

PROCTER & GAMBLE NYSE-PG

RECENT PRICE **124.27**

P/E RATIO **25.1** (Trailing: 26.0; Median: 19.0)

RELATIVE P/E RATIO **1.41**

DIV'D YLD **2.4%**

VALUE LINE **1193**

TIMELINESS 1 Raised 3/8/19
SAFETY 1 Raised 1/11/02
TECHNICAL 3 Lowered 12/20/19
BETA .70 (1.00 = Market)

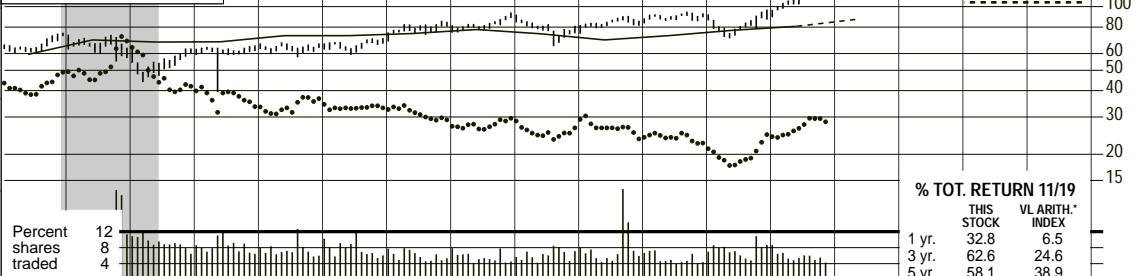
High: 73.8 63.5 65.4 67.7 71.0 85.8 93.9 91.8 90.3 94.7 96.9 125.8
 Low: 54.9 43.9 39.4 57.6 59.1 68.4 75.3 65.0 74.5 83.2 70.7 89.1

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

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$109-\$154 \$132 (5%)

2022-24 PROJECTIONS
 Price Gain Ann'l Total
 High 130 (+5%) 4%
 Low 105 (-15%) -1%

Institutional Decisions
 10/2019 20/2019 30/2019
 to Buy 992 975 983
 to Sell 1204 1203 1223
 Hld's(000) 1562263 1670508 1591798



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	26.75	27.02	28.80	Sales per sh ^A	33.35
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	5.52	5.76	6.25	"Cash Flow" per sh	7.95
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	4.22	4.52	4.95	Earnings per sh ^{AB}	6.50
.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	2.79	2.90	3.00	Div'ds Decl'd per sh ^C	3.50
.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	1.49	1.34	1.50	Cap'l Spending per sh	1.50
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	20.78	18.47	20.60	Book Value per sh ^D	29.45
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	2498.1	2504.8	2450.0	Common Shs Outst'g ^E	2400.0
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	20.1	20.7		Avg Ann'l P/E Ratio	18.0
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	1.12	1.09	1.17		Relative P/E Ratio	1.00
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%	3.3%	3.1%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 9/30/19
 Total Debt \$29.513 bill. Due in 5 Yrs \$20.40 bill.
 LT Debt \$20.161 bill. LT Interest \$1.250 bill.
 (Tot. Int. Coverage: 30.1x)
 (30% of Tot. Cap'l)
Leases, Uncapitalized Annual Rentals \$255 mill.
Pension Assets-6/19 \$11.382 bill.
Oblig. \$17.037 bill.
Pfd Stock \$928 mill.
 (ESOP owns 49.3 mill Class A shares and 57.2 mill Class B shares; convertible into common stock.)
Common Stock 2,493,812,048 shares

MARKET CAP: \$310 billion (Large Cap)

CURRENT POSITION	2018	2019	9/30/19
(SMILL.)			
Cash Assets	11850	10287	9304
Receivables	4686	4951	5143
Inventory (FIFO)	4738	5017	5465
Other	2046	2218	2013
Current Assets	23320	22473	21925
Accts Payable	10344	11260	10951
Debt Due	10423	9697	9352
Other	7470	9054	9950
Current Liab.	28237	30011	30253

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '22-'24
of change (per sh)			
Sales	-	-3.0%	4.5%
"Cash Flow"	1.5%	.5%	7.5%
Earnings	2.0%	1.0%	9.0%
Dividends	6.5%	4.0%	4.5%
Book Value	-5%	-3.5%	8.0%

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) ^A	Full Fiscal Year
	Sep.30 Dec.31 Mar.31 Jun.30	
2016	16527 16915 15755 16102	65299
2017	16518 16856 15605 16079	65058
2018	16653 17395 16281 16503	66832
2019	16690 17438 16462 17094	67684
2020	17798 18325 16950 17427	70500

Fiscal Year Ends	EARNINGS PER SHARE ^{AB}	Full Fiscal Year
	Sep.30 Dec.31 Mar.31 Jun.30	
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 1.10	4.52
2020	1.37 1.35 1.10 1.13	4.95

Cal-endar	QUARTERLY DIVIDENDS PAID ^C	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
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
2019	.72 .746 .746 .746	

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 (19% of fiscal '19 sales, 22% of earnings); Grooming (9%, 13%); Health Care (12%, 13%); Fabric & Home Care (33%, 29%); Baby, Feminine & Family Care (27%, 23%). Walmart accounted for

Procter & Gamble got off to a good start in fiscal 2020. (Year ends June 30th). Share earnings advanced 37% year over year, on a 7% sales gain. The household goods conglomerate continued to struggle with an unfavorable foreign exchange environment and other headwinds, such as global economic concerns owing to tariffs and trade tensions. Nevertheless, an improved product mix, stronger shipment volume, and pricing initiatives boosted operational results. Too, sales growth in Japan, where many retailers ramped up their inventories ahead of a planned VAT increase, helped drive the top line in several of Procter's categories. **The company is well positioned for the near term.** Ongoing cost controls, productivity enhancements, and supply-chain improvements should widen margins. Plus, incremental price hikes may offset inflationary effects and higher input costs. All told, we look for core earnings per share to increase 10%, on a 3%-5% top-line gain for the full year.

Procter has been strengthening its operations. Over the past few years, the company has realigned its portfolio. And it

may consider shifting its asset roster in the future. Meanwhile, management will probably invest heavily in its remaining brands, product innovation, and digital improvements. P&G has been boosting its e-commerce arm, which ought to expand its distribution network and market reach. And it may ramp up marketing spending to better promote its branded products. **These top-quality shares offer stellar investment appeal.** P&G earns our highest marks for Safety (1) and Financial Strength (A++) adding to its conservative luster. Moreover, the company's defensive properties should help it register slow-but-steady gains over the coming years. Moreover, the stock offers an above-average dividend yield that enhances its risk-adjusted income appeal. This issue has climbed nicely in value over the past few months, and is ranked to outperform the broader market averages in the year ahead (Timeliness: 1). Nevertheless, much of the capital appreciation potential we envision over the next 3 to 5 years already appears to be baked into the recent quotation.

Orly Seidman

December 20, 2019

(A) Fiscal years end June 30th. (B) Diluted core earnings. Excludes n/r gains/losses: '03, (39¢); '09, (68¢); '10, 58¢; '12, (73¢); '13, (19¢); '14, (24¢); '15, (96¢); '16, (18¢); '17, (23¢) '18, (55¢); '19 (\$3.09). EPS may not sum. Next earnings report due late January. (C) Dividends historically paid in Feb., May, Aug., and Nov. ■ DRIP available. (D) Includes intangibles. In Fiscal '19: \$64.5 bill., \$25.75 a share. (E) In millions.

© 2019 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	30
Earnings Predictability	100

To subscribe call 1-800-VALUELINE