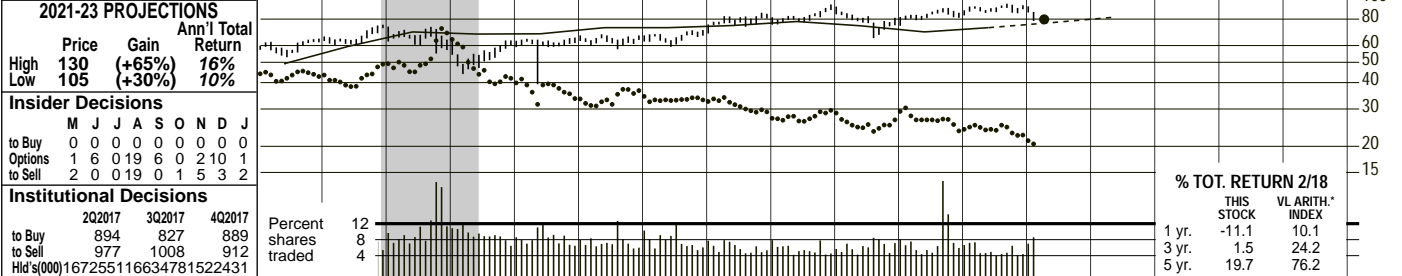


# PROCTER & GAMBLE NYSE-PG

RECENT PRICE **79.72** P/E RATIO **18.3** 19.5 18.0 RELATIVE P/E RATIO **0.95** DIV'D YLD **3.5%** VALUE LINE

TIMELINESS <b>3</b> Lowered 1/19/18	High: 75.2 73.8 63.5 65.4 67.7 71.0 85.8 93.9 91.8 90.3 94.7 91.9	Target Price Range 2021 2022 2023
SAFETY <b>1</b> Raised 1/11/02	Low: 60.4 54.9 43.9 39.4 57.6 59.1 68.4 75.3 65.0 74.5 83.2 77.9	
TECHNICAL <b>3</b> Lowered 3/9/18	LEGENDS 14.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession	
BETA .65 (1.00 = Market)		



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	24.47	25.48	<b>26.80</b>	<b>27.90</b>	Sales per sh <sup>A</sup>	<b>32.65</b>
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	4.97	5.21	<b>5.50</b>	<b>5.85</b>	"Cash Flow" per sh	<b>7.90</b>
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	3.67	3.92	<b>4.25</b>	<b>4.50</b>	Earnings per sh <sup>AB</sup>	<b>6.45</b>
.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	2.66	2.70	<b>2.76</b>	<b>2.84</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>3.50</b>
.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.44	1.46	1.42	1.38	1.24	1.33	<b>1.35</b>	<b>1.30</b>	Cap'l Spending per sh	<b>1.25</b>
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	21.34	21.45	<b>22.10</b>	<b>23.00</b>	Book Value per sh <sup>D</sup>	<b>28.85</b>
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	2668.1	2553.3	<b>2500.0</b>	<b>2475.0</b>	Common Shs Outst'g <sup>E</sup>	<b>2450.0</b>
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	21.4	22.3	<b>22.0</b>	<b>22.3</b>	Avg Ann'l P/E Ratio	<b>18.0</b>
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	1.05	1.12	1.09	<b>1.12</b>	<b>1.09</b>	Relative P/E Ratio	<b>1.00</b>
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%	3.4%				Avg Ann'l Div'd Yield	<b>3.0%</b>

CAPITAL STRUCTURE as of 12/31/17																			
Total Debt \$37.733 bill. Due in 5 Yrs \$15.00 bill.																		Sales (\$mill) <sup>A</sup>	
LT Debt \$22.186 bill. LT Interest \$4.950 bill.																		Operating Margin	
(Tot. Int. Coverage: 24.3x)																		28.0%	
(29% of Tot. Cap'l)																		Depreciation (\$mill)	
Leases, Uncapitalized Annual Rentals \$261 mill.																		3500	
Pension Assets-6/17 \$10.8 bill.																		Net Profit (\$mill)	
Oblig. \$16.2 bill.																		15800	
Pfd Stock \$1.1 bill. Pfd Div'd \$247 mill.																		Income Tax Rate	
(ESOP owns 49.3 mill Class A shares and 57.2 mill Class B shares; convertible into common stock.)																		21.0%	
Common Stock 2,521,003,706 shares																		Net Profit Margin	
																		19.8%	
MARKET CAP: \$201 billion (Large Cap)																		Working Cap'l (\$mill)	
																		1500	
CURRENT POSITION																		Long-Term Debt (\$mill)	
2016																		20000	
2017																		55630	
12/31/17																		70625	
(SMILL.)																		Return on Total Cap'l	
Cash Assets																		17.5%	
Receivables																		Return on Shr. Equity	
Inventory (FIFO)																		22.5%	
Other																		10.0%	
Current Assets																		All Div'ds to Net Prof	
Accts Payable																		54%	
Debt Due																			
Other																			
Current Liab.																			

**BUSINESS:** The Procter & Gamble Company makes branded consumer packaged goods, which are marketed and sold in more than 180 countries around the world. Has five reportable segments: Beauty/Hair/Personal care (18% of fiscal 2017 sales); Grooming (10%); Health Care (12%); Fabric Care & Home Care (32%); Baby, Feminine & Family Care (28%). International sales accounted for 55% of fiscal 2017 sales and Wal-Mart Stores accounted for 16%. Div. battery business in 2/16. Has 95,000 employees. Off. & dir. own less than 1% of common stock; BlackRock, 5.8%; Vanguard, 6.6% (8/17 proxy). Chairman/President/CEO: David S. Taylor. Inc.: Ohio. Address: 1 Procter & Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com.

**Procter & Gamble continued to make progress in the fiscal second quarter.** (Year ends June 30th.) Indeed, core earnings advanced 10% during the period, on a 3% revenue gain. The company recorded healthy organic sales growth thanks to a more favorable foreign currency exchange environment and a better product mix. Plus, P&G's focus on streamlining its business, and ongoing cost controls, with other strategic improvements helped support its recent performance. Too, U.S. tax reform ought to boost the bottom line when it takes effect in 2018. As such, **We think the household goods conglomerate is well positioned for the near term.** Looking ahead, we imagine management will consider other portfolio improvements, specifically seeking higher-margin product lines. Too, P&G ought to expand its digital position by bolstering its e-commerce business. And it may turn to innovation to extend its reach. Though branding initiatives have played an important role in Procter's market-building strategy, we think it may scale back some of its marketing and advertising expenditures, as part of its cost-alignment efforts.

All told, we look for share earnings to increase at a 5%-10% clip this year and next. **The recent change in the boardroom may impact the company.** Last December, Nelson Peltz of Trian Fund Management was awarded a seat on the board. (Mr. Peltz engaged in a proxy fight last summer, and won by a small margin.) The activist investor had been calling for a more aggressive growth plan to offset Procter & Gamble's lagging top line. As a result, the company has reiterated its goal of implementing strategic growth measures, including making its business more productive and efficient. **These shares have lost some steam over the past few months.** The stock has lost about 12% in value since our December review, and PG has fallen a rung in our Timeliness Ranking System and is now set to keep pace with the broader market in the year ahead. Some investors are concerned that Mr. Peltz's promises may not take hold, and are attributing some of the recent slump on his recent election to the board. But the issue offers worthwhile long-term capital gains appeal. *Orly Seidman* March 23, 2018

(A) Fiscal years end June 30th. (B) Diluted core earnings. Excludes nonrecurring: '02, (25c); '03, (19c); '08, (12c); '09, (64c); '10, 58c; '11, (61c); '12, (73c); '13, d19c; '14, d21c.	EPS may not sum. Next earnings report due late April.	Intangibles. In '17: \$68.9 bill., \$26.98 a share. (E) In millions.	Company's Financial Strength A++
(C) Dividends historically paid in Feb., May, Aug., and Nov. ■ DRIP available. (D) Includes			Stock's Price Stability 100
			Price Growth Persistence 15
			Earnings Predictability 100