

2023 INTERIM RESULTS

08 FEBRUARY 2023



AGENDA

01. INTRODUCTION

02. FINANCIAL REVIEW

03. STRATEGIC UPDATE

04. SUMMARY



BUILDING A HIGHER GROWTH, HIGHER MARGIN, SIMPLER AND MORE SUSTAINABLE BUSINESS

**CONTINUED PROFITABLE LIKE FOR LIKE REVENUE GROWTH
FY23 OUTLOOK REITERATED**



**CONTINUED PROFITABLE
LFL REVENUE GROWTH**



**NAVIGATING EXTERNAL
ENVIRONMENT**



**STRATEGIC PROGRESS &
INVESTMENT IN BRANDS**



**SIMPLIFYING &
STRENGTHENING NIGERIA**

Throughout the presentation, all items shown on an Adjusted basis unless otherwise stated
Definitions of key terms are provided in the Appendix

FOR EVERYONE, FOR LIFE, FOR GOOD.

FINANCIAL REVIEW

SARAH POLLARD,
CHIEF FINANCIAL OFFICER



SUMMARY FINANCIALS

ROBUST FINANCIAL PERFORMANCE DESPITE THE CHALLENGING MACRO ENVIRONMENT

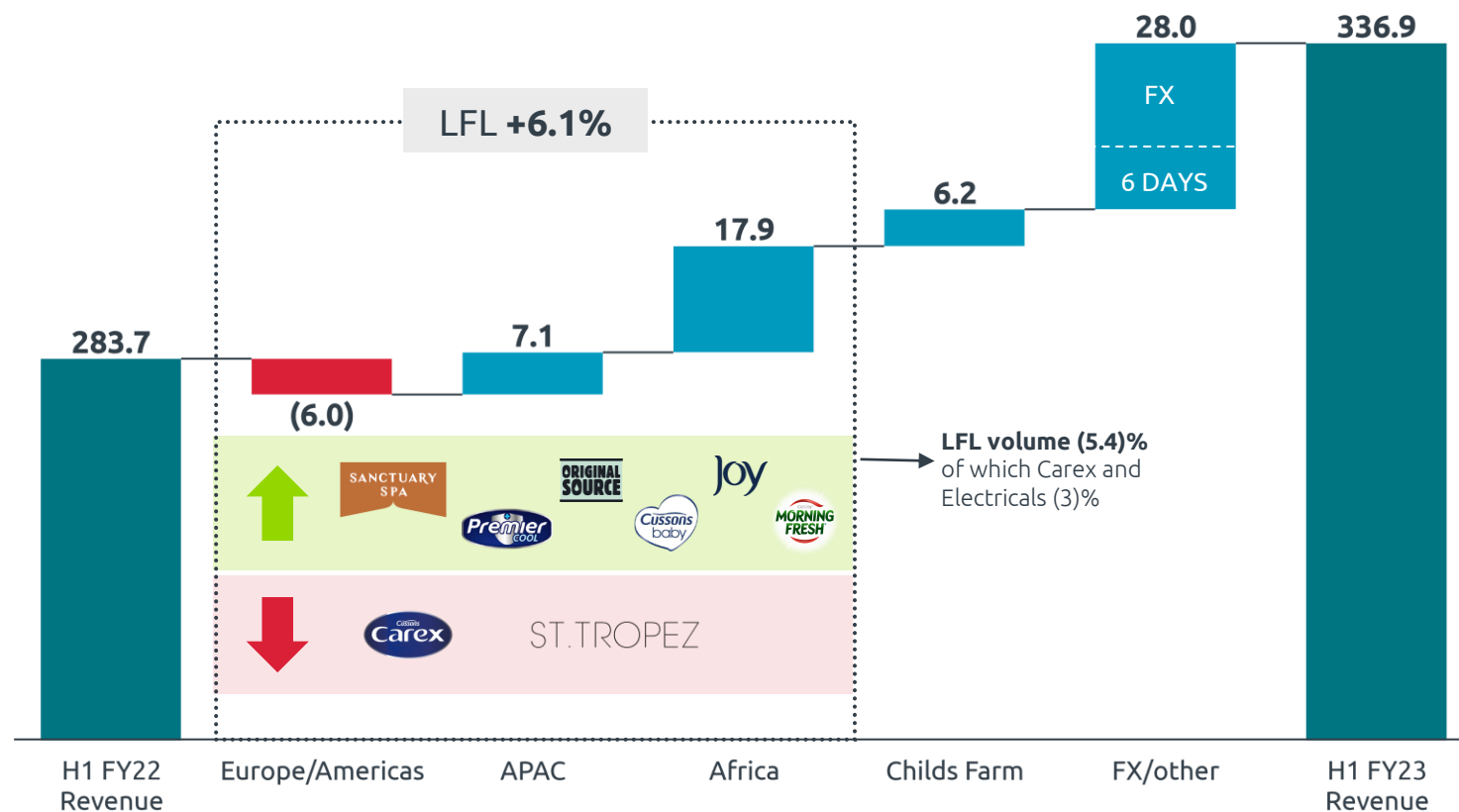
	H1 FY23	H1 FY22
Revenue	£336.9m	£283.7m
LFL revenue growth	6.1%	(2.0)%
Operating profit	£33.2m	£32.9m
Operating profit margin	9.9%	11.6%
Profit before tax	£34.5m	£32.0m
Earnings per share	5.16p	5.64p
Dividend per share	2.67p	2.67p
Free cash flow	£4.2m	£20.3m
Net (debt) / cash	£(35.7)m	£3.8m

- **18.8%** reported revenue increase reflects contribution of Childs Farm, positive FX impact and additional reporting days
- Continued LFL revenue growth of **6.1%**
- LFL MWB revenue growth of **2.2%** (ex-Carex 6.7%)
- Margin phasing consistent with previous guidance
- EPS decline due to higher ETR and increase in minority interests
- Cash flow and balance sheet remain strong. Net debt higher due to working capital and FX
- Interim dividend unchanged at **2.67p**

Like for like ('LFL') growth adjusts for constant currency, excluding the impact of disposals and acquisitions, and adjusting for the number of days in the period
 All items shown on an Adjusted basis unless otherwise stated
 Throughout this presentation H1 FY23 refers to the 6 months ended 3 December 2022 and H1 FY22 refers to the 6 months ended 27 November 2021

GROUP REVENUE

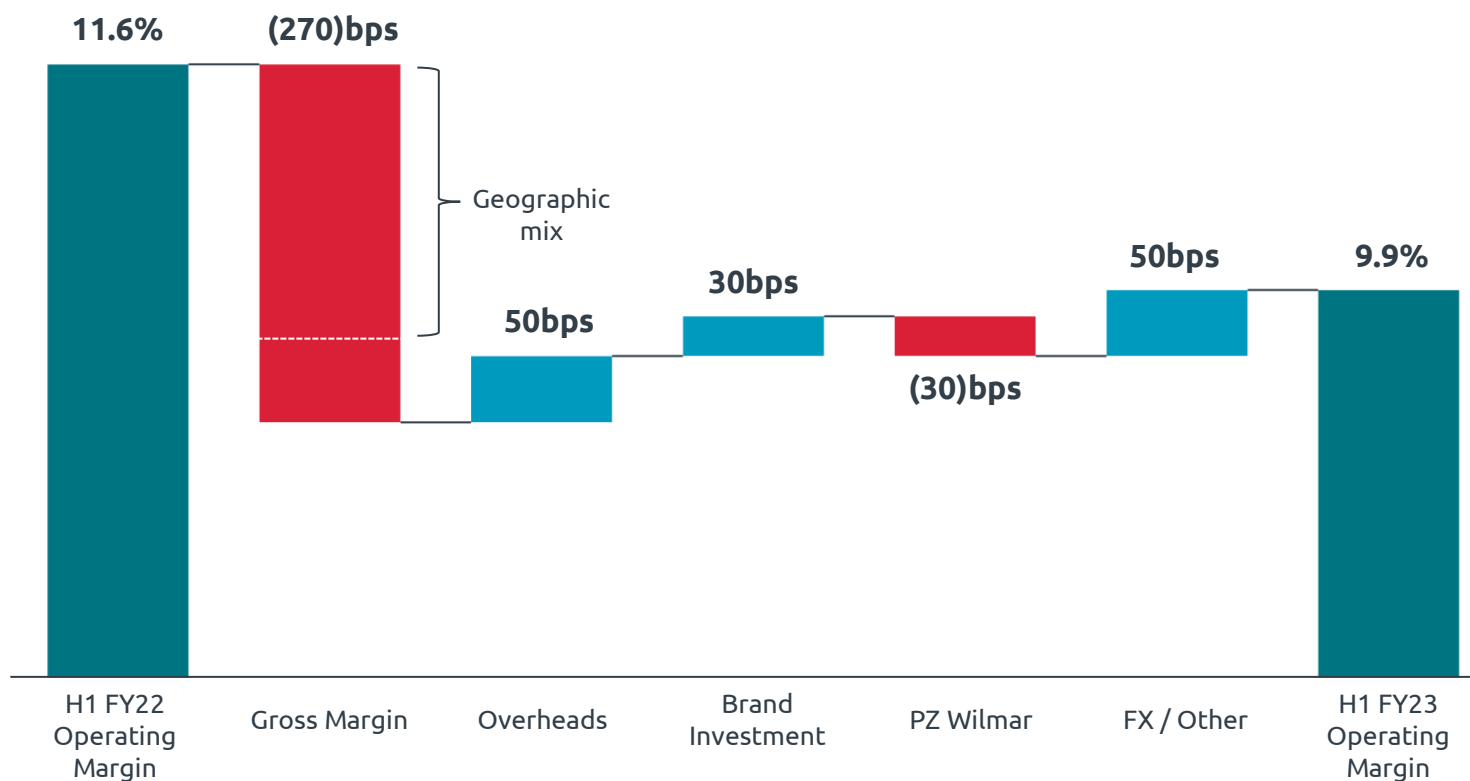
LIKE FOR LIKE GROWTH DRIVEN BY AFRICA AND APAC



- **6.1%** LFL revenue growth driven by APAC and Africa
- Growth in majority of Must Win Brands
- Price/mix growth of **11.4%**. Volume **(5.4)%**
- Acquisition of Childs Farm in March 2022 performing well
- General depreciation of sterling vs. H1 FY22
- Other includes six additional reporting days in Q1 compared to the prior period

MARGIN BRIDGE

MARGIN PHASING CONSISTENT WITH PREVIOUS GUIDANCE. EXPECT IMPROVEMENT IN H2



- Gross margin decline driven primarily by adverse geographic revenue mix
- Strong Africa and ANZ Home Care growth
- Targeted overheads investment
- Absolute Brand Investment increase, but lower as % of revenue
- PZ Wilmar (JV) normalisation of profitability

SEGMENTAL PERFORMANCE: EUROPE AND AMERICAS

ADVERSE MARGIN MIX AND INVESTMENT OFFSETTING GROWTH IN MOST BRANDS

	H1 FY23	H1 FY22
Revenue	£99.5m	£95.1m
LFL revenue growth	(6.0)%	(18.5)%
Operating profit	£9.5m	£19.6m
Operating profit margin	9.5%	20.6%

MUST WIN BRANDS



ST.TROPEZ

Childs Farm®

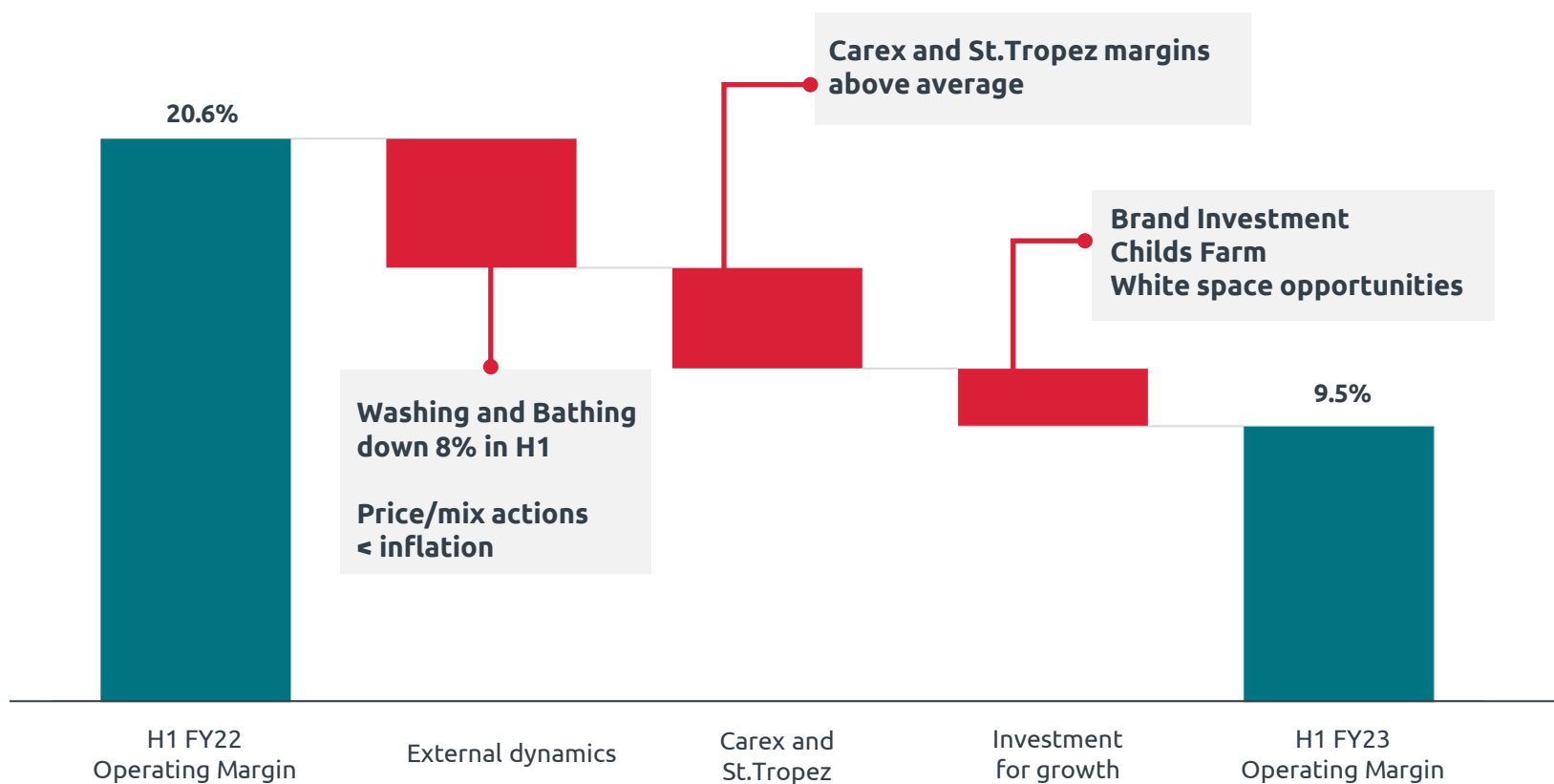
PRIORITY MARKETS



- Total revenue growth includes contributions from Childs Farm, favourable FX and additional reporting days
- LFL revenue down due to strong St.Tropez prior period and Carex normalisation post-Covid-19
- Growth in Sanctuary Spa, Original Source and Imperial Leather/Cussons Creations
- Operating profit decline driven by LFL revenue decline, external dynamics and investment for growth

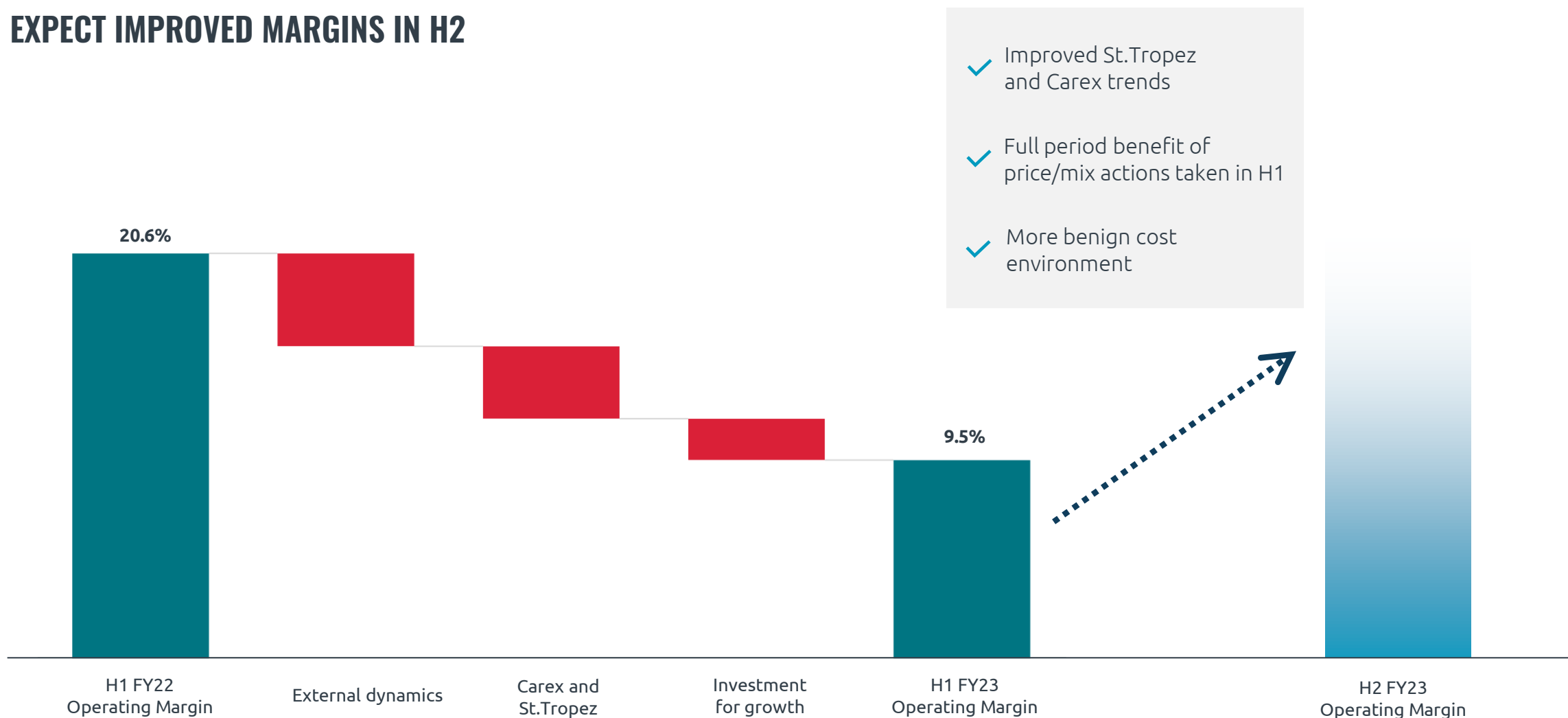
EUROPE AND AMERICAS MARGIN

MARGINS IMPACTED BY EXTERNAL HEADWINDS



EUROPE AND AMERICAS MARGIN

EXPECT IMPROVED MARGINS IN H2



SEGMENTAL PERFORMANCE: APAC

STRONG REVENUE AND MARGIN GROWTH, LED BY AUSTRALIA

	H1 FY23	H1 FY22
Revenue	£102.2m	£84.4m
LFL revenue growth	7.5%	0.3%
Operating profit	£15.4m	£10.9m
Operating profit margin	15.1%	12.9%

MUST WIN BRANDS



PRIORITY MARKETS



- Very strong revenue growth and share gains in Australia
- Slight decline in Indonesia due to softer Baby category
- Operating margin increase driven by RGM interventions and careful cost management

SEGMENTAL PERFORMANCE: AFRICA

CONTINUED STRONG REVENUE AND MARGIN GROWTH

	H1 FY23	H1 FY22
Revenue	£133.2m	£102.2m
LFL revenue growth	15.6%	22.1%
Operating profit	£15.8m	£8.4m
Operating profit margin	11.9%	8.2%

MUST WIN BRANDS



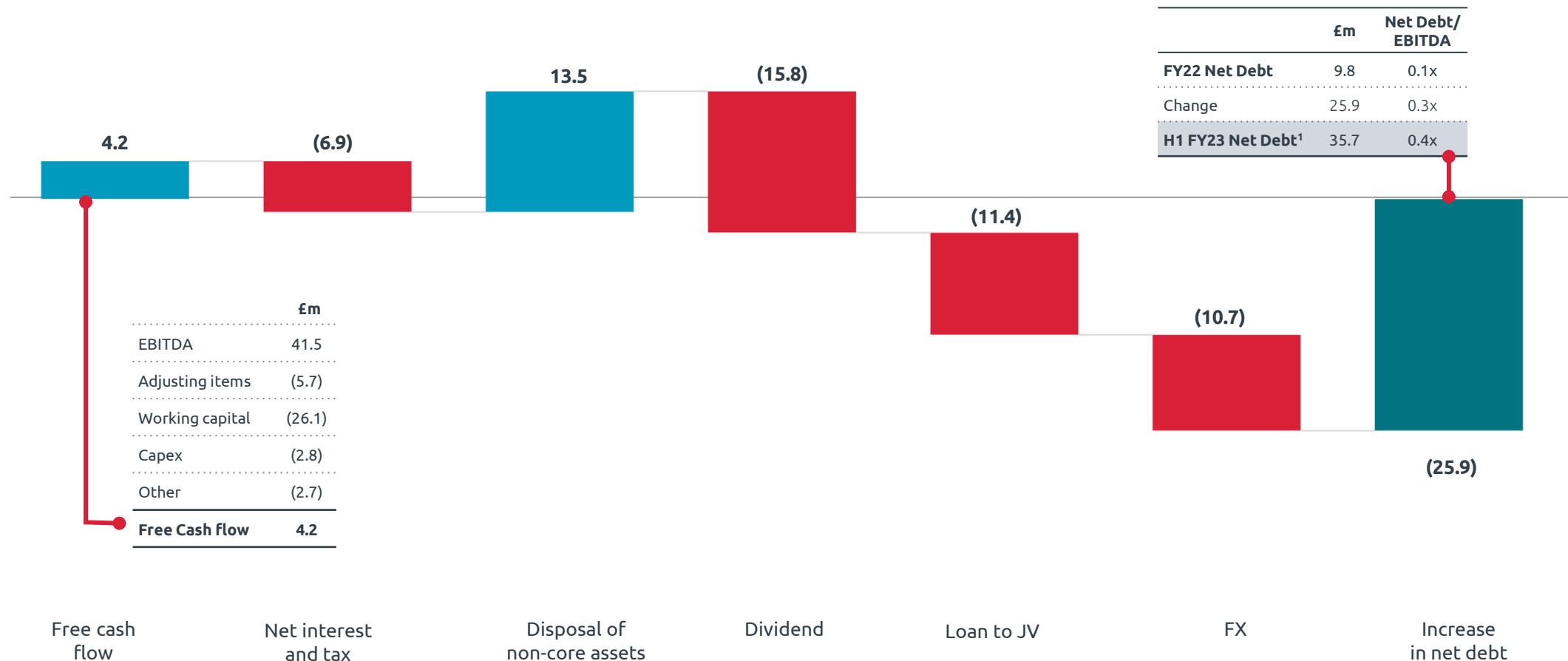
PRIORITY MARKETS



- LFL revenue driven by further distribution gains
- All major brands reported double digit LFL growth
- Operating profit and margin driven through improvements in price/mix

CASH FLOW AND NET DEBT

BALANCE SHEET REMAINS STRONG. NET DEBT INCREASE DRIVEN BY SEASONALITY OF WORKING CAPITAL AND FX



¹ Net debt is shown excluding leases. H1 FY23 net debt/EBITDA is shown using LTM adjusted EBITDA

FY23 OUTLOOK

OUTLOOK REITERATED. ON TRACK FOR IMPROVED PERFORMANCE IN H2

FY23 OUTLOOK

“As previously guided, we expect a stronger operating margin performance in the second half of the year driven by improved trends in our Europe and Americas business, more benign cost inflation and the full impact of price increases implemented part way through the first half. We remain mindful of significant macro-economic uncertainty, including the continued depreciation of the Nigerian naira, but expect to report FY23 adjusted profit before tax in line with current market estimates.”

TECHNICAL GUIDANCE

- ETR 26-27%
(22-24% previously)
- Interest charge £2m
(£4m previously)



FOR EVERYONE, FOR LIFE, FOR GOOD.



STRATEGIC UPDATE

JONATHAN MYERS,
CHIEF EXECUTIVE OFFICER



OUR STRATEGY IN SUMMARY

WE BUILD BRANDS TO SERVE CONSUMERS BETTER WITH HYGIENE, BABY AND BEAUTY AT OUR CORE

MID SINGLE-DIGIT REVENUE GROWTH, WITH MID-TEENS MARGINS

WHERE TO PLAY

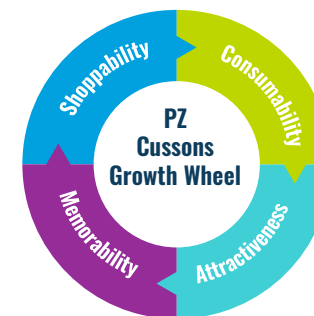
Must Win Brands in
Priority Markets

New markets
and adjacencies

New Must
Win Brands

HOW TO WIN

PZ Cussons
Growth Wheel



SUSTAINABILITY

CULTURE

LEADERSHIP

CAPABILITIES

DRAMATICALLY REDUCE COMPLEXITY AND ENABLE TRANSFORMATION

NAVIGATING THE EXTERNAL ENVIRONMENT

STRATEGIC PROGRESS ENABLES US TO SERVE COST-CONSCIOUS CONSUMERS BETTER



INNOVATION



Using innovation and positioning our portfolio to offer great value

REFRAMING VALUE



Capturing consumers trading down into our categories

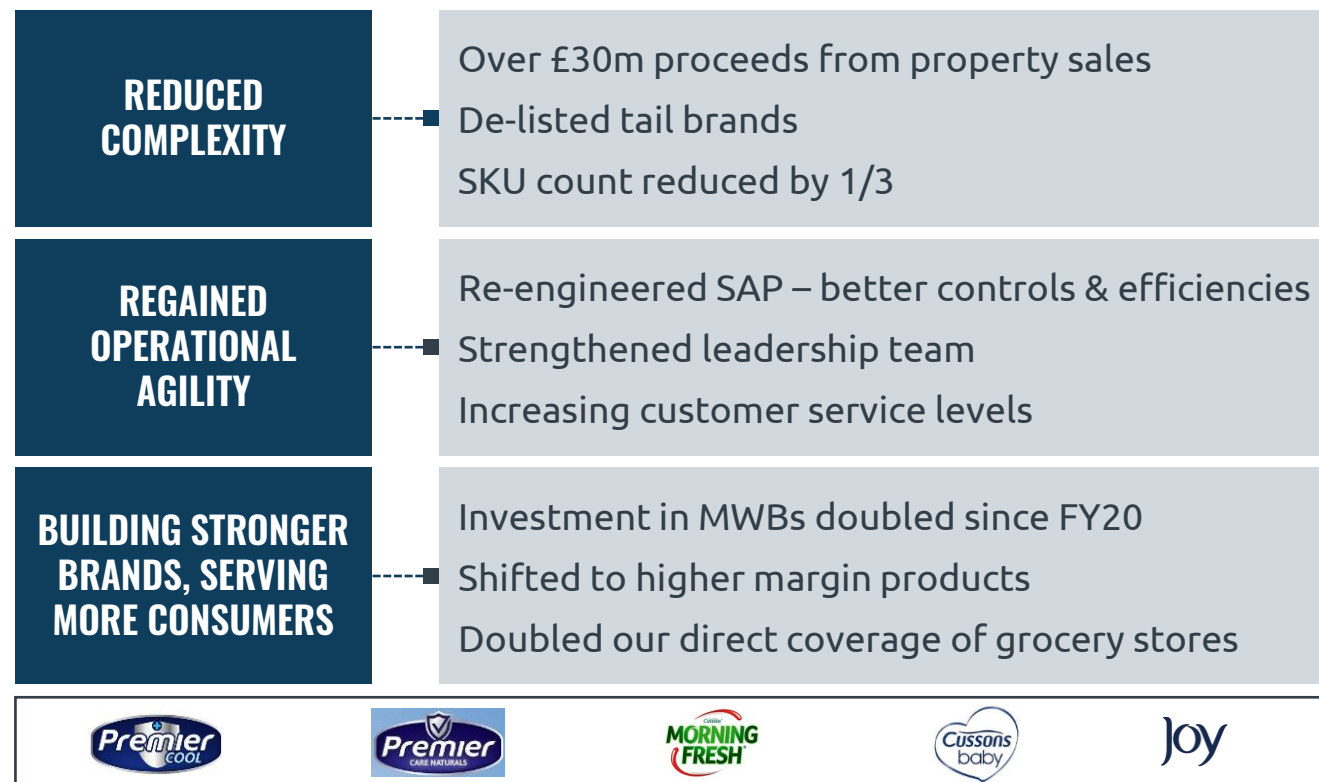
PACK SIZE AND FORMAT



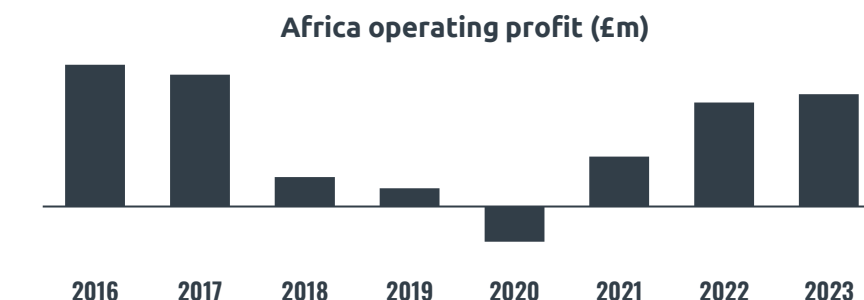
Reducing unnecessary packaging and cost to the consumer

ADDRESSING LEGACY ISSUES: NIGERIA

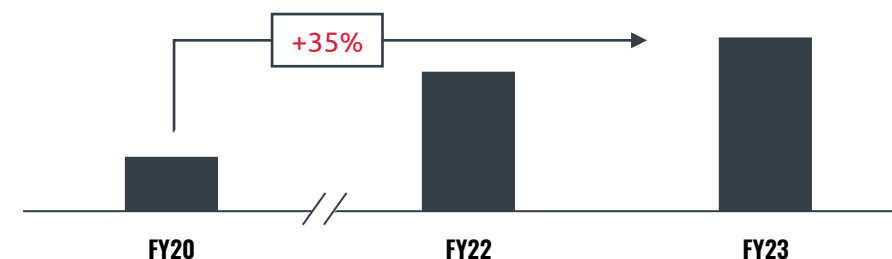
WE HAVE SIGNIFICANTLY IMPROVED FINANCIAL AND OPERATIONAL PERFORMANCE IN NIGERIA



RETURN TO PROFIT GROWTH AFTER YEARS OF DECLINE



IMPROVING CUSTOMER SERVICE LEVELS



TRANSFORMATION WELL UNDERWAY IN ANZ

ON TRACK FOR A THIRD YEAR OF LIKE FOR LIKE REVENUE GROWTH

SHARE

CATEGORY GROWTH



48.4%
+110bps



Extended leadership position

Gaining share from Private Label



31.9%
+200bps



Further online share gains

Share gains from all but one main competitor



8.3%
+100bps



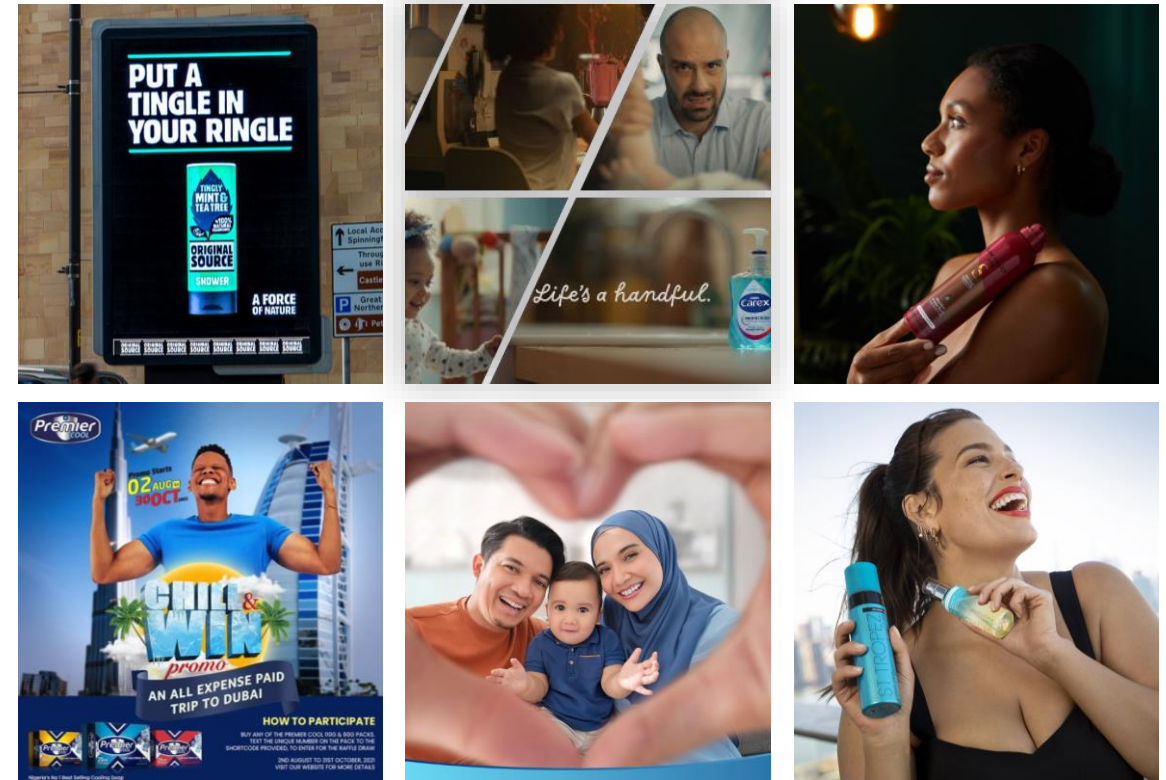
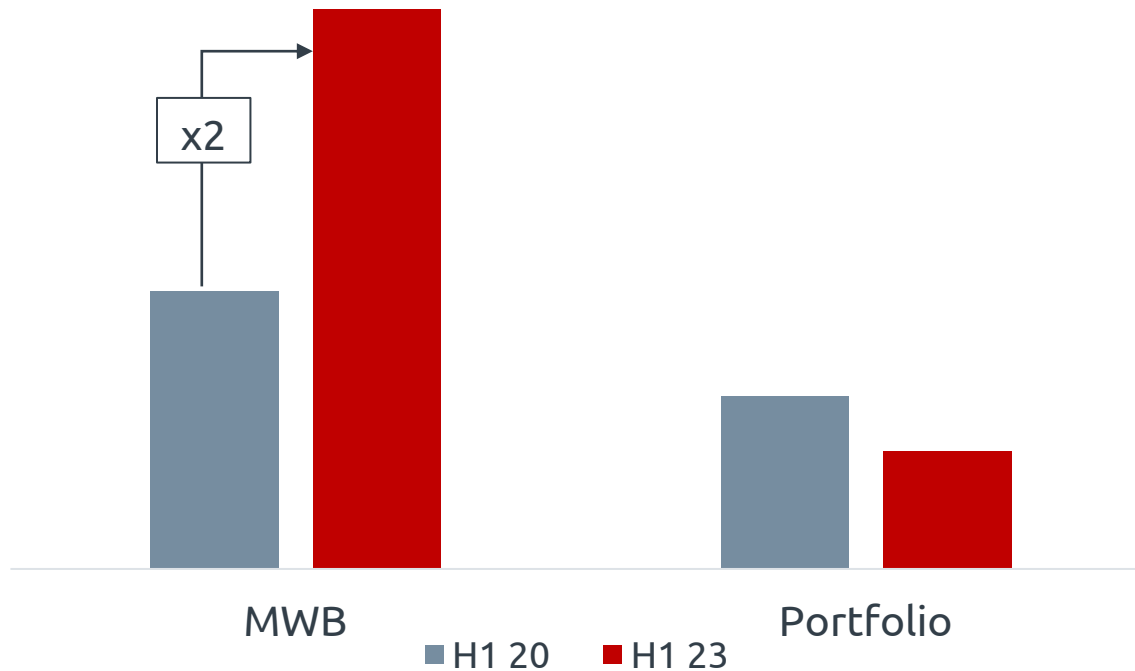
Successful NPD

Effective promotional mix management and strong customer partnerships

INVESTING TO BUILD OUR BRANDS

INCREASED AND FOCUSED INVESTMENT TO SUPPORT STRONGER BRAND-BUILDING ACTIVITY

INVESTMENT IN MWBS SINCE LAUNCH OF STRATEGY



INVESTING TO BUILD OUR MUST WIN BRANDS

SUCCESSFUL RECENT CAMPAIGNS FOR ORIGINAL SOURCE AND SANCTUARY SPA

STRENGTHENED MARKET POSITION FOLLOWING TARGETED BOLD CAMPAIGNS

**ORIGINAL
SOURCE**



No.1¹

VEGAN SHOWER GEL IN UK

#3

UK SHOWER CATEGORY
MARKET SHARE²
(FROM #5 PREVIOUSLY)

1.9M VIEWS

FIRST EVER TIKTOK CAMPAIGN



SANCTUARY SPA BRAND INVESTMENT INCREASED THREE-FOLD VS. H1 FY21

**SANCTUARY
SPA**



+70% 

SALES DURING AMAZON'S
PRIME DAY EVENT

1/3 UP

UK HOUSEHOLD PENETRATION

¹ IRI all outlets, £ value share 26 weeks to 3rd Dec 2022.

² IRI all outlets 12 weeks to 6th Aug 2022.

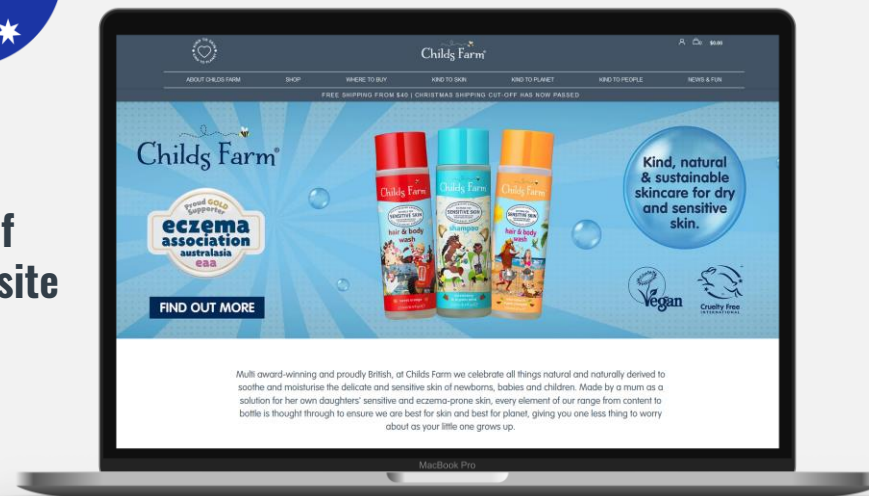
CHILDS FARM PROGRESSING WELL

LEVERAGING GROUP CAPABILITIES TO SUPPORT GROWTH



AUSTRALIA INTEGRATION

Launch of
D2C website



INTERNATIONAL PARTNERSHIPS



Childs Farm®

FOR EVERYONE, FOR LIFE, FOR GOOD.

SUMMARY



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FY23 OUTLOOK REITERATED, WELL POSITIONED FOR TRANSFORMATION

Q&A



APPENDIX



GLOSSARY



Term	Definition
Adjusted net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
B Corp	A B Corp is a company that has been certified by the non-profit organisation B Lab as meeting rigorous standards of environmental, social and governance performance, accountability and transparency
Brand Investment	An operating cost related to our investment in brands (previously 'Media & Consumer')
Adjusted earnings per share	Earnings per share from continuing operations adjusted for the impact of adjusting items
EBITDA	Earnings before interest, taxes, depreciation and amortization
Employee wellbeing	% score based upon a set of questions within our annual survey of employees
ETR	Effective Tax Rate
Free cash flow	Cash generated from operations less capital expenditure
Free cash flow conversion	Free cash flow as a % of adjusted EBITDA from continuing operations
Like for like ('LFL')	Growth on the prior year at constant currency, excluding the impact of disposals and acquisitions, and adjusting for the number of reporting days in the period
Must Win Brands	The brands in which we place greater investment and focus. They comprise: Carex, Childs Farm (acquired in March 2022), Cussons Baby, Joy, Morning Fresh, Original Source, Premier, Sanctuary Spa and St Tropez
Portfolio Brands	The brands we operate which are not Must Win Brands
PZ Cussons Growth Wheel	Our 'repeatable model' for driving commercial execution, comprising 'Consumability', 'Attractiveness', 'Shoppability' and 'Memorability'
Revenue Growth Management	Maximising revenue through ensuring optimised price points across customers and channels and across different product sizes
SKUs	Stock keeping unit
Through the line	Marketing campaign incorporating both mass reach and targeted activity

FOREIGN EXCHANGE ANALYSIS

	% FY22 revenue	FY22 average	H1 FY22	H1 FY23
GBP	29%	1.00	1.00	1.00
NGN	32%	558	569	509
AUD	13%	1.84	1.86	1.74
IDR	13%	19,331	19,741	17,780
USD	6%	1.35	1.38	1.18
Other	7%	-	-	-
Total	100%			