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PROCTER & GAMBLE Co

Form 10-Q

January 23, 2018

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**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 December 31, 2017

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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post 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 (Do not check if smaller reporting company)

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 2,521,003,706 shares of Common Stock outstanding as of December 31, 2017.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS**

	Three Months Ended December 31		Six Months Ended December 31	
	2017	2016	2017	2016
<u>Amounts in millions except per share amounts</u>				
NET SALES	\$17,395	\$16,856	\$34,048	\$33,374
Cost of products sold	8,667	8,298	16,896	16,400
Selling, general and administrative expense	4,725	4,683	9,414	9,328
OPERATING INCOME	4,003	3,875	7,738	7,646
Interest expense	122	122	237	253
Interest income	66	42	115	77
Other non-operating income/(expense), net	86	(539)	168	(476)
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	4,033	3,256	7,784	6,994
Income taxes on continuing operations	1,472	695	2,353	1,558
NET EARNINGS FROM CONTINUING OPERATIONS	2,561	2,561	5,431	5,436
NET EARNINGS FROM DISCONTINUED OPERATIONS	—	5,335	—	5,217
NET EARNINGS	2,561	7,896	5,431	10,653
Less: Net earnings attributable to noncontrolling interests	66	21	83	64
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$2,495	\$7,875	\$5,348	\$10,589
BASIC NET EARNINGS PER COMMON SHARE ⁽¹⁾				
Earnings from continuing operations	\$0.96	\$0.96	\$2.05	\$1.99
Earnings from discontinued operations	—	2.05	—	1.98
BASIC NET EARNINGS PER COMMON SHARE	0.96	3.01	2.05	3.97
DILUTED NET EARNINGS PER COMMON SHARE ⁽¹⁾				
Earnings from continuing operations	\$0.93	\$0.93	\$2.00	\$1.93
Earnings from discontinued operations	—	1.95	—	1.88
DILUTED NET EARNINGS PER COMMON SHARE	0.93	2.88	2.00	3.81
DIVIDENDS PER COMMON SHARE	\$0.6896	\$0.6695	\$1.3790	\$1.3390
Diluted Weighted Average Common Shares Outstanding	2,669.6	2,737.6	2,680.1	2,780.2

(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)

	Three Months		Six Months	
	Ended		Ended	
	December 31		December 31	
<u>Amounts in millions</u>	2017	2016	2017	2016
NET EARNINGS \$				