Q1 2018 Results and 2018 Outlook

April 23, 2018

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Conference Call Reminders

Forward-Looking Information

Certain matters in this presentation and conference call, including our 2018 outlook, expectations and planning assumptions, and any estimates, projections, and statements relating to our business plans or objectives, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. These statements are subject to risks and uncertainties, including currency rates and exchange risks, cost savings and reductions, raw material, energy, and other input costs, competition, market demand and economic and political conditions, the anticipated cost savings from the company's FORCE program, charges and savings from the 2018 Global Restructuring Program, and contingencies. There can be no assurance that these future events will occur as anticipated or that the company's results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. For a more complete listing and description of other factors that could cause the company's future results to differ materially from those expressed in any such forward-looking statements, see Item 1A of the company's Annual Report on Form 10-K for the year ended December 31, 2017 entitled "Risk Factors."

Non-GAAP Financial Measures

Management believes that non-GAAP financial measures enhance investors' understanding and analysis of the company's performance. As such, results and outlook have been adjusted to exclude certain items as indicated in the non-GAAP reconciliations to the comparable GAAP financial measures included in today's earnings release and described in additional information posted on our Web site (www.kimberly-clark.com/investors). The non-GAAP financial measures exclude charges related to the 2018 Global Restructuring Program and U.S. tax reform related matters in 2018 and a net benefit associated with U.S. tax reform and related activities in Q4 2017.

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Q1 2018 Results






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Q1 2018 Headlines

- Returned to delivering organic sales growth, with 2 percent increase
- Margins impacted by significant commodity inflation
- Delivered strong cost savings, reduced overhead spending, achieved 9 percent increase in adjusted earnings per share
- On track with restructuring program and overall capital plan

Consolidated Net Sales

Net Sales	Q1 2018
Total Change[a]	**5%**
Volume	3%
Net Price	(1%)
Mix/Other	0%
Currency	3%
Organic[b]	2%

- Organic sales up 2 percent – led by improved performance in North America

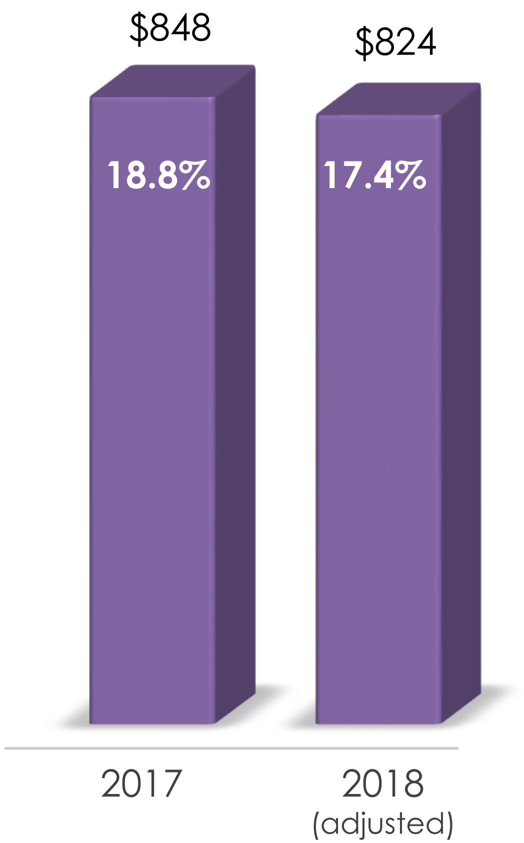
Q1 NET SALES ($ BILLION)

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

Adjusted Gross and Operating Profit

- Gross margin 33.8 percent, down 310 basis points year-on-year
- Commodity inflation $175 million
  - Primarily pulp and secondarily other raw materials
  - Full-year estimate now $400 to $550 million, up $100 to $150 million vs. January outlook
- FORCE cost savings $90 million
- Operating margin 17.4 percent, down 140 basis points year-on-year
  - Between-the-lines spending down 140 basis points (percent of net sales); tightly managed overhead and discretionary spending
- Operating profit down 3 percent
  - Other factors: volume growth, favorable currencies and lower net selling prices

Q1 OPERATING PROFIT / MARGIN ($ MILLION)



Adjusted Earnings Per Share

- Adjusted effective tax rate 22.0 percent vs. 27.5 percent last year
  - 7 points of earnings growth
  - Continue to target full-year adjusted effective tax rate of 23 to 26 percent
- Lower interest expense
- Reduced share count
- Adjusted EPS $1.71, up 9 percent year-on-year

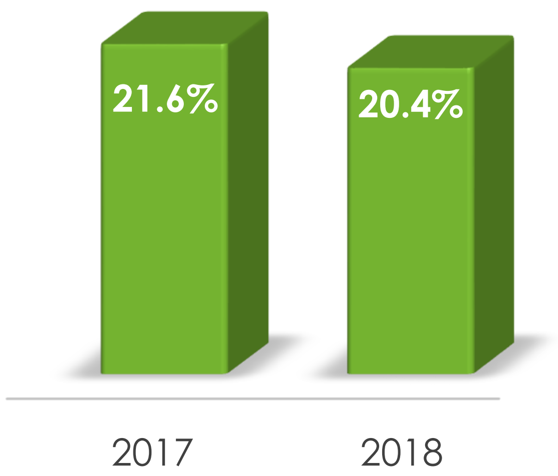
Cash Flow and Capital Allocation

- Cash provided by operations $542 million
  - Up compared to $436 million in year-ago quarter, driven by lower tax payments
  - In-line with expectations
- Continue to allocate capital in shareholder-friendly ways
  - Dividend payments and share repurchases totaled approximately $550 million; expect full-year will total $2.1 to $2.3 billion

Personal Care

Net Sales	Q1 2018
Total Change	**3%**
Volume	1%
Net Price	(2%)
Mix/Other	1%
Acquisition	1%
Currency	2%
Organic	0%

OPERATING MARGIN



- Organic sales even year-on-year
  - Volumes and product mix each up 1 percent, offset by lower net selling prices
- Operating margin down 120 basis points
  - Commodity inflation and lower selling prices

Consumer Tissue

Net Sales	Q1 2018
Total Change	**9%**
Volume	7%
Net Price	0%
Mix/Other	(2%)
Currency	3%
Organic	5%

- Organic sales up 5 percent
  - Volumes up 7 percent, mix down 2 points
- Operating margin down 340 basis points
  - Higher pulp costs partially offset by top-line growth, cost savings and lower between-the-lines spending

K-C Professional

Net Sales	Q1 2018
Total Change	**5%**
Volume	2%
Net Price	0%
Mix/Other	0%
Currency	3%
Organic	2%

- Organic sales up 2 percent
  - Volumes up 2 percent, price and mix each slightly positive
- Operating margin up 10 basis points
  - Top-line growth, cost savings and lower between-the-lines spending

2018 Global Restructuring Program – Update

- Initial implementation underway and on track with plans
- Administrative and overhead organization
  - In North America, offered voluntary severance plan to most salaried employees; plan now closed
  - More specifics will soon be shared with workforce, primarily in North America, about redesigned organization and resulting implications
  - Announced intention to move European shared services center from U.K. to Poland in order to reduce labor costs
- Manufacturing facilities announcements
  - Intention to close consumer tissue facility in California
  - Plan to close nonwovens facility in Wisconsin
- Continue to expect $50 to $70 million of restructuring savings in 2018
  - Majority to occur in second half of year as workforce reductions ramp up

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Recap of Q1 Top-line Results & 2018 Outlook







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Q1 2018 Top-line Recap

- Organic sales grew 2 percent
  - Included benefits from targeted growth initiatives, innovations launched over the last 12 months and increased investments
- Three main growth priorities for 2018
  - Strengthen and grow core businesses
  - Accelerate personal care growth in developing and emerging (D&E) markets
  - Build further digital and e-commerce capabilities

Q1 2018 Top-line Recap: Growth Priorities

Strengthen and grow core businesses

- North American consumer products organic sales up 3 percent including 6 percent volume growth
  - Market shares up or even in 5 of 8 categories year-over-year and in every category sequentially
  - North American personal care volumes up 3 percent
    - Net selling prices down 2 percent reflecting increased investment levels that helped volume performance
    - Innovation launching across the portfolio: Pull-Ups® training pants, premium Huggies® diapers, Huggies® baby wipes, Poise® pads, Depend® underwear

Q1 2018 Top-line Recap: Growth Priorities

Strengthen and grow core businesses

- North American consumer tissue volumes up 9 percent versus 7 percent decline in prior year
  - Increased promotion support, severe cold and flu season, promotion timing differences versus last year
  - Product mix down 3 points due to promotion activity
  - Innovations
    - New Kleenex® wet wipes
    - Bathroom tissue improvements on Cottonelle® and part of Scott® line-up with sheet count reductions that will improve net realized revenue high-single digits on nearly $1 billion of annual net sales

Q1 2018 Top-line Recap: Growth Priorities

Strengthen and grow core businesses

- K-C Professional
  - In North America, volumes up 2 percent with growth in all product categories, led by wipers
  - In D&E, volumes up 4 percent, led by Asia-Pacific

- In developed markets outside of North America, organic sales rose 2 percent
  - In South Korea, diaper business continues to be impacted by lower birth rate, while other consumer businesses had good results

Q1 2018 Top-line Recap: Growth Priorities

Accelerate personal care growth in D&E markets

- Organic sales even year-on-year
  - Brazil organic sales up mid-single digits, driven by volume
    - Market shares up nearly 3 points in diapers, 2 points in feminine care
  - Rest of Latin America organic sales down low-single digits
    - Including lower volumes in Argentina, Chile and Colombia
    - Market positions holding up overall; diapers 1 point share gain in Argentina
  - Expect sales to pick-up in Latin America
    - Launching product innovations throughout region; also implementing selling price increases to offset inflation
  - China organic sales down mid-single digits
    - Growth in feminine care more than offset by lower diaper sales
    - Introducing significant upgrade on Huggies® premium diapers with more innovation coming later in year
  - Eastern Europe organic sales up mid-teen's
    - Continued double-digit volume growth and share gains on Huggies® and Kotex®

Q1 2018 Top-line Recap: Growth Priorities

Build further digital and e-commerce capabilities

- Continue to make good progress and produce strong results, particularly in North America
  - Targeted and direct digital marketing programs
  - Investments in tools to improve capabilities
  - Joint business plans with customers

Top-line Summary

- Encouraged with start to year
- More work to do and continue to operate in competitive environment
- Further confidence in 1 percent organic sales growth target given Q1 results and plans going forward

2018 Outlook

- Continue to target adjusted earnings per share of \$6.90 to \$7.20, up 11 to 16 percent year-on-year
- Taking actions to improve net realized revenue and reduce costs to offset commodity headwinds
  - Should help improve margins from Q1 levels, particularly in second half of year
  - Revenue:
    - Sheet count reductions in North America, consumer products price increases in Latin America and other international markets, K-C Professional raising prices in most regions
    - Many of these initiatives were in original 2018 plan
    - Overall expectation for selling price increases improved slightly since January

2018 Outlook

- Cost:
  - FORCE savings should build from first quarter
  - Restructuring savings will occur mostly in back half of year and teams are accelerating actions where feasible
  - Redoubling efforts to reduce discretionary spending

- Expect these actions, combined with volume growth initiatives, slightly better currency outlook and some flexibility built into the original 2018 plan, will enable us to deliver earnings guidance

Summary

- Off to good start to year on top-line and with our market positions
- Taking steps to improve our profitability
- Broadly on track with our 2018 plan
- Optimistic about opportunities to create long-term shareholder value through successful execution of our strategies

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Q&A Session

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