FY18 Q1 Investor Deck
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, 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 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.
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How We Create Value

- Leading Brands
- Mid-Sized Categories
- Operational Excellence
- Good Growth
# Leading Brands

Over 80% of Global Sales from #1 or #2 Share Brands

<table>
<thead>
<tr>
<th>United States</th>
<th>Share Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disinfecting Wipes</td>
<td>#1</td>
</tr>
<tr>
<td>Bleach</td>
<td>#1</td>
</tr>
<tr>
<td>Toilet Bowl Cleaner</td>
<td>#1</td>
</tr>
<tr>
<td>Clean Up Spray</td>
<td>#1</td>
</tr>
<tr>
<td>Dilutable Cleaners</td>
<td>#1</td>
</tr>
<tr>
<td>Drain Care</td>
<td>#2</td>
</tr>
<tr>
<td>Charcoal</td>
<td>#1</td>
</tr>
<tr>
<td>Salad Dressing</td>
<td>#1</td>
</tr>
<tr>
<td>Cat Litter</td>
<td>#2</td>
</tr>
<tr>
<td>Premium Trash Bags</td>
<td>#1</td>
</tr>
<tr>
<td>Food Wraps</td>
<td>#2</td>
</tr>
<tr>
<td>Natural Lip Care</td>
<td>#1</td>
</tr>
<tr>
<td>Water Filtration</td>
<td>#1</td>
</tr>
<tr>
<td>Probiotics – Natural Channel</td>
<td>#2</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>International</th>
<th>Share Position</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>#1</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>#1</td>
</tr>
<tr>
<td>Mexico</td>
<td>#2</td>
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<tr>
<td>Peru</td>
<td>#1</td>
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<tr>
<td>Colombia</td>
<td>#2</td>
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<td>Chile</td>
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<tr>
<td>Canada</td>
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<td>Australia</td>
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<td>#1</td>
</tr>
<tr>
<td>Canada Lip Care</td>
<td>#2</td>
</tr>
</tbody>
</table>

US share position: dollar market share, IRI MULOP 52 weeks ending 06/18/17, International share position: dollar market share, Nielsen Retail Measurement for International geographies except; IRI for Australia
Competing Well with National & Store Brands

Categories with National Brands

- Home Care
- Salad Dressing
- Litter

Categories with Store Brands

- Bleach
- Charcoal
- Trash Bags

*Glad >50% Share of Premium Trash Bags

Sales from select business units represent 68% of portfolio
Source $ Market Share IRI MULOP 52 weeks ending 09/17/17
Mid-Sized Categories

**International**: 17%
- Latin America: 9%
- Canada: 3%
- Australia / NZ: 2%
- Rest of World: 3%

**Lifestyle**: 16%
- Hidden Valley: 9%
- Burt's Bees: 4%
- Brita: 3%

**Cleaning**: 34%
- Home Care: 19%
- Laundry: 9%
- Professional: 6%

**Household**: 33%
- Glad: 14%
- Kingsford: 10%
- Fresh Step: 7%
- RenewLife: 2%

FY17 $6B in Sales
**Operational Excellence**

*As of June 30th, 2017, Clorox’s S&A/Sales was ~13.6% vs. peer average of 19%. 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, NWL, CPB, GIS, HSY, K, KHC, DPS, KO, PEP, COTY, EL, KMB, RB-GB.*

<table>
<thead>
<tr>
<th>Leading Brands</th>
<th>Focus on Health &amp; Wellness</th>
<th>World Class Capabilities</th>
<th>Process &amp; Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Top-Tier SG&A  ●  Top-Tier ROIC  ●  Healthy Cash Flow
Good Growth

2020 Strategy

Good Growth

Commitment to Environment, Social, & Corporate Governance (ESG)

Profitable, Sustainable, Responsible
Leading Through Strategic Change in CPG

Digital Revolution  Consumer Focus on Value  Challenging Retail Environment  International Macro Headwinds
# Evolved 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 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

**Total Company**
- annual growth
- = +3 to 5pts

**Annual EBIT Margin Improvement:**
- +25 to +50 bps

**Annual Free Cash Flow:**
- 10% to 12% 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 Appendix.
FY18 Q1 Performance and FY18 Outlook

**FY18 Q1**
- **Sales (vs Year Ago)**: $1.5B (+4%)
- **Diluted EPS from cont. ops (vs Year Ago)**: $1.46 (+7%)

**FY18 FY Outlook (Nov 1 earnings call)**
- **Innovation**: ~+3pts
- **Aplicare Divestiture**: ~-1pt
- **Pricing**: less than +1pt
- **F/X**: less than -1pt
- **Gross Margin**: down slightly
- **Selling & Admin**: <14% of Sales
- **EPS**: $5.47 to $5.67 (+2 to +6%)
Strategy 2020: Drive Superior Consumer Value

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
Driving Superior Consumer Value

- Value is an outcome of:
  - Great brand equity
  - Differentiated products
  - The right pricing

- Executing with excellence by delivering seamless consumer experience in-store and online
• Value is an outcome of:
  - Great brand equity
  - Differentiated products
  - The right pricing

• Executing with excellence by delivering seamless consumer experience in-store and online
Brand Equity: Evolving How We Build Brands

Brand Studios

New Agency Partners

Marketing Technology
Brand Equity: Building Brands with Purpose

Human Centered

Technology Enabled

Purpose Driven
A Majority of our Portfolio is Value Advantaged

57% of portfolio has superior consumer value.

Note: Consumer Value Measure for US Brands only
We Continue to Lean Into Digital Engagement

Clorox invests **over 50%** of our media in digital

<table>
<thead>
<tr>
<th>Year</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18 Estimate</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>34%</td>
<td>41%</td>
<td>45%</td>
<td>51%</td>
</tr>
</tbody>
</table>
Strong Operating Discipline in Digital

Right Level of Targeting

Effective Digital Levers

Digital Safety & Ad Fraud
Our Partners Help Build World-Class Digital
Driving Superior Consumer Value

• Value is an outcome of:
  - Great brand equity
  - Differentiated products
  - The right pricing

• Executing with excellence by delivering seamless consumer experience in-store and online
Broad-Based Approach to Innovation

**Keep the Core Healthy**
- Product & Marketing
- Product Superiority

**Grow Market Share**
- Cost-o-vation*
- New Product Platforms & Adjacency Expansion

**Expand Margin**

**Accelerate Growth**

---

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

Incremental Sales Growth from Product Innovation
(Last 12 months)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>3.1%</td>
</tr>
<tr>
<td>FY09</td>
<td>2.7%</td>
</tr>
<tr>
<td>FY10</td>
<td>2.2%</td>
</tr>
<tr>
<td>FY11</td>
<td>2.8%</td>
</tr>
<tr>
<td>FY12</td>
<td>3.3%</td>
</tr>
<tr>
<td>FY13</td>
<td>3.4%</td>
</tr>
<tr>
<td>FY14</td>
<td>3.0%</td>
</tr>
<tr>
<td>FY15</td>
<td>3.0%</td>
</tr>
<tr>
<td>FY16</td>
<td>2.7%</td>
</tr>
<tr>
<td>FY17</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Goal: +3%

Source: Clorox Internal
Strong Track Record of Innovation
Evolving our Processes

**BIGGER**
Size of Prize

Redesigned front-end innovation processes:
- Leverage consumer “Jobs” framework
- Embed external perspectives
- Harness the power of design

**BETTER**
Innovation Processes

- Consumer Feedback
- Insights
- Technology
- Design Engagement

**FASTER**
to Market

New product development process cuts average time to market by nearly 40%:
- Applies Agile principles
- R&D and marketing organizations redesigned for faster decision-making
- Leverages co-location benefits of innovation center
Reinventing Scent Experience in Home Care

Clorox® Scentiva™

- Kills 99.9% of Bacteria & Viruses
- Cleans, Disinfects and Deodorizes
- Two experiential custom blended scents from fine fragrance houses

Hawaiian Sunshine

Tuscan Lavender & Jasmine
Reinventing Scent Experience in Home Care

Clorox® Scentiva™
New scent: Pacific Breeze and Coconut
New product form
Solid Pipeline to Continue the Momentum

FY18 Front Half
- Clorox Performance Bleach with Cloromax
- Burt’s Bees Cosmetics
- Scentiva Cleaning Platform

FY18 Back Half
- Various Clorox products
Strategic Approach to Pricing Guided by Consumer Value

- Price for value, considering all elements of consumer value
- Leverage value-added innovation as a pricing opportunity
- Strong track record of price increases over past 5 years
Driving Superior Consumer Value

- Value is an outcome of:
  - Great brand equity
  - Differentiated products
  - The right pricing

- Executing with excellence by delivering seamless consumer experience in-store and online
Clorox has a Long History of Retail Success
Clorox Capabilities are World Class and Adaptable

- Insights
- Category management
- Shopper marketing
- Retail operations
- Supply chain
- Omni-channel retailing
Accelerating Growth in eCommerce

- Early investment in eCommerce is paying off
- Adapting Clorox capabilities to a digital application
- Leveraging our strength in category management and shopper marketing
Translating Category Management from Physical to Digital

• Winning with assortment and shelving in brick & mortar

• ‘Top of the page’ is online equivalent of eye-level shelving
Translating Shopper Marketing from Physical to Digital

- Engaging shoppers in store with bundles and disruptive displays
- Engaging shoppers online with relevant and customized content
eCommerce Sales Well Ahead of Goals

~4% of Total Company Sales

37% Sales CAGR
(FY15 to FY17)

FY17 include eCommerce sales from RenewLife acquisition
Strong Progress on our Tech Transformation

**eCommerce**

Integrate the Physical and Digital Retail Worlds to Meet Shopper Needs

- Product & Packaging
- Winning the Algorithm
- Enhanced Content

**Digital Marketing**

Leverage Data, Technology and Analytics to Drive Consumer Engagement

- More Targeted
- More Personalized
- More Real-Time
Technology Transformation 2.0

Broadens Digital Across the Value Chain

Goes Deeper into What’s Working on Demand

Organizes Around Consumers’ Goals
Technology Transformation 2.0

Broadens Digital across the Value Chain

Organizes Around Consumers’ Goals

Goes Deeper into What's Working on Demand

TT2.0

Next Generation Digital Commerce & Engagement

Product Development & Supply Chain

Consumer Experience (CX)
Evolving in a Digital World

From: 3Ds

To: Seamless Consumer Experience (CX)

Across the enterprise, everyone focuses on critical points of consumer journeys to cultivate and enhance engagement.
Choosing: “Which product addresses my needs?”

Diagnosing: “What’s the issue I should work on?”

Tracking: “How do I track progress?”

Supply on-hand: “How can I avoid running out?”
Technology Transformation 2.0

Broadens Digital across the Value Chain

Organizes Around Consumers’ Goals

Goes Deeper into What’s Working on Demand
Next-Gen Digital Commerce & Engagement

- All in on eCommerce
- Enhanced Digital Engagement
- Personalized Experiences
Leveraging Game-Changing Technology

Today

- Ubiquitous Connectivity/Mobile
- Big Data & Analytics
- Cloud Computing & Storage

Technology Transformation Focus

- Artificial Intelligence (AI)
- Voice Activated Technology
- Mixed Reality
- Dynamic Promotion Technology
Technology Transformation 2.0

Broadens Digital Across the Value Chain

TT2.0

Product Development & Supply Chain

Next Generation Digital Commerce & Engagement

Consumer Experience (CX)

Organizes Around Consumers’ Goals

Goes Deeper into What's Working on Demand
Technology-Enabled Innovation

Digital Development Tools

Product Innovation for eCommerce

Connected Products & Services
Technology-Enabled Supply Chain

Digital End-to-End Supply Chain

Technology-Enabled eCommerce
Strategy 2020: Accelerate Portfolio Momentum

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
Portfolio Segmentation

High Profit Margin Potential vs. High Sales Growth Potential

High Profit Margin Potential vs. Low Sales Growth Potential

High Profit Margin Potential vs. High Sales Growth Potential

Low Profit Margin Potential vs. Low Sales Growth Potential

FUEL

GROWTH

Kingsford

Hidden Valley

Burt's Bees®
Fuel Brands Create Investment Dollars

Investing in A&SP . . . . . . and across all demand spend

9% 10%

FY13 FY17

AS&P as a % of Sales

Advertising
Sales Promotion
Trade Promotion

> +2 pts since FY15
Investments Drive Household Penetration

% Sales with Growing/Stable HH Pen

- FY13: 31%
- FY17: 72%

72% of portfolio has growing or stable household penetration

Source: IRI Panel Data, Total U.S. All Outlets, NBD Weighted
Growing Households in Both Growth and Fuel

% of sales from brands that have expanding or stable household penetration:

**Fuel Brands**
- FY13: 7%
- FY17: 42%

**Growth Brands**
- FY13: 56%
- FY17: 98%

Source: IRI Panel Data, Total U.S. All Outlets, NBD Weighted
Focused on Long-Term Gross Margin Expansion

Strong Cost Savings
Track Record

Pricing, Mix and
Demand Optimization

Margin-Accretive
Innovation
Adjusting Short-Term Incentive Target Metrics

• Short-Term Incentive Metrics:

From (before FY18):

<table>
<thead>
<tr>
<th>NET CUSTOMER SALES</th>
<th>ECONOMIC PROFIT*</th>
<th>50%</th>
</tr>
</thead>
</table>

To (starting in FY18):

<table>
<thead>
<tr>
<th>NET CUSTOMER SALES</th>
<th>NET INCOME**</th>
<th>GROSS MARGIN</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>20%</td>
<td></td>
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</table>

• Long-Term Incentive Metric Unchanged: 100% Economic Profit

*Economic profit is a non-GAAP measure. Reconciliation and calculation can be found here: https://annualreport.thecloroxcompany.com/scorecard.php#performance

**From continuing operations
Strategy 2020: Fuel Growth by Reducing Waste

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
Strong Track Record of Cost Savings

EBIT Margin Benefit from Cost Savings

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 in the Appendix.

EBIT Margin Benefit from Cost Savings

- FY08
- FY09
- FY10
- FY11
- FY12
- FY13
- FY14
- FY15
- FY16
- FY17
- FY18+

Goal: +150 bps Annual Goal
Cost Savings is in our DNA

3-Year Pipeline

Technology Advances

Sustainability Lens

Every Year

+150bps

TRADE

BUY

MAKE

SHIP

SG&A

Discovery
Charter
Commercialize
Fueling Growth in International

**International : 17%**
- Latin America 9%
- Canada 3%
- Australia / NZ 2%
- Rest of World 3%

**Lifestyle : 16%**
- Hidden Valley 9%
- Burt's Bees 4%
- Brita 3%

FY17 $6B in Sales

**Cleaning : 34%**
- Home Care 19%
- Laundry 9%
- Professional 6%

**Household : 33%**
- Glad 14%
- Kingsford 10%
- Fresh Step 7%
- Renew Life 2%
## Leading Brands in International

>80% of our brands in International are #1 or #2 in their market

<table>
<thead>
<tr>
<th>Country</th>
<th>Share Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>#1</td>
</tr>
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</tr>
</tbody>
</table>

### Country                        | Share Position
--- | ---
Argentina                        | #1
Saudi Arabia                      | #1
Mexico                            | #2
Peru                              | #1
Colombia                          | #2
Chile                             | #1
Canada                            | #2
Canada                            | #1
Australia                         | #1

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Source: Nielsen Retail Measurement for International geographies except; IRI for Australia, IDRetail for Uruguay
Applying Strong Capabilities to International

Innovation

Cost Savings

Digital

eCommerce

+3 pts Sales

+$20M

45% of Media

+79% Sales Growth

Note: Reflects International segment’s FY17 change versus FY16
International “Go Lean” Strategy is Working

- Pricing Maximization
- Focus on Cost Savings
- Right-Size Infrastructure
- Optimize Demand Creation
“Go Lean” Enables Selective Growth Investments

- Category Tailwinds
- High Margin
- Right to Win
- Quick Return
Optimistic about International

• “Go Lean” strategy is working
• “Go Lean” enables selective growth investments
• Leading brands
• Applying strong capabilities to International
• Expecting less unfavorable FX
## Strategy 2020: Engage our People as Business Owners

### 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
Clorox Growth Culture Enables our 2020 Strategy

Growth Culture

- Decisive
- Empowered
- Accountable

Growth Culture Index

- Fast-Moving Consumer Goods
- Global High Performing Companies
- Clorox
Strong Engagement Distinguishes Us from Peers

**SUSTAINABLE ENGAGEMENT**

88% (favorable score)

**Strong Absolute Results**

**Strong Relative to Peers**

**Stronger Results Over Time**

Source: Willis Towers Watson

FMCG Norm: Based on responses from more than 160,000 employees globally.

Global High Performing Companies: Companies meeting two criteria: (a) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and (b) superior human resource practices, defined by employee opinion scores near the top among the most financially successful companies surveyed by Willis Towers Watson. Includes responses from over 140,000 employees at dozens of global organizations.
We Cultivate Diversity Broadly to Generate Value

Clorox Employee Resource Groups

- 36% Female Clorox Executive Committee Members
- 33% Female Board Members
- 33% Minority Board Members
Employees Share in Rewards for Delivering Results

Short-term Incentives

- NET CUSTOMER SALES: 50%
- NET INCOME*: 30%
- GROSS MARGIN: 20%

Long-term Incentives

- ECONOMIC PROFIT*: 100%

*Continuing operations

*Metric for Performance Share Units
Good Growth and Achieving Results the Right Way

Profitable, Sustainable, Responsible

2020 Strategy

Commitment to Environment, Social, & Corporate Governance (ESG)

Good Growth

PERFORMANCE

PEOPLE

PRODUCTS

PLANET

PURPOSE
Making Our Products More Sustainable

Sustainability improvements to **34% of the portfolio***

On track to meet our goal of 50% product portfolio by 2020

*Cumulative progress since 2011 base year
Reducing Our Environmental Footprint

- **Waste to Landfill**: Cumulative progress to date since 2011 base year 41%
- **Water Consumption**: 21%
- **Greenhouse Gas Emissions**: 18%
- **Energy Consumption**: 15%

On track to meet or beat our goal of 20% reduction by 2020
Safeguarding Families and Communities

$83 MILLION!

TOTAL VALUE OF CONTRIBUTIONS AND VOLUNTEER HOURS 2014 - 2017
Our Efforts are Being Recognized
Long-Term Investment Case Remains Solid

- **Investing behind leading brands to grow categories and share**
  - 3%+ annual growth from innovation
  - Maintain healthy brand building investments

- **Margin improvement opportunities continue to exist**
  - Leverage our brands pricing power to mitigate input cost
  - Strong cost savings track record
  - Driving SG&A to below 14% of sales

- **Strong cash flow generation**
  - Goal to generate Free Cash Flow of 10-12% of sales
  - Announced +5% dividend increase (May 2017)

Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures. See reconciliation Appendix
Long-Term Margin Expansion

- Strong Cost Savings
- Track Record
- Focus on International
- Profitability
- Margin Accretive
- Innovation & Pricing
Strong Track Record of Cost Savings

EBIT Margin Benefit from Cost Savings

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 in Appendix.
Continued Discipline on SG&A

SG&A as a Percentage of Sales

FY13: 14.3%
FY17: 13.6%
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 6/30/2017. See reconciliation in Appendix.
Strong Free Cash Flow

Free Cash Flow
% of Sales 11% 12% 13% 10% 11%

$ in Millions
FY13 $780 $590
FY14 $786 $649
FY15 $858 $733
FY16 $768 $596
FY17 $871 $640

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

Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures. See reconciliation in Appendix.
Use of Cash Priorities

1. Business Growth (includes targeted M&A)
2. Support Dividend
3. Debt Leverage\(^1\) (Target: 2.0 – 2.5x)
4. Share Repurchases

---

**Debt Leverage**

\[\text{Debt Leverage} = \frac{\text{Gross Debt}}{\text{EBITDA}}\]

\(\text{EBITDA}\) is a non-GAAP measure. See reconciliation in Appendix.
M&A Focus Unchanged

• Areas with tailwinds in categories, countries, and channels
• Strong fit with Clorox strategy and capabilities
• Brands with good market positions
• Attractive margins

Please note that this slide refers to general goals for Clorox’s M&A focus – each element may not be relevant or applicable to each potential M&A transaction.
Evolving our Portfolio

RenewLife® - Strong First Year

- Transaction closed in May 2016
- About 2% of total company sales
- Purchase Price: $290M (2.5x Sales)
- Integration is on track
- Distribution wins in Food, Drug, Mass and Club

Aplicare - Sale Completed

- Transaction closed in August 2017
- No change to strategic focus of Professional Products Division
Balance Sheet Remains Strong

• Anticipate continued healthy cash flows
• Gross Debt/EBITDA as of 9/30/17 is 1.7x (targeted range of 2.0x to 2.5x)
• Will continue to look at ways to return excess cash to shareholders

EBITDA is a non-GAAP measure. See reconciliation in Appendix
Over $2B Returned to Shareholders in the Last 4 Years

FY17 Dividend Payout Ratio = 59%

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Returned to Shareholders ($)</th>
<th>$ in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>$532</td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>$568</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>$442</td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>$520</td>
<td></td>
</tr>
</tbody>
</table>

FY17 Dividend Payout Ratio = 59%
Healthy Dividend Growth…
Dividends Have Increased Each Year Since 1977

Dividend Yield as of Sept 30, 2017

<table>
<thead>
<tr>
<th>Company</th>
<th>DPS Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIS</td>
<td>2.4%</td>
</tr>
<tr>
<td>COTY</td>
<td>3%</td>
</tr>
<tr>
<td>KO</td>
<td>2.5%</td>
</tr>
<tr>
<td>PG</td>
<td>3%</td>
</tr>
<tr>
<td>K</td>
<td>2%</td>
</tr>
<tr>
<td>KMB</td>
<td>3%</td>
</tr>
<tr>
<td>KHC</td>
<td>2%</td>
</tr>
<tr>
<td>PEP</td>
<td>2%</td>
</tr>
<tr>
<td>CPB</td>
<td>2%</td>
</tr>
<tr>
<td>DPS</td>
<td>2.4%</td>
</tr>
<tr>
<td>CLX</td>
<td>2.4%</td>
</tr>
<tr>
<td>HSY</td>
<td>2.5%</td>
</tr>
<tr>
<td>CL</td>
<td>2%</td>
</tr>
<tr>
<td>RB-GB</td>
<td>2%</td>
</tr>
<tr>
<td>NWL</td>
<td>1%</td>
</tr>
<tr>
<td>EL</td>
<td>1%</td>
</tr>
<tr>
<td>CHD</td>
<td>1%</td>
</tr>
</tbody>
</table>

Peer Average: 2.5%
Strong Shareholder Return

Total Shareholder Return - 20 Year Ending 9/30/2017

Peer includes 13 companies: CPB, KMB, K, RB-GB, KO, GIS, NWL, EL, PEP, CHD, CL, PG and HSY

CLOROX: 488
S&P500: 287
Peers: 586
Appendix
# Key Credit Metrics

<table>
<thead>
<tr>
<th>$ in B</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$1.2</td>
<td>$1.1</td>
<td>$1.2</td>
<td>$1.2</td>
<td>$1.3</td>
</tr>
<tr>
<td>Total Debt / EBITDA</td>
<td>2.1x</td>
<td>2.0x</td>
<td>1.8x</td>
<td>1.9x</td>
<td>1.7x</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>14.5x</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>
</tr>
<tr>
<td>Free Cash Flow / Debt</td>
<td>25%</td>
<td>28%</td>
<td>33%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>FCF after Dividends / Debt</td>
<td>10%</td>
<td>12%</td>
<td>16%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>FCF as % of sales</td>
<td>10%</td>
<td>12%</td>
<td>13%</td>
<td>10%</td>
<td>11%</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>
</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>
</tr>
</tbody>
</table>

Note: EBIT, EBITDA, FCF are Non-GAAP measures with reconciliations available on slides 93-97.
## Gross Margin Reconciliation

<table>
<thead>
<tr>
<th>Driver</th>
<th>Gross Margin Change vs. Prior Year (basis points)</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>Cost Savings</td>
<td>+140</td>
<td>+140</td>
<td>+150</td>
</tr>
<tr>
<td>Price Changes</td>
<td>+70</td>
<td>+70</td>
<td>+60</td>
</tr>
<tr>
<td>Market Movement (commodities)</td>
<td>+90</td>
<td>+10</td>
<td>-70</td>
</tr>
<tr>
<td>Manufacturing &amp; Logistics</td>
<td>-220</td>
<td>-210</td>
<td>-130</td>
</tr>
<tr>
<td>All other (^{(1)})</td>
<td>-140</td>
<td>0</td>
<td>-140</td>
</tr>
<tr>
<td><strong>Change vs prior year</strong></td>
<td><strong>-60</strong></td>
<td><strong>+10</strong></td>
<td><strong>-130</strong></td>
</tr>
</tbody>
</table>

| Gross Margin (%)               | 44.4%   | 44.7%   | 44.0%   | 45.7%   | 44.7%   | 44.9%   |

\(^{(1)}\) In Q1 of fiscal year 2017, “All other” includes about -60bps of unfavorable mix and -50bps of unfavorable foreign exchange impact.
In Q3 of fiscal year 2017, “All other” includes about -100bps of unfavorable mix (negative mix in charcoal business and strong sales in club channel across multiple businesses) and -60bps of higher trade promotion spending.
### Reportable Segments (unaudited)

#### Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Earnings (losses) from continuing operations before income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three Months Ended</td>
<td>% Change(1)</td>
</tr>
<tr>
<td>Cleaning</td>
<td>9/30/2017: $559</td>
<td>9/30/2016: $534</td>
</tr>
<tr>
<td>Household</td>
<td>441</td>
<td>422</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>246</td>
<td>236</td>
</tr>
<tr>
<td>International</td>
<td>254</td>
<td>251</td>
</tr>
<tr>
<td>Corporate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$1,500</td>
<td>$1,443</td>
</tr>
</tbody>
</table>

(1) Percentages based on rounded numbers.
## EBIT and EBITDA (unaudited)

**Dollars in Millions**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 9/30/16</td>
<td>Q2 12/31/16</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>$264</td>
<td>$227</td>
</tr>
<tr>
<td>Interest income</td>
<td>-$1</td>
<td>-$1</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$22</td>
<td>$22</td>
</tr>
<tr>
<td><strong>EBIT</strong> (1)(3)</td>
<td>$285</td>
<td>$248</td>
</tr>
<tr>
<td>EBIT margin (1)(3)</td>
<td>19.8%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$41</td>
<td>$41</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (2)(3)</td>
<td>$326</td>
<td>$289</td>
</tr>
<tr>
<td>EBITDA margin (2)(3)</td>
<td>22.6%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Net sales</td>
<td>$1,443</td>
<td>$1,406</td>
</tr>
<tr>
<td>Total debt (4)</td>
<td>$2,407</td>
<td>$2,549</td>
</tr>
<tr>
<td>Debt to EBITDA (3)(5)</td>
<td>2.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Footnotes on Slide 95

(1) Non-GAAP financial measure
(2) Adjusted for share-based compensation
(3) Connected to EBIT margin and EBITDA margin
(4) Total debt includes long-term debt and cash
(5) Debt to EBITDA ratio
# EBIT and EBITDA (unaudited)

## Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings from continuing operations before income taxes</strong></td>
<td>$884</td>
<td>$921</td>
<td>$983</td>
<td>$1,033</td>
</tr>
<tr>
<td>Interest income</td>
<td>-$3</td>
<td>-$4</td>
<td>-$5</td>
<td>-$4</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$103</td>
<td>$100</td>
<td>$88</td>
<td>$88</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>$984</td>
<td>$1,017</td>
<td>$1,066</td>
<td>$1,117</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>17.8%</td>
<td>18.0%</td>
<td>18.5%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$177</td>
<td>$169</td>
<td>$165</td>
<td>$163</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$1,161</td>
<td>$1,186</td>
<td>$1,231</td>
<td>$1,280</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>21.1%</td>
<td>21.0%</td>
<td>21.4%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Net sales</td>
<td>$5,514</td>
<td>$5,655</td>
<td>$5,761</td>
<td>$5,973</td>
</tr>
<tr>
<td>Total debt</td>
<td>$2,313</td>
<td>$2,191</td>
<td>$2,320</td>
<td>$2,195</td>
</tr>
<tr>
<td>Debt to EBITDA</td>
<td>2.0</td>
<td>1.8</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>EBITDA interest Coverage</td>
<td>11.3</td>
<td>11.9</td>
<td>14.0</td>
<td>14.5</td>
</tr>
<tr>
<td>EBIT / Interest</td>
<td>9.6</td>
<td>10.2</td>
<td>12.1</td>
<td>12.7</td>
</tr>
</tbody>
</table>

---

Footnotes on Slide 95

1. **(1)**
2. **(2)**
3. **(3)**
4. **(4)**
5. **(5)**
EBIT and EBITDA (unaudited)

(1) EBIT (a non-GAAP measure) represents earnings from continuing operations 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) EBITDA (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income, interest expense, depreciation and amortization, as reported above. EBITDA margin is the ratio of EBITDA to net sales.

(3) 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, EBITDA, EBITDA margin and debt to EBITDA provides useful additional information to investors about trends in the company's operations and are useful for period-over-period comparisons.

(4) 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.

(5) Debt to EBITDA (a non-GAAP measure) represents total debt divided by EBITDA for the trailing four quarters.
Free Cash Flow (FCF) Reconciliation

<table>
<thead>
<tr>
<th>Dollars in Millions</th>
<th>Fiscal Year 2017</th>
<th>Fiscal Year 2016</th>
<th>Fiscal Year 2015</th>
<th>Fiscal Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by continuing operations – GAAP</td>
<td>$871</td>
<td>$768</td>
<td>$858</td>
<td>$786</td>
</tr>
<tr>
<td>Less: Capital expenditures</td>
<td>$231</td>
<td>$172</td>
<td>$125</td>
<td>$137</td>
</tr>
<tr>
<td>Free cash flow – non-GAAP (1)</td>
<td>$640</td>
<td>$596</td>
<td>$733</td>
<td>$649</td>
</tr>
</tbody>
</table>

(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 percent of 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 share 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.
Free Cash Flow (FCF) Reconciliation

Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2017</th>
<th>Fiscal Year 2016</th>
<th>Fiscal Year 2015</th>
<th>Fiscal Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free cash flow</td>
<td>$640</td>
<td>$596</td>
<td>$733</td>
<td>$649</td>
</tr>
<tr>
<td>Less: Dividends</td>
<td>$412</td>
<td>$398</td>
<td>$391</td>
<td>$374</td>
</tr>
<tr>
<td>Free cash flow after dividends</td>
<td>$228</td>
<td>$198</td>
<td>$342</td>
<td>$275</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$2,195</td>
<td>$2,312</td>
<td>$2,191</td>
<td>$2,313</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$5,973</td>
<td>$5,761</td>
<td>$5,655</td>
<td>$5,514</td>
</tr>
<tr>
<td>Free cash flow / Debt</td>
<td>29%</td>
<td>26%</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>Free cash flow after dividends / Debt</td>
<td>10%</td>
<td>9%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Free cash flow as % of sales</td>
<td>11%</td>
<td>10%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Free cash flow after dividends as % of sales</td>
<td>4%</td>
<td>3%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

(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 percent of 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 share 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.
## Return on Invested Capital (ROIC) Reconciliation

*Dollars in millions and all calculations based on rounded numbers*

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>$1,033</td>
</tr>
<tr>
<td>Interest expense</td>
<td>88</td>
</tr>
<tr>
<td><strong>Earnings from continuing operations before income taxes and interest expense</strong></td>
<td><strong>$1,121</strong></td>
</tr>
<tr>
<td>Income taxes on earnings from continuing operations before income taxes and interest expense**(2)**</td>
<td>$(358)</td>
</tr>
<tr>
<td>Adjusted after-tax profit</td>
<td>$763</td>
</tr>
<tr>
<td>Average invested capital**(3)**</td>
<td>$2,744</td>
</tr>
<tr>
<td>Return on invested capital**(1)**</td>
<td><strong>28%</strong></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.

**(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.
Dollars in millions and all calculations based on rounded numbers

(Amounts shown below are five quarter averages)

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$4,549</td>
</tr>
<tr>
<td>Less: non-interest bearing liabilities</td>
<td>(1,805)</td>
</tr>
<tr>
<td><strong>Average invested capital</strong></td>
<td>$2,744</td>
</tr>
</tbody>
</table>