



Cottonelle



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Kleenex



Q3 2017 Results and 2017 Outlook

October 23, 2017

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Conference Call Reminders

Forward-Looking Information

Certain matters in this presentation and conference call, including our 2017 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 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, 2016 results 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). In 2016, the non-GAAP financial measures exclude 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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Q3 2017 Results

Maria Henry



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Headlines

- Delivered sales and earnings growth in a challenging environment
- Achieved excellent cost savings and reduced discretionary spending
- Returned significant cash to shareholders

Consolidated Net Sales

Net Sales

Q3 2017

| | |
|-----------------------------------|-----------|
| Total Change^(a) | 1% |
|-----------------------------------|-----------|

| | |
|--------|----|
| Volume | 1% |
|--------|----|

| | |
|-----------|------|
| Net Price | (1%) |
|-----------|------|

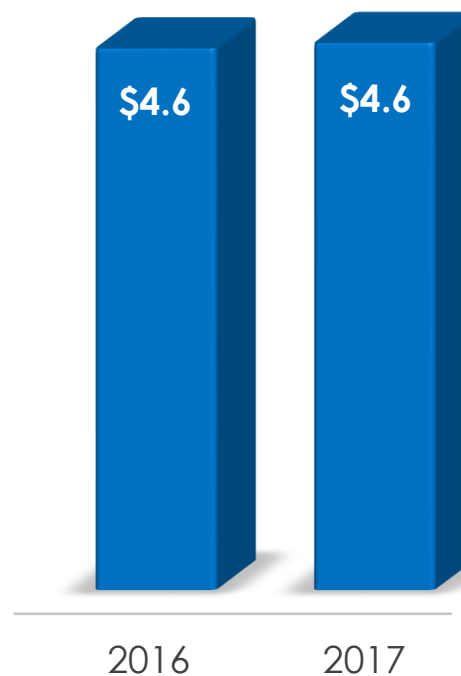
| | |
|-----------|----|
| Mix/Other | 0% |
|-----------|----|

| | |
|----------|----|
| Currency | 1% |
|----------|----|

| | |
|------------------------|----|
| Organic ^(b) | 0% |
|------------------------|----|

- Organic sales up slightly

Q3 NET SALES (\$ BILLION)

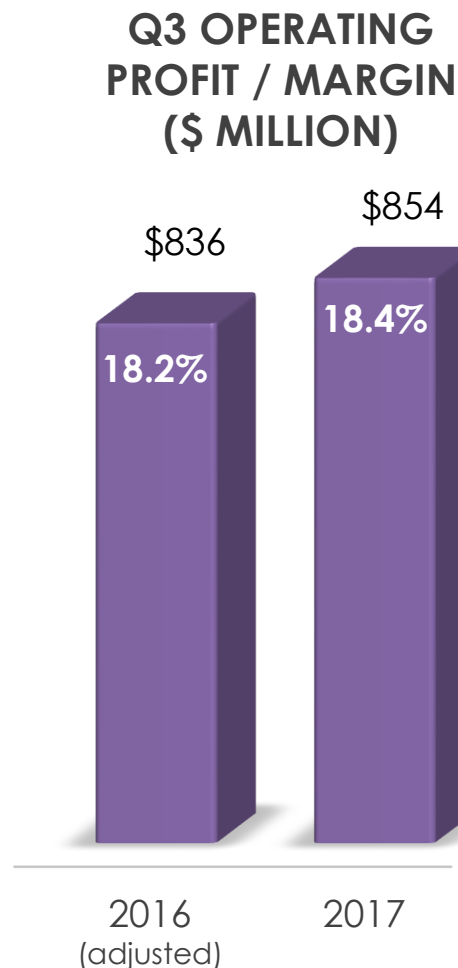


(a) Total may not equal the sum of volume, net price, mix/other and currency due to rounding.

(b) Growth before currency impacts.

Gross and Operating Profit

- Gross margin 35.8 percent
 - Down 60 basis points year-on-year
- Input cost inflation \$115 million
 - Full-year inflation slightly above previous \$200 to \$300 million estimate; somewhat higher cost estimates for pulp and polymer resin
- FORCE cost savings \$125 million
- Between-the-lines spending down 60 basis points (percent of net sales)
 - Tightly managing overhead and discretionary spending
- Operating margin 18.4 percent
 - Up 20 basis points year-on-year
 - Improvements in personal care and K-C Professional business segments, and in D&E markets overall



Earnings Per Share

Q3 EPS



- EPS \$1.60, up 5 percent year-on-year
 - Lower equity income reduced earnings by about 3 cents per share, offset by slightly better effective tax rate

Cash Flow and Capital Allocation

- Cash provided by operations \$805 million in line with expectations
 - Down compared to \$948 million in year-ago quarter that included very strong working capital improvements
 - Primary working capital cash conversion cycle in Q3 2017 down 6 days versus 2016 full-year average
- Managing capital spending tightly; full-year spending to be slightly below \$850 to \$950 million target range
- Dividend payments and share repurchases totaled more than \$500 million
 - Full-year dividends and share repurchases will total \$2.3 billion, including \$900 million in share repurchases

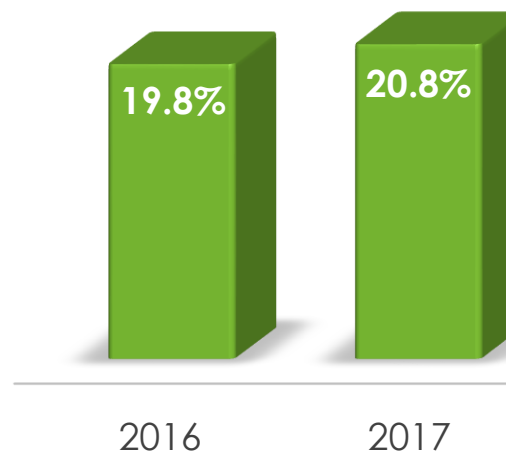
Personal Care

Net Sales

Q3 2017

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

OPERATING MARGIN



- Organic sales fell about 2 percent
 - Up 3 percent in D&E markets, down elsewhere
- Operating margin up 100 basis points
 - Cost savings and reduced between-the-lines spending

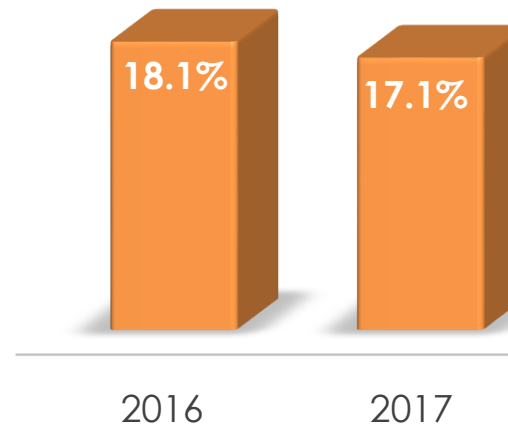
Consumer Tissue

Net Sales

Q3 2017

| | |
|---------------------|-----------|
| Total Change | 3% |
| Volume | 4% |
| Net Price | (1%) |
| Mix/Other | 0% |
| Currency | 1% |
| Organic | 2% |

OPERATING MARGIN



- Organic sales up 2 percent
 - Driven by North America
- Operating margin down 100 basis points
 - Higher input costs, mostly in pulp

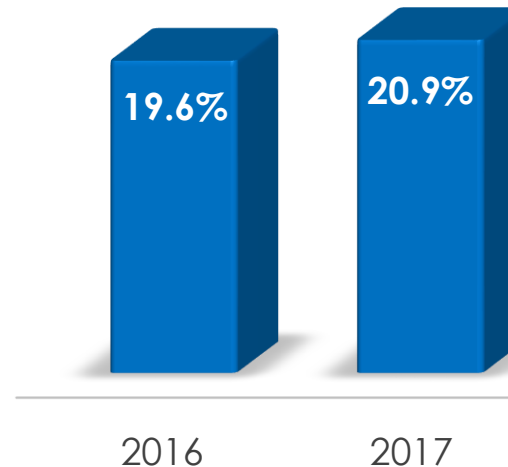
K-C Professional

Net Sales

Q3 2017

| | |
|---------------------|-----------|
| Total Change | 3% |
| Volume | 2% |
| Net Price | (1%) |
| Mix/Other | 0% |
| Currency | 1% |
| Organic | 2% |

OPERATING MARGIN



- Organic sales up 2 percent
 - Gains in all major geographies
- Operating margin up 130 basis points
 - Sales growth and cost savings

Summary

- Earnings growth in a continued difficult environment
- Tightly managing costs, working capital and capital spending
- Allocating capital in shareholder-friendly ways





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WYPALL



Recap of Q3 2017 Results & 2017 Outlook

Tom Falk



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Q3 2017 Recap

- Organic sales up slightly year-on-year
 - Volumes increased more than 1 percent, net selling prices fell about 1 percent
- North America conditions remain relatively difficult
 - Elevated competitive activity
 - Consumer category market growth 1 percent
- North American consumer business organic sales similar year-on-year
 - Volumes up 1 percent, led by consumer tissue and adult care brands
 - Net selling prices fell 1 percent – competitive activity, fine-tuning of promotion strategies

Q3 2017 Recap

- North American personal care volumes off 1 percent
 - Infant and child care mega-category volumes down mid-single digits
 - Expect better performance in Q4 – comparisons ease, more promotion and other brand activities planned
 - Adult care volumes increased high-single digits
 - Category growth, increased marketing and promotion support and innovations launched over last 12 months on Poise® and Depend® brands
- North American consumer tissue volumes up 5 percent
 - Stronger promotional calendar, good merchandizing execution and soft performance in year-ago period
- North American K-C Professional organic sales up 2 percent
 - Driven by 3 percent volume growth
 - Volumes up in all major product categories, executing well in relatively sluggish market

Q3 2017 Recap

- Developed markets outside North America organic sales down 3 percent
 - Driven by South Korea, including in diapers
 - Category conditions challenging due to significant declines in birth rate
- D&E markets organic sales up 3 percent, volumes grew 4 percent
 - Brazil organic sales in personal care similar year-on-year
 - Volumes continue to grow, with benefits from innovations
 - Net selling prices down – stronger Brazilian real, competitive activity
 - China organic sales in personal care up mid-single digits
 - Strong double-digit growth in feminine care – innovation, premium focus
 - Diaper organic sales similar year-on-year
 - Product mix improved, volumes and net selling prices down (strong growth last year, competitive activity)
 - Pricing continues to be less negative in 2017 than in 2016
 - Continue to focus on driving winning product solutions on Huggies®

Q3 2017 Recap

- Argentina organic sales in personal care up strong double-digits
 - Driven by higher net selling prices
 - Huggies® diaper volumes continue to grow somewhat
 - Diaper category demand still down
- Eastern Europe organic sales in personal care increased high-single digits
 - Double-digit volume increase on both Huggies® diapers and Kotex® feminine care products
 - Net selling prices down, mostly reflecting price rollbacks following strengthening of Russian ruble
- Purchased remaining 50 percent of joint venture in India at end of Q3
 - Categories in India small today, optimistic about long-term growth potential
- Encouraged with accomplishments on FORCE cost savings, management of overhead spending, working capital and capital allocation

2017 Outlook

- Confirming previous full-year 2017 targets
- Sales and organic sales similar, or up slightly
 - Given results through nine months, organic sales more likely to be similar for the full-year 2017
- Continue to expect EPS will be at low-end of \$6.20 to \$6.35 range
 - Commodity inflation estimate increased somewhat since July outlook
 - Reduced discretionary spending plans for 2017
 - Outlook for currency rates and effective tax rate improved slightly

Summary

- Focused on competing effectively in the near-term
- Executing Global Business Plan strategies for long-term success
- Optimistic about opportunities to deliver attractive returns to shareholders



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HUGGIES
Pull-Ups
TRAINING PANTS

Cottonelle

HUGGIES

Depend

Poise

Neve

Kleenex
BRAND
TISSUE


Andrex

Scott
products

U
by **kotex**

Viva

WYPALL
BRAND

intimus

Q&A Session

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