11 February 2025

RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

Solid overall trading in UK, Indonesia and ANZ
On track to meet FY25 expectations

Jonathan Myers, Chief Executive Officer, said: *"Trading has been in line with expectations during the first half of our financial year and, together, three of our priority markets - the UK, Indonesia and ANZ - have delivered solid overall like for like revenue growth of 2%. New product innovation, competitive brand activation and increased retail distribution have combined to deliver the strongest performance in our UK business for three years, thanks in part to particularly successful Christmas sales for Sanctuary Spa gifting. Indonesia recorded a third consecutive quarter of growth and in ANZ our brands have continued to grow share, albeit against a backdrop of market softness.*

Our H1 reported revenue and adjusted operating profit have continued to be impacted by the depreciation of the Naira. The more recent stabilisation of the exchange rate and our operational interventions on the ground have, however, enabled us to sustain our trading momentum in the Nigerian market whilst reducing our exposure to further currency depreciation.

We are progressing with our plans to transform our portfolio to unlock value and reduce complexity, through the processes involving our Africa business and the St. Tropez brand.

The trends of the first half of the year have continued into the second half, meaning we are on track to meet FY25 profit expectations.

We remain confident in the long-term potential for PZ Cussons as a business with stronger brands in a more focused portfolio, delivering sustainable, profitable growth."

	Adjusted			**Statutory**		
£m unless otherwise stated	**H1 FY25**	H1 FY24	*Change*	**H1 FY25**	H1 FY24	*Change*
Revenue	**249.3**	277.1	*(10.0)%*	**249.3**	277.1	*(10.0)%*
LFL revenue growth	**7.1%**	2.2%	-	n/a	n/a	n/a
Operating profit/(loss)	**27.0**	30.6	*(11.8)%*	**13.4**	(89.7)	*n.m*
Operating margin	***10.8%***	*11.0%*	*(20)bps*	***5.4%***	*(32.4)%*	*n.m*
Profit/(loss) before tax	**19.8**	26.1	*(24.1)%*	**6.4**	(94.2)	*n.m*
Basic earnings per share	**3.89p**	4.32p	*(10.0)%*	**1.19p**	(10.84)p	*n.m*
Dividend per share	n/a	n/a	n/a	**1.50p**	1.50p	*0.0%*

See page 11 for definitions of key terms and page 12 for the reconciliation between Alternative Performance Measures and Statutory results.
'*n.m.*' represents non-meaningful growth rates.
Numbers are shown based on continuing operations. With the exception of LFL revenue growth, % changes are shown at actual FX rates.
H1 FY25 refers to the 6 months ended 30 November 2024 and H1 FY24 refers to the 6 months ended 2 December 2023.

Summary

Financial results

- LFL revenue growth of 7.1% driven by pricing in Africa and growth in UK and Indonesia
    - Excluding Africa LFL growth revenue was 1.6% with volume growth of 2.0%.
- Reported revenue decline of 10.0% is due to the 55% depreciation in the Nigerian Naira versus Sterling compared to the prior period *(see page 10 for details on movements in FX).*
- Reduction in leverage, with gross debt reduced by £14 million to £153 million as at 30 November 2024, from £167 million as at 31 May 2024 with free cash flow of £22.7 million, an improvement on the comparative period.
- Adjusted operating profit margin reduced by 20bps, to 10.8%, but grew 70bps if we exclude the contribution from the PZ Wilmar joint venture in Nigeria which is equity-accounted.
- Profit before tax declined by 24.1%, reflecting the 11.8% reduction in operating profit and increased net finance expense.
- EPS declined by 10.0% as the decline in PBT was partly offset by a reduced effective tax rate and a smaller impact of non-controlling interests, which are largely associated with Nigeria.

Delivery against the strategy

We are delivering against the three key priorities established for FY25:

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

- *UK: better execution and sharing of commercial best-practice*
    - Strong Christmas gifting period, with sell-out value up more than 30% year on year, with Sanctuary Spa revenue up double-digits.
    - New listings secured for the Charles Worthington and Fudge hair care brands in Tesco and Waitrose.
    - Further growth from Childs Farm, including the announcement of a Bluey™ partnership with BBC Studios.
- *Indonesia: continued revenue growth, and well placed to take share in a structurally attractive market*
    - Third consecutive quarter of revenue growth driven by broader distribution, optimised pricing and promotional activity and consumer-relevant innovation launches.
- *ANZ: brand strength delivering market share gains*
    - Market share gains in Morning Fresh, Rafferty's Garden and Radiant, partly offsetting category softness.

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

- 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:
    - Childs Farm re-stage and Imperial Leather innovation launching in the second half of FY25;
    - Major new innovations for Cussons Baby (Indonesia), Original Source (UK) and Morning Fresh (Australia), to be launched in FY26, are well-progressed;
    - Improved visibility, and validation, of Group-wide 3-year innovation plans.
- Integration of UK Personal Care and UK Beauty businesses largely complete, with annualised savings of £3 million achieved, as well as executional improvements due to sharing of best practice.

3. Deliver the portfolio transformation to maximise shareholder value

- The Group is progressing with plans to transform our portfolio to unlock value and reduce complexity, through the processes involving our Africa business and the St. Tropez brand. Further updates will be provided in due course.

Dividend

The Board is declaring a dividend of 1.50p per share, in line with last year's payment. The dividend will be paid on 9 April 2025 to shareholders on the register at the close of business on 7 March 2025.

The Group's future approach to dividend policy will remain under review, particularly in light of the ongoing portfolio transformation activity and the Board's intent to reduce financial leverage from current levels.

Current trading and FY25 outlook

Performance to the end of January has been in line with our expectations and we expect Group LFL revenue growth trends to continue in the balance of the year.

In September 2024 we provided FY25 guidance for adjusted operating profit of £47-53 million. This included an estimate, based upon prevailing foreign exchange rates, of approximately £5 million of costs related to FX losses on intercompany loans. These costs, which relate to our Nigerian business and are non-cash, are now treated as an adjusting item. As a result, our adjusted operating profit guidance for the year has been revised upwards, by £5 million, to £52-58 million.

We continue to be confident in the long-term potential for PZ Cussons as a business with stronger brands in a more focused portfolio, delivering sustainable, profitable growth.

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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.investis-live.com/pzcussons/6787d4b4995564000f8412a2/jdnh
Dial in: +44 20 3936 2999 / +44 800 358 1035
Access code: 335953

Notes to Editors

About PZ Cussons

PZ Cussons is a listed consumer goods business headquartered in Manchester, UK. We employ over 2,600 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. Whilst 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

As we launched the new strategy in 2021, we were clear that the turnaround, and ultimately transformation, of PZ Cussons, would be a multi-year journey. Many of the business' problems had been years in the making and would not be fixed overnight. The subsequent single-largest devaluation in the history of the Nigerian Naira which began in June 2023 added to our challenges, significantly impacting the business financially and operationally.

Nevertheless, I remain pleased with the progress that has been made in a number of areas – most notably the UK business which, after years of decline, has recorded its strongest profit performance since FY21. With this backdrop, and a somewhat more stable environment in Nigeria in recent months, I believe we are now firmly in the transformation phase of our journey. We are seeking to unlock value and reduce complexity, not only through operational improvements and clarity of resource allocation, but through portfolio action which will bring about a step-change in our geographic and category footprint. In doing so, we will focus on where we can be most competitive.

To this end, as initially announced in April 2024, we are progressing with our plans to transform our portfolio to unlock value and reduce complexity, through the processes involving our Africa business and the St. Tropez brand. We have also been working hard to reduce our cost base and I am pleased that overheads, as a percentage of revenue, have already reduced by 80bps in the first half of the year.

Our day-to-day efforts continue to be on all of our existing operations but with a particular focus on the future to ensure we maximise the performance of the business units that will remain as they are today. This is comprised of the UK – which represents approximately half of the Group revenue excluding Africa and St. Tropez, and ANZ and Indonesia which contribute most of the remainder.

In the UK, we enjoy strong brands in the Personal Care category. These are supported by efficient, in-house production as well as strong relationships with our key retail customers. In the first half of the year, we have delivered the strongest profit performance for three years, with good revenue growth and continued improvement in profitability of Childs Farm.

With 4.5 million births a year, Indonesia remains one of most important markets globally for Baby Personal Care – a category in which Cussons Baby is a leading brand. Despite some macro-economic challenges, we have continued to grow revenue in the first half of the year as a result of targeted innovation, strengthened retail execution and a number of Revenue Growth Management actions.

Our ANZ business similarly enjoys category-leading brands across both Home Care and Baby Food, including a c.50% share of the Australia hand dishwash category. Against a particularly soft market backdrop, with some channel disruption in the period, we have once again taken share in each of our key brands thanks to the quality of our execution.

At the same time, we are strengthening our future innovation pipeline. This has improved in large part due to the re-organisation undertaken during FY24 that has seen us establish a dedicated, central brand-building resource responsible for leading the development of longer-term plans.

Summary

I would like to thank my PZ Cussons colleagues across the world for their hard work in recent months. We remain confident in the long-term potential for PZ Cussons as a business with stronger brands in a more focused portfolio, delivering sustainable, profitable growth.

FINANCIAL REVIEW

Overview of Group financial performance

Our reported financial performance for the six months ended 30 November 2024 continues to reflect the adverse impact of the devaluation of the Naira in June 2023 and in the 18 months period which followed. This is the primary driver of the reduction in revenue, adjusted operating profit and adjusted earnings per share. On a statutory basis, many of our key metrics improved given the comparative period included foreign exchange losses of £88.2 million related to the Naira devaluation.

Adjusted profit before tax declined by 24.1%, as a result of the depreciation of the Naira. Adjusted earnings per share, however, declined by a smaller amount (10.0%) due to a lower effective tax rate of 18.2%, from a statutory loss in our Nigerian business, and by a reduction in the Sterling value of the non-controlling interests in Nigeria. On a statutory basis, EPS was 1.19p (H1 FY24: loss of 10.84p).

Our financial leverage has increased as a result of the devaluation of the Naira and a key focus for the Group is to reduce this. It is therefore encouraging that gross debt once again fell during the first half of FY25, by £14.1 million, albeit due in part to the phasing of the dividend payment which took place in December. Notwithstanding any proceeds from our portfolio transformation activity, we expect leverage to fall further, with continued free cash flow supplemented by proceeds received through the sale of surplus, non-operating assets across the Group.

The Board is declaring a dividend of 1.50p per share, in line with last year's payment. The dividend will be paid on 9 April 2025 to shareholders on the register at the close of business on 7 March 2025.

Performance by geography

A disaggregation of our reporting segments is provided below.

<u>Revenue split by business unit</u>

£m unless otherwise stated	**H1 FY25**
UK (ex. St Tropez)	82.3
St. Tropez	9.2
Other[1]	9.5
Europe and the Americas	**101.0**
Indonesia	30.7
ANZ	46.1
Other[2]	10.9
APAC	**87.7**
Nigeria (Electricals)	18.5
Nigeria (Family Care)	28.2
Other[3]	13.9
Africa	**60.6**
Group	**249.3**

[1] Includes revenue from continental Europe which is managed through third-party distributors
[2] Includes revenue from other Asia markets and non-branded revenue
[3] Includes primarily revenue from Kenya and Ghana

Europe and the Americas

£m unless otherwise stated	**H1 FY25**	**H1 FY24**	**Growth/ (decline)**
Revenue	101.0	97.2	3.9%
LFL revenue growth (%)	4.0%	(1.9)%	n/a
Adjusted operating profit	20.7	12.4	66.9%
Margin (%)	20.5%	12.8%	770bps
Operating profit/(loss)	19.6	(16.6)	n/a
Margin (%)	19.4%	(17.1)%	n/a

Revenue grew 4.0% on a LFL basis, reflecting price/mix growth of 2.9% and volume growth of 1.1%. Excluding St. Tropez, LFL revenue growth was 4.4%.

Sanctuary Spa, which grew double-digits, was a key driver of overall growth. Although aided by a soft comparative period, we have significantly increased our distribution points in Grocery and High Street customers, and we saw strong sell-in towards the end of the period with a successful Christmas gifting range. Carex grew strongly, with both volume and price/mix growth, in part due to the ongoing successful collaboration with Magic Light Pictures - owner of the Gruffalo intellectual property. This relationship has since expanded and we expect this to support growth over the coming months. Gains in distribution have also driven growth of our haircare brands – Fudge and Charles Worthington – which secured new listings at Tesco and Waitrose. Imperial Leather and Childs Farm recorded good growth - the latter benefiting from in-house manufacturing which was initiated in August 2024.

Original Source declined slightly following a particularly strong comparative period but our plans and investment support are weighted towards the second half of our financial year. St. Tropez revenue was unchanged as a solid performance in the UK was offset by a softer US performance where growth is expected to be second-half weighted.

Adjusted operating profit increased to £20.7 million, with a margin of 20.5%. This improvement was driven by the strong revenue growth and mix management activity across our brands, as well as phasing of certain costs in our UK business, primarily related to marketing. On a statutory basis, operating profit was £19.6 million - an improvement from the £16.6 million loss in the comparative period which included an impairment of the book value of Sanctuary Spa.

Asia Pacific

£m unless otherwise stated	**H1 FY25**	**H1 FY24**	**Growth / (decline)**
Revenue	87.7	88.8	(1.1)%
LFL revenue growth (%)	(1.1)%	(6.0)%	n/a
Adjusted operating profit	13.1	15.7	(16.6)%
Margin (%)	14.9%	17.7%	(280)bps
Operating profit	13.1	14.8	(11.5)%
Margin (%)	14.9%	16.7%	(180)bps

Revenue declined 1.1% on a like for like basis reflecting growth in Indonesia, offset by a decline in ANZ and a number of our smaller, distributor markets. Price/mix growth was (4.2)% and volume was 3.1%. Depreciation in the Indonesian Rupiah and Australian Dollar was offset by growth in non-branded revenue, which is excluded from the like for like calculation, resulting in reported revenue decline also of 1.1%.

Indonesia grew strongly in the first half of the year with Cussons Baby market share maintained compared to other multi-national peers. Growth was in part driven by the implementation of a new trade promotion analytics platform during FY24 which has enabled us to optimise pricing and promotional activity by channels and by customer, particularly in the competitive wipes segment. Additionally, supported by rapid growth in the live-streaming sales channel, eCommerce grew nearly 100% in H1. We are pleased with the launch in FY24 of Cussons Baby into the warming oil segment and we continue to see meaningful revenue growth opportunities with this innovation given our historically - limited presence in this very large segment with an estimated 80% of mothers purchasing the product.

Revenue in ANZ declined slightly due primarily to softer consumer spending in our categories with cost-of-living concerns remaining relatively high. In addition, towards the end of the period, worker strikes taking place at a customer's distribution centres resulted in some temporary disruption to our sales, although some of the lost revenue has been regained in the second half of the year. Nevertheless, we continued to grow market share and profitability, across each of our three main brands - Morning Fresh, Radiant and Rafferty's Garden.

Adjusted operating margin declined by 280bps against a strong comparative period, with favourable mix in ANZ and modest growth in Indonesia offset by a reduction in profitability from our smaller Asian markets. On a statutory basis, margin declined by 180bps, as the comparative period including certain adjusting items related to simplification and transformation projects, now completed.

Africa

£m unless otherwise stated	**H1 FY25**	**H1 FY24**	**Growth / (decline)**
Revenue	60.6	90.8	(33.3)%
LFL revenue growth (%)	28.0%	17.4%	n/a
Adjusted operating profit	8.7	13.7	(36.5)%
Margin (%)	14.4%	15.1%	(70)bps
Operating profit/(loss)	1.6	(62.7)	n/a
Margin (%)	2.6%	(69.1)%	n/a
Adjusted operating profit (ex. share of joint venture)	4.0	5.9	(32.2)%
Margin %	6.6%	6.5%	10bps

On a statutory basis, revenue declined by 33.3% largely because the Naira was approximately 55% lower on average during H1 FY25 compared to the prior period. LFL revenue growth of 28.0% was driven by further inflation-driven price increases.

In Nigeria Family Care, LFL revenue grew over 40%, with double-digit growth across our key Brands. Growth was driven by pricing, successfully offsetting increased costs, with volume declines of 11%. Market shares have, overall, been maintained due to continued growth in distribution points with 171,000 stores reached, up from 151,000 at the end of FY24. We have also delivered successful innovation launches including Robb Extra Menthol and Joy 'Soft Glow', and Brand activations such as Premier Cool 'Ready up your cool' and 'International Men's Day' campaigns. We also benefited from a strategic partnership with the 'Big Brother Naija' show.

Electricals revenue was £18.5 million and grew 20% on a constant currency basis. This was driven by continued price increases and favourable mix aided by our energy saving innovation. Volumes declined double digits as a result of category pressures and supply chain disruption although the latter improved towards the end of the period.

Adjusted operating margin declined by 70bps due to a more normal level of profit from the PZ Wilmar joint venture in Nigeria. Excluding the PZ Wilmar income, Africa margin increased by 10bps with further pricing in our Nigerian business more than offsetting the continued higher input costs in the first half. On a statutory basis, the operating profit was £1.6 million compared to a loss of £62.7 million in the comparative period which had reflected the increase in the value of historical USD denominated liabilities in our Nigerian subsidiaries and FX losses on the revaluation of these liabilities. Adjusting items of £7.1 million in H1 FY25 relate primarily to FX losses arising on loans previously classified as permanent as equity and accounted for in reserves.

Other financial items

Adjusted operating profit

Adjusted operating profit for the Group was £27.0 million, a decrease of £3.6 million from £30.6 million in the prior period. This was primarily driven by a £8.3 million increase in the Europe and Americas region, offset by a £7.6 million decrease in APAC and Africa, combined. Central costs increased by £4.3 million due primarily to costs attributable to business units but recorded centrally, as well as increased investment in our brand-building capabilities and an increase in audit fees. Adjusted operating profit margin decreased by 20bps to 10.8% but grew 70bps excluding the contribution from the PZ Wilmar joint venture which is equity-accounted and which had a particularly strong comparative period.

Adjusting items

Adjusting items in the period were £13.4 million before tax and primarily relate to ongoing transformation projects and foreign exchange losses on loans that were previously classified as permanent as equity. This compares to adjusting items of £120.3 million in the prior period which included foreign exchange losses arising on the Naira devaluation and an impairment charge.

After accounting for these adjusting items, the operating profit for the Group was £13.4 million compared to an operating loss of £(89.7) million in the prior period.

Net finance expense

Net finance expense in the period was £7.1 million compared to a net finance expense of £4.5 million in the prior period. This was driven mainly by lower interest income due to the successful repatriation of cash from Nigeria to the UK, which more than offset the reduction in interest expense as a result of lower gross borrowings.

Statutory profit before tax was £6.4 million, £100.6 million higher than the prior period while adjusted profit before tax was £19.8 million which was £6.3 million lower than the prior period.

Taxation

The tax charge in the period was £2.2 million compared to a tax credit of £27.2 million in the six month period to November 2024, reflecting the material impact of statutory FX losses suffered in Nigeria during FY24, and the full recognition of the resulting deferred tax asset. The effective tax rate ('ETR') on adjusted profit before tax decreased slightly to 18.2% (20.3% in the six months to November 2024) primarily due to the treatment of certain costs that are not tax-deductible.

Profit for the period

Profit for the period was £4.2 million which compared to a loss of £(67.0) million in the prior period. Basic earnings per share was 1.19p compared to a loss per share of (10.84)p in the prior period. Adjusted basic earnings per share was 3.89p which compares to 4.32p in the prior period.

Balance sheet and cash flow

Net debt as at 30 November 2024 was £106.1 million compared to £115.3 million at 31 May 2024. The Group now has no excess cash held in Naira following the repatriation of cash to the UK during FY24.

£m unless otherwise stated	**H1 FY25**	**FY24**
Total cash	46.4	51.3
Of which Naira	15.6	17.2
Gross debt	152.5	166.6
Net debt	**106.1**	**115.3**
Balance sheet rates (NGN/GBP):	*2,124*	*1,893*

Total free cash flow was £22.7 million compared to £20.0 million in the prior period. The increase reflects primarily an improvement in working capital movements and reduction in capital expenditure, offset by lower adjusted EBITDA.

£m unless otherwise stated	**H1 FY25**	**H1 FY24**
Adjusted EBITDA	**33.3**	**39.7**
Cash flow impact of adjusting items[4]	(13.6)	(7.7)
Working capital movement[4]	4.6	(4.6)
Capital expenditure	(1.4)	(2.4)
Share of results of joint venture	(2.3)	(5.6)
Other	2.1	0.6
Free cash flow	**22.7**	**20.0**

Net assets increased to £244.0 million compared to £235.2 million at 31 May 2024 primarily due to a decrease in borrowings.

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 of which was executed in October 2023. During the current period, management postponed the term loan extension window from October 2024 to March 2025, allowing the portfolio transformation projects to progress further before a decision needed to be taken on funding facility requirements. It should be noted that current levels of borrowing provide sufficient headroom even if the term loan was not extended beyond its current maturity of November 2025. As at 30 November 2024, the headroom on the committed facility was £172.0 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 £46.2 million reduction to H1 FY24 revenue as set out below.

	% of FY24 revenue	**Average FX rates**		**% change**	**Revenue impact (£m)**
		H1 FY25	**H1 FY24**		
GBP	33%	1.00	1.00	-	-
NGN (Nigeria)	28%	2,038	915	(55)%	(42.7)
AUD (Australia)	17%	1.94	1.92	(1)%	(0.5)
IDR (Indonesia)	12%	20,480	19,161	(6)%	(2.1)
USD (USA)	2%	1.29	1.25	(3)%	(0.2)
Other	8%	-	-		(0.7)
Total[5]	**100%**	**-**	**-**		**(46.2)**

Given the materiality of the movement in the Nigerian Naira in recent periods, the rates used in recent reporting periods are summarised below.

NGN/GBP	**FY23**	**FY24**	**H1 FY24**	**H1 FY25**
Rate used for P&L	536	1,256	915	2,038
Rate used for balance sheet	577	1,893	1,176	2,124

[4] In H1 FY24, the foreign exchange losses of £88.2 million in adjusting items have been netted against the working capital movement line item for improved comparison to H1 FY25.
[5] Table shows the impact of translating H1 FY24 revenue at H1 FY25 foreign exchange rates.

Glossary

Term	Definition
APM	Alternative performance measure
BEST values	Our PZ Cussons values (Bold, Energetic, Striving and Together)
Brand Investment	An operating cost related to brand marketing (previously 'Media & Consumer')
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
ExCo	Executive committee
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
Like for like (LFL) revenue growth	Growth on the prior year at constant currency, excluding unbranded sales and the impact of disposals and acquisitions, and adjusting for the number of reporting days in the period
Must Win Brands	The brands in which we place greater investment and focus. They comprise: Carex, Childs Farm, Cussons Baby, Joy, Morning Fresh, Original Source, Premier, Sanctuary Spa and St.Tropez
Net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
Personal Care	Refers to our UK business unit operating our Hygiene brands such as Carex, Original Source and Imperial Leather
Portfolio Brands	The brands we operate which are not 'Must Win Brands'
PZ Cussons Growth Wheel	Our 'repeatable model' for driving commercial execution, comprising 'Consumability', 'Attractiveness', 'Shoppability' and 'Memorability'
Revenue Growth Management (RGM)	Maximising revenue through ensuring optimised price points across customers and channels and across different product sizes
SKUs	Stock keeping unit
Through the Line	Marketing campaign incorporating both mass reach and targeted activity

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 financial performance from one period to the next.

Adjusted Consolidated Income Statement

	Unaudited Half year to 30 November 2024			Unaudited Half year to 2 December 2023		
	Business performance excluding adjusting items £m	**Adjusting items £m**	**Statutory results for the half year £m**	Business performance excluding adjusting items £m	Adjusting items £m	Statutory results for the half year £m
Revenue	**249.3**	**-**	**249.3**	277.1	-	277.1
Cost of sales	**(145.8)**	**-**	**(145.8)**	(167.8)	(72.2)	(240.0)
Gross profit	**103.5**	**-**	**103.5**	109.3	(72.2)	37.1
Selling and distribution expense	**(41.6)**	**-**	**(41.6)**	(44.5)	-	(44.5)
Administrative expense	**(39.6)**	**(11.2)**	**(50.8)**	(42.0)	(45.9)	(87.9)
Share of results of joint venture	**4.7**	**(2.4)**	**2.3**	7.8	(2.2)	5.6
Operating profit/(loss)	**27.0**	**(13.6)**	**13.4**	30.6	(120.3)	(89.7)
Finance income	**2.2**	**0.2**	**2.4**	8.3	-	8.3
Finance expense	**(9.5)**	**-**	**(9.5)**	(12.8)	-	(12.8)
Net finance expense	**(7.3)**	**0.2**	**(7.1)**	(4.5)	-	(4.5)
Net monetary gain arising from hyperinflationary economies	**0.1**	**-**	**0.1**	-	-	-
Profit/(loss) before taxation	**19.8**	**(13.4)**	**6.4**	26.1	(120.3)	(94.2)
Taxation	**(3.6)**	**1.4**	**(2.2)**	(5.3)	32.5	27.2
Profit/(loss) for the period	**16.2**	**(12.0)**	**4.2**	20.8	(87.8)	(67.0)
Attributable to:						
Owners of the Parent	**16.3**	**(11.3)**	**5.0**	18.1	(63.5)	(45.4)
Non-controlling interests	**(0.1)**	**(0.7)**	**(0.8)**	2.7	(24.3)	(21.6)
	16.2	**(12.0)**	**4.2**	20.8	(87.8)	(67.0)

Details of adjusting items are provided in Note 4 to the condensed consolidated interim financial statements. Reconciliations from IFRS reported results to APMs are set out below.

Alternative Performance Measures (continued)

Adjusted operating profit and adjusted operating margin

	Half year to 30 November 2024 £m	Half year to 2 December 2023 £m
Group		
Operating profit/(loss) from continuing operations	**13.4**	(89.7)
Exclude: adjusting items	**13.6**	120.3
Adjusted operating profit	**27.0**	30.6
Revenue	**249.3**	277.1
Operating margin	**5.4%**	(32.4)%
Adjusted operating margin	**10.8%**	11.0%
By segment		
Europe & the Americas:		
Operating profit/(loss) from continuing operations	**19.6**	(16.6)
Exclude: adjusting items	**1.1**	29.0
Adjusted operating profit	**20.7**	12.4
Revenue	**101.0**	97.2
Operating margin	**19.4%**	(17.1)%
Adjusted operating margin	**20.5%**	12.8%
Asia Pacific:		
Operating profit from continuing operations	**13.1**	14.8
Exclude: adjusting items	**-**	0.9
Adjusted operating profit	**13.1**	15.7
Revenue	**87.7**	88.8
Operating margin	**14.9%**	16.7%
Adjusted operating margin	**14.9%**	17.7%
Africa:		
Operating profit/(loss) from continuing operations	**1.6**	(62.7)
Exclude: adjusting items	**7.1**	76.4
Adjusted operating profit	**8.7**	13.7
Revenue	**60.6**	90.8
Operating margin	**2.6%**	(69.1)%
Adjusted operating margin	**14.4%**	15.1%
Central:		
Operating loss from continuing operations	**(20.9)**	(25.2)
Exclude: adjusting items	**5.4**	14.0
Adjusted operating loss	**(15.5)**	(11.2)

Alternative Performance Measures (continued)

Adjusted gross profit and gross margin

	Half year to 30 November 2024 £m	Half year to 2 December 2023 £m
Gross profit	**103.5**	37.1
Exclude: adjusting items	**-**	72.2
Adjusted gross profit	**103.5**	109.3
Revenue	**249.3**	277.1
Gross margin	**41.5%**	13.3%
Adjusted gross margin	**41.5%**	39.4%

Adjusted share of results of joint venture

	Half year to 30 November 2024 £m	Half year to 2 December 2023 £m
Share of results of joint venture	**2.3**	5.6
Exclude: adjusting items	**2.4**	2.2
Adjusted share of results of joint venture	**4.7**	7.8

Adjusted profit before taxation

	Half year to 30 November 2024 £m	Half year to 2 December 2023 £m
Profit/(loss) before taxation from continuing operations	**6.4**	(94.2)
Exclude: adjusting items	**13.4**	120.3
Adjusted profit before taxation	**19.8**	26.1

Adjusted Earnings Before Interest Depreciation and Amortisation (Adjusted EBITDA)

	Half year to 30 November 2024 £m	Half year to 2 December 2023 £m
Profit/(loss) before taxation from continuing operations	**6.4**	(94.2)
Add back: net finance expense	**7.1**	4.5
Add back: depreciation	**4.1**	5.5
Add back: amortisation	**2.1**	3.6
Add back: impairment and impairment reversal	**-**	24.4
	19.7	(56.2)
Exclude: adjusting items[1]	**13.6**	95.9
Adjusted EBITDA	**33.3**	39.7

[1] *Excludes adjusting items relating to impairment and finance income.*

Alternative Performance Measures (continued)

Adjusted earnings per share

	Half year to 30 November 2024	Half year to 2 December 2023
	pence	pence
Basic earnings/(loss) per share	1.19	(10.84)
Exclude: adjusting items	2.70	15.16
Adjusted basic earnings per share	3.89	4.32
Diluted earnings/(loss) per share[1]	1.19	(10.84)
Exclude: adjusting items[2]	2.68	15.11
Adjusted diluted earnings per share	3.87	4.27

[1] *In the half year to 2 December 2023, the basic and diluted loss per share are equal as a result of the Group incurring a loss for the year.*
[2] *In the half year to 2 December 2023, this includes an adjustment of 0.13 pence per share arising from bringing the diluted loss per share in line with the basic loss per share as outlined above.*

Free cash flow

	Half year to 30 November 2024	Half year to 2 December 2023
	£m	£m
Cash generated from operations	24.1	22.4
Deduct: purchase of property, plant and equipment and software	(1.4)	(2.4)
Free cash flow	22.7	20.0

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**Unaudited Half year to 30 November 2024 £m**	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Revenue	3	**249.3**	277.1	527.9
Cost of sales		**(145.8)**	(240.0)	(396.8)
Gross profit		**103.5**	37.1	131.1
Selling and distribution expense		**(41.6)**	(44.5)	(82.8)
Administrative expense		**(50.8)**	(87.9)	(139.3)
Share of results of joint venture		**2.3**	5.6	7.3
Operating profit/(loss)	3	**13.4**	(89.7)	(83.7)
Finance income		**2.4**	8.3	12.2
Finance expense		**(9.5)**	(12.8)	(24.2)
Net finance expense		**(7.1)**	(4.5)	(12.0)
Net monetary gain/(loss) arising from hyperinflationary economies[3]		**0.1**	-	(0.2)
Profit/(loss) before taxation		**6.4**	(94.2)	(95.9)
Taxation	7	**(2.2)**	27.2	24.1
Profit/(loss) for the period/year[1]		**4.2**	(67.0)	(71.8)
Attributable to:				
Owners of the Parent		**5.0**	(45.4)	(57.0)
Non-controlling interests		**(0.8)**	(21.6)	(14.8)
		4.2	(67.0)	(71.8)
Earnings/(loss) per ordinary share[1]				
Basic (p)		**1.19**	(10.84)	(13.60)
Diluted (p)[2]		**1.19**	(10.84)	(13.60)

[1] *Wholly derived from continuing operations.*
[2] *In the half year ended 2 December 2023, the basic and diluted loss per share are equal as a result of the Group incurring a loss for the period.*
[3] *Represents the hyperinflation impact in relation to Ghana.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Half year to 30 November 2024 £m	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Profit/(loss) for the period/year	**4.2**	(67.0)	(71.8)
Other comprehensive income/(expense)			
Items that will not be reclassified to income statement:			
Re-measurement gain/(loss) on net retirement benefit surplus	**0.3**	(5.2)	(6.8)
Taxation on other comprehensive income/(expense)	**(0.1)**	1.3	1.7
Total items that will not be reclassified to income statement	**0.2**	(3.9)	(5.1)
Items that may be subsequently reclassified to income statement:			
Exchange differences on translation of foreign operations[1]	**2.8**	(55.6)	(69.4)
Share of other comprehensive expense of joint venture accounted for using the equity method	**(0.1)**	(8.5)	(20.0)
Cash flow hedges – fair value movements net of amounts reclassified	**0.6**	(0.9)	(0.6)
Total items that may be subsequently reclassified to income statement	**3.3**	(65.0)	(90.0)
Other comprehensive income/(expense) for the period/year	**3.5**	(68.9)	(95.1)
Total comprehensive income/(expense) for the period/year	**7.7**	(135.9)	(166.9)
Attributable to:			
Owners of the Parent	**7.9**	(100.3)	(133.3)
Non-controlling interests	**(0.2)**	(35.6)	(33.6)
	7.7	(135.9)	(166.9)

[1] *Includes a hyperinflation adjustment of £0.5 million (2 December 2023: £nil) in relation to Ghana.*

*C*ONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited 30 November 2024 £m**	Unaudited 2 December 2023 £m	Audited 31 May 2024 £m
Assets				
Non-current assets				
Goodwill and other intangible assets	5	**276.9**	284.7	279.3
Property, plant and equipment		**40.9**	48.9	42.8
Investment properties		**7.0**	6.2	6.6
Right-of-use assets		**8.7**	11.6	10.2
Net investments in joint venture		**2.3**	44.5	-
Trade and other receivables		**29.3**	-	32.1
Deferred taxation assets		**21.9**	26.0	22.2
Current tax receivable		**-**	-	0.6
Retirement benefit surplus		**33.1**	34.2	32.1
		420.1	456.1	425.9
Current assets				
Inventories		**78.5**	91.5	68.5
Trade and other receivables		**104.7**	96.5	99.0
Derivative financial assets	12	**0.7**	1.7	-
Current taxation receivable		**4.3**	1.5	0.2
Current asset investments	10	**-**	0.5	-
Cash and cash equivalents	10	**46.4**	128.1	51.3
		234.6	319.8	219.0
Assets held for sale		**5.0**	1.2	4.7
		239.6	321.0	223.7
Total assets		**659.7**	777.1	649.6
Equity				
Share capital		**4.3**	4.3	4.3
Treasury shares		**(33.0)**	(35.0)	(34.5)
Capital redemption reserve		**0.7**	0.7	0.7
Hedging reserve		**0.2**	(0.7)	(0.4)
Currency translation reserve		**(157.5)**	(139.1)	(159.6)
Retained earnings		**429.0**	444.9	425.3
Other reserves		**7.6**	5.5	6.5
Attributable to owners of the Parent		**251.3**	280.6	242.3
Non-controlling interests		**(7.3)**	(9.1)	(7.1)
Total equity		**244.0**	271.5	235.2

To comply with the requirements of IAS 1 *Presentation of Financial Statements*, the full balances of investment properties have been restated to be presented separately on the face of the Consolidated Balance Sheet. As at 2 December 2023, these were included within the property, plant and equipment balance.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited 30 November 2024 £m**	Unaudited 2 December 2023 £m	Audited 31 May 2024 £m
Liabilities				
Non-current liabilities				
Borrowings	10	**152.5**	219.0	160.3
Other payables		**0.7**	3.5	2.6
Lease liabilities		**9.1**	10.6	9.7
Deferred taxation liabilities		**38.7**	56.4	39.8
Retirement and other long-term employee benefit obligations		**12.6**	12.0	12.2
		213.6	301.5	224.6
Current liabilities				
Borrowings	10	**-**	6.3	6.3
Trade and other payables		**174.9**	178.4	158.7
Lease liabilities	10	**1.6**	2.5	2.4
Derivative financial liabilities	12	**0.2**	0.4	0.5
Current taxation payable		**24.8**	15.8	21.7
Provisions		**0.6**	0.7	0.2
		202.1	204.1	189.8
Total liabilities		**415.7**	505.6	414.4
Total equity and liabilities		**659.7**	777.1	649.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent								
	Share capital £m	Treasury shares £m	Capital redemption reserve £m	Hedging reserve[1] £m	Currency translation reserve £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 period	-	-	-	-	-	(45.4)	-	(21.6)	(67.0)
Other comprehensive expense for the period	-	-	-	(0.9)	(50.1)	(3.9)	-	(14.0)	(68.9)
Total comprehensive expense for the period	-	-	-	(0.9)	(50.1)	(49.3)	-	(35.6)	(135.9)
Transactions with owners:									
Ordinary dividends	-	-	-	-	-	(15.6)	-	-	(15.6)
Share-based payments	-	-	-	-	-	-	0.9	-	0.9
Shares issued from ESOT	-	1.9	-	-	-	(1.9)	-	-	-
Total transactions with owners recognised directly in equity	-	1.9	-	-	-	(17.5)	0.9	-	(14.7)
At 2 December 2023	4.3	(35.0)	0.7	(0.7)	(139.1)	444.9	5.5	(9.1)	271.5

	Attributable to owners of the Parent								
	Share capital £m	**Treasury 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 2024	**4.3**	**(34.5)**	**0.7**	**(0.4)**	**(159.6)**	**425.3**	**6.5**	**(7.1)**	**235.2**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**5.0**	**-**	**(0.8)**	**4.2**
Other comprehensive income for the period	**-**	**-**	**-**	**0.6**	**2.1**	**0.2**	**-**	**0.6**	**3.5**
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**0.6**	**2.1**	**5.2**	**-**	**(0.2)**	**7.7**
Transactions with owners:									
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**1.1**	**-**	**1.1**
Shares issued from ESOT	**-**	**1.5**	**-**	**-**	**-**	**(1.5)**	**-**	**-**	**-**
Total transactions with owners recognised directly in equity	**-**	**1.5**	**-**	**-**	**-**	**(1.5)**	**1.1**	**-**	**1.1**
At 30 November 2024	**4.3**	**(33.0)**	**0.7**	**0.2**	**(157.5)**	**429.0**	**7.6**	**(7.3)**	**244.0**

[1] *Reserve relates to continuing hedges.*
[2] *Includes a cumulative hyperinflation adjustment to 30 November 2024 of £4.1 million relating to Ghana (half year ended 2 December 2023: £nil).*
[3] *Other reserves relate to the Group's share-based payment schemes.*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Unaudited Half year to 30 November 2024 £m**	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Cash flows from operating activities				
Cash generated from operations	9	**24.1**	22.4	47.7
Interest paid		**(8.0)**	(11.4)	(21.5)
Taxation paid		**(5.8)**	(10.1)	(13.3)
Net cash generated from operating activities		**10.3**	0.9	12.9
Cash flows from investing activities				
Interest received		**1.3**	8.3	9.0
Purchase of property, plant and equipment and software		**(1.4)**	(2.4)	(6.1)
Proceeds from disposal of property, plant and equipment		**-**	0.3	0.8
Loans repaid by joint ventures		**2.5**	4.8	8.7
Net cash generated from investing activities		**2.4**	11.0	12.4
Cash flows from financing activities				
Dividends paid to Company shareholders	8	**-**	(15.6)	(21.9)
Repayment of lease liabilities		**(1.4)**	(1.1)	(2.4)
Repayment of borrowings	10	**(88.3)**	(91.9)	(206.0)
Proceeds from borrowings	10	**74.0**	66.3	121.4
Financing fees paid on committed credit facility		**-**	-	(0.8)
Net cash used in financing activities		**(15.7)**	(42.3)	(109.7)
Net decrease in cash and cash equivalents	10	**(3.0)**	(30.4)	(84.4)
Effect of foreign exchange rates	10	**(1.9)**	(97.9)	(120.7)
Cash and cash equivalents at the beginning of the period/year	10	**51.3**	256.4	256.4
Cash and cash equivalents at the end of the period/year	10	**46.4**	128.1	51.3

1. Basis of preparation

PZ Cussons plc (the Company) is a public limited company incorporated in England and Wales. In these condensed consolidated interim financial statements (interim financial statements), 'Group' means the Company and all its subsidiaries.

These interim financial statements for the half year ended 30 November 2024, which have been reviewed, not audited, have been prepared in accordance with the Disclosure Guidance and Transparency Rules (DTR) of the Financial Conduct Authority and in accordance with IAS 34 *Interim Financial Reporting* as adopted by the UK. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 May 2024 which have been prepared in accordance with UK-adopted International Accounting Standards (IAS).

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Review. The financial position of the Group and liquidity position are described within the Financial Review section. 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 cast significant doubt upon the Group's ability to continue as a going concern. In H1 FY25, the Naira exchange rate has been more stable and the Group was not in breach of its interest cover covenant as at 30 November 2024. Management has prepared an updated base case forecast for the going concern period and, consistent with the approach taken at 31 May 2024, have 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 1,600 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 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 interim financial statements.

The Group's risk management framework is explained on pages 42 to 44 of our 2024 Annual Report and Accounts. The identified principal risks are considered unchanged from those outlined on pages 45 to 50 of our 2024 Annual Report and Accounts. These are: macro-economic and financial volatility including foreign exchange; IT and information security; business transformation; talent development and retention; consumer and customer trends; geopolitical instability; legal and regulatory compliance; sustainability and the environment; consumer safety; and supply chain and logistics. All these cover matters in Nigeria.

Certain business units have a degree of seasonality with the biggest factors being the weather and Christmas. However, no individual reporting segment is seasonal as a whole and therefore no further analysis is provided.

The interim financial statements for the half year ended 30 November 2024 do not constitute statutory accounts within the meaning of section 434 and 435 of the Companies Act 2006. The financial information set out in this document relating to the year ended 31 May 2024 does not constitute statutory accounts for that year. Full audited statutory accounts of the Group in respect of that financial year were approved by the Board of Directors on 18 September 2024 and have been delivered to the Registrar of Companies. The report of the auditors on these statutory accounts was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2. Accounting policies

The accounting policies are consistent with those of the Annual Report and Accounts for the year ended 31 May 2024. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss before taxation.

New and amended accounting standards adopted by the Group
A number of new amendments to standards are effective from 1 January 2024 but they do not have a material effect on the Group's financial statements:

- 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*)

The impact of new standards and amendments applied in the reporting period commencing 1 June 2024 is not material.

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.

2. Accounting policies (continued)

New accounting standards and interpretations in issue but not yet effective
A number of new standards and interpretations are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted them in preparing these interim financial statements:

- Lack of Exchangeability (Amendments to IAS 21 *The effects of changes in foreign exchange rates*)

Judgements and estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 May 2024 which are described in note 1(d) of the 2024 Annual Report and Accounts except that permanent as equity balances were not a significant judgement in the half year ended 30 November 2024 due to the de-designation of all these balances as permanent as equity in the year ended 31 May 2024.

3. Segmental analysis

The segmental information presented in this note is consistent with management reporting provided to the Executive Committee (ExCo) which is the Chief Operating Decision-Maker (CODM). The CODM reviews the Group's internal reporting in order 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 ExCo 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 and in the half-year to 2 December 2023 our in-house fragrance revenue. Reporting used by the CODM to assess performance does contain information about brand specific performance, however global segmentation between the portfolio of brands is not part of the regular internally reported financial information.

Business segments

Half year to 30 November 2024 (unaudited)	**Europe & the Americas £m**	**Asia Pacific £m**	**Africa £m**	**Central £m**	**Eliminations £m**	**Total £m**
Gross segment revenue	**102.7**	**88.6**	**60.6**	**21.1**	**(23.7)**	**249.3**
Inter-segment revenue	**(1.7)**	**(0.9)**	**—**	**(21.1)**	**23.7**	**—**
Revenue	**101.0**	**87.7**	**60.6**	**—**	**—**	**249.3**
Segmental operating profit/(loss) before adjusting items and share of results of joint venture	**20.7**	**13.1**	**4.0**	**(15.5)**	**—**	**22.3**
Share of results of joint venture	**—**	**—**	**4.7**	**—**	**—**	**4.7**
Segmental operating profit/(loss) before adjusting items	**20.7**	**13.1**	**8.7**	**(15.5)**	**—**	**27.0**
Adjusting Items	**(1.1)**	**—**	**(7.1)**	**(5.4)**	**—**	**(13.6)**
Segmental operating profit/(loss)	**19.6**	**13.1**	**1.6**	**(20.9)**	**—**	**13.4**
Finance income						**2.4**
Finance expense						**(9.5)**
Net monetary gain arising from hyperinflationary economies						**0.1**
Profit before taxation						**6.4**

3. Segmental analysis (continued)

Half year to 2 December 2023 (unaudited)	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Eliminations £m	Total £m
Gross segment revenue	99.2	92.1	90.8	22.0	(27.0)	277.1
Inter-segment revenue	(2.0)	(3.3)	-	(21.7)	27.0	-
Revenue	97.2	88.8	90.8	0.3	-	277.1
Segmental operating profit/(loss) before adjusting items and share of results of joint venture	12.4	15.7	5.9	(11.2)	-	22.8
Share of results of joint venture	-	-	7.8	-	-	7.8
Segmental operating profit/(loss) before adjusting items	12.4	15.7	13.7	(11.2)	-	30.6
Adjusting Items	(29.0)	(0.9)	(76.4)	(14.0)	-	(120.3)
Segmental operating (loss)/profit	(16.6)	14.8	(62.7)	(25.2)	-	(89.7)
Finance income						8.3
Finance expense						(12.8)
Loss before taxation						(94.2)

Year to 31 May 2024 (audited)	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Eliminations £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 venture	32.6	28.0	19.6	(32.6)	-	47.6
Share of results of joint venture	-	-	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:

	Unaudited Half year to 30 November 2024 £m	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Hygiene	**139.4**	153.0	289.1
Baby	**53.2**	55.6	106.9
Beauty	**34.1**	32.1	68.3
Electricals	**18.5**	34.3	56.6
Other	**4.1**	2.1	7.0
	249.3	277.1	527.9

4. Adjusting items

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

	Unaudited Half year to 30 November 2024 £m	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Simplification and transformation[1]	**6.7**	5.5	10.1
Acquisition and disposal-related items[2]	**(0.2)**	-	(1.4)
Impairment charge[1]	**-**	24.4	24.4
Foreign exchange losses arising on Nigerian Naira devaluation[3]	**-**	88.2	104.1
Foreign exchange losses arising on Naira devaluation on joint venture[4]	**-**	2.2	3.4
Foreign exchange losses arising on loans previously classified as permanent as equity[1]	**4.5**	-	-
Foreign exchange losses arising on loans previously classified as permanent as equity to joint venture undertaking[4]	**2.4**	-	-
Adjusting items before taxation	**13.4**	120.3	140.6
Taxation	**(1.4)**	(32.5)	(30.6)
Adjusting items after taxation	**12.0**	87.8	110.0

1 Included in administrative expense in the Consolidated Income Statement.
2 Included in finance income in the Consolidated Income Statement.
3 For the half year ended 30 November 2024 £nil (half year ended 2 December 2023: £72.2 million) is included in cost of sales and £nil (half year ended 2 December 2023: £16.0 million) is included in administrative expense in the Consolidated Income Statement.
4 Included in share of results of joint venture in the Consolidated Income Statement.

Simplification and transformation
For the half year ended 30 November 2024, these costs primarily relate to the processes involving our Africa business and the St. Tropez brand. For the half year ended 2 December 2023, these costs relate to the three-year finance transformation project, the HR simplification project and supply chain transformation project.

Acquisition and disposal-related items
For the half year ended 30 November 2024, the income relates to the remeasurement of the deferred consideration for the Childs Farm acquisition. For the half year ended 2 December 2023, the income was £nil.

Impairment charge (net of impairment reversals)
For the half year ended 30 November 2024, the charge was £nil. For the half year ended 2 December 2023, the charge was related to the impairment of the Sanctuary Spa brand.

Foreign exchange losses arising on Nigerian Naira devaluation (including on joint venture)
For the half year ended 30 November 2024, these costs were £nil. For the half year ended 2 December 2023, this primarily relates to realised and unrealised foreign exchange losses resulting from the Nigerian Naira devaluation on USD denominated liabilities which existed at 31 May 2023. The closing NGN/GBP rate at 30 November 2024 was 2,124 (2 December 2023: 1,176; 31 May 2024: 1,893), and the average NGN/GBP for the half year ended 30 November 2024 was 2,038 (half year ended 2 December 2023: 915; year ended 31 May 2024: 1,257).

Foreign exchange losses arising on loans previously designated as permanent as equity (including to joint venture)
For the half year ended 30 November 2024, this primarily relates to realised and unrealised foreign exchange losses resulting from the Nigerian Naira devaluation 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.

5. Goodwill and other intangible assets

In the half year ended 30 November 2024, the impairment charge was £nil. In the half year ended 2 December 2023, the impairment charge was £24.4 million relating to the Sanctuary Spa brand.

In the half year ended 30 November 2024, the value-in-use of the Rafferty's Garden brand reduced from £38.4 million at 31 May 2024 to £35.3 million, primarily as a result of short-term cost-of-living pressures, but continues to exceed the carrying value of £34.4 million (31 May 2024: £34.9 million), of which the brand represented £33.4 million (31 May 2024: £33.9 million). A reduction of 0.2% 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 0.2% in gross margin or an increase of 0.2% in discount rate. There were no significant movements in the value-in-use of the other brands or goodwill.

6. Capital commitments

At 30 November 2024, the Group had entered into commitments for the acquisition of property, plant and equipment amounting to £0.7 million (2 December 2023: £0.4 million). At 30 November 2024, the Group's share in the capital commitments of joint ventures was £nil (2 December 2023: £nil).

7. Taxation

Income tax expense is recognised on management's best estimate of the annual tax rate expected for the full financial year. The effective tax rate in relation to continuing operations for the half year ended 30 November 2024 is 33.5% (half year ended 2 December 2023: 28.9%). Before adjusting items, the effective tax rate is 18.2% (half year ended 2 December 2023: 20.3%).

The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

At 30 November 2024, the Group recorded a current taxation liability of £15.8 million, contingent liabilities of £18.9 million and contingent assets of £0.5 million in respect of such uncertain tax positions (31 May 2024: provision of £24.7 million, contingent liabilities of £14.4 million and contingent assets of £1.2 million).

The Group is subject to routine tax audits in all of its operating jurisdictions and certain assessments take place in overseas markets where there is a history of large claims being received, albeit which are considered to have little or no basis. Contingent liabilities are those uncertain tax risks that that the Group considers to have a possible risk of crystallisation.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum tax rate of 15%. The legislation implements a domestic top-up tax and a multi-national top-up tax effective for accounting periods on or after 31 December 2023. As in the prior year, the Group has applied the exception allowed by an amendment to IAS 12 Income Taxes to recognising and disclosing information about deferred tax assets and liabilities relating to top-up income taxes.

8. Dividends

An interim dividend of 1.50p per share for the half year to 30 November 2024 (2 December 2023: 1.50p) has been declared totalling £6.3 million (2 December 2023: £6.3 million) and is payable on 9 April 2025 to shareholders on the register at the close of business on 7 March 2025.

After the year ended 31 May 2024, an interim dividend of 2.10p per share, totalling £8.8 million, was approved by shareholders and paid on 4 December 2024.

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

	Unaudited Half year to 30 November 2024 £m	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2024 £m
Profit/(loss) before taxation	**6.4**	(94.2)	(95.9)
Net finance expense and net monetary gain/(loss) arising from hyperinflationary economies	**7.0**	4.5	12.2
Operating profit/(loss)	**13.4**	(89.7)	(83.7)
Depreciation	**4.1**	5.5	10.2
Amortisation	**2.1**	3.6	7.1
Impairment of tangible and intangible assets	**-**	24.4	24.4
Impairment of current asset investment	**-**	-	0.5
Profit on sale of assets	**-**	-	(1.8)
Difference between pension charge and cash contributions	**1.1**	(0.3)	1.7
Share-based payment expense	**1.1**	0.9	1.9
Share of results of joint venture	**(2.3)**	(5.6)	(7.3)
Operating cash flows before movements in working capital	**19.5**	(61.2)	(47.0)
Movements in working capital:			
Inventories	**(12.6)**	(8.8)	2.3
Trade and other receivables	**(6.0)**	24.1	15.3
Trade and other payables	**23.2**	68.3	77.5
Provisions	**-**	-	(0.4)
Cash generated from operations	**24.1**	22.4	47.7

10. Net debt reconciliation

Group net debt, which is an alternative performance measure, comprises the following:

	Audited At 1 June 2024 £m	Unaudited Cash flow £m	Unaudited Foreign exchange movements £m	Unaudited Other[1] £m	**Unaudited At 30 November 2024 £m**
Cash at bank and in hand	49.4	(6.3)	(2.0)	-	**41.1**
Short term deposits	1.9	3.3	0.1	-	**5.3**
Cash and cash equivalents	51.3	(3.0)	(1.9)	-	**46.4**
Current asset investments	-	-	-	-	**-**
Current borrowings	(6.3)	6.2	0.1	-	**-**
Non-current borrowings	(160.3)	8.0	-	(0.2)	**(152.5)**
Net debt	(115.3)	11.2	(1.8)	(0.2)	**(106.1)**
Lease liabilities	(12.1)	1.6	-	(0.2)	**(10.7)**
Net debt including lease liabilities	(127.4)	12.8	(1.8)	(0.4)	**(116.8)**

[1] *Other includes lease additions, an increase in the lease liability arising from the unwinding of interest element and unamortised fees on borrowings.*

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 of which was executed in October 2023. During the current period, management postponed the term loan extension window from October 2024 to March 2025, allowing the processes involving our Africa business and the St. Tropez brand to progress further before a decision needed to be taken on the extension. It should be noted that current levels of borrowing provide sufficient headroom even if the term loan was not extended beyond its current maturity of November 2025.

As at 30 November 2024, the committed credit facility was £153.0 million drawn (31 May 2024: £161.0 million) and the headroom was £172.0 million (31 May 2024: £164.0 million). Non-current borrowings as at 30 November 2024 are presented net of £0.5 million (31 May 2024: £0.7 million) of unamortised financing fees.

In addition, the Group retains other unsecured and uncommitted facilities that are primarily used for trade-related activities. As at 30 November 2024, these amounted to £140.8 million (31 May 2024: £161.6 million) of which 32.1 million, or 23% were utilised (31 May 2024: £40.3 million or 25%). Overdrafts do not form part of the Group's main borrowing facility and only arise as part of the Group's banking arrangements with key banking partners. As at 30 November 2024, there were no bank overdrafts (31 May 2024: £nil).

11. Retirement benefits

The key financial assumptions (applicable to all UK schemes) applied in the actuarial review of the pension schemes have been reviewed in the preparation of these interim financial statements and amended to reflect changes in market conditions where appropriate from those applied at 31 May 2024. The key assumptions applied were:

	Unaudited Half year to 30 November 2024	Unaudited Half year to 2 December 2023	Audited Year to 31 May 2024
Rate of increase in retirement benefits in payment			
- pensions in payment	**2.9%**	3.0%	3.1%
- deferred pensions	**2.5%**	2.5%	2.7%
Discount rate	**5.2%**	5.3%	5.2%
Inflation assumption (RPI)	**3.1%**	3.2%	3.3%

12. Financial instruments

The carrying amounts of each class of financial instruments were:

Financial assets

	Unaudited 30 November 2024 £m	Unaudited 2 December 2023 £m	Audited 31 May 2024 £m
Derivatives designated as hedging instruments			
Forward foreign exchange contracts	**0.5**	0.1	-
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	**0.2**	0.1	-
Equity instruments at fair value through profit or loss			
Current asset investments	**-**	0.5	-
Debt instruments at amortised cost			
Cash and cash equivalents	**46.4**	128.1	51.3
Net trade receivables and other receivables	**96.1**	87.8	89.8
Lease receivables	**1.3**	-	1.3
Amounts owed by joint ventures	**1.0**	0.9	1.1
Long-term loans owed by joint ventures	**28.0**	34.6	30.6
	173.5	252.1	174.1

Financial liabilities

	Unaudited 30 November 2024 £m	Unaudited 2 December 2023 £m	Audited 31 May 2024 £m
Current interest-bearing loans and borrowings at amortised cost			
Bank loans and borrowings	**-**	6.3	6.3
Non-current interest-bearing loans and borrowings at amortised cost			
Bank loans and borrowings	**152.5**	219.0	160.3
Derivatives designated as hedging instruments			
Forward foreign exchange contracts	**0.1**	0.3	0.3
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	**0.1**	0.1	0.2
Other financial liabilities at fair value through profit or loss			
Other payables	**2.3**	5.9	4.5
Other financial liabilities at amortised cost			
Trade and other payables	**166.2**	161.4	151.9
Lease liabilities	**10.7**	13.1	12.1
	331.9	406.1	335.6

12. Financial instruments (continued)

There were no transfers between Level 1, 2 and 3 during the half year ended 30 November 2024 and the year ended 31 May 2024.

At the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	Unaudited 30 November 2024	Unaudited 2 December 2023	Audited 31 May 2024	Fair value level
	£m	£m	£m	
Assets held at fair value				
Current asset investments	**-**	0.5	-	Level 3
Derivative financial assets	**0.7**	0.2	-	Level 2
Liabilities held at fair value				
Derivative financial liabilities	**0.2**	0.4	0.5	Level 2
Other payables	**2.3**	5.9	4.5	Level 3

The following is a description of the valuation methodologies and assumptions used for estimating the fair values:

- Current asset investments – Current asset investments comprise non-listed equity investments. A discounted cash flow methodology is used to estimate the present value of the expected future economic benefits to be derived from the ownership of these investments. The fair value of current asset investments at 30 November 2024 was £nil (31 May 2024: £nil).
- Derivative financial instruments – Derivative financial instruments comprise forward foreign exchange contracts. Fair value is calculated using observable market data where it is available, including spot rates and observable forward points, as discounted to reflect the time value of money. Counterparty credit is monitored. No adjustment to the fair value for credit risk is made due to materiality.
- Other payables – Other payables held at fair value relate to deferred purchase consideration on the acquisition of Childs Farm, which was estimated by applying an appropriate discount rate to the expected future payments. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Should the target not be met, no consideration would be payable, and should the discount rate applied be changed, the fair value of the deferred purchase consideration would change, but the amount of consideration that would ultimately be paid would not necessarily change.

For the financial assets and liabilities not held at fair value, there was no material difference between their carrying values and their fair values, except for non-current borrowings which are presented net of unamortised issuance costs of £0.5 million.

13. Post balance sheet events

Subsequent to 30 November 2024, the Nigerian Naira exchange rate has appreciated. The NGN/GBP closing exchange rate on 31 January 2025 was 1,839 compared to a closing rate of 2,124 on 30 November 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report and accounts.

The Directors of PZ Cussons plc are listed on page 32. A list of current Directors is maintained on the PZ Cussons plc website.

By order of the Board

Mr K Moustafa
Company Secretary
10 February 2025

Independent review report to PZ Cussons plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed PZ Cussons plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2025 interim results of PZ Cussons plc for the 6 month period ended 30 November 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 November 2024;
- the condensed consolidated income statement and the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2025 interim results of PZ Cussons plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2025 interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2025 interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2025 interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2025 interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2025 interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
10 February 2025

Directors

Chair: D Tyler[1]

Chief Executive Officer: J Myers

Chief Financial Officer: S Pollard

K Bashforth[1]

V Juarez[1]

J Nicolson[1] (resigned 21 November 2024)

J Sodha[1]

V Ahuja[1]

[1] Non-Executive Directors

Company Secretary

K Moustafa

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