

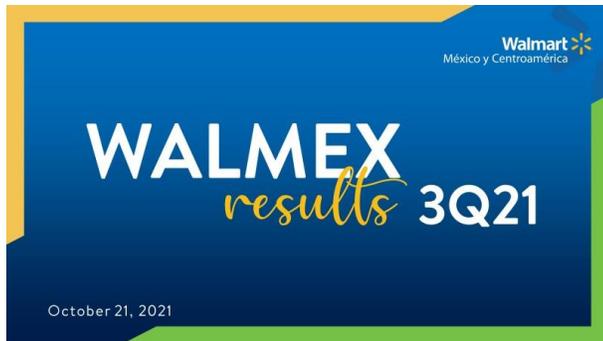
Walmart

México y Centroamérica

Webcast Results for the Third Quarter 2021

Mexico City, October 21, 2021

(FREE TRANSLATION, NOT TO THE LETTER)



PILAR DE LA GARZA:

Good afternoon, this is Pilar de la Garza, head of Investor Relations for Walmex.

Thank you for joining us today to review the results for the third quarter 2021.

Today with me is Guilherme Loureiro, President and Chief Executive Officer of Walmart de México y Centroamérica and Paulo Garcia, Chief Financial Officer.



The date of this webcast is October 21, 2021. Today's webcast is being recorded and will be available at www.walmex.mx.

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Now, it is my pleasure to turn the call over to our CEO, Gui Loureiro.



GUILHERME LOUREIRO:

Good afternoon and thank you for joining us today to review our quarterly results and the progress on our strategy.

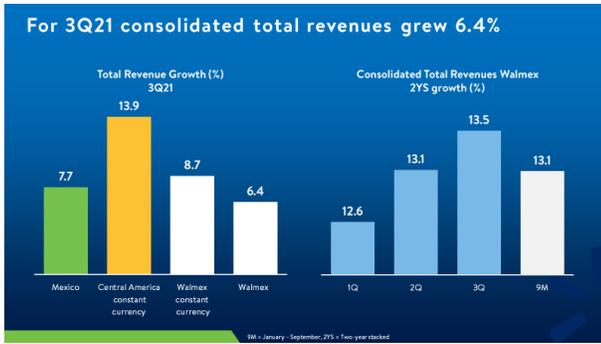
Undoubtedly, 2021 has brought unique challenges and uncertainties, but our teams have been able to innovate in order to deliver the results we are sharing with you today.

Associates continue to do an outstanding job responding to the constant changes in the way our customers shop. They are working very hard to overcome the hurdles presented by one of the most difficult periods in history.

The resilience of our business model and the agility of our teams have allowed us to accelerate the implementation of our strategy. The flywheel we shared with you in February is coming together and starting to spin, and I dare to say we are going through one of the most exciting moments of Walmex's history.

Now, let's look at our performance for the quarter.

Please consider that, when I talk about Central America, I am referring to figures on a constant currency basis.



During the quarter, consolidated total revenue grew 6.4%: 7.7% in Mexico and 13.9% in Central America.

Topline growth has accelerated quarter on quarter, and in the first 9 months of the year, the two-year stacked revenue growth reached 14.0% in Mexico and 6.3% in Central America, resulting in a 13.1% two-year stack for Walmart.

Looking at sales performance in Mexico...

Same-store sales grew 6.0% during the quarter, reaching a double-digit two-year stack of 11.7%.

Our strategy to Win in Discount has been well received by our customers and Bodega delivered the highest same-store sales during the period.

Amid the high-low competitive environment we experienced during the summer months, we expanded our price gap by 110 bps vs. last year to offer unbeatable prices. Private brands play a very important role in our strategy to win in discount, as they help us to increase sales and loyalty, while balancing price investments. During the quarter, we were able to increase private brands' sales penetration by 40 bps in Bodega.

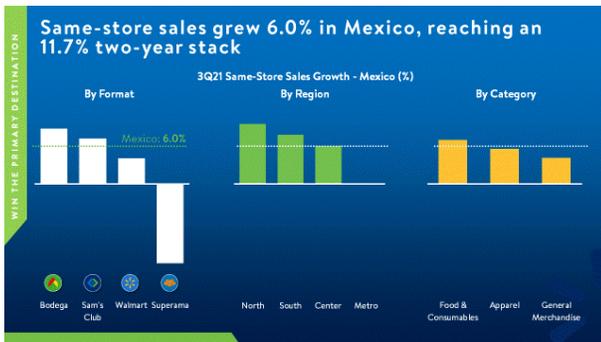
We are also making progress with the implementation of our omni strategy in the format. We expanded the number of stores offering *Despensa a tu Casa*, while maintaining a high net promoter score (NPS). It's been a year since we launched online operations in Bodega and the potential we see in this business is huge.

At Sam's, we hosted another edition of our Open House event, where we invite customers to shop at our clubs, without the need of a membership, so they can experience first-hand the amazing merchandise and prices we offer.

We are moving fast in Sam's to implement digital tools that enhance our members' shopping experience and save our associates time. Last quarter we launched a new tool that allows a better mapping of the spaces by category and by club, enabling a better space planning and optimization. This new product will help our associates to work more efficiently.

I'm also pleased with the progress I see at Walmart when it comes to building an omni-driven ecosystem. We knew the back-to-school season would be challenging, given the uncertainty around students going back to school in-person or maintaining virtual classes; however, being very close to our customers and getting their input, our merchants were able to implement a successful campaign.

Regarding on-demand, we are leveraging our proximity to the customer and the crowdsourcing model to provide an express service at almost 120 Walmart stores, in which we deliver



orders in less than 90 minutes. We know that especially in high-density urban areas, customers are looking for a fast delivery and they welcome this new service.

We are progressing with Superama's conversions to Walmart Express. So far, we have converted 55 stores, which is almost 60% of the store base. Typically remodels have a temporary negative effect on sales and is later compensated for by a better shopping experience for our customers.

Looking at the performance by region...

The North posted the highest growth, followed by the South and Center regions.

Sales growth in the Metro area was softer, affected by weaker macroeconomic conditions vs. the rest of the country.

Regarding merchandise divisions, we are very pleased to see all of them growing again.

The positive trend in Apparel and GM continues, and our core division, Food and Consumables, is delivering a solid performance.

In moments of high inflation, our low-price value proposition becomes even more relevant for our customers. Delivering our price gap is what leads our pricing decisions: during the quarter, we increased the gap by 70 bps. We will continue working with our suppliers in a collaborative way and making data-driven decisions to offer the lowest prices for our customers.

As all of you know, there are challenges in the global supply chains, and I am very proud of the work the team has done to manage the disruptions.

About 93% of the merchandise we sell at our stores is sourced locally, and we've been working with international suppliers and logistics providers to secure capacity. We are prepared for the holiday season, and we will continue monitoring delays at the ports and other factors in the supply chain.

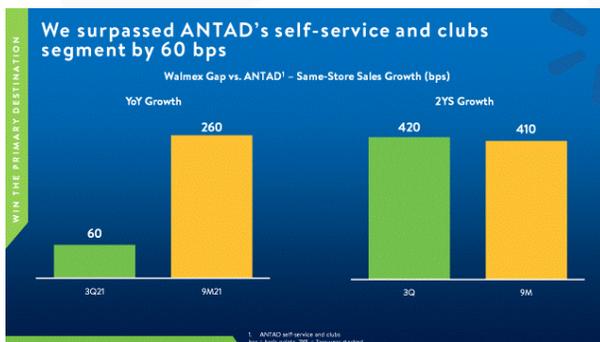
Now looking at our performance vs. the market...

During the quarter, we were able to surpass ANTAD's self-service and clubs segment same-store sales growth by 60 bps. From January to September, the gap was 260 bps.

If we see the performance on a two-year stack basis, our quarterly gap vs. ANTAD was 420 bps.

With this result, we've been growing ahead of the market for almost seven years, showing the consistency of our execution.

We are demonstrating that our omnichannel strategy is positioning our company to win, as we serve customers regardless of how they want to shop. There are times when they want to go to a store, times when they want to pickup their orders and times when they want to have them delivered at home. We will keep innovating and executing to get better at all three.





Now, let's talk about Central America...

It's encouraging to see sales growth and market share with positive trends across all countries.

In Central America we have two main initiatives: to focus on Bodega and Discount as our main growth formats and to reduce costs by simplifying our business.

We are taking a customer-centric approach to review our assortment. Our merchants have been working very closely with our suppliers to optimize our catalogue and include a wider variety of private brand items and basic products with great value.

We're also investing strategically in prices to widen our gap vs. our main competitors and enhancing communication through campaigns such as "Super Ahorros" and "Llena tu Carrito a Precio Pali" to further improve price perception.

So far this year, private brands sales penetration has increased by 100 bps and we believe there is opportunity for our brands to continue to gain share going forward, which will allow us to balance price investments and profitability.

We've also made progress in terms of efficiency and simplifying our business. We launched a "lean" store prototype for the Discount format, where we reduced the sales floor by 15% and the staff per store by 12%, while maintaining customer experience and the same level of sales per store.



Moving to new stores growth...

During the quarter, new stores contribution to total sales growth was 1.5%.

We opened 31 new stores: 28 in Mexico and 3 in Central America. This compares to 24 stores opened during 3Q20.

We are accelerating new store growth. For the 9 months of this year, the number of new store openings was 1.8x more than the number of stores we opened in 2020 and in line with openings during the same period of 2019. Importantly, new stores in Mexico are delivering sales almost 20% above their sales plan.

In Mexico and Central America, we have significant opportunities to grow the Bodega and Descuento formats, which will remain our primary growth vehicles going forward.



Let's talk about omnichannel...

I'll start with an update on on-demand: We are building capacity and improving service levels to continue to win in frequency.

We have the service enabled now in over 750 stores, covering more than 120 cities. By leveraging our assets, we are offering this service at scale with great convenience for our customers: almost 95% of the on-demand orders are delivered within 24 hours.

In June we launched Walmart Pass, a membership model where on-demand customers can get unlimited same-day delivery from stores. We are seeing traction in customer adoption and overall level of satisfaction with the subscription.

The average ticket for Walmart Pass members continues to show a double digit increase vs. those who aren't members yet, and shopping frequency is more than 2x the average vs. non-members.

We decided to lower the minimum basket to \$299 pesos to make it even more convenient for customers; we will continue marketing the program and working on the operations side to continue delighting customers.

We have the ambition to lead in omni, and Extended Assortment is crucial to achieve this goal.

We are moving much faster in 1P and marketplace: we are developing impulse categories by increasing the number of products with a compelling value proposition. Our sellers doubled vs. 3Q20.

We are also working to improve the shopping experience: we implemented a machine learning algorithm to improve search results, showing products according to broader customer preferences or market trends, and we keep investing in our logistics network to reduce shipping times.

Currently, 70% of the 1P orders in the top 5 cities are fulfilled within the next day.

Regarding our logistics network, we have big news related to Extended Assortment.

Since we shared with you back in February that we want to accelerate our marketplace's growth, many of you have asked if we can leverage our logistics network to fulfill orders for our sellers... We are very excited to introduce Walmart Fulfillment Services (WFS), a service where our marketplace's sellers can leverage our world-class supply chain capabilities to fulfill orders quickly and efficiently.

The service is designed to grow together with our sellers, to help them generate more profitable sales, at scale. We've been working together with them to design a process that is simple, quick and offers very competitive pricing. This service will translate into a larger assortment and faster delivery times for our customers.

Walmart Fulfillment Services is currently operating out of our Mexico City fulfillment center and 25% of the marketplace's sales are already being fulfilled through our network. Though still on an early phase, sellers are responding in a positive way and results are quite good.

We were pioneers to invest in logistics in Mexico, and the efficiency of our network has been instrumental in delivering Every Day Low Costs. Now this competitive advantage is evolving into the omnichannel space, and I feel encouraged by the way we are transforming our network.





I am pleased to see our investments in eCommerce are showing results. We are delivering continuous improvements in customers' satisfaction index which is leading to a strong sales growth.

During the quarter, we posted double-digit growth, on top of a triple-digit growth base. eCommerce sales grew 27% and GMV grew 31%, driven by Extended Assortment.

eCommerce's share of total Mexico sales reached 4.5%, and it contributed 1.0% to total sales growth. We are on track to reach our goal of double-digit penetration by 2024.

Another strategic initiative is to develop ecosystems. We are building new products and services to create deeper relationships with our customers and increase their engagement.

We are making progress with our main verticals: Cashi, Bait and Walmart Connect.

We keep increasing the number of services that users can pay digitally using Cashi and we are working together with our suppliers to provide additional cash-back for certain products. This is helping us to drive loyalty and we are seeing an increase in the number of users and total payments value, yet there is still a lot to do. In the coming months, we will enable Cashi as an online payment method on our website and in collaboration with a business partner, we will launch a pilot to disburse credit through Cashi.



Bait continues to grow fast. By reinforcing our customer acquisition efforts, we almost doubled the number of users vs. 2Q21, reaching 1.4 million Bait users, which position us as one of the top mobile virtual network operators in the country. Importantly, the number of top-ups and the average revenue per user is increasing.

Aligning to our purpose of saving people money and helping them live better, we are enabling access to the digital economy by providing a low-price reliable internet service. Bait users can do mobile top-ups via Cashi, and every time they shop with us, we reward them with free data.

While they enjoy these features, data allows us to keep learning from their shopping patterns and to find ways to serve them even better and reinforce our ecosystem.

Being able to reach more than 5 million customers daily in our stores, with the most robust omnichannel offer, and the use of data to increase efficacy for advertisers is what makes Walmart Connect so compelling. Our goal is to become a leading media platform in Mexico, by helping brands connect with our customers more often and more meaningfully.

We continue to increase the number of advertisers and campaigns and our business is growing mid double-digits.



Logistics, customer centricity, talent, IT and data are key enablers of our strategy, and we are investing in all of them in a disciplined way.

The launch of WFS is the main highlight of our progress in logistics, yet there is really good progress on other fronts: we are developing omnichannel transportation models, where we are leveraging our fleet that already visits our 2,700 stores every week to flow merchandise for store pickup and even home delivery, with lower costs and faster delivery times. Additionally, we enabled our Chalco DC with omnichannel capabilities. Considering Chalco, we now have four omni distribution centers and three dedicated fulfillment centers.

We'll continue to accelerate progress on digitizing core processes, developing technology tools for our associates and reinforcing key customer-facing initiatives, such as eCommerce and Cash.

An example of the tools we are launching is the Customer Value Program app in Central America, which allows us to handle markdowns and exit strategies in a more efficient way and improve profitability. Another example is Sam's "Own Your Inventory" app, which simplifies tasks for our club associates.

Investing in our associates is a top priority. I dare to say we have the best merchants and operators in the region, and we are equipping them with the right tools and training to evolve their way of working to deliver the best value for our customers amid this changing environment.

Our investments are paying off. We have improved associates' satisfaction and engagement indices despite the challenges we have faced in the last two years, and we've been able to reduce our consolidated turnover rate by more than 11 pp.

As we can see, investing in our associates' value proposition translates into happier and more engaged associates, which drives productivity and NPS. This is a virtuous circle we want to keep spinning.



We are not just focused on customers and associates, we take a multi-stakeholder view, and our strategy translates into shared value for all of them.

I am very proud to see that the investments we are making in our associates and overall our efforts to create shared value for our stakeholders are being recognized externally. We ranked 3rd place in the "100 companies with the best reputation in Mexico" ranking by Merco.

For the 6th consecutive year, we were included in the FTSE4Good Emerging Index of FTSE Russell, due to our solid Environmental, Social and Corporate Governance practices.

Additionally, during August we reinforced our commitment with diversity and inclusion by hosting the first inclusive job fair, where 35% of the applications were from talent with disabilities.

As part of our environmental strategy, we collaborated with our suppliers and business partners to enable return points for the proper disposal of electrical and electronic waste. Our goal

is to reinforce the management and proper disposal of these, to prevent and reduce environmental impacts.

We believe in creating shared value by building for the long-term, managing the short term and serving all the relevant stakeholders. I truly believe our company can do even more good for customers, communities, associates, suppliers, and business partners as we grow.

Before turning it over to Paulo, I would like to wish you all a happy holiday season. We know that once again this holiday season will be unique, and we will be there to serve our customers.

Thanks again for your interest in our company. Happy holidays!

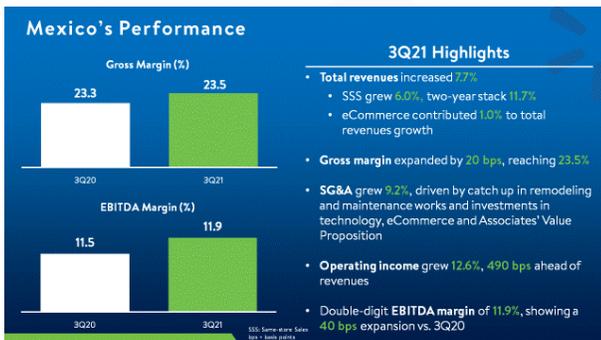


PAULO GARCIA:

Thanks Gui and good afternoon everyone. Thank you for joining us today to review our results for the third quarter 2021.

In my first months as CFO of Walmex, I've spent time visiting stores and DCs, getting to know our associates and overall learning from the business and our strategy; and I can say I've been impressed by our associate's commitment to deliver our strategy and to serve our customers better.

I see the company as a well-oiled machine that is reinventing retail and I am very proud to be part of the team.



Let's look at Mexico's results first. Please consider that when I talk about Central America, I'll refer to figures on a constant currency basis.

During the quarter, total revenues grew 7.7%, on the back of a 6.0% same-store sales growth.

Gross profit margin expanded by 20 bps, reaching 23.5%. The positive trend we continue to see in categories such as Apparel and Home, the recovery of rental income and Walmart Connect are driving this improvement.

SG&A grew 9.2%, as we continue to make strategic investments to position our company for the future, I'll get into the details of these investments in the next slide.

Operating income increased 12.6%, 490 bps ahead of total revenues growth, and EBITDA grew 11.2%, reaching an 11.9% margin.

During the quarter, a positive one-time effect related to an excess of impairment was booked in the other income line. Excluding this effect, operating income would've grown 7.2% and EBITDA would've increased 6.9%, resulting in an 11.4% margin.

In Mexico, revenues grew 7.7% and EBITDA margin was 11.9%

(\$MXN Millions)	Mexico 3Q results				Var.
	3Q21		3Q20		
	\$	%	\$	%	%
Total revenues	145,599	100.0	135,247	100.0	7.7
Gross margin	34,261	23.5	31,520	23.3	8.7
General expenses	21,247	14.6	19,457	14.4	9.2
Earnings before other income, net	13,014	8.9	12,063	8.9	7.9
Other income, net	699	0.5	112	0.1	5.2x
Operating income	13,713	9.4	12,175	9.0	12.6
EBITDA	17,266	11.9	15,529	11.5	11.2

x = Times

We are leveraging base expenses and investing strategically to position our company for the future



As we shared with you on our Walmex Day, we are expecting Capex to increase in the coming years, and we will also incur higher expenses to deliver our long-term strategy.

Our business is no longer just buying and selling products at stores and clubs, it is changing its shape and the investments we are making will further improve our competitive position.

We are investing strategically in what is important for the long-term value of the company, while we manage the short-term with discipline.

During the quarter, we were able to leverage our base operating expenses by 25 bps. Remodels represented 16 bps, as last year we faced several restrictions to perform remodel and maintenance works, we are doing a catch-up and this year we plan to double the number of remodels vs. 2020. Additionally, our strategic investments in the Associates' Value Proposition, technology, eCommerce and new stores represented 29 bps.

At the same time, we are building new revenue sources, such as Walmart Connect, which together with our productivity agenda, will help us support the lowest cost to serve and fund strategic investments.

Central America's Performance



Now let's review Central America's results... As Gui mentioned before, our strategy in Central America is being welcome by our customers. Total revenue growth reached 13.9% in the quarter.

We are deepening further the execution of the value proposition in the Bodega and Descuento formats. We saw a 90 bps gross profit margin reduction, reflecting primarily price investments and product mix.

In parallel, we are simplifying the business and focusing on productivity, which allowed us to leverage expenses by 150 bps. Now SG&A represent 18.4% of revenues.

Operating income grew 22.4%, 850 bps ahead of total revenues growth and EBITDA increased 14.6%, reaching a 9.1% margin.

The one-time effect I mentioned before, impacted negatively Central America's other income line. Excluding it, operating income would've grown 28.4% and EBITDA 18.2%, resulting in a 9.4% margin.

Central America leveraged expenses and increased its operating income & EBITDA margins

Central America 3Q results

(SMXN Millions)	3Q21		3Q20		Var. (%)	
	\$	%	\$	%	Peso terms	Constant currency basis
Total revenues	30,443	100.0	30,139	100.0	1.0	13.9
Gross margin	7,382	24.2	7,575	25.1	(2.6)	9.8
General expenses	5,590	18.4	5,991	19.9	(6.7)	5.2
Earnings before other income, net	1,792	5.9	1,584	5.3	13.1	27.5
Other income, net	(45)	(0.1)	24	0.1	(2.9x)	(3.1x)
Operating income	1,747	5.7	1,608	5.3	8.6	22.4
EBITDA	2,773	9.1	2,727	9.0	1.7	14.6

X = Times

Walmex Consolidated Performance



bps = basis points

All in, consolidated total revenue posted a solid 6.4% growth, while gross margin stood at 23.7% of revenues.

SG&A grew 5.5%, 90 bps below revenue growth, driven by the leverage in Central America and partially offset by the investments in Mexico.

Reported operating income margin expanded 50 bps to 8.8% and EBITDA margin was 11.4%.

Considering the one-time effect, operating income would've grown 8.0%, reaching 8.5% of sales; and EBITDA margin would've expanded 10 bps to 11.1%.

Reported net income posted a double-digit growth of 20.5%, which resulted in a net margin expansion of 80 bps.

Consolidated net income posted double-digit growth

Walmex Consolidated 3Q results

(SMXN Millions)	3Q21		3Q20		Var.	
	\$	%	\$	%		
Total revenues	176,042	100.0	165,386	100.0	6.4	
Gross margin	41,643	23.7	39,095	23.6	6.5	
General expenses	26,837	15.2	25,448	15.4	5.5	
Earnings before other income, net	14,806	8.4	13,647	8.3	8.5	
Other income, net	654	0.4	136	0.1	3.8x	
Operating income	15,460	8.8	13,783	8.3	12.2	
EBITDA	20,039	11.4	18,256	11.0	9.8	
Net income	11,049	6.3	9,172	5.5	20.5	

X = Times

Financial Strength

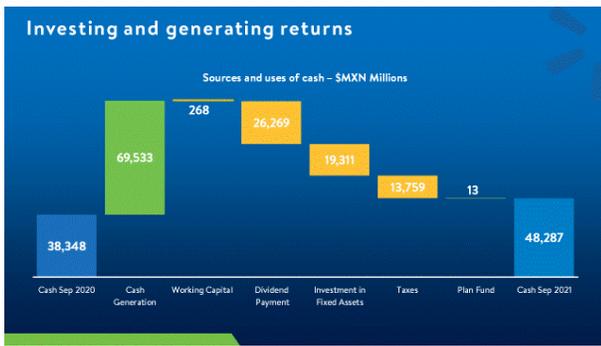
Balance sheet statement
(September 30, 2021 - SMXN Millions)
TOTAL: \$393,444



Now moving to the balance sheet...

Our cash position increased 25.9%, reaching \$48.3 billion pesos, given that this year the dividend payment will take place on the 4Q.

Inventories increased 12.4% to \$80.8 billion pesos, as this year we opened more stores than in 2020 and we anticipated the arrival of seasonal merchandise to ensure capacity, as an action plan to deal with the international supply chain disruptions.



We continue to invest in the business, balancing the long and short term while generating returns for our shareholders.

In the past 12 months, cash generation reached \$69.5 billion pesos.

After investing \$19.3 billion pesos in strategic projects, we returned \$26.3 billion pesos to our shareholders in the form of dividends.



In closing, I would like to highlight three key messages:

- 1) We are making good progress executing our strategy and it is resonating with customers.
- 2) We are accelerating sales growth and driving market share gains.
- 3) We are preparing our business for the future with disciplined investments that will allow us to keep growing and enhancing our ecosystem, while delivering value for all our stakeholders.

Thanks for joining us today. As always, we are happy to schedule time with you to answer any additional questions you may have.

I wish you all happy holidays and I look forward to when we can meet in person.