



Kimberly-Clark Corporation (KMB)

Updated August 12th, 2026, by Josh Arnold

Key Metrics

Current Price:	\$109	5 Year CAGR Estimate:	11.5%	Market Cap:	\$36 B
Fair Value Price:	\$138	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	09/07/26 ¹
% Fair Value:	79%	5 Year Valuation Multiple Estimate:	4.8%	Dividend Payment Date:	10/02/26
Dividend Yield:	4.7%	5 Year Price Target	\$160	Years Of Dividend Growth:	54
Dividend Risk Score:	B	Sector:	Consumer Staples	Rating:	Buy

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 second quarter earnings on August 4th, 2026, and result were mixed. Adjusted earnings-per-share were 11 cents better than expected at \$2.12. Revenue was up 1% year-over-year to \$4.2 billion, but did fractionally miss estimates. Organic sales were flat as the company exited the US private label diaper business, among other changes.

Gross margin was 38.8% of revenue on an adjusted basis, which was an impressive 190 basis points higher than the same period a year ago. Adjusted operating profit was up 6% to \$757 million, driven by one-time tariff refunds, productivity savings, and favorable currency impacts.

The company expects organic sales growth to be 100 basis points below weighted average category growth, with category growth around 2% on a trailing-twelve-month basis. Adjusted operating profit is expected to be higher by mid-single digits on a constant-currency basis.

We've very slightly reduced our estimate of earnings-per-share for this year to \$7.45, down about 1% from our prior estimate.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.99	\$6.23	\$6.61	\$6.89	\$7.74	\$6.18	\$5.63	\$6.57	\$7.30	\$7.53	\$7.45	\$8.64
DPS	\$3.68	\$3.88	\$4.00	\$4.12	\$4.28	\$4.56	\$4.64	\$4.72	\$4.88	\$5.04	\$5.12	\$5.94
Shares²	357	351	345	341	339	337	338	337	332	332	332	325

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 3% 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.

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.

¹ Estimated date

² 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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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	14.6	18.5
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 14.6. 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 quite elevated by historical standards. We forecast the yield somewhat 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%	69%	69%

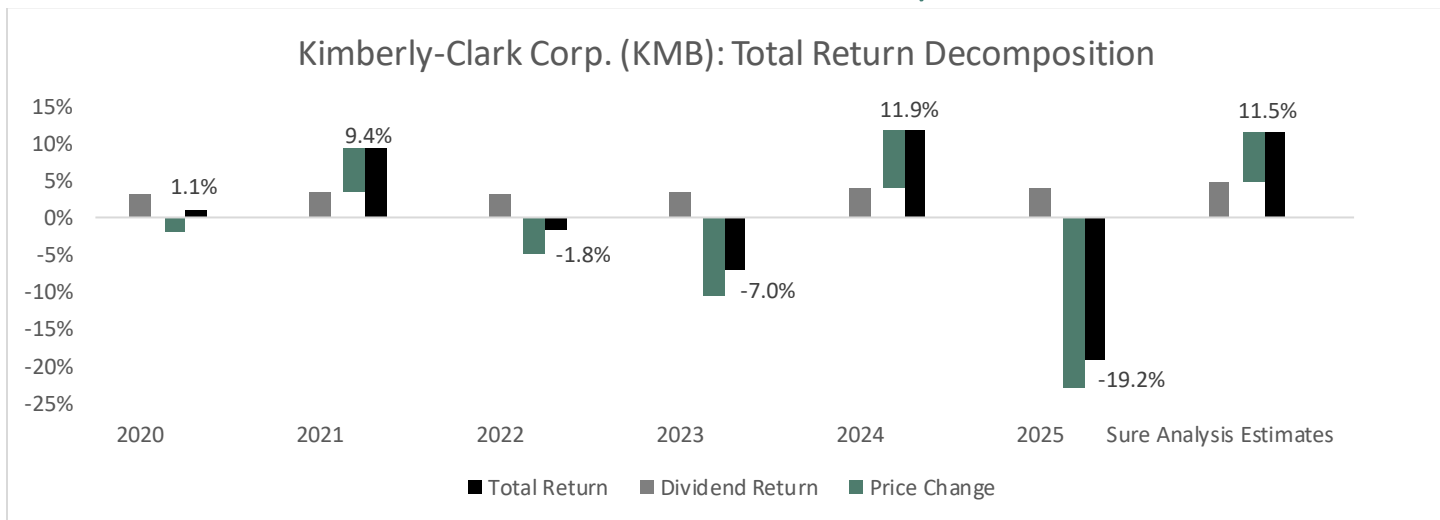
What stands out about Kimberly-Clark's quality metrics is its debt. The company maintains far more leverage than many of its peers in the large-capitalization dividend space. We believe its balance sheet is sound despite the high debt levels that it maintains; we also do not see any meaningful effort 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 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 11.5% total annual returns, consisting of the current 4.7% yield, 3% earnings growth and a 4.8% 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 are reiterating our buy rating after a mixed Q2.

Total Return Breakdown by Year



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Income Statement Metrics

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

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	14,602	15,151	14,518	15,283	17,523	17,837	17,970	17,344	16,546	17,098
Cash & Equivalents	923	616	539	442	303	270	427	1,093	1,021	774
Acc. Receivable	2,077	2,203	2,050	2,131	2,132	2,207	2,280	2,135	2,009	1,738
Inventories	1,679	1,790	1,813	1,790	1,903	2,239	2,269	1,955	1,822	1,475
Goodwill & Int.	1,480	1,576	1,474	1,496	2,727	2,650	2,925	2,282	2,051	1,916
Total Liabilities	14,485	14,269	14,564	15,089	16,654	17,100	17,270	16,276	15,571	15,446
Accounts Payable	2,609	2,834	3,190	3,055	3,336	3,840	3,813	3,653	3,715	3,388
Long-Term Debt	7,572	7,425	7,455	7,747	8,364	8,574	8,422	7,984	7,443	7,426
Total Equity	(102)	629	(287)	(33)	626	514	547	915	840	1,502
LTD/E Ratio	-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
Return on Assets	14.7%	15.3%	9.5%	14.5%	14.3%	10.3%	10.8%	10.0%	15.0%	9.8%
Return on Equity	---	865%	825%	---	793%	318%	365%	241%	249%	124%
ROIC	27.9%	28.5%	17.9%	28.1%	27.4%	19.6%	21.0%	19.4%	29.1%	18.3%
Shares Out.	357	351	345	341	339	337	338	339	337	333
Revenue/Share	50.56	51.55	52.88	53.39	55.88	57.38	59.64	60.30	59.52	49.36
FCF/Share	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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