

October 20, 2022

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

Highlights:

- Third quarter sales of Ps. \$12.8 billion, up 13% year over year.
- Sequential improvement in bottom line and margins.
- Challenging raw materials cost environment.
- Ps. \$500 million of savings from the cost reduction program.
- EBITDA of Ps. \$2.8 billion, up 23%. Margin 21.5%, a 70 bps sequential improvement (180 bps over 3Q'21).

QUARTERLY FINANCIAL RESULTSPrepared in accordance with International Financial Reporting Standards (IFRS)
Million pesos

	<u>3Q'22</u>	<u>3Q'21</u>	<u>CHANGE</u>
NET SALES	\$12,794	\$11,343	13%
GROSS PROFIT	4,244	3,598	18%
OPERATING PROFIT	2,253	1,737	30%
NET INCOME	1,245	879	42%
EBITDA	2,755	2,235	23%

Net sales increased 13% with very strong growth in Exports and Away from Home which grew 36% and 17% respectively. Consumer products were 8% up.

Even though we face an unprecedented global commodity and raw material price inflation environment, which continues to impact our costs, gross profit increased 18%, with a margin of 33.2%. Against last year every commodity and raw material compared negatively except for resins. Energy also compared negatively as natural gas prices grew 60%. The FX was slightly higher, averaging 1% more.

Our cost reduction program had very good results yielding approximately Ps. \$500 million of savings in the quarter.

Operating expenses were 7% higher and as a percentage of sales were 80 points lower than in 3Q'21. We continue to look for additional opportunities to streamline our operations, without compromising the investment behind our brands.

Operating profit increased 30% and margin was 17.6%.

EBITDA increased 23% to Ps. \$2.8 billion in the quarter, and margin was 21.5%.

During the quarter the company issued Certificados Bursátiles (CEBURES) for the amount of Ps. 10 billion through two placements. The first placement for Ps. \$7.75 billion with equal amortizations in years 10, 11 and 12. The second for Ps. \$2.25 billion with a term of 5 years. The new debt was structured to yield a better cost and maturity profile. Also, the company prepaid Ps. \$1.5 billion of a bank loan that originally matured in 2023.

Cost of financing was Ps. \$425 million in the third quarter, compared to Ps. \$445 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. \$2 million compared to a Ps. \$8 million gain last year.

Net income increased 42% and earnings per share for the quarter was \$0.40.

During the last twelve months, we invested Ps. \$2,272 million in Capex; paid Ps. \$5,167 million in dividends to our shareholders; and paid down Ps. \$4,500 million in debt.

We maintain a very solid balance sheet. As of September 30, the company held Ps. \$18.1 billion in cash and equivalents. Total net debt was Ps. \$14.6 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 increased 24% and 35% respectively.

Share Buyback Program Year to Date

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

YTD FINANCIAL RESULTS

Million pesos

	<u>9M'22</u>	<u>9M'21</u>	<u>CHANGE</u>
NET SALES	\$38,263	\$ 35,175	9%
GROSS PROFIT	12,338	12,305	- %
OPERATING PROFIT	6,416	6,711	(4)%
NET INCOME	3,514	3,703	(5)%
EBITDA	7,946	8,196	(3)%

FINANCIAL POSITION

Million Pesos

	<u>As of September</u>	
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 18,114	\$ 14,289
Trade and other receivables	7,025	6,788
Current income tax receivable	-	288
Inventories	4,710	4,094
Property, plant and equipment	17,583	16,762
Right of use assets	1,206	1,256
Non-current derivative financial instruments	3,334	4,110
Deferred taxes	223	-
Intangible assets and others	<u>2,772</u>	<u>2,899</u>
Total	\$ 54,967	\$ 50,486
<u>Liabilities and equity</u>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	1,750	3,000
Current lease liabilities	264	245
Current derivative financial instruments	30	49
Trade payables	8,668	8,035
Employee benefits	1,187	1,110
Dividends payable	2,563	2,687
Provisions	2,179	2,015
Current income tax payable	260	-
Long term debt	31,537	25,301
Non-current lease liabilities	1,056	1,119
Non-current derivative financial instruments	1,208	664
Deferred taxes	-	415
Other liabilities	333	667
Equity	<u>3,697</u>	<u>4,944</u>
Total	\$ 54,967	\$ 50,486

CASH FLOW

Million pesos

	Nine months ended September	
	<u>2022</u>	<u>2021</u>
Profit before tax	\$5,143	\$5,392
Depreciation and amortization	1,531	1,484
Other	1,272	1,320
Cash used in operations	<u>(1,683)</u>	<u>(2,953)</u>
Net cash flow from operating activities	6,263	5,243
Capital expenditures and others	(1,667)	(1,514)
Repurchase of shares	-	(139)
Borrowings	10,000	-
Payment of borrowings	(4,500)	(3,579)
Payments of lease liabilities	(283)	(266)
Dividends paid	(2,520)	(2,647)
Payment of net interest and other	<u>(1,394)</u>	<u>(1,514)</u>
Net increase (decrease) in cash	5,899	(4,416)
Effect of exchange rate changes on cash	(60)	121
Cash and equivalents at the beginning of period	12,275	18,584
Cash and equivalents at the end of period	18,114	14,289

Conference Call Information

The 3Q'22 conference call will be held on Friday, October 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) 343-1703, international +1(203) 518-9895; conference ID: 34597

A replay of the conference call will be available through October 28, 2022. To access the replay, please dial US +1(800) 934-2750, international +1(402) 220-1142; conference ID: 34597

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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