UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2019

OR

☐**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission file number 1-225

KIMBERLY CLARK CORPORATON
(Exact name of registrant as specified in its charter)

Delaware	**39-0394230**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**

P.O. Box 619100
Dallas, TX
75261-9100
(Address of principal executive offices)
(Zip code)

(972) 281-1200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	KMB	New York Stock Exchange
0.625% Notes due 2024	KMB24	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of October 15, 2019, there were 342,805,599 shares of the Corporation's common stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(Millions of dollars, except per share amounts)	**2019**	**2018**	**2019**	**2018**
Net Sales	**$ 4,640**	$ 4,582	**$ 13,867**	$ 13,917
Cost of products sold	**3,085**	3,166	**9,398**	9,722
Gross Profit	**1,555**	1,416	**4,469**	4,195
Marketing, research and general expenses	**815**	749	**2,395**	2,599
Other (income) and expense, net	**(175)**	(2)	**(166)**	6
Operating Profit	**915**	669	**2,240**	1,590
Nonoperating expense	**(11)**	(30)	**(33)**	(75)
Interest income	**3**	2	**8**	7
Interest expense	**(66)**	(64)	**(198)**	(198)
Income Before Income Taxes and Equity Interests	**841**	577	**2,017**	1,324
Provision for income taxes	**(192)**	(138)	**(467)**	(380)
Income Before Equity Interests	**649**	439	**1,550**	944
Share of net income of equity companies	**31**	23	**91**	80
Net Income	**680**	462	**1,641**	1,024
Net income attributable to noncontrolling interests	**(9)**	(11)	**(31)**	(25)
Net Income Attributable to Kimberly-Clark Corporation	**$ 671**	$ 451	**$ 1,610**	$ 999
Per Share Basis				
Net Income Attributable to Kimberly-Clark Corporation				
Basic	**$ 1.95**	$ 1.30	**$ 4.68**	$ 2.86
Diluted	**$ 1.94**	$ 1.29	**$ 4.65**	$ 2.85

See notes to the unaudited interim consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(Millions of dollars)	**2019**	**2018**	**2019**	**2018**
Net Income	**$ 680**	$ 462	**$ 1,641**	$ 1,024
Other Comprehensive Income (Loss), Net of Tax				
Unrealized currency translation adjustments	**(170)**	(79)	**(148)**	(343)
Employee postretirement benefits	**16**	22	**38**	101
Other	**2**	3	**(18)**	31
Total Other Comprehensive Income (Loss), Net of Tax	**(152)**	(54)	**(128)**	(211)
Comprehensive Income	**528**	408	**1,513**	813
Comprehensive (income) loss attributable to noncontrolling interests	**1**	(10)	**(15)**	(14)
Comprehensive Income Attributable to Kimberly-Clark Corporation	**$ 529**	$ 398	**$ 1,498**	$ 799

See notes to the unaudited interim consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(2019 Data is Unaudited)

(Millions of dollars)	September 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 416**	$ 539
Accounts receivable, net	**2,306**	2,164
Inventories	**1,779**	1,813
Other current assets	**563**	525
Total Current Assets	**5,064**	5,041
Property, Plant and Equipment, Net	**7,158**	7,159
Investments in Equity Companies	**294**	224
Goodwill	**1,438**	1,474
Other Assets	**1,079**	620
TOTAL ASSETS	**$ 15,033**	$ 14,518
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	**$ 1,555**	$ 1,208
Trade accounts payable	**2,942**	3,190
Accrued expenses and other current liabilities	**1,931**	1,793
Dividends payable	**354**	345
Total Current Liabilities	**6,782**	6,536
Long-Term Debt	**6,198**	6,247
Noncurrent Employee Benefits	**881**	931
Deferred Income Taxes	**506**	458
Other Liabilities	**540**	328
Redeemable Preferred Securities of Subsidiaries	**38**	64
Stockholders' Equity		
Kimberly-Clark Corporation		
Preferred stock - no par value - authorized 20.0 million shares, none issued	**—**	—
Common stock - $1.25 par value - authorized 1.2 billion shares; issued 378.6 million shares at September 30, 2019 and December 31, 2018	**473**	473
Additional paid-in capital	**535**	548
Common stock held in treasury, at cost - 35.5 and 33.6 million shares at September 30, 2019 and December 31, 2018, respectively	**(4,222)**	(3,956)
Retained earnings	**6,485**	5,947
Accumulated other comprehensive income (loss)	**(3,412)**	(3,299)
Total Kimberly-Clark Corporation Stockholders' Equity	**(141)**	(287)
Noncontrolling Interests	**229**	241
Total Stockholders' Equity	**88**	(46)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 15,033**	$ 14,518

See notes to the unaudited interim consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Three Months Ended September 30, 2019								
	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
(Millions of dollars, shares in thousands, except per share amounts)	Shares	Amount		Shares	Amount				
Balance at June 30, 2019	**378,597**	**$ 473**	**$ 510**	**34,381**	**$ (4,062)**	**$ 6,170**	**$ (3,269)**	**$ 228**	**$ 50**
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	**671**	—	**8**	**679**
Other comprehensive income, net of tax	—	—	—	—	—	—	**(142)**	**(10)**	**(152)**
Stock-based awards exercised or vested	—	—	**(3)**	**(483)**	**55**	—	—	—	**52**
Shares repurchased	—	—	—	**1,562**	**(215)**	—	—	—	**(215)**
Recognition of stock-based compensation	—	—	**24**	—	—	—	—	—	**24**
Dividends declared ($1.03 per share)	—	—	—	—	—	**(354)**	—	—	**(354)**
Other	—	—	**4**	—	—	**(2)**	**$ (1)**	**3**	**4**
Balance at September 30, 2019	**378,597**	**$ 473**	**$ 535**	**35,460**	**$ (4,222)**	**$ 6,485**	**$ (3,412)**	**$ 229**	**$ 88**

	Nine Months Ended September 30, 2019								
	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
(Millions of dollars, shares in thousands, except per share amounts)	Shares	Amount		Shares	Amount				
Balance at December 31, 2018	378,597	$ 473	$ 548	33,635	$ (3,956)	$ 5,947	$ (3,299)	$ 241	$ (46)
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	**1,610**	—	**28**	**1,638**
Other comprehensive income, net of tax	—	—	—	—	—	—	**(112)**	**(17)**	**(129)**
Stock-based awards exercised or vested	—	—	**(90)**	**(2,642)**	**302**	—	—	—	**212**
Shares repurchased	—	—	—	**4,467**	**(568)**	—	—	—	**(568)**
Recognition of stock-based compensation	—	—	**72**	—	—	—	—	—	**72**
Dividends declared ($3.09 per share)	—	—	—	—	—	**(1,063)**	—	**(24)**	**(1,087)**
Other	—	—	**5**	—	—	**(9)**	**(1)**	**1**	**(4)**
Balance at September 30, 2019	**378,597**	**$ 473**	**$ 535**	**35,460**	**$ (4,222)**	**$ 6,485**	**$ (3,412)**	**$ 229**	**$ 88**

See notes to the unaudited interim consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Three Months Ended September 30, 2018								
	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
(Millions of dollars, shares in thousands, except per share amounts)	**Shares**	**Amount**		**Shares**	**Amount**				
Balance at June 30, 2018	378,597	$ 473	$ 542	30,713	$ (3,632)	$ 5,782	$ (3,222)	$ 235	$ 178
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	451	—	10	461
Other comprehensive income, net of tax	—	—	—	—	—	—	(53)	—	(53)
Stock-based awards exercised or vested	—	—	(8)	(300)	34	—	—	—	26
Shares repurchased	—	—	—	1,561	(174)	—	—	—	(174)
Recognition of stock-based compensation	—	—	19	—	—	—	—	—	19
Dividends declared ($1.00 per share)	—	—	—	—	—	(347)	—	—	(347)
Other	—	—	2	—	—	—	—	—	2
Balance at September 30, 2018	378,597	$ 473	$ 555	31,974	$ (3,772)	$ 5,886	$ (3,275)	$ 245	$ 112

	Nine Months Ended September 30, 2018								
	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
(Millions of dollars, shares in thousands, except per share amounts)	**Shares**	**Amount**		**Shares**	**Amount**				
Balance at December 31, 2017	378,597	$ 473	$ 594	27,491	$ (3,288)	$ 5,769	$ (2,919)	$ 253	$ 882
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	999	—	22	1,021
Other comprehensive income, net of tax	—	—	—	—	—	—	(200)	(10)	(210)
Stock-based awards exercised or vested	—	—	(87)	(1,207)	137	—	—	—	50
Shares repurchased	—	—	—	5,690	(621)	—	—	—	(621)
Recognition of stock-based compensation	—	—	44	—	—	—	—	—	44
Dividends declared ($3.00 per share)	—	—	—	—	—	(1,046)	—	(20)	(1,066)
Other	—	—	4	—	—	164	(156)	—	12
Balance at September 30, 2018	378,597	$ 473	$ 555	31,974	$ (3,772)	$ 5,886	$ (3,275)	$ 245	$ 112

See notes to the unaudited interim consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
(Unaudited)

	Nine Months Ended September 30	
(Millions of dollars)	**2019**	**2018**
Operating Activities		
Net income	**$ 1,641**	$ 1,024
Depreciation and amortization	**700**	652
Asset impairments	**—**	74
Stock-based compensation	**74**	45
Deferred income taxes	**8**	44
Net (gains) losses on asset dispositions	**(155)**	57
Equity companies' earnings in excess of dividends paid	**(31)**	(18)
Operating working capital	**(399)**	117
Postretirement benefits	**(16)**	(87)
Other	**(10)**	113
Cash Provided by Operations	**1,812**	2,021
Investing Activities		
Capital spending	**(867)**	(566)
Proceeds from dispositions of property	**206**	16
Investments in time deposits	**(353)**	(218)
Maturities of time deposits	**287**	139
Other	**(40)**	(3)
Cash Used for Investing	**(767)**	(632)
Financing Activities		
Cash dividends paid	**(1,054)**	(1,039)
Change in short-term debt	**324**	453
Debt proceeds	**700**	—
Debt repayments	**(705)**	(310)
Proceeds from exercise of stock options	**211**	50
Acquisitions of common stock for the treasury	**(544)**	(596)
Other	**(92)**	(41)
Cash Used for Financing	**(1,160)**	(1,483)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(8)**	(28)
Change in Cash and Cash Equivalents	**(123)**	(122)
Cash and Cash Equivalents - Beginning of Period	**539**	616
Cash and Cash Equivalents - End of Period	**$ 416**	$ 494

See notes to the unaudited interim consolidated financial statements.

Note 1. Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

For further information, refer to the consolidated financial statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2018. The terms "Corporation," "Kimberly-Clark," "K-C," "we," "our" and "us" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

Annual Goodwill Impairment Assessment

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized, but rather is assessed for impairment annually and whenever events and circumstances indicate that impairment may have occurred. Impairment testing compares the reporting unit carrying amount, including goodwill, with its fair value. Fair value is estimated based on discounted cash flows. If the reporting unit carrying amount, including goodwill, exceeds its fair value, a goodwill impairment charge for the excess amount above fair value would be recorded. For 2019, we completed the required annual testing of goodwill for impairment for all of our reporting units using the first day of the third quarter as the measurement date, and determined through quantitative impairment testing that goodwill is not impaired.

Highly Inflationary Accounting in Argentina

GAAP guidance requires the use of highly inflationary accounting for countries whose cumulative three-year inflation exceeds 100 percent. In the second quarter of 2018, published inflation indices indicated that the three-year cumulative inflation in Argentina exceeded 100 percent, and as of July 1, 2018, we elected to adopt highly inflationary accounting for our subsidiaries in Argentina (“K-C Argentina”). Under highly inflationary accounting, K-C Argentina’s functional currency became the U.S. dollar, and its income statement and balance sheet have been measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-denominated monetary assets and liabilities has been reflected in earnings in Other (income) and expense, net and was not material. As of September 30, 2019, K-C Argentina had a small net peso monetary position. Net sales of K-C Argentina were approximately 1 percent of our consolidated net sales for the nine months ended September 30, 2019 and 2018.

Leases

Lease assets and lease liabilities are recognized at the commencement of an arrangement where it is determined at inception that a lease exists. Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are initially recognized based on the present value of lease payments over the lease term calculated using our incremental borrowing rate generally applicable to the location of the lease asset, unless the implicit rate is readily determinable. Lease assets also include any upfront lease payments made and exclude lease incentives. Lease terms include options to extend or terminate the lease when it is reasonably certain that those options will be exercised.

Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain nonlease components, such as maintenance and other services provided by the lessor, and other charges included in the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the expense for these short-term leases and for operating leases is recognized on a straight-line basis over the lease term.

Certain lease agreements with lease and nonlease components are combined as a single lease component. The depreciable life of lease assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Recently Adopted Accounting Standards

The Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, amended by ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The new guidance requires a lessee to recognize assets and liabilities for all leases with lease terms of more than 12 months and provide additional disclosures. The

ASU requires adoption using a modified retrospective transition approach with either 1) periods prior to the adoption date being recast or 2) a cumulative-effect adjustment recognized to the opening balance of retained earnings on the adoption date with prior periods not recast. We adopted this standard on January 1, 2019 using the cumulative-effect adjustment approach. We elected the package of practical expedients in transition for leases that commenced prior to January 1, 2019 whereby these contracts were not reassessed or reclassified from their previous assessment as of December 31, 2018. We also elected certain other practical expedients in transition including not reassessing existing land easements as lease contracts. For all new and modified leases after adoption of the ASU, we have taken the component election allowing us to generally account for lease components together with nonlease components in the calculation of the lease asset and corresponding liability. We implemented processes and a lease accounting system to ensure adequate internal controls were in place to assess our contracts and enable proper accounting and reporting of financial information upon adoption. No cumulative-effect adjustment was recognized as the amount was not material, and the impact on our results of operations and cash flows was also not material. See Note 7 for the financial position impact and additional disclosures.

The FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The new standard makes more financial and non-financial hedging strategies eligible for hedge accounting. It also amends presentation and disclosure requirements and changes how companies assess hedge effectiveness. This ASU requires adoption using a modified retrospective transition approach with a cumulative-effect adjustment recognized to the opening balance of retained earnings on the adoption date with prior periods not recast. We adopted this standard on January 1, 2019 with no cumulative-effect adjustment as the amount was not material. The effects of this standard on our financial position, results of operations and cash flows were not material.

The FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. The new guidance modifies disclosure requirements related to fair value measurement. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Implementation on a prospective or retrospective basis varies by specific disclosure requirement. We early adopted this standard as of July 1, 2019 on a prospective basis. The impact on our disclosures was not material.

<u>Accounting Standards Issued - Not Yet Adopted</u>

The FASB issued ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40).* The new guidance reduces complexity for the accounting for costs of implementing a cloud computing service arrangement and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). For public companies, the amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. Implementation should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The effects of this standard on our financial position, results of operations or cash flows are not expected to be material.

Note 2. 2018 Global Restructuring Program

In January 2018, we announced the 2018 Global Restructuring Program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. We expect to close or sell approximately 10 manufacturing facilities and expand production capacity at several others. We expect to exit or divest some lower-margin businesses that generate approximately 1 percent of our net sales. The sales are concentrated in our consumer tissue business segment. The restructuring is expected to impact our organizations in all major geographies. Workforce reductions are expected to be in the range of 5,000 to 5,500. Certain capital appropriations under the 2018 Global Restructuring Program are being finalized. Accounting for actions related to each appropriation will commence when the appropriation is authorized for execution.

The restructuring is expected to be completed by the end of 2020, with total costs anticipated to be $1.7 billion to $1.9 billion pre-tax ($1.35 billion to $1.5 billion after tax). Cash costs are expected to be $900 to $1.0 billion, primarily related to workforce reductions. Non-cash charges are expected to be $800 to $900 pre-tax and will primarily consist of incremental depreciation, asset write-offs and pension settlement and curtailment charges. Restructuring charges in 2019 are expected to be $375 to $425 pre-tax ($300 to $345 after tax).

The following net charges were incurred in connection with the 2018 Global Restructuring Program:

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	**2018**	**2019**	**2018**
Cost of products sold:				
Charges for workforce reductions	**$ 1**	$ 31	**$ 33**	$ 156
Asset impairments	**—**	—	**—**	74
Asset write-offs	**18**	16	**45**	102
Incremental depreciation	**57**	47	**189**	115
Other exit costs	**28**	9	**64**	18
Total	**104**	103	**331**	465
Marketing, research and general expenses:				
Charges (adjustments) for workforce reductions	**(4)**	(13)	**(12)**	257
Other exit costs	**25**	39	**78**	84
Total	**21**	26	**66**	341
Other (income) and expense, net	**(181)**	—	**(182)**	—
Nonoperating expense[(a)]	**—**	20	**—**	50
Total charges	**(56)**	149	**215**	856
Provision for income taxes	**23**	(30)	**(35)**	(197)
Net charges	**(33)**	119	**180**	659
Net impact related to equity companies and noncontrolling interests	**—**	—	**1**	(10)
Net charges attributable to Kimberly-Clark Corporation	**$ (33)**	$ 119	**$ 181**	$ 649

(a) Represents non-cash pension settlement charges resulting from restructuring actions.

The asset impairment charges were measured based on the excess of the carrying value of the impacted asset groups over their fair values. These fair values were measured by using discounted cash flows expected over the limited time the assets would remain in use and as a result, the assets were essentially written off. The use of discounted cash flows represents a level 3 measure under the fair value hierarchy.

Other (income) and expense, net in 2019 includes a pre-tax gain of approximately $182 on the sale of a manufacturing facility and associated real estate which were disposed of as part of the restructuring.

The following summarizes the restructuring liabilities activity:

	2019	**2018**
Restructuring liabilities at January 1	**$ 210**	$ —
Charges for workforce reductions and other cash exit costs	**159**	512
Cash payments	**(230)**	(229)
Currency and other	**3**	(20)
Restructuring liabilities at September 30	**$ 142**	$ 263

Restructuring liabilities of $84 and $138 are recorded in Accrued expenses and other current liabilities and $58 and $125 are recorded in Other Liabilities as of September 30, 2019 and 2018, respectively. The impact related to restructuring charges is recorded in Operating working capital and Other Operating Activities, as appropriate, in our consolidated cash flow statements.

Through September 30, 2019, cumulative pre-tax charges for the 2018 Global Restructuring Program were $1.3 billion ($1.0 billion after tax).

Note 3. Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). In the period ended December 31, 2017, we recorded a provisional discrete net tax benefit related to the transition tax, remeasurement of deferred taxes, our reassessment of permanently reinvested earnings, uncertain tax positions and valuation allowances, and actions taken in anticipation of the Tax Act. The provisional amounts recorded in 2017 were finalized in 2018. During 2018, we recorded discrete net tax expense related to new guidance issued during 2018 affecting tax benefits we recorded in the period ended December 31, 2017 for the transition tax and certain tax planning actions taken in anticipation of the Tax Act. At December 31, 2018, we finalized our policy and elected to use the period cost method for global intangible low-taxed income (“GILTI”) provisions and therefore have not recorded deferred taxes for basis differences expected to reverse in future periods.

In the first quarter of 2018, we recorded discrete net tax expense of $82 primarily related to guidance issued affecting tax benefits we recorded in the fourth quarter of 2017 for certain tax planning actions taken in anticipation of the Tax Act. In the third quarter of 2018, we recorded discrete net tax expense of $26 as a result of finalizing estimates related to the transition tax and remeasurement of deferred taxes.

The Brazilian tax authority, Secretaria da Receita Federal do Brasil ("RFB"), concluded an audit for the taxable periods from 2008-2013. This audit included a review of our determinations of amortization of certain goodwill arising from prior acquisitions in Brazil, and the RFB has proposed adjustments that effectively eliminate the goodwill amortization benefits related to these transactions. Administrative appeals have been exhausted, and the dispute is moving into the judicial phase. The amount of the proposed tax adjustments and penalties is approximately $90 as of September 30, 2019 (translated at the September 30, 2019 currency exchange rate). The amount ultimately in dispute will be significantly greater because of interest. We believe we have meritorious defenses and intend to vigorously defend these proposed adjustments; however, it is expected to take a number of years to reach resolution of this matter.

Note 4. Fair Value Information

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are significant to the valuation and are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

During the nine months ended September 30, 2019 and for the full year 2018, there were no significant transfers to or from level 3 fair value determinations.

Derivative assets and liabilities are measured on a recurring basis at fair value. At September 30, 2019 and December 31, 2018, derivative assets were $61 and $30, respectively, and derivative liabilities were $27 and $18, respectively. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair values of hedging instruments used to manage foreign currency risk are based on published quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Measurement of our derivative assets and liabilities is considered a level 2 measurement. Additional information on our classification and use of derivative instruments is contained in Note 8.

Redeemable preferred securities of subsidiaries are measured on a recurring basis at fair value and were $38 and $64 at September 30, 2019 and December 31, 2018, respectively. They are not traded in active markets. As of September 30, 2019, the fair values of the redeemable securities were based on a discounted cash flow valuation model. Measurement of the redeemable preferred securities is considered a level 3 measurement.

Company-owned life insurance ("COLI") assets are measured on a recurring basis at fair value. COLI assets were $72 and $64 at September 30, 2019 and December 31, 2018, respectively. The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in Other Assets. The COLI policies are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy.

The following table includes the fair value of our financial instruments for which disclosure of fair value is required:

	Fair Value Hierarchy Level	Carrying Amount September 30, 2019	Estimated Fair Value September 30, 2019	Carrying Amount December 31, 2018	Estimated Fair Value December 31, 2018
Assets					
Cash and cash equivalents[(a)]	1	**$ 416**	**$ 416**	$ 539	$ 539
Time deposits[(b)]	1	**302**	**302**	256	256
Liabilities					
Short-term debt[(c)]	2	**796**	**796**	495	495
Long-term debt[(d)]	2	**6,957**	**7,885**	6,960	7,192

(a) Cash equivalents are composed of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less. Cash equivalents are recorded at cost, which approximates fair value.

(b) Time deposits are composed of deposits with original maturities of more than 90 days but less than one year and instruments with original maturities of greater than one year, included in Other current assets or Other Assets in the consolidated balance sheet, as appropriate. Time deposits are recorded at cost, which approximates fair value.

(c) Short-term debt is composed of U.S. commercial paper and/or other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.

(d) Long-term debt includes the current portion of these debt instruments. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

Note 5. Earnings Per Share ("EPS")

There are no adjustments required to be made to net income for purposes of computing EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
(Millions of shares)	**2019**	**2018**	**2019**	**2018**
Basic	**343.8**	347.2	**344.1**	348.8
Dilutive effect of stock options and restricted share unit awards	**2.1**	1.6	**1.9**	1.6
Diluted	**345.9**	348.8	**346.0**	350.4

The impact of options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares was insignificant. The number of common shares outstanding as of September 30, 2019 and 2018 was 343.1 million and 346.6 million, respectively.

Note 6. Stockholders' Equity

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of foreign subsidiaries, except those in highly inflationary economies, are recorded in Accumulated Other Comprehensive Income ("AOCI"). For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation.

Also included in unrealized translation amounts are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

The change in net unrealized currency translation for the nine months ended September 30, 2019 was primarily due to weakening of foreign currencies versus the U.S. dollar, including the South Korean won, British pound sterling, and Brazilian real.

The changes in the components of AOCI attributable to Kimberly-Clark, net of tax, are as follows:

	Unrealized Translation	Defined Benefit Pension Plans	Other Postretirement Benefit Plans	Cash Flow Hedges and Other
Balance as of December 31, 2017	$ (1,864)	$ (976)	$ (39)	$ (40)
Other comprehensive income (loss) before reclassifications	(333)	25	14	17
(Income) loss reclassified from AOCI	1	63 (a)	(1) (a)	14
Net current period other comprehensive income (loss)	(332)	88	13	31
Tax effects reclassified from AOCI	(18)	(125)	(5)	(8)
Balance as of September 30, 2018	$ (2,214)	$ (1,013)	$ (31)	$ (17)
Balance as of December 31, 2018	$ (2,297)	$ (1,017)	$ 12	$ 3
Other comprehensive income (loss) before reclassifications	**(132)**	**1**	**16**	**(6)**
(Income) loss reclassified from AOCI	**—**	**22** (a)	**(1)** (a)	**(13)**
Net current period other comprehensive income (loss)	**(132)**	**23**	**15**	**(19)**
Balance as of September 30, 2019	**$ (2,429)**	**$ (994)**	**$ 27**	**$ (16)**

(a) Included in computation of net periodic benefit costs.

Note 7. Leases

We have entered into leases for certain facilities, vehicles, material handling and other equipment. Our operating leases have remaining contractual terms up to 13 years, some of which include options to extend the leases for up to 20 years, and some of which include options to terminate the leases within 1 year. Our operating lease agreements do not contain any material residual value guarantees or material restrictive covenants. Our operating lease costs are primarily related to facility leases for inventory warehousing and administration offices, and our finance leases are immaterial.

Operating Lease Cost

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019	Income Statement Classification
Lease cost	**$ 41**	**$ 120**	Cost of products sold, Marketing, research and general expenses
Variable lease cost[a]	**30**	**102**	Cost of products sold, Marketing, research and general expenses
Total lease cost	**$ 71**	**$ 222**	

(a) Includes short-term leases, which are immaterial.

Operating Lease Assets and Liabilities

	September 30, 2019	Balance Sheet Classification
Lease assets	**$ 399**	Other Assets
Current lease liabilities	**$ 133**	Accrued expenses and other current liabilities
Noncurrent lease liabilities	**275**	Other Liabilities
Total lease liabilities	**$ 408**	

Maturity of Operating Lease Liabilities

		September 30, 2019
2019	$	**40**
2020		**138**
2021		**95**
2022		**66**
2023		**45**
Thereafter		**75**
Total lease payments		**459**
Less imputed interest		**51**
Present value of lease liabilities	$	**408**

As of September 30, 2019, our operating leases have a weighted-average remaining lease term of 4.3 years and a weighted-average discount rate of 5.0 percent. Cash paid for amounts included in the measurement of operating lease liabilities was $121 for the nine months ended September 30, 2019.

As of September 30, 2019, we have additional operating leases, primarily for facilities, that have not yet commenced of $105. These operating leases will commence during 2020 with lease terms of up to 10 years.

The future minimum obligations under operating leases in effect as of December 31, 2018 having a noncancelable term in excess of one year as determined prior to the adoption of ASU 842 are as follows:

		December 31, 2018
2019	$	160
2020		123
2021		85
2022		57
2023		41
Thereafter		72
Future minimum obligations	$	538

Note 8. Objectives and Strategies for Using Derivatives

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, and commodity prices. We employ a number of practices to manage these risks, including operating and financing activities and, where appropriate, the use of derivative instruments.

At September 30, 2019 and December 31, 2018, derivative assets were $61 and $30, respectively, and derivative liabilities were $27 and $18, respectively, primarily comprised of foreign currency exchange contracts. Derivative assets are recorded in Other current assets or Other Assets, as appropriate, and derivative liabilities are recorded in Accrued expenses and other current liabilities or Other Liabilities, as appropriate.

Foreign Currency Exchange Rate Risk

Translation adjustments result from translating foreign entities' financial statements into U.S. dollars from their functional currencies. The risk to any particular entity's net assets is reduced to the extent that the entity is financed with local currency borrowings. A portion of our balance sheet translation exposure for certain affiliates, which results from changes in translation rates between the affiliates' functional currencies and the U.S. dollar, is hedged with cross-currency swap contracts and certain foreign denominated debt which are designated as net investment hedges. The foreign currency exposure on certain non-functional currency denominated monetary assets and liabilities, primarily intercompany loans and accounts payable, is hedged with primarily undesignated derivative instruments.

Derivative instruments are entered into to hedge a portion of forecasted cash flows denominated in foreign currencies for non-U.S. operations' purchases of raw materials, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominantly in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated as cash flow hedges.

Interest Rate Risk

Interest rate risk is managed using a portfolio of variable and fixed-rate debt composed of short and long-term instruments. Interest rate swap contracts may be used to facilitate the maintenance of the desired ratio of variable and fixed-rate debt and are designated as fair value hedges. From time to time, we also hedge the anticipated issuance of fixed-rate debt, and these contracts are designated as cash flow hedges.

Commodity Price Risk

We use derivative instruments, such as forward contracts, to hedge a limited portion of our exposure to market risk arising from changes in prices of certain commodities. These derivatives are designated as cash flow hedges of specific quantities of the underlying commodity expected to be purchased in future months.

Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are predominantly used to manage interest rate risk. The fair values of these interest rate derivative instruments are recorded as an asset or liability, as appropriate, with the offset recorded in Interest expense. The offset to the change in fair values of the related debt is also recorded in Interest expense. Any realized gain or loss on the derivatives that hedge interest rate risk is amortized to Interest expense over the life of the related debt. As of September 30, 2019, the aggregate notional values and carrying values of outstanding interest rate contracts designated as fair value hedges were $300 and $310, respectively. For the nine months ended September 30, 2019 and 2018, gains or losses recognized in Interest expense for interest rate swaps were not significant.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the derivative instrument is initially recorded in AOCI, net of related income taxes, and recognized in earnings in the same income statement line and period that the hedged exposure affects earnings. As of September 30, 2019, outstanding commodity forward contracts were in place to hedge a limited portion of our estimated requirements of the related underlying commodities in the remainder of 2019 and future periods. As of September 30, 2019, the aggregate notional value of outstanding foreign exchange derivative contracts designated as cash flow hedges was $640. For the nine months ended September 30, 2019 and 2018, no significant gains or losses were reclassified into Interest expense, Cost of products sold or Other (income) and expense, net as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At September 30, 2019, amounts to be reclassified from AOCI into Interest expense, Cost of products sold or Other (income) and expense, net during the next twelve months are not expected to be material. The maximum maturity of cash flow hedges in place at September 30, 2019 is September 2021.

Net Investment Hedges

For derivative instruments that are designated and qualify as net investment hedges, the aggregate notional value was $1.5 billion at September 30, 2019. We exclude the interest accruals on cross-currency swap contracts and the forward points on foreign exchange forward contracts from the assessment and measurement of hedge effectiveness. We recognize the interest accruals on cross-currency swap contracts in earnings within Interest expense. We amortize the forward points on foreign exchange contracts into earnings within Interest expense over the life of the hedging relationship. Changes in fair value of net investment hedges are recorded in AOCI and offset the change in the value of the net investment being hedged. For the nine months ended September 30, 2019, unrealized gains of $49 related to net investment hedge fair value changes were recorded in AOCI and no significant amounts were reclassified from AOCI to Interest expense.

No significant amounts were excluded from the assessment of net investment, fair value or cash flow hedge effectiveness as of September 30, 2019.

Undesignated Hedging Instruments

Gains or losses on undesignated foreign exchange hedging instruments are immediately recognized in Other (income) and expense, net. Losses of $14 and $9 were recorded in the three months ended September 30, 2019 and 2018, respectively. Losses of $27 and $46 were recorded in the nine months ended September 30, 2019 and 2018, respectively. The effect on earnings from the use of these non-designated derivatives is substantially neutralized by the transactional gains and losses recorded on the underlying assets and liabilities. At September 30, 2019, the notional value of these undesignated derivative instruments was approximately $1.7 billion.

Note 9. Business Segment Information

We are organized into operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments: Personal Care, Consumer Tissue and K-C Professional. The reportable segments were determined in accordance with how our chief operating decision maker and our executive managers develop and execute global strategies to drive growth and profitability. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes Other (income) and expense, net and income and expense not associated with ongoing operations of the business segments, including the costs of corporate decisions related to the 2018 Global Restructuring Program described in Note 2.

The principal sources of revenue in each global business segment are described below:

- *Personal Care* brands offer our consumers a trusted partner in caring for themselves and their families by delivering confidence, protection and discretion through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, DryNites, Kotex, U by Kotex, Intimus, Depend, Plenitud, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that responsibly improve everyday living for families around the world. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Neve and other brand names.
- *K-C Professional* partners with businesses to create Exceptional Workplaces, helping to make them healthier, safer and more productive through a range of solutions and supporting products such as wipers, tissue, towels, apparel, soaps and sanitizers. Our brands, including Kleenex, Scott, WypAll, Kimtech and KleenGuard are well known for quality and trusted to help people around the world work better.

Information concerning consolidated operations by business segment is presented in the following tables:

	Three Months Ended September 30			Nine Months Ended September 30		
	2019	**2018**	**Change**	**2019**	**2018**	**Change**
NET SALES						
Personal Care	**$ 2,305**	$ 2,252	+2 %	**$ 6,866**	$ 6,816	+1 %
Consumer Tissue	**1,484**	1,469	+1 %	**4,482**	4,520	-1 %
K-C Professional	**839**	848	-1 %	**2,477**	2,541	-3 %
Corporate & Other	**12**	13	N.M.	**42**	40	N.M.
TOTAL NET SALES	**$ 4,640**	$ 4,582	+1 %	**$ 13,867**	$ 13,917	—
OPERATING PROFIT						
Personal Care	**$ 490**	$ 466	+5 %	**$ 1,459**	$ 1,397	+4 %
Consumer Tissue	**264**	212	+25 %	**726**	668	+9 %
K-C Professional	**176**	160	+10 %	**488**	483	+1 %
Corporate & Other[(a)]	**(190)**	(171)	N.M.	**(599)**	(952)	N.M.
Other (income) and expense, net[(a)]	**(175)**	(2)	N.M.	**(166)**	6	N.M.
TOTAL OPERATING PROFIT	**$ 915**	$ 669	+37 %	**$ 2,240**	$ 1,590	+41 %

(a) Corporate & Other and Other (income) and expense, net include income and expense not associated with the business segments, including charges related to the 2018 Global Restructuring Program. Restructuring charges related to the personal care, consumer tissue and K-C Professional business segments were $53, $49 and $21, respectively, for the three months ended September 30, 2019, $75, $35 and $11, respectively, for the three months ended September 30, 2018, $208, $131 and $52, respectively, for the nine months ended September 30, 2019 and $476, $194 and $112, respectively, for the nine months ended September 30, 2018.

N.M. - Not Meaningful

Sales of Principal Products

(Billions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Consumer tissue products	**$ 1.5**	$ 1.5	**$ 4.5**	$ 4.5
Baby and child care products	**1.6**	1.6	**4.7**	4.7
Away-from-home professional products	**0.8**	0.8	**2.5**	2.5
All other	**0.7**	0.7	**2.2**	2.2
Consolidated	**$ 4.6**	$ 4.6	**$ 13.9**	$ 13.9

Note 10. Supplemental Balance Sheet Data

The following schedule presents a summary of inventories by major class:

	September 30, 2019			December 31, 2018		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
Raw materials	**$ 81**	**$ 233**	**$ 314**	$ 99	$ 263	$ 362
Work in process	**130**	**91**	**221**	120	94	214
Finished goods	**462**	**687**	**1,149**	461	692	1,153
Supplies and other	**—**	**263**	**263**	—	275	275
	673	**1,274**	**1,947**	680	1,324	2,004
Excess of FIFO or weighted-average cost over LIFO cost	**(168)**	**—**	**(168)**	(191)	—	(191)
Total	**$ 505**	**$ 1,274**	**$ 1,779**	$ 489	$ 1,324	$ 1,813

Inventories are valued at the lower of cost or net realizable value, determined on the FIFO or weighted-average cost methods, and at the lower of cost or market, determined on the LIFO cost method.

The following schedule presents a summary of property, plant and equipment, net:

	September 30, 2019	December 31, 2018
Land	**$ 164**	$ 169
Buildings	**2,788**	2,787
Machinery and equipment	**13,888**	14,059
Construction in progress	**780**	699
	17,620	17,714
Less accumulated depreciation	**(10,462)**	(10,555)
Total	**$ 7,158**	$ 7,159

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

This management's discussion and analysis ("MD&A") of financial condition and results of operations is intended to provide investors with an understanding of our recent performance, financial condition and prospects. The following will be discussed and analyzed:

- Overview of Third Quarter 2019 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Business Outlook
- Information Concerning Forward-Looking Statements

We describe our business outside North America in two groups – Developing and Emerging Markets ("D&E") and Developed Markets. D&E markets comprise Eastern Europe, the Middle East and Africa, Latin America and Asia-Pacific, excluding Australia and South Korea. Developed Markets consist of Western and Central Europe, Australia and South Korea. We have three reportable business segments: Personal Care, Consumer Tissue and K-C Professional. These business segments are described in greater detail in Note 9 to the unaudited interim consolidated financial statements.

This section presents a discussion and analysis of our third quarter 2019 net sales, operating profit and other information relevant to an understanding of the results of operations. In addition, we provide commentary regarding organic sales growth, which describes the impact of changes in volume, net selling prices and product mix on net sales. Change in foreign currency exchange rates and exited businesses also impact the year-over-year change in net sales. Our analysis compares the three and nine months ended September 30, 2019 results to the same periods in 2018.

Throughout this MD&A, we refer to financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP, and are therefore referred to as non-GAAP financial measures. These measures include adjusted gross and operating profit, adjusted net income, adjusted earnings per share, adjusted other (income) and expense, net and adjusted effective tax rate. We believe these measures provide our investors with additional information about our underlying results and trends, as well as insight into some of the financial measures used to evaluate management.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, and they should be read only in conjunction with our unaudited interim consolidated financial statements prepared in accordance with GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items being excluded. We compensate for these limitations by using these non-GAAP financial measures as a supplement to the GAAP measures and by providing reconciliations of the non-GAAP and comparable GAAP financial measures.

The non-GAAP financial measures exclude the following items for the relevant time periods as indicated in the reconciliations included later in this MD&A:

- 2018 Global Restructuring Program - In 2018, we initiated this restructuring program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. See Note 2 to the unaudited interim consolidated financial statements for details.
- U.S. Tax Reform Related Matters - In 2018, we recognized net charges associated with U.S. tax reform related matters. See Note 3 to the unaudited interim consolidated financial statements for details.

Overview of Third Quarter 2019 Results

- Net sales of $4.6 billion increased more than 1 percent compared to the year-ago period.
- Operating profit was $915 in 2019 and $669 in 2018. Net Income Attributable to Kimberly-Clark Corporation was $671 in 2019 compared to $451 in 2018, and diluted earnings per share were $1.94 in 2019 compared to $1.29 in 2018. Results in 2019 and 2018 include charges related to the 2018 Global Restructuring Program. Results in 2019 also include a gain on the sale of a manufacturing facility and associated real estate which were disposed of as part of the restructuring.

Results of Operations and Related Information

This section presents a discussion and analysis of our third quarter 2019 net sales, operating profit and other information relevant to an understanding of the results of operations.

Consolidated

Selected Financial Results	**Three Months Ended September 30**			**Nine Months Ended September 30**		
	2019	**2018**	**Percent Change**	**2019**	**2018**	**Percent Change**
Net Sales:						
North America	**$ 2,476**	$ 2,407	+3 %	**$ 7,296**	$ 7,139	+2 %
Outside North America	**2,227**	2,252	-1 %	**6,777**	7,009	-3 %
Intergeographic sales	**(63)**	(77)	N.M.	**(206)**	(231)	N.M.
Total Net Sales	**4,640**	4,582	+1 %	**13,867**	13,917	—
Operating Profit:						
North America	**638**	561	+14 %	**1,818**	1,685	+8 %
Outside North America	**292**	277	+5 %	**855**	863	-1 %
Corporate & Other[(a)]	**(190)**	(171)	N.M.	**(599)**	(952)	N.M.
Other (income) and expense, net[(a)]	**(175)**	(2)	N.M.	**(166)**	6	N.M.
Total Operating Profit	**915**	669	+37 %	**2,240**	1,590	+41 %
Share of net income of equity companies	**31**	23	+35 %	**91**	80	+14 %
Net Income Attributable to Kimberly-Clark Corporation	**671**	451	+49 %	**1,610**	999	+61 %
Diluted Earnings per Share	**1.94**	1.29	+50 %	**4.65**	2.85	+63 %

(a) Corporate & Other and Other (income) and expense, net include income and expense not associated with the business segments, including adjustments as indicated in the Non-GAAP Reconciliations.

N.M. - Not Meaningful

GAAP to Non-GAAP Reconciliations of Selected Financial Results

	Three Months Ended September 30, 2019		
	As Reported	**2018 Global Restructuring Program**	**As Adjusted Non-GAAP**
Cost of products sold	**$ 3,085**	**$ 104**	**$ 2,981**
Gross Profit	**1,555**	**(104)**	**1,659**
Marketing, research and general expenses	**815**	**21**	**794**
Other (income) and expense, net	**(175)**	**(181)**	**6**
Operating Profit	**915**	**56**	**859**
Provision for income taxes	**(192)**	**(23)**	**(169)**
Effective tax rate	**22.8%**	**—**	**21.5%**
Net Income Attributable to Kimberly-Clark Corporation	**671**	**33**	**638**
Diluted Earnings per Share[(a)]	**1.94**	**0.10**	**1.84**

	Three Months Ended September 30, 2018			
	As Reported	2018 Global Restructuring Program	U.S. Tax Reform Related Matters	As Adjusted Non-GAAP
Cost of products sold	$ 3,166	$ 103	$ —	$ 3,063
Gross Profit	1,416	(103)	—	1,519
Marketing, research and general expenses	749	26	—	723
Operating Profit	669	(129)	—	798
Nonoperating expense	(30)	(20)	—	(10)
Provision for income taxes	(138)	30	(26)	(142)
Effective tax rate	23.9%	—	—	19.6%
Net Income Attributable to Kimberly-Clark Corporation	451	(119)	(26)	596
Diluted Earnings per Share[(a)]	1.29	(0.34)	(0.07)	1.71

	Nine Months Ended September 30, 2019		
	As Reported	2018 Global Restructuring Program	As Adjusted Non-GAAP
Cost of products sold	**$ 9,398**	**$ 331**	**$ 9,067**
Gross Profit	**4,469**	**(331)**	**4,800**
Marketing, research and general expenses	**2,395**	**66**	**2,329**
Other (income) and expense, net	**(166)**	**(182)**	**16**
Operating Profit	**2,240**	**(215)**	**2,455**
Provision for income taxes	**(467)**	**35**	**(502)**
Effective tax rate	**23.2%**	**—**	**22.5%**
Share of net income of equity companies	**91**	**(2)**	**93**
Net income attributable to noncontrolling interests	**(31)**	**1**	**(32)**
Net Income Attributable to Kimberly-Clark Corporation	**1,610**	**(181)**	**1,791**
Diluted Earnings per Share[(a)]	**4.65**	**(0.52)**	**5.18**

	Nine Months Ended September 30, 2018			
	As Reported	2018 Global Restructuring Program	U.S. Tax Reform Related Matters	As Adjusted Non-GAAP
Cost of products sold	$ 9,722	$ 465	$ —	$ 9,257
Gross Profit	4,195	(465)	—	4,660
Marketing, research and general expenses	2,599	341	—	2,258
Operating Profit	1,590	(806)	—	2,396
Nonoperating expense	(75)	(50)	—	(25)
Provision for income taxes	(380)	197	(108)	(469)
Effective tax rate	28.7%	—	—	21.5%
Share of net income of equity companies	80	(1)	—	81
Net income attributable to noncontrolling interests	(25)	11	—	(36)
Net Income Attributable to Kimberly-Clark Corporation	999	(649)	(108)	1,756
Diluted Earnings per Share[(a)]	2.85	(1.85)	(0.31)	5.01

(a) "As Adjusted Non-GAAP" may not equal "As Reported" plus "Adjustments" as a result of rounding.

Analysis of Consolidated Results

Net Sales	Percent Change	
	Three Months Ended September 30	Nine Months Ended September 30
Volume	(1)	(1)
Net Price	4	4
Mix/Other	1	1
Currency	(2)	(4)
Total[(a)]	1	—
Organic[(b)]	4	4

Adjusted Operating Profit	Percent Change	
	Three Months Ended September 30	Nine Months Ended September 30
Volume	(1)	(1)
Net Price	21	23
Input Costs	1	(8)
Cost Savings[(c)]	12	13
Currency Translation	(2)	(3)
Other[(d)]	(23)	(22)
Total	8	2

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

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE (Focused On Reducing Costs Everywhere) program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales of $4.6 billion in the third quarter of 2019 increased more than 1 percent compared to the year-ago period. Changes in foreign currency exchange rates reduced sales by 2 percent and business exits in conjunction with the 2018 Global Restructuring Program reduced sales slightly. Organic sales increased 4 percent. Changes in net selling prices and product mix increased sales by 4 percent and 1 percent, respectively, while sales volumes decreased 1 percent. In North America, organic sales increased 4 percent in consumer products and 5 percent in K-C Professional. Outside North America, organic sales increased 5 percent in D&E markets and 1 percent in developed markets.

Operating profit in the third quarter was $915 in 2019 and $669 in 2018. Results in both periods include charges related to the 2018 Global Restructuring Program. Results in 2019 also include a pre-tax gain recorded in Other (income) and expense, net of approximately $182 on the sale of a manufacturing facility and associated real estate as part of the restructuring. Third quarter adjusted operating profit was $859 in 2019 and $798 in 2018. Results benefited from higher net selling prices, $50 of cost savings from our FORCE program and $45 of cost savings from the 2018 Global Restructuring Program. Input costs decreased $10, driven by lower raw material costs. Advertising spending increased and selling, general and administrative costs were higher, including increased incentive compensation expense. Other manufacturing costs also increased year-on-year. Foreign currency translation effects reduced operating profit by $15 and transaction effects also negatively impacted the comparison.

The third quarter effective tax rate was 22.8 percent in 2019 and 23.9 percent in 2018. The third quarter adjusted effective tax rate was 21.5 percent in 2019 and 19.6 percent in 2018. The adjusted effective tax rate in 2018 benefited from certain tax planning initiatives.

Our share of net income of equity companies in the third quarter was $31 in 2019 and $23 in 2018. At Kimberly-Clark de Mexico, S.A.B. de C.V. (K-C de Mexico), results benefited from organic sales growth and cost savings.

Diluted net income per share for the third quarter of 2019 was $1.94 and $1.29 in 2018. Third quarter adjusted earnings per share were $1.84 in 2019, an increase of 8 percent compared to adjusted earnings per share of $1.71 in 2018.

Year-to-date net sales of $13.9 billion were down slightly compared to the year ago period. Changes in foreign currency exchange rates reduced sales by 4 percent and business exits in conjunction with the 2018 Global Restructuring Program reduced sales slightly. Organic sales increased 4 percent. Changes in net selling prices and product mix increased sales by 4 percent and 1 percent, respectively, while sales volumes fell 1 percent. Year-to-date operating profit was $2,240 in 2019 and $1,590 in 2018. Results in both periods include charges related to the 2018 Global Restructuring Program. Results in 2019 also include a gain recorded in Other (income) and expense, net on the sale of a manufacturing facility and associated real estate which were disposed of as part of the restructuring. Year-to-date adjusted operating profit was $2,455 in 2019 and $2,396 in 2018. Results benefited from organic sales growth, $175 of FORCE cost savings and $125 of cost savings from the 2018 Global Restructuring Program. The comparison was impacted by $205 of higher input costs, unfavorable currency effects, other manufacturing cost increases, increased advertising spending and higher general and administrative costs. Through nine months, diluted net income per share was $4.65 in 2019 and $2.85 in 2018. Year-to-date adjusted earnings per share were $5.18 in 2019 and $5.01 in 2018.

Results by Business Segments

Personal Care

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	**2018**	**2019**	**2018**
Net Sales	**$ 2,305**	$ 2,252	**$ 6,866**	$ 6,816

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	**2018**	**2019**	**2018**
Operating Profit	**$ 490**	$ 466	**$ 1,459**	$ 1,397

Net Sales	**Percent Change**	**Percent Change**
Volume	**1**	**1**
Net Price	**3**	**4**
Mix/Other	**1**	**1**
Currency	**(3)**	**(5)**
Total[(a)]	**2**	**1**
Organic[(b)]	**5**	**6**

Operating Profit	**Percent Change**	**Percent Change**
Volume	**2**	**3**
Net Price	**14**	**17**
Input Costs	**(1)**	**(7)**
Cost Savings[(c)]	**10**	**12**
Currency Translation	**(2)**	**(3)**
Other[(d)]	**(18)**	**(18)**
Total	**5**	**4**

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

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Third quarter net sales of $2.3 billion increased 2 percent. Changes in net selling prices increased sales by 3 percent, sales volumes rose 1 percent and changes in product mix increased sales by 1 percent. Changes in foreign currency exchange rates reduced sales by 3 percent. Third quarter operating profit of $490 increased 5 percent. The comparison benefited from organic sales growth and cost savings. Results were impacted by unfavorable currency effects, other manufacturing cost increases, higher advertising spending and increased selling, general and administrative costs.

Net sales in North America increased 4 percent. Changes in net selling prices and product mix increased sales by 2 percent and 1 percent, respectively, both driven by baby and child care. Sales volumes increased 1 percent overall. Volumes increased double-digits in adult care but were down mid-single digits in baby and child care compared to a mid-single digit increase in the year-ago period.

Net sales in D&E markets increased 3 percent. Changes in net selling prices and product mix increased sales by 6 percent and 1 percent, respectively, while sales volumes were even year-on-year and changes in foreign currency exchange rates were unfavorable by 5 percent. The higher net selling prices mostly occurred in Argentina, the Middle East/Eastern Europe/Africa and China. Volumes increased in Eastern Europe, ASEAN and South Africa, but fell in Latin America.

Net sales in developed markets outside North America decreased 3 percent, including a 6 percent decrease due to unfavorable changes in foreign currency exchange rates. Changes in product mix increased sales by 2 percent and sales volumes increased 1 percent.

Consumer Tissue

	Three Months Ended September 30		Nine Months Ended September 30			Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018		2019	2018	2019	2018
Net Sales	**$ 1,484**	$ 1,469	**$ 4,482**	$ 4,520	Operating Profit	**$ 264**	$ 212	**$ 726**	$ 668

Net Sales	Percent Change	Percent Change	Operating Profit	Percent Change	Percent Change
Volume	**(2)**	**(3)**	Volume	**(5)**	**(8)**
Net Price	**5**	**5**	Net Price	**34**	**36**
Mix/Other	**—**	**—**	Input Costs	**5**	**(10)**
Currency	**(2)**	**(3)**	Cost Savings[c]	**14**	**12**
Total[a]	**1**	**(1)**	Currency Translation	**(1)**	**(1)**
			Other[d]	**(22)**	**(20)**
Organic[b]	**3**	**2**	Total	**25**	**9**

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

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Third quarter net sales of $1.5 billion increased 1 percent. Changes in net selling prices increased sales by 5 percent, while sales volumes declined 2 percent and changes in foreign currency exchange rates reduced sales by 2 percent. Third quarter operating profit of $264 increased 25 percent. Results benefited from higher net selling prices, cost savings and lower input costs. The comparison was impacted by other manufacturing cost increases, lower volumes and increased selling, general and administrative costs.

Net sales in North America increased 3 percent compared to a 5 percent decline in the year-ago period. Changes in net selling prices increased sales by 8 percent, while sales volumes fell 4 percent and changes in product mix decreased sales by 1 percent.

Net sales in D&E markets increased 1 percent. Changes in net selling prices and product mix each increased sales by 1 percent, while changes in foreign currency exchange rates decreased sales by 2 percent.

Net sales in developed markets outside North America decreased 4 percent. Changes in foreign currency exchange rates reduced sales by 5 percent. Changes in net selling prices increased sales by 2 percent.

K-C Professional

	Three Months Ended September 30		Nine Months Ended September 30			Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018		2019	2018	2019	2018
Net Sales	**$ 839**	$ 848	**$ 2,477**	$ 2,541	Operating Profit	**$ 176**	$ 160	**$ 488**	$ 483

Net Sales	Percent Change	Percent Change	Operating Profit	Percent Change	Percent Change
Volume	**(2)**	**(2)**	Volume	**(5)**	**(3)**
Net Price	**3**	**3**	Net Price	**18**	**16**
Mix/Other	**1**	**1**	Input Costs	**4**	**(7)**
Exited Businesses[e]	**(2)**	**(2)**	Cost Savings[c]	**15**	**11**
Currency	**(2)**	**(3)**	Currency Translation	**(3)**	**(3)**
Total[a]	**(1)**	**(3)**	Other[d]	**(19)**	**(13)**
Organic[b]	**3**	**2**	Total	**10**	**1**

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

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

(e) Exited businesses in conjunction with the 2018 Global Restructuring Program.

Third quarter net sales of $0.8 billion decreased 1 percent. Changes in foreign currency exchange rates and business exits in conjunction with the 2018 Global Restructuring Program each reduced sales 2 percent. Changes in net selling prices increased sales by more than 3 percent and changes in product mix increased sales by 1 percent, while sales volumes decreased 2 percent. Third quarter operating profit of $176 increased 10 percent. Results benefited from increased net selling prices and cost savings. The comparison was impacted by lower volumes, other manufacturing cost increases, unfavorable currency effects and higher selling, general and administrative costs.

Net sales in North America increased 4 percent. Changes in net selling prices increased sales by 4 percent and sales volumes increased 1 percent, while business exits in conjunction with the 2018 Global Restructuring Program reduced sales approximately 2 percent.

Net sales in D&E markets decreased 2 percent, including a 2 percent decrease due to unfavorable changes in foreign currency exchange rates. Sales volumes declined 5 percent, while changes in net selling prices increased sales by 4 percent.

Net sales in developed markets outside North America were down 7 percent. Changes in foreign currency exchange rates decreased sales by 5 percent and business exits in conjunction with the 2018 Global Restructuring Program reduced sales by 1 percent. Sales volumes fell 7 percent, while changes in product mix and net selling prices increased sales by 4 percent and 2 percent, respectively. The changes occurred mostly in Western/Central Europe.

2018 Global Restructuring Program

Annual pre-tax savings from the 2018 Global Restructuring Program are expected to be $500 to $550 by 2021. Savings for the first nine months of 2019 were $125, bringing cumulative savings to $260.

To implement this program, we expect to incur incremental capital spending of approximately $600 to $700 by the end of 2020. See Item 1, Note 2 to the unaudited interim consolidated financial statements for additional information.

Liquidity and Capital Resources

Cash Provided by Operations
Cash provided by operations was $1.8 billion for the first nine months of 2019 compared to $2.0 billion in the prior year. The decrease was primarily driven by increased working capital and higher tax payments, partially offset by lower pension contributions and higher operating income.

Investing
During the nine months ended September 30, 2019, our capital spending was $867 compared to $566 in the prior year. We anticipate that full year capital spending will be $1.1 billion to $1.3 billion, including incremental spending associated with the 2018 Global Restructuring Program. Proceeds from dispositions of property in 2019 include approximately $200 from the sale of a manufacturing facility and the associated real estate as part of the 2018 Global Restructuring Program.

Financing
In April 2019, we terminated our short-term $300 revolving credit facility in conjunction with the issuance of $700 aggregate principal amount of 3.20% notes due April 25, 2029. Proceeds from the offering were used for general corporate purposes, including the repayment of a portion of our outstanding commercial paper indebtedness.

Our short-term debt, which consists of U.S. commercial paper with original maturities up to 90 days and/or other similar short-term debt issued by non-U.S. subsidiaries, was $0.8 billion as of September 30, 2019 (included in Debt payable within one year on the consolidated balance sheet). The average month-end balance of short-term debt for the third quarter of 2019 was $1.0 billion. These short-term borrowings provide supplemental funding for supporting our operations. The level of short-term debt generally fluctuates depending upon the amount of operating cash flows and the timing of customer receipts and payments for items such as dividends and income taxes.

At September 30, 2019 and December 31, 2018, total debt was $7.8 billion and $7.5 billion, respectively.

We maintain a $2.0 billion revolving credit facility which expires in June 2023 and a $750 revolving credit facility which expires in June 2020. These facilities, currently unused, support our commercial paper program, and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason.

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During the first nine months of 2019, we repurchased 4.3 million shares of our common stock at a cost of $548 through a broker in the open market. We expect full-year 2019 share repurchases of $800, consistent with our original target range of $600 and $900, subject to market conditions.

K-C Argentina began accounting for their operations as highly inflationary effective July 1, 2018, as required by GAAP. Under highly inflationary accounting, K-C Argentina's functional currency became the U.S. dollar, and its income statement and balance sheet have been measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-denominated monetary assets and liabilities has been reflected in earnings in Other (income) and expense, net and was not material. As of September 30, 2019, K-C Argentina had a small net peso monetary position. Net sales of K-C Argentina were approximately 1 percent of our consolidated net sales for the three and nine months ended September 30, 2019 and 2018.

We believe that our ability to generate cash from operations and our capacity to issue short-term and long-term debt are adequate to fund working capital, payments for our 2018 Global Restructuring Program, capital spending, pension contributions, dividends and other needs for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the U.S. to have a material effect on our overall business, liquidity, financial condition or results of operations for the foreseeable future.

Business Outlook

In 2019, we plan to focus on our strategies for long-term success, including growing our brands, leveraging our financial discipline and allocating capital in value-creating ways. In 2019, we now expect earnings per share to be $5.75 to $6.00, up from our prior estimate of $5.50 to $5.90. Adjusted earnings per share are expected to be $6.75 to $6.90, up from our prior estimate of $6.65 to $6.80. Adjusted earnings per share exclude 2018 Global Restructuring Program charges equivalent to $0.90 to $1.00, as compared to our prior estimate of $0.90 to $1.15. Our earnings per share and adjusted earnings per share guidance is based on the assumptions described below:

- We expect net sales to be down slightly year on year, as compared to our prior assumption of even to down 1 percent. We anticipate changes in foreign currency exchange rates to have an unfavorable impact of 4 percent (prior estimate 3 to 4 percent). Exited businesses in conjunction with the 2018 Global Restructuring Program are expected to reduce sales slightly, mostly in K-C Professional.
- We expect organic sales to increase approximately 3 to 4 percent (up from our prior estimate of 3 percent) driven by higher net selling prices of at least 3 percent.
- We expect adjusted operating profit growth of 4 to 5 percent (up from our prior estimate of 3 to 5 percent).
- We plan to achieve total cost savings toward the lower end of our $400 to $450 target range from our FORCE program and the 2018 Global Restructuring Program.
- We expect inflation in key cost inputs to be in the lower half of the previously communicated range of $150 to $250. We anticipate the majority of the inflation to occur in international markets.
- We continue to expect higher marketing spending and general and administrative costs.
- We expect total foreign currency translation and transaction effects to be slightly more unfavorable than previously assumed.
- We expect an adjusted effective tax rate toward the low end of the previously communicated range of 23 to 25 percent.
- We expect net income from equity companies to be higher year-on-year.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including the anticipated cost savings from our FORCE program, charges and savings from the 2018 Global Restructuring Program, cash flow and uses of cash, growth initiatives, innovations, marketing and other spending, net sales, anticipated currency rates and exchange risks, including the impact in Argentina, raw material, energy and other input costs, effective tax rate, contingencies and anticipated transactions of Kimberly-Clark, including dividends and share repurchases, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon management's expectations and beliefs concerning future events impacting Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our 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.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. In addition, many factors outside our control, including fluctuations in foreign currency exchange rates, the prices and availability of our raw materials, potential competitive pressures on selling prices for our products, energy costs, our ability to maintain key customer relationships and retail trade customer actions, 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.

For a description of certain factors that could cause our future results to differ from those expressed in these forward-looking statements, see Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018 entitled "Risk Factors." Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

Item 4. Controls and Procedures

As of September 30, 2019, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2019. There were no changes in our internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. All our share repurchases during the third quarter of 2019 were made through a broker in the open market.

The following table contains information for shares repurchased during the third quarter of 2019. None of the shares in this table were repurchased directly from any of our officers or directors.

Period (2019)	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
July 1 to July 31	400,200	$ 136.94	27,338,444	12,661,556
August 1 to August 30	594,600	138.97	27,933,044	12,066,956
September 1 to September 30	566,400	135.76	28,499,444	11,500,556
Total	1,561,200			

(a) Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on November 13, 2014. This program allows for the repurchase of 40 million shares in an amount not to exceed $5 billion.

Item 6. Exhibits

(a) Exhibits

Exhibit No. (3)a. Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K filed on May 1, 2009.

Exhibit No. (3)b. By-Laws, as amended May 2, 2019, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K filed on May 3, 2019.

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (31)a. Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.

Exhibit No. (31)b. Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.

Exhibit No. (32)a. Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (32)b. Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (101).INS XBRL Instance Document - the instant document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

Exhibit No. (101).SCH XBRL Taxonomy Extension Schema Document

Exhibit No. (101).CAL XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit No. (101).DEF XBRL Taxonomy Extension Definition Linkbase Document

Exhibit No. (101).LAB XBRL Taxonomy Extension Label Linkbase Document

Exhibit No. (101).PRE XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit No. 104 The cover page from this Current Report on Form 10-Q formated as Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIMBERLY-CLARK CORPORATION
(Registrant)

By: /s/ Maria Henry

Maria Henry
Senior Vice President and
Chief Financial Officer
(principal financial officer)

By: /s/ Andrew S. Drexler

Andrew S. Drexler
Vice President and Controller
(principal accounting officer)

October 22, 2019

Exhibit (31)a

CERTIFICATIONS

I, Michael D. Hsu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Michael D. Hsu

Michael D. Hsu
Chief Executive Officer

October 22, 2019

Exhibit (31)b

CERTIFICATIONS

I, Maria Henry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Maria Henry

Maria Henry

Chief Financial Officer

October 22, 2019

Exhibit (32)a

Certification of Chief Executive Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Michael D. Hsu, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-Q, filed with the Securities and Exchange Commission on October 22, 2019 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Michael D. Hsu
Michael D. Hsu
Chief Executive Officer

October 22, 2019

Exhibit (32)b

Certification of Chief Financial Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Maria Henry, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-Q, filed with the Securities and Exchange Commission on October 22, 2019 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Maria Henry
Maria Henry
Chief Financial Officer

October 22, 2019