

# Walmart de México y Centroamérica Reports Results for the Fourth Quarter 2021

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, February 16, 2022

## Financial Results

Today, **Wal-Mart de México, S.A.B. de C.V.** reported financial results for the fourth quarter of 2021. Total revenues increased **9.5%**. EBITDA for the quarter amounted to **\$23.6 billion pesos**, which represented **11.0%** of total revenues, an increase of **5.4%** over last year's levels.

Main figures are:

Results October - December	2021		2020		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	213,063		194,724		9.4
Other Income	1,508		1,264		19.3
<b>Total Revenues</b>	<b>214,571</b>	<b>100.0</b>	<b>195,988</b>	<b>100.0</b>	<b>9.5</b>
Cost of Sales	(164,782)	(76.8)	(150,642)	(76.9)	9.4
<b>Gross Profit</b>	<b>49,789</b>	<b>23.2</b>	<b>45,346</b>	<b>23.1</b>	<b>9.8</b>
General Expenses	(31,193)	(14.5)	(27,553)	(14.1)	13.2
<b>Income before Other Income Net</b>	<b>18,596</b>	<b>8.7</b>	<b>17,793</b>	<b>9.1</b>	<b>4.5</b>
Other Income (Expenses) - Net	260	0.1	81	0.0	2.2x
<b>Operating Income</b>	<b>18,856</b>	<b>8.8</b>	<b>17,874</b>	<b>9.1</b>	<b>5.5</b>
Financial Income (Expenses) - Net	(1,384)	(0.6)	(1,191)	(0.6)	16.2
Taxes	(4,218)	(2.0)	(4,080)	(2.1)	3.4
<b>Net Income</b>	<b>13,254</b>	<b>6.2</b>	<b>12,603</b>	<b>6.4</b>	<b>5.2</b>
<b>EBITDA</b>	<b>23,564</b>	<b>11.0</b>	<b>22,347</b>	<b>11.4</b>	<b>5.4</b>
EPS (in pesos)	0.759		0.722		5.2
EPS= Earnings per share					
X= Times					

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<b>Results</b> <b>January – December</b>	<b>2021</b>		<b>2020</b>		<b>Growth</b>
	<i>Millions \$MXN</i>	<i>%</i>	<i>Millions \$MXN</i>	<i>%</i>	<i>%</i>
Net Sales	730,352		696,711		4.8
Other Income	5,692		5,023		13.3
<b>Total Revenues</b>	<b>736,044</b>	<b>100.0</b>	<b>701,734</b>	<b>100.0</b>	<b>4.9</b>
Cost of Sales	(564,204)	(76.7)	(539,694)	(76.9)	4.5
<b>Gross Profit</b>	<b>171,840</b>	<b>23.3</b>	<b>162,040</b>	<b>23.1</b>	<b>6.0</b>
General Expenses	(110,181)	(15.0)	(105,042)	(15.0)	4.9
<b>Income before Other Income Net</b>	<b>61,659</b>	<b>8.4</b>	<b>56,998</b>	<b>8.1</b>	<b>8.2</b>
Other Income (Expenses) - Net	1,249	0.2	449	0.1	1.8x
<b>Operating Income</b>	<b>62,908</b>	<b>8.5</b>	<b>57,447</b>	<b>8.2</b>	<b>9.5</b>
Financial Income (Expenses) - Net	(5,612)	(0.8)	(7,983)	(1.1)	(29.7)
Taxes	(13,158)	(1.8)	(16,029)	(2.3)	(17.9)
<b>Net Income</b>	<b>44,138</b>	<b>6.0</b>	<b>33,435</b>	<b>4.8</b>	<b>32.0</b>
<b>EBITDA</b>	<b>81,214</b>	<b>11.0</b>	<b>75,387</b>	<b>10.7</b>	<b>7.7</b>
EPS (in pesos)	2.528		1.915		32.0
EPS= Earnings per share					
X= Times					

## Openings Q4 2021

### Mexico: 51 units

- 46 Bodegas Aurrera
  - 5 Bodegas Aurrera
  - 12 Mi Bodegas
  - 29 Bodegas Aurrera Express
- 3 Walmarts
- 2 Walmarts Express

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## Installed Capacity

Sales Area in m <sup>2</sup> (December 31, 2021)		
Format	Mexico	Central America
Bodegas and Discount Stores	2,997,515	486,141
Walmarts	2,193,747	184,780
Sam's Clubs	1,180,270	
Supermarkets	159,144	135,224
<b>Total</b>	<b>6,530,676</b>	<b>806,145</b>

## Other Events

**Walmart de México y Centroamérica** was included for the second time in the "Dow Jones Sustainability MILA Pacific Alliance Index", thanks to its Shared Value strategy by contributing to improving the social and economic conditions of its stakeholders, being the only company in the retail sector on the list.

**Walmart de México y Centroamérica** received the "Éntrale 2021" distinction for the third consecutive year, for being a company committed to the labor inclusion of people with disabilities, promoting inclusive environments.

**Walmart de México y Centroamérica** obtained the #5 position in the ranking "The 1000 Most Important Companies in Mexico" by Mundo Ejecutivo magazine as being a company that generated total revenues in the national territory in the year that exceed 80 million pesos.

**Walmart de México y Centroamérica** obtained the #1 position in the ranking "The 50 Most Sustainable Companies" by Mundo Ejecutivo magazine for being a company committed to society, contributing to improving the development of the communities where they operate.

## 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](http://www.walmex.mx)
- Corporate YouTube <https://www.youtube.com/user/WalmartMexicoCam>
- Corporate Website [www.walmartmexico.com](http://www.walmartmexico.com)

The presentation and the transcript will be available both in English and in Spanish at our website.

## Company Description

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WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **December, 2021**, it operated **3,620** units, broken down as follows:

<b>2,756 Mexico</b>	<b>864 Central America</b>
2,198 Bodegas Aurrera:	572 Discount Stores
564 Bodegas	158 Bodegas
430 Mi Bodegas	98 Supermarkets
1,204 Bodegas Express	36 Walmarts
294 Walmarts	
165 Sam's Clubs	
14 Superamas	
85 Walmart Express	

### **Ticker Symbols**

<b>Mexican Stock Exchange:</b>	<b>Bloomberg:</b>	<b>Reuters:</b>	<b>ADR's sponsored program:</b>
Walmex	Walmex* MM WMMVY US	Walmex.Mx WMMVY.Pk	WMMVY

### **Websites**

Investor Relations: [www.walmex.mx](http://www.walmex.mx)

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

Business formats:

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

### **Contact**

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## Appendix 1: Quarterly Income Statement (Millions of pesos)

	Quarter I					Quarter II					Quarter III					Quarter IV				
	2021		2020		%	2021		2020		%	2021		2020		%	2021		2020		%
	\$	% Rev.	\$	% Rev.	Growth	\$	% Rev.	\$	% Rev.	Growth	\$	% Rev.	\$	% Rev.	Growth	\$	% Rev.	\$	% Rev.	Growth
Net Sales	169,334		169,957		(0.4)	173,378		167,875		3.3	174,577		164,154		6.3	213,063		194,724		9.4
Other Revenues	1,423		1,377		3.3	1,296		1,151		12.6	1,465		1,232		18.9	1,508		1,264		19.3
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	214,571	100.0	195,988	100.0	9.5
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	164,782	76.8	150,642	76.9	9.4
<b>Gross Profit</b>	<b>39,780</b>	<b>23.3</b>	<b>39,064</b>	<b>22.8</b>	<b>1.8</b>	<b>40,629</b>	<b>23.3</b>	<b>38,534</b>	<b>22.8</b>	<b>5.4</b>	<b>41,643</b>	<b>23.7</b>	<b>39,095</b>	<b>23.6</b>	<b>6.5</b>	<b>49,789</b>	<b>23.2</b>	<b>45,346</b>	<b>23.1</b>	<b>9.8</b>
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	31,193	14.5	27,553	14.1	13.2
<b>Income before other income (expenses) - Net</b>	<b>14,797</b>	<b>8.4</b>	<b>14,375</b>	<b>8.4</b>	<b>2.9</b>	<b>13,460</b>	<b>7.7</b>	<b>11,183</b>	<b>6.6</b>	<b>20.4</b>	<b>14,806</b>	<b>8.4</b>	<b>13,647</b>	<b>8.3</b>	<b>8.5</b>	<b>18,596</b>	<b>8.7</b>	<b>17,793</b>	<b>9.1</b>	<b>4.5</b>
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	260	0.1	81	0.0	2.2x
<b>Operating Income</b>	<b>14,940</b>	<b>8.7</b>	<b>14,640</b>	<b>8.5</b>	<b>2.0</b>	<b>13,652</b>	<b>7.8</b>	<b>11,149</b>	<b>6.6</b>	<b>22.4</b>	<b>15,460</b>	<b>8.8</b>	<b>13,783</b>	<b>8.3</b>	<b>12.2</b>	<b>18,856</b>	<b>8.8</b>	<b>17,874</b>	<b>9.1</b>	<b>5.5</b>
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)	(1,384)	(0.6)	(1,191)	(0.6)	16.2
<b>Income before taxes on profits</b>	<b>13,263</b>	<b>7.8</b>	<b>13,030</b>	<b>7.6</b>	<b>1.8</b>	<b>12,485</b>	<b>7.1</b>	<b>7,414</b>	<b>4.4</b>	<b>68.4</b>	<b>14,076</b>	<b>8.0</b>	<b>12,336</b>	<b>7.5</b>	<b>14.1</b>	<b>17,472</b>	<b>8.1</b>	<b>16,683</b>	<b>8.5</b>	<b>4.7</b>
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)	4,218	2.0	4,080	2.1	3.4
<b>Net Income</b>	<b>10,070</b>	<b>5.9</b>	<b>9,997</b>	<b>5.8</b>	<b>0.7</b>	<b>9,764</b>	<b>5.6</b>	<b>1,662</b>	<b>1.0</b>	<b>4.9x</b>	<b>11,049</b>	<b>6.3</b>	<b>9,172</b>	<b>5.5</b>	<b>20.5</b>	<b>13,254</b>	<b>6.2</b>	<b>12,603</b>	<b>6.4</b>	<b>5.2</b>
<b>EBITDA</b>	<b>19,475</b>	<b>11.4</b>	<b>19,050</b>	<b>11.1</b>	<b>2.2</b>	<b>18,137</b>	<b>10.4</b>	<b>15,734</b>	<b>9.3</b>	<b>15.3</b>	<b>20,039</b>	<b>11.4</b>	<b>18,256</b>	<b>11.0</b>	<b>9.8</b>	<b>23,564</b>	<b>11.0</b>	<b>22,347</b>	<b>11.4</b>	<b>5.4</b>
<b>Earnings per share (in pesos): Quarterly</b>	0.577		0.573		0.7	0.559		0.095		4.9x	0.633		0.525		20.5	0.759		0.722		5.2
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)

	Year ended December 31	
	2021	2020
Net Sales	\$ 730,352,316	\$ 696,710,854
Other revenues	5,691,707	5,023,310
Total revenues	736,044,023	701,734,164
Cost of sales	(564,204,300)	(539,694,249)
Gross profit	171,839,723	162,039,915
General expenses	(110,181,077)	(105,041,809)
Income before other income and expenses	61,658,646	56,998,106
Other income	2,142,255	1,069,547
Other expenses	(893,243)	(620,372)
Operating income	62,907,658	57,447,281
Financial income	2,218,277	3,512,917
Financial expenses	(7,830,287)	(11,496,111)
Income before income taxes	57,295,648	49,464,087
Income taxes	(13,157,576)	(16,029,226)
Consolidated net income	<u>\$ 44,138,072</u>	<u>\$ 33,434,861</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	193,834	(423,816)
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Cumulative translation adjustment	\$ 184,327	\$ (305,573)
Other comprehensive (loss) income	378,161	(729,389)
Comprehensive income	<u>\$ 44,516,233</u>	<u>\$ 32,705,472</u>
Basic earnings per share (in pesos)	<u>\$ 2.528</u>	<u>\$ 1.915</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)

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$42,816,535	\$35,670,360
Account receivable, net	16,827,238	16,993,754
Inventories	80,316,969	68,360,474
Prepaid expenses and other	856,849	700,350
<b>Total current assets</b>	<b>140,817,591</b>	<b>121,724,938</b>
Non-current assets:		
Property and equipment, net	140,496,598	134,828,617
Right-of-use assets	54,137,508	50,319,784
Investment properties, net	5,583,846	6,305,920
Intangibles properties, net	38,758,049	37,552,016
Deferred tax assets	12,374,229	9,108,261
Other non-current assets	2,221,650	2,043,565
<b>Total assets</b>	<b>\$ 394,389,471</b>	<b>\$ 361,883,101</b>
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$96,637,884	\$92,356,297
Short-term lease liability	3,438,469	3,216,799
Other accounts payable	29,535,182	24,840,589
Income taxes payable	3,096,932	2,656,232
<b>Total current liabilities</b>	<b>132,708,467</b>	<b>123,069,917</b>
<b>Long-term liabilities:</b>		
Leases and other long term liabilities	65,060,266	60,706,593
Income tax liabilities	8,416,192	6,402,935
Employee benefits	2,322,543	2,584,963
<b>Total liabilities</b>	<b>\$ 208,507,468</b>	<b>\$ 192,764,408</b>
<b>Equity:</b>		
Capital stock	45,468,428	45,468,428
Retained earnings	127,310,877	111,361,546
Other comprehensive income	14,789,529	14,411,368
Premium on sale of shares	4,908,573	4,543,745
Employee stock option plan fund	(6,595,404)	(6,666,394)
<b>Total equity</b>	<b>185,882,003</b>	<b>169,118,693</b>
<b>Total liabilities and equity</b>	<b>\$ 394,389,471</b>	<b>\$ 361,883,101</b>

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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)

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Income before income taxes	\$57,295,648	\$49,464,087
Items related to investing activities:		
Depreciation and amortization	18,305,881	17,939,624
Loss from disposal of property and equipment and impairment	353,054	(58,314)
Stock option compensation expenses	354,257	386,922
Interest earned	(866,112)	(986,291)
<b>Items related to financing activities:</b>		
Interest on lease liabilities	6,478,994	6,409,888
Unrealized, exchange rate fluctuation	(27,773)	(615,274)
Provision for labor obligations	553,537	585,943
Interest in charge	63,296	94,861
Cash flow from operating activities	<b>82,510,782</b>	<b>73,221,446</b>
Variances in:		
Accounts receivable	1,921,818	(2,711,141)
Inventories	(11,906,229)	(562,523)
Prepaid expenses and other assets	(224,786)	706,083
Accounts payable	4,221,167	4,938,201
Other accounts payable	2,905,551	2,703,941
Income tax paid	(13,959,161)	(16,191,826)
Employee benefits	(587,547)	(731,115)
Net cash flow operating activities	<b>64,881,595</b>	<b>61,373,066</b>
<b>Investing activities</b>		
Long-lived assets	(20,466,364)	(16,728,102)
Interest collected	866,112	986,291
Proceeds from sale of property and equipment	388,548	397,872
Employee stock option plan fund	81,561	(1,184,945)
Net cash flow used in from investing activities	<b>(19,130,143)</b>	<b>(16,528,884)</b>
<b>Financing activities</b>		
Dividends paid	(28,188,741)	(30,933,523)
Interest paid	(63,296)	(94,861)
Payment of leases liability	(9,243,975)	(8,675,223)
Net cash flow used in investing activities	<b>(37,496,012)</b>	<b>(39,703,607)</b>
Effect of changes in the value of cash	(1,109,265)	(327,305)
Net increase (decrease) in cash and cash equivalents	<b>7,146,175</b>	<b>4,813,270</b>
Cash and cash equivalents at beginning of year	35,670,360	30,857,090
Cash and cash equivalents at end of year	<b>\$ 42,816,535</b>	<b>\$ 35,670,360</b>
Non-cash transactions:		
Additions of right-of-use assets	<b>\$ 2,515,770</b>	<b>\$ 1,819,675</b>
Modifications and actualizations	<b>\$ 5,412,193</b>	<b>\$ 2,853,228</b>

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