Kimberly-Clark

2017 Results and 2018 Outlook

January 23, 2018

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Conference Call Reminders

Forward-Looking Information

Certain matters in this presentation and conference call, including our 2018 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, cost savings and reductions, raw material, energy, and other input costs, competition, market demand and economic and political conditions, 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 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, 2016 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 excluded a net benefit as a result of U.S. tax reform and related activities in 2017, and in 2016, excluded charges for the 2014 Organization Restructuring and a modest amount of income related to an updated assessment of the impact of the December 2015 deconsolidation of the company's Venezuelan business.

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Full Year 2017 Results

Maria Henry

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2017 Headlines

- Sales and earnings broadly consistent with previous outlook

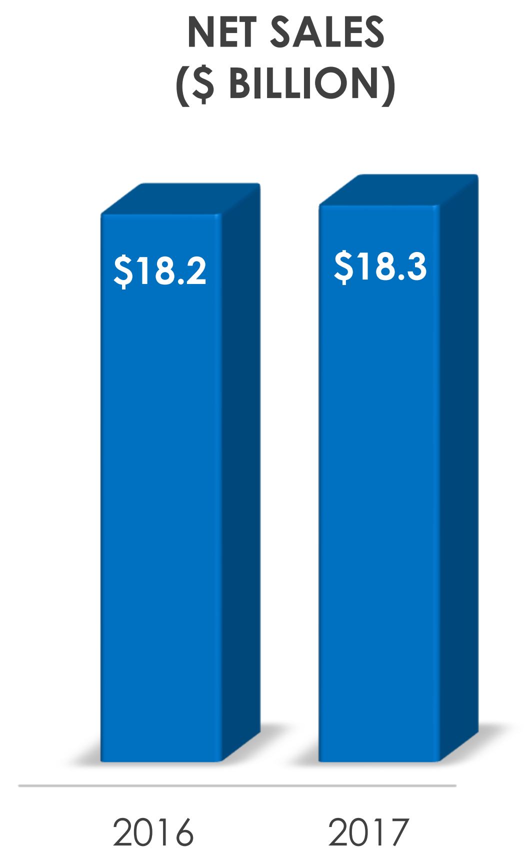
- Achieved record FORCE cost savings and reduced discretionary spending to help offset commodity inflation and fund investment

- Improved capital efficiency and returned significant cash to shareholders

Consolidated Net Sales

Net Sales	2017
Total Change[a]	**0%**
Volume	1%
Net Price	(1%)
Mix/Other	0%
Currency	1%
Organic[b]	0%

- Volumes increased 1 percent and mix improved slightly
- Net price down – competitive environment, improving currencies



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

2017 Top-line Results by Geography

- Developing & Emerging (D&E) Markets
  - Organic sales rose 3 percent, volumes up 5 percent
  - Personal care volumes increased mid-single digits in Latin America and China, up nearly 20 percent in Eastern Europe
- Developed Markets Outside North America
  - Organic sales declined 3 percent, including impacts from diaper category decline in South Korea
- North America
  - Consumer products organic sales fell 2 percent
    - Benefited from innovations, but impacted by competitive activity and lower U.S. birth rate
  - K-C Professional organic sales similar year-on-year
    - Volumes up 1 percent in relatively sluggish market

Adjusted Gross and Operating Profit

- 2017 gross margin 35.9 percent, down 70 basis points year-on-year
  - Lower selling prices and $355 million of commodity cost inflation
- FORCE cost savings all-time record $450 million
- Between-the-lines spending down 40 basis points (percent of net sales)
  - Tightly managed overhead and discretionary spending
- 2017 operating margin 18.2 percent, down 20 basis points year-on-year
  - Personal care up 50 basis points
  - K-C Professional up 60 basis points
  - Consumer tissue down 130 basis points

ADJUSTED OPERATING PROFIT / MARGIN ($ BILLION)

Adjusted Earnings Per Share

- Adjusted effective tax rate 28.6 percent in 2017 and 30.7 percent in 2016
- Equity income down 20 percent
- Share count down as expected
- Adjusted EPS $6.23, up 3 percent vs. 2016
  - October 2017 guidance: low end of $6.20 to $6.35 range

U.S. Tax Reform

- Meaningfully lowers our ongoing tax rate
- 2018 adjusted effective tax rate 23 to 26 percent
  - 6 points of year-on-year EPS growth at mid-point of range
- Anticipate ongoing cash flow benefits
  - Provides flexibility to continue to allocate significant capital to shareholders while funding increased capital spending and restructuring program over next few years
- One-time cash flow impact from tax reform not expected to be significant

Cash Flow and Capital Allocation

- Cash provided by operations $2.9 billion in 2017, down from $3.2 billion in 2016
  - In-line with expectations, driven by higher tax payments
  - Expect 2018 cash flow similar to 2017's levels
- Primary working capital cash conversion cycle down 6 days and adjusted ROIC up 20 basis points
- Dividend payments and share repurchases totaled $2.3 billion
  - Seventh consecutive year of returning at least $2 billion to shareholders
- 2018 plan
  - Share repurchases $700 to $900 million
  - Dividend increase 3.1 percent (already approved by Board), 46th consecutive annual increase
  - Allocate $2.1 to $2.3 billion to dividends and share repurchases, more than 5 percent of current market capitalization

Summary

- Increased earnings in a challenging environment
- Delivered significant cost savings, reduced discretionary spending, managed balance sheet well
- Continued to allocate capital in shareholder-friendly ways

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2018 Global Restructuring Program and FORCE Cost Savings

Tom Falk

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FORCE Cost Savings

- Encouraged with progress on FORCE cost savings program over last several years
  - Created global supply chain organization in 2015 that is tightly linked to our businesses
  - More capability, process discipline and visibility into future opportunities
  - Generating more savings, including record performance in 2017
- FORCE pipeline is healthy, expect significant savings to continue going forward
- Establishing multi-year commitment with FORCE cost savings target of more than $1.5 billion over next four years

2018 Global Restructuring Program – Background

- Long track record of announcing and executing strategic changes
- Kimberly-Clark has become a stronger company over time and generated significant value for shareholders
- Continued to adapt as appropriate to challenging environments
- 2018 Global Restructuring Program latest example of proactive and strategic approach to improving Kimberly-Clark so we can win in the marketplace and create long-term shareholder value

2018 Global Restructuring Program

- Taking this action to accelerate our return to delivering long-term top- and bottom-line growth objectives over time
- Remain optimistic about long-term future
  - Terrific portfolio of brands, leading technologies, strong capabilities
  - Significant growth potential in many categories, particularly in D&E markets
- Biggest restructuring undertaken since Global Business Plan launched in 2003
  - Program will make Kimberly-Clark leaner, stronger, faster

2018 Global Restructuring Program

- Restructuring will generate annual savings of $500 to $550 million by end of 2021
- Over this time period, more than $2 billion in total savings from FORCE and the restructuring to help drive sales and margins
- Priorities:
  - Invest more to drive top-line growth: focused on strengthening and growing core businesses, accelerating personal care growth opportunities in D&E markets, building further digital and e-commerce capabilities
  - Compete more effectively in current environment; key priority is to maintain/improve market share position, particularly in key markets and businesses
  - Better position company to improve margins and grow operating profit and earnings even in slow growth conditions

2018 Global Restructuring Program

- Streamline and simplify overhead organization and manufacturing supply chain, better leverage scale opportunities and technology
  - Continue to deploy locally-driven operating model, including P&L accountability with local teams
  - Shift more routine work and transactional activities to regional shared services centers; all functions to drive more process discipline, efficiencies, best practices sharing
    - Changes will lower overhead spending and allow Kimberly-Clark to be more competitive with industry benchmarks
  - Expect to close or sell approximately 10 manufacturing facilities; capacity at several other locations will be expanded to improve scale and cost
- Workforce reductions expected to be 5,000 to 5,500
  - Difficult, but necessary actions to make Kimberly-Clark a stronger company going forward

2018 Global Restructuring Program

- Exit or divest some lower-margin businesses
  - In total, about 1 percent of company net sales, concentrated in consumer tissue
- Total cash spending of $1.5 to $1.7 billion by end of 2020
  - Pre-tax cash charges of $900 million to $1 billion
  - Incremental capital spending of approximately $600 to $700 million
- Total pre-tax charges $1.7 to $1.9 billion, including non-cash charges of $800 to $900 million
- Expect total capital spending in 2018 and 2019 somewhat higher than 4.5 to 5.5 percent of net sales long-term target
  - Restructuring and other long-term investments planned
  - Spending in 2020 should return to long-term target
- Continue to allocate capital in shareholder-friendly ways as restructuring is executed

2018 Global Restructuring Program

- Taking aggressive action to accelerate return to delivering Global Business Plan objectives over time
- Expecting to generate substantial savings over next several years for more flexibility to invest and improve margins
- Significantly improving Kimberly-Clark for long-term

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2018 Outlook

Mike Hsu

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2018 Outlook

- Optimistic about long-term future
- Expect market conditions in 2018 similar to 2017
  - Category growth rates slightly better, competitive activity to remain elevated, continued commodity inflation
- Expect to deliver better results in 2018 and invest more for long-term success
- Targeting 1 percent organic sales growth
  - Similar to expectations for overall market growth
- Total net sales should be up 1 to 2 percent
  - Including currency changes and last year's acquisition of India joint venture

2018 Outlook – Top-line Growth Priorities

- **Strengthen and grow core businesses**
  - Better performance in North American consumer products in 2018
    - Strong innovation line-up with launches in every major business; near-term activity includes upgrades on Huggies® diapers and baby wipes, Pull-Ups® training pants, Depend® and Poise® offerings, new Kleenex® wet wipes
    - Targeted brand investments to support innovations, improve competitiveness
    - Reduce spending on less productive items like non-working media to improve efficiencies

2018 Outlook – Top-line Growth Priorities

- **Accelerate personal care growth in D&E markets**
  - Build on progress made in 2017 in key growth markets
    - In Latin America, innovations in diapers, feminine care, adult care; category demand in Brazil and Argentina recently stabilized – cautiously optimistic conditions will improve modestly in 2018
    - In Eastern Europe, good momentum on Huggies® and Kotex®; leverage innovations and strengthen commercial programs in Russia
    - In China, continue to focus on young category entrants and premium positioning in feminine care; diaper innovations to start in late Q1 and phase in throughout 2018

2018 Outlook – Top-line Growth Priorities

- **Further build digital and e-commerce capabilities**
  - 2017 online sales high-single digit percent of company sales
    - Up more than 30 percent year-on-year
    - Expect further progress in 2018
  - Continue to improve relationships with consumers through direct digital marketing programs
    - Investing in tools to help improve speed, cost, effectiveness of programming

2018 Outlook

- Adjusted operating profit to be up 2 to 5 percent
  - 40 basis points margin improvement at mid-point of guidance targets
  - FORCE cost savings approximately $400 million; 2018 Global Restructuring Program savings $50 to $70 million
  - Input cost inflation $300 to $400 million
    - Expect more than half to come in international markets
    - Not planning for widespread selling price increases; selective actions in some businesses, including K-C Professional and D&E consumer

2018 Outlook

- Targeting adjusted earnings per share $6.90 to $7.20, up 11 to 16 percent year-on-year
  – Includes benefits from expected lower tax rate
  – Expect earnings to be higher in second half of 2018 versus first half, primarily reflecting phasing of cost savings and growth initiatives, secondarily some expected moderation of commodity costs

Summary

- Optimistic about long-term future
- Planning for better year in 2018
- Taking important steps to make Kimberly-Clark stronger and create long-term shareholder value

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Q&A Session

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Appendix: 2017 Business Segment Results

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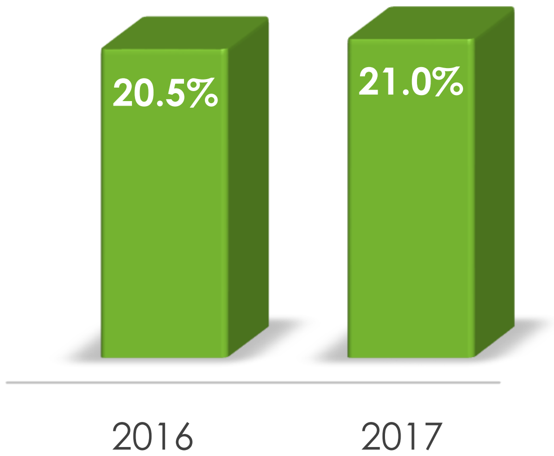
Personal Care

Net Sales	2017
Total Change	**0%**
Volume	1%
Net Price	(2%)
Mix/Other	1%
Currency	1%
Organic	(1%)

OPERATING MARGIN

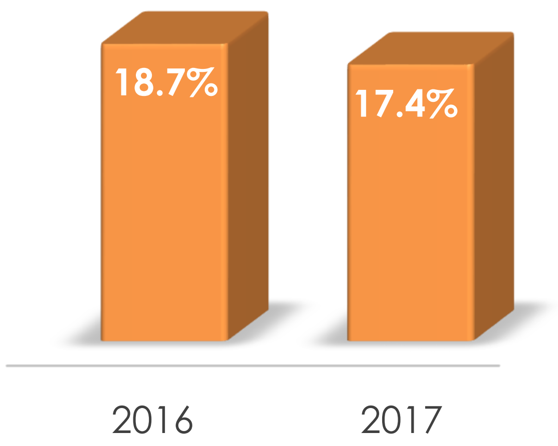


- Organic sales fell about 1 percent
  - Lower sales in North America and developed markets
  - Up 4 percent in D&E markets
- Operating margin up 50 basis points
  - Cost savings, lower between-the-lines spending, volume growth

Consumer Tissue

Net Sales	2017
Total Change	**(1%)**
Volume	0%
Net Price	(1%)
Mix/Other	0%
Currency	1%
Organic	(1%)

OPERATING MARGIN

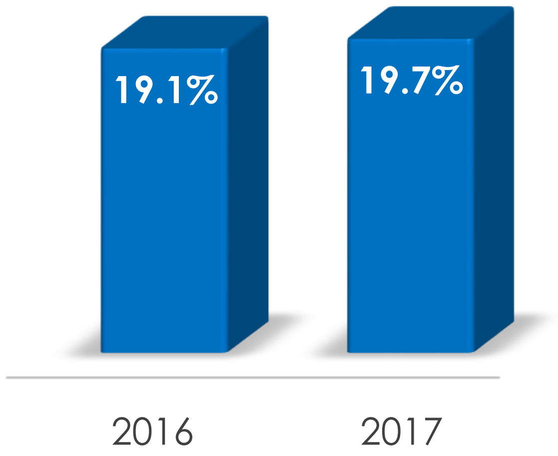


- Organic sales down 1 percent
  - Driven by North America
- Operating margin down 130 basis points
  - Higher pulp costs, lower net selling prices

K-C Professional

Net Sales	2017
Total Change	**2%**
Volume	1%
Net Price	(1%)
Mix/Other	0%
Currency	1%
Organic	1%

OPERATING MARGIN



- Organic sales up 1 percent
  - Gains in all major geographies
- Operating margin up 60 basis points
  - Cost savings, lower between-the-lines spending

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Appendix: 2018 Planning Assumptions

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Planning Assumptions

- Net sales increase of 1 to 2 percent
  - Organic sales growth approximately 1 percent
    - Driven by higher volumes; net selling prices and product mix similar, or up slightly, year-on-year
  - Neutral to up 1 percent impact from currency; last year's India joint venture acquisition should benefit sales slightly
- Adjusted operating profit growth 2 to 5 percent
  - FORCE cost savings approximately $400 million; 2018 Global Restructuring Program savings $50 to $70 million
  - Input cost inflation $300 to $400 million
    - Majority of inflation anticipated to occur in international markets
- Key input cost assumptions (North America)
  - Benchmark eucalyptus pulp $1,050 to $1,100 per metric ton
  - Oil mid-$50's to low-$60's per barrel

Planning Assumptions

- Interest expense down approximately 20 percent
  - Includes benefits from redeeming, in December 2017, $500 million of notes originally due in late 2018
- Adjusted effective tax rate 23 to 26 percent
- Equity income similar, or up slightly, year-on-year
- Adjusted EPS $6.90 to $7.20
  - Up 11 to 16 percent compared to 2017 adjusted EPS of $6.23
- Capital spending approximately $1.1 billion
- Dividend increase of 3.1 percent (already approved by Board of Directors)
- Share repurchases $0.7 to $0.9 billion

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