

PROCTER & GAMBLE NYSE-PG

RECENT PRICE **77.24**

P/E RATIO **17.7**

18.7
18.0

RELATIVE P/E RATIO **0.96**

DIV'D YLD **3.7%**

VALUE LINE

TIMELINESS 5 Lowered 5/18/18
SAFETY 1 Raised 1/11/02
TECHNICAL 4 Lowered 6/8/18
BETA .70 (1.00 = Market)

High: 75.2 73.8 63.5 65.4 67.7 71.0 85.8 93.9 91.8
Low: 60.4 54.9 43.9 39.4 57.6 59.1 68.4 75.3 65.0

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range
2021 2022 2023

2021-23 PROJECTIONS

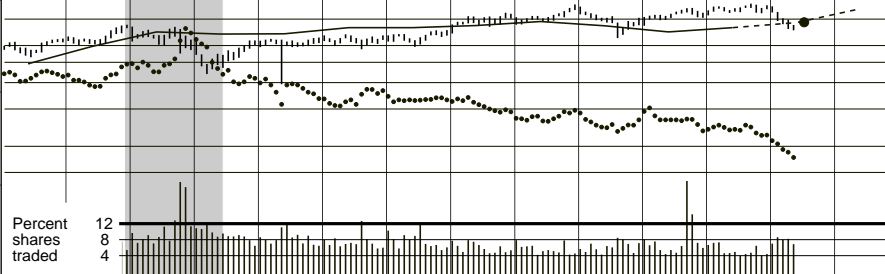
Price	Gain	Ann'l Total Return
High 130	(+70%)	17%
Low 105	(+35%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	19	6	0	2	10	1	3	15	0
to Sell	19	0	1	5	3	2	3	6	0

Institutional Decisions

	3Q2017	4Q2017	1Q2018
to Buy	827	889	946
to Sell	1008	912	1137
Hlds(000)	1663478	1522431	1507053



% TOT. RETURN 5/18	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.2	14.3
3 yr.	2.9	29.1
5 yr.	10.9	67.5

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	26.80	28.00	Sales per sh ^A	32.65
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	5.50	5.85	"Cash Flow" per sh	7.90
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	4.25	4.50	Earnings per sh ^{AB}	6.45
.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	2.84	2.88	Div'ds Decl'd per sh ^C	3.50
.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	1.35	1.30	Cap'l Spending per sh	1.25
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	22.10	23.00	Book Value per sh ^D	28.85
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	2500.0	2475.0	Common Shs Outst'g ^E	2450.0
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	22.0	22.0	Avg Ann'l P/E Ratio	18.0
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	1.12	1.09	Relative P/E Ratio	1.00
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%	3.1%	3.4%	3.1%	Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 3/31/18
Total Debt \$35,299 bill. Due in 5 Yrs \$15.00 bill.
LT Debt \$22,437 bill. LT Interest \$1,350 bill.
(Tot. Int. Coverage: 24.3x)

(29% of Tot. Cap'l)
Leases, Uncapitalized Annual Rentals \$261 mill.
Pension Assets-6/17 \$10.8 bill.

Oblig. \$16.2 bill.
Pfd Stock \$1.1 bill. **Pfd Div'd** \$198 mill.
(ESOP owns 49.3 mill Class A shares and 57.2 mill Class B shares; convertible into common stock.)
Common Stock 2,514,599,476 shares

MARKET CAP: \$194 billion (Large Cap)

83503	79029	78938	82559	83680	84167	83062	76279	65299	65058	67000	69250	Sales (\$mill) ^A	80000
24.2%	24.3%	24.2%	22.6%	22.6%	22.3%	23.7%	23.4%	26.2%	26.4%	26.5%	26.5%	Operating Margin	28.0%
3166.0	3082.0	3108.0	2838.0	3204.0	2982.0	3141.0	3134.0	3078.0	2820.0	3000	3225	Depreciation (\$mill)	3500
12075	11293	10946	11797	11344	11869	12220	11535	10441	10733	10750	11250	Net Profit (\$mill)	15800
24.9%	26.3%	27.3%	22.3%	24.2%	23.2%	23.5%	20.2%	24.6%	23.8%	23.0%	22.0%	Income Tax Rate	21.0%
14.5%	14.3%	13.9%	14.3%	13.6%	14.1%	14.7%	15.1%	16.0%	16.5%	16.0%	16.2%	Net Profit Margin	19.8%
d6443	d8996	d5500	d5323	d2997	d6047	d2109	d144.0	3012.0	d3716	d500	325	Working Cap'l (\$mill)	1500
23581	20652	21360	22033	21080	19111	19811	18329	18945	18038	20000	20000	Long-Term Debt (\$mill)	20000
69494	63099	61439	60001	64035	68709	69976	63050	57983	55778	55250	56930	Shr. Equity (\$mill)	70625
13.8%	14.3%	13.8%	13.5%	13.8%	13.9%	14.0%	14.6%	13.9%	14.9%	14.5%	14.5%	Return on Total Cap'l	17.5%
17.4%	17.9%	17.8%	17.3%	17.7%	17.3%	17.5%	18.3%	18.0%	19.2%	19.5%	20.0%	Return on Shr. Equity	22.5%
10.9%	10.1%	9.1%	9.0%	8.3%	7.9%	7.7%	6.9%	5.3%	6.4%	7.0%	7.5%	Retained to Com Eq	10.0%
39%	45%	50%	49%	54%	55%	57%	63%	71%	67%	64%	62%	All Div'ds to Net Prof	54%

CURRENT POSITION 2016 2017 3/31/18 (\$MILL.)

Cash Assets	13348	15137	15534
Receivables	4373	4594	5149
Inventory (FIFO)	4716	4624	5207
Other	11345	2139	2070
Current Assets	33782	26494	27960
Accts Payable	9325	9632	9716
Debt Due	11653	13554	12862
Other	9792	7024	8133
Current Liab.	30770	30210	30711

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%. Divested 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.

ANNUAL RATES Past Past Est'd '15-'17 of change (per sh) 10 Yrs. 5 Yrs. to '21-'23

Sales	1.5%	-2.5%	4.0%
"Cash Flow"	3.0%	.5%	7.5%
Earnings	3.5%	.5%	9.0%
Dividends	8.5%	6.0%	4.5%
Book Value	3.5%	-1.0%	4.5%

QUARTERLY SALES (\$mill.) ^A

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2015	20186	20161	18142	17790	76279
2016	16527	16915	15755	16102	65299
2017	16518	16856	15605	16079	65058
2018	16653	17395	16281	16671	67000
2019	17100	17500	17000	17650	69250

EARNINGS PER SHARE ^{AB}

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
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	1.19	1.00	.97	4.25
2019	1.15	1.25	1.10	1.00	4.50

QUARTERLY DIVIDENDS PAID ^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.74
2018	.69	.72			

Shares of Procter & Gamble have been under pressure of late. In fact, the stock is down nearly 20% in value since the start of the year. And it is ranked Lowest (5) for year-ahead Timeliness. Even though the company has been making progress, investors were likely wary about the difficult operating environment it has been facing, and whether P&G's restructuring efforts will take hold in the near term.

The company is poised to rebound this year. (Fiscal year ends June 30th.) To review, P&G had been hit hard by an unfavorable currency environment over the past few years, as the strength of the U.S. dollar eroded some of the top-line gains from overseas markets. Nevertheless, the company has been pruning its portfolio and focusing on bolstering its remaining brands and product lines. Too, it will likely continue to strengthen its e-commerce division and distribution network to help expand its reach. What's more, the company may ramp up branding initiatives and merchandising and marketing campaign to gain market share. In all, share earnings ought to increase 8%, on a

3% revenue advance this year. Plus, the bottom line will likely grow at a mid-single-digit clip in fiscal 2019.

Restructuring efforts are under way. Management will probably continue to concentrate on cost controls and productivity improvements, though we imagine it will scale back streamlining efforts. In April, the company acquired the Consumer Health business of Darmstadt, Germany-based Merck KGaA for roughly 3.4 million euros. This addition should help expand P&G's geographic reach. Likewise, Procter is planning to end its OTC joint venture with Teva in July, and this deal will likely replace the lost business from that disbanded partnership.

P&G has been shoring up its finances. The company recently made a tender offer, and bought back approximately \$1.4 billion of its long-term debt. This move should reduce interest expense.

This issue offers worthwhile total return potential over the coming 3- to 5-year span. The stock's attractive dividend yield, as well as the company's defensive qualities, adds to its investment appeal.

Orly Seidman
June 22, 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 July. (C) Dividends historically paid in Feb., May, Aug., and Nov. (D) DRIP available. (E) Includes intangibles. In '17: \$68.9 bill., \$26.98 a share. (E) In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	15
Earnings Predictability	100