

Walmart

México y Centroamérica

Webcast Results for the Second Quarter 2025

Mexico City, July 16, 2025

(FREE TRANSLATION, NOT TO THE LETTER)

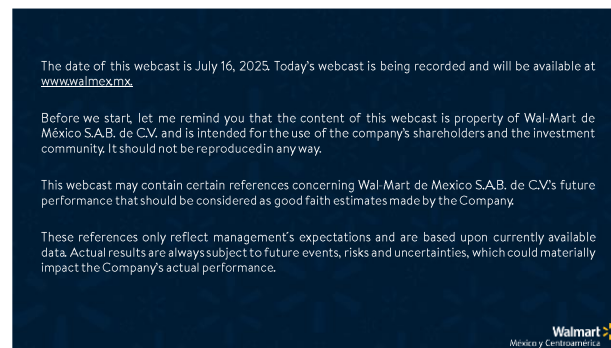


SALVADOR VILLASEÑOR:

Good afternoon, I am Salvador Villaseñor, in charge of Investor Relations at Walmex.

Thank you for joining us to review the results for the second quarter of 2025.

Today with me is Ignacio Caride, President and Chief Executive Officer of Walmart de México y Centroamérica, Raúl Quintana our Chief Omnichannel Operating Officer and Paulo Garcia, our Chief Financial Officer.



The date of this webcast is July 16, 2025. Today's webcast is being recorded and will be available at www.walmex.mx.

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Now, it is my pleasure to turn the webcast over to our CEO, Ignacio Caride.



IGNACIO CARIDE:

Thanks, Salvador.

Hello everyone. As always, I am happy to share with you our results for the second quarter of the year.

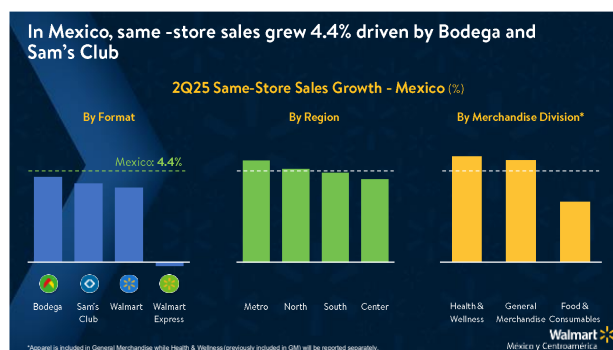
As usual, I want to thank all our associates for their great work. We just went through Hot Sale, one of our biggest seasonal events of the year and they never stop surprising me with the commitment they show.

We just finished the second quarter where we are starting to see a gradual pickup in sales, however the recovery has been slower than expected, with consumer confidence having mixed results in the quarter and with uncertainty still present.

I'm happy about the progress of our strategy even though I am not happy with the current results. We are focusing on the things we can control and some of the proof points of our strategy progress include market share gains, increase in the price gap, private brands expansion, acceleration of ecommerce and consolidation of our new businesses.

This quarter we made important price investments which helped us increase our price gap versus competition to help our customers save money and live better through these challenging times, while also capturing additional market share.

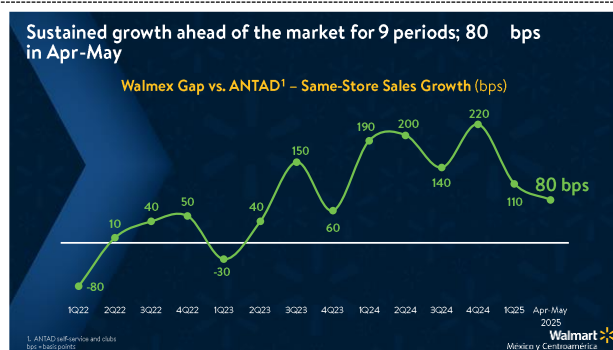
All the above-mentioned proof points will set ourselves for a stronger second half of the year and a stronger 2026.



Now, looking at the quarter figures, our same store sales grew 4.4% with a 6.0% ticket growth and a 1.4% decline in transactions, the latter impacted by beverages and improving versus the previous quarter.

Bodega and Sam's Club led growth. Bodega's value proposition remains very relevant to our customers during these complicated times. Also, as expected, Health and Wellness and General Merchandise registered solid growth, the latter mainly thanks to Hot Sale.

Raúl will share more information about operational and commercial efforts.



At the moment of this recording the ANTAD figures for June haven't been reported yet. Therefore, we will compare data from April and May where we grew 80 bps ahead of the self-service and clubs same store sales ANTAD figures for the 9th consecutive period.

We are winning the preference of the customers although there is still work to be done and opportunities to capture to continue reinforcing our value proposition by offering the best value, best assortment, convenience, best experience and ultimately continue building our customers' trust.



During the second quarter, we opened 25 new stores taking the total number in the first half of the year to 45 new stores.

Mexico opened 20 new stores while in Central America we opened 5 new stores, 4 in Costa Rica and 1 in Guatemala.

These 25 new stores represent 27 thousand square meters of additional sales floor while contribution to total sales growth in the quarter was 1.8%, ahead of the guidance provided at our Walmex Day.

As previously said, openings will accelerate in the second half of the year.



We continue growing across all dimensions of our omni portfolio and ecosystem, providing proof points of the progress of our strategy. Let me highlight the main results before Raúl expands later.

During the quarter, as said before, we increased our Price Gap in self-service by 40 bps as we made important strategic price investments during the quarter to help our customers in challenging times.

eCommerce, a key priority for the year, grew 20%, accelerating from previous quarters.

eCommerce is one of the top drivers of value creation in our strategic plan. There is significant potential to capture by implementing our “One hallway” initiative planned for October, increasing assortment through Marketplace and developing Quick Commerce. This will increase eComm conversion and penetration while improving its unit economics, reinforcing our leading position as the most relevant omnichannel player in the country.

Regarding our new businesses, Bait reached 21.5 million active users and generated 2.7 billion pesos in revenues during the quarter.

Bait has a specific role within the Walmart ecosystem, which is to provide access to connectivity at a price customers can afford. Paulo will give more details on how we calculate our active user figures.

Walmart and Bodega Aurrerá Beneficios reported 74.2 million contactable customers with important improvements in NPS and benefit redemption. I cannot emphasize enough the importance of the data and the value that this program is generating and will continue to generate for our core business in the near future.

When I see the potential of what we are building across all dimensions of our ecosystem to enhance our core and increase stickiness, it makes me very proud. I'm very excited about the future of what we are building.



Now, moving to Central America please consider that we are referring to figures on a constant currency basis.

During the second quarter we reported a 4.0% same store sales growth.

I am happy to say, once again we continue growing ahead of the market.

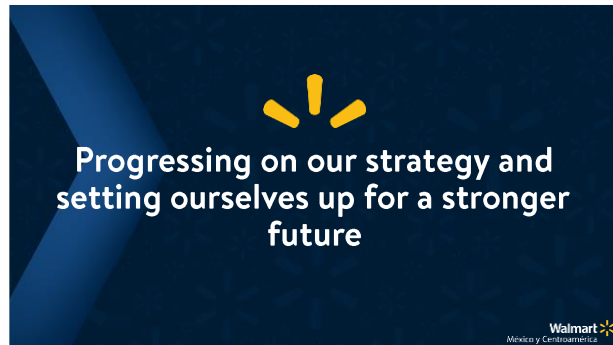
In addition to the store openings mentioned before, we expanded our supply chain network with the new perishables distribution center in Costa Rica, which is the biggest of its kind in the region.

Again, we reported all-time high NPS in all our countries which reflects our customer value proposition reinforcement through price and focusing on offering the best experience in our stores. These efforts have also resulted in improvements in our price perception.

During the quarter, we posted an eComm growth of 49% in the region, increasing its sales penetration by 40 bps, driven by successful commercial activities and the roll out of the eComm app.

Finally, our new businesses in the region continue to develop. Walmart Connect increased its revenue by 67%, which continues to generate income to re-invest in our growth agenda.

Furthermore, this quarter we finished the rollout in all countries for remittances as a form of payment, an important milestone towards improving remittances experience for our customers.



To finalize and before leaving you with Raúl, let me close by saying that I am happy on how we continue progressing on our strategy supported by various proof points previously mentioned.

We will continue with investments behind growth, including price investments when we see the opportunity to help our customers when they need us the most, helping them save money and live better and therefore, keep on gaining our customers and members preference while expanding our market share gains. We expect a second half of the year where growth will continue to increase sequentially.

Our guidance for the year on growth, gross margin and expenses remains unchanged. I am confident in what we are building for the future.

Challenges and opportunities lie ahead, but by remaining true to our purpose and Every Day Low Prices DNA we are well positioned for what's to come.

Now, Raúl will step in to go through some of our operational highlights for the quarter, and then Paulo will share more details on our financial highlights.

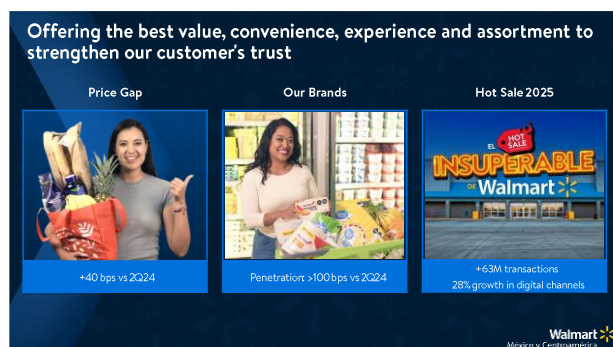
Thanks a lot for your interest in our company and see you tomorrow on our live Q&A.



RAUL QUINTANA:

Thank you, Ignacio and good afternoon, everyone. It's a pleasure to be here again with you.

Let's look at our operational and commercial highlights of the quarter, providing proof points of the progress in our strategy.



Regarding offering our customers the **value** they want at a price point they can afford; as Ignacio mentioned, during this quarter we had a significant price gap expansion versus competitors of 40 bps in self-service as a result of price investments aligned with our Every Day Low Prices DNA.

Price perception improved quarter over quarter, also benefiting from the price gap expansion. Further benefits are expected in the future.

Our Brands is one of the key levers to increase Price Perception. This quarter sales penetration increased more than 100 bps versus 2Q24 with Sam's Club and Bodega Aurrerá Express leading with more than 200 and 150 bps increase respectively, while reporting significant growth across all formats.

We are also seeing penetration increasing across all categories but the ones contributing the most were Home and Fresh once again.

New customers are perceiving the great value offered by Our Brands. The percentage of customers buying one product of Our Brands keeps increasing quarter over quarter with more than a 120-bps growth versus 2Q24.

Regarding our efforts to constantly improve **assortment and experience**, this quarter I would like to highlight a couple of things.

First, the "Lilo & Stitch" license that we had across all our different formats during the quarter, had a double-digit growth versus similar campaigns launched last year, showing great acceptance from our customers.

Also, we have made important efforts to continue improving our Fresh offering understanding the relevance it has on increasing traffic to stores. In Sam's Club, for example, during the quarter we had a 350 bps increase in quality perception from members versus last year, which helped grow its category sales by double-digit in the quarter.

Additionally, last May we engaged in a new sponsorship deal with Sultanes de Monterrey baseball team, whose stadium is now called "Walmart Park". This initiative represents a genuine commitment to the Monterrey community, reinforcing our mission to always be close to Mexican families while increasing brand awareness in the northern region of the country.

Before moving on to eCommerce and our new businesses, I would like to speak briefly about our Hot Sale results. We had more than 63 million transactions during the event with General Merchandise and Health & Wellness reporting the biggest hikes in sales. It was a truly omnichannel event where we had a 28% growth in digital channels and we broke the record in a day of omnichannel sales, with eComm penetration doubling.

We are very happy with the results of the event which generates positive expectations for "Fin Irresistible" which we are already preparing for.

Let's now review our eCommerce quarterly performance.

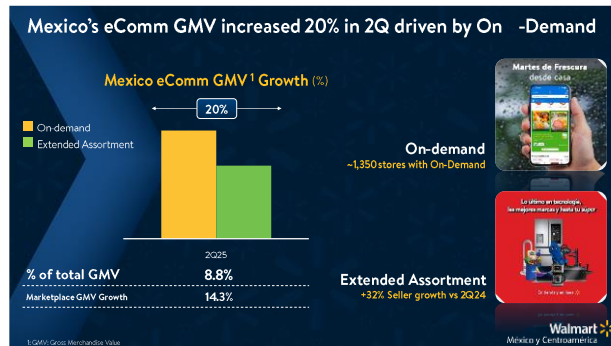
During the second quarter, eCommerce GMV grew 20%, and represented 8.8% of total GMV in Mexico, driven by a 24% On Demand growth. Bodega Aurrera's Despensa a tu Casa reported the highest growth once again.

We are making efforts to continue improving the experience of our On Demand business. In Walmart Supercenter and Walmart Express, for example, during the quarter we had all-time-high levels of "In Full" in orders delivered to customers, increasing 1,200 bps versus last year.

Across all our formats in Q2 we delivered 60% of our On Demand orders in the Same Day, a number that has doubled in the last 18 months. That's a result of an amazing job from our Last Mile and eCommerce teams. This significant progress in last mile delivery together with our planned initiative in quick commerce will reinforce our unique and differentiated omnichannel offering whilst further accelerating eComm sales.

Regarding Extended Assortment, Marketplace had a 14% growth mainly from softline categories like Beauty, Pets, Babies and Home. During the quarter we had a seller growth of 32% versus the same period last year.

Walmart Fulfillment Services remains instrumental in driving marketplace growth and maintaining its Service Levels, achieving a 30% increase compared to the same quarter last year and capturing a 43% share of Marketplace orders during our Hot Sale event.



Now let's move to our new businesses which strengthen our core.

Bait reached 21.5 million active users and this quarter it reported 2.7 billion pesos in sales to a total of around 5 billion pesos in the first half of the year while increasing profitability every quarter that passes. But most importantly it is successfully solving a pain point for our customers by giving access to the digital economy at low prices whilst building trust & stickiness and increasing traffic to our core business.

Moving to Walmart Connect, this quarter its revenues increased by 27% versus 2Q24. We are generating new initiatives to attract new advertisers such as Sponsored Ads opportunities for Marketplace sellers in their first campaign and also enabling additional capabilities for current advertisers such as offering them the capability to self-manage their campaigns not only on our digital channels and platforms, but now also on our digital spaces inside the stores.



Finally, in “*Walmart and Bodega Aurrerá Beneficios*”, as Ignacio mentioned before, the program reached 74.2 million contactable customers which helps us identify around 45% of total transactions. Not only are we focusing on growing the contactable customers but also on improving the experience of the program and the benefit redemption. As we identify and know better our customers, we are starting to communicate better with them whilst agreeing with suppliers the best commercial plans that suit the needs of our customers, thereby increasing sales.

Now, I will pass the mic over to Paulo, to comment on our financial results.

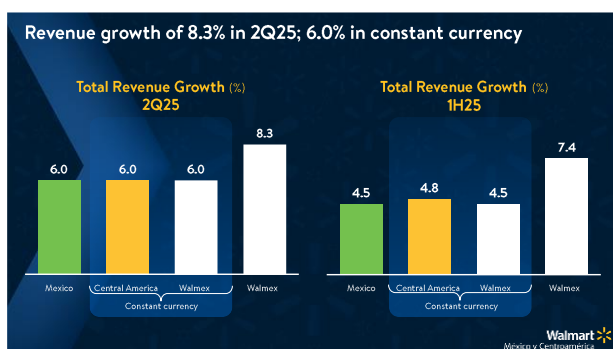
Thanks for joining us today and see you all tomorrow at our quarterly live Q&A.



PAULO GARCIA:

Thanks, Raúl and good afternoon, everyone.

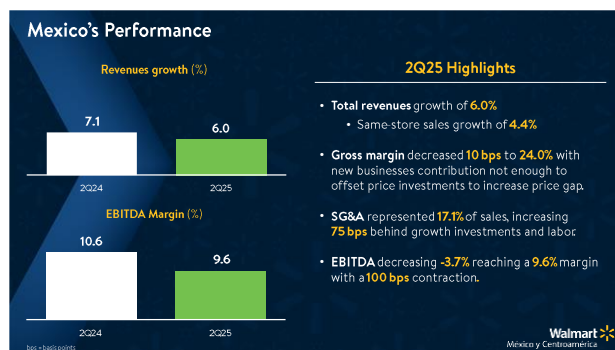
I'll start by talking about consolidated results, then covering Mexico's results and then move to Central America.



Regarding revenue growth during the quarter, consolidated total revenue grew 8.3%.

Reported results were benefited by Mexican peso depreciation, excluding this, consolidated revenue growth would have been 6.0%.

For the first half of the year, we reported a consolidated revenue growth of 7.4% and 4.5% in constant currency.



2Q25 Highlights

- Total revenues growth of 6.0%
 - Same-store sales growth of 4.4%
- Gross margin decreased 10 bps to 24.0% with new businesses contribution not enough to offset price investments to increase price gap.
- SG&A represented 17.1% of sales, increasing 75 bps behind growth investments and labor
- EBITDA decreasing -3.7% reaching a 9.6% margin with a 100 bps contraction.

So, let's talk about Mexico's results.

Total revenues grew 6.0% driven by 4.4% same-store sales growth.

Gross margin contracted 10 bps versus last year to 24.0% while SG&A had a 75-bps expansion representing 17.1% of total sales.

I will go through the Gross Margin and SG&A breakdown in just a moment.

All this led to an Operating income margin of 7.1% while EBITDA decreased 3.7% versus the same quarter of last year, registering an EBITDA margin of 9.6%.

In Mexico, revenues grew 6.0% and EBITDA margin was 9.6%

Mexico 2Q25 results

(MXN Millions)	2Q25		2Q24		Var.
	\$	%	\$	%	%
Total revenues	202,883	100.0	191,345	100.0	6.0
Gross profit	48,790	24.0	46,162	24.1	5.7
General expenses	34,617	17.1	31,227	16.3	10.9
Earnings before other income, net	14,173	7.0	14,935	7.8	(5.1)
Other income, net	271	0.1	719	0.4	(62.2)
Operating income	14,444	7.1	15,654	8.2	(7.7)
EBITDA	19,500	9.6	20,253	10.6	(3.7)



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Let me now expand on Gross Margin.

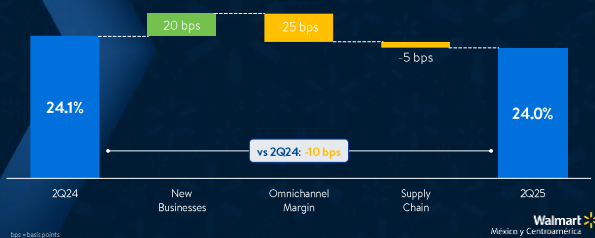
During the quarter we had a benefit of 20 bps from the contribution of new businesses such as Walmart Connect, Bait and Financial Services almost offsetting price investments made in the quarter as we saw the opportunity to help our customers and expand our price gap, and the higher costs on our supply chain impacted by lower volume.

This resulted in a Gross Profit Margin of 24.0% contracting 10 bps versus last year.

As we have mentioned before, there will be quarters like this one where we will invest more aggressively in pricing as we see opportunities to help our customers further through difficult times, gain additional market share and strengthen our position for the future. For the full year, we continue to expect margin expansion versus the previous year.

Gross Margin (MX): new businesses contribution almost offsetting price investments

2Q25 Gross Profit Margin % Total Revenues – Mexico



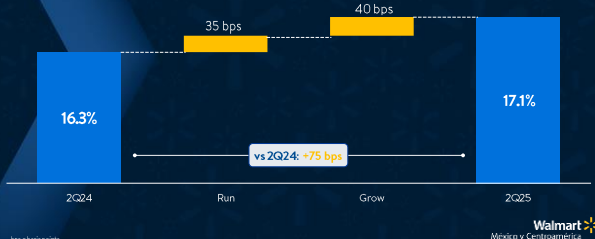
bps = basis points



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SG&A increase driven mainly by growth investments and labor cost

2Q25 SG&A % Total Revenues – Mexico



bps = basis points



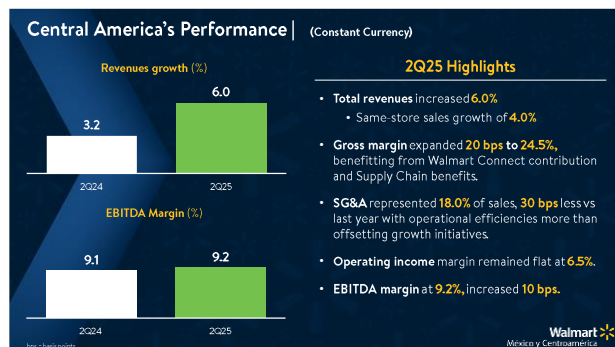
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Now let's review our SG&A.

We increased 35 basis points "Run" expenses mainly due to increases in labor costs and utilities.

This time, growth investments added 40 bps to our SG&A behind investments in tech, eComm, new stores, remodels and our associate value proposition. This took SG&A to a 75-bps expansion and represented a 10.9% growth.

We continue with our growth investments and the benefits that we will get from these investments may not yet be entirely reflected in our current financials, but I want to reassure you that these efforts will pay off in the future.



Now let's review Central America's results for Q2. Please consider that on this slide I will refer to figures on a constant currency basis. Total revenues increased 6.0% vs last year with same-store sales growth increasing 4.0%, leading to market share gains in Q2 and H1 2025.

Gross margin improved 20 bps compared to last year to 24.5% of revenues, benefited from supply chain efficiencies and Walmart Connect acceleration offsetting price investments.

SG&A represented 18.0% of revenues, decreasing 30 bps vs last year. Growth investments in footprint expansion, eComm and new businesses acceleration were more than offset by operational efficiencies.

The above-mentioned resulted in an operating income growth of 7.6% and an EBITDA margin of 9.2%, both growing ahead of revenues.

Central America results benefitting by FX; in constant currency 6.0% revenue growth and 9.2% EBITDA margin.

Central America 2Q25 results

(SMXN Millions)	2Q25		2Q24		Var. (%)	
	\$	%	\$	%	Peso México	Constant currency
Total revenues	43,371	100.0	36,070	100.0	20.2	6.0
Gross profit	10,616	24.5	8,752	24.3	21.3	7.0
General expenses	7,807	18.0	6,600	18.3	18.3	4.0
Earnings before other income, net	2,809	6.5	2,152	6.0	30.5	16.0
Other income, net	14	-	178	0.5	(92.3)	(93.3)
Operating income	2,823	6.5	2,330	6.5	21.1	7.6
EBITDA	3,995	9.2	3,286	9.1	21.6	7.8

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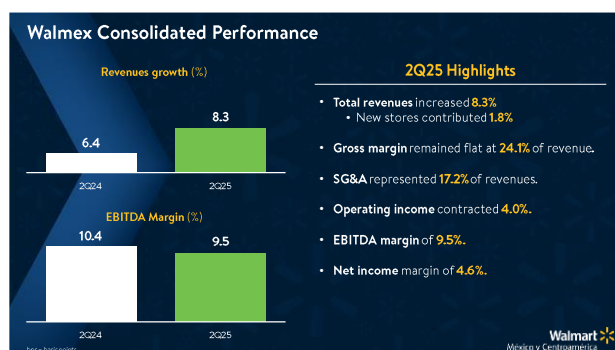
At a consolidated level, total revenue increased 8.3%, benefiting from a lower peso, with new stores contributing 1.8% to total growth, ahead of our guidance provided at the last Walmex investor day. Excluding FX effects, revenue growth was 6.0% in line with the guidance given for the year of 6% to 7% consolidated growth in constant currency.

Gross margin remained flat at 24.1%, while SG&A expenses grew 12.2% to represent 17.2% of revenues. In constant currency SG&A grew 9.7%, in line with our full year guidance of high single digit growth.

Whilst we may see variations per quarter, we reaffirm our guidance regarding Gross Margin expansion and SG&A high single-digit growth for the full year 2025.

Operating income decreased 4.0% year over year, to a 7.0% margin, while EBITDA margin contracted 90 bps to 9.5%.

Whilst we are not happy with this quarter's profit results, the decisions of today are thinking in the long run and will be reflected in the future, reaffirming our position as the only true omnichannel retailer in the market



Additional price investments to help our customers and capture additional market share and continued growth investments in SG&A set ourselves for a stronger future.

Consolidated revenues grew 8.3% and EBITDA margin was 9.5%

Walmex Consolidated 2Q25 results

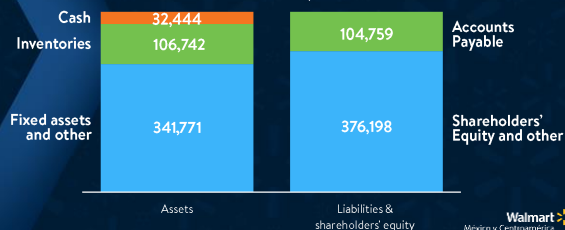
(SMXN Millions)	2Q25		2Q24		Var.
	\$	%	\$	%	%
Total revenues	246,254	100.0	227,415	100.0	8.3
Gross profit	59,406	24.1	54,914	24.1	8.2
General expenses	42,424	17.2	37,827	16.6	12.2
Earnings before other income, net	16,982	6.9	17,087	7.5	(0.6)
Other income, net	285	0.1	897	0.4	(68.2)
Operating income	17,267	7.0	17,984	7.9	(4.0)
EBITDA	23,495	9.5	23,539	10.4	(0.2)
Net income	11,227	4.6	12,510	5.5	(10.3)

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Financial fundamentals as a key strength

Balance sheet statement (June 30th, 2025 - SMXN Millions)

TOTAL: \$480,957



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Let me now speak about the balance sheet...

Cash decreased 33.1% vs June 2024. We will see the sources and uses of cash in the next slide.

Inventories grew 6.0%, below sales growth. As we have been saying, inventory has been and will continue to be a priority for us. We are starting to see improvements on our days on hands. Further and more noticeable improvements are expected in Q3.

And finally, accounts payable decreased 2.5% impacting our days payable.

Strong cash generation but more to come in H2

Sources and uses of cash - \$MXN Millions



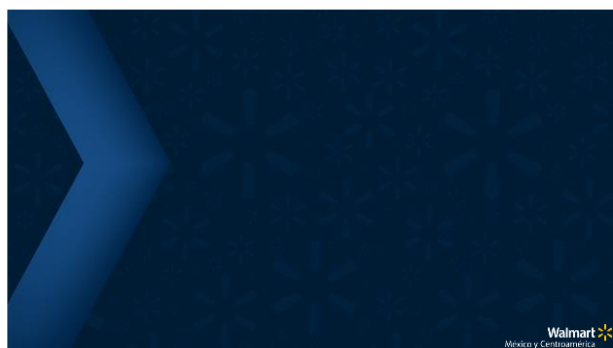
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Moving to the cash flow.

In the last twelve months, we generated \$89.2 billion pesos in cash. We invested \$35.3 billion pesos of CAPEX in high return projects, in line with the plan.

We returned \$40.5 billion pesos to our shareholders through dividends and share repurchases; Our working capital for the period required \$9.8 billion pesos, and finally, we paid \$20.5 billion pesos in taxes.

All in all, our cash position finished the quarter at \$32.4 billion pesos, below the same period a year ago, impacted by lower profitability and negative working capital. This should be improved in H2.



Before sharing my usual three key messages for the quarter, I wanted to address a question that we anticipate you might have, related to how we account for active users in our Bait business. Our methodology has been consistent. As we disclose in our earnings releases, Bait active users are referred to as users with at least one transaction in the last 180 days, considering voice and data traffic as well as SMS, while also including sales to distributors. This figure is audited by one of the big four audit companies and reported each quarter. Referencing the same user base but extracting only the last 90 days and excluding data traffic and SMS will result in a different active user figure. Regardless of the time frame you select, we are pleased with the growth in active users and revenue, and more

importantly, how Bait is a clear driver of digital adoption and omni-channel shopping, enhancing our core business.

To finalize, as I always do, I'd like to leave you with three key messages of the quarter:

1. We continued growing ahead of ANTAD as customers reward our efforts to improve customer value proposition with their trust and loyalty.
2. We are seeing a slower than expected consumption recovery, but we don't see any fundamental change in what we forecasted for the full year; therefore, we are reaffirming our sales guidance of 6 to 7% consolidated revenue growth for the year as well as the Gross Margin and SG&A guidance shared with you during our Walmex Day.
3. We will continue investing in prices when we see the opportunity to help our customers in challenging times and capture additional share as happened during this quarter. And, we continue with our growth investments today building for tomorrow and I want to reassure you that the benefits from these investments will come, stabilizing margins in the near term.



Thank you for your interest in our company. I hope to see you tomorrow at 3:00 pm Mexico City time, on our quarterly live Q&A to answer any question you may have.

You can contact our IR team if you have any question.