

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

(Millions of dollars, except per share amounts)	Year Ended December 31		
	2019	2018	2017
Net Sales	\$ 18,450	\$ 18,486	\$ 18,348
Cost of products sold	12,415	12,889	11,761
Gross Profit	6,035	5,597	6,587
Marketing, research and general expenses	3,254	3,367	3,202
Other (income) and expense, net	(210)	1	27
Operating Profit	2,991	2,229	3,358
Nonoperating expense	(91)	(163)	(59)
Interest income	11	10	10
Interest expense	(261)	(263)	(318)
Income Before Income Taxes and Equity Interests	2,650	1,813	2,991
Provision for income taxes	(576)	(471)	(776)
Income Before Equity Interests	2,074	1,342	2,215
Share of net income of equity companies	123	103	104
Net Income	2,197	1,445	2,319
Net income attributable to noncontrolling interests	(40)	(35)	(41)
Net Income Attributable to Kimberly-Clark Corporation	\$ 2,157	\$ 1,410	\$ 2,278
Per Share Basis			
Net Income Attributable to Kimberly-Clark Corporation			
Basic	\$ 6.28	\$ 4.05	\$ 6.44
Diluted	\$ 6.24	\$ 4.03	\$ 6.40

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Millions of dollars)	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 442	\$ 539
Accounts receivable, net	2,263	2,164
Inventories	1,790	1,813
Other current assets	562	525
Total Current Assets	5,057	5,041
Property, Plant and Equipment, Net	7,450	7,159
Investments in Equity Companies	268	224
Goodwill	1,467	1,474
Other Assets	1,041	620
TOTAL ASSETS	\$ 15,283	\$ 14,518
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 1,534	\$ 1,208
Trade accounts payable	3,055	3,190
Accrued expenses and other current liabilities	1,978	1,793
Dividends payable	352	345
Total Current Liabilities	6,919	6,536
Long-Term Debt	6,213	6,247
Noncurrent Employee Benefits	897	931
Deferred Income Taxes	511	458
Other Liabilities	520	328
Redeemable Preferred Securities of Subsidiaries	29	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 December 31, 2019 and 2018	473	473
Additional paid-in capital	556	548
Common stock held in treasury, at cost - 37.1 and 33.6 million shares at December 31, 2019 and 2018, respectively	(4,454)	(3,956)
Retained earnings	6,686	5,947
Accumulated other comprehensive income (loss)	(3,294)	(3,299)
Total Kimberly-Clark Corporation Stockholders' Equity	(33)	(287)
Noncontrolling Interests	227	241
Total Stockholders' Equity	194	(46)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 15,283	\$ 14,518

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS

(Millions of dollars)	Year Ended December 31		
	2019	2018	2017
Operating Activities			
Net income	\$ 2,197	\$ 1,445	\$ 2,319
Depreciation and amortization	917	882	724
Asset impairments	—	74	—
Stock-based compensation	96	41	76
Deferred income taxes	29	2	(69)
Net (gains) losses on asset dispositions	(193)	52	21
Equity companies' earnings (in excess of) less than dividends paid	(6)	18	26
Operating working capital	(288)	389	(148)
Postretirement benefits	13	(25)	2
Other	(29)	92	(22)
Cash Provided by Operations	2,736	2,970	2,929
Investing Activities			
Capital spending	(1,209)	(877)	(785)
Proceeds from dispositions of property	242	51	3
Investments in time deposits	(568)	(353)	(214)
Maturities of time deposits	542	272	183
Other	(49)	5	(38)
Cash Used for Investing	(1,042)	(902)	(851)
Financing Activities			
Cash dividends paid	(1,408)	(1,386)	(1,359)
Change in short-term debt	303	(34)	360
Debt proceeds	706	507	937
Debt repayments	(707)	(407)	(1,481)
Proceeds from exercise of stock options	228	62	121
Acquisitions of common stock for the treasury	(800)	(800)	(911)
Other	(114)	(57)	(88)
Cash Used for Financing	(1,792)	(2,115)	(2,421)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1	(30)	36
Change in Cash and Cash Equivalents	(97)	(77)	(307)
Cash and Cash Equivalents - Beginning of Year	539	616	923
Cash and Cash Equivalents - End of Year	\$ 442	\$ 539	\$ 616

See notes to the consolidated financial statements.