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DELTA REPORT

10-Q

PG - PROCTER & GAMBLE CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	915
CHANGES	280
DELETIONS	298
ADDITIONS	337

REFINITIV

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

FORM 10-Q

(Mark one)

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

For the Quarterly Period Ended December 31, 2023 March 31, 2024

OR

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

For the transition period from _________ to _________

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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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, without Par Value	PG	NYSE
0.500% Notes due 2024	PG24A	NYSE
0.625% Notes due 2024	PG24B	NYSE
1.375% Notes due 2025	PG25	NYSE
0.110% Notes due 2026	PG26D	NYSE
3.250% EUR Notes due 2026	PG26E	NYSE
4.875% EUR notes Notes due May 2027	PG27A	NYSE
1.200% Notes due 2028	PG28	NYSE
1.250% Notes due 2029	PG29B	NYSE
1.800% Notes due 2029	PG29A	NYSE
6.250% GBP notes Notes due January 2030	PG30	NYSE
0.350% Notes due 2030	PG30C	NYSE
0.230% Notes due 2031	PG31A	NYSE
3.250% EUR Notes due 2031	PG31B	NYSE
5.250% GBP notes Notes due January 2033	PG33	NYSE
1.875% Notes due 2038	PG38	NYSE
0.900% Notes due 2041	PG41	NYSE

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 þ No o

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 þ No o

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	þ	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 o No þ

There were 2,353,021,054 2,360,135,282 shares of Common Stock outstanding as of December 31, 2023 March 31, 2024.

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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

		Three Months Ended March 31							Three Months Ended March 31	Nine Months Ended March 31
Amounts in millions except per share amounts	Amounts in millions except per share amounts	2023	2022	2023	2022	Amounts in millions except per share amounts	2024	2023	2024	2023
NET SALES	**NET SALES**	**$21,441**	$20,773	**$43,312**	$41,385					
Cost of products sold	Cost of products sold	**10,144**	10,897	**20,645**	21,743					
Selling, general and administrative expense	Selling, general and administrative expense	**5,522**	5,091	**11,127**	9,918					
Indefinite-lived intangible asset impairment charge	Indefinite-lived intangible asset impairment charge	**1,341**	—	**1,341**	—					
OPERATING INCOME	**OPERATING INCOME**	**4,433**	4,785	**10,200**	9,724					
Interest expense	Interest expense	**(248)**	(171)	**(472)**	(294)					
Interest income	Interest income	**133**	66	**262**	108					
Other non-operating income, net	Other non-operating income, net	**177**	155	**309**	294					
EARNINGS BEFORE INCOME TAXES	**EARNINGS BEFORE INCOME TAXES**	**4,496**	4,835	**10,299**	9,832					
Income taxes	Income taxes	**1,003**	876	**2,250**	1,910					
NET EARNINGS	**NET EARNINGS**	**3,493**	3,959	**8,049**	7,922					
Less: Net earnings attributable to noncontrolling interests	Less: Net earnings attributable to noncontrolling interests	**25**	26	**60**	50					
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	**NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE**	**$ 3,468**	$ 3,933	**$ 7,988**	$ 7,872					
NET EARNINGS PER COMMON SHARE (1)	**NET EARNINGS PER COMMON SHARE (1)**									
NET EARNINGS PER COMMON SHARE (1)										
NET EARNINGS PER COMMON SHARE (1)										
Basic										
Basic										
Basic	Basic	**$ 1.44**	$ 1.63	**$ 3.33**	$ 3.25					
Diluted	Diluted	**$ 1.40**	$ 1.59	**$ 3.23**	$ 3.16					

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended December 31		Six Months Ended December 31						
	Three Months Ended March 31						Three Months Ended March 31		Nine Months Ended March 31	
Amounts in millions	Amounts in millions	2023	2022	2023	2022	Amounts in millions	2024	2023	2024	2023
NET EARNINGS	**NET EARNINGS**	**$3,493**	$3,959	**$8,049**	$7,922					
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	**OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX**									
Foreign currency translation	Foreign currency translation	**492**	379	**83**	(333)					
Unrealized losses on investment securities		**(1)**	(1)	**(2)**	(3)					
Foreign currency translation										
Foreign currency translation										
Unrealized gains/(losses) on investment securities										
Unrealized gains/(losses) on defined benefit postretirement plans	Unrealized gains/(losses) on defined benefit postretirement plans	**(75)**	(76)	**(30)**	11					
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX**	**416**	302	**51**	(325)					
TOTAL COMPREHENSIVE INCOME	**TOTAL COMPREHENSIVE INCOME**	**3,909**	4,261	**8,100**	7,597					
Less: Total comprehensive income attributable to noncontrolling interests	Less: Total comprehensive income attributable to noncontrolling interests	**25**	23	**58**	42					
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE	**TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE**	**$3,884**	$4,238	**$8,041**	$7,555					

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Amounts in millions	Amounts in millions	December 31, 2023	June 30, 2023	Amounts in millions	March 31, 2024	June 30, 2023
Assets	**Assets**					

CURRENT ASSETS	**CURRENT ASSETS**		
CURRENT ASSETS			
CURRENT ASSETS			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	**$ 7,890**	$ 8,246
Accounts receivable	Accounts receivable	**6,334**	5,471
INVENTORIES	**INVENTORIES**		
Materials and supplies			
Materials and supplies			
Materials and supplies	Materials and supplies	**1,780**	1,863
Work in process	Work in process	**962**	956
Finished goods	Finished goods	**4,410**	4,254
Total inventories	Total inventories	**7,151**	7,073
Prepaid expenses and other current assets	Prepaid expenses and other current assets	**1,736**	1,858
TOTAL CURRENT ASSETS	**TOTAL CURRENT ASSETS**	**23,111**	22,648
PROPERTY, PLANT AND EQUIPMENT, NET	**PROPERTY, PLANT AND EQUIPMENT, NET**	**22,132**	21,909
GOODWILL	**GOODWILL**	**40,916**	40,659
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET	**TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET**	**22,302**	23,783
OTHER NONCURRENT ASSETS	**OTHER NONCURRENT ASSETS**	**12,248**	11,830
TOTAL ASSETS	**TOTAL ASSETS**	**$120,709**	$120,829
Liabilities and Shareholders' Equity	**Liabilities and Shareholders' Equity**		
Liabilities and Shareholders' Equity			
Liabilities and Shareholders' Equity			
CURRENT LIABILITIES	**CURRENT LIABILITIES**		
CURRENT LIABILITIES			
CURRENT LIABILITIES			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	**$ 14,234**	$ 14,598
Accrued and other liabilities	Accrued and other liabilities	**11,100**	10,929
Debt due within one year	Debt due within one year	**10,616**	10,229

TOTAL CURRENT LIABILITIES	**TOTAL CURRENT LIABILITIES**			**35,950**	35,756
LONG-TERM DEBT	**LONG-TERM DEBT**			**23,096**	24,378
DEFERRED INCOME TAXES	**DEFERRED INCOME TAXES**			**6,219**	6,478
OTHER NONCURRENT LIABILITIES	**OTHER NONCURRENT LIABILITIES**			**6,614**	7,152
TOTAL LIABILITIES	**TOTAL LIABILITIES**			**71,880**	73,764
SHAREHOLDERS' EQUITY	**SHAREHOLDERS' EQUITY**				
Preferred stock	Preferred stock			**809**	819
Preferred stock					
Preferred stock					
Common stock – shares issued –	Common stock – shares issued –	December 2023	4,009.2		
		June 2023	4,009.2	**4,009**	4,009
		June 2023			
		June 2023			
		June 2023			
Additional paid-in capital	Additional paid-in capital			**66,935**	66,556
Reserve for ESOP debt retirement	Reserve for ESOP debt retirement			**(782)**	(821)
Accumulated other comprehensive loss	Accumulated other comprehensive loss			**(12,167)**	(12,220)
Treasury stock	Treasury stock			**(131,887)**	(129,736)
Retained earnings	Retained earnings			**121,617**	118,170
Noncontrolling interest	Noncontrolling interest			**294**	288
TOTAL SHAREHOLDERS' EQUITY	**TOTAL SHAREHOLDERS' EQUITY**			**48,829**	47,065
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**			**$120,709**	$120,829

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three Months Ended December 31, 2023

Three Months Ended March 31, 2024

Dollars in millions; shares in thousands	Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
BALANCE SEPTEMBER 30, 2023		2,356,886	$4,009	$812	$66,822	($782)	($12,583)	($131,029)	$120,443	$321	$48,014
BALANCE DECEMBER 31, 2023											
Net earnings	Net earnings								3,468	25	3,493
Other comprehensive income/(loss)	Other comprehensive income/(loss)						416			—	416
Dividends and dividend equivalents ($0.9407 per share):	Dividends and dividend equivalents ($0.9407 per share):										
Common											
Common											
Common	Common								(2,225)		(2,225)
Preferred	Preferred								(70)		(70)
Treasury stock purchases	Treasury stock purchases	(6,879)						(1,008)			(1,008)
Employee stock plans	Employee stock plans	2,630			113			147			260
Preferred stock conversions	Preferred stock conversions	385		(3)	—			3			—
ESOP debt impacts	ESOP debt impacts					—			—		—
Noncontrolling interest, net	Noncontrolling interest, net				—					(52)	(52)
BALANCE DECEMBER 31, 2023		**2,353,021**	**$4,009**	**$809**	**$66,935**	**($782)**	**($12,167)**	**($131,887)**	**$121,617**	**$294**	**$48,829**
BALANCE MARCH 31, 2024											

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	C... I...

Six Months Ended December 31, 2023

Nine Months Ended March 31, 2024

Dollars in millions; shares in thousands	Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
BALANCE JUNE 30, 2023	**BALANCE JUNE 30, 2023**	2,362,120	$4,009	$819	$66,556	($821)	($12,220)	($129,736)	$118,170	$288	$47,065
Net earnings	Net earnings								7,988	60	8,049

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	C... I...

Dollars in millions; shares in thousands	Shares	Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
Other comprehensive income/(loss)						53			(2)	51
Dividends and dividend equivalents (1.8814 per share):										
Dividends and dividend equivalents ($2.8221 per share):										
Common								(4,450)		(4,450)
Preferred								(140)		(140)
Treasury stock purchases	(16,722)						(2,516)			(2,516)
Employee stock plans	6,351			378			356			734
Preferred stock conversions	1,273		(10)	1			9			—
ESOP debt impacts					39			48		87
Noncontrolling interest, net				—					(52)	(52)
BALANCE DECEMBER 31, 2023	**2,353,021**	**$4,009**	**$809**	**$66,935**	**($782)**	**($12,167)**	**($131,887)**	**$121,617**	**$294**	**$48,829**
BALANCE MARCH 31, 2024										

See accompanying Notes to Consolidated Financial Statements.

Three Months Ended December 31, 2022

Three Months Ended March 31, 2023

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
BALANCE SEPTEMBER 30, 2022	2,369,697	$4,009	$834	$65,955	($870)	($12,811)	($127,205)	$114,163	$259	$44,334
BALANCE DECEMBER 31, 2022										
Net earnings								3,933	26	3,959
Other comprehensive income/(loss)						305			(3)	302

Dollars in millions; shares in thousands Common Stock Shares Amount Preferred Stock Additional Paid-In Capital Reserve for ESOP Debt Retirement

	Shares	Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
Dividends and dividend equivalents ($0.9133 per share):										
Common										
Common										
Common								(2,168)		(2,168)
Preferred								(70)		(70)
Treasury stock purchases	(14,426)						(2,002)			(2,002)
Employee stock plans	3,441			189			193			382
Preferred stock conversions	432		(3)	1			2			—
ESOP debt impacts					—			—		—
Noncontrolling interest, net				—					(12)	(12)
BALANCE DECEMBER 31, 2022	2,359,144	$4,009	$831	$66,145	($870)	($12,506)	($129,012)	$115,858	$270	$44,725

BALANCE MARCH 31, 2023

Six Months Ended December 31, 2022

Nine Months Ended March 31, 2023

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings	Noncontrolling Interest	Total Shareholders' Equity
BALANCE JUNE 30, 2022	2,393,877	$4,009	$843	$65,795	($916)	($12,189)	($123,382)	$112,429	$265	$46,854
Net earnings								7,872	50	7,922
Other comprehensive income/(loss)						(317)			(8)	(325)
Dividends and dividend equivalents (1.8266 per share):										
Dividends and dividend equivalents ($2.7399 per share):										
Common										
Common										
Common								(4,357)		(4,357)
Preferred								(141)		(141)
Treasury stock purchases	(42,615)						(6,002)			(6,002)
Employee stock plans	6,452			348			362			710

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Reserve for ESOP Debt Retirement	A... C... I...

Preferred stock conversions	Preferred stock conversions	1,430		(12)	2			10			—
ESOP debt impacts	ESOP debt impacts					46			55		101
Noncontrolling interest, net	Noncontrolling interest, net				—					(37)	(37)
BALANCE DECEMBER 31, 2022		2,359,144	$4,009	$831	$66,145	($870)	($12,506)	($129,012)	$115,858	$270	$44,725
BALANCE MARCH 31, 2023											

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Six Months Ended December 31				
	Nine Months Ended March 31				Nine Months Ended March 31	
Amounts in millions	Amounts in millions	2023	2022	Amounts in millions	2024	2023
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	**CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD**	**$8,246**	$7,214			
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**					
Net earnings						
Net earnings						
Net earnings	Net earnings	**8,049**	7,922			
Depreciation and amortization	Depreciation and amortization	**1,423**	1,316			
Share-based compensation expense	Share-based compensation expense	**275**	250			
Deferred income taxes	Deferred income taxes	**(154)**	(398)			
Gain on sale of assets	Gain on sale of assets	**(3)**	(3)			
Indefinite-lived intangible asset impairment charge	Indefinite-lived intangible asset impairment charge	**1,341**	—			
Changes in:	Changes in:					
Accounts receivable	Accounts receivable	**(839)**	(654)			
Accounts receivable						
Accounts receivable						
Inventories	Inventories	**(32)**	(655)			
Accounts payable and accrued and other liabilities	Accounts payable and accrued and other liabilities	**302**	177			

Other operating assets and liabilities	Other operating assets and liabilities	**(704)**	(535)
Other	Other	**346**	224
TOTAL OPERATING ACTIVITIES	**TOTAL OPERATING ACTIVITIES**	**10,004**	7,644
INVESTING ACTIVITIES	**INVESTING ACTIVITIES**		
Capital expenditures	Capital expenditures	**(1,742)**	(1,598)
Capital expenditures			
Capital expenditures			
Proceeds from asset sales	Proceeds from asset sales	**8**	8
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	**—**	(76)
Other investing activity	Other investing activity	**(489)**	344
TOTAL INVESTING ACTIVITIES	**TOTAL INVESTING ACTIVITIES**	**(2,224)**	(1,322)
FINANCING ACTIVITIES	**FINANCING ACTIVITIES**		
Dividends to shareholders			
Dividends to shareholders			
Dividends to shareholders	Dividends to shareholders	**(4,578)**	(4,486)
Additions to short-term debt with original maturities of more than three months	Additions to short-term debt with original maturities of more than three months	**2,798**	10,447
Reductions in short-term debt with original maturities of more than three months	Reductions in short-term debt with original maturities of more than three months	**(5,862)**	(3,260)
Net additions/(reductions) to other short-term debt	Net additions/(reductions) to other short-term debt	**3,740**	(1,759)
Additions to long-term debt	Additions to long-term debt	**254**	—
Reductions in long-term debt	Reductions in long-term debt	**(2,335)**	(1,877)
Treasury stock purchases	Treasury stock purchases	**(2,503)**	(6,002)
Impact of stock options and other	Impact of stock options and other	**397**	437
TOTAL FINANCING ACTIVITIES	**TOTAL FINANCING ACTIVITIES**	**(8,087)**	(6,500)
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH**	**(49)**	(182)

CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH**	**(356)**	(360)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	**CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD**	**$7,890**	$6,854

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of The Procter & Gamble Company and subsidiaries ("the Company," "Procter & Gamble," "P&G," "we" or "our") should be read in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2023. We have prepared these statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) for interim financial information. Note that certain columns and rows may not add due to rounding. In the opinion of management, the accompanying Consolidated Financial Statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods reported. However, the results of operations included in such financial statements may not necessarily be indicative of annual results.

2. New Accounting Pronouncements and Policies

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, “Segment Reporting: Improvements to Reportable Segment Disclosures.” This guidance requires disclosure of incremental segment information on an annual and interim basis. This amendment is effective for our fiscal year ending June 30, 2025 and our interim periods within the fiscal year ending June 30, 2026. We are currently assessing the impact of this guidance on our disclosures.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes: Improvements to Income Tax Disclosures.” This guidance requires consistent categories and greater disaggregation of information in the rate reconciliation and disclosures of income taxes paid by jurisdiction. This amendment is effective for our fiscal year ending June 30, 2026. We are currently assessing the impact of this guidance on our disclosures.

No other new accounting pronouncement issued or effective during the fiscal year had, or is expected to have, a material impact on our Consolidated Financial Statements.

3. Segment Information

Under U.S. GAAP, our operating segments are aggregated into five reportable segments: 1) Beauty, 2) Grooming, 3) Health Care, 4) Fabric & Home Care and 5) Baby, Feminine & Family Care. Our five reportable segments are comprised of:

- *Beauty*: Hair Care (Conditioners, Shampoos, Styling Aids, Treatments); Skin and Personal Care (Antiperspirants and Deodorants, Personal Cleansing, Skin Care);
- *Grooming*: Grooming (Appliances, Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Grooming);
- *Health Care*: Oral Care (Toothbrushes, Toothpaste, Other Oral Care); Personal Health Care (Gastrointestinal, Pain Relief, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Other Personal Health Care);
- *Fabric & Home Care*: Fabric Care (Fabric Enhancers, Laundry Additives, Laundry Detergents); Home Care (Air Care, Dish Care, P&G Professional, Surface Care); and
- *Baby, Feminine & Family Care*: Baby Care (Baby Wipes, Taped Diapers and Pants); Feminine Care (Adult Incontinence, Feminine Care); Family Care (Paper Towels, Tissues, Toilet Paper).

Amounts in millions of dollars except per share amounts or as otherwise specified.

Our operating segments are comprised of similar product categories. Operating segments that individually accounted for 5% or more of consolidated net sales are as follows:

	% of Net sales by operating segment (1)			
	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022

	% of Net sales by operating segment (1)						% of Net sales by operating segment (1)			
	Three Months Ended March 31						Three Months Ended March 31		Nine Months Ended March 31	
	2024						2024	2023	2024	2023
Fabric Care	Fabric Care	**23 %**	23 %	**23 %**	23 %	Fabric Care	**23 %**	23 %	**23 %**	23 %
Home Care	Home Care	**12 %**	11 %	**12 %**	11 %	Home Care	**13 %**	12 %	**12 %**	12 %
Baby Care	Baby Care	**9 %**	10 %	**10 %**	10 %	Baby Care	**9 %**	10 %	**9 %**	10 %
Family Care						Family Care	**9 %**	9 %	**9 %**	8 %
Hair Care	Hair Care	**9 %**	8 %	**9 %**	9 %	Hair Care	**9 %**	9 %	**9 %**	9 %
Skin and Personal Care	Skin and Personal Care	**9 %**	10 %	**9 %**	10 %	Skin and Personal Care	**9 %**	9 %	**9 %**	10 %
Family Care		**9 %**	8 %	**8 %**	8 %					
Grooming						Grooming	**8 %**	8 %	**8 %**	8 %
Oral Care	Oral Care	**9 %**	8 %	**8 %**	8 %	Oral Care	**8 %**	8 %	**8 %**	8 %
Grooming		**8 %**	8 %	**8 %**	8 %					
Personal Health Care	Personal Health Care	**6 %**	7 %	**7 %**	6 %	Personal Health Care	**6 %**	6 %	**7 %**	6 %
Feminine Care	Feminine Care	**6 %**	7 %	**6 %**	7 %	Feminine Care	**6 %**	6 %	**6 %**	6 %
Total	Total	**100 %**	100 %	**100 %**	100 %	Total	**100 %**	100 %	**100 %**	100 %

(1) % of Net sales by operating segment excludes sales recorded in Corporate.

The following is a summary of reportable segment results:

			Three Months Ended December 31			Six Months Ended December 31		
			Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings/(Loss)	Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings/(Loss)
			Three Months Ended March 31					
			Net Sales					
			Three Months Ended March 31			Nine Months Ended March 31		
			Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings/(Loss)	Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings/(Loss)
Beauty	Beauty	**2023**	**$ 3,849**	**$ 1,112**	**$ 868**	**$ 7,946**	**$ 2,361**	**$ 1,839**
		2022	3,807	1,145	911	7,768	2,416	1,922
	2023							
Grooming	Grooming	**2023**	**1,734**	**538**	**440**	**3,458**	**1,071**	**862**
		2022	1,643	496	404	3,268	999	808
	2023							
Health Care	Health Care	**2023**	**3,172**	**932**	**719**	**6,245**	**1,821**	**1,408**
		2022	3,051	887	686	5,808	1,687	1,303
	2023							
Fabric & Home Care	Fabric & Home Care	**2023**	**7,415**	**2,018**	**1,577**	**15,061**	**4,049**	**3,146**
		2022	7,032	1,538	1,171	14,114	3,081	2,343
	2023							

Baby, Feminine & Family Care	Baby, Feminine & Family Care	**2023**	**5,146**	**1,437**	**1,102**	**10,332**	**2,845**	**2,177**
		2022	5,065	1,112	848	9,999	2,167	1,653
	2023							
Corporate	Corporate	**2023**	**126**	**(1,541)**	**(1,214)**	**270**	**(1,849)**	**(1,383)**
		2022	175	(343)	(61)	428	(518)	(107)
	2023							
Total Company	**Total Company**	**2023**	**$ 21,441**	**$ 4,496**	**$ 3,493**	**$43,312**	**$ 10,299**	**$ 8,049**
		2022	20,773	4,835	3,959	41,385	9,832	7,922
	2023							

4. Goodwill and Intangible Assets

Goodwill is allocated by reportable segment as follows:

		Beauty	Grooming	Health Care	Fabric & Home Care	Baby, Feminine & Family Care	Total Company
	Beauty						
		Beauty	Grooming	Health Care	Fabric & Home Care	Baby, Feminine & Family Care	Total Company
Goodwill at June 30, 2023	Goodwill at June 30, 2023	$13,888	$12,703	$7,718	$1,821	$4,529	$40,659
Acquisitions and divestitures	Acquisitions and divestitures	—	—	—	—	—	—
Translation and other	Translation and other	99	71	56	6	25	257
Goodwill at December 31, 2023		**$13,987**	**$12,774**	**$7,774**	**$1,827**	**$4,554**	**$40,916**
Goodwill at March 31, 2024							

Goodwill increased decreased from June 30, 2023, due to currency translation.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Identifiable intangible assets at December 31, 2023 March 31, 2024, were comprised of:

		Gross Carrying Amount	Accumulated Amortization
	Gross Carrying Amount		
		Gross Carrying Amount	Accumulated Amortization
Intangible assets with determinable lives	Intangible assets with determinable lives	$ 9,071	$ (6,444)
Intangible assets with indefinite lives	Intangible assets with indefinite lives	19,675	—

Total identifiable intangible assets	**Total identifiable intangible assets**	**$28,746**	**$ (6,444)**

Intangible assets with determinable lives consist of brands, patents, technology and customer relationships. The intangible assets with indefinite lives primarily consist of brands. The amortization expense of determinable-lived intangible assets for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, was $84 $83 and $79, $82, respectively. For the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, amortization expense was $171 $255 and $159, $241, respectively.

Goodwill and indefinite-lived intangible assets are not amortized but are tested at least annually for impairment. We use the income method to estimate the fair value of these assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. When appropriate, the market approach, which leverages comparable company revenue and earnings multiples, is weighted with the income approach to estimate fair value. If the resulting fair value is less than the asset's carrying value, that difference represents an impairment. Our annual impairment testing for goodwill and indefinite-lived intangible assets occurs during the three months ended December 31. Most of our goodwill reporting units have fair value cushions that significantly exceed their underlying carrying values.

During the three months ended December 31, 2023, we determined that the fair value of the Gillette indefinite-lived intangible asset was less than its carrying amount. As a result, we recorded a non-cash impairment charge of $1.3 billion ($1.0 billion after tax) to reduce the carrying amount to its be equivalent to the estimated fair value during the quarter ended as of December 31, 2023. Following the impairment charge, the carrying value of the Gillette indefinite-lived intangible asset is $12.8 billion. The impairment charge arose due to a higher discount rate, weakening of several currencies relative to the U.S. dollar and the impact of a new restructuring program focused primarily in certain Enterprise Markets, including Argentina and Nigeria.

While we have concluded that no triggering event has occurred during the quarter ended March 31, 2024, the Gillette indefinite-lived intangible asset is susceptible to further impairment risk. Adverse changes in the business or in the macroeconomic environment, including foreign currency devaluation, increasing global inflation, market contraction from an economic recession and the Russia-Ukraine War, could reduce the underlying cash flows used to estimate the fair value of the Gillette indefinite-lived intangible asset and trigger a further impairment charge. Further reduction of the Gillette business activities in Russia could reduce the estimated fair value. The Russia business accounted for approximately 4% of Gillette net sales in the fiscal year ended June 30, 2023.

The most significant assumptions utilized in the determination of the estimated fair value of the Gillette indefinite-lived intangible asset are the net sales growth rates (including residual growth rates), discount rate and royalty rates.

Net sales growth rates could be negatively impacted by reductions or changes in demand for our Gillette products, which may be caused by, among other things: changes in the use and frequency of grooming products, shifts in demand away from one or more of our higher priced products to lower priced products or potential supply chain constraints. In addition, relative global and country/regional macroeconomic factors, including the Russia-Ukraine War, could result in additional and prolonged devaluation of other countries' currencies relative to the U.S. dollar. The residual growth rates represent the expected rate at which the Gillette brand is expected to grow beyond the shorter-term business planning period. The residual growth rates utilized in our fair value estimates are consistent with the brand operating plans and approximate expected long-term category market growth rates. The residual growth rate depends on overall market growth rates, the competitive environment, inflation, relative currency exchange rates and business activities that impact market share. As a result, the residual growth rate could be adversely impacted by a sustained deceleration in category growth, grooming habit changes, devaluation of currencies against the U.S. dollar or an increased competitive environment.

The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure. Our discount rate may be impacted by adverse changes in the macroeconomic environment, volatility in the equity and debt markets or other country specific factors, such as further devaluation of currencies against the U.S. dollar. Spot rates as of the fair value measurement date are utilized in our fair value estimates for cash flows outside the U.S.

The royalty rate used to determine the estimated fair value for the Gillette indefinite-lived intangible asset is driven by historical and estimated future profitability of the underlying Gillette business. The royalty rate may be impacted by significant adverse changes in long-term operating margins.

We performed a sensitivity analysis for the Gillette indefinite-lived intangible asset as part of our annual impairment testing during the three months ended December 31, 2023, utilizing reasonably possible changes in the assumptions for the discount rate, the short-term and residual growth rates and the royalty rate to demonstrate the potential impacts to estimated fair values. The table below provides, in isolation, the estimated fair value impacts related to a 25 basis-point increase in the discount rate, a 25 basis-point decrease in our short-term and residual growth rates or a 50 basis-point decrease in our royalty rate, which may result in an additional impairment of the Gillette indefinite-lived intangible asset.

	Approximate Percent Change in Estimated Fair Value		
	+25 bps Discount Rate	**-25 bps Growth Rates**	**-50 bps Royalty Rate**
Gillette indefinite-lived intangible asset	(5)%	(5)%	(4)%

5. Earnings Per Share

Basic net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble less preferred dividends by the weighted average number of common shares outstanding during the period. Diluted net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble by the diluted weighted average number of common shares outstanding during the period. The diluted shares include the dilutive effect of stock options and other share-based awards based on the treasury stock method and the assumed conversion of preferred stock.

Net earnings per common share were calculated as follows:

Amounts in millions of dollars except per share amounts or as otherwise specified.

CONSOLIDATED AMOUNTS	CONSOLIDATED AMOUNTS	Three Months Ended December 31		Six Months Ended December 31	
		2023	2022	2023	2022
	2024				
Net earnings	**Net earnings**	**$ 3,493**	$ 3,959	**$ 8,049**	$ 7,922
Less: Net earnings attributable to noncontrolling interests	Less: Net earnings attributable to noncontrolling interests	**25**	26	**60**	50
Net earnings attributable to P&G (Diluted)	**Net earnings attributable to P&G (Diluted)**	**3,468**	3,933	**7,988**	7,872
Less: Preferred dividends	Less: Preferred dividends	**70**	70	**140**	141
Net earnings attributable to P&G available to common shareholders (Basic)	**Net earnings attributable to P&G available to common shareholders (Basic)**	**$ 3,398**	$ 3,863	**$ 7,849**	$ 7,731
SHARES IN MILLIONS	**SHARES IN MILLIONS**				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding	**2,358.0**	2,365.9	**2,359.0**	2,375.7
Add: Effect of dilutive securities	Add: Effect of dilutive securities				
Convertible preferred shares (1)	Convertible preferred shares (1)	**73.9**	76.7	**74.3**	77.0
Stock options and other unvested equity awards (2)	Stock options and other unvested equity awards (2)	**36.4**	38.6	**38.5**	39.7
Diluted weighted average common shares outstanding	**Diluted weighted average common shares outstanding**	**2,468.4**	2,481.2	**2,471.8**	2,492.4
NET EARNINGS PER COMMON SHARE (3)					

CONSOLIDATED AMOUNTS	Three Months Ended March 31		Nine Months Ended March 31	
	2024	2023	2024	2023

SHARES IN MILLIONS

SHARES IN MILLIONS

Basic weighted average common shares outstanding

Basic weighted average common shares outstanding

Convertible preferred shares (1)

Convertible preferred shares (1)

NET EARNINGS PER COMMON SHARE

NET EARNINGS PER COMMON SHARE					
NET EARNINGS PER COMMON SHARE					
Basic					
Basic					
Basic	**Basic**	**$ 1.44**	$ 1.63	**$ 3.33**	$ 3.25
Diluted	**Diluted**	**$ 1.40**	$ 1.59	**$ 3.23**	$ 3.16

(1) An overview of preferred shares can be found in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

(2) Excludes approximately 9 million 6 million and 22 million 21 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and 5 million 6 million and 19 million 20 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, of weighted average stock options outstanding because the exercise price of these options was greater than their average market value or their effect was antidilutive.

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

6. Share-Based Compensation and Postretirement Benefits

The following table provides a summary of our share-based compensation expense and postretirement benefit impacts:

		Three Months Ended December 31		Six Months Ended December 31						
		2023	2022	2023	2022					
	Three Months Ended March 31						Three Months Ended March 31		Nine Months Ended March 31	
	2024						2024	2023	2024	2023
Share-based compensation expense	Share-based compensation expense	**$150**	$145	**$275**	$250					
Net periodic benefit cost for pension benefits	Net periodic benefit cost for pension benefits	**52**	44	**109**	87					
Net periodic benefit credit for other retiree benefits	Net periodic benefit credit for other retiree benefits	**(156)**	(132)	**(311)**	(264)					

Amounts in millions of dollars except per share amounts or as otherwise specified.

7. Risk Management Activities and Fair Value Measurements

As a multinational company with diverse product offerings, we are exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. There have been no significant changes in our risk management policies or activities during the six nine months ended December 31, 2023 March 31, 2024.

The Company has not changed its valuation techniques used in measuring the fair value of any financial assets and liabilities during the period. The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. There were no transfers between levels during the periods presented. Also, there was no significant activity within the Level 3 assets and liabilities during the periods presented. Except for the impairment of the Gillette indefinite-lived intangible asset discussed in Note 4, there were no significant assets or liabilities that were re-measured at fair value on a non-recurring basis during the six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023.

Cash equivalents were $6.3 billion $5.4 billion and $6.8 billion as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively, and are classified as Level 1 within the fair value hierarchy. The Company had no other material investments in debt or equity securities during the periods presented.

The fair value of long-term debt was $25.6 billion $26.4 billion and $26.9 billion as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively. This includes the current portion of long-term debt instruments ($3.4 billion and $3.9 billion as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively). Certain long-term debt (debt designated as a fair value hedge) is recorded at fair value. All other long-term debt is recorded at amortized cost but is measured at fair value for disclosure purposes. We consider our debt to be Level 2 in the fair value hierarchy. Fair values are generally estimated based on quoted market prices for identical or similar instruments.

Disclosures about Financial Instruments

The notional amounts and fair values of financial instruments used in hedging transactions as of December 31, 2023 March 31, 2024 and June 30, 2023, are as follows:

	Notional Amount	Fair Value Asset	Fair Value (Liability)

		Notional Amount		Fair Value Asset		Fair Value (Liability)	
		December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
		March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS							
Interest rate contracts	Interest rate contracts	**$ 3,098**	$ 4,044	**$ —**	$—	**$ (317)**	$ (445)
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS							
Foreign currency interest rate contracts	Foreign currency interest rate contracts	**$12,267**	$11,005	**$ 5**	$26	**$ (347)**	$ (631)
TOTAL DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS	**TOTAL DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS**	**$15,365**	$15,049	**$ 5**	$26	**$ (664)**	$(1,076)
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS							
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS							
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS							
Foreign currency contracts	Foreign currency contracts	**$ 4,321**	$ 3,489	**$ 37**	$ 7	**$ (7)**	$ (42)
TOTAL DERIVATIVES AT FAIR VALUE	**TOTAL DERIVATIVES AT FAIR VALUE**	**$19,686**	$18,538	**$ 42**	$33	**$ (671)**	$(1,118)
TOTAL DERIVATIVES AT FAIR VALUE							
TOTAL DERIVATIVES AT FAIR VALUE							

The fair value of the interest rate derivative asset/(liability) directly offsets the cumulative amount of the fair value hedging adjustment included in the carrying amount of the underlying debt obligation. The carrying amount of the underlying debt obligation, which includes the unamortized discount or premium and the fair value adjustment, was $2.8 billion $2.7 billion and $3.6 billion as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively. In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was $10.8 billion $10.5 billion and $11.8 billion as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively.

Derivative assets are presented in Prepaid expenses and other current assets or Other noncurrent assets. Derivative liabilities are presented in Accrued and other liabilities or Other noncurrent liabilities. Changes in the fair value of net investment hedges are recognized in the Foreign currency translation component of Other comprehensive income (OCI). All of the Company's derivative assets and liabilities measured at fair value are classified as Level 2 within the fair value hierarchy.

Certain of the Company's financial instruments used in hedging transactions are governed by industry standard netting and collateral agreements with counterparties. If the Company's credit rating were to fall below the levels stipulated in the agreements, the counterparties could demand either collateralization or termination of the arrangements. The aggregate fair value of the instruments covered by these contractual features that are in a net liability position was $653 $363 and $1,088 as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively. The Company has not been required to post collateral as a result of these contractual features.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Before tax gains on our financial instruments in hedging relationships are categorized as follows:

	Amount of Loss Recognized in OCI on Derivatives

	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022

	Amount of Gain/(Loss) Recognized in OCI on Derivatives			Amount of Gain/(Loss) Recognized in OCI on Derivatives	
	Three Months Ended March 31	Three Months Ended March 31		Nine Months Ended March 31	
	2024	2024	2023	2024	2023
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS (1) (2)	**DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS** (1) (2)				
Foreign exchange contracts	Foreign exchange contracts **$(487)** $(1,013) **$(202)** $(305)				
Foreign exchange contracts					
Foreign exchange contracts					

(1) For the derivatives in net investment hedging relationships, the amount of gain excluded from effectiveness testing, which was recognized in earnings, was $62 $53 and $69 $64 for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. The amount of gain excluded from effectiveness testing was $130 $182 and $115 $179 for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

(2) In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The amount of loss gain/(loss) recognized in Accumulated other comprehensive income (AOCI) for such instruments was $(504) $262 and $(862) $(242) for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. The amount of loss gain/(loss) recognized in Accumulated other comprehensive income (AOCI) for such instruments was $(159) $102 and $(164) $(406) for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

	Amount of Gain/(Loss) Recognized in Earnings			
	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022

	Amount of Gain/(Loss) Recognized in Earnings			Amount of Gain/(Loss) Recognized in Earnings	
	Three Months Ended March 31	Three Months Ended March 31		Nine Months Ended March 31	
	2024	2024	2023	2024	2023
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS	**DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS**				
Interest rate contracts					
Interest rate contracts					
Interest rate contracts	Interest rate contracts **$117** $(49) **$128** $(180)				
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS	**DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS**				
Foreign currency contracts	Foreign currency contracts **$128** $ 95 **$ 57** $ (51)				

Foreign currency contracts

Foreign currency contracts

The gains/(losses) on the derivatives in fair value hedging relationships is are fully offset by the mark-to-market impact of the related exposure. These are both recognized in Interest expense. The gains/(losses) on derivatives not designated as hedging instruments is are substantially offset by the currency mark-to-market of the related exposure. These are both recognized in Selling, general and administrative expense (SG&A).

8. Accumulated Other Comprehensive Income/(Loss)

The table below presents the changes in Accumulated other comprehensive income/(loss) attributable to Procter & Gamble (AOCI), including the reclassifications out of AOCI by component:

		Investment Securities	Postretirement Benefit Plans	Foreign Currency Translation	Total AOCI
	Investment Securities	Investment Securities	Postretirement Benefit Plans	Foreign Currency Translation	Total AOCI
Balance at June 30, 2023	Balance at June 30, 2023	$ 13	$ 67	$(12,300)	$(12,220)
OCI before reclassifications (1)	OCI before reclassifications (1)	(2)	(19)	83	62
Amounts reclassified to the Consolidated Statement of Earnings (2)	Amounts reclassified to the Consolidated Statement of Earnings (2)	—	(11)	—	(11)
Net current period OCI	Net current period OCI	(2)	(30)	83	51
Less: OCI attributable to noncontrolling interests	Less: OCI attributable to noncontrolling interests	—	—	(2)	(2)
Balance at December 31, 2023		**$ 11**	**$ 37**	**$(12,214)**	**$(12,167)**
Balance at March 31, 2024					

(1) Net of tax (benefit)/expense of $0, $(9) $(3) and $(85) $40 for gains/losses on investment securities, postretirement benefit plans and foreign currency translation, respectively. Income tax effects within foreign currency translation include impacts from items such as net investment hedge transactions.

(2) Net of tax (benefit)/expense of $0, $(1) $(3) and $0 for gains/losses on investment securities, postretirement benefit plans and foreign currency translation, respectively.

Postretirement benefit plan amounts are reclassified from AOCI into Other non-operating income, net and included in the computation of net periodic postretirement costs.

9. Commitments and Contingencies

Litigation

We are subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental, patent and trademark matters, labor and employment matters and tax. While considerable uncertainty exists, in the opinion of management and our counsel, the ultimate resolution of the various lawsuits and claims will not materially affect our financial position, results of operations or cash flows.

Amounts in millions of dollars except per share amounts or as otherwise specified.

We are also subject to contingencies pursuant to environmental laws and regulations that in the future may require us to take action to correct the effects on the environment of prior manufacturing and waste disposal practices. Based on currently available information, we do not believe the ultimate resolution of environmental remediation will materially affect our financial position, results of operations or cash flows.

Income Tax Uncertainties

The Company is present in approximately 70 countries and over 150 taxable jurisdictions and, at any point in time, has 30–40 jurisdictional audits underway at various stages of completion. We evaluate our tax positions and establish liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite our belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an ongoing basis and are adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law and closing of statutes of limitations. Such adjustments are reflected in the tax provision as appropriate. We have tax years open ranging from 2010 and forward. We are generally not able to reliably estimate the timing and ultimate settlement amounts until the close of an audit. Based on information currently available, we anticipate that over the next 12-month period, audit activity could be completed related to uncertain tax positions in multiple jurisdictions for which we have accrued existing liabilities of approximately $15, $90, including interest and penalties.

Additional information on the Commitments and Contingencies of the Company can be found in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

10. Supplier Finance Programs

The Company has an ongoing program to negotiate extended payment terms with its suppliers consistent with market practices. The Company also supports a Supply Chain Finance program ("SCF") with several global financial institutions. Under SCF, the Company maintains an accounts payable system to facilitate participating suppliers' ability to sell receivables from the Company to a SCF bank. These participating suppliers negotiate their sales of receivables arrangements directly with the respective SCF bank. The Company is not party to those agreements, but the SCF banks allow the suppliers to utilize the Company's creditworthiness in establishing credit spreads and associated costs. Under this model, this arrangement generally provides the suppliers with more favorable terms than they would be able to secure on their own. The Company has no economic interest in a supplier's decision to sell a receivable. Once a qualifying supplier chooses to participate in SCF, the supplier selects which individual Company invoices to sell to the SCF bank. The Company's obligations to its suppliers, including the amounts due and scheduled payment dates, are not impacted by the supplier's decisions to finance amounts under these arrangements. The Company does not provide any form of guarantee under these financing arrangements. Our payment terms for suppliers under this program generally range from 60 to 180 days. All outstanding amounts related to suppliers participating in SCF are recorded within Accounts payable in our Consolidated Balance Sheets, and the associated payments are included in operating activities within our Consolidated Statements of Cash Flows. The amount due to suppliers participating in SCF and included in Accounts payable was approximately $5.6 $5.2 billion as of December 31, 2023 March 31, 2024, $5.7 billion as of June 30, 2023, and $5.8 billion as of June 30, 2022.

11. Restructuring Program

The Company has historically incurred an ongoing annual level of restructuring-type activities to maintain a competitive cost structure, including manufacturing and workforce optimization. Before tax costs incurred under the ongoing program have generally ranged from $250 to $500 annually. Consistent with our historical policies for restructuring-type activities, the restructuring program charges will be funded by and included within Corporate for management and segment reporting.

In December 2023, the Company announced a limited market portfolio restructuring of its business operations, primarily in certain Enterprise Markets, including Argentina and Nigeria, to address challenging macroeconomic and fiscal conditions. In connection with this announcement, the Company expects to record incremental restructuring charges of $1.0 to $1.5 billion after tax, consisting primarily of foreign currency translation losses to be recognized as non-cash charges upon the substantial liquidation of operations in the affected markets.

For the three months ended December 31, 2023 March 31, 2024, the Company incurred charges of $89 $70 including $48 $44 in Costs of products sold, and $39 $25 in SG&A. &A and $1 in Other non-operating income. For the six nine months ended December 31, 2023 March 31, 2024, the Company incurred charges of $181 $252 including $109 $154 in Costs of products sold, and $68 $93 in SG&A. &A and $5 in Other non-operating income.

Amounts in millions of dollars except per share amounts or as otherwise specified.

The following table presents restructuring activity for the six nine months ended December 31, 2023 March 31, 2024:

	Separation Costs	Asset-Related Costs	Other Costs	Total
RESERVE JUNE 30, 2023	$ 155	$ —	$ 19	$ 174
Costs incurred for the three months ended September 30, 2023	69	12	11	92
Costs incurred for the three months ended December 31, 2023	40	30	19	89
Costs incurred for the six months ended December 31, 2023	109	42	30	181
Costs paid/settled for the six months ended December 31, 2023	(91)	(42)	(27)	(160)
RESERVE DECEMBER 31, 2023	**$ 173**	**$ —**	**$ 22**	**$ 195**

	Separation Costs	Asset-Related Costs	Other Costs	Total
RESERVE JUNE 30, 2023	$ 155	$ —	$ 19	$ 174
Costs incurred for the six months ended December 31, 2023	109	42	30	181
Costs incurred for the three months ended March 31, 2024	37	11	22	70
Costs incurred for the nine months ended March 31, 2024	146	52	53	252
Costs paid/settled for the nine months ended March 31, 2024	(190)	(52)	(52)	(294)
RESERVE MARCH 31, 2024	**$ 112**	**$ —**	**$ 19**	**$ 131**

Separation Costs

Employee separation costs relate to severance packages that are primarily voluntary and the amounts calculated are based on salary levels and past service periods.

Asset-Related Costs

Asset-related costs consist of both asset write-downs and accelerated depreciation for manufacturing consolidations. Asset write-downs relate to the establishment of a new fair value basis for assets held-for-sale or for disposal. These assets are written down to the lower of their current carrying basis or amounts expected to be realized upon disposal, less minor disposal costs. Charges for accelerated depreciation relate to long-lived assets that will be taken out of service prior to the end of their normal service period.

Other Costs

Other restructuring-type charges are incurred as a direct result of the restructuring plan. Such charges include asset removal and termination of contracts related to supply chain and overhead optimization.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements in this report, 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. Forward-looking statements may appear throughout this report, including without limitation, the following sections: “Management's Discussion and Analysis,” “Risk Factors” and "Notes 4 and 9 to the Consolidated Financial Statements." 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,

Amounts in millions of dollars except per share amounts or as otherwise specified.

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 and geopolitical 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. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from those projected herein is included in the section titled "Economic Conditions and Uncertainties" and the section titled "Risk Factors" (Part II, Item 1A) of this Form 10-Q.

Purpose, Approach and Non-GAAP Measures

The purpose of Management's Discussion and Analysis (MD&A) is to provide an understanding of Procter & Gamble's financial condition, results of operations and cash flows by focusing on changes in certain key measures from year to year. The MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and accompanying Notes.

The MD&A is organized in the following sections:

- Overview
- Summary of Results – Six Nine Months Ended December 31, 2023 March 31, 2024
- Economic Conditions and Uncertainties
- Results of Operations – Three and Six Nine Months Ended December 31, 2023 March 31, 2024
- Segment Results – Three and Six Nine Months Ended December 31, 2023 March 31, 2024
- Liquidity and Capital Resources
- Measures Not Defined by U.S. GAAP

Throughout the MD&A we refer to measures used by management to evaluate performance, including unit volume growth, net sales, net earnings, diluted net earnings per common share (diluted EPS) and operating cash flow. We also refer to a number of financial measures that are not defined under U.S. GAAP, consisting of organic sales growth, Core earnings per share (Core EPS), adjusted free cash flow and adjusted free cash flow productivity. The explanation at the end of the MD&A provides the definition of these non-GAAP measures, details on the use and the derivation of these measures, as well as reconciliations to the most directly comparable U.S. GAAP measure.

Management also uses certain market share and market consumption estimates to evaluate performance relative to competition despite some limitations on the availability and comparability of share and consumption information. References to market share and consumption in the MD&A are based on a combination of vendor-purchased traditional brick-and-mortar and online data in key markets as well as internal estimates. All market share references represent the percentage of sales of our products in dollar terms on a constant currency basis relative to all product sales in the category. The Company measures quarter and fiscal year to date market shares through the most recent period for which market share data is available, which typically reflects a lag time of one or two months as compared to the end of the reporting period. Management also uses unit volume growth to evaluate drivers of changes in net sales. Organic volume growth reflects year-over-year changes in unit volume excluding the impacts of acquisitions and divestitures and certain one-time items, if applicable, and is used to explain changes in organic sales. Certain columns and rows may not add due to rounding.

OVERVIEW

P&G is a global leader in the fast-moving consumer goods industry, focused on providing branded consumer packaged goods of superior quality and value to our consumers around the world. Our products are sold in approximately 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. We also sell direct to individual consumers. We have on-the-ground operations in approximately 70 countries.

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

The table below lists our reportable segments, including the product categories and brand composition within each segment.

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

Throughout the MD&A, we reference business results by region, which are comprised of North America, Europe, Greater China, Latin America, Asia Pacific and India, Middle East and Africa (IMEA).

The following table provides the percentage of net sales and net earnings by reportable business segment (excluding Corporate) for the three and six nine months ended December 31, 2023 March 31, 2024:

		Three Months Ended December 31, 2023		Six Months Ended December 31, 2023			Three Months Ended March 31, 2024		Nine Months Ended March 31, 2024	
		Net Sales	Net Earnings	Net Sales	Net Earnings					
	Three Months Ended March 31, 2024									
	Net Sales						Net Sales	Net Earnings	Net Sales	Net Earnings
Beauty	Beauty	18 %	19 %	18 %	20 %	Beauty	18 %	16 %	18 %	18 %
Grooming	Grooming	8 %	9 %	8 %	9 %	Grooming	8 %	8 %	8 %	9 %
Health Care	Health Care	15 %	15 %	15 %	15 %	Health Care	14 %	14 %	15 %	15 %

Fabric & Home Care	Fabric & Home Care	35 %	34 %	35 %	33 %	Fabric & Home Care	36 %	35 %	35 %	34 %
Baby, Feminine & Family Care	Baby, Feminine & Family Care	24 %	23 %	24 %	23 %	Baby, Feminine & Family Care	24 %	27 %	24 %	24 %
Total Company	**Total Company**	**100 %**	**100 %**	**100 %**	**100 %**	**Total Company**	**100 %**	**100 %**	**100 %**	**100 %**

RECENT DEVELOPMENTS

Limited Market Portfolio Restructuring

In December 2023, the Company announced a limited market portfolio restructuring of its business operations, primarily in certain Enterprise Markets, including Argentina and Nigeria, to address challenging macroeconomic and fiscal conditions. In connection with this announcement, the Company expects to record incremental restructuring charges of $1.0 to $1.5 billion after tax, consisting primarily of foreign currency translation losses to be recognized as non-cash charges upon the substantial liquidation of operations in the affected markets.

Although the timing of the completion of this restructuring program has yet to be determined, the Company currently anticipates that these restructuring charges will be recognized in the fiscal years ending June 30, 2024 and 2025. Consistent with our historical policies for ongoing restructuring-type activities, resulting charges will be funded by and included within Corporate for segment reporting. Restructuring charges above the normal ongoing level of restructuring costs will be reported as non-core charges. For more details on the restructuring program, refer to Note 11 to the Consolidated Financial Statements.

Intangible Asset Impairment

During the three months ended December 31, 2023, the Company recorded a $1.3 billion before tax ($1.0 billion after tax) non-cash impairment charge, on intangible assets acquired as part of the Company's 2005 acquisition of The Gillette Company.

The impairment charge arose from a reduction in the estimated fair value of the Gillette indefinite-lived intangible asset due to a higher discount rate, weakening of several currencies relative to the U.S. dollar and the impact of the non-core restructuring program described above. This impairment charge adjusted the carrying value of the Gillette indefinite-lived intangible asset to fair value. For a more detailed discussion of the Gillette impairment, refer to Note 4 to the Consolidated Financial Statements.

SUMMARY OF RESULTS – Six Nine Months Ended December 31, 2023 March 31, 2024

The following are highlights of results for the six nine months ended December 31, 2023 March 31, 2024, versus the six nine months ended December 31, 2022 March 31, 2023:

- Net sales increased 5% 3% to $43.3 billion $63.5 billion versus the prior year period. Net sales increased high single mid-single digits in Health Care, and Fabric & Home Care mid-single digits in and Grooming and low single digits in Beauty and Baby, Feminine & Family Care and Beauty. Care. Organic sales, which exclude the impacts of acquisitions and divestitures and foreign exchange, also increased 5% 4%. Organic sales increased high single digits in Grooming, and mid-single digits in Fabric & Home Care mid-single digits in and Health Care and low single digits in Baby, Feminine & Family Care and low single digits in Beauty.
- Net earnings were $8.0 billion $11.8 billion, an increase of $127 million $484 million, or 2% 4%, versus the prior year period due to the increase in net sales, partially offset by the non-cash impairment charge of $1.0 billion after taxes related to the Gillette intangible asset.
- Net earnings attributable to Procter & Gamble were $8.0 $11.7 billion, an increase of $116 million $473 million, or 1% 4%, versus the prior year period.
- Diluted EPS increased 2% 5% to $3.23 $4.75 due to the increase in net earnings. Core EPS, which excludes the charge for the Gillette intangible asset impairment and incremental restructuring, increased 16% 15% to $3.66. $5.19.
- Operating cash flow was $10.0 billion $14.1 billion. Adjusted free cash flow, which is defined as operating cash flow less capital expenditures and excluding payments for the transitional tax resulting from the U.S. Tax Act, was $8.7 billion $12.0 billion. Adjusted free cash flow productivity, which is defined as adjusted free cash flow as a percentage of net earnings excluding the Gillette intangible asset impairment charge, was 96% 93%.

ECONOMIC CONDITIONS AND UNCERTAINTIES

Global Economic Conditions. Our products are sold in numerous countries across North America, Europe, Latin America, Asia, Australia and Africa, with more than half our sales generated outside the United States. Our largest international markets are Greater China, the United Kingdom, Canada, Japan and Germany and collectively comprised more than 20% of our net sales in the fiscal year 2023. As such, we are exposed to and impacted by global macroeconomic factors, geopolitical tensions, U.S. and foreign government policies and foreign exchange fluctuations. We are also exposed to market risks from operating in challenging environments including unstable economic, political and social conditions, civil unrest, military conflicts, natural disasters, debt and credit issues and currency controls or fluctuations. These risks can reduce our net sales or erode our operating margins and consequently reduce our net earnings and cash flows.

Changes in Costs. Our costs are subject to fluctuations, particularly due to changes in commodity and input material prices, transportation costs, other broader inflationary impacts and our own productivity efforts. We have significant exposures to certain commodities and input materials, in particular certain oil-derived materials like resins and paper-based materials like pulp. Volatility in the market price of these commodities and input materials has a direct impact on our costs. Disruptions in our manufacturing, supply and distribution operations due to energy shortages, natural disasters, labor or freight constraints could also lead to increased costs. New or increased legal or regulatory requirements, along with initiatives to meet our sustainability goals, could also result in increased costs due to higher material costs and investments in facilities and equipment. We strive to implement, achieve and sustain cost improvement plans, including supply chain optimization and general overhead and workforce optimization. Increased pricing in response to certain inflationary or cost increases may also offset portions of the cost impacts; however, such price increases may impact product consumption. If we are unable to manage cost impacts through pricing actions and consistent productivity improvements, it may adversely impact our net sales, gross margin, operating margin, net earnings and cash flows.

Foreign Exchange. We have significant translation and transaction exposure to the fluctuation of exchange rates. Translation exposures relate to exchange rate impacts of measuring income statements of foreign subsidiaries that do not use the U.S. dollar as their functional currency. Transaction exposures relate to 1) the impact from input costs that are denominated in a currency other than the local reporting currency and 2) the revaluation of transaction-related working capital balances denominated in currencies other than the functional currency. In the past three years, weakening of certain foreign currencies versus the U.S. dollar has resulted in significant foreign exchange impacts leading to lower net sales, net earnings and cash flows. These fluctuations have significantly impacted our historical net sales, net earnings and cash flows and could do so in the future. Certain countries that are currently experiencing significant exchange rate fluctuations include Argentina, Russia and Turkey. Increased pricing in response to certain fluctuations in foreign currency exchange rates may offset portions of the currency

impacts but could also have a negative impact on the consumption of our products, which would negatively affect our net sales, gross margin, operating margin, net earnings and cash flows.

Government Policies. Our net sales, gross margin, operating margin, net earnings and cash flows could be affected by changes in U.S. or foreign government legislative, regulatory or enforcement policies. For example, our net earnings and cash flows could be affected by any future legislative or regulatory changes in U.S. or non-U.S. tax policy, including changes resulting from the current work being led by the OECD/G20 Inclusive Framework focused on "Addressing the Challenges of the Digitalization of the Economy." The breadth of the OECD project extends beyond pure digital businesses and is likely to impact most large multinational businesses by both redefining jurisdictional taxation rights and establishing a 15% global minimum tax. Our net sales, gross margin, operating margin, net earnings and cash flows may also be impacted by changes in U.S. and foreign government policies related to environmental and climate change matters. Additionally, we attempt to carefully manage our debt, currency and other exposures in certain countries with currency exchange, import authorization and pricing controls, such as Argentina, Egypt and Pakistan. Further, our net sales, gross margin, operating margin, net earnings and cash flows could be affected by changes to international trade agreements in North America and elsewhere. Changes in government policies in the above areas might cause an increase or decrease in our net sales, gross margin, operating margin, net earnings and cash flows.

Russia-Ukraine War. The war between Russia and Ukraine has negatively impacted our operations. Our Ukraine business includes two manufacturing sites and accounted for less than 1% of consolidated net sales and consolidated net earnings in the fiscal year ended June 30, 2023. Net assets of our Ukraine business accounted for less than 1% of consolidated net assets as of December 31, 2023 March 31, 2024. Our Russia business includes two manufacturing sites. Beginning in March 2022, the Company reduced its product portfolio, discontinued new capital investments and suspended media, advertising and promotional activity in Russia. The Russia business accounted for approximately 2% of consolidated net sales and consolidated net earnings in the fiscal year ended June 30, 2023. Net assets of our Russia business accounted for less than 2% of consolidated net assets as of December 31, 2023 March 31, 2024.

Future impacts to the Company are difficult to predict due to the high level of uncertainty related to the war's duration, evolution and ultimate resolution. Within Ukraine, there is a possibility of physical damage and destruction of our two manufacturing facilities. We may not be able to operate our manufacturing sites and source raw materials from our suppliers or ship finished products to our customers.

Within Russia, we may not be able to continue our reduced operations at current levels due to sanctions and counter-sanctions, monetary, currency or payment controls, legislative restrictions or policies, restrictions on access to financial institutions and supply and transportation challenges. Our suppliers, distributors and retail customers are also impacted by the war and their ability to successfully maintain their operations could also impact our operations or negatively impact the sales of our products.

More broadly, there could be additional negative impacts to our net sales, earnings and cash flows should the situation escalate beyond its current scope, including, among other potential impacts, economic recessions in certain neighboring countries or globally due to inflationary pressures and supply chain cost increases or the geographic proximity of the war relative to the rest of Europe.

For additional information on risk factors that could impact our business results, please refer to Risk Factors in Part I, Item 1A of the Company's Form 10-K for the fiscal year ended June 30, 2023.

RESULTS OF OPERATIONS – Three Months Ended December 31, 2023 March 31, 2024

The following discussion provides a review of results for the three months ended December 31, 2023 March 31, 2024, versus the three months ended December 31, 2022 March 31, 2023.

		Three Months Ended December 31						
		Three Months Ended March 31						Three Months Ended March 31
Amounts in millions, except per share amounts	Amounts in millions, except per share amounts	2023	2022	% Chg	Amounts in millions, except per share amounts	2024	2023	% Chg
Net sales	Net sales	$ 21,441	$ 20,773	3%	Net sales	$ 20,195	$ 20,068	1%

Operating income	Operating income	**4,433**	4,785	(7)%	Operating income	**4,460**	4,248	5%
Earnings before income taxes	Earnings before income taxes	**4,496**	4,835	(7)%	Earnings before income taxes	**4,592**	4,288	7%
Net earnings	Net earnings	**3,493**	3,959	(12)%	Net earnings	**3,781**	3,424	10%
Net earnings attributable to Procter & Gamble	Net earnings attributable to Procter & Gamble	**3,468**	3,933	(12)%	Net earnings attributable to Procter & Gamble	**3,754**	3,397	11%
Diluted net earnings per common share	Diluted net earnings per common share	**1.40**	1.59	(12)%	Diluted net earnings per common share	**1.52**	1.37	11%
Core net earnings per common share	Core net earnings per common share	**1.84**	1.59	16%	Core net earnings per common share	**1.52**	1.37	11%

Three Months Ended December 31

Three Months Ended March 31

Three Months Ended March 31

Three Months Ended March 31

Three Months Ended March 31

Three Months Ended March 31

Three Months Ended March 31

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Three Months Ended March 31

Three Months Ended March 31

COMPARISONS AS A PERCENTAGE OF NET SALES	COMPARISONS AS A PERCENTAGE OF NET SALES	2023		2022		Basis Pt Chg	COMPARISONS AS A PERCENTAGE OF NET SALES	2024	2023	Basis Pt Chg
Gross margin	Gross margin	**52.7**	**%**	47.5	%	520				
Selling, general & administrative expense	Selling, general & administrative expense	**25.8**	**%**	24.5	%	130				
Operating income	Operating income	**20.7**	**%**	23.0	%	(230)				
Earnings before income taxes	Earnings before income taxes	**21.0**	**%**	23.3	%	(230)				
Net earnings	Net earnings	**16.3**	**%**	19.1	%	(280)				

Net earnings attributable to Procter & Gamble	Net earnings attributable to Procter & Gamble	**16.2 %**	18.9 %	(270)

Net Sales

Net sales for the quarter increased 3% 1% to $21.4 billion $20.2 billion. The increase in net sales was due to higher increased pricing of 4% 3%, partially offset by unfavorable foreign exchange of 1% 2%. Unit volume and mix were unchanged. had a neutral impact on net sales growth. Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales increased 4% while organic volume declined by 1% 3%.

The following table summarizes key drivers of the change in net sales by reportable segment:

	Net Sales Change Drivers 2023 vs. 2022 (Three Months Ended December 31) (1)							Net Sales Change Drivers 2024 vs. 2023 (Three Months Ended March 31) (1)						
	Volume with Acquisitions & Divestitures	Volume Excluding Acquisitions & Divestitures	Foreign Exchange	Price	Mix	Other (2)	Net Sales Growth	Volume with Acquisitions & Divestitures	Volume Excluding Acquisitions & Divestitures	Foreign Exchange	Price	Mix	Other (2)	Net Sales Growth
Beauty	— %	(1) %	(1) %	4 %	(3)%	1 %	1 %	1 %	1 %	(3)%	4 %	(1)%	1 %	2 %
Grooming	1 %	1 %	(3) %	7 %	1 %	— %	6 %	2 %	2 %	(7)%	10 %	(1)%	(1)%	3 %
Health Care	(3) %	(4) %	2 %	5 %	1 %	(1)%	4 %	(4)%	(4)%	(1)%	4 %	3 %	— %	2 %
Fabric & Home Care	— %	1 %	— %	4 %	1 %	— %	5 %	1 %	1 %	(1)%	2 %	— %	— %	2 %
Baby, Feminine & Family Care	(2) %	(2) %	(1) %	4 %	1 %	— %	2 %	(3)%	(3)%	(2)%	2 %	1 %	— %	(2)%
Total Company	**— %**	**(1) %**	**(1) %**	**4 %**	**— %**	**— %**	**3 %**	**— %**	**— %**	**(2)%**	**3 %**	**— %**	**— %**	**1 %**

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

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

Operating Costs

Gross margin increased 520 300 basis points to 52.7% 51.2% of net sales for the quarter. The increase in gross margin was due to:

- 240 260 basis points of manufacturing productivity savings,
- 200 130 basis points of lower commodity costs and
- a 190 130 basis-point increase due to higher pricing.

These impacts were partially offset by:

- a 70 100 basis-point decline from unfavorable product mix including the decline of the super-premium SK-II brand,
- a 90 basis-point decline from unfavorable foreign exchange impacts and
- 20 30 basis points of product and packaging investments and
- 20 basis points of rounding and other impacts. investments.

Total SG&A spending increased 8% 9% to $5.5 billion $5.9 billion versus the prior year period due to increased marketing spending and overhead costs. SG&A as a percentage of net sales increased 130 210 basis points to 25.8% 29.1% due to the increase in marketing and overhead spending as a percentage of net sales. Marketing spending as a percentage of net sales increased 140 180 basis points as the increase in marketing spending was partially offset by the positive scale impacts of the net sales increase and productivity savings. Overhead costs as a percentage of net sales were unchanged increased 50 basis points as wage inflation, foreign exchange and other cost increases were offset by the positive scale impacts of the net sales increase and productivity savings. Other operating expenses as a percentage of net sales decreased 20 basis points. Productivity-driven cost savings delivered 100 60 basis points of benefit to SG&A as a percentage of net sales.

The Company recorded a non-cash impairment charge of $1.3 billion ($1.0 billion after tax) on the Gillette intangible asset. The impairment charge arose from a reduction in the estimated fair value of the Gillette indefinite-lived intangible asset due to a higher discount rate, weakening of several currencies relative to the U.S. dollar and the impact of the limited market portfolio restructuring program focused primarily in certain Enterprise Markets, including Argentina and Nigeria. For further discussion of the Gillette impairment charge, refer to Note 4 to the Consolidated Financial Statements.

Non-Operating Expenses and Income

Interest expense was $248 million $233 million for the quarter, an increase of $77 million $11 million versus the prior year period due primarily to higher interest rates. Interest income was $133 million $104 million for the quarter, an increase of $67 million $21 million versus the prior year period due primarily to higher interest rates. Other non-operating income was $177 million $260 million, which is an increase of $22 million $81 million versus the prior year period. period due to gains from the sale of minor brands.

Income Taxes

The effective income tax rate for the three months ended December 31, 2023 March 31, 2024, was 22.3% 17.7%, compared to 18.1% 20.1% for the three months ended December 31, 2022 March 31, 2023. The increase decrease in the effective tax rate was primarily driven by 180 basis points due a 160 basis-point decrease from higher excess tax benefits of share-based compensation and decreases from discrete impacts related to the net impact of the prior year recognition of operating loss carryforwards and 180 basis points due to unfavorable geographic mix impacts. uncertain tax positions.

Net Earnings

Operating income decreased $352 million increased $212 million, or 7% 5%, to $4.4 billion $4.5 billion for the quarter, due to the non-cash, before tax impairment charge to the Gillette intangible asset of $1.3 billion and an increase in SG&A spending as a percentage of net sales. This was partially offset by the increase in net sales along with and the increase in gross operating margin, all the components of which are discussed above.

Net earnings decreased $466 million increased $357 million, or 12% 10%, to $3.5 billion $3.8 billion due to the decrease increase in operating income, increase in non-operating income and an increase a decrease in the effective tax rate. Foreign exchange had a negative impact of approximately $78 million $220 million on net earnings for the quarter, including both transactional and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars. Net earnings attributable to Procter & Gamble decreased $465 million increased $357 million, or 12% 11%, to $3.5 billion $3.8 billion for the quarter. Diluted EPS decreased 12% increased 11% to $1.40 $1.52 versus the prior year period due to the decrease increase in net earnings. Core EPS, which represents diluted EPS excluding charges for the Gillette intangible asset impairment and incremental restructuring, increased 16% to $1.84.

RESULTS OF OPERATIONS – Six Nine Months Ended December 31, 2023 March 31, 2024

The following discussion provides a review of results for the six nine months ended December 31, 2023 March 31, 2024, versus the six nine months ended December 31, 2022 March 31, 2023.

Amounts in millions, except per share amounts	Six Months Ended December 31 2023	2022	% Chg
Net sales	**$ 43,312**	$ 41,385	5%
Operating income	**10,200**	9,724	5%
Earnings before income taxes	**10,299**	9,832	5%
Net earnings	**8,049**	7,922	2%
Net earnings attributable to Procter & Gamble	**7,988**	7,872	1%
Diluted net earnings per common share	**3.23**	3.16	2%
Core net earnings per common share	**3.66**	3.16	16%

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Nine Months Ended March 31 Amounts in millions, except per share amounts	Amounts in millions, except per share amounts	Nine Months Ended March 31 2024	2023	% Chg
Net sales	Net sales	**$ 63,507**	$ 61,453	3%
Operating income	Operating income	**14,660**	13,972	5%
Earnings before income taxes	Earnings before income taxes	**14,891**	14,120	5%

Net earnings	Net earnings	**11,830**	11,346	4%
Net earnings attributable to Procter & Gamble	Net earnings attributable to Procter & Gamble	**11,742**	11,269	4%
Diluted net earnings per common share	Diluted net earnings per common share	**4.75**	4.53	5%
Core net earnings per common share	Core net earnings per common share	**5.19**	4.53	15%

Six Months Ended December 31

Nine Months Ended March 31

Nine Months Ended March 31

Nine Months Ended March 31

Nine Months Ended March 31

Nine Months Ended March 31

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Nine Months Ended March 31

COMPARISONS AS A PERCENTAGE OF NET SALES	COMPARISONS AS A PERCENTAGE OF NET SALES	2023	2022	Basis Pt Chg	COMPARISONS AS A PERCENTAGE OF NET SALES	2024	2023	Basis Pt Chg
Gross margin	Gross margin	**52.3 %**	47.5 %	480				
Selling, general & administrative expense	Selling, general & administrative expense	**25.7 %**	24.0 %	170				
Operating income	Operating income	**23.6 %**	23.5 %	10				
Earnings before income taxes	Earnings before income taxes	**23.8 %**	23.8 %	—				
Net earnings	Net earnings	**18.6 %**	19.1 %	(50)				

Net earnings attributable to Procter & Gamble	Net earnings attributable to Procter & Gamble	**18.4 %**	19.0 %	(60)

Net Sales

Net sales for the period increased 5% 3% to $43.3 billion $63.5 billion. The increase in net sales was due to higher pricing of 6% 5%, partially offset by unfavorable foreign exchange of 1%. Unit volume and a 1% decrease in unit volume. mix were unchanged. Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales also increased 5% 4%.

The following table summarizes key drivers of the change in net sales by reportable segment:

Net Sales Change Drivers 2023 vs. 2022 (Six Months Ended December 31) (1)

	Volume with Acquisitions & Divestitures	Volume Excluding Acquisitions & Divestitures	Foreign Exchange	Price	Mix	Other (2)	Net Sales Growth
Beauty	— %	— %	(2) %	5 %	(2)%	1 %	2 %
Grooming	(1) %	(1) %	(3) %	8 %	1 %	1 %	6 %
Health Care	(1) %	(1) %	2 %	5 %	2 %	— %	8 %
Fabric & Home Care	— %	— %	(1) %	6 %	1 %	1 %	7 %
Baby, Feminine & Family Care	(2) %	(3) %	(1) %	6 %	1 %	(1)%	3 %
Total Company	**(1) %**	**(1) %**	**(1) %**	**6 %**	**— %**	**1 %**	**5 %**

Net Sales Change Drivers 2024 vs. 2023 (Nine Months Ended March 31) (1)

	Volume with Acquisitions & Divestitures	Volume Excluding Acquisitions & Divestitures	Foreign Exchange	Price	Mix	Other (2)	Net Sales Growth
Beauty	1 %	— %	(2)%	5 %	(2)%	— %	2 %
Grooming	— %	— %	(4)%	8 %	1 %	— %	5 %
Health Care	(2)%	(2)%	1 %	5 %	2 %	— %	6 %
Fabric & Home Care	— %	1 %	(1)%	4 %	1 %	1 %	5 %
Baby, Feminine & Family Care	(3)%	(3)%	(2)%	5 %	1 %	— %	1 %
Total Company	**— %**	**— %**	**(1)%**	**5 %**	**— %**	**(1)%**	**3 %**

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

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

Operating Costs

Gross margin increased 480 430 basis points to 52.3% 52.0% of net sales for the period. The increase in gross margin was due to:

- a 250 220 basis-point increase due to higher pricing,
- 180 220 basis points of lower commodity costs manufacturing productivity savings and
- 180 basis points of manufacturing productivity savings. lower commodity costs.

These impacts were partially offset by:

- a 60 70 basis-point decline from unfavorable foreign exchange impacts,
- a 30 60 basis-point decline from unfavorable product mix including the decline of the super-premium SK-II brand,
- 30 basis points of product and packaging investments and

- 10 30 basis points of decline from loss of one-time manufacturing scale benefits. related costs including capacity startup costs.

Total SG&A spending increased 12% 11% to $11.1 billion $17.0 billion versus the prior year period due to increased marketing spending overhead costs and other operating overhead costs. SG&A as a percentage of net sales increased 170 180 basis points to 25.7% 26.8% due to the increase in marketing spending and overhead spending and other operating costs as a percentage of sales. Marketing spending as a percentage of net sales increased 140 150 basis points as the increase in marketing spending was partially offset by the positive scale impacts of the net sales increase and productivity savings. Overhead costs as a percentage of net sales increased 20 basis points due to wage inflation and other cost increases, partially offset by the positive scale impacts of the net sales increase and productivity savings. Other operating expenses as a percentage of net sales increased 20 10 basis points. Productivity-driven cost savings delivered 80 basis points of benefit to SG&A as a percentage of net sales.

The In the period ended December 31, 2023, the Company recorded a non-cash impairment charge of $1.3 billion ($1.0 billion after tax) on the Gillette intangible asset. The impairment charge arose from a reduction in the estimated fair value of the Gillette indefinite-lived intangible asset due to a higher discount rate, weakening of several currencies relative to the U.S. dollar and the impact of the limited market portfolio restructuring program. For further discussion of the Gillette impairment charge, refer to Note 4 to the Consolidated Financial Statements.

Non-Operating Expenses and Income

Interest expense was $472 million $705 million for the period, an increase of $178 million $189 million versus the prior year period due primarily to higher interest rates. Interest income was $262 million $366 million for the period, an increase of $154 million $175 million versus the prior year period due primarily to higher interest rates. Other non-operating income was $309 million $570 million, which is an increase of $15 million $97 million versus the prior year period. period, due primarily to gains from the sale of minor brands and an increase in net non-operating benefits on postretirement plans.

Income Taxes

The effective income tax rate for the six nine months ended December 31, 2023 March 31, 2024, was 21.8% 20.6%, compared to 19.4% 19.6% for the six nine months ended December 31, 2022 March 31, 2023. The increase in the effective tax rate was primarily driven by 90 basis points due to the net impact impacts of the prior year recognition of operating loss carryforwards, and 150 basis points partially offset by decreases due to unfavorable geographic mix impacts. higher excess tax benefits of share-based compensation.

Net Earnings

Operating income increased $476 million $688 million, or 5%, to $10.2 billion $14.7 billion for the period, due to the increase in net sales and the increase in gross margin, the components of which are described above. These benefits were partially offset by non-cash before tax impairment charges of $1.3 billion related to the Gillette intangible asset and an increase in SG&A spending as a percentage of net sales.

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Net earnings increased $127 million $484 million, or 2% 4%, to $8.0 billion $11.8 billion, as the increase in operating income was partially offset by an increase in the effective tax rate. Foreign exchange had a negative impact of approximately $249 million $468 million on net earnings for the period, including both transactional and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars. Net earnings attributable to Procter & Gamble increased $116 million $473 million, or 1% 4%, to $8.0 billion $11.7 billion for the quarter. period. Diluted EPS increased 2% 5% to $3.23 $4.75 versus the prior year period due to the increase in net earnings and a reduction in the weighted average number of shares outstanding. Core EPS, which represents diluted EPS excluding charges for incremental restructuring and the impairment of the Gillette intangible asset, increased 16% 15% to $3.66. $5.19.

SEGMENT RESULTS – Three and Six Nine Months Ended December 31, 2023 March 31, 2024

The following discussion provides a review of results by reportable business segment. Analysis of the results for the three and six nine months ended December 31, 2023 March 31, 2024, is provided based on a comparison to the three and six nine months ended December 31, 2022 March 31, 2023. The primary financial measures used to evaluate segment performance are net sales and net earnings. The table below provides supplemental information on net sales, earnings before income taxes and net earnings by reportable business segment for the three and six nine months ended December 31, 2023 March 31, 2024, versus the comparable prior year period (dollar amounts in millions):

	Three Months Ended December 31, 2023					
	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings/(Loss)	% Change Versus Year Ago

	Three Months Ended March 31, 2024					Three Months En
Net Sales	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Ne Earnings	

Beauty	Beauty	$ 3,849	1 %	$ 1,112	(3) %	$ 868	(5) %	Beauty	$ 3,550	2	2 %	$ 753	(1)	(1) %	$ 587	
Grooming	Grooming	1,734	6 %	538	8 %	440	9 %	Grooming	1,539	3	3 %	379	(1)	(1) %	303	
Health Care	Health Care	3,172	4 %	932	5 %	719	5 %	Health Care	2,873	2	2 %	687	3	3 %	525	
Fabric & Home Care	Fabric & Home Care	7,415	5 %	2,018	31 %	1,577	35 %	Fabric & Home Care	7,169	2	2 %	1,692	10	10 %	1,301	
Baby, Feminine & Family Care	Baby, Feminine & Family Care	5,146	2 %	1,437	29 %	1,102	30 %	Baby, Feminine & Family Care	4,936	(2)	(2) %	1,299	8	8 %	997	
Corporate	Corporate	126	N/A	(1,541)	N/A	(1,214)	N/A	Corporate	128	N/A	N/A	(218)	N/A	N/A		68
Total Company	**Total Company**	**$21,441**	**3 %**	**$ 4,496**	**(7) %**	**$ 3,493**	**(12) %**	**Total Company**	**$20,195**	**1**	**1 %**	**$ 4,592**	**7**	**7 %**	**$ 3,781**	

Six Months Ended December 31, 2023

Nine Months Ended March 31, 2024

Nine Months Ended March 31, 2024

Nine Months Ended March 31, 2024

		Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings/(Loss)	% Change Versus Year Ago		Net Sales	% Change Versus Year Ago		Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago		Ne Earnings	
Beauty	Beauty	$ 7,946	2 %	$ 2,361	(2) %	$ 1,839	(4) %	Beauty	$11,496	2	2 %	$ 3,114	(2)	(2) %	$ 2,426	
Grooming	Grooming	3,458	6 %	1,071	7 %	862	7 %	Grooming	4,997	5	5 %	1,450	5	5 %	1,165	
Health Care	Health Care	6,245	8 %	1,821	8 %	1,408	8 %	Health Care	9,119	6	6 %	2,508	7	7 %	1,933	
Fabric & Home Care	Fabric & Home Care	15,061	7 %	4,049	31 %	3,146	34 %	Fabric & Home Care	22,230	5	5 %	5,741	24	24 %	4,446	
Baby, Feminine & Family Care	Baby, Feminine & Family Care	10,332	3 %	2,845	31 %	2,177	32 %	Baby, Feminine & Family Care	15,268	1	1 %	4,144	23	23 %	3,174	
Corporate	Corporate	270	N/A	(1,849)	N/A	(1,383)	N/A	Corporate	398	N/A	N/A	(2,066)	N/A	N/A		(1,314)
Total Company	**Total Company**	**$43,312**	**5 %**	**$ 10,299**	**5 %**	**$ 8,049**	**2 %**	**Total Company**	**$63,507**	**3**	**3 %**	**$14,891**	**5**	**5 %**	**$11,830**	

Beauty

Three months ended December 31, 2023 March 31, 2024, compared with three months ended December 31, 2022 March 31, 2023

Beauty net sales increased 1% 2% to $3.8 billion $3.6 billion as the positive impacts of higher pricing of 4%, unit volume increase of 1% and a benefit from acquisitions of 1% were partially offset by the negative impacts of unfavorable foreign exchange of 1% 3% and unfavorable mix of 3% 1% (due primarily to the decline of the super-premium SK-II brand, which has higher than segment-average selling prices). Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales also increased 1% 3%. Global market share of the Beauty segment increased decreased 0.2 points.

- Hair Care net sales increased double mid-single digits. Positive impacts of higher pricing (driven by Latin America, Argentina, Europe and North America), a benefit from acquisitions and favorable product geographic and brand mix (due to the growth of the premium products) and an increase in unit volume Native brand) were partially offset by negative impacts of unfavorable foreign exchange. The Unit volume increase was driven by unchanged as growth in North America (due to innovation), Asia Pacific (due to innovation) increased marketing support and distribution gains) and Latin America (due to market growth), partially was offset by a decline in Greater China IMEA (due to market contraction increased pricing and distribution footprint changes) lower demand in the Middle East). Organic sales increased high single digits driven by more than 30% growth in Latin America, mid-teen increases a double-digit increase in Europe and a high single-digit increase in North America, partially offset by a double-digit decline mid-single-digit decrease in Greater China. Global market share of the Hair Care category decreased 0.5 points.

- Skin and Personal Care net sales decreased high low single digits. Negative impacts of unfavorable mix (due to the decline of the super-premium SK-II brand, which has higher than category-average selling prices) and a unit volume decrease unfavorable foreign exchange

were partially offset by an increase in unit volume and higher pricing (driven by Greater China) (across all regions). The volume decrease increase was driven by a decline in Greater China (due to the decline of the super-premium SK-II brand and market contraction of skin care and personal care), partially offset by growth in North America and Europe (both due (due to innovation in Personal Care) and Latin America (due to market growth). Organic sales decreased mid-single low single digits due to more than a 20% declines decline in Greater China, and Asia Pacific, partially offset by a double-digit increase high single-digit growth in North America. Global market share of the Skin and Personal Care category increased 0.4 0.1 points.

Net earnings decreased 5% 3% to $868 million $587 million as the increase in net sales was more than offset by a 130 90 basis-point decline in net earnings margin. Net earnings margin decreased as an increase in gross margin was more than fully offset by an increase in SG&A as a percentage of net sales and a higher effective tax rate. The gross margin improvement was driven by increased pricing productivity savings and productivity savings, pricing, partially offset by unfavorable foreign exchange impacts and negative product mix (due to the decline of the super-premium SK-II brand). and unfavorable foreign exchange impacts. SG&A as a percentage of net sales increased due primarily to an increase in marketing and overhead spending, partially offset by the positive scale effects of the net sales increase. The higher effective tax rate was driven by unfavorable geographic mix.

Six Nine months ended December 31, 2023 March 31, 2024, compared with six nine months ended December 31, 2022 March 31, 2023

Beauty net sales increased 2% to $7.9 billion $11.5 billion, as the positive impacts of higher pricing of 5% and a benefit from acquisitions unit volume increase of 1% were partially offset by the negative impacts of unfavorable foreign exchange of 2% and unfavorable mix of 2% (due primarily to the decline of the super-premium SK-II brand, which has higher than segment-average selling prices). Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales increased 3%. Global market share of the Beauty segment increased 0.2 0.1 points.

- Hair Care net sales increased high single digits. Positive impacts of higher pricing (driven by Latin America, Europe and North America), a benefit from acquisitions and favorable product brand mix (due to the growth of the premium products) Native brand) were partially offset by negative impacts of unfavorable foreign exchange. Unit volume was unchanged as growth in North America (due to innovation) and Latin America and North America were (due to market growth) was offset by a decline in Greater China (due to market contraction and distribution footprint changes). Organic sales increased high single digits due to a more than 30% growth in Latin America, a mid-teens low teens increase in Europe and a low-teens double-digit increase in North America, partially offset by a high single-digit decline in Greater China. Global market share of the Hair Care category decreased 0.4 points.
- Skin and Personal Care net sales decreased low single digits. Negative impacts of unfavorable mix (due to the decline of the super-premium SK-II brand, which has higher than category-average selling prices) and unfavorable foreign exchange were partially offset by the positive impacts of higher pricing (across all regions). Unit and an increase in unit volume. The increase in volume was unchanged as driven by growth in North America and Europe (both due to innovation in Personal Care) was , partially offset by a decline in Greater China (due to the decline of the super-premium SK-II brand and market contraction of skin care and personal care) contraction). Organic sales decreased low single digits, due to a more than 20% high-teens decline in Asia Pacific and a low-teens mid-teens decline in Greater China, partially offset by a double-digit increase in North America. Global market share of the Skin and Personal Care category increased 0.5 0.3 points.

Net earnings decreased 4% to $1.8 billion $2.4 billion, as the increase in net sales was more than offset by a 160 140 basis-point decline in net earnings margin. Net earnings margin decreased as an increase in gross margin was more than fully offset by an increase in SG&A as a percentage of net sales and a higher effective tax rate. The gross margin improvement was driven by increased pricing and productivity savings, partially offset by negative product mix (due to the decline of the super-premium SK-II brand) and unfavorable foreign exchange impacts. SG&A as a percentage of net sales increased due primarily to an increase in marketing and overhead spending and higher foreign exchange transactional charges, partially offset by the positive scale

effects of the net sales increase. The higher effective tax rate was driven by unfavorable geographic mix.

Grooming

Three months ended December 31, 2023 March 31, 2024, compared with three months ended December 31, 2022 March 31, 2023

Grooming net sales increased 6% 3% to $1.7 billion $1.5 billion as the benefits of higher pricing of 7% 10% (driven primarily by Europe Argentina and Latin America), Europe) and a 1% 2% increase in unit volume and favorable product mix of 1% (due to the growth of premium shavers) were partially offset by unfavorable foreign exchange of 3% 7% and unfavorable product mix of 1% (due to the disproportionate growth of disposables). The volume growth was driven primarily by Latin America and IMEA (both due to innovation), partially offset by a decline in Greater China (due to market growth) and Asia Pacific (due to innovation) contraction). Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales increased 9% 10% driven by a more than 30% 50% growth in Latin America low-teens growth in Asia Pacific and double-digit growth in Europe, partially offset by a low single-digit decline in North America. Global market share of the Grooming segment increased 0.8 0.7 points.

Net earnings increased 9% decreased 2% to $440 million due to $303 million as the net sales growth and an 80 was more than fully offset by a 90 basis-point increase decrease in net earnings margin. Net earnings margin increased due to decreased as an increase in gross margin partially was more than fully offset by an increase in SG&A as a percentage of net sales. The gross margin increase was driven by higher pricing and productivity savings, partially offset by unfavorable foreign exchange. exchange and unfavorable mix due to the growth of premium innovation that has lower than segment-average gross margins. SG&A as a percentage of net sales increased due primarily to an increase in marketing spending, partially offset by the positive scale effects of the net sales increase.

Six

Nine months ended December 31, 2023 March 31, 2024, compared with six nine months ended December 31, 2022 March 31, 2023

Grooming net sales increased 6% 5% to $3.5 billion $5.0 billion as the benefits of higher pricing of 8% (driven primarily by Europe Latin America and Latin America) Europe) and favorable product mix of 1% (due to growth of premium shavers) of 1% were partially offset by unfavorable foreign exchange of 3% 4%. Unit volume was unchanged as growth in Latin America and a 1% decrease in unit volume. The volume decrease IMEA (both due to innovation) was due to offset by declines in Europe (due to increased pricing) and Greater China (due to market decline), partially offset by growth in Latin America decline and IMEA (both due to innovation) increased pricing). Excluding the impact of acquisitions and divestitures and foreign exchange, Grooming organic sales increased 9% due to more than 30% growth in Latin America and double-digit growth in Europe. Europe, partially offset by a low single-digit decline in North America. Global market share of the Grooming segment increased 0.5 points.

Net earnings increased 7% 4% to $862 million $1.2 billion, due to the net sales growth and a 20 basis-point increase in net earnings margin. growth. Net earnings margin increased due to was unchanged as an increase in gross margin partially was fully offset by an increase in SG&A as a percentage of net sales. The gross margin increase was driven by higher pricing and productivity savings, partially offset by unfavorable foreign exchange. SG&A as a percentage of net sales increased due to an increase in marketing spending and higher foreign exchange transactional charges, partially offset by the positive scale effects of the net sales increase.

Health Care

Three months ended December 31, 2023 March 31, 2024, compared with three months ended December 31, 2022 March 31, 2023

Health Care net sales increased 4% 2% to $3.2 billion $2.9 billion driven by higher pricing of 5%, 4% and favorable product mix of 1% and favorable foreign exchange of 2% 3%, partially offset by a 3% 4% decrease in unit volume. volume and unfavorable foreign exchange of 1%. Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales also increased 2%. Global market share of the Health Care segment increased 0.7 points.

- Oral Care net sales increased mid-single low single digits driven by the positive impacts of higher pricing (driven by Europe, North America and Latin America), favorable product mix (due to growth of power brushes and premium paste, which have higher than category-average selling prices) and favorable foreign exchange, partially offset by a decline in unit volume. volume and unfavorable foreign exchange impacts. The decrease in unit volume was driven primarily by declines in IMEA Latin America (due to increased pricing and Latin competitive activity), North America and Asia Pacific (both due to share losses). Organic sales increased mid-single digits driven by a double-digit increase in Europe and a mid-single-digit low single-digit increase in North America. America, partially offset by a double-digit decrease in Asia Pacific. Global market share of the Oral Care category increased 0.3 points.
- Personal Health Care net sales increased low single digits were unchanged as the positive impacts of higher pricing (driven by Argentina and North America, Europe and Latin America) and favorable foreign exchange were partially fully offset by a decrease in unit volume, decrease unfavorable foreign exchange and unfavorable product mix (due to the decline of respiratory products, which have higher than category-average selling prices). The volume decrease was driven primarily by declines in Europe and Latin IMEA (due to distribution rationalization), North America (both due (due to market decline of respiratory products) and Latin America (due to market contraction). Organic sales decreased increased low single digits driven by a double-digit decline in Europe, a mid-single-digit decline growth in Latin America partially offset by and low single-digit growth in North America. America, partially offset by a high single-digit decline in IMEA. Global market share of the Personal Health Care category increased 0.6 0.8 points.

Net earnings increased 5% to $719 million due to were unchanged at $525 million as the net sales growth and was fully offset by a 20 basis-point increase decrease in net earnings margin. Net earnings margin increased due to decreased as an increase in gross margin partially was more than fully offset by an increase in SG&A as a percentage of net sales. sales and a higher effective tax rate. The gross margin increase was driven by higher pricing and productivity savings, partially offset by unfavorable gross margin product mix (due to a decline in respiratory products, which have higher than segment-average gross margins). and unfavorable foreign exchange. SG&A as a percentage of net sales increased due to increased marketing and overhead spending, partially offset by the positive scale impacts of the net sales increase. increase and a decrease in other operating costs. The higher effective tax rate was driven by unfavorable geographic mix.

Six Nine months ended December 31, 2023 March 31, 2024, compared with six nine months ended December 31, 2022 March 31, 2023

Health Care net sales increased 8% 6% to $6.2 billion $9.1 billion driven by higher pricing of 5%, favorable geographic and product mix of 2% and favorable foreign exchange of 2% 1%, partially offset by a 1% 2% decrease in unit volume. Excluding the impact of acquisitions and divestitures

and foreign exchange, organic sales increased 6% 5%. Global market share of the Health Care segment increased 0.8 0.7 points.

- Oral Care net sales increased high single mid-single digits due to the positive impacts of higher pricing (driven by Europe, North America and Latin America), favorable product mix (due to growth of premium paste and power brushes, which have higher than category-average selling prices), higher pricing (driven by Europe, North America and Latin America) and favorable foreign exchange, partially offset by a decrease in unit volume. The unit volume decrease was due to a decline in Latin America (due to share losses), IMEA and Greater China Asia Pacific (due to market contraction) increased pricing) partially offset by growth in Europe (due to market growth). Organic sales also increased high single mid-single digits due to a double-digit increase in Europe and a mid-single-digit increase in North America. Global market share of the Oral Care category increased 0.3 points.

- Personal Health Care net sales increased high single mid-single digits due to the positive impacts of higher pricing (driven by North America, Europe Latin America and Latin America) Europe) and favorable foreign exchange, partially offset by a decline in unit volume and unfavorable mix (due to the decline of respiratory products, that have higher than category-average selling prices). Unit The decline in unit volume was unchanged as driven by declines in IMEA, Asia Pacific and Latin America (all due to market contraction

including lower cough and cold incidence), partially offset by growth in North America (due to innovation) was offset by declines in Asia Pacific and Latin America (both due to market contraction). Organic sales increased mid-single digits due to high single-digit mid-single-digit growth in North America and mid-single-digit low single-digit growth in Europe. Global market share of the Personal Health Care category increased 0.8 points.

Net earnings increased 8% 6% to $1.4 billion $1.9 billion due to the increase in net sales. Net earnings margin was unchanged as an increase in gross margin was offset by an increase in SG&A as a percentage of net sales. sales and a higher effective tax rate. The gross margin increase was driven by higher pricing and productivity savings, partially offset by unfavorable gross margin product mix (due to a decline in respiratory and whitening products, both of which have higher than segment-average gross margins). SG&A as a percentage of net sales increased due to increased marketing and overhead spending, partially offset by the positive scale impacts of the net sales increase. The higher effective tax rate was driven by unfavorable geographic mix.

Fabric & Home Care

Three months ended December 31, 2023 March 31, 2024, compared with three months ended December 31, 2022 March 31, 2023

Fabric & Home Care net sales increased 5% 2% to $7.4 billion $7.2 billion driven by higher pricing of 4% 2% and favorable product mix a unit volume increase of 1%, partially offset by unfavorable foreign exchange of 1%. Unit volume remained unchanged. Excluding the impact of foreign exchange and acquisitions and divestitures, organic sales increased 6% 3%. Global market share of the Fabric & Home Care segment increased 0.3 decreased 0.1 points.

- Fabric Care net sales increased mid-single digits due to were unchanged as the positive impacts of higher pricing (driven primarily by Europe, Asia Pacific and Latin Europe, partially offset by increased trade spending in North America) and favorable premium product mix. geographic mix were partially offset by unfavorable foreign exchange. Volume was unchanged as growth in North America was fully offset by declines in Greater China (due to market contraction and portfolio rationalization), Asia Pacific (due to share losses) and IMEA (due to lower demand in the Middle East and increased pricing). Organic sales increased mid-single low single digits driven by a mid-single-digit increase in North America and a high single-digit increase in Europe, and partially offset by a mid-single-digit increase double-digit decrease in North America. IMEA. Global market share of the Fabric Care category decreased 0.2 0.5 points.
- Home Care net sales increased high single mid-single digits. Positive impacts of a unit volume increase, higher pricing (driven primarily by Europe and Latin America), a unit volume increase Europe) and favorable premium product mix were partially offset by unfavorable foreign exchange. The increase in unit volume was due primarily to growth in North America (due to innovation) and Europe (due to increased marketing support), partially offset by a decline in Asia Pacific Latin America (due to increased pricing). Organic sales increased high single digits driven by low-teens growth in Europe and high single-digit growth in North America. America and mid-teens growth in Europe. Global market share of the Home Care category increased 1.2 0.5 points.

Net earnings increased 35% 11% to $1.6 billion $1.3 billion due to the increase in net sales and a 460 140 basis-point improvement in net earnings margin. Net earnings margin increased due to an increase in gross margin partially offset by an increase in SG&A as a percentage of net sales. The gross margin increase was driven by increased productivity savings, lower commodity costs and higher pricing, and partially offset by unfavorable mix due to the growth of premium products that have lower commodity costs. than segment-average gross margins. SG&A as a percentage of net sales increased due to an increase in marketing spending, partially offset by the positive scale effects of the net sales increase.

Six Nine months ended December 31, 2023 March 31, 2024, compared with six nine months ended December 31, 2022 March 31, 2023

Fabric & Home Care net sales increased 7% 5% to $15.1 billion $22.2 billion driven by higher pricing of 6% 4% and favorable product mix of 1%, partially offset by unfavorable foreign exchange of 1%. Unit volume was unchanged. Excluding the impact of foreign exchange and acquisitions and divestitures, organic sales increased 8% 6%. Global market share of the Fabric & Home Care segment increased 0.3 0.2 points.

- Fabric Care net sales increased mid-single digits driven by the positive impacts of higher pricing (driven by Europe, Asia Pacific and Latin America, IMEA and Asia Pacific) America) and favorable premium product geographic mix. Unit volume was unchanged as growth in North America (due to market growth) was offset by declines in Asia Pacific (due to increased pricing) and Greater China (due to market contraction and portfolio rationalization) and Asia Pacific (due to increased pricing). Organic sales also increased mid-single digits driven by a low-teens double-digit increase in Europe and a mid-single-digit increase in North America. Global market share of the Fabric Care category decreased 0.2 0.3 points.
- Home Care net sales increased double high single digits. Positive impacts of higher pricing (driven primarily by Europe, North America and Latin America), favorable premium product mix and a unit volume increase were partially offset by

unfavorable foreign exchange. The increase in volume was due to growth in North America (due to innovation), partially offset by declines decline in Europe and Latin America (both due (due to increased pricing). Organic sales increased double digits driven by mid-teens growth in Europe and double-digit high single-digit growth in North America. Global market share of the Home Care category increased 1.2 0.9 points.

Net earnings increased 34% 26% to $3.1 billion $4.4 billion due to the increase in net sales and a 430 340 basis-point improvement in net earnings margin. Net earnings margin increased due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. The gross margin increase was driven by higher pricing, increased productivity savings and lower commodity costs. SG&A as a percentage of net sales increased due to an increase in marketing spending, partially offset by the positive scale effects of the net sales increase.

Baby, Feminine & Family Care

Three months ended December 31, 2023 March 31, 2024, compared with three months ended December 31, 2022 March 31, 2023

Baby, Feminine & Family Care net sales decreased 2% to $4.9 billion due to a 3% decrease in unit volume and unfavorable foreign exchange of 2% partially offset by higher pricing of 2% and favorable mix of 1%. Excluding the impacts of foreign exchange and acquisitions and divestitures, organic sales were unchanged. Global market share of the Baby, Feminine & Family Care segment decreased 0.1 points.

- Baby Care net sales decreased high single digits. Negative impacts of a decrease in unit volume and unfavorable foreign exchange were partially offset by higher pricing (primarily driven by Argentina) and favorable product mix (due to a higher proportion of premium diapers, which have higher than category-average selling prices). The unit volume decline was due primarily to Europe (due to higher pricing), North America (due to market decline and competitive activity) and IMEA (due to lower demand in the Middle East and increased pricing). Organic sales decreased mid-single digits as a high single-digit decline in Europe and mid-single-digit decline in North America were partially offset by a more than 20% growth in Latin America. Global market share of the Baby Care category decreased 0.2 points.
- Feminine Care net sales increased low single digits. Positive impacts of higher pricing (driven primarily by Europe) and favorable mix (due to growth of premium products) were partially offset by a decrease in unit volume and unfavorable foreign exchange. The volume decrease was primarily driven by declines in Europe and Latin America (both due to increased pricing). Organic sales increased low single digits driven by an approximately 20% increase in Latin America and a low single-digit increase in Europe. Global market share of the Feminine Care category was unchanged.
- Net sales in Family Care, which is predominantly a North America business, increased low single digits driven by an increase in unit volume, partially offset by unfavorable product mix (due to growth of larger pack sizes with lower than category-average selling prices). Organic sales also increased low single digits. North America market share of the Family Care category decreased 0.1 points.

Net earnings increased 8% to $997 million as the decrease in net sales was more than fully offset by a 190 basis-point increase in net earnings margin. Net earnings margin increased primarily due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. Gross margin increased primarily due to increased productivity savings, lower commodity costs and increased pricing, partially offset by unfavorable foreign exchange. SG&A as a percentage of net sales increased due to an increase in marketing and overhead spending.

Nine months ended March 31, 2024, compared with nine months ended March 31, 2023

Baby, Feminine & Family Care net sales increased 2% 1% to $5.1 billion $15.3 billion driven by higher pricing of 4% 5% and favorable product mix of 1%, partially offset by a 2% 3% decrease in unit volume and unfavorable foreign exchange of 1% 2%. Excluding the impacts of foreign exchange and acquisitions and divestitures, organic sales increased 3%. Global market share of the Baby, Feminine & Family Care segment decreased 0.1 points.

- Baby Care net sales decreased low single digits. Positive Negative impacts of a decrease in unit volume and unfavorable foreign exchange were partially offset by higher pricing (driven primarily by Latin America Europe, IMEA and North America) Europe) and favorable product mix (due to growth of premium diapers, which have higher than category-average selling prices) were partially offset by a decrease in unit volume and unfavorable foreign exchange. Volumes decreased in all regions led by Europe, IMEA and North America, all due to increased pricing. Organic sales were unchanged as mid-teens growth in Latin America was offset by mid-single-digit declines in IMEA and Europe. Global market share of the Baby Care category decreased 0.1 points.
- Feminine Care net sales increased low single digits. Positive impacts of higher pricing (driven primarily by Europe, Latin America and IMEA) and favorable mix (due to growth of premium products) were partially offset by a decrease in unit volume and unfavorable foreign exchange. The volume decrease was primarily driven by declines in Europe, IMEA (both due to increased pricing) and Greater China (due to market decline). Organic sales increased mid-single digits driven by a mid-single-digit increase in Europe and a low single-digit increase in North America. Global market share of the Feminine Care category increased 0.1 points.
- Net sales in Family Care, which is predominantly a North America business, increased mid-single digits driven by an increase in unit volume and higher pricing, partially offset by unfavorable product mix (due to growth of larger pack sizes, with lower than category-average selling prices). Organic sales also increased mid-single digits. North America market share of the Family Care category decreased 0.4 points.

Net earnings increased 30% to $1.1 billion due to the increase in net sales and a 460 basis-point increase in net earnings margin. Net earnings margin increased primarily due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. Gross margin increased primarily due to lower commodity costs, increased productivity savings and increased pricing, partially offset by unfavorable foreign exchange. SG&A as a percentage of net sales increased due to an increase in marketing and overhead spending, partially offset by the positive scale impacts of the net sales increase.

Six months ended December 31, 2023, compared with six months ended December 31, 2022

Baby, Feminine & Family Care net sales increased 3% to $10.3 billion driven by higher pricing of 6% and favorable product mix of 1%, partially offset by a 2% decrease in unit volume and unfavorable foreign exchange of 1%. Excluding the impacts of foreign exchange and acquisitions and divestitures, organic sales increased 5%. Global market share of the Baby, Feminine & Family Care segment decreased 0.1 points.

- Baby Care net sales increased low single digits. Positive impacts of higher pricing (driven by Europe, Latin America, North America and IMEA) and favorable product mix (due to growth of premium diapers, which have higher than category-average selling prices) were partially offset by a decrease in unit volume and unfavorable foreign exchange. Volumes decreased in all regions led by Europe and North America, all due to increased pricing. pricing and competitive activity. Organic sales increased low single digits driven by more than 20% growth in Latin America, partially offset by a mid-single-digit growth decline in IMEA and low single-digit growth in North America. Europe. Global market share of the Baby Care category decreased 0.2 points.

- Feminine Care net sales increased mid-single low single digits. Positive impacts of higher pricing (driven primarily by Europe, IMEA and Latin America) and favorable mix (due to growth of premium products) were partially offset by a decrease in unit volume and unfavorable foreign exchange. The volume decrease was driven primarily by declines in Europe and IMEA (both due to increased pricing) and Greater China (due to market decline), partially offset by growth in North America (due to increased demand for premium products marketing support and distribution gains). Organic sales increased mid-single digits driven by a double-digit increase in IMEA, high single-digit increase increases in Europe and IMEA and a mid-single-digit increase in North America. Global market share of the Feminine Care category increased 0.4 0.3 points.

- Net sales in Family Care, which is predominantly a North America business, increased mid-single digits driven by higher pricing and a unit volume increase, partially offset by unfavorable product mix (due to growth of larger pack sizes with lower than category-average selling prices). Organic sales also increased mid-single digits. North America market share of the Family Care category decreased 0.3 0.2 points.

Net earnings increased 32% 23% to $2.2 billion $3.2 billion due to the increase in net sales and a 460 370 basis-point increase in net earnings margin. Net earnings margin increased primarily due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. Gross margin increased primarily due to lower commodity costs, increased pricing and increased productivity savings, partially offset by unfavorable foreign exchange. SG&A as a percentage of net sales increased due to an increase in marketing and overhead spending, and higher foreign exchange transactional charges, partially offset by the positive scale impacts of the net sales increase.

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Corporate

Corporate includes certain operating and non-operating activities not allocated to specific business segments. These include but are not limited to incidental businesses managed at the corporate level, gains and losses related to certain divested brands or businesses, impacts from various financing and investing activities, impacts related to employee benefits, asset impairments and restructuring activities including manufacturing and workforce optimization. Corporate also includes reconciling items to adjust the accounting policies used within the reportable segments to U.S. GAAP. The most notable ongoing reconciling item is income taxes, which adjusts the blended statutory rates that are reflected in the reportable segments to the overall Company effective tax rate.

For the three months ended December 31, 2023 March 31, 2024, Corporate net sales decreased $49 million $45 million to $126 million $128 million due to a decrease in net sales of incidental businesses managed at the corporate level. Corporate net earnings increased $182 million to $68 million for the quarter due to higher current period tax benefits (including excess tax benefits of share-based compensation) and gain from the sale of certain minor brands.

For the nine months ended March 31, 2024, Corporate net sales decreased $203 million to $398 million due to a decrease in net sales of incidental businesses managed at the corporate level. Corporate net earnings decreased $1.1 billion to a loss of $1.2 billion for the quarter $1.3 billion due to the impairment of the Gillette intangible asset, increased interest expense and higher restructuring charges.

For the six months ended December 31, 2023, Corporate net sales decreased $158 million to $270 million due to a decrease in net sales of incidental businesses managed at the corporate level. Corporate net earnings decreased to a loss of $1.4 billion due primarily to the impairment charge of the Gillette intangible asset, increased interest expense and higher restructuring charges. asset.

LIQUIDITY & CAPITAL RESOURCES

Operating Activities

Operating cash flow was $10.0 billion $14.1 billion fiscal year to date, an increase of $2.4 billion $2.6 billion versus the prior year period. Net earnings, adjusted for non-cash items (depreciation and amortization, intangible asset impairment, and share-based compensation expense) expense and deferred income taxes), generated $10.9 billion $15.5 billion of operating cash flow. Working capital and other impacts used $927 million $1.4 billion of cash in the period primarily driven by an increase in accounts receivable from sales growth, a reduction decrease in salary related liabilities due to the excess of payment over accruals, trade payables and a reduction decrease in postretirement benefit accruals resulting other liabilities. The decrease in trade payables resulted from the net periodic benefit credit and payments. This is reduced commodity costs, partially offset by the impact of our supplier finance program (see Note 10, Supplier Finance Programs). The decrease in other liabilities is primarily driven by postretirement benefit payments and the net periodic credit from other retiree benefits. Days sales outstanding and increased by two days. Days inventory on hand increased by three days.

Investing Activities

Investing activities used $2.2 billion $3.0 billion of cash fiscal year to date primarily driven by capital expenditures and the settlement of net investment hedges.

Financing Activities

Financing activities used $8.1 billion $12.4 billion of net cash fiscal year to date, mainly due to dividends to shareholders, treasury stock purchases and a net debt decrease, partially offset by the impact of stock options and other.

As of December 31, 2023 March 31, 2024, our current liabilities exceeded current assets by $12.8 billion $9.9 billion. We anticipate being able to support our short-term liquidity and operating needs largely through cash generated from operations. We have strong short- and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in commercial paper and bond markets. In addition, we have agreements with a diverse group of financial institutions that, if needed, should provide sufficient credit funding to meet short-term financing requirements.

MEASURES NOT DEFINED BY U.S. GAAP

In accordance with the SEC's Regulation S-K Item 10(e), the following provides definitions of the non-GAAP measures 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 period-to-period 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. 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 measures 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.

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 the achievement of management goals for at-risk compensation.

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The following table provides a numerical reconciliation of organic sales growth to reported net sales growth:

Three Months Ended December 31, 2023	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other [(1)]	Organic Sales Growth
Beauty	1 %	1 %	(1) %	1 %
Grooming	6 %	3 %	— %	9 %
Health Care	4 %	(2) %	— %	2 %
Fabric & Home Care	5 %	— %	1 %	6 %
Baby, Feminine & Family Care	2 %	1 %	— %	3 %
Total Company	**3 %**	**1 %**	**— %**	**4 %**

(1) 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.

Three Months Ended March 31, 2024	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other [(1)]	Organic Sales Growth
Beauty	2 %	3 %	(2) %	3 %
Grooming	3 %	7 %	— %	10 %
Health Care	2 %	1 %	(1) %	2 %
Fabric & Home Care	2 %	1 %	— %	3 %
Baby, Feminine & Family Care	(2) %	2 %	— %	— %
Total Company	**1 %**	**2 %**	**— %**	**3 %**

Three Months Ended March 31, 2024
Beauty
Grooming
Health Care
Fabric & Home Care
Baby, Feminine & Family Care
Total Company
(1) 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.

(1) 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.

Six Months Ended December 31, 2023	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other (1)	Organic Sales Growth
Beauty	2 %	2 %	(1) %	3 %
Grooming	6 %	3 %	— %	9 %
Health Care	8 %	(2) %	— %	6 %
Fabric & Home Care	7 %	1 %	— %	8 %
Baby, Feminine & Family Care	3 %	1 %	1 %	5 %
Total Company	**5 %**	**1 %**	**(1) %**	**5 %**

Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2024	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other (1)	Organic Sales Growth
Beauty	Beauty	2 %	2 %	(1) %	3 %
Grooming	Grooming	5 %	4 %	— %	9 %
Health Care	Health Care	6 %	(1) %	— %	5 %
Fabric & Home Care	Fabric & Home Care	5 %	1 %	— %	6 %
Baby, Feminine & Family Care	Baby, Feminine & Family Care	1 %	2 %	— %	3 %
Total Company	**Total Company**	**3 %**	**1 %**	**— %**	**4 %**

(1) 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.

(1) 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.

(1) 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.

Adjusted free cash flow. Adjusted free cash flow is defined as operating cash flow less capital expenditures and excluding payments for the transitional tax resulting from the U.S. Tax Act. Adjusted free cash flow represents the cash that the Company is able to generate after taking into account planned maintenance and asset expansion. We view 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.

The following table provides a numerical reconciliation of adjusted free cash flow ($ millions):

Six Months Ended December 31, 2023	Operating Cash Flow	Capital Spending	U.S. Tax Act Payments	Adjusted Free Cash Flow
	$ 10,004	$(1,742)	$ 422	$8,684

Nine Months Ended March 31, 2024	Operating Cash Flow	Capital Spending	U.S. Tax Act Payments	Adjusted Free Cash Flow
Operating Cash Flow				
$				

Adjusted free cash flow productivity. Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings excluding the Gillette intangible asset impairment charge. We view 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, in 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 following table provides a numerical reconciliation of adjusted free cash flow productivity ($ millions):

Six Months Ended December 31, 2023

Nine Months Ended March 31, 2024						Nine Months Ended March 31, 2024				
Adjusted Free Cash Flow	Adjusted Free Cash Flow	Net Earnings	Adjustments to Net Earnings (1)	Net Earnings as Adjusted	Adjusted Free Cash Flow Productivity	Adjusted Free Cash Flow	Net Earnings	Adjustments to Net Earnings (1)	Net Earnings as Adjusted	Adjusted Free Cash Flow Productivity
$	8,684	$8,049	$ 1,026	$9,075	96 %	11,975 $	$ 11,830 $	$ 1,026 $	$12,856	93 93 %

(1) Adjustments to Net Earnings relate to the Gillette intangible asset impairment charge announced in December 2023.

(1) Adjustments to Net Earnings relate to the Gillette intangible asset impairment charge announced in December 2023.

(1) Adjustments to Net Earnings relate to the Gillette intangible asset impairment charge announced in December 2023.

Core EPS. Core EPS is a measure of the Company's diluted EPS excluding items that are not judged by management to be part of the Company's sustainable results or trends. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time. This measure is also used in assessing the achievement of management goals for at-risk compensation. The Core earnings measures included in the following reconciliation tables refer to the equivalent GAAP measures adjusted as applicable for the following items:

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- Incremental restructuring: The Company has historically had an ongoing level of restructuring activities of approximately $250 - $500 million before tax. On December 5, 2023, the Company announced a limited market portfolio restructuring of its business operations, primarily in certain Enterprise Markets, including Argentina and Nigeria. The adjustment to Core earnings includes the restructuring charges that exceed the normal, recurring level of restructuring charges.
- Intangible asset impairment: As discussed in Note 4 to the Consolidated Financial Statements, the Company recognized in the three months ended December 31, 2023, a non-cash, after-tax impairment charge of $1.0 billion ($1.3 billion before tax) to adjust the carrying value of the Gillette intangible asset acquired as part of the Company's 2005 acquisition of The Gillette Company.

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.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures

Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	
Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023

Amounts in millions except per share amounts	Amounts in millions except per share amounts	As Reported (GAAP)	Incremental Restructuring	Intangible Impairment	Core (Non-GAAP)	As Reported (GAAP) (1)
Cost of products sold	Cost of products sold	$ 10,144	$ (12)	$ —	$ 10,132	$10,897
Selling, general and administrative expense	Selling, general and administrative expense	5,522	(8)	—	5,515	5,091
Operating income	Operating income	4,433	19	1,341	5,793	4,785
Income taxes	Income taxes	1,003	(20)	315	1,299	876
Net earnings attributable to P&G	Net earnings attributable to P&G	3,468	39	1,026	4,533	3,933
					Core EPS	
					Core EPS	
Diluted net earnings per common share (2)	Diluted net earnings per common share (2)	$ 1.40	$ 0.02	$ 0.42	$ 1.84	$ 1.59

Amounts in millions except per share amounts	As Reported (GAAP)	Incremental Restructuring	Intangible Impairment	Core (Non-GAAP)	As Reported (GAAP) (1)

(1) For the three months ended December 31, 2022, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

Diluted net earnings per common share (2)

Diluted net earnings per common share (2)

(1) For the three months ended March 31, 2023, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

(1) For the three months ended March 31, 2023, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

CHANGE VERSUS YEAR AGO

CHANGE VERSUS YEAR AGO

CHANGE VERSUS YEAR AGO		
CHANGE VERSUS YEAR AGO		
Net earnings attributable to P&G		
Net earnings attributable to P&G		
Net earnings attributable to P&G	Net earnings attributable to P&G	(12)%
Core net earnings attributable to P&G	Core net earnings attributable to P&G	15 %
Core net earnings attributable to P&G		
Core net earnings attributable to P&G		
Diluted net earnings per common share		
Diluted net earnings per common share		
Diluted net earnings per common share	Diluted net earnings per common share	(12)%
Core EPS	Core EPS	16 %
Core EPS		
Core EPS		

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THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

Reconciliation of Non-GAAP Measures

		Six Months Ended December 31, 2023				Six Months Ended December 31, 2022
		Nine Months Ended March 31, 2024				
Amounts in millions except per share amounts	**Amounts in millions except per share amounts**	**As Reported (GAAP)**	**Incremental Restructuring**	**Intangible Impairment**	**Core (Non-GAAP)**	**As Reported (GAAP) (1)**
Cost of products sold	Cost of products sold	$ 20,645	$ (12)	$ —	$ 20,633	$21,743
Selling, general and administrative expense	Selling, general and administrative expense	11,127	(8)	—	11,119	9,918

	Nine Months Ended March 31, 2024				Nine Months Ended March 31, 2023
Amounts in millions except per share amounts	**As Reported (GAAP)**	**Incremental Restructuring**	**Intangible Impairment**	**Core (Non-GAAP)**	**As Reported (GAAP) (1)**

					Core EPS	
Operating income	Operating income	10,200	19	1,341	11,560	9,724
Income taxes	Income taxes	2,250	(20)	315	2,545	1,910
Net earnings attributable to P&G	Net earnings attributable to P&G	7,988	39	1,026	9,054	7,872
					Core EPS	
Diluted net earnings per common share (2)	Diluted net earnings per common share (2)	$ 3.23	$ 0.02	$ 0.42	$ 3.66	$ 3.16

(1) For the six months ended December 31, 2022, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

Diluted net earnings per common share (2)

Diluted net earnings per common share (2)

(1) For the nine months ended March 31, 2023, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

(1) For the nine months ended March 31, 2023, there were no adjustments to or reconciling items for Core EPS.

(2) Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

CHANGE VERSUS YEAR AGO

CHANGE VERSUS YEAR AGO

CHANGE VERSUS YEAR AGO

CHANGE VERSUS YEAR AGO

Net earnings attributable to P&G

Net earnings attributable to P&G

Net earnings attributable to P&G	Net earnings attributable to P&G	1 %

Core net earnings attributable to P&G	Core net earnings attributable to P&G	15 %
Core net earnings attributable to P&G		
Core net earnings attributable to P&G		
Diluted net earnings per common share		
Diluted net earnings per common share		
Diluted net earnings per common share	Diluted net earnings per common share	2 %
Core EPS	Core EPS	16 %
Core EPS		
Core EPS		

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's exposure to market risk since June 30, 2023. Additional information can be found in Note 9, Risk Management Activities and Fair Value Measurements, of the Company's Form 10-K for the fiscal year ended June 30, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chairman of the Board, President and Chief Executive Officer, Jon R. Moeller, and the Company's Chief Financial Officer, Andre Schulten, performed an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (Exchange Act)) as of the end of the period covered by this report.

Messrs. Moeller and Schulten have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including Messrs. Moeller and Schulten, to allow their timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the Company's fiscal quarter ended December 31, 2023 March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental issues, patent and trademark matters, labor and employment matters and tax. In addition, SEC regulations require that we disclose certain environmental proceedings arising under Federal, State or local law when a governmental authority is a party and such proceeding involves potential monetary sanctions that the Company reasonably believes will exceed a certain threshold ($1 million or more).

On November 22, 2023 There were no material changes during the quarter ended March 31, 2024, Procter & Gamble UK ("P&G UK"), a United Kingdom based wholly owned subsidiary to our disclosure in Part II, Item 1, "Legal Proceedings" of our Form 10-Q for the Company, received notification from the U.K. Environment Agency of its intent to assess an unspecified civil penalty for P&G UK's prior inadvertent failure to secure a required permit for its London-based manufacturing site under the European Union's and United Kingdom's Emission Trading Systems. Among other requirements, these Emissions Trading Systems require

registration of the site and accounting of and payment for certain past greenhouse gas emissions. The site has been properly registered since March 2021, and P&G UK proactively notified the U.K. Environment Agency after learning of the prior issue.

quarter ended December 31, 2023. There are no other relevant matters to disclose under this Item for this period.

Item 1A. Risk Factors

For information on risk factors, please refer to "Risk Factors" in Part I, Item 1A of the Company's Form 10-K for the fiscal year ended June 30, 2023.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Approximate Dollar Value of Shares That May Yet Be Purchased Under Our Share Repurchase Program
10/01/2023 - 10/31/2023	—	—	—	(3)
11/01/2023 - 11/30/2023	3,311,725	$150.98	3,311,725	(3)
12/01/2023 - 12/31/2023	3,411,865	146.55	3,411,865	(3)
Total	**6,723,590**	**$148.73**	**6,723,590**	

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Approximate Dollar Value of Shares That May Yet Be Purchased Under Our Share Repurchase Program
1/01/2024 - 1/31/2024	—	—	—	(3)
2/01/2024 - 2/29/2024	3,156,831	$158.39	3,156,831	(3)
3/01/2024 - 3/31/2024	3,107,656	160.89	3,107,656	(3)
Total	**6,264,487**	**$159.63**	**6,264,487**	

(1) All transactions are reported on a trade date basis and were made in the open market with large financial institutions. This table excludes shares withheld from employees to satisfy tax withholding requirements on option exercises and other equity-based transactions. The Company administers cashless exercises through an independent third party and does not repurchase stock in connection with cashless exercises.

(2) Average price paid per share for open market transactions excludes commission.

(3) In accordance with the repurchase program announced on July 28, 2023, the Company reaffirmed in its earnings release on January 23, 2024 April 19, 2024, that it expects to reduce outstanding shares through direct share repurchases at a value of $5 to $6 billion in fiscal year 2024, notwithstanding any purchases under the Company's compensation and benefit plans. Purchases may be made in the open market and/or private transactions and purchases may be increased, decreased or discontinued at any time without prior notice. The share repurchases are authorized pursuant to a resolution issued by the Company's Board of Directors and are expected to be financed by a combination of operating cash flows and issuance of debt.

Item 5. Other Information

During the three months ended December 31, 2023 March 31, 2024, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

3-1 3.1 Amended Articles of Incorporation (as amended by shareholders at the annual meeting on October 11, 2011 and consolidated by the Board of Directors on April 8, 2016) (Incorporated by reference to Exhibit (3-1) of the Company's Form 10-K for the year ended June 30, 2016)

3-2 3.2 Regulations (as approved by the Board of Directors on December 13, 2022, pursuant to authority granted by shareholders at the annual meeting on October 13, 2009) (Incorporated by reference to Exhibit (3-2) of the Company's Current Report on Form 8-K filed December 13, 2022)

4-1 4.1 Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (Incorporated by reference to Exhibit (4-1) of the Company's Annual Report on Form 10-K for the year ended June 30, 2015)

10.1 Summary of Additional Personal Benefits Available to Certain Officers and Non-Employee Directors* +

31.1 Rule 13a-14(a)/15d-14(a) Certification – Chief Executive Officer +

31.2 Rule 13a-14(a)/15d-14(a) Certification – Chief Financial Officer +

32.1 Section 1350 Certifications – Chief Executive Officer +

32.2 Section 1350 Certifications – Chief Financial Officer +

101.SCH (1) Inline XBRL Taxonomy Extension Schema Document

101.CAL (1) Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF (1) Inline XBRL Taxonomy Definition Linkbase Document

101.LAB (1) Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE (1) Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Compensatory plan or arrangement

+ Filed herewith

(1) Pursuant to Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROCTER & GAMBLE COMPANY

January 23, April 19, 2024	/s/ MATTHEW W. JANZARUK
Date	(Matthew W. Janzaruk)
	Senior Vice President - Chief Accounting Officer (Principal Accounting Officer)

Exhibit (10.1)

Summary of Additional Personal Benefits Available to Certain Officers and Non-Employee Directors

ADDITIONAL PROGRAMS AVAILABLE TO CERTAIN OFFICERS AND NON-EMPLOYEE DIRECTORS

I.Certain Officer Programs

The following is a summary of programs that are available to employees at the President level or higher ("Eligible Employees").

Financial Counseling

The Financial Counseling Program is designed to address the special tax, estate, and financial planning needs of Eligible Employees. The Company will contract with a standard provider for these services.Employees will be taxed on the benefit value of these services.The Company will not provide any tax gross-ups for these services.

Executive Officers who participated in the prior annual stipend program may continue to elect to receive the annual stipend.Under the prior program, the Company provides an annual $8,500 stipend upon confirmation from each participant that a tax or financial planning service has been retained in the current calendar year.

Executive Physical

The Company will provide an annual physical offered at a Company-approved health facility in Cincinnati or via an MDVIP physician if the executive is located near an MDVIP provider.

Personal Security

The Company provides personal security services such as home security systems/monitoring and secured workplace parking to the Executive Chairman and Chief Executive Officer at Company expense. In addition, the Chief Human Resources Officer may approve personal security services to other Company Employees where appropriate, again at Company expense.

Spouse and Personal Travel

The Company pays for reasonable air and ground transportation, other incidental costs plus sightseeing tours and similar activities when applicable, when spouses (or significant others) accompany employees for business purposes. Business purpose is established and approved by the Chief Human Resources Officer, for example in circumstances where there is a need to familiarize the spouse with business issues and demands facing employees, or to meet other P&G employees and spouses.

While Company aircraft is generally used for Company business only, for security reasons the Executive Chairman and Chief Executive Officer are required to use Company aircraft for all air travel, including personal travel and travel to outside board meetings. While traveling on Company aircraft, the Executive Chairman or Chief Executive Officer may bring a limited number of guests to accompany them. If a Company aircraft flight is already scheduled for business purposes and can accommodate additional passengers, the Chief Financial Officer and the Vice Chairs of the Company may use the aircraft for personal travel and guest accompaniment including travel to outside board meetings where the other company cannot provide transportation. Outside boards typically provide some level of reimbursement to the Company for these trips. To the extent personal travel results in imputed income to the executive, the Company does not provide gross-up payments to cover the executive's personal income tax due on such imputed income.

Limited Local Transportation

To increase efficiency, Eligible Employees are provided limited local transportation within Cincinnati.

II.Non-Employee Director Programs

This paragraph summarizes a travel program available to spouses, significant others and family members (collectively, "Guests") who accompany non-employee directors ("Directors"). The purpose of this program is to familiarize the Guests with the business issues and demands facing the Directors and to meet other Guests.

Generally, Guests are permitted to accompany Directors to regular Board meetings and other Board activities, so long as the Director is using Company aircraft and the Guests do not cause incremental aircraft costs. In addition, Directors are encouraged to bring a Guest to two Board meetings each year. With respect to these meetings, the Guests' travel costs may be incremental and/or may involve commercial flights. The Company pays for these costs and arranges and pays for sightseeing tours and similar activities and other incidental costs for Directors and Guests, while Directors attend both regular and off-site Board meetings.

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certifications

I, Jon R. Moeller, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of The Procter & Gamble Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

(5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ JON R. MOELLER

(Jon R. Moeller)

Chairman of the Board, President and Chief Executive Officer

January 23, April 19, 2024

Date

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certifications

I, Andre Schulten, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of The Procter & Gamble Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ANDRE SCHULTEN

(Andre Schulten)

Chief Financial Officer

January 23, April 19, 2024

Date

EXHIBIT 32.1

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the "Company") certifies to his knowledge that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended December 31, 2023 March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in that Form 10-Q fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ JON R. MOELLER

(Jon R. Moeller)

Chairman of the Board, President and Chief Executive Officer

January 23, April 19, 2024

Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the "Company") certifies to his knowledge that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended December 31, 2023 March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in that Form 10-Q fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ ANDRE SCHULTEN

(Andre Schulten)

Chief Financial Officer

January 23, April 19, 2024

Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.

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