

The Clorox Company

2015 Deutsche Bank Conference

June 10th, 2015



Benno Dorer


Chief Executive Officer

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, 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 international operations, including price controls and foreign currency fluctuations; competition in the Company's markets; changes in the Company's leadership; economic conditions and financial market volatility; volatility and increases in commodity, energy and other costs; the Company's ability to drive sales growth and increase market share; dependence on key customers; government regulations; political, legal and tax risks; supply disruptions; the success of the Company's business strategies and products; product liability claims, labor claims and other legal proceedings; risks relating to acquisitions, new ventures and divestitures; information technology security breaches or cyber attacks; 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 undertakes no obligation to publicly update or revise any forward-looking statements.

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.

Key Messages

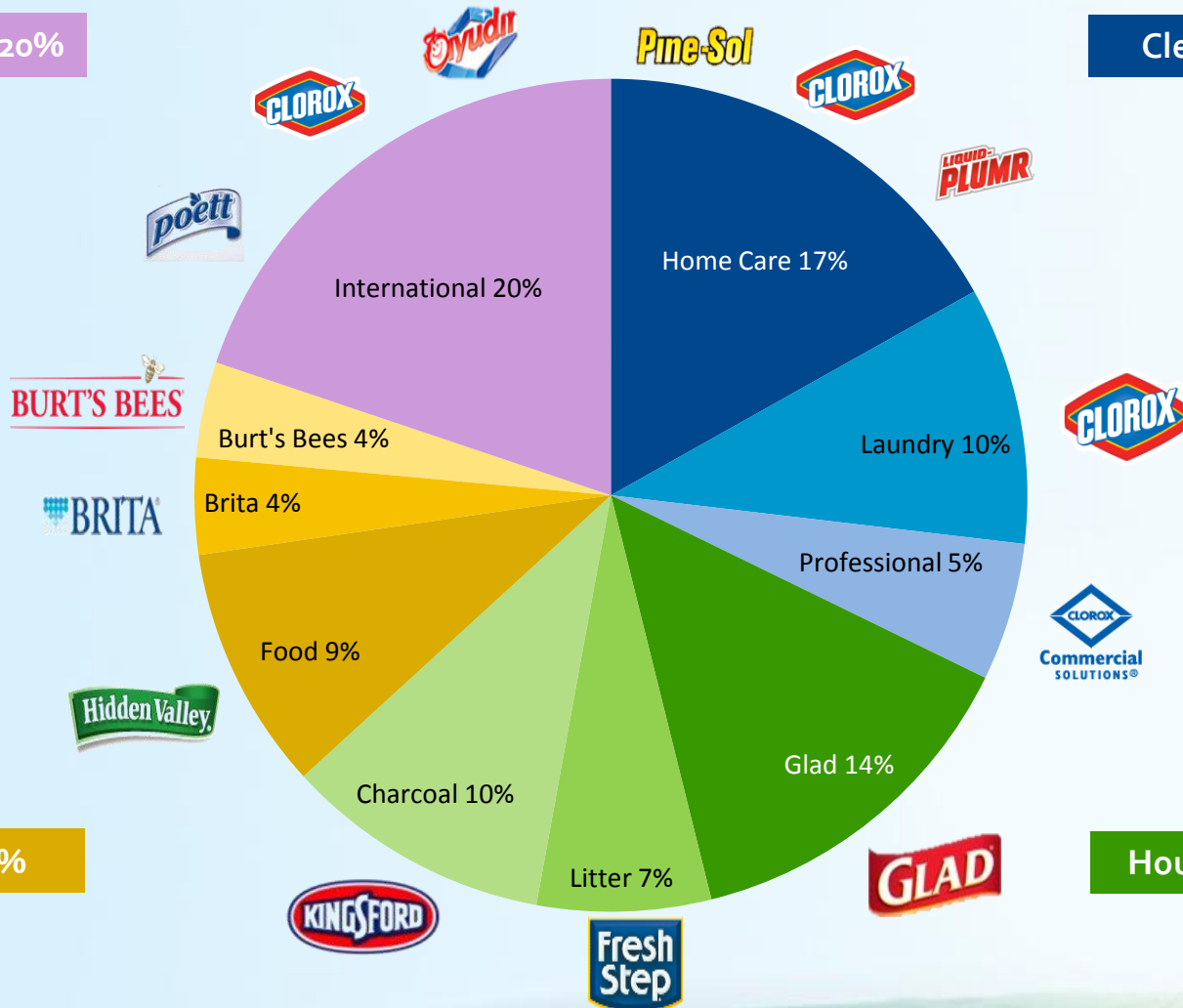
- Strategy 2020 focused on driving profitable growth
 - Balanced business plans reflect opportunities in a volatile macroeconomic environment
 - Clorox has delivered solid shareholder returns over the long-term
- 

Big Share Brands in Mid-Sized Categories

Over 80% of the Portfolio has #1 or #2 Share

International : 20%

Cleaning : 32%



Lifestyle : 17%

Household : 31%

Portfolio → Same Consumer Megatrends

Health & Wellness

Sustainability

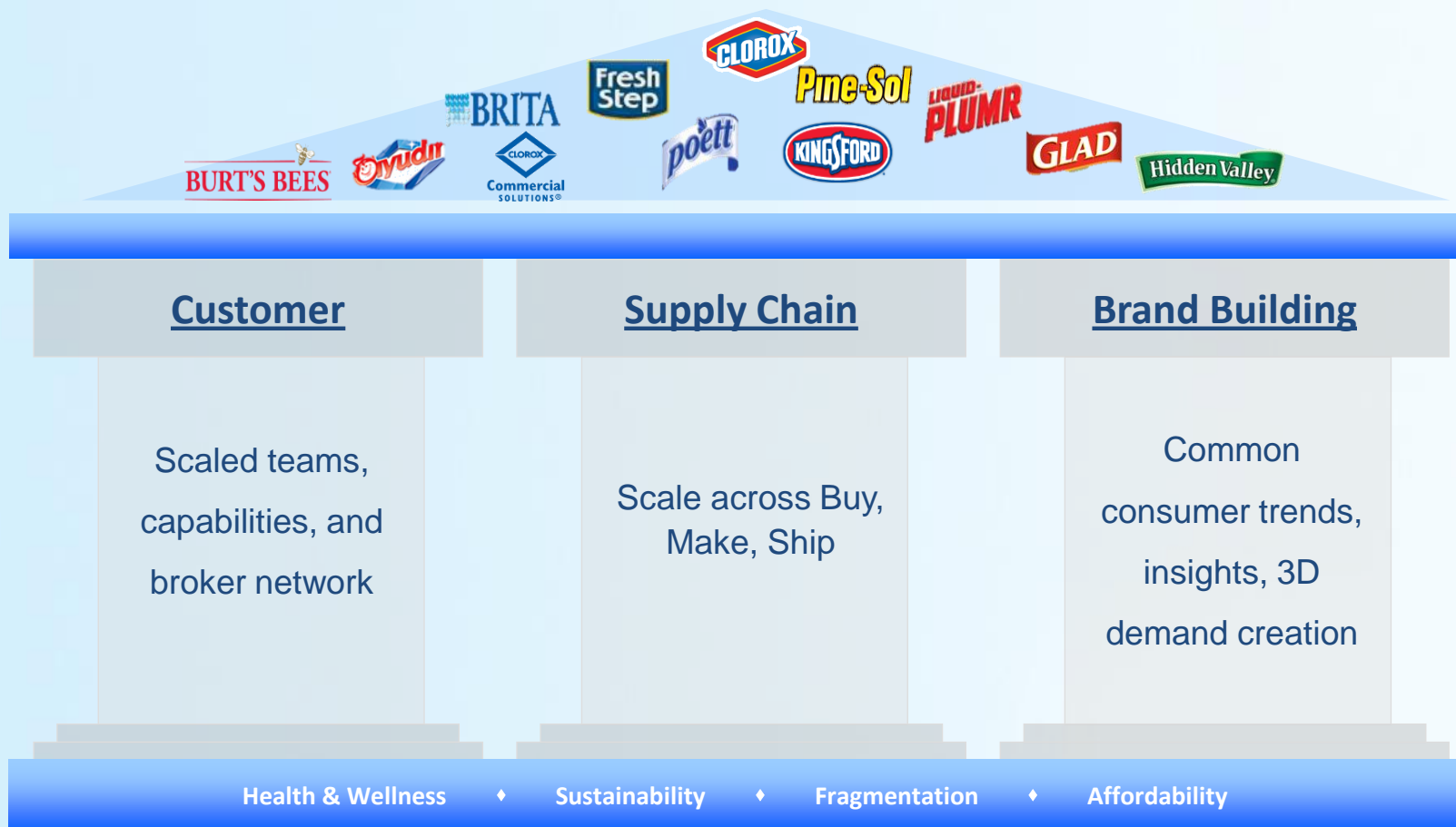
**MEGA
TRENDS**

Fragmentation

Affordability



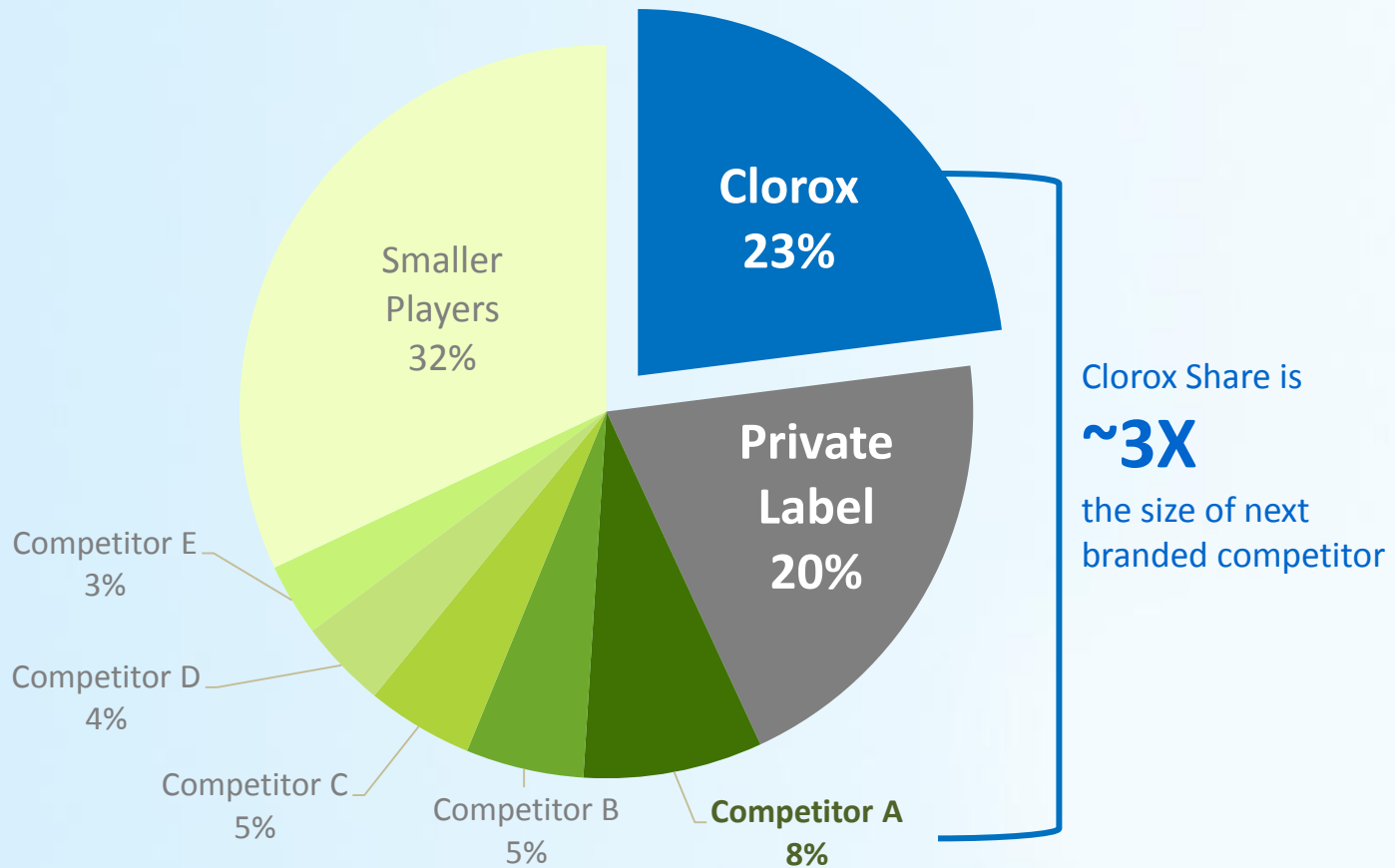
Portfolio → Significant Synergies



- ✓ Over 80% of our portfolio has #1 or #2 share
- ✓ Lower SG&A as a % of Sales vs. Peers⁽¹⁾
 - ✓ Top tertile ROIC
 - ✓ Strong cash flow

(1) As of June 30th, 2014, 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, AVP, EL, KMB, RB-GB. See Slide 50 for details.

Portfolio → Advantage vs Less-Scaled Competitors



Portfolio → Competing Well with Private Label



Clorox shares 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 ended 3/22/2015.

Strategy 2020

Mission

- “We make everyday life better, everyday”

Objectives

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

2020 Goals

- Grow Sales +3% to +5% per year
- Expand EBIT Margin 25 to 50 bps per year
- Free Cash Flow 10%+ of Sales per year

Strategy 2020

Driving Profitable Growth

2020 Strategies

Engage our people as business owners

Increase our brand investment behind superior value and more targeted 3D plans

Keep the core healthy and grow into profitable new categories, channels, countries

Fund growth by reducing waste in our work, products and supply chain

Strategy Accelerators

Growth Culture

Technology Transformation

Innovation

Portfolio Momentum

Strategy 2020 Accelerator



Innovation

Broad-based Approach to Innovation

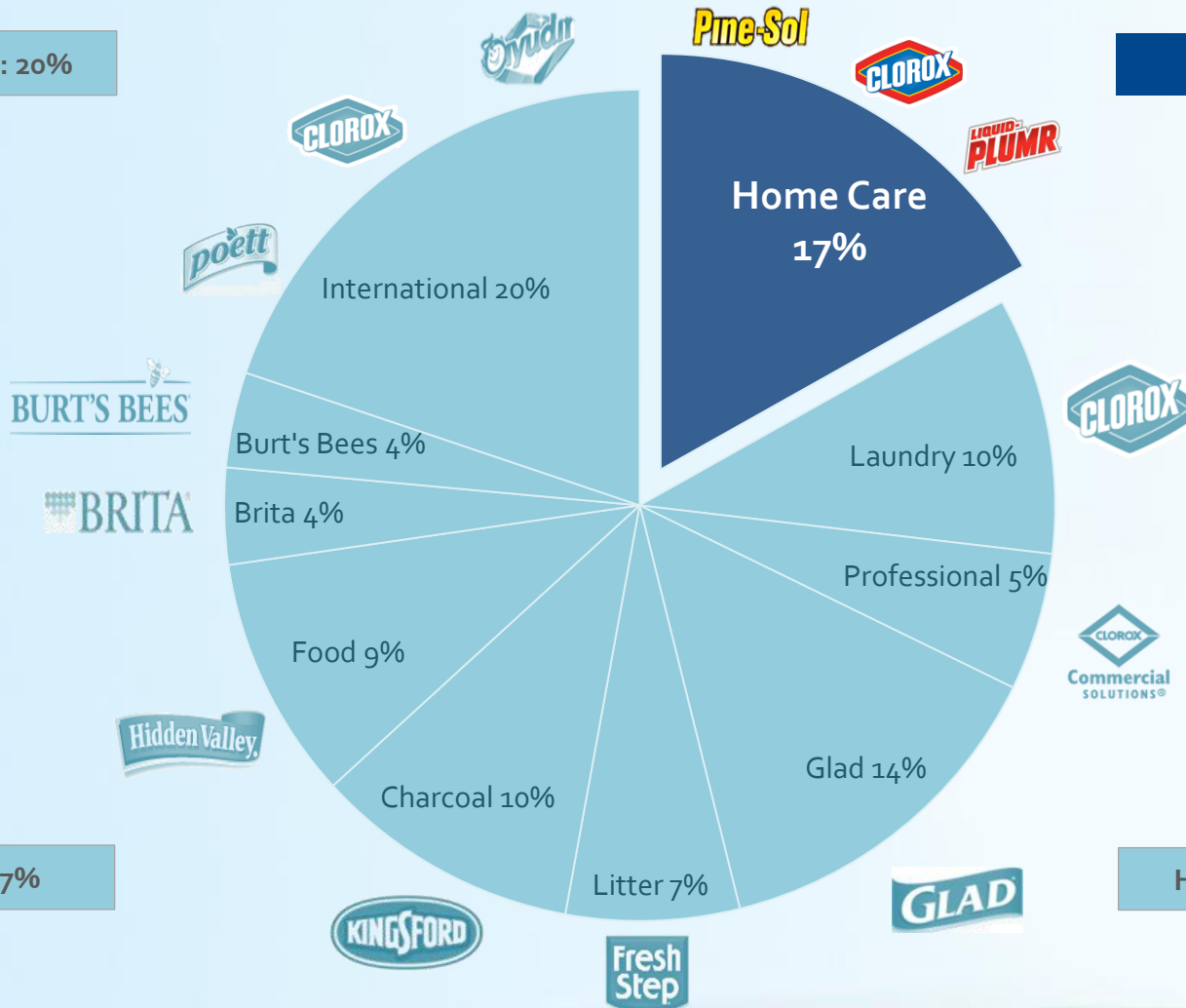


*Cost-o-vation is a term used at Clorox that describes innovation that reduces cost while delivering improved product performance

Innovation to Grow Market Share

International : 20%

Cleaning : 32%



Lifestyle : 17%

Household : 31%

Cleaning in the Flow: Growth Tailwind

1960s



Right Tool for the Job

1980s



Deep Cleaning Routine, Weekend Chores

2000s



Balance: Deep vs. Quick Clean

Today



In-The-Flow



Innovation on Clorox Disinfecting Wipes

DESIRE

- ✓ Expand usage via multiple surfaces

DECIDE

- ✓ Merchandising with stronger message

DELIGHT

- ✓ Multiple new launches in FY15



Continued Category and Share Growth

DESIRE

DECIDE

DELIGHT

✓ Expand usage via multiple surfaces

✓ Merchandising with stronger message

✓ Multiple new launches in FY15



	P52 W May 17, 2015	P13 W May 17, 2015
Dollars		
Wipes Category	+11%	+7%
Clorox Wipes Share	+1.7pts	+2.2pts



Re-energizing Clorox ToiletWand Behind Cleaning in the Flow



- ✓ Original Launch - 2004
- ✓ #1 SKU in Toilet Cleaner Category (10ct refill)
- ✓ Preloaded with Clorox® cleaner
- ✓ Kills 99.9% of germs

Dollars	P52 W May 17, 2015	P13 W May 17, 2015
Clorox Share (CTBC)*	+5.3pts	+3.3pts
ToiletWand Sales vs YA	+6%	+2%



Source: IRI Infoscan Data - Total U.S. Multi-Outlet (Food/Drug/Mass + Walmart + Sam's + BJ's + Family Dollar + Dollar General + Fred's + DeCA.)

*Share of Convenience Toilet Bowl Cleaner Category

New Product Forms to Expand Cleaning in the Flow Platform



For Kitchen and Bathroom

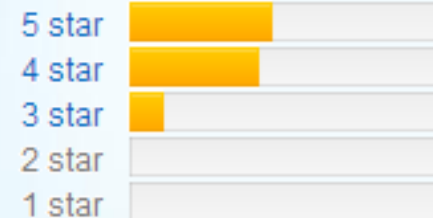
- ✓ Jan 2015 Launch
- ✓ Strong and flexible disposable pads
- ✓ Preloaded with Clorox® cleaner
- ✓ Powers through grease and soap scum
- ✓ Rinsable pad cleans multiple surfaces

Replaces the Kitchen Sponge -
#1 source of germs in the household*

Customer Reviews

★★★★☆ (52)

4.3 out of 5 stars



[See all 52 customer reviews](#)

Real Scrubbing for Real Life



Growing Home Care Category and Clorox Share

DESIRE

- ✓ New campaign highlighting VALUE

DECIDE

- ✓ Merchandising with stronger message

DELIGHT

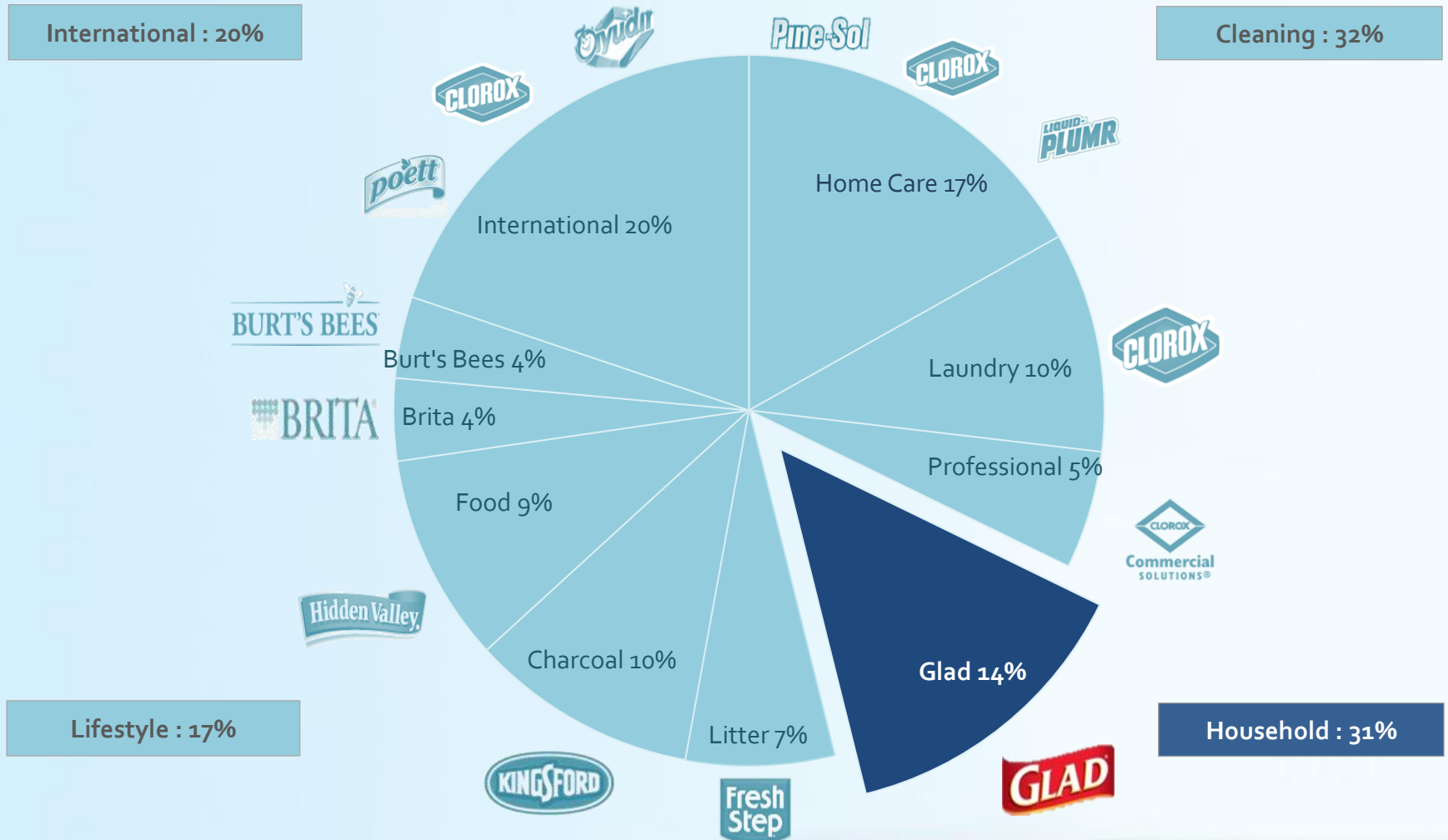
- ✓ Multiple new launches in FY15



	P52 W May 17, 2015	P13 W May 17, 2015
Dollars		
Home Care Category	+2%	+1%
Clorox Home Care Share	+0.6pts	+0.7pts



Innovation to Drive Margin



Leveraging Unique Innovation Capabilities

DESIRE

DECIDE

DELIGHT

- ✓ Distinctive benefits and Better Value
- ✓ Incremental Demand Support behind stronger messaging
- ✓ Unique Partnership for innovation



frame 1

Bye, trash odors
Hello, New Gain™ scents

DOLLAR GENERAL

NEW Gain
with Gain scent

DC DIGITAL COUPONS
\$5 Dollar General Sale Price
-\$1 Digital Manufacturer Coupon*
\$4
Final Price With Coupon

***GO TO DG.COM/COUPONS**
TO REGISTER AND SAVE \$1.00
Valid 5/3 - 5/9

GLAD

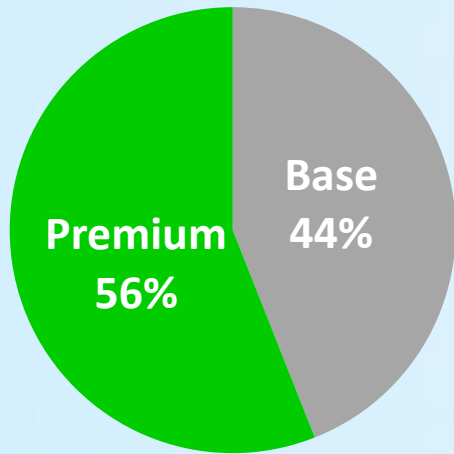
Febreze

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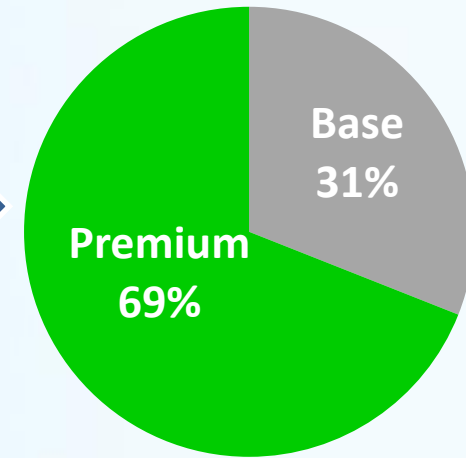
Expanding Margin Through Innovation

2012
% of Share

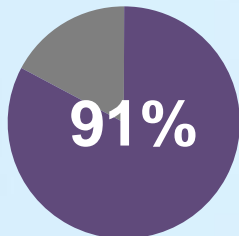


Premium Trash Today
Two-Thirds Volume
Three-Quarters Profit

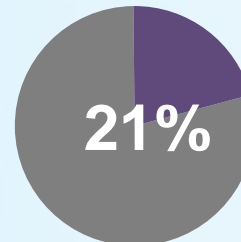
2015
% of Share



Want
Odor Neutralization



Currently Purchase
Odor Neutralization



Opportunity



Strong Odor-Neutralizing Message



Innovation: Driving Trade-Up

DESIRE

DECIDE

DELIGHT

- ✓ Distinctive Benefits and Better Value
- ✓ Incremental Demand Support behind stronger messaging
- ✓ Unique Partnership for innovation

Dollars	P52 W May 17, 2015	P13 W May 17, 2015
Trash Category	+5%	+6%
Clorox Premium Share	+0.9pts	+2.7pts
Clorox Base Share	-0.7pts	-1.7pts



Opportunities: Cat Litter & Water Filtration

DESIRE

DECIDE

DELIGHT

- ✓ Distinctive Benefits and Better Value
- ✓ Stronger messaging
- ✓ Continued focus on Innovation

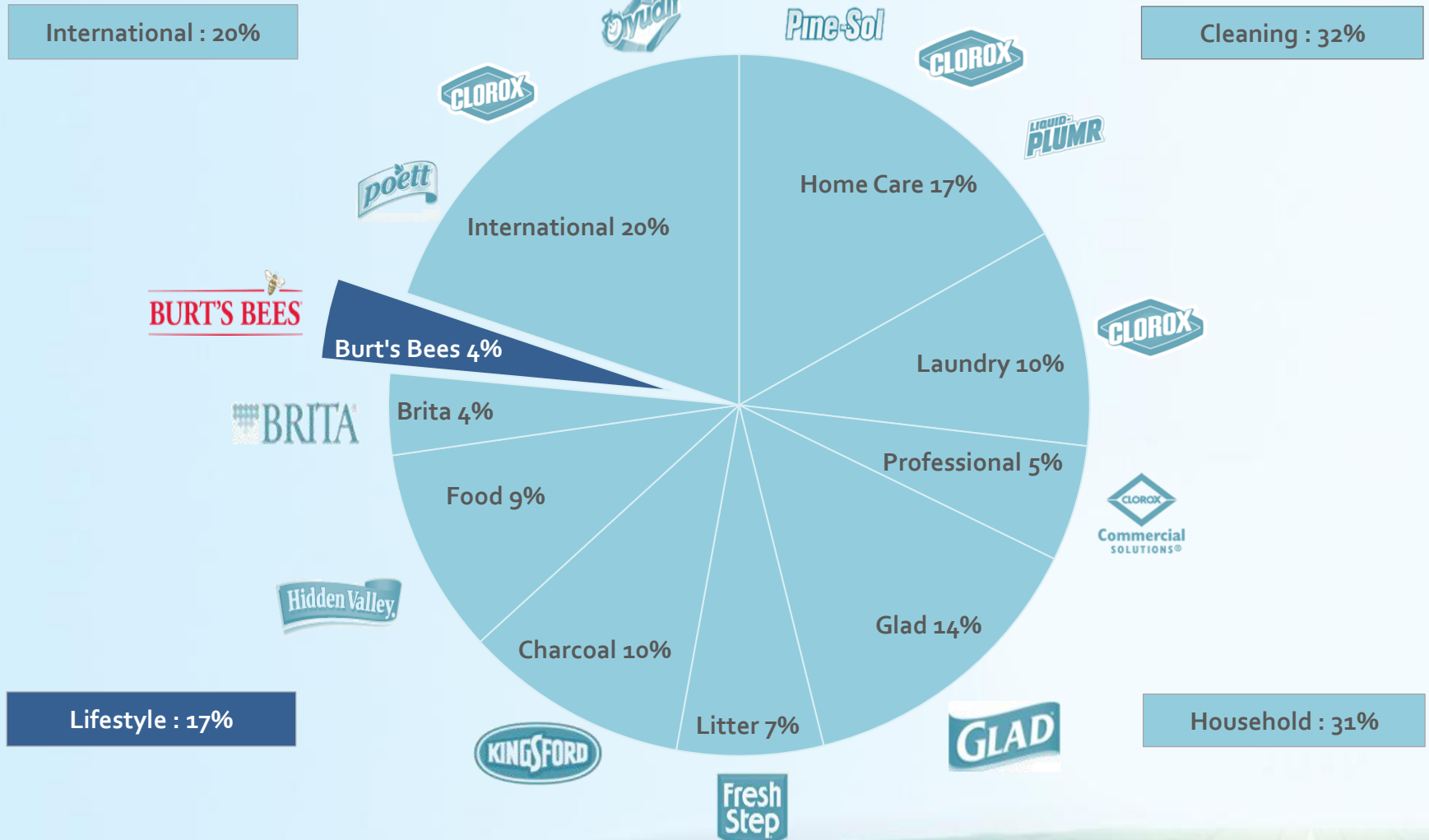
Dollars	P52 W May 17, 2015	P13 W May 17, 2015
Litter Category	+5%	+7%
Clorox Share	-1.6pts	-1.3pts
Water Filtration Category	-5%	-10%
Clorox Share	-0.7pts	-1.0pts

Strategy 2020 Accelerator



**Portfolio
Momentum**

Driving Growth from Portfolio



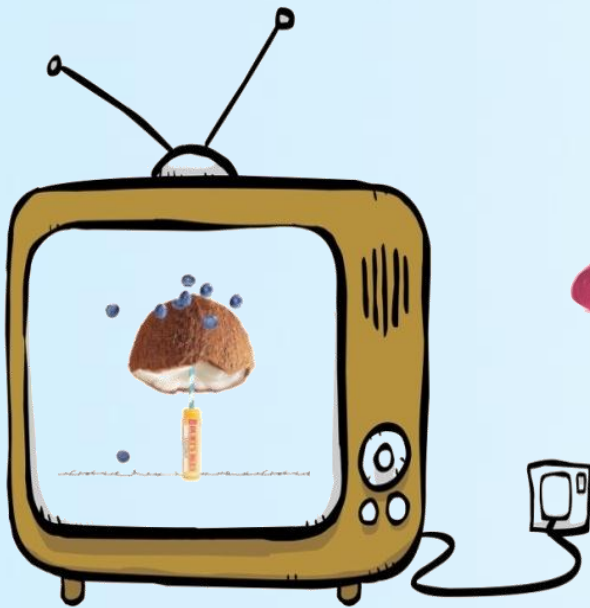
Investing to Grow and Expand Core

DESIRE

DECIDE

DELIGHT

- ✓ First ever TV campaign
- ✓ Pulse period merchandising
- ✓ Robust Innovation pipeline



Burt's Bees 1st TV Campaign



Burt's Bees – Foundation of Leadership

MARKET LEADER

#1
Natural brand*

34%
Market
Share NPC*

GROWTH LEADER

+8%
5 Year
CAGR**

NPC growing
7X faster than
traditional
personal care*

THOUGHT LEADER

Leader in
sustainable
business
practices

NPA natural
seal



INNOVATION LEADER

123
Items launched
over past 3 yrs

Nearly **1/2**
of new NPC
item sales over
last 3 yrs

CONSUMER LEADER

Extraordinary
consumer
loyalty*

Ranked
#1
Green Brand*

*Source: IRI MULO x Target 52 we 1-26-14; Brand Health Tracking 2014 ; 2010 Image Power Green Brands Survey

** Includes güd™

Turning Leadership into Growth

DESIRE

DECIDE

DELIGHT

- ✓ First ever TV campaign
- ✓ Pulse period merchandising
- ✓ Robust Innovation pipeline

Dollars	P52 W Apr 19, 2015	P12 W Apr 19, 2015
HPC Category*	+3%	+1%
Burt's Share (HPC)	+0.2pts	+0.2pts
Burt's Growth vs YA	+12%	+9%



*Source: IRI Infoscan Data - Total U.S. Multi-Outlet (Food/Drug/Mass + Walmart + Sam's + BJ's + Family Dollar + Dollar General + Fred's + DeCA) + SPINS + Wholefoods + BBI Target D37
Key HBC Categories include: Lip Balm / Cold Sore, Lip Cosmetics, Face + Acne, Hand & Body Lotions and Shampoo & Conditioner

Significant Opportunities for Growth



Continued
International
Expansion



Drive Trial &
Awareness on Core



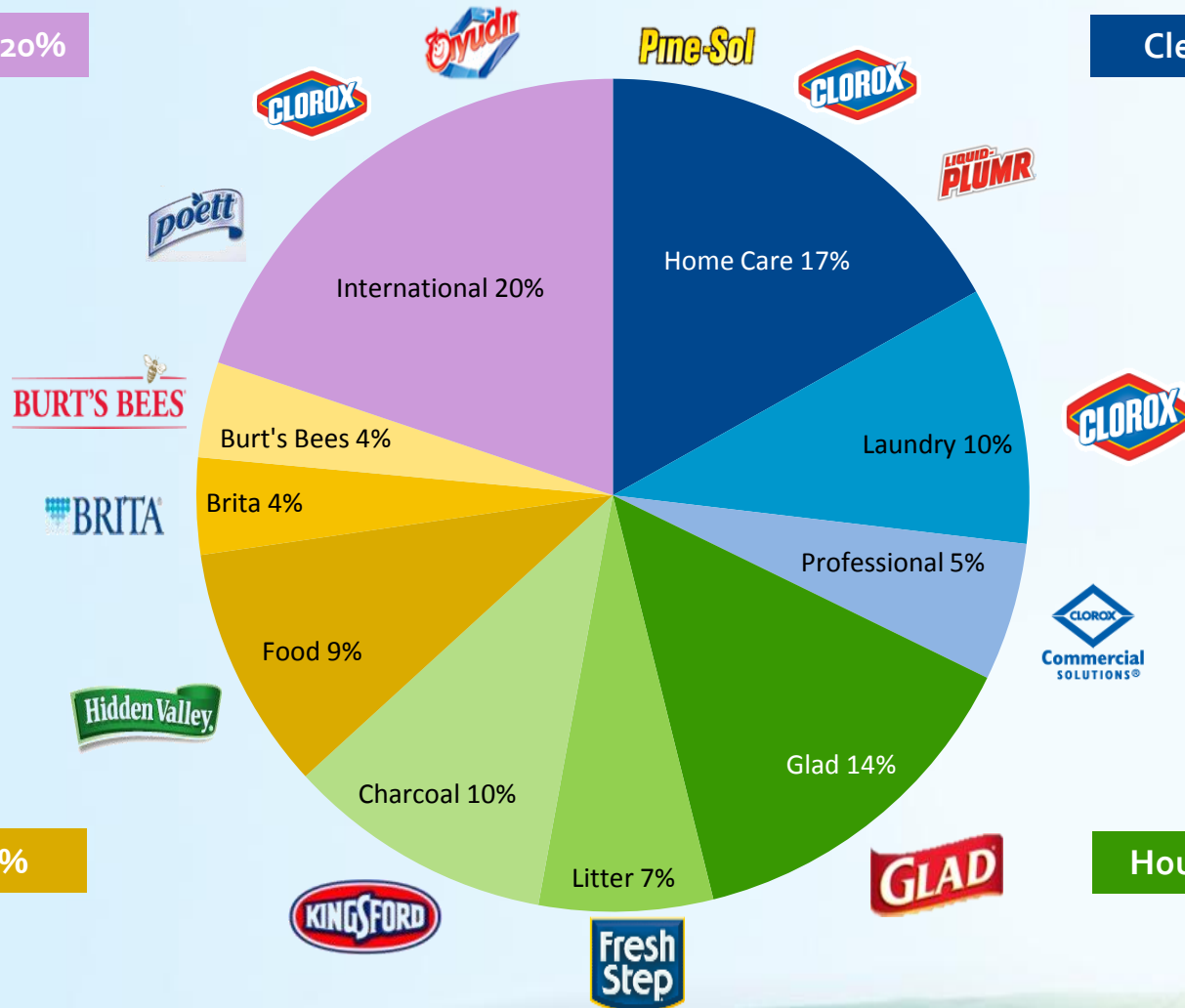
Expansion into NPC
Adjacencies



Clorox Investments are Showing Results

International : 20%

Cleaning : 32%

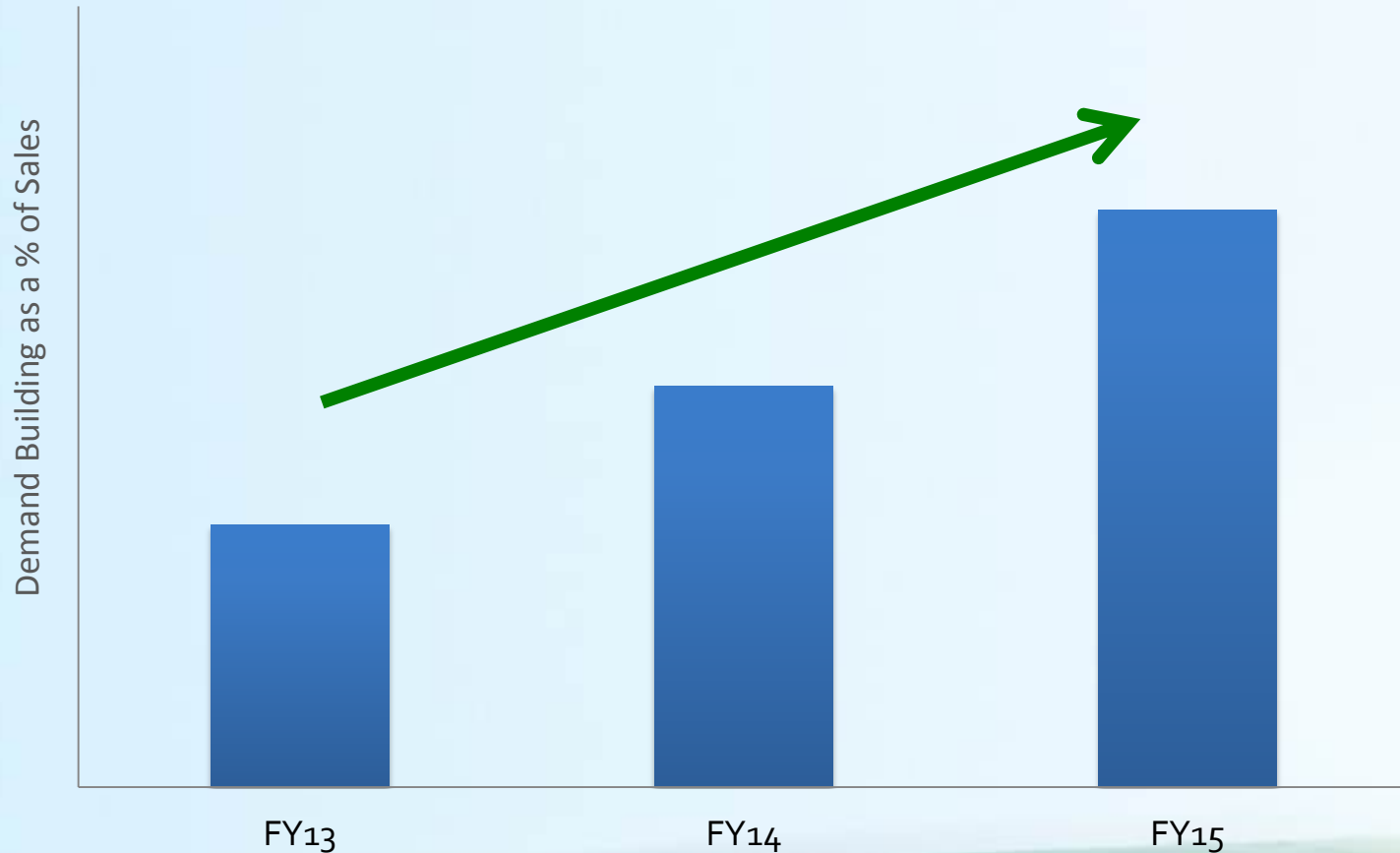


Lifestyle : 17%

Household : 31%

Investing for Profitable Growth

Increased Demand Building Investment
by +1pt since FY13 (+5% Increase)



NOTE: Demand Building is aggregate of Trade, Advertising/Sales Promotion, and R&D Expenses. FY13, FY14 are actuals and FY15 is as of May 1st Outlook

Accelerate Strategy 2020

Driving Profitable Growth

**Technology
Transformation**

Innovation

**Portfolio
Momentum**

Growth Culture

Clorox Share is Improving

- Clorox categories are showing positive trends
- Strongest market share growth in 4 years!

Dollars	P52 W May 17, 2015	P13 W May 17, 2015	P4/5 W May 17, 2015
Clorox Categories	+2%	+2%	+3%
Clorox Share	FLAT	+0.3pts	+0.4pts

Clorox: Leading the Right Way



#3

2015 Diversity MBA Magazine:
Best Place for Women & Diverse
Managers to Work



#12


2015 Reputation Institute:
Most Reputable Companies



#37

2015 CR Magazine:
100 Best Corporate Citizens

Key Messages

- Strategy 2020 focused on driving profitable growth
 - Balanced business plans reflect opportunities in a volatile macroeconomic environment
 - Clorox has delivered solid shareholder returns over the long-term
- 

Steve Robb

Chief Financial Officer

Key Messages

- Strategy 2020 focused on driving profitable growth
- **Balanced business plans reflect opportunities in a volatile macroeconomic environment**
- Clorox has delivered solid shareholder returns over the long-term

FY15 YTD Performance (9 months)

Vs. Year Ago

Sales

+2%

EBIT Margin

Flat

Diluted EPS
(cont. ops)

+2%

Free Cash Flow

+11%

Key Trends

- Investing behind our brands
 - Support innovation
 - Grow market share in a competitive environment
- Resin prices are beginning to firm and expect continued inflationary pressure, especially in logistics
- International: FX headwinds and slowing economies
 - Expect pressure to continue into FY16
 - Significant devaluation expected in Argentina in FY16

Double-Digit FX Headwinds

	<u>Sales % to Clorox</u>	<u>Exchange Rate vs YAGO</u>
Canada	4%	-11%
Argentina	3%	-13%
Australia	2%	-12%
Chile	1%	-12%
Colombia	1%	-19%
Mexico	1%	-11%

Expected to reduce sales by over 2pts in FY15
with stronger headwinds anticipated in FY16

Sales Growth

- U.S. Business: On Track
- International: Challenged

	DOMESTIC (80% OF SALES)	INTERNATIONAL (20% OF SALES)	TOTAL CLOROX
Long-Term Goal	+2% to +3%	+5% to +7%	+3% to +5%
FY15 YTD Sales	+3%	-1%	+2%
<i>FY15 YTD Currency Neutral</i>	<i>+3%</i>	<i>+10%</i>	<i>+4%</i>

International: Focused on the Long-Term



Strong
Brands

Focus on
Margin

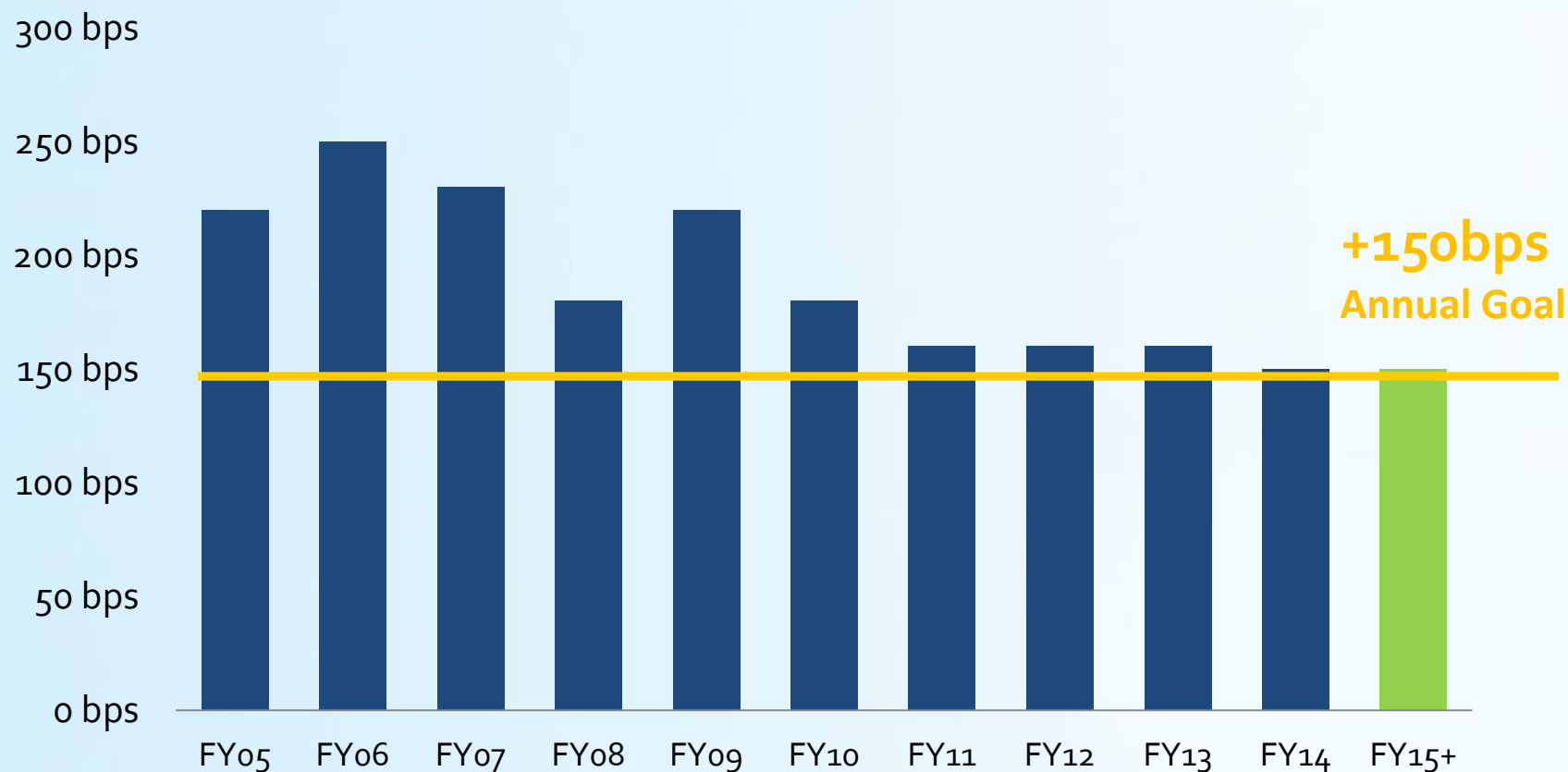
Invest for
Future
Growth

Key Messages

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Cost Savings: Strong Track Record

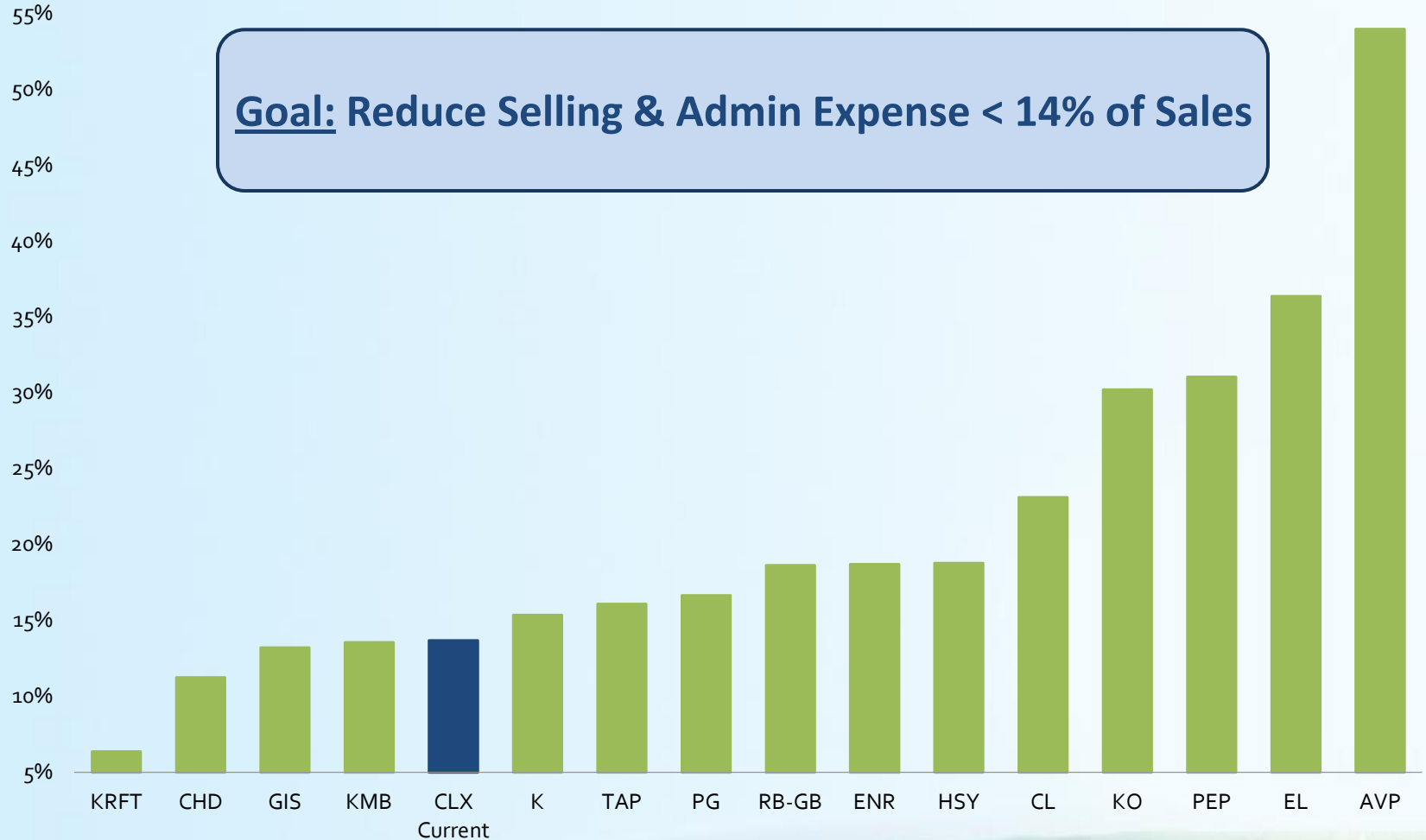
Margin Benefit from Cost Savings



Note: FY05 to FY14 cost savings margin benefit above do NOT reflect the reclassification of Corporación Clorox Venezuela S.A. (Clorox Venezuela) to discontinued operations on Sept. 22, 2014.

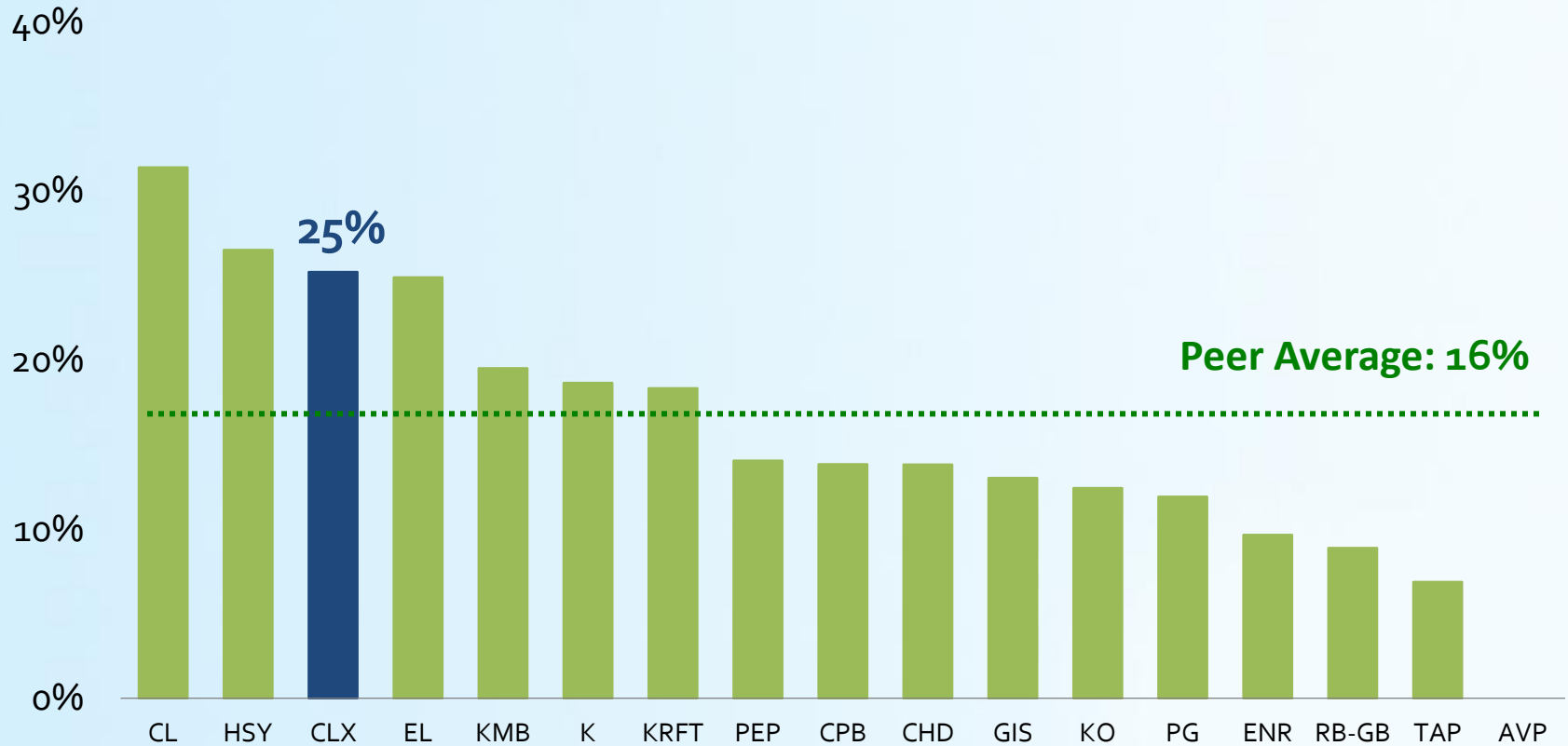
Admin Opportunities Exist

Selling & Admin as a % of Sales



Note: Selling & Admin as a percentage of Sales based on information from latest SEC filings as of June 30, 2014

Top-Tier ROIC



Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes, excluding restructuring and asset impairment costs, noncash goodwill impairment and interest expense, computed on an after-tax basis as a percentage of adjusted average invested capital. 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 6/30/2014.

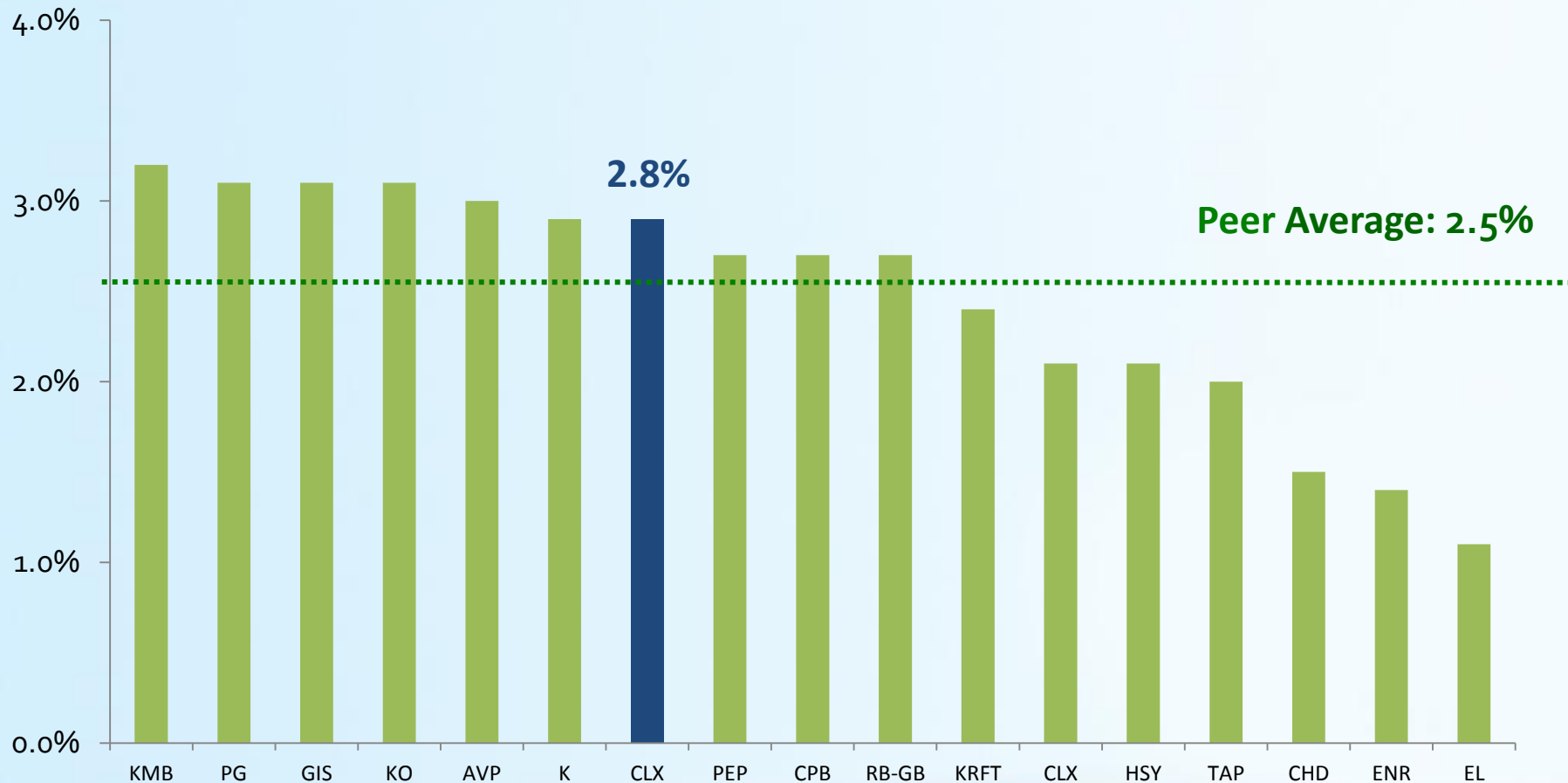
Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes and interest expense, computed on an after-tax basis as a percentage of average invested capital. Average invested capital represents a five quarter average of total assets less non-interest bearing liabilities.

Use of Cash Remains the Same



Healthy Dividend Growth...

Raised the Dividend Every Year Since 1977



NOTE: CLX Dividend Yield is based on announced dividend increase (on May 11th, 2015) of \$0.77 per share divided by Closing Stock price on May 11th, 2015 of \$106.95
Dividend yield is calculated using trailing twelve months dividend per share and closing stock price as of Mar 31, 2015, for Peer Companies

...and Long Track Record of Share Repurchases

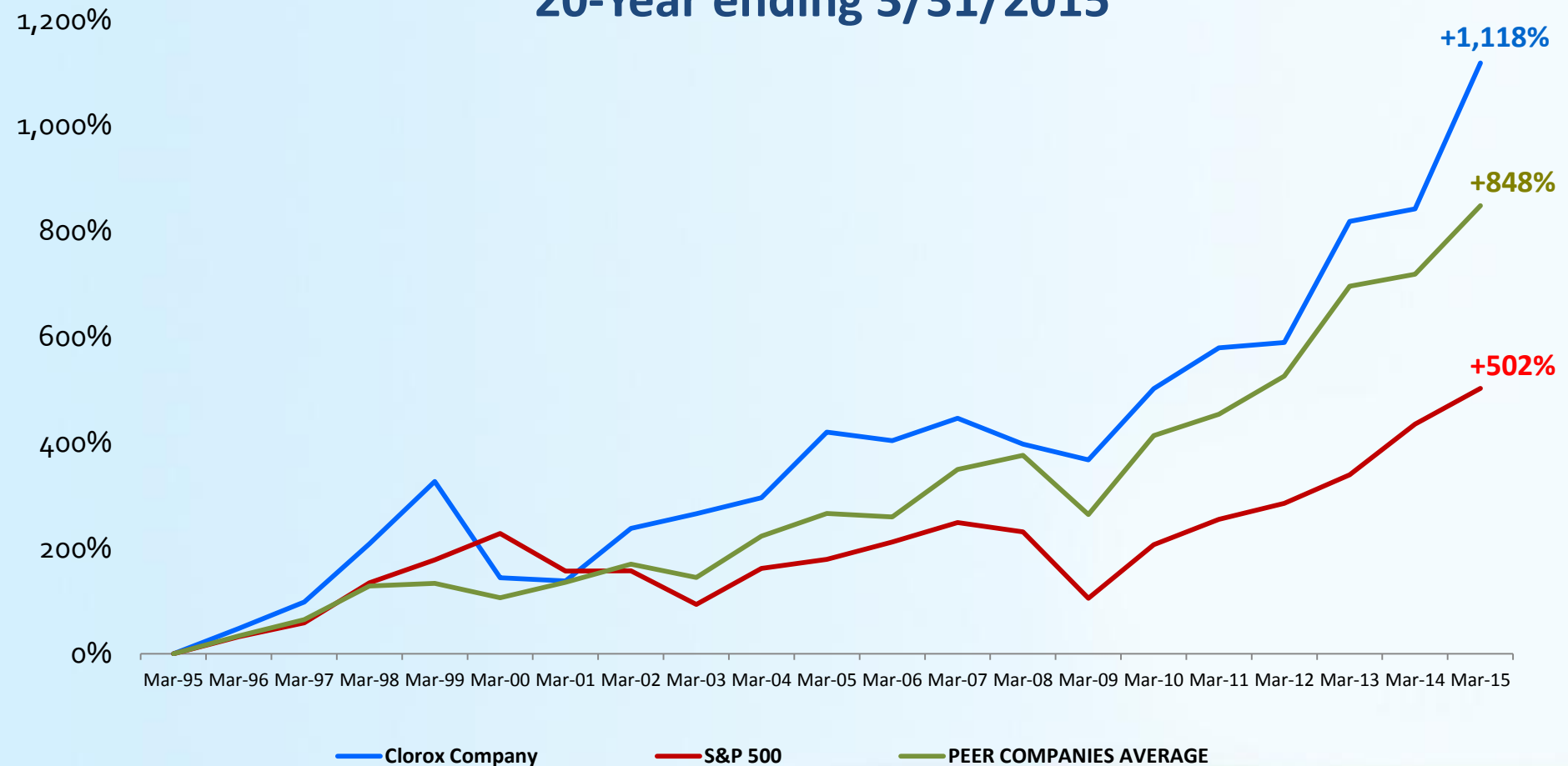
Repurchased Nearly 40% of Shares Outstanding Over the Last 10 Years



Strong Shareholder Return

Over 2x the S&P 500

Total Shareholder Return 20-Year ending 3/31/2015



Key Messages

- Strategy 2020 focused on driving profitable growth
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Q&A

FY15 Outlook

Based on May 1st Earnings Release

Sales

+1% to +2%

- Categories: +1%
- Innovation: +3pts
- Pricing: Modest benefit
- FX: -2+pts

EBIT Margin

About Flat

- Gross Margin: Slight expansion
- Selling & Admin: ~14% of Sales
- Advertising & Sales Promo: > 9% of Sales

Diluted EPS

\$4.45 to \$4.55

- Tax Rate: ~34%

Sustainability

Since 2008, Clorox has reduced GHG by 28%*



2015 Climate Leadership Awards**
Excellence in Greenhouse Gas Management

Goal Setting Certificate

GHG Goal
20% Reduction between
2011 and 2020

Goal Achievement Award

2011 Goal
10% Reduction
Actual Reduction 16%



*<http://www.thecloroxcompany.com/corporate-responsibility/planet/our-progress/operations/ghg/>

**<http://www.epa.gov/climateleadership/awards/2015winners.html>



Sustainability

Operational Footprint Reduction*



GREENHOUSE GAS EMISSIONS



U.S. WATER CONSUMPTION



ENERGY CONSUMPTION



SOLID WASTE TO LANDFILL

*CY2013 vs CY2011 per case of product sold
<A> Review by Ernst and Young. Details: http://annualreport.thecloroxcompany.com/reporting_nonfinancial