

Walmart de México y Centroamérica Reports

First Quarter 2024 Results

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, April 24, 2024

"We had a good start of 2024 with Q1 showcasing a solid double-digit revenue growth in constant currency. Strong growth momentum, outperforming ANTAD's same-store sales growth with the broadest gap in 11 quarters, and growing our eCommerce GMV by 25%, reinforcing our omnichannel leadership. Our ecosystem is accelerating and continues to offer affordability, foster new businesses and deepen customer loyalty."

Gui Loureiro

President and CEO Walmart de México y Centroamérica

First-quarter highlights

- Consolidated revenue grew 9.8% impacted by the Mexican peso appreciation and driven by growth in both regions: 11.2% in Mexico and 8.7% in Central America.
 - Positive impact from calendar effect of 250 bps of revenue growth.
- Strong same-store sales growth of 9.4% in Mexico and 8.0% in Central America.
 - Mexico: ticket grew 4.1% and traffic 5.3%.
 - CAM: ticket grew 2.4% and traffic 5.7%.
- We continue to lead in omnichannel. Mexico eCommerce GMV grew 25%, driven by On-Demand +29% and Marketplace +39%. Central America eCommerce sales grew +80% vs 1Q23.
- Gross margin expanded 30 bps to 23.9%, benefitted by improvement in Mexico with contribution from new verticals and improved omni commercial margin.
- SG&A grew 12.4%, representing 15.7% of revenues, with labor cost increase and investments in strategic growth priorities (new stores, new businesses, eCommerce and talent), partly offset by operational efficiencies.
- Operating income grew 10.6%, growing above revenues and reaching an 8.5% margin.
- EBIDTA grew 10.3%, increasing ahead of revenue growth. Margin expanded 10 basis points to 10.9%.
- Consolidated net income grew 14.4%.
- EPS of 0.756 pesos, which represents an increase of 14.4% vs 1Q23.

Please consider that, when we talk about results in Central America, we are referring to figures on a constant currency basis.

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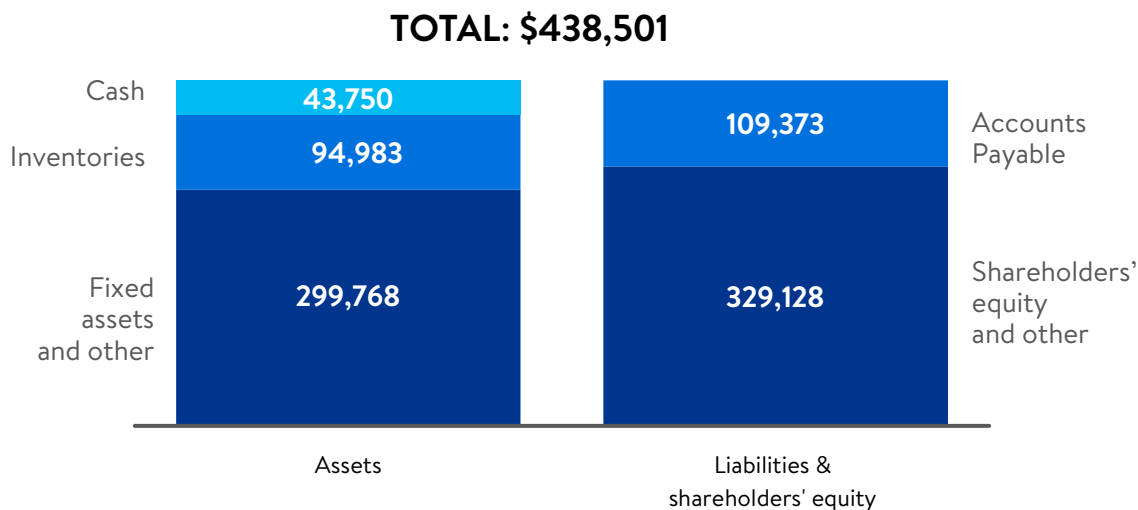
Financial Statements

Consolidated main figures are:

Results	1Q24		1Q23		Growth
	January - March	Millions \$MXN %	Millions \$MXN %		%
Net Sales		224,589		204,601	9.8
Other Income		1,605		1,474	8.9
Total Revenues		226,194		206,075	9.8
Cost of Sales		(172,025)		(157,400)	9.3
Gross Profit		54,169		48,675	11.3
General Expenses		(35,466)		(31,546)	12.4
Income before Other Income Net		18,703		17,129	9.2
Other Income (Expenses) - Net		467		208	125.1
Operating Income		19,170		17,337	10.6
Financial Income (Expenses) - Net		(2,024)		(1,317)	53.6
Taxes		(3,963)		(4,501)	(12.0)
Net Income		13,183		11,519	14.4
EBITDA		24,622		22,316	10.3
EPS (in pesos)		0.756		0.660	14.4

EPS: Earnings per share

Balance Sheet (March 31, 2024 – \$MXN Millions)



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Mexico main figures are:

Results January - March	1Q24		1Q23		Growth
	Millions \$MXN	%	Millions \$MXN	%	%
Total Revenues	190,064	100.0	170,902	100.0	11.2
Gross Profit	45,353	23.9	40,109	23.5	13.1
General Expenses	29,178	15.4	25,505	14.9	14.4
Income before Other Income Net	16,175	8.5	14,604	8.5	10.8
Other Income (Expenses) - Net	369	0.2	165	0.1	122.8
Operating Income	16,544	8.7	14,769	8.6	12.0
EBITDA	21,061	11.1	18,767	11.0	12.2



Central America main figures are:

Results January - March	1Q24		1Q23		Growth Peso terms	Growth Constant currency basis
	Millions \$MXN	%	Millions \$MXN	%	%	%
Total Revenues	36,130	100.0	35,173	100.0	2.7	8.7
Gross Profit	8,816	24.4	8,566	24.4	2.9	9.0
General Expenses	6,288	17.4	6,041	17.2	4.1	9.8
Income before Other Income Net	2,528	7.0	2,525	7.2	0.0	6.9
Other Income (Expenses) - Net	98	0.3	43	0.1	134.1	149.2
Operating Income	2,626	7.3	2,568	7.3	2.2	9.3
EBITDA	3,561	9.9	3,549	10.1	0.3	6.9



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Key Results

We Continue to Win in Discount:





	+130 bps Price perception increase	16.0% Private Brands penetration	+50 bps Var. in Private Brands penetration
	18.9% Private Brands penetration	-125 bps Variation in Private Brands penetration	

We progressed on our goal to lead in omnichannel:

	25% GMV growth	6.6% eCommerce share of Total GMV	39% Marketplace GMV growth
	~80% Marketplace SKUs growth vs 1Q23	~1,300 On Demand stores	+50% Marketplace sellers growth vs 1Q23
	+80% eCommerce sales growth	1.0% eCommerce share of Total GMV	

We're becoming the Ecosystem of choice to our clients and members:

(Mexico figures)

	~50% Credits disbursed increase vs 1Q23	+130k Credits disbursed in 1Q24	220% Total Processed Volume growth vs. 1Q23	20.8% Increase in consolidated factoring income vs. 1Q23
	13.3 million Active users	1.5 million Active users added vs. 4Q23	>20% Increase in traffic with Bait	1.5x Average top-up per month
	34% Business sales growth vs. 1Q23	44% Campaigns vs. 1Q23	2x Income growth in Central America	
	400k Memberships sold in 1Q24	+230% Memberships sold growth vs. 1Q23	11.4% Revenue increase in Pharmacy	

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These are our efforts on Environmental, Social and Governance matters in 1Q24

- We have been recognized as the leading company in the Self-service and Departmental Sector in the 11th edition of the Merco ranking of "The 100 most responsible companies in Mexico".
- We formed a strategic alliance with Banco LAFISE in Central America to support over 500 producers from the Tierra Fértil program. This initiative provides these producers with the necessary financing to enhance their local production, promoting sustainable agriculture and local economic growth.
- In our commitment to community support and disaster relief, we donated 27 tons of essential products to brigades fighting forest fires in Guatemala. This was done in collaboration with the Food Bank "Desarrollo en Movimiento", further demonstrating our commitment to help communities in need.

Other Events in 1Q24

On April 30th, 2024, Ignacio Caride will be proposed to be designated as new CEO of Walmart de Mexico y Centroamerica (Walmex), to continue to further strengthen Walmex’s successful omnichannel strategy and provide continuity to our business. After more than eight years of transformational leadership at Walmex, Guilherme Loureiro, current President and CEO of Walmex, will assume a new responsibility as Executive Vice President and Regional CEO for Canada, Chile and Walmex in Walmart Inc. It is expected that during the second half of 2024, Guilherme Loureiro will be designated as Chair of the Board of Directors of Walmex.

On December 14, 2023, Walmex timely submitted its defense arguments and offered its evidence with COFECE. A resolution in this administrative stage is expected during the second half of 2024. This is the first opportunity for Walmex to defend itself against the Investigative Authority allegations. Walmex is confident that its actions have adhered to the applicable legislation, and that its participation in the Mexican market has resulted in lower prices for consumers, particularly benefiting Mexican families with the lowest incomes, and in remote areas of the country that have not been attended by others, which we will demonstrate in the corresponding instances and in the appropriate forums, in which we will exercise our rights.

Company Description

Walmex is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of March 2024, it operated 3,914 units, broken down as follows:

Openings 1Q24				Total Stores Walmex			
Format	Units	Format	Units	Format	Units	Format	Units
Bodega Aurrera	8	Discount Store	3	Bodega Aurrera	2,427	Discount Store	598
Bodega	1			Bodega	597	Bodega	167
Mi Bodega	1			Mi Bodega	479	Supermarket	98
Bodega Aurrera Express	6			Bodega Aurrera Express	1,351	Walmart Supercenter	36
Walmart Supercenter	1			Walmart Supercenter	317		
Walmarts Express	0			Walmart Express	101		
Sam's Club	0			Sam's Club	170		
Total Mexico	9	Total Central America	3	Total Mexico	3,015	Total Central America	899

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Installed Capacity

Sales Area in m2 (March 31, 2024)

Format	Mexico	Central America
Bodegas and Discount Stores	3,135,361	502,867
Walmarts	2,314,920	185,029
Sam's Clubs	1,223,903	-
Supermarkets	160,989	134,852
Total	6,835,173	822,748

Live Q&A session

Walmart de México y Centroamérica will hold a live Q&A session on April 25th at 7:15 AM (Mexico City time) to discuss the company's 1Q24 earnings results. Access to the session is through:

<https://walmexreportederesultados.com/>

The presentation and transcript will be available both in English and in Spanish at our website.

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
- Corporate YouTube <https://www.youtube.com/user/WalmartMexicoCam>

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Appendix 1: Quarterly Income Statement (million pesos)

	Quarter I				
	2024		2023		% Growth
	\$	% Revenue	\$	% Revenue	
Net Sales	224,589		204,601		
Other Revenues	1,605		1,474		
Total Revenues	226,194	100.0	206,075	100.0	9.8
Cost of Sales	(172,025)	(76.1)	(157,400)	(76.4)	9.3
Gross Profit	54,169	23.9	48,675	23.6	11.3
General Expenses	(35,466)	(15.7)	(31,546)	(15.3)	12.4
Income before other income (expenses) - Net	18,703	8.3	17,129	8.3	9.2
Other Income (expenses) - Net	467	0.2	208	0.1	125.1
Operating Income	19,170	8.5	17,337	8.4	10.6
Financial Income (Expenses) - Net	(2,024)	(0.9)	(1,317)	(0.6)	53.6
Income before taxes on profits	17,146	7.6	16,020	7.8	7.0
Taxes on profits	(3,963)	(1.8)	(4,501)	(2.2)	(12.0)
Net Income	13,183	5.8	11,519	5.6	14.4
EBITDA	24,622	10.9	22,316	10.8	10.3
Earnings per share (in pesos):	0.756		0.660		14.4

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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 three-months period ended on

March 31

	2024	2023
Net sales	\$ 224,588,763	\$ 204,601,244
Other revenues	1,604,855	1,473,738
Total revenues	226,193,618	206,074,982
Cost of sales	(172,025,182)	(157,400,030)
Gross profit	54,168,436	48,674,952
General expenses	(35,466,191)	(31,545,447)
Income before other income and expenses	18,702,245	17,129,505
Other income	607,548	384,150
Other expenses	(140,039)	(176,472)
Operating income	19,169,754	17,337,183
Financial income	752,699	1,099,464
Financial expenses	(2,776,597)	(2,416,954)
Income before income taxes	17,145,856	16,019,693
Income taxes	(3,962,545)	(4,500,726)
Consolidated net income	\$ 13,183,311	\$ 11,518,967
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Cumulative translation adjustment	\$ 160,678	\$ (870,386)
Other comprehensive (loss) income	160,678	(870,386)
Comprehensive income	\$ 13,343,989	\$ 10,648,581
Basic earnings per share (in pesos)	\$ 0.756	\$ 0.660

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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)

	March 31	
	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents	\$ 43,749,785	\$ 46,589,319
Account receivable, net	22,838,408	13,892,283
Inventories	94,983,321	90,579,799
Prepaid expenses and others	950,479	769,502
Total current assets	162,521,993	151,830,903
Non-current assets:		
Property and equipment, net	155,460,091	143,742,442
Right-of-use assets	60,959,218	57,472,677
Investment properties, net	4,879,901	5,416,802
Intangibles properties, net	38,440,631	39,041,107
Deferred tax assets	14,529,659	14,124,798
Other non-current assets	1,709,971	1,890,461
Total assets	\$ 438,501,464	\$ 413,519,190
Liabilities and equity		
Current liabilities:		
Accounts payable	109,373,079	92,999,165
Short-term lease liability	4,394,889	3,466,411
Other accounts payable	30,320,586	71,927,455
Income taxes payable	966,602	2,522,632
Total current liabilities	145,055,156	170,915,663
Long-term liabilities:		
Leases and other long-term liabilities	75,298,741	70,010,466
Income tax liabilities	2,933,215	5,803,060
Employee benefits	2,402,421	2,318,352
Total liabilities	225,689,533	249,047,541
Equity:		
Capital stock	45,429,160	45,468,428
Retained earnings	164,203,342	111,821,534
Other comprehensive income	9,252,389	12,202,146
Premium on sale of shares	5,715,557	5,437,865
Employee stock option plan fund	(11,788,517)	(10,458,324)
Total equity	212,811,931	164,471,649
Total liabilities and equity	\$ 438,501,464	\$ 413,519,190

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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 three-months period ended
on March 31**

	2024	2023
Operating activities		
Income before income taxes	\$ 17,145,856	\$ 16,019,693
Items related to investing activities:		
Depreciation and amortization	5,452,121	4,979,067
Loss from disposal of property and equipment and impairment	(90,673)	(35,377)
Stock option compensation expenses	113,997	119,973
Interest earned	(490,482)	(660,050)
Items related to financing activities:		
Interest on lease liabilities	2,055,378	1,849,479
Unrealized exchange rate fluctuation	46,713	(133,392)
Provision for labor obligations	150,976	164,836
Interest in charge	18,559	8,950
Cash flow from operating activities	24,402,445	22,313,179
Variances in:		
Accounts receivable	(726,100)	1,960,581
Inventories	54,432	(1,471,636)
Prepaid expenses and other assets	12,781	551,188
Accounts payable	(5,035,617)	(5,538,452)
Other accounts payable	(5,363,175)	(4,795,612)
Income tax paid	(4,598,839)	(6,244,221)
Employee benefits	(64,846)	(69,808)
Net cash flow operating activities	8,681,081	6,705,219
Investing activities		
Long-lived assets	(3,210,637)	(2,544,015)
Interest collected	490,482	660,050
Proceeds from sale of property and equipment	181,534	113,267
Employee stock option plan fund	267,908	(2,340,832)
Net cash flow used in from investing activities	(2,270,713)	(4,111,530)
Financing activities		
Interest paid	(18,559)	(8,950)
Payment of leases liability	(2,968,600)	(2,652,871)
Net cash flow used in investing activities	(2,987,159)	(2,661,821)
Effect of changes in the value of cash	(342,409)	(769,740)
Net increase (decrease) in cash and cash equivalents	3,080,800	(837,872)
Cash and cash equivalents at beginning of year	40,668,985	47,427,191
Cash and cash equivalents at end of year	\$ 43,749,785	\$ 46,589,319
Non-cash transactions:		
Additions of right-of-use assets	\$ 305,586	\$ 380,352
Modifications and actualizations	\$ 553,361	\$ 609,304

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