

13 April 2023

Sixth consecutive quarter of revenue growth - strength and depth of portfolio driving performance

PZ Cussons plc today issues a trading update for its third quarter, ended 4 March 2023.

Group Summary ¹

- Q3 LFL revenue growth of 6.2%, in line with year-to-date performance
- Europe & the Americas region back to strong revenue growth and with significantly improved margin
- Progress against strategy to grow Must Win Brands including:
 - Launching Morning Fresh into the adjacent auto-dishwash category in Australia; and
 - Childs Farm performing well with the recent launch of SlumberTime innovation
- Expect FY23 adjusted profit before tax to be at least in line with current market estimates ²

Revenue	Q3		YTD
	£m	LFL %	LFL %
Europe & the Americas	49.3	9.9%	(1.2)%
Asia Pacific	47.6	1.0%	5.3%
Africa	68.4	7.7%	12.6%
Group ³	166.0	6.2%	6.1%

Jonathan Myers, Chief Executive Officer, said:

“We have delivered another quarter of mid-single digit revenue growth, in line with our longer-term ambition. This represents a sixth consecutive quarter of growth, with the business underpinned by the strength and depth of our portfolio and our ongoing strategy to invest behind our brands, build internal capabilities and serve consumers better.

As anticipated, performance has strengthened in Europe & the Americas, with a return to revenue growth and a marked improvement in profitability in the quarter. As a result, we remain confident in delivering against FY23 expectations and that further strategic progress will be made in the balance of FY23 and into FY24.”

¹ Unless otherwise stated all references to revenue growth are on a like for like ('LFL') basis

² Bloomberg consensus of £68.1 million as at 11 April 2023

³ Excludes 'Other' revenue of £0.7 million in Q3



Performance commentary

Group Q3 like for like revenue growth of 6.2% was driven primarily by price/mix improvements. Reported revenue growth was 13.5%, reflecting the full period contribution of Childs Farm which was acquired in March 2022 as well as favourable foreign exchange movements. Year to date, revenue has grown by 6.1% on a LFL basis.

As anticipated, performance in **Europe & the Americas** improved significantly in Q3. This was a result of our strategic focus on innovation and marketing, with particularly strong performances from St. Tropez US and the combined Imperial Leather and Cussons Creations portfolio. Carex revenue declined in Q3 reflecting the reduction in the UK Hand Hygiene category more broadly. Childs Farm is performing as expected and is on track for double-digit revenue growth in FY23, on a pro-forma basis.

Asia Pacific performance has been driven by strong growth in Australia, reflecting continued successful Revenue Growth Management activity and sustained share gains across our major brands. We recently launched Morning Fresh into the auto-dishwash category, leveraging its brand strength with a 50% share in washing-up liquid. In Indonesia, Cussons Baby revenue declined slightly, in line with the overall category, reflecting increased pressure on consumer spending in recent months as well as some retailer de-stocking.

Africa trading continues in line with our expectations, with all Must Win Brands in good growth. Strong trading throughout December and January was partly offset by disrupted demand in Nigeria in February due to bank note changes and the elections. These disruptions have largely dissipated and we are now seeing a return to more normal demand patterns.

Outlook

Although we remain alert to ongoing external volatility, we continue to expect FY23 adjusted profit before tax to be at least in line with current market expectations. This includes a 3-4% benefit, compared to FY22, due to the translation of results of our overseas operations.

Reporting calendar

PZ Cussons will issue a brief update on trading following the end of the financial year.

PZ Cussons will host a Childs Farm 'deep-dive' event for analysts and institutional investors on 4 July. The event will be led by Sarah Pollard, Chief Financial Officer, and will include presentations from Paul Yocum, Managing Director of Business Development, and Andrew Geoghegan, Chief Marketing Transformation Officer.

Conference call

PZ Cussons management will host a call for analysts and institutional investors today at 08:00 UK time.

Dial in details are as follows:

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Notes to Editors

Unless otherwise stated, all references to revenue growth are on a like for like ('LFL') basis. See definitions provided in the interim results announcement for further details.

About PZ Cussons

PZ Cussons is a FTSE250 listed consumer goods business, headquartered in Manchester, UK. We employ nearly 3,000 people across our operations in Europe, North America, Asia-Pacific and Africa. Since our founding in 1884, we have been creating products to delight, care for and nourish consumers. Across our core categories of Hygiene, Baby and Beauty, our trusted and well-loved brands include Carex, Childs Farm, Cussons Baby, Imperial Leather, Morning Fresh, Original Source, Premier, Sanctuary Spa and St. Tropez. Sustainability and the wellbeing of our employees and communities everywhere are at the heart of our business model and strategy, and captured by our purpose: For everyone, for life, for good.

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.