

Walmart

México y Centroamérica

WALMEX DAY 2022 - OMNICHANNEL

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(FREE TRANSLATION, NOT TO THE LETTER)



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Thanks Gui and good morning everyone.

We are serving customers the way they want to be served.

We are delivering their **full basket** with a **full omnichannel experience**.

Our **strategy is evolving**,

We are expanding on-demand,

We are accelerating Extended Assortment.

We are on track to reach the double-digit penetration goal we shared last year.



In 2021, we achieved great results by serving our customers the way they want to be served.

One of the results we achieved was **accelerated growth**

- We grew 40% our GMV vs last year
- We grew 270% in a two-year stack perspective.
- Also, we increased 190 bps our market share in 2021, and ~500 bps in the last three years according to Euromonitor

Another result we achieved was better **customer experience**:

- We grew our NPS almost 20 percentage points vs last year
- We launched Walmart Pass
- We improved +2,000bps the perfect order in our Walmart and Walmart Express formats
- We optimized our processes and platform experience of Bodega Aurrera's "Despensa a tu Casa"
- We implemented Walmart Fulfilment Services for our Marketplace to leverage our logistics network and deliver products to our customers faster
- Finally, we reduced by 1.1 days our lead times vs last year



Another result we achieved was greater **reach**:

- We added more than 180 on-demand stores in Walmart and Bodega Aurrera. We reached a total of more than 760 on-demand stores nationwide
- We duplicated our marketplace catalog
- We have more than 2,240 sellers, and 89 virtual stores
- We also onboarded sellers from the U.S. and China, so our customers have access to a broader catalog
- We increased the number of kiosks at our stores to +1,240 to offer our digital and omnichannel proposition to more customers



Another result we achieved was **innovation and technology improvements** to deliver a unified and seamless experience:

- We launched Scan & Go to help members save time when they shop at our clubs
- We migrated our Superama banner to our new Walmart Express banner in one single Walmart App, that also has our on-demand and Extended Assortment offering of Walmart Supercenter.
- We also unified the Bodega Aurrera experience in one single App, now customers can shop for their groceries and get a washing machine in only one place.
- We launched our Crowdsourcing model at more than 170 stores, to better serve our customer when the demand increases.

Another result we achieved was that we **reinforced our team** by attracting great talent, developing an agile-omnichannel mindset, and providing our associates with tech tools so they can better serve our customers and their daily tasks as well.

These are the results we have achieved,

We have gained customer trust.

We have achieved growth and reach.

We have achieved innovation and user experience simplification.

We have achieved so much... to give our customer what they want, when they need it, in the way they want it.

We are definitely going beyond retail.



So that was last year, let's talk about our plans for this year.

I'm very excited of what are we going to do to continue improving our customers omnichannel experience, so let me share our plans with you.

We are maintaining the two core initiatives we introduced a couple of years ago.

The first initiative is to **Win in On-demand**:

- We are going to expand our on-demand offering to 200 additional stores from our Bodega Aurrera and Mi Bodega banners where our customers are in need to have online **access** to the **products** they need at the best **price**

- We are going to make even more appealing our Walmart Pass program in Walmart and Walmart Express
- We are going to expand our Crowdsourcing model to more than 280 stores
- We will keep innovating the Perishables experience, so customers receive the quality they deserve for their fruits and vegetables
- We are going to keep reducing our delivery times so customers can receive their orders in less than 60 minutes

The other core initiative is to **Accelerate Extended Assortment**, we must keep surprising our customers with a superior catalog to fulfill their needs.

- We are going to increase our Marketplace catalog including merchandise from international sellers leveraging our cross-border trade initiative and synergies with Walmart
- We are going to boost categories that the market and our customers are demanding at very competitive prices
- We are going to increase our virtual stores to surprise our customers with the products of the brands they love in one place.

Another core initiative is Sam's Club:

- We are going to include Extended Assortment at Sam's Club to keep surprising our members
- We are going to keep increasing our catalog with perishable items like fruits and vegetables
- We are going to consolidate the Scan & Go experience
- We are going to launch a Fulfillment Center for Sam's Club, that will contribute to a better shopping experience for our members, as we are going to control better our inventory and reduce complexity at clubs

These are some of the initiatives we are planning for this year:

We will get even closer to our customers

We will unify and simplify their shopping experience

We will deliver full orders faster

We will surprise customers with a broader and relevant catalog

We are going to keep innovating

We will invest strong to guarantee the best omnichannel experience for our customers.





There are four key enablers that will work as catalysts to accelerate our ambition to lead in omnichannel and deliver a unique omnichannel experience to our customers.

One of the enablers is to keep **modernizing our tech stack** and **unifying** our customer's experience.

- We are supported by a talented development and product team both national and internationally, with whom we leverage the best practices and the best technology.

Another enabler is to **leverage our Logistics network**:

- As you know, we own the largest logistics network infrastructure in the country, and by leveraging it, we are going to be able to reduce our delivery times nationwide and to increase our same day and next day deliveries in the top cities
- We are going to enable our current distribution centers as omnichannel to get closer to our customers and reduce delivery times
- We are going to keep offering Walmart Fulfillment Services to our sellers so we can deliver customer's orders faster

By leveraging our logistic network, we will be able to improve our service levels for our customers and to become more productive, to reduce costs and therefore be more efficient.

Another enabler that we are constantly working on is in **attracting and training the best talent**.

The last enabler, and the most important of all, is **Customer Centricity**.

- We base our strategy, our initiatives and all our decisions in solving our customer's pain points and improving their end-to-end shopping journey.

These are the four enablers that will help us build a sustainable competitive advantage for the future.



All in all, the initiatives and enablers we mentioned will allow us to evolve our customer's omnichannel experience.

One way that we are evolving our customer experience is to **improve our delivery experience**:

- We are going to offer deliveries under 60 minutes for on-demand orders
- We are going to deliver Extended Catalog orders the same and next day in top 5 cities
- We are going to assure the best delivery service, so customers are satisfied of the end-to-end shopping experience

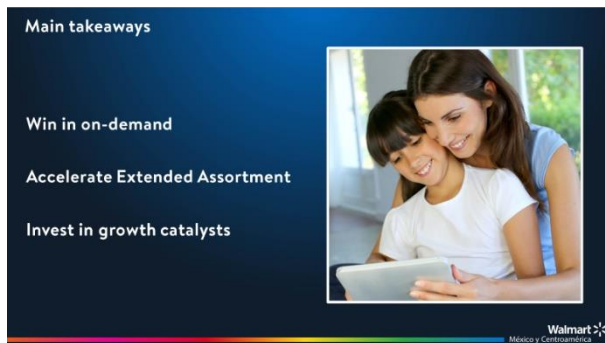
Another way that we are evolving the customer experience is to create a **unified and seamless shopping experience**.

- We are creating a mobile-first experience so customers can order their favorite products wherever they are
- We are working on the core customer pain points to avoid frictions during their shopping experience
- We are improving and unifying the pickup experience across banners so customers can feel confident that they will be served promptly
- We are developing initiatives that are delivering tangible benefits and generating customer's trust, like Walmart Pass and Scan & Go

Another key element to evolve the customer experience is the development of our **Financial Services Ecosystem**, I will go into more detail on this topic.

- We are going to enable customer-relevant use cases and improve the user experience of our Cashi App
- We are going to include additional payment options so customers can decide which is the best that fits their financial needs

These are some of the key elements that will contribute to evolve our customer's experience.



We are building long-term relationships with our customers. These relationships will help us build our ecosystem. An ecosystem where the customer is always at the center of all our decisions. So, we can deliver what they want, how and when they need it, in a seamless experience at a price they can afford to help them to improve their life.

- We will continue to expand and improve our on-demand offering,
- We are going to keep surprising our customers with a superior catalog with local and international products,
- And we will continue investing in growth catalysts,

By serving our customers the way they want to be served, we will continue accelerating growth.