ModernGraham Valuation

Company Name:

Company Ticker CLX Date of Analysis

Clorox Co



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

9/10/2015

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at	Pass
5. Earnings Growth	beginning and end	Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

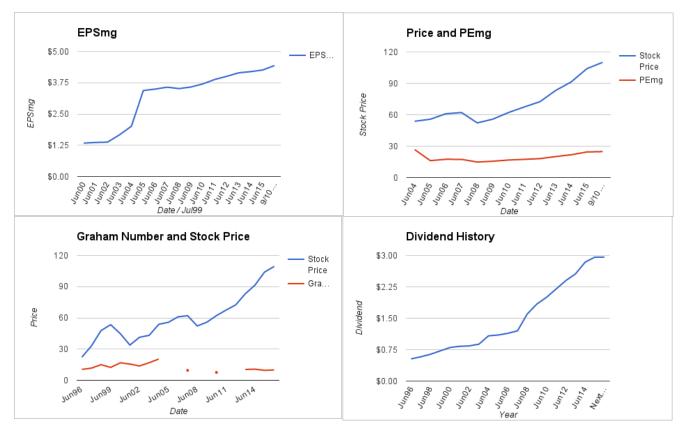
Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

-	EPSmg	\$4.44	
	MG Growth Estimate	1.61%	
	MG Value	\$52.00	
	MG Value based on 3% Growth	\$64.34	
	MG Value based on 0% Growth	\$37.72	
	Market Implied Growth Rate	8.15%	
MG Opinion			
	Current Price	\$110.03	
	% of Intrinsic Value	211.59%	
	Opinion	Overvalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	-\$19.85	
	Graham Number	\$9.91	
	PEmg	24.80	
	Current Ratio	1.02	
	PB Ratio	122.93	
	Dividend Yield	2.69%	
	Number of Consecutive Years of Dividend Growth	20	
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.74	Next Fiscal Year Estimate	\$4.44
Jun15	\$4.37	Jun15	\$4.26
Jun14	\$4.23	Jun14	\$4.19
Jun13	\$4.30	Jun13	\$4.15
Jun12	\$4.09	Jun12	\$4.01
Jun11	\$4.02	Jun11	\$3.88
Jun10	\$4.24	Jun10	\$3.71
Jun09	\$3.81	Jun09	\$3.58
Jun08	\$3.24	Jun08	\$3.51
Jun07	\$3.26	Jun07	\$3.57
Jun06	\$2.90	Jun06	\$3.50
Jun05	\$6.11	Jun05	\$3.44
Jun04	\$2.56	Jun04	\$2.01
Jun03	\$2.23	Jun03	\$1.67
Jun02	\$1.37	Jun02	\$1.38
Jun01	\$1.35	Jun01	\$1.36
Jun00	\$1.64	Jun00	\$1.34
Jun99	\$1.03	Balance Sheet Information	Jun15
Jun98	\$1.41	Total Current Assets	\$1,429,000,000
Jun97	\$1.21	Total Current Liabilities	\$1,405,000,000
Jun96	\$1.07	Long-Term Debt	\$1,796,000,000
		Total Assets	\$4,164,000,000
		Intangible Assets	\$1,652,000,000
		Total Liabilities	\$4,046,000,000
		Shares Outstanding (Diluted Average)	131,834,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

 Other
 23 Companies to Research This Week – 9/13/14

 ModernGraham
 Clorox Company Annual Stock Valuation – 2014 \$CLX

Other ModernGraham posts about related companies National Presto Industries Analysis – July 2015 Update \$NPK National Presto Industries Inc. Quarterly Valuation – March 2015 \$NPK National Presto Industries Inc. Quarterly Valuation – December 2014 \$NPK Leggett & Platt Inc. Annual Valuation – 2014 \$LEG Newell Rubbermaid Inc. Annual Valuation – 2014 \$NWL National Presto Industries Quarterly Stock Valuation – September 2014 \$NPK Leggett & Platt Inc. Quarterly Valuation – September 2014 \$LEG Clorox Company Annual Stock Valuation – 2014 \$CLX National Presto Industries Quarterly Valuation – June 2014 \$NPK Leggett & Platt Inc. Quarterly Valuation – June 2014 \$NPK Leggett & Platt Inc. Quarterly Valuation – June 2014 \$NPK