

July 18, 2024

**Kimberly-Clark de México, S.A.B. de C.V.
SECOND QUARTER 2024 RESULTS**

Highlights:

- Second quarter sales of Ps. \$14.1 billion. An all time high.
- EBITDA of Ps. \$4.0 billion was also a new record, up 15%. EBITDA margin of 28.7%, a 50 bps sequential improvement and a 310 bps improvement YoY. 10th consecutive sequential EBITDA margin improvement.
- Ps. \$400 million of savings from our cost reduction program for the quarter.
- We continue to invest to improve our manufacturing footprint and to streamline logistics operations.

QUARTERLY FINANCIAL RESULTS

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

	<u>2Q'24</u>	<u>2Q'23</u>	<u>CHANGE</u>
NET SALES	\$14,068	\$13,714	3%
GROSS PROFIT	5,954	5,236	14%
OPERATING PROFIT	3,538	3,029	17%
NET INCOME	2,133	1,799	19%
EBITDA	4,033	3,512	15%

Net sales increased 3%. Consumer and Away from Home grew 2% and 3%, respectively. Exports increased 11% with hard roll sales still lagging.

Gross profit increased 14%, with a margin of 42.3%. Against last year virgin fibers compared negatively while recycled fibers, SAM, resins and fluff were favorable. FX averaged 6% less.

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

Operating expenses were 9% higher. Distribution expenses are up YoY but improving sequentially. We continue to invest to improve our manufacturing footprint and streamline logistics operations.

Operating profit increased 17%; margin of 25.1%.

EBITDA increased 15% to Ps. \$4.0 billion in the quarter, a new record. Margin was 28.7%, a 50 bps sequential improvement and 310 bps improvement against 2Q23. This is the 10th consecutive sequential EBITDA margin improvement.

Cost of financing was Ps. \$356 million in the second quarter, compared to Ps. \$381 million in the same period of last year. Net interest expense was lower since we have less net debt. Foreign exchange loss in the quarter was Ps. \$37 million compared to a Ps. \$1 million gain last year.

Net income increased 19% and earnings per share for the quarter were \$0.69.

During the last twelve months, we invested Ps. \$2,133 million in Capex; paid Ps. \$5,164 million in dividends; and paid down Ps. \$5,291 million in debt.

We maintain a very solid balance sheet. As of June 30, the company held Ps. \$16.9 billion in cash and equivalents. Total net debt was Ps. \$10.6 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 0.7 times.

In dollars, and US GAAP, net sales increased 9%, while operating profit and net income grew 23% and 24%, respectively.

YTD FINANCIAL RESULTS

Million pesos

	<u>6M'24</u>	<u>6M'23</u>	<u>CHANGE</u>
NET SALES	\$27,857	\$27,263	2%
GROSS PROFIT	11,783	10,159	16%
OPERATING PROFIT	6,938	5,812	19%
NET INCOME	4,214	3,412	24%
EBITDA	7,927	6,777	17%

FINANCIAL POSITION

Million Pesos

	As of June	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 16,875	\$ 19,113
Trade and other receivables	8,651	8,120
Current derivative financial instruments	871	1,058
Inventories	4,036	4,443
Property, plant and equipment	18,433	17,837
Right of use assets	914	1,066
Non-current derivative financial instruments	57	664
Deferred taxes	561	629
Intangible assets and others	<u>2,494</u>	<u>2,662</u>
Total	\$ 52,892	\$ 55,592
<u>Liabilities and equity</u>		
Bank loans current	\$ -	\$ 235
Current portion of long term debt	4,573	6,030
Current lease liabilities	272	248
Current derivative financial instruments	66	99
Trade payables	8,812	8,559
Employee benefits	1,438	1,167
Dividends payable	4,335	3,779
Provisions	3,436	3,064
Current income tax payable	630	620
Long term debt	20,567	24,263
Non-current lease liabilities	746	885
Non-current derivative financial instruments	2,217	3,090
Other liabilities	286	371
Equity	<u>5,514</u>	<u>3,182</u>
Total	\$ 52,892	\$ 55,592

CASH FLOW

Million pesos

	Six months ended June	
	<u>2024</u>	<u>2023</u>
Profit before tax	\$6,267	\$5,015
Depreciation and amortization	989	966
Other	671	796
Cash used in operations	<u>(3,235)</u>	<u>(1,092)</u>
Net cash flow from operating activities	4,692	5,685
Capital expenditures and others	(1,286)	(824)
Payment of borrowings	(3,541)	-
Payments of lease liabilities	(178)	(175)
Dividends paid	(1,429)	(1,245)
Payment of net interest and other	<u>(615)</u>	<u>(716)</u>
Net (decrease) increase in cash	(2,357)	2,725
Effect of exchange rate changes on cash	260	(531)
Cash and equivalents at the beginning of period	18,972	16,919
Cash and equivalents at the end of period	16,875	19,113

Conference Call Information

The 2Q'24 conference call will be held on Friday, July 19, 2024 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) 267-6316, international +1(203) 518-9783; conference ID: 42576.

A replay of the conference call will be available through July 26, 2024. To access the replay, please dial US +1(800) 938-2243, international +1(402) 220-1122.

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, Cottonelle, Pétalo, Depend, Kotex, Evenflo and Escudo.

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