

# Interim Results

**PZ Cussons Plc**  
Half Year Ended  
30 November 2017



**pz**  
**Cussons**

# Group Highlights

## Revenue

Revenue 1.9% ahead of prior period with performance underpinned by strong product pipeline.

## Profits

Operating profit 10.3% lower with strong profitability in Asia offset by reduced margins in some business units in Europe and Africa.

## H2

Profitability expected to improve in second half as a result of further new product launches and distribution expansion.

## Net debt

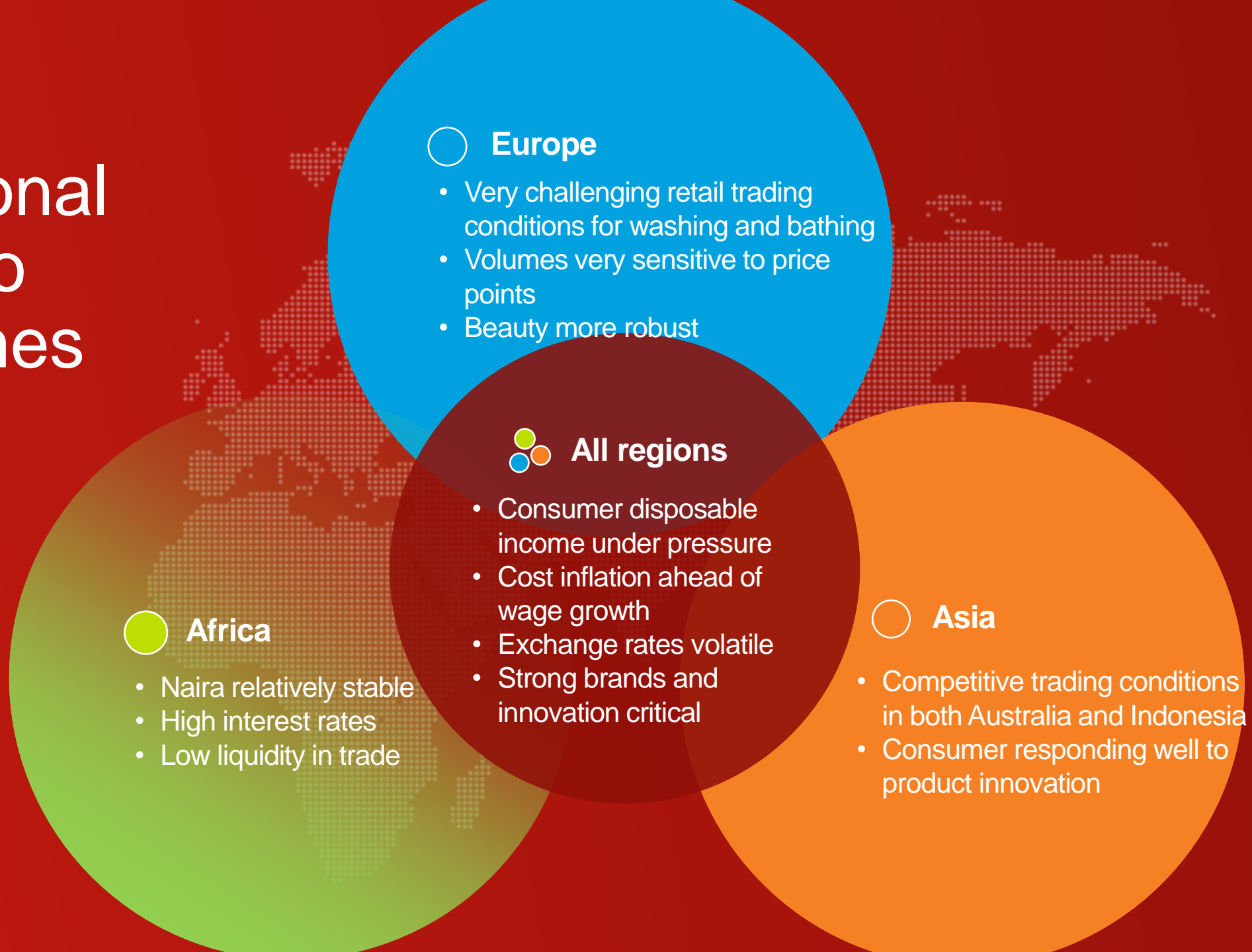
Strong balance sheet with net debt at 1.5 x EBITDA.

## Dividend

Interim dividend maintained at 2.67p per share.



# Regional Macro Themes



# Group Results

	Half year to 30 Nov 2017	Half year to 30 Nov 2016	Reported % change	Constant currency % change
Revenue	£385.4m	£378.2m	1.9%	3.3%
Operating profit	£37.5m	£41.8m	(10.3%)	(9.2%)
Profit before tax	£34.0m	£40.2m	(15.4%)	(14.1%)
Adjusted EPS	5.76p	6.50p	(11.4%)	
Interim Dividend per share	2.67p	2.67p	-	
Net debt	(£191.2m)	(£191.3m)		

Revenue growth  
but margin  
pressures in  
certain units

# Africa results

	Half year to 30 Nov 2017	Half year to 30 Nov 2016	Reported change %	Constant currency change %
<b>Revenue<sup>1</sup></b>	£144.7m	£135.7m	6.6%	14.2%
<b>Operating profit</b>	£4.1m	£11.6m	(64.7%)	(62.8%)

- Robust performance in Nigeria in Personal Care, Home Care and in the PZ Wilmar joint venture
- Reduction in profit for the region caused by tough trading conditions in Nutricima milk business and in Electricals
- Second half performance expected to improve as business enters peak season

## Notes

<sup>1</sup> Excludes joint venture revenue of £74.7m (2016: £85.6m)

# Asia results

	Half year to 30 Nov 2017	Half year to 30 Nov 2016	Reported change %	Constant currency change %
Revenue	£110.8m	£107.9m	2.7%	1.1%
Operating profit	£8.5m	£3.7m	129.7%	124.4%

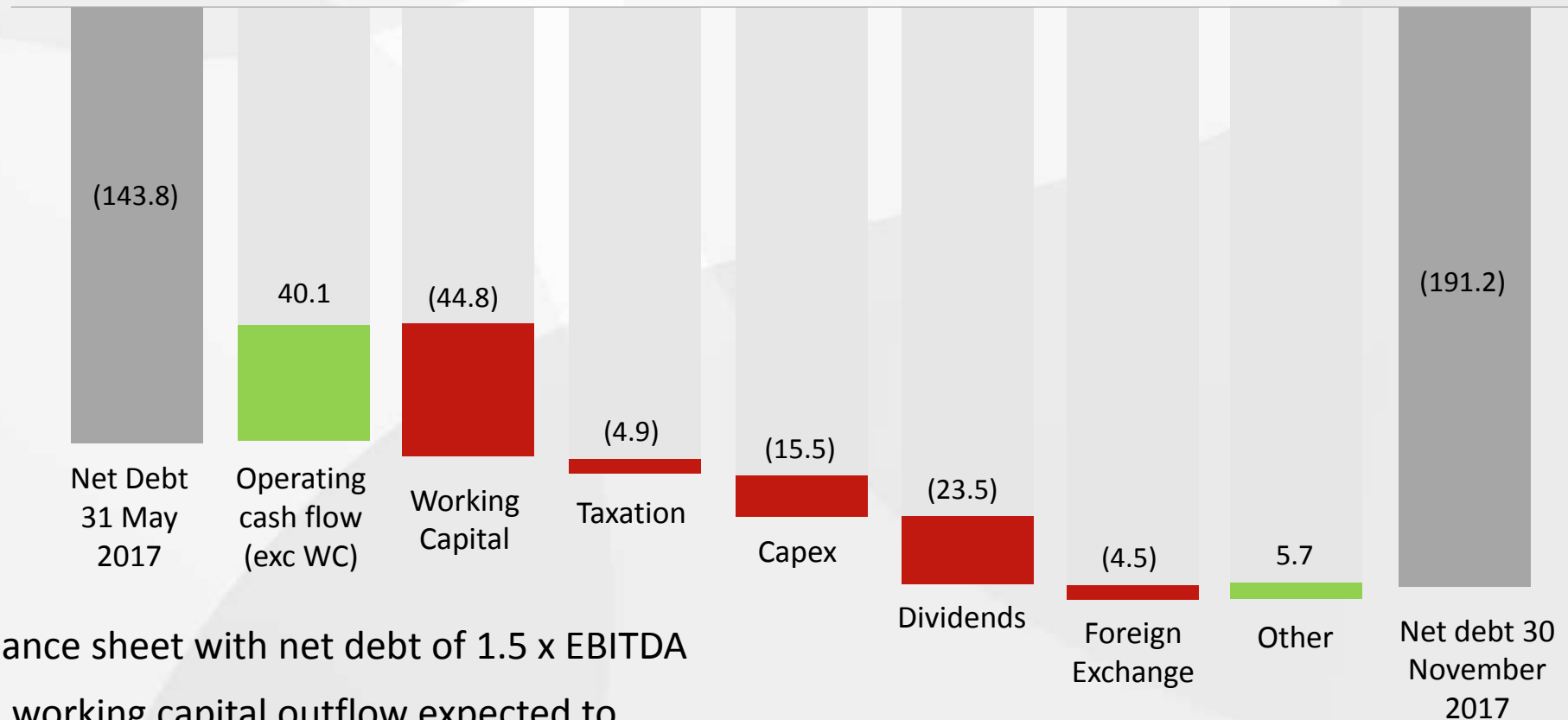
- Strong growth in profitability in Australia across all categories continuing the positive momentum of the second half of the prior year
- Performance in Indonesia strong across all brands of Cussons Baby, Cussons Kids and Imperial Leather
- Development of non-baby in Indonesia successfully broadening overall portfolio

# Europe results

	Half year to 30 Nov 2017	Half year to 30 Nov 2016	Reported change %	Constant currency change %
<b>Revenue</b>	£129.9m	£134.6m	(3.5%)	(4.9%)
<b>Operating profit</b>	£24.9m	£26.5m	(6.0%)	(6.4%)

- Consumers shopping cautiously resulted in tough trading conditions in UK washing and bathing division
- Product launches well received and more initiatives planned for the second half
- Robust performance in Beauty across all brands

# Cash Flow and Net Debt



- Strong balance sheet with net debt of 1.5 x EBITDA
- Typical H1 working capital outflow expected to unwind in H2
- Capex reflects final SAP costs following June 2017 go-live and lower on-going capex costs



# Summary and Outlook



Full year results dependent on consumer in UK and Nigeria

Positive momentum in Asia expected to continue

Across the Group brand portfolio remains strong with No.1 / No.2 market shares

Up weighted renovation and innovation programme planned for H2

Further margin improvement and cost saving initiatives being planned in light of ongoing exchange rate volatility and higher raw material costs

Balance sheet remains strong and well placed to pursue growth opportunities

# Thank you



## Contact

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