REGULATED INFORMATION

Ontex Q1 2021 trading update:
Revenue and operating margin down in the context of soft demand
Leadership appointments to drive turnaround

Aalst-Erembodegem, April 28, 2021 - Ontex Group NV (Euronext Brussels: ONTEX) today announced its trading update for the three months ending March 31, 2021.

- **Revenue: €480 million, -16.5% at reported currencies, -11.1% LFL vs. strong Q1 2020 amidst lower consumer demand and the impact of lost business in Europe**
- **Adjusted EBITDA: €50 million, -24.9%, mainly due to sales decrease, partly offset by strict cost control and industrial efficiencies. Adjusted EBITDA margin of 10.3% (-117 bps)**
- **Significant currency headwinds of -€33 million on sales and -€10 million on Adjusted EBITDA**
- **Net debt of €845 million at March 31, 2021 essentially unchanged versus December 31, 2020**
- **The Board of Directors has decided not to propose a dividend payment for 2020**

Esther Berrozpe, Ontex CEO, commented: *"We are not satisfied with the Q1 2021 trading performance which, although as anticipated, clearly demonstrates the potential for significant improvement. Having passed a low point for sales in Q1, our teams are working to ensure a recovery of sales for the balance of the year, and to mitigate the impact of rising raw material prices.*
We are taking important steps to turn the strategic priorities into action. I am very pleased to announce the appointments of a number of new leaders, including a Chief Financial Officer and Chief Supply Chain Officer, and look forward to driving the turnaround of Ontex with my team. I am also very encouraged by the engagement and commitment of our people to make the necessary changes to improve our operational and financial performance."

Actions on Strategic Priorities

- Leadership team: Chief Financial Officer and Chief Supply Chain Officer appointed effective May 1
- Organization & Culture: In depth review underway to simplify the organization; new pay for performance remuneration policy designed and submitted for shareholder approval at the AGM
- Customer centricity: Strengthening customer partnerships in Europe leading to a stabilization of business gains/losses; new business captured in US
- Innovation: Several product innovations launched in the US and Brazil. Introduced smart Adult diaper in Europe. Testing recycling and composting of baby diapers to progressively shift to a circular economy business model.
- Operational excellence: New integrated supply organization to achieve cost and quality excellence, and enhance customer service under leadership of newly appointed Chief Supply Chain Officer
- Portfolio focus: Business and product portfolio analysis close to completion

2021 Outlook

Despite uncertainties due to the pandemic and input cost inflation, the Group expects to have stable LFL revenue in 2021 with growth starting in Q2.

The priority in 2021 will be to launch major actions to drive the turnaround of Ontex. The new management team look forward to providing an update on its strategic initiatives and financial objectives on June 21, 2021.

Key Financials for Q1 2021

In € million, except per share data	First Quarter 2021	First Quarter 2020	Variance
Reported Revenue	**479.7**	**574.2**	**-16.5%**
LFL Revenue	**510.2**	**574.2**	**-11.1%**
Adjusted EBITDA	**49.6**	**66.0**	**-24.9%**
Adjusted EBITDA Margin	***10.3%***	***11.5%***	***-117 bps***
Net Debt	845.4	871.1	-2.9%
Net Debt / LTM Adjusted EBITDA	3.86x	3.37x	0.49x

Notes which apply to this document
Unless otherwise indicated, all comments in this document on changes in revenue are on a like-for-like basis (at constant currencies).
Definitions of Alternative Performance Measures (APMs) in this document can be found in note 5 of the Notes to the Consolidated Financial Information.
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.

New leadership appointments to drive change and improve performance

A number of appointments of critical leadership positions have been made in order to drive the Company's transformation and performance improvement.

As of May 1, 2021, Peter Vanneste will take up the position of Chief Financial Officer. On the same date, Vincent Crepy will join in the newly-created role of Chief Supply Chain Officer. Further details are available in a separate press release published today.

On February 1, 2021, Laurent Nielly was appointed President of the Europe Division, where we are focused on restoring competitiveness and sales growth. Caroline De Wolf has joined Ontex as Vice President Communications on April 1, 2021, to ensure effective communication with all of the Group's stakeholders during a period of substantial change. All are proven leaders in their respective fields and bring highly relevant experience and skills.

Transforming the organization and culture

Successfully executing the turnaround requires changes in the organization and culture. Ontex is in the process of completing a deep analysis of the business to streamline the structure, in order to drive accountability and speed up decision making. Creating a high performance culture requires an incentive scheme which rewards success. A new remuneration policy has been proposed to shareholders to align leadership compensation with value creation.

Customer centricity and innovation to restore sales growth

Restoring profitable growth requires strong partnerships with our customers based on the right innovation cadence, quality, cost and service. Work is already underway in Europe to address performance gaps. This renewed focus is starting to pay off in the balance of business gains and losses in Europe and we expect the results of this work to start impacting our top line from Q4 2021. Our customer-led focus in the US continued to deliver business gains.

Innovation is also crucial to resuming growth, with highlights so far in 2021 including the launch of new Baby Care products in the US and Brazil. We are working with R&D and logistics partners to propose innovative approaches in personal hygiene solutions. Examples include the introduction of a smart diaper for incontinence and the launch of pilots to test diaper recycling and composting. These steps are fully in line with our goals of progressively moving towards a circular economy business model.

Portfolio focus to maximize value creation

The review and analysis of the business and product portfolio is close to completion. The objective is to ensure that the portfolio can maximize synergies and operational excellence.

Moving to a best cost and service level position

Under the leadership of the new Chief Supply Chain Officer, we will design and implement an end-to-end operations set up, allowing Ontex to fully leverage its scale and break the silo approach that has held back operational efficiencies. By integrating responsibility from procurement through manufacturing, quality and logistics, we aim to drive a step-change in our customer service levels while maximizing operational efficiencies.

Strengthening the financial structure

We are taking a number of steps to strengthen the Group's financial structure.
Capital expenditures have been limited to only essential projects, and the Board of Directors has decided to not propose the payment of a dividend related to 2020 to shareholders at the next AGM. Both of these decisions are in the context of keeping leverage under control.
We have launched the process to refinance the company's debt, and are currently exploring a range of debt instruments which are most appropriate for the Company.

Q1 2021 Highlights

Q1 2021 revenue of €480 million was down 11.1% LFL against a very strong quarter a year ago, including a surge in demand in March 2020. Sales were down 16.5% on a reported basis, which includes a €33 million unfavorable currency effect from the depreciation from March 2020 of several key currencies against the euro, notably the Brazilian Real, Mexican Peso, Turkish Lira and Russian Ruble. The decrease in LFL sales is mainly explained by a high prior year comparable, lower demand for personal hygiene products in tracked retail channels, and contract losses in Europe.

Adjusted EBITDA of €50 million in Q1 2021 was down 24.9% compared with prior year, due to lower volumes versus solid growth a year ago, negative price/mix, and €10 million unfavorable currency effects, which were only partly compensated by savings in operations and overhead costs. Adjusted EBITDA margin was 117 bps lower at 10.3%.

Net debt was €845 million at March 31, 2021, essentially unchanged vs. December 31, 2020 and -€26 million vs. March 31, 2020. Leverage was 3.86x at March 31, 2021. Net debt excluding IFRS 16 Lease liabilities was €715 million, also at March 31, 2021.

Operational Review: Categories

	First Quarter			
in € million	2021	2020	% ∆ as reported	% ∆ at LFL
Ontex Reported Revenue	**479.7**	**574.2**	**-16.5%**	**-11.1%**
Babycare	254.1	328.3	-22.6%	-15.9%
Adult Incontinence	169.8	177.1	-4.1%	1.3%
Femcare	47.3	62.0	-23.7%	-26.8%
Other	8.5	6.8	24.3%	37.5%

Q1 2021 **Baby Care** revenue was down 15.9% compared with strong growth in the first quarter a year ago. The decrease is mainly due to a drop in sales in Europe resulting from lower demand and customers contract losses, while AMEAA revenue was also below a high comparable last year.

Sales of **Adult Incontinence** products were up 1.3% in Q1 2021, with this category demonstrating ongoing growth driven by long-term demographic trends. Adult Inco revenue in retail channels grew 6% with both retailer brands in Europe and Ontex brands in AMEAA markets including Brazil, Mexico and Turkey, being above prior year. Sales in institutional channels were lower as a result of reduced occupancy rates in care homes which was not fully offset by higher sales in self pay channels. Adult Pants delivered another quarter of solid top-line growth.

Feminine Care sales in Q1 2021 decreased 26.8%, after 14.7% growth in the same quarter of 2020. Revenue was down against strong comparables in both Europe, where the majority of our Femcare sales take place, and AMEAA.

Operational Review: Division

	First Quarter			
in € million	2021	2020	% ∆ as reported	% ∆ at LFL
Ontex Reported Revenue	**479.7**	**574.2**	**-16.5%**	**-11.1%**
Europe	191.7	250.1	-23.4%	-21.5%
AMEAA	178.9	213.5	-16.2%	-4.2%
Healthcare	109.1	110.6	-1.4%	-1.2%

Europe

Sales in Europe decreased 21.5% in Q1 2021, which is expected to be the low point of the year as communicated in the FY 2020 results. The year-on-year drop has two main drivers: lapping a strong Q1 2020 where we benefited from an exceptional surge in demand in March 2020 as lockdowns were announced, and a net negative balance of contract gains and losses, which will progressively narrow in the next quarters. In addition, the shift of personal hygiene sales online, where retailer brands are less represented, continued mostly in West Europe offset by strong sales growth in Russia. Looking forward we expect gradual improvement fueled by recent contract gains, some scheduled to start shipping to customers in late 2021 or early 2022. Also, in-store shopping, which has been negatively impacted by lockdowns in most markets over the past several months, is likely to increase as the public health situation improves and mobility restrictions ease in the coming months.

All definitions of Alternative Performance Measures (APMs) in this press release can be found in Annex A of this document

Americas, Middle East, Africa and Asia (AMEAA)

Q1 2021 revenue in the AMEAA Division was down 4.2% compared with a strong increase of +10.7% a year ago. Sales in the Americas had a limited decrease versus the very solid performance in Q1 2020, and featured another quarter of revenue growth in Brazil due to the consistent execution of our commercial plans, including share gains in Baby pants. Although Q1 sales in Mexico were below the high comparable a year ago, our brand portfolio has been gaining market share in Baby and Adult Care in the past quarter. MEAA revenue was down on prior year, albeit sales in Turkey were higher in both Baby and Adult Care categories.

Healthcare

Healthcare sales in Q1 2021 were 1.2% lower than prior year. First quarter revenue held up well, with a good performance in e-commerce, self-pay channels and new business development. At the same time, sales were impacted by lower occupancy rates in care homes across a number of markets, which are starting to improve as vaccinations increase, as well as some destocking from inventory built up related to Brexit uncertainty last year in the UK.

CORPORATE INFORMATION

The above press release and related financial information of Ontex Group NV for the three months ended March 31, 2021 was authorized for issue in accordance with a resolution of the Board on April 27, 2021.

AUDIO WEBCAST

Management will host an audio webcast for investors and analysts on April 28, 2021 at 11:00am CET/10:00am UK. A copy of the presentation slides will be available at http://www.ontexglobal.com/

Click on the link below to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device, so be sure to have headphones or your volume turned up.

https://globalmeet.webcasts.com/starthere.jsp?ei=1453552&tp_key=771d45de1c

A replay of the webcast will be available at the same link shortly after the conclusion of the live presentation, and remain available on the same link for one year.

FINANCIAL CALENDAR

AGM	May 25, 2021
Investor Meeting	June 21, 2021
H1 2021	July 29, 2021
Q3 2021	October 28, 2021

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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

Income and expenses classified under the heading "non-recurring income and expenses" are those items that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the Company. Non-recurring income and expenses are presented separately, due to their size or nature, so as to allow users of the consolidated financial statements of the Company to get a better understanding of the normalized performance of the Company. Non-recurring income and expenses relate to:

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

Non-recurring income and expenses of the Group for the years ended December 31 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.

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).

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 report.

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