



BUY: Kenvue (NYSE: KVUE)

Sector Head: Bethany Goldstein

Senior Analyst: Ryan Faude

Junior Analyst: Yoni Menasha

Company Overview

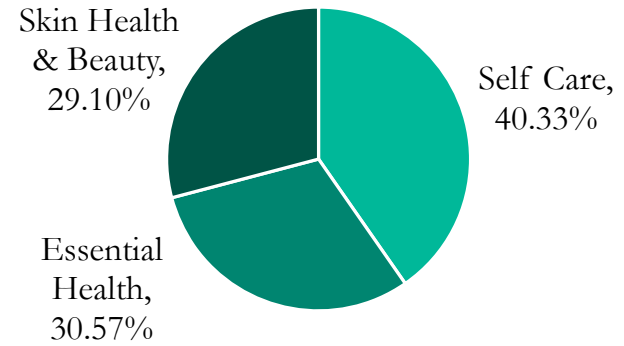
Description

- 1 Formerly the healthcare division of Johnson & Johnson, with its IPO in May 2023
- 2 #1 dermatology, dental, and medical products used by 1.2 billion people
- 3 \$15 billion in net sales since 2022, with the aim to deliver full-year organic growth between 4.5% - 5.5%

Products

Self Care	Skin Health & Beauty	Essential Health
TYLENOL	Aveeno ACTIVE NATURALS	LISTERINE
Motrin	Neutrogena	BAND-AID BRAND ADHESIVE BANDAGES
ZYRTEC	Ogx	Johnson's
nicorette	Lubriderm	NEOSPORIN

Revenue Breakdown



Key Information

Current Share Price	\$20.55
52 Week Range	\$20.38 - \$27.80
Market Cap	70.87 Billion
Enterprise Value	39.045 Billion
LTM EBITDA	\$3.63 Billion
CEO	Thibaut Mongon
S&P 500 Company	Joined August 25 th , 2023

Industry Overview

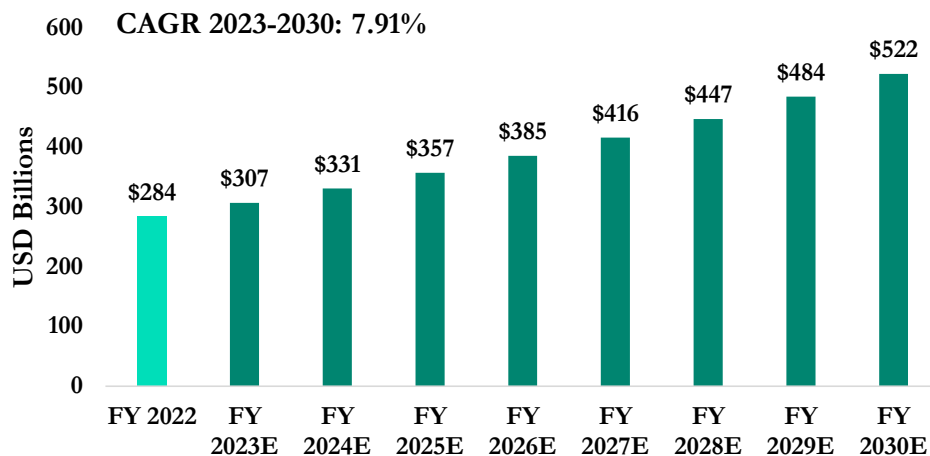
Industry Description

The consumer healthcare market deals with products in wellness, oral health, nutrition, and skincare

Consumer healthcare products constitute **over the counter drugs**, that are sold to a consumer without a prescription

Companies in this industry also produce products that are part of **Personal Products** and **Healthcare** industries

Industry Valuation



Competitors



Key Trends



Brand Loyalty

Brand loyalty has been tested as private labels have become a popular alternative



Personal Healthcare and Nutrition

Consumers are interested in making sure they eat right and take the correct vitamins

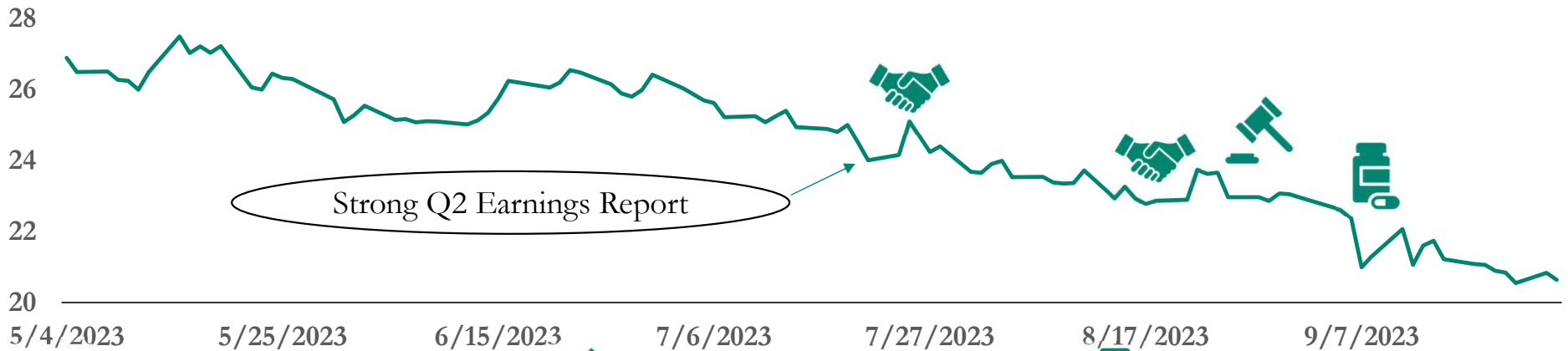


Digital/Online Pharmacy

Company/consumer are using mobile pharmacies as an alternative to the in person one

Why Buy Now?

KVUE Price since IPO (\$)



Exchange Offer

- Arbitrators began buying J&J stock while shorting Kenvue to capitalize on the 7% spread of the exchange offer

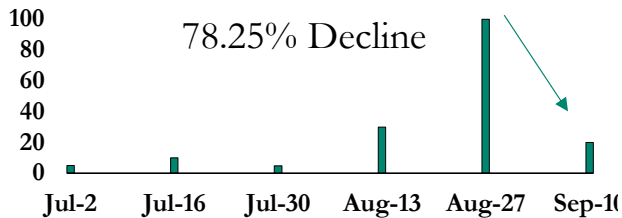
Litigation Issues

- Accusations of Tylenol causing autism in children surface, opening legal case
- Statement from Judge in court case implies current research findings cannot support “a determination of causality” between taking Tylenol and autism in children

Cold Medicine Concerns

- Phenylephrine, a drug in oral decongestants was accused of being ineffective
- If the drug is removed from the market, Kenvue is expected to lose a maximum of 2% of Self Care sales and less than 0.81% of total sales

KVUE Short Interest (\$ in Million)



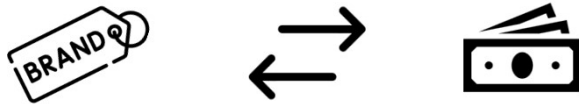
78.25% Decline

Kenvue [KVUE]

Resilience through Bear Markets

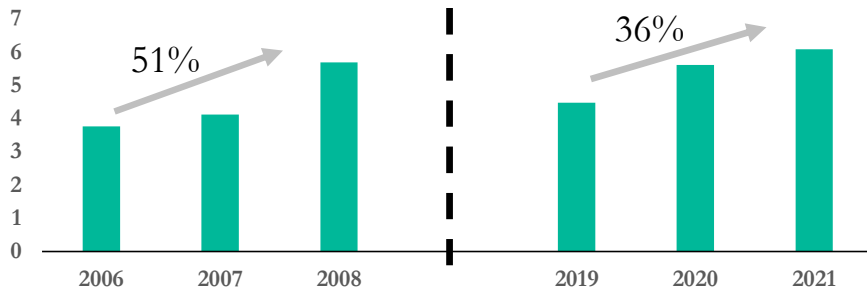
Protection from Privatization

52.9% of consumers are willing to switch brands if they can save money



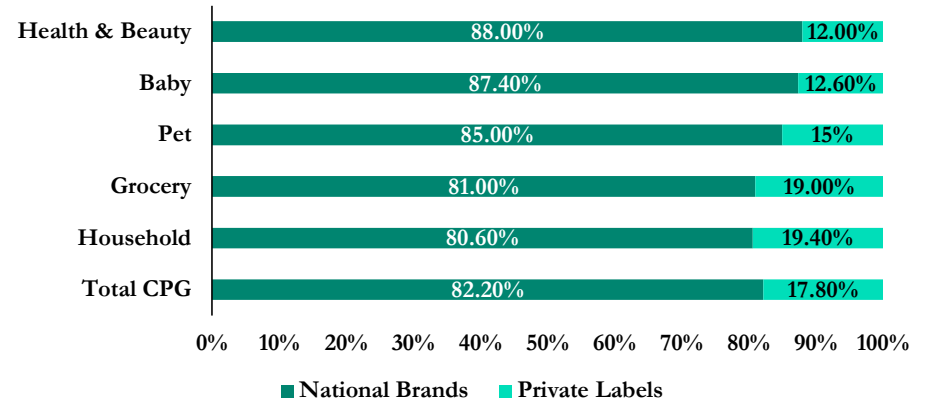
Since 2022, Health & Beauty Private Labels saw a 1.5% decline in Dollar Share compared to the Consumer Products average of -0.37%

U.S. Acetaminophen Prescriptions (in Millions)



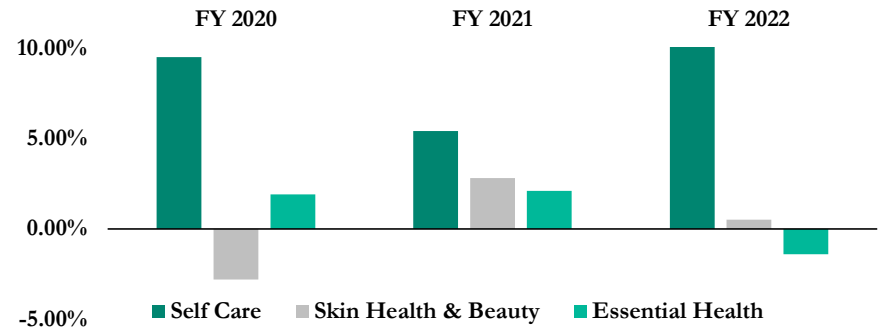
Entering bear market conditions, Self Care OTC medication grew and maintained growth thereafter

Share of Dollar Sales



Organic Growth

Self Care generated impressive organic growth through troubling market conditions



GUO

Slide 5

GUO

Move axis lower

Guest User, 2023-09-27T01:22:31.513

Maximizing Spin-Off Opportunity

Optimization Plan



Leadership Team Averages 13 years of prior experience with JNJ



Ongoing Reduction in Stock Keeping Units (SKUs) and 15 Divestitures over last 6 years



60% of Capex in automation and digitalization of manufacturing and distribution

Strong Balance Sheet Position

- \$1.23 Billion Cash Balance
- <2x Net Debt/EBITDA through FY 2023
- 55.8x Interest Coverage Ratio

GU0

Diverse and Innovative Portfolio

8/10 of Top Brands are ranked #1 in their respective industry

100 product innovations each year since 2020 accounts for \$1.5 billion of Net Sales

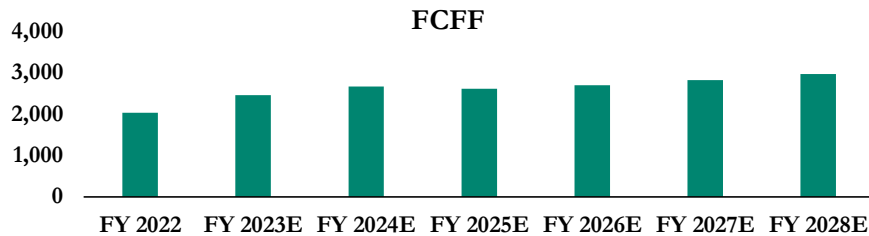
Innovations such as Neutrogena Invisible meet specific needs of consumers in new ways

Newest Dividend Aristocrat

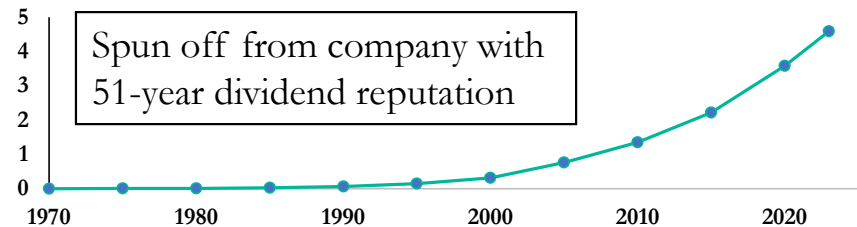
KVUE Dividend Yield: 3.89%

KVUE Dividend Payout Ratio: 62.5%

Kenvue [KVUE]



JNJ TTM Dividend Payout



Slide 6

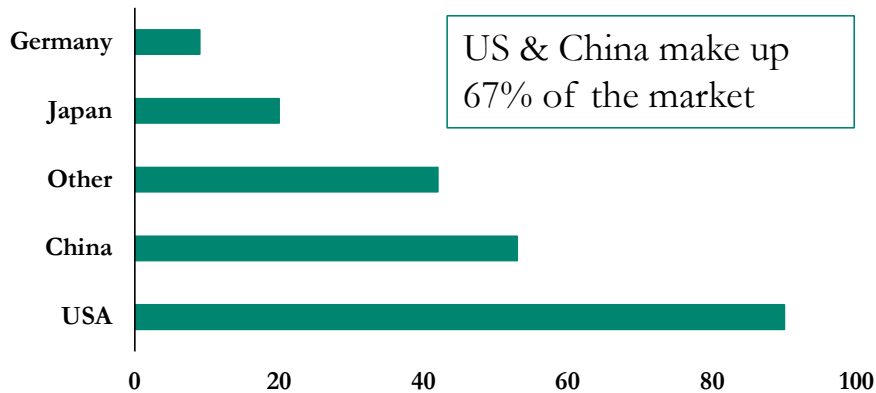
GUO

Make sure all of these boxes are the same color

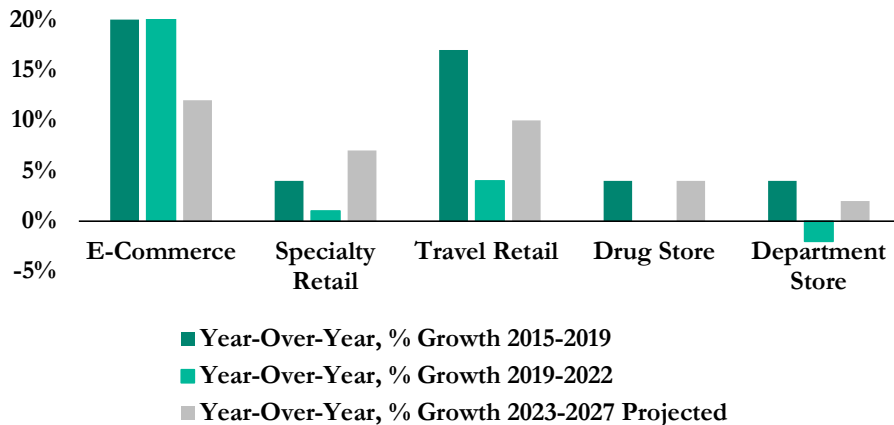
Guest User, 2023-09-27T01:23:00.311

Growth through Strategic Marketing

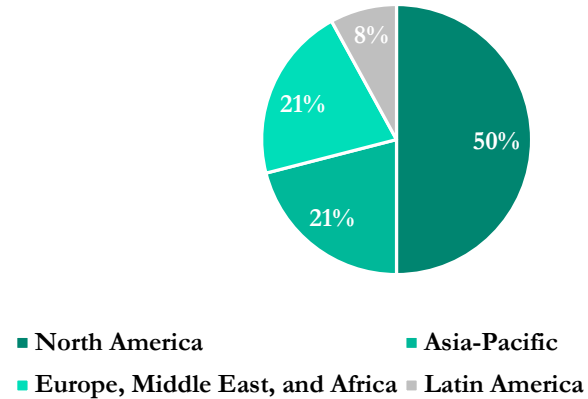
Consumer Health Market Size (\$ in Billions)



Beauty Industry Recovery



Kenvue Geographic Breakdown



Digital Marketing Outreach

- Consumers are 155% more likely to look up a brand after they have been exposed to display ads
- Kenvue adopted Digital-First approach through its e-commerce and direct-to-consumer services

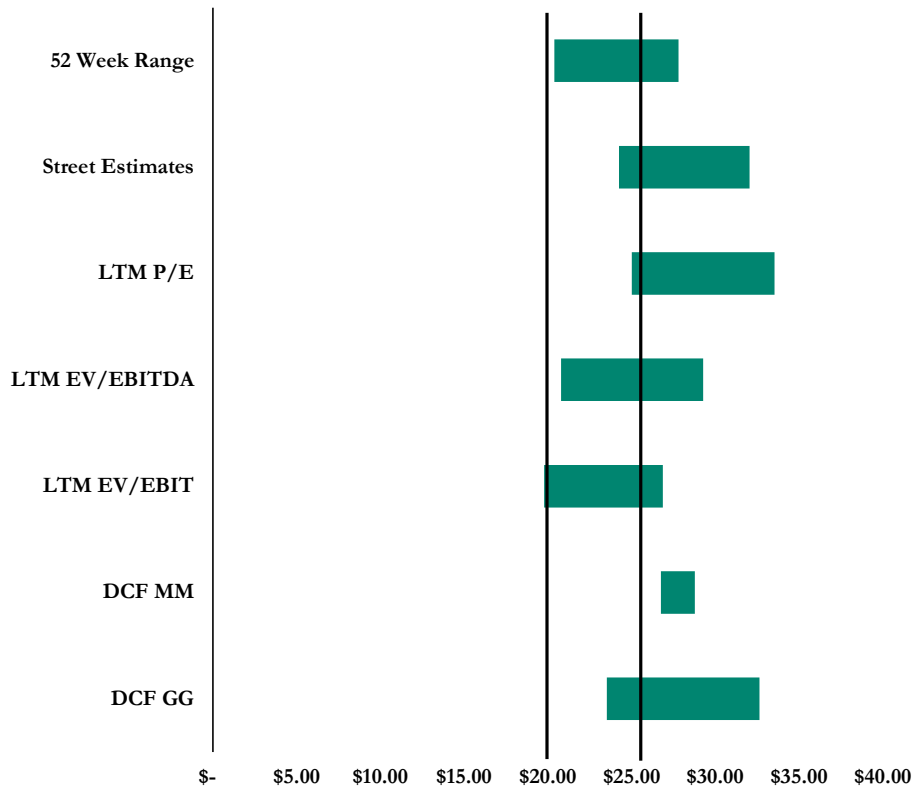
Zyrtec's AllergyCast Mobile App



Valuation

Football Field

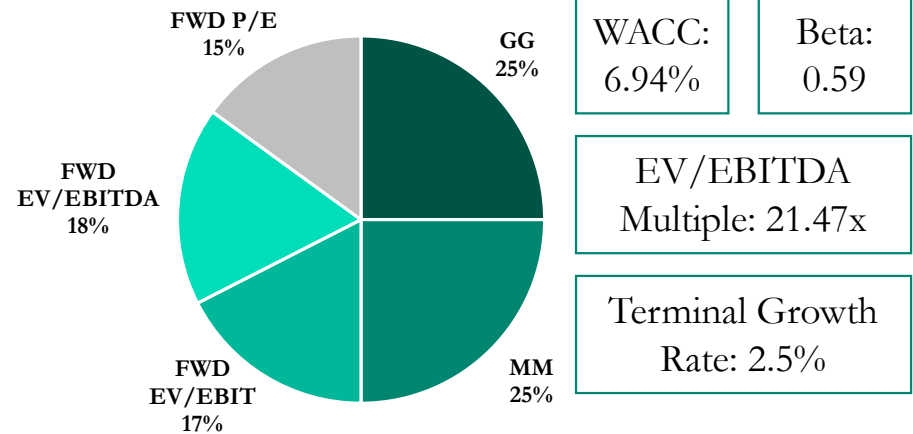
Current Price: \$20.64 Target Price: \$25.95 GUO



Sensitivity Analysis

		Terminal Growth Rate				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	27.41	32.21	34.07	36.20	38.66	41.55
	5.92%	28.25	29.66	31.24	33.04	35.11
	6.42%	25.10	26.19	27.41	28.77	30.31
	6.92%	22.52	23.39	24.35	25.41	26.59
	7.42%	20.39	21.09	21.86	22.70	23.63
	7.92%					
		Terminal Multiple				
		19.79	20.29	20.79	21.29	21.79
WACC	27.75	28.00	28.62	29.23	29.84	30.45
	5.92%	27.29	27.88	28.48	29.07	29.67
	6.42%	26.59	27.17	27.75	28.33	28.91
	6.92%	25.91	26.48	27.05	27.61	28.18
	7.42%	25.26	25.81	26.36	26.91	27.46
	7.92%					

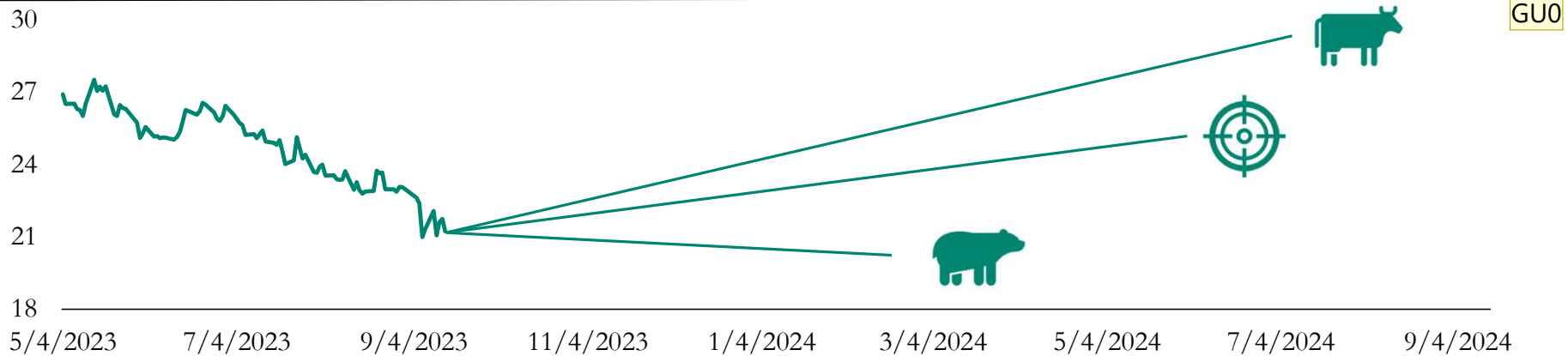
Assumptions



Slide 8

GU0 Write Target and Current Price
Guest User, 2023-09-27T01:20:24.057

Investment Analysis



Bear Case

- Litigation concerns plague the company, preventing Kenvue from capitalizing on optimized operations
- Self Care products fail to maintain momentum into the future as recessionary traits uncharacteristically halt growth



Base Case

- Kenvue continues to transform the company's optimization, thriving with its diversified portfolio
- Self Care industry thrives through uncertain market conditions, helping the company achieve top-line margin growth



Bull Case

- Kenvue's expansive portfolio experiences universal growth as the company rides Beauty Market's recovery to become a leader in the industry
- Kenvue sees stable growth in Essential Health and significant top-line growth from Self Care

Slide 9

GU0 Make axis black

Guest User, 2023-09-27T01:21:01.089

Appendix

- [Appendix A: Model Cover](#)
- [Appendix B: Balance Sheet](#)
- [Appendix C: Income Statement](#)
- [Appendix D: Statement of Cash Flow](#)
- [Appendix E: Net Working Capital](#)
- [Appendix F: Revenue Build](#)
- [Appendix G: DCF \(Part 1\)](#)
- [Appendix H: DCF \(Part 2\)](#)
- [Appendix I: WACC](#)
- [Appendix J: Comps \(Part 1\)](#)
- [Appendix K: Comps \(Part 2\)](#)
- [Appendix L: Risk & Mitigants](#)
- [Appendix M: Leadership Team](#)
- [Appendix N: Product Breakdown by Sales](#)
- [Appendix O: Top 10 Kenvue Brands](#)
- [Appendix P: Q2 Earnings Report](#)

Appendix A: Model Cover

Kenvue
NYSE: KVUE
9/25/2023

Color Formatting	
Blue	Hardcoded
Black	Formula
Green	Linked to Another Sheet

Inputs:

10 Year Treasury		4.38%
Current Share Price	\$	20.55
Shares Outstanding		1,900 in millions
Market Capitalization	\$	39,045
Long-Term Debt	\$	8,930 in millions
Upside		23.89%

In US \$Millions

Appendix B: Balance Sheet

Balance Sheet	FY 2020	FY 2021	FY 2022
Current Assets:			
Cash, Cash Equivalents & STI	618.0	740.0	1,231.0
Accounts & Notes Receivable	1,858.0	2,074.0	2,122.0
Inventories	1,685.0	1,702.0	2,226.0
Other Receivables	272.0	257.0	175.0
Other Current Assets	162.0	154.0	123.0
Total Current Assets	4,595.0	4,927.0	5,877.0
Property, Plant & Equip, Net	1,957.0	1,827.0	1,820.0
Other I.T Assets	22,625.0	21,175.0	19,619.0
Goodwill	10,326.0	9,810.0	9,185.0
Other Intangible Assets	11,610.0	10,701.0	9,853.0
Non Current Deferred Assets	193.0	189.0	147.0
Other Non Current Assets	496.0	475.0	434.0
Total Noncurrent Assets	24,582.0	23,002.0	21,439.0
Total Assets	29,177.0	27,929.0	27,316.0
Current Liabilities:			
Accounts Payable	1,972.0	2,184.0	2,158.0
Current Accrued Expenses	5,270.0	1,592.0	1,461.0
Pension & Other Post Retirement Benefit Plans	252.0	266.0	272.0
Current Debt And Capital Lease Obligation	0.0	0.0	35.0
Total Current Liabilities	7,494.0	4,042.0	3,926.0
Capital Lease Obligation	0.0	0.0	81.0
Non Current Deferred Liabilities	1,756.0	2,430.0	2,428.0
Trade and Other Payables Non Current	622.0	603.0	584.0
Non Current Accrued Expenses	604.0	153.0	62.0
Employee Benefits	345.0	302.0	214.0
Total Noncurrent Liabilities	3,327.0	3,488.0	3,369.0
Total Liabilities	10,821.0	7,530.0	7,295.0
Equity:			
Equity Before Minority Interest	18,356.0	20,399.0	20,021.0
Minority/Non Controlling Interest	0.0	0.0	0.0
Total Equity	18,356.0	20,399.0	20,021.0
Total Liabilities & Equity	29,177.0	27,929.0	27,316.0
<i>Check</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>

In US \$Millions

Appendix C: Income Statement

Income Statement	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Net Revenue	14,467.0	15,054.0	14,950.0	15,068.5	15,502.8	16,030.6	16,717.0	17,435.7	18,204.0	18,941.0	19,701.6
COGS	6,619.0	6,635.0	6,665.0	6931.5054	6821.2418	7213.7747	7480.8722	7758.8887	8055.2516	8334.0197	8668.7233
<i>% of Sales</i>	46%	44%	45%	46%	44%	45%	45%	45%	44%	44%	44%
Gross Profit	7,848.0	8,419.0	8,285.0	8,137.0	8,681.6	8,816.8	9,236.2	9,676.8	10,148.7	10,606.9	11,032.9
<i>% of Sales</i>	54.25%	55.93%	55.42%	54.00%	56.00%	55.00%	55.25%	55.50%	55.75%	56.00%	56.00%
Selling, General & Administration Expense	4,956.0	5,484.0	5,633.0	5442.9928	5696.2264	5906.9472	6113.5732	6402.5074	6683.2506	6945.3172	7230.6409
<i>% of Sales</i>	34%	36%	38%	36%	37%	37%	37%	37%	37%	37%	37%
Other Operating Expense	-96.0	-77.0	-16.0	-64.39743	-54.04698	-47.18423	-59.64247	-58.10401	-59.73096	-64.2821	-65.72137
<i>% of Sales</i>	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operating Income	2,988.0	3,012.0	2,668.0	2,758.4	3,039.4	2,957.1	3,182.2	3,332.4	3,525.2	3,725.9	3,868.0
Other Income Expense	-4,004.0	-87.0	-31.0	-59.164719	-60.87008	-53.04183	-62.19604	-63.67339	-64.81337	-69.02599	-71.29742
<i>% of Sales</i>	-28%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Pretax Income	-1,016.0	2,925.0	2,637.0	2,699.2	2,978.5	2,904.0	3,120.0	3,268.7	3,460.4	3,656.9	3,796.7
Tax Provision	-137.0	894.0	550.0	435.7	626.6	537.4	533.2	565.7	545.4	548.1	553.1
Net Income	-879.0	2,031.0	2,087.0	2,263.6	2,352.0	2,366.6	2,586.8	2,703.0	2,914.9	3,108.7	3,243.6
Net Income from Continuing & Discontinued Operation	-879.0	2,031.0	2,087.0	2,263.6	2,352.0	2,366.6	2,586.8	2,703.0	2,914.9	3,108.7	3,243.6
Otherunder Preferred Stock D	0.0	0.0	632.0	0	0	0	0	0	0	0	0
Diluted NI Available to Com Stockholders	-879.0	2,031.0	1,455.0	2,263.6	2,352.0	2,366.6	2,586.8	2,703.0	2,914.9	3,108.7	3,243.6
EBIT	2,988.0	3,012.0	2,668.0	2,758.4	3,039.4	2,957.1	3,182.2	3,332.4	3,525.2	3,725.9	3,868.0
D&A	746.0	731.0	644.0	520.4	572.2	608.3	606.0	641.9	669.6	689.5	718.1
EBITDA	3,734.0	3,743.0	3,312.0	3,278.8	3,611.6	3,565.4	3,788.3	3,974.3	4,194.8	4,415.4	4,586.1

In US \$Millions

Appendix D: Statement of Cash Flow

Statement of Cash Flows	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash from Operating Activities:											
Net Income	-879.0	2,031.0	2,087.0	2,263.6	2,352.0	2,366.6	2,586.8	2,703.0	2,914.9	3,108.7	3,243.6
Adjustments provided by operating activities:											
D&A	746.0	731.0	644.0	520.42215	572.15472	608.27879	606.03854	641.92533	669.64832	689.50374	718.14361
% of CapEx	326%	248%	172%	171%	171%	170%	170%	169%	169%	168%	168%
Deferred Tax	-801.0	568.0	157.0								
Asset Impairment Charge	-35.0	-9.0	4.0								
Provision & Write Off of Assets	9.0	4.0	9.0								
Stock Based Compensation	115.0	141.0	137.0								
Change in Working Capital	4,242.0	-3,132.0	-513.0								
Cash from Operating Activities	3,397.0	334.0	2,525.0								
Cash from Investing Activities:											
Purchase of PPE	-229.0	-295.0	-375.0	-303.92572	-335.116	-357.3206	-357.0533	-379.3138	-396.8678	-409.8497	-428.146
% of Sales	-2%	-2%	-3%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%
Net Business Purchase And Sale	176.0	136.0	-10.0								
Purchase of Investment	-30.0	-12.0	-5.0								
Cash from Investing Activities	-83.0	-171.0	-390.0								
Cash from Financing Activities:											
Net Issuance Payments of Debt	-11.0	-7,000.0	14.0								
Net Other Financing Charges	-3,446.0	7,000.0	-1,597.0								
Cash from Financing Activities	-3,457.0	0.0	-1,583.0								
Beginning Cash Position	752.0	618.0	740.0								
Change in Cash	-143.0	163.0	552.0								
Effect of Exchange Rate Changes	9.0	-41.0	-61.0								
End Cash Position	618.0	740.0	1,231.0								
CapEx	-229.0	-295.0	-375.0								
Free Cash Flow	3,168.0	39.0	2,150.0								

In US \$Millions

Appendix E: Net Working Capital

Net Working Capital Adjustments	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Net Revenues	14,467	15,054	14,950	15,068	15,503	16,031	16,717	17,436	18,204	18,941	19,702
Total Expenses	11,479	12,042	12,282	12,310	12,463	13,074	13,535	14,103	14,679	15,215	15,834
Current Assets:											
Accounts & Notes Receivable	1,858	2,074	2,122	2,050	2,148	2,226	2,304	2,414	2,519	2,618	2,725
<i>AR Days</i>	<i>46.88</i>	<i>50.29</i>	<i>51.81</i>	49.66	50.58	50.68	50.31	50.52	50.51	50.45	50.49
Inventory	1685.0	1702.0	2226.0	2220.1	1997.9	1974.5	1986.1	1996.1	2006.2	2075.6	2087.7
<i>Inventory Days</i>	<i>92.92</i>	<i>93.63</i>	<i>121.90</i>	116.90	106.90	99.90	96.90	93.90	90.90	90.90	87.90
Total Current Assets	\$ 3,543	\$ 3,776	\$ 4,348	\$ 4,270	\$ 4,146	\$ 4,200	\$ 4,290	\$ 4,410	\$ 4,525	\$ 4,693	\$ 4,813
Current liabilities:											
Accounts payable	1,972.0	2,184.0	2,158.0	2,206	2,134	2,217	2,258	2,300	2,343	2,379	2,427
<i>AP Days</i>	108.74	120.14	118.18	116.18	114.18	112.18	110.18	108.18	106.18	104.18	102.18
Current Accrued Expenses	5,270	1,592	1,461	1,478	1,542	1,581	1,646	1,722	1,784	1,852	1,928
<i>As a % of Total Expense</i>	<i>45.91%</i>	<i>13.22%</i>	<i>11.90%</i>	12.01%	12.37%	12.09%	12.16%	12.21%	12.15%	12.17%	12.18%
Pension & Other Post Retirement Benefit Plans	252.00	266.00	272.00	271.60	275.44	288.96	298.96	311.64	324.34	336.16	349.85
<i>As a % of Total Expense</i>	<i>2.20%</i>	<i>2.21%</i>	<i>2.21%</i>	2.21%	2.21%	2.21%	2.21%	2.21%	2.21%	2.21%	2.21%
Total Current Liabilities	\$ 7,494	\$ 4,042	\$ 3,891	\$ 3,956	\$ 3,952	\$ 4,087	\$ 4,203	\$ 4,333	\$ 4,452	\$ 4,567	\$ 4,705
Net Working Capital											
Net Working Capital	\$ (3,951)	\$ (266)	\$ 457	313.90	194.73	113.41	87.38	76.57	73.43	126.27	108.18
Changes in NWC		\$ 3,685	\$ 723	(143.10)	(119.17)	(81.32)	(26.03)	(10.81)	(3.14)	52.84	(18.09)
<i>% Change</i>		<i>-93%</i>	<i>-272%</i>	-31%	-38%	-42%	-23%	-12%	-4%	72%	-14%

In US \$Millions

Appendix F: Revenue Build

Product Revenues	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Self Care	\$4,820.00	\$5,235.00	\$5,643.00	\$6,030.00	\$6,440.04	\$6,958.46	\$7,438.60	\$7,981.61	\$8,540.33	\$9,125.34	\$9,686.55	\$10,267.74
<i>% Growth</i>		8.61%	7.79%	6.86%	6.80%	8.05%	6.90%	7.30%	7.00%	6.85%	6.15%	6.00%
<i>% of total Revenue</i>	33.65%	36.19%	37.49%	40.33%	42.74%	44.89%	46.40%	47.75%	48.98%	50.13%	51.14%	52.12%
Essential Health	\$4,896.00	\$4,782.00	\$4,870.00	\$4,570.00	\$4,387.20	\$4,345.52	\$4,388.98	\$4,450.42	\$4,546.11	\$4,659.76	\$4,769.26	\$4,883.73
<i>% Growth</i>		-2.33%	1.84%	-6.16%	-4.00%	-0.95%	1.00%	1.40%	2.15%	2.50%	2.35%	2.40%
<i>% of total Revenue</i>	34.18%	33.05%	32.35%	30.57%	29.12%	28.03%	27.38%	26.62%	26.07%	25.60%	25.18%	24.79%
<i>Skin Health & Beauty</i>	\$4,608.00	4,450.0	\$4,541.00	\$4,350.00	\$4,241.25	\$4,198.84	\$4,203.04	\$4,285.00	\$4,349.27	\$4,418.86	\$4,485.14	\$4,550.18
<i>% Growth</i>		-3.43%	2.04%	-4.21%	-2.50%	-1.00%	0.10%	1.95%	1.50%	1.60%	1.50%	1.45%
<i>% of total Revenue</i>	32.17%	30.76%	30.16%	29.10%	28.15%	27.08%	26.22%	25.63%	24.94%	24.27%	23.68%	23.10%
Net Revenues	\$14,324.00	\$14,467.00	\$15,054.00	\$14,950.00	\$15,068.49	\$15,502.82	\$16,030.61	\$16,717.03	\$17,435.70	\$18,203.96	\$18,940.95	\$19,701.64
<i>% Growth</i>		1.00%	4.06%	-0.69%	0.79%	2.88%	3.40%	4.28%	4.30%	4.41%	4.05%	4.02%

In US \$Millions

Appendix G: DCF (Part 1)

KVUE									
Discounted Cash Flow									
Figures in Millions USD	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$14,467.00	\$15,054.00	\$14,950.00	\$15,068.49	\$15,502.82	\$16,030.61	\$16,717.03	\$17,435.70	\$18,203.96
% Growth		3.90%	-0.70%	0.79%	2.80%	3.29%	4.11%	4.12%	4.22%
EBIT	\$2,988.00	\$3,012.00	\$2,668.00	\$2,758.39	\$3,039.40	\$2,957.07	\$3,182.23	\$3,332.41	\$3,525.19
EBIT Margin	20.65%	20.01%	17.85%	18.31%	19.61%	18.45%	19.04%	19.11%	19.36%
NOPAT	1,942	1,958	1,734	1,793	1,976	1,922	2,068	2,166	2,291
Tax Rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Plus: D&A	746	731	644	520	572	608	606	642	670
Less: CapEx	(229)	(295)	(375)	-	-	-	-	-	-
Less: Change in NWC	0	3685	723	-143	-119	-81	-26	-11	-3
FCFF	2,917	-701	2,030	2,456	2,667	2,612	2,701	2,819	2,964
Discount Factor				0.5	1.5	2.5	3.5	4.5	5.5
Terminal Value (growth)									58820
Terminal Value (multiple)									68488
Cash Flows (growth)				2456	2667	2612	2701	2819	61785
Cash Flows (multiple)				2456	2667	2612	2701	2819	71452
PV of CF (growth)				2375	2412	2208	2135	2084	42721

In US \$Millions

Appendix H: DCF (Part 2)

Gordon Growth		
Enterprise Value		58,286.96
Less: Debt	\$	7,684.00
Plus: Cash		\$1,231.00
Less: Minority Interest	\$	-
Equity Value		51,833.96
Diluted Shares Outstanding		1,900
Price per Share		27.28

Terminal Multiple (EV/EBITDA)		
Enterprise Value		60,621.01
Less: Debt	\$	7,684.00
Plus: Cash		\$1,231.00
Less: Minority Interest	\$	-
Equity Value		54,168.01
Diluted Shares Outstanding		1,900
Price per Share		28.51

Weighted Share Price		
Method	Share Price	Weight
GG	\$ 24.99	27.5%
MM	\$ 28.51	27.5%
FWD EV/EBIT	\$ 20.58	15.0%
FWD EV/EBITDA	\$ 22.62	15.0%
FWD P/E	\$ 29.64	15.0%
Share Price	\$	25.64

Terminal Growth Rate	2.00%
Terminal Multiple (EV/EBITDA)	21.47
WACC	6.94%

In US \$Millions

Appendix I: WACC

KVUE WACC	
Risk Free Rate	4.380%
Beta	0.59
Equity Risk Premium	5.62%
Expected Market Return	10.00%
Weight of Equity	81.87%
Cost of Equity	7.67%
Credit Spread	1.23%
Implied Tax Rate	35%
Weight of Debt	18.1%
Cost of Debt	3.65%
WACC	6.94%
MV Equity	\$ 40,318.00
<i>Share Price</i>	\$ 21.22
<i>Shares Outstanding</i>	1,900
MV Debt	\$ 8,930

Beta	
PG	0.41
KMB	0.41
COL	0.49
EL	1.03
Avg.	0.585

** Beta not available for KVUE as it has its IPO in May 2023; utilized competitor's betas to estimate

In US \$Millions

Appendix J: Comps (Part 1)

KVUE										
Comparable Companies										
Company	Ticker	Price	Shares Outstanding	Market Cap	Cash	Debt	Minority Interests	EV		
Kenvue	KVUE	\$ 20.55	1,900	\$ 39,045.00	\$1,231.00	\$ 7,684.00	\$ -	\$ 45,498.00		
Procter & Gamble Co.	PG	\$ 153.09	2,357	\$ 360,816.90	\$ 8,246.00	\$ 36,124.00	\$ 1,260.30	\$ 389,955.20		
Colgate-Palmolive Co.	CL	\$ 72.83	827	\$ 60,207.90	\$ 1,086.00	\$ 8,989.00	\$ 379.00	\$ 68,489.90		
Estee-Lauder Cos Inc.	EL	\$ 152.39	358	\$ 54,508.50	\$ 4,029.00	\$ 10,178.00	\$ 832.00	\$ 61,489.50		
Kimberly-Clark Corp	KMB	\$ 124.99	338	\$ 42,269.80	\$ 580.00	\$ 8,135.00	\$ 151.00	\$ 49,975.80		

LTM								
EPS	LTM Revenue	LTM EBIT	LTM EBITDA	LTM EV/Revenue	LTM EV/EBIT	LTM EV/EBITDA	LTM P/E	
\$ 1.29	\$ 3,949.60	\$ 2,668.00	\$ 3,312.00	11.52	17.05	13.74	15.93	
\$ 5.89	\$ 82,006.00	\$ 18,094.00	\$ 20,808.00	4.76	21.55	18.74	25.99	
\$ 2.91	\$ 18,676.00	\$ 3,952.00	\$ 4,494.00	3.67	17.33	15.24	25.03	
\$ 3.45	\$ 15,911.00	\$ 1,823.00	\$ 2,567.00	3.86	33.73	23.95	44.17	
\$ 7.81	\$ 20,346.00	\$ 3,561.00	\$ 4,312.00	2.46	14.03	11.59	16.00	

FWD 2024								
FWD EPS	FWD Revenue	FWD EBIT	FWD EBITDA	FWD EV/Revenue	FWD EV/EBIT	FWD EV/EBITDA	FWD P/E	
1.28	15068.49	2758.39	3278.81	3.02	16.49440893	13.88	16.05	
6.39	85457.40	19789.90	22742.20	4.56	19.70475849	17.15	23.96	
3.17	19341.70	4011.80	4589.10	3.54	17.07211227	14.92	22.97	
3.69	16872.00	2014.40	2833.90	3.64	30.52497021	21.70	41.30	
6.45	20569.80	3038.20	3812.20	2.43	16.44914752	13.11	19.38	

In US \$Millions

Appendix K: Comps (Part 2)

	Share Price	EV	EPS	LTM Revenue	LTM EBIT	LTM EBITDA	LTM EV/Revenue	LTM EV/EBIT	LTM EV/EBITDA	LTM P/E
Min	\$ 72.83	\$ 338.19	\$ 2.91	\$ 15,911.00	\$ 1,823.00	\$ 2,567.00	2.46	14.03	11.59	15.93
Q1	\$ 111.95	\$ 352.81	\$ 3.32	\$ 17,984.75	\$ 3,126.50	\$ 3,875.75	3.67	17.05	13.74	16.00
Median	\$ 138.69	\$ 592.19	\$ 4.67	\$ 19,511.00	\$ 3,756.50	\$ 4,403.00	3.86	17.33	15.24	25.03
Q3	\$ 152.57	\$ 1,209.24	\$ 6.37	\$ 35,761.00	\$ 7,487.50	\$ 8,572.50	4.76	21.55	18.74	25.99
Max	\$ 153.09	\$ 2,356.89	\$ 7.81	\$ 82,006.00	\$ 18,094.00	\$ 20,808.00	11.52	33.73	23.95	44.17
Mean	\$ 125.83	\$ 969.87	\$ 5.02	\$ 34,234.75	\$ 6,857.50	\$ 8,045.25	5.25	20.74	16.65	25.42

Min	\$ 1.71	\$ 16.31	\$ 16.81	\$ 20.55
Q1	\$ 4.23	\$ 20.55	\$ 20.55	\$ 20.64
Median	\$ 4.64	\$ 20.94	\$ 23.17	\$ 32.29
Q3	\$ 6.49	\$ 26.87	\$ 29.27	\$ 33.53
Max	\$ 20.55	\$ 43.97	\$ 38.36	\$ 56.98
Mean	\$ 7.52	\$ 25.73	\$ 25.63	\$ 32.80

EV/Revenue	FWD EV/EBIT	FWD EV/EBITDA	FWD P/E
2.43	16.45	13.11	16.05
3.02	16.49	13.88	19.38
3.54	17.07	14.92	22.97
3.64	19.70	17.15	23.96
4.56	30.52	21.70	41.30
3.44	20.05	16.15	24.73

1.65	\$ 19.70	\$ 19.46	\$ 20.71
2.88	\$ 19.77	\$ 20.79	\$ 25.00
3.96	\$ 20.58	\$ 22.62	\$ 29.64
4.18	\$ 24.27	\$ 26.49	\$ 30.91
6.09	\$ 39.47	\$ 34.43	\$ 53.27
3.75	\$ 24.76	\$ 24.76	\$ 31.91

In US \$Millions

Appendix L: Risks & Mitigants

Cold Medicine issues continue into 2024

Kenvue can utilize its 1,500-person R&D department to develop an alternative or shift its focus to other products in vast portfolio

Drug shortages that have occurred in previous years disrupt Self Care Growth

Kenvue has placed heavy emphasis on optimizing its current business model to tackle challenging situations such as shortages

Competitors manage to overtake significant market share in any of the three industries

If facing issues in a specific market, Kenvue can utilize its global presence to improve its presence other desired country

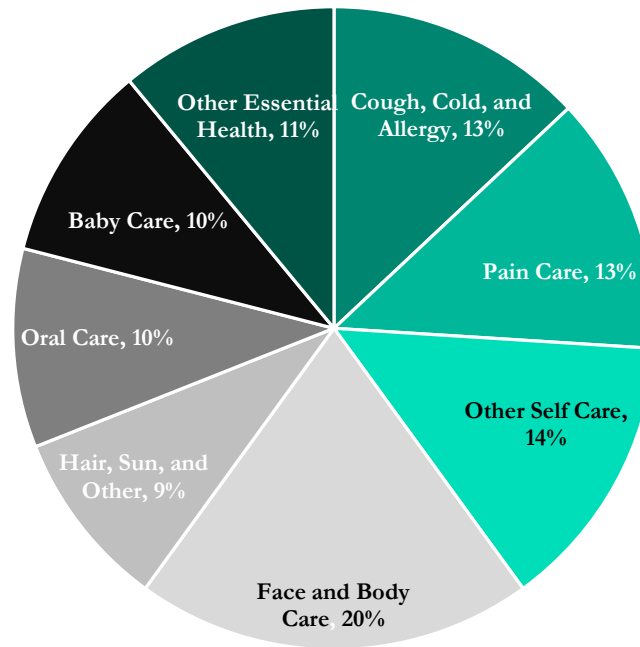
Appendix M: Leadership Team

Name	Position	Years of Experience at JNJ
Thibaut Mongon	Chief Executive Officer	23
Luani Alvarado	Chief People Officer	12
Katie Decker	Global Head, Essential Health and Global Customer Engagement	20
Ellesha Kirby	Global Head, Skin Health & Beauty and Design	17
Carlton Lawson	Group President, Europe, Middle East and Africa	5
Donna Lorenson	Chief Corporate Affairs Officer	8
Jan Meurer	Chief Growth Officer	8
Matt Orlando	General Counsel	17
Rosana Padilla	President, Latin Americ	18
Manoj Raghunandanan	Global Head, Self Care & Consumer Experience Organization	12
Paul Ruh	Chief Financial Officer	7
Meri Stevens	Chief Operations Officer	8
Bernado Tavares	Chief Technology & Data Officer	11
Caroline Tillett	Chief Scientific Officer	4
Kathy Widmer	Group President, North America and Latin America	30
Ellie Bing Xie	Group President, Asia Pacific	9

Minimum	4
Q1	8
Median	11
Q3	17.5
Max	30
Mean	13

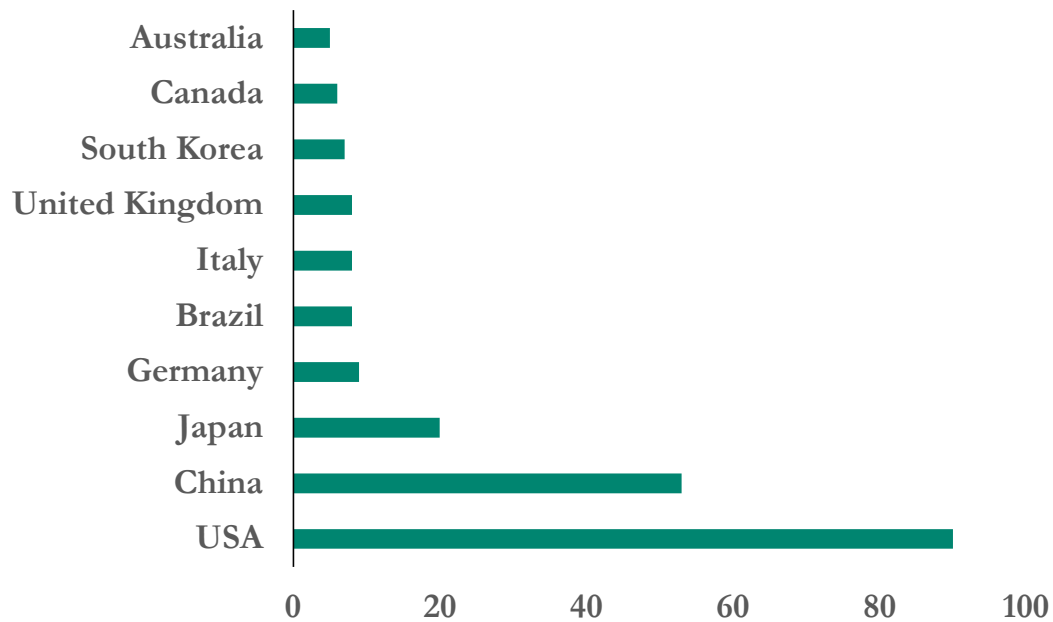
Appendix N: Product Breakdown by Sales

Net Sales

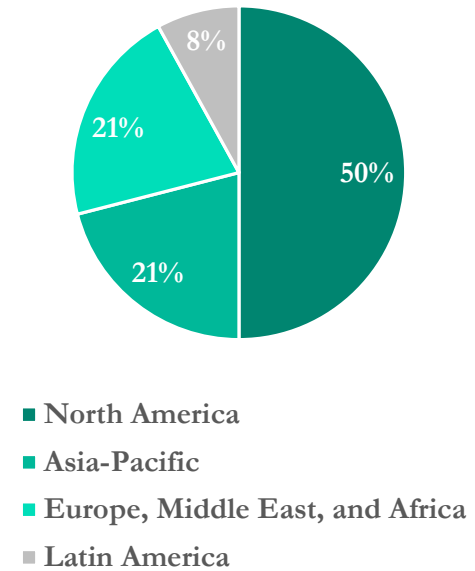


Appendix O: Geography

Consumer Health Market Size (\$ in Billions)



Kenvue Geographic Breakdown



Appendix O: Top 10 Kenvue Brands

Brand	Ranking
Tylenol	#1 pain brand globally
Nicorette	#1 smoking cessation brand globally
Zyrtec	#1 allergy brand globally
Motrin	
Neutrogena	#1 facial care brand in the U.S.
Aveeno	
OGX	#1 premium hair care brand in the U.S.
Listerine	#1 mouthwash brand globally
Johnson's	#1 baby toiletries brand globally
Band Aid	#1 adhesive bandage brand globally

** In 2022, each brand had at least \$ million in sales

Appendix P: Q2 Earnings Report

“Our second quarter results mark a strong debut for Kenvue, reflecting the strength of our portfolio of iconic brands, the agility of our operating model, and the strong execution of our 22,000 team members while navigating a dynamic environment”

- **Earnings per share:** 32 cents adjusted, vs. 30 cents expected
- **Revenue:** \$4.01 billion, vs. \$3.96 billion expected
- **Net Sales:** \$4.0 billion, a 5.4% increase vs the prior year period
- Kenvue is forecasting 2023 sales growth of 4.5% to 5.5%