

# 4Q & 2020 Results

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CFO

February 18, 2021

The date of this meeting is February 18, 2021. Today's meeting is being recorded and will remain available at **[www.walmex.mx](http://www.walmex.mx)**

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# Closed a challenging year with a positive performance



RESILIENCE



INNOVATION

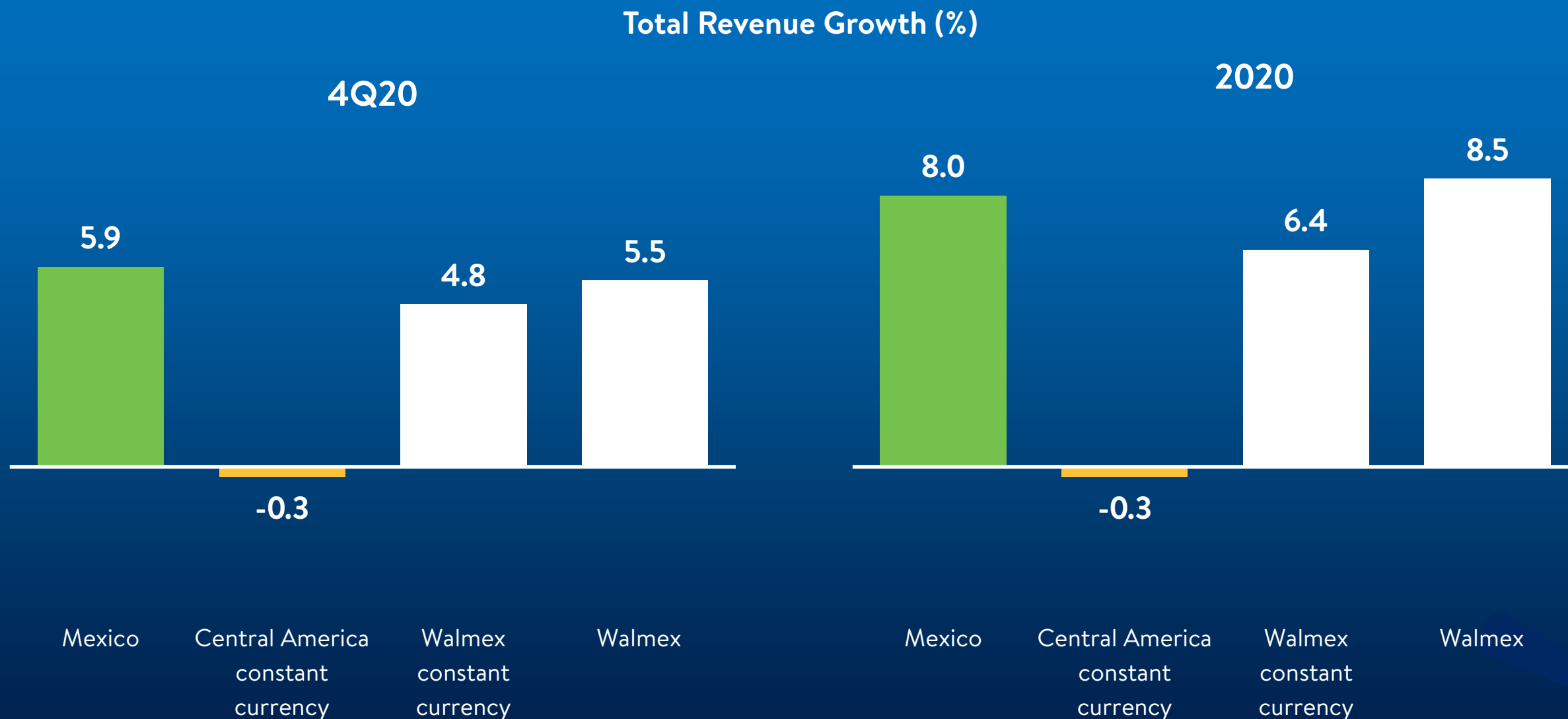


DISCIPLINE



INTEGRATION

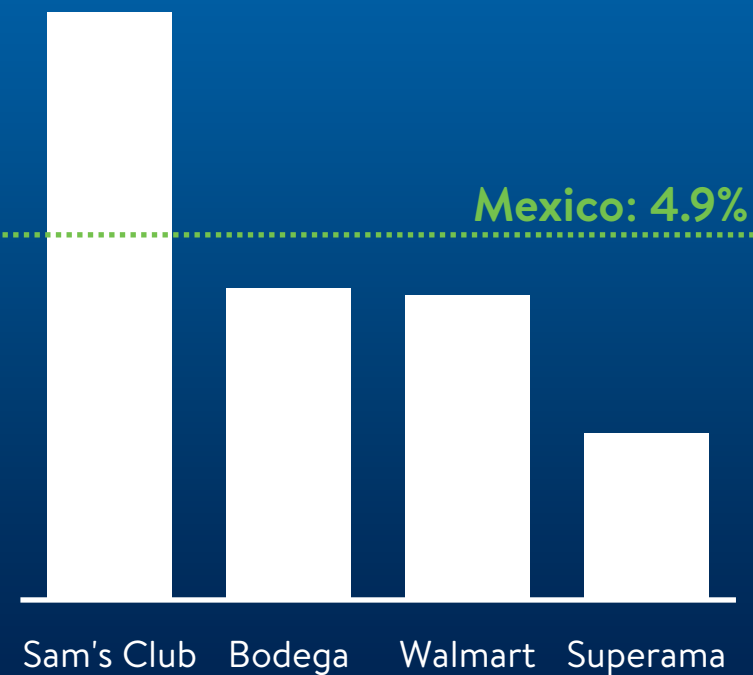
# During the quarter total revenues grew 5.5%



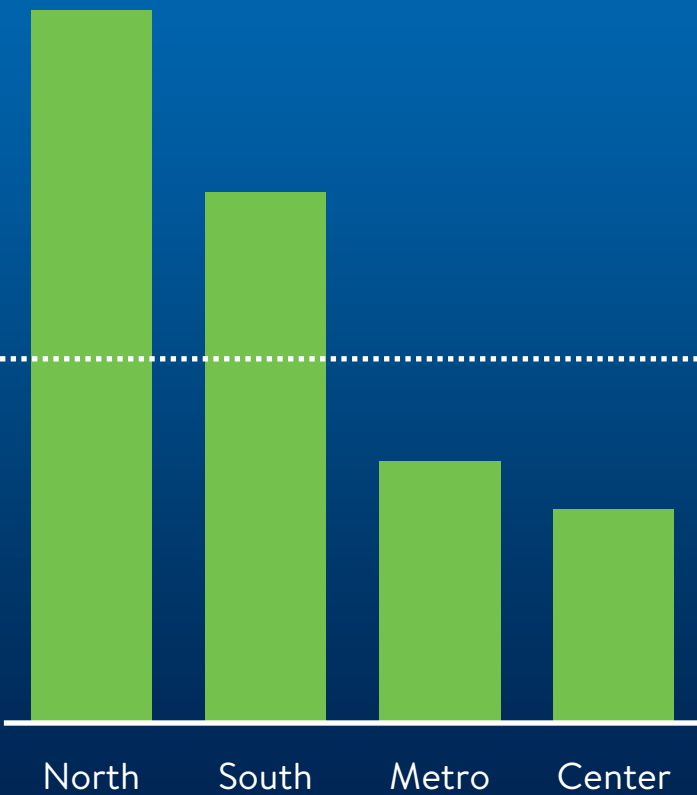
# Broad-based growth across regions, formats and categories

4Q20 Same-Store Sales Growth (%) in Mexico

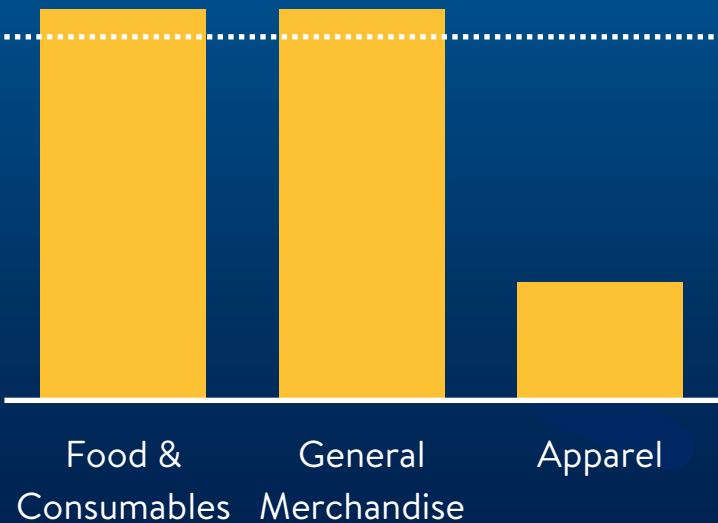
By Format



By Region

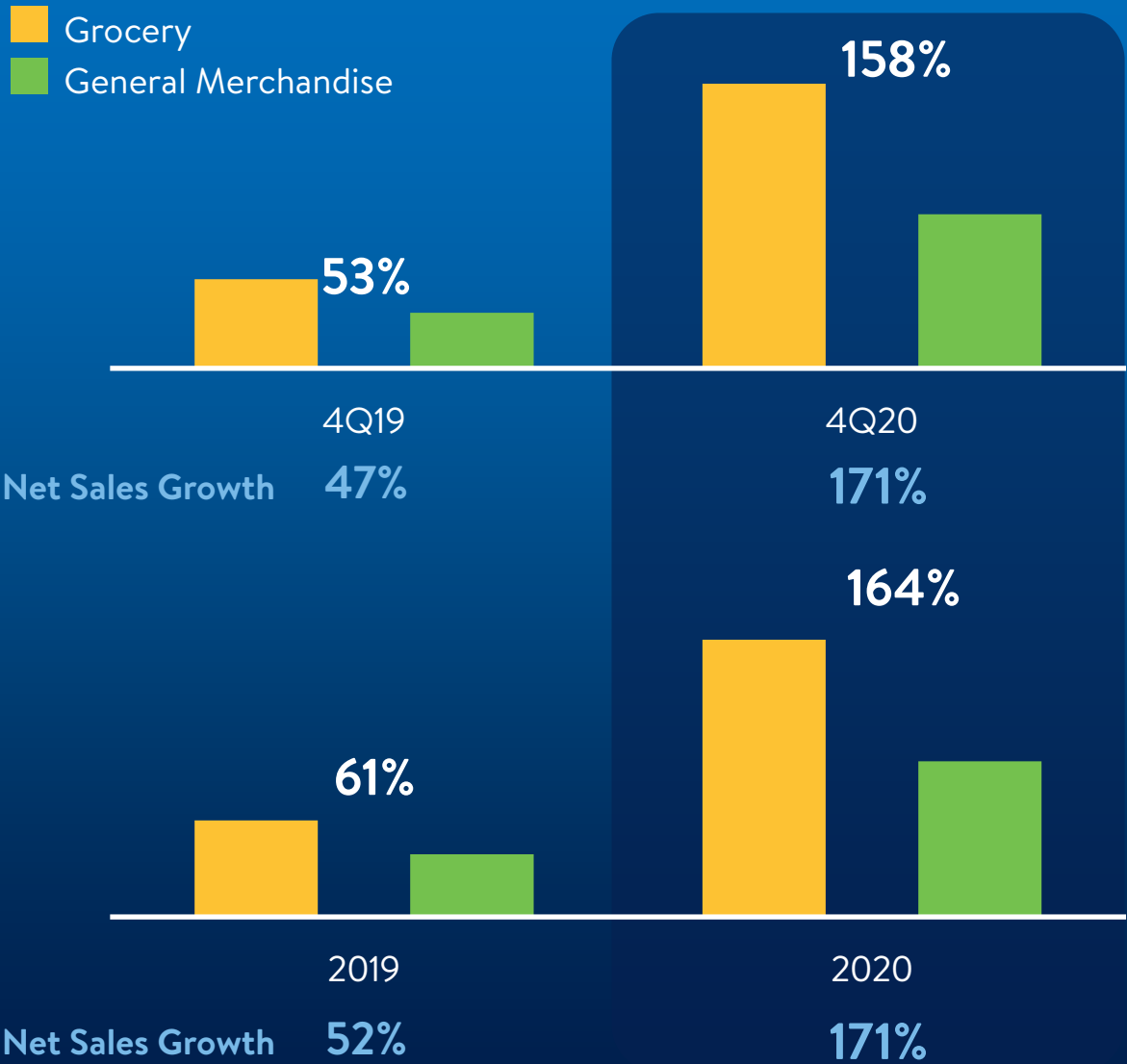


By Category

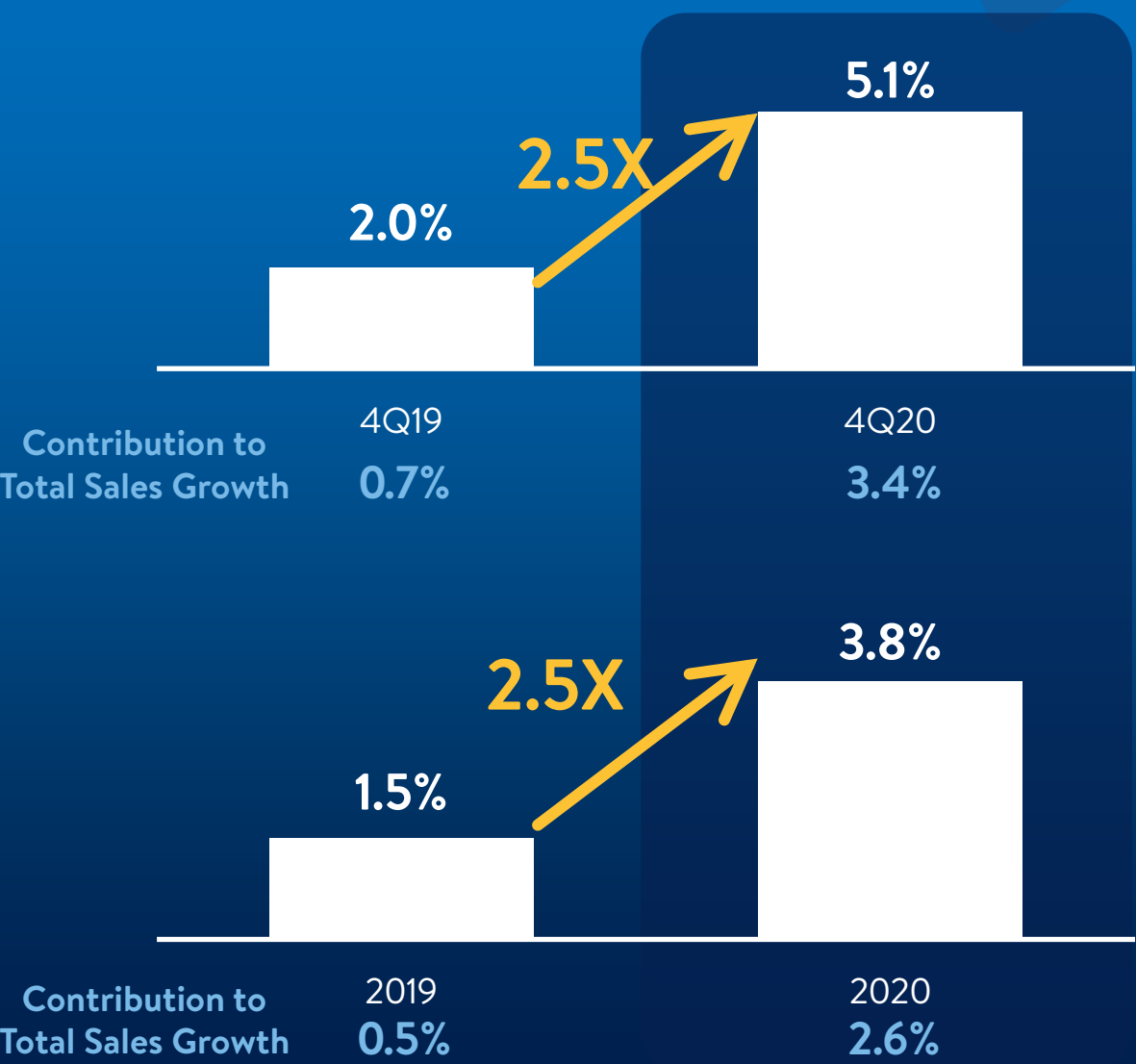


# eCommerce accelerated and doubled its share of sales

GMV<sup>1</sup> Growth (%)



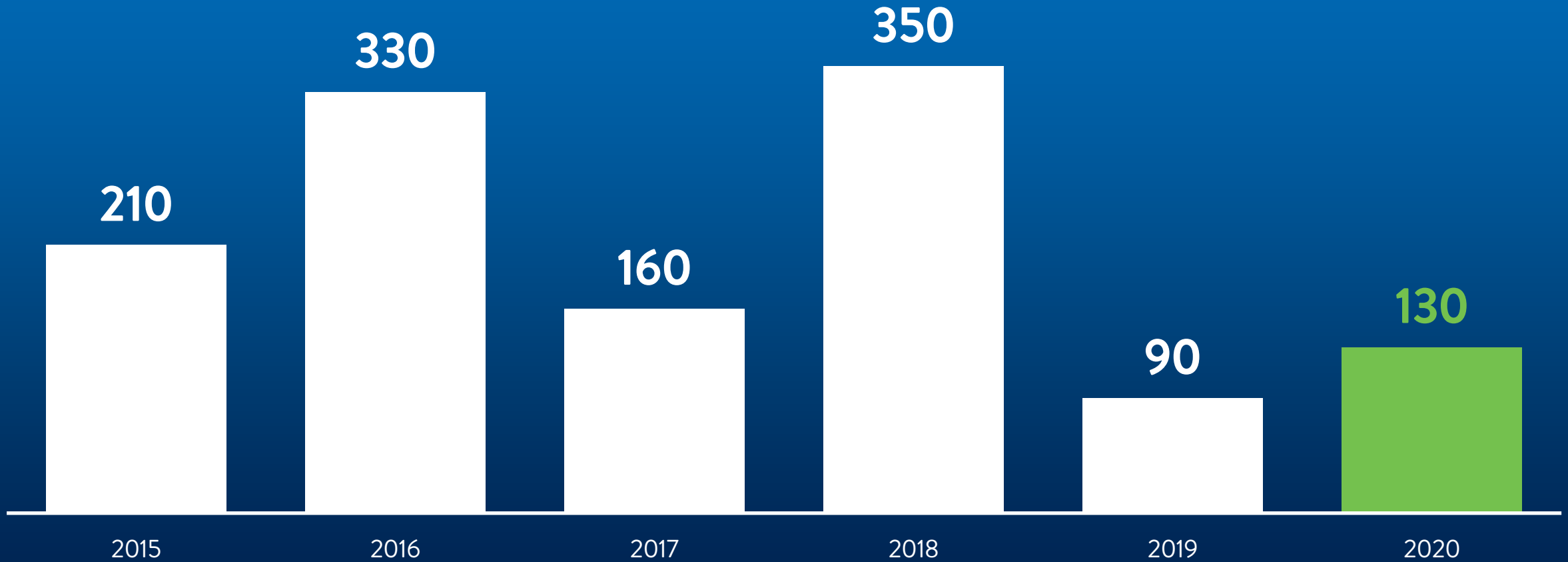
% of Total Sales



1: GMV: Gross Merchandise Value

# Outpacing the market for 6 consecutive years

Walmex Gap vs. ANTAD<sup>1</sup> – Same-Store Sales Growth (bps)



1. ANTAD Self-service and Clubs  
bps = basis points



# Despite a challenging environment we outpaced competitors

4Q20 Same-Store Sales Growth (%)  
By Country in Central America



**BLACK NOVEMBER**

**NUEVAS REBAJAS**  
CADA SEMANA

HUGGIES  
Máxima protección de la piel

CHOCO KRISPIS  
HUESOS SANOS Y FUERTES  
¡NUEVO MÁS SABOR! ¡NUEVO MÁS SABOR! ¡NUEVO MÁS SABOR!

CONSULTÁ NUESTRO  
**CATÁLOGO**



We continue to invest  
in the region

82

New stores  
in 2020

63

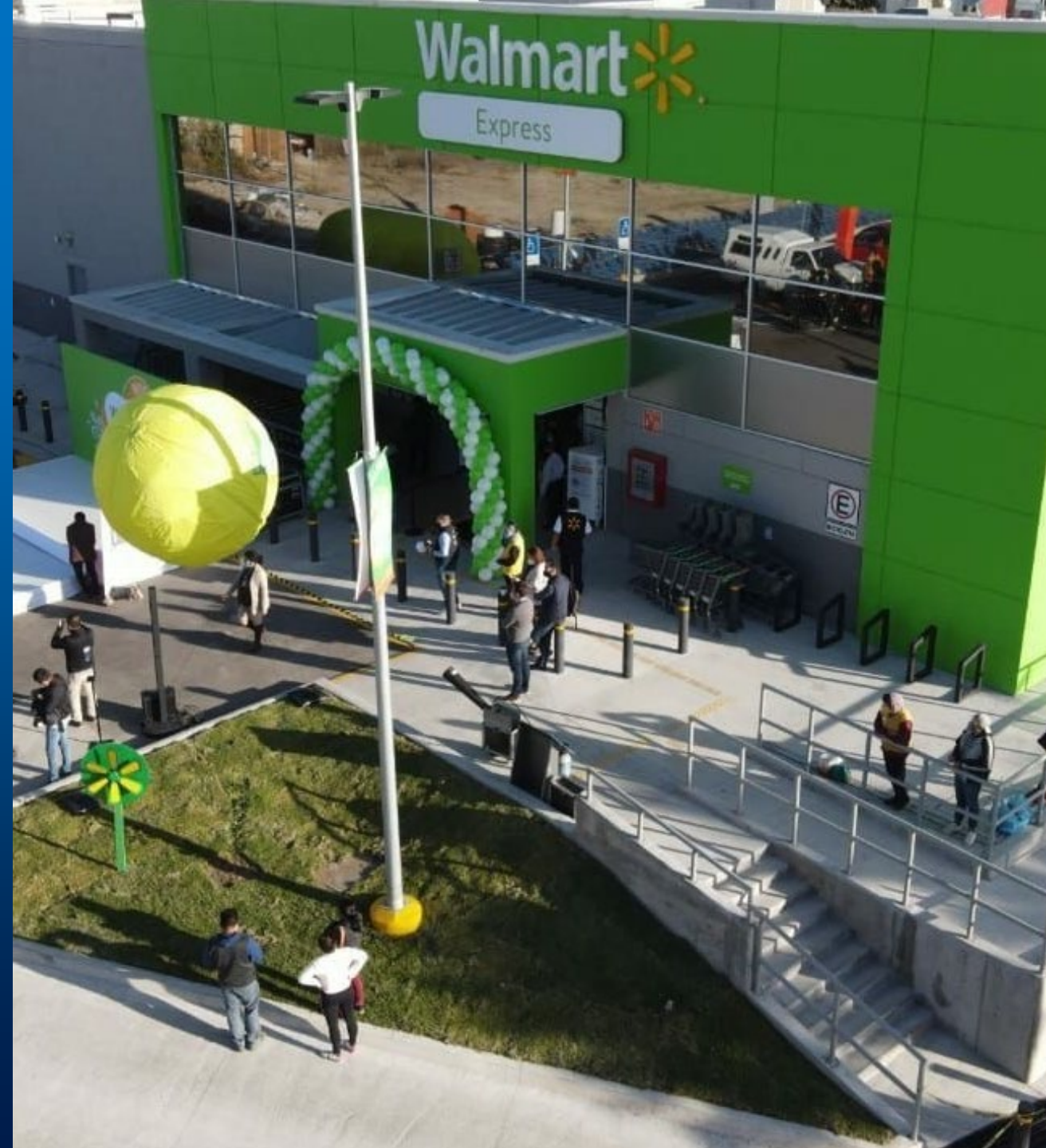
Mexico

19

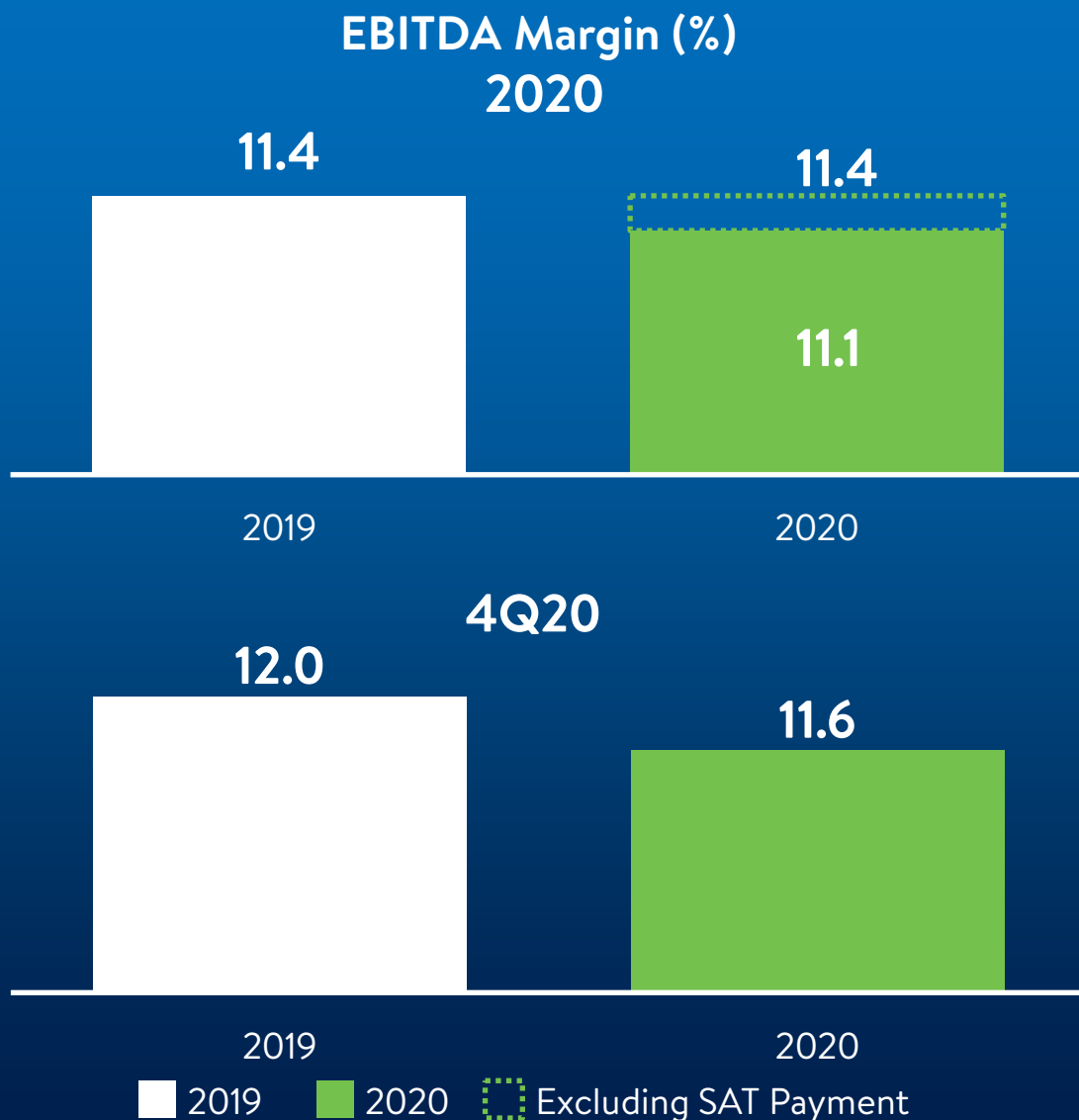
Central America

1.5%

Contribution  
to Total Sales Growth



# Mexico's Performance



## Full Year Highlights

- Total revenues grew **8.0%**
  - SSS grew **6.7%**, two-year stack **11.1%**
- Gross margin expanded by **20 bps**, reaching **22.8%**
- SG&A<sup>1</sup> grew **9.0%**
- Operating income<sup>1</sup> grew **9.5%**, 150 bps ahead of total revenues growth
- Double digit EBITDA margin<sup>1</sup> **11.4%**

1: Excluding the payment to the SAT (Tax Administration Service)

# In Mexico total revenues grew 5.9%

## Mexico 4Q20 results

(\$MXN Millions)	4Q20		4Q19		Var.
	\$	%	\$	%	%
Total revenues	162,777	100.0	153,658	100.0	5.9
Gross margin	37,315	22.9	34,333	22.3	8.7
General expenses	21,765	13.4	19,243	12.5	13.1
Earnings before other income, net	15,550	9.6	15,090	9.8	3.1
Other income, net	1	0.0	(7)	(0.0)	(1.1x)
Operating income	15,551	9.6	15,083	9.8	3.1
EBITDA	18,939	11.6	18,491	12.0	2.4

X: times

# Operating income<sup>1</sup> grew 9.5%, 150 bps ahead of total revenues growth

Mexico 2020 results

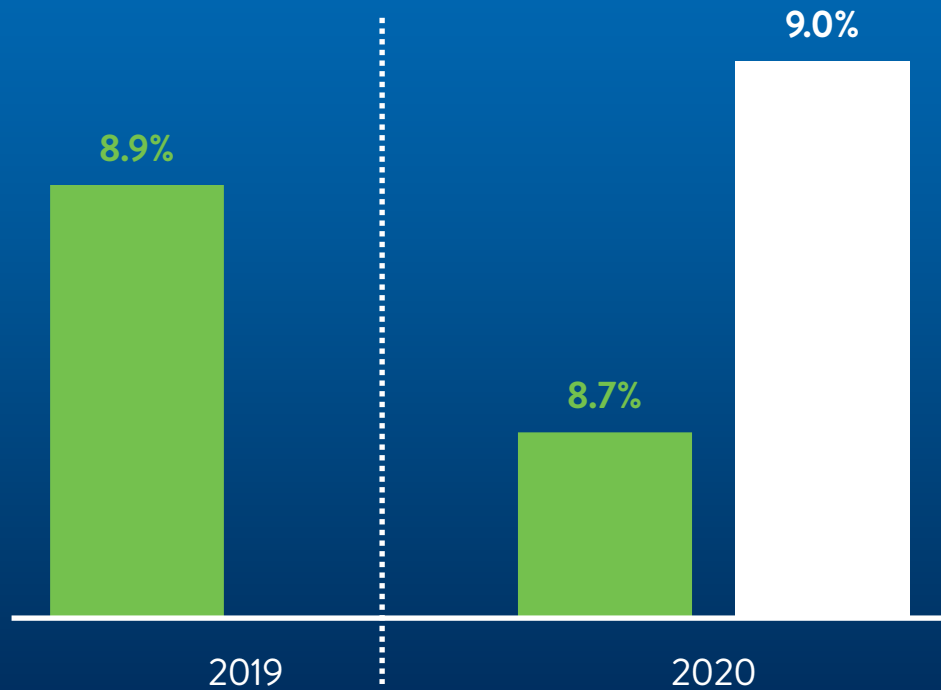
(\$MXN Millions)	2020		2019		Var.
	\$	%	\$	%	%
Total revenues	574,953	100.0	532,241	100.0	8.0
Gross margin	131,297	22.8	120,336	22.6	9.1
General expenses	81,525	14.2	73,153	13.7	11.4
Earnings before other income, net	49,772	8.7	47,183	8.9	5.5
Other income, net	316	0.1	220	0.0	44.3
Operating income	50,088	8.7	47,403	8.9	5.7
EBITDA	63,591	11.1	60,581	11.4	5.0

1: Excluding the payment to the SAT (Tax Administration Service)

# Operating income margin<sup>1</sup> expanded by 10 bps to 9.0%

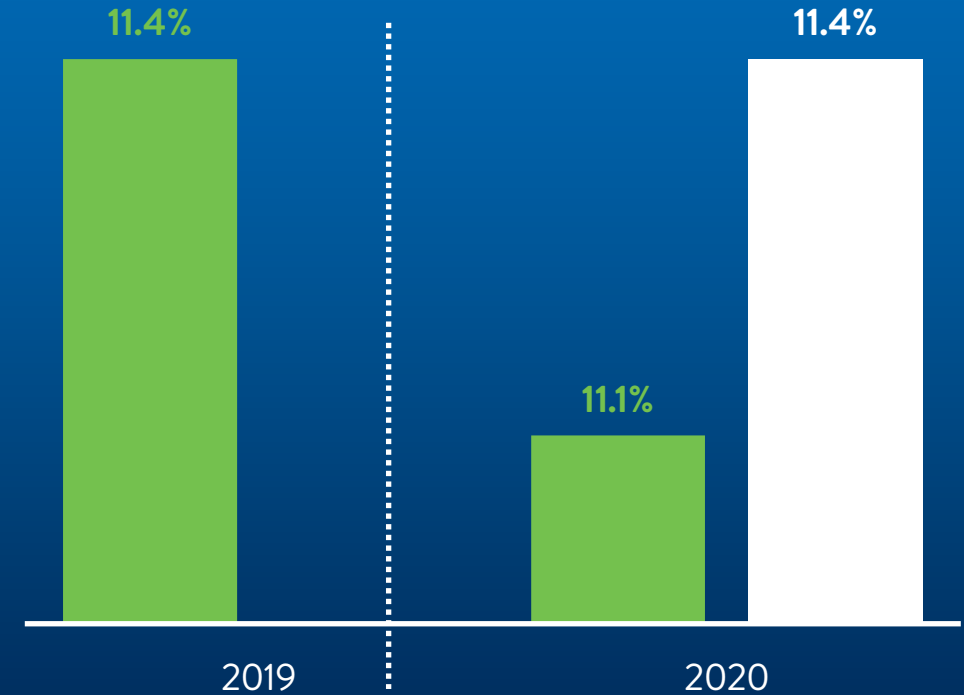
Mexico 2020 results

Operating Income % Total Revenues



+10 bps

EBITDA % Total Revenues



■ Reported    ■ Without one-offs

1: Excluding the payment to the SAT (Tax Administration Service)



# Central America's Performance

## EBITDA Margin (%)

2020

9.1

9.3

2019

2020

4Q20

10.0

6.5

10.3

2019

2020

■ 2019

■ 2020

□ Royalties Impact

## Full Year Highlights

- Total revenues decreased **0.3%**
- Gross margin remained at **24.2%** of sales
- We achieve **10 bps** of expense leverage
- EBITDA margin expanded by **20 bps**, reaching **9.3%**

Figures in constant currency basis  
Bps = basis points

# In Central America EBITDA margin expanded by 30 bps<sup>1</sup>

## Central America 4Q20 results

(\$MXN Millions)	4Q20		4Q19		Var. (%)	
	\$	%	\$	%	Peso terms	Constant currency basis
Total revenues	33,211	100.0	32,086	100.0	3.5	(0.3)
Gross margin	8,031	24.2	7,784	24.3	3.2	(0.7)
General expenses	5,788	17.4	6,746	21.0	(14.2)	(17.4)
Earnings before other income, net	2,243	6.8	1,038	3.2	1.2x	1.1x
Other income, net	80	0.2	79	0.2	2.4	(2.0)
Operating income	2,323	7.0	1,117	3.5	1.1x	1.0x
EBITDA	3,408	10.3	2,100	6.5	62.3	56.2

X: times

1: Underlying results

# In Central America EBITDA margin reached 9.3%

## Central America 2020 results

(\$MXN Millions)	2020		2019		Var. (%)	
	\$	%	\$	%	Peso terms	Constant currency basis
Total revenues	126,781	100.0	114,605	100.0	10.6	(0.3)
Gross margin	30,743	24.2	27,715	24.2	10.9	(0.0)
General expenses	23,517	18.5	21,274	18.6	10.5	(0.1)
Earnings before other income, net	7,226	5.7	6,441	5.6	12.2	0.1
Other income, net	133	0.1	159	0.1	(16.5)	17.3
Operating income	7,359	5.8	6,600	5.8	11.5	(0.4)
EBITDA	11,796	9.3	10,424	9.1	13.2	1.3

# At a consolidated level, total revenues grew 5.5%

## Walmex Consolidated 4Q20 results

(\$MXN Millions)	4Q20		4Q19		Var.
	\$	%	\$	%	%
Total revenues	195,988	100.0	185,744	100.0	5.5
Gross margin	45,346	23.1	42,117	22.7	7.7
General expenses	27,553	14.1	25,989	14.0	6.0
Earnings before other income, net	17,793	9.1	16,128	8.7	10.3
Other income, net	81	0.0	72	0.0	13.4
Operating income	17,874	9.1	16,200	8.7	10.3
EBITDA	22,347	11.4	20,591	11.1	8.5
Net income	12,603	6.4	11,232	6.0	12.2

# Consolidated net income<sup>1</sup> grew 100 bps ahead of total revenues

## Walmex Consolidated 2020 results

(\$MXN Millions)	2020		2019		Var.
	\$	%	\$	%	%
Total revenues	701,734	100.0	646,846	100.0	8.5
Gross margin	162,040	23.1	148,051	22.9	9.4
General expenses	105,042	15.0	94,427	14.6	11.2
Earnings before other income, net	56,998	8.1	53,624	8.3	6.3
Other income, net	449	0.1	379	0.1	18.7
Operating income	57,447	8.2	54,003	8.3	6.4
EBITDA	75,387	10.7	71,005	11.0	6.2
Net income	33,435	4.8	37,898	5.9	(11.8)

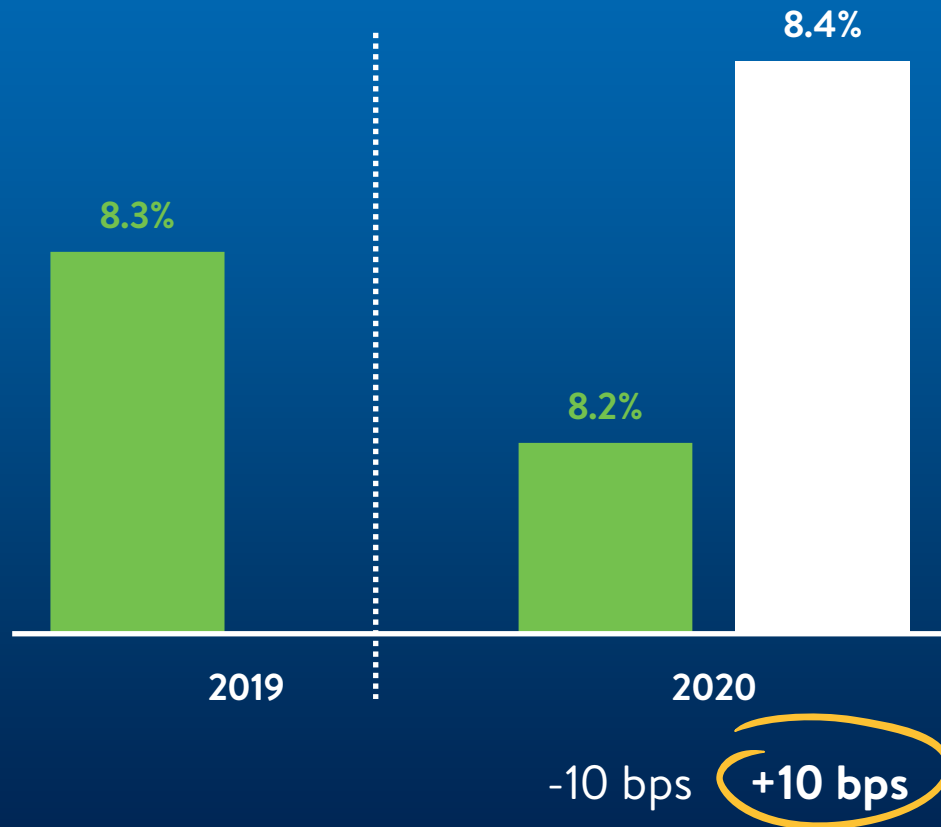
1: Excluding the payment to the SAT (Tax Administration Service)



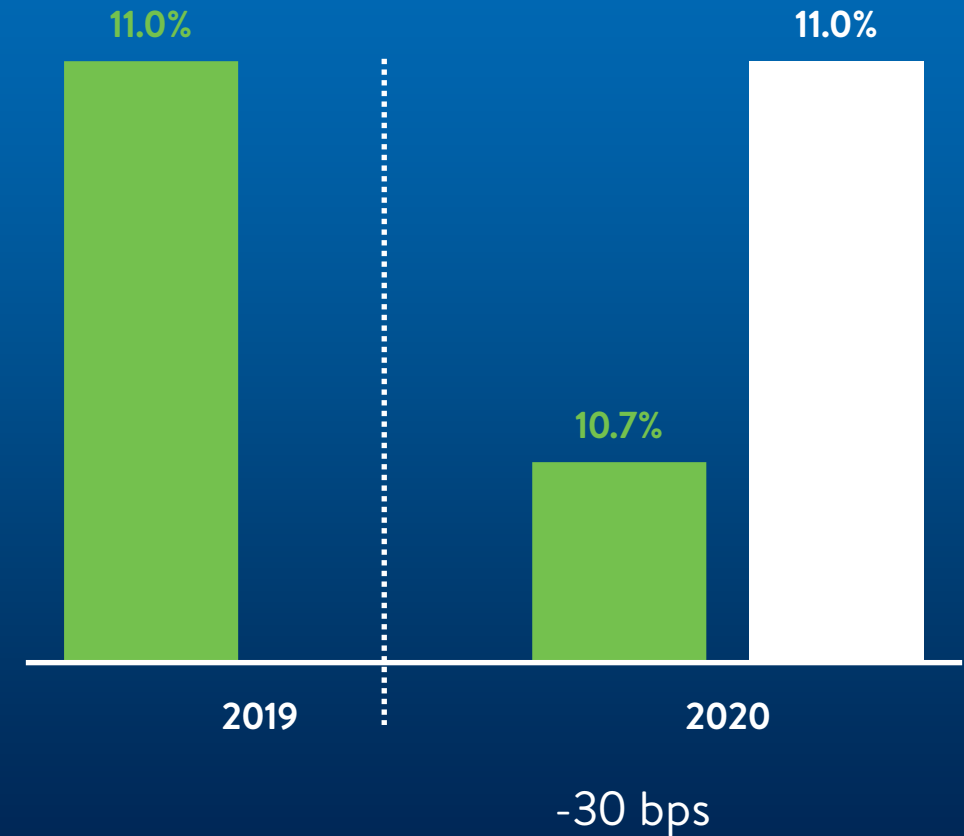
# Consolidated EBITDA margin<sup>1</sup> remained at 11.0%

## Walmex Consolidated 2020 results

### Operating Income % Total Revenues



### EBITDA % Total Revenues



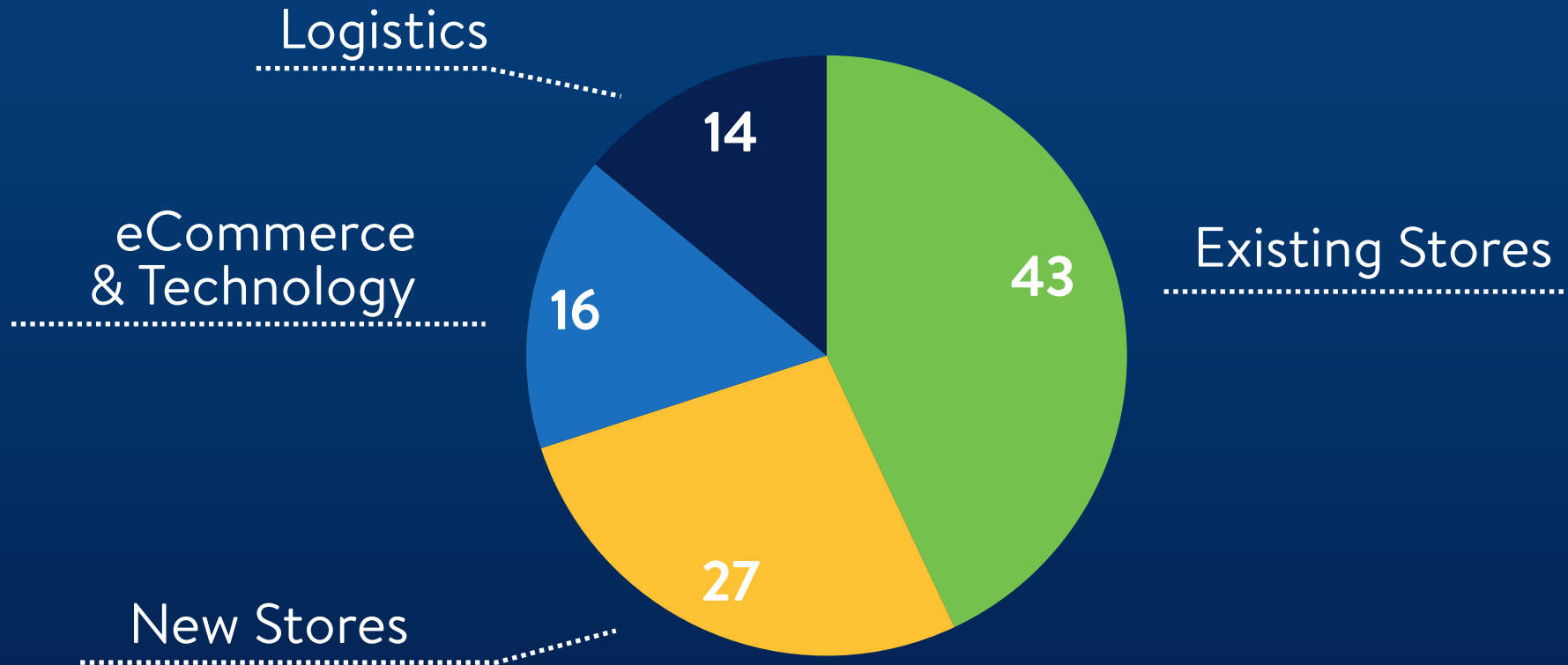
■ Reported

■ Without one-offs

1: Excluding the payment to the SAT (Tax Administration Service)

# We invested \$16.7 B in high return projects

CapEx Distribution Mexico and Central America (% Total)

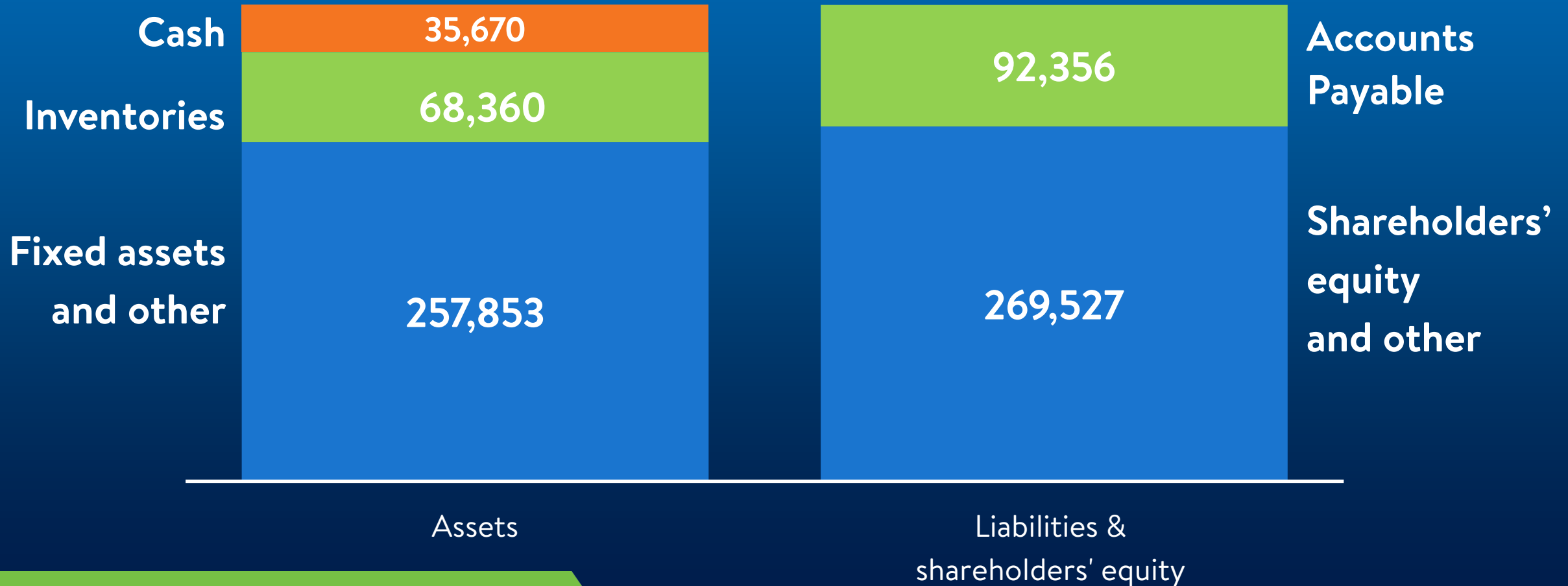


**\$16.7 B MXN**

# Financial Strength

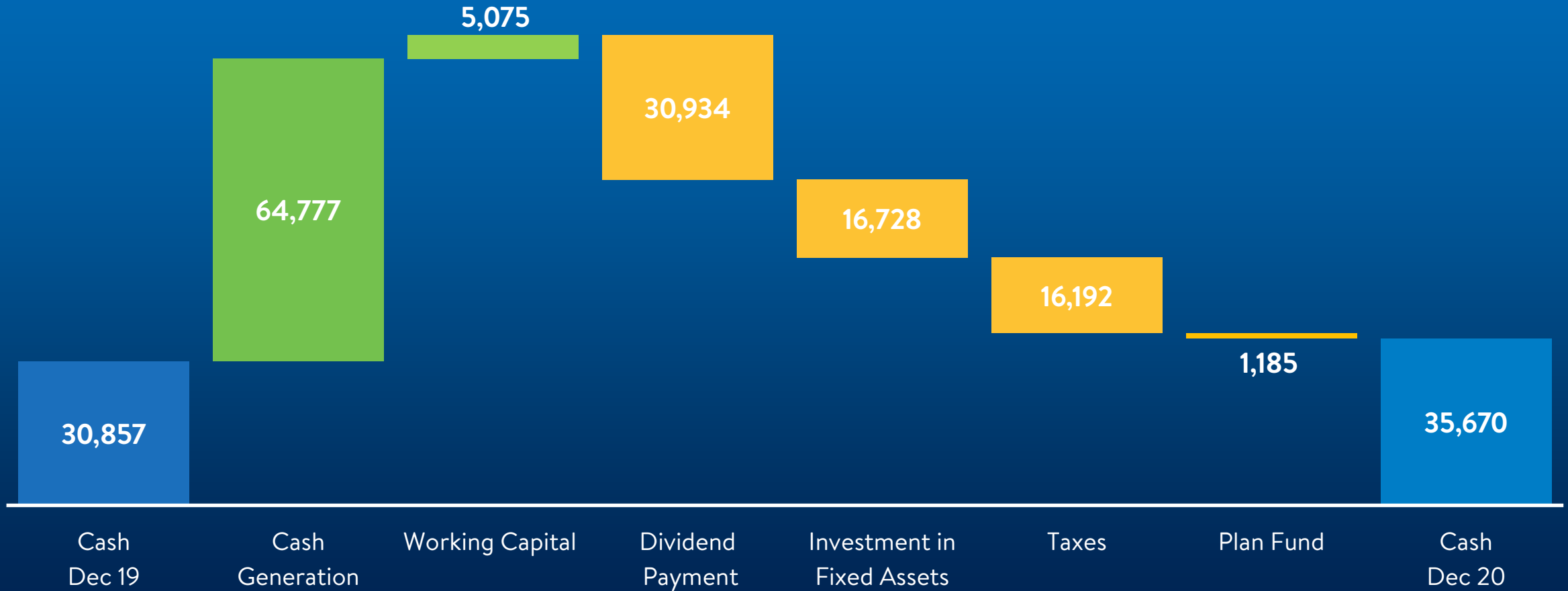
Balance sheet statement  
(December 31, 2020 – \$MXN Millions)

**TOTAL: \$361,883**



# Investing and generating returns

Sources and uses of cash – \$MXN Millions



# Generating returns: 2021 Dividend proposal

\$MXN pesos per share

\$1.63

0.73

0.90

2021

Extraordinary   Ordinary





# Proposed dividend distribution

\$MXN pesos per share

Date	Ordinary	Extraordinary	Total
November, 2021	0.45	0.36	0.81
December, 2021	0.45	0.37	0.82
Total	0.90	0.73	1.63