

Walmart

México y Centroamérica



Company Overview (MSE: Walmex)



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These references only reflect management expectations 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.

Table of contents



History of Walmex

4



Walmex Today

11



Financial Information

29



Competitors

35



Walmex Resources

42



History of Walmex



History: founded in 1958

1958

Aurrerá
start operations



Superama
start operations

1959

1964

Vips Restaurants
start operations



Bodega Aurrerá
& Suburbia
start operations

1970

1977

Cifra starts trading
on the Mexican
Stock Exchange



History: Walmart's first international business

1991

Joint venture between
Cifra and
Wal-Mart Stores, Inc.

**CIFRA
&
WAL★MART®**



Walmart Supercenter
start operations

1993

1997

Wal-Mart Stores, Inc.
acquires majority
position in
Cifra - Tender offer
on the MSE



Introduction of
Every Day Low
Prices

1999

2003

Walmart de México
Foundation created

**Fundación
Walmart** 
México

History: “Bodegas” expansion & incorporation of Central America

2004

Mi Bodega
start operations



Superama.com.mx
Online grocery sales pilot

Wal-Mart Stores, Inc.
acquires 33% of the
shares of CARHCO
(Central American Retail
Holding Company)

2005

2007

License issued
to operate
a bank in Mexico



Bodega Aurrerá
Express expansion

2008

2010

Walmart de México
acquires
100% of Walmart
Centroamérica



Walmart México Walmart Centroamérica

History: Sells its Restaurant Division, the Bank and Suburbia

2011

First Walmart Supercenter in Central America (Honduras)



2014

Walmart de México y Centroamérica sells its restaurant division to Alsea



2017

Walmart de México y Centroamérica sells Suburbia to Liverpool



Walmart.com.mx launches

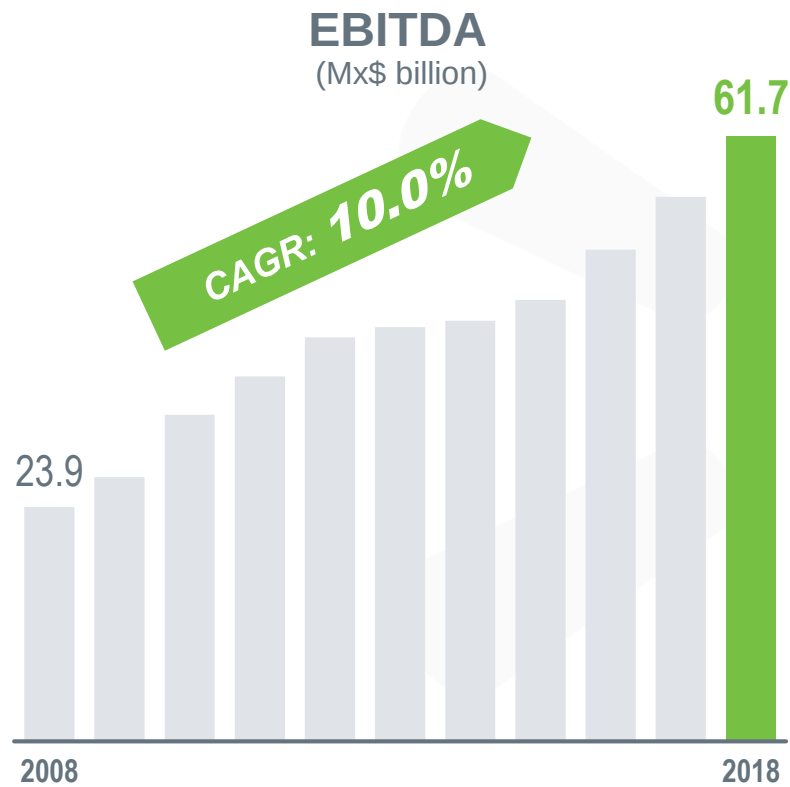
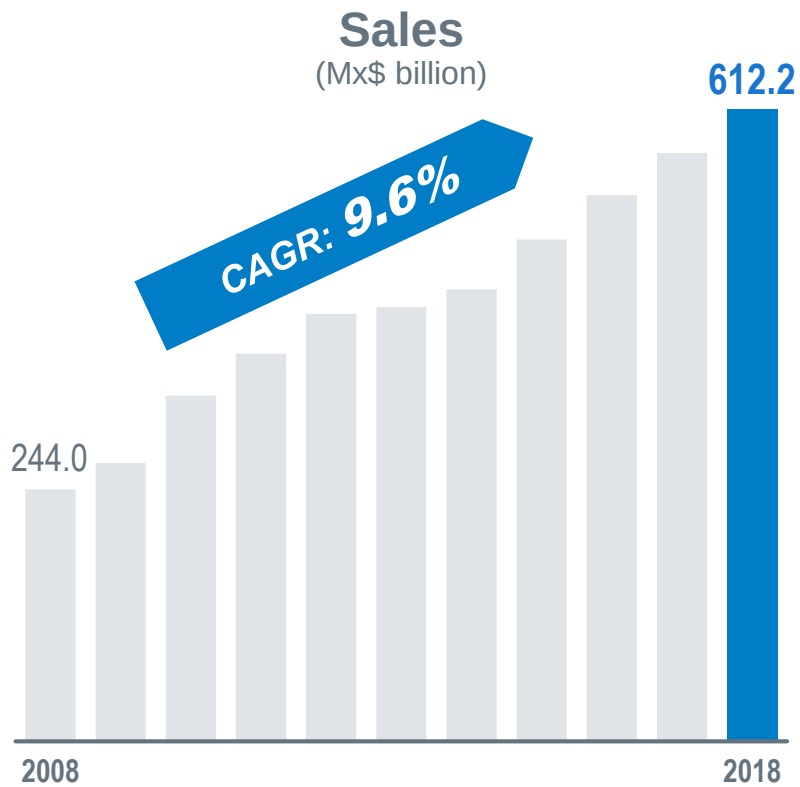
2013

2015

Walmart de México y Centroamérica sells its bank to Inbursa

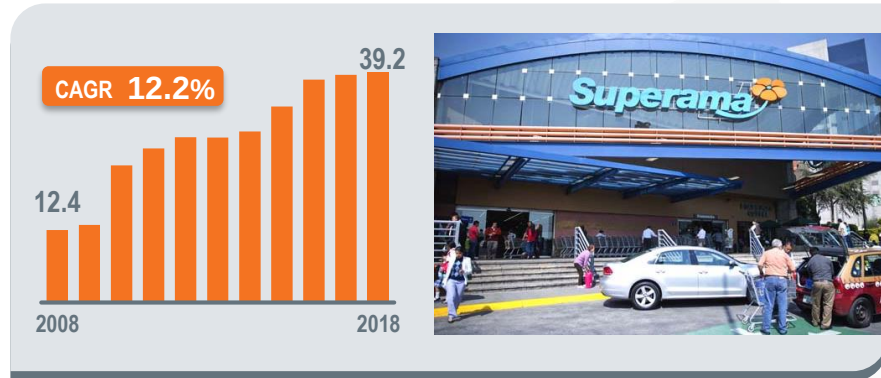


Continuous profitable growth



Growth across multiple formats

Total Sales (Mx\$ billion)





Walmex Today



Walmex: Listed on the Mexican Stock Exchange

Wal-Mart Stores, Inc.

70%

30%



Mexican
Stock
Exchange

ADR: WMMVY OTCQX

Walmex 

- Market Cap: Mx\$ 873 bn¹
- Weight on the MSE index: 9.9%²
- 3rd most traded stock on the MSE³

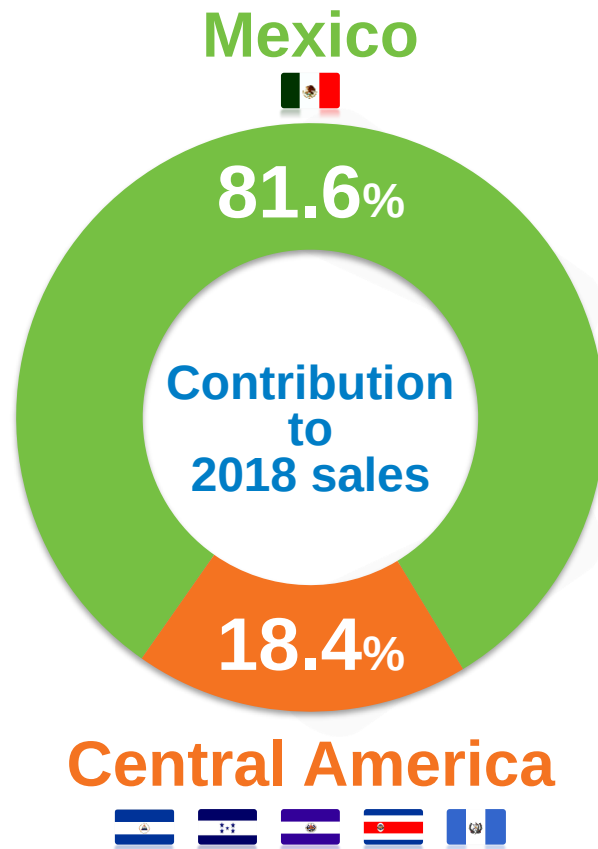


**Mexican Stock Exchange
Sustainable Index**

Company description

As of December 31, 2018

Revenues (Mx\$ billion)	617*
Units	3,249
Countries	6
Cities	648
Business formats	4
eCommerce sites	3
Distribution centers	26
Associates (thousand)	+234



"Bodegas"

Basic general merchandise, food and household items at the best prices.



% of 2018 Walmex sales **45.3**

Customer target **C, D, E**

Cities* **638**

Operating units*

— Mexico **1,910**

— Central America **683**

	SQ. FT. (average)	SKUs (average)	Units	Approach
"Bodegas"	44,130	32,000	520	Weekly shopping
Bodega Aurrerá	12,490	11,200	508	Small towns
Discount	3,710	4,400	1,565	Fill-in trip



Mama Lucha

She is the average Mexican housewife: she wants the best for her family, but faces a constant struggle (lucha in Spanish) to make ends meet.

She is Mexico's favorite **luchadora**, who fights against high prices together with Bodega Aurrerá. She brings the lowest prices to all families.





Value Drivers: Price and assortment



% of 2018 Walmex sales **27.8**

SQ. FT. (average) **79,650**

SKUs **90,000**

Customer target **A/B, C, D+**

Cities* **92**

Prototypes **5**

Operating units*

— Mexico **274**

— Central America **31**



Carrito



Carrito is the perfect shopping partner. He knows our customer better than anyone and he understands what motivates her to shop.

Only Carrito can join, advise and listen to our customer in order to help her find everything she needs when she comes to Walmart.

Qualities: Friendly, curious, helpful, observer, good listener, fun, responsible, practical, intelligent, ally, accomplice.



Neighborhood supermarkets with outstanding fresh and food departments at reasonable prices.



Value Drivers: Quality, convenience and service



% of 2018 Walmex sales	6.4
SQ. FT. (average)	16,150
SKUs	30,000
Customer target	A, B, C
Cities*	45
Prototypes	2
Operating units*	
– Mexico	91
– Central America	97

Local format branding



Membership warehouse clubs focused on businesses and high income households.



Value Drivers: Price leader, volume, new and unique merchandise



% of 2018 Walmex sales **20.5**

SQ. FT. (average) **76,750**

SKUs **4,500**

Customer target **A, B, C, D, Business**

Cities* **86**

Prototypes **4**

Operating units*

— Mexico **163**

Business Member



Individual Member



Superama.com.mx: online grocery sales leader

Web page



Delivery



Mobile Apps



Call Center

Walmart.com.mx: online general merchandise

Differentiated catalogue



Delivery



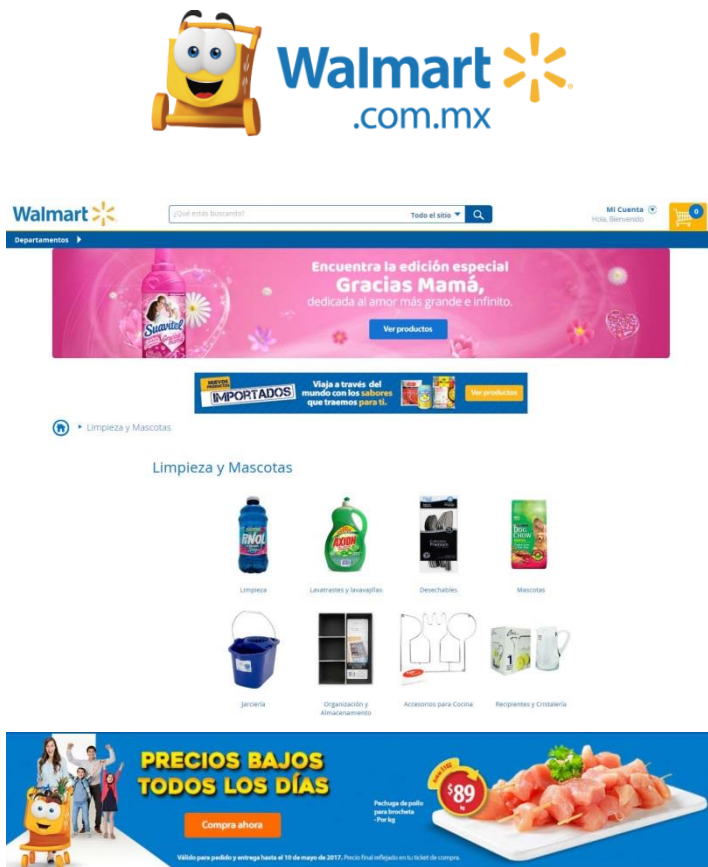
Categories

- Audio
- Cameras
- Auto & tires
- Home
- Baby & toddler
- Musical Instruments
- Books
- Jewelry & accessories
- Cell Phones
- Toys
- Computers & tablets
- Books
- TV's & video
- Pets
- Sports
- Health & Beauty
- Consumer Appliances
- Video Games
- Electronics
- Patio & Garden
- Furniture

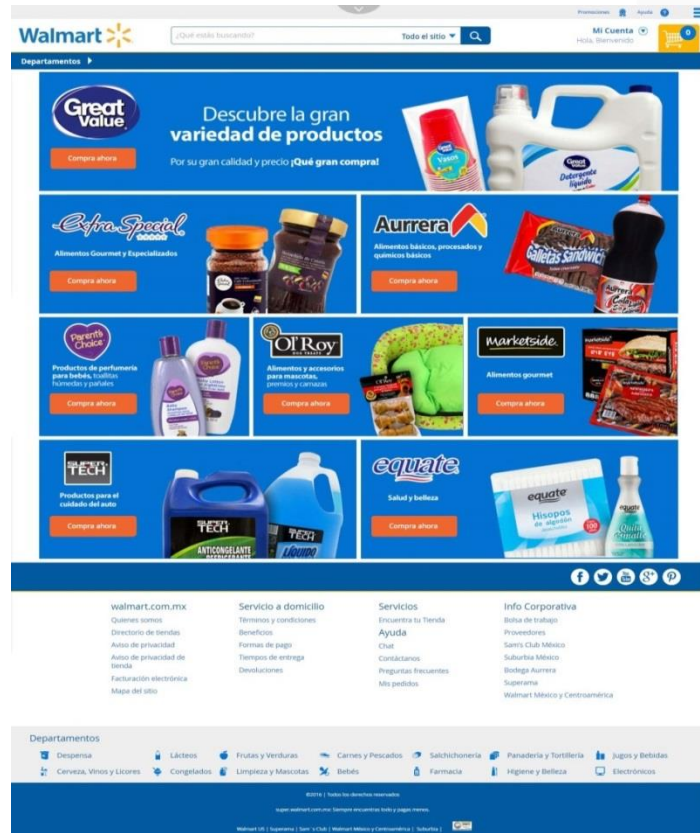
Walmart.com.mx: groceries and perishables

Categories

- Meal Solution, grains & pasta, snacks
- Pharmacy, Health & Beauty
- Beverages, Wine & liquor
- Cleaning Supplies & Pets
- Frozen Food
- Produce
- Dairy, Eggs & Cheese
- Meat, Seafood & Poultry
- Baby & toddler
- Deli
- Bakery & Bread



The screenshot shows the Walmart.com.mx homepage. At the top is the Walmart logo with the text ".com.mx" and a yellow sunburst icon. Below the logo is a search bar with the placeholder text "¿Qué estás buscando?". To the right of the search bar is a "Mi Cuenta" link. The main banner features a pink background with a woman's face and the text "Encuentra la edición especial Gracias Mamá, dedicada al amor más grande e infinito." Below this is a "Ver productos" button. A secondary banner below the main one says "IMPORTADOS" and "Viaja a través del mundo con los sabores que traemos para ti." Below this is a "Ver productos" button. The page is divided into sections: "Limpieza y Mascotas" (Cleaning and Pets) with sub-sections for "Limpieza" (Cleaning), "Lavandería y Lavaplatos" (Laundry and Dishwashing), "Desenchufables" (Unplugs), "Mascotas" (Pets), "Jardinería" (Gardening), "Organización y Almacenamiento" (Organization and Storage), "Accesorios para Cocina" (Kitchen Accessories), and "Recipientes y Olla" (Receptacles and Pot). Below these is a "PRECIOS BAJOS TODOS LOS DÍAS" banner with a "Compra ahora" button. At the bottom right is a "Packaging de pollo para familias" banner with a price tag of \$89.99.



The screenshot shows a product grid on the Walmart.com.mx website. The grid is divided into sections: "Great Value" (Discover the great variety of products), "Extra Special" (Gourmet and Specialized Foods), "Aurrera" (Basic, processed and gourmet foods), "O'Roy" (Products for perfume, body care, and home care), "Marketside" (Gourmet foods), "equate" (Health and beauty), and "TECH" (Products for the care of the car). Each section has a "Compra ahora" button. Below the grid is a footer with links to "walmart.com.mx", "Servicio a domicilio", "Servicios", "Info Corporativa", and "Departamentos". The footer also includes social media links and a copyright notice.



Compra en línea sams.com.mx

Descarga la App



Regalos para mamá
Porque un día no basta para celebrar a mamá 15 días de precios exclusivos

Lanzamiento en línea
Motocicletas MSI

Hazte Socio o Renueva en Línea
\$50 pesos en el precio de tu Membresía asociado con cualquier tarjeta de crédito o débito. **01 800 737 23 45**

Centro de Negocios

Motivos para ahorrar en grande

RECOMENDADOS

 Laptop HP 11 13.3" Convertible 4 GB RAM 320 GB \$ 6,998.99	 Pantalla HVC 55" 3D Hologram LED HD Smart TV \$ 3,998.99	 Corgi King Corgi Nido con Pantalla 42" 32GB \$ 5,999.00	 DJI Phantom 3 Standard con 4GB RAM 16GB \$ 9,999.00	 Hanging Midea Top Mount 24" Freezer \$ 9,999.00	 Emisora Andromeda Hologramas \$ 2,798.99
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DESTACADOS

 Organización al máximo

 En esta temporada de lluvias

 Encuentra los mejores Electrodomésticos

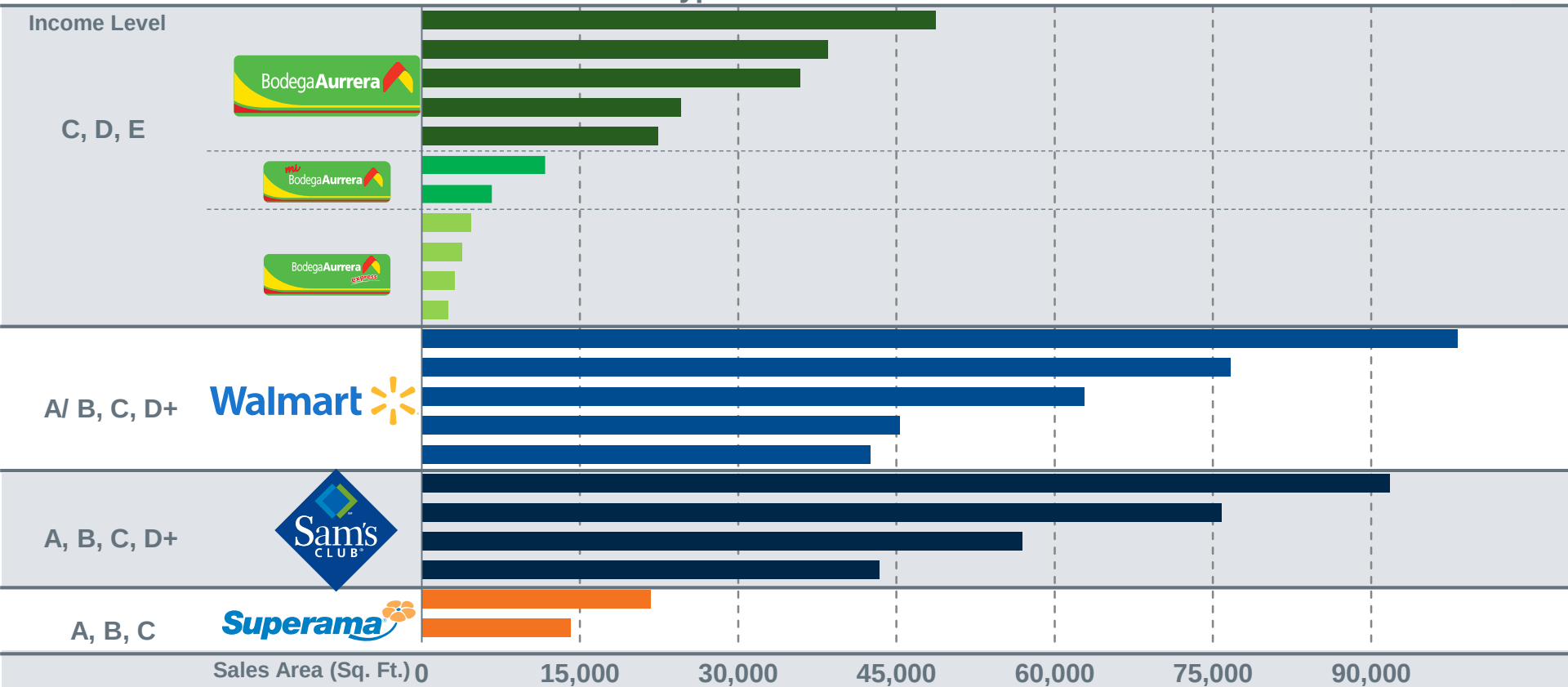


Exclusivo Online



Flexible multiformat operation

Flexible Prototypes



Regional store presence



Efficient distribution network

26 Distribution Centers





Financial Information



Walmex: 4Q18 Results

(MX\$ Millions)	4Q18		4Q17*		Variation
	\$	%	\$	%	%
Total revenues	177,422	100.0	168,161	100.0	5.5
Gross margin	40,454	22.8	37,986	22.6	6.5
General expenses	24,943	14.1	24,034	14.3	3.8
Earnings before other income, net	15,511	8.7	13,952	8.3	11.2
Other income, net	107	0.1	(138)	(0.1)	177.6
Operating income	15,618	8.8	13,814	8.2	13.1
EBITDA	18,964	10.7	16,883	10.0	12.3
Income from continuing operations	11,762	6.6	10,579	6.3	11.2
Net income	11,762	6.6	10,579	6.3	11.2

Mexico: 4Q18 Results

(MX\$ Millions)	4Q18		4Q17*		Variation
	\$	%	\$	%	%
Total revenues	145,886	100.0	137,666	100.0	6.0
Gross margin	32,855	22.5	30,594	22.2	7.4
General expenses	19,634	13.5	18,733	13.6	4.8
Earnings before other income, net	13,221	9.1	11,861	8.6	11.5
Other income, net	153	0.1	(110)	(0.1)	239.8
Operating income	13,374	9.2	11,751	8.5	13.8
EBITDA	15,984	11.0	14,158	10.3	12.9

Central America: 4Q18 Results

(MX\$ Millions)	4Q18		4Q17*		Variation (%)	
	\$	%	\$	%	Peso terms	On a constant currency basis
Total revenues	31,536	100.0	30,495	100.0	3.4	3.6
Gross margin	7,599	24.1	7,392	24.2	2.8	3.0
General expenses	5,309	16.8	5,301	17.4	0.2	0.3
Earnings before other income, net	2,290	7.3	2,091	6.9	9.5	9.7
Other income, net	(46)	(0.1)	(28)	(0.1)	63.1	60.9
Operating income	2,244	7.1	2,063	6.8	8.8	9.0
EBITDA	2,980	9.4	2,725	8.9	9.3	9.5

Walmex: 2018 Results

(MX\$ Millions)	2018		2017*		Variation
	\$	%	\$	%	%
Total revenues	616,910	100.0	573,371	100.0	7.6
Gross margin	141,586	23.0	131,072	22.9	8.0
General expenses	92,597	15.0	86,921	15.2	6.5
Earnings before other income, net	48,989	7.9	44,151	7.7	11.0
Other income, net	201	0.0	(313)	(0.1)	164.1
Operating income	49,190	8.0	43,838	7.6	12.2
EBITDA	61,747	10.0	55,482	9.7	11.3
Income from continuing operations	36,753	6.0	32,390	5.6	13.5
Net income	36,753	6.0	39,865	7.0	(7.8)

Mexico: 2018 Results

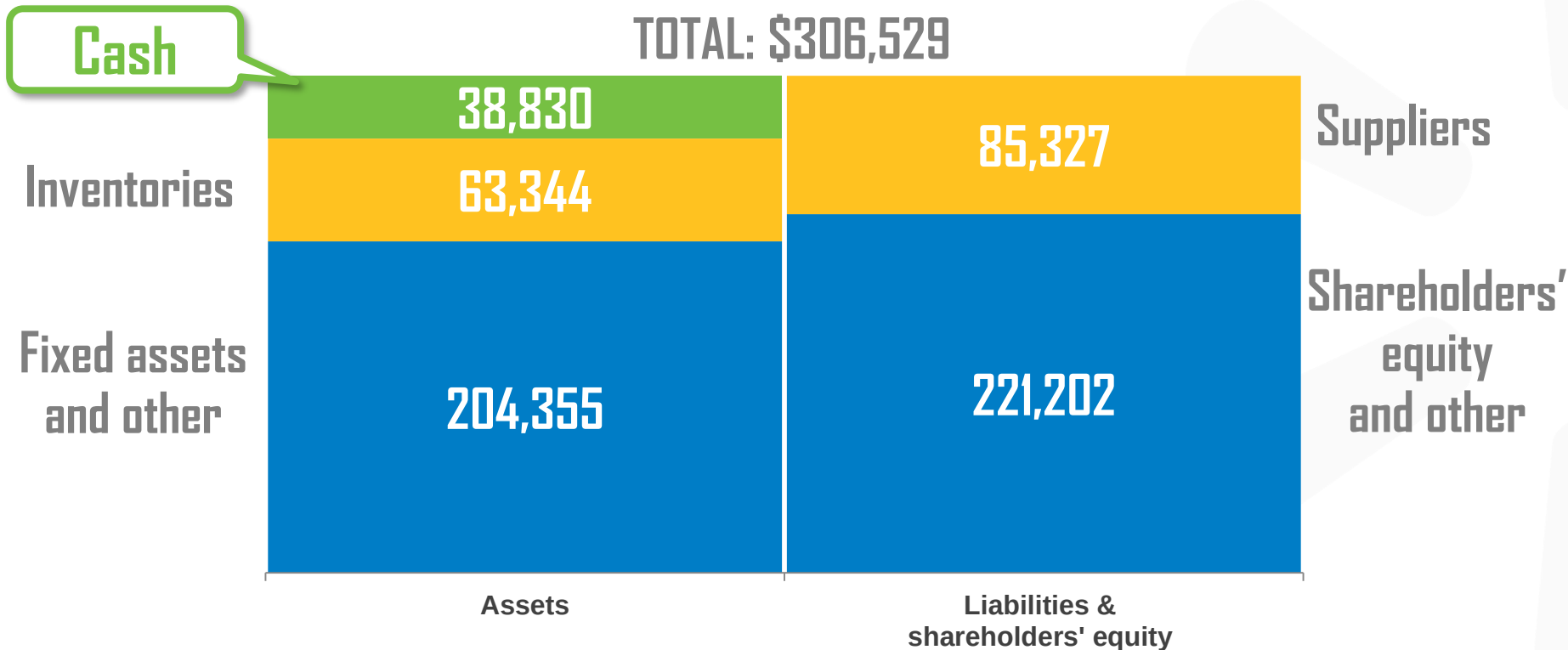
(MX\$ Millions)	2018		2017*		Variation
	\$	%	\$	%	%
Total revenues	503,692	100.0	465,992	100.0	8.1
Gross margin	114,235	22.7	105,161	22.6	8.6
General expenses	72,465	14.4	67,614	14.5	7.2
Earnings before other income, net	41,770	8.3	37,547	8.1	11.2
Other income, net	211	0.0	(325)	(0.1)	165.0
Operating income	41,981	8.3	37,222	8.0	12.8
EBITDA	51,662	10.3	46,310	9.9	11.6

Central America: 2018 Results

(MX\$ Millions)	2018		2017*		Variation (%)	
	\$	%	\$	%	Peso terms	On a constant currency basis
Total revenues	113,218	100.0	107,379	100.0	5.4	5.9
Gross margin	27,351	24.2	25,911	24.1	5.6	6.0
General expenses	20,132	17.8	19,307	18.0	4.3	4.7
Earnings before other income, net	7,219	6.4	6,604	6.2	9.3	9.8
Other income, net	(10)	0.0	12	0.0	(188.3)	(181.8)
Operating income	7,209	6.4	6,616	6.2	9.0	9.4
EBITDA	10,085	8.9	9,172	8.5	10.0	10.4

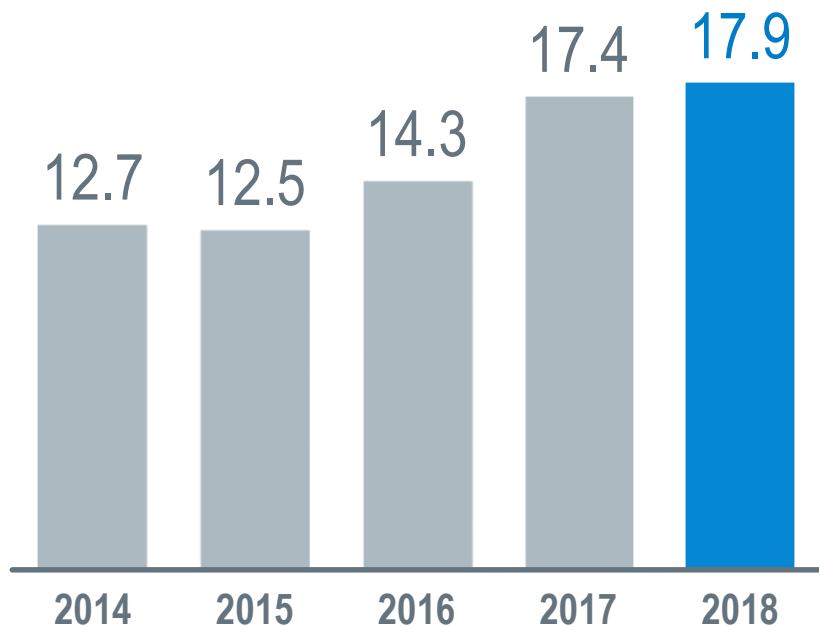
Financial strength

Balance sheet statement
(December 31st 2018 – MX\$ Million)

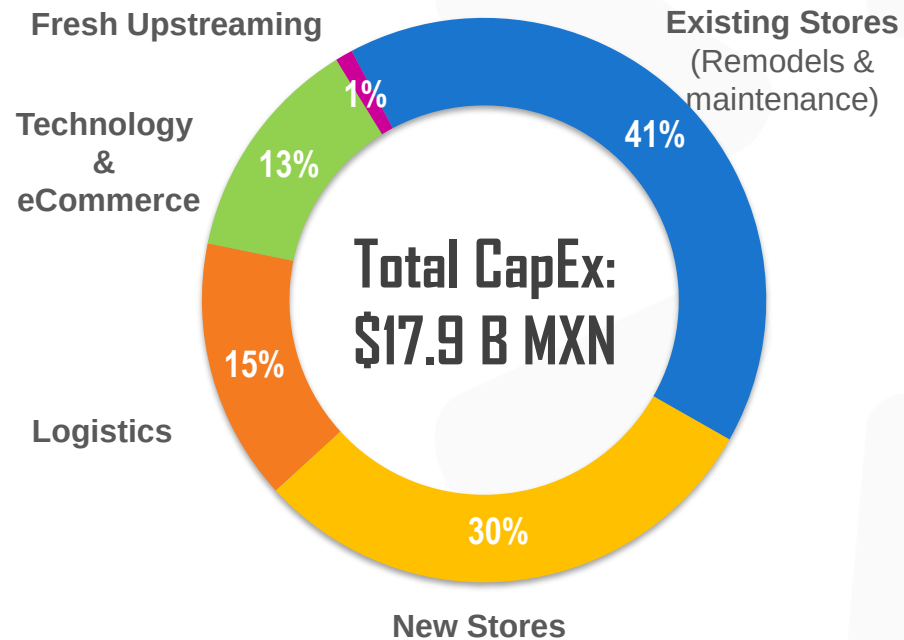


Growth Program 2018

(Mx\$ billion)



CAPEX (% Total)





Competitors



Selected self-service competitors

Listed on the MSE

Revenues*
(Mx\$ billion)



153.5



116.0



19.1

Private



ANTAD: Self-service and Department Stores Association

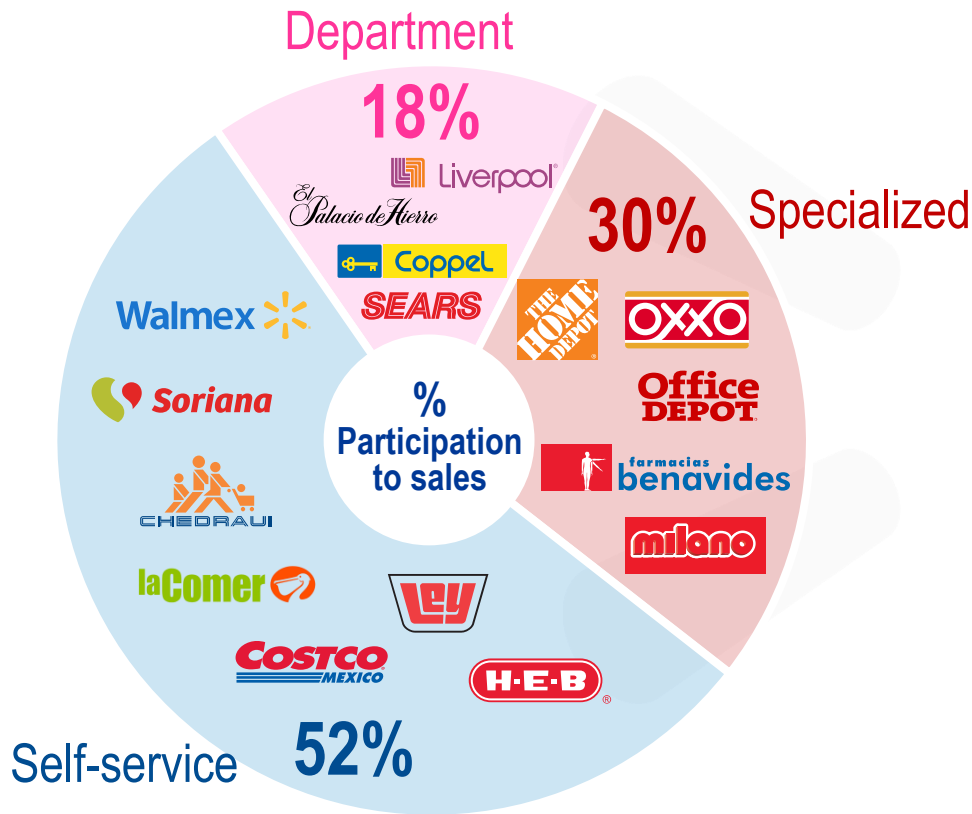


December 2018*

MXN \$**1,802** billion in sales

+105 Members

312 million sq. ft.



Informal market remains a large competitor



Associates

2018 highlights:

01

MX\$53 million invested in training



02

22,996 promoted associates



03

36% of management positions are filled by women



Community support

2018 highlights:

01

+1,261 million pesos were channeled through social impact programs

02

12,809 small producers developed

03

Donations for over 34,120 food tons benefiting +1M people per month

04

93,405 volunteer participations



Environmental commitment and success

2018 highlights:

01

MX\$ 1,040 million investment in sustainability initiatives

02

We reduced our emissions by 5% versus 2015

03

1,111 water treatment plants

04

84% of our units are supplied by renewable energy

05

The zero waste objective:

74% progress in Mexico & 50% in Central America



Walmex resources

Investor Relations:

www.walmex.mx

Corporate:

www.walmartmexico.com.mx

Online & sales:

www.superama.com.mx

www.walmart.com.mx

www.sams.com.mx