

180 countries around the world. Has five reportable segments: Beauty (19% of fiscal '18 sales, 23% of earnings); Grooming (10%, 14%); Health Care (12%, 13%); Fabric & Home Care (32%, 27%); Baby, Feminine & Family Care (27%, 23%). International sales ac-

Off. & dir. own 1.8% of common stock; BlackRock, 6.3%; Vanguard, 7.3% (8/18 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.

Past Est'd '16-'18 ANNUAL RATES Past 10 Yrs. .5% of change (per sh) **5 Yrs.** -3.5% to '22-'24 4.5% 7.0% 8.5% Sales "Cash Flow" 2.0% 2.5% Earnings Dividends Book Value 5.0% -2.5% 7.5%

26494

9632

13554

30210

7024

23320

10344

10423 7470

28237

22312

10207

28370

8911

Current Assets

Accts Payable Debt Due

Current Liab.

Fiscal Year Ends	QUA Sep.30	RTERLY S Dec.31	ALES (\$ m Mar.31	ill.) ^A Jun.30	Full Fiscal Year
2016	16527	16915	15755	16102	65299
2017	16518	16856	15605	16079	65058
2018	16653	17395	16281	16503	66832
2019	16690	17438	16462	16727	67500
2020	17200	18225	16950	17150	69525
Fiscal	EARNINGS PER SHARE AB				_Full .
Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Fiscal Year
2016	.98	1.04	.86	.79	3.67
2017	1.03	1.08	.96	.85	3.92
2018	1.09	1.19	1.00	.94	4.22
2019	1.12	1.25	1.06	1.07	4.50
2020	1.15	1.25	1.20	1.15	4.75
Cal-	QUARTERLY DIVIDENDS PAID C=				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2015	.644	.663	.663	.663	2.63
2016	.663	.67	.67	.67	2.67
2017	.67	.69	.69	.69	2.74
2018	.69	.72	.72	.72	2.85
0040	70	740			1

Procter & Gamble ought to close fiscal **2019 on good footing.** (Fiscal year ends June 30th.) Although the company has been facing a difficult global operating environment, due to the drag from unfavorable foreign currency effects, rising commodity prices, and higher input costs, we are optimistic that management's strategic growth efforts (more below), alongside stronger sales and better pricing, will offset those headwinds. All told, we look for share profits to climb about 6% for the full year, though revenues may only inch forward about 1%. Next year, however, we believe the top and bottom lines will climb at low- to mid-single-digit clips.

Management is better positioning itself for the long haul. We look for margins to expand, thanks to the company's ongoing restructuring efforts and prod-uctivity improvements. Over the last couple of years, Procter has been adjusting its portfolio. Though, for the most part, it has shed brands and categories, it recently purchased Merck's OTC business. And we wouldn't be surprised if the conglomerate sought other tuck-in acquisitions in the near future. Meanwhile, P&G will likely

continue to invest in its offerings, and focus on product innovation. Too, it will likely rely on a stronger marketing campaign to bolster its brands and help gain shelf space. Further, the company has been strengthening its e-commerce arm and direct-to-consumer sales channels, and technological enhancements may support its distribution.

P&G has been rewarding its shareholders. The company has been reducing its stock base, and ongoing repurchases should help boost per-share comparisons moving forward. What's more, the board of directors raised the June-quarter dividend about 3.5% to \$0.7459 a share. This equity offers an above-average yield, and decent risk-adjusted total return potential.

These top-quality shares are ranked 1 (Highest) for year-ahead Timeliness. The stock price has climbed nearly 15% since the start of 2019. However, we believe much of the good news we envision out to 2022-2024 is already baked into the recent quotation. On the other hand, this blue chip's defensive qualities may tempt conservative investors.

Orly Seidman June 21, 2019

2019 .72 .746 (A) Fiscal years end June 30th. (B) Diluted may not sum. Next earnings report due late (D) Includes intangibles. In '18: \$69.1 bill., core earnings. Excludes nonrecurring: '03, July. \$27.66 a share. core earnings. Excludes nonrecurring: '03, (19¢); '08, (12¢); '09, (64¢); '10, 58¢; '11, (C) Dividends historically paid ir (61¢); '12, (73¢); '13, d19¢; '14, d21¢. EPS (Aug., and Nov. ■ DRIP available.

(C) Dividends historically paid in Feb., May,

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

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