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H1 2024 results
July 31, 2024

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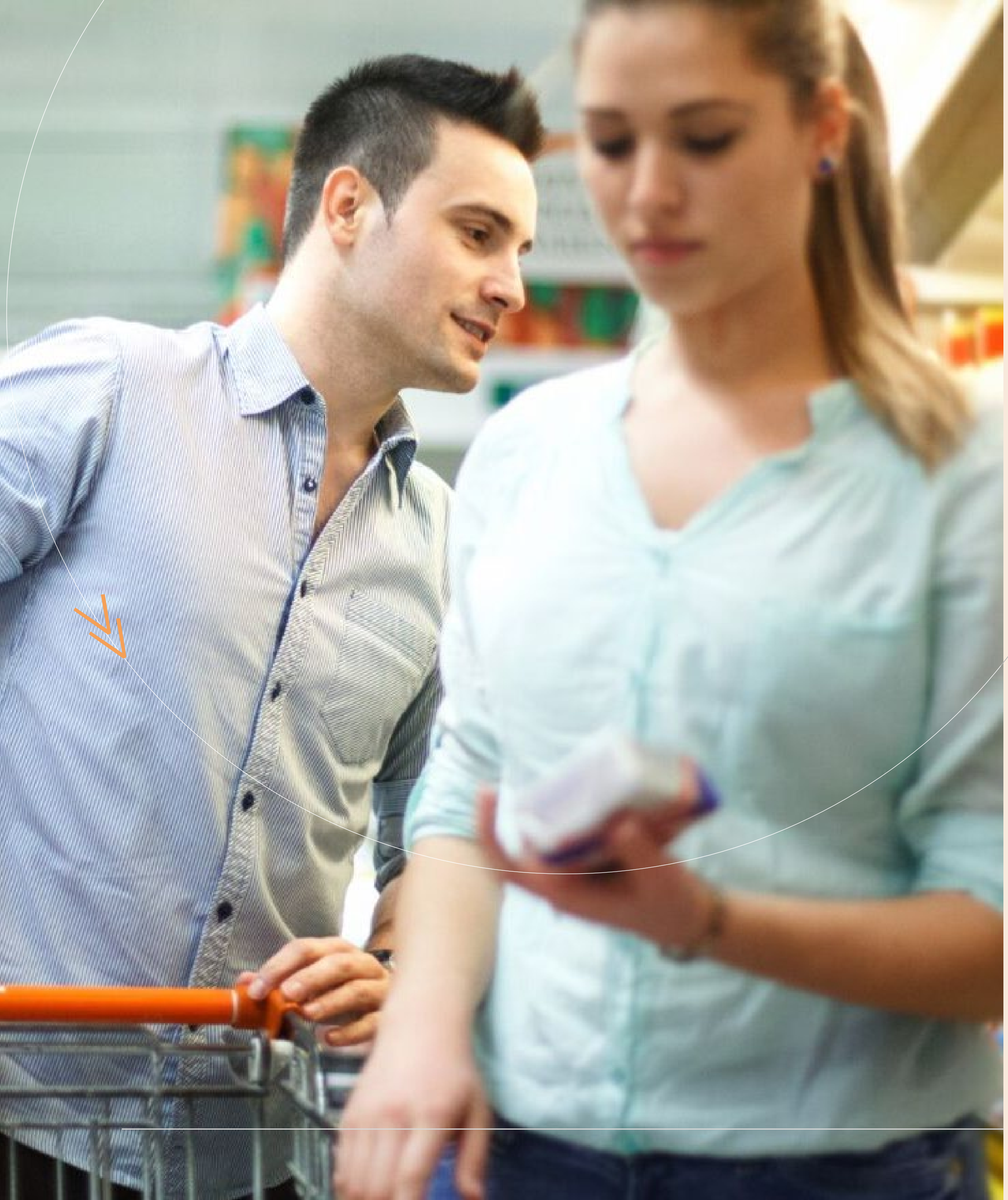
> Accounting changes

- 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 in May 2023.

> Considerations

- All comparisons made are on a YOY (year-on-year) basis, unless otherwise stated.



Business review

Volume growth and delivery on cost transformation program drive H1 profitability and cash up, and leverage down

Core Markets

Revenue growth

3%

LFL

Adj. EBITDA margin

12.0%

+2.6pp

Total Group

Free Cash Flow

€43M

vs €(29)M

Leverage ratio

2.5x

vs 3.3x in Dec '23

LFL = Like For Like, excluding scope and forex effects

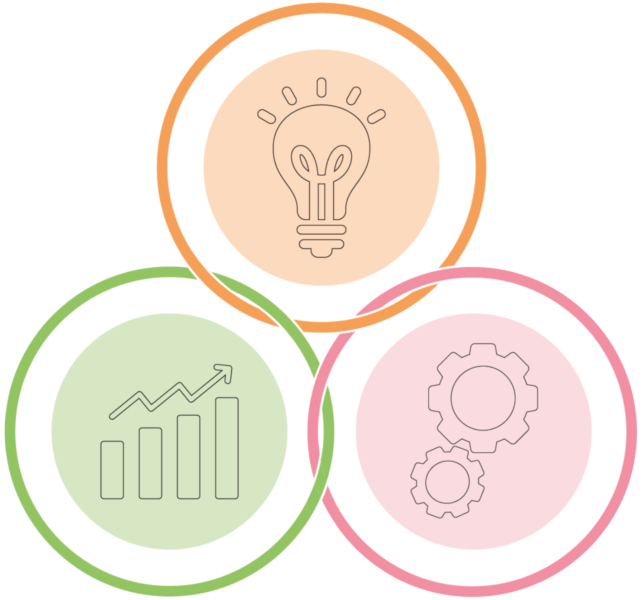
Further progress made on value creation drivers in H1

> Competitive & Sustainable Innovation

- ☑ Stop&Lock anti-leak technology and new youth pants launched
- ☑ Success in protecting IP
- ☑ Recyclable diapers marking a next step
- ☑ Recognition from CDP

> Business Expansion

- ☑ New contracts secured with Top 10 US retailers
- ☑ Strong double-digit growth in North America
- ☑ Double digit volume growth in selected categories



> Best-in-class Operations

- ☑ 5% operating efficiency gains
- ☑ OEE and service levels further improved
- ☑ Intention to restructure Belgian footprint

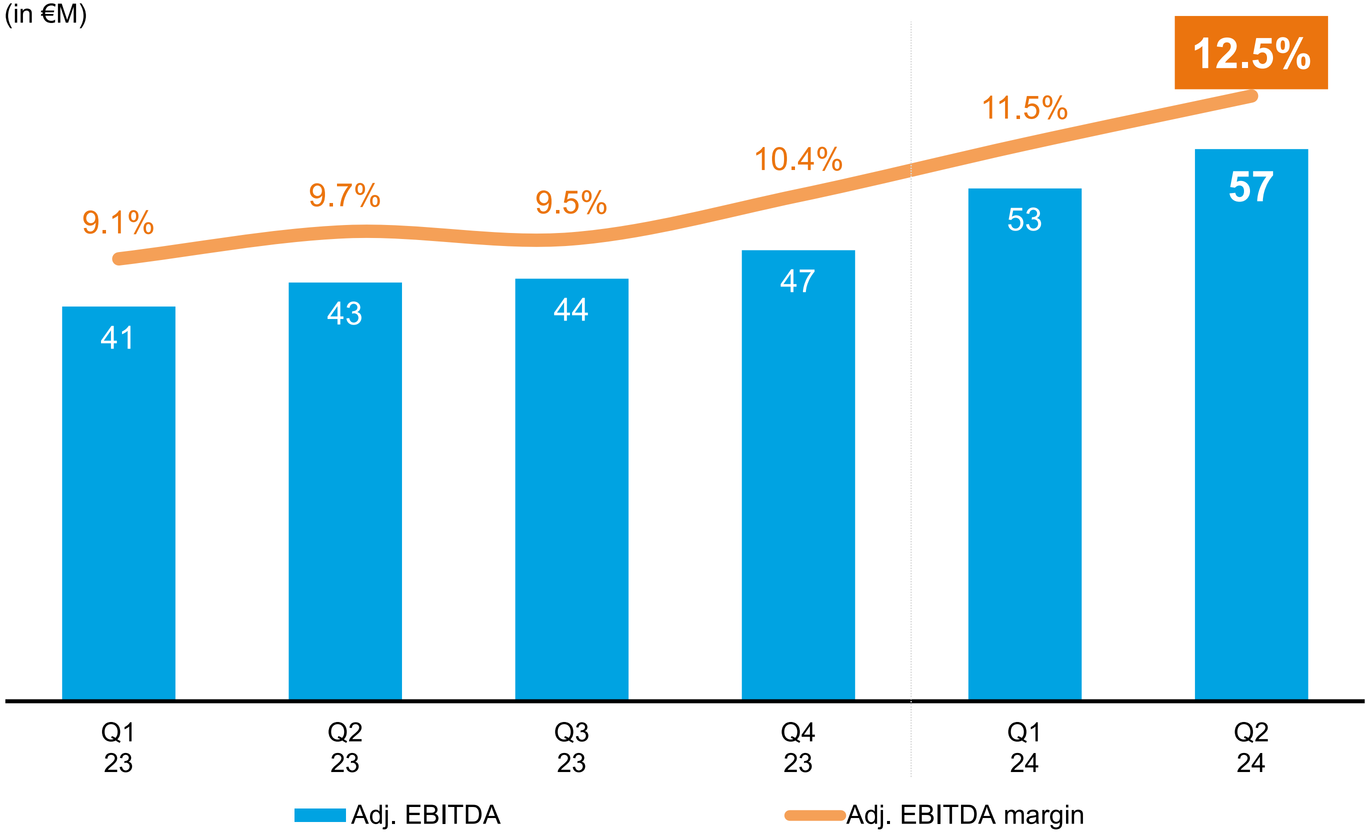
> Portfolio

- ☑ Algerian and Pakistani businesses divested

OEE = Overall Equipment Effectiveness

Strengthening adj. EBITDA every quarter while investing in future growth

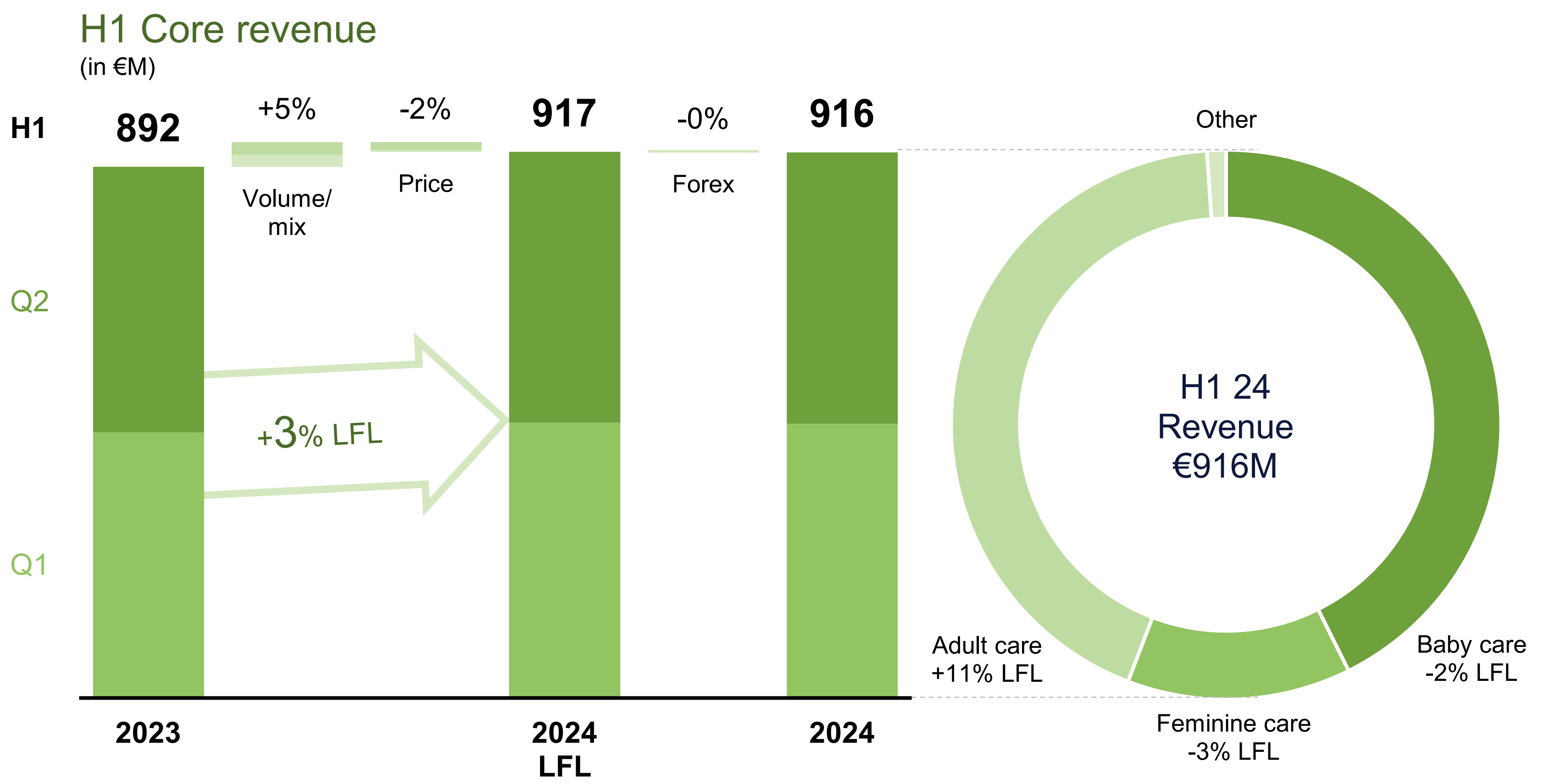
Core adj. EBITDA
(in €M)



- Strengthening margin year on year and in the half year
  - Q2 up +1.0pp QOQ
  - Q2 up by +2.8pp YOY
- Strengthening adj. EBITDA year on year and in the half year
  - Q2 up +32% YOY
  - Q2 up +8% QOQ
- 8th consecutive QOQ improvement of adj. EBITDA

Financial review

H1 revenue up 3% LFL on volume growth and mix improvement offsetting expected price reductions



- 5% volume/mix growth driven by double digit in North America and selected categories
- Prices slightly lower, managed in function of raw material and market dynamics
- Adult care up by double digits on strong volume growth
- Baby care down on lower prices as expected
- Feminine care down on lower pricing offsetting higher volumes

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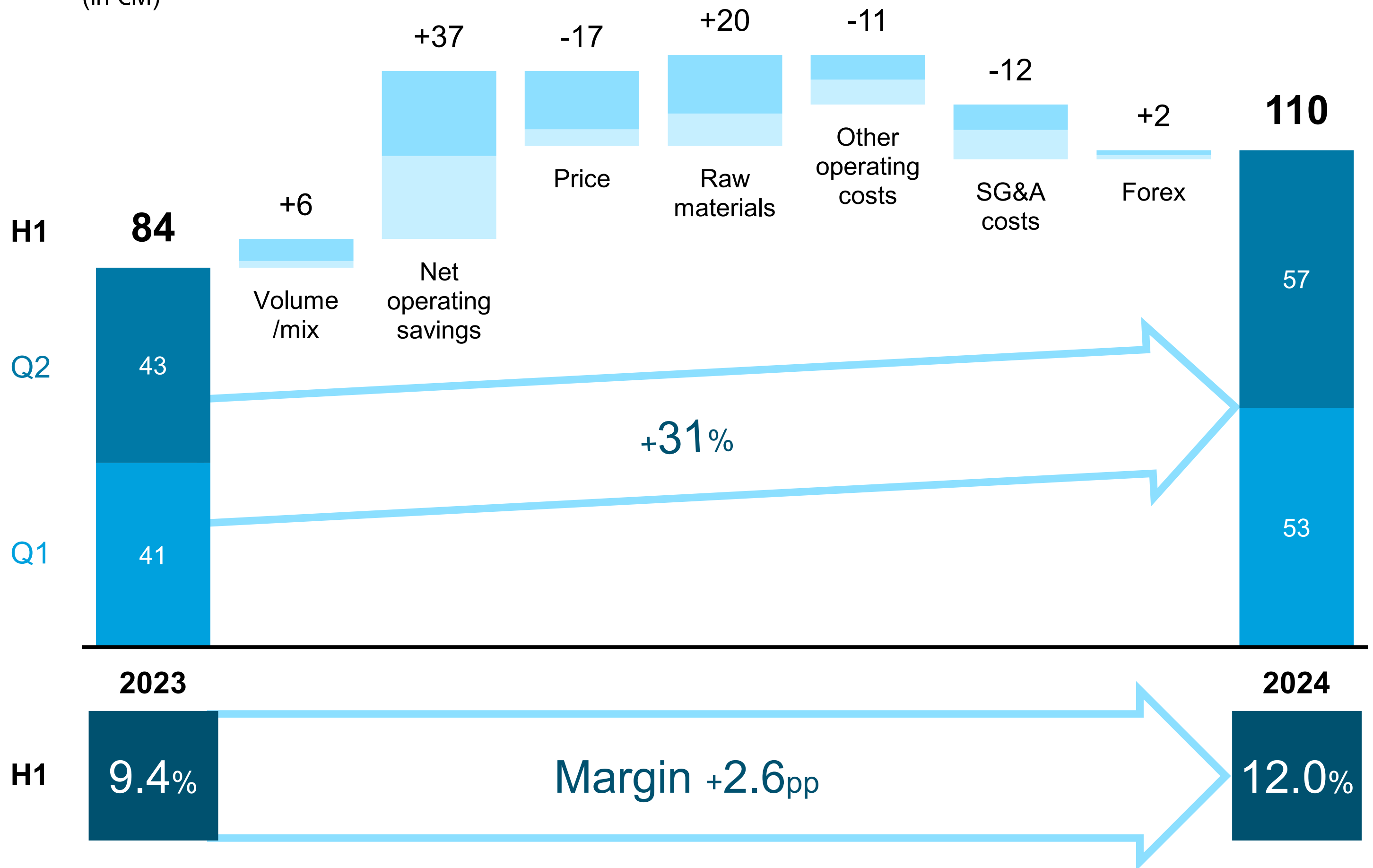
Cost transformation program strengthens H1 profitability and boosts competitiveness to drive future growth

H1 Core adj. EBITDA
(in €M)



> €6M volume growth and mix improvement

> Consistent cost transformation program
- €37M net operating savings
- 4.9% reduction of operating costs

> Index-driven raw material tailwinds offset inflation-driven increase of other costs:
- Raw material costs down ~10%
- Wage, energy and distribution cost inflation continues
- SG&A reaches 10% of revenue, due to actualization of incentive provisions

> Positive forex effect

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Strong adj. EBITDA translates in solid adj. profit increase
Exceptional costs temper basic EPS improvement

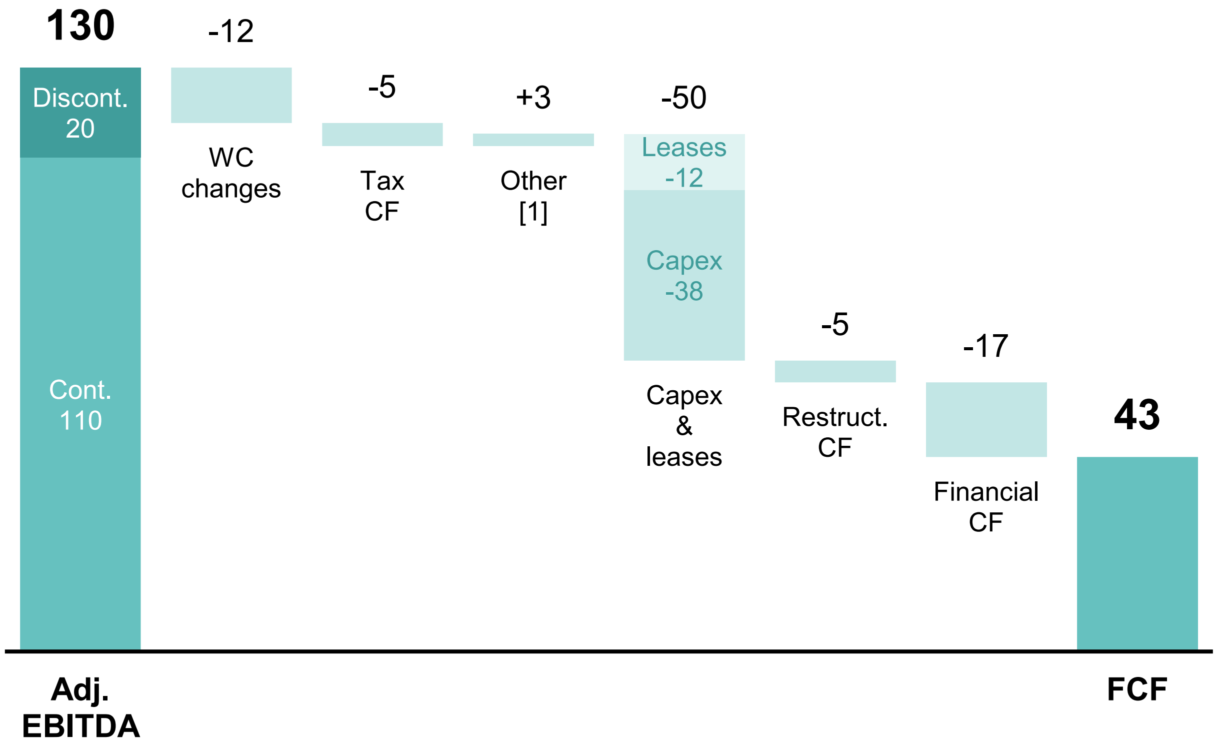
Condensed P&L	H1 24	H1 23
Adj. EBITDA	**110**	**84**
D&A	-36	-36
Finance cost	-27	-25
Adj. tax cost	-5	-11
Adj. profit from continuing operations	**41**	**12**
EBITDA adjustments	-42	-13
Adjustments impact on tax	+11	+2
Profit from continuing operations	**10**	**2**
Profit from discontinued operations	-15	-21
Loss for the period (Total Group)	**(6)**	**(19)**
Basic EPS (in €)	(0.07)	(0.24)

- Net finance cost slightly up due to forex effects offsetting improved interest costs
- Taxes lower thanks to recognition of deferred tax assets, following improvement of profitability
- Significant restructuring EBITDA adjustments for:
  - €(37)M provision for intended Belgian footprint restructuring [1]
  - €(4)M non-cash impairment for related equipment
- Negative contribution from discontinued operations, incl.:
  - €20M solid adj. EBITDA
  - €(20)M non-cash CTA [2] recycling following divestment of Algerian and Pakistani businesses
  - €(4)M divestment-related costs

[1] reflects potential dismissal cost of employees according to legal requirements; as social dialogue is still ongoing, no reliable estimate of social plan beyond this could be made
[2] CTA = Currency Translation Adjustments

Solid FCF delivery thanks to adj. EBITDA increase and benefitting from phasing in capex and restructuring costs

Adj. EBITDA to FCF bridge
(in €M)



> WC needs slightly up:
- Inventories up to support volume growth and cost transformation plan
- Payables up thanks to improvement payment terms
- Underlying improvement with WC/revenue down

> Capex at 3.5% of revenue:
- To increase in H2, due to payment phasing in year
- Capex well above depreciation level

> Expecting intended Belgian restructuring cash-out at end of 2024 and in 2025

> Financial cash-out decreased thanks to lower indebtedness and interest rates

[1] Other includes employee provisions and smaller non-cash EBITDA elements

WC = Working Capital CCC = Cash Conversion Cycle

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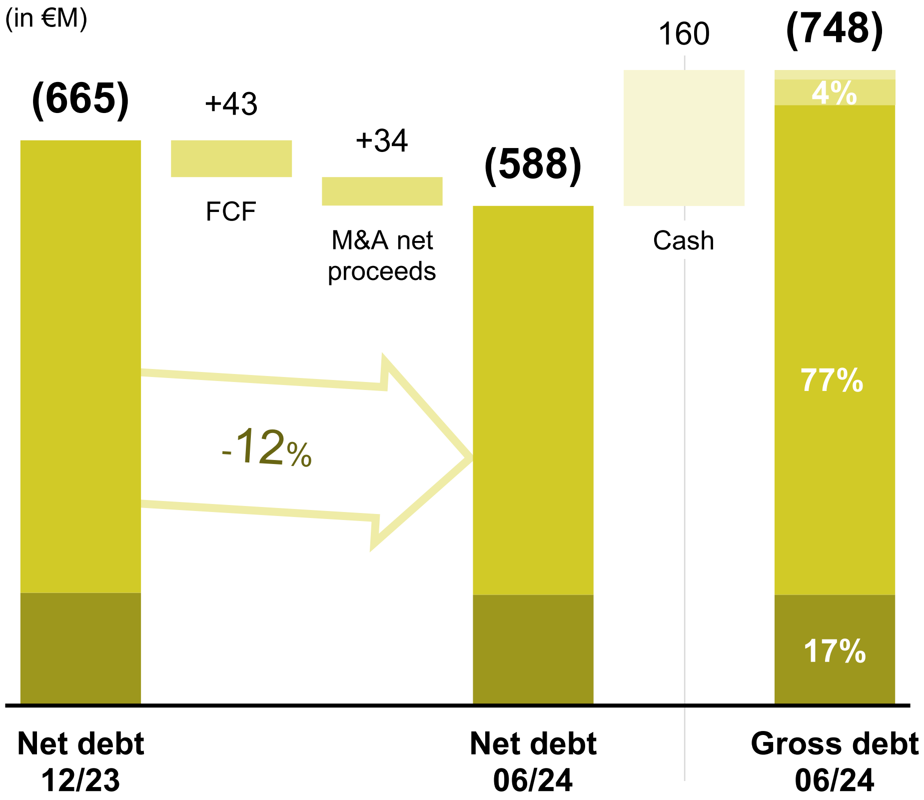
Net and gross financial debt significantly improved on solid FCF and M&A proceeds

Debt evolution

(in €M)



> **RCF**
- €242M max, drawn for 13%
- Floating rate
- Maturing in Dec 2025

> **Bond**
- €580M
- 3.5% fixed rate
- Maturing in July 2026

> **Lease liabilities**
- €130M

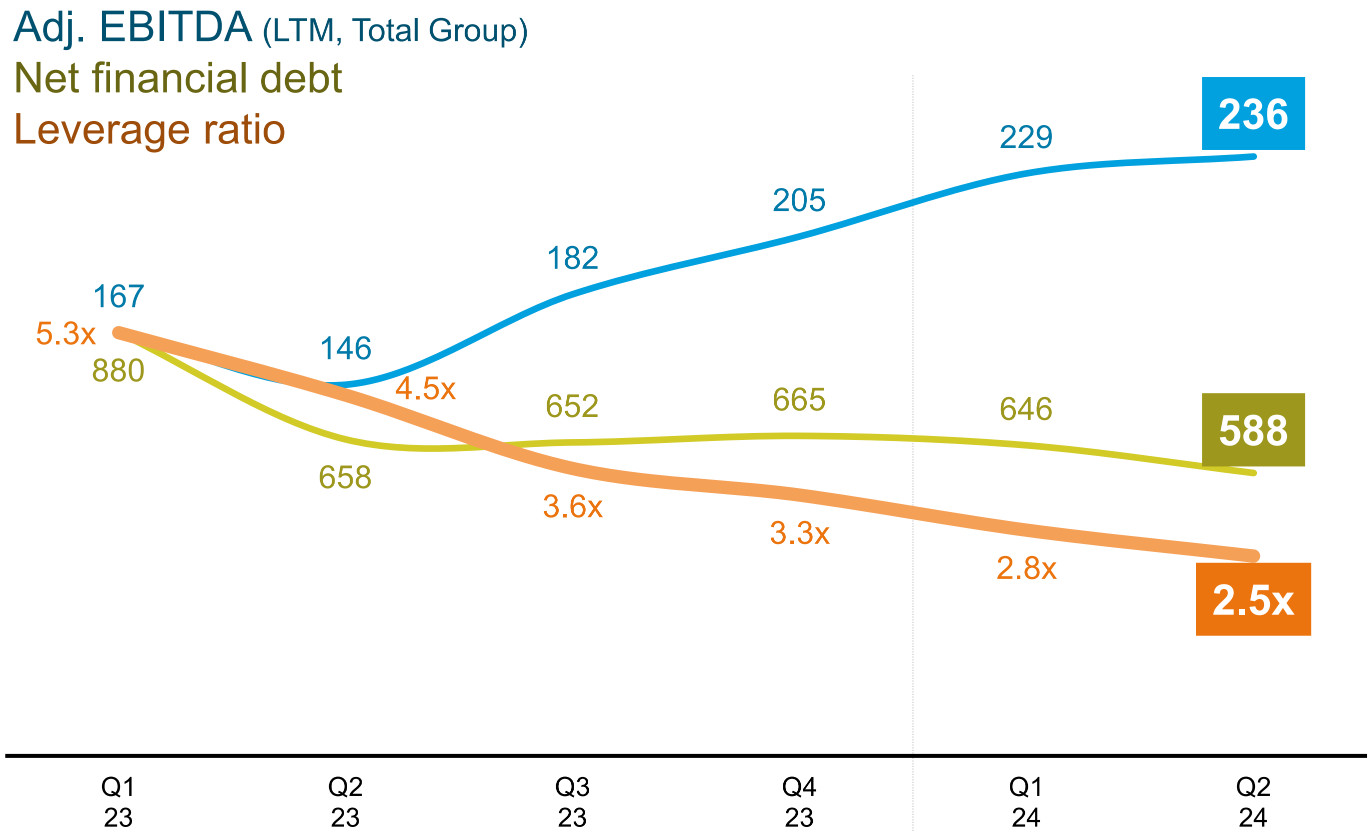
> M&A inflow of €34M:
- €25M from Algeria and Pakistan divestments
- €8M from deferred receivable on Mexican divestment (€19M remaining)

> Net financial debt reduced by €77M

> Gross financial debt reduced by 86M:
- Cash position optimized by 5%
- RCF use significantly reduced
- Excludes €170M factoring

RCF = Revolving Credit Facility

Solvency and liquidity position further strengthened

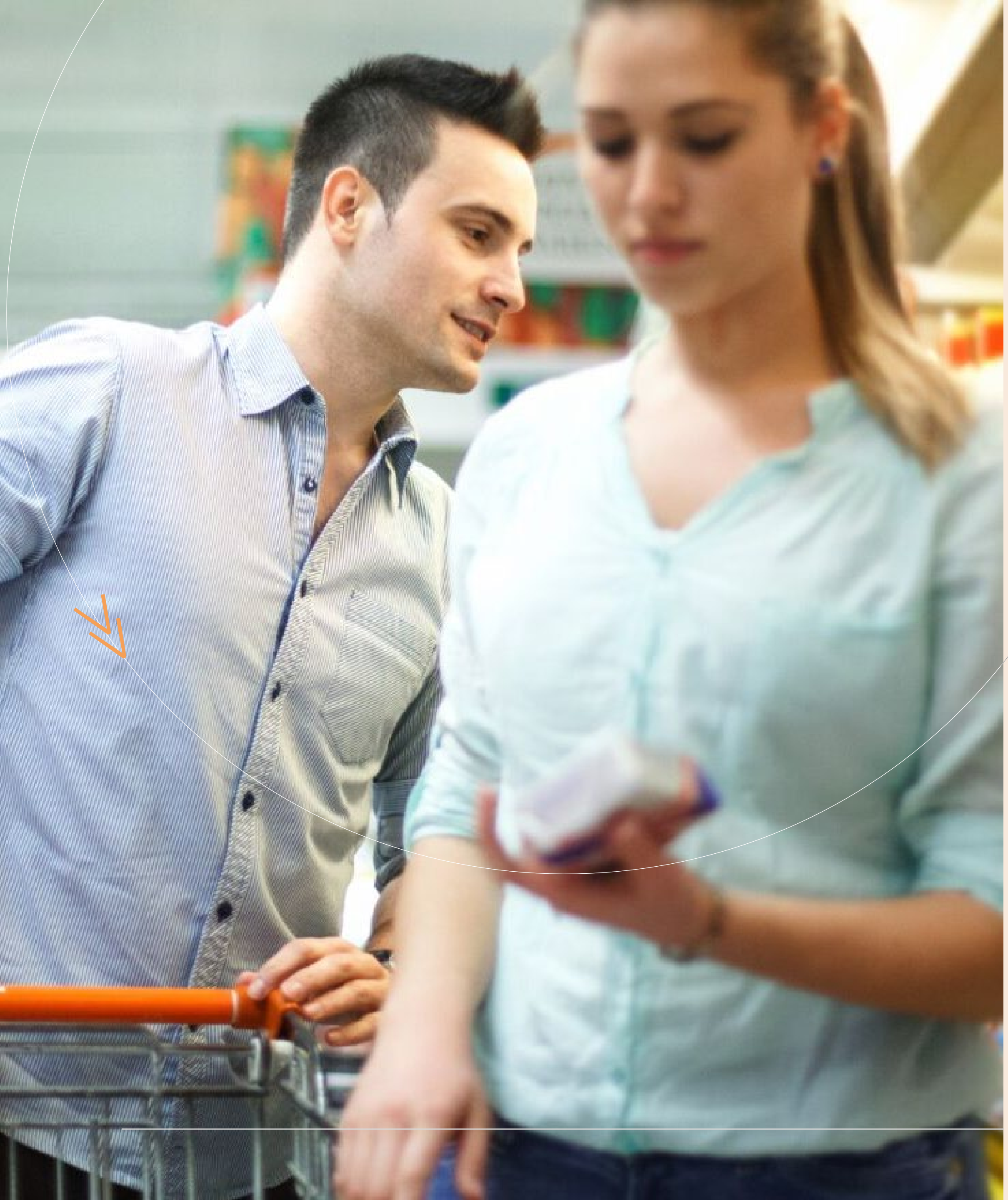


> Leverage improvement over H1 by 0.8p to 2.5x

> Liquidity position of €370M:
- Cash position of €160M
- Undrawn portion of RCF of €210M

> Comfortable headroom on RCF covenants:
- Leverage ≤ 3.6x
- Liquidity ≥ 215

LTM = Last Twelve months EBITDA, adapted for the scope change by end of period



Outlook

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2024 outlook revised up, across all metrics

Core Markets		Total Group	
Revenue LFL growth	Adj. EBITDA margin	Free Cash Flow	Leverage ratio
4% - 5%	12%	> €20M	< 2.5x
> Previously: Low single digit	> Previously: 11% - 12%	> Previously: > €9M	> Previously: < 2.8x

Q&A

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