



Acquisition of Hypermarchas'
personal hygiene business
Continuing the transformation of Ontex

December 23, 2016



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Acquiring Hypermarchas' personal hygiene business

Continuing the transformation of Ontex



- ✓ Further delivering on the Ontex growth strategy
 - Another strategic acquisition which is accretive to long-term growth
 - Meets all our key acquisition criteria: Outside Western Europe; Branded Business; Adult Inco Category

- ✓ Acquiring leading positions in the 4th largest hygiene market in the world
 - No. 1 in adult incontinence and No. 3 in baby care products business in Brazil
 - Delivering above market growth based on strong brands and sales execution

- ✓ Ontex has the execution capabilities to deliver
 - Establishing a complementary platform in the Americas
 - Track record of successful acquisitions: recent acquisition of Grupo Mabe delivering ahead of our expectations

- ✓ Delivering compelling returns
 - Enterprise value of R\$1 billion (€286 million¹) paid in cash funded through new debt facilities
 - Double digit EPS accretion including synergies and ROCE exceeding Ontex's cost of capital in first year of ownership

¹ EUR/R\$ rate of 3.5

Delivering on the Ontex growth strategy



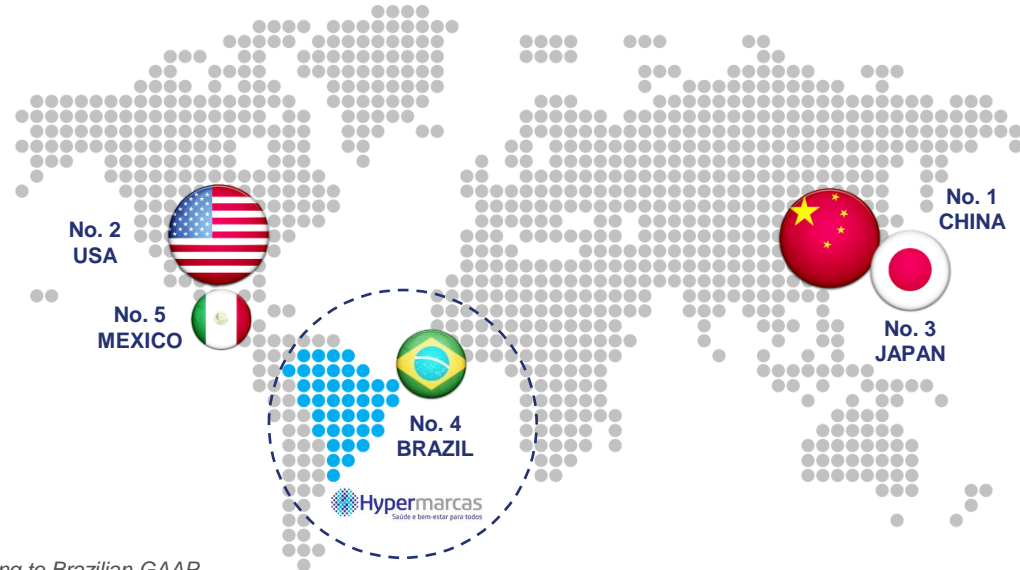
Another strategic acquisition which is accretive to long-term growth

Strategic acquisition



- ✓ R\$ 1.2bn revenues¹ (c. €343 million)²
- ✓ 100% branded business across all price segments
- ✓ No. 1 in fast-growing Adult Inco
- ✓ No. 3 in Brazilian Babycare
- ✓ Presence across all channels
- ✓ Diversified customer base

Brazil is the 4th largest hygiene market in the world³



¹ Revenue is for the period October 2015 to September 2016 and according to Brazilian GAAP

² EUR/R\$ rate of 3.5

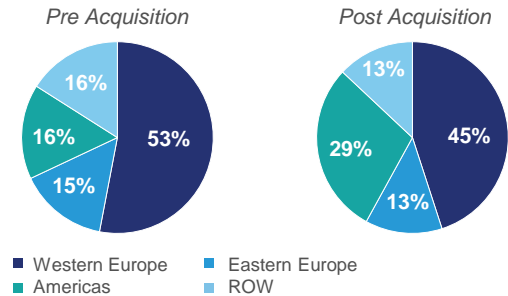
³ Source: Euromonitor. Includes diapers and pants for children and incontinence products

Strong strategic fit with Ontex

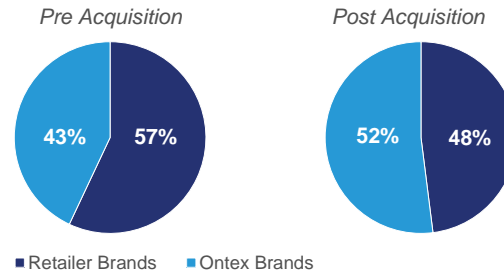
Meets all our key acquisition criteria



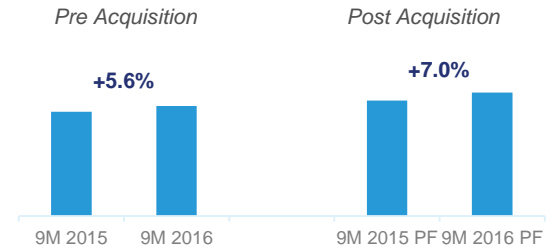
Grow business outside Western Europe
Enhanced revenue diversification



Grow consumer branded business
Increase in revenue from Ontex brands



Grow incontinence business
Accelerating adult inco revenue growth



Extending the quality of the Ontex brand portfolio



Source: Pre-acquisition figures represent 9M 2016 Ontex reported revenue. Post-acquisition figures are pro-forma to include Hypermarcas personal hygiene business according to Brazilian GAAP converted at EUR/R\$ rate of 3.5

Acquiring leading positions in a growth market



Outperforming the market with established brands across all price segments

Number 1 position in adult incontinence



- The market reference in adult incontinence



- Entry proposition in the adult incontinence category

Solid number 3 position in babycare



- A premium offering with nearly 50 years of heritage



- A strong offering in the intermediate segment



- A regional leader in the value segment

Delivering above market growth via sales execution



Presence across all channels

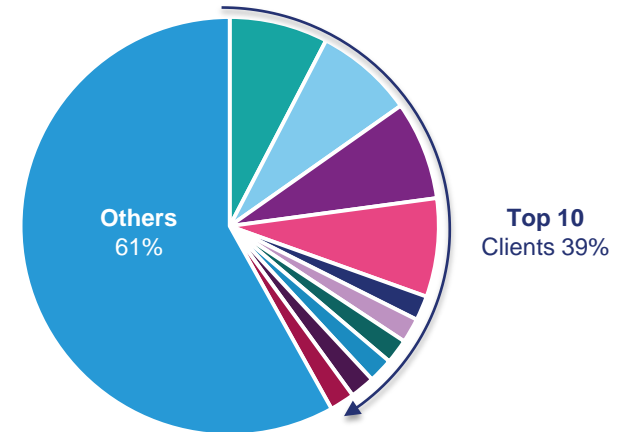
Sales driven team with strong commercial fundamentals

- Presence across all distribution channels: modern trade, regional chains, traditional
- Deep knowledge of complexity with regional approaches
- Strong POS execution



Solid go-to-market capabilities with diversified customer base

- Modern Trade: Presence among top 4 grocery chains and top 3 pharma chains
- Traditional Trade: Top 10 clients include wholesalers and distributors



Strong fit and execution capabilities to deliver

Establishing a complementary platform in the Americas



Strengthening our presence in the Americas with a second pillar



Two manufacturing facilities located centrally in the Brazilian state of Goiás



Aparecida de Goiânia



Senador Canedo

Ontex has the execution capabilities to deliver

Track record of successful acquisitions



(2010)



(2011)



(2013)



(2015)



(2016)
Saúde e bem-estar para todos

	iD (2010)	lille healthcare (2011)	SERENITY (2013)	FLORA (2015)	Hypermarchés (2016)	
Strategic Criteria	Grow presence in Adult Inco	✓	✓	✓	—	✓
	Grow outside of Western Europe	—	—	—	✓	✓
	Strengthen branded business	✓	✓	✓	✓	✓
Financial and operational discipline	Attractive returns and synergies	✓	✓	✓	✓	✓
	Integration achievable with minimal operational and commercial disruptions	✓	✓	✓	✓	✓

Delivering compelling returns

Attractive price for a business that is accretive to Ontex growth



Consideration	<ul style="list-style-type: none">• Consideration of R\$1 billion (€286m¹)
Financial impacts	<ul style="list-style-type: none">• R\$ 1.2bn (c. €343m¹) annual revenue² outperforming a growth market• Contributes to modest growth in Ontex adjusted EBITDA margin including synergies• Double-digit EPS accretion including synergies in first year of ownership• ROCE exceeds Ontex cost of capital in first year of ownership
Financing / Leverage	<ul style="list-style-type: none">• Cash consideration funded through new debt facilities• Net debt/LTM EBITDA expected to be between 3.2x-3.4x at completion based upon all debt financing• Cash generation to result in Net debt/LTM EBITDA of around 3x by end 2017
Timetable	<ul style="list-style-type: none">• Transaction is expected to be completed in the first quarter of 2017• Completion is subject to customary conditions as well as completion of the carve-out and related governmental approval and confirmations

¹ At EUR/R\$ rate of 3.5

² Based on revenue for the period October 2015 to September 2016 and according to Brazilian GAAP

Delivering compelling returns



HM Personal Hygiene underpins continued delivery of the Ontex model

Ontex model	Ontex objective	Hypermarcas Personal Hygiene contribution
1 Strategic model	<ul style="list-style-type: none">• Diversification of geographies and markets• Higher sales from Ontex brands	<ul style="list-style-type: none">• Ontex Group revenue outside WE rises to 55%¹• Revenue of Ontex brands rises to 52%¹• Higher sales of adult incontinence products
2 Operating model	<ul style="list-style-type: none">• Focus on people• Creating a scale business• Strong local connections to customers and consumers	<ul style="list-style-type: none">• Team of highly capable people• Adding significant revenues to supply chain• Deep local market knowledge• Leveraging Americas Retail Division
3 Financial model	<ul style="list-style-type: none">• Top-line growth ahead of our markets• Modest EBITDA margin improvement including synergies• Strong free operating cash flow	<ul style="list-style-type: none">• Accretive to Ontex revenue growth• Robust margins; synergies from scale• Positive cash generation from first year

Source: Pre-acquisition figures represent 9M 2016 Ontex reported revenue. Post-acquisition figures are pro-forma to include Hypermarcas personal hygiene business according to Brazilian GAAP converted at EUR/R\$ rate of 3.5



Thank you
Any questions?

