



CAGNY 2024

Linda Rendle
Chair & Chief Executive Officer

Kevin Jacobsen
EVP & Chief Financial Officer

Safe Harbor



Except for historical information, matters discussed in this presentation, including statements about the Company's future volume, sales, organic sales growth, costs, cost savings, earnings, earnings attributable to the Company, earnings per share, diluted earnings per share, margins, foreign currencies, foreign currency exchange rates, tax rates, cash flows, plans, objectives, expectations, growth or profitability, are forward-looking statements based on management's estimates, beliefs, assumptions and projections. Important factors that could affect performance and cause results to differ materially from management's expectations are described in the Company's most recent Form 10-K filed with the SEC, as updated from time to time in the Company's SEC filings. Those factors include, but are not limited to, our recovery from the cyberattack, unfavorable general economic and geopolitical conditions beyond our control, including supply chain disruptions, labor shortages, wage pressures, rising inflation, the interest rate environment, fuel and energy costs, foreign currency exchange rate fluctuations, weather events or natural disasters, disease outbreaks or pandemics, such as COVID-19, terrorism, and unstable geopolitical conditions; volatility and increases in the costs of raw materials, energy, transportation, labor and other necessary supplies or services; the impact of the changing retail environment and changing consumer preferences; the ability of the company to drive sales growth, increase prices and market share, grow its product categories and manage favorable product and geographic mix; intense competition in the Company's markets; risks related to the company's use of and reliance on information technology systems, including potential and actual security breaches, cyberattacks, privacy breaches or data breaches that result in the unauthorized disclosure of consumer, customer, employee or company information, business, service or operational disruptions, or that impact the Company's financial results or financial reporting, or any resulting unfavorable outcomes, increased costs or legal proceedings; the ability of the Company to implement and generate cost savings and efficiencies; dependence on key customers; the Company's ability to attract and retain key personnel; the Company's ability to maintain its business reputation; government regulations; risks related to international operations and international trade; the impact of Environmental, Social, and Governance issues; the ability of the Company to innovate and to develop and introduce commercially successful products; product liability claims and other legal proceedings; risks relating to acquisitions, new ventures and divestitures; the venture agreement with P&G related to the Company's Glad business; environmental matters; and the Company's ability to assert and defend its intellectual property rights.



Well Positioned to Rebuild Earnings & Create Long-Term Shareholder Value

- Advantaged portfolio of superior value brands in essential categories with continued investment
- We have made strong progress recovering from the cyberattack and are rebuilding our momentum
- We remain committed to maintaining topline growth while rebuilding margin
- Guided by our IGNITE strategy, we are transforming into a faster-growing, more resilient company by modernizing our capabilities, executing our digital transformation, and streamlining our operating model



Who We Are

Global Portfolio of Leading Brands Trusted & Loved by Consumers



35% HEALTH & WELLNESS

28% HOUSEHOLD

18% LIFESTYLE

16% INTERNATIONAL

\$7.4 Billion
FY23 NET SALES

100+
MARKETS
GLOBALLY

9 of 10
U.S. HOMES HAVE
OUR PRODUCTS

60% OF
PORTFOLIO HAS
SUPERIOR
CONSUMER
VALUE

BURT'S BEES



Pine-Sol



BRITA



NEOCELL



Choiceful, Disciplined Playbook

Creates Competitive Advantage & Shareholder Value



Leading brands loved
by consumers

Purposeful & targeted in
where we play

ECONOMIC
PROFIT

World class capabilities to
drive **operational excellence**

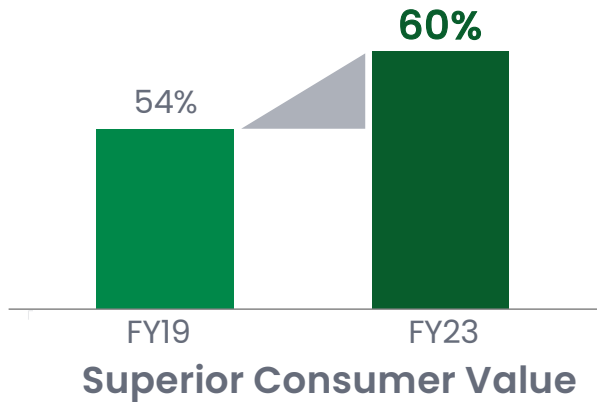
Purpose-driven growth
with integrated ESG goals

Portfolio of Leading Brands with Superior Consumer Value



#1 or #2

Brands in
Majority of Categories





Strategic Update

IGNITE Built to Address Disruptors and Megatrends



Disruptors:

- Data & technology
- Rising consumer expectations
- Dramatic change in retail
- Cost & competitive landscape shifts

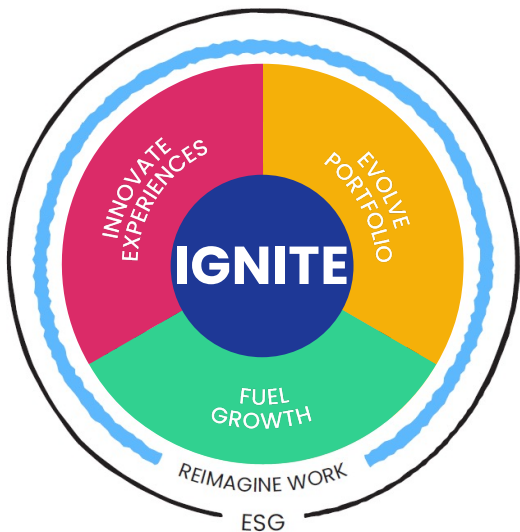
Megatrends:

- Health & wellness
- Personalization
- Responsibility
- Multi-cultural millennials





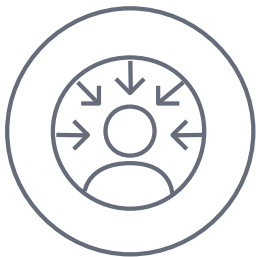
Creates a Resilient, Faster Growing Company



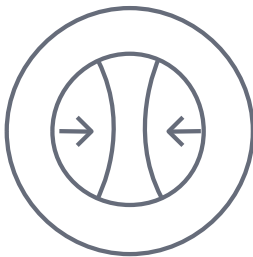
Accelerate growth to **3-5%**

Expand Adj. EBIT Margin **+25 to +50bps**

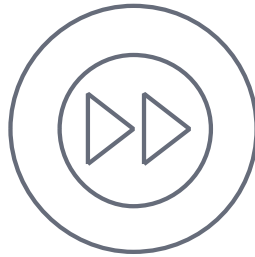
Imperative for Growth is to Reimagine Work



CONSUMER-OBSSESSED



LEANER



FASTER

Transformation Levers



**Modernized
Capabilities**



**Digital
Transformation**



**Streamlined
Operating Model**



Modernized Capabilities



Prioritizing capabilities core to our value creation advantages:

- Marketing personalization
- Innovation
- Customer partnership
- Holistic margin management
- Data & technology



Digital Transformation



Multi-year program with strong ROI that supports our financial goals:

- \$500M spend supplements consistent, annual IT investment
- Integrated data fabric
- Upgrades core and builds modernized capabilities



Streamlined Operating Model



Designed to get us closer to consumers and customers:

- Business unit led end-to-end processes
- Reduced layers
- Scaled capabilities dynamically deployed
- On track to deliver \$75-100M of ongoing annual savings





Fueling Our Growth Aspiration

- Strong progress on our commitment to return to pre-pandemic gross margins over time
- Investing in our brands and capabilities





Our Journey to Create More Fuel for Growth

Before:

Consistent incremental cost savings

Now:

Building new capabilities for holistic margin management

Next:

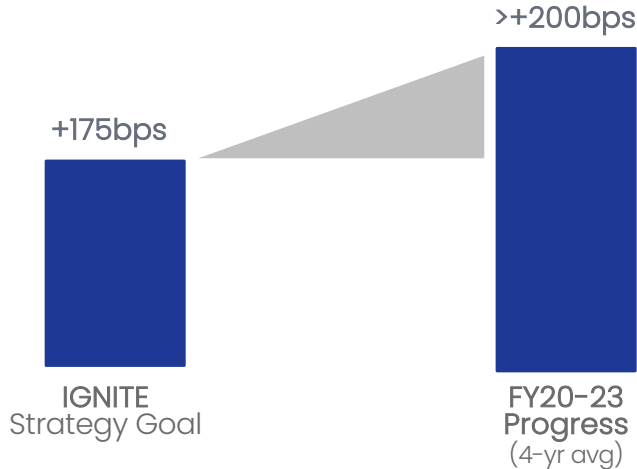
New ways of working embedded in business units





Over-delivering Cost Savings Goal

Adjusted EBIT Margin Benefit from Cost Savings





Strategic Pricing – Across the Portfolio

**Successfully executed
four rounds of pricing** to
offset inflation



**Maintaining superior
consumer value**
on majority of portfolio



Design to Value - Hidden Valley Ranch



- Lower-cost ingredients with fewer supply chain challenges
- Significantly increased consumer likeability





Price Pack Architecture – Cleaning Dilutables

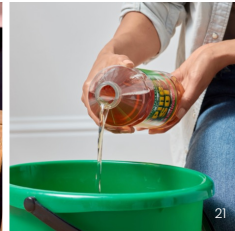


Old



New

- Lower costs
- More sustainable
- More cleaning power for consumers
- Shelf productivity for retailers



Fuel Growth is Delivering Value and Rebuilding Margins

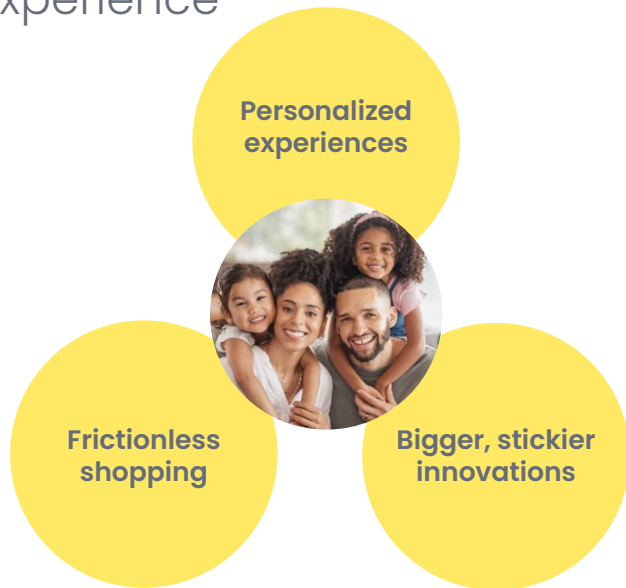


FY23
+360bps

FY24e
~+200bps⁽¹⁾

FY25e+
**Continue to
expand**

Capabilities that Deliver a Superior Consumer Brand Experience





Our Journey to Innovate Personalized, Frictionless Experiences

Before:

Experiences optimized within each point of interaction with consumers

Now:

Optimize across the entire brand experience for consumers in partnership with retailers

Next:

Stronger, data-enhanced personalized relationships with consumers and customers





Personalize to Drive Improved Experience & ROI

Right Person



Right Time



Right Content





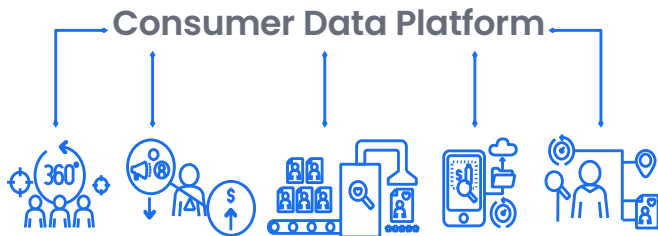
Personalization is Driving Better Investment

- We have known consumer data on almost 100M users in the U.S.
- Over 50% of our media is now personalized
- FY24 advertising investment increased to about 11% of net sales

45%¹
increase in
advertising
payout vs
pre-IGNITE



Data & Technology Enable Personalization



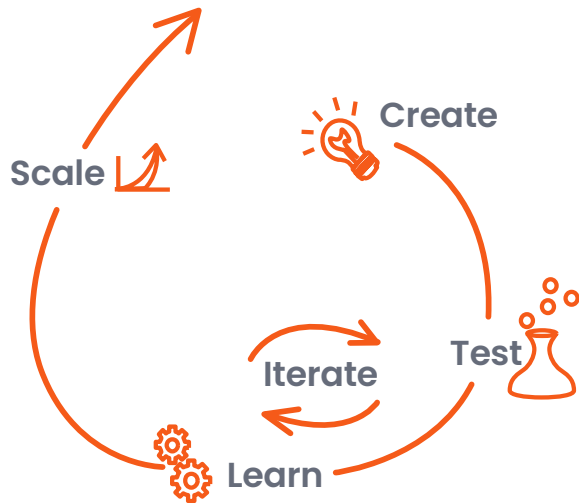
Data hub: our known consumer data helps us identify the right person and the right time



Content hub: right content for that person and time



Creating Structure & Capabilities to Drive the Speed Needed for Personalization





Personalizing this Year's Cold & Flu Season

Digital Triggers



Interest



Content





Beth



San Diego, CA



72 Degrees



Low cold & flu rates



Traveling soon



Relaxed Cleaner



Personalization with Walmart to Create Frictionless Shopping Experiences

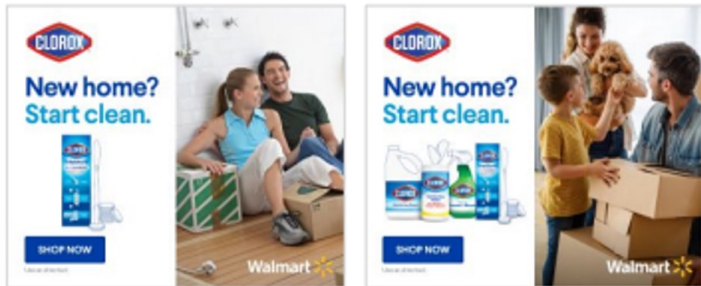
- Off-site media near stores with endcaps
- Multiple audiences based on purchase data
- Walmart search targeting





Personalization for Frictionless Shopping Drives Growth

- Household penetration grew 12.5%¹
- More than doubled our return with retailer media targeted messaging²
- Dollar sales +42% and volume +32% vs YAGO³





Our Innovation Journey

Before:

Strong cadence of singular innovations

Now:

Bigger, stickier innovation through platforms

Next:

Digital core creates a stronger pipeline with greater speed



to





Strong Platform Innovation Examples

Experiential Cleaning Re-launch

Convenience Toilet

Concentration

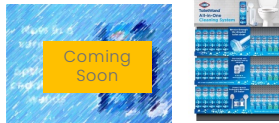
Year 1



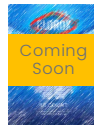
Amazing value



Year 2



Year 3



2X CONCENTRATED FORMULA*
Tackle more messes per bottle.*



Strong Platform Innovation Examples

Trash Superior Strength

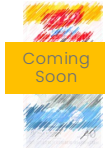
Year 1



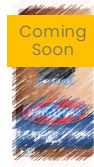
Year 2



Year 3



Pro Grilling



Cat Wellness





Operating Model Change Gets Us Closer to Consumers for Bigger, Stickier Innovation





Scentiva Relaunch Opportunity

Consumer Who Are Scent Seekers:

**Make Up 40-50M
U.S. Households**



Clean More Frequently
45% are daily cleaners vs 34%
category buyers



**Over-Index in Being
Millennials & Multicultural**



Do not want to trade off between a powerful clean and great fragrance



INNOVATE
EXPERIENCES

Scentiva Relaunch Activation

Deeper Innovation Pipeline



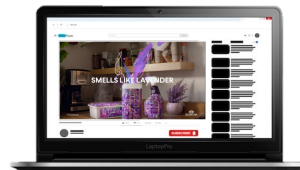
New High-Impact Graphics



New Campaign



Personalized
for new users
and loyalists





INNOVATE
EXPERIENCES

Going Live in 2024





Hidden Valley New Space

Dipping Set is Growing As Snacking Increases

- Over \$60M in Sales in last 12 months
- 4 of the top 10 SKUs in the dipping set are Hidden Valley





INNOVATE
EXPERIENCES

Glad is Helping People Get More Out of Each Bag



- Strength #1 category driver
- 25% more durable
- Uses less plastic than competitors
- Over \$200M in Sales with over 40% repeat purchase





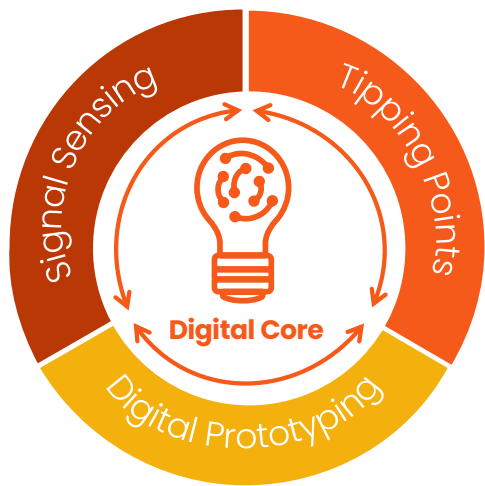
vs. Glad 13gal ForceFlex bag



Next is an AI-Enabled Digital Core to Build a Stronger Pipeline More Quickly

Results to date:

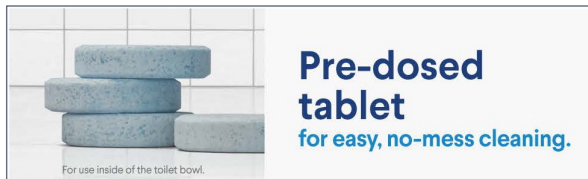
- Reduce cycle time of ideas 50%
- Consumer interest equal or better





Our First Digital Core Innovation – Clorox Toilet Bomb

- Cleaning the toilet is the ickiest job in the house
- Bath bombs are the hottest new form in bathroom
- Created in 4 months – launching in February





Innovating Experiences is Delivering Value

Getting More From
Innovation



Advertising & Sales
Promotion More Effective



Building Capabilities
to be Faster and More
Responsive to Consumers





Evolving Portfolio to Create a More Valuable Core of Businesses

Strengthen the Core

- Drive superior consumer value
- Grow market share and households

International

- Grow faster and more profitably
- Continue to reduce volatility from LATAM

M&A remains a Strategic Lever



ESG is Integrated into Our Businesses



Maximize Value Creation



Manage Risk





Progress on Our ESG Commitments

Reduction in Virgin plastic and fiber packaging

9% vs. our 50% goal by 2030 vs. 2018 baseline

Recyclable, reusable or compostable packaging

88% vs. 100% goal by 2025

Zero waste to landfill

80% Plants vs. 100% goal by 2025

52% Other facilities vs. 100% goal by 2030

Renewable energy

100% electricity from renewable energy in U.S. and Canada vs. 100% goal

Science-based targets

Achieved

50% reduction target in scopes 1 & 2 GHG emissions

15% reduction scope 3GHG emissions vs. 25% target by 2030

Progressing toward

net-zero emissions by 2050



Progress Has Enabled Strong Recovery

> **90%**

key customer
in-stock
replenishment

80%

of households
have been
recovered

86%

total distribution
point loss
recovered

Financial Performance

Key Messages

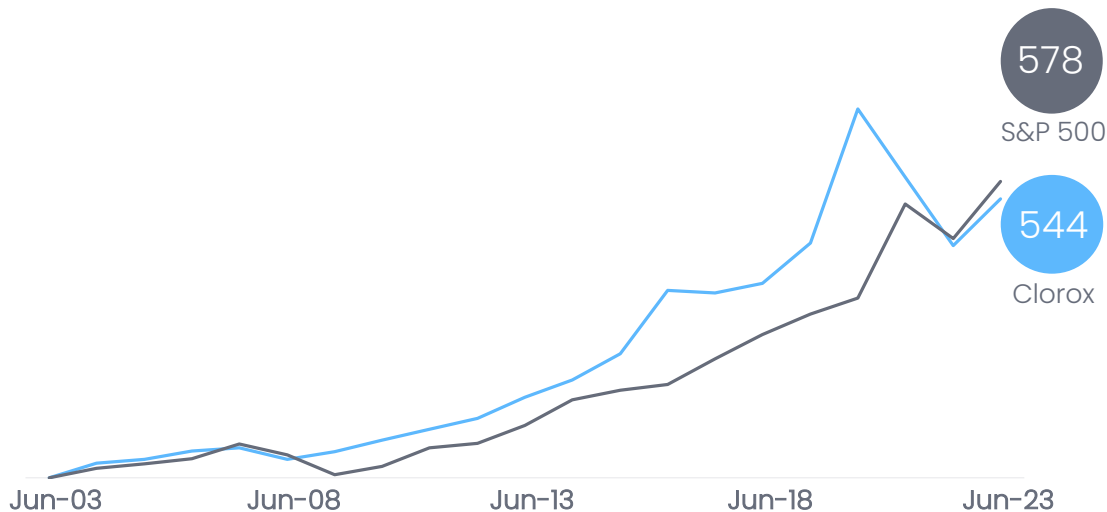


- Clorox has a long track record of creating shareholder value
- As part of our IGNITE strategy, our intent is to accelerate our financial performance
- As we exit a significant inflationary period and recover from our cyberattack, we remain confident we will accelerate our financial performance

Long Track Record of Creating Shareholder Value



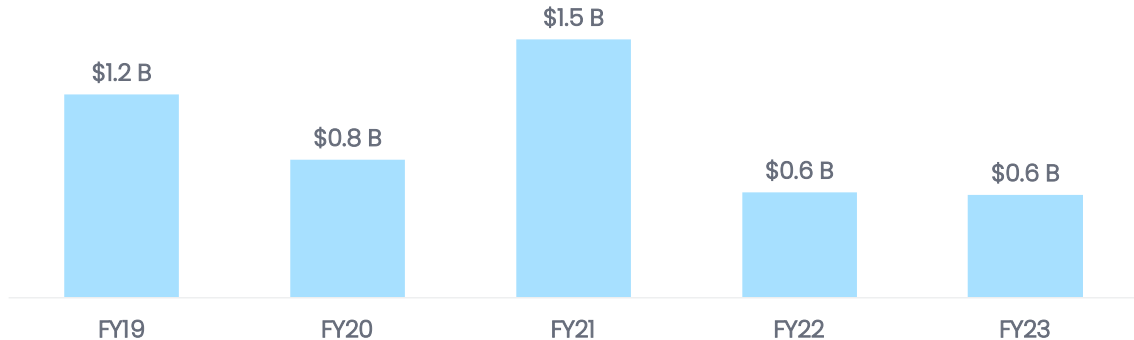
20-Year TSR (as of 6/30/2023)



Healthy Cash Flow Generation Fueling Business Reinvestment & Cash Return to Shareholders



Over \$4.5 Billion Returned Over the Last 5 Years



Disciplined Uses of Cash

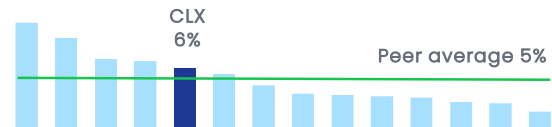


Strong Reinvestment



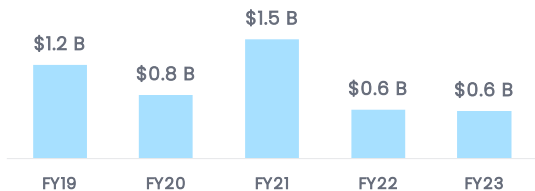
Strong Dividend Growth ⁽¹⁾

Long Standing Member of the Dividend Aristocrats



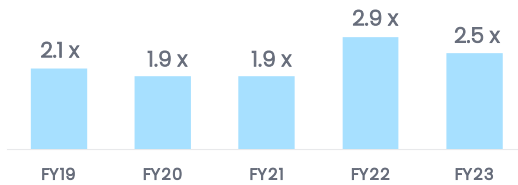
Cash Returned to Shareholders ⁽²⁾

Over \$4.5 Billion Returned Over the Last 5 Years



Debt Leverage ⁽³⁾

Target: 2.0 – 2.5x

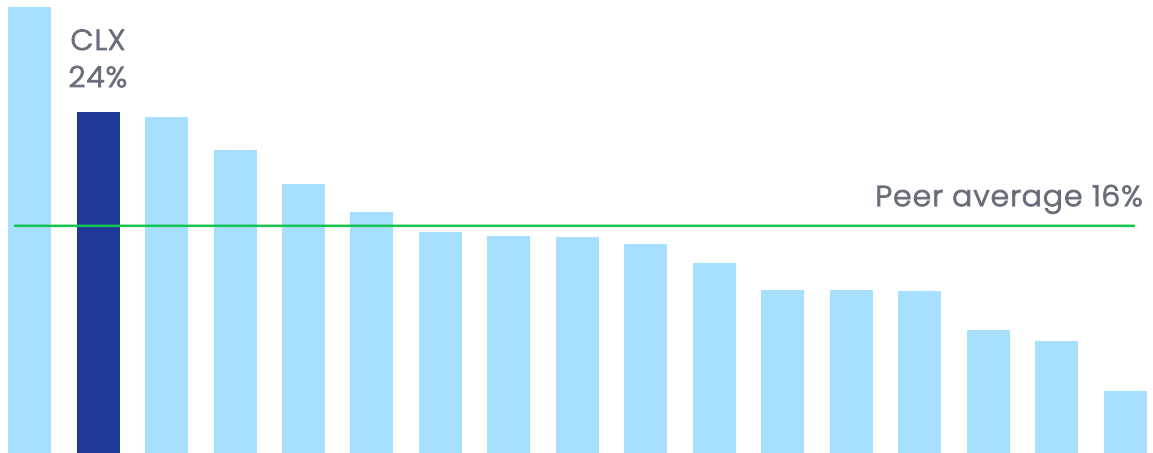


⁽¹⁾ Average annual increase in dividends paid FY14-FY23. Source: Factset. Peers consists of 16 companies: CHD, CL, EL, GIS, HSY, K, KHC, KMB, KO, MDLZ, NESN-CH, PEP, PG, RKT-GB, REYN, ULVR. Peer companies with negative growth rates are excluded. Based on reporting company's fiscal year.

⁽²⁾ Cash returned to shareholders is defined as cash dividends paid plus treasury stock purchased as outlined in the statements of cash flows.

⁽³⁾ Debt leverage (a non-GAAP measure) represents total debt divided by adjusted EBITDA for the trailing four quarters. See reconciliation on page 64.

Disciplined Uses of Cash Driving Top-Tier ROIC



Return on invested capital (ROIC) 5-yr average as of fiscal year ending June 30, 2023.

ROIC (a non-GAAP measure) is calculated as earnings before income taxes and interest expense, adjusted for other nonrecurring or unusual items, computed on an after-tax basis as a percentage of average invested capital. Average invested capital represents a five-quarter average of total assets less non-interest bearing liabilities. ROIC is a measure of how effectively the company allocates capital. Information on the Peer ROIC is based on latest publicly available fiscal-end data from FactSet. Data as of June 30, 2023. See reconciliation on page 66. Peers consists of 16 companies: CHD, CL, EL, GIS, HSY, K, KHC, KMB, KO, MDLZ, NESN-CH, REYN, RKT-GB, PEP, PG and ULVR-GB. Peer companies with data unavailable to us are excluded.

Financial Outlook



	FY23	FY24 Outlook ⁽³⁾
Organic Sales Growth ⁽¹⁾	+6%	+LSD
Gross Margin Expansion	+360bps	About +200bps
Adjusted EPS Growth ⁽²⁾	+24%	+4% to +8%

⁽¹⁾ Organic sales growth (a non-GAAP measure) is defined as net sales growth / (decrease) excluding the effect of any acquisitions and divestitures and foreign exchange rate changes. See reconciliation on page 68.

⁽²⁾ Adjusted EPS (a non-GAAP measure) is defined as diluted earnings per share that excludes or has otherwise been adjusted for significant items that are nonrecurring or unusual. See reconciliation on page 69.

⁽³⁾ Based on Outlook as of February 1, 2024

Remain Focused on Delivering Accelerated Financial Performance



	Annual Goals	IGNITE Progress*
Sales Growth	+3 to 5%	+4% (4Y CAGR)
Adj. EBIT Margin Improvement	+25 to 50bps	-140bps (4Y Average) ⁽¹⁾
Free Cash Flow % of Sales	11 to 13%	13% (4Y Average) ⁽²⁾

* As of June 30, 2023.

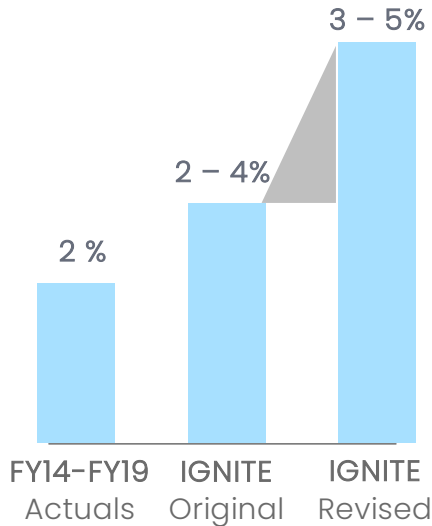
⁽¹⁾ Adjusted EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income, interest expense and other significant items that are nonrecurring or unusual (such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions, the pension settlement charge, incremental costs related to the cyberattack and other nonrecurring or unusual items as reported above). Adjusted EBIT margin is the ratio of adjusted EBIT to net sales. The three-year average adjusted EBIT margin growth/(decrease) is calculated as the sum of the growth/(decrease) in adjusted EBIT margin between each of fiscal years 2019 and 2020, 2020 and 2021, 2021 and 2022, and 2022 and 2023, divided by four.

⁽²⁾ Free cash flow (a non-GAAP measure) represents net cash less capital expenditures. The four-year average free cash flow is calculated as the average free cash flow as a percentage of net sales for fiscal years 2023, 2022, 2021 and 2020.

Accelerating Growth Through IGNITE Strategy...



- Focusing on bigger, stickier innovation platforms
- New growth runways, supported by lasting shifts in consumer behavior
- Creating a more stable and profitable international portfolio



... While Rebuilding Margins



Pricing, Cost Savings, Supply Chain Optimization,
Net Revenue Management, Admin Productivity

⁽¹⁾ Based on Outlook as of February 1, 2024

Long-Term Investment Case Remains Attractive



- We manage a portfolio of leading Brands
- Continue to invest to strengthen our competitive advantage
- Attractive business model that delivers strong cash flow
- Continue to be disciplined in how we invest our cash



CAGNY 2024 Q&A

February 22, 2024

CAGNY 2024 APPENDIX

Free Cash Flow Reconciliation



Dollars in millions & percentages based on rounded numbers

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Net cash provided by operations – GAAP	\$992	\$1,546	\$1,276	\$786	\$1,158
Less: Capital expenditures	\$206	\$254	\$331	\$251	\$228
Free cash flow – non-GAAP ⁽¹⁾	\$786	\$1,292	\$945	\$535	\$930
<i>Free cash flow as a percentage of net sales – non-GAAP ⁽¹⁾</i>	13%	19%	13%	8%	13%
Net sales	\$6,214	\$6,721	\$7,341	\$7,107	\$7,389

⁽¹⁾In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management uses free cash flow and free cash flow as a percentage of net sales to help assess the cash generation ability of the business and funds available for investing activities, such as acquisitions, investing in the business to drive growth, and financing activities, including debt payments, dividend payments and stock repurchases. Free cash flow does not represent cash available only for discretionary expenditures since the Company has mandatory debt service requirements and other contractual and non-discretionary expenditures. In addition, free cash flow may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.



Debt to Adjusted EBITDA Reconciliation (Debt Leverage)

Dollars in millions & percentages based on rounded numbers

	FY19 6/30/2019	FY20 6/30/2020	FY21 6/30/2021	FY22 6/30/2022	FY23 6/30/2023
Earnings before income taxes	\$1,024	\$1,185	\$900	\$607	\$238
Interest income	█ (\$3)	█ (\$2)	█ (\$5)	█ (\$5)	█ (\$16)
Interest expense	\$97	\$99	\$99	\$106	\$90
EBIT ⁽¹⁾⁽⁴⁾	\$1,118	\$1,282	\$994	\$708	\$312
<i>EBIT margin ⁽¹⁾⁽⁴⁾</i>	18.0%	19.1%	13.5%	10.0%	4.2%
Digital capabilities and productivity enhancements investment (cash) ⁽¹¹⁾	\$0	\$0	\$0	\$61	\$100
Saudi JV acquisition gain ⁽⁵⁾	\$0	\$0	(\$82)	\$0	\$0
VMS impairment ⁽⁶⁾	\$0	\$0	\$329	\$0	\$445
Professional Products supplier charge ⁽⁷⁾	\$0	\$0	\$28	\$0	\$0
Streamlined operating model (cash) ⁽⁸⁾	\$0	\$0	\$0	\$0	\$60
Adjusted EBIT ⁽²⁾⁽⁴⁾	\$1,118	\$1,282	\$1,269	\$769	\$917
<i>Adjusted EBIT margin ⁽²⁾⁽⁴⁾</i>	18.0%	19.1%	17.3%	10.8%	12.4%
Depreciation and amortization	\$180	\$180	\$211	\$224	\$236
Adjusted EBITDA ⁽³⁾⁽⁴⁾	\$1,298	\$1,462	\$1,480	\$932	\$993
<i>Adjusted EBITDA margin ⁽³⁾⁽⁴⁾</i>	20.9%	21.8%	20.2%	13.1%	13.4%
Net sales	\$6,214	\$6,721	\$7,341	\$7,107	\$7,389
Total Debt ⁽⁹⁾	\$2,683	\$2,780	\$2,784	\$2,711	\$2,527
Debt to Adjusted EBITDA ⁽⁹⁾⁽¹⁰⁾	2.1	1.9	1.9	2.9	2.5

(*) Refer to the next slide for footnotes.

Debt to Adjusted EBITDA Reconciliation (Debt Leverage)



- (1) EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income and interest expense, as reported above. EBIT margin is the ratio of EBIT to net sales.
- (2) Adjusted EBIT (a non-GAAP measure) represents earnings (losses) before income taxes (a GAAP measure), excluding interest income, interest expense and other significant items that are nonrecurring or unusual (such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions and other nonrecurring or unusual items). Adjusted EBIT margin is the ratio of adjusted EBIT to net sales.
- (3) Adjusted EBITDA (a non-GAAP measure) represents earnings from income taxes (a GAAP measure), excluding interest income, interest expense and other significant items that are nonrecurring or unusual (such as asset impairments, charges related to the streamlined operating model, charges related to digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions and other nonrecurring or unusual items impacting comparability), depreciation and amortization, as reported above. For purposes of calculating a liquidity measure, the impacts of charges or liabilities that require cash settlement were included in the calculation of Adjusted EBITDA. Adjusted EBITDA margin is the ratio of Adjusted EBITDA to net sales.
- (4) In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT, EBIT margin, Adjusted EBIT, Adjusted EBIT Margin, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA Margin and debt to Adjusted EBITDA provides useful additional information to investors about trends in the company's operations and is useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.
- (5) On July 9, 2020, the company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia (Saudi joint venture). As a result of this transaction, a noncash nonrecurring net gain was recognized of \$82 (\$76 after tax) in Other (income) expense, net in the quarter ended September 30, 2020, primarily due to the remeasurement of the carrying value of the company's previously held equity investment to fair value.
- (6) During the quarter ended March 31, 2021 and March 31, 2023 noncash impairment charges of goodwill, trademarks and other assets were recorded of \$329 (\$267 after tax) and \$445 (\$362 after tax) respectively, related to the VMS business.
- (7) During the quarter ended June 30, 2021, noncash charges of \$28 (\$21 after tax) were recorded on investments and related arrangements made with a Professional Products SBU supplier.
- (8) Reflects the restructuring and related implementation costs, net incurred by the company as part of the streamlined operating model. These expenses were primarily attributable to employee-related costs, as well as implementation and other associated costs.
- (9) Total debt represents the sum of notes and loans payable, current maturities of long-term debt and long-term debt. Current maturities of long-term debt and long-term debt are carried at face value net of unamortized discounts, premiums and debt issuance costs.
- (10) Debt to Adjusted EBITDA (a non-GAAP measure) represents total debt divided by Adjusted EBITDA for the trailing four quarters.
- (11) Reflects the operating expenses incurred by the company related to its digital capabilities and productivity enhancements investment. The majority of these expenses relate to external consulting fees. The remaining expenses relate to internal IT project management and supporting personnel costs and other costs. Refer to the Non-GAAP Financial Information within the earnings release for further discussion.

Return on Invested Capital Reconciliation

Dollars in Millions and percentages based on rounded numbers



	FY19	FY20	FY21	FY22	FY23
Earnings before income taxes (GAAP measure)	\$ 1,024	\$ 1,185	\$ 900	\$ 607	\$ 238
Add back:					
Certain U.S. GAAP charges ⁽²⁾			\$ 357	\$ 61	\$ 605
Interest expense	\$ 97	\$ 99	\$ 99	\$ 106	\$ 90
Less:					
Saudi JV acquisition gain ⁽⁵⁾			\$ (82)		
Earnings before income taxes, certain U.S. GAAP items and interest expense	\$ 1,121	\$ 1,284	\$ 1,274	\$ 774	\$ 933
Income taxes before income taxes and interest expense adjusted for certain U.S. GAAP items ⁽³⁾	\$ (222)	\$ (267)	\$ (264)	\$ (174)	\$ (220)
Adjusted after-tax profit	\$ 899	\$ 1,017	\$ 1,010	\$ 600	\$ 713
Less: after tax profit attributable to noncontrolling			\$ 9	\$ 9	\$ 12
Adjusted after-tax profit attributable to Clorox	\$ 899	\$ 1,017	\$ 1,001	\$ 591	\$ 701
Adjusted Average invested capital⁽⁴⁾	\$ 3,269	\$ 3,437	\$ 3,858	\$ 3,462	\$ 3,408
Return on invested capital⁽¹⁾	28%	30%	26%	17%	21%
<i>(Amounts shown below are five quarter averages)</i>					
	FY19	FY20	FY21	FY22	FY23
Total assets	\$ 5,094	\$ 5,607	\$ 6,524	\$ 6,256	\$ 6,024
Less: non-interest bearing liabilities	(1,825)	(2,170)	(2,716)	(2,822)	(2,837)
Average invested capital	\$ 3,269	\$ 3,437	\$ 3,808	\$ 3,434	\$ 3,187
After tax certain U.S. GAAP items ⁽²⁾			\$ 50	28	221
Adjusted average invested capital⁽⁴⁾	\$ 3,269	\$ 3,437	\$ 3,858	\$ 3,462	\$ 3,408

⁽¹⁾ Refer to the next slide for footnotes.

Return on Invested Capital Reconciliation



⁽¹⁾ In accordance with SEC's Regulation G, this schedule provides the definition of a non-GAAP measure and the reconciliation to the most closely related GAAP measure. Return on invested capital (ROIC), a non-GAAP measure is calculated as earnings before income taxes and interest expense, adjusted for other nonrecurring or unusual items, computed on an after-tax basis as a percentage of average invested capital. Management believes ROIC provides additional information to investors about current trends in the business. ROIC is a measure of how effectively the company allocates capital. ROIC should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

⁽²⁾ Certain U.S. GAAP charges for fiscal year 2023 include \$445 (\$362 after tax) for a noncash impairment charge related to the VMS business, \$100 (\$76 after tax) of expenses related to the company's digital capabilities and productivity enhancements investments and \$60 (\$45 after tax) of restructuring and related costs, net for implementation of the streamlined operating model. Fiscal year 2022 includes \$61 (\$47 after tax) of expenses related to the Company's digital capabilities and productivity enhancements investment. Fiscal Year 2021 includes noncash impairment charges of \$329 (\$267 after tax) and noncash charges of \$28 (\$21 after tax) on investments and related arrangements made with a Professional Products business supplier.

⁽³⁾ Effective tax rate on earnings is 23.6% in Fiscal Year 2023, 22.5% in Fiscal Year 2022, 20.7% in Fiscal Year 2021, 20.8% in Fiscal Year 2020 and 19.8% in Fiscal Year 2019.

⁽⁴⁾ Adjusted average invested capital represents a five-quarter average of total assets less non-interest bearing liabilities adjusted for other nonrecurring or unusual items.

⁽⁵⁾ On July 9, 2020, the company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia (Saudi joint venture). As a result of this transaction, a non-cash nonrecurring net gain was recognized of \$82 (\$76 after tax) in Other (income) expense, net in the quarter ended September 30, 2020, primarily due to the remeasurement of the carrying value of the company's previously held equity investment to fair value.

Organic Sales Growth / (Decrease) Reconciliation



The following table provides a reconciliation of organic sales growth / (decrease) (non-GAAP) to net sales growth / (decrease) (GAAP), the most comparable GAAP measure:

	FY23
Net sales growth / (decrease) (GAAP)	4%
Add: Foreign Exchange	2
Add/(Subtract): Divestitures/Acquisitions	—
Organic sales growth / (decrease) (non-GAAP) ⁽¹⁾	6%

⁽¹⁾ Clorox defines organic sales growth / (decrease) as GAAP net sales growth / (decrease) excluding the effect of foreign exchange rate changes and any acquisitions or divestitures.

Adjusted Diluted Earnings Per Share Reconciliation



Dollars in Millions except per share data

The following table provides reconciliation of adjusted diluted earnings per share (non-GAAP) to diluted earnings per share, the most comparable GAAP measure:

	Diluted earnings per share		
	FY23	FY22	% Change
As reported (GAAP)	\$ 1.20	\$ 3.73	(68)%
VMS impairment ⁽¹⁾	2.91	—	
Streamlined operating model ⁽²⁾	0.37	—	
Digital capabilities and productivity enhancements investment ⁽³⁾	0.61	0.37	
As adjusted (Non-GAAP) ⁽⁴⁾⁽⁵⁾	\$ 5.09	\$ 4.10	24%

⁽¹⁾ During the year ended June 30, 2023, noncash impairment charges of goodwill and trademarks were recorded of \$445 (\$362 after tax) related to the VMS business.

⁽²⁾ During the year ended June 30, 2023, the company incurred approximately \$16 (\$11 after tax) and \$60 (\$45 after tax), respectively, of restructuring and related costs, net for implementation of the streamlined operating model.

⁽³⁾ During the year ended June 30, 2023, the company incurred approximately \$27 (\$21 after tax) and \$100 (\$76 after tax), respectively, and during the year ended June 30, 2022, the company incurred approximately \$19 (\$15 after tax) and \$61 (\$47 after tax), respectively, of operating expenses related to its digital capabilities and productivity enhancements investment.

⁽⁴⁾ Adjusted EPS is defined as diluted earnings per share that excludes or has otherwise been adjusted for significant items that are nonrecurring or unusual. The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

⁽⁵⁾ Adjusted EPS is supplemental information that management uses to help evaluate the company's historical and prospective financial performance on a consistent basis over time. Management believes that by adjusting for certain items affecting comparability of performance over time, such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions and other nonrecurring or unusual items, investors and management are able to gain additional insight into the company's underlying operating performance on a consistent basis over time. However, adjusted EPS may not be the same as similar measures provided by other companies due to potential differences in methods of calculation or differences in which items are incorporated into these adjustments.

Adjusted Diluted Earnings Per Share Reconciliation



The following table provides reconciliation of adjusted diluted earnings per share (non-GAAP) to diluted earnings per share, the most comparable GAAP measure:

	Full year 2024 outlook (estimated range)	
	Diluted earnings per share	
	Low	High
As estimated (GAAP)	\$ 3.06	\$ 3.26
Pension settlement charge	1.04	1.04
Cyberattack costs ⁽¹⁾	0.30	0.30
Streamlined operating model ⁽²⁾	0.20	0.20
Digital capabilities and productivity enhancements investment ⁽³⁾	0.70	0.70
As adjusted (Non-GAAP)	\$ 5.30	\$ 5.50

Based on Outlook as of February 1, 2024

⁽¹⁾ In FY24, the company expects to incur approximately \$50-\$60 (\$38-\$46 after tax) of costs related to the cyberattack. These costs relate primarily to third-party consulting services, including IT recovery and forensic experts and other professional services incurred to investigate and remediate the attack, as well as incremental operating costs from the resulting disruption to the company's business operations.

⁽²⁾ In FY24, the company expects to incur approximately \$30-\$40 (\$23-\$30 after tax) of restructuring and related costs, net related to implementation of the streamlined operating model.

⁽³⁾ In FY24, the company expects to incur approximately \$115-\$135 (\$87-\$102 after tax) of operating expenses related to its digital capabilities and productivity enhancements investment.