2018 Results, 2019 Outlook and K-C Strategy 2022

January 23, 2019

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Conference Call Reminders

Forward-Looking Information

Certain matters in this presentation, including our 2019 outlook, expectations and planning assumptions, and any estimates, projections, and statements relating to our business plans or objectives, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. These statements are subject to risks and uncertainties, including currency rates and exchange risks, including in Argentina, cost savings and reductions, raw material, energy, and other input costs, competition, customer relationships, market demand and economic and political conditions, effective tax rate, the anticipated cost savings from the company's FORCE program, charges and savings from the 2018 Global Restructuring Program, and contingencies. There can be no assurance that these future events will occur as anticipated or that the company's results will be as estimated. Forward-looking statements and guidance speak only as of the date they were made, and we undertake no obligation to publicly update them. For a more complete listing and description of other factors that could cause the company's future results to differ materially from those expressed in any such forward-looking statements, see Item 1A of the company's Annual Report on Form 10-K for the year ended December 31, 2017 entitled "Risk Factors."

Non-GAAP Financial Measures

Management believes that non-GAAP financial measures enhance investors' understanding and analysis of the company's performance. As such, results and outlook have been adjusted to exclude certain items as indicated in the non-GAAP reconciliations to the comparable GAAP financial measures included in today's earnings release and described in additional information posted on our Web site (www.kimberly-clark.com/investors). The non-GAAP financial measures exclude charges related to the 2018 Global Restructuring Program and U.S. tax reform related matters in 2018 and a net benefit associated with U.S. tax reform and related activities in Q4 2017.

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Full Year 2018 Results

2018 Headlines

- Full year organic sales increased 1 percent; Q4 up 3 percent
- Challenging macro environment; profitability impacted by significant commodity inflation and currency volatility
- Delivered significant cost savings and achieved higher selling prices in second half of year
- Improved capital efficiency and returned significant cash to shareholders

Consolidated Net Sales

Net Sales	2018
Total Change[a]	1%
Volume	0%
Net Price	0%
Mix/Other	1%
Currency	(1%)
Organic[b]	1%

NET SALES
($ BILLION)

Organic sales up 1 percent

- 2 points of positive pricing in second half of the year

(a) Total may not equal the sum of volume, net price, mix/other and currency due to rounding
(b) Growth before currency and acquisition impacts

2018 Top-line Results by Geography

- North America
  - Consumer products organic sales increased 1 percent; personal care up more than 1 percent, solid volume growth in baby care and adult care
  - K-C Professional organic sales increased 3 percent with higher volumes in all major product categories
- Developing & Emerging (D&E) Markets
  - Organic sales rose 2 percent
  - Personal care organic sales increased double-digits in Eastern Europe and ASEAN and mid-single digits in Latin America, fell low-teens in China
- Developed Markets Outside North America
  - Organic sales rose 1 percent

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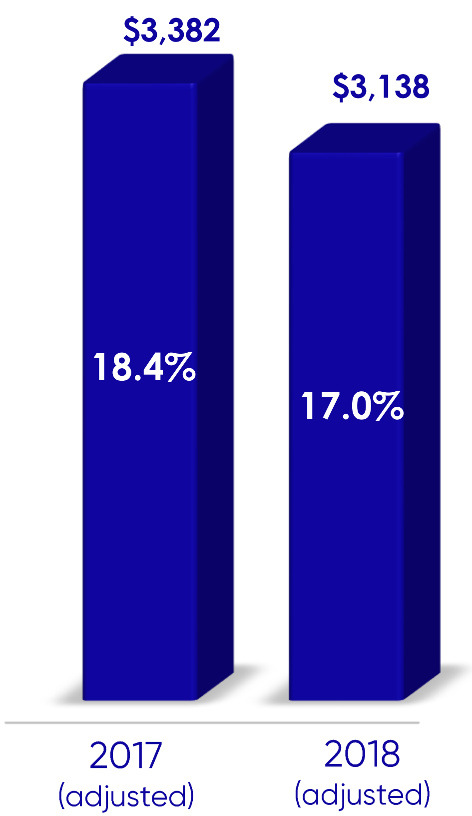
Adjusted Gross and Operating Profit

- Gross margin 33.2 percent, down 270 basis points
- Commodities and currencies combined: high 20's percent drag on profit
  - Commodity inflation $795 million (all-time high); initial assumption $300 to $400 million
- Cost savings $510 million including FORCE and Restructuring
  - Restructuring savings $135 million; initial target $50 to $70 million
  - FORCE cost savings $375 million, soft Q4 performance
- Between-the-lines spending down 130 basis points as a percent of net sales
  - Restructuring, discretionary spending and secondarily lower incentive compensation
- Operating margin 17.0 percent, down 140 basis points; Operating profit down 7 percent

OPERATING PROFIT / MARGIN ($ MILLION)



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Adjusted Earnings Per Share

- Adjusted EPS $6.61, up 6 percent year-on-year
  - October guidance $6.60 to $6.80
- Adjusted effective tax rate 21.0 percent vs. 28.6 percent last year
  - U.S. tax reform
  - Below initial plan of 23 to 26 percent: planning initiatives, resolution of certain matters
- Lower interest expense
- Reduced share count

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Cash Flow and Capital Allocation

- Cash provided by operations $3.0 billion
  - Up slightly versus $2.9 billion in 2017
- Reduced primary working capital cash conversion cycle by 5 days
  - Averaged 11 days in 2018 vs. 16 days in 2017
- Improved adjusted return on invested capital by 240 basis points
- Continue to allocate capital in shareholder-friendly ways
  - Dividends and share repurchases totaled $2.2 billion
  - Eighth consecutive year we've returned at least $2 billion to shareholders

2019 Outlook

2019 Outlook

- Expect environment will remain challenging, although somewhat better than 2018
- Targeting solid improvement in operating performance including higher organic sales growth and improved operating profit and margins
- Total sales to decline 1 to 2 percent
  - Includes 3 to 4 point headwind from currencies
- Organic sales growth target 2 percent
  - Similar to expectation for overall market growth
  - Expect higher net selling prices of at least 3 percent; back-half 2018 progress bodes well for 2019 plans
  - Given level of pricing, planning for some negative volume impacts, particularly in consumer tissue
- Innovation launches and strong marketing support

2019 Outlook

- Adjusted operating profit growth 1 to 4 percent
  - 70 basis points margin improvement at mid-point of guidance targets
  - On average, commodities and currencies expected to be combined headwind on operating profit of approximately 20 percent
    - Includes high-single digit drag from currency rates
    - Commodity inflation $300 to $400 million
    - Higher net selling prices should offset much of these headwinds
  - Total cost savings $400 to $450 million
    - FORCE $300 to $325 million
    - 2018 Global Restructuring Program $100 to $125 million

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2019 Outlook

- Adjusted effective tax rate 23 to 25 percent
  - Return to more normal level
  - At mid-point, 3 ½ percent year-on-year drag on earnings
- Adjusted earnings per share $6.50 to $6.70
  - At mid-point, essentially even year-on-year
  - Expect earnings to be higher in second half of 2019 versus first half, primarily reflecting expected timing of net benefit from selling price increases
- Cash provided by operations slightly below strong 2018 performance
- Allocate $2.0 to $2.3 billion to dividends and share repurchases
  - Share repurchases $600 to $900 million
  - Increased dividend 3 percent; 47th consecutive annual increase

K-C Strategy 2022

K-C Strategy 2022

Grow Portfolio of Iconic Brands

Leverage Cost and Financial Discipline

Allocate Capital in Value-Creating Ways

K-C Strategy 2022: Balanced, Sustainable Growth

K-C Strategy 2022: Highlights

- Continue to drive cost and be good stewards of shareholders' capital
- Sharpen and increase our focus on the consumer to better meet their needs
  - Develop and launch more meaningful innovations, increase investments in digital marketing, improve sales execution
  - Accelerate and improve commercial capabilities; launching internal initiatives

K-C Strategy 2022: Growth

Grow Portfolio of Iconic Brands
in-line with, or slightly ahead of categories

Portfolio includes some of the world's most well-known and trusted brands, with #1 or #2 market share positions in 80 countries

Three main, consumer centric growth pillars:

- Elevate core businesses
- Accelerate growth in D&E markets
- Drive digital marketing and e-commerce

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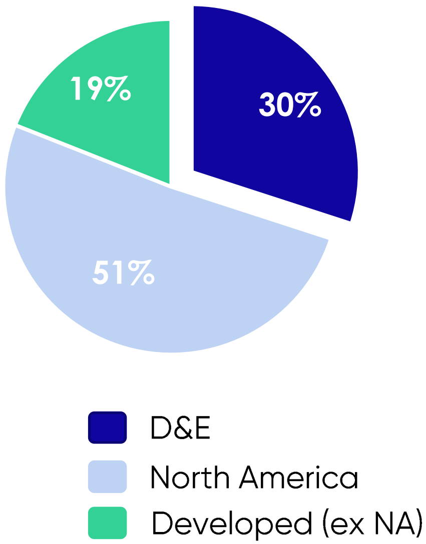
Growth: Elevate Core Businesses

- Launch differentiated product innovations
  - Based on deep understanding of consumer insights
  - Drive trade up
  - Leverage upgraded and more standardized manufacturing footprint
- Deploy category-building marketing, including in underpenetrated categories
- Net revenue management
  - Pricing strategies, promotion effectiveness/efficiency, mix

Growth: Accelerate Growth in D&E

- Emphasis on Personal Care and K-C Professional
- Largest growth opportunity - low category penetration and frequency of usage
- Invest to drive category development in diapers; also invest in feminine care, adult care, baby wipes
- Priority markets in Personal Care - Latin America, China, Eastern Europe, ASEAN
  - Early stage markets such as India and Africa

2018 K-C Net Sales



Growth: Accelerate Growth in D&E

- Leverage insights-based innovation model
  - More R&D resources in big, local markets
  - Adopt and deploy model for smaller markets
- Strengthen sales execution in-store
- Deploy category-building marketing and in-market activities
- Pursue whitespace in K-C Professional as industrialization and economic development occur
  - D&E approximately 20 percent of that business
  - Near-term focus markets include Latin America, China

Growth: Drive Digital Marketing and E-Commerce

- Build one-to-one consumer relationships
  - Invest more in digital marketing
  - Deploy data-driven and compelling marketing, precision targeting
  - Improves consumer engagement, loyalty, ROI
- E-commerce channel growing double-digits
  - About 10 percent of company revenue, online shares slightly ahead, or in-line with, off-line position in key countries
  - Products well positioned for environment, critical to customers
  - Leverage capabilities and brands to take advantage of growth opportunities
- Further enables growth strategies in core businesses and D&E markets

K-C Strategy 2022: Growth Recap

Grow Portfolio of Iconic Brands
in-line with, or slightly ahead of categories

- Strong portfolio of brands
- Right growth strategies and organization structure
- Solid foundation to build on
- Opportunity to accelerate capabilities

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K-C Strategy 2022: Cost/Financial Discipline

Leverage Cost and Financial Discipline to fund growth and improve margins

Strong legacy to build upon

Key focus areas:

- Drive ongoing supply chain productivity
  - FORCE program
- Execute 2018 Global Restructuring Program
  - Annual savings $500 to $550 million by 2021
- Control discretionary spending
  - Sustain top-tier SG&A cost structure
- Drive down working capital
  - Leverage global supply chain

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K-C Strategy 2022: Capital Allocation

Allocate Capital in Value-Creating Ways
enabled by strong cash flow

Consistent with historical approach

- Disciplined capital spending
  - Annual spending 4 to 5 percent of net sales post restructuring; prior target 4 ½ to 5 ½ percent
- Pay top-tier dividend
- Evaluate M&A, with bias for tuck-in transactions in existing categories
  - Not expected to be significant
- Allocate excess cash flow to share repurchases

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K-C Strategy 2022: Medium-Term Financial Objectives

Grow sales and organic sales 1 to 3 percent	Increase EPS mid-single digits	At least maintain top-tier ROIC at current level	Generally increase dividend in line with EPS
Assumes category growth of 1 to 2 percent	*Operating profit growth 3 to 5 percent; some leverage from share repurchases*	*2018 ROIC: 26 percent*	*Current payout ratio low 60's*

- Appropriate medium-term objectives in current environment
- Longer-term, significant optimism about potential of our categories and our business
- Confident in our ability to create shareholder value through successful execution of K-C Strategy 2022

NOTE: EPS, profit and ROIC are adjusted

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Q&A Session

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Appendix:
2018 Business Segment Results

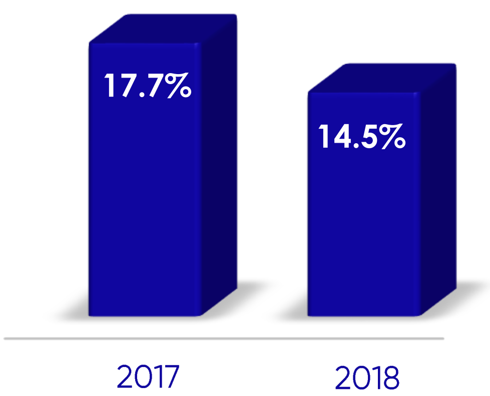
Personal Care

Net Sales	2018
Total Change	0%
Volume	1%
Net Price	(1%)
Mix/Other	1%
Currency	(2%)
Organic	1%

- Organic sales up 1 percent
  - D&E markets up 2 percent, North America up more than 1 percent, developed markets down 2 percent
- Operating margin down 100 basis points
  - Commodity inflation and currency headwinds, cost savings and organic sales growth

Consumer Tissue

Net Sales	2018
Total Change	**1%**
Volume	(1%)
Net Price	2%
Mix/Other	0%
Currency	0%
Organic	1%

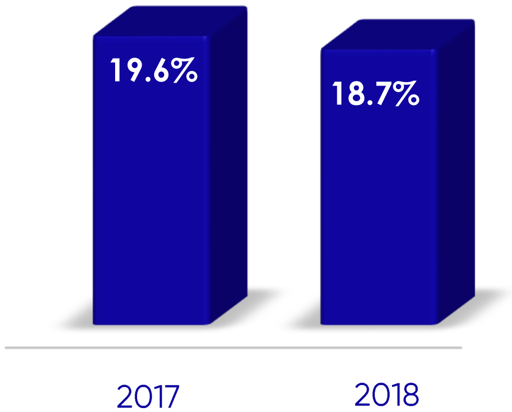


- Organic sales up 1 percent
  - North America flat, developed markets up 4 percent, D&E markets up 2 percent
- Operating margin down 320 basis points
  - Commodity inflation and lower volumes, higher pricing and cost savings

K-C Professional

Net Sales	2018
Total Change	3%
Volume	1%
Net Price	1%
Mix/Other	1%
Currency	0%
Organic	3%

OPERATING MARGIN



- Organic sales up 3 percent
  - North America up 3 percent, D&E markets up 4 percent, developed markets flat
- Operating margin down 90 basis points
  - Commodity inflation and currency headwinds, organic sales growth and cost savings

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