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14026

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30210 30770 Past Est'd '15-'17 ANNUAL RATES Past 10 Yrs. 1.5% 3.0% 3.5% of change (per sh) **5 Yrs.** -2.5% to '20-'22 4.0% 8.0% 10.0% Sales "Cash Flow" .5% .5% Earnings 8.5% 3.5% Dividends Book Value 6.0% 7.0% 5.0%

11653

Current Liab.

9792

Fiscal Year Ends	QUA Sep.30	RTERLY S Dec.31	ALES (\$ m Mar.31	nill.) A Jun.30	Full Fiscal Year
2014	20830	21897	20178	20157	83062
2015	20186	20161	18142	17790	76279
2016	16527	16915	15755	16102	65299
2017	16518	16856	15605	16079	65058
2018	16653	17350	16000	16497	66500
Fiscal	EARNINGS PER SHARE AB				Full .
Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Fiscal Year
2014	1.05	1.20	1.02	.95	4.22
2015	1.04	1.06	.92	1.00	4.02
2016	.98	1.04	.86	.79	3.67
2017	1.03	1.08	.96	.85	3.92
2018	1.09	1.10	1.01	1.00	4.20
Cal-	QUARTERLY DIVIDENDS PAID C■				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2013	.562	.602	.602	.602	2.37
2014	.602	.644	.644	.644	2.53
2015	.644	.663	.663	.663	2.63
2016	.663	.67	.67	.67	2.67
2017	67	69	69	69	

(10%); Health Care (12%); Fabric Care & Home Care (32%); Baby, Feminine & Family Care (28%). International sales accounted for

Procter & Gamble got off to a good start this year. (Fiscal year began July 1st.) Indeed, share earnings advanced 6%, while revenues inched up 1% during the September period,

The company should continue to rebound nicely. The top line has been pretty stagnant over the past couple of years, owing to unfavorable currency effects and the impact of recent divestitures. Even though we expect management's efforts (discussed below) will add some wind to its sails, P&G may eke out only a 2% revenue advance for the full year. Core earnings, on the other hand, should benefit further from ongoing business improvements, and we believe will climb another 5%-10% in fiscal 2018.

Restructuring efforts and strategic improvements have begun to take hold. Productivity enhancements, including the redesign of its supply chain, and cost controls have helped widen margins. These moves should offset rising input expenses. The company will probably try to capture additional market share, and invest in innovation and product development, and widen its e-commerce business Ohio, Address: 1 Procter & Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com.

to support revenue growth.

The proxy battle may be far from **over.** Over the summer, activist investor Nelson Peltz of Trian Fund Management sought a seat on the board of directors. He led the charge that the consumer goods maker was not doing enough to boost sagging sales or support shareholder value. P&G encouraged its stockholders to vote against Mr. Peltz's board appointment at the October meeting, and originally claimed that the company won the proxy fight. The following month, however, it announced that the hedge fund manager won by a small margin. The company is reviewing the preliminary results of the vote.

These shares offer limited long-term capital appreciation potential. The stock is ranked to outperform the broader market averages for relative price performance in the year ahead. And PG appears to be well valued at this juncture. Even though the aforementioned proxy fight may add some turbulence in the near term, this blue chip still holds plenty of conservative appeal. Plus, the equity offers attractive risk-adjusted income.

December 22, 2017 Orly Seidman

(A) Fiscal years end June 30th. (B) Diluted core earnings. Excludes nonrecurring: '01, (53¢); '02, (25¢); '03, (19¢); '08, (12¢); '09, (64¢); '10, 58¢; '11, (61¢); '12, (73¢); '13, Aug., and Nov. ■ DRIP available. (D) Includes intangibles. In '17: \$68.9 bill., \$26.98 a share. (E) In millions, adjusted for split.

Company's Financial Strength Stock's Price Stability A++ 100 Price Growth Persistence **Earnings Predictability** 100