



Kimberly Clark

4Q 2023 Earnings

January 24, 2024

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 Türkiye, 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, 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, impairment of goodwill and intangible assets and our projections of operating results and other factors that may affect our impairment testing, changes in customer preferences, severe weather conditions, regional instabilities and hostilities (including the war in Israel), government trade or similar regulatory actions, potential competitive pressures on selling prices for our products, energy costs, 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). Non-GAAP reconciliations are also found in the appendix of this presentation. The non-GAAP financial measures exclude net benefit related to the acquisition of a controlling interest in Thinx and pension settlement charges in 2022. They exclude impairment charges, impact of the sale of Brazil tissue and professional business and pension settlement charges in 2023.

Huggies, Pull-Ups, Andrex, Depend, Poise, Cottonelle, Kleenex, WypAll, Kotex are registered trademarks of Kimberly-Clark Worldwide Inc.
Please see our filings for a complete list.



Overview

1 Progress Towards Balanced Growth

2 Foundation for Next Phase in Place

3 Financial Profile to Drive Returns



2023 Priorities

Play to Win

Profitable Growth

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

Healthier Balance of Growth Emerging

Organic growth¹

3-year CAGR
(2019-2022)

Full Year
2023

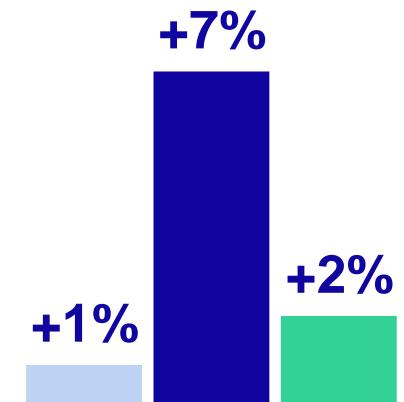
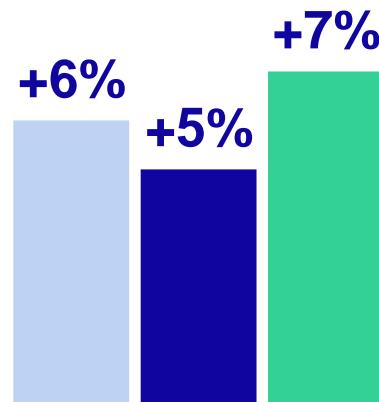
H2 2023

Total Company

Personal Care

Consumer Tissue

K-C Professional



Volume	-1%	-2%	-1%	+1%	-1%	+2%	Flat	-3%	-2%	-7%	-5%	-5%
Mix	+1%	+1%	+1%	+2%	+1%	+1%	Flat	Flat	Flat	+1%	+1%	+2%
Price	+4%	+6%	+4%	+4%	+5%	+4%	+3%	+6%	+3%	+6%	+10%	+5%

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. Sum total of elements may not reconcile to total due to rounding.



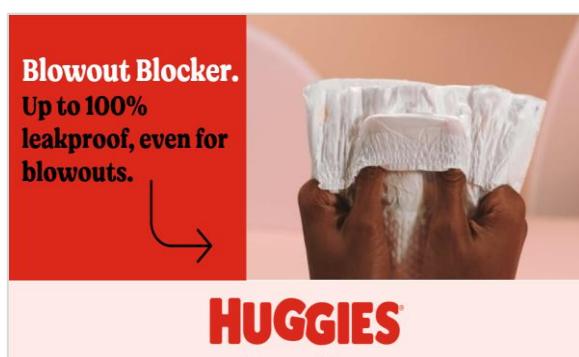
Benefit Obsession multiplied by Advantaged Technology

2023 prioritized innovation in 2 of the biggest consumer demand spaces in Personal Care

Skin Health & Wellness through advantaged technology



Leak-Free Comfort through advantaged product design

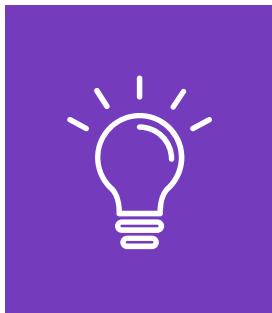


Driving Top Line Momentum

Focused investments in commercial capabilities paying off



Innovation 54% of 2023
Consumer net sales, >70%
of 2023 organic growth



Maximizing
Innovation
Value & Scale



Category-
Leading
In-Market
Execution



>75% of top 25 projects
scaled globally for the
past 2 years



Building Iconic
Digital First
Brands



Unlocking
Profitable
Revenue
Generation



Drove significant price
and mix gains in past
2 years

H2 Gross Margin Back To Pre-Pandemic Levels

Leveraging all tools to drive sustained margin expansion



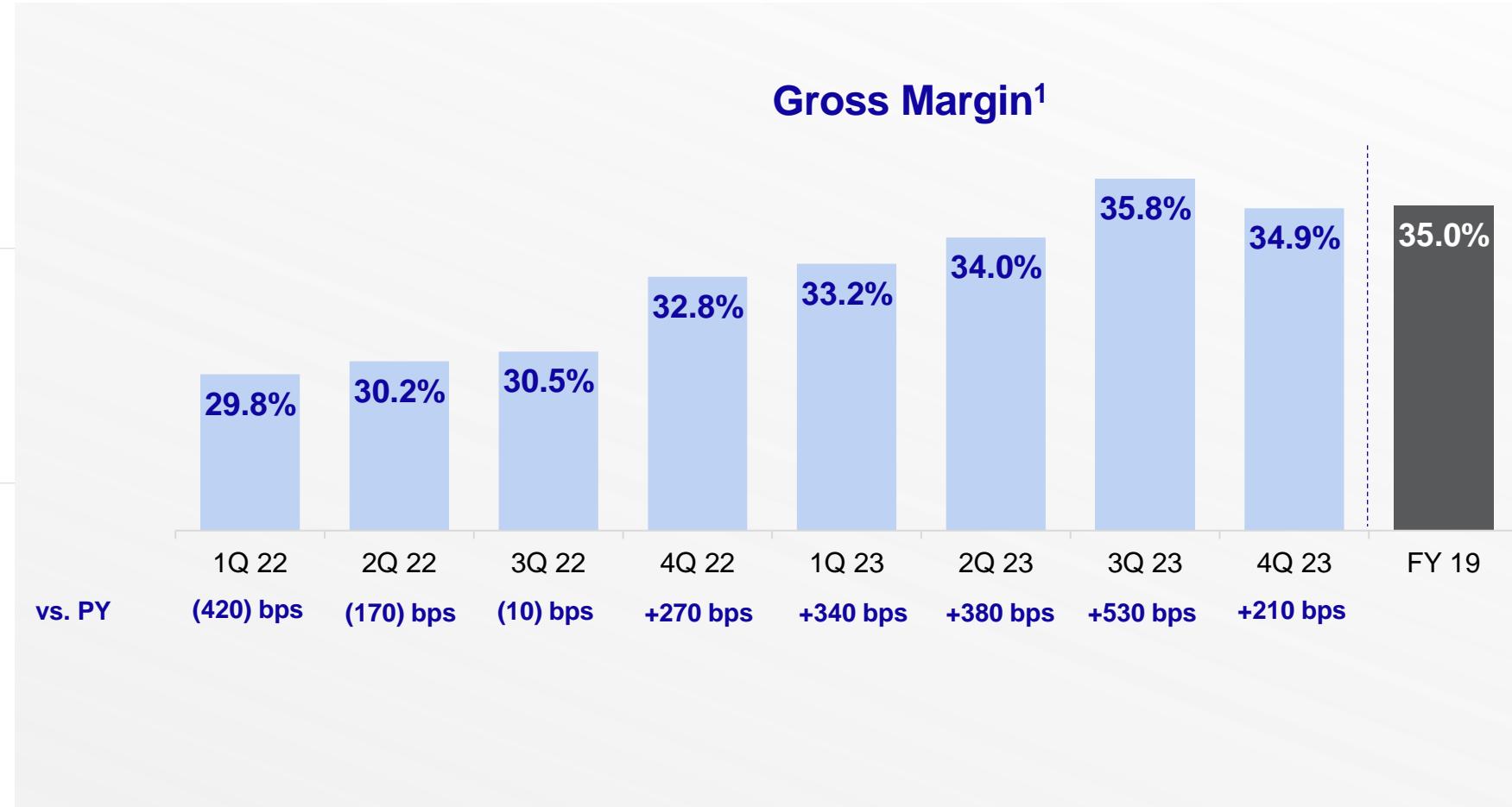
Accretive Innovation



Commercial Execution



Cost Savings



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

Foundation for Our Next Phase of Growth in Place



Strategy to elevate our categories and expand our markets is working



Volume, Mix and Efficiency-driven Margin Expansion is in progress



Investments in our innovation and commercial capabilities is driving top line results



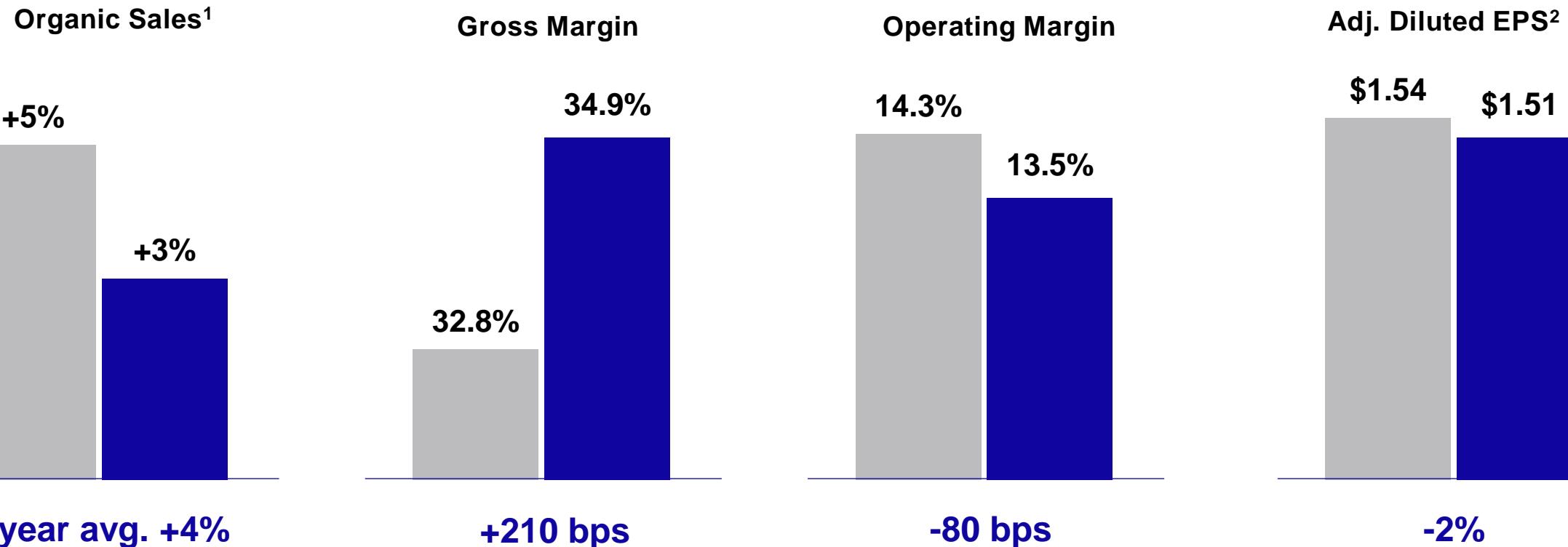
Stronger Financial Position to drive Balanced and Sustainable returns

Financial Results & 2024 Outlook



Robust Q4 Operating Results Partly Offset by Monetary Losses in Hyperinflationary Economies

4Q 22 4Q 23



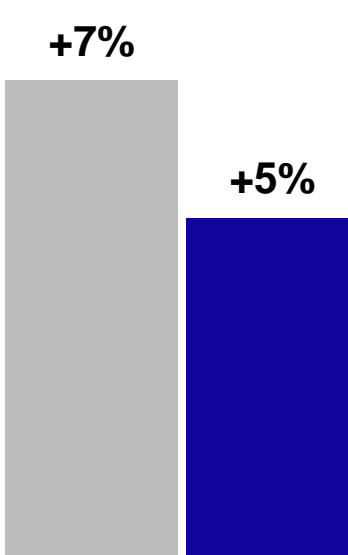
1. Organic net sales describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses are excluded from organic growth.

2. Refers to adjusted measures where applicable. Non-GAAP measure. Please see the appendix section for reconciliation of GAAP to Non-GAAP measures.

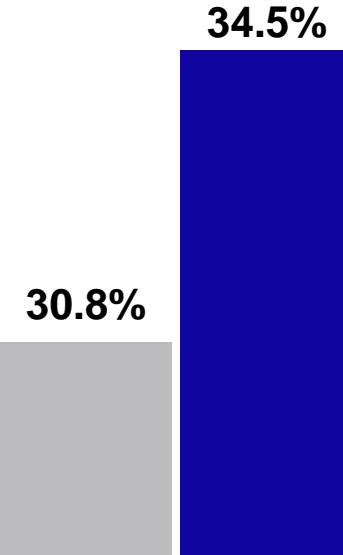
Strong Commercial Plans Driving Robust Results

Full Year
2022 Full Year
2023

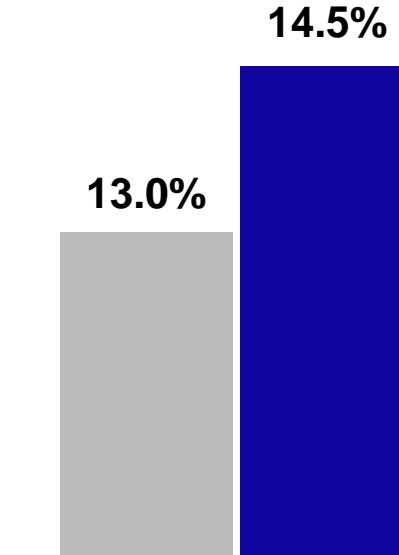
Organic Sales¹



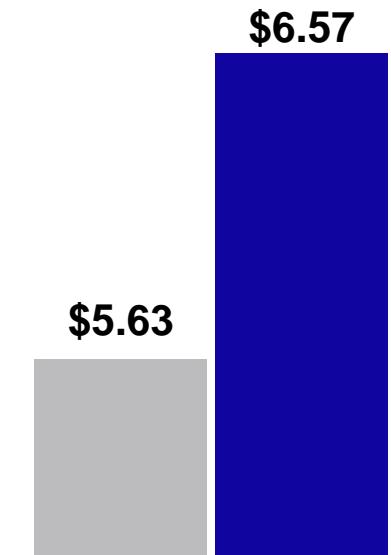
Adj. Gross Margin²



Adj. Operating Margin²



Adj. Diluted EPS²



2-year avg. +6%

+370 bps

+150 bps

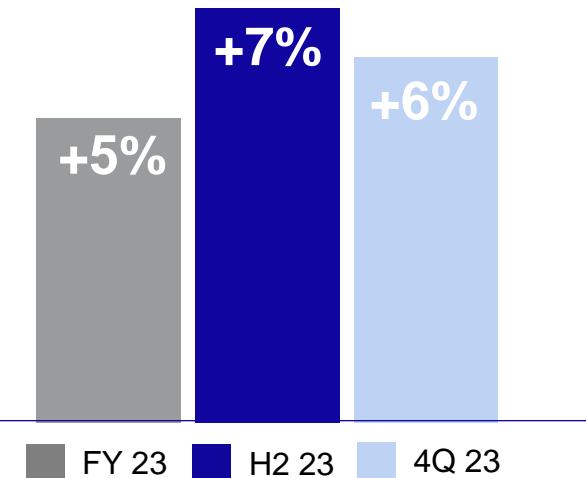
+17%

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Personal Care

Organic growth¹



17.7% 17.6% 16.5%

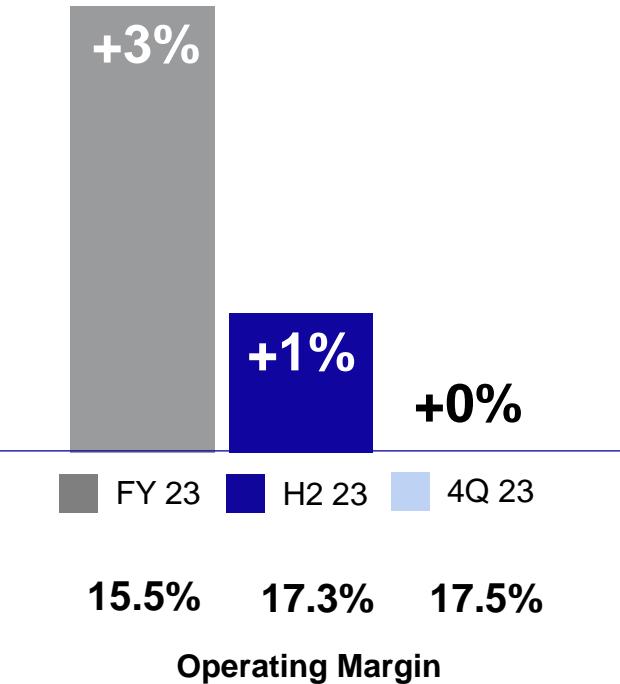
Operating Margin

- ✓ Balanced contribution from volume/mix and price in H2; volumes positive for the second consecutive quarter
- ✓ North America grew 5% in Q4 driven entirely by volume and mix
- ✓ FY 2023 volume growth driven by China and North America with high-single digit volume growth in China
- ✓ Feminine Care momentum continued from share gains leading to double-digit organic growth in 2023

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Consumer Tissue

Organic growth¹



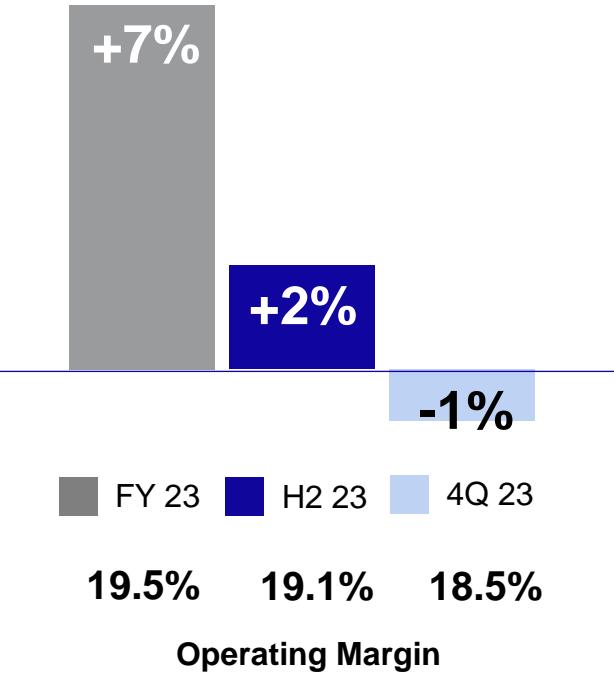
- Volume trends improved sequentially as pricing actions anniversary
- Full year organic growth driven by North America and Developed Markets with North America delivering flat volumes for the full year
- UK Andrex momentum continues with share gains sequentially and year-over-year driven by double digit consumption growth in 2023
- Strengthening operating margins reflected improving volume trends and productivity initiatives as the year progressed

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.



K-C Professional

Organic growth¹



- Fourth quarter lapping a strong base of +16% organic growth in Q4'22, with two-year average +8%
- Sharpened strategic focus on select segments, including innovation and investments in washroom business, paying off
- Lower Q4 volumes in North America reflect ongoing rightsizing of business
- Restoration of operating margin enables further strategic investments in key product initiatives to drive growth

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.

Decisive Leverage Reduction in 2023



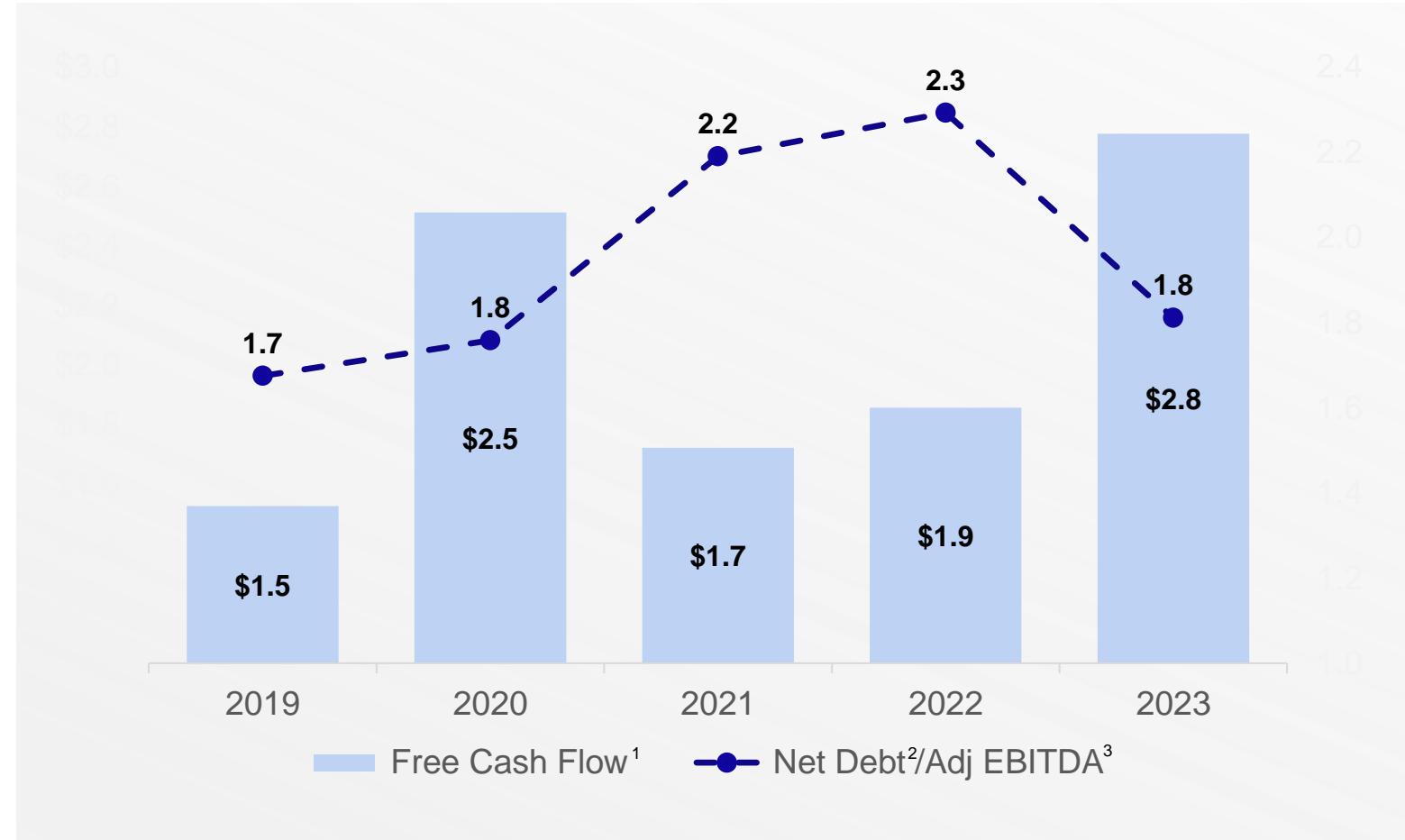
**Strong Free Cash Flow,
Working Capital Management
while continuing to invest**



**Rapid Net Debt, Net
Leverage Reduction**



**Raising Dividend for 52nd
consecutive year**



1. Free cash flow (non-GAAP measure) = Cash Flow from Operations – Capital Spending, details available in appendix

2. Net Debt adjusts for cash and cash equivalents and time deposits

3. Adjusted EBITDA (non-GAAP measure) = Adjusted Operating Profit + Depreciation and Amortization, details available in appendix

2024 Outlook



Low-to-Mid Single Digit Organic Net Sales growth

- Includes ~200 bps from pricing in hyperinflationary economies
- Reported results likely to be negatively impacted by ~300bps from FX translation and ~60bps from the Brazil divestiture



High Single-Digit to Low Double-Digit, Constant-Currency Adjusted Operating Profit growth

- Reported results likely to be negatively impacted by ~400bps from FX translation



High Single-Digit, Constant-Currency Adjusted EPS growth

- Expect slightly higher interest expenses and effective tax rate versus the prior year
- Reported results likely to be negatively impacted by ~400bps from FX translation

Review



Elevating Our Categories and Expanding Our Markets



Leveraging Our Cost Structure and Remain Financially Disciplined



Deploy Capital to Grow Our Enterprise and Drive Returns



Appendix

GAAP to Non-GAAP Reconciliations

GAAP To Non-GAAP Reconciliations

Three Months Ended December 31, 2023

Millions except per share amounts	As Reported	Pension Settlements	As Adjusted Non-GAAP
Nonoperating expense	\$ (18)	\$ (4)	\$ (14)
Provision for income taxes	(155)	1	(156)
Effective tax rate	25.2%	-	25.2%
Net Income attributable to Kimberly-Clark Corporation	509	(3)	512
Diluted earnings per share ^(a)	1.50	(0.01)	1.51

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

GAAP To Non-GAAP Reconciliations

Three Months Ended December 31, 2022

Millions except per share amounts	As Reported	Pension Settlements	As Adjusted Non-GAAP
Nonoperating expense	\$ (24)	\$ (18)	\$ (6)
Provision for income taxes	(139)	5	(144)
Effective tax rate	22.5%	-	22.6%
Net Income attributable to Kimberly-Clark Corporation	507	(13)	520
Diluted earnings per share ^(a)	1.50	(0.04)	1.54

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GAAP To Non-GAAP Reconciliations

Millions except per share amounts	Full Year 2023						As Adjusted Non-GAAP	
	As Reported	Sale of Brazil Tissue and K-C Professional Business		Impairment of Intangible Assets	Pension Settlements			
		15	\$		-			
Cost of products sold	\$ 13,399	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 13,384	
Gross profit	7,032	(15)	-	-	-	-	7,047	
Marketing, research and general expenses	3,961	15	-	-	-	-	3,946	
Impairment of intangible assets	658	-	658	-	-	-	-	
Other (income) and expense, net	69	(74)	-	-	-	-	143	
Operating profit	2,344	44	(658)	-	-	-	2,958	
Nonoperating expense	(96)	-	-	-	(35)	-	(61)	
Provision for income taxes	(453)	(18)	175	9	-	-	(619)	
Effective tax rate	22.4%	-	-	-	-	-	23.2%	
Net (income) loss attributable to noncontrolling interests	-	-	20	-	-	-	(20)	
Net Income attributable to Kimberly-Clark Corporation	1,764	26	(463)	(26)	-	-	2,227	
Diluted earnings per share ^(a)	5.21	0.08	(1.36)	(0.08)	-	-	6.57	

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



GAAP To Non-GAAP Reconciliations

Millions except per share amounts	Full Year 2022				
	As Reported	Acquisition of Controlling Interest in Thinx	Pension Settlements	As Adjusted Non-GAAP	
Marketing, research and general expenses	\$ 3,581	\$ 21	\$ -	\$ 3,560	
Other (income) and expense, net	(43)	(85)	-	42	
Operating profit	2,681	64	-	2,617	
Nonoperating expense	(73)	-	(52)	(21)	
Provision for income taxes	(495)	4	13	(512)	
Effective tax rate	21.2%	-	-	22.0%	
Net Income attributable to Kimberly-Clark Corporation	1,934	68	(39)	1,905	
Diluted earnings per share ^(a)	5.72	0.20	(0.12)	5.63	

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

Adjusted EBITDA & Free Cash Flow

Amount in Millions	2019	2020	2021	2022	2023
Adjusted Operating Profit	3,281	3,582	2,836	2,617	2,958
Depreciation & Amortization	917	796	766	754	753
Adjusted EBITDA	4,198	4,378	3,602	3,371	3,711

*Adjusted operating profit is a Non-GAAP measure. Please see the company's earnings press release of relevant period (hyperlink available in appendix) for more information and a reconciliation to comparable measures under GAAP.

Amount in Millions	2019	2020	2021	2022	2023
Cash Flow from Operations	2,736	3,729	2,730	2,733	3,542
Capital Spending	(1,209)	(1,217)	(1,007)	(876)	(766)
Free Cash Flow	1,527	2,512	1,723	1,857	2,776

Press Releases – Previous quarters

Title	Hyperlink
Kimberly-Clark Announces Year-End 2019 Results And 2020 Outlook	Q4 & FY 2019
Kimberly-Clark Announces Year-End 2020 Results And 2021 Outlook	Q4 & FY 2020
Kimberly-Clark Announces Year-End 2021 Results And 2022 Outlook	Q4 & FY 2021
Kimberly-Clark Announces First Quarter 2022 Results	Q1 2022
Kimberly-Clark Announces Second Quarter 2022 Results	Q2 2022
Kimberly-Clark Announces Third Quarter 2022 Results	Q3 2022
Kimberly-Clark Announces Year-End 2022 Results And 2023 Outlook	Q4 & FY 2022
Kimberly-Clark Announces First Quarter 2023 Results	Q1 2023
Kimberly-Clark Announces Second Quarter 2023 Results	Q2 2023
Kimberly-Clark Announces Third Quarter 2023 Results	Q3 2023

