



News Release

The Procter & Gamble Company

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Cincinnati, OH 45202

**P&G ANNOUNCES FISCAL YEAR 2023 THIRD QUARTER RESULTS**

*Net Sales +4%; Organic Sales +7%*

*Diluted EPS and Core EPS \$1.37, each +3%*

*RAISES SALES GROWTH AND CASH RETURN GUIDANCE*

*MAINTAINS FISCAL YEAR EPS GROWTH GUIDANCE RANGE*

CINCINNATI, April 21, 2023 - The Procter & Gamble Company (NYSE:PG) reported third quarter fiscal year 2023 net sales of \$20.1 billion, an increase of four percent versus the prior year. Organic sales, which excludes the impacts of foreign exchange and acquisitions and divestitures, increased seven percent. Diluted net earnings per share were \$1.37, an increase of three percent versus prior year.

Operating cash flow was \$3.9 billion, and net earnings were \$3.4 billion for the quarter. Adjusted free cash flow productivity was 92%, which is calculated as operating cash flow less capital spending, as a percentage of net earnings. The Company returned \$3.6 billion of cash to shareholders via approximately \$2.2 billion of dividend payments and \$1.4 billion of common stock repurchases. The dividend increase declared earlier this month marks the 67th consecutive year that P&G has increased its dividend and the 133rd consecutive year that P&G has paid a dividend since its incorporation in 1890.

Third Quarter (\$ billions, except EPS)								
GAAP	2023	2022	% Change		Non-GAAP*	2023	2022	% Change
Net Sales	20.1	19.4	4%		Organic Sales	n/a	n/a	7%
Diluted EPS	1.37	1.33	3%		Core EPS	1.37	1.33	3%

\*Please refer to Exhibit 1 - Non-GAAP Measures for the definition and reconciliation of these measures to the related GAAP measures.

“We delivered strong results in the third quarter of fiscal year 2023 in what continues to be a very difficult cost and operating environment,” said Jon Moeller, Chairman of the Board, President and Chief Executive Officer. “Our team’s strong execution of our strategies and our progress through three quarters enable us to raise our fiscal year outlook for sales growth and cash return to shareowners and maintain our guidance range for EPS growth despite continued cost and foreign exchange headwinds. We remain committed to our integrated strategies of a focused product portfolio of daily use categories where performance drives brand choice, superiority, productivity, constructive disruption and an agile and accountable organization structure. These strategies have enabled us to build and sustain strong momentum, and we’re confident they remain the right strategies to deliver balanced growth and value creation going forward.”

## January - March Quarter Discussion

Net sales in the third quarter of fiscal year 2023 were \$20.1 billion, a four percent increase versus the prior year. Unfavorable foreign exchange had a four percent impact on net sales. Organic sales, which exclude the impacts of foreign exchange and acquisitions and divestitures, increased seven percent. The organic sales increase was driven by a ten percent increase from higher pricing and a one percent increase from favorable product mix, partially offset by a three percent decrease in shipment volumes.

<b>January - March 2023</b>							<b>Organic</b>	<b>Organic</b>
<b>Net Sales Drivers <sup>(1)</sup></b>	<b>Volume</b>	<b>Foreign Exchange</b>	<b>Price</b>	<b>Mix</b>	<b>Other <sup>(2)</sup></b>	<b>Net Sales</b>	<b>Volume</b>	<b>Sales</b>
Beauty	1%	(5)%	8%	(1)%	—%	3%	—%	7%
Grooming	(1)%	(6)%	10%	(2)%	—%	1%	(1)%	7%
Health Care	1%	(3)%	6%	3%	(1)%	6%	1%	9%
Fabric & Home Care	(5)%	(4)%	13%	1%	—%	5%	(5)%	9%
Baby, Feminine & Family Care	(4)%	(3)%	8%	2%	—%	3%	(4)%	6%
<b>Total P&amp;G</b>	<b>(3)%</b>	<b>(4)%</b>	<b>10%</b>	<b>1%</b>	<b>—%</b>	<b>4%</b>	<b>(3)%</b>	<b>7%</b>

<sup>(1)</sup> Net sales percentage changes are approximations based on quantitative formulas that are consistently applied.

<sup>(2)</sup> Other includes the sales mix impact from acquisitions and divestitures and rounding impacts necessary to reconcile volume to net sales.

- Beauty segment organic sales increased seven percent versus year ago. Skin and Personal Care organic sales grew low single digits as higher pricing and innovation-based volume growth were partially offset by lower sales of SK-II in the travel retail channel. Hair Care organic sales increased double digits driven by increased pricing.
- Grooming segment organic sales increased seven percent versus year ago as higher pricing was partially offset by negative volume and mix impacts from market contraction of appliances. All regions grew organic sales.
- Health Care segment organic sales increased nine percent versus year ago. Oral Care organic sales increased high single digits due to increased pricing. Personal Health Care organic sales increased double digits due to increased pricing, favorable mix and volume growth driven by innovation and a strong respiratory season.
- Fabric and Home Care segment organic sales increased nine percent versus year ago. Fabric Care organic sales increased high single digits due to increased pricing, partially offset by volume declines primarily in Europe. Home Care organic sales increased double digits due to increased pricing and favorable product mix, partially offset by volume declines primarily in Europe.
- Baby, Feminine and Family Care segment organic sales increased six percent versus year ago. Baby Care organic sales increased mid-single digits due to increased pricing, partially offset by volume declines mainly in Europe. Feminine Care organic sales increased low teens driven by increased pricing and favorable geographic and product mix, partially offset by volume declines in enterprise

markets. Organic sales grew in all regions. Family Care organic sales increased low single digits due to increased pricing, partially offset by larger pack size mix and modestly lower shipment volumes.

Diluted net earnings per share increased by three percent to \$1.37, driven by an increase in net sales, an increase in operating margin and a reduction in shares outstanding. Currency-neutral EPS were up 13% versus the prior year EPS.

Gross margin for the quarter increased 150 basis points versus year ago, 220 basis points on a currency-neutral basis. The increase was driven by benefits of 470 basis points from increased pricing and 210 basis points from gross productivity savings. These were partially offset by 270 basis points of increased commodity and input material costs, 140 basis points of negative product mix and 50 basis points of product reinvestments and other impacts.

Selling, general and administrative expense (SG&A) as a percentage of sales increased 100 basis points versus year ago and 50 basis points on a currency-neutral basis. The increase was driven by 310 basis points of marketing investments, inflation and other impacts, partially offset by 180 basis points of net sales growth leverage and 80 basis points of productivity savings.

Operating margin for the quarter increased 40 basis points versus the prior year, 160 basis points on a currency-neutral basis. Operating margin included gross productivity savings of 290 basis points.

## **Fiscal Year 2023 Guidance**

P&G raised its guidance for fiscal 2023 all-in sales to grow approximately one percent versus the prior fiscal year, from a prior guidance range of down one percent to in-line. The Company also raised its outlook for organic sales growth to approximately six percent versus the prior fiscal year from a prior growth range of four to five percent. Foreign exchange is expected to be a five percentage point headwind to all-in sales growth for the fiscal year.

P&G maintained its outlook for fiscal 2023 diluted net earnings per share growth in the range of in-line to up four percent versus fiscal 2022 EPS of \$5.81. The Company added that it expects EPS results towards the lower end of the fiscal year guidance range.

P&G said its current fiscal 2023 outlook includes headwinds of approximately \$1.3 billion after-tax due to unfavorable foreign exchange rates and \$2.2 billion due to higher commodity and material costs. Combined, these items are a \$3.5 billion after-tax headwind, or approximately \$1.40 per share, to fiscal 2023 earnings versus fiscal 2022, or a headwind of approximately 24 points to EPS growth. The \$3.5 billion headwind is a modest sequential improvement versus the guidance provided in January, due to commodities and freight, partially offset by increased foreign exchange headwinds. Additionally, the Company expects the net impact of interest expense and interest income to be a \$125 million before tax earnings headwind for fiscal year 2023.

The Company is unable to reconcile its forward-looking non-GAAP cash flow measure and tax rate measures without unreasonable efforts because the Company cannot predict the timing and amounts of discrete cash items, such as acquisitions, divestitures, or impairments, which could significantly impact GAAP results.

P&G expects a core effective tax rate of approximately 20% in fiscal 2023.

Capital spending is now estimated to be approximately 4% of fiscal 2023 net sales.

P&G continues to expect adjusted free cash flow productivity of 90% and now expects to pay around \$9 billion in dividends and to repurchase \$7.4 billion to \$8 billion of common shares in fiscal 2023.

## **Forward-Looking Statements**

Certain statements in this release, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result" and similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law.

Risks and uncertainties to which our forward-looking statements are subject include, without limitation: (1) the ability to successfully manage global financial risks, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility; (2) the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow the Company to effect the expected share repurchases and dividend payments; (3) the ability to manage disruptions in credit markets or to our banking partners or changes to our credit rating; (4) the ability to maintain key manufacturing and supply arrangements (including execution of supply chain optimizations and sole supplier and sole manufacturing plant arrangements) and to manage disruption of business due to various factors, including ones outside of our control, such as natural disasters, acts of war (including the Russia-Ukraine War) or terrorism or disease outbreaks; (5) the ability to successfully manage cost fluctuations and pressures, including prices of commodities and raw materials and costs of labor, transportation, energy, pension and healthcare; (6) the ability to stay on the leading edge of innovation, obtain necessary intellectual property protections and successfully respond to changing consumer habits, evolving digital marketing and selling platform requirements and technological advances attained by, and patents granted to, competitors; (7) the ability to compete with our local and global competitors in new and existing sales channels, including by

successfully responding to competitive factors such as prices, promotional incentives and trade terms for products; (8) the ability to manage and maintain key customer relationships; (9) the ability to protect our reputation and brand equity by successfully managing real or perceived issues, including concerns about safety, quality, ingredients, efficacy, packaging content, supply chain practices or similar matters that may arise; (10) the ability to successfully manage the financial, legal, reputational and operational risk associated with third-party relationships, such as our suppliers, contract manufacturers, distributors, contractors and external business partners; (11) the ability to rely on and maintain key company and third-party information and operational technology systems, networks and services and maintain the security and functionality of such systems, networks and services and the data contained therein; (12) the ability to successfully manage uncertainties related to changing political conditions and potential implications such as exchange rate fluctuations and market contraction; (13) the ability to successfully manage current and expanding regulatory and legal requirements and matters (including, without limitation, those laws and regulations involving product liability, product and packaging composition, intellectual property, labor and employment, antitrust, privacy and data protection, tax, the environment, due diligence, risk oversight, accounting and financial reporting) and to resolve new and pending matters within current estimates; (14) the ability to manage changes in applicable tax laws and regulations; (15) the ability to successfully manage our ongoing acquisition, divestiture and joint venture activities, in each case to achieve the Company's overall business strategy and financial objectives, without impacting the delivery of base business objectives; (16) the ability to successfully achieve productivity improvements and cost savings and manage ongoing organizational changes while successfully identifying, developing and retaining key employees, including in key growth markets where the availability of skilled or experienced employees may be limited; (17) the ability to successfully manage the demand, supply and operational challenges, as well as governmental responses or mandates, associated with a disease outbreak, including epidemics, pandemics or similar widespread public health concerns; (18) the ability to manage the uncertainties, sanctions and economic effects from the war between Russia and Ukraine; and (19) the ability to successfully achieve our ambition of reducing our greenhouse gas emissions and delivering progress towards our environmental sustainability priorities. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein, please refer to our most recent 10-K, 10-Q and 8-K reports.

## **About Procter & Gamble**

P&G serves consumers around the world with one of the strongest portfolios of trusted, quality, leadership brands, including Always®, Ambi Pur®, Ariel®, Bounty®, Charmin®, Crest®, Dawn®, Downy®, Fairy®, Febreze®, Gain®, Gillette®, Head & Shoulders®, Lenor®, Olay®, Oral-B®, Pampers®, Pantene®, SK-II®, Tide®, Vicks®, and Whisper®. The P&G community includes operations in approximately 70 countries worldwide. Please visit <https://www.pg.com> for the latest news and information about P&G and its brands. For other P&G news, visit us at <https://www.pg.com/news>.

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**THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES**

(Amounts in Millions Except Per Share Amounts)

**Consolidated Earnings Information**

	Three Months Ended March 31		
	2023	2022	% Chg
<b>NET SALES</b>	\$ 20,068	\$ 19,381	4%
Cost of products sold	10,404	10,326	1%
<b>GROSS PROFIT</b>	9,664	9,055	7%
Selling, general and administrative expense	5,416	5,031	8%
<b>OPERATING INCOME</b>	4,248	4,024	6%
Interest expense	(222)	(109)	104%
Interest income	83	9	822%
Other non-operating income, net	179	147	22%
<b>EARNINGS BEFORE INCOME TAXES</b>	4,288	4,071	5%
Income taxes	864	704	23%
<b>NET EARNINGS</b>	3,424	3,367	2%
Less: Net earnings attributable to noncontrolling interests	27	12	125%
<b>NET EARNINGS ATTRIBUTABLE TO PROCTER &amp; GAMBLE</b>	<u>\$ 3,397</u>	<u>\$ 3,355</u>	1%
<b>EFFECTIVE TAX RATE</b>	20.1 %	17.3 %	
<b>NET EARNINGS PER SHARE <sup>(1)</sup></b>			
Basic	\$ 1.41	\$ 1.37	3%
Diluted	\$ 1.37	\$ 1.33	3%
<b>DIVIDENDS PER COMMON SHARE</b>	\$ 0.9133	\$ 0.8698	
<b>DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	2,473.2	2,530.2	
<b>COMPARISONS AS A % OF NET SALES</b>			<b>Basis Pt Chg</b>
Gross profit	48.2%	46.7%	150
Selling, general and administrative expense	27.0%	26.0%	100
Operating income	21.2%	20.8%	40
Earnings before income taxes	21.4%	21.0%	40
Net earnings	17.1%	17.4%	(30)
Net earnings attributable to Procter & Gamble	16.9%	17.3%	(40)

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



**THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES**

(Amounts in Millions)

**Consolidated Earnings Information**

Three Months Ended March 31, 2023						
	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings/(Loss)	% Change Versus Year Ago
Beauty	\$3,494	3%	\$763	(4)%	\$608	(6)%
Grooming	1,495	1%	382	8%	308	6%
Health Care	2,828	6%	667	7%	523	8%
Fabric & Home Care	7,016	5%	1,538	21%	1,174	21%
Baby, Feminine & Family Care	5,062	3%	1,206	11%	925	11%
Corporate	173	N/A	(268)	N/A	(114)	N/A
<b>Total Company</b>	<b>\$20,068</b>	<b>4%</b>	<b>\$4,288</b>	<b>5%</b>	<b>\$3,424</b>	<b>2%</b>

Three Months Ended March 31, 2023							
<b>Net Sales Drivers</b> <sup>(1)</sup>	Volume	Organic Volume	Foreign Exchange	Price	Mix	Other <sup>(2)</sup>	Net Sales
Beauty	1%	—%	(5)%	8%	(1)%	—%	3%
Grooming	(1)%	(1)%	(6)%	10%	(2)%	—%	1%
Health Care	1%	1%	(3)%	6%	3%	(1)%	6%
Fabric & Home Care	(5)%	(5)%	(4)%	13%	1%	—%	5%
Baby, Feminine & Family Care	(4)%	(4)%	(3)%	8%	2%	—%	3%
<b>Total Company</b>	<b>(3)%</b>	<b>(3)%</b>	<b>(4)%</b>	<b>10%</b>	<b>1%</b>	<b>—%</b>	<b>4%</b>

<sup>(1)</sup> Net sales percentage changes are approximations based on quantitative formulas that are consistently applied.

<sup>(2)</sup> Other includes the sales mix impact from acquisitions and divestitures and rounding impacts necessary to reconcile volume to net sales.

**THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES**  
(Amounts in Millions Except Per Share Amounts)  
**Consolidated Statements of Cash Flows**

<u>Amounts in millions</u>	<b>Nine Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD</b>	<b>\$ 7,214</b>	<b>\$ 10,288</b>
<b>OPERATING ACTIVITIES</b>		
Net earnings	11,346	11,735
Depreciation and amortization	2,008	2,085
Share-based compensation expense	406	398
Deferred income taxes	(360)	(259)
Gain on sale of assets	(4)	(84)
Changes in:		
Accounts receivable	(301)	(916)
Inventories	(503)	(1,252)
Accounts payable, accrued and other liabilities	(609)	1,347
Other operating assets and liabilities	(839)	(131)
Other	363	87
<b>TOTAL OPERATING ACTIVITIES</b>	<b>11,507</b>	<b>13,010</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(2,328)	(2,464)
Proceeds from asset sales	9	99
Acquisitions, net of cash acquired	(714)	(1,381)
Other investing activity	331	4
<b>TOTAL INVESTING ACTIVITIES</b>	<b>(2,702)</b>	<b>(3,742)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends to shareholders	(6,710)	(6,508)
Additions to short-term debt with original maturities of more than three months	13,778	10,146
Reductions in short-term debt with original maturities of more than three months	(9,134)	(8,163)
Net reductions to other short-term debt	(387)	(849)
Additions to long-term debt	2,569	4,385
Reductions in long-term debt	(1,877)	(2,776)
Treasury stock purchases	(7,353)	(8,753)
Impact of stock options and other	861	1,800
<b>TOTAL FINANCING ACTIVITIES</b>	<b>(8,253)</b>	<b>(10,718)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(170)</b>	<b>(312)</b>
<b>CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>382</b>	<b>(1,762)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD</b>	<b>\$ 7,596</b>	<b>\$ 8,526</b>

**THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES**  
(Amounts in Millions Except Per Share Amounts)  
**Condensed Consolidated Balance Sheets**

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
Cash and cash equivalents	\$ 7,596	\$ 7,214
Accounts receivable	5,471	5,143
Inventories	7,483	6,924
Prepaid expenses and other current assets	1,755	2,372
<b>TOTAL CURRENT ASSETS</b>	<b>22,305</b>	<b>21,653</b>
Property, plant and equipment, net	21,564	21,195
Goodwill	40,718	39,700
Trademarks and other intangible assets, net	23,832	23,679
Other noncurrent assets	11,432	10,981
<b>TOTAL ASSETS</b>	<b>\$ 119,851</b>	<b>\$ 117,208</b>
Accounts payable	\$ 13,790	\$ 14,882
Accrued and other liabilities	10,523	9,554
Debt due within one year	13,717	8,645
<b>TOTAL CURRENT LIABILITIES</b>	<b>38,030</b>	<b>33,081</b>
Long-term debt	22,874	22,848
Deferred income taxes	6,422	6,809
Other noncurrent liabilities	7,104	7,616
<b>TOTAL LIABILITIES</b>	<b>74,430</b>	<b>70,354</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>45,421</b>	<b>46,854</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 119,851</b>	<b>\$ 117,208</b>

## **The Procter & Gamble Company**

### **Exhibit 1: Non-GAAP Measures**

The following provides definitions of the non-GAAP measures used in Procter & Gamble's April 21, 2023 earnings release and the reconciliation to the most closely related GAAP measures. Management believes that these non-GAAP measures provide useful perspective on underlying business trends and provide a supplemental measure of period-to-period financial results. Disclosing these non-GAAP financial measures allows investors and management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance. Management uses these non-GAAP measures in making operating decisions, allocating financial resources and for business strategy purposes. Certain of these measures are also used to evaluate senior management and are a factor in determining their at-risk compensation. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures do not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. The Company is not able to reconcile its forward-looking non-GAAP cash flow and tax rate measures because the Company cannot predict the timing and amounts of discrete items such as acquisition and divestitures, which could significantly impact GAAP results.

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. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. This measure is used in assessing achievement of management goals for at-risk compensation.

Currency-neutral operating margin: Currency-neutral operating margin is a measure of the Company's operating margin excluding the incremental current year impact of foreign exchange. Management believes this non-GAAP measure provides a supplemental perspective to the Company's operating efficiency over time.

Currency-neutral gross margin: Currency-neutral gross margin is a measure of the Company's gross margin excluding the incremental current year impact of foreign exchange. Management believes this non-GAAP measure provides a supplemental perspective to the Company's operating efficiency over time.

Currency-neutral selling, general and administrative (SG&A) expense as a percentage of net sales:

Currency-neutral SG&A expense as a percentage of net sales is a measure of the Company's selling, general and administrative expenses excluding the incremental current year impact of foreign exchange. Management believes this non-GAAP measure provides a supplemental perspective to the Company's operating efficiency over time.

Core EPS: Core earnings per share, or Core EPS, is a measure of the Company's diluted net earnings per share adjusted as indicated. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time. This measure is also used when evaluating senior management in determining their at-risk compensation. For the period covered by this release, there are no reconciling items for Core EPS.

Currency-neutral EPS: Currency-neutral EPS is a measure of the Company's EPS excluding the incremental current year impact of foreign exchange. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time.

Adjusted free cash flow: Adjusted free cash flow is defined as operating cash flow less capital spending. 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 investments.

Adjusted free cash flow productivity: Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings. Management views adjusted free cash flow productivity as a useful measure to help investors understand P&G's ability to generate cash. Adjusted free cash flow productivity is used by management in making operating decisions, allocating financial resources and for budget planning purposes. This measure is also used in assessing the achievement of management goals for at-risk compensation.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES  
(Amounts in Millions Except Per Share Amounts)  
Reconciliation of Non-GAAP Measures

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	AS REPORTED (GAAP)	AS REPORTED (GAAP)
<b>COST OF PRODUCTS SOLD</b>	\$ 10,404	\$ 10,326
<b>GROSS PROFIT</b>	9,664	9,055
<b>GROSS MARGIN</b>	48.2 %	46.7 %
<b>CURRENCY IMPACT TO GROSS MARGIN</b>	0.7 %	
<b>CURRENCY-NEUTRAL GROSS MARGIN</b>	48.9 %	
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSE</b>	5,416	5,031
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSE AS A % OF NET SALES</b>	27.0 %	26.0 %
<b>CURRENCY IMPACT TO SELLING, GENERAL AND ADMINISTRATIVE EXPENSE AS A % OF NET SALES</b>	(0.5)%	
<b>CURRENCY-NEUTRAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE AS A % OF NET SALES</b>	26.5 %	
<b>OPERATING INCOME</b>	4,248	4,024
<b>OPERATING MARGIN</b>	21.2 %	20.8 %
<b>CURRENCY IMPACT TO OPERATING MARGIN</b>	1.2 %	
<b>CURRENCY-NEUTRAL OPERATING MARGIN</b>	22.4 %	
<b>NET EARNINGS ATTRIBUTABLE TO P&amp;G</b>	3,397	3,355
<b>DILUTED NET EARNINGS PER COMMON SHARE <sup>(1)</sup></b>	\$ 1.37	\$ 1.33
<b>CURRENCY IMPACT TO EARNINGS</b>	\$ 0.13	
<b>CURRENCY-NEUTRAL CORE EPS</b>	\$ 1.50	
<b>DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	2,473.2	2,530.2
<b>COMMON SHARES OUTSTANDING - March 31, 2023</b>	2,357.0	

<sup>(1)</sup> Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

CHANGE IN CURRENT YEAR REPORTED (GAAP) AND NON-GAAP MEASURES VERSUS PRIOR YEAR REPORTED (GAAP) MEASURES			
GROSS MARGIN	150	BPS	
CURRENCY-NEUTRAL GROSS MARGIN	220	BPS	
SELLING GENERAL & ADMINISTRATIVE EXPENSE AS A % OF NET SALES	100	BPS	
CURRENCY-NEUTRAL SELLING GENERAL & ADMINISTRATIVE EXPENSE AS A % OF NET SALES	50	BPS	
OPERATING MARGIN	40	BPS	
CURRENCY-NEUTRAL OPERATING MARGIN	160	BPS	
CORE EPS	3 %		
CURRENCY-NEUTRAL CORE EPS	13 %		

Organic sales growth:

<u>January - March 2023</u>	<u>Net Sales Growth</u>	<u>Foreign Exchange Impact</u>	<u>Acquisition &amp; Divestiture Impact/Other</u> <sup>(1)</sup>	<u>Organic Sales Growth</u>
Beauty	3%	5%	(1)%	7%
Grooming	1%	6%	—%	7%
Health Care	6%	3%	—%	9%
Fabric & Home Care	5%	4%	—%	9%
Baby, Feminine & Family Care	3%	3%	—%	6%
<b>Total P&amp;G</b>	<b>4%</b>	<b>4%</b>	<b>(1)%</b>	<b>7%</b>

<sup>(1)</sup> Acquisitions/Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures and rounding impacts necessary to reconcile net sales to organic sales.

<u>Total P&amp;G</u>	<u>Net Sales Growth</u>	<u>Combined Foreign Exchange &amp; Acquisition/Divestiture Impact/Other</u> <sup>(1)</sup>	<u>Organic Sales Growth</u>
FY 2023 (Estimate)	~ +1%	+5%	~ +6%

<sup>(1)</sup> Acquisitions/Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures and rounding impacts necessary to reconcile net sales to organic sales.

Adjusted free cash flow (dollar amounts in millions):

<u>Three Months Ended March 31, 2023</u>		
<u>Operating Cash Flow</u>	<u>Capital Spending</u>	<u>Adjusted Free Cash Flow</u>
\$3,863	\$(730)	\$3,133

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

<u>Three Months Ended March 31, 2023</u>		
<u>Adjusted Free Cash Flow</u>	<u>Net Earnings</u>	<u>Adjusted Free Cash Flow Productivity</u>
\$3,133	\$3,424	92%