Q3 2022 RESULTS

WEBCAST

November 10, 2022

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Accounting changes

As from 2022, the Emerging Markets, which represented 30% of revenue in 2021, are reported as assets held for sale and discontinued operations, following the strategic decision to divest these businesses. Continuing operations encompass the Core Markets, which represented 70% of revenue in 2021.

Q3, START OF PERFORMANCE RECOVERY

In a continuously challenging external environment

Total Group Q3

Revenue **€638M**	+17% LFL YoY	+7% QoQ
Adj. EBITDA **€35M**	-12% YoY	+41% QoQ
Leverage **7.7x**	vs 6.8x in June	

Drive growth

- Record revenue
- Consistent mid single digit volume/mix growth every quarter since 2022
- Driven by strategic priorities

Restore profitability

- Pricing up double digit and savings level maintained
- Adj. EBITDA and margin up QoQ
- Q4 adj. EBITDA set to improve YoY

Stabilize financing

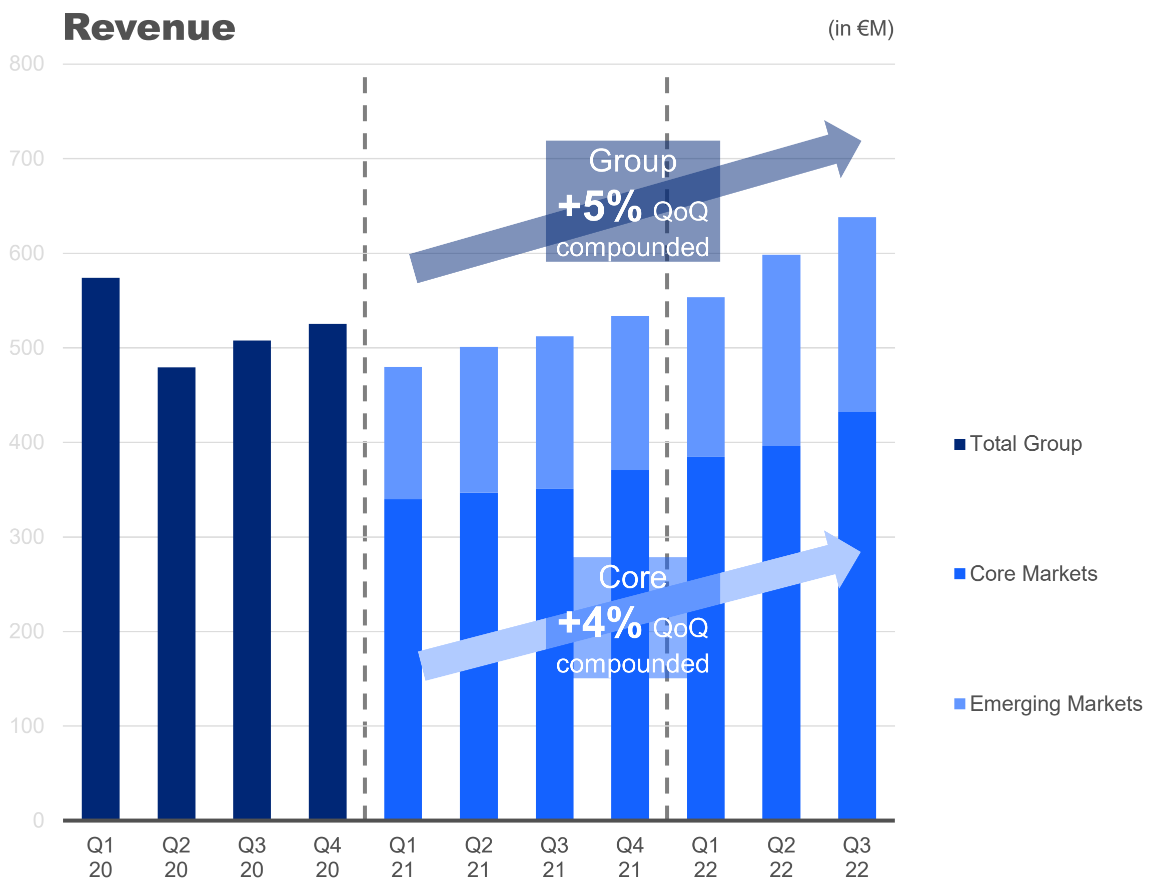
- Leverage peaking due to trailing EBITDA
- Leverage set to improve in Q4
- Proceeds from Mexican divestment to lower debt

Refocus portfolio

- Agreement reached on ½ of divestment portfolio for €250M
- Other divestments making progress

TURNAROUND BUILDING MOMENTUM

Back to strong revenue growth, based on volume, mix and price



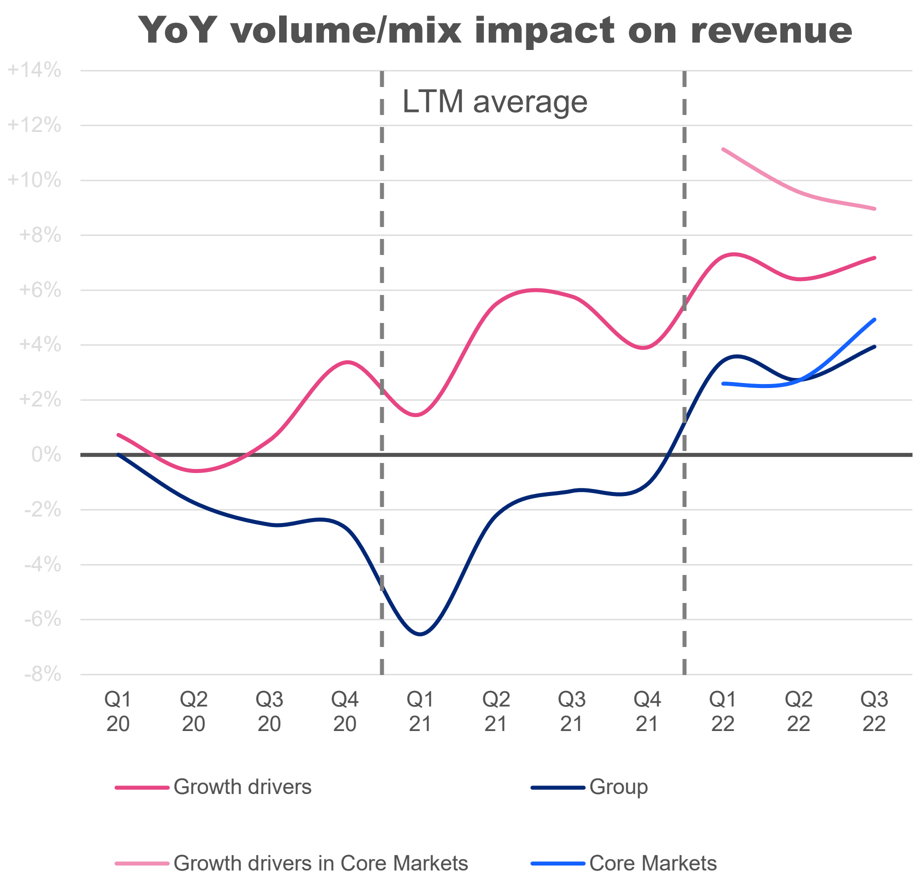
- **Q3 and YtD revenue at record level**
  - Built on 6 quarters of sequential growth
  - 17% increase LFL
- **Volume/mix consistently contributing mid-single digit growth across quarters**
  - Driven by Core Markets
- **Pricing increasing quarter over quarter**
  - Started with Emerging Markets
  - With Core Markets accelerating

MID SINGLE DIGIT VOLUME/MIX GROWTH

Fully driven by strategic priorities [1]

- Overall market contraction, but retailer brands gaining market share in baby pants and feminine care
- **Ontex out-performing the market**

Volume /mix	Total group	Core Markets
Q3	+4%	+6%
YtD	+6%	+7%



Baby pants
- Volume/mix up solid double digit
- Success from innovation pipeline
- Expanding capacity in Europe & North America
- Driving market share gains of retail brands

North America
- Volume/mix up double digit
- Supported by expanding capacity in Stokesdale & Tijuana

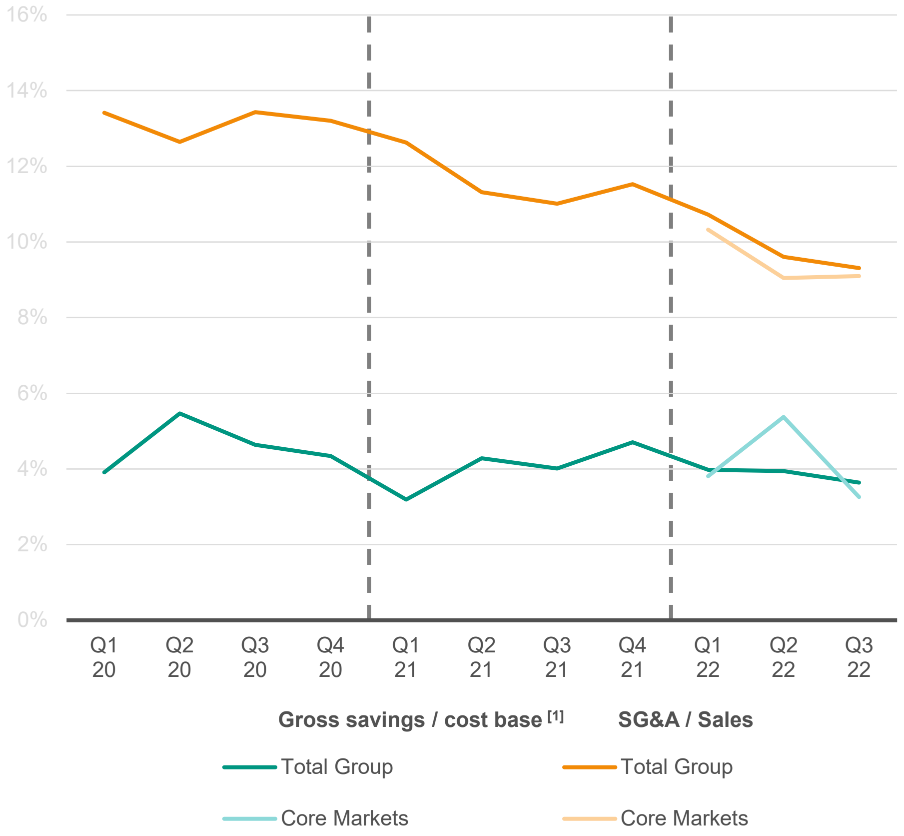
Adult care
- Volume/mix up low single digit
- Driven by growth in retail channels

[1] Strategic priorities include the North American, the adult care and baby pants markets supported by sustainable & natural solutions

OPERATIONAL COST REDUCTION LEVELS MAINTAINED

While keeping SG&A at 10% of sales

Gross savings and SG&A



SG&A / sales
10% YtD
Core Markets at **9%**

Gross savings / Cost [1]
4% YtD
Core Markets at **4%**

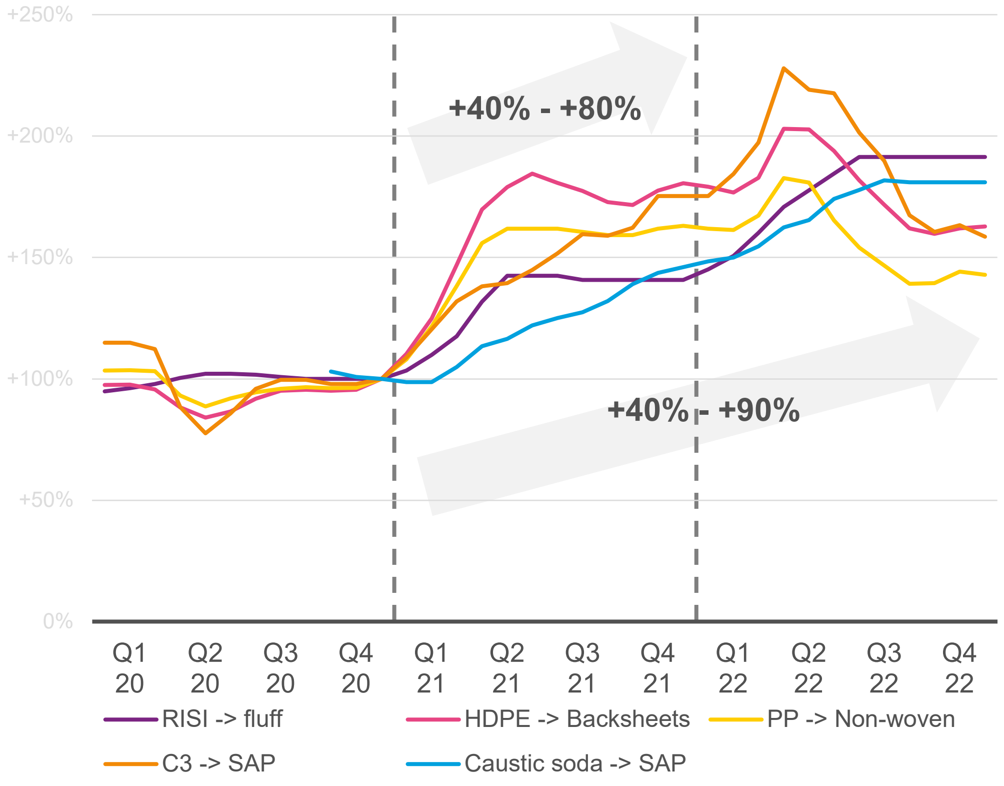
- **Gross operating savings of €60M YtD**
  - €41M savings in Core Markets YtD
  - Ethiopia, Mayen and Reidsville production plant closed in 2022
  - Scrap rate and OEE stable improved YoY
  - Service levels still below 2021 level, but improving though the year
  - Design-to-value innovation continuing to bear fruit
- **SG&A cost base up due to wage inflation, but maintained at 10% of sales**

[1] Gross savings include operating savings and net SG&A cost impact
Total cost base defined as revenue – adj. EBITDA

COST INFLATION REMAINING AT HIGH LEVELS

Stabilizing for some components, increasing for others

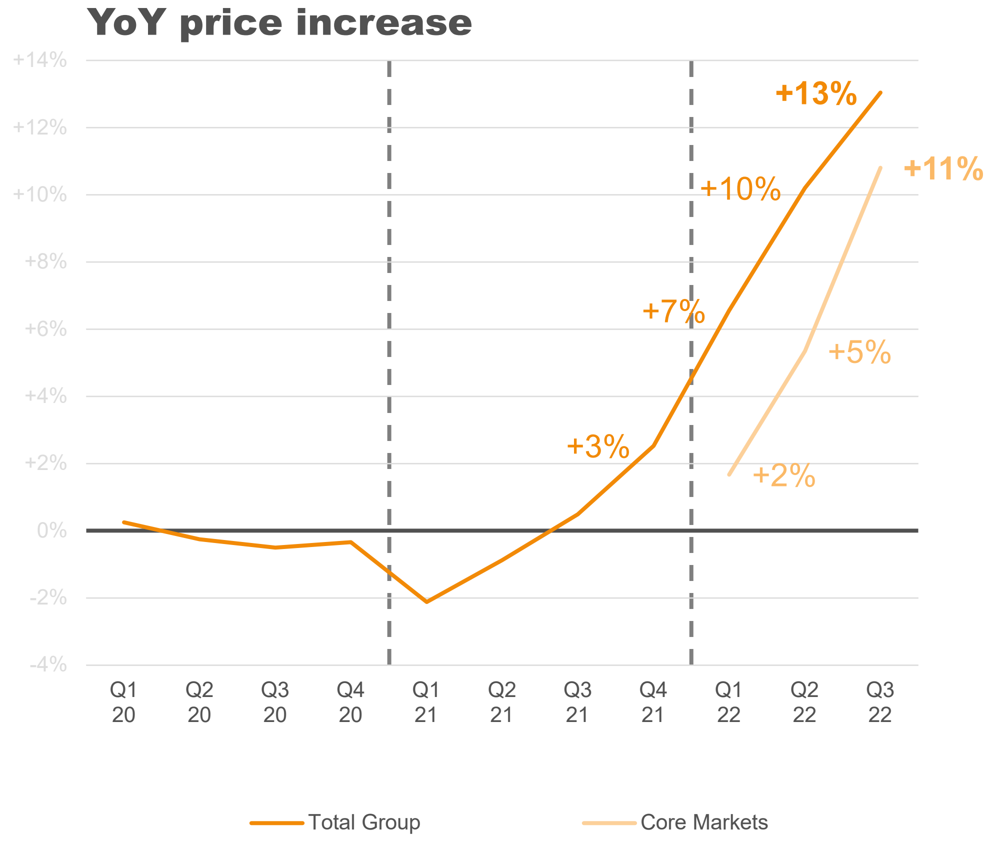
Main raw material indices



Indexed at 100% on December 2020

- **Overall cost base up ~20% YtD**
  - ~25% in Q3
- **Raw material prices up ~30% YtD**
  - Record high for RISI and caustic soda indices, impacting fluff and SAP raw materials
  - Indices for non-woven and backsheets raw materials stabilizing at ~50% higher vs 2020
  - Energy and logistics costs on raw materials are at high levels
- **Other operating costs up mainly on rising energy costs and wage inflation**
  - Energy prices up ~30% YtD
  - Distribution costs up ~15% YtD
  - Wages up with inflation

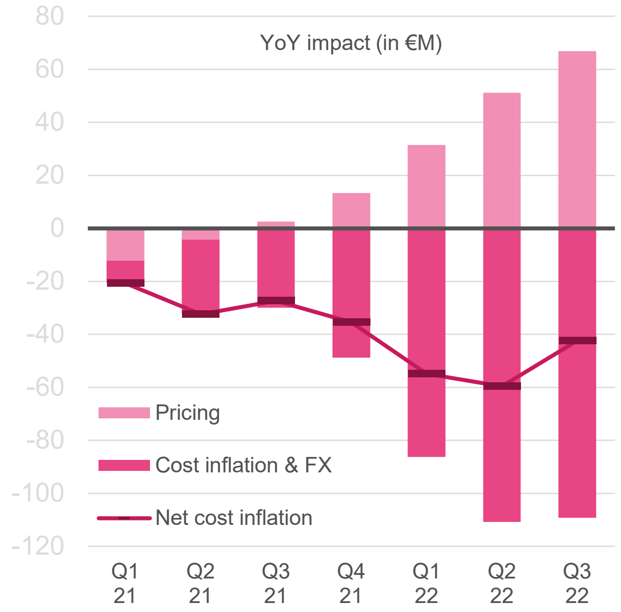
PRICING MOMENTUM CONTINUES
Core Markets accelerating



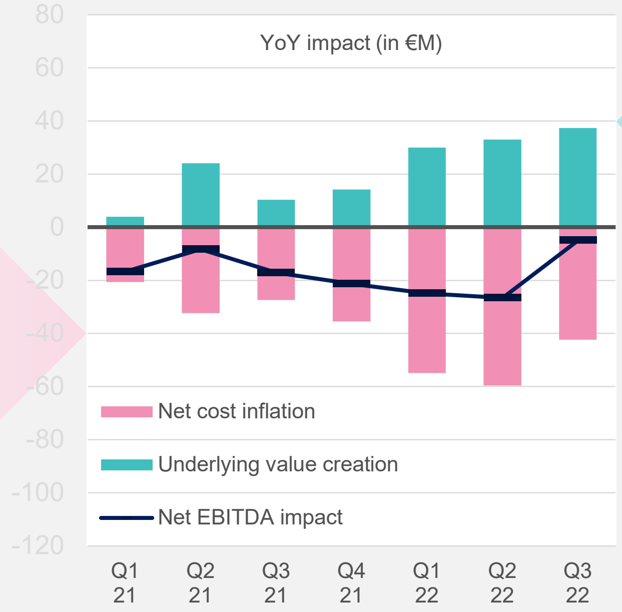
- **Total Group pricing going from +7% in Q1 to +13% in Q3**
  - 10% higher prices in total Group YTD
  - Strong delivery in discontinued Emerging Markets with double digits in own brands
- **Core Markets pricing accelerating from +2% in Q1 to +11% in Q3**
  - 6% higher prices in Core Markets YTD
  - Implementation is lagging inflation, as contract negotiations take longer
- **More pricing planned to come in Q4**

STARTING PERFORMANCE RECOVERY
Growth and efficiencies closing the gap with net cost inflation

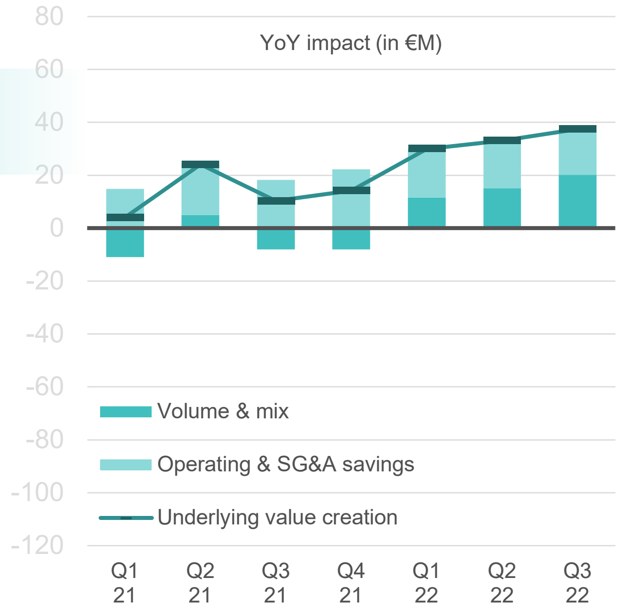
Pricing for inflation



Net EBITDA impact



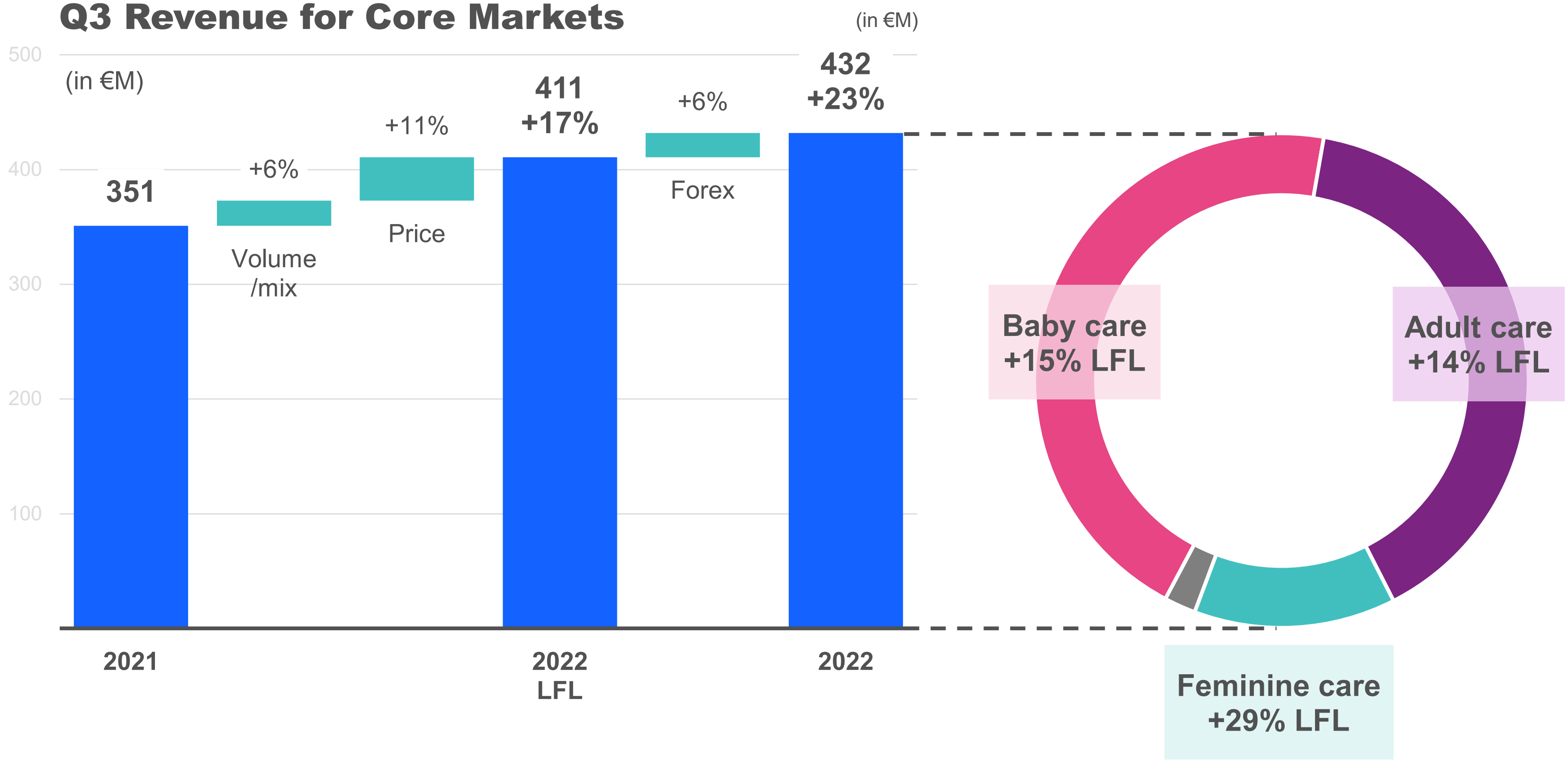
Growth & efficiencies



- Rising pricing in combination with YoY cost inflation impact allows for YoY net impact to start to decrease in Q3
- Underlying value creation nearly offsetting net cost inflation impact in Q3
- Cost reduction efforts and volume/ mix growth deliver underlying value of ~€30M / Q YoY as from 2022

REVENUE GROWTH CONTINUED
Based on volume, mix and price

Q3 Revenue for Core Markets



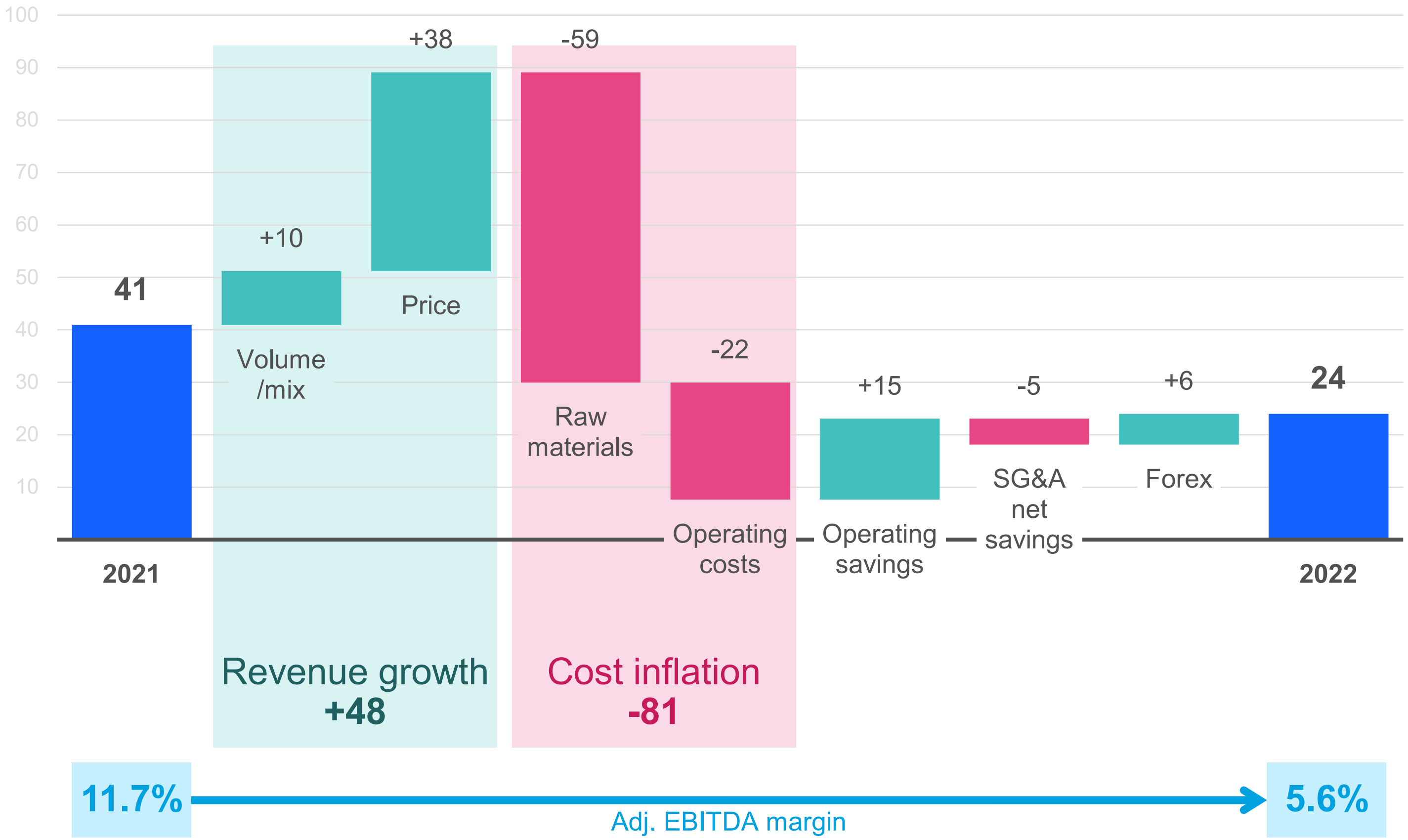
- 6% volume and mix growth across categories
  - Result of contract gains
  - Retail brands gaining share
- Pricing passing through
  - Accelerating over year
  - More pricing to come
- Supportive forex impact
  - Positive impact of USD and RUB appreciation

SOLID GROWTH & SAVINGS OFFSET BY INFLATION YOY

But adj. EBITDA sequentially improving

Q3 Adj. EBITDA for Core Markets

(in €M)



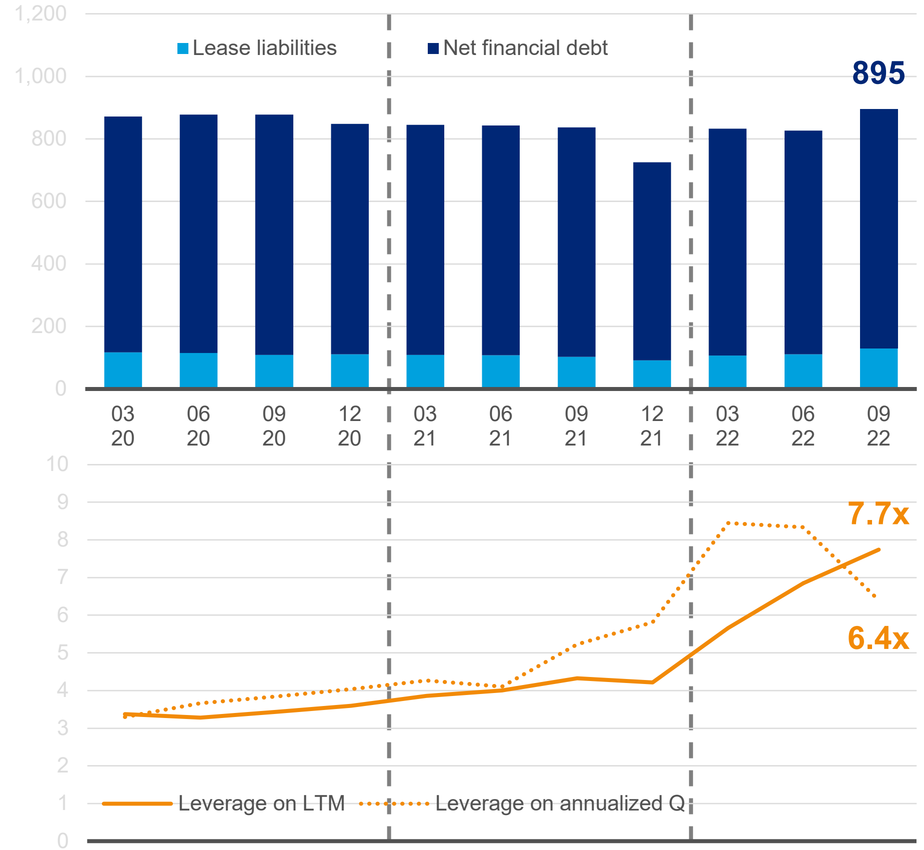
- Adj. EBITDA down YoY, but growing sequentially by +28%
- Strong €'48M YoY profit from revenue LFL growth
- Consistent operating cost reduction measures of €15M
- Significant impact of cost inflation [1]: +25% YoY and up QoQ
- Positive forex with RUB appreciation impact compensating for USD appreciation impact on cost
- Margin at 5.6%, down 6.1pp YoY, but up 0.8pp QoQ

[1] Cost base defined as revenue – adj. EBITDA

NET DEBT UP WITH WC NEEDS
Leverage peaked due to trailing EBITDA

Net debt evolution

(in €M)



Leverage evolution

- **Net debt increased to €895M**
  - WC outflow linked to higher sales
  - DSO improving, but prudence remains in light of supply chain uncertainties
  - To reduce by €250M with Mexican business divestment, expected by end of Q1 2023
- **Leverage increased to 7.7x**
  - Due to higher debt and lower LTM EBITDA
  - Leverage based on annualized quarter EBITDA starts to decrease, after peak in H1 22
- **Gross debt largely secured**
  - €580M bond @ fixed 3.5%, maturing in 2026
  - €220M term loan [1], to be paid back with Mexican divestment proceeds
  - >€100M lease liabilities

[1] Term loan under covenant to be tested by June 2023

2022 OUTLOOK CONFIRMED

Q4 EBITDA expected significantly up, QoQ and YoY

Core Markets

- Strong revenue growth of **~15% LFL** [1]
  - maintaining YTD growth momentum
  - with continued price increases
- Adj. EBITDA in **€100-110M** range

Total Group (incl. disc. ops.)

- Strong revenue growth of **~15% LFL**
- Adj. EBITDA at high end of prior given **€125-140M** range
- Leverage to improve to < **6.5x** [2,3]
  - with growing EBITDA
  - with WC / revenue to normalize

[1] ≥ 10% provided after Q2 results
[2] < 6.8x provided after Q2 results
[3] Excludes any impact from Mexican divestment before year end

KEY PRIORITIES

Drive
growth

Stabilize
financing

Restore
profitability

Refocus
portfolio

Q3 2022 RESULTS

Q&A

Q3 2022 RESULTS

THANK YOU