| $P R$ | ¢ | 1 | f1 |  | $E$ | -PG |  | $\begin{aligned} & \text { ECENT } \\ & \text { RICE } \end{aligned}$ | $83.35$ | P/E RATIO | $023$ | $\left(\begin{array}{l}\text { Trailin } \\ \text { Median }\end{array}\right.$ | $\begin{aligned} & \text { ng: } 21.5 \\ & \text { an: } 18.0) \end{aligned}$ | $\begin{array}{\|l\|} \hline \text { RELATIVE } \\ \text { PIE RATIC } \end{array}$ | $1.2$ | $\begin{aligned} & \hline \text { DV'D } \\ & \text { YLD } \end{aligned}$ |  |  | $\begin{aligned} & \text { ALUE } \\ & \text { LINE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN | $\text { NESS } 3$ | Raised 1 |  | High: Low: | $\begin{aligned} & 59.7 \\ & 51.2 \\ & \hline \end{aligned}$ | $\begin{aligned} & \hline 64.7 \\ & 52.8 \\ & \hline \end{aligned}$ | 75.2 60.4 | $\begin{aligned} & 73.8 \\ & 54.9 \end{aligned}$ | $\begin{array}{l\|} \hline 63.5 \\ 43.9 \end{array}$ | $\begin{aligned} & 65.4 \\ & 39.4 \end{aligned}$ | $\begin{aligned} & \hline 67.7 \\ & 57.6 \end{aligned}$ | $\begin{aligned} & 71.0 \\ & 59.1 \end{aligned}$ | $\begin{aligned} & 85.8 \\ & 68.4 \end{aligned}$ | $\begin{aligned} & \hline 93.9 \\ & 75.3 \end{aligned}$ | $\begin{aligned} & 91.8 \\ & 65.0 \end{aligned}$ | $\begin{aligned} & 83.9 \\ & 74.5 \end{aligned}$ |  |  | $\begin{aligned} & \text { Target Pri } \\ & 2019 \mid 20 \end{aligned}$ | Range 2021 |
| SAFET |  | Raised 1 |  | $\begin{array}{\|l\|l\|} \hline \text { LEGENI } \\ \cdots \cdots \\ \text { Rela } \end{array}$ | $\begin{aligned} & \text { NDS } \\ & 3.0 \times \text { "Cast } \\ & \text { elative Pric } \end{aligned}$ | ow" p s trength |  |  |  |  |  |  |  |  |  |  |  |  |  | $-160$ |
|  | CAL | Lowered |  | $2 \text {-for-1 spli }$ | $\begin{aligned} & \text { elative } \mathrm{Pr}_{1} \\ & \text { Dit } 6 / 2 \end{aligned}$ | rength |  |  |  |  |  |  |  |  |  |  |  |  |  | -120 |
|  |  |  |  | Optio | rea in |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 100 |
|  | 9-21 PR | JECTIO |  |  | - |  |  |  |  |  |  |  |  |  |  |  |  |  | ---- | 80 |
|  |  |  | Total |  |  |  |  |  |  |  | +1 | T |  |  |  |  |  |  |  | 60 |
| High | $\begin{aligned} & \text { rice } \\ & 05 \end{aligned}$ | Gain |  | 418 | 曲 | , 1 |  | $0^{*}$ | it! ! ! ! |  |  |  |  |  |  |  |  |  |  | 50 |
| Low | $85$ | (Nil) |  |  | . | ** |  |  |  |  |  |  |  |  |  |  |  |  |  | 40 |
| Insider | Decis | Ons |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 30 |
| to Buy | A S O | N D J | F M A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{array}{\|l\|l\|} \text { to Buy } \\ \text { Options } \end{array}$ | $\begin{array}{lll}0 & 0 \\ 6815\end{array}$ | 0 0 <br> 2 8 | - $\begin{array}{rrrr}0 & 0 \\ 0 & 17 & 0\end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -20 |
| to Sell | 216 | 615 | 060 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -15 |
| Institut | tional D | ecision |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 302015 | 402015 | 102016 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | STOCK INDEX |  |
| to Buy to Sell | 897 |  | $\begin{aligned} & 955 \\ & 841 \end{aligned}$ | shares traded |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{aligned} & 1 \mathrm{yr} . \\ & 3 \mathrm{yr} . \end{aligned}$ | $\begin{array}{rr} 7.0 & -3.3 \\ 15.3 & 25.5 \end{array}$ | - |
| Hild's(000) 1 | 638195 | 610295 | 629584 |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 5 yr . | $40.9 \quad 51.1$ |  |
| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | $\bigcirc$ © VAL | JE LINE PUB. LLC | 19-21 |
| 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 | 28.10 | 24.55 | 25.55 | Sales p | rsh ${ }^{\text {A }}$ | 32.90 |
| 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 | 5.57 | 5.31 | 4.85 | 5.20 | "Cash | ow" per sh | 7.25 |
| 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 | 4.02 | 3.65 | 4.00 | Earning | per sh AB | 6.00 |
| . 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 | 2.59 | 2.75 | 2.85 | Div'ds | Decl'd per sh Ca | 3.30 |
| 1.16 | . 96 | . 65 | . 57 | . 80 | . 88 | . 84 | . 94 | 1.00 | 1.11 | 1.08 | 1.20 | 1.44 | 1.46 | 1.42 | 1.38 | 1.30 | 1.40 | Cap'I | ending per sh | 1.45 |
| 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 | 22.83 | 22.50 | 24.55 | Book V | lue per sh D | 29.55 |
| 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 | 2714.5 | 2650.0 | 2635.0 | Comm | Shs Outst'g E | 2600.0 |
| 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 | 19.0 | 20.9 | Bold figu | are | Avg An | IP/E Ratio | 16.0 |
| 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 | 1.00 | 1.06 |  |  | Relative | P/E Ratio | 1.00 |
| 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\% | 3.1\% |  |  | Avg An | 'I Div'd Yield | 3.5\% |
| CAPITAL STRUCTURE as of $3 / 31 / 16$ <br> Total Debt $\$ 32,815$ bill. Due in 5 Yrs $\$ 19.750$ bill. <br> LT Debt $\$ 19,134$ bill. LT Interest $\$ 4.65$ bill. <br> (Tot. Int. Coverage: 24.3x) |  |  |  |  |  | 68222 | 76476 | 83503 | 79029 | 78938 | 82559 | 83680 | 84167 | 83062 | 76279 | 65100 | 67325 | Sales | nill) ${ }^{\text {A }}$ | 85550 |
|  |  |  |  |  |  | 23.3\% | 24.3\% | 24.2\% | 24.3\% | 24.2\% | 22.6\% | 22.6\% | 22.3\% | 23.7\% | 23.4\% | 24.0\% | 25.5\% | Operati | g Margin | 26.5\% |
|  |  |  |  |  |  | 2627.0 | 3130.0 | 3166.0 | 3082.0 | 3108.0 | 2838.0 | 3204.0 | 2982.0 | 3141.0 | 3134.0 | 3150 | 3185 | Depre | tion (\$mill) | 3250 |
|  |  |  |  |  |  | 8684.0 | 10340 | 12075 | 11293 | 10946 | 11797 | 11344 | 11869 | 12220 | 11535 | 9675 | 10540 | Net Pro | (\$mill) | 15600 |
| Leases, Uncapitalized Annual Rentals $\$ 259$ mill. Pension Assets-6/15 $\$ 10.6$ bill. |  |  |  |  |  | 30.0\% | 29.7\% | 24.9\% | 26.3\% | 27.3\% | 22.3\% | 24.2\% | 23.2\% | 23.5\% | 20.2\% | 24.0\% | 24.0\% | Income | Tax Rate | 24.0\% |
|  |  |  |  |  |  | 12.7\% | 13.5\% | 14.5\% | 14.3\% | 13.9\% | 14.3\% | 13.6\% | 14.1\% | 14.7\% | 15.1\% | 14.9\% | 15.7\% | Net Pro | t Margin | 18.2\% |
| Pfd Stock $\$ 1.1$ bill. Pfd Div'd $\$ 259$ mill. |  |  |  |  |  | 4344.0 | d6686 | d6443 | d8996 | d5500 | d5323 | d2997 | d6047 | d2109 | d144.0 | d250 | d180 | Worki | Cap'I (\$mill) | d100 |
|  |  |  |  |  |  | 35976 | 23375 | 23581 | 20652 | 21360 | 22033 | 21080 | 19111 | 19811 | 18329 | 19000 | 19000 | Long-T | m Debt (\$mill) | 19000 |
| (ESOP owns 49,3 mill Class A shares and 57.2 mill Class $B$ shares: convertible into common stock.) |  |  |  |  |  | 62908 | 66760 | 69494 | 63099 | 61439 | 68001 | 64035 | 68709 | 69976 | 63050 | 56985 | 64650 | Shr. Eq | ity (\$mill) | 76875 |
| Common Stock 2,661,851,865 shares |  |  |  |  |  | 9.3\% | 12.1\% | 13.8\% | 14.3\% | 13.8\% | 13.5\% | 13.8\% | 13.9\% | 14.0\% | 14.6\% | 13.0\% | 12.5\% | Return | n Total Cap'l | 16.5\% |
|  |  |  |  |  |  | 13.8\% | 15.5\% | 17.4\% | 17.9\% | 17.8\% | 17.3\% | 17.7\% | 17.3\% | 17.5\% | 18.3\% | 17.0\% | 16.5\% | Return | Shr. Equity | 20.5\% |
| MARKET CAP: $\mathbf{2 2 2}$ billion (Large Cap) |  |  |  |  |  | $\begin{gathered} \hline 8.1 \% \\ 43 \% \end{gathered}$ | 9.4\% | 10.9\% | 10.1\% | 9.1\% | 9.0\% | 8.3\% | 7.9\% | 7.7\% | 6.9\% | 4.0\% | 5.0\% | Retained to Com Eq All Div'ds to Net Prof |  | 9.0\% |
| CURRENT POSITION |  |  | 2014 | 2015 | 3/31/16 |  | 41\% | 39\% | 45\% | 50\% | 49\% | 54\% | 55\% | 57\% | 63\% | 75\% | 70\% |  |  | 55\% |


| (\$MILL.) |  |  |  |
| :--- | ---: | ---: | ---: |
| Cash Assets | 10686 | 11612 | 13819 |
| Receivables | 6386 | 4861 | 4591 |
| Inventory (FIFO) | 6759 | 5454 | 4957 |
| Other | 7786 | 7719 | 10950 |
| Current Assets | 31617 | 29646 | 34317 |
| Accts Payable | 8461 | 8257 | 7795 |
| Debt Due | 15606 | 12021 | 13681 |
| Other | $\underline{9659}$ | $\underline{9512}$ | $\underline{9881}$ |
| Current Liab. | 33726 | 29790 | 31357 |


| ANNUAL RATES <br> of change (per sh) |  | Past 10 Yrs. | Pas 5 Yrs | $\begin{aligned} & \text { ist } \mathrm{Es} \\ & \text { rs. } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Sales |  | 4.0\% |  | 5 | \% |
| "Cash Flow |  | 5.5\% |  |  |  |
| Earnings |  | 6.0\% |  | 5\% |  |
| vidend |  | . |  |  | . $0 \%$ |
| ook V |  | 5.0 |  | $3.5 \%$ |  |
| Fiscal Year Ends | QUARTERLY SALES (\$ mill.) ${ }^{\text {A }}$ |  |  |  | $\begin{aligned} & \text { Full } \\ & \text { Fiscal } \\ & \text { Year } \end{aligned}$ |
|  | Sep. 30 | Dec. 31 | Mar. 31 | Jun. 30 |  |
| 2013 | 20739 | 22175 | 20598 | 20655 | 84167 |
| 14 | 20830 | 21897 | 20178 | 20157 | 83062 |
| 2015 | 20186 | 20161 | 18142 | 17790 | 76279 |
| 16 | 16527 | 16915 | 15755 | 15903 | 65100 |
| 2017 | 16850 | 17075 | 17175 | 1622 | 7325 |
| Fiscal Year Ends | EARNINGS PER SHARE AB |  |  |  | $\begin{aligned} & \text { Full } \\ & \text { Fiscal } \\ & \text { Year } \end{aligned}$ |
|  | Sep. 30 | Dec. 31 | Mar. 31 | Jun. 30 |  |
| 2013 | 10 | 1.22 | 99 |  |  |
| 2014 | 05 | 1.20 | 1.02 | 95 | 4.22 |
| 2015 | 1.04 | 1.06 | . 92 | 1.00 | 4.02 |
| 2016 | 98 | 1.04 | 86 | . 77 | 3.65 |
|  | 1.00 | 1.00 | 1.00 | 1.00 | 4.00 |
| Calendar | QUARTERLY DIVIDENDS PAID $\mathrm{C}_{\text {■ }}$ |  |  |  | Full Year |
|  | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 |  |
| 2012 | . 525 | . 562 | . 562 | 562 | . |
| 2013 | 562 | . 602 | . 602 | 602 | 2.37 |
| 2014 | 602 | . 644 | . 644 | . 644 | 2.53 |
| 2015 | . 644 | . 663 | . 663 | . 6 |  |
| 2016 | 663 | 67 |  |  |  |

BUSINESS: The Procter \& Gamble Company makes branded con
sumer packaged goods, which are marketed and sold in more than
180 countries around the world. Has five reportable segments
Beauty/Hair/Personal care ( $24 \%$ of fiscal 2015 sales); Grooming
(10\%); Health Care ( $10 \%$ ); Fabric Care \& Home Care ( $29 \%$ ); Baby
Feminine \& Family Care ( $27 \%$ ). International operations accounted
Procter \& Gamble will probably put
Procter \& Gamble will probably put in a weak showing for fiscal 2016. (Year ends June 30th). The consumer goods conglomerate continued to struggle during the third quarter, causing the top and bottom lines to decline at a 7\% clip. The unfavorable currency exchange envionrment persisted, and a flat pricing and product mix hindered results. Plus, these factors offset much of the benefits from management's productivity improvements. And recent brand divestitures (including the sale of Duracel to Berkshire Hathaway) will likely impact year-to-year comparisons. All told, we believe share earnings will fall another $5 \%-10 \%$, on a $15 \%$ revenue decrease for the full year
We think things will begin to pick up next year. The U.S. dollar has already begun to rebound, and this, combined with P\&G's restructuring efforts, and other growth initiatives should put the company on the mend in fiscal 2017. All told, share earnings are liable to recoup their 2016 setback, and revenues ought to recover 3\% next year.

## Management has been hard at work

(A) Fiscal years end June 30th. (B) Diluted d19¢; '14, d21c. EPS may not sum. Next earn earnings. Excludes nonrecurring: '00, (24c); ings report due late July.

(E) In millions, adjusted for split
(64¢); '10, 58¢; '11, (614); '12, (73¢); '13, Aug., and Nov. - DRIP available. (D) Includes
(E) In millions, adjusted for split.
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for $65 \%$ of fiscal 2014 top line, $45 \%$ of earnings. Wal-Mart Stores accounted for $14 \%$ of fiscal 2015 sales. Employs about 110,000. Officer \& directors own less than $1 \%$ of common stock ( $8 / 15$ proxy). Chairman: A. G. Lafley. President \& CEO: David S. Taylor. Incorporated: Ohio. Address: One Procter \& Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com.
divestitures to invest in its remaining businesses. And ongoing cost-savings measures and efforts to increase operating efficiencies should help expand margins going forward. Too, it ought to focus on gaining market share, specifically through product innovation and new launches. Likewise, advertising campaigns should bolster its brand equity.
The company has been rewarding its shareholders. The board increased the second-quarter dividend 1\% to \$0.6695 a share. In all, it has earmarked $\$ 7$ billion toward dividends this year. Plus, P\&G plans to allocate between $\$ 8$ billion and $\$ 9$ billion toward stock repurchases in fiscal 2016 (which included the \$4.2 billion worth of shares it exchanged during the closing of the Duracell divestiture).
These shares do not stand out for near- or long-term price momentum. But this stock may appeal to conservative or income-oriented investors. P\&G's top scores for Safety and Financial Strength, and low Beta, add to its investment luster. Plus, the equity holds an above-average dividend yield
Orly Seidman
J une 24, 2016

