

# DEUTSCHE BANK

June 8<sup>th</sup>, 2023





# AGENDA

- Results
- Strategies

# BUSINESS RESULTS

	FY '20	FY '21	FY '22	FY '23 Q1-Q3
Organic Sales	+6%	+6%	+7%	+7%
Core EPS	+13%	+11%	+3%	-1%
Currency Neutral Core EPS	+17%	+11%	+5%	+8%
Adjusted Free Cash Flow Productivity	114%	107%	93%	83%



# ORGANIC SALES

## Results

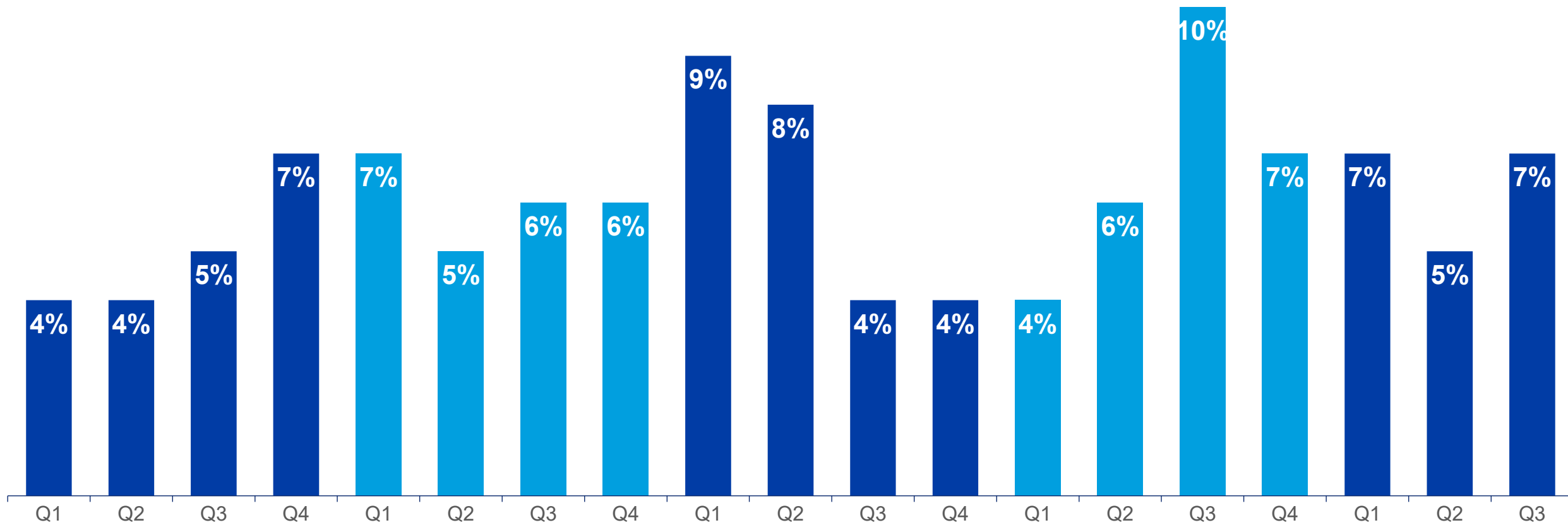
FY '19 +5%

FY '20 +6%

FY '21 +6%

FY '22 +7%

FY '23  
Q1-Q3  
+7%

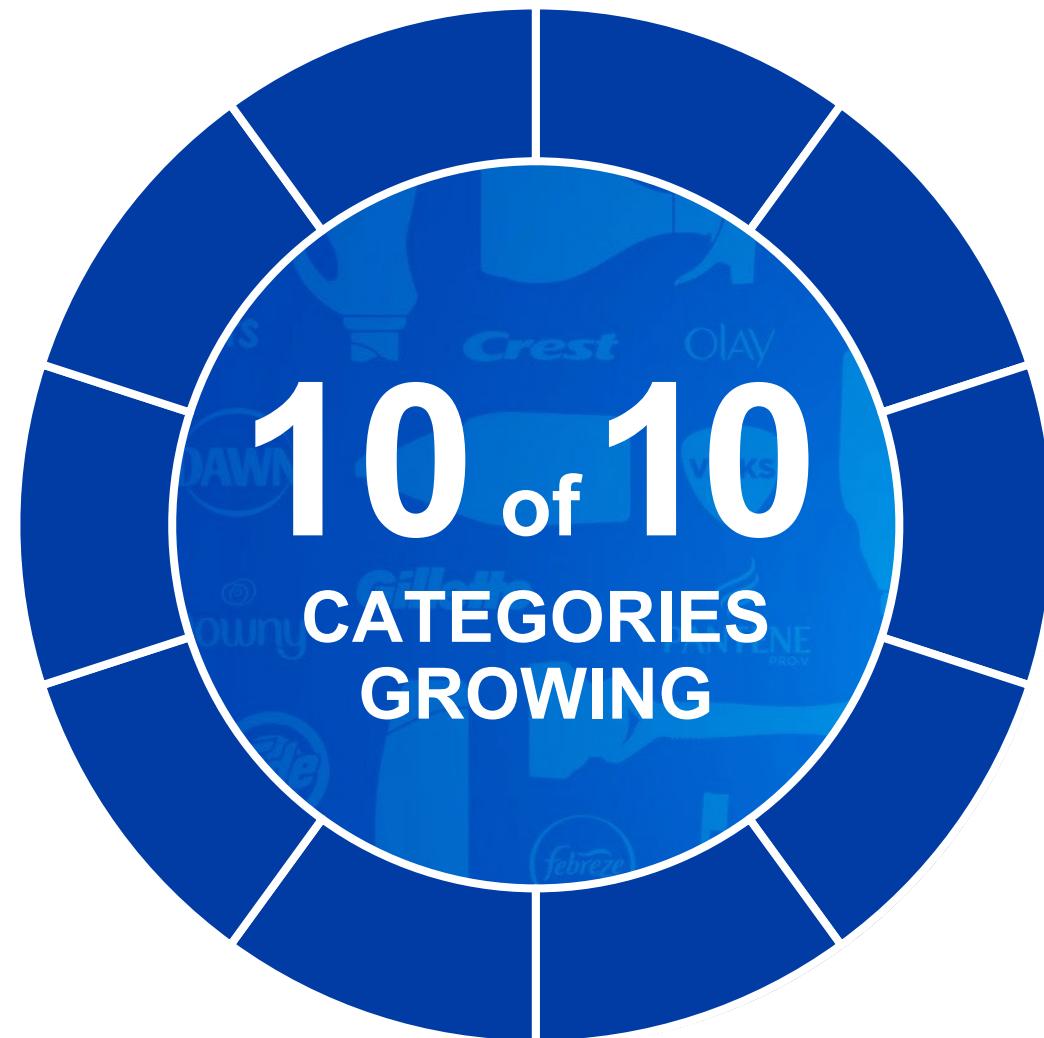




# ORGANIC SALES

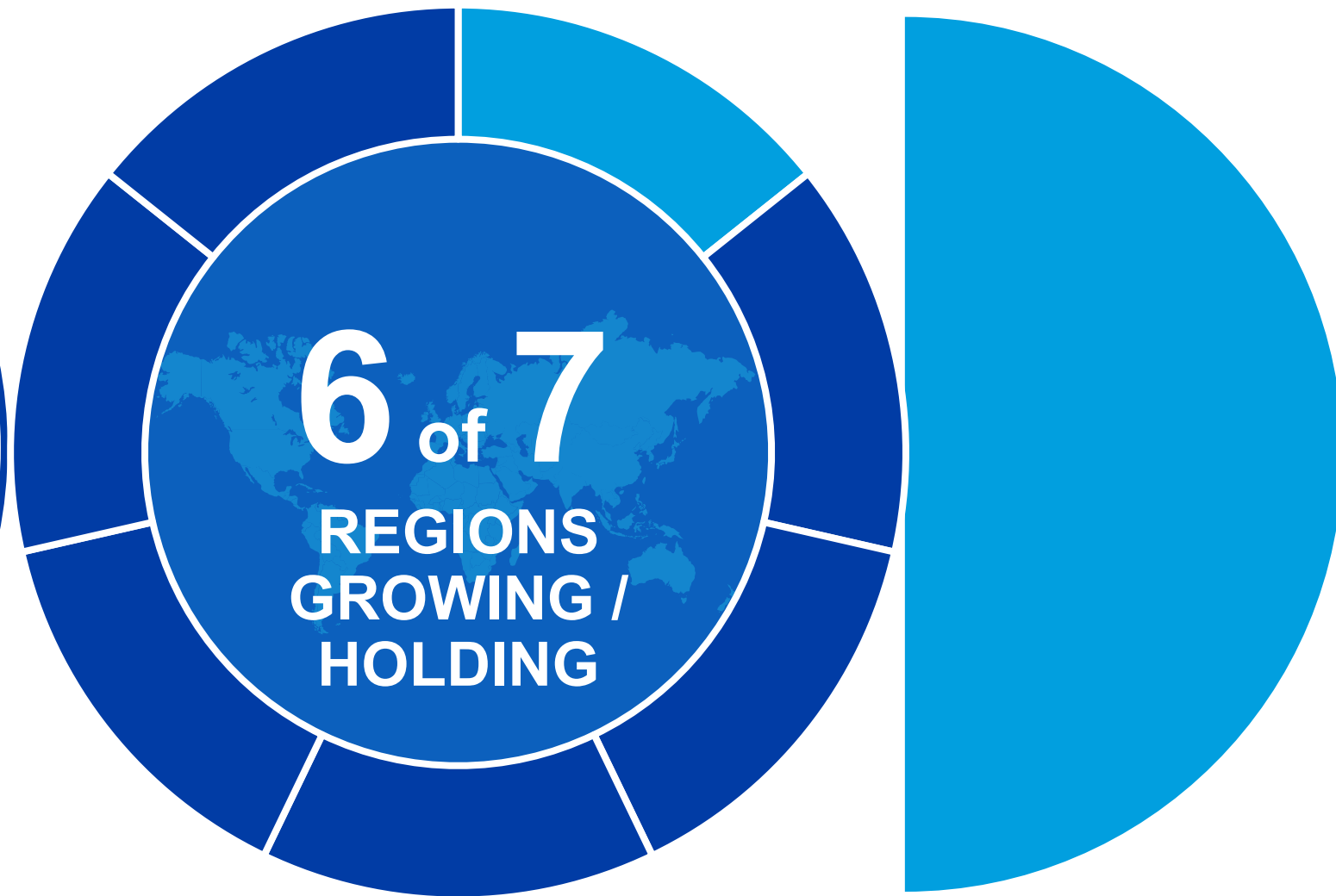
## Q1-Q3

Personal Health Care	+16%
Feminine Care	+12%
Home Care	+9%
Fabric Care	+8%
Hair Care	+6%
Baby Care	+4%
Grooming	+4%
Oral Care	+3%
Skin & Personal Care	+3%
Family Care	+2%



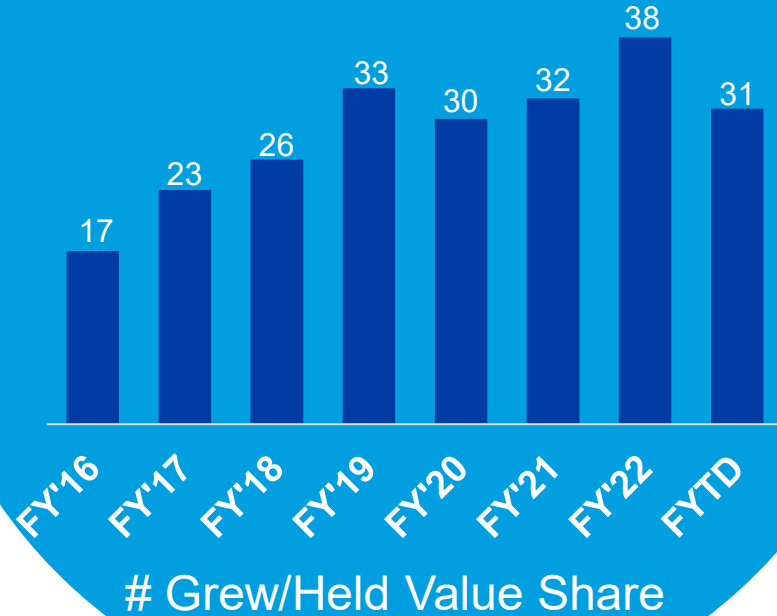
# ORGANIC SALES

Q1-Q3

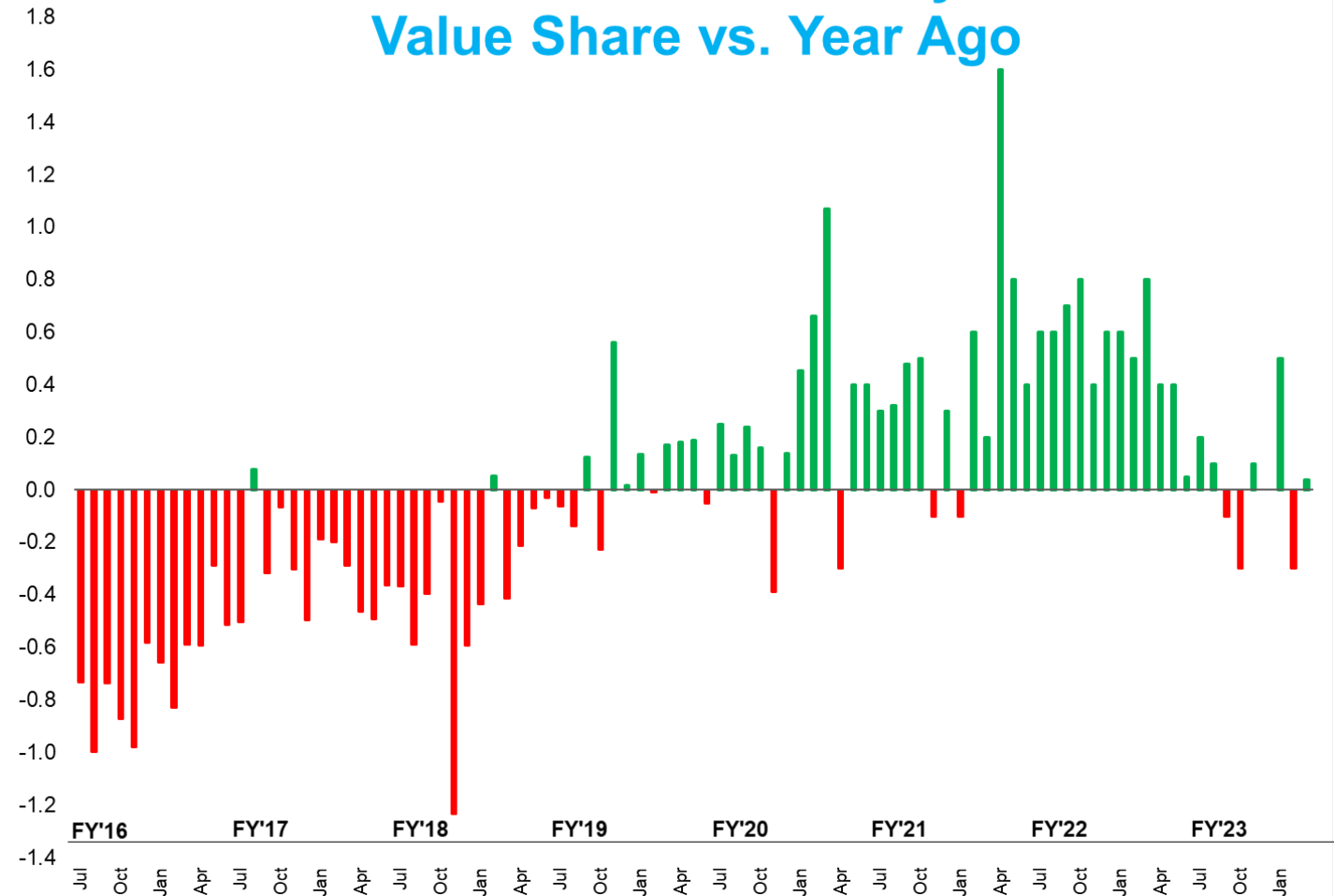


# GLOBAL MARKET SHARES

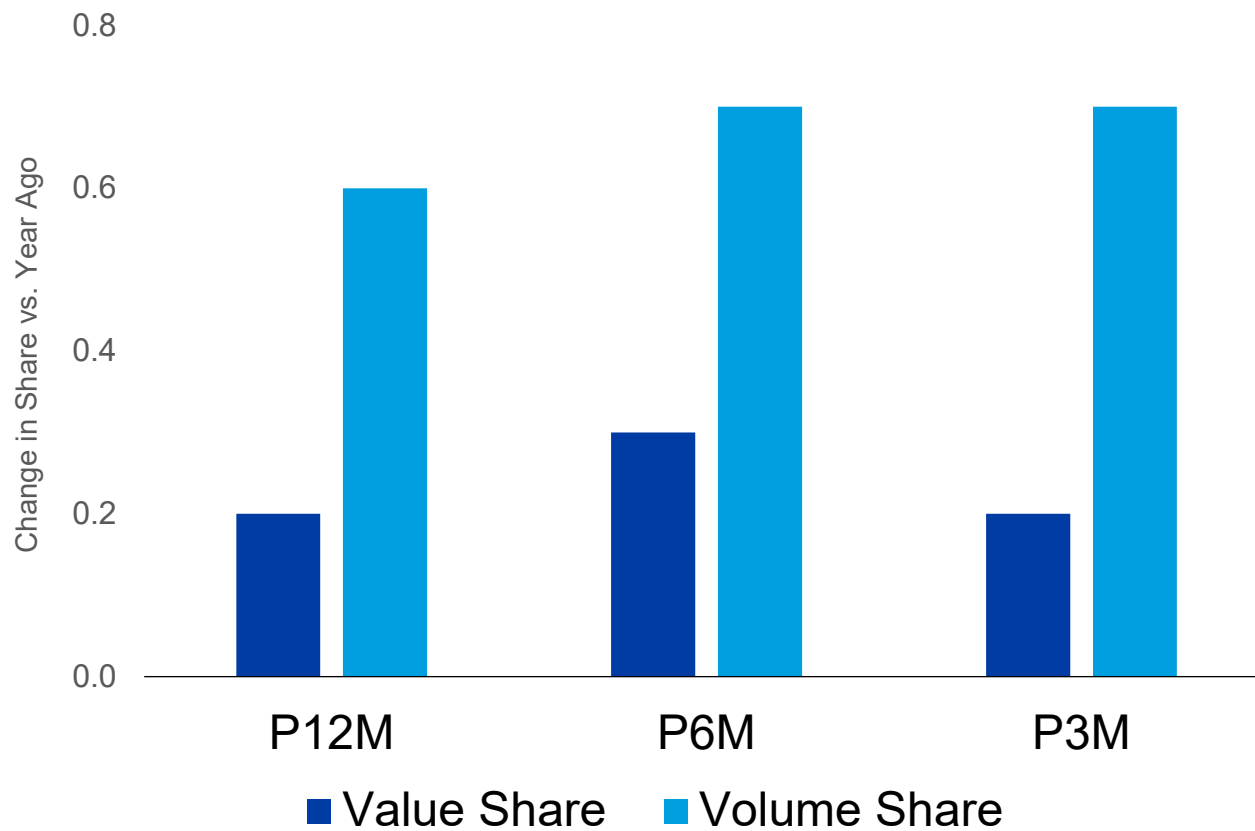
## TOP 50 Category/ Country Combinations



## Global P&G Monthly Value Share vs. Year Ago



# U.S. MARKET SHARES



# RETURNING VALUE TO SHAREOWNERS

DIVIDEND  
PAYMENTS

**133**

Consecutive  
Years

DIVIDEND  
INCREASES

**67**

Consecutive  
Years

ADJUSTED FREE  
CASH FLOW  
PRODUCTIVITY

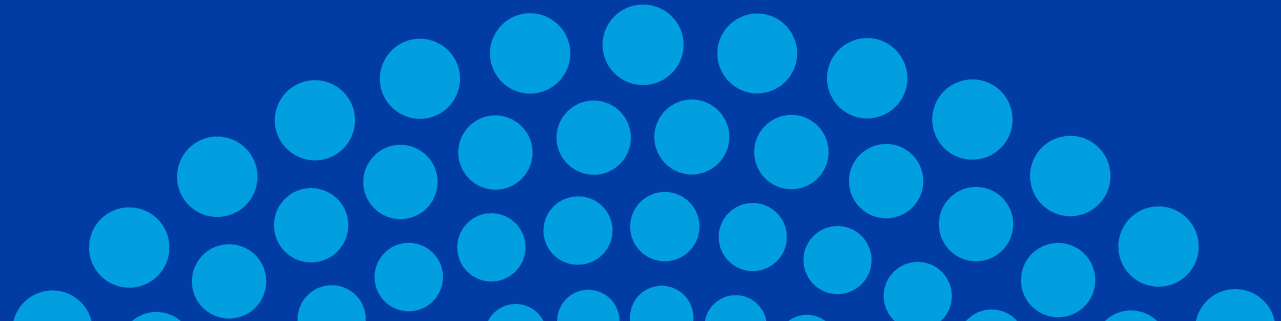
**102%**

P10Y AVG

CASH RETURNED  
TO OWNERS  
via Dividends &  
Share Repurchase

**\$141**

Bn P10Y





# COST & CURRENCY HEADWINDS

Headwinds, \$bn AT	FY '22	Current* FY '23e	TOTAL
Commodities/Materials	\$2.6	\$2.2	<b>\$4.8</b>
Freight	\$0.4	\$0.0	<b>\$0.4</b>
Foreign Exchange	\$0.3	\$1.3	<b>\$1.6</b>
<b>= TOTAL</b>	<b>\$3.3</b>	<b>\$3.5</b>	<b>\$6.8</b>
EPS Impact	-\$1.29	-\$1.40	-\$2.69

**NEARLY  
HALF**  
of FY '21 Core  
EPS of \$5.66



*\*Guidance as of Apr 21st Earnings*

# INNOVATION, PRODUCTIVITY & PRICING



**INNOVATION**



**PRODUCTIVITY**



**PRICING**



# LONG-TERM GROWTH ALGORITHM

Organic Sales

Grow Ahead  
of the Market

Share  
Growth

Core EPS

Mid-to-High  
Single Digits

Improve  
Margins

Adjusted Free Cash  
Flow Productivity

90%+

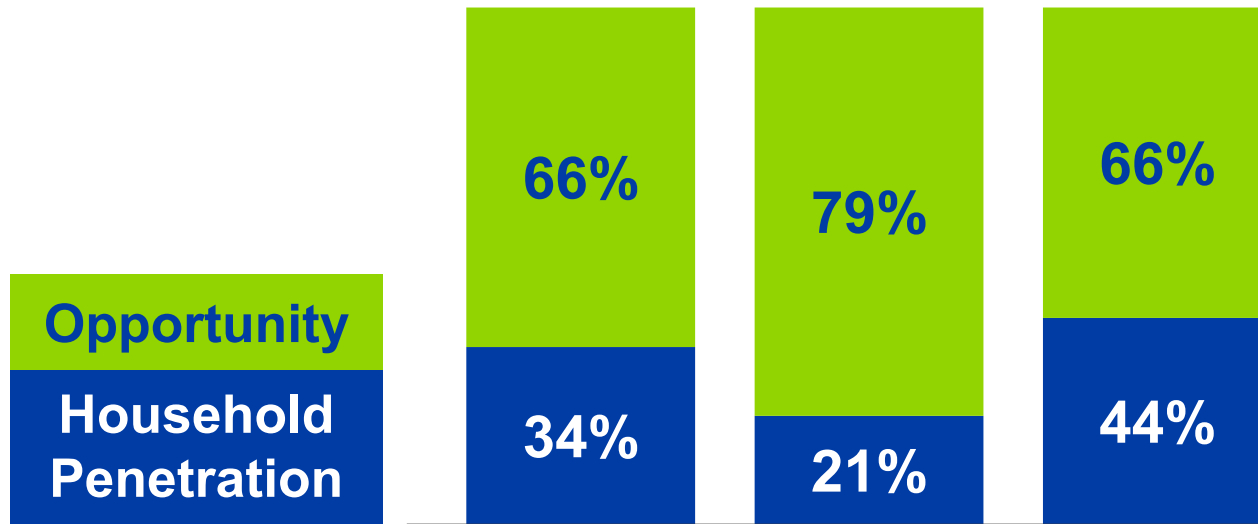
Top-Third  
TSR



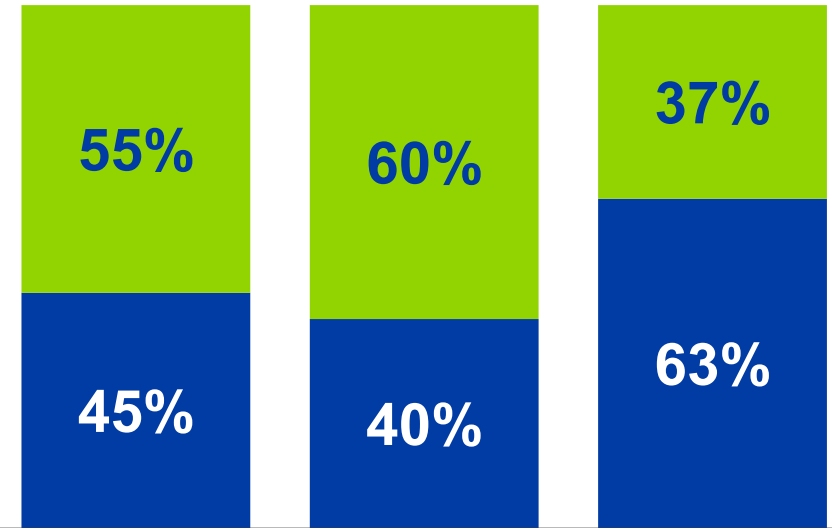
# SUPERIORITY

## SIGNIFICANT UPSIDE REMAINS

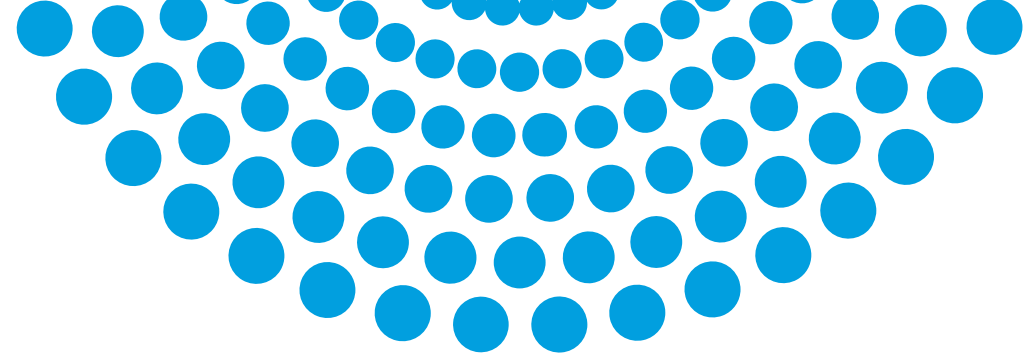
U.S. HHP by Form



U.S. Load Penetration  
Among Form Users



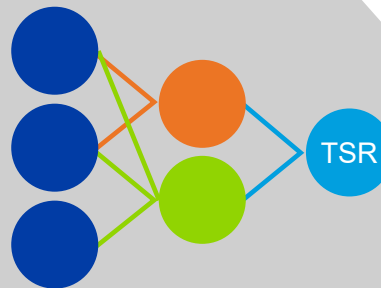
# BALANCED GROWTH & **VALUE CREATION**



SALES  
**Growth**

CASH  
**Generation**

MARGIN  
**Expansion**





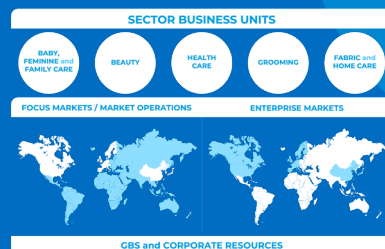
# INTEGRATED GROWTH STRATEGY

WELL-POSITIONED FOR THE FUTURE



## PORTFOLIO

PERFORMANCE DRIVES  
BRAND CHOICE



## ORGANIZATION

EMPOWERED • AGILE  
ACCOUNTABLE



## SUPERIORITY

TO WIN WITH CONSUMERS



## CONSTRUCTIVE DISRUPTION

ACROSS OUR BUSINESS



## PRODUCTIVITY

TO FUEL INVESTMENTS

P&G

# FOCUSED PORTFOLIO

Baby	Fem	Family	Fabric	Home	Hair	SPC	Grooming	Oral	PHC
									
									
									
									
									

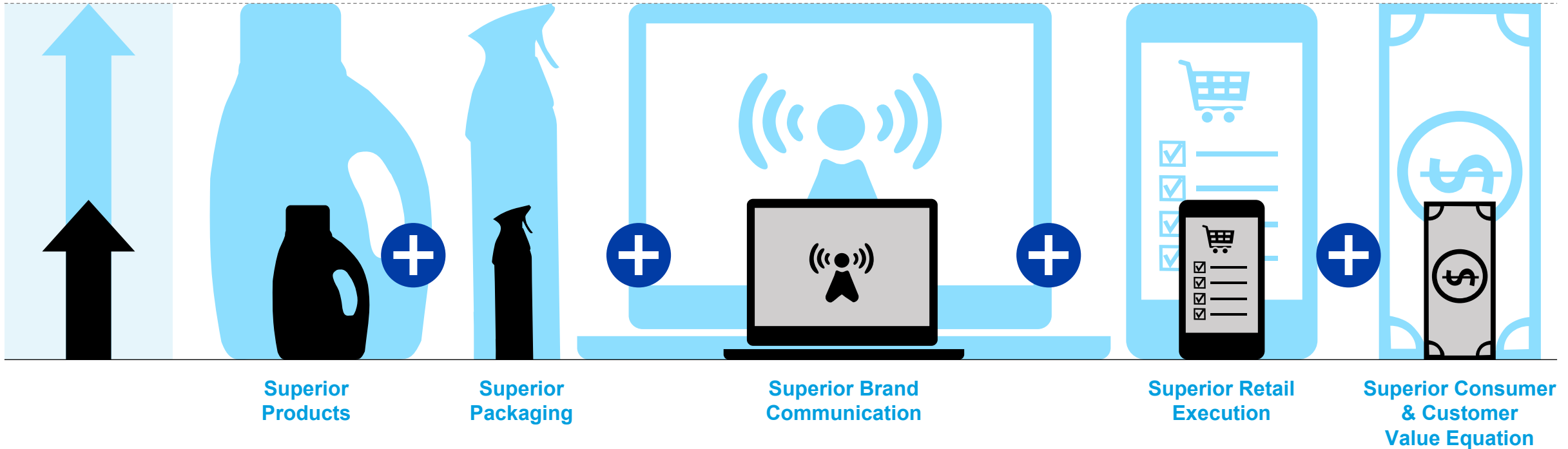
✓ DAILY **USE**

✓ PERFORMANCE DRIVES **BRAND CHOICE**



# SUPERIORITY TO WIN WITH CONSUMERS

*New Standard  
Of Excellence*







# TRADITIONAL DISH SOAP



# REVOLUTIONARY POWERWASH

Polymers used: grams + 4 min after application with 3 swipes vs. Dawn non-activated.





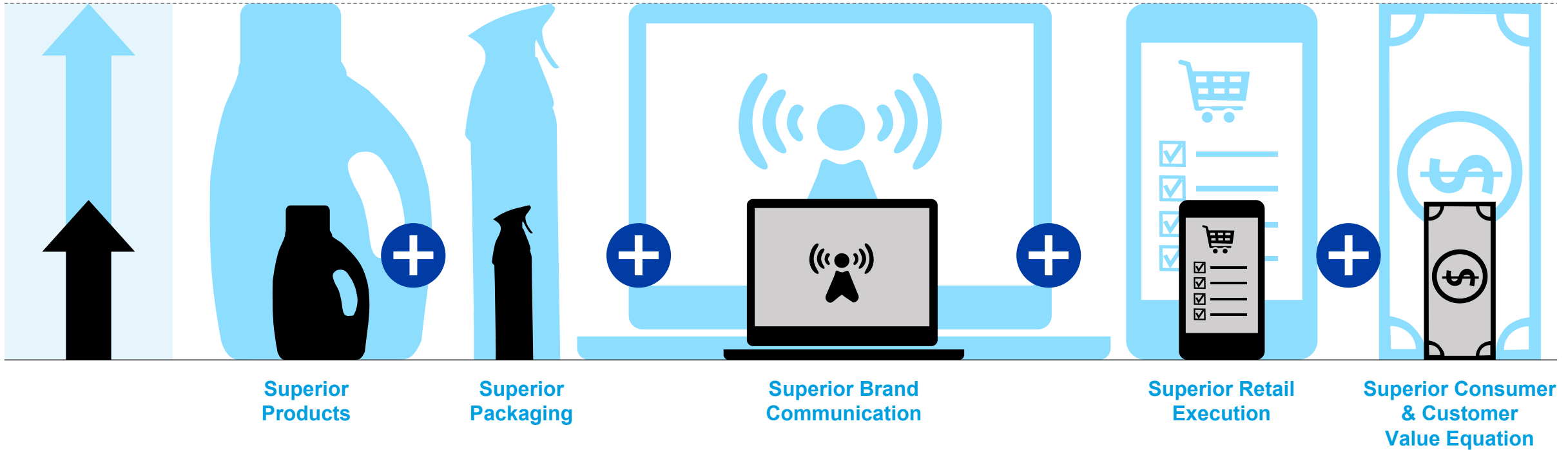






# SUPERIORITY TO WIN WITH CONSUMERS

*New Standard  
Of Excellence*



# **PRODUCTIVITY** **INTEGRATED INTO THE STRATEGY**

**Delivering the same or better output measures...**

**with lower spending or resource investment.**



# PRODUCTIVITY MARKETING SPEND

- Engaging, Tested **AD QUALITY**
- Sufficient **REACH**
- Target **FREQUENCY & CONTINUITY**
- Improved **BRAND EQUITY**





# PRODUCTIVITY

## COST OF GOODS SOLD

- Lower **COST** / case
- Improved **QUALITY**
- Increased **SUPPLY ASSURANCE**
- Higher **ON-SHELF AVAILABILITY**



# LEADING CONSTRUCTIVE DISRUPTION ACROSS THE VALUE CHAIN



LEAN  
INNOVATION



BRAND  
BUILDING



SUPPLY  
CHAIN



DIGITIZATION  
& DATA  
ANALYTICS



# FOCUSED & AGILE ORGANIZATION

## SECTOR BUSINESS UNITS

BABY,  
FEMININE and  
FAMILY CARE

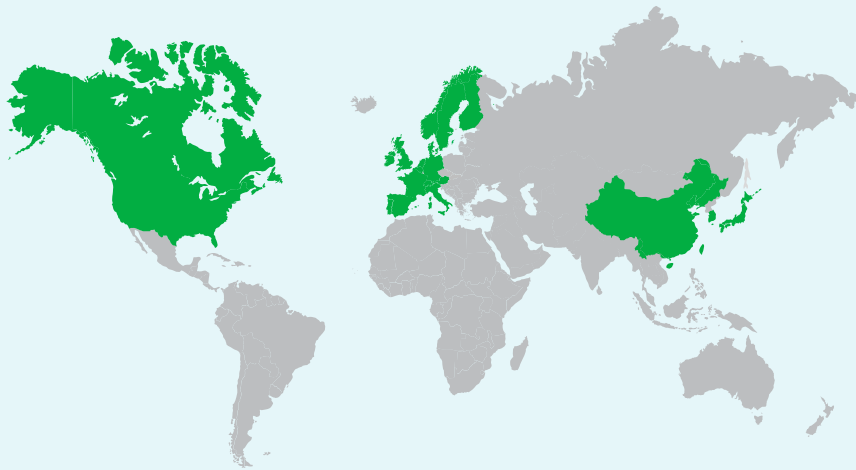
BEAUTY

HEALTH  
CARE

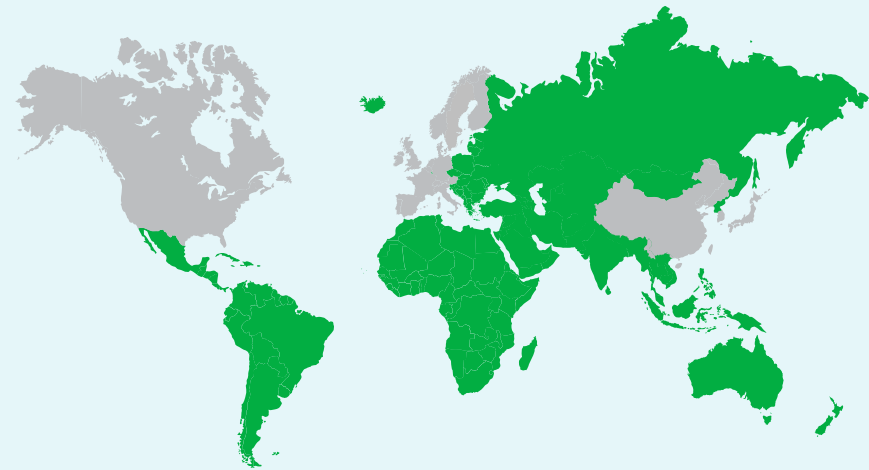
GROOMING

FABRIC and  
HOME CARE

## FOCUS MARKETS / MARKET OPERATIONS



## ENTERPRISE MARKETS



## GBS and CORPORATE RESOURCES



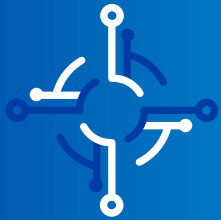
# AREAS OF FOCUS



SUPPLY CHAIN



ENVIRONMENTAL  
SUSTAINABILITY



DIGITAL ACUMEN



EMPLOYEE  
VALUE EQUATION





# SUPPLY CHAIN 3.0





# OUR SUSTAINABILITY FOCUS



**Reduce  
Operations  
Footprint**



**Enable Consumers  
to Reduce their  
Footprint**



**Help Industry  
Reduce its  
Footprint**



# IRRESISTIBLE SUPERIORITY THAT IS SUSTAINABLE





# HELPING THE INDUSTRY REDUCE ITS FOOTPRINT

## Polypropylene Recycling



## Polyethylene Recycling



PE Recycling



Reclaimed



## Digital Watermark Technology



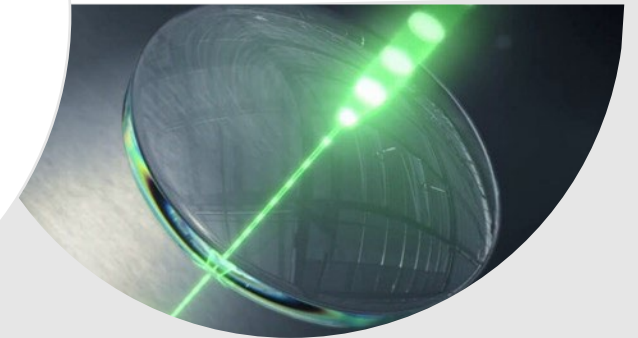
Looks Like This



Performs Like This

## Laser Labeling Technology

Laser Printing





# DIGITAL ACUMEN

Winning in-store  
shelf sets

Winning on-line  
presence and  
presentation

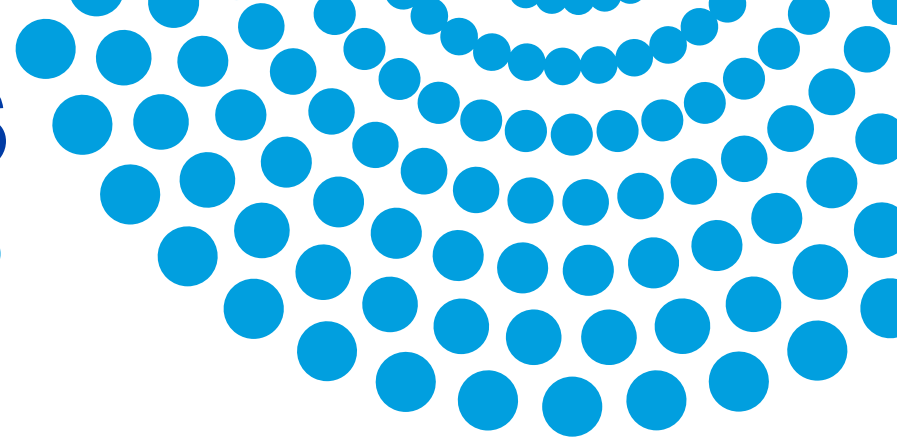






# EMPLOYEE VALUE EQUATION

# BALANCING THE NEEDS OF ALL STAKEHOLDERS



**Consumer**

**Customer**

**Employee**

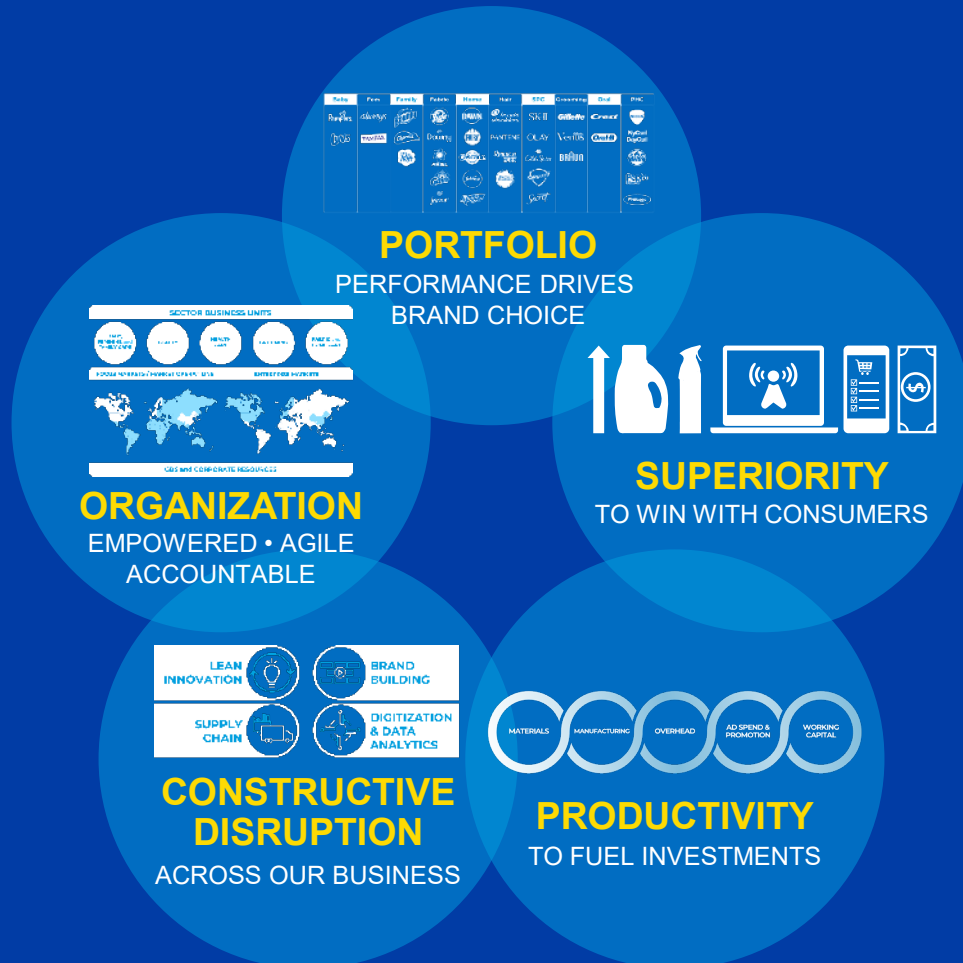
**Society**

**Shareowner**



# SUSTAIN EXCELLENCE

## INTEGRATED GROWTH STRATEGY



## AREAS OF FOCUS

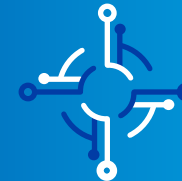
### SUPPLY CHAIN



### ENVIRONMENTAL SUSTAINABILITY



### DIGITAL ACUMEN



### EMPLOYEE VALUE EQUATION





*P&G*



## The Procter & Gamble Company Regulation G Reconciliation of Non-GAAP Measures

In accordance with the SEC's Regulation G, the following provides definitions of the non-GAAP measures used in Procter & Gamble's June 8, 2023, Deutsche Bank conference presentation, associated slides and other materials and the reconciliation to the most closely related GAAP measure. We believe that these measures provide useful perspective on underlying business trends (i.e., trends excluding non-recurring or unusual items) and results and provide a supplemental measure of year-on-year results.

The non-GAAP measures described below are used by Management in making operating decisions, allocating financial resources and for business strategy purposes. These measures may be useful to investors as they provide supplemental information about business performance and provide investors a view of our business results through the eyes of Management. Certain of these measures are also used to evaluate senior management and are a factor in determining their at-risk compensation.

These non-GAAP measures are not intended to be considered by the user in place of the related GAAP measure, but rather as supplemental information to our business results. These non-GAAP measures may not be the same as similar measures used by other companies due to possible differences in method and in the items or events being adjusted.

The following measures are provided:

1. Organic sales growth — page 2
2. Core EPS and currency-neutral Core EPS — page 3
3. Adjusted free cash flow productivity — page 4

**Organic sales growth:** Organic sales growth is a non-GAAP measure of sales growth excluding the impacts of acquisitions and divestitures and foreign exchange from year-over-year comparisons. Management believes this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis.

The Core earnings measures included in the following reconciliation tables refer to the equivalent GAAP measures adjusted as applicable for the following:

- **Incremental restructuring:** The Company has historically had an ongoing level of restructuring activities. Such activities have resulted in ongoing annual restructuring related charges of approximately \$250 - \$500 million before tax. Since 2012, the Company had a strategic productivity and cost savings initiative that resulted in incremental restructuring charges through fiscal 2020. The adjustment to Core earnings includes only the restructuring costs above what we believe are the normal recurring level of restructuring costs. In fiscal year 2021 and onwards, the Company has incurred and expects to incur restructuring costs within our historical ongoing level.
- **Early debt extinguishment charge:** In fiscal 2021, the company recorded after tax charges of \$427 million (\$512 million before tax), due to early extinguishment of certain long-term debt. These charges represent the difference between the reacquisition price and the par value of the debt extinguished.
- **Gain on Dissolution of the PGT Healthcare Partnership:** The Company dissolved our PGT Healthcare partnership, a venture between the Company and Teva Pharmaceuticals Industries, Ltd (Teva) in the OTC consumer healthcare business, in fiscal 2019. The transaction was accounted for as a sale of the Teva portion of the PGT business and the Company recognized an after-tax gain on the dissolution of \$353 million.
- **Shave Care Impairment:** In fiscal 2019, the Company recognized a one-time, non-cash, after-tax charge of \$8.0 billion to adjust the carrying values of the Shave Care reporting unit. This was comprised of an after-tax impairment charge of \$6.8 billion related to goodwill and an after-tax impairment charge of \$1.2 billion to reduce the carrying value of the Gillette indefinite-lived intangible assets.
- **Anti-dilutive Impacts:** The Shave Care impairment charges caused certain equity instruments that are normally dilutive (and hence normally assumed converted or exercised for the purposes of determining diluted net earnings per share) to be anti-dilutive. Accordingly, for U.S. GAAP diluted earnings per share, these instruments were not assumed to be converted or exercised. Specifically, in fiscal 2019, the weighted average outstanding preferred shares were not included in the diluted weighted average common shares outstanding. Additionally, in fiscal 2019, none of our outstanding share-based equity awards were included in the diluted weighted average common shares outstanding. As a result of the non-GAAP Shave Care impairment adjustment, these instruments are dilutive for non-GAAP earnings per share.

We do not view the above items to be part of our sustainable results, and their exclusion from core earnings measures provides a more comparable measure of year-on-year results. These items are also excluded when evaluating senior management in determining their at-risk compensation.



Core EPS and currency-neutral Core EPS: Core earnings per share, or Core EPS, is a measure of the Company's diluted net earnings per common share adjusted as indicated. Currency-neutral Core EPS is a measure of the Company's Core EPS excluding the incremental current year impact of foreign exchange.

Adjusted free cash flow: Adjusted free cash flow is defined as operating cash flow less capital spending and adjusted for certain other items as indicated. Adjusted free cash flow represents the cash that the Company is able to generate after taking into account planned maintenance and asset expansion. Management views adjusted free cash flow as an important measure because it is one factor used in determining the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investment.

Adjusted free cash flow productivity: Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings adjusted as indicated. Management views adjusted free cash flow productivity as useful measures to help investors understand P&G's ability to generate cash. These measures are used by management in making operating decisions, allocating financial resources and for budget planning purposes.

#### 1. Organic sales growth:

	<b>Organic Sales</b>			
	<i>Prior Quarters</i>			
<b>Total Company</b>	<b>Net Sales Growth</b>	<b>Foreign Exchange Impact</b>	<b>Acquisition/Divestiture Impact/Other*</b>	<b>Organic Sales Growth</b>
Q3 FY 2023	4%	4%	(1)%	7%
Q2 FY 2023	(1)%	6%	—%	5%
Q1 FY 2023	1%	6%	—%	7%
Q4 FY 2022	3%	4%	—%	7%
Q3 FY 2022	7%	3%	—%	10%
Q2 FY 2022	6%	—%	—%	6%
Q1 FY 2022	5%	(1)%	—%	4%
Q4 FY 2021	7%	(3)%	—%	4%
Q3 FY 2021	5%	(1)%	—%	4%
Q2 FY 2021	8%	—%	—%	8%
Q1 FY 2021	9%	1%	(1)%	9%
Q4 FY 2020	4%	3%	(1)%	6%
Q3 FY 2020	5%	2%	(1)%	6%
Q2 FY 2020	5%	1%	(1)%	5%
Q1 FY 2020	7%	2%	(2)%	7%
Q4 FY 2019	4%	4%	(1)%	7%
Q3 FY 2019	1%	5%	(1)%	5%
Q2 FY 2019	—%	4%	—%	4%
Q1 FY 2019	—%	3%	1%	4%

\*Acquisition & Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures, the impact from the July 1, 2018, adoption of new accounting standards for "Revenue from Contracts with Customers" and rounding impacts necessary to reconcile net sales to organic sales.

	<b>Organic Sales</b>			
	<i>Nine Months Ended March 31, 2023</i>			
	<b>Net Sales Growth</b>	<b>Foreign Exchange Impact</b>	<b>Acquisition/Divestiture Impact/Other*</b>	<b>Organic Sales Growth</b>
Grooming	(4)%	8%	—%	4%
Total Company	1%	6%	—%	7%

\*Acquisition & Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures and rounding impacts necessary to reconcile net sales to organic sales.





## Organic Sales

### Prior Years

Total Company	Net Sales Growth	Foreign Exchange Impact	Acquisition/Divestiture Impact/Other*	Organic Sales Growth
FY 2022	5%	2%	—%	7%
FY 2021	7%	(1)%	—%	6%
FY 2020	5%	2%	(1)%	6%
FY 2019	1%	4%	—%	5%
			<b>P4Y Average</b>	<b>6%</b>

\*Acquisition & Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures, the impact from the July 1, 2018, adoption of new accounting standards for “Revenue from Contracts with Customers” and rounding impacts necessary to reconcile net sales to organic sales.

## 2. Core EPS and currency-neutral Core EPS:

	Nine Months Ended March 31	
	FY 2023	FY 2022
<b>Diluted Net Earnings Per Common Share Attributable to P&amp;G</b>	<b>\$4.53</b>	<b>\$4.59</b>
Adjustments*	—	—
<b>Core EPS</b>	<b>\$4.53</b>	<b>\$4.59</b>
Percentage change vs. prior period	(1)%	
Currency Impact to Earnings	\$0.44	
<b>Currency-Neutral Core EPS</b>	<b>\$4.97</b>	
Percentage change vs. prior period Core EPS	8%	

\* For the nine months ended March 31, 2023, compared with the nine months ended March 31, 2022, there are no adjustments to or reconciling items for diluted net earnings per share.

Note – All reconciling items are presented net of tax. Tax effects are calculated consistent with the nature of the underlying transaction.

## Core EPS and Currency-Neutral Core EPS

### Prior Fiscal Years

	Twelve Months Ended June 30			
	FY 2022	FY 2021	FY 2020	FY 2019
<b>Diluted Net Earnings Per Common Share Attributable to P&amp;G</b>	<b>\$5.81</b>	<b>\$5.50</b>	<b>\$4.96</b>	<b>\$1.43</b>
Incremental Restructuring			0.16	0.13
Early Debt Extinguishment		0.16		
Gain on Dissolution of PGT Partnership				(0.13)
Shave Care Impairment				3.03
Anti-Dilutive Impacts				0.06
<b>Core EPS</b>	<b>\$5.81</b>	<b>\$5.66</b>	<b>\$5.12</b>	<b>\$4.52</b>
Percentage change vs. prior period	3%	11%	13%	
Currency Impact to Earnings	0.12	0.04	0.15	
<b>Currency-Neutral Core EPS</b>	<b>\$5.93</b>	<b>\$5.70</b>	<b>\$5.27</b>	
Percentage change vs. prior period Core EPS	5%	11%	17%	

Note – All reconciling items are presented net of tax. Tax effects are calculated consistent with the nature of the underlying transaction.





3. Adjusted free cash flow productivity (dollar amounts in millions):

Nine Months Ended March 31, 2023							
Operating Cash Flow	Capital Spending	Adjustments to Operating Cash Flow*	Adjusted Free Cash Flow	Net Earnings	Adjustments to Net Earnings**	Net Earnings as Adjusted	Adjusted Free Cash Flow Productivity
\$11,507	\$(2,328)	\$225	\$9,404	\$11,346	—	\$11,346	83%

\* Adjustments to Operating Cash Flow include transitional tax payments resulting from the U.S. Tax Act.

\*\* For the nine months ended March 31, 2023, there are no adjustments to net earnings.

**Adjusted Free Cash Flow Productivity**  
*Prior Fiscal Years*

Twelve Months Ended June 30								
Fiscal Year	Operating Cash Flow	Capital Spending	Adjustments to Operating Cash Flow*	Adjusted Free Cash Flow	Net Earnings	Adjustments to Net Earnings**	Net Earnings as Adjusted	Adjusted Free Cash Flow Productivity
2022	\$16,723	\$(3,156)	\$225	\$13,792	\$14,793	—	\$14,793	93%
2021	\$18,371	\$(2,787)	\$225	\$15,809	\$14,352	\$427	\$14,779	107%
2020	\$17,403	\$(3,073)	\$543	\$14,873	\$13,103	—	\$13,103	114%
2019	\$15,242	\$(3,347)	\$235	\$12,130	\$3,966	\$7,625	\$11,591	105%
2018	\$14,867	\$(3,717)	—	\$11,150	\$9,861	\$845	\$10,706	104%
2017	\$12,753	\$(3,384)	\$418	\$9,787	\$15,411	\$(4,990)	\$10,421	94%
2016	\$15,435	\$(3,314)	—	\$12,121	\$10,604	\$(72)	\$10,532	115%
2015	\$14,608	\$(3,736)	\$729	\$11,601	\$7,144	\$4,187	\$11,331	102%
2014	\$13,958	\$(3,848)	—	\$10,110	\$11,785	—	\$11,785	86%
2013	\$14,873	\$(4,008)	—	\$10,865	\$11,402	—	\$11,402	95%
<b>P10Y Average</b>								<b>102%</b>

\* Adjustments to Operating Cash Flow include transitional tax payments resulting from the U.S. Tax Act in fiscals 2022, 2021, 2020 and 2019; tax payments related to the Merck OTC Consumer Healthcare acquisition in fiscal 2020; tax payments related to the Beauty Brands divestiture in fiscal 2017; and tax payments related to the Pet Care divestiture in fiscal 2015.

\*\* Adjustments to Net Earnings include early debt extinguishment charges in fiscal 2021; Shave Care impairment charges and the gain on the dissolution of the PGT Healthcare partnership in fiscal 2019; transitional impact of the U.S. Tax Act in fiscal 2018; losses on early debt extinguishment in fiscals 2018 and 2017; the gain on the sale of the Beauty Brands business in 2017; the gain on the sale of the Batteries business in fiscal 2016; the Batteries business impairment charges in fiscals 2016 and 2015; and the Venezuelan deconsolidation charge in fiscal 2015.