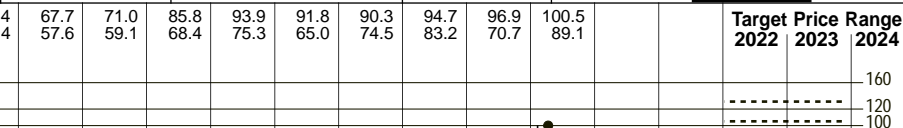


# PROCTER & GAMBLE NYSE-PG

RECENT PRICE **100.05** P/E RATIO **22.1** (Trailing: 23.2 Median: 18.0) RELATIVE P/E RATIO **1.30** DIV'D YLD **2.9%** VALUE LINE **1196**

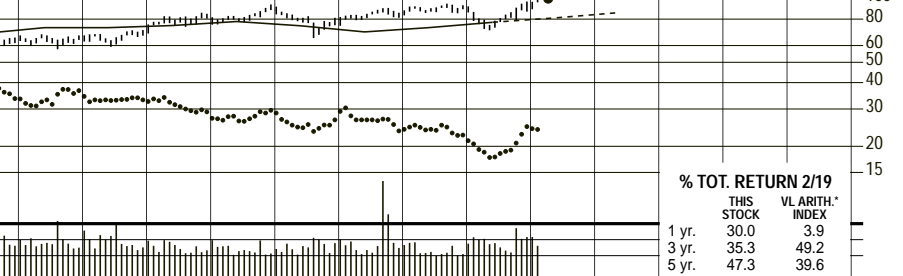
**TIMELINESS** 1 Raised 3/8/19  
**SAFETY** 1 Raised 1/11/02  
**TECHNICAL** 2 Raised 3/15/19  
**BETA** .65 (1.00 = Market)

High: 73.8 63.5 65.4 67.7 71.0 85.8 93.9 91.8 90.3 94.7 96.9 100.5  
 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



**2022-24 PROJECTIONS**  
 Price **130** Gain **(+30%)** Ann'l Total Return **10%**  
 High **130** Low **105** (+5%)  
**Insider Decisions**  
 M J J A S O N D J  
 to Buy 0 0 0 0 0 0 0 0 0 0  
 Options 0 7 0 20 8 12 18 7 2  
 to Sell 1 4 0 18 1 0 19 2 2  
**Institutional Decisions**  
 2Q2018 3Q2018 4Q2018  
 to Buy 897 870 1044  
 to Sell 1133 1116 1125  
 Hlds(000) 148814614901631536801

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



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	<b>27.55</b>	<b>28.75</b>	Sales per sh <sup>A</sup>	<b>33.35</b>
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	<b>5.80</b>	<b>6.15</b>	"Cash Flow" per sh	<b>7.95</b>
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	<b>4.50</b>	<b>4.75</b>	Earnings per sh <sup>AB</sup>	<b>6.50</b>
.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	<b>2.94</b>	<b>3.00</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>3.50</b>
.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	<b>1.50</b>	<b>1.50</b>	Cap'l Spending per sh	<b>1.50</b>
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	<b>22.40</b>	<b>23.35</b>	Book Value per sh <sup>D</sup>	<b>29.45</b>
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	<b>2450.0</b>	<b>2420.0</b>	Common Shs Outst'g <sup>E</sup>	<b>2400.0</b>
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	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>18.0</b>
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	1.08			Relative P/E Ratio	<b>1.00</b>
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%			Avg Ann'l Div'd Yield	<b>3.0%</b>

**CAPITAL STRUCTURE as of 12/31/18**  
 Total Debt \$33.627 bill. Due in 5 Yrs \$19.70 bill.  
 LT Debt \$21.514 bill. LT Interest \$1.050 bill.  
 (Tot. Int. Coverage: 29.5x)  
 (28% of Tot. Cap'l)  
**Leases, Uncapitalized Annual Rentals** \$275 mill.  
**Pension Assets-6/18** \$11.3 bill.  
**Oblig.** \$15.2 bill.  
**Pfd Stock** \$967 mill. **Pfd Div'd** \$253 mill.  
 (ESOP owns 49.3 mill Class A shares and 57.2 mill Class B shares; convertible into common stock.)  
**Common Stock** 2,501,579,709 shares  
**MARKET CAP: \$250 billion (Large Cap)**

79029	78938	82559	83680	84167	83062	76279	65299	65058	66832	<b>67500</b>	<b>69525</b>	Sales (\$mill) <sup>A</sup>	<b>80000</b>
24.3%	24.2%	22.6%	22.6%	22.3%	23.7%	23.4%	26.2%	26.4%	25.9%	<b>26.5%</b>	<b>26.5%</b>	Operating Margin	<b>28.0%</b>
3082.0	3108.0	2838.0	3204.0	2982.0	3141.0	3134.0	3078.0	2820.0	2834.0	<b>3000</b>	<b>3150</b>	Depreciation (\$mill)	<b>3500</b>
11293	10946	11797	11344	11869	12220	11535	10441	10733	11205	<b>11250</b>	<b>11750</b>	Net Profit (\$mill)	<b>15600</b>
26.3%	27.3%	22.3%	24.2%	23.2%	23.5%	20.2%	24.6%	23.8%	21.5%	<b>22.0%</b>	<b>22.0%</b>	Income Tax Rate	<b>21.0%</b>
14.3%	13.9%	14.3%	13.6%	14.1%	14.7%	15.1%	16.0%	16.5%	16.8%	<b>16.6%</b>	<b>16.9%</b>	Net Profit Margin	<b>19.5%</b>
d8996	d5500	d5323	d2997	d6047	d2109	d144.0	3012.0	d3716	d4917	<b>d3775</b>	<b>d3250</b>	Working Cap'l (\$mill)	<b>1500</b>
20652	21360	22033	21080	19111	19811	18329	18945	18038	20863	<b>21000</b>	<b>20500</b>	Long-Term Debt (\$mill)	<b>20000</b>
63099	61439	68001	64035	68709	69976	63050	57983	55778	52883	<b>54850</b>	<b>61400</b>	Shr. Equity (\$mill)	<b>70625</b>
14.3%	13.8%	13.5%	13.8%	13.9%	14.0%	14.6%	13.9%	14.9%	15.5%	<b>15.0%</b>	<b>14.5%</b>	Return on Total Cap'l	<b>17.0%</b>
17.9%	17.8%	17.3%	17.7%	17.3%	17.5%	18.3%	18.0%	19.2%	21.2%	<b>20.5%</b>	<b>19.0%</b>	Return on Shr. Equity	<b>22.0%</b>
10.1%	9.1%	9.0%	8.3%	7.9%	7.7%	6.9%	5.3%	6.4%	7.5%	<b>7.5%</b>	<b>7.5%</b>	Retained to Com Eq	<b>10.0%</b>
45%	50%	49%	54%	55%	57%	63%	71%	67%	65%	<b>64%</b>	<b>62%</b>	All Div'ds to Net Prof	<b>54%</b>

CURRENT POSITION	2017	2018	12/31/18
Cash Assets	15137	11850	12117
Receivables	4594	4686	5055
Inventory (FIFO)	4624	4738	5281
Other	2139	2046	1978
Current Assets	26494	23320	24431
Accts Payable	9632	10344	10266
Debt Due	13554	10423	12113
Other	7024	7470	8868
Current Liab.	30210	28237	31247

**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 '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 accounted for 56% of fiscal '18 sales and Walmart accounted for 15%. Divested battery business in 2/16. Has 92,000 employees. 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.

**Procter & Gamble appears to be on the right track.** During the fiscal second quarter (ending December 31st), share earnings climbed 5%, on relatively flat sales. The company has been facing a difficult operating backdrop. To wit, the strength of the U.S. dollar has eroded much of the gains from overseas markets. And higher operating costs have weighed on margins, though recent pricing initiatives have helped the company counter rising input cost pressure. P&G has slimmed down its portfolio over the past couple of years, and restructured its business. It may well continue to realign its asset roster. All in all, we imagine it will invest the proceeds from continued cost-savings moves and productivity improvements in its holdings and its product pipeline. Product innovation will likely remain a key priority, and it may ramp up its marketing and brand-building campaigns to widen its customer base. Likewise, Procter may turn to its e-commerce arm and digital business to strengthen its distribution network. **The company is well positioned for near-term gains.** We look for the bottom line to grow at a mid- to upper-single-digit clip for fiscal 2019. Sales will likely inch upward by about 1%, though, as the company adjusts to its smaller asset base. Next year, we look for share earnings to advance between 5% and 10%, on a 3% revenue gain. **P&G has been rewarding its shareholders.** The board announced plans to pay \$7 billion in dividends and repurchase \$5 billion worth of common stock this year. **These shares are favorably ranked for year-ahead relative price performance (Timeliness: 1).** The stock price has been trending up nicely over the last couple of months. In fact, investors seemed pleased with the company's fiscal second-quarter earnings release. That said, PG is already trading near the low end of our 2022-2024 Target Price Range, limiting its long-term capital appreciation potential. On the other hand, conservative accounts may be tempted by this equity's defensive characteristics and stellar scores for Safety (1) and Financial Strength (A++). Furthermore, this equity has an above-average dividend yield, and it offers healthy risk-adjusted income appeal. *Orly Seidman* *March 22, 2019*

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) <sup>A</sup>				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	16645	16727	67500
2020	17200	18225	16950	17150	69525

Fiscal Year Ends	EARNINGS PER SHARE <sup>AB</sup>				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	1.10	1.03	4.50
2020	1.15	1.25	1.20	1.15	4.75

Calendar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				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				

(A) Fiscal years end June 30th. (B) Diluted core earnings. Excludes nonrecurring: '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. (C) Dividends historically paid in Feb., May, Aug., and Nov. ■ DRIP available. (D) Includes intangibles. In '18: \$69.1 bill., \$27.66 a share. (E) In millions.

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