

PROCTER & GAMBLE Co
Form 10-Q
April 23, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2019

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

THE PROCTER & GAMBLE COMPANY
(Exact name of registrant as specified in its charter)

Ohio 1-434 31-0411980
(State of Incorporation) (Commission File Number) (I.R.S. Employer Identification Number)
One Procter & Gamble Plaza, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)
(513) 983-1100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 2,508,329,764 shares of Common Stock outstanding as of March 31, 2019.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

| | Three Months | | Nine Months | |
|---|----------------|----------|----------------|----------|
| | Ended March 31 | | Ended March 31 | |
| Amounts in millions except per share amounts | 2019 | 2018 | 2019 | 2018 |
| NET SALES | \$16,462 | \$16,281 | \$50,590 | \$50,329 |
| Cost of products sold | 8,427 | 8,384 | 25,830 | 25,362 |
| Selling, general and administrative expense | 4,806 | 4,688 | 14,081 | 14,191 |
| OPERATING INCOME | 3,229 | 3,209 | 10,679 | 10,776 |
| Interest expense | 131 | 133 | 398 | 370 |
| Interest income | 52 | 69 | 168 | 184 |
| Other non-operating income, net | 128 | 108 | 685 | 447 |
| EARNINGS BEFORE INCOME TAXES | 3,278 | 3,253 | 11,134 | 11,037 |
| Income taxes | 502 | 713 | 1,931 | 3,066 |
| NET EARNINGS | 2,776 | 2,540 | 9,203 | 7,971 |
| Less: Net earnings attributable to noncontrolling interests | 31 | 29 | 65 | 112 |
| NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE | \$2,745 | \$2,511 | \$9,138 | \$7,859 |
| NET EARNINGS PER SHARE ⁽¹⁾ | | | | |
| Basic | \$1.07 | \$0.97 | \$3.58 | \$3.02 |
| Diluted | \$1.04 | \$0.95 | \$3.48 | \$2.94 |
| DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING | 2,637.7 | 2,645.6 | 2,624.3 | 2,668.6 |

(1) Basic net earnings per share and Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

| Amounts in millions | Three Months | | Nine Months | |
|---|----------------|---------|----------------|---------|
| | Ended March 31 | | Ended March 31 | |
| | 2019 | 2018 | 2019 | 2018 |
| NET EARNINGS | \$2,776 | \$2,540 | \$9,203 | \$7,971 |
| OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX | | | | |
| Financial statement foreign currency translation | (127 |) 925 | (713 |) 1,953 |
| Unrealized gains/(losses) on hedges | 200 | (558 |) 399 | (1,188 |
| Unrealized gains/(losses) on investment securities | 54 | (70 |) 107 | (135 |
| Unrealized gains/(losses) on defined benefit retirement plans | 64 | (17 |) 314 | 111 |
| TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX | 191 | 280 | 107 | 741 |
| TOTAL COMPREHENSIVE INCOME | 2,967 | 2,820 | 9,310 | 8,712 |
| Less: Total comprehensive income attributable to noncontrolling interests | 34 | 29 | 65 | 112 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE | \$2,933 | \$2,791 | \$9,245 | \$8,600 |

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| Amounts in millions | March 31, June 30, | |
|--|--------------------|----------|
| | 2019 | 2018 |
| Assets | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 2,738 | \$ 2,569 |
| Available-for-sale investment securities | 7,085 | 9,281 |
| Accounts receivable | 5,198 | 4,686 |