April 29, 2021




# ANNUAL SHAREHOLDERS' MEETING 2021

## CHURCH & DWIGHT CO., INC.

# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements, including, among others, statements relating to net sales and earnings growth; gross margin changes; trade and marketing spending; marketing expense as a percentage of net sales; 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 decline in the condom category, the impact of foreign exchange and commodity price fluctuations; the impact of acquisitions and divestitures; capital expenditures; the impact of pension settlement charges; the impact of U.S. tax reform and the Company's effective tax rate. 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, 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 CARES Act and other governmental actions; unanticipated increases in raw material and energy prices; delays or other problems in manufacturing or distribution; increases in 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; issues relating to the Company's information technology and controls; the impact of natural disasters on the Company and its customers and suppliers, including third party information technology service providers; the acquisition 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, Adjusted Operating Profit Margin, Adjusted EPS and Free Cash Flow Conversion 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.

# 2020 was another **solid year.** We have **confidence** in our future.



Evergreen model is healthy



Digitally savvy



Consistent innovation



Steady US growth ahead



Sustainable High International Growth Rate



Strong 2021 Outlook

# CHURCH & DWIGHT:
# Who We Are



We Started with

# ARM & HAMMER

Baking Soda



# WE ARE A **$4.9 BILLION** COMPANY




## Fabric Care




## Health & Well-Being




## Home Care




## Personal Care




## Specialty Hair Care



## Waterpik








































# 13 POWER BRANDS

# THESE 13 BRANDS DRIVE OUR RESULTS

*more than*

**80%**

of sales & profits are represented by these

**13 POWER BRANDS**

# ACQUIRED 12 OF OUR 13 POWER BRANDS SINCE 2001

**Acquired 2001**
TROJAN
#1 CONDOM

**Acquired 2001**
XTRA
#1 EXTREME VALUE LAUNDRY DETERGENT

**Acquired 2001**
FIRST RESPONSE
#1 PREGNANCY KIT

**Acquired 2001**
Nair
#1 DEPILATORY

**Acquired 2005**
spinbrush
#2 BATTERY POWERED TOOTHBRUSH

**Acquired 2006**
OXI CLEAN
#1 LAUNDRY ADDITIVE

**Acquired 2008**
Orajel
#1 ORAL CARE PAIN RELIEF

**Acquired 2011**
Batiste
#1 DRY SHAMPOO

**Acquired 2012**
vitafusion
L'il Critters
#1 ADULT & KIDS GUMMY VITAMIN

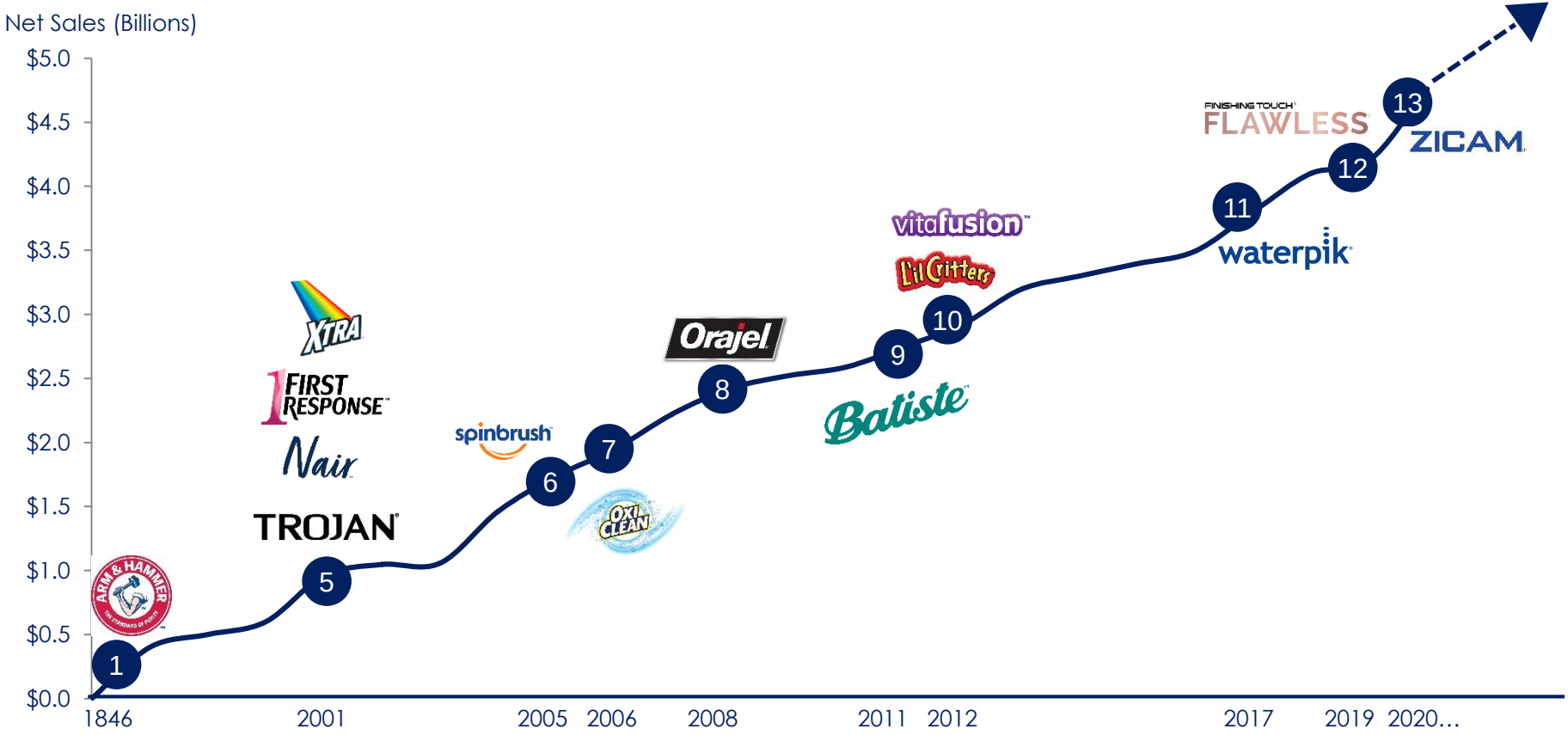
**Acquired 2017**
waterpik
#1 POWER FLOSSER, #1 REPLACEMENT SHOWERHEAD

**Acquired 2019**
FINISHING TOUCH FLAWLESS
#1 WOMEN'S ELECTRIC HAIR REMOVAL SYSTEM

**Acquired 2020**
ZICAM
#1 ADULT COLD SHORTENING

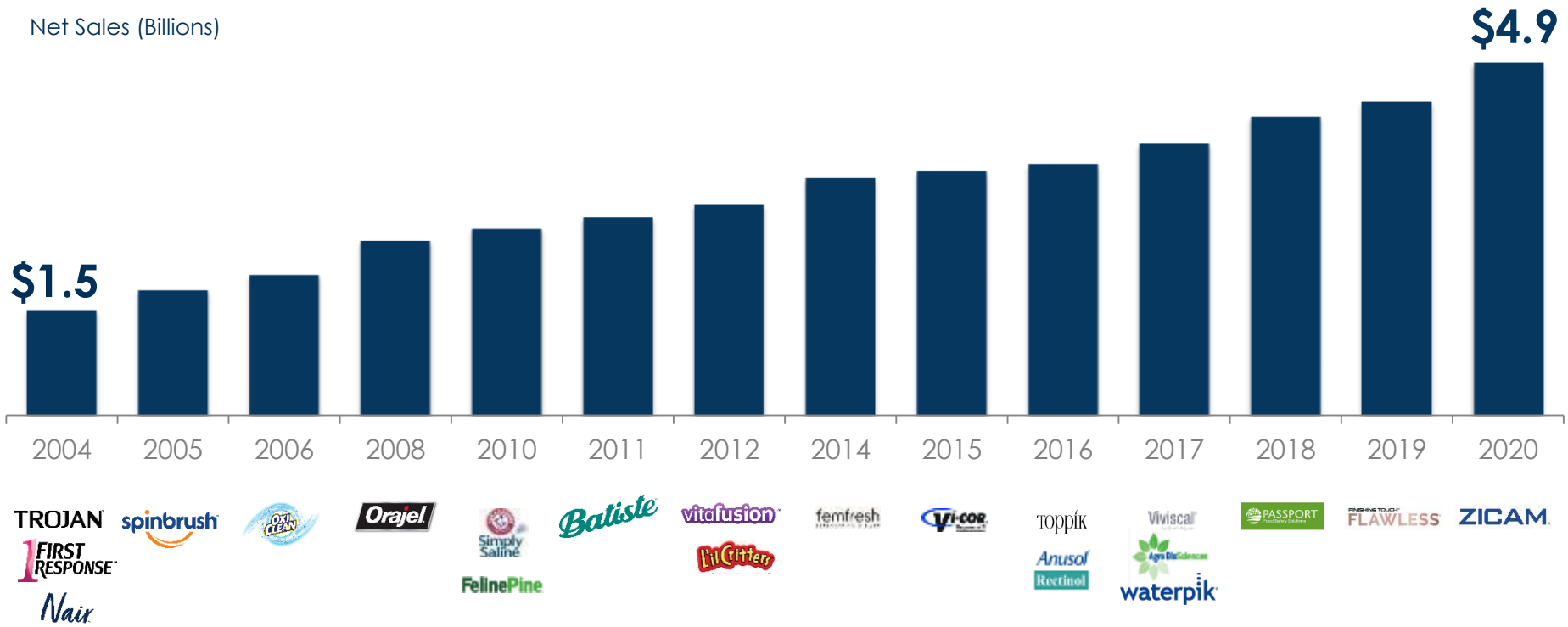
Source: Nielsen 12/28/20

# 13 POWER BRANDS TODAY, 20 TOMORROW




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

# LONG HISTORY OF GROWTH THROUGH ACQUISITIONS




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 CHD manufacturing, logistics and purchasing



Deliver sustainable competitive advantage




# How We Run the Company

# EVERGREEN MODEL

| | TSR Model |
|---|---|
| Organic Net Sales Growth | **3.0%** |
| Gross Margin | +25 bps |
| Marketing | FLAT |
| SG&A | -25 bps |
| Operating Margin Δ | +50 bps |
| EPS Growth | **8%** |

# ORGANIC SALES EVERGREEN MODEL

| | |
|---|---|
| Domestic | 2.0% |
| International | 6.0% |
| SPD | 5.0% |
| **Total Organic Sales** | **+3.0%** |

# 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

# 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 & 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**.

# FRIEND OF THE ENVIRONMENT



## 2016

**50%** of global electricity demand supplied by renewable energy sources.

Green-e

## 2018

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

## 2020

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

Arbor Day Foundation

# ENVIRONMENTAL GOALS



*Water: to reduce water and/or wastewater by* **25%** *by 2022**




*Solid waste: to increase solid waste recycling rate to* **75%** *by the end of 2021.*



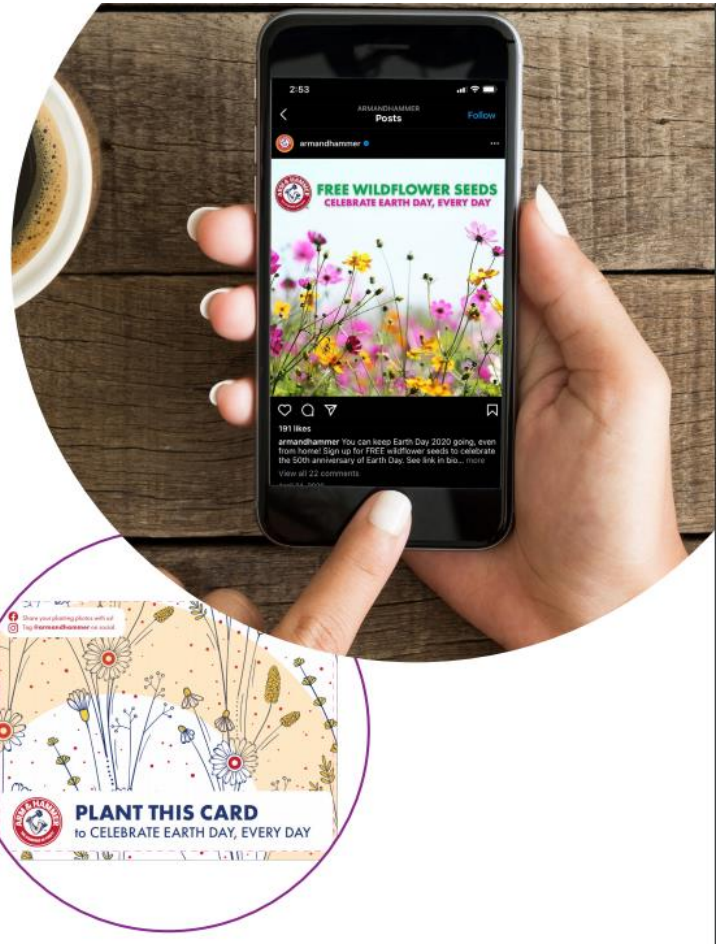

*Air: to achieve* **100%** ***carbon neutral*** *status for all global operations by end of 2025.*

** using 2016 as a baseline.*

# EARTH DAY 2020 – MAKING AN IMPACT, SAFELY

50 YEARS | EARTH DAY 2020

**Each individual doing something small is doing something for the greater good of all.**




- Over 20 thousand **pine tree seedlings** mailed to consumers' homes
- Over 150 thousand **wildflower seed cards** sent to homes

# ESG RECOGNITION

FTSE4Good

EPA GREEN POWER PARTNER

**2020**
NATIONAL
TOP 100

AMERICA'S MOST RESPONSIBLE COMPANIES 2021
Newsweek
statista



# Financials

# FULL YEAR 2020 HIGHLIGHTS

| | |
|---|---|
| Organic Sales Growth | +9.6% |
| Gross Margin | 45.2%, -30 bps |
| Marketing % | 12.1%, +30 bps |
| Adjusted SG&A | 14.1%, -10 bps |
| Adjusted EPS | +14.6% to $2.83 |
| Cash from Operations | $990MM |
| FCF Conversion | 125% |

| | |
|---|---|
| **Domestic** | **10.7%** |
| **International** | **8.6%** |
| **SPD** | **0.4%** |

Organic sales, adjusted SG&A, adjusted EPS and FCF Conversion are non-GAAP measures. Please refer to the Appendix for a reconciliation to the most directly comparable GAAP measures.

# FIRST QUARTER 2021 HIGHLIGHTS

| | |
|---|---|
| Organic sales growth | +4.9% |
| Gross Margin | 44.5%, -120 bps |
| Marketing % | 8.0%, -30 bps |
| Adjusted SG&A | 13.6%, +60 bps |
| Adjusted EPS | flat |
| Cash from Operations | $100MM |

*Domestic* +5.1%
*International* +3.2%
*SPD* +6.0%

Organic sales, adjusted SG&A and adjusted EPS are non-GAAP measures. Please refer to the Appendix for a reconciliation to the most directly comparable GAAP measures.

# 2021 HEADWINDS

- Higher commodity costs
  - resin
  - surfactants
- High transportation costs
- Tariffs
- Texas freeze



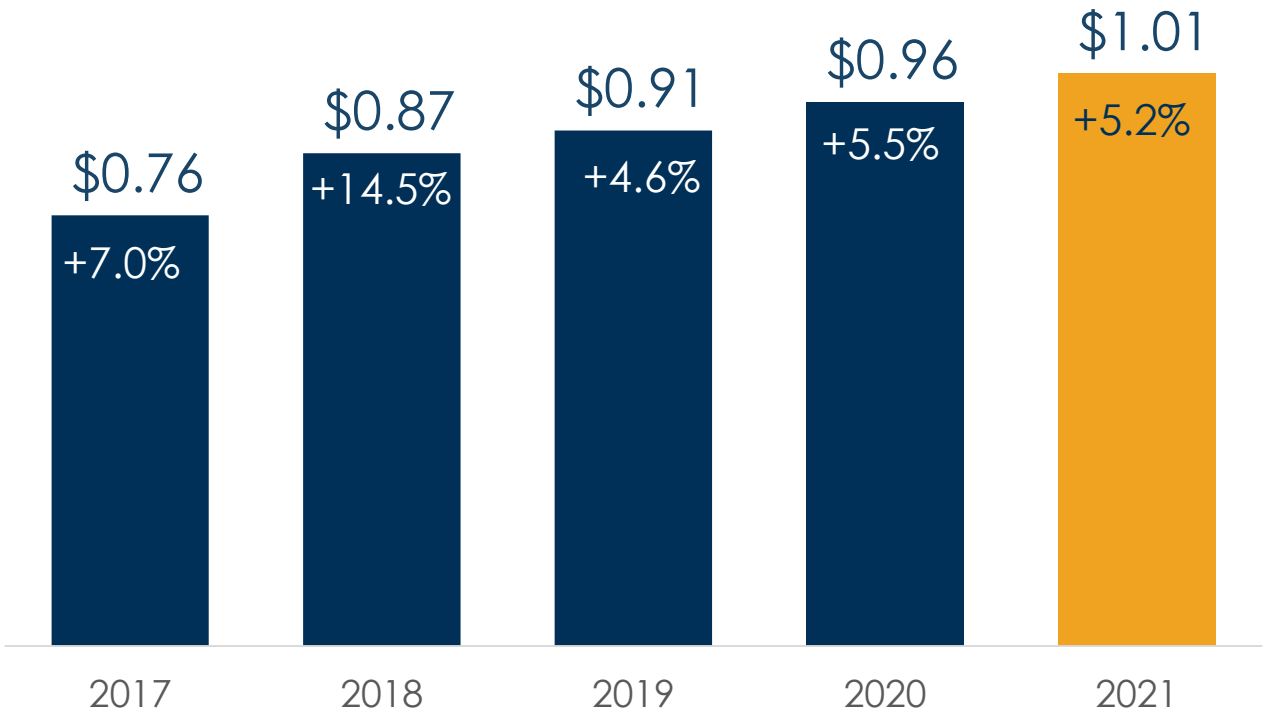
# 2021 OUTLOOK: +6-8% ADJUSTED EPS GROWTH

| | 2021 OUTLOOK |
|---|---|
| Reported Sales Growth | +5-6% |
| Organic Sales Growth | +4-5% |
| Gross Margin | Flat |
| Adjusted Operating Profit Margin | +80 bps |
| Effective Tax Rate | ~22% |
| Adjusted EPS Growth | +6-8% |
| Cash From Operations | ~$1B |

Outlook as of April 29, 2021. Organic sales, gross margin, SG&A, adjusted operating margin and adjusted EPS are non-GAAP measures.

# 5.2% DIVIDEND INCREASE IN 2021

**120**
consecutive **years** of dividends



# Reconciliations

www.churchdwight.com

# ACQUISITION ACCOUNTING IMPACT

| Organic Sales | May-Jun | Q3 | Q4 | May-Dec |
|---|---|---|---|---|
| 2019 Reported Sales | $8 | $20 | $26 | $53 |
| 2019 Proforma Sales | $28 | $60 | $43 | $131 |
| Organic Adjustment | $20 | $40 | $17 | $78 |

| Gross Margin | Q2 | Q3 | Q4 | FY |
|---|---|---|---|---|
| 2020 bps impact | (30) bps | (90) bps | (30) bps | (40) bps |

# 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 EPS and (3) adjusted SG&A

As described in more detail below, we believe these measures provide useful perspective of underlying business trends and results and provide a more comparable measure of year over year results.

This presentation does not provide a forward-looking reconciliation of adjusted EPS to reported EPS and adjusted operating margin to reported operating margin, the most directly comparable GAAP financial measures, expected for 2021, because we are unable to provide such a reconciliation without unreasonable effort. We have excluded the changes in the Company's potential earn-out liability from our acquisition of the FLAWLESS business from our expected adjusted EPS and adjusted operating margin for these periods. We are required to review the fair value of the earn-out liability quarterly based on changes in sales forecasts, discount rates, volatility assumptions, and other inputs. Our inability to provide a reconciliation to GAAP EPS and operating margin for future periods is due to the uncertainty and inherent difficulty of predicting what these changes will be on a quarter-by-quarter basis or on an annual basis. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to our future 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 the change in the fiscal calendar and foreign exchange rate changes that are out of the control of, and do not reflect the performance of, management.

| | For the year ending December 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Organic Sales Growth Reconciliation** | | |
| Reported | 12.3% | 5.1% |
| FX | 0.1% | 0.5% |
| Acquisitions & Divestitures | -2.8% | -1.2% |
| **Organic** | **9.6%** | **4.4%** |

# 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:

2019: Excludes a $0.02 positive impact from an earn-out reversal from the acquisition of Passport Food Safety Solutions, Inc., $0.03 negative impact from the loss on the sale of the consumer Brazil business, and $0.02 negative impact from the FLAWLESS acquisition earn-out estimate.

2020: Excludes a $0.28 per share positive impact from the FLAWLESS acquisition earn-out estimate and a $0.01 per share positive impact from the gain on sale of an international brand.

| | For the year ending December 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Adjusted EPS Reconciliation** | | |
| EPS - Reported | $ 3.12 | $ 2.44 |
| Brazil Charge | $ - | $ 0.03 |
| Gain on Sale of International Brand | $ (0.01) | $ - |
| Passport Earn-out Reversal | $ - | $ (0.02) |
| Flawless Earn-out Adjustment | $ (0.28) | $ 0.02 |
| **EPS - Adjusted (non-gaap)** | **$ 2.83** | **$ 2.47** |

# RECONCILIATION OF NON-GAAP MEASURES

**Adjusted Selling, General, and Administrative Expense (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 is 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:

2019: Excludes a $7.3 million positive impact from an earn-out reversal from the acquisition of Passport Food Safety Solutions, Inc., $7.6 million negative impact from the loss on the sale of the consumer Brazil business, and a $10.0 negative impact from the FLAWLESS acquisition earn-out estimate.

2020: Excludes a $94.0 million positive impact from the FLAWLESS acquisition earn-out estimate and a $3.0 million positive impact from the gain on sale of an international brand

| | For the year ending December 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Adjusted SG&A Reconciliation** | | |
| SG&A - Reported | 12.1% | 14.4% |
| Brazil Charge | 0.0% | -0.2% |
| Flawless Earnout Adjustment | 1.9% | -0.2% |
| Passport Earnout Reversal | 0.0% | 0.2% |
| Sale of International Brand | 0.1% | 0.0% |
| **SG&A Adjusted (non-gaap)** | **14.1%** | **14.2%** |

# RECONCILIATION OF NON-GAAP MEASURES

## Non-GAAP Reconciliations for First Quarter of Fiscal Year 2021

### Organic Sales Growth:

| | Three Months Ended 3/31/2021 | | | | |
|---|---|---|---|---|---|
| | Total Company | Worldwide Consumer | Consumer Domestic | Consumer International | Specialty Products |
| Reported Sales Growth | 6.3% | 6.4% | 5.8% | 9.0% | 6.0% |
| Less: | | | | | |
| Acquisitions | 0.5% | 0.5% | 0.7% | 0.0% | 0.0% |
| Add: | | | | | |
| FX / Other | -0.9% | -1.1% | 0.0% | -5.8% | 0.0% |
| Divestitures | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Organic Sales Growth | 4.9% | 4.8% | 5.1% | 3.2% | 6.0% |

### Adjusted SG&A Reconciliation:

(Dollars in millions, except per share data)

| | For the quarter ended March 31, 2021 | | For the quarter ended March 31, 2020 | | Change | |
|---|---|---|---|---|---|---|
| | | % of NS | | % of NS | | |
| Adjusted SG&A Reconciliation | | | | | | |
| SG&A - Reported | $ 149.6 | 12.1% | $ 121.0 | 10.4% | 170 | bps |
| Flawless Earn-Out Adjustment | 19.0 | 1.5% | 27.0 | 2.3% | -80 | bps |
| Gain on Sale of International Brand | - | - | 3.0 | 0.3% | -30 | bps |
| SG&A - Adjusted (non-GAAP) | $ 168.6 | 13.6% | $ 151.0 | 13.0% | 60 | bps |

### Adjusted Diluted Earnings Per Share Reconciliation:

| | For the quarter ended March 31, 2021 | For the quarter ended March 31, 2020 | Change |
|---|---|---|---|
| Adjusted Diluted Earnings Per Share Reconciliation | | | |
| Diluted Earnings Per Share - Reported | $ 0.88 | $ 0.92 | -4.3% |
| Flawless Earn-Out Adjustment | -0.05 | -0.08 | 3.3% |
| Gain on Sale of International Brand | - | -0.01 | 1.0% |
| Diluted Earnings Per Share - Adjusted (non-GAAP) | $ 0.83 | $ 0.83 | 0.0% |