

ModernGraham Valuation

Company Name:

Procter & Gamble Co

Company Ticker PG

Date of Analysis

11/20/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$230,330,663,384	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.80	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	16.92%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	21.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.58	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.80	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-3.54	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.22
MG Growth Estimate	3.61%
MG Value	\$66.43
MG Value based on 3% Growth	\$61.26
MG Value based on 0% Growth	\$35.91
Market Implied Growth Rate	6.65%

MG Opinion

Current Price	\$92.12
% of Intrinsic Value	138.66%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

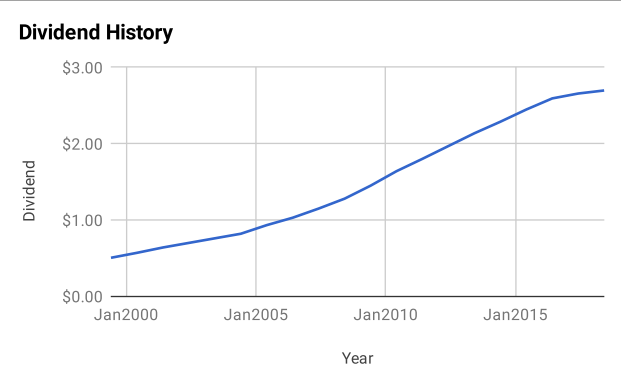
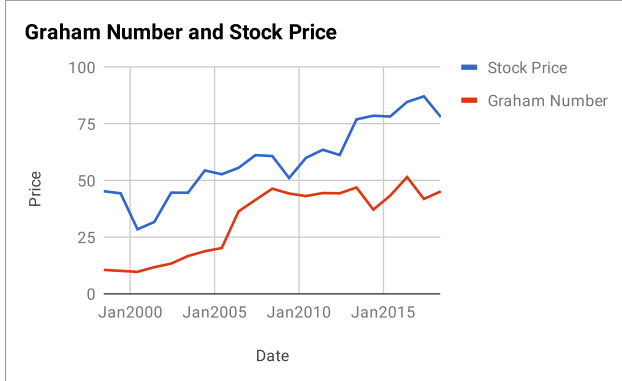
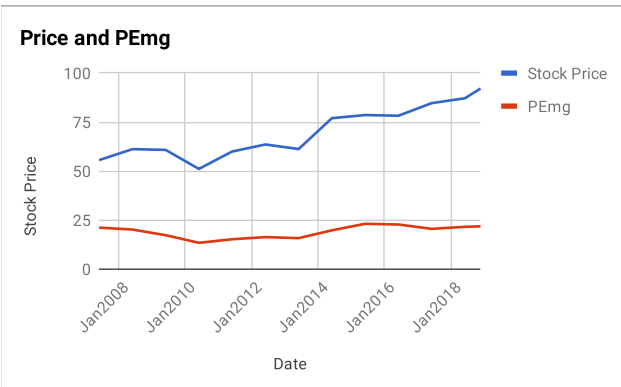
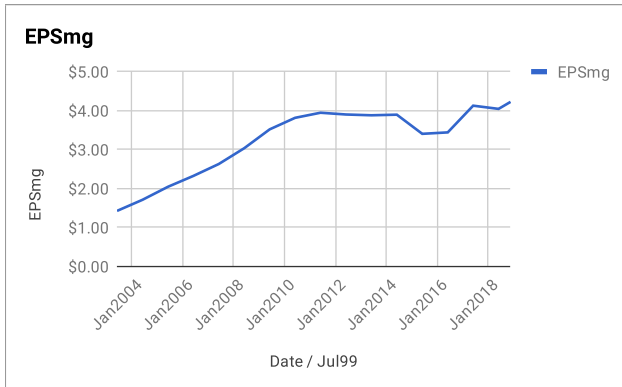
Net Current Asset Value (NCAV)	-\$16.30
Graham Number	\$45.20
PEmg	21.81
Current Ratio	0.80
PB Ratio	4.58
Current Dividend	\$2.79
Dividend Yield	3.02%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.42	Next Fiscal Year Estimate	\$4.22
Jun2018	\$3.67	Jun2018	\$4.04
Jun2017	\$5.59	Jun2017	\$4.13
Jun2016	\$3.69	Jun2016	\$3.44
Jun2015	\$2.44	Jun2015	\$3.40
Jun2014	\$4.01	Jun2014	\$3.90
Jun2013	\$3.86	Jun2013	\$3.88
Jun2012	\$3.66	Jun2012	\$3.90
Jun2011	\$3.93	Jun2011	\$3.95
Jun2010	\$4.11	Jun2010	\$3.82
Jun2009	\$4.26	Jun2009	\$3.52
Jun2008	\$3.64	Jun2008	\$3.04
Jun2007	\$3.04	Jun2007	\$2.63
Jun2006	\$2.64	Jun2006	\$2.32
Jun2005	\$2.53	Jun2005	\$2.05
Jun2004	\$2.20	Jun2004	\$1.71
Jun2003	\$1.70	Jun2003	\$1.43
Jun2002	\$1.55	Balance Sheet Information 9/1/2018	
Jun2001	\$1.04	Total Current Assets	\$23,346,000,000
Jun2000	\$1.17	Total Current Liabilities	\$29,220,000,000
Jun1999	\$1.27	Long-Term Debt	\$20,779,000,000
		Total Assets	\$118,440,000,000
		Intangible Assets	\$69,144,000,000
		Total Liabilities	\$65,936,000,000
		Shares Outstanding (Diluted Average)	2,612,100,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Proctor & Gamble Co Valuation – February 2018 \\$PG](#)
- [5 Overvalued Dow Components – February 2017](#)
- [5 Overvalued Dow Components – December 2016](#)
- [5 Overvalued Dow Components – July 2016](#)
- [Proctor & Gamble Co Valuation – July 2016 \\$PG](#)

Other ModernGraham posts about related companies

- [Inter Parfums Inc Valuation – July 2018 \\$IPAR](#)
- [Service Corp International Valuation – July 2018 \\$SCI](#)
- [Avon Products Inc Valuation – June 2018 \\$AVP](#)
- [Colgate-Palmolive Co Valuation – June 2018 \\$CL](#)
- [Coty Inc Valuation – May 2018 \\$COTY](#)
- [Church & Dwight Co Inc Valuation – April 2018 \\$CHD](#)
- [Kimberly-Clark Corp Valuation – March 2018 \\$KMB](#)
- [International Flavors & Fragrances Inc Valuation – March 2018 \\$IFF](#)
- [Signet Jewelers Ltd Valuation – March 2018 \\$SIG](#)
- [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)