Accelerating Profitable Growth
Benno Dorer
Chief Executive Officer
Key Messages

• Staying on Strategy 2020 as it is producing strong shareholder returns

• Investments in profitable growth are beginning to show positive results

• Strategy 2020 Accelerators and continued strong execution to make accelerated growth sustainable
Agenda for the Day

Strategy 2020 Update & Accelerators .......................... 9:00am - 10:30am

Break ........................................................................... 10:30am - 10:50am

Profitable Growth Execution ...................................... 10:50am - Noon

Lunch/Q&A .................................................................. Noon - 1:00pm
## Clorox Presenters

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<th>Execution</th>
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<td>• Innovation Behind Value</td>
<td>Dawn Willoughby &amp; Nick Vlahos</td>
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<td>• Closing</td>
<td>Benno Dorer</td>
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</table>
Other Clorox Management in Attendance

James Foster  EVP – Product Supply, Enterprise Performance, & IT
Jacqueline Kane  EVP – Human Resources & Corporate Affairs
Laura Stein  EVP – General Counsel
Jon Balousek  SVP & General Manager – Household & Lifestyle
Manjit Singh  SVP – Chief Information Officer
<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
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<tbody>
<tr>
<td>Kathryn Caulfield</td>
<td>VP – Corporate Communications &amp; Responsibility</td>
</tr>
<tr>
<td>Chip Conradi</td>
<td>VP – Tax &amp; Treasury</td>
</tr>
<tr>
<td>Kevin Jacobsen</td>
<td>VP – Financial Planning and Analysis</td>
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<tr>
<td>Steve Austenfeld</td>
<td>VP – Investor Relations</td>
</tr>
<tr>
<td>Landon Dunn</td>
<td>Sr. Manager – Investor Relations</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
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<tr>
<td>Dr. Richard Carmona</td>
<td>Vice Chairman, Canyon Ranch and 17th Surgeon General of the United States</td>
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<tr>
<td>Jeffrey Noddle</td>
<td>Retired Executive Chairman, SuperValu Inc.</td>
</tr>
<tr>
<td>Pamela Thomas-Graham</td>
<td>Chief Marketing &amp; Talent Officer – Head of Banking and Wealth Management New Markets, Credit Suisse</td>
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Safe Harbor

Except for historical information, matters discussed in this presentation, including statements about the success of the Company’s future volume, sales, costs, cost savings, earnings, 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.
Over 80% of Sales Are Generated From Brands With a #1 or #2 Share Position (FY15 Sales: $5.7B)
Advantaged Portfolio
Big Share Brands in Mid-Sized Categories

Clorox 23%
Private Label 20%
Smaller Players 32%

Competitor A 8%
Competitor B 5%
Competitor C 5%
Competitor D 4%
Competitor E 3%
Smaller Players 32%

Clorox is ~3X the size of next branded competitor

Portfolio with Significant Synergies

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

Customer
- Scaled teams, capabilities, and broker network

Supply Chain
- Scale across Buy, Make, Ship

Brand Building
- Common consumer trends, insights, 3D demand creation

Health & Wellness
- Sustainability
- Fragmentation
- Affordability

(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, AVP, EL, KMB, RB-GB. See Slide 184 for details.
Portfolio Supported by Consumer Megatrends

Health & Wellness

Sustainability

Fragmentation

Affordability
#1 Share of Voice Across Most Categories

Source: Nielsen Ad Intel as of May, 2015. Data range is Jan 1, 2014 through Dec 31, 2014
Strong Shareholder Return

Total Shareholder Return
20 Year Ending 6/30/2015

Over 2x the S&P 500!

TSR %

Jun 95  Jun 97  Jun 99  Jun 01  Jun 03  Jun 05  Jun 07  Jun 09  Jun 11  Jun 13  Jun 15

CLX  S&P 500  Peer Companies Average
We Have Delivered a Strong FY15

**FY15**
+3% Sales Growth  (+5% Currency Neutral)

<table>
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<tr>
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<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
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<tbody>
<tr>
<td>Sales</td>
<td>$5,533</td>
<td>$5,514</td>
<td>$5,655</td>
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**FY15**
+4% EPS Growth

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<tr>
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<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
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<tbody>
<tr>
<td>EPS</td>
<td>$4.31</td>
<td>$4.39</td>
<td>$4.57</td>
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</table>
FY15 Success Factors

- Focus on Core
- Increased Demand Investment
- Investments in Innovation
Market Share is Responding

Last 24 Months
-0.4pts

Last 12 Months
Flat

Last 3 Months
+0.3pts

Strong Results Are Recognized by Shareholders

*Total Shareholder Return*
1 Year Ending 6/30/15

**Clorox**
- Share Price Appreciation: 14%
- Dividend Paid: 3%
- Total Shareholders Return: 17%

**Peers**
- Share Price Appreciation: 4%
- Dividend Paid: 1%
- Total Shareholders Return: 5%

**S&P 500**
- Share Price Appreciation: 2%
- Dividend Paid: 5%
- Total Shareholders Return: 7%

Strong Results Are Recognized by Shareholders
Leading Through Strategic Change in CPG

Digital Revolution

Consumer Focus on Value

Challenging Retail Environment

International Headwinds
2020 Strategy

Mission

• We make everyday life better, every day

Objectives

• Maximize economic profit
• Big-share brands in midsized 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
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
Strategy Accelerators → Drive Profitable Growth

- 3D Technology Transformation
- 3D Innovation
- Portfolio Momentum
- Growth Culture
Accelerators in Action

Accelerate Investment Behind Digital

Consumer Value Measure

Innovation: Bigger, Faster, Longer

Growth & Fuel Brands

- 3D Technology Transformation
- Growth Culture
- 3D Innovation
- Portfolio Momentum
Nick Vlahos
Chief Operating Officer
Household, Lifestyle & Core Global Functions
Investing Behind Growth Tailwinds

**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**
- Portfolio Momentum
- 3D Innovation
- 3D Technology Transformation
- Growth Culture
Key Messages

- Clorox will invest differentially behind our **Growth Brands**

- **Fuel Brands** will grow more profitably to support growth

- Increase demand investment to **grow Household Penetration**
1 point of Household Penetration = $50M+ Sales

Cleaning Segment

Household Segment

Lifestyle Segment

$22M

$20M

$10M

*Dollar Opportunity of 1pt of HH Pen based on 1 purchase per year
Source: IRI Panel Data, Total U.S. All Outlets, NBD Weighted
New Usage Occasions Drives Penetration

- **New Faces**
  - New Demographic or Behavioral Group

- **New Spaces**
  - Consumes Product in a New Way

- **New Places**
  - New Channel or Location in Store
Fuel Brand: Kingsford Charcoal

International: 19%
Lifestyle: 17%
Household: 32%
Cleaning: 32%

Charcoal: 11%
Food: 9%
Burt's Bees: 4%
Brita: 4%
PPD: 5%
Glad: 15%
Litter: 6%
Home Care: 17%
Laundry: 10%
Commercial Solutions: 4%
Burts Bees: 4%
Kingsford Drives Charcoal Category Growth

$ Market Share

74%
7 out of 10 Consumers choose Kingsford
19%
7%

Market Share Change vs YA

Source: IRI MULO Date Ending 6/21/15 Total Grilling Category
Targeted Demand Spend

Drive New Usage Occasions

Expand Retail Distribution

Margin Enhancement through Operational Excellence

Profitable Growth With New Faces, Spaces & Places
Digital Execution Behind Seasonal Grilling Occasions
Growth Brand: Burt’s Bees

International: 19%

Cleaning: 32%

Household: 32%

Lifestyle: 17%

- Burt’s Bees 4%
- Brita 4%
- Food 9%
- Charcoal 11%
- Litter 6%
- Glad 15%
- Laundry 10%
- PPD 5%

International 19%
Strong Foundation of Leadership

**MARTK LEADER**

- #1 Natural brand
- 26% NPC Market Share

**GROWTH LEADER**

- +8% 5 Year CAGR
- 20% of NPC Category Growth

**INNOVATION LEADER**

- 120+ Items launched over past 3 yrs
- Nearly 1/2 of new NPC sales over last 3 yrs

Source: IRI MULO 52we 8-9-15; CAGR represents Domestic POS data including IRI + SPINS + WF; Brand Health Tracking 2014
Growth With New Faces, Spaces & Places

1. Drive Trial & Awareness on Core
2. Expand into Adjacencies
3. International Expansion
Focus on Core → Fastest Growing Lip Balm

Retail Dollars vs Year Ago
Latest 6 months

- Burt's Bees: 17%
- Chapstick: 7%
- Blistex: 3%
- EOS: -2%

Source: IRI MULO 26wk Ending 6/21/15
Expanding Into Lip Color & Face Care
International Expansion

- Retailer Partnership
- eCommerce
- Asia Expansion
Hidden Valley Is the #1 Salad Dressing and Growing...

$ Market Share

Hidden Valley: 22%
Kraft: 15%
Private Label: 13%

Share Change vs YA

Source: IRI MULO Date Ending 6/21/15 Total Salad Dressing
Growth With New Faces, Spaces & Places

- Accelerate Ranch
- Dry Expansion
- Better for You
- Ethnic Enhancers
Food Innovation Pillars

Accelerate Ranch

Dry Expansion

Better for You

Ethnic Enhancers
Accelerate Ranch

- Strong early results: Hidden Valley +1pt of Market Share in Q4 FY15
- Hidden Valley Share of “Ranch Flavors" increased +11 share points

Source: IRI MULO Date Ending 6/21/15 Bottled Salad Dressing
Accelerating Profitable Growth
Food Innovation Pillars

Accelerate Ranch

Dry Expansion

Better for You

Ethnic Enhancers
Expanding Dry into High Margin Adjacencies

Share Change vs YA

Source: IRI MULO Date Ending 6/21/15 Dry Salad Dressing
Driving Household Penetration Across Categories
Food Innovation Pillars

Accelerate Ranch
Dry Expansion
Better for You
Ethnic Enhancers
Better For You Platform

Opportunity

There is a gap between healthier products consumers want and what is available

Solution

Fresh & Real

Simple & Wholesome

Early 2016
Food Innovation Pillars

Accelerate Ranch

Dry Expansion

Better for You

Ethnic Enhancers
Key Messages

• Clorox will invest differentially behind our **Growth Brands**

• **Fuel Brands** will grow more profitably to support growth

• Increase demand investment to **grow Household Penetration**
Denise Garner
Chief Innovation Officer
Innovation is a Key Component of the 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

- Portfolio Momentum
- 3D Innovation
- 3D Technology Transformation
- Growth Culture
Key Messages

• Strong commitment to **innovation is working**

• Strategy 2020 will drive **greater value from innovation**

• Improved processes will result in **faster speed to market and “real-time” measurement** of the “value” of our products
Cost-o-vention is a term used at Clorox that describes innovation that improves product performance at a reduced cost.

**Broad-based Approach to Innovation**

**KEEP THE CORE HEALTHY**
- Product & Marketing
- Product Superiority

**EXPAND MARGIN**
- Cost-o-vention
- New Product Platforms & Adjacency Expansion

**GROW MARKET SHARE**
- ACCELERATE GROWTH

*Analyst Day 2015*
Innovation is Delivering Growth

Incremental Sales Growth from Innovation
(Last 12 months)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16 Outlook</th>
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<tbody>
<tr>
<td>Sales Growth</td>
<td>2.8%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>2.9%</td>
<td>3.0%</td>
<td>3.0%</td>
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*FY16 Outlook based on Aug 3rd Earnings Release
Strong Innovation Across Portfolio in FY15

- Glad Odorshield with Gain
- Burt’s Natural Lip Crayon
- Clorox Power Gel (International)
- Fresh Step Extreme Lightweight
- Hidden Valley Ranch Withs
- Clorox Scrub Singles
- Clorox Cleaning Utensils (International)
- Clorox Dust Wipes
Goal: Reduce time to market by 50%

- Accelerate decision making
- Right-sized testing Plans
- Faster, more efficient development process
Platforms Provide Bigger Value

- Glad “Stretchable Strength Platform” has many sequels
- Meeting unmet consumer needs has allowed for premium differentiation
Generating Long-Term Value From Innovation

Increase Demand Investment

Optimize the 3Ds

Internal 3-Year Metric
3-Year Metric to Improve Innovation “Stickiness”

- Increase year 2 & 3 spending on successful innovation
- Leverage platforms to allow for “Blockbuster” introductions, followed by “Sequels”
- More “Adjust & Nurture” post-launch for slower building innovations
Building Upon 60:40

> 50% of portfolio has a 60:40 blind preference win vs next strongest competitor

Source: Clorox Internal
New Metric: Consumer Value Measure (CVM)

**To Date Process**
- Product Experience
  - 60/40 Testing

**FY16 & Beyond**
- Perception
  - 60/40 Testing
- Brand Equity
- Price

**Total Consumer Value**
Consumer Value Measure

\[
\text{Product Experience} \times \text{Perception} \quad \text{Price} \quad = \quad \text{Total Consumer Value}
\]

- Proprietary real-time data
- Correlates to change in market share
- Captures all value drivers

- Superior Value
- Parity Value
- Inferior Value
CVM: How Do We Use It?

Above 45\(^0\) line, Benefit > Price

Superior Value

Below 45\(^0\) line, Price > Benefit

Inferior Value

Product x Perception

Price

Based on Marn, Roegner, Zawada (McKinsey) pricing work published in “The Pricing Advantage” (April 2004)
CVM: Clorox Disinfecting Wipes Example

Based on Marn, Roegner, Zawada (McKinsey) pricing work published in “The Pricing Advantage” (April 2004)
Superior CVM Drives Market Share Gain

CDW Market Share

Q2 FY14  Q4 FY15

Source: IRI MULO Week Ending 6/21/15 Latest 13 Weeks
Accelerating Profitable Growth
Key Messages

- Strong commitment to innovation is working
- Strategy 2020 will drive greater value from innovation
- Improved processes will result in faster speed to market and “real-time” measurement of the “value” of our products
Eric Reynolds
Chief Marketing Officer
Investments in Technology Will Provide Growth

- Engage our people
- Increase investment behind our brands
- Expand our brands into new categories, channels, and existing countries
- Reduce waste in our work, products, and supply chain to fund growth

Strategy Accelerators

- Portfolio Momentum
- 3D Innovation
- 3D Technology Transformation
- Growth Culture
Key Messages

• Accelerating investment in Digital, including media

• Analytics confirm a strong ROI on digital investments

• Leveraging Bay Area partnerships is a competitive advantage
Today’s Big Disruptors

People

Technology
People Are More Polarized

- Geography: Urban & Rural Counties & Cities
- Income: Haves vs. Have Nots
- Ethnicity: Minority Populations
- Generations: millennials Gen X Boomers
- Interests: Fewer Shared Experiences
Technology Brings Connectivity, Immediacy

“Always On” consumers expect personalization and authenticity

Hello, Eric.
Welcome back.

Look what we found just for you.
Technology Reshapes Consumer Journeys
Our Response

Driving Consumer Engagement

More Targeted

More Personal

More Real-Time
Clorox now invests over 40% of our media in digital
Digital Has Great Creative and Business Potential

- Technology
  - eCommerce
  - Big Data
  - Analytics
  - Marketing Automation

- Content & Context
  - Customized
  - Storytelling
  - Talkable
  - Omnichannel
  - Unique Audiences
Technology Enables One-to-One Communication

Recipes

Right Message,
Right Context,
Right Medium
Technology Enables One-to-One Communication
Digital Improves ROI

Enhanced Targeting

More Personalized

More Real Time Across Channels
We Leverage Our Location for Innovative Partnerships
Our Bay Area Neighbors Make Great Partners
We Have Momentum in eCommerce

~50% Sales Growth (FY15 vs FY13)
eCommerce-Enabled Innovation
eCommerce-Enabled Innovation

amazon.com

BRITA

Intelligent Pitcher
Momentum in eCommerce

Strong Momentum

<table>
<thead>
<tr>
<th>Product</th>
<th>YoY Growth</th>
<th>2020 Aspirational Sales Goal</th>
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<tbody>
<tr>
<td>GLAD</td>
<td>+86%</td>
<td>$500M</td>
</tr>
<tr>
<td>BRITA</td>
<td>+24%</td>
<td>$300M</td>
</tr>
<tr>
<td>BURT’S BEES</td>
<td>+65%</td>
<td></td>
</tr>
<tr>
<td>Professional Products</td>
<td>+18%</td>
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Key Messages

• Accelerating investment in Digital, including media

• Analytics confirm a strong ROI on digital investments

• Leveraging Bay Area partnerships is a competitive advantage
Leading Change With Consumers Is in Our DNA
We've Been Doing it for 102 Years
We’re Preparing for the Next 100

Top-10 Most Trusted CPG Brand

*Based on Women in the United States, Harris Poll EquiTrend study 2015*
Benno Dorer
Chief Executive Officer
Building a Stronger Growth Culture

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

- Portfolio Momentum
- 3D Innovation
- 3D Technology Transformation
- Growth Culture
Key Messages

• Strong organizational culture is a solid foundation

• High employee engagement versus global benchmarks

• Focus on growth culture in support of Strategy 2020
Strong Organizational Culture is a Solid Foundation

Strong Values

People Centric

Operational Excellence
Broadly Recognized by Reputable Institutions
Clorox Engagement Exceeds Global Benchmarks

CPG Norm: The Towers Watson global fast-moving consumer goods norm is based on responses from more than 126,346 employees from 61 global organizations.

Global High Performing Companies: The Towers Watson Global High Performance Norm is comprised of a weighted average of employee survey results. Companies qualify for the norm by 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 Towers Watson. This norm includes responses from over 145,000 employees at 28 global organizations.
Key Engagement Strengths

I understand how my work contributes to Clorox's strategy.

I am empowered to make the decisions needed to do my job well.

Clorox has established a climate where one can challenge our traditional ways of doing things.

I believe leaders at Clorox make decisions that are consistent with our company values.
Building a Stronger Growth Culture

Engaged  Decisive  Invest in growth

Empowered  Accountable  Consumer-centric

Demand-building  Responsible  3D innovation

IDEA COMPANY

3D Technology  Portfolio momentum
Accelerating Profitable Growth
Key Messages

• Strong **organizational culture** is a **solid foundation**

• **High employee engagement** versus global benchmarks

• Focus on **growth culture** in support of **Strategy 2020**
Benno Dorer
Chief Executive Officer
Continued Strong Commitment to Operational Excellence

Superior Value to Consumers

Retail Execution

Margin Enhancement
Matt Laszlo
Chief Customer Officer
Key Messages – Winning With Retailers

- Long history of **winning with retailers** is a signature Clorox competency

- Shifting **consumer dynamics** will continue to **change the retail landscape**

- Clorox capabilities will continue to position us as **thought and growth leaders at the physical and digital shelf**
Clorox Has Anticipated Emerging Retail Channels

**Mass Merch**
- Walmart
- Target

**Club**
- Costco
- Sam's Club

**Dollar**
- Dollar General
- Family Dollar

**Home/Hardware**
- The Home Depot
- Lowe's
Insight to Execution

*Insights*

*Category Management*

*Shopper Marketing*

*Retail Operations*

*Supply Chain*
Customer Segmentation & Capability Deployment

Accelerate Growth: 65% U.S. Volume
Maintain Momentum: 10% U.S. Volume
Maximize Profit: 20% U.S. Volume
Professional: 5% U.S. Volume
Current Emerging Retail Channels

Big Box
Urban
Delivery
Click & Collect

Fragmentation
Continuing to Win With Big Box Stores

• Walmart + Clorox: Strong partnership
  - Category Captain in 11 categories

• Target: Clorox named Vendor of the Year in 3 categories in 2015
  - Cleaning, Trash & Food
Uniquely Positioned To Win With Small Formats

• Future growth
  - Dollar channel: adding over 1,000 new stores per year
  - Walmart Neighborhood Markets: adding ~200 new stores per year through 2019

• Clorox wins in Small Formats
  - Smaller footprint = limited assortment
  - Limited assortment = #1 & #2 brands
Accelerating Investments in e-Commerce

• Clorox brings dedicated teams & a broad portfolio of products with a compelling digital shelf presence

• Distinct and classic Clorox capabilities
  - Through The Mail Skus
  - Compelling Digital Shelf presence
  - Supply Chain Flexibility

• 2020 Sales Aspirational Goal → $500M
Continued Strong Growth In Professional Channel

• Cleaning & Foodservice – recognizable brands and consumer-facing penetration
  - 18% sales growth over last 2 years

• Healthcare – superior clinical knowledge and hospital penetration

Source: GHX data and Clorox internal data
Key Messages – Winning With Retailers

• Long history of winning with retailers is a signature Clorox competency

• Shifting consumer dynamics will continue to change the retail landscape

• Clorox capabilities will continue to position us as thought and growth leaders at the physical and digital shelf
Dawn Willoughby & Nick Vlahos
Chief Operating Officers
Key Messages – Innovation Behind Value

• **Innovation behind value** drives profitable growth

• Value is a function of **Product, Perception and Price**

• We **innovate** for improved value **at all price points**
Why Value Matters

- Improved Value
- Share & HH Pen Growth
- Profitable Growth
Low Out Of Pocket (LOOP) Innovation

$1 items

16oz Bleach
9ct Wipes
2ct S.O.S

22ct Snack Bag
22ct Sandwich Bag
Value Is More Than Price

Product Experience \times Perception

Price

\equiv

Total Consumer Value
Clorox Bleach: Improving Value Through Perception

International: 19%

Cleaning: 32%

Household: 32%

Lifestyle: 17%

International 19%
Burt's Bees 4%
Brita 4%
Food 9%
Charcoal 11%
Litter 6%
Glad 15%
PPD 5%
Laundry 10%
Home Care 17%
Consumer Need

Increased Control
Solution: Clorox Splash-Less™ Bleach

- 10X Thicker
- Does Not Splash
- Drive Awareness of Benefit
- 9% price premium
Product Innovation to Drive Value

- Distinctive benefits
- Awareness of benefits
- Better shelf presence
Accelerating Profitable Growth
Decide: Improved Package with Stronger Claims
Delight: More Products, Better Shelf Presence

Innovation Drove Increased Distribution +50%
Clorox Splash-Less Bleach FY15 Results

+27% Sales Growth

+1.3 points HH Pen Growth

~25% of Clorox Bleach Sales

+3.2pts $ Share Growth

Source: MA IRI MULOP FY15 Ending 6/21/15; IRI Panel Data, Total U.S. All Outlets, NBD Weighted;
Splash-Less Driving Total Clorox Bleach Share Gains

+0.8 pts $ Share Growth

Source: MA IRI MULOP FY15 Ending 6/21/15
Glad: Improving Value Through Product Experience

- International: 19%
- Cleaning: 32%
- Household: 32%
- Lifestyle: 17%

- Home Care 17%
- Laundry 10%
- PPD 5%
- Gladding 15%
- Food 9%
- Burt's Bees 4%
- Brita 4%
- Charcoal 11%
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Old Glad – Past Perceptions

Stagnant Category

Commoditized Business

Low Margin for Retailers
The New Glad
Q4 Results – Premium Trash

+0.9 pts
vs YA

+20%
Premium Trash
Sales Growth

+6%
vs YA

Market Share
Growth

Top-Line Driver

Category
Growth Driver

Source: IRI MULO Date Ending 6/21/15 Trash Disposal Category
Driving Value across the 3-Ds

- Distinctive benefits and Better Value
- Incremental Demand Support behind innovation
- Unique Partnership for innovation
Decide: More Merchandising Behind Innovation
Delight: Sustaining Success of Innovation Platform
Introducing Glad with Clorox

**Key Benefits:**
- Antimicrobial protection of the drawstring combining two highly trusted brands!
  - 45% of the population use a disinfecting product in or around the trash can
  - Additional value benefit to drive incremental growth leveraging the power of Clorox
FY15: Strong Year for Glad

+7% Trash Sales Growth

+0.8pts HH Pen Growth

+6% $ Category Growth

+0.3pts $ Share Growth

Source: IRI MULO Date Ending 6/21/15 Trash Disposal Category; IRI Panel Data, Total U.S. All Outlets, NBD Weighted Premium Trash
Future Runway For Growth

2012 % of Share

- Base 44%
- Premium 56%

2015 % of Share

- Base 31%
- Premium 69%

**Premium Segment**
2/3 Volume & 3/4 Profit

Want Odor Neutralization

- 91%

Currently Purchase Odor Neutralization

- 39%

Opportunity

- 52%

Source: IRI Infoscan Data - Total U.S. Multi-Outlet (Food/Drug/Mass + Walmart + Sam's + BJ's + Family Dollar + Dollar General + Fred's + DeCA.)
Ending June 24, 2012 & March 22, 2015
Foundational Waste Management Shopper Studies, 2013, IRI Custom Panel All Outlet Kitchen Odor Buyers 52W ending June 2015
Improved Consumer Value Measure

+25% since 2013

+18% since 2013
Key Messages – Innovation Behind Value

• Innovation behind value drives profitable growth

• Value is a function of Product, Perception and Price

• We innovate for improved value at all price points
Dawn Willoughby
Chief Operating Officer
Cleaning, International & Professional Products
Key Messages – Creating Value in International

- International continues to play an **important role** in the Clorox portfolio

- Challenges exist due to **FX headwinds and slowing economies**

- Our “Go Lean” approach will **mitigate current challenges** and position the business for **long-term profitable growth**
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**

Peru
Strong Growth in Local Currency, However FX is Real

Sales Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Currency Neutral</th>
<th>As Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>7%</td>
<td>-3%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>10%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Exchange Rate vs YAGO

- Canada: -17%
- Argentina: -10%
- Australia: -22%
- Chile: -13%
- Colombia: -35%
- Mexico: -21%

Source: Foreign Exchange Rates based on Spot Market 9/15/2015 vs. Avg. Sept 2014 Rate. Sales % based on FY15 Actual Performance
“Go Lean” Approach

Pricing Maximization

Focus on Cost Savings

Right-Size Infrastructure

Optimize Demand Creation

4 Pillars of Profitability
Pillar 1: Pricing Maximization
Ayudin Argentina: Price Behind Innovation

- Value Message
- Strong Claims
- Innovate on Strong Equity
Accelerating Profitable Growth
Pillar 2: Focus on Cost Savings
Increased Cost Savings and Value Extraction

+50% for 11 LATAM Countries
Pillar 3: Right-Size Infrastructure
“Go Lean” to Improve Profitability

• Our “Go Lean” approach right-sizes our infrastructure to our current business environment

• Reduced 8% of International workforce through:
  - Process improvements
  - Work simplification
  - Centralization of work
Pillar 4: Optimizing Demand Creation

Optimize Demand Creation

3D Technology Transformation

Portfolio Momentum
Investing in Higher ROI Opportunities

A&SP % Sales

- Fast Growth: 10%
- Stable: 7%
- Challenging: 4%

% Spend on Digital Media (Latin America)

- FY14: 4%
- FY15: 7%
- FY16 (est): 17%
“Go Lean” Approach

4 Pillars of Profitability

- Pricing Maximization
- Focus on Cost Savings
- Right-Size Infrastructure
- Optimize Demand Creation
Future Growth Ahead
We Have Strong Leading Brands Across International

50 Brands Hold #1 or #2 Market Share

Source: Nielsen Retail Measurement for International geographies except; Aztec for Australiz, Horwath for Dominican Republic and IDRetail for Uruguay
We Have a Highly Engaged International Organization

Clorox International 2015: 86%
CPG Norm: 77%
Global High Performing Co.: 85%

CGP Norm: The Towers Watson global fast-moving consumer goods norm is based on responses from more than 126,346 employees from 61 global organizations.

Global High Performing Companies: The Towers Watson Global High Performance Norm is comprised of a weighted average of employee survey results. Companies qualify for the norm by 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 Towers Watson. This norm includes responses from over 145,000 employees at 28 global organizations.
Key Messages – Creating Value in International

• International continues to play an important role in the Clorox portfolio

• Challenges exist due to FX headwinds and slowing economies

• Our “Go Lean” approach will mitigate current challenges and position the business for long-term profitable growth
Steve Robb
Chief Financial Officer
Key Messages

• **Investments in the U.S.** in profitable growth are producing positive results

• **Strong cash flow** has benefited shareholders over the long-term

• Focus on expanding margins via **cost savings will continue to be a core competency**
FY16 Outlook
Based on August 3rd Earnings Call

Sales
0% to +1%
- Categories: +1% to +2%
- Innovation: +3pts
- FX: about -3pts
- Trade/Other: -1pt

EBIT Margin
+25bps to +50bps
- Gross Margin: Flat
- Selling & Admin: < 14% of Sales
- Advertising & Sales Promotion: > 9% of Sales

Diluted EPS
$4.68 to $4.83
(+2% to +6%)
- 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
FY15 → Strong Free Cash Flow

Free Cash Flow = Operating Cash Flow from Continuing Operations – Capital Expenditures
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

Free Cash Flow

1. Debt Leverage = \text{Gross Debt} / \text{EBITDA}
Nearly $2 Billion Returned To Shareholders in Last 4 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF</th>
<th>Cash Returned to Shareholders</th>
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<tbody>
<tr>
<td>FY12</td>
<td>$433</td>
<td>$454</td>
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<tr>
<td>FY13</td>
<td>$590</td>
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<tr>
<td>FY14</td>
<td>$649</td>
<td>$532</td>
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<tr>
<td>FY15</td>
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<td>$568</td>
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FY15 Payout Ratio 64%
Healthy Dividend Growth…
Dividends Have Increased Each Year Since 1977

Dividend Yield as of June 30\textsuperscript{th}, 2015

Peer Average: 2.6%
…and Long Track Record of Share Repurchases

Repurchased Nearly 40% of Shares over last 10 Years

Shares Outstanding are as of June 30th, 2015
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.
Cost Savings Continue to Deliver

**EBIT Margin Benefit from Cost Savings**

- **FY06**
- **FY07**
- **FY08**
- **FY09**
- **FY10**
- **FY11**
- **FY12**
- **FY13**
- **FY14**
- **FY15**
- **FY16+**

- **0 bps**
- **50 bps**
- **100 bps**
- **150 bps**
- **200 bps**
- **250 bps**
- **300 bps**

**Annual Goal**

+150 bps
Strong Pipeline of Cost Savings

~2% Efficiency

Every Year

3-year Pipeline

Bleach Concentration

Improved Product Performance

Reduce weight of charcoal briquette

Plant Consolidation

Resin Reduction

World Class Manufacturing

Packaging Reduction

Sustainability Lens
Bleach Network Optimization

1990s
(9 Plants)
Bleach Network Optimization

Today
(6 Plants → 5)
Cost Savings That Deliver Improved Performance

**Clorox Disinfecting Wipes Improvement**
- Addresses consumer dissatisfaction with improved functionality of closure
- $2M of savings reinvested to drive growth

**Brita Pitcher Margin Improvement**
- Pitcher redesign improves consumer experience with entry level offering
- Premium extension improved pitcher profitability by over 4pts of margin
Opportunities Exist Within SG&A

Goal: < 14% Sales

SG&A % of Sales as of Latest Fiscal Year End
CLX as of June 30th, 2015
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
Near-Term Priorities

- Invest in our categories by supporting innovation
- Continue executing with operational excellence by driving EBIT margin expansion
- Prioritize profitability of our International segment, while managing FX
Strong Shareholder Return

Total Shareholder Return
20 Year Ending 6/30/2015

Over 2x the S&P 500!

CLX S&P 500 Peer Companies Average

TSR %

1,000

800

600

400

200

0

Jun 95 Jun 97 Jun 99 Jun 01 Jun 03 Jun 05 Jun 07 Jun 09 Jun 11 Jun 13 Jun 15

+954%

+734%

+451%
Key Messages

• **Investments in the U.S.** in profitable growth are **producing positive results**

• **Strong Cash Flow** has benefited shareholders over the long-term

• Focus on expanding margins via **cost savings will continue to be a core competency**
Benno Dorer
Chief Executive Officer
2020 Strategy → Constancy of Purpose

**Mission**
- We make everyday life better, every day

**Objectives**
- Maximize economic profit
- Big-share brands in midsized 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
Strong Results Are Recognized by Shareholders

Total Shareholder Return
1 Year Ending 6/30/15

- Clorox: 17% (14% Share Price Appreciation, 3% Dividend Paid)
- Peers: 4% (3% Share Price Appreciation, 1% Dividend Paid)
- S&P 500: 7% (2% Share Price Appreciation, 5% Dividend Paid)

Strong Results Are Recognized by Shareholders
Strategy Accelerators → Drive Profitable Growth

- 3D Technology Transformation
- 3D Innovation
- Portfolio Momentum
- Growth Culture
Market Share is Responding

- Last 24 Months: -0.4pts
- Last 12 Months: Flat
- Last 3 Months: +0.3pts

Continued Strong Investments Behind Innovation
And Continue into 2016
Key Messages

• **Staying on Strategy 2020** as it is producing strong shareholder returns

• **Investments in profitable growth** are beginning to show **positive** results

• **Strategy 2020 Accelerators** and continued **strong execution** to make accelerated **growth sustainable**
Lunch/Q&A
In the Café