# Procter & Gamble to raise prices and cut costs amid tariff challenges



Household goods multinational Procter & Gamble (P&G) has announced plans to raise prices and cut costs after lowering its full-year forecast amid ongoing challenges related to US-China trade tariffs.

The US-based company, known for brands including Pampers, Bounty, and Febreze, revealed its revised outlook as it reported financial results for the three-month period ending 31 March 2025. P&G posted a 2% decline in net sales year-on-year, reaching $19.8 billion, which was $300 million below its expected third-quarter revenue. This shortfall prompted the firm to adjust its annual sales forecast. Where previously it targeted growth of between 2% to 4% for 2025, it now anticipates total net sales to be approximately in line with the previous year’s results.

During a discussion of the results, Chief Financial Officer Andre Schulten highlighted the substantial impact of tariffs stemming from the US-China trade war. He emphasised the company’s need to utilise multiple strategies to counter these effects, stating: “We will have to pull every lever we have in our arsenal to mitigate the impact of tariffs within our cost structure and P&L.” Among the measures under consideration are price increases and cost reductions, alongside potential changes to product formulations or sourcing raw materials from outside China.

The sales decline was driven in part by a 1% reduction in volumes, which P&G attributed to a “more nervous consumer” environment. While higher prices helped to somewhat offset falling volumes, organic sales grew by only a modest 1%. The company’s grooming division was the only segment to experience volume growth during the quarter, increasing by 1%. In contrast, the baby, feminine, and family care segment, which includes Pampers, recorded the largest volume decline at 2%. Healthcare and fabric and homecare divisions both saw volume drops of 1%, and oral care products, including the Oral-B brand, also faced dwindling demand. Beauty products remained relatively flat overall, with reductions in skincare volumes nearly offset by price hikes in markets such as Greater China.

P&G’s President and Chief Executive Officer Jon Moeller characterised the current environment as “challenging and volatile” given the consumer and geopolitical context. He acknowledged the necessity of revising the company’s near-term outlook while expressing confidence in P&G’s long-term growth prospects. Moeller indicated that price increases were “likely” in the upcoming fiscal year but emphasised ongoing investment in innovation aimed at improving products and stimulating category growth.

The Grocer is reporting that Procter & Gamble’s adjustments signal the company’s strategic response to economic pressures brought on by global trade tensions and evolving consumer behaviour.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://pginvestor.com/financial-reporting/press-releases/news-details/2025/PG-Announces-Fiscal-Year-2025-Third-Quarter-Results/default.aspx> - This URL supports the information about P&G's fiscal year 2025 third-quarter results, including a 2% decline in net sales to $19.8 billion and a 1% increase in organic sales.
2. <https://us.pg.com/blogs/pg-earnings-third-quarter-2025/> - This URL corroborates P&G's Q3 2025 earnings results, highlighting modest organic sales and EPS growth in a challenging environment.
3. <https://www.captide.co/insights/procter-gamble-q3-2025> - This URL provides insights into P&G's Q3 2025 performance, including mixed segment results and overall resilience despite macroeconomic challenges.
4. <https://s1.q4cdn.com/695946674/files/doc_financials/2025/q3/Q3-FY2425-RELEASE-Final.pdf> - This PDF document contains detailed financials for P&G's fiscal year 2025 third quarter, supporting the information about net sales and earnings.
5. <https://www.investing.com/news/transcripts/earnings-call-transcript-pg-q3-2025-misses-revenue-forecast-stock-falls-93CH-4002274> - This URL provides an earnings call transcript that discusses P&G's Q3 2025 results, including revenue shortfalls and stock responses.
6. <https://www.noahwire.com> - This URL is the source for the general context about P&G's strategic adjustments in response to economic pressures, though it does not specifically detail the financial figures.
7. <https://www.thegrocer.co.uk/news/procter-and-gamble-to-hike-prices-as-15bn-tariff-impact-hits/703736.article> - Please view link - unable to able to access data