FY20 Q1
Investor Presentation
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 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, risks related to competition in the Company's markets; impact of the changing retail environment, including the growth of alternative retail channels and business models, and changing consumer preferences; 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; information technology security breaches or cyber attacks; the Company's business reputation and the reputation of its brands and products; risks relating to acquisitions, new ventures and divestitures; government regulations; political, legal and tax risks; changes in U.S. tax, immigration or trade policies, including tariffs, and economic and financial market conditions; international operations and international trade, including price controls, foreign currency fluctuations and devaluations and foreign currency exchange rate controls, labor claims and labor unrest, uncertainty regarding Brexit, 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; product liability claims, labor claims and other legal proceedings; the success of the Company's business strategies; the venture agreement with P&G related to the Company's Glad® business; the Company's ability to attract and retain key personnel; supply disruptions; environmental matters, increased focus on sustainability issues, including those related to climate change; the Company's ability to assert and defend its intellectual property rights; and the impacts of potential stockholder activism.
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<td>40</td>
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DIVERSE, U.S.-CENTRIC PORTFOLIO
FY19 RESULTS

- 19% HOME CARE
- 9% LAUNDRY
- 13% BAGS, WRAPS, CONTAINERS
- 8% CHARCOAL
- 9% FOOD PRODUCTS
- 5% NATURAL PERSONAL CARE
- AFRICA
- ASIA
- AUSTRALIA
- 6% PROFESSIONAL PRODUCTS
- 7% CAT LITTER
- 2% DIGESTIVE HEALTH
- 3% WATER FILTRATION
- 3% DIETARY SUPPLEMENTS
- EUROPE
- NEW ZEALAND
- SOUTH AMERICA

$6.2B NET SALES
25+ COUNTRY / TERRITORY OPERATIONS
8,800 EMPLOYEES
100+ MARKETS

34% CLEANING
30% HOUSEHOLD
20% LIFESTYLE
16% INT'L
CHOICEFUL, DISCIPLINED PLAYBOOK

Leading brands loved by consumers

Purposeful & targeted in where we play

Deeply rooted discipline sustains operational excellence

Good growth: ESG integration as a competitive advantage
LEADING BRANDS LOVED BY OUR CONSUMERS

• Nearly **80%** of our global portfolio from #1 and #2 share brands

• **> 50%** of our portfolio has superior consumer value

• **> 66%** of our portfolio has stable or growing household penetration
BIG SHARE BRANDS, MID-SIZED CATEGORIES

- Categories that are more rational with less multi-nationals
- Grow categories with deep consumer insights & world-class capabilities
- Drive sustainable and profitable growth for Clorox and our customers
OPERATIONAL EXCELLENCE

Our leading brands, world-class capabilities and deeply rooted discipline drive operational excellence

- 3+ pts Sales from Innovation
- +150bps Margin from Cost Savings
- Low Selling & Admin
- Top-Tier ROIC
- Strong Cash Flows
STURONG FINANCIAL RESULTS
FY14 TO FY19 CAGR

Sales
2.4%

EPS
7.6%

EP
7.5%

NOTE: CAGR refers to Compounded Annual Growth Rate. Earnings per share is from continuing operation. EP refers to Economic Profit and reconciliation can be found in the appendix.
STRONG SHAREHOLDER RETURNS
FY14 TO FY19

91% 66% 50%
Clorox S&P 500 Peers

SOURCE: FactSet, Total Share Return as of June 30, 2019. Peers consist of 16 companies: CHD, CL, COTY, CPB, DPS, EL, GIS, HSY, K, KHC, KMB, KO, RB-GB, NWL, PEP, and PG
STRONG VALUE FOR SOCIETY

**PERFORMANCE**
+3% Sales from innovation

+7.5% EP CAGR (FY14-19)

**Top-third** TSR (FY14-19)

**PEOPLE**
87% Employee engagement

Top-tier diversity

World-class safety

**PRODUCTS**
58% Products with sustainability improvements

92% Primary package recyclable

**PLANET**
20% reduction by 2020 on track:
• Waste to landfill
• Water
• GHG
• Energy

**PURPOSE**
$50M Product donations

$16M in employee volunteer hours

$27M in cash grants

NOTE: Purpose impact is tracked on a cumulative calendar year basis for CY13 - 18
STRONG RESULTS THE RIGHT WAY
IGNITE STRATEGY

Vision
Exceptional innovators who earn people’s enduring loyalty

Objectives
Maximize economic profit
Good growth — profitable, sustainable, and responsible

Strategy
Fuel growth in our brands
Innovate brand and shopping experiences of the future
Reimagine how we work
Evolve our portfolio
IGNITE Strategy
INNOVATING WHERE WE HAVE ADVANTAGE

Leading brands loved by consumers

Purposeful & targeted in where we play

Deeply rooted discipline sustains operational excellence

Good growth: ESG integration as competitive advantage
IGNITE STRATEGY

Vision
Exceptional innovators who earn people’s enduring loyalty

Objectives
Maximize economic profit
Good growth — profitable, sustainable, and responsible

Strategy
**Fuel growth** in our brands
**Innovate** brand and shopping **experiences** of the future
**Reimagine** how we **work**
**Evolve** our **portfolio**
IGNITE STRATEGY CHOICE

Fuel Growth

• Increase cost savings target to +175bps

• Widening the cost savings funnel, leveraging
  – Digital
  – Integrated design
  – Sustainability
SUSTAINABILITY UNLOCKS COST SAVINGS

From: CARTON

To: WRAP
IGNITE STRATEGY CHOICE

Innovate Experiences

• Purpose-driven, personalized brands
• Frictionless shopping with retailers
• Bigger, stickier innovation platforms
DRIVING BIGGER, STICKIER PLATFORMS

• Bigger ideas
• Wider net
• Longer focus
IGNITE STRATEGY CHOICE

Reimagine Work

- Inclusive
- Digital
- Fast
INVESTING IN DIGITAL CAPABILITIES
BRAND BUILDING - DATA, ANALYTICS & HUMAN INSIGHT

- Data science expertise
- Predictive analytics
- Data-savvy marketers
IGNITE STRATEGY CHOICE

Evolve Portfolio

- Grow the core
- Accelerate International profitable growth
- M&A criteria largely unchanged
ACCELERATE CORE WITH MEGATRENDS

- Health & Wellness
- Multicultural Millennials
- Personalization & Customization
- Responsibility

Accelerating the Core
IGNITE STRATEGY INTEGRATED CHOICES
IGNITE STRATEGY ESG LEADERSHIP AREAS

PLANET
Plastic and other waste reduction; science-based climate action

PRODUCTS
Responsible product stewardship; enhance industry best practices

PEOPLE
Enhance people’s lives through choices that promote well-being

GOVERNANCE
Executive compensation tied to ESG goals
PURSUING BOLD 2030 ENVIRONMENTAL GOALS

50% Reduction in virgin packaging

Science-based greenhouse gas emission targets across our operations & value chain

100% Recyclable, reusable or compostable packaging by 2025

100% Renewable electricity in US & Canada by 2021
**FY20 OUTLOOK**

- **Organic sales growth (OSG)** is defined as GAAP net sales growth excluding the effect of foreign exchange rate changes and any acquisitions and divestitures.

  Management believes that the presentation of organic sales growth/(decrease) outlook is useful to investors because it excludes sales from any acquisitions and divestitures, which results in a comparison of sales only from the businesses that the company was operating and expect to operate throughout the relevant period, and the Company's estimate of the impact of foreign exchange rate changes, which are difficult to predict, and out of the control of the Company and management. However, organic sales growth outlook may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.

### Q1 Results

<table>
<thead>
<tr>
<th>Metric</th>
<th>Q1 Results</th>
<th>Full Year Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>-4%</td>
<td>Down LSD to +1%</td>
</tr>
<tr>
<td>(vs year ago)</td>
<td>(OSG -2%)</td>
<td>(OSG 1% - 3%)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.59</td>
<td>$6.05 to $6.25</td>
</tr>
<tr>
<td>(vs year ago)</td>
<td>(-2%)</td>
<td>(-4% to -1%)</td>
</tr>
</tbody>
</table>

Organic sales growth (OSG) is defined as GAAP net sales growth excluding the effect of foreign exchange rate changes and any acquisitions and divestitures.
## IGNITE STRATEGY FINANCIAL GOALS
### TARGETING ACCELERATED FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Sales growth</th>
<th>Annual Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>US (~85% of Clorox sales)</td>
<td>+2% to 4%</td>
</tr>
<tr>
<td>International (~15% of Clorox sales)</td>
<td>+1% to 4%</td>
</tr>
<tr>
<td>Total company</td>
<td>+2% to 4%</td>
</tr>
</tbody>
</table>

| EBIT margin improvement | +25 to 50 bps |
| Free cash flow % of sales | 11% to 13% |

EBIT (a non-GAAP measure) represents 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 Net Cash provided by 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](https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx)
EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income & interest expense. EBIT margin is a measure of EBIT as a percentage of net sales. See reconciliation in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx

STRONG TRACK RECORD OF COST SAVINGS

RAISING COST SAVINGS TARGET FROM +150BPS TO +175BPS

EBIT Margin Benefit from Cost Savings

FY15 FY16 FY17 FY18 FY19
MORE OPPORTUNITY TO DRIVE S&A PRODUCTIVITY
REIMAGINING HOW WE WORK TO CREATE FUEL FOR GROWTH

S&A % of Sales

13.8%  CLX

S&A % of Sales as of latest fiscal year end for CLX as of June 30, 2019. Peers consist of 16 companies: CHD, CL, COTY, CPB, DPS, EL, GIS, HSY, K, KHC, KMB, KO, RB-GB, NWL, PEP, and PG.
RELENTLESS FOCUS ON ECONOMIC PROFIT DRIVES TOP-TIER ROIC

ROIC as of Fiscal Year Ending June 30, 2019

Peer average: 18%

*Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes (a GAAP measure) 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 latest publicly available fiscal-end data from FactSet. Data pulled on 7/31/19. See reconciliation on 64 and 65. Peers consist of 16 companies: CHD, CL, COTY, CPB, DPS, EL, GIS, HSY, K, KHC, KMB, KO, RB-GB, NWL, PEP, and PG.
STRONG CASH RETURNED TO SHAREHOLDERS

- ~2X increase in annual cash returned to shareholders
- Initiated up to $2B repurchase program in May 2018
- +60% growth in FY19 on top of +21% growth in FY18

*Cash returned to stock holders is defined as cash dividends paid plus treasury stock purchased as outlined in the statements of cash flows*
DISCIPLINED USES OF CASH

1. Debt Leverage = Gross Debt / EBITDA. EBITDA is a non-GAAP measure. See reconciliation in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx

1. Debt Leverage¹ (Target: 2.0 – 2.5x)

Business growth (includes targeted M&A)

Support dividend

Stock repurchases

FREE CASH FLOW
LONG TRACK RECORD OF DIVIDEND GROWTH

Dividend Per Share
Dividend Yield 2.6% as of 9/30/2019

SOURCE: FactSet
DELIVERED STRONG FREE CASH FLOW

- Company generates consistent strong free cash flow
- Increased annual free cash flow by +20% since FY14
- Raised our annual goal to 11% to 13% of net sales

LONG-TERM INVESTMENT CASE REMAINS SOLID

Investing behind leading brands to grow categories and share
  • Increasing expected value from innovation
  • Healthy category and brand building investments, including digital/E-Commerce

Fueled by cost savings and admin productivity
  • Pursuing margin accretive innovation
  • Leaning into cost savings through enhanced margin management
  • Transforming how we work

Strong cash flow generation
  • Financial capacity to invest for the long-term
  • Announced +10% dividend increase May 2019, on top of +14% in Feb 2018
  • Initiated up to $2B open market stock purchase program (May 2018)
LONG TRACK RECORD OF DELIVERING VALUE
TOTAL SHAREHOLDER RETURN 20 YEAR (as of 9/30/2019)

SOURCE: FactSet, 20 Year Total Share Return as of September 30, 2019.
Appendix
## KEY CREDIT METRICS

<table>
<thead>
<tr>
<th>$ in B</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$1.1</td>
<td>$1.2</td>
<td>$1.2</td>
<td>$1.3</td>
<td>$1.3</td>
<td>$1.3</td>
</tr>
<tr>
<td>Total Debt / EBITDA</td>
<td>2.0x</td>
<td>1.8x</td>
<td>1.9x</td>
<td>1.7x</td>
<td>1.9x</td>
<td>2.1x</td>
</tr>
<tr>
<td>EBITDA Interest Coverage</td>
<td>9.5x</td>
<td>11.3x</td>
<td>11.9x</td>
<td>14.0x</td>
<td>14.8x</td>
<td>15.3x</td>
</tr>
<tr>
<td>EBIT / Interest</td>
<td>8.0x</td>
<td>9.6x</td>
<td>10.2x</td>
<td>12.1x</td>
<td>12.7x</td>
<td>13.3x</td>
</tr>
<tr>
<td>Free Cash Flow / Debt</td>
<td>25%</td>
<td>28%</td>
<td>33%</td>
<td>26%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>FCF after Dividends / Debt</td>
<td>10%</td>
<td>12%</td>
<td>16%</td>
<td>9%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>FCF as % of sales</td>
<td>10%</td>
<td>12%</td>
<td>13%</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>FCF after Dividends as % of Sales</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Long Term Credit Ratings</td>
<td>BBB+ /Baa1</td>
<td>BBB+ /Baa1</td>
<td>BBB+ /Baa1</td>
<td>A- / Baa1</td>
<td>A-/Baa1</td>
<td>A-/Baa1</td>
</tr>
</tbody>
</table>

Note: EBIT, EBITDA, FCF are Non-GAAP measures with reconciliations available in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx
# GROSS MARGIN RECONCILIATION

<table>
<thead>
<tr>
<th>Driver</th>
<th>Gross Margin Change vs. Prior Year (basis points)</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>Cost Savings</td>
<td></td>
<td>+130</td>
<td>+140</td>
</tr>
<tr>
<td>Price Changes</td>
<td></td>
<td>+90</td>
<td>+220</td>
</tr>
<tr>
<td>Market Movement (commodities)</td>
<td></td>
<td>-130</td>
<td>-120</td>
</tr>
<tr>
<td>Manufacturing &amp; Logistics</td>
<td></td>
<td>-280</td>
<td>-190</td>
</tr>
<tr>
<td>All other (1,2,3)</td>
<td></td>
<td>+40</td>
<td>+20</td>
</tr>
<tr>
<td>Change vs prior year</td>
<td></td>
<td>-150</td>
<td>+70</td>
</tr>
</tbody>
</table>

| Gross Margin (%)             | 43.4%  | 43.7%  | 43.4%  | 45.1%  | 43.9%  | 44.0% |

(1) In Q3 of fiscal year 2019, "All other" includes about -70bps of negative impact from foreign exchange.
(2) In Q4 of fiscal year 2019, "All other" includes about -150bps of negative impact from higher trade promotion spending.
(3) In Q1 of fiscal year 2020, "All other" includes about -180bps of negative impact from higher trade promotion spending.
REPORTABLE SEGMENTS (UNAUDITED)

Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Earnings (losses) before income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three Months Ended</td>
<td>% Change</td>
</tr>
<tr>
<td></td>
<td>9/30/2019</td>
<td>9/30/2018</td>
</tr>
<tr>
<td>Cleaning</td>
<td>$562</td>
<td>$571</td>
</tr>
<tr>
<td>Household</td>
<td>381</td>
<td>442</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>322</td>
<td>309</td>
</tr>
<tr>
<td>International</td>
<td>241</td>
<td>241</td>
</tr>
<tr>
<td>Corporate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$1,506</td>
<td>$1,563</td>
</tr>
</tbody>
</table>

(1) Percentages based on rounded numbers.
## ORGANIC SALES RECONCILIATION

### Three Months Ended September 30, 2019

Percentage change versus the year-ago period

<table>
<thead>
<tr>
<th></th>
<th>Reported (GAAP) Net Sales Growth/ (Decrease)</th>
<th>Reported Volume</th>
<th>Acquisitions &amp; Divestitures</th>
<th>Foreign Exchange Impact</th>
<th>Price Mix and Other (1)</th>
<th>Organic Net Sales Growth/ (Decrease) (Non-GAAP) (2)</th>
<th>Organic Volume (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning</td>
<td>-2%</td>
<td>+1%</td>
<td>-</td>
<td>-3%</td>
<td>-2%</td>
<td>+1%</td>
<td></td>
</tr>
<tr>
<td>Household</td>
<td>-14%</td>
<td>-8%</td>
<td>-</td>
<td>-6%</td>
<td>-14%</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>Lifestyle</td>
<td>+4%</td>
<td>+4%</td>
<td>-</td>
<td>-</td>
<td>+4%</td>
<td>+4%</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>+2%</td>
<td>-</td>
<td>-8%</td>
<td>+6%</td>
<td>+8%</td>
<td>+2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-4%</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-2%</strong></td>
<td><strong>-2%</strong></td>
<td><strong>-2%</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

(1) This represents the net impact on net sales growth/ (decrease) from pricing action, mix and other factors.
(2) Organic sales growth/ (decrease) is defined as net sales growth/ (decrease) excluding the effect of any acquisitions and divestitures and foreign exchange rate changes. See "Non-GAAP Financial Information" below for reconciliation of organic sales growth to net sales growth/ (decrease), the most directly comparable GAAP financial information.
(3) Organic volume represents volume excluding the effect of any acquisitions and divestitures.

**Non-GAAP Financial Information**

Management believes that the presentation of organic sales growth/ (decrease) is useful to investors because it excludes sales from any acquisitions and divestitures, which results in a comparison of sales only from the businesses that the company was operating throughout the relevant periods, and the impact of foreign exchange rate changes, which are out of the control of the company and management. However, organic sales growth/ (decrease) may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.
## RETURN ON INVESTED CAPITAL RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings from continuing operations before income taxes</strong> (GAAP measure)</td>
<td>$1,024</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>$97</td>
</tr>
<tr>
<td><strong>Earnings from continuing operations before income taxes and interest expense</strong></td>
<td>$1,121</td>
</tr>
<tr>
<td><strong>Income taxes on earnings from continuing operations before income taxes and interest expense</strong> (2)</td>
<td>$(222)</td>
</tr>
<tr>
<td><strong>Adjusted after-tax profit</strong></td>
<td>$899</td>
</tr>
<tr>
<td><strong>Average invested capital</strong> (3)</td>
<td>$3,269</td>
</tr>
<tr>
<td><strong>Return on invested capital</strong> (1)</td>
<td>28%</td>
</tr>
</tbody>
</table>

(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 from continuing operations before income taxes and interest expense, 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) The tax rate applied is the effective tax rate on continuing operations, which was 31.9%.

(3) Average invested capital represents a five quarter average of total assets less non-interest bearing liabilities.
RETURN ON INVESTED CAPITAL RECONCILIATION

Dollars in millions and all calculations based on rounded numbers

(Amounts shown below are five quarter averages)

<table>
<thead>
<tr>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>5,094</td>
</tr>
<tr>
<td>Less: non-interest bearing liabilities</td>
</tr>
<tr>
<td>(1,825)</td>
</tr>
<tr>
<td>Average invested capital</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>3,269</td>
</tr>
</tbody>
</table>
Cash returned to stockholders is defined as cash dividends paid plus treasury stock purchased as outlined in the statement of cash flows.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividends paid*</td>
<td>$ 661</td>
<td>$ 271</td>
<td>$ 183</td>
<td>$ 254</td>
<td>$ 434</td>
</tr>
<tr>
<td>Cash returned to stockholders</td>
<td>$ 490</td>
<td>$ 450</td>
<td>$ 412</td>
<td>$ 398</td>
<td>$ 385</td>
</tr>
<tr>
<td></td>
<td>$ 1,151</td>
<td>$ 721</td>
<td>$ 595</td>
<td>$ 652</td>
<td>$ 819</td>
</tr>
</tbody>
</table>

* As shown on Statements of Cash Flows
# ECONOMIC PROFIT RECONCILIATION

## THE CLOROX COMPANY

### RECONCILIATION OF ECONOMIC PROFIT (UNAUDITED) (1)

Dollars in millions

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY18</th>
<th>FY17</th>
<th>FY16</th>
<th>FY15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>$1,024</td>
<td>$1,054</td>
<td>$1,033</td>
<td>$983</td>
<td>$921</td>
<td>$884</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncash U.S. GAAP restructuring and intangible asset impairment charges</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Interest expense</td>
<td>97</td>
<td>85</td>
<td>88</td>
<td>88</td>
<td>100</td>
<td>103</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring and intangible asset impairment charges, and interest expense</td>
<td>$1,123</td>
<td>$1,141</td>
<td>$1,125</td>
<td>$1,080</td>
<td>$1,022</td>
<td>$990</td>
</tr>
<tr>
<td>Less: Income taxes on earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring and intangible asset impairment charges and interest expense(2)</td>
<td>222</td>
<td>249</td>
<td>359</td>
<td>368</td>
<td>350</td>
<td>342</td>
</tr>
<tr>
<td>Adjusted after tax profit</td>
<td>$901</td>
<td>$892</td>
<td>$766</td>
<td>$712</td>
<td>$672</td>
<td>$648</td>
</tr>
<tr>
<td>Average capital employed(3)</td>
<td>3,231</td>
<td>2,977</td>
<td>2,680</td>
<td>2,463</td>
<td>2,385</td>
<td>2,486</td>
</tr>
<tr>
<td>Capital charge(4)</td>
<td>291</td>
<td>268</td>
<td>241</td>
<td>222</td>
<td>214</td>
<td>224</td>
</tr>
<tr>
<td>Economic profit(1) (Adjusted after tax profit less capital charge)</td>
<td>$610</td>
<td>$624</td>
<td>$525</td>
<td>$490</td>
<td>$458</td>
<td>$424</td>
</tr>
</tbody>
</table>

(1) Includes adjustments for changes in share price, which are excluded from the calculation of diluted earnings per share, and share-based compensation expenses.

(2) Income taxes on earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring and intangible asset impairment charges and interest expense includes the impact of acquisitions.

(3) Average capital employed is calculated as the average of the beginning and ending balances of capital employed for the period.

(4) Capital charge is calculated as the average of the beginning and ending balances of capital employed for the period, multiplied by the weighted average cost of capital.
ECONOMIC PROFIT RECONCILIATION:
FOOTNOTES

(1) Economic profit (EP) is defined by the Company as earnings from continuing operations before income taxes, excluding non-cash U.S. GAAP restructuring and intangible asset impairment charges, and interest expense; less income taxes (calculated utilizing the Company’s effective tax rate), and less a capital charge (calculated as average capital employed multiplied by a cost of capital rate). EP is a key financial metric that the Company’s management uses to evaluate business performance and allocate resources, and is a component in determining employee incentive compensation. The Company’s management believes EP provides additional perspective to investors about financial returns generated by the business and represents profit generated over and above the cost of capital used by the business to generate that profit. The aggregate EP for FY14 to FY19 is $3.131 billion.

(2) The tax rate applied is the effective tax rate on earnings from continuing operations, which was 19.8%, 21.8%, 31.9%, 34.1%, 34.2% and 34.6% in fiscal years 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

(3) Total capital employed represents total assets less non-interest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year after tax noncash U.S. GAAP restructuring and intangible asset impairment charges. Average capital employed is the average of adjusted capital employed for the current year and total capital employed for the prior year, based on year-end balances. See below for details of the average capital employed calculation:
# ECONOMIC PROFIT RECONCILIATION: AVERAGE CAPITAL DEPLOYED

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY18</th>
<th>FY17</th>
<th>FY16</th>
<th>FY15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong> (5)</td>
<td>$ 5,116</td>
<td>$ 5,060</td>
<td>$ 4,573</td>
<td>$ 4,510</td>
<td>$ 4,154</td>
<td>$ 4,251</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (6)</td>
<td>1,033</td>
<td>1,000</td>
<td>1,002</td>
<td>1,032</td>
<td>976</td>
<td>912</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31</td>
<td>8</td>
</tr>
<tr>
<td>Other liabilities (6)</td>
<td>774</td>
<td>778</td>
<td>770</td>
<td>784</td>
<td>745</td>
<td>768</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>50</td>
<td>72</td>
<td>61</td>
<td>82</td>
<td>95</td>
<td>103</td>
</tr>
<tr>
<td>Non-interest bearing liabilities</td>
<td>1,866</td>
<td>1,850</td>
<td>1,833</td>
<td>1,898</td>
<td>1,847</td>
<td>1,791</td>
</tr>
<tr>
<td><strong>Total capital employed</strong></td>
<td>3,250</td>
<td>3,210</td>
<td>2,740</td>
<td>2,612</td>
<td>2,307</td>
<td>2,460</td>
</tr>
<tr>
<td>After tax noncash U.S. GAAP restructuring and intangible asset impairment costs</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Adjusted capital employed</strong></td>
<td>$ 3,251</td>
<td>$ 3,211</td>
<td>$ 2,742</td>
<td>$ 2,618</td>
<td>$ 2,308</td>
<td>$ 2,462</td>
</tr>
<tr>
<td><strong>Average capital employed</strong></td>
<td>$ 3,231</td>
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</tbody>
</table>
ECONOMIC PROFIT RECONCILIATION:
FOOTNOTES

• (4) Capital charge represents average capital employed multiplied by a cost of capital, which was 9% for all fiscal years presented. The calculation of capital charge includes the impact of rounding numbers.

• (5) Amounts for fiscal years 2016, 2015 and 2014 have been retrospectively adjusted to conform to the current year presentation of debt issuance costs required by Accounting Standards Update No. 2015-03, “Simplifying the Presentation of Debt Issuance Costs.”

• (6) Accounts payable and accrued liabilities were combined into one financial statement line as of June 30, 2016. The change has been retrospectively applied to fiscal years 2015 and 2014. Accounts payable and accrued liabilities and Other liabilities are adjusted to exclude interest-bearing liabilities.