PZ Cussons

2024 HALF YEAR RESULTS

7 FEBRUARY 2024

AGENDA

- Introduction
- Financial review
- Strategic update
- Summary
- Q&A

KEY MESSAGES

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

1

Underlying strategic progress

The turnaround in UK Personal Care and continued ANZ growth reflect the Group's progress.

2

Managing Nigeria volatility

Our interventions have significantly mitigated, but not fully offset, the unprecedented financial impact of the Naira devaluation.

3

Addressing Beauty challenges head on

Measures are already in place to address Beauty underperformance.

4

Confident in long-term opportunities

Our brands have leading market positions and we operate in attractive markets and categories.

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

FINANCIAL REVIEW

SARAH POLLARD - CHIEF FINANCIAL OFFICER

SUMMARY FINANCIALS

REPORTED RESULTS ARE MATERIALLY IMPACTED BY THE NAIRA DEVALUATION

PZ Cussons

£m unless otherwise stated	H1 FY24	H1 FY23
Revenue	277.1	336.9
LFL revenue growth (%)	2.2%	6.1%
Operating profit	30.6	33.2
Operating profit margin (%)	11.0%	9.9%
Statutory operating (loss)/ profit	(89.7)	39.2
Profit before tax	26.1	34.5
Earnings per share	4.32p	5.16p
Dividend per share (p)	1.50p	2.67
Free cash flow	20.0	4.2
Net (debt) / cash	(96.7)	(35.7)

Constant currency growth of 17%

Dividend reduced following Naira devaluation

17.8% (£59.8m) reported revenue decline of which £52.9m attributable to Naira devaluation

Nine consecutive quarters of LFL revenue growth

See slide 6

24.3% decline in PBT

16.3% decline in EPS due to lower ETR and non-controlling interest

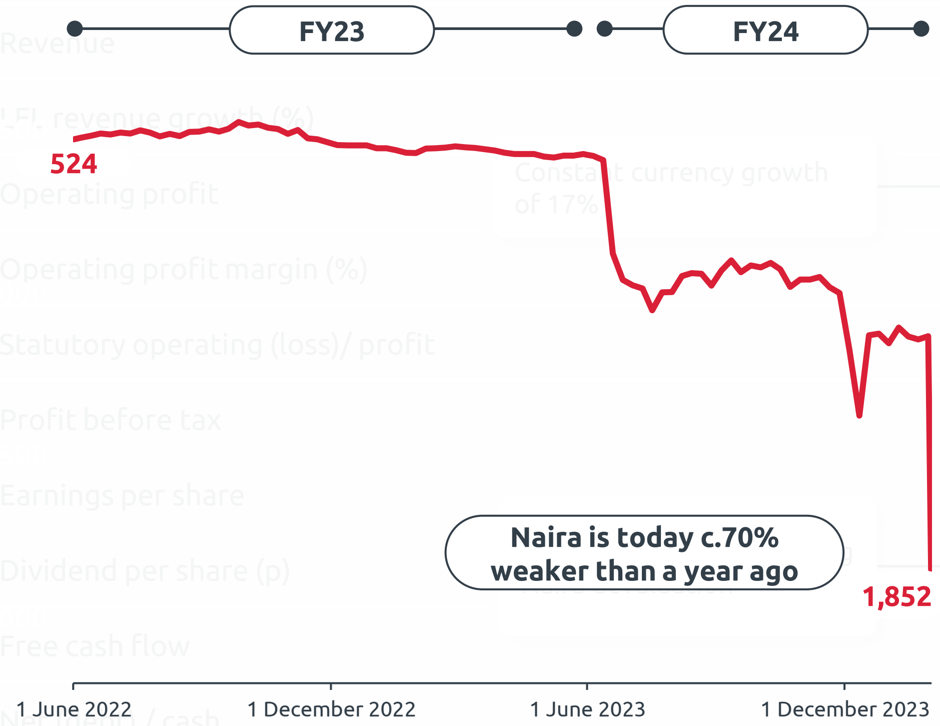
Improvement in net working capital

Increased net debt following £103m devaluation of cash in Nigeria (see slide 12)

Like for like ('LFL') growth adjusts for constant currency and excludes the impact of disposals and acquisitions.
All items are shown on an Adjusted basis unless otherwise stated.
Net (debt) / cash is shown before IFRS16 lease liabilities.

SUMMARY FINANCIALS

REPORTED RESULTS ARE MATERIALLY IMPACTED BY THE NAIRA DEVALUATION



(89.7)

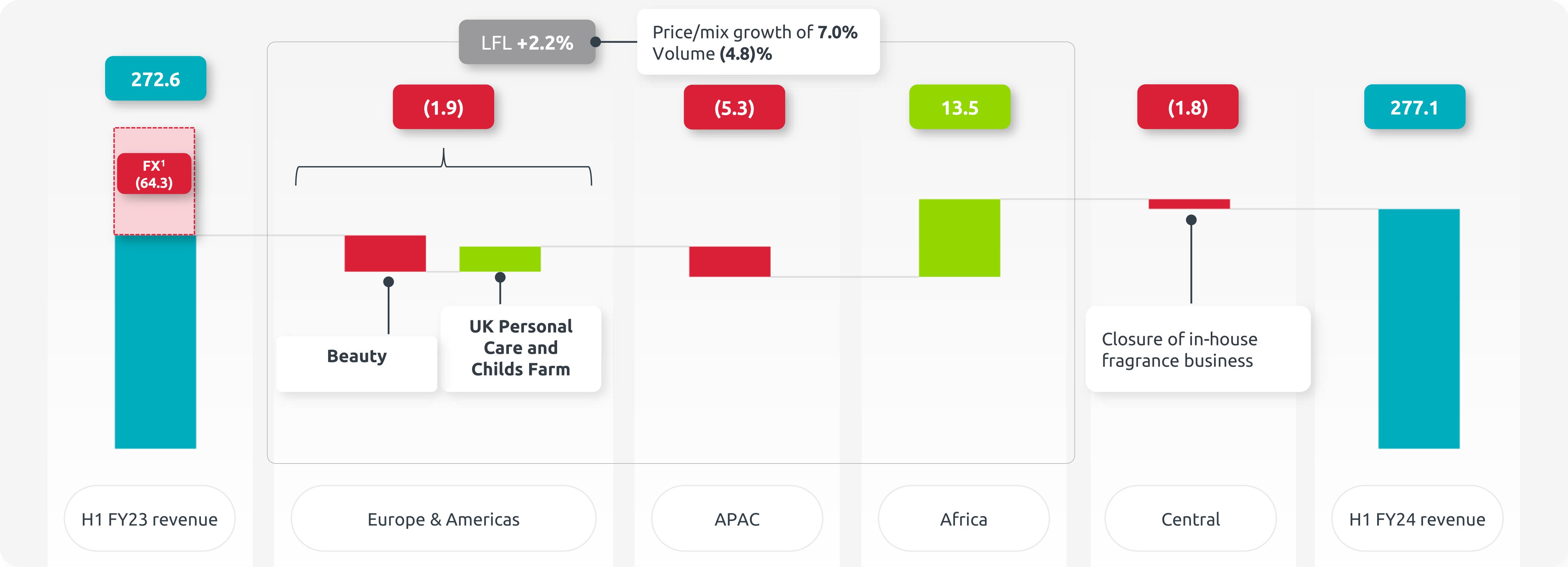
£m unless otherwise stated	**H1 FY24**
Operating profit	**30.6**
Simplification and transformation	(5.5)
Impairment charge	(24.4)
FX losses in JV	(2.2)
FX losses from Naira devaluation	(88.2)
Statutory operating profit	**(89.7)**

Increase in value of historical USD-denominated trade payables within Nigerian business e.g. input costs payable to suppliers	72.2m
Decrease in value of Naira denominated dividends and royalties owed to Group by Nigerian business	16.0m

Like for like ('LFL') growth adjusts for constant currency and excludes the impact of disposals and acquisitions.
All items are shown on an Adjusted basis unless otherwise stated.
Net (debt) / cash is shown before IFRS16 lease liabilities.
Chart shows NGN/GBP rate from 1 June 2022 to 31 January 2024. See appendix for further details.

GROUP REVENUE

CONSTANT CURRENCY REVENUE GROWTH DRIVEN BY GROWTH IN AFRICA AND UK PERSONAL CARE



Amounts in £m.
1 - Details are provided in the appendix.

OPERATING PROFIT

GROWTH IN OPERATING PROFIT AND MARGIN ACROSS EACH REGION

SEGMENTAL PERFORMANCE: EUROPE AND THE AMERICAS

STRONG MARGIN GROWTH DRIVEN BY UK PERSONAL CARE PARTIALLY OFFSET BY A DECLINE IN BEAUTY REVENUE

£m unless otherwise stated	**H1 FY24**	**H1 FY23**
Revenue	97.2	99.5
LFL revenue growth	(1.9)%	(6.0)%
Operating profit	12.4	9.5
Operating profit margin	12.8%	9.5%
Change	*330bps*	*(1100bps)*

Growth in UK Personal Care and Childs Farm partially offset by decline in Beauty

Improved margin due to price/mix improvements initiated during FY23

Must Win Brands

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

Priority markets

SEGMENTAL PERFORMANCE: APAC

CONTINUED STRONG MARGIN GROWTH DRIVEN BY ANZ

£m unless otherwise stated	H1 FY24	H1 FY23
Revenue	88.8	102.2
LFL revenue growth	(6.0)%	7.5%
Operating profit	15.7	15.4
Operating profit margin	17.7%	15.1%
Change	*260bps*	*220bps*

ANZ: Continued growth driven by Morning Fresh and Radiant

Indonesia: Revenue decline due to decline in consumer spend and competitiveness in category as well as our focus on higher-margin segments

Gross margin improvement in ANZ due to favourable mix and strong RGM, with good cost control in Indonesia

Must Win Brands

Cussons baby

Morning Fresh

Priority markets

SEGMENTAL PERFORMANCE: AFRICA

STRONG LFL REVENUE GROWTH WITH MARGINS SUPPORTED BY WILMAR JOINT VENTURE

£m unless otherwise stated	H1 FY24	H1 FY23
Revenue	90.8	133.2
LFL revenue growth	17.4%	15.6%
Operating profit	13.7	15.8
Operating profit margin	15.1%	11.9%
Change	*320bps*	*370bps*

31.8% reported decline due to Naira devaluation

Price/mix driven. Mid-single digit volume declines

Reduction in operating cost and improvement in PZ Wilmar JV

Must Win Brands

Priority markets

CASH FLOW AND NET DEBT

IMPROVING GROSS DEBT TRENDS DUE TO CASH GENERATION AND REPATRIATION FROM NIGERIA

	1 June 2023		H1 FY24 free cash flow	2 December 2023	
£m unless otherwise stated	**Reported FX**	**Constant FX[2]**			
Total cash	256.4	150.5	(22.4)	128.1	
Gross debt	(251.2)	(251.2)	25.9	(225.3)	£25.9m reduction in gross debt
Other	0.5	0.5	-	0.5	
Net cash / (debt)[1]	**5.7**	**(100.2)**	**3.5**	**(96.7)**	1.1x Last Twelve Months EBITDA
Naira cash	*201.1*	*98.5*	*(21.1)*	*77.4*	Reduced exposure to further depreciation of Naira, following initial £102.6m devaluation in June
Headroom on £325m bank facility	*73.0*	*73.0*	*32.0*	*105.0*	Headroom of £116m as at 31 January

1 - Net debt/ (cash) is shown excluding IFRS16 lease liabilities.
2 - Constant FX rates refer to balance sheet rates as at 2 December 2023.
Cash flow bridge is shown in the appendix.

FY24 OUTLOOK

"At our FY23 full year results in September, we noted that the Nigerian macroeconomic environment, and the currency particularly, would be the key determinant of FY24 results. Since then, we have experienced further depreciation of the Naira, with the official rate falling more than 30% since our balance sheet date of 2 December.

As a result, we now expect FY24 adjusted operating profit, at reported rates of exchange, to be in the range of £55-60 million.

Compares to prevailing market estimated operating profit range of £61.5 to £68.2m as at 21 September 2023

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STRATEGIC UPDATE

JONATHAN MYERS - CHIEF EXECUTIVE OFFICER

Imperial Leather pack shot image created using Artificial Intelligence platform Midjourney and based on key search terms and product fragrances to improve online shopping experience for consumers.

Cussons IMPERIAL LEATHER MASTER PERFUMERS SINCE 1921

OUR STRATEGY IN SUMMARY

BUILD BRANDS

SERVE CONSUMERS

REDUCE COMPLEXITY

DEVELOP PEOPLE

GROW SUSTAINABLY

A REMINDER OF OUR PRIORITES FOR FY24

WE ARE DELIVERING AGAINST THE FY24 PRIORITIES WE ESTABLISHED IN SEPTEMBER

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**

OUR FY24 PRIORITIES: NIGERIA

#1 NIGERIA

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WE ARE STRENGTHENING OUR UNDERLYING BRAND POSITIONING IN NIGERIA

Driving new usage occasions

Stella

'De-seasonalising' Stella to build demand outside of Harmattan peaks

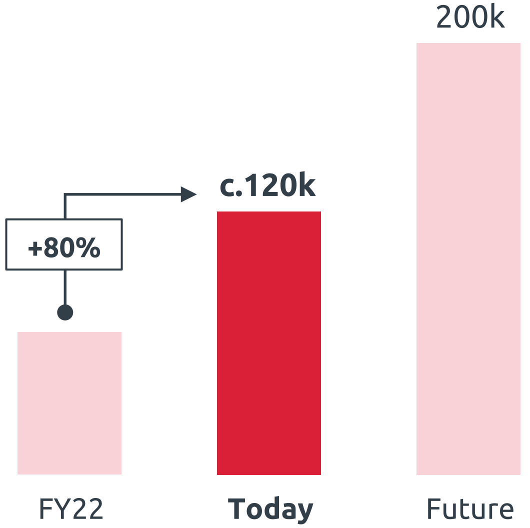
Driving awareness and penetration

Cussons baby

Recruiting the next generation of mums, in specialised **Mother and Baby stores** and through **hospital programmes**

Increasing distribution

Total stores under direct coverage has **increased 80%** and will increase further over time



DOUBLE-DIGIT % REVENUE GROWTH FROM PRICE/MIX AND VOLUME

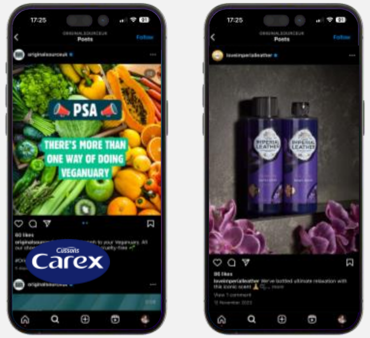
OUR FY24 PRIORITIES: UK

#2 UK

TURNAROUND IN PERFORMANCE DRIVEN BY BUILDING BACK EXECUTIONAL CAPABILITIES

RE-BUILDING THE BASICS

Marketing and comms



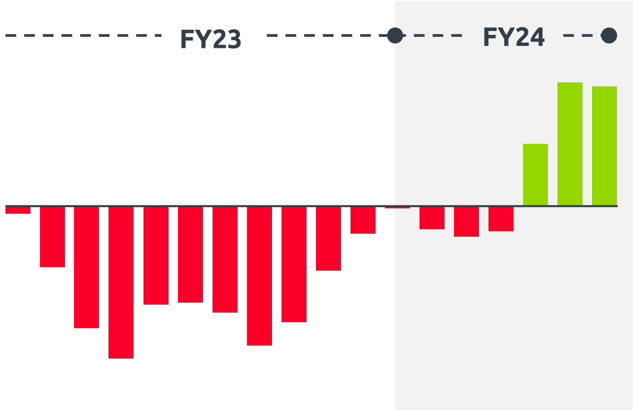
Innovation

Distribution

+6%
Total distribution points

H1 FY24 PERFORMANCE[1]

Total UK Personal Care portfolio value share has improved significantly in FY24[3]



All brands in share and revenue growth in Q2

- ✓ Carex
- ✓ Imperial Leather, Cussons Creations
- ✓ Original Source

Volume share[2]	Revenue	Gross profit %
+230bps	+9%	290bps

1 - Market share, revenue and gross profit % is H1 FY24 vs. H1 FY23
2 - Volume share based on IRI and Kantar data. Comparable value market share growth was 60bps
3 - Source: IRI Outlets, plus Discount Channel from Kantar, Rolling 12weeks to 24th December from 4th September 2022, Value Share Change vs previous year

DIAGNOSING THE RECENT UNDERPERFORMANCE IN BEAUTY

BRAND EQUITY IN OUR BEAUTY PORTFOLIO REMAINS STRONG BUT INNOVATION AND EXECUTION HAS BEEN UNSATISFACTORY

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ST.TROPEZ

39%
market share[1]

#1
for Spontaneous Awareness[2]

8 out of Top 10
self-tan products are St.Tropez[1]

Highly attractive
distribution

ULTA BEAUTY

SEPHORA

SANCTUARY SPA

Multiple awards
throughout FY24

#1
'improved wellbeing/self-care'

#1
'makes you Feel Pampered'

Root causes of underperformance:

Inconsistent in-store execution

Insufficient innovation pipeline

Overly-complex organisation

1 - Circana 12 months to September 2023. Share of prestige category
2 - Kantar research, September 2023

ADDRESSING THE BEAUTY CHALLENGES

TWO ORGANISATIONAL CHANGES TO ADDRESS UNDER-PERFORMANCE IN BEAUTY AND STRENGTHEN GROUP-WIDE BRAND-BUILDING

1 Combining Personal Care and Beauty Business Units to simplify the UK...

UK PERSONAL CARE | **UK BEAUTY**

Two separate teams, processes and partners

Customer duplication

One team and one face to the customer

Carex · Charles Worthington London · Cussons Creations · Fudge Professional · Imperial Leather · Original Source · Sanctuary Spa · St.Tropez

2 ...and strengthening Group-wide brand-building and growth capabilities

- Expanded **marketing, R&D** and **commercial** teams
- Better **cross-market collaboration** in brands that can travel
- More effective **best practice sharing**

Improved execution · **Strengthened pipeline** · **Simplified organisation**

OUR FY24 PRIORITIES: EXPANDING BEYOND THE CORE

#3 EXPANSION

CONTINUED SUCCESS IN GROWING OUR BRANDS INTERNATIONALLY

Childs Farm (Germany)

In partnership with

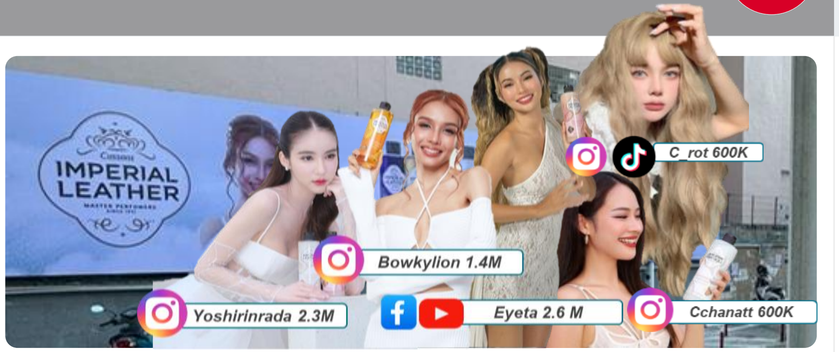
dm

Over **200 4-5 star reviews** across the range **within 3 months** of launch

Imperial Leather (Thailand)

100+ reviews, 1m+ reach

From 5 mega influencers + 54 macro/micro influencers



Childs Farm (USA)

Growth in

amazon

Now targeting premium regional grocers

Morning Fresh (Australia)

Expansion 'beyond the sink'

Auto dishwashing segment **twice the size** and growing **twice as fast** as manual

OUR FY24 PRIORITIES: CAPABILITIES

#4 CAPABILITIES

REVENUE GROWTH MANAGEMENT HAS BEEN FOCUSED ON UK PERSONAL CARE AND WILL BENEFIT OTHER MARKETS OVER TIME

UK PERSONAL CARE

Investing in RGM muscle…

RGM 'toolkit' launched in UK:
- Standardisation of best practice
- Ease of wider roll-out
- Data integrity
- Ease of data sharing

Based on in-housing of data and analytics:
- Lower cost and improved speed
- Greater flexibility and scope
- Minimal manual interventions

Toolkit to be rolled out to other markets in due course

…while optimising in-year performance

Promo optimisation

Optimised feature space in major grocers

Active mix management

Margin-accretive, channel-specific New Product Development

£2m

Annualised gross profit uplift from recent RGM activity in UK Personal Care

SUMMARY


FROM AUSTRALIA'S #1 DISHWASHING LIQUID BRAND*
Cussons
MORNING FRESH
PRO
PERFORMANCE
44 TABS
LEMON
3X POWERFUL GREASE CUTTING ACTIVES
FROM AUSTRALIA'S #1 DISHWASHING LIQUID BRAND*
Cussons
MORNING FRESH
PRO
BRILLIANCE
44 TABS
LEMON
FIRST TIME SPARKLING CLEAN

KEY MESSAGES

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

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The turnaround in UK Personal Care and continued ANZ growth reflect the Group's progress.

2

Managing Nigeria volatility

Our interventions have significantly mitigated, but not fully offset, the unprecedented financial impact of the Naira devaluation.

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Q&A

APPENDIX

FOREIGN EXCHANGE ANALYSIS

£m	**% FY23 revenue**	**H1 FY24**	**H1 FY23**	**% change**	**Revenue impact (£m)**
GBP	27%	1.00	1.00	-	-
NGN	35%	915	509	(44)%	(52.9)
AUD	14%	1.92	1.74	(9)%	(4.3)
IDR	11%	19,161	17,780	(7)%	(3.1)
USD	7%	1.25	1.18	(6)%	(0.9)
Other	6%	-	-		(3.1)
Total	**100%**				**(64.3)**

Table shows the impact of translating H1 FY23 revenue at H1 FY24 foreign exchange rates.

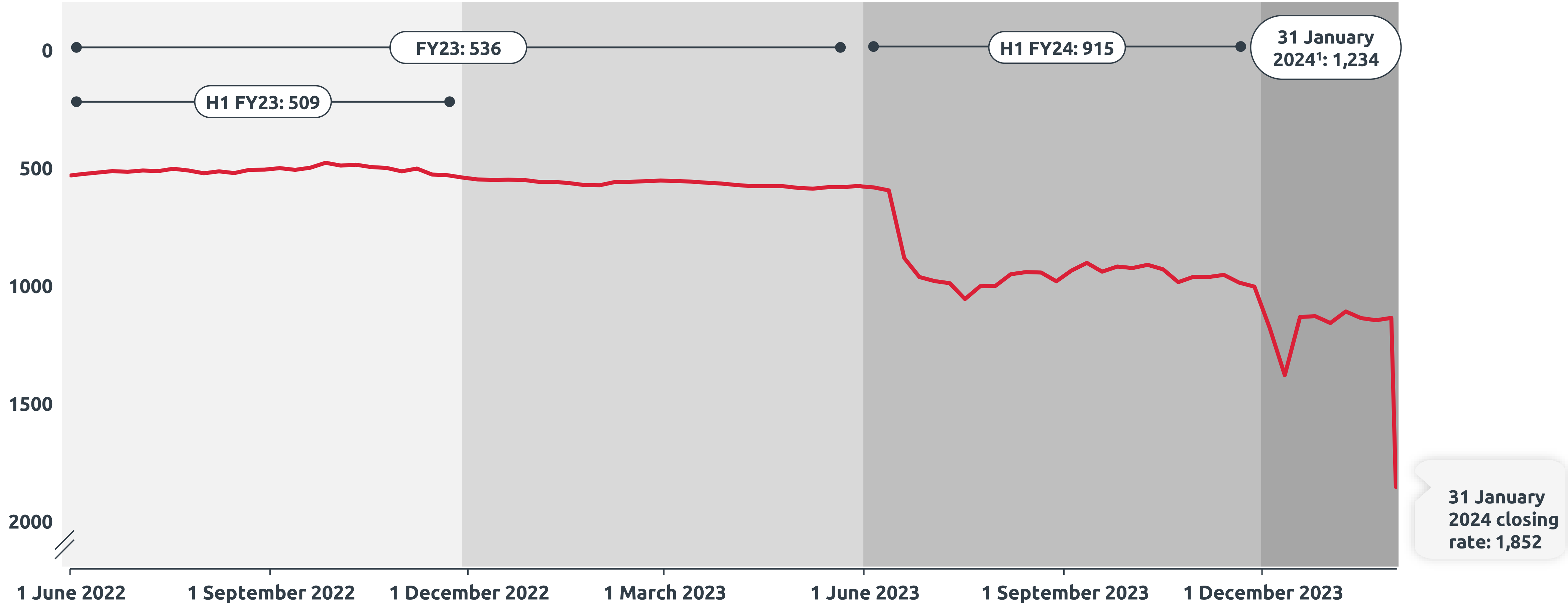
CASH FLOW AND NET DEBT

	£m
EBITDA	**39.7**
Adjusting items	(5.5)
Working capital	(4.6)
Capex	(2.4)
Other	(7.2)
Free Cash flow	**20.0**

	£m
FY23 Net (debt) / cash[1]	**5.7**
H1 FY24 net cash flow	(4.8)[2]
FX and other[3]	(97.6)
H1 FY24 Net (debt) / cash[1]	**(96.7)**

1 - Net Cash/(Debt) is shown excluding leases.
2 - £4.8m refers to the statutory net cash flow in H1 FY24. £3.5m net cash flow shown on slide 12 is calculated on a constant currency basis.
3 - £0.2m included in 'FX and other' relates to unamortised fees on borrowings.
4 - £0.8m included in 'Other' comprises the net effect of disposal of assets and repayment of finance leases.

HISTORIC NGN/GBP RATES



Rates shown are NGN/GBP rates used to translate the P&L in the respective periods
1 - Average rates in H2 FY24 from 3 December 2023 to 31 January 2024

GLOSSARY

Term	Definition
APM	Alternative performance measure
Adjusted earnings per share	Earnings per share from continuing operations adjusted for the impact of adjusting items
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 well-being	% 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) revenue growth	Growth on the prior year at constant currency, excluding unbranded sales and 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
Net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
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', 'Shopability' 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