

CDMX, March 25, 2026



Paul Lewellen + Javier Andrade + Prathibha

Paul Lewellen

Good morning, everyone.

Thank you for being with us today.

Cristian shared the strategic direction for Walmex.

Our role is to show how that strategy turns into action in our stores.

Action customers can see and feel.

And action that drives better results.

It is how we bring our purpose to life: to help Mexican families save money and **Live Better**.

It anchors our daily decisions across our network.

What you will see in the stores later today is intentional.

Clear priorities. End-to-end accountability. Home Office, Supply Chain, and Stores working as one.

Customers are navigating a complex environment.

They are more value- and time-conscious than ever.

Less tolerant of out-of-stocks.

And they expect convenience without tradeoffs.

Earning their trust requires disciplined execution in the fundamentals.

Before we go deeper, let me briefly introduce myself and my colleagues.

I'm Paul Lewellen.

I've spent more than 35 years with Walmart, starting as a store associate in the U.S., and leading stores, markets, regions, and large-scale operations across the western and southwestern U.S.

What has remained constant is my belief in execution at its best: **Simplification, leveraging Technology, and empowering associates to better serve customers.**

Javier Andrade

Good morning, everyone.

I'm Javier Andrade.

I've spent more than **25 years at Walrmex**, leading in different roles across **Self Service and Sam's Club**. Today, I have the privilege of leading **Commercial and eCommerce for Walmart Mexico**.

As a merchant, I keep things simple.

I always start with the customer.

And I leverage the best of Walmart globally to deliver more value every day.

Prathibha

Good morning.

I'm Prathibha.

I've spent my career at the intersection of strategy, operations, innovation and merchandising, including private brands.

Across Walmart U.S., International, and Sam's Club.

For many years, I saw myself as a technology and innovation leader.

But over time, I realized something important.

At my core, I am a merchant.

I'm endlessly curious about consumers: how they shop, why they shop, what earns their trust, what makes them choose us.

That curiosity drives me.

Paul Lewellen

Thank you, Prathibha and Javier.

Since Cristian arrived, he has been speaking about three non-negotiables:

Every Day Low Price.

Availability and

eCommerce acceleration.

Let me show you how these come to life in our stores.

Let me start with **availability**.

Availability is about precision and discipline.

When I arrived in Mexico last year, two things were clear.

Our associates care deeply about their communities.

And performance depends on getting the fundamentals right every day.

That is why execution matters.

Availability does not start at the shelf.

It starts upstream — with suppliers, inventory planning, product flow through the supply chain, and in-store discipline.

Customers don't see that complexity.

They care about one thing:

Is the product there?
At the shelf.
At the curb.
Or in their home.

This year, we are simplifying and strengthening our availability process by connecting five elements. Let me walk you through each of them now:

First, store mapping.

Clearly defining the physical space in each store — where inventory lives, moves, and how its replenished. This includes mapping 100% of fixtures in stores including the development of new modularity in areas where we didn't have them before, such as Fresh.

Today, Fresh modular layouts are not always clearly defined.

Too many decisions are manual and even store choice.

We are changing that.

Defined modular layouts.

Merchant led and designed

Full discipline in execution. Why is this important?

Fresh forecast accuracy is 83% today. We are targeting 95%.

This will also improve fresh shrink by 25%

Second, real-time inventory location.

Knowing where product is — on the sales floor or in the backroom.

Today, inventory is not always precisely located.

That slows replenishment and picking.

And speed is critical for us.

We are moving to full inventory localization.

Shelf by shelf. Bin by bin. Item by item.

Third, on-hand management.

We are using data to generate clear, actionable tasks that maintain availability, inventory accuracy, and price truth.

We are **connecting stores with digital shelf labels**.

Connected shelves provide real-time visibility through sensors and shelf technology.

The shelf is now a data asset.

Those insights, together with our real-time inventory location, can help create more accurate tasks to keep shelves stocked, and prices accurate in the store.

It also helps us improve upstream decisions such as planning and replenishment.

At scale, connectivity is a competitive advantage.

It will reduce out of stocks.

& Improves consistency across the fleet.

You will see these changes in the stores we visit later today.

Fourth, **Receiving**,

Today we still rely on manual counts and processes.

With Smart Receiving,
we define what to count and when.
Less friction.
Faster flow of merchandise to the salesfloor.
And Better inventory control.
It will allow us to turn trucks back to DC more efficiently

And fifth, we are improving our assortment through SKU Optimization.

This allows us to optimize space, improve in store execution, resulting in better availability, stronger customer experience and ultimately higher sales.

In Bodega Aurrera Express, we reduced SKUs by around **30% in more than 50 stores**, and we are in the process of launching a pilot to reduce by up to **20% in Mi Bodega**.

This is based on customer needs, where we prioritize covering more customer missions, reducing unnecessary SKU redundancy, expanding assortment where it adds value.

Going forward, we will extend this same optimization strategy across Bodega Aurrerá, Supercenter, and Walmart Express scaling the existing pilots in BAE and MB.

These five enhancements in availability **play a critical role in accelerating our eCommerce business**, improving picking speed and accuracy while enabling a more efficient and scalable crowdsourced fulfillment model.

Accurate, real-time availability drives speed — and speed is critical to winning in on-demand eCommerce.

The goal is simple: Higher omnichannel availability to build higher sales, end-to-end connectivity, and empowering associates through Technology.

This is already delivering results in total availability

In our 5 flagship stores, where we have already fully implemented the new availability process, we are seeing significant improvements:

+400 bps in Total Availability.

+200 bps in In Full.

And the best Availability NPS in a year.

All of this equates to improved sales.

These initiatives enable execution at scale.

By reducing complexity and leveraging automation and AI, we increase availability and remove friction from daily work.

That is why we are transforming our in-store process.

Grounded in proven global best practices.

I've implemented these at scale in the U.S.

I know they work.

And I know the roadmap required to deliver them consistently and sustainably.

We are strengthening shelf-accuracy and availability as a foundational control lever.

Besides these five elements, we are working on over 40 in-store initiatives, many of which are extremely transformational for our operations team, to improve in-store execution and availability while driving significant productivity.

Small improvements, applied across thousands of locations, will generate meaningful impact.

You will see this executed in-store in our visit later today.

Before I close, I want to share a quick personal note.

When the opportunity to move to Mexico came up, it began as a conversation about potential — and quickly became a real moment at home that ended with, “Okay... let’s pack our bags.”

There was excitement and uncertainty.
But it felt right.

Because this role, this team, and this opportunity matter.
And when something matters, you commit fully.

Ultimately, **execution** shows where it matters most:

Products on the shelf.
Fewer substitutions.
More and faster perfect orders.
And an experience customers can trust.

That reliability reinforces EDLP.
And EDLP discipline reinforces trust.

With that, I'll hand it over to Javier to take you deeper into how we continue to win on price.

Javier Andrade

Thank you, Paul.

Let me start with what matters most.

THE CUSTOMER.

Every decision we make.

Every dollar we invest.

Every capability we build.

Has one purpose.

To help people save money and live better.

Paul has explained availability at length, therefore

Let me focus on 2 of the 3 non-negotiables, EDLP and eCommerce acceleration.

For me, **EDLP COMES FIRST.**

It is the foundation.

Customers know that when they shop at Walmart, they can rely on

LOW PRICES.

EVERY DAY.

We are committed to continue **improving our price gap.**

We do this by reinvesting new businesses' margin back into prices.

This requires discipline.

And **strong supplier partnerships.**

Better joint planning.

Shared investments.

Smarter use of data.

To make EDLP work, we need:

Simple prices.

Clear communication.

Consistent execution.

And we are making progress.

In 2025, price perception improved every quarter.

We **closed Q4 at +260 basis points year over year.**

Momentum continued into Q1.

Bodega continues to lead.

Walmart formats improved across regions.

To sustain this, **we are stabilizing prices.**

Fewer price changes.

Longer duration.

Improved price perception.

In 2025, we reduced price changes by 15%.

In 2026, we plan to reduce price changes by an additional 25%.

Extending rollbacks to 90 days.

That is EDLP discipline.

PRIVATE BRANDS strengthen EDLP.

They deliver value.

Trusted quality.

Better mix.

In the past three years, penetration increased by more than 300 basis points.

But we need to move faster.

We will reach mid-twenties penetration within five years.

Our focus is clear.

- Grow in key categories.
- Improve quality and relevance.
- Build long-term supplier alliances.
- And scale **what already works in other Walmart markets.**

Two examples of what we are doing:

Aurrera toilet paper drove +40% growth in the total category.

Expanding penetration by 35%.

And UHT milk, with new pack sizes and sharper pricing, also delivered +40% growth.

Both categories grew above company's average.

Private Brands are structural.

When we execute EDLP with discipline and leverage global scale, we improve price perception, earn trust, and build long-term value.

With that foundation, **ECOMMERCE** becomes our next major growth opportunity.

We are uniquely positioned because of three structural advantages:

Strong assets.

Customer reach.

And global leverage.

ON DEMAND is the core.

With more than 3,300 stores and clubs, supported by distribution centers, we operate one of the largest last-mile networks in Mexico.

That drives:

Reach.

Order density.

convenience and speed.

On Demand expands penetration beyond store openings.

We will reach almost **all Mexican population over the next 3 years** through expanded catchment areas.

Customers value two things most.

Speed.

And access.

In 2025, **60%** of On Demand orders arrived on the same day.

And **7%** were delivered under 2 hours.

In the next 3 years, we will reach 85% of orders delivered on the same day and more than 50% under 2 hours, as we continue expanding our delivery capacity.

On the other hand, **MARKETPLACE** is our largest growth opportunity.

On Demand drives traffic.

Traffic fuels Marketplace.

Marketplace expands choice and value.

Marketplace leverages Walmart global capabilities.

- Global technology.
- Proven operating models.
- And a global seller ecosystem.

Over five years, we will expand Marketplace by more than 250 million additional products.

Cross-border will represent more than 20% of Marketplace.

And 75% of Marketplace orders will be fulfilled by Walmart Fulfillment Services in that same period.

This will translate into improved reliability and fulfillment economics.

eCommerce is a powerful driver of long-term value creation.

But let me be clear.

We are not yet where we want to be in digital.

There is a gap between current penetration and our full potential.

We recognize it.

And we are addressing it with urgency.

Over the next 12 to 18 months, we will:

- scale crowdsourcing model nationwide to increase speed
- launch One Hallway in Bodega and Sams Club
- enhance price competitiveness through technology
- accelerate onboarding of cross-border sellers
- and we will double Walmart Fulfillment services,

Our physical footprint is a structural advantage.

And the opportunity is significant.

The fundamentals are in place.

Now it's execution at scale.

Finally, let me touch on **DATA**.

Data creates value only when it changes decisions.

Scintilla and Beneficios do that.

They provide visibility into customer behavior.

Sharpen pricing.

Improve assortment.

And strengthen supplier collaboration.

Let me give two examples:

First, we used to know that in the North of Mexico customers buy more charcoal for barbecues than in other regions.

But now we know exactly who buys charcoal.

116,000 customers.

And when they buy charcoal, their average basket is \$1,700 pesos.

This is not a single-item mission.

It's a full occasion.

That insight changes basket building, inventory planning and growth strategy.

Let me give you another example.

Facial cream purchases grew more than 40% over three years.

More than that, we have learned that customers who buy them spend 64% more overall.

That tells us something powerful.

Confidence in this category expands trust across the basket.

And that changes how we think about assortment, and brand positioning.

Through Scintilla, we share these insights with suppliers.

Let me share an example.

In one key category, after a cost increase sales declined 4 to 5%.

Some SKUs dropped nearly 50%.

With Scintilla we identify price ladder misalignment across the category.

We worked with the supplier to redesign it.

Within one month, the category returned to 9% growth.

After a full portfolio redesign, growth stabilized between +9% and +11%.

That is data driving performance.

Today, more suppliers are engaging in similar transformations.

Let me close with **three messages**:

- First, we have the strongest merchandising organization in Mexico.
- Second, we are uniquely positioned to lead omnichannel retail in Mexico.
- With the scale, infrastructure, and operating models.
- And third, we are fully leveraging Walmart globally.
 - ✓ Technology.
 - ✓ Sourcing
 - ✓ Talent.
 - ✓ Scale.

With that, I'll hand it over to Prathibha, who will share how this same discipline powers our Sam's Club membership model.

Prathibha

Good morning again.

I told you that I am **endlessly** curious about consumers, but what truly motivates me is simple.

bringing people joy through **discovery, differentiation, and exceptional value.**

I **love** when we deliver what a family needs **right to their doorstep** sometimes just hours after they place the order.

because that moment of reliability **builds trust.**

Recently a member told one of our associates she came in for paper towels and left with a Korean skincare product she didn't expect to find at Sams Club at a price she couldn't find anywhere else.

That sense of discovery **is the magic of the club model.**

In my first weeks visiting clubs, what stood out to me **was the pride of our associates.**

Serving members. Supporting each other and Growing together.

When I arrived at Sam's Club Mexico, I looked at the business through three lenses:

I wanted to understand our members. Our people. And Our fundamentals.

What I found gave me confidence.

We are the **largest price club in Mexico** operating 176 clubs across 32 states.

That scale is our real advantage.

It **strengthens partnerships** with suppliers.

And helps us deliver value to **millions of households.**

I saw **proud** associates.

Teams that care deeply about our members.

Teams willing to serve and transform together.

Membership is the engine of the club model.

In 2025, memberships and renewals reached **all-time highs** and are growing double digit.

Household penetration **increased two points year over year.**

Members are **choosing** us.

At the same time, I saw opportunities.

We needed to strengthen our merchandising.

With More trend. More discovery and more excitement.

A club should feel like a treasure hunt.

Members come for the essentials like paper towels and fresh produce but they stay because they discover something **unexpected** like a DJI drone or Kenito All Natural Pancake mix.

As we know, Discovery drives frequency and basket.

You will see some of the innovation and WOW items during your club visit later today.

We also needed deeper commitment to the club model.
With More efficiency. More differentiation and less volatility.
So we focused.

In **pricing**, the priority was clear: **protect trust**.

EDLP only works when it's simple and consistent.

When members see the same trusted price week after week, **confidence builds**.

So, we reduced the frequency of price changes.

And moved to a clear cadence.

And simplified the promotional calendar.

Nuevo Precio Bajo, which is our price investment initiative, now covers 500 items across 16 clubs, scaling to 60.

Our pilot items are delivering **+15% unit growth**.

And a **+15% increase in member penetration**.

In **assortment**, we empowered merchants.

We blended strong local suppliers with global partnerships.

As one example, we expanded organic berries in Produce.

We sourced from the same suppliers that serve Sam's US.

Allowing us to bring **quality at an affordable price**.

We are also **strengthening Member's Mark**, our private brand, **with a clear focus on quality**.

Today, It is **growing faster than the overall business** and **becoming a stronger part** of our mix.

We are **bringing innovation that matters to our members**.

And leveraging scale and learnings from our U.S. and China teams.

This allows us to **move faster** and **deliver great quality** at the value **members expect**.

For example, next quarter we will introduce Member's Mark croissants sourced from France, from the **same supplier** that produces for Sam's China bringing authentic quality to Mexico without compromising on ingredients, at a price that is accessible to our members in Mexico.

We simplified categories like Household Paper from 12 SKUs to 6, which makes the offer **clearer** and **easier** to shop for members.

It also allows us to give more space to the right items, **improving in-stock** and **on-floor availability**.

At the same time, it **strengthens our scale with suppliers**, supporting EDLC and reinforcing EDLP.

In clubs where we've implemented this, we are seeing approximately 300 basis points of growth in the category.

We are introducing trend forward items:

From Dubai cookies to Korean beauty to health forward snacks.

These are driving **member excitement and frequency**.

Members are coming for their weekly shop and discovering a trendy snack or beauty product they **didn't expect to see**.

Trust starts with having what members need when they need it.

In **availability**, we went back to basics.

We have **simplified flow, strengthened supplier collaboration**, and **refocused** especially in Fresh, where members are buying for their families for same day or near-term consumption.

Fresh in-stock improved by nearly 900 basis points to ~95%, supported by **more frequent deliveries and better production planning** reducing variability and improving consistency.

In Q2, we're implementing auto-receive to speed up receiving and move **product from trailer to the floor faster** reducing manual counting, using pallet scanning technology, and **driving better speed, efficiency**, and **ultimately stronger availability** for members.

We have also reduced total DOH by 3 days across Sam's.

Members are clear: **convenience is not optional**.

Speed matters. Flexibility matters and Their time matters.

Same day delivery is expected.

Increasingly we see members placing an order in the morning, sometimes before they leave work and receiving it the same afternoon or evening.

Members are not thinking in different channels.

They expect **one Sam's Club**.

Last year, eCommerce grew nearly 23%.

Digital drove 60% of new membership growth, up 44% year over year.

Today, Same day delivery represents about 55% of orders.

Two hour delivery is close to 15% and **scaling**.

In the next 3 years, we will grow **same day delivery to more than 85%**, and two hour delivery to more than **50% of orders**.

We will also continue to expand coverage to reach 80% of members with same day delivery.

We are committed to increasing speed and building last mile density....

To accelerate ecommerce at Sam's and improve profitability

In technology, our priority is **simplification** and **modernization**:

Machine learning and AI models are helping us understand price sensitivity and member behavior.

So we can make smarter decisions on where to invest in Price.

In club, automation and computer vision are improving execution.

Helping associates identify issues faster and keeping shelves full for our members.

They improve picking accuracy from steel to floor and strengthen availability.

while also reducing price discrepancy on floor.

helping **build trust with our members**.

Our ambition is clear: **to become the most loved omni membership in Mexico**.

Not by adding complexity, but by mastering fundamentals where:

Availability is reliable.

Prices are trusted.

And convenience is seamless in club and in app.

Sam's Club Mexico has strong foundations.

Clear priorities.

And high sense of urgency.

We are **executing with greater discipline**.

We are **aligned** as a team.

We are **building momentum**.

And we are **laying the groundwork for sustainable, long-term value**.

What gives me the **most confidence** is the energy I see from our teams across the country associates **who are proud of the experience they deliver every day**.

With that, I'd like to invite you to visit our stores and clubs and see what we've discussed this morning.

The execution

The momentum

And the experience our teams are delivering.