Kenvue Inc. (KVUE)

Updated March 1st, 2026, by Nathan Parsh

Key Metrics

Current Price:	$19.12	**5 Year Annual Expected Total Return:**	3.5%	**Market Cap:**	$36 B
Fair Value Price:	$15.68	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	05/14/26[1]
% Fair Value:	122%	**5 Year Valuation Multiple Estimate:**	-3.9%	**Dividend Payment Date:**	05/28/26[2]
Dividend Yield:	4.3%	**5 Year Price Target**	$18	**Years Of Dividend Growth:**	63
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

On May 4th, 2023, Johnson & Johnson (JNJ) completed its split off of its consumer healthcare group, called Kenvue Inc. Kenvue has three segments, including Self Care, Skin Health and Beauty, and Essential Health. Self-Care's product portfolio includes cough, cold, allergy, smoking cessation, and pain care products among others. Skin Health and Beauty holds products such as face, body, hair, and sun care. Essential Health contains products for women's health, wound care, oral care, and baby care. Well-known brands in Kenvue's product line up include Tylenol, Listerine, Band-Aid, Neutrogena, Nicorette, and Zyrtec. These businesses contributed approximately 17% of Johnson & Johnson's annual revenue. While Kenvue is a new, standalone business, it carries Johnson & Johnson's 60+ year dividend increase streak.

On July 30th, 2025, Kenvue announced that it was raising its quarterly dividend 1.2% to $0.2075.

On November 3rd, 2025, it was announced that Kimberly-Clark Corporation (KMB) had agreed to purchase Kenvue. The enterprise value of the acquisition is $48.7 billion. Shareholders will receive $3.50 in cash and 0.14625 shares of Kimberly-Clark stock for each Kenvue share that they own. This works out to a total value of $21.01 per Kenvue share based on the closing price of KMB on October 31st, 2025. Shareholders approved the deal on January 29th, 2026. The deal is still expected to close in the second half of 2026.

On February 17th, Kenvue announced fourth quarter and full year results for the period ending December 28th, 2025. For the quarter, revenue increased 3.3% to $3.78 billion, which was $90 million above estimates. Adjusted earnings-per-share of $0.27 compared to $0.26 last year and was $0.05 better than expected. For the year, revenue declined 2.1% to $15.1 billion while adjusted earnings-per-share of $1.08 was down from $1.14 in 2024.

Organic sales increased 1.2% for the quarter but fell 2.2% for the year. For the quarter, currency exchange acted as a 2.1% tailwind to results. Volume fell 1.1% and favorable value realization added 2.3% to results. Organic revenue for Self-Care grew 1.5%, Skin Health and Beauty improved 2.9%, and Essential Health was higher by 6.1%. Gross profit margin expanded 10 basis points to 58.8%.

Kenvue did not provide guidance for 2026 due to the pending transaction with Kimberly-Clark, but we would forecast that the company would earn $1.12 per share this year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	---	---	---	---	---	---	---	$1.29	$1.14	$1.08	***$1.12***	***$1.30***
DPS	---	---	---	---	---	---	---	$0.40	$0.81	$0.83	***$0.83***	***$0.96***
Shares[3]	---	---	---	---	---	---	---	1,919	1,929	1,916	***1,916***	***1,916***

Johnson & Johnson produced annual earnings growth of 7% over the last decade as the company's diversification allowed it to be one of the more stable companies in the market place. Kenvue consists of just the consumer products

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions of shares.
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.

businesses, which often produced the lowest levels of growth. Therefore, we expect that Kenvue will grow earnings-per-share by 3% annually through 2031.

Johnson & Johnson's dividend growth streak of more than six decades is one of the longest in the market place. The company is both a Dividend King and a Dividend Aristocrat. We believe that penchant for dividend growth is in Kenvue's business DNA. The annualized dividend of $0.83 per share represents a dividend yield of 4.3%, which is approximately four times the average of the S&P 500 Index. We also note that this yield is well above Johnson & Johnson's 10-year average yield of 2.7% for additional context.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	---	---	---	16.0	18.9	15.9	***17.1***	***14.0***
Avg. Yld.	---	---	---	---	---	---	---	1.9%	3.8%	4.8%	***4.3%***	***5.3%***

Shares of Kenvue have gained 10.2% since our December 1st, 2025 report. The stock is trading at close to 17 times expected earnings-per-share for 2026. For context, Johnson & Johnson shares have traded with an average price-to-earnings ratio of close to 19 over the last decade. Countering the fact that Kenvue holds some of the industry leading brands with the fact that these products were the lower margin businesses within the parent company, we have a target price-to-earnings ratio of 14.0 for the stock. This implies a headwind from multiple contraction. Therefore, valuation could reduce annual returns by 3.9% through 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

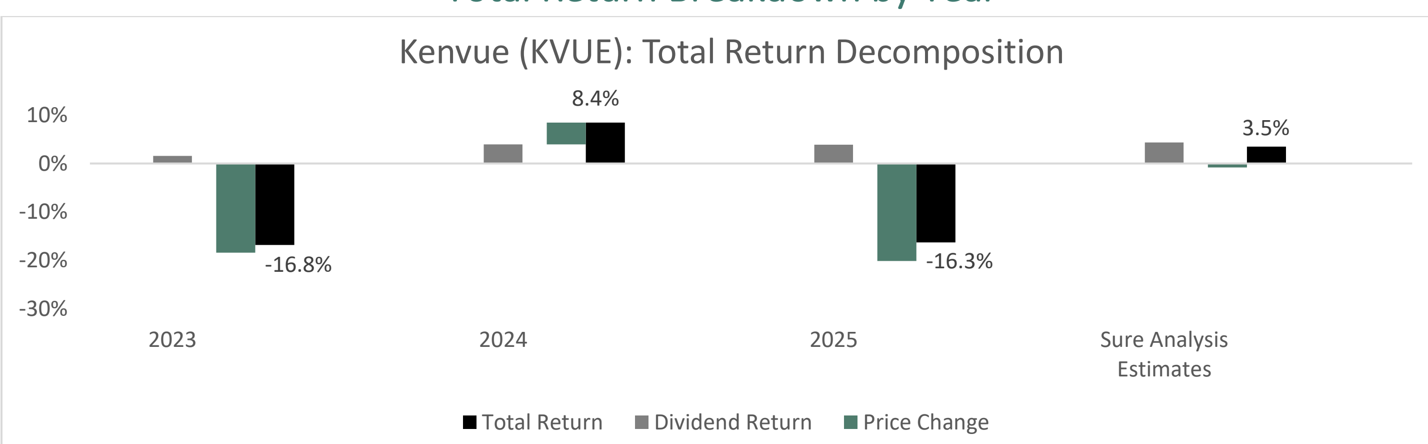
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	---	---	---	31%	71%	77%	***74%***	***74%***

Johnson & Johnson has proven to be one of the most successful companies at navigating recessions. Though Kenvue no longer benefits from its parent company's diversification, we believe that it would prove equally effective at handling economic downturns. The company's products, such as Band-Aid and Tylenol, are needed regardless of the state of the economy as they deal directly with consumers' health and well-being. As trusted products, they would like continue to perform well even under adverse conditions.

Final Thoughts & Recommendation

After fourth quarter results, Kenvue is projected to offer an annual return of 3.5% through 2031 compared to our prior estimate of 4.1%. This return stems from 3% earnings growth and a starting yield of 4.3% that are offset by a valuation headwind. However, these returns are purely hypothetical as the company is set to be acquired by Kimberly-Clark.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	---	---	---	14,317	14,469	15,043	14,929	15,443	15,456	15,123
Gross Profit	---	---	---	7,691	7,887	8,479	8,307	8,612	8,972	8,815
Gross Margin	---	---	---	53.7%	54.5%	56.4%	55.6%	55.8%	58.0%	58.3%
SG&A Exp.	---	---	---	5,198	4,956	5,484	5,633	6,141	6,329	6,088
D&A Exp.	---	---	---	709	746	731	644	627	622	557
Operating Profit	---	---	---	2,541	2,979	3,063	2,932	2,939	2,948	2,736
Operating Margin	---	---	---	17.7%	20.6%	20.4%	19.6%	19.0%	19.1%	18.1%
Net Profit	---	---	---	1,435	(879)	2,031	2,064	1,664	1,030	1,470
Net Margin	---	---	---	10.0%	-6.1%	13.5%	13.8%	10.8%	6.7%	9.7%
Free Cash Flow	---	---	---	2,709	3,168	39	2,150	2,699	1,329	1,722
Income Tax	---	---	---	685	(137)	894	573	526	385	529

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	---	---	---	---	29,177	27,929	27,316	27,851	25,601	27,076
Cash & Equivalents	---	---	---	---	618	740	1,231	1,382	1,070	1,062
Acc. Receivable	---	---	---	---	1,858	2,074	2,122	2,073	2,165	2,382
Inventories	---	---	---	---	1,685	1,702	2,226	1,851	1,591	1,666
Goodwill & Int.	---	---	---	---	21,936	20,511	19,038	18,890	17,317	18,203
Total Liabilities	---	---	---	---	10,821	7,530	7,346	16,640	15,933	16,311
Accounts Payable	---	---	---	---	1,579	1,827	1,829	2,459	2,267	2,414
Long-Term Debt	---	---	---	---	160	129	81	7,784	7,131	7,928
Total Equity	---	---	---	---	18,356	20,399	19,970	11,211	9,668	10,765
LTD/E Ratio	---	---	---	---	0.02	0.01	0.01	0.75	0.90	0.81

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	---	---	---			7.1%	7.5%	6.0%	3.9%	5.6%
Return on Equity	---	---	---			10.5%	10.2%	10.7%	9.9%	14.4%
ROIC	---	---	---			10.3%	10.1%	8.4%	5.4%	7.8%
Shares Out.	---	---	---					1,919	1,929	1,916
Revenue/Share	---	---	---	7.58	7.66	7.96	7.80	8.06	8.08	7.86
FCF/Share	---	---	---	1.43	1.68	0.02	1.12	1.41	0.69	0.90

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