

ModernGraham Valuation

Company Name:

Clorox Co

Company Ticker CLX

Date of Analysis

1/28/2017



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

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

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$15,535,313,894	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.93	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	29.10%	Fail
6. Moderate PEmg Ratio	PEmg < 20	25.15	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	55.11	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	0.93	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-16.88	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.79
MG Growth Estimate	2.33%
MG Value	\$63.04
MG Value based on 3% Growth	\$69.46
MG Value based on 0% Growth	\$40.72
Market Implied Growth Rate	8.33%

MG Opinion

Current Price	\$120.49
% of Intrinsic Value	191.14%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.89
Graham Number	\$16.25
PEmg	25.15
Current Ratio	0.93
PB Ratio	55.11
Current Dividend	\$3.11
Dividend Yield	2.58%
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	\$5.26	Next Fiscal Year Estimate	\$4.79
Jun2016	\$4.92	Jun2016	\$4.50
Jun2015	\$4.37	Jun2015	\$4.26
Jun2014	\$4.23	Jun2014	\$4.19
Jun2013	\$4.30	Jun2013	\$4.15
Jun2012	\$4.09	Jun2012	\$4.00
Jun2011	\$4.02	Jun2011	\$3.88
Jun2010	\$4.24	Jun2010	\$3.70
Jun2009	\$3.79	Jun2009	\$3.57
Jun2008	\$3.24	Jun2008	\$3.51
Jun2007	\$3.26	Jun2007	\$3.57
Jun2006	\$2.90	Jun2006	\$3.50
Jun2005	\$6.11	Jun2005	\$3.44
Jun2004	\$2.56	Jun2004	\$2.01
Jun2003	\$2.23	Jun2003	\$1.67
Jun2002	\$1.37	Jun2002	\$1.38
Jun2001	\$1.35	Jun2001	\$1.37
Jun2000	\$1.64	Balance Sheet Information 9/1/2016	
Jun1999	\$1.03	Total Current Assets	\$1,416,000,000
Jun1998	\$1.43	Total Current Liabilities	\$1,522,000,000
Jun1997	\$1.25	Long-Term Debt	\$1,789,000,000
		Total Assets	\$4,466,000,000
		Intangible Assets	\$1,929,000,000
		Total Liabilities	\$4,177,000,000
		Shares Outstanding (Diluted Average)	132,193,000





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 ModernGraham posts about the company

- [Clorox Company Analysis – September 2015 Update \\$CLX](#)
- [23 Companies to Research This Week – 9/13/14](#)
- [Clorox Company Annual Stock Valuation – 2014 \\$CLX](#)

Other ModernGraham posts about related companies

- [Select Comfort Corp Valuation – Initial Coverage \\$SCSS](#)
- [Leggett & Platt Inc Valuation – August 2016 \\$LEG](#)
- [National Presto Industries Inc Valuation – July 2016 \\$NPK](#)
- [Leggett & Platt Inc Stock Valuation – February 2016 \\$LEG](#)
- [National Presto Industries Valuation – January 2016 Update \\$NPK](#)
- [Newell Rubbermaid Inc. Valuation – October 2015 Update \\$NWL](#)
- [National Presto Industries Inc. Valuation – October 2015 Update \\$NPK](#)
- [Clorox Company Analysis – September 2015 Update \\$CLX](#)
- [National Presto Industries Analysis – July 2015 Update \\$NPK](#)
- [National Presto Industries Inc. Quarterly Valuation – March 2015 \\$NPK](#)