



# Bernstein Strategic Decision Conference

**Benno Dorer**

Chairman and Chief Executive Officer

**Kevin Jacobsen**

Chief Financial Officer



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# Safe Harbor



Except for historical information, matters discussed in this presentation, including statements about the success of the Company's future volume, sales, costs, cost savings, earnings, 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, 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, risks related to competition in the Company's markets; volatility and increases in commodity, energy, transportation and other costs; the Company's ability to drive sales growth and increase market share; dependence on key customers; increase in sales of consumer products through alternative retail channels; information technology security breaches or cyber attacks; government regulations; political, legal and tax risks; risks relating to acquisitions, new ventures and divestitures; economic and financial market conditions; international operations and international trade, including price controls, foreign currency fluctuations, labor claims and labor unrest, and potential harm and liabilities from use, storage and transportation of chlorine in certain markets; the ability of the Company to innovate, to develop commercially successful products and to implement cost savings; the success of the Company's business strategies; the Company's business reputation; the effects of the Tax Cuts and Jobs Act; the venture agreement with P&G related to the Company's Glad® business; supply disruptions; product liability claims, labor claims and other legal proceedings; the Company's ability to attract and retain key personnel; environmental matters; the Company's ability to assert and defend its intellectual property rights; and the impacts of potential stockholder activism.

# Key Messages

- US-centric company with leading brands and consistent track record of generating strong cash flow
- Addressing near-term macro headwinds with strong execution and consistency in strategy
- Confident in our strategy and ability to deliver long term shareholder value

# Who We Are

## International : 17%

Latin America	9%
Canada	3%
Australia / NZ	2%
Rest of World	3%




## Lifestyle : 16%

	9%
	4%
	3%



Latest Addition:  
**nutranext™**

## Cleaning : 34%

	Home Care	19%
	Laundry	9%
	Professional	6%

## Household : 33%

	14%
	10%
	7%
	2%

THE CLOROX COMPANY

**Note:** Transaction closed in April 2018. Nutranext generated about \$200M in calendar year 2017.



# How We Create Value



# 2020 Strategy

## Mission

- We make everyday life better, every day

## Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

## Strategy

- Drive **superior consumer value** behind strong brand investment, innovation and technology transformation
- Accelerate **portfolio momentum** in and around the core
- Fuel growth by **reducing waste** in our work, products and supply chain
- **Engage our people** as business owners



# Long-Term Growth Algorithm

## U.S. Domestic

~80% of Clorox Sales  
+2-4% annual growth

1.5 - 3.0 pts  
company growth

## International

~20% of Clorox Sales  
+5-7% annual growth

1.0 - 1.5 pts  
company growth

## Total Company

annual growth  
= +3 to 5pts

**Annual EBIT Margin Improvement:**  
**Annual Free Cash Flow:**

**+25 to +50 bps**  
**11% to 13% of Sales**

EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income & interest expense.

EBIT margin is a measure of EBIT as a percentage of sales.

Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures.

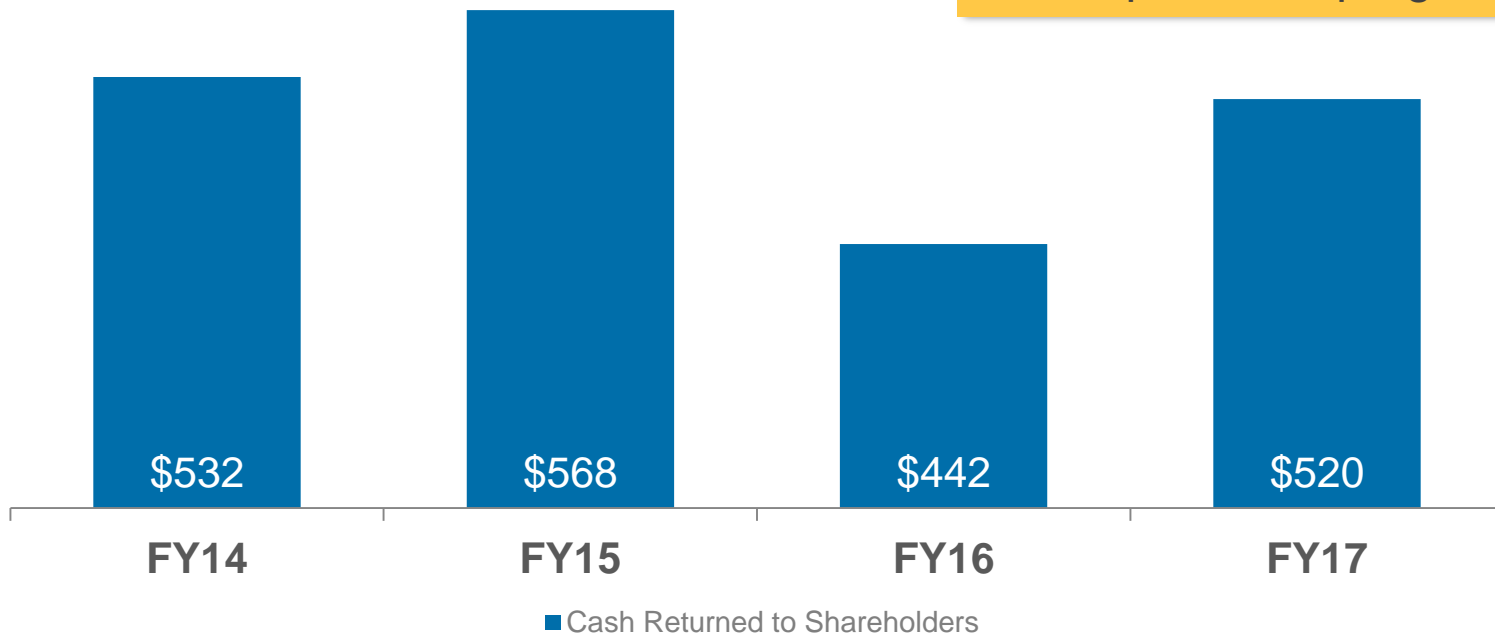
See reconciliation in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



# Over \$2B Returned to Shareholders in the Last 4 Years

*\$ in Millions*

Recently initiated \$2B share repurchase program





# Addressing Near-term Headwinds with Decisive Actions

- Rising input costs putting near-term pressure on margins
- Committed to keeping our business fundamentally strong and healthy through decisive and principled actions



**Pricing**



**Cost Savings**



**Margin Accretive  
Innovation**

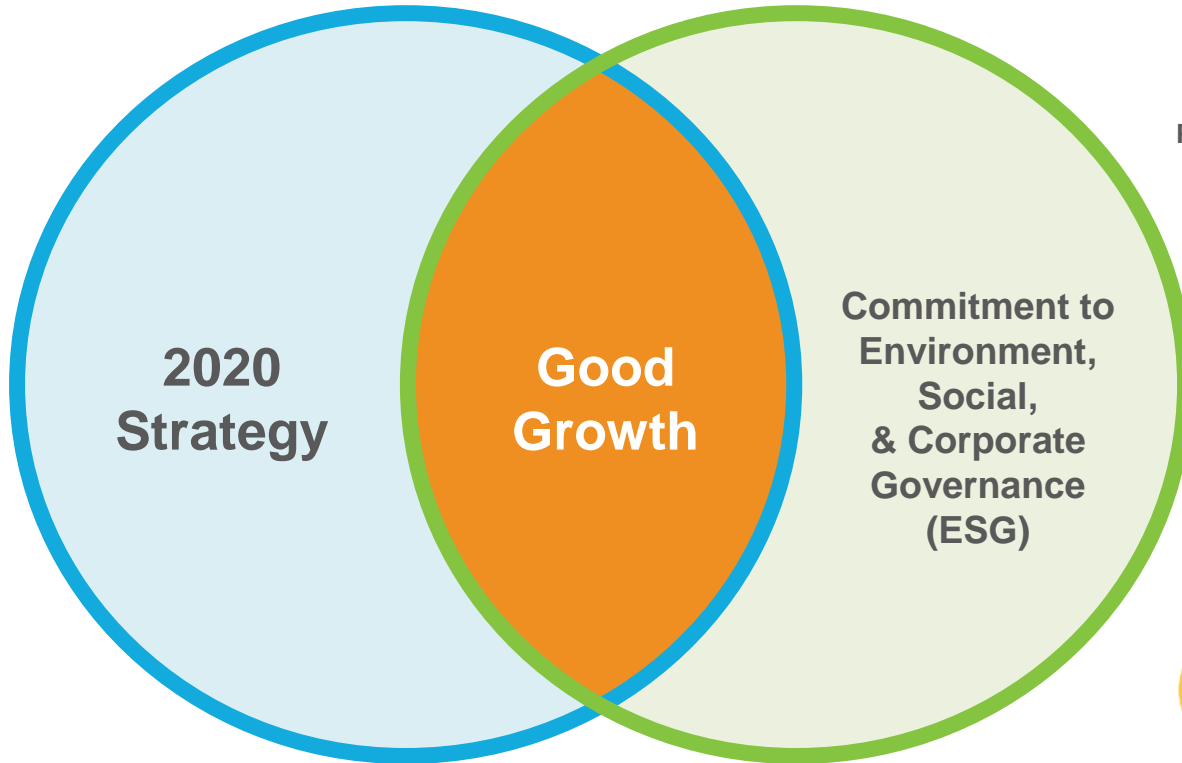


**Go Lean**

# Long-Term Investment Case Remains Solid

- **Investing behind leading brands to grow categories and share**
  - 3%+ annual growth from innovation
  - Healthy brand building investments, including digital/eCommerce
- **Margin improvement opportunities continue to exist**
  - Leverage pricing power to mitigate input cost
  - Strong cost savings track record
  - SG&A below 14% of sales
- **Strong cash flow generation**
  - Goal to generate Free Cash Flow of 11% to 13% of sales
  - Announced +14% dividend increase (Feb 2018) and initiated \$2B share repurchase program (May 2018)

# Good Growth: Profitable, Sustainable, Responsible



# Q&A



# Appendix



# Strong Fit with Strategy and M&A Priority

## Nutranext™

- Transaction closed April 2018, purchase price \$700M
- Attractive mid-sized categories in Health and Wellness space with strong tailwinds
- Leading brands in natural channels<sup>1</sup> (Natural Vitality #1, Neocell #1, Rainbow Light #2)
- Leverages Clorox capabilities in brand building, innovation, digital marketing and eCommerce
- Attractive margins

