

July 20, 2023

**Kimberly-Clark de México, S.A.B. de C.V.**  
**SECOND QUARTER 2023 RESULTS**

Highlights:

- Second quarter sales of Ps. \$13.7 billion, up 6% (Consumer grew 12%).
- Second quarter EBITDA of Ps. \$3.5 billion, up 31%; margin of 25.6%, a 150 bps sequential improvement and a 480 bps improvement vs the second quarter of 2022.
- Raw materials cost environment improving.
- Ps. \$450 million of savings from our cost reduction program for the quarter.
- Strong innovation pipeline and will support our brands accordingly.

**QUARTERLY FINANCIAL RESULTS**

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

	<u>2Q'23</u>	<u>2Q'22</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$13,714</b>	<b>\$12,895</b>	<b>6%</b>
<b>GROSS PROFIT</b>	<b>5,236</b>	<b>4,156</b>	<b>26%</b>
<b>OPERATING PROFIT</b>	<b>3,029</b>	<b>2,157</b>	<b>40%</b>
<b>NET INCOME</b>	<b>1,799</b>	<b>1,177</b>	<b>53%</b>
<b>EBITDA</b>	<b>3,512</b>	<b>2,676</b>	<b>31%</b>

Net sales increased 6%. Consumer and Away from Home grew 12% and 22%, respectively. Exports decreased 42%.

Gross profit increased 26%, with a margin of 38.2%. Raw materials were mixed; against last year virgin fibers, fluff and domestic recycled fibers compared negatively while imported recycled fibers, SAM and resins were favorable. Energy also compared negatively while gas was down. The FX averaged 10% less.

Our cost reduction program had very good results yielding approximately Ps. \$450 million of savings in the quarter.

Operating expenses were 10% higher, principally due to stronger investment behind our brands. We continue to look for additional opportunities to streamline our operations.

Operating profit increased 40%; margin of 22.1%.

EBITDA increased 31% to Ps. \$3.5 billion in the quarter, and margin was 25.6%, a 150 bps sequential improvement and 480 bps improvement against 2Q22.

Cost of financing was Ps. \$381 million in the second quarter, compared to Ps. \$429 million in the same period of last year. Net interest expense was lower, despite our incremental gross debt, because we earned more on our cash investments. Foreign exchange gain in the quarter was Ps. \$1 million compared to a Ps. \$4 million loss last year.

Net income increased 53% and earnings per share for the quarter were \$0.59.

During the last twelve months, we invested Ps. \$1,787 million in Capex; paid Ps. \$5,026 million in dividends; and paid down Ps. \$1,500 million in debt.

We maintain a very solid balance sheet. As of June 30, the company held Ps. \$19.1 billion in cash and equivalents. Total net debt was Ps. \$14.0 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 1.1 times.

In dollars, and US GAAP, net sales increased 19% in the quarter, while operating profit and net income grew 55% and 73%, respectively.

## YTD FINANCIAL RESULTS

Million pesos

	<u>6M'23</u>	<u>6M'22</u>	<u>CHANGE</u>
NET SALES	\$27,263	\$25,469	7%
GROSS PROFIT	10,159	8,094	26%
OPERATING PROFIT	5,812	4,163	40%
NET INCOME	3,412	2,269	50%
EBITDA	6,777	5,191	31%

## FINANCIAL POSITION

Million Pesos

	<u>As of June</u>	
	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 19,113	\$ 9,668
Trade and other receivables	8,120	7,499
Current derivative financial instruments	1,058	-
Inventories	4,443	4,668
Property, plant and equipment	17,837	17,488
Right of use assets	1,066	1,365
Non-current derivative financial instruments	664	3,592
Deferred taxes	629	-
Intangible assets and others	<u>2,662</u>	<u>2,801</u>
Total	\$ 55,592	\$ 47,081
<b><u>Liabilities and equity</u></b>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	6,030	1,500
Current lease liabilities	248	294
Current derivative financial instruments	99	18
Trade payables	8,559	9,094
Employee benefits	1,167	885
Dividends payable	3,779	3,823
Provisions	3,064	2,304
Current income tax payable	620	212
Long term debt	24,263	23,317
Non-current lease liabilities	885	1,190
Non-current derivative financial instruments	3,090	815
Deferred taxes	-	26
Other liabilities	371	359
Equity	<u>3,182</u>	<u>3,009</u>
Total	\$ 55,592	\$ 47,081

## **CASH FLOW**

Million pesos

	<b>Six months ended June</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Profit before tax</b>	<b>\$5,015</b>	<b>\$3,315</b>
<b>Depreciation and amortization</b>	<b>966</b>	<b>1,028</b>
<b>Other</b>	<b>796</b>	<b>848</b>
<b>Cash used in operations</b>	<b><u>(1,092)</u></b>	<b><u>(1,268)</u></b>
<b>Net cash flow from operating activities</b>	<b>5,685</b>	<b>3,923</b>
<b>Capital expenditures and others</b>	<b>(824)</b>	<b>(1,181)</b>
<b>Payment of borrowings</b>	<b>-</b>	<b>(3,000)</b>
<b>Payments of lease liabilities</b>	<b>(175)</b>	<b>(192)</b>
<b>Dividends paid</b>	<b>(1,245)</b>	<b>(1,260)</b>
<b>Payment of net interest and other</b>	<b><u>(716)</u></b>	<b><u>(838)</u></b>
<b>Net increase (decrease) in cash</b>	<b>2,725</b>	<b>(2,548)</b>
<b>Effect of exchange rate changes on cash</b>	<b>(531)</b>	<b>(59)</b>
<b>Cash and equivalents at the beginning of period</b>	<b>16,919</b>	<b>12,275</b>
<b>Cash and equivalents at the end of period</b>	<b>19,113</b>	<b>9,668</b>

### **Conference Call Information**

The 2Q'23 conference call will be held on Friday, July 21, 2023 at 10:30 am Eastern time (9:30 am Central time / 8:30 am Mexico City time). To participate in the call, please dial: US +1(800) 245-3047, international +1(203) 518-9708; conference ID: 37899

A replay of the conference call will be available through July 28, 2023. To access the replay, please dial US +1(800) 839-5631, international +1(402) 220-2558.

**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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