UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: **1-07151**

THE CLOROX COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**31-0595760**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1221 Broadway, Oakland, California, 94612-1888
(Address of principal executive offices) (Zip code)

(510) 271-7000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock-$1.00 par value	CLX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 17, 2019, there were 125,503,468 shares outstanding of the registrant’s common stock ($1.00 par value).

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The Clorox Company
Condensed Consolidated Statements of Earnings and Comprehensive Income (Unaudited)
(Dollars in millions, except share and per share data)

	Three Months Ended	
	9/30/2019	9/30/2018
Net sales	$ 1,506	$ 1,563
Cost of products sold	843	885
Gross profit	663	678
Selling and administrative expenses	211	212
Advertising costs	137	139
Research and development costs	30	32
Interest expense	25	24
Other (income) expense, net	2	3
Earnings before income taxes	258	268
Income taxes	55	58
Net earnings	$ 203	$ 210
Net earnings per share		
Basic net earnings per share	$ 1.61	$ 1.65
Diluted net earnings per share	$ 1.59	$ 1.62
Weighted average shares outstanding (in thousands)		
Basic	125,823	127,803
Diluted	127,465	129,946
Comprehensive income	$ 190	$ 210

See Notes to Condensed Consolidated Financial Statements (Unaudited)

The Clorox Company
Condensed Consolidated Balance Sheets
(Dollars in millions, except share and per share data)

	9/30/2019	6/30/2019
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 150	$ 111
Receivables, net	556	631
Inventories, net	504	512
Prepaid expenses and other current assets	56	51
Total current assets	1,266	1,305
Property, plant and equipment, net of accumulated depreciation and amortization of $2,156 and $2,150, respectively	1,034	1,034
Operating lease right-of-use assets	312	—
Goodwill	1,585	1,591
Trademarks, net	789	791
Other intangible assets, net	118	121
Other assets	293	274
Total assets	$ 5,397	$ 5,116
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes and loans payable	$ 449	$ 396
Current operating lease liabilities	57	—
Accounts payable and accrued liabilities	941	1,035
Income taxes payable	11	9
Total current liabilities	1,458	1,440
Long-term debt	2,287	2,287
Long-term operating lease liabilities	290	—
Other liabilities	744	780
Deferred income taxes	68	50
Total liabilities	4,847	4,557
Commitments and contingencies		
Stockholders' equity		
Preferred stock: $1.00 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock: $1.00 par value; 750,000,000 shares authorized; 158,741,461 shares issued as of September 30, 2019 and June 30, 2019; and 125,495,492 and 125,686,325 shares outstanding as of September 30, 2019 and June 30, 2019, respectively	159	159
Additional paid-in capital	1,043	1,046
Retained earnings	3,241	3,150
Treasury shares, at cost: 33,245,969 and 33,055,136 shares as of September 30, 2019 and June 30, 2019, respectively	(3,278)	(3,194)
Accumulated other comprehensive net (loss) income	(615)	(602)
Stockholders' equity	550	559
Total liabilities and stockholders' equity	$ 5,397	$ 5,116

See Notes to Condensed Consolidated Financial Statements (Unaudited)

The Clorox Company
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in millions)

	Three Months Ended	
	9/30/2019	**9/30/2018**
Operating activities:		
Net earnings	$ 203	$ 210
Adjustments to reconcile net earnings to net cash provided by operations:		
Depreciation and amortization	44	44
Stock-based compensation	6	8
Deferred income taxes	7	(3)
Other	19	16
Changes in:		
Receivables, net	73	33
Inventories, net	6	(13)
Prepaid expenses and other current assets	(10)	(13)
Accounts payable and accrued liabilities	(82)	(52)
Operating lease right-of-use assets and liabilities, net	1	—
Income taxes payable/receivable, net	4	29
Net cash provided by operations	271	259
Investing activities:		
Capital expenditures	(54)	(36)
Other	12	—
Net cash used for investing activities	(42)	(36)
Financing activities:		
Notes and loans payable, net	51	80
Treasury stock purchased	(110)	(203)
Cash dividends paid	(133)	(122)
Issuance of common stock for employee stock plans and other	9	53
Net cash used for financing activities	(183)	(192)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(2)	—
Net increase (decrease) in cash, cash equivalents, and restricted cash	44	31
Cash, cash equivalents, and restricted cash:		
Beginning of period	113	134
End of period	$ 157	$ 165

See Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited interim condensed consolidated financial statements for the three months ended September 30, 2019 and 2018, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the consolidated results of operations, financial position and cash flows of The Clorox Company and its subsidiaries (the Company) for the periods presented. However, the financial results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) have been omitted or condensed pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). The information in this report should be read in conjunction with the Company’s Annual Report on Form 10-K filed with the SEC for the fiscal year ended June 30, 2019, which includes a complete set of footnote disclosures, including the Company’s significant accounting policies.

Leases

Effective July 1, 2019, the Company adopted Accounting Standards Codification 842, Leases (ASC 842). Under this guidance, the Company determines whether an arrangement contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration and other facts and circumstances. Right-of-use (ROU) assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets are calculated based on the lease liability adjusted for any lease payments paid to the lessor at or before the commencement date and initial direct costs incurred by the Company and excludes any lease incentives received from the lessor. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option as of the commencement date of the lease, and is reviewed in subsequent periods if a triggering event occurs. As the Company’s leases typically do not contain a readily determinable implicit rate, the Company determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date based on the lease term and the currency of the lease on a collateralized basis. Variable lease payments are expensed as incurred and include certain non-lease components, such as maintenance and other services provided by the lessor, and other charges included in the lease, as applicable. The Company elected to combine lease and non-lease components as a single lease component and to exclude short-term leases, defined as leases with initial terms of 12 months or less, from its condensed consolidated balance sheet.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards

Recently Issued Accounting Standards Not Yet Adopted

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-04, “Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment,” which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. The new guidance is effective for the Company beginning in the first quarter of fiscal year 2021, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements.

Recently Adopted Accounting Standards

In August 2017, the FASB issued ASU No. 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities,” which amends the hedge accounting recognition and presentation requirements to better align an entity’s risk management activities with its financial reporting. This standard also simplifies the application of hedge accounting in certain situations. The Company adopted this new guidance in the first quarter of fiscal year 2020 and the adoption did not have a material impact on the Company’s consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842),” which requires lessees to recognize a ROU asset and a lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation will depend on the classification of a lease as either a finance or an operating lease. ASU 2016-02 also requires expanded disclosures about leasing arrangements. In July 2018, the FASB issued ASU No. 2018-11, “Leases (Topic 842), Targeted Improvements,” which provides an optional transition method in applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented, or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted. The Company adopted the new standard in the first quarter of fiscal year 2020, on a modified retrospective basis using the optional transition method, and, accordingly, has not restated comparative periods; fiscal year 2019 balances and related disclosures supporting those comparative period balances continue to be presented under ASC 840, “Leases.” As allowed under the new standard, the Company elected to apply the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. Upon adoption, the Company recorded a cumulative effect adjustment to the opening balance of Retained earnings of $22 related primarily to the remaining deferred gain from the sale-leaseback of the Company’s general office building in Oakland, California. This new standard did not have a material impact on the Company’s condensed consolidated statement of earnings or the condensed consolidated statement of cash flows. Refer to Note 3 for more information.

NOTE 2. INVENTORIES, NET

Inventories, net, consisted of the following as of:

	9/30/2019	6/30/2019
Finished goods	$ 410	$ 411
Raw materials and packaging	124	125
Work in process	6	6
LIFO allowances	(36)	(30)
Total	$ 504	$ 512

NOTE 3. LEASES AND OTHER COMMITMENTS

The Company leases various property, plant, and equipment, including office, warehousing, manufacturing and research and development facilities and equipment. These leases have remaining lease terms of up to 12 years, inclusive of renewal or termination options that the Company is reasonably certain to exercise. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Supplemental balance sheet information related to the Company's leases was as follows:

	Balance sheet classification		9/30/2019
Operating leases			
Right-of-use assets	Operating lease right-of-use assets	$	312
Current lease liabilities	Current operating lease liabilities		57
Non-current lease liabilities	Long-term operating lease liabilities		290
Total operating lease liabilities		$	347
Finance leases			
Right-of-use assets	Other assets	$	15
Current lease liabilities	Accounts payable and accrued liabilities		2
Non-current lease liabilities	Other liabilities		13
Total finance lease liabilities		$	15

Components of lease cost were as follows:

		Three Months Ended 9/30/2019
Operating lease cost	$	18
Finance lease cost:		
Amortization of right-of-use assets		1
Interest on lease liabilities		—
Total finance lease cost	$	1
Variable lease cost	$	10

NOTE 3. LEASES AND OTHER COMMITMENTS (Continued)

Supplemental cash flow information and non-cash activity related to the Company's leases were as follows:

	Three Months Ended 9/30/2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases, net	$ 17
Operating cash flows from finance leases	—
Financing cash flows from finance leases	1
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 11
Finance leases	7

Weighted-average remaining lease term and discount rate for the Company's leases were as follows:

	9/30/2019
Weighted-average remaining lease term:	
Operating leases	8 years
Finance leases	8 years
Weighted-average discount rate:	
Operating leases	2.6%
Finance leases	3.3%

Maturities of lease liabilities by fiscal year for the Company's leases as of September 30, 2019 were as follows:

Year	Operating leases	Finance leases
2020	$ 31	$ 2
2021	65	2
2022	53	2
2023	45	2
2024	39	2
Thereafter	155	7
Total lease payments	$ 388	$ 17
Less: Imputed interest	(41)	(2)
Total lease liabilities	$ 347	$ 15

The future minimum annual lease payments required under the Company's existing non-cancelable operating and capital lease agreements as of June 30, 2019 prior to the adoption of ASC 842 were as follows:

Year	Operating leases	Capital Leases
2020	$ 71	$ 2
2021	65	2
2022	50	1
2023	42	1
2024	37	1
Thereafter	124	2
Total lease payments	$ 389	$ 9

NOTE 4. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial Risk Management and Derivative Instruments

The Company is exposed to certain commodity, foreign currency and interest rate risks related to its ongoing business operations and uses derivative instruments to mitigate its exposure to these risks.

Commodity Price Risk Management

The Company may use commodity exchange traded futures and over-the-counter swap contracts, which are generally no longer than 2 years, to fix the price of a portion of its forecasted raw material requirements. Commodity purchase contracts are measured at fair value using market quotations obtained from the Chicago Board of Trade commodity futures exchange and commodity derivative dealers.

As of September 30, 2019, the notional amount of commodity derivatives was $31, of which $17 related to soybean oil futures used for the Food products business and $14 related to jet fuel swaps used for the Charcoal business. As of June 30, 2019, the notional amount of commodity derivatives was $24, of which $13 related to soybean oil futures and $11 related to jet fuel swaps.

Foreign Currency Risk Management

The Company may also enter into certain over-the-counter derivative contracts to manage a portion of the Company's forecasted foreign currency exposure associated with the purchase of inventory. These foreign currency contracts generally have durations of no longer than 2 years. The foreign exchange contracts are measured at fair value using information quoted by foreign exchange dealers.

The notional amounts of outstanding foreign currency forward contracts used by the Company's subsidiaries to hedge forecasted purchases of inventory were $55 and $61, respectively, as of September 30, 2019 and June 30, 2019.

Interest Rate Risk Management

The Company may enter into over-the-counter interest rate forward contracts to fix a portion of the benchmark interest rate prior to the anticipated issuance of fixed rate debt or to manage the Company's level of fixed and floating rate debt. These interest rate forward contracts generally have durations of less than 12 months. The interest rate contracts are measured at fair value using information quoted by U.S. government bond dealers.

As of September 30, 2019 and June 30, 2019, the Company had no outstanding interest rate forward contracts.

Commodity, Foreign Exchange and Interest Rate Derivatives

The Company designates its commodity forward and futures contracts for forecasted purchases of raw materials, foreign currency forward contracts for forecasted purchases of inventory, and interest rate forward contracts for forecasted interest payments as cash flow hedges.

The effects of derivative instruments designated as hedging instruments on Other comprehensive income and Net earnings were as follows:

	Gains (losses) recognized in Other comprehensive income	
	Three Months Ended	
	9/30/2019	9/30/2018
Commodity purchase derivative contracts	$ —	$ 4
Foreign exchange derivative contracts	1	—
Interest rate derivative contracts	—	—
Total	$ 1	$ 4

	Location of Gains (losses) reclassified from Accumulated other comprehensive net (loss) income into Net earnings	Gains (losses) reclassified from Accumulated other comprehensive net (loss) income and recognized in Net earnings	
		Three Months Ended	
		9/30/2019	9/30/2018
Commodity purchase derivative contracts	Cost of products sold	$ —	$ 4
Foreign exchange derivative contracts	Cost of products sold	—	1
Interest rate derivative contracts	Interest expense	(2)	(2)
Total		$ (2)	$ 3

The estimated amount of the existing net gain (loss) in Accumulated other comprehensive net (loss) income as of September 30, 2019, that is expected to be reclassified into Net earnings within the next twelve months is $(7).

NOTE 4. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Counterparty Risk Management and Derivative Contract Requirements

The Company utilizes a variety of financial institutions as counterparties for over-the-counter derivative instruments. The Company enters into agreements governing the use of over-the-counter derivative instruments and sets internal limits on the aggregate over-the-counter derivative instrument positions held with each counterparty. Certain terms of these agreements require the Company or the counterparty to post collateral when the fair value of the derivative instrument exceeds contractually defined counterparty liability position limits. Of the over-the-counter derivative instruments in liability positions held as of both September 30, 2019 and June 30, 2019, $1 contained such terms. As of September 30, 2019 and June 30, 2019, neither the Company nor any counterparty was required to post any collateral as no counterparty liability position limits were exceeded.

Certain terms of the agreements governing the Company’s over-the-counter derivative instruments require the credit ratings of the Company and its counterparties, as assigned by Standard & Poor’s and Moody’s, to remain at a level equal to or better than the minimum of an investment grade credit rating. If the Company’s credit ratings were to fall below investment grade, the counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. As of both September 30, 2019 and June 30, 2019, the Company and each of its counterparties had been assigned investment grade credit ratings by both Standard & Poor’s and Moody’s.

Certain of the Company’s exchange-traded futures contracts used for commodity price risk management include requirements for the Company to post collateral in the form of a cash margin account held by the Company’s broker for trades conducted on that exchange. As of both September 30, 2019 and June 30, 2019, the Company maintained cash margin balances related to exchange-traded futures contracts of $1, which are classified as Prepaid expenses and other current assets in the condensed consolidated balance sheets.

Trust Assets

The Company holds interests in mutual funds and cash equivalents as part of the trust assets related to its nonqualified deferred compensation plans. The participants in the nonqualified deferred compensation plans, who are the Company’s current and former employees, may select among certain mutual funds in which to invest their compensation deferrals in accordance with the terms of the plans and within the confines of the trusts, which hold the marketable securities. The trusts represent variable interest entities for which the Company is considered the primary beneficiary, and, therefore, trust assets are consolidated and included in Other assets in the condensed consolidated balance sheets. The interests in mutual funds are measured at fair value using quoted market prices. The Company has designated these marketable securities as trading investments.

Fair Value Measurements

Financial assets and liabilities measured at fair value on a recurring basis in the condensed consolidated balance sheets are required to be classified and disclosed in one of the following three categories of the fair value hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs reflecting the reporting entity’s own assumptions.

As of September 30, 2019 and June 30, 2019, the Company’s financial assets and liabilities that were measured at fair value on a recurring basis included derivative financial instruments, which were classified as either Level 1 or Level 2, and trust assets to fund the Company’s nonqualified deferred compensation plans, which were classified as Level 1.

NOTE 4. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

All of the Company's derivative instruments qualify for hedge accounting. The following table provides information about the balance sheet classification and the fair values of the Company's derivative instruments:

	Balance sheet classification	Fair value hierarchy level	9/30/2019 Carrying Amount	9/30/2019 Estimated Fair Value	6/30/2019 Carrying Amount	6/30/2019 Estimated Fair Value
Assets						
Foreign exchange forward contracts	Prepaid expenses and other current assets	2	$ 1	$ 1	$ —	$ —
			$ 1	$ 1	$ —	$ —
Liabilities						
Commodity purchase futures contracts	Accounts payable and accrued liabilities	1	$ —	$ —	$ 1	$ 1
Commodity purchase swaps contracts	Accounts payable and accrued liabilities	2	2	2	1	1
			$ 2	$ 2	$ 2	$ 2

The following table provides information about the balance sheet classification and the fair values of the Company's other assets and liabilities for which disclosure of fair value is required:

	Balance sheet classification	Fair value hierarchy level	9/30/2019 Carrying Amount	9/30/2019 Estimated Fair Value	6/30/2019 Carrying Amount	6/30/2019 Estimated Fair Value
Assets						
Investments, including money market funds	Cash and cash equivalents [(a)]	1	$ 43	$ 43	$ 26	$ 26
Time deposits	Cash and cash equivalents [(a)]	2	18	18	7	7
Trust assets for nonqualified deferred compensation plans	Other assets	1	100	100	96	96
			$ 161	$ 161	$ 129	$ 129
Liabilities						
Notes and loans payable	Notes and loans payable [(b)]	2	$ 449	$ 449	$ 396	$ 396
Current maturities of long-term debt and Long-term debt	Current maturities of long-term debt and Long-term debt [(c)]	2	2,287	2,429	2,287	2,402
			$ 2,736	$ 2,878	$ 2,683	$ 2,798

(a) Cash and cash equivalents are composed of time deposits and other interest bearing investments, including money market funds with original maturity dates of 90 days or less. Cash and cash equivalents are recorded at cost, which approximates fair value.
(b) Notes and loans payable is composed of U.S. commercial paper and/or other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.
(c) Current maturities of long-term debt and Long-term debt are recorded at cost. The fair value of Long-term debt, including current maturities, was determined using secondary market prices quoted by corporate bond dealers, and is classified as Level 2.

NOTE 5. INCOME TAXES

In determining its quarterly provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. The effective tax rate on earnings was 21.5% for both the three months ended September 30, 2019 and 2018. In comparison to prior period, the Company had a reduced benefit from excess tax deductions offset by a greater benefit from reduced tax on foreign earnings and release of uncertain tax positions.

NOTE 6. NET EARNINGS PER SHARE (EPS)

The following is the reconciliation of the weighted average number of shares outstanding (in thousands) used to calculate basic net EPS to those used to calculate diluted net EPS:

	Three Months Ended	
	9/30/2019	**9/30/2018**
Basic	125,823	127,803
Dilutive effect of stock options and other	1,642	2,143
Diluted	127,465	129,946
Antidilutive stock options and other	—	967

NOTE 7. COMPREHENSIVE INCOME

The following table provides a summary of Comprehensive income for the periods indicated:

	Three Months Ended	
	9/30/2019	**9/30/2018**
Net earnings	$ 203	$ 210
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(16)	(2)
Net unrealized gains (losses) on derivatives	2	1
Pension and postretirement benefit adjustments	1	1
Total other comprehensive income (loss), net of tax	(13)	—
Comprehensive income	$ 190	$ 210

NOTE 8. STOCKHOLDERS' EQUITY

Changes in the components of Stockholders' equity were as follows for the periods indicated:

	Three Months Ended September 30							
	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Net (Loss) Income	Total Stockholders' Equity
	Amount	Shares (in thousands)			Amount	Shares (in thousands)		
Balance as of June 30, 2018	$ 159	158,741	$ 975	$ 2,797	$ (2,658)	(30,759)	$ (547)	$ 726
Cumulative effect of accounting changes, net of tax (1)				(3)				(3)
Net earnings				210				210
Other comprehensive income (loss)							—	—
Dividends ($0.96 per share declared)				(123)				(123)
Stock-based compensation			8					8
Other employee stock plan activities			1	2	54	1,046		57
Treasury stock purchased					(198)	(1,423)		(198)
Balance as of September 30, 2018	$ 159	158,741	$ 984	$ 2,883	$ (2,802)	(31,136)	$ (547)	$ 677
Balance as of June 30, 2019	$ 159	158,741	$ 1,046	$ 3,150	$ (3,194)	(33,055)	$ (602)	$ 559
Cumulative effect of accounting changes, net of tax (2)				22				22
Net earnings				203				203
Other comprehensive income (loss)							(13)	(13)
Dividends ($1.06 per share declared)				(134)				(134)
Stock-based compensation			6					6
Other employee stock plan activities			(9)	—	20	472		11
Treasury stock purchased					(104)	(663)		(104)
Balance as of September 30, 2019	$ 159	158,741	$ 1,043	$ 3,241	$ (3,278)	(33,246)	$ (615)	$ 550

(1) As a result of adopting ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," on July 1, 2018, the Company recorded a cumulative effect of initially applying the new guidance as an adjustment to the fiscal year 2019 opening balance of Retained earnings.
(2) As a result of adopting ASU No. 2016-02, "Leases (Topic 842)," on July 1, 2019, the Company recorded a cumulative effect of initially applying the new guidance as an adjustment to the fiscal year 2020 opening balance of Retained earnings. See Note 1 for more information.

The Company has two stock repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to $2,000, which has no expiration date, and a program to offset the anticipated impact of dilution related to stock-based awards (the Evergreen Program), which has no authorization limit on the dollar amount and no expiration date.

Stock repurchases under the two stock repurchase programs were as follows for the periods indicated:

	Three Months Ended			
	9/30/2019		9/30/2018	
	Amount	Shares (in thousands)	Amount	Shares (in thousands)
Open-market purchase program	$ —	—	$ 78	591
Evergreen Program	104	663	120	832
Total stock repurchases	$ 104	663	$ 198	1,423

NOTE 8. STOCKHOLDERS' EQUITY (Continued)

Changes in Accumulated other comprehensive net (loss) income by component were as follows for the periods indicated:

	Three Months Ended September 30			
	Foreign currency translation adjustments	Net unrealized gains (losses) on derivatives	Pension and postretirement benefit adjustments	Accumulated other comprehensive (loss) income
Balance as of June 30, 2018	$ (384)	$ (25)	$ (138)	$ (547)
Other comprehensive income (loss) before reclassifications	(2)	4	—	2
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	(3)	2	(1)
Income tax benefit (expense)	—	—	(1)	(1)
Net current period other comprehensive income (loss)	(2)	1	1	—
Balance as of September 30, 2018	$ (386)	$ (24)	$ (137)	$ (547)
Balance as of June 30, 2019	$ (414)	$ (23)	$ (165)	$ (602)
Other comprehensive income (loss) before reclassifications	(15)	1	—	(14)
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	2	2	4
Income tax benefit (expense), and other	(1)	(1)	(1)	(3)
Net current period other comprehensive income (loss)	(16)	2	1	(13)
Balance as of September 30, 2019	$ (430)	$ (21)	$ (164)	$ (615)

Included in foreign currency translation adjustments are re-measurement losses on long-term intercompany loans where settlement is not planned or anticipated in the foreseeable future. For each of the three months ended September 30, 2019 and 2018, Other comprehensive income (loss) on these loans totaled $(2). There were no amounts associated with these loans reclassified from Accumulated other comprehensive net (loss) income for the periods presented.

NOTE 9. EMPLOYEE BENEFIT PLANS

The following table summarizes the components of net periodic benefit cost for the Company's retirement income plans:

	Three Months Ended	
	9/30/2019	9/30/2018
Service cost	$ —	$ —
Interest cost	5	6
Expected return on plan assets [1]	(4)	(4)
Amortization of unrecognized items	2	2
Total	$ 3	$ 4

(1) The weighted average long-term expected rate of return on plan assets used in computing the fiscal year 2020 net periodic benefit cost is 3.9%.

During each of the three months ended September 30, 2019 and 2018, the Company made $2 in contributions to its domestic retirement income plans.

Net periodic benefit costs are reflected in Other (income) expense, net.

NOTE 10. OTHER CONTINGENCIES AND GUARANTEES

Contingencies

The Company is involved in certain environmental matters, including response actions at various locations. The Company had recorded liabilities totaling $27 as of September 30, 2019 and June 30, 2019, for its share of aggregate future remediation costs related to these matters.

One matter, which accounted for $14 of the recorded liability as of September 30, 2019 and June 30, 2019, relates to environmental costs associated with one of the Company's former operations at a site located in Alameda County, California. In November 2016, at the request of regulators and with the assistance of environmental consultants, the Company submitted a Feasibility Study that evaluated various options for managing the site and included estimates of the related costs. As a result, the Company recorded in Other (income) expense, net an undiscounted liability for costs estimated to be incurred over a 30-year period, based on the option recommended in the Feasibility Study. However, as a result of ongoing discussions with regulators, in June 2017, the Company increased its recorded liability to $14, which reflects anticipated costs to implement additional remediation measures at this site. While the Company believes its latest estimate is reasonable, regulators could require the Company to implement one of the other options evaluated in the Feasibility Study, with estimated undiscounted costs of up to $28 over an estimated 30-year period, or require the Company to take other actions and incur costs not included in the study.

Another matter in Dickinson County, Michigan, at the site of one of the Company's former operations for which the Company is jointly and severally liable, accounted for $11 of the recorded liability, as of September 30, 2019 and June 30, 2019. This amount reflects the Company's agreement to be liable for 24.3% of the aggregate remediation and associated costs for this matter pursuant to a cost-sharing arrangement with a third party. With the assistance of environmental consultants, the Company maintains an undiscounted liability representing its current best estimate of its share of the capital expenditures, maintenance and other costs that may be incurred over an estimated 30-year remediation period. Although it is reasonably possible that the Company's exposure may exceed the amount recorded for the Dickinson County matter, any amount of such additional exposures, or range of exposures, is not estimable at this time. The Company's estimated losses related to these matters are sensitive to a variety of uncertain factors, including the efficacy of any remediation efforts, changes in any remediation requirements, and the future availability of alternative clean-up technologies.

The Company is subject to various legal proceedings, claims and other loss contingencies, including, without limitation, loss contingencies relating to contractual arrangements, product liability, patents and trademarks, advertising, labor and employment, environmental, health and safety and other matters. With respect to these proceedings, claims and other loss contingencies, while considerable uncertainty exists, in the opinion of management at this time, the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, either individually or in the aggregate, on the Company's condensed consolidated financial statements taken as a whole.

Guarantees

In conjunction with divestitures and other transactions, the Company may provide typical indemnifications (e.g., indemnifications for representations and warranties and retention of previously existing environmental, tax and employee liabilities) that have terms that vary in duration and in the potential amount of the total obligation and, in many circumstances, are not explicitly defined. The Company has not made, nor does it believe that it is probable that it will make, any material payments relating to its indemnifications, and believes that any reasonably possible payments would not have a material adverse effect, either individually or in the aggregate, on the Company's condensed consolidated financial statements taken as a whole.

The Company had not recorded any material liabilities on the aforementioned guarantees as of September 30, 2019 and June 30, 2019.

As of September 30, 2019, the Company was party to a letter of credit of $10, related to one of its insurance carriers, of which $0 had been drawn upon.

NOTE 11. SEGMENT RESULTS

The Company operates through strategic business units (SBUs) that are aggregated into four reportable segments based on the economics and nature of the products sold: Cleaning, Household, Lifestyle and International.

Certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, prepaid expenses and other current assets, property and equipment, other investments and deferred taxes.

The tables below present reportable segment information and a reconciliation of the segment information to the Company's consolidated Net sales and Earnings before income taxes, with amounts that are not allocated to the reportable segments reflected in Corporate.

	Net sales	
	Three Months Ended	
	9/30/2019	**9/30/2018**
Cleaning	$ 562	$ 571
Household	381	442
Lifestyle	322	309
International	241	241
Corporate	—	—
Total	$ 1,506	$ 1,563

	Earnings (losses) before income taxes	
	Three Months Ended	
	9/30/2019	**9/30/2018**
Cleaning	$ 178	$ 180
Household	25	59
Lifestyle	70	62
International	39	28
Corporate	(54)	(61)
Total	$ 258	$ 268

All intersegment sales are eliminated and are not included in the Company's reportable segments' net sales.

Net sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, as a percentage of consolidated net sales, were 26% and 25% for the three months ended September 30, 2019 and 2018, respectively.

NOTE 11. SEGMENT RESULTS (Continued)

The following table provides Net sales as a percentage of the Company's consolidated net sales for the Company's SBUs and for the periods indicated:

	Net sales	
	Three Months Ended	
	9/30/2019	9/30/2018
Home care	22%	21%
Laundry	10%	10%
Professional products	6%	6%
Cleaning	**38%**	**37%**
Bags, wraps, and containers	12%	13%
Cat litter	8%	7%
Charcoal	4%	6%
Digestive health	1%	2%
Household	**25%**	**28%**
Food products	9%	9%
Natural personal care	5%	4%
Water filtration	4%	4%
Dietary supplements	3%	3%
Lifestyle	**21%**	**20%**
International	**16%**	**15%**
Total	**100%**	**100%**

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Clorox Company
(Dollars in millions, except share and per share data)

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide a reader of The Clorox Company's (the Company or Clorox) financial statements with a narrative from the perspective of management on the Company's financial condition, results of operations, liquidity and certain other factors that may affect future results. The following discussion of the Company's financial condition and results of operations should be read in conjunction with MD&A and the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, which was filed with the Securities and Exchange Commission (SEC) on August 14, 2019, and the unaudited condensed consolidated financial statements and related notes contained in this Quarterly Report on Form 10-Q (this Report). Unless otherwise noted, MD&A compares the three-month period ended September 30, 2019 (the current period) to the three-month period ended September 30, 2018 (the prior period), with percentage and basis point calculations based on rounded numbers, except for per share data and the effective tax rate.

EXECUTIVE OVERVIEW

Clorox is a leading multinational manufacturer and marketer of consumer and professional products with approximately 8,800 employees worldwide. Clorox sells its products primarily through mass retailers, grocery outlets, warehouse clubs, dollar stores, home hardware centers, drug, pet and military stores, third-party and owned e-commerce channels, and distributors. Clorox markets some of the most trusted and recognized consumer brand names, including its namesake bleach and cleaning products, Pine-Sol® cleaners, Liquid-Plumr® clog removers, Poett® home care products, Fresh Step® cat litter, Glad® bags, wraps and containers, Kingsford® charcoal, Hidden Valley® dressings and sauces, Brita® water-filtration products, Burt's Bees® natural personal care products, RenewLife® digestive health products, and Rainbow Light®, Natural Vitality™ and NeoCell® dietary supplements. The Company also markets industry-leading products and technologies for professional customers, including those sold under the CloroxPro™ and the Clorox Healthcare® brand names. The Company has operations in more than 25 countries or territories and sells its products in more than 100 markets.

The Company primarily markets its leading brands in midsized categories considered to be financially attractive. Most of the Company's products compete with other nationally advertised brands within each category and with "private label" brands.

The Company operates through strategic business units (SBUs) that are aggregated into the following four reportable segments based on the economics and nature of the products sold:

- *Cleaning* consists of laundry, home care and professional products marketed and sold in the United States. Products within this segment include laundry additives, such as bleach products under the Clorox® brand and Clorox 2® stain fighter and color booster; home care products, primarily under the Clorox®, Formula 409®, Liquid-Plumr®, Pine-Sol®, S.O.S® and Tilex® brands; naturally derived products under the Green Works® brand; and professional cleaning, disinfecting and food service products under the CloroxPro™, Dispatch®, Clorox Healthcare®, Hidden Valley® and KC Masterpiece® brands.

- *Household* consists of charcoal, bags, wraps and containers, cat litter, and digestive health products marketed and sold in the United States. Products within this segment include charcoal products under the Kingsford® and Match Light® brands; bags, wraps and containers under the Glad® brand; cat litter products under the Fresh Step®, Scoop Away® and Ever Clean® brands; and digestive health products under the RenewLife® brand.

- *Lifestyle* consists of food products, water-filtration systems and filters, natural personal care products, and dietary supplements marketed and sold mainly in the United States. Products within this segment include dressings and sauces, primarily under the Hidden Valley®, KC Masterpiece®, Kingsford® and Soy Vay® brands; water-filtration systems and filters under the Brita® brand; natural personal care products under the Burt's Bees® brand; and dietary supplements under the Rainbow Light®, Natural Vitality™ and NeoCell® brands.

- *International* consists of products sold outside the United States. Products within this segment include laundry; home care; water-filtration systems and filters; digestive health products; charcoal; cat litter products; food products; bags, wraps and containers; natural personal care products; and professional cleaning and disinfecting products primarily under the Clorox®, Glad®, PinoLuz®, Ayudin®, Limpido®, Clorinda®, Poett®, Mistolin®, Lestoil®, Bon Bril®, Brita®, Green Works®, Pine-Sol®, Agua Jane®, Chux®, RenewLife®, Kingsford®, Fresh Step®, Scoop Away®, Ever Clean®, KC Masterpiece®, Hidden Valley®, Burt's Bees®, CloroxPro™, and Clorox Healthcare® brands.

RESULTS OF OPERATIONS

CONSOLIDATED RESULTS

	Three Months Ended		
	9/30/2019	9/30/2018	% Change
Net sales	$ 1,506	$ 1,563	(4)%

	Three Months Ended September 30, 2019 Percentage change versus the year-ago period						
	Reported (GAAP) Net Sales Growth / (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price/Mix/Other (1)	Organic Sales Growth / (Decrease) (Non-GAAP) (2)	Organic Volume (3)
Cleaning	(2)%	1 %	—%	— %	(3)%	(2)%	1 %
Household	(14)	(8)	—	—	(6)	(14)	(8)
Lifestyle	4	4	—	—	—	4	4
International	—	2	—	(8)	6	8	2
Total	**(4)%**	**— %**	**—%**	**(2)%**	**(2)%**	**(2)%**	**— %**

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

Net sales in the current quarter decreased by 4%, reflecting lower sales in the Household and Cleaning reportable segments, partially offset by sales growth in the Lifestyle reportable segment. Volume was flat, reflecting higher shipments in the Lifestyle, International and Cleaning reportable segments, offset by lower shipments in the Household reportable segment. The variance between volume and net sales was primarily due to the impact of higher trade promotion spending, unfavorable mix and foreign currency exchange rates, partially offset by the benefit of price increases.

	Three Months Ended		
	9/30/2019	9/30/2018	% Change
Gross profit	$ 663	$ 678	(2)%
Gross margin	44.0%	43.4%	

Gross margin, defined as gross profit as a percentage of net sales, increased by 60 basis points in the current quarter from 43.4% to 44.0%. The increase was primarily driven by cost savings and the benefit of price increases, partially offset by higher trade promotion spending and higher manufacturing and logistics costs.

	Three Months Ended				
				% of Net Sales	
	9/30/2019	9/30/2018	% Change	9/30/2019	9/30/2018
Selling and administrative expenses	$ 211	$ 212	— %	14.0%	13.6%
Advertising costs	137	139	(1)	9.1	8.9
Research and development costs	30	32	(6)	2.0	2.0

Selling and administrative expenses, as a percentage of net sales, increased by 40 basis points in the current period, however were relatively flat in terms of dollars.

Advertising costs, as a percentage of net sales, increased by 20 basis points in the current period. The Company's U.S. retail advertising spend as a percentage of net sales was approximately 10% in the current period.

Research and development costs, as a percentage of net sales, were flat in the current period. The Company continues to focus on product innovation and cost savings.

Interest expense, Other (income) expense, net, and the effective tax rate on earnings

	Three Months Ended	
	9/30/2019	**9/30/2018**
Interest expense	$ 25	$ 24
Other (income) expense, net	2	3
Effective tax rate on earnings	21.5%	21.5%

The effective tax rate on earnings was 21.5% for both the current and prior periods. In comparison to prior period, the Company had a reduced benefit from excess tax deductions offset by a greater benefit from reduced tax on foreign earnings and release of uncertain tax positions.

Diluted net earnings per share

	Three Months Ended		
	9/30/2019	**9/30/2018**	**% Change**
Diluted net earnings per share	$ 1.59	$ 1.62	(2)%

Diluted net earnings per share (EPS) decreased by $0.03, or 2%, in the current period, primarily due to higher trade promotion spending, unfavorable foreign exchange rates and higher manufacturing and logistics costs, partially offset by the benefit of cost savings and price increases.

SEGMENT RESULTS

The following presents the results of operations from the Company’s reportable segments and certain unallocated costs reflected in Corporate (see Notes to Condensed Consolidated Financial Statements for a reconciliation of segment results to consolidated results):

Cleaning

	Three Months Ended		
	9/30/2019	**9/30/2018**	**% Change**
Net sales	$ 562	$ 571	(2)%
Earnings before income taxes	178	180	(1)

Volume increased by 1%, while net sales and earnings before income taxes decreased by 2% and 1%, respectively, during the current period. The volume increase was driven by higher shipments in Professional Products and Home Care, partially offset by lower shipments in Laundry. The higher shipments of Professional Products were mainly due to continued growth across all categories. The increased shipments in Home Care were primarily driven by Clorox® disinfecting wipes due to incremental merchandising events. The lower shipments in Laundry were primarily driven by the impact of price increases. The variance between volume and net sales was primarily due to unfavorable mix. The decrease in earnings before income taxes was primarily due to lower net sales, partially offset by cost savings.

Household

	Three Months Ended		
	9/30/2019	9/30/2018	% Change
Net sales	$ 381	$ 442	(14)%
Earnings before income taxes	25	59	(58)

Volume, net sales and earnings before income taxes decreased by 8%, 14% and 58%, respectively, during the current period. Volume decreased primarily driven by lower shipments of Glad® bags and wraps mainly due to distribution losses, lower shipments in Charcoal mainly due to lower merchandising support, and lower consumption in RenewLife® digestive health products. The variance between volume and net sales was primarily due to higher trade promotion spending, partially offset by the benefit of price increases. The decrease in earnings before income taxes was mainly due to higher trade promotion spending.

Lifestyle

	Three Months Ended		
	9/30/2019	9/30/2018	% Change
Net sales	$ 322	$ 309	4%
Earnings before income taxes	70	62	13

Volume, net sales and earnings before income taxes increased by 4%, 4% and 13%, respectively, during the current period. Both volume and net sales increased primarily driven by growth in Burt's Bees® Natural Personal Care mainly due to continued strength in face care and lip care supported by innovation. The increase in earnings before income taxes was primarily due to net sales growth, partially offset by higher trade promotion spending.

International

	Three Months Ended		
	9/30/2019	9/30/2018	% Change
Net sales	$ 241	$ 241	—%
Earnings before income taxes	39	28	39

Volume increased by 2%, net sales was flat, and earnings before income taxes increased by 39% in the current period. Volume increased, primarily driven by higher shipments in Latin America and Australia. The variance between volume and net sales was mainly due to unfavorable foreign currency exchange rates and mix, partially offset by the benefit of price increases. The increase in earnings before income taxes was largely due to the benefit of price increases, partially offset by the impact of unfavorable foreign currency exchange rates, mainly from devaluation of the Argentine peso.

Argentina

The business environment in Argentina continues to be challenging due to significant volatility in Argentina's currency, high inflation, and economic recession. The Company operates in Argentina through certain wholly owned subsidiaries (collectively, "Clorox Argentina"). Clorox Argentina manufactures products at two plants that it owns and operates across Argentina and markets those products to consumers throughout the country. Products are advertised nationally and sold to consumers through wholesalers and retail outlets located throughout Argentina. Sales are made primarily through the use of Clorox Argentina's sales force. Small amounts of products produced in Argentina are exported each year, including sales to the Company's other subsidiaries located primarily in Latin America. Clorox Argentina obtains its raw materials almost entirely from local sources; however, the price of some of these raw materials may fluctuate with changes in the value of the U.S. dollar against the Argentine peso. The Company also conducts research and development activities at its owned facility in Buenos Aires, Argentina. Additionally, Clorox Argentina performs marketing, legal, and various other shared service activities to support the Company's Latin American operations. Clorox Argentina, in turn, benefits from shared service activities performed within other geographic locations, such as information technology support and manufacturing technical assistance.

Effective July 1, 2018, under the requirements of U.S. GAAP, Argentina was designated as a highly inflationary economy, since it has experienced cumulative inflation of approximately 100 percent or more over a three-year period. As a result, beginning July 1, 2018, the U.S. dollar replaced the Argentine peso as the functional currency of the Company's subsidiaries in Argentina. Consequently, gains and losses from non-U.S. dollar denominated monetary assets and liabilities of Clorox Argentina are recognized in Other (income) expense, net in the condensed consolidated statement of earnings.

As of September 2019, the government of Argentina reinstated foreign exchange controls in response to further declines in the value of the Argentine peso, limiting the Company's ability to convert Argentine pesos to U.S. dollars and transfer U.S. dollars outside of Argentina. At September 30, 2019 and June 30, 2019, the net asset position, excluding goodwill, of Clorox Argentina was $34 and $47, respectively. Of these net assets, cash balances were approximately $2 and $16 as of September 30, 2019 and June 30, 2019, respectively. Net sales from Clorox Argentina represented approximately 2% of the Company's consolidated net sales for both the three months ended September 30, 2019 and the fiscal year ended June 30, 2019.

Volatility in the exchange rate is expected to continue in the future, which, along with competition, changes in the retail, labor and macro-economic environment, and implemented and future additional legal limitations instituted to restrict foreign exchange transactions could have an adverse impact on Clorox Argentina's liquidity, net sales, net earnings, cash flows and net monetary asset position. The Company is closely monitoring developments in Argentina and continues to take steps intended to mitigate the adverse conditions, but there can be no assurances that these actions will be able to mitigate these conditions as they may occur.

Corporate

Certain non-allocated administrative costs, interest income, interest expense, and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, prepaid expenses and other current assets, property and equipment, other investments, and deferred taxes.

	Three Months Ended		
	9/30/2019	**9/30/2018**	**% Change**
Losses before income taxes	$ (54)	$ (61)	(11)%

Losses before income taxes decreased by $7 in the current three-month period, primarily driven by lower employee incentive compensation costs.

FINANCIAL POSITION AND LIQUIDITY

The Company's financial condition and liquidity remained strong as of September 30, 2019. The following table summarizes cash activities:

	Three Months Ended	
	9/30/2019	9/30/2018
Net cash provided by operations	$ 271	$ 259
Net cash used for investing activities	(42)	(36)
Net cash used for financing activities	(183)	(192)

Operating Activities

Net cash provided by operations was $271 in the current period, compared with $259 in the year-ago period. The increase was primarily due to lower working capital.

Investing Activities

Net cash used for investing activities was $42 in the current period, compared with $36 in the year-ago period. The year-over-year increase was mainly due to higher capital spending in the current period, primarily driven by the acquisition of a manufacturing facility, partially offset by cash proceeds from the sale of a manufacturing facility in the first quarter of fiscal year 2020.

Financing Activities

Net cash used for financing activities was $183 in the current period, compared with $192 in the year-ago period. The year-over-year decrease was attributable to lower treasury stock purchases, largely offset by reduced proceeds from employee stock option exercises and a decrease in cash sourced from short-term borrowings.

Capital Resources and Liquidity

The Company believes it will have the funds necessary to meet its financing requirements and other fixed obligations as they become due based on its working capital requirements, anticipated ability to generate positive cash flows from operations in the future, investment-grade credit ratings, demonstrated access to long-term and short-term credit markets and current borrowing availability under the credit agreement.

Credit Arrangements

As of September 30, 2019, the Company maintained a $1,100 revolving credit agreement that matures in February 2022. There were no borrowings under this credit agreement as of September 30, 2019 and June 30, 2019, and the Company believes that borrowings under this credit agreement are and will continue to be available for general business purposes.

The credit agreement includes certain restrictive covenants and limitations. The primary restrictive covenant is a minimum ratio of 4.0 calculated as total earnings before interest, taxes, depreciation and amortization and non-cash asset impairment charges (Consolidated EBITDA) to total interest expense for the trailing four quarters (Interest Coverage ratio), as defined and described in the credit agreement.

The following table sets forth the calculation of the Interest Coverage ratio as of September 30, 2019, using Consolidated EBITDA for the trailing four quarters, as contractually defined in the credit agreement:

	Twelve Months Ended 9/30/2019
Earnings from operations	$ 813
Add back:	
Interest expense	98
Income tax expense	201
Depreciation and amortization	180
Non-cash asset impairment charges	—
Deduct:	
Interest income	(2)
Consolidated EBITDA	$ 1,290
Interest expense	$ 98
Interest Coverage ratio	13.2

The Company was in compliance with all restrictive covenants and limitations in the credit agreement as of September 30, 2019, and anticipates being in compliance with all restrictive covenants for the foreseeable future. The Company continues to monitor the financial markets and assess its ability to fully draw on its credit agreement, and currently expects that any drawing on the credit agreement will be fully funded.

As of September 30, 2019, the Company maintained $38 of foreign and other credit lines, of which $3 was outstanding.

Stock Repurchases and Dividend Payments

As of September 30, 2019, the Company had two stock repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to $2,000, which has no expiration date, and a program to offset the anticipated impact of dilution related to stock-based awards (the Evergreen Program), which has no authorization limit on the dollar amount and no expiration date.

Stock repurchases under the two stock repurchase programs were as follows for the periods indicated:

	Three Months Ended			
	9/30/2019		9/30/2018	
	Amount	Shares (in thousands)	Amount	Shares (in thousands)
Open-market purchase program	$ —	—	$ 78	591
Evergreen Program	104	663	120	832
Total stock repurchases	$ 104	663	$ 198	1,423

Dividends per share declared and total dividends paid were as follows for the periods indicated:

	Three Months Ended	
	9/30/2019	9/30/2018
Dividends per share declared	$ 1.06	$ 0.96
Total dividends paid	133	122

CONTINGENCIES

See Notes to Condensed Consolidated Financial Statements for information on the Company's contingencies.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Notes to Condensed Consolidated Financial Statements for a summary of recently issued accounting standards relevant to the Company.

NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures that may be included in this MD&A and the reasons management believes they are useful to investors are described below. These measures should be considered supplemental in nature and are not intended to be a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, these measures may not be the same as similarly named measures presented by other companies.

The Company uses the term *Consolidated EBITDA* because it is a term used in its revolving credit agreement. As defined in the credit agreement, Consolidated EBITDA represents earnings before interest, taxes, depreciation and amortization and non-cash asset impairment charges. *Interest Coverage ratio* is the ratio of Consolidated EBITDA to interest expense. The Company's management believes disclosure of Consolidated EBITDA provides useful information to investors because it is used in the primary restrictive covenant in the Company's credit agreement. For additional discussion of the Interest Coverage ratio and a reconciliation of Consolidated EBITDA, see "*Financial Position and Liquidity - Financing Activities - Credit Arrangements*" above.

Organic sales growth / (decrease) is defined as net sales growth excluding the effect of foreign exchange rate changes and any acquisitions and divestitures. Management believes that the presentation of organic sales growth / (decrease) is useful to investors because it excludes sales from any acquisitions and divestitures, which results in a comparison of sales only from the businesses that the Company was operating throughout the relevant periods, and the impact of foreign exchange rate changes, which are out of the control of the Company and management.

The following table provides a reconciliation of organic sales growth / (decrease) (non-GAAP) to net sales growth / (decrease) (GAAP), the most comparable GAAP measure:

	Three Months Ended September 30, 2019				
	Percentage change versus the year-ago period				
	Cleaning	Household	Lifestyle	International	Total
Net sales growth / (decrease) (GAAP)	(2)%	(14)%	4%	—%	(4)%
Add: Foreign Exchange	—	—	—	8	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	(2)%	(14)%	4%	8%	(2)%

Cautionary Statement

This Quarterly Report on Form 10-Q (this Report), including the exhibits hereto and the information incorporated by reference herein, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements involve risks and uncertainties. Except for historical information, statements about future volumes, sales, organic sales growth, foreign currencies, costs, cost savings, margins, earnings, earnings per share, diluted earnings per share, 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. Words such as "could," "may," "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "will," "predicts," and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic and financial performance are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed. Important factors that could affect performance and cause results to differ materially from management's expectations, or could affect the Company's ability to achieve its strategic goals, are described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, as updated from time to time in the Company's Securities and Exchange Commission filings. These factors include, but are not limited to:

- intense competition in the Company's markets;
- the impact of the changing retail environment, including the growth of alternative retail channels and business models, and changing consumer preferences;
- volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities, and increases in energy, transportation or other costs;
- the ability of the Company to drive sales growth, increase prices and market share, grow its product categories and manage favorable product and geographic mix;
- dependence on key customers and risks related to customer consolidation and ordering patterns;
- risks related to the Company's use of and reliance on information technology systems, including potential security breaches, cyber-attacks, privacy breaches or data breaches that result in the unauthorized disclosure of consumer, customer, employee or Company information, or service interruptions;
- the Company's ability to maintain its business reputation and the reputation of its brands and products;
- risks relating to acquisitions, new ventures and divestitures, and associated costs, including the potential for asset impairment charges related to, among others, intangible assets and goodwill; and the ability to complete announced transactions and, if completed, integration costs and potential contingent liabilities related to those transactions;
- lower revenue, increased costs or reputational harm resulting from government actions and regulations;
- the ability of the Company to successfully manage global political, legal, tax and regulatory risks, including changes in regulatory or administrative activity;
- worldwide, regional and local economic and financial market conditions;
- risks related to international operations and international trade, including foreign currency fluctuations, such as devaluations, and foreign currency exchange rate controls, including periodic changes in such controls; changes in U.S. immigration or trade policies, including the imposition of new or additional tariffs; labor claims and labor unrest; inflationary pressures, particularly in Argentina; political instability and the uncertainty regarding the outcome of Brexit; government-imposed price controls or other regulations; potential negative impact and liabilities from the use, storage and transportation of chlorine in certain international markets where chlorine is used in the production of bleach; and the possibility of nationalization, expropriation of assets or other government action;
- the ability of the Company to innovate and to develop and introduce commercially successful products, or expand into adjacent categories and countries;
- the impact of product liability claims, labor claims and other legal or tax proceedings, including in foreign jurisdictions;
- the ability of the Company to implement and generate cost savings and efficiencies;
- the success of the Company's business strategies;
- risks related to additional increases in the estimated fair value of P&G's interest in the Glad® business;
- the Company's ability to attract and retain key personnel;
- supply disruptions and other risks inherent in reliance on a limited base of suppliers;
- environmental matters, including costs associated with the remediation and monitoring of past contamination, and possible increases in costs resulting from actions by relevant regulators, and the handling and/or transportation of hazardous substances;
- increased focus by governmental and non-governmental organizations, customers, consumers and investors on sustainability issues, including those related to climate change;

- the facilities of the Company and its suppliers being subject to disruption by events beyond the Company’s control, including work stoppages, cyber-attacks, natural disasters and terrorism;
- the Company’s ability to maximize, assert and defend its intellectual property rights;
- any infringement or claimed infringement by the Company of third-party intellectual property rights;
- the accuracy of the Company’s estimates and assumptions on which its financial projections are based;
- the effect of the Company’s indebtedness and credit rating on its business operations and financial results;
- the Company’s ability to pay and declare dividends or repurchase its stock in the future;
- uncertainties relating to tax positions, tax disputes and changes in the Company’s tax rate, and any additional effects of the Tax Act on the Company;
- the Company’s ability to maintain an effective system of internal controls;
- the impacts of potential stockholder activism; and
- risks related to the Company’s discontinuation of operations in Venezuela.

The Company’s forward-looking statements in this Report are based on management’s current views, beliefs, assumptions and expectations regarding future events and speak only as of the date of this Report. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

In this Report, unless the context requires otherwise, the terms “the Company,” “Clorox,” “we,” “us,” and “our” refer to The Clorox Company and its subsidiaries.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have not been any material changes to the Company’s market risk since June 30, 2019. For additional information, refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Exhibit 99.1 of the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2019.

Item 4. Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures, as of the end of the period covered by this Report, were effective such that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

No change in the Company’s internal control over financial reporting occurred during the first fiscal quarter of the fiscal year ending June 30, 2020, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1.A. Risk Factors

For information regarding Risk Factors, please refer to Item 1.A. Risk Factors in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, and the information in "Cautionary Statement" included in this Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In May 2018, the Board of Directors authorized the Company to repurchase up to $2,000 million in shares of common stock on the open market (the 2018 Open-Market Program), which has no expiration date.

In August 1999, the Board of Directors authorized a stock repurchase program to reduce or eliminate dilution upon the issuance of common stock pursuant to the Company's stock compensation plans (the Evergreen Program). In November 2005, the Board of Directors authorized the extension of the Evergreen Program to reduce or eliminate dilution in connection with issuances of common stock pursuant to the Company's 2005 Stock Incentive Plan. The Evergreen Program has no expiration date and has no specified limit as to dollar amount and therefore is not included in column [d] below.

The following table sets forth the purchases of the Company's securities by the Company and any affiliated purchasers within the meaning of Rule 10b-18(a)(3) (17 CFR 240.10b-18(a)(3)) during the first quarter of fiscal year 2020.

Period	[a] Total Number of Shares Purchased (1)	[b] Average Price Paid per Share (2)	[c] Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	[d] Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 to 31, 2019	63,144	$ 152.86	63,144	$1,578 million
August 1 to 31, 2019	582,004	157.66	582,004	$1,578 million
September 1 to 30, 2019	17,742	160.94	17,742	$1,578 million
Total	662,890	$ 157.29	662,890	

(1) All the shares purchased in July, August and September 2019 were acquired pursuant to the Company's Evergreen Program.
(2) Average price paid per share in the period includes commission.

Item 6. Exhibits

See Exhibit Index below, which is incorporated by reference herein.

EXHIBIT INDEX

Exhibit No.

10.1	Form of Performance Share Award Agreement under the Company's 2005 Stock Incentive Plan for awards made in 2019.
31.1	Certification by the Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and Chief Financial Officer of the Company Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE CLOROX COMPANY
(Registrant)

DATE: October 31, 2019

BY /s/ Jeffrey R. Baker

Jeffrey R. Baker
Vice President – Chief Accounting Officer and Corporate Controller

THE CLOROX COMPANY
2005 STOCK INCENTIVE PLAN
PERFORMANCE SHARE AWARD AGREEMENT

NOTICE OF PERFORMANCE SHARE GRANT

The Clorox Company, a Delaware company (the “Company”), grants to the Grantee named below, in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (the “Plan”) and this performance share award agreement (the “Agreement”), the following number of Performance Shares on the terms set forth below:

GRANTEE:	<<<Participant Name - 1>>>
TARGET AWARD:	<<<Target Shares Granted>>>
GRANT ID:	<<<Grant ID>>>
PERFORMANCE PERIOD:	July 1, 2019 through June 30, 2022
DATE OF GRANT:	<<<Grant Date - 2>>>
SETTLEMENT DATE:	Within 75 days following the last day of the Performance Period, provided the Grantee has remained in the employment or service of the Company or its Subsidiaries through such date (except for a termination of employment or service due to death, Disability or Retirement, as provided below)

AGREEMENT

1. Grant of Performance Shares. The Company hereby grants to the Grantee the Target Award set forth above, payment of which is dependent upon the achievement of certain performance goals more fully described in Section 3 of this Agreement. This Award is subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Performance Shares set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

2. Nature and Settlement of Award. The Performance Shares awarded pursuant to this Agreement represent the opportunity to receive Shares of the Company and Dividend Equivalents on such Shares (as described in Section 4 below). The Company shall issue to the Participant one Share for each vested Performance Share (plus any Dividend Equivalents accrued with respect to such vested Performance Shares), rounded to the nearest whole share, less any Shares withheld in accordance with the provisions of Section 7 of this Agreement. Settlement shall occur on a date chosen by the Committee, which date shall be within seventy-five (75) days following the last day of the Performance Period (the “Settlement Date”), or any Deferred Settlement Date established pursuant to Section 6 of this Agreement, whichever is later, and except as specifically provided in Section 5 of this Agreement, provided the Grantee has remained in the employment or service of the Company or its Subsidiaries through the Settlement Date. Although vested within the meaning of Section 83 of the Internal Revenue Code since no substantial risk of forfeiture exists at the Settlement Date, the Performance Shares (and any associated Dividend Equivalents) will not be earned until the Grantee has fulfilled all of the conditions precedent set forth in this Agreement, including, but not limited to, the obligations set forth in Sections 9(b), 9(c), 9(d), 9(e) and Section 10, and the Grantee shall have no right to retain the Shares or the value thereof upon vesting or settlement of the Performance Shares until all such conditions precedent have been satisfied.

3. Determination of Number of Performance Shares Vested. The number of Performance Shares vested, if any, for the Performance Period shall be determined in accordance with the following formula:

# of Performance Shares = Average Payout Percentage x Target Award

The "Average Payout Percentage" is equal to the sum of the Payout Percentage for each of the fiscal years in the Performance Period, divided by three.

"Payout Percentage" for each fiscal year in the Performance Period is based on the growth of annual economic profit ("EP"), calculated as described in the paragraph below, for the applicable fiscal year in the Performance Period as compared to the prior fiscal year ("EP Growth"), expressed as a percentage and calculated based upon EP at the end of each fiscal year of the Performance Period, determined in accordance with the following table:

	EP Growth (for each fiscal year in the Performance Period)

* Achievement of the EP Growth Threshold Amount (or below) shall result in a Payout Percentage of 0% for the applicable fiscal year of the Performance Period.

** Achievement of the EP Growth Target Amount shall result in a Payout Percentage of 100% for the applicable fiscal year of the Performance Period

*** Achievement of the EP Growth Max Amount (or above) shall result in a Payout Percentage of 200% for the applicable fiscal year of the Performance Period
Note: Achievement of EP Growth in between the Threshold and Target levels and in between the Target and Max levels shall be linearly interpolated. For the avoidance of doubt, if the EP Growth in excess of the Threshold level is not achieved, the Payout Percentage for the applicable fiscal year of the Performance Period shall be 0%.

EP is defined as Earnings Before Interest & Taxes, adjusted for non-cash restructuring charges, times one minus the tax rate, less capital charge.

For avoidance of doubt, while the expectation is that EP for a given fiscal year shall be calculated based upon the Company's financial statements for such fiscal year that are filed with the SEC, the Committee shall have the authority to include information not reflected in such financial statements for purposes of determining EP for such fiscal year if the Committee determines that the inclusion of such information more accurately reflects the financial performance of the Company for such fiscal year. To the extent that such information used in a prior fiscal year is reflected in the filed financial statements for a subsequent fiscal year, appropriate changes shall be made to relevant information in such filed financial statements for purposes of calculating EP for such subsequent fiscal year to avoid double counting of the same information.

Notwithstanding the above, the applicable EP amount for the corresponding fiscal year that is used as the basis for calculating EP Growth results for such fiscal year shall be adjusted, fairly and appropriately, in accordance with the Plan and, as provided in this Agreement, to reflect accurately the direct and measurable effect of the impact of each of the following events not otherwise reflected in the determination of the initial EP levels (each, an "Event") including, without limitation, the financial statement impact on the Company on account of the occurrence or potential occurrence of an Event: (1) the acquisition or divestiture of a business, (2) a Change in Control, (3) U.S Federal changes in tax statutes or the addition or deletion of taxes to which the Company or any Affiliated Company is subject, (4) force majeure (including events known as "Acts of God"), (5) the adoption of new or revised accounting pronouncements or changes to application of accounting pronouncements, and (6) any extraordinary, unusual or non-recurring item not previously listed.

Notwithstanding the foregoing, an event listed in the preceding sentence shall not qualify as an Event, and therefore no adjustment shall be made to the EP levels, unless the impact of the occurrence or potential occurrence of such an event listed in the preceding sentence exceeds $2 million in EP. The purpose of any adjustments on account of the occurrence of an Event is to keep the probability of achieving the EP Growth goals the same as if the Event triggering such adjustment had either not occurred or had not resulted in any financial statement impact. The determination of any adjustments shall be based on the Company's accounting as set forth in its books and records (including business projections) and/or in the annual budgets and/or long range plans of the Company pursuant to which the EP Growth goals were established. The amount of any such adjustment shall be approved by the Committee in its good faith determination in accordance with the provisions of this paragraph. To the extent applicable, the Committee shall condition the determination of the number of Performance Shares vested under this Section 3 upon the satisfaction of the adjusted EP levels. All Performance Shares that are not vested for the Performance Period shall be forfeited as of the last day of the Performance Period.

4. Dividend Equivalent Rights. No Dividend Equivalents shall be paid to the Grantee prior to the settlement of the award. Rather, such Dividend Equivalent payments will accrue and be notionally credited to the Grantee's Performance Share account and paid out at the Payout Percentage in the form of additional Shares (the "Dividend Equivalent Shares") upon settlement of the award, as described in Section 2 above.

5. Termination of Continuous Service. Except as otherwise provided below, if the Grantee's employment or service with the Company and its Subsidiaries is terminated for any reason prior to the Settlement Date, all Performance Shares and Dividend Equivalents subject to this Agreement shall be immediately forfeited.

   a. Termination due to Death or Disability. If the Grantee's termination of employment or service is due to death or Disability, all Performance Shares and Dividend Equivalents shall immediately vest and will be paid upon completion of the Performance Period based on the level of performance achieved as of the end of such Performance Period.

   b. Termination due to Retirement. If the Grantee's termination of employment or service is due to Retirement, the Performance Shares shall vest on a pro rata monthly basis, including full credit for partial months elapsed and rounded to the nearest whole Share, and will be paid upon completion of the Performance Period based on the level of performance achieved as of the end of such Performance Period; provided, however, that this provision shall not apply in the event the Grantee's employment or service is terminated for Cause. The amount of the vested Award may be computed under the following formula: Target Award times (number of full months elapsed in Performance Period (i.e., rounding up for any partial month) divided by number of full months in Performance Period) times percent performance level achieved as of the end of the Performance Period. Dividend Equivalents accrued through the Grantee's date of termination due to Retirement shall be paid at the same time as the settlement of the vested Performance Shares.

   c. Definition of "Retirement." For purposes of this Agreement, the term "Retirement" shall mean termination of employment or service as an Employee after (1) twenty (20) or more years of "vesting service," which solely for purposes of this Agreement, shall be calculated under Article III of The Clorox Company 401(k) Plan (the "401(k) Plan") entitled "Service" along with any other relevant provisions of the 401(k) Plan necessary or desirable to give full effect thereto, or any successor provisions, regardless of the status of the Grantee with respect to the 401(k) Plan ("Vesting Service"), or (2) attaining age fifty-five with ten (10) or more years of Vesting Service.

   d. Definition of "Disability." For purposes of this Agreement, the Grantee's employment shall be deemed to have terminated due to the Grantee's Disability if the Grantee is entitled to long-term disability benefits under the Company's long-term disability plan or policy, as in effect on the date of termination of the Grantee's employment.

6. Election to Defer Settlement. Prior to the commencement of the last year of the Performance Period, the Grantee may elect to defer the settlement of the Performance Shares from the last day of the Performance Period until a date at least two years following such date, or until the Grantee's later termination of employment or service. Such date shall be referred to as the "Deferred Settlement Date". If the Grantee makes such an election, it will become irrevocable on the date of such election. If the Grantee makes such an election, any Dividend Equivalents awarded with respect to such deferred Performance Shares shall also be deferred under the same terms. If the Grantee makes such an election, but a transaction occurs that subjects the Grantee's Performance Shares to Section 19 of the Plan prior to the Deferred Settlement Date, the Grantee's deferral election will terminate and the Grantee's Performance Shares and Dividend Equivalents will be settled as of the date of that transaction. The Company may terminate any deferral hereunder if a change in law requires such termination.

7. Taxes. Pursuant to Section 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Committee may condition the issuance of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact) or in such other manner as is acceptable to the Company. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restriction or limitations that the Committee, in its sole discretion, deems appropriate.

8. Transferability of Performance Shares. Performance Shares shall not be transferable by the Grantee other than by will or by the laws of descent or distribution. For avoidance of doubt, Shares issued to the Grantee in settlement of Performance Shares pursuant to Section 2 of this Agreement shall not be subject to any of the foregoing transferability restrictions.

9. Protection of Trade Secrets and Limitations on Retention.

    a. Definitions.

        i. "Affiliated Company" means any organization controlling, controlled by or under common control with the Company.

        ii. "Confidential Information" means the Company's technical or business or personnel information not readily available to the public or generally known in the trade, including inventions, developments, trade secrets and other confidential information, knowledge, data and know-how of the Company or any Affiliated Company, whether or not they originated with the Grantee, or information which the Company or any Affiliated Company received from third parties under an obligation of confidentiality.

        iii. "Conflicting Product" means any product, process, machine, or service of any person or organization, other than the Company or any Affiliated Company, in existence or under development that (1) resembles or competes with a product, process, machine, or service upon or with which the Grantee shall have worked during the two years prior to the Grantee's termination of employment with the Company or any Affiliated Company or (2) with respect to which during that period of time the Grantee, as a result of his/her job performance and duties, shall have acquired knowledge of Confidential Information, and whose use or marketability could be enhanced by application to it of Confidential Information. For purposes of this section, it shall be conclusively presumed that the Grantee has knowledge of information to which s/he has been directly exposed through actual receipt or review of memorandum or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed.

iv. "Conflicting Organization" means any person or organization that is engaged in or about to become engaged in research on or development, production, marketing or selling of a Conflicting Product.

b. Right to Retain Shares Contingent on Protection of Confidential Information. In partial consideration for the award of these Performance Shares, the Grantee agrees that at all times, both during and after the term of the Grantee's employment with the Company or any Affiliated Company, to hold in the strictest confidence, and not to use (except for the benefit of the Company at the Company's direction) or disclose (except for the benefit of the Company at the Company's direction), regardless of when disclosed to the Grantee, any and all Confidential Information of the Company or any Affiliated Company. The Grantee understands that for purposes of this Section 9(b), Confidential Information further includes, but is not limited to, information pertaining to any aspect of the business of the Company or any Affiliated Company which is either information not known (or known as a result of a wrongful act of the Grantee or of others who were under confidentiality obligations as to the item or items involved) by actual or potential competitors of the Company or other third parties not under confidentiality obligations to the Company. If, prior to the expiration of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee discloses or uses, or threatens to disclose or use, any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the Performance Shares, whether vested or not, will be immediately forfeited and cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares.

c. No Interference with Customers or Suppliers. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company and to promote fair competition, the Grantee agrees that the Grantee's right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, for a period of one (1) year after the Settlement Date of the Performance Shares, for himself/herself or any third party, directly or indirectly, from using Confidential Information to (1) divert or attempt to divert from the Company (or any Affiliated Company) any business of any kind in which it is engaged, or (2) intentionally solicit its customers with which it has a contractual relationship as to Conflicting Products, or to interfere with the contractual relationship with any of its suppliers or customers (collectively, "Interfere"). If, during the term of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Interfere, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. For avoidance of doubt, the term "Interfere" shall not include any advertisement of Conflicting Products through the use of media intended to reach a broad public audience (such as television, cable or radio broadcasts, or newspapers or magazines) or the broad distribution of coupons through the use of direct mail or through independent retail outlets. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS "NO INTERFERENCE WITH CUSTOMERS OR SUPPLIERS" PROVISION DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.

d. No Solicitation of Employees. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from soliciting for employment any person employed by the Company, or by any Affiliated Company, during the period of the solicited person's employment and for a period of one (1) year after the termination of the solicited person's employment with the Company or any Affiliated Company (collectively "Solicit"). If, during the term of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Solicit, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. <u>THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS NON-SOLICITATION OF EMPLOYEES PROVISION DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.</u>

e. <u>Injunctive and Other Available Relief</u>. By acceptance of these Performance Shares, the Grantee acknowledges that, if the Grantee were to breach or threaten to breach his/her obligation hereunder not to Interfere or Solicit or not to disclose or use any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the harm caused to the Company by such breach or threatened breach would be, by its nature, irreparable because, among other things, damages would be significant and the monetary harm that would ensue would not be able to be readily proven, and that the Company would be entitled to injunctive and other appropriate relief to prevent threatened or continued breach and to such other remedies as may be available at law or in equity. To the extent not prohibited by law, any cancellation of the Performance Shares pursuant to any of Sections 9(b) through 9(d) above shall not restrict, abridge or otherwise limit in any fashion the types and scope of injunctive and other available relief to the Company. Notwithstanding any provision of this Agreement to the contrary, nothing under this Agreement shall limit, abridge, modify or otherwise restrict the Company (or any Affiliated Company) from pursuing any or all legal, equitable or other appropriate remedies to which the Company may be entitled under any other agreement with the Grantee, any other plan, program, policy or arrangement of the Company (or any Affiliated Company) under which the Grantee is covered or participates, or any applicable law, all to the fullest extent not prohibited under applicable law.

f. <u>Permitted Reporting and Disclosure</u>. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or governmental entity, or making other disclosures that are protected under federal law or regulation; provided, that, in each case such communications and disclosures are consistent with applicable law. Notwithstanding the foregoing, under no circumstance is Grantee authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product or the Company's trade secrets without prior written consent of the Company's General Counsel. Any reporting or disclosure permitted under this Section 9(f) shall not result in the cancellation of Performance Shares. Grantee is entitled to certain immunities from liability under state and federal law for disclosing trade secrets if the disclosure was made to report or investigate an alleged violation of law, subject to certain conditions. Please see the Company's Confidential Information Policy for further details.

10. <u>Right to Retain Shares Contingent on Continuing Non-Conflicting Employment</u>. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, during the term of the Performance Period and for a period of one (1) year after the Settlement Date, from rendering

services, directly or indirectly, as director, officer, employee, agent, consultant or otherwise, to any Conflicting Organization except a Conflicting Organization whose business is diversified and that, as to that part of its business to which the Grantee renders services, is not a Conflicting Organization, provided that the Company shall receive separate written assurances satisfactory to the Company from the Grantee and the Conflicting Organization that the Grantee shall not render services during such period with respect to a Conflicting Product. If, prior to the expiration of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee shall render services to any Conflicting Organization other than as expressly permitted herein, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE GRANTEE FROM RENDERING SERVICES TO A CONFLICTING ORGANIZATION, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO RENDER SUCH SERVICES DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.

11. Repayment Obligation. In the event that (1) the Company issues a restatement of financial results to correct a material error and (2) the Committee determines, in good faith, that the Grantee's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (3) some or all of the Performance Shares that were granted and/or vested prior to such restatement would not have been granted and/or vested, as applicable, based upon the restated financial results, the Grantee shall immediately return to the Company the Performance Shares or any Shares or the pre-tax income derived from any disposition of the Shares previously received in settlement of the Performance Shares that would not have been granted and/or vested based upon the restated financial results (the "Repayment Obligation"). The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums owed by the Company to the Grantee.

12. Miscellaneous Provisions.

a. Rights as a Stockholder. Neither the Grantee nor the Grantee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Award until the Performance Shares have been settled and Share certificates have been issued to the Grantee, transferee or representative, as the case may be.

b. Choice of Law, Exclusive Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. **The courts of the State of Delaware shall have exclusive jurisdiction over any disputes or other proceedings relating to this Agreement, and venue shall reside with the courts in New Castle County, Delaware, including if jurisdiction shall so permit, the U.S. District Court for the District of Delaware.** Accordingly, the Grantee agrees that any claim of any type relating to this Agreement must be brought and maintained in the appropriate court located in New Castle County, Delaware, including if jurisdiction will so permit, in the U.S. District Court for the State of Delaware. The Grantee hereby consents to the jurisdiction over the Grantee of any such courts and waives all objections based on venue or inconvenient forum.

c. Modification or Amendment. This Agreement may be modified or amended by the Board or the Committee at any time; provided, however, no modification or amendment to this Agreement shall be made which would materially and adversely affect the rights of the Grantee, without such Grantee's written consent.

d. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced to reflect the intent of the parties to the fullest extent not prohibited by law, and in the event that such provision is not able to be so construed and enforced, then this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. In amplification of the preceding sentence, in the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall have the power to reduce the time period or scope to the maximum time period or scope permitted by law.

e. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.

f. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Agreement for construction or interpretation.

g. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons. It is the intention of the Company and the Grantee to make the promises contained in this Agreement reasonable and binding only to the extent that it may be lawfully done under existing applicable laws. This Agreement and the Plan constitute the entire and exclusive agreement between the Grantee and the Company, and it supersedes all prior agreements or understandings, whether written or oral, with respect to the grant of Performance Shares set forth in this Agreement.

h. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service (“Section 409A”). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

Notwithstanding any provision of the Plan to the contrary, if the Grantee is a “specified employee” (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) at the time of the Grantee’s “separation from service” (as defined in Section 1.409A-1(h) of the Treasury Department Regulations and including a termination of employment or service on account of Disability that does not satisfy the definition of “disability” under Section 409A-3(i)(4) of the Treasury Department Regulations), and payments to the Grantee hereunder are not exempt from Section 409A as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after the Grantee’s separation from service shall be delayed until the earlier of the date which is six (6) months after the date of the Grantee’s separation from service or the date of death of the Grantee. Any payments that were scheduled to be paid during the six (6) month period following the Grantee’s separation from service, but which were delayed pursuant to this Section 12(h), shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Grantee’s separation from service (or, if earlier, the date of the Grantee’s death). Any payments that were originally scheduled to be paid following the six (6) months after the Grantee’s separation from service shall continue to be paid in accordance with their predetermined schedule.

i. Agreement with Terms. Receipt of any benefits under this Agreement by the Grantee shall constitute the Grantee’s acceptance of and agreement with all of the provisions of this Agreement and of the Plan that are applicable to this Agreement, and the Company shall administer this Agreement accordingly.

THE CLOROX COMPANY

By:
Its: Chair and Chief Executive Officer

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS A UNILATERAL CONTRACT AND THAT THE GRANTEE'S RIGHT TO THE SHARES PURSUANT TO THIS AGREEMENT IS ACCEPTED AND EARNED ONLY BY CONTINUING EMPLOYMENT (FOR PURPOSES OF THIS PARAGRAPH, IGNORING ANY ELECTION TO DEFER SETTLEMENT PURSUANT TO SECTION 6) AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER) AND BY ACHIEVEMENT OF THE PERFORMANCE CRITERIA AND BY COMPLIANCE WITH THE GRANTEE'S VARIOUS OBLIGATIONS UNDER THIS AGREEMENT. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW.

The Grantee acknowledges that a copy of the Plan and Plan Information are available for viewing on the Company's internal HR website at https://clxweb.clorox.com/hr/Pages/HRatClorox/HRContentPages/StockIncentiveProgram.aspx, and the Company's Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's Clorox website at http://investors.thecloroxcompany.com/sec.cfm. The Grantee hereby consents to receive the Prospectus Information electronically or, in the alternative, to contact the HR Service Center at 1-800-709-7095 to request a paper copy of the Prospectus Information. The Grantee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Agreement. The Grantee acknowledges and hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated below.

Dated: ___________________________ Signed: _______________________________
Grantee

Residence Address:
____
____

Exhibit 31.1

CERTIFICATION

I, Benno Dorer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Clorox Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2019

/s/ Benno Dorer

Benno Dorer
Chair and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Kevin B. Jacobsen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Clorox Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2019

/s/ Kevin B. Jacobsen

Kevin B. Jacobsen

Executive Vice President - Chief Financial Officer

Exhibit 32

CERTIFICATION

In connection with the periodic report of The Clorox Company (the "Company") on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission (the "Report"), we, Benno Dorer, Chair and Chief Executive Officer of the Company, and Kevin B. Jacobsen, Executive Vice President - Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to our knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: October 31, 2019

/s/ Benno Dorer

Benno Dorer
Chair and Chief Executive Officer

/s/ Kevin B. Jacobsen

Kevin B. Jacobsen
Executive Vice President - Chief Financial Officer