FULL YEAR & Q4 RESULTS 2023

February 8, 2024

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Forward-looking statements

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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.

The definition of FCF was changed from FCF to firm, i.e. FCF before financing cash-out, to FCF to equity, i.e. after financing cash-out, but prior to M&A cash flows.

BUSINESS REVIEW

GUSTAVO CALVO PAZ

CEO

LFL GROWTH & SOLID MARGIN RECOVERY IN 2023

Drives positive FCF and successful deleveraging

Revenue	Adj. EBITDA margin	FCF [1]	Leverage
€1.8bn	10%	€9M	3.3x
+10% YOY LFL	+3.5pp YOY	vs €(115)M in 2022	vs 6.4x in Dec 2022

Core Markets

Total Group

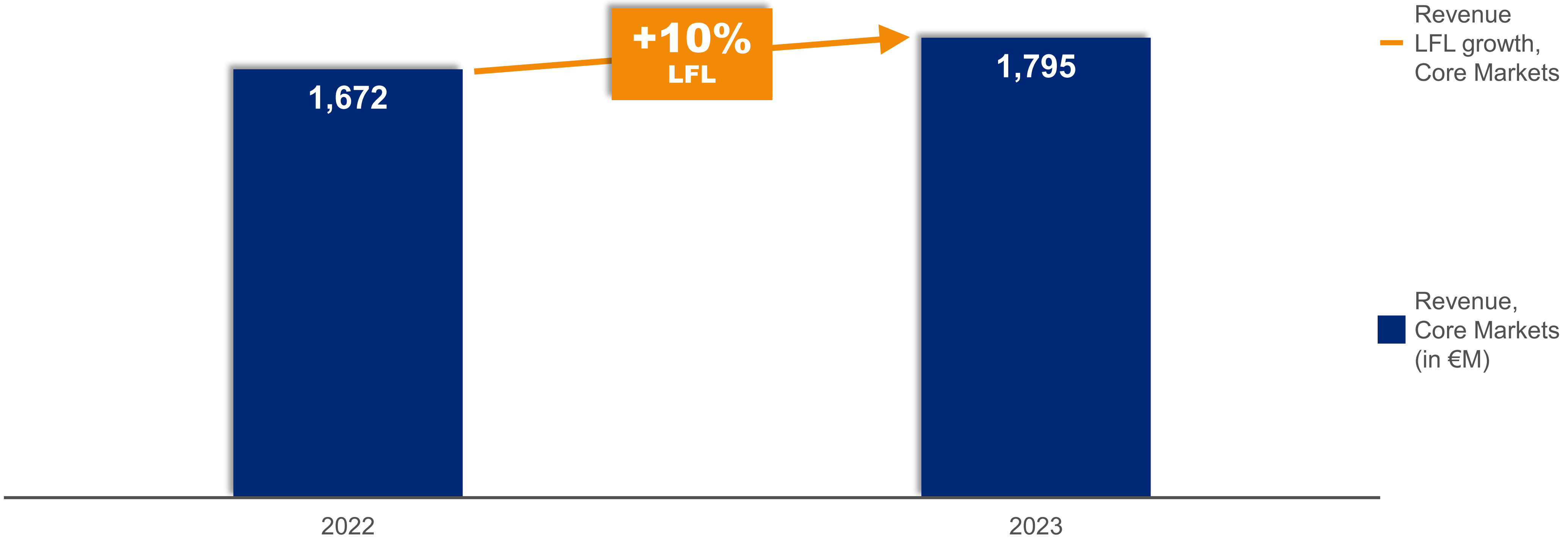
[1] FCF after financing cash-out

[2] Total Group includes continuing Core Markets and discontinued Emerging Markets

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

SOLID REVENUE GROWTH

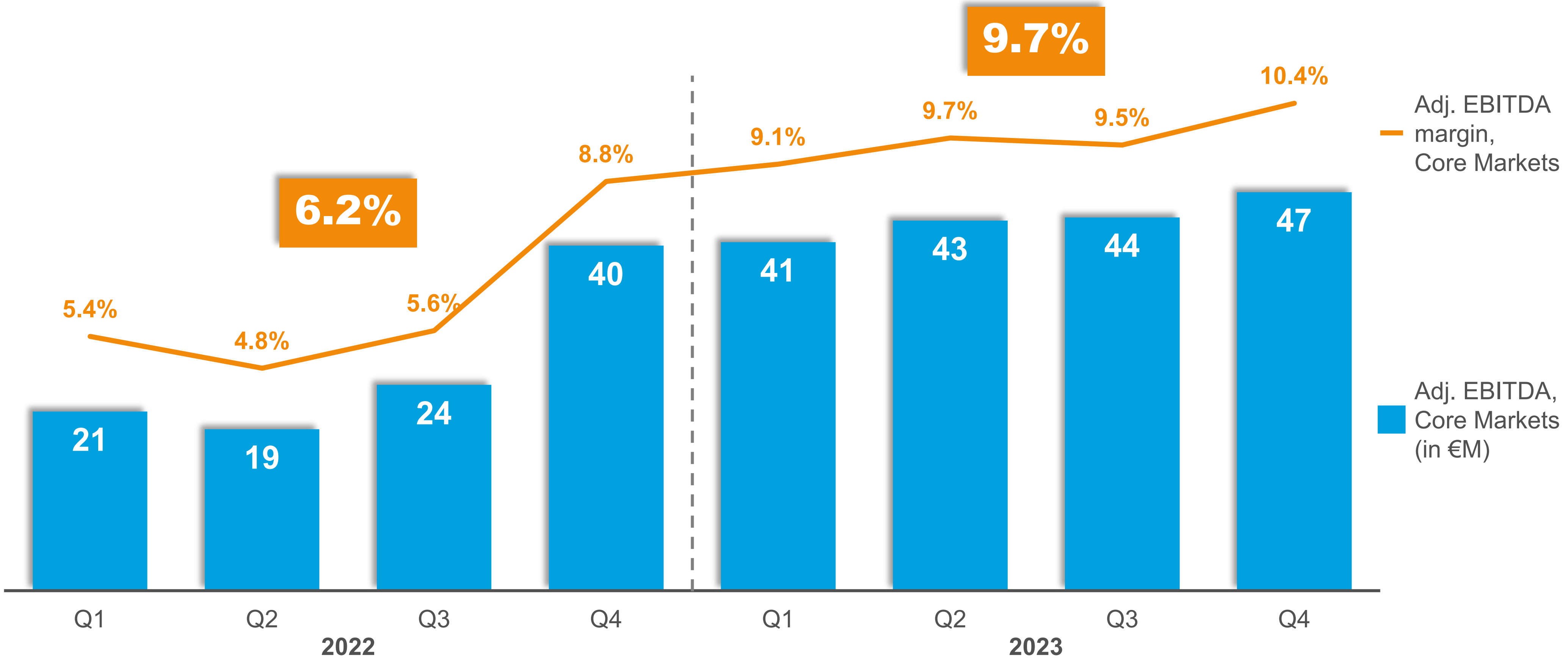
By strengthening volume & managing price



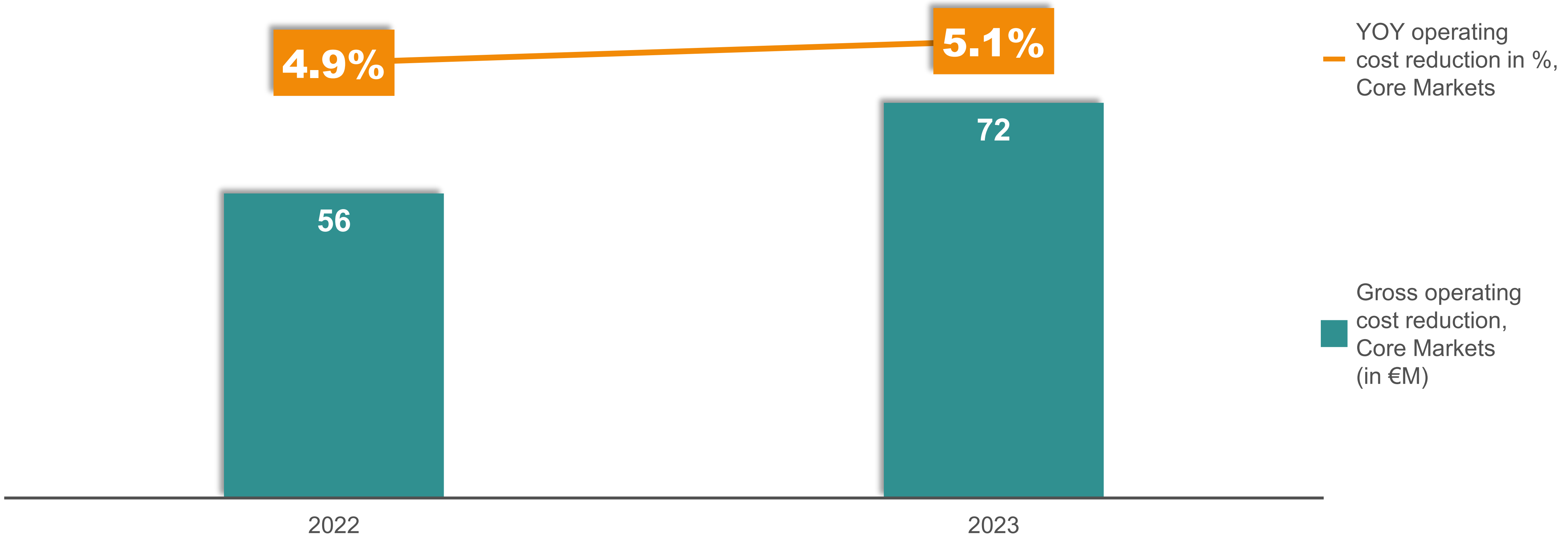
LFL = Like-For-Like, i.e. excluding forex fluctuations and scope effects

6TH CONSECUTIVE QLY ADJ. EBITDA IMPROVEMENT

Driven mainly by cost transformation program delivery



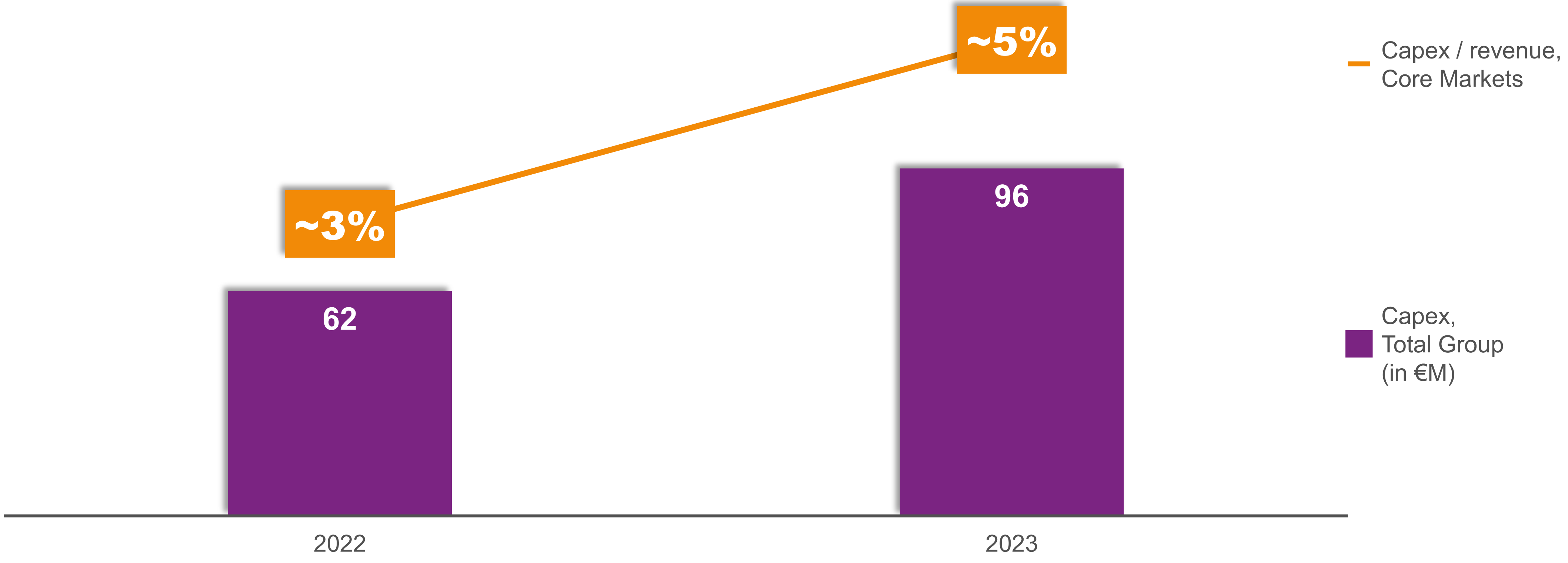
MAINTAINING 5% OPERATING COST REDUCTION
With cost transformation program delivering €72M



YOY = Year-On-Year

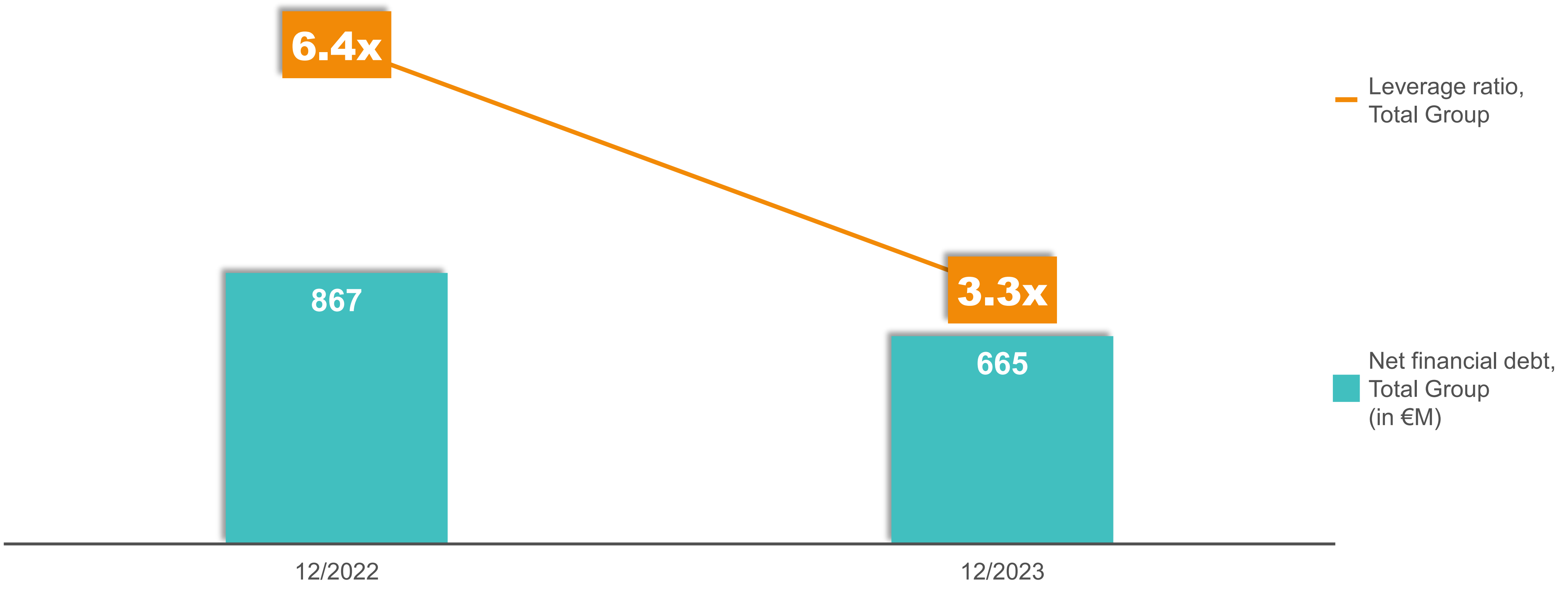
STRONG CASH ENABLES SELF-FUNDED INVESTMENT IN COST TRANSFORMATION PROGRAM & BUSINESS EXPANSION

While ensuring FCF [1] remains positive



[1] FCF after financing cash-out

STRENGTHENING THE BALANCE SHEET
Accelerating the deleveraging over 2023



Leverage = net debt / last-twelve-months adj. EBITDA

FINANCIAL REVIEW

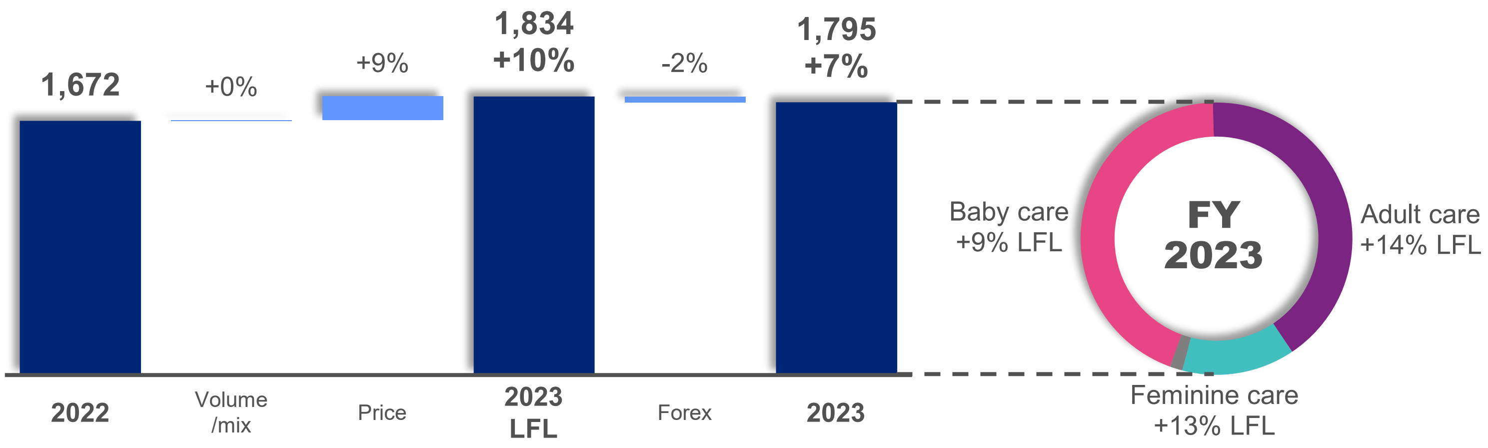
GEERT PEETERS

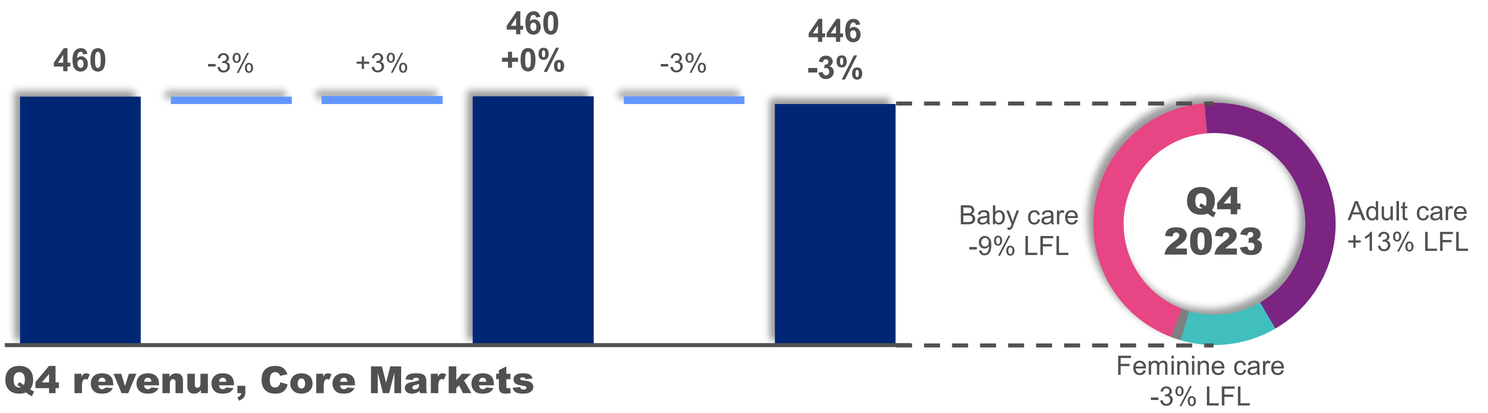
CFO

REVENUE GROWTH DRIVEN BY PRICING

Volume growth in selected categories

FY revenue, Core Markets (in €M)





Q4 revenue, Core Markets

- Solid volume growth in selected categories, while overall volume stable
  - Retail brands gain market share in slower European market
  - Q4 affected by timing of promotional activities
- Price up strongly YOY, being managed in function of input costs
  - Sequential increase in H1
  - Sequential decrease in H2, but remaining up YOY
- Adverse forex linked to RUB, USD, AUD, and GBP devaluation

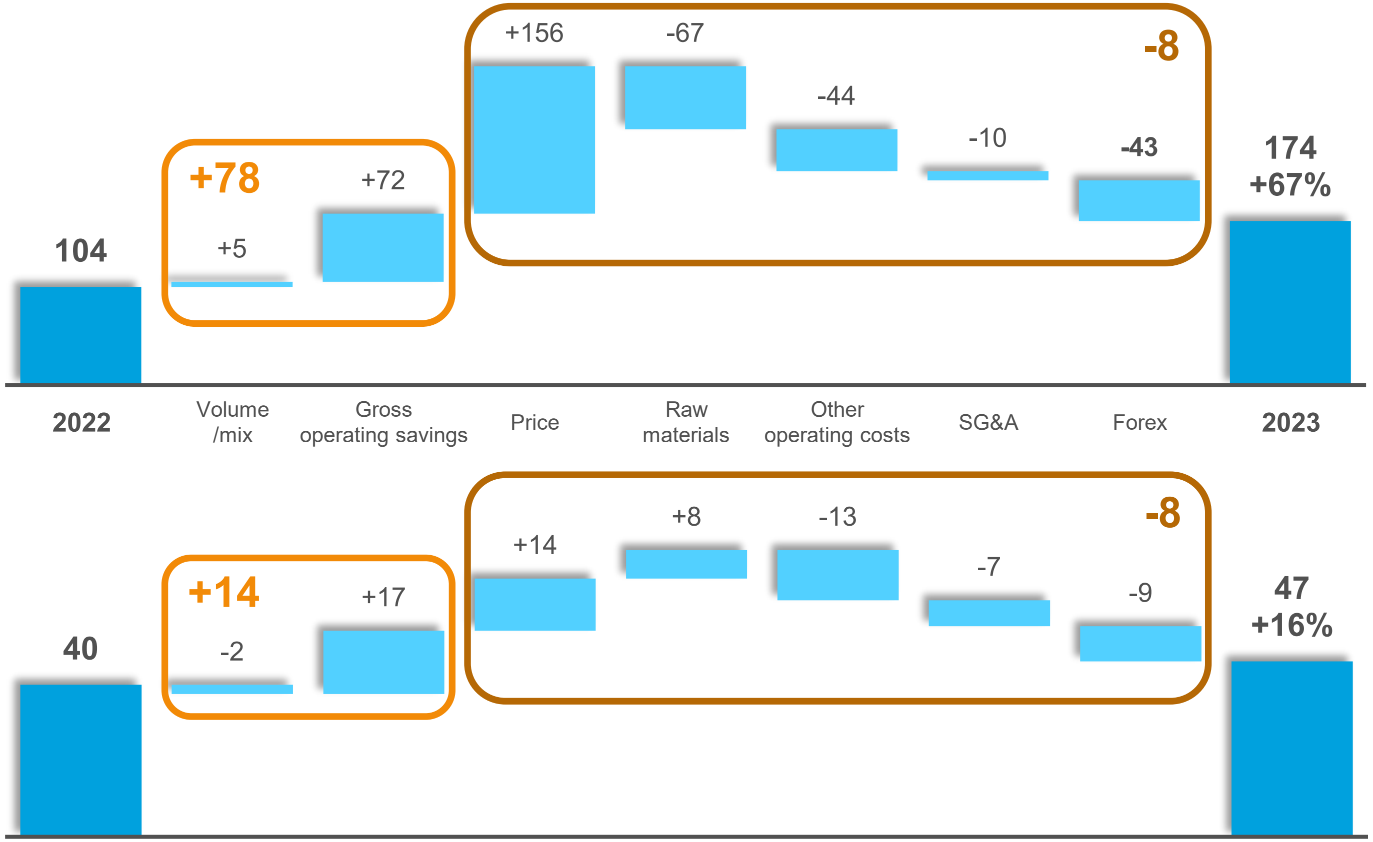
YOY = Year-On-Year LFL = Like-For-Like, i.e. excl. forex fluctuations & scope effects

COST TRANSFORMATION DRIVES ADJ. EBITDA GROWTH

Sustained pricing helps offset cost inflation & forex headwinds

FY adj. EBITDA, Core Markets

(in €M)



Q4 adj. EBITDA, Core Markets

- Cost transformation main driver
  - Solid delivery of cost transformation program, with 5% cost reduction for 2nd consecutive year
  - Positive product mix impact
- Pricing nearly offsetting input cost inflation and forex
  - Raw materials turning positive in Q4
  - Other input cost and SG&A inflation continued
  - Adverse forex mainly linked to pass-through from revenue and forex impact on costs from hedged MXN and USD exposure

PROFIT AND EPS TURNING POSITIVE

Driven by strong adj. EBITDA recovery in Core & Emerging Markets

Condensed P&L (in €M)

	2022	2023
Revenue	**1,672.2**	**1,794.7**
Adj. EBITDA	**104.0**	**173.9**
D&A	(70.4)	(70.7)
EBITDA adjustments	(103.0)	(14.9)
EBIT	**(69.4)**	**88.3**
Finance cost	(50.9)	(45.1)
Tax cost	(28.4)	(16.3)
Profit from cont. ops.	**(148.7)**	**26.9**
Profit from disc. ops.	(121.6)	7.9
Profit from the period	**(270.3)**	**34.8**
Basic EPS	**(3.34)**	**0.43**

- D&A in line with 2022, despite stepping up investments
- EBITDA adjustments for optimization of European footprint and product portfolio, including €(5)M impairment
- Finance cost reduced, despite interest rate surge, thanks to fixed rate bond, reduction of indebtedness and benefitting from forex conversion
- ETR improved but remains relatively high at 38%, impacted by geographic mix of earnings and conservative treatment of deferred tax assets
- Contribution from discontinued Emerging Markets positive on strong adj. EBITDA recovery, more than offsetting €(27)M divestment-related costs and impairments, and €(8)M hyperinflation

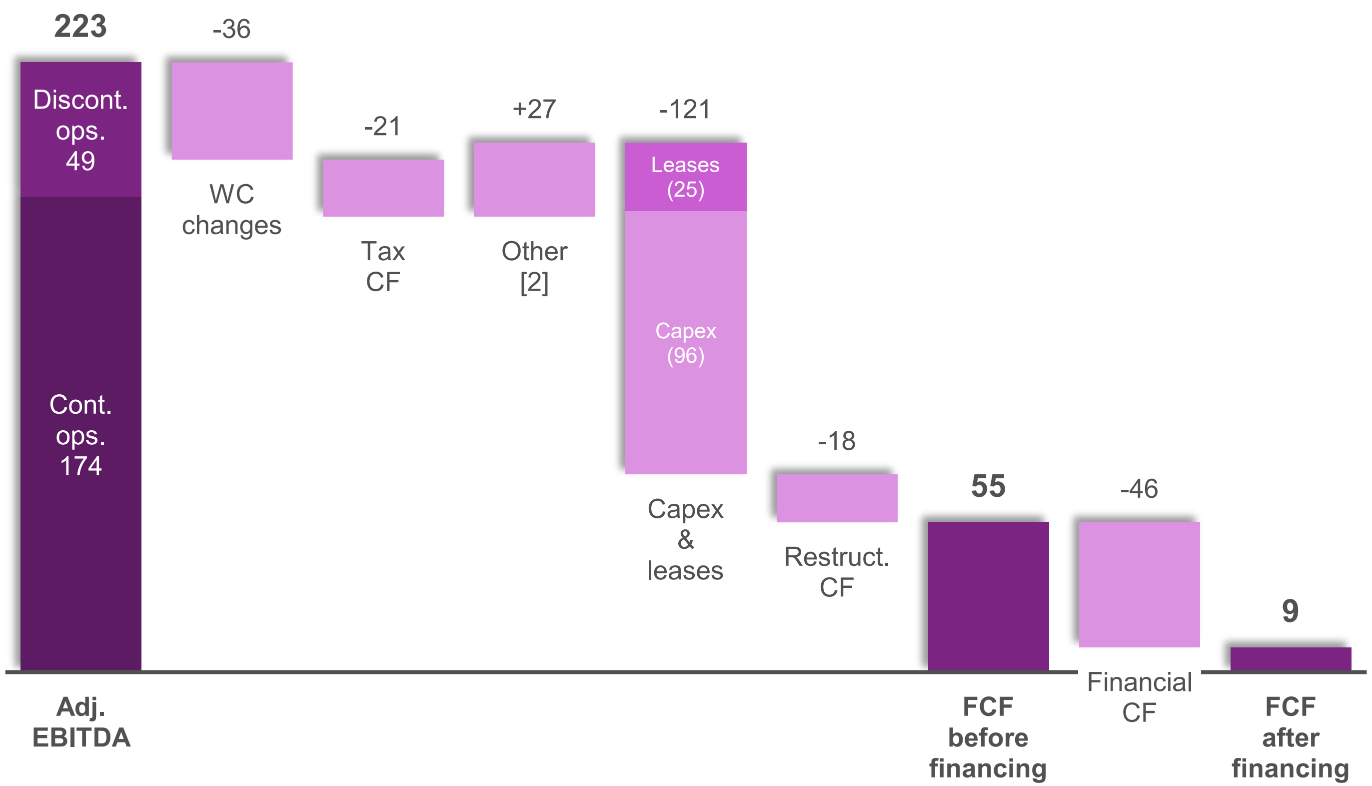
ETR = Effective Tax Rate

POSITIVE FCF [1], STRONG IMPROVEMENT YOY

EBITDA increase allows for investment ramp-up

FY adj. EBITDA to FCF bridge

(in €M)



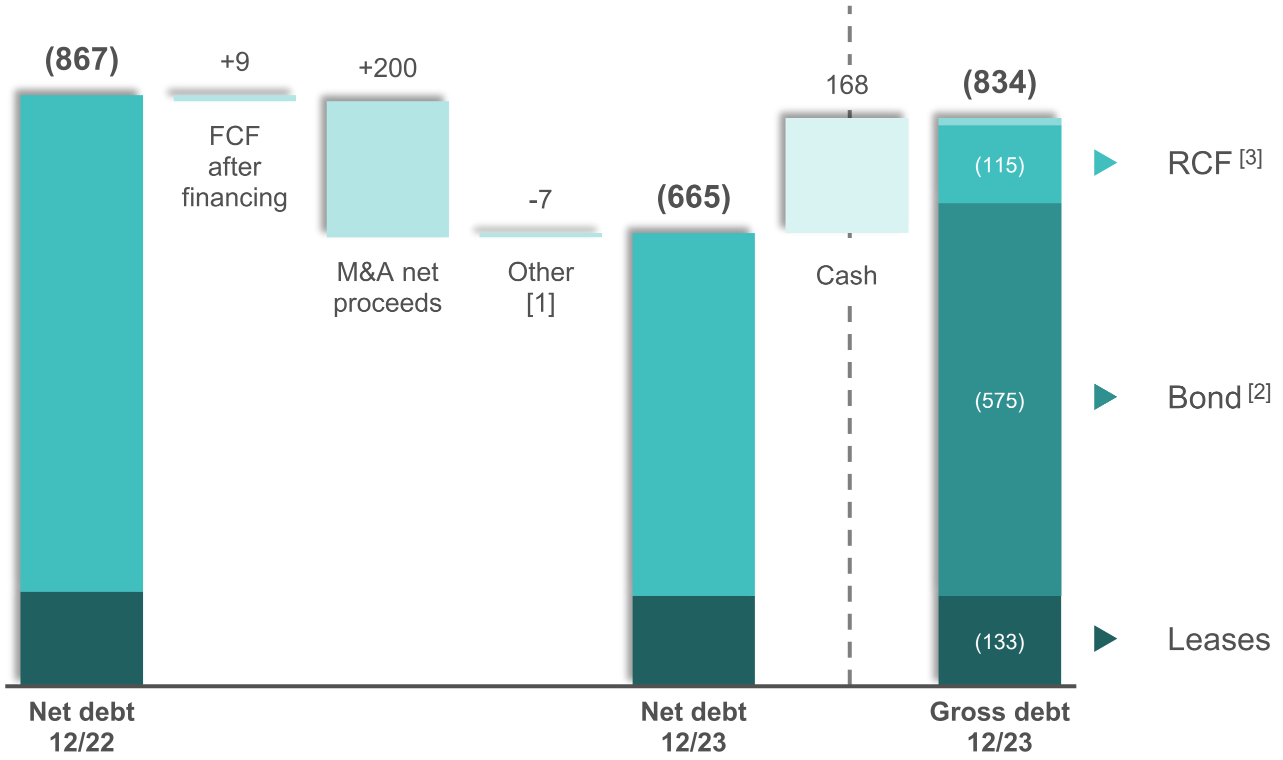
- Working capital [2] changes of €36M
  - Higher price-driven receivables and lower factoring
  - Lower raw-materials-driven payables
  - Inventory efficiency gains limited by on-going footprint & asset harmonization
- Increase in capex, esp. in H2 (4.7% over revenue) to accelerate Group transformation
- Restructuring cash-out lower than P&L as the latter includes non-cash impairments

[1] FCF after financing cash-out
[2] Other includes mainly smaller asset sales for €16M and non-cash increase in employee-related provisions
[3] Working capital of €164M, after €164M of factoring

NET FINANCIAL DEBT REDUCED BY 23%
Financing secured until end 2025

Financial debt

(in €M)



- €220M term loan repaid in Q2
- €270-243M [3] RCF extended to Dec 2025, providing flexibility
  - €115M drawn in Dec 2023
  - Floating rate: Euribor + margin [4]
  - Subject to maintenance covenants [5]
- Bulk of debt secured through €580M bond at 3.5% fixed rate maturing in July 2026
- Attractive liquidity with €168M cash and €154M undrawn on the RCF

[1] Lease liability and non-cash forex fluctuations
[2] €580M valued at €575M in balance sheet
[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 ≤3.60x on 06/24, ≤3.25x on 12/24 & 06/25

OUTLOOK

GUSTAVO CALVO PAZ

CEO

ONTEX STRATEGY ACCELERATED

#1
trusted partner
for retail & healthcare brands

Leadership in
Europe & North America
in baby, feminine & adult care

OUR 3 VALUE CREATION DRIVERS
Keep laser focus on core business

Competitive & Sustainable Innovation

- Be fastest A-brand equivalent
- Align product platforms
- Develop more sustainable product design

Business Expansion

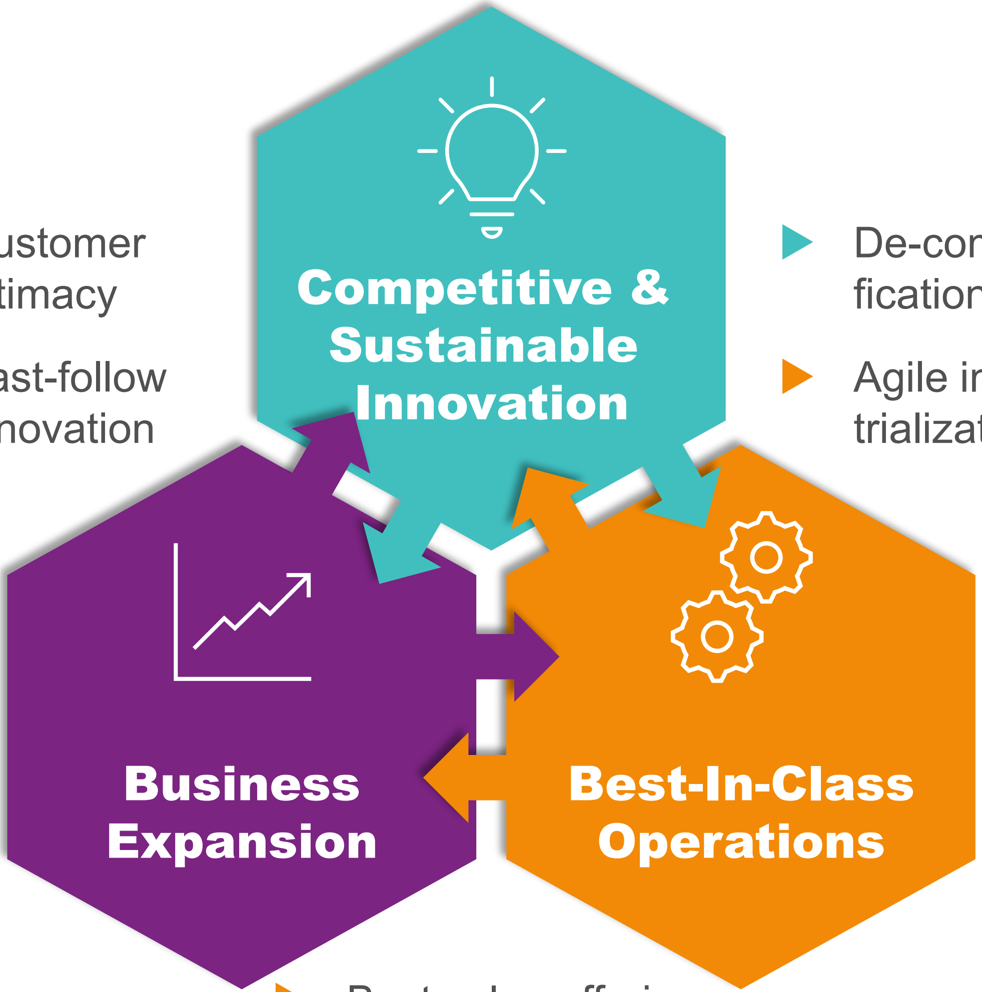
- Grow in selected product categories in Europe
- Grow double-digit in North America

Best-In-Class Operations

- Drive cost-efficient operations
- Break-through end-to-end complexity reduction
- Excel in customer service

VALUE CREATION DRIVERS COMPLEMENT EACH OTHER
Creating synergies

- Customer intimacy
- Fast-follow innovation



- De-complexi-fication
- Agile indus-trialization

- Best value offering
- Deployment at scale

DreamShield®

ACCELERATED INVESTMENTS IN EXCESS OF 6% [1]
While preserving positive FCF generation

- Research & development and technical upgrades to production lines
- Capacity expansion in North America and in selected product categories
- New production lines to upgrade machine park and harmonize equipment technology

[1] 6% of revenue in Core Markets

FCF = FCF to equity, after financing cash-out

2024 OUTLOOK

Further progress on our 3-year journey

Core Markets

Revenue LFL growth

Low single digit

- On strong double-digit growth in North America

Adj. EBITDA margin

11-12%

- Supported by cost transformation program delivery

Total Group

FCF [1]

> €9M

- While investing >6% of revenue in Core Markets

Leverage ratio

< 3.0x

- With comfortable headroom on covenants

[1] FCF after financing cash-out

Q&A

GUSTAVO CALVO PAZ

CEO

GEERT PEETERS

CFO

THANK YOU