

ModernGraham Valuation

Company Name:

Kimberly Clark Corp

Company Ticker KMB

Date of Analysis

1/14/2019



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	\$40,257,491,250	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.75	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	29.94%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	23.13	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	362.04	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	0.75	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-3.38	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.03
MG Growth Estimate	1.63%
MG Value	\$59.11
MG Value based on 3% Growth	\$72.89
MG Value based on 0% Growth	\$42.73
Market Implied Growth Rate	7.31%

MG Opinion

Current Price	\$116.25
% of Intrinsic Value	196.66%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

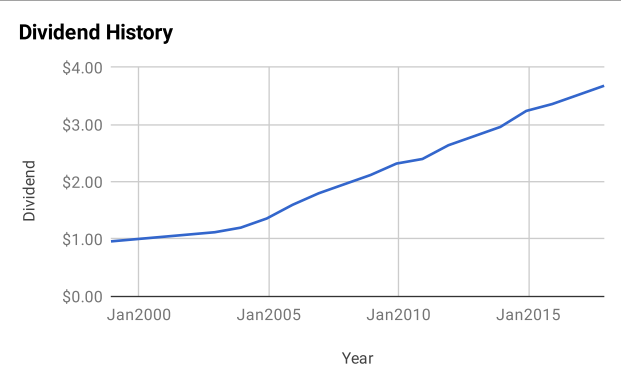
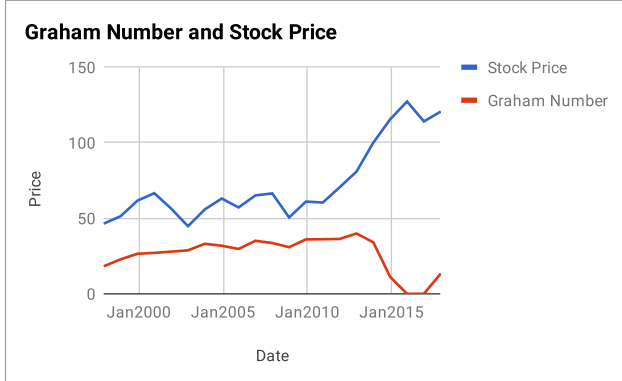
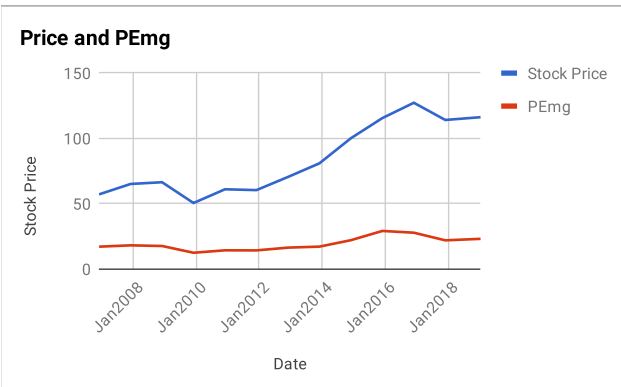
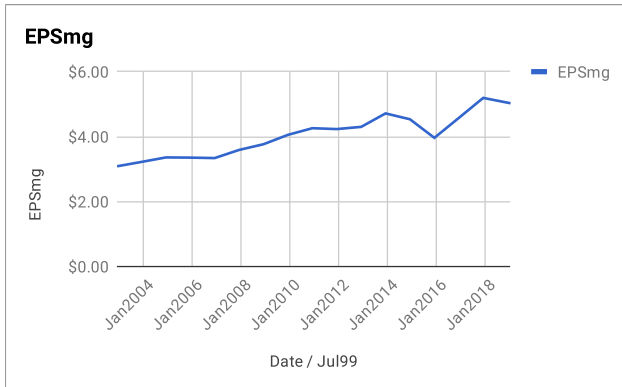
Net Current Asset Value (NCAV)	-\$26.84
Graham Number	\$13.39
PEmg	23.13
Current Ratio	0.75
PB Ratio	362.04
Current Dividend	\$3.88
Dividend Yield	3.34%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.45	Next Fiscal Year Estimate	\$5.03
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	Balance Sheet Information 9/1/2018	
Dec2000	\$3.31	Total Current Assets	\$5,108,000,000
Dec1999	\$3.09	Total Current Liabilities	\$6,805,000,000
Dec1998	\$1.99	Long-Term Debt	\$5,739,000,000
		Total Assets	\$14,583,000,000
		Intangible Assets	\$1,480,000,000
		Total Liabilities	\$14,471,000,000
		Shares Outstanding (Diluted Average)	348,800,000





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

- [Kimberly-Clark Corp Valuation – March 2018 \\$KMB](#)
- [Kimberly-Clark Corporation Valuation – June 2016 \\$KMB](#)
- [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](#)

Other ModernGraham posts about related companies

- [Newell Brands Inc Valuation – January 2019 \\$NWL](#)
- [Sleep Number Corp Valuation – July 2018 \\$SNBR](#)
- [National Presto Industries Inc Valuation – June 2018 \\$NPK](#)
- [Leggett & Platt Inc Valuation – June 2018 \\$LEG](#)
- [Clorox Co Valuation – May 2018 \\$CLX](#)
- [Newell Brands Inc Valuation – March 2018 \\$NWL](#)
- [La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
- [Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)
- [Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)
- [Newell Brands Inc Valuation – February 2017 \\$NWL](#)