



WIN IN
DISCOUNT

CUSTOMER FIRST

we help families in
Mexico and Central America
save money

120 bps

increase of price perception to total self-service in Mexico

35 bps

increase in sales penetration of our Private Brands in Mexico



WE ARE LEADERS IN LOW PRICES

Our commitment to our customers' and members' well-being is reflected in the quality products we offer at affordable prices. Our core business resilience is fundamental to ensure that our customers always have access to what they need.

Throughout 2023, our customers continued to adapt their shopping habits in an effort to secure a full basket in a context of increasing inflation. That is why this year we continued to improve our value proposition, offering low prices so that families in Mexico and Central America enjoy the products they need.

Our customers and members are responding favorably to our efforts in our Win in Discount strategic priority. Over the past few years, we have focused on widening our price gap. In 2023, our focus was on increasing price perception, which increased by 120 basis points in Mexico and decreased by 60 basis points in Central America this year. As a customer-centric company, this metric is vitally important to us.

Through the continuous improvement of our **Customer Value Proposition**, we seek to offer solutions that allow them to save money and live better.

OUR EFFORTS TO CONTINUE TO WIN IN DISCOUNT FOCUSED ON THE FOLLOWING INITIATIVES:

1. Low prices 

2. Perishables 

3. Private Brands 

4. Low-cost Operation 



LOW PRICES

At Walmart de México y Centroamérica, we offer a diverse range of products and services that are essential to the everyday lives of local families, always at affordable prices. We ensure that **our customers** get the most value for their money, helping them make the most of their budget.

Our self-service stores, especially our discount formats like Bodega in Mexico and Palí in Central America, contribute significantly to our unique positioning.





EVERY DAY LOW PRICES

We know that our customers prioritize the value, access and affordability that we deliver through our Every Day Low Prices philosophy. The combination of the lowest prices and an efficient assortment has helped us to maintain our customers' trust.

Bodega continues to show above-average sales growth. In addition to offering the best prices to our customers, we worked to drive price perception.

We are proud to keep our philosophy alive more than ever. Proof of this is that PROFECO recognized us during the first quarter of the year as the self-service chain with the lowest pricing in the 24 basic food basket products.

Furthermore, it is worth noting that in 2023, Bodega celebrated a historic milestone: our 65th anniversary. Bodega is currently one of the most valuable brands in Mexico, with over 2,400 stores and an omnichannel shopping experience that connects customers to a robust ecosystem of services. This proposal allows our customers to access the benefits of the digital economy, in line with our mission to help them save money and live better.

This celebration marks an extensive and successful trajectory and is a faithful reflection of our customers' trust and continued recognition for our efforts to improve the quality of life for Mexican families.

24

basic basket products, at the beginning of the year, were recognized by PROFECO for having the lowest price in self-service stores

+2,400

stores of our Bodega formats, together with an omnichannel shopping experience, make our brand one of the most valuable ones in Mexico



A GREAT SUCCESS STORY

1958. The Arango brothers inaugurated the first Bodega Aurrera Bolívar store in Mexico City.



1975. Bodega Aurrera sells the first color television in Mexico.



1986. It was a pioneer in the use of barcodes on cash registers.



2006. The character of “Mamá Lucha” joined Bodega.



2013. The “Morralla” campaign was implemented, offering items from 5 to 35 pesos in products from the basic basket.



2018. For the first time, the IMPI granted the “Bodega Aurrera” Famous Brand Declaration



The anniversary event was held at the emblematic Bodega Aurrera Bolívar in Mexico City, where the Arango brothers opened the first store in 1958, kicking off the self-service industry in Mexico.

Over the years, Bodega Aurrera has been a pioneer in many ways, from selling the first color TV in Mexico in 1975, to launching its eCommerce platform in 2020. Characters such as “**Mamá Lucha**” and innovative campaigns such as “**Morralla**” have been fundamental to reinforce our commitment to low prices.

Bodega Aurrera’s success and growth would not be possible without the dedication and talent of our over 87,000 associates who every day live up to our brand’s promise.

We are also proud to be recognized by different national and international organizations for our accomplishments, trajectory, connection with our customers and value proposition.

For the second time, we were awarded the “*Marca Famosa*” distinction by the Mexican Institute of Intellectual Property (*Instituto Mexicano de la Propiedad Intelectual, IMPI*), a recognition granted to brands that have successfully positioned themselves in the minds of consumers.

In addition, we were ranked as the third most valuable brand in Mexico in Kantar BrandZ’s “*Las 30 Marcas Mexicanas más Valiosas del 2023*” (“The 30 Most Valuable Mexican Brands of 2023”) ranking. In this analysis, we led the retail sector and were acknowledged for our ability to offer affordable prices while effectively communicating our messages through distinctive campaigns, such as those featuring our iconic “**Mamá Lucha**” character.



2020. eCommerce platform launch.



2023. For the second time, the IMPI awarded it the "Famous Brand" distinction.



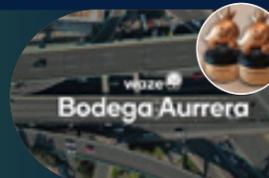
Winner of third place in the "The 30 Most Valuable Mexican Brands of 2023" ranking by Kantar BrandZ.



During the first quarter, Profeco awarded the prize for being the self-service chain with the lowest price for the 24 products in the basic basket.



Two Waze Ads Awards: "Effectiveness Driver" for increasing navigation to our stores and sales. "Grand Prix" for strategy Communication.



Bodega Aurrerá celebrates its 65th anniversary, at the emblematic Bodega Aurrera Bolívar in Mexico City, inaugurated in 1958.



The financial consulting firm Brand Finance awarded it 9th place in the "Most Valuable Brands of 2023" ranking, being the only retail brand in the top 10.



Our advertising and marketing efforts were highlighted by Waze at the Waze Ads Awards. This traffic and navigation platform awarded us in the "Effectiveness Driver" category for increasing navigation to our stores and driving sales growth.

Finally, the financial consulting firm Brand Finance ranked us ninth in its "Marcas más Valiosas de 2023" ("Most Valuable Brands of 2023") list, making us the only retail brand in the top 10. This acknowledgment fuels our desire to continue providing our customers with the best in technology, effective solutions, and, of course, the lowest prices.

Our team's dedication and our customers' loyalty are the engines that propel us into the future. Looking ahead to the next 65 years, we are committed to evolving and strengthening

our omnichannel shopping experience, always in line with our customers' preferences and consumption habits.

At the same time, we continued to strengthen our "Morralla" campaign, through which we offer more than 3,000 products at prices ranging from 5 to 35 pesos. Currently, six out of every 10 purchase tickets have at least one product from this campaign. This initiative has been critical in supporting our customers in the current challenging economic context, allowing them to acquire full baskets at affordable prices.

Our commitment to providing value and accessibility remains a fundamental pillar of our strategy to generate greater trust among **our customers and satisfy their shopping needs.**

3,000
products at prices ranging from 5 to 35 pesos



"**Mamá Lucha**" reached 9 million followers on Facebook. For six years in a row, Bodega Aurrera consolidated its position as one of the largest digital communities in social media within the retail sector.





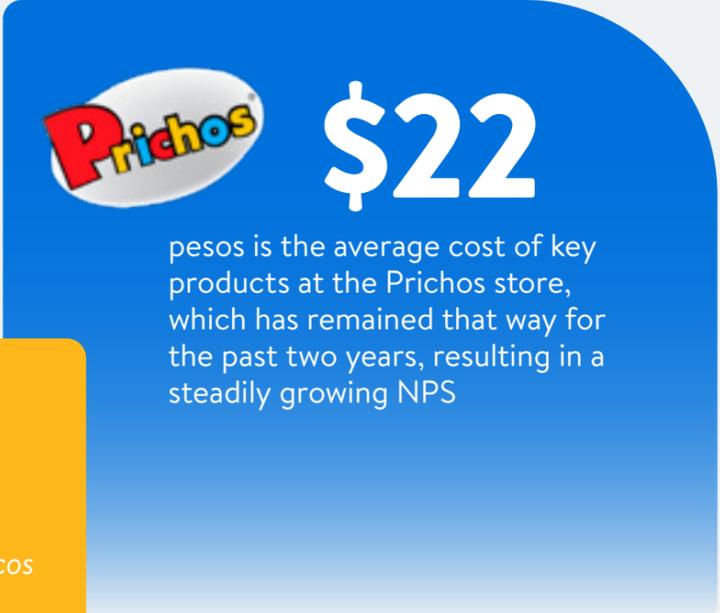
At Walmart Supercenter, we continued to strengthen our “Los Básicos de tu canasta” program, an initiative we launched last year focused on fighting inflation and supporting our customers’ economies. More than 100 essential products at Walmart were kept at low prices with the program, resulting in a consistent improvement in NPS (Net Promoter Score) rates and a positive evolution in our price gap.

Our flagship campaigns were a key factor in increasing traffic in our stores, consolidating our position as our customers’ preferred shopping destination.

In our Prichos stores we kept the price of key products at 22 pesos for two years, offering our customers a valuable solution at a stable and affordable price. This approach resulted in an ever-growing NPS.

By keeping prices low on more than 100 essential products, we have achieved sustained improvement in NPS (Net Promoter Score) rates.

+100
essential products at Walmart were kept at low prices with the “Los Básicos de tu canasta” program, focused on fighting inflation



Prichos **\$22**
pesos is the average cost of key products at the Prichos store, which has remained that way for the past two years, resulting in a steadily growing NPS



At Sam’s Club, we achieved remarkable growth in both our units and member traffic, an especially significant achievement in a challenging inflation environment. In addition, we hosted our “Plus Fest” event, where we provided unique and valuable items for our Plus members.

We increased sales by 15% compared to last year’s event, as well as the acquisition of all of our memberships. To improve our members’ experience, our team is focusing on delivering great products and working in a more digital way.

Our team is focusing on delivering great products and working in a more digital way, to further improve our members’ experience.



PACKAGE AGAINST INFLATION AND SCARCITY (PAQUETE CONTRA LA INFLACIÓN Y LA CARESTÍA, PACIC)

In 2022, we joined the Federal Government's efforts to combat inflation through the Package Against Inflation and Scarcity (*Paquete contra la Inflación y la Carestía*, PACIC), implementing its guidelines in our self-service stores. This year we have maintained our commitment, working closely with our suppliers to ensure that our customers enjoy the lowest prices every day, thus contributing to the well-being of their economy.



In **Central America**, this year has been decisive for us. We have invested to improve our value proposition, resulting in a greater synergy between our strategies in Mexico and the region. All efforts are customer-centric, the backbone of our operation.

We have strengthened our market position by using a bi-format strategy wherein our Discount and Bodega stores unified their pricing and operation strategies, emphasizing essential necessities while providing affordable prices to our customers. This approach has been crucial in the face of the macroeconomic situation in the region.

The introduction of goods customized to meet specific community needs reflects our commitment to our customers. In collaboration with commercial partners, we developed sanitary napkins available for just one dollar. This initiative made a significant difference for girls and women in the region, bringing vital supplies within their reach.

We also innovated with products such as bone broth in an effort to provide nutritious options at affordable prices. These initiatives reaffirm our commitment to the well-being of Central American families, demonstrating our capacity to live up to their trust.

We have adopted a bi-format strategy, emphasizing essential necessities while **providing affordable prices to our customers.**





PERISHABLES

The Perishables business continues to be a key element of our strategic priority to Win in Discount. In 2023, we made progress in three initiatives that helped us drive sales and productivity:

Transformation:

We implemented a process centralization and a vertical integration, both with our own plants and strategic suppliers, with nearly 80% of our stores now optimized throughout the entire production journey in the bakery, seafood and meat areas.

Furthermore, we were able to improve the operating income of these categories while maintaining a seamless shopping experience for our customers.

A notable increase of 700 basis points in NPS compared to the previous year.

Perception of Quality:

We made a strategic shift towards quality and enhancing the overall customer experience.

According to Kantar, we are the leading self-service retailer in Mexico in terms of household expenditure on agricultural products.

We continue to invest in improving the customer experience in stores, with a focus on meat and bakery, including service enhancements and a broader product catalog.

Regenerative Company:

At Walmart de México y Centroamérica, we are committed to our associates, customers, and communities. We have supported over 30,000 farmers in the last decade, resulting in a significant increase in their income by approximately 35% and contributing to the overall development of the sector.

LEARN MORE ABOUT THE PROGRAM AND ITS PRODUCTS IN THE OPPORTUNITY CHAPTER.



We have implemented these strategies in Walmart and Walmart Express, improving the quality of our perishables, expanding our product catalog, and optimizing both our infrastructure and service model. These transformations are driving significant sales growth.

In Sam's Club, we want to highlight our focus on improving our perishables offering, where we offered disruptive prices, especially in areas such as meat, fruits, and bakery.

We remain focused on quality and will continue to invest in the shopping experience to maximize our value proposition to customers and members in our stores and eCommerce platforms.



PRIVATE BRANDS

Throughout a challenging year, our Private Brands served as a crucial foundation for our customers to acquire their basic pantry items, always giving them the best value for their money. Our clients' trust in our Private Brands is an advantage that motivates us to continue developing and growing our ecosystem, which is why we work hard every day to strengthen it even more.

Our Private Brands portfolio currently includes over 40 private labels, bringing new high-quality items and providing fresh options at affordable prices. This has allowed our customers to bring a full basket to their homes, tailored to their needs and budget. During 2023, in Mexico, 45% of our customers purchased at least one product from our Private Brands when visiting our stores.



+40
own brands are currently included in the portfolio

45%
of our customers in Mexico purchased at least one product from our Private Brands in 2023



This year, in Mexico we saw an increase in the sales penetration of our Private Brands of 35 basis points compared to 2022. With a wide range of products in all categories available in our stores and close to 800 launches and relaunches during the year, we reaffirmed our commitment to helping families save money to live better.

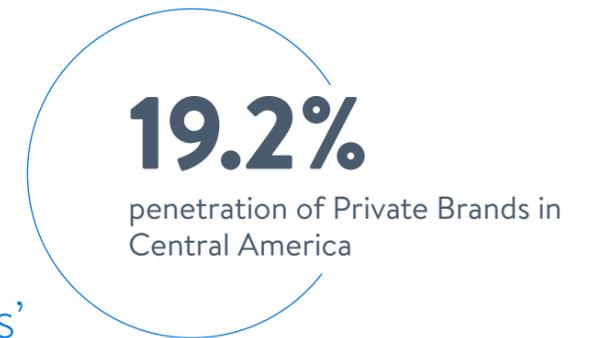
As part of our efforts to address Mexico's current macroeconomic challenges, at Walmart Supercenter we increased our customer support through our Private Brands, which offer products at lower prices than other options in the market.

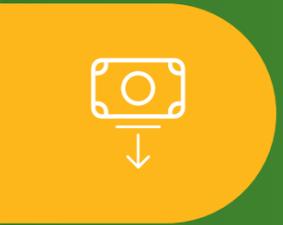
At Walmart Supercenter, our Private Brands allow us to offer our customers products up to 30% less expensive than the leading brands in the market. Maintaining an affordable shopping basket for our customers and members is our top priority.

Sam's Club maintained its growth trajectory throughout this year, as evidenced by the 200 bps rise in our Private Brands penetration. More specifically, Member's Mark was crucial in providing members with exclusive products at affordable prices, which greatly enhanced member loyalty and confidence. This strategy has been crucial to Sam's Club's performance improvement over time, enabling us to give our members additional value.

Our Private Brands were crucial in the execution of our strategy in the Bodega and Discount formats throughout **Central America**. Proof of this is that during 2023 they achieved a solid 19.2% penetration rate and a 20 bps increase. We also continued to expand our seasonal event-related product offering with the objective of enhancing our value proposition for our customers.

As a result of these efforts, our Private Brands' sales penetration rose by 35 bps in Mexico and 20 bps in Central America.





LOW-COST OPERATION

In line with our commitment to help our customers make the most of their budget, this year we have focused on streamlining our business operations. We have paid special attention to key areas such as the sales floor, supply chain and home delivery.

We aimed to ensure a seamless journey for our customers and members by streamlining every point of contact within our stores. As a result, we obtained higher levels of satisfaction and were able to reduce our operating costs.

We also simplified our internal processes to speed up store operations, empowering our associates with more agile and **efficient tools to better serve our customers and members.**

In Mexico we have more than 4,800 self-checkout stations. Currently, 43% of in-store transactions are paid through these stations.





Additionally, in Mexico, we expanded the number of self-checkout stations, giving our customers a faster and more efficient shopping experience. More than 650 of our stores in all formats now use this technology, including the first Bodega Aurrera Express store, in Puerto Maya, Quintana Roo. We are always looking for new ways to better serve our customers.

In line with the efforts made in previous years, in 2023 we continued to optimize our supply chain. We managed to further reduce labor hours, while continuing to increase our production capacity. This constant improvement streamlines our associates' work and lowers our operational expenses, benefiting our customers, suppliers, and the environment by reducing our carbon footprint through increased efficiency.

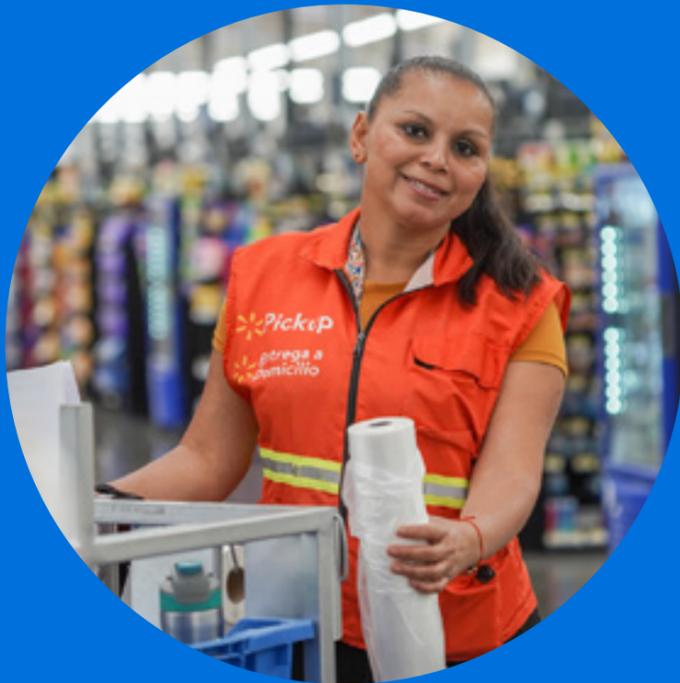
In keeping with our Every Day Low Costs (EDLC) philosophy, we implemented initiatives to streamline our operations, thereby boosting productivity. These technology-backed initiatives not only optimize processes, but also empower our most valuable asset: our associates.

Over the course of the year, we successfully implemented "Superfuncionales", an initiative that allowed us to train and empower our associates to take on a variety of roles, thereby advancing their professional development and helping our store run more efficiently, which resulted in significant cost savings. It is important to note that we are pioneers in this type of approach within the retail sector.

650
of our stores in all formats
now use this self-checkout
technology



Our focus on productivity throughout our value chain demonstrates our dedication to providing a superior shopping experience and a better price.




We also maintained our commitment to environmental initiatives with our 106 regenerative stores, which contributed to additional reductions in operating costs, such as lower energy and water consumption.

We made major investments in **Central America** to enable our infrastructure to serve customers and associates in an omnichannel and secure manner, including regeneration, solar energy, treatment plants, and automation for energy savings.