



## **PZ Cussons plc ("PZ Cussons" or the "Group") trading update**

### **A year of solid progress and broad-based growth**

PZ Cussons today issues the following trading update in respect of its financial year ended 31 May 2021, in advance of the preliminary results announcement on 22 September 2021.

#### **Performance Highlights**

- Adjusted Profit Before Tax is expected to be ahead of consensus <sup>(1)</sup> and the prior year
- Revenue <sup>(2)</sup> up +7%, with all Regions and Hygiene, Baby and Beauty categories in growth. Must Win Brands grew +11%
- Overall gross margin improved, driven by positive price / mix <sup>(2)</sup> in each of our core categories
- Brand investment accelerated in H2, with the full year increase wholly behind Must Win Brands
- Balance Sheet remains robust. Net Debt reduced since Q3 and lower than last year
- Unprecedented demand for our hygiene brands at the beginning of the COVID-19 pandemic is currently holding back year on year revenue comparisons and, as a result, Q4 declined versus the prior year. However, our Must Win Brands still showed strong momentum, with Q4 growth of +7% over the two-years since FY19
- Current trading since the end of the financial year remains in line with management expectations

#### **Delivering Our New Strategy - Building Brands for Life, Today and for Future Generations**

- Further evolution and focus of the portfolio. Disposal of Nutricima, our Nigerian milk business, in H1, and our Australian yogurt business five:am on 4 June 2021
- Chief Sustainability Officer and Chief Marketing Transformation Officer to join the Executive Leadership Team early September to lead our ESG efforts and strengthen our brand building capabilities

#### **Jonathan Myers, Chief Executive Officer, commented**

"It's been a year of solid progress at PZ Cussons. Despite the obvious volatility and challenges, we returned the business to revenue growth, delivered positive price / mix to improve gross margin and put our focus and investment back into building brands. We rolled out our new strategy - Building Brands for Life, Today and for Future Generations - and have already started to deliver against it.

However, our work has only just begun. In the immediate term we are lapping some exceptional demand levels from the peak months of the COVID-19 pandemic, both as we ended the last financial year and as we navigate the first quarter of this year. Along with other consumer goods companies, we are dealing with commodity and other cost headwinds. We are accelerating price increases and strengthening Revenue Growth Management plans to mitigate the impact of these headwinds and drive up price / mix to protect gross margin and continue to invest in our brands.

In the longer term we are working to sustain the early impetus of the turnaround over the coming years. We have much to do but I am confident that we are building the team and the momentum to deliver this multi-year transformation. The commitment and determination of the PZ Cussons team around the world has been clear for me and all to see over the past year and I am grateful for their hard work. We have re-ignited our pioneering spirit and are ready for the challenges and opportunities ahead."



## Notes to Editors

<sup>(1)</sup> Consensus PBT £63-64 million

<sup>(2)</sup> Revenue growth and price / mix quoted on a constant currency basis, unless otherwise stated

Q4 figures are for the 13 weeks to 31 May 2021. Full Year figures for the 52 weeks to 31 May 2021

Figures are unaudited, and not yet subject to review by the Group's auditors

In light of the impact of COVID-19 on reporting and audit procedures, and further to the Financial Conduct Authority's (FCA) policy statement issued on 27 January 2021 and the Group's trading update on 27 April 2021, the Group confirms it will report preliminary results for the year to 31 May on Wednesday 22 September 2021.

The Annual General Meeting will be held in November. We will monitor government guidance and provide details on the exact date, location and meeting arrangements in due course.

### Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements relating to expected or anticipated results, performance or events. Such statements are subject to normal risks associated with the uncertainties in our business, supply chain and consumer demand along with risks associated with macro-economic, political and social factors in the markets in which we operate. Whilst we believe that the expectations reflected herein are reasonable based on the information we have as at the date of this announcement, actual outcomes may vary significantly owing to factors outside the control of the Group, such as cost of materials or demand for our products, or within our control such as our investment decisions, allocation of resources or changes to our plans or strategy. The Group expressly disclaims any obligation to revise forward-looking statements made in this or other announcements to reflect changes in our expectations or circumstances. No reliance may be placed on the forward looking statements contained within this announcement.

### For further enquiries, please contact

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