

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

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, October 25, 2023

- Consolidated total revenue increased 7.7%
- Same-store sales grew 8.0% in Mexico and 7.9% 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 third quarter of 2023. Total revenues increased **7.7%**. EBITDA for the quarter amounted to **\$23.0 billion pesos**, which represented **10.8%** of total revenues, an increase of **8.5%** over last year's levels.

Main figures are:

Results July – September	2023		2022		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	211,436		196,321		7.7
Other Income	1,629		1,564		4.2
Total Revenues	213,065	100.0	197,885	100.0	7.7
Cost of Sales	(161,105)	(75.6)	(150,982)	(76.3)	6.7
Gross Profit	51,960	24.4	46,903	23.7	10.8
General Expenses	(34,186)	(16.0)	(31,016)	(15.7)	10.2
Income before Other Income Net	17,774	8.3	15,887	8.0	11.9
Other Income (Expenses) - Net	(28)	0.0	416	0.2	(106.9)
Operating Income	17,746	8.3	16,303	8.2	8.8
Financial Income (Expenses) - Net	(719)	(0.3)	(869)	(0.4)	(17.3)
Taxes	(3,395)	(1.6)	(3,281)	(1.7)	3.5
Net Income	13,632	6.4	12,153	6.1	12.2
EBITDA	22,967	10.8	21,163	10.7	8.5
EPS (in pesos)	0.781		0.696		12.2
EPS= Earnings per share					

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Results January – September	2023		2022		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Net Sales	628,201		576,788		8.9
Other Income	4,664		4,560		2.3
Total Revenues	632,865	100.0	581,348	100.0	8.9
Cost of Sales	(482,408)	(76.2)	(444,686)	(76.5)	8.5
Gross Profit	150,457	23.8	136,662	23.5	10.1
General Expenses	(98,704)	(15.6)	(89,999)	(15.5)	9.7
Income before Other Income Net	51,753	8.2	46,663	8.0	10.9
Other Income (Expenses) - Net	167	-	963	0.2	(82.6)
Operating Income	51,920	8.2	47,626	8.2	9.0
Financial Income (Expenses) - Net	(3,189)	(0.5)	(3,700)	(0.6)	(13.8)
Taxes	(12,137)	(1.9)	(9,773)	(1.7)	24.2
Net Income	36,594	5.8	34,153	5.9	7.1
EBITDA	67,147	10.6	62,031	10.7	8.2
EPS* (in pesos)	2.945		2.715		8.5
*Last 12 months					

Openings Q3 2023

Mexico: 24 units

- 23 Bodegas Aurrera
 - 5 Bodegas
 - 3 Mi Bodegas
 - 15 Bodegas Aurrera Express
- 1 Walmart

Central America: 3 units

- 3 Discount Stores

Installed Capacity

Sales Area in m ² (September 30, 2023)		
Format	Mexico	Central America
Bodegas and Discount Stores	3,082,057	499,383
Walmarts	2,254,021	185,029
Sam's Clubs	1,207,617	
Supermarkets	162,737	134,852
Total	6,706,432	819,264

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Other Events

Walmart de México y Centroamérica received a notification from COFECE's Investigative Authority. Walmex is confident that it has always complied with applicable law and that, in any case, its actions have benefited clients, club members, the communities in which operates and the country in general, by providing the best prices, assortment and quality, as well as to formalize commerce in all the communities where it operates. This is the first opportunity for Walmex to defend itself against the allegation of the Investigative Authority, and we will exercise all rights and remedies available to us under applicable law. During the last 3 years that this investigation lasted, we have complied with all information requests from the Investigative Authority, and now is the time to present our case.

Walmart de México y Centroamérica's Board of Directors, after considering all relevant factors and hearing expert third-party opinions, approved the relaunch of our \$5 billion pesos share buy-back program, approved by our shareholders at the last annual meeting. The Company intend to repurchase its shares from time to time, up to the maximum amount authorized; the amount of actual share repurchases will be determined by overall capital allocation priorities, including the relative value of the stock at the time. We will be informing of shares that we buy back in accordance with applicable regulations.

Expansión magazine presented the ranking of "Super Companies for Women" in which Walmart de Mexico y Centroamérica appears in first position, within the category of Companies with more than 3,000 employees, due to the actions and initiatives carried out to promote and protect female talent inside and outside the company.

Guilherme Loureiro, CEO of Walmart de México y Centroamérica, was integrated into the list of "The 300 Mexican Leaders" in the international segment, being a foreign leader whose relevance and influence is reflected in the decisions taken in Mexico's favor.

For the seventh consecutive year, Walmart de México y Centroamérica was included in the FTSE4Good Emerging Index by FTSE Russell, due to its solid Environmental, Social and Corporate Governance practices in emerging markets, in addition to meeting ESG inclusion standards recognized worldwide.

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CT) to discuss the company's third 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.

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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 **September 2023**, it operated **3,802** units, broken down as follows:

2,914 Mexico	888 Central America
2,339 Bodegas Aurrera:	587 Discount Stores
587 Bodegas	167 Bodegas
460 Mi Bodegas	98 Supermarkets
1,292 Bodegas Express	36 Walmarts
305 Walmarts	
168 Sam's Clubs	
102 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.bodegaurrera.com.mx

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Appendix 1: Quarterly Income Statement (million pesos)

	Quarter I			Quarter II				Quarter III			
	2023		% Growth	2023		% Revenue	% Growth	2023		% Revenue	% Growth
	\$	% Revenue		\$	% Revenue			\$	% Revenue		
Net Sales	204,601			212,164				211,436			
Other Revenues	1,474			1,561				1,629			
Total Revenues	206,075	100.0	9.7	213,725	100.0	100	9.3	213,065	100.0	100.0	7.7
Cost of Sales	(157,400)	(76.4)	9.4	(163,903)	(76.7)	(76.6)	9.4	(161,105)	(75.6)	(76.3)	6.7
Gross Profit	48,675	23.6	10.7	49,822	23.3	23.4	8.9	51,960	24.4	23.7	10.8
General Expenses	(31,546)	(15.3)	11.5	(32,973)	(15.4)	(15.7)	7.4	(34,186)	(16.0)	(15.7)	10.2
Income before other income (expenses) - Net	17,129	8.3	9.1	16,849	7.9	7.7	11.8	17,774	8.3	8.0	11.9
Other Income (expenses) - Net	208	0.1	(10.7)	(12)	-	0.2	(103.7)	(28)	-	0.2	(106.9)
Operating Income	17,337	8.4	8.8	16,837	7.9	7.9	9.4	17,746	8.3	8.2	8.8
Financial Income (Expenses) - Net	(1,317)	(0.6)	(17.3)	(1,153)	(0.5)	(0.6)	(6.9)	(719)	(0.3)	(0.4)	(17.3)
Income before taxes on profits	16,020	7.8	11.7	15,684	7.3	7.2	10.9	17,027	8.0	7.8	10.3
Taxes on profits	(4,501)	(2.2)	39.1	(4,240)	(2.0)	(1.7)	30.3	(3,395)	(1.6)	(1.7)	3.5
Net Income	11,519	5.6	3.7	11,444	5.4	5.6	5.1	13,632	6.4	6.1	12.2
EBITDA	22,316	10.8	7.7	21,863	10.2	10.3	8.5	22,967	10.8	10.7	8.5
Earnings per share (in pesos):	0.660		3.8	0.655		0.624	5.1	0.781		0.696	12.2

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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 nine-months period ended

September 30

	2023	2022
Net sales	\$ 628,200,853	\$ 576,788,061
Other revenues	4,664,252	4,560,035
Total revenues	632,865,105	581,348,096
Cost of sales	(482,408,001)	(444,685,682)
Gross profit	150,457,104	136,662,414
General expenses	(98,704,192)	(89,999,893)
Income before other income and expenses	51,752,912	46,662,521
Other income	1,166,991	1,426,917
Other expenses	(999,580)	(463,859)
Operating income	51,920,323	47,625,579
Financial income	3,059,880	2,265,213
Financial expenses	(6,249,083)	(5,964,689)
Income before income taxes	48,731,120	43,926,103
Income taxes	(12,136,670)	(9,772,936)
Consolidated net income	\$ 36,594,450	\$ 34,153,167
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Cumulative translation adjustment	\$ (2,989,667)	\$ (1,391,971)
Other comprehensive (loss) income	(2,989,667)	(1,391,971)
Comprehensive income	\$ 33,604,783	\$ 32,761,196
Basic earnings per share (in pesos)	\$ 2.096	\$ 1.956

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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)

September 30

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ 49,994,669	\$ 52,821,207
Account receivable, net	15,784,408	13,915,490
Inventories	102,102,453	99,533,432
Prepaid expenses and other	1,584,310	1,275,845
Total current assets	169,465,840	167,545,974
Non-current assets:		
Property and equipment, net	149,437,890	141,418,586
Right-of-use assets	61,557,839	56,318,232
Investment properties, net	5,101,599	5,442,592
Intangibles properties, net	38,314,409	38,726,347
Deferred tax assets	15,300,898	14,361,336
Other non-current assets	1,916,621	2,330,401
Total assets	\$ 441,095,096	\$ 426,143,468
Liabilities and equity		
Current liabilities:		
Accounts payable	103,958,004	95,706,251
Short-term lease liability	4,276,443	3,506,528
Other accounts payable	61,938,229	56,218,219
Income taxes payable	3,244,164	5,190,177
Total current liabilities	173,416,840	160,621,175
Long-term liabilities:		
Leases and other long-term liabilities	73,961,690	68,331,639
Income tax liabilities	5,581,400	7,162,264
Employee benefits	2,340,504	2,334,846
Total liabilities	255,300,434	238,449,924
Equity:		
Capital stock	45,468,428	45,468,428
Retained earnings	136,945,936	131,911,459
Other comprehensive income	10,082,865	13,397,558
Premium on sale of shares	5,604,069	5,221,902
Employee stock option plan fund	(12,306,636)	(8,305,803)
Total equity	185,794,662	187,693,544
Total liabilities and equity	\$ 441,095,096	\$ 426,143,468

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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 nine-months period ended

September 30

	2023	2022
Operating activities		
Income before income taxes	\$ 48,731,120	\$ 43,926,103
Items related to investing activities:		
Depreciation and amortization	15,226,834	14,405,716
Loss from disposal of property and equipment and impairment	143,551	133,253
Stock option compensation expenses	368,241	280,708
Interest earned	(2,238,591)	(1,185,868)
Items related to financing activities:		
Interest on lease liabilities	5,776,120	5,229,608
Unrealized, exchange rate fluctuation	55,238	(616,202)
Provision for labor obligations	429,670	392,905
Interest in charge	25,391	35,791
Cash flow from operating activities	68,517,574	62,602,014
Variances in:		
Accounts receivable	68,714	1,822,360
Inventories	(13,422,924)	(19,347,100)
Prepaid expenses and other assets	(307,278)	(249,841)
Accounts payable	5,658,127	(3,876,830)
Other accounts payable	(1,388,112)	(1,176,254)
Income tax paid	(13,958,862)	(10,163,130)
Employee benefits	(230,530)	(254,323)
Net cash flow operating activities	44,936,709	29,356,896
Investing activities		
Long-lived assets	(17,021,942)	(12,609,844)
Interest collected	2,238,591	1,185,868
Proceeds from sale of property and equipment	238,335	292,165
Employee stock option plan fund	(4,271,208)	(1,677,778)
Other cash outflows	(169,800)	-
Net cash flow used in from investing activities	(18,986,024)	(12,809,589)
Financing activities		
Dividend payment	(12,943,491)	-
Interest paid	(25,391)	(35,791)
Payment of leases liability	(8,222,614)	(7,448,101)
Net cash flow used in investing activities	(21,191,496)	(7,483,892)
Effect of changes in the value of cash	(2,191,711)	941,257
Net increase in cash and cash equivalents	2,567,478	10,004,672
Cash and cash equivalents at beginning of year	47,427,191	42,816,535
Cash and cash equivalents at end of year	\$ 49,994,669	\$ 52,821,207
Non-cash transactions:		
Additions of right-of-use assets	\$ 5,782,287	\$ 2,320,073
Modifications and actualizations	\$ 2,314,247	\$ 3,564,788

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