

Kimberly-Clark Will Buy Tylenol Maker Kenvue in a \$48.7 Billion Deal: 'Powerful Next Step'

Key Takeaways

- Kimberly-Clark, which owns Kleenex and Huggies, agreed to buy Kenvue, the maker of Tylenol and Band-Aid, on Monday in a \$48.7 billion deal.
- The combined business projects an annual revenue of \$32 billion.
- The acquisition requires shareholder approval and is expected to close in the second half of 2026.

On Monday, Kimberly-Clark, the company behind Kleenex, Huggies and Kotex, agreed to acquire Kenvue, the owner of Tylenol, Band-Aid and Neutrogena, in a cash and stock deal valued at approximately \$48.7 billion. The move will create one of the world's largest consumer staples and health goods companies, per CNBC.

The companies said in a news release that the combined business will drive annual revenue of \$32 billion and annual cost savings of about \$2.1 billion. The acquisition brings together 10 billion-dollar brands, including Johnson's baby products and Listerine mouthwash, and is positioned to become one of the biggest deals this year, according to CNBC.

The new company will manufacture products that "touch nearly half the global population through every stage of life," the companies said in the release.

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of Business Value

The deal has Kimberly-Clark paying \$21.01 for each Kenvue share, a premium over its Friday closing price of \$14.37. Upon the transaction's close, Kimberly-Clark shareholders are expected to own about 54% of the combined company, while Kenvue shareholders will own about 46%, per CBS.

The acquisition is subject to shareholder approval and is expected to close in the second half of 2026.

Tylenol, a brand owned by Kenvue. Credit: VALERIE MACON/AFP via Getty Images

Kimberly-Clark Chairman and CEO Mike Hsu said in the news release that, "Over the last several years, Kimberly-Clark has undertaken a significant transformation to pivot our portfolio to higher-growth, higher-margin businesses while rewiring our organization to work smarter and faster."

"We have built the foundation, and this transaction is a powerful next step in our journey," Hsu said in the news release.

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Shares of Kenvue were up over 16% at the time of writing, while shares of Kimberly-Clark were down nearly 12%.

Kenvue, a portfolio of consumer health brands, has been under public scrutiny after President Donald Trump's administration linked Tylenol pain reliever medication to autism in September. Kenvue has denied the administration's claims, per CNN.

The company reported its third-quarter 2025 results on Monday, showing that organic sales dropped 4.4%, worse than expected.

Meanwhile, Kimberly-Clark announced its third-quarter 2025 results last week, showing organic sales growth of 2.5% and net sales of \$4.2 billion.

Kenvue was originally part of Johnson & Johnson, but it spun off from the company in May 2023. Since that point, Kenvue shares have dropped over 30%. At the time of writing, Kenvue traded at about \$16 per share for a market capitalization of about \$32 billion. Kimberly-Clark had a market capitalization of about \$35 billion.

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