



Win in Discount

WHAT DID WE ACHIEVE TOGETHER?

Help our customers save money and time so they can live better. We give them access to products and services at the lowest prices.

100bps

self-service price gap expansion in Mexico

80bps

increase in Private Brands penetration in Mexico



I am Andrea
Bodega Aurrera customer

"I have a tight budget. I take every opportunity to save"

We are the low-price leaders

We contribute to the well-being of our customers and members by offering the best prices on high quality products.

This year, our customers needed our help to cope with increasing prices, so we focused on several initiatives to help them save money and afford a full basket.



Low Cost Operation

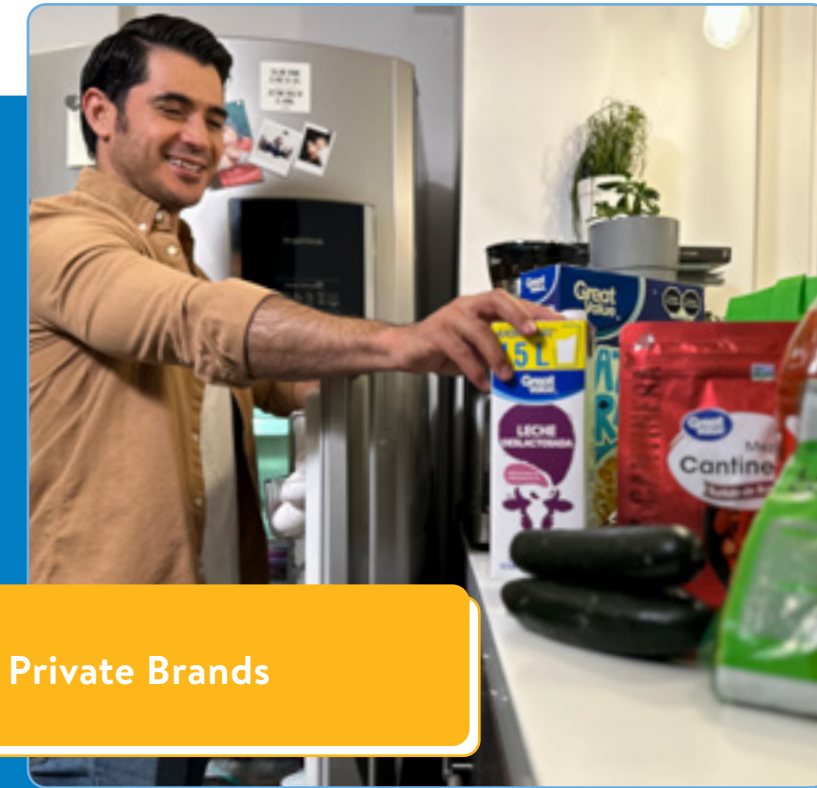


1

Low Prices

2

Private Brands



By enhancing our Customer Value Proposition, we helped our customers to save money and live better

3

Efficient Assortment





1 LOW PRICES

At Walmart de México y Centroamérica, we provide access to different products and services that improve the lives of Mexican families, at prices our customers can afford. We help them buy more for less money, so they can make the most of their budget.

We have a unique positioning thanks to our self-service stores, especially our discount formats such as Bodega and Pali

Every day low prices

Given the high inflation rates affecting our customers' economies, at Bodega we worked non-stop to fulfill our promise of Every Day Low Prices. We reached an all-time high price gap for the second consecutive year while maintaining the quality of our products, seeking to provide our customers with the best shopping experience.

At Bodega, with our **"Morralla"** campaign, we offered +2,800 items in a range of five to 35 pesos, which allowed our customers to purchase full baskets. In addition, we helped our customers save money by locking in prices for up to 90 days, ensuring that the basic food basket remains accessible to everyone.

At Walmart Supercenter, we created **"Los Básicos de tu Canasta"** (The Basics of Your Basket) program focused on fighting inflation and taking care of our customers' economy with low prices on more than 100 products. Thanks to these efforts, NPS rates improved compared to the previous year, and the price differential improved, keeping us in line with the goal set at the beginning of the year.

In Central America, we have important commercial campaigns such as **"Precios Rojos"**, **"Quetzales Campeones"** and **" Súper Bombazos"**, focused on setting prices for basic items in our Bodega and Descuento formats. We have also improved our communication through campaigns such as **" Súper Ahorros"** and **"Llena tu Carrito a Precio Pali"**. All of these strategies have allowed us to better position our company, gain market share, and offer basic consumer products at the most accessible prices in the region.



Package Against Inflation and Scarcity (*Paquete Contra la Inflación y la Carestía - PACIC*)

During 2022, we joined the Federal Government's efforts in the fight against inflation within the Package Against Inflation and Scarcity (PACIC, in Spanish), implementing it in all of our self-service stores during its first phase in May. In this way, we reaffirm our commitment to work hand in hand with our suppliers in order to bring our customers the lowest prices every day for the benefit of their economy.



100_{bps}

We invested aggressively in prices and expanded our price gap by 100 bps vs. 2021



2

PRIVATE BRANDS

In this challenging year, **Private Brands** were a great ally for customers in acquiring their basic pantry items, consistently offering them the best value for their money through pricing, assortment, and quality.

We reinforced our private brand offering, **launching new items with great quality** so customers had options at a price they can afford to bring a full basket to their homes.

At Walmart Supercenter, the Private Brands offering was strengthened with high-quality products without our customers having to spend more money. Our products **were assigned with more shelf space** and we launched a greater variety of products, such as electrolytes, yogurt, and olive oil, among others. This allowed penetration of our Private Brands to increase considerably, demonstrating that our customers appreciated our efforts.



Thanks to those efforts,
Private Brands' sales
penetration increased 80 bps
in Mexico and 200 bps in
Central America



This year, we want to highlight **Sam's Club**, where **Private Brand penetration grew 260 bps**. Members' Mark is key to drive value to our Sam's members, they can find exclusive items at great prices and that is one of the reasons Sam's performance was very appreciated by our customers.

In **Central America**, we are reinforcing our leadership in prices and benefits. **Our Private Brands penetration grew 200 bps**. We work to improve our value proposition to customers through **programs such as "Tierra Fértil"**, and **support to suppliers**. A successful example was swapping hands of bananas for loose banana fingers that we buy directly from the producer, allowing us to sell them for 10 cents on the dollar and thus giving our customers the opportunity to fulfill their food needs for less money.

3 EFFICIENT ASSORTMENT

One of the ways to Win at a Discount this year was by **extending our assortment and its availability.**

In 2022, we implemented an efficient assortment initiative, supported by an omnichannel category strategy.



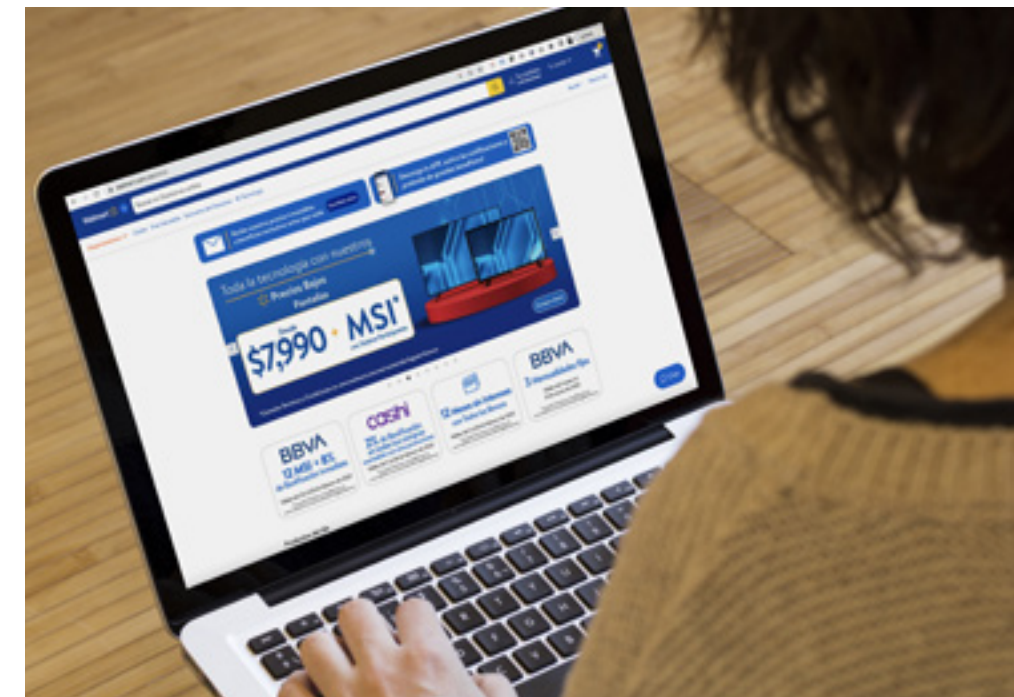
Another example in Walmart Supercenter, was that based on a demand analysis we reduced the number of SKUs at stores for juices by 40% moving them to online, with this change we increase both brick and online sales by ~30%; in the same way we did it with TV screens, reducing the number of items available at the store by 10%, adding more SKUs in Extended Assortment resulting in an 18% sales increase at stores and 45% increase in online sales.

Thanks to our customer-centric assortment and service proposition, we have turned challenges into opportunities to continue meeting our customers' needs.



We gathered a wide assortment of products with spaces in stores and online, focused on the characteristics, preferences and concerns of our customers. In addition, we revisited and updated our processes to infuse them with customer centricity and to foster a commercial offer aligned to their needs.

In Walmart Supercenter, we moved some items from the store to 1P or marketplace, and by the time we had more demand for a certain item in the Extended Assortment, we brought that item to the store. **This allowed us to have a more efficient sales floor** without eliminating items from our catalog.



LOW COST OPERATION



We have more than
1,450
self-checkout stations

Currently, 40% of
transactions go through
the self-checkout stations.

To deliver on our promise to help customers make the most of their budget, we have simplified the operation of the store's sales floor, supply chain and home delivery.

We have focused **on increasing productivity and ensuring product availability** by optimizing inbound to the Distribution Center and outbound to the store. This alignment translates into the use of technologies such as Modular-Ready Pallets, which help us reduce the labor required to process merchandise in Distribution Centers, in-store reception, and modular display.

We continued with the rollout of self-checkouts, now more than 280 stores are enabled with this technology, including six BAEs.



Thanks to our supply chain efficiency, we have been able to reduce 190 thousand man-hours in the last year, while increasing our production capacity. In this way, **we made our associates' work easier and reduced operating costs**, which in turn translates into benefits not only for our customers but also for our suppliers and the planet, since being more efficient allows us to reduce our carbon footprint.

190 thousand
man-hours reduction

Reduced energy and water consumption in our stores is another factor contributing to decreasing operating costs.

We will continue to focus on initiatives that help us become more productive throughout the value chain to better serve our customers.