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18 June 2025

Sale of non-core Nigerian Joint Venture and update on FY25 performance

PZ Cussons plc ("PZ Cussons" or "the Group") today announces the sale of its 50% equity stake in PZ Wilmar, and provides an update on trading in respect of the FY25 financial year ended 31 May 2025.

Sale of 50% stake in PZ Wilmar Joint Venture

In April 2024 the Group announced plans to maximise shareholder value through a portfolio transformation, following a strategic review of brands and geographies. This included the evaluation of strategic options for its African business.

As a significant step in the portfolio transformation, the Group is pleased to announce it has signed an agreement to sell its 50% equity interest in PZ Wilmar Limited, a Nigerian edible oils business, to Wilmar International Limited ("Wilmar"), the Joint Venture partner, for cash consideration of $70 million (£51 million[1]). Consideration will be paid in US Dollars.

After taxes, fees and other costs, net proceeds are expected to be approximately $64 million (£47 million). Proceeds will be used to reduce gross debt and, as a result, the Group's key credit and bank covenant metrics are materially improved. Completion, which remains conditional on relevant approvals, is expected to take place in the last quarter of calendar 2025.

Formed in 2010 through a joint venture of PZ Cussons and Wilmar, PZ Wilmar is one of the largest sustainable palm oil businesses in Nigeria. Its edible cooking oils, sold under the brand names Mamador and Devon King's, hold market leading positions. Operations of the business are not expected to be impacted by the transaction.

The PZ Wilmar joint venture contributed £4.7 million to Group adjusted operating profit in H1 25 and cash flow of £2.5 million, which reflected the partial repayment of a shareholder loan[2]. The transaction will represent a profit on disposal as well as a reduction in complexity for the Group and less exposure to the risk and volatility of Nigeria.

FY25 performance update

The Group expects to report like for like revenue growth of 8% for FY25, with reported revenue of c.£505 million. Performance in the second half of the year was driven by continued strong revenue growth in Africa given the inflationary macro-economic environment in Nigeria. APAC has returned to growth in H2, driven by strong revenue growth in Indonesia, and whilst ANZ revenue declined in a soft market, it continued to see market share gains. Europe and Americas revenue was flat in FY25, with good growth in the UK and Europe offsetting a double-digit decline in the St. Tropez US business.

The Group's guidance for FY25 adjusted Operating Profit is now £52 million to £55 million. This is a narrowing of the £52 million to £58 million range stated previously and reflects the recognition in Q4 of an additional £2 million Extended Producer Responsibility costs in our UK business, and the significant impact on Group profitability as a result of the softer St. Tropez US performance. These factors were partly offset by cost management initiatives across the Group.

[1] Based upon a USD/GBP exchange rate of 1.36
[2] Average annual contribution to adjusted operating profit over FY22-24 was £8.3 million

Gross debt as at the end of FY25 is expected to be £158 million, down from £167 million as at the end of FY24. On a pro-forma basis, including the proceeds from the sale of the 50% stake in Wilmar, gross debt would be £111 million.

Jonathan Myers, Chief Executive Officer, said:

"I am delighted to announce the sale of our stake in PZ Wilmar to our joint venture partner. In doing so, we are exiting a non-core category, reducing the risk associated with our presence in Nigeria, and materially strengthening our balance sheet. At the same time, the smooth transition of ownership offers continuity for colleagues and operations. I want to thank all our PZ Wilmar colleagues for the significant achievements since the inception of the JV in 2010, including the delivery of significant profit growth over this time. We wish the team continued success.

"Having delivered a solid FY25 performance, our focus now is to continue transforming PZ Cussons into a business with stronger brands in a more focused portfolio, delivering sustainable profitable growth."

The Group will report FY25 results in September 2025.

Standard Bank, Latham & Watkins LLP and Udo Udoma & Belo-Osagie are advising PZ Cussons plc on the PZ Wilmar transaction.

Contact details

Investors

Simon Whittington - IR and Corporate Development Director

+44 (0) 77 1137 2928

Media

Headland PZCussons@headlandconsultancy.com

+44 (0) 20 3805 4822

Susanna Voyle, Stephen Malthouse, Charlie Twigg

About PZ Cussons

PZ Cussons is a listed consumer goods business headquartered in Manchester, UK. We employ just under 2,500 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.