



Win in DISCOUNT

Evolving ecosystem

We run exceptional stores that help people save money and live better.

70 bps
increase in price perception in Mexico.

+50 bps
increase in sales penetration of Our Brands.

Aware of the challenges we faced in 2024, we worked to help families in Mexico and Central America save money and live better. Despite the moderate consumption we saw at the end of the year, we are encouraged by our business' resilience.

Our value proposition of experience, variety and convenience has proven to be relevant and successful. Our customers and members value and respond positively to our strategic investments, confirming the importance of keeping prices low in a challenging macroeconomic environment.

We maintain our price leadership and continue to operate with discipline, which is reflected in our customers' continued preference. Our purpose of having Every Day Low Prices is essential to serving them in a personalized way, as we know they prioritize value, access, and affordability in the product catalog we offer.

We will continue to invest in the best technology and growth to fulfill our purpose.

In 2024, our efforts to Win in Discount focused on the following initiatives:

- 1 Low Prices**
- 2 Perishables**
- 3 Our Brands**
- 4 Operating Efficiencies**



Low Prices

The combination of lower prices and an efficient assortment has helped us maintain our customers' trust.



At Walmart de México y Centroamérica, we focus on offering products and services that improve the lives of families by increasing their purchasing power at the lowest prices. Our unique positioning is based on our multi-format omnichannel strategy, which allows us to serve customers and members with different consumption habits and savings needs. This is particularly relevant in discount formats such as Bodega in Mexico and Palí in Central America, where people are looking for the best prices.

In 2024, we experienced a slowdown in consumption towards the second half of the year, reflecting a more savings-oriented behavior. Nevertheless, the value proposition behind our strategic priority Win in Discount was well received.

We are prepared to meet these challenges with clear strategies that prioritize merchants, optimize operations, and strengthen our value proposition. These challenges are also opportunities to innovate and strengthen our price leadership position in the market.

We were able to offer the cheapest basic food basket in Mexico throughout the entire first half of the year.

Bodega

Today, Bodega Aurrera is one of the most valuable brands in Mexico. We have more than 2,500 stores and an omnichannel shopping experience that provides access to a solid ecosystem of services that fight economic and social barriers in favor of our customers.

Throughout 2024, we remained committed to the Package Against Inflation and Scarcity (PACIC), as we were recognized by the Federal Consumer Protection Agency (PROFECO) as the self-service chain with the lowest national average price in the basic food basket in the first half of the year. This confirms our philosophy and shows that the strategies implemented to combat inflation and high costs of living are working.

Morralla, our permanent campaign offering products at affordable prices between 5 and 35 pesos, continues to be a key driver of sales growth and success. With an average of 1.3 items sold per minute, we can see this initiative's undeniable value.



El Fin Irresistible

In Mexico, Bodega achieved one of the largest sales increases over the previous year. Both in stores and online with **Despensa a tu Casa**, we had three days that were characterized by the highest sales in the history of the format. We thank all the teams that made this possible.

The sum of these advances was reflected in a historic NPS at Bodega, with a +110 basis-point increase over the same event in 2023. Low prices and the variety of offers and promotions were essential to achieve these results.



Customer CENTRICITY

ENABLERS in action

In 2024, we streamlined our communications with customers by leveraging our connection to generative artificial intelligence platforms, which has given us a new *Mamá Lucha influencer*. Through her, we can communicate our value proposition with greater agility than before. We connected with younger audiences and increased our presence on social networks, transforming this iconic character into a relevant figure for new generations and strengthening its brand identity.



Mamá Lucha has been declared a "Famous Brand" by the Mexican Institute of Industrial Property (IMPI).



Walmart Supercenter

We continued to work with key programs. These included **Los Básicos de tu Canasta**, which keeps more than 100 essential products at low prices. We also strategically placed our **Prichos** store near the checkout area in 25 large-format Walmart stores, which allowed sales of Prichos products, which on average cost 22 pesos, to double. This contributed to an increase in traffic and the strengthen of our price perception in Supercenters.



Sam's Club

Just as we do every year, we held the Socio Fest event. This event is meant to thank our members, at which we offer exclusive discounts, special promotions and additional benefits for a wide range of products. Members can enjoy promotions such as interest-free months, gifts with purchase, and discounts on a variety of categories, from groceries to household items. The Socio Fest is an excellent opportunity to save money.



Central America

In Central America, we strengthened our supplier contracting strategy so we can rely on a value chain with the appropriate scale to obtain the best prices. In this way, we can both offer a diversified product range at low cost and reactivate the physical growth of our presence and number of stores.

Perishables

The quality, variety and availability of perishable products in all formats are essential to building customer loyalty and ensuring we can offer discounts. This is particularly important in bakery, seafood, and meat. We have relied on the Global Sourcing team to ensure a supply of fresh and diverse products throughout the year.

We are on track with our three major initiatives for perishables sales growth:

Transformation

We centralized processes and integrated them vertically with our own facilities and strategic suppliers, optimizing nearly 95% of our stores. We improved operating income and the shopping experience, accomplishing a significant increase in NPS.

Quality Perception

We focus on quality and improving our customer experience. We invested in improving our service and expanding our Beef and Bakery catalog.

Regenerative Company

Over the past decade, we have supported more than 30,000 farmers, increasing their income by 35% and developing their sector.



By developing our supplier network, we were able to source **16% of the fruits and vegetables** we sell from Mexican small farmers. In addition to stimulating the local economy, this helps eliminate intermediaries who raise product prices for us and for consumers.



LEARN MORE ABOUT OUR PROGRAMS WITH FARMERS AND THEIR PRODUCTS IN THE OPPORTUNITY SECTION.



This year, we implemented a single ticket system for store associates that optimizes the sale of perishables at lower prices based on their expiration potential. Using a matrix that identifies excess inventory, the platform notifies associates within minutes of price reductions that should be adjusted in-store. By reducing their response time, we eliminate waste and ensure the best prices for consumers.

In **Central America**, we are making significant investments in the reengineering of price differentials in fresh products. By focusing on freshness and variety, we created an attractive shopping experience, supported by our global sourcing team.



Walmart Express

In addition to optimizing in-store infrastructure and service, we made numerous efforts to improve the perception and experience of Walmart Express customers in 2024. These initiatives have focused on improving the assortment and quality of perishable items, which have been well received.

We highlight our accomplishments in Bakery, where we sold millions of premium quality products thanks to the return of quality bakers. We also reintroduced premium butchers to the store, further strengthening the perishables offering.

To ensure that customers are aware of these developments, we have launched an extensive media campaign for Walmart Express. This was broadcast on television, radio, digital channels, and in movie theaters, focusing on highlighting the improvements we have implemented.

Our commitment to improving the Walmart Express customer experience will continue as we evolve the assortment and quality of perishables and effectively communicate these improvements. We are proud of our accomplishments to date and will continue to work to improve even more.

Our Brands

Our offer of Our Brand products is a key element of the Win in Discount strategy. The quality and value of these products have been very well received in Mexico, resulting in an increase of more than 50 basis points in the penetration of Our Brands' sales in self-service stores compared to the previous year. In 2024, the percentage of customers who bought at least one of Our Brand item was close to 50%. We are particularly proud of Sam's Club's Member's Mark, which has been instrumental in renewing members' annual memberships. At Sam's Club, we promise to offer incredible products at disruptive prices, which is why we saw an 87 basis point increase in Member's Mark penetration compared to last year.

In terms of price perception, we saw an increase of 70 basis points during the year in Mexico, with sustained growth across all formats. This resulted from our strategic products' relevance and Our Brands' strength.

In Central America, our customers continue to reward us with their loyalty and appreciate our efforts to ensure the best in-store experience, with a positive trend in NPS (Net Promoter Score) for all formats and a steady improvement in price perception.

Our Brands will continue to be the focus of our efforts in the coming years, with a commitment to offering affordable prices. As a result, we expect their market share to continue to grow.

Our Brands in Central America are being recognized for their excellent prices. In 2024, the Suli brand was rated #1 in price and performance.



Customer CENTRICITY

ENABLERS in action

By gaining a deep understanding of each consumer's consumption patterns, tastes, preferences, budgets, and shopping formats, we can identify where we can improve our catalogue prices. Our Price Perception Model, a key part of the Customer Centricity Enabler, helps us understand the critical variables that influence the perceptions of our customers, especially those who are more sensitive to cost changes. We consolidate, profile, and interpret this information to develop our brand products that truly resonate with them, offering solutions that meet their expectations and lifestyles. We create offers that not only meet market demands but also strengthen customer loyalty and enhance their shopping experience, ensuring that each product launched has a positive and significant impact on their lives.

Operating Efficiencies

In 2024, our operations evolved to become even more efficient through three fundamental factors: automation, digitalization, and simplification.

Automation has strengthened our technology leadership. This evolution has allowed us to optimize processes, reduce errors and free up time to focus on what matters most to the organization: customers, members, suppliers, and associates.

Digitalization, on the other hand, has improved our connection with merchants by enabling us to better understand their needs and expectations. This transformation has made it easier to deliver personalized and relevant experiences that strengthen our relationship with each customer.

Simplifying processes was the third key element in our journey to efficiency. Reducing the complexity of our operations has made them more fluid and improved the experience for everyone who interacts with us.

We have made significant progress in the organization's efficiency, with notable improvements in several of our processes. Throughout the year, the Smart Receiving program was implemented with positive results, such as optimizing deliveries from suppliers, increasing product availability at points of sale, improving inventory turns, and improving overall productivity.

In the area of digitalization, we have started to implement digital receipts, which will allow all customers of the Walmart and Bodega Aurrera Benefits program to access their receipts digitally. This innovation not only improves the shopping experience and efficiency but also helps the environment by reducing the use of paper. In turn, it represents savings in our operating costs, while increasing our digital penetration with the merchant base.



TECHNOLOGY

ENABLERS in action

By listening to our customers' needs and leveraging technology to meet them, we optimize operations and maximize their budgets. We improve key areas such as the sales floor, supply chain, and home delivery, eliminating friction at every touch point and reducing operating costs. We simplify internal processes and empower our associates with more agile and efficient tools to deliver superior service. To enhance the shopping experience and build loyalty, we implemented new strategies and the Operational Excellence Program, improving customer satisfaction metrics by responding with more efficient communication, timing and incident management.

We are also migrating our data centers to storage systems in a distributed cloud. This will provide robust solutions to back up business information and ensure the continuity of installed systems in the event of a disaster. In this way, we aim to improve data accessibility, reduce operating costs, and ensure an infrastructure that can adapt to future growth with a higher level of security.

This year we implemented productivity initiatives, including the first self-checkout registers in Bodega Aurrera Express and in all Bodega Aurrera stores. Now, 45% of customers prefer to use the self-checkout over assisted checkouts. We also simplified the checkout process by eliminating the use of keys to unlock the systems. We replaced them with passwords and verification metrics that eliminated the need for a supervisor. This saved 140 thousand man hours and significantly reduced wait times, improving the customer experience. In addition, we are facilitating in-store payments through our Cashi application, which allows customers to pay with digital money without commissions.

>1,200 stores
of all formats in Mexico have self-checkout technology.

Our distribution centers also saw a steady increase in productivity throughout the year, thanks to mechanization and automation initiatives such as walkie pallets and new sorters.



Superfunctionals: Operating Efficiencies

In 2024, we completed the implementation of our Superfunctionals project, a pioneering initiative in the retail sector. We started this project in Mexico in 2023 and expanded it to all stores and clubs, including Supercenter, Sam's, and Walmart Express. Rather than having our associates perform a single role within the store, we prepare them to perform multiple tasks. This not only contributes to their professional development but also increases operational efficiency and generates significant economic savings by eliminating waiting times and adjusting the number of associates assigned to stores.

In addition, we developed training scales and compensation levels that have accomplished an 85% acceptance rate, up from an initial 70%. We complement this with annual certifications and updates to ensure that all new associates are properly integrated into this system.

Automated Back Office: Administrative Efficiencies

We streamlined back-office operations by reorganizing tasks and automating processes that did not add direct value to customers. This was our largest productivity project and generated significant savings across all formats without causing disruption or significant operational differences. We also eliminated unnecessary tasks through digitization and training to ensure a smooth transition. This allows us to focus on providing better service.