

Walmart de México y Centroamérica Reports Second Quarter and First Half of 2024 Results

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 24, 2024

“I am pleased to share our second quarter results, which are positive, driven by a solid growth from our formats and the strong performance of new stores, which again has exceeded the market by 200 basis points. Our business strategy remains focusing on our omnichannel capabilities to better serve our customer, while placing a higher emphasis on strengthening automation, digitalization, and simplification.

I am confident about our future and committed to delivering stakeholder value and sustainable growth.”

Ignacio Caride

President and CEO of Walmart de México y Centroamérica

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

Second-quarter highlights

- * Consolidated revenue increased 6.4%:
 - o 7.1% in Mexico and 3.2% in Central America.
- * Same-store sales growth of 5.5% in Mexico and 2.6% in Central America.
 - o Mexico: ticket grew 3.7% and traffic 1.8%.
 - o Central America: ticket grew 2.2% and traffic 0.4%.
- * We continue leading in omnichannel. Mexico eCommerce GMV grew 19%, driven by On-Demand +30% and Marketplace +26%. Central America eCommerce GMV grew +80% vs 2Q23.
- * Gross margin expanded 80 basis points to 24.1%, benefitted by improvements in Mexico mainly through new businesses contribution and commercial margins.
- * SG&A grew 14.7%, representing 16.6% of revenues, mainly due to labor cost increase and strategic investments (new stores, new businesses and eCommerce).
- * Operating income grew 6.8%, ahead of revenues and reaching a 7.9% margin.
- * EBITDA grew 7.7%, growing above revenues. Margin expanded 20 basis points to 10.4%.
- * Consolidated net income grew 9.3%.
- * EPS of 0.717 pesos for 2Q24.

First half highlights

- * Consolidated revenue grew 8.1%:
 - o 9.1% in Mexico and 5.9% in Central America.
- * Strong same-store sales growth of 7.4% in Mexico and 5.3% in Central America.
- * eCommerce GMV grew 22%, driven by marketplace acceleration +31% and ~1,350 stores with On-demand delivery capabilities.
- * Gross Margin expanded 50 bps to 24.0% of revenues, mainly due to improvements in Mexico including commercial margin expansion, the contribution from new businesses and supply chain benefits.
- * 13.6% increase in SG&A, accounting for 16.2% of total revenues, driven by growth investments and labor cost increase.
- * Operating income grew 8.7%, resulting in an 8.2% margin.
- * EBITDA margin expanded 10 bps to 10.6% of revenues with a 9.0% growth.
- * Consolidated net income grew 11.9%.
- * EPS of 1.473 pesos for 1H24.

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Financial Statements

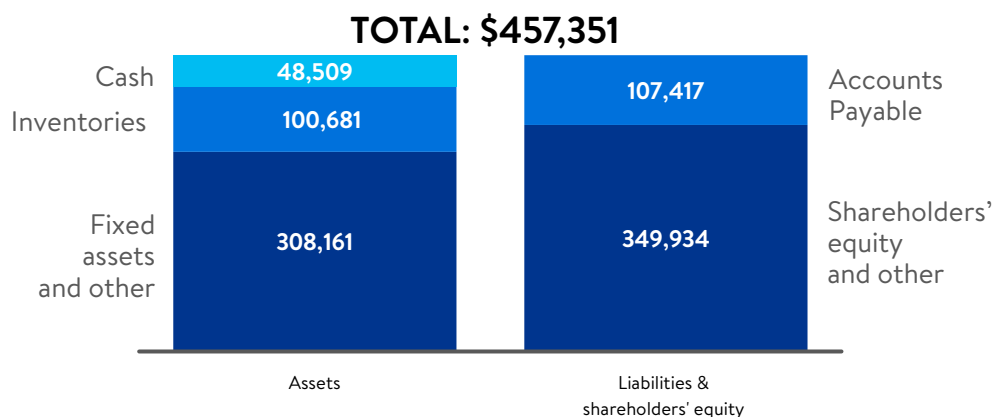
Consolidated main figures are:

Results	2Q24		2Q23		Growth
	April - June	Millions \$MXN	%	Millions \$MXN	
Net Sales	225,746		212,164		6.4
Other Income	1,669		1,561		6.9
Total Revenues	227,415	100.0	213,725	100.0	6.4
Cost of Sales	(172,501)	(75.9)	(163,903)	(76.7)	5.2
Gross Profit	54,914	24.1	49,822	23.3	10.2
General Expenses	(37,827)	(16.6)	(32,973)	(15.4)	14.7
Income before Other Income Net	17,087	7.5	16,849	7.9	1.4
Other Income (Expenses) - Net	897	0.4	(12)	0.0	78.5 x
Operating Income	17,984	7.9	16,837	7.9	6.8
Financial Income (Expenses) - Net	(1,677)	(0.7)	(1,153)	(0.5)	45.5
Taxes	(3,797)	(1.7)	(4,240)	(2.0)	(10.5)
Net Income	12,510	5.5	11,444	5.4	9.3
EBITDA	23,539	10.4	21,863	10.2	7.7
EPS (in pesos)	0.717		0.655		9.3

Results	1H24		1H23		Growth
	January - June	Millions \$MXN	%	Millions \$MXN	
Net Sales	450,335		416,765		8.1
Other Income	3,274		3,035		7.9
Total Revenues	453,609	100.0	419,800	100.0	8.1
Cost of Sales	(344,526)	(76.0)	(321,303)	(76.5)	7.2
Gross Profit	109,083	24.0	98,497	23.5	10.7
General Expenses	(73,294)	(16.2)	(64,519)	(15.4)	13.6
Income before Other Income Net	35,789	7.9	33,978	8.1	5.3
Other Income (Expenses) - Net	1,365	0.3	196	0.0	6.0 x
Operating Income	37,154	8.2	34,174	8.1	8.7
Financial Income (Expenses) - Net	(3,702)	(0.8)	(2,470)	(0.6)	49.8
Taxes	(7,759)	(1.7)	(8,741)	(2.1)	(11.2)
Net Income	25,693	5.7	22,963	5.5	11.9
EBITDA	48,161	10.6	44,180	10.5	9.0
EPS (in pesos)	1.473		1.315		11.9

EPS: Earnings per share X: Times

Balance Sheet (June 30, 2024 – \$MXN Millions)



This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Mexico main figures are:

Results	2Q24		2Q23		Growth
	April - June	Millions \$MXN	%	Millions \$MXN	
Total Revenues	191,345	100.0	178,702	100.0	7.1
Gross Profit	46,162	24.1	41,342	23.1	11.7
General Expenses	31,227	16.3	26,786	15.0	16.6
Income before Other Income Net	14,935	7.8	14,556	8.1	2.6
Other Income (Expenses) - Net	719	0.4	177	0.1	307.2
Operating Income	15,654	8.2	14,733	8.2	6.2
EBITDA	20,253	10.6	18,817	10.5	7.6

Results	1H24		1H23		Growth
	January - June	Millions \$MXN	%	Millions \$MXN	
Total Revenues	381,409	100.0	349,604	100.0	9.1
Gross Profit	91,516	24.0	81,451	23.3	12.4
General Expenses	60,405	15.8	52,291	15.0	15.5
Income before Other Income Net	31,111	8.2	29,160	8.3	6.7
Other Income (Expenses) - Net	1,087	0.3	342	0.1	218.0
Operating Income	32,198	8.4	29,502	8.4	9.1
EBITDA	41,314	10.8	37,585	10.8	9.9

Central America main figures are:



Results	2Q24		2Q23		Growth	
	April - June	Millions \$MXN	%	Millions \$MXN	%	Constant currency basis
Total Revenues	36,070	100.0	35,023	100.0	3.0	3.2
Gross Profit	8,752	24.3	8,480	24.2	3.2	3.4
General Expenses	6,600	18.3	6,187	17.7	6.7	6.8
Income before Other Income Net	2,152	6.0	2,293	6.5	(6.1)	(5.7)
Other Income (Expenses) - Net	178	0.5	(189)	(0.5)	195.0	188.9
Operating Income	2,330	6.5	2,104	6.0	10.8	10.6
EBITDA	3,286	9.1	3,046	8.7	7.9	7.8

Results	1H24		1H23		Growth	
	January - June	Millions \$MXN	%	Millions \$MXN	%	Constant currency basis
Total Revenues	72,200	100.0	70,196	100.0	2.9	5.9
Gross Profit	17,567	24.3	17,046	24.3	3.1	6.2
General Expenses	12,889	17.9	12,228	17.4	5.4	8.3
Income before Other Income Net	4,678	6.5	4,818	6.9	(2.9)	0.9
Other Income (Expenses) - Net	278	0.4	(146)	(0.2)	290.7	287.3
Operating Income	4,956	6.9	4,672	6.7	6.1	9.9
EBITDA	6,847	9.5	6,595	9.4	3.8	7.4



This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Key Results





Focused in Winning in Discount:

2Q24			1H24			
	+120 bps Increase in price perception	15.4% Private Brands penetration	+40 bps Var. in Private Brands penetration	+120 bps Increase in price perception	15.7% Private Brands penetration	+50 bps Var. in Private Brands penetration
	18.6% Private Brands penetration	-135 bps Variation in Private Brands penetration		18.7% Private Brands penetration	-130 bps Variation in Private Brands penetration	

We continue to lead in omnichannel:

2Q24			1H24			
	7.8% eCommerce GMV of total GMV	19% eCommerce GMV growth	26% Marketplace GMV growth	7.1% eCommerce GMV of total GMV	21.5% GMV growth	31% Marketplace GMV growth
	~60% Marketplace SKUs growth	~30% On-demand GMV growth	~14% Share of total sales during HotSale	~1,350 On-demand stores	>400 cities With On-demand	29% On-demand GMV growth
	>80% eCommerce GMV growth	3.2% Walmart & Supermarket eCommerce share of Total Sales				

Being the Ecosystem of choice to our clients and members:

2Q24		1H24		
	164% Total Processed Volume growth	>30% Credits disbursed growth	>280k Credits disbursed	9.8% Increase in factoring income
	13.7 million Active users	+400k Active users growth vs 1Q24	+1.9 million Active users vs end 2023	2.2x Active users base growth
	23% Business sales growth	24% Campaigns growth	27% Business sales growth	32% Campaigns growth
	>600k Memberships sold	~4% Pharmacy sales growth	>1 million Memberships sold	7.5% Pharmacy sales growth

X: times

Note: Active Bait users refers to users with at least one transaction in the last 6 months, including economic transactions (sales to distributors).

Connect Campaigns of largest advertisers without Marketplace.

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

These are our efforts on Environmental, Social and Governance matters in 2Q24.

- * We celebrated the second edition of the "Growth Summit Mexico", an open call to Mexican companies, of all scales, to become part of Walmart's supplier network, which included the participation of 350 companies.
- * In response to the devastation caused by Tropical Storm Alberto, we maintained our commitment to supporting communities in times of need, donating over seven tons of aid in kind to the states of Nuevo Leon and Tamaulipas.
- * We achieved the first place in the ranking of "The 50 most sustainable companies in Mexico" by Mundo Ejecutivo.
- * For the sixth consecutive year, we have been awarded the 2024 Distinction for Companies Committed to the Work Inclusion of People with Disabilities, granted by the *Entrale* Alliance.

Other Events in 2Q24

- * As we have reviewed our operations in Central America, we believe that these businesses are all financially strong, are well placed to serve their customers and communities, and continue to have significant growth potential which is best realized under continued Walmex ownership.
- * After 15 years with Walmart, Leigh Hopkins announced his retirement from Walmart effective August 1st, 2024. Leigh has been on the Board of Walmex since 2022. Leigh joined Walmart in 2009 in Walmart's Asia regional office in Hong Kong, moving to Bentonville in 2011, leading International M&A, later leading areas of International Strategy and Real Estate. In his most recent position as Executive Vice President, International Strategy & Development, Regional CEO for Asia and Walmex, Leigh has worked closely with the Walmex team to support our progress over the past few years.

The Board of Directors of Walmex today designated Venessa Yates to replace Leigh Hopkins as director, effective August 1st, 2024. Venessa's designation is as temporary director, to be ratified in the next general ordinary shareholders' meeting. With over 15 years' experience in the retail industry, Venessa brings a wealth of knowledge in merchandising and omnichannel retail. Following a successful career at Woolworths Group and Aldi Stores Australia, Venessa joined Walmart in 2016, and is currently serving as Senior Vice President and General Manager of Walmart+. You will find Venessa's biography at www.walmex.mx.

Walmex wants to express its appreciation to Leigh in both, his roles as director and Regional CEO, and wish him success in his future endeavors, and welcomes the expertise and knowledge that Venessa brings to its Board.

- * In April, Bodega Aurrera was once again recognized by the Government of Mexico as the self-service chain with the lowest National Average Price for the Basic Grocery Basket.
- * 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.

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of June 2024, it operated 3,938 units, broken down as follows:

Openings 2Q24				Total Stores Walmex			
Format	Units	Format	Units	Format	Units	Format	Units
Bodega Aurrera	18	Discount Store	6	Bodega Aurrera	2,445	Discount Store	604
Bodega	0			Bodega	597	Bodega	167
Mi Bodega	2			Mi Bodega	481	Supermarket	98
Bodega Aurrera Express	16			Bodega Aurrera Express	1,367	Walmart Supercenter	36
Walmart Supercenter	1			Walmart Supercenter	318		
Walmart Express	0			Walmart Express	100		
Sam's Club	0			Sam's Club	170		
Total Mexico	19	Total Central America	6	Total Mexico	3,033	Total Central America	905

Installed Capacity

Sales Area in m² (June 30, 2024)

Format	Mexico	Central America
Bodegas and Discount Stores	3,140,046	504,674
Walmarts	2,320,837	185,029
Sam's Clubs	1,223,903	-
Supermarkets	159,360	134,852
Total	6,844,146	824,555

Live Q&A session

Walmart de México y Centroamérica will hold a live Q&A session on July 25th at 7:15 AM (Mexico City time) to discuss the company's 2Q24 earnings results. Access to the webcast 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	Walmex.Mx	WMMVY
	WMMVY US	WMMVY.Pk	

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Websites

- * Investor Relations: www.walmex.mx
- * Corporate: www.walmartmexico.com
- * Corporate YouTube <https://www.youtube.com/user/WalmartMexicoCam>

Contact

Investor Relations	Corporate Communication
Salvador Villaseñor	Martha Amaya
(52-55) 5283-0289	(52-56) 2368 - 1801
salvador.villaseñor@walmart.com	martha.amaya@walmart.com

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

Appendix 1: Quarterly Income Statement (million pesos)

	Quarter I			Quarter II						
	2024		2023		% Growth	2024		2023		% Growth
	\$	% Revenue	\$	% Revenue		\$	% Revenue	\$	% Revenue	
Net Sales	224,589		204,601			225,746		212,164		
Other Revenues	1,605		1,474			1,669		1,561		
Total Revenues	226,194	100.0	206,075	100.0	9.8	227,415	100.0	213,725	100.0	6.4
Cost of Sales	(172,025)	(76.1)	(157,400)	(76.4)	9.3	(172,501)	(75.9)	(163,903)	(76.7)	5.2
Gross Profit	54,169	23.9	48,675	23.6	11.3	54,914	24.1	49,822	23.3	10.2
General Expenses	(35,466)	(15.7)	(31,546)	(15.3)	12.4	(37,827)	(16.6)	(32,973)	(15.4)	14.7
Income before other income (expenses) - Net	18,703	8.3	17,129	8.3	9.2	17,087	7.5	16,849	7.9	1.4
Other Income (expenses) - Net	467	0.2	208	0.1	125.1	897	0.4	(12)	—	78.5 v
Operating Income	19,170	8.5	17,337	8.4	10.6	17,984	7.9	16,837	7.9	6.8
Financial Income (Expenses) - Net	(2,024)	(0.9)	(1,317)	(0.6)	53.6	(1,677)	(0.7)	(1,153)	(0.5)	45.5
Income before taxes on profits	17,146	7.6	16,020	7.8	7.0	16,307	7.2	15,684	7.3	4.0
Taxes on profits	(3,963)	(1.8)	(4,501)	(2.2)	(12.0)	(3,797)	(1.7)	(4,240)	(2.0)	(10.5)
Net Income	13,183	5.8	11,519	5.6	14.4	12,510	5.5	11,444	5.4	9.3
EBITDA	24,622	10.9	22,316	10.8	10.3	23,539	10.4	21,863	10.2	7.7
Earnings per share (in pesos):	0.756		0.660		14.4	0.717		0.655		9.3

X: Times

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

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 on

June 30

	2024	2023
Net sales	\$ 450,334,927	\$ 416,764,782
Other revenues	3,273,808	3,035,039
Total revenues	453,608,735	419,799,821
Cost of sales	(344,525,807)	(321,302,945)
Gross profit	109,082,928	98,496,876
General expenses	(73,293,590)	(64,518,524)
Income before other income and expenses	35,789,338	33,978,352
Other income	1,703,130	826,444
Other expenses	(338,612)	(630,334)
Operating income	37,153,856	34,174,462
Financial income	1,807,070	1,906,182
Financial expenses	(5,508,362)	(4,376,635)
Income before income taxes	33,452,564	31,704,009
Income taxes	(7,759,128)	(8,740,951)
Consolidated net income	\$ 25,693,436	\$ 22,963,058
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Actuarial results on employee benefits, net of income tax		
Cumulative translation adjustment	\$ 5,422,359	\$ (4,981,652)
Other comprehensive (loss) income	5,422,359	(4,981,652)
Comprehensive income	\$ 31,115,795	\$ 17,981,406
Basic earnings per share (in pesos)	\$ 1.473	\$ 1.315

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

WALMART DE MEXICO, S.A.B DE C.V. AND SUBSIDIARIES

Consolidated Statement of Financial Position

(Amounts in thousands of Mexican pesos)

	June 30	
	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents	\$ 48,509,093	\$ 45,036,190
Account receivable, net	20,708,162	13,370,446
Inventories	100,680,419	89,007,885
Prepaid expenses and others	1,970,298	1,148,341
Total current assets	171,867,972	148,562,862
Non-current assets:		
Property and equipment, net	161,297,475	143,725,595
Right-of-use assets	61,710,819	61,228,323
Investment properties, net	4,844,314	5,381,520
Intangibles properties, net	40,977,001	37,158,071
Deferred tax assets	14,902,706	14,706,058
Other non-current assets	1,751,069	1,838,684
Total assets	\$ 457,351,356	\$ 412,601,113
Liabilities and equity		
Current liabilities:		
Accounts payable	107,417,216	92,545,051
Short-term lease liability	4,493,952	3,895,422
Other accounts payable	68,689,726	60,094,411
Income taxes payable	1,841,326	3,651,616
Total current liabilities	182,442,220	160,186,500
Long-term liabilities:		
Leases and other long-term liabilities	76,209,776	73,576,037
Income tax liabilities	2,705,330	5,497,342
Employee benefits	2,446,743	2,324,028
Total liabilities	263,804,069	241,583,907
Equity:		
Capital stock	45,429,160	45,468,428
Retained earnings	139,319,991	123,287,871
Other comprehensive income	14,514,070	8,090,880
Premium on sale of shares	5,820,006	5,547,740
Employee stock option plan fund	(11,535,940)	(11,377,713)
Total equity	193,547,287	171,017,206
Total liabilities and equity	\$ 457,351,356	\$ 412,601,113

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

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 on

June 30

	2024	2023
Operating activities		
Income before income taxes	\$ 33,452,564	\$ 31,704,009
Items related to investing activities:		
Depreciation and amortization	11,006,748	10,005,428
Loss from disposal of property and equipment and impairment	(352,563)	63,675
Stock option compensation expenses	220,379	227,703
Interest earned	(1,253,974)	(1,397,089)
Items related to financing activities:		
Interest on lease liabilities	4,170,329	3,729,560
Unrealized exchange rate fluctuation	134,410	14,835
Provision for labor obligations	234,051	330,233
Interest in charge	27,327	16,766
Cash flow from operating activities	47,639,271	44,695,120
Variances in:		
Accounts receivable	1,870,024	2,396,127
Inventories	(4,598,982)	(609,097)
Prepaid expenses and other assets	(945,807)	150,882
Accounts payable	(8,591,644)	(5,240,595)
Other accounts payable	(5,728,710)	(3,365,296)
Income tax paid	(7,762,425)	(9,762,353)
Employee benefits	(210,047)	(158,632)
Net cash flow operating activities	21,671,680	28,106,156
Investing activities		
Long-lived assets	(10,912,523)	(8,246,864)
Interest collected	1,253,974	1,397,089
Proceeds from sale of property and equipment	556,953	153,303
Employee stock option plan fund	518,551	(3,258,076)
Other cash outflows	—	(169,023)
Net cash flow used in from investing activities	(8,583,045)	(10,123,571)
Financing activities		
Dividend payment	—	(12,943,491)
Interest paid	(27,327)	(16,766)
Payment of leases liability	(6,008,047)	(5,352,940)
Net cash flow used in investing activities	(6,035,374)	(18,313,197)
Effect of changes in the value of cash	786,847	(2,060,389)
Net increase (decrease) in cash and cash equivalents	7,840,108	(2,391,001)
Cash and cash equivalents at beginning of year	40,668,985	47,427,191
Cash and cash equivalents at end of year	\$ 48,509,093	\$ 45,036,190
Non-cash transactions:		
Additions of right-of-use assets	\$ 648,737	\$ 5,049,885
Modifications and actualizations	\$ 1,945,541	\$ 1,501,739

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.