Non-GAAP Financial Measures
Used in Kimberly-Clark Corporation's
Barclays Global Consumer Staples Conference
(September 2022)

In Kimberly-Clark Corporation's presentation at the Barclays Global Consumer Staples Conference in September 2022, adjusted earnings per share for the periods presented have not been calculated in accordance with generally accepted accounting principles in the U.S., or GAAP, and are therefore referred to as non-GAAP financial measures ("non-GAAP measures").

Non-GAAP measures exclude certain items that are included in the company's earnings per share calculated in accordance with GAAP. A detailed explanation of each of the adjustments to the comparable GAAP financial measures is given below.

Kimberly-Clark provides non-GAAP measures as supplemental information to our GAAP financial measures. Management and the company's Board of Directors use non-GAAP measures to (a) evaluate the company's historical and prospective financial performance and its performance relative to its competitors, (b) allocate resources and (c) measure the operational performance of the company's business units and their managers. Additionally, the Management Development and Compensation Committee of the company's Board of Directors uses certain non-GAAP measures when setting and assessing achievement of incentive compensation goals. These goals are based, in part, on the company's adjusted earnings per share determined by excluding certain charges and benefits that are used in calculating non-GAAP measures.

We calculate non-GAAP measures by excluding from the comparable GAAP measure some or all of the following:

- *Pension settlements.* In the second quarter of 2022, the company recognized pension settlement charges related to lump-sum distributions from pension plan assets exceeding the total of annual service and interest costs resulting in a recognition of deferred actuarial losses.
- *Acquisition of controlling interest in Thinx.* In the first quarter of 2022, the company completed the acquisition of a majority and controlling share of Thinx. As a result of this transaction, a net benefit was recognized primarily due to the non-recurring, non-cash gain recognized related to the remeasurement of the carrying value of our previously held equity investment to fair value partially offset by transaction and integration costs.
- *2018 Global Restructuring Program.* In 2018, the company initiated a restructuring program to reduce our structural cost base by streamlining and simplifying our manufacturing supply

chain and overhead organization. Restructuring charges were incurred in 2018, 2019, 2020 and 2021. The restructuring actions were completed by the end of 2021.

- *Softex Indonesia acquisition-related costs*. The company incurred transaction and integration costs in 2020 associated with the acquisition of Softex Indonesia.
- *Brazil business tax credits.* In 2020, the company received a favorable legal ruling that resolved certain matters related to prior years' business taxes in Brazil.
- *Property sale gain.* In 2019, the company recognized a gain on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring.
- *U.S. tax reform related matters.* The company recognized a net charge in 2018 and a net benefit in 2017 associated with U.S. tax reform related matters.
- *Charges related to Venezuelan Operations.* In 2016 and 2015, the company recorded adjustments for the deconsolidation of its Venezuelan operations.
- *2014 organization restructuring and related charges*. In 2014, the company initiated a restructuring program in order to improve organization efficiency and offset the impact of stranded overhead costs resulting from the spin-off of the company's health care business. The restructuring was completed by the end of 2016.

The presentation also contains organic net sales which describes the impact of changes in volume, net selling prices and product mix on net sales. Changes in foreign currency exchange rates, acquisitions and exited businesses also impact the year-over-year change in net sales.

Non-GAAP measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures. There are limitations to non-GAAP measures because they are not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items being excluded. The company compensates for these limitations by using non-GAAP measures as a supplement to the GAAP measures and by providing the reconciliations of the non-GAAP and comparable GAAP measures. The non-GAAP measures should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP.