

Walmart

México y Centroamérica

WALMEX DAY 2021 - ADVERTISING AND CONNECTIVITY ECOSYSTEMS



The date of this meeting is February 18, 2021. Today's meeting is being recorded and will remain available at www.walmex.mx

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BEATRIZ NÚÑEZ:

Good morning to you all, I am Beatriz Núñez, Chief of the Growth and IT Office.

As Gui and Blas already mentioned, our ambition is to create a customer centric ecosystem attached on our core business, driving end-to-end solutions and using agility as our way of working.



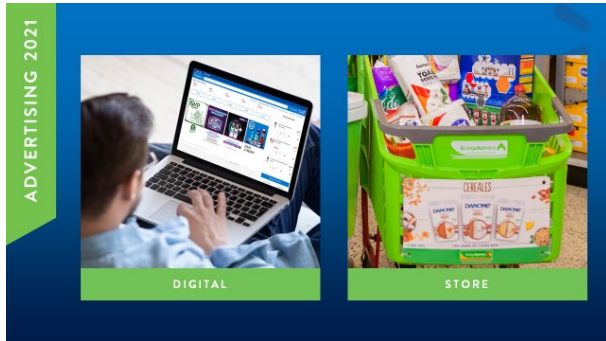
We are eager about the progress we have reached so far, and we are confident that this transformation will help Walmart drive its long-term aspiration and continue to improve the lives of Mexican families. Particularly in the last year, we decided to accelerate the creation of new sources of revenue, which were prioritized and will be delivered in waves.

<div data-bbox="121 105 246 128" data-label="Section-Header"> <h2>Ecosystems</h2> </div> <div data-bbox="152 142 391 390" data-label="Image"> </div> <div data-bbox="224 365 318 380" data-label="Caption"> <p>ADVERTISING</p> </div> <div data-bbox="417 142 656 390" data-label="Image"> </div> <div data-bbox="482 365 589 380" data-label="Caption"> <p>CONNECTIVITY</p> </div>	<p>The Walmart ecosystem is the network of solutions that focus on what our customer needs, which will be driven by our strength, our core business, enabling a unique advantage to solve our customers' pain points and improve their shopping experience.</p> <p>Today, I am proud to talk about 2 verticals of our ecosystem: Advertising and Connectivity, which complement each other and leverage on the vertical of Financial Services which Blas already talked about.</p>
<div data-bbox="116 525 136 659" data-label="Section-Header"> <h2>ADVERTISING</h2> </div> <div data-bbox="207 546 662 674" data-label="Text"> <p>Become the leading media platform in Mexico by helping brands connect with our customers more often and more meaningfully</p> </div>	<p>In Walmart, we have the scale of our physical stores and the purchasing data of our customers, no one knows Mexican customers better than we do, so we have defined a mission that will help us drive our corporate ambition:</p> <p>"Become the leading media platform in Mexico by helping brands connect with our customers more often and more meaningfully."</p>
<div data-bbox="116 913 136 1100" data-label="Section-Header"> <h2>ADVERTISING 2020</h2> </div> <div data-bbox="168 959 407 1194" data-label="Image"> </div> <div data-bbox="245 1171 329 1184" data-label="Caption"> <p>OUR REACH</p> </div> <div data-bbox="433 959 672 1194" data-label="Image"> </div> <div data-bbox="477 1167 626 1194" data-label="Caption"> <p>OUR KNOWLEDGE OF THE CUSTOMER</p> </div>	<p>During 2020, we have managed to integrate and develop an offer focused on 2 branches:</p> <ul style="list-style-type: none"> • Our reach. By adding up our traffic in physical stores and digital channels we became a national mass media. • Our knowledge about the customer. Knowing what the customer buys, gives us a unique advantage over any other player. <p>With this approach, we achieved an omnichannel advertising annual revenue growth close to double-digits and we worked with more than 200 brands who believed and invested in our media.</p>
<div data-bbox="116 1444 136 1629" data-label="Section-Header"> <h2>ADVERTISING 2021</h2> </div> <div data-bbox="362 1587 440 1610" data-label="Text"> <p>VIDEO</p> </div>	<p>We would like to share with you some of the examples we built together with our advertisers, and to give an idea of the great potential Walmart has in becoming the leading communication platform in Mexico.</p> <p>The first example I want to share with you is when we understood the change in behavior and habits of our customers, we addressed that our customers were cooking more at home because of the COVID-19 contingency. We launched an omnichannel and innovative multi-brand and multi-format campaign. The objective we defined with the advertisers was to introduce their products with our customers in an easy and fun way. When the customers arrived at Supercenter or Superama, first, we sweetened their ears and sight with audio and screens, so they crave for a new recipe. Next, when they walked through the aisles, we sent a text message to their phone or email, with tips for the recipe. In addition, the ingredients had a QR code that when scanned, directed them to our blogs "Taste and Style" where they could find more recipes and with a single click, they could find all the ingredients ready in their Walmart.com or Superama.com carts. The results in sales for these</p>

products were spectacular, in Superama, they grew 196% and in Supercenter 95%, during the period of implementation.

We also invited our customers to our...

- Livestream and virtual unboxing during toy season, driven by our data understanding to offer them the perfect gifts for them and their families.
- We even took them virtually to the Alejandro Fernandez concert sponsored by the brands.



We are very motivated with the 2020 results and we will now tell you about the plans of the future, which are fully focused on the needs of advertisers and seek to achieve high double-digit revenue growth in advertising, becoming their first choice in their marketing strategies.

Some of the key actions of Walmart Connect for 2021 will be:

- Expand digital capabilities, including sponsored searches, digital content with tailored offers at the right time, digital segmentation, and automation platform capacities.
- At the same time, we will innovate in store advertising spaces to improve the experience of our customers.

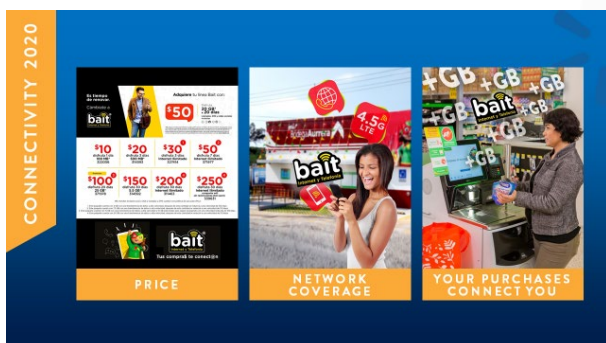


Now, I am going to talk about our other vertical, Connectivity, I have the opportunity to share the progress of BAIT, our multi-format mobile and home internet connectivity service.

In Mexico, connectivity represents a basic need for Mexican spending and achieves annual revenue growth consistently. Having this on mind, we addressed that the strength of our core business enables clear advantages in terms of sales and distribution capabilities, so we have a strong opportunity to become the leading Mobile Virtual Operator in Mexico and be a digital inclusion accelerator in the country.

Our mission aligned with our business principles is:

"Deliver the best connectivity at the best price to help our customers live better."



Given the current situation and the new normality during June and July 2020, BAIT provided 30 days of free and unlimited connectivity in order to support the community, which allowed us to be one of the main Virtual Operators in terms of new customers' acquisition, during that period of time.

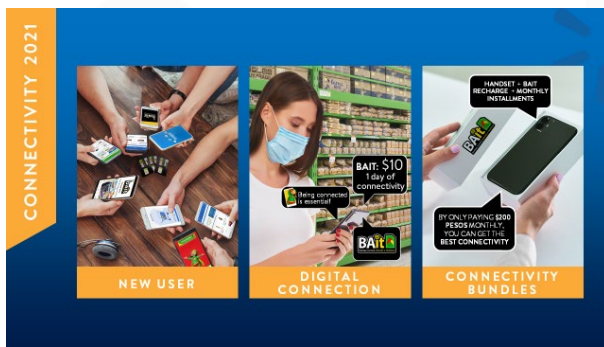
This new business required a better understanding of our customer and agile management. Today, we have reached over 300,000 users and we offer BAIT in more than 2,500 stores and clubs in our four formats. This exponential growth was driven by focusing all time on the customer, mainly on the three key aspects that we included in our value proposition:

1. Low prices. BAIT is the best prepaid offer in the country with unlimited connectivity services, data, voice and SMS, for only 50 pesos per week or 200 pesos per month, including nationwide and international coverage.

2. Great coverage at maximum speed. We provide a 4.5LTE experience and even reached small cities that did not have coverage.
3. Your purchases connect you. For every purchase made in our stores, our customer will be rewarded through our APP "MiBAIT" with additional megabytes to stay always connected.

Customers with limited resources have the desire and need to be connected and we know the limitation is the price of the connectivity. True to our purpose: save people money and help them live better, we are offering connectivity at a price the customer can afford and benefits for their purchases at our stores.

By enabling our customers' connectivity, we are opening a universe of possibilities to add them to Walmart's omnichannel ecosystem and solve their friction points.



BAIT focus for 2021 is the following:

- Accelerate new users' acquisition and reach a triple digit growth.
- Build a digital connection ecosystem by implementing new sources of revenue, by enabling handsets, home internet, value-added services, and data monetization.
- And, it allows us to provide access to connectivity bundles such as: handsets, connectivity service and credit. Or electronic devices attached to home internet and entertainment services will make BAIT an unique offer.

We are very excited about BAIT! Our customers recognize this effort, we are ready to roll-out, and continue gaining our customers' loyalty.



Finally, I would like to highlight the following points:

1. We have unique advertising capabilities to connect advertisers with our customers more frequently and meaningfully.
2. Connectivity opens a universe of possibilities to bring our customers into Walmart's omnichannel ecosystem and resolve their pain points.
3. This is just the beginning, we will be exploring new revenue streams and opportunities in our Ecosystem, aligned with our strategy.

It was a great pleasure to share our results with you, but even more important, how we are going to build the future and how are we going to improve the lives of Mexican families. Thank you very much!