

The Procter & Gamble Company (P&G) is an American multinational consumer goods corporation headquartered in Cincinnati, Ohio, founded in 1837 by William Procter and James Gamble. It specializes in a wide range of personal health, consumer health, personal care, and hygiene products; these products are organized into several segments including Beauty; Grooming; Health Care; Fabric & Home Care; and Baby, Feminine, & Family Care. Before the sale of Pringles to Kellogg's, its product portfolio also included food, snacks, and beverages.

Address: ONE PROCTER & GAMBLE PLAZA, CINCINNATI, OH, US

Financials Date: Jun 30, 2023

Industry: SOAP, DETERGENTS, CLEAN PREPARATIONS, PERFUMES, COSMETICS

Sector:

LIFE SCIENCES

Exchange: NYSE

Executive Valuation Summary



Previous Close

153.54

Distance to Price Target

15.93%

Price Target

178

Valuation Measures

Market Cap	2.29T	Valuation Date	
Trailing P/E Ratio	23.60	WACC	6.17%
Forward P/E Ratio	24.10	EBITDA Multiple	18
PEG Ratio	2.87	Assumed Tax Rate	21.00%
Enterprise Value / EBITDA	18.24	Implied EV / EBITDA	19.49
Enterprise Value / Sales	6.16	Implied EV / FWD Sales	5.15
Price / Sales Ratio	5.82	Implied Price / FWD Sales	5.24

Model Assumptions

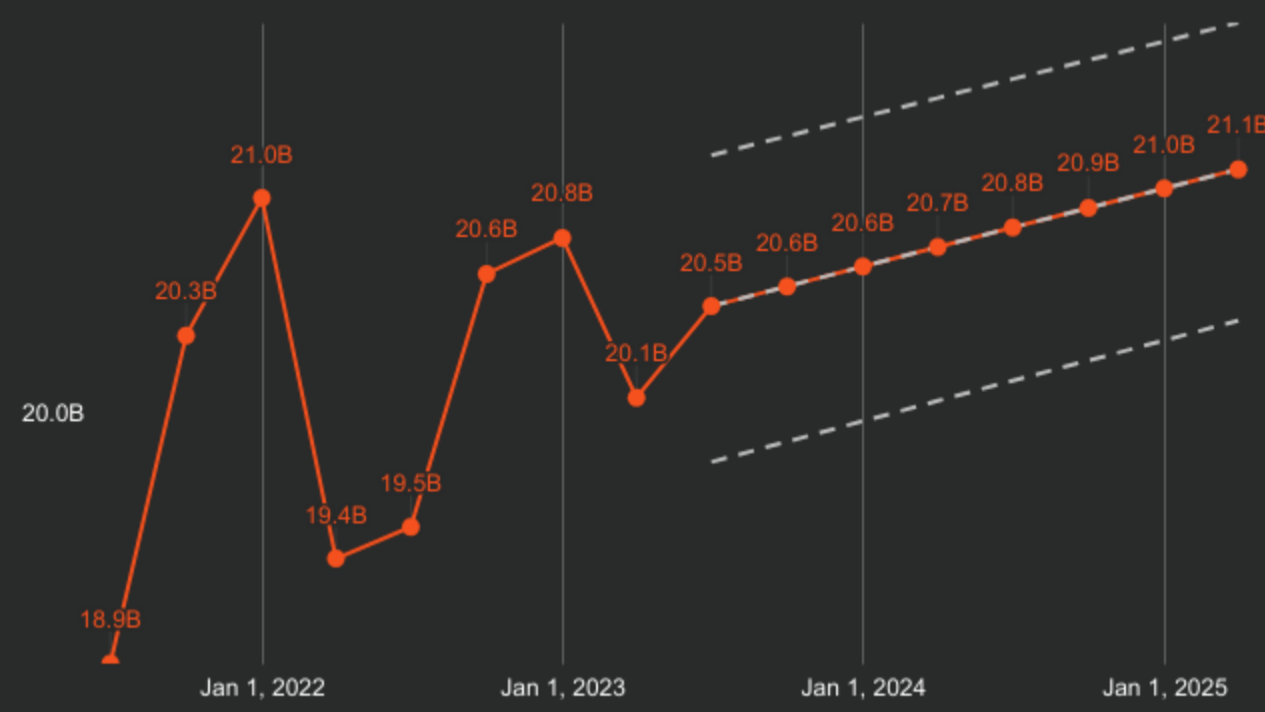
Price Target	Peer Comparison Summary		
	Name	EVToEBITDA	EVToRevenue
178	Procter & Gambl...	18.39	4.84
	Becton Dickinso...	19.74	4.61
	Globus Medical	26.14	7.03
	Gilead Sciences ...	17.34	4.86
	Average	18.48	4.44

Fiscal Year	2021	2022	2023	2023	2024	2025	2026	2027
Fiscal Period	FY	FY	FY	FY	FY	FY	FY	FY
Revenue	76.1B	80.2B	82.0B	85.5B	88.9B	92.4B	95.2B	98.1B
Revenue Growth using Manual percentage input	NaN	5.35%	2.27%	4.30%	3.90%	4.00%	3.00%	3.00%
Cost of Goods Sold (COGs)	37.1B	42.2B	42.8B	43.6B	45.3B	47.1B	48.5B	50.0B
% of Sales	48.75%	52.57%	52.14%	51.00%	51.00%	51.00%	51.00%	51.00%
Gross Profit	39.0B	38.0B	39.2B	41.9B	43.5B	45.3B	46.6B	48.0B
% of Sales - using Manual percentage input	51.25%	47.43%	47.86%	49.00%	49.00%	49.00%	49.00%	49.00%
Operating Expenses (SG&A)	-21.0B	-20.2B	-21.1B	-21.3B	-21.7B	-22.5B	-23.2B	-23.9B
% of Sales - Derived from Quarterly Model	-27.62%	-25.21%	-25.74%	-24.93%	-24.39%	-24.39%	-24.39%	-24.39%
Operating Income (EBIT)	18.0B	17.8B	18.1B	20.6B	21.9B	22.7B	23.4B	24.1B
Interest Expense	-457000K	-388000K	-449000K	-449000K	-449000K	-449000K	-449000K	-449000K
Other Income	86M	570M	668M	0	0	0	0	0
Total Other Income	-371000K	182M	219M	10M	10M	10M	10M	10M
Pretax Income (EBT)	17.6B	18.0B	18.4B	20.6B	21.9B	22.8B	23.4B	24.1B
Income Tax Expense	3B	3B	4B	4.3B	4.6B	4.8B	4.9B	5.1B
Tax Rate	NaN	NaN	NaN	21.00%	21.00%	21.00%	21.00%	21.00%
Net Income	14.4B	14.8B	14.7B	16.3B	17.3B	18.0B	18.5B	19.1B
Operating Income (EBIT)	18.0B	17.8B	18.1B	20.6B	21.9B	22.7B	23.4B	24.1B
Depreciation & Amortization (D&A)	2.7B	2.8B	2.7B	2.9B	3.0B	3.1B	3.2B	3.3B
% of Sales	3.59%	3.50%	3.31%	3.41%	3.41%	3.41%	3.41%	3.41%
EBITDA	20.7B	20.6B	20.8B	23.5B	24.9B	25.9B	26.7B	27.5B
Diluted EPS	5.52	5.96	5.65	6.23	6.62	6.89	7.09	7.31
Diluted EPS Growth		7.93%	-5.20%	10.39%	6.25%	4.00%	3.00%	3.00%

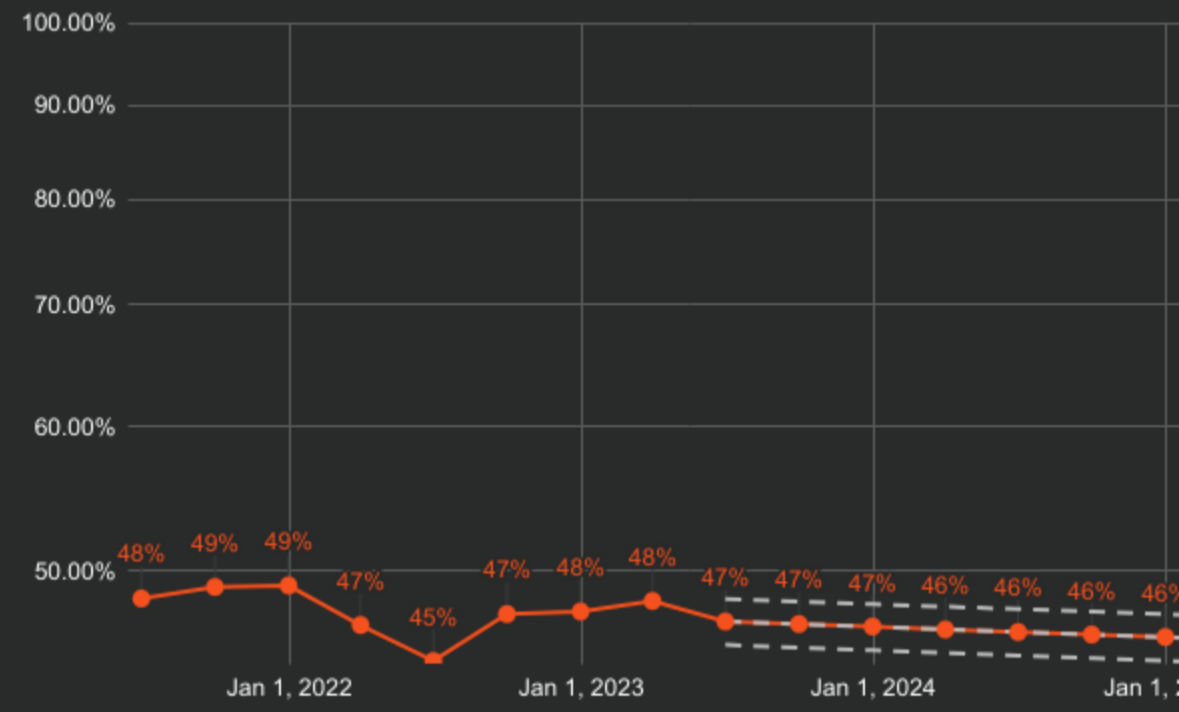
Discounted Cash Flow Analysis	2023	2024	2025	2026	2027	Normalized
EBITDA	23.5B	24.9B	25.9B	26.7B	27.5B	27.5B
Less: D&A	-2912408.2K	-3025992.1K	-3147031.8K	-3241442.7K	-3338686.0K	-3484999.5K
EBIT	20.6B	21.9B	22.7B	23.4B	24.1B	24.0B
Less: Taxes	-4322507.7K	-4592779.5K	-4776490.7K	-4919785.4K	-5067378.9K	-5036653.1K
NOPAT	16.3B	17.3B	18.0B	18.5B	19.1B	18.9B
Plus: D&A	2.9B	3.0B	3.1B	3.2B	3.3B	3.5B
Less: CapEx	-3040040.6K	-3158602.2K	-3284946.3K	-3383494.7K	-3484999.5K	-3484999.5K
Less: (Increase) / Decrease in NWC	2.1B	241.9M	905.3M	706.1M	727.3M	
Unlevered Free Cash Flow	18.2B	17.4B	18.7B	19.1B	19.6B	18.9B
Discount Period	0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor	0.971	0.914	0.861	0.811	0.764	0.764
PV of Unlevered Free Cash Flow	17.7B	15.9B	16.1B	15.5B	15.0B	

Fiscal Year	2023	2024	2024	2024	2024	2025	2025	2025
Fiscal Period	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	20.5B	20.6B	20.6B	20.7B	20.8B	20.9B	21.0B	21.1B
Revenue Growth	4.89%	-0.27%	-0.62%	3.31%	1.72%	1.71%	1.70%	1.70%
Cost of Goods Sold (COGs)	10.9B	10.9B	11.0B	11.1B	11.2B	11.3B	11.3B	11.4B
% of Sales	53.07%	53.23%	53.38%	53.53%	53.68%	53.84%	53.99%	54.14%
Gross Profit	9.6B	9.6B	9.6B	9.6B	9.6B	9.7B	9.7B	9.7B
% of Sales	46.93%	46.77%	46.62%	46.47%	46.32%	46.16%	46.01%	45.86%
Operating Expenses (SG&A)	-5081.5M	-5067.2M	-5052.9M	-5038.6M	-5024.3M	-5010.0M	-4995.7M	-4981.4M
% of Sales	-24.83%	-24.65%	-24.48%	-24.30%	-24.13%	-23.96%	-23.79%	-23.63%
Operating Income (EBIT)	4.5B	4.5B	4.6B	4.6B	4.6B	4.6B	4.7B	4.7B
Interest Expense	-104750.0K	-104750.0K	-104750.0K	-104750.0K	-104750.0K	-104750.0K	-104750.0K	-104750.0K
Other Income	154.8M	154.8M	154.8M	154.8M	154.8M	154.8M	154.8M	154.8M
Total Other Income	50.0M	50.0M	50.0M	50.0M	50.0M	50.0M	50.0M	50.0M
Pretax Income (EBT)	4.6B	4.6B	4.6B	4.6B	4.7B	4.7B	4.7B	4.7B
Income Tax Expense	960.5M	965.6M	970.6M	975.6M	980.5M	985.3M	990.1M	994.8M
Tax Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Net Income	3.6B	3.6B	3.7B	3.7B	3.7B	3.7B	3.7B	3.7B
Operating Income (EBIT)	4.5B	4.5B	4.6B	4.6B	4.6B	4.6B	4.7B	4.7B
Depreciation & Amortization (D&A)	705.6M	708.6M	711.6M	714.6M	717.7M	720.7M	723.7M	726.8M
% of Sales	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%
EBITDA	5.2B	5.3B	5.3B	5.3B	5.3B	5.4B	5.4B	5.4B
Diluted EPS	1.46	1.48	1.50	1.51	1.53	1.55	1.57	1.58
EPS Growth	24.42%	-6.52%	-6.20%	9.70%	4.66%	4.64%	4.63%	4.61%

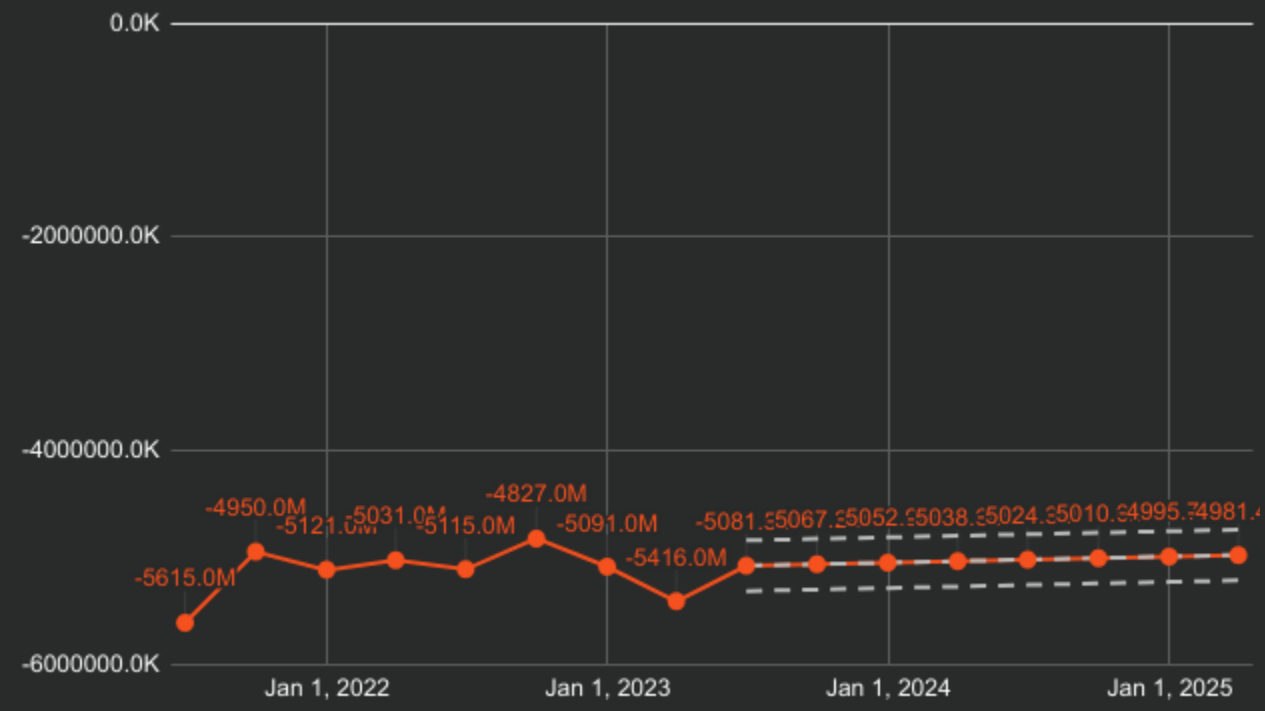
Revenue Projection



Gross Profit Margin Projection



Operating Expenses Projection



Cash Projection

