ONTEX Q2 & H1 2023 RESULTS

WEBCAST

July 28, 2023

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Accounting changes

Continuing operations encompass the Group's Core Markets. As from 2022, the Emerging Markets, which represented about 30% of revenue, are reported as assets held for sale and discontinued operations, following the strategic decision to divest these businesses. About half of this business was divested at the start of May 2023.

BUSINESS REVIEW

Gustavo Calvo Paz

CEO

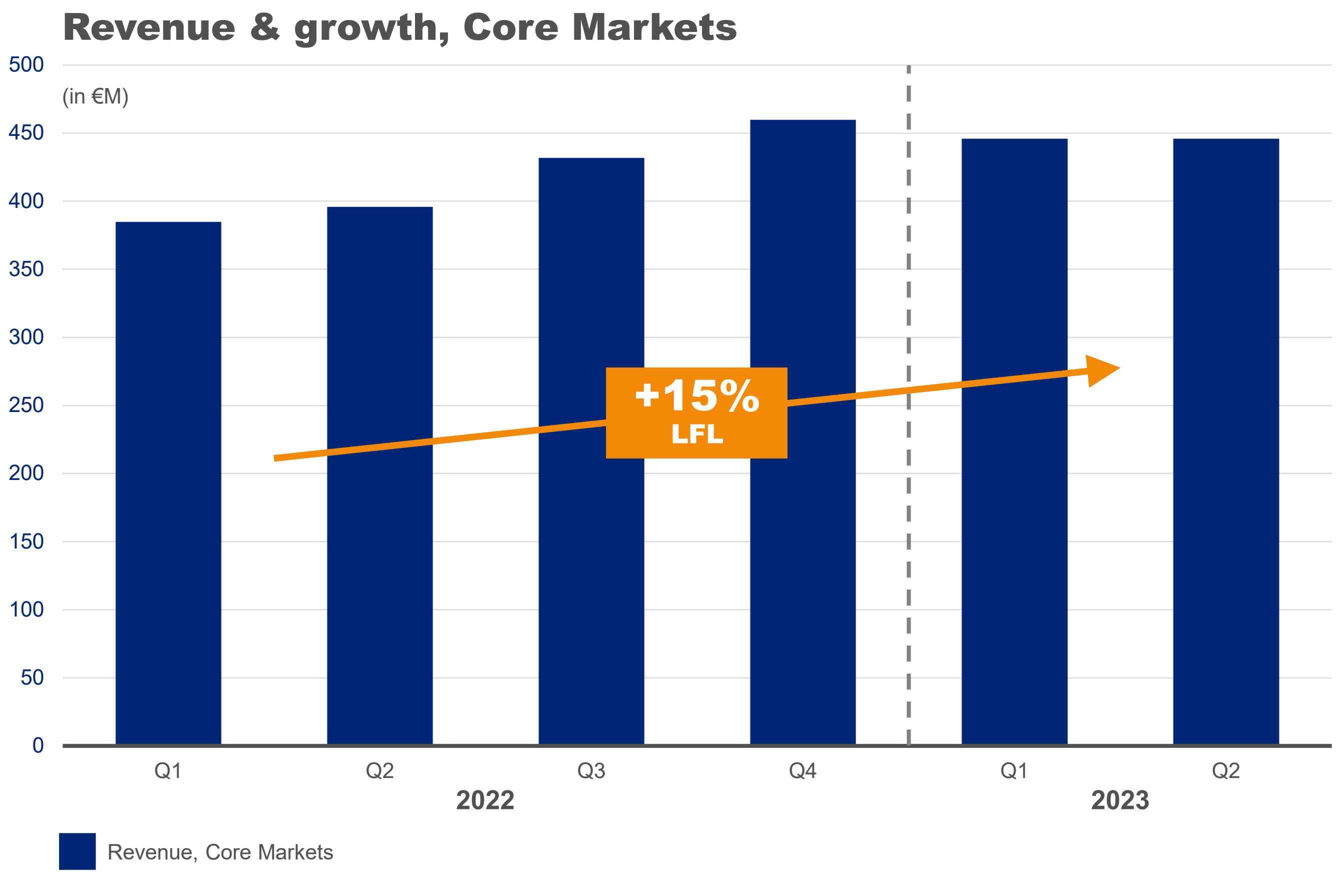
CONSISTENT RECOVERY DEMONSTRATED IN H1

Despite persistent YOY cost inflation

H1 2023	Revenue	Adj. EBITDA margin	Leverage
Total Group	€1,229M +15% YOY LFL	8.7% +4.4pp YOY	4.5x vs 6.4x in Dec 2022
Core Markets	€892M +15% YOY LFL	9.4% +4.3pp YOY	

Total Group includes continuing Core Markets and discontinued Emerging Markets
YOY = Year-On-Year LFL = Like-For-Like, i.e. excluding forex fluctuations and scope effects

15% YOY LFL REVENUE GROWTH IN H1
Driven by pricing and mix



- Positive mix driven by priority categories
- Volume stable in softening market
- 14% YOY pricing,
  incl. incremental in 2023

YOY = Year-On-Year LFL = Like-For-Like, i.e. excl. forex fluctuations & scope effects

OPERATING COST SAVINGS ACCELERATING
Reaching 5.6% in Q2

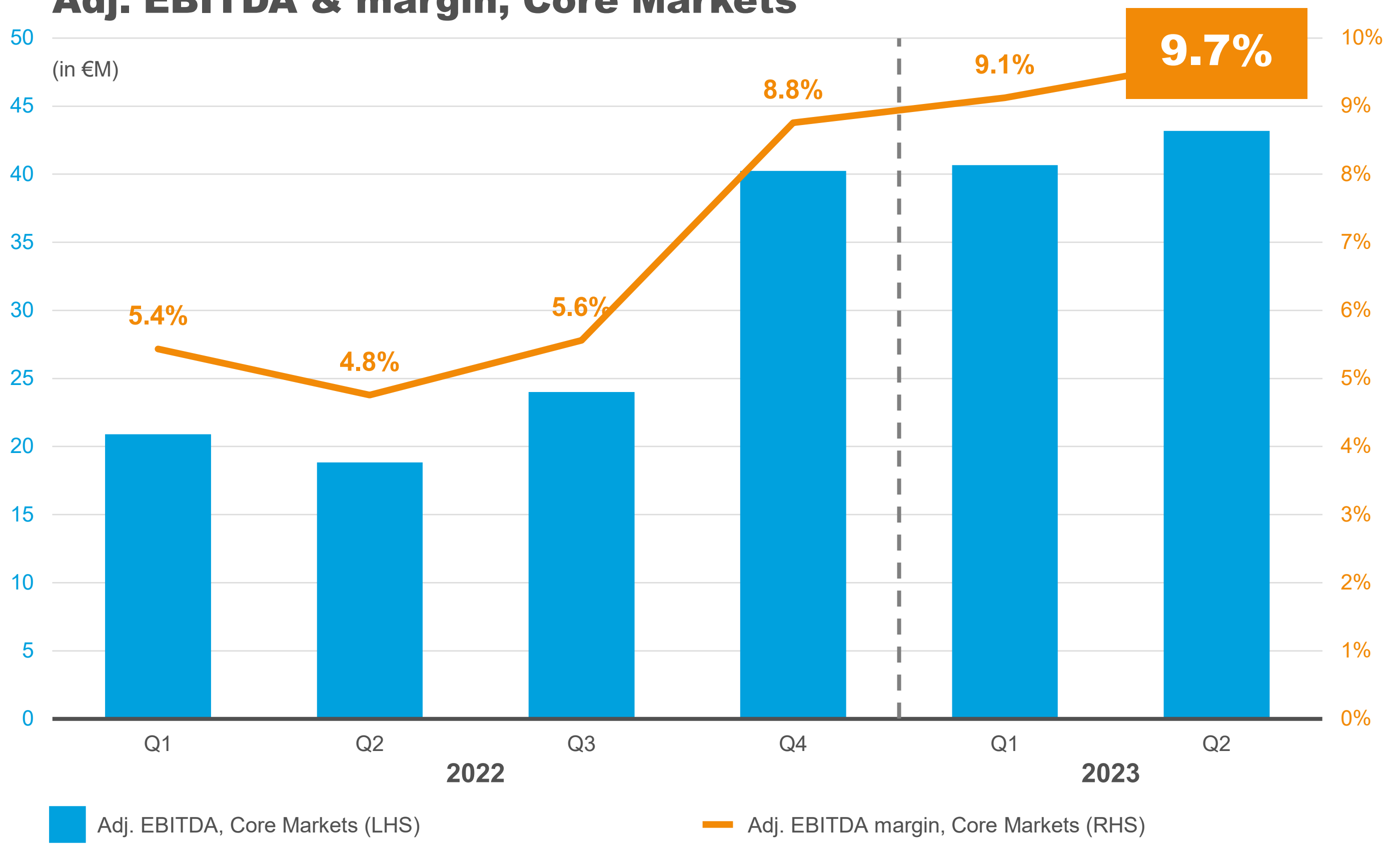
Operating savings, Core Markets

- Operating cost savings pace maintained of ~5% of operating costs in H1
- Operating cost savings delivery of €35M in H1, €10M more YOY

LHS = Left Hand Side RHS = Right Hand Side YOY = Year-On-Year

ADJ. EBITDA MARGIN RECOVERY CONTINUES
Driven by cost savings & mix

Adj. EBITDA & margin, Core Markets

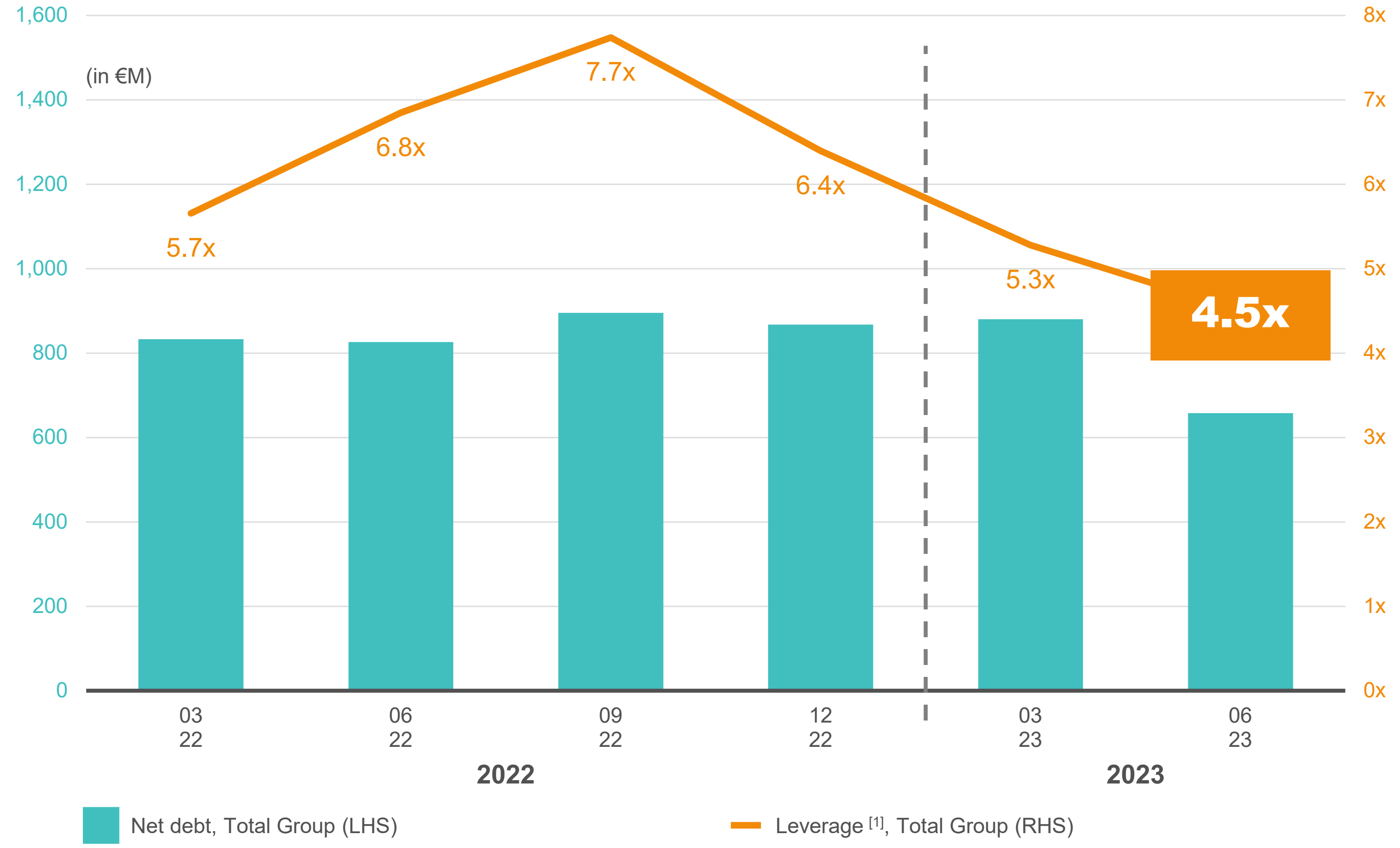


- 4 consecutive quarters of EBITDA margin improvement
- H1 margin of 9.4%, +4.3pp YOY
- Adj. EBITDA continues to improve sequentially with H1 adj. EBITDA at €84M, 2.1x YOY

LHS = Left Hand Side RHS = Right Hand Side YOY = Year-On-Year

LEVERAGE IMPROVES BY 3 PTS SINCE PEAK
Net financial debt reduced by 24% over H1

Net financial debt & leverage ratio



- Leverage [1] at 4.5x by June, thanks to strong EBITDA recovery
- Net financial debt reduced to €658M by June, with net proceeds of Mexican divestment in May

[1] Leverage (net debt / last-twelve-months adj. EBITDA)
LHS = Left Hand Side RHS = Right Hand Side

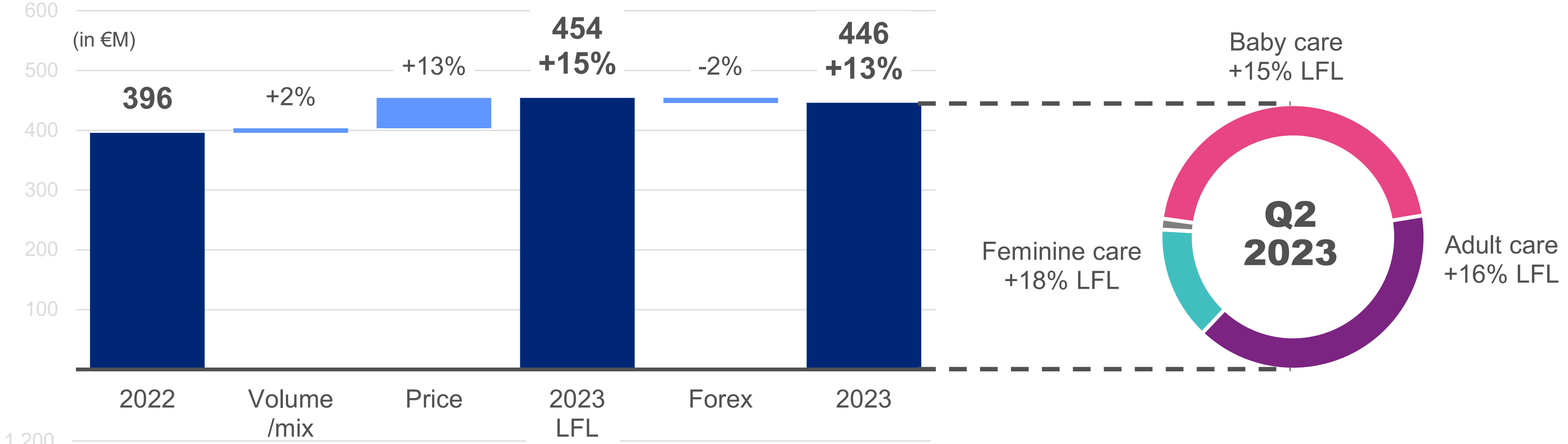
Peter Vanneste

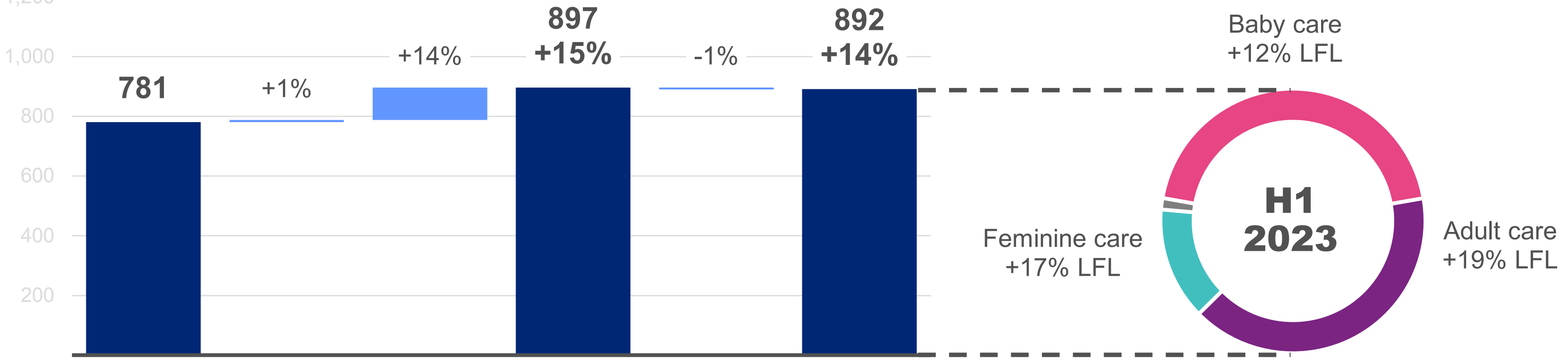
CFO

CORE REVENUE GROWTH MAINTAINED ON PRICING

Outperforming a softer demand

Q2 revenue Core Markets





H1 revenue Core Markets

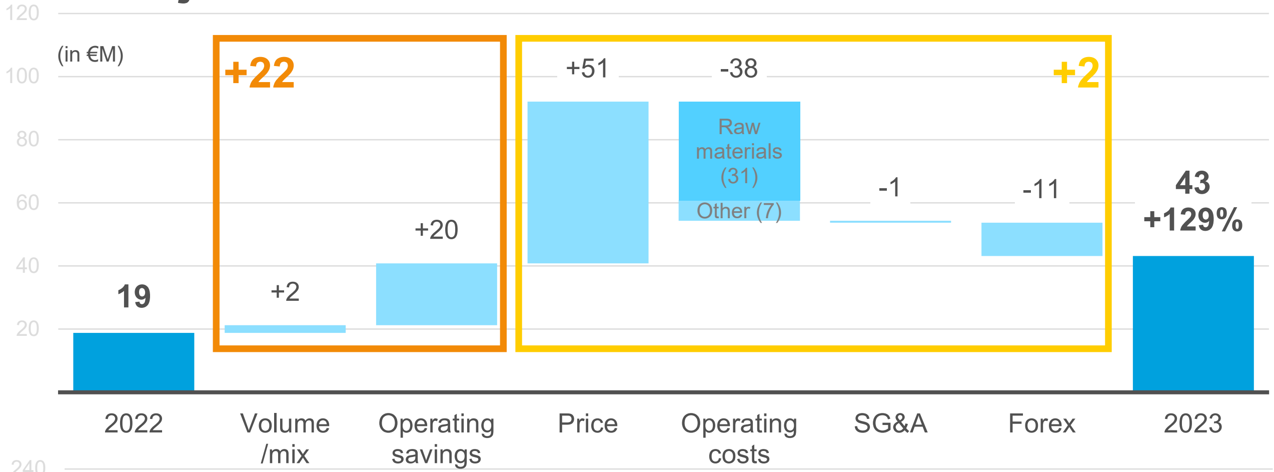
- 15% LFL growth driven by double-digit pricing across categories
- Volume/mix up
  - Strong growth in priority categories
  - Outperforming market in Europe
  - North America impacted by customer destocking, mostly in Q1
- Forex headwinds

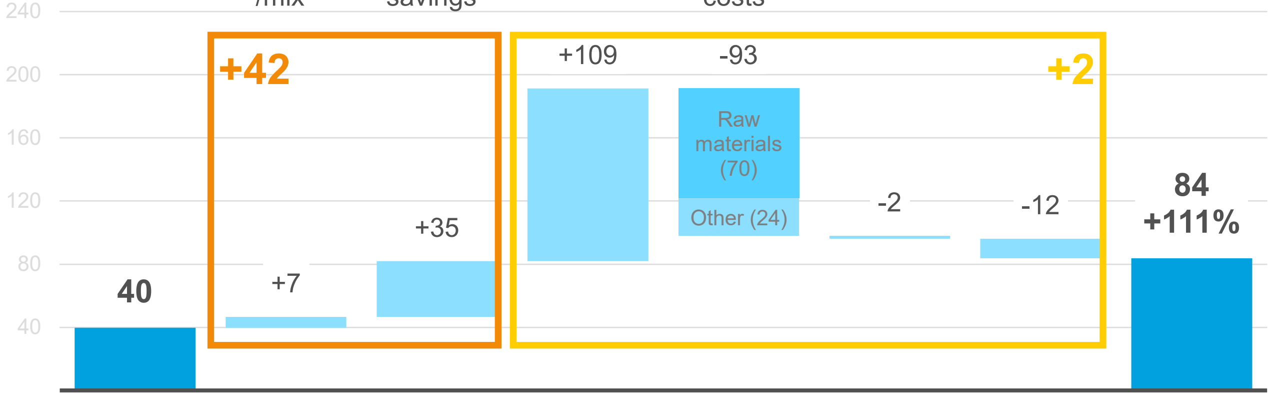
YOY = Year-On-Year
LFL = Like-For-Like, i.e. excl. forex fluctuations & scope effects

COST SAVINGS & MIX MORE THAN DOUBLE ADJ. EBITDA

Pricing offsets cost inflation & forex headwinds

Q2 Adj. EBITDA Core Markets





H1 Adj. EBITDA Core Markets

- Positive volume and mix effect
- Continuous strong cost reduction delivery
- Pricing up 14% YOY in H1
  - Priced for additional YOY cost inflation
  - But gap to close still for total inflation since 2021
- Operating costs up 14% YOY in H1
- SG&A remained at 9% of revenue
- Forex headwinds

YOY = Year-On-Year

PROFIT OF CONT. OPS. TURNING POSITIVE

Driven by doubled adj. EBITDA

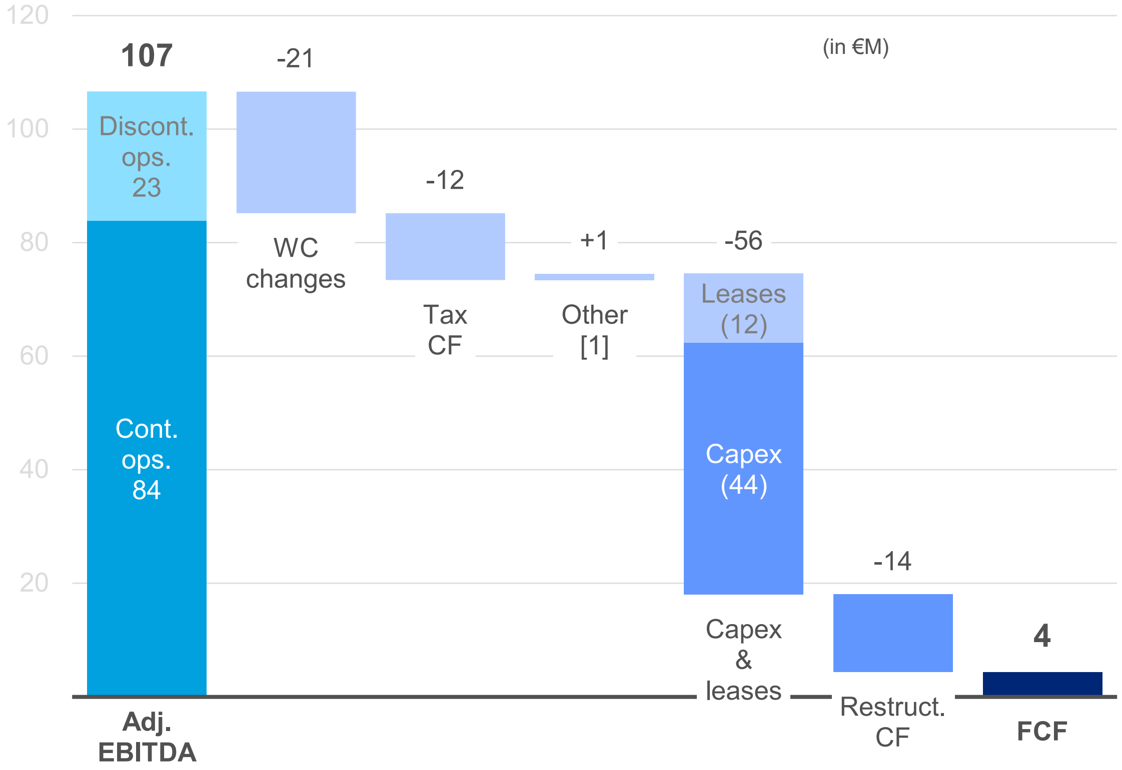
Condensed P&L

(in €M)	2022 H1	2023 H1
Revenue	**780.6**	**891.8**
Adj. EBITDA	**39.7**	**83.8**
D&A	(34.5)	(35.7)
EBITDA adjustments	(89.7)	(12.6)
EBIT	**(84.5)**	**35.6**
Finance cost	(22.1)	(24.8)
Tax cost	6.9	(8.7)
Profit from cont. ops.	**(99.7)**	**2.1**
Profit from disc. ops.	(71.6)	(21.2)
Profit from the period	**(171.4)**	**(19.2)**
Basic EPS	**(2.12)**	**(0.24)**

- Profit from continuing operations turned positive from €(100)M to €2M
  - Depreciation up with investments in growth
  - EBITDA adjustments including restructuring in Europe
  - Finance cost up with interest rates & refinancing costs
  - Tax on profit negative on positive result, and impacted by geographical spread and related deferred tax asset recognition
- €(21)M from discontinued operations
  - €23M positive adj. EBITDA, on strong recovery
  - Offset by impairments, hyperinflation & divestment cost

POSITIVE FCF, STRONG IMPROVEMENT YOY
YOY EBITDA increase allows for investment ramp-up

H1 adj. EBITDA to FCF bridge



- €23M adj. EBITDA from discontinued Emerging Markets
- €(21)M working capital [2] needs
- €(44)M capex, increasing to 3.6% of revenue
- €(14)M restructuring cash-out
- FCF at €4M versus €(59)M in H1 2022

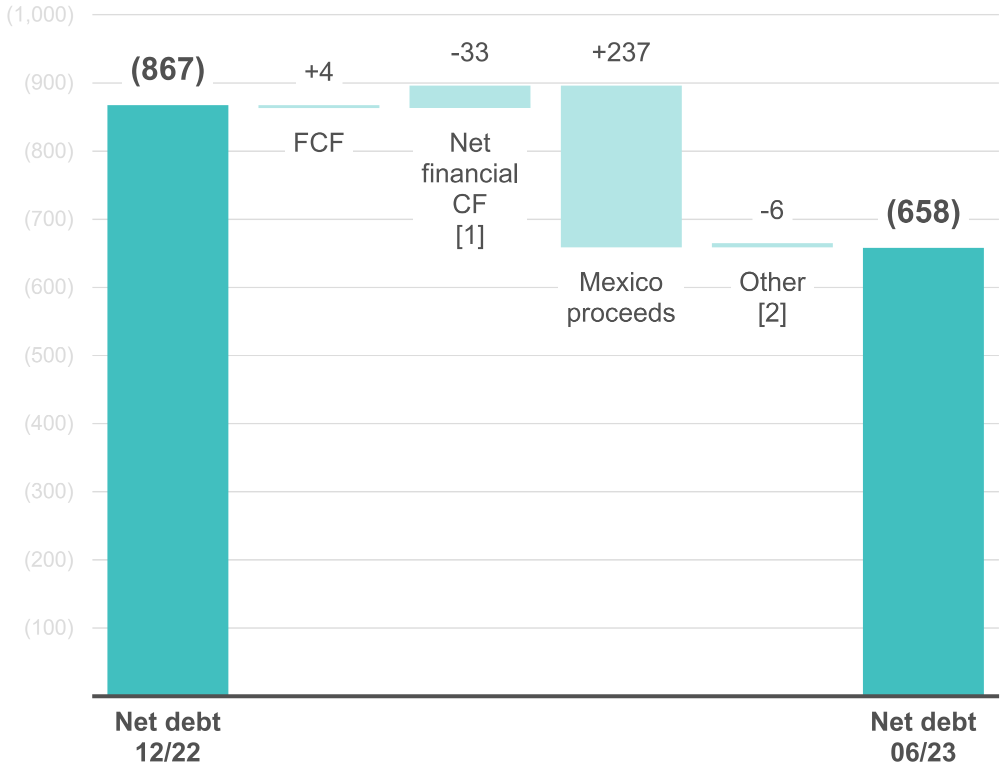
[1] Other incl. provisions, smaller asset sales, and non-cash adj. EBITDA reversals
[2] Working capital of €125M, incl. €188M of factoring

NET FINANCIAL DEBT REDUCED BY 24%

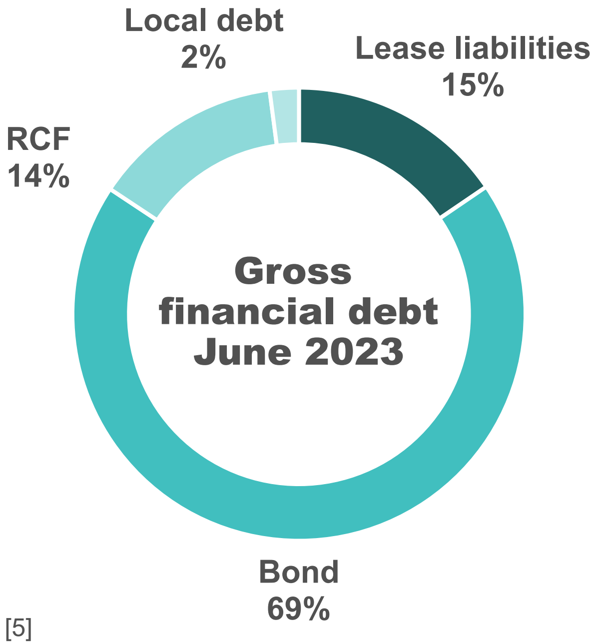
Financing secured until end 2025

Net financial debt

(in €M)



- €220M term loan repaid with Mexican divestment proceeds
- €580M fixed rate bond
  - Fixed rate at 3.5%
  - Maturity July 2026
- €270-243M [3] RCF extended for flexibility
  - Floating rate: Euribor + margin [4]
  - Maturity December 2025
  - Subject to maintenance covenants [5]



[1] €(26)M net interest payments and €(7)M other financing costs

[2] Lease liability and non-cash forex fluctuations

[3] Revolving credit facility with ceiling of €269M until 06/24, €242M until 12/25

[4] Margin dependent on leverage, around 2.6% at 4.0x

[5] Maintenance covenants:
Cash + non-used RCF ≥€215M until 06/24, ≥€194M until 09/25
Leverage ≤5.25x on 06/23, ≤4.25x on 12/23, ≤3.60x on 06/24, ≤3.25x on 12/24 & 06/25

2023 OUTLOOK

Gustavo Calvo Paz

CEO

2023 OUTLOOK RAISED TO HIGH-END OF GUIDANCE

Core Markets (cont. ops.)

- **Revenue**
  to grow high single-digit LFL [1]
- **Adj. EBITDA margin**
  in high end of initial range of 8-10%

Total Group (incl. disc. ops.)

- **Emerging Markets**
  to continue contributing positively to EBITDA and FCF
- **Leverage ratio**
  to decrease to below 3.75x by Dec

[1] Unchanged

KEY TAKEAWAYS

- Recovery momentum confirmed
- Financing secured
- Portfolio refocus continues
- Acceleration of the strategy underway

Q&A

Gustavo Calvo Paz

CEO

Peter Vanneste

CFO

THANK YOU