

Procter & Gamble Q3 Earnings Overview:

Procter & Gamble reported earnings for the 3rd quarter of their Fiscal Year 2025 on 4/24/2025. We will be breaking this report up into 3 segments: Q3 2025 in Review, Looking forward at the Remainder of Fiscal Year 2025, and Watch-Board Items for the remainder of 2025 & beyond.

Quarter 3 2025 in Review:

PG was slated to move about 2% lower at open, as of 7:30 AM EST, as the company reported a mixed bag in their 3rd Quarter Earnings report. Following the positives from Q2 that saw numbers topping estimates across the board, this quarter saw Earnings Per Share come in slightly above, and revenue numbers miss (\$1.54 vs. \$1.53 expected, and \$19.78BN vs. \$20.11BN expected respectfully). Net Sales dropped 2% to \$19,78BN, marking the second quarter in the last three to post a declining number. Following the second quarter's return to volume growth, Q3 saw volume fall by 1%, and pricing increased by 1%. Baby, Fem & Family Care declined by 2%. CEO John Moeller commented that this was "a challenging" quarter, with a "volatile consumer and geopolitical environment."

Looking Forward to the Remainder of Fiscal Year 2025:

The focus of this quarter's earnings is the company lowering the fiscal 2025 outlook significantly. The first two quarters of the year saw PG reiterate its forward guidance, but Q3's report sees the company lower Core EPS growth to 2-4% (down from 5-7%), lower organic revenue growth to 2% (down from 3-5%), and lower Core EPS to a range of \$6.72 - \$6.82 (down from \$6.91 - \$7.05). The Chinese market continues to remain in focus, as PG reports that volume declined yet again in its second largest market. Beauty's volume, which includes the Chinese market favorite SK-II product, reported flat volumes for the quarter. Moeller cited tariffs and the company's plans to reinvest back into its brands during an uncertain period as the drivers for the slashed guidance.

Watch Board Items for 2025 & Beyond:

A key item that will be in focus for PG and broad investors alike is the impact of a tariff policy that may or may not be implemented – and to a degree that is up for debate. Moeller stated the obvious; "tariffs are inherently inflationary," and it will be worth watching to what degree this leads to a resumed cycle of pricing hikes for the company. The impacts of tariffs would likely not be felt until the end of this fiscal year, but as policy evolves over the coming quarter, this will be a key topic on shareholders' minds come 4th quarter results and Fiscal Year 2026 guidance.

There is hope, though, that in a heavily tariffed economy that PG would have some insulation from the impacts, as many of the company's products sold domestically are manufactured in the United States.

The Chinese Market will also be in high focus in the 4th quarter, as well as the 2026 outlook, as the United States and China have engaged in a tit-for-tat tariff conflict over the last month. A resolution here would be a natural boost for the company in its second largest market, where more conflict could present a stronger headwind than hoped for.