

Walmart de México y Centroamérica Reports Results for the Second Quarter 2023

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 27, 2023

- Consolidated total revenue increased 9.3%
- Same-store sales grew 8.5% in Mexico and 9.5% in Central America
- Consolidated EBITDA grew 8.5%

Financial Results

Today, **Wal-Mart de México, S.A.B. de C.V.** reported financial results for the second quarter of 2023. Total revenues increased **9.3%**. EBITDA for the quarter amounted to **\$21.9 billion pesos**, which represented **10.2%** of total revenues, an increase of **8.5%** over last year's levels.

Main figures are:

| Results April – June | 2023 | | 2022 | | Growth |
|---------------------------------------|-------------------|--------------|-------------------|--------------|-------------|
| | Millions \$MXN | % | Millions \$MXN | % | % |
| Net Sales | 212,164 | | 194,058 | | 9.3 |
| Other Income | 1,561 | | 1,561 | | 0.0 |
| Total Revenues | 213,725 | 100.0 | 195,619 | 100.0 | 9.3 |
| Cost of Sales | (163,903) | (76.7) | (149,849) | (76.6) | 9.4 |
| Gross Profit | 49,822 | 23.3 | 45,770 | 23.4 | 8.9 |
| General Expenses | (32,973) | (15.4) | (30,699) | (15.7) | 7.4 |
| Income before Other Income Net | 16,849 | 7.9 | 15,071 | 7.7 | 11.8 |
| Other Income (Expenses) - Net | (12) | 0.0 | 314 | 0.2 | (103.7) |
| Operating Income | 16,837 | 7.9 | 15,385 | 7.9 | 9.4 |
| Financial Income (Expenses) - Net | (1,153) | (0.5) | (1,238) | (0.6) | (6.9) |
| Taxes | (4,240) | (2.0) | (3,255) | (1.7) | 30.3 |
| Net Income | 11,444 | 5.4 | 10,892 | 5.6 | 5.1 |
| EBITDA | 21,863 | 10.2 | 20,145 | 10.3 | 8.5 |
| EPS (in pesos) | 0.655 | | 0.624 | | 5.1 |
| EPS= Earnings per share | | | | | |

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| Results January – June | 2023 | | 2022 | | Growth |
|---------------------------------------|-------------------|--------------|-------------------|--------------|-------------|
| | Millions \$MXN | % | Millions \$MXN | % | % |
| Net Sales | 416,765 | | 380,467 | | 9.5 |
| Other Income | 3,035 | | 2,996 | | 1.3 |
| Total Revenues | 419,800 | 100.0 | 383,463 | 100.0 | 9.5 |
| Cost of Sales | (321,303) | (76.5) | (293,704) | (76.6) | 9.4 |
| Gross Profit | 98,497 | 23.5 | 89,759 | 23.4 | 9.7 |
| General Expenses | (64,519) | (15.4) | (58,984) | (15.4) | 9.4 |
| Income before Other Income Net | 33,978 | 8.1 | 30,775 | 8.0 | 10.4 |
| Other Income (Expenses) - Net | 196 | 0.0 | 547 | 0.1 | (64.2) |
| Operating Income | 34,174 | 8.1 | 31,322 | 8.2 | 9.1 |
| Financial Income (Expenses) - Net | (2,470) | (0.6) | (2,830) | (0.7) | (12.7) |
| Taxes | (8,741) | (2.1) | (6,491) | (1.7) | 34.7 |
| Net Income | 22,963 | 5.5 | 22,001 | 5.7 | 4.4 |
| EBITDA | 44,180 | 10.5 | 40,868 | 10.7 | 8.1 |
| EPS* (in pesos) | 2.860 | | 2.652 | | 7.8 |
| *Last 12 months | | | | | |

Openings Q2 2023

Mexico: 22 units

- 18 Bodegas Aurrera
 - 3 Bodegas
 - 6 Mi Bodegas
 - 9 Bodegas Aurrera Express
- 1 Sam's Club
- 1 Walmart
- 2 Walmart Express

Installed Capacity

| Sales Area in m ² (June 30, 2023) | | |
|--|------------------|-----------------|
| Format | Mexico | Central America |
| Bodegas and Discount Stores | 3,069,462 | 498,419 |
| Walmarts | 2,248,317 | 185,029 |
| Sam's Clubs | 1,207,617 | |
| Supermarkets | 162,737 | 134,852 |
| Total | 6,688,133 | 818,300 |

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Other Events

Due to the sensitive passing of Engineer Adolfo Cerezo, on July 27th 2023, the Board of Directors of the Company ratified the appointment of Ernesto Cervera as a member and President of the Audit and Corporate Practices Committees. The appointment of Ernesto Cervera is made pursuant to article 24 of the Securities Market Law (LMV).

For the fifth consecutive year, Walmart de México y Centroamérica received the “Distintivo Éntrale 2023” from Alianza Éntrale, for being a company committed to the labor inclusion of people with disabilities by promoting inclusive environments.

Walmart de México y Centroamérica received the ESR 2022 Socially Responsible Company Distinction by CEMEFI, being the only company in the self-service sector that for 23 consecutive years has received this recognition and one of the companies that have obtained it since the beginning of its delivery.

Walmart de México y Centroamérica and Sam's Club were included in the ranking "The 500 Companies VS Corruption 2023" by Grupo Expansión, in alliance with Corporate Integrity 500 (IC500), which evaluates the quality of the integrity and anti-corruption policies of the companies included in the ranking of "The 500 Most Important Companies in Mexico".

Walmart de México y Centroamérica was recognized by Grupo Expansión and TOP Companies, with first place in the Super Companies for Women 2023 ranking, for having the best practices to promote and retain female talent.

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CT) to discuss the company's second quarter earnings results for 2023. 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.

Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **June 2023**, it operated **3,775** units, broken down as follows:

| 2,890 Mexico | 885 Central America |
|------------------------|----------------------------|
| 2,316 Bodegas Aurrera: | 584 Discount Stores |
| 582 Bodegas | 167 Bodegas |
| 457 Mi Bodegas | 98 Supermarkets |
| 1,277 Bodegas Express | 36 Walmarts |
| 304 Walmarts | |
| 168 Sam's Clubs | |
| 102 Walmarts Express | |

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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 | | |
|--|---------------|-------------|-------------|---------------|-------------|-------------|
| | 2023 | | % Growth | 2023 | | % Growth |
| | \$ | % Revenue | | \$ | % Revenue | |
| Net Sales | 204,601 | | | 212,164 | | |
| Other Revenues | 1,474 | | | 1,561 | | |
| Total Revenues | 206,075 | 100.0 | 9.7 | 213,725 | 100.0 | 9.3 |
| Cost of Sales | (157,400) | (76.4) | 9.4 | (163,903) | (76.7) | 9.4 |
| Gross Profit | 48,675 | 23.6 | 10.7 | 49,822 | 23.3 | 8.9 |
| General Expenses | (31,546) | (15.3) | 11.5 | (32,973) | (15.4) | 7.4 |
| Income before other income (expenses) - Net | 17,129 | 8.3 | 9.1 | 16,849 | 7.9 | 11.8 |
| Other Income (expenses) - Net | 208 | 0.1 | (10.7) | (12) | - | (103.7) |
| Operating Income | 17,337 | 8.4 | 8.8 | 16,837 | 7.9 | 9.4 |
| Financial Income (Expenses) - Net | (1,317) | (0.6) | (17.3) | (1,153) | (0.5) | (6.9) |
| Income before taxes on profits | 16,020 | 7.8 | 11.7 | 15,684 | 7.3 | 10.9 |
| Taxes on profits | (4,501) | (2.2) | 39.1 | (4,240) | (2.0) | 30.3 |
| Net Income | 11,519 | 5.6 | 3.7 | 11,444 | 5.4 | 5.1 |
| EBITDA | 22,316 | 10.8 | 7.7 | 21,863 | 10.2 | 8.5 |
| Earnings per share (in pesos): | 0.660 | | 3.8 | 0.655 | | 5.1 |

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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 six-months period ended

June 30

| | 2023 | 2022 |
|--|----------------|----------------|
| Net sales | \$ 416,764,782 | \$ 380,466,782 |
| Other revenues | 3,035,039 | 2,996,085 |
| Total revenues | 419,799,821 | 383,462,867 |
| Cost of sales | (321,302,945) | (293,703,486) |
| Gross profit | 98,496,876 | 89,759,381 |
| General expenses | (64,518,524) | (58,984,323) |
| Income before other income and expenses | 33,978,352 | 30,775,058 |
| Other income | 826,444 | 866,359 |
| Other expenses | (630,334) | (319,327) |
| Operating income | 34,174,462 | 31,322,090 |
| Financial income | 1,906,182 | 1,191,334 |
| Financial expenses | (4,376,635) | (4,021,858) |
| Income before income taxes | 31,704,009 | 28,491,566 |
| Income taxes | (8,740,951) | (6,490,924) |
| Consolidated net income | \$ 22,963,058 | \$ 22,000,642 |
| Other comprehensive income: <u>Items that may be reclassified subsequently to profit or loss:</u> | | |
| Cumulative translation adjustment | \$ (4,981,650) | \$ (4,714,257) |
| Other comprehensive (loss) income | (4,981,650) | (4,714,257) |
| Comprehensive income | \$ 17,981,408 | \$ 17,286,385 |
| Basic earnings per share (in pesos) | \$ 1.315 | \$ 1.260 |

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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)

June 30

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 45,036,190 | \$ 48,548,435 |
| Account receivable, net | 13,370,446 | 12,554,757 |
| Inventories | 89,007,885 | 84,663,165 |
| Prepaid expenses and others | 1,148,341 | 1,228,802 |
| Total current assets | 148,562,862 | 146,995,159 |
| Non-current assets: | | |
| Property and equipment, net | 143,725,595 | 137,900,095 |
| Right-of-use assets | 61,228,323 | 55,268,615 |
| Investment properties, net | 5,381,520 | 5,476,138 |
| Intangibles properties, net | 37,158,071 | 36,421,436 |
| Deferred tax assets | 14,706,058 | 12,236,493 |
| Other non-current assets | 1,838,684 | 2,064,148 |
| Total assets | \$ 412,601,113 | \$ 396,362,084 |
| Liabilities and equity | | |
| Current liabilities: | | |
| Accounts payable | 92,545,051 | 88,643,443 |
| Short-term lease liability | 3,895,422 | 3,543,210 |
| Other accounts payable | 60,094,411 | 53,840,295 |
| Income taxes payable | 3,651,616 | 2,222,109 |
| Total current liabilities | 160,186,500 | 148,249,057 |
| Long-term liabilities: | | |
| Leases and other long-term liabilities | 73,576,037 | 66,868,678 |
| Income tax liabilities | 5,497,342 | 6,923,966 |
| Employee benefits | 2,324,028 | 2,428,866 |
| Total liabilities | 241,583,907 | 224,470,567 |
| Equity: | | |
| Capital stock | 45,468,428 | 45,468,428 |
| Retained earnings | 123,287,871 | 119,766,983 |
| Other comprehensive income | 8,090,880 | 10,075,272 |
| Premium on sale of shares | 5,547,740 | 5,151,669 |
| Employee stock option plan fund | (11,377,713) | (8,570,835) |
| Total equity | 171,017,206 | 171,891,517 |
| Total liabilities and equity | \$ 412,601,113 | \$ 396,362,084 |

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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 six-months period ended**June 30**

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Operating activities | | |
| Income before income taxes | \$ 31,704,009 | \$ 28,491,566 |
| Items related to investing activities: | | |
| Depreciation and amortization | 10,005,428 | 9,546,399 |
| Loss from disposal of property and equipment and impairment | 63,675 | 179,424 |
| Stock option compensation expenses | 227,703 | 157,240 |
| Interest earned | (1,397,089) | (492,357) |
| Items related to financing activities: | | |
| Interest on lease liabilities | 3,729,560 | 3,449,870 |
| Unrealized exchange rate fluctuation | 14,835 | (228,867) |
| Provision for labor obligations | 330,233 | 306,326 |
| Interest in charge | 16,766 | 28,820 |
| Cash flow from operating activities | 44,695,120 | 41,438,421 |
| Variances in: | | |
| Accounts receivable | 2,396,127 | 2,894,800 |
| Inventories | (609,097) | (4,958,484) |
| Prepaid expenses and other assets | 150,882 | (233,563) |
| Accounts payable | (5,240,595) | (10,582,731) |
| Other accounts payable | (3,365,296) | (3,046,220) |
| Income tax paid | (9,762,353) | (8,174,639) |
| Employee benefits | (158,632) | (187,183) |
| Net cash flow operating activities | 28,106,156 | 17,150,401 |
| Investing activities | | |
| Long-lived assets | (8,246,864) | (6,390,481) |
| Interest collected | 1,397,089 | 492,357 |
| Proceeds from sale of property and equipment | 153,303 | 70,399 |
| Employee stock option plan fund | (3,258,076) | (1,889,575) |
| Other cash outflows | (169,023) | - |
| Net cash flow used in from investing activities | (10,123,571) | (7,717,300) |
| Financing activities | | |
| Dividend payment | (12,943,491) | - |
| Interest paid | (16,766) | (28,820) |
| Payment of leases liability | (5,352,940) | (4,882,367) |
| Net cash flow used in investing activities | (18,313,197) | (4,911,187) |
| Effect of changes in the value of cash | (2,060,389) | 1,209,986 |
| Net increase in cash and cash equivalents | (2,391,001) | 5,731,900 |
| Cash and cash equivalents at beginning of year | 47,427,191 | 42,816,535 |
| Cash and cash equivalents at end of year | \$ 45,036,190 | \$ 48,548,435 |
| Non-cash transactions: | | |
| Additions of right-of-use assets | \$ 5,049,885 | \$ 1,632,408 |
| Modifications and actualizations | \$ 1,501,739 | \$ 2,174,073 |

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