

ModernGraham Valuation

Company Name:

Kimberly Clark Corp

Company Ticker

KMB

Date of Analysis

6/24/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$48,018,096,940	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.96	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	0.87%	Fail
5. Earnings Growth	PEmg < 20	29.05	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	441.88	Fail
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.96	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-28.77	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.56
MG Growth Estimate	0.92%
MG Value	\$47.14
MG Value based on 3% Growth	\$66.15
MG Value based on 0% Growth	\$38.78
Market Implied Growth Rate	10.28%

MG Opinion

Current Price	\$132.54
% of Intrinsic Value	281.17%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.31
Graham Number	\$6.37
PEmg	29.05
Current Ratio	0.96
PB Ratio	441.88
Current Dividend	\$3.56
Dividend Yield	2.69%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.95	Next Fiscal Year Estimate	\$4.56
Dec2015	\$2.77	Dec2015	\$3.96
Dec2014	\$4.04	Dec2014	\$4.53
Dec2013	\$5.53	Dec2013	\$4.71
Dec2012	\$4.42	Dec2012	\$4.30
Dec2011	\$3.99	Dec2011	\$4.23
Dec2010	\$4.45	Dec2010	\$4.26
Dec2009	\$4.52	Dec2009	\$4.05
Dec2008	\$4.04	Dec2008	\$3.77
Dec2007	\$4.09	Dec2007	\$3.59
Dec2006	\$3.25	Dec2006	\$3.34
Dec2005	\$3.28	Dec2005	\$3.35
Dec2004	\$3.61	Dec2004	\$3.36
Dec2003	\$3.33	Dec2003	\$3.22
Dec2002	\$3.22	Dec2002	\$3.09
Dec2001	\$3.02	Dec2001	\$2.90
Dec2000	\$3.31	Dec2000	\$2.73
Dec1999	\$3.09	Balance Sheet Information 3/1/2016	
Dec1998	\$2.11	Total Current Assets	\$5,151,000,000
Dec1997	\$1.61	Total Current Liabilities	\$5,391,000,000
Dec1996	\$2.49	Long-Term Debt	\$6,904,000,000
		Total Assets	\$14,820,000,000
		Intangible Assets	\$1,498,000,000
		Total Liabilities	\$14,711,000,000
		Shares Outstanding (Diluted Average)	363,400,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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