

Walmart de México y Centroamérica Reports Results for the Fourth Quarter 2022

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, February 15, 2023

- Consolidated total revenue increased 10.8%
- Double-digit same-store sales growth in both regions
- Consolidated net income grew 11.8%

Financial Results

Today, **Wal-Mart de México, S.A.B. de C.V.** reported financial results for the fourth quarter of 2022. Total revenues increased **10.8%**. EBITDA for the quarter amounted to **\$25.3 billion pesos**, which represented **10.7%** of total revenues, an increase of **7.5%** over last year's levels.

Main figures are:

Results October – December	2022		2021		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	236,272		213,063		10.9
Other Income	1,549		1,508		2.7
Total Revenues	237,821	100.0	214,571	100.0	10.8
Cost of Sales	(183,085)	(77.0)	(164,782)	(76.8)	11.1
Gross Profit	54,736	23.0	49,789	23.2	9.9
General Expenses	(34,694)	(14.6)	(31,193)	(14.5)	11.2
Income before Other Income Net	20,042	8.4	18,596	8.7	7.8
Other Income (Expenses) - Net	344	0.1	260	0.1	32.2
Operating Income	20,386	8.6	18,856	8.8	8.1
Financial Income (Expenses) - Net	(946)	(0.4)	(1,384)	(0.6)	(31.7)
Taxes	(4,619)	(1.9)	(4,218)	(2.0)	9.5
Net Income	14,821	6.2	13,254	6.2	11.8
EBITDA	25,339	10.7	23,564	11.0	7.5
EPS (in pesos)	0.849		0.759		11.8
EPS= Earnings per share					

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Results January – December	2022		2021		Growth
	<i>Millions \$MXN</i>	<i>%</i>	<i>Millions \$MXN</i>	<i>%</i>	<i>%</i>
Net Sales	813,060		730,352		11.3
Other Income	6,109		5,692		7.3
Total Revenues	819,169	100.0	736,044	100.0	11.3
Cost of Sales	(627,771)	(76.6)	(564,204)	(76.7)	11.3
Gross Profit	191,398	23.4	171,840	23.3	11.4
General Expenses	(124,694)	(15.2)	(110,181)	(15.0)	13.2
Income before Other Income Net	66,704	8.1	61,659	8.4	8.2
Other Income (Expenses) - Net	1,307	0.2	1,249	0.2	4.6
Operating Income	68,011	8.3	62,908	8.5	8.1
Financial Income (Expenses) - Net	(4,645)	(0.6)	(5,612)	(0.8)	(17.2)
Taxes	(14,392)	(1.8)	(13,158)	(1.8)	9.4
Net Income	48,974	6.0	44,138	6.0	11.0
EBITDA	87,370	10.7	81,214	11.0	7.6
EPS (in pesos)	2.805		2.528		11.0
EPS: Earnings per share					

Openings 4Q22

Mexico: 60 units

- 54 Bodegas Aurrera
 - 7 Bodegas
 - 15 Mi Bodegas
 - 32 Bodegas Aurrera Express
- 3 Walmarts
- 2 Walmarts Express
- 1 Sam's Club

Central America: 9 units

- 9 Discount Store

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Installed Capacity

Sales Area in m ² (December 31, 2022)		
Format	Mexico	Central America
Bodegas and Discount Stores	3,052,137	495,526
Walmarts	2,243,495	185,029
Sam's Clubs	1,198,168	
Supermarkets	161,621	134,852
Total	6,655,421	815,407

Other Events

Walmart de México y Centroamérica obtained the 5th position in the ranking of "The 100 Companies with the Greatest Social Responsibility" by Mundo Ejecutivo, as it is a company committed to Corporate Social Responsibility, generating actions for the benefit of communities and the planet.

Walmart de México y Centroamérica was awarded by #SoyLogístico, in collaboration with the Ministry of Economy, and the Ministry of Communications and Transportation, with the National Logistics Award "Galardón Tameme" 2022, within the "Companies" category, thanks to its project Omnichannel Distribution.

Walmart de México y Centroamérica was included for the third 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.

Walmart de México y Centroamérica obtained the 3rd position in the "The 1000 Most Important Companies in Mexico" ranking of Mundo Ejecutivo, being a company that in 2022 generated total revenues in the national territory that exceed \$US91 million. In the list, there are also Bodega Aurrera in 14th position, Walmart Supercenter in the 20th; Sam's Club at 38th and Superama at 164th.

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CT) to discuss the company's fourth quarter earnings results for 2022. 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 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 **December 2022**, it operated **3,745** units, broken down as follows:

2,863 Mexico	882 Central America
2,292 Bodegas Aurrera:	583 Discount Stores
578 Bodegas	165 Bodegas
452 Mi Bodegas	98 Supermarkets
1,262 Bodegas Express	36 Walmarts
303 Walmarts	
167 Sam's Clubs	
101 Walmarts 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.bodegaaurrera.com.mx

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Appendix 1: Quarterly Income Statement (million pesos)

	Quarter I			Quarter II			Quarter III			Quarter IV		
	2022		% Revenue	2021		% Revenue	2022		% Revenue	2021		% Revenue
	\$			\$			\$			\$		
Net Sales	186,409			169,334			194,058			174,577		
Other Revenues	1,435			1,423			1,561			1,465		
Total Revenues	187,844	100.0		170,757	100.0	10.0	195,619	100.0		176,042	100.0	12.4
Cost of Sales	(143,855)	(76.6)		(130,977)	(76.7)	9.8	(149,849)	(76.6)		(134,399)	(76.3)	12.3
Gross Profit	43,989	23.4		39,780	23.3	10.6	45,770	23.4		41,643	23.7	12.6
General Expenses	(28,285)	(15.1)		(24,983)	(14.6)	13.2	(30,699)	(15.7)		(26,837)	(15.2)	15.6
Income before other income (expenses) - Net	15,704	8.4		14,797	8.7	6.1	15,071	7.7		14,806	8.4	7.3
Other Income (expenses) - Net	233	0.1		143	0.1	62.6	314	0.2		654	0.4	(36.4)
Operating Income	15,937	8.5		14,940	8.7	6.7	15,385	7.9		15,460	8.8	5.5
Financial Income (Expenses) - Net	(1,593)	(0.8)		(1,677)	(1.0)	(5.0)	(1,238)	(0.6)		(1,384)	(0.8)	(37.2)
Income before taxes on profits	14,344	7.6		13,263	7.8	8.1	14,147	7.2		14,076	8.0	9.7
Taxes on profits	(3,235)	(1.7)		(3,193)	(1.9)	1.3	(3,255)	(1.7)		(3,027)	(1.7)	8.4
Net Income	11,109	5.9		10,070	5.9	10.3	10,892	5.6		11,049	6.3	10.0
EBITDA	20,723	11.0		19,475	11.4	6.4	20,145	10.3		20,039	11.4	5.6
Earnings per share (in pesos):	0.636			0.577		10.3	0.624			0.633		10.0

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WALMART DE MEXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

For the years ended

December 31

	2022	2021
Net sales	\$ 813,060,445	\$ 730,352,316
Other revenues	6,108,990	5,691,707
Total revenues	819,169,435	736,044,023
Cost of sales	(627,771,101)	(564,204,300)
Gross profit	191,398,334	171,839,723
General expenses	(124,693,340)	(110,181,077)
Income before other income and expenses	66,704,994	61,658,646
Other income	2,029,722	2,142,255
Other expenses	(723,099)	(893,243)
Operating income	68,011,617	62,907,658
Financial income	3,452,199	2,218,277
Financial expenses	(8,097,257)	(7,830,287)
Income before income taxes	63,366,559	57,295,648
Income taxes	(14,392,375)	(13,157,576)
Consolidated net income	\$ 48,974,184	\$ 44,138,072
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 tax	\$ (55,862)	\$ 193,834
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Cumulative translation adjustment	\$ (1,661,135)	\$ 184,327
Other comprehensive (loss) income	(1,716,997)	378,161
Comprehensive income	\$ 47,257,187	\$ 44,516,233
Basic earnings per share (in pesos)	\$ 2.805	\$ 2.528

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WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES

Consolidated Statement of Financial Position

(Amounts in thousands of Mexican pesos)

December 31

	2022	2021
Assets		
Current Assets:		
Cash and cash equivalents	\$ 47,427,191	\$ 42,816,535
Account receivable, net	16,719,308	16,827,238
Inventories	89,461,735	80,316,969
Prepaid expenses and others	924,796	856,849
Total current assets	154,533,030	140,817,591
Non-current assets:		
Property and equipment, net	145,533,306	140,496,598
Right-of-use assets	57,621,419	54,137,508
Investment properties, net	5,480,105	5,583,846
Intangibles properties, net	39,218,374	38,758,049
Deferred tax assets	14,103,957	12,374,229
Other non-current assets	2,318,180	2,221,650
Total assets	\$ 418,808,371	\$ 394,389,471
Liabilities and equity		
Current liabilities:		
Accounts payable	98,956,251	96,637,884
Short-term lease liability	3,511,546	3,438,469
Other accounts payable	31,356,053	29,535,182
Income taxes payable	3,861,904	3,096,932
Total current liabilities	137,685,754	132,708,467
Long-term liabilities:		
Leases and other long-term liabilities	69,888,054	65,060,266
Income tax liabilities	6,487,624	8,416,192
Employee benefits	2,278,556	2,322,543
Total liabilities	216,339,988	208,507,468
Equity:		
Capital stock	45,468,428	45,468,428
Retained earnings	146,727,023	127,310,877
Other comprehensive income	13,072,532	14,789,529
Premium on sale of shares	5,289,992	4,908,573
Employee stock option plan fund	(8,089,592)	(6,595,404)
Total equity	202,468,383	185,882,003
Total liabilities and equity	\$ 418,808,371	\$ 394,389,471

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WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

(Amounts in thousands of Mexican pesos)

For the years ended**December 31**

	2022	2021
Operating activities		
Income before income taxes	\$ 63,366,559	\$ 57,295,648
Items related to investing activities:		
Depreciation and amortization	19,359,205	18,305,881
Loss from disposal of property and equipment and impairment	117,761	353,054
Stock option compensation expenses	384,953	354,257
Interest earned	(2,025,182)	(866,112)
Items related to financing activities:		
Interest on lease liabilities	7,049,835	6,478,994
Unrealized exchange rate fluctuation	(998,965)	(27,773)
Provision for labor obligations	531,774	553,537
Interest in charge	44,053	63,296
Cash flow from operating activities	87,829,993	82,510,782
Variances in:		
Accounts receivable	(155,262)	1,921,818
Inventories	(9,425,547)	(11,906,229)
Prepaid expenses and other assets	82,478	(224,786)
Accounts payable	(432,441)	4,221,167
Other accounts payable	3,268,202	2,905,551
Income tax paid	(16,122,086)	(13,959,161)
Employee benefits	(575,914)	(587,547)
Net cash flow operating activities	64,469,423	64,881,595
Investing activities		
Long-lived assets	(21,303,739)	(20,466,364)
Interest collected	2,025,182	866,112
Proceeds from sale of property and equipment	459,402	388,548
Employee stock option plan fund	(1,497,722)	81,561
Net cash flow used in from investing activities	(20,316,877)	(19,130,143)
Financing activities		
Dividend payment	(29,558,038)	(28,188,741)
Interest paid	(44,053)	(63,296)
Payment of leases liability	(10,039,198)	(9,243,975)
Net cash flow used in investing activities	(39,641,289)	(37,496,012)
Effect of changes in the value of cash	99,399	(1,109,265)
Net increase in cash and cash equivalents	4,610,656	7,146,175
Cash and cash equivalents at beginning of year	42,816,535	35,670,360
Cash and cash equivalents at end of year	\$ 47,427,191	\$ 42,816,535
Non-cash transactions:		
Additions of right-of-use assets	\$ 2,591,724	\$ 2,515,770
Modifications and actualizations	\$ 5,920,509	\$ 5,412,193

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