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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 31, 2020

THE CLOROX COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-07151
(Commission File Number)

31-0595760
(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)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 Under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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.

Item 2.02 Results of Operations and Financial Condition

On August 3, 2020, The Clorox Company issued a press release announcing its financial results for its fourth quarter and fiscal year ended June 30, 2020. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b), (c), (d)

On August 1, 2020, the Board of Directors (the “Board”) of The Clorox Company (the “Company”) elected Linda Rendle, a 17-year veteran of the Company, chief executive officer and a member of the Company’s board of directors, effective September 14, 2020. Benno Dorer, the Company’s current chief executive officer, notified the Board on July 31, 2020 that he will step down from the role effective September 14, 2020. Mr. Dorer will continue to serve as the Board’s executive chair.

Ms. Rendle, 42, has served as the Company’s president since May 2020 and prior to that was executive vice president- cleaning, international, strategy and operations since July 2019. Ms. Rendle previously served as executive vice president – strategy and operations from January 2019 to July 2019. From June 2018 to January 2019, she served as executive vice president – cleaning and strategy. She served as senior vice president – general manager, cleaning division of the Company, from August 2016 to June 2018, having taken on responsibility for the professional products division in April 2017. She served as vice president – general manager, home care from October 2014 to August 2016. From April 2012 to October 2014, she served as vice president – sales, cleaning division. From August 2011 to April 2012, she served as director of sales planning – litter, food & charcoal. From January 2010 to August 2011, she served as director of sales – supply chain. Ms. Rendle joined the Company in 2003.

(e)

In connection with Ms. Rendle’s appointment as chief executive officer, on August 1, 2020, the Management Development and Compensation Committee of the Board approved an increase in Ms. Rendle’s base salary to \$1,075,000 and an increase in her short-term incentive target to 150% of her salary, effective as of September 14, 2020.

A press release announcing the election of Ms. Rendle as chief executive officer of the Company and Mr. Dorer’s plans to step down and continue as executive chair is filed as Exhibit 99.2 and is incorporated herein in its entirety.

Item 7.01 Regulation FD Disclosure

Attached hereto as Exhibit 99.3 and incorporated herein by reference is supplemental financial information.

Attached hereto as Exhibit 99.4 and incorporated herein by reference is a schedule that presents recast amounts of Net Sales and Earnings (Losses) before Income Taxes of the Company’s reportable segments for the relevant periods in fiscal years 2020, 2019 and 2018. The recast data is presented because, beginning with the fourth quarter of fiscal year 2020, the Dietary Supplements and Digestive Health strategic business units (“SBUs”) have been combined into the Vitamins, Minerals and Supplements SBU, and the Home Care and Laundry SBUs have been combined into the Cleaning SBU. These newly formed SBUs, along with the existing Professional Products SBU, are included within the new Health and Wellness reportable segment.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

See the Exhibit Index below.

EXHIBIT INDEX

Exhibit	Description
99.1	Press Release dated August 3, 2020 of The Clorox Company
99.2	Press Release dated August 3, 2020 of The Clorox Company
99.3	Supplemental information regarding financial results
99.4	Schedule of recast Net Sales and Earnings (Losses) before Income Taxes of the Company’s reportable segments for the relevant periods in fiscal years 2020, 2019 and 2018
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

THE CLOROX COMPANY

Date: August 3, 2020

By: /s/ Laura Stein
Executive Vice President –
General Counsel and Corporate Affairs

Clorox Reports Q4 and Fiscal Year 2020 Results, Provides Fiscal Year 2021 Outlook

OAKLAND, Calif., Aug. 3, 2020 – The Clorox Company (NYSE:CLX) reported a 22% sales increase, including double-digit growth across all reportable segments, and a 28% increase in diluted net earnings per share (diluted EPS) for its fourth quarter, which ended June 30, 2020. For fiscal year 2020, the company reported sales growth of 8% and a 16% increase in diluted EPS.

“I’m pleased that we’ve delivered a quarter of exceptional results, fueled by strong demand for our products that we’ve been privileged to provide in support of public health and to serve some of the essential needs of consumers as they’ve had to stay at home more,” said Clorox Chair and CEO Benno Dorer. “These results could not have been possible without dedication and strong execution by our people, who have always been guided by our core value Do the Right Thing.”

Dorer added: “Guided by our IGNITE Strategy, we remain committed to building on this momentum through deliberate and aggressive investments to support our ambition of accelerating long-term sales growth.”

This press release includes some non-GAAP financial measures. See “Non-GAAP Financial Information” at the end of this press release for more information.

Fiscal Fourth-Quarter Results

Following is a summary of key fourth-quarter results. All comparisons are with the fourth quarter of fiscal year 2019, unless otherwise stated.

- 22% sales increase
- \$2.41 diluted EPS (28% increase versus year-ago quarter)

In the fourth quarter, sales increased 22%, driven by double-digit volume growth in all reportable segments due to COVID-19 and consumers spending more time at home, which was partially offset by 2 points of impact from unfavorable foreign currency exchange rates. Organic sales¹ were up 24% for the quarter.

The company’s fourth-quarter gross margin increased 170 basis points to 46.8% from 45.1% in the year-ago quarter. The increase in gross margin – the seventh consecutive quarter of year-over-year gross margin expansion -- reflects the benefit of volume growth and cost savings initiatives, partially offset by higher manufacturing and logistics costs.

Clorox delivered earnings of \$310 million, or \$2.41 diluted EPS, compared to \$241 million, or \$1.88 diluted EPS, in the year-ago quarter, representing a 28% increase in diluted earnings per share. Diluted EPS results reflect higher sales and the benefit of cost savings, partially offset by higher selling and administrative expenses, manufacturing and logistics costs, and advertising investments.

Key Segment Results

In the fourth quarter of fiscal year 2020, the company realigned its reportable segments following operational and systems integration. The Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment due to their shared economic and qualitative characteristics.²

¹ Organic sales growth/(decrease) is a non-GAAP measure. See “Non-GAAP Financial Information” at the end of this press release, including the reconciliation of organic sales growth/(decrease) to net sales growth/(decrease), the most comparable GAAP measure.

Following is a summary of key fourth-quarter results based on the new reportable segment structure. All comparisons are with the fourth quarter of fiscal year 2019, unless otherwise stated. Net sales and earnings (losses) before income taxes for relevant periods in the last three fiscal years have been recast and are available in the Investors section of The Clorox Company website.

Health and Wellness (Cleaning; Professional Products; Vitamins, Minerals and Supplements)

- 33% sales increase
- 84% pretax earnings increase

Segment sales were up behind double-digit growth in two of three business units. Growth was fueled by a broad-based increase in demand for disinfecting and cleaning products across the Cleaning and Professional Products portfolios related to COVID-19. The increase in pretax earnings was driven mainly by sales growth, which was partially offset by higher advertising investments and manufacturing and logistics costs.

Household (Bags and Wraps, Grilling, Cat Litter)

- 17% sales increase
- 24% pretax earnings increase

Segment sales increased in all three businesses, driven mainly by double-digit growth in Bags and Wraps and Grilling, which both benefited from much stronger consumer demand, supported by innovation. Higher pretax earnings were due mainly to sales growth, which was partially offset by higher advertising investments and manufacturing and logistics costs.

Lifestyle (Food, Water Filtration, Natural Personal Care)

- 16% sales increase
- 15% pretax earnings increase

Segment sales grew from double-digit increases in the Food and Water Filtration businesses, driven by higher consumer demand. Pretax earnings increased primarily behind higher sales, which were partially offset by increased manufacturing and logistics costs and advertising investments.

International (Sales Outside the U.S.)

- 12% sales increase (24% organic sales increase)
- 47% pretax earnings decrease

Segment sales were up by double digits behind strong demand for cleaning and disinfecting products as well as other essential household products. Organic sales for International grew 24%, as sales growth was negatively impacted by 12 points from unfavorable foreign currency exchange rates, which were partially offset by the benefit of price increases implemented before the onset of the pandemic to counter inflation. Pretax earnings decreased, with sales growth more than offset by increased costs related to a country-specific product recall.

² The Digestive Health and Dietary Supplements business units were previously included in the Household and Lifestyle segments, respectively, and the Home Care and Laundry business units were previously included in the Cleaning segment.

Fiscal Year 2020 Results

Following is a summary of key fiscal year 2020 results:

- 8% sales growth
- \$7.36 diluted EPS (16% increase)

In fiscal year 2020, Clorox delivered 8% sales growth, reflecting about 10 points from higher volume, partially offset by the negative 2-point impact from unfavorable foreign currency exchange rates. Organic sales were up 10% for the year.

Fiscal year gross margin rose by 170 basis points to 45.6% from 43.9% in the year-ago period. The increase was driven by strong volume growth and the benefit of robust cost savings, partially offset by higher manufacturing and logistics costs.

Net cash provided by operations was \$1.5 billion in fiscal year 2020, compared with \$1 billion in fiscal year 2019, representing a 56% increase.

Clorox Increases Stake in International JV

Clorox acquired a majority stake in its long-standing joint venture in the Kingdom of Saudi Arabia for a purchase price of \$100 million in a transaction that closed in July 2020. The business offers consumers in the Gulf region a range of cleaning and disinfecting products. Clorox's increased stake in the joint venture is consistent with the company's IGNITE strategy, focused on accelerating profitable growth.

Clorox Provides Fiscal Year 2021 Outlook

- Flat to low single-digit increase in sales (flat to low single-digit increase in organic sales growth)
- Mid-single-digit decrease to mid-single-digit increase in diluted EPS

Clorox believes it is important to provide management's current business perspective and financial outlook for fiscal year 2021, recognizing there is significant uncertainty about future COVID-19 impacts related to various areas of its business. Although the magnitude of future COVID-19 impacts on Clorox's fiscal year 2021 financial results remains uncertain, its outlook reflects the following current key assumptions:

- Continued elevated global demand for cleaning and disinfecting products.
- Aggressive investments in the long-term momentum in Clorox's global portfolio, including increasing production capacity.
- Job security and discretionary spending pressures on consumers as a result of an ongoing recession.
- Minimal disruptions to its extended supply chain and other operations, allowing Clorox to continue producing products to meet demand.

Clorox anticipates sales growth ranging from flat to low single digits, reflecting the expectation for continued elevated demand through the first half of the fiscal year and a deceleration in the back half from lapping of the initial spike in demand from COVID-19. Fiscal year 2021 sales reflect about 1 point of positive impact from the company's increased stake in its Kingdom of Saudi Arabia joint venture, offset by about 1 point of negative impact from foreign exchange rates, primarily in Argentina. Fiscal year organic sales are also expected to be in a range from flat to low single-digit growth.

Advertising and sales promotion spending is expected to increase to about 11% of sales.

Clorox anticipates selling and administrative expenses to be about 14% of sales.

The company's effective tax rate is expected to be in the range of 22%-23%.

Net of all these factors, Clorox anticipates fiscal year 2021 diluted EPS range is expected to be from a mid-single-digit decrease to a mid-single-digit increase. The company's diluted EPS outlook includes an estimated contribution of 45 to 53 cents in fiscal year 2021 as a result of the company's increased stake in the Kingdom of Saudi Arabia joint venture, due primarily to a one-time non-cash gain associated with a fair value adjustment to the company's previously held stake, which will be recognized in the first quarter of fiscal year 2021. On a full year basis, this one-time gain will be offset by the company's expectations for a higher tax rate and foreign currency headwinds for the company.

"I'm pleased that we were able to deliver strong financial performance for both the fourth quarter and fiscal year 2020," said Chief Financial Officer Kevin Jacobsen. "Our focus now is building on this momentum, investing aggressively in brand-building and category growth as well as in production capacity to meet heightened demand. We feel confident these investments will allow us to capitalize on new opportunities, supporting our ambition to accelerate profitable growth and generate long-term shareholder value."

For More Detailed Financial Information

Visit the company's [Financial Information: Quarterly Results](#) section of the company's website at TheCloroxCompany.com for the following:

- Supplemental unaudited volume and sales growth information
- Supplemental unaudited gross margin driver information
- Supplemental unaudited cash flow information and free cash flow reconciliation
- Supplemental unaudited reconciliation of earnings before interest and taxes (EBIT)
- Supplemental schedule of recast net sales and earnings (losses) before income taxes of the company's reportable segments for the relevant periods in fiscal years 2020, 2019 and 2018

Note: Percentage and basis-point changes noted in this press release are calculated based on rounded numbers, except for per-share data and the effective tax rate. Supplemental materials are available in the [Financial Information: Quarterly Results](#) section of the company's website at TheCloroxCompany.com.

The Clorox Company

The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with about 8,800 employees worldwide and fiscal year 2020 sales of \$6.7 billion. 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 and wraps; Kingsford® charcoal; Hidden Valley® dressings and sauces; Brita® water-filtration products; Burt's Bees® natural personal care products; and RenewLife®, Rainbow Light®, Natural Vitality Calm™, NeoCell® and Stop Aging Now® vitamins, minerals and supplements. The company also markets industry-leading products and technologies for professional customers, including those sold under the CloroxPro™ and Clorox Healthcare® brand names. More than 80% of the company's sales are generated from brands that hold the No. 1 or No. 2 market share positions in their categories.

Clorox is a signatory of the United Nations Global Compact and the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. The company has been broadly recognized for its corporate responsibility efforts, named to the 2020 Axios Harris Poll 100 reputation rankings, Barron's 2020 100 Most Sustainable Companies list, and the Human Rights Campaign's 2020 Corporate Equality Index, among others. In support of its communities, The Clorox Company and its foundations contributed more than \$25 million in combined cash grants, product donations and cause marketing in fiscal year 2020. For more information, visit TheCloroxCompany.com, including the Good Growth blog, and follow the company on Twitter at [@CloroxCo](https://twitter.com/CloroxCo).

Forward-Looking Statements

This press release 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, including, among others, statements related to the expected or potential impact of the novel coronavirus (COVID-19) pandemic, and the related responses of governments, consumers, customers, suppliers, employees and the company, on our business, operations, employees, financial condition and results of operations, and any such forward-looking statements, whether concerning the COVID-19 pandemic or otherwise, involve risks, assumptions 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, the uncertainties relating to the impact of COVID-19 on the company’s business, operations, employees, financial condition and results of operations as well as: 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; the impact of COVID-19 on the availability of, and efficiency of the supply, manufacturing and distribution systems for, the company’s products, including any disruption to such systems; long-term changes in consumer preference or demand for our products as a result of any shortages or lack of availability of any products in the near-term; risks related to supply chain issues and product shortages as a result of reliance on a limited base of suppliers and the significant increase in demand for disinfecting and other products due to the COVID-19 pandemic; 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; uncertain worldwide, regional and local economic and financial market conditions, including as a result of fear of exposure to or actual impacts of a widespread disease outbreak, such as COVID-19; 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; widespread health emergencies, such as COVID-19; 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, governmental or tax proceedings, including in foreign jurisdictions and in connection with any product recalls; 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 The Procter & Gamble Company's interest in the Glad[®] business; the company's ability to attract and retain key personnel; 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, disease outbreaks or pandemics, such as COVID-19, 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, including any sales or earnings guidance or outlook it may provide from time to time, are based; the effect of the company's indebtedness and credit rating on its business operations and financial results; the company's ability to access capital markets and other funding sources, as well as continued or increased market volatility; 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 Cuts and Jobs 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 press release are based on management's current views, beliefs, assumptions and expectations regarding future events and speak only as of the date of this press release. 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.

Non-GAAP Financial Information

- This press release contains non-GAAP financial information related to organic sales growth/(decrease) for the fourth quarter of fiscal year 2020 and for the fiscal year 2020 and organic sales growth outlook for fiscal year 2021. Clorox defines organic sales growth/(decrease) as GAAP net sales growth/(decrease) excluding the effect of foreign exchange rate changes and any acquisitions or divestitures.
- Organic sales growth outlook for fiscal year 2021 excludes the impact of unfavorable foreign currency exchange rates, which the company expects could reduce GAAP net sales growth by about 1 percentage point, and the impact of the company's increased stake in the Kingdom of Saudi Arabia joint venture, which the company expects could increase GAAP net sales growth by about 1 percentage point.
- 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 and expects to continue to operate throughout the relevant periods, and the company's estimate of the impact of foreign exchange rate changes, which are difficult to predict and out of the control of the company and management. However, organic sales growth/(decrease) may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.

The following tables provide reconciliations of organic sales growth/(decrease) (non-GAAP) to net sales growth/(decrease) (GAAP), the most comparable GAAP measure:

	Three Months Ended June 30, 2020				
	Percentage change versus the year-ago period				
	Health and Wellness (1)	Household (1)	Lifestyle (1)	International	Total
Net sales growth / (decrease) (GAAP)	33%	17%	16%	12%	22%
Add: Foreign Exchange	—	—	—	12	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	33%	17%	16%	24%	24%

	Twelve Months Ended June 30, 2020				
	Percentage change versus the year-ago period				
	Health and Wellness (1)	Household (1)	Lifestyle (1)	International	Total
Net sales growth / (decrease) (GAAP)	14%	1%	10%	5%	8%
Add: Foreign Exchange	—	—	—	10	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	14%	1%	10%	15%	10%

(1) In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

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For recent presentations made by company management and other investor materials, visit [Investor Events](#) on the company's website.

Condensed Consolidated Statements of Earnings
Dollars in millions, except share and per share data

	Three Months Ended		Twelve Months Ended	
	6/30/2020 (Unaudited)	6/30/2019 (Unaudited)	6/30/2020 (Unaudited)	6/30/2019 (Unaudited)
Net sales	\$ 1,983	\$ 1,627	\$ 6,721	\$ 6,214
Cost of products sold	1,054	893	3,658	3,486
Gross profit	929	734	3,063	2,728
Selling and administrative expenses	279	217	969	856
Advertising costs	214	167	675	612
Research and development costs	42	38	145	136
Interest expense	25	25	99	97
Other (income) expense, net	(26)	(5)	(10)	3
Earnings before income taxes	395	292	1,185	1,024
Income taxes	85	51	246	204
Net earnings	\$ 310	\$ 241	\$ 939	\$ 820
Net earnings per share				
Basic net earnings per share	\$ 2.45	\$ 1.91	\$ 7.46	\$ 6.42
Diluted net earnings per share	\$ 2.41	\$ 1.88	\$ 7.36	\$ 6.32
Weighted average shares outstanding (in thousands)				
Basic	126,387	126,663	125,828	127,734
Diluted	128,494	128,423	127,671	129,792

**Reportable Segment Information
(Unaudited)**
Dollars in millions

	Net sales			Earnings (losses) before income taxes		
	Three Months Ended			Three Months Ended		
	6/30/2020	6/30/2019	% Change ⁽¹⁾	6/30/2020	6/30/2019	% Change ⁽¹⁾
Health and Wellness ⁽²⁾	\$ 805	\$ 606	33%	\$ 252	\$ 137	84%
Household ⁽²⁾	612	525	17%	157	127	24%
Lifestyle ⁽²⁾	298	257	16%	78	68	15%
International	268	239	12%	10	19	-47%
Corporate	-	-	-	(102)	(59)	73%
Total	\$ 1,983	\$ 1,627	22%	\$ 395	\$ 292	35%

	Net sales			Earnings (losses) before income taxes		
	Twelve Months Ended			Twelve Months Ended		
	6/30/2020	6/30/2019	% Change ⁽¹⁾	6/30/2020	6/30/2019	% Change ⁽¹⁾
Health and Wellness ⁽²⁾	\$ 2,749	\$ 2,422	14%	\$ 766	\$ 570	34%
Household ⁽²⁾	1,795	1,774	1%	347	337	3%
Lifestyle ⁽²⁾	1,154	1,048	10%	320	264	21%
International	1,023	970	5%	116	96	21%
Corporate	-	-	-	(364)	(243)	50%
Total	\$ 6,721	\$ 6,214	8%	\$ 1,185	\$ 1,024	16%

⁽¹⁾ Percentages based on rounded numbers.

⁽²⁾ In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

Condensed Consolidated Balance Sheets
Dollars in millions

	<u>6/30/2020</u>	<u>6/30/2019</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 871	\$ 111
Receivables, net	648	631
Inventories, net	454	512
Prepaid expenses and other current assets	47	51
Total current assets	<u>2,020</u>	<u>1,305</u>
Property, plant and equipment, net	1,103	1,034
Operating lease right-of-use assets	291	-
Goodwill	1,577	1,591
Trademarks, net	785	791
Other intangible assets, net	109	121
Other assets	328	274
Total assets	<u>\$ 6,213</u>	<u>\$ 5,116</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes and loans payable	\$ -	\$ 396
Current operating lease liabilities	64	-
Accounts payable and accrued liabilities	1,329	1,035
Income taxes payable	25	9
Total current liabilities	<u>1,418</u>	<u>1,440</u>
Long-term debt	2,780	2,287
Long-term operating lease liabilities	278	-
Other liabilities	767	780
Deferred income taxes	62	50
Total liabilities	<u>5,305</u>	<u>4,557</u>
Stockholders' equity		
Preferred stock	-	-
Common stock	159	159
Additional paid-in capital	1,137	1,046
Retained earnings	3,567	3,150
Treasury shares	(3,315)	(3,194)
Accumulated other comprehensive net (loss) income	(640)	(602)
Stockholders' equity	<u>908</u>	<u>559</u>
Total liabilities and stockholders' equity	<u>\$ 6,213</u>	<u>\$ 5,116</u>



Linda Rendle Promoted to Clorox CEO; Benno Dorer to Continue as Chair of the Board

OAKLAND, Calif., Aug. 3 – The board of directors of The Clorox Company (NYSE: CLX) today announced that, effective Sept. 14, 2020, Linda Rendle, a 17-year veteran of the company, will be promoted to chief executive officer and elected to the company's board of directors. Benno Dorer will continue serving as the board's executive chair.

Dorer, 56, has served as chief executive officer of the company since November 2014 and was appointed chair of the board in August 2016. As chair and CEO, he has had overall responsibility for leading the company's worldwide business, which generated revenues of \$6.7 billion in fiscal year 2020. Rendle, 42, is currently president of the company and prior to that was executive vice president – Cleaning, International, Strategy and Operations, among other leadership roles she has held at Clorox.

"I'm delighted that our dedication to thoughtful, long-term succession planning positioned us to appoint such a strong and capable leader as Linda Rendle to the CEO role. Linda will be an excellent CEO, building on her track record of outstanding business results, her strong oversight of the development of the company's IGNITE strategy and her values-led leadership," said Pamela Thomas-Graham, lead independent director of the board. "Benno has done a tremendous job leading the company through its 2020 Strategy with significant advancements in innovation, superior consumer value, digital consumer engagement, company culture and ESG. During this time, the company has more than doubled total shareholder return while delivering good growth – growth that is profitable, sustainable and responsible. The company is operating effectively during this pandemic, and I'm pleased that Benno will continue to provide strategic guidance as executive chair while he turns toward personal philanthropic activities."

"I'm proud of what we have accomplished as a team for our shareholders and all stakeholders, including our employees, consumers and communities. With a healthy business, so much opportunity for continued good growth and a successor who is ready to lead this company, it's the right time for the board to appoint Linda as CEO," Dorer said. "Linda has an outstanding track record of achieving results, deep business and functional experience and is the architect of our IGNITE strategy. Clorox has a significant, ongoing opportunity to continue helping protect the health and wellness of our communities, and we are confident this is an appropriate time to transition to a CEO with a long runway and the skills to deliver on the opportunity ahead. Clorox will be in good hands as I pursue my passion for philanthropy in support of youth, sustainability and art."

"I love this company and our people around the world who have become like family over the past 17 years. I am thrilled with this opportunity to lead The Clorox Company, building on our accomplishments and growth under Benno's strong leadership," Rendle said. "With our IGNITE strategy, we are positioned to accelerate growth on the strength of innovation, digital transformation, and continued culture change as we become simpler, faster and bolder. And, we continue to have a significant role supporting public health, given the ongoing needs and changing behaviors of our consumers and communities. I step into this role with great optimism for the future of our company and global portfolio of trusted brands, and immense confidence in our talented and passionate people around the world."

Prior to her current role as president, Rendle was executive vice president – Cleaning, International, Strategy and Operations. Before that, Linda held numerous leadership roles at Clorox involving strategy and operations, including oversight of the Cleaning Division and key roles within the Sales and Product Supply functions. Her career at Clorox began in 2003 in Sales for the company's charcoal and insecticides businesses. Before joining Clorox, Rendle worked for Procter & Gamble, where she held several positions in sales management.

Fourth Quarter and Fiscal Year 2020 Results

The company also announced today in a separate press release its fourth quarter and fiscal year 2020 results. The webcast is scheduled to begin at 10:30 a.m. PT (1:30 p.m. ET) and can be accessed on Clorox's corporate website in the **Investor Events & Presentations** section. A replay of the webcast will be available on the company's website.

The Clorox Company

The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with about 8,800 employees worldwide and fiscal year 2020 sales of \$6.7 billion. 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 and wraps; Kingsford® charcoal; Hidden Valley® dressings and sauces; Brita® water-filtration products; Burt's Bees® natural personal care products; and RenewLife®, Rainbow Light®, Natural Vitality Calm™, NeoCell® and Stop Aging Now® vitamins, minerals and supplements. The company also markets industry-leading products and technologies for professional customers, including those sold under the CloroxPro™ and Clorox Healthcare® brand names. More than 80% of the company's sales are generated from brands that hold the No. 1 or No. 2 market share positions in their categories.

Clorox is a signatory of the United Nations Global Compact and the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. The company has been broadly recognized for its corporate responsibility efforts, named to the 2020 Axios Harris Poll 100 reputation rankings, Barron's 2020 100 Most Sustainable Companies list, and the Human Rights Campaign's 2020 Corporate Equality Index, among others. In support of its communities, The Clorox Company and its foundations contributed more than \$25 million in combined cash grants, product donations and cause marketing in fiscal year 2020. For more information, visit TheCloroxCompany.com, including the Good Growth blog, and follow the company on Twitter at [@CloroxCo](https://twitter.com/CloroxCo).

Forward-Looking Statements

This press release 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, including, among others, statements related to the expected or potential impact of the novel coronavirus (COVID-19) pandemic, and the related responses of governments, consumers, customers, suppliers, employees and the company, on our business, operations, employees, financial condition and results of operations, and any such forward-looking statements, whether concerning the COVID-19 pandemic or otherwise, involve risks, assumptions 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, the uncertainties relating to the impact of COVID-19 on the company's business, operations, employees, financial condition and results of operations as well as: 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; the impact of COVID-19 on the availability of, and efficiency of the supply, manufacturing and distribution systems for, the company's products, including any disruption to such systems; long-term changes in consumer preference or demand for our products as a result of any shortages or lack of availability of any products in the near-term; risks related to supply chain issues and product shortages as a result of reliance on a limited base of suppliers and the significant increase in demand for disinfecting and other products due to the COVID-19 pandemic; 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; uncertain worldwide, regional and local economic and financial market conditions, including as a result of fear of exposure to or actual impacts of a widespread disease outbreak, such as COVID-19; 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; widespread health emergencies, such as COVID-19; 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, governmental or tax proceedings, including in foreign jurisdictions and in connection with any product recalls; 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 The Procter & Gamble Company's interest in the Glad® business; the company's ability to attract and retain key personnel; 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, disease outbreaks or pandemics, such as COVID-19, 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, including any sales or earnings guidance or outlook it may provide from time to time, are based; the effect of the company's indebtedness and credit rating on its business operations and financial results; the company's ability to access capital markets and other funding sources, as well as continued or increased market volatility; 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 Cuts and Jobs 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 press release are based on management's current views, beliefs, assumptions and expectations regarding future events and speak only as of the date of this press release. 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.

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For recent presentations made by company management and other investor materials, visit Investor Events on the company's website.

Three Months Ended June 30, 2020							
Percentage change versus the year-ago period							
	Reported (GAAP) Net Sales Growth/ (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price Mix and Other ⁽¹⁾	Organic Net Sales Growth/ (Decrease) (Non-GAAP) ⁽²⁾	Organic Volume ⁽³⁾
Health and Wellness ⁽⁴⁾	33%	32%	—%	—%	1%	33%	32%
Household ⁽⁴⁾	17	12	—	—	5	17	12
Lifestyle ⁽⁴⁾	16	12	—	—	4	16	12
International	12	17	—	(12)	7	24	17
Total	22%	21%	—%	(2%)	3%	24%	21%

Twelve Months Ended June 30, 2020							
Percentage change versus the year-ago period							
	Reported (GAAP) Net Sales Growth/ (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price Mix and Other ⁽¹⁾	Organic Net Sales Growth/ (Decrease) (Non-GAAP) ⁽²⁾	Organic Volume ⁽³⁾
Health and Wellness ⁽⁴⁾	14%	15%	—%	—%	(1%)	14%	15%
Household ⁽⁴⁾	1	3	—	—	(2)	1	3
Lifestyle ⁽⁴⁾	10	9	—	—	1	10	9
International	5	9	—	(10)	6	15	9
Total	8%	10%	—%	(2%)	—%	10%	10%

Three Months Ended March 31, 2020							
Percentage change versus the year-ago period – As Recast ⁽⁴⁾							
	Reported (GAAP) Net Sales Growth/ (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price Mix and Other ⁽¹⁾	Organic Net Sales Growth/ (Decrease) (Non-GAAP) ⁽²⁾	Organic Volume ⁽³⁾
Health and Wellness ⁽⁴⁾	26%	27%	—%	—%	(1%)	26%	27%
Household ⁽⁴⁾	3	7	—	—	(4)	3	7
Lifestyle ⁽⁴⁾	14	14	—	—	—	14	14
International	11	16	—	(11)	6	22	16
Total	15%	18%	—%	(2%)	(1%)	17%	18%

Three Months Ended December 31, 2019							
Percentage change versus the year-ago period – As Recast ⁽⁴⁾							
	Reported (GAAP) Net Sales Growth/ (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price Mix and Other ⁽¹⁾	Organic Net Sales Growth/ (Decrease) (Non-GAAP) ⁽²⁾	Organic Volume ⁽³⁾
Health and Wellness ⁽⁴⁾	(1%)	—%	—%	—%	(1%)	(1%)	—%
Household ⁽⁴⁾	(7)	(4)	—	—	(3)	(7)	(4)
Lifestyle ⁽⁴⁾	5	5	—	—	—	5	5
International	(2)	(1)	—	(8)	7	6	(1)
Total	(2%)	—%	—%	(2%)	—%	—%	—%

Three Months Ended September 30, 2019							
Percentage change versus the year-ago period – As Recast ⁽⁴⁾							
	Reported (GAAP) Net Sales Growth/ (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price Mix and Other ⁽¹⁾	Organic Net Sales Growth/ (Decrease) (Non-GAAP) ⁽²⁾	Organic Volume ⁽³⁾
Health and Wellness ⁽⁴⁾	(2%)	—%	—%	—%	(2%)	(2%)	—%
Household ⁽⁴⁾	(13)	(7)	—	—	(6)	(13)	(7)
Lifestyle ⁽⁴⁾	5	5	—	—	—	5	5
International	—	2	—	(8)	6	8	2
Total	(4%)	—%	—%	(2%)	(2%)	(2%)	—%

(1) This represents the net impact on net sales growth/ (decrease) from pricing action, mix and other factors.

(2) Organic sales growth/ (decrease) is defined as net sales growth/ (decrease) excluding the effect of any acquisitions and divestitures and foreign exchange rate changes. See “Non-GAAP Financial Information” below for reconciliation of organic sales growth to net sales growth/ (decrease), the most directly comparable GAAP financial information.

(3) Organic volume represents volume excluding the effect of any acquisitions and divestitures.

(4) In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

Non-GAAP Financial Information

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

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 June 30, 2020				
	Percentage change versus the year-ago period				
	Health and Wellness (1)	Household(1)	Lifestyle(1)	International	Total
Net sales growth / (decrease) (GAAP)	33%	17%	16%	12%	22%
Add: Foreign Exchange	—	—	—	12	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	33%	17%	16%	24%	24%

	Twelve Months Ended June 30, 2020				
	Percentage change versus the year-ago period				
	Health and Wellness (1)	Household(1)	Lifestyle(1)	International	Total
Net sales growth / (decrease) (GAAP)	14%	1%	10%	5%	8%
Add: Foreign Exchange	—	—	—	10	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	14%	1%	10%	15%	10%

	Three Months Ended March 31, 2020				
	Percentage change versus the year-ago period – As Recast (1)				
	Health and Wellness (1)	Household(1)	Lifestyle(1)	International	Total
Net sales growth / (decrease) (GAAP)	26%	3%	14%	11%	15%
Add: Foreign Exchange	—	—	—	11	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	26%	3%	14%	22%	17%

Three Months Ended December 31, 2019
Percentage change versus the year-ago period – As Recast ⁽¹⁾

	Health and				
	Wellness ⁽¹⁾	Household⁽¹⁾	Lifestyle⁽¹⁾	International	Total
Net sales growth / (decrease) (GAAP)	(1%)	(7%)	5%	(2%)	(2%)
Add: Foreign Exchange	—	—	—	8	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	(1%)	(7%)	5%	6%	—%

Three Months Ended September 30, 2019
Percentage change versus the year-ago period – As Recast ⁽¹⁾

	Health and				
	Wellness ⁽¹⁾	Household⁽¹⁾	Lifestyle⁽¹⁾	International	Total
Net sales growth / (decrease) (GAAP)	(2%)	(13%)	5%	—%	(4%)
Add: Foreign Exchange	—	—	—	8	2
Add/(Subtract): Divestitures/Acquisitions	—	—	—	—	—
Organic sales growth / (decrease) (non-GAAP)	(2%)	(13%)	5%	8%	(2%)

(1) In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

Supplemental Unaudited Condensed Information – Gross Margin Drivers

The table below provides details on the drivers of gross margin change versus the prior year.

Driver	Gross Margin Change vs. Prior Year (basis points)									
	FY19					FY20				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cost Savings	+130	+140	+170	+150	+150	+180	+150	+150	+170	+160
Price Changes	+90	+220	+240	+220	+190	+120	+100	+90	+50	+90
Market Movement (commodities)	-130	-120	-50	+20	-60	+30	+60	+60	+40	+50
Manufacturing & Logistics	-280	-190	-190	-90	-190	-50	-80	-50	-350	-140
All other (1,2,3,4,5)	+40	+20	-110	-190	-70	-220	-190	+80	+260	+10
Change vs prior year	-150	+70	+60	+110	+20	+60	+40	+330	+170	+170

<i>Gross Margin (%)</i>	43.4%	43.7%	43.4%	45.1%	43.9%	44.0%	44.1%	46.7%	46.8%	45.6%
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- (1) In Q3 of fiscal year 2019, "All other" includes about -70bps of negative impact from foreign exchange.
- (2) In Q4 of fiscal year 2019, "All other" includes about -150bps of negative impact from higher trade promotion spending.
- (3) In Q1 of fiscal year 2020, "All other" includes about -180bps of negative impact from higher trade promotion spending.
- (4) In Q2 of fiscal year 2020, "All other" includes about -90bps of negative impact from higher trade promotion spending.
- (5) In Q4 of fiscal year 2020, "All other" includes the positive impact from volume growth and mix and assortment.

Supplemental Unaudited Condensed Information – Cash Flow
For the quarter ended June 30, 2020

Capital expenditures for the fourth quarter were \$96 million versus \$71 million in the year-ago quarter. (Fiscal year 2020 = \$254 million)

Depreciation and amortization expense for the fourth quarter was \$47 million versus \$47 million in the year-ago quarter. (Fiscal year 2020 = \$180 million)

Net cash provided by operations in the fourth quarter was \$740 million, or 37.3% of net sales. (Fiscal year 2020 = \$1,546 million, or 23.0% of net sales)

Supplemental Unaudited Condensed Information – Free Cash Flow
Fiscal Year Free Cash Flow Reconciliation

Dollars in Millions and percentages based on rounded numbers

	Fiscal Year 2020	Fiscal Year 2019
Net cash provided by operations – GAAP	\$1,546	\$992
Less: Capital expenditures	\$254	\$206
Free cash flow – non-GAAP ⁽¹⁾	\$1,292	\$786
<i>Free cash flow as a percentage of net sales – non-GAAP ⁽¹⁾</i>	19.2%	12.6%
Net sales	\$6,721	\$6,214

(1) In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management uses free cash flow and free cash flow as a percentage of net sales to help assess the cash generation ability of the business and funds available for investing activities, such as acquisitions, investing in the business to drive growth, and financing activities, including debt payments, dividend payments and stock repurchases. Free cash flow does not represent cash available only for discretionary expenditures, since the Company has mandatory debt service requirements and other contractual and non-discretionary expenditures. In addition, free cash flow may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.

These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

Supplemental Unaudited Reconciliation of Earnings Before Income Taxes to EBIT⁽¹⁾⁽²⁾
 Dollars in Millions and percentages based on rounded numbers

	FY 2019					FY 2020				
	Q1 9/30/18	Q2 12/31/18	Q3 3/31/19	Q4 6/30/19	FY 6/30/19	Q1 9/30/19	Q2 12/31/19	Q3 3/31/20	Q4 6/30/20	FY 6/30/20
Earnings before income taxes	\$268	\$224	\$240	\$292	\$1,024	\$258	\$235	\$297	\$395	\$1,185
Interest income	-\$1	\$0	-\$1	-\$1	-\$3	\$0	-\$1	\$0	-\$1	-\$2
Interest expense	\$24	\$24	\$24	\$25	\$97	\$25	\$25	\$24	\$25	\$99
EBIT⁽¹⁾⁽²⁾	\$291	\$248	\$263	\$316	\$1,118	\$283	\$259	\$321	\$419	\$1,282
EBIT margin⁽¹⁾⁽²⁾	18.6%	16.8%	17.0%	19.4%	18.0%	18.8%	17.9%	18.0%	21.1%	19.1%
Net sales	\$1,563	\$1,473	\$1,551	\$1,627	\$6,214	\$1,506	\$1,449	\$1,783	\$1,983	\$6,721

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

(2) In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT and EBIT margin provides useful additional information to investors about trends in the company's operations and is useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

Supplemental Schedule of recast Net Sales and Earnings (Losses) before Income Taxes of the Company's reportable segments for the fiscal years 2020, 2019 and 2018

Fiscal Year 2020								
Net sales ⁽²⁾								
(\$ millions)	Q1		Q2		Q3		Q4	Fiscal Year
	As Reported	As Recast	As Reported	As Recast	As Reported	As Recast	As Reported	As Reported
Segment								
Health and Wellness (Formerly Cleaning) ⁽¹⁾	\$ 562	\$ 633	\$ 501	\$ 575	\$ 671	\$ 736	\$ 805	\$ 2,749
Household ⁽¹⁾	381	361	360	342	500	480	612	1,795
Lifestyle ⁽¹⁾	322	271	347	291	339	294	298	1,154
International	241	241	241	241	273	273	268	1,023
Total Company	\$ 1,506	\$ 1,506	\$ 1,449	\$ 1,449	\$ 1,783	\$ 1,783	\$ 1,983	\$ 6,721
Earnings (Losses) Before Income Taxes ⁽²⁾								
(\$ millions)	Q1		Q2		Q3		Q4	Fiscal Year
	As Reported	As Recast	As Reported	As Recast	As Reported	As Recast	As Reported	As Reported
Segment								
Health and Wellness (Formerly Cleaning) ⁽¹⁾	\$ 178	\$ 170	\$ 147	\$ 134	\$ 231	\$ 210	\$ 252	\$ 766
Household ⁽¹⁾	25	32	37	44	107	114	157	347
Lifestyle ⁽¹⁾	70	71	85	91	66	80	78	320
International	39	39	31	31	36	36	10	116
Corporate	(54)	(54)	(65)	(65)	(143)	(143)	(102)	(364)
Total Company	\$ 258	\$ 258	\$ 235	\$ 235	\$ 297	\$ 297	\$ 395	\$ 1,185

⁽¹⁾ In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

⁽²⁾ Unaudited.

Fiscal Year 2019

Net sales ⁽⁴⁾

(\$ millions)	Q1		Q2		Q3		Q4		Fiscal Year	
	As		As		As		As		As	
	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast
Segment										
Health and Wellness (Formerly Cleaning) ⁽³⁾	\$ 571	\$ 649	\$ 500	\$ 583	\$ 508	\$ 584	\$ 530	\$ 606	\$ 2,109	\$ 2,422
Household ⁽³⁾	442	416	393	368	489	465	546	525	1,870	1,774
Lifestyle ⁽³⁾	309	257	335	277	309	257	312	257	1,265	1,048
International	241	241	245	245	245	245	239	239	970	970
Total Company	\$ 1,563	\$ 1,563	\$ 1,473	\$ 1,473	\$ 1,551	\$ 1,551	\$ 1,627	\$ 1,627	\$ 6,214	\$ 6,214

Earnings (Losses) Before Income Taxes ⁽⁴⁾

(\$ millions)	Q1		Q2		Q3		Q4		Fiscal Year	
	As		As		As		As		As	
	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast
Segment										
Health and Wellness (Formerly Cleaning) ⁽³⁾	\$ 180	\$ 173	\$ 135	\$ 132	\$ 135	\$ 128	\$ 150	\$ 137	\$ 600	\$ 570
Household ⁽³⁾	59	64	46	49	93	97	118	127	316	337
Lifestyle ⁽³⁾	62	64	78	78	51	54	64	68	255	264
International	28	28	25	25	24	24	19	19	96	96
Corporate	(61)	(61)	(60)	(60)	(63)	(63)	(59)	(59)	(243)	(243)
Total Company	\$ 268	\$ 268	\$ 224	\$ 224	\$ 240	\$ 240	\$ 292	\$ 292	\$ 1,024	\$ 1,024

⁽³⁾ In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

⁽⁴⁾ Unaudited, with the exception of the fiscal year as reported amounts.

Fiscal Year 2018

Net sales ⁽⁶⁾										
(\$ millions)	Q1		Q2		Q3		Q4		Fiscal Year	
	As		As		As		As		As	
Segment	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast
Health and Wellness (Formerly Cleaning) ⁽⁵⁾	\$ 559	\$ 586	\$ 472	\$ 502	\$ 513	\$ 538	\$ 516	\$ 597	\$ 2,060	\$ 2,223
Household ⁽⁵⁾	441	414	410	380	493	468	615	587	1,959	1,849
Lifestyle ⁽⁵⁾	246	246	268	268	252	252	311	258	1,077	1,024
International	254	254	266	266	259	259	249	249	1,028	1,028
Total Company	\$ 1,500	\$ 1,500	\$ 1,416	\$ 1,416	\$ 1,517	\$ 1,517	\$ 1,691	\$ 1,691	\$ 6,124	\$ 6,124

Earnings (Losses) Before Income Taxes ⁽⁶⁾										
(\$ millions)	Q1		Q2		Q3		Q4		Fiscal Year	
	As		As		As		As		As	
Segment	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast	Reported	As Recast
Health and Wellness (Formerly Cleaning) ⁽⁵⁾	\$ 172	\$ 170	\$ 121	\$ 119	\$ 135	\$ 129	\$ 146	\$ 132	\$ 574	\$ 550
Household ⁽⁵⁾	73	75	54	56	88	94	155	159	370	384
Lifestyle ⁽⁵⁾	64	64	69	69	55	55	55	65	243	253
International	23	23	23	23	23	23	15	15	84	84
Corporate	(53)	(53)	(40)	(40)	(59)	(59)	(65)	(65)	(217)	(217)
Total Company	\$ 279	\$ 279	\$ 227	\$ 227	\$ 242	\$ 242	\$ 306	\$ 306	\$ 1,054	\$ 1,054

⁽⁵⁾ In the fourth quarter of fiscal year 2020, the Digestive Health and Dietary Supplements business units were combined into a new Vitamins, Minerals and Supplements business unit, and the Laundry and Home Care business units were combined to create the Cleaning business unit. These newly established business units, along with the Professional Products business unit, now make up the new Health and Wellness reportable segment. Historical segment financial information presented has been recast to reflect this change.

⁽⁶⁾ Unaudited, with the exception of the fiscal year as reported amounts.