



mabe

4Q22 RESULTS

CONTROLADORA MABE

MABE REPORTS A 1% INCREASE IN SALES.

Mexico City, February 03rd, 2023 – Controladora Mabe S.A. de C.V. (“Mabe” or “the Company”) reports its results for the fourth quarter of 2022 (“4Q22”). The results are expressed in US dollars (US\$) unless stated otherwise. The Financial Statements have been prepared according to the requirements established by IFRS.

HIGHLIGHTS 4Q22

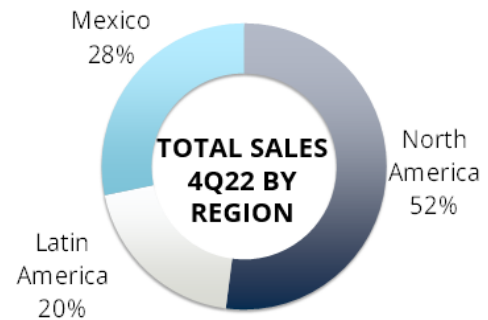
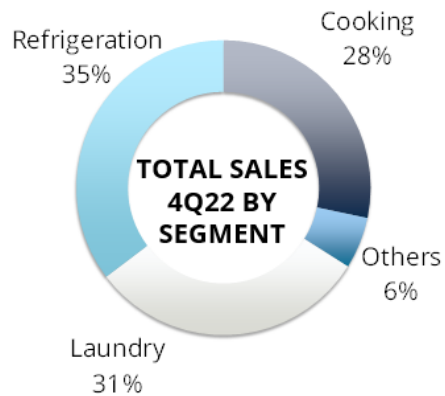
- **Volume** decreased **6%** in 4Q22
- **Sales** growth **1%** vs 4Q21, supported by pricing and mix.
- **EBITDA** generated of **US\$117 MM** in 4Q21, which translates into an **EBITDA margin of 10.2%**
- **Sales** raised **8%** and **EBITDA** increased **5%** for FY
- Net leverage **0.7x** and Net interest coverage **12.2x**

CONCEPT	4Q22	4Q21	Δ VS 2022
Volume	3,034	3,232	(6.1%)
Sales	1,142	1,133	0.8%
% SG&A	11.5%	13.8%	(2.3) bps
EBITDAR	123	130	(4.8%)
EBITDAR Margin	10.8%	11.4%	
CapEx	46	186	
Net Debt	330	340	(3%)
Net Leverage *	0.7x	0.8x	
Net Interest Coverage *	12.2x	11.1x	

*Calculations do not consider IFRS 16, which affects the way leasing assets and liabilities are reported in the Balance Sheet.

INCOME STATEMENT

SALES



Total Mabe sales were distributed as follows: cooking products **28%**, refrigeration **35%**, laundry **31%**, and other products **6%**. Regarding the product demand, Mabe improved sales by **1%** in 4Q22 vs 4Q21.

During 4Q22, US sales accounted for **43%** of Mabe's total sales. Canada's participation was **9%** and **28%** for Mexico that includes our international business. Regarding LATAM, its contribution accounted for **20%** including Mabe Cordoba's figures (our new business in Argentina).

In the US, sales increased **2%** in 4Q22 vs 4Q21. Refrigeration rose **21%** Cooking declined **14%** and Laundry grew **5%**.

In Canada, Mabe's sales decreased **15%** in 4Q22 vs 4Q21; reduction in volume and currency devaluation were the primary contributors to the dip in sales.

In Mexico, the volume declined **8%** and sales grew **1%** in 4Q22 vs 4Q21. Market contraction continues at a lower rate than in the previous quarter, although customers are still being cautious with their inventories and managing their working capital.

In Central America, sales decreased **4%** compared to 4Q21. It was a quarter marked by a slowdown in the consumption of white goods.

In the Andean region, we continued to face a slowdown in market demand. Our net sales have decreased **35%** during the 4Q22 vs 4Q21.

Argentina had a differentiated dynamic for each business line, because of seasonality. In the refrigeration business, we saw a negative **4%** in volume and in terms of net sales we posted a growth of **10%**.

COGS AND GROSS MARGIN:

Cost of goods sold for **4Q22** reached **US\$940MM**, representing a **4% increase** compared to COGS in **4Q21**. Gross margin for **4Q22** was **18%**.

OPERATING EXPENSES:

Our **SG&A** for **4Q22** was **US\$132MM**. The SG&A during the quarter as a percentage of sales was **11.5%**, compared to **13.8%** last year.

OPERATING PROFIT AND EBITDAR:

Operating profit decreased from **US\$72MM** in 4Q21 to **US\$70MM** in 4Q22. **EBITDAR** totaled **US\$123MM**, showing a decrease of **4.8%** when compared to 4Q21. The **EBITDAR** margin dropped from 11.4% to 10.8%.

COST OF FINANCING:

Our net interest and commission expenses increased in the 4Q22 vs 4Q21. Net interest expense showed an increase of 9%.

Balance Sheet

CASH:

We maintained a cash on hand of **US\$178MM** in **4Q22**.

WORKING CAPITAL:

We had a positive working capital of **US\$204MM** in 4Q22. This result responded to the following: first, our **accounts receivables** decreased **US\$45MM**. Second, we had a decline of **US\$58MM** in **inventories**. Finally, our **accounts payables** were up **US\$101MM**.

CAPEX:

CapEx for 4Q22 was **US\$46MM** vs **US\$186MM** for 4Q21. We allocated **61%** for maintenance and **39%** towards new projects.

We deployed funds as follows:

- For Laundry products, we continued investing in the Commercial S2, which is a product to be exported to GE.
- For Refrigeration, we are investing in a new product with the following characteristics
 - Conversion to low impact on environment refrigerant R600 for the US, Canada & LATAM
 - Develop a new French door bottom freezer 36CD model with internal dispenser for ice and water
 - Starting to develop a side by side and bottom freezer in new platforms for the US and Canada Markets
- For our Cooking business we are investing in our new product named Halia which is a fully renovated 30" range for LATAM.

Finally, we continue investing in automation to eliminate bottlenecks in all our plants.

DEBT STRUCTURE:

At the end of 4Q22, the **Gross debt** reached **US\$508MM**. The **average life** of our debt is **3.1 years**.

Net debt decreased **3%**, from **US\$340MM** to **US\$330MM** in 4Q22. Net leverage at 4Q22 was **0.7x** and Net Interest Coverage stood at **12.2x**, well within our covenants.

The above mentioned covenants have been calculated without considering the effects of IFRS16.

US\$MM	4Q22	4Q21	Δ VS 2022
Gross Debt	508	622	(18%)
Net Debt	330	340	(3%)
Short-Term Debt	81	46	74%
Long-Term Debt	427	576	(26%)
Net Debt/EBITDA	0.7x	0.8x	(0.3x)

Annex

Consolidated Condensed Income Statement (Unaudited)

US\$MM	4Q22	4Q21	YTD22	YTD21
Net Sales	1,142	1,133	4,440	4,101
COGS	940	905	3,657	3,317
Gross Income	202	228	783	784
SG&A	132	156	519	499
Operating Income	70	72	264	285
Net Interest (Income) / Expense	9	9	41	42
Commissions	5	1	22	3
FX (Gain) / Loss	(10)	(3)	(10)	(11)
Net Financing Cost	4	7	53	34
Participation in Subsidiaries	0	(1)	1	(0)
Income / (Loss) Before Income Tax	66	65	211	250
Income Tax Expense	20	16	64	71
Consolidated Net Income / (Loss)	46	48	147	179

Consolidated Condensed Balance Sheet (Unaudited)

US\$MM	4Q22	4Q21
ASSETS		
Current Assets		
Cash and Cash Equivalents	178	282
Accounts Receivables, net	384	411
Tax Receivables	161	135
Inventories, net	504	521
Total Current Assets	1,227	1,349
Net PP&E	1,058	1,021
Goodwill	242	229
Asset for Leases L.P.	53	47
Deferred Taxes	64	15
Financial Instruments	0	1
Other Assets, net	591	621
Total Assets	3,234	3,284
LIABILITIES		
Current Liabilities		
Current Maturities of LT Debt & ST Debt	81	46
Notes and Accounts Payables to Suppliers	1,244	1,332
Other Accounts Payables and Accrued Liabilities	167	155
ST Liabilities for Leases	23	16
Income Tax Payable	129	81
Total Current Liabilities	1,643	1,631
Long-Term Debt	427	576
Employee Retirement Obligations	35	31
Financial Instruments	8	0
LT Liabilities for Leases	33	34
Other LT Liabilities	22	29
Total Liabilities	2,168	2,300
Total Equity	1,065	984
Total	3,234	3,284

Consolidated Condensed Statement of Cash Flows (Unaudited)

US\$MM	4Q22	4Q21
Operating activities:		
Income before income taxes	211	251
Items related to investing activities:		
Depreciation and amortization	200	165
(Gain) / loss on sale of fixed assets	1	(0)
Employee Benefit	0	(1)
Goodwill	(13)	0
Leases IFRS 16	(27)	(28)
Share of net gain (loss) of associates	1	(0)
Items related to financing activities:		
Interest income	(12)	(8)
Interest expense	75	52
Exchange fluctuation	(10)	(11)
	425	420
(Increase) decrease:		
Accounts receivable	27	3
Inventories	17	(202)
Increase (decrease):		
Notes and accounts payable to suppliers	(72)	281
Other payables and accrued liabilities	(18)	11
Income taxes	(94)	(109)
Net cash flow provided by operating activities	285	405
Investing activities:		
Acquisitions of property, plant and equipment	(66)	(221)
Acquisitions other assets	(88)	(55)
Net cash flow used in investing activities	(154)	(277)
(Decrease) / increase in cash to apply to financing activities	131	129
Financing activities:		
Borrowings	1,955	508
Payment of debt	(2,069)	(580)
Interest paid	(49)	(49)
Interest collected	12	8
Dividend payment	(30)	(24)
Net cash flow provided by / (used in) financing activities	(181)	(137)
Adjustment to cash flows due to exchange rate fluctuations	(54)	(22)
Net increase / (decrease) in cash and cash equivalents	(104)	(31)
Cash and cash equivalents at beginning of year	282	313
Cash and cash equivalents at end of period	178	282

CONFERENCE CALL

DATE

Friday, February 03rd, 2023
9:00 AM - Mexico City Time
10:00 AM - New York Time

SPEAKERS

Egil Larsson, CEO
José Calvillo, CFO
Mauricio Gil, Finance Director
Florencia de la Fuente, Treasury and IR Manager

Please register in advance for this webinar:
https://us02web.zoom.us/webinar/register/WN_VTucxcwsQSullmzB35nWcw

After registering, you will receive a confirmation email containing the details required to join the webinar.



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COMMENTS ON OUR FINANCIAL STATEMENTS

This Press Release contains our unaudited condensed consolidated financial statements as of March 31st, 2022 and March 31st, 2021. Figures for 2021 included in the presentation are audited, therefore they may change vs preliminary figures released on February 4, 2022. The consolidated figures for 2022 include the new investment in Argentina executed in December 2021. The consolidated figures for 2021 do not include such investment.

In 2021, several Mexican companies were merged. As a result of such merger Mabe international will be consolidated in the Mexican results. Since January 1st, 2010 we have prepared our condensed financial statements in U.S. Dollars, which represent the functional currency applicable to Controladora Mabe. Other periods were translated by using the average foreign exchange rate of the reported period for income statement accounts. Furthermore, since January 1st, 2012, our financial statements are reported in accordance with the International Financial Reporting Standards, referred to as "IFRS". Before January 1st, 2012 our condensed financial statements were prepared according to the Mexican Financial Reporting Standards, referred to as "MFRS". MFRS differs in certain significant respects from IFRS and from the generally accepted accounting principles applied in the United States, referred to as "U.S. GAAP". The latter might be material to the financial information contained herein. We have not prepared a reconciliation of our financial statements and related notes from IFRS to MFRS, MFRS to U.S. GAAP or IFRS to U.S. GAAP and we have not quantified those differences; therefore, we cannot assure that a reconciliation would not identify material quantitative differences. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. You should review EBITDA, along with net income and cash flow from operating activities, investing activities and financing activities, when trying to understand our operating performance.

IFRS 16 became effective January 1st, 2019, this new standard affects the way leasing assets and liabilities are reported in the Balance Sheet and Profit & Loss Statement.

In the P&L leases expenses no longer be an operating expense and is recognized as depreciation and interest expense separately, which has a positive impact on EBITDA and increase in depreciation and financial costs.

All financial information, including its calculations and data, are deemed to be accurate, but accuracy is not guaranteed, therefore, they are not guaranteed by Mabe or its affiliates and subsidiaries. Past performance is not an indicator whatsoever of future results.

INDUSTRY & MARKET DATA

Certain data and other statistical information used throughout this Press Release are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Other data is based on our estimates, which are derived from our review of internal surveys, as well as independent sources. Our

estimates for South America and Central America are based exclusively on our beliefs and information we have obtained ourselves and not from independent sources. Although we believe our sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness. All market share information presented in this press release is based on unit sales.