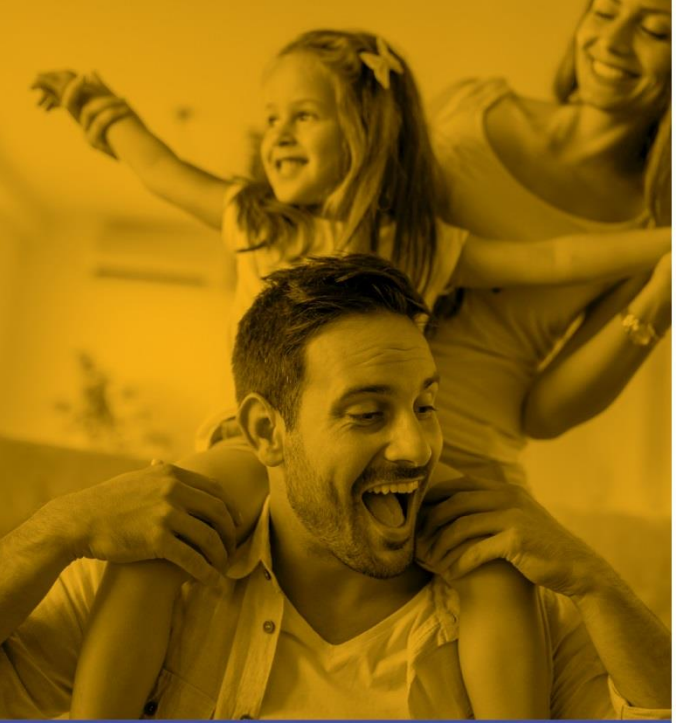


THE CLOROX COMPANY

CAGNY 2021

LINDA RENDLE
Chief Executive Officer

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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 attributable to the Company, 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, the uncertainties relating to the continued impact of COVID-19 on the Company's business, operations, employees, financial condition and results of operations as well as 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; the impact of COVID-19 on the availability of, and efficiency of the supply, manufacturing and distribution systems for, the Company's products; long-term changes in consumer preference for the Company's products as a result of any near-term shortages of any of its products; risks relating to supply chain issues and product shortages as a result of reliance on a limited base of suppliers and the significant increase in demand for disinfecting and other products due to COVID-19; dependence on key customers; information technology security breaches or cyber attacks; risks relating to acquisitions, new ventures and divestitures; government regulations; the Company's business reputation and the reputation of its brands and products; political, legal and tax risks; changes in U.S. tax, immigration or trade policies, including tariffs, and economic and financial market conditions; the Company's ability to drive sales growth and increase market share; volatility and increases in commodity, energy, transportation and other costs; international operations and international trade, including price controls, foreign currency fluctuations and devaluations and foreign currency exchange rate controls, labor claims and labor unrest, and the impact of the United Kingdom's exit from, and the related on-going negotiations with, the European Union; the facilities of the Company and its suppliers being subject to disruptions; 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; 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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KEY MESSAGES

- IGNITE Strategy is on track and continues to position Clorox well
- We are accelerating growth through new opportunities
- Long-term investment case remains attractive



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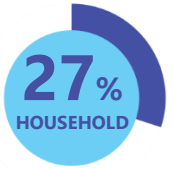
WHO WE ARE

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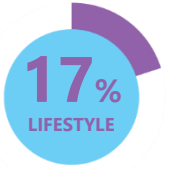
DIVERSE, US-CENTRIC PORTFOLIO



- 30% CLEANING
- 7% PROFESSIONAL PRODUCTS
- 4% VITAMINS, MINERALS and SUPPLEMENTS



- 12% BAGS, WRAPS
- 7% CAT LITTER
- 8% GRILLING



- 9% FOOD PRODUCTS
- 4% WATER FILTRATION
- 4% NATURAL PERSONAL CARE



- AFRICA
- ASIA
- AUSTRALIA
- CANADA
- EUROPE
- LATIN AMERICA
- MIDDLE EAST
- NEW ZEALAND

$6.7B
NET SALES

26+
COUNTRY / TERRITORY OPERATIONS

8,800
EMPLOYEES

100+
MARKETS

CHOICEFUL, DISCIPLINED PLAYBOOK

Leading brands loved by consumers

Purposeful & targeted in **where we play**

ECONOMIC PROFIT

Deeply rooted discipline sustains **operational excellence**

Purpose-driven growth: ESG integration as a competitive advantage

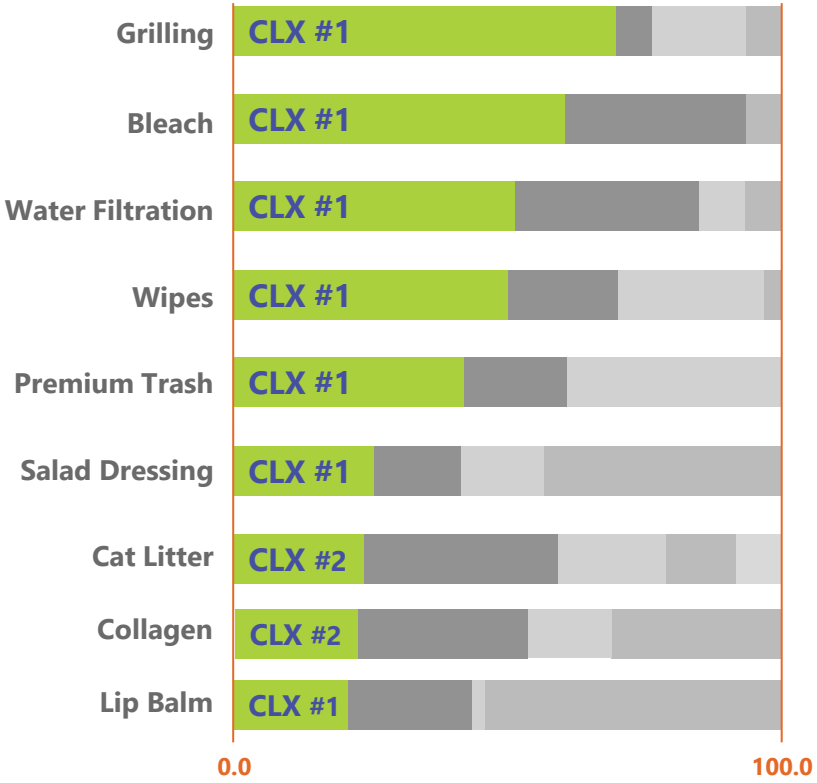
THE CLOROX COMPANY

LEADING BRANDS LOVED BY OUR CONSUMERS

- Over **80%** of our global portfolio from #1 and #2 share brands
- **Majority** of our portfolio has superior consumer value
- Accelerating growth with **purpose-driven brands**



BIG-SHARE BRANDS, MID-SIZED CATEGORIES



- Categories that are more rational and less crowded with multinationals
- Grow categories with deep consumer insights and world-class capabilities
- Drive profitable growth for Clorox and our customers

Share position is dollar market share, IRI MULOP 52 weeks ending 6/28/20, Collagen: Natural (SPINS+Whole Foods), Amazon, MULO 52 weeks ending 6/14/2020.

OPERATIONAL EXCELLENCE

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



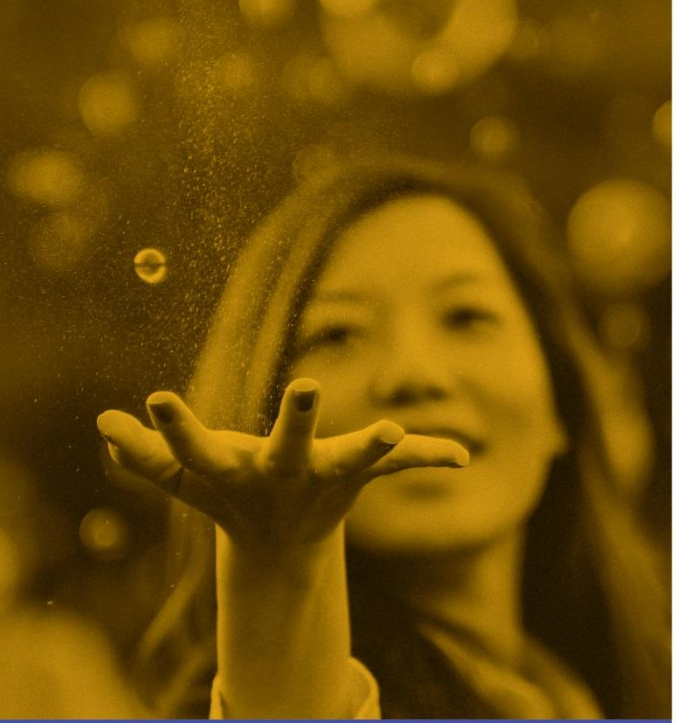
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Cost Savings Target is +175 bps EBIT Margin. EBIT (a non-GAAP measure) represents earnings before income taxes, excluding interest income and interest expense and EBIT margin is the ratio of EBIT to net sales.

PURPOSE-DRIVEN GROWTH



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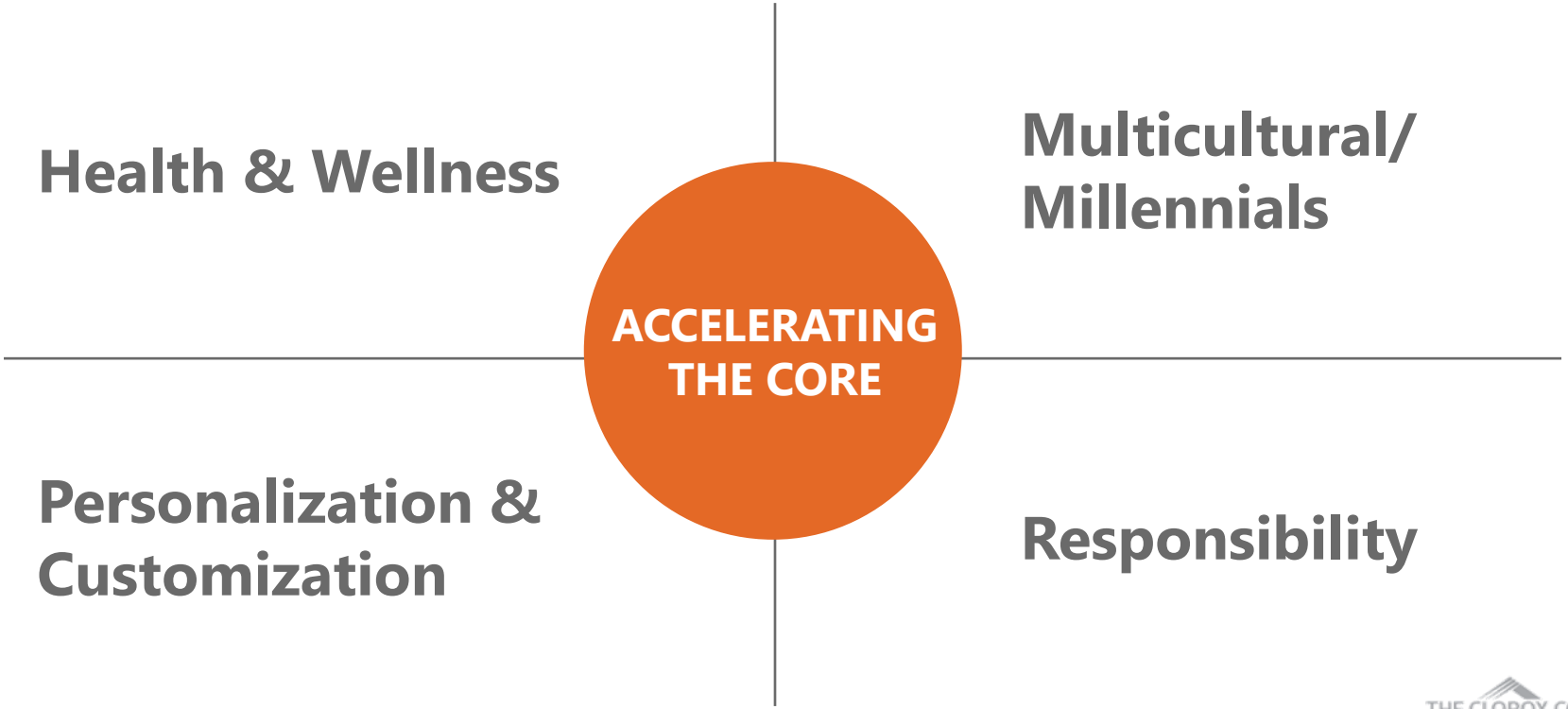
IGNITE STRATEGY
Progress Update

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IGNITE STRATEGY

Purpose	**We champion people** to be well & thrive every single day
Vision	**Exceptional innovators** who earn people's enduring loyalty
Objectives	Maximize economic profit Purpose-driven growth
Strategy	**Fuel growth** in our brands **Innovate** brand and shopping **experiences** of the future **Reimagine** how we **work** **Evolve** our **portfolio**

LEVERAGES RELEVANT CONSUMER MEGATRENDS TO ACCELERATE GROWTH



DRIVING PROGRESS ON IGNITE STRATEGY

FUEL GROWTH



COST SAVINGS (+200BPS FY20)

INNOVATE EXPERIENCES

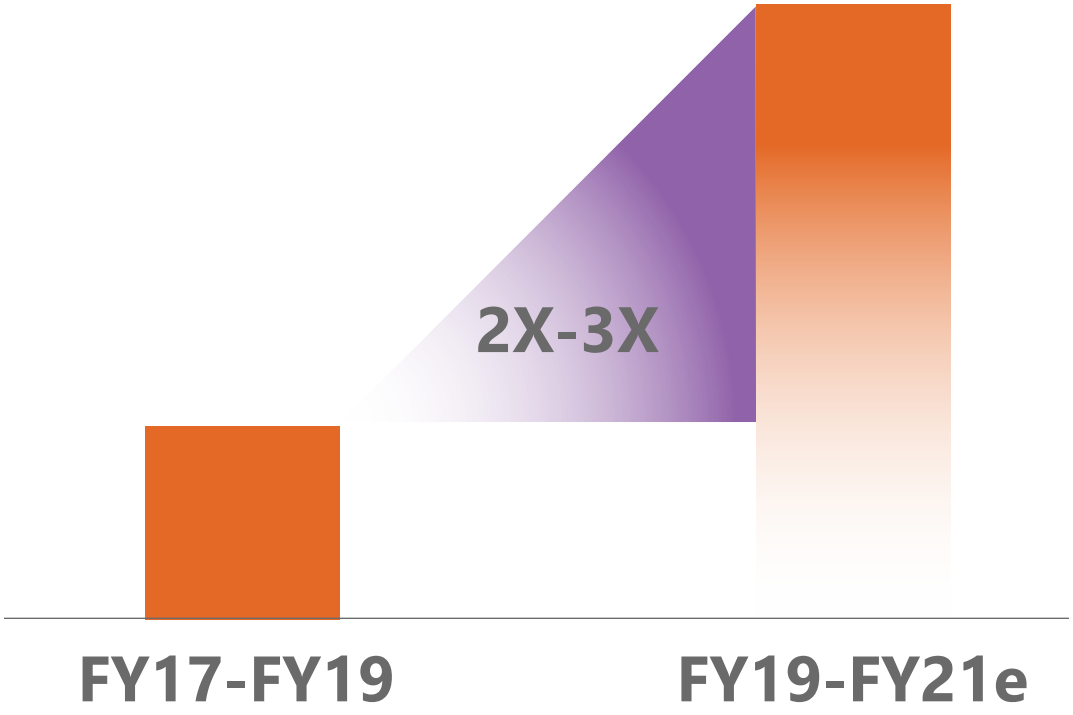


BIGGER, STICKIER INNOVATION

Cost savings +200BPS refers to EBIT Margin benefit from cost savings. 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. See reconciliation in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx
Household Penetration: US Retail, Source: IRI. Last 52 weeks ending 12/27/20.

BIGGER, STICKIER PLATFORMS

HIGHER SALES GROWTH FROM INNOVATION



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DRIVING PROGRESS ON IGNITE STRATEGY

REIMAGINE WORK



FASTER DECISIONS, MORE GROWTH FOCUSED

EVOLVE PORTFOLIO



STRENGTHENING THE CORE, PURSUING NEW GROWTH RUNWAYS

INNOVATE EXPERIENCES

EXAMPLE: FUELING KINGSFORD'S GROWTH



INNOVATE EXPERIENCES

HEALTHIER, MORE PROFITABLE CATEGORY





HIGHER HOUSEHOLD PENETRATION (+1.2PTS)

STRONGER REPEAT RATES (+2.8PTS)

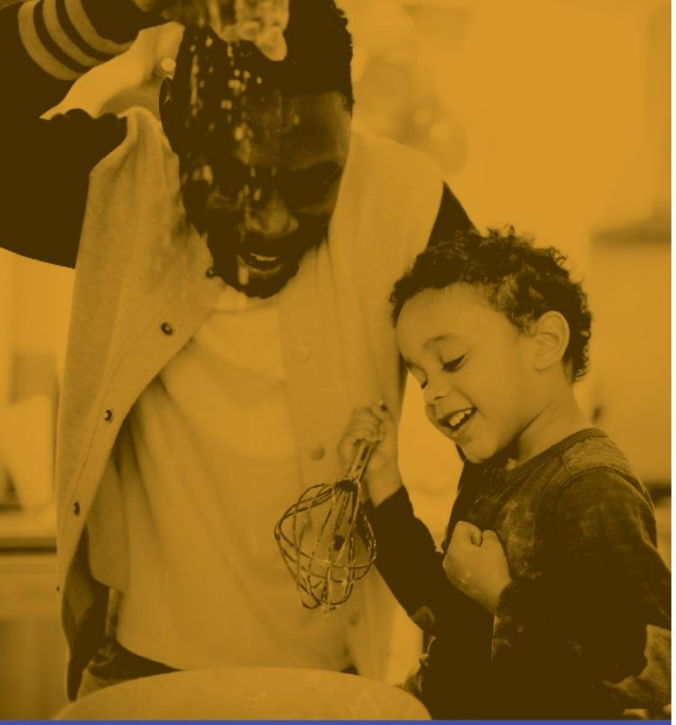
HIGHER MARKET SHARE (+1.1PTS)

Results for Kingsford Charcoal Last 52 weeks ending 12/27/20. SOURCE: IRI.

IGNITE CREATES A VIRTUOUS CYCLE THAT STRENGTHENS OUR ADVANTAGE



- More fuel
- Consistent reinvestments
- Strong innovation
- Portfolio evolution



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ACCELERATE GROWTH

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LASTING SHIFTS IN CONSUMER BEHAVIOR
CREATES NEW GROWTH OPPORTUNITIES



THE ROLE OF HOME HAS CHANGED

HIGHER FOCUS ON HEALTH & HYGIENE



GREATER PREFERENCE FOR TRUSTED BRANDS

#1 Axios Harris Poll 100 Reputation Rankings
THE HARRIS POLL

CLOROX

#2 Most Essential Company in U.S. 2020
THE HARRIS POLL

DOUBLING DOWN ON OUR STRENGTHS

BUILDING A GLOBAL CLEANING & DISINFECTING BRAND



- Leading and trusted **brand**
- Established **capabilities** and **relationships**
- **Scaling up** to meet growing demand across channels and markets
- Building a **strong ecosystem** and more **growth runways** (strategic partnerships, new technologies, new channels and markets)

BUILDING A GLOBAL DISINFECTING & CLEANING BRAND

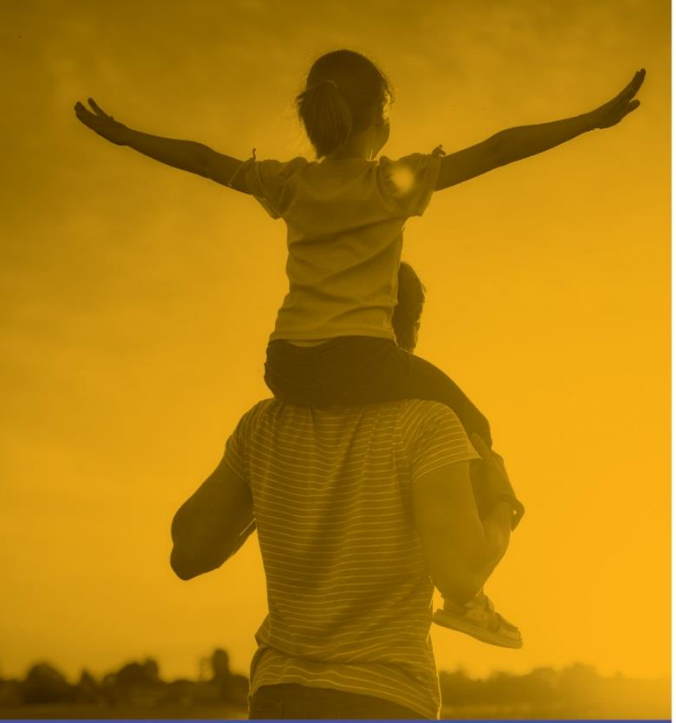
GROWING CLOROX OUT-OF-HOME BUSINESS



BUILDING A GLOBAL DISINFECTING & CLEANING BRAND

GROWING CLOROX INTERNATIONAL





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FINANCIAL UPDATE

KEVIN JACOBSEN
EVP & Chief Financial Officer

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KEY TAKEAWAYS

- Strong track record of delivering value for shareholders
- IGNITE strategy targeted to accelerate our financial performance
- Raising our IGNITE strategy financial goals

STRONG TRACK RECORD OF DELIVERING VALUE

ANNUAL TSR CONSISTENTLY IN TOP 1/3 OF PEER SET

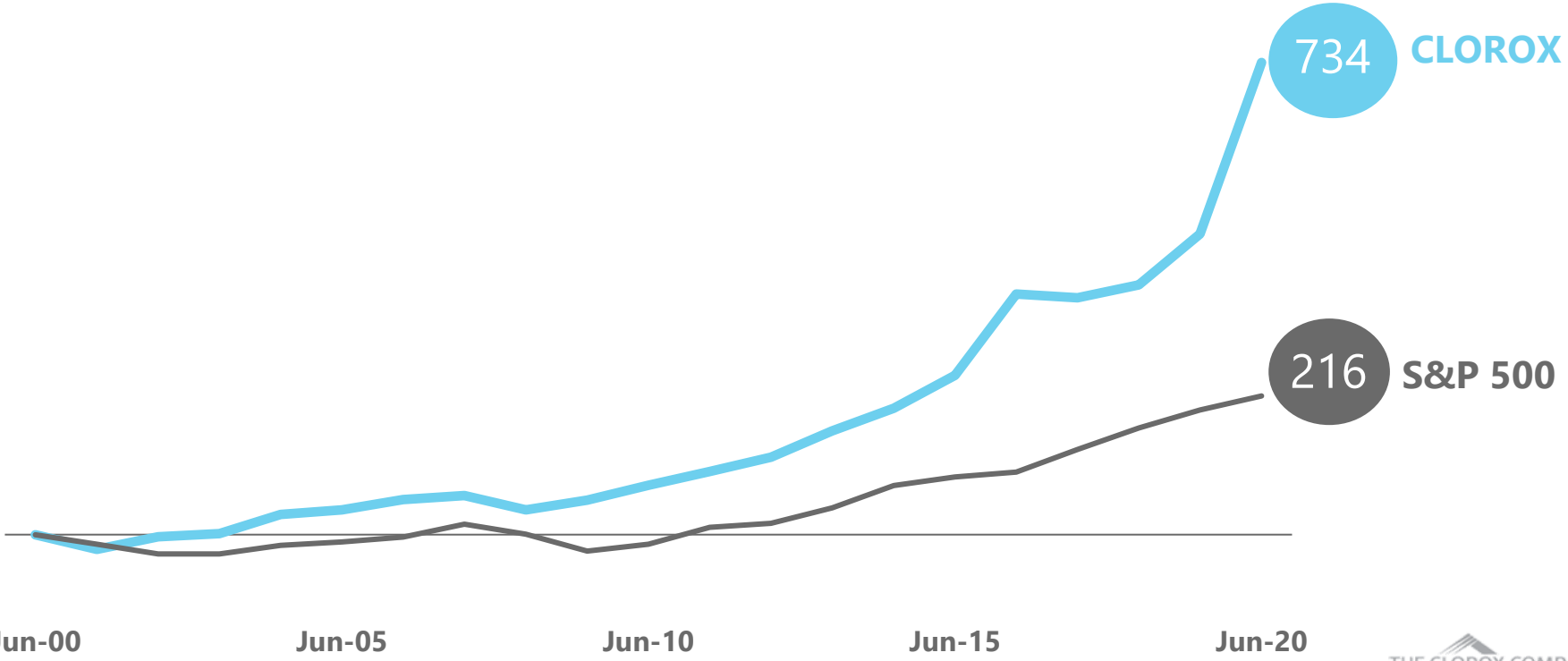
	1-YEAR	5-YEAR	10-YEAR	20-YEAR
CLX	47%	19%	17%	11%
Top 1/3 of Peer Group	✓	✓	✓	✓
Peer Average	7%	8%	12%	10%

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SOURCE: FactSet, Annual Total Share Return as of June 30, 2020. .Peers consist of 16 companies: CHD, CL, EL, GIS, HSY, K, KHC, KMB, KO, RB-GB, MDLZ, NESN, PEP, PG, REYN and ULVR.

STRONG TRACK RECORD OF DELIVERING VALUE

20-YEAR TSR (as of 6/30/2020)

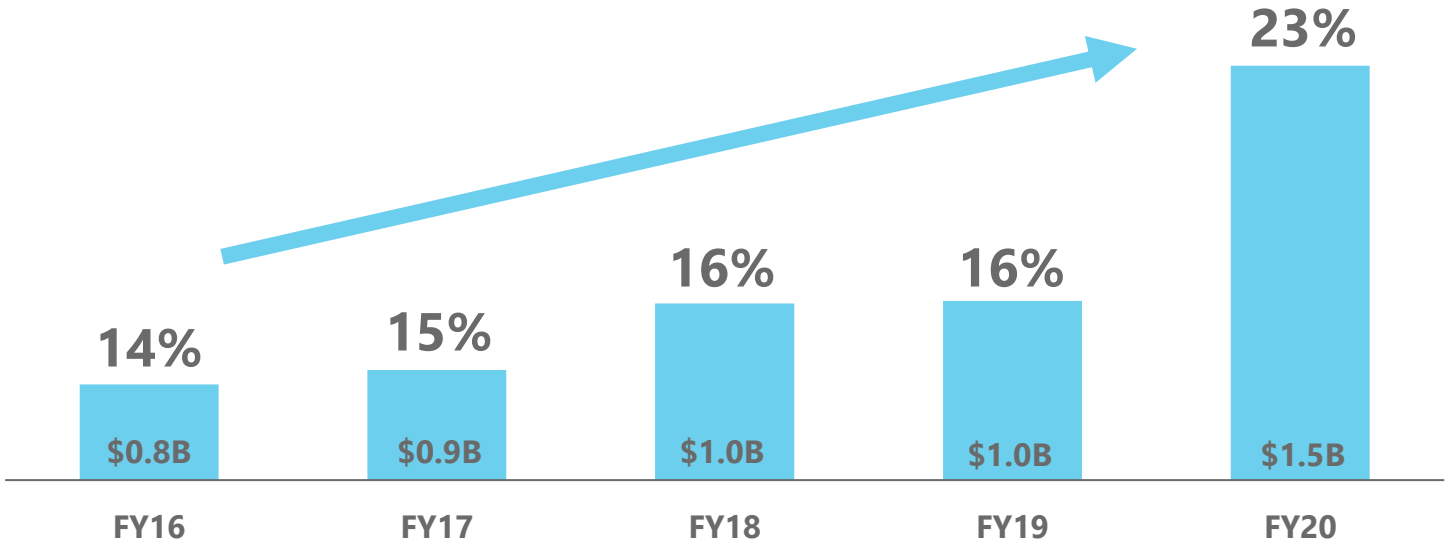


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SOURCE: FactSet, 20 Year Total Share Return as of June 30, 2020.

GROWING OPERATING CASH FLOW

OPERATING CASH FLOW (as % of Sales)



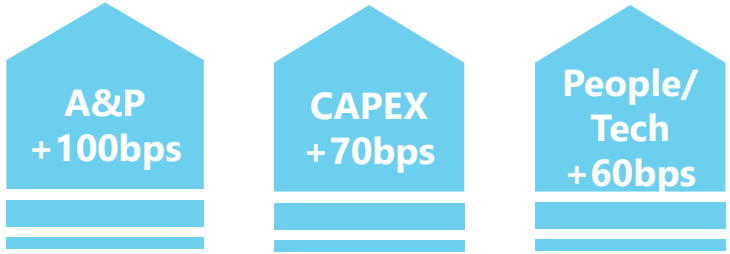
	FY16	FY17	FY18	FY19	FY20
Free Cash Flow % of Sales	10%	11%	13%	13%	19%

Free Cash Flow (a non-GAAP measure) represents Net Cash less Capital Expenditures.
See reconciliation in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx

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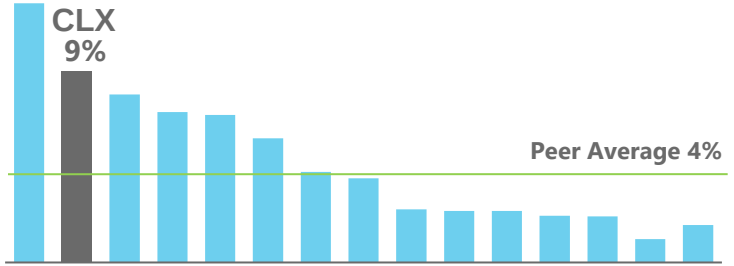
DISCIPLINED USES OF CASH

Business Growth
(Strong reinvestments in FY21)

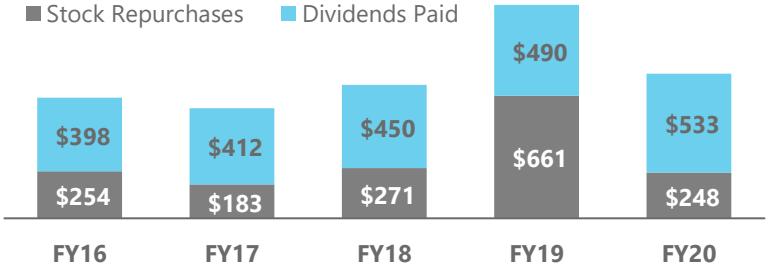


STRONG CASH FLOW

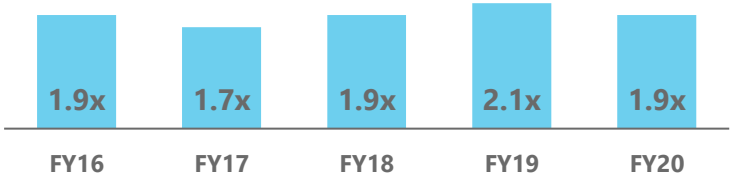
Support Dividend
(Average annual dividend increase FY18-FY20)



Cash Returned to Shareholders
(Nearly $4B in last 5 years)



Debt Leverage*
(Target: 2.0 – 2.5x)

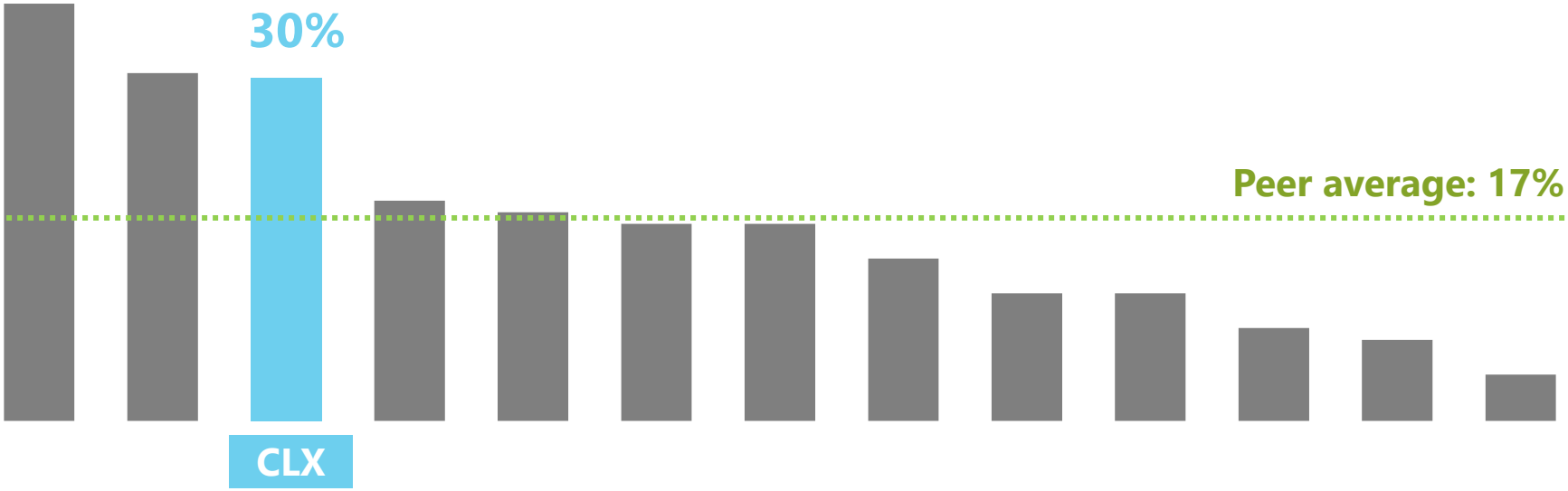


Dividends: Peers consists of 16 companies: CHD, CL, EL, GIS, HSY, K, KHC, KMB, KO, MDLZ, NESN, PEP, PG, RB-GB, REYN, ULVR. Peer companies with negative growth rates are excluded. SOURCE: FactSet
Cash returned to shareholders is defined as cash dividends paid plus treasury stock purchased as outlined in the statements of cash flows
Debt Leverage = Gross Debt / EBITDA for the trailing four quarters. 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

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DISCIPLINED USE OF CASH DRIVES TOP-TIER ROIC

RETURN ON INVESTED CAPITAL (ROIC)



ROIC as of Fiscal Year Ending June 30, 2020

Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings 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. Reconciliation can be found on page 47 of the Clorox quarterly investor presentation: https://investors.thecloroxcompany.com/investors/company-information/investor-presentation-quarterly/default.aspx

Peers consists of 16 companies: CHD, CL, EL, GIS, HSY, K, KHC, KMB, KO, MDLZ, NESN, PEP, PG, RB-GB, REYN, and ULVR. Peer companies with data unavailable to us are excluded. . Information on the Peer ROIC is based on latest publicly available fiscal-end data from FactSet . Data as of 6/30/20.

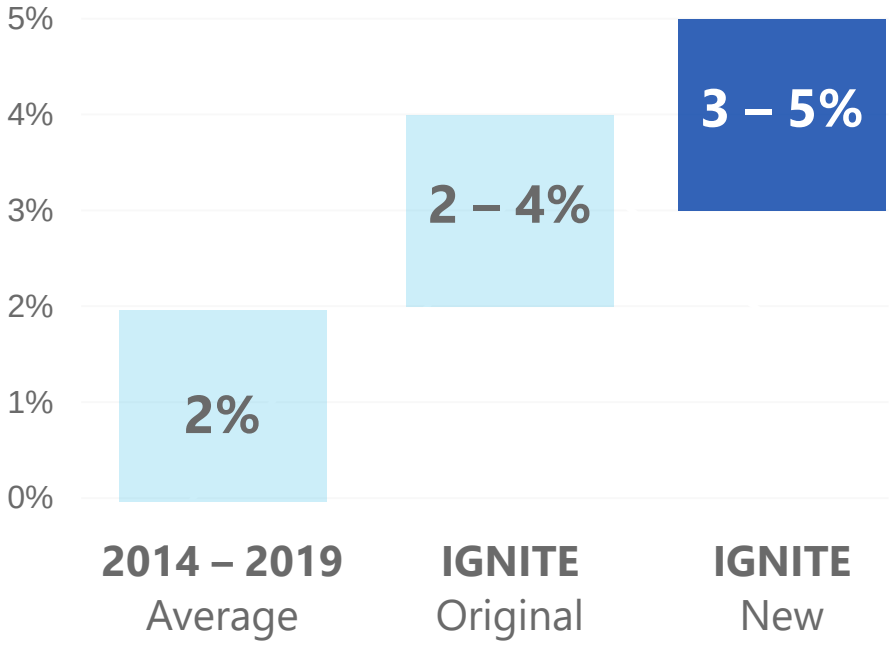
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RAISING IGNITE STRATEGY FINANCIAL GOALS

	Original IGNITE Annual Goals	NEW Annual Goals
Sales Growth	+2% to 4%	+3% to 5%
EBIT Margin Improvement	+25 to 50 bps	+25 to 50 bps
Free Cash Flow % of Sales	11% to 13%	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 less Capital Expenditures.
See reconciliation in the supplemental financial schedules located at: https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx

STRATEGY ON TRACK, RAISING SALES GOAL

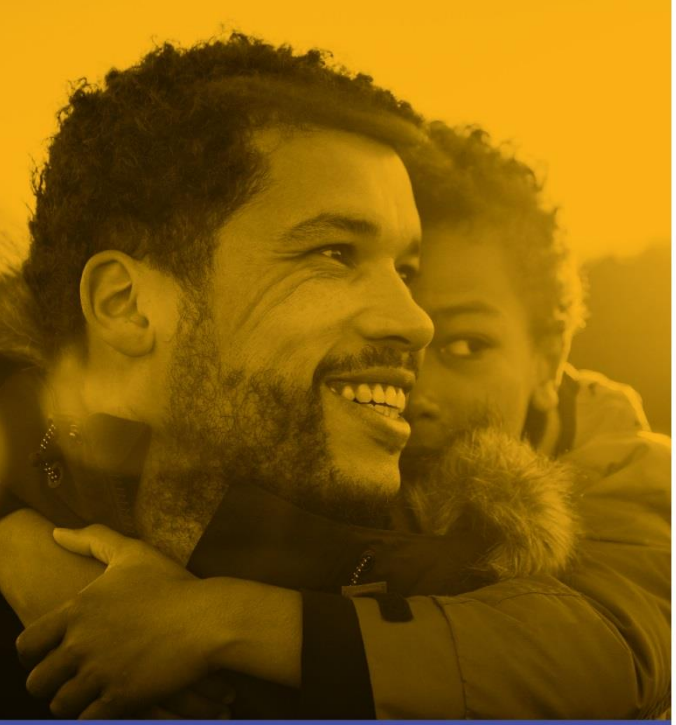


- Raising sales goal by 1pt
- Making strong reinvestments to accelerate IGNITE strategy
- Supported by new growth opportunities as a result of COVID-19

2014-2019 Average refers to average annual sales growth over the period.
IGNITE Original and IGNITE New refer to annual sales growth goals the IGNITE Strategy aims to deliver.

ATTRACTIVE LONG-TERM INVESTMENT CASE

- Strengthening competitive advantage
- Attractive business model consistently driving strong cash flow
- Disciplined use of cash to drive top tier shareholder return



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Q&A

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