

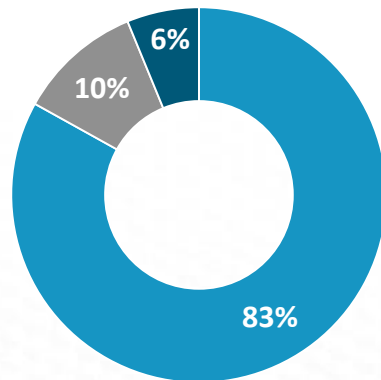
 **Kimberly-Clark** de México

Presentation 2Q19



















LTM 2Q'19 Sales: US\$2.2bn⁽¹⁾

Market Cap of US\$5.5bn⁽²⁾



- Consumer Products
- Professional
- Exports

Diapers	Bathroom Tissue	Napkins	Wet Wipes	Feminine & Adult Care	Bar & Liquid Soaps ⁽³⁾
 	   	   	 	 	 



Strong **brands**



Solid **financial** position



Above average **profitability**



Access to leading **technology & brands**



Great **growth** potential



Very **efficient** production facilities

(1) LTM 2Q'19 average FX rate 19.43

(2) As of June 2019. (FX rate 19.02)

(3) Includes 4e

KCM is Well Positioned to Continue Delivering Industry-Leading Results

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

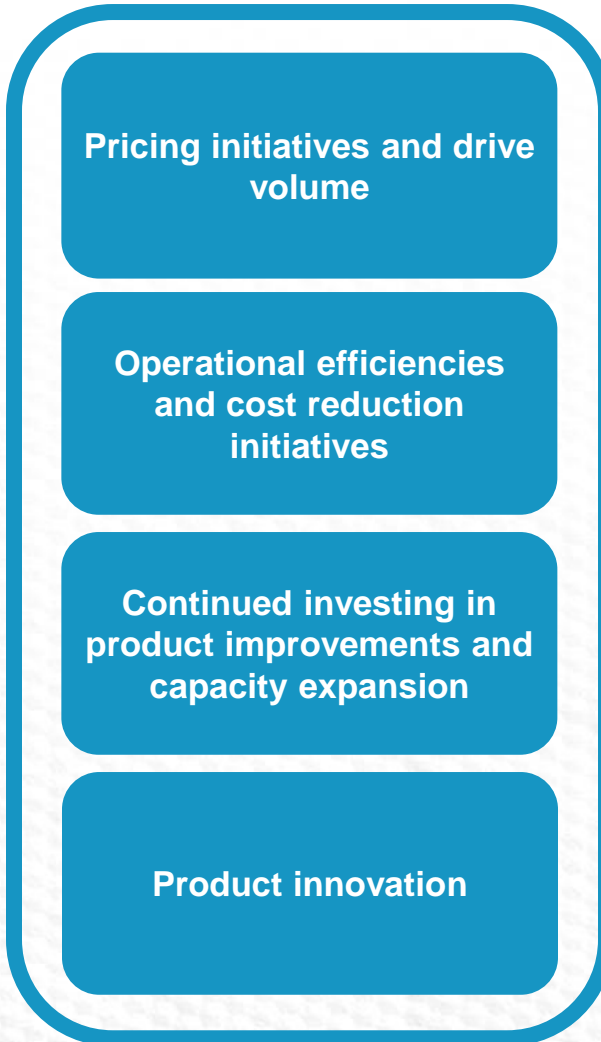
MXN depreciation

Higher raw material prices

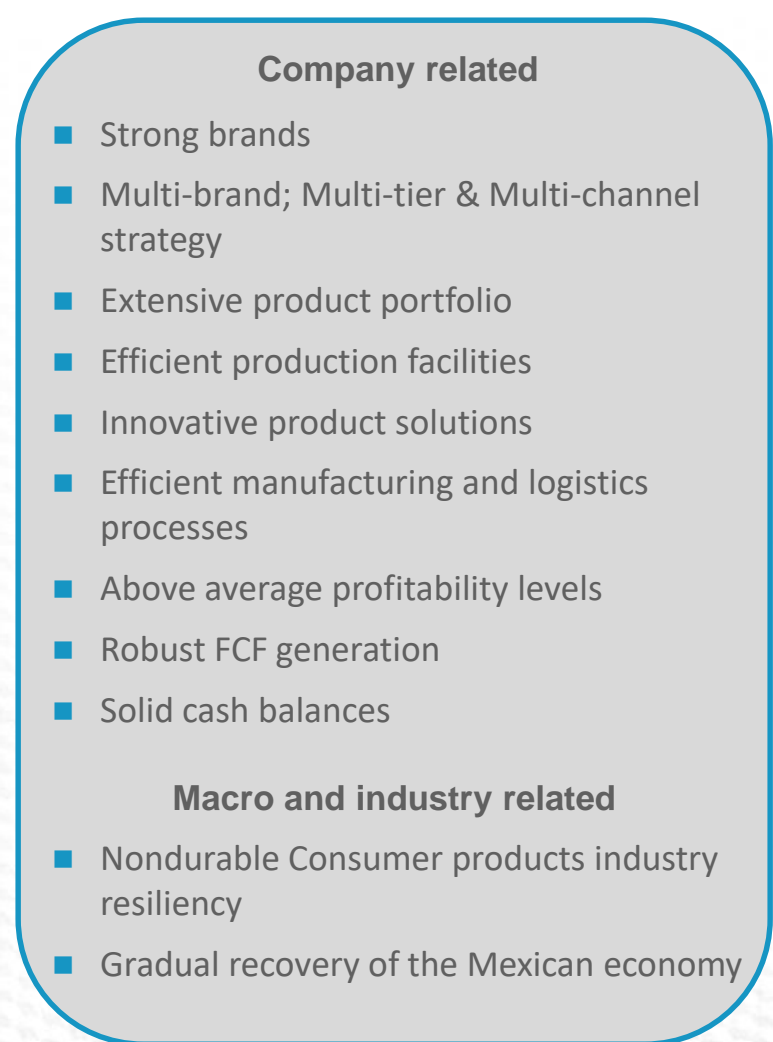
Weak consumption environment

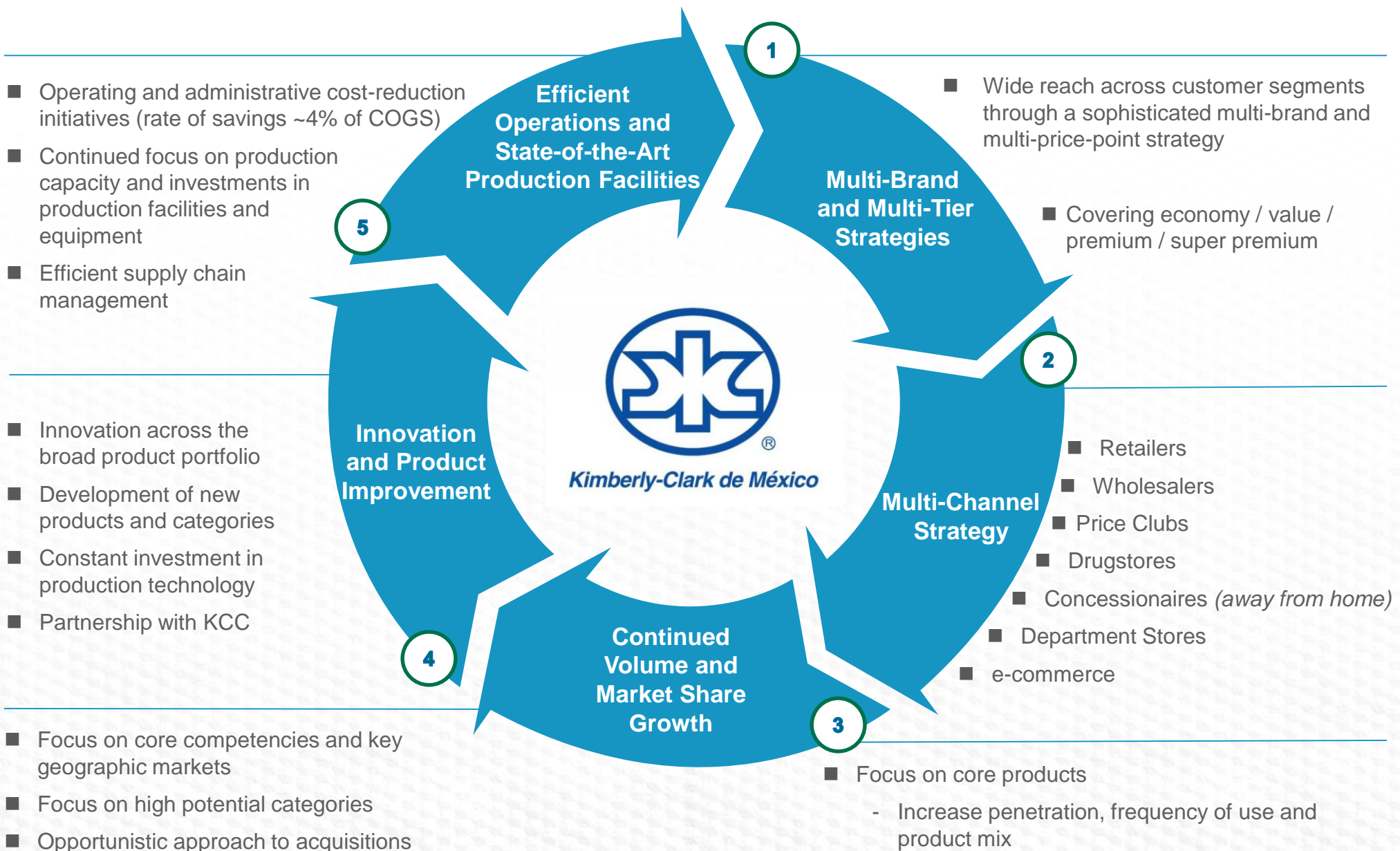
Challenging competitive environment

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



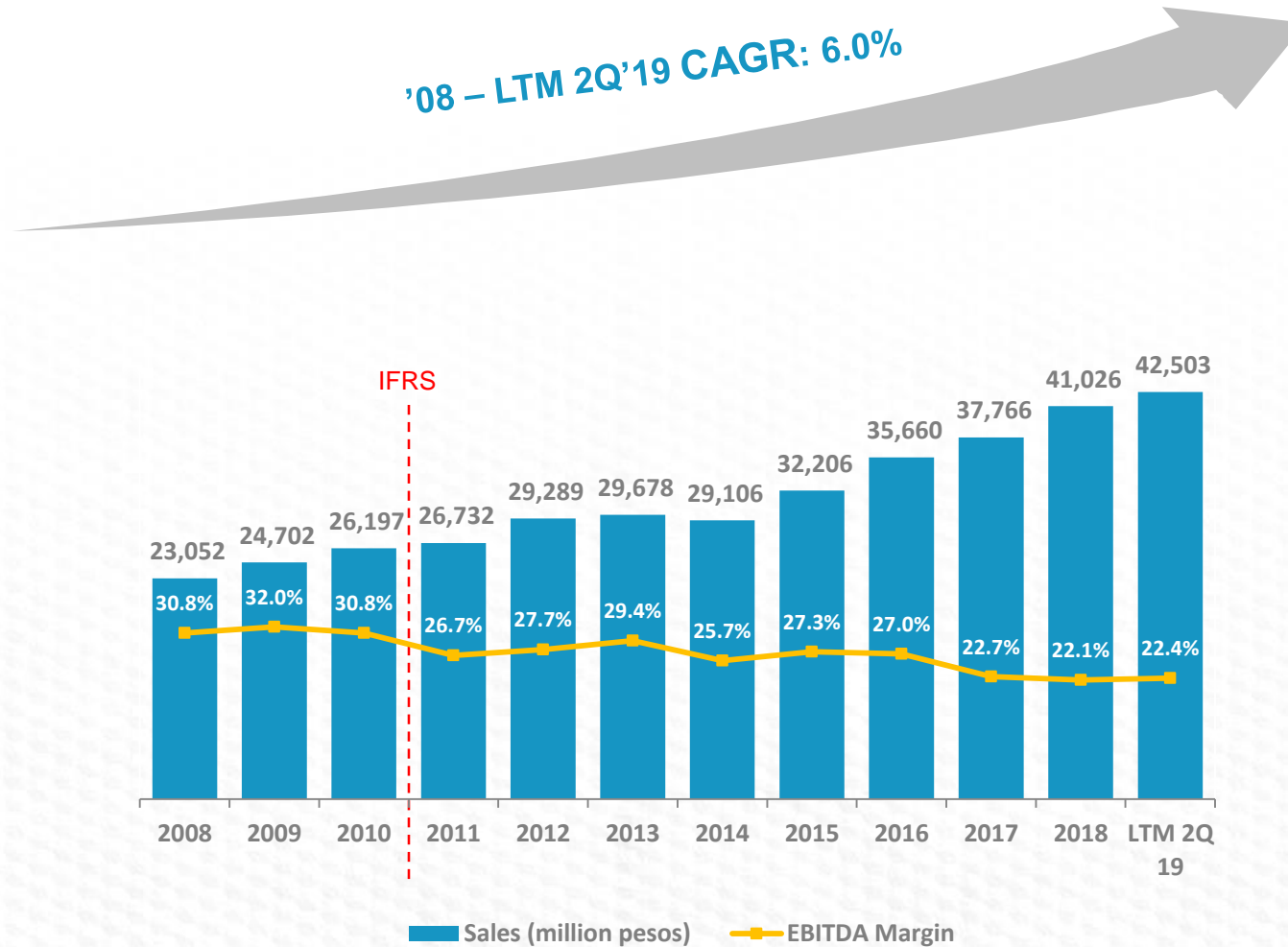
...Allows us to continue delivering results and positions us to outperform going forward.





Historical Financial Performance

(Figures in Ps. million)



KCM has distributed most of its earnings through dividends over more than 50 years

2Q 2019 Results

2Q 19 Results

	<u>2Q'19</u>	<u>2Q'18</u>	<u>CHANGE</u>
NET SALES	\$11,286	\$10,589	6.6%
GROSS PROFIT	4,199	3,815	10.0%
OPERATING PROFIT	2,297	2,036	12.8%
NET INCOME	1,307	1,100	18.8%
EBITDA	2,802	2,439	14.9%

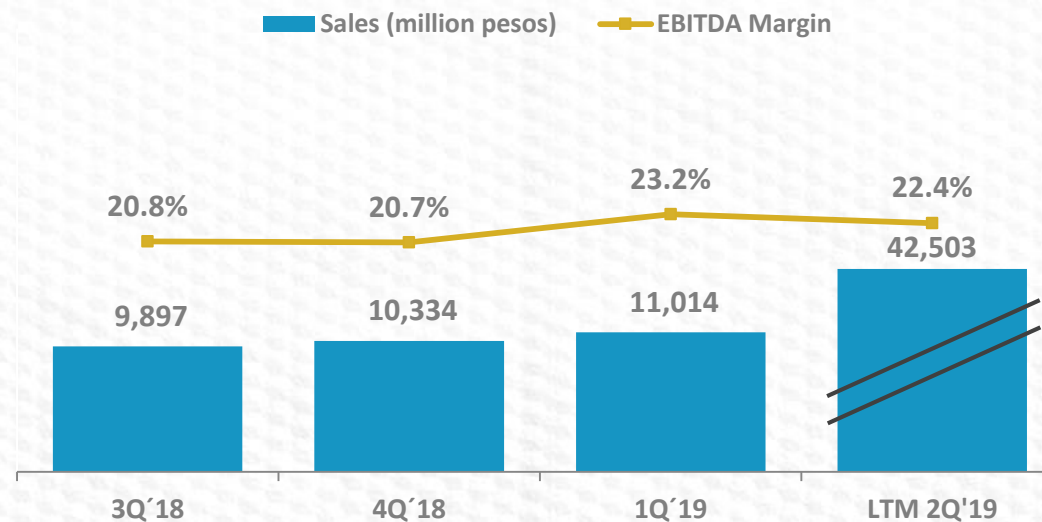
Sales

- ✓ Price/mix contribution of +8.4%
- ✓ Solid growth in Professional
- ✗ Lower Exports sales (More tissue rolls sold domestically)

	<u>2Q'19</u>	<u>2Q'18</u>	<u>CHANGE pp</u>
GROSS MARGIN	37.2	36.0	1.2
OPERATING MARGIN	20.4	19.2	1.2
NET MARGIN	11.6	10.4	1.2
EBITDA MARGIN	24.8	23.0	1.8

Profitability

- ✗ Higher energy costs
- ✓ SG&A's as % of sales down vs last year
- ✓ Raw material pressures start to decrease
- ✓ Cost reduction program (Ps. \$400 million 2Q19)



Private consumption decelerating

Strong brands

Price increases & mix improvements

Costs: Slightly better environment but still challenging

Strong cost reduction program

Product innovations and improvements

Continue to support high potential categories



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