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Ontex 2017 Trading Update

Consumer demand for Ontex products driving strong LFL revenue growth

Adjusted EBITDA margin impacted by adjustment in Brazil

Aalst-Erembodegem (Belgium), January 30, 2018 – Ontex Group NV (“Ontex”) announced today a trading update based on its preliminary full year 2017 results. The Full Year 2017 results will be published as scheduled on March 6, 2018.

Strong consumer and customer demand for Ontex products continued through the fourth quarter, and this is expected to result in Q4 like-for-like¹ (LFL) revenue growth of 7.2%. Q4 revenue growth remained volume-led, and broad-based across all three personal hygiene categories of baby care, adult incontinence and feminine care. As a result, full year revenue is expected to be €2.35 billion, with LFL revenue growth of 5.5%.

Profitability for the Ontex business, excluding the Brazilian business acquired in 2017, remained resilient in the face of the expected significant headwinds from commodity raw materials. Leveraging strong top-line growth and ongoing savings and efficiencies, the Ontex business excluding Brazil had an adjusted EBITDA margin² of c.12.0% for the full year 2017 (Q4 2017: 11.3%).

However, issues related to commercial practices across the year in our Brazilian business have led to an adjustment estimated at €15 million being charged to revenue and adjusted EBITDA in December, resulting in a negative adjusted EBITDA margin for the Brazilian business in Q4 2017, and 3.8% for the period March to December 2017. Consequently, Ontex Group adjusted EBITDA for FY 2017 is an estimated €266 million and an adjusted EBITDA margin of approximately 11.3% (Q4 2017: 9.1%, which is below the outlook provided in our Q3 2017 Trading Update). We have taken the necessary measures to ensure control of these commercial practices going forward.

Looking ahead to the full year 2018, we expect further LFL revenue growth in highly competitive markets. We have already indicated that commodity headwinds and increased supply chain costs will continue to negatively impact H1 2018, while the effect of our actions, including in Brazil, are expected to become increasingly visible in our profitability in the second half of 2018. We will provide a more detailed 2018 outlook as part of our FY 2017 results on March 6, 2018.

¹ Like-for-like revenue is defined as revenue at constant currency excluding change in perimeter of consolidation or M&A

² Adjusted EBITDA margin is adjusted EBITDA divided by revenue. Adjusted EBITDA is defined as EBITDA plus non-recurring income and expenses and excluding non-recurring impairment of assets

INVESTOR ENQUIRIES

Philip Ludwig
+32 53 333 730
philip.ludwig@ontexglobal.com

PRESS ENQUIRIES

Gaëlle Vilatte
+32 53 333 708
gaelle.vilatte@ontexglobal.com

About Ontex

Ontex is a leading international provider of personal hygiene solutions, with expertise in baby care, feminine care and adult care. Ontex's innovative products are distributed in more than 110 countries through Ontex brands such as BBTips, BioBaby, Pompom, Bigfral, Canbebe, Canped, ID and Serenity, as well as leading retailer brands.

Employing 11,000 passionate people all over the world, Ontex has a presence in 22 countries, with its headquarters in Aalst, Belgium. Ontex is part of the Bel20 and STOXX® Europe 600.

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