22 September 2021

Returning to growth and continued strategic progress

PZ Cussons plc ("PZ Cussons" or the "Group") today issues the following trading update in respect of its first quarter of the new financial year to 31 May 2022, ended 28 August 2021.

Performance Highlights

- As expected, unprecedented demand for our Hygiene brands at the beginning of the Covid-19 pandemic impacted year-on-year revenue comparisons in the first quarter of FY22.

- Two-year Q1 revenue [(1)] grew +13%, with growth across each of our core categories of Hygiene, Baby and Beauty and in all geographic regions. Must Win Brands were up +23%.

- One-year Q1 revenue [(1)] declined -9%, driven by Hygiene. The Baby and Beauty categories showed strong price / mix improvement, with Hygiene held back by unusually low levels of promotional discounting on Carex in the prior year.

- Total business performance improved as the quarter progressed and we returned to growth in August. Assuming no further disruption, we expect to return to growth for Q2.

- Must Win Brands declined -20% versus the prior year. Excluding Carex, revenue grew +4%.

    - The decline was entirely driven by our Hygiene category, with Carex in the UK experiencing double-digit decline. The UK washing & bathing category has shown encouraging momentum as we emerge from Covid-19 restrictions. Carex is the clear market leader in hand hygiene, with revenue up over 40% versus two years ago.
    - Sales of Baby products were flat. Covid-19 restrictions in Indonesia weighed more heavily than expected but are starting to moderate.
    - Beauty grew double-digit, including our hair brands recovering from social restrictions.

- Net debt reduced further in the first quarter of the new financial year, down to £23m, due in part to the proceeds from the five:am disposal, further narrowing our Food & Nutrition portfolio.

- Despite the significant inflationary pressure on our cost base, assuming no further cost headwinds or global supply or other Covid-related disruption, we expect to deliver FY22 adjusted profit before tax within the current range of expectations.

Delivering our new strategy: Building brands for life. Today and for future generations

- Q1 marketing investment increased over 20%, with the majority of the spend on Must Win Brands.

- As input cost pressures increase, we have successfully executed price increases across our brand portfolios in Nigeria and Indonesia. In our developed markets, in addition to more targeted price increases, our Revenue Growth Management focus has been to drive brand equity improvements and efficient levels of price promotion to enable further price / mix improvements.

- Simplification of our Nigerian business, including halving our supplier base and consolidating our distribution centres.

- Continued progress developing capabilities and evolving our culture. Building on improved employee engagement scores we have launched a new company purpose, appointed new senior leaders and started a transformation programme to upgrade our people processes and systems.

Jonathan Myers, Chief Executive Officer, commented:

"The medium-term outlook remains in line with our expectations and we have confidence that our brand and market portfolio will emerge strongly once we cycle through the unprecedented demand for hygiene products at the start of the pandemic.

We continue to navigate the well-publicised inflationary pressures on commodities and freight. We have a co-ordinated effort underway to reduce product, manufacturing and logistics costs that the consumer does not value while also accelerating our Revenue Growth Management plans to drive price / mix. Combined with sustained and more effective marketing investment, stronger brand plans and new product innovation, these interventions mean that, assuming no further disruptions, we expect to return to growth for Q2 and to deliver low to mid single-digit revenue growth for the year, in line with our strategic financial framework we outlined at the Capital Markets Day in March. Despite the significant inflationary pressure on our cost base, assuming no further cost headwinds or global supply or other Covid-related disruption, we expect to deliver FY22 adjusted profit before tax within the current range of expectations."

Quarter 1	**Revenue (£m)**	**Two-year growth (1)**	**One-year growth (1)**
Europe & Americas	42.4	+7%	(28%)
Asia Pacific	40.4	+3%	(5%)
Africa	47.5	+31%	+15%
Central	1.1	(24%)	(51%)
Group	**131.4**	**+13%**	**(9%)**

(1) Revenue growth is quoted on a like-for-like organic basis, after the impact of acquired and disposed of brands or businesses, and at constant currency. Two-year growth rates included due to the short-term distorting effect of Covid-19.

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

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

Investors	Sarah Pollard, PZ Cussons plc - Chief Financial Officer	0161 435 1000
Media	Tim Linacre / Guy Scarborough / Bryn Woodward - Instinctif	020 7457 2020