REGULATED INFORMATION
INSIDE INFORMATION

Ontex Investor Update

- **Ontex to focus on partner brands & healthcare in Europe and North America, marking a strategy shift towards the creation of a New Ontex.**
- **Divestments, extended cost program and cost-driven pricing expected to bring 2023 targets for the core business into reach, despite the current unprecedented input cost inflation.**
- **2021 outlook affected by supply disruptions.**

Aalst-Erembodegem, December 15, 2021 – Ontex Group NV (Euronext Brussels: ONTEX) is hosting an Investor Update today at 14:00 CET.

Portfolio focus on partner brands and healthcare

- The focus on retailer brands, lifestyle brands and healthcare will further leverage off Ontex's longstanding expertise in the field and its scaled footprint.
- New Ontex will center its activities in Europe and North America, where the partner brands and healthcare market segments have a significant presence and growing potential. In 2020, this part of the portfolio represented €1.43 billion in revenues and an above Group average adjusted EBITDA margin of 13%.
- The business activities in the rest of the world, which are focused on Ontex's own brands, represented €0.65 billion in 2020 in revenues with an adjusted EBITDA margin of 8%. These businesses will be managed for value while exploring future strategic alternatives. The Group has engaged advisors to expedite execution.

Lower structural cost base driven by annual productivity gains

- Successful cost reduction momentum underway in 2021 expected to reach c.€75 million gross savings for the full year, representing c.€60 million net savings.
- Step up to c.€80 million in gross cost saving actions in 2022.
- In the following years, the Group targets annual savings of c.4% of the cost base.
- The one-off costs to deliver these savings are expected to be €(170) million over the period 2021 to 2023, of which €(40) million non-cash.

Divestments, extended cost program and cost-driven pricing bring 2023 targets for the core business into reach, despite the current unprecedented input cost inflation

- +2-3% like-for-like revenue growth and adjusted EBITDA margins of 12.5%-13.5% by end 2023, for Ontex core business
- Proceeds from divestments, working capital & capital expenditure discipline to lead to an improvement of Ontex's leverage ratio, with net debt below 3x adjusted EBITDA, by end 2023.

2021 outlook affected by supply disruptions

- Disruption in the supply continued and the anticipated improvement in the fourth quarter has been slower than originally anticipated. This unexpected setback impacts Ontex's previous outlook of -1% like-for-like revenue decrease and 9% adjusted EBITDA margin for the year.
- Ontex now expects both the revenue growth and adjusted EBITDA margin to come out approximately 0.5 points lower than the previous outlook. Capital expenditure is anticipated to be below 3.5% of sales.

Esther Berrozpe, Ontex CEO, stated: *"Today we are announcing important changes to Ontex's strategy. The New Ontex will focus on partner brands & healthcare in Europe and North America. This marks a strategy shift that will allow us to build on our inherent strengths and leverage the full potential of our know-how, scale and capabilities. Facing an unprecedented rise in raw material prices and inflation on other input costs, we have accelerated our cost reduction initiatives identifying new opportunities to streamline the Group. However, the environment continues to be highly volatile, which led us to review our 2021 expectations. I remain confident that we can deliver our 2023 targets with the new portfolio. As we execute our strategy, Ontex will deliver solid value for shareholders with increased profitability and a healthy balance sheet. I know that I can rely on the expertise and dedication of all our employees while we make this strategic turn to rebuild our financial performance."*

Main topics to be discussed during the investor update

New Ontex to focus on partner brand and healthcare

A core portfolio of businesses has been defined as New Ontex, where Ontex's inherent strengths lie. Ontex has a strong track record and longstanding experience being the partner of choice for brand owners, both retailers and lifestyle brand companies, as well as institutional customers. This client base is largely located in Europe and North America, and this is where we see the most potential for profitable growth. Ontex's industrial footprint is well positioned to serve these regions and offers considerable opportunities for synergies and economies of scale to provide our partner clients with innovative solutions and the best quality and cost.

In 2020, the portfolio in these markets accounted for €1.43 billion revenue, representing c.70% of the Group total, and generated an adjusted EBITDA margin of 13%, close to 80% of the Group adjusted EBITDA.

Ontex's product offering will remain in our current three categories – Baby Care, Adult Care and Feminine Care – and we will accelerate our focus on faster-growing, margin-accretive products within these categories. This includes all Adult Care products, baby pants, and products which are more sustainable to meet growing demand trends. We will focus investments on maximizing synergies across our European industrial footprint and ramping up our operations in the US, driving operational excellence to improve costs, quality and service.

In the rest of the world, Ontex holds some well-known local brand positions. Despite the strength of the local brands, the businesses do not meet the Group's return on investment requirements. In addition, the exit from these businesses will remove the Group's exposure to emerging market foreign exchange rate volatility. In 2020, these businesses had revenues of €0.65 billion with an adjusted EBITDA margin of 8%. These will now be managed for value and the Group will explore the best long-term strategic solutions. Advisors have been appointed to expedite execution.

Operational excellence to lower structural cost

Ontex is delivering a solid momentum of structural cost savings, with c.€75 million of gross (c.€60 million net) cost savings expected in 2021. Footprint optimization projects are already underway and production efficiency improvements are delivering solid improvements in utilization rates and waste reduction to reduce scrap production by c.10% this year.

A review of the cost base has identified further opportunities to streamline and reduce costs. The cost savings target for 2022 has been increased to €80 million of gross savings, and the Group aims to make productivity gains of c.4% p.a. in the following years. The step up in the cost reduction actions will raise the one-off expenses for all cost saving measures to €(170) million over the period 2021-2023, of which €(40) million non-cash.

Divestments, extended cost program and cost-driven pricing bring 2023 targets into reach, despite the current unprecedented input cost inflation

As the Group executes its strategic agenda, it confirms its ambition to generate like-for-like revenue growth of 2 to 3% CAGR over the period 2021-2023 and an adjusted EBITDA margin of 12.5%-13.5% by 2023 on the New Ontex perimeter. Cash discipline will be maintained with a working capital on sales ratio of c.5% going forward and capital expenditure in a range of 4% to 4.5% of sales with focus on targeted growth initiatives, it will drive cash conversion to more than 60%. Combined with the expected proceeds of the anticipated divestments, this will allow net debt to end up below 3x adjusted EBITDA in 2023.

As New Ontex pursues its growth and cost productivity plans, it has the ambition to reach more than 15% adjusted EBITDA margin by 2025. Ontex will continue to maintain strict discipline on cash leading net debt to below 2x adjusted EBITDA by end 2025.

Audio webcast

The audio webcast for investors and analysts on December 15, 2021 will be at 2:00pm CET/1:00pm UK/8.00am EST.

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://channel.royalcast.com/ontexgroup/#!/ontexgroup/20211215_1

A full replay of the presentation will be available at the same link shortly after the conclusion of the live presentation.

For those wishing to participate to the Q&A session please use the following link to connect:

https://us06web.zoom.us/j/82184761838?pwd=RG1OeVhuSUtMUEpaK1ZOUEJKdUVpUT09

Meeting ID: 821 8476 1838

Passcode: 307556

FINANCIAL CALENDAR

FY 2021	February 23, 2022
Q1 2022	May 12, 2022
H1 2022	July 29, 2022
Q3 2022	November 10, 2022

ENQUIRIES

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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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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.

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 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.

Cash conversion

Cash conversion is defined as Adjusted EBITDA minus capex, divided by adjusted EBITDA, and reflects the capacity of the Group to retain cash.

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