



Investor Update

Taking Ontex to the next level

May 8th 2019

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.

Forward-looking statements contained in this Presentation regarding trends or current activities should not be taken as a representation 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 Presentation.

Today's agenda

1. Ontex: Transformation well underway
2. Favorable market fundamentals underpin the next phase
3. T2G to step-change operational efficiency and commercial excellence
4. Clear strategic priorities to drive profitable growth
5. Outlook
6. Q&A



1. Ontex: Transformation well underway

Ontex's journey since IPO

- Consistent growth strategy since IPO: Grow outside of Western Europe, increase branded business and expand presence in Adult Incontinence
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Transforming into a leading international personal hygiene company, focused on local consumer and customer needs

2013

2019

Geography



European-focused



International company with locally-relevant brands

Industrial Footprint



15 production facilities



19 production facilities

Brands



Mostly retailer brands



Retailer brands and own brands

Innovation

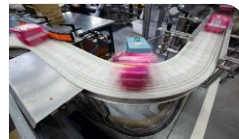


4 R&D centers and <50 patents and patent applications



9 R&D centers and >350 patents and patent applications

Capabilities



Technology and manufacturing expertise



Focused consumer- and customer-centric approach

Categories

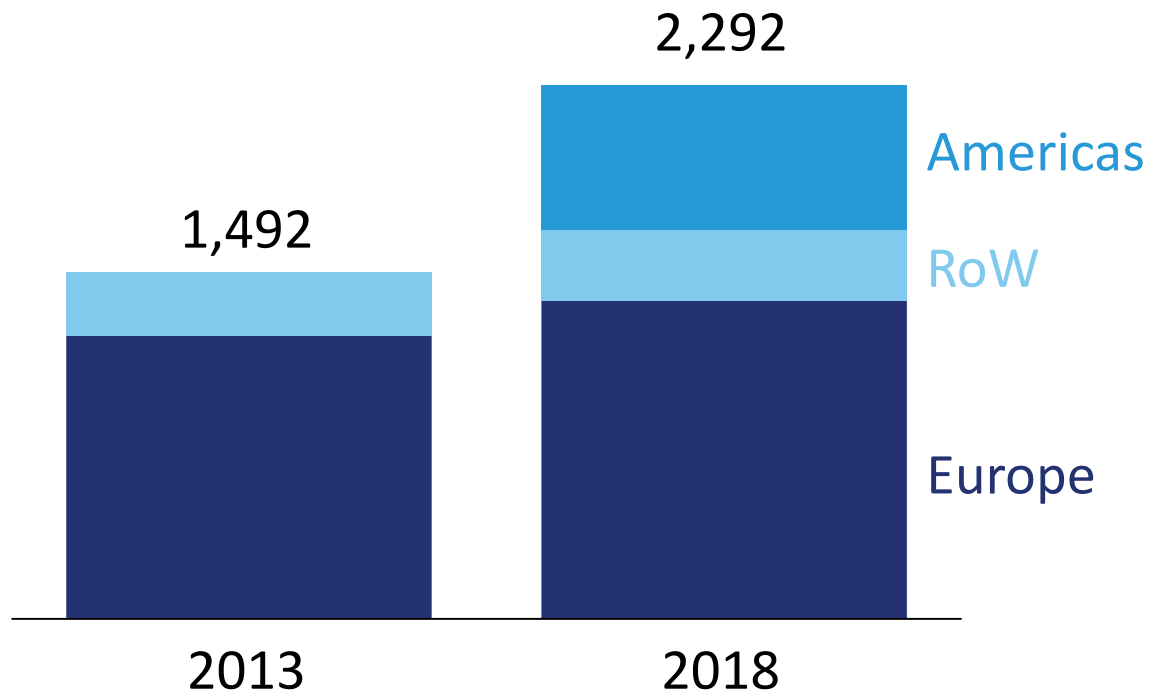


Pure play personal hygiene company

Geographic expansion and growth in revenue and EBITDA

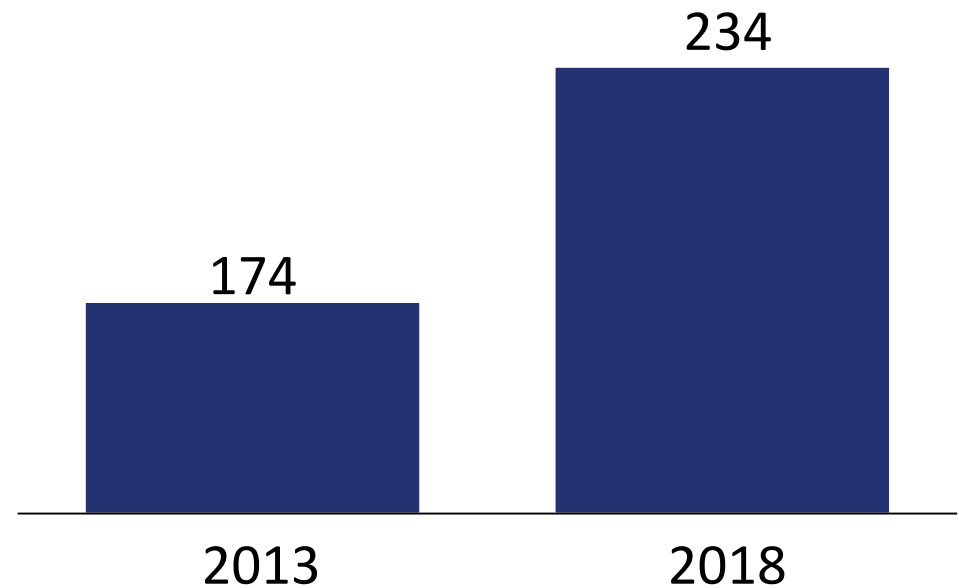
Revenue

EUR million



Adjusted EBITDA

EUR million

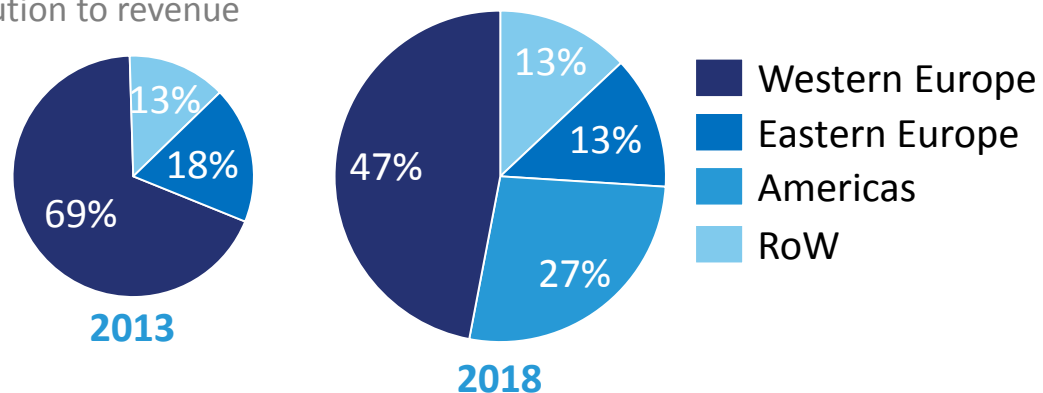


Note: Adjusted EBITDA is defined as EBITDA excluding non-recurring income and expenses.

Balanced product and customer mix with increasing presence in fast-growing markets and branded business

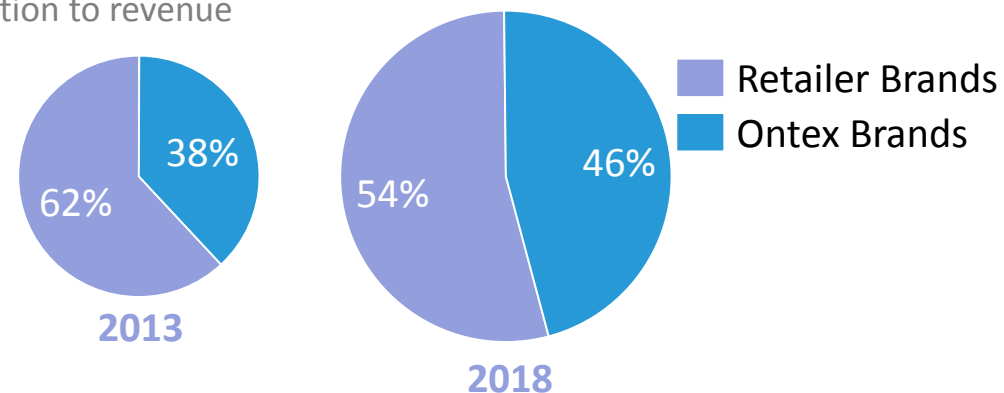
Geographies

Contribution to revenue



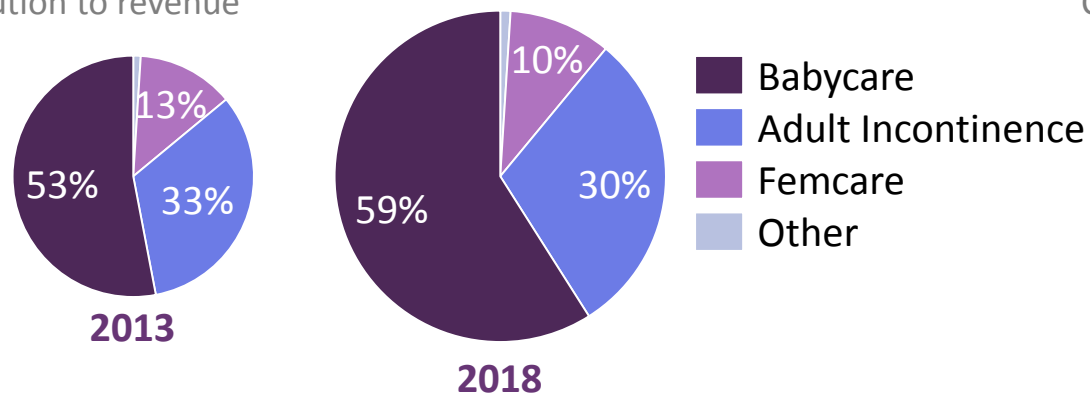
Brand Mix

Contribution to revenue



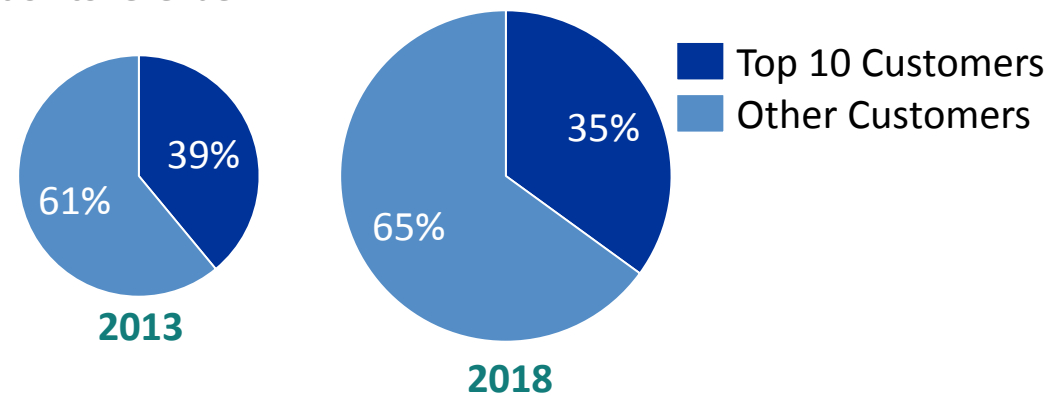
Product Categories

Contribution to revenue



Customers

Contribution to revenue



Strategic objectives supported by relevant acquisitions

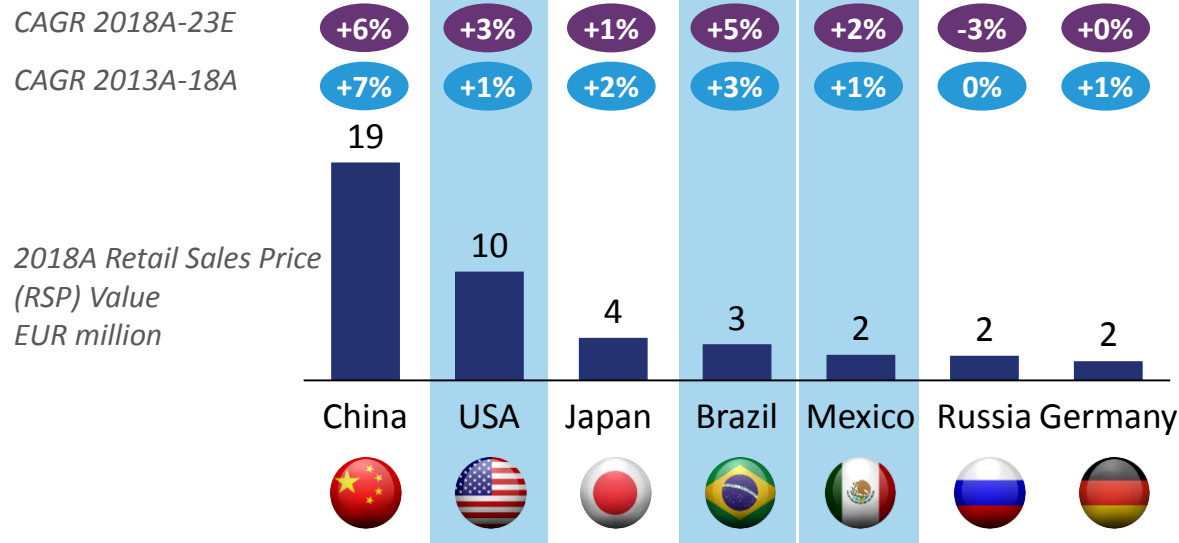
			 Grupo P.I. Mabe	 Saúde e bem-estar para todos Personal Hygiene
		(2013)	(2016)	(2017)
Strategic criteria	Grow outside of Western Europe	—	✓	✓
	Increase branded business	✓	✓	✓
	Expand presence in Adult Incontinence	✓	✓	✓
Financial and operational results	Successful integration	✓	✓	✓
	Performance since acquisition	✓	✓	✗
	Attractive returns and synergies	✓	✓	✗

Acquiring unique platforms for growth in Americas

We acquired positions in important markets...

- ✓ Acquired positions in 3 out of the top 5 largest personal hygiene markets in the world
- ✓ Robust growth platform to expand in the continent

Personal Hygiene market size and growth¹



Source: United Nations, Euromonitor.

Note: Growth figures refer to CAGR 2018A-2023E estimates if not stated otherwise.

¹ Includes Babycare, Femcare and Adult Incontinence (incl. Away from Home and Rx(Prescription)/Reimbursement).

² Americas includes North America and Latin America.

...with attractive growth fundamentals

- ✓ Positive demographic trends, with **higher population growth (+0.9%) in Americas²** than in Western Europe (+0.2%)
- ✓ Ageing population with a more active lifestyle, driving a **high growth rate in Adult Incontinence (+7.4%) across the Americas² markets**
- ✓ Increase of disposable income and modernization of trade also contributing to **higher usage and penetration** across all our categories in **Mexico and Brazil**
- ✓ Specifically in **Retailer Brands**, significant headroom for further growth

Mexico: Flawless integration to foster expansion



Flawless integration into the 'Ontex family'

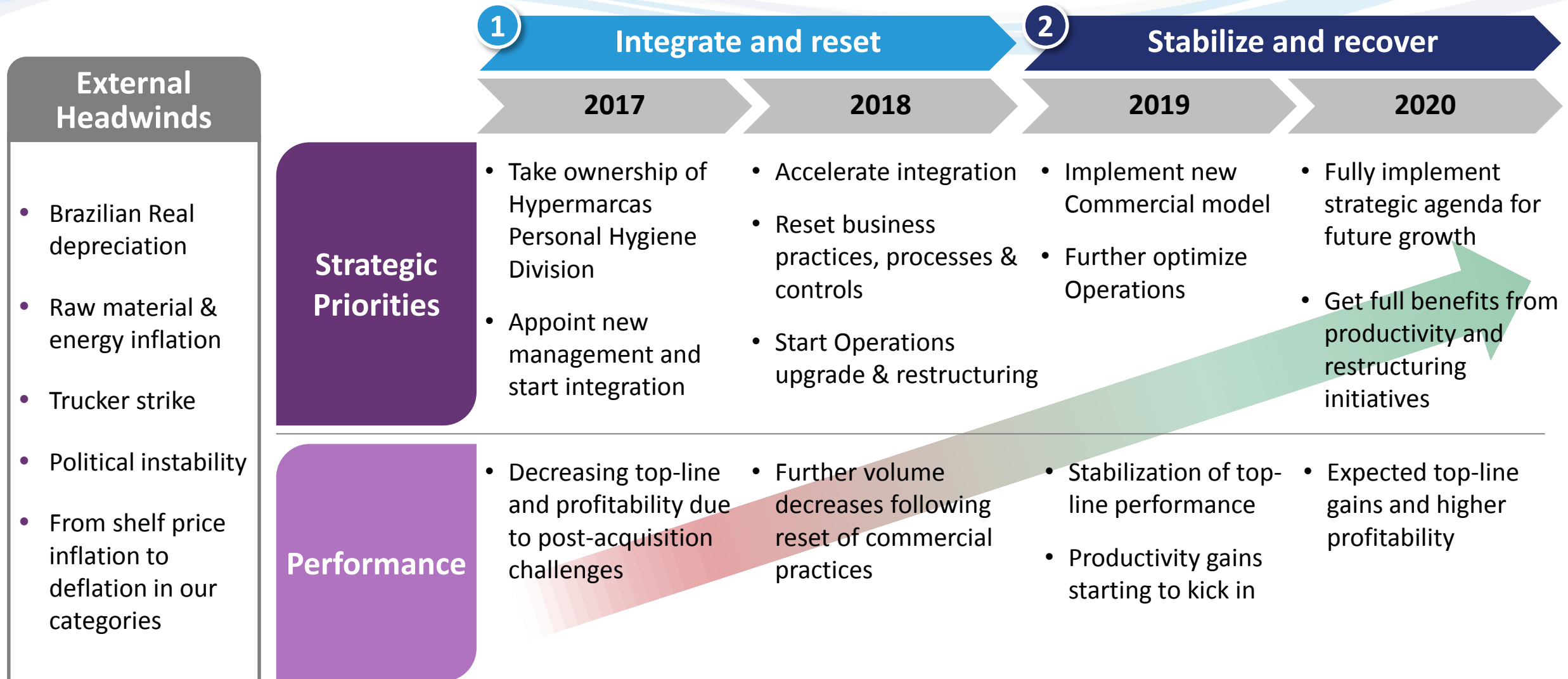
- ✓ Seamless transition post-acquisition
- ✓ Procurement synergies in first year post-acquisition above plan
- ✓ Quick reallocation of volumes across the Mexican and European Ontex plants
- ✓ Retention of top talent and strengthening of critical capabilities via internal mobility and external recruitment
- ✓ Mabe founder now an Ontex board member

Further business expansion

- ✓ **Continued market share gains since acquisition:**
 - **+7.6%pts in Babycare (from 22% to 30%)**
 - **+7.1%pts in Adult Incontinence (from 33% to 40%)**
- ✓ Launching new Femcare Brand in H2 2019, leveraging Group innovation pipeline and strong competitive position in other categories
- ✓ Leveraging Mexican presence to support expansion in North America, especially entry into US Retailer Brands market



Brazil: A two-step plan to put the business back on track



Brazil: 1 Successful integration and reset over 2017-2018



	 Brands & Products	 Commercial	 Operations
Internal challenges faced in 2017-2018	<ul style="list-style-type: none"> Baby share falling Limited exposure to fastest growing Adult segments (pants & light inco) 	<ul style="list-style-type: none"> 'Push' sales culture with high trade inventories and DSO Unrecorded trade spending 	<ul style="list-style-type: none"> Dated lines, inefficient footprint Inadequate health and safety No independent IT
Key actions	<ul style="list-style-type: none"> Relaunched two local baby diaper brands (Cremer and PomPom) Entered pants and Light Inco with new sub-brand 	<ul style="list-style-type: none"> Focus on in-store performance Designed price corridors Targeted distribution adjustments Rolled-out internal controls 	<ul style="list-style-type: none"> Consolidated production Modernized production facilities with proprietary lines Completed IT carveout
Key achievements	<ul style="list-style-type: none"> Improved Babycare brand positioning & momentum (first building block) and maintained Adult leadership 	<ul style="list-style-type: none"> Tight control on trade spend Net price increase Reducing price dispersion Reducing Trade Inventories 	<ul style="list-style-type: none"> Upgraded and efficient footprint Much-improved safety record Own IT

Despite external headwinds, initiatives led to gradual top-line improvement and sequential EBITDA margin expansion

Brazil: ② Executing our plan for value creation



Brand & Product

Further Improve Consumer Value Propositions

- Brands and products
- Revenue management
- Challenger communication
- Digital



Commercial

Unlock Sustainable Distribution Gains

- Segmentation
- Pricing corridors
- Focus on execution
- 'Pull' sales culture



Operations

Fulfill at Lower Total Cost

- Continue to lower breakeven point
- GTM evolution
- Quality management
- Working capital

Continuous productivity culture

Greater focus on cash management

Engaged and empowered employees

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Recent unprecedented headwinds exacerbated internal challenges

External Headwinds

- **Raw materials**

Fluff, SAP and Non-Woven indices increased by 12% to 30% in the last 2 years

- **Adverse FX**

Devaluation of EM currencies (<50% revenue EUR denominated), recent strengthening of USD

- **New competitive dynamics**

Both from A-brand and local companies

Internal Challenges

- **Capacity constraints**

Impacting service level, cost and growth in strategic categories

- **Brazil underperformance**

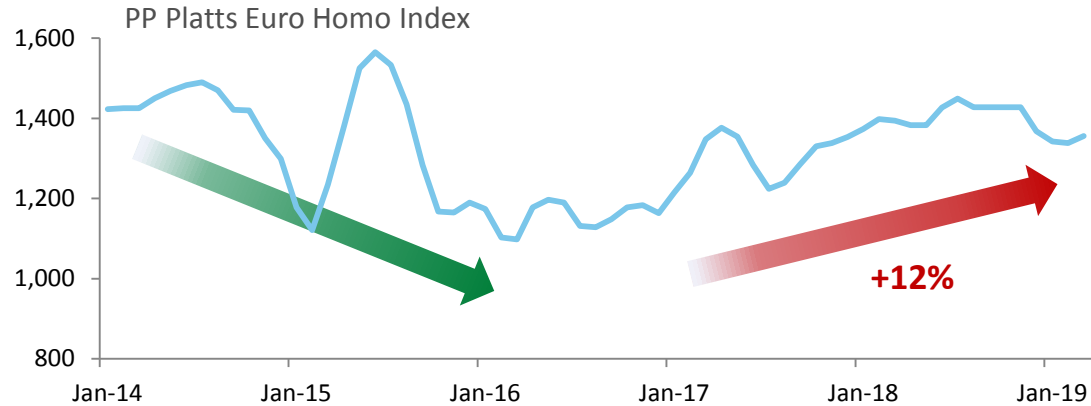
Profitability well below expectations

- **Increased complexity**

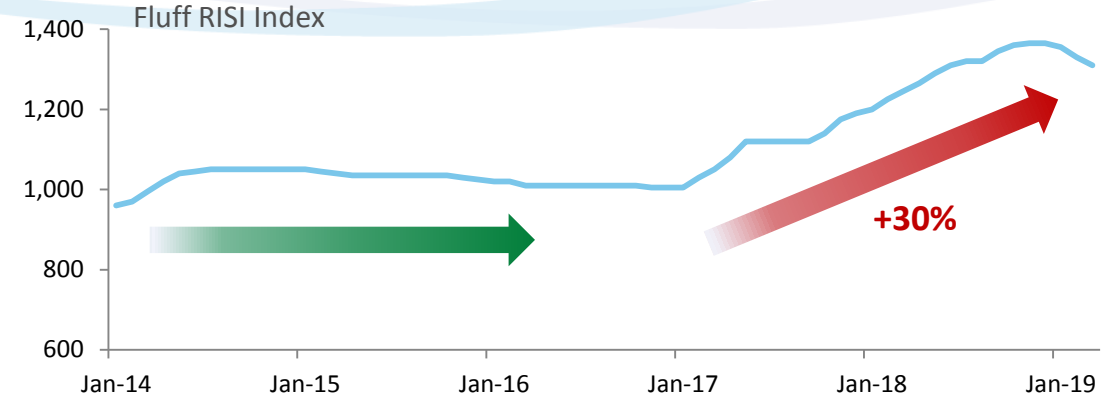
Rapid transformation since IPO challenged our operating model

Raw material indices have increased significantly since 2017

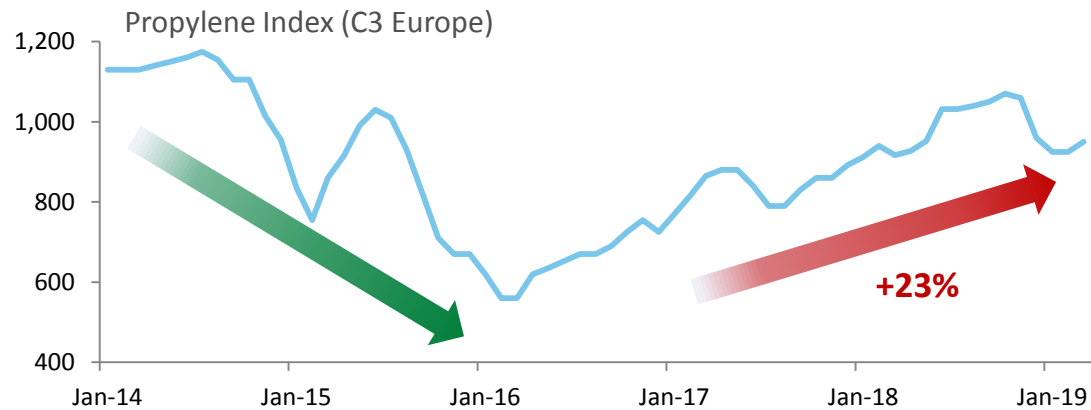
Non-Woven



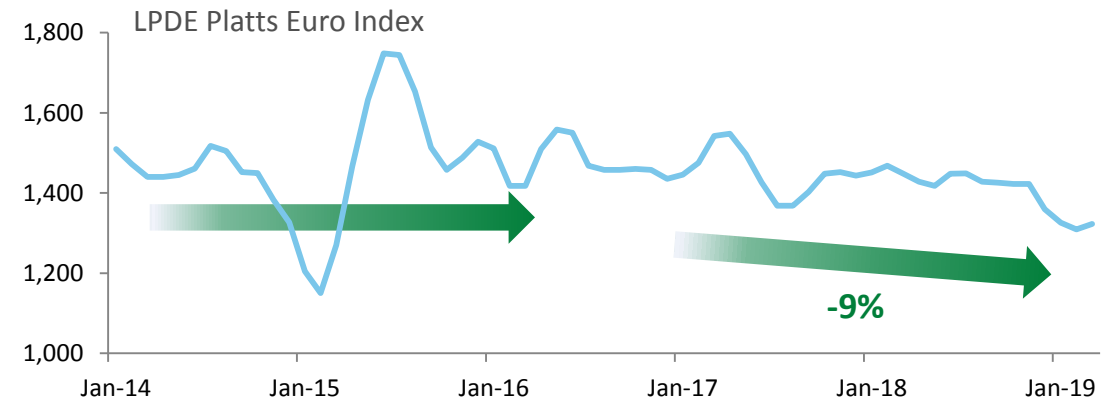
Fluff



Super-Absorbent Polymer (SAP)



Poly-Ethylene

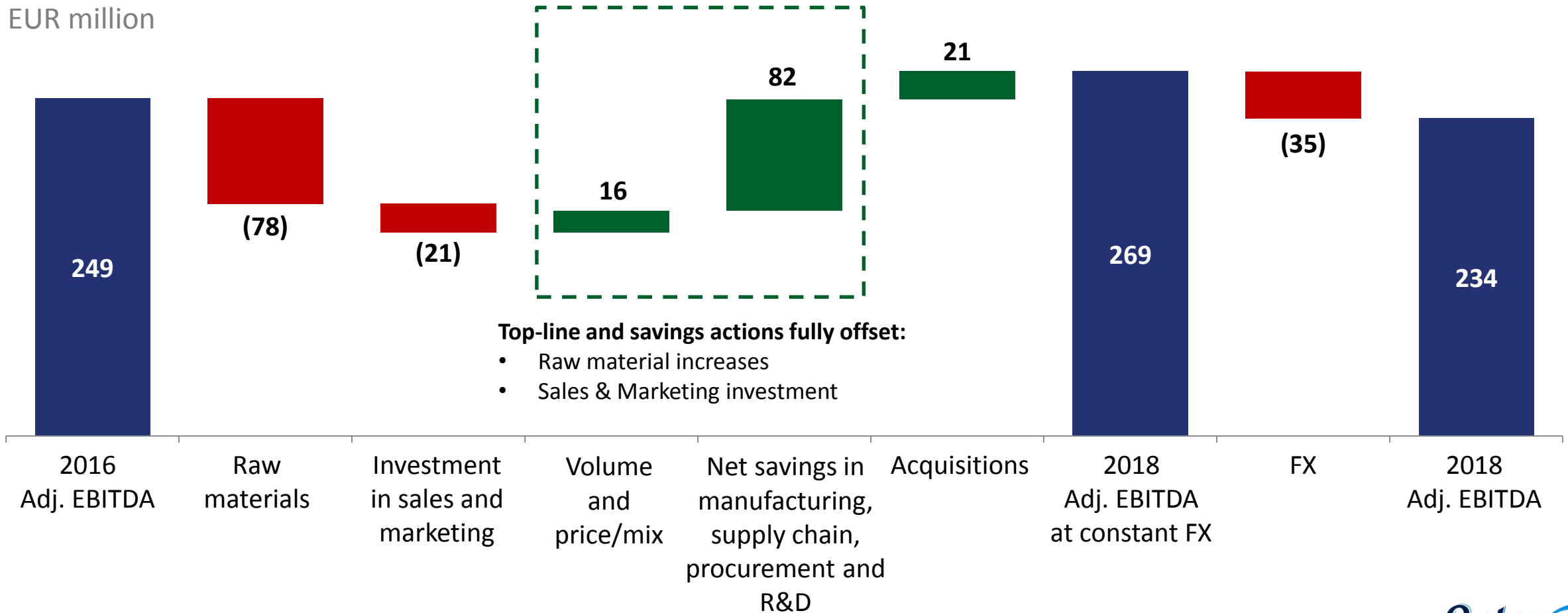


Benefitted from raw material tailwinds after IPO, but indices have increased significantly since early 2017

Proactively mitigating these challenges through operational savings and improved mix and pricing

2016-2018 Adjusted EBITDA growth of 8% at constant currency

EUR million



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Adding new capabilities to reinforce competitive advantage

**Key achievements
over 2013-2018¹**



Manufacturing & Engineering



- New plants and capacity
- Investments in Baby Pants, Adult Pants, Light Inco
- Own engineered lines

✓ 4 new factories opened

✓ 52 new lines added

✓ 145 patents filed



Consumer Focus and Innovation Speed



- Recruitment of FMCG-experienced profiles
- Local R&D hubs closer to consumers
- Accelerated Time-to-Market

✓ Tripled the number of innovations brought to market every year



Digital Capabilities

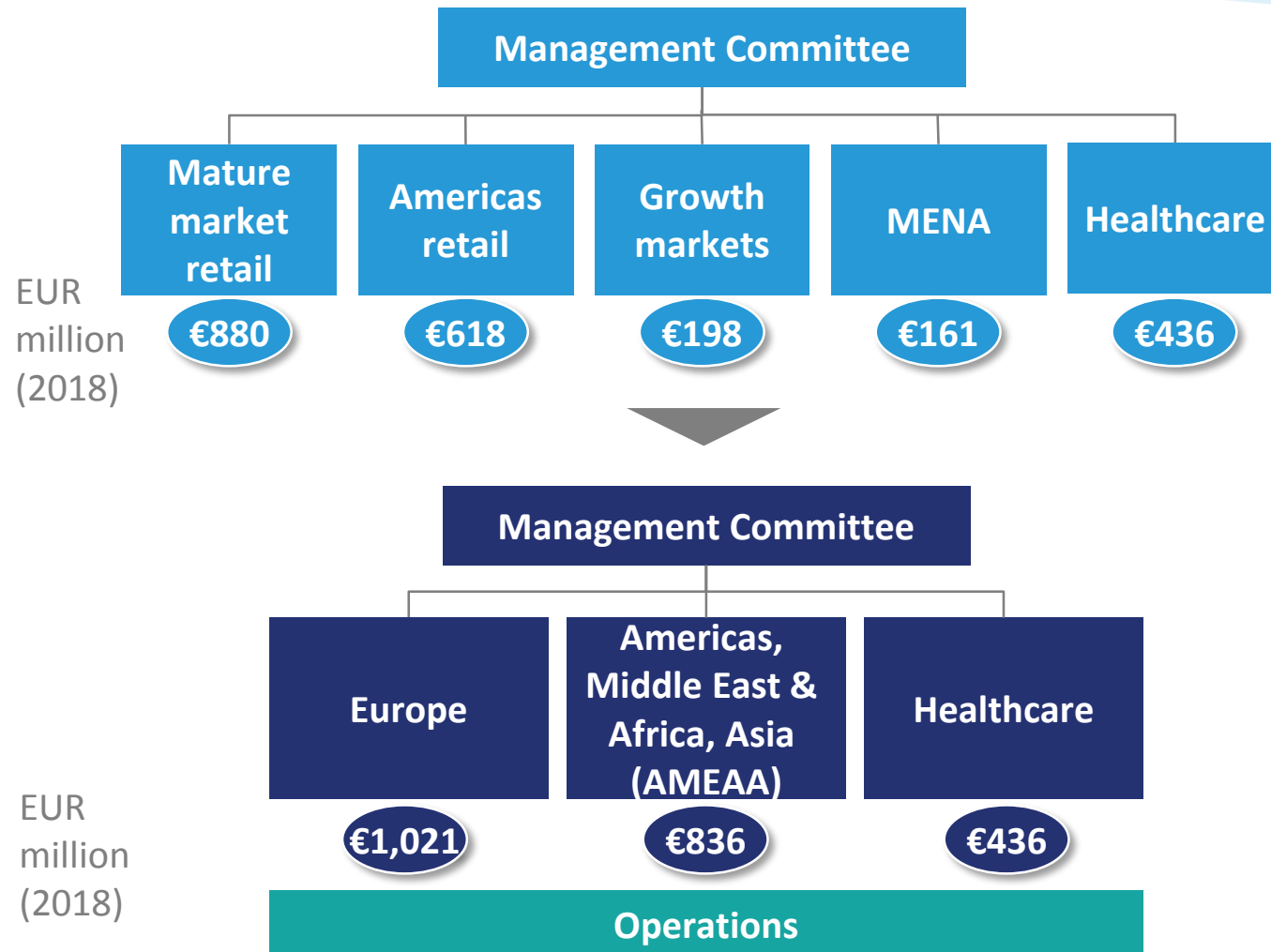


- Marketing investments towards Digital
- New e-commerce DTC businesses
- Hiring new capabilities

✓ More than 1/3 of Marketing spend shifted towards Digital media

¹ Excludes impact from acquisitions.

A more agile structure to drive growth and efficiency



From five to three Divisions:

Commercial activities now organized in three Divisions, with respective go-to-market model:

- **Europe:** Predominantly focused on retailer brands
- **Americas, Middle East, Africa and Asia (AMEAA):** Predominantly focused on Ontex own brands
- **Healthcare:** Predominantly focused on institutional markets and Ontex own brands

One centralized 'Operations' unit:

Manufacturing and Supply Chain centralized to drive efficiency and customer excellence

Experienced management team with strong track-record in FMCG and Retail



Charles Bouaziz
CEO

32 years





Charles Desmartis
CFO

6 years





Thierry Navarre
CTO

27 years





Laurent Bonnard
Commercial

35 years





Astrid De Lathauwer
HR

5 years





Annick De Poorter
R&D,
Quality &
Sustainability

22 years





Philippe Agostini
Procurement



14 years





Armando Amselem
AMEAA

31 years





Thierry Viale
Europe

30 years





Xavier Lambrecht
Healthcare

23 years





Axel Löbel
Operations

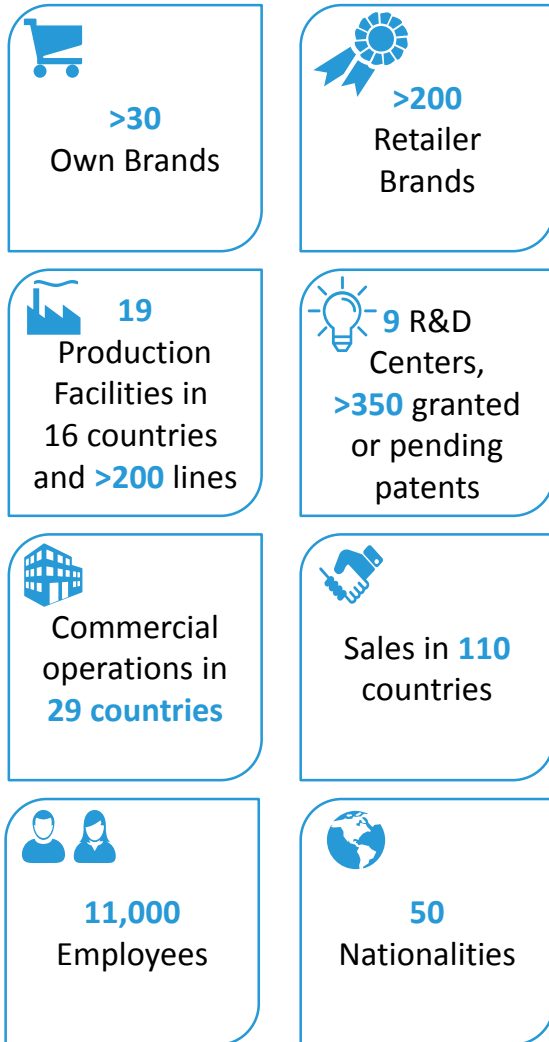
26 years



Note: Number of years refers to FMCG and Retail industry experience.

★ Today's speakers

Ontex today: A leading international pure play hygiene company with strong positions in strategic regions



#1 position
in Retailer brands
in Europe

#1 position in
Incontinence in
Turkey, Brazil
and Mexico

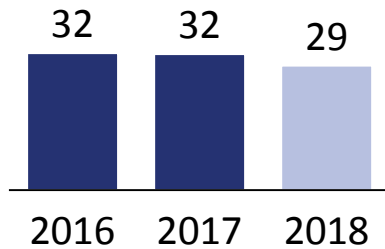
#1 position in
Babycare in Ethiopia
#2/#3 positions in
Mexico, Brazil,
Algeria, Pakistan

#2 position
in Healthcare
in Western Europe

Further stepping up sustainability initiatives

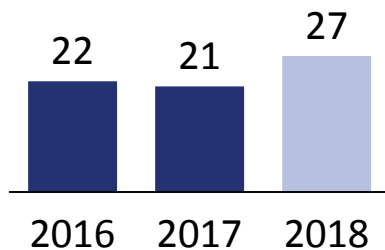
Important progress has been made in the last years...

Carbon intensity ratio (gCO₂/€)



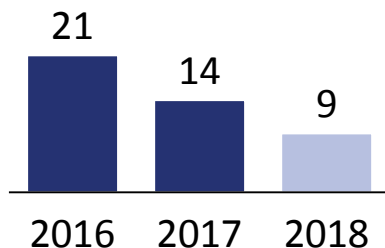
Carbon neutral by 2030

Female management (%)



Inclusive and diverse employer

Healthy and safe working conditions (frequency rate¹)



Zero accidents

...with room for further improvement



Bring **affordable quality** to other markets with our own brands and support the development of Retailer Brands



Continue to deliver **sustainable value** to our employees, shareholders, partners, customers, suppliers...



Grow and **develop our people**, increase **relevance and positive impact** in our communities and in our environment

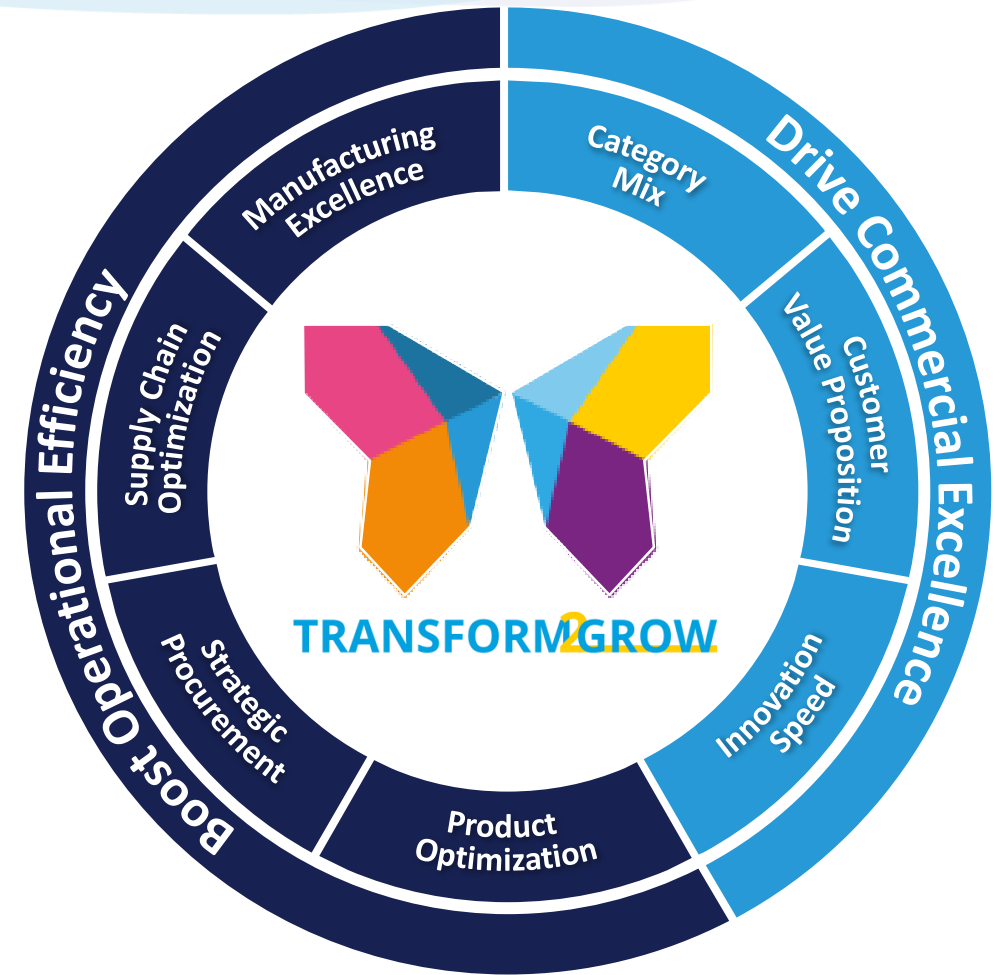
¹ Number of labor accidents per million worked hours.

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Launching T2G to step-change Operational & Commercial Excellence

- ✓ Comprehensive transformation plan tackling both Operations and Commercial levers
- ✓ More than 1,900 value creation initiatives to be implemented by end of 2021, starting to deliver results as of H1 2020
- ✓ Dedicated Resources, Governance, and Investments to drive sustainable transformation



T2G is an enabler of our strategy to accelerate value creation

Highly attractive market fundamentals

1 Strengthen current leadership positions

- A Europe:** Maintain leadership in retailer brands
- B AMEAA:** Strengthen local brands and continue turnaround of Brazilian business
- C Healthcare:** Leverage scale and expertise to increase sales in self-pay and services



2 Expand into new businesses and geographies

- D North America:** Establish foothold with retailer brands
- E Online:** Grow share of online sales
- F Acquisitions:** Participate in industry consolidation

Deliver sustainable profitable growth



2. Favorable market fundamentals
underpin the next phase

Underlying growth trends reshaping the personal hygiene industry



Growth driven by
emerging markets



All hygiene
categories supported
by positive global
demographic trends



Strong Retailer
Brands in developed
markets, with further
growth potential



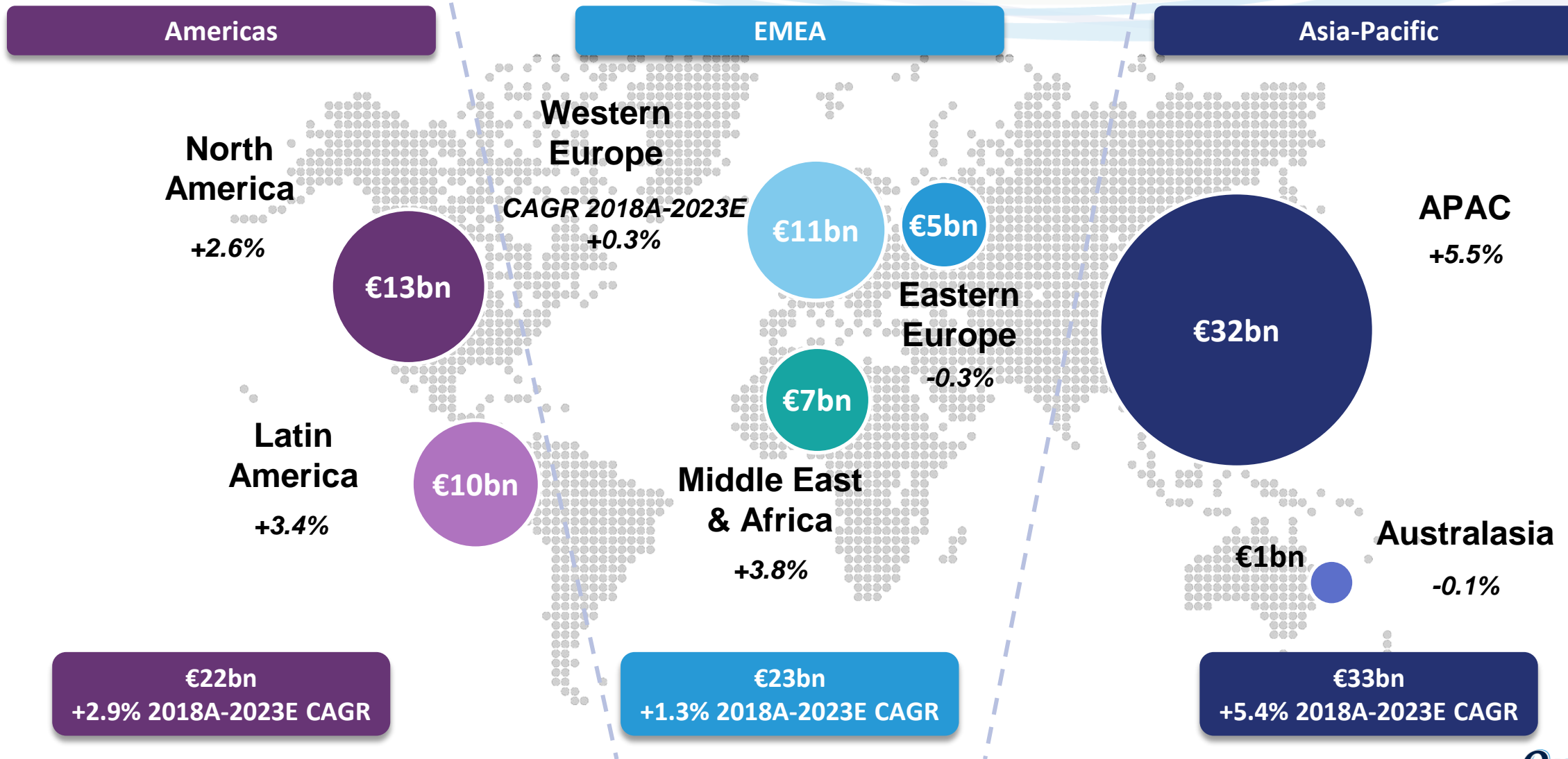
Local and regional
brands winning
share



Channel shift with
e-commerce and
self-pay Adult
Incontinence
growing

Growth driven by emerging markets

2018 Retail Sales Price (RSP) in Babycare, Femcare and Adult Incontinence (incl. Away from Home and Rx/Reimbursement)



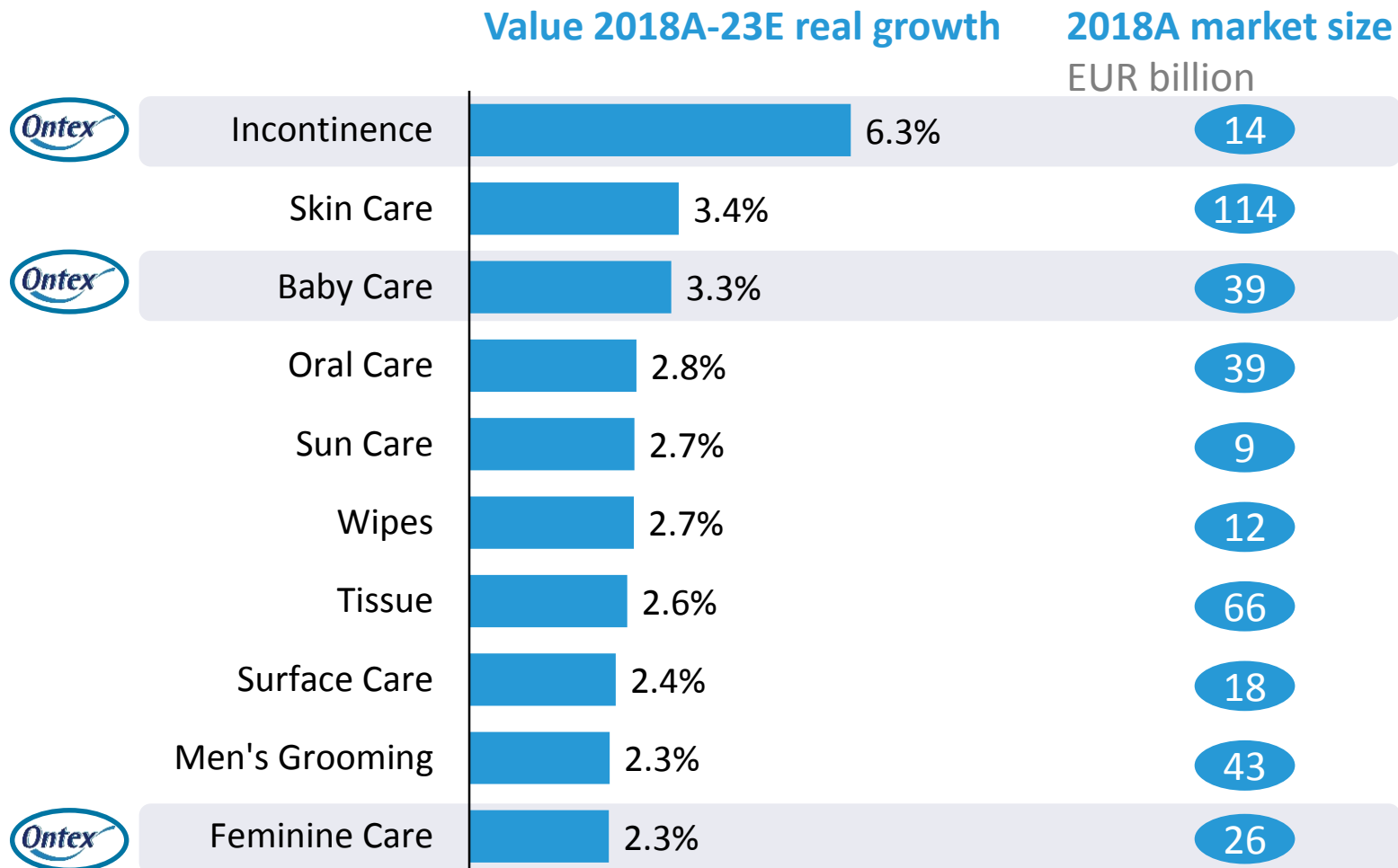
Source: Euromonitor.

Note: Data based on fixed 2018 FX rates and constant 2018 prices. Growth figures refer to 2018A-2023E CAGR estimates. Turkey is included in Middle East and Africa.

Personal hygiene segment fundamentals remain attractive

Attractive fundamentals within Household and Personal Care...

...supported by structural trends



Population growth

Birth rates

Ageing population

Urbanization

Growth in disposable income

Increasing market penetration

Usage frequency

Stronger retail trade

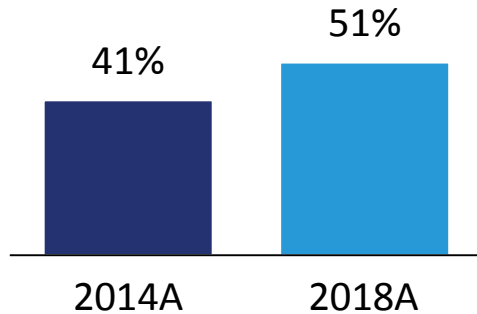
Further growth potential for Retailer Brands across developed markets

Market share of
Retailer Brands
(volume)

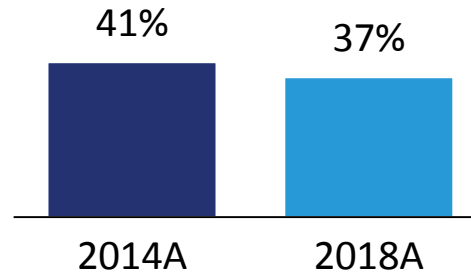
**Western
Europe**



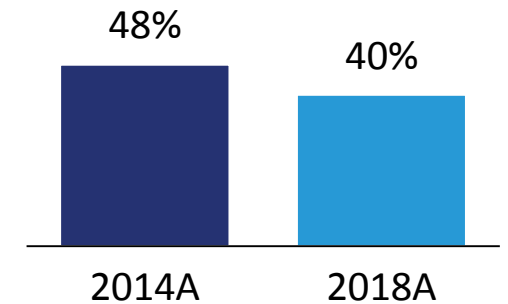
Babycare



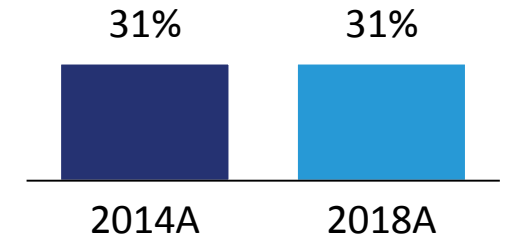
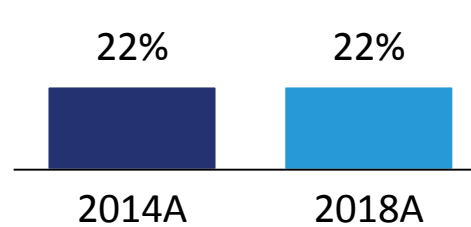
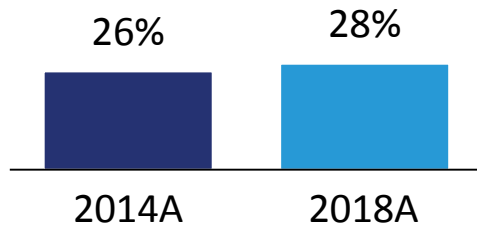
Femcare



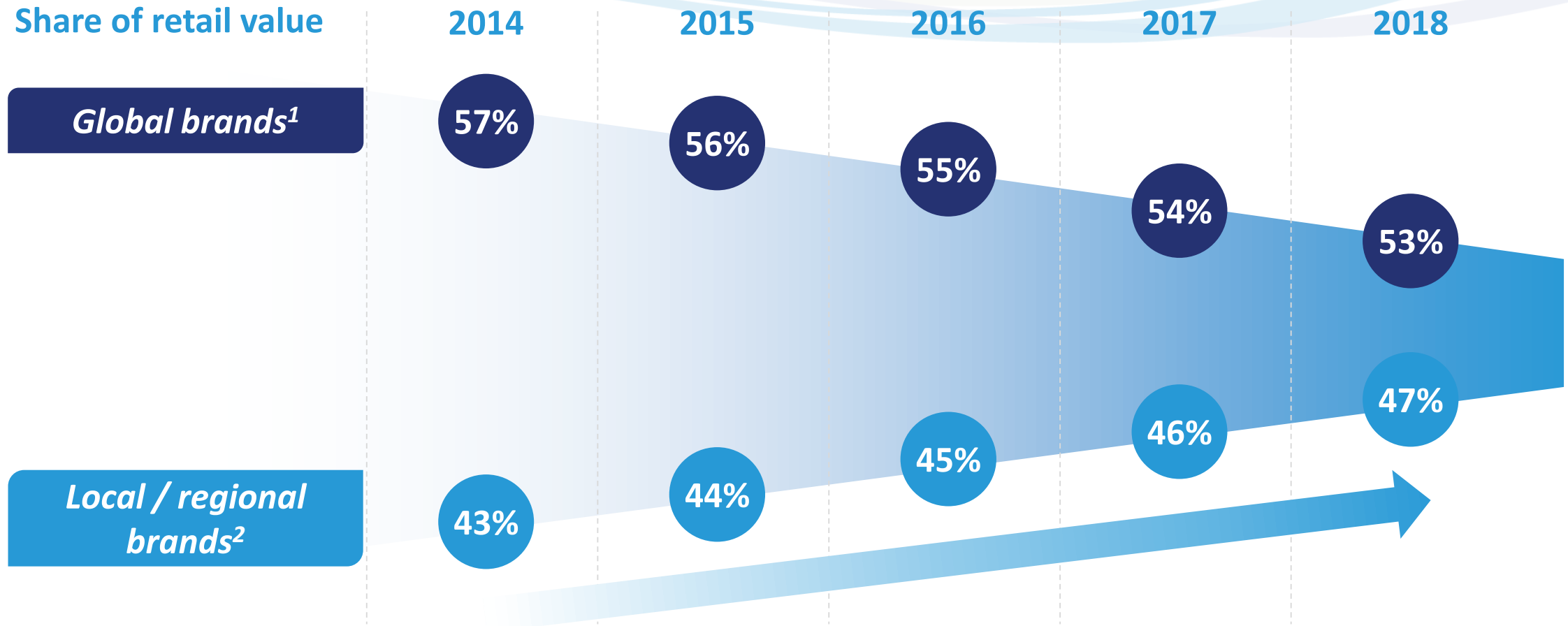
**Adult
Incontinence**



US



Local and regional brands are driving market growth and gaining share in our categories






Local/regional brands driving ~70% of market growth over 2015-2018

Source: Euromonitor.

¹ Includes P&G, Kimberly Clark, Edgewell, Unicharm, Johnson & Johnson and Essity.

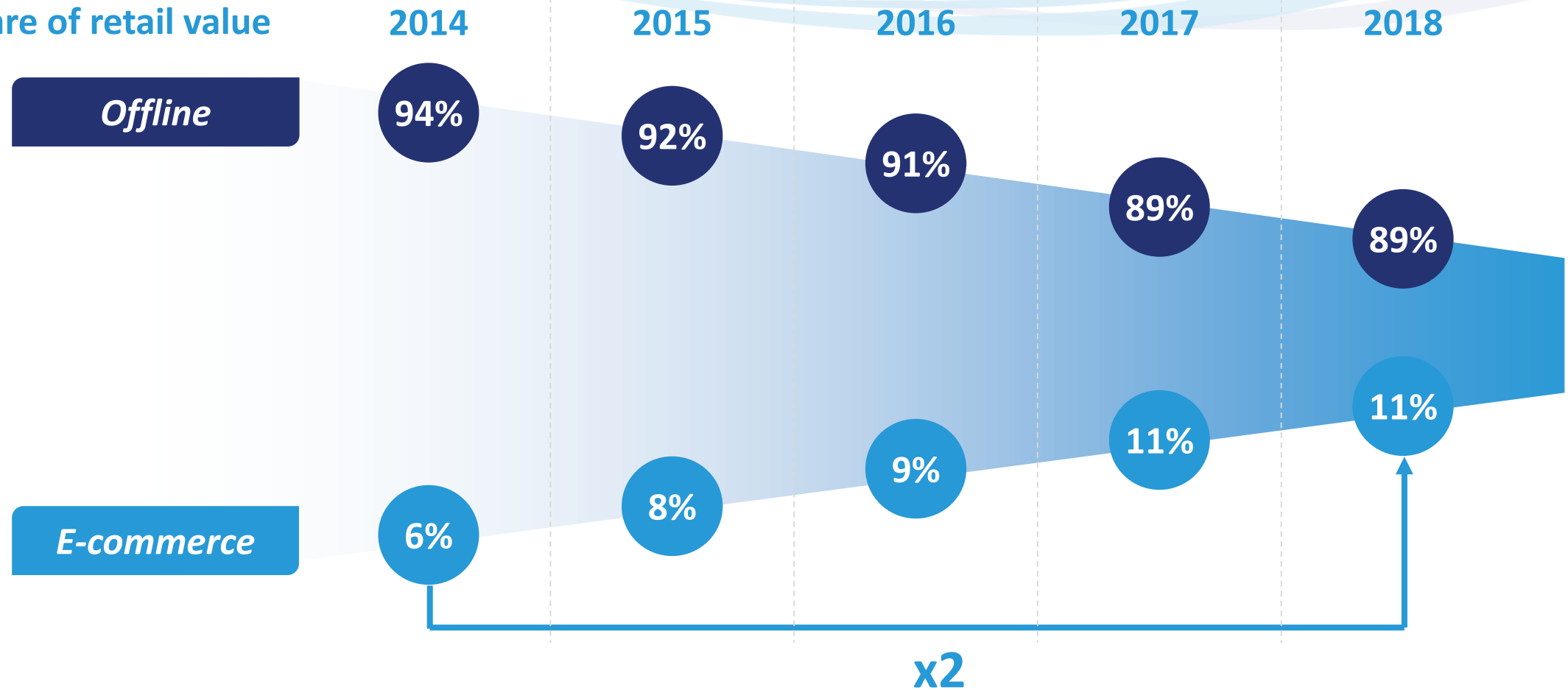
² It also includes Retailer Brands.

Our categories are sold across Retail, E-commerce and Institutional

		Channels		
		Offline Retail	E-commerce	Institutional and Reimbursed
	Babycare	€33bn	€5bn	n.a.
	Femcare	€24bn	€2bn	-
	Adult Incontinence	€7bn	€1bn	€7bn

E-commerce is the fastest-growing channel in our categories, doubling its share in recent years

Share of retail value



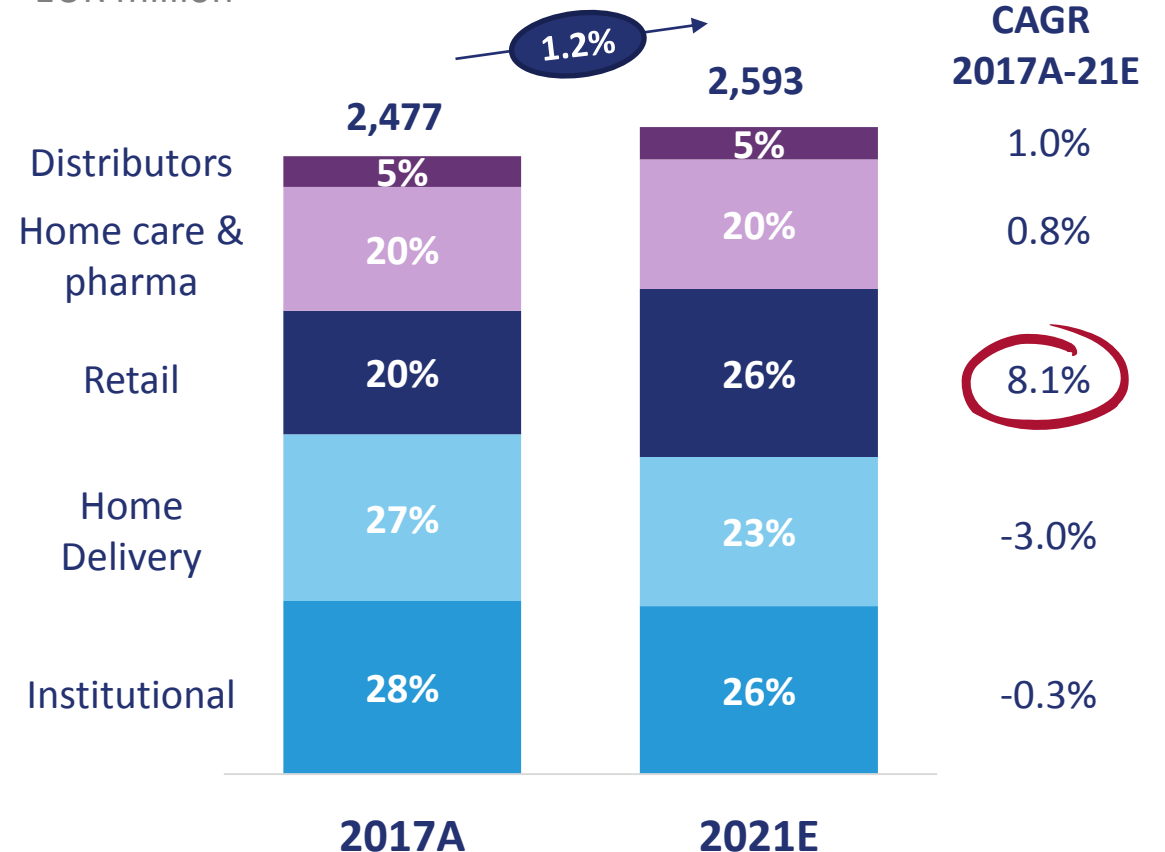
Adult Incontinence market is shifting from Institutional towards Retail and Pharma self-pay

Key drivers of channel shifts in Western Europe Adult Incontinence market

- **Recent innovations from leading brands** have significantly increased product offering available in retail channel (e.g. light to moderate incontinence)
- **Recent advertising campaigns from leading brands** have contributed to reduce taboo on incontinence, favoring retail development
- **Budget restrictions in the reimbursement system** (lower quantity and/or quality of the goods delivered) push patients to look for self-pay alternatives

Inco channel evolution in Western Europe¹

EUR million



We are well positioned to benefit from strong fundamental growth trends



Growth driven by emerging markets

- ✓ Increased presence in emerging markets via M&A (Mexico, Brazil) and Greenfields (Algeria, Pakistan, Ethiopia)



All hygiene categories supported by positive global demographic trends

- ✓ Leading #1 and #2 positions in Inco in Brazil, Mexico, Turkey, Western Europe Healthcare and Retailer brands



Strong Retailer Brands in developed markets, with further growth potential

- ✓ #1 retailer brands player across all categories in Europe



Local and regional brands winning share

- ✓ Strategy for acquiring, building and nurturing local brands instead of global brands



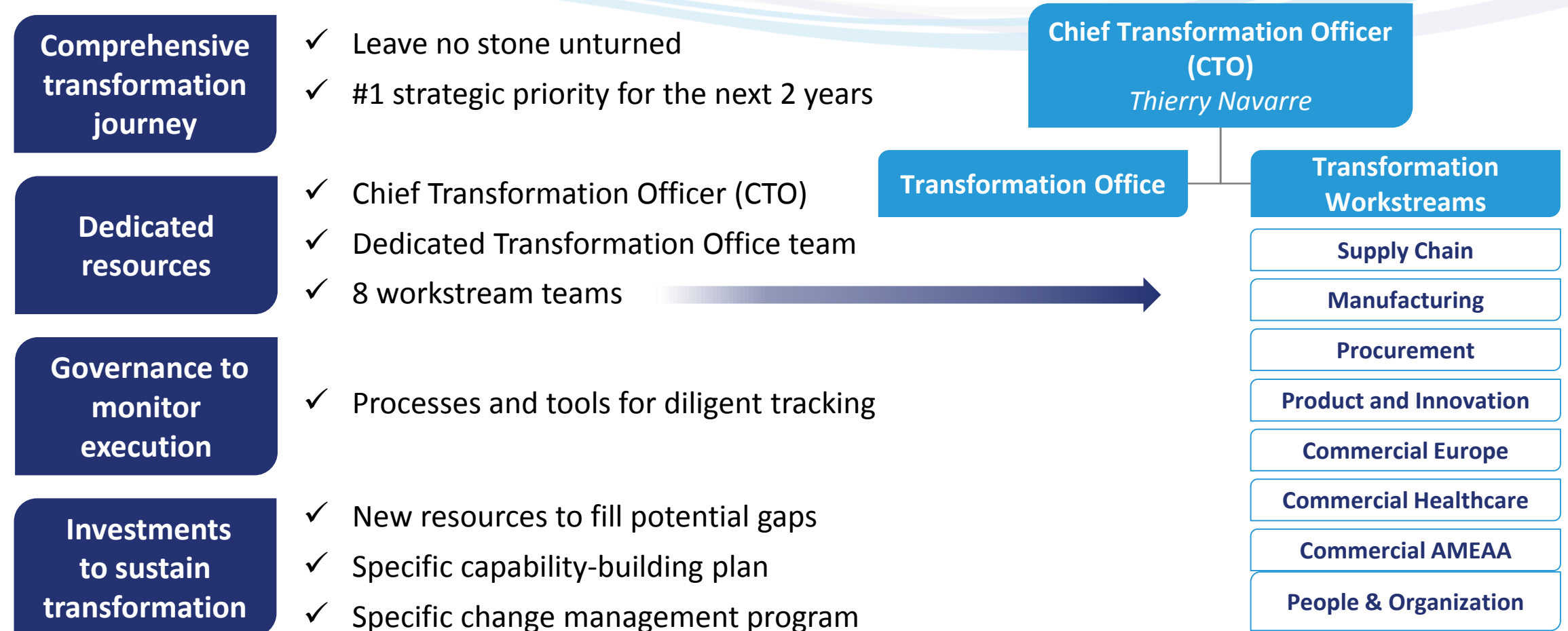
Channel shift with e-commerce and self-pay Adult Incontinence growing

- ✓ New strategic focus led to share of online sales at Ontex growing faster than the market



3. T2G to step-change operational efficiency
and commercial excellence

T2G: A comprehensive and sustainable transformation plan



Commitment to execution from Executive Management Committee

T2G to step-change operational efficiency and commercial practices

Boost Operational Efficiency

1

Reinvigorate our manufacturing strengths and leverage best practices

2

Further optimize transportation, warehousing and end-to-end planning

3

Leverage increased scale to optimize procurement practices

4

Reinforce innovation strengths in product design to optimize raw materials usage



Drive Commercial Excellence

5

Drive more diligent focus on the high-growth product segments

6

Offer more differentiated value propositions to our customers

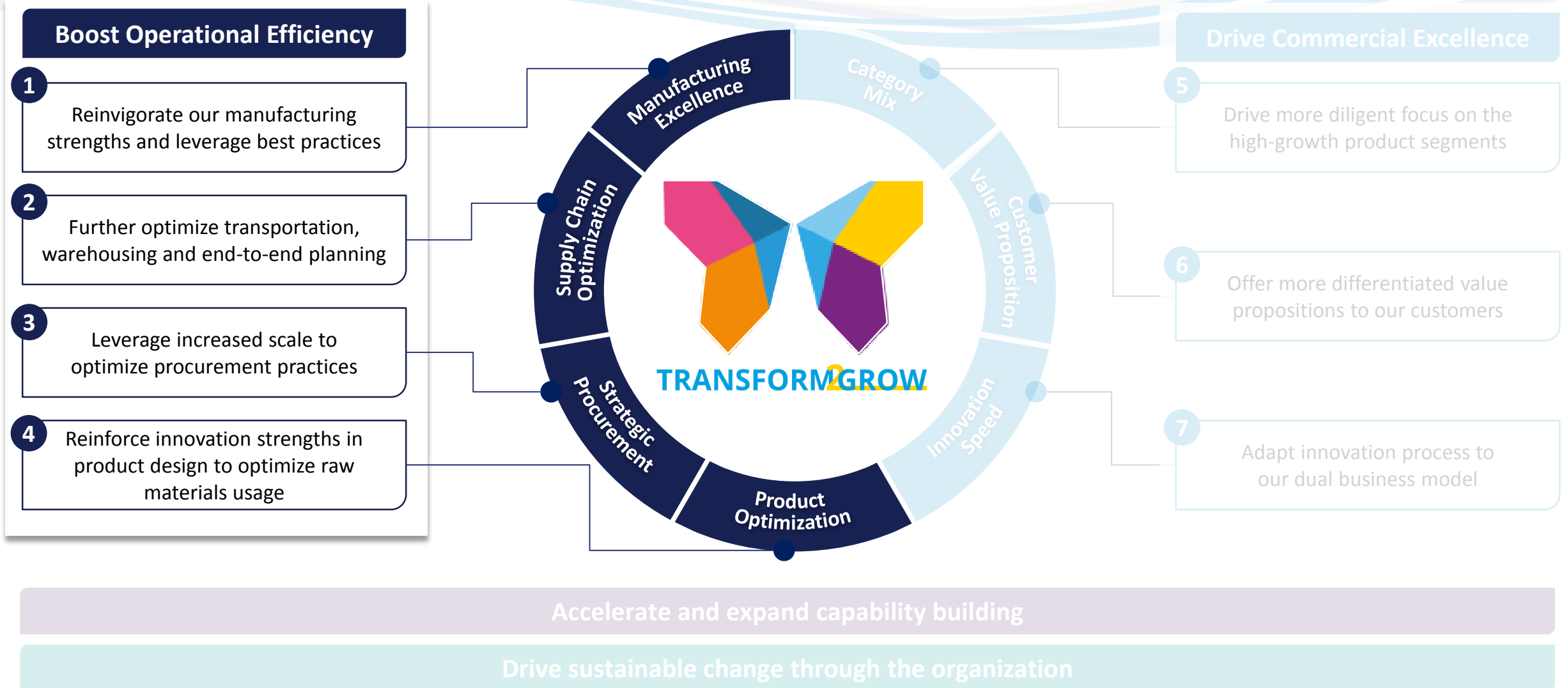
7

Adapt innovation process to our dual business model

Accelerate and expand capability building

Drive sustainable change through the organization

T2G to step-change operational efficiency



1 Optimize existing manufacturing footprint

- 2 factories closed (Brazil and China), 1 opened in Poland over the last 12 months
 - Further optimization to come from...
 - Manufacturing efficiencies
 - Shifting volumes and lines within the existing network
- ...to minimize the overall cost to serve
- Localized production to support our local brand model, and ensure supply chain agility
 - Optimizing production costs across all factories has more favorable impact than closing a factory in Western Europe

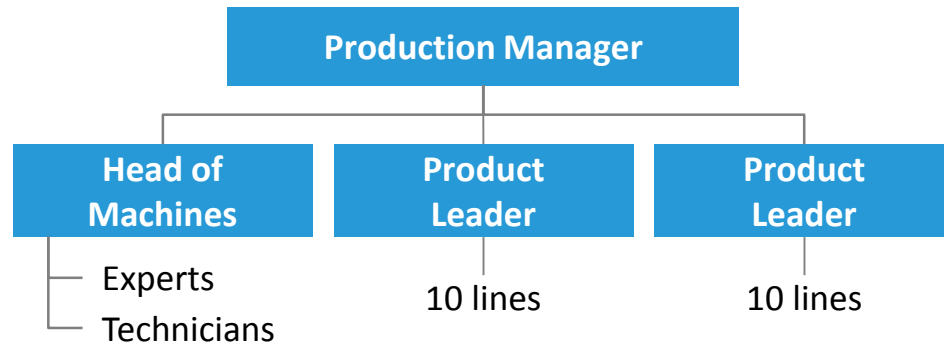
Ontex Manufacturing Footprint



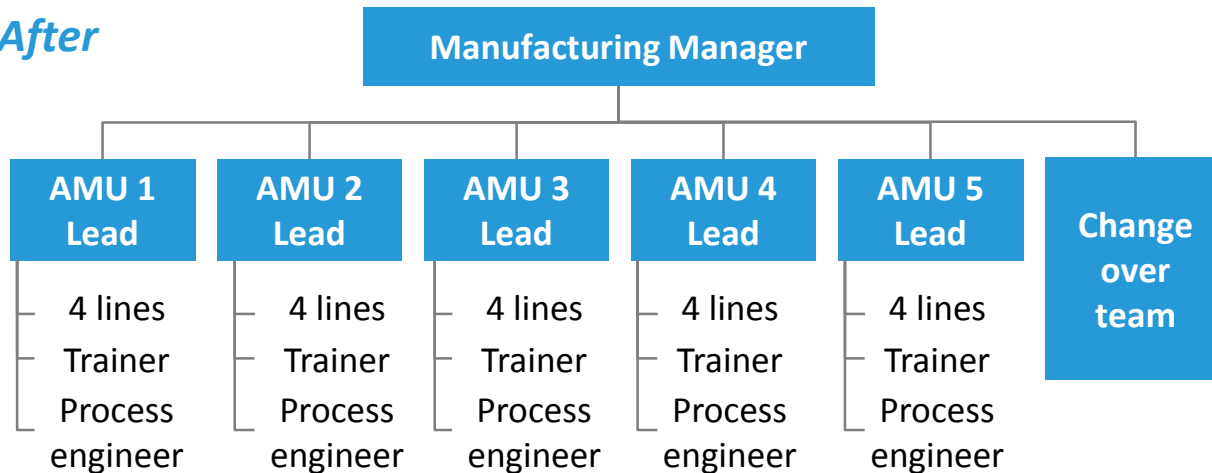
1 Increase ownership and strengthen continuous improvement with new shopfloor models

Example of an “Autonomous Manufacturing Units” (AMU) model deployed in a pilot factory

Before



After



Intended benefits:

- ✓ Empowerment and flexibility with “Autonomous Manufacturing Units” responsible for Production, Quality and Maintenance
- ✓ Continuous improvement and Quality Assurance fully embedded in new ways of working
- ✓ Higher ownership through shopfloor performance management practices
- ✓ Streamlined and standardized staffing across all production lines
- ✓ Better sharing of best practices and golden standards across factories

1 Optimize machine productivity through rollout of best practices

Increase machine efficiency

Reduce number and time of breakdowns and minor stops

Improve changeover efficiency

Reduce unplanned maintenance

Decrease speed losses

Increase average machine efficiency by ~17%



Reduce scrap level

Review type and frequency of quality tests

Increase stability of raw materials

Define standard machine settings

Install camera systems to enable in line detection

Reduce average scrap level by ~12%

2

Further optimize transportation, warehousing and end-to-end planning

Key Levers

Expected Benefits

Transportation



- ✓ Increase truck load from ~91% to ~96%
- ✓ Increase pallet fill-rate from ~70% to ~85%
- ✓ Leverage data analytics in negotiations
- ✓ Deliver without carton where feasible

**Reduced
transportation costs**

Warehousing



- ✓ Roll out new operational practices and advanced workflow & labor planning
- ✓ Invest in additional racking
- ✓ Internalize external warehouses

**Reduced
warehousing costs**

End-to-end Planning



- ✓ Increase customer collaboration
- ✓ Leverage improved data, tools and processes
- ✓ Deploy new inventory target setting and tracking process

**Optimized inventory
and service levels**

3

Leverage increased scale to optimize procurement practices

Selected Examples

Direct



Packaging

Optimize specs to usage, leverage scale and broaden supplier base



Non-Wovens

Reduce complexity



Superabsorbent Polymer

Broaden supplier base and reduce complexity



Fluff

Broaden supplier base and specifications



Polyethylene

Reduce complexity and leverage volume scale

Target cost reduction: ~2%

Indirect



Maintenance

Leverage local sourcing of spare parts



Travel

Improve policy compliance



IT/Telecom

Renegotiate mobile & data agreement



Energy

Install solar panels across our plants



Office Supplies & Couriers

Leverage volume scale with preferred supplier

Target cost reduction: ~8%

4

Reinforce innovation focus & strengths in product design to optimize raw materials usage

Design to value

- Reduce raw material weight
- Optimize dimensions of components
- Cost-engineer components
- Standardize components / features

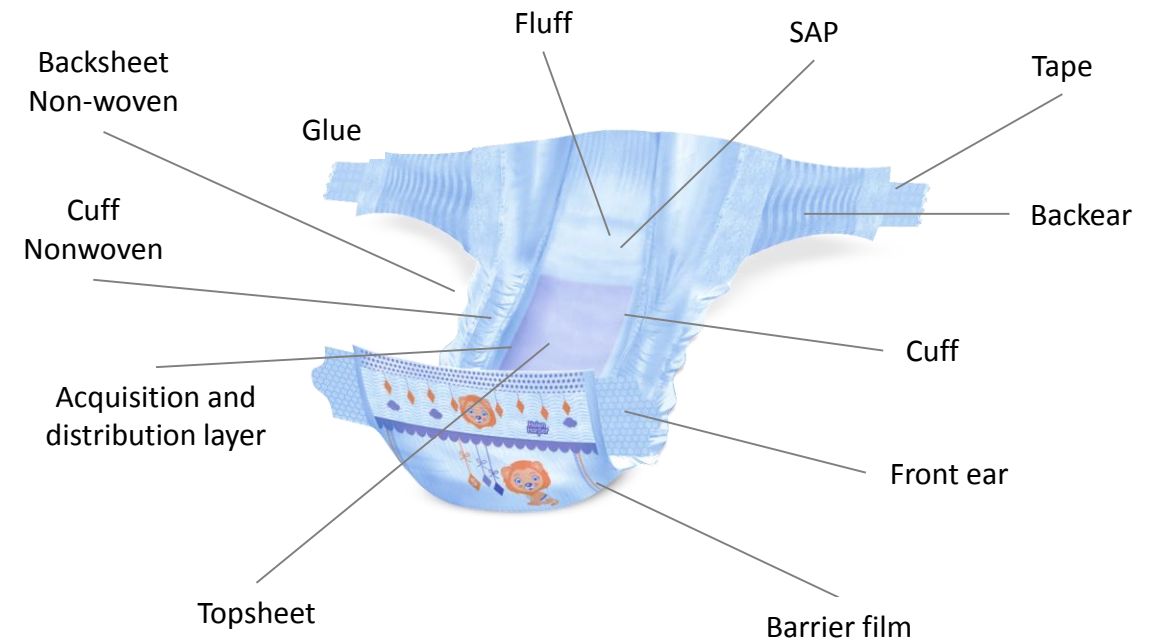
Raw material harmonization

- Standardize weight
- Standardize dimensions
- Phase out old type of raw material

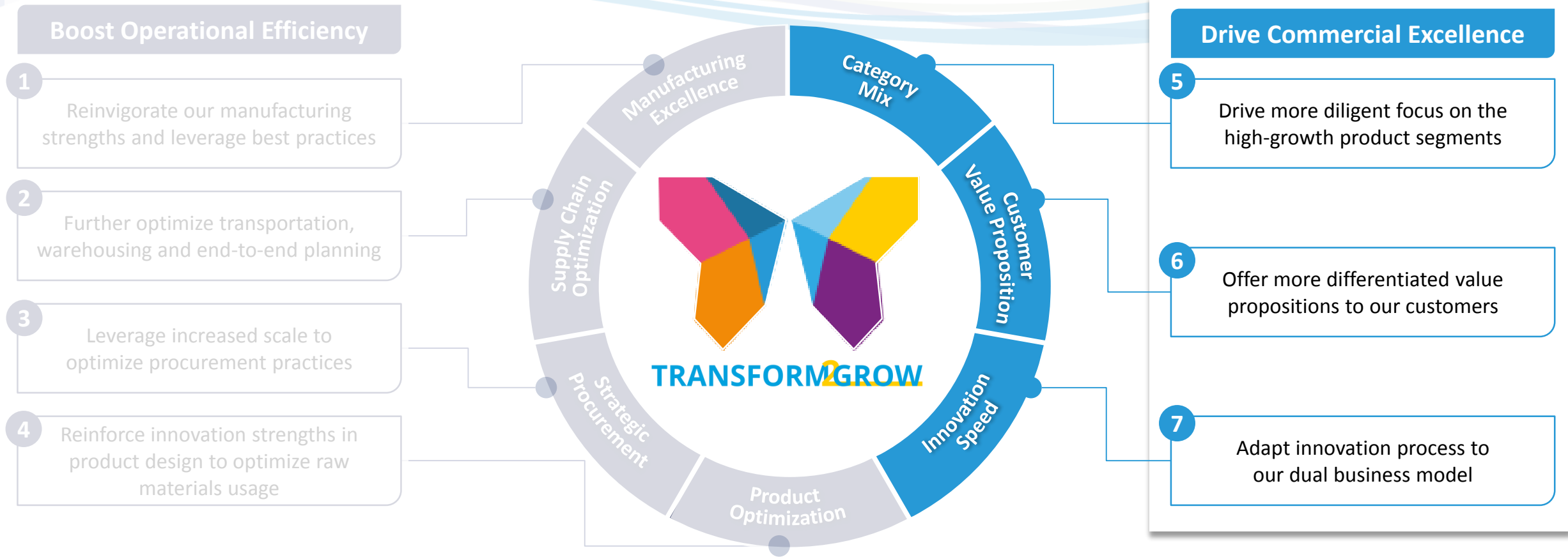
Finished goods complexity management

- Phase out old concepts
- Leverage platforming
- Reduction of SKUs

Addressing opportunities across all product components:



T2G to step-change commercial excellence



Accelerate and expand capability building

Drive sustainable change through the organization

5 Drive diligent focus on the high-growth product segments

Product Shift

2017-2018 RSP Value



Babycare



Baby Pants (+11%)



Femcare



***Liners (+2%),
Ultra Towels (+6%) and
Organic Cotton Tampons
(more than doubled)***



Adult
Incontinence



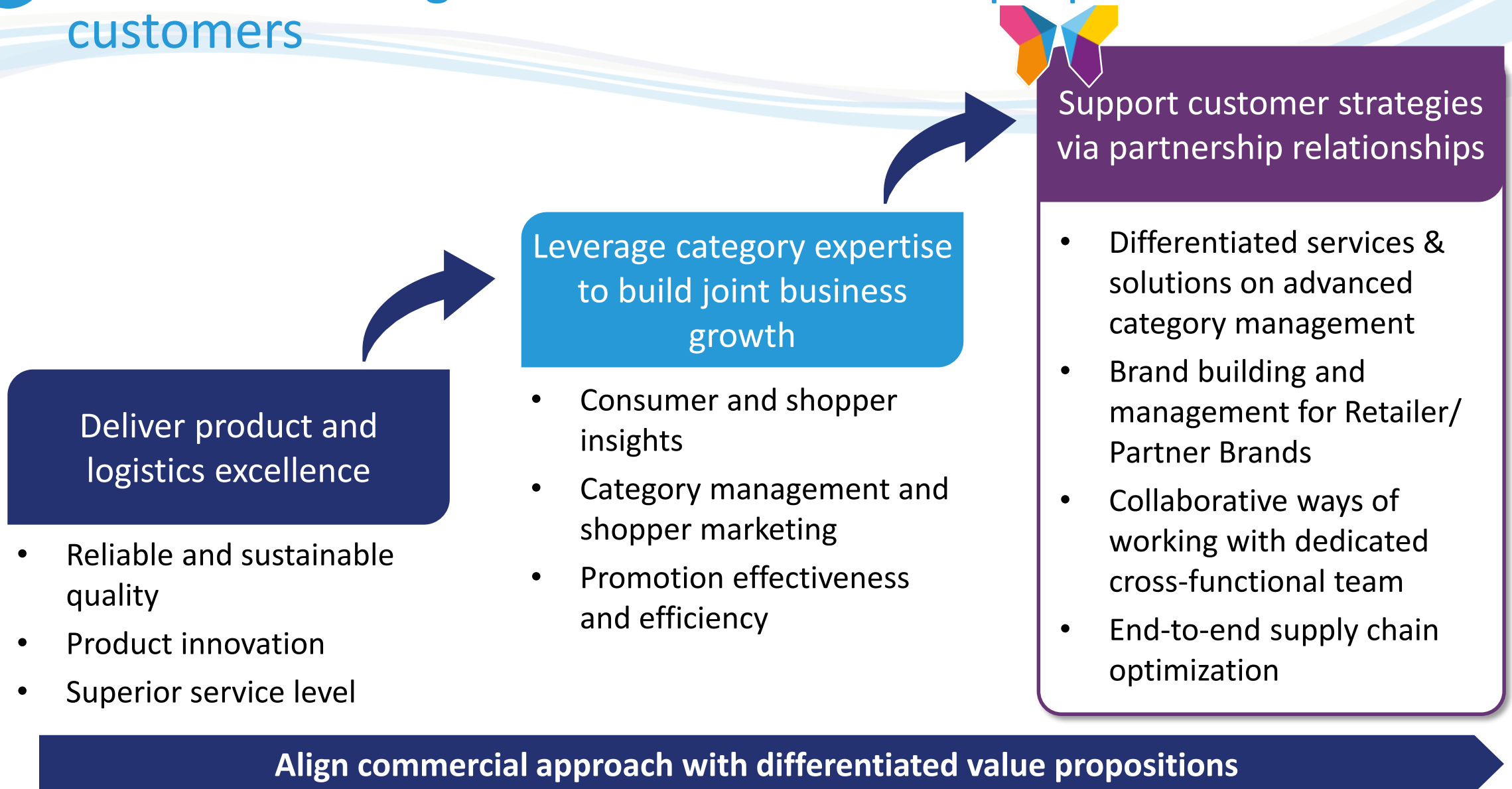
***Adult Pants (+8%)
and Light Inco (+5%)***



Drive mix through diligent brand and customer planning

- Fact-based assessment of growth opportunities by segment and by customer
- Shift towards high-growth product categories embedded into detailed customer and brand plans
- Investments in innovation and capacity aligned based on customer plans

6 Increase offering of differentiated value propositions to our customers



7 Adapt innovation process to our dual business model to increase speed to market

Branded

- Generate value via premiumization
- Drive category innovation trends
- Differentiated solutions tailored to local needs
- Consumer-led, based on insight and research

Retailer Brands

- Improve resilience vs. external headwinds via value engineering
- Fast-follow category trends initiated by global brands
- Differentiated features across customers
- Customer-led, involved along the process

Differentiated process and organization, while securing synergies around common platforms and leveraging category understanding

Examples of potential customers

BIGFRAL

bbtips

canped

MOLTEX
nature.no.1

Walmart

Carrefour

Biedronka
Codziennie niskie ceny

ALDI

TRANSFORMGROW

Ontex

T2G to deliver sustainable transformation

Boost Operational Efficiency

1

Reinvigorate our manufacturing strengths and leverage best practices

2

Further optimize transportation, warehousing and end-to-end planning

3

Leverage increased scale to optimize procurement practices

4

Reinforce innovation strengths in product design to optimize raw materials usage



Drive Commercial Excellence

5

Drive more diligent focus on the high-growth product segments

6

Offer more differentiated value propositions to our customers

7

Adapt innovation process to our dual business model

Accelerate and expand capability building

Drive sustainable change through the organization

Accelerate and expand capability building across all areas

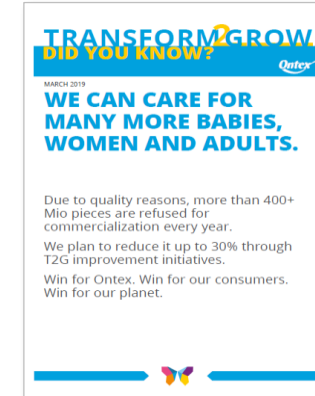
- Upgrade hard skills training programs across all business areas and deploy to more than ~2,600 employees
- Roll-out of global leadership and change management program to ~1,000 employees that will play a key role in driving the transformation
- Leverage global Centers of Expertise and advanced learning management systems to accelerate rollout of new capabilities and best practices



Engage the organization to deliver sustainable transformation

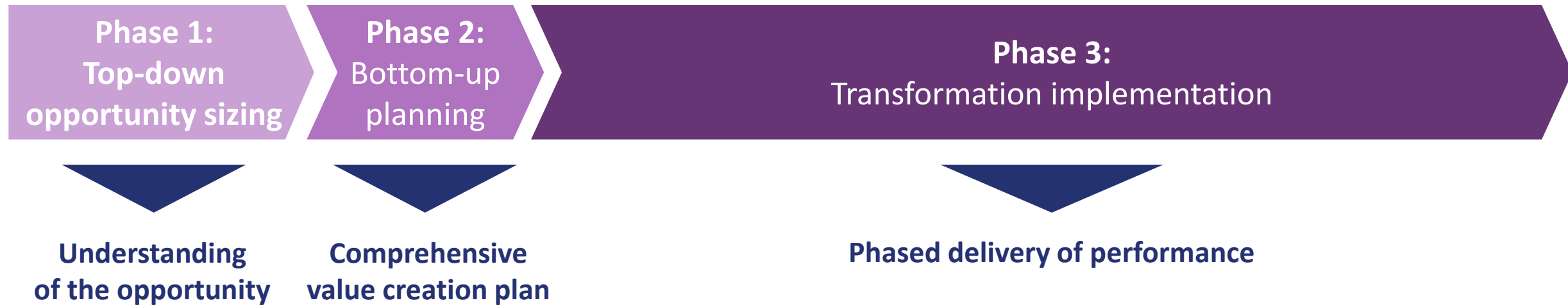
Ensure ownership of the value-creation plan:
>250 employees involved in the bottom-up planning

Keep open, transparent communication:
Global and local initiatives



Continuous engagement with employee stakeholders

T2G timeline: Planning completed, set for implementation



T2G targeted to generate 125bps-175bps of margin improvement in 2021 vs. 2018
Total one-off costs of €85m and T2G-related capex of €45m



4. Clear strategic priorities to drive profitable growth

T2G is an enabler of our strategy to accelerate value creation

Highly attractive market fundamentals

1 Strengthen current leadership positions

- A Europe:** Maintain leadership in retailer brands
- B AMEAA:** Strengthen local brands and continue turnaround of Brazilian business
- C Healthcare:** Leverage scale and expertise to increase sales in self-pay and services



2 Expand into new businesses and geographies

- D North America:** Establish foothold with retailer brands
- E Online:** Grow share of online sales
- F Acquisitions:** Participate in industry consolidation

Deliver sustainable profitable growth

A Maintain leadership in Retailer Brands in Europe through differentiation

Ontex's relative share to the number two player has increased since IPO

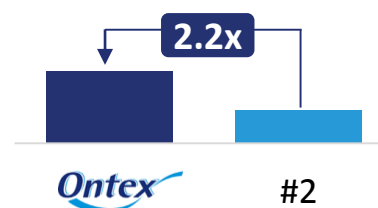
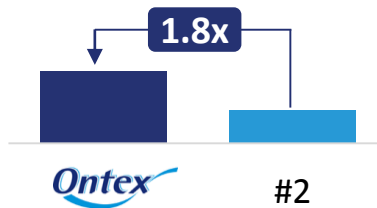
Ontex's position in Retailer Brands segment and size¹

Western Europe 2014

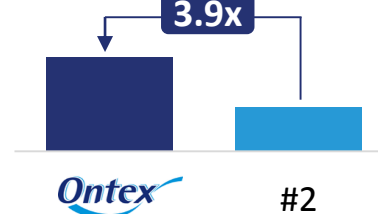
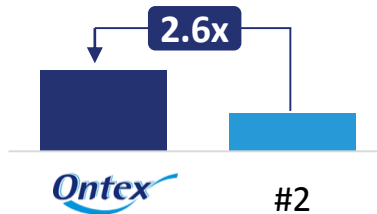
Europe 2018



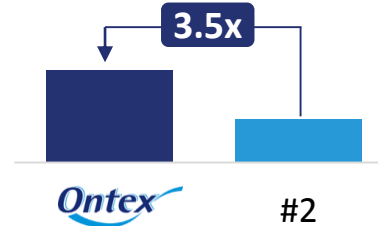
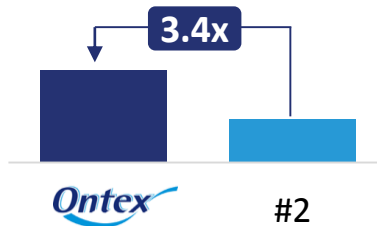
Babycare



Femcare



Adult
Incontinence



All categories: **2.7x**

All categories: **3.5x**

Differentiating factors

Product performance at par vs. global brands

Consistent and reliable quality

Superior service level

Fast-follower innovation

Competitive yet disciplined pricing

Scale advantages and geographical reach

Marketing and category expertise

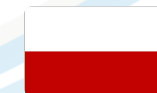
Source: Management estimates (competition mapping, moving annual total at March 2014 and H2 2018).

¹ Relative segment share based on volume and segment size based on value.

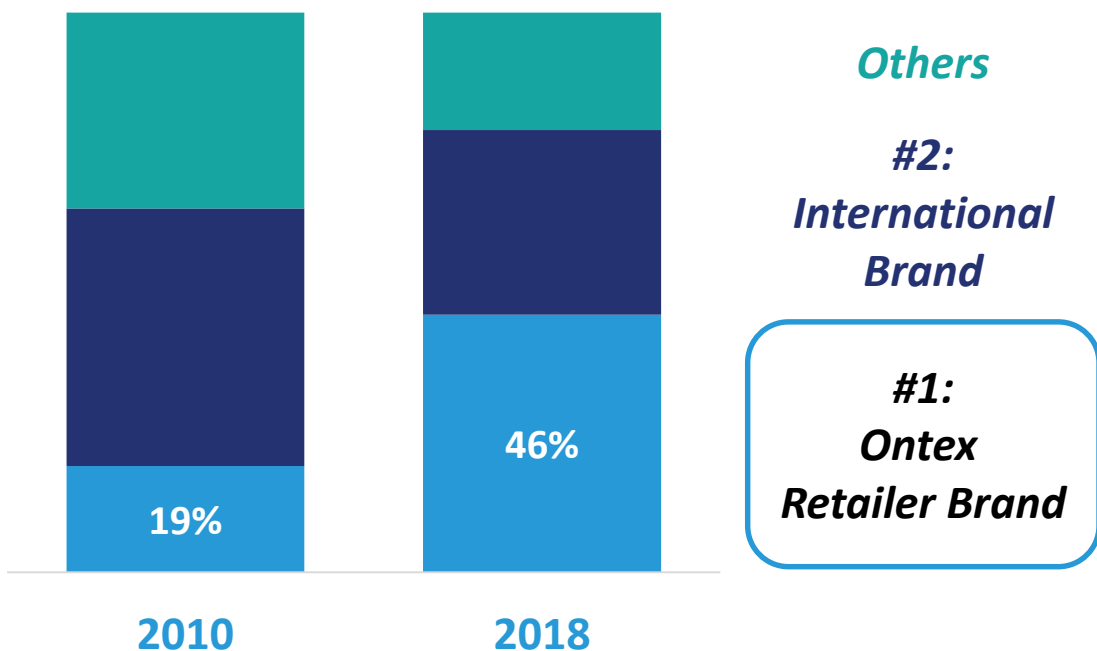
A

Example: Leveraging our expertise to build Retailer Brands

Poland case study



Creating a leading brand in Babycare



From below 20% share in 2010
to a #1 position today

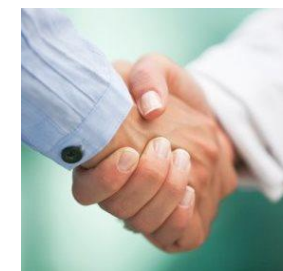
Innovation

Co-developed a winning proposition to increase share of a Polish retailer brand in Point of Market Entry (new-born diapers) focused on softness, comfort, and performance



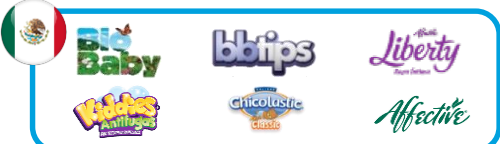














Joint retailer brand building

Collaborative work between Ontex and Polish retailer brand teams to drive consumer preference



Differentiating our Retailer Brands by product
innovation and marketing

B America Middle East Africa Asia: Grow locally relevant brands

Value Market Share (2018 FY)		Babycare	Adult Incontinence	Value creation strategy for our brands
Mexico		30% 	40% 	Distribution <ul style="list-style-type: none"> Further expand in specific channels (e.g. traditional trade in Mexico, wholesalers in Brazil) Increase the consumer reach of our brands (e.g. bringing Canbebe into new territories in MEA) Mix Premiumization <ul style="list-style-type: none"> Build on leadership in Inco to shift towards Light Inco and Adult Pants (e.g. Brazil, Turkey) Drive Baby pants adoption in our key markets (e.g. Mexico, Middle East) Innovation <ul style="list-style-type: none"> Continue driving locally-relevant value propositions with targeted innovations (e.g. baby diapers softness in Mexico) Value engineering to deliver improved performance more efficiently (e.g. new product chassis)
Brazil		12% 	25% 	
Turkey		5% 	62% 	
Ethiopia		45% 	—	
Pakistan		12% 	—	
Algeria		19% 	—	

Source: Market Research & Consumer Panels data providers, Management estimates.
 Note: Market share Includes Ontex own brands and retailer brands.

B *Distribution Example*: Expanded distribution of Canbebe in MEA

canbebe

Algeria



Actions

- Grow in Eastern Algeria
- Increase distribution in rural shops
- Van-selling development

Results and targets

2015 Now 2021

Distribution¹ 55% 67% 85%

Ethiopia



- Increase penetration in Addis Ababa retail outlets via direct sales
- Increase the number of sub-distributors to reach more rural regions

Direct Sales Customers - ~3k ~6.5k

Number of Distributors - ~10 >20

Pakistan



- Expand distribution in North and West
- Increase number of distributors in the South
- Implement new processes and tools to improve distribution management

Number of stores <20,000 <20,000 ~25,000

¹ Distribution refers to weighted distribution for the relative size of stores where Ontex distributes to.



B *Innovation Example:* Strengthening Mexico's brands through innovation

Consumer Insight

*"To me an **environmentally and a healthy lifestyle** is essential, I want to strengthen my baby's body and future through the best **natural-based products**"*

Solution



- ✓ **Natural formula** to protect baby skin, reduced ecological impact

Marketing Communication



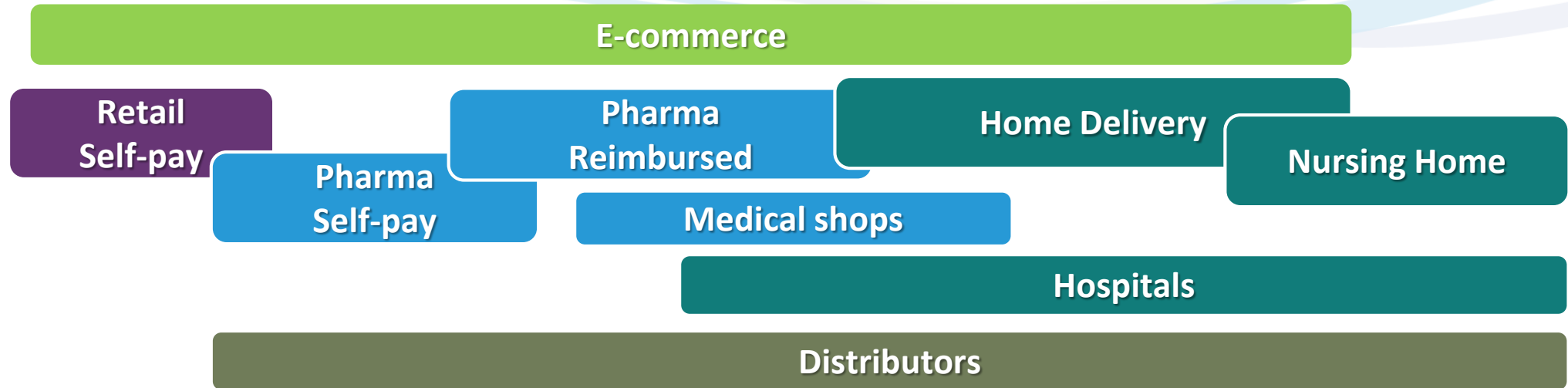
"All parents worry about the growth and development of their baby. Caring for a baby's skin is an important part of being a parent, one of the main first-parents' concerns is skin rashes"



- ✓ **Very soft, clinically-tested** diaper which helps prevent skin rashes
- ✓ **Caring tips** to first-time parents



C Healthcare: Different channels going through massive transformation

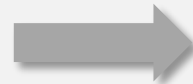
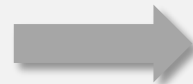
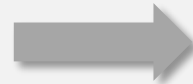
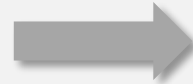


Reimbursed

Public institutions

Away-from-home

Focus on products



Self-pay

Private organizations

At home care

Products & services

C Healthcare: Moving from a business heavily weighted to Institutional to a more balanced offer

Strong position in Institutional

- ✓ Strong #2 position in European institutional channel, with leading positions in key markets
- ✓ In-depth category expertise, supported by extensive product offering
- ✓ Strong recognition of iD and Serenity brands
- ✓ Unmatched home delivery capabilities



Consumer-oriented with focus on self-pay and services

- ✓ Maintain our strong position in Europe through commercial excellence
- ✓ Drive fast growth in self-pay channels (retail, pharma, e-commerce)
- ✓ Shift towards value-added products & services, e.g. waste management, connected diapers and applications

Vast majority of our business in Institutional



Build on position in Institutional to establish a stronger business in services and self-pay

T2G is an enabler of our strategy to accelerate value creation

Highly attractive market fundamentals

Strengthen current leadership positions

1

- A Europe:** Maintain leadership in retailer brands
- B AMEAA:** Strengthen local brands and continue turnaround of Brazilian business
- C Healthcare:** Leverage scale and expertise to increase sales in self-pay and services



Expand into new businesses and geographies

2

- D North America:** Establish foothold with retailer brands
- E Online:** Grow share of online sales
- F Acquisitions:** Participate in industry consolidation

Deliver sustainable profitable growth

D North America: Retailer Brands represent a significant opportunity



Opportunity

- North America personal care market is second-largest and growing, largest profit pool globally
- Retailer Brands have sizeable position in US, still significantly below Europe
- Over the last 2 years, Retailer Brands have continuously strengthened their position

Making it happen

- Most retailers requesting US-based production
- Large scale contracts requiring significant capacity
- Highly concentrated Retailer Brand supply landscape

Ontex position

- Leverage Ontex's success and expertise in Europe to serve global retailers
- Bring category & brand management expertise
- Provide differentiated product offering
- Be a credible alternative to the current supplier base

Meaningful position already secured at top-tier retailer in Babycare

Fundamental consumption trends in our categories...

Convenience and discretion

- Delivery at home
- Predictable consumption
- Overcoming taboos

Easy and low-cost access to market

- Growth of marketplaces
- Different media channels
- New logistics & fulfilment platforms

Engagement

- More personalized offerings
- 1-to-1 communication between consumer and brands
- Immediate and direct consumer experience feedback



...driving e-commerce growth

- **Roughly ~50% of the growth** expected from online channels
- **~15 out of 100 baby diapers sold online**, set to double over next 5 years
 - Global trend with South Korea and China as front-runners
- Higher level of loyalty to brands in multichannel / e-commerce: **>50% of purchases** in Consumer Goods derive from “Saved” or “Favorites” lists or subscriptions



E E-commerce: Four pillars driving our online sales

Retail partners multi-channel growth

Ontex is uniquely positioned to support our customers' Retailer Brands' **online presence and conversion**

Examples of potential customers



Leading retailers have emphasized importance of retailer brands in their e-commerce channels

Third-party Direct-to-Consumer brands

Co-developing new value propositions with third-party lifestyle brands: *ecological, organic, safe for you*

Examples of potential customers



#1 manufacturer of third-party brands across the 3 categories

Pure-play marketplaces

Launched Femcare range in China, via Alibaba, the largest market for our categories and e-commerce



Achieved #6 position on Tmall on Alibaba's Singles Day in 2018

Direct-to-Consumer Subscription

Subscription brand "Little Big Change" launched in June 2018 in France



Accelerated growth since launch less than 1 year ago

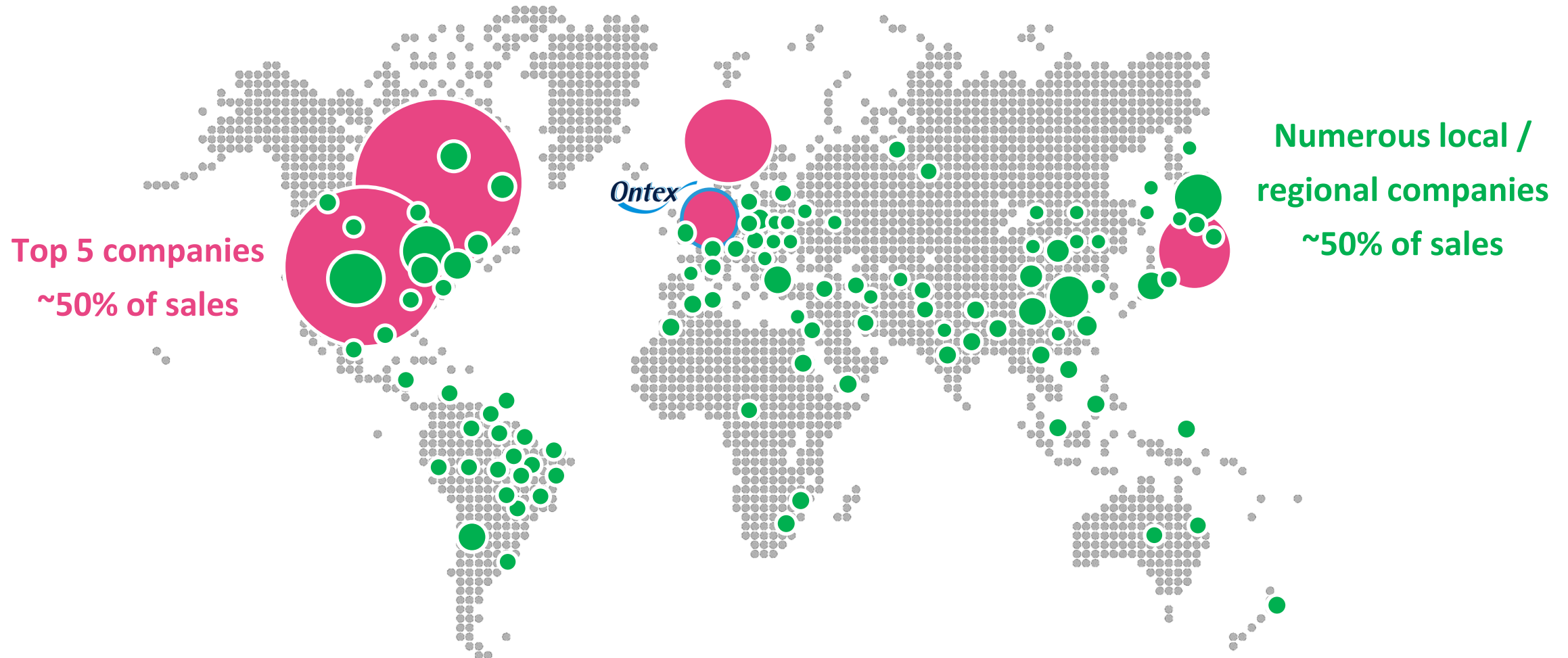
LBC Commercial



**LITTLE BIG
CHANGE**

LES	COUCHES	QUI
ONT	DES	CHOSSES
À	DIRE	.

F The fragmentation of the personal care industry offers consolidation opportunities



Source: Euromonitor, Management estimates.

Note: Data based on fixed 2018 FX rates and constant 2018 prices. Includes Babycare, Femcare and Adult Incontinence (incl. Away from Home and Rx/Reimbursement).

F Solid M&A track record and strongly positioned for industry consolidation

13 acquisitions since 1999		
1999-2010	2011-2014	2015 - To date

Number of acquisitions

9

2

2

Countries



Sales at acquisition (EUR)

~400m

~240m

~720m

Strategic acquisitions



Strongly positioned for industry consolidation

- ✓ Comprehensive knowledge of various mature and developing markets
- ✓ Attractive fast-growing local brands focused business model
- ✓ Preserving family business culture
- ✓ Strong organizational structure in place to support integration
- ✓ Disciplined approach to M&A consolidation opportunities



5. Outlook

2019 outlook

Revenue

Broadly stable
Like-for-like Revenue
at constant currency

EBITDA

Stable
Adjusted EBITDA
at constant currency

Capex

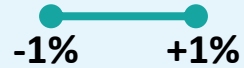
Capex of **4.5% to 5.0%**
of **Revenue** excluding
T2G-specific capex

Like-for-like revenue growth and market outlook (2020-2021)

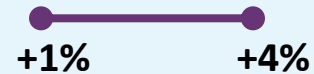
Management outlook

Market

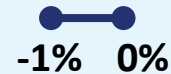
Europe



AMEAA



Healthcare



Ontex outperformance

Revenue growth 50+ bps
above markets where we operate

Main drivers

- Demographic trends
- Category penetration
- Consumer usage

- Market share gains
- New Retailer Brands contract/gains
- Mix and premiumization
- E-commerce and self-pay acceleration

T2G financial investment

T2G Investment

One-off costs	€85m
Incremental capex	€45m
<hr/>	
Total	€130m

T2G Investment: €130m

- €45m-50m in 2019
- Balance spread over 2020-2021



Full payback on investment
by end of 2022

T2G impact: 2021 EBITDA and FCF Outlook

At constant currency and scope

EBITDA Margin

Improvement of +125bps to 175bps¹
in **2021** vs. 2018

Working Capital

Improvement by **10%²**
in **2021** vs. 2018

Capex

4% to 5% of Revenue

**Free Cash Flow conversion of
~55%-65%³**

¹ Net of the impact of the application of IFRS 16 effect as of January 1, 2019.

² On the basis of the 2018A reported working capital of €421 million, excluding factoring as per Ontex's definition (inventories, trade receivables, prepaid expenses and other receivables minus trade payables, accrued expenses and other payables).

³ FCF conversion is calculated as (Adj. EBITDA - Capex + Change in Working Capital) / Adj. EBITDA.

Key debt and credit items

Current financing arrangements

Favorable financing arrangements (long maturities, low costs implemented in 2017)

- €600m syndicated 5y term loan maturing in 2022 (currently EURIBOR+1.50%)
- €250m bilateral term loan maturing in 2024 (EURIBOR+1.40%), of which €150m drawn
- €300m RCF facility maturing in 2022 (currently EURIBOR+1.30%)

Current credit rating

S&P Global

BB / Stable

MOODY'S

Ba2 / Stable

Adequate liquidity at current scope over short- and medium-term

Taking Ontex to the next level

- Successfully repositioned as a leading international personal hygiene company and a more balanced business, present in attractive categories underpinned by strong demographic trends
- Proven resilience and agility in the face of headwinds and across cycles
- Solid know-how and innovation capabilities both in branded and retailer brands
- T2G to step-change operational efficiency and commercial excellence enabling successful implementation of strategic priorities
- Potential to seize opportunities and expand into new businesses and geographies in core categories

Ontex is well-positioned for further value creation



Appendix

2018 Condensed income and cash flow statements

EUR million	FY 2018
Income statement	
Revenue	2,292
Adj. EBITDA	234
<i>% Margin</i>	10.2%
Adj. EBITDA incl. IFRS16	264
<i>% Margin</i>	11.5%
Reported EBITDA	210
<i>% Margin</i>	9.1%
Reported EBITDA incl. IFRS16	240
<i>% Margin</i>	10.5%
Cash flow statement	
Working Capital excl. factoring ¹	421
Capital Expenditure	104
<i>% of Revenue</i>	4.5%

Note: Adjustments in EBITDA of €24.3m relate to non-recurring costs.

1 On the basis of the 2018A reported working capital of €421 million, excluding factoring as per Ontex's definition (inventories, trade receivables, prepaid expenses and other receivables minus trade payables, accrued expenses and other payables).