

 **Kimberly-Clark** de México

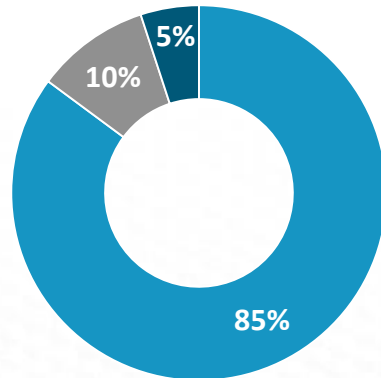
Presentation 4Q17



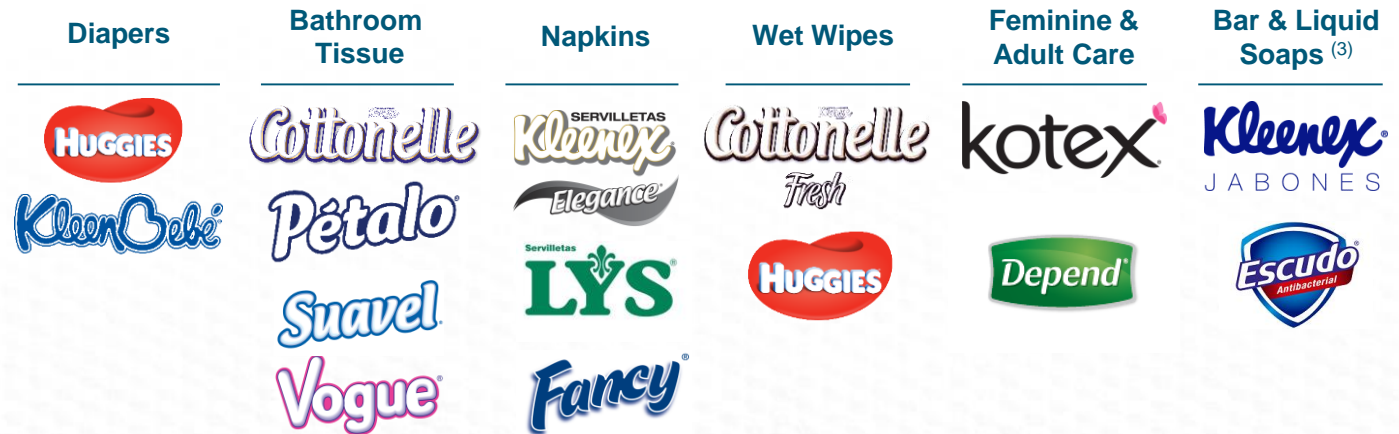
KCM today

2017 Sales: US\$2.0bn⁽¹⁾

Market Cap of US\$5.7bn⁽²⁾



- Consumer Products
- Professional
- Exports



Market **leader**



Solid **financial** position



Above average **profitability**



Access to leading **technology & brands**



Strong **growth** potential



Very **efficient** production facilities

(1) 2017 average FX rate 18.81

(2) As of January 18, 2018. (FX rate 18.60)

(3) Includes 4e

KCM is Well Positioned to Continue Delivering Industry-Leading Results



Kimberly-Clark de México

Despite notable headwinds on the last couple of years...

...The successful implementation of our corporate strategy...

...Allows us to continue delivering results and positions us to outperform going forward.

MXN depreciation

Higher raw material prices

Weak consumption environment

Challenging competitive environment

Pricing initiatives and drive volume

Operational efficiencies and cost reduction initiatives

Continued investing in product improvements and capacity expansion

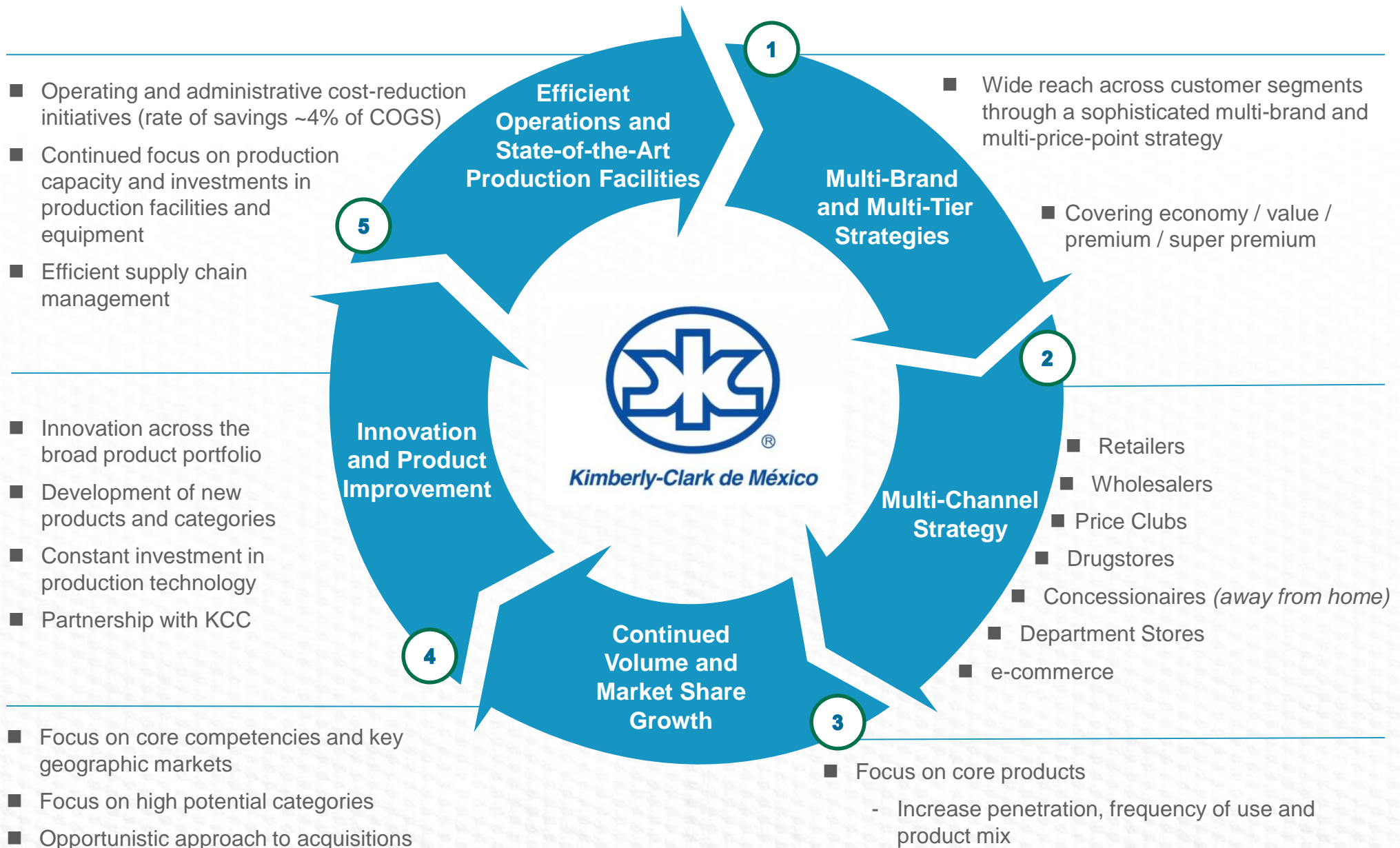
Product innovation

Company related

- Leading position
- Multi-brand; Multi-tier & Multi-channel strategy
- Extensive product portfolio
- Efficient production facilities
- Innovative product solutions
- Efficient manufacturing and logistics processes
- Above average profitability levels
- Robust FCF generation
- Solid cash balances

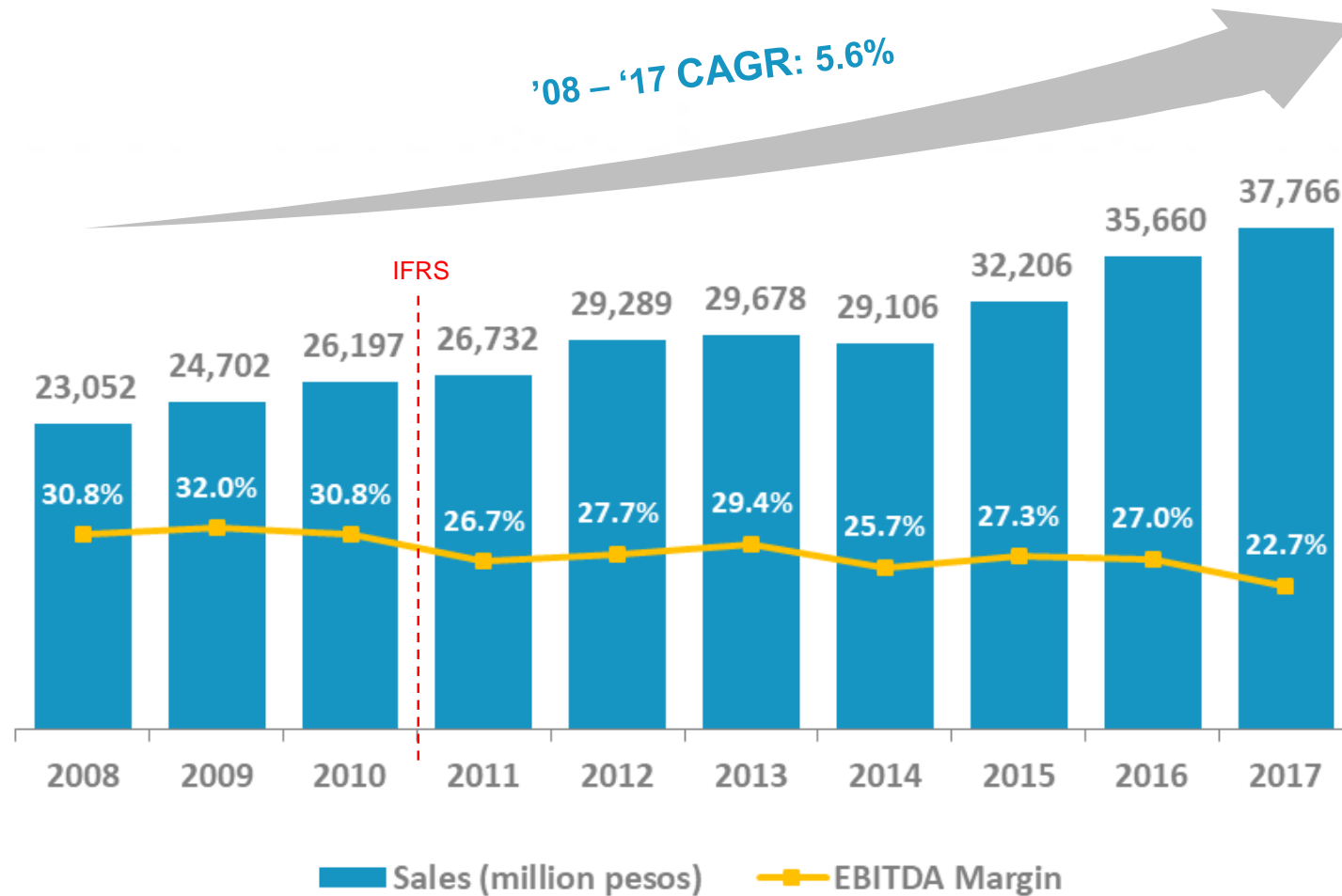
Macro and industry related

- Nondurable Consumer products industry resiliency
- Gradual recovery of the Mexican economy



Historical Financial Performance

(Figures in Ps. million)



KCM has increased its dividends in real terms over more than 50 years

4Q & Full Year 2017 Results

	<u>4Q'17</u>	<u>4Q'16</u>	<u>CHANGE</u>	<u>2017</u>	<u>2016</u>	<u>CHANGE</u>
NET SALES	\$9,432	\$9,381	0.5%	\$37,766	\$35,660	5.9%
GROSS PROFIT	3,413	3,551	(3.9)%	13,402	13,785	(2.8)%
OPERATING PROFIT	1,791	1,974	(9.3)%	6,981	8,018	(12.9)%
NET INCOME	1,075	1,193	(9.9)%	4,037	4,794	(15.8)%
EBITDA	2,171	2,342	(7.3)%	8,581	9,619	(10.8)%

	<u>4Q'17</u>	<u>4Q'16</u>	<u>CHANGE pp</u>	<u>2017</u>	<u>2016</u>	<u>CHANGE pp</u>
GROSS MARGIN	36.2	37.9	(1.7)	35.5	38.7	(3.2)
OPERATING MARGIN	19.0	21.0	(2.0)	18.5	22.5	(4.0)
NET MARGIN	11.4	12.7	(1.3)	10.7	13.4	(2.7)
EBITDA MARGIN	23.0	25.0	(2.0)	22.7	27.0	(4.3)

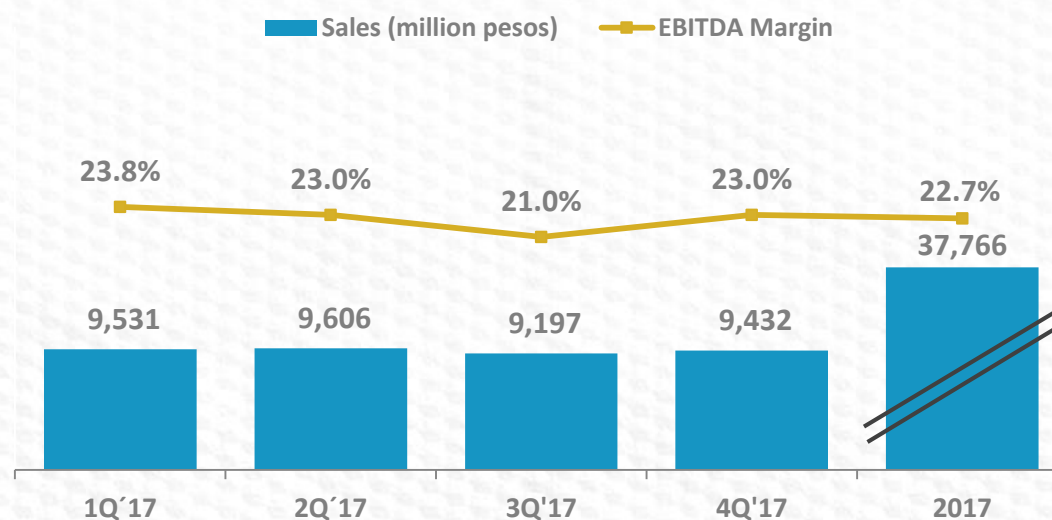
4Q 17 Results

Sales

- ✓ Price/mix contribution of +3.1%
- ✓ Double digit growth in profesional
- ✓ Higher exports sales (new tissue machine – more parent rolls for export)
- ✗ Weak consumption environment

Profitability

- ✗ Higher prices in some raw materials and energy
- ✗ Increase in SG&As : mainly distribution costs
- ✓ Cost reduction program (Ps. +300 million 4Q17)
- ✓ Maintaining lean operations & investments





Private consumption decelerating

Strong brands & position

Price increases & mix improvements

Costs: Higher raw material prices and FX uncertainty

Strong cost reduction program

Product innovations and improvements

Continue to explore new high potential categories

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