



Q3 2017
Trading Update

November 8, 2017



Forward looking statements



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Ontex Highlights



Continued strong revenue growth in challenging market conditions

Q3 2017

LFL growth across all categories and well ahead of our markets

- Reported Group revenue of €592.4 million for Q3 2017, up 16.1% on a reported basis (+19.9% 9M 2017)
- Q3 2017 like-for-like (LFL) revenue up 4.3% (+4.9% 9M 2017) driven by strong volume growth
- All categories increased LFL revenue

LFL revenue
+4.3%

Adjusted EBITDA margin lower as anticipated

- Adjusted EBITDA +7.9% to €68.2 million in Q3 2017 (+14.2% 9M 2017)
 - Strong top line performance and savings programs offset higher raw material costs and increased distribution expenses
- Adjusted EBITDA margin at 11.5%, down 88 bps year-on-year (YoY)
 - Mainly due to negative FX impact of €2.2 million and temporary adverse result in our new Brazil business

Adj. EBITDA margin
11.5%

Net debt and leverage

- Net debt of €751.1 million at end of September 2017
- Net leverage at 2.73x LTM Adjusted EBITDA
- Complete refinancing of Group's debt expected to be finalised before the end of 2017 and anticipated to reduce net finance expenses by more than €7 million per year from 2018 on a pre-tax basis

Net debt
€751.1 million

Note: see "Alternative Performance Measures" in the appendix of this presentation for more information on the key metrics used



Trading Review



LFL growth across all categories and well ahead of our markets

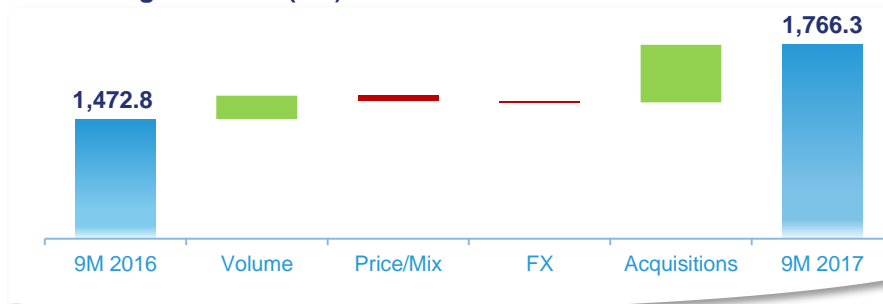


Strong volume growth drives higher LFL revenue

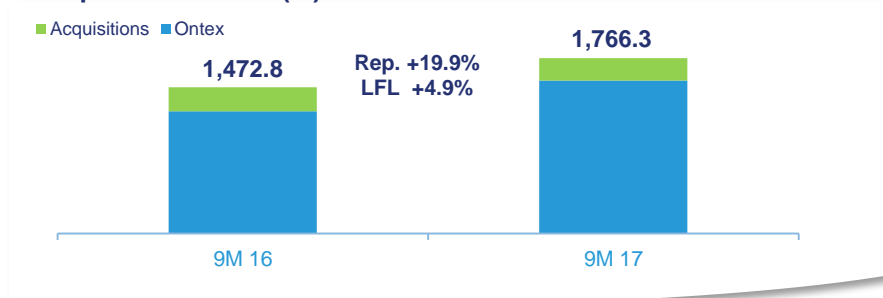
Group revenue review

- Reported revenue up +16.1% in Q3 2017 (19.9% 9M 2017):
 - LFL revenue up 4.3% in Q3 2017 (+4.9% 9M 2017), driven by four of five Divisions and all three categories
- Top line drivers:
 - Volume-driven LFL growth despite challenging market conditions including heightened pricing pressures:
 - Continued strong performance and market share gains in developed markets
 - Delivered higher volumes in developing markets
 - FX headwinds of €6.0 million in Q3 2017 (-6.6 million 9M 2017)
 - Additional contribution to reported revenue from Ontex Brazil in Q3 2017

Sales bridge 9M 2017 (€m)



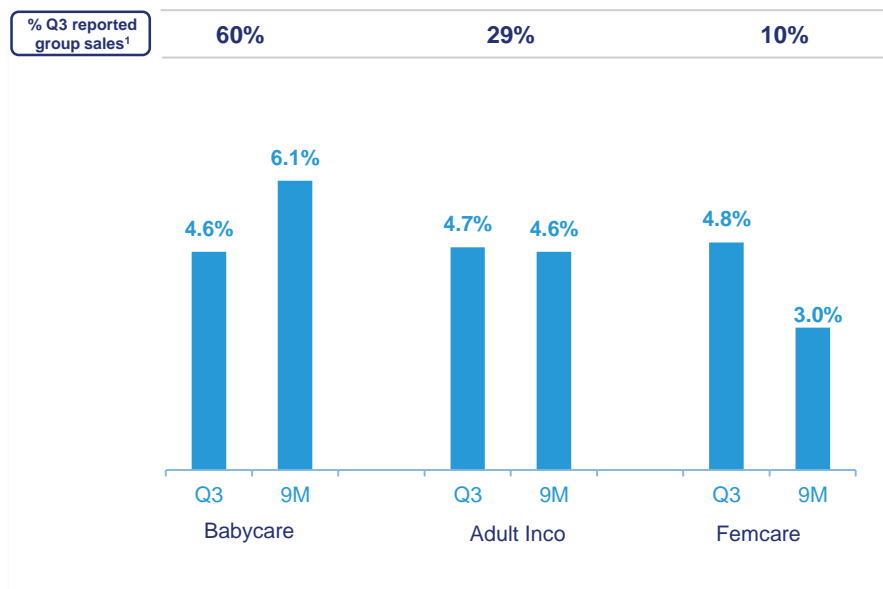
9M reported and LFL (%)



All categories registered solid LFL growth

- Mid-single digit LFL growth across all categories in 2017 YTD, including a strong Q3 2017
- Babycare LFL revenue +4.6% in Q3 2017 (+6.1% 9M 2017),
 - LFL outperformance in Western Europe, driven by retailer brands market share gains in baby diaper
 - Market share gains of our own brands in Mexico, Algeria and Pakistan
- Adult Inco LFL revenue +4.7% in Q3 2017 (+4.6% 9M 2017)
 - +9% LFL growth in retail channels: strong category growth in Western Europe with retailer brands, increased leading branded positions in Brazil, Mexico and Turkey
 - Increased LFL revenue in institutional channels supported by launch of Serenity pants in Spain
- Femcare up +4.8% LFL for Q3 2017 (+3.0% 9M 2017), driven by new business gains in Western Europe

LFL sales growth



Note 1: Category split excludes 2% of "Other"

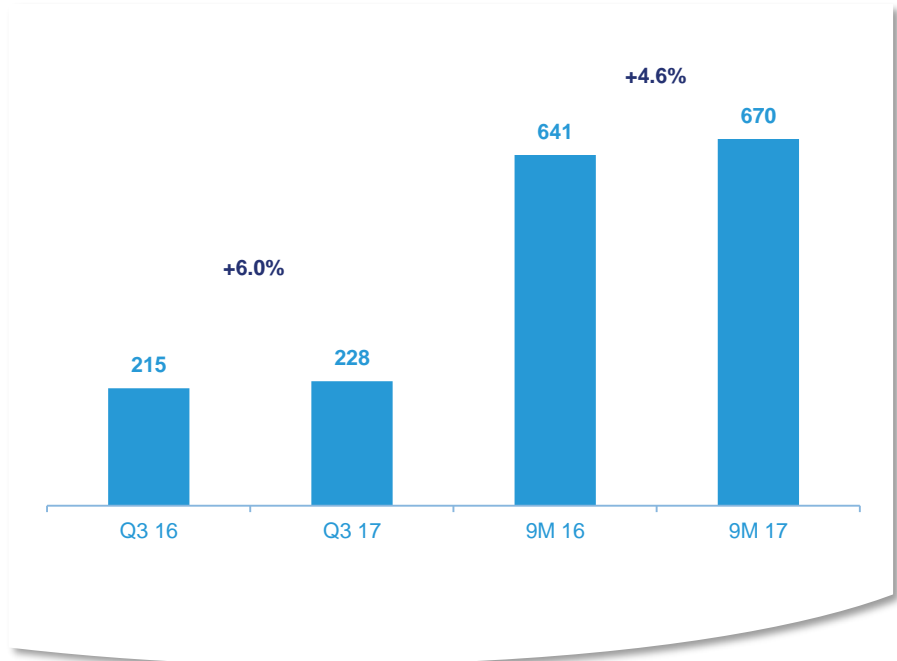
Mature Market Retail: 38% of Q3 reported group sales



Another robust quarter of revenue growth

- Continued like-for-like revenue increase YoY, well ahead of our market
- Volumes in most of our markets continued to drive a strong top line performance
- Despite heightened promotional activities by international branded suppliers in Babycare
- Focus remains on supporting leading retailers with strong innovations and improved products and services
- Reported revenue up +6.1% in Q3 2017 (+5.1% 9M 2017)

LFL revenue (€m) and sales growth



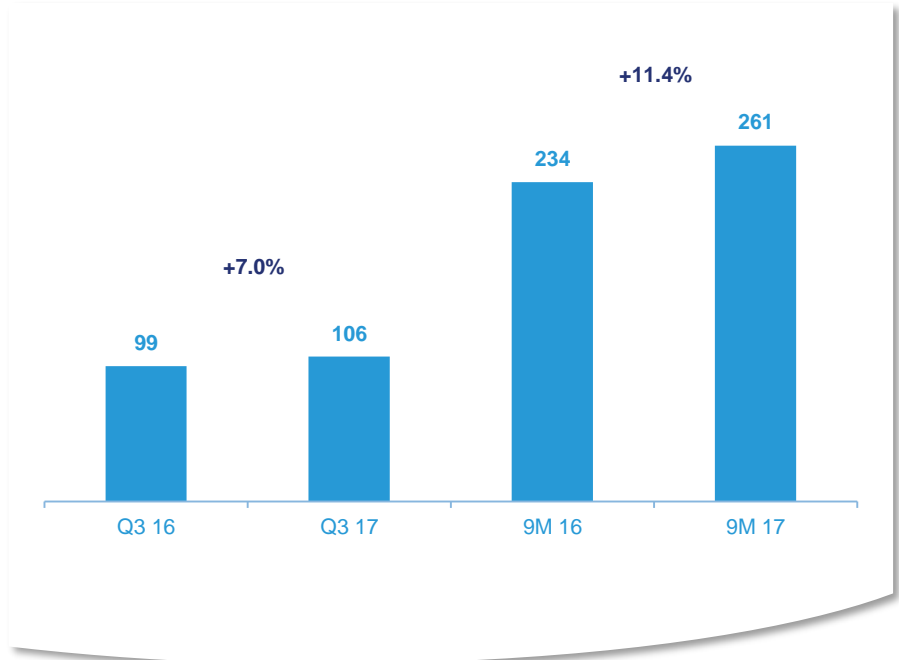
Americas Retail: 29% of Q3 reported group sales



Further market share gains in Mexico, with Brazil diaper sales lower

- +7.0% LFL growth in Q3 2017 (+11.4% 9M 2017)
- Further market share gains in both Babycare and Adult inco in Mexico, and increased revenue in the US
- Challenging market conditions in Brazil led to overall results below our expectations, despite continued category growth and market share gains in Adult inco
 - Aggressive pricing in Babycare resulted in a decline in the category value 2017 year to date, with market share losses in Babycare in H1
 - Actions to improve competitiveness underway with positive signs in our baby diaper share starting to show
- Reported revenue up 71.9% (+106.4% in 9M 2017), including contribution from Ontex Brazil

LFL revenue (€m) and sales growth



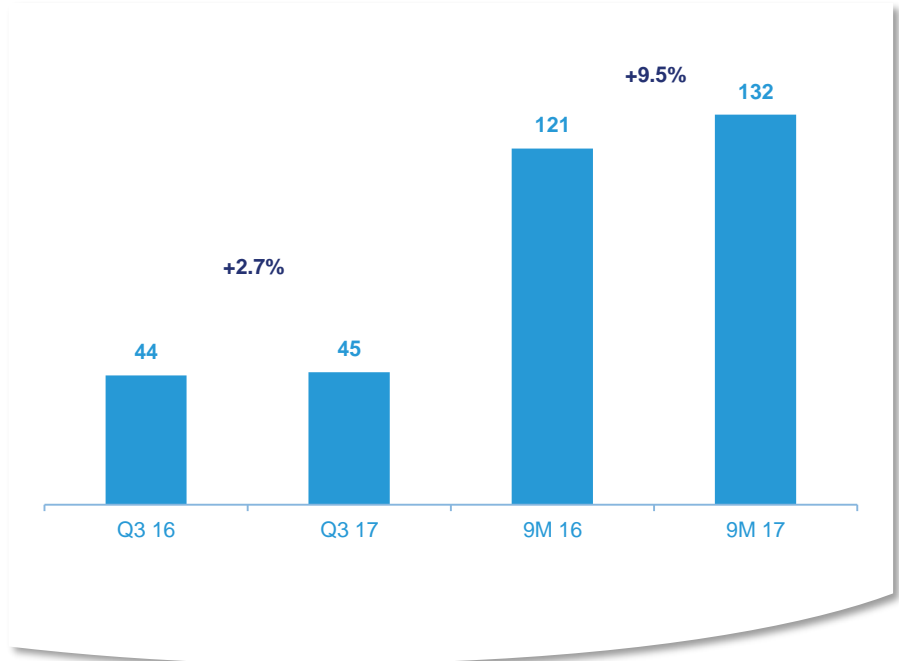
Growth Markets: 8% of Q3 reported group sales



Continued LFL growth in highly competitive markets

- Like-for-like revenue +2.7% in Q3 2017 (+9.5% 9M 2017)
- Impacted by supply constraints for some of our fastest growing products and inventory reductions by customers in some export markets
- Q3 also categorised by heightened promotional activity in Russia and Eastern Europe, in part reflecting a strengthening Russian Rouble
- Market demand, albeit lower, remains supportive of continued strong revenue growth, and we are addressing supply challenges to re-accelerate revenue outperformance
- Reported revenue growth +4.1% in Q3 2017 (+17.8% 9M 2017)

LFL revenue (€m) and sales growth



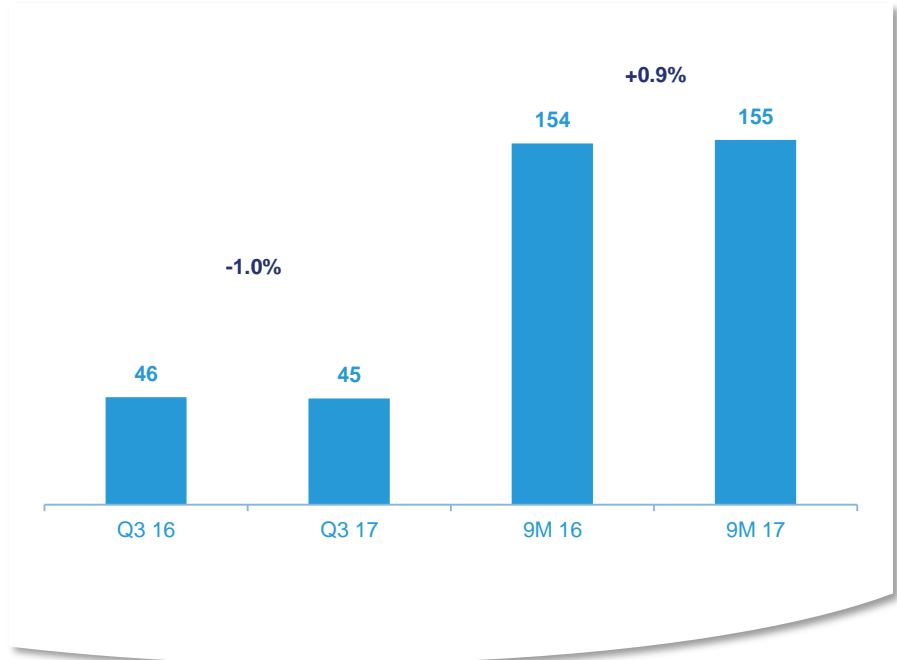
MENA: 7% of Q3 reported group sales



Babycare in Turkey more than offsets progress in rest of Division

- Like-for-like revenue down 1.0% in Q3 2017 (+0.9% in 9M 2017)
- Market environment remained particularly challenging in Turkey, and in the Babycare category with Canbebe and other leading Babycare brands affected by growth of low-price products
- Positive LFL evolution elsewhere:
 - Adult Inco in Turkey continued to gain share in a growing market
 - Volume-led growth in other markets
- Have taken price increases factoring in currency weakness
- Reported revenue growth -11.2% in Q3 2017 (-6.9% 9M 2017)

LFL revenue (€m) and sales growth



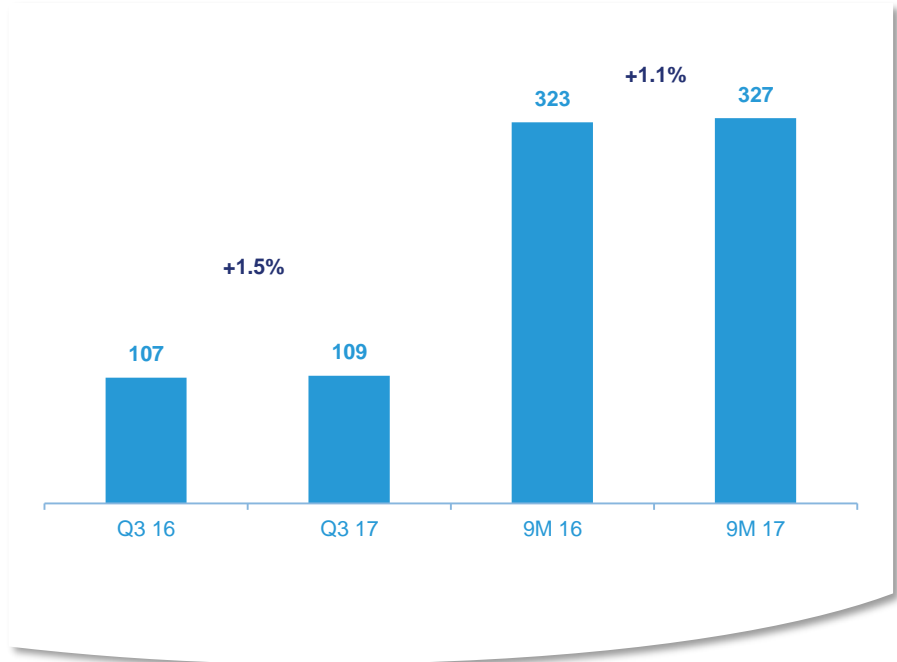
Healthcare: 18% of Q3 reported group sales



Higher volumes driven by continued innovation

- Like-for-like revenue up 1.5% in Q3 2017 (+1.1% 9M 2017)
- Increased volumes of branded Adult inco products
- Continued innovation by Serenity in Spain, where we strengthened our offering with the launch of pants
- Focused on providing solutions in line with end market needs, leveraging our product portfolio and range of services
- Reported revenue +0.8% in Q3 2017 (+0.1% in 9M 2017)

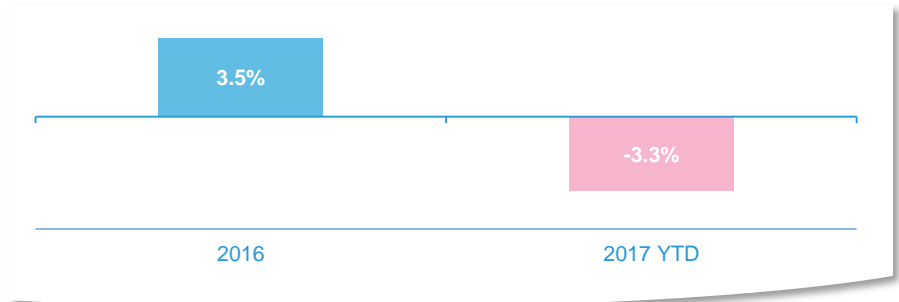
LFL revenue (€m) and sales growth



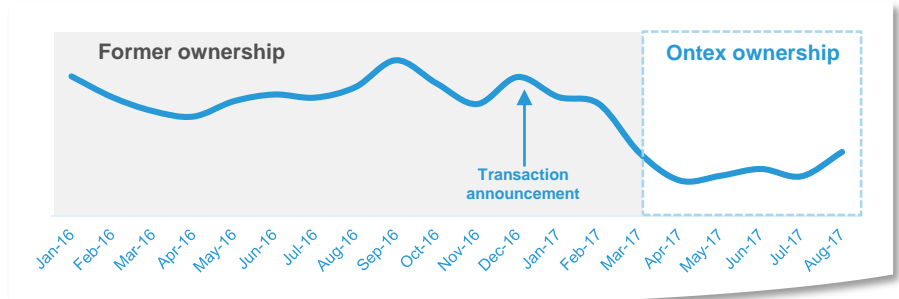
Taking strong actions in challenging diaper market conditions

- New management team in place since June 2017
- Starting to see positive signs following actions taken to improve competitiveness and defend our baby diaper share
- Anticipate pressures in Brazil will continue in the near-term
- However, actions taken to further implement our integration plan in Brazil, are expected to start showing benefits during the second half of 2018
- Longer term, we remain confident in the opportunities and financial benefits

Brazil baby diaper market value



Ontex value market share – Brazil baby diapers



Margins lower, impacted by raw materials, Brazil and FX

Key margin drivers

Adjusted EBITDA up 7.9% to €68.2 million

- Mainly influenced by:
 - Strong top line performance and savings programs offset higher raw material costs and increased distribution expenses
 - Continued investment in commercial capabilities to underpin future market outperformance
- Adjusted EBITDA margin at 11.5% in Q3 2017, down 88 bps year-on-year
 - Mainly due to negative FX impact of €2.2 million and temporary adverse result in our new Brazil business

Negative foreign exchange impact on Adjusted EBITDA in Q3 2017

- -€2.2 million mainly driven by a weakening of the British Pound, Turkish Lira and Brazilian Real, while the Russian Rouble strengthened

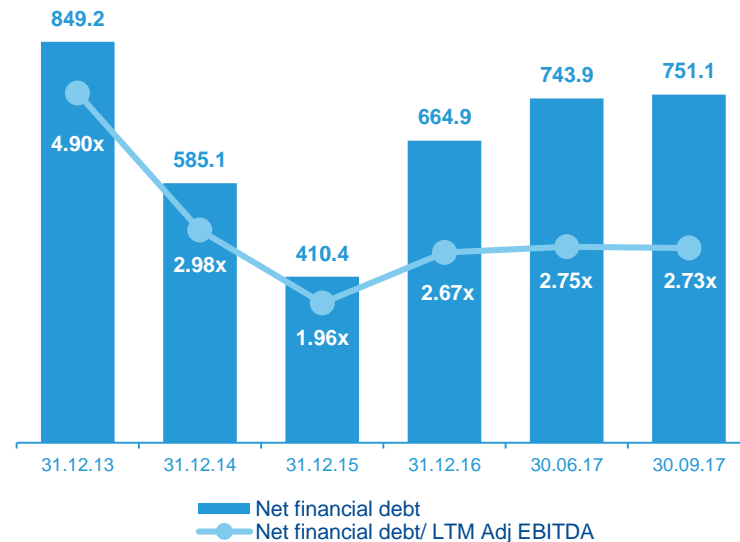
Maintained resilient balance sheet

Reported debt position and liquidity as of September 30, 2017

Net Debt Calculation		(€m)
Gross debt		945.7
Cash & cash equivalents		194.6
Net debt		751.1

Leverage Calculation		(€m)
Net debt		751.1
LTM Adjusted EBITDA		275.1
Net debt/LTM Adjusted EBITDA		2.73x

Reported net debt position as of 30 September, 2017



Note: Reported net debt includes acquisition related earn-outs since 31/03/2016; the earn-out was €32.7 million at 30/09/2017 and €94.2 million at 30/09/2016.



Outlook



Strategic progress and priorities

- Expect to continue top-line outperformance in our markets in Q4, led by category growth in Adult Inco, which will confirm an annual run rate of €2.4 billion revenue
- Pressures in Brazil expected to continue which, together with FX and commodities headwinds, will put Q4 margins slightly below Q3
- Actions taken to increase group-wide capacity of margin-accretive products, as well as to further implement our integration plan in Brazil, are expected to start showing benefits during the second half of 2018
- Positive benefits to EPS



Q&A





Appendix



Performance overview for Q3 & 9M 2017



In millions of Euro	Q3 2017	Q3 2016	% as reported	% LFL	9M 2017	9M 2016	% as reported	% LFL
Per Division								
Mature markets retail	227.8	214.6	6.1%	6.0%	673.6	640.6	5.1%	4.6%
Growth markets	45.6	43.8	4.1%	2.7%	142.1	120.6	17.8%	9.5%
Healthcare	107.7	106.8	0.8%	1.5%	323.6	323.4	0.1%	1.1%
MENA	40.6	45.7	(11.2%)	(1.0%)	143.1	153.7	(6.9%)	0.9%
Americas Retail	170.8	99.3	71.9%	7.0%	483.9	234.4	106.4%	11.4%
Per Category								
Babycare	353.4	297.8	18.6%	4.6%	1,065.8	846.0	26.0%	6.1%
Femcare	56.4	53.2	6.0%	4.8%	166.2	157.5	5.5%	3.0%
Adult incontinence	172.9	150.2	15.1%	4.7%	513.2	448.6	14.4%	4.6%
Other (Traded goods)	9.8	8.9	9.7%	(12.8%)	21.2	20.7	2.2%	(22.0%)
Per Geographic Area								
Western Europe	270.9	264.0	2.6%	3.2%	807.2	785.9	2.7%	3.2%
Eastern Europe	78.8	73.9	6.7%	4.2%	230.5	220.8	4.4%	(1.2%)
Americas	171.4	100.0	71.5%	6.9%	486.7	237.0	105.4%	11.3%
Rest of the world	71.3	72.4	(1.5%)	5.3%	241.8	229.1	5.6%	10.0%

n.a: not applicable
N.M: Not meaningful

The following alternative performance measures (non-GAAP) have been included in this presentation since management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance or our liquidity under IFRS.

- **Like-for-like revenue (LFL):** Like-for-like revenue is defined as revenue at constant currency excluding change in perimeter of consolidation or M&A.
- **Pro-forma revenue at constant currency:** Pro-forma revenue includes 9 months of Mabe and Ontex Brazil in both 9M 2017 and 9M 2016. Pro-forma revenue at constant currency is pro-forma revenue excluding FX.
- **EBITDA and Adjusted EBITDA and related margins:** **EBITDA** is defined as earnings before net finance cost, income taxes, depreciation and amortisation. **Adjusted EBITDA** is defined as EBITDA plus non-recurring income and expenses and excluding non-recurring depreciation and amortisation. **EBITDA and Adjusted EBITDA margins** are EBITDA and Adjusted EBITDA divided by revenue.
- **Net financial debt/LTM Adjusted EBITDA ratio (Leverage):** **Net financial debt** is calculated by adding short-term and long-term debt and deducting cash and cash equivalents. **LTM adjusted EBITDA** is defined as EBITDA plus non-recurring income and expenses and excluding non-recurring depreciation and amortisation for the last 12 months (LTM).
- **Non-recurring Income and expenses:** Non-recurring income and expenses are defined as those items that are considered to be non-recurring or unusual because of their nature. The non-recurring income and expenses relate to:
 - acquisition costs;
 - business restructuring costs, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of factories;
 - asset impairment costs;
 - IPO and refinancing costs.



Thank you

