



# **Kimberly-Clark**

**Better Care for a Better World**

**Consumer Analyst Group of New York**  
2022 Virtual Conference

February 25, 2022



# Reminders

## Forward-Looking Information

Certain matters contained in this presentation concerning the outlook, anticipated financial and operating results, growth initiatives and the anticipated cost savings from the company's FORCE program constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. Many factors outside our control, including pandemics (including the ongoing COVID-19 outbreak and the related responses of governments, consumers, customers, suppliers and employees), epidemics, the prices and availability of our raw materials, supply chain disruptions due to COVID-19, changes in customer preferences, severe weather conditions or government trade or similar regulatory actions, potential competitive pressures on selling prices for our products, energy costs, failure to realize the expected benefits or synergies from the Softex Indonesia acquisition, fluctuations in foreign currency exchange rates, our ability to maintain key customer relationships, as well as general economic and political conditions globally and in the markets in which we do business, could affect the realization of these estimates. 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 speak only as of the date they were made, and we undertake no obligation to publicly update them. For a description of certain factors that could cause the company's future results to differ from those expressed in any such forward-looking statements, see Item 1A entitled "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2021.

## Non-GAAP Financial Measures

This presentation contains some financial measures that have been adjusted to exclude certain items and differ from reported results using Generally Accepted Accounting Principles (GAAP) including adjusted earnings per share and adjusted operating margin. Management believes that reporting in this manner enhances investors' understanding and analysis of the company's performance. For additional information on why we make these adjustments and reconciliations to comparable measures under GAAP, see the Non-GAAP Disclosure document posted to the 2022 CAGNY Conference event in the Events & Presentations section on our website ([www.kimberly-clark.com/investors](http://www.kimberly-clark.com/investors)). This presentation also contains organic net sales which describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses also impact the year-over-year change in net sales.



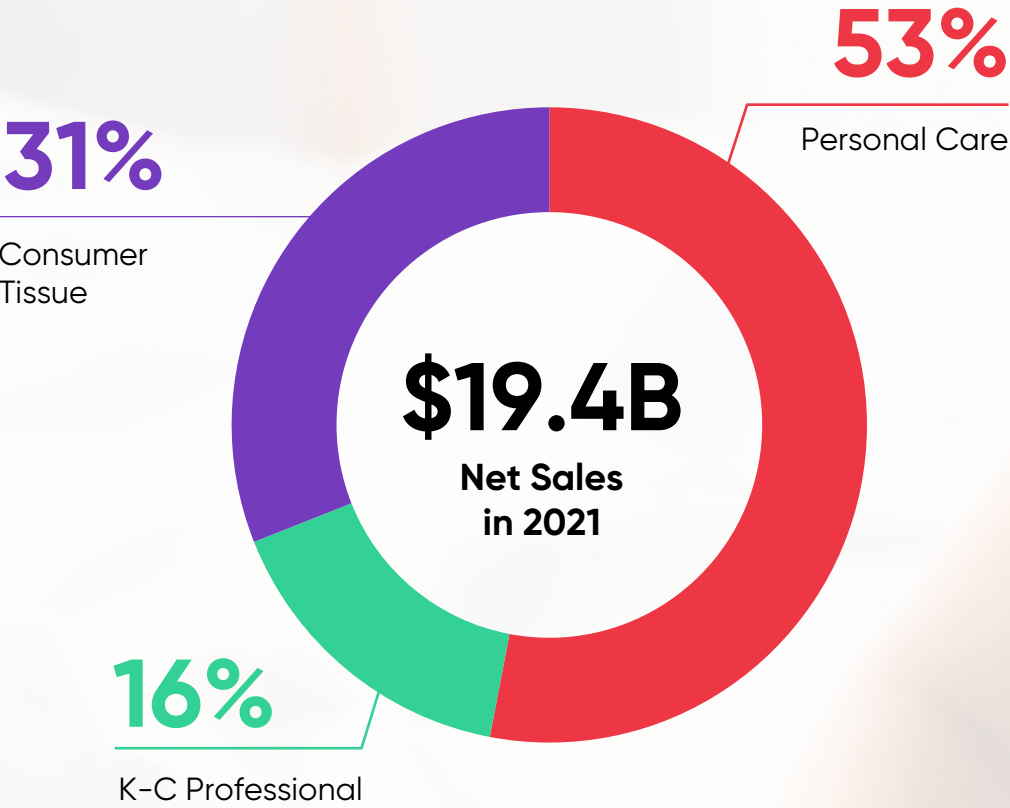
A young child with dark skin and braids is crawling on a patterned rug, looking towards the camera. A woman with dark skin and curly hair is sitting behind the child, smiling. The child is wearing a blue and white striped long-sleeved shirt. The woman is wearing a blue long-sleeved shirt. There are colorful blocks on the rug.

# Mike Hsu

Chairman and CEO



# Powerful, Iconic Brands



**HUGGIES**

**kotex**

*Depend*

*Kleenex* BRAND

HUGGIES **PULL-UPS** TRAINING UNDERWEAR

**Scott** Brand

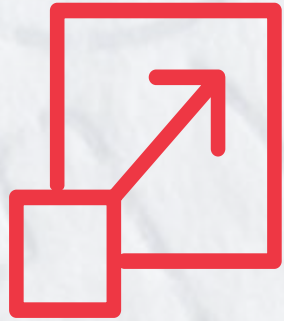
**Cottonelle**

**WYPALL** BRAND

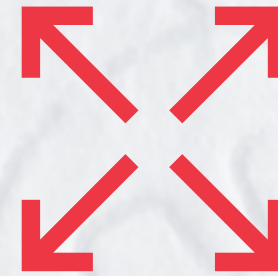




# Driving Profitable Growth



Elevate  
**Our  
Categories**



Expand  
**Our  
Markets**

# Better Care for a Better World

Improving  
the lives of

**1B**  
**people**



with half  
the environmental  
footprint



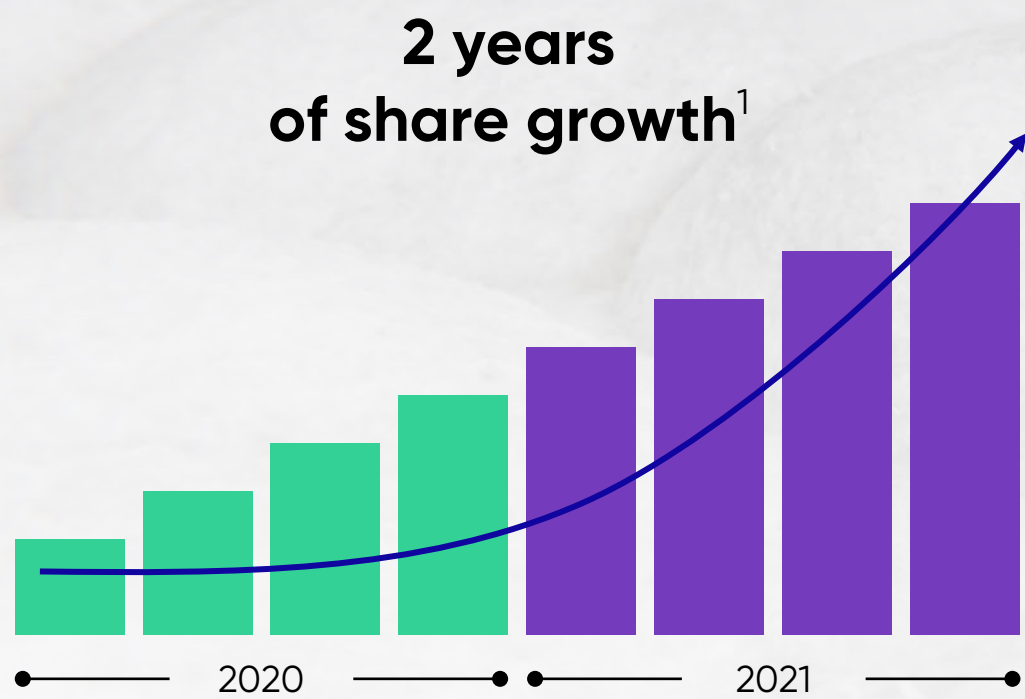
# Alison Lewis

Chief Growth Officer

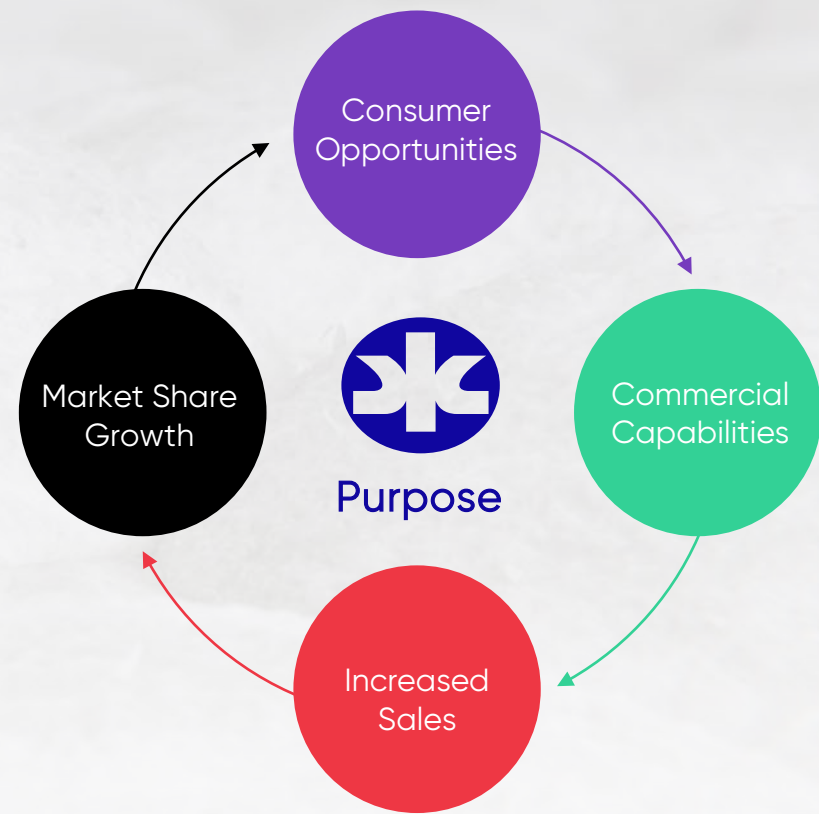


# Winning in the Market with a Clear Growth Playbook

## Sustained Share Performance Continues



## Consistent Growth Playbook



1. Weighted value market share growth in measured markets



# Accelerating Growth with Strong Commercial Capabilities



Maximizing **Innovation**  
Value & Scale



Leading Category with  
Superior **In-Market**  
**Execution**

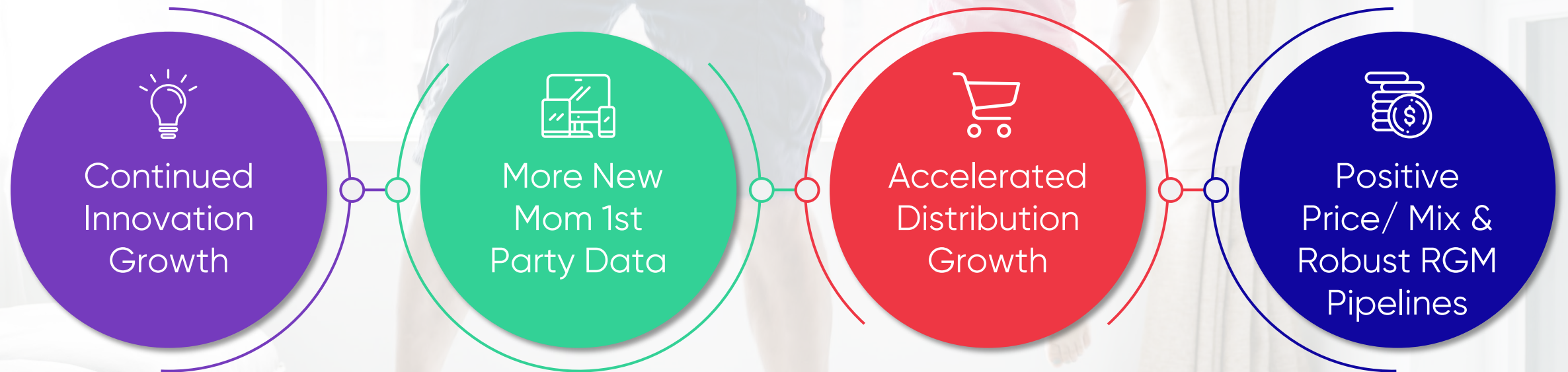


Building Iconic **Digital**  
First Brands



Unlocking Disciplined &  
Profitable **Revenue**  
**Generation**

# Delivering Business Impact





# Product Obsession Multiplied by Advantaged Technology

Baby & Child Care  
Benefit Spaces

Leak  
Protection



Thin Core

Soft &  
Gentle



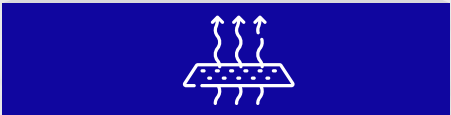
Cloud Soft  
Waistband

Fit &  
Flexibility



Xtra-Flex  
Comfort Core

Breathability



Thin Core

Skin Health



3D Liner

Baby & Child Care  
Technology

# Married to Winning Ideas

## Recruitment



## Trade-Up



## Occasions & Regimens





# And Advancing Sustainability

## Recruitment



## Trade-Up

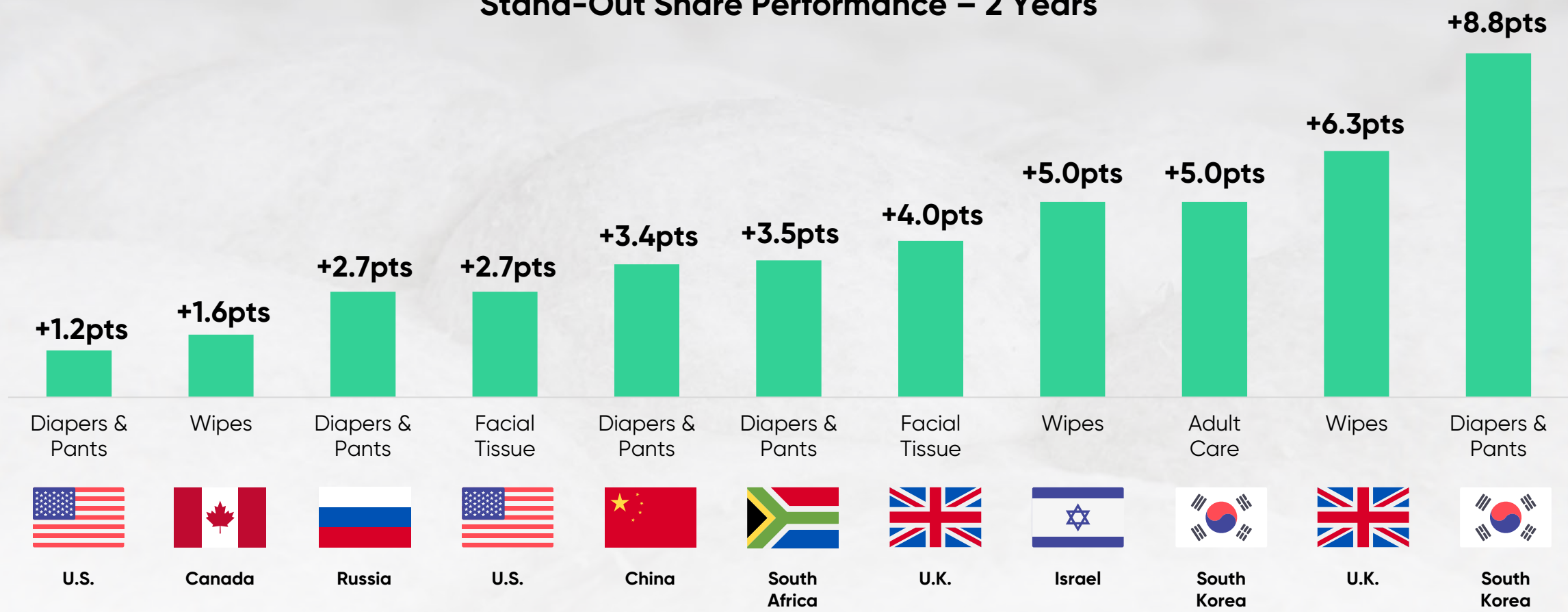


## Occasions & Regimens



# Building a Stronger Portfolio of Leading Brands

## Stand-Out Share Performance – 2 Years



Source: Nielsen measured plus internal data sources for all outlet value share





# More Leadership Around the World



**#1 or #2 Share**

~85% of Key Markets<sup>1</sup>



**#1 Share**

~55% of Key Markets<sup>1</sup>



**~10 Pts Increase**

vs 2019<sup>2</sup>

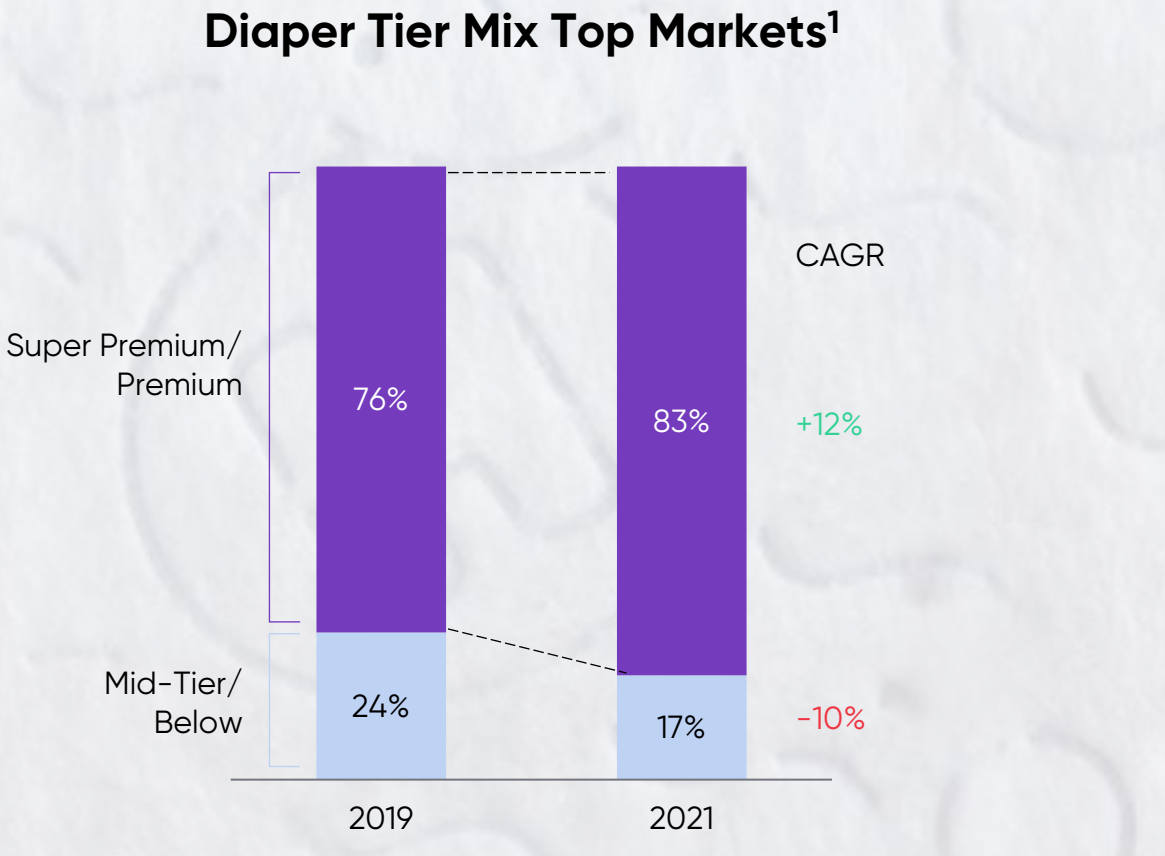
1. Key Markets; category/country combinations;
2. Increase in share within key markets, category/country combinations, over two-year timeframe

# Capitalizing on Long Runway of Consumer Opportunities











# Premiumization Driving Current and Projected Growth



**Diaper Category \$ / Baby<sup>2</sup>**

	2019	2021	Forecast 2022
China 	\$148	\$201	\$235 ↑
Russia 	\$188	\$207	\$220 ↑
Australia 	\$356	\$398	\$409 ↑
Canada 	\$363	\$386	\$400 ↑
U.S. 	\$390	\$425	\$447 ↑
South Korea 	\$473	\$513	\$525 ↑

1. Net Sales including; China, South Korea, North America, Australia, Russia  
2. Euromonitor; market size of retail nappies/diapers/pants in fixed USD; number of babies ages 0-3 by market. Data Refreshed Feb 2021



# Korea's Baby and Child Care Portfolio Exemplifies Premiumization

Super  
Premium



Premium



# Continuing to Strengthen Our Business in D&E Markets

## Significant Opportunity <sup>1</sup>

**>90%**

Births Globally

**~15%**

of U.S. \$/Baby

**\$33B**

Category Diapers/Pants

## Business Importance

**30%**

of Company Sales

**+8%**

2019

**+6%**

2020

**+8%**

2021

Organic Sales Growth - Personal Care

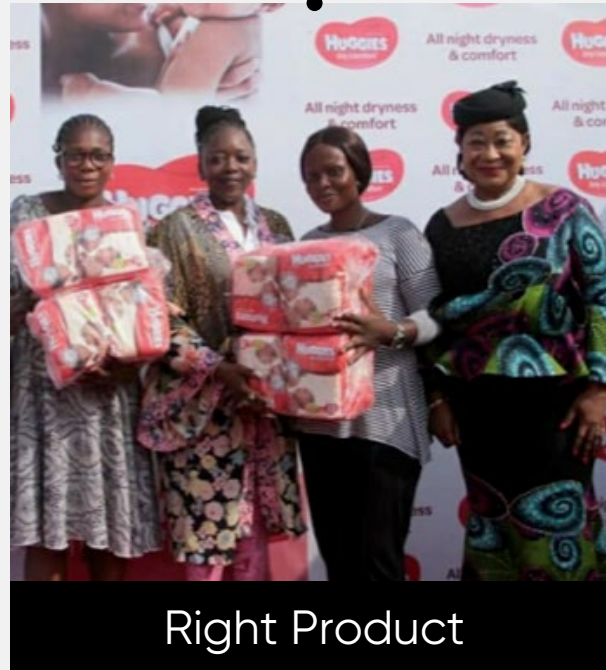
1. Euromonitor





# And Deploy our Winning Model Further into D&E Markets

## Winning Model



# Doubling Down on Building Out New Category Adjacencies

## Thinx!

**Reusable Period Panties**

Launched in Australia



Leveraging Investment from 2019



## Doing It All with Purposeful Brands

**Kotex**  
she can  
initiative





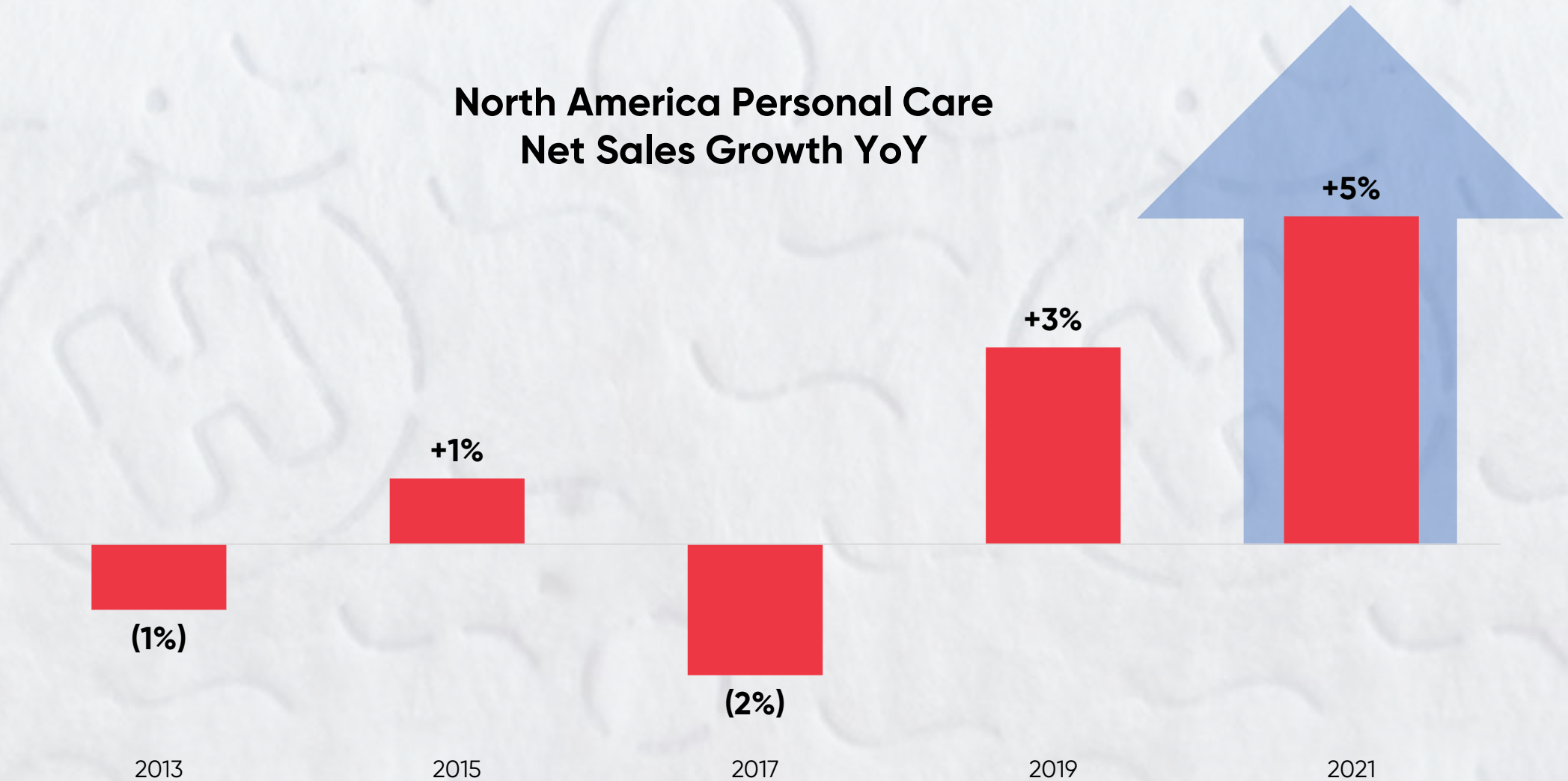
# Russ Torres

Group President  
North America Consumer Business



# Personal Care Business is Accelerating

North America Personal Care  
Net Sales Growth YoY



# Baby and Child Care is the Core of Personal Care Sector

# HUGGIES®



# HUGGIES® pull-Ups TRAINING PANTS



# goodnites®





# Baby and Child Care is Being Driven by the Growth Playbook





**It Starts with a Simple But Powerful  
Mission for Baby and Child Care**

**Happy Healthy Kids**



# Deep Consumer Insights Form the Foundation for Growth

**HUGGIES**

Skin Health



Grow the core

*goodnites®*

Keep Enjoying their Childhood



Develop new occasions / segments





# Our Commercial Capabilities are Firing on All Cylinders



Maximizing **Innovation**  
Value & Scale



Leading Category with  
Superior In-Market  
**Execution**



Building Iconic **Digital**  
First Brands



Unlocking Disciplined &  
Profitable **Revenue**  
**Generation**



# Winning Innovation Ideas Getting Traction and Driving Trade-Up



15%

Share of Highest Tier Open Diapers, Up 3pts vs 2020 <sup>1</sup>



30%

Of Total Training Pants Category Growth in 2021 <sup>1</sup>

1. U.S. All outlet market share – retail dollars







# Digital First Marketing Driving Better Consumer Relevance, Higher ROI's

**MISSION CONTROL**  
SOCIAL MEDIA LISTENING CENTER

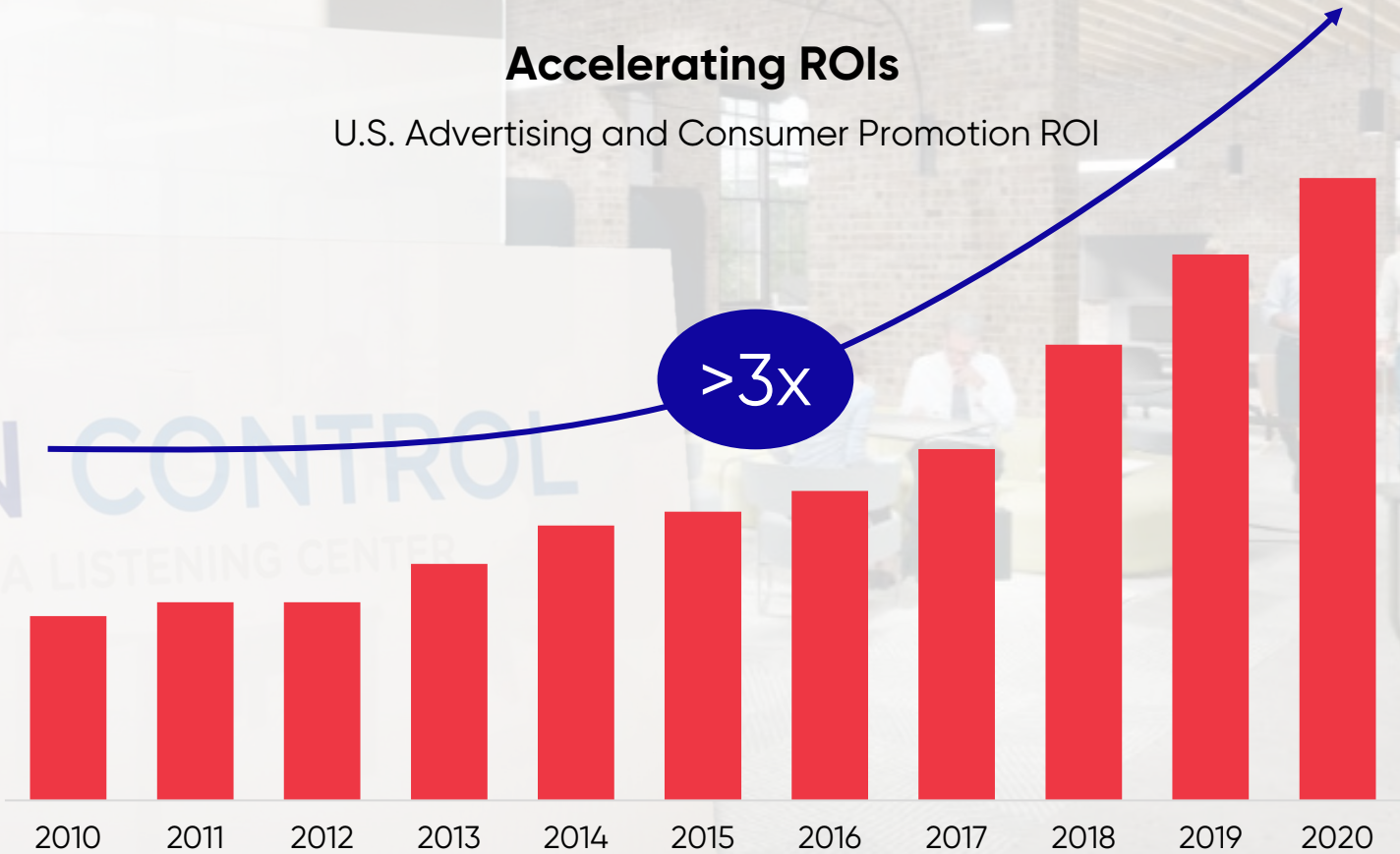




# Digital First Marketing Driving Better Consumer Relevance, Higher ROI's

## Accelerating ROIs

U.S. Advertising and Consumer Promotion ROI





# Goodnites Illustrates the Power of Digital



## Goodnites XL

Comfortably fits up to 140lbs,  
less worry, more childhood

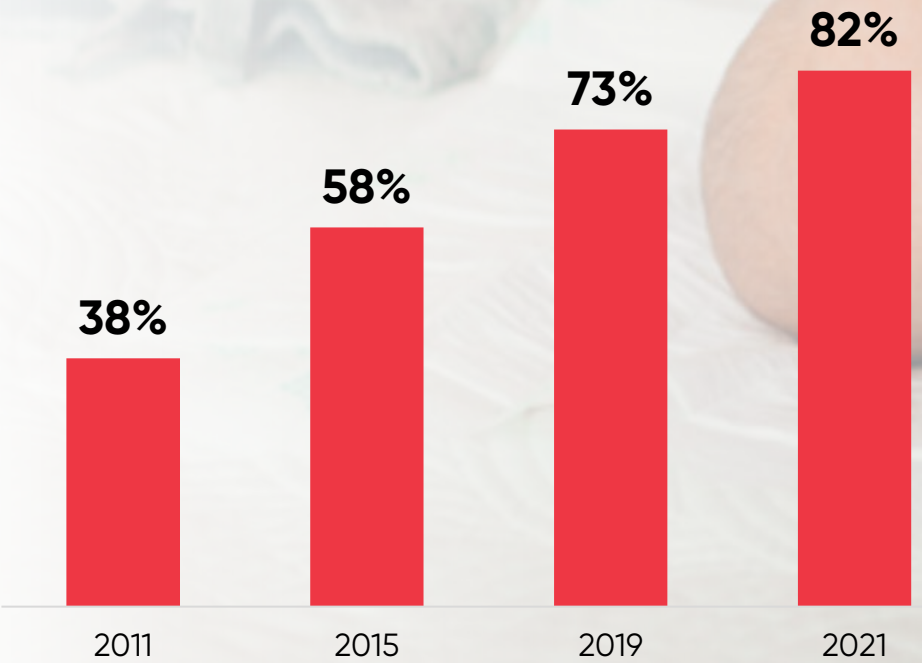
**XL Size sales now  
greater than total  
of #2 brand**





# We Are Driving a Shift to More Premium Products

Kimberly-Clark Diapers  
Net Sales in Super Premium Diapers  
(% of total K-C Diapers)

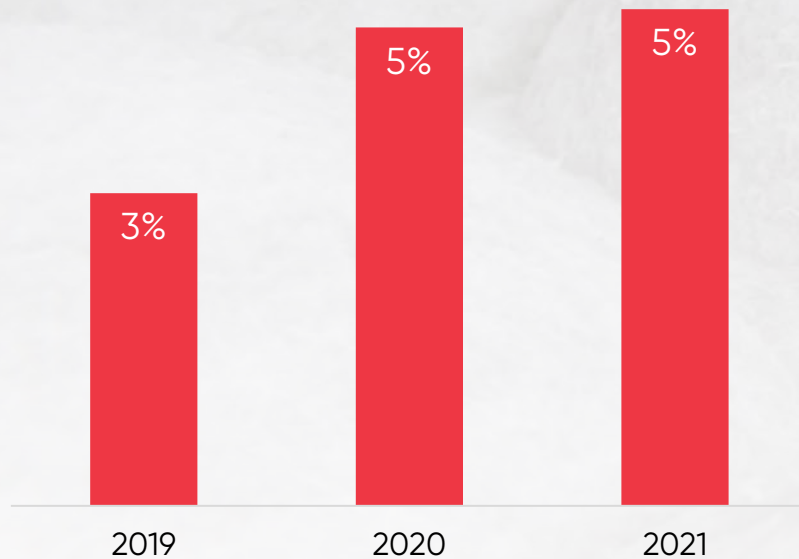




# As a Result, We Are Growing the Overall Category<sup>1</sup> and Generating Healthy Share Progression

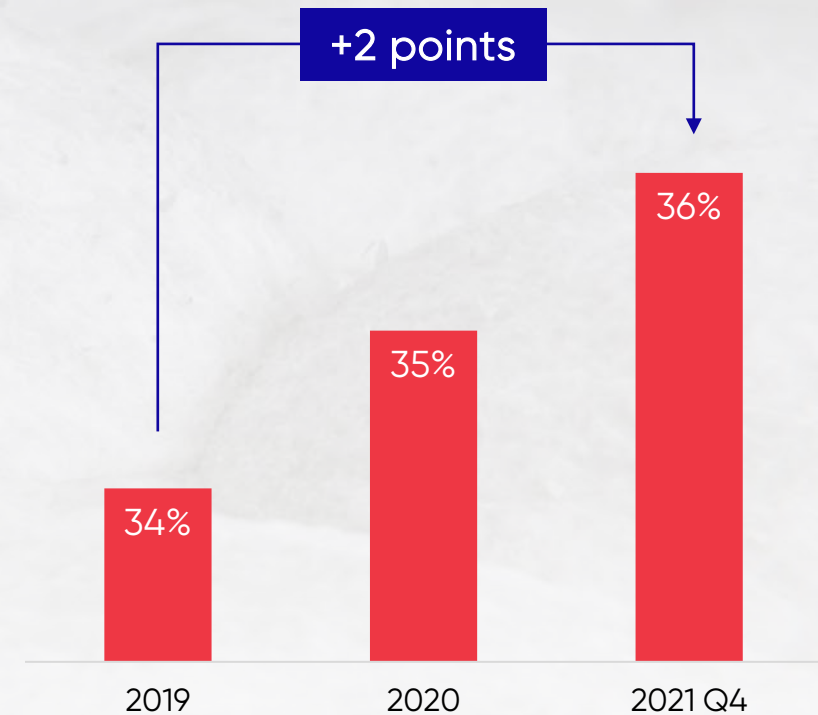
## Baby and Child Care Category<sup>1</sup> Growth

YoY Category growth



## K-C Baby and Child Care Market Share

K-C Baby and Child Care Market Share



1. Category refers to combined Baby and Child Care products, including Diapers, Baby Wipes, Youth and Training Pants; U.S. All outlet – retail dollars

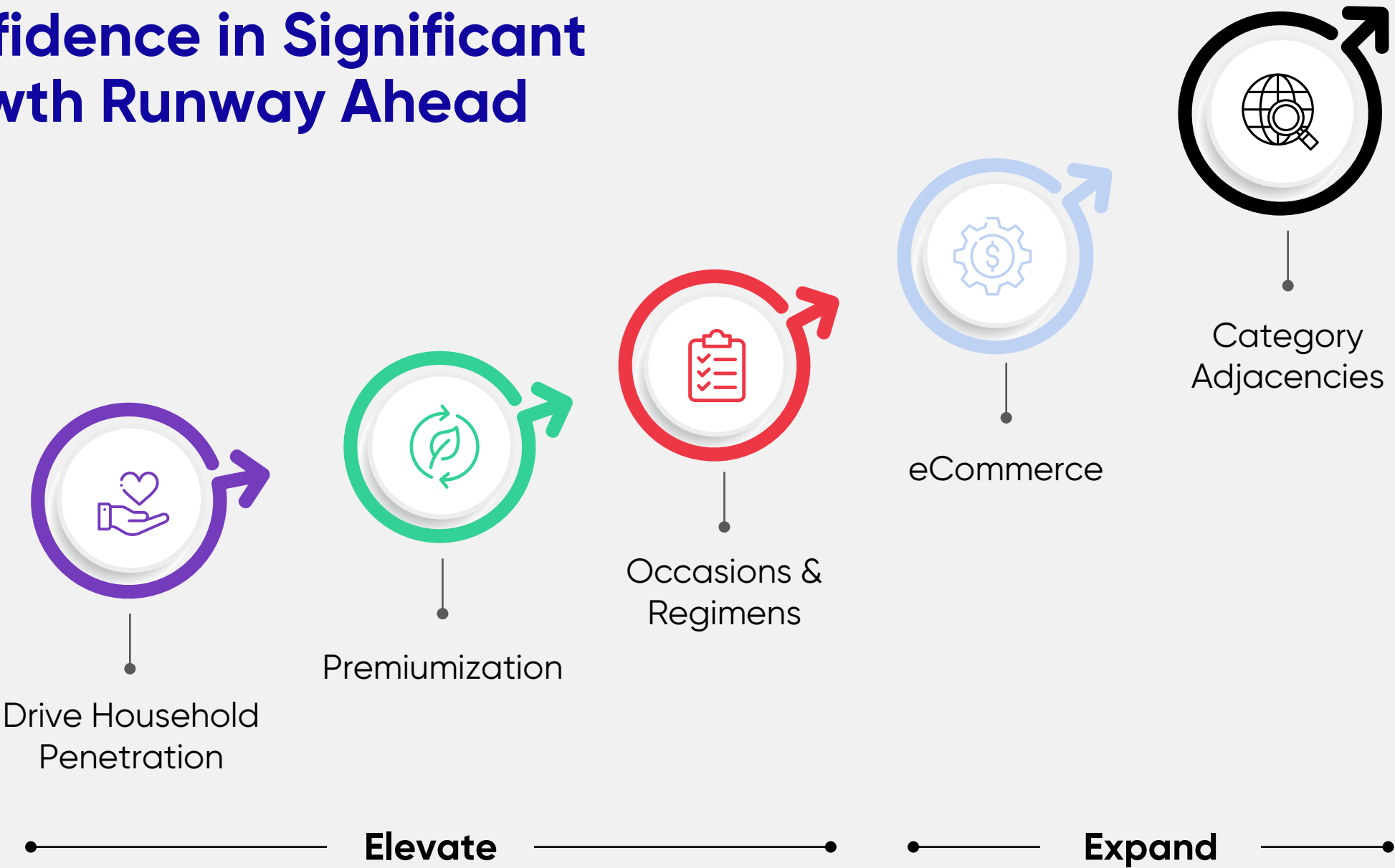
# We Are Applying the Same Playbook to Other Categories with Early Signs of Success



## Cottonelle



# Confidence in Significant Growth Runway Ahead





# Maria Henry

Chief Financial Officer



# K-C Strategy 2022: Balanced, Sustainable Growth



## Grow

Portfolio  
of Iconic  
Brands

+



## Leverage

Cost and  
Financial  
Discipline

+

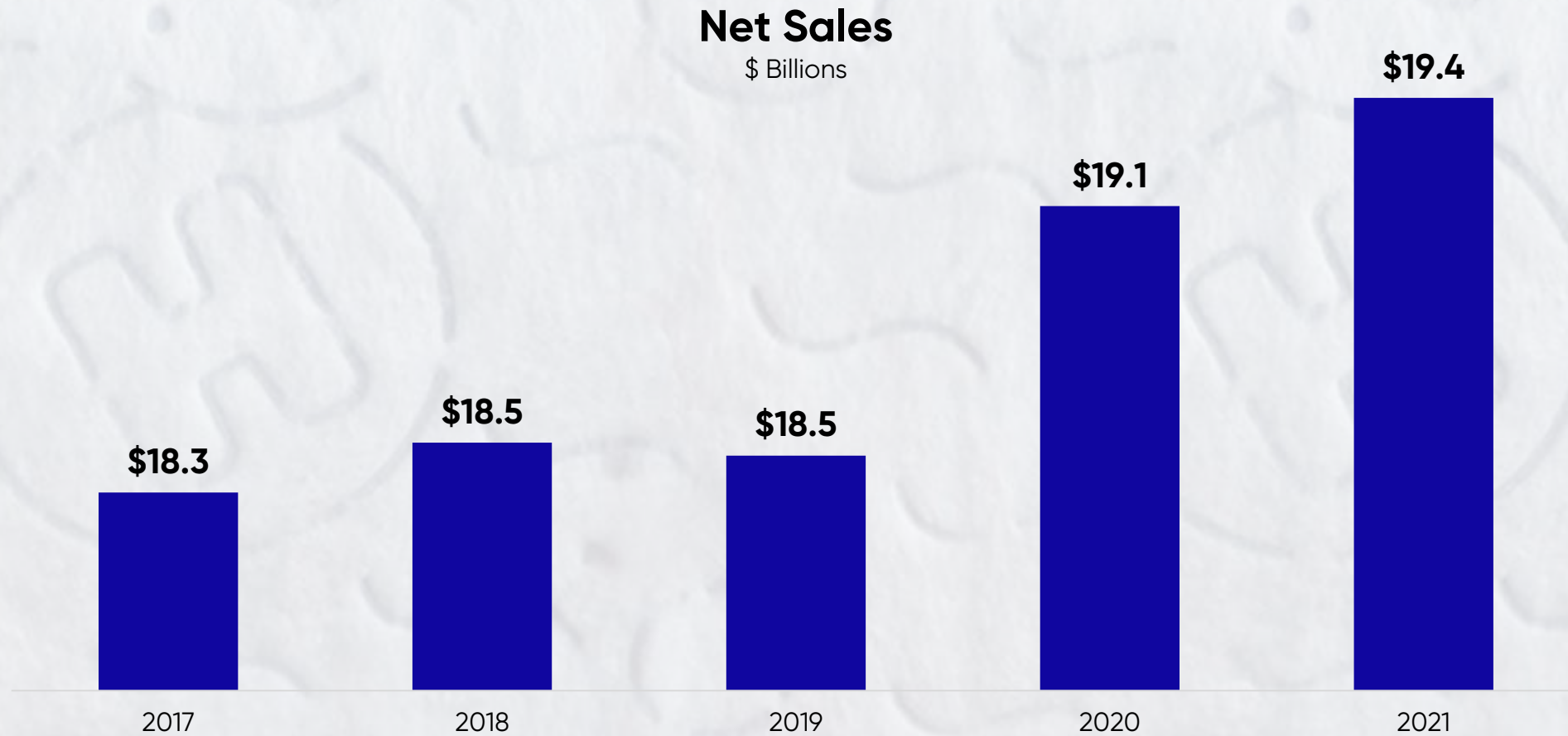


## Allocate

Capital in  
Value-Creating  
Ways



# Strong Recent Net Sales Growth





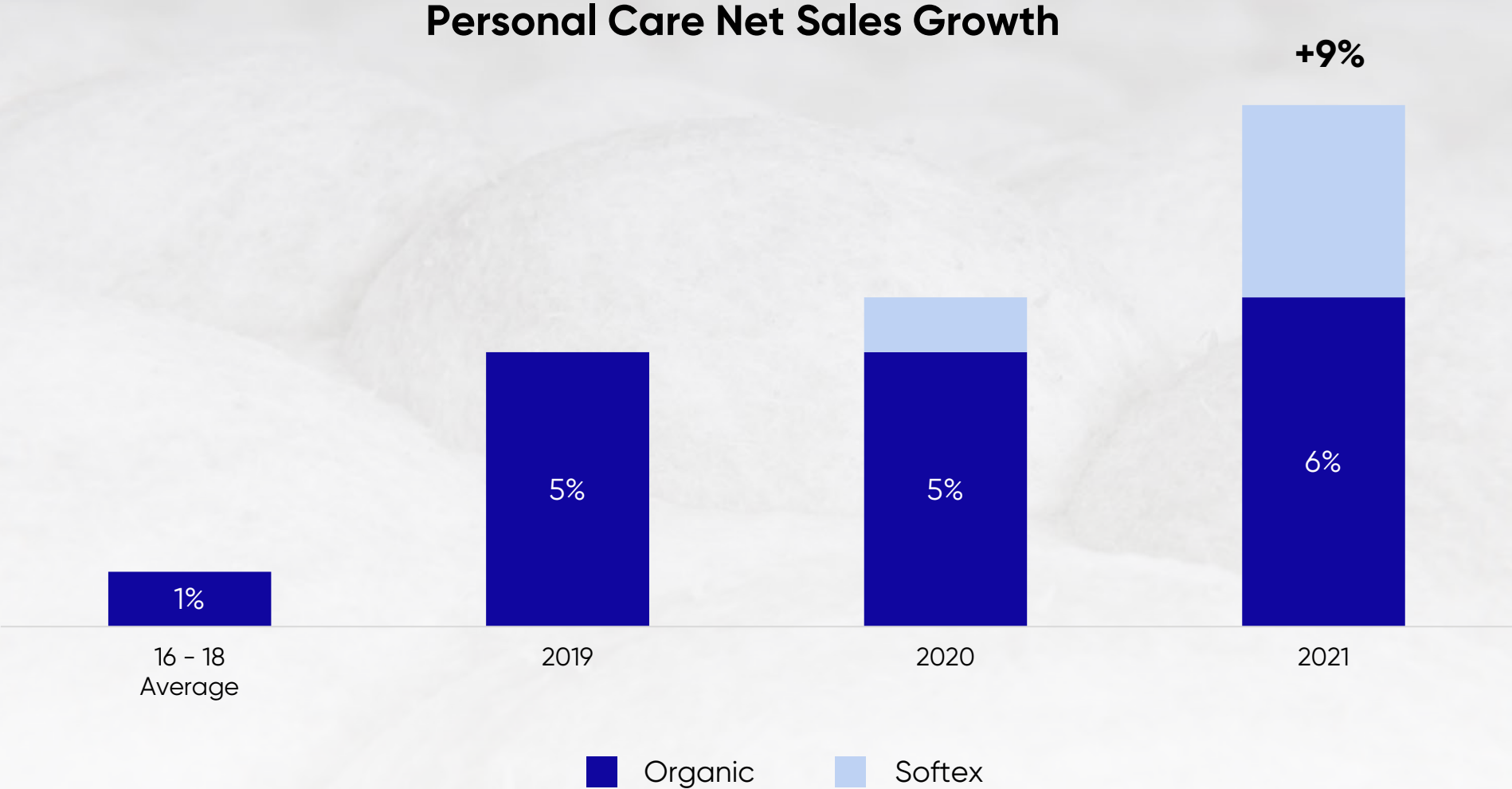
# Broad-Based Organic Growth

**+3%**

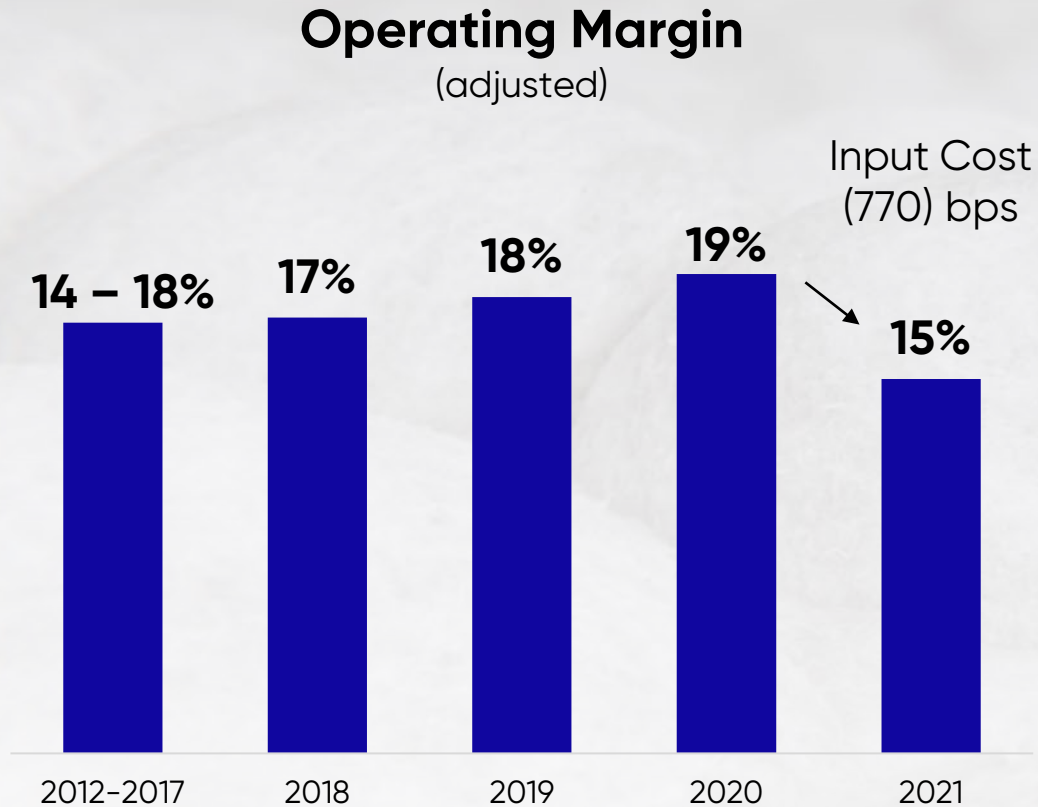
Organic Sales  
Growth  
CAGR ('19 – '21)

	% Total Company Net Sales	3-year Organic Sales CAGR
Consumer NA	42%	+3%
Consumer Developed	15%	+2%
Consumer D&E	27%	+6%
K-C Professional	16%	(2%)

# Personal Care Momentum



# Near-Term Margins Negatively Impacted by Macro Headwinds



Significant input cost inflation –  
\$1.5B or \$3.40 per share in 2021

Supply chain challenges

K-C Professional financials stressed

**Committed to recovering and expanding margins**



# Profitable Categories

	Segment Margin Expectations	Pre-Pandemic Operating Margin <sup>1</sup>
Personal Care	high-teen to low-20's	21%
Consumer Tissue	mid-to-high teens	17%
K-C Professional	high-teens	20%

1. 2019 operating profit margin



# Taking Action to Expand Margins



## Revenue Growth Management

Price increases across the portfolio

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Utilizing all RGM levers



## Cost Savings

Completed 2018 Restructuring Program

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Investing for next round of FORCE savings



## Between the Lines Investments

Continue key growth investments

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Disciplined prioritization of discretionary spend

# 2022 Outlook

## Results

**2016 – 2018 average**

**2019**

**2020**

**2021**

**2022 Outlook <sup>2</sup>**

**Organic  
Sales**

+1%

+4%

+6%

(1%)

+3% to 4%

**Earnings Per  
Share <sup>1</sup>**

+5%

+4%

+12%

(20%)

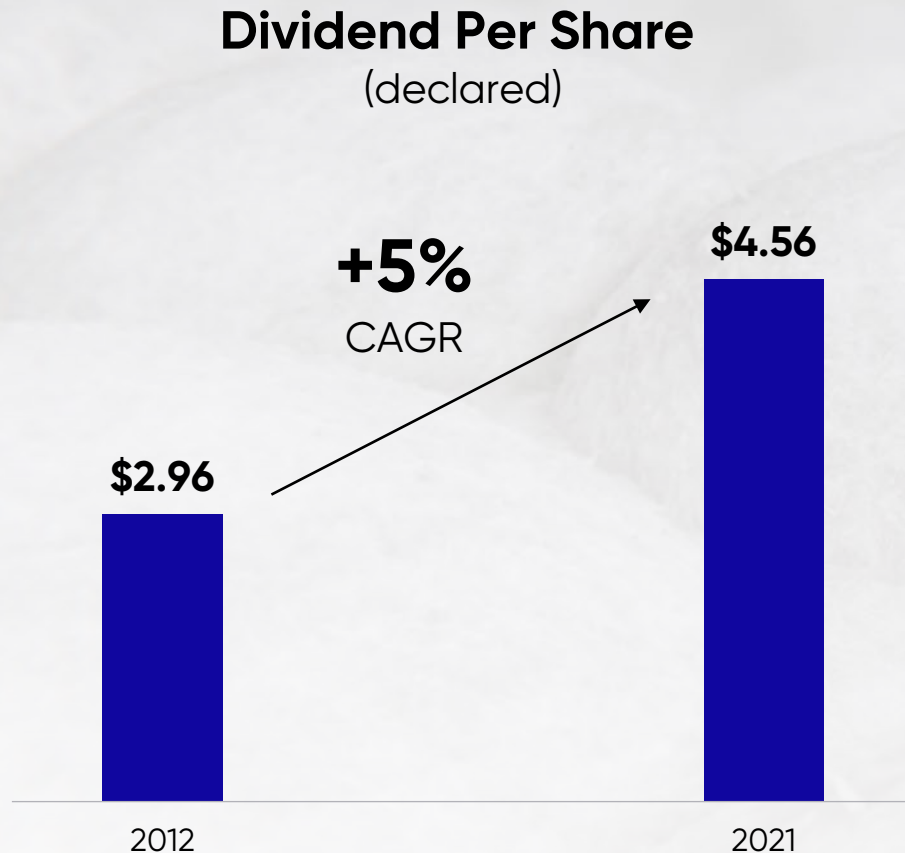
(3%) to (9%)

1. Adjusted EPS for 2016 to 2021, no adjustments in 2022 Outlook

2. 2022 Outlook issued January 26, 2022



# Capital Allocation Aligned with Value Creation Priorities



**Invest in our Business**



**Grow the Dividend**



**Value Creating M&A**



**Share Repurchases**

# Summary

- ✓ We are growing – long runway to do more
- ✓ We are strengthening brands, market positions and company for long-term
- ✓ Near-term headwinds are significant; taking actions to offset over time
- ✓ Confident in our ability to deliver balanced and sustainable growth and create shareholder value



