



# 2024 FULL YEAR RESULTS

18 SEPTEMBER 2024



# AGENDA

Introduction

Financial review

Strategic update

Summary

Q&A



## TRANSFORMING INTO A BUSINESS WITH A MORE FOCUSED PORTFOLIO AND STRONGER BRANDS DELIVERING SUSTAINABLE PROFITABLE GROWTH

1

### Continued operational progress

Delivery against FY24 strategic priorities

2

### Portfolio transformation progressing

Sale of St. Tropez underway;  
Expressions of interest received for Africa

3

### Favourable performance trends

Q1 LFL revenue growth of 4.7%



# FINANCIAL REVIEW

**SARAH POLLARD - CHIEF FINANCIAL OFFICER**

# SUMMARY FINANCIALS

REPORTED RESULTS ARE MATERIALLY IMPACTED BY THE DEVALUATION OF THE NAIRA WHICH DECLINED 70% DURING FY24



<i>£m unless otherwise stated</i>	FY24	FY23	
Revenue	527.9	656.3	● 19.6% (£128.4m) reported revenue decline of which £130.6m attributable to Naira devaluation
LFL revenue growth (%)	4.4%	6.1%	● LFL (2.6)% ex-Africa
Operating profit	58.3	73.3	● In line with guidance of £55-60m
Operating profit margin (%)	11.0%	11.2%	
Statutory operating (loss)/ profit	(83.7)	59.7	● Statutory loss caused by Naira devaluation. See appendix for breakdown
Profit before tax	44.7	74.1	● Increased net interest charge due to lower Naira cash balances
Earnings per share	8.02	11.23	● 28.6% decline in EPS due to lower ETR and non-controlling interest
Dividend per share (p)	3.6	6.4	● 44% reduction, with EPS cover of 2.2x
Free cash flow	41.6	69.9	
Net (debt) / cash	(115.3)	5.7	● Increased net debt driven by devaluation. Gross debt reduced due to cash repatriation and cash flow

Like for like ('LFL') growth adjusts for constant currency and excludes the impact of disposals and acquisitions. All items are shown on an Adjusted basis unless otherwise stated. Net (debt) / cash is shown before IFRS16 lease liabilities. Naira devalued by 70% from 31 May 2023 to 31 May 2024, and was on average 57% lower for the financial year as a whole.

Introduction

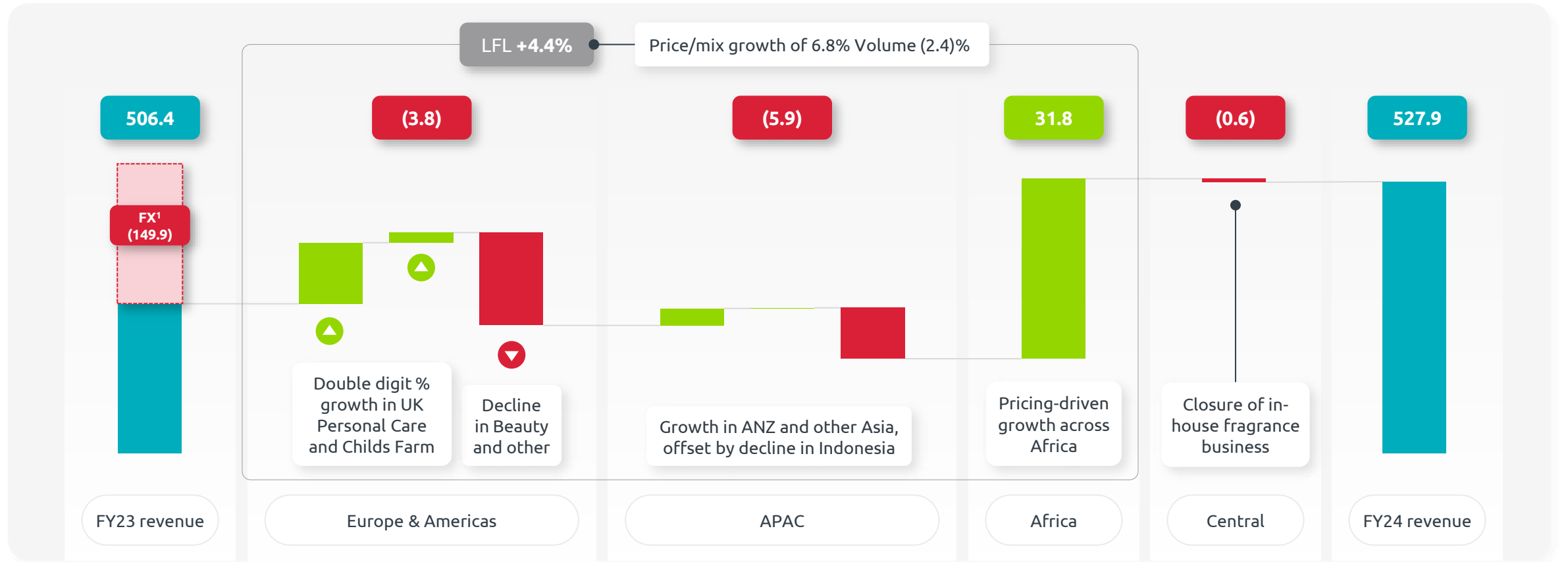
Financial review

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Summary

# GROUP REVENUE

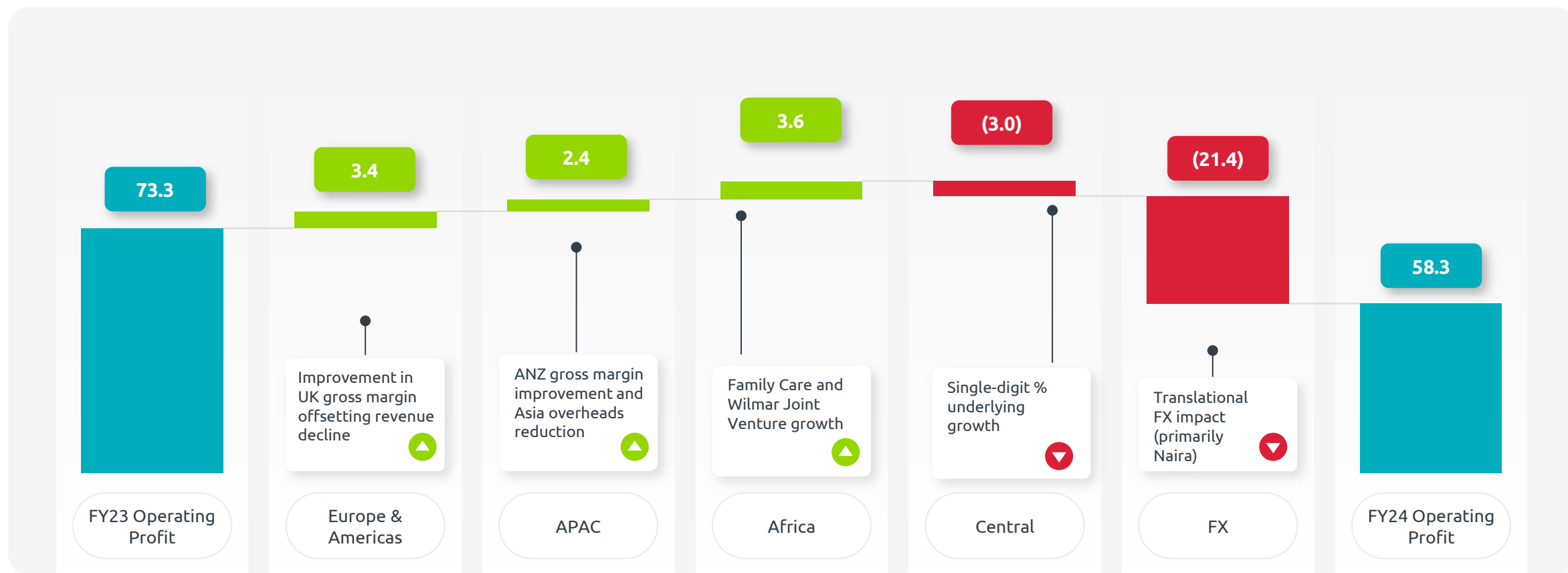
## CONSTANT CURRENCY REVENUE GROWTH DRIVEN BY GROWTH IN AFRICA AND UK PERSONAL CARE



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

# OPERATING PROFIT

## CONSTANT CURRENCY GROWTH OFFSET BY FX



Amounts in £m unless otherwise stated.  
Central include £8.9m cost movement from Africa due to debt forgiveness.



# SEGMENTAL PERFORMANCE: EUROPE AND AMERICAS

VERY STRONG GROWTH IN UK PERSONAL CARE AND CHILDS FARM PROGRESS OFFSET BY A DECLINE IN BEAUTY

*£m unless otherwise stated*

	FY24	FY23
Revenue	200.7	205.8
LFL revenue growth	(1.9)%	(0.5)%
Operating profit	32.6	29.3
Operating profit margin	16.2%	14.2%
Change	200bps	(390)bps

UK Personal Care grew double-digits. Customer de-stocking in Beauty

Growth driven by UK Personal Care and Childs Farm

## Must Win Brands



## Priority markets





# SEGMENTAL PERFORMANCE: APAC

## STRONG MARGIN GROWTH AND IMPROVING REVENUE MOMENTUM IN Q4



*£m unless otherwise stated*

	FY24	FY23
Revenue	175.2	190.7
LFL revenue growth	(3.4)%	4.4%
Operating profit	28.0	27.5
Operating profit margin	16.0%	14.4%
Change	160bps	240bps



**ANZ:** Strong, volume-led growth in Morning Fresh and Radiant



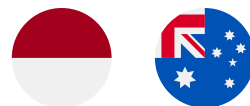
**Indonesia:** Revenue decline due to reduction in consumer spend across category. Returned to growth in Q4

Very strong gross margin improvement in ANZ and overhead reduction in Asia

### Must Win Brands



### Priority markets



# SEGMENTAL PERFORMANCE: AFRICA

## LIMITED VOLUME DECLINE DESPITE PRICE INCREASES

£m unless otherwise stated

	FY24	FY23	
Revenue	151.7	256.3	● 40.8% reported decline, primarily due to Naira devaluation
LFL revenue growth	26.5%	13.4%	● Price/mix driven. Mid-single digit volume declines. Volumes grew in Q4
Operating profit <sup>1</sup>	21.4	37.2	
Operating profit margin <sup>1</sup>	14.1%	14.5%	● Margin decline in Nigeria Family Care partly offset by Wilmar JV
Change	(40)bps	450bps	
Memo: share of results of Wilmar JV	10.7	7.5	

### Must Win Brands



### Priority markets

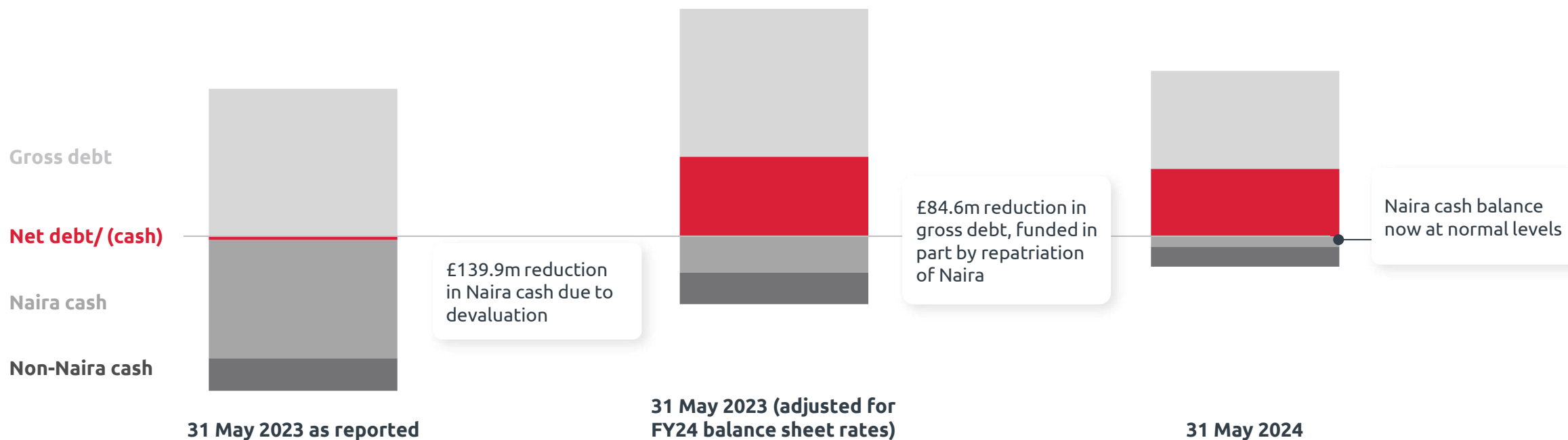


Amounts in £m unless otherwise stated.

1 – Operating profit and margin are shown excluding the £8.9m credit related to debt forgiveness from our Central segment

# CASH FLOW AND NET DEBT

COMPARABLE GROSS AND NET DEBT POSITIONS HAVE IMPROVED SIGNIFICANTLY DUE TO CASH GENERATION AND REPATRIATION



	31 May 2023 as reported	31 May 2023 (adjusted for FY24 balance sheet rates)	31 May 2024
Gross debt	251.2	251.2	166.6
<b>Net debt/(cash)</b>	<b>(5.7)</b>	<b>135.9</b>	<b>115.3</b>
Naira cash	201.1	61.2	17.2
Non-Naira cash	55.3	53.6	34.1

1 - Net debt/(cash) is shown excluding IFRS16 lease liabilities. Amounts in £m unless otherwise stated.

# FY25 OUTLOOK

BASED ON Q1 AVERAGE FX RATES, FY25 OPERATING PROFIT IS EXPECTED TO BE £47-53M

## FY25 GUIDANCE - AT CURRENT FX RATES

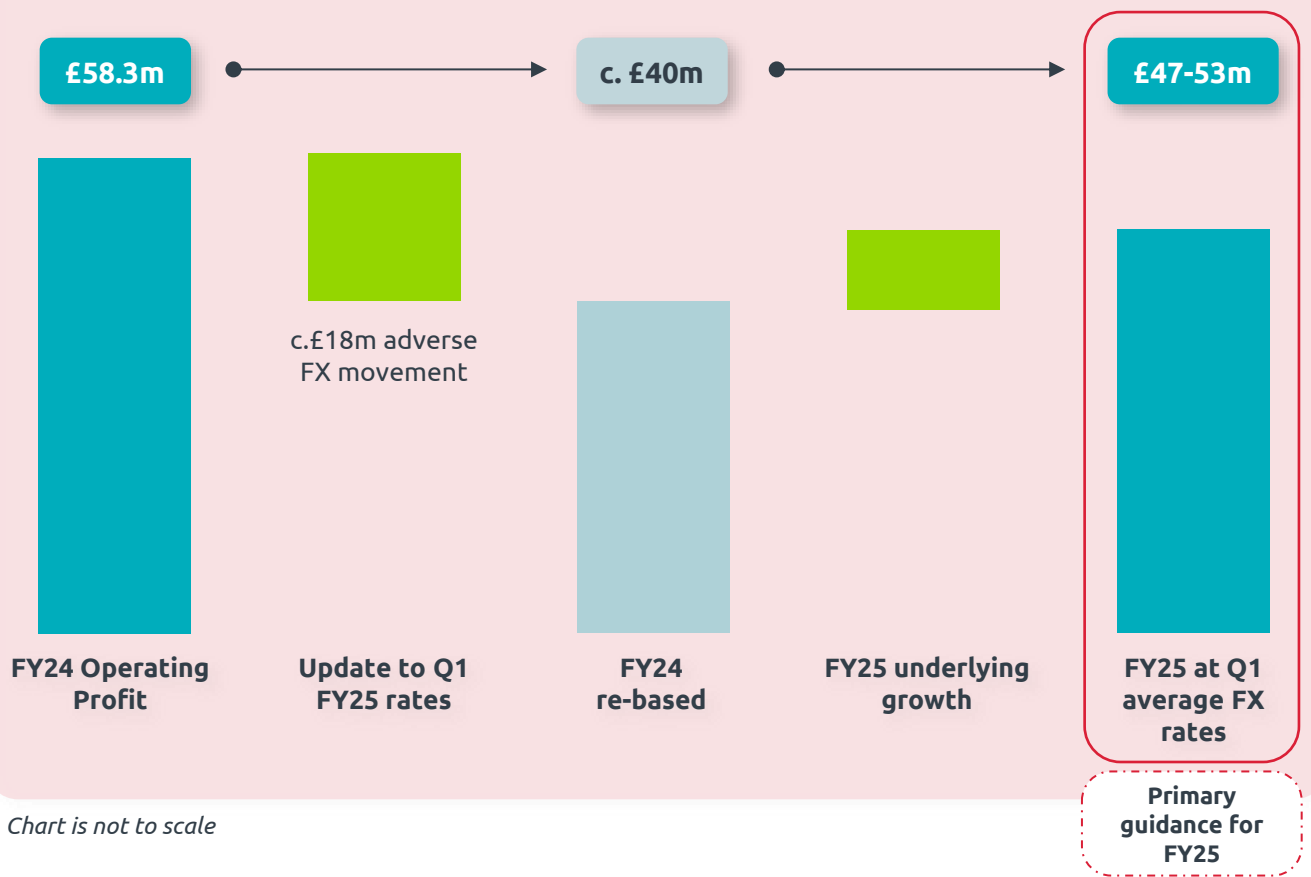
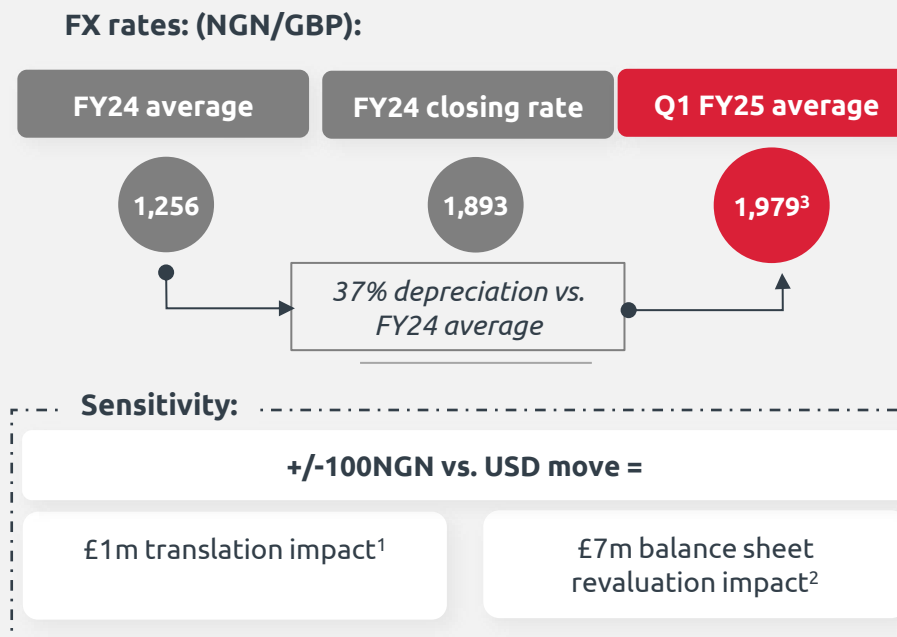


Chart is not to scale

## UNCERTAINTY DUE TO NAIRA MOVEMENTS



1 - £1m impact on an annualised basis.  
 2 - Following accounting changes brought about by the increased likelihood of the repayment of inter-company loans as part of any transaction, revaluation of these liabilities will impact the P&L as opposed to Other Comprehensive Income in reserves. This is driven by the FX rate as at the balance sheet date, not period average rates. There is no cash impact from this accounting change.  
 3 - Q1 FY25 balance sheet (end of August) rate was 2,100  
 Amounts in £m unless otherwise stated.

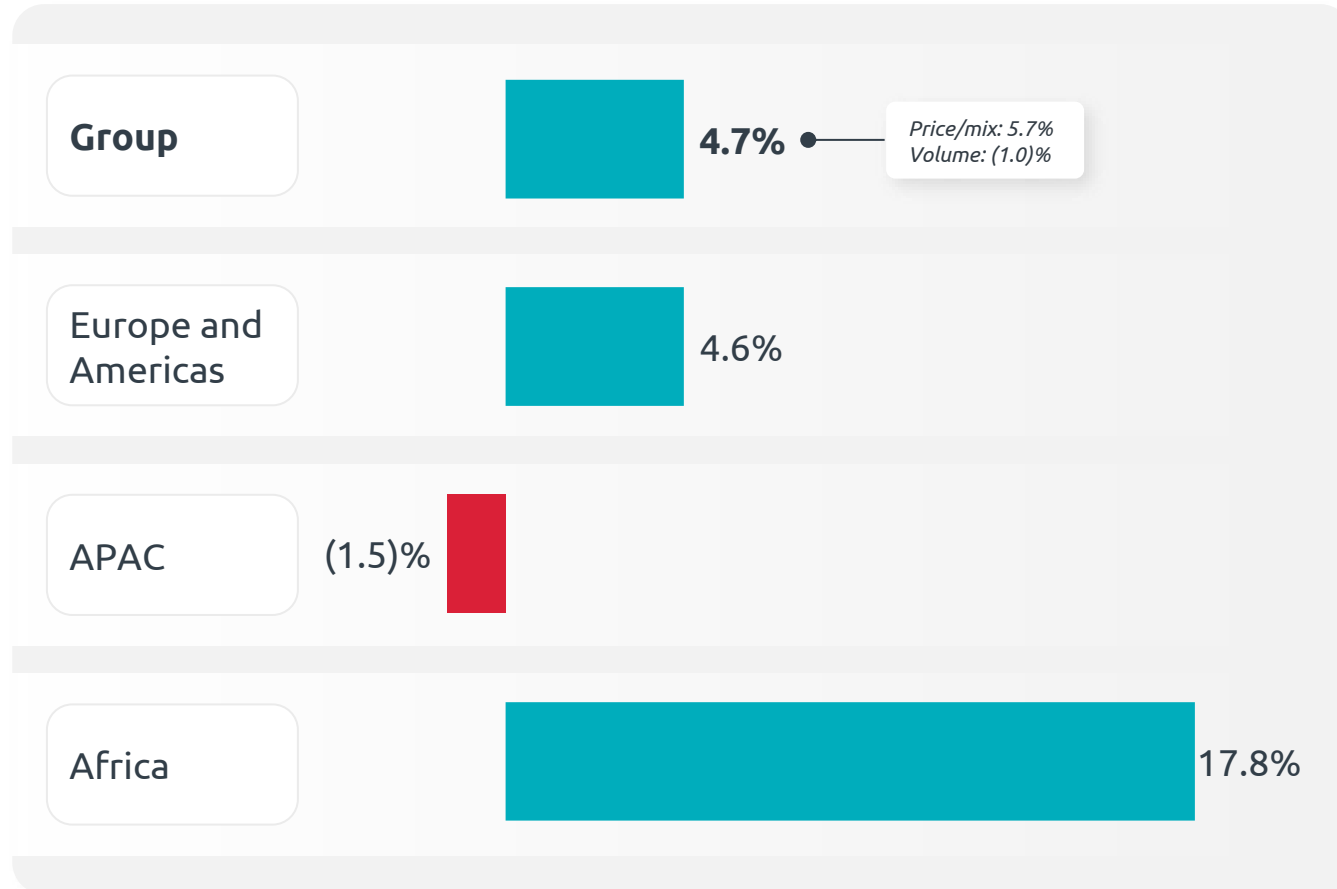


# Q1 FY25 PERFORMANCE



## STRONG REVENUE GROWTH AT THE START OF FY25

### Q1 LFL REVENUE GROWTH



### COMMENTARY

#### 1.7% growth ex-Africa

Price/mix: (1.6)%; Volume 3.3%

Broad-based, volume-led growth across most brands

ANZ and Indonesia brand growth overall flat

Double-digit, pricing-led growth in all major Family Care brands and Electricals



# STRATEGIC UPDATE

**JONATHAN MYERS - CHIEF EXECUTIVE OFFICER**



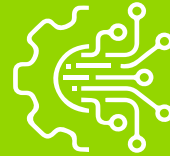
# OUR STRATEGY IN SUMMARY



**BUILD  
BRANDS**



**SERVE  
CONSUMERS**



**REDUCE  
COMPLEXITY**



**DEVELOP  
PEOPLE**



**GROW  
SUSTAINABLY**

# A REMINDER OF OUR PRIORITIES FOR FY24

WE HAVE DELIVERED AGAINST THE FY24 PRIORITIES WE ESTABLISHED AT THE BEGINNING OF THE YEAR



**1 Further simplifying and strengthening Nigeria**



**2 Returning the UK to sustainable, profitable growth**



**3 Driving further expansion from the core**



**4 Continuing to transform capabilities**





# OUR FY24 PRIORITIES: NIGERIA

WE HAVE ADDRESSED US DOLLAR SOURCING CHALLENGES WHILST STRENGTHENING THE BUSINESS

NIGERIA



## IMPROVEMENTS IN CASH AND FUNDING...

Reduced requirement for US Dollars due to:

- Focus on profitability
- Increased proportion of local sourcing (payable in Naira)

Expanded and diversified sourcing of US Dollars

Cash repatriated

**£50m**

Gross debt reduction

**£85m**

## ...WHILST EXPANDING OUR ROUTE TO MARKET AND MAINTAIN BRAND POSITIONS

**+50%**

Increase in number of stores covered directly

**>100%**

Increase in sales per distribution van

Market shares of key brands have largely held despite the nearly 30 rounds of price increases<sup>1</sup>:

	L6M	L12M
	✓	✓
	✗	✗
	✓	=
	=	=

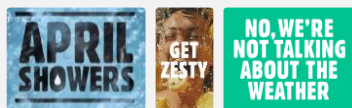
# OUR FY24 PRIORITIES: UK

## CONTINUED SIGNIFICANT IMPROVEMENT IN PROFITABILITY IN UK PERSONAL CARE

UK



**ORIGINAL SOURCE**



- >20% revenue growth
- Increased listings with 12% growth in distribution points
- Strong marketing execution

**Cussons Carex**



- Returned to growth for full year
- Gruffalo collaboration
- Launch of 1 Litre pack

**Cussons Creations**



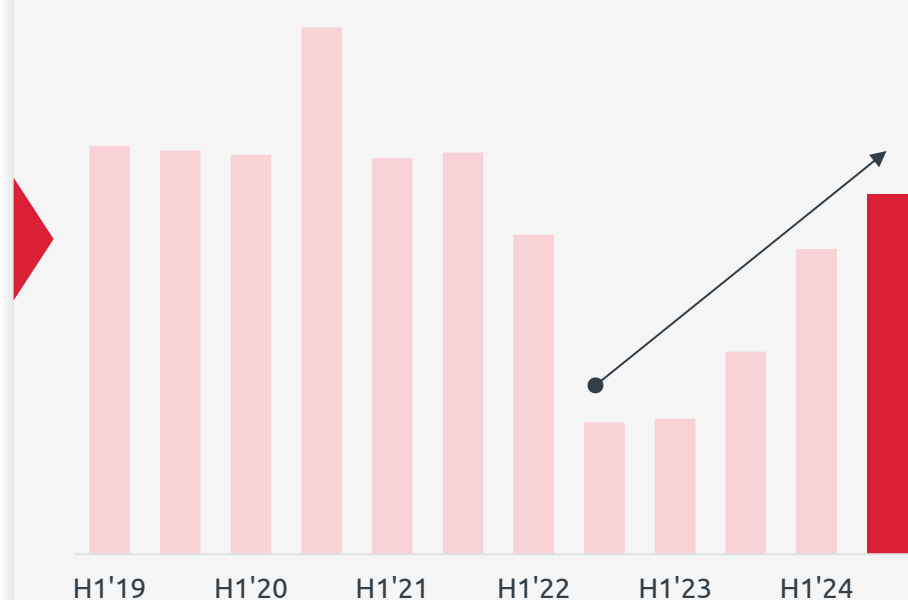
**IMPERIAL LEATHER**  
MASTER PERFORMERS SINCE 1938



- Continued success of Imperial Leather relaunch supported by the Cussons Creations launch
- Double-digit revenue growth in FY24
- Cussons Creations one of the fastest-growing brands in Washing and Bathing
- New Imperial Leather packaging

### ...contributing to significantly improved performance for the UK Personal Care business

UK Personal Care op. profit margin



# OUR FY24 PRIORITIES: EXPANSION

SECOND YEAR OF DOUBLE-DIGIT CHILDS FARM REVENUE GROWTH PLUS ONGOING BUSINESS INTEGRATION

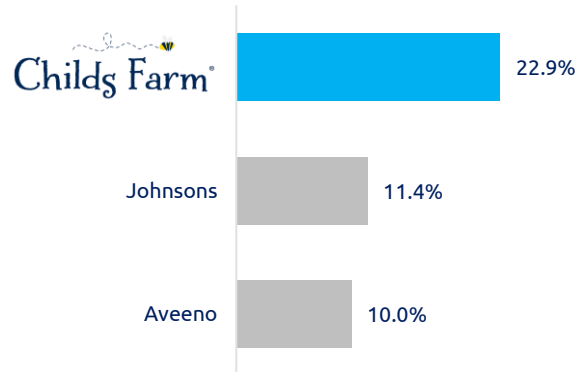
EXPANSION



## CONTINUED GROWTH IN UK MARKET SHARE AND INTERNATIONAL DISTRIBUTION



Value sales growth, FY24<sup>1</sup>



Recent launches:

Holland & Barrett M&S

EST. 1884



Wegmans

- Launched in Premium Grocery Chain Wegmans, in July, targeting mid-to-high income natural-leaning shoppers
- >100 Stores in Northeast & mid-Atlantic US
- Long-term plan for extending Wegmans range and national retailer expansion



dm

- Launched in dm in November 2023
- Childs Farm Sleep Mist became the No.1 online SKU within baby in dm

## IN-HOUSE PRODUCTION COMMENCED IN AUGUST



# OUR FY24 PRIORITIES: CAPABILITIES

CAPABILITIES



COMBINING UK PERSONAL CARE AND UK BEAUTY WILL SAVE £3M P.A. AND ADDRESS PREVIOUS UNDERPERFORMANCE

## UK Personal Care



## UK Beauty



Two separate teams, processes and partners

Customer duplication



### Scale

Combined business is c.30% larger than Personal Care



### Simplification

One team and one face to the customer



### Capabilities

Commercial rigour from Personal Care and Influencer expertise from Beauty



## ST. TROPEZ

PZ Cussons' only material presence  
in US and Beauty

Limited synergy with remainder  
of the Group's portfolio

**Plans to dispose of the business are  
progressing**

## Africa portfolio



Portfolio includes non-core categories  
of Cooking Oils and Electricals

Significant volatility due to scale  
of Nigeria exposure

**Expressions of interest received which could  
lead to the partial or full sale of our Africa  
business**

# OUR PRIORITIES FOR FY25

WE ARE CLEAR ON OUR PRIORITIES FOR THE COMING YEAR



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



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



**3** Deliver the portfolio transformation to maximise shareholder value

ST. TROPEZ |



# SUMMARY



## TRANSFORMING INTO A BUSINESS WITH A MORE FOCUSED PORTFOLIO AND STRONGER BRANDS DELIVERING SUSTAINABLE PROFITABLE GROWTH

1

### Portfolio transformation

Actions are well underway to maximise shareholder value following strategic review

2

### Continued underlying progress

We have continued to strengthen business fundamentals in FY24 whilst driving in-market performance

3

### Confident in long-term opportunities

PZ Cussons is transforming to a more focused business in attractive geographies and categories in which we can win and generate superior returns



# Q&A





# APPENDIX

San Sot of Jasmine Vanilla & Cream

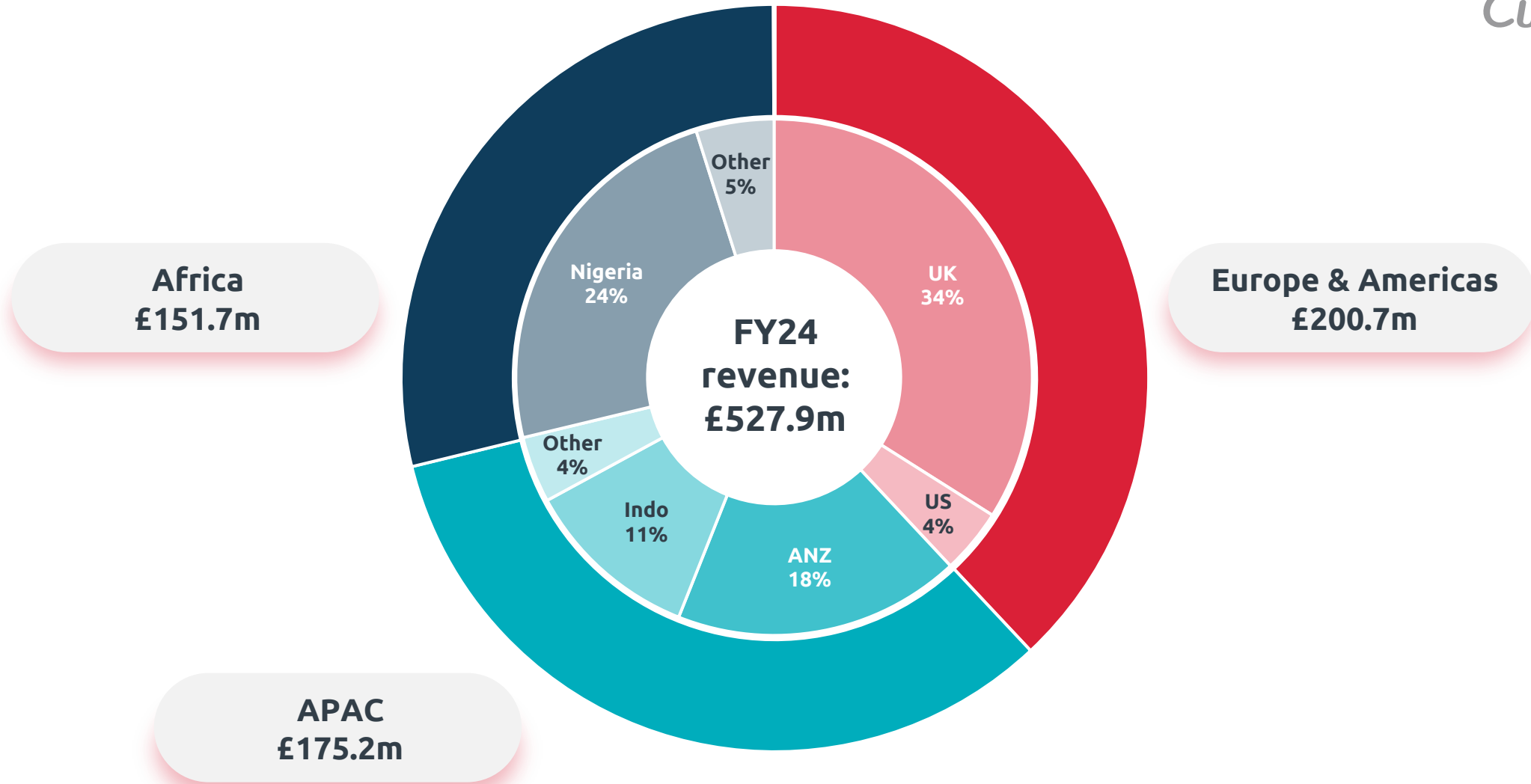
# FOREIGN EXCHANGE ANALYSIS



<i>£m</i>	% FY24 revenue	FY24	FY23	% change	Revenue impact (£m)
GBP	34%	1.00	1.00	-	-
NGN	24%	1,257	536	(57)%	(130.6)
AUD	17%	1.92	1.78	(7)%	(6.7)
IDR	12%	19,550	18,174	(7)%	(5.3)
USD	6%	1.26	1.20	(5)%	(1.9)
Other	7%	-	-		(5.4)
<b>Total</b>	<b>100%</b>				<b>(149.9)</b>

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

# REVENUE SPLIT BY MARKET



# CASH FLOW AND NET DEBT



<sup>1</sup> Net debt / (Cash) is shown excluding leases.

<sup>2</sup> £0.3m refers to the statutory net cash flow in FY24.

<sup>3</sup> Working capital movements of £9.4 million reflect £94.7 million inflow per cash flow statement, adjusted for £104.1 million FX losses arising on Nigerian Naira devaluation. See slide 31 for reconciliation.



# ADJUSTING ITEMS AND FOREIGN EXCHANGE IMPACT ON STATUTORY ACCOUNTS

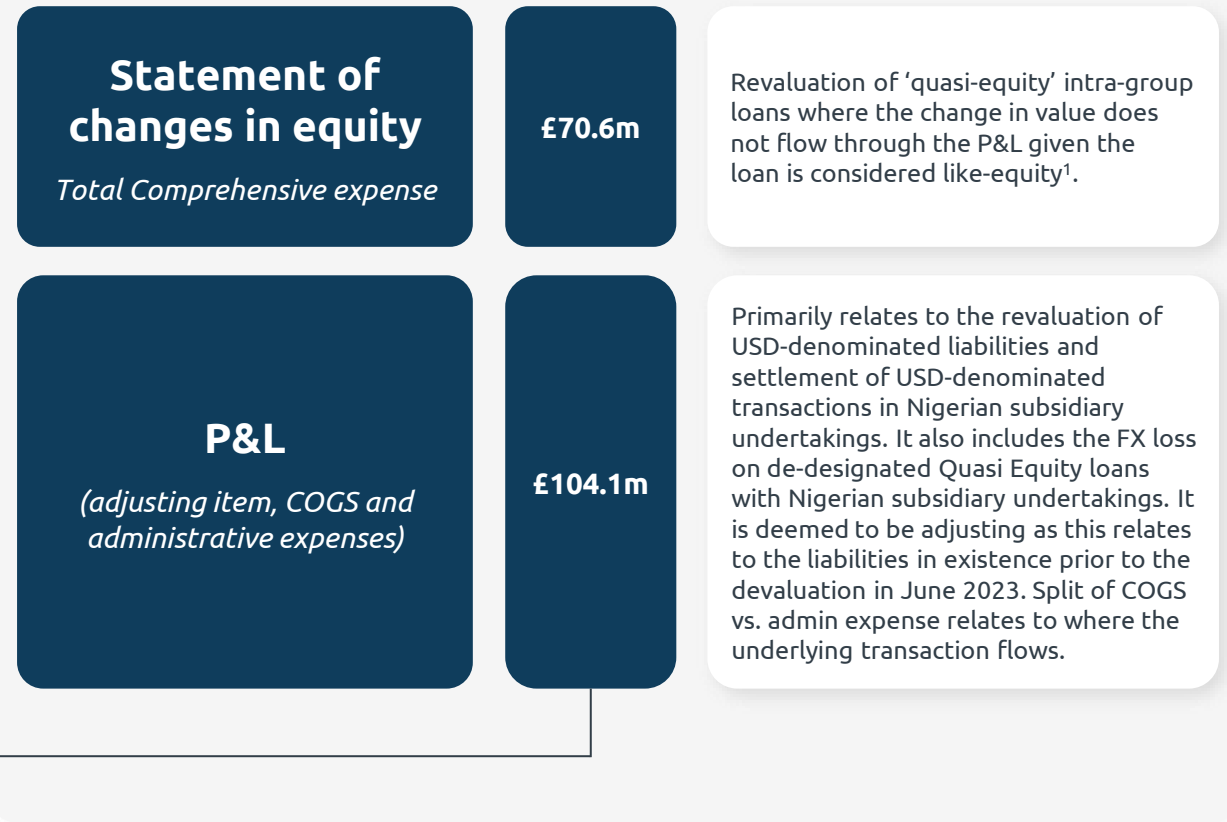


## ADJUSTING ITEMS

*£m unless otherwise stated*

	FY24
Simplification and transformation	10.1
Acquisition and disposal-related items	(1.4)
Impairment charge (net of impairment reversal)	24.4
Foreign exchange losses on Nigerian Naira devaluation	104.1
Foreign exchange losses on Nigerian Naira devaluation in joint venture	3.4
<b>Total adjusting items</b>	<b>140.6</b>

## FOREIGN EXCHANGE IMPACTS



<sup>1</sup> - Note that not all of the £70.6m relates to Nigeria

# WORKING CAPITAL RECONCILIATION

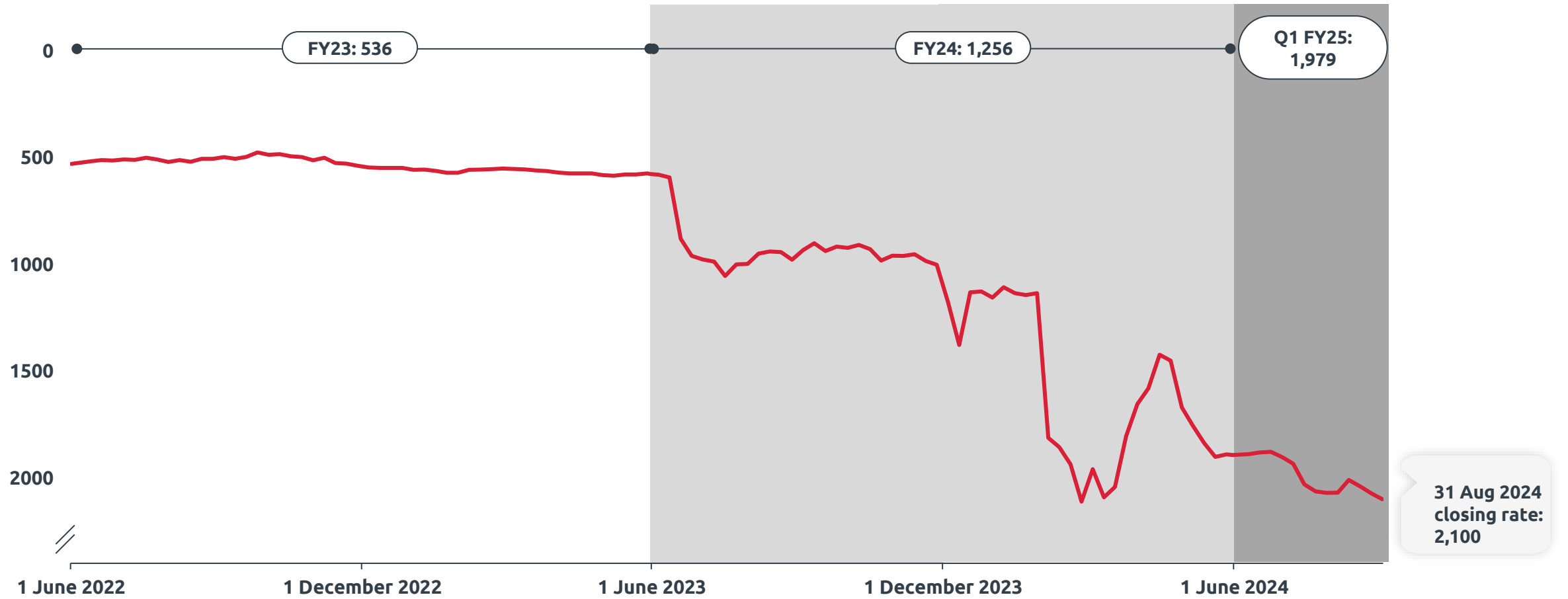
*£m unless otherwise stated*

	FY24	FY23
Inventories	2.3	(8.4)
Trade and other receivables	15.3	(13.4)
Trade and other payables	77.5	30.3
Provisions	(0.4)	(4.4)
<b>Net working capital movement per cash flow statement</b>	<b>94.7</b>	<b>4.1</b>
Adjustment for FX movement	(104.1)	0.0
<b>Underlying net working capital movement</b>	<b>(9.4)</b>	<b>4.1</b>

Movement in receivables mainly relates to the FX impact on Naira-denominated receivables in the UK.

£77.5m largely driven by increase in USD-denominated payables in Nigerian subsidiaries, driven by Naira devaluation

# HISTORIC NGN/GBP RATES



Term	Definition
<b>APM</b>	Alternative performance measure
<b>Adjusted earnings per share</b>	Earnings per share from continuing operations adjusted for the impact of adjusting items
<b>Brand Investment</b>	An operating cost related to our investment in brands (previously 'Media & Consumer')
<b>Adjusted operating profit</b>	Operating profit continuing operations adjusted for the impact of adjusting items
<b>Employee well-being</b>	% score based upon a set of questions within our annual survey of employees
<b>ETR</b>	Effective Tax Rate
<b>Free cash flow</b>	Cash generated from operations less capital expenditure
<b>Free cash flow conversion</b>	Free cash flow as a % of adjusted EBITDA from continuing operations
<b>Like for like (LFL) revenue growth</b>	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
<b>Must Win Brands</b>	The brands in which we place greater investment and focus. They comprise: Carex, Childs Farm (acquired in March 2022), Cussons Baby, Joy, Morning Fresh, Original Source, Premier, Sanctuary Spa and St Tropez
<b>Net debt</b>	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
<b>Portfolio Brands</b>	The brands we operate which are not Must Win Brands
<b>PZ Cussons Growth Wheel</b>	Our 'repeatable model' for driving commercial execution, comprising 'Consumability', 'Attractiveness', 'Shopability' and 'Memorability'
<b>Revenue Growth Management (RGM)</b>	Maximising revenue through ensuring optimised price points across customers and channels and across different product sizes
<b>SKUs</b>	Stock keeping unit
<b>Through the line</b>	Marketing campaign incorporating both mass reach and targeted activity