



# 1Q 2023 Earnings Conference Call

April 25, 2023

# Safe Harbor

## Forward Looking Statements

Certain matters contained in this presentation concerning the outlook, anticipated financial and operating results, raw material, energy and other input costs, anticipated currency rates and exchange risks, including in Argentina and Turkey, net income from equity companies, sources and uses of cash, the effective tax rate, the anticipated cost savings from the company's FORCE program, growth initiatives, product innovations, contingencies and anticipated transactions of the company constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. In addition, many factors outside our control, including the war in Ukraine (including the related responses of consumers, customers and suppliers as well as sanctions issued by the U.S., the European Union, Russia or other countries), pandemics (including the ongoing COVID-19 outbreak and the related responses of governments, consumers, customers, suppliers and employees), epidemics, fluctuations in foreign currency exchange rates, the prices and availability of our raw materials, supply chain disruptions, disruptions in the capital and credit markets, counterparty defaults (including customers, suppliers and financial institutions with which we do business). Failure to realize the expected benefits or synergies from our acquisition and disposition activity (including our pending agreement to sell our Neve tissue brand and associated assets in Brazil), changes in customer preferences, severe weather conditions, government trade or similar regulatory actions, potential competitive pressures on selling prices for our products, energy costs, fluctuations in foreign currency exchange rates, our ability to maintain key customer relationships, 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.

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 description of certain factors that could cause the company's future results to differ from those expressed in any such forward-looking statements, see Item 1A entitled "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2022.

## 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 website ([www.kimberly-clark.com/investors](http://www.kimberly-clark.com/investors)). The non-GAAP financial measures exclude net benefit related to the acquisition of a controlling interest in Thinx in 2022.



# Agenda

1 Innovation Update

2 1Q Results

3 2023 Financial Outlook

4 Q&A



**Mike Hsu**  
Chairman/CEO



**Nelson Urdaneta**  
CFO



**Christina Cheng**  
Investor Relations

# Better Care For A Better World

**150**

years in business

**175**

countries where our  
brands are sold

**1 in 4**

of the world's population use  
one of our products every day

**1+ billion**

people with half the  
environmental footprint



# Strong Start To The Year



Strategy to elevate our categories and expand our markets is working



Margin recovery in progress



New capabilities (innovation, revenue growth mgt, digital, in-market execution) driving top line results



Enabling brand investments to drive top line momentum and deliver better care

# 2023 Priorities

## Play to Win

## Profitable Growth

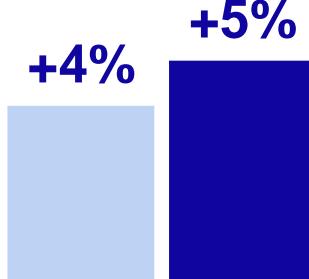
- Elevate our categories
- Expand our markets
- Margin recovery
- Brand investment and cost discipline

# Driving Top Line Momentum

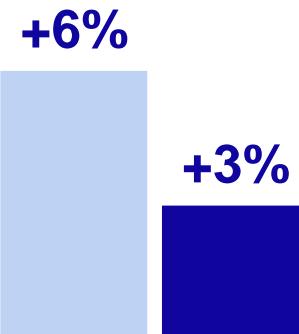
3-year average  
(full year 2020-2022)       1Q 23

## Organic growth<sup>1</sup>

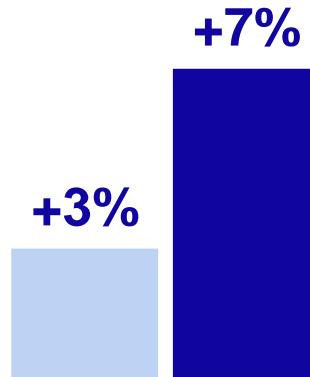
### Total Company



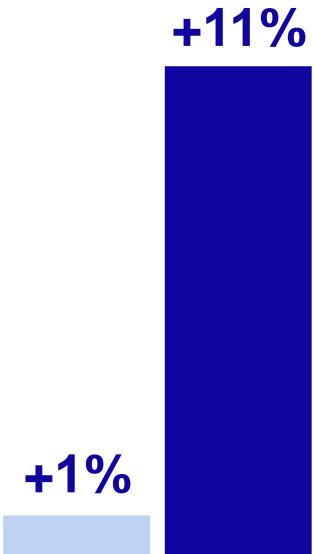
### Personal Care



### Consumer Tissue



### KC Professional



1. Organic growth describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses are excluded from organic growth.

# Innovation



# Good Night's Sleep With 35% Fewer Leaks

- Bedwetting affects one in six children
- Dedicated XL size offering for 13- to 17-year-olds
- 9 in 10 likely to repurchase



# Revolutionary Overnight Protection



**POLAR NIGHT**



**New absorbent core**

Instantly absorb with no rewetting



**Anti-leak Moon Bar  
cushion back**

100% no back leaks



**Edge guard**

No side leaks





tales from down there

Cottonelle®

raising the bar  
for clean

3X   
more absorbent\*

3in1 removes residue  
reduces odor  
for sensitive skin



# Innovation That Redefines The Washroom



**ICON™**

**Fully customizable**

**Longer lasting unit**

**Easy to install**

**Easy to maintain**

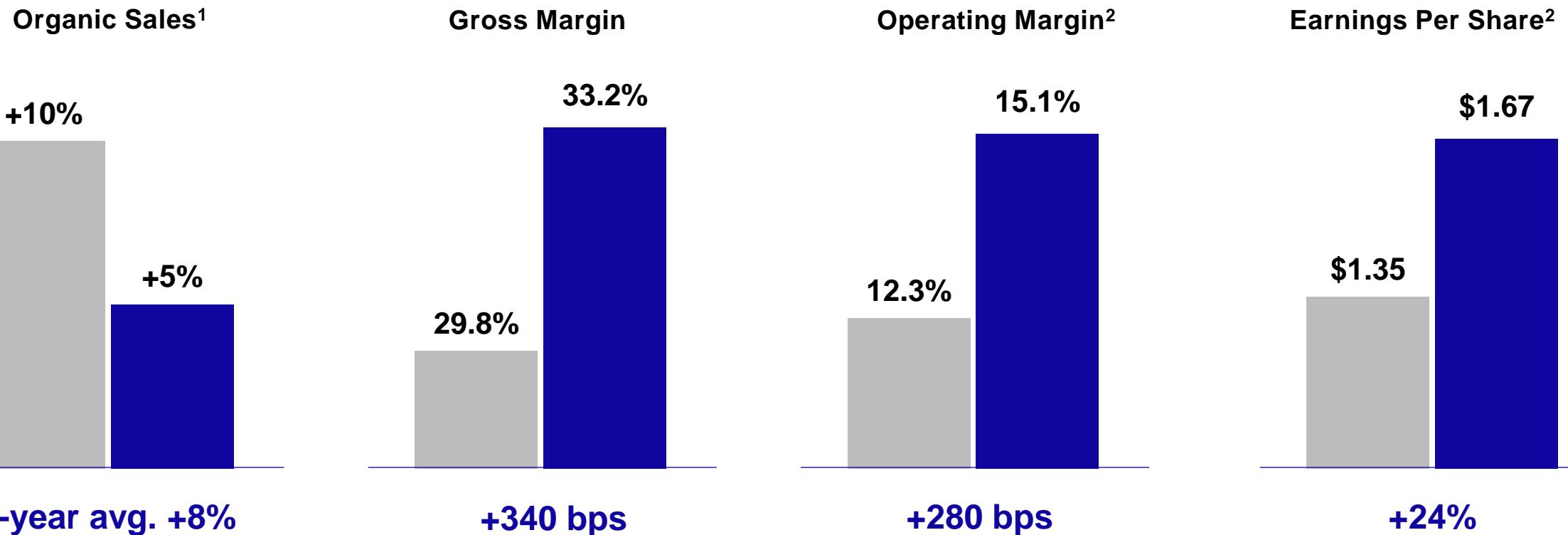
A photograph of two young women lying on their backs on a bright green lawn. They are facing each other, smiling and laughing. Their heads are close together, and they are holding hands. The woman on the left has long, wavy, light brown hair and is wearing a blue denim jumpsuit. The woman on the right has dark brown hair and is wearing a blue patterned top. The scene is bathed in sunlight, creating strong shadows and highlights.

# 1Q 23 Results

# Momentum Continues In 1Q 23

Sustained topline momentum, strong margin expansion

1Q 22 1Q 23



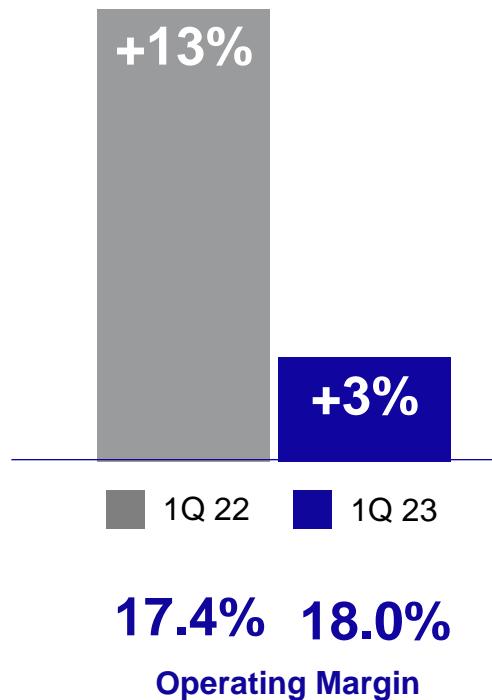
1. Organic net sales describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses are excluded from organic growth.

2. Refers to adjusted measures where applicable. Non-GAAP measure. Please see the company's Q1 2023 earnings press release for more information and a reconciliation to comparable measures under GAAP.



# Personal Care

## Organic growth<sup>1</sup>

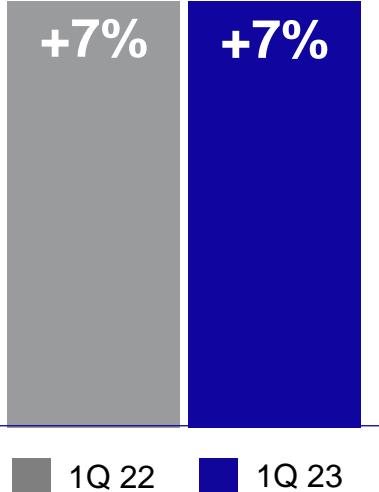


- ✓ Organic growth +8% on a two-year average basis
- ✓ Favorable net revenue realization and mix, healthy underlying growth
- ✓ Market share led gains in Feminine and Adult Care driven by innovation and in-market execution
- ✓ Benefits from innovation offset lower births

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# Consumer Tissue

## Organic growth<sup>1</sup>



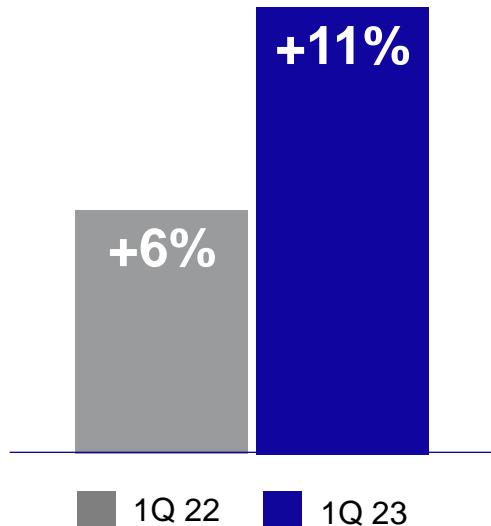
**10.9% 14.7%**  
Operating Margin

- Healthy organic growth driven by favorable net revenue realization and improving service levels
- Growth across all regions led by developed markets
- Refreshed Cottonelle Ultra Comfort and Ultra Clean in the US

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# K-C Professional

## Organic growth<sup>1</sup>



**11.5% 18.8%**  
Operating Margin

- Healthy organic growth across key categories and regions
- Favorable product mix and net revenue realization
- Net sales exceeded 2019 levels
- Strong demand for new ICON dispenser

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# Focus On Margin Recovery In An Inflationary Environment



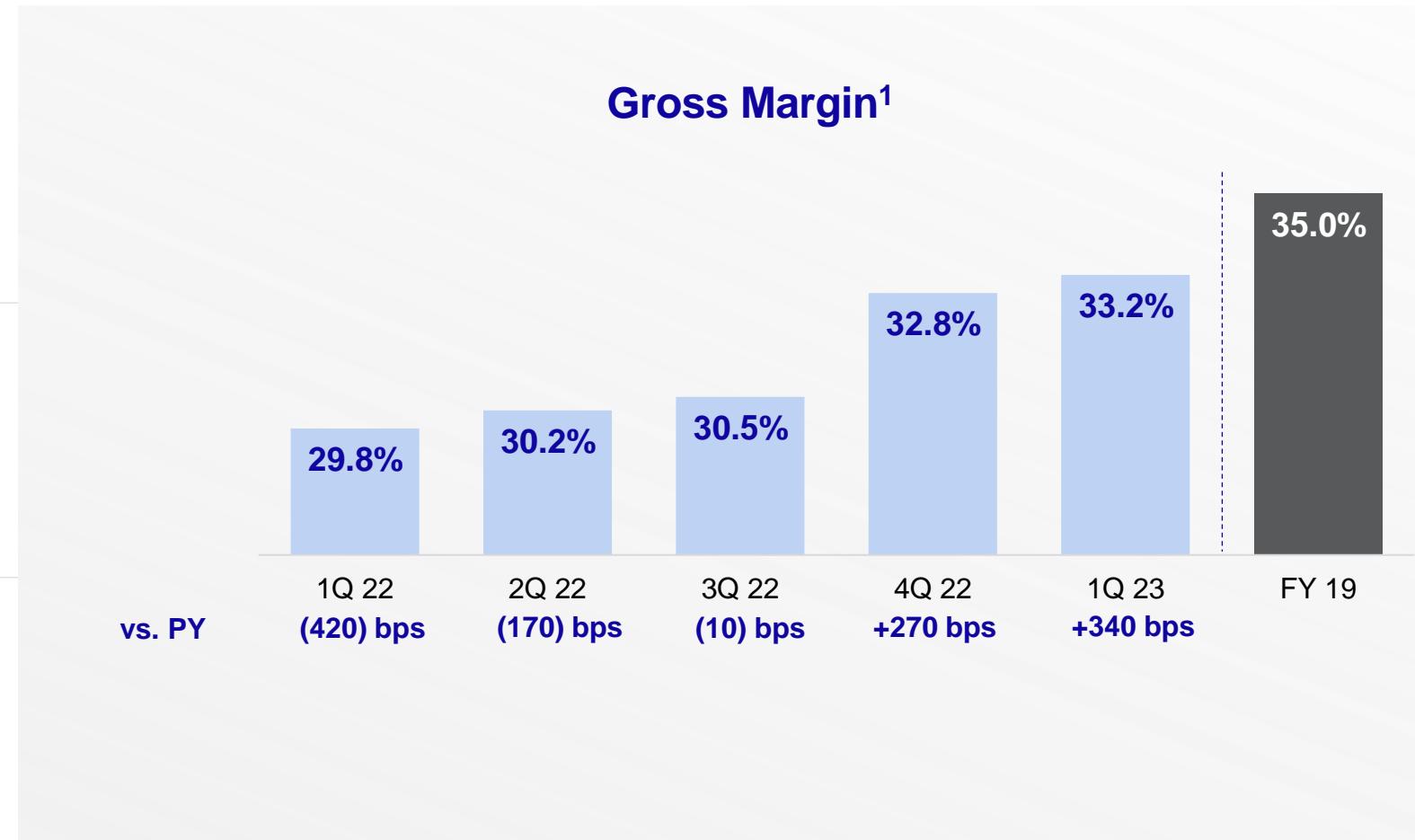
Revenue Growth  
Management



Commodity / FX  
Headwinds



Cost Savings



1. Refers to adjusted gross margin where applicable. Non-GAAP measure. Please see the company's earnings press release of relevant period for more information and a reconciliation to comparable measures under GAAP.

# Returned \$22B In Last 10 Years

1Q23

## Cash Flow From Operations

\$613M vs \$204M LY

Strong operating profit growth and working capital management

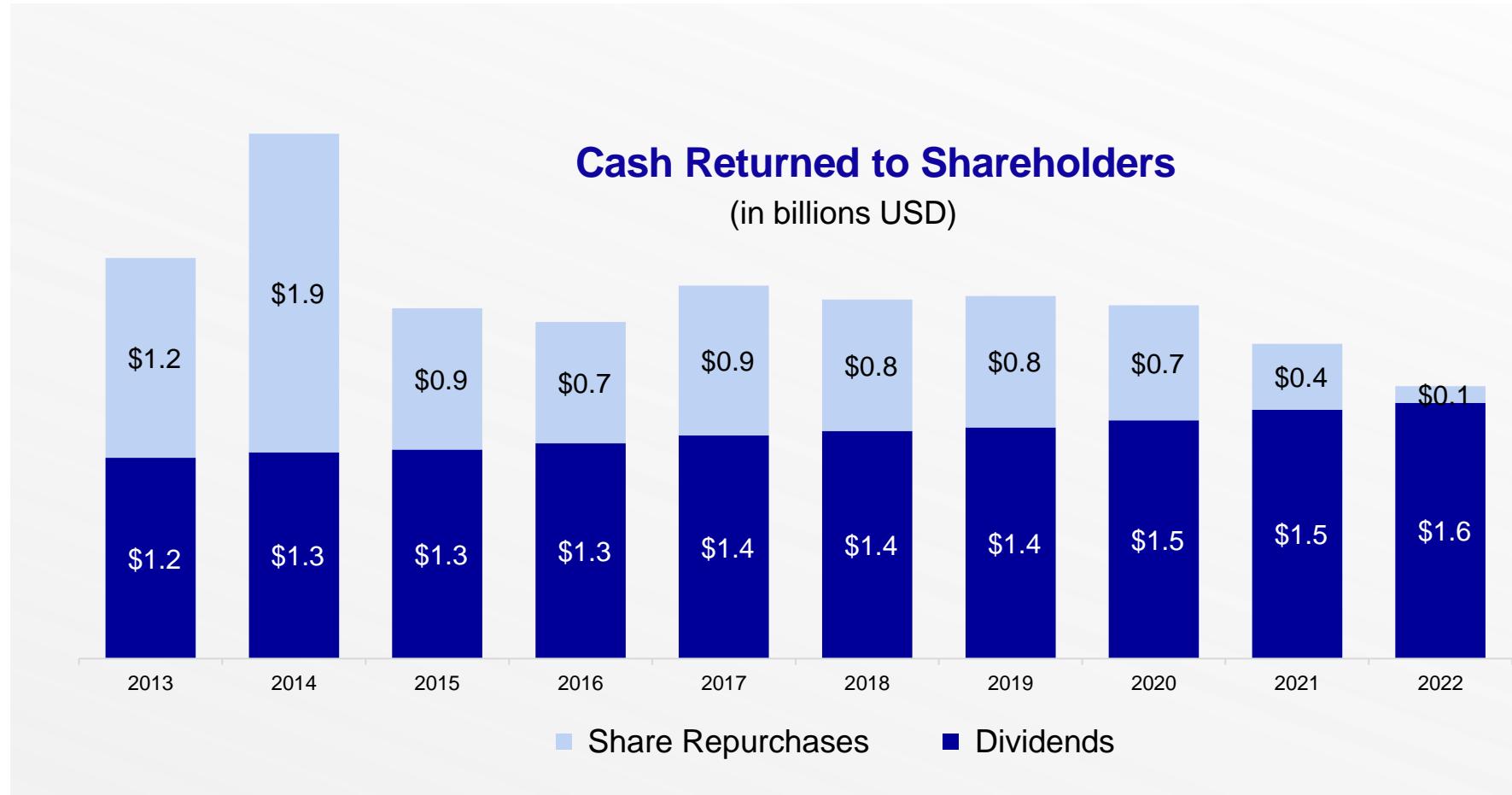
1Q23

## Capital Spending

\$201M vs \$253M LY

## Cash Returned to Shareholders

(in billions USD)



# 2023 Outlook

## Sustainable Growth and Margin Recovery

- Maintain topline growth momentum with pipeline of innovation, commercial agility and disciplined investment
- Gross margin improvement to fuel continued growth investments

**2 – 4%**  
ORGANIC  
SALES GROWTH<sup>1</sup>

**+LDD**  
OPERATING  
PROFIT GROWTH

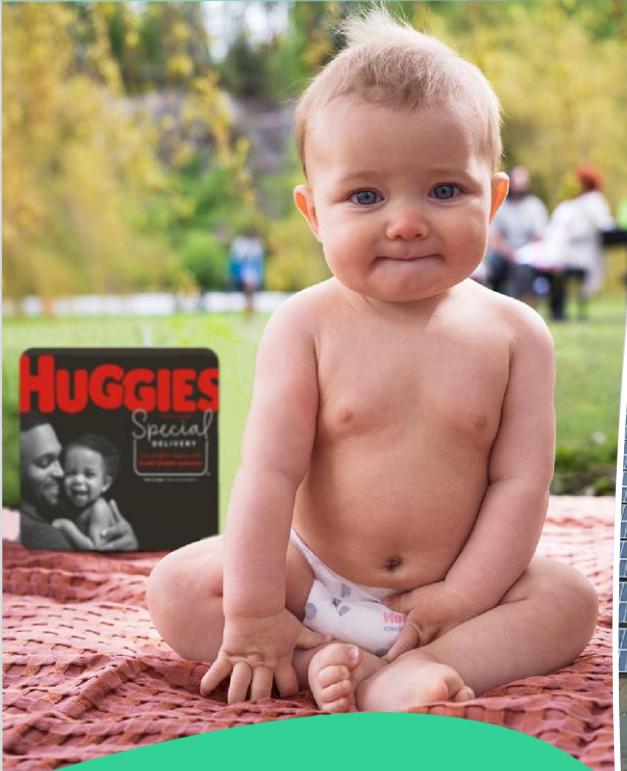
Prev: +MSD - HSD

**6% – 10%**  
EPS GROWTH<sup>2</sup>

Prev: 2% – 6%

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# A Better World: Growing For Good



## BETTER PRODUCTS

Innovating for more sustainable products



## BETTER PLANET

Safeguarding our climate and our natural ecosystems



## BETTER WORKPLACE

Fostering a culture of integrity and belonging



## BETTER SOCIETY

Partnering with changemakers to uplift our communities

# Summary



- We are continuing our growth momentum
- We are driving margin recovery
- We are investing behind our capabilities and brands
- We are confident in our ability to deliver balanced and sustainable growth and create shareholder value

