

# ModernGraham Valuation

Company Name:

Kimberly Clark Corp

Company Ticker KMB

Date of Analysis

3/16/2018



## 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	\$39,286,121,685	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.89	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	46.06%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	19.57	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	62.96	Fail

*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	0.89	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.00	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.72
MG Growth Estimate	3.93%
<b>MG Value</b>	<b>\$93.69</b>
MG Value based on 3% Growth	\$82.99
MG Value based on 0% Growth	\$48.65
Market Implied Growth Rate	5.54%

### MG Opinion

Current Price	\$112.02
% of Intrinsic Value	119.57%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.34
Graham Number	\$16.24
PEmg	19.57
Current Ratio	0.89
PB Ratio	62.96
Current Dividend	\$3.88
Dividend Yield	3.46%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.54	Next Fiscal Year Estimate	\$5.72
Dec2017	\$6.40	Dec2017	\$5.19
Dec2016	\$5.99	Dec2016	\$4.58
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	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$3.31	Total Current Assets	\$5,211,000,000
Dec1999	\$3.09	Total Current Liabilities	\$5,858,000,000
Dec1998	\$1.99	Long-Term Debt	\$6,472,000,000
		Total Assets	\$15,151,000,000
		Intangible Assets	\$1,576,000,000
		Total Liabilities	\$14,522,000,000
		Shares Outstanding (Diluted Average)	353,500,000





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.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Kimberly Clark Corporation Annual Valuation – 2015 \\$KMB](#)
- [15 Companies in the Spotlight This Week – 2/1/14](#)
- [Kimberly Clark Corp \(KMB\) Annual Valuation](#)

**Other ModernGraham posts about related companies**

- [Signet Jewelers Ltd Valuation – March 2018 \\$SIG](#)
- [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)
- [Procter & Gamble Co Valuation – February 2018 \\$PG](#)
- [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
- [Coty Inc Valuation – Initial Coverage \\$COTY](#)
- [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
- [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
- [Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
- [Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
- [Avon Products Inc Valuation – July 2016 \\$AVP](#)