Press release
Inside information – Regulated information
October 28, 2026 – 07:00 CET

Transformation of Ontex progressing well; Q3 impacted by steep input cost increases; Full-year adj. EBITDA outlook lowered to €143-148 million

> Executing the transformation towards a more focused, resilient, cash-generating and value-driven Ontex:

- *Focus to Value* program delivered €45 million savings year to date, contributing towards the total savings target of €240 million by end 2028 including the €40m additional EBITDA identified in July; One-third implemented of the planned reduction by more than 20% in white-collar, non-manufacturing positions;
- North America sales stabilized with marked improvement of operational efficiency;
- Additional adult care capacity in Europe ramping up as planned, and continued solid growth of adult and baby pants driving positive mix.

> Q3 results impacted by a steep increase in input costs:

- Revenue stable sequentially for the third consecutive quarter at €428 million, and down 4% year on year reflecting the exit of select overseas contracts and soft demand;
- Adj. EBITDA of €26 million, decreasing by one third quarter on quarter, and by half year on year, as input costs rose sharply in Q3 while price increases ramped up more gradually than anticipated;
- Net debt further reduced to €536 million, with solid liquidity position of €272 million preserved; Additional actions taken to protect liquidity, enabling Ontex to execute its strategic plan.

> Russian subsidiary to be deconsolidated, following its placement under interim administration;

> Full-year 2026 outlook revised: Adj. EBITDA now expected in €143-148 million range, free cash flow in €(10)-0 million range and year-end leverage not to exceed 3.75x, thereby remaining within the RCF covenant limits;

> In 2027: Maintaining heightened focus on cash generation, fueled by acceleration of *Focus to Value* implementation and adult care-driven volume growth, leading to balance sheet strengthening.

Unless otherwise stated, all comments in this document are on a year-on-year basis, and for revenue also on a like-for-like (LFL) basis (at constant currencies). Definitions of Alternative Performance Measures (APMs) can be found in the 2025 annual report as from page 265, and the reconciliation is provided in the tables on page 4 of this document.

CEO comments: Building the new Ontex

Three months ago, we set out a clear plan to fundamentally transform Ontex into a more focused, resilient, cash-generating and value-driven company. That transformation is now in full execution, and we are making tangible progress on each of our four strategic shifts.

At the same time, we continue to operate in a very challenging environment, and our third-quarter financial results were disappointing. They were driven by specific and identifiable factors, primarily the timing gap between the input cost increase and the ramp-up of our pricing actions. We are taking decisive actions on each of the factors.

What gives me confidence as we build the new Ontex is the resilience of our business in Europe. It is the home to our adult care business, and maintained a double-digit adjusted EBITDA margin over the first nine months of the year. Our businesses in other regions are currently margin dilutive, but we are addressing this through our strategic shifts, enabling them to contribute to our value creation journey over time.

Progress on our four strategic shifts

1) **Increase structural efficiency through the expanded *Focus to Value* program**: The program delivered €45 million savings in the first nine months, of which €16 million in the third quarter. This is part of our total savings target of €240 million by the end of 2028, including the €40 million additional EBITDA identified in July. Some examples of our initiatives:
   - **Manufacturing excellence**: The exit of manufacturing in Australia and the rightsizing of our Großpostwitz plant in Germany are planned to be finalized in the fourth quarter, as part of a broader review of our manufacturing footprint. These initiatives are complemented by a company-wide focus on improving overall equipment productivity and output. Our progress on both scrap and machine effectiveness, for instance in our North Carolina plant, is a great example of what we can accomplish ahead of our plan.
   - **Logistics and planning**: We have redesigned our end-to-end planning processes and will implement new AI-enabled planning tools next year. A recently completed logistics network review has identified opportunities to improve cost-to-serve, with execution already starting for part of our healthcare channel.
   - **Complexity reduction**: We are further simplifying and standardizing raw materials, improving procurement flexibility and manufacturing efficiency, while reducing inventory requirements.
   - **Organization streamlining**: We are on track to reduce non-manufacturing white-collar positions by more than 20%, with approximately one-third already completed or in execution.
2) **Reset North America to prioritize profitability and cash generation**: Under new leadership, North America sales stabilized, with revenue slightly up in the third quarter, supported by the ramp-up of recently won contracts in baby pants. Operational efficiency is improving, benefiting from our manufacturing excellence push, and plans to adjust our capacity to our target portfolio of customers and product groups is progressing well.
3) **Accelerate adult care growth in Europe**: Adult pants, our fastest-growing adult category, grew by mid-single digit like for like year to date, and demand in the healthcare channel remained solid. The capacity increase, including adult pants, is ramping up as planned across Europe. Performance in parts of the retail channel fell short of our ambition, and we have launched specific corrective actions.
4) **Adopt a more targeted approach in baby and feminine care in Europe**: We continue to focus on the segments where we can earn attractive returns. Baby pants grew by high single digits like for like year to date, while we exited selected overseas contracts and continued to simplify our product and asset portfolio.

Q3 2026 results

Our revenue was stable sequentially for the third consecutive quarter. The decline in adjusted EBITDA was driven by input costs that reached their highest level of the year, approximately 10% above the start of the year, while pricing actions ramped up more gradually than anticipated. We expect pricing contribution to increase further in the fourth quarter, both in Europe and in North America. Over the first nine months, adjusted EBITDA amounted to €104 million, 24% below last year.

Our teams acted quickly to protect cash generation. Net financial debt decreased further to €536 million, €41 million lower than at the end of 2025, and liquidity remained strong at €272 million.

Going forward

For the fourth quarter, we expect raw material costs to remain elevated, albeit slightly below the high level reached in the third quarter, while the contribution from pricing is expected to increase further. We expect the fourth-quarter adjusted EBITDA between €39 and €44 million, representing an increase of €13 to €18 million compared to the third quarter, equal or better year on year and compared to the level in the first half. This is driven by confirmed price increases, slightly lower raw material costs, additional *Focus to Value* savings, and higher volumes in what is traditionally a stronger quarter, partly offset by the deconsolidation of our Russian subsidiary.

We have revised our full-year 2026 outlook accordingly, compensating our lower expectations for adjusted EBITDA, with solid cash management measures, as we did in the third quarter. This will ensure that our year-end leverage will not exceed 3.75x, and thereby remain within the covenant limits of our revolving credit facility (RCF). To preserve financial flexibility as we execute our transformation plan, we are proactively engaging with the banks of our revolving credit facility to secure a temporary adjustment to the leverage covenant. We expect this process to be completed before year-end.

Looking ahead to 2027, we will maintain a heightened focus on cash generation, fueled by the acceleration of the implementation of our *Focus to Value* savings program and by growth of our adult care volumes, which will strengthen the balance sheet. At the same time, we will continue to invest in the transformation that will underpin future value creation.

Key business and financial indicators

Business results	Q3			9 months		
in € million	2026	2025	%	2026	2025	%
Revenue	**427.9**	**445.4**	***-3.9%***	**1,282.7**	**1,325.7**	***-3.2%***
Operating expenses (excl. depreciation & amortization)	(401.9)	(394.8)	*-1.8%*	(1,178.6)	(1,188.9)	*+0.9%*
Adj. EBITDA	**25.9**	**50.6**	***-49%***	**104.1**	**136.8**	***-24%***
Adj. EBITDA margin	*6.1%*	*11.4%*	*-5.3pp*	*8.1%*	*10.3%*	*-2.2pp*
Income and expenses related to changes to Group structure	(2.5)	(0.7)	*n.a.*	(11.8)	(3.1)	*n.a.*
Income and expenses related to major litigations	(1.1)	(0.1)	*n.a.*	(1.3)	(0.5)	*n.a.*
Income and expenses related to impairments of assets	0.0	(1.2)	*n.a.*	(143.9)	(3.6)	*n.a.*
Depreciation & amortization	(21.9)	(19.3)	*-14%*	(64.1)	(57.4)	*-12%*
Operating profit/(loss)	**0.4**	**29.3**	***-99%***	**(117.2)**	**72.1**	***n.a.***

Revenue *in € million*	**2025**	Volume	Price /mix	**2026 LFL**	Forex	**2026**
Q3						
Adult care	201.3	+0.5	+2.3	204.1	+1.0	205.0
Baby care	176.2	-16.0	+1.0	161.2	+1.0	162.2
Feminine care	59.7	-7.0	+0.9	53.6	+0.1	53.7
Group	**445.4**	**-22.6**	**+3.1**	**425.8**	**+2.1**	**427.9**
		-5.1%	***+0.7%***	***-4.4%***	***+0.5%***	***-3.9%***
9 months						
Adult care	607.4	+3.9	+2.3	613.5	+1.5	615.1
Baby care	528.1	-31.3	-1.5	495.3	-5.1	490.2
Feminine care	173.7	-11.3	-1.8	160.7	-0.3	160.4
Group	**1,325.7**	**-38.9**	**-0.3**	**1,286.4**	**-3.8**	**1,282.7**
		-2.9%	***-0.0%***	***-3.0%***	***-0.3%***	***-3.2%***

Adj. EBITDA *in € million*	**2025**	Reve-nue	Net costs	Forex	**2026**
Q3	50.6	-7.1	-18.2	+0.6	25.9
		-14%	*-36%*	*+1.3%*	*-49%*
9 months	136.8	-19.3	-15.8	+2.4	104.1
		-14%	*-12%*	*+1.8%*	*-24%*

Reconciliation of net financial debt *in € million*	30/09 2026	31/12 2025
Non-current interest-bearing debts	510.9	518.1
Current interest-bearing debts	107.4	129.3
Gross financial debt	**618.3**	**647.4**
Cash & cash equivalents	82.4	70.4
Net financial debt	**535.8**	**577.0**
Adj. EBITDA (LTM)	142.9	175.6
Leverage ratio	3.75x	*3.29x*

Q3 2026 results

Revenue amounted to €428 million, stable compared to the previous two quarters and down 4% like for like versus a strong third quarter of 2025, reflecting a 5% decline in volumes. Adult care volumes were broadly stable, as continued strength in the healthcare channel offset softer activity in retail. Baby care volumes declined by 9%, mainly due to exits from some overseas contracts and lower baby diaper sales in Europe, where market demand continued to soften by a high-single-digit percentage, both overall and for retailer brands. Lower baby diaper sales were partly offset by continued growth in baby pants. In North America, baby volumes were largely stable, as the ramp-up of recently won contracts, also mostly for baby pants, offset weaker market demand. Feminine care volumes declined by 12%, reflecting the exits from contract manufacturing contracts in North America and from select overseas contracts. Growth in the categories prioritized by Ontex had a favorable mix impact, which, together with pricing, contributed a positive 1%.

Adjusted EBITDA amounted to €26 million, down 49% year on year, as raw material and transportation costs rose steeply during the quarter at approximately 10% above the start of the year, driven in particular by nonwoven materials, superabsorbent polymers, backsheet materials, packaging and fuel. The *Focus to Value* program delivered €16 million savings in the quarter, which lowered the cost base by about 4%. These were insufficient to offset raw material and other input cost inflation, resulting in a net cost impact of €(18) million compared with the prior year. The sales price increases to pass through cost inflation, ramped up more slowly than anticipated, which combined with the lower volumes resulted in a €(7) million revenue decrease impact. The adjusted EBITDA margin decreased by 5.3 percentage points year on year to 6.1%.

Operating profit was €0.4 million, versus €29 million in Q3 2025, reflecting the decrease in adjusted EBITDA. In addition to €(22) million of depreciation and amortization, the result includes €(4) million of one-off costs, mainly restructuring provisions related to the *Focus to Value* program.

Net financial debt decreased to €536 million at the end of September from €540 million at the end of June, and was €41 million lower than at the end of 2025. The lower adjusted EBITDA was offset by working capital inflows, including extended supplier payment terms, by disciplined capital expenditure and by lower lease liabilities. Ontex's financing facilities remain solid, based on the €400 million outstanding bond, maturing in 2030, and the revolving credit facility for up to €270 million, extending until 2029. They also include off-balance sheet factoring for €197 million at the end of September. Liquidity remained strong at €272 million, consisting of €82 million cash and cash equivalents and €190 million undrawn under the revolving credit facility. Due to the lower last-twelve-months adjusted EBITDA, however, the leverage ratio increased to 3.75x, compared to 3.22x at the end of June.

Subsequent event

Ontex Russia was placed under interim administration pursuant to a Russian presidential decree dated October 15, 2026. A government-appointed interim administrator has assumed operational control of Ontex's subsidiary, which will lead to its deconsolidation in the fourth quarter. At the end of September, the Russian subsidiary held €19 million of cash and €30 million of lease liabilities. As such, the deconsolidation reduces Ontex's net financial debt by €10 million on a pro forma basis, while the expected impact on the fourth-quarter adjusted EBITDA is a reduction by approximately €2 million. Both impacts are reflected in our revised outlook.

2026 outlook

Persistent geopolitical instability continues to drive volatile exchange rates and input cost inflation, keeping raw material and other energy-related costs higher for longer than anticipated. Ontex is mitigating these through pricing, mix management and the *Focus to Value* savings program. Pricing is making an increasingly positive contribution, a trend that is expected to continue. However, the persistent volatile and elevated cost environment combined with slower-than-anticipated pricing ramp-up, lower sales volumes, and the deconsolidation of Ontex's Russian subsidiary, have led Ontex to revise its full-year 2026 outlook as follows:

> **Adjusted EBITDA** to be in the range of €143 to €148 million (previously €165 to €180 million), with the fourth-quarter adjusted EBITDA expected between €39 and €44 million;

> **Free cash flow** to be in the range of €(10) to €0 million (previously €(25) to €(10) million);

> **Leverage ratio** not to exceed 3.75x at year end (previously 3.5x).

Practical information

Disclaimer

This report may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, Ontex's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this report regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this report.

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Corporate information

The financial information in this document of Ontex Group NV for the nine months ended September 30, 2026 was authorized for issue in accordance with a resolution of the Board on October 27, 2026.

Audio webcast

Management will host an audio webcast for investors and analysts on October 28, 2026 at 12:00 CET / 11:00 BT. To attend, click on https://ontexgroup.engagestream.euronext.com/q3-2026-results. A replay will be available on the same link shortly after the live presentation. A copy of the presentation slides will be made available beforehand on https://ontex.com/investors/results-reports.

Financial calendar

> **February 11, 2027**	FY & Q4 2026 results publication
> **April 30, 2027**	Q1 2027 results publication
> **May 5, 2027**	Annual general meeting
> **July 29, 2027**	Q2 & H1 2027 results publication
> **October 28, 2027**	Q3 2027 results publication

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About Ontex

Ontex is a leading international developer and producer of baby care, feminine care and adult care products, both for retailers and healthcare, primarily in Europe and North America. The group employs around 5,000 people, with plants and offices in 12 countries, and its innovative products are distributed in around 100 countries. Ontex is headquartered in Aalst, Belgium, and is listed on Euronext Brussel. To keep up with the latest news, visit ontex.com or follow Ontex on LinkedIn.