



Ontex FY 2018: Resilient performance in a challenging environment

- Enhanced geographic and product portfolio drove solid LFL revenue growth
- Resilient Adj. EBITDA margin at constant currency through savings and price/mix actions
- Execution of turnaround plan in Brazil well on track

Aalst-Erembodegem, March 8, 2019 - Ontex Group NV (Euronext Brussels: ONTEX; 'Ontex,' 'the Group' or 'the Company') today announced its results for the twelve months ending December 31, 2018.

FY 2018 Financial Highlights

- Reported revenue of €2.29 billion (€2.39 billion at constant currency)
 - Like-for-like (LFL) revenue growth of 1.7% thanks to improved pricing and mix
 - Increased pricing more than offset volume decrease
 - Brazil revenue in local currency grew sequentially each quarter in 2018
- Adjusted EBITDA of €234 million (€261 million at constant currency)
 - Adjusted EBITDA margin of 10.9% at constant currency
 - Adjusted EBITDA margin of 10.2%; 11.0% excluding Brazil
 - Brazil Adjusted EBITDA improved sequentially each quarter of 2018
- Adjusted EPS of €1.35 included structurally lower finance costs and lower tax expenses
- Proposed gross dividend of €0.41 per share, in line with Ontex's policy to pay out 35% of net profit

Significant progress in addressing our 2018 priorities

- Focus on profitability of core business: Pricing to mitigate raw material headwinds, enhanced mix and savings program
- More competitive growth portfolio: Further acceleration of pants, first expansion in US retailer brands and in organic tampons
- Sustainable improvements at Ontex Brazil: Baby diaper brands relaunched and production concentrated on one site

Key Financials FY 2018 and Q4 2018

In € million	FY 2018	FY 2017	% Change		Q4 2018	Q4 2017	% Change
Reported Revenue	2,292.2	2,335.0	-1.8%		595.9	583.3	+2.2%
LFL Revenue	2,374.0	2,335.0	+1.7%		613.6	583.3	+5.2%
Adjusted EBITDA	234.0	266.4	-12.2%		58.1	53.5	+8.7%
Adj. EBITDA Margin	10.2%	11.4%	-120 bps		9.8%	9.2%	59 bps
Adj. profit/(loss) for the period	109.7	131.4	-16.5%		-	-	-
Adjusted EPS	1.35	1.65	-18.0%		-	-	-
Profit/(Loss) for the period	97.0	128.4	-24.5%		-	-	-
Basic EPS	1.20	1.61	-25.7%		-	-	-
Adj. Free Cash Flow (post tax)	80.0	71.0	+12.8%		-	-	-
Net Debt	760.0	744.2	+2.1%		N.A.	N.A.	N.A.



Following the implementation of IFRS 15 – Revenue from contracts with Customers as from January 2018, prior year figures have been re-stated to ensure comparability. There is no impact on operating profit and EBITDA.

All definitions of Alternative Performance Measures (APMs) in this press release can be found in Note 5 of the Notes to the Consolidated Financial Information. Unless otherwise indicated, comments on changes in revenue are on a like-for-like basis. Due to rounding, numbers presented throughout this press release may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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In € million	FY 2018	FY 2017	% Change		Q4 2018	Q4 2017	% Change
Net Debt / LTM Adj. EBITDA	3.25x	2.79x	N.A.		N.A.	N.A.	N.A.

Ontex Group reported revenue includes 12 months of Ontex Brazil in FY 2018, and 10 months of Ontex Brazil in FY 2017

Transform to Grow (T2G) program and appointment of Thierry Navarre as Chief Transformation Officer

In Q4 2018, we initiated Transform to Grow (“T2G”), our comprehensive transformation program to enhance Ontex’s competitiveness and return to sustainable growth. In this context, Thierry Navarre has been appointed to the new role of Chief Transformation Officer to lead this critical program, after serving for 10 years as Chief Operating Officer.

New organization and reporting structure implemented

We have revamped our organization in order to better seize opportunities arising from our geographic expansion with the establishment of new growth platforms in the Americas and sub-Saharan Africa, improve execution and bolster focus on our competitive differentiators. The Company’s commercial activities are now organized in three Divisions:

- **Europe**, which is predominantly focused on retail brands
- **Americas, Middle East, Africa and Asia (AMEAA)**, which is predominantly focused on local brands
- **Healthcare**, which continues to focus on the institutional markets and dedicated incontinence brands

Group Manufacturing and Supply Chain have been regrouped into a newly-created Operations unit, with a focus on production efficiency and customer service excellence.

As of Q1 2019, Ontex’s revenue will be presented in accordance with these three commercial Divisions. Please see annex B in this release for 2018 revenue restated accordingly.

Investor Update

We will host an Investor Update event on Wednesday, May 8, 2019, the day of our Q1 2019 Trading Update. The Trading Update conference call for investors and analysts will take place at 9.00am CET/8.00am UK, with a meeting for investors and analysts in London following later that day.

The event will be hosted by members of the Ontex management team and will provide an update on Ontex’s strategy and its implementation, leveraging the outcome of our T2G program currently underway.

Management comment

Charles Bouaziz, Ontex CEO, commented: *“Ontex delivered sound LFL revenue growth in 2018 despite a difficult market environment. Both Adult Inco and Femcare sales grew, while Babycare sales improved in H2 after a slow start to the year. Dynamic pricing actions and continued savings mitigated the strong raw materials and FX headwinds that we faced in 2018. As a result, our adjusted EBITDA margin decrease was*



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contained to 50bps at constant currency. Furthermore, we delivered higher adjusted free cash-flow. Ontex is fully mobilized to make the T2G transformation program a success. We will provide an update of our strategy and ambitions going forward during the investor event scheduled in London on May 8."

Outlook

For 2019, we anticipate further top-line growth in developing markets, and lower revenue in developed markets. We expect to improve adjusted EBITDA at constant currency¹, despite a slow start to the year in Q1 2019 due to continued, but stabilizing, raw material and FX headwinds. Our pricing, mix improvement and cost savings actions should start taking effect in the second half of the year.

As a consequence of our increased international footprint, going forward we will report adjusted EBITDA at constant currency alongside LFL revenue, as they provide a fairer measure of our underlying performance.

¹Irrespective of the impact of IFRS 16. IFRS 16 *Leases* is effective for the reporting periods beginning on January 1, 2019. A complete disclosure on the application of the new standard at Ontex will be available in the Notes to the 2018



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Consolidated Financial Statements to be issued in advance of the Annual General Meeting of Shareholders. Based on the current assessment conducted at closing 2018, the initial right-of-use assets (mainly comprising plants, offices, machinery and vehicles) and the lease liabilities amount to €147 million. If IFRS 16 had been applied as from January 1st, 2018, EBITDA for that year would have been between €28 and €30 million higher.

Market Dynamics

Personal hygiene markets (Babycare, Femcare and Adult Inco categories) in which Ontex is present remained broadly unchanged overall in 2018 compared with 2017. Babycare category value decreased, with lower volumes, but price/mix turned positive and the shift from baby diapers to baby pants continued. As expected, Adult Inco showed the highest category value growth.

Retailer brands maintained their solid position in all three personal hygiene categories as a competitive alternative to international brands in Western Europe, while retailer brands continued to grow faster than the overall market in Russia.

Market indices for most of the main commodity raw materials increased during the year and were materially higher on average in 2018 compared to 2017.

Most currencies we do business in weakened versus the euro in 2018.

Operational Review: Categories

in € million	Twelve Months				Fourth Quarter			
	FY 2018	FY 2017	% Δ as reported	% Δ at LFL	Q4 2018	Q4 2017	% Δ as reported	% Δ at LFL
Ontex Reported Revenue ¹	2,292.2	2,335.0	-1.8%	1.7%	595.9	583.3	2.2%	5.2%
Babycare	1,345.1	1,410.5	-4.6%	-0.6%	358.9	356.6	0.7%	3.7%
Adult Inco	693.6	689.5	0.6%	3.8%	174.9	178.1	-1.8%	1.7%
Femcare	222.8	221.2	0.7%	1.6%	53.6	55.5	-3.6%	-3.2%
Other	30.6	13.8	N.M.	N.M.	8.5	-6.9	N.M.	N.M.

¹ Q4 2017 revenue reflects the impact of the €15 million negative adjustment to Brazil net sales reported in that quarter.

Babycare

Babycare revenue was slightly lower at -0.6% for FY 2018. However, sales improved in the second half of the year. Revenue of Baby pants continued to grow strongly, benefiting from additional production capacity which came on stream during 2018. Sales of our local baby diaper brands rose in the majority of our markets.

Adult Inco

FY 2018 Adult Inco revenue grew 3.8%. Sales in retail channels rose 9% due to the leadership positions of our brands in several developing markets. Revenue also rose in institutional channels. Growth of Adult pants was an important driver of category sales, supported by investments in increased production capacity.

Femcare

Revenue in Femcare was up 1.6% in FY 2018, mainly driven by growing organic cotton tampon sales. This category was supported by consumer trends towards more natural materials in both products and packaging.

Operational Review: Divisions

in € million	Twelve Months				Fourth Quarter			
	FY 2018	FY 2017	% Δ as reported	% Δ at LFL	Q4 2018	Q4 2017	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	2,292.2	2,335.0	-1.8%	1.7%	595.9	583.3	2.2%	5.2%
Mature Market Retail	880.2	900.7	-2.3%	-1.8%	217.2	227.5	-4.5%	-4.2%
Americas Retail	618.0	624.1	-1.0%	4.5%	176.0	150.5	17.0%	21.8%
Healthcare	435.6	433.4	0.5%	0.8%	106.9	109.8	-2.6%	-2.5%
Growth Markets	197.6	192.3	2.7%	9.5%	50.8	50.4	0.8%	6.1%
MENA	160.8	184.5	-12.8%	2.6%	44.9	45.1	-0.5%	14.9%

Mature Market Retail

Mature Market Retail revenue decreased 1.8% in FY 2018 on a challenging comparable base following strong growth of 5.1% in 2017. Solid increases in revenue of Baby pants and Adult pants did not fully offset the anticipated decline in baby diapers. This resulted from a price increase to partly compensate materially higher input costs across the Group. We strengthened further our capabilities to build our customers' businesses through investments in additional production capacity, including a new plant in Poland, demonstrating our commitment to Central and Eastern European markets.

Americas Retail

Americas Retail delivered a 4.5% increase in revenue in FY 2018, strongly outperforming the market. Higher sales resulted from volume increases in most markets and positive price/mix. In Mexico, we had another year of solid market share performance in both Baby care and Adult Inco, based on our portfolio of strong local brands, complemented with innovations such as baby diapers with enhanced softness and absorption. Sales in the US grew strongly thanks to our first retailer brand diaper for a leading US customer, leveraging the deep knowledge we have gained in Europe. Feminine Care sales in the US increased thanks to the growing trend towards organic lifestyle products. In Brazil, our team made major strides in strengthening the business, including concentrating all production on one site, starting up Ontex proprietary production lines and re-launching two of our local baby diaper brands. In local currency, sales in Brazil improved sequentially each quarter of 2018, resulting in a limited decrease on a LFL basis.

Healthcare

Revenue in Healthcare increased 0.8% in FY 2018, ahead of estimated underlying market growth. The consistent focus on leveraging our brands such as Serenity and iD, and developing sales in self-pay channels, were important drivers. During the year, we launched a new high-absorbency adult pants platform, bringing enhanced levels of comfort, discretion and femininity to meet consumer needs. We generated double-digit growth in sales of Adult pants through additional capacity.

Growth Markets

Growth Markets revenue grew 9.5% in FY 2018, significantly ahead of its relevant markets. This solid progress was the result of increased volumes as well as an improved product mix, with particularly strong growth in Adult and Baby pants, in which the Group has stepped up investment over the past two years. We also strengthened our market leadership in baby diapers in Ethiopia since we started local production in mid-2017. Despite continuously rising industry input costs and negative FX, the pricing environment in Eastern Europe remained highly competitive as all players focused on market share.

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MENA

Revenue in Middle East and North Africa increased by 2.6% in FY 2018 with double-digit sales growth in the second half of the year. Our local teams navigated well in volatile environments marked by significantly weaker currencies by adapting pricing, launching innovations, stepping up in-store commercial activities and leveraging the strength of Canped, our leading Adult Inco brand. We also made important investments in upgrading our production capabilities, which should position us well for future growth.

Operational Review: Geographies

in € million	Twelve Months				Fourth Quarter			
	FY 2018	FY 2017	% Δ as reported	% Δ at LFL	Q4 2018	Q4 2017	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	2,292.2	2,335.0	-1.8%	1.7%	595.9	583.3	2.2%	5.2%
Western Europe	1,075.2	1,073.9	0.1%	0.2%	262.4	267.1	-1.8%	-1.8%
Eastern Europe	292.9	314.4	-6.8%	-3.1%	78.8	84.0	-6.2%	-2.7%
Americas	620.2	628.1	-1.2%	4.2%	176.4	151.7	16.3%	21.0%
ROW	303.8	318.6	-4.7%	6.3%	78.4	80.5	-2.6%	6.8%

Most geographies contributed to higher revenue in FY 2018. The proportion of Group revenue by geography remained broadly unchanged, despite the strong negative FX impacts outside of Western Europe, confirming the benefit of our increased presence in faster growing markets.

FINANCIAL REVIEW

Selected P&L Financial Information

in € million	Twelve Months		
	FY 2018	FY 2017	% Δ
Ontex Reported Revenue	2,292.2	2,335.0	-1.8%
Cost of sales	(1,666.5)	(1,674.4)	-0.5%
Gross margin	625.7	660.6	-5.3%
Operating expenses	(448.7)	(447.9)	0.2%
Non-recurring income and expenses	(24.3)	(4.4)	438.9%
Operating profit	152.8	208.3	-26.7%
Net finance cost	(28.6)	(43.8)	-34.6%
Income tax expense	(27.2)	(36.1)	-24.8%
Profit for the period	97.0	128.4	-24.5%
Basic EPS	1.20	1.61	-25.7%

Selected Liquidity Financial Information

in € million	Twelve Months		
	FY 2018	FY 2017	% Δ
Adjusted Free Cash Flow (post tax)	80.0	71.0	12.8%
- Of which change in WC	(11.0)	(38.7)	-71.6%
- Of which Capex	(103.8)	(111.9)	-7.2%
Net debt	760.0	744.2	2.1%

N.M. not meaningful

Gross Margin

Gross margin of €625.7 million in FY 2018 was 5.3% lower than the previous year. As a result, gross margin as a percentage of sales was 27.3%, 99 basis points below 2017. Improved pricing and significant savings and efficiencies more than compensated for higher raw material costs; however, our actions could not fully offset the strong negative FX impacts.

Adjusted EBITDA

2018 Adjusted EBITDA was €234.0 million, 12.2% lower than a year ago. The decrease is mainly explained by the lower gross margin detailed above. Distribution expenses as a percentage of sales in 2018 were at the same level as in 2017, with improvement in the second half of 2018 as additional production capacity became available. We also continued to invest in sales, marketing and R&D to support top-line growth.

Foreign Exchange

As disclosed during 2018, variations in foreign exchange rates versus the euro resulted in strong negative impacts on Group reported revenue and Adjusted EBITDA. The estimated full year impact on Group revenue was -€102 million, related to most currencies in which we do business, predominantly the Brazilian Real, the Mexican Peso, the Turkish Lira and the Russian Rouble.

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The estimated FX impact on Adjusted EBITDA in 2017 was -€27 million, also related to most currencies in which we do business except for the US Dollar, which had a positive effect due to raw material purchases in this currency.

Net Finance Costs

Net finance costs decreased by c. 35% to €28.6 million, driven by lower finance expenses from the full refinancing of the Group's debt at the end of 2017.

Income Tax Expense

The 2018 income tax expense was €27.2 million, with an effective tax rate of 21.9%, below our guidance of approximately 24%.

Working Capital

Working capital as a percentage of revenue was 11.2% in 2018, well within our objective of keeping working capital requirements at or below 12% of revenue. Efforts continued in order to achieve structural improvements in working capital on an ongoing basis, while ensuring full support for the business.

Capex

2018 capital expenditures were €103.8 million, or 4.5% of revenue. As foreseen, capex in 2017 and 2018 was a higher proportion of revenue than in previous years, mostly due to the planned update of production lines at Ontex Brazil, and to the acceleration of investment in Baby and Adult pants capacity, which have posted faster growth.

Adjusted Free Cash Flow (post tax)

Adjusted free cash flow (post tax) was €80.0 million in 2018, an increase of 12.8% compared to the previous year. This increase is mainly due to decreased working capital, as well as lower capex and cash taxes paid versus 2017.

Financing or Net Debt

At December 31, 2018 net debt was €760.0 million, and net leverage based on the last twelve months Adjusted EBITDA was 3.25x. The full refinancing of Group debt at the end of 2017 resulted in a meaningful extension of debt maturities, with no material repayments due until 2022 and 2024, as well as a lower cost of debt, with the interest rate risk largely hedged.

Corporate information

The above press release and related financial information of Ontex Group NV for the twelve months ended December 31, 2018 was authorized for issue in accordance with a resolution of the Board on March 7, 2019.

CONFERENCE CALL

Management will host a presentation for investors and analysts on March 8, 2019 at 8:00am GMT/9:00am CET.

A copy of the presentation slides will be available at <http://www.ontexglobal.com/>

If you would like to participate in the conference call, please dial-in 5 to 10 minutes prior using the details below:

United Kingdom	+44 (0)330 336 9411
United States	+1 323-994-2093
Belgium	+32 (0)2 400 6926
France	+33 (0)1 76 77 22 57
Germany	+49 (0)69 2222 2018
Passcode:	5363865

FINANCIAL CALENDAR 2019

Q1 2019	May 8, 2019
AGM	May 24, 2019
H1 2019	July 31, 2019
Q3 2019	November 6, 2019

ENQUIRIES

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

Note 1 Legal Status

Ontex Group NV is a limited-liability company incorporated as a “naamloze vennootschap” (“NV”) under Belgian law with company registration number 0550.880.915. Ontex Group NV has its registered office at Korte Keppestraat 21, 9320 Erembodegem (Aalst), Belgium. The shares of Ontex Group NV are listed on the regulated market of Euronext Brussels.

Note 2 Accounting Policies

The accounting policies used to prepare the financial statements for the period from January 1, 2018 to December 31, 2018 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2017 of Ontex Group NV, except for the introduction of the new requirements applied to revenue as a result of the application of IFRS 15 – *Revenue from Contracts with Customers* and IFRS 9 – *Financial Instruments*. The accounting policies have been consistently applied to all the periods presented.

The impact of the changes in accounting policies due to the application of IFRS 15 on the consolidated income statement for the year ended December 31, 2018 is presented below. As a result of the application of the revised accounting policies due to the application of IFRS 15 on a full retrospective basis, reclassifications were done in the consolidated income statement for the year ended December 31, 2017 relating to fees paid to customers and agents for distinct services from net sales to distribution expenses and sales and marketing expenses for respectively € 12.2 million and € 8.2 million:

in € million	2017	IFRS 15	2017
	As reported	Restatement	Restated
Mature Market Retail	901.7	(0.9)	900.7
Growth Markets	193.1	(0.8)	192.3
Healthcare	433.4	-	433.4
MENA	189.8	(5.3)	184.5
Americas Retail	637.5	(13.4)	624.1
Ontex Group Revenues	2,355.4	(20.4)	2,335.0
Cost of sales	(1,674.4)	-	(1,674.4)
Gross Margin	681.0	(20.4)	660.6
Distribution expenses	(225.3)	12.2	(213.1)
Sales and marketing expenses	(162.7)	8.2	(154.5)
General administrative expenses	(79.7)	-	(79.7)
Other operating income/(expenses), net	(0.5)	-	(0.5)
Income and expenses related to changes to Group structure	(4.4)	-	(4.4)
Income and expenses related to impairments and major litigations	(0.1)	-	(0.1)
Operating profit	208.3	-	208.3

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Note 3 Events after the Reporting Period

On March 7 2019, Ontex informed its employees at the Yangzhou (China) plant of its intention to cease production by mid-2019. This plant primarily manufactures feminine care products for the Western European market, and this production will be re-allocated to other Ontex plants. Ontex does not expect this decision to have a significant impact on the Group financial results.

Note 4 Auditors Report

The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

Note 5 Alternative Performance Measures

Alternative performance measures (non-GAAP) are used in this press release since management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measure 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 scope of consolidation or M&A.

Non-recurring Income and expenses

Items classified under the heading non-recurring income and expenses are those items that are considered by management not to relate to items in the ordinary course of activities of the Company. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the “normal” performance of the company due to their size or nature. The non-recurring income and expenses relate to:

- acquisition-related expenses;
- changes to the measurement of contingent considerations in the context of business combinations;
- business restructuring costs, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of factories;
- impairment of assets.

Non-recurring income and expenses of the Group are composed of the following items presented in the consolidated income statement:

- Income/(expenses) related to changes to Group structure; and
- Income/(expenses) related to impairments and major litigations.

EBITDA and Adjusted EBITDA and related margins

EBITDA is defined as earnings before net finance cost, income taxes, depreciations and amortizations. Adjusted EBITDA is defined as EBITDA plus non-recurring income and expenses. EBITDA and Adjusted EBITDA margins are EBITDA and Adjusted EBITDA divided by revenue.

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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 for the last twelve months (LTM).

Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as Adjusted EBITDA less capital expenditures (Capex, defined as purchases of property, plant and equipment and intangible assets), less change in working capital, less income taxes paid.

Adjusted Profit & Adjusted EPS (earnings per share)

Adjusted Profit is defined as profit for the period plus non-recurring income and expenses and tax effect on non-recurring income and expenses, attributable to the owners of the parent. Adjusted EPS is Adjusted Profit divided by the weighted average number of ordinary shares.

Working Capital

The components of our working capital are inventories plus trade receivables and prepaid expenses and other receivables plus trade payables and accrued expenses and other payables.

ANNEX A ONTEX GROUP NV CONSOLIDATED FINANCIAL INFORMATION**CONSOLIDATED INCOME STATEMENT**

in € million	Full Year	
	2018	2017 Restated ¹
Revenue	2,292.2	2,335.0
Cost of sales	(1,666.5)	(1,674.4)
Gross Margin	625.7	660.6
Distribution expenses	(208.7)	(213.1)
Sales and marketing expenses	(158.8)	(154.5)
General administrative expenses	(83.0)	(79.7)
Other operating income/(expenses), net	1.9	(0.5)
Income and expenses related to changes to Group structure	(15.5)	(4.4)
Income and expenses related to impairments and major litigations	(8.8)	(0.1)
Operating profit	152.8	208.3
Finance income	2.5	12.3
Finance costs	(29.9)	(48.3)
Net exchange differences relating to financing activities	(1.2)	(7.8)
Net finance cost	(28.6)	(43.8)
Profit / (Loss) before income tax	124.2	164.5
Income tax expense	(27.2)	(36.1)
Profit / (Loss) for the period from continuing operations	97.0	128.4
Profit / (Loss) for the period	97.0	128.4
Profit / (Loss) attributable to:		
Owners of the parent	97.0	128.4
Non-controlling interests	-	-
Profit / (Loss) for the period	97.0	128.4

¹ Following the implementation of IFRS 15 – *Revenue from contracts with Customers* as from January 2018, prior year figures have been re-stated to ensure comparability.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		
in € million	December 31, 2018	December 31, 2017
Non-current Assets		
Goodwill	1,165.2	1,163.6
Intangible assets	51.8	50.6
Property, plant and equipment	599.9	578.3
Deferred tax assets	26.5	18.3
Non-current receivables	5.1	3.9
	1,848.5	1,814.7
Current Assets		
Inventories	365.9	327.2
Trade receivables	355.4	369.8
Prepaid expenses and other receivables	69.1	80.6
Current tax assets	12.5	7.1
Derivative financial assets	3.6	1.6
Cash and cash equivalents	130.6	118.5
Non-current assets held for sale	4.0	-
	941.1	904.8
TOTAL ASSETS	2,789.6	2,719.5
EQUITY AND LIABILITIES		
in € million	December 31, 2018	December 31, 2017
Equity attributable to owners of the company		
Share capital & Premium	1,208.0	1,208.0
Treasury shares	(42.1)	(31.3)
Cumulative translation reserves	(189.7)	(158.9)
Retained earnings and other reserves	208.0	160.2
TOTAL EQUITY	1,184.2	1,178.0
Non-current liabilities		
Employee benefit liabilities	22.6	21.7
Provisions	-	0.4
Interest-bearing debts	786.6	772.0
Deferred tax liabilities	49.9	42.8
Other payables	0.3	0.2
	859.4	837.1
Current liabilities		
Interest-bearing debts	104.0	69.9
Derivative financial liabilities	6.7	4.2
Other current financial liabilities	0.0	20.8
Trade payables	501.0	473.3
Accrued expenses and other payables	31.8	32.8
Employee benefit liabilities	47.9	44.7
Current tax liabilities	46.0	50.9
Provisions	8.6	7.8
	746.0	704.4
TOTAL LIABILITIES	1,605.4	1,541.5
TOTAL EQUITY AND LIABILITIES	2,789.6	2,719.5

CONSOLIDATED STATEMENT OF CASH FLOWS

in € million	Full Year	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	97.0	128.4
Adjustments for:		
Income tax expense	27.2	36.1
Depreciation and amortization	56.9	53.7
(Profit) / loss on disposal of property, plant and equipment	7.1	0.3
Provisions (including employee benefit liabilities)	5.3	(0.2)
(Gain) / loss on earn-out liabilities	(4.9)	(7.8)
Net finance cost	28.6	43.8
Changes in working capital:		
Inventories	(39.9)	(8.3)
Trade and other receivables and prepaid expenses	24.5	(56.4)
Trade and other payables and accrued expenses	4.4	26.1
Employee benefit liabilities	2.6	(1.5)
Cash from operating activities before taxes	208.8	214.2
Income taxes paid	(39.1)	(44.9)
NET CASH GENERATED FROM OPERATING ACTIVITIES	169.7	169.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(103.8)	(111.9)
Proceeds from disposal of property, plant and equipment and intangible assets	2.6	(0.6)
Payment for acquisition of subsidiary, net of cash acquired	(16.5)	(297.6)
Commitments from business combinations	(0.3)	(7.1)
NET CASH USED IN INVESTING ACTIVITIES	(118.0)	(417.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	58.6	1,108.2
Borrowing expenses paid	-	(3.9)
Repayment of borrowings	(25.4)	(1,087.7)
Interests paid	(21.8)	(28.3)
Interests received	2.5	3.3
Cost of refinancing & Other costs of financing	(3.0)	(10.7)
Realized foreign exchange (losses)/gains on financing activities	(0.5)	0.7
Derivative financial assets	(1.2)	(2.4)
Dividends paid	(48.8)	(44.8)
Capital increase (net of issuance expenses new shares)	-	219.2
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(39.6)	153.6
NET DECREASE IN CASH AND CASH EQUIVALENTS	12.1	(94.3)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	118.5	212.8
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	130.6	118.5

Additional Financial Information

EARNINGS PER SHARE

in €	Full Year	
	2018	2017
Basic earnings per share	1.20	1.61
Diluted Basic earnings per share	1.20	1.61
Adjusted basic earnings per share	1.35	1.65
Adjusted diluted earnings per share	1.35	1.64
Weighted average number of ordinary shares outstanding during the period	81,020,929	79,661,317
Total number of shares as of December 31	82,347,218	82,347,218

Additional Financial Information

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EBITDA and Adjusted EBITDA

In € million	Full Year	
	2018	2017
Operating Profit	152.8	208.3
Depreciation and amortization (1)	56.9	53.7
EBITDA	209.7	262.0
Non-recurring income and expenses	24.3	4.4
Adjusted EBITDA	234.0	266.4

Adjusted net profit (Adjusted basic earnings)

in € million	Full Year	
	2018	2017
Profit / (Loss) for the period	97.0	128.4
Non-recurring income and expenses	24.3	4.4
Tax correction	(11.6)	(1.4)
Adjusted net profit (Adjusted Basic Earnings)	109.7	131.4

Adjusted Free Cash Flow

in € million	Full Year	
	2018	2017
Operating profit	152.8	208.3
Depreciation and Amortization	56.9	53.7
EBITDA	209.7	262.0
Non-recurring income and expenses	24.3	4.4
Adjusted EBITDA	234.0	266.4
Change in Working Capital		
Inventories	(39.9)	(8.3)
Trade and other receivables and prepaid expenses	24.5	(56.4)
Trade and other payables and accrued expenses	4.3	26.1
Capex	(103.8)	(111.9)
Adjusted Free Cash Flow (pre-tax)	119.1	115.9
Income taxes paid	(39.1)	(44.9)
Adjusted Free Cash Flow (post-tax)	80.0	71.0

ANNEX B ONTEX GROUP 2018 REVENUE UNDER 2019 STRUCTURE

in € million	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Ontex Reported Revenue¹	558.1	571.5	566.6	595.9	2,292.2
Europe	253.0	261.5	252.0	254.2	1,020.7
AMEAA	191.9	202.0	207.1	234.8	835.8
Healthcare	113.2	108.0	107.5	106.9	435.6

DISCLAIMER

This report may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, Ontex's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in this report regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this report.

The information contained in this report is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance should be placed on it.

In most of the tables of this report, amounts are shown in € million for reasons of transparency. This may give rise to rounding differences in the tables presented in the trading update.

This trading update has been prepared in Dutch and translated into English. In the case of discrepancies between the two versions, the Dutch version will prevail.