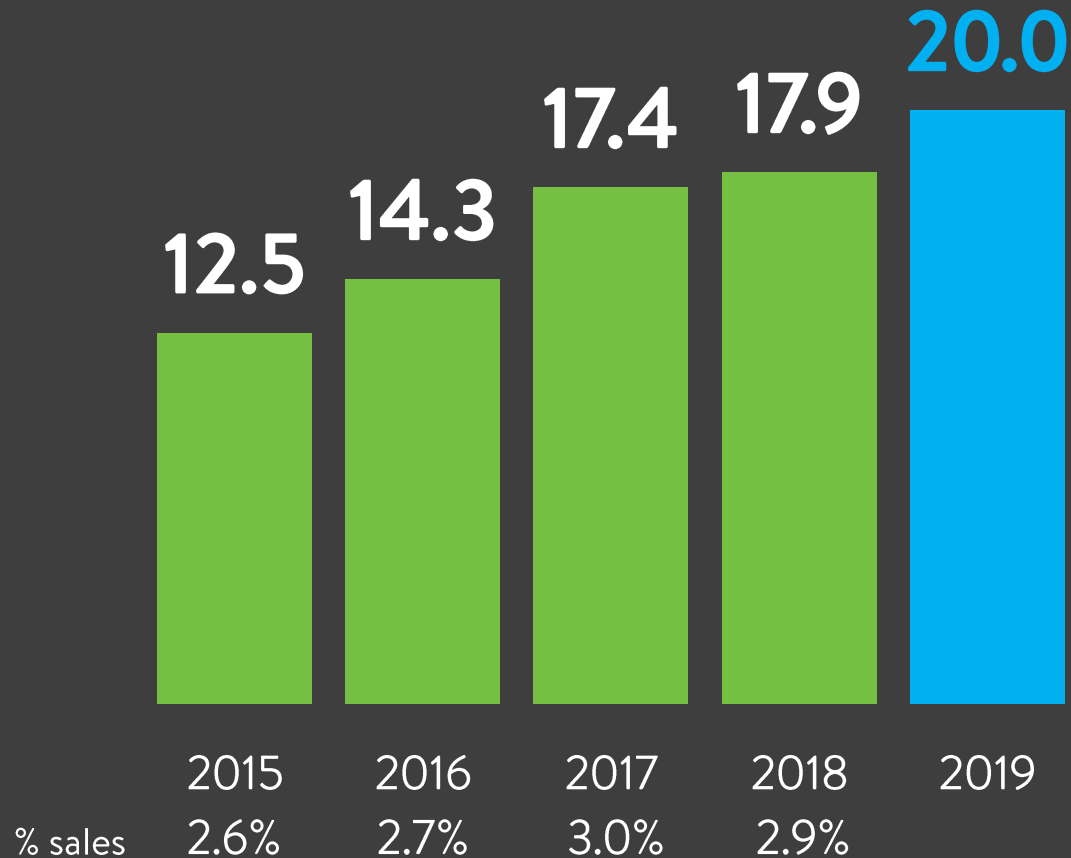
STRATEGIC CAPITAL ALLOCATION AND WORKING CAPITAL MANAGEMENT

- Cash conversion cycle improvements
- Allocating capital to high return projects

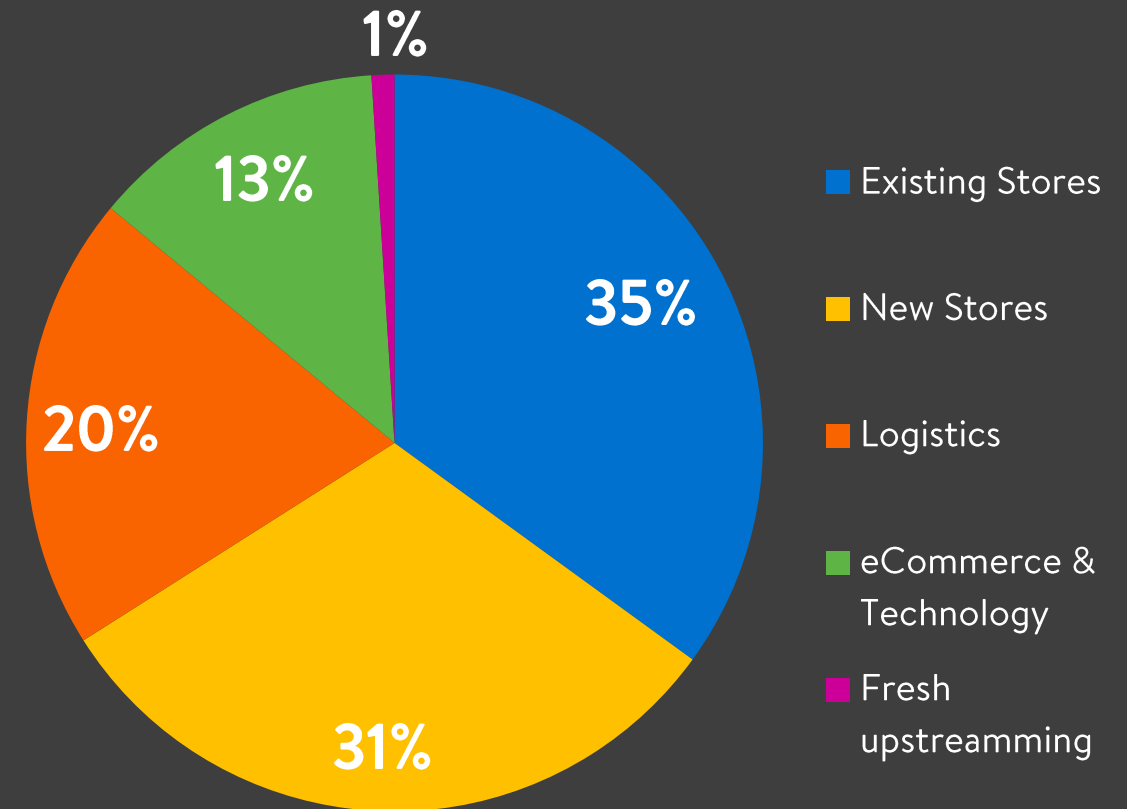
Capital allocation is aligned with our strategy



CapEx (MX\$ B)



2019 CapEx Distribution – Consolidated (Expected)





Meet Laura

- She works **part time** as a care giver
- She is **29**, she has **a 3 year old child** and belongs to the **D SEL**
- She has a smartphone but she **doesn't have a credit card**
- **SHE IS OUR CUSTOMER**
- She has done **online shopping** a couple of times, **paying at the store**
- She is a **value and offer seeker**

She wants to buy a washer-dryer combo

- She's constantly **researching online** for the **best value / price** option
- She's willing to save and pay for it, but doesn't have the **knowledge and discipline**



HOW DO WE CONNECT WITH LAURA?

Cashi will be our vehicle to connect with customers

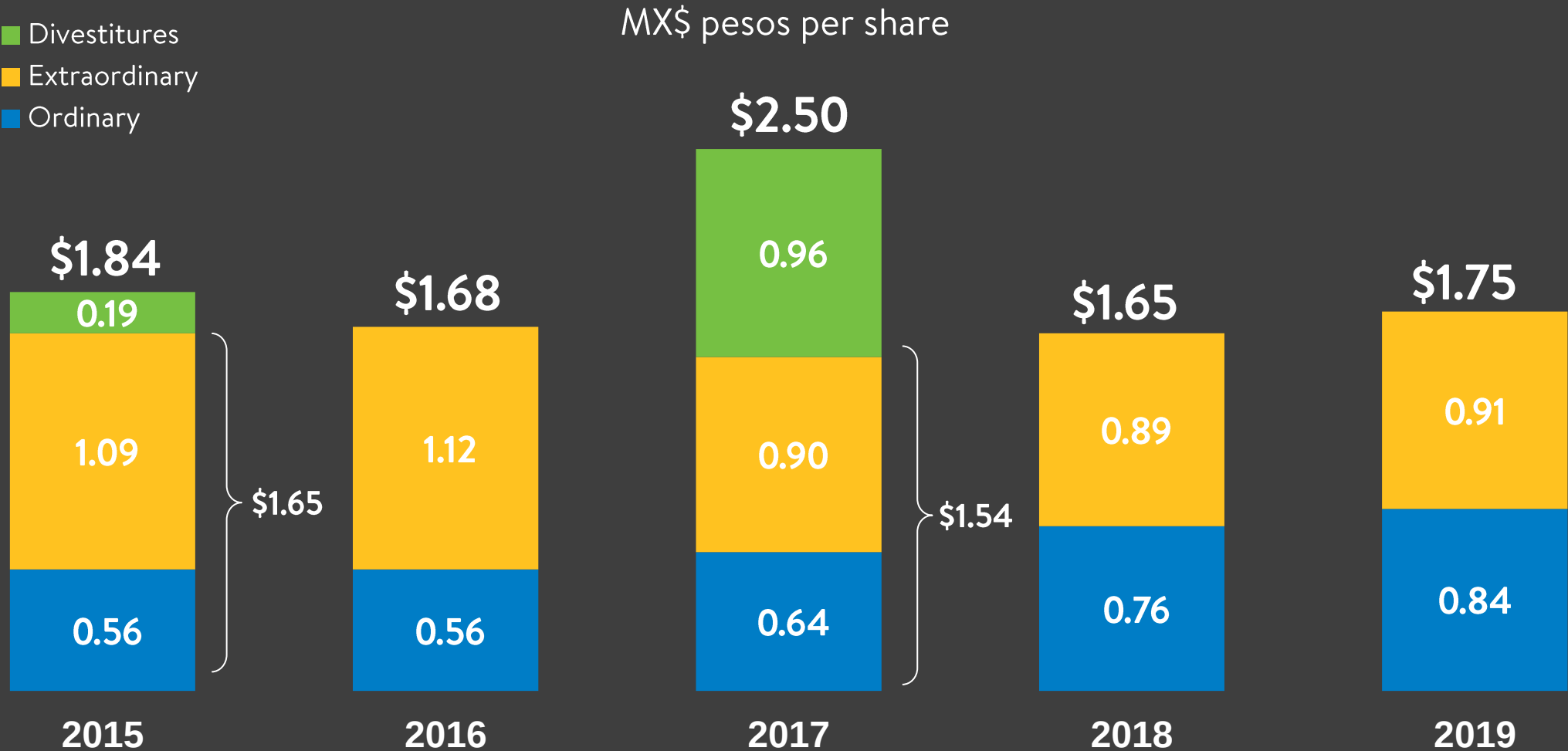




DELIVER SHAREHOLDER VALUE

- Ongoing commitment to return excess cash to our shareholders

Generating strong returns



Financial strategy



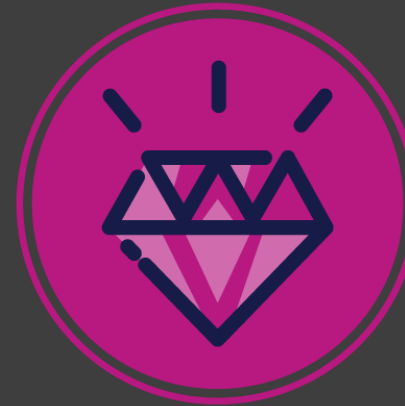
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