

July 21, 2022

**Kimberly-Clark de México, S.A.B. de C.V.
SECOND QUARTER 2022 RESULTS**

Highlights:

- Sequential improvement in top line, bottom line and margins.
- Second quarter sales of Ps. \$12.9 billion, up 10% year over year and 3% sequentially, an all time high.
- Still challenging raw materials cost environment.
- Ps. \$400 million of savings from the cost reduction program.
- EBITDA of Ps. \$2.7 billion, up 6% sequentially. Margin was 20.8%, an 80 bps expansion versus first quarter (300 bps over 4Q'21).

QUARTERLY FINANCIAL RESULTS

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

	<u>2Q'22</u>	<u>2Q'21</u>	<u>CHANGE</u>
NET SALES	\$12,895	\$11,722	10%
GROSS PROFIT	4,156	4,044	3%
OPERATING PROFIT	2,157	2,233	(3)%
NET INCOME	1,177	1,222	(4)%
EBITDA	2,676	2,718	(2)%

	<u>2Q'22</u>	<u>1Q'22</u>	<u>CHANGE</u>
NET SALES	\$12,895	\$12,574	3%
GROSS PROFIT	4,156	3,938	6%
OPERATING PROFIT	2,157	2,006	8%
NET INCOME	1,177	1,092	8%
EBITDA	2,676	2,515	6%

Net sales increased 10% to a new record driven by a 13% increase in price and mix with volume down 3%. Sequentially, sales increased 3% with price and mix up 5% and volume down 2%.

Consumer products increased 8% vs last year, growing sequentially 4% driven by pricing as volumes were flat versus 1Q'22. Away from Home increased 13% and exports grew 43% versus last year.

Even though we face an unprecedented global commodity and raw material price inflation environment, which continues to impact our costs, gross profit increased 3% compared to 2Q'21, with a margin of 32.2%. Against last year every commodity and raw material compared negatively except for polypropylene resins. Energy also compared negatively as natural gas prices nearly doubled. The FX was slightly lower, averaging 1% less.

Our cost reduction program had very good results yielding approximately Ps. \$400 million of savings in the quarter.

Operating expenses were 10% higher and as a percentage of sales were stable vs 2Q'21. We continue to look for additional opportunities to streamline our operations, without compromising the investment behind our brands.

Operating profit decreased 3% and margin was 16.7%.

EBITDA decreased 2% to Ps. \$2.7 billion in the quarter, and margin was 20.8%. Sequentially, EBITDA grew 6%, an 80 basis points improvement.

Cost of financing was Ps. \$429 million in the second quarter, compared to Ps. \$453 million in the same period of last year. Net interest expense was lower because we reduced our debt position and we earned higher rates on our cash investments. Foreign exchange loss in the quarter was Ps. \$4 million compared to a Ps. \$4 million gain last year.

Net income decreased 4% and earnings per share for the quarter was \$0.38.

During the last twelve months, we invested Ps. \$2,505 million in Capex; paid Ps. \$5,231 million in dividends to our shareholders; and paid down Ps. \$3,000 million in debt.

We maintain a very solid balance sheet. As of June 30, the company held Ps. \$9.7 billion in cash and equivalents. Total net debt was Ps. \$14.1 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 1.5 times.

In dollars, under US GAAP, net sales increased 11% in the quarter while operating profit and net income decreased 3% and 5% respectively.

Share Buyback Program Year to Date

	<u>2022</u>	<u>2021</u>
Shares repurchased	-	3,999,939

YTD FINANCIAL RESULTS

Million pesos

	<u>6M'22</u>	<u>6M'21</u>	<u>CHANGE</u>
NET SALES	\$25,469	\$23,831	7%
GROSS PROFIT	8,094	8,707	(7)%
OPERATING PROFIT	4,163	4,974	(16)%
NET INCOME	2,269	2,824	(20)%
EBITDA	5,191	5,961	(13)%

FINANCIAL POSITION

Million Pesos

	As of June	
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 9,668	\$ 14,265
Trade and other receivables	7,499	7,228
Current income tax receivable	-	17
Inventories	4,668	3,989
Property, plant and equipment	17,488	16,437
Right of use assets	1,365	1,254
Non-current derivative financial instruments	3,592	3,801
Intangible assets and others	<u>2,801</u>	<u>2,936</u>
Total	\$ 47,081	\$ 49,927
<u>Liabilities and equity</u>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	1,500	3,000
Current lease liabilities	294	239
Current derivative financial instruments	18	-
Trade payables	9,094	7,327
Employee benefits	885	942
Dividends payable	3,823	4,011
Provisions	2,304	2,144
Current income tax payable	212	-
Long term debt	23,317	24,605
Non-current lease liabilities	1,190	1,098
Non-current derivative financial instruments	815	1,497
Deferred taxes	26	322
Other liabilities	359	629
Equity	<u>3,009</u>	<u>3,878</u>
Total	\$ 47,081	\$ 49,927

CASH FLOW

Million pesos

	Six months ended June	
	<u>2022</u>	<u>2021</u>
Profit before tax	\$3,315	\$4,099
Depreciation and amortization	1,028	987
Other	848	875
Cash used in operations	<u>(1,268)</u>	<u>(3,380)</u>
Net cash flow from operating activities	3,923	2,581
Capital expenditures and others	(1,181)	(813)
Repurchase of shares	-	(141)
Payment of borrowings	(3,000)	(3,579)
Payments of lease liabilities	(192)	(176)
Dividends paid	(1,260)	(1,323)
Payment of net interest and other	<u>(838)</u>	<u>(865)</u>
Net decrease in cash	(2,548)	(4,316)
Effect of exchange rate changes on cash	(59)	(3)
Cash and equivalents at the beginning of period	12,275	18,584
Cash and equivalents at the end of period	9,668	14,265

Conference Call Information

The 2Q'22 conference call will be held on Friday, July 22, 2022 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(800) 343-1703, international +1(203) 518-9859; conference ID: 34856

A replay of the conference call will be available through July 29, 2022. To access the replay, please dial US +1(800) 839-6964, international +1(402) 220-6060; conference ID: 34856

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.

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