



VERTICALLY INTEGRATED TEXTILE COMPANY

Naucalpan, Estado de Mexico, May 21, 2024 – Grupo Kaltex S.A. de C.V. and subsidiaries (Ticker: KLTXXMX), a leading company in the manufacture and marketing of textile products, announced today its results for the first quarter of 2024 ended March 31, 2024. The figures presented in this report are expressed in nominal Mexican pesos, are preliminary, non-audited, prepared in accordance with IFRS and current interpretations, and may vary due to rounding.

1Q24 HIGHLIGHTS

Compared to the same quarter of last year:

- ✚ First quarter consolidated net revenue decreased 17.1% to Ps.1,790 million, due to lower manufacturing activity.
- ✚ Gross profit for the first quarter decreased 58.8% to Ps.55 million. Gross margin decreased to 3.1% coming from 6.2%.
- ✚ Reported EBITDA for the first quarter of 2024 decreased 60.0% or Ps.32 million to Ps.22 million compared to Ps.54 million during the same quarter of last year. EBITDA margin for the quarter was 1.2% compared to 2.5% for the same quarter of 2023.
- ✚ First quarter consolidated net loss was Ps.180 million compared to an income of Ps.6 million for the first quarter of 2023.

REVENUES

First quarter consolidated net revenues totaled Ps.1,790 million, a decrease of 17.1% or Ps.369 million compared to the Ps.2,159 million recorded in first quarter of 2023 mainly due to lower manufacturing activity.

For the first quarter of 2024 sales to the United States represented 43% of total sales, sales to Mexico represented 51% and to other countries were 6%.

FINANCIAL PERFORMANCE

For the first quarter we recorded Ps.1,735 million of cost of sales, which represented a decrease of 14.4% compared to Ps.2,026 million reached in the same period of 2023.

Consolidated gross profit amounted Ps.55 million for the quarter, which represented a decrease of 58.8% compared to the same quarter of 2023. Gross margin for the quarter stood at 3.1% of net sales, compared to 6.2% recorded in the same period of 2023.

Operating expenses for the quarter amounted Ps.163 million, an increase of 18% compared to the same quarter of 2023, while the ratio of operational expenses to sales for the quarter was 9.1%, compared to 6.4% during the same period of 2023.

Consolidated EBITDA totaled Ps.22 million for the first quarter of 2024, a decrease of 60% from the Ps.54 million registered in the same period of 2023. EBITDA margin for the quarter stood at 1.2% of net revenues, compared to 2.5% registered during the same quarter of 2023.

First quarter net interest expense was Ps.144 million, a decrease of 7.1% compared the first quarter of 2023, due to lower debt outstanding.

First quarter consolidated net loss totaled Ps.180 million, a decrease compared to a Ps.6 million income registered during the same quarter of 2023.

FINANCIAL POSITION

Cash and cash equivalents amounted Ps.156 million as of March 31, 2024, compared to Ps.159 million at 31 December 2023.

Grupo Kaltex debt amounted Ps.3,753 million as of March 31, 2024, compared to Ps.3,810 million as of December 31, 2023. In dollar terms, debt was US\$225.0 million, compared to US\$225.5 million as of December 31, 2023.

Regarding debt by currency, 69% is denominated in US Dollars and corresponds to the Senior Notes due September 2025 and the Dollar tranche of the Bancomext loan; and the remaining 31% is denominated in Mexican Pesos, corresponding to the Peso tranche of the Bancomext loan.

About Grupo Kaltex

Grupo Kaltex S.A. de C.V. is a 100% Mexican textile Company, vertically integrated with a business model that grants the highest standards of quality and service, which are also certified by international organizations. For almost a century, Grupo Kaltex has been dedicated to the manufacturing and marketing of textile and apparel products, processes in which innovation and growth are the main differentiators that currently place it as a leader in America.

Forward looking statements

The information presented by the Company in this report may contain statements regarding future events and/or projected financial results. The results obtained in the future could differ from those projected in this document, since past results do not guarantee future performance. Therefore, the Company does not assume liability nor obligation for external or indirect factors occurring in Mexico or abroad.

Investor Relations

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CONSOLIDATED FINANCIAL STATEMENTS

 Grupo KALTEX S.A. de C.V. and Subsidiaries
 Consolidated Income Statement

<i>Figures in MXN thousands</i>	<i>Three months ended, March 31,</i>		
	2024	2023	Δ%
Net revenue	1,789,761	2,158,850	-17%
Cost of goods sold	1,734,904	2,025,607	-14%
Gross profit	54,857	133,243	-59%
Sales expenses	48,525	57,805	-16%
Administrative expenses	114,196	80,142	42%
Other (expenses) income net	54,635	(35,820)	-253%
Operating profit	(53,229)	(40,524)	31%
Comprehensive financial result	(90,860)	129,192	-170%
Interest income	1,931	(79)	2544%
Interest expense	145,679	154,626	-5.8%
Foreign exchange result	52,888	283,897	-81%
Income tax	36,189	83,014	-56%
Consolidated net result	(180,278)	5,654	-3289%
Depreciation	74,885	94,644	-21%
EBITDA	21,656	54,120	-60%

Grupo KALTEX S.A. de C.V. and Subsidiaries
Consolidated Statement of Financial Position

Figures in MXN thousands

	March 31, 2024	December 31, 2023
Assets		
Cash & cash equivalents	156,124	159,255
Accounts receivable, net	1,707,638	1,811,748
Accounts receivable from related parties	34,214	34,166
Inventories, net	1,714,015	1,936,758
Prepaid expenses	250,137	131,584
Assets available for sale	-	467,869
Current Assets	3,862,128	4,541,380
Property, plant and equipment, net	9,544,977	9,702,489
Investment properties	933,591	851,368
Right of use asset	61,418	248,383
Other assets	132,582	126,469
Non-current Assets	10,672,568	10,928,709
Total Assets	14,534,696	15,470,089
Liabilities		
Bank loans	92,830	93,260
Accounts Payable to suppliers	1,290,269	1,357,028
Short term lease liability	144	86,329
Accounts payable to related parties	97,350	98,385
Other accounts payable and accrued liabilities	2,265,552	2,200,742
Current Liabilities	3,746,145	3,835,744
Long-term financial liabilities	3,660,110	3,716,692
Accounts payable to related parties	1,908,807	2,144,058
Lease liability	62,465	181,379
Employee benefits	593,267	549,480
Other accounts payable	-	-
Deferred Income Tax	1,634,156	1,596,365
Non-current Liabilities	7,858,805	8,187,974
Total Liabilities	11,604,950	12,023,718
Capital stock	5,307,329	5,295,829
Accumulated (losses) earnings	(2,377,583)	(1,849,458)
Total Equity	2,929,746	3,446,371
Total Liabilities and Equity	14,534,696	15,470,089

Grupo KALTEX S.A. de C.V. and Subsidiaries
Consolidated Statement of Cash Flow

<i>Figures in MXN thousands</i>	<i>Three months ended March 31,</i>	
	2024	2023
Cash flows from operating activities		
Consolidated net income (loss)	(180,278)	5,654
<i>Adjustments for:</i>		
Income tax expense recognized in net loss	36,189	83,014
Depreciation and amortization	261,850	94,644
Interest income	(1,931)	(79)
Interest expense	145,679	154,626
Unrealized foreign exchange	(52,888)	(283,897)
	208,621	53,962
Changes in working capital		
<i>(Increase) decrease in:</i>		
Accounts receivable, net	104,110	(147,128)
Inventories, net	222,743	139,026
Prepaid expenses	(118,553)	239,609
Other assets	461,875	10,788
<i>(Increase) decrease in:</i>		
Accounts payable to suppliers	(66,759)	(273,875)
Accounts payable to related parties	(1,083)	(18)
Other accounts payable and accrued liabilities	24,014	80,841
Net cash flows generated by operating activities	834,968	103,205
<i>Cash flows from investing activities:</i>		
Interest received	-	79
Acquisition of property, plant and equipment, net	(347,562)	14,624
Capital increase	11,500	-
Net cash flows (generated by) used in investing activities	(336,062)	14,703
<i>Cash flows from financing activities:</i>		
Payments of debt, net	(57,012)	(198,328)
Proceeds from related parties, net	(235,251)	(181,358)
Interest paid	(143,748)	(154,626)
Lease payments	(118,914)	77,474
Dividends paid	-	-
Net cash flow (used in) generated by financing activities	(554,925)	(456,838)
Net increase (decrease) in cash and cash equivalents	(56,019)	(338,930)
Effects of exchange rate changes on cash flows	52,888	327,319
Cash and cash equivalents at beginning of period	159,255	220,883
Cash and cash equivalents at end of period	156,124	209,272