

Walmart de México y Centroamérica Announces Reports Results for the Third Quarter 2021

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, October 21, 2021

Financial Results

Today, **Wal-Mart de México, S.A.B. de C.V.** reported financial results for the third quarter of 2021. Total revenues increased **6.4%**. EBITDA for the quarter amounted to **\$20.0 billion pesos**, which represented **11.4%** of total revenues, an increase of **9.8%** over last year's levels.

Main figures are:

Results July - September	2021		2020		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	174,577		164,154		6.3
Other Income	1,465		1,232		18.9
Total Revenues	176,042	100.0	165,386	100.0	6.4
Cost of Sales	(134,399)	(76.3)	(126,291)	(76.4)	6.4
Gross Profit	41,643	23.7	39,095	23.6	6.5
General Expenses	(26,837)	(15.2)	(25,448)	(15.4)	5.5
Income before Other Income Net	14,806	8.4	13,647	8.3	8.5
Other Income (Expenses) - Net	654	0.4	136	0.1	3.8x
Operating Income	15,460	8.8	13,783	8.3	12.2
Financial Income (Expenses) - Net	(1,384)	(0.8)	(1,447)	(0.9)	(4.3)
Taxes	(3,027)	(1.7)	(3,164)	(1.9)	(4.4)
Net Income	11,049	6.3	9,172	5.5	20.5
EBITDA	20,039	11.4	18,256	11.0	9.8
EPS (in pesos)	0.633		0.525		20.5

EPS= Earnings per share
X= Times

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Results January – September	2021		2020		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	517,289		501,987		3.0
Other Income	4,184		3,759		11.3
Total Revenues	521,473	100.0	505,746	100.0	3.1
Cost of Sales	(399,422)	(76.6)	(389,052)	(76.9)	2.7
Gross Profit	122,051	23.4	116,694	23.1	4.6
General Expenses	(78,988)	(15.1)	(77,489)	(15.3)	1.9
Income before Other Income Net	43,063	8.3	39,205	7.8	9.8
Other Income (Expenses) - Net	989	0.2	368	0.1	1.7x
Operating Income	44,052	8.4	39,573	7.8	11.3
Financial Income (Expenses) - Net	(4,228)	(0.8)	(6,792)	(1.3)	(37.7)
Taxes	(8,940)	(1.7)	(11,949)	(2.4)	(25.2)
Net Income	30,884	5.9	20,832	4.1	48.3
EBITDA	57,650	11.1	53,041	10.5	8.7
EPS (in pesos)	2.490		1.836		35.6
EPS= Earnings per share					
X= Times					

Openings Q3 2021

Mexico: 28 units

- 23 Bodegas Aurrerá
 - 5 Bodegas Aurrerá
 - 4 Mi Bodegas
 - 14 Bodegas Aurrerá Express
- 3 Walmarts
- 2 Walmarts Express

Central America: 3 units

- 3 Discount Stores

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Installed Capacity

Sales Area in m ² (September 30, 2021)		
Format	Mexico	Central America
Bodegas and Discount Stores	2,974,223	486,141
Walmarts	2,176,650	184,780
Sam's Clubs	1,180,316	
Supermarkets	156,448	135,224
Total	6,487,637	806,145

Other Events

Walmart de México y Centroamérica was included in the FTSE4Good Emerging Index of FTSE Russell For the sixth consecutive year, due to its solid Environmental, Social and Corporate Governance practices in emerging markets, in addition to complying with the ESG inclusion standards recognized worldwide.

Walmart de México y Centroamérica was positioned in 9TH place in the ranking of "The 500 Companies with the Best Communication Practices in Mexico" conducted by Orbex Media in collaboration with NotiPress.

Walmart de México y Centroamérica obtained the 2nd position in the report "Advancement of Companies in the 2021 SDGs", published by the ONU being a resilient company that, even in time of the COVID-19 pandemic, has maintained its commitment and purpose to achieve the objectives of the 2030 Agenda.

Walmart de México y Centroamérica was recognized by the Corporate Responsibility Business Monitor (MERCOS), with the 1st place in the self-service sector and with the 3rd place in the general list, as one of the companies with the best reputation in the country.

Guilherme Loureiro, CEO of **Walmart México y Centroamérica**, was recognized in the ranking "The 100 leaders with the best reputation in Mexico" by MERCOS with the 7th position, for his strategic and commercial vision, international projection, ethical behavior and social responsibility.

Conference Call

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

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Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **September, 2021**, it operated **3,569** units, broken down as follows:

2,705 Mexico	864 Central America
2,152 Bodegas Aurrerá:	572 Discount Stores
558 Bodegas	98 Supermarkets
419 Mi Bodegas	36 Walmarts
1,175 Bodegas Express	158 Bodegas
291 Walmarts	
165 Sam's Clubs	
42 Superamas	
55 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

Business formats:

www.walmart.com.mx www.sams.com.mx www.superama.com.mx www.bodegaurrera.com.mx

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Appendix 1: Quarterly Income Statement (Millions of pesos)

	Quarter I					Quarter II					Quarter III				
	2021		2020		% Growth	2021		2020		% Growth	2021		2020		% Growth
	\$	% Rev.	\$	% Rev.		\$	% Rev.	\$	% Rev.		\$	% Rev.	\$	% Rev.	
Net Sales	169,334		169,957		(0.4)	173,378		167,875		3.3	174,577		164,154		6.3
Other Revenues	1,423		1,377		3.3	1,296		1,151		12.6	1,465		1,232		18.9
Total Revenues	170,757	100.0	171,334	100.0	(0.3)	174,674	100.0	169,026	100.0	3.3	176,042	100.0	165,386	100.0	6.4
Cost of Sales	130,977	76.7	132,270	77.2	(1.0)	134,045	76.7	130,492	77.2	2.7	134,399	76.3	126,291	76.4	6.4
Gross Profit	39,780	23.3	39,064	22.8	1.8	40,629	23.3	38,534	22.8	5.4	41,643	23.7	39,095	23.6	6.5
General Expenses	24,983	14.6	24,689	14.4	1.2	27,169	15.6	27,351	16.2	(0.7)	26,837	15.2	25,448	15.4	5.5
Income before other income (expenses) – Net	14,797	8.4	14,375	8.4	2.9	13,460	7.7	11,183	6.6	20.4	14,806	8.4	13,647	8.3	8.5
Other Income (expenses) - Net	143	0.1	265	0.2	(46.0)	192	0.1	(34)	(0.0)	6.7x	654	0.4	136	0.1	3.8x
Operating Income	14,940	8.7	14,640	8.5	2.0	13,652	7.8	11,149	6.6	22.4	15,460	8.8	13,783	8.3	12.2
Financial Income (Expenses) - Net	(1,677)	(1.0)	(1,610)	(0.9)	4.1	(1,167)	(0.7)	(3,735)	(2.2)	(68.7)	(1,384)	(0.8)	(1,447)	(0.9)	(4.3)
Income before taxes on profits	13,263	7.8	13,030	7.6	1.8	12,485	7.1	7,414	4.4	68.4	14,076	8.0	12,336	7.5	14.1
Taxes on profits	3,193	1.9	3,033	1.8	5.3	2,721	1.6	5,752	3.4	(52.7)	3,027	1.7	3,164	1.9	(4.4)
Net Income	10,070	5.9	9,997	5.8	0.7	9,764	5.6	1,662	1.0	4.9x	11,049	6.3	9,172	5.5	20.5
EBITDA	19,475	11.4	19,050	11.1	2.2	18,137	10.4	15,734	9.3	15.3	20,039	11.4	18,256	11.0	9.8
Earnings per share (in pesos): Quarterly	0.577		0.573		0.7	0.559		0.095		4.9x	0.633		0.525		20.5

X=Times

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WALMART DE MEXICO, S.A.B DE C.V. Y SUBSIDIARIAS

Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

	Nine-months period ended	
	September 30	
	2021	2020
Net Sales	\$ 517,289,065	\$ 501,986,419
Other revenues	4,183,527	3,759,426
Total revenues	521,472,592	505,745,845
Cost of sales	(399,421,855)	(389,052,031)
Gross profit	122,050,737	116,693,814
General expenses	(78,988,186)	(77,489,037)
Income before other income and expenses	43,062,551	39,204,777
Other income	1,609,026	817,534
Other expenses	(619,981)	(449,615)
Operating income	44,051,596	39,572,696
Financial income	1,184,012	2,623,884
Financial expenses	(5,411,995)	(9,415,607)
Income before income taxes	39,823,613	32,780,973
Income taxes	(8,940,032)	(11,949,162)
Consolidated net income	<u>\$ 30,883,581</u>	<u>\$ 20,831,811</u>
Other comprehensive income:		
<u>Items that do not reclassify to profit or loss of the year:</u>		
Actuarial results on employee benefits, net of income taxes	497,327	-
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Cumulative translation adjustment	<u>\$ 1,619,380</u>	<u>\$ 10,197,923</u>
Other comprehensive (loss) income	<u>2,116,707</u>	<u>10,197,923</u>
Comprehensive income	<u>\$ 33,000,288</u>	<u>\$ 31,029,734</u>
Basic earnings per share (in pesos)	<u>\$ 1.769</u>	<u>\$ 1.193</u>

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WALMART DE MEXICO, S.A.B DE C.V. Y SUBSIDIARIAS

Consolidated Statement of Financial Position

(Amounts in thousands of Mexican pesos)

	As of September 30	
	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$48,287,119	\$38,348,327
Account receivable, net	16,295,221	13,254,950
Inventories	80,776,994	71,872,235
Prepaid expenses and other	1,088,737	1,297,519
Total current assets	146,448,071	124,773,031
Non-current assets:		
Property and equipment, net	137,327,657	136,277,449
Right-of-use assets	52,062,252	51,394,367
Investment properties, net	5,542,625	6,470,513
Intangibles properties, net	39,141,580	42,412,282
Deferred tax assets	10,767,536	7,646,047
Other non-current assets	2,154,771	2,261,503
Total assets	\$ 393,444,492	\$ 371,235,192
Liabilities and equity		
Current liabilities:		
Accounts payable	\$87,418,355	\$79,872,759
Short-term lease liability	3,486,393	3,228,106
Other accounts payable	52,016,052	47,320,282
Income taxes payable	4,560,663	2,256,042
Total current liabilities	147,481,463	132,677,189
Long-term liabilities:		
Leases and other long-term liabilities	62,638,791	61,598,791
Income tax liabilities	7,083,013	7,364,893
Employee benefits	2,814,767	2,388,612
Total liabilities	\$ 220,018,034	\$ 204,029,485
Equity:		
Capital stock	45,468,428	45,468,428
Retained earnings	113,365,579	98,761,197
Other comprehensive income	16,528,075	25,338,680
Premium on sale of shares	4,847,491	4,507,540
Employee stock option plan fund	(6,783,115)	(6,870,138)
Total equity	173,426,458	167,205,707
Total liabilities and equity	\$ 393,444,492	\$ 371,235,192

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WALMART DE MEXICO, S.A.B DE C.V. Y SUBSIDIARIAS

Consolidated Statement of Cash Flows

(Amounts in thousands of Mexican pesos)

	Nine-months period ended	
	September 30	
	2021	2020
Operating activities		
Income before income taxes	\$39,823,613	\$32,780,973
Items related to investing activities:		
Depreciation and amortization	13,597,929	13,467,689
Loss from disposal of property and equipment and impairment	300,646	17,732
Stock option compensation expenses	276,703	249,987
Interest earned	(553,540)	(751,859)
Items related to financing activities:		
Interest on lease liabilities	4,816,970	4,817,538
Unrealized, exchange rate fluctuation	90,089	(377,314)
Provision for labor obligations	464,335	487,400
Interest in charge	57,168	54,057
Cash flow from operating activities	58,873,913	50,746,203
Variances in:		
Accounts receivable	714,334	1,445,934
Inventories	(12,167,261)	(3,015,716)
Prepaid expenses and other assets	(374,632)	331,005
Accounts payable	(5,664,100)	(9,447,803)
Other accounts payable	(167,542)	(1,630,029)
Income tax paid	(8,845,328)	(11,277,620)
Employee benefits	(256,507)	(407,855)
Net cash flow operating activities	32,112,877	26,744,119
Investing activities		
Long-lived assets	(12,625,290)	(10,041,807)
Interest collected	553,540	751,859
Proceeds from sale of property and equipment	174,736	197,091
Employee stock option plan fund	(89,678)	(1,287,959)
Net cash flow used in from investing activities	(11,986,692)	(10,380,816)
Financing activities		
Dividends paid	-	(4,664,594)
Interest paid	(57,168)	(54,057)
Payment of leases liability	(6,826,127)	(6,481,744)
Net cash flow used in investing activities	(6,883,295)	(11,200,395)
Effect of changes in the value of cash	(626,131)	2,328,329
Net increase (decrease) in cash and cash equivalents	12,616,759	7,491,237
Cash and cash equivalents at beginning of year	35,670,360	30,857,090
Cash and cash equivalents at end of year	\$ 48,287,119	\$ 38,348,327
Non-cash transactions:		
Additions of right-of-use assets	\$ 2,001,165	\$ 1,513,235
Modifications and actualizations	\$ 3,198,736	\$ 2,252,193

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