



## VERTICALLY INTEGRATED TEXTILE COMPANY

Naucalpan, Estado de Mexico, February 29, 2024 – Grupo Kaltex S.A. de C.V. and subsidiaries (Ticker: KLTXMX), a leading company in the manufacture and marketing of textile products, announced today its results for the fourth quarter of 2023 ended December 31, 2023. 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.

### 4Q23 HIGHLIGHTS

Compared to the same period of last year:

- ✎ Fourth quarter consolidated net revenue decreased 16.3% to Ps.1,774 million, due to a continuing weak demand coming local and international markets. Year to date, revenues decreased 36.9% to Ps.7,571 million.
- ✎ Gross profit for the fourth quarter increased to Ps.54 million coming from a loss of Ps.34 million, while gross margin increased to 3.1% coming from a negative -1.6% for the same period of last year. For full year 2023, gross profit decreased 40.6% to Ps.527 million, and gross margin reached 3.1% compared to -1.6% for 2022.
- ✎ Reported EBITDA for the fourth quarter of 2023 increased to Ps.89 million compared to a loss of Ps.571 million during the same quarter of last year, due to lower expenses associated with the bond refinancing that were registered in the fourth quarter of 2022. Year to date EBITDA reached Ps.373 million coming from a loss of Ps.66 million and representing 4.9% of total revenues.
- ✎ Fourth quarter consolidated net income was Ps.14 million compared to a loss of Ps.571 million during the same period of 2022. Year to date, net income was Ps.21 million compared to a loss of Ps.1,044 million for last year.

## REVENUES

Fourth quarter consolidated net revenues totaled Ps.1,774 million, a decrease of 16.3% or Ps.346 million compared to the Ps.2,120 million recorded during the fourth quarter of 2022 mainly due to a weak demand across all out lines of business. On an accumulated basis, revenues reached Ps. 7,571 million, a decrease of 36.9% or Ps.4,420 million compared to 2022.

For the fourth quarter of 2023 sales to the United States represented 43% of total sales, while for the full year they represented 51%. The rest of the sales were done in Mexico.

## FINANCIAL PERFORMANCE

For the fourth quarter we recorded Ps.1,719 million of cost of sales, which represented a decrease of 20.2% compared to Ps.2,154 million reached in the same period of 2022. For the full year 2023, cost of sales amounted Ps.7,044 million, a decrease of 36.6% or Ps.4,059 million compared to 2022.

Consolidated gross profit amounted Ps.54 million for the quarter, which is a increase from the loss of from the Ps.34 million recorded in the same period of 2022, while gross margin for the quarter stood at 3.1% of net sales, compared to -1.6%. Year to date, gross profit reached Ps.527 million, a decrease of 40.6% compared to Ps.887 million recorded during the same period of 2022. Gross margin for the year was 7.0% compared to 7.4% for last year.

Operating expenses for the quarter amounted Ps.216 million, a decrease of 22.8% compared to the same quarter of 2022, while the ratio of operational expenses to sales for the quarter was 12.2%, compared to 13.2% during the same period of 2022. For full year 2023 operating expenses reached Ps.648 million, a decrease of 18.7% or Ps.149 million compared to 2022. The ratio of operational expenses to sales increased to 8.6% coming from 6.6%.

Consolidated EBITDA totaled Ps.89 million for the fourth quarter of 2023, an increase from the Ps.571 million loss registered in the same period of 2022. EBITDA margin for the quarter stood at 5.0% of net revenues, compared to -26.9% registered during the same quarter of 2022. Year to date, EBITDA was Ps.373 million, an increase from the Ps.66 million loss for 2022.

Fourth quarter net interest expense was Ps.184 million, an increase of 12.7% compared the fourth quarter of 2022. For full year 2023, net interest expense was Ps.649 million, an increase of 13.4% compared to last year. The increase in both periods was due to higher financing interest rates.

Fourth quarter consolidated net income totaled Ps.14 million that compares to a loss of Ps.510 million the same quarter of 2022. Year to date, net income amounted Ps.21 million, an increase from the loss of Ps.1,044 million reached last year.

## FINANCIAL POSITION

Cash and cash equivalents amounted Ps.159 million as of December 31, 2023, compared to Ps.221 million at 31 December 2022.

Grupo Kaltex gross debt amounted Ps.3,810 million as of December 31, 2023, compared to Ps.4,246 million as of December 31, 2022. In dollar terms, debt was US\$225.5 million, compared to US\$219.3 million as of December 31, 2022.

Regarding debt by currency, 70% 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 30% is denominated in Mexican Pesos, corresponding to the Peso tranche of the Bancomext loan.

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## 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 thousand</i>	<i>Three months ended, December 31,</i>			<i>Twelve months ended, December 31,</i>		
	<b>2023</b>	<b>2022</b>	<b>Δ%</b>	<b>2023</b>	<b>2022</b>	<b>Δ%</b>
Net revenue	1,773,648	2,119,969	-16%	7,571,020	11,990,537	-37%
Cost of goods sold	1,719,156	2,153,575	-20%	7,044,179	11,103,322	-37%
<b>Gross profit</b>	<b>54,492</b>	<b>(33,606)</b>	<b>262%</b>	<b>526,841</b>	<b>887,215</b>	<b>-41%</b>
Sales expenses	53,295	40,819	31%	221,118	237,571	-6.9%
Administrative expenses	162,418	238,687	-32%	426,902	559,564	-24%
Other (expenses) income net	147,403	(414,963)	136%	95,294	(605,240)	116%
<b>Operating profit</b>	<b>(13,818)</b>	<b>(728,075)</b>	<b>98%</b>	<b>(25,885)</b>	<b>(515,160)</b>	<b>-95%</b>
<b>Comprehensive financial result</b>	<b>231,421</b>	<b>44,481</b>	<b>420%</b>	<b>315,877</b>	<b>(498,681)</b>	<b>163%</b>
Interest income	23,831	1,634	1358%	10,392	3,844	170%
Interest expense	207,981	165,070	26%	659,669	576,405	14%
Foreign exchange result	415,571	207,917	100%	965,154	73,880	1206%
Income tax	203,699	(173,653)	217%	268,725	30,378	785%
<b>Consolidated net result</b>	<b>13,904</b>	<b>(509,941)</b>	<b>103%</b>	<b>21,267</b>	<b>(1,044,219)</b>	<b>102%</b>
Depreciation	102,458	156,907	-35%	398,476	448,789	-11.2%
<b>EBITDA</b>	<b>88,640</b>	<b>(571,168)</b>	<b>116%</b>	<b>372,591</b>	<b>(66,371)</b>	<b>661%</b>

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

*Figures in MXN thousand*

	December 31, 2023	December 31, 2022
<b>Assets</b>		
Cash & cash equivalents	159,255	220,883
Accounts receivable, net	1,811,748	2,230,526
Accounts receivable from related parties	34,166	11
Inventories, net	1,936,758	1,949,918
Prepaid expenses	131,584	113,616
Assets available for sale	467,869	467,869
<b>Current Assets</b>	<b>4,541,380</b>	<b>4,982,823</b>
Property, plant and equipment, net	9,702,489	9,767,517
Investment properties	851,368	862,634
Right of use asset	248,383	271,629
Other assets	126,469	100,955
<b>Non-current Assets</b>	<b>10,928,709</b>	<b>11,002,735</b>
<b>Total Assets</b>	<b>15,470,089</b>	<b>15,985,558</b>
<b>Liabilities</b>		
Bank loans	93,260	1,963,930
Accounts Payable to suppliers	1,357,028	1,963,762
Short term lease liability	86,329	86,329
Accounts payable to related parties	98,385	95,378
Other accounts payable and accrued liabilities	2,200,742	2,064,127
<b>Current Liabilities</b>	<b>3,835,744</b>	<b>6,143,536</b>
Long-term financial liabilities	3,716,692	2,282,082
Accounts payable to related parties	2,144,058	2,576,780
Lease liability	181,379	223,774
Employee benefits	549,480	525,002
Other accounts payable	-	1,126
Deferred Income Tax	1,596,365	1,414,341
<b>Non-current Liabilities</b>	<b>8,187,974</b>	<b>7,023,105</b>
<b>Total Liabilities</b>	<b>12,023,718</b>	<b>13,196,631</b>
Capital stock	5,295,829	4,435,829
Accumulated (losses) earnings	(1,849,458)	(1,464,902)
<b>Total Equity</b>	<b>3,446,371</b>	<b>2,788,927</b>
<b>Total Liabilities and Equity</b>	<b>15,470,089</b>	<b>15,985,558</b>

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

<i>Figures in MXN thousand</i>	<i>Three months ended, December 31, 2023</i>	<i>Twelve months ended, December 31, 2023</i>
<b>Cash flows from operating activities</b>		
Consolidated net income (loss)	13,904	21,267
<i>Adjustments for:</i>		
Income tax expense recognized in net loss	203,699	268,725
Depreciation and amortization	108,979	404,997
Interest income	(23,831)	(10,392)
Interest expense	207,981	659,669
Unrealized foreign exchange	(415,571)	(965,154)
	<b>95,161</b>	<b>379,112</b>
<b>Changes in working capital</b>		
<i>(Increase) decrease in:</i>		
Accounts receivable, net	(42,327)	418,778
Inventories, net	(278,619)	13,160
Prepaid expenses	188,691	(17,968)
Other assets	(29,394)	(19,072)
<i>(Increase) decrease in:</i>		
Accounts payable to suppliers	(44,332)	(606,734)
Accounts payable to related parties	(32,994)	(31,148)
Other accounts payable and accrued liabilities	125,249	73,266
<b>Net cash flows generated by operating activities</b>	<b>(18,565)</b>	<b>209,394</b>
<i>Cash flows from investing activities:</i>		
Acquisition of property, plant and equipment, net	(689,574)	(466,522)
Capital increase	615,000	860,000
<b>Net cash flows (generated by) used in investing activities</b>	<b>(74,574)</b>	<b>393,478</b>
<i>Cash flows from financing activities:</i>		
Payments of debt, net	(129,612)	(436,060)
Proceeds from related parties, net	(184,485)	(432,722)
Interest paid	(184,150)	(649,277)
Lease payments	93,319	(42,395)
Dividends paid	(5,200)	(69,200)
<b>Net cash flow (used in) generated by financing activities</b>	<b>(410,128)</b>	<b>(1,629,654)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(503,267)</b>	<b>(1,026,782)</b>
Effects of exchange rate changes on cash flows	415,571	965,154
<b>Cash and cash equivalents at beginning of period</b>	<b>246,951</b>	<b>220,883</b>
Cash and cash equivalents at end of period	159,255	159,255