

Walmart de México y Centroamérica Reports Results for the First Quarter 2021

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, April 27, 2021

Financial Results

Today **Wal-Mart de México, S.A.B. de C.V. (BMV/BIVA: WALMEX)** reported financial results for the first quarter of 2021. Total revenues decreased **0.3%**. EBITDA for the quarter amounted to **\$19.5 billion pesos**, which represented **11.4%** of total revenues, an increase of **2.2%** over last year's levels.

Main figures are:

Results January - March	2021		2020		Growth
	Million \$MXN	%	Million \$MXN	%	%
Net Sales	169,334		169,957		(0.4)
Other Income	1,423		1,377		3.3
Total Revenues	170,757	100.0	171,334	100.0	(0.3)
Cost of Sales	130,977	76.7	132,270	77.2	(1.0)
Gross Profit	39,780	23.3	39,064	22.8	1.8
General Expenses	24,983	14.6	24,689	14.4	1.2
Income before Other Income Net	14,797	8.7	14,375	8.4	2.9
Other Income (Expenses) - Net	143	0.1	265	0.2	(46.0)
Operating Income	14,940	8.7	14,640	8.5	2.0
Financial Income (Expenses) - Net	(1,677)	(1.0)	(1,610)	(0.9)	4.1
Taxes	3,193	1.9	3,033	1.8	5.3
Net Income	10,070	5.9	9,997	5.8	0.7
EBITDA	19,475	11.4	19,050	11.1	2.2
EPS (in pesos)	0.577		0.573		0.7

EPS= Earnings per share

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Openings Q1 2021

Mexico: 20 units

- 19 Bodegas Aurrerá
 - 1 Bodega Aurrerá
 - 6 Mi Bodegas
 - 12 Bodegas Aurrerá Express
- 1 Sam's Club

Central America: 4 units

- 4 Discount Stores

Installed Capacity

Sales Area in m ² (March 31, 2021)		
Format	Mexico	Central America
Bodegas and Discount Stores	2,937,205	483,519
Walmarts	2,153,275	180,325
Sam's Clubs	1,180,316	
Supermarkets	145,671	136,849
Walmart Express	8,012	
Total	6,424,479	800,693

Other Events

Walmart de México y Centroamérica was recognized by Merca2.0 with the “Retail of the year” award, as one of the best brands in the category, because of the strategy and creativity that the company carried out in recent months to face the COVID pandemic.

For the fourth consecutive year, **Walmart de México y Centroamérica** was included in the “Bloomberg Gender Equity Index”, being the only self-service retailer in Mexico included in the Index.

Walmart de México y Centroamérica was included in the Merca2.0 magazine ranking “eCommerce 2021”, because the company understands the changing needs of its consumers in the “new normal” where the eCommerce has become necessary. **Walmart.com.mx** is in the third position and **Sams.com.mx** in the tenth position.

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Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CT) regarding first quarter 2021 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.

Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **March, 2021**, it operated **3,513** units, broken down as follows:

2,654 Mexico	859 Central America
2,107 Bodegas Aurrerá:	567 Discount Stores
550 Bodegas	100 Supermarkets
412 Mi Bodegas	35 Walmarts
1,145 Bodegas Express	157 Bodegas
287 Walmarts	
165 Sam's Clubs	
89 Superamas	
6 Walmart Express	

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 www.bodegaaurrera.com.mx

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Appendix 1: Quarterly Income Statement (million pesos)

	Quarter I				
	2021		2020		%
	\$	%Sales.	\$	% Sales.	Growth.
Net Sales	169,334		169,957		(0.4)
Other Revenues	1,423		1,377		3.3
Total Revenues	170,757	100.0	171,334	100.0	(0.3)
Cost of Sales	130,977	76.7	132,270	77.2	(1.0)
Gross Profit	39,780	23.3	39,064	22.8	1.8
General Expenses	24,983	14.6	24,689	14.4	1.2
Income before other income (expenses) – Net	14,797	8.7	14,375	8.4	2.9
Other Income (expenses) - Net	143	0.1	265	0.2	(46.0)
Operating Income	14,940	8.7	14,640	8.5	2.0
Financial Income (Expenses) - Net	(1,677)	(1.0)	(1,610)	(0.9)	4.1
Income before taxes on profits	13,263	7.8	13,030	7.6	1.8
Taxes on profits	3,193	1.9	3,033	1.8	5.3
Net Income	10,070	5.9	9,997	5.8	0.7
EBITDA	19,475	11.4	19,050	11.1	2.2
Earnings per share (in pesos):	0.577		0.573		0.7
X=Times					

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

Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

Quarter ended

March 31

	2021	2020
Net sales	169,334,315	169,957,112
Other revenues	1,422,485	1,376,705
Total revenues	170,756,800	171,333,817
Cost of sales	(130,977,083)	(132,269,386)
Gross profit	39,779,717	39,064,431
General expenses	(24,982,769)	(24,689,305)
Income before other income and expenses	14,796,948	14,375,126
Other income	229,568	326,625
Other expenses	(86,453)	(61,492)
Operating Income	14,940,063	14,640,259
Financial income	424,443	755,879
Financial expenses	(2,100,979)	(2,365,835)
Income before income taxes	13,263,527	13,030,303
Income taxes	(3,193,279)	(3,032,753)
Consolidated net income	\$ 10,070,248	\$ 9,997,550
Other comprehensive income items:		
<u>Items that may be reclassified subsequently to profits or loss:</u>		
Cumulative translation adjustment	2,827,112	17,270,341
Other comprehensive (loss) income items	2,827,112	17,270,341
Comprehensive income	\$ 12,897,360	\$ 27,267,891
Basic earnings per share (in pesos)	\$ 0.577	\$ 0.573

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

	March 31	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$29,848,265	\$37,890,172
Account receivable, net	15,788,243	14,053,372
Inventories	66,992,370	63,467,491
Prepaid expenses and other	1,068,223	1,225,182
Total current assets	113,697,101	116,636,217
Non-current assets:		
Property and equipment, net	134,820,584	138,757,576
Right of use assets -net	50,948,222	52,212,230
Investment properties, net	6,128,690	6,619,901
Intangible assets, net	38,990,500	45,764,851
Deferred tax assets	9,538,250	7,043,527
Other non-current assets	2,067,567	2,279,980
Total assets	\$ 356,190,914	\$ 369,314,282
Liabilities and equity		
Current liabilities:		
Accounts payable	\$79,176,662	\$81,349,436
Short-term lease liability	3,203,340	3,039,613
Other accounts payable	47,540,218	50,053,912
Income taxes payable	2,046,460	2,073,282
Total current liabilities	131,966,680	136,516,243
Long-term liabilities:		
Leases and other long-term liabilities	61,681,590	61,943,213
Income tax liabilities	6,222,755	5,550,525
Employee benefits	2,742,267	2,441,777
Total liabilities	\$ 202,613,292	\$ 206,451,758
Equity:		
Capital stock	45,468,428	45,468,428
Retained earnings	93,265,538	87,945,283
Other comprehensive income items	17,238,480	32,411,098
Premium on sale of shares	4,682,305	4,412,621
Employee stock option plan fund	(7,077,129)	(7,374,906)
Total equity	153,577,622	162,862,524
Total liabilities and equity	\$ 356,190,914	\$ 369,314,282

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

Consolidated Statement of Cash Flows

(Amounts in thousands of Mexican pesos)

	Quarter ended	
	March 31	
	2021	2020
Operating activities		
Income before income taxes	\$13,263,527	\$13,030,303
Items related to investing activities:		
Depreciation and amortization	4,534,480	4,410,081
Loss from disposal of property and equipment and impairment	32,681	(19,037)
Stock option compensation expenses	114,319	82,668
Interest earned	(117,408)	(261,703)
Items related to financing activities:		
Interest on lease liabilities	1,610,283	1,556,353
Unrealized exchange rate fluctuation	163,355	147,672
Provision of labor obligations	153,445	143,712
Interest accrued	39,391	61,336
Cash flow from operating activities	19,794,073	19,151,385
Variances in:		
Accounts receivable	773,579	(747,910)
Inventories	1,734,935	6,652,633
Prepaid expenses and other	(342,097)	873,296
Accounts payable	(13,919,173)	(9,879,023)
Other accounts payable	(5,451,610)	(3,287,777)
Income tax paid	(4,133,515)	(3,174,640)
Employee benefits	(70,775)	(133,675)
Net cash flow from operating activities	(1,614,583)	(9,454,289)
Investing activities		
Long-lived assets	(2,334,436)	(2,539,357)
Interest collected	117,408	261,703
Proceeds from sale of property and equipment	37,170	132,733
Employee stock option plan fund	(386,494)	(1,720,327)
Net cash flow used in investing activities	(2,566,352)	(3,685,248)
Financing activities		
Interest paid	(39,391)	(61,336)
Payment of leases liability	(2,252,443)	(2,051,063)
Net cash flow used in financing activities	(2,291,834)	(2,112,399)
Effect of changes in the value of cash	650,674	3,376,440
Net increase (decreased) in cash and cash equivalents	(5,822,095)	7,033,082
Cash and cash equivalents at beginning of year	35,670,360	30,857,090
Cash and cash equivalents at end of year	\$ 29,848,265	\$ 37,890,172
Non-cash transactions:		
Additions of right-of-use assets	\$ 566,050	\$ 594,225
Right of use assets remeasurements	\$ 600,732	\$ 1,225,331

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