

# 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



1999



Introduction of  
Every Day Low  
Prices

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)



Walmart.com.mx launches

2013

2014

Walmart de México y Centroamérica sells its restaurant division to Alsea



2017

Walmart de México y Centroamérica sells Suburbia to Liverpool

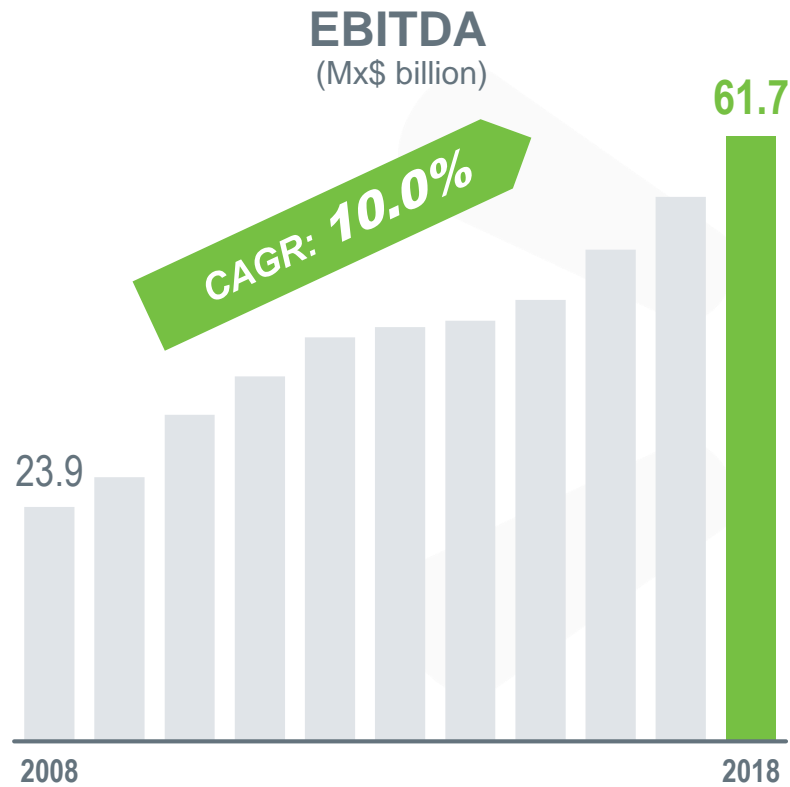
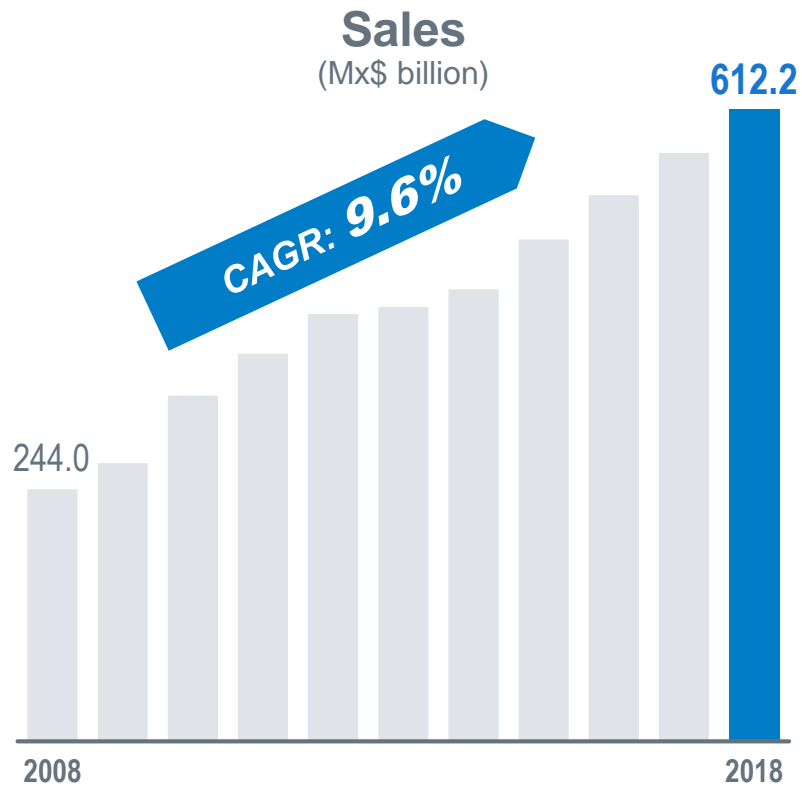


Walmart de México y Centroamérica sells its bank to Inbursa

2015

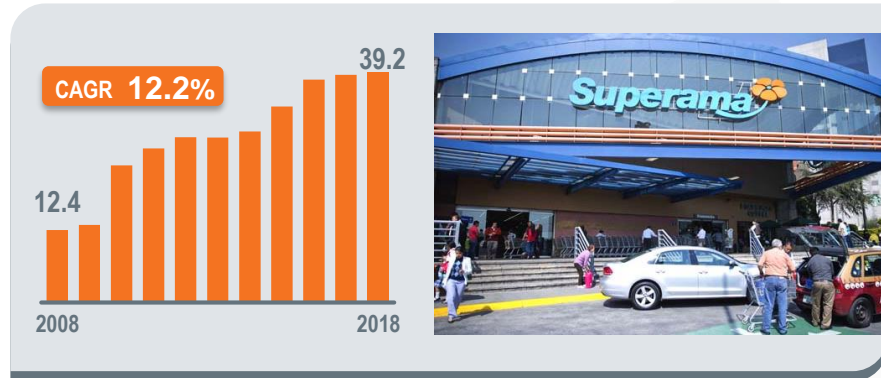


# Continuous profitable growth



# 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



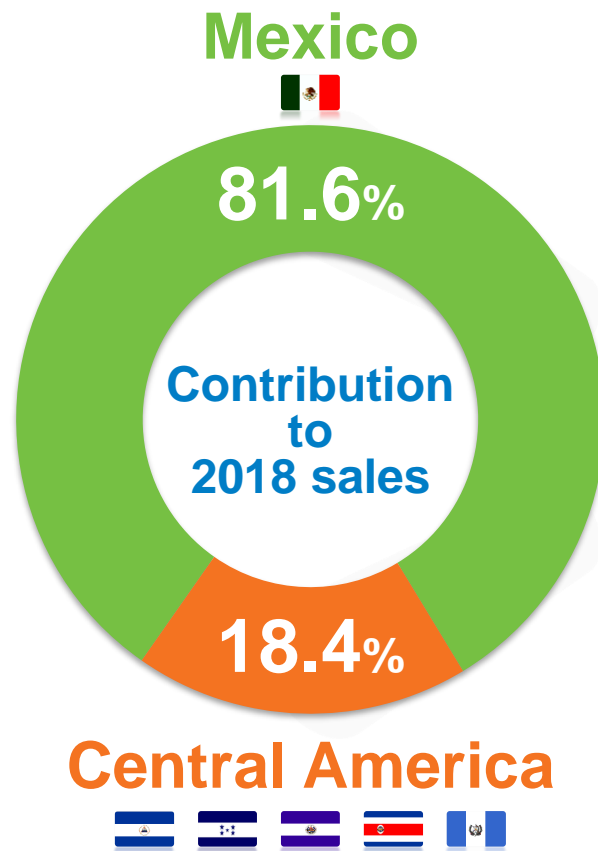
Mexican Stock Exchange  
Sustainable Index

- Market Cap: Mx\$ 907 bn<sup>1</sup>
- Weight on the MSE index: 6.4%<sup>2</sup>
- 3<sup>rd</sup> most traded stock on the MSE<sup>3</sup>

# Company description

As of March 31, 2019

Revenues (Mx\$ billion)	624*
Units	3,259
Countries	6
Cities	648
Business formats	4
eCommerce sites	3
Distribution centers	26
Associates (thousand)	+235



## "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 **1,917**

— Central America **684**

	SQ. FT. (average)	SKUs (average)	Units	Approach
"Bodegas"	<b>44,130</b>	<b>32,000</b>	<b>522</b>	Weekly shopping
Bodega Aurrerá	<b>12,490</b>	<b>11,200</b>	<b>510</b>	Small towns
Discount	<b>3,710</b>	<b>4,400</b>	<b>1,569</b>	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 **275**

– 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	98

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

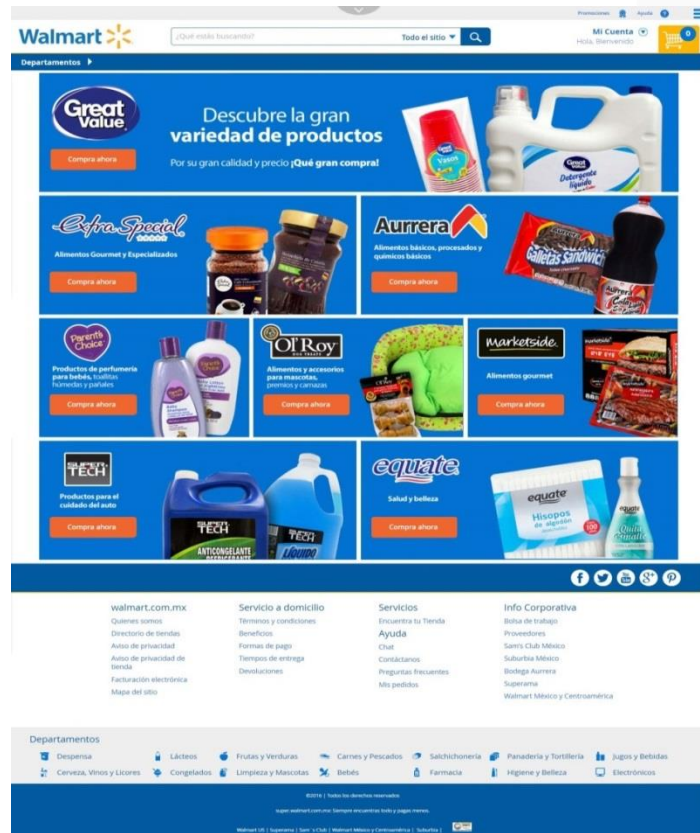
# Walmart.com.mx: groceries and perishables

## 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 tagline ".com.mx" and a yellow shopping cart icon. Below the header is a search bar and a navigation menu. 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 section for "Limpieza y Mascotas" (Cleaning and Pets) with various product images and labels. At the bottom, there is a section for "PRECIOS BAJOS TODOS LOS DÍAS" (Low Prices Every Day) with a large image of a salmon dish and a price tag of \$89.

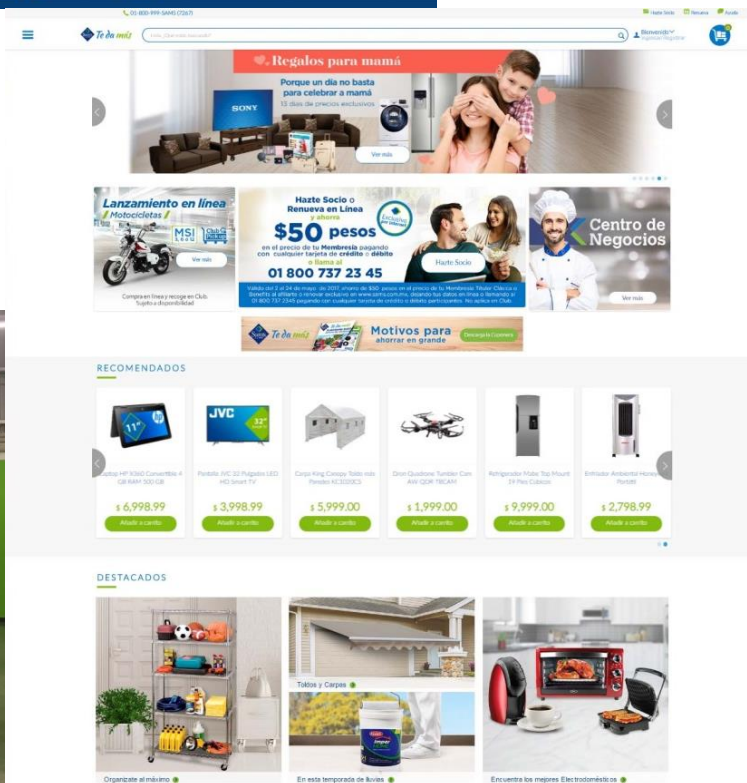


The screenshot shows a grid of product categories on the Walmart.com.mx website. The grid includes sections for "Great Value", "Extra Special", "Aurrera", "OT Roy", "Marketside", "equate", and "TECH". Each section displays various products like cleaning supplies, food items, and household goods. Below the grid is a footer section with links to "walmart.com.mx", "Servicio a domicilio", "Servicios", "Info Corporativa", and "Departamentos".



# Compra en línea sams.com.mx

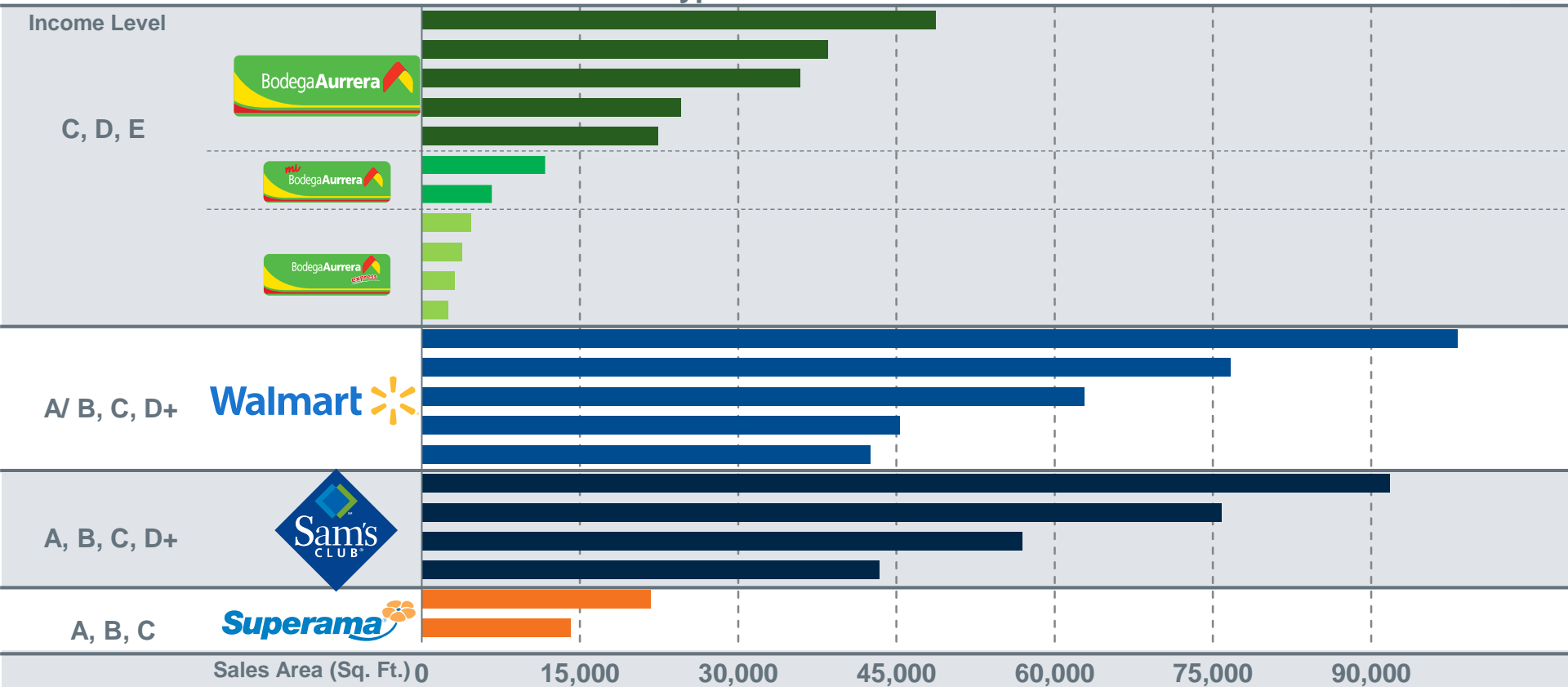
Descarga la App





# Flexible multiformat operation

## Flexible Prototypes



# Regional store presence

648 Cities with Walmex presence



# Efficient distribution network

26 Distribution Centers





# Financial Information





# Walmex: 1Q19 Results

(MX\$ Millions)	1Q19*		1Q18		Variation
	\$	%	\$	%	%
<b>Total revenues</b>	151,734	100.0	145,054	100.0	4.6
<b>Gross margin</b>	34,497	22.7	33,272	22.9	3.7
<b>General expenses</b>	22,228	14.6	22,032	15.2	0.9
<b>Earnings before other income, net</b>	12,269	8.1	11,240	7.7	9.1
<b>Other income, net</b>	70	0.0	94	0.1	(25.0)
<b>Operating income</b>	12,339	8.1	11,334	7.8	8.9
<b>EBITDA</b>	16,462	10.8	14,378	9.9	14.5
<b>Income from continuing operations</b>	8,664	5.7	8,349	5.8	3.8

# Mexico: 1Q19 Results

(MX\$ Millions)	1Q19*		1Q18		Variation
	\$	%	\$	%	%
<b>Total revenues</b>	124,710	100.0	117,921	100.0	5.8
<b>Gross margin</b>	28,003	22.5	26,762	22.7	4.6
<b>General expenses</b>	17,483	14.0	17,203	14.6	1.6
<b>Earnings before other income, net</b>	10,520	8.4	9,559	8.1	10.0
<b>Other income, net</b>	12	0.0	82	0.1	(84.8)
<b>Operating income</b>	10,532	8.4	9,641	8.2	9.2
<b>EBITDA</b>	13,734	11.0	11,986	10.2	14.6

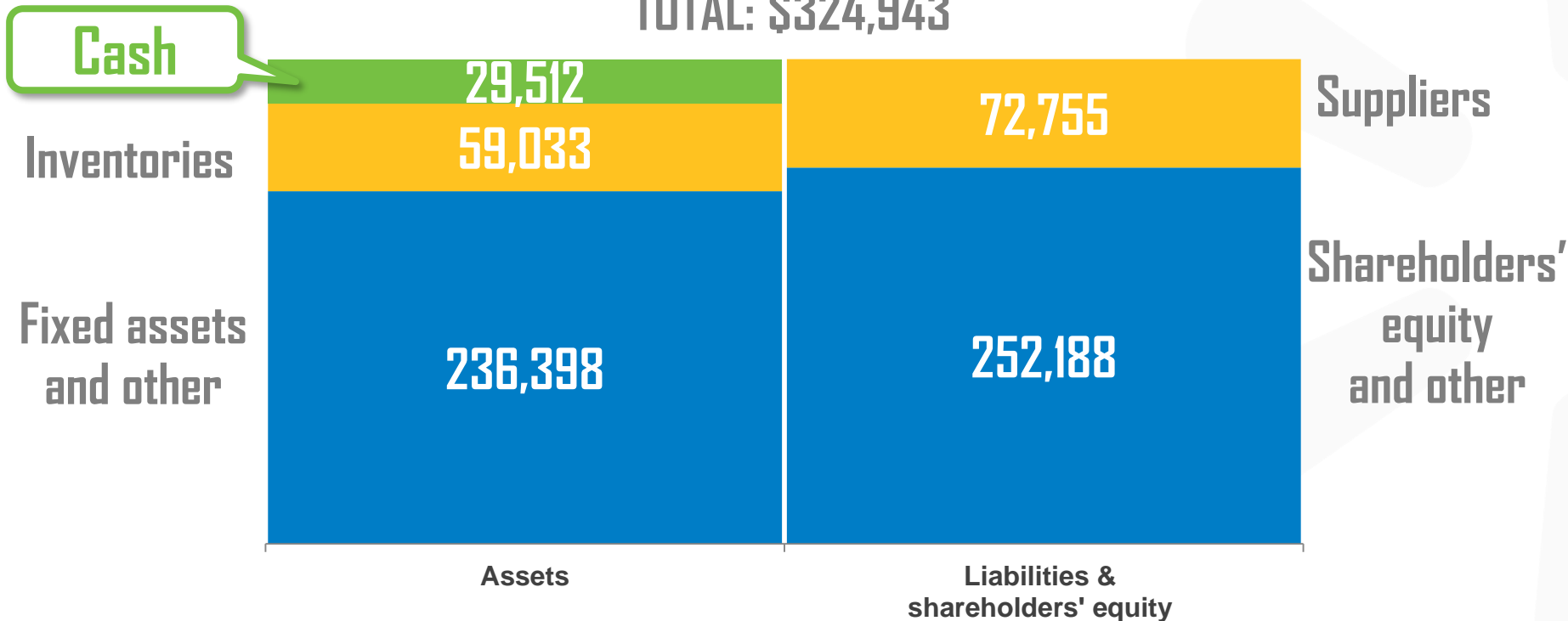
# Central America: 1Q19 Results

(MX\$ Millions)	1Q19*		1Q18		Variation (%)	
	\$	%	\$	%	Peso terms	On a constant currency basis
<b>Total revenues</b>	31,536	100.0	30,495	100.0	3.4	3.6
<b>Gross margin</b>	7,599	24.1	7,392	24.2	2.8	3.0
<b>General expenses</b>	5,309	16.8	5,301	17.4	0.2	0.3
<b>Earnings before other income, net</b>	2,290	7.3	2,091	6.9	9.5	9.7
<b>Other income, net</b>	(46)	(0.1)	(28)	(0.1)	63.1	60.9
<b>Operating income</b>	2,244	7.1	2,063	6.8	8.8	9.0
<b>EBITDA</b>	2,980	9.4	2,725	8.9	9.3	9.5

# Financial strength

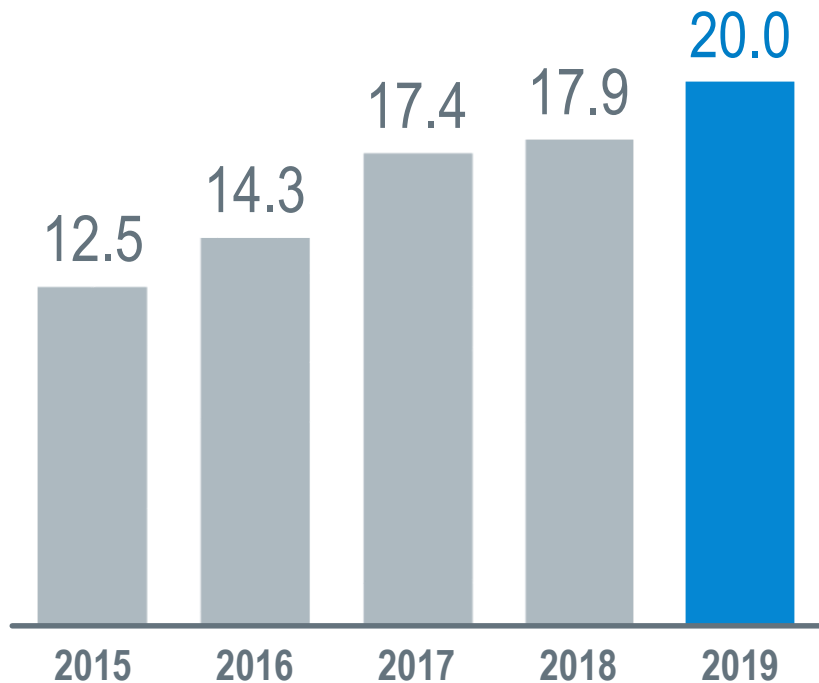
Balance sheet statement  
(March 31st 2019 – MX\$ Million)

TOTAL: \$324,943

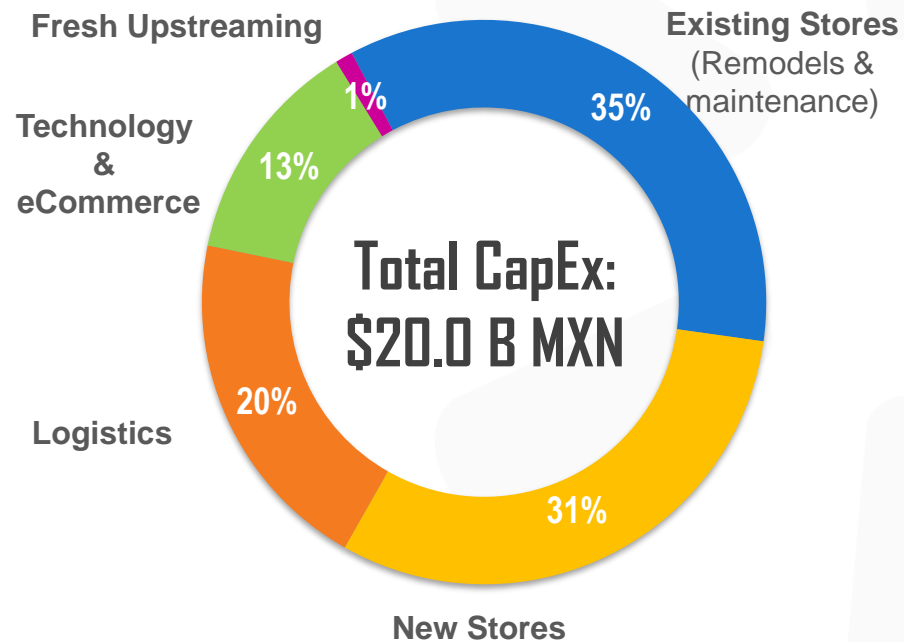


# Growth Program 2019

(Mx\$ billion)



## CAPEX (% Total)





# Competitors



# Selected self-service competitors

Listed on the MSE

Revenues\*  
(Mx\$ billion)



153.2



123.9



19.8

Private





# 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](http://www.walmex.mx)

## Corporate:

[www.walmartmexico.com.mx](http://www.walmartmexico.com.mx)

## Online & sales:

[www.superama.com.mx](http://www.superama.com.mx)

[www.walmart.com.mx](http://www.walmart.com.mx)

[www.sams.com.mx](http://www.sams.com.mx)