Walmart México y Centroamérica

WALMEX *results* 2Q22

July 26, 2022

The date of this webcast is July 26, 2022. Today's webcast is being recorded and will be available at www.walmex.mx.

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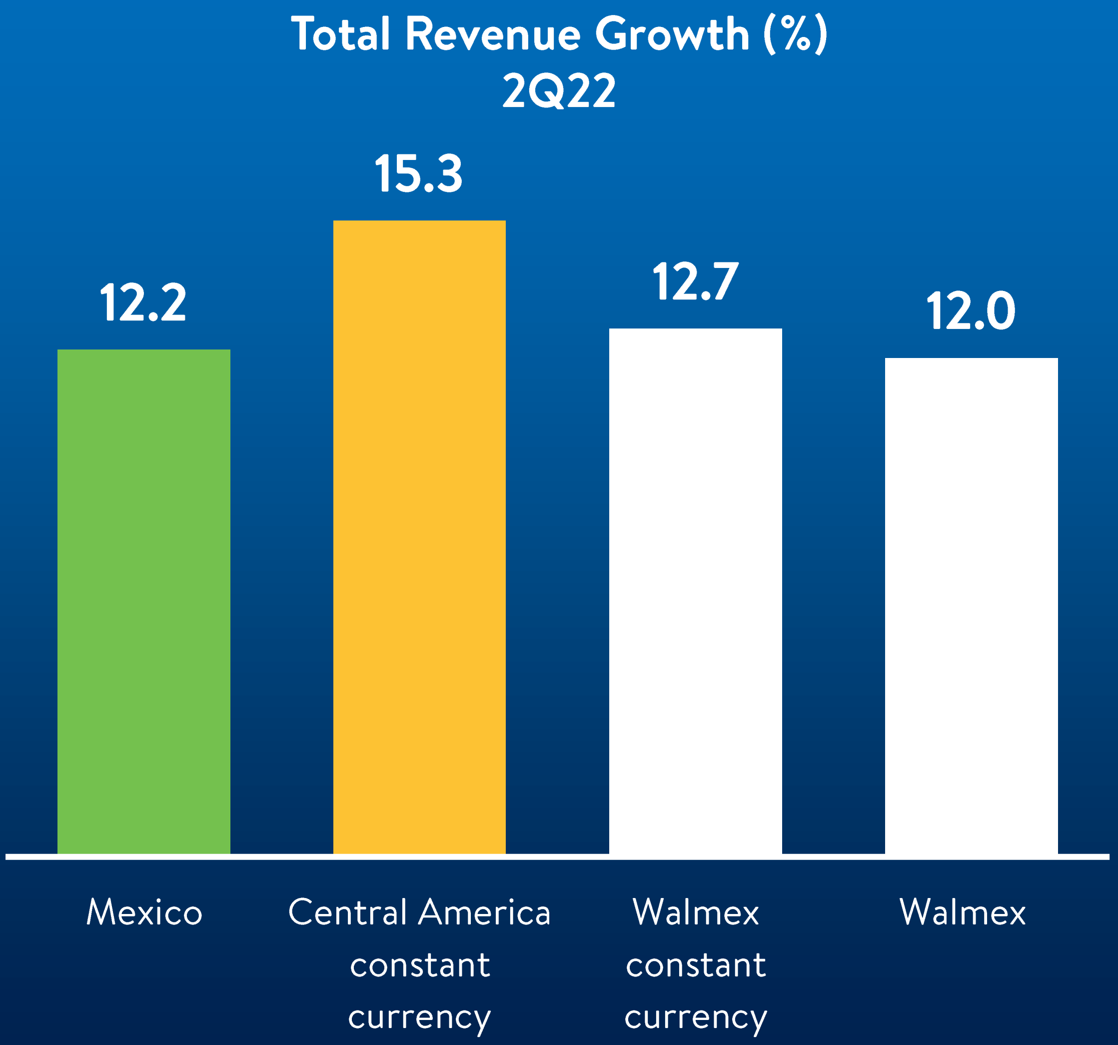
Walmart
México y Centroamérica

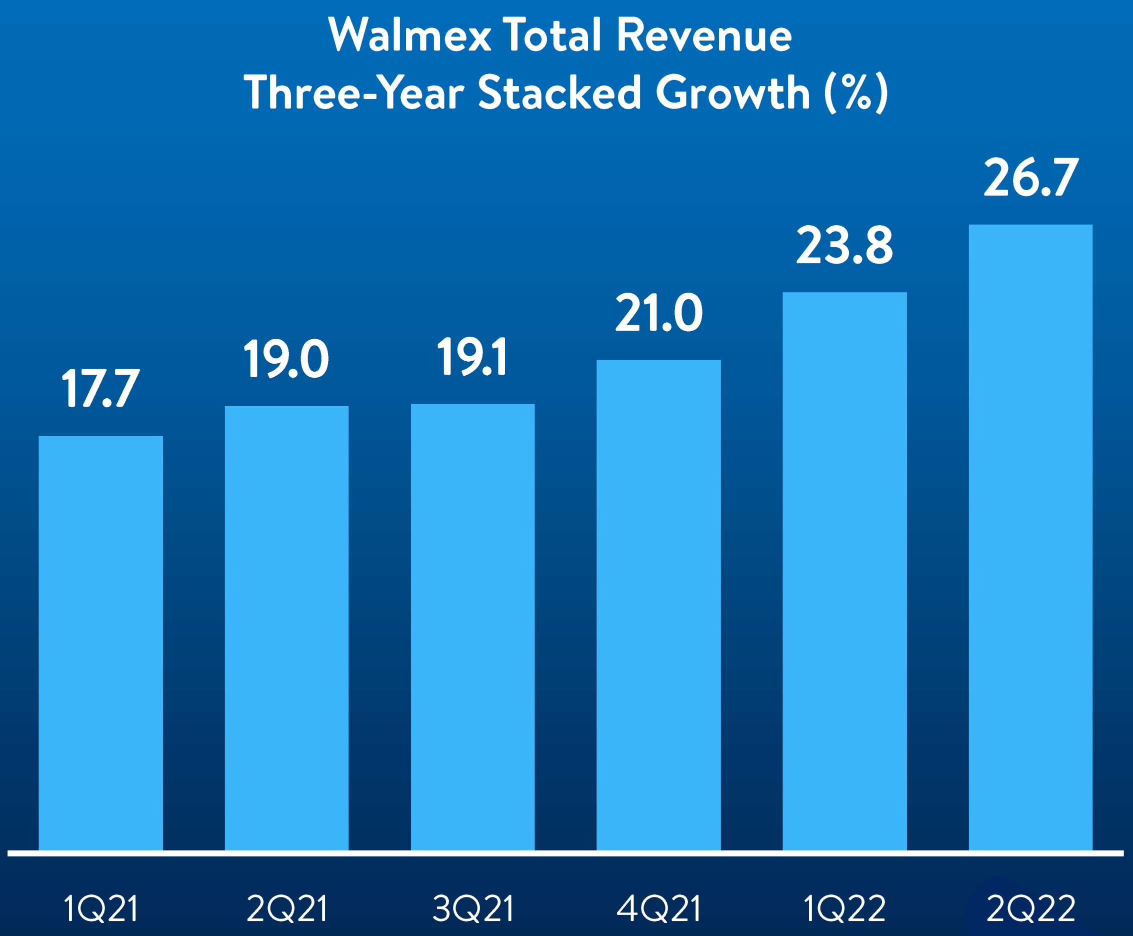
2Q22 Performance

Guilherme Loureiro
CEO

July 26, 2022

Sequential revenue growth acceleration





Bodega and Sam's Club continue to drive same-store sales growth in Mexico

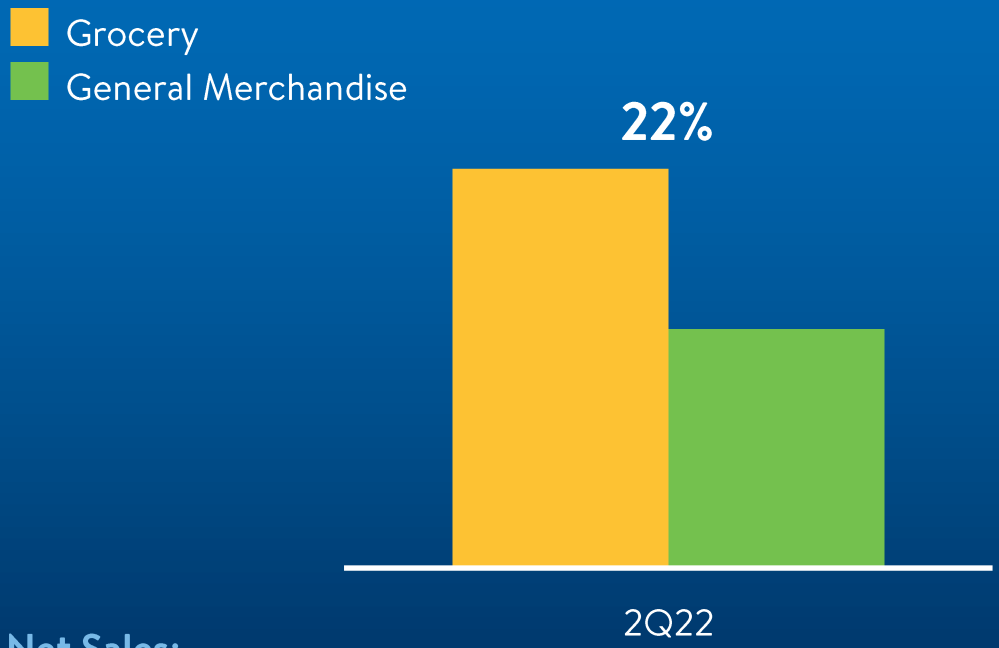
We reiterate our commitment to Mexican families by providing basic need items at the best prices

Basic Basket
Communication

1st Private Brands Summit

Double-digit eCommerce growth reaching a +5% sales penetration

Mexico GMV[1] Growth (%)



Net Sales:	
Growth	18%
% of total sales	5.2%
Contribution to total sales growth	0.9%

On-demand

~980 stores in +200 cities
+210 Bodega stores vs 2021

Extended Assortment

+20% sellers and
+60% SKUs vs 1Q22

1: GMV: Gross Merchandise Value

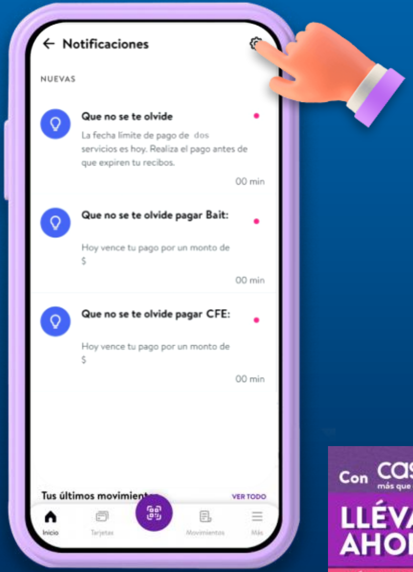
cashi
más que efectivo

bait
Internet y Telefonía

Walmart Connect
MÉXICO

FINANCIAL SOLUTIONS

+3.4 Million
Users



New features

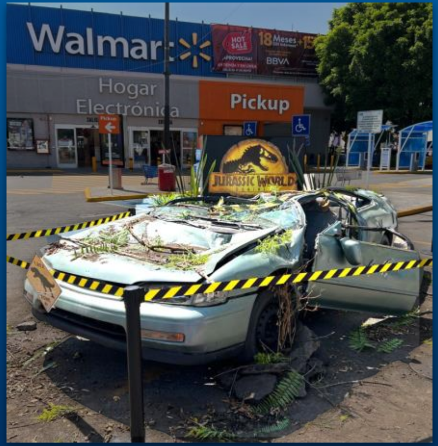
Digital Credit marketplace

CONNECTIVITY

+4 Million
Users

ADVERTISING

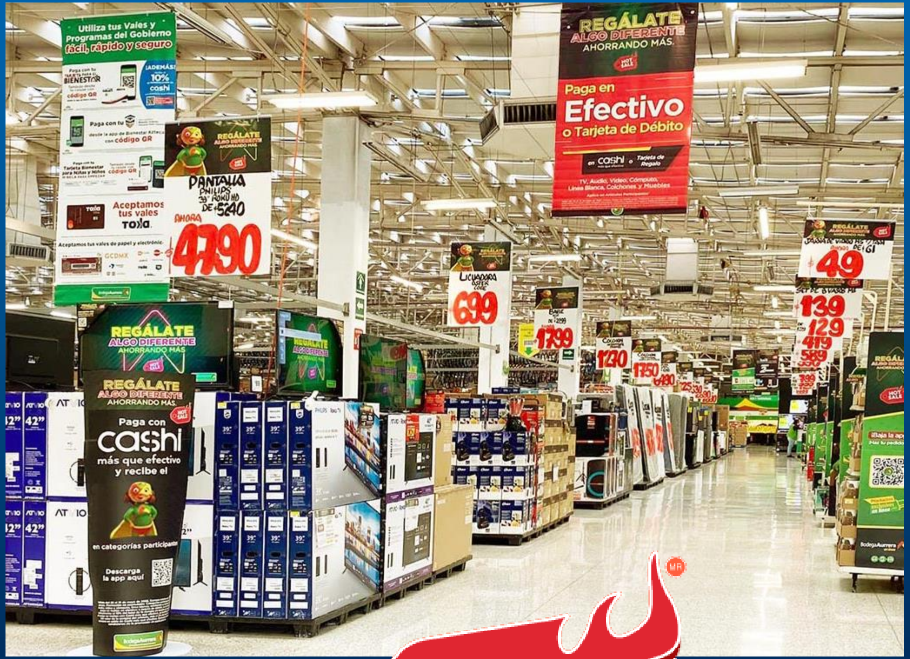
+24%
Walmart Connect Growth vs 2Q21



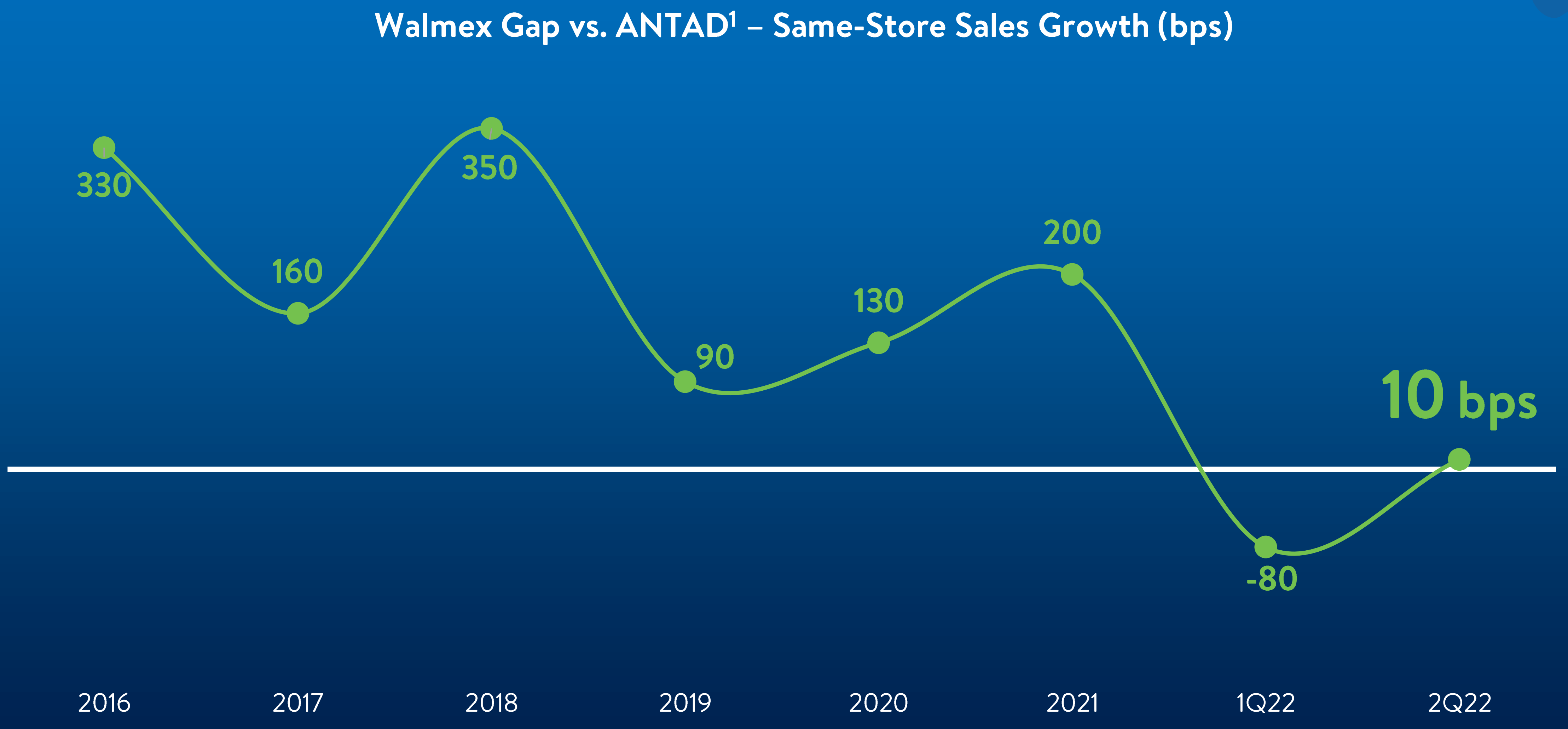
+26%
Investment per campaign vs 2Q21

Our flywheel is spinning and creating synergies among verticals

Omnichannel event



By further enhancing our value proposition we were able to resume growth leadership

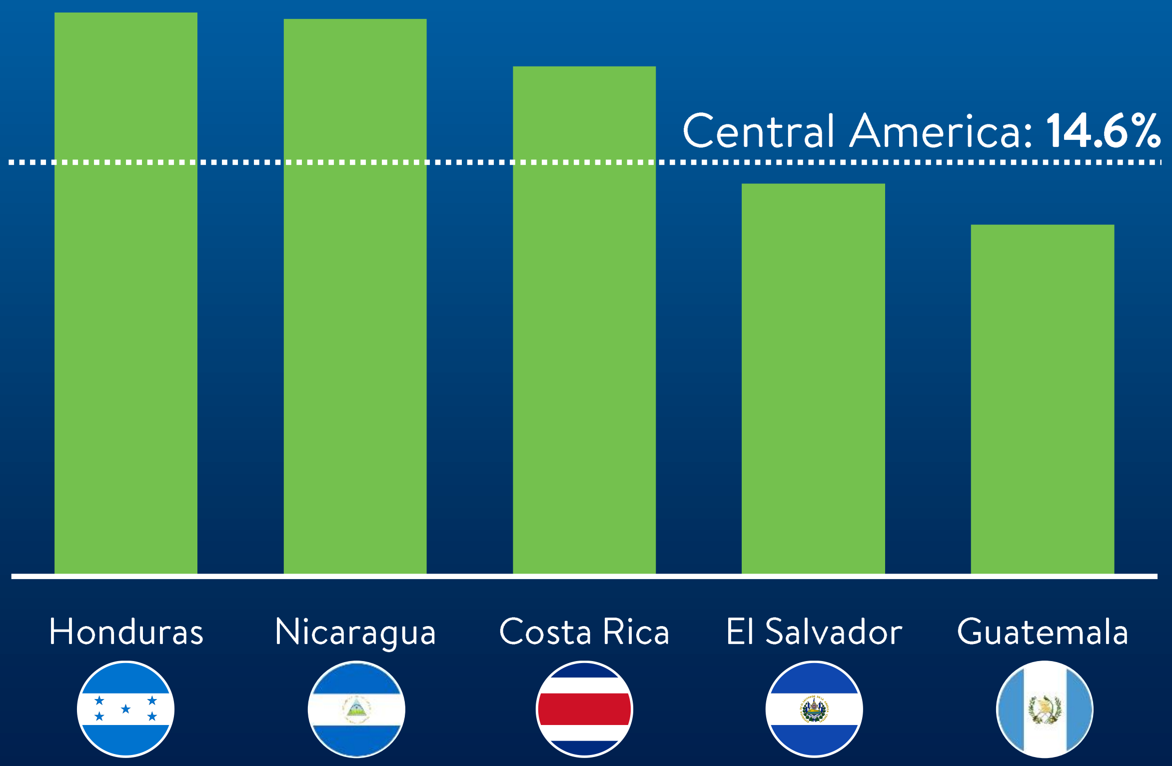


1. ANTAD self-service and clubs

bps = basis points

Growth in Central America was broad-based across all countries

2Q22 Same-Store Sales Growth (%)
By Country in Central America



Figures in constant currency basis

We continue to expand our capabilities to serve our customers better

20
New stores
in 2Q22

19
Mexico

1
Central America

1.2%
Contribution
to Total Sales Growth

Villahermosa Perishables DC

- Serving 7 states and ~230 stores
- 1,200 direct and indirect jobs
- +10% of total perishables' volume
- +1.2 M boxes per month

DC: Distribution Center

On our path to become a regenerative company

OPPORTUNITY

SÚPER EMPRESAS
EXPANSIÓN
2022
TOP
companies

SUSTAINABILITY

COMMUNITY

ETHICS & INTEGRITY

Walmart
México y Centroamérica

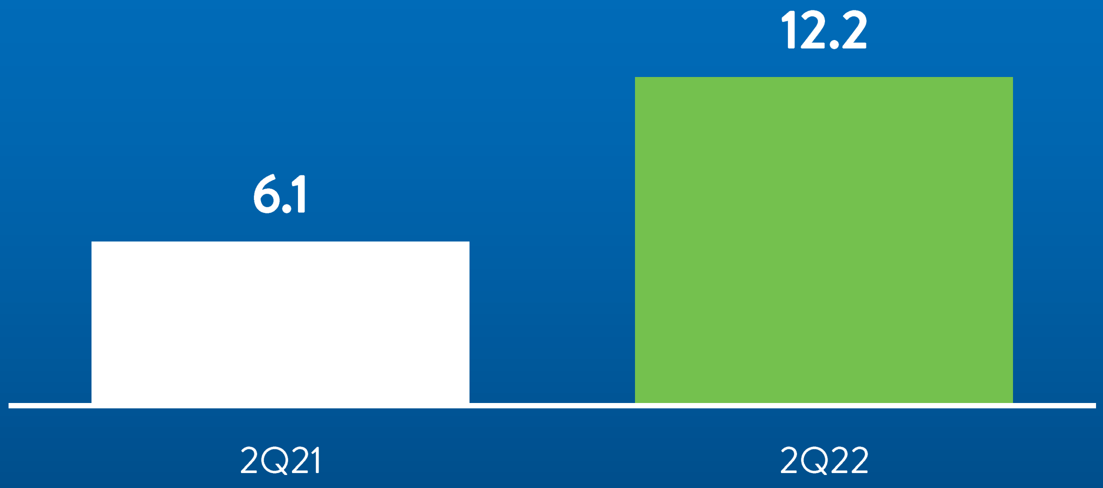
2Q22 Financial Results

Paulo Garcia
CFO

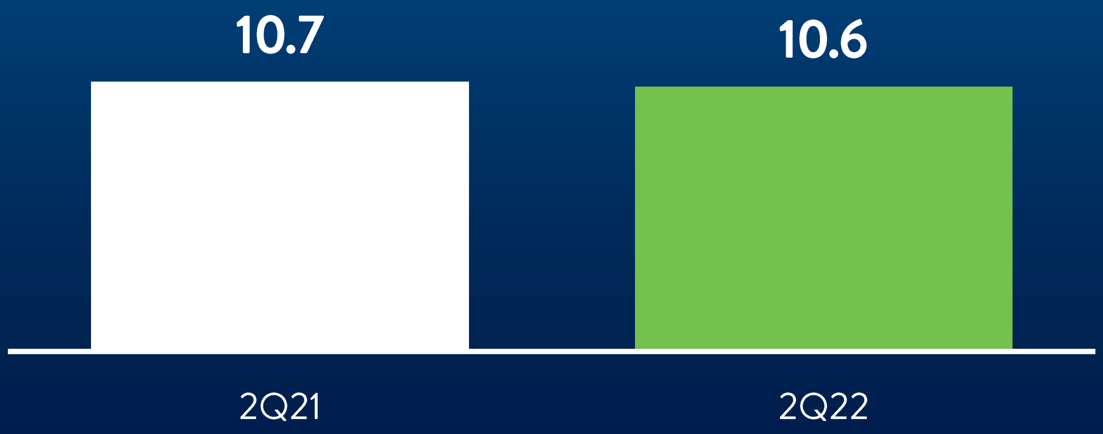
July 26, 2022

Mexico’s Performance

Revenue growth (%)



EBITDA Margin (%)



2Q22 Highlights

- **Total revenue** increased 12.2%
  - Same-store sales grew 10.8%
  - eCommerce contributed 0.9% to total sales growth
- **Gross margin** expanded 30 bps to 23.4% supported by logistics’ efficiencies and volume leverage and new revenue streams
- **SG&A** grew 14.9%, driven by strategic investments
- **Operating income** grew 10.8%
- 10.6% **EBITDA margin**

bps = basis points

In Mexico, revenue grew 12.2% and EBITDA margin was 10.6%

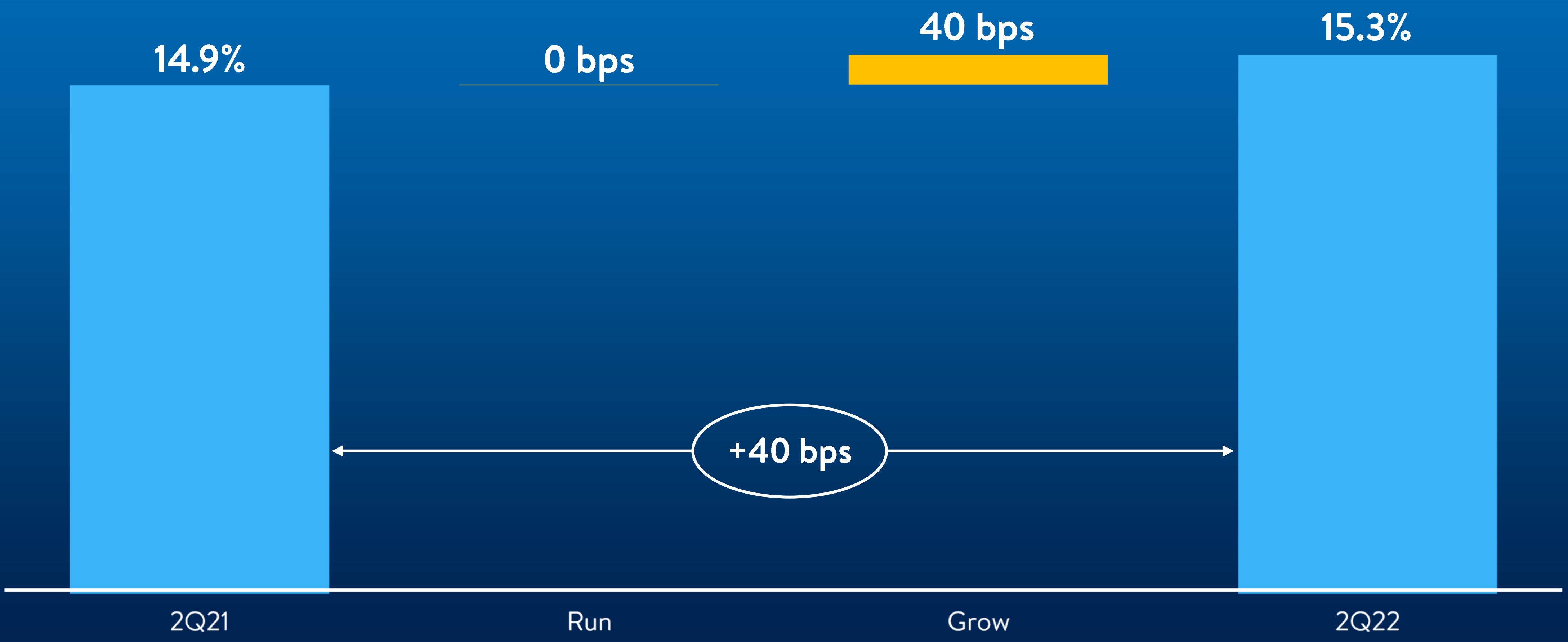
Mexico 2Q results

($MXN Millions)	2Q22		2Q21		Var.
	$	%	$	%	%
Total revenues	162,587	100.0	144,957	100.0	12.2
Gross margin	37,967	23.4	33,525	23.1	13.3
General expenses	24,852	15.3	21,626	14.9	14.9
Earnings before other income, net	13,115	8.1	11,899	8.2	10.2
Other income, net	305	0.2	210	0.1	44.9
Operating income	13,420	8.3	12,109	8.4	10.8
EBITDA	17,201	10.6	15,564	10.7	10.5

We managed to maintain operating expenses level while investing for growth

2Q22 SG&A % Total Revenues – Mexico

Revenues Growth: 12.2%
Expenses Growth: 14.9%



bps = basis points

Our EDLC mindset allows us to invest for growth while maintaining best-in-class margins

SMART SPENDING

$630 M pesos in savings 1H22

- Zero-based budgeting
- Technology initiatives

SMART INVESTING

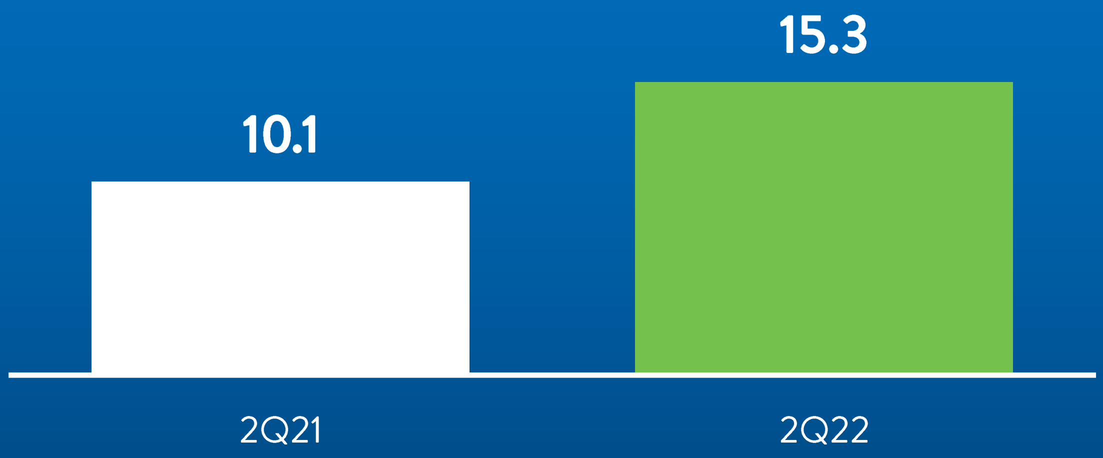
Productivity & efficiency initiatives

- Self-checkout at 530 stores
- Automation / digitalization initiatives
- People transformation program

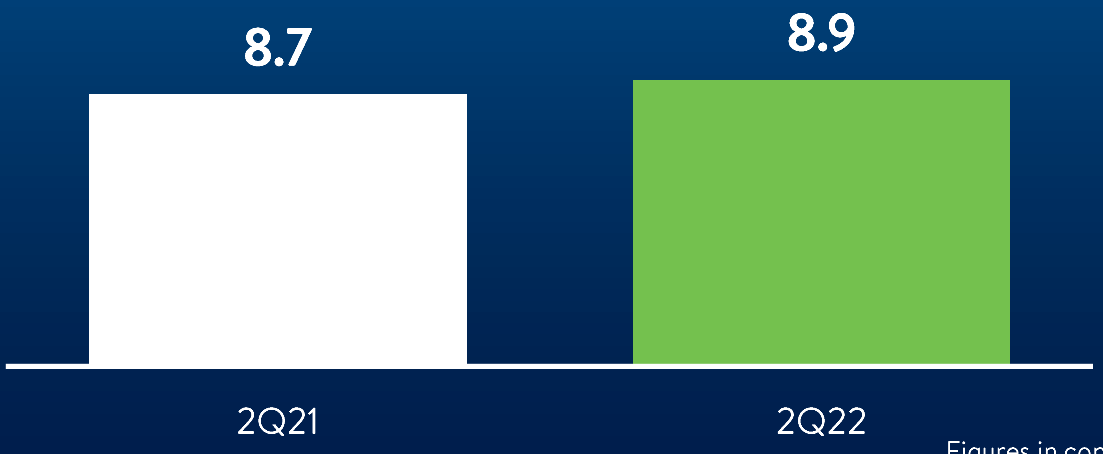
1H = First Semester

Central America's Performance

Revenue growth (%)



EBITDA Margin (%)



2Q22 Highlights

- **Total revenue** increased 15.3%
  - Same-store sales grew 14.6%
- **Gross margin** contraction of 30 bps to 23.6% due to price investments in the Bodega and Discount formats
- **SG&A** leveraged 100 bps as a result of productivity and efficiency initiatives to simplify the business
- **Operating income** grew 32.2%
- **EBITDA** margin increased 20 bps to 8.9%

Figures in constant currency basis
bps = basis points

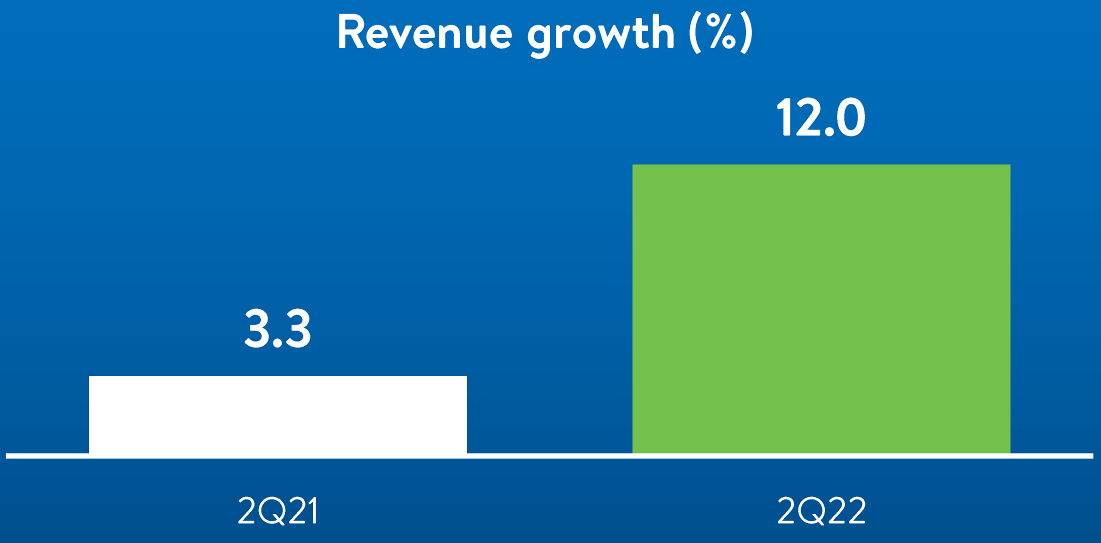
Expense leverage led to EBITDA margin expansion in Central America

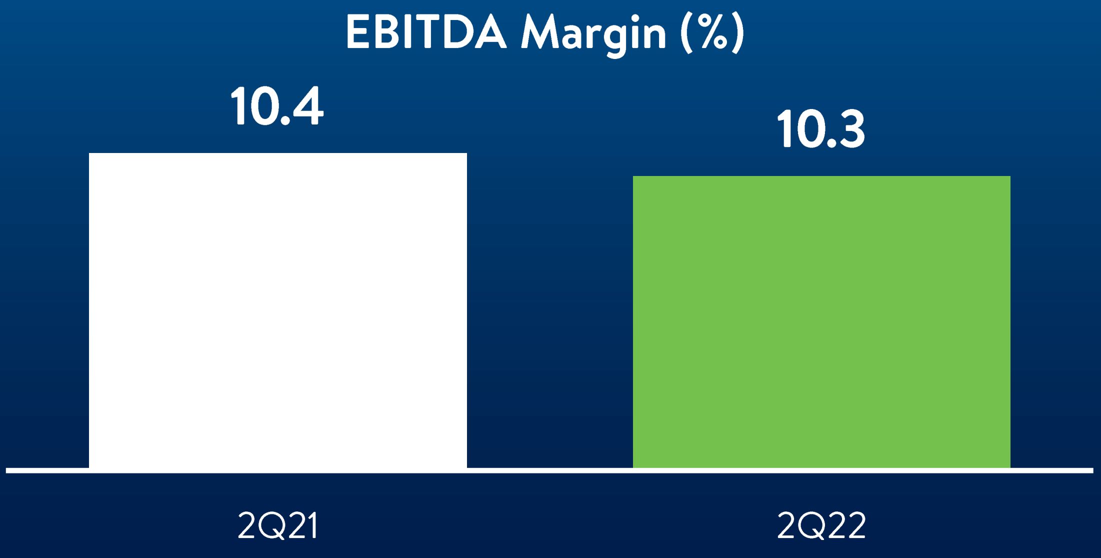
Central America 2Q results

($MXN Millions)	2Q22		2Q21		Var. (%)	
	$	%	$	%	Peso terms	Constant currency basis
Total revenues	33,032	100.0	29,717	100.0	11.2	15.3
Gross margin	7,803	23.6	7,104	23.9	9.8	14.0
General expenses	5,847	17.7	5,543	18.7	5.5	9.5
Earnings before other income, net	1,956	5.9	1,561	5.3	25.3	30.0
Other income, net	9	0.0	(18)	(0.1)	1.5x	1.6x
Operating income	1,965	6.0	1,543	5.2	27.4	32.2
EBITDA	2,944	8.9	2,573	8.7	14.4	18.7

X = Times

Walmex Consolidated Performance





2Q22 Highlights

- **Total revenue** increased 12.0%
  - New stores contributed 1.2%
- **Gross margin** increased **10 bps** to 23.4%
- **SG&A** grew 13.0%
- **Operating income** grew 12.7%, **70 bps** ahead of revenues
- **Double-digit EBITDA margin** of 10.3%
- **Net income** increased 11.5%

bps = basis points

Walmex consolidated operating income grew ahead total revenue growth

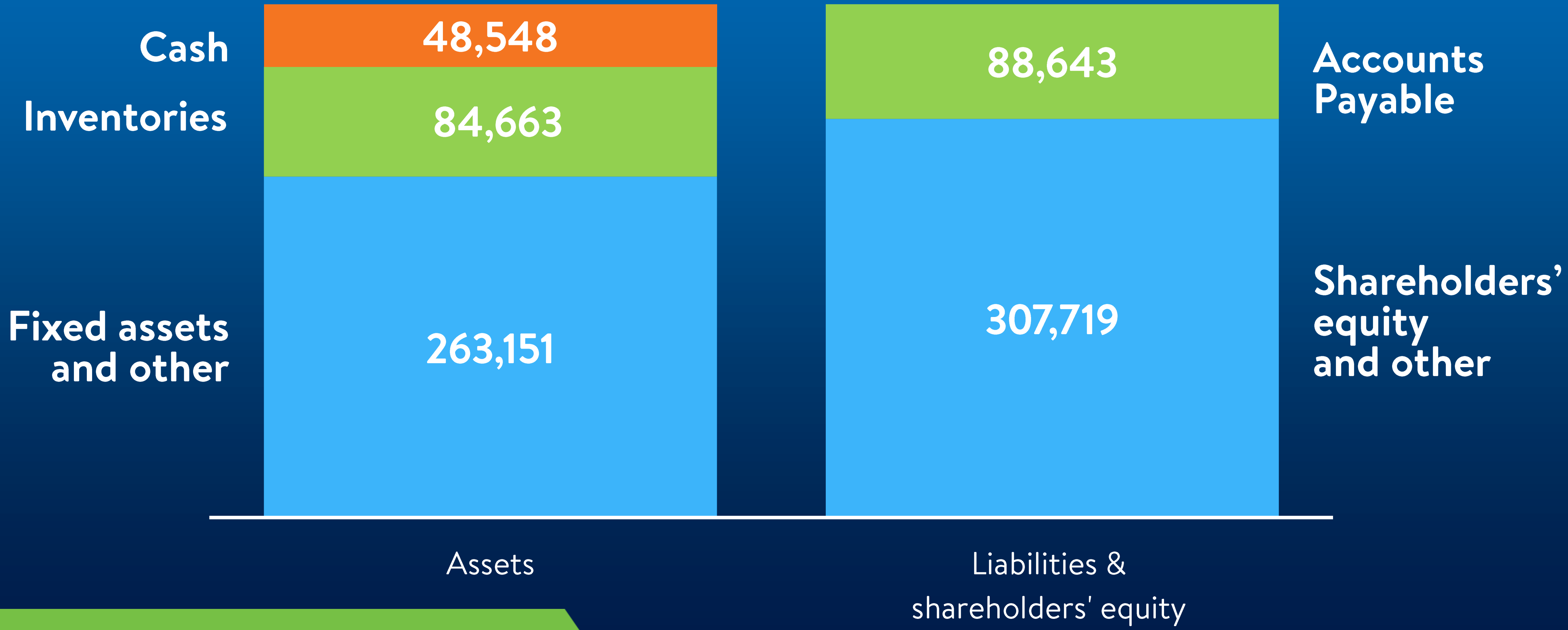
Walmex Consolidated 2Q results

($MXN Millions)	2Q22		2Q21		Var.
	$	%	$	%	%
Total revenues	195,619	100.0	174,674	100.0	12.0
Gross margin	45,770	23.4	40,629	23.3	12.7
General expenses	30,699	15.7	27,169	15.6	13.0
Earnings before other income, net	15,071	7.7	13,460	7.7	12.0
Other income, net	314	0.2	192	0.1	63.7
Operating income	15,385	7.9	13,652	7.8	12.7
EBITDA	20,145	10.3	18,137	10.4	11.1
Net income	10,892	5.6	9,764	5.6	11.5

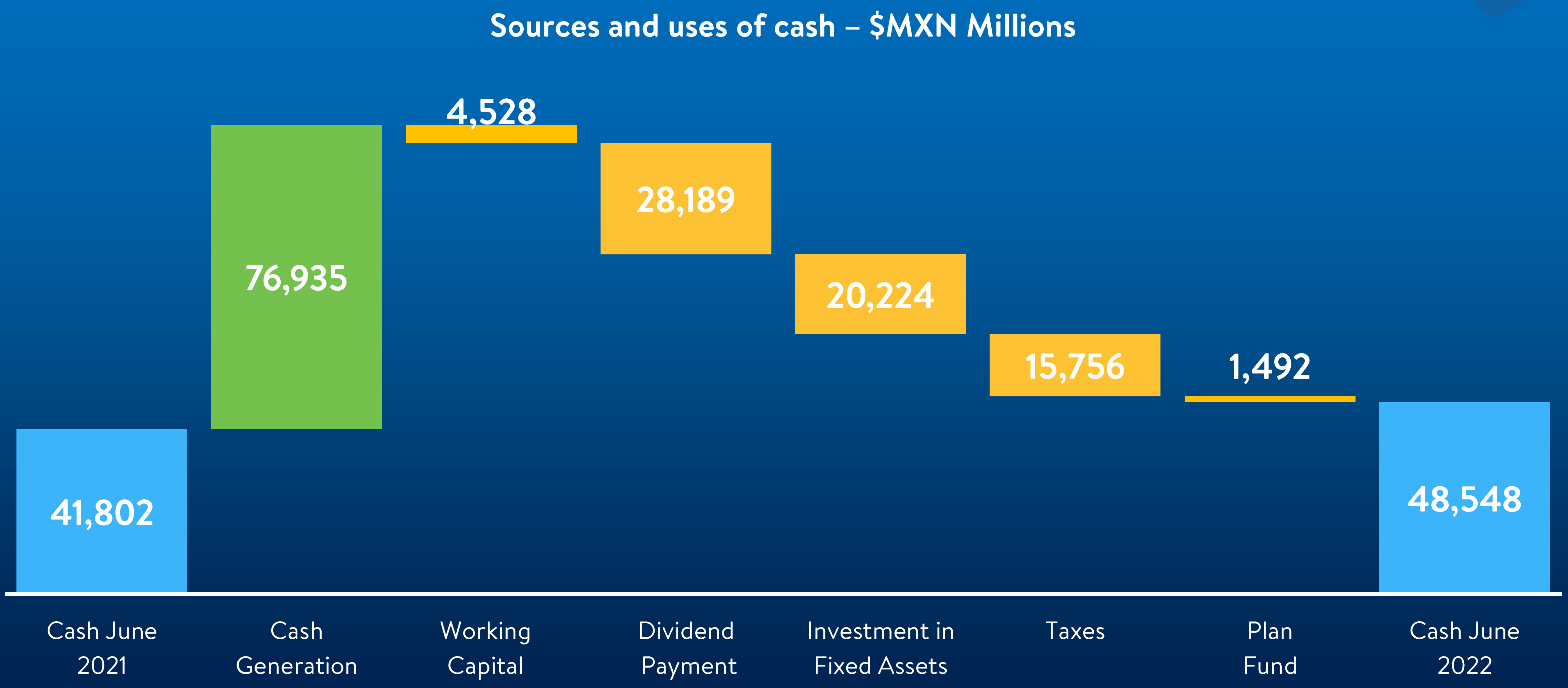
Financial strength continues to serve as a competitive advantage

Balance sheet statement
(June 30, 2022 – $MXN Millions)

TOTAL: $396,362



Investing and generating returns



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WALMEX *results* 2Q22

In Mexico, total revenue grew 11.2% and EBITDA margin was 10.9%

Mexico 1H results

($MXN Millions)	1H22		1H21		Var.
	$	%	$	%	%
Total revenues	317,974	100.0	285,989	100.0	11.2
Gross margin	73,959	23.3	65,922	23.1	12.2
General expenses	47,260	14.9	41,159	14.4	14.8
Earnings before other income, net	26,699	8.4	24,763	8.7	7.8
Other income, net	478	0.2	327	0.1	46.4
Operating income	27,177	8.5	25,090	8.8	8.3
EBITDA	34,724	10.9	32,031	11.2	8.4

1H = First-Half

In Central America, total revenue grew 13.0% and EBITDA margin was 9.4%

Central America 1H results

($MXN Millions)	1H22		1H21		Var. (%)	
	$	%	$	%	Peso terms	Constant currency basis
Total revenues	65,489	100.0	59,442	100.0	10.2	13.0
Gross margin	15,800	24.1	14,486	24.4	9.1	11.9
General expenses	11,724	17.9	10,992	18.5	6.7	9.4
Earnings before other income, net	4,076	6.2	3,494	5.9	16.7	19.6
Other income, net	69	0.1	8	0.0	7.0x	6.6x
Operating income	4,145	6.3	3,502	5.9	18.4	21.3
EBITDA	6,144	9.4	5,580	9.4	10.1	12.9

X = Times
1H = First Half

Walmex consolidated net income grew 10.9%

Walmex Consolidated 1H results

($MXN Millions)	1H22		1H21		Var.
	$	%	$	%	%
Total revenues	383,463	100.0	345,431	100.0	11.0
Gross margin	89,759	23.4	80,408	23.3	11.6
General expenses	58,984	15.4	52,151	15.1	13.1
Earnings before other income, net	30,775	8.0	28,257	8.2	8.9
Other income, net	547	0.1	335	0.1	63.2
Operating income	31,322	8.2	28,592	8.3	9.5
EBITDA	40,868	10.7	37,611	10.9	8.7
Net income	22,001	5.7	19,835	5.7	10.9

1H = First-Half