

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

EPS= Earnings per share

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February 18, 2021

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

### Openings Q4 2020

#### Mexico: 35 units

- 28 Bodegas Aurrerá
  - o 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

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February 18, 2021

## Installed Capacity

Sales Area in m <sup>2</sup> (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	
<b>Total</b>	<b>6,403,496</b>	<b>799,486</b>

## 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 (MERCOC) 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:

- Investor relations website [www.walmex.mx](http://www.walmex.mx)
- [Link](#)

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

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February 18, 2021

## 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:

<b>2,634 Mexico</b>	<b>855 Central America</b>
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

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

## Websites

Investor Relations: [www.walmex.mx](http://www.walmex.mx)

Corporate: [www.walmartmexico.com](http://www.walmartmexico.com)

From the different formats:

[www.walmart.com.mx](http://www.walmart.com.mx)   [www.sams.com.mx](http://www.sams.com.mx)   [www.superama.com.mx](http://www.superama.com.mx)   [www.bodegaurrera.com.mx](http://www.bodegaurrera.com.mx)

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

	Quarter I					Quarter II					Quarter III					Quarter IV				
	2020		2019		%	2020		2019		%	2020		2019		%	2020		2019		%
	\$	%Sales.	\$	%Sales.		\$	%Sales.	\$	%Sales.		\$	%Sales.	\$	%Sales.		\$	%Sales.	\$	%Sales.	
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)
<b>Total Revenues</b>	<b>171,334</b>	<b>100.0</b>	<b>151,734</b>	<b>100.0</b>	<b>12.9</b>	<b>169,026</b>	<b>100.0</b>	<b>154,350</b>	<b>100.0</b>	<b>9.5</b>	<b>165,386</b>	<b>100.0</b>	<b>155,019</b>	<b>100.0</b>	<b>6.7</b>	<b>195,988</b>	<b>100.0</b>	<b>185,744</b>	<b>100.0</b>	<b>5.5</b>
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
<b>Gross Profit</b>	<b>39,064</b>	<b>22.8</b>	<b>34,497</b>	<b>22.7</b>	<b>13.2</b>	<b>38,534</b>	<b>22.8</b>	<b>34,910</b>	<b>22.6</b>	<b>10.4</b>	<b>39,095</b>	<b>23.6</b>	<b>36,527</b>	<b>23.6</b>	<b>7.0</b>	<b>45,346</b>	<b>23.1</b>	<b>42,117</b>	<b>22.7</b>	<b>7.7</b>
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
<b>Income before other income (expenses) - Net</b>	<b>14,375</b>	<b>8.4</b>	<b>12,269</b>	<b>8.1</b>	<b>17.2</b>	<b>11,183</b>	<b>6.6</b>	<b>11,958</b>	<b>7.7</b>	<b>(6.5)</b>	<b>13,647</b>	<b>8.3</b>	<b>13,270</b>	<b>8.6</b>	<b>2.8</b>	<b>17,793</b>	<b>9.1</b>	<b>16,128</b>	<b>8.7</b>	<b>10.3</b>
Other Income (expenses) - Net	265	0.2	70	—	2.8	(34)	—	122	—	(1.3)	136	0.1	114	0.1	19.7	81	0.0	72	0.0	13.4
<b>Operating Income</b>	<b>14,640</b>	<b>8.5</b>	<b>12,339</b>	<b>8.1</b>	<b>18.6</b>	<b>11,149</b>	<b>6.6</b>	<b>12,080</b>	<b>7.8</b>	<b>(7.7)</b>	<b>13,783</b>	<b>8.3</b>	<b>13,384</b>	<b>8.6</b>	<b>3.0</b>	<b>17,874</b>	<b>9.1</b>	<b>16,200</b>	<b>8.7</b>	<b>10.3</b>
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)	(0.6)	(1,391)	(0.7)	(14.3)
<b>Income before taxes on profits</b>	<b>13,030</b>	<b>7.6</b>	<b>11,337</b>	<b>7.5</b>	<b>14.9</b>	<b>7,414</b>	<b>4.4</b>	<b>11,006</b>	<b>7.1</b>	<b>(32.6)</b>	<b>12,336</b>	<b>7.5</b>	<b>12,051</b>	<b>7.8</b>	<b>2.4</b>	<b>16,683</b>	<b>8.5</b>	<b>14,809</b>	<b>8.0</b>	<b>12.7</b>
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
<b>Net Income</b>	<b>9,997</b>	<b>5.8</b>	<b>8,664</b>	<b>5.7</b>	<b>15.4</b>	<b>1,662</b>	<b>1.0</b>	<b>8,751</b>	<b>5.7</b>	<b>(81.0)</b>	<b>9,172</b>	<b>5.5</b>	<b>9,251</b>	<b>6.0</b>	<b>(0.9)</b>	<b>12,603</b>	<b>6.4</b>	<b>11,232</b>	<b>6.0</b>	<b>12.2</b>
<b>EBITDA</b>	<b>19,050</b>	<b>11.1</b>	<b>16,462</b>	<b>10.8</b>	<b>15.7</b>	<b>15,734</b>	<b>9.3</b>	<b>16,276</b>	<b>10.5</b>	<b>(3.3)</b>	<b>18,257</b>	<b>11.0</b>	<b>17,677</b>	<b>11.4</b>	<b>3.3</b>	<b>22,347</b>	<b>11.4</b>	<b>20,591</b>	<b>11.1</b>	<b>8.5</b>
<b>Earnings per share (in pesos):</b>	0.573		0.496		15.4	0.095		0.501		(81.0)	0.525		0.530		(0.9)	0.722		0.643		12.2
X=Times																				

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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:		
<u>Items that do not reclassify to profit or loss of years:</u>		
Actuarial results on employee benefits, net of income taxes	(423,816)	(496,214)
<u>Items that may be reclassified subsequently to profits or loss:</u>		
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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February 18, 2021



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
<b>Assets</b>		
<b>Current assets:</b>		
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
<b>Total current assets</b>	<b>121,724,938</b>	<b>113,905,166</b>
<b>Non-current assets:</b>		
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
<b>Total assets</b>	<b>\$ 361,883,101</b>	<b>\$ 349,172,269</b>
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
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
<b>Total current liabilities</b>	<b>123,069,917</b>	<b>113,498,948</b>
<b>Long-term liabilities:</b>		
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
<b>Total liabilities</b>	<b>192,764,408</b>	<b>181,027,502</b>
<b>Equity:</b>		
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)
<b>Total equity</b>	<b>169,118,693</b>	<b>168,144,767</b>
<b>Total liabilities and equity</b>	<b>\$ 361,883,101</b>	<b>\$ 349,172,269</b>

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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)

	<b>Year ended</b>	
	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
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	<b>73,221,446</b>	<b>72,506,416</b>
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	<b>61,373,066</b>	<b>57,356,495</b>
<b>Investing activities</b>		
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	<b>(16,528,884)</b>	<b>(19,681,099)</b>
<b>Financing activities</b>		
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	<b>(39,703,607)</b>	<b>(44,278,204)</b>
Effect of changes in the value of cash	(327,305)	(1,369,700)
<b>Net increase (decreased) in cash and cash equivalents</b>	<b>4,813,270</b>	<b>(7,972,508)</b>
Cash and cash equivalents at beginning of year	30,857,090	38,829,598
Cash and cash equivalents at end of year	<b>\$ 35,670,360</b>	<b>\$ 30,857,090</b>
Non-cash transactions:		
Additions of right-of-use assets	<b>\$ 1,819,675</b>	<b>\$ 2,447,597</b>
Right of use assets remeasurements	<b>\$ 2,853,228</b>	<b>\$ 5,670,229</b>

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