Ontex

Hygienic Disposables

Financial Results - FY 2013

Charles Bouaziz, Chief Executive Officer

Jacques Purnode, Chief Finance Officer

Forward Looking Statements



This Presentation 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.

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Agenda



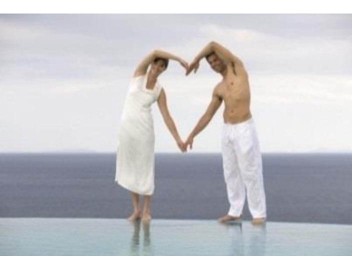
1. Key Achievements & Strategy Update

2. Financial Review

3. Outlook & Closing Remarks



Key Achievements & Strategy Update




Solid Financial Performance Delivered in 2013



14.0% increase in Sales

- Reported Group sales at €1,491.9 million in FY 2013
- +8.1% at constant currency and excluding Serenity (€1,414.5 million)
- Fourth quarter sales rise 15.6% year-on-year
- Strong year for Babycare products with sales up 11.4% at constant currency

16.6% increase in Adjusted EBITDA

- Adjusted EBITDA reached €175.0 million (including €19.3 million of adverse currency impact)
- Adjusted EBITDA margin improved by 26 bps to 11.7%
- Adjusted EBITDA margin of 12.1% in the fourth quarter

74.2% increase in FCF

- FCF generation was €103.8 million as of Dec 31, 2013 and €51.8 million in the fourth quarter
- Improving working capital management
- €61.3 million of cash and cash equivalent as of Dec 31, 2013
- Net Debt at €849.3 million as of Dec 31, 2013
- RCF fully repaid as of Dec 31, 2013

Macro Drivers: K-C European Volumes Redistributed In Market, Currency Fluctuations Impact Trading Environment



Currencies

- Adverse currency movements in particular from the GBP, TRY, AUD
- Mitigated by fluctuations of USD against EUR
- Hedging mechanisms implemented in Q4 2013

Raw Materials/ Sourcing

- Pricing in line with expectations throughout 2013
- Temporary inventory surplus build up at the end of 2012 has been resolved

Retailers/Client base

- Retailers remained focused on price of products, but management believes that attention to quality and innovation is growing, in particular in Western Europe

Competitors

- Kimberly Clark (K-C) volumes mostly redistributed amongst Ontex and peers, following K-C's exit from the diaper category (Huggies and private label) in Western Europe in late 2012/early 2013

Operational focus on maximising the Retailer brands opportunity created by K-C's announcement
Continuous and rigorous monitoring of other key macro variables

Successful Execution on 2013 Key Priorities



Strengthened position in Western & Eastern Europe

- Volume opportunity offered by K-C withdrawal captured, in line with Management expectations
- Strong volumes gained from K-C's former Huggies contracts
- Market share growth, in particular in Poland and the UK, underpinned by growing sales to existing customer base

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Enhanced value proposition in Healthcare and Incontinence

- Successful integration of Serenity, with financial and operational synergies being delivered in line with expectations
- Product and client portfolio rationalisation in Healthcare completed in most markets, allowing for improved margin

☑

Continued to expand in Emerging Markets

- Encouraging demographic prospects
- Continued to experience strong growth, in particular, in Algeria and Morocco
- Plant in Pakistan opened in Q4 2013
- Sales outside Turkey now representing over 50% of MEA division

☑

Optimised manufacturing footprint, identified additional efficiencies

- Recklinghausen facility closed and machines redeployed to other sites. Timing and financial considerations in line with original assumptions
- Further focus on manufacturing, procurement and R&D led to additional efficiencies and cost savings in 2013

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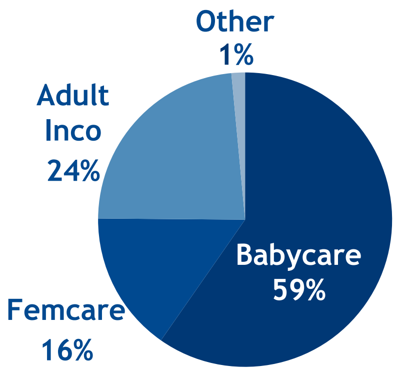
Greater Revenue Diversification Across the Entire Business Support Growth Profile

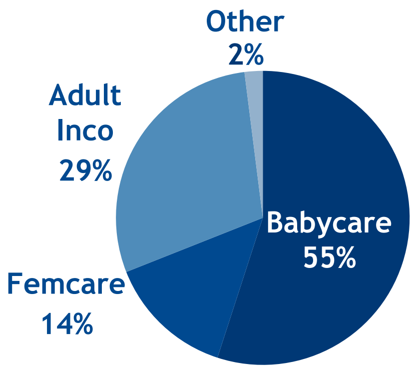


Sales split by product category

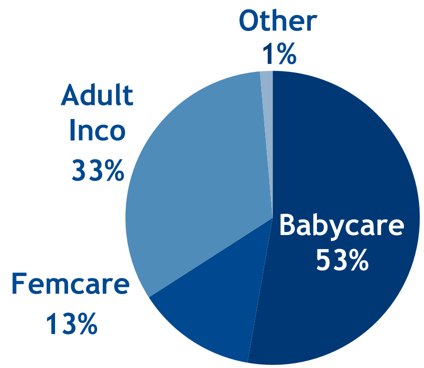
FY 2011



FY 2012



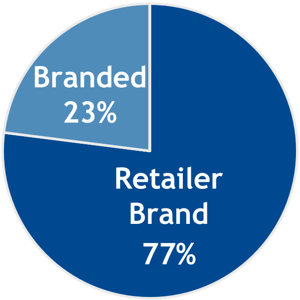
FY 2013



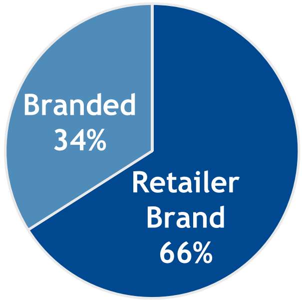
Increase in contribution from Adult Incontinence on the back of Serenity and Lille HC acquisitions, and with increasing proportion of sales coming from Home Delivery

Sales split by type of product

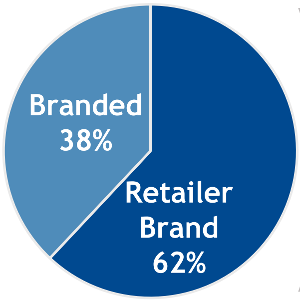
FY 2011



FY 2012



FY 2013



Rebalancing in proportion of revenues generated by branded products as a result of Serenity and Lille HC acquisitions and growth in MEA regions

(*) Based on reported FY 2013 figures

Retail: Increasing Volumes and Value Proposition

€ million	FY 2013	FY 2012	%
Revenues	**933.8**	**878.5**	***6.3%***
Revenues at constant currency	950.9	878.5	*8.2%*

Markets and Key Events

- Retail markets remain competitive with A-brand promotional activity returning to normal levels
- Strong momentum post K-C withdrawal
- Good traction in key Western Europe markets such as the UK, with retailer brands increasing market share in Babycare segment
- In response to market trends, new, thinner diapers developed and introduced in the UK with rollout to other markets ongoing
  - Supercore II baby diaper launched in the UK in Q4 2013
- Residual impact of K-C withdrawal expected in Q1 2014

Supercore II Diaper: Supporting Commercial Strategy Through Innovation and Technological Product Expertise



Technical composition

- New type of SAP
- New core shape
- "Sandwich" corewrap
- Unique core forming

Premium

- Soft elastic ears
- Soft cuffs
- Soft 3D clothlike backsheet
- Soft topsheet with additives

Benefits

20% thinner core

- Weight stability
- Soft core
- Excellent absorption levels
- Excellent rewet levels
- No irritation by SAP outside core

Softness

- Soft touch (in & outside)
- No hard particles by SAP outside core

Successful launch in the UK in 2013 and roll-out in 2014

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Healthcare: Driving Portfolio Optimisation



€ million	FY 2013	FY 2012	%
Revenues	**379.7**	**269.9**	***40.7%***
Revenues at constant currency	383.1	269.9	*41.9%*
Revenues at constant currency excluding Serenity	275.5	269.9	*2.1%*

Markets and Key Events

- Increase in Home Delivery segment continues
- Serenity now fully integrated and delivering on plan
- Product and Client portfolio rationalisation introduced earlier in 2013 completed in most markets
    - Focus on high margin products and clients
- iD brand successfully re-launched

Healthcare Rebranding Case Study

Euron and iD brands previously addressed similar target groups

No difference in brand perception, recognition, communication and promotional activity

Creation of umbrella brand with two personalities

iD

iD EXPERT

iD

Institutional

Medical Shop
Mutuals
E-commerce

MEA: Becoming the Champion of Local Brands



€ million	FY 2013	FY 2012	%
Revenues	**178.4**	**160.6**	***11.1%***
Revenues at constant currency	189.1	160.6	*17.7%*

Markets and Key Events

- Babycare market remains very competitive
- Successful re-launch of Canbebe brand in Turkey
- Algeria continues to show promising growth
- Encouraging performance in Morocco and Pakistan
  - New plant in Pakistan fully operational since Q4 2013
- Increasing portion of growth outside Turkey led to decrease in relative exposure to Turkish Lira
- Impact of currency fluctuations further mitigated by cost structure of Turkey operations and hedging strategy put in place at year end

MEA 2010 - 2015: Aiming for Sales Growth Acceleration

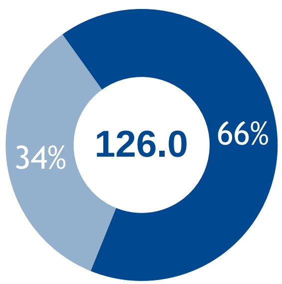
Deployment of MEA activities follow a rigorous "Three Step Approach"

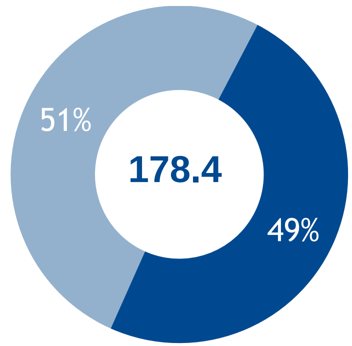
1. Export → 2. Local Sales → 3. Local Production

- 12.2% sales CAGR 2010 -2013
- 12% of total group sales for FY 2013

- Turkey originated 49% of total MEA sales in FY 2013

- Further shift in sales expected from Turkey to Other MEA markets
- Overall MEA sales growth expected to accelerate





■ Turkey
■ Other MEA
In € million

2010 — **2013** — **2015E**

- Formation of exports division
- Entering new countries
- Reinventing product offerings
- Tailored brand communication approach
  - Algeria: Additional lines; New Istanbul plant
- Pakistan plant came online in Q4 2013

- Continue to strengthen export organisation
- Expanding into other potential countries as and when the opportunity arises
- Continue supporting Canbebe brand in Turkey, ME and Africa
- Continue to monitor growth and capacity
- Continue evaluating opportunities to produce locally

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Focused on Delivering on the Profitable & Sustainable Growth Agenda



PROFITABLE
& SUSTAINABLE GROWTH

STRATEGIC PRIORITIES

INCONTINENCE

EMERGING MARKETS

BRANDING
(retailers' & own brands)

OPERATIONAL OBJECTIVES

CONTINUE TO IMPROVE BUSINESS PROCESSES

FOSTER INNOVATION AND CLIENT CENTRICITY

DEVELOP TALENTS AND INDUSTRY EXPERTISE

ALIGNED WITH GROUP'S STRICT FINANCIAL FRAMEWORK

ONGOING APPROACH TOWARDS EFFICIENCY IMPROVEMENTS

STRICT FINANCIAL POLICY IN RESOURCE ALLOCATION AND CASH MANAGEMENT

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Financial Review




FY 2013 Revenues by Division

In €m	FY 2013	FY 2012	% as reported	% at constant currency	% at constant currency excl. Serenity
Per division					
Retail	933.8	878.5	*6.3%*	*8.2%*	*8.1%*
Healthcare	379.7	269.9	*40.7%*	*41.9%*	*2.1%*
MEA	178.4	160.6	*11.1%*	*17.7%*	*17.7%*
Per product group					
Babycare	783.2	722.8	*8.4%*	*11.4%*	*11.2%*
Femcare	197.5	187.4	*5.4%*	*6.5%*	*6.5%*
Incontinence	490.6	379.6	*29.2%*	*31.1%*	*3.3%*
Other (Traded goods)	20.6	19.2	*7.3%*	*9.9%*	*-2.6%*
Per geographic area					
Western Europe	1,020.7	880.1	*16.0%*	*17.2%*	*4.9%*
Eastern Europe	197.3	183.7	*7.4%*	*9.9%*	*9.6%*
Rest of the world	273.9	245.2	*11.7%*	*18.3%*	*18.2%*

FY 2013 Financial Highlights (1/2)



In €m	FY 2013	FY 2012	%
Revenues	**1,491.9**	**1,309.0**	***14.0%***
Revenues at constant currency	*1,523.1*	*1,309.0*	*16.4%*
Revenues at constant currency and excluding Serenity	*1,414.5*	*1,309.0*	*8.1%*
Cost of sales	(1,094.8)	(988.3)	*10.8%*
Gross profit	**397.1**	**320.7**	***23.8%***
Opex	(253.6)	(201.4)	*25.9%*
Adjusted EBITDA	**175.0**	**150.1**	***16.6%***
Adj. EBITDA at constant currency	*194.3*	*150.1*	*29.4%*

FY 2013 Financial Highlights (2/2)

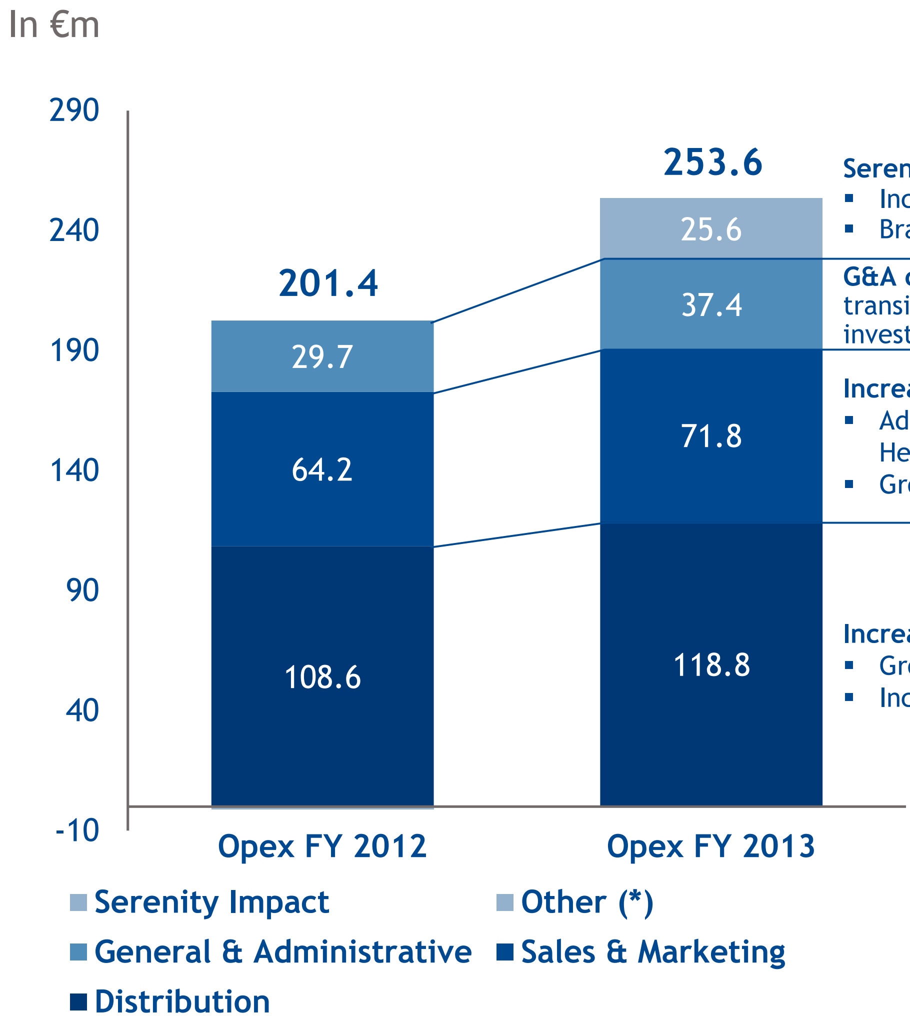


In €m	FY 2013	FY 2012	%
Adjusted EBITDA	**175.0**	**150.1**	***16.6%***
Non recurring expenses	(17.3)	(50.1)	*(65.5%)*
Reported EBITDA	**157.7**	**100.0**	***57.7%***
Depreciation & Amortization	(33.8)	(31.1)	*8.7%*
Operating profit	**123.9**	**68.9**	***79.8%***

Non recurring expenses (€m)	FY 2013	FY 2012
Factory closure	(4.2)	(39.9)
Business restructuring	(1.0)	(6.0)
Acquisition related expenses	(8.2)	(0.6)
Asset Impairment (*)	(2.0)	-
Other	(1.8)	(3.6)

(*) Excluding non recurring depreciations

Consolidation of Serenity and Change in Distribution Patterns Drive Opex Increase



Serenity "stand-alone" impact:
- Incontinence products
- Branded nature of the business

G&A costs mainly impacted by dual costs as a result of management transition, further strengthening of management structure and additional investments in support functions

Increase in sales and marketing associated with:
- Additional investments in marketing and investing in the sales force in Healthcare and MEA division
- Growth in top-line

Increase in distribution costs mostly driven by:
- Growth of the business
- Increase of sales to more remote countries

(*) Consists of €1.1 million of other operating income in FY 2012

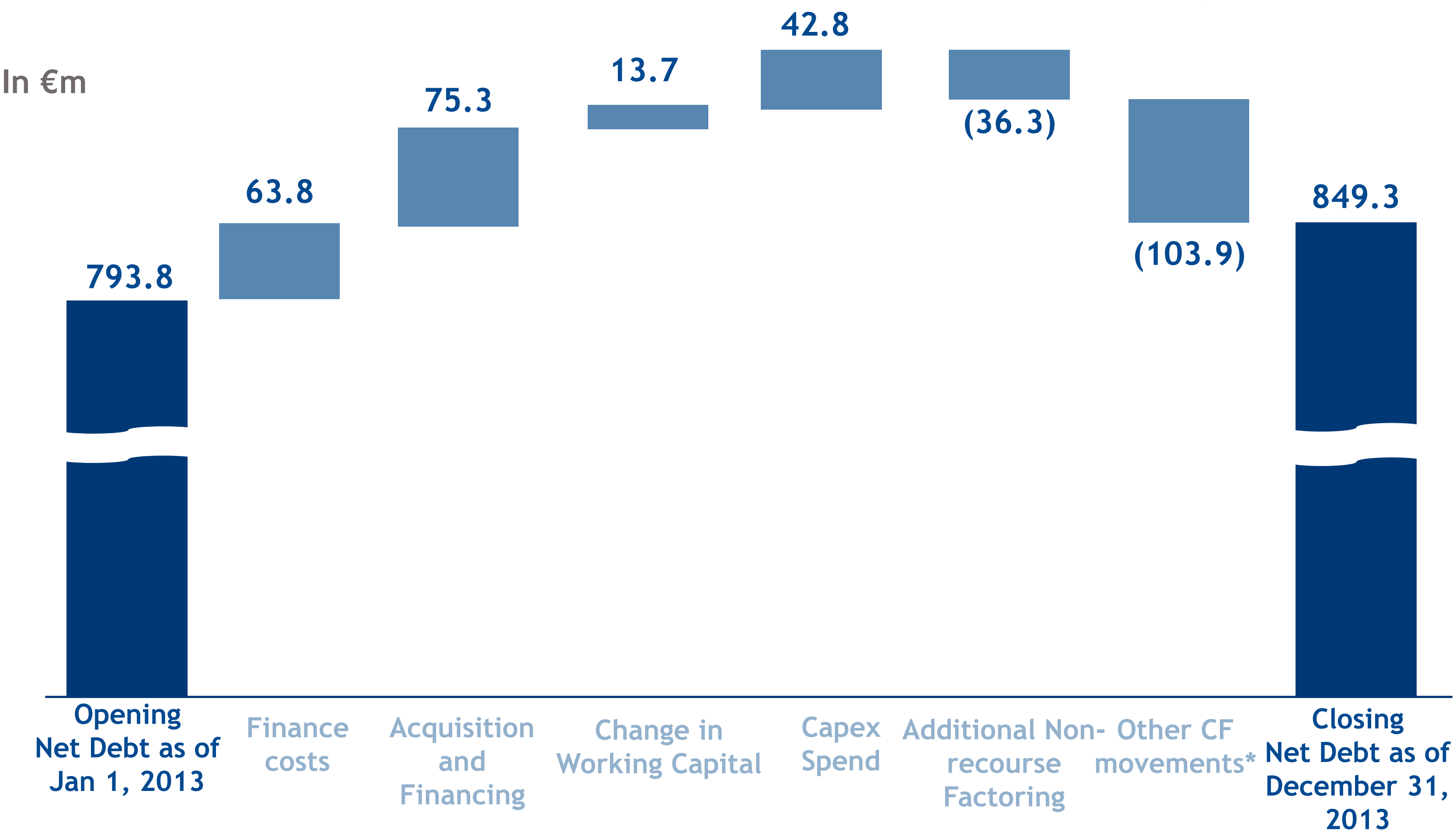
Improved FCF Reflects Cash Generation Potential



In €m	FY 2013	FY 2012	%	Comments
Adjusted EBITDA	175.0	150.1	*16.6%*	Growth of business combined with greater efficiencies and acquisition lead to improved profitability, despite adverse FX impact
Changes in Working Capital	(13.7)	(32.8)	*(58.2%)*	Working capital requirements limited through improved receivables and payables management and return to average stock levels
Cash taxes paid	(14.7)	(3.8)	*N.M.*	2012 helped by German tax refund, 2013 Impacted by Serenity acquisition
Capex	(42.8)	(53.9)	*(20.6%)*	In-line with previous indications
FCF	103.8	59.6	*74.2%*	



Net Debt Bridge



* Including positive EBITDA contribution adjusted for cash impact of Villefranche and Recklinghausen closures as well as cash taxes among others

Available Liquidity & Update on Factoring: RCF fully Repaid by Year End



In €m	As of December 31, 2013
Cash & Cash Equivalents	61.3
Credit Lines of €75.0 (of which drawn: €0.0 million)	75.0
Available Liquidity	136.3

In €m	As of December 31, 2013
Group Factoring Lines	171.5
– Amount drawn down as at Dec 31, 2013	121.2

- **Cash and Cash Equivalents up by 57.6% at the end of December 31, 2013, compared to €38.9 million at the end of December 31, 2012**
- **Remaining €20.0 million of the RCF repaid in Q4 2013**

- **Total factoring line of as of December 31, 2013 includes the factoring line granted to Serenity**
- **Factoring lines are on a non-recourse basis therefore have no impact on debt**



Outlook & Closing Remarks




Capex Funding Needs for 2014 Should Remain Broadly in Line with 2013 Levels



- **Well-invested asset base**
- **2014 Capex requirements to be geared towards:**
  - Supporting growth of the business and increasing product innovation
  - Maintaining existing machinery, including newly acquired lines through the Serenity acquisition
  - Increasing efficiencies in selected areas
- **2014 Capex expected at approximately 2.5-3.0% of Sales**

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Initial Assessment on Raw Material Prices and Currencies Developments in Early 2014



Raw Material Prices

Fluff

- Q1 2014 base expected to be slightly higher than Q4 2013 level
- Monitoring various strategies to mitigate price volatility, including hedging

LDPE, Polypropylene & Propylene

- Raw material prices for Q1 2014 expected to be slightly higher than Q4 2013
- Q2 2014 prices are expected to be in line with Q1 2014

Currencies

- Based on current rates*, FX headwind on FY 2013 Adjusted EBITDA would have been limited to €8 million. Primarily impacted by the TRY, RUB and AUD and partially offset by a positive impact from the USD and GBP
- Group decided to enter into new forward currency contracts for 2014 to limit fluctuations in the business resulting from exposure to sales in the British Pound, Polish Zloty, Turkish Lira, Australian Dollar and Russian Ruble as well as purchases in USD and Czech Koruna in Q4 2013

(*) Average exchange rate between January 1 – February 28 2014

Our 2014 Priorities



Customers / Environment

- Continue to pursue top line growth across geographies and divisions
- Roll out latest product innovation, Supercore II thin diapers, to key markets
- Maintain focus on margins

Operations

- Consolidate existing assets and leverage presence in MEA
- Prepare for capacity extension where needed
- Continue to work on the innovation pipeline to meet customer needs

Cost & cash management

- Further drive cost savings and efficiencies within the entire Group
- Continue to proactively manage working capital requirements and improve cash generation

Reorganisation complete & teams in place to capitalise on growth opportunities

New Organisational Structure Drives Top-Line Focus…

- **CEO**
  - **COO**
    - Group Manufacturing Director
    - Chief Procurement & Supply Chain Officer
    - General Manager Healthcare
    - General Manager Middle East & Africa
    - General Manager Mature Retail Markets
    - General Manager Growth Markets & Strategic Dev.
  - Group R&D / Quality Director
  - Group HR Director
  - Group Marketing Director
  - Group Sales Director
  - **CFO**
    - Group Control Director
    - Group Legal Counsel
    - Corporate Finance Director
    - Group ICT & Integration Director
    - Divisional Finance Directors

Enhanced operational focus through a distinct approach for Ontex's mature markets and growth markets

Reinforced supply chain to optimise the utilisation of Ontex's manufacturing plant network

New competencies in marketing and sales reporting into the CEO with focus on account management, category management and local brands championing

Increased R&D focus reporting directly into CEO

Dotted reporting line from Finance Teams to Group CFO

… Which will be Reflected in External Disclosure Going Forward



Reported Sales In €m	FY 2013	FY 2012	FY 2011
Retail	933.8	878.5	886.9
Healthcare	379.7	269.9	199.0
MEA	178.4	160.6	131.7

Reported Sales In €m	FY 2013	FY 2012	FY 2011
Retail Mature	845.7	804.5	832.2
Growth Markets	88.1	74.0	54.8
Healthcare	379.7	269.9	199.0
MEA	178.4	160.6	131.7

(*) Figures for 2011 have been restated following minor reassignments between divisions

Building Blocks in Place to Continue Delivering in 2014



- Despite a challenging macro environment, delivered strong results in 2013, creating momentum for 2014
- Adopted flexible strategic approach across all regions
- Built up executive team with the relevant business experience

Reiterating focus on continuing to achieve efficiencies across the Group and drive sustainable growth in the long term

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Q&A – FY 2013