

January 21, 2021

Kimberly-Clark de México, S.A.B. de C.V.
FOURTH QUARTER AND FULL YEAR 2020 RESULTS

Highlights:

- Fourth quarter sales were Ps. \$11.6 billion, up 7% year over year.
- Positive cost environment and continued cost savings of Ps. \$350 million in the quarter.
- Gross, operating, net and EBITDA margins improved sequentially.
- EBITDA of Ps. \$3.1 billion during the quarter with 26.8% margin.

QUARTERLY FINANCIAL RESULTS

Prepared in accordance with International Financial Reporting Standards (IFRS)
 Million pesos

	<u>4Q'20</u>	<u>4Q'19</u>	<u>CHANGE</u>
NET SALES	\$11,576	\$10,801	7.2%
GROSS PROFIT	4,461	4,262	4.7%
OPERATING PROFIT	2,655	2,485	6.9%
NET INCOME	1,611	1,450	11.1%
EBITDA	3,099	2,944	5.3%

Net sales were 7% higher driven by 3% volume growth and 4% price and mix.

Revenues in consumer products increased 8%, Away from Home decreased 12% and exports grew 48%.

Gross profit grew 5%, with margin of 38.5%. Virgin pulp, fluff fiber, superabsorbent materials and resin prices compared favorably in dollars. Imported and domestic recyclable fibers compared negatively in dollars. Energy prices were also higher. The cost reduction program yielded approximately Ps. \$350 million in the quarter. The FX parity was higher, averaging 9% above last year.

Operating expenses grew 2% and as a percentage of sales were 90 basis points lower than in 4Q 2019. We achieved better efficiencies in distribution as well as in the investment behind our brands.

Operating profit increased 7% and margin was 22.9%.

EBITDA increased 5% to Ps. \$3.1 billion in the quarter, and margin was 26.8%.

Cost of financing was Ps. \$423 million in the fourth quarter, compared to Ps. \$398 million in the same period of last year. Net interest expense was 10% higher from increased debt as earlier in the year we prefinanced late 2020 and 2021 maturities to take advantage of favorable market conditions. Foreign exchange loss in the quarter was Ps. \$3 million compared to Ps. \$15 million the year before.

Net income increased 11% and earnings per share for the quarter was \$0.52.

In dollars, under US GAAP, net sales decreased 1% in the quarter, operating profit decreased 1% and net income increased 5%.

FULL YEAR FINANCIAL RESULTS

Million pesos

	<u>2020</u>	<u>2019</u>	<u>CHANGE</u>
NET SALES	\$ 46,703	\$ 43,500	7.4%
GROSS PROFIT	18,009	16,321	10.3%
OPERATING PROFIT	10,537	8,997	17.1%
NET INCOME	6,086	5,156	18.0%
EBITDA	12,491	10,943	14.1%

For the full year revenues increased 7%, gross profit 10%, operating profit 17%, EBITDA 14% and net income 18%. Earnings per share were \$1.97.

In dollars, under US GAAP, net sales decreased 3% to US\$2.2 billion, operating profit increased 5% and net income increased 7%.

During the year, we invested Ps. \$813 million in Capex and paid Ps. \$4,936 million to our shareholders.

As of December 31, the company held Ps. \$18.6 billion in cash and equivalents.

Net debt as of December 2020 was Ps. \$13.1 billion, compared to Ps. \$15.3 billion in December 2019. Long-term debt comprised 87% of total debt and all debt was denominated in Mexican pesos. The ratio of net debt to EBITDA was 1.1.

Conference Call Information

The 4Q'20 conference call will be held on Friday, January 22, 2021 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(877) 271-1828, international +1(334) 323-9871; conference ID: 30265

A replay of the conference call will be available through January 29, 2021. To access the replay, please dial US +1(877) 919-4059, international +1(334) 323-0140; conference ID: 30882761

Kimberly-Clark de México, S.A.B. de C.V. is a Mexican company that manufactures and commercializes branded consumer products such as diapers, feminine pads, bath tissue, napkins, facial tissue, paper towels, wet wipes and soap. We are market leaders in almost all of our categories with brands such as Huggies, Kleen-Bebé, Kleenex, Kimlark, Pétalo, Cottonelle, Depend, Kotex, Evenflo and Escudo.

Investor Relations Contact

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