

October 19, 2023

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

Highlights:

- Third quarter sales of Ps. \$12.7 billion. Consumer grew 5%. Exports decreased 35%.
- Third quarter EBITDA of Ps. \$3.4 billion, up 24%. EBITDA margin of 27.1%, a 150 bps sequential improvement.
- Ps. \$450 million of savings from our cost reduction program for the quarter.
- Strong innovation pipeline and will support brands accordingly.
- Capex on plan to make manufacturing footprint more efficient.

**QUARTERLY FINANCIAL RESULTS**

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

|                         | <b><u>3Q'23</u></b> | <b><u>3Q'22</u></b> | <b><u>CHANGE</u></b> |
|-------------------------|---------------------|---------------------|----------------------|
| <b>NET SALES</b>        | <b>\$12,673</b>     | <b>\$12,794</b>     | <b>(1)%</b>          |
| <b>GROSS PROFIT</b>     | <b>5,091</b>        | <b>4,244</b>        | <b>20%</b>           |
| <b>OPERATING PROFIT</b> | <b>2,943</b>        | <b>2,253</b>        | <b>31%</b>           |
| <b>NET INCOME</b>       | <b>1,671</b>        | <b>1,245</b>        | <b>34%</b>           |
| <b>EBITDA</b>           | <b>3,429</b>        | <b>2,755</b>        | <b>24%</b>           |

Net sales decreased 1%. Consumer and Away from Home grew 5% and 6%, respectively. Exports decreased 35% driven by less hard roll sales, while finished products exports grew significantly.

Gross profit increased 20%, with a margin of 40.2%. Against last year fluff compared negatively while virgin fibers, imported recycled fibers, SAM and resins were favorable. Energy also compared negatively, while gas was down. The FX averaged 16% less.

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

Operating expenses were 8% higher. Variable compensation expense accruals are up. We continue to look for additional opportunities to streamline logistics operations.

Operating profit increased 31%; margin of 23.2%.

EBITDA increased 24% to Ps. \$3.4 billion in the quarter, and margin was 27.1%, a 150 bps sequential improvement and 560 bps improvement against 3Q22.

Cost of financing was Ps. \$414 million in the third quarter, compared to Ps. \$425 million in the same period of last year. Net interest expense was lower since we have less net debt. Foreign exchange loss in the quarter was Ps. \$4 million compared to a Ps. \$2 million loss last year.

Net income increased 34% and earnings per share for the quarter were \$0.54.

During the last twelve months, we invested Ps. \$1,741 million in Capex; paid Ps. \$5,010 million in dividends; and paid down Ps. \$1,750 million in debt.

We maintain a very solid balance sheet. As of September 30, the company held Ps. \$18.4 billion in cash and equivalents. Total net debt was Ps. \$12.3 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 0.9 times.

In dollars, and US GAAP, net sales increased 18% in the quarter, while operating profit and net income grew 55% and 62%, respectively.

## YTD FINANCIAL RESULTS

Million pesos

|                  | <u>9M'23</u> | <u>9M'22</u> | <u>CHANGE</u> |
|------------------|--------------|--------------|---------------|
| NET SALES        | \$39,936     | \$38,263     | 4%            |
| GROSS PROFIT     | 15,249       | 12,338       | 24%           |
| OPERATING PROFIT | 8,755        | 6,416        | 36%           |
| NET INCOME       | 5,083        | 3,514        | 45%           |
| EBITDA           | 10,207       | 7,946        | 28%           |

## FINANCIAL POSITION

Million Pesos

|  | As of September |              |
|--|-----------------|--------------|
|  | <u>2023</u>     | <u>2022</u>  |
| <b><u>Assets</u></b>                         |                 |              |
| Cash and cash equivalents                    | \$ 18,497       | \$ 18,114    |
| Trade and other receivables                  | 7,082           | 7,025        |
| Current derivative financial instruments     | 1,091           | -            |
| Inventories                                  | 4,425           | 4,710        |
| Property, plant and equipment                | 17,878          | 17,583       |
| Right of use assets                          | 1,078           | 1,206        |
| Non-current derivative financial instruments | 760             | 3,334        |
| Deferred taxes                               | 481             | 223          |
| Intangible assets and others                 | <u>2,626</u>    | <u>2,772</u> |
| Total  | \$ 53,918       | \$ 54,967    |
| <b><u>Liabilities and equity</u></b>         |                 |              |
| Bank loans current                           | \$ 235          | \$ 235       |
| Current portion of long term debt            | 4,358           | 1,750        |
| Current lease liabilities                    | 270             | 264          |
| Current derivative financial instruments     | 42              | 30           |
| Trade payables                               | 8,096           | 8,668        |
| Employee benefits                            | 1,594           | 1,187        |
| Dividends payable                            | 2,534           | 2,563        |
| Provisions                                   | 2,623           | 2,179        |
| Current income tax payable                   | 827             | 260          |
| Long term debt                               | 24,501          | 31,537       |
| Non-current lease liabilities                | 886             | 1,056        |
| Non-current derivative financial instruments | 2,378           | 1,208        |
| Other liabilities                            | 403             | 333          |
| Equity                                       | <u>5,171</u>    | <u>3,697</u> |
| Total  | \$ 53,918       | \$ 54,967    |

## **CASH FLOW**

Million pesos

|  | <b>Nine months ended September</b> |                       |
|--|------------------------------------|-----------------------|
|  | <b><u>2023</u></b>                 | <b><u>2022</u></b>    |
| <b>Profit before tax</b>                               | <b>\$7,544</b>                     | <b>\$5,143</b>        |
| <b>Depreciation and amortization</b>                   | <b>1,452</b>                       | <b>1,531</b>          |
| <b>Other</b>   | <b>1,211</b>                       | <b>1,272</b>          |
| <b>Cash used in operations</b>                         | <b><u>(914)</u></b>                | <b><u>(1,683)</u></b> |
| <b>Net cash flow from operating activities</b>         | <b>9,293</b>                       | <b>6,263</b>          |
| <b>Capital expenditures and others</b>                 | <b>(1,245)</b>                     | <b>(1,667)</b>        |
| <b>Borrowings</b>                                      | <b>-</b>                           | <b>10,000</b>         |
| <b>Payment of borrowings</b>                           | <b>(1,750)</b>                     | <b>(4,500)</b>        |
| <b>Payments of lease liabilities</b>                   | <b>(259)</b>                       | <b>(283)</b>          |
| <b>Dividends paid</b>                                  | <b>(2,490)</b>                     | <b>(2,520)</b>        |
| <b>Payment of net interest and other</b>               | <b><u>(1,512)</u></b>              | <b><u>(1,394)</u></b> |
| <b>Net increase in cash</b>                            | <b>2,037</b>                       | <b>5,899</b>          |
| <b>Effect of exchange rate changes on cash</b>         | <b>(459)</b>                       | <b>(60)</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>18,497</b>                      | <b>18,114</b>         |

### **Conference Call Information**

The 3Q'23 conference call will be held on Friday, October 20, 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) 518-9765; conference ID: 46124.

A replay of the conference call will be available through October 27, 2023. To access the replay, please dial US +1(800) 925-9354, international +1(402) 220-5384.

**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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