

January 20, 2022

**Kimberly-Clark de México, S.A.B. de C.V.**  
**FOURTH QUARTER AND FULL YEAR 2021 RESULTS**

2021 highlights:

- Net sales of Ps. \$46.9 billion, an all time high.
- Very challenging raw materials cost environment.
- Ps. \$1.4 billion of savings from the cost reduction program.
- EBITDA of Ps. \$10.3 billion.
- EPS of Ps. \$1.46.

**QUARTERLY FINANCIAL RESULTS**

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

	<u>4Q'21</u>	<u>4Q'20</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$11,719</b>	<b>\$11,576</b>	<b>1%</b>
<b>GROSS PROFIT</b>	<b>3,481</b>	<b>4,461</b>	<b>(22)%</b>
<b>OPERATING PROFIT</b>	<b>1,638</b>	<b>2,655</b>	<b>(38)%</b>
<b>NET INCOME</b>	<b>790</b>	<b>1,611</b>	<b>(51)%</b>
<b>EBITDA</b>	<b>2,089</b>	<b>3,099</b>	<b>(33)%</b>

Net sales increased 1% driven by a 5% increase in price and mix while volume was down 4%. Excluding 4e the top line increased 2%. We faced a difficult environment given slower consumption compared to last year (2020 volumes were very positively affected by COVID) and pressure on volumes from our efforts on price increases.

Consumer products decreased 5%, Away from Home increased 17% and exports grew 52% (with finished product sales maintaining growth momentum and doubling versus the previous year).

We faced an unprecedented global commodity and raw material price environment which continues to impact our costs and in consequence the gross profit was down 22%, with a margin of 29.7%. Every raw material category compared negatively against last year. Pulp prices were up an average of 30%. Imported recycled fibers grew close to 60% while domestic recycled fibers and fluff averaged high single digit increases. In personal care, superabsorbents were up more than 50% and polypropylene resin prices grew more than 90%. Finally energy and natural gas also compared negatively with the latter growing more than 80%. The FX was slightly lower,

averaging 1% less. Our cost reduction program had very good results yielding approximately Ps. \$350 million of savings in the quarter.

Operating expenses were 2% higher and flat as a percentage of sales versus 4Q'2020. We have always been a very lean and efficient company and we continue to look for additional opportunities to streamline our operations, without compromising the investment behind our brands.

Operating profit decreased 38% and margin was 14.0%.

EBITDA decreased 33% to Ps. \$2.1 billion in the quarter, and margin was 17.8%.

Cost of financing was Ps. \$420 million in the fourth quarter, compared to Ps. \$423 million in the same period of last year. Foreign exchange gain in the quarter was Ps. \$13 million compared to a Ps. \$3 million loss last year.

Net income decreased 51% and earnings per share for the quarter was \$0.26. Net income was negatively affected by a one-time non-cash deferred tax credit cancelation related to 4e.

In dollars, under US GAAP, net sales increased 2% in the quarter while operating profit and net income decreased 36% and 52% respectively.

## **FULL YEAR FINANCIAL RESULTS**

Million pesos

	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>CHANGE</u></b>
<b>NET SALES</b>	<b>\$ 46,894</b>	<b>\$ 46,703</b>	<b>-</b>
<b>GROSS PROFIT</b>	<b>15,786</b>	<b>18,009</b>	<b>(12)%</b>
<b>OPERATING PROFIT</b>	<b>8,350</b>	<b>10,537</b>	<b>(21)%</b>
<b>NET INCOME</b>	<b>4,494</b>	<b>6,086</b>	<b>(26)%</b>
<b>EBITDA</b>	<b>10,285</b>	<b>12,491</b>	<b>(18)%</b>

For the full year revenues were Ps. \$46.9 billion, an all time record despite the 4e recall impact. Excluding 4e, sales increased 3%.

Gross profit decreased 12%, operating profit 21%, EBITDA 18% and net income 26%. Earnings per share were Ps. \$1.46.

In dollars, under US GAAP, net sales increased 5% to US\$2.3 billion. Operating profit and net income decreased 15% and 22%, respectively.

During the year, we invested Ps. \$2,150 million in Capex as we ramped up our investment program. We paid Ps. \$5,296 million in dividends to our shareholders; paid down Ps. \$3,579 million in debt; and repurchased shares for Ps. \$136 million.

We maintain a very solid balance sheet. As of December 31, the company held Ps. \$12.3 billion in cash and equivalents. Total net debt was Ps. \$14.5 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 1.4 times.

#### Share Buyback Program Year to Date

	<u>2021</u>	<u>2020</u>
<b>Shares repurchased</b>	<b>3,999,939</b>	<b>5,699,970</b>

#### Conference Call Information

The 4Q'21 conference call will be held on Friday, January 21, 2022 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(800) 420-1271, international +1(785) 424-1634; conference ID: 72202

A replay of the conference call will be available through January 28, 2022. To access the replay, please dial US +1(800) 938-0998, international +1(402) 220-1550; conference ID: 72202

**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

Salvador Escoto  
Tel: (5255) 5282-7204  
salvador.escoto@kcc.com