

# December 11, 2025, Transcript

## Introduction

### Geoffroy Raskin, Investor Relations

Good afternoon, and thank you for being with us today. I'm Geoff Raskin from IR, and I'm here with Gustavo Calvo Paz, our CEO, and Geert Peeters, our CFO, to provide some more hindside on the announcements we published this morning. Before that, let me remind you of the safe harbor. This morning's press release and the upcoming Q&A session includes forward-looking statements, regarding, or based on, management's current intentions, beliefs or expectations. By their nature they are subject to risk, uncertainties and assumptions that could cause actual or future events to differ materially from those expressed or implied today. With that in mind, Gustavo and Geert, over to you.

### Gustavo Calvo Paz, CEO

Hello. We are not through the quarter yet, but given the outturn of market demand and our sales in October and November, it is important to inform the market and our investors that we are not going to reach our prior guidance for 2025. You will understand that there are many questions that we cannot answer today at this point. That said, we are here to give a little bit more color to this morning's announcement, where we can. As well today, we announce my successor: Laurent Nielly. You already know him as the President of Europe division. He is not present today, but he will be by himself, and introducing himself, when we meet next time for the full year results announcement in February. Geert and I now we are open to your questions in time.

## Q&A

### Geoffroy Raskin, Investor Relations

For the Q&A session, if you wish to ask a question, please dial the pound key followed by 5, and you'll thereby enter the queue. If you wish to withdraw your question, please dial the pound key followed by 6. And as usual, please try to limit your questions to two at a time, please. The first question comes from Ferdinand De Boer. Your line is open, please go ahead.

### Fernand De Boer, Degroof Petercam

Yes, good morning. Good afternoon already. Thank you for taking my questions. I actually have three. So I'm exceeding the limit of two, but fine. I think it's [not] unusual. One is if I look at your sales guidance and then at your EBITDA guidance for the implied Q4, then I think that the miss in EBITDA contribution for Q4 is much more than simply assuming the operational leverage on the missed sales. So, could you give a little bit of indication of the building blocks of, let's say, this 30 million difference in EBITDA, given the decline in the lower sales level? That's the first question. Then the second question is actually on leverage. You are saying, okay, we are now at 3.2. I believe that you have a kind of confidence for 3.5. So, how much room do you actually have? And what does it mean for your strategy in 2026? And actually the last one, and that's one an implied question, but also an implied advice, if I now look at the past couple of years, and certainly in the past year, where you had to give twice a profit warning, where after you gave a kind of reconfirm or confirmation on the guidance, then I only can conclude that we as analysts have no visibility, but also you as a company hardly has any visibility. So, then my advice would be better to refrain from giving any guidance but only give some building blocks going forward [rather] than really to give a guidance. That's the first one. And the second one, maybe on this one, is if you now look at your whole business model, given the low visibility, but also at the moment something happens, the you are hit. And do you really believe, or actually believe, that your company can be a double-digit margin company? Or that actually, given your business model, or given the market conditions, that maybe 10% is the max where you could be as a kind of company. These are my questions and remarks.

## Geert Peeters, CFO

All right, Fernand, thanks for your questions. I will take the first two questions. First of all, on the EBITDA. By the way, you were referring yourself on the double digit. I want to stress that based on our guidance, we're still at a double-digit margin. So we expect to be at a 10% EBITDA margin at the end of the year, which is still double-digit, of course very limited. On the EBITDA impact, you say it looks like it's more than volume-driven. We can really confirm that the full EBITDA impact is completely related to volumes, and that's mainly almost fully in the baby category. Then, of course, there's a question: how comes that the impact of the EBITDA is so big? Because if you make your calculation, you will see it's about 50% of the revenue, and that's fully related to the fact that if you look at what we presented in October, now you have seen that we gave some building blocks for the Q4. Because actually our Q3 performed quite well. We improved as compared to the Q2 our revenue at 4%. We expected to achieve another 3% in the last quarter. In fact, we were on a good trajectory. We were on the low end of the guidance that we told before. But we were on a good trajectory. But October came [in] a bit softer, but we were still doing well at that moment. And it was mainly November which was quite disappointing. And that means that at +3%, if you calculate back, [it] will translate to more or less something like -3%. So the gap between the revenue increase and the actual decrease we have, it's a big one, and it is, of course, still an expectation towards the end of the year. But we know in the meantime of course the November result. Why does it have such a big impact on the EBITDA is of course because we set up our production and our costs in order to have that growth. To just take it very practical, we had our lines operational, fully manned to do that higher volume. And at that moment, if the volume is coming down, it triggers a big impact, because a lot of our fixed costs, which we can make variable if we have a bit more time, hit us immediately, because they're in place. Of course, for us it's, and that's what we stressed in the press release, it's a big impact, but it's a short-term impact, because we can easily align, and, we're, of course, doing that already. So, that's the impact [that] will be in the quarter, and the impact should be less, adapting to that new reality in the coming months and quarters. And then on the leverage ratio, first of all, let me briefly explain the leverage ratio. So we're saying that we will be around 3.2x. First of all, I want to stress [that] for us, it's still far away from the 3.5x. So, we're very confident that the movement will not be further up, but will be further down. We're not giving guidance, of course. Guidance will be [for] after the year end, will be in February. But of course, the plans that we're preparing at this moment and the budgets we have, is to improve the EBITDA and to generate cash. So that means that the 3.2x should go in the right direction and back, of course, below the 3x. There's a technical thing in the leverage that you need to know, that 0.2x of it is a technical impact. So actually, operational we are around 3x, but if you look at it, we have a higher impact. And the reason is that, you remember that, in April last year, we sold the Algerian business. To get the money out of the country, it takes a long time. We knew it. We did it before with dividends, but this time it's taking us much more time than expected. We're making good progress, but currently, we still might get the money out of the country by the end of the year. But we believe the probability is higher that it will not be. And that means that, technically, we took that cash out of the leverage ratio. But of course, it should come in next year. We're working on that at this moment, and all the processes are running. So it explains 0.2x out of the 3.2x.

## Gustavo Calvo Paz, CEO

Thank you. So, Fernand, I'm going to address your third point. First, I apologize for the disappointment on the profit warning. I appreciate your suggestions about the future guidance and how to treat that. Let me try to address your concerns about our beliefs in terms of the margins, the bottom line margins of the future of this company, if it can get [there]. Yes, it's clear double digits we do have now, we are projecting that. But you are referring maybe in the mid-[range], so maybe higher than 10%. And I'm going to tell you just as a reflection, with this situation, with the headwinds that we are facing in terms of demand, and impacting the volumes, that [despite that] consumers are pulling from the private label, we are able to sustain a 10% margin, it's because we have been doing the last years, as you were referring, significant structural changes in the company, making it more efficient than it was before. And therefore we can hold, even though these changes, these challenges in the market, we can hold 10% margin. So, if one moment you imagine, you think that the volume as demonstrating that we are gaining more customers quarter by quarter, because we are doing that, we are getting more customers. So our gains and losses is positive throughout the year, and we expect to continue positively based on the customers we have today, as well as those we have gained for next year for 2026. We will continue. So our volume will come higher. And with the same organization that we have today, and the same structure, [and] on top continue to do efficiencies, we do believe and trust, definitely and with confidence, that we will deliver higher margins than what we are doing today. And we never stop investing in innovation, in R&D, in regulatory, in patents, in our relationship

with the customers, and that's why we are growing. But volume [is] still low, because the demand is low in the private label. But that will revert one day. And if not, we will keep gaining more customers and more market share. I hope that I answered your question.

**Fernand De Boer, Degroof Petercam**

Yeah.

**Gustavo Calvo Paz, CEO**

You're welcome

**Fernand De Boer, Degroof Petercam**

Thank you.

**Geoffroy Raskin, Investor Relations**

Thank you, Fernand. This next question comes from Ben Haseler from Barclays. Ben, your line should be open.

**Karine Elias, Barclays**

Hi, this is Karine from Barclays. Thank you for taking our questions. I have two, if I may. One, can you comment on what the capacity utilization has been in some of the plants and what is your optimal capacity utilization, in particular around baby care? And then my second question was, obviously, you know, weaker volumes in November. How should we think about, I know you're not talking about fiscal '26, but how should we think about the shape of Q1 going forward? Thank you.

**Gustavo Calvo Paz, CEO**

Yeah. So, in terms of our capacity. Yes. Baby diapers is going down in demand, I would say, significantly year on year over the last years, and we have been updating our technology in a way to be more efficient. As we were investing in efficiency, also we were adjusting the capacity to the new levels of demand. That adjustment it will continue in the years to come. If we continue seeing demand declining and driven by birth rate declining in Europe. If you're asking me to give you an exact number of capacity installed and how much is excess capacity, I guess that that's your question. Well, that excess capacity today in the market, yes, probably it is substantial. In our case, we are adjusting that and taking advantage on the new technology that we are incorporating, that is more efficient than [in] the past. Then your second question was on baby pants. Well, yes. On the capacity, we are growing in baby pants, But baby care, right. So you have baby diapers, you have diaper pants, it's a different format of diapering, and then you have the youth pants. Diaper pants and youth pants are growing. Also, some selective parts of baby diapers, like size eight. Now, because the new size is a bigger size, it is also growing, but in general, diaper demand is coming below. The second question was regarding Q1. Q1 is going to have versus Q1 last year, new customers, both in Europe and in the US. And actually, we kick off some new customers in Q1 specifically. So we're going to start supplying new customers in Q1. So we expect a Q1, without giving specific guidance, but we expect good sales in Q1, in terms of having new gains and losses, in the net gains and losses. So, yes.

**Karine Elias, Barclays**

Thank you.

**Gustavo Calvo Paz, CEO**

I hope I answered your questions.

**Karine Elias, Barclays**

That's great. Thank you.

## Gustavo Calvo Paz, CEO

You're welcome.

## Geoffroy Raskin, Investor Relations

Thank you. The next question comes from Maxime Stranart at ING Bank. Maxime, the line should be open.

## Maxime Stranart, ING Bank

Hi. Good morning or afternoon, whatever it is now. Two questions on my side as well. First of all, looking at free cash flow guidance moving down from 0 to -35, which is actually greater, once again, than the EBITDA cut. I just want to understand the building blocks for the decrease in free cash flow guidance. That would be the first one. Then secondly, going back to Fernand as well. I would say the street was already a bit concerned about guidance at the end of Q3 going into Q4. You reiterated that you would see that 13% EBITDA growth [actually €13 million increase versus Q3]. I think we are now looking at a -28% decline if I do the math correctly. At the midpoint at least. So how dramatic was the change in November to justify such a cut? In the sense that if I look at data, baby care was already bad in Q2, was already bad in Q3. So I'm trying to reconcile what you were basically saying at the end of Q3 compared to the actual results. How can we understand such a difference? That would be my second question. And that would be all for me. Thank you.

## Geert Peeters, CFO

Maxime, I'll take the first one on the free cash flow. Yes, that one is very straightforward. As you say, the main explanation is the lower EBITDA. For the rest, the only other real element is the factoring. We use factoring on our revenues. And of course, if your revenue level is lower, then your factoring level also decreases. So that's the main impact. And it's, of course, a temporary one, because once the revenue increases back to its old levels, then the factoring will increase again.

## Gustavo Calvo Paz, CEO

In terms of what has changed in November so significantly. So the first half of the year, versus the first half of 2024, was lower in sales. So we had a decline in sales, and then a big event in volume, and then an impact in our EBITDA. And that's why we needed to do a profit warning in July with the close of the first half of the year. In that new guidance that we put in July, we assumed a second half of the year based on our relationships with the customers and based on the new contracts that we are, especially new contracts that we are gaining and the wrap-up in terms of our capacity in incontinence, and solving the issues that we faced, some internal issues in supply in the first half, and more stable raw material prices. We projected a top line, sales, in line, more or less in line, not growing, but in line with what we have in 2024, in the second half of the year. We started the second half and the third quarter, it came more or less aligned with our expectations, a little bit behind, not significantly enough, but, you know, perhaps some behind our expectations. And therefore, when we talked about our third quarter in the analyst call, we mentioned that, which was already towards the end of October, we mentioned that we would probably be in the low end of our guidance. Then we closed October. At the time that we closed October, it came up a little short again, October being the first month of the fourth quarter. Throughout November, our volumes dropped significantly. Our volumes, the demand of private labels in the customers, in both the new contracts, we are delivering the new contracts with a lower volume than expected initially. Therefore, we closed November with a much lower volume, and we are projecting a December that also we assume that is going to be below expectations. So we realize, even though we are in the middle, we are not yet there, we realize that we are not going to be able to make up that difference. Therefore, is that we are coming with this profit warning. I hope that I answered your question.

## Maxime Stranart, ING Bank

Well, if I can just squeeze [in] one follow-up. So basically, if I understand you correctly, you usually have one month of visibility, and after that, it's basically a question mark, because that's basically what implies your comment. But yes, the guidance was basically based on the trends that you were seeing for October, but you couldn't foresee what was going on after that. Is that the correct way to think about this?

**Gustavo Calvo Paz, CEO**

It's a little harsh to say [it] exactly like that. In this environment, today, potentially, it is the problem. That's the problem. But it's not the normal business. I don't think that any company today is facing a normal business in a normal environment. So in the environment that we are competing [in] today, and everybody is competing, maybe it's towards the direction you are mentioning. But it's a little bit harsh to say that this is the regular business model that we have, it's not. And we are expecting that that will change because it turns to be very difficult to predict anything otherwise.

**Maxime Stranart, ING Bank**

Well, thank you for your answer, Gustavo. And have a nice day.

**Gustavo Calvo Paz, CEO**

You're welcome.

**Geoffroy Raskin, Investor Relations**

Thank you, Maxime. As a reminder, if you wish to ask a question, please dial the pound key, followed by five. And the next question comes from Usama Tariq from ABN AmRo / Oddo BHF. Usama your line should be open.

**Usama Tariq, ABN-AMRO / Oddo-BHF**

Hi, good afternoon. Thank you very much. Hi. Thank you for the opportunity. I just have one set of question. It's more of a general sort of question from more of a helicopter view. So, a very harsh profit guide, profit warning, today. My question would be, that going into 2026, what is the change in strategy to some extent that we can we expect going forward? I just want to build up. You've gone, Ontex has gone through a phase of transformation, a lot of disposals. The balance sheet has been relatively improved with a maturity until 2030. But the core-focused markets have done really bad and they are not improving. So going into 2026-2027, can we expect some changes in strategy? I mean, I'm thinking in line of maybe harsher CapEx cuts, maybe another disposal from somewhere. What could we include in our estimates or in our general thinking about the business going forward, besides the incorporation of new contracts and volumes ramping up in Q1-Q2? So it's more of a generalistic question, but I'm trying to think about what can be further improved or further changed to get operationally for example the free cash flow back to normal. Thank you.

**Gustavo Calvo Paz, CEO**

Yeah, Usama, as I said at the beginning, opening this call, we are here to answer questions about this quarter or this profit warning. And I, we would not be giving, there are some answers that we cannot give. We are not going to be giving any guidance, but at the end of the announcement of the end of the year in February, we will cover those pieces that you are asking, but we are not giving that information today. And what I would say is that our efficiency program, as is today, has been working very well. Again, if it weren't for the efficiency work that we're doing and the investments we're doing behind that, today we would not be talking about 10% margin in this environment. And towards the future, I have no doubt that we have very strong plans in terms of continuing with efficiency. And on top of that, we add more things. But more details you're going to find [later]. Those efficiency programs that we have in place are focusing on improving our EBITDA margin from where we are today. Those same points focus on delivering more free cash flow and focusing on continue improving our competitiveness. So, more details you're going to find in February, at the analyst call.

**Usama Tariq, ABN-AMRO / Oddo-BHF**

Okay. Thank you. That would be sufficient. Thank you.

**Gustavo Calvo Paz, CEO**

You're welcome.

### Geoffroy Raskin, Investor Relations

Thank you. We have a follow-up question from Fernando De Boer. Fernand, your line is open.

### Fernand De Boer, Degroof Petercam

Yes, thank you for that. Coming back on this market softness, because you mentioned both Europe and North America. I can understand North America, certainly, because we had an impact of the shutdown, there was a stop on SNAP tickets, the food stamps, that also impacted the grocery business. So I think that's logical. But what then explains the sudden deterioration in Europe? As in Europe the market was already promotional throughout the entire year. And I think in July, you assumed that P&G should become less promotional. But actually, that didn't turn out also not in Q3, and also not in Q4. So where does then the weakening from the European market come from?

### Gustavo Calvo Paz, CEO

Well, Fernand, more or less you were answering that. I don't know, maybe I'm not understanding. But I would start first saying that there is a birthrate declining for already several years in Europe. That's the first directional impact in the consumption. If on top of that, we add what in the last couple of years, is increasing, because it's not solving, the geopolitical situation and the, let's say, inflation in the structure of the living of the people. It creates some fears. It creates that every single staple company or consumer goods company are suffering in the marketplace. In Europe, you mentioned that you understand [the] US, I would say in Europe, I work and live here in Europe, in Europe, it is a similar type of living experience. The confidence of the consumer impact in their buying tickets. That experience it's impacting in our categories, right. Mostly it's impacting going down significantly in baby care, in diapers in particular. In adult care, as we have aging population, fortunately, we are strong in adult care, it is still growing, not at the same pace that it used to grow, but it is still growing. And feminine care, I would call it stable, sometimes a little bit up, sometimes a little bit down. But in diaper and baby care in particular, it is going down significantly. That impacts also the A-brands, as you mentioned with P&G in Europe, right, being strong in their [promotional] activities, not just in the frequency of the [promotional] activities, but sustaining [promotional] activity throughout the whole year. A big change versus the previous year. And not just those two drivers, but also the depth of the promotional activity. We have seen promotional activities of that A-brand in certain countries, of paying one, getting five. So, it is substantial [promotional] activity of the A-brands that punished the private label. So we are not in the branding business. We are not competing against that brand. But our customers, with their [own] brands in their stores, are competing against that. And in this case, private label is taking a hit. That's it. So just to give you one point of information, Fernand and to all, one point, right, one point because. In the month of October, private label went down in diaper business private label in Europe, in what Nielsen can read, right, in What Nielsen reads, went down 11.5% versus October 2024. Did I answer your question?

### Fernand De Boer, Degroof Petercam

Yes, absolutely. Thank you.

### Geoffroy Raskin, Investor Relations

Thank you, Fernand. Our next question comes from Markus Schmidt from Oddo-BHF. Markus, your line should be open.

### Markus Schmidt, Oddo-BHF

Yes, good afternoon. Thanks for taking the questions. I've actually just a follow-up to the earlier question. I mean, you explained just the drivers for the US and the European market, but I'm just interested if you could explain in a little bit more detail. I mean, the revenue headwind you have now is that, I mean the split between competition and, let's say, customer volume, demand or reluctance in this case. So could you quantify what is coming from competition and what is coming from customer demand? To put that a little bit into perspective.

### **Gustavo Calvo Paz, CEO**

So, it is volume-driven. It's the consumer pulling the product from the shelf on the private label of the customers. You might have some little bits of inventory adjustment, but tiny, nothing that is significant. The major driver is consumer pulling the private label from the customers.

### **Markus Schmidt, Oddo-BHF**

But basically, due to the price competition started by P&G and the other A-brands, it's connected to some extent. So, it's a little bit difficult to understand. Yeah.

### **Gustavo Calvo Paz, CEO**

Yeah, yeah. Well, everything goes into the game, right? So, the promotional activity is intense of the A-brands, and those promotional activities, it causes that there is less promotional activities for the private label. And therefore, there is a price game there. No, it's not about price. It's a promotional activity. You have promotional activities from an A-brand that then the benefit consumers can use to buy other types of products. And then stocking because those promotional activities are very well directed to create stocks within the consumer. So that's why you have the volatility in the month. Strong volatility because they had a stock of the A-brands, more than what they perhaps [need], because of that intense promotions they are creating.

### **Markus Schmidt, Oddo-BHF**

Okay. But the way you want to address it is basically, I mean, you have to accept, of course, the market as it is. So, when I read your press release, it will be coming from efficiency gains to be able to hold up the double-digit margin, but simply accept that competition, but making good in terms of margin on real efficiency improvements and as you said here, SG&A reduction, and so on. So you will tackle this by optimizing the cost base, right? That is the right perception to interpret it.

### **Gustavo Calvo Paz, CEO**

Yes, it is right. At the same time, I think that it is very important to also consider that we are confident in our current ability to gain new customers, and that is as a result of having been investing in the last year, as well in R&D and patents, in relationships with the customers. And then the acceptance of Ontex as a supplier in these customers, it is proven going in the right direction. Therefore, we will continue doing that strongly in the next months in the future, because it's a way to offset the declining volume in an existing customer. Although we will continue to work with that existing customer to improve the output. The sell-out of the customer, of the customer brand. But in parallel, we will develop new customers, because we have the means to do that.

### **Markus Schmidt, Oddo-BHF**

But is it fair to say that for Q1, the US situation and the shutdown and all that stuff was obviously a headwind, I mean, they will come back to normal. And there, I think you are growing market share, as you said. I mean, you are winning new customers. So, the effect on the legacy business until now will be overcompensated by these customer wins. So, is it fair to say then, for Q1, that the US business will do relatively good and the European business will be still the problem child and lagging a little bit. Is that the right view on Q1.

### **Gustavo Calvo Paz, CEO**

Again, I don't want to give any guidance for 2026. You are taking me to the guidance little by little with your questions. Marcus, you're very capable of doing that. I'm not going to give any guidance for 2026, but new customers are in both Europe and the US.

### **Markus Schmidt, Oddo-BHF**

It's understood. Thank you very much. Yes.

### **Gustavo Calvo Paz, CEO**

You're welcome, Markus.

### **Geoffroy Raskin, Investor Relations**

Thank you, Markus. And then we have a last question from Karel Zoete from Kepler Cheuvreux. Karel, your line should be open.

### **Karel Zoete, Kepler-Cheuvreux**

Yes. Good afternoon, and thanks for taking the question. It may have been asked before, but I arrived a bit late. Sorry for that. But the first one is on gross margin, because the environment must actually look pretty good. A weak dollar, weak oil price, strong pound. So, can you speak a bit about what you're seeing in gross margins and if it's really the operational leverage that is missing because the underlying environment looks pretty solid. And the other question I had is more in relation to cash flow and cash itself. If you look to the ambitions around CapEx and restructuring, etc., that has been relatively significant in recent years. How do you look at CapEx plans in '26-'27, given the market circumstances. And in relation to cash, I was wondering if there's any cash on the balance sheet that's actually trapped in Russia, or do you actually have access to the cash you generate in that market? Thank you.

### **Gustavo Calvo Paz, CEO**

Okay. I'm going to answer the first one because you almost, Karel, you almost answered yourself. It is an operational leverage, what is affecting today. That's why our confidence on this margin to improve as soon as we continue adding these new volume coming from new customers, the operational leverage is going to keep improving, and we're going to improve our margin. So, that's the first one. Then, Geert you can go the cash flow.

### **Geert Peeters, CFO**

And the second one, we have to be careful again, because it goes again in the direction of guidance, which we're only giving in February, if we give it. But based on the annual report, we will of course give more details on our further plans. But again, on the CapEx, I can reconfirm what we told already I think several times, that we have a CapEx program, which we wanted to bring down to a lower level. That means a level of 3.5% to 4.5%. That one, everything we're now looking at is still within that CapEx envelope that we expressed to you before.

### **Karel Zoete, Kepler-Cheuvreux**

And that includes a restructuring cost and exceptionals?

### **Geert Peeters, CFO**

No, for me CapEx is CapEx. And if we then go to, because in our press release, we were putting also the further efficiency improvement initiatives we're doing. Perhaps to expand a little bit on that. Of course, the foundation of that program is what we have been doing over the last years. We have the cost transformation program, but we are expanding that program. We are deepening it. We are making it broader. We have a whole bunch of new initiatives that we have been working on last few weeks, last months. And also taking into account the new market reality of this moment, but also the reality that we're post-divestment, that we're looking again at our organization. And I think I want to stress that because we also mentioned about one-off implementation costs. That one-off implementation cost, we're not talking about restructuring. It might involve some restructuring, but most of it is related or a big part of it is normal implementation. I give you an example. We're improving, we're investing a lot in improving our systems, our IT systems, in strategic areas like for example planning. Those costs are for us also part of that €40 million. They're not CapEx, they're OpEx, because they're implementation costs. And that's the way you have to look at that one-off €40 million. So, taking everything together, our intention is, of course, still to go to the markets in the future with a positive cash flow and a growing cash flow which is attractive. But we will come back to that next year.

**Karel Zoete, Kepler-Cheuvreux**

And are these €40 million then classified as exceptional one-off, or you said no, it's simply doing business, IT, etc.? Yes. Improving systems doesn't sound like very exceptional.

**Geert Peeters, CFO**

If it's really restructuring, then it will be classified as non-recurring. If it's just an implementation cost, then it will be part of our OpEx. Then it's a one-off OpEx. Yes.

**Geoffroy Raskin, Investor Relations**

All right. Thank you, Karel. This concludes the Q&A session. So I give the word back to Gustavo.

**Closing remarks**

**Gustavo Calvo Paz, CEO**

Thank you. I apologize again for this disappointment. Consumer demand has softened throughout the year, in particular for baby diapers in our key markets, which has led us to revise our full-year outlook, definitely. This is disappointing, especially as we have made a strong progress on our strategic portfolio and operational transformation, and have been gaining contracts over the period. Maintaining a double-digit margin again for 2025, while facing strong market headwinds, demonstrates, however, that Ontex has strengthened its foundations in the last years. Nevertheless, the current market conditions and recent results call for action, and we are thereby accelerating a three-year efficiency improvement initiative across operations and SG&A. Thank you very much.

**Geert Peeters, CFO**

Thank you.

**Geoffroy Raskin, Investor Relations**

Thank you.