REGULATED INFORMATION

Ontex: Returning to Value Creation – Progress Update

Aalst-Erembodegem, June 21, 2021 - Ontex Group NV (Euronext Brussels: ONTEX) is hosting today, June 21st at 14:00 CET its Investor Update. The event will be made via a video webcast using the following link: https://streamstudio.world-television.com/1245-2149-29100/en

Esther Berrozpe, Chief Executive Officer and Peter Vanneste, Chief Financial Officer will present a progress update of the actions deployed on Ontex's strategic priorities outlined on February 24, 2021. These actions are mainly designed to mitigate the short term market headwinds, as well as securing a successful refinancing of the debt. A long term strategic plan will be presented at year end.

Esther Berrozpe, Ontex CEO, said: *"Our turnaround actions to increase productivity, reduce costs and improve cash generation are well underway. The strategic review is still ongoing and will be further accelerated now that my leadership team is complete and a new Board in place. In the meantime we have already put in place a new leaner and more agile organization which fosters a strong performance culture and high discipline in generating returns, which is crucial to mitigate the impact of a very challenging raw material environment this year.*

I am confident that with the efforts of all the Ontex teams worldwide, we can deliver on our commitments to restore the Group to a sound financial footing by 2023 while continuing to work on a long term strategic plan to unleash Ontex's full potential."

On January 1 2021, Ontex started a new chapter under the leadership of Esther Berrozpe, who joined as CEO on the same date. Work started immediately to appoint a new management team, with CFO Peter Vanneste and Chief Supply Chain Officer Vincent Crepy joining the company in May. At the same time, in the face of unprecedented raw material inflation, the impacts of legacy contract losses and softer market trends on revenue, the CEO has initiated several actions in order to turnaround performance:

New organization:

- Two divisions, with a delayered structure to gain agility and speed of decision-making
- Centralized ownership of innovation and product portfolio management
- An end to end supply chain to accelerate performance improvements in procurement, manufacturing operations, capacity utilization and logistics

New remuneration policy to drive a high performance culture, approved at the AGM in May
Cost reduction programs in progress with operations productivity, capacity optimization and reduced overheads targeting net savings of €60 million in 2021.
Steps to reduce leverage and debt refinancing underway with bank commitments of €470 million
Starting to reverse the LFL revenue trend in Europe leveraging cost competitiveness and improved innovation cadence
Expanding in fast growing North America business to further accelerate already strong organic growth with East and West Coast production capabilities and relevant innovation for US consumers
Emerging Markets focus on profitable growth and returns leveraging current positions with common platforms while continuously evaluating strategic positions in each market
Refocused Innovation to support growth priorities such as the recent launch of a connected diaper solution for Adult Incontinence
Sustainability targets deployed planning reduced carbon intensity and reduced accident frequency by 2023 now included in long term incentive plan

The Company's current 2021 outlook is for stable LFL revenue with a return to growth from Q2 2021. Cost saving programs have been rolled out to mitigate the pressure on margins from the sharp increase in raw material indices. Work continues to implement new measures, and any new information will be incorporated in the 2021 outlook as part of the H1 2021 results at the end of July.

Progress made over the past months gives Management confidence to commit to 2023 ambitions from which we will build while finalizing the long term strategic plan:

- 2-3% Like-for-Like revenue growth p.a.
- Adjusted EBITDA margin of 12.5% to 13.5%
- Net debt/EBITDA Leverage ratio below 3 times

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

This represents an important first step in restoring long term value creation at Ontex and is creating a strong foundation to achieve Ontex's true potential.

Work will continue to identify further opportunities to drive revenue growth, and improve operating profitability and free cash flow. This will include regular analyses of the Company's commercial and industrial footprint, a rigorous allocation of capital with the focus on returns, a strict limitation of overhead costs, and a healthy financial structure with reduced leverage.

Financial Priorities

Ontex's immediate focus will be to deleverage and to turnaround the financial performance. Concrete cost saving streams are being launched to reduce cost and improve cash generation by 2023. In the Manufacturing and Supply chain the aim is to increase net productivity above 2% per annum and increase asset utilization by at least 10 percentage points. The objective is to return overhead costs to the level of 2016. In total, these cost savings are designed to offset raw material impacts, reinvest in growth and drive margin expansion.

Deleveraging Ontex will be delivered by rebuilding adjusted EBITDA and improved management of the Group's financial resources and capital allocation processes. Strict discipline will be applied to capital expenditure at Ontex, with stricter return criteria. The aim is to bring capital expenditure back to below depreciation and within a maximum of 4% on revenues. In order to improve Free Cash Flow generation in a continuous way, a cash program is being launched Group wide.

FINANCIAL CALENDAR

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.

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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.