

April 20, 2023

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

Highlights:

- First quarter sales of Ps. \$13.5 billion, up 8%. An all time high.
- Stable, though still challenging, raw materials cost environment.
- Ps. \$400 million of savings from our cost reduction program for the quarter.
- First quarter EBITDA of Ps. \$3.3 billion, up 30%; margin of 24.1%, a 100 bps sequential improvement and a 410 bps improvement vs the first quarter of 2022.
- Strong innovation pipeline and will support our brands accordingly.

**QUARTERLY FINANCIAL RESULTS**

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

	<u>1Q'23</u>	<u>1Q'22</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$13,549</b>	<b>\$12,574</b>	<b>8%</b>
<b>GROSS PROFIT</b>	<b>4,922</b>	<b>3,938</b>	<b>25%</b>
<b>OPERATING PROFIT</b>	<b>2,782</b>	<b>2,006</b>	<b>39%</b>
<b>NET INCOME</b>	<b>1,613</b>	<b>1,092</b>	<b>48%</b>
<b>EBITDA</b>	<b>3,265</b>	<b>2,515</b>	<b>30%</b>

Net sales increased 8%. Consumer and Away from Home grew 12% and 23%, respectively. Exports decreased 31%.

Even though we continue to face a significant global commodity and raw material price inflation environment, which impacted costs, gross profit increased 25%, with a margin of 36.3%. Against last year, every commodity and raw material compared negatively except for SAM and resins. Energy also compared negatively while gas was down. The FX averaged 8% less.

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

Operating expenses were 11% higher, principally due to stronger investment behind our brands. We continue to look for additional opportunities to streamline our operations.

Operating profit increased 39%; margin of 20.5%.

EBITDA increased 30% to Ps. \$3.3 billion in the quarter, and margin was 24.1%, a 100 bps sequential improvement and 410 bps improvement against 1Q22.

Cost of financing was Ps. \$415 million in the first quarter, compared to Ps. \$419 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 loss in the quarter was Ps. \$21 million compared to a Ps. \$4 million loss last year.

Net income increased 48% and earnings per share for the quarter were \$0.52.

During the last twelve months, we invested Ps. \$1,927 million in Capex; paid Ps. \$5,041 million in dividends; and paid down Ps. \$4,500 million in debt.

In Capex, the expanded and improved footprint in bathroom tissue is starting up and the new and technologically enhanced non wovens investment, which started up in mid 2022, is contributing as planned to results in 2023.

We maintain a very solid balance sheet. As of March 31, the company held Ps. \$17.9 billion in cash and equivalents. Total net debt was Ps. \$15.1 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 1.3 times.

In dollars, and US GAAP, net sales increased 18% in the quarter, while operating profit and net income grew 50% and 63%, respectively.

In March, our shareholders approved a dividend of Ps. \$1.62 per share, in line with our commitment to distribute cash to our shareholders while maintaining a solid capital structure.

**FINANCIAL POSITION**

Million Pesos

	As of March	
	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 17,919	\$ 12,398
Trade and other receivables	8,199	7,993
Inventories	4,612	4,280
Property, plant and equipment	17,742	17,268
Right of use assets	1,117	1,281
Non-current derivative financial instruments	2,247	3,426
Deferred taxes	527	-
Intangible assets and others	<u>2,693</u>	<u>2,832</u>
<b>Total</b>	<b>\$ 55,056</b>	<b>\$ 49,478</b>
<b><u>Liabilities and equity</u></b>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	1,750	3,000
Current lease liabilities	252	246
Current derivative financial instruments	174	7
Trade payables	8,396	8,683
Employee benefits	1,486	1,348
Dividends payable	5,024	5,083
Provisions	2,493	1,929
Current income tax payable	630	78
Long term debt	29,438	24,561
Non-current lease liabilities	945	1,141
Non-current derivative financial instruments	2,460	1,116
Deferred taxes	-	123
Other liabilities	369	343
<b>Equity</b>	<b><u>1,404</u></b>	<b><u>1,585</u></b>
<b>Total</b>	<b>\$ 55,056</b>	<b>\$ 49,478</b>

## **CASH FLOW**

Million pesos

	Three months ended March	
	<u>2023</u>	<u>2022</u>
<b>Profit before tax</b>	<b>\$2,367</b>	<b>\$1,587</b>
<b>Depreciation and amortization</b>	<b>483</b>	<b>509</b>
<b>Other</b>	<b>415</b>	<b>419</b>
<b>Cash used in operations</b>	<b><u>(735)</u></b>	<b><u>(964)</u></b>
<b>Net cash flow from operating activities</b>	<b>2,530</b>	<b>1,551</b>
<b>Capital expenditures and others</b>	<b>(350)</b>	<b>(565)</b>
<b>Payments of lease liabilities</b>	<b>(88)</b>	<b>(95)</b>
<b>Payment of net interest and other</b>	<b><u>(767)</u></b>	<b><u>(657)</u></b>
<b>Net increase in cash</b>	<b>1,325</b>	<b>234</b>
<b>Effect of exchange rate changes on cash</b>	<b>(325)</b>	<b>(111)</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>17,919</b>	<b>12,398</b>

### **Conference Call Information**

The 1Q'23 conference call will be held on Friday, April 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) 343-1703, international +1(785) 424-1226; conference ID: 87371

A replay of the conference call will be available through April 28, 2023. To access the replay, please dial US +1(800) 695-0974, international +1(402) 220-1459.

**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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