

ModernGraham Valuation

Company Name:

Clorox Co

Company Ticker CLX

Date of Analysis

3/2/2019



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	\$20,224,279,591	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	44.05%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	27.45	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	27.67	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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.77	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	\$5.75
MG Growth Estimate	5.25%
MG Value	\$109.28
MG Value based on 3% Growth	\$83.37
MG Value based on 0% Growth	\$48.87
Market Implied Growth Rate	9.47%

MG Opinion

Current Price	\$157.80
% of Intrinsic Value	144.40%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.80
Graham Number	\$28.13
PEmg	27.45
Current Ratio	1.15
PB Ratio	27.67
Current Dividend	\$3.48
Dividend Yield	2.21%
Number of Consecutive Years of Dividend Growth	20

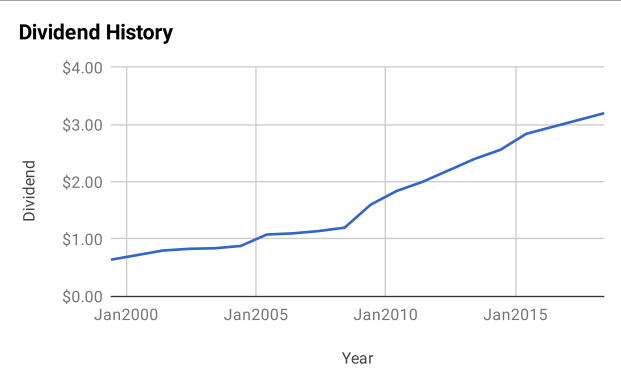
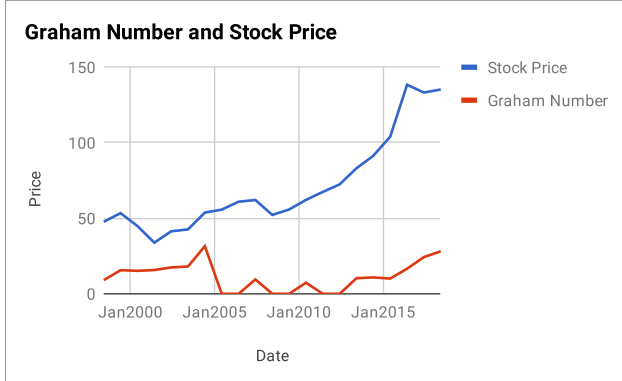
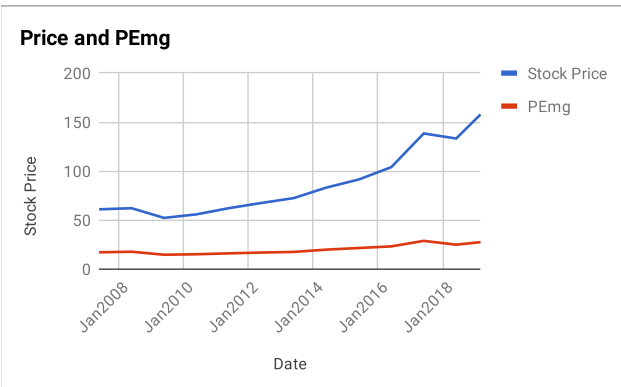
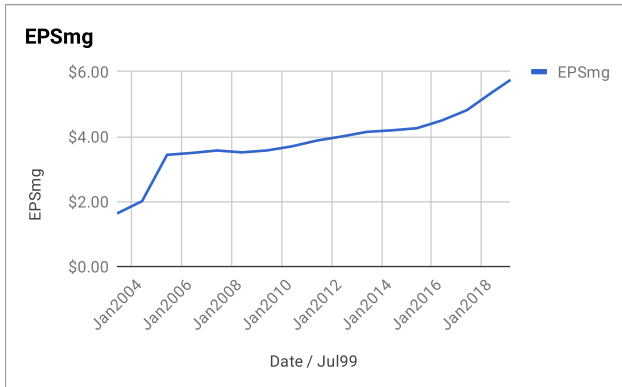
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.20	Next Fiscal Year Estimate	\$5.75
Jun2018	\$6.26	Jun2018	\$5.36
Jun2017	\$5.33	Jun2017	\$4.81
Jun2016	\$4.92	Jun2016	\$4.50
Jun2015	\$4.37	Jun2015	\$4.26
Jun2014	\$4.23	Jun2014	\$4.19
Jun2013	\$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	\$1.63
Jun2002	\$1.37	Balance Sheet Information 12/1/2018	
Jun2001	\$1.35	Total Current Assets	\$1,365,000,000
Jun2000	\$1.64	Total Current Liabilities	\$1,186,000,000
Jun1999	\$0.52	Long-Term Debt	\$2,285,000,000
		Total Assets	\$5,073,000,000
		Intangible Assets	\$2,505,000,000
		Total Liabilities	\$4,331,000,000
		Shares Outstanding (Diluted Average)	130,094,000





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 Co Valuation – May 2018 \\$CLX](#)
 - [Clorox Company Valuation – January 2017 \\$CLX](#)
 - [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**
- [Kimberly-Clark Corp Valuation – January 2019 \\$KMB](#)
 - [Newell Brands Inc Valuation – January 2019 \\$NWL](#)
 - [Sleep Number Corp Valuation – July 2018 \\$SNBR](#)
 - [National Presto Industries Inc Valuation – June 2018 \\$NPK](#)
 - [Leggett & Platt Inc Valuation – June 2018 \\$LEG](#)
 - [Clorox Co Valuation – May 2018 \\$CLX](#)
 - [Newell Brands Inc Valuation – March 2018 \\$NWL](#)
 - [La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
 - [Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)
 - [Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)