



# POWERING CARE

2024 INVESTOR DAY



# 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, sources and uses of cash, charges and savings from the 2024 Global Transformation Initiative, growth initiatives, sustainability 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 risk that we are not able to realize the anticipated benefits of the Global Transformation Initiative, risks related to any delays in the timing for implementing the Global Transformation Initiative or potential disruptions to our business or operations as we execute on the Global Transformation Initiative, 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, 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, 2023.

## 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 previously published earnings releases ([hyperlink available in appendix](#)) 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 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.

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Please see our filings for a complete list.



# FINANCIALS AND OUTLOOK



Nelson Urdaneta

*Chief Financial Officer*



# Positioned to Drive Shareholder Returns

## **ACCELERATING TOP LINE GROWTH**

with pioneering innovation

## **ENHANCED PROFITABILITY**

with value chain and productivity advantages

## **STRONG FINANCIAL POSITION**

with improved cost management,  
free cash flow and balance sheet



# Accelerating Business Performance

## Play to Win



Elevate our categories



Expand our markets

## Profitable Growth



Margin recovery

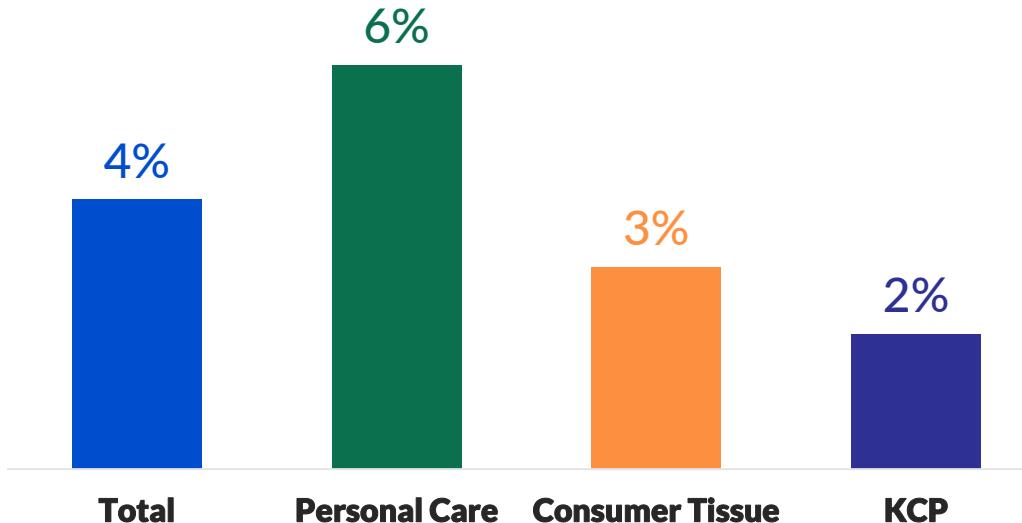


Brand investment  
and cost discipline

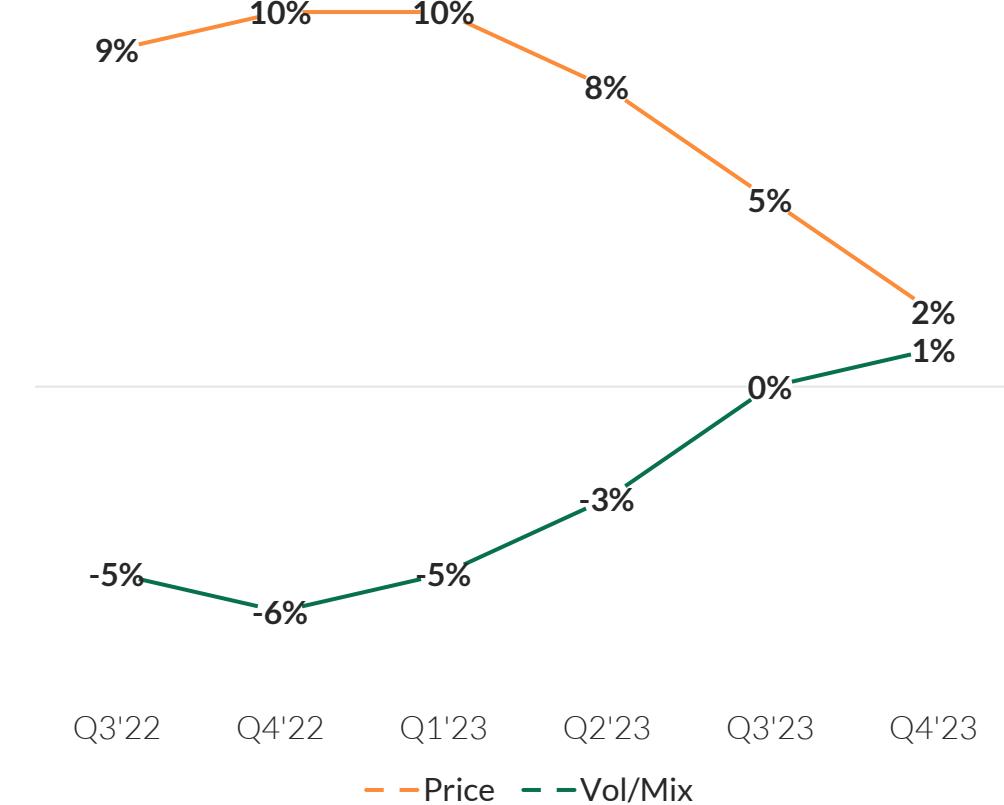


# Topline Reflecting Healthier Balance of Growth

**4 Year Organic<sup>1</sup> CAGR (2019-2023)**



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



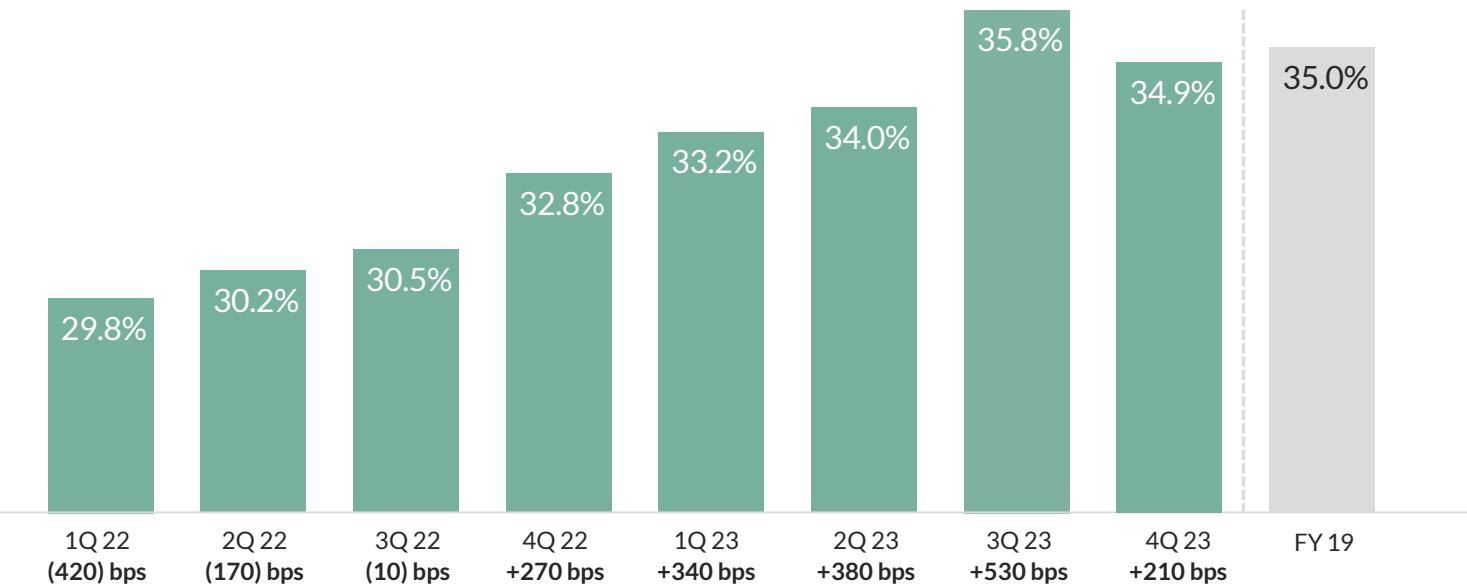
<sup>1</sup>Organic growth describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses are excluded. Sum total of elements may not reconcile to total due to rounding



# Delivering Sustained Gross Margin Expansion

**Returned to pre-pandemic levels in 2023**

## Gross Margin<sup>1</sup> VS. PY



Gross margin recovery as strong and as fast as any Consumer Staples peer through:

**Accretive Innovation**

**Improved Commercial Execution**

**Strong Ongoing Cost Savings**

...fuels growth and investments in the future

<sup>1</sup> 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

# Greater Visibility Driving Enhanced Cost Management

## PROCUREMENT

Better supplier structure, select hedging and portfolio management

## PRODUCTIVITY

Beginning to unlock key areas of opportunity

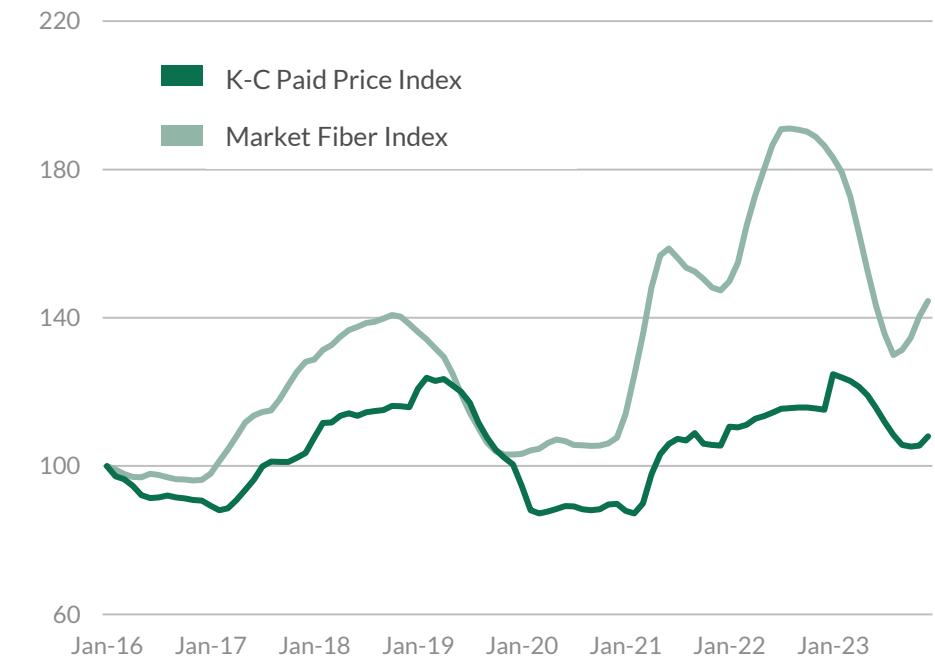
## REVENUE GROWTH MANAGEMENT

Faster, more efficient response to net inflation

## GREATER COST PREDICTABILITY

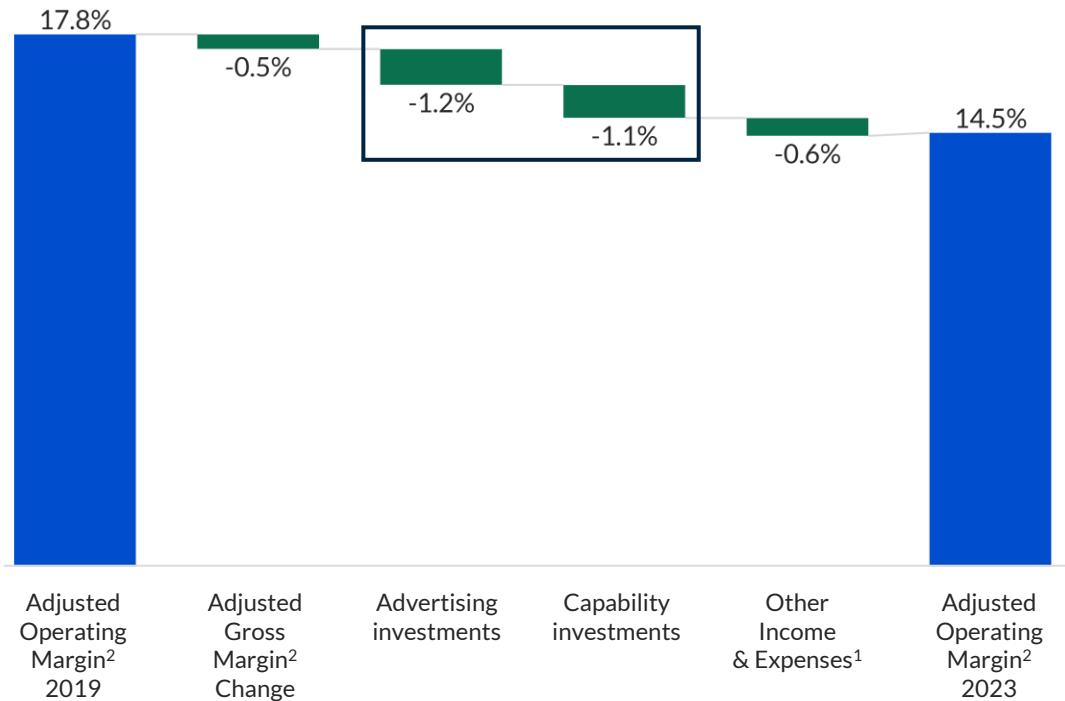
- Greater Price Stability
- Enhanced Consumer Value Proposition

### Global Fiber Index (Jan'16 = 100)



# Investing in Our Business to Enhance Earnings Power

## A Healthier Margin Profile...



## ...As We Invest in Our Brands, Capabilities and People

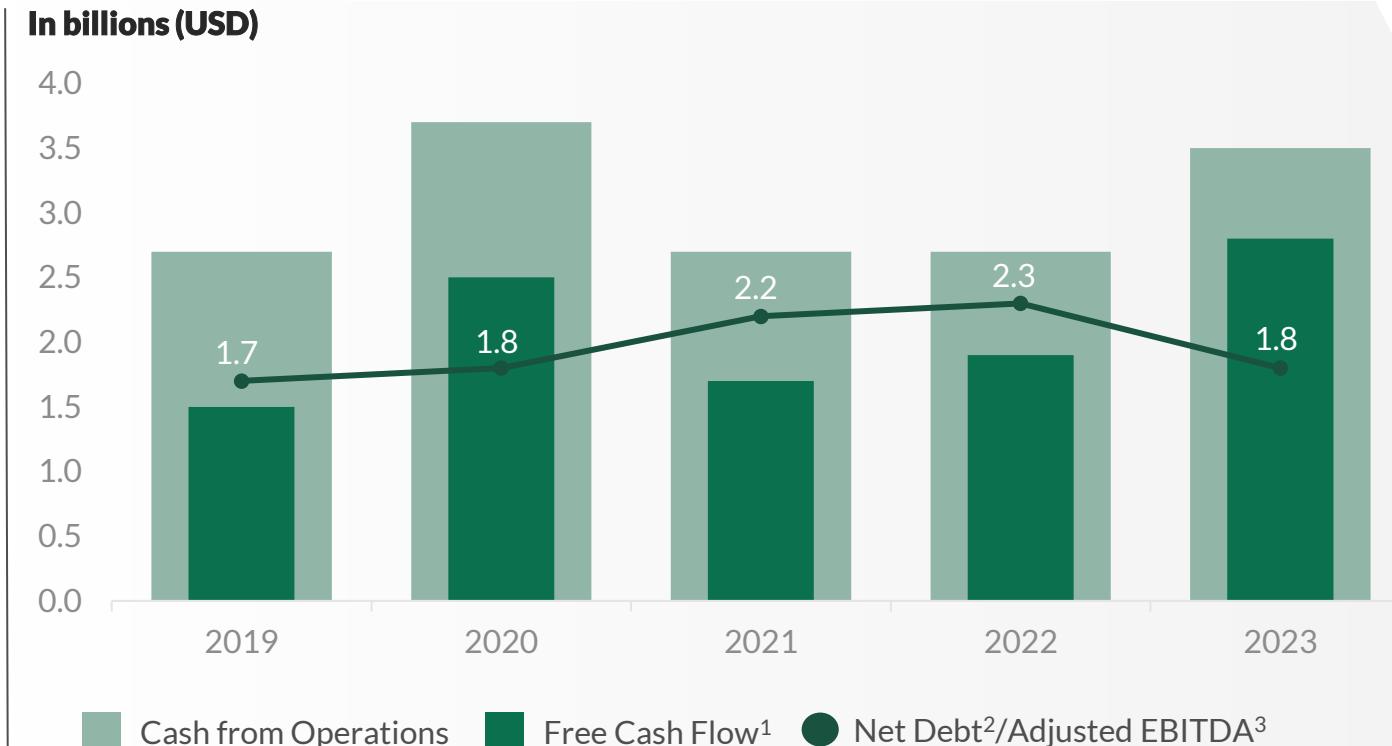
 ADVERTISING SPEND	2019	2023
4% of Net Sales	4% of Net Sales	5%+ of Net Sales
 CAPABILITIES	Deploying new capabilities & upgraded commercial talent	System to increase procurement efficiency
 COMPENSATION	Aligned incentives	

<sup>1</sup> Other Income & Expenses includes the monetary impacts from hyperinflationary economies

<sup>2</sup> Refers to adjusted measures 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



# Strong Free Cash Flow Generation and Balance Sheet Improvement



Generating  
\$2B+ Annual  
Free Cash Flow

Maintaining  
Leverage Ratio  
for Single-A  
Credit Rating

<sup>1</sup> Free cash flow (non-GAAP measure) = Cash Flow from Operations – Capital Spending

<sup>2</sup> Net Debt adjusts for cash and cash equivalents and time deposits

<sup>3</sup> Adjusted EBITDA (non-GAAP measure) = Adjusted Operating Profit + Depreciation and Amortization

<sup>4</sup> 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



# Long-Term Growth and Return Algorithm

1

## ORGANIC NET SALES GROWTH<sup>1</sup>

Lead Market Growth

2

## ADJUSTED OPERATING PROFIT<sup>2</sup>

Mid-to-High Single Digit  
Constant-currency Growth

3

## ADJUSTED EARNINGS PER SHARE<sup>2</sup>

Mid-to-High Single Digit  
Constant-currency Growth

4

## FREE CASH FLOW GENERATION

\$2 Billion+ Annually

Strong Reinvestment  
to Support Growth

Growing Dividend and  
Share Repurchases

Consistent Double-Digit  
Total Shareholder  
Returns<sup>3</sup>

<sup>1</sup>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.

<sup>2</sup>Kimberly-Clark does not provide a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures on a forward-looking basis because it is unable to predict certain adjustment items without unreasonable effort

<sup>3</sup>Total Shareholder Returns defined as Adjusted Earnings per Share Growth plus Dividend Yield

# Drivers of Market-Leading Organic Top-Line Growth

## Long-term Opportunity



Market  
Growth  
+2-3%



Powerhouse  
Categories  
& Brands



Pioneering  
Innovation



Genius  
Execution

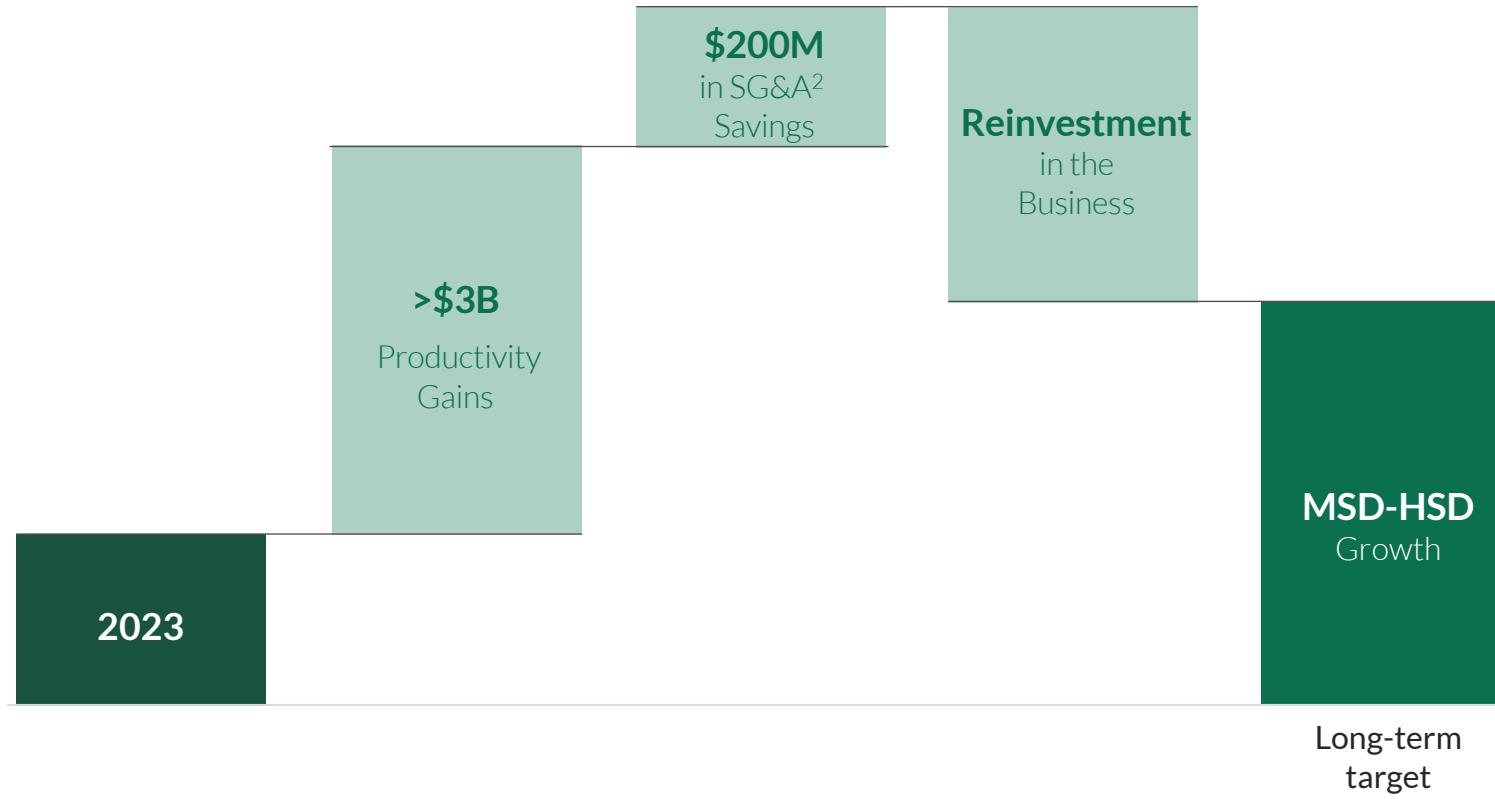


Faster than  
market  
growth



# Drivers of MSD-HSD Operating Profit Growth<sup>1</sup>

## Long-term Opportunity



## KEY DRIVERS

**Accelerate**  
Pioneering Innovation

**Optimize**  
Our Margin Structure

**Wire**  
Our Organization for Growth

<sup>1</sup> Refers to constant-currency operating profit growth

<sup>2</sup> Refers to Selling, General and Administrative Expenses

<sup>3</sup> Productivity gains and SG&A savings are basis current estimates

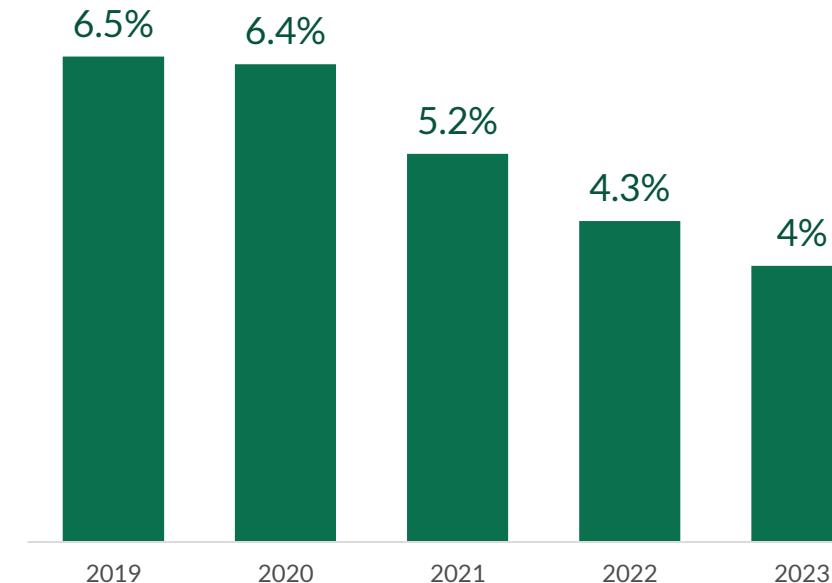
# Cost of Transformation Initiatives Manageable

## Estimated Restructuring Costs of

~\$1.5B

50:50 Cash vs. Non-Cash

## Capex as a % of Net Sales



Long-Term  
Capex Outlook:  
4-5%

# Integrated Margin Management Creates Enterprise-Wide Visibility and Discipline



Holistic, integrated approach to drive productivity and enhance returns for consistent, durable margin expansion across the value chain

**EXPECTED TO DELIVER:**

**>\$3B**  
Productivity Savings

Mid-to-High Single Digit Constant-Currency  
**Operating Profit Growth**

**~\$2B+**  
Free Cash Flow Per Year



# Maintaining Disciplined Capital Allocation Approach

## 1 ORGANIC GROWTH INVESTMENTS

Invest in the business with focus on driving strong ROI

## 2 DIVIDEND

Grow dividend while maintaining our single-A credit rating

## 3 M&A

Disciplined approach to executing accretive acquisitions to deliver incremental growth and return opportunities

## 4 REPURCHASES

Allocate remaining free cash flow to repurchases

# 2024 Outlook on Long-Term Financial Algorithm

## Low-to-Mid Single Digit Organic Net Sales Growth

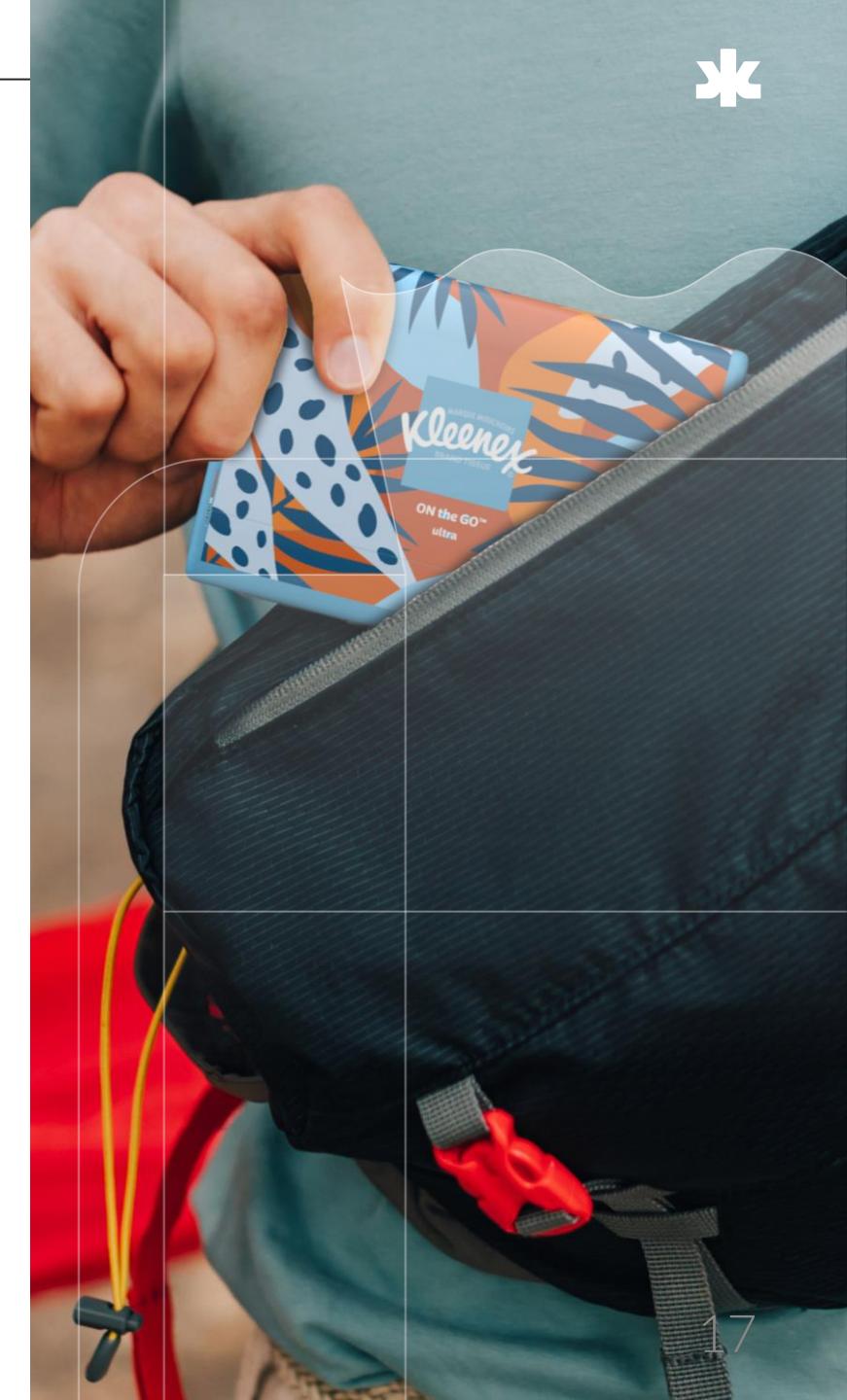
- Includes ~200 bps from pricing in hyperinflationary economies
- Reported results likely to be negatively impacted by ~300bps from currency translation and ~60bps from the Brazil divestiture

## High Single-Digit To Low Double-Digit, Constant-Currency Adjusted Operating Profit Growth

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





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# APPENDIX



# Press Releases – Previous Quarters

Title	Hyperlink
Kimberly-Clark Announces Year-End 2019 Results And 2020 Outlook	<a href="#">Q4 &amp; FY 2019</a>
Kimberly-Clark Announces Year-End 2020 Results And 2021 Outlook	<a href="#">Q4 &amp; FY 2020</a>
Kimberly-Clark Announces Year-End 2021 Results And 2022 Outlook	<a href="#">Q4 &amp; FY 2021</a>
Kimberly-Clark Announces First Quarter 2022 Results	<a href="#">Q1 2022</a>
Kimberly-Clark Announces Second Quarter 2022 Results	<a href="#">Q2 2022</a>
Kimberly-Clark Announces Third Quarter 2022 Results	<a href="#">Q3 2022</a>
Kimberly-Clark Announces Year-End 2022 Results And 2023 Outlook	<a href="#">Q4 &amp; FY 2022</a>
Kimberly-Clark Announces First Quarter 2023 Results	<a href="#">Q1 2023</a>
Kimberly-Clark Announces Second Quarter 2023 Results	<a href="#">Q2 2023</a>
Kimberly-Clark Announces Third Quarter 2023 Results	<a href="#">Q3 2023</a>
Kimberly-Clark Announces Year-End 2023 Results And 2024 Outlook	<a href="#">Q4 &amp; FY 2023</a>