

Walmart de México y Centroamérica Reports Results for the Second Quarter 2020

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 23, 2020

Financial Results

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the second quarter of 2020. Total revenues increased **9.5%**. EBITDA for the quarter amounted to **\$15.7 billion pesos**, which represented **9.3%** of total revenues, a decrease of **3.3%** over last year's levels.

Main figures are:

Results April – June	2020		2019		Growth
	Million \$MXN	%	Million \$MXN	%	%
Net Sales	167,875		153,149		9.6
Other Income	1,151		1,201		(4.2)
Total Revenues	169,026	100.0	154,350	100.0	9.5
Cost of Sales	130,492	77.2	119,440	77.4	9.3
Gross Profit	38,534	22.8	34,910	22.6	10.4
General Expenses	27,351	16.2	22,952	14.9	19.2
Income before Other Income Net	11,183	6.6	11,958	7.7	(6.5)
Other Income (Expenses) - Net	(34)	(0.0)	122	0.0	(1.3x)
Operating Income	11,149	6.6	12,080	7.8	(7.7)
Financial Income (Expenses) - Net	(3,735)	(2.2)	(1,074)	(0.7)	2.5x
Taxes	(5,752)	(3.4)	(2,255)	(1.5)	1.6x
Net Income	1,662	1.0	8,751	5.7	(81.0)
EBITDA	15,734	9.3	16,276	10.5	(3.3)
EPS (in pesos)	0.095		0.501		(81.0)

EPS= Earnings per share

X=Times

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020

Results January – June	2020		2019		Growth
	Million \$MXN	%	Million \$MXN	%	%
Net Sales	337,833		303,683		11.2
Other Income	2,527		2,401		5.3
Total Revenues	340,360	100.0	306,084	100.0	11.2
Cost of Sales	262,762	77.2	236,677	77.3	11.0
Gross Profit	77,598	22.8	69,407	22.7	11.8
General Expenses	52,040	15.3	45,180	14.8	15.2
Income before Other Income Net	25,558	7.5	24,227	7.9	5.5
Other Income (Expenses) - Net	231	0.1	192	0.1	20.2
Operating Income	25,789	7.6	24,419	8.0	5.6
Financial Income (Expenses) - Net	(5,344)	(1.6)	(2,076)	(0.7)	1.6x
Taxes	(8,785)	(2.6)	(4,928)	(1.6)	78.3
Net Income	11,660	3.4	17,415	5.7	(33.0)
EBITDA	34,784	10.2	32,738	10.7	6.3
EPS (in pesos)	1.841		2.168		(15.1)

EPS= Earnings per share

X=Times

Openings Q2 2020

Mexico: 6 units

- 6 Bodegas Aurrerá
 - o 3 Bodega Aurrerá
 - o 3 Bodega Aurrerá Express

Central America: 6 units

- 1 Bodega
- 4 Discount stores
- 1 Supermarket

Installed Capacity

Sales Area in m ² (June 30, 2020)		
Format	Mexico	Central America
Bodegas and Discount Stores	2,898,704	479,560
Walmarts	2,115,584	171,611
Sam's Clubs	1,163,427	
Supermarkets	150,787	136,849
Total	6,328,502	788,020

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



Other Events

Walmart de México y Centroamérica was included in the "Index of companies committed to Mexico", published in the newspaper Reforma, for the donation of 100 million pesos to the temporary Covid-19 unit in the CitiBanamex Center.

Walmart de México y Centroamérica was included in the 8th position in the ranking "The Most Ethical Companies 2020" of Fortune magazine, for being a company that promotes the development of an ethical culture and was ranked in the 3rd place in the category "Ethic Philosophy of the Business "

Walmart de México y Centroamérica reached the first position within the ranking "The most important employers of the country" of the Mundo Ejecutivo magazine, being one of the companies that generates more jobs in the country while providing decent job conditions to its employees (associates).

Walmart de México y Centroamérica ranked 6th position of the "Top 10 most important commerce companies in Mexico" on the Mundo Ejecutivo magazine, highlighting **Bodega Aurrera** in 16th position, **Walmart** in 26th and **Sam's Club** in 43rd. Its constant growth and the generation of a significant percentage of the country's GDP drove the inclusion of the company and its different business formats in the ranking.

Walmart de México y Centroamérica was included in the 9th position of the "Solidarity Brands in the Pandemic" ranking prepared by PQR Planning Quant, a Mexican market research agency. Highlighting the various actions the company has carried out to support families and communities in the face of the COVID-19 pandemic.

Walmart de México y Centroamérica ranked 11th in the 2020 Inclusive Companies Report for promoting a culture of diversity, inclusion and gender equity.

In Costa Rica, **Walmart de México y Centroamérica** donated 5,000 extraction kits for viral genetic material (RNA), an essential element in the COVID-19 detection tests, to the INCIENSA, Costa Rica's Institute of Research and Education in Nutrition and Health.

Conference Call

Walmart de México y Centroamerica will hold a webcast today at 3:30 PM (CT) regarding second quarter 2020 results. Access to the webcast is through:

- Investor relations website www.walmex.mx
- Corporate YouTube <https://www.youtube.com/user/WalmartMexicoCAM>
- Corporate Website www.walmartmexico.com

The presentation and the transcript will be available both in English and in Spanish at our website.

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **June 30, 2020**, it operated **3,428** units, broken down as follows:

2,580 Mexico

2,044	Bodegas Aurrerá:
545	Bodegas
396	Mi Bodegas
1,103	Bodegas Express
280	Walmarts
163	Sam's Clubs
93	Superamas

848 Central America

559	Discount Stores
100	Supermarkets
33	Walmarts
156	Bodegas

Ticker Symbols

Mexican Stock Exchange:	Bloomberg:	Reuters:	ADR's sponsored program:
Walmex	Walmex* MM WMMVY US	Walmex.Mx WMMVY.Pk	WMMVY

Websites

Investor Relations: www.walmex.mx

Corporate: www.walmartmexico.com

From the different formats:

www.walmart.com.mx

www.sams.com.mx

www.superama.com.mx

Contact us

Investor Relations	Corporate Communication
Pilar de la Garza Fernández del Valle (52-55) 5283-0289 pilar.de@walmart.com	Liliana Ávalos Paco (52-55) 5283-0237 liliana.avalos@walmart.com

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



Appendix 1: Quarterly Income Statement

(millions of pesos)

	I Quarter					II Quarter				
	2020		2019		% of Growth	2019		2018		% of Growth
	\$	% Sales	\$	% Sales		\$	% Sales	\$	% Sales	
Net Sales	169,957		150,534		12.9	167,875		153,149		9.6
Other Revenues	1,377		1,200		14.7	1,151		1,201		(4.2)
Total Revenues	171,334	100.0	151,734	100.0	12.9	169,026	100.0	154,350	100.0	9.5
Cost of Sales	(132,270)	(77.2)	(117,237)	(77.3)	12.8	(130,492)	(77.2)	(119,440)	(77.4)	9.3
Gross Profit	39,064	22.8	34,497	22.7	13.2	38,534	22.8	34,910	22.6	10.4
General Expenses	(24,689)	(14.4)	(22,228)	(14.6)	11.1	(27,351)	(16.2)	(22,952)	(14.9)	19.2
Income before other income (expenses) - Net	14,375	8.4	12,269	8.1	17.2	11,183	6.6	11,958	7.7	(6.5)
Other Income (expenses) - Net	265	0.2	70	—	2.8 x	(34)	—	122	—	(1.3) x
Operating Income	14,640	8.5	12,339	8.1	18.6	11,149	6.6	12,080	7.8	(7.7)
Financial Income (Expenses) - Net	(1,610)	(0.9)	(1,002)	(0.7)	60.6	(3,735)	(2.2)	(1,074)	(0.7)	247.6
Income before taxes on profits	13,030	7.6	11,337	7.5	14.9	7,414	4.4	11,006	7.1	(32.6)
Taxes on profits	(3,033)	(1.8)	(2,673)	(1.8)	13.5	(5,752)	(3.4)	(2,255)	(1.5)	155.1
Net Income	9,997	5.8	8,664	5.7	15.4	1,662	1.0	8,751	5.7	(81.0)
EBITDA	19,050	11.1	16,462	10.8	15.7	15,734	9.3	16,276	10.5	(3.3)
Earnings per Share (in pesos)	0.573		0.496		15.4	0.095		0.501		(81.0)
x=times										

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

	Semester that ended	
	June 30	
	2020	2019
Net sales	337,832,253	303,683,046
Other revenues	2,527,810	2,401,056
Total revenues	340,360,063	306,084,102
Cost of sales	(262,761,604)	(236,676,920)
Gross profit	77,598,459	69,407,182
General expenses	(52,040,583)	(45,180,372)
Income before other income and expenses	25,557,876	24,226,810
Other income	594,539	494,261
Other expenses	(363,085)	(301,654)
Operating Income	25,789,330	24,419,417
Financial income	2,007,365	995,124
Financial expenses	(7,352,287)	(3,071,854)
Income before income taxes	20,444,408	22,342,687
Income taxes	(8,784,631)	(4,927,457)
Consolidated net income	<u>\$ 11,659,777</u>	<u>\$ 17,415,230</u>
Components of other comprehensive income:		
Items that can be reclassified subsequently to results:		
Cumulative translation adjustment	14,846,568	173,356
Other comprehensive income items	14,846,568	173,356
Comprehensive income	<u>\$ 26,506,345</u>	<u>\$ 17,588,586</u>
Basic earnings per share (in pesos)	0.668	0.997

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES
Consolidated Statement of Financial Position
(Amounts in thousands of Mexican pesos)

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 30,805,269	26,603,378
Accounts receivable, net	13,816,972	11,117,575
Inventories	64,642,084	60,307,998
Prepaid expenses and other assets	1,157,660	1,571,444
Total current assets	110,421,985	99,600,395
Non-current assets:		
Property and equipment, net	136,927,530	126,259,129
Right of use assets -net	51,666,252	46,381,679
Investment Properties, net	6,537,690	6,588,033
Intangible assets, net	44,835,909	37,133,747
Deferred tax assets	7,321,567	7,958,989
Other non-current assets	2,303,675	2,248,992
Total assets	360,014,608	326,170,964
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 76,601,188	\$ 72,871,372
Lease Liabilities		
Other accounts payable	48,575,082	41,438,341
Income Taxes payable	2,476,460	1,603,146
Total current liabilities	127,652,730	115,912,859
Long-term liabilities:		
Leases and other long-term liabilities	61,621,235	54,551,598
Deferred tax liabilities	5,800,731	5,322,494
Employee benefits	2,488,596	1,570,860
Total liabilities	197,563,292	177,357,811
Equity:		
Capital stock	45,468,428	45,468,428
Retained earnings	89,594,551	89,120,510
Other comprehensive income	29,987,325	16,091,802
Premium on sale of shares	4,467,250	4,189,061
Employee stock option plan fund	(7,066,238)	(6,056,648)
Total equity	162,451,316	148,813,153
Total liabilities and equity	\$ 360,014,608	\$ 326,170,964

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020



WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

(Amounts in thousands of Mexican pesos)

	Semester that ended	
	June 30	
	2020	2019
Operating activities		
Income before income taxes	\$ 20,444,408	\$ 22,342,687
Items related to investing activities:		
Depreciation and amortization	8,994,963	8,318,130
Loss from disposal of property and equipment	25,786	(153,034)
Stock option compensation expense	155,190	189,529
Interest earned	(519,598)	(703,337)
Interest paid under finance leases	3,187,891	3,218,461
Cash flow from operating activities	32,288,640	33,212,436
Variances in:		
Accounts receivable	68,958	84,503
Inventories	5,012,459	2,975,952
Prepaid expenses and other assets	417,422	(303,951)
Accounts payable	(13,022,813)	(12,558,858)
Other accounts payable	(3,247,244)	(2,552,507)
Income tax paid	(9,154,069)	(4,517,689)
Employee benefits	104,670	(47,113)
Net cash flow operating activities	12,468,023	16,292,773
Investing activities		
Long-lived assets	(5,434,651)	(7,676,033)
interest collected	519,598	703,337
Proceeds from sale of property and equipment	157,659	354,406
Employee stock option plan fund	(1,429,552)	(945,629)
Net cash flow (used in) from investing activities	(6,186,946)	(7,563,919)
Financing activities		
Dividends paid	(4,664,594)	(16,590,726)
Payment of liabilities leases	(4,245,020)	(3,944,273)
Net cash flow (used in) from financing activities	(8,909,614)	(20,534,999)
Effect of changes in the value of cash	2,576,716	(420,075)
Net decreased in cash and cash equivalents	(51,821)	(12,226,220)
Cash and cash equivalents at beginning of period	30,857,090	38,829,598
Cash and cash equivalents at end of period	\$ 30,805,269	\$ 26,603,378

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

July 23, 2020

