



The Clorox Company

2016 CAGNY Conference
Boca Raton, FL

Benno Dorer

Chief Executive Officer



Key Messages

- **Strategy 2020** is continuing to produce **strong shareholder returns**
- Strong **progress on Strategy Accelerators** and **investments in profitable growth**
- **Long-term investment case remains solid**

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, foreign currencies, and foreign currency exchange 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; economic conditions and financial market volatility; the Company's ability to drive sales growth and increase market share; international operations, including price controls, foreign currency fluctuations, labor claims and labor unrest, potential harm and liabilities from use, storage and transportation of chlorine in certain markets and discontinuation of operations in Venezuela; volatility and increases in commodity, energy and other costs; supply disruptions; dependence on key customers; government regulations; political, legal and tax risks; information technology security breaches or cyber attacks; risks relating to acquisitions, new ventures and divestitures; the success of the Company's business strategies and products; product liability claims, labor claims and other legal proceedings; the Company's business reputation; environmental matters; the Company's ability to assert and defend its intellectual property rights; and the impacts of potential stockholder activism.

The Company may also use non-GAAP financial measures, which could differ from reported results using Generally Accepted Accounting Principles (GAAP). The most directly comparable GAAP financial measures and reconciliation to non-GAAP financial measures are set forth in the Appendix hereto, the Supplemental Schedules of the Company's quarterly financial results and in the Company's SEC filings, including its Form 10-K and its exhibits furnished to the SEC, which are posted at www.TheCloroxCompany.com in the Investors/Financial Information/Financial Results and SEC Filings sections, respectively.

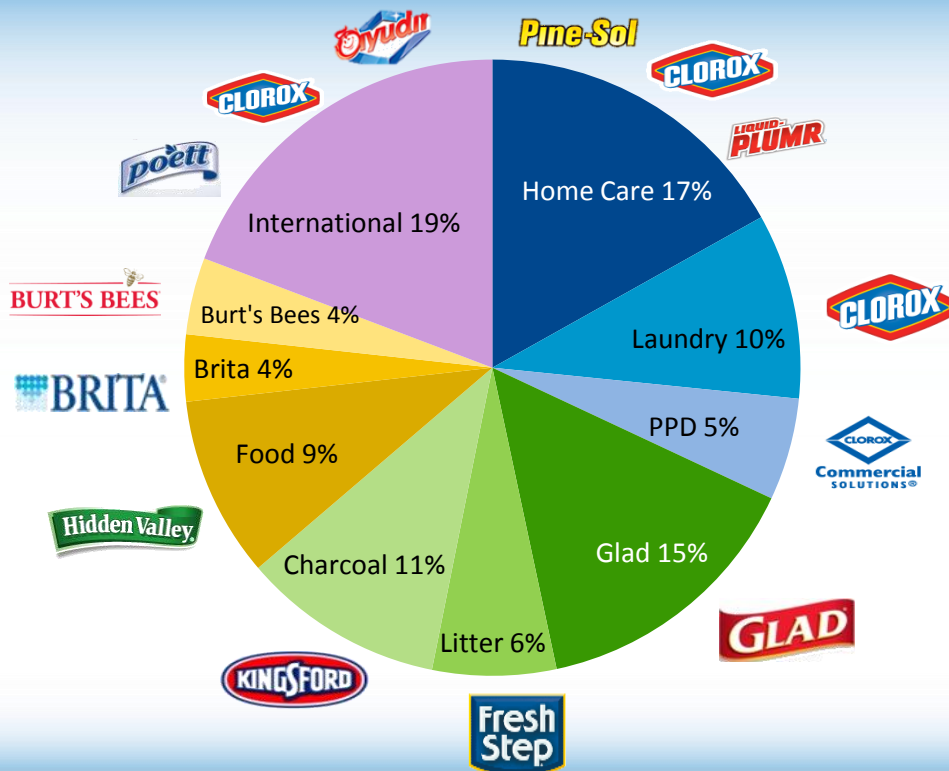
Advantaged Portfolio

Over 80% of Sales From #1 or #2 Share Brands

International : 19%

Cleaning : 32%

FY15
Company
Sales:
\$5.7B

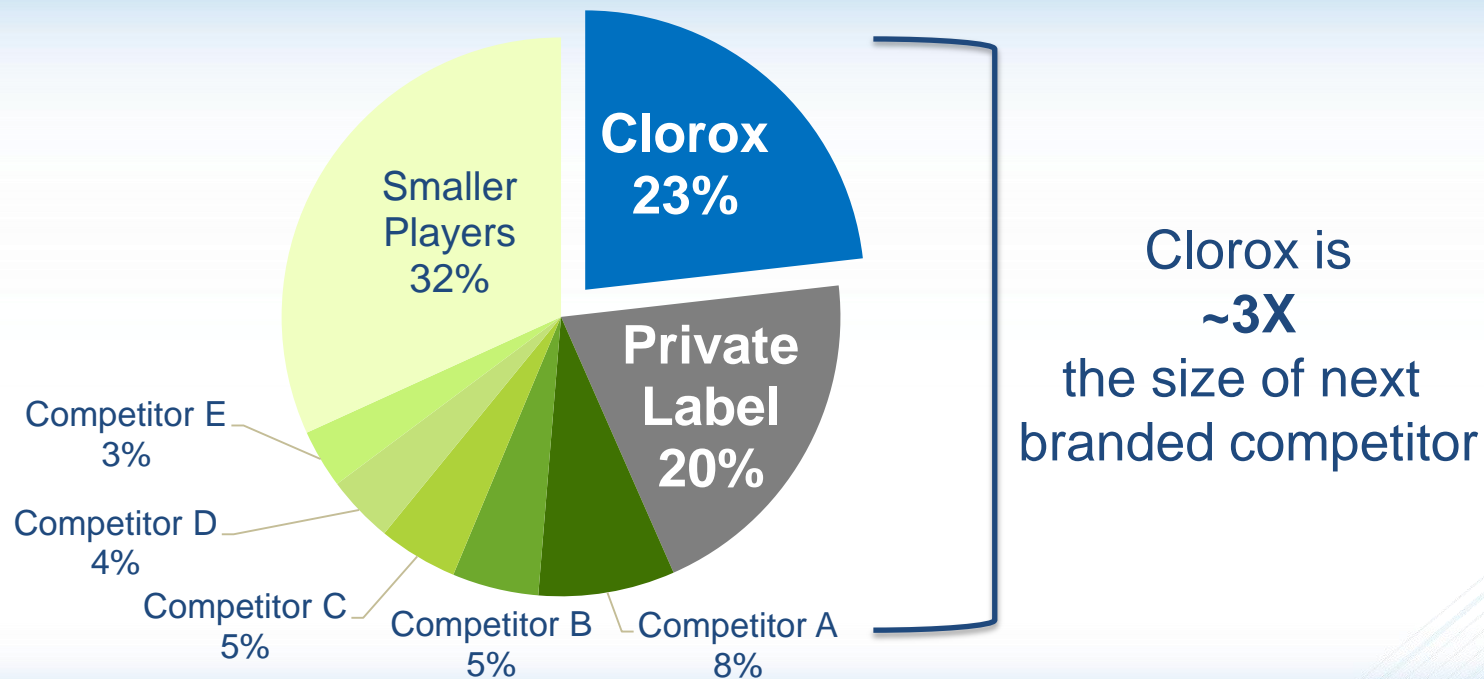


Lifestyle : 17%

Household : 32%

Advantaged Portfolio

Big Share Brands in Mid-Sized Categories



Note: Clorox share excludes Kitchen Bouquet, Salad Crispins, Salad Kits, Veggie Kits, LDL, Laundry Detergent, Washing Machine Cleaners, Wash N Dri, Glad Straws, Cooking Bags, Litter Additives & Equipment and Burt's Bees. Source: IRI Infoscan Data - Total U.S. Multi-Outlet (Food/Drug/Mass + Walmart + Sam's + BJ's + Family Dollar + Dollar General + Fred's + DeCA.) for 52 weeks ending 12/20/2015.

Advantaged Portfolio Supported by Consumer Megatrends

Health & Wellness

Sustainability

**MEGA
TRENDS**

Fragmentation

Affordability

Advantaged Portfolio

Driving Significant Synergies



(1) As of June 30th, 2015, Clorox's S&A/Sales was ~14% vs. peer average of 21% . This number does not include R&D or marketing expenses and excludes peers that do not disclose S&A separately from SG&A in their reported financial statements (Kimberly-Clark, Reckitt-Benckiser). Peer group consists of CHD, CL, PG, ENR, CPB, GIS, HSY, K, KRFT, KO, PEP, TAP, EL, KMB, RB-GB. See Slide 67 for details.

Increasing Investments in Profitable Growth



Focus on Core

Increased Demand Investment

Investments in Innovation

Market Share is Responding...



Note: Clorox share excludes Kitchen Bouquet, Salad Crispins, Salad Kits, Veggie Kits, LDL, Laundry Detergent, Washing Machine Cleaners, Wash N Dri, Glad Straws, Cooking Bags, Litter Additives & Equipment and Burt's Bees. Source: IRI Infoscan Data - Total U.S. Multi-Outlet (Food/Drug/Mass + Walmart + Sam's + BJ's + Family Dollar + Dollar General + Fred's + DeCA.) for 13 wk, 52 wk, and 24 mo ending 12/20/2015.

...Categories are Growing

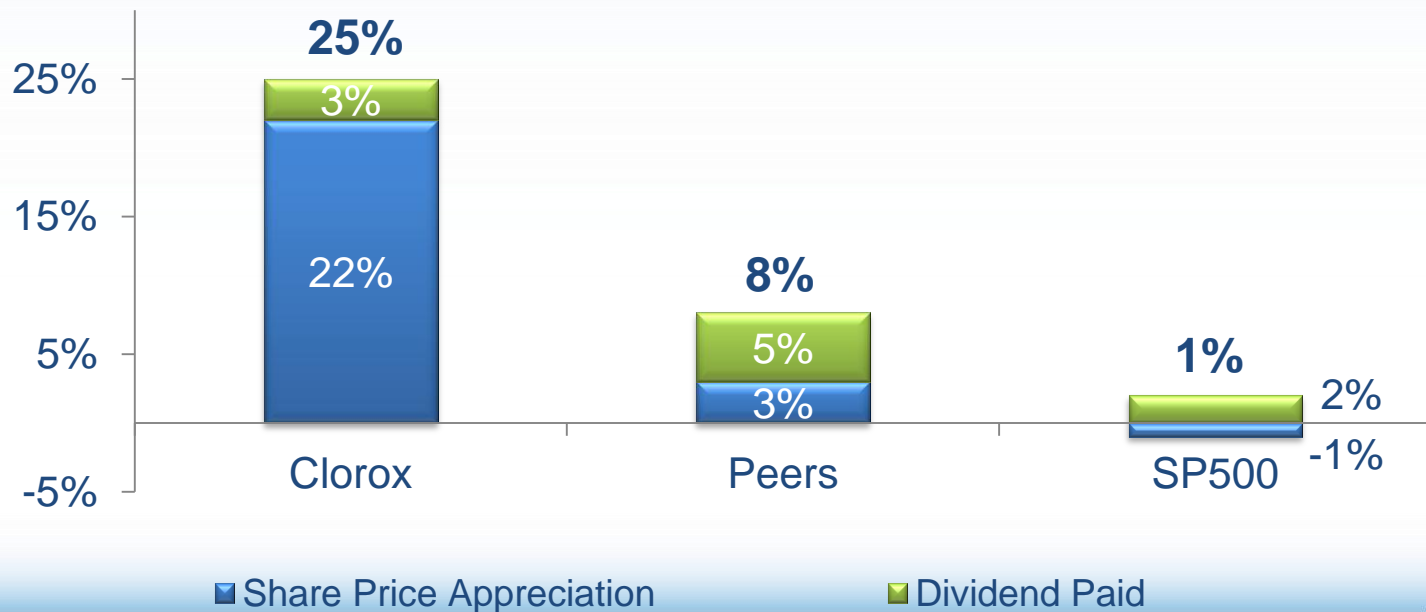


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Strong Results Are Recognized by Shareholders

Total Shareholder Return

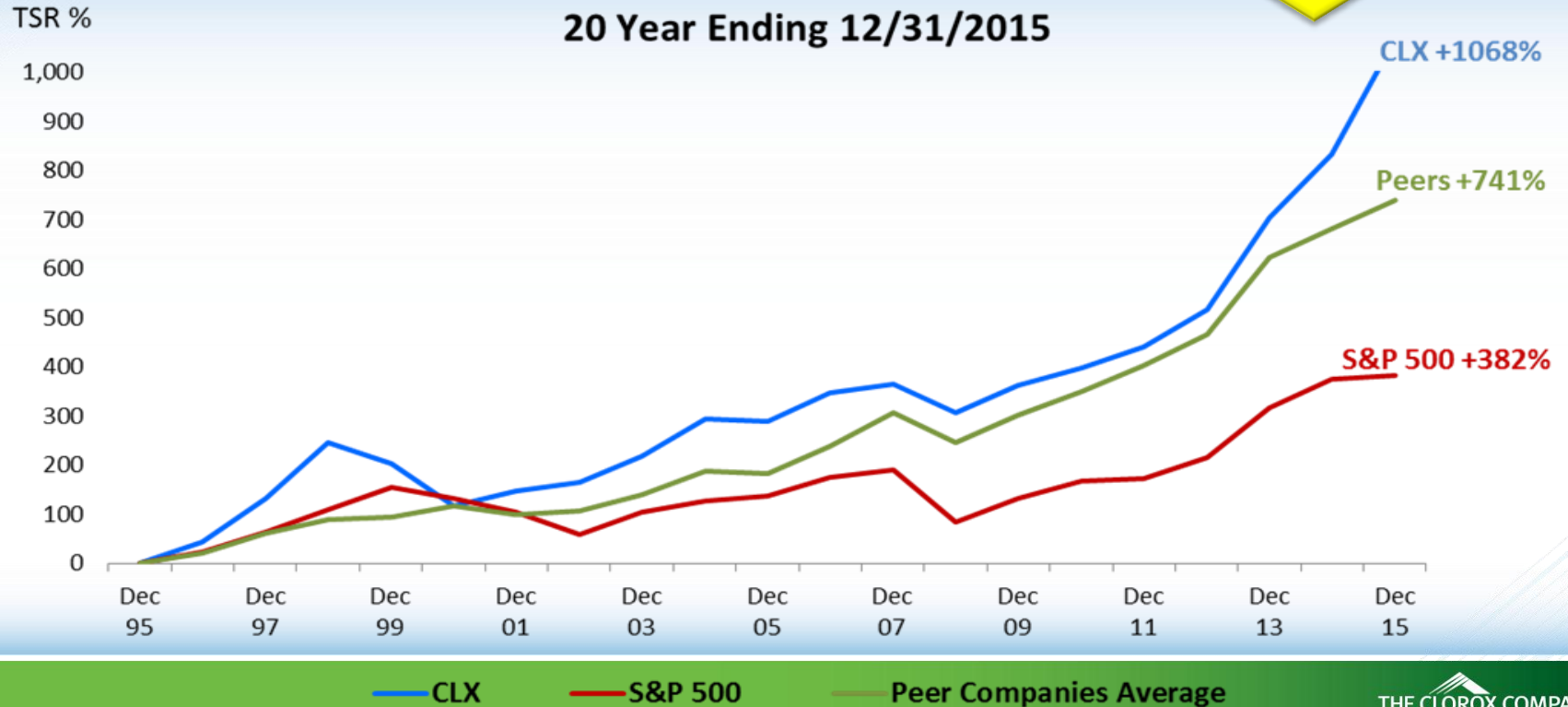
1 Year Ending 12/31/15



Strong Long-Term Shareholder Return

Over 2x the
S&P 500!

Total Shareholder Return
20 Year Ending 12/31/2015



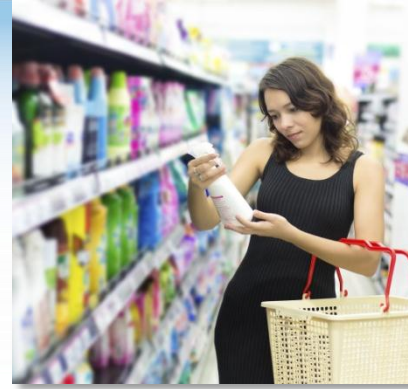
Leading Through Strategic Change in CPG



**Digital
Revolution**



**Consumer
Focus on Value**



**Challenging
Retail
Environment**



**International
Macro
Headwinds**

2020 Strategy

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit across categories, channels, and countries
- Big-share brands in midsize categories and countries

Strategy

- Engage our people as business owners
- Increase brand investment behind superior value and more targeted 3D plans
- Keep the core healthy and grow into new categories, channels, and existing countries
- Reduce waste in work, products, and supply chain to fund growth

Strategy Accelerators → Drive Profitable Growth

3D Technology
Transformation

3D Innovation

Portfolio
Momentum

Growth Culture

Focus on Portfolio Momentum



**Portfolio
Momentum**

Portfolio Segmentation

High

Fuel

Growth

Profit Margin Potential



Sales Growth Potential

Low

High

1 point of Household Penetration = \$50M+ Sales

Opportunity by Segment

Cleaning



\$22M

Household



\$20M

Lifestyle



\$10M

New Usage Occasions Drives Household Penetration

New Faces

New Demographic or Behavioral Group

New Spaces

Consumes Product in a New Way

New Places

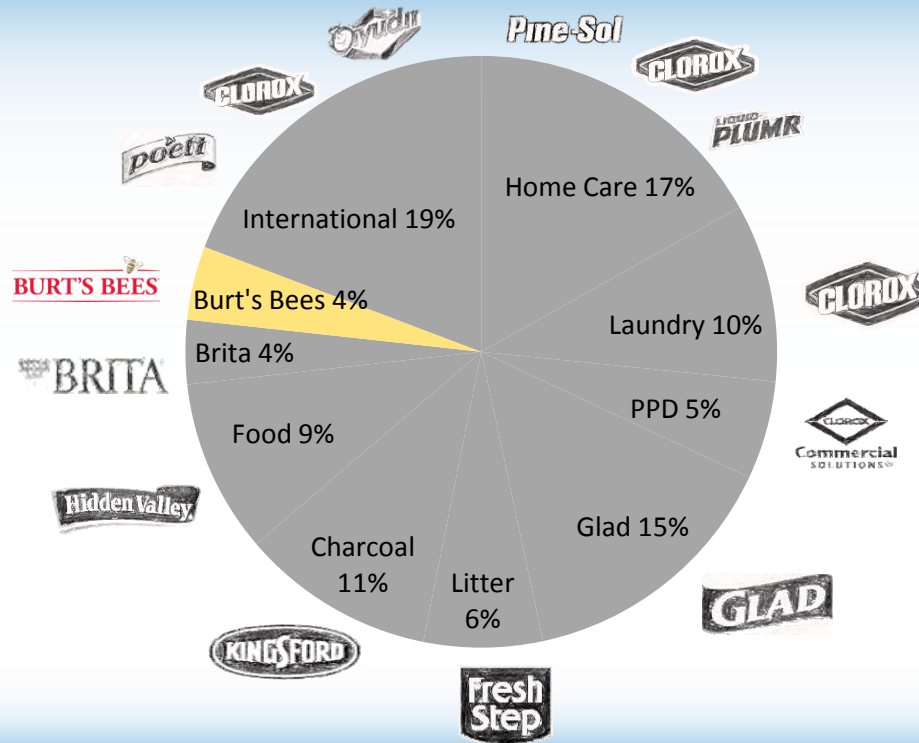
New Channel or Location in Store



Driving Household Penetration: Burt's Bees

International : 19%

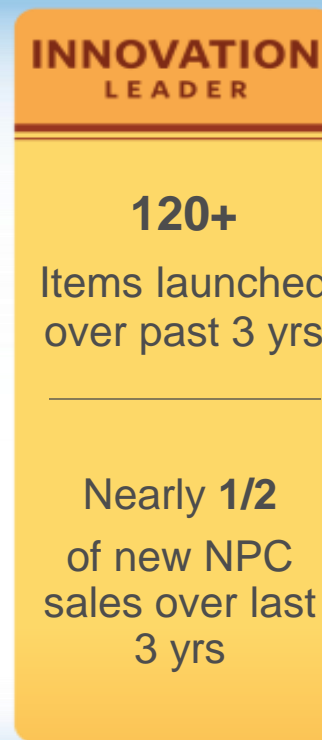
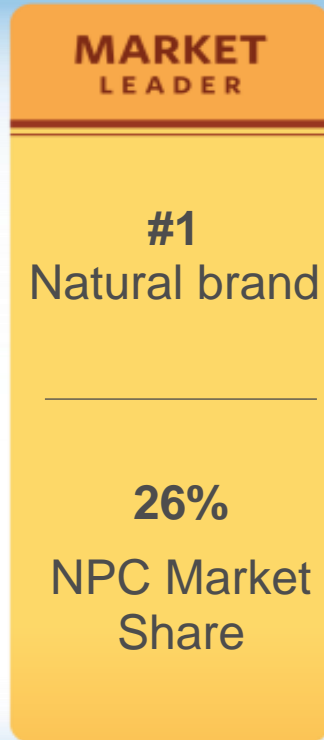
Cleaning : 32%



Lifestyle : 17%

Household : 32%

Strong Foundation of Leadership



Growth With New Faces, Spaces & Places



**Drive
Trial & Awareness
on Core**



**Expand into
Adjacencies**



**International
Expansion**

Focus on Core → Fastest Growing Lip Balm

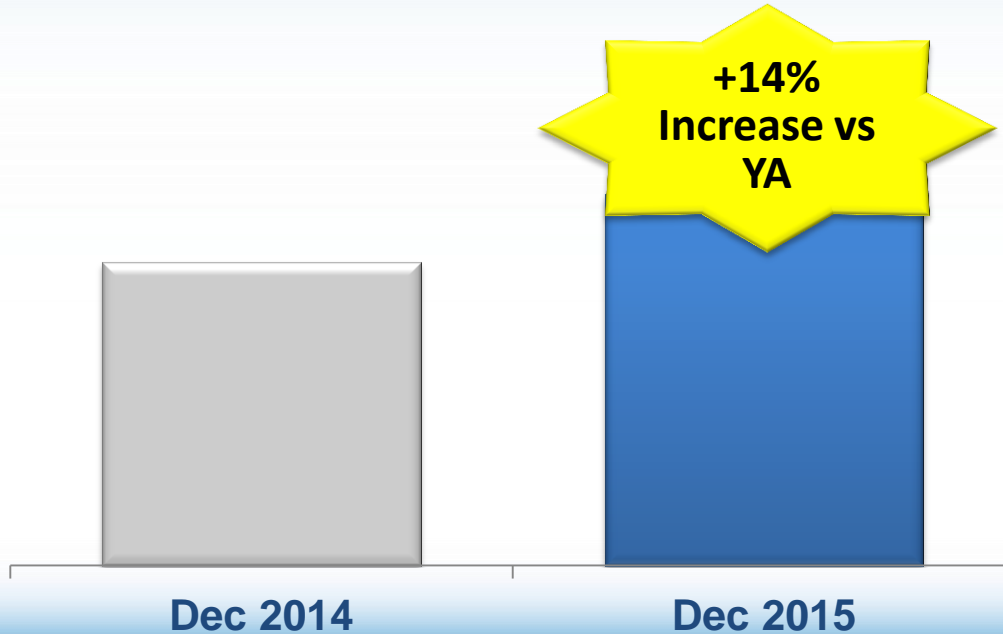
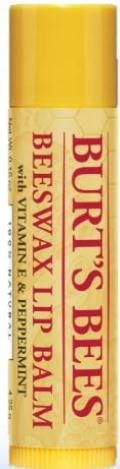
Retail Dollars vs Year Ago
Latest 12 months



Core is Increasing Household Penetration



*% Household Penetration
vs YA*



Expanding Into Lip Color & Face Care



Lipsticks – Strong Holiday Execution



CVS
4,696 displays



Target
1,789 displays

★★★★☆ 4.7 ✓
53 results | 100% would recommend



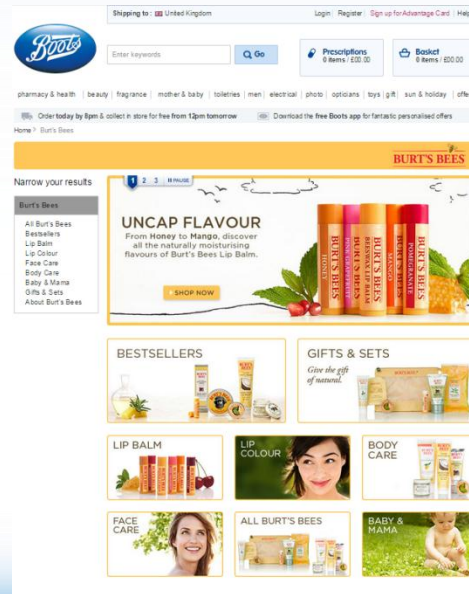
ULTA
872 displays

International Expansion

Retailer
Partnership



eCommerce



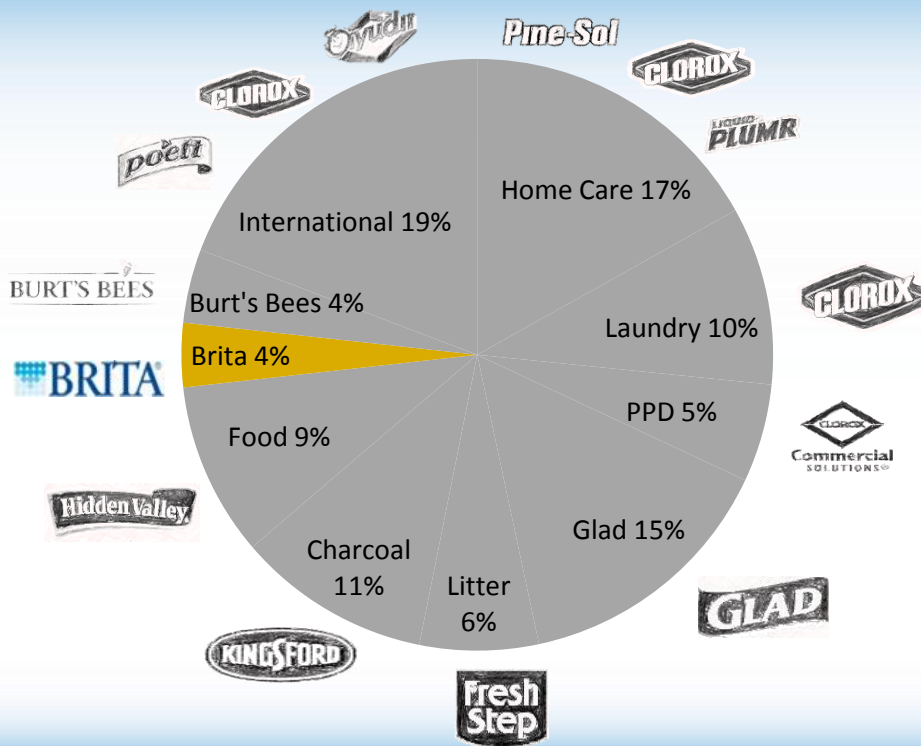
Store within
Store Concept



Driving Household Penetration: Brita

International : 19%

Cleaning : 32%

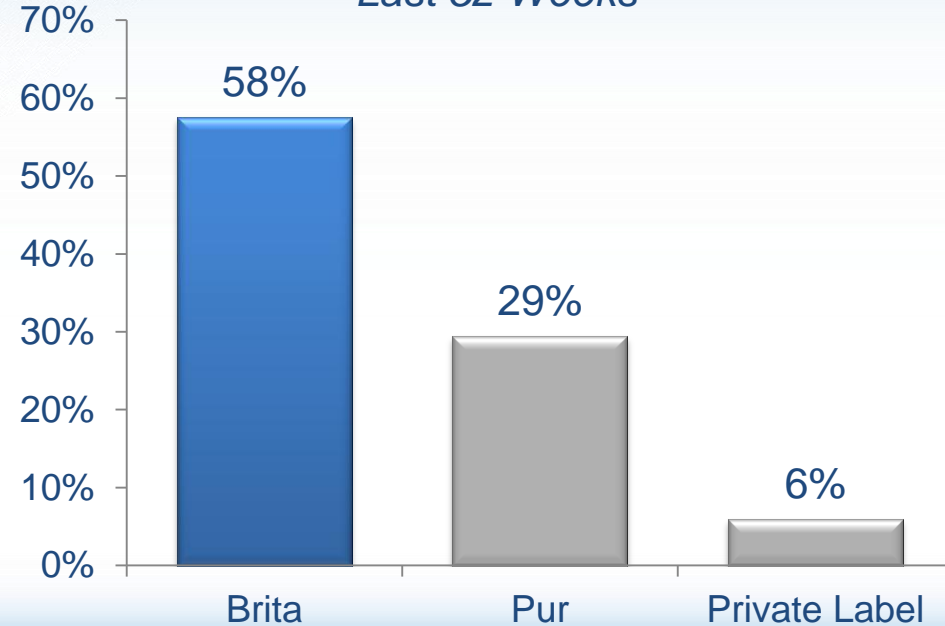


Lifestyle : 17%

Household : 32%

Focused on Reversing Share Trend

\$ Market Share
Last 52 Weeks



Share Change vs YA



Focus on 3D Innovation



3D Innovation

Broad-based Approach to Innovation

KEEP THE CORE HEALTHY

Product &
Marketing

Product
Superiority

GROW MARKET SHARE

EXPAND MARGIN

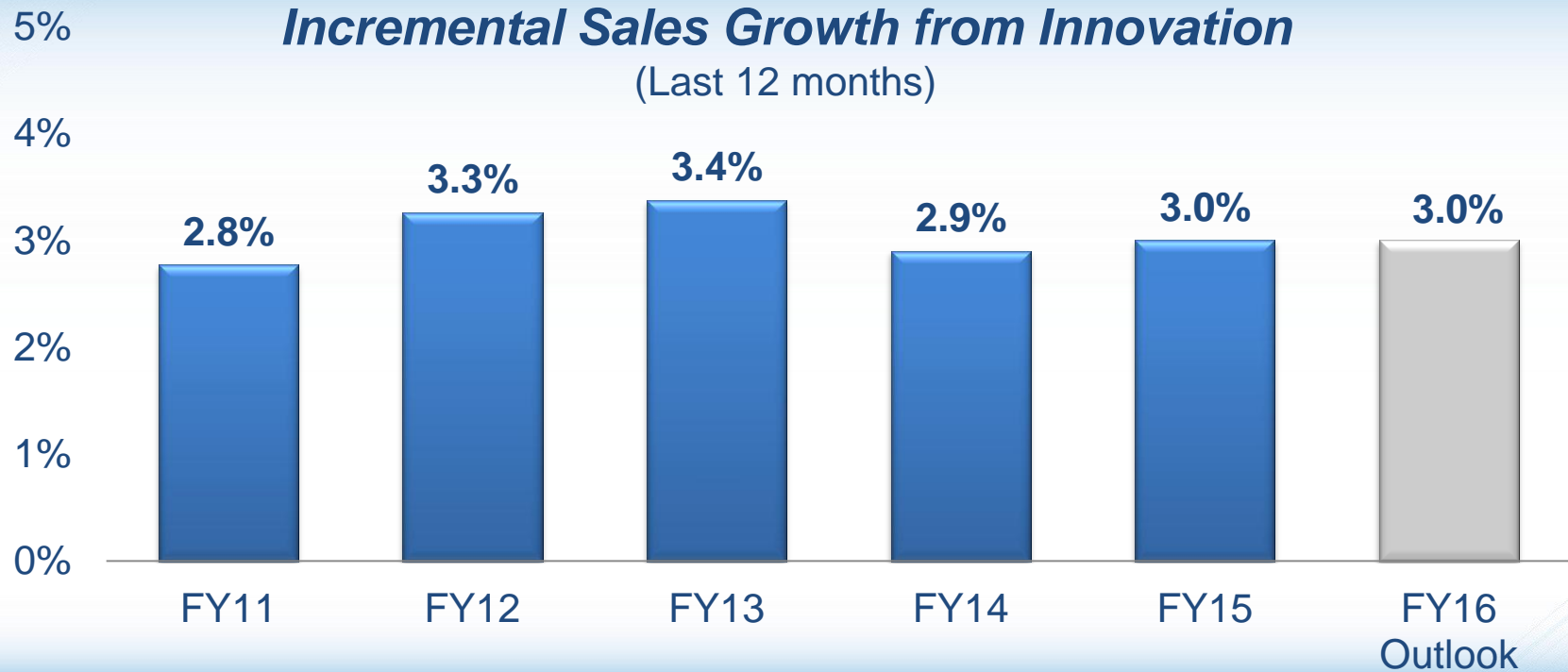
Cost-o-
vation*

New
Product
Platforms
&
Adjacency
Expansion

ACCELERATE GROWTH

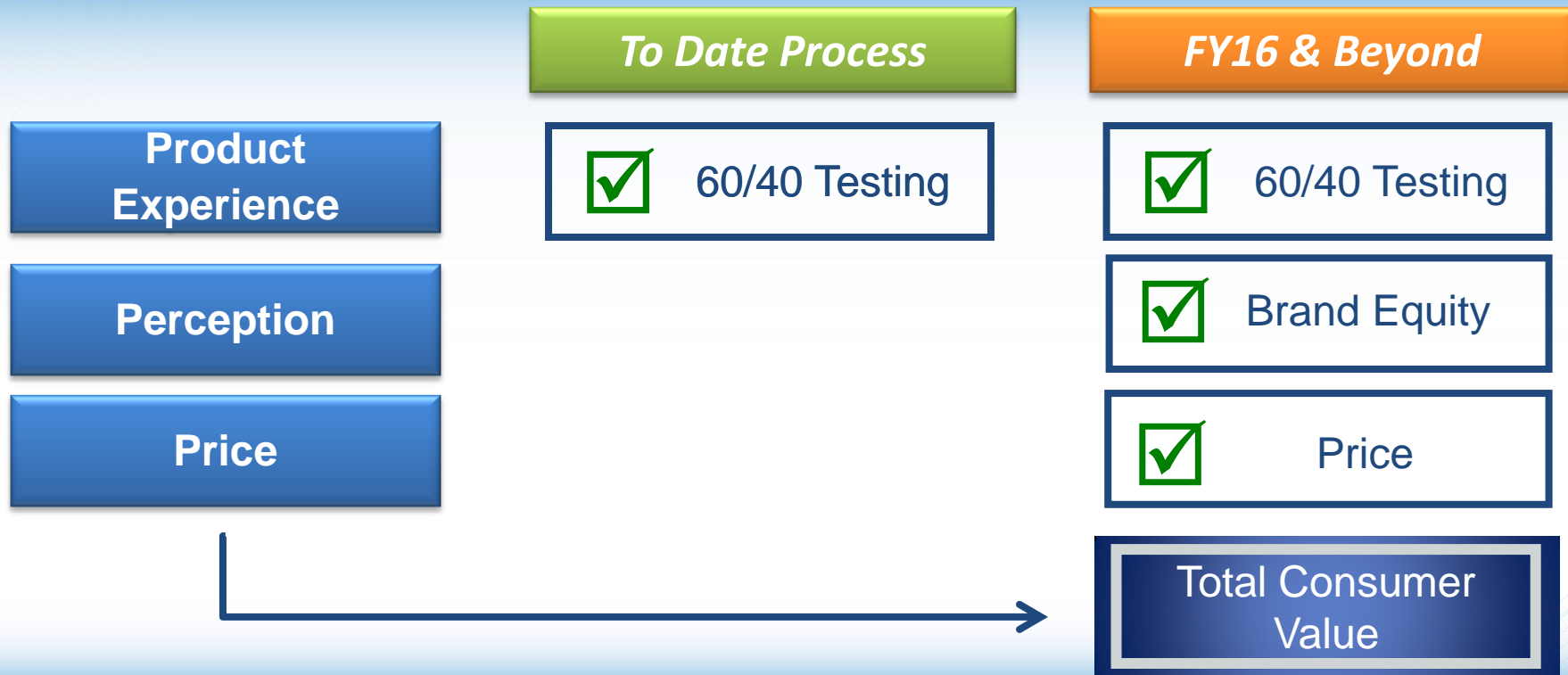
*Cost-o-vation is a term used at Clorox that describes innovation that improves product performance at a reduced cost.

Innovation is Delivering Growth



Note: FY16 Outlook based on Feb 4th Earnings Release

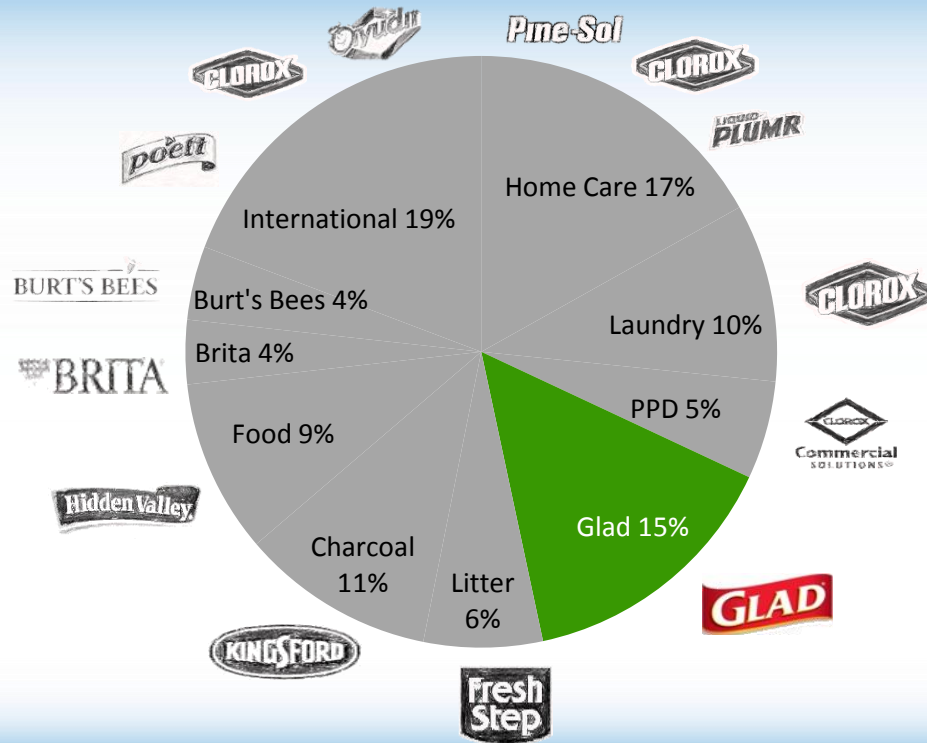
New Metric: Consumer Value Measure (CVM)



Glad: Improving Value Through Product Experience

International : 19%

Cleaning : 32%



Lifestyle : 17%

Household : 32%

Blockbuster & Sequels

Differentiated Technology Provides Staying Power



The Next Sequel: Glad with Heavy Duty Febreze

- 2X Odor-Neutralizing Power
- 91% of HH's want benefit, only 30% buying today



Premium Segment Driving Growth in FY16



+0.2 pts
vs YA

+10%
Premium Trash
Sales Growth

+4%
vs YA

**Market Share
Growth**

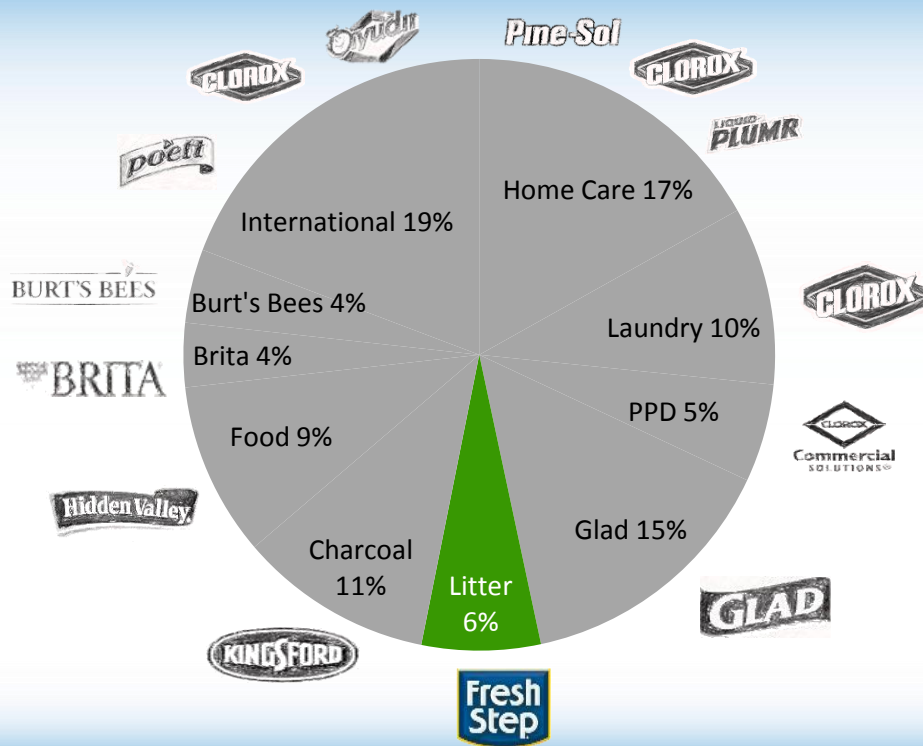
Top-Line Driver

**Category
Growth Driver**

Litter: Improving Value Through Product Experience

International : 19%

Cleaning : 32%

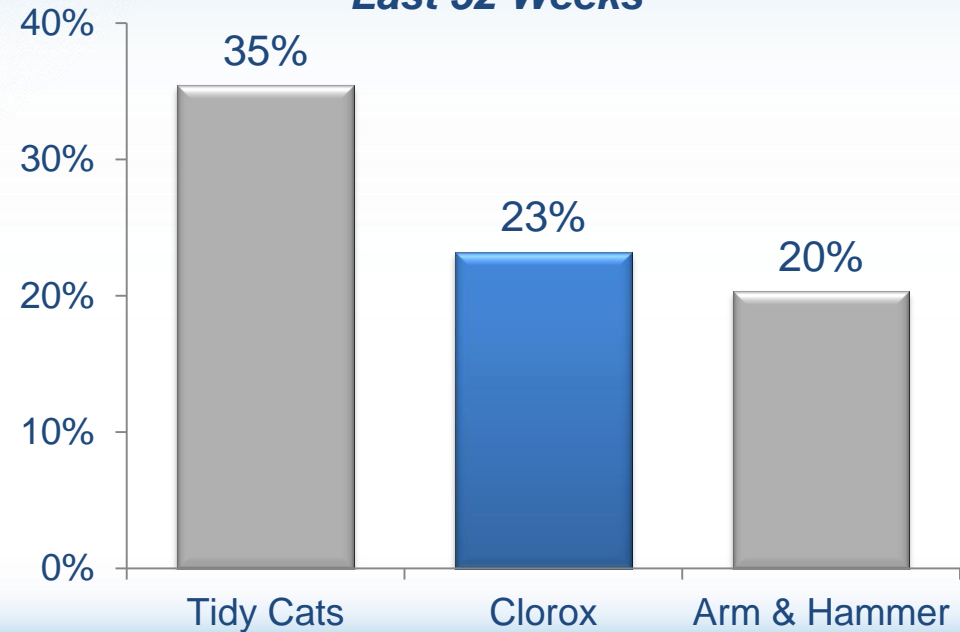


Lifestyle : 17%

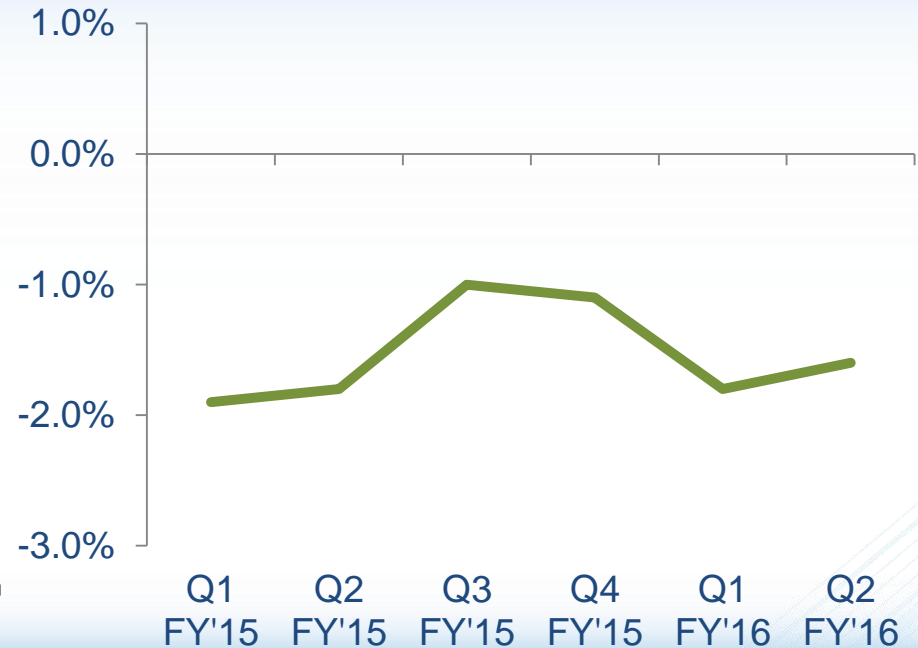
Household : 32%

Focused on Reversing Share Trend

**\$ Market Share
Last 52 Weeks**



Share Change vs YA



New Fresh Step With Febreze: Superior Odor Control

BREAKING NEWS!
FRESH STEP
NOW HAS THE POWER OF
FEBREZE



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That's something even cats find amazing.



NEW



+



ODOR CONTROL
WORTH CELEBRATING

SMELL THE DIFFERENCE



Outstanding In-Store Launch Support



Focus on 3D Technology Transformation

**3D Technology
Transformation**

Leading the Industry in Digital Consumer Engagement

Driving Consumer Engagement



**More
Targeted**



**More
Personal**

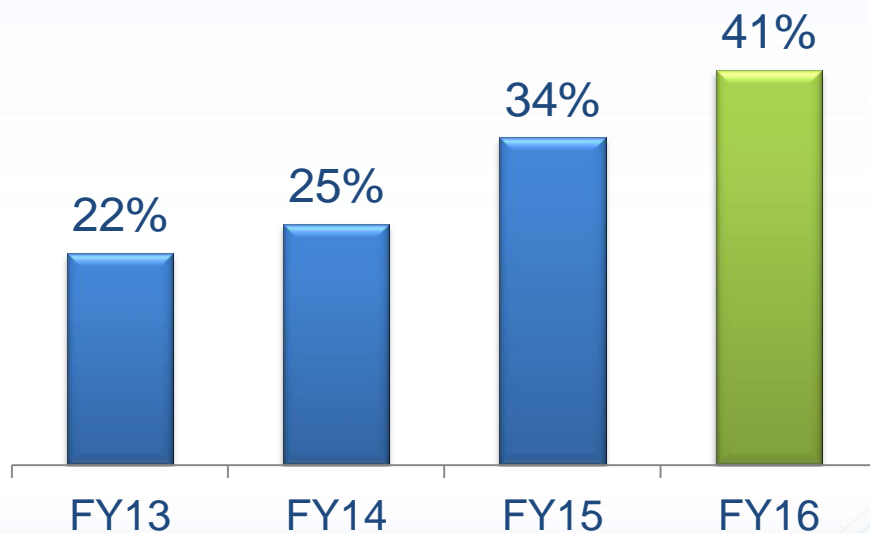


**More
Real-Time**

Accelerating Investments in Digital Media

**Clorox now
invests **over 40%**
of our media in
digital**

% of Working Media on Digital



Digital Improves ROI



Enhanced Targeting



More Personalized



More Real Time Across Channels



Campaign ROI Comparison



ROI per Marketing Dollar Spent



Enhanced Targeting

More Personalized

More Real Time Across Channels

Innovative Partnerships are a Competitive Advantage

Google

ORACLE[®]
MARKETING
CLOUD

facebook.

BuzzFeed

MAGNE+IC[™]

bluekai

datalogix[®]

twitter

MOAT

millennialmedia.

STAPLES Advantage

amazon.com[®]

Walmart.com

TubeMogul

VERVE[®]
L. A. V. T. V. E.

TARGET

Aol.
THE HUFFINGTON POST

Integral
Ad Science

CONVERSANT

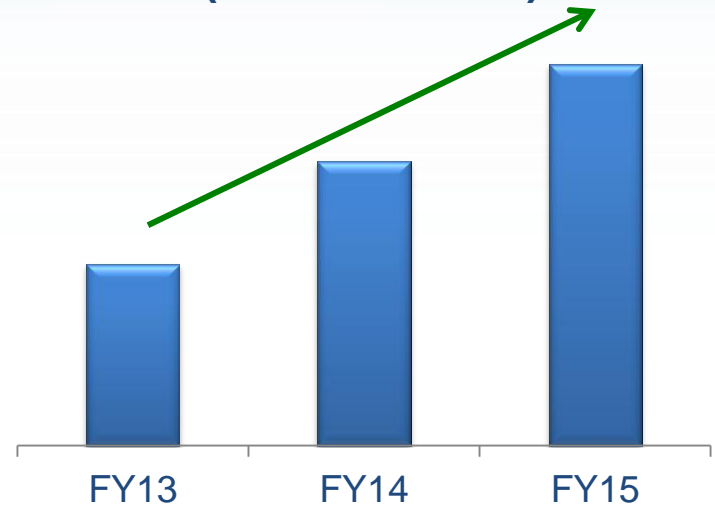
Momentum in eCommerce

amazon.com[®]

STAPLES[®] Advantage

Walmart

**~50% Sales Growth
(FY15 vs FY13)**



Key Messages

- **Strategy 2020** is continuing to produce **strong shareholder returns**
- Strong **progress on Strategy Accelerators** and **investments behind profitable growth**
- **Long-term investment case remains solid**

Current Environment: Why Invest More?

**Build on
Momentum**



Strong ROIs



**Strong
Innovation
Plans**



**Long-Term
Focus**





Steve Robb

Chief Financial Officer

Key Messages

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- Strong **progress on Strategy Accelerators** and **investments behind profitable growth**
- **Long-term investment case remains solid**

FY16 YTD Performance

	<u>1H FY16</u>	<u>Vs. Year Ago</u>
Sales	\$2.7B	+1.4% (+4% FX Neutral)
EBIT Margin	19.6%	+220 bps
Diluted EPS (cont. ops)	\$2.46	+19%

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. See reconciliation on our website (<http://investors.thecloroxcompany.com/results.cfm?q=2>)

FY16 Outlook

Based on February 4th Earnings Call

Sales

0% to +1%

- Categories: +1% to +2%
- Innovation: +3pts
- FX: about -3pts
- Trade/Other: -1pt

EBIT Margin

+50bps to +75bps

- Gross Margin: about +100bps
- Selling & Admin: about 14% of Sales
- Advertising & Sales Promotion: > 9% of Sales

Diluted EPS

\$4.75 to \$4.90
(+4% to +7%)

- Tax rate: 34% to 35%

Long-Term Growth Algorithm Remains Unchanged

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

= 3 - 5 pts
company growth

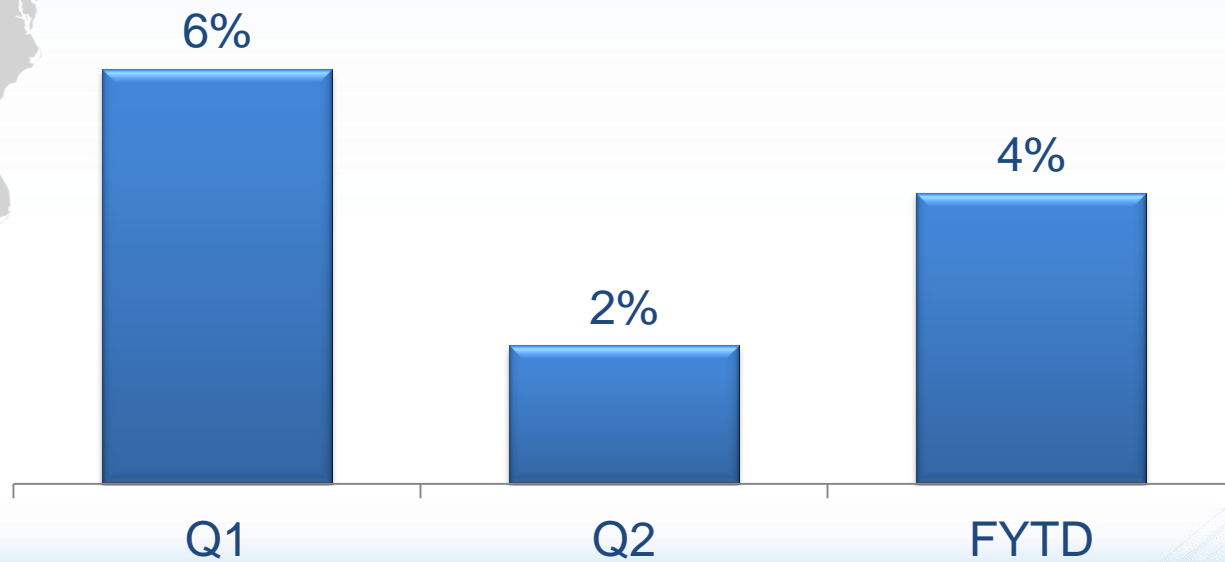
Annual EBIT Margin Improvement: +25 to 50 bps

Annual Free Cash Flow: 10% - 12% of Sales

U.S. Domestic Results are on Track



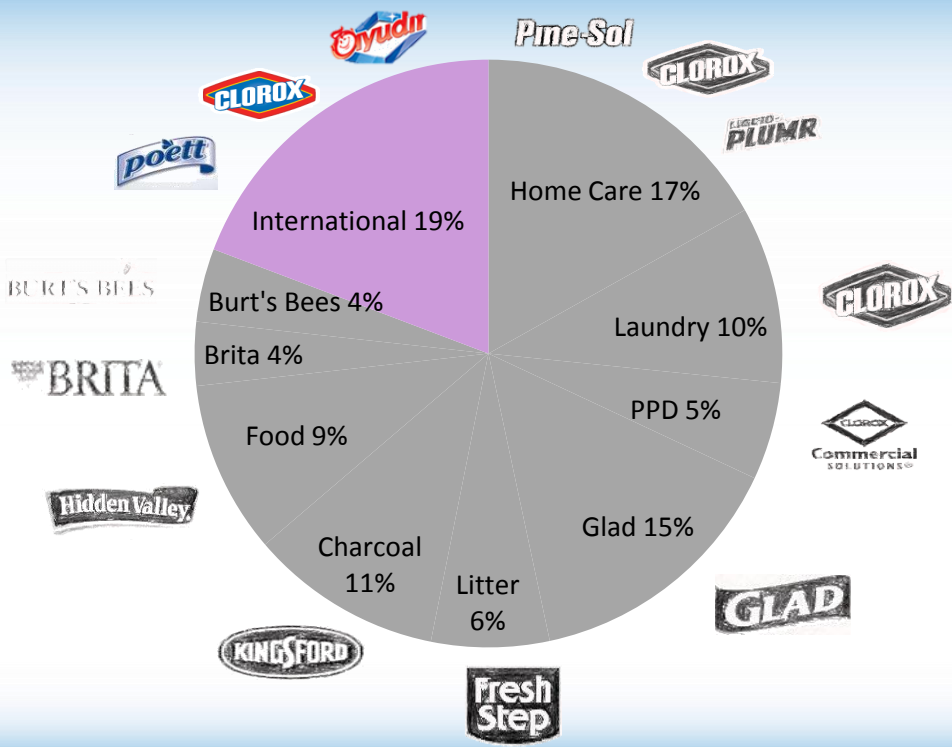
Domestic Sales Growth FYTD



International is a Key Component of our Portfolio

International : 19%

Cleaning : 32%



Lifestyle : 17%

Household : 32%

Why We Like International



**Leading
Brands**

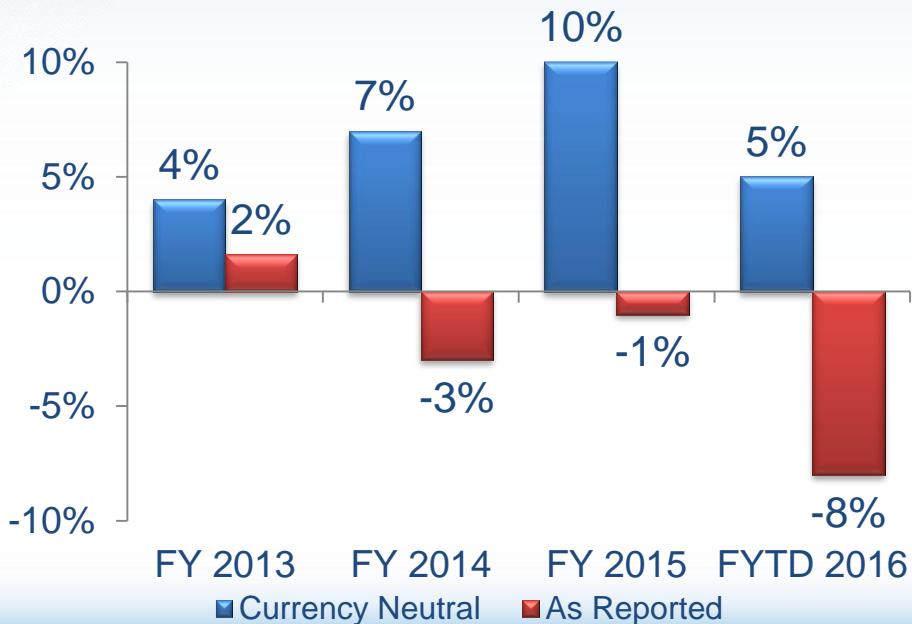
**Midsized
Countries**

**Faster
Category
Growth Rates**

**Strong
Operational
Performance**

Strong Growth in Local Currency, However FX is Real

Sales Growth



Exchange Rate vs YAGO

Canada	-15%
Argentina	-15%
Australia	-16%
Chile	-14%
Colombia	-29%
Mexico	-17%

International: “Go Lean” Approach



**Pricing
Maximization**



**Focus on
Cost Savings**



**Right-Size
Infrastructure**



**Optimize
Demand
Creation**

4 Pillars of Profitability

2020 Strategy

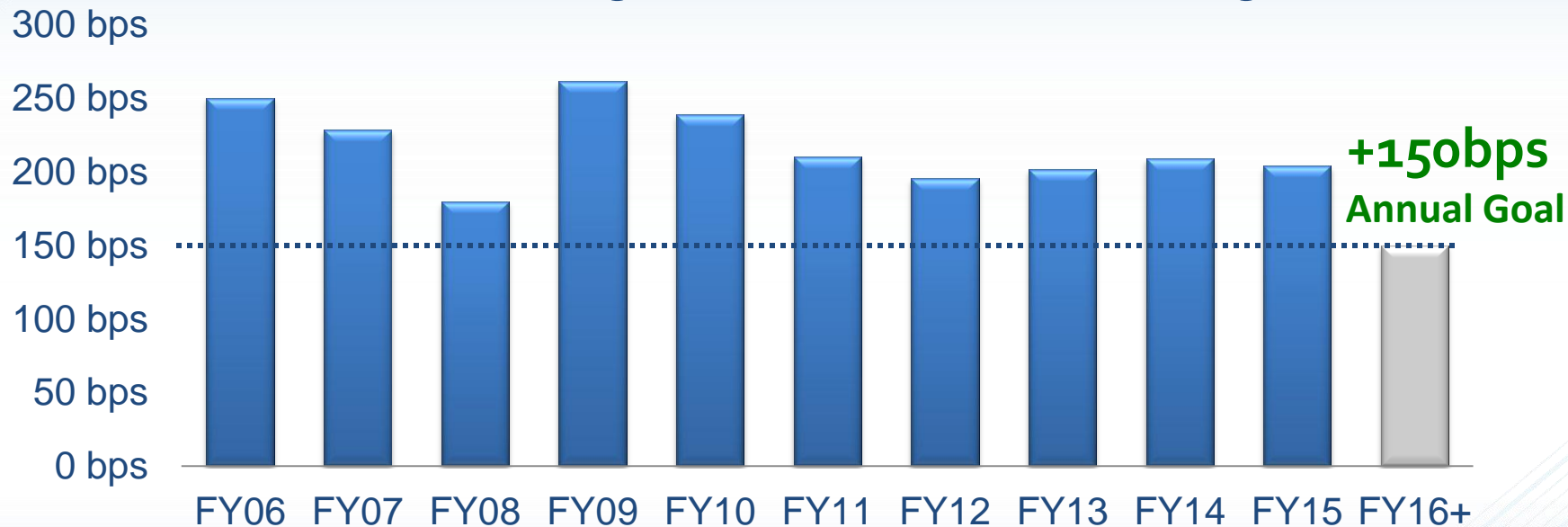


Strategy

- Engage our people as business owners
- Increase brand investment behind superior value and more targeted 3D plans
- Keep the core healthy and grow into new categories, channels, and existing countries
- **Reduce waste in work, products, and supply chain to fund growth**

Cost Savings Continue to Deliver

EBIT Margin Benefit from Cost Savings

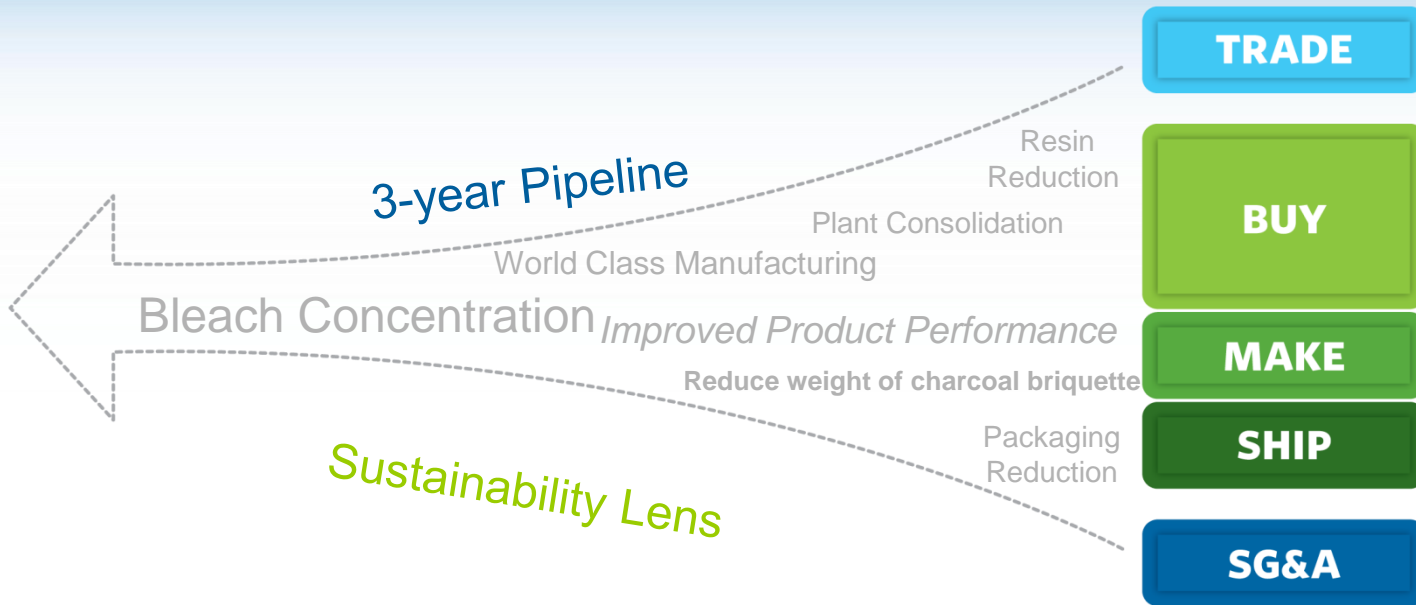


Strong Pipeline of Cost Savings

~2% Efficiency



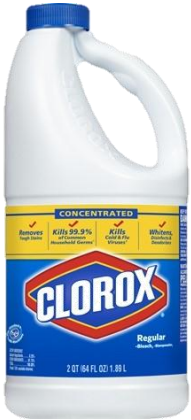
Every Year



Bleach Network Optimization



Bleach Network Optimization

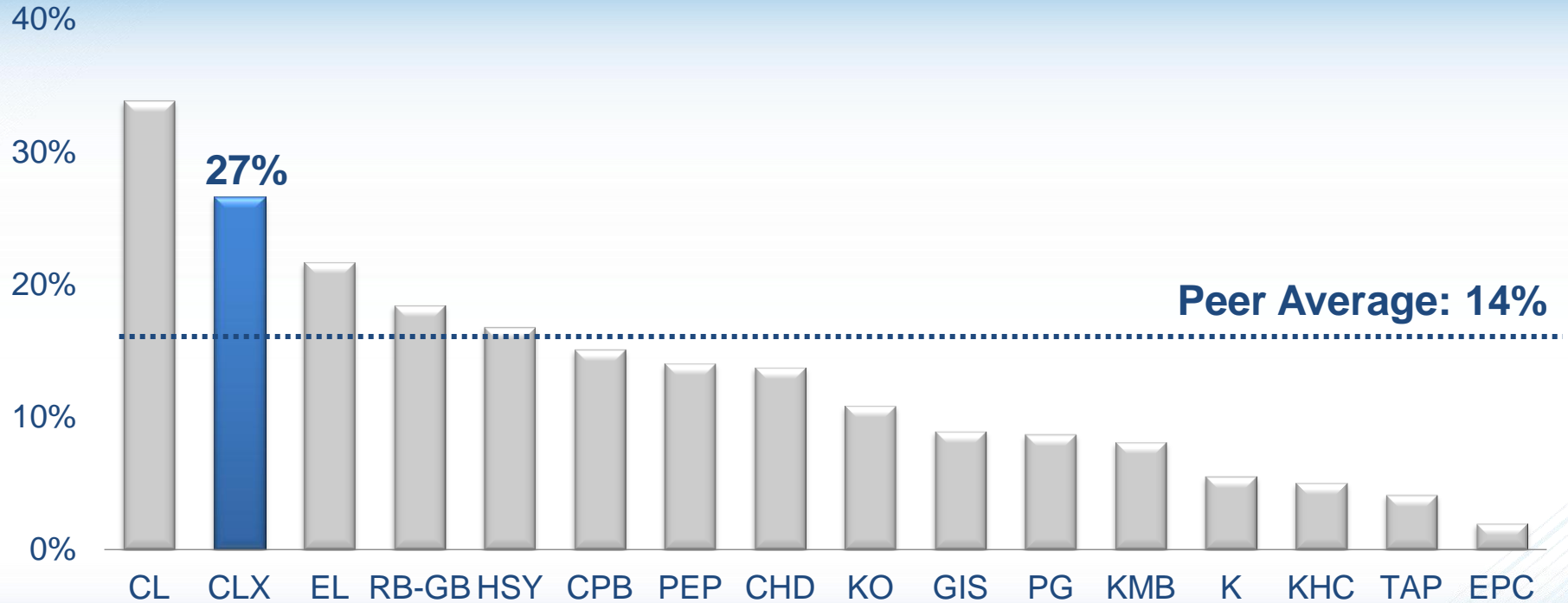


Today
(6 Plants → 5)

Opportunities Exist Within SG&A

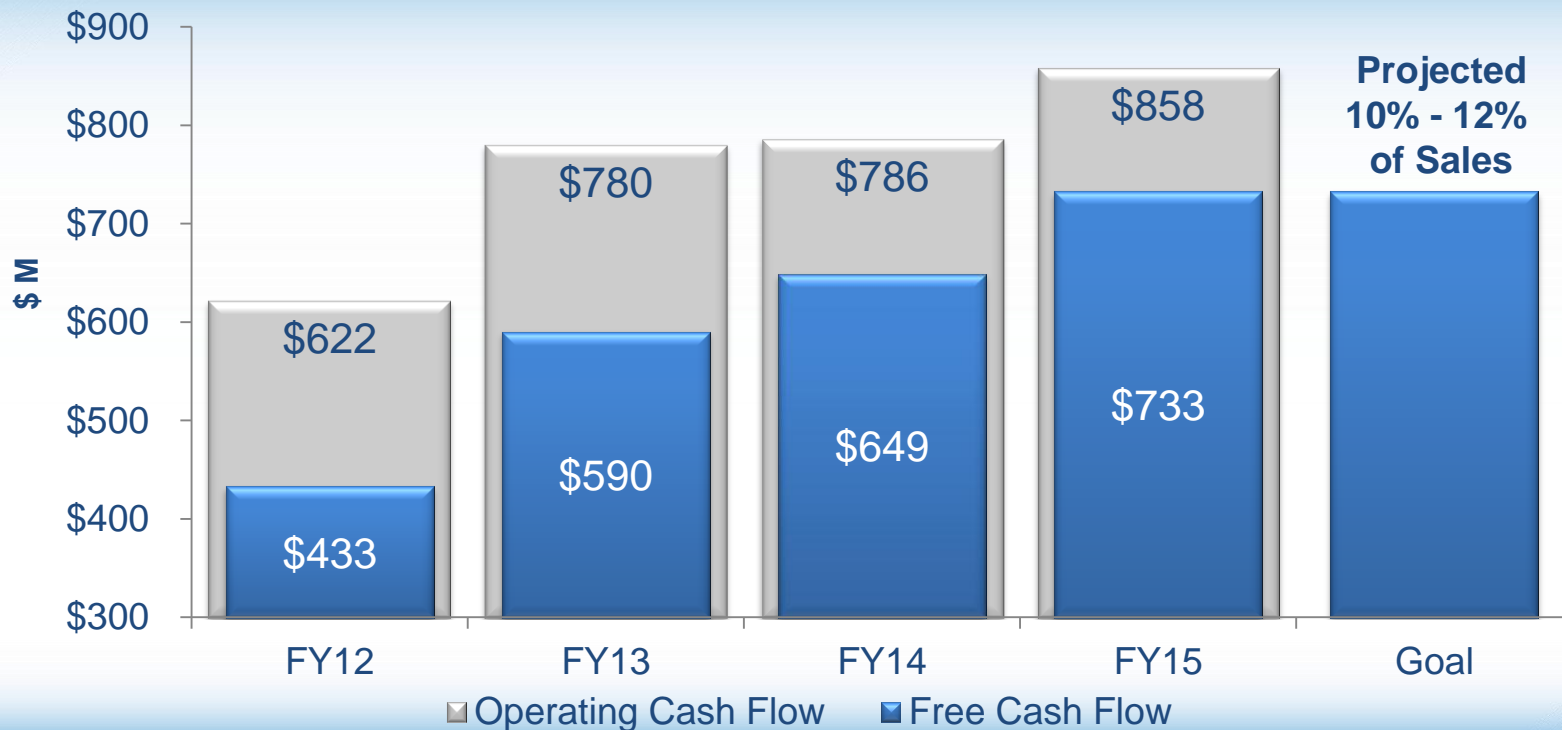


Top-Tier ROIC



Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes and interest expense, 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 publicly available Fiscal-end data (FactSet) as of 6/30/2015.

Strong Free Cash Flow



Use of Cash Priorities



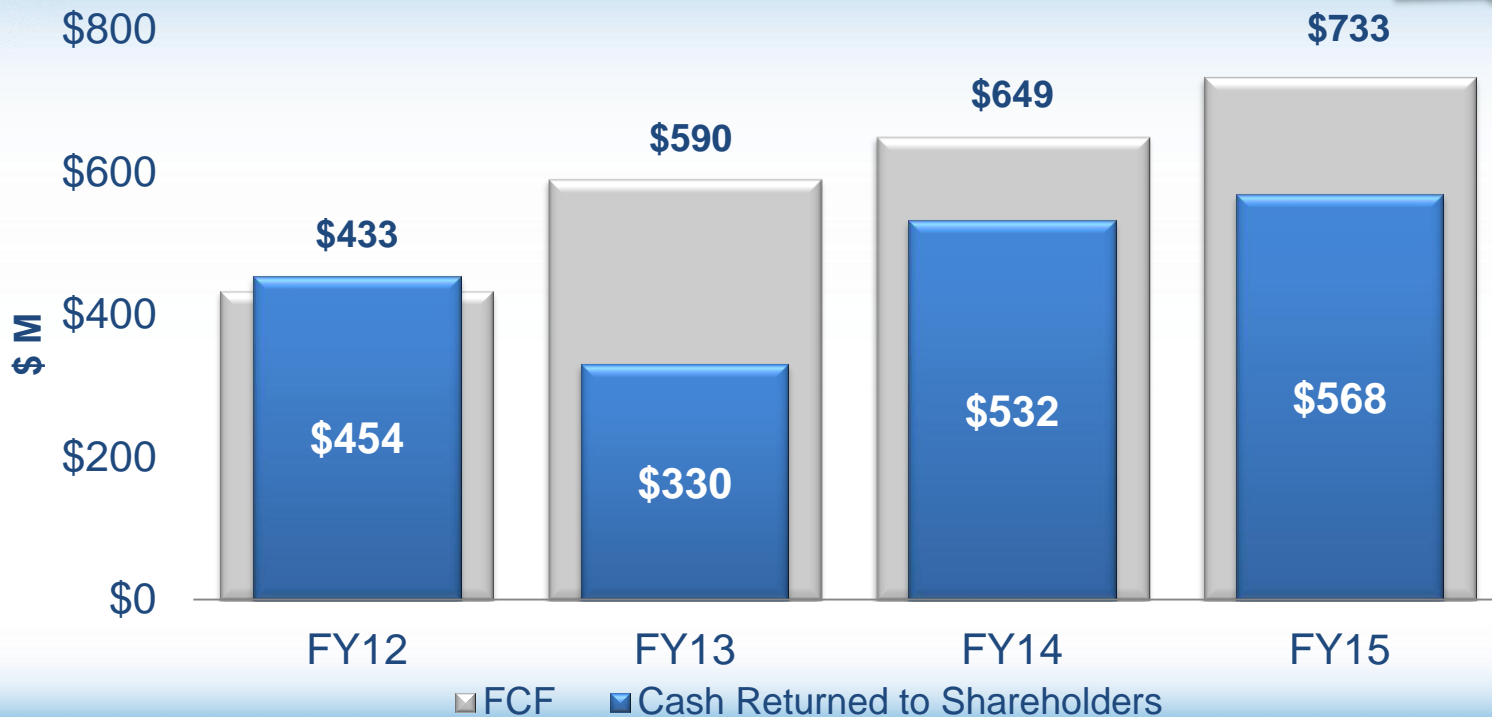
1. Debt Leverage = Gross Debt / EBITDA

M&A Criteria

- Target areas with tailwinds in categories, countries, and channels
 - Categories: Health & Wellness, Food Enhancers, and Natural Personal Care
 - Countries: US-Centric, with possible International expansion
 - Channels: Current retail and professional markets
- Strong fit with Clorox strategy and capabilities
- #1 (or strong #2) position in a defensible niche of a growing, sustainable category
- Accretive margin to the company average
- Dry Powder available
 - Transaction Size: Targeting companies/brands/technologies with \$50M to \$250M in sales (“bolt-on”)
 - Gross Debt/EBITA is 1.8x (low end of targeted range of 2.0x to 2.5x)

Nearly \$2 Billion Returned To Shareholders in Last 4 Years

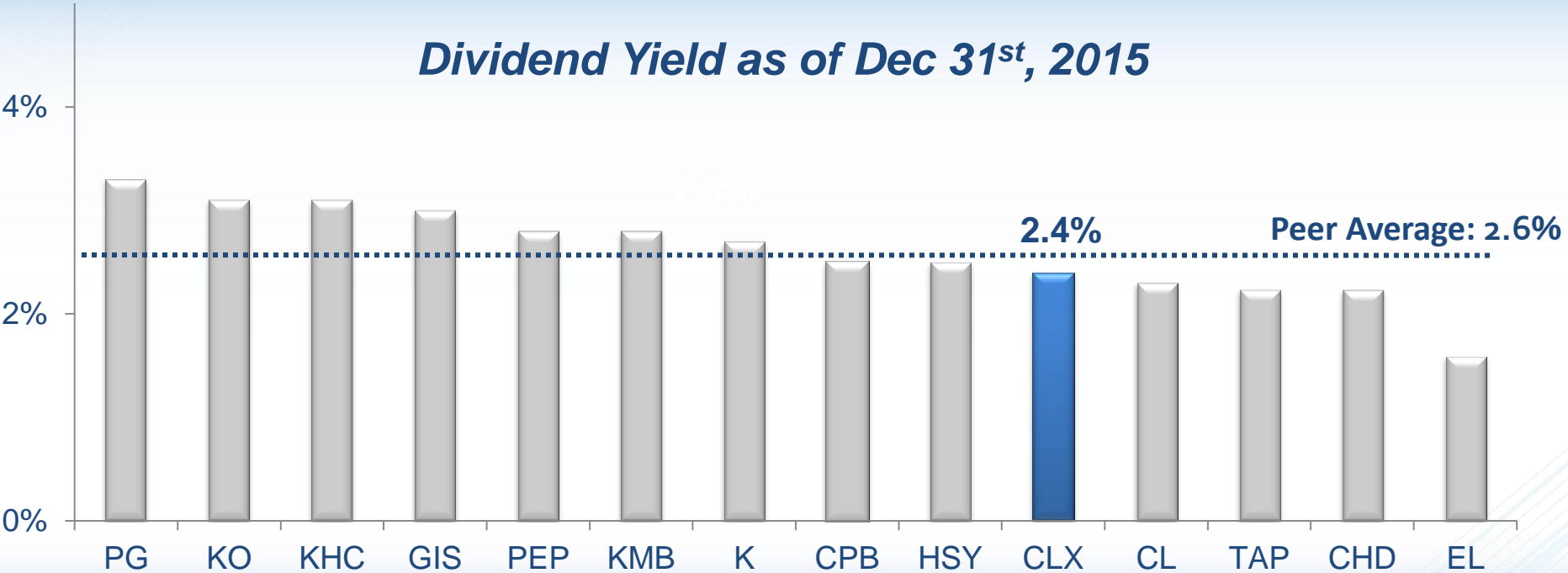
**FY15
Payout Ratio
64%**



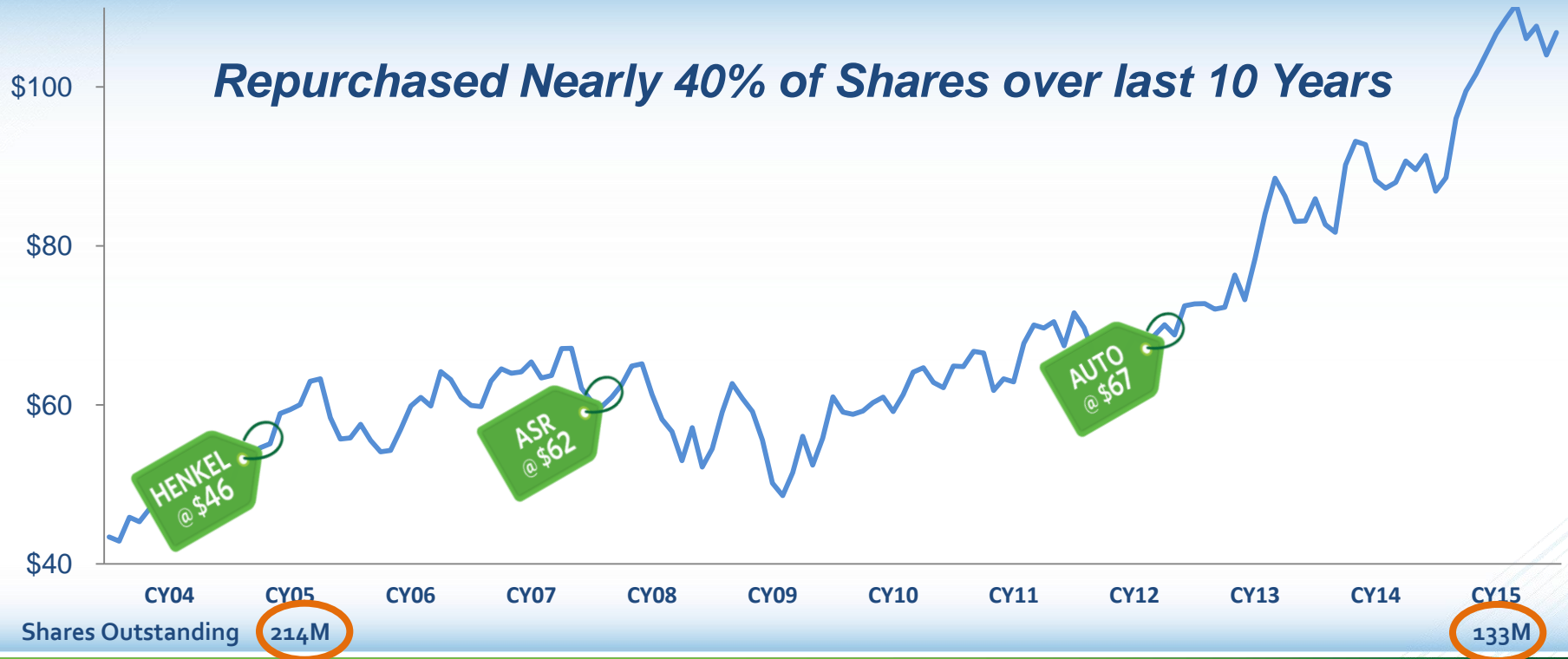
Healthy Dividend Growth...

Dividends Have Increased Each Year Since 1977

Dividend Yield as of Dec 31st, 2015



...and Long Track Record of Share Repurchases



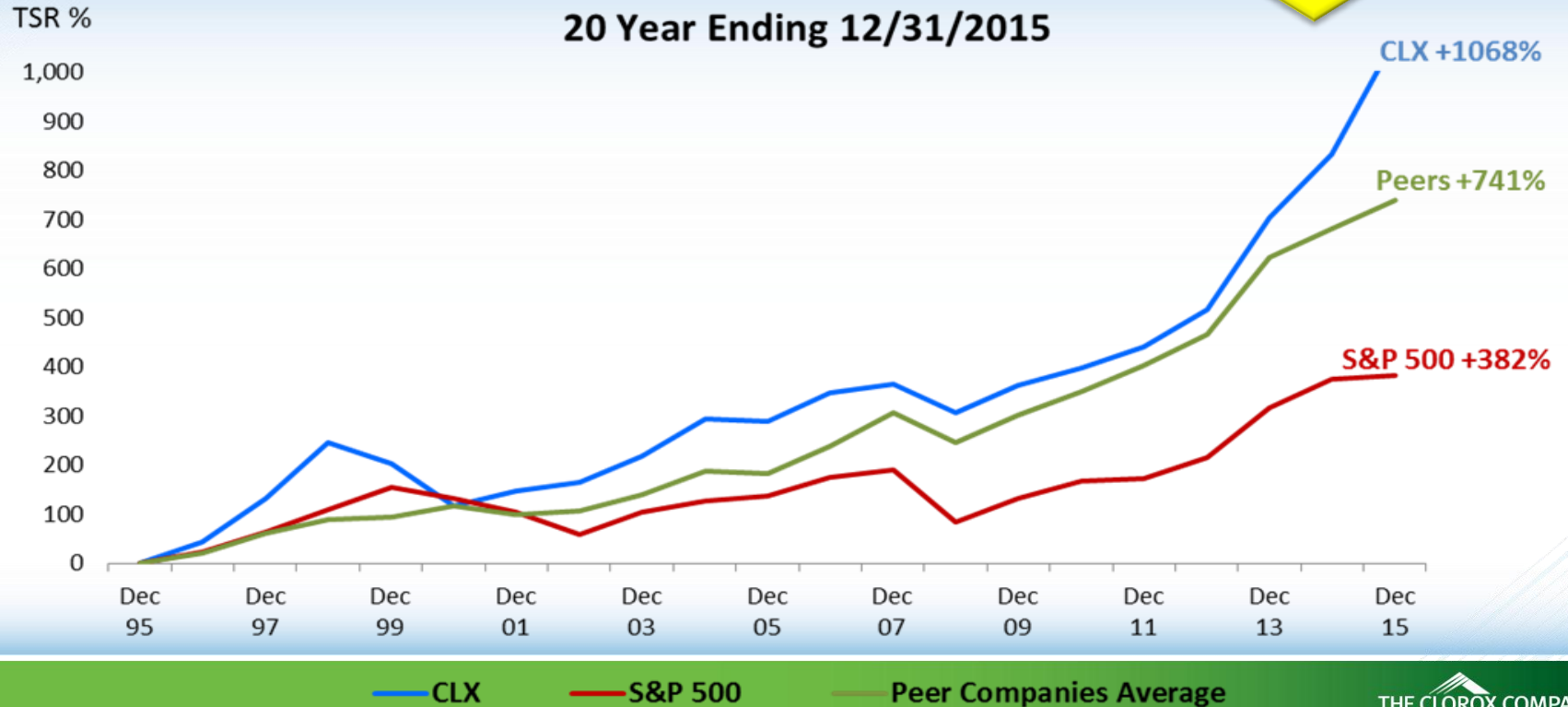
Long-Term Investment Case Remains Solid

- FX headwinds likely to lessen over the long-term
- Investing behind our brands to grow categories and share
- Solid pipeline of innovation and cost savings, including SG&A
- Free cash flow: 10% to 12% of Sales

Strong Shareholder Return

Over 2x the
S&P 500!

Total Shareholder Return
20 Year Ending 12/31/2015



Near-Term Priorities

- Invest in our categories by supporting innovation
- EBIT margin expansion: Continue executing with operational excellence
- International Segment: Prioritize profitability while managing through an increasingly difficult F/X environment

Key Messages

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- **Long-term investment case remains solid**