



# CHURCH & DWIGHT CO., INC.

## News Release

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### Church & Dwight Acquires Zicam Brand for \$530 Million

Ewing, N.J.--(BUSINESS WIRE)—December 1, 2020--Church & Dwight Co., Inc. (NYSE: CHD) has completed the acquisition of Matrixx Initiatives, Inc., the owner of the ZICAM™ brand for \$530 million. The acquisition was structured as a stock purchase that the Company financed with a combination of cash and debt. Zicam is the #1 zinc supplement in the United States in the VMS (vitamins, minerals, and supplements) cough/cold shortening category. Zicam shortens the duration of a cold using zinc as the core active ingredient.

"The acquisition of Zicam represents a superb addition to our existing portfolio and brings to our Company the leading brand within zinc supplements, one of the fastest-growing sub-segments of the VMS category, said Matthew Farrell, Chairman and Chief Executive Officer of Church & Dwight.

"This acquisition meets the Company's long-standing acquisition criteria. Specifically, Zicam is a (1) #1 brand in a niche category; (2) asset-light; (3) a growing brand, and (4) expected to be gross margin accretive to the Company. We are excited about adding the Company's 13<sup>th</sup> power brand. Acquisitions have been a key driver of Church & Dwight's consistently strong shareholder returns."

Zicam's annual net sales are projected to be approximately \$90 million in 2021 and EBITDA is expected to be approximately \$36 million. Once Zicam is fully integrated, Church & Dwight expects to leverage its distribution network, operating discipline, and support functions to generate anticipated annual cost savings of approximately \$5 million by 2022.

Zicam is expected to be approximately 3% accretive to cash earnings in 2021. The acquisition is expected to be neutral to Q4 2020 earnings per share (EPS) and neutral to 2021 EPS due to intangible amortization, interest expense, transition expenses, and higher marketing spending.

Church & Dwight will discuss the acquisition during a management call on December 1, 2020 at 9:00 a.m. (ET). To participate, dial 877-322-9846 within the U.S. and Canada, or 631-291-4539 internationally, using access code 6273493. You can also participate via the Investor Relations section of the Company's website at [www.churchdwight.com](http://www.churchdwight.com).

Church & Dwight Co., Inc., founded in 1846, is the leading U.S. producer of sodium bicarbonate, popularly known as baking soda. The Company manufactures and markets a wide range of personal care, household and specialty products under recognized brand names such as ARM & HAMMER®, TROJAN®, OXICLEAN®, SPINBRUSH®, FIRST RESPONSE®, NAIR®, ORAJEL®, XTRA®, L'IL CRITTERS® and VITAFUSION®, BATISTE®, WATERPIK®, AND FLAWLESS®. These twelve key brands

represent approximately 85% of the Company's product sales. For more information, visit the Company's website.

**This press release contains forward-looking statements, including, among others, statements relating to the impact of the Zicam acquisition and anticipated associated cost savings; net sales, earnings growth and cash earnings; earnings per share; and consumer demand and spending. 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. Uncertainties include assumptions as to market growth and consumer demand. Factors that could cause such differences include, without limitation, the risk that Zicam will not be integrated successfully, the risk that the cost savings from the transaction will not be fully realized or will take longer to realize than expected, and the ability of management to execute its plans with respect to the Company's initiatives.**

For a description of additional factors that could cause actual results to differ materially from the forward-looking statements, please see the Company's quarterly and annual reports filed with the SEC, including 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 SEC.

This press release also contains non-GAAP financial information. The non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.

**Non-GAAP information:**

**EBITDA:**

**This press release also presents Zicam's EBITDA. EBITDA is a non-GAAP financial term and represents earnings before interest, taxes, depreciation and amortization. Management believes the presentation of EBITDA provides useful additional information to investors about trends in Zicam's operations.**