7 February 2024

This release contains inside information

2024 INTERIM RESULTS

for the six months ended 2 December 2023

Jonathan Myers, Chief Executive Officer, said: *"PZ Cussons is a stronger business than when we launched our new strategy, as demonstrated by our ninth consecutive quarter of like for like revenue growth and, on a constant currency basis, double-digit operating profit growth in the first half of the financial year. We have clearly had our challenges but have also delivered a turnaround in our UK Personal Care business and put in place measures to address the underperformance in our Beauty business.*

The most significant challenge we have faced by far has been the devaluation of the Nigerian Naira, which is today around 70% weaker than a year ago, representing the biggest drop in the currency's history. As we set out in September 2023, macroeconomic developments in Nigeria would be the key determinant of the FY24 results. Whilst we continue to make good progress in managing this volatility, the further devaluation in recent weeks will inevitably impact our FY24 results. As a Board, we have taken the prudent step to reduce the interim dividend in light of the devaluation.

As we look ahead we remain confident about the long-term potential for PZ Cussons as we build a higher growth, higher margin, simpler and more sustainable business."

	Adjusted			**Statutory**		
£m unless otherwise stated	**H1 FY24**	H1 FY23	*Change*	**H1 FY24**	H1 FY23	*Change*
Revenue	**277.1**	336.9	*(17.8)%*	**277.1**	336.9	*(17.8)%*
LFL revenue growth[1]	**2.2%**	6.1%	-	n/a	n/a	n/a
Operating profit/(loss)	**30.6**	33.2	*(7.8)%*	**(89.7)**	39.2	*n.m.*
Operating margin	***11.0%***	*9.9%*	*110bps*	***(32.4)%***	*11.6%*	*n.m.*
Profit/(loss) before tax	**26.1**	34.5	(24.3)%	**(94.2)**	40.5	*n.m.*
Basic earnings per share	**4.32p**	5.16p	*(16.3)%*	**(10.84)p**	5.90p	*n.m.*
Dividend per share	n/a	n/a	n/a	**1.50p**	2.67p	*(43.8)%*

See page 12 for definitions of key terms and page 13 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 FY24 refers to the 6 months ended 2 December 2023 and H1 FY23 refers to the 6 months ended 3 December 2022.

[1] Like for like revenue growth definition has been updated in H1 FY24 to exclude revenue related to unbranded sales which represented approximately 1% of FY23 revenue. H1 FY23 LFL revenue growth has not been re-presented but would have been 6.6% under the revised definition.

Summary

Naira devaluation

- As indicated in previous announcements, the devaluation of the Nigerian Naira has had a significant impact on our financial results and comparisons to the prior year. The foreign exchange loss in the period was £88.2 million and was wholly the result of the devaluation of the Naira which fell by 51% between 31 May 2023 and 2 December 2023[2]:
    - Statutory results show an operating loss of £89.7 million having been materially impacted by these foreign exchange losses.
    - Revenue declined by 17.8% (£59.8 million) to £277.1 million of which £52.9 million was attributable to the Naira devaluation.
    - Given the material financial impact of the Naira devaluation, the Board has determined it is prudent to reduce the interim dividend by 44% to 1.50p.

Performance and strategic progress

- Like for like (LFL) revenue growth was 2.2% driven by price/mix improvements of 7.0% and a 4.8% decline in volume.
- Adjusted operating profit margin increased 110 basis points (bps) with an improvement in each of our three regions driven primarily by an increased gross profit margin.
- Profit before tax declined by 24.3% reflecting an increased interest charge, but the reduction in both the effective tax rate and non-controlling interest as a result of the Naira devaluation resulted in a lower decline in adjusted EPS of 16.3%.
- On a constant currency basis, the financial performance has been more robust with adjusted operating profit growth of 17.2% and EPS growth of 9.0%.
- Strong cash generation with free cash flow of £20.0 million (H1 FY23: £4.2 million) with headroom on banking facilities of £105.0 million (31 May 2023: £73.0 million) and further improvements since the period end.
- Delivery against our FY24 priorities including:
    - Improved USD sourcing in Nigeria allowing for cash repatriation and a reduction in the Group's gross borrowings.
    - Turnaround in UK Personal Care performance benefitting from a focus on executional capabilities.
    - Strong growth of Childs Farm continuing to deliver on the significant international opportunity with distribution gains in the US and Europe.
    - Organisational changes under way to simplify our UK structure and strengthen Group-wide brand-building and growth capabilities, addressing underperformance in Beauty.

Dividend

The Board has reviewed the dividend carefully given the material devaluation of the Naira, particularly as it is difficult to foresee a significant rebound in the value of the currency in current circumstances. Had the exchange rate as at 31 January 2024 been the rate used to translate the FY23 results, FY23 EPS would have been over 30% lower. As a result, the Board has determined that it would not be prudent to pay an unchanged dividend. It has therefore elected to pay an interim dividend of 1.50p with the objective of achieving a cover of approximately two times for FY24.

The dividend will be paid on 4 April 2024 to shareholders on the register at the close of business on 8 March 2024.

[2] From NGN/GBP of 577 as at 31 May 2023 to NGN/GBP of 1,176 as at 2 December 2023. Historic NGN/GBP rates are summarised on page 11.

FY24 outlook

At our FY23 full year results in September, we noted that the Nigerian macroeconomic environment, and the currency particularly, would be the key determinant of FY24 results. Since then, we have experienced further depreciation of the Naira, with the official rate falling more than 30% since our balance sheet date of 2 December. As a result, we now expect FY24 adjusted operating profit, at reported rates of exchange, to be in the range of £55-60 million[3].

[3] Compares to prevailing consensus operating profit range of £61.5-68.2m as at 21 September 2023.

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Susanna Voyle, Stephen Malthouse and Charlie Twigg

Investor and Analyst conference call

PZ Cussons' management will host a presentation for analysts and institutional investors at 9.00 am UK time to present the results and provide the opportunity for Q&A. The event will be held at:

Deutsche Numis UK
45 Gresham Street
London
EC2V 7BF

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/65ae81394f87571200b92b11/jges

Dial in: +44 20 3936 2999
Access code: 938419

Notes to Editors

About PZ Cussons

PZ Cussons is a FTSE 250 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.

Introduction from our Chief Executive Officer

It was nearly three years ago that we launched our new strategy and we are, overall, making good progress as we build brands to better serve consumers. In doing so, we will ultimately transform the Group creating value for all stakeholders. The business has now delivered nine consecutive quarters of LFL revenue growth and adjusted operating profit for the first half of the year is up 17% on a constant currency basis.

Particularly encouraging in the first six months of the year has been the turnaround of the UK Personal Care business which has delivered growth in market share, revenue and profitability. This follows an extended period of volatility driven by Covid, cost inflation and cost of living pressures. Carex exited the first half of the year in growth and each of our UK Personal Care brands grew volumes in the second quarter.

Offsetting this in the first half of the year has been the devaluation of the Nigerian Naira. Given the scale of Nigeria within our business – representing 35% of revenue and 22% of net assets in FY23 – this has had a material impact on our earnings and our balance sheet. In addition, it has created trading challenges in the market itself given its inflationary impacts with inflation now at a 30-year high of 29%.[4]

We are continuing to navigate these challenges effectively with both operational and corporate interventions. However, given the size of our business in Nigeria and the ongoing macroeconomic uncertainty, we believe the prudent course of action is to reduce our interim dividend by 44%. Longer-term, we will continue to simplify and strengthen our business in Nigeria in order to capture the longer-term opportunities that the market offers.

Elsewhere, we also know we have much more to do. The performance of our Beauty brands, even after allowing for some intentional volume reductions to protect margin, has fallen short of our expectations in recent months and we have already taken action to address this. Trading in Indonesia has been soft in the half largely due to pressures on the consumer, however we remain confident in the long-term prospects for the market and are confident that our innovation plans will support a return to growth over the coming months. Meanwhile, we see good progress in the UK as noted above and continued solid growth from Australia as Morning Fresh continues its expansion 'beyond the sink'.

Our strategic progress: Building brands for life. Today and for future generations.

In the first half of the year, we have made good progress against our strategy which is centred around five choices: Build Brands, Serve Consumers, Reduce Complexity, Develop People and Grow Sustainably. For FY24 specifically, we have established four clear priorities for the business focusing on the most urgent activity whilst investing resources into longer-term opportunities.

#1: Further simplifying and strengthening Nigeria
We have continued to improve our sourcing of US Dollars and, as previously noted, our local business expects to be able to continue to meet its needs for the foreign currency required for day-to-day operations thereby eliminating further lending from the Group's holding companies. Furthermore, we repatriated £13 million by the end of November and are working to repatriate further cash by the end of the financial year.

Our transaction to de-list and buy out minority shareholders in Nigeria will, once complete, further simplify and strengthen our business in Nigeria. We continue to target completion by the end of the financial year although this is subject to a number of local approvals.

#2: Returning the UK to sustainable, profitable growth
Our UK Personal Care business, comprising primarily Carex, Imperial Leather, Cussons Creations and Original Source, has seen a turnaround in performance in H1 FY24, with increased market share, revenue and profitability. This is the result of a strengthened leadership team and a more determined focus on building back several core executional capabilities. Looking ahead, there remains significant opportunity to regain previous levels of profitability in UK Personal Care and, as described below, we see opportunity to improve performance of our other UK brands which have previously been managed as part of our Beauty organisation.

[4] Source: 28.9% based on Central Bank of Nigeria, December 2023.

#3: Driving further expansion from the core
Childs Farm continues to grow strongly and we have recently gained further distribution in key German retailers. Our US launch is on track with Amazon sales increasing rapidly. We expect to secure new listings in premium regional retailers before the end of this financial year.

Our recent launch of Imperial Leather in Thailand continues to go well benefitting from significant local influencer coverage and broader social media activity.

The launch of Morning Fresh into the Australian auto dishwash market has contributed positively to our revenue in the period, as part of the brand's longer-term ambition of growing 'beyond the sink'. The auto dishwash market is broadly double the size of the hand dishwash market and is growing at approximately twice the rate.

Following its launch in July 2023, Original Source in Spain continues to build momentum in a highly competitive market. The launch campaign has been strong, achieving good social media coverage and consumer engagement. We expect to reach over 1,500 listing points over the coming months and have secured listings with Carrefour amongst others. The sector in Spain is worth around £300m[5] and is Europe's third largest bath and shower gel market, signalling the strength and ambition of the brand to continue to grow.

#4: Continuing to transform capabilities
As part of our continued efforts to transform the capabilities of the Group, we have made a fundamental change to our organisational structure as we reorganise and simplify our UK business while strengthening our overall Group brand-building and innovation capabilities. These measures are designed to address the recent under-performance of our Beauty business and to accelerate growth more widely around the Group.

Firstly, we have appointed one leader across the combined UK business compared to the previously-separate Personal Care and Beauty approach. These business units have historically had two leadership, two commercial and two support teams, resulting in significant duplication of effort. The change will drive significantly greater scale and faster decision-making, with one team and one 'face to the customer' as we share best practice and pool our understanding of customers, consumers and the categories.'

Secondly, we are strengthening further our brand-building capabilities, particularly behind our brands with the most growth potential. We have created a dedicated team under Paul Yocum, previously Managing Director of Business Development, in the new role of Chief Growth and Marketing Officer. Over the coming months, we will increase our resourcing of brand strategy and planning, consumer insights, innovation and marketing capability. In doing so, we will continue to look to drive the leverage benefits from centralising certain activities while retaining the local insights our multi-local portfolio footprint can provide. The team will also be responsible for overseeing our growth markets including the US business.

Separately, we continue to invest behind the tools employed by our teams. During the period we have brought much of our Revenue Growth Management (RGM) activity in-house, using latest Microsoft cloud applications to drive analytics and generate insights. Currently live in the UK, this will ultimately be extended internationally and is expected to result in a more cost-effective, faster and more effective RGM capability.

Summary

I would like to thank my PZ Cussons colleagues across the world for their hard work in recent months. We are focused on creating further value from our portfolio of brands and continuing to execute our FY24 priorities. We remain optimistic about the longer-term potential for PZ Cussons as we build a higher growth, higher margin, simpler and more sustainable business.

[5] Euromonitor

FINANCIAL REVIEW

Overview of Group financial performance

Our reported financial performance has been materially impacted by the devaluation of the Naira, with the currency having halved in value since June 2023 (see table on page 11 for historic rates used in financial statements). Revenue has declined by 17.8% (£59.8 million) of which £52.9 million relates to the reduction in the value of the Naira. We are reporting a statutory operating loss of £89.7 million primarily due to the £88.2m foreign exchange loss primarily caused by an increase in the value of USD denominated liabilities in our Nigerian subsidiaries and FX losses on the settlement of these liabilities. This compares to an operating profit of £39.2 million in the comparative period.

However, if we look at the financial performance on a constant currency basis, adjusted operating profit grew by 17.2%. The 110bps increase in adjusted operating profit margin reflects growth in each of our regions and is driven primarily by an improved gross profit margin.

There was a 24.3% decline in profit before tax, however adjusted earnings per share (EPS) declined by a smaller amount (16.3%) due to a lower effective tax rate of 20.3%, reflecting a statutory loss in our Nigerian business and a reduction in the Sterling value of the non-controlling interests in Nigeria. On a statutory basis, EPS was (10.84)p (H1 FY23: 5.90p).

Our net debt as at the end of H1 FY24 of £96.7 million is equivalent to 1.1x last twelve months (LTM) EBITDA. This compares to a net cash position of £5.7 million as at 31 May 2023. This results from the significant reduction in the value of our large Naira denominated cash balance when translated into Sterling. The Board considers it prudent to reduce the interim dividend to 1.50p in response to the adverse impact of the Naira devaluation on our ongoing earnings and its effect on our balance sheet.

Performance by geography

<u>Europe and the Americas</u>

£m unless otherwise stated	**H1 FY24**	**H1 FY23**	**Growth/ (decline)**
Revenue	97.2	99.5	(2.3)%
LFL revenue growth (%)	(1.9)%	(6.0)%	-
Adjusted operating profit	12.4	9.5	30.5%
Margin (%)	12.8%	9.5%	330bps
Operating (loss)/profit	(16.6)	4.1	*n.m.*
Margin (%)	(17.1)%	4.1%	*n.m.*

Revenue declined 1.9% on a LFL basis, with strong growth in our UK Personal Care business and Childs Farm offset by a decline in a number of our Beauty brands particularly Sanctuary Spa.

Our UK Personal Care business – primarily Carex, Original Source, Imperial Leather and Cussons Creations - has delivered a significant improvement in performance. We have seen market share gains for the portfolio as a whole for the first time in a number of years. Original Source and Cussons Creations have been particularly successful. Having launched less than two years ago to address the UK's cost of living crisis, Cussons Creations has rapidly established itself as a notable brand in the washing and bathing category, while Original Source continues to benefit from strong marketing activity behind its unique proposition. Carex returned to revenue growth in the second quarter of FY24 and we expect positive momentum to be maintained in the second half of the year. Childs Farm continues to grow strongly benefitting from previous distribution gains, new listings announced in Germany and strong momentum in the US with Amazon.

Sanctuary Spa was the primary driver of the overall decline in LFL revenue. This was partly a result of a smaller but more profitable Christmas gifting product portfolio and compares to a strong performance in the comparative period. Nevertheless, the performance fell below our expectations due to insufficient innovation and unsatisfactory execution. St.Tropez declined slightly, primarily in one key US customer, although we expect improving trends in H2 – the seasonally more important period – with stronger innovation and a refreshed campaign with our brand ambassador, Ashley Graham.

Adjusted operating profit margin increased by 330bps to 12.8%. This improvement was driven by the annualisation of price increases taken in the second half of FY23 and successful RGM activity resulting in an improved gross profit margin. On a statutory basis, operating loss was £16.6 million principally reflecting the £24.4 million impairment of the book value of Sanctuary Spa.

Asia Pacific

£m unless otherwise stated	**H1 FY24**	**H1 FY23**	**Growth / (decline)**
Revenue	88.8	102.2	(13.1)%
LFL revenue growth (%)[6]	(6.0)%	7.5%	-
Adjusted operating profit	15.7	15.4	1.9%
Margin (%)	17.7%	15.1%	260bps
Operating profit	14.8	15.1	(2.0)%
Margin (%)	16.7%	14.8%	190bps

Revenue declined 13.1% due to a decline in LFL revenue and unfavourable FX driven by a depreciation in the Indonesian Rupiah and Australian Dollar. On a LFL basis, revenue declined 6.0% with continued growth in ANZ offset by a decline in Indonesia.

Cussons Baby Indonesia declined in the first half of the year due to ongoing category softness and a reduction in distributor stock levels which had increased during FY23. Reflecting the long-term attractiveness of the market, competition has remained strong, with increasing promotional intensity, particularly in the wipes category. Our focus remains on growing higher margin segments such as oils, lotions and creams. We have also recently launched Cussons Baby into the warming oil segment. The segment is estimated to be used by over 80% of Indonesian mothers offering a significant opportunity for Cussons Baby to strengthen its leading market position in baby toiletries.

Growth in ANZ was led by Radiant, a portfolio brand, which grew double-digits. Radiant is now the third largest brand in the laundry market, with improved margins driven by the successful launch of laundry capsules alongside the existing powder and liquid products. Morning Fresh has continued to grow strongly, maintaining its nearly 50% market share and benefitting during the period from the contribution of the auto dishwash range which launched in the second half of FY23. Rafferty's Garden declined slightly which was principally due to the exiting of some legacy SKUs.

Adjusted operating margin grew by 260bps due to strong growth in the ANZ gross profit margin and reduced costs in Indonesia. On a statutory basis, operating profit was £14.8 million with £0.9 million adjusting items related to simplification and transformation projects as we transform our supply chain footprint.

[6] Like for like revenue growth definition has been updated in H1 FY24 to exclude revenue related to unbranded sales which represented approximately 1% of FY23 revenue. H1 FY23 LFL revenue growth has not been re-presented but would have been 9.1% under the revised definition.

Africa

£m unless otherwise stated	H1 FY24	H1 FY23	Growth / (decline)
Revenue	90.8	133.2	(31.8)%
LFL revenue growth (%)	17.4%	15.6%	-
Adjusted operating profit	13.7	15.8	(13.3)%
Margin (%)	15.1%	11.9%	320bps
Operating (loss)/profit	(62.7)	27.5	*n.m.*
Margin (%)	(69.1)%	20.6%	*n.m.*

LFL revenue growth of 17.4% was driven by further price/mix improvements with twelve rounds of price increases in Nigeria since the beginning of FY24. On a reported basis, revenue declined by 31.8% due to the Naira being approximately 44% lower on average during H1 FY24 compared to the prior year.

In Nigeria, Premier and Morning Fresh revenue grew very strongly as consumers continued to maintain spending in non-discretionary segments such as soaps and home care. Cussons Baby and Stella also grew very strongly, despite being more discretionary, as we used a combination of distribution and marketing to drive growth in both price and volume. In Cussons Baby, we have seen significant volume growth due to our hospital educational programmes for new mothers. At the same time, Stella – a long-lasting moisturising jelly – has benefitted from ongoing work to extend the typical purchase period beyond the dry season, known as Harmattan season, which occurs between November and January.

Across the Nigerian business, we have increased prices significantly in response to the devaluation of the Naira and corresponding increase in input costs. Although these increases have increased the premium at which our brands are priced compared to competitors, market positions have so far been largely maintained given the strength of our brands.

Against this inflationary backdrop, we have sought to mitigate the decline in volumes, ensuring our products are front of mind for consumers at the point of purchase. This has been achieved through the continued increase in the number of stores served directly – to around 120,000 today from 97,000 as at the end of FY23 – as well as increasing the number of 'priority' stores which attract greater commercial focus and a wider range of products.

Electricals revenue was £34.3 million and grew 17% on a constant currency basis as we continue to prioritise growth in price and mix, focusing on higher margin product segments and SKUs.

Adjusted operating margin grew by 320bps. Alongside successive price increases, improving product mix and good overall cost control, this increase also represents an improvement in profitability of our PZ Wilmar Joint Venture, where adjusted operating profit increased by £4.1 million to £7.8 million due to strong growth in volume and pricing. On a statutory basis, the operating loss was £62.7 million primarily reflecting the increase in the value of USD denominated liabilities in our Nigerian subsidiaries and FX losses on the settlement of these liabilities.

Other financial items

Adjusted operating profit

Adjusted operating profit for the Group was £30.6 million which compares to £33.2 million in the prior period. Adjusted operating profit margins increased by 110bps to 11.0%. Each of our three regions contributed to the growth in margin, primarily driven by higher gross profit margins and a strong performance in our PZ Wilmar Joint Venture. This was partly offset by increased central costs due to continued investment in central capabilities, and an unfavourable FX impact.

Adjusting items

Adjusting items in the period totalled £120.3 million before tax. This related primarily to a £88.2 million foreign exchange loss arising from the devaluation of the Nigerian Naira. A charge of £24.4 million was incurred due to the impairment of Sanctuary Spa, while a charge of £5.5 million relates to costs associated with the ongoing transformation of the business including simplification activity in Nigeria.

After accounting for these adjusting items, the operating loss for the Group was £(89.7) million compared to an operating profit of £39.2 million in the prior period.

Net finance expense/(income)
Net finance expense in the period was £4.5 million compared to a net finance income of £1.3 million in the prior period. This was driven mainly by lower interest income due to the reduction in the Sterling value of our Naira cash balances. It was also modestly impacted by an increased interest charge due to higher levels of Group gross debt and a higher borrowing rate compared to the prior year.

Statutory loss before tax was £(94.2) million, £134.7 million lower than the prior period while adjusted profit before tax was £26.1 million which was £8.4 million lower than the prior period.

Taxation
The tax credit in the period for continuing operations was £27.2 million compared to a tax charge of £9.2 million in the prior period. The effective tax rate (ETR) on adjusted profit before tax decreased to 20.3% (26.6% in the prior period) primarily due to statutory losses on our Nigeria business.

Loss for the period
Loss for the period from continuing operations was £(67.0) million which compared to a profit of £31.3 million in the prior period. Basic (loss)/earnings per share was (10.84)p compared to 5.90p in the prior period. Adjusted basic earnings per share was 4.32p which compares to 5.16p in the prior period.

Balance sheet and cash flow
Net debt as at 2 December 2023 was £96.7 million compared to net cash of £5.7 million at 31 May 2023. The increase in net debt is wholly attributable to the devaluation of the Naira which significantly reduced the Sterling value of our Naira cash balance. As shown in the table below, the impact of exchange rate changes had there been no change in Group cash or gross debt during the half year would have changed our balance sheet from net cash of £5.7 million to net debt of £100.2 million. During the half year, both gross debt and cash showed reductions leaving the net debt position £3.5 million better as a result of management actions.

	31 May 2023		**2 December 2023**
£m	**As reported in FY23 financial statements**	**Current rates[7]**	
Total cash	256.4	150.5	128.1
of which Naira	*201.1*	*98.5*	*77.4*
Gross debt	(251.2)	(251.2)	(225.3)
Other	0.5	0.5	0.5
Net cash/(debt)	**5.7**	**(100.2)**	**(96.7)**
Balance sheet NGN/GBP rates:	*577*	*1,176*	*1,176*

Total free cash flow was £20.0 million (H1 FY23: £4.2 million). The increase reflects primarily an improvement in net working capital as a result of the devaluation.

Net assets were £271.5 million compared to £422.1 million at 31 May 2023. The reduction was mainly due to the devaluation of the Naira and represented the FX losses on the translation of Naira denominated assets and liabilities which went through either operating loss or equity.

During the year ended 31 May 2023 in the normal course of business, the Group agreed a new £325 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan and revolving credit facility (RCF) structure, with maturity dates of up to November 2028. As at 2 December 2023, headroom

[7] Rates as at 2 December 2023.

on this facility was £105.0 million compared to £73.0 million as at 31 May 2023 and £93.0 million as at 3 December 2022.

Foreign exchange

The general appreciation of Sterling against our other currencies resulted in a £64.3 million reduction to FY23 revenue as set out below.

	% of FY23 revenue	Average FX rates		% change	Revenue impact (£m)
		H1 FY24	**H1 FY23**		
GBP	27%	1.00	1.00	-	-
NGN (Nigeria)	35%	915	509	(44)%	(52.9)
AUD (Australia)	14%	1.92	1.74	(9)%	(4.3)
IDR (Indonesia)	11%	19,161	17,780	(7)%	(3.1)
USD (USA)	7%	1.25	1.18	(6)%	(0.9)
Other	6%	-	-	-	(3.1)
Total[8]	**100%**	**-**	**-**	**-**	**(64.3)**

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	**FY22**	**H1 FY23**	**FY23**	**H1 FY24**	**As at 31 January 2024**
Rate used for P&L	558	509	536	915	n/a
Rate used for balance sheet	530	546	577	1,176	1,852

[8] Table shows the impact of translating H1 FY23 revenue at H1 FY24 foreign exchange rates.

Glossary

Term	Definition
APM	Alternative performance measure.
Brand Investment	An operating cost related to brand marketing (previously 'Media & Consumer').
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
Employee well-being	% score based upon a set of questions within our annual survey of employees.
ETR	Effective tax rate.
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 (acquired in March 2022), 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.
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', 'Shopability' 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 trading performance from one period to the next.

Adjusted Consolidated Income Statement

	Unaudited Half year to 2 December 2023			Unaudited Half year to 3 December 2022		
	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	**277.1**	**-**	**277.1**	336.9	-	336.9
Cost of sales	**(167.8)**	**(72.2)**	**(240.0)**	(215.6)	-	(215.6)
Gross profit	**109.3**	**(72.2)**	**37.1**	121.3	-	121.3
Selling and distribution expense	**(44.5)**	**-**	**(44.5)**	(55.1)	-	(55.1)
Administrative expense	**(42.0)**	**(45.9)**	**(87.9)**	(36.7)	6.0	(30.7)
Share of results of joint venture	**7.8**	**(2.2)**	**5.6**	3.7	-	3.7
Operating profit/(loss)	**30.6**	**(120.3)**	**(89.7)**	33.2	6.0	39.2
Finance income	**8.3**	**-**	**8.3**	4.9	-	4.9
Finance expense	**(12.8)**	**-**	**(12.8)**	(3.6)	-	(3.6)
Net finance income/(expense)	**(4.5)**	**-**	**(4.5)**	1.3	-	1.3
Profit/(loss) before taxation	**26.1**	**(120.3)**	**(94.2)**	34.5	6.0	40.5
Taxation	**(5.3)**	**32.5**	**27.2**	(9.1)	(0.1)	(9.2)
Profit/(loss) for the period	**20.8**	**(87.8)**	**(67.0)**	25.4	5.9	31.3
Attributable to:						
Owners of the Parent	**18.1**	**(63.5)**	**(45.4)**	21.6	3.1	24.7
Non-controlling interests	**2.7**	**(24.3)**	**(21.6)**	3.8	2.8	6.6
	20.8	**(87.8)**	**(67.0)**	25.4	5.9	31.3

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 2 December 2023 £m	Half year to 3 December 2022 £m
Group		
Operating (loss)/profit from continuing operations	**(89.7)**	39.2
exclude: adjusting items	**120.3**	(6.0)
Adjusted operating profit	**30.6**	33.2
Revenue	**277.1**	336.9
Operating margin	**(32.4)%**	11.6%
Adjusted operating margin	**11.0%**	9.9%
By segment		
Europe & the Americas:		
Operating (loss)/profit from continuing operations	**(16.6)**	4.1
exclude: adjusting items	**29.0**	5.4
Adjusted operating profit	**12.4**	9.5
Revenue	**97.2**	99.5
Operating margin	**(17.1)%**	4.1%
Adjusted operating margin	**12.8%**	9.5%
Asia Pacific:		
Operating profit from continuing operations	**14.8**	15.1
exclude: adjusting items	**0.9**	0.3
Adjusted operating profit	**15.7**	15.4
Revenue	**88.8**	102.2
Operating margin	**16.7%**	14.8%
Adjusted operating margin	**17.7%**	15.1%
Africa:		
Operating (loss)/profit from continuing operations	**(62.7)**	27.5
exclude: adjusting items	**76.4**	(11.7)
Adjusted operating profit	**13.7**	15.8
Revenue	**90.8**	133.2
Operating margin	**(69.1)%**	20.6%
Adjusted operating margin	**15.1%**	11.9%
Central:		
Operating loss from continuing operations	**(25.2)**	(7.5)
exclude: adjusting items	**14.0**	-
Adjusted operating loss	**(11.2)**	(7.5)

Alternative Performance Measures (continued)

Adjusted share of results of joint venture

	Half year to 2 December 2023 £m	Half year to 3 December 2022 £m
Share of results of joint venture	**5.6**	3.7
Exclude: adjusting items	**2.2**	-
Adjusted share of results of joint venture	**7.8**	3.7

Adjusted profit before taxation

	Half year to 2 December 2023 £m	Half year to 3 December 2022 £m
(Loss)/profit before taxation from continuing operations	**(94.2)**	40.5
Exclude: adjusting items	**120.3**	(6.0)
Adjusted profit before taxation	**26.1**	34.5

Adjusted Earnings Before Interest Depreciation and Amortisation (Adjusted EBITDA)

	Half year to 2 December 2023 £m	Half year to 3 December 2022 £m
(Loss)/profit before taxation from continuing operations	**(94.2)**	40.5
Add back/(deduct): net finance expense/(income)	**4.5**	(1.3)
Add back: depreciation	**5.5**	5.2
Add back: amortisation	**3.6**	3.1
Add back: impairment and impairment reversal	**24.4**	0.1
	(56.2)	47.6
Exclude: adjusting items*	**95.9**	(6.1)
Adjusted EBITDA	**39.7**	41.5

* Excludes adjusting items relating to impairment.

Alternative Performance Measures (continued)

Adjusted earnings per share

	Half year to 2 December 2023 pence	Half year to 3 December 2022 pence
Basic (loss)/earnings per share	**(10.84)**	5.90
Exclude: adjusting items	**15.16**	(0.74)
Adjusted basic earnings per share	**4.32**	5.16

Free cash flow

	Half year to 2 December 2023 £m	Half year to 3 December 2022 £m
Cash generated from operations	**22.4**	7.0
Deduct: purchase of property, plant and equipment and software	**(2.4)**	(2.8)
Free cash flow	**20.0**	4.2

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**Unaudited Half year to 2 December 2023 £m**	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Revenue	3	**277.1**	336.9	656.3
Cost of sales		**(240.0)**	(215.6)	(399.0)
Gross profit		**37.1**	121.3	257.3
Selling and distribution expense		**(44.5)**	(55.1)	(105.3)
Administrative expense		**(87.9)**	(30.7)	(99.8)
Share of results of joint venture		**5.6**	3.7	7.5
Operating (loss)/profit	3	**(89.7)**	39.2	59.7
Finance income		**8.3**	4.9	15.4
Finance expense		**(12.8)**	(3.6)	(13.3)
Net finance (expense)/income		**(4.5)**	1.3	2.1
(Loss)/profit before taxation		**(94.2)**	40.5	61.8
Taxation	7	**27.2**	(9.2)	(15.4)
(Loss)/profit for the period/year[1]		**(67.0)**	31.3	46.4
Attributable to:				
Owners of the Parent		**(45.4)**	24.7	36.4
Non-controlling interests		**(21.6)**	6.6	10.0
		(67.0)	31.3	46.4
(Loss)/earnings per ordinary share[1]				
Basic (p)		**(10.84)**	5.90	8.70
Diluted (p)[2]		**(10.84)**	5.84	8.67

[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.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Unaudited Half year to 2 December 2023 £m**	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
(Loss)/profit for the period/year		**(67.0)**	31.3	46.4
Other comprehensive (expense)/income:				
Items that will not be reclassified to income statement:				
Re-measurement loss on net retirement benefit obligations		**(5.2)**	(33.2)	(32.8)
Taxation on other comprehensive income		**1.3**	8.1	7.4
Total items that will not be reclassified to income statement		**(3.9)**	(25.1)	(25.4)
Items that may be subsequently reclassified to income statement:				
Exchange differences on translation of foreign operations		**(64.1)**	(10.6)	(21.7)
Cash flow hedges – fair value movements net of amounts reclassified	12	**(0.9)**	0.3	0.4
Total items that may be subsequently reclassified to income statement		**(65.0)**	(10.3)	(21.3)
Other comprehensive expense for the period/year		**(68.9)**	(35.4)	(46.7)
Total comprehensive expense for the period/year		**(135.9)**	(4.1)	(0.3)
Attributable to:				
Owners of the Parent		**(100.3)**	(9.7)	(6.9)
Non-controlling interests		**(35.6)**	5.6	6.6
		(135.9)	(4.1)	(0.3)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited 2 December 2023 £m**	Unaudited 3 December 2022* £m	Audited 31 May 2023 £m
Assets				
Non-current assets				
Goodwill and other intangible assets	5	**284.7**	331.2	312.7
Property, plant and equipment		**55.1**	77.0	74.3
Right-of-use assets		**11.6**	14.2	12.5
Net investments in joint venture		**44.5**	49.0	52.0
Deferred taxation assets		**26.0**	4.0	7.5
Retirement benefit surplus		**34.2**	36.4	38.5
		456.1	511.8	497.5
Current assets				
Inventories		**91.5**	130.9	112.9
Trade and other receivables		**96.5**	127.5	119.1
Derivative financial assets	12	**1.7**	3.9	1.0
Current tax receivable		**1.5**	2.5	1.0
Current asset investments	10	**0.5**	0.5	0.5
Cash and cash equivalents	10	**128.1**	195.8	256.4
		319.8	461.1	490.9
Assets held for sale		**1.2**	1.6	-
		321.0	462.7	490.9
Total assets		**777.1**	974.5	988.4
Equity and liabilities				
Equity				
Share capital		**4.3**	4.3	4.3
Own shares		**(35.0)**	(40.0)	(36.9)
Capital redemption reserve		**0.7**	0.7	0.7
Hedging reserve		**(0.7)**	0.1	0.2
Currency translation reserve		**(139.1)**	(78.8)	(89.0)
Retained earnings		**444.9**	512.5	511.7
Other reserves		**5.5**	4.1	4.6
Attributable to owners of the Parent		**280.6**	402.9	395.6
Non-controlling interests		**(9.1)**	27.5	26.5
Total equity		**271.5**	430.4	422.1
Liabilities				
Non-current liabilities				
Borrowings	10	**219.0**	232.0	251.2
Other payables		**3.5**	5.2	4.1
Lease liabilities		**10.6**	11.9	11.3
Deferred taxation liabilities		**56.4**	82.6	76.9
Retirement and other long-term employee benefit obligations		**12.0**	11.9	12.4
		301.5	343.6	355.9
Current liabilities				
Borrowings	10	**6.3**	-	-
Trade and other payables		**178.4**	175.2	182.2
Lease liabilities	10	**2.5**	2.1	1.7
Derivative financial liabilities	12	**0.4**	0.5	0.5
Current taxation payable		**15.8**	21.2	25.6
Provisions		**0.7**	1.5	0.4
		204.1	200.5	210.4
Total liabilities		**505.6**	544.1	566.3
Total equity and liabilities		**777.1**	974.5	988.4

* 3 December 2022 has been restated in line with the restatements disclosed in the 2023 Annual Report and Accounts. See Note 1 for details.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent								
	Share capital £m	Own shares £m	Capital redemption reserve £m	Hedging reserve £m	Currency translation reserve £m	Retained Earnings £m	Other reserves £m	Non-controlling interests £m	Total equity £m
At 1 June 2022 – as previously reported	4.3	(40.0)	0.7	(0.2)	(69.2)	525.6	2.9	25.2	449.3
Effect of prior year adjustments	-	-	-	-	-	2.9	-	(3.3)	(0.4)
As at 1 June 2022 – as restated*	4.3	(40.0)	0.7	(0.2)	(69.2)	528.5	2.9	21.9	448.9
Profit for the period	-	-	-	-	-	24.7	-	6.6	31.3
Other comprehensive (expense)/income for the period	-	-	-	0.3	(9.6)	(25.1)	-	(1.0)	(35.4)
Total comprehensive (expense)/income for the period	-	-	-	0.3	(9.6)	(0.4)	-	5.6	(4.1)
Transactions with owners:									
Ordinary dividends	-	-	-	-	-	(15.6)	-	-	(15.6)
Share-based payments	-	-	-	-	-	-	1.2	-	1.2
Total transactions with owners recognised directly in equity	-	-	-	-	-	(15.6)	1.2	-	(14.4)
At 3 December 2022	4.3	(40.0)	0.7	0.1	(78.8)	512.5	4.1	27.5	430.4
At 1 June 2022	4.3	(40.0)	0.7	(0.2)	(69.2)	528.5	2.9	21.9	448.9
Profit for the year	-	-	-	-	-	36.4	-	10.0	46.4
Transfers between reserves	-	-	-	-	(1.5)	1.5	-	-	-
Other comprehensive (expense)/income for the period	-	-	-	0.4	(18.3)	(25.4)	-	(3.4)	(46.7)
Total comprehensive (expense)/income for the period	-	-	-	0.4	(19.8)	12.5	-	6.6	(0.3)
Transactions with owners:									
Ordinary dividends	-	-	-	-	-	(26.8)	-	-	(26.8)
Share-based payments	-	-	-	-	-	-	1.7	-	1.7
Shares issued from ESOT	-	3.1	-	-	-	(2.5)	-	-	0.6
Dividends relating to non-controlling interests, net of forfeitures	-	-	-	-	-	-	-	(2.0)	(2.0)
Total transactions with owners recognised directly in equity	-	3.1	-	-	-	(29.3)	1.7	(2.0)	(26.5)
At 31 May 2023	4.3	(36.9)	0.7	0.2	(89.0)	511.7	4.6	26.5	422.1
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**

* 1 June 2022 has been restated in line with the restatements disclosed in the 2023 Annual Report and Accounts. See Note 1 for details.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Unaudited Half year to 2 December 2023 £m**	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Cash flows from operating activities				
Cash generated from operations	9	**22.4**	7.0	76.6
Interest paid		**(11.4)**	(3.4)	(11.8)
Taxation paid		**(10.1)**	(8.4)	(15.6)
Net cash generated from/(used in) operating activities		**0.9**	(4.8)	49.2
Cash flows from investing activities				
Interest received		**8.3**	4.9	11.8
Purchase of property, plant and equipment and software		**(2.4)**	(2.8)	(6.7)
Proceeds from disposal of property, plant and equipment		**0.3**	13.5	14.4
Loans (advanced to)/repaid by joint ventures		**4.8**	(11.4)	-
Net cash generated from investing activities		**11.0**	4.2	19.5
Cash flows from financing activities				
Dividends paid to owners of the parent	8	**(15.6)**	(15.6)	(26.8)
Dividends paid to non-controlling interests		**-**	(0.2)	(2.6)
Repayment of lease liabilities		**(1.1)**	(1.6)	(2.5)
Repayment of borrowings	10	**(91.9)**	(205.0)	(205.0)
Proceeds from borrowings	10	**66.3**	263.0	283.0
Financing fees paid on committed credit facility		**-**	-	(2.8)
Net cash (used in)/generated from financing activities		**(42.3)**	40.6	43.3
Net increase in cash and cash equivalents	10	**(30.4)**	40.0	112.0
Effect of foreign exchange rates	10	**(97.9)**	(7.9)	(19.3)
Cash and cash equivalents at the beginning of the period/year	10	**256.4**	163.7	163.7
Cash and cash equivalents at the end of the period/year	10	**128.1**	195.8	256.4

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 2 December 2023, 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 2023 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. After taking into consideration a number of factors including the future impact of the devaluation of the Nigerian Naira on the financial performance and cash flows of the Group, 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 page 58 of our 2023 Annual Report and Accounts. The identified principal risks are considered unchanged from those outlined on pages 62 to 68 of our 2023 Annual Report and Accounts. These are: IT and information security; talent development and retention; financial controls (foreign exchange, treasury and tax); consumer and customer trends; legal and regulatory compliance; business transformation; market and economic disruption, including emerging markets; health and safety; sustainability and the environment; 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 2 December 2023 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 2023 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 26 September 2023 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.

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 2023 which are described in note 1(d) of the 2023 Annual Report and Accounts with the addition of deferred taxation assets:

Deferred taxation assets

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

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. At 2 December 2023, the Group recorded a deferred tax asset of £31.0 million (31 May 2023: £3.6 million) on recognised but unused tax losses; the increase being largely due to FX losses arising as a result of the Nigerian Naira devaluation. The Group has concluded that the deferred tax assets will be recoverable as it is probable that the related tax benefit will be realised in the foreseeable future.

2. Accounting policies

The accounting policies are consistent with those of the Annual Report and Accounts for the year ended 31 May 2023. 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.

In the reporting period commencing 1 June 2023 the Group has applied the exception allowed by the amendment to IAS 12 *Income Taxes* to recognising and disclosing information about deferred tax assets and liabilities relating to top-up income taxes. Refer to note 7 for further details. The impact of other new standards and amendments applied in the reporting period commencing 1 June 2023 is not material.

Restatements

As set out in the 2023 Annual Report and Accounts, during the year ended 31 May 2023 management identified a number of errors relating to prior periods. Accordingly, prior year adjustments were made which are summarised below (further details are provided in note 1(c) of the 2023 Annual Report and Accounts). Further, in these condensed consolidated interim financial statements, there has been a change in accounting policy presentation of Own Shares for the half year ended 3 December 2022 in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to bring the presentation in line with the 2023 Annual Report and Accounts. Own Shares are presented in a separate reserve rather than being included in the other reserves.

Intangible asset impairment – in the year ended 31 May 2020 a number of businesses were disposed of by the Group, resulting in the recognition of a £6.3 million impairment charge in relation to capitalised software. The accounting treatment of these impairments has subsequently been reviewed and determined to be not in accordance with IAS 36 *Impairment of Assets*. The effects of correcting for this error are to increase the previously reported carrying value of intangible assets on the consolidated balance sheet by £3.9 million as at 1 June 2022 with a corresponding increase in the deferred tax liability of £1.0 million. The impact on the previously reported consolidated income statement for the half year ended 3 December 2022 is not material.

Childs Farm business combination – in March 2022, the Group acquired Childs Farm. The non-controlling interest of £3.3 million recognised on the business combination has subsequently been reviewed and determined to be not in accordance with IFRS 3 *Business Combinations*. The effect of correcting for this error is to reduce each of the previously reported carrying values of goodwill and non-controlling interests on the consolidated balance sheet by £3.3 million as at 1 June 2022. There is no impact on the previously reported consolidated income statement for the half year ended 3 December 2022.

The impact of restating the 1 June 2022 consolidated balance sheet (in line with the restatements in the 2023 Annual Report and Acounts) is set out in the table below:

		Relating to prior to 1 June 2022		
	As previously reported	Intangible asset impairment	Childs Farm business combination	As restated
	£m	£m	£m	£m
Consolidated balance sheet				
Goodwill and other intangible assets	330.6	3.9	(3.3)	331.2
Total assets	973.9	3.9	(3.3)	974.5
Retained earnings	(509.6)	(2.9)	-	(512.5)
Non-controlling interests	(30.8)	-	3.3	(27.5)
Deferred taxation liabilities	(81.6)	(1.0)	-	(82.6)
Total equity and liabilities	(973.9)	(3.9)	3.3	(974.5)

3. Segmental analysis

The segmental information presented in this note is consistent with management reporting provided to the Executive Leadership Team (ELT), which is the Chief Operating Decision Maker (CODM). The CODM reviews the Group's internal reporting in order to assess performance and allocate resources and has determined the operating segments based on these reports. 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 ELT has identified these as the reportable segments.

The CODM assesses the performance based on operating profit before any adjusting items. Revenues 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 in terms of revenue our in-house fragrance house, and in terms of cost, expenditure associated with the global headquarters and above market functions net of recharges to our regions.

Reporting used by the CODM to assess performance does contain information about brand specific performance, however global segmentation between the portfolio of brands is not part of the regular internally reported financial information.

Business segments

Half year to 2 December 2023 (unaudited)	**Europe & the Americas £m**	**Asia Pacific £m**	**Africa £m**	**Central £m**	**Elimin-ations £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 ventures	**12.4**	**15.7**	**5.9**	**(11.2)**	**-**	**22.8**
Share of results of joint ventures	**-**	**-**	**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)**

Half year to 3 December 2022 (unaudited)	**Europe & the Americas £m**	**Asia Pacific £m**	**Africa £m**	**Central £m**	**Elimin-ations £m**	**Total £m**
Gross segment revenue	101.9	105.7	133.2	44.9	(48.8)	336.9
Inter segment revenue	(2.4)	(3.5)	-	(42.9)	48.8	-
Revenue	99.5	102.2	133.2	2.0	-	336.9
Segmental operating profit before adjusting items and share of results of joint ventures	9.5	15.4	12.1	(7.5)	-	29.5
Share of results of joint ventures	-	-	3.7	-	-	3.7
Segmental operating profit/(loss) before adjusting items	9.5	15.4	15.8	(7.5)	-	33.2
Adjusting Items	(5.4)	(0.3)	11.7	-	-	6.0
Segmental operating profit/(loss)	4.1	15.1	27.5	(7.5)	-	39.2
Finance income						4.9
Finance expense						(3.6)
Profit before taxation						40.5

3. Segmental analysis (continued)

Year to 31 May 2023 (audited)	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Elimin-ations £m	Total £m
Gross segment revenue	210.2	197.8	256.3	74.0	(82.0)	656.3
Inter segment revenue	(4.4)	(7.1)	-	(70.5)	82.0	-
Revenue	205.8	190.7	256.3	3.5	-	656.3
Segmental operating profit before adjusting items and share of results of joint venture	29.3	27.5	29.7	(20.7)	-	65.8
Share of results of joint venture	-	-	7.5	-	-	7.5
Segmental operating profit/(loss) before adjusting items	29.3	27.5	37.2	(20.7)	-	73.3
Adjusting Items	(28.9)	2.1	11.1	2.1	-	(13.6)
Segmental operating profit/(loss)	0.4	29.6	48.3	(18.6)	-	59.7
Finance income						15.4
Finance expense						(13.3)
Profit before taxation						61.8

The Group analyses its net revenue by the following categories:

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Hygiene	**153.0**	174.0	334.8
Baby	**55.6**	66.1	123.1
Beauty	**32.1**	40.2	85.3
Electricals	**34.3**	52.7	105.4
Other	**2.1**	3.9	7.7
	277.1	336.9	656.3

4. Adjusting items

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

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Simplification and transformation	**5.5**	6.2	(2.9)
Acquisition and disposal-related items	**-**	(0.2)	0.7
Impairment charge (net of impairment reversal)	**24.4**	-	(10.1)
Foreign exchange losses arising on Nigerian Naira devaluation	**88.2**	-	-
Foreign exchange losses arising on Naira devaluation on joint venture	**2.2**	-	-
Adjusting items before taxation	**120.3**	6.0	(12.3)
Taxation	**(32.5)**	(0.1)	4.7
Adjusting items after taxation	**87.8**	5.9	(7.6)

Adjusting items relating to simplification and transformation and impairment charges are included in administration expense, and foreign exchange losses arising on the Nigerian Naira devaluation are included in cost of sales (£72.2 million) and administration expense (£16.0 million).

A description of the principal adjusting items is provided below.

4. Adjusting items (continued)

Simplification and transformation

For the half year ended 2 December 2023, these costs primarily relate to the following projects which commenced in FY22: three-year finance transformation project, HR simplification project and supply chain transformation project. For the half year ended 3 December 2022, the profit on disposal of properties in Nigeria was partially offset by costs relating 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 2 December 2023, these costs were £nil. For the half year ended 3 December 2022, these costs relate to the Childs Farm acquisition.

Impairment charge (net of impairment reversals)

For the half year ended 2 December 2023, this charge relates to the impairment of the Sanctuary Spa brand. See Note 5. For the half year ended 3 December 2022, the impairment charge was £nil.

Foreign exchange losses arising on Nigerian Naira devaluation

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 2 December 2023 was 1,176 (3 December 2022: 546; 31 May 2023: 577), and the average NGN/GBP for the half year ended 2 December 2023 was 915 (half year ended 3 December 2022: 509; year ended 31 May 2023: 536).

5. Intangible assets

In the half year ended 2 December 2023, there was an impairment charge of £24.4 million relating to the Sanctuary Spa brand. The recoverable amount of the brand was determined to be £38.6 million based on a value in use calculation, which when compared to a carrying value of £63.0 million (of which the brand represented £58.9 million) resulted in an impairment charge of £24.4 million. The long-term growth rate and discount rate used in the value in use calculations were 2% and 9.0% respectively.

In the 2023 Annual Report and Accounts, a sensitivity analysis of a reasonably possible change in gross margin was disclosed. In the half year ended 2 December 2023, the performance of the Sanctuary Spa brand was below expectations, and the aforementioned reasonably possible change, due to events and circumstances in the period (primarily related to unsatisfactory commercial execution) which could not have been reasonably foreseen at 31 May 2023. Accordingly, management has adopted a more cautious future outlook for the brand. Sensitivity analysis has been carried out in the half year ended 2 December 2023 and a reasonably possible change where gross margin was to decline by 100bps within the five-year forecast period would increase the impairment charge by £2.6 million and where the discount rate were to increase by 100bps would increase the impairment charge by £4.9 million.

A review of impairment indicators was undertaken for the other brands with impairment assessments performed on St.Tropez, Charles Worthington and Childs Farm with no impairments noted. There was only £0.1 million of headroom on the impairment testing for the Charles Worthington brand. Sensitivity analysis has been carried out in the half year ended 2 December 2023 and a reasonably possible change where gross margin was to decline by 100bps within the five-year forecast period would result in an impairment charge of £0.6 million and where the discount rate were to increase by 100bps would result in an impairment charge of £1.4 million.

In the half year ended 3 December 2022, the impairment charge was £nil.

6. Capital commitments

At 2 December 2023, the Group had entered into commitments for the acquisition of property, plant and equipment amounting to £0.4 million (3 December 2022: £0.9 million). At 2 December 2023, the Group’s share in the capital commitments of joint ventures was £nil (3 December 2022: £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 estimated average annual tax rate used for the half year ended 2 December 2023, before adjusting items, is 28.9% (half year ended 3 December 2022: 22.7%) and the effective tax rate to be used on adjusted profit before taxation is 20.3% (half year ended 3 December 2022: 26.6%).

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 2 December 2023, the Group had a provision of £23.7 million, contingent liabilities of £7.4 million and contingent assets of £2.3 million in respect of such uncertain tax positions (31 May 2023: provision of £25.2 million, contingent liabilities of £7.8 million and contingent assets of £2.2 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 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 effective 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. The Group is assessing the impact of the new legislation which will be effective for the Group from 1 June 2024. 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 2 December 2023 (3 December 2022: 2.67p) has been declared totalling £6.3 million (3 December 2022: £11.2 million) and is payable on 4 April 2024 to shareholders on the register at the close of business on 8 March 2024.

The final dividend for the year ended 31 May 2023 of 3.73p per share, totalling £15.6 million, was approved by shareholders at the Annual General Meeting of the Company and paid on 30 November 2023.

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

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
(Loss)/profit before taxation	**(94.2)**	40.5	61.8
Net finance expense/(income)	**4.5**	(1.3)	(2.1)
Operating (loss)/profit	**(89.7)**	39.2	59.7
Depreciation	**5.5**	5.2	12.1
Amortisation	**3.6**	3.1	7.0
Impairment of tangible and intangible assets	**24.4**	0.1	16.5
Impairment reversal on intangible assets reclassified as held for sale	**-**	-	(4.2)
Profit on sale of assets	**-**	(11.7)	(11.1)
Impairment reversal of net investments in joint ventures	**-**	-	(2.2)
Difference between pension charge and cash contributions	**(0.3)**	(0.3)	0.5
Share-based payment expense	**0.9**	1.2	1.7
Share of results of joint venture	**(5.6)**	(3.7)	(7.5)
Operating cash flows before movements in working capital	**(61.2)**	33.1	72.5
Movements in working capital:			
Inventories	**(8.8)**	(23.5)	(8.4)
Trade and other receivables	**24.1**	(13.9)	(13.4)
Trade and other payables	**68.3**	15.8	30.3
Provisions	**-**	(4.5)	(4.4)
Cash generated from operations	**22.4**	7.0	76.6

10. Net debt reconciliation

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

	Audited At 1 June 2023	Unaudited Cash flow	Unaudited Foreign exchange movements	Unaudited Other*	**Unaudited At 2 December 2023**
	£m	£m	£m	£m	**£m**
Cash at bank and in hand	127.4	(18.9)	(37.8)	-	**70.7**
Short term deposits	129.0	(11.5)	(60.1)	-	**57.4**
Cash and cash equivalents	256.4	(30.4)	(97.9)	-	**128.1**
Current asset investments	0.5	-	-	-	**0.5**
Current borrowings	-	(6.4)	0.1	-	**(6.3)**
Non-current borrowings	(251.2)	32.0	-	0.2	**(219.0)**
Net cash/(debt)	5.7	(4.8)	(97.8)	0.2	**(96.7)**
Lease liabilities	(13.0)	1.3	0.1	(1.5)	**(13.1)**
Net debt including lease liabilities	(7.3)	(3.5)	(97.7)	(1.3)	**(109.8)**

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

During the year ended 31 May 2023, the Group agreed a new £325 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan and revolving credit facility (RCF) structure, with maturity dates of up to November 2028. Non-current borrowings as at 2 December 2023 are presented net of £1.0 million (31 May 2023: £0.8 million) of unamortised financing fees. As at 2 December 2023, this facility was £220 million drawn (31 May 2023: £252 million).

In addition, the Group retains other unsecured and uncommitted facilities that are primarily used for trade-related activities. As at 2 December 2023, these amounted to £128.7 million (31 May 2023: £199.8 million) of which £54.4 million, or 42.0% were utilised (31 May 2023: £93.3 million or 47%).

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 2 December 2023, there were no bank overdrafts (31 May 2023: £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 2023. The key assumptions applied were:

	Unaudited Half year to 2 December 2023	Unaudited Half year to 3 December 2022	Audited Year to 31 May 2023
Rate of increase in retirement benefits in payment	**3.00%**	2.80%	2.90%
Discount rate	**5.30%**	4.45%	5.40%
Inflation assumption (RPI)	**3.20%**	2.95%	3.10%

12. Financial instruments

The carrying amounts of each class of financial instruments were:

Financial assets

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Derivatives designated as hedging instruments			
Forward foreign exchange contracts	**0.1**	0.6	0.8
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	**0.1**	3.6	0.2
Equity instruments at fair value through profit or loss			
Current asset investments	**0.5**	0.5	0.5
Debt instruments at amortised cost			
Cash and cash equivalents	**128.1**	195.8	256.4
Net trade receivables and other receivables	**87.8**	106.7	110.3
Amounts owed by joint ventures	**0.9**	12.3	2.2
Long-term loans owed by joint ventures	**34.6**	40.6	40.3
	252.1	360.1	410.7

Financial liabilities

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m
Non-current interest-bearing loans and borrowings at amortised cost			
Bank loans and borrowings	**219.0**	232.0	251.2
Current interest-bearing loans and borrowings at amortised cost			
Bank loans and borrowings	**6.3**	-	-
Derivatives designated as hedging instruments			
Forward foreign exchange contracts	**0.3**	0.4	0.1
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	**0.1**	0.1	0.4
Other financial liabilities at fair value through profit or loss			
Other payables	**5.9**	5.9	5.9
Other financial liabilities at amortised cost			
Trade and other payables	**161.4**	177.0	175.5
Lease liabilities	**13.1**	14.0	13.0
	406.1	429.4	446.1

There were no transfers between Level 1, 2 and 3 during the half year ended 2 December 2023 and the year ended 31 May 2023.

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

	Unaudited Half year to 2 December 2023 £m	Unaudited Half year to 3 December 2022 £m	Audited Year to 31 May 2023 £m	Fair value level
Assets held at fair value				
Current asset investments	**0.5**	0.5	0.5	Level 3
Derivative financial assets	**0.2**	4.2	1.0	Level 2
Liabilities held at fair value				
Derivative financial liabilities	**0.4**	0.5	0.5	Level 2
Other payables	**5.9**	5.9	5.9	Level 3

12. Financial instruments (continued)

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. Derivative financial instruments comprise forward foreign exchange contracts. Fair value is calculated using observable market data where it is available and includes spot rate and observable market 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 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, however the amount of consideration that would ultimately be paid would not necessarily change.

The movements in the half year ended 2 December 2023 and the year ended 31 May 2023 for financial instruments measured using Level 3 valuation methods are presented below:

	Unaudited Half year to 2 December 2023 £m	Audited Year to 31 May 2023 £m
Current asset investments		
At 1 June	**0.5**	0.5
Remeasurement	**-**	-
	0.5	0.5
Other payables		
At 1 June	5.9	7.2
Remeasurement	-	(1.3)
	5.9	5.9

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.

Other payables 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. At 2 December 2023, there was no change in the key assumptions.

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 £1.0 million.

13. Post balance sheet events

Subsequent to 2 December 2023, the Nigerian Naira exchange rate has continued to depreciate. The NGN/GBP closing exchange rate on 31 January 2024 was 1,852 compared to a closing rate of 1,176 on 2 December 2023.

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 33. A list of current Directors is maintained on the PZ Cussons plc website.

By order of the Board

Mr K Massie
Company Secretary
6 February 2024

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 2024 interim results of PZ Cussons plc for the 6 month period ended 2 December 2023 (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 2 December 2023;
- 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 2024 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 2024 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 2024 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 2024 interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2024 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 2024 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
6 February 2024

Directors

Chair

D Tyler *

Chief Executive

J Myers

Chief Financial Officer

S Pollard

K Bashforth *

V Juarez *

J Nicolson *

J Sodha *

J Townsend *

* Non-Executive

Company Secretary

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