



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
13.89	14.44	15.30	15.14	15.47	16.72	20.21	22.95	21.46	24.42	27.53	27.09	27.81	29.85	30.45	30.69	30.64	31.60	Sales per sh ^A	37.70
1.97	2.34	2.41	2.53	2.55	2.82	3.18	3.51	3.51	4.25	4.97	4.86	4.87	5.21	5.20	5.33	5.67	5.95	"Cash Flow" per sh	8.00
1.28	1.43	1.48	1.56	1.80	2.04	2.32	2.53	2.64	3.04	3.64	3.58	3.53	3.93	3.85	4.05	4.22	4.45	Earnings per sh ^{AB}	6.15
.51	.57	.64	.70	.76	.82	.93	1.03	1.15	1.28	1.45	1.64	1.80	1.97	2.14	2.29	2.45	2.60	Div'ds Decl'd per sh ^C	3.20
.96	1.07	1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.44	1.46	1.42	1.45	Cap'l Spending per sh	1.50
3.89	3.89	4.04	3.98	4.64	5.63	6.19	6.47	19.33	20.87	22.46	21.18	21.20	24.14	22.87	24.64	25.40	27.10	Book Value per sh ^D	33.85
2674.9	2639.6	2611.7	2591.5	2601.5	2594.4	2543.8	2472.9	3178.8	3131.9	3032.7	2917.0	2838.5	2765.7	2748.0	2742.3	2710.8	2680.0	Common Shs Outst'g ^E	2630.0
30.8	30.8	29.7	21.4	22.4	21.6	21.3	21.5	21.5	20.5	18.6	16.4	17.0	16.0	16.7	17.8	20.1		Avg Ann'l P/E Ratio	16.5
1.60	1.76	1.93	1.10	1.22	1.23	1.13	1.14	1.16	1.09	1.12	1.09	1.08	1.00	1.06	1.00	1.05		Relative P/E Ratio	1.05
1.3%	1.3%	1.5%	2.1%	1.9%	1.9%	1.9%	1.9%	2.0%	2.1%	2.1%	2.8%	3.0%	3.1%	3.3%	3.2%	3.1%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 6/30/14																			Sales (\$mill) ^A	99200
Total Debt \$35.4 bill. Due in 5 Yrs \$24.0 bill.																			Operating Margin	24.5%
LT Debt \$19.8 bill. LT Interest \$700 mill.																			Depreciation (\$mill)	3600
(22% of Capital)																			Net Profit (\$mill) ^F	17400
Leases, Uncapitalized Annual Rentals \$288 mill.																			Income Tax Rate	25.0%
Pension Assets-6/14 \$11.1 bill.																			Net Profit Margin	17.5%
Oblig. \$17.1 bill.																			Working Cap'l (\$mill)	d1200
Pfd Stock \$1.1 bill. Pfd Div'd \$253 mill.																			Long-Term Debt (\$mill)	23400
(As of 6/30/14, ESOP owns 52,939,000 Class A shares and 57,838,000 Class B shares; both series are convertible into common stock.)																			Shr. Equity (\$mill)	89000
Common Stock 2,710,800,000 shares																			Return on Total Cap'l	14.5%
MARKET CAP: \$228 billion (Large Cap)																			Return on Shr. Equity	19.5%
CURRENT POSITION																			Retained to Com Eq	10.0%
(\$mill.)																			All Div'ds to Net Prof	48%
Cash Assets	4436	5947	10686																	
Receivables	6068	6508	6386																	
Inventory (FIFO)	6721	6909	6759																	
Other	4685	4626	7786																	
Current Assets	21910	23990	31617																	
Accts Payable	7920	8777	8461																	
Debt Due	8698	12432	15606																	
Other	8289	8828	9659																	
Current Liab.	24907	30037	33726																	

BUSINESS: The Procter & Gamble Company makes branded consumer packaged goods, which are marketed in more than 180 countries around the world. Has five reportable segments: Beauty (24% of fiscal 2014 sales, 23% of earnings); Grooming (10%, 17%); Health Care (9%, 9%); Fabric Care & Home Care (32%, 26%); Baby, Feminine & Family Care (25%, 25%). International operations accounted for 65% of fiscal 2014 top line, 45% of earnings. Wal-Mart Stores accounted for 14% of fiscal 2014 sales. Employs about 118,000. Officer & directors own less than 1% of common stock (8/14 proxy). Chairman, President & CEO: A. G. Lafley. Incorporated: Ohio. Address: One Procter & Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com.

Procter & Gamble's fiscal 2014 showing was a bit better than it looks (years end June 30th). The top line actually advanced about 1% on an apples-to-apples basis, and non-GAAP share earnings increased 5%. (P&G is in the middle of selling its pet care business, so this division was stated as a discontinued operation. We have updated our fiscal 2014 figures, but are leaving the prior-years' results as is, per Value Line convention. The transaction is expected to close in the near future.) The consumer packaged goods maker's five segments performed admirably in very difficult operating environments, characterized by increasing competition, rising costs, and even market contraction in some cases.

We think results in fiscal 2015 will look very similar to the figures reported in mid-August. Indeed, we estimate the top line will advance about 2%, and expect non-GAAP share earnings to increase 5%. (Management has indicated that ongoing restructuring efforts will likely lead to \$0.20 a share worth of charges this year, and we will treat them as non-recurring items.) The Baby, Feminine & Family Care business will most likely lead the charge, due to outsized growth in emerging markets and stronger relative fundamentals. The Fabric Care & Home Care group should also post solid top-line growth this year, thanks again to geographic expansion efforts.

This untimely blue chip has inched higher in recent months, and now trades near its 52-week high. The stock has been bouncing between \$76 and \$85 for almost two years now, and we do not see a catalyst arising that will help push PG north of this \$85 ceiling. Recent earnings and cash flow comparisons have been less than stellar, too, which is the main reason our System has pegged this equity to underperform in the year ahead. That said, we still think this very high-quality stock is a good pick for many investors. PG is one of the least volatile equity offerings out there, as evidenced by its low Beta of .65 and its perfect Price Stability score. Long-term top- and bottom-line growth prospects are decent, and the above-average dividend yield and ongoing share repurchases are big bonuses.

Erik A. Antonson September 26, 2014

(A) Fiscal years end June 30th. (B) Diluted earnings. Excludes nonrecurring: '99, (13¢); '00, (24¢); '01, (53¢); '02, (25¢); '03, (19¢); '08, (12¢); '09, (64¢); '10, 58¢; '11, (61¢); '12, (73¢); '13, d19¢; '14, d21¢. EPS may not sum. Next earnings report due late October. (C) Dividends historically paid in February, May, August, and November. ■ DRIP available. (D) Includes intangibles. In '14: \$84.5 bill., \$31.19 a share. (E) In millions, adjusted for splits. (F) Net income may differ materially from net income attributable to P&G.	Company's Financial Strength	A++
	Stock's Price Stability	100
	Price Growth Persistence	45
	Earnings Predictability	100