



January 19, 2023

**Kimberly-Clark de México, S.A.B. de C.V.  
FOURTH QUARTER AND FULL YEAR 2022 RESULTS**

Highlights:

- Fourth quarter sales of Ps. \$12.8 billion, up 9%. Net sales in 2022 of Ps. \$51.1 billion, an all time high, also up 9%.
- Still challenging raw materials cost environment.
- Ps. \$500 million of savings from our cost reduction program for the quarter and Ps \$1.7 billion savings for the year, a record.
- Fourth quarter EBITDA of Ps. \$3.0 billion, up 42%; margin of 23.1%. Sequential improvement every quarter of the year.

**QUARTERLY FINANCIAL RESULTS**

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

	<u>4Q'22</u>	<u>4Q'21</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$12,792</b>	<b>\$11,719</b>	<b>9%</b>
<b>GROSS PROFIT</b>	<b>4,435</b>	<b>3,481</b>	<b>27%</b>
<b>OPERATING PROFIT</b>	<b>2,525</b>	<b>1,638</b>	<b>54%</b>
<b>NET INCOME</b>	<b>1,423</b>	<b>790</b>	<b>80%</b>
<b>EBITDA</b>	<b>2,957</b>	<b>2,089</b>	<b>42%</b>

Net sales increased 9%. Consumer and Away from Home grew 12% and 13%, respectively. Exports decreased 14%.

Even though we faced and continue to face an unprecedented global commodity and raw material price inflation environment, which impacted costs, gross profit increased 27%, with a margin of 34.7%. Against last year, every commodity and raw material compared negatively except for SAM and resins. Energy also compared negatively. The FX averaged 6% less.

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

Operating expenses were 4% higher and as a percentage of sales were 80 basis points (bps) lower than in 4Q'21. We continue to look for additional opportunities to streamline our operations, while strengthening the investment behind our brands.

Operating profit increased 54%; margin of 19.7%.

EBITDA increased 42% to Ps. \$3.0 billion in the quarter, and margin was 23.1%, a 160 bps sequential improvement and 530 bps improvement against 4Q21.

Cost of financing was Ps. \$419 million in the fourth quarter, compared to Ps. \$420 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. \$26 million compared to a Ps. \$13 million gain last year.

Net income increased 80% and earnings per share for the quarter were \$0.46.

In dollars, and US GAAP, net sales increased 15% in the quarter while operating profit and net income grew 59% and 88%, respectively.

## **FULL YEAR FINANCIAL RESULTS**

Million pesos

	<u>2022</u>	<u>2021</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$ 51,055</b>	<b>\$ 46,894</b>	<b>9%</b>
<b>GROSS PROFIT</b>	<b>16,773</b>	<b>15,786</b>	<b>6%</b>
<b>OPERATING PROFIT</b>	<b>8,941</b>	<b>8,350</b>	<b>7%</b>
<b>NET INCOME</b>	<b>4,936</b>	<b>4,494</b>	<b>10%</b>
<b>EBITDA</b>	<b>10,903</b>	<b>10,285</b>	<b>6%</b>

For the full year revenues increased 9%, gross profit 6%, operating profit 7%, EBITDA 6% and net income 10%. Earnings per share were Ps. \$1.61. Most of the improvement in 2022 was generated in the second half, Q3 and Q4, of the year.

In dollars, and US GAAP, net sales grew 10% to US\$2.5 billion. Operating profit and net income were higher by 7% and 9%, respectively.

During the year, we invested Ps. \$2,141 million in Capex; paid Ps. \$5,043 million in dividends; and paid down Ps. \$4,500 million in debt.

We maintain a very solid balance sheet. As of December 31, the company held Ps. \$16.9 billion in cash and equivalents. Total net debt was Ps. \$15.9 billion. All debt is denominated in Mexican pesos, and the ratio of net debt to EBITDA was 1.5 times.

**Share Buyback Program Year to Date**

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

**Conference Call Information**

The 4Q'22 conference call will be held on Friday, January 20, 2023 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: 11471

A replay of the conference call will be available through January 27, 2023. To access the replay, please dial US +1(800) 695-1624, international +1(402) 530-9026.

**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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