



23rd September 2020

PZ Cussons Plc ("PZ Cussons" or the "Group") today issues the following trading update in respect of the first quarter ended August 31st 2020.

Good start with revenue growth but volatility ahead

- Q1 Revenue growth of 23% with Focus Brands growth of 37% at constant rates of exchange
- Driven by top line focused interventions and strong demand for hygiene brands
- Continued excellent 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
- In Nigeria, the disposal of our Nutricima milk business is on track with expected completion by end of September
- Reviewing our strategy for sustainable growth as a leading branded consumer goods business

Jonathan Myers, Chief Executive Officer

The first quarter results have given us a good start to the year with growth in all three regions and an improvement in profitability. The majority of our Focus Brands are now in growth, led by Carex in the UK. In the second quarter we plan to increase investment further in building our brands and capabilities. We are currently in a process to examine and evolve our strategy to deliver sustainable top line growth and improved operating margin.

The operating landscape remains highly volatile with many of the economies we operate in moving into recession, the continuing uncertainty of the COVID-19 pandemic and categories remaining highly competitive with pressure on discounting and cost. While it remains very difficult to forecast and give guidance we expect some adverse headwinds for the rest of the year following this good start.

We continue to take the appropriate steps to safeguard our employees with their health and wellbeing remaining of paramount importance to us. Finally we continue to secure the business for the future and both the work on strategy and focus on liquidity reflects this.

Trading Update

	£m	Growth versus last year (Reported)	Growth versus last year (Constant fx)
Europe & Americas	61.5	+49%	+49%
Asia Pacific	48.9	+6%	+9%
Africa	47.7	+4%	+13%
Group	158.1	+19%	+23%

Europe and Americas delivered strong revenue growth in Q1 driven by results in our Personal Care category and recovery in Beauty. Carex remains the driver with market share in UK hand wash

increasing to circa 40% in hand wash and clear leadership of the growing hand sanitizer market in the UK. Original Source and Imperial leather both saw revenue decline in the quarter compared to last year and we will look to strengthen our plans for these brands in this financial year.

Beauty continues to recover with revenue modestly ahead of last year for the first quarter driven by a stronger on-line performance which now accounts for around 36% of our business with both ST Tropez and Sanctuary delivering good revenue growth.

Asia Pacific grew revenue in both Australia and Indonesia in the first quarter. Indonesia continues to deliver good performance with Cussons Baby despite lower footfall in modern trade as well as wider economic issues. In Australia Morning Fresh achieved record market share and together with Radiant performed strongly in the quarter. Rafferty's Garden stabilised in the first quarter.

Africa grew revenue compared to last year with Nigeria returning to more normal trading patterns following the removal of restrictions as a result of COVID-19. Premier grew revenue in the first quarter supported by recent relaunches, Morning Fresh continued to deliver strong results and Cussons Baby returned to growth. The region returned to profit in the first quarter despite the continuing adverse economic situation and an increase in input costs driven by the scarcity of foreign currency.

Liquidity remains strong for the Group and net debt further reduced compared to the year-end.

COVID-19 Update

Our employees' health and wellbeing remains a key focus for us during this pandemic. Our manufacturing sites have all remained open and operational since the outbreak and together with our teams working from home reflects the fantastic commitment throughout the business. We continue to take very seriously our role in the wider society supporting those most at need through programmes in all our markets.

The environment continues to remain volatile in our markets with adverse economic headwinds in the UK, Nigeria, Australia and Indonesia. Our Personal and Home Care brands have been energised and refocused by the opportunities in hygiene-related categories but competition remains strong in addition to COVID-19 related risk of volatility in our supply chain.

Outlook

COVID-19 and its aftermath in terms of both economic factors and consumer confidence will clearly continue to have a significant impact on the consumption of our Personal Care, Home Care and Beauty products.

Despite the renewed momentum of our business in the first quarter we expect volatility and risk to continue as well as increased investment in our brands and capabilities as we prepare for a multi-year turnaround of the business, starting with a comprehensive review of our strategy.

- Ends -

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