

October 21, 2021

**Kimberly-Clark de México, S.A.B. de C.V.
THIRD QUARTER 2021 RESULTS**

Highlights:

- Third quarter sales were Ps. \$11.3 billion.
- Challenging cost environment, despite cost savings of Ps. \$350 million in the quarter.
- EBITDA of Ps. \$2.2 billion during the quarter with 19.7% margin.
- EPS of Ps. \$0.29.

QUARTERLY FINANCIAL RESULTS

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

	<u>3Q'21</u>	<u>3Q'20</u>	<u>CHANGE</u>
NET SALES	\$11,343	\$11,097	2%
GROSS PROFIT	3,598	4,203	(14)%
OPERATING PROFIT	1,737	2,360	(26)%
NET INCOME	879	1,348	(35)%
EBITDA	2,235	2,845	(21)%

We faced a difficult environment with slower consumption compared to last year and very significant cost inflation. Net sales increased 2% driven by a 2% increase in price and mix while volume was stable. Excluding 4e the top line increased 3%.

Consumer products decreased 1%, Away from Home increased 38% and exports grew 20% (with finished product sales more than doubling).

Gross profit was down 14%, with margin of 31.7%. Every raw material category compared negatively against last year. Pulp was up between 20% and 30% depending on the grade while recycled fibers and fluff averaged high single digit increases. In personal care, superabsorbent materials were up more than 40% and resin prices grew more than 120%. Finally energy and natural gas also compared negatively with the latter growing more than 90%. The FX was lower, averaging 11% less. Our cost reduction program had very good results yielding approximately Ps. \$350 million of savings in the quarter.

Operating expenses were 1% higher and as a percentage of sales were 20 basis points lower than in 3Q'2020.

Operating profit decreased 26% and margin was 15.3%.

EBITDA decreased 21% to Ps. \$2.2 billion in the quarter, and margin was 19.7%.

Cost of financing was Ps. \$445 million in the third quarter, compared to Ps. \$428 million in the same period of last year. Foreign exchange gain in the quarter was Ps. \$8 million compared to a Ps. \$10 million loss last year.

Net income decreased 35% and earnings per share for the quarter was \$0.29.

During the last twelve months, we invested Ps. \$1,881 million in Capex; paid Ps. \$5,114 million in dividends to our shareholders; paid down Ps. \$6,090 million in debt; and repurchased shares for Ps. \$337 million.

As of September 30, the company held Ps. \$14.3 billion in cash and equivalents.

Total net debt as of September 2021 was Ps. \$12.2 billion, compared to Ps. \$13.1 billion on December 2020. All debt is denominated in Mexican pesos. The ratio of net debt to EBITDA was 1.1.

In dollars, under US GAAP, net sales increased 14% in the quarter while operating profit and net income decreased 14% and 26% respectively.

Share Buyback Program Year to Date

	<u>2021</u>	<u>2020</u>
Shares repurchased	3,999,939	-

YTD FINANCIAL RESULTS

Million pesos

	<u>9M'21</u>	<u>9M'20</u>	<u>CHANGE</u>
NET SALES	\$35,175	\$ 35,127	- %
GROSS PROFIT	12,305	13,548	(9)%
OPERATING PROFIT	6,711	7,882	(15)%
NET INCOME	3,703	4,475	(17)%
EBITDA	8,196	9,391	(13)%

FINANCIAL POSITION

Million Pesos

	As of September	
	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 14,289	\$ 22,034
Trade and other receivables	6,788	5,952
Current income tax receivable	288	-
Current derivative financial instruments	-	847
Inventories	4,094	3,864
Property, plant and equipment	16,762	16,348
Right of use assets	1,256	1,362
Non-current derivative financial instruments	4,110	5,364
Intangible assets and others	<u>2,899</u>	<u>3,055</u>
Total	\$ 50,486	\$ 58,826
<u>Liabilities and equity</u>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	3,000	6,922
Current lease liabilities	245	257
Current derivative financial instruments	49	44
Trade payables	8,035	6,707
Employee benefits	1,110	1,375
Dividends payable	2,687	2,505
Provisions	2,015	2,171
Current income tax payable	-	561
Long term debt	25,301	29,769
Non-current lease liabilities	1,119	1,230
Non-current derivative financial instruments	664	842
Deferred taxes	415	439
Other liabilities	667	683
Equity	<u>4,944</u>	<u>5,086</u>
Total	\$ 50,486	\$ 58,826

CASH FLOW

Million pesos

	Nine months ended September	
	<u>2021</u>	<u>2020</u>
Profit before tax	\$5,392	\$6,641
Depreciation and amortization	1,484	1,509
Other	1,320	1,241
Cash used in operations	<u>(2,953)</u>	<u>(1,797)</u>
Net cash flow from operating activities	5,243	7,594
Capital expenditures and others	(1,514)	(441)
Repurchase of shares	(139)	-
Borrowings	-	11,229
Payment of borrowings	(3,579)	-
Payments of lease liabilities	(266)	(238)
Dividends paid	(2,647)	(2,467)
Payment of net interest and other	<u>(1,514)</u>	<u>(963)</u>
Net (decrease) increase in cash	(4,416)	14,714
Effect of exchange rate changes on cash	121	481
Cash and equivalents at the beginning of period	18,584	6,839
Cash and equivalents at the end of period	14,289	22,034

Conference Call Information

The 3Q'21 conference call will be held on Friday, October 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 October 29, 2021. To access the replay, please dial US +1(877) 919-4059, international +1(334) 323-0140; conference ID: 44599339

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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