



# Kimberly-Clark Corporation (KMB)

Updated February 15<sup>th</sup>, 2026, by Josh Arnold

## Key Metrics

<b>Current Price:</b>	\$109	<b>5 Year CAGR Estimate:</b>	11.7%	<b>Market Cap:</b>	\$36 B
<b>Fair Value Price:</b>	\$146	<b>5 Year Growth Estimate:</b>	2.0%	<b>Ex-Dividend Date:</b>	03/07/26 <sup>1</sup>
<b>% Fair Value:</b>	75%	<b>5 Year Valuation Multiple Estimate:</b>	6.1%	<b>Dividend Payment Date:</b>	04/02/26
<b>Dividend Yield:</b>	4.7%	<b>5 Year Price Target</b>	\$161	<b>Years Of Dividend Growth:</b>	54
<b>Dividend Risk Score:</b>	B	<b>Sector:</b>	Consumer Staples	<b>Rating:</b>	Hold

## Overview & Current Events

The Kimberly-Clark Corporation is a global consumer products company that operates in 175 countries and sells disposable consumer goods, including paper towels, diapers, and tissues. It operates through two segments that each house many popular brands: Personal Care Segment (*Huggies, Pull-Ups, Kotex, Depend, Poise*) and the Consumer Tissue segment (*Kleenex, Scott, Cottonelle, and Viva*), generating about \$20 billion in annual revenue. Kimberly-Clark trades with a market capitalization of \$36 billion and has increased its dividend for 54 consecutive years, making it a member of the extremely prestigious Dividend Kings.

Kimberly-Clark posted fourth quarter and full-year earnings on January 27<sup>th</sup>, 2026, and results were mixed. Sales fell 0.5% year-over-year to \$4.1 billion as organic sales growth of 2.1% was offset by a 2.5% decline resulting from the exit of the company's private label diaper business in the US. Organic sales growth was driven by volume and mix growth of 3%, partially offset by a 1.1% pricing headwind.

Adjusted gross margin was 37% of sales, in line with the year-ago period. Adjusted earnings-per-share came in at \$1.86, which was up from \$1.50 a year ago and a nickel ahead of estimates.

Management noted the merger with Kenvue was overwhelmingly approved by shareholders of both companies, and that it is expected to close in the second half of this year.

The dividend was also boosted to \$5.12 per share annually from \$5.04 previously. That is the 54<sup>th</sup> consecutive year of dividend increases for the company.

We start 2026 with a flat earnings estimate at \$7.50 per share.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$5.99	\$6.23	\$6.61	\$6.89	\$7.74	\$6.18	\$5.63	\$6.57	\$7.30	\$7.53	<b>\$7.50</b>	<b>\$8.28</b>
<b>DPS</b>	\$3.68	\$3.88	\$4.00	\$4.12	\$4.28	\$4.56	\$4.64	\$4.72	\$4.88	\$5.04	<b>\$5.12</b>	<b>\$5.94</b>
<b>Shares<sup>2</sup></b>	357	351	345	341	339	337	338	337	332	332	<b>332</b>	<b>325</b>

While Kimberly-Clark has not meaningfully grown its revenue for years, it has managed to grow its earnings-per-share thanks to share repurchases and its cost reduction programs. With operating margins rising steadily over time, increasing profitability is working to offset somewhat weak revenue numbers. Kimberly-Clark's management team has continuously extended this initiative. This will be a primary growth driver in the upcoming years, particularly as revenue growth topped out after 2020 results. We expect 2% annual earnings growth in the years to come, as we expect volumes to remain largely steady over time. The weak US dollar is a tailwind for now, but the company continues to face tariff uncertainty. The merger with Kenvue, if approved, will obviously result in rerating of expectations going forward.

<sup>1</sup> Estimated date

<sup>2</sup> Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Management has publicly stated targets of mid-single-digit growth in adjusted earnings-per-share annually, -1% to +3% organic sales growth, and dividend growth in-line with earnings-per-share growth. The company's cost saving programs have worked nicely up to this point, but we note that there will be a point when returns from these cost cuts diminish.

We see the dividend rising from the current payout of \$5.12 to \$5.94 as the company continues with slow rates of earnings growth and a relatively high payout ratio.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.2	19.9	16.7	18.8	18.3	21.7	24.1	18.5	18.0	18.0	14.5	19.5
Avg. Yld.	2.9%	3.1%	3.6%	3.2%	3.0%	3.4%	3.4%	3.9%	3.7%	3.7%	4.7%	3.7%

Excluding outlier years, Kimberly-Clark has traded at an average price-to-earnings ratio of about 19.5 over the last decade. This is in-line with its consumer staple dividend-paying stock competitors over the past few years but is much higher than the current price-to-earnings multiple of 14.5. With the valuation below our estimate of fair value, we see a sizable positive impact on total returns. The yield is 4.7%, which is near the highest level it's been for many years. We forecast the yield slightly declining over time.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	61%	62%	61%	60%	55%	74%	82%	72%	67%	67%	68%	72%

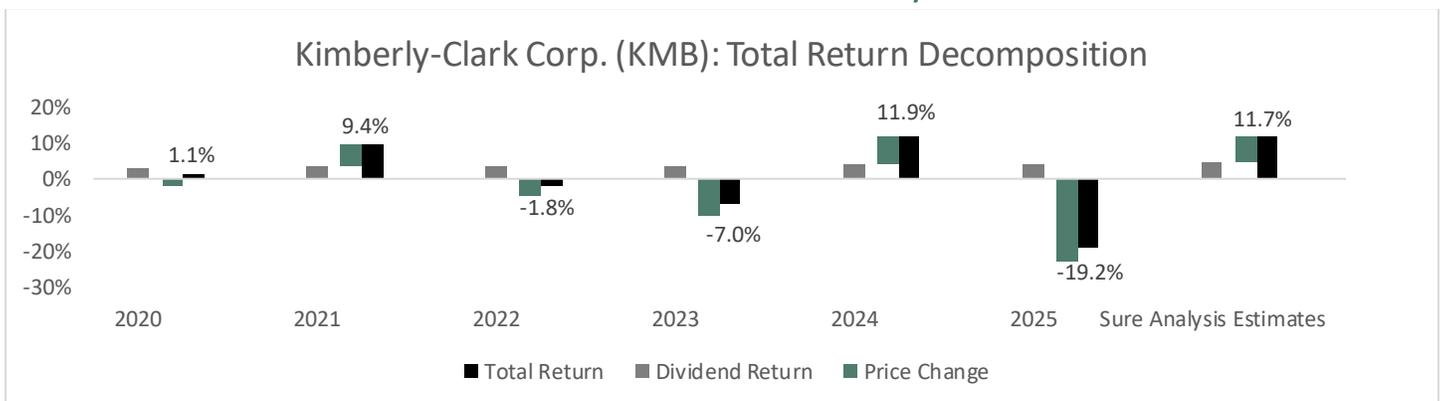
What stands out about Kimberly-Clark's quality metrics is its debt. The company maintains far more leverage than many of its peers in the large-capitalization dividend space. We believe its balance sheet is sound despite the high debt levels that it maintains; we also do not see any meaningful effort by management to reduce leverage at this point, particularly since so much of the company's cash is spent on the dividend payment. However, given its very stable earnings, its ability to service debt is also highly predictable.

Kimberly-Clark's competitive advantage is in its longstanding dominance with a variety of its brands, which are well known in the marketplace. It should also perform well during recessions as most of its products are consumable staples, which was evidenced during the COVID recession.

## Final Thoughts & Recommendation

Kimberly-Clark's total return outlook has declined slightly since our last update. We forecast 11.7% total annual returns, consisting of the current 4.7% yield, 2% earnings growth and a 6.1% tailwind from the valuation. The stock earns high marks for its dividend history, current yield, and stability, but growth remains a concern, along with the uncertainty of the merger with Kenvue. We reiterate a hold rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	18,287	18,348	18,486	18,450	19,140	19,440	20,175	20,431	20,058	16,447
<b>Gross Profit</b>	6,691	6,587	5,597	6,035	6,822	5,988	6,219	7,032	7,180	5,923
<b>Gross Margin</b>	36.6%	35.9%	30.3%	32.7%	35.6%	30.8%	30.8%	34.4%	35.8%	36.0%
<b>SG&amp;A Exp.</b>	3,300	3,202	3,367	3,254	3,632	3,399	3,581	3,961	4,311	3,528
<b>D&amp;A Exp.</b>	705	724	882	917	796	766	754	753	781	805
<b>Operating Profit</b>	3,383	3,358	2,229	2,991	3,244	2,561	2,681	3,002	3,307	2,395
<b>Op. Margin</b>	18.5%	18.3%	12.1%	16.2%	16.9%	13.2%	13.3%	14.7%	16.5%	14.6%
<b>Net Profit</b>	2,166	2,278	1,410	2,157	2,352	1,814	1,934	1,764	2,545	1,649
<b>Net Margin</b>	11.8%	12.4%	7.6%	11.7%	12.3%	9.3%	9.6%	8.6%	12.7%	10.0%
<b>Free Cash Flow</b>	2,461	2,144	2,093	1,527	2,512	1,723	1,857	2,776	2,513	1,639
<b>Income Tax</b>	922	776	471	576	676	479	495	453	565	599

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	14,602	15,151	14,518	15,283	17,523	17,837	17,970	17,344	16,546	17,098
<b>Cash &amp; Equivalents</b>	923	616	539	442	303	270	427	1,093	1,021	774
<b>Acc. Receivable</b>	2,077	2,203	2,050	2,131	2,132	2,207	2,280	2,135	2,009	1,738
<b>Inventories</b>	1,679	1,790	1,813	1,790	1,903	2,239	2,269	1,955	1,822	1,475
<b>Goodwill &amp; Int.</b>	1,480	1,576	1,474	1,496	2,727	2,650	2,925	2,282	2,051	1,916
<b>Total Liabilities</b>	14,485	14,269	14,564	15,089	16,654	17,100	17,270	16,276	15,571	15,446
<b>Accounts Payable</b>	2,609	2,834	3,190	3,055	3,336	3,840	3,813	3,653	3,715	3,388
<b>Long-Term Debt</b>	7,572	7,425	7,455	7,747	8,364	8,574	8,422	7,984	7,443	7,426
<b>Total Equity</b>	(102)	629	(287)	(33)	626	514	547	915	840	1,502
<b>LTD/E Ratio</b>	-74.24	11.80	-25.98	-234.8	13.36	16.68	15.40	8.73	8.86	5.03

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	14.7%	15.3%	9.5%	14.5%	14.3%	10.3%	10.8%	10.0%	15.0%	9.8%
<b>Return on Equity</b>	---	865%	825%	---	793%	318%	365%	241%	249%	124%
<b>ROIC</b>	27.9%	28.5%	17.9%	28.1%	27.4%	19.6%	21.0%	19.4%	29.1%	18.3%
<b>Shares Out.</b>	357	351	345	341	339	337	338	339	337	333
<b>Revenue/Share</b>	50.56	51.55	52.88	53.39	55.88	57.38	59.64	60.30	59.52	49.36
<b>FCF/Share</b>	6.80	6.02	5.99	4.42	7.33	5.09	5.49	8.19	7.46	4.92

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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