Q4 & FY 2022 RESULTS

WEBCAST

March 1, 2023

Ontex

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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.

FY 2022 HIGHLIGHTS

Gustavo Calvo Paz

CEO

RECOVERY STARTED IN H2 2022
In a challenging external environment

	Revenue	Adj. EBITDA	Leverage
FY	2,464 €M +17% LFL YoY	136 €M -21% YoY	4.2x → 6.4x vs Dec 21
Q4	675 €M +20% LFL YoY	51 €M +64% YoY	7.7x → 6.4x vs Sept 22

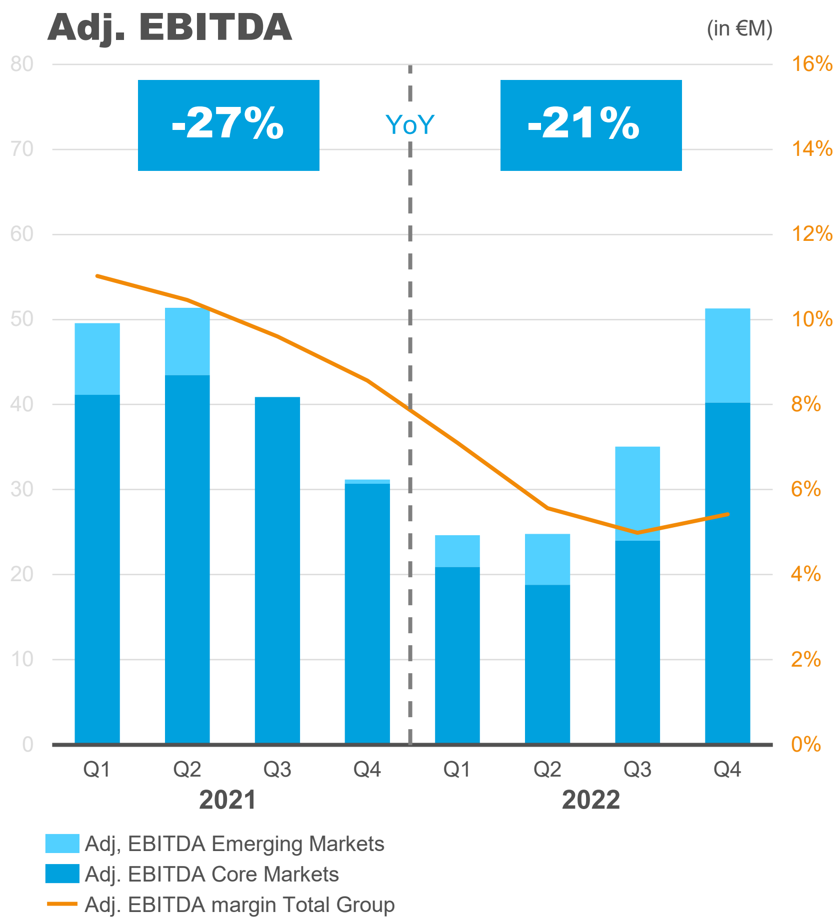
Total Group figures, including continuing Core Markets and discontinued Emerging Markets

REVENUE GROWTH MOMENTUM PERSISTING
Based on all levers: volume, mix and increasingly price

- **Total Group** up 17% YoY,
  with consistent QoQ increase over 7 quarters of 5% CAGR
- **Core Markets** up 15% YoY,
  with consistent QoQ increase over 7 quarters of 4% CAGR

ADJ. EBITDA STRONGLY UP IN Q4, DRIVEN BY CORE

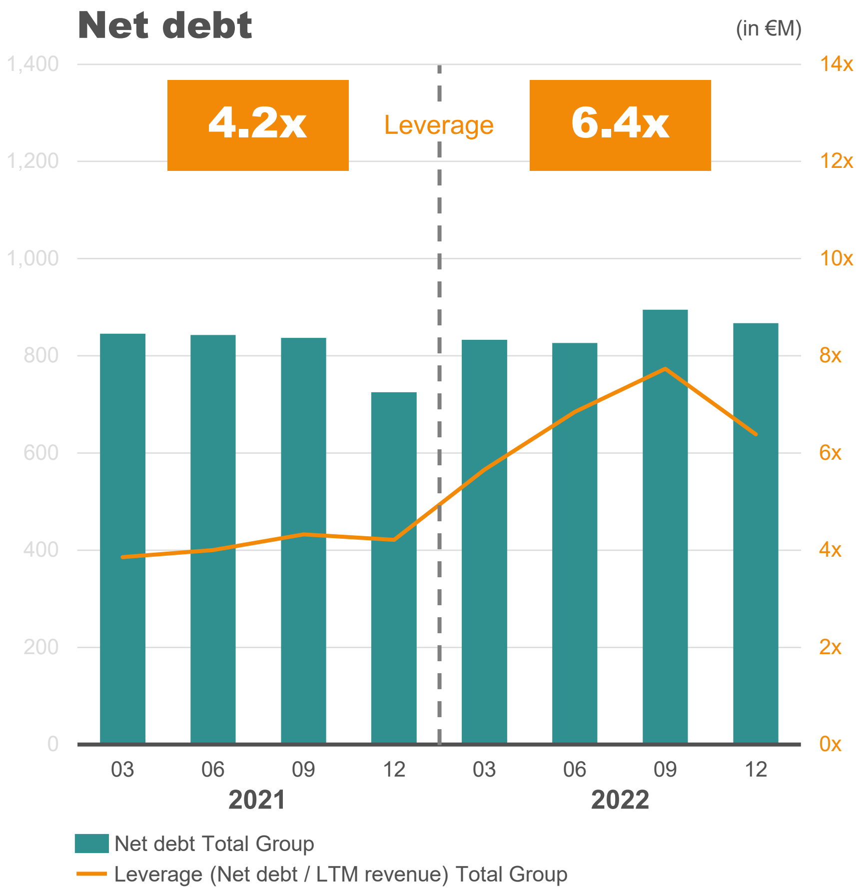
Confirming recovery in H2



- **Total Group** up 47% in Q4 vs Q3, showing recovery after having reached bottom in H1
- **Core Markets** up 68% in Q4 vs Q3, recovering in year which is down overall 33%

LEVERAGE DECREASE STARTED OVER Q4

Debt reduced vs Sept



- **Leverage** at 6.4x, up from 4.2x in 2022, but down from 7.7x in Sept
- **Net debt** reduction over Q4 by €28M, based on EBITDA growth and WC management

MAKING PROGRESS ON SUSTAINABILITY

Further progress on climate change, consolidation on supply

Climate change

- Further good progress toward 2030 objectives
- Scope 1-2 emissions reduced by 47% [1]
- Scope 3: in implementation
- Action plan approved by SBTI [2]
- A-rating received from CDP [3]


Solar cells installed in Ortona plant in 2022

Sustainable supply chain

- Bio-based raw materials largely certified
- >90% of waste recycled
- ~50% of products with eco and/or health labels

[1] Compared to 2020 emissions, with goal to achieve -80% by 2030
[2] Science-Based Targets Initiative [3] Carbon Disclosure Project

INNOVATION DRIVING GROWTH

With milestone project pipeline

Baby care

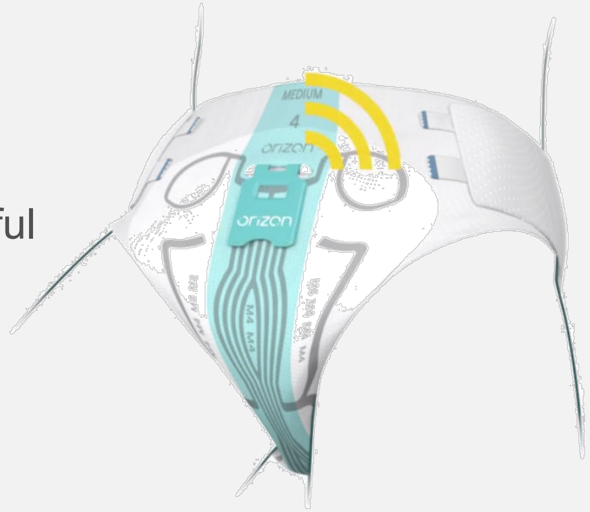
HAPPYfit

- New baby pants platform
- 2020: Development
- 2021: Market introduction
- 2022: YoY Sales Growth >30% LFL & gaining share

Adult care

orizon SMART

- Smart continence management service for elderly homes and hospitals
- 2015: Start of development
- 2022: Successful field testing in homes with enthusiastic reception



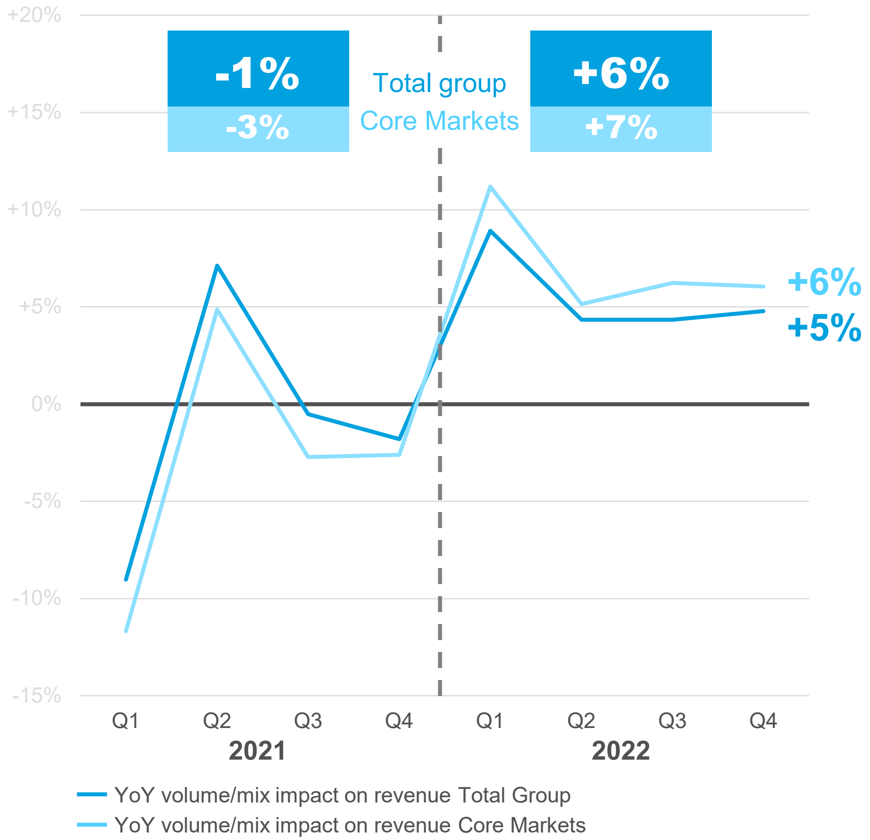
Q4 & FY 2022 REVIEW

Peter Vanneste

CFO

SUSTAINED MID-SINGLE-DIGIT VOLUME/MIX GROWTH
Driven primarily by baby pants

YoY volume/mix impact on revenue

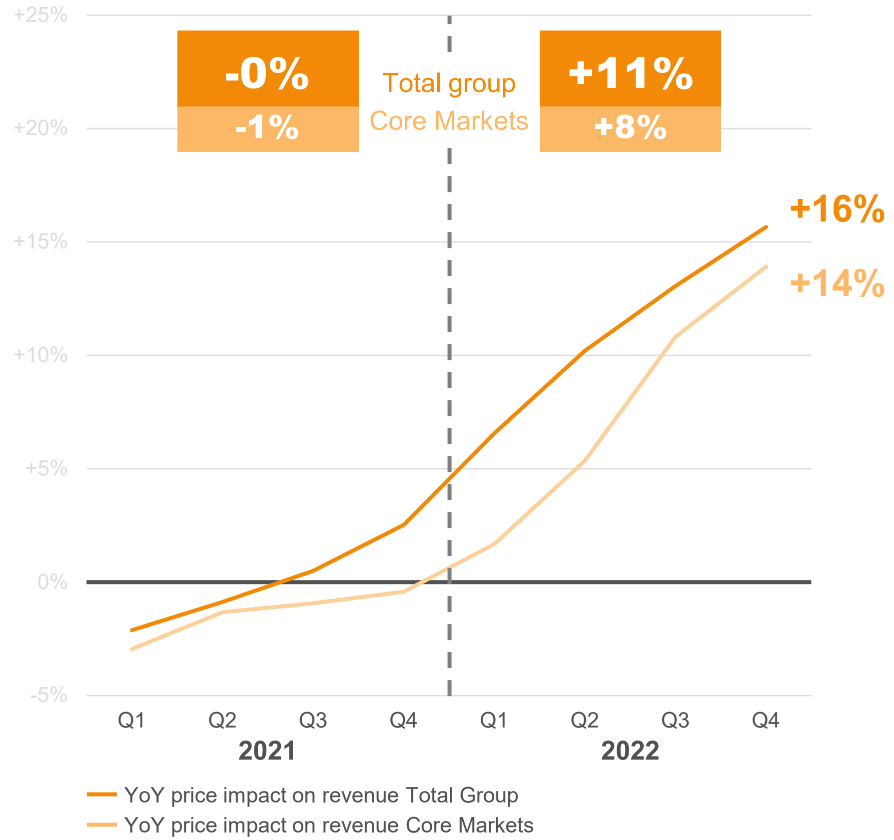


- Ontex robust throughout year, **outperforming the market**
  - Net contract wins
  - Retailer brands outperforming total market in Europe
- **Baby pants** up > 30%
  - Driving market share gains of retail brands
  - Success from innovation and capacity expansion in Europe & North America

YOY PRICING MOMENTUM EXCEEDING +10%

Reaching +16% in Q4

YoY price impact on revenue



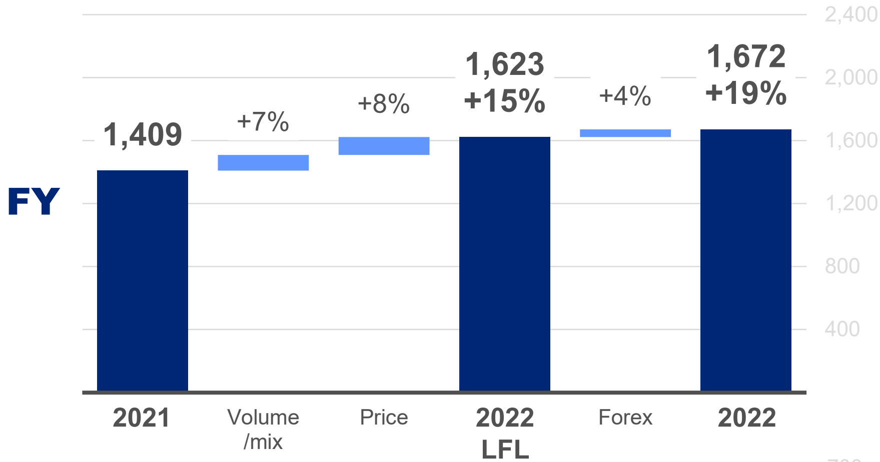
- **Total Group** pricing up +11% YoY
  - Going from +7% in Q1 to +16% in Q4
  - Strong delivery in discontinued Emerging Markets with double digits in own brands
- **Core Markets** pricing up +8% YoY
  - Accelerating from +2% in Q1 to +14% in Q4
  - Implementation is lagging inflation, as contract negotiations take longer

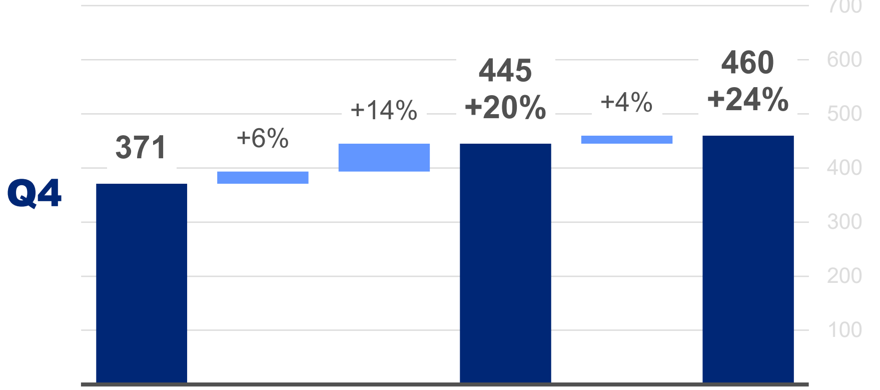
CORE REVENUE GROWTH CONTINUED

Based on accelerating price and sustained volume/mix growth

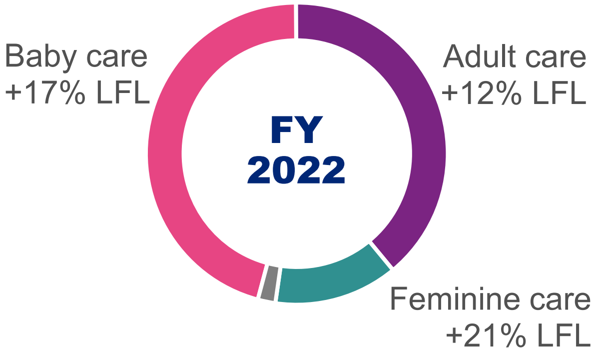
Revenue for Core Markets

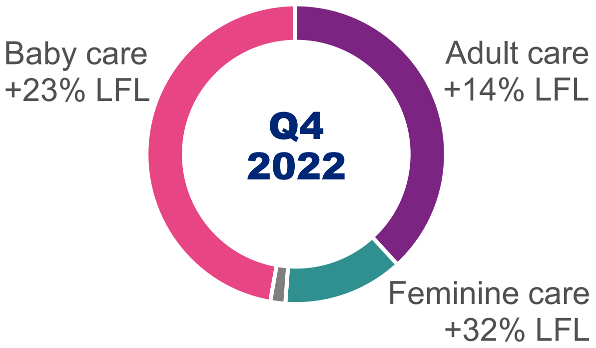
(in €M)





(in €M)

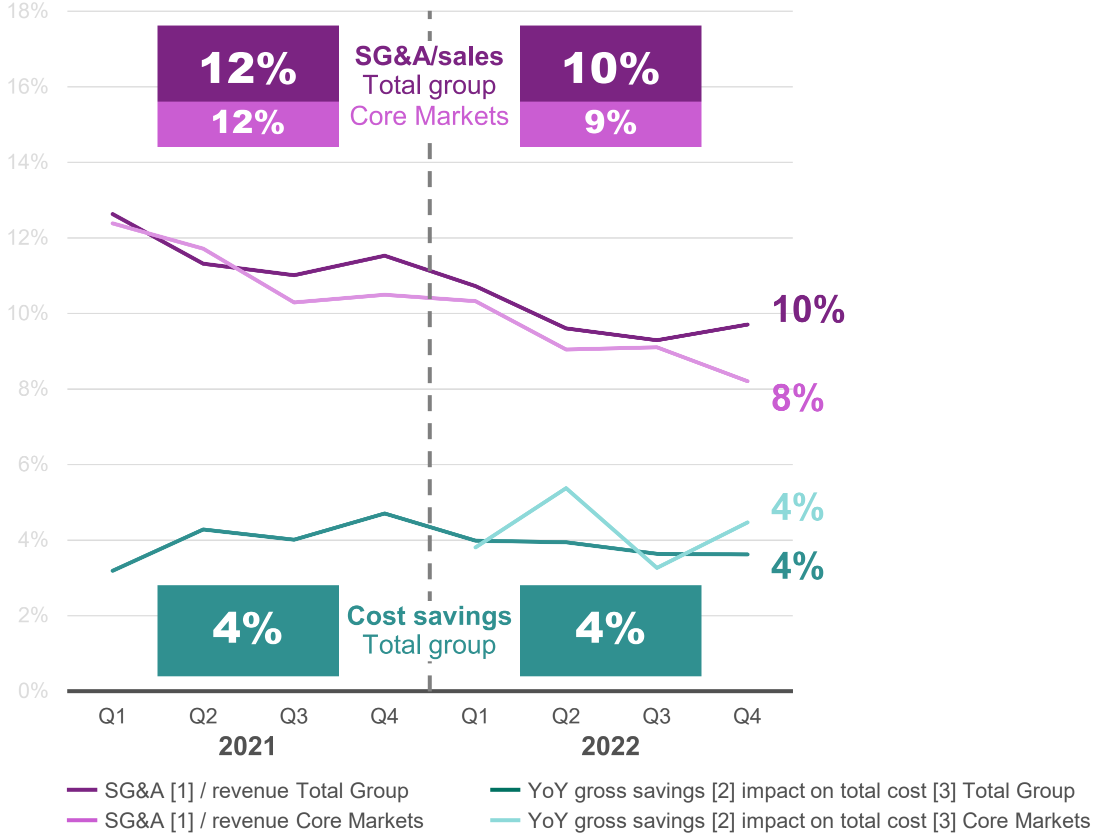




- Growth **across categories**
  - Baby and feminine care volume and price-driven
  - Adult care mostly price-driven
- **Service levels** improving QoQ since Q4 21
- Supportive **forex** impact
  - Positive impact of USD, RUB and GBP appreciation

COST REDUCTION LEVELS MAINTAINED
SG&A reduced to 10% of revenue

YoY cost savings impact [1] and SG&A evolution [2]

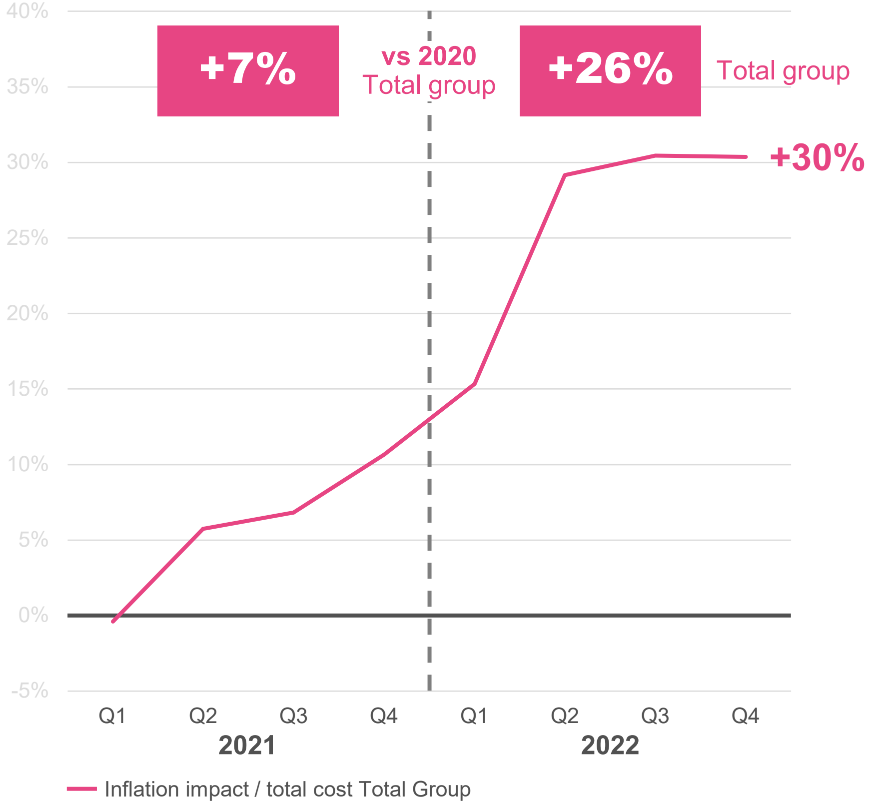


- **SG&A** reduced to 10% of revenue for Total and 9% for Core, despite wage inflation
- **Gross operating savings** [1] of €81M YoY
  - €56M YoY in Core Markets
  - Footprint optimized with closure of Ethiopia, Mayen and Reidsville production plants
  - Consistent YoY improvement of OEE and scrap rate since 2020
  - Growing impact of design-to-value innovation

[1] SG&A evolution and net cost impact exclude the one-time €4.3M bad debt provision in Brazil
[2] Gross savings consist of operating savings and net SG&A cost impact [1]
[3] Total cost defined as revenue – adj. EBITDA

COST INFLATION REMAINING AT HIGH LEVELS
Stabilizing for some components, increasing for others

Inflation impact vs 2020



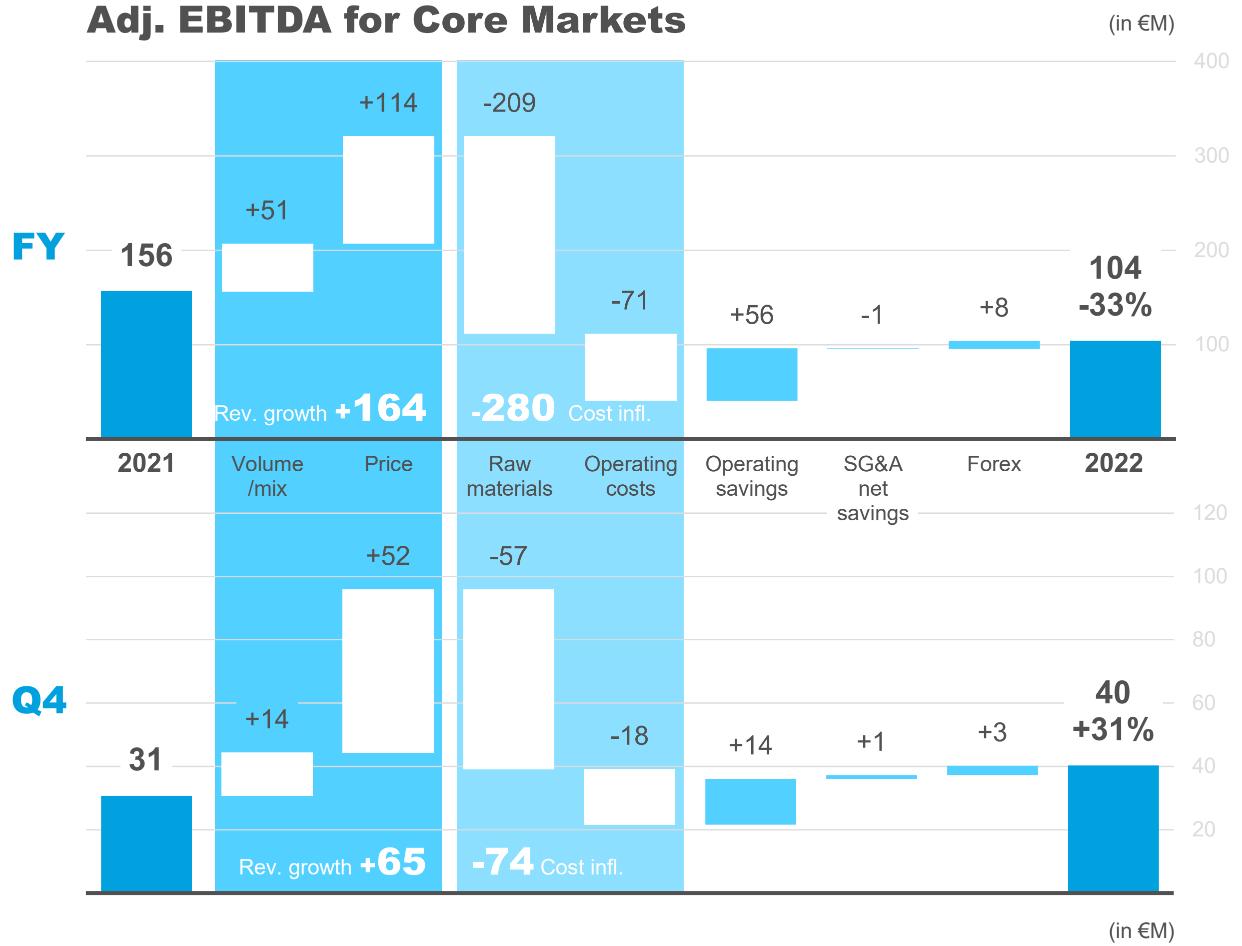
- **Total cost** [1] up ~+20% YoY and ~+30% vs 2020
  - Raw material prices up ~+25% YoY on indices, with record high for RISI and caustic soda (~+85% vs 2020) and oil-based indices stabilizing (~+50% vs 2020)
  - Raw materials and other operating costs up on rising energy and distribution costs and wage inflation
- **Pricing** to recover still significantly, with gap >10% versus cost inflation in Q4

[1] Total cost defined as revenue – adj. EBITDA

ADJ. EBITDA BACK TO GROWTH YOY IN Q4

Solid revenue growth & savings offsetting inflation

Adj. EBITDA for Core Markets



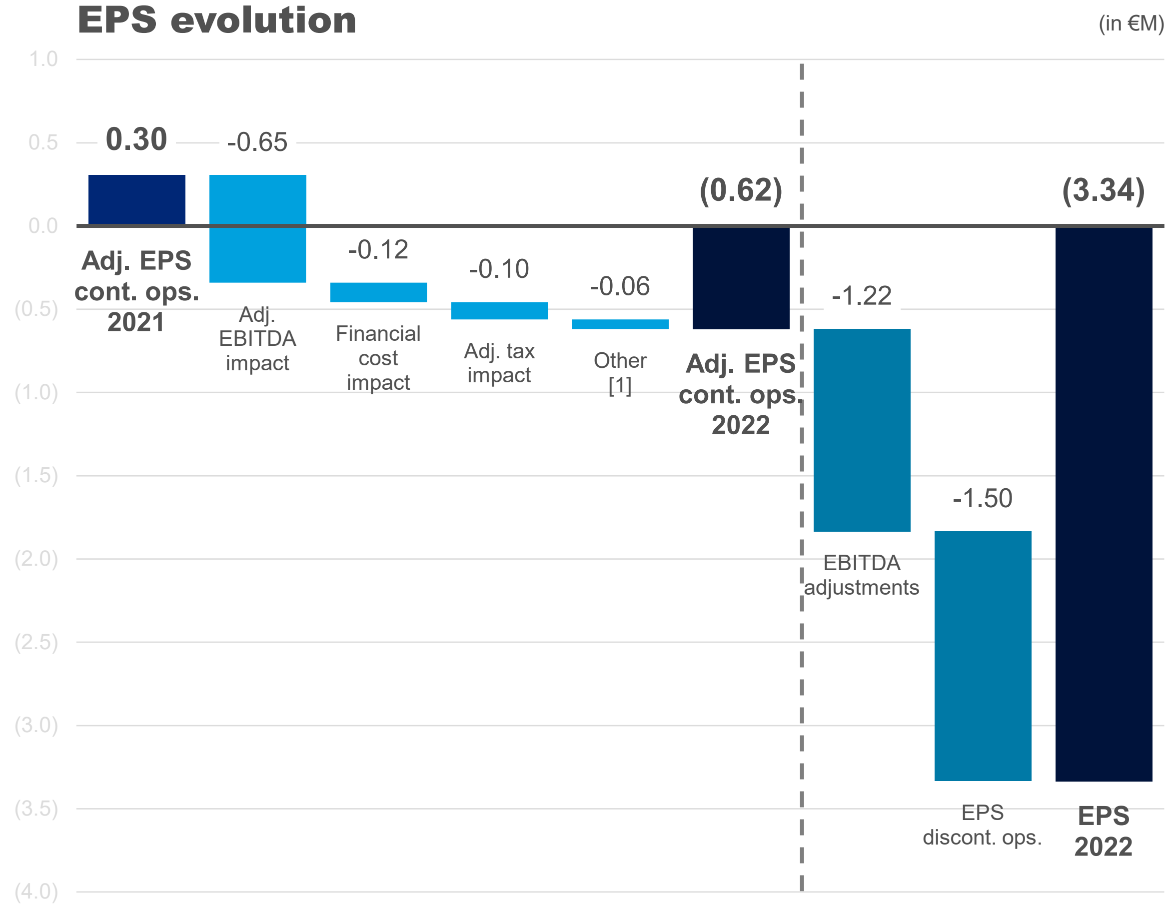
- **FY**: Revenue growth and savings not sufficient yet to offset inflation
  - Core Adj. EBITDA: -33% YoY
  - Core margin **6.2%**: -4.9pp YoY
- **Q4**: Solid pass-through of revenue growth and consistent operating cost reduction more than offset cost inflation
  - Core Adj. EBITDA: +31% YoY, +68% QoQ
  - Core margin **8.8%**: +0.5pp YoY, +3.2pp QoQ
- Positive **forex** with RUB and GBP appreciation impact offsetting USD appreciation impact on cost

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

ADJ. EPS REFLECTING EBITDA DECREASE

EPS further down, mainly by non-cash impairments

EPS evolution



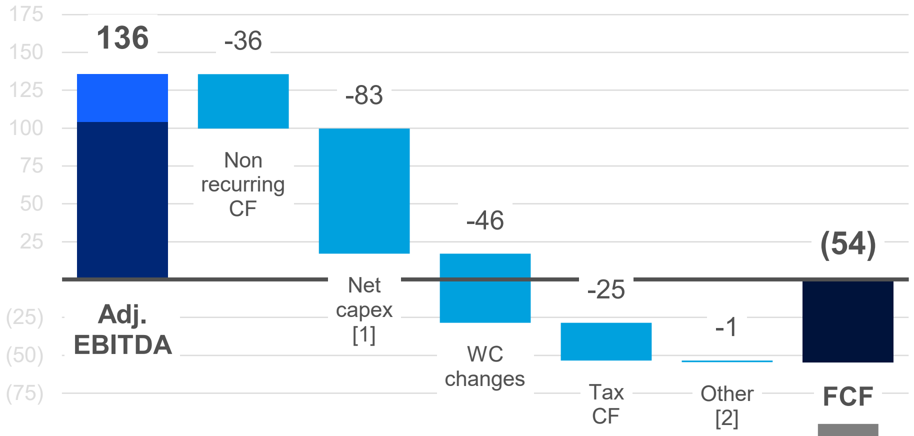
- €(51)M **net financial costs** up with refinancing and interest rates
- €(28)M **adj. tax** impact mostly due to deferred tax assets elements
- **EBITDA adjustments** of €(103)M
  - €(11)M restructuring in European plants
  - €(92)M non-cash impairment, mainly €(84)M on Russian assets goodwill following ring-fencing
- Loss from **discont. ops.** of €(122)M
  - Adj. EBITDA doubled to €32M
  - €(123)M adjustments, primarily non-cash goodwill impairment on Mexican activities and Turkish hyperinflation

[1] Other includes the impact of change in depreciation and number of outstanding shares

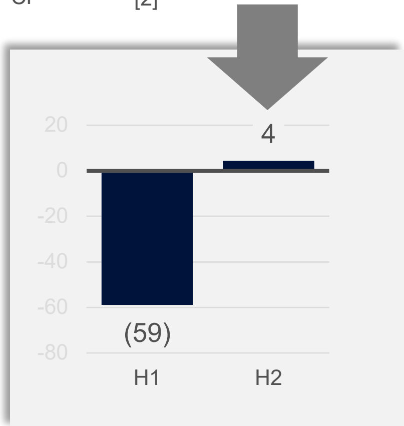
FCF DOWN YOY, BUT POSITIVE IN H2
Including investments in current and future growth

Adj. EBITDA to FCF bridge

(in €M)



(in €M)



- **Capex** slightly up at €62M vs €57M in 2021
  - Discipline maintained with capex/revenue at 2.5%
  - 2/3rd EBITDA generating capex (growth and savings initiatives)
- **Working capital** [3] needs up with revenue growth
  - Exacerbated by net inflation impact
  - Mitigated by progress on cash conversion cycle
- **FCF** turning positive in H2, bringing FY FCF to €(54)M
  - YoY decrease from €53M in 2021,
    linked to lower adj. EBITDA and NWC inflow in 2021
  - Positive contribution of discont. Emerging Markets

[1] Net capex incl. €(62)M capex and €(25)M leases

[2] Other incl. provisions and non-cash adj. EBITDA

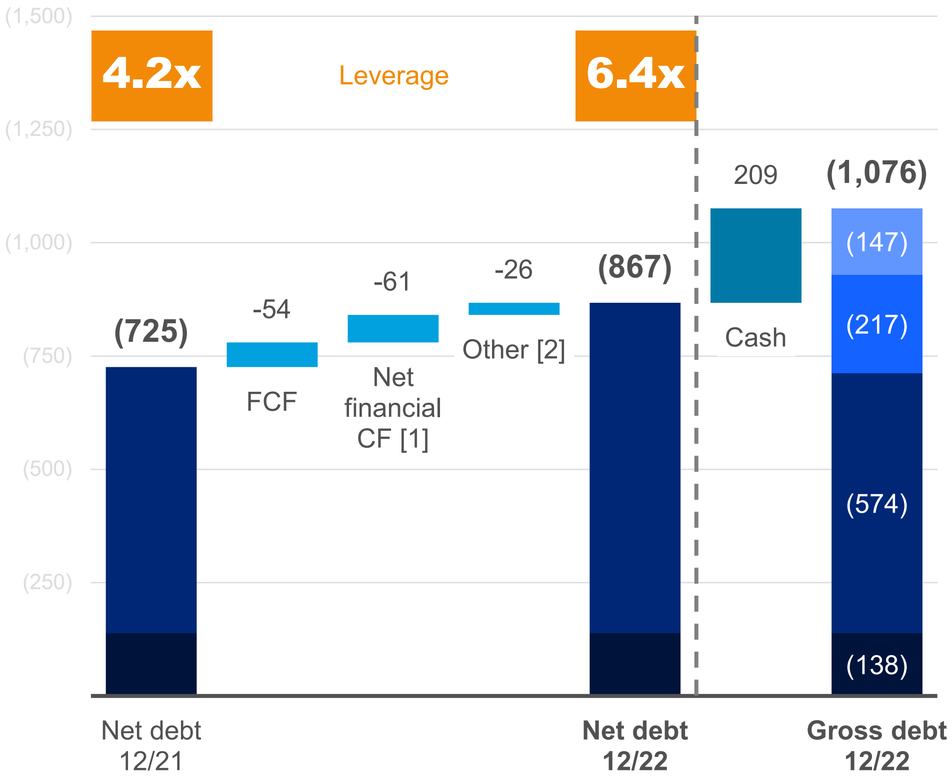
[3] Working capital of €178M, incl. €192M of factoring

NET DEBT UP OVER YEAR, IMPROVING IN Q4

Gross debt largely secured

Financial debt

(in €M)



- **Other debt**
- **Term loan**
  - Floating rate (Euribor-based)
  - Covenant test in June 2023
  - Maturity in 2024
- **Bond**
  - Fixed rate at 3.5%
  - Maturity in 2026
- **Lease liabilities**

[1] Consists of net interest payments of €(43)M and other financing costs

[2] Includes lease liability variations and non-cash forex fluctuations

[3] ~€285M gross proceeds with expected net proceeds of ~€250M, of which ~€225M at closing, foreseen early Q2 2023, and ~€25M deferred

- **Net financial debt** increase to €867M
  - Lower FCF
  - Net financial cash-out up, reflecting higher interest rates
- **Leverage** increased to 6.4x over 2022, but started to decrease from 7.7x in Sept
- **Gross financial debt** largely secured
  - Fixed rate bond at 3.5%
  - Floating rate term loan to be repaid in Q2 with Mexican divestment proceeds [3]

GOING FORWARD

Gustavo Calvo Paz

CEO

BOOSTING PERFORMANCE BY REDUCING COMPLEXITY

Accelerating the Execution

Drive **growth**	▶ Strengthen customer-facing ▶ Competitive innovation

Stabilize **financing**	▶ Secure financing sources ▶ Secure long-term FCF generation

Restore **profitability**	▶ Cost-efficient operations ▶ Lean, performance-driven organization

Refocus **portfolio**	▶ Pursue Emerging markets divestment ▶ Further focus within Core Markets

2023 OUTLOOK
Continuing the recovery

Core Markets (cont. ops.)

- Revenue to grow high single-digit LFL
- Adj. EBITDA margin in range of 8% to 10%

Total Group (incl. disc. ops.)

- Positive contribution of disc. Emerging Markets to EBITDA and FCF
- Mexican divestment to reduce debt by €225M [1]
- Leverage to decrease to <4x

[1] ~€285M gross proceeds with expected net proceeds of ~€250M, of which ~€225M at closing, foreseen early Q2 2023, and ~€25M deferred

Q&A

Gustavo Calvo Paz

CEO

Peter Vanneste

CFO

THANK YOU