



MAYER FUND
ROBERT H. SMITH SCHOOL OF BUSINESS

02/12/2024
Kshitiz Udainiya
Consumer Staples

Rating **HOLD**
Price (11/29/24) **\$169.45**
Target Price **\$131.94**

52 week range \$153.52 - \$180.43
Market Cap \$397.29B

Statistics

Historical Beta 0.41
Forward Beta 0.83

Coverage

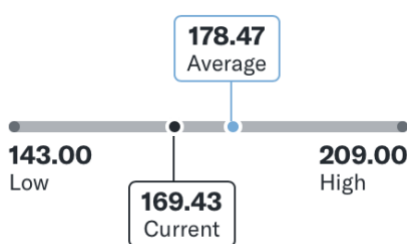
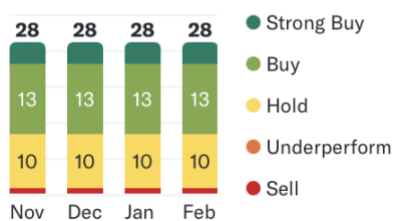
Number of Analysts 28
12 Month Mean Analyst PT \$178.47
Institutional Holding 69.17%

Ratios

P/E Ratio (TTM) 26.94x
P/E Ratio (Forward) 23.02x
Est. 5-Year Growth 6.27%
PEG Ratio 2.64
Dividend Yield 2.38%



Analyst Recommendations



Proctor & Gamble Co (NASDAQ: PG)

HouseHold Name, Portfolio Gain

- ☐ **Initiating coverage with a Hold and a \$131.9 price target.**

PROS

- ☐ **Brand Recognition** - P&G owns many brands which are considered market leaders in their respective industries. Gillette razors, Pampers, Duracell, Pantene etc.
- ☐ **Global Presence** – P&G has a presence in over 180 countries, with a well established distribution network providing diversification and growth opportunities in emerging markets.
- ☐ **Strong Dividend Payments** – P&G had paid dividends for 134 consecutive years, raising it's dividend for 68 years with current dividend of \$4.02 and yield 2.4%
- ☐ **Diverse Product Portfolio** – P&G has a very diversified portfolio with more than 65 brands in 10 different categories like beauty products, fabric cleaners, health care etc.

CONS

- ☐ **Slow Growth** - As a mature company in a relatively stable industry, PG's growth prospects are limited.
- ☐ **Macroeconomic factors** - Despite its defensive nature, PG is not immune to economic downturns. Reduced consumer spending during recessions can impact sales, particularly for non-essential products.
- ☐ **Currency Risks** - As a global company, PG faces risks related to foreign exchange fluctuations and commodity price volatility.
- ☐ **Intense Competition** - The consumer goods industry is highly competitive, with both established players and new entrants vying for market share.

Mayer Fund
Phone: (301) 405-7132

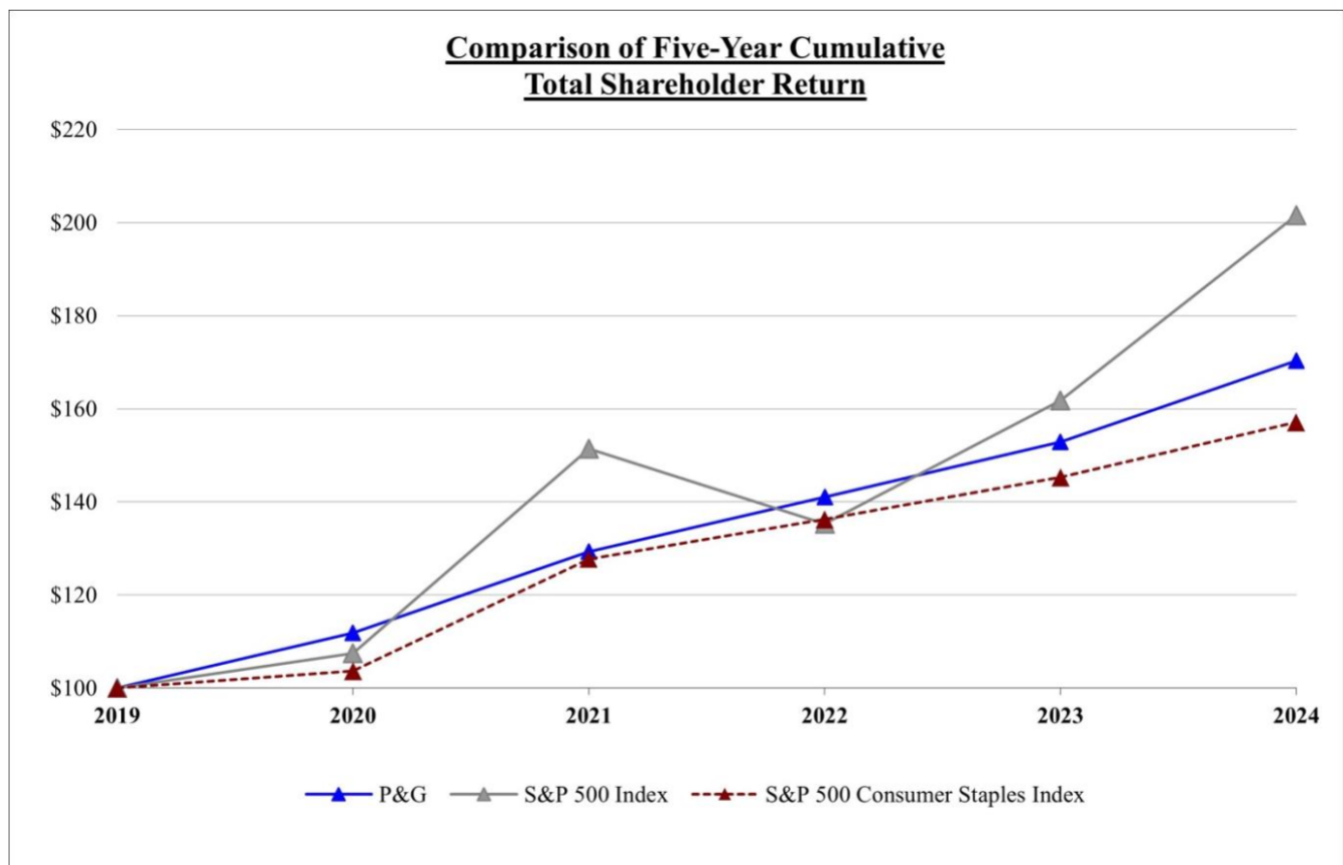
The Robert H. Smith School of Business
www.rhsmith.umd.edu/mayerfund

University of Maryland
mayerfund@rhsmith.umd.edu

Executive Summary

Proctor & Gamble (PG) presents an attractive investment opportunity for our portfolio by adding exposure to the personal care, health care products. As a global leader in household and personal care products, P&G operates in a resilient industry characterized by consistent demand, even during economic downturns.

As we can see the graph below PG has performed well in the last 5 years with a 7.84% return in the last year. It has also been consistently beating earning's expectations in the recent quarters.



In summary, Proctor & Gamble provides a compelling mix of value, income generation, and diversification into a defensive sector, making it an ideal addition to our portfolio strategy.

Industry Overview

In the US, the company has a notable market share in at least five industries: Sanitary Paper Product Manufacturing, Soap & Cleaning Compound Manufacturing, Cosmetic & Beauty Products Manufacturing, Hand Tool & Cutlery Manufacturing, Shaving Razor Manufacturing and Hand Tool & Cutlery Manufacturing. Their largest market share is in the Shaving Razor Manufacturing industry, where they account for an estimated 66.6%



of total industry revenue and are considered an All Star because they display stronger market share, profit and revenue growth compared to their peers.

Industry Market Share

Cosmetic & Beauty Products Manufacturing

Rising Star



[Learn More](#)

Hand Tool & Cutlery Manufacturing

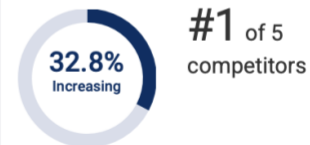
All Star



[Learn More](#)

Sanitary Paper Product Manufacturing

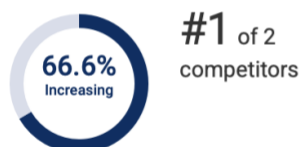
All Star



[Learn More](#)

Shaving Razor Manufacturing

All Star



[Learn More](#)

Soap & Cleaning Compound Manufacturing

All Star



[Learn More](#)

Procter & Gamble Co accounts for 9.6% of all revenue in the Cosmetic & Beauty Products Manufacturing in 2024 compared to L'oreal Usa, Inc., which has the largest industry market share of 13.2%. Procter & Gamble Co has seen an increase in their market share of 0.8pp since 2020 while L'oreal Usa, Inc. has increased by 3.1pp.

Procter & Gamble Co accounts for 7.1% of all revenue in the Hand Tool & Cutlery Manufacturing in 2022 compared to Stanley Black & Decker, Inc., which has the largest industry market share of 15.7%. Procter & Gamble Co has seen a decrease in their market share of -0.5pp since 2018 while Stanley Black & Decker, Inc. has increased by 5.2pp.

Procter & Gamble Co accounts for 66.6% of all revenue in the industry in 2025, which is the largest industry market share of all operators. Compared to the company with the next largest market share, Edgewell Personal Care Company, Procter & Gamble Co has increased their market share by an annualized 8.6pp since 2020, while Edgewell Personal Care Company has increased by 0.7 %.

Procter & Gamble Co accounts for 32.8% of all revenue in the industry in 2024, which is the largest industry market share of all operators. Compared to the company with the next largest market share, Kimberly-Clark Corporation, Procter & Gamble Co has increased their market share by an annualized 4.9pp since 2019, while Kimberly-Clark Corporation has increased by 0.5 %.

Procter & Gamble Co accounts for 32.6% of all revenue in the industry in 2024, which is the largest industry market share of all operators. Compared to the company with the next largest market share, Ecolab Inc., Procter & Gamble Co has increased their market share by an annualized 7.2pp since 2019, while Ecolab Inc. has increased by 8.1 %.

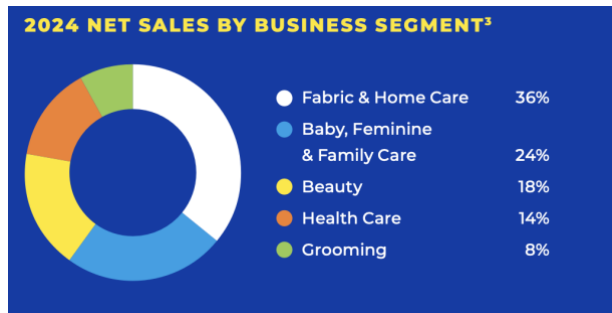
Business Overview

The Procter & Gamble Company (the Company) is a world-leading multinational consumer goods company focused on providing trusted, branded products of superior quality, performance and value to improve the lives of consumers around the world - now and for generations to come. The Company was incorporated in Ohio in 1905, having first been established as a New Jersey corporation in 1890, and was built from a business founded in Cincinnati in 1837 by William Procter and James Gamble.

Their products are sold in about 180 countries and territories primarily through mass merchandisers, e-commerce (including social commerce) channels, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, specialty beauty stores (including airport duty-free stores), high-frequency stores, pharmacies, electronics stores and professional channels. They also sell direct to individual consumers. PG has on-the-ground operations in about 70 countries.

PG's market environment is highly competitive with global, regional and local competitors. In many of the markets and industry segments in which they sell products, PG competed against other branded products as well as retailers' private-label brands. Additionally, many of the product segments in which they compete are differentiated by price tiers (referred to as super-premium, premium, mid-tier and value-tier products). PG is well positioned in the industry segments and markets in which they operate, often holding a leadership or significant market share position.

The Company's product categories are organized into five SBUs (Sector Business Units) and five reportable segments (under U.S. GAAP): Beauty; Grooming; Health Care; Fabric & Home Care; and Baby, Feminine & Family Care.





P&G's Portfolio

Ten Categories Organized in Five Operating Sectors

P&G has a focused portfolio of daily-use products in categories where performance plays a significant role in brand choice. Our focus is on delivering superior products with the best performance, in every price tier in which we compete.

HEALTH CARE



Personal Health Care

Oral Care

FABRIC AND HOME CARE



Fabric Care

Home Care

BEAUTY



Skin & Personal Care

Hair Care

GROOMING



Grooming

BABY, FEMINE AND FAMILY CARE



Baby Care



Feminine Care



Family Care



Reportable Segments	Net Sales ⁽¹⁾	Earnings ⁽¹⁾	Product Categories (Sub-Categories)	Major Brands
Beauty	18%	18%	Hair Care (<i>Conditioners, Shampoos, Styling Aids, Treatments</i>)	Head & Shoulders, Herbal Essences, Pantene, Rejoice
			Skin and Personal Care (<i>Antiperspirants and Deodorants, Personal Cleansing, Skin Care</i>)	Olay, Old Spice, Safeguard, Secret, SK-II, Native
Grooming	8%	9%	Grooming (<i>Appliances, Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Grooming</i>)	Braun, Gillette, Venus
Health Care	14%	14%	Oral Care (<i>Toothbrushes, Toothpastes, Other Oral Care</i>)	Crest, Oral-B
			Personal Health Care (<i>Gastrointestinal, Pain Relief, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Other Personal Health Care</i>)	Metamucil, Neurobion, Pepto-Bismol, Vicks
Fabric & Home Care	36%	34%	Fabric Care (<i>Fabric Enhancers, Laundry Additives, Laundry Detergents</i>)	Ariel, Downy, Gain, Tide
			Home Care (<i>Air Care, Dish Care, P&G Professional, Surface Care</i>)	Cascade, Dawn, Fairy, Febreze, Mr. Clean, Swiffer
Baby, Feminine & Family Care	24%	25%	Baby Care (<i>Baby Wipes, Taped Diapers and Pants</i>)	Lux, Pampers
			Feminine Care (<i>Adult Incontinence, Menstrual Care</i>)	Always, Always Discreet, Tampax
			Family Care (<i>Paper Towels, Tissues, Toilet Paper</i>)	Bounty, Charmin, Puffs

⁽¹⁾ Percent of Net sales and Net earnings for the fiscal year ended June 30, 2024 (excluding results held in Corporate).

- **Beauty** - PG is a global leader in the beauty industry, particularly in hair care and skin and personal care. It holds approximately 20% of the global market share in retail hair care, primarily driven by its Head & Shoulders and Pantene brands. In skin care, PG offers a range of products, with Olay being one of the top facial skin care brands worldwide, holding around 5% market share.
- **Grooming** - In the grooming market, PG maintains a dominant position with over 45% global market share. It leads the blades and razors segment with more than 60% market share, largely due to the success of its Gillette and Venus brands. PG also has a strong presence in male electric shavers, holding over 25% market share through its Braun brand, which also includes electric shavers and intense pulse light devices.
- **Health Care** - PG competes in oral care and personal health care, where it holds the second-largest market share position in oral care with approximately 20% share, primarily behind its Crest and Oral-B brands. In personal health care, PG is a global leader in key categories such as respiratory treatments, digestive wellness, sleep aids, vitamins, and pain relief, with brands including Vicks, Metamucil, Pepto-Bismol, and Neurobion.
- **Fabric & Home Care** - In the fabric and home care segment, PG offers a variety of fabric care products, including laundry detergents, additives, and fabric enhancers, as well as home care products such as dishwashing liquids, surface cleaners, and air fresheners. It holds the leading market position in fabric care, with over 35% global market share in the markets where it competes, largely driven by the strength of its Tide, Ariel, and Downy brands. In home care, PG maintains a global market share of approximately 25% across categories, with key brands including Cascade, Dawn, Febreze, and Swiffer.
- **Baby, feminine, and family care** - PG is also a global leader in baby, feminine, and family care. In baby care, it holds more than 20% global market share, competing mainly in taped diapers, pants, and baby wipes, with Pampers as its leading brand. In feminine care, PG has over 20% market share and competes in menstrual care primarily through its Always and Tampax brands, which together hold more than 25% of the market. It also participates in the adult incontinence segment with Always Discreet, holding about 15% market share in the markets where it competes. PG's family care business is primarily based in North America, where it dominates the market with more than 40% share in Bounty paper towels and over 25% in Charmin toilet paper.

The company serves mass merchandisers, e-commerce, grocery stores, drugstores, wholesalers, beauty stores, and professional channels. Walmart accounts for 16% of total sales in 2024, while the top ten customers contributed 42% of sales.

Business Model

The company drives sustainable value creation through balanced top- and bottom-line growth, offering a diversified portfolio of daily-use products. It focuses on product superiority across five key areas: performance, packaging, branding, retail execution, and value. Investments in R&D and consumer insights fuel innovation, while marketing strategies (advertising, promotions, and endorsements) enhance brand awareness and loyalty. Products are distributed through retail, e-commerce, and direct-to-consumer channels. Productivity improvements support reinvestment in R&D and marketing to sustain growth and stakeholder value. The company holds patents and trademarks across all business segments. The company operates in a highly competitive market, facing competition from global and private-label brands across various industry segments.

Employees & DEI Initiatives: As of June 30, 2024, the company had 108,000 employees, with 48% in manufacturing and 28% in the U.S. Women make up 42% of global employees, and 32% of U.S. employees identify as multicultural. The company aims for equal gender representation globally and 40% multicultural representation in the U.S. workforce and leadership levels.

In 2021, the Company announced a 2040 net zero ambition. Their Climate Transition Action Plan outlines the Company's ongoing efforts toward reducing greenhouse gas emissions across scopes 1 and 2 and elements of scope 3. The Company has also declared objectives towards purchasing renewable electricity for its operations, reducing use of virgin petroleum-based plastic in packaging, increasing the recyclability or reusability of packaging, responsible sourcing of key forest-based commodities, improving efficiency of water usage in our operations and driving a global portfolio of water restoration projects that help address water scarcity in key water basins.

The Company expects the delivery of the following long-term growth algorithm will result in total shareholder returns in the top third of the competitive, fast-moving consumer goods peer group:

- * Organic sales growth above market growth rates in the categories and geographies in which we compete;
- * Core EPS growth of mid-to-high single digits; and
- * Adjusted free cash flow productivity of 90% or greater.

Business Acquisitions and Divestitures:

In December 2023, PG announced a limited market portfolio restructuring in certain Enterprise Markets, including Argentina and Nigeria, in response to macroeconomic and fiscal challenges. The company projected incremental restructuring charges of \$1.0 to \$1.5 billion after tax, primarily from foreign currency translation losses recognized as non-cash charges upon the substantial liquidation of operations.

As of June 30, 2024, PG had largely liquidated its operations in select Enterprise Markets, including Nigeria, and recorded a non-cash charge of \$216 million after tax for accumulated currency translation losses. On July 1, 2024,

PG completed the divestiture of its business in Argentina and expects to record an additional non-cash charge of approximately \$750 million in the first quarter of the fiscal year ending June 30, 2025. These restructuring-related charges were included within Corporate for segment reporting, with costs exceeding normal restructuring levels classified as non-core charges. Further details can be found in Note 3 to the Consolidated Financial Statements.

The Company also has historically had an ongoing restructuring program with annual spending in the range of \$250 to \$500 million before tax.

Investment Issues and Risks

Risks Related to Business and Operations

Changing political and geopolitical conditions could adversely impact our business and financial results.

Political instability, trade restrictions, tariffs, and geopolitical conflicts could significantly impact PG's ability to operate efficiently. Disruptions in key markets due to government actions such as sanctions, retaliatory tariffs, or restrictions on business activities could negatively affect sales, supply chains, and operational costs. Additionally, political upheaval, acts of war, or government-imposed economic measures could force PG to restructure or exit certain markets, resulting in financial losses.

Disruptions in credit markets or to our banking partners or changes to our credit ratings may reduce our access to credit or overall liquidity.

PG relies on access to credit markets to fund operations and investments. A disruption in these markets or a downgrade in PG's credit rating could significantly increase borrowing costs, reduce financial flexibility, and limit access to funding. This could affect PG's ability to finance strategic initiatives, manage working capital, and respond to economic downturns, ultimately impacting long-term growth and shareholder returns.

Our business results depend on our ability to manage disruptions in our global supply chain.

PG's operations depend on an extensive global supply chain. Any disruption—whether due to geopolitical issues, labor strikes, natural disasters, supplier failures, or raw material shortages—could delay production, increase costs, and reduce profitability. Reliance on key manufacturing sites and sole suppliers increases risk exposure, as failures in these areas could lead to significant operational disruptions and an inability to meet customer demand.

Our businesses face cost fluctuations and pressures that could affect our business results.

PG is exposed to volatility in raw material prices, labor costs, energy prices, and transportation expenses. Inflationary pressures, supply chain disruptions, and commodity price spikes—such as in petroleum-based resins, pulp, and packaging materials—could significantly increase production costs. PG must continuously manage these cost fluctuations through pricing adjustments, cost-saving initiatives, and strategic sourcing. Failure to effectively pass on these costs or optimize expenses could erode margins and impact profitability.

A significant change in customer relationships or in customer demand for our products could have a significant impact on our business.

PG depends on strong relationships with retailers across various distribution channels, including mass merchandisers, e-commerce platforms, grocery stores, and pharmacies. Increased competition from private label brands, shifting consumer preferences, or tighter inventory management by retailers could reduce demand for PG's products. Additionally, if a major retail partner significantly reduces shelf space for PG's brands or imposes unfavorable trade terms, it could result in lower sales and profitability.

We rely on third parties in many aspects of our business, which creates additional risk.

PG relies on numerous third parties, including suppliers, manufacturers, contractors, and logistics providers, to maintain operations. Any failure by these third parties—whether due to financial instability, regulatory violations, labor disputes, or operational disruptions—could negatively impact PG's supply chain, production, and overall business performance. Additionally, relying on external partners limits PG's control over certain business operations, increasing risks related to compliance, product quality, and data security.

Cybersecurity

PG relies heavily on IT and operational technology systems for manufacturing, supply chain management, financial reporting, and data security. A major cybersecurity breach, data leak, or failure of critical IT infrastructure—whether due to cyberattacks, system malfunctions, or third-party vulnerabilities—could disrupt operations, compromise sensitive information, and harm PG's reputation. Given the increasing sophistication of cyber threats, any failure to safeguard these systems could result in financial losses, regulatory penalties, and long-term reputational damage.

Red Flag Analysis

Audit Opinion

Deloitte has served as the Corporation's auditor since 1890 and they issued an unqualified opinion.

Critical Audit Matter

The Company's evaluation of the Gillette indefinite-lived intangible asset (the "Gillette Brand") for impairment involves the comparison of the fair value to its carrying value. The Company estimates fair value using the income method, which is based on the present value of estimated future cash flows attributable to the respective asset. This requires management to make significant estimates and assumptions related to forecasts of future net sales and earnings, including growth rates beyond a 10-year time period, royalty rate and discount rate. These assumptions were tested in the Audit.

Historical Negative Currency Impact

The company has consistently experienced a negative currency impact on its various revenue streams, which may suggest potential inefficiencies in its currency risk hedging strategies. This recurring trend could indicate that the company is not fully mitigating the risks associated with foreign exchange fluctuations, potentially affecting the stability of its financial performance.

Executive Team

They have a very large executive team.



Jon R. Moeller

Chairman of the Board,
President and
Chief Executive Officer



**Shailesh G.
Jejuri**

Chief Operating Officer



Gary Coombe

Chief Executive Officer
– Grooming
Executive Sponsor,
Corporate Wellbeing



Jennifer Davis

Chief Executive Officer
– Health Care



**Ma. Fatima D.
Francisco**

Chief Executive Officer
– Baby, Feminine and
Family Care



R. Alexandra Keith

Chief Executive Officer
– Beauty
Executive Sponsor,
Corporate Sustainability



Sundar G. Raman

Chief Executive Officer
– Fabric and Home
Care



Andre Schulten

Chief Financial Officer

Competition

Unilever

It is a British multinational consumer packaged goods company founded in 1929 following the merger of British soap maker Lever Brothers and Dutch margarine producer Margarine Unie. It is currently headquartered in London. Unilever products include baby food, beauty products, bottled water, breakfast cereals, cleaning agents, condiments, energy drinks, healthcare and hygiene products, ice cream, instant coffee, pet food, pharmaceuticals, soft drinks, tea, and toothpaste. It is the largest producer of soap in the world, and its products are available in over 190 countries.

Colgate-Palmolive

This company focuses on Oral, Personal & Home Care, and Pet Nutrition. It markets products like Colgate toothpaste, Palmolive soap, Ajax cleaners, and Hill's Pet Nutrition. Colgate-Palmolive operates across five geographic regions: North America, Latin America, Europe, Asia Pacific, and Africa/Eurasia.

Clorox

Mayer Fund

Phone: (301) 405-7132

The Robert H. Smith School of Business

www.rhsmith.umd.edu/mayerfund

University of Maryland

mayerfund@rhsmith.umd.edu

Disclaimer:

This report is solely for the use of the Mayer Fund and is not to be construed as investment advice or to be used in any other manner by anyone other than the Mayer Fund.



MAYER FUND
ROBERT H. SMITH SCHOOL OF BUSINESS

02/12/2024
Kshitiz Udainiya
Consumer Staples

Clorox sells cleaning, household, lifestyle, and international products. It offers brands such as Clorox bleach, Pine-Sol, Liquid-Plumr, and Kingsford charcoal. Clorox operates mainly in the U.S., but also sells internationally.

Estee Lauder

It is an American multinational cosmetics company, a manufacturer and marketer of makeup, skincare, perfume, and hair care products, based in Midtown Manhattan, New York City. It is the second largest cosmetics company in the world after L'Oréal. The company owns a diverse portfolio of brands, including La Mer, Jo Malone London, Clinique and Tom Ford Beauty, among many more, distributed internationally through both digital commerce and retail channels

Kimberly Clark Co

It is an American multinational personal care corporation that produces mostly paper-based consumer products. The company manufactures sanitary paper products and surgical & medical instruments. Kimberly-Clark brand name products include Kleenex facial tissue, Kotex feminine hygiene products, Cottonelle, Scott and Andrex toilet paper, Wypall utility wipes, KimWipes scientific cleaning wipes and Huggies disposable diapers and baby wipes.

COMPARABLE COMPANY ANALYSIS																
COMPANY DATA																
(in millions)																
Company Name	Ticker	Recent Price	52 week High	Shares Out	Market Cap	Total Debt	Cash	Enterprise Value	Book Value	Beta	WS 12-mo Price Target					
UNILEVER PLC/d	UL	\$58.92	\$65.87	2,475.6	\$145,864	\$31,555	\$1,431	\$175,987	\$19,977	0.46	\$70.85					
ESTEE LAUDER/d	EL	\$70.71	\$159.54	359.7	\$25,435	\$7,771	\$3,395	\$29,811	\$5,314	1.06	\$77.34					
KIMBERLY-CLARK/d	KMB	\$133.19	\$149.31	331.8	\$44,192	\$7,480	\$1,021	\$50,651	\$840	0.40	\$145.17					
CLOROX CO/d	CLX	\$148.36	\$171.37	123.2	\$18,276	\$2,519	\$202	\$20,593	\$328	0.45	\$163.51					
COLGATE PALMOLU/d	CL	\$87.37	\$109.30	817.0	\$71,382	\$7,949	\$1,096	\$78,235	\$212	0.40	\$97.05					
PROCTER & GAMB/d	PG	\$169.43	\$180.43	2,344.9	\$397,288	\$32,460	\$9,482	\$420,266	\$50,287	0.41	\$180.33					
I/B/E/S ESTIMATES																
CM																
Company Name	Ticker	SALES				EPS				EBIT			EBITDA			EPS 5-yr Growth %
		Last FY	FYR1	FYR2	FYR3	Last FY	FYR1	FYR2	FYR3	Last FY	FYR1	FYR2	Last FY	FYR1	FYR2	
UNILEVER PLC/d	UL	\$65,779	\$63,229	\$65,582	\$68,969	\$2.80	\$3.03	\$3.24	\$3.46	10,876	11,336	12,181	12,428	13,086	14,003	
ESTEE LAUDER/d	EL	\$15,609	\$14,480	\$14,788	\$15,420	\$2.23	\$1.40	\$2.36	\$3.20	1,464	1,069	1,466	2,256	1,880	2,274	8.5%
KIMBERLY-CLARK/d	KMB	\$20,058	\$19,463	\$19,931	\$20,455	\$7.35	\$7.51	\$7.93	\$8.33	3,263	3,368	3,536	4,019	4,167	4,344	4.0%
CLOROX CO/d	CLX	\$7,093	\$7,135	\$7,225	\$7,431	\$5.92	\$7.19	\$7.28	\$7.71	1,037	1,223	1,269	1,267	1,450	1,497	8.9%
COLGATE PALMOLU/d	CL	\$20,101	\$20,072	\$20,910	\$21,777	\$3.59	\$3.71	\$4.01	\$4.33	\$4,373	\$4,465	\$4,759	\$4,981	\$5,066	\$5,381	6.5%
PROCTER & GAMB/d	PG	\$84,039	\$85,211	\$87,933	\$91,353	6.55	6.93	7.37	7.89	19,944	21,039	22,315	23,112	24,004	25,494	6.3%
VALUATION MULTIPLES																
Company Name	Ticker	Recent Price	Price / Book	Price/Sales			P/E			PEG			EV/EBITDA			
				FYR1	FYR2	FYR3	FYR1	FYR2	FYR3	FYR1	FYR2	FYR3	Last FY	FYR1	FYR2	
UNILEVER PLC/d	UL	\$58.92	7.30x	2.31x	2.22x	2.11x	19.47x	18.17x	17.02x	5.94x	3.51x	2.59x	14.16x	13.45x	12.57x	
ESTEE LAUDER/d	EL	\$70.71	4.79x	1.76x	1.72x	1.65x	50.67x	29.93x	22.07x	5.94x	3.51x	2.59x	13.22x	15.86x	13.11x	
KIMBERLY-CLARK/d	KMB	\$133.19	52.61x	2.27x	2.22x	2.16x	17.73x	16.79x	15.99x	4.43x	4.20x	4.00x	12.60x	12.15x	11.66x	
CLOROX CO/d	CLX	\$148.36	55.72x	2.56x	2.53x	2.46x	20.63x	20.38x	19.24x	2.33x	2.30x	2.17x	16.25x	14.20x	13.75x	
COLGATE PALMOLU/d	CL	\$87.37	336.71x	3.56x	3.41x	3.28x	23.55x	21.77x	20.18x	3.64x	3.37x	3.12x	15.71x	15.44x	14.54x	
PROCTER & GAMB/d	PG	\$169.43	7.90x	4.66x	4.52x	4.35x	24.45x	22.99x	21.48x	3.90x	3.67x	3.43x	18.18x	17.51x	16.48x	
		Average	91.43x	2.49x	2.42x	2.33x	26.41x	21.41x	18.90x	4.08x	3.34x	2.97x	14.39x	14.22x	13.13x	
		Median	52.61x	2.31x	2.22x	2.16x	20.63x	20.38x	19.24x	4.04x	3.44x	2.85x	14.16x	14.20x	13.11x	
		Average	\$ 1,960.68	\$ 90.50	\$ 90.79	\$ 90.87	\$ 182.98	\$ 157.75	\$ 149.12	\$ 177.29	\$ 154.31	\$ 146.75	\$ 132.00	\$ 135.78	\$ 132.90	
		Median	\$ 1,128.26	\$ 83.83	\$ 83.41	\$ 84.17	\$ 142.91	\$ 150.15	\$ 151.81	\$ 175.21	\$ 158.66	\$ 141.04	\$ 129.77	\$ 135.59	\$ 132.73	
RATIO ANALYSIS																
Company Name	Ticker	Gross Margin	Operating Margin	Net Margin	ROA	ROE	Asset Turnover	Inventory Turnover	Receivables Turnover	Debt/E	LTD/TC	Quick Ratio	Current Ratio	Interest Coverage		
UNILEVER PLC/d	UL	42.2%	16.1%	10.9%	8.7%	36.1%	0.78	6.23	10.48	157.95	48.00	0.54	0.76	10.71		
ESTEE LAUDER/d	EL	71.7%	6.2%	2.5%	4.0%	17.2%	0.69	1.72	9.04	146.24	55.54	1.01	1.39	6.33		
KIMBERLY-CLARK/d	KMB	36.5%	16.0%	12.7%	14.5%	280.2%	1.18	6.74	9.98	890.48	81.75	0.54	0.80	15.42		
CLOROX CO/d	CLX	43.2%	5.6%	3.9%	13.2%	281.0%	1.21	6.04	10.21	767.99	83.10	0.63	1.03	16.30		
COLGATE PALMOLU/d	CL	60.5%	21.2%	14.4%	18.3%	721.6%	1.24	4.05	13.22	3749.53	93.59	0.65	1.04	16.91		
PROCTER & GAMB/d	PG	51.7%	21.8%	17.4%	13.4%	33.4%	0.69	5.76	13.74	64.55	30.44	0.53	0.73	25.06		

Mayer Fund

Phone: (301) 405-7132

The Robert H. Smith School of Business

www.rhsmith.umd.edu/mayerfund

University of Maryland

mayerfund@rhsmith.umd.edu

Disclaimer:

This report is solely for the use of the Mayer Fund and is not to be construed as investment advice or to be used in any other manner by anyone other than the Mayer Fund.



DCF

Proctor & Gamble Co

Proctor & Gamble Co

Cost of Equity	7.73%
Number of Shares	2,355
Actual Price:	\$169.43
Model Valuation:	\$131.94
Model 12 Month Price Target:	\$135.25

Share count	
2/12/25 Today	2,355
2/12/26 One year	2,355
12/4/26 Two year	2,355

Price Appreciation	
Price Appreciation	-22.13%
Price Appreciation (12 month)	-20.18%

Model Current Valuation with Sensitivity of Ke

	7/31/25	7/31/26	7/31/27	7/31/28	7/31/29
Time period (years)	0.46	1.46	2.46	3.47	4.47
Nominal FCFE:	15,070	17,278	17,958	18,632	19,222
PV FCFE:	6,741	15,494	14,949	14,394	13,784

Terminal Growth Rate	2.0%	14.65%	3.94%	3.75%	3.17%
----------------------	------	--------	-------	-------	-------

Terminal Value in 2030	342,142
PV of Terminal Value	245,353
Total PV:	310,716
Valuation per Share (\$):	131.94

Terminal Growth Rate

	0.50%	1.00%	1.50%	2.0%	2.50%	3.00%	3.50%
6.5%	\$130.93	\$140.73	\$152.46	\$166.78	\$184.64	\$207.55	\$238.00
6.9%	\$122.70	\$131.15	\$141.16	\$153.20	\$167.94	\$186.43	\$210.29
7.3%	\$115.43	\$122.79	\$131.41	\$141.65	\$154.00	\$169.20	\$188.36
7.7%	\$108.96	\$115.42	\$122.91	\$131.71	\$142.19	\$154.88	\$170.56
8.1%	\$103.17	\$108.88	\$115.44	\$123.07	\$132.06	\$142.79	\$155.84
8.5%	\$97.96	\$103.03	\$108.82	\$115.49	\$123.27	\$132.45	\$143.45
8.9%	\$93.25	\$97.78	\$102.91	\$108.78	\$115.57	\$123.50	\$132.89

Cost Of Equity Ke

Conclusion

I recommend a **HOLD** on Proctor & Gamble. Proctor & Gamble provides a compelling mix of value, income generation, and diversification making it an good addition to our portfolio but based on the analysis it seems to currently overvalued.