



## News Release

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### **Yellow Wood Partners to acquire iconic Dr. Scholl's™ brand from Bayer**

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**Boston, Massachusetts, USA / Leverkusen, Germany, July 22, 2019** – Yellow Wood Partners and Bayer announced today that Yellow Wood Partners has entered into a definitive agreement to buy the Dr. Scholl's™ business from Bayer for a purchase price of 585 million U.S. dollars.

Dr. Scholl's™ is an iconic, one-of-a-kind brand, which is synonymous with foot care. The brand has an over 110 year heritage with unmatched brand equity in the foot care category and the #1 sales position in the most attractive segments – a true category leader. Dr. Scholl's™ generated sales of 234 million U.S. dollars in 2018. With the acquisition of Dr. Scholl's™, Yellow Wood Partners will create a stand-alone company in which it plans to invest in all aspects of the business to drive the growth and profitability of the brand to deliver value for all of its stakeholders. The divestiture enables Bayer to focus on building its core over-the-counter brands.

“The Yellow Wood team is excited to become the next steward of the iconic Dr. Scholl's™ brand,” said Dana Schmaltz of Yellow Wood Partners. “Dr. Scholl's™ is the leading brand in the footcare category and we see great potential to grow the brand in its existing and other sales channels. The brand fits extremely well into the Yellow Wood consumer-focused business model as our firm has the operating experience from other carve-out investments to work with the Bayer employees who are continuing with the brand to build an exciting new stand-alone platform company.”

“We believe that we have found the right partner in Yellow Wood Partners to continue to invest in and grow the Dr. Scholl's™ brand,” said Heiko Schipper, member of Bayer's Board of Management and President of Consumer Health. “Since Bayer took ownership of Dr. Scholl's™ in late 2014, we have made progress in revitalizing the brand and

developing an exciting pipeline of innovative products. We look forward to seeing the brand taken to the next level of success under Yellow Wood's ownership."

Yellow Wood Partners will acquire the product rights to Dr. Scholl's™ in the Americas and take over approximately 30 dedicated brand personnel in the United States and Canada, including Sales and Marketing, Research & Development and others. The transaction is expected to close in Q4 2019 subject to the satisfaction of customary closing conditions, including approval by the competition authorities.

Citi and Sawaya Partners acted as financial advisors to Bayer, while Covington & Burling provided legal advice. Fried Frank acted as legal advisor to Yellow Wood.

### **About Yellow Wood Partners**

Yellow Wood Partners is a Boston-based private investment firm that invests exclusively in the consumer industry in the middle market. The firm seeks to acquire branded consumer products across a variety of channels including mass, drug, food, specialty, club and e-commerce. Yellow Wood's success in driving growth and operational efficiencies is based on the team's combination of investment expertise and complementary marketing, sales, finance, operations, and international skills, which creates strong partnerships with the management teams of portfolio companies. For more information, please visit [www.yellowwoodpartners.com](http://www.yellowwoodpartners.com).

### **About Bayer**

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2018, the Group employed around 117,000 people and had sales of 39.6 billion euros. Capital expenditures amounted to 2.6 billion euros, R&D expenses to 5.2 billion euros. For more information, go to [www.bayer.com](http://www.bayer.com).

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**Forward-Looking Statements**

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.