



PRESS RELEASE  
Regulated Information

## **Ontex accelerates its growth strategy with the acquisition of Grupo Mabe**

**Aalst–Erembodegem (Belgium), March 1, 2016 – Ontex, a leading worldwide producer of personal hygiene products for babies, women and adults, has completed the acquisition of 100% of the shares of Grupo P.I. Mabe (Grupo Mabe). The agreement of the transaction was previously announced on November 5, 2015 and the required antitrust approvals have now been received. The integration of Grupo Mabe will provide Ontex Group further access to promising markets, primarily in the Americas region and creates a considerably stronger platform for growth in the global personal hygiene solutions markets.**

### **Strategic fit**

The combination between Ontex and Grupo Mabe is a cultural and strategic fit and combines the strengths of the two companies. Ontex and Grupo Mabe share a common background, the same drive and commitment to making consumers' daily lives easier with disposable personal hygiene solutions in the various stages of their lives. With its 38 years of international experience Grupo Mabe contributes a strong position in the Mexican market and a strong foothold in the US market while serving 18 more countries across the Americas region, complementing the existing footprint of Ontex, a leading international player mainly present in Europe, Middle East and North Africa. The combination will benefit from the breadth and depth of a leading force in the industry to unlock new market access opportunities and further solidify its position in the global market.

Ontex' balanced mix of retailer brands and own brands, including Canbebe, Helen Harper, iD and Serenity, will be joined by brands such as BBTips, BioBaby, Moltex, Kiddies, Chicolastic, Affective and

Fiore to extend the combined portfolio of personal hygiene solutions. In addition, Grupo Mabe's international footprint creates access opportunities in Latin America and North America. As a result, the acquisition of Grupo Mabe brings high-quality assets and capabilities that will benefit the Ontex Group in terms of both brands and geographical spread.

Ontex CEO Charles Bouaziz explained: *"Grupo Mabe brings great added value to our Ontex family, as we have a similar heritage and our people share the same 'can do' entrepreneurial spirit. Grupo Mabe has achieved a strong market position, not just in Mexico but also in North and South America, thanks to constant innovation and by developing strong relations with customers and consumers. With our combined brand portfolio and geographic spread, we will accelerate our growth strategy and solidify our position as a preferred partner in the personal hygiene business."*

### **Grupo Mabe to be integrated as the Ontex Americas Division**

60% of Grupo Mabe's revenues come from its domestic market in Mexico, the fifth largest personal hygiene care market in the world – where Grupo Mabe occupies a leading position in Baby Care and is the third largest player in the small but rapidly growing Adult Incontinence segment.

To capture further growth opportunities, Grupo Mabe will be integrated into the Ontex Group as a new division: the Americas Division. Gilberto Marín Quintero, founder and Chairman of Grupo Mabe, will be proposed to join the Ontex Board of Directors, to contribute his experience and knowledge of personal hygiene markets to the further development of the Ontex growth platform. The Grupo Mabe management team will remain in place and will operate as the new Americas Division.

Grupo Mabe founder and Chairman Gilberto Marín Quintero said: *"We are happy that the association has been completed. Joining Ontex means becoming part of a growing international group, which is a major milestone in our company's development. Our people, who are our main asset, look forward to joining forces with their Ontex colleagues and building a unique portfolio of retailer and owned brands in markets where awareness of personal hygiene is gaining increasing importance, to benefit our consumers, suppliers, and employees."*

### **Emphasis on R&D and innovation**

With Grupo Mabe, which has 258 existing patents and 90 in-process, Ontex is even better equipped to capture new opportunities in R&D and innovation and to be a preferred supplier to its customers and consumers worldwide. As innovation in the disposable personal hygiene market is increasingly driven by consumer preference, Ontex' specialist R&D centres can offer advanced technology and high-quality innovation to customers and contribute high-quality convenience to consumers who depend on personal hygiene solutions.

## **Consideration**

The consideration payable at closing was a mix of cash and newly-issued Ontex Group NV shares. Based on preliminary estimates of net financial indebtedness of Grupo Mabe at closing, the cash consideration paid by Ontex at closing amounted to MXN 3,522 million (€ 178.1 million<sup>1</sup> at current exchange rates). The share component of the consideration has been adjusted upwards. As a result 2,722,221<sup>2</sup> new shares have been issued to the sellers. The listing of these shares on Euronext Brussels has been requested.

As previously announced, the sellers will be entitled to receive a deferred consideration of up to MXN 1,550 million (€78.4million<sup>1</sup>) payable in cash, subject to Grupo Mabe achieving certain EBITDA targets for the period 2015 to 2017. Additionally, parties have agreed that an additional deferred consideration of up to €10 million per annum may be payable contingent upon exceeding the EBITDA targets in 2016 and 2017.

Grupo Mabe will be consolidated into the results of Ontex with effect from March 1, 2016.

UBS Limited acted as a Sole Financial Advisor, Cleary Gottlieb Steen & Hamilton LLP acted as lead legal advisor, and Creel, García-Cuellar, Aiza, y Enríquez, S.C., acted as Mexican legal advisor to Ontex on this transaction, and PwC provided Ontex with transaction services. Deloitte acted as Sole Financial Advisor, and Covington & Burling LLP acted as lead legal advisor to Grupo Mabe.

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<sup>1</sup> At EUR/MXN rate of 19.7788

<sup>2</sup> Of which 2.1 million are subject to a 2-year lock-up period.

**About Grupo Mabe**

Grupo Mabe is a leading Mexican manufacturer of disposable personal hygiene products. Its portfolio includes Babycare, Femcare and Adult Incontinence products. Grupo Mabe is the second largest player across its Personal Care categories in Mexico, number two in Babycare and number three in Adult Incontinence segment. Grupo Mabe exports its products to 42 countries worldwide

**About Ontex**

Ontex is a leading producer of disposable personal hygiene products, ranging from baby diapers to products for feminine hygiene and adult incontinence. Ontex' products are distributed in more than 100 countries through Ontex brands as well as leading retailer brands.

The group employs over 5,500 staff and has a presence in 23 countries. Ontex is listed on Euronext Brussels.

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