

PZ Cussons Plc**("PZ Cussons" or the "Group")****Trading Update for the Third Quarter 2020**

PZ Cussons Plc, a leading international consumer products group, today updates on its trading during the third quarter 2020, ended 29th February 2020 ('Q3' or 'the quarter').

Headlines

- Continued progress on the implementation of the Group strategy.
 - Focus Brand revenue in Q3 grew compared to last year, driven by Cussons Baby, Morning Fresh, a return to growth for Carex and good performance of Electricals
 - Completion of the sale of local Polish brand Luksja and announcement of disposal of Nutricima in Nigeria.
 - Appointment of new CEO, Jonathan Myers, starting 1st May.
- Overall revenue in the quarter declined against last year, albeit at a reduced rate compared to the first half of the year.
- Key markets continued to be impacted by consumer fragility, and towards the end of the period, the start of Covid-19 pandemic.
- Balance sheet remained strong, with net debt of £116m versus £183m at the same time last year, and headroom of £147m under our committed bank facilities. Continued focus on management actions to manage liquidity across the Group.
- Impact of Covid-19 continues to be significant, although varies depending on business unit and market.
- Our full year profit guidance remains within consensus range, albeit at the lower end.

Q 3 Regional Revenue Performance

In **Europe & the Americas**, there was some improvement in UK personal care with the rate of decline in the quarter softening compared to the first half of the year. Carex benefitted from a significant increase in demand towards the end of the quarter driven by the Covid-19 pandemic. Our Beauty category faced tough competitive conditions in the UK in particular, resulting in a decline in revenue for the quarter compared to last year.

In **Asia Pacific**, continued good growth in Indonesia in the quarter versus last year was offset by increased promotional spend and competitor activities in Australia, mainly across the Food and Beauty categories.

In **Africa**, revenue declined overall in Q3 compared to last year. Continued growth in Electricals and in selected premium brands was impacted by continued decline in our value brands in Home and Personal Care.

Impact of COVID-19***Our People and Wider Role in Society***

Our people, whether working from home or keeping our factories around the globe running, have responded fantastically to the challenges facing us. Protecting them whilst continuing to produce

products that can genuinely help stop the spread of Covid-19 remains our priority. The innovation, rapid product development and response to unprecedented conditions shown by our teams has been outstanding, and underlines both the scale of the challenges facing us, and the strength of our brands and teams.

Our key manufacturing sites across all regions remain open, with our employees demonstrating huge commitment to ensuring that production of our important hygiene products continues. Where possible, all employees who can work from home are doing so, although each of our markets requires a different approach to this. Ensuring safe and secure conditions for those who still need to come to a place of work continues to be a priority.

We are also conscious of our wider role in society and will continue to support those most at risk in our communities. Our approach varies from market to market but we have programmes in place to distribute free soap, sanitiser and hand wash to those most vulnerable and in need. For example, in the UK, our “That’s why we Carex” programme is working with the homeless, elderly and other vulnerable groups. In Nigeria, the PZ Cussons Foundation is distributing soap in the north of the country while in Asia we support those communities close to our manufacturing sites.

Trading Implications

The impact of Covid-19 across our businesses is significant, although very different across business unit and market.

In the UK, we are experiencing exceptionally high demand for our Carex hand wash and sanitiser gel products and Imperial Leather soap. Our focus remains on sourcing, producing and distributing these. Our team has shown exceptional ability to reconfigure products and supply chains rapidly, but we continue to face challenges in sourcing packaging and raw materials to enable us to fully meet demand.

Our Beauty business has been severely impacted. St Tropez has been hit hard by the social distancing measures in place in the UK, US and across Europe. Our significant marketing activities planned for Q4 have been cancelled and we expect this business to be slow to recover. Our other beauty brands have also been adversely impacted with the focus of retailers at this time on hygiene and personal care and the closure of hair salons.

In Asia, our Indonesian business has continued to trade largely as normal with increased customer demand for our hygiene related products offsetting a reduction in some of our lotions and creams. Australia has seen a recent spike in demand for Morning Fresh and Raffertys Garden as a result of Covid-19 but also a severe reduction in Beauty sales.

The situation in Nigeria is uncertain. The recent fall in the global oil price has led to further economic pressure, and the Covid-19 situation continues to develop. All our Nigerian businesses are likely to be impacted by the significant disruption to both manufacturing and route to market.

Liquidity

The Group has historically maintained a prudent financial position, and we entered the current crisis with a strong balance sheet.

PZ Cussons' external funding is through a syndicated borrowing facility which is provided by a syndicate of six lenders in the form of a £325 million committed multi-currency revolving credit facility committed until 28 November 2023. As at 29th February 2020, we had headroom of £147m under our committed facilities.

We continue to focus on management actions to manage liquidity carefully across the group. Recent actions taken have included the cancellation of capital expenditure projects, the review of the cost base, particularly in those areas of the business most impacted by Covid-19 and working capital initiatives across our business. At this time, we have not elected to participate in the UK furlough scheme or similar schemes in other countries.

We completed the sale of local Polish brand Luksja for £9.2m in the quarter and recently announced the disposal of Nutricima, our Nigerian milk business, for \$20.3m. Our target debt level for the year-end remains at £110m in line with guidance at the half year.

Outlook

Whilst there is a high level of uncertainty regarding the full impact of Covid-19 across all of our different businesses and markets continues, at this point our guidance on profit remains within consensus, albeit at the lower end.

Given the current uncertain environment, we plan to issue our preliminary results for the year ended 31st May 2020 in late summer, with a date to be confirmed in due course.

- Ends -

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