

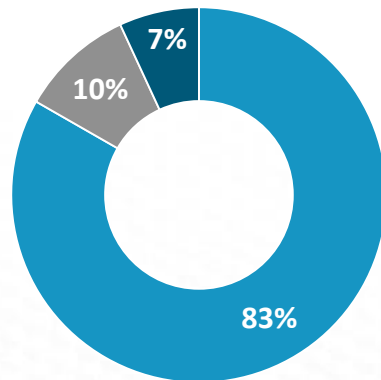
 **Kimberly-Clark** de México

## Presentation 4Q18



2018 Sales: US\$2.1bn<sup>(1)</sup>

Market Cap of US\$5.0bn<sup>(2)</sup>



- Consumer Products
- Professional
- Exports

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

- Strong brands
- Above average profitability
- Great growth potential

- Solid financial position
- Access to leading technology & brands
- Very efficient production facilities

(1) LTM 4Q'18 average FX rate 19.26  
 (2) As of Jan 18, 2018. (FX rate 19.09)  
 (3) Includes 4e

# KCM is Well Positioned to Continue Delivering Industry-Leading Results

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

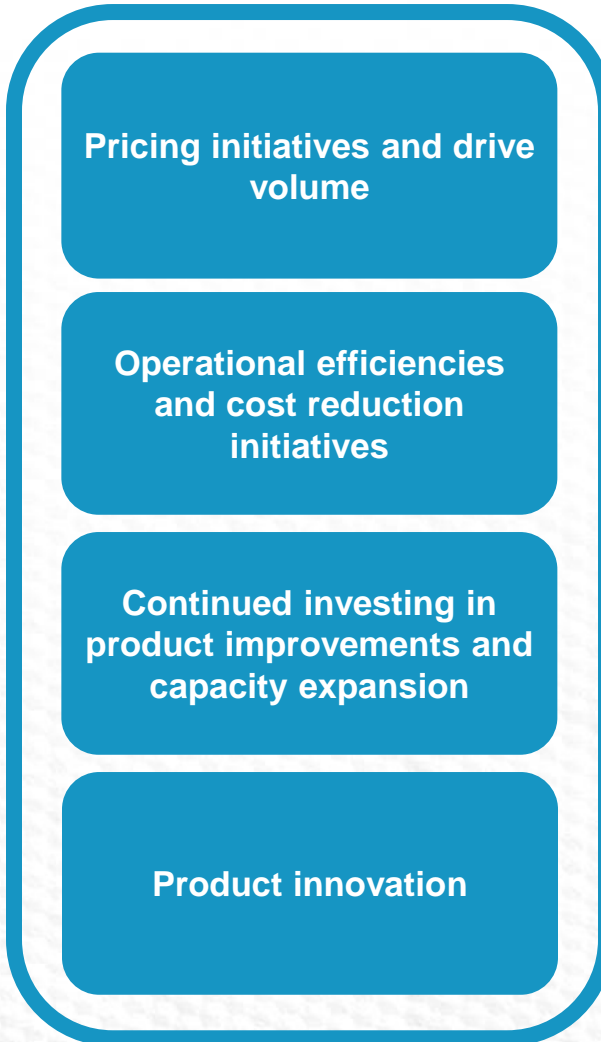
**MXN depreciation**

**Higher raw material prices**

**Weak consumption environment**

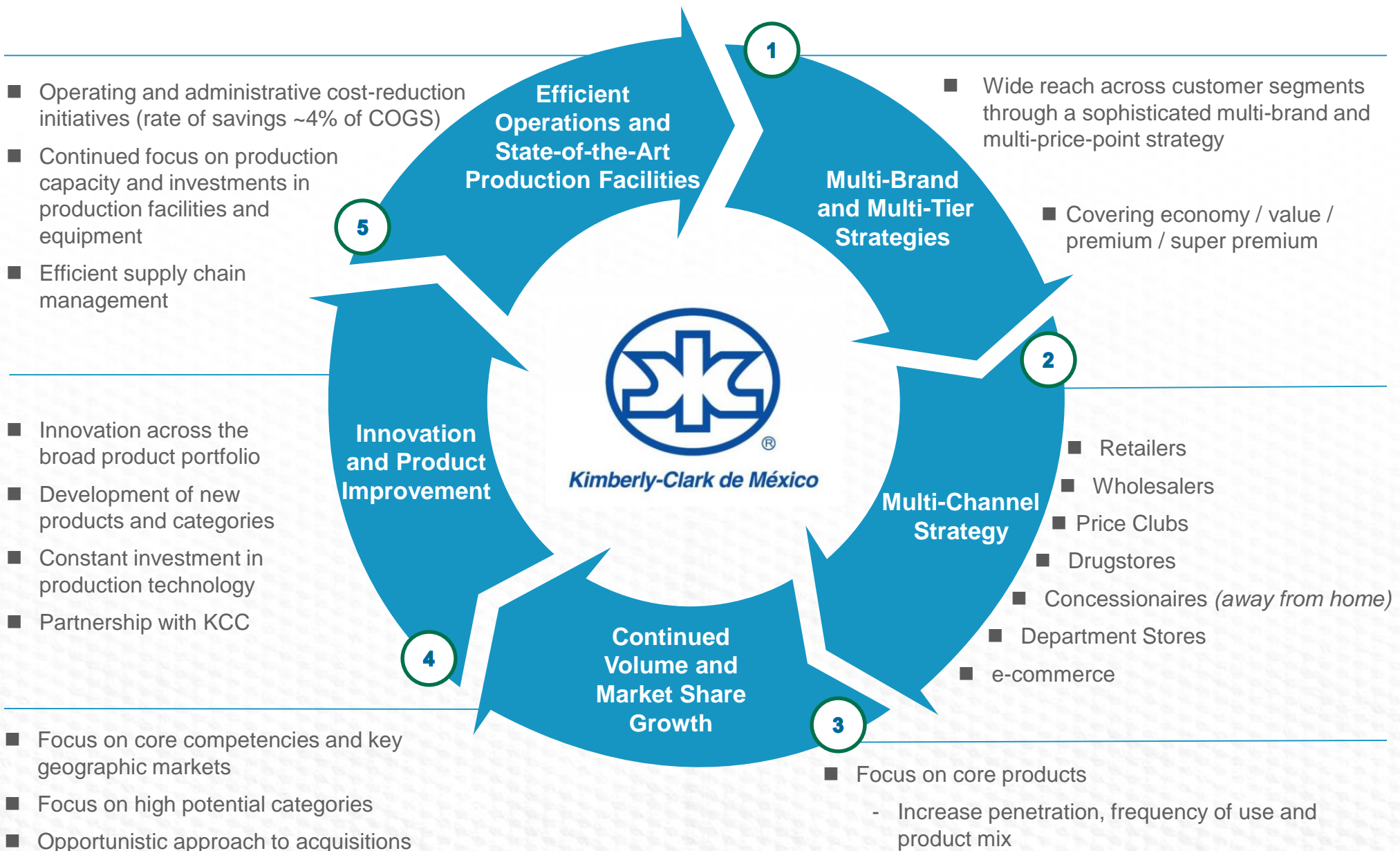
**Challenging competitive environment**

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



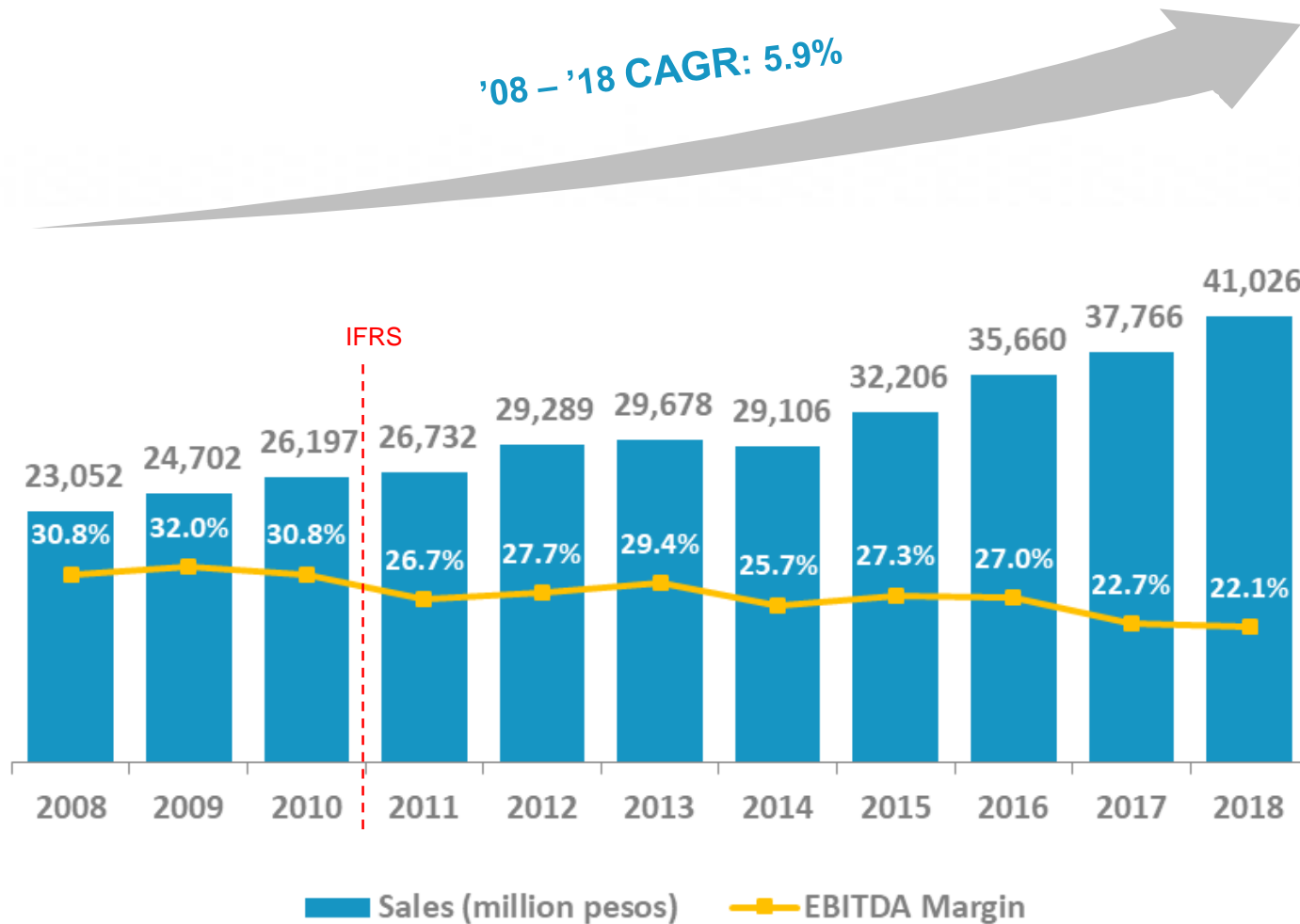
...Allows us to continue delivering results and positions us to outperform going forward.





# Historical Financial Performance

(Figures in Ps. million)



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

# 4Q and Full Year 2018 Results

## 4Q 18 Results

	<u>4Q'18</u>	<u>4Q'17</u>	<u>CHANGE</u>	<u>2018</u>	<u>2017</u>	<u>CHANGE</u>
NET SALES	\$10,334	\$9,432	9.6%	\$41,026	\$37,766	8.6%
GROSS PROFIT	3,442	3,413	0.9%	14,340	13,402	7.0%
OPERATING PROFIT	1,757	1,791	(1.9)%	7,508	6,981	7.5%
NET INCOME	1,016	1,075	(5.5)%	4,227	4,037	4.7%
EBITDA	2,139	2,171	(1.5)%	9,070	8,581	5.7%

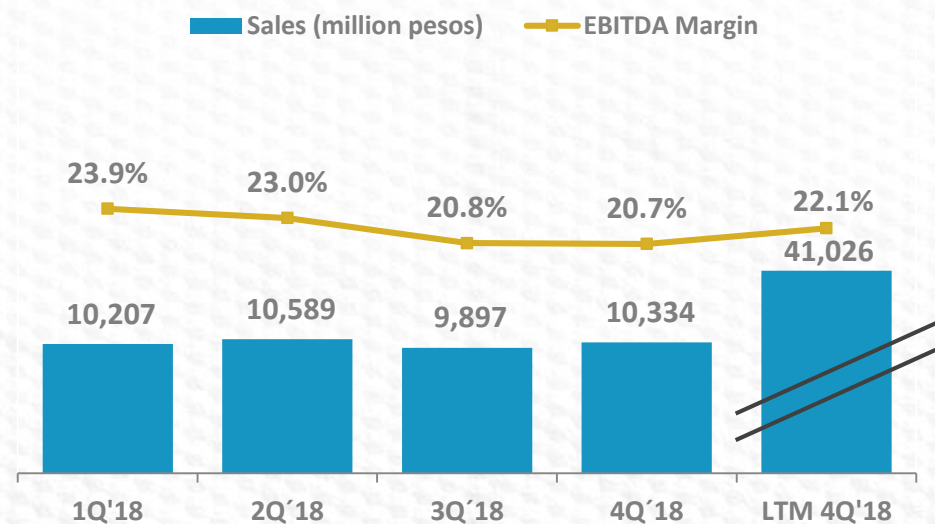
### Sales

- ✓ Price/mix contribution of +9%
- ✓ Positive domestic volumes
- ✓ Stable consumption environment

	<u>4Q'18</u>	<u>4Q'17</u>	<u>CHANGE pp</u>	<u>2018</u>	<u>2017</u>	<u>CHANGE pp</u>
GROSS MARGIN	33.3	36.2	(2.9)	35.0	35.5	(0.5)
OPERATING MARGIN	17.0	19.0	(2.0)	18.3	18.5	(0.2)
NET MARGIN	9.8	11.4	(1.6)	10.3	10.7	(0.4)
EBITDA MARGIN	20.7	23.0	(2.3)	22.1	22.7	(0.6)

### Profitability

- ✗ Strong raw material pressure continues
- ✗ Higher energy costs
- ✓ SG&A's as % of sales down vs last year
- ✓ Cost reduction program (Ps. \$400 million 4Q18)



Consumption: encouraging signs going forward

Strong brands

Price increases & mix improvements

Costs: Higher raw material prices and FX volatility

Strong cost reduction program

Product innovations and improvements

Continue to support high potential categories



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Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors and undue reliance should not be placed on these forward-looking statements. We cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.

In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.