

# GOLDMAN SACHS GLOBAL STAPLES FORUM



May 17, 2022

# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements, including, among others, statements relating to net sales and earnings growth; the impact of the COVID-19 pandemic and the Company's response; gross margin changes; trade, marketing, and SG&A spending; sufficiency of cash flows from operations; earnings per share; cost savings programs; consumer demand and spending; the effects of competition; the effect of product mix; volume growth, including the effects of new product launches into new and existing categories; the impact of acquisitions (including earn-outs); and capital expenditures. Other forward-looking statements in this release may be identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate," "to be," "to make" or other comparable terms. These statements represent the intentions, plans, expectations and beliefs of the Company, and are based on assumptions that the Company believes are reasonable but may prove to be incorrect. In addition, these statements are subject to risks, uncertainties and other factors, many of which are outside the Company's control and could cause actual results to differ materially from such forward-looking statements. Factors that could cause such differences include a decline in market growth, retailer distribution and consumer demand (as a result of, among other things, political, economic and marketplace conditions and events); including those relating to the outbreak of contagious diseases; other impacts of the COVID-19 pandemic and its impact on the Company's operations, customers, suppliers, employees, and other constituents, and market volatility and impact on the economy (including causing recessionary conditions), resulting from global, nationwide or local or regional outbreaks or increases in infections, new variants, and the risk that the Company will not be able to successfully execute its response plans with respect to the pandemic or localized outbreaks and the corresponding uncertainty; the impact of regulatory changes or policies associated with the COVID-19 pandemic, including continuing or renewed shutdowns of retail and other businesses in various jurisdictions the impact of the global economy and the military conflict between Russia and Ukraine including the impact of export controls and other economic sanctions; the impact of continued shifts in consumer behavior, including accelerating shifts to online shopping; unanticipated increases in raw material and energy prices or other inflationary pressures including as a result of the military conflict between Russia and Ukraine; delays and increased costs in manufacturing or distribution; increases in transportation costs; labor shortages; the impact of price increases for our products; the impact of supply chain disruptions; the impact of inclement weather on raw material and transportation costs; adverse developments affecting the financial condition of major customers and suppliers; changes in marketing and promotional spending; growth or declines in various product categories and the impact of customer actions in response to changes in consumer demand and the economy, including increasing shelf space of private label products; consumer and competitor reaction to, and customer acceptance of, new product introductions and features; the Company's ability to maintain product quality and characteristics at a level acceptable to our customers and consumers; disruptions in the banking system and financial markets; foreign currency exchange rate fluctuations; implications of the United Kingdom's withdrawal from the European Union; transition to, and shifting economic policies in the United States; potential changes in export/import and trade laws, regulations and policies of the United States and other countries, including any increased trade restrictions or tariffs, including the actual and potential effect of tariffs on Chinese goods imposed by the United States; increased or changing regulation regarding the Company's products in the United States and other countries where it or its suppliers operate; market volatility; issues relating to the Company's information technology and controls; the impact of natural disasters, including those related to climate change, on the Company and its customers and suppliers, including third party information technology service providers; the integration of acquisitions or divestiture of assets; the outcome of contingencies, including litigation, pending regulatory proceedings and environmental matters; and changes in the regulatory environment.

For a description of additional factors that could cause actual results to differ materially from the forward-looking statements, please see Item 1A, "Risk Factors" in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the U.S. federal securities laws. You are advised, however, to consult any further disclosures the Company makes on related subjects in its filings with the United States Securities and Exchange Commission.

This presentation also contains non-GAAP financial measures such as Organic Sales Growth, Adjusted Gross Margin, Adjusted SG&A, Cash from Operations, and Adjusted EPS, which differ from reported results using Generally Accepted Accounting Principles (GAAP). The most directly comparable GAAP financial measures and reconciliations to non-GAAP financial measures are set forth in the Appendix hereto and in the Company's filings with the Securities and Exchange Commission.

# CHURCH & DWIGHT

## EVERGREEN MODEL



<b>Organic Sales Growth</b>	<b>+3%</b>
<b>Gross Margin</b>	<b>+25 bps</b>
<b>Marketing</b>	<b>FLAT</b>
<b>SG&amp;A</b>	<b>-25 bps</b>
<b>Operating Margin</b>	<b>+50 bps</b>
<b>EPS Growth</b>	<b>+8%</b>



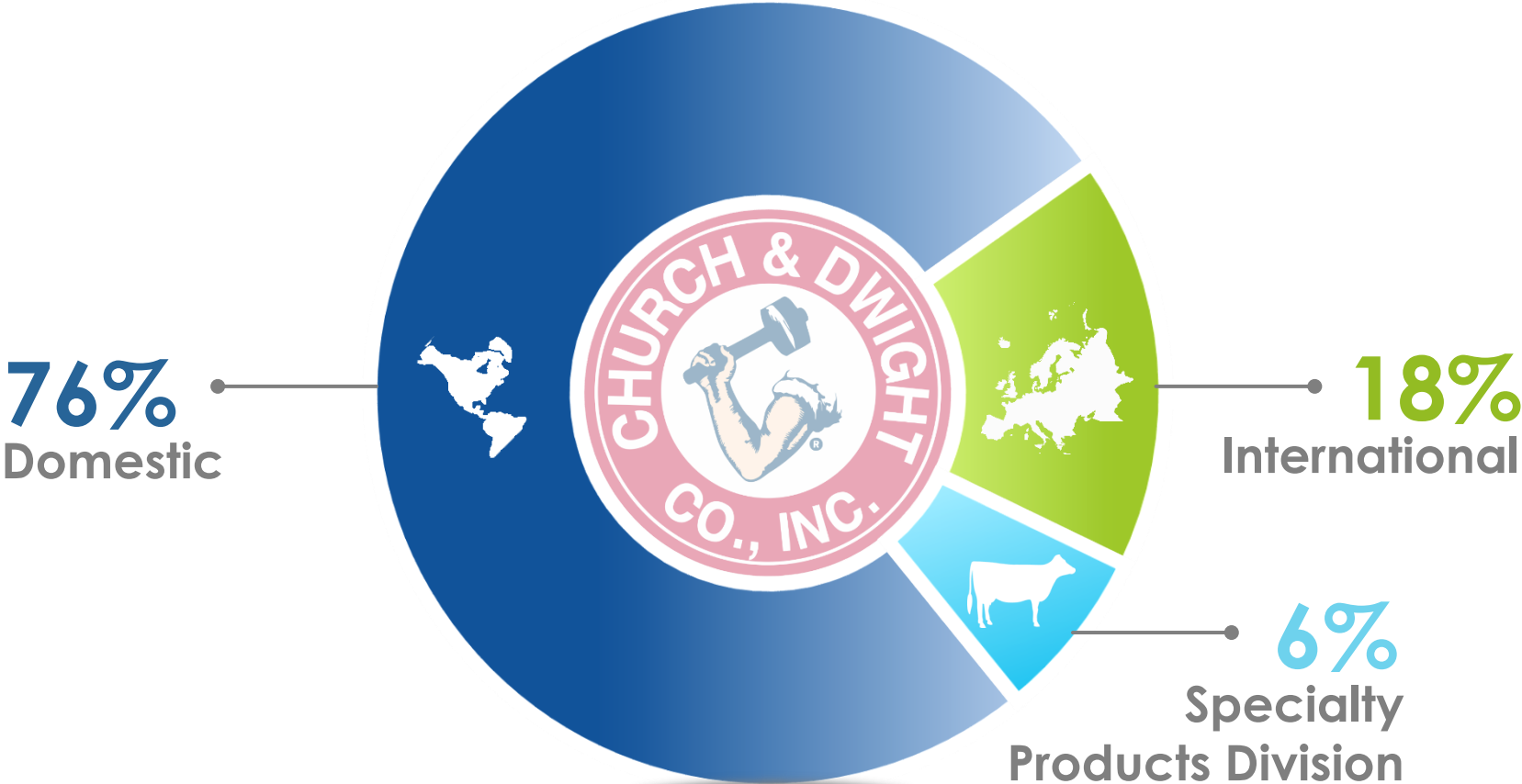
# ORGANIC SALES

## EVERGREEN MODEL



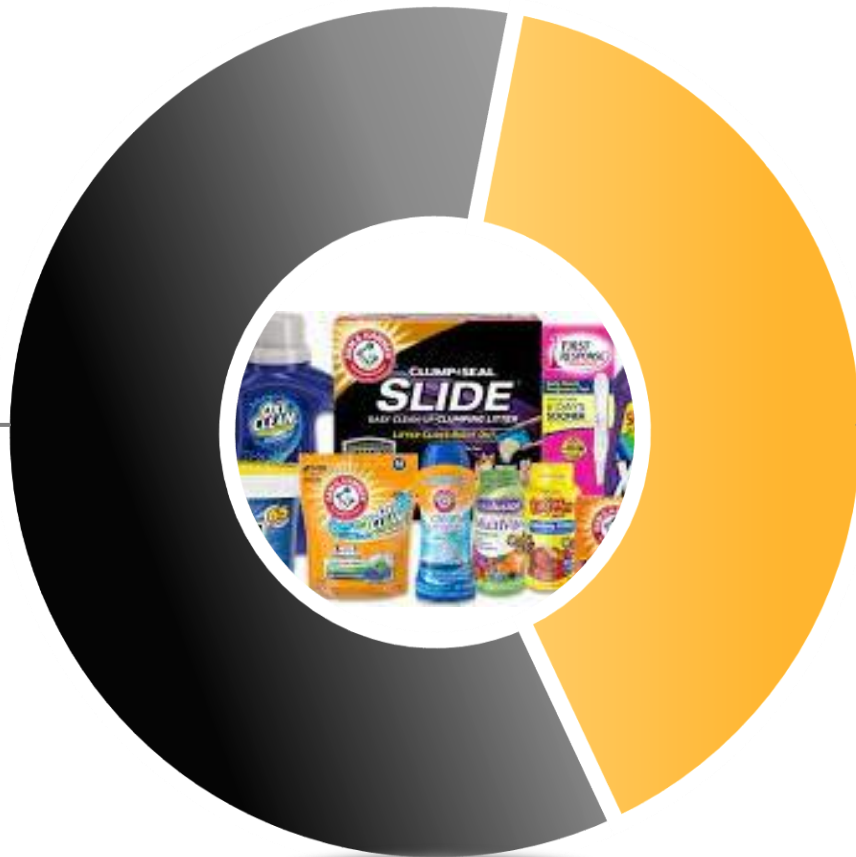
<b>Domestic</b>	<b>2.0%</b>
<b>International</b>	<b>6.0%</b>
<b>SPD</b>	<b>5.0%</b>
<hr/>	
<b>Total Organic Sales</b>	<b>+3.0%</b>

# CHURCH & DWIGHT'S BUSINESS SEGMENTS



# DIVERSIFIED PRODUCT PORTFOLIO

**60%**  
Premium



**40%**  
Value



# POWER BRANDS

# THESE 14 BRANDS DRIVE OUR RESULTS

*more than*

**80%**

of sales & profits are  
represented by these

**14 POWER BRANDS**



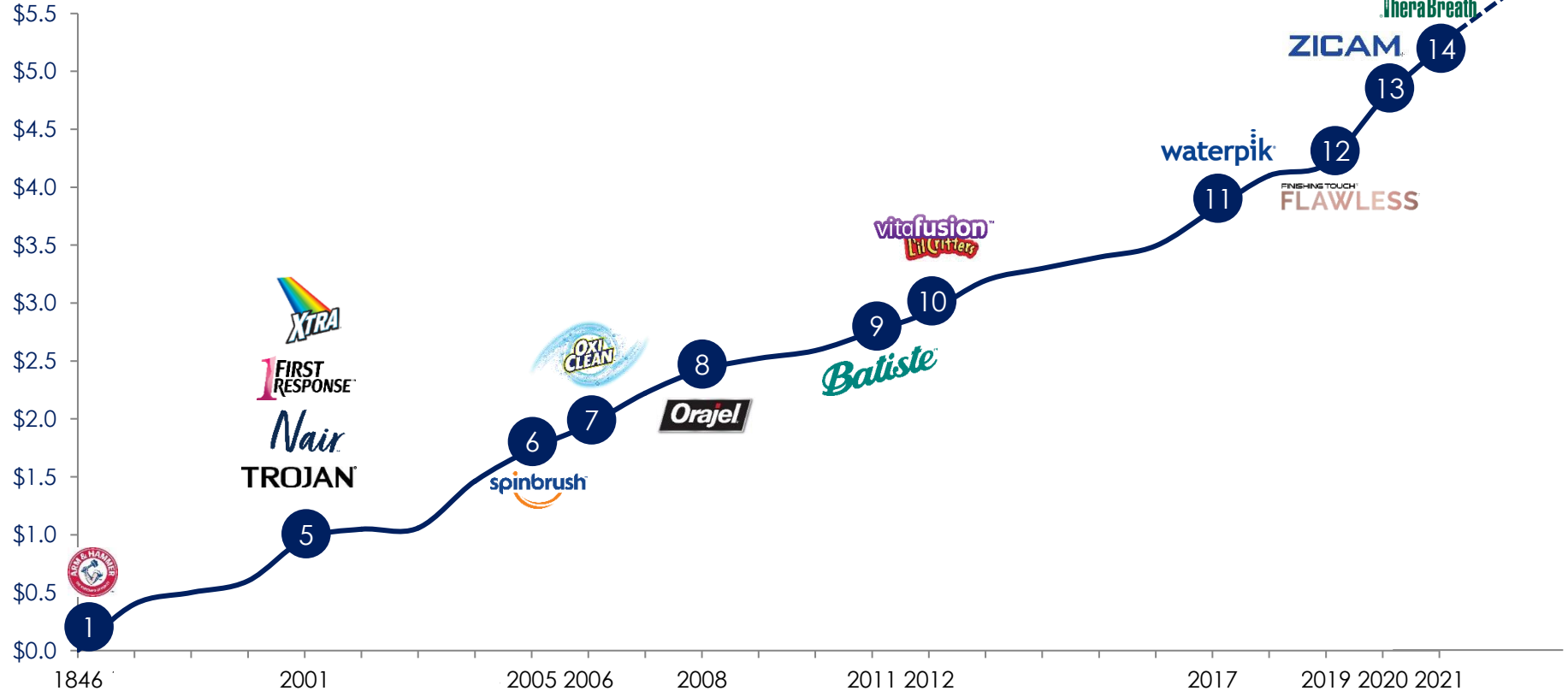


# ACQUIRED 13 OF OUR 14 POWER BRANDS SINCE 2001



# 14 POWER BRANDS TODAY, 20 TOMORROW

Net Sales (Billions)

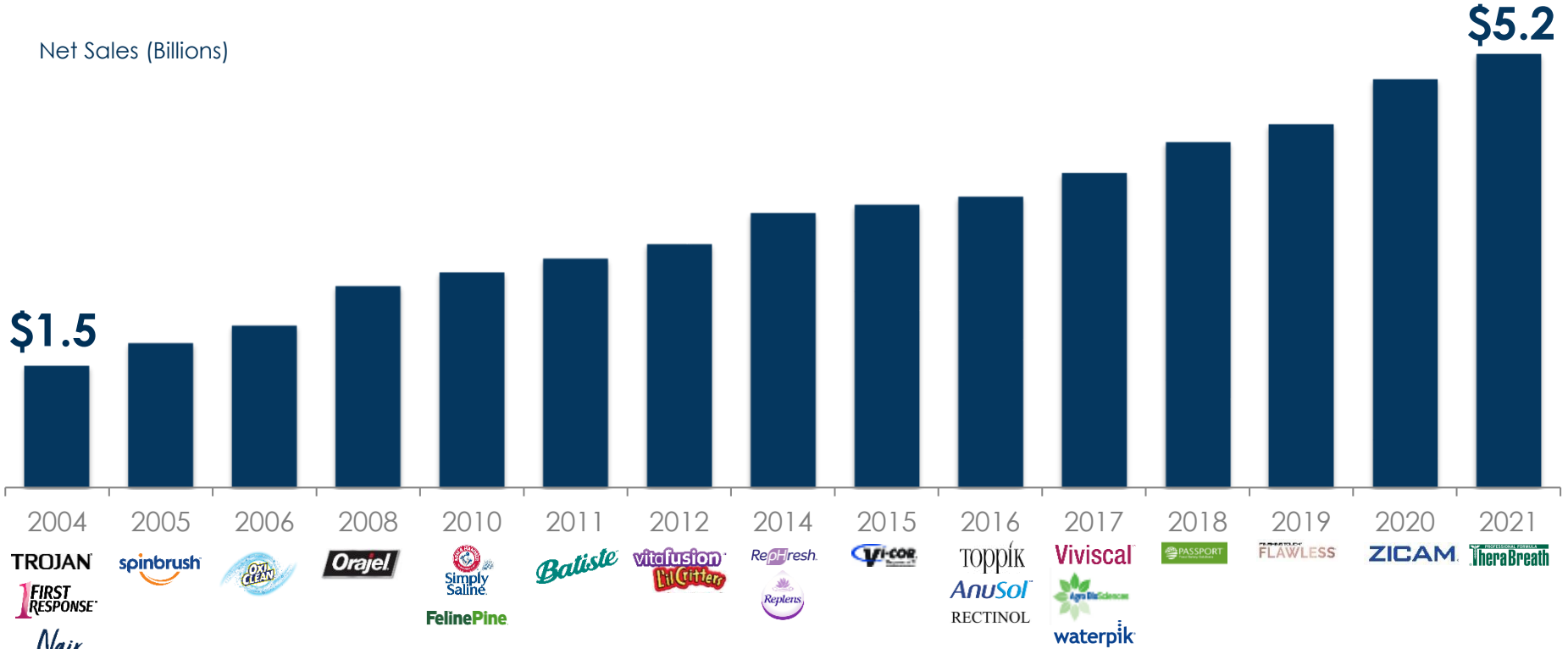


Note: Trojan, Nair and First Response acquired in two parts – 2001 and 2004.



# LONG HISTORY OF GROWTH THROUGH ACQUISITIONS

Net Sales (Billions)



Note: Trojan, Nair and First Response acquired in two parts – 2001 and 2004.



# WE HAVE CLEAR ACQUISITION CRITERIA



primarily #1 or  
#2 share brands



higher growth, higher  
margin brands



asset light



leverage C&D  
manufacturing, logistics  
and purchasing



deliver sustainable  
competitive advantage

PROFESSIONAL FORMULA

# TheraBreath



Everyone suffers from morning breath. **Best Solution?** Brushing, flossing, and rinsing with an **alcohol-free mouthwash**, such as TheraBreath, that targets sulfur producing bacteria and prevents recurring bad breath for 12 hours.





How We  
Run the  
**Company**

# WE HAVE FIVE OPERATING PRINCIPLES



1

Leverage Brands



2

Friend of the Environment



3

Leverage People

Highly productive people in a place where people matter



4

Leverage Assets

Asset Light



5

Leverage Acquisitions

GOOD shareholder returns become GREAT shareholder returns



# FRIEND OF THE ENVIRONMENT



1888

Company introduces **pro-environmental** wall charts and trading cards as product promotion.



1907

Company institutes the use of **recycled paperboard** to package household products.



1970s

Sole sponsor of **first Earth Day**.  
Launches **first non-polluting, phosphate-free laundry detergent**.



2017

Partnering with the **Arbor Day Foundation** to plant millions of trees in the Mississippi River Valley.



2018

**100%** of global electricity demand offset by green energy.



2021

Commitment to **Science Based Targets**





# ENVIRONMENTAL GOALS

## AIR



**100%** carbon neutral  
via offsets by 2025

Committed to 1.5°C  
**science-based targets**  
over the next 10 years for  
scope 1 and 2\*

## WATER



**10%** reduction of  
water use annually\*\*

## SOLID WASTE



**75%** recycling rate

\* Well below 2°C for scope 3

\*\* Normalized

# ESG RECOGNITION





# Financials

# FIRST QUARTER 2022 HIGHLIGHTS

**Organic Sales Growth** **+2.7%** [ Domestic: +2.7%  
International: +0.3%  
SPD: +9.2%

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**Gross Margin** **42.6%, -190 bps**

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**Marketing %** **7.9%, -10 bps**

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**Adjusted SG&A** **13.1%, -50 bps**

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**Adjusted EPS Growth** **flat**

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**Cash From Operations** **\$153MM**

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# 2022 OUTLOOK

**Reported Sales Growth** +5-8%

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**Organic Sales Growth** +3-6%

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**Gross Margin** down

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**Effective Tax Rate** ~23%

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**Adjusted EPS Growth** ~+4%

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**Cash From Operations** ~\$920mm

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# PRIORITIZED USES OF FREE CASH FLOW

1

TSR-Accretive M&A

2

Capex For Organic Growth & G2G

3

New Product Development

4

Debt Reduction

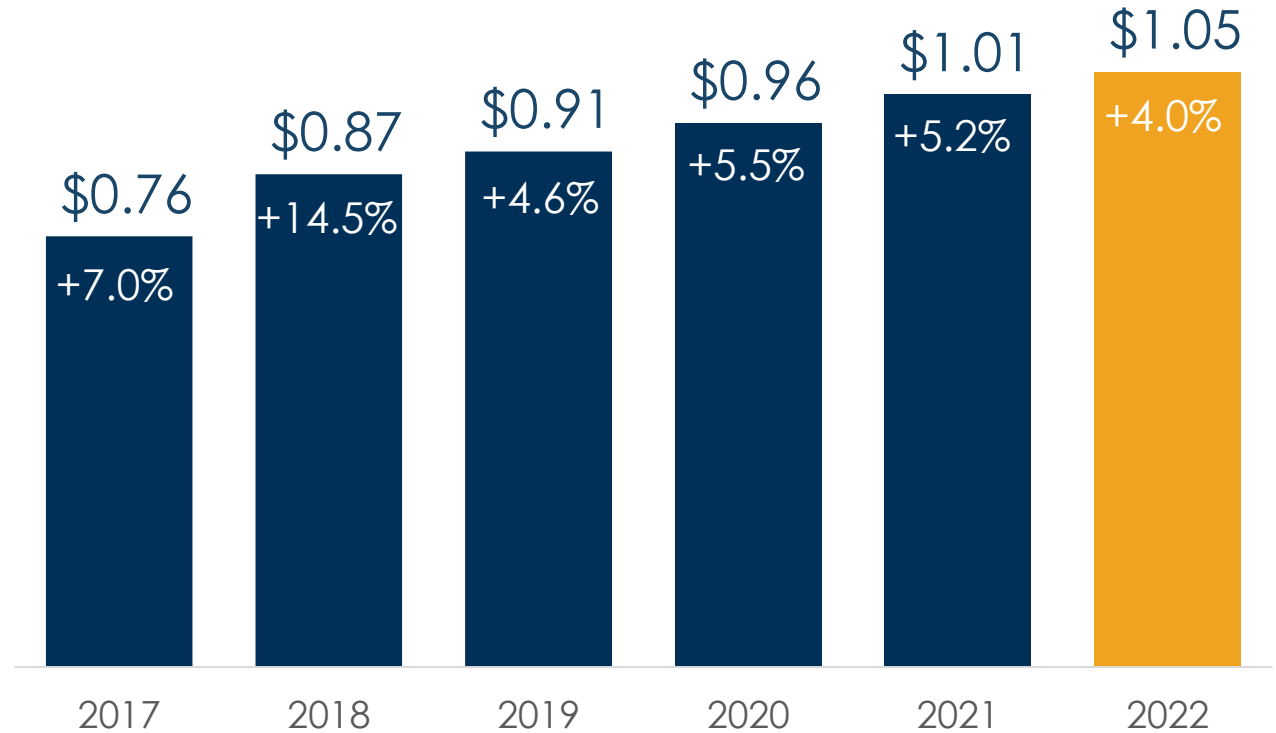
5

Return Of Cash To Shareholders



# 4.0% DIVIDEND INCREASE IN 2022

**121**  
consecutive  
**years** of  
dividends





# Reconciliations

[www.churchdwight.com](http://www.churchdwight.com)



# RECONCILIATION OF NON-GAAP MEASURES

## **Church & Dwight Co., Inc.'s Reconciliation of Non-GAAP Measures:**

The following pages provide definitions of the non-GAAP measures used in this presentation and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures. These non-GAAP financial measures should not be considered in isolation from or as a substitute for the comparable GAAP measures, but rather as supplemental information to more fully understand our business results. The following non-GAAP measures may not be the same as similar measures provided by other companies due to differences in methods of calculation and items and events being excluded.

The measures provided are (1) Organic Sales Growth, (2) Adjusted Gross Margin, (3) Adjusted SG&A, and (4) Adjusted EPS. We believe these measures provide useful perspective of underlying business trends and results and provide a more comparable measure of year over year results.



# RECONCILIATION OF NON-GAAP MEASURES

## ORGANIC SALES GROWTH

The presentation provides information regarding organic sales growth, namely net sales growth excluding the effect of acquisitions, divestitures and foreign exchange rate changes, from year-over-year comparisons. Management believes that the presentation of organic sales growth is useful to investors because it enables them to assess, on a consistent basis, sales trends related to products that were marketed by the Company during the entirety of relevant periods, without the effect of changes that are out of the control of, or do not reflect the performance of, management.

### TOTAL COMPANY

Year	Reported	FX	Acquisitions & Divestitures	Discontinued Operations	System Upgrade	Calendar / Other	Shipping Terms	Organic
1Q22	4.7%	0.3%	2.3%	0.0%	0.0%	0.0%	0.0%	2.7%
2021	6.0%	-0.9%	0.8%	0.0%	0.0%	0.0%	0.0%	4.3%



# RECONCILIATION OF NON-GAAP MEASURES

## ADJUSTED SG&A

This presentation discloses the Company's SG&A expenses as a percent of net sales. Adjusted SG&A, as used in this presentation, is defined as selling, general and administrative expenses excluding significant one-time items that are not indicative of the Company's period-to-period performance. We believe that this metric further enhances investors' understanding of the Company's year-over-year expenses, excluding certain significant one-time items. These excluded items are as follows:

2021: Excludes a \$98.0 million positive impact from the FLAWLESS acquisition earn-out estimate

1Q22: No adjustment



# RECONCILIATION OF NON-GAAP MEASURES

## ADJUSTED EPS

This presentation discloses reported EPS excluding the following, namely, earnings per share calculated in accordance with GAAP adjusted to exclude significant one-time items that are not indicative of the Company's period-to-period performance. We believe that this metric provides investors a useful perspective of underlying business trends and results and provides useful supplemental information regarding our year-over-year earnings per share growth. The excluded items are as follows:

2021: Excludes a \$0.30 per share positive impact from the FLAWLESS acquisition earn-out estimate.

1Q22: No adjustment

