17 September 2025

RESULTS FOR THE YEAR ENDED 31 MAY 2025

Continued progress against strategy
Focused on driving operational performance and transforming the business

Jonathan Myers, Chief Executive Officer, said: *"FY25 has been a year of continued progress against our strategy. We have delivered good momentum across most of our portfolio, driven by our renewed focus on more competitive brand activation, strengthened innovation and successful commercial partnerships. At the same time, we have taken action to address our cost base, as we embed our new operating model. The UK saw a stronger profit performance, while Indonesia has seen its fifth consecutive quarter of revenue growth, and we continued to gain share in ANZ.*

We are also delivering on the plan to simplify and transform our business. In June we announced the sale of our 50% stake in PZ Wilmar, for $70 million, materially strengthening our financial position. We also took the decision to retain St.Tropez, to create more value through a new strategic direction and operating model. We continue to review the future of our wider African business.

We know there is more to do to fully transform PZ Cussons into a business with stronger brands in a more focused portfolio, delivering sustainable, profitable growth. With the strategic actions and operational improvements delivered through 2025, we are confident in the long-term potential for PZ Cussons."

£m	**Adjusted**			**Statutory**		
unless otherwise stated	**FY25**	FY24	*variance*	**FY25**	FY24	*variance*
Revenue	**513.8**	527.9	*(2.7)%*	**513.8**	527.9	*(2.7)%*
LFL revenue growth (LFL)	**8.0%**	4.4%				
Operating profit/(loss)	**54.9**	58.3	*(5.8)%*	**20.6**	(83.7)	*n.m.*
Operating margin	***10.7%***	*11.0%*	*(30)bps*	***4.0%***	*(15.9)%*	*n.m.*
Profit/(loss) before tax	**41.1**	44.7	*(8.1)%*	**6.5**	(95.9)	*n.m.*
Basic earnings/(loss) per share	**7.34p**	8.02p	*(8.5)%*	**(1.38)p**	(13.60)p	*n.m.*
Dividend per share				**3.60p**	3.60p	*0.0%*

Operating profit/(loss) (excluding Wilmar joint venture)	*47.8*	*47.6*	*0.4%*	**2.6**	(91.0)	*n.m.*
Operating margin	*9.3%*	*9.0%*	*30bps*	**5.1%**	(17.2)%	*n.m.*

See page 13 for definitions of key terms and page 14 for the reconciliation between Alternative Performance Measures and Statutory results.
'*n.m.*' represents non-meaningful growth rates.
With the exception of LFL revenue growth, % changes are shown at actual FX rates.

Summary

Financial results

- LFL revenue growth of 8.0% driven by pricing in Africa and strong brand activity in UK and Indonesia
    - Excluding Africa, LFL revenue growth was 0.3% with volume growth of 0.7%.
- Reported revenue declined 2.7% due to the adverse impact of foreign exchange movements.
- Gross debt reduction from £166.6 million to £157.1 million with FY25 free cash flow of £42.3 million, an improvement on the comparative period driven by favourable working capital movements. Leverage will reduce further following the completion of the sale of the 50% stake in the PZ Wilmar joint venture.
- Adjusted operating profit margin reduced by 30bps, to 10.7%, but grew 30bps excluding PZ Wilmar, the sale of which was announced in June 2025, supported by a reduction in Group overheads.
- Adjusted profit before tax declined by 8.1%, reflecting the 5.8% reduction in adjusted operating profit, resulting in an 8.5% reduction in EPS.

Delivery against the strategy

Progress against the three key priorities established for FY25 is as follows:

1. Drive our businesses in the UK, Indonesia and ANZ

- *UK: stronger profit performance with better innovation and commercial execution*
    - Strong execution of seasonal gifting across our brands, contributing an additional c.£3 million to revenue growth;
    - Distribution points increased by 3% driven by Original Source and Sanctuary Spa[1];
    - Successful New Product Development (NPD), including Original Source 2in1 foam and Imperial Leather: *Ultimate moisture*;
    - Expanded partnerships with Intellectual Property owners, including Carex and Childs Farm collaborations with *Gruffalo* and *Bluey*, respectively
- *Indonesia: accelerated revenue growth, and well placed to take share in a structurally attractive market*
    - Fifth consecutive quarter of revenue growth, with a doubling of eCommerce revenue (now 8% of total revenue) and further growth in our Telon warming oil innovation, supported by the initial phase of the re-launch of Cussons Baby
- *ANZ: brand strength delivering market share gains*
    - Continued market share gains in Morning Fresh, Rafferty's Garden and Radiant against a difficult consumer backdrop.

2. Strengthen our brand-building capabilities and embed our new operating model

- Reduction in Group overheads, including the integration of UK Personal Care and UK Beauty businesses delivering annualised savings of c.£3 million, funding investment in capabilities and brand-building activity
- Organisational changes put in place during FY24 to strengthen Group-wide brand building capabilities are enabling more competitive brand activation and strengthening our multi-year innovation pipeline:
    - Centralised R&D function, reporting to the Chief Marketing Officer, to improve end-to-end innovation planning and development
    - Significant FY26 launches planned for Cussons Baby (Indonesia), Original Source (UK) and Morning Fresh (Australia);
    - Refreshed brand-building framework being rolled-out across the business to co-ordinate and systemise activity.
- Further progress on Childs Farm integration, with the majority of manufacturing now in-house.

[1] Weighted distribution for 26 weeks ended 31st May 2025 vs prior year. Source: IRI

3. Deliver the portfolio transformation to maximise shareholder value

- Announced in June 2025 the sale of our 50% stake in the PZ Wilmar joint venture for $70 million which will significantly reduce debt and improve key credit and bank covenant metrics. Transaction remains on track to complete in the last quarter of calendar 2025, subject to relevant approvals;
- Announcement in June 2025 to retain the St.Tropez brand with a new strategic direction and operating model including the formation of a partnership with The Emerson Group, a leading US-based distributor, to return the brand to growth in the US;
- We continue to review the future of our wider African business.

Dividend

The Board is proposing a final dividend of 2.10p per share, in line with last year's payment. The dividend will be paid on 27 November 2025 to shareholders on the register at the close of business on 31 October 2025.

Current trading and guidance

Current trading

Trading in FY26 has been in line with our expectations, with Group LFL revenue growth to the end of September expected to be 10% driven by growth of 39% in Africa and 7% in APAC. This growth has been partly offset by Europe and Americas which is expected to decline 2% reflecting strong comparatives and challenging trading in St.Tropez. The region is expected to be in growth in H1.

Guidance

Key guidance items for FY26 are as follows:

- **Adjusted operating profit:** £48-53 million, excluding the profit contribution from PZ Wilmar[2].
- **Cost savings:** Adjusted operating profit guidance includes £5-10 million in-year savings. A significant portion of these savings will be re-invested into marketing investment and brand-building capabilities subject to clear return criteria.
- **Net debt:** expected to reduce significantly from the £112.0 million reported for FY25, reflecting:
    - Cash proceeds of c.£47 million from the sale of the Group's 50% stake in PZ Wilmar.
    - Cash proceeds of c.£15-20 million from the sale of non-operating surplus assets of which c.£8 million has been received to date.

[2] Profit contribution prior to completion will be included within the accounting for the disposal.

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Investor and Analyst conference call

PZ Cussons' management will host a virtual audiocast presentation for analysts and institutional investors at 8.30am UK time to present the results and provide the opportunity for Q&A. Details of the presentation are as follows:

A webcast of the presentation is available at the link below and will also be available via our corporate website: www.pzcussons.com.

Audience Webcast link:
https://www.netroadshow.com/events/login/LE9zwo3jGKJoKQT1F3XVt1CA7Sw7XrlPyWz.
Operator Assisted Dial-In:
Dial in: +44 20 3936 2999 / +44 808 189 0158
Access Code: 166496

Notes to Editors

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.

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 macroeconomic, political and social factors in the markets in which we operate. While we believe that the expectations reflected herein are reasonable based on the information we have as of the date of this announcement, actual outcomes may vary significantly owing to factors outside the control of the PZ Cussons 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 PZ Cussons 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.

GROUP REVIEW

Introduction from our Chief Executive Officer

PZ Cussons is now firmly in the transformation phase of its journey – reshaping itself into a more focused, competitive and resilient business. Our strategy remains centred on the core categories of Hygiene, Baby and Beauty and we continue to invest in building brands, while simplifying our operations and creating a future-fit organisation.

FY25 has been a year of continued progress against our strategy. The UK business has delivered a stronger profit performance, supported by successful innovation, improved execution and strong retail partnerships. Indonesia has now recorded a fifth consecutive quarter of revenue growth, and ANZ continues to gain market share in each of its main brands, despite a softer consumer backdrop.

Across the Group, we are also seeing the benefits of our new operating model. Funded by a reduction in Group overheads, this is enabling more competitive brand activation and a clearer, more robust innovation pipeline. Major launches such as the Carex campaign in Africa, or the Childs Farm re-stage in the UK are early markers of success. Furthermore, we see continued opportunity to replicate the success enjoyed so far with our partnerships with third-party owners of Intellectual Property (IP), such as *Bluey* or *Gruffalo*, with which a number of our brands share a target consumer.

In Nigeria, while the macro-economic environment remains challenging, the Naira (the Nigerian currency) has shown greater stability in recent months. Our operational interventions have helped sustain trading momentum and the business is now self-sufficient in US Dollar funding. Firstly, we repatriated all surplus cash to pay down UK borrowings, and subsequently we reduced a number of intercompany liabilities. As a result, our exposure to future shocks has been greatly reduced.

Furthermore, shortly following the end of the financial year, we announced the sale of our 50% stake in the PZ Wilmar edible oils joint venture. This sees us exit a non-core category, reduce the risk associated with our presence in Nigeria, and materially strengthens our balance sheet. We also announced in June the decision to retain St.Tropez. This ended the auction process that we had been conducting which had been made challenging by the significant reduction in revenue and profitability of the brand throughout the year. We are however confident in the new direction that has been set for the brand, with a renewed operating model built around a focused and incentivised team with the brand leader reporting directly to me, and a re-set of our 'go to market' capabilities in the US aided by our strategic partnership with The Emerson Group – a leading, US-based partner to brand owners.

The strategic review of our wider Africa business is ongoing. This comprises our Family Care businesses in Nigeria, Ghana and Kenya, and our Electricals business in Nigeria. We remain committed to maximising long-term shareholder value and will provide an update as appropriate.

Finally, in a year of significant organisational change and uncertainty for many of our employees, I am particularly pleased to be able to report an employee engagement score of 74%. This represents an increase from 73% in FY24, and compares favourably to an industry benchmark of 71%.

We know there is more to do to fully transform PZ Cussons, but with the strategic actions and operational improvements delivered through 2025, we are confident in the long-term potential for the Group. On behalf of the Board, I would like to thank our teams across the world for their continued energy and commitment, and our partners and customers for their ongoing support.

Delivering against FY25 strategic priorities

Progress against the three key priorities established for FY25 is as follows:

1. *Drive our businesses in the UK, Indonesia and ANZ*

In the UK, we delivered a stronger profit performance with better innovation and commercial execution. Improved executions around gifting occasions across Christmas 2024, Mother's Day and Valentine's Day contributed an additional c.£3 million of revenue in the year. Distribution of our brands continued to expand, with successful launches for Sanctuary Spa in Tesco, Waitrose and Asda, while Carex and Imperial Leather gained in the wholesale and discounter channels. Childs Farm saw distribution expand further, supported by the launch of a strategic partnership with *Bluey* and BBC Studios, enhancing brand visibility and consumer engagement. Product development included the Original Source 2in1 foam product while Carex replicated the success of its *Gruffalo* product with an expansion of its partnership with Magic Light Pictures to use *Zog* on products.

In Indonesia, the business recorded its fifth consecutive quarter of revenue growth. We see continued growth following the launch in FY24 of Cussons Baby into the warming oil segment – a very large and important part of the wider Baby Care category in which the brand has not historically been present. Driven by a successful '360' marketing campaign, involving TV, digital media and shopper trials, and with distribution now reaching over 150,000 outlets, brand penetration has reached 9% compared to 2% as at the end of FY24. More broadly, we see continued growth in e-commerce which doubled in FY25 to represent now approximately 8% of the total business.

In ANZ, we delivered further market share gains across Morning Fresh, Radiant, and Rafferty's Garden. Radiant became the third-largest laundry brand in Australia, underpinned by the successful launch of capsule innovation. Morning Fresh retained its leadership position with approximately 50% category share, while Rafferty's Garden continued to hold the number 1 position in baby food.

2. Strengthen our brand-building capabilities and embed our new operating model

During the year we completed the integration of our UK Personal Care and Beauty businesses. This has delivered c.£3 million in annualised savings, enabling faster, more consistent execution across commercial and operational activities and was a primary driver of the reduction in Group-wide overheads.

As part of our new operating model, during FY25, we began the roll out of a renewed Marketing and R&D 'flywheel' to all business units. With renewed clarity and consistency on our brand-building tools and frameworks, we expect to drive more consistent and impactful brand-building across our portfolio. In the second half of the year, we launched a re-stage of Childs Farm generating strong consumer engagement. This has reinforced the strength of our brand equity and we expect this to benefit performance into FY26. Other innovations for FY26 are set to include Cussons Baby in Indonesia, Original Source in the UK, and Morning Fresh in ANZ.

We are now in the final stages of integrating Childs Farm into the business. The majority of manufacturing now takes place in-house and the day-to-day running of the brand is led solely by our UK team, allowing us to consolidate the number of points of interaction with suppliers and customers.

3. Deliver the portfolio transformation to maximise shareholder value

We announced in April 2024 our intention to refocus the PZ Cussons portfolio on where the business can be most competitive and where it can create most value for shareholders.

In June 2025, we announced the sale of our 50% stake in the PZ Wilmar edible oils joint venture for $70 million, to the joint venture partner, Wilmar International Limited. The transaction, once complete, will see us exit a non-core category, simplify our portfolio, and significantly reduce our financial leverage.

During the year, the Group ran a competitive auction process which sought to sell the St.Tropez brand. After careful evaluation of the offers received, the Board announced in June 2025 its intention to retain St.Tropez and set a new strategic direction for the brand. The plan sees us establish a focused team to lead the St.Tropez brand across the Group's international footprint, incentivised against the identified value drivers of the business: winning in-market execution including digital activation, re-igniting innovation and rejuvenating the brand's equity. A critical component of the plan includes the formation of a strategic partnership with The Emerson Group (Emerson). Emerson is a leading, US-based partner to brand owners and will provide customer management, logistics services and brand activation in the US. St.Tropez will be integrated into Emerson's dedicated selling teams to key US retailers - an arrangement which builds on PZ Cussons' existing relationship with Emerson as the distributor of Childs Farm in the US. We are confident that this partnership will return St.Tropez to growth in the US, combining Emerson's distribution reach and brand activation capabilities with the brand equity of St.Tropez.

Growing sustainably

We continue to make strong progress in embedding sustainability across our operations, brands and culture. In FY25, we delivered a step-change in our environmental performance, exceeding our near-term targets and reinforcing our commitment to long-term responsible growth.

- We achieved carbon neutrality across our global operations, including Africa, in line with our 2025 target;
- We reported a 31% reduction in Scope 1, 2 and 3 compared to our 2021 baseline, supporting our ambition to reach net zero across all scopes by 2045;
- Virgin plastic intensity was reduced by 12.5% compared to our 2021 baseline, continuing our trajectory toward a one-third reduction by 2030;
- 86.1% of our packaging is now recyclable, reusable or compostable, up from 85.6% in FY24;
- We achieved an 88% reduction in waste to landfill compared to our FY21 baseline, with our UK operations maintaining zero waste to landfill;
- Water consumption per tonne of finished product was reduced by 29% compared to our FY21 baseline.

FINANCIAL REVIEW

Overview of Group financial performance

Reported financial performance in FY25 was mixed, with strong results across most of our portfolio offset by a significant decline in St.Tropez profitability, and the impact of the weaker Nigerian Naira compared to the prior year. Our PZ Wilmar joint venture, the sale of which we announced in June 2025, saw its contribution to Group adjusted operating profit reduce compared to FY24. Excluding the contribution from PZ Wilmar, FY25 Group operating profit and margin would have increased. Building on the progress made during FY24, we have continued to strengthen our resilience to movements in the Nigerian Naira rate, reducing our local foreign exchange exposure via optimising cash balances held and reducing liabilities held in US Dollars.

Group revenue declined by 2.7% with 8.0% like for like (LFL) revenue growth offset by weaker FX. While the Nigeria Naira was relatively stable throughout the year, it was on average 38% weaker when compared to FY24. LFL revenue growth reflected price/mix growth of 7.2% with multiple price increases throughout the year in Nigeria driving price improvement to offset double-digit inflation. Excluding Africa, LFL revenue growth was 0.3%, with price/mix decline of 0.4% and volume growth of 0.7%.

Adjusted operating margin declined by 30bps, with an improvement in gross margin, based on actual FX, and reduced overheads offset by increased marketing spend and a reduction in contribution from PZ Wilmar. On a statutory basis, operating profit was £20.6 million compared to a loss of £83.7 million in the prior year which included a FX loss of £107.5 million, which arose primarily on the translation and settlement of USD-denominated liabilities in our Nigerian subsidiaries following the Naira devaluation.

Free cash flow was £42.3 million compared to £41.6 million in the prior year, due to good control of working capital. Net debt at 31 May 2025 was £112.0 million, £3.3 million lower than its level twelve months prior. Net debt/EBITDA was 1.7x (FY24: 1.5x).

Performance by geography

Europe and the Americas

£m unless otherwise stated	**FY25**	**FY24**	**Growth/ (decline)**
Revenue	199.4	200.7	(0.6)%
LFL revenue growth (%)	0.6%[3]	(1.9)%	n/a
Adjusted operating profit	36.8	32.6	12.9%
Margin (%)	18.5%	16.2%	+230bps
Operating profit	50.9	0.7	n.m.
Margin (%)	25.5%	0.3%	+2,520bps

Revenue grew 0.6% on a like for like basis, with overall price/mix growth of 0.7% and volume decline of 0.1%. Growth in our UK personal care brands was more than offset by St.Tropez and declines in a number of our tail brands where we have sought to simplify our product portfolio.

The UK washing and bathing category grew 3% in value terms with our brands largely holding market share within their respective sub-categories. Sanctury Spa grew strongly, driven by further expansion of our gifting ranges, with seasonal gifting during the Christmas, Valentine’s and Mother’s Day periods growing double-digits. Imperial Leather saw the full-year benefit of its new packaging as well as a launch of a new range, *Ultimate Moisture*, in H2 FY25. Carex revenue grew for the second consecutive year, driven by an extension of the *Gruffalo* products to include *Zog* while taking share in the core hand gel segment. Childs Farm delivered continued revenue growth as it also benefited from an IP partnership with another popular children’s TV character, *Bluey*.

[3] To aid comparability, Europe and Americas FY25 like for like revenue growth includes £2.0 million of revenue to a European distributor which was recorded in APAC revenue.

St.Tropez revenue declined double-digits reflecting a soft category in the US and a number of shelf-space reductions in key US customers as a result of a reduced New Product Development (NPD) offering. Revenue also declined in a number of our tail brands as we sought to simplify the portfolio – including a reduction in number of SKUs of Charles Worthington.

Operating profit was impacted by the introduction in the UK of the new Extended Producer Responsibility (EPR) tax of c.£3 million – an annual cost to the business which we will seek to mitigate over time through, among other things, the review of our entire packaging portfolio in the UK. Despite this, adjusted operating profit grew by £4.2 million with a margin increase of 230bps. This was driven predominantly by overheads reductions in the UK business reflecting the full-year impact of the integration of the Personal Care and Beauty businesses as well as ongoing RGM and margin improvement activity leading to modest increases in gross margin. Childs Farm profitability also continued to improve.

Statutory operating profit was £50.9 million. The increase from operating profit of £0.7 million in FY24 relates primarily to a Sanctuary Spa impairment write back of £16.5 million, compared to an impairment charge of £24.4 million in the prior period. Costs associated with transformation projects also reduced compared to FY24.

Asia Pacific

£m unless otherwise stated	**FY25**	**FY24**	**Growth / (decline)**
Revenue	173.5	175.2	(1.0)%
LFL revenue growth (%)	(0.1)%[4]	(3.4)%	n/a
Adjusted operating profit	25.2	28.0	(10.0)%
Margin (%)	14.5%	16.0%	(150)bps
Operating profit	25.1	27.0	(7.0)%
Margin (%)	14.5%	15.4%	(90)bps

LFL revenue decline of 0.1% was driven by price/mix decline of 1.9% and volume growth of 1.8%. This was offset by the depreciation in the Indonesian Rupiah and Australian Dollar resulting in a 1.0% decline in reported revenue.

Indonesia revenue grew strongly, with all major Cussons Baby segments driving volume-led growth. Market share declined slightly reflecting ongoing competition in the market, but the brand retained its leading position in most of the sub-categories in which it plays.

In ANZ, revenue declined slightly despite good market share growth across all three of our major brands. Morning Fresh revenue declined reflecting a reduction in the underlying category. Our laundry brand Radiant delivered modest revenue growth, continuing to gain market share with improved overall price/mix as a result of its capsules product innovation. Rafferty's Garden revenue declined but out-performed the category which saw mid-single-digits decline.

Adjusted operating profit reduced by £2.8 million with a margin decline of 150bps. Our Indonesia and ANZ businesses both grew profitability, with improvements in gross margin and overheads. However, this was offset by a reduction in profitability in a number of our smaller Asian markets reflecting increased sea freight and input costs, as well as lower profits in our business supplying soap noodles to third parties reflecting favourable input cost movements in the prior year. On a statutory basis, margin declined by 90bps, reflecting the non-recurrence of certain adjusting items related to simplification and transformation projects.

[4] To aid comparability, APAC FY25 like for like revenue growth excludes £2.0 million of revenue to a European distributor which was recorded in APAC revenue.

Africa

£m unless otherwise stated	FY25	FY24	Growth / (decline)
Revenue	140.9	151.7	(7.1)%
LFL revenue growth (%)	34.9%	26.5%	n/a
Adjusted operating profit	23.4	30.3	(22.8)%
Margin (%)	16.6%	20.0%	(340)bps
Operating profit/(loss)	18.9	(50.7)	n.m.
Margin (%)	13.4%	(33.4)%	n.m.
Adjusting operating profit ex. share of results of joint venture	16.3	19.6	(16.8)%
Margin (%)	11.6%	12.9%	(130)bps

On a statutory basis, revenue declined by 7.1% due to the 38% depreciation in the Naira compared to FY24. This depreciation largely reflects the full-year effect of the currency movements during FY24 as the currency has been more stable during FY25. LFL revenue growth of 34.9% was pricing-driven and reflects nearly 20 rounds of price increases over the last year, necessitated by Nigerian inflation remaining elevated at over 30% for much of the year. While volumes declined 12% following the pricing action taken, this was mitigated by further route-to-market improvements, with 200,000 stores now reached compared to 151,000 at the end of FY24 and 95,000 at the end of FY23. Our 'Perfect Store' program focused on delivering a superior shopping experience to consumers has grown from 5,000 stores in FY24 to 10,000 stores in FY25 further mitigating volume decline.

Each of our largest brands in Nigeria delivered double-digit, pricing-led, revenue growth, with Stella – a long-lasting moisturising jelly and now our largest brand in Nigeria – particularly strong due to the continued focus on extending typical purchase period beyond the dry season, known as Harmattan season, which occurs between November and January. Despite the significant price increases, we have held our market share position in most categories. Gross margins improved across each of our brands, reflecting continued price increases and the impact of our efforts to drive favourable product mix within brands.

Elsewhere, Kenya delivered good, volume-led growth driven by strong Modern Trade performance while Ghana saw strong double-digit LFL revenue growth with improvements in both pricing and volumes.

Revenue in our Electricals business grew 33.2% on a LFL basis, contributing revenue of £47.0 million. Gross margins improved as we were able to take price increases in a sustainable manner to offset cost inflation.

The PZ Wilmar joint venture contributed £7.1 million to adjusted operating profit – a decline from £10.7 million in FY24 reflecting the depreciation of the Naira.

Adjusted operating profit margin declined by 340bps. This was driven by a reduction in contribution from the PZ Wilmar joint venture, as well as the inclusion in FY24 of a £8.9 million credit from some intra-group debt forgiveness. Excluding these two items, adjusted operating profit increased by £5.6 million and the margin increased by 450bps.

On a statutory basis, operating profit was £18.9 million. This compared to a loss of £50.7 million in FY24 which was driven by the increased value of trade and loan liabilities denominated in US Dollars following the devaluation of the Naira. The greater stability in the currency throughout FY25, combined with actions to reduce intra-group and third-party liabilities denominated in non-local currency, has meant that FX revaluation has had a significantly lower impact on our African performance compared to FY24.

Central

£m unless otherwise stated	**FY25**	**FY24**	**Growth / (decline)**
Adjusted operating loss	(30.5)	(32.6)	(6.4)%
Operating loss	(74.3)	(60.7)	22.4%

Central costs declined by £2.1 million to £30.5 million. FY24 however included a £8.9 million one-off charge related to debt forgiveness in our Africa business. Adjusting for this, central costs increased by £6.8 million, the majority of which relate to a number of costs attributable to business units being recorded centrally. On a statutory basis, central costs increased, primarily due to the impairment charge of £35.3 million relating to the Beauty group of CGU's goodwill offset by the non-recurrence of the FX loss in FY24 associated with the Naira devaluation.

Other financial items

Adjusted operating profit

Adjusted operating profit for the Group was £54.9 million, a decrease of £3.4 million from £58.3 million in the prior period. Adjusted operating profit margin decreased by 30bps to 10.7% but grew 30bps excluding the contribution from the PZ Wilmar joint venture which was equity-accounted until it was classified as an asset held for sale at 31 May 2025. A reduction in depreciation and amortisation charge was driven partly by an extension of the useful economic life of the Group's SAP software.

Adjusting items

Adjusting items in the year totalled a net expense of £34.6 million before tax. This comprised primarily a £18.8 million net impairment charge and £8.7 million costs associated with our ongoing transformation programme.

After accounting for adjusting items, the Group's statutory operating profit was £20.6 million compared to a statutory operating loss of £83.7 million in the prior year. The devaluation of the Nigerian Naira had a significant impact on our financial results in the prior year with the Group reporting a foreign exchange loss of £107.5 million.

Net finance expense

Adjusted net finance costs in the period were £13.8 million compared to a charge of £13.4 million in the prior period with a reduction in both finance income and finance expense as cash previously held in Nigeria was repatriated and used to pay down gross borrowings in the UK.

Taxation

The tax charge in the period was £11.7 million. This compares to a credit of £24.1 million in FY24 which reflected the material impact of statutory FX losses suffered in Nigeria during FY24. The effective tax rate (ETR) on adjusted profit before tax increased to 21.9% from 14.5% in FY24 due primarily to the impact of FX losses and associated deferred tax assets impacting FY24.

Earnings per share

Adjusted basic earnings per share was 7.34p compared to 8.02p in the prior year. The statutory loss for the year was £5.2 million, compared to a loss of £71.8 million in the prior year. Basic loss per share on a statutory basis was 1.38p compared to basic loss per share of 13.60p in the prior year.

Balance sheet and cash flow

Net debt as at 31 May 2025 was £112.0 million compared to £115.3 million at 31 May 2024. The Group continues to have no excess cash held in Naira following the repatriation of cash to the UK during FY24.

£m unless otherwise stated	**FY25**	**FY24**
Total cash	45.1	51.3
Of which Naira	13.1	17.2
Gross debt	157.1	166.6
Net debt	**112.0**	**115.3**
Balance sheet rates (NGN/GBP):	*2,136*	*1,893*

Total free cash flow was £42.3 million compared to £41.6 million in the prior period. The increase reflects primarily an improvement in working capital movements offset by lower adjusted EBITDA.

£m unless otherwise stated	**FY25**	**FY24**
Adjusted EBITDA	**66.5**	**75.9**
Cash flow impact of adjusting items[4]	(14.0)	(12.1)
Working capital movement[5]	2.3	(9.4)
Capital expenditure	(6.9)	(6.1)
Share of results of joint venture	(7.1)	(10.7)
Other	1.5	4.0
Free cash flow	**42.3**	**41.6**

Net assets decreased to £213.5 million compared to £235.2 million at 31 May 2024 primarily due to the impairment charge of £35.3 million relating to the goodwill of the Beauty group of cash generating units (CGUs).

The Group has a £325.0 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan, of up to £125.0 million, with the balance as a revolving credit facility (RCF) structure. Entered into in November 2022, the term loan is a two-year facility and the RCF a four-year facility, with both facilities retaining two, one-year extension options. The first option for both RCF and term loan was executed in October 2023 and the second term loan extension was executed in March 2025 reducing to £70.0 million from 8 November 2026. As at 31 May 2025, the headroom on the committed facility was £167.5 million compared to £164.0 million at 31 May 2024.

Foreign exchange

The general appreciation of Sterling against our other currencies, and in particularly the devaluation of the Nigerian Naira, resulted in a £55.0 million reduction to FY24 revenue as set out below.

	% of FY25 revenue	**Average FX rates**			**Revenue impact**
		FY25	**FY24**	**% change**	**(£m)**
GBP	35%	1.00	1.00	-	-
NGN (Nigeria)	21%	2,015	1,257	(38)%	(47.4)
AUD (Australia)	16%	1.99	1.92	(4)%	(3.1)
IDR (Indonesia)	13%	20,742	19,550	(6)%	(3.7)
USD (USA)	3%	1.29	1.26	(2)%	(0.5)
Other	12%	-	-		(0.3)
Total[6]	**100%**	**-**	**-**		**(55.0)**

The rates of the Nigerian Naira used in recent reporting periods are summarised below.

NGN/GBP	**FY23**	**FY24**	**FY25**
Rate used for P&L	536	1,257	2,015
Rate used for balance sheet	577	1,893	2,136

[5] In FY24, the foreign exchange losses of £104.1 million in adjusting items have been netted against the working capital movement line item for improved comparison to FY25.

[6] Table shows the impact of translating FY24 revenue at FY25 foreign exchange rates.

Glossary

Term	Definition
ANZ	Australia and New Zealand
APAC	Asia-Pacific region
APM	Alternative performance measure
BEST values	Our PZ Cussons values (Bold, Energetic, Striving and Together)
CGU	Cash generating unit
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Employee wellbeing	% score based upon a set of questions within our annual survey of employees
EPS	Earnings per share
ETR	Effective tax rate
Family Care	Refers to our Hygiene, Baby and Beauty brands in Nigeria and Africa
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
JV	Joint venture
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
Net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
n.m.	Represents non-meaningful growth rates
Personal Care	Refers to our UK business unit operating our Hygiene brands such as Carex, Original Source and Imperial Leather
Price/mix	The effect of pricing, promotional and mix activity on revenue.
Revenue Growth Management (RGM)	Maximising revenue through ensuring optimised price points across customers and channels and across different product sizes
SKUs	Stock keeping units

Alternative Performance Measures

The Group's business performance is assessed using a number of Alternative Performance Measures (APMs). These APMs include adjusted profitability measures where results are presented excluding separately disclosed items (referred to as adjusting items) as we believe this provides both management and investors with useful additional information about the Group's performance and supports a more effective comparison of the Group's trading performance from one period to the next.

Like for like (LFL) revenue growth represents the 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.

Adjusted Consolidated Income Statement

	2025			2024		
	Business performance excluding adjusting items £m	**Adjusting items £m**	**Statutory results £m**	Business performance excluding adjusting items £m	Adjusting items £m	Statutory results £m
Revenue	**513.8**	**-**	**513.8**	527.9	-	527.9
Cost of sales	**(307.0)**	**-**	**(307.0)**	(317.8)	(79.0)	(396.8)
Gross profit	**206.8**	**-**	**206.8**	210.1	(79.0)	131.1
Selling and distribution expense	**(85.4)**	**-**	**(85.4)**	(82.8)	-	(82.8)
Administrative expense	**(73.6)**	**(32.8)**	**(106.4)**	(79.7)	(59.6)	(139.3)
Share of results of joint venture	**7.1**	**(1.5)**	**5.6**	10.7	(3.4)	7.3
Operating profit/(loss)	**54.9**	**(34.3)**	**20.6**	58.3	(142.0)	(83.7)
Finance income	**3.9**	**-**	**3.9**	10.8	1.4	12.2
Finance expense	**(17.7)**	**(0.3)**	**(18.0)**	(24.2)	-	(24.2)
Net finance (expense)/income	**(13.8)**	**(0.3)**	**(14.1)**	(13.4)	1.4	(12.0)
Net monetary loss arising from hyperinflationary economies	**-**	**-**	**-**	(0.2)	-	(0.2)
Profit/(loss) before taxation	**41.1**	**(34.6)**	**6.5**	44.7	(140.6)	(95.9)
Taxation	**(9.0)**	**(2.7)**	**(11.7)**	(6.5)	30.6	24.1
Profit/(loss) for the period	**32.1**	**(37.3)**	**(5.2)**	38.2	(110.0)	(71.8)
Attributable to:						
Owners of the Parent	**30.8**	**(36.6)**	**(5.8)**	33.6	(90.6)	(57.0)
Non-controlling interests	**1.3**	**(0.7)**	**0.6**	4.6	(19.4)	(14.8)
	32.1	**(37.3)**	**(5.2)**	38.2	(110.0)	(71.8)

Details of adjusting items are provided in Note 3 to the condensed consolidated financial statements. Reconciliations from IFRS reported results to APMs are set out below.

Alternative Performance Measures (continued)

Adjusted operating profit and adjusted operating margin

	2025 £m	2024 £m
Group		
Operating profit/(loss) from continuing operations	**20.6**	(83.7)
Exclude: adjusting items	**34.3**	142.0
Adjusted operating profit	**54.9**	58.3
Revenue	**513.8**	527.9
Operating margin	**4.0%**	(15.9)%
Adjusted operating margin	**10.7%**	11.0%
By segment		
Europe & the Americas:		
Operating profit from continuing operations	**50.9**	0.7
Exclude: adjusting items	**(14.1)**	31.9
Adjusted operating profit	**36.8**	32.6
Revenue	**199.4**	200.7
Operating margin	**25.5%**	0.3%
Adjusted operating margin	**18.5%**	16.2%
Asia Pacific:		
Operating profit from continuing operations	**25.1**	27.0
Exclude: adjusting items	**0.1**	1.0
Adjusted operating profit	**25.2**	28.0
Revenue	**173.5**	175.2
Operating margin	**14.5%**	15.4%
Adjusted operating margin	**14.5%**	16.0%
Africa:		
Operating profit/(loss) from continuing operations	**18.9**	(50.7)
Exclude: adjusting items	**4.5**	81.0
Adjusted operating profit	**23.4**	30.3
Revenue	**140.9**	151.7
Operating margin	**13.4%**	(33.4)%
Adjusted operating margin	**16.6%**	20.0%
Central:		
Operating loss from continuing operations	**(74.3)**	(60.7)
Exclude: adjusting items	**43.8**	28.1
Adjusted operating loss	**(30.5)**	(32.6)

Alternative Performance Measures (continued)

Adjusted gross profit

	2025	2024
	£m	£m
Gross profit	206.8	131.1
Exclude: adjusting items	-	79.0
Adjusted gross profit	206.8	210.1
Revenue	513.8	527.9
Gross margin	40.2%	24.8%
Adjusted gross margin	40.2%	39.8%

Adjusted share of results of joint venture

	2025	2024
	£m	£m
Share of results of joint venture	5.6	7.3
Exclude: adjusting items	1.5	3.4
Adjusted share of results of joint venture	7.1	10.7

Adjusted profit before taxation

	2025	2024
	£m	£m
Profit/(loss) before taxation from continuing operations	6.5	(95.9)
Exclude: adjusting items	34.6	140.6
Adjusted profit before taxation	41.1	44.7

Adjusted Earnings Before Interest Depreciation and Amortisation (Adjusted EBITDA)

	2025	2024
	£m	£m
Profit/(loss) before taxation from continuing operations	6.5	(95.9)
Add back: net finance expense	14.1	12.0
Add back: depreciation	8.0	10.2
Add back: amortisation	4.1	7.1
Add back: impairment and impairment reversal	18.3	24.9
	51.0	(41.7)
Exclude: adjusting items*	15.5	117.6
Adjusted EBITDA	66.5	75.9

* Excludes adjusting items relating to impairment.

Alternative Performance Measures (continued)

Adjusted earnings per share

	2025	2024
	pence	pence
Basic (loss) per share	**(1.38)**	(13.60)
Exclude: adjusting items	**8.72**	21.62
Adjusted basic earnings per share	**7.34**	8.02
Diluted (loss) per share[1]	**(1.38)**	(13.60)
Exclude: adjusting items[2]	**8.70**	21.60
Adjusted diluted earnings per share	**7.32**	8.00

1 The basic and diluted loss per share are equal as a result of the Group incurring a statutory loss for the year.

2 In 2025, this includes an adjustment of 0.00p per share (2024: 0.03p per share) arising from bringing the diluted loss per share in line with the basic loss per share as outlined above.

Free cash flow

	2025	2024
	£m	£m
Cash generated from operations	**49.2**	47.7
Deduct: purchase of property, plant and equipment and software	**(6.9)**	(6.1)
Free cash flow	**42.3**	41.6

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	2025 £m	2024 £m
Revenue		**513.8**	527.9
Cost of sales		**(307.0)**	(396.8)
Gross profit		**206.8**	131.1
Selling and distribution expense		**(85.4)**	(82.8)
Administrative expense		**(106.4)**	(139.3)
Share of results of joint venture		**5.6**	7.3
Operating profit/(loss)		**20.6**	(83.7)
Finance income		**3.9**	12.2
Finance expense		**(18.0)**	(24.2)
Net finance expense		**(14.1)**	(12.0)
Net monetary gain/(loss) arising from hyperinflationary economies[1]		**-**	(0.2)
Profit/(loss) before taxation		**6.5**	(95.9)
Taxation	4	**(11.7)**	24.1
Loss for the year[2]		**(5.2)**	(71.8)
Attributable to:			
Owners of the Parent		**(5.8)**	(57.0)
Non-controlling interests		**0.6**	(14.8)
		(5.2)	(71.8)
Loss per share[2]			
Basic (p)	6	**(1.38)**	(13.60)
Diluted (p)[3]	6	**(1.38)**	(13.60)

1 Represents the hyperinflation impact in relation to Ghana.

2 Wholly derived from continuing operations.

3 The basic and diluted loss per share are equal as a result of the Group incurring a loss for the year.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2025 £m	2024 £m
Loss for the year		**(5.2)**	(71.8)
Other comprehensive (expense)/income:			
Items that will not be reclassified to income statement:			
Re-measurement loss on net retirement benefit obligations		**(4.6)**	(6.8)
Taxation on other comprehensive (expense)/income		**1.2**	1.7
Total items that will not be reclassified to income statement		**(3.4)**	(5.1)
Items that may be subsequently reclassified to income statement:			
Exchange differences on translation of foreign operations[1]		**0.2**	(69.4)
Share of other comprehensive expense of joint venture accounted for using the equity method		**(1.0)**	(20.0)
Cash flow hedges – fair value movements		**0.2**	(0.6)
Total items that may be subsequently reclassified to income statement		**(0.6)**	(90.0)
Other comprehensive expense for the year		**(4.0)**	(95.1)
Total comprehensive expense for the year		**(9.2)**	(166.9)
Attributable to:			
Owners of the Parent		**(10.1)**	(133.3)
Non-controlling interests		**0.9**	(33.6)
		(9.2)	(166.9)

[1] Includes a hyperinflation adjustment of £1.9 million (2024: £4.3 million) in relation to Ghana, net of £0.8 million (2024: £1.3 million) deferred taxation.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Goodwill and other intangible assets	7	**253.9**	279.3
Property, plant and equipment		**43.4**	42.8
Investment properties		**10.0**	6.6
Right-of-use assets		**13.6**	10.2
Net investments in joint venture		**-**	-
Trade and other receivables		**2.1**	32.1
Deferred taxation assets		**15.8**	22.2
Tax receivable		**4.8**	0.6
Retirement benefit surplus		**27.4**	32.1
		371.0	425.9
Current assets			
Inventories		**70.0**	68.5
Trade and other receivables		**119.2**	99.0
Derivative financial assets		**0.4**	-
Current tax receivable		**0.1**	0.2
Cash and cash equivalents	8	**45.1**	51.3
		234.8	219.0
Assets held for sale		**9.4**	4.7
		244.2	223.7
Total assets		**615.2**	649.6
Equity and liabilities			
Equity			
Share capital		**4.3**	4.3
Treasury shares		**(32.0)**	(34.5)
Capital redemption reserve		**0.7**	0.7
Hedging reserve		**(0.2)**	(0.4)
Currency translation reserve		**(158.4)**	(159.6)
Retained earnings		**399.6**	425.3
Other reserves		**5.7**	6.5
Attributable to owners of the Parent		**219.7**	242.3
Non-controlling interests		**(6.2)**	(7.1)
Total equity		**213.5**	235.2
Liabilities			
Non-current liabilities			
Borrowings	8	**102.4**	160.3
Trade and other payables		**0.6**	2.6
Lease liabilities		**12.6**	9.7
Deferred taxation liabilities		**34.1**	39.8
Retirement and other long-term employee benefit obligations		**11.7**	12.2
		161.4	224.6
Current liabilities			
Borrowings	8	**54.7**	6.3
Trade and other payables		**155.1**	158.7
Lease liabilities		**2.3**	2.4
Derivative financial liabilities		**0.4**	0.5
Current taxation payable		**27.5**	21.7
Provisions		**0.3**	0.2
		240.3	189.8
Total liabilities		**401.7**	414.4
Total equity and liabilities		**615.2**	649.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent								
	Share capital £m	Own shares £m	Capital redemption reserve £m	Hedging Reserve[1] £m	Currency translation Reserve[2] £m	Retained Earnings £m	Other Reserves[3] £m	Non-controlling Interests £m	Total equity £m
At 1 June 2023	4.3	(36.9)	0.7	0.2	(89.0)	511.7	4.6	26.5	422.1
Loss for the year	-	-	-	-	-	(57.0)	-	(14.8)	(71.8)
Other comprehensive expense	-	-	-	(0.6)	(70.6)	(5.1)	-	(18.8)	(95.1)
Total comprehensive expense for the year	-	-	-	(0.6)	(70.6)	(62.1)	-	(33.6)	(166.9)
Transactions with owners:									
Ordinary dividends	-	-	-	-	-	(21.9)	-	-	(21.9)
Share-based payments	-	-	-	-	-	-	1.9	-	1.9
Shares issued from ESOT	-	2.4	-	-	-	(2.4)	-	-	-
Total transactions with owners recognised directly in equity	-	2.4	-	-	-	(24.3)	1.9	-	(20.0)
At 31 May 2024	4.3	(34.5)	0.7	(0.4)	(159.6)	425.3	6.5	(7.1)	235.2
At 1 June 2024	**4.3**	**(34.5)**	**0.7**	**(0.4)**	**(159.6)**	**425.3**	**6.5**	**(7.1)**	**235.2**
(Loss)/profit for the year	-	-	-	-	-	(5.8)	-	0.6	(5.2)
Other comprehensive income/(expense) for the year	-	-	-	0.2	1.2	(5.7)	-	0.3	(4.0)
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**0.2**	**1.2**	**(11.5)**	**-**	**0.9**	**(9.2)**
Transactions with owners:									
Ordinary dividends	-	-	-	-	-	(15.1)	-	-	(15.1)
Share-based payments	-	-	-	-	-	3.4	(0.8)	-	2.6
Shares issued from ESOT	-	2.5	-	-	-	(2.5)	-	-	-
Total transactions with owners recognised directly in equity	**-**	**2.5**	**-**	**-**	**-**	**(14.2)**	**(0.8)**	**-**	**(12.5)**
At 31 May 2025	**4.3**	**(32.0)**	**0.7**	**(0.2)**	**(158.4)**	**399.6**	**5.7**	**(6.2)**	**213.5**

1 Reserve relates to continuing hedges.

2 Includes a hyperinflation adjustment of £1.9 million (2024: £4.3 million) in relation to Ghana.

3 Other reserves relate to the Group's share-based payment schemes.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Cash generated from operations	9	**49.2**	47.7
Interest paid		**(14.9)**	(21.5)
Taxation paid		**(10.8)**	(13.3)
Net cash generated from operating activities		**23.5**	12.9
Cash flows from investing activities			
Interest received		**2.2**	9.0
Purchase of fixed assets		**(6.9)**	(6.1)
Proceeds from disposal of fixed assets		**0.9**	0.8
Cash flow from disposal of current asset investment		**0.9**	-
Rental income		**1.1**	-
Loans advanced to joint venture		**-**	(4.0)
Loans repaid by joint venture		**2.5**	12.7
Net cash (used in)/generated from investing activities		**0.7**	12.4
Cash flows from financing activities			
Dividends paid to Company shareholders	5	**(15.1)**	(21.9)
Acquisition of non-controlling interests		**(0.2)**	-
Repayment of lease liabilities		**(3.5)**	(2.4)
Repayment of borrowings		**(165.7)**	(206.0)
Proceeds from borrowings		**156.0**	121.4
Financing fees paid on committed credit facility		**(0.2)**	(0.8)
Net cash used in from financing activities		**(28.7)**	(109.7)
Net decrease in cash and cash equivalents		**(4.5)**	(84.4)
Effect of foreign exchange rates		**(1.7)**	(120.7)
Cash and cash equivalents at the beginning of the year		**51.3**	256.4
Cash and cash equivalents at the end of the year	8	**45.1**	51.3

1. Basis of preparation

PZ Cussons plc is a public limited company registered in England and Wales which is listed on the London Stock Exchange and is domiciled and incorporated in the UK under the Companies Act 2006. The principal activities of the Group are the manufacturing and distribution of hygiene, baby and beauty products. These condensed consolidated financial statements are presented in Pound Sterling (GBP) and, unless otherwise indicated, have been presented in £ million to one decimal place.

The condensed consolidated financial statements are prepared in accordance with UK-adopted International Accounting Standards including interpretations issued by the IFRS Interpretations Committee and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) – measured at fair value
- Defined benefit pension plans – plan assets measured at fair value
- Hyperinflationary accounting in Ghana.

The preparation of financial statements, in conformity with IFRSs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may ultimately differ from those estimates.

Accounting estimates and judgements

The Group's material accounting policies under IFRS have been set by management with the approval of the Audit and Risk Committee. The application of these policies requires management to make assumptions and estimates about future events. The resulting accounting estimates will, by definition, differ from the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Pensions

The cost of defined benefit pension schemes and the present value of the pension obligation are determined using actuarial assumptions in those valuations. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Significant differences in actual experience or significant changes in key assumptions could affect the retirement benefit surplus/obligations and the net interest expense. In determining the discount rate, management considers the interest rates of corporate bonds with at least an 'AA' rating or above and having terms to maturity approximating to the terms of the related pension obligation to be appropriate. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Current taxation

Current taxation liabilities/assets relate to the expected amount of taxation to be paid/received as a result of the operating performance of the Group's entities. In calculating the appropriate taxation charge, assumptions and judgements are made regarding application and interpretation of local laws.

In situations where tax impacts are subject to uncertain treatment, interpretation of local rule or regulation, or otherwise remain to be agreed with relevant tax authorities, an estimate of any resulting financial impact may be recorded in the Consolidated Financial Statements. Any such management estimates are made in accordance with IFRS requirements, including IAS 12 *Income Taxes* and IFRIC 23 *Uncertainty over Income Tax Treatments* when considering income tax and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* in relation to non-income taxes. Due to the uncertainty associated with such tax items, there is a possibility that on conclusion of open tax matters at a future date, the final outcome may differ significantly from the original amounts recorded. Where the eventual taxation paid or reclaimed is different to the amounts originally estimated, the difference will be charged or credited to the income statement in the period in which it is determined.

Included within the current taxation liability of the Group are current taxation estimates with net carrying values as at 31 May 2025 of £23.1 million (2024: £24.7 million), of which £21.7 million (2024: £23.2 million) relates to a single estimate arising due to a difference in technical standpoint between PZ Cussons plc and a tax authority on a subjective and complex piece of legislation. Due to the known difference in technical standpoint, this potential taxation liability has been provided for in full as the range of possible outcomes could be a liability up to the full value of the provided amount, however the potential future settlement remains a cash risk.

In addition to the provision items indicated above, as at 31 May 2025, the Group had further contingent taxation liabilities of £18.5 million (2024: £14.4 million) and contingent assets of £0.5 million (2024: £1.2 million). The largest item relates to an overseas court verdict that found against the Group and the possible cross-over risk into later years, all of which have been appealed by the Group. Other primary risks include the historical impact of licensing arrangements and more speculative claims made by overseas tax authorities, with external third-party opinions supporting the recognition of such items as having less than a probable risk of crystallisation. Such positions have been disclosed as contingent assets/liabilities in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Deferred taxation assets - temporary differences

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities recognised for financial reporting purposes and the amounts used for taxation purposes, on an undiscounted basis. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the financial year-end date.

Assessment of impairment of goodwill and other indefinite life assets

Goodwill and brands have all arisen from business combinations and all have indefinite useful lives and, in accordance with IAS 36 *Impairment of Assets*, are subject to annual impairment testing (which the Group carries out at the year-end date), or more frequently if there are indicators of impairment. The method used for impairment testing is to allocate assets (including goodwill and brands) to appropriate CGUs based on the smallest identifiable group of assets that generate independent cash inflows, and to estimate the recoverable amounts of the CGUs as the higher of the asset's fair values less costs of disposal and the value-in-use. For the purposes of goodwill impairment testing, goodwill related to each of the Beauty brands is aggregated together into the Beauty CGU as this is manner in which the core assets are used to generate cash flows and is the lowest level at which goodwill is monitored by management. Value-in-use is determined using cash flow projections from approved budgets and plans which are then extrapolated based on estimated long-term growth rates applicable to the markets and geographies in which the CGUs operate.

The cash flow projections are discounted based on a pre-tax weighted average cost of capital for comparable companies operating in similar markets and geographies as the Group adjusted for risks specific to the particular CGU. The assumptions used in the cash flow projections, and associated sensitivities, are described and set out in note 7.

Critical areas of judgment

Assessment of useful lives of acquired brands

The Directors are required to assess whether the useful lives of acquired brands are finite or indefinite. Under IAS 38 *Intangible Assets*, an intangible asset should be regarded as having an indefinite useful life when, based on all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Deferred tax assets – unused tax losses

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used. Deferred taxation assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. At 31 May 2025, the Group recorded a deferred taxation asset of £26.8 million (2024: £36.8 million) on recognised but unused tax losses. The Group has concluded that the deferred taxation assets will be recoverable as it is probable that the related taxation benefit will be realised in the foreseeable future.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, liquidity position and available borrowing facilities are described within the Financial Review. In addition, note 19 of the Consolidated Financial Statements includes policies in relation to the Group's financial instruments and risk management and policies for managing credit risk, liquidity risk, market risk, foreign exchange risk, price risk, cash flow and interest rate risk, and capital risk. The Group meets its funding requirements through internal cash generation and borrowings. Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. The Group has a £325.0 million (2024: £325.0 million) committed credit facility which is available for general corporate purposes. As at 31 May 2025, the Group had headroom on the committed facility of £167.5 million (2024: £164.0 million) and net debt of £112.0 million (2024: £115.3 million) comprising cash of £45.1 million (2024: £51.3 million) and borrowings of £157.1 million (2024: £166.6 million). In assessing going concern, the Group has prepared both base case and severe but plausible cash flow forecasts for a period of 18 months until the end of November 2026 (the going concern review period), which is at least 12 months from the date of approval of the financial statements. The Group's base case forecasts are based on the Board-approved budget and the first year of the current five-year plan, and indicate forecasted continued compliance with its banking covenants and sufficient liquidity throughout the going concern review period. In the 2024 Annual Report and Accounts, the Directors disclosed that, should mitigations prove insufficient, the impact of Naira exchange rate volatility on forecast interest cover covenant compliance represented a material uncertainty that may have cast significant doubt upon the Group's ability to continue as a going concern. In FY25, the Naira exchange rate has been more stable and the Group was in compliance with all of its covenants throughout the year. Management has prepared a base case forecast for the going concern period and, consistent with the approach taken at 31 May 2024, has modelled the following severe but plausible downside scenarios: 5% reduction in Group revenue, Group gross margin decline of 200bps and a 10% decline in the Naira exchange rate of USD/NGN 1,700 used in the base case forecast. None of these severe but plausible scenarios, either separately or in combination, forecast a breach in the interest cover covenant prior to management action and there remain mitigating actions available to management should they be required. Therefore, while the Group remains exposed to fluctuations in the Naira exchange rate, the Directors have determined that this no longer represents a material uncertainty. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

New and amended accounting standards adopted by the Group

The following amended standards and interpretations were adopted by the Group during the year ending 31 May 2025:

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1 *Presentation of financial statements*).
- Lease liability in a sale and leaseback (Amendments to IFRS 16 *Leases*).
- Supplier financing arrangements (Amendments to IAS 7 *Statement of cash flows* and IFRS 7 *Financial Instruments*)These amended standards and interpretations have not had a significant impact on the consolidated Financial Statements.

These amended standards have not had a significant impact on the Consolidated Financial Statements.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform Pillar Two Model Rules – Amendments to IAS 12. The Group continues to apply the mandatory temporary exception to the accounting for deferred taxation arising from the jurisdictional implementation of the Pillar Two rules set out therein

New accounting standards and interpretations in issue but not yet effective

The following new and amended standards have been issued which are not yet effective:

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* issued in August 2023 and effective from 1 January 2025.
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* issued in May 2024 and effective from 1 January 2026.
- Annual improvements to the following IFRS Accounting Standards – amendments to: IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash flows*, issued in July 2024 and effective from 1 January 2026.
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* issued in May 2024 and effective from 1 January 2027.
- IFRS 18 *Presentation and Disclosure in Financial Statements* issued in April 2024 and effective from 1 January 2027.

The Group continues to assess the expected impact of standards not effective until 1 January 2027, all other new and amended standards are not expected to have a significant impact on the Group's Consolidated Financial Statements.

2. Segmental analysis

The segmental information presented in this note is consistent with management reporting provided to the Executive Committee, which is the Chief Operating Decision-Maker (CODM). The CODM reviews the Group's internal reporting to assess performance and allocate resources. The CODM considers the business from a geographic perspective, with Europe & the Americas, Asia Pacific and Africa being the operating segments. In accordance with IFRS 8 *Operating Segments*, the Executive Committee has identified these as the reportable segments.

The CODM assesses the performance based on operating profit before adjusting items. Revenue and operating profit of the Europe & the Americas and Asia Pacific segments arise from the sale of Hygiene, Beauty and Baby products. Revenue and operating profit from the Africa segment also arise from the sale of Hygiene, Beauty and Baby products as well as Electrical products. The prices between Group companies for intra-group sales of materials, manufactured goods, and charges for franchise fees and royalties are on an arm's length basis.

Central includes expenditure associated with the global headquarters and above market functions net of recharges to our regions. Reporting used by the CODM to assess performance does contain information about brand-specific performance. Global segmentation between the portfolio of brands is not part of the regular internally reported financial information.

Business segments

2025	**Europe & the Americas £m**	**Asia Pacific £m**	**Africa £m**	**Central £m**	**Elimin-ations £m**	**Total £m**
Gross segment revenue	**202.5**	**175.3**	**140.9**	**40.2**	**(45.1)**	**513.8**
Inter segment revenue	**(3.1)**	**(1.8)**	**-**	**(40.2)**	**45.1**	**-**
Revenue	**199.4**	**173.5**	**140.9**	**-**	**-**	**513.8**
Segmental operating profit/(loss) before adjusting items and share of results of joint ventures	**36.8**	**25.2**	**16.3**	**(30.5)**	**-**	**47.8**
Share of results of joint ventures	**-**	**-**	**7.1**	**-**	**-**	**7.1**
Segmental operating profit/(loss) before adjusting items	**36.8**	**25.2**	**23.4**	**(30.5)**	**-**	**54.9**
Adjusting Items	**14.1**	**(0.1)**	**(4.5)**	**(43.8)**	**-**	**(34.3)**
Segmental operating profit/(loss)	**50.9**	**25.1**	**18.9**	**(74.3)**	**-**	**20.6**
Finance income						**3.9**
Finance expense						**(18.0)**
Net monetary gain arising from hyperinflationary economies						**-**
Profit before taxation						**6.5**

2024	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Elimin-ations £m	Total £m
Gross segment revenue	**204.1**	**179.2**	**151.7**	**34.2**	**(41.3)**	**527.9**
Inter segment revenue	**(3.4)**	**(4.0)**	**-**	**(33.9)**	**41.3**	**-**
Revenue	**200.7**	**175.2**	**151.7**	**0.3**	**-**	**527.9**
Segmental operating profit/(loss) before adjusting items and share of results of joint ventures	**32.6**	**28.0**	**19.6**	**(32.6)**	**-**	**47.6**
Share of results of joint ventures	**-**	**-**	**10.7**	**-**	**-**	**10.7**
Segmental operating profit/(loss) before adjusting items	**32.6**	**28.0**	**30.3**	**(32.6)**	**-**	**58.3**
Adjusting Items	**(31.9)**	**(1.0)**	**(81.0)**	**(28.1)**	**-**	**(142.0)**
Segmental operating profit/(loss)	**0.7**	**27.0**	**(50.7)**	**(60.7)**	**-**	**(83.7)**
Finance income						**12.2**
Finance expense						**(24.2)**
Net monetary loss arising from hyperinflationary economies						**(0.2)**
Loss before taxation						**(95.9)**

The Group analyses its net revenue by the following categories:

	2025 £m	2024 £m
Hygiene	**285.5**	289.1
Baby	**106.6**	106.9
Beauty	**65.4**	68.3
Electricals	**47.0**	56.6
Other	**9.3**	7.0
	513.8	527.9

3. Adjusting items

Adjusting items expense/(income), all of which are within continuing operations, comprise:

	2025 £m	2024 £m
Simplification and transformation[1]	**8.7**	10.1
Acquisition and disposal-related items[2]	**1.7**	(1.4)
Impairment charge (net of impairment reversal)[1]	**18.8**	24.4
Foreign exchange losses arising on Nigerian Naira devaluation[3]	**-**	104.1
Foreign exchange losses arising on Naira devaluation on joint venture[4]	**-**	3.4
Foreign exchange losses arising on loans previously classified as permanent as equity[1]	**3.9**	-
Foreign exchange losses arising on loans previously classified as permanent as equity to joint venture undertaking[4]	**1.5**	-
Adjusting items before taxation	**34.6**	140.6
Taxation	**2.7**	(30.6)
Adjusting items after taxation	**37.3**	110.0

[1] Included in administrative expense in the Consolidated Income Statement.
[2] £1.4 million is included in administrative expenses and £0.3 million is Included in finance income in the Consolidated Income Statement
[3] In the year ended 31 May 2024, £79.0 million is included in cost of sales and £25.1 million is included in administrative expense in the Consolidated Income Statement. The amount in administrative expense included charges of £0.2 million and £1.4 million relating to the de-designation of permanent as equity loans to a joint venture and fellow subsidiary undertakings respectively.
[4] Included in share of results of joint venture in the Consolidated Income Statement.

A description of the principal adjusting items is provided below.

Simplification and transformation

For the year ended 31 May 2025, these costs primarily relate to the strategic review of our Africa business and the St.Tropez brand. For the year ended 31 May 2024, these costs primarily relate to the following projects which started in 2022: three-year finance transformation project, HR simplification project and supply chain transformation project which completed during 2025.

Acquisition and disposal-related items

For the year ended 31 May 2025, the expense relates to the re-measurement of the deferred consideration for the Childs Farm acquisition and costs incurred in relation to the sale of the Group's joint venture undertaking expected to be completed during the year ending 31 May 2026. In the year ended 31 May 2025, the Group made the final settlement payment of the deferred consideration for the Childs Farm acquisition. For the year ended 31 May 2024, the income relates to the re-measurement of the deferred consideration for the Childs Farm acquisition.

Impairment charge (net of impairment reversal)

The current year charge relates to the impairment of the Beauty group of CGU's goodwill of £35.3m which is partially offset by the £16.5m impairment reversal of the Sanctuary Spa brand intangible (note 7). For the year ended 31 May 2024, the impairment charge relates to the impairment of the Sanctuary Spa brand of £24.4m (note 7).

Foreign exchange losses arising on Nigerian Naira devaluation (including on joint venture)

For the year ended 31 May 2024, this primarily relates to realised and unrealised foreign exchange losses resulting from the Nigerian Naira devaluation during the financial year on USD denominated liabilities which existed at 31 May 2023. As outlined in footnotes 3 and 4 above, this also includes a net charge of £0.4 million relating to the de-designation of permanent as equity loans to a joint venture undertaking and with subsidiary undertakings.

Foreign exchange losses arising on loans previously designated as permanent as equity (including to joint venture)

For the year ended 31 May 2025, this primarily relates to realised and unrealised foreign exchange losses resulting from movements in the Nigerian Naira on loans with the joint venture undertaking and subsidiary undertakings which were de-designated from permanent as equity in the year ended 31 May 2024.

The closing NGN/GBP rate at 31 May 2025 was 2,136 (2024: 1,893), and the average NGN/GBP for the current year was 2,015 (2024: 1,257).

4. Taxation

	2025 **£m**	2024 £m
Current taxation		
UK corporation tax		
- current year	**2.7**	5.2
- adjustments in respect of prior years	**(1.6)**	3.5
	1.1	8.7
Overseas corporation tax		
- current year	**11.9**	11.6
- adjustments in respect of prior years	**(0.2)**	(0.8)
	11.7	10.8
Total current taxation charge	**12.8**	19.5
Deferred tax		
Origination and reversal of temporary timing differences	**1.5**	(38.0)
Adjustments in respect of prior years	**(2.6)**	(6.4)
Effect of rate change adjustments	**-**	0.8
Total deferred taxation credit	**(1.1)**	(43.6)
Total taxation charge/(credit)	**11.7**	(24.1)
Analysed as:		
Taxation on profit before adjusting items	**9.0**	6.5
Taxation on adjusting items	**2.7**	(30.6)
	11.7	(24.1)

The effective tax rate (ETR) in relation to continuing operations for the year is 180.0% (2024: 25.1%). Before adjusting items, the ETR is 21.9% (2024: 14.5%), primarily due to the impacts of the minimum tax regime in Nigeria and the material impairments on brand and goodwill. The statutory ETR of 180.0% is driven primarily by the £35.3 million Goodwill impairment of Beauty brands that is non-deductible for UK corporation tax purposes, and which originated from business combination accounting under IFRS 3 requiring relevant assets and liabilities to be recorded at fair value at the date of acquisition. Absent the impairment of Goodwill, the statutory ETR for FY25 would be 28.0%.

UK corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Group has chosen to use the UK corporation tax rate for the reconciliation of the tax charge for the year to the profit before taxation as this is the seat for the central management and control of the Group.

	2025 £m	2024 £m
Profit/(loss) before tax	**6.5**	(95.9)
Tax at the UK corporation tax rate of 25% (2024: 25%)	**1.6**	(24.0)
Adjusted for:		
Effect of non-deductible expenses	**13.6**	6.4
Effect of non-taxable income	**(2.9)**	(3.7)
Effect of rate changes on deferred taxation (all territories)	**-**	0.8
Taxation effect of share of results of joint ventures	**(1.8)**	(2.4)
Other taxes suffered outside of the UK	**3.0**	2.0
Net adjustment to amount carried in respect of uncertain tax positions	**1.0**	2.4
Movements in deferred taxation assets not recognised	**0.1**	1.7
Adjustments in respect of prior years	**(4.4)**	(3.7)
Differences in overseas rates	**1.5**	(3.6)
Tax charge/(credit) for the year	**11.7**	(24.1)

5. Dividends

	2025 £m	2024 £m
Amounts recognised as distributions to ordinary shareholders in the year comprise:		
Interim dividend for the year ended 31 May 2024 of 2.10p (2023: final dividend of 3.73p) per ordinary share	**8.8**	15.6
Interim dividend for the year ended 31 May 2025 of 1.50p (2024: 1.50p) per ordinary share	**6.3**	6.3
	15.1	21.9

After the balance sheet date, a final dividend for the year ended 31 May 2025 was proposed by the Directors of 2.10p per ordinary share. This results in a total proposed dividend of £15.1 million (2024: £15.1 million). Subject to approval by shareholders at the Annual General Meeting, the dividend will be paid on 27 November 2025 to the shareholders on the register on 31 October 2025. The proposed dividend has not been included as a liability in the Consolidated Financial Statements as at 31 May 2025.

6. Loss per share

Earnings per share (EPS) represents the amount of earnings attributable to each ordinary share in issue. Basic EPS is calculated by dividing the profit/(loss) after taxation attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares owned by employee trusts.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares relate to awards granted under the Group's share incentive schemes. The basic and diluted EPS are equal as a result of the Group incurring a loss for the year.

The average number of shares is reconciled to the basic weighted average and diluted weighted average number of shares as set out below:

	2025 Number 000	2024 number 000
Average number of ordinary shares in issue during the year	**428,725**	428,725
Less: weighted average number of shares held by employee trusts	**(9,268)**	(9,693)
Basic weighted average shares in issue during the year	**419,457**	419,032
Dilutive effect of share incentive schemes	**1,294**	1,064
Diluted weighted average shares in issue during the year	**420,751**	420,096

An adjusted EPS measure is provided which calculates EPS excluding adjusting items from profits attributable to owners of the Parent. The Directors believe that the separate disclosure of adjusting items is relevant to an understanding of the Group's financial performance, and excluding such items provides a more meaningful basis upon which to analyse underlying business performance and make year-on-year comparisons.

7. Goodwill and other intangible assets

	Goodwill £m	Software £m	Brands £m	Total £m
Cost				
At 1 June 2023	66.6	66.6	267.2	400.4
Additions	-	0.4	-	0.4
Exchange differences	-	(1.5)	-	(1.5)
At 31 May 2024	**66.6**	**65.5**	**267.2**	**399.3**
Additions	**-**	**0.4**	**-**	**0.4**
Exchange differences	**-**	**(0.1)**	**(2.8)**	**(2.9)**
At 31 May 2025	**66.6**	**65.8**	**264.4**	**396.8**
Accumulated amortisation and impairment				
At 1 June 2023	10.2	41.1	36.4	87.7
Amortisation charge	-	7.1	-	7.1
Impairment charge	-	-	24.4	24.4
Exchange differences	1.7	(1.0)	0.1	0.8
At 31 May 2024	**11.9**	**47.2**	**60.9**	**120.0**
Amortisation charge	**-**	**4.1**	**-**	**4.1**
Impairment charge	**35.3**	**-**	**-**	**35.3**
Impairment reversal	**-**	**-**	**(16.5)**	**(16.5)**
At 31 May 2025	**47.2**	**51.3**	**44.4**	**142.9**
Net book value				
At 31 May 2025	**19.4**	**14.5**	**220.0**	**253.9**
At 31 May 2024	54.7	18.3	206.3	279.3

Amortisation and impairment are charged to administrative expense in the Consolidated Income Statement. Cumulative impairment of goodwill as at 31 May 2025 was £45.5 million (2024: £10.2 million) and cumulative impairment of brands as at 31 May 2025 was £44.3 million (2024: £60.8 million).

Software includes the Group's enterprise resource planning system (SAP), which is internally developed, and the carrying value of this asset as at 31 May 2025 is £11.3 million (2024: £13.7 million), with five years of amortisation remaining. In prior years, SAP was expected to be fully amortised by the end of FY27, based on an initial plan to transition to a new release. Following a review during FY25, this plan has been revised and SAP is now expected to remain in use until the end of FY30 in line with the manufacturer's support period. As a result, the remaining useful life of the asset has been extended from two years to five years and the annual amortisation charge has been reduced to £2.4 million from £4.9 million.

Other than software, intangible assets comprise goodwill and brands. Goodwill and brands have all arisen from previous business combinations and all have indefinite useful lives and, in accordance with IAS 36 *Impairment of Assets*, are subject to annual impairment testing (which the Group carries out at the year-end date), or more frequently if there are indicators of impairment.

The method used for impairment testing is to allocate assets to appropriate CGUs based on the smallest identifiable group of assets that generate independent cash inflows, and to estimate the recoverable amounts of the CGUs as the higher of the assets' fair values less costs of disposal and the value-in-use. Impairment testing is a two-step approach commencing with the testing of brands with an indefinite useful life. Each brand is considered its own CGU for this purpose. The second step is to test goodwill for impairment. For the purposes of this test, goodwill acquired is allocated to the CGUs or groups of CGUs expected to benefit from the synergies of the business combination. For this purpose goodwill related to each of the beauty brands is aggregated together into the Beauty group of CGU's as this is the manner in which the core assets are used to generate cash flows and is the lowest level at which goodwill is monitored by management.

Value-in-use is determined using cash flow projections from approved budgets and plans which are then extrapolated based on estimated long-term growth rates applicable to the markets and geographies in which the CGUs operate. The cash flow projections are discounted based on a pre-tax weighted average cost of capital for comparable companies operating in similar markets and geographies as the Group adjusted for risks specific to the particular CGU.

Goodwill of £19.4 million (2024: £54.7 million) comprises £5.1 million (2024: £40.4 million) in relation to the acquisitions of the Group's Beauty brands (Charles Worthington, Fudge, Sanctuary Spa and St.Tropez), £13.5 million (2024: £13.5 million) in relation to the acquisition of Childs Farm and £0.8 million (2024: £0.8 million) in relation to other acquisitions. Goodwill for the Beauty brands is assessed at the Group of CGUs comprising these brands (see table below) as this represents the lowest level at which goodwill is monitored by management.

The carrying value of goodwill and each brand is set out in the table below. For the impairment testing of brands, each brand is allocated to a single CGU. For the impairment testing of goodwill, Childs Farm goodwill is allocated to the same CGU as the brand and, as noted above, Beauty goodwill is allocated to the group of CGUs comprising the Beauty brands:

	Goodwill 2025 £m	Brands 2025 £m	Goodwill 2024 £m	Brands 2024 £m
Charles Worthington		**9.6**		9.6
Fudge		**24.6**		24.6
Sanctuary Spa		**51.0**		34.5
St. Tropez		**58.4**		58.4
Beauty	**5.1**	**143.6**	40.4	127.1
Original Source	**-**	**9.8**	-	9.8
Rafferty's Garden	**-**	**31.1**	-	33.9
Childs Farm	**13.5**	**35.5**	13.5	35.5
Other	**0.8**	**-**	0.8	-
	19.4	**220.0**	54.7	206.3

In performing the impairment testing, the Group used the five-year plan ending 31 May 2030. Assumptions in the budgets and plans used for the value-in-use cash flow projections include future revenue volume and price growth rates, associated future levels of marketing support, the cost base of manufacture and supply, and directly associated overheads. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which each CGU operates.

The key assumptions applied in determining value-in-use are the long-term growth rate and the discount rate, both of which are determined with reference to the markets and geographies in which the CGU (or group of CGUs) operates, and revenue growth and gross margin.

The compound annual growth rates, long-term growth rates and discount rates applied in the value in use calculations used in impairment tests were:

	CAGR[1] 2025	CAGR[1] 2024	**Long-term growth rate 2025**	Long-term growth rate 2024	**Pre-tax discount rate 2025**	Pre-tax discount rate 2024
Charles Worthington	**2.5%**	6.1%	**2.0%**	2.0%	**13.0%**	11.5%
Fudge	**0.7%**	2.3%	**2.0%**	2.0%	**13.5%**	11.7%
Sanctuary Spa	**3.1%**	2.8%	**2.0%**	2.0%	**13.0%**	11.5%
St. Tropez	**1.3%**	3.3%	**2.0%**	2.0%	**13.5%**	12.0%
Beauty group of CGUs (goodwill assessment)	**2.0%**	3.2%	**2.0%**	2.0%	**13.3%**	11.6%
Original Source	**10.2%**	9.9%	**2.0%**	2.0%	**13.1%**	11.6%
Rafferty's Garden	**2.5%**	4.5%	**2.0%**	2.5%	**13.1%**	11.8%
Childs Farm (brand and goodwill assessment)	**11.2%**	19.6%	**2.0%**	2.0%	**13.0%**	11.7%

[1] *CAGR refers to the compound annual revenue growth rate over the five-year plan period.*

The results of the impairment tests as at 31 May 2025 were as follows:

Sanctuary Spa

In the year ended 31 May 2025, there was an impairment reversal of £16.5 million (2024: charge of £24.4 million) relating to the Sanctuary Spa brand, charged to administrative expense in the Consolidated Income Statement and included in the Europe & the Americas segment. The recoverable amount reflected improved brand performance that exceeded prior year expectations driven by gift set sales and the launch of a new range. The recoverable amount of the CGU was determined to be £51.6 million based on a value-in-use calculation, which when compared to a carrying value of £35.1 million (of which the brand represented £34.5 million) resulted in an impairment reversal of £16.5 million. The long-term growth rate and discount rate used in the value-in-use calculations were 2.0% and 13.0% respectively.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Sanctuary Spa. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would reduce the impairment reversal by £8.2 million, a 200bps decline in the annual revenue growth rate over the five-year plan period, which results in a five-year compound annual revenue growth rate of 1.1%, would reduce the impairment reversal by £10.0 million and a 100bps increase in the discount rate would reduce the impairment reversal by £5.7 million. A reduction of 3.4% in compound annual revenue growth rate over the five-year plan would result in £nil impairment reversal. The same impact would be caused by a decline of 5.1% in gross margin or an increase of 3.8% in discount rate.

St.Tropez

For the St.Tropez brand, the recoverable amount of the CGU was determined to be £63.4 million based on a value-in-use calculation, which is in excess of the carrying value of £63.0 million (of which the brand represented £58.4 million) despite an unexpected revenue decline in the US during the year ended 31 May 2025.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for St.Tropez. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would result in an impairment charge of £8.6 million, a 200bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of (0.5)%, would result in an impairment charge of £12.4 million and a 100bps increase in the discount rate would result in an impairment charge of £6.8 million. A reduction of 0.1% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 0.1% in gross margin or an increase of 0.1% in discount rate.

Other CGUs

For the remaining CGUs, the recoverable amounts of the respective applicable CGUs, which were determined based on value-in-use calculations, exceeded the carrying values. Sensitivity analysis on the value-in-use calculations did not identify potential impairment in relation to a reasonably possible downside in the assumptions used for the projections.

8. Cash and cash equivalents and net debt

Cash and cash equivalents include cash at bank and in hand, short-term deposits and other highly liquid investments with original maturities of three months or less which are readily convertible into known amounts of cash with insignificant risk of changes in value.

Borrowings comprise bank overdrafts, short-term uncommitted loans and amounts drawn under the Group's committed credit facility. Bank overdrafts are repayable on demand and form a part of the Group's cash management activities. Further details on the Group's committed credit facility are provided in Note 19. The Group defines net debt as cash and cash equivalents net of borrowings, and net debt including lease liabilities as cash and cash equivalents net of borrowings and lease liabilities.

Group net debt comprises the following:

	1 June 2024 £m	Net cash flow £m	Foreign exchange movements £m	Other[1] £m	31 May 2025 £m
Cash at bank and in hand	49.4	(9.7)	(1.6)	-	**38.1**
Short term deposits	1.9	5.2	(0.1)	-	**7.0**
Cash and cash equivalents[2]	**51.3**	**(4.5)**	**(1.7)**	**-**	**45.1**
Current borrowings	(6.3)	6.2	0.1	(54.7)	**(54.7)**
Non-current borrowings	(160.3)	3.5	-	54.4	**(102.4)**
Net debt	**(115.3)**	**5.2**	**(1.6)**	**(0.3)**	**(112.0)**
Lease liabilities	(12.1)	3.3	0.2	(6.3)	**(14.9)**
Net debt including lease liabilities	**(127.4)**	**8.5**	**(1.4)**	**(6.6)**	**(125.9)**

[1] *Other includes a current to non-current borrowings reclassification, lease additions, the increase in the lease liability arising from the unwinding of interest element and the movement in the unamortised fees on borrowings.*

[2] *At 31 May 2025, the Group had restricted cash of £1.3 million (2024: £0.7 million). At 31 May 2025, £20.2 million (2024: £20.0 million) of the cash and cash equivalents were held by the Group's Nigerian subsidiaries.*

Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. The Group has a £325.0 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan, of up to £125.0 million, with the balance as a revolving credit facility (RCF) structure. Entered into in November 2022, the term loan is a two-year facility and the RCF a four-year facility, with both facilities retaining two, one-year extension options. The first option for both RCF and term loan was executed in October 2023 and the second term loan extension was executed in March 2025 reducing to £70 million from 8 November 2026. Drawings under the term loan are permitted in GBP, and under the RCF in GBP, Euros or USD, at interest rates at a margin of 1.30–2.10% above SONIA, EURIBOR or SOFR, dependent on leverage and the attainment of specified sustainability performance targets.

Non-current borrowings as at 31 May 2025 are presented net of £0.1 million (2024: £0.7 million) of unamortised financing fees. As at 31 May 2025, this facility was £157.5 million drawn (2024: £161.0 million). Borrowings as at 31 May 2025, which are presented net of £0.4 million (2024: £0.7 million) of unamortised financing fees, comprise £125.0 million (2024: £125.0 million) of term loans which are denominated in GBP at an interest rate of 6.18% (2024: 6.81%), and £32.5 million (2024: £36.0 million) of borrowings under the RCF which are denominated in GBP at interest rates at between 6.04–6.10% (2024: 6.78–6.79%).

In addition, the Group retains other unsecured and uncommitted facilities that are primarily used for trade-related activities in Nigeria where ordinary trading activities are required to be supported by letters of credit (or similar). As at 31 May 2025, these amounted to £122.1 million (2024: £161.6 million) of which £33.7 million, or 28% were used (2024: £40.3 million or 25%). The utilisation amount has decreased during the reporting period as a result of the improvement in access to foreign currency which in turn has facilitated the settlement of USD liabilities. As at the reporting date, there were no bank overdrafts (2024: £nil).

9. Reconciliation of profit/(loss) before taxation to cash generated from operations

	2025 £m	2024 £m
Profit/(loss) before taxation	**6.5**	(95.9)
Net finance expense and net monetary loss arising from hyperinflationary economies	**14.1**	12.2
Operating profit/(loss)	**20.6**	(83.7)
Depreciation	**8.0**	10.2
Amortisation	**4.1**	7.1
Impairment of tangible and intangible assets	**35.3**	24.4
Impairment reversal of intangible assets	**(16.5)**	—
Impairment of current asset investment	**—**	0.5
Impairment reversal of current asset investment	**(0.5)**	—
Profit on sale of assets	**(1.1)**	(1.8)
Difference between pension charge and cash contributions	**1.1**	1.7
Share-based payments	**2.6**	1.9
Rental income classified as investing cash flows	**(1.1)**	—
Share of results of joint venture	**(5.6)**	(7.3)
Operating cash flows before movements in working capital	**(46.9)**	(47.0)
Movements in working capital:		
Inventories	**(5.6)**	2.3
Trade and other receivables	**1.6**	15.3
Trade and other payables	**5.6**	77.5
Provisions	**0.7**	(0.4)
Cash generated from operations	**49.2**	47.7

10. Post balance sheet events

On 18 June 2025, the Group announced it had signed an agreement to sell its 50% equity interest in PZ Wilmar Limited, a Nigerian edible oils business, to Wilmar International Limited, the joint venture partner, for cash consideration of $70 million (£51 million). Consideration will be paid in US Dollars. After taxes, fees and other costs, net proceeds are expected to be approximately $64 million (£47 million). Completion is expected to take place in the last quarter of calendar year 2025.

In April 2024, PZ Cussons announced its intention to sell the St. Tropez brand, as part of a broader plan to refocus its portfolio. On 26 June 2025, the Group announced that following an extensive auction process which resulted in a number of offers being received, the decision was made to retain St.Tropez and set a new strategic direction for the brand.

11. Directors' confirmations

Each of the Directors confirm that, to the best of their knowledge:

- The Group financial statements within the full Annual Report and Accounts, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and
- The Strategic Report within the full Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Approved by the Board of Directors on 17 September 2025