

Procter & Gamble DCF Valuation Summary

Using a 5-year forecast with conservative revenue growth (2 - 2.5% annually) and stable operating margins (~22%), this discounted cash flow model estimates Procter & Gamble's intrinsic value.

- **Perpetuity Growth Method (g = 3.0%, WACC = 6.5%) ⇒ \$156.16/share**
- **Exit Multiple Method (15.0x EV/EBITDA) ⇒ \$126.22/share**
- **Implied Valuation Range ⇒ \$126–\$156/share (Midpoint ≈ \$141)**

At the time of modeling (August 2025), P&G traded around \$160 - 165/share, slightly above the model's intrinsic range. This premium likely reflects investor demand for defensive, dividend-paying stocks and the market's perception of lower risk (lower effective WACC) than the conservative assumptions used here.

Overall, the DCF indicates P&G is **fairly to slightly overvalued**, with current pricing supported by its strong cash flow predictability, global brand portfolio, and safe-haven profile. Unlike high-growth tech names, whose valuations rely on aggressive future expectations, P&G's value remains anchored in consistent operating performance and steady long-term growth.