



**\* Kimberly-Clark**

# POWERING CARE

3Q 2024 EARNINGS

October 22, 2024

# Forward-Looking Statements



Certain matters contained in this presentation concerning the business outlook, including raw material, energy and other input costs, the anticipated charges and savings from the 2024 Transformation Initiative, cash flow and uses of cash, growth initiatives, innovations, marketing and other spending, net sales, anticipated currency rates and exchange risks, including the impact in Argentina and Türkiye, effective tax rate, contingencies and anticipated transactions of Kimberly-Clark, including dividends, share repurchases and pension contributions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon management's expectations and beliefs concerning future events impacting Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our 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.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. In addition, many factors outside our control, including the risk that we are not able to realize the anticipated benefits of the 2024 Transformation Initiative (including risks related to disruptions to our business or operations or related to any delays in implementation), war in Ukraine (including the related responses of consumers, customers, and suppliers and 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, general economic and political conditions globally and in the markets in which we do business, as well as our ability to maintain key customer relationships, could affect the realization of these estimates.

The factors described under Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, or in our other SEC filings, among others, could cause our future results to differ from those expressed in any forward-looking statements made by us or on our behalf. Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

## *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 the Appendix of this presentation, and previously published earnings releases ([hyperlink available in appendix](#)). For more information about these non-GAAP adjustments, refer to our current quarter earnings release and Quarterly Report on Form 10-Q. For the current comparative periods, the non-GAAP financial measures exclude charges incurred in 2024 related to the 2024 Transformation Initiative, impact of the sale of the K-C Professional personal protective equipment ("PPE") business and intangible impairment charges, and in 2023 for the impact of the sale of Brazil tissue and professional business, intangible impairment charges and pension settlements.

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.

# POWERING CARE

*Consistent, Durable Growth*



## ACCELERATE

Pioneering  
Innovation

## WIRE

Our Organization  
for Growth



## OPTIMIZE

Our Margin  
Structure

Powerhouse Categories & Brands

Science Is Our Competitive Advantage

Scalable Capabilities Led by Top Talent

# Focused on Balanced and Sustainable Growth

## **SHIFTING TO VOLUME/MIX DRIVEN GROWTH**

powered by our pioneering innovation

## **FUELING INVESTMENT AND PROFITABLE GROWTH**

from optimizing our margin structure

## **FOCUSING THE ENTERPRISE**

as wiring for growth initiatives take hold

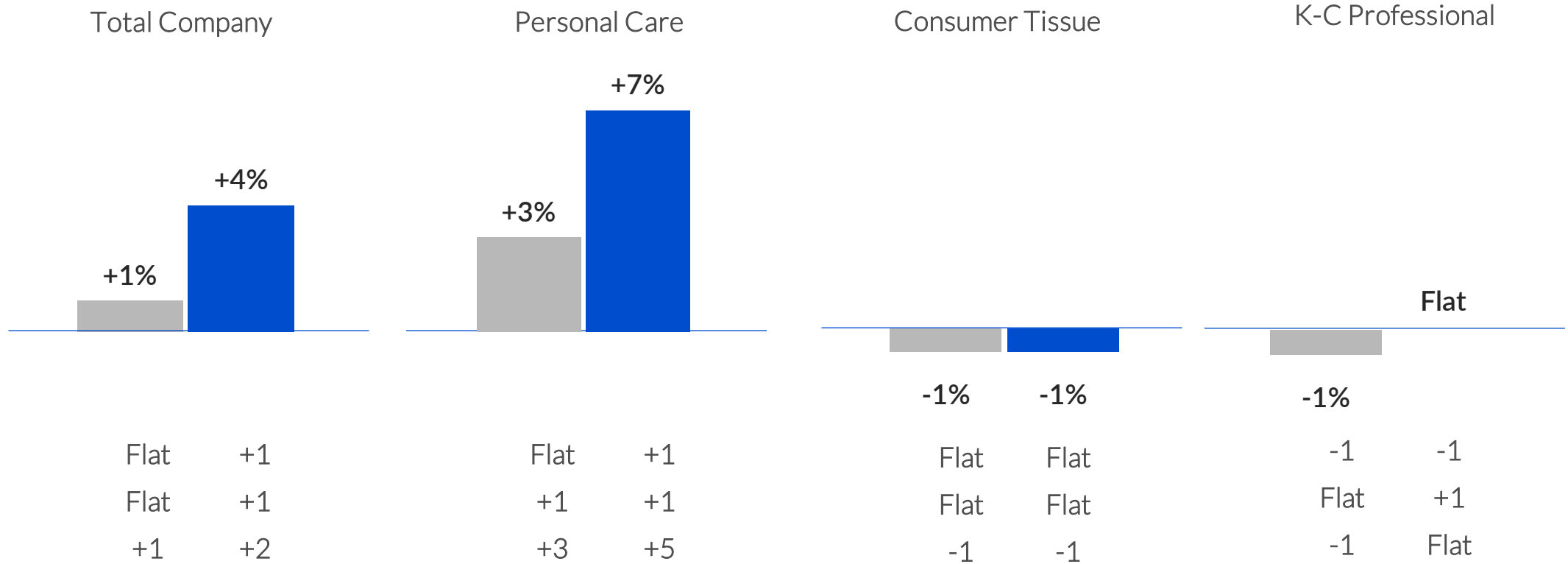




# Shift towards volume and mix led growth persists as contribution from pricing decreases

Organic Growth<sup>1</sup>

3Q 24 YTD 24



1. Organic net sales describes the combined impact of changes in volume, mix and net price excluding prior year's impact of divestitures and business exits.



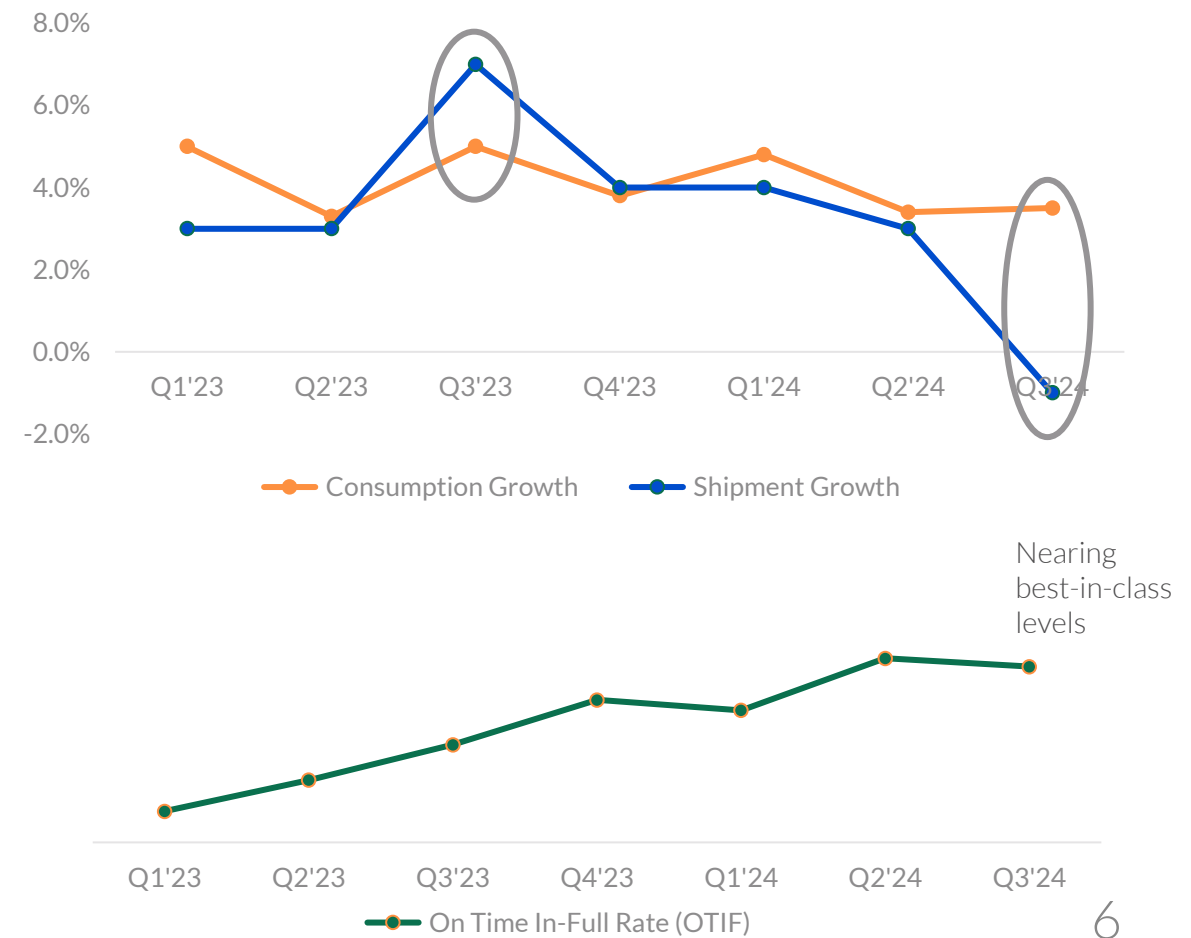
# North America Consumer: Consumption vs Shipment Growth

## Shipments below consumption as supply chain stabilizes

### Q3 North America In-Market Performance

- ✓ K-C all-channel value growth +3.2%, +40 bps vs category
- ✓ Personal Care unit consumption growth +3.3%, +200 bps vs category
- ✓ Weighted share +10 bps vs. year ago driven by +70 bp share gains in diapers and pants
- ✓ Market share up or even in 7 of 8 categories vs year ago, and in 8 of 8 categories sequentially

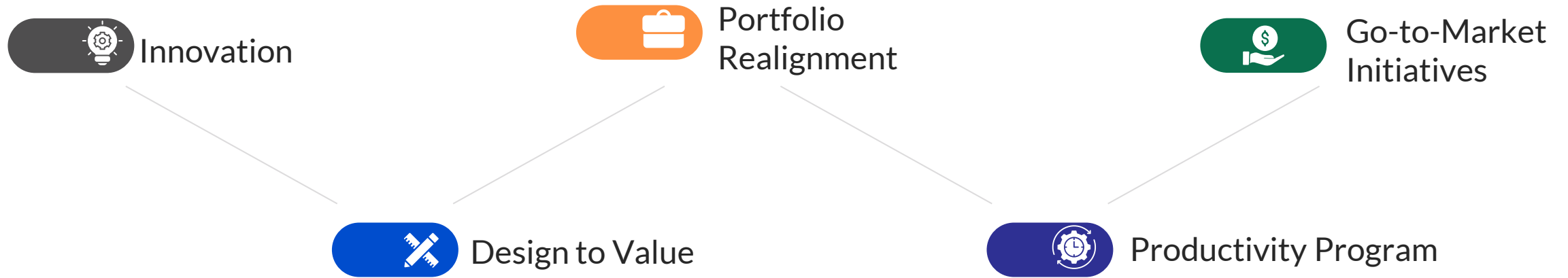
### North America Shipment vs Consumption Trends<sup>1</sup>



1. Consumption and market share trends from North America All Outlet Report



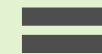
# Integrated Margin Management Creating Enterprise-Wide Visibility and Discipline



**PNOC<sup>1</sup>**  
**Discipline**

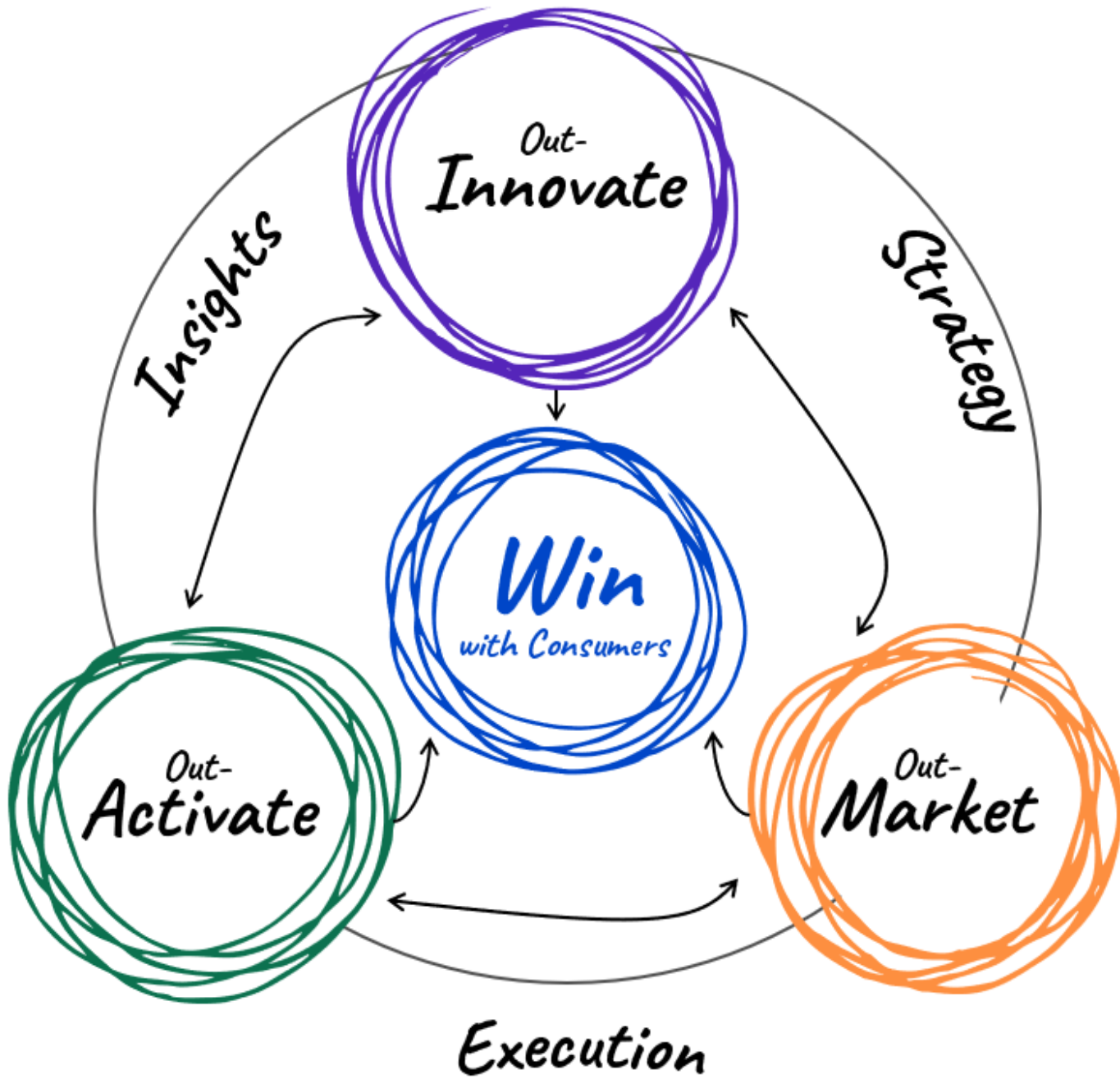


**Supply Chain**  
**Productivity**



**Fuel for**  
**Growth**

1. PNOC is Pricing Net of Cost inflation





# Winning With Consumers In **DEPEND** In The U.S.



## OUT-INNOVATE

**SUPERIOR PRODUCT**

ABSORBS  
**25x**  
ITS WEIGHT\*  
**DRYSHIELD™**  
NEUTRALIZES ODORS

## OUT-MARKET

**CRUSH THE STIGMA**

**FOCUSED ON MEN**

## OUT-ACTIVATE

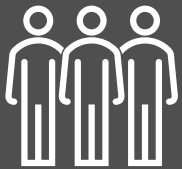
**TACTICAL ACTIVATIONS**

**LEAD IN DIGITAL**

# Digital Commerce leading Depend growth in 2024



**#1 Selling Adult Care Brand in the U.S.**



**~50% Category Digital Penetration**

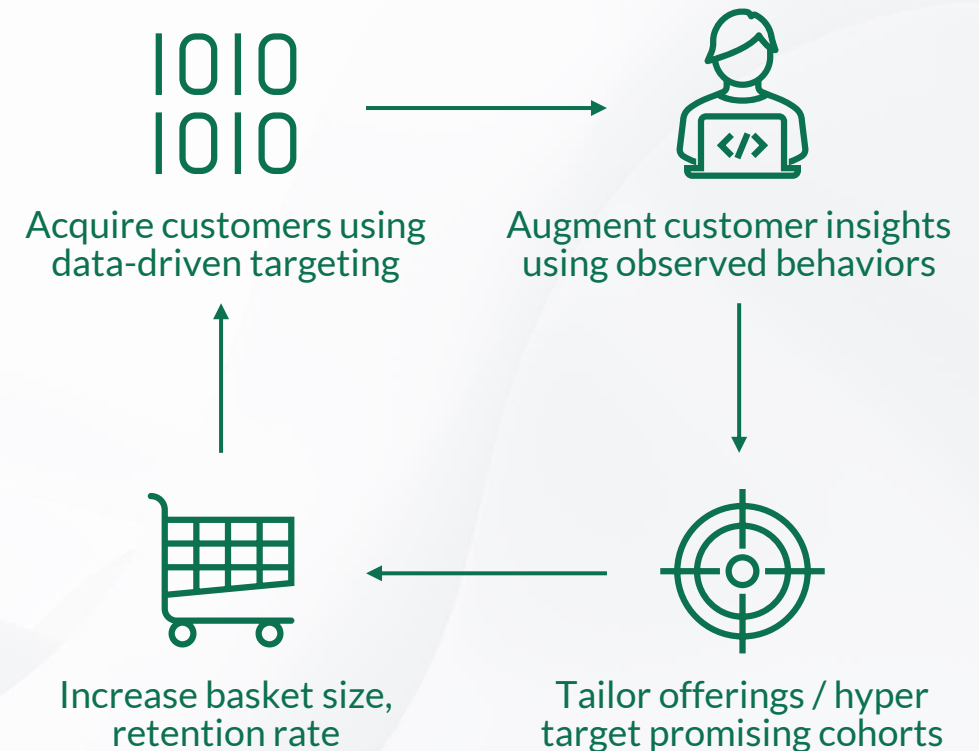


**~\$240M in YTD retail sales**



**24% YTD consumption growth**

## Our Winning Strategy





Thursday  
Night  
Football  
Take Over



*“Depend Brings Emmitt Smith out of Retirement for a Legendary Message About Prostate Cancer.”*



# DIGITAL COMMERCE is driving total Depend results



+70 bps





Total U.S. Share growth  
YTD '24

+230 bps

U.S. Digital Share growth  
YTD '24



# Enhancing Our Competitive Advantage

-  New Operating Model went live, as planned, on October 1
-  Delivering 2024 plan while activating new capabilities, ways of working, and revised roles and responsibilities
-  Named #1 U.S. supplier in Advantage Survey 3<sup>rd</sup> year in a row
-  Upgrading digital infrastructure to improve speed and scale

Following through on previously-announced actions to focus portfolio on categories, markets with greatest LT opportunity





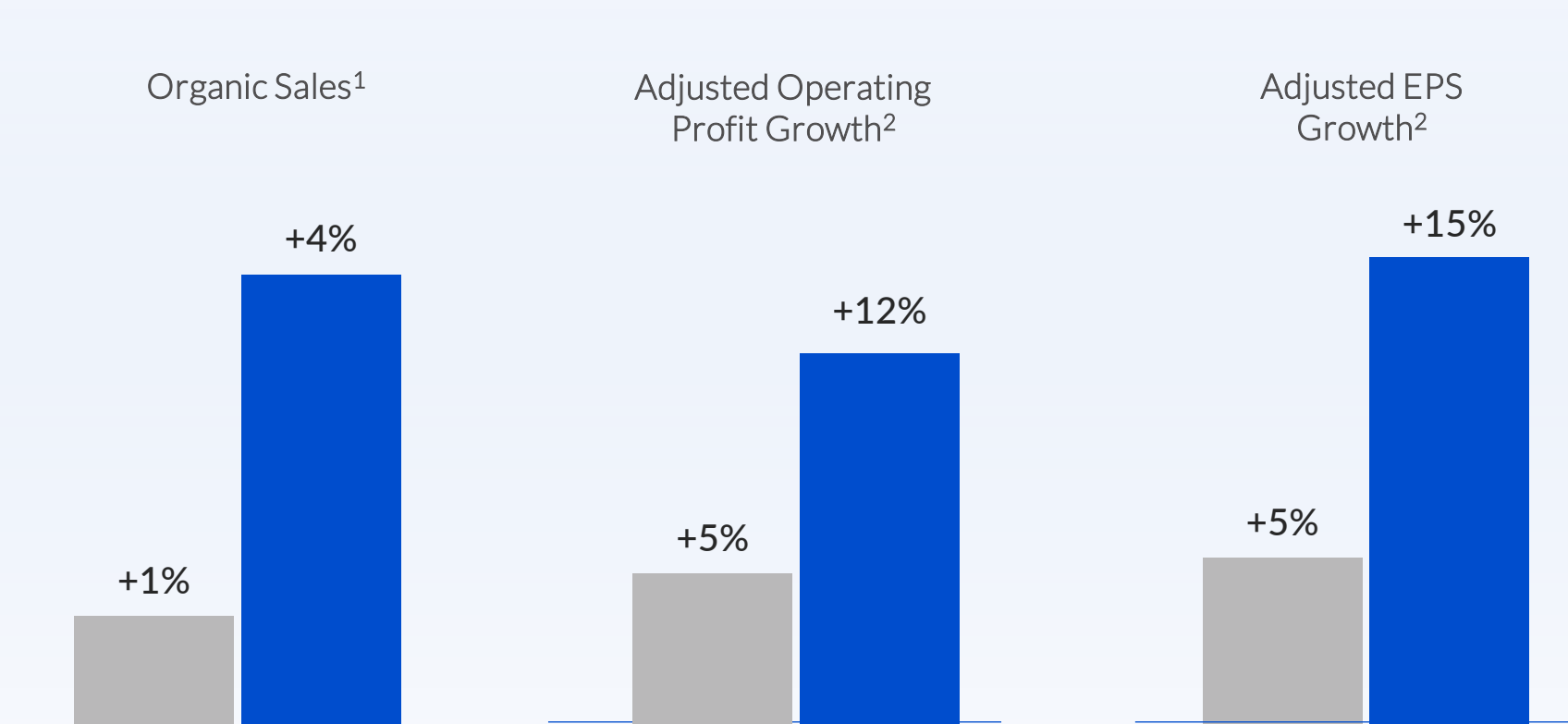
# Financial Results & 2024 Outlook





# On track to deliver a strong year

■ 3Q 24 ■ YTD 24



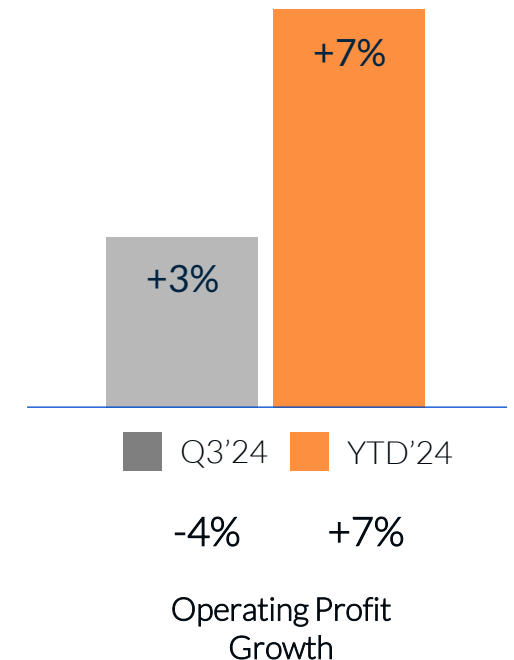
1. Organic net sales describes the combined impact of changes in volume, mix and net price excluding prior year's impact of divestitures and business exits.  
2. Refers to adjusted measures where applicable. Non-GAAP measure. Please see the appendix section for reconciliation of GAAP to Non-GAAP measures.





- ✓ Broad-based growth in the quarter with all sub-segments growing organically
- ✓ Focus markets such as China, Australia and Brazil grew volumes in the quarter with China growing volume double digits
- ✓ Flat overall volume mainly due to North America shipment headwinds driven by retailer inventory changes, weather disruptions, and lower private label sales
- ✓ Gaining global weighted share in Baby and Child Care year-to-date, led by continued share expansion in China. US gained 70 bps across Infant and Child Care in the quarter
- ✓ Q3 operating profit decline was driven by a step up in advertising spend partially offset by optimization in overheads while gross profit was essentially flat

Organic Growth<sup>1</sup>



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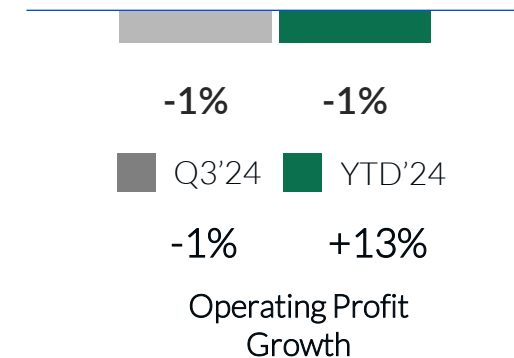


# Consumer Tissue



Organic Growth<sup>1</sup>

- ✓ Organic decline in the quarter and year-to-date primarily driven by lapping of energy surcharges in Europe
- ✓ Volumes were flat in the quarter with low-single-digit growth in developed markets offset by low-single-digit decline in North America driven primarily by retailer inventory movements
- ✓ Share momentum continues; volume-led share gains by market leading brands with Andrex in the UK and Kleenex in UK, US and Australia
- ✓ Q3 operating profit was essentially in line with year ago with gains from productivity offset by investments in supply chain and advertising in the quarter



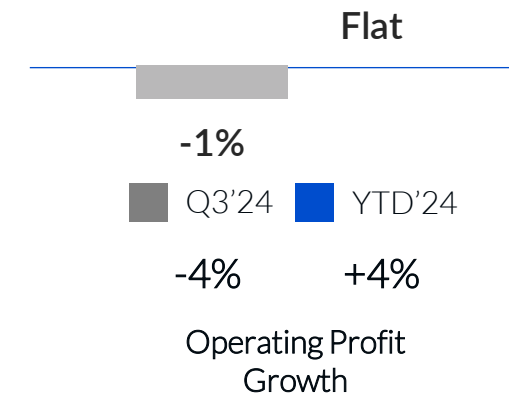
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# K-C Professional



- ✓ Q3 organic decline driven by lapping of Energy surcharge related pricing in prior year
- ✓ Volumes grew high-single-digits in Developed Markets aided by price resets in Europe
- ✓ Lower volumes in North America driven by price sensitivity of consumers resulting in continued foot traffic weakness in Foodservice, Retail and Hospitality channels
- ✓ Q3 operating profit decline was driven entirely by the divestiture of the PPE business while the rest of the portfolio saw gains from gross productivity partially offset by impact of volume softness

Organic Growth<sup>1</sup>



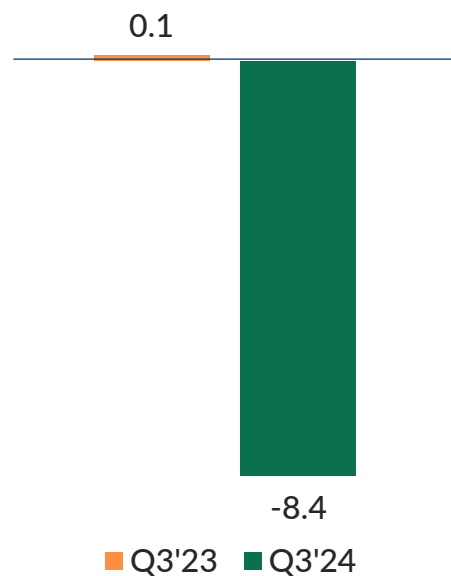
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# On Track to Exceed \$2B FCF in 2024



Cash Conversion Cycle



<sup>1</sup>Adjusted Free Cash Flow (non-GAAP measure) = Cash Flow from Operations (\$2.4B) less Capital Spending (\$0.5B) and excluding cash restructuring charges (\$0.1B)

# 2024 consistent with long term algorithm

## Organic Net Sales Growth<sup>1</sup> between 3-4%

- Includes ~300 bps from pricing in hyperinflationary economies
- Reported results expected to be negatively impacted by ~400 bps from currency translation and ~120 bps from Brazil, PPE divestitures

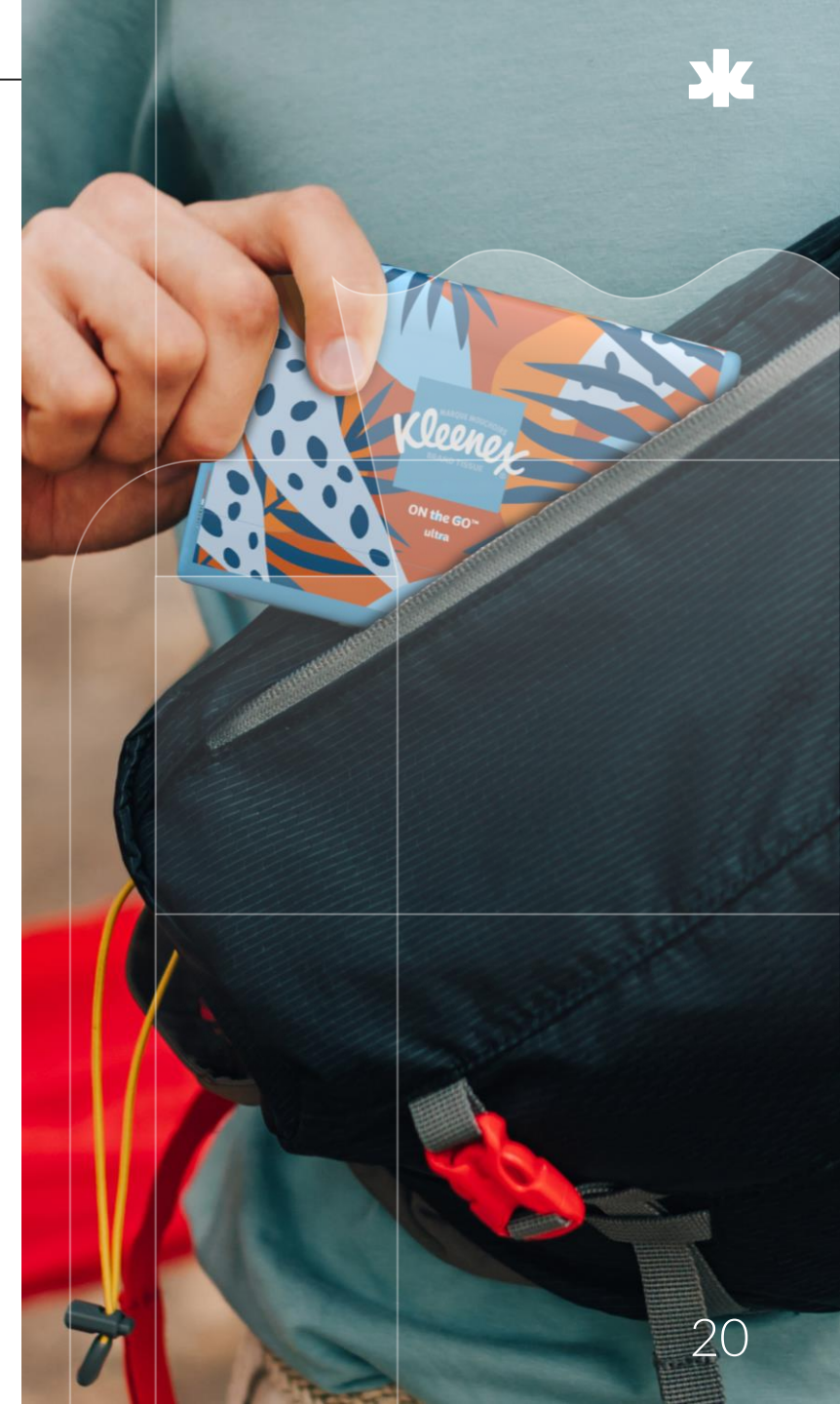
## Mid-to-High Teens Constant-Currency Adjusted Operating Profit Growth

- Includes ~75 bps negative impact from divestitures
- Adjusted results expected to be negatively impacted by ~650 bps from currency translation

## Mid-to-High Teens Constant-Currency Adjusted EPS Growth

- Includes ~75 bps negative impact from divestitures
- Expect full year interest expenses and effective tax rate in line with prior year
- Adjusted results expected to be negatively impacted by ~650 bps from currency translation

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# Focused on Balanced and Sustainable Growth

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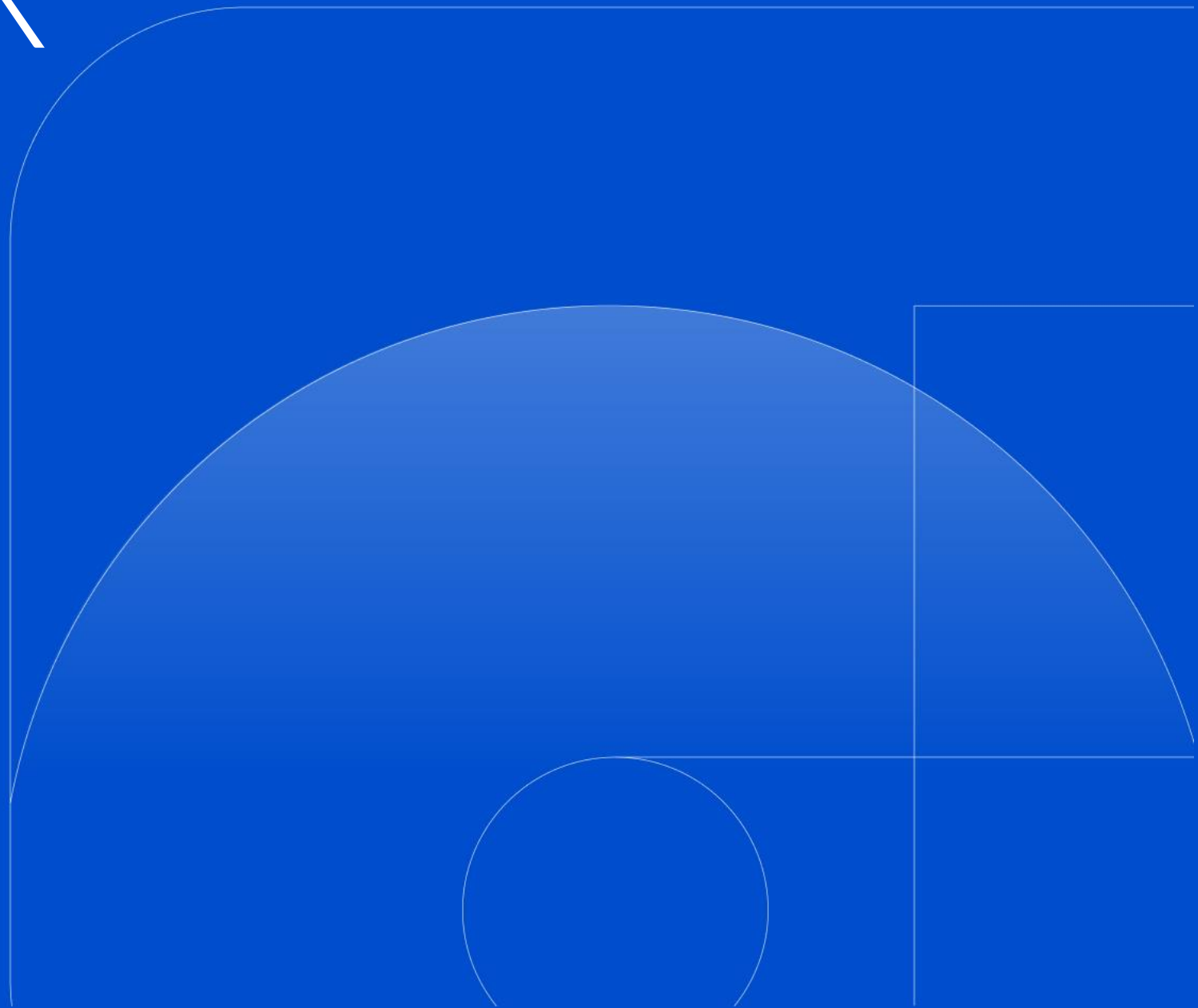
from optimizing our margin structure

## **FOCUSING THE ENTERPRISE**

as wiring for growth initiatives take hold



# APPENDIX





# GAAP to Non-GAAP Reconciliation

Millions, except per share amounts	Three Months Ended September 30, 2024				
	As Reported	2024 Transformation Initiative	Sale of PPE Business	Impairment of Intangible Assets	As Adjusted Non-GAAP
Cost of products sold	\$ 3,168	\$ 31	\$ -	\$ -	\$ 3,137
Gross Profit	1,784	(31)	-	-	1,815
Marketing, research and general expenses	1,097	93	1	-	1,003
Impairment of intangible assets	97	-	-	97	-
Other (income) and expenses, net	(564)	-	(566)	-	2
Operating Profit	1,154	(124)	565	(97)	810
Provision for income taxes	(223)	18	(112)	40	(169)
Effective tax rate	20.5%	-	-	-	22.7%
Net Income attributable to Kimberly-Clark Corporation	907	(106)	453	(57)	617
Diluted earnings per share <sup>(a)</sup>	2.69	(0.31)	1.34	(0.17)	1.83

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



# GAAP to Non-GAAP Reconciliation

Three Months Ended September 30, 2023

Millions, except per share amounts	As Reported	Pension Settlements	As Adjusted Non-GAAP
Nonoperating expense	\$ (20)	\$ (4)	\$ (16)
Provision for income taxes	(157)	1	(158)
Effective tax rate	22.5%	-	22.5%
Net Income attributable to Kimberly-Clark Corporation	587	(3)	590
Diluted earnings per share <sup>(a)</sup>	1.73	(0.01)	1.74

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





# GAAP to Non-GAAP Reconciliation

Millions, except per share amounts	Nine Months Ended September 30, 2024				
	As Reported	2024 Transformation Initiative	Sale of PPE Business	Impairment of Intangible Assets	As Adjusted Non-GAAP
Cost of products sold	\$ 9,625	\$ 76	\$ -	\$ -	\$ 9,549
Gross Profit	5,505	(76)	-	-	5,581
Marketing, research and general expenses	3,202	208	1	-	2,993
Impairment of intangible assets	97	-	-	97	-
Other (income) and expenses, net	(456)	75	(566)	-	35
Operating Profit	2,662	(359)	565	(97)	2,553
Provision for income taxes	(494)	102	(112)	40	(524)
Effective tax rate	20.2%	-	-	-	22.4%
Net Income attributable to Kimberly-Clark Corporation	2,098	(257)	453	(57)	1,959
Diluted earnings per share <sup>(a)</sup>	6.21	(0.76)	1.34	(0.17)	5.80

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



# GAAP to Non-GAAP Reconciliation

Millions, except per share amounts	Nine Months Ended September 30, 2023				
	As Reported	Sale of Brazil Tissue and K-C Professional Business	Impairment of Intangible Assets	Pension Settlements	As Adjusted Non-GAAP
Cost of products sold	\$ 10,166	\$ 15	\$ -	\$ -	\$ 10,151
Gross profit	5,295	(15)	-	-	5,310
Marketing, research and general expenses	2,968	15	-	-	2,953
Impairment of intangible assets	658	-	658	-	-
Other (income) and expense, net	(5)	(74)	-	-	69
Operating profit	1,674	44	(658)	-	2,288
Nonoperating expense	(78)	-	-	(31)	(47)
Provision for income taxes	(298)	(18)	175	8	(463)
Effective tax rate	21.2%	-	-	-	22.6%
Net (income) loss attributable to noncontrolling interests	3	-	20	-	(17)
Net Income attributable to Kimberly-Clark Corporation	1,255	26	(463)	(23)	1,715
Diluted earnings per share <sup>(a)</sup>	3.70	0.08	(1.36)	(0.07)	5.06

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



# Press Releases – Previous Quarters

<b>Title</b>	<b>Hyperlink</b>
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 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>
Kimberly-Clark Announces First Quarter 2024 Results and Raises 2024 Outlook	<a href="#">Q1 2024</a>
Kimberly-Clark Announces Second Quarter 2024 Results and Raises 2024 Outlook	<a href="#">Q2 2024</a>