

April 22, 2021

**Kimberly-Clark de México, S.A.B. de C.V.**  
**FIRST QUARTER 2021 RESULTS**

Highlights:

- First quarter sales were Ps. \$12.1 billion, up 4% year over year, due to higher realized prices and strong exports.
- Challenging cost environment and continued cost savings of Ps. \$350 million in the quarter.
- EBITDA of Ps. \$3.2 billion during the quarter with 26.8% margin.
- EPS of Ps. \$0.52.

**QUARTERLY FINANCIAL RESULTS**

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

	<u>1Q'21</u>	<u>1Q'20</u>	<u>CHANGE</u>
<b>NET SALES</b>	<b>\$12,109</b>	<b>\$11,692</b>	<b>4%</b>
<b>GROSS PROFIT</b>	<b>4,663</b>	<b>4,625</b>	<b>1%</b>
<b>OPERATING PROFIT</b>	<b>2,741</b>	<b>2,702</b>	<b>1%</b>
<b>NET INCOME</b>	<b>1,602</b>	<b>1,528</b>	<b>5%</b>
<b>EBITDA</b>	<b>3,243</b>	<b>3,214</b>	<b>1%</b>

Net sales were 4% higher, driven by a 6% increase in price and mix while volume was down 2%. We faced a difficult comparison due to increased volumes in the same quarter of last year from early COVID pandemic purchases by consumers. Sales were also affected by the impact the February winter storm in the Southern U.S. had on some of our operations.

Revenues in consumer products increased 3%, Away from Home decreased 14% and exports grew 36%.

Gross profit grew 1%, with margin of 38.5%. Virgin pulp, fluff fiber and superabsorbent materials, while higher sequentially, were relatively flat year on year, in dollars. Imported and domestic recyclable fibers and resins compared negatively. We also had an important one time hit in gas and electricity costs stemming from the above mentioned winter storm. The cost reduction

program yielded approximately Ps. \$350 million in the quarter. The FX parity was higher, averaging 6% above last year.

Operating expenses were in line with last year and as a percentage of sales were 50 basis points lower than in 1Q'20. We achieved better efficiencies in distribution as well as in the investment behind our brands.

Operating profit increased 1% and margin was 22.6%.

EBITDA increased 1% to Ps. \$3.2 billion in the quarter, and margin was 26.8% on the higher end of our long term range objective.

Cost of financing was Ps. \$422 million in the first quarter, compared to Ps. \$412 million in the same period of last year. Net interest expense was 3% lower. Foreign exchange gain in the quarter was Ps. \$18 million compared to Ps. \$42 million the year before.

Net income increased 5% and earnings per share for the quarter was \$0.52.

Excluding the one-time winter storm related effects (principally very high gas price and shutdown of some operations) and expenses associated with the 4e voluntary recall net sales grew 5%, EBITDA 9% and net income 15%.

During the last twelve months, we invested Ps. \$1,116 million in Capex; paid Ps. \$4,934 million in dividends to our shareholders; paid down Ps. \$6,079 million in debt; and repurchased shares for Ps. \$198 million.

As of March 31, the company held Ps. \$15.7 billion in cash and equivalents.

Total net debt as of March 2021 was Ps. \$11.4 billion, compared to Ps. \$13.1 billion on December 2020. All debt was denominated in Mexican pesos. The ratio of net debt to EBITDA was 0.9.

In dollars, under US GAAP, net sales decreased 3% in the quarter, operating profit decreased 5% and net income was in line with 1Q'20.

In February, our shareholders approved a dividend of Ps. \$1.72 per share, a 7.5% increase against last year and 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>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 15,739	\$ 9,723
Trade and other receivables	6,807	7,173
Current derivative financial instruments	-	1,140
Inventories	3,937	3,504
Property, plant and equipment	16,440	16,836
Right of use assets	1,280	1,306
Non-current derivative financial instruments	4,087	6,159
Intangible assets and others	<u>2,975</u>	<u>3,135</u>
Total	\$ 51,265	\$ 48,976
<b><u>Liabilities and equity</u></b>		
Bank loans current	\$ 235	\$ 235
Current portion of long term debt	-	7,260
Current lease liabilities	245	202
Current derivative financial instruments	-	67
Trade payables	7,400	7,087
Employee benefits	1,580	1,447
Dividends payable	5,334	4,971
Provisions	2,116	2,661
Current income tax payable	201	404
Long term debt	28,069	19,627
Non-current lease liabilities	1,124	1,265
Non-current derivative financial instruments	1,597	548
Deferred taxes	218	477
Other liabilities	646	715
Equity	<u>2,500</u>	<u>2,010</u>
Total	\$ 51,265	\$ 48,976

## **CASH FLOW**

Million pesos

	<b>Three months ended March</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Profit before tax</b>	<b>\$2,319</b>	<b>\$2,290</b>
<b>Depreciation and amortization</b>	<b>501</b>	<b>513</b>
<b>Other</b>	<b>423</b>	<b>411</b>
<b>Cash used in operations</b>	<b><u>(1,380)</u></b>	<b><u>(547)</u></b>
<b>Net cash flow from operating activities</b>	<b>1,863</b>	<b>2,667</b>
<b>Capital expenditures and others</b>	<b>(454)</b>	<b>(150)</b>
<b>Payment of borrowings</b>	<b>(3,579)</b>	<b>-</b>
<b>Payments of lease liabilities</b>	<b>(87)</b>	<b>(75)</b>
<b>Payment of net interest and other</b>	<b><u>(654)</u></b>	<b><u>(305)</u></b>
<b>Net (decrease) increase in cash</b>	<b>(2,911)</b>	<b>2,137</b>
<b>Effect of exchange rate changes on cash</b>	<b>66</b>	<b>747</b>
<b>Cash and equivalents at the beginning of period</b>	<b>18,584</b>	<b>6,839</b>
<b>Cash and equivalents at the end of period</b>	<b>15,739</b>	<b>9,723</b>

### **Conference Call Information**

The 1Q'21 conference call will be held on Friday, April 23, 2021 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(877) 271-1828, international +1(334) 323-9871; conference ID: 30265

A replay of the conference call will be available through April 30, 2021. To access the replay, please dial US +1(877) 919-4059, international +1(334) 323-0140; conference ID: 46100524

**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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