PZ Cussons

2023 FULL YEAR RESULTS

26 SEPTEMBER 2023

AGENDA

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KEY MESSAGES

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

1. **Third consecutive year of LFL revenue growth**
2. **Navigating near-term external uncertainties**
3. **Progress against the strategy**
4. **FY24 priorities are clear**
5. **Attractive long-term opportunities**

Definitions of key terms are provided in the Appendix.

FINANCIAL REVIEW

SARAH POLLARD - CHIEF FINANCIAL OFFICER

SUMMARY FINANCIALS

SOLID FINANCIAL PERFORMANCE IN THE CONTEXT OF ONGOING EXTERNAL VOLATILITY AND UNCERTAINTY

£m, unless otherwise stated	FY23	FY22
Revenue	656.3	592.8
LFL revenue growth (%)	6.1%	2.9%
Operating profit	73.3	67.1
Operating profit margin (%)	11.2%	11.3%
Profit before tax	74.1	65.8
Earnings per share	11.23	12.57
Dividend per share (p)	6.40	6.40
Free cash flow	69.9	58.0
Net (debt) / cash	5.7	(9.8)

10.7% reported revenue growth includes contribution of Childs Farm and favourable FX

Third consecutive year of LFL revenue growth

Margin in line with guidance

12.6% growth in PBT offset at EPS by higher tax and non-controlling interest

Proposed dividend flat following Naira devaluation

Higher operating profit and better working capital

Net cash position

Like for like ('LFL') growth adjusts for constant currency and excludes the impact of disposals and acquisitions.
All items shown on an Adjusted basis unless otherwise stated.
A number of FY22 items have been restated as a result of certain prior year adjustments - see the consolidated financial statements for further details.
Net (debt) / cash is shown before IFRS16 lease liabilities.

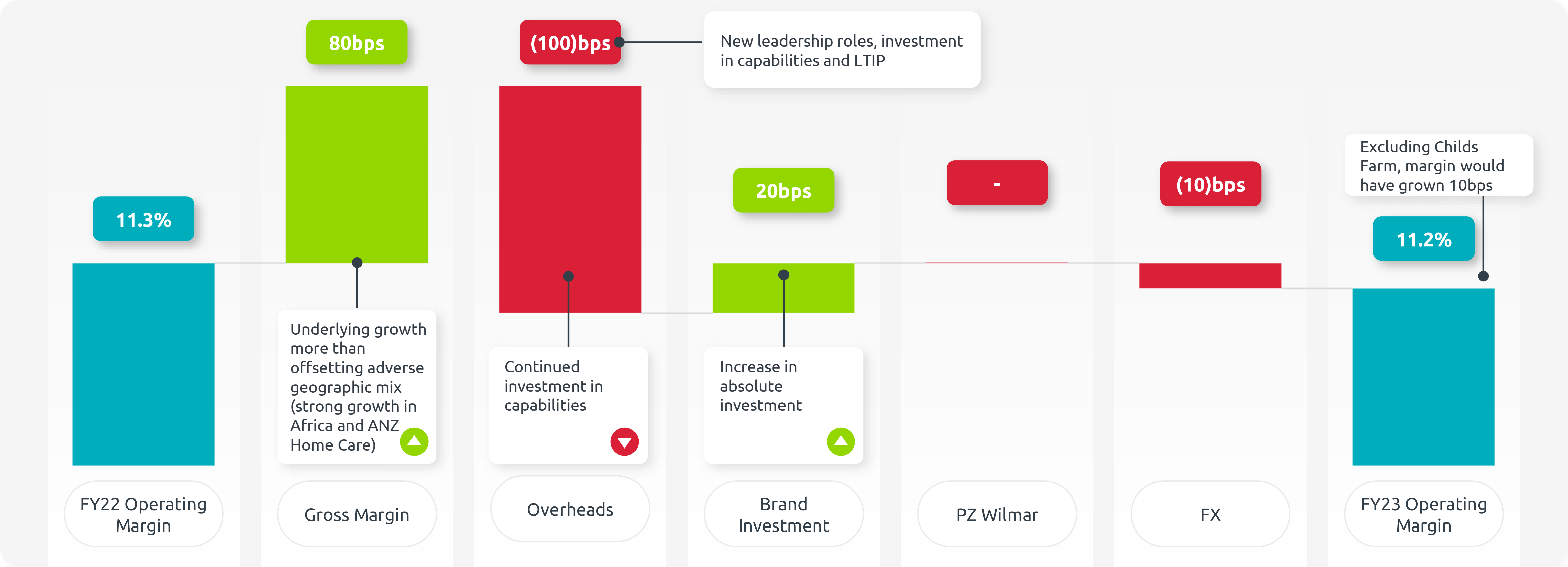
GROUP REVENUE

REVENUE GROWTH LED BY AFRICA AND CHILDS FARM ACQUISITION

Amounts in £m.
[1] FX movement is £15.7m and detailed in appendix. £15.1m shown includes a £0.6m reduction in Central revenue which is included within the LFL calculation.

MARGIN BRIDGE

GROSS MARGIN EXPANSION FUNDING INVESTMENTS



SEGMENTAL PERFORMANCE: EUROPE AND THE AMERICAS

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SIGNIFICANTLY IMPROVED TRENDS IN H2 WITH MARGIN IN LINE WITH GUIDANCE

£m, unless otherwise stated	FY22	H1 23	H2 23	FY23
Revenue	193.0	99.5	106.3	205.8
LFL revenue growth	(12.3)%	(6.0)%	5.4%	(0.5)%
Operating profit	35.0	9.5	19.8	29.3
Operating profit margin	18.1%	9.5%	18.6%	14.2%
Change	*(590)bps*	*(1,110)bps*	*260bps*	*(390)bps*

Total revenue growth driven primarily by Childs Farm

Decline in UK Washing & Bathing category of 3%[1]

Improved H2 trend reflecting the pricing action taken in H1 and improved St.Tropez trends

Improved H2 margin trend due to better revenue momentum and phasing of cost inflation

Must Win Brands

Carex, St.Tropez, Sanctuary Spa, Original Source, Childs Farm

Priority markets

[1] Based upon IRI and Kantar data for the 52 weeks ended 11 June 2023.

EUROPE AND THE AMERICAS: UK WASHING & BATHING TRENDS

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FY23 REVENUE DRIVEN BY UNDERLYING CATEGORY TRENDS. Q1 TRENDING POSITIVELY

		Shower	Hand hygiene	Bath	Bar soap
Market Size		£0.4bn	£0.2bn	£0.1bn	£0.1bn
Largest brands		Original Source	Cussons Carex	Cussons Imperial Leather; Cussons Creations	Cussons Imperial Leather
FY23 growth	Category	▲	▼	▼	▲
	Brand	▲	▼	▲	▲
Q1 growth	Category	▲	▼ Improvement to low single digit decline	▲ Bath in growth in Q1	▲
	Brand	▲	▼	▲	▲

Based upon IRI All Outlets plus Kantar Discount Channels, value sales growth, MAT to 11 June 2023 and 12 weeks to 2 September 2023.
The largest brand within each category is shown, but most categories contain multiple brands and most brands, including Sanctuary Spa, are in multiple categories.
Imperial Leather and Cussons Creations are treated as one brand for the purposes of this analysis.

SEGMENTAL PERFORMANCE: APAC

STRONG REVENUE AND MARGIN GROWTH

£m, unless otherwise stated	FY22	H1 23	H2 23	FY23
Revenue	173.8	102.2	88.5	190.7
LFL revenue growth	3.0%	7.5%	1.1%	4.4%
Operating profit	20.9	15.4	12.1	27.5
Operating profit margin	12.0%	15.1%	13.7%	14.4%
Change	*90bps*	*220bps*	*250bps*	*240bps*

Very strong revenue growth and share gains in Australia

Indonesia decline due to consumer spending and de-stocking

Operating margin increase driven by revenue growth and productivity

Must Win Brands

Priority markets

SEGMENTAL PERFORMANCE: AFRICA

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FURTHER REVENUE AND PROFIT GROWTH DESPITE MACRO CHALLENGES

£m, unless otherwise stated	FY22	H1 23	H2 23	FY23
Revenue	222.0	133.2	123.1	256.3
LFL revenue growth	22.3%	15.6%	11.7%	13.4%
Operating profit	22.3	15.8	21.4	37.2
Operating profit margin	10.0%	11.9%	17.4%	14.5%
Change	*440bps*	*370bps*	*510bps*	*450bps*

LFL revenue driven by further distribution gains and multiple price increases throughout the year

Each of our major brands reported double digit LFL growth

Operating profit would be £22.5m based on post devaluation FX rates[1]

Third consecutive year of profit improvement

Must Win Brands

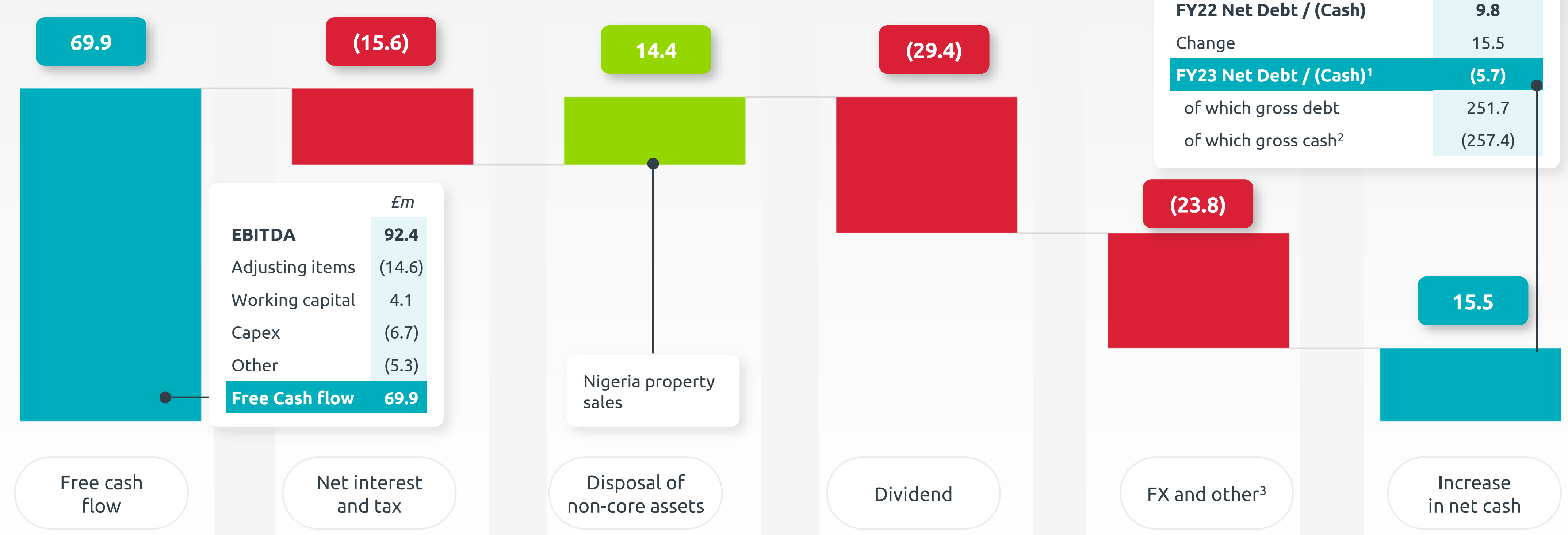
Premier
Cussons baby
Morning Fresh
Joy

Priority markets

[1] Assuming Naira-denominated profits had been translated at the average NGN/GBP rate over July and August 2023, following the devaluation during June. See appendix for further details.

CASH FLOW AND NET DEBT

NET CASH POSITION DRIVEN BY OPERATING PROFIT AND DISPOSALS, PARTLY OFFSET BY ADVERSE FX



	£m
EBITDA	**92.4**
Adjusting items	(14.6)
Working capital	4.1
Capex	(6.7)
Other	(5.3)
Free Cash flow	**69.9**

	£m
FY22 Net Debt / (Cash)	**9.8**
Change	15.5
FY23 Net Debt / (Cash)[1]	**(5.7)**
of which gross debt	251.7
of which gross cash[2]	(257.4)

[1] Net debt / (Cash) is shown excluding leases.
[2] Approximately £200m cash in Naira within Nigeria based on balance sheet exchange rate of NGN/GBP=577.
[3] £4.5m included in 'FX and other' comprises repayments of finance leases and re-financing fees.

FY24 NIGERIA OUTLOOK

SIGNIFICANT MACRO CHALLENGES, BUT MITIGATING ACTIONS WELL UNDERWAY

Underlying challenges	Mitigation
Consumer spending power significantly reduced	**Price/mix** growth
Increased input costs due to FX movements	Operational **improvements** and **simplification**
Challenges in obtaining **sufficient USD**	**Cost base** optimisation
Ongoing difficulty in **repatriating cash from Nigeria**	Strategic, operational and financial benefits from **buy-out and de-list**

[1] 25% of Electricals business owned by Haier will be unchanged.

FY24 OUTLOOK

A FOURTH YEAR OF LFL REVENUE GROWTH, AND STRONG CONSTANT CURRENCY OPERATING PROFIT GROWTH

Group

Continued **LFL revenue growth**

Strong **constant currency operating profit growth**

Operating profit in the range of market expectations

Nigeria devaluation implications

Naira £15m year on year adverse **FX impact** to operating profit

Net finance cost driven by Naira cash levels and deposit rates

Group ETR and non-controlling interest affected by Nigeria profit

STRATEGIC UPDATE

JONATHAN MYERS - CHIEF EXECUTIVE OFFICER

OUR STRATEGY IN SUMMARY

BUILD BRANDS

SERVE CONSUMERS

REDUCE COMPLEXITY

DEVELOP PEOPLE

GROW SUSTAINABLY

SERVING THE COST-CONSCIOUS CONSUMER

Cussons

CONSUMERS ACROSS OUR PRIORITY MARKETS HAVE BEEN UNDER PRESSURE FROM COST INFLATION

	UK	NIGERIA	INDONESIA
Inflation rates	6.8%	20.1%	4.4%
	Steep rise in **mortgages and household bills**	Threefold increase in **energy costs**	Jump in prices of **key food items** and **energy**

Source for inflation rates: International Monetary Fund, April 2023 data.

SERVING THE COST-CONSCIOUS CONSUMER (CONTINUED)

BRINGING BETTER VALUE TO CONSUMERS ACROSS THE VALUE SPECTRUM

Leveraging the portfolio and innovation

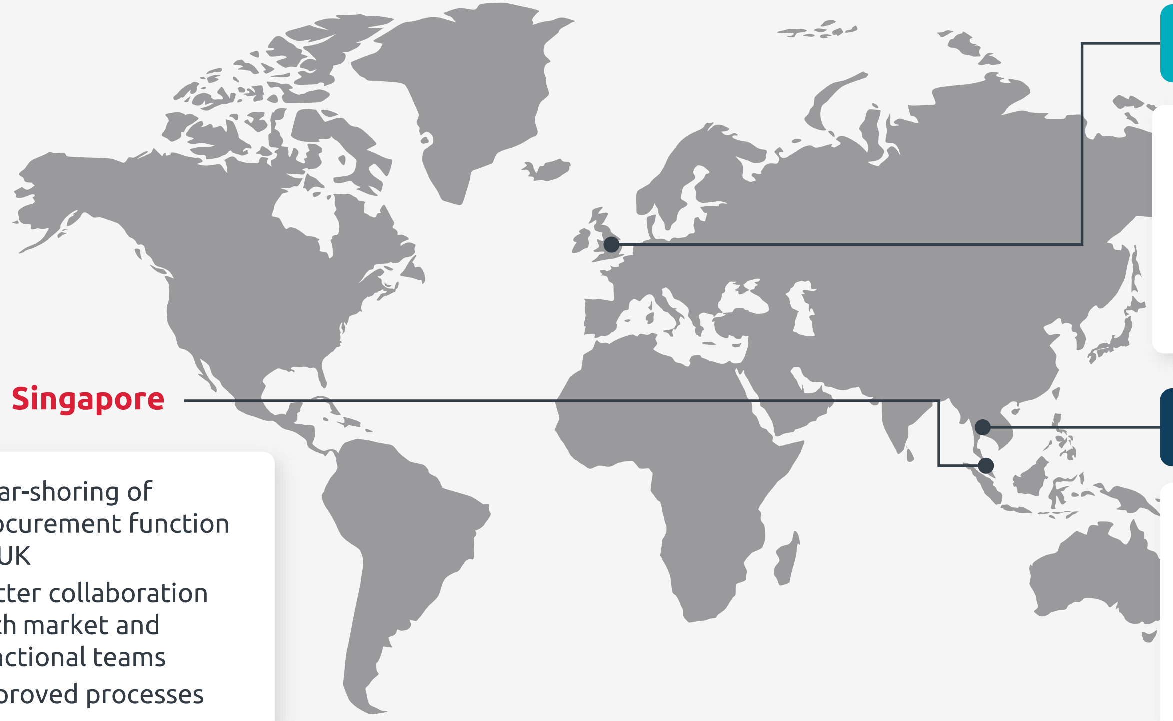
- Launch of value brand offering everyday great prices
- Already the 4th largest liquid soap brand

Pack-price architecture across markets

- Seeking to accelerate liquid wash segment
- Hitting key price points of Rp 5,000 and Rp 10,000

REDUCING COMPLEXITY THROUGH SIMPLIFYING THE SUPPLY CHAIN

WE ARE TRANSFORMING OUR SUPPLY CHAIN TO DRIVE INNOVATION, EFFICIENCY AND CAPABILITY



UK

- Closure of in-house fragrances operations
- Outsourced to world-class fragrances houses
- Improved innovation capabilities, quality and flexibility

Singapore

- Near-shoring of procurement function to UK
- Better collaboration with market and functional teams
- Improved processes

Thailand

- Planned closure of soap factory and outsourcing
- Reduced working capital and lead times
- Significant sustainability benefit

Overall transformation benefits identified

Improved efficiency and quality

£2-3m annualised saving

Cash proceeds from sale of the Thai factory[1]

[1] Proceeds anticipated in FY25.

POSITIONING NIGERIA TO DRIVE FUTURE GROWTH

PZ Cussons

WE ARE CONTINUING TO SIMPLIFY AND STRENGTHEN OUR PRESENCE IN NIGERIA

Operational improvements

Total stores covered up by
50%

Number of Golden Stores[1]
x6 vs. last year

Active SKU count in
Family Care halved
over the last two years

Non-performing tail brands
cut by 1/3

Corporate simplification

Buy-out and de-listing provides strategic flexibility to maximise opportunities and mitigate risks

Better enables local management focus

Reduced regulatory burden and cost

[1] Increase in number of Golden Stores, in which we choose to elevate standards of in-store execution, distribution and shelving, from 500 to 3,000.

ADJACENCY EXPANSION

EARLY SUCCESS IN MOVING MORNING FRESH IN TO THE AUTO DISHWASH CATEGORY

	Manual	Auto
Market size[1]	A$172M	A$354M
Growth[1]	2.6%	6.8%

[1] Market size and growth based on Nielsen Grocery Scan MAT to July 2023.

GEOGRAPHIC EXPANSION

ORIGINAL SOURCE LAUNCH IN SPAIN

Launched in
July 2023

Market size of
£300m

Already in over
1,700 stores

Marketing focused on
social and Out-of-Home

Further distribution
plans for later in FY24

GEOGRAPHIC EXPANSION

IMPERIAL LEATHER SHOWER GEL LAUNCH IN THAILAND

Launched in
July 2023

Strong social launch
with key influencers

Market size of
£200m

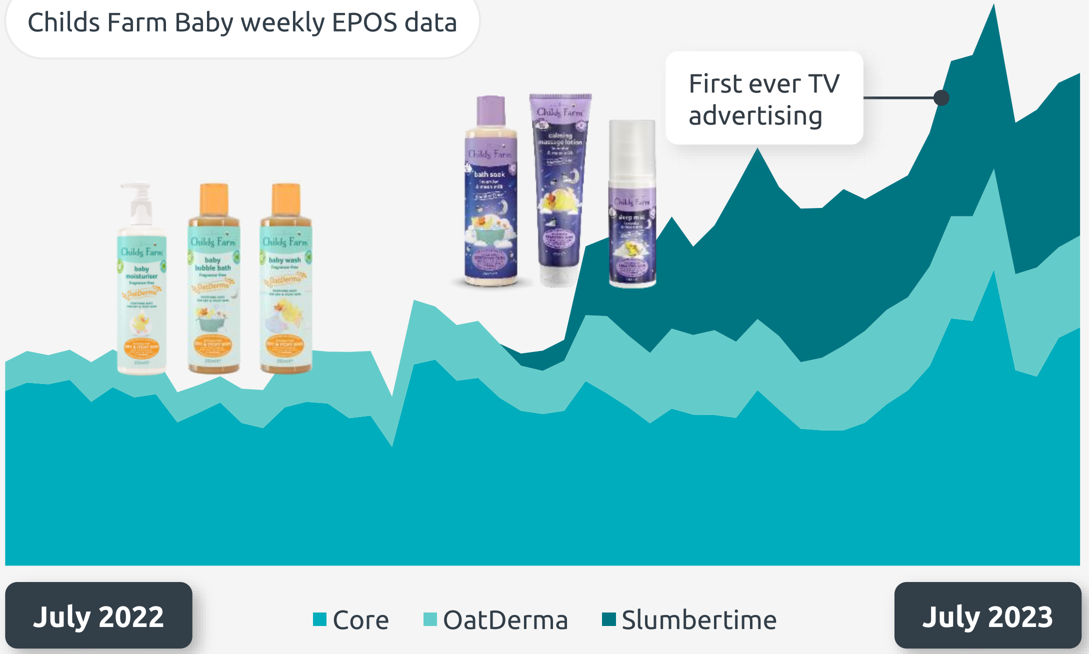
Leveraging existing
leading position
in bar soap

CHILDS FARM ACQUISITION

SUCCESSFULLY GROWING CHILDS FARM UNDER OUR OWNERSHIP THROUGH UK AND INTERNATIONAL EXPANSION

Recruiting UK mums through innovation, brand-building activity and distribution…

Childs Farm Baby weekly EPOS data



…and good momentum in building the international business

	1. Transform existing markets		2. New markets	
Market	ANZ	Ireland	Germany	Austria
	Middle East	Thailand	USA	
Market Size	£0.5bn		£1.4bn	

OUR SCORECARD SO FAR....

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

BUILD BRANDS

Re-launch of several brands

Investment in Brand Building muscle

SERVE CONSUMERS

Navigated consumer headwinds

Adjacency and geographic growth

REDUCE COMPLEXITY

Supply Chain transformation

Returned Nigeria to profitability

DEVELOP PEOPLE

Strengthened team

Reset company values

GROW SUSTAINABLY

Sustainability targets established and progressing well

Acquisition of Childs Farm

WE KNOW THERE IS MORE WORK TO DO

WE ARE FOCUSED ON 4 PRIORITIES OVER THE NEXT 12 MONTHS

1. Further simplifying and strengthening Nigeria
2. Returning the UK to sustainable, profitable growth
3. Driving further expansion from the core
4. Continuing to transform capabilities

LONG-TERM OPPORTUNITIES

PZ Cussons

LONG-TERM OPPORTUNITIES GIVEN THE ATTRACTIVE MARKET PRESENCE AND STRENGTH OF OUR BRANDS

Attractive market presence

Unique ‘challenger’ position in most of our categories and markets

Portfolio balanced split between developing and developed markets

Structurally attractive categories

Brand strength

Must Win Brands

Carex	St.Tropez	Morning Fresh
#1 hand hygiene	**#1** prestige tanning	**#1** manual dishwash

Portfolio Brands

Haier Thermocool	Rafferty's Garden	Stella
#1 fridges & freezers	**#1** baby food	**#1** body pomade

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Q&A


GRADUAL
TAN
CLASSIC
TROPEZ
Daily Firming Lotion*
Medium/Dark
Lotion Bronzante
Fermeté Corps*
Moyen/ Foncé
200 ml
6.7 fl oz US e

APPENDIX


CHARLES WORTHINGTON LONDON
VOLUME & BOUNCE
TEXTURISING SPRAY
FOR FINE, FLAT HAIR
150ml 5.07 fl oz
WEIGHTLESS SHAMPOO
PLUMPING CONDITIONER
PLUMP & STRENGTHEN WITH WEIGHTLESS MOISTURE FOR 155%* MORE VOLUME
250ml 8.45 fl oz
BODY BOOSTER MOUSSE
200ml 6.76 fl oz
BIG BLOW DRY SPRAY
PERFECT FINISH HAIRSPRAY

GLOSSARY

Term	Definition
Adjusted net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
Adjusted earnings per share	Earnings per share from continuing operations adjusted for the impact of adjusting items
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 operating profit	Operating profit continuing operations adjusted for the impact of adjusting items
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 ('RGM')	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

£m	% FY23 revenue	FY22 average	FY23 average	Revenue impact (£m)
GBP	27%	1.00	1.00	-
NGN	35%	558	536	8.0
AUD	14%	1.84	1.78	2.7
IDR	11%	19,331	18,174	4.7
USD	7%	1.35	1.20	4.2
Other	6%	-	-	(3.9)[1]
Total	**100%**			**15.7**

Table shows the impact of translating FY22 revenue at FY23 foreign exchange rates and corresponds with the revenue bridge on slide 6.
[1] £3.9m adverse movement driven primarily by the devaluation of the Ghana Cedi.

IMPACT OF NAIRA DEVALUATION ON FY23 FINANCIALS

£m	At reported rates	At July/August 2023 average rates	Difference
Group operating profit	73.3	58.6	(14.7)
Group cash and equivalents	256.4	174.6	(81.8)
Africa revenue	256.3	153.6	(102.7)
Africa operating profit	37.2	22.5	(14.7)

Operating profit would have been £14.7m lower had the average rates across July and August 2023 been used to translated the FY23 results

Analysis shows impact of devaluation of Naira as though FY23 results were re-translated at average rates of July and August 2023. July and August rates are used as the devaluation occurred during June.
Analysis does not incorporate the impact of movement in other currencies.