Fourth Quarter 2025 Earnings Pre-Recorded Management Discussion
January 27, 2026

Please view these remarks in conjunction with our Q4 2025 earnings release, which is furnished on Form 8-K, and additional information regarding our non-GAAP financial measures, including GAAP to non-GAAP reconciliations, available on our website investor.kimberly-clark.com under SEC Filings, or via the following link: investor.kimberly-clark.com,financial,sec-filings

We also invite you to listen to our live question-and-answer webcast with Kimberly-Clark management which will begin at 8:00 a.m. Eastern Daylight Time on January 27 and will also be available on investor.kimberly-clark.com under Events & Presentations.

Q4 2025 Earnings Pre-Recorded Management Discussion

Slide 1 | Cover Page

CHRIS JAKUBIK, HEAD OF INVESTOR RELATIONS, KIMBERLY-CLARK CORPORATION

Hello. This is Chris Jakubik, Head of Investor Relations at Kimberly-Clark. Welcome to our fourth-quarter and full-year 2025 business update.

Today, our Chairman and CEO Mike Hsu will provide an update on our overall business transformation and performance. Russ Torres, our Chief Operating Officer, will provide an overview of segment results and key market highlights. And Nelson Urdaneta, our Chief Financial Officer, will provide a financial review and outlook.

We have also scheduled a separate live question-and-answer session with analysts.

You can access our earnings release, supplemental materials, and audio of our Q&A session at investor.kimberly-clark.com. A replay of the Q&A session will be available following the event through the same website.

Slide 2 | Forward-Looking Statements

During our review, we will make some forward-looking statements that are based on how we see things today.

Actual results may differ due to risks and uncertainties, and these are discussed in our earnings release and our filings with the SEC.

We will discuss some non-GAAP financial measures during these remarks. These non-GAAP financial measures should not be considered a replacement for and should be read together with the GAAP results. You can find the GAAP to non-GAAP reconciliations within our earnings release and the supplemental materials posted at investor.kimberly-clark.com.

With that, I will turn it over to Mike.

MIKE HSU, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, KIMBERLY-CLARK CORPORATION

Thank you Chris, and thanks to everyone for joining us today.

Slide 3 | Powering Care: How We Create Durable Growth

Two years ago, we launched our Powering Care strategy, to usher in Kimberly-Clark's next exciting chapter, building on our 150-year legacy. We set out to transform our company and create durable growth. Since then, we've turbocharged our commercial, cost and organizational capability. We've unleashed the strength of our iconic brands. We've doubled down on science as our competitive advantage. Our rapid evolution has been guided by exceptional leaders, who are ready and excited for our next chapter.

Our execution of Powering Care is driving strong results, even amidst a dynamic, and somewhat turbulent, external environment. Our 2025 results, and the momentum we've built in the first two years of Powering Care, reflect the enhanced strength and resilience of our business.

We're introducing consumer-directed, pioneering innovation and breakthrough marketing, across brands and markets, faster than ever before. We're bringing relentless cost discipline and deploying our greatest capabilities across the enterprise to optimize our margin structure. We've rewired our organization for growth, and we've pivoted our portfolio, to higher-growth, higher-margin personal care categories.

Slide 4 | Enhancing Focus on Right-to-Win Spaces

This pivot has enhanced our focus on right-to-win spaces and become a pure-play personal care company.

This includes the sale of our Brazilian Tissue Operations, the sale of our PPE business, and exiting roughly $650 million of private label business. In mid-2026, we expect to complete a transaction to form an industry-leading International Family Care & Professional joint venture with Suzano, in which we'll own a 49% stake.

These strategic actions have shifted our portfolio toward higher-growth, higher-margin categories, while reducing earnings volatility and capital intensity.

Our operational and strategic transformation has fundamentally repositioned our business, and provides an excellent foundation and playbook, to facilitate our pending acquisition of Kenvue.

Slide 5 | Acquiring Kenvue to Create a $32 Billion Pure-Play, Global Health & Wellness Leader

Acquiring Kenvue is a powerful next step in our transformation, that we believe will enhance the momentum we're delivering across Kimberly-Clark. Consistent with our portfolio pivot, the transaction will catapult our trajectory, toward higher-growth, higher-margin spaces.

Kenvue's brands resonate with consumers and lead attractive categories. Combined, our categories have exposure to structural tailwinds across age and lifestyle cohorts. We have exceptional complementarity, across categories and geographies, which will enable us to better serve consumers through every stage of life. We intend to build the future of consumer-centric care for all, with 10 iconic billion-dollar brands, in critical life stages, including baby and child care, women's health and active aging.

The winning capabilities we've developed through Powering Care provide a plug-and-play model, to take Kenvue's portfolio of market-leading consumer health brands to the next level. We intend to get Kenvue's brands on a Virtuous Cycle of growth, as we've done at Kimberly-Clark. This is what will enable us to build a scaled health and wellness leader, a leader that will be new and different in the world of CPG.

We expect to generate $2.1 billion of annual synergies from the transaction, net of reinvestment, including about $1.9 billion of cost synergies, targeted within the first three years after close. We also expect to achieve solid EPS accretion, in year two following close.

Our targets are based on conservative assumptions, and grounded in work we've already done, applying our lean operating mindset, cost discipline and commercial execution engine at scale.

We're preparing to hit the ground running at closing and look forward to providing more detail as we achieve integration milestones. Russ is leading our Integration Management Office, and we're making strong progress. When both teams are together, the excitement is palpable. The IMO is staffed with leaders from both companies, and external specialists with deep experience in transitions like this. We're taking a disciplined approach, with clear accountability. We remain focused on delivering for consumers and customers every day.

Slide 6 | Our Value Creation Paradigm is Powered by Our Virtuous Cycle

Our base business is driving strong results and has built strong momentum in a dynamic environment. Powering Care has created a Virtuous Cycle of growth at Kimberly-Clark. It's a proven and repeatable value-creation engine that drives sustainable, profitable growth and performance. Maintaining the Virtuous Cycle enables us to remain resilient, regardless of what is happening around us.

As we move boldly into our next chapter with Kenvue, we're confident we can leverage our operating momentum, to create significant value for shareholders, and raise the standard of care for billions of consumers around the world.

The innovations and initiatives we've scaled, since launching Powering Care, have fundamentally repositioned Kimberly-Clark, and launched us into a Virtuous Cycle of growth.

The Virtuous Cycle starts with the skill and will to invest for impact. Investments we've made in innovation and marketing have differentiated our products, and deepened brand love with consumers. This has driven our strong shift to volume-plus-mix-led growth. We've also doubled down on strategic partnerships with our customers.

At the same time, we transformed our organization and processes, to maximize returns on those investments. We have improved enterprise-wide visibility and discipline and have made significant progress on cost efficiency. Critically, we've embedded a growth and accountability mindset across the entire organization.

These fundamentals helped us deliver financial performance that gives us the flexibility to reinvest and sustain the Virtuous Cycle.

In 2025, the Virtuous Cycle helped us advance our volume-plus-mix growth model, and deliver full-year, volume-led organic growth of approximately 2%. Enterprise weighted share was up approximately 10 basis points versus the prior year, despite an uptick in competitive promotion activity in the third and fourth quarters. International Personal Care focus markets saw broad-based share gains vs. the prior year. The fourth quarter marked our eighth consecutive quarter of solid volume-plus-mix performance, and 2025 marked our second consecutive year, of broad-based volume-plus-mix growth.

We continued to drive solid results in a dynamic and competitive landscape, by maintaining a relentless focus, on balanced and sustainable, innovation-led growth. Our model has enabled us to navigate headwinds, such as changes in the global tariff environment, and short-term impacts resulting from private label business exits. Our categories are large, growing, and benefit from being used in our consumers' everyday moments. The intimacy inherent to personal care, and health and wellness, means consumers are less willing to make substitutions, making our categories resilient and durable.

Our 2026 outlook, which Nelson will discuss in further detail, reflects confidence in our pipeline of initiatives, a commitment to strongly support our brands, and the reality that pressure on consumers, and a focus on value will persist.

We will outline our growth initiatives in greater detail next month, during our presentation at the CAGNY conference. It's important to understand the momentum we've built since launching Powering Care, how it has positively impacted our 2025 results, and how we have prepared ourselves for this moment.

Slide 7 | Category-Bending Performance with Science-based Innovation Across Key Markets in the Last 2 Years

Science is our competitive advantage, and our scientists and engineers have delivered. We're focused on innovating across critical consumer benefit spaces, including leak-free confidence, garment-like comfort, skin health and overnights. Our innovation pipeline has never been stronger, and the products we've launched in the last two years are driving category-shaping performance, behind premiumization to elevate the top-tier, while delivering unbeatable performance in the value tiers.

Around the world, our great ideas are travelling faster than ever. We're scaling innovations across markets, exemplified by applying our China playbook, to significantly enhance performance across Focus Markets, like Brazil, Indonesia and Australia. We're not stopping there.

Slide 8 | Building Brand Love & Crushing Stigma Across Categories

Due to the intimate nature of our categories, our consumers are confronted with stigma every day. As category leaders, we take it upon ourselves to crush these stigmas and drive enhanced category participation and brand love.

Over the last several quarters, we've shown you how we've been doing that across a range of authentic celebrity partnerships, and emotionally resonant advertising.

Our marketing teams are elevating creative, with an impressive 11 Cannes Lions wins in 2025.

Slide 9 | Consumer-Centric Innovation Driving Pivot to Durable Volume+Mix Led Organic Growth

Consumer-directed innovation has been the tip of the spear, in our efforts to inflect to volume-plus-mix organic growth. We were one of the first in the industry, to successfully make this pivot coming off the last inflationary super cycle.

In 2025, volume-plus-mix eclipsed pricing as a growth driver and accelerated. Innovation has led the charge, with 78% of our volume and mix led growth, attributable to innovations launched in the last three years.

Slide 10 | Stepping Up Gross Productivity Savings

At the same time, what completes our virtuous cycle and funds the significant investments we've made in innovation, brand building, and commercial capabilities is a strong productivity pipeline.

2025 marks a second straight year of industry-leading gross productivity, at 6.2% of adjusted COGS, peaking at 7.2% for the fourth quarter, both of which exceeded the high end of our expected range. In the past 2 years, we have delivered 50% of the 5-year gross productivity ambition we set out at Investor Day.

Slide 11 | 2 Consecutive Years of Best-in-Class Productivity Delivery with Broad-based Contributions Across Pillars

As I've mentioned, we are sharing knowledge and best practices across the organization – in short, we are scaling what works.

As you can see at the bottom of the slide, we've lowered standard unit costs globally across our Consumer business. Within this, our Personal Care business has led the way, with Baby and Child Care, perhaps our most competitive categories, delivering the most progress towards our goal of delivering the best performing products, at the lowest cost in the industry.

We are laser-focused on simplification, consistency and leveraging our scale, which simultaneously enhances quality and value for consumers, while allowing us to deliver the best product at the lowest cost. For example, we successfully reduced our Personal Care product platforms from 30 to 11 across nine facilities.

We took a decisive step to optimize our supply chain network in North America this year. We announced a $2 billion investment in our North America manufacturing footprint, focused on building an advanced manufacturing facility in Warren, Ohio, and an automated distribution center at our Beech Island, South Carolina plant. These investments will accelerate our innovation plans and support our growth ambitions.

We made significant progress modernizing our systems and core technology to drive simplification, automation and agility for years to come. Critically, we've deployed global digital procurement capabilities, and tools that bring transparency, control and efficiency, to our operations. Teams now spend less time on manual tasks and more time driving innovation and supporting our business partners. It also provides greater visibility into global spend.

Just last year, our North America Automation team rolled out Laser Guided Vehicles, in our Ogden, Utah plant, using these LGVs to move materials inside our manufacturing facilities. Over the past five years, we have saved $48 million by launching LGVs in regional distribution centers.

In summary, we've built strong momentum and great visibility into the key elements of our Virtuous Cycle.

I'll hand it over to Russ, who will highlight how this is positively impacting our business segment results and key markets.

RUSS TORRES, PRESIDENT AND CHIEF OPERATING OFFICER, KIMBERLY-CLARK CORPORATION

Slide 12 | Segment Results & Highlights

Thanks, Mike.

In addition to my role as President and COO, I'm honored to be leading the Integration Management Office for Kimberly-Clark. It's still very early, but I am very energized by the opportunities we see, and even more confident in our ability to deliver, and eventually surpass, the synergies we've previously outlined. The way the teams from both companies have been moving with speed and focus to bring K-C and Kenvue together is truly impressive.

Turning to Kimberly-Clark, we closed out a strong 2025 in a challenging environment. We can feel the momentum building across the company and are seeing the benefits of our Powering Care execution on the ground every day as we continue to out-innovate, out-market, and out-activate our competition.

Our results reflect our sustained focus on executing an innovation-led approach, meeting consumers where they are across the good-better-best ladder and staying disciplined as we reinvest strong productivity gains behind our brands and capabilities.

Like many in our industry, we do see elements of a challenging environment with pressure on consumers, retailers and geopolitical volatility.

However, we strongly believe our strategy will serve Kimberly-Clark well and lead to value creation – both today and over the long-term. We have seen this play out in the last two years as we've been able to grow and develop our margins in some of the most competitive markets in the world.

Slide 13 | International Personal Care

To that point, I'll start with our International Personal Care (IPC) business.

As highlighted previously, we've built a proven model in China based on superior value propositions at every price:value tier. K-C has gained over 900 basis points of share in diapers over the past 5 years, while other national brands and local players have lost meaningful share. In part as a result, we have seen local Chinese competition move their focus away from China and attempt to expand into new markets, from Latin America to North America and parts of Eastern Europe.

We will remain focused on our winning formula: out-innovate, out-market, and out-activate with discipline across the world. In IPC, we're applying our playbook across our focus and enterprise markets. We're excited about our pipeline. In 2025, we invested prudently to maintain our momentum. This strategy is translating into long-term value creation.

From a financial perspective, we delivered strong volume-plus-mix led organic growth for the year. Our organic growth accelerated to mid-single-digit levels in the fourth quarter. In fact, all our IPC Focus Markets delivered volume-led organic growth in the quarter.

We gained roughly half a point of weighted average share in the year across our focus markets, along with meaningful gains in key country category combinations in enterprise markets.

And with respect to Operating Profit, we sustained healthy margins, with strong exit momentum in Q4. We are delivering strong productivity gains and overhead savings to fund investments and improve our brand propositions while driving brand love across our markets.

Slide 14 | IPC: Scaling Winning Ideas from China Across Focus Markets to Out-Innovate Competition

In IPC, we're introducing innovations focused on our four benefit spaces, with exciting progress over the past year.

In China, we enhanced Kotex's Gravity Pads with our new "Absorb to the Bottom" technology that provides our consumers "Leak-Free-Confidence". The pads deliver a 120% improvement in absorption speed AND reduce residue area by 60%, for a cleaner, drier experience. We are building on this momentum by scaling Gravity in Brazil and other markets.

In Brazil, we launched Huggies Cushion Protection, scaling our E-Cloud waistband technology from China and customizing it for Brazilian consumers. This diaper has superior absorption with up to 12 hours of leak protection, and a softer waistband to reduce skin irritation, delivering garment-like-comfort, protection, and freedom of movement. In Brazil, Huggies gained nearly 50 basis points of share in the fourth quarter and 40 basis points in the full year.

In Indonesia Adult Care, we launched Confidence Daily Fresh Pants, which are thin and breathable, an important differentiator in Indonesia's hot and humid climate. This innovation has led to strong results, with Adult Care growing 17% organically in Indonesia this year led entirely by volume.

We cascaded and customized the science-based Huggies Skin Essentials™ technology from North America into our South Korea market, where we are winning over consumers who prioritize Skin Health. This resulted in increased premiumization and 60 basis points of share gain in the year.

In China, we introduced Huggies Natural Pro Deep Sleep Master. Uninterrupted sleep is a key need for both parents and baby. This diaper is geared for high performance and comfort to keep baby sleeping soundly. It absorbs twice as fast, reduces leakage by over 60%, and delivers a 200% improvement in breathability. This is driving the Overnights category as it has been clinically proven to deliver 20% more deep sleep for baby. During the two-month post-launch period, Huggies Natural Pro Deep Sleep Master ranked #1 in launch revenue in the Sleep category.

Slide 15 | Winning Recruitment Through Resonant Campaigns and Digital Capabilities

The Powering Care operating model is enabling our best ideas to travel with speed, building brand love all over the world. We scaled the success of our Poise "Giggle Dribble" campaign with Katherine Heigl from the U.S. to Australia, where the brand is making an impact by crushing stigma around post-partum incontinence. This drove a meaningful consumption uptick with Poise growing 11% in the quarter and 9% in the full year outpacing the category and resulting in 120 basis points of share gain in the quarter and 50 basis points of gain in the full year.

We are also activating our brands in new ways, meeting consumers where they need us. For example, in Q4, we were the first brand in China to place sanitary pad vending machines in metro stations. In a country where 76% of women have encountered "period challenges" in public spaces and only 34% of public locations are equipped with sanitary pads, our campaign is driving affinity, an uptick in search and product trial.

In China, we've built a unique and advantaged social media model that is resonating with local consumers, generating an incredible volume of organic digital engagement, building brand love and driving business results. We have significantly increased pieces of content per month focused on Kotex, as an example.

Over the past year, we scaled our digital success to Indonesia, which is resulting in accelerated consumer recruitment and improved quality of our content. We're seeing the results: a significant improvement in growth, gross merchandise value and share in Indonesia, and we have plans to continue to scale and deploy the model more broadly.

Slide 16 | North America

Turning to North America, we continued to find success through our focus on delivering better value propositions at every price tier and in every channel, particularly as consumers' wallets remain under pressure, and competition becomes sharper. Our categories are essential, and our long-term strategy is to win through superior consumer value propositions and strong execution versus renting market share with promotion.

On the top line, we delivered a third consecutive year of positive volume-plus-mix led growth, demonstrating the returns on significant investments we've made in our marketing and innovation capabilities, as well as the power of our commercial execution engine.

In the fourth quarter, we saw resilient demand for our brands and strong interest in our innovations despite a choppy external environment.

Gains in North America were broad-based across Personal Care, Family Care and K-C Professional.

We grew 80 basis points on an organic basis in the quarter, with volume-plus-mix up 1.8%, even though the weighted average growth in our consumer categories slowed to half of one percent versus the prior year.

And weighted share was broadly in line with prior year in the quarter and the year while personal care grew value share +20 basis points in the year led by a volume share gain of +90 basis points.

At the profit line, we grew Operating Profit dollars versus the prior year despite 330 basis points of impact from exiting private label business during the year.

This reflected a combination of volume-plus-mix led growth as well as strong, ongoing productivity gains and SG&A efficiencies driving margin expansion.

Slide 17 | North America: Cascaded Innovation Across Value Spectrum, Meaningful Portfolio Refresh

In North America, we have spent the past two years focused on out-innovating, out-activating, and out-marketing our competition. We are seeing strong results despite the environment.

In 2025, Kleenex delivered its highest share in the last 9 years in North America.

Our innovation pipeline has contributed to a meaningful portfolio refresh, with consumer-directed innovation focused on key benefit spaces of leak-free confidence, garment-like comfort, skin health and overnights. We continue to cascade innovation across the value spectrum to drive premiumization.

As we run our global playbook to lead category growth in our North America diaper business, we've been innovating across the Huggies® franchise.

To enhance Little Movers® for active toddlers, we introduced HuggFit 360 in the US Market, with a slip-on format and flexible waistband designed to move with babies during play and provide an extra-secure fit for up to 100% blowout and leak-free protection. This diaper was named Disposable Diaper Product of the Year by the Baby Innovation Awards, the leading, independent body that rates innovation in the Baby Care industry.

We launched Huggies Skin Essentials diapers with a proprietary SkinProtect™ liner. This feature protects babies' skin from the top causes of rash, mess and moisture, by pulling them away from the skin. In fact, the SkinProtect liner leaves behind up to 5 times less mess than the leading store brand, offering a great value proposition in the premium tier. We also launched dermatologist-approved Huggies Pull-Ups® Skin Essentials, our softest training pant, with a 100% breathable cover.

Early last year, Huggies with Snug & Dry Softness™ made its U.S. debut. Consistent with our strategy, we cascaded core benefits from our higher tiers to provide consumers with an outstanding value proposition. It's the softest diaper in the U.S. value tier and offers outstanding protection with our complex core technology. In fact, Good Housekeeping named it the best overall disposable diaper of the year. This is evidence of our wiring in action. Our teams around the world leveraged the best global technology and supply chain to rapidly bring innovation and quality upgrades to our largest market at scale.

Slide 18 | North America: Building Brand Love and Driving Executional Excellence

We've raised our marketing game to reinforce brand love, with emotionally resonant creative and authentic, high-impact celebrity partnerships designed to break the stigma associated with everyday Adult Care.

In 2025, we continued to accelerate the Poise brand through creative marketing. More than 50% of women across all stages of life experience bladder leaks, but very few talk about it. Our honest and authentic "Giggle Dribble" campaign featuring Katherine Heigl is helping to destigmatize this common condition. The humorous and honest campaign is winning with consumers and driving category growth. The campaign generated a 36% increase in first-time buyers in the first quarter and a 26% increase in sales year-over-year at a key online customer in the same quarter. Because 'Great Ideas Travel', the campaign was then scaled to Australia where it drove meaningful share gains. To encourage men to take charge of their health, this year, we also built on the success of our partnership with Emmitt Smith for Depend® and launched a new partnership with Deion Sanders in Q3 who shared that he depends on Depend.

These investments are enabling us to convene conversations about topics that are difficult to discuss, breaking down barriers to entry and recruiting new consumers into the category. As a result, we are driving penetration across cohorts and category expansion, extending the leadership position of our powerhouse brands.

Similarly, we're reinforcing brand love and awareness in Baby & Child Care using breakthrough storytelling and digital engagement.

Beginning in the third quarter, our campaign featuring NBA star Giannis [Antetokounmpo] introduced Huggies Little Movers® HuggFit™ 360° to the U.S. market. The campaign featured emotionally resonant creative that struck a chord. We garnered over 1.8 billion paid impressions and 2.4 billion earned media impressions, with 60.2 million unique users reached, in just the month of June. This earned us a roughly 30% higher ROI than all ads in the prior year and achieved one of our most successful Huggies campaigns to date.

Our Goodnites® brand's "Mission Dry" campaign launched in the second quarter. Retired astronaut Scott Kelly crushed stigma around bedwetting. We fueled this with a social-first movement for kids and parents to share our assets across online communities, with our Goodnites brand at the center. This drove record performance in our youth pants category. Goodnites saw a 277% increase in product searches on Google, a 44% uptick in brand engagement, and 92% positive sentiment across platforms.

The traction we're seeing with consumers, including our ability to turn digital insights and capabilities into performance, is translating to strengthened partnerships with retailers. In 2025, we were ranked as the #2 overall CPG by our customers in the Advantage Survey of retailers out of the top 80 or so CPG companies. We had previously been ranked the #1 CPG by our customers for three consecutive years. We are proud of our retail partners' recognition of our efforts to deliver outstanding value and partnership to them. We're also proud of our #1 ranking in key sub-categories, including reputation and our relationship with one of our most important customers.

I'll now turn it to Nelson to walk through our financial results and outlook.

NELSON URDANETA, CHIEF FINANCIAL OFFICER, KIMBERLY-CLARK CORPORATION

Slide 19 | Slide 19: Financial Results & Outlook

Thank you, Russ.

Along with our operating performance, our transformation continues to gain momentum from a financial perspective.

We've taken significant actions to strengthen our ability to consistently deliver revenue and earnings growth, along with strong free cash flow while preserving a robust balance sheet.

We've addressed historical earnings volatility through purposeful actions taken over the last 4 years, including portfolio realignment which is showing in our financial performance.

And we're remaining very disciplined in our capital deployment as we simultaneously increase capex to grow the business, maintain a strong balance sheet and our commitment to our single-A credit rating, and grow our dividend payout to shareholders.

All these factors will make our acquisition of Kenvue quickly accretive to earnings and value-enhancing to shareholders.

Slide 20 | 2025 Results: Durable Delivery in a Turbulent Environment

Starting with our 2025 financials, we had a strong year performing while transforming as we exited a large private label diaper contract in North America and began the hard work to stand up our International Family Care and Professional business as an independent operating entity.

In Q4, we delivered 2% organic growth on the back of 3% volume-plus-mix growth even though global weighted average category growth slowed to roughly 60 basis points, from a run-rate of approximately 2% during the prior 9 months.

We delivered the strong year-on-year, Q4 Adjusted Operating Profit and Adjusted EPS growth we anticipated despite having shifted a significant amount of new product, trial-driving programming from Q3 into Q4.

Finally, we generated Adjusted Free Cash Flow of $1.9 billion in the year largely in line with our previous estimate.

All this confirms our ability to deliver relatively consistent performance across quarters, with balanced first-half, second-half results, even with the emergence of tariff-related impacts and heightened competitive activity, which required fast actions to adapt as the year unfolded.

Slide 21 | Performing While Transforming

The same can be said for the first two years of our Powering Care strategy, as we've delivered industry leading volume-plus-mix growth along with margin expansion.

Since launching Powering Care, we have delivered solid performance while driving significant operational and strategic transformation.

As Mike mentioned, we turned the corner from a pricing-led growth to a more balanced positive volume-plus-mix growth in 2024, much sooner than expected, with a meaningful acceleration in volume growth in 2025 as we out-innovate, out-market and out-activate in all our categories.

At Adjusted Gross Margin, we were one of the first of our peers to return Gross Margins to pre-pandemic levels in the second half of 2023. Since then, we've expanded margins further with industry-leading productivity, while at the same time funding significant investments in product differentiation and managing through unanticipated cost inflation, including tariff-driven costs, that were partly mitigated in 2025.

Moving forward, as we fully mitigate tariff-related costs and continue to deliver industry-leading productivity, our visibility to achieving Adjusted Gross Margins of at least 40% before the end of the decade remains strong.

In overheads, we've made multi-year investments in our global infrastructure to support innovation, Revenue Growth Management, digital platforms across supply chain, go-to-market enhancements, as well as ERP upgrades; a set of capabilities that will serve as a plug-and-play solution for the Kenvue integration.

At the same time, we've remained very disciplined on costs through a lean operating structure, reducing overheads by 80 basis points of sales in the last two years. It's worth noting that we've done that despite the deleveraging effect of nearly $1 billion of business exits in the past few years.

Our strong overheads leverage as Powering Care initiatives begin to take hold has not only helped expand our Adjusted Operating Profit margins by 180 basis points in the past two years, it also puts us well on pace to our aspiration of reaching at least 18-20% before the end of the decade.

This performance, together with further due diligence we've done since announcing the Kenvue acquisition, underpins our confidence and visibility to creating significant value, and industry-leading returns in the years ahead.

Slide 22 | Strong Cash Flow Delivery While Investing in Our Future & Maintaining A Solid Balance Sheet

Finally, on capital policy and cash flow performance, we have been consistently improving our cash conversion cycle. going from 6 days in 2021 to around -10 days at the close of 2025, a 16-day improvement with a step up in the last few years as Operating Profit growth picked up and we drove more working capital discipline, while maintaining a healthy level of investment in the business.

This year, we began stepping up capex as a percent of sales beyond our normalized level of 4-5%. This is part of our supply chain transformation designed to sustain industry-leading productivity savings as well as strengthen our ability to continue delivering the best products at the lowest costs.

Nonetheless, we have continued to generate strong adjusted free cash flow in line with our Powering Care algorithm of approximately $2 billion, and our leverage remains below the 2.0x Net Debt-to-EBITDA ratio, consistent with our single-A credit rating.

Overall, both our results and the progress in the transformation of our business in 2025 position us well to continue to improve our trajectory in 2026 and beyond. Our transformation is gaining momentum. We've addressed the volatility of the past through discipline, process and portfolio actions. And we're well-equipped to continue performing while we undertake a generational transformation of our company.

Slide 23 | Strong Visibility on Long-term Growth & Return Algorithm Remains

To be clear, we expect both the pending International Family Care & Professional business transaction, and the Kenvue acquisition to improve our ability to deliver the consistent, top-tier growth we laid out with our long-term financial algorithm when we unveiled our Powering Care strategy in March of 2024.

To remind you, our long-term algorithm is focused on organic top-line growth ahead of the categories and markets we participate in and top-tier constant-currency growth on the bottom line.

In the very near term, in advance of closing the Kenvue acquisition, we firmly believe our continuing businesses, North America and International Personal Care, are well-positioned to lead their categories and markets while delivering mid-to-high single digit constant-currency growth in Adjusted Operating Profit over the long term.

We also believe that as our International Family Care & Professional business transitions to a 49% Joint Venture interest, we will remain well positioned to deliver mid-to-high single digit constant-currency Adjusted EPS growth, as well as Adjusted Free Cash Flow of approximately $2 billion annually.

Slide 24 |2026 Outlook

For 2026, we've built a robust, achievable plan that creates value, is focused on further differentiating our brands, and ensures we have healthy levels of investment across our value chain.

For the full year, we're targeting Organic Growth in-line to ahead of category growth from both our North America and International Personal Care businesses. Last year, weighted average category growth was approximately 2%, even though Q4 was a bit softer, primarily due to year-on-year comparisons.

At Adjusted Operating Profit, we project an on-algorithm year with a mid-to-high single digit growth on a constant-currency basis, assuming a mid-year close of the International Family Care & Professional transaction. We are aiming to be at the high end of this range, partly driven by mitigating the stranded costs resulting from contributing the assets of the International Family Care & Professional business to the joint venture.

For adjusted EPS growth from Continuing Operations on a constant currency basis, we expect double-digit growth, as the close of the International Family Care & Professional transaction results in an approximately 30% increase in Income from Equity Companies for the full year.

Our outlook also assumes an adjusted effective tax rate of approximately 23%. We're also assuming relatively flat net interest expense and shares outstanding, as we plan to hold the proceeds from the IFP transaction in cash to help fund the cash portion of the Kenvue acquisition.

For adjusted EPS attributable to total Kimberly-Clark, we expect to be in line with 2025 levels on a constant currency basis. This will essentially reflect underlying growth consistent with our long-term algorithm, partly offset by the reduction in Income from Discontinued Operations, which we expect to be half of the 2025 level with a mid-year projected close of the International Family Care & Professional transaction.

Also note that, following the close of this transaction, Adjusted EPS from Continuing Operations and Adjusted EPS attributable to Kimberly-Clark should be the same on a quarterly basis.

Finally, we remain well positioned to deliver approximately $2 billion of Adjusted Free Cash Flow consistent with 2025 levels, even as we accelerate capital investments in our growth and transformation plans to approximately $1.3 billion up from $1.1 billion last year.

As far as pacing during the year, we enter 2026 with good momentum from our second-half 2025 innovations and a great pipeline of new products launching in the first half of the year that we will fuel with strong marketing and retail execution.

As a result, we currently expect net sales to be balanced, roughly 50:50, between the first half and the second half of the year, while adjusted operating profit should be closer to a 48:52 first half versus second half split.

Also, keep in mind that the dilution from the International Family Care & Professional transaction will impact EPS in the second half of the year, which should result in Adjusted EPS attributable to Kimberly Clark being split roughly 53% first half, 47% second half for the year. This includes the impact of our decision to retain the proceeds of the IFP transaction to fund part of the cash consideration for the Kenvue acquisition.

Slide 25 | Expect to Deliver On-Algorithm Adj. EPS Growth by Year 2 of Integration

Beyond 2026, and assuming a year-end close of the Kenvue acquisition, we believe the combination of strong cost synergy opportunities and the complementarity of the two portfolios will enable us to deliver on-algorithm Adjusted EPS growth, in the mid-to-high single digit range, on a 2-year CAGR, from 2026 to 2028.

As we've highlighted previously, we built our acquisition model on a conservative set of assumptions.

As you would have seen in the S-4 disclosures, we made conservative assumptions with a significant reinvestment plan for Kenvue's base business.

This includes a multi-year ramp of Kenvue's organic growth back to organic growth in line with category growth, as well as a meaningful step-up in marketing and R&D beyond the reinvestment of revenue synergies.

We have a clear path to strong synergies that we can deliver and eventually exceed. Of the $1.9 billion of cost synergies, we expect to achieve roughly 40% in the first year from closing, 40% in year 2, and the remaining 20% in year 3. By contrast, we have conservatively modeled the pace of revenue synergies to be evenly spread across the first 4 years from closing.

We expect this to result in no more than mid-single digit dilution to Adjusted EPS in 2027 versus our standalone plan, reflecting the impacts of debt issuance, deal amortization, synergy timing, and base business reinvestment.

This should then be followed by significant accretion in 2028 from a combination of base business growth and the majority of synergy realization taking hold, resulting in a 2026 to 2028 Adjusted EPS CAGR well within our Mid-to-High Single Digit Adjusted EPS algorithm.

In summary, we've built robust, achievable plans, based on extensive diligence, that create significant value.

With that, I will turn it back to Mike for some closing thoughts.

MIKE HSU, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, KIMBERLY-CLARK CORPORATION

Slide 26 | Becoming A Global Health & Wellness Leader Powered by the Virtuous Cycle

Thanks, Nelson.

For more than 150 years, we have delivered essential, everyday care that improves people's lives. Over the past two years, Powering Care has positioned us to do that even better. We are realizing the vision of the renewed and refreshed Kimberly-Clark, with a strengthened commitment to delivering for our shareholders and consumers.

I'm proud of the team's performance in 2025. We performed while transforming in a very dynamic environment, and we are well-positioned to capitalize on the tremendous opportunities ahead in 2026.

Our transformation has put us onto a Virtuous Cycle of value creation, driven by an innovation-led, volume-and-mix growth model, industry-leading productivity, and an organization wired for speed, and consistency.

Our acquisition of Kenvue builds on our successful transformation, creating a preeminent consumer health and wellness company that will serve billions of consumers across every stage of life, with portfolios that are highly complementary across categories and geographies.

We look forward to talking more about our path ahead next month at the CAGNY conference. I will be joined by members of our leadership team to detail our innovation pipeline and commercial engine, and how we'll apply our expertise to execute on the unique value creation opportunity the Kenvue acquisition presents.

Thank you for your time and interest in Kimberly-Clark.