

A photograph of a young woman with blonde hair, wearing a red sweater, smiling and holding a baby wrapped in a white cloth. An older woman with short grey hair, wearing a blue top, is leaning in and smiling at the baby. They are standing in front of a window with a view of a building with green shutters. The image is used as a background for the text overlay.

# 2021

**MAY 25<sup>TH</sup>, 2021**

## **ANNUAL GENERAL MEETING**

# AGM OFFICIAL OPENING

- Opening of the meeting and composition of the bureau
- Convenings, registrations and attendance formalities
- Validity of the meeting

# AGENDA OF THE ANNUAL GENERAL MEETING

1. Annual Review (information)
2. Report Auditor (information)
3. Consolidated Accounts (information)
4. Statutory Accounts (for approval)
5. Discharge Directors (for approval)
6. Discharge Auditor (for approval)
7. (Re-) Appointments Directors (for approval)
8. Remuneration Report (for approval)
9. Remuneration Policy (for approval)
10. Delegation of Powers (for approval)



# WHERE WE STAND AND OUR PRIORITIES FOR THE FUTURE



Esther  
Berrozpe

# CURRENT SITUATION

**2020 RESULTS  
SHOW  
POTENTIAL  
UPSIDE**

**STRATEGIC  
PRIORITIES SET**

**NEW  
MANAGEMENT  
TEAM**

**2021  
IMPLEMENTATION  
UNDERWAY**

# WHO WE ARE



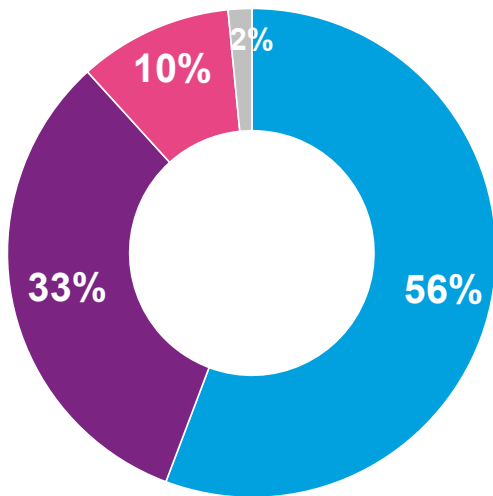
**OUR PURPOSE**  
**WE CREATE A WORLD WHERE  
EVERYONE CAN EMBRACE  
LIFE'S CHANGES**

- ▶ Personal Hygiene and Health solutions to help people during major changes in their lives
- ▶ Deeply rooted in local markets, we offer affordable products and services to the communities we serve
- ▶ What differentiates us is our accessibility and proximity and our approach to locally driven innovation
- ▶ We partner with customers to develop retail brands & a portfolio of local brands for people in care or at home

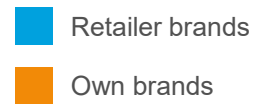
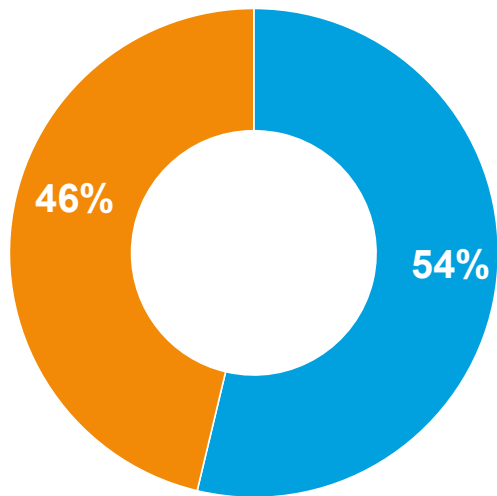
# OUR POSITION TODAY

## ONTEX REVENUE SPLIT (2020)

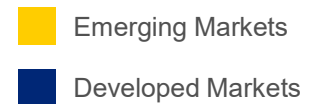
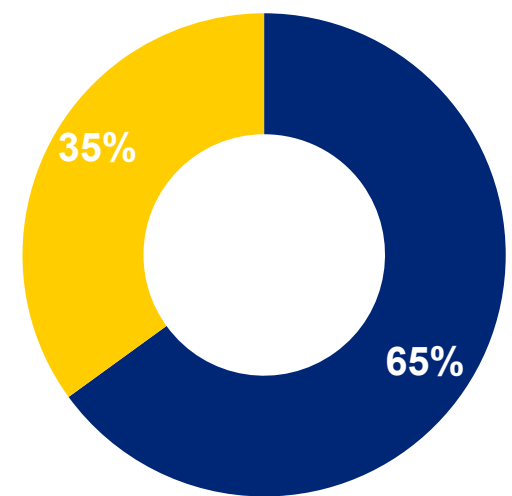
**CATEGORIES**



**OWN VS. RETAILER BRANDS**



**GEOGRAPHIES**





# DEMOGRAPHIC AND CONSUMER TRENDS DRIVE CATEGORY GROWTH



**SOCIO-DEMOGRAPHIC UNDERLYING TRENDS**

- ▶ Demographics growth
- ▶ Ageing population
- ▶ Economic development



**SHIFTS IN SHOPPER AND CONSUMER BEHAVIOURS**

- ▶ Smart choices
- ▶ Lifestyle brands
- ▶ E-commerce
- ▶ Convenience
- ▶ Homecare
- ▶ Sustainability



# RESULTING IN VOLUME AND VALUE GROWTH OPPORTUNITIES

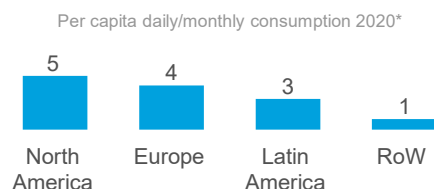
**Growing number of users...**

**... with increasing usage of products...**

**... and innovation to drive value**



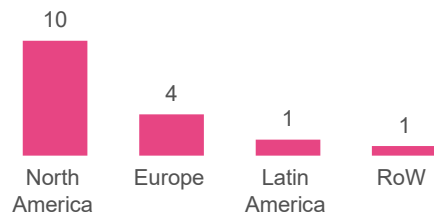
**~Flat**  
number of babies  
aged 0-2 by 2030



- ▶ **Baby pants: 95%** of value growth, price index vs. diapers at >120
- ▶ **Natural and sustainable : ~70%** growth p.a. in Europe



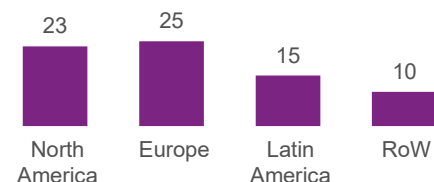
**+480m**  
people above 45 years old  
by 2030



- ▶ **Adult pants and light inco: 85%** of value growth, at higher margins (retail Europe)
- ▶ **Services: 80+%** interest from Institutions for **continence management**



**+140m**  
women aged between  
12 and 49 by 2030

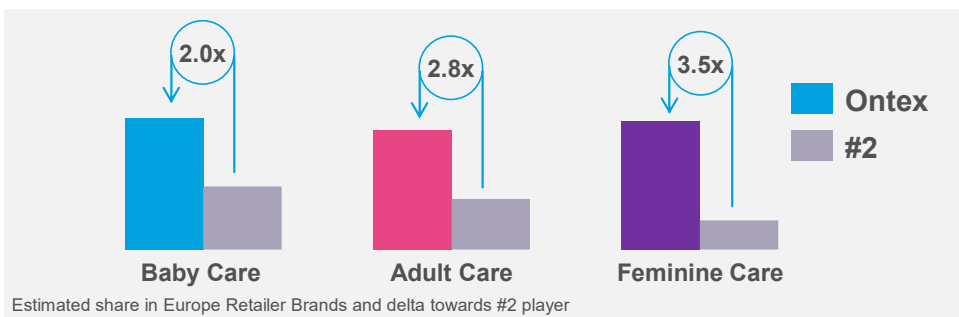


- ▶ **Natural and sustainable components: 50%** growth p.a. in USA

(\*) Daily consumption for Baby Care and monthly consumption for Adult Care and Feminine Care for consumers in the target group

# WE ARE WELL POSITIONED IN OUR CORE MARKETS

## LEADERSHIP IN RETAILER BRANDS IN EUROPE



## STRONG BRANDS IN HEALTHCARE IN EUROPE

Italy	#1
UK	#2
Belgium	#2
France	#3
Germany	#5
Spain	#5



Positions of our main Healthcare brands in key European markets

## STRONG BRANDS IN KEY EMERGING MARKETS

	Adult Care	Baby Care
Mexico	#2	#2
Brazil	#2	#3
Turkey	#1	#4
Algeria		#2
Pakistan		#2
Ethiopia		#1

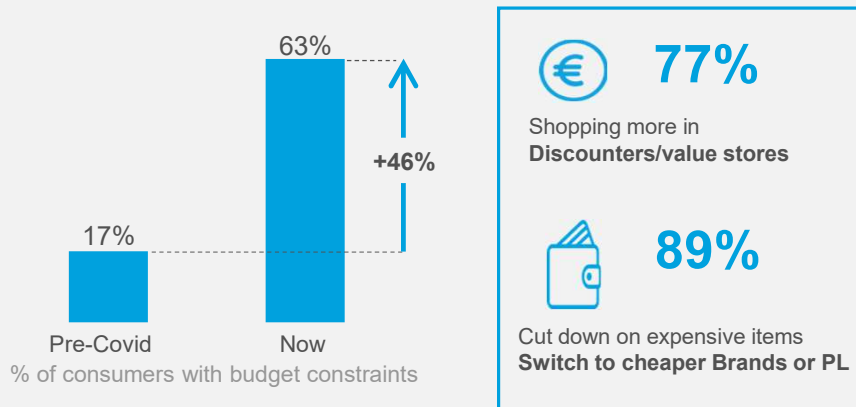


## KEY PARTNER FOR LIFESTYLE BRANDS

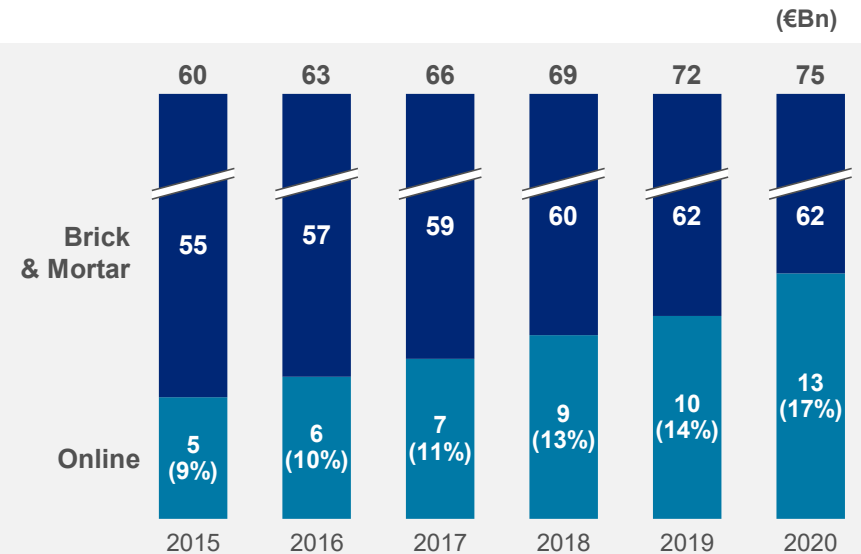


# TO CAPTURE MARKET TRENDS AND DRIVE GROWTH

In Europe, consumers claiming to be budget constrained indicate a willingness to pursue savings in retail with ~80% switching to Discounters and Retailer Brands



E-commerce acceleration in 2020  
Retail Babycare, Femcare, Adultcare



# **WE HAVE STRONG CAPABILITIES TO BUILD ON**



**DEEP BUSINESS  
UNDERSTANDING**

**STRONG  
INDUSTRIAL  
FOOTPRINT**

**FLEXIBILITY TO  
DELIVER  
CUSTOMER  
DIFFERENTIATION**

**EXPERIENCED &  
ENGAGED TEAM**

# HOWEVER WE NEED TO SOLVE IMPORTANT CHALLENGES



COMPLEXITY

COST

CUSTOMER  
FOCUS

**Leading to top-line decline, lack of margin expansion,  
low cash generation and poor ROIC**

# WE HAVE SET STRATEGIC PRIORITIES TO RESTORE PROFITABLE GROWTH & IMPLEMENTATION IS UNDERWAY



## **PORTFOLIO FOCUS**

Simplify the business  
& product portfolio



## **CUSTOMER CENTRICITY**

Strengthen  
customer relations  
& restore growth



## **PRODUCT INNOVATION**

Accelerate  
cadence of  
innovation



## **OPERATIONAL EXCELLENCE**

Improve cost  
competitiveness  
& service levels



## **ENVIRONMENT & SOCIAL**

Set clear long-term goals and roadmap



## **ORGANIZATION & CULTURE**

Transform the culture driving accountability and performance  
Review organization design to improve speed to market



# ONTEX SUSTAINABILITY STRATEGY 2030

## Circular solutions

Our ambition is to move towards a circular business model.



## Climate action

Our ambition is to have climate neutral operations by 2030.



## Sustainable supply chain

Our ambition is to create a positive impact in our supply chain and regenerate natural resources.



## Building trust

Our ambition is to enhance transparency, and lead the way to a fair society.



# OUR AMBITION IS TO HAVE CLIMATE NEUTRAL OPERATIONS BY 2030

B rating for Carbon Disclosure  
Project Climate & Forestry

Scope 1 & 2 **carbon emissions**  
**reduced with 15%** compared  
with base year 2018.

100% of European plants  
run on **renewable**  
**electricity** (75% globally)

**Carbon neutral**  
production at two of  
our sites



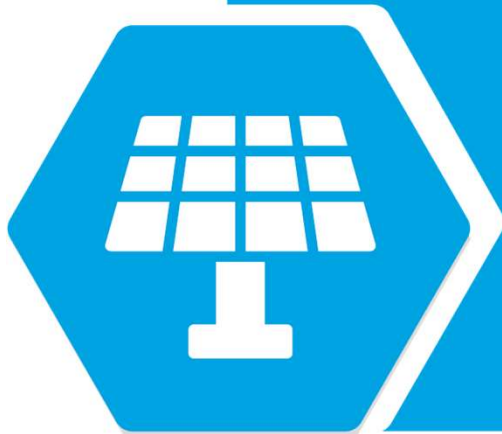
## CLIMATE ACTION

**8,000** 🌲🌲

Cooperation with Reforestamos and  
Tierra Nueva **planting over 8,000 trees**  
over the past three years in different  
reforestation projects in Mexico.

**20%** ⚡

New **solar rooftop** in our Segovia plant  
providing more than 20% of the plant's  
electricity needs



# OUR AMBITION IS TO MOVE TOWARDS A CIRCULAR BUSINESS MODEL

## CIRCULAR SOLUTIONS

Recycling index of 91%

 **100%**

100% of our packaging is recyclable or compostable



We launched bags with **recycled content**



# OUR AMBITION IS TO ENHANCE TRANSPARENCY, AND LEAD THE WAY TO A FAIR SOCIETY

## BUILDING TRUST

Accident frequency rate of 5.45

**3,946,000**



Over 3,946,000 products have been donated to **local charity organizations**.



**41%**

of our turnover comes from products with one or more eco/health labels.

### 7 BSCI-audits

Conducted in our plants, all achieving at least a **B-rating**

In 2020, we had a record of **251 products OEKO-TEX 100 certified**, one of the world's best-known labels for babytextiles tested for harmful substances. It stands for **customer confidence and high product safety**.



# OUR AMBITION IS TO CREATE A POSITIVE IMPACT IN OUR SUPPLY CHAIN AND REGENERATE NATURAL RESOURCES

## SUSTAINABLE SUPPLY CHAIN





# 2020 FINANCIAL REVIEW



Peter  
**Vanneste**

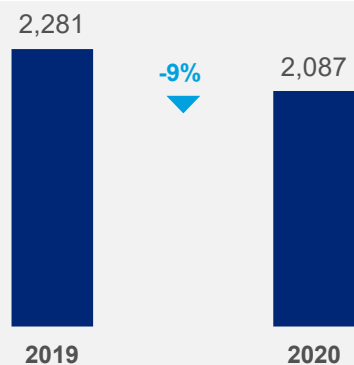
Annual General Meeting – May 25th 2021





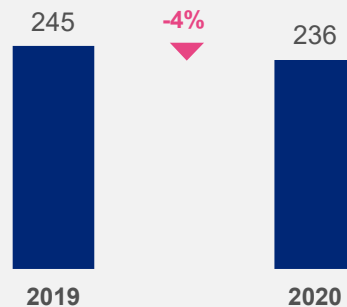
# 2020 FINANCIAL REVIEW

## Revenue



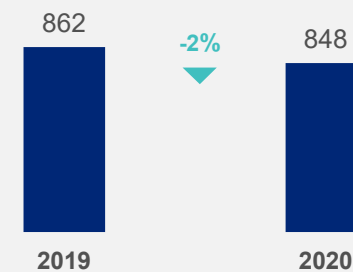
LFL revenue down 3.1%

## Adjusted EBITDA



Adjusted EBITDA margin up 55bps  
to 11.3% vs 10.7% prior year

## Net debt

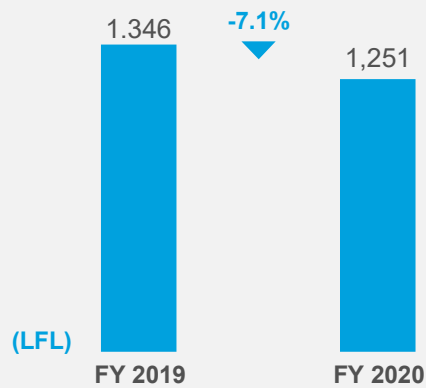


Leverage of 3.60x on Adjusted EBITDA

# FY 2020 REVENUES BY CATEGORY

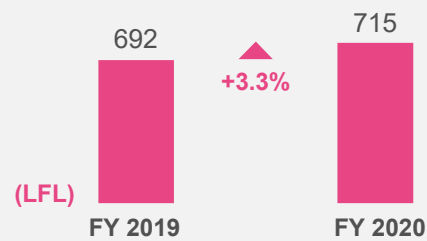
## Babycare

€1,163m (reported)



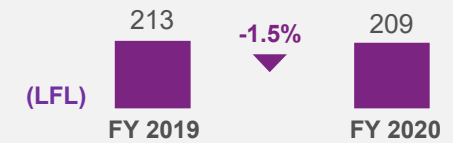
## Adult Inco

€680m (reported)



## Feminine Care

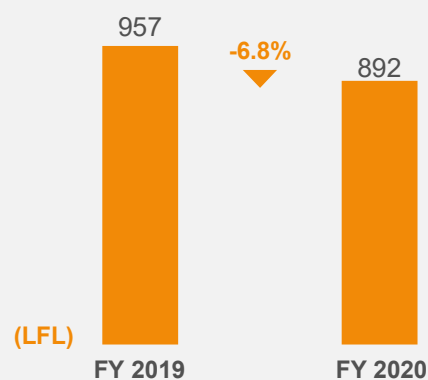
€212m (reported)



# FY 2020 REVENUES BY DIVISION

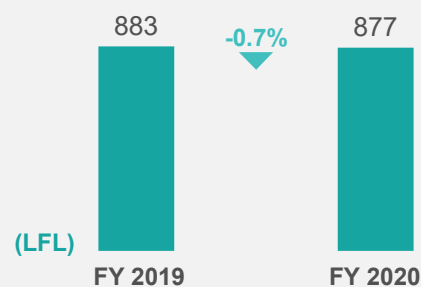
## Europe

€872m (reported)



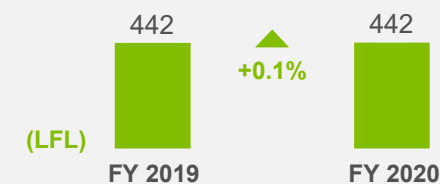
## AMEAA

€774m (reported)

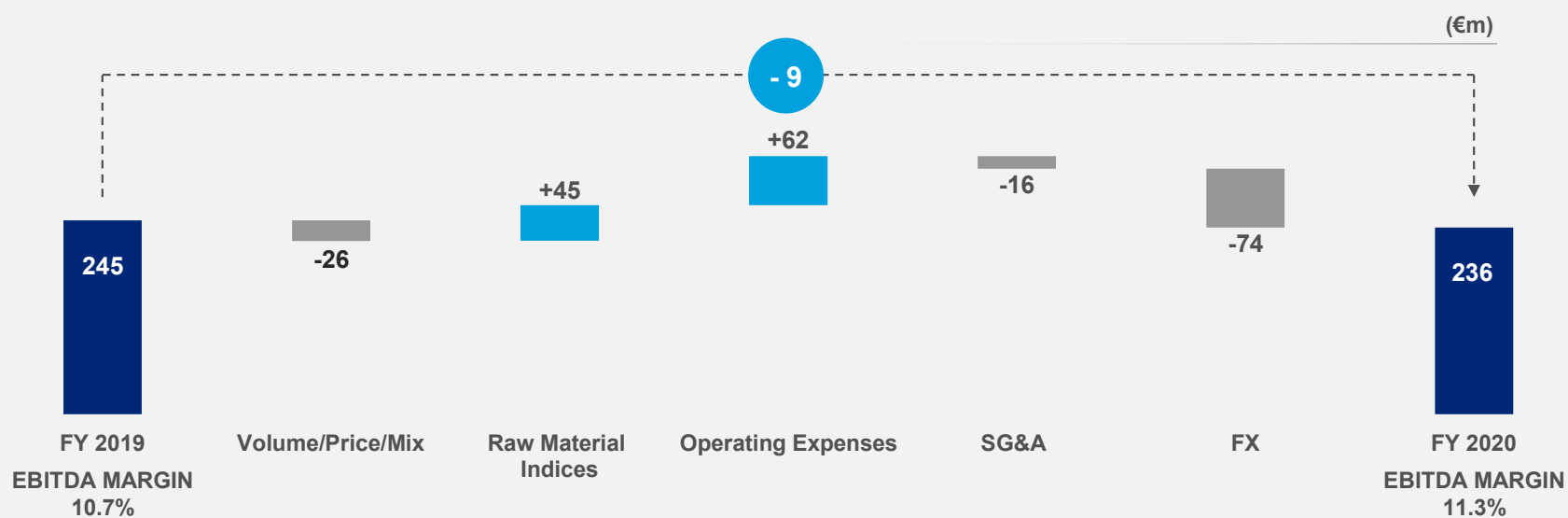


## Healthcare

€441m (reported)



# FY 2020 EBITDA

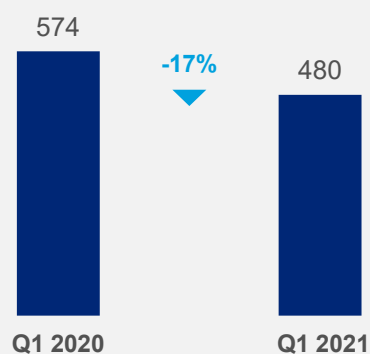




# Q1 2021 FINANCIAL REVIEW

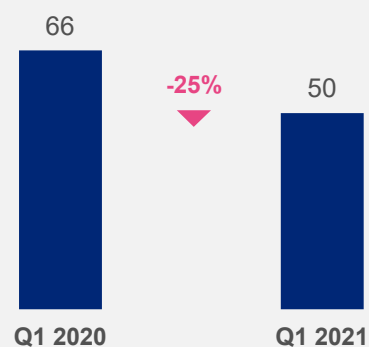
# Q1 2021 FINANCIAL REVIEW

## Revenue



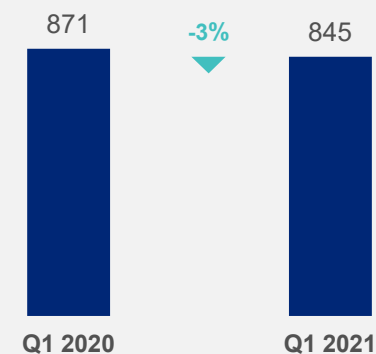
LFL revenue down 11%, soft demand compared with strong Q1 in prior year

## Adjusted EBITDA



Adjusted EBITDA margin down 117bps to 10.3% vs 11.5% in prior year

## Net debt



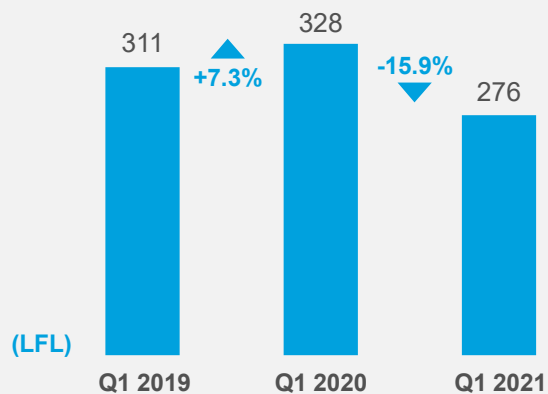
Leverage of 3.86x on Adjusted EBITDA



# Q1 2021 REVENUES BY CATEGORY

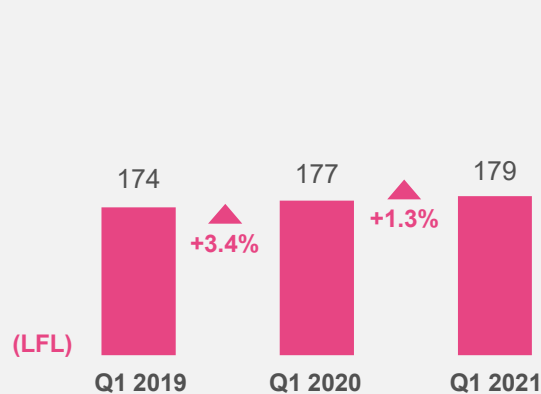
## Babycare

€254m (reported)



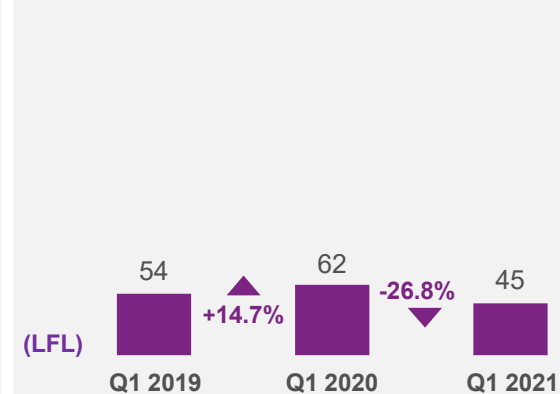
## Adult Inco

€170m (reported)



## Feminine Care

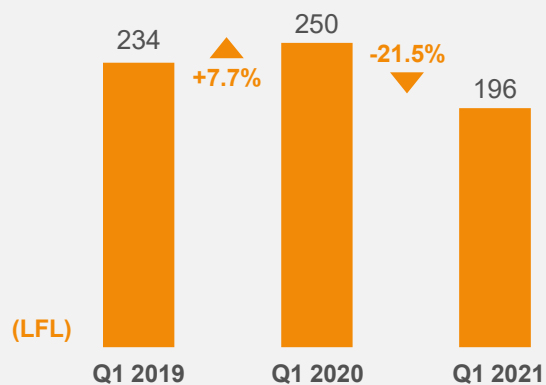
€47m (reported)



# Q1 2021 REVENUES BY DIVISION

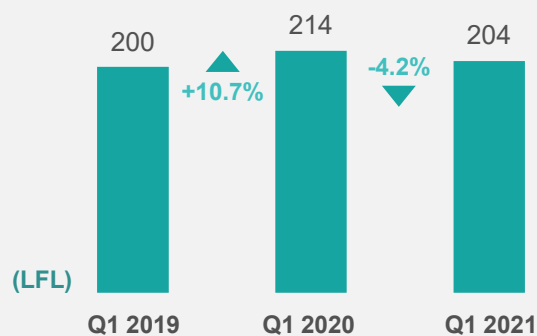
## Europe

€192m (reported)



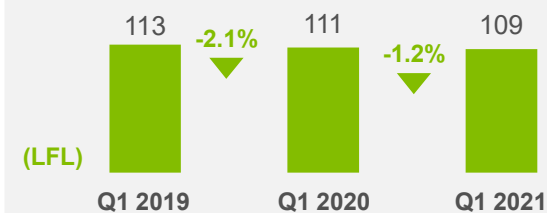
## AMEAA

€179m (reported)

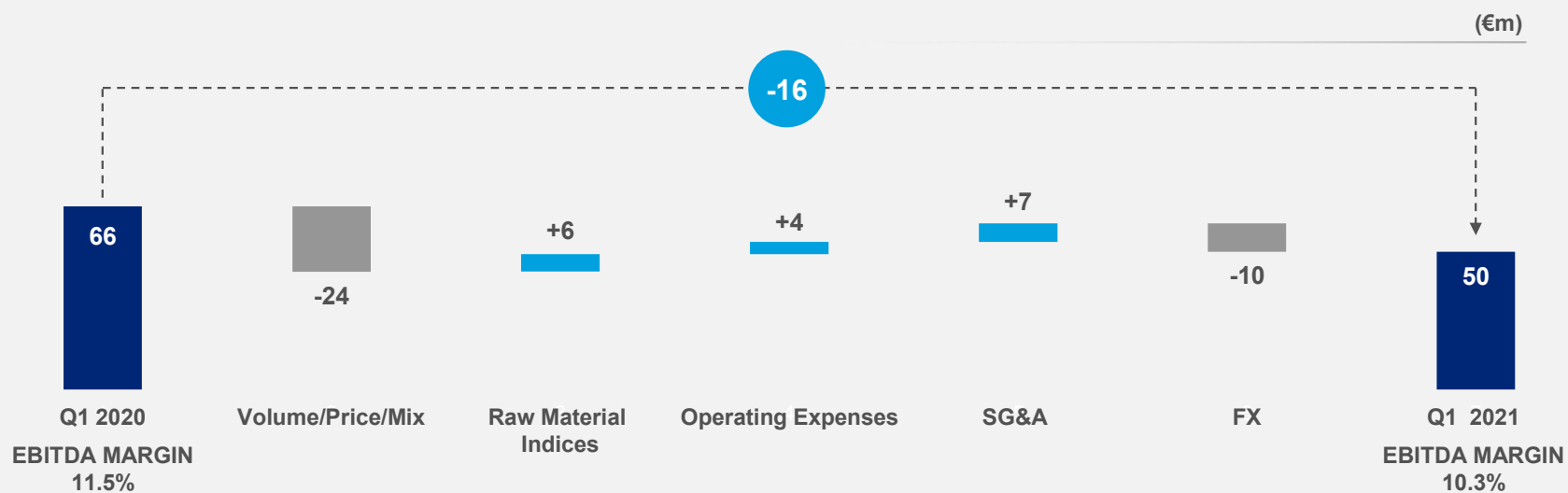


## Healthcare

€109m (reported)



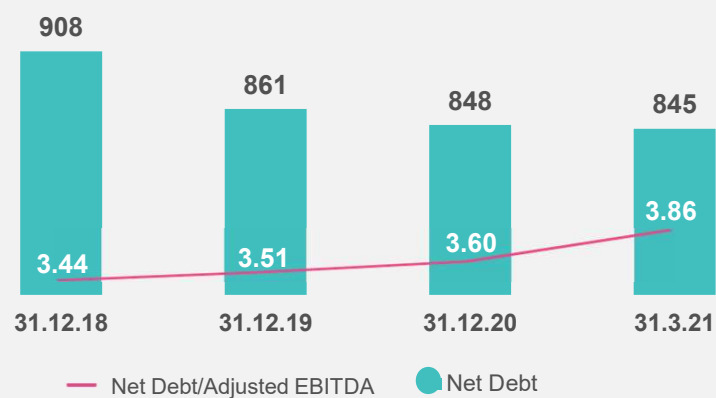
# Q1 2021 EBITDA



# FINANCIAL STRUCTURE

Net Debt & Leverage Ratio

(€m)



- ▶ Secure refinancing
- ▶ Rebuild EBITDA margins
- ▶ Improve cash generation

# 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.

A close-up, soft-focus photograph of a person's face, partially obscured by their hand, with a baby wrapped in a blanket visible in the foreground. The person has curly hair and is wearing a white shirt with a small floral pattern. The baby is wrapped in a white blanket with a colorful striped border. The overall tone is warm and intimate.

**Clear priorities set towards restoring  
shareholder value creation**





# CORPORATE GOVERNANCE & REMUNERATION REPORT

# CORPORATE GOVERNANCE AT A GLANCE



**Regi Aalstad**  
Independent Director



**Inge Boets**  
Independent Director



**Michael Bredael**  
Non-executive Director



**Aldo Cardoso**  
Non-executive Director



**Frédéric Larmuseau**  
Independent Director



**Hans Van Bylen**  
Independent Director and  
Chairman of the Board

- Board Chair and Remuneration and Nomination Committee Chair replaced
- New independent directors proposed
- New CEO well-placed to embed performance culture throughout the organization
- New CFO and Chief Supply Chain Officer on board

29 Board meetings,  
+99% attendance rate for Board and  
+97% attendance for committee meetings

# REMUNERATION REPORT 2020 – HIGHLIGHTS & SUMMARY

- Completely new, fully performance-based remuneration policy was developed by the Board in 2020, after an intense dialogue with shareholders.
- Spirit of the new policy was already reflected in the package of the new CEO, and in the reduction of the 2020 performance bonus with 50%

High proportion of extra-ordinary payments reflect contractual severance and non-compete provisions entered into by previous Board, triggered by exit of non-performing executives

Members of the Executive Committee		Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable			
Bouaziz, Charles	Chief Executive Officer (01/01/2020 - 30/07/2020)	€645 125	€52 288	€0	€158 319	€3 098 663	€0	€3 954 396
Navarre, Thierry	Chief Executive Officer ad interim (31/07/2020 - 31/12/2020)	€475 676	€0	€139 376	€0	€2 210 243	€0	€2 825 294
Other Members of the Executive Committee		€3 839 162	€365 010	€1 278 842	€321 876	€1 411 537	€611 095	€7 827 523

2020 is the last year in which company results are adjusted for FX fluctuations for bonus calculations. New policy spirit was already applied in 2020 by reducing bonus with 50%, to offset these FX adjustments

Includes a modest final payment under the T2G Incentive programme. This programme has been discontinued as from 2021 and will yield no further pay-outs

# REMUNERATION POLICY 2021 – PRINCIPLES AND CHANGES

The 2021 Remuneration Policy marks a radical shift to a fully performance-based reward system, which aligns management with the interests of shareholders by making their pay dependent on sustainable value creation.

Remuneration Principles	Remuneration Policy Changes
Management Incentives are based on reported financial results	Financial bonus KPIs, Adjusted EBITDA and Cash Flow will include FX impacts, while Revenue will be assessed on a like-for-like basis
No multiple rewards for the same outcomes	No overlap between KPIs for short-term and long-term incentives. Discontinuation of the T2G incentive programme
Simpler and fully performance-based long-term incentive plan	Long-term incentive plan consisting of performance shares only
Incentive plans based on a healthy mix of financial and quantifiable non-financial KPIs, including ESG	Rebalancing the weights of the financial and non-financial KPIs in both the short-term and the long-term incentive plan, and introduction of ESG KPIs in the long-term incentive plan.
Pay for sustainable results	Introduction of a bonus-claw back
Alignment with shareholders	Introduction of share ownership requirements for members of the Executive Committee
Transparency	Disclosure of performance targets ex-ante if not commercially sensitive, and otherwise ex-post
Eliminate the possibility of pay for failure	Introduction of stricter severance provisions

# REMUNERATION POLICY 2021 – MAIN COMPONENTS

## Base Pay

- Fixed for 3 years
- Less than 1/3d of total pay for CEO, approx. 40% for other execs

## Annual Bonus

- Driven by financial (75% weight) and non-financial (25% weight) performance
- Financial performance assessed as per reported results, with no FX adjustments (except revenue, which is assessed on a like-for-like basis)
- Stretched performance targets set annually by the Board, disclosure ex-post
- Pay-out starts at > 75% of target, maximum pay-out (200%) at 125% of target
- Subject to 3-year claw-back

## LTIP

- 100% performance based (performance shares)
- 3-year vesting, between 0% and 200%
- Mix of financial KPIs (Adjusted Basic EPS, Relative TSR) and ESG KPIs (CO<sub>2</sub> reduction, labour accidents)
- Stretched performance targets set annually by the Board, disclosure ex-ante unless commercially sensitive

## Shareholding requirement

- 2x annual base for CEO, 1 x annual base for other Executives





# Q&A

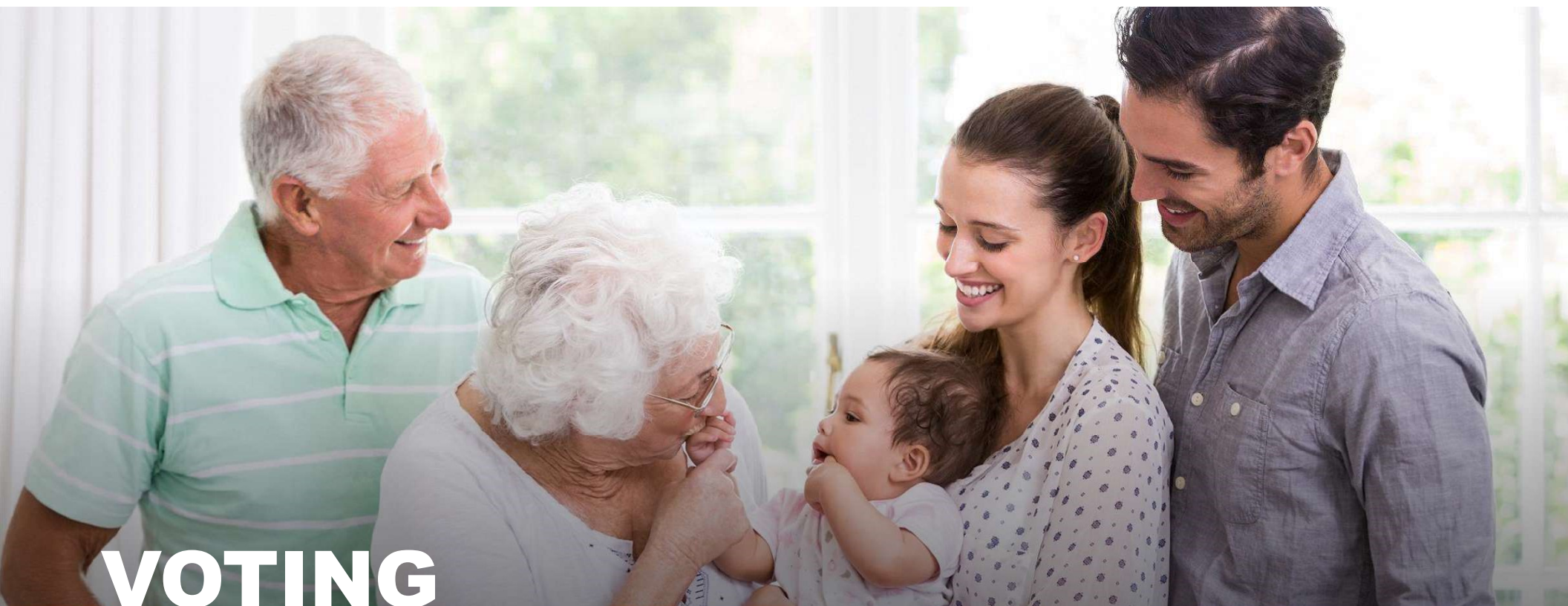
# AGENDA

1. Presentation of the annual reports of the Board of Directors on the statutory (non-consolidated) and consolidated annual accounts of the Company for the financial year that ended on 31 December 2020
2. Presentation of the reports of the statutory auditor on the statutory (non-consolidated) and consolidated board report of the Company for the financial year that ended on 31 December 2020
3. Communication of the consolidated annual accounts of the Company for the financial year that ended on 31 December 2020



## DOCUMENTATION AND REPORTS

- Non-consolidated and consolidated annual board reports for the financial year that ended on 31 December 2020
- Non-consolidated and consolidated annual accounts for the financial year that ended on 31 December 2020
- Auditor's reports on the non-consolidated and consolidated annual accounts of the Company for the financial year that ended on 31 December 2020



# VOTING

## **4. APPROVAL OF THE STATUTORY (NON-CONSOLIDATED) ANNUAL ACCOUNTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020, INCLUDING THE ALLOCATION OF RESULTS**

*Proposed resolution: approval of the statutory (non-consolidated) annual accounts of the Company for the financial year that ended on 31 December 2020, including the following allocation of results:*

Profit carried forward from last year:	€ 415,553,607
Result of the year to be appropriated:	€ -13,730,349
Profit to be appropriated:	€ 401,823,258
Accumulated profits:	€ 413,999,819
Withdrawal from reserves:	€ 12,176,561
Allocation legal reserves:	€ 0

## **5. RELEASE FROM LIABILITY OF THE DIRECTORS**

*Proposed resolution: approval of the release from liability of the persons who served as directors of the Company during the financial year that ended on 31 December 2020 for the performance of their duties during the financial year that ended on 31 December 2020.*

## **6. RELEASE FROM LIABILITY OF THE STATUTORY AUDITOR**

*Proposed resolution: approval of the release from liability of the statutory auditor of the Company for the performance of its duties during the financial year that ended on 31 December 2020.*

## 7. (RE-)APPOINTMENT OF DIRECTORS

*Proposed resolution:*

(a) approval of the re-appointment of Regina SARL, with Regi Aalstad as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

(b) approval of the re-appointment of Michael Bredael, as non-executive director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

## 7. (RE-)APPOINTMENT OF DIRECTORS

*Proposed resolution:*

(c) confirmation of the co-potation of Frédéric Larmuseau as independent director, for the remaining term of the mandate of Tegacon Suisse GmbH, with Gunnar Johansson as permanent representative, i.e., a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2021.

(d) approval of the re-appointment of Frédéric Larmuseau, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.



## **7. (RE-)APPOINTMENT OF DIRECTORS**

*Proposed resolution:*

(e) approval of the appointment of Manon Janssen, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

(f) approval of the appointment of Isabel Hochgesand, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

## **7. (RE-)APPOINTMENT OF DIRECTORS**

*Proposed resolution:*

(g) approval of the appointment of Jesper Hojer, as non-executive director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

(h) approval of the appointment of Gustavo Calvo Paz, as non-executive director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

## 7. (RE-)APPOINTMENT OF DIRECTORS

*Proposed resolution:*

(i) approval of the appointment of Philippe Costeletos, as non-executive director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

(j) approval of the appointment of Rodney G. Olsen, as non-executive director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2024.

## **8. APPROVAL REMUNERATION REPORT**

*Proposed resolution: approval of the remuneration report included in the corporate governance statement of the annual report of the Board for the financial year that ended on 31 December 2020.*

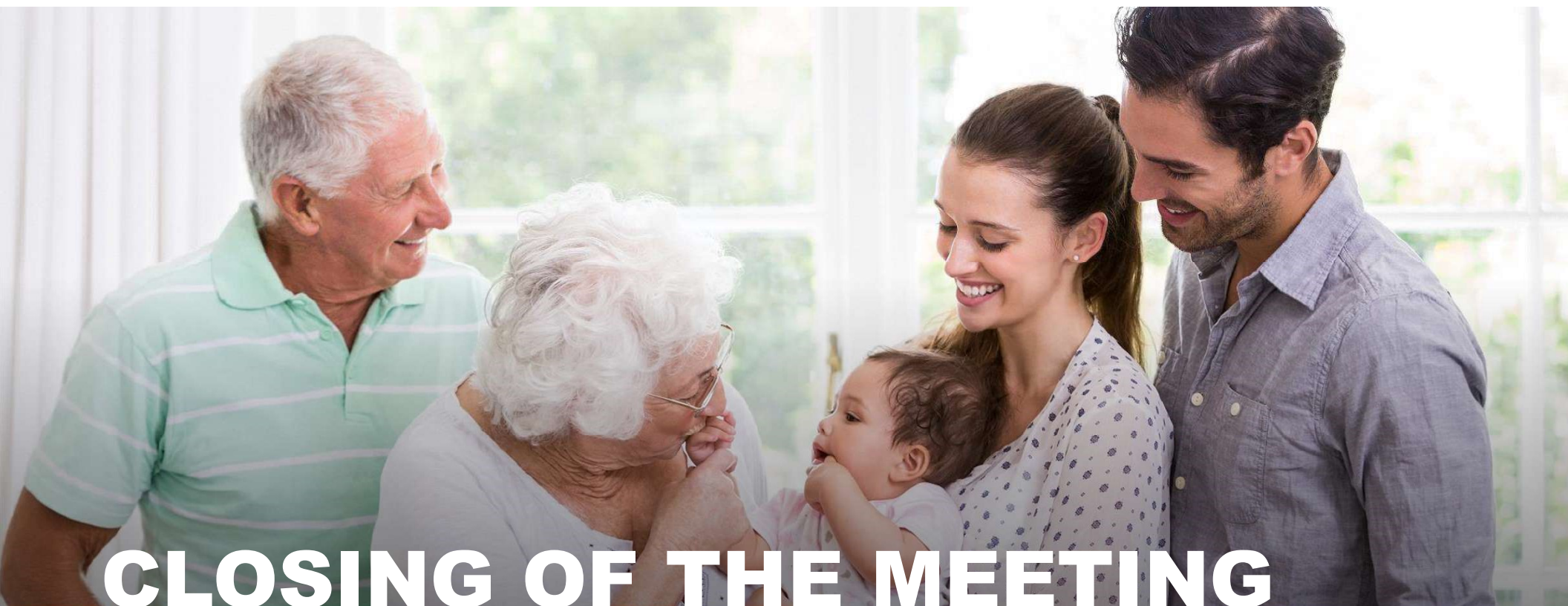
## **9. APPROVAL REMUNERATION POLICY**

*Proposed resolution: approval of the remuneration policy as included as an annex to the convening notice and made available on the website of the Company.*

## 10. DELEGATION OF POWERS

*Proposed resolution: approval of the following resolution:*

*The general shareholders' meeting grants a special power of attorney to each director of the Company, as well as to Mr. Jonas Deroo and Mrs. Benedicte Leroy, each acting individually and with the power of substitution, to do all that is necessary or useful to implement all of the above resolutions.*



# CLOSING OF THE MEETING





2021

MAY 25<sup>TH</sup>, 2021

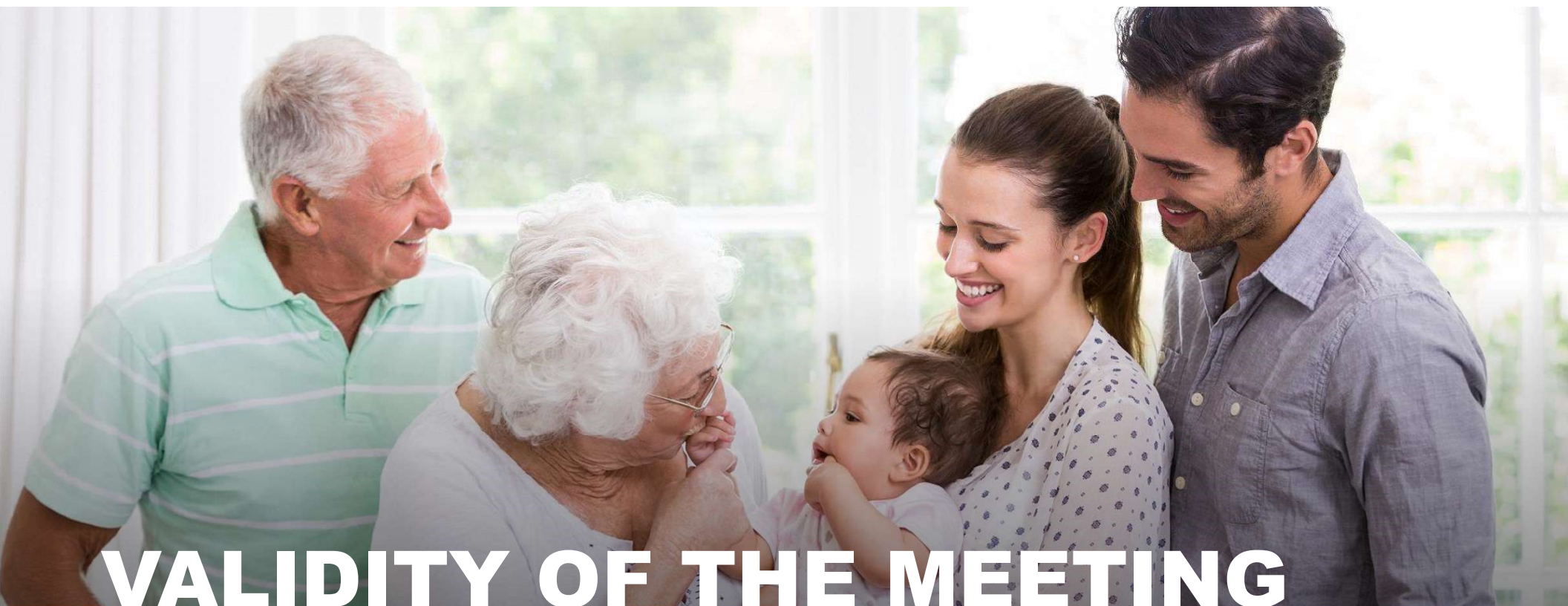
# EXTRAORDINARY GENERAL MEETING

# OPENING OF THE MEETING AND VERIFICATIONS

- Composition of the Bureau
- Convocation formalities
- Verification of attendance documents for the shareholders present or represented
- Verification of proxies that we have received for this meeting
- Identification of other persons attending this meeting

# AGENDA

1. Alignment with the Belgian Code of Companies and Associations and related amendments to the Articles of Association.
2. Delegation of Powers.



# VALIDITY OF THE MEETING





# **1. ALIGNMENT WITH THE BELGIAN CODE OF COMPANIES AND ASSOCIATIONS AND RELATED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

With respect to the Belgian Code of Companies and Associations of 23 March 2019, replacing the Belgian Code of Companies of 7 May 1999, Ontex envisages to submit, at this extraordinary general shareholders' meeting, a proposal for amendment of its Articles of Association to align them with the new legislation.

By way of general principle, Ontex Group NV has aimed to strictly apply the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code. Further, the current allocation of roles among the Board, Committees and Executive Management Committee has been kept as close as possible to the current structure.

The proposed Articles of Association are available on the website.

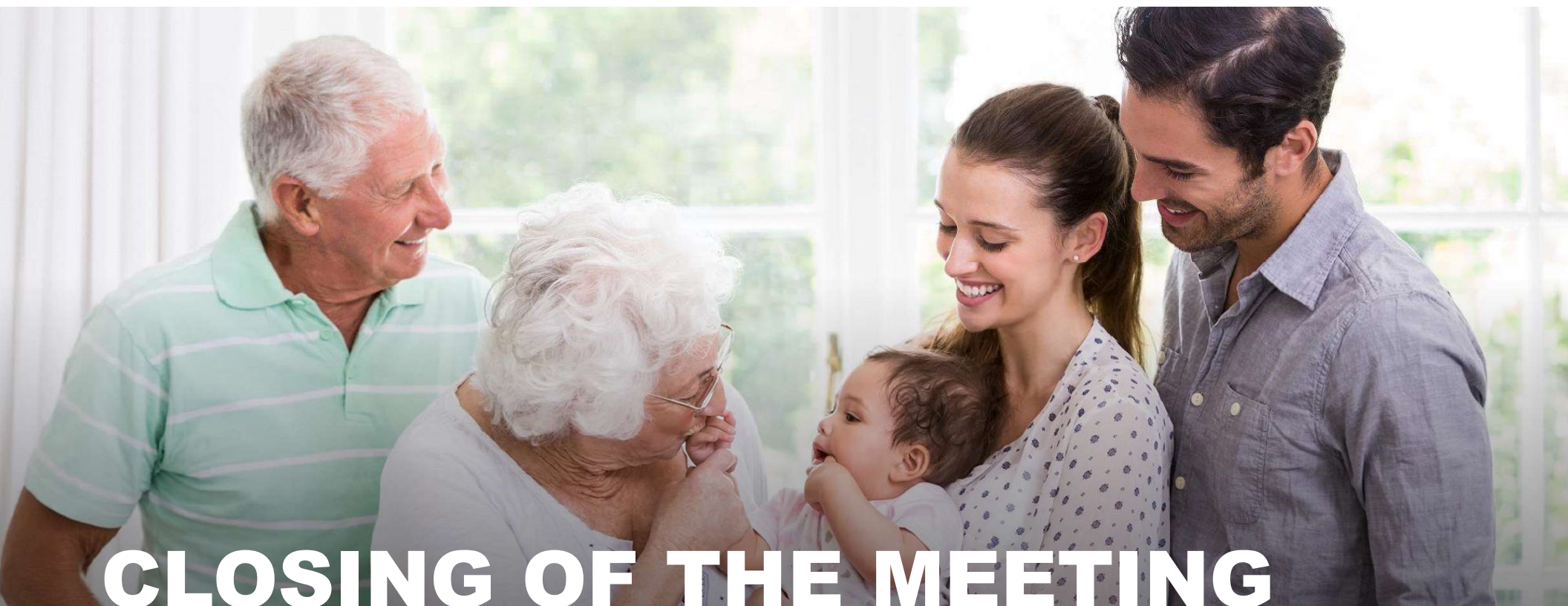
## 2. DELEGATION OF POWERS

*Proposed resolution: approval of the following resolution: the extraordinary general shareholders' meeting grants a special power of attorney to (i) each director of the Company, as well as to Mr. Jonas Deroo and Ms. Benedicte Leroy, each acting individually and with the power of substitution, to do all that is necessary or useful to implement all of the above resolutions and to (ii) any Belgian notary, or any of its notarial associates, to draw up a coordinated version of the Articles of Association of the Company, to file this coordinated version with the clerk's office of the Commercial Court of Ghent, division Dendermonde and to arrange for the completion of the necessary formalities with the Register of Legal Entities and any relevant public administration.*



# VOTING RESULTS

- |               |  |
|---------------|--|
| Agenda-item 1 | Alignment with the Belgian Code of Companies and Associations and related amendments to the Articles of Association. |
| Agenda-item 2 | Delegation of Powers.  |



# CLOSING OF THE MEETING