

PZ Cussons Plc

("PZ Cussons" or the "Group")

Trading Update

PZ Cussons Plc announces its trading update in respect of the half year to 30 November 2019.

**Summary**

- Challenging market conditions across key geographies led to a decline in first half revenue and operating profit compared with last year.
- Market share grew in the UK, USA and Indonesia, with revenue for our Focus Brands stable versus last year.
- Marketing investment in line with prior year and planned to accelerate in the second half.
- Overhead saving initiatives underway; further details to be provided later in the year.
- Sale of Greek and Polish businesses agreed; portfolio restructuring continues.
- Good improvement in net debt reflecting disposal proceeds and continued focus on cash management.

**Regional Overview**

In Europe & the Americas, whilst Imperial Leather and Original Source continued to demonstrate market share growth, continuing consumer uncertainty and well-documented challenges in the UK high street adversely impacted overall revenue and profit. Results remained solid in Beauty with continued growth in retail sales of St Tropez in the USA.

In Asia Pacific there was continued good revenue and profit growth in Indonesia driven by Cussons Baby, offset by lower revenue and higher promotional costs in Australia. The region was also adversely impacted by higher manufacturing costs related to raw materials and the strengthening of the Indonesian rupiah.

Africa revenue declined due to weakness in our mass market Home and Personal Care brands offsetting strong growth in Electricals. Profitability was impacted by continued consumer pricing pressure, continuation of charges associated with the Port in Lagos and the closure of the borders limiting exports.

**Full year outlook**

A stronger second half is expected subject to no further worsening of the economic and trading environments across our key geographies. Full year revenue and adjusted profit before tax is expected to be modestly below the prior year on a like-for-like basis.

**Interim Announcement**

Interim results for the half year to 30 November 2019 will be announced on Tuesday 28 January 2020.

**Retirement of Chief Executive Officer**

The Company has today separately announced the retirement of Alex Kanellis, Group Chief Executive Officer, with effect from 31 January 2020.

– ENDS –

**For further information contact:**

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