



INVESTOR UPDATE

June 21, 2021



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.

A photograph of a young woman with blonde hair, wearing a pink sweater, smiling and holding a baby wrapped in a pink blanket. 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 large window with a view of a building with green shutters.

RETURN TO VALUE CREATION PROGRESS UPDATE



Esther Berrozpe
Chief Executive Officer

ONTEX TURNAROUND PROGRESS UPDATE

- ▶ **Growth opportunities with value to be captured**
 - ▶ Six strategic priorities with short term turnaround agenda
 - ▶ Focus has been on implementing actions
 - ▶ Progress gives confidence on ambition level, despite short term challenges
 - ▶ Long term strategy to be further developed

ONTEX KEY FACTS & FIGURES

Household & Personal Care

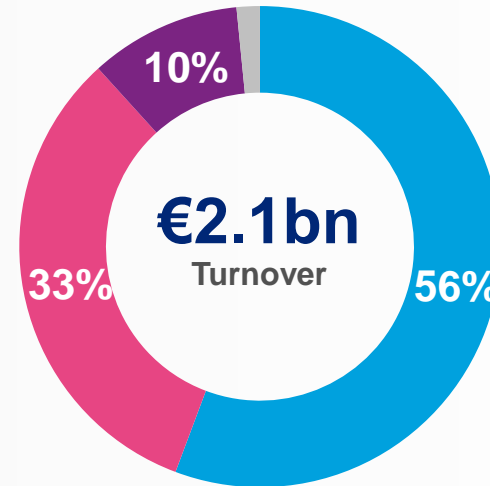


Baby Care

Adult Care



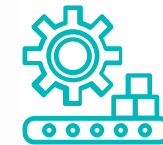
Feminine Care



110
Distribution
Countries



10 000
Employees



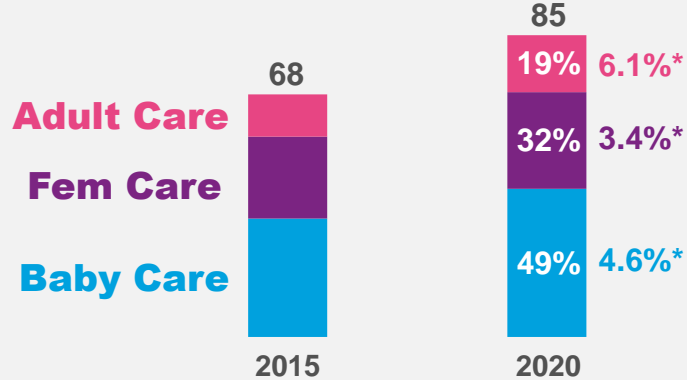
19
Production
facilities

CATEGORIES WITH GROWTH OPPORTUNITIES

GROWING CATEGORY

2.8%
CAGR *ONTEX exposure*

Global Hygiene market size
(Bn€)

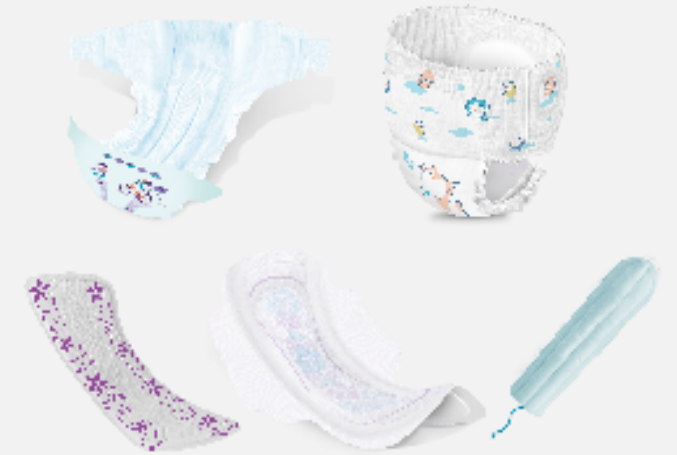


*% growth in 2020

RESILIENT CATEGORY



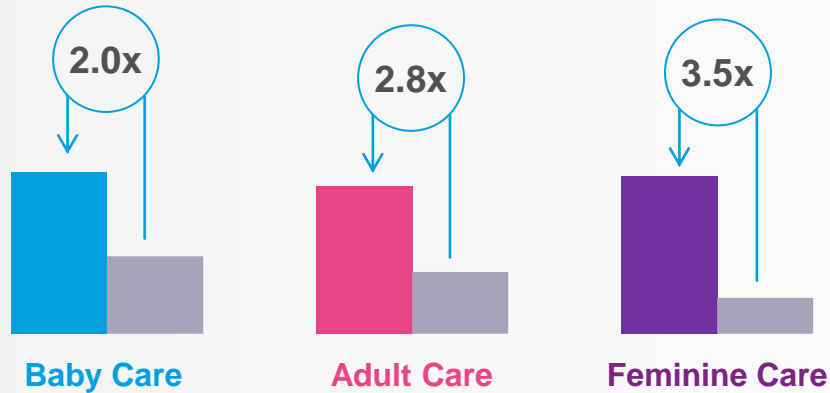
VALUE ADDED TRENDS & PREMIUM OFFERINGS



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

Comments on growth in this section refer to the period 2015 to 2020 unless otherwise noted

OUR SCALE IS A KEY ASSET



Estimated share in Europe Retailer Brands and delta towards #2 player

Clear leader in Europe Retailer Brands in all three personal hygiene categories: 2.4X larger than number 2



#2 in Europe Adult Care

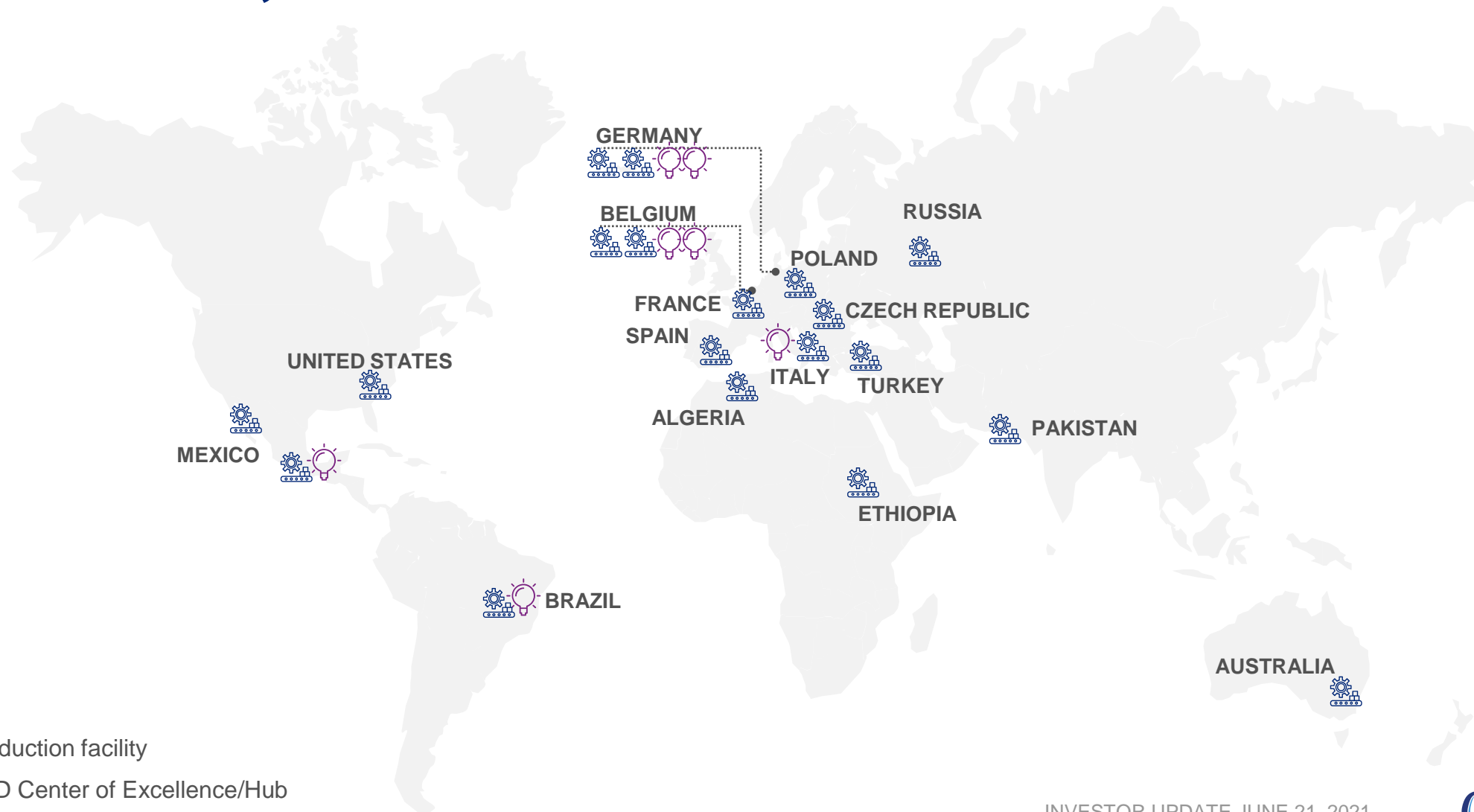


#1 or 2 brand portfolio in 7 of 9 country/ category positions



#1 partner for Lifestyle Brands

OUR OPERATIONS FOOTPRINT ENABLES PROXIMITY TO CUSTOMERS, FLEXIBILITY AND SCALE



Ontex Production facility

Ontex R&D Center of Excellence/Hub

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IMPORTANT CHALLENGES TO FIX



**CUSTOMER
FOCUS**

COMPLEXITY

COST

ONTEX TURNAROUND PROGRESS UPDATE

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6 STRATEGIC PRIORITIES



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

TRANSLATED INTO A FOCUSED AGENDA

New culture

- ▶ Roll out new organization model and performance culture

Focused Portfolio

- ▶ Turnaround Europe Retailer Brands
- ▶ Outperform in North America
- ▶ Grow our business in emerging markets
- ▶ Accelerate Adult Care globally

Key Enablers

- ▶ Deliver flexibility at best cost
- ▶ Maximize value creation through Innovation
- ▶ Generate new value streams through Sustainability

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FOCUS ON EXECUTION



**New leadership
team in place**



**New organization
deployed**



**New remuneration
policy implemented**



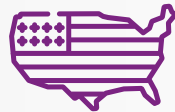
**Cost Out in
Progress**



**Refinancing
underway**



Stabilizing Europe



**Building assets
in the US**



**Profitable growth
in Emerging
Markets**



**Refocused Innovation
to support growth
priorities**



**Sustainability goals
and initiatives
deployed**

NEW LEADERSHIP TEAM IN PLACE



Esther Berrozpe

Chief Executive Officer



Peter Vanneste

Chief Financial Officer



Vincent Crepy

Chief Supply Chain Officer



Laurent Nielly

President Europe Division



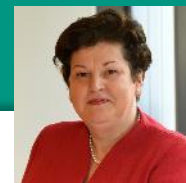
Armando Amselem

President AMEAA Division



Astrid De Lathauwer

*Executive Vice-President
Human Resources*



Annick De Poorter

*Executive Vice President
R&D and Sustainability*



Jonas Deroo

*Executive Vice President
Legal and Secretary General*

STREAMLINED ORGANIZATION WITH CLEAR ACCOUNTABILITIES

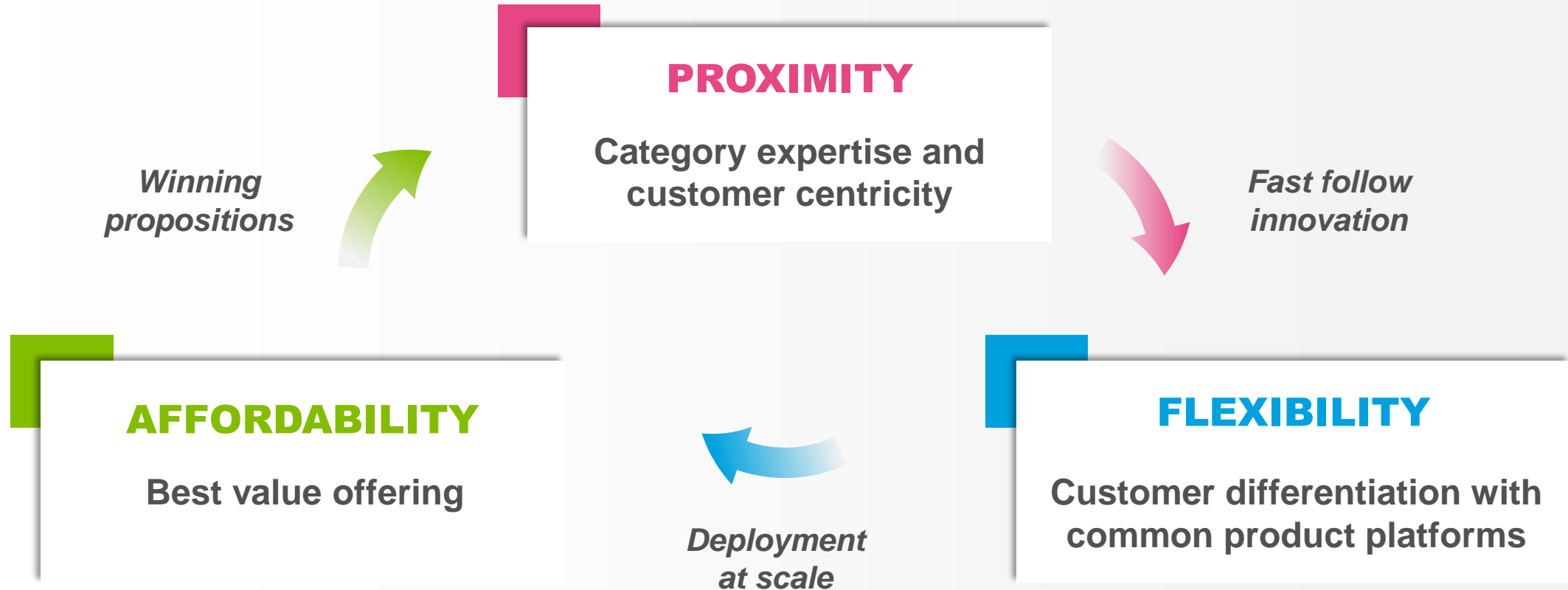
PREVIOUSLY

- ▶ 3 Divisions: mix of geography & channels, duplicated organizations
- ▶ Product portfolio ownership delegated locally
- ▶ Fragmented supply organization
- ▶ Silo operating model lacking end-to-end perspective
- ▶ SG&A outgrowing sales by 3x between 2015 and 2020

TODAY

- ▶ 2 Divisions: Europe & AMEAA
- ▶ Delayed organization to gain agility and speed of decision making
- ▶ Centralized ownership of innovation and product portfolio
- ▶ End-to-end Supply Chain with total productivity targets for cost, quality and service
- ▶ 20M€ savings

ONE OPERATING MODEL FOR THE ENTIRE BUSINESS



NEW REMUNERATION POLICY IMPLEMENTED TO DRIVE PERFORMANCE CULTURE

PREVIOUSLY

- ▶ Multiple rewards for the same outcomes
- ▶ Impact of FX excluded from KPIs
- ▶ Complex mix of instruments in LTIP, only 1/3 performance driven
- ▶ No ESG KPIs
- ▶ No equity requirements

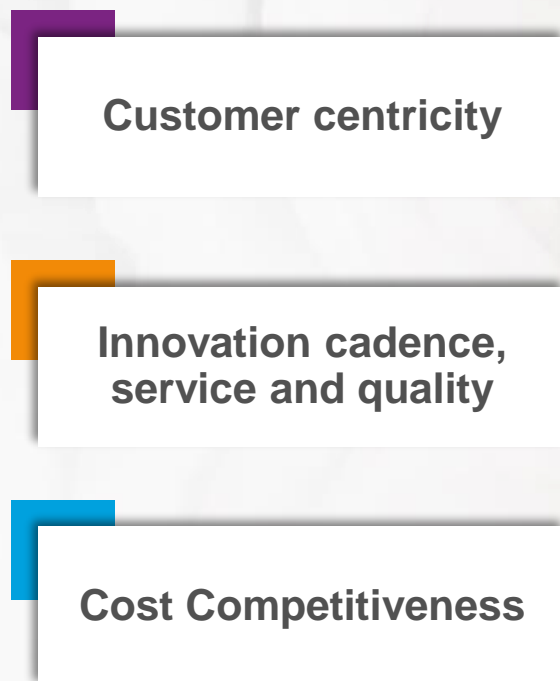
TODAY

- ▶ Clear separation of KPIs in short- and long-term plans
- ▶ T2G incentive plan stopped
- ▶ Net Sales LFL, Profit and Cash as reported
- ▶ LTIP 100% performance shares
- ▶ Introduction of quantifiable ESG KPIs
- ▶ Introduction of equity ownership requirements for executive management

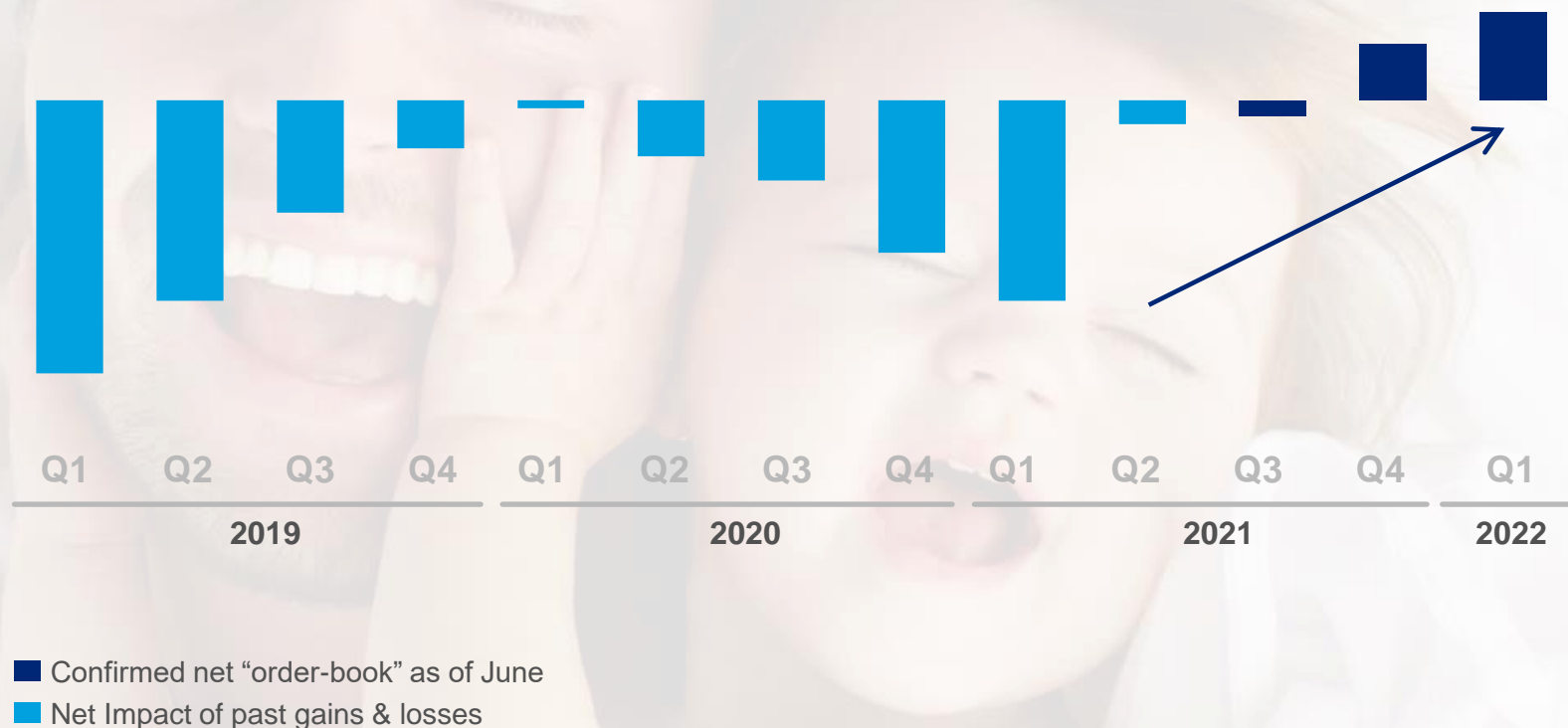
THREE CONCRETE COST-OUT PROGRAMS ALREADY DELIVERING RESULTS



STARTING TO REVERSE THE TREND IN EUROPE



Net impact of balance of Gain and Losses on revenue
(Europe Retail)



GRADUALLY IMPROVING OUR POSITIONS IN E-COMMERCE

Omnichannel

E-CATEGORY & E-TRADE

Incontinence Pads (26 search results)




Products

Sort

Relevance (high to low)

Category

Brand

 <p style="text-align: center;">12pk</p> <p>Always Discreet Incontinence Pads Normal for Sensitive...</p> <p>★★★★★ (50+)</p> <p style="text-align: center; background-color: #f08080; padding: 5px;">Low Price £3.99</p> <p style="text-align: center; font-size: 1.2em;">£2.00</p> <p style="text-align: center;">(16.7p/each)</p> <p style="text-align: center; background-color: #2e8b57; color: white; padding: 10px; font-weight: bold; font-size: 1.1em;">Add</p>	 <p style="text-align: center;">16pk</p> <p>Tena Discreet Extra Plus Incontinence Pads</p> <p>★★★★★ (6)</p> <p style="text-align: center; background-color: #f08080; padding: 5px;">RollBack</p> <p style="text-align: center; font-size: 1.2em;">£4.36 £4.00</p> <p style="text-align: center;">(25.0p/each)</p> <p style="text-align: center; background-color: #2e8b57; color: white; padding: 10px; font-weight: bold; font-size: 1.1em;">Add</p>	 <p style="text-align: center;">12pk</p> <p>ASDA Protective Incontinence Pads REGULAR for Sensitive...</p> <p>★★★★★ (8)</p> <p style="text-align: center; font-size: 1.2em;">£0.85</p> <p style="text-align: center;">(7.1p/each)</p> <p style="text-align: center; background-color: #2e8b57; color: white; padding: 10px; font-weight: bold; font-size: 1.1em;">Add</p>
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“e-places” PurePlays & Marketplaces

[illegible]

Direct To Consumer



USA MARKET WITH ATTRACTIVE GROWTH PROFILE

- ▶ Second largest personal care market worldwide, growing **+2-3%**
- ▶ Adult Care growing **+6-7%**
- ▶ Lifestyle brands gaining share
- ▶ Retailer brands still have headroom for growth
- ▶ Healthcare distributors gaining share, driven by their private brands



€13B
CAGR **+2.5%**
Hygiene market
size and growth
2020, Bn€

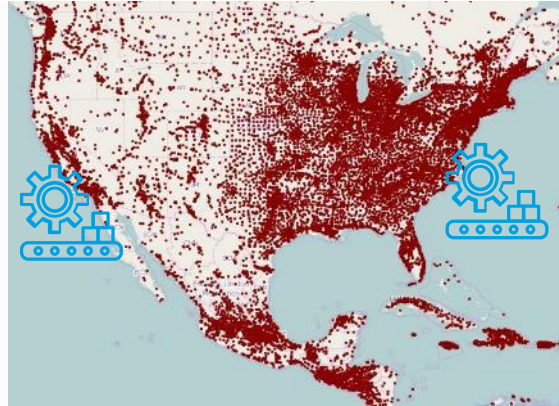
BUILDING ASSETS IN NORTH AMERICA

► Agile ‘coast-to-coast’ operations

- North Carolina plant to ramp up H1 2022
- New Baby Care production lines; Integration of Feminine Care production assets
- Modular approach to support growth
- Only supplier with both East and West Coast production capabilities

► Adding **Commercial Capabilities** in Lifestyle and Retail Brands

► **Product Innovation** fit for North America



FOCUS ON PROFITABLE GROWTH LEVERAGING CURRENT POSITIONS IN EMERGING MARKETS

01

Leverage growth opportunity with our strong brands to drive margin & cash



02

Support retailer brands development: leading supplier in Mexico, growing in Turkey

03

Standardize product and brand platforms to fully benefit from scale advantages

ONTEX BRANDS POSITIONS*

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

* Based on value share

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REFOCUSED INNOVATION PORTFOLIO TO OUR GROWTH PRIORITIES

Launch: Smart diaper solution for Adult Incontinence

- ▶ Contribute to well-being of users, families and caregivers alike
- ▶ Reduce time staff spend on continence care, freeing up time and budget for other essential care tasks
- ▶ Reduce environmental impact of care institutions by decreasing unnecessary diaper usage
- ▶ New service revenue stream



DEPLOYING OUR SUSTAINABILITY AGENDA

FOUR PILLARS

Circular solutions

Sustainable Supply Chain

Climate action

Transparency



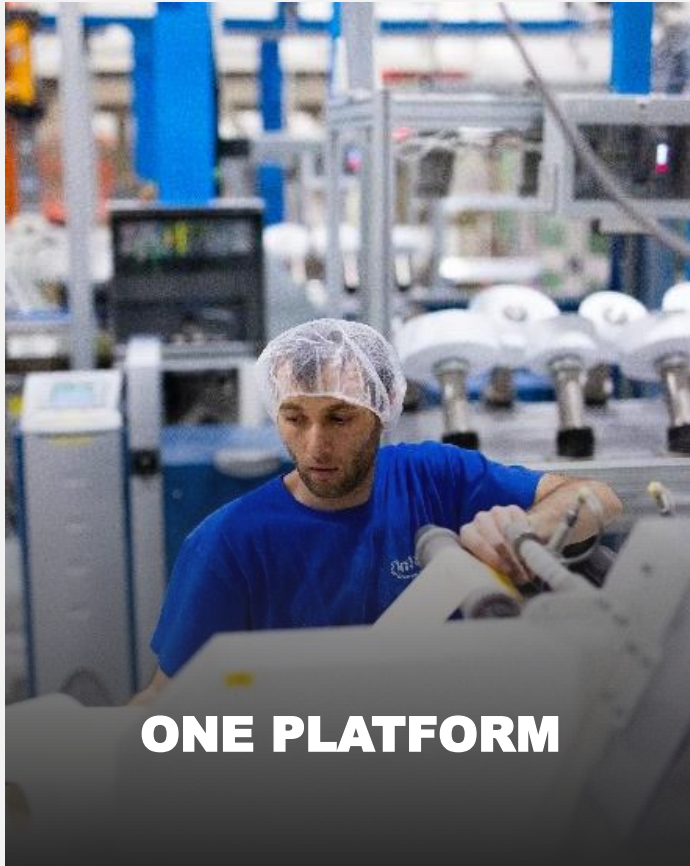
Commercial initiatives deployed on circular economy

- ▶ **Recycling:** Delivery and collection of recycling used diapers from nurseries
- ▶ **Composting:** Innovative concept with a re-usable pant and a compostable insert

2023 targets deployed

- ▶ 10% CO2 intensity reduction
- ▶ 30% accident frequency reduction

WHAT IS CHANGING?



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2021 OUTLOOK

- ▶ Key Priorities actioned in 2021
- ▶ Stable LFL revenue in 2021, with growth starting in Q2
- ▶ Sharply increasing commodities, with high volatility
- ▶ Partially offset by Cost Saving Programs, that are strongly delivering
- ▶ Working on further measures to mitigate raw materials
- ▶ €55M non-recurring charges

2023 AMBITIONS

**LFL sales growth
of 2-3% p.a.**

**Adjusted EBITDA
margin of 12.5%-13.5%**

Leverage ratio <3x

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FINANCIAL PRIORITIES



Peter Vanneste
Chief Financial Officer

FINANCIAL DISCIPLINE TO DELIVER THE TURNAROUND AGENDA

COST-OUT PROGRAMS

for Cost Competitiveness
and Margin Expansion

- ▶ Operations Productivity
- ▶ Asset Utilization
- ▶ Overheads Program

DISCIPLINED INVESTMENT

in the Growth Pools

- ▶ Selective pricing investments to support Europe recovery
- ▶ Focused investments to unlock growth pools (North America, Adult Care, Value-Added offers)

STRONG AND STEADY CASH

to reduce Leverage

- ▶ Step up capital allocation management
- ▶ 'Cash is King' program to drive net working capital improvement

WE ARE DRIVING 3 CONCRETE PILLARS TO DRIVE COST OUT



- ▶ €120M saving by 2023
- ▶ Off-set raw material impact, Reinvestment into growth & Margin expansion
- ▶ Non-recurring charges of c.€60M for the full program

OPERATIONAL PRODUCTIVITY AND RESIZING ORGANIZATION DRIVES €120M SAVINGS

3-YEAR NET SAVINGS

Procurement

- ▶ Scale advantage, through platform standardization
- ▶ Strategic supplier partnerships

Manufacturing

- ▶ Improve Overall Equipment Effectiveness (OEE) by 10 points and Scrap Rate by 1 point
- ▶ Increase Capacity Utilization by 10 points
- ▶ Total maintenance cost optimization

Logistics

- ▶ Trucks fill rates
- ▶ Localize production
- ▶ Inventory control to reduce warehouse costs

Design to Value

- ▶ Qualify alternative materials & suppliers
- ▶ Leverage new equipment to drive more efficient design
- ▶ Optimize specs for quality & cost

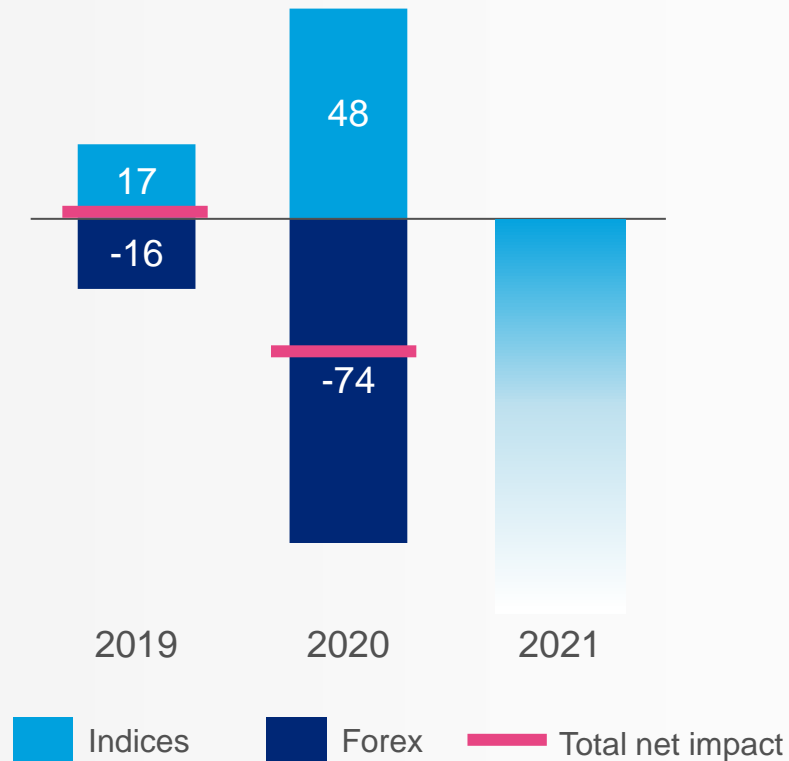
Overheads

- ▶ Streamline structure & middle management layers, head office positions
- ▶ Reduce non people costs, including office space

PRODUCTIVITY AS ONE OF THE CRUCIAL LEVERS TO MITIGATE IMPACT OF FOREX AND COMMODITY INDICES

Raw Materials Indices & Forex impact on EBITDA

2019-2021, €M



- ▶ Productivity Drumbeat
- ▶ Geographical Footprint
- ▶ Pricing & Mix management, including contracting
- ▶ Working Capital optimization
- ▶ New Remuneration Policy based on reported currency

RESTORING GROWTH THROUGH DISCIPLINED INVESTMENT

EUROPE

Low single-digit LFL growth

- ▶ Re-gain contracts
- ▶ Fair share in fast growing product segments, channels and customers, especially in Adult
 - Half of our growth coming from pants
 - Acceleration of online business
- ▶ Strengthen our Institutional channel leadership by entering services (connected diaper)

AMEAA

Mid single-digit LFL growth

- ▶ Strong growth in North America Lifestyle & Retailer Brands with added assets
- ▶ Accretive growth in Middle East & Asia by leveraging common brands and platforms
- ▶ Capturing market growth in Latin America while closing share gap in pants

CAPITAL ALLOCATION & GROUP-WIDE ‘CASH IS KING’ PROGRAM TO DRIVE CASH CONVERSION

RETURN MINDSET TO CAPEX MANAGEMENT



RUN RATE
< 4%
of sales

- ▶ 3YR CAPEX roadmap as guide
 - Aligned with Strategic Agenda
 - Growth – Savings – Keep Going targets
- ▶ Reinforced approval flow
 - Engineering / Procurement Challenge
 - EMC approval thresholds
- ▶ Enforced return discipline
 - NPV & Payback; including Cash
 - Zero-Capex Alternative
 - Tracking & Post-Evaluation

GROUP-WIDE CASH IS KING PROGRAM

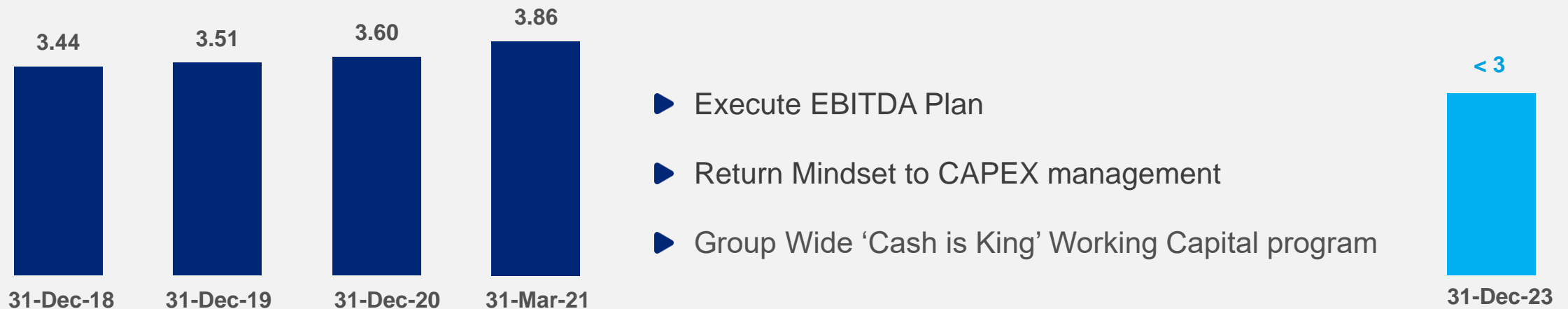


Working
Capital
YoY
improvement

- ▶ Dedicated Working Capital Network Team
- ▶ Tracking Actionable KPI
- ▶ Payment Terms/Credit Policy, Contracts, Data Terms
- ▶ Targets & Incentives
- ▶ Awareness Creation & Action Planning
- ▶ Learning Cycle, Practice sharing

REDUCE LEVERAGE <3X WITH REFINANCING IN PROGRESS

Leverage Ratio (x)
Net Debt/ Adjusted EBITDA



Refinancing



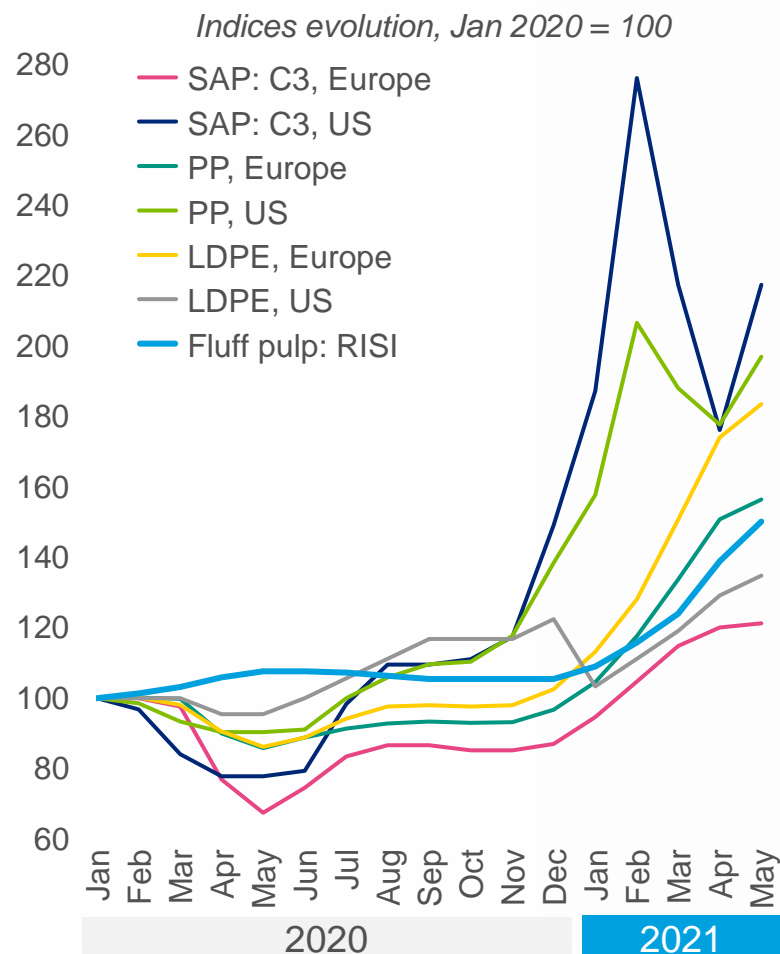
470M€ Banks' commitments



Consideration of a senior unsecured debt instrument*

* subject to market conditions

ACCELERATING EXECUTION IN 2021 IS IMPERATIVE CONSIDERING THE IMPACT OF COMMODITIES & FOREX



- ▶ **Implementation started.** Non-Recurring costs of €55M in 2021 (operations and organization restructuring)
- ▶ **2021 stabilizing & Q2 Return to growth**, driven by Net Contract wins & Selective Investments Europe
- ▶ **Sharply increasing RawMat Indexes/Forex.** Still high volatility & uncertainty
- ▶ **Partially offset by strong cost Saving initiatives** delivering c. €60M in 2021
- ▶ **Further actions under review**
- ▶ **Short term Margin Pressure**

STRONG SHORT-TERM MOBILIZATION OF MITIGATING ACTIONS

Commercial

- ▶ Pricing Plans Own Brands
- ▶ Smart Tender Price Investment Europe to stop contract loss
- ▶ Mix & Trade Spend Optimization

Cost

- ▶ Accelerate Organization Redesign implementation. Hiring Freeze
- ▶ Design to Value initiatives
- ▶ Production efficiency
- ▶ Marketing & Sales Budget Efficiency
- ▶ Discretionary Spend cut

Cash

- ▶ Short Term CAPEX freeze
- ▶ S&OP process & Inventory levels

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Esther Berrozpe
Chief Executive Officer

KEY TAKEAWAYS

All building blocks in place and execution underway

Attractive growth opportunities to capture

Clear roadmap to restoring sound financial structure



Restoring Value Creation



RETURN TO VALUE CREATION PROGRESS UPDATE