

PZ
Cussons



FY20 YEAR END RESULTS & FY21 Q1



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FY20 Results

Alan Bergin
Interim Chief Financial Officer

Key Messages

Challenging year overall – Decline in H1 with mixed impact of COVID-19 in second half

Strong performance in UK partially mitigated losses in Nigeria, decline in Australia and impact of COVID-19 on Beauty. Mixed results across top brands

Significant steps in H2 to strengthen organisation and reduce complexity

Emerged with a much stronger balance sheet driven by performance improvement in liquidity

Full year dividend at 5.80p to establish a more sustainable level and provide the capacity for investment

Overview of FY20

Strengthening of balance sheet despite mixed performance

Revenue
£587.2m
-2.4%

PY: £603.0m

Adjusted Profit before tax
£62.0m
-14.5%

PY: £72.3m

Reported Profit before tax
£29.3m
-32.8%

PY: £43.6

Net Debt
£49.2m

PY: £153.8m

Free Cash Flow
£131.0m

PY: £68.8m

Dividend
5.80p

PY: 8.28p

Europe and Americas

Continuing Operations

	Year ended 31 May 20	Year ended 31 May 19	Reported % change	Constant currency % change
Revenue	£214.4m	£201.2m	6.6%	6.2%
Adjusted operating profit	£55.0m	£54.2m	1.5%	0.9%
Operating margin %	25.7%	27.0%		

- Strong revenue growth reflecting an excellent performance in UK offset by Beauty.
- Achieved market leadership in UK washing and bathing category with Carex #1 brand.
- Adjusted operating profit of £55.0m, ahead of last year with growth in the UK offsetting decline in Beauty.
- Disposal of Minerva business in Greece and Polish Personal Care brand Luksja. These have been treated as discontinued operations in these results.

Asia Pacific

	Year ended 31 May 20	Year ended 31 May 19	Reported % change	Constant currency % change
Revenue	£185.2m	£193.0m	(4.0%)	(3.7%)
Adjusted operating profit	£18.5m	£20.4m	(9.3%)	(9.4%)
Operating margin %	10.0%	10.6%		

- Revenue decline driven by Australia with a stable performance in Indonesia.
- Market share growth in Indonesia and Australia Home Care category.
- Excellent profit performance in Indonesia offset by Australia.
- Non-cash impairment of £36.6m driven by the impairment of Rafferty's Garden and five:am.

Africa

Continuing Operations

	Year ended 31 May 20	Year ended 31 May 19	Reported % change	Constant currency % change
Revenue	£187.5m	£208.8m	(10.2%)	(9.7%)
Adjusted operating profit	(£7.4m)	£3.9m	(289.7%)	(291.3%)
Operating margin %	(3.9%)	1.9%		

- Revenue impacted by continued decline in Home and Personal Care value brands, impact of COVID-19 and economy.
- Losses accelerated due to devaluation and COVID-19 related costs.
- Growth in profit in Kenya, Ghana and our associate, PZ Wilmar.
- Announcement of Nutricima disposal for \$20.3m. Held as discontinued operation.

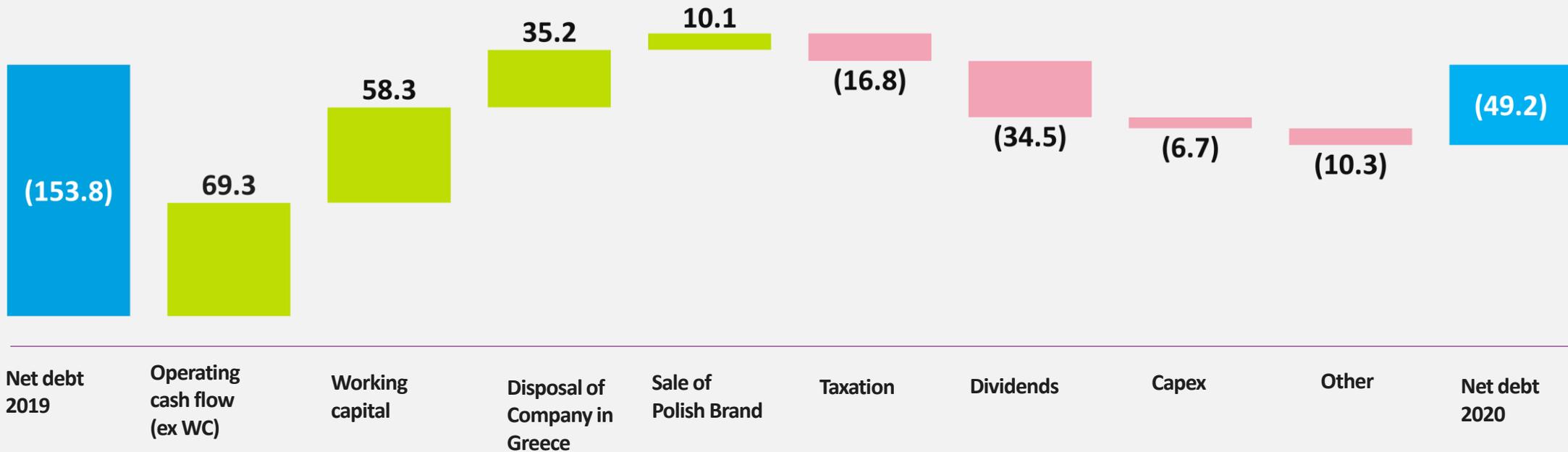
FY20 Focus Brands Performance – Mixed Results

Only 4 out of 14 Focus Brand/Country Combinations in Revenue Growth

		UK
		ANZ
		Nigeria
		Asia BD

		Indonesia
		Nigeria
		UK
		Nigeria
		Nigeria
		UK
	ST.TROPEZ	Beauty UK & US
	SANCTUARY —SPA—	Beauty UK
		ANZ
		Electricals

Cash flow and Net debt – significant improvement



- Overall net debt declines driven by focus on working capital and proceeds from disposals.
- Net debt to adjusted EBITDA ratio of 0.6 times and financing headroom at 31st May 2020 of £198m.
- Total free cash flow was £131.0m with a conversion rate of 142.1%.

COVID-19

Safeguard our
Employees

Supply Chain
Continuity

Support for our
Communities

Customer
Service

Liquidity

- Overall mixed impact on our business in the second half of our financial year
- Magnificent reaction from employees with manufacturing remaining operational throughout
- Agility throughout the supply chain
- Significant efforts to support our local communities
- Focus on maintaining customer service and accelerating relevant new products introductions
- Significant improvement in working capital management and capex investment in final quarter

Dividend

Recommendation for a final dividend of 3.13p per share, making a total of 5.80p per share for year

Represents a reduction of 30% versus last year

Decrease reflects the need to reset our dividend coverage to a more sustainable level

Provide the business incremental investment for long term growth and manage short term COVID-19 volatility



FY21 Q1 Results

Jonathan Myers
Chief Executive Officer

Key Messages

Good start to the year: broad-based growth across top markets and brands

Return to profitability in Africa, excellent results in UK and Indonesia, Australia and Beauty in growth

Continuing to work hard to manage COVID-19 volatility

Expect significant uncertainty through the rest of the year driven by COVID-19 and recessionary pressures

Re-igniting the business – much more to do

Overview of FY21 Q1

Good start to the year, much more to do and volatility remains

Revenue
£158.1m
+23%

Focus Brand Revenue
£117.8m
+37%

Net Debt
£36.8m
PY: £156.5m

- Growth driven by top-line focused interventions and strong demand for hygiene brands
- Continued strong performance in the UK and Indonesia
- Recovery of results in Australia, Nigeria and Beauty
- Balance sheet further strengthened with net debt lower than year-end

FY21 Q1 Focus Brands Performance: Broad-Based Growth

10 out of 14 Focus Brand/Country Combinations in Revenue Growth

		Indonesia
		Nigeria
		UK
		Nigeria
		Nigeria
	ST.TROPEZ	Beauty UK & US
		ANZ
		Nigeria
		ANZ
		Electricals

		UK
		UK
		Beauty UK
		Asia BD

FY21 Q1 Revenue

	£m	Growth vs. Prior Year (Reported)	Growth vs. Prior Year (Constant currency)
Europe & Americas	£61.5m	+49%	+49%
Asia Pacific	£48.9m	+6%	+9%
Africa	£47.7m	+4%	+13%
Group	£158.1m	+19%	+23%

- > Carex remains a key driver, with UK market share in hand wash increasing to circa 40% and clear leadership of the growing hand sanitizer market
- > Beauty continues to recover with revenue modestly ahead of last year
- > Both Australia and Indonesia grew driven by Morning Fresh and Cussons Baby
- > Return to more normal trading patterns in Nigeria and growth of Premier as Region returns to profit

Outlook

Good start to Q1 with majority of brands and markets in growth

The operating landscape remains highly volatile with some adverse headwinds for rest of year

Increased investment in building brands and capabilities

Approach to the management of COVID-19 remains the same – employees, liquidity, consumer and customer needs

Meanwhile undertaking comprehensive review of strategy to deliver sustainable growth

CEO Initial Thoughts

Strong brand/market combinations form the foundation for future growth with Hygiene as an accelerating consumer need

Focus on serving more consumers by driving household penetration

Need to increase gross margins to generate fuel for growing stronger brands

Looking to build on strong history to play an active role in our communities and the environment

Much more to do but great opportunity to improve performance in the years ahead



Thank you