# Walmart de México y Centroamérica Reports Results for the Fourth Quarter 2020

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, February 18, 2021

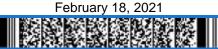
### Financial Results

Today Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX) reported financial results for the fourth quarter of 2020. Total revenues increased 5.5%. EBITDA for the quarter amounted to \$22.3 billion pesos, which represented 11.4% of total revenues, an increase of 8.5% over last year's levels.

Main figures are:

Results	2020		2019	2019		Growth
October - December	Million \$MXN	%	Million \$MXN	%		%
Net Sales	194,724		184,369			5.6
Other Income	1,264		1,375	_	_	(8.1)
Total Revenues	195,988	100.0	185,744	100.0		5.5
Cost of Sales	(150,642)	(76.9)	(143,627)	(77.3)	_	4.9
Gross Profit	45,346	23.1	42,117	22.7		7.7
General Expenses	(27,553)	(14.1)	(25,989)	(14.0)	_	6.0
Income before Other Income Net	17,793	9.1	16,128	8.7		10.3
Other Income (Expenses) - Net	81	0.0	72	0.0	_	13.4
Operating Income	17,874	9.1	16,200	8.7		10.3
Financial Income (Expenses) - Net	(1,191)	(0.6)	(1,391)	(0.7)		(14.3)
Taxes	(4,080)	(2.1)	(3,577)	(1.9)		14.1
Net Income	12,603	6.4	11,232	6.0		12.2
EBITDA	22,347	11.4	20,591	11.1		8.5
EPS (in pesos) EPS= Earnings per share	0.722		0.643			12.2

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Results	2020		2019	2019		
January – December	Million \$MXN	%	Million \$MXN	%	%	
Net Sales	696,711		641,825		8.6	
Other Income	5,023		5,021	_	0.0	
Total Revenues	701,734	100.0	646,846	100.0	8.5	
Cost of Sales	(539,694)	(76.9)	(498,795)	(77.1)	8.2	
Gross Profit	162,040	23.1	148,051	22.9	9.4	
General Expenses	(105,042)	(15.0)	(94,427)	(14.6)	11.2	
Income before Other Income Net	56,998	8.1	53,624	8.3	6.3	
Other Income (Expenses) - Net	449	0.1	379	0.1	18.7	
Operating Income	57,447	8.2	54,003	8.3	6.4	
Financial Income (Expenses) - Net	(7,983)	(1.1)	(4,801)	(0.7)	66.3	
Taxes	(16,029)	(2.3)	(11,304)	(1.7)	41.8	
Net Income	33,435	4.8	37,898	5.9	(11.8)	
EBITDA	75,387	10.7	71,005	11.0	6.2	
EPS (in pesos) EPS= Earnings per share	1.915		2.170		(11.8)	

# Openings Q4 2020

Mexico: 35 units

28 Bodegas Aurrerá

1 Bodega Aurrerá

o 7 Mi Bodegas

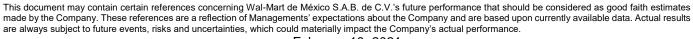
o 20 Bodegas Aurrerá Express

5 Walmarts

2 Walmarts Express and 4 conversions

Central America: 2 units

2 Bodegas



# Installed Capacity

Sales Area in m² (December 31, 2020)								
Format	Mexico	Central America						
Bodegas and Discount Stores	2,924,778	482,312						
Walmarts	2,153,275	180,325						
Sam's Clubs	1,171,760							
Supermarkets	145,671	136,849						
Walmart Express	8,012							
Total	6,403,496	799,486						

### Other Events

**Walmart Mexico and Central America** ranked 32nd in the ranking of "The 50 Most Sustainable Companies in Mexico", as one of the companies with strong sustainability programs considered in the decision making process.

**Walmart Mexico and Central America** was included in the ranking of "The 1000 Most Important Companies in Mexico". Obtaining the following positions: **Walmart Mexico and Central America** 6<sup>th</sup> place, **Walmart 28**<sup>th</sup> place, **Bodega Aurrera** 19<sup>th</sup> place, **Sam's Club** 45<sup>th</sup> place and **Superama** 175<sup>th</sup> place.

**Walmart Mexico and Central America** obtained the 2nd position within the ranking "The 100 companies with the Best Responsibility and Corporate Governance in Mexico" by the Business Monitor of Corporate Responsibility (MERCO) and the 1st position in the self-service sector.

Claudia De la Vega, Director of Corporate Affairs for **Walmart Mexico and Central America** was included in the "Líderes de la Sustentabilidad" Report. Being a key contributor in implementing programs and processes at the Company to move towards a green and sustainable economy.

Walmart Mexico Foundation obtained the 4th position in the report "Philanthropic Companies and Foundations", thanks to the actions and advances it has had in the work of rebuilding the social fabric, focused on children, men and women in vulnerable situations.

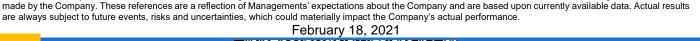
### Conference Call

Walmart de México y Centroamérica will hold a webcast today at 8:30 AM (CT) regarding fourth quarter 2020 results. Access to the webcast is through:

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- Investor relations website www.walmex.mx
- Link

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





# **Company Description**

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **December, 2020**, it operated **3,489** units, broken down as follows:

2,634	Mexico	855	Central America
2,088	Bodegas Aurrerá:	563	Discount Stores
	549 Bodegas	100	Supermarkets
	406 Mi Bodegas	35	Walmarts
	1,133 Bodegas Express	157	Bodegas
287	Walmarts		
164	Sam's Clubs		
89	Superamas		
6	Walmart Express		

# **Ticker Symbols**

Mexican Stock Exchange:	Bloomberg:	Reuters:	ADR's sponsored program:
Walmex	Walmex* MM	Walmex.Mx	WMMVY
	WMMVY US	WMMVY.Pk	

## Websites

Investor Relations: <a href="https://www.walmex.mx">www.walmex.mx</a>
Corporate: <a href="https://www.walmartmexico.com">www.walmartmexico.com</a>

From the different formats:

www.walmart.com.mx www.sams.com.mx www.superama.com.mx www.bodegaaurrera.com.mx

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# Appendix 1: Quarterly Income Statement (millons of pesos)

			Quarter I			Quarter II					Quarter III				Quarter IV					
	20:	20	201	19	%	2020		2019		%	202	0	2019		%	202	20	2019	)	%
	\$	%Sales.	\$	% Sales.	Growth.	\$	%Sales	\$	% Sales.	Growth.	\$	%Sales.	\$	%Sales.	Grow th.	\$	%Sales.	\$	%Sales.	Growth.
Net Sales	169,957		150,534		12.9	167,875		153,149		9.6	164,154		153,773		6.8	194,724		184,369		5.6
Other Revenues	1,377	_	1,200	_	14.7	1,151		1,201		(4.2)	1,232		1,246		(1.1)	1,264	_	1,375		(8.1)
Total Revenues	171,334	100.0	151,734	100.0	12.9	169,026	100.0	154,350	100.0	9.5	165,386	100.0	155,019	100.0	6.7	195,988	100.0	185,744	100.0	5.5
Cost of Sales	(132,270)	(77.2)	(117,237)	(77.3)	12.8	(130,492)	(77.2)	(119,440)	(77.4)	9.3	(126,291)	(76.4)	(118,492)	(76.4)	6.6	(150,642)	(76.9)	(143,627)	(77.3)	4.9
Gross Profit	39,064	22.8	34,497	22.7	13.2	38,534	22.8	34,910	22.6	10.4	39,095	23.6	36,527	23.6	7.0	45,346	23.1	42,117	22.7	7.7
General Expenses	(24,689)	(14.4)	(22,228)	(14.6)	11.1	(27,351)	(16.2)	(22,952)	(14.9)	19.2	(25,448)	(15.4)	(23,257)	(15.0)	9.4	(27,553)	(14.1)	(25,989)	(14.0)	6.0
Income before other income (expenses) - Net	14,375	8.4	12,269	8.1	17.2	11,183	6.6	11,958	7.7	(6.5)	13,647	8.3	13,270	8.6	2.8	17,793	9.1	16,128	8.7	10.3
Other Income (expenses) - Net	265	0.2	70	_	2.8 x	(34)	_	122	_	(1.3) x	136	0.1	114	0.1	19.7	81	0.0	72	0.0	13.4
Operating Income	14,640	8.5	12,339	8.1	18.6	11,149	6.6	12,080	7.8	(7.7)	13,783	8.3	13,384	8.6	3.0	17,874	9.1	16,200	8.7	10.3
Financial Income (Expenses) - Net	(1,610	(0.9)	(1,002)	(0.7)	60.6	(3,735)	(2.2)	(1,074)	(0.7)	247.6	(1,447)	(0.9)	(1,333)	(0.9)	8.5	(1,191	<u>(0.6)</u>	(1,391)	(0.7)	(14.3)
Income before taxes on profits	13,030	7.6	11,337	7.5	14.9	7,414	4.4	11,006	7.1	(32.6)	12,336	7.5	12,051	7.8	2.4	16,683	8.5	14,809	8.0	12.7
Taxes on profits	(3,033)	(1.8)	(2,673)	(1.8)	13.5	(5,752)	(3.4)	(2,255)	(1.5)	155.1	(3,164)	(1.9)	(2,800)	(1.8)	13.0	(4,080)	(2.1)	(3,577)	(1.9)	14.1
Net Income	9,997	5.8	8,664	5.7	15.4	1,662	1.0	8,751	5.7	(81.0)	9,172	5.5	9,251	6.0	(0.9)	12,603	6.4	11,232	6.0	12.2
EBITDA	19,050	11.1	16,462	10.8	15.7	15,734	9.3	16,276	10.5	(3.3)	18,257	11.0	17,677	11.4	3.3	22,347	11.4	20,591	11.1	8.5
Earnings per share (in pesos): X=Times	0.573		0.496		15.4	0.095		0.501		(81.0)	0.525		0.530		(0.9)	0.722		0.643		12.2

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February 18, 2021



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

## **Consolidated Statements of Comprehensive Income**

(Amounts in thousands of Mexican pesos)

#### Year ended

## **December 31**

		2020	2019
Net sales		696,710,854	 641,824,646
Other revenues		5,023,310	5,021,788
Total revenues	-	701,734,164	 646,846,434
Cost of sales		(539,694,249)	(498,795,631)
Gross profit		162,039,915	 148,050,803
General expenses		(105,041,809)	(94,426,416)
Income before other income and expenses		56,998,106	 53,624,387
Other income		1,069,547	1,113,372
Other expenses		(620,372)	(735,073)
Operating Income		57,447,281	 54,002,686
Financial income		3,512,917	2,260,056
Financial expenses		(11,496,111)	(7,060,623)
Income before income taxes		49,464,087	 49,202,119
Income taxes		(16,029,226)	(11,304,347)
Consolidated net income	\$	33,434,861	\$ 37,897,772
Other comprehensive income items:  Items that do not reclassify to profit or loss of years:  Actuarial results on employee benefits, net of income taxes  Items that may be reclassified subsequently to profits or		(423,816)	(496,214)
loss:		(005 570)	(004 475)
Cumulative translation adjustment		(305,573)	 (281,475)
Other comprehensive (loss) income items		(729,389)	 (777,689)
Comprehensive income	\$	32,705,472	\$ 37,120,083
Basic earnings per share (in pesos)	\$	1.915	\$ 2.170

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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)

	December 31			
	2020	2019		
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 35,670,360	\$ 30,857,090		
Account receivable, net	16,993,754	13,716,962		
Inventories	68,360,474	67,553,214		
Prepaid expenses and other	700,350	1,777,900		
Total current assets	121,724,938	113,905,166		
Non-current assets:				
Property and equipment, net	134,828,617	132,119,505		
Right of use assets -net	50,319,784	49,675,185		
Investment properties, net	6,305,920	6,644,218		
Intangible assets, net	37,552,016	37,083,590		
Deferred tax assets	9,108,261	7,908,566		
Other non-current assets	2,043,565	1,836,039		
Total assets	<u>\$ 361,883,101</u>	\$ 349,172,269		
Liabilities and equity				
Current liabilities:				
Accounts payable	\$92,356,297	\$87,115,823		
Short-term lease liability	3,216,799	3,044,328		
Other accounts payable	24,840,589	21,117,370		
Income taxes payable	2,656,232	2,221,427		
Total current liabilities	123,069,917	113,498,948		
Long-term liabilities:				
Leases and other long-term liabilities	60,706,593	58,698,700		
Income tax liabilities	6,402,935	6,741,568		
Employee benefits	2,584,963	2,088,286		
Total liabilities	192,764,408	181,027,502		
Equity:				
Capital stock	45,468,428	45,468,428		
Retained earnings	111,361,546	108,860,208		
Other comprehensive income items	14,411,368	15,140,757		
Premium on sale of shares	4,543,745	4,318,104		
Employee stock option plan fund	(6,666,394)	(5,642,730)		
Total equity	169,118,693	168,144,767		
Total liabilities and equity	<u>\$ 361,883,101</u>	\$ 349,172,269		

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Walmart :
México y Centroamérica

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

### **Consolidated Statement of Cash Flows**

(Amounts in thousands of Mexican pesos)

# Year ended December 31

		December	31		
		2020	2019		
Operating activities					
Income before income taxes		\$ 49,464,087	\$ 49,202,119		
Items related to investing activities:					
Depreciation and amortization		17,939,624	17,002,507		
Loss from disposal of property and equipment and impairment		(58,314)	126,777		
Stock option compensation expenses		386,922	330,777		
Interest earned		(986,291)	(1,218,688)		
Items related to financing activities:					
Interest on lease liabilities		6,409,888	6,209,972		
Unrealized exchange rate fluctuation		(615,274)	112,162		
Provision of labor obligations		585,943	496,173		
Interest accrued		94,861	244,617		
Cash flow from operating activities		73,221,446	72,506,416		
Variances in:					
Accounts receivable		(2,711,141)	(1,980,704)		
Inventories		(562,523)	(4,385,071)		
Prepaid expenses and other		706,083	106,526		
Accounts payable		4,938,201	2,153,057		
Other accounts payable		2,703,941	(912,022)		
Income tax paid		(16,191,826)	(9,450,296)		
Employee benefits		(731,115)	(681,411)		
Net cash flow from operating activities		61,373,066	57,356,495		
Investing activities					
Long-lived assets		(16,728,102)	(20,574,830)		
Interest collected		986,291	1,218,688		
Proceeds from sale of property and equipment		397,872	218,959		
Employee stock option plan fund		(1,184,945)	(543,916)		
Net cash flow used in investing activities		(16,528,884)	(19,681,099)		
Financing activities					
Dividends paid		(30,933,523)	(35,957,290)		
Interest paid		(94,861)	(244,617)		
Payment of leases liability		(8,675,223)	(8,076,297)		
Net cash flow used in financing activities		(39,703,607)	(44,278,204)		
Effect of changes in the value of cash		(327,305)	(1,369,700)		
Net increase (decreased) in cash and cash equivalents		4,813,270	(7,972,508)		
Cash and cash equivalents at beginning of year		30,857,090	38,829,598		
Cash and cash equivalents at end of year	\$	35,670,360 \$	30,857,090		
Non-cash transactions:					
Additions of right-of-use assets	\$	1,819,675 \$	2,447,597		
Right of use assets remeasurements	\$	2,853,228 \$	5,670,229		
	-				

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