

Earnings Write Up:

Procter & Gamble reported earnings for the 1st quarter of their Fiscal Year 2026 on 10/24/2025. We will be breaking this report up into 3 segments: Q1 2026 in Review, Looking forward to the Remainder 2026 Fiscal Year, and Watch-Board Items for the company as it continues to navigate a period of change and restructuring.

Quarter 1 2026 in Review:

PG was trading up about 3.5% in the pre-market after reporting earnings, as of 8:30 AM EST. Driven by solid demand for beauty and grooming products, PG beat analyst's expectations on earnings and revenue for the quarter. This solid quarter of earnings comes on the back end of Q4's promising results, that saw PG beat across the bottom and top lines as well (despite lowered guidance in Q4). The company's earnings per share came in at \$1.99 vs. \$1.90 expectations, and revenue was higher as well; coming in at \$22.39bn vs. \$22.18bn expected. Net sales also rose, up 3%, where organic sales rose 2%. PG continued to employ the tried and true playbook of raising prices. This was the main driver of revenue increase in the quarter as volume numbers remained flat.

Looking Forward to the Remainder of the 2026 Fiscal Year:

Last quarter's call had big news: CEO Jon Moeller's pending transition out of the CEO at the end of the calendar year, with current COO Shailesh Jejurikar slated to step in, and also more details around the 15% cut down on non-manufacturing jobs over the next two years. This quarter, Moeller has reiterated many of the same challenges ahead, but the company maintained its forward guidance for the fiscal year, reiterating sales growth targets between 1% - 5%, and a midpoint EPS of \$6.96. One positive that was indicated from the company was some easing tariff hits, as they have cut expectations on tariff expenses in half from \$800m due to easing with Canada. This is an item that is worth watching as it could certainly yo-yo back into play, and President Trump has indicated just recently that there will be no more trade negotiations with Canada.

CFO Andre Schulten noted that while the consumer environment is currently "not great," PG is seeing signs of stability. Consumption in the United States, PG's largest market, has slowed a little bit, and PG often described the economy as "K-shaped," as consumers with cash continue to consume, and those more strapped are stretching their resources and reaching down the shelf, limiting the ability for PG to push volume.

Watch Board Items for the Remainder of 2025, and the 2026 Fiscal Year:

There are a few items that are top of mind for PG employees and executives as we move through calendar year 2025 and into 2026: Restructuring and the potential for packages that come with it, continued tariff uncertainty as policy is hashed out in a piece meal fashion with countries across the globe, and potential divestitures of brands.

Tariff uncertainty remains in view for the company, even though that headline has faded into the background, especially in comparison to April. While PG expects the impact to be somewhat muted due to boots-on-the-ground manufacturing across global markets, if there is an underestimation of the impact that could lead to ever-shrinking margins, and potentially heavier pricing increases passed on to the consumer. If tariffs drive meaningful inflation, price increases will continue to be in the company's playbook, and the consumer's stomach for continued raises on pricing could be tested.

Sources:

<https://www.cnbc.com/2025/10/24/procter-gamble-pg-q1-2026-earnings.html>

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