



Q2 & H1 2016
Financial results

July 28, 2016



Forward looking statements



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Ontex Highlights



Maintaining LFL revenue and margins in challenging macro environment

LFL revenue evolution

- Reported Group revenues of €962.6 million for H1 2016, +12.9% on a reported basis
- H1 like-for-like (LFL) revenues¹ -0.1% (Q2: -1.2%)
- H1 pro-forma revenue² +2.3% (Q2: +0.7%)

H1 2016
LFL revenues¹
-0.1%
Pro-forma
revenues² +2.3%

Stable Adjusted EBITDA³ margin

- Adjusted EBITDA +12.2% to €123.3 million in H1 2016 including Grupo Mabe as from March 1 2016
 - Adverse currency impact of -€27.8 million
- Adjusted EBITDA margin down only 7 bps to 12.8% despite adverse FX effects

Adj. EBITDA³
margin
12.8%

Net debt and leverage

- Net debt of €660.2 million at end of June 2016, including €97.6 million of acquisition related earn-outs
- Net leverage of 2.97x based on LTM Adjusted EBITDA³ of €222.5 million including 4 months of Grupo Mabe
- H1 2016 Working Capital and Capex within guidance; FY capex/sales incl. Mabe expected between 3.5%-4.0%

Net debt
€660.2 million

Note 1: LFL revenues are defined as revenues at constant currency excluding change in perimeter or M&A

Note 2: Pro-forma at constant currency includes Grupo Mabe revenue for H1 and Q2 data for 2015 and 2016

Note 3: Adjusted EBITDA is a non-IFRS measure, defined as EBITDA plus non-recurring expenses and revenues excluding non-recurring depreciation and amortization and has consistently been applied throughout reporting periods. EBITDA is a non-IFRS measure, defined as earnings before net finance cost, income taxes, depreciation and amortization. Adjusted EBITDA margin is Adjusted EBITDA divided by revenue. LTM Adjusted EBITDA for the period ending June 30, 2016 includes 4 months of Adjusted EBITDA of Grupo P.I. Mabe S.A.

Market Environment

- Decelerating market growth across all Divisions
- Pricing dynamics impacted by promotional activities and currency movements
- Market share evolutions

Progress on Grupo Mabe Integration

- Synergy capture underway and in line with initial expectations
- Exploring commercial and operational opportunities
- Capacity expansion and higher run-rate expected to contribute to Group capex going forward

Higher reported revenue and stable LFL

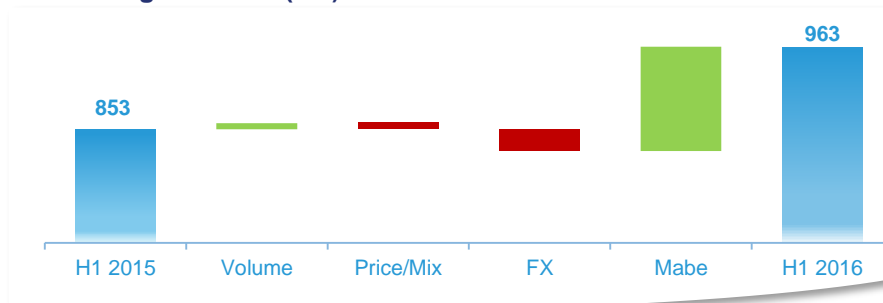


Developing markets and Mabe underpin revenue growth

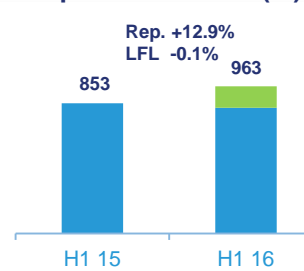
Group revenue review

- Reported revenue up +12.9% in H1 2016, including Grupo Mabe as of March 1, 2016 (+19.3% in Q2)
 - Like-for-like revenue -0.1% in H1 2016 (-1.2% in Q2)
 - Pro-forma revenue +2.3% yoy at constant currency including Grupo Mabe in 2015 and 2016 in H1 (+0.7% in Q2)
- Top line drivers:
 - Higher volumes in developing markets and Healthcare
 - Pricing declined in developed markets
 - Strong FX headwinds for the first six months of 2016 amounted to €29.4 million
 - Four month contribution from Grupo Mabe

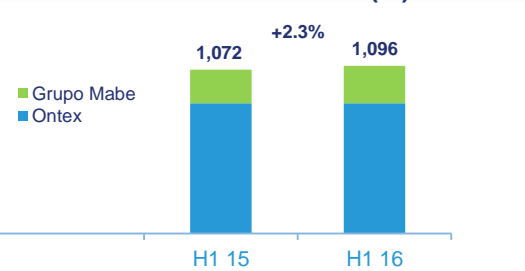
Sales bridge H1 2016 (€m)



H1 Reported and LFL (%)



H1 Pro-forma at CC (%)



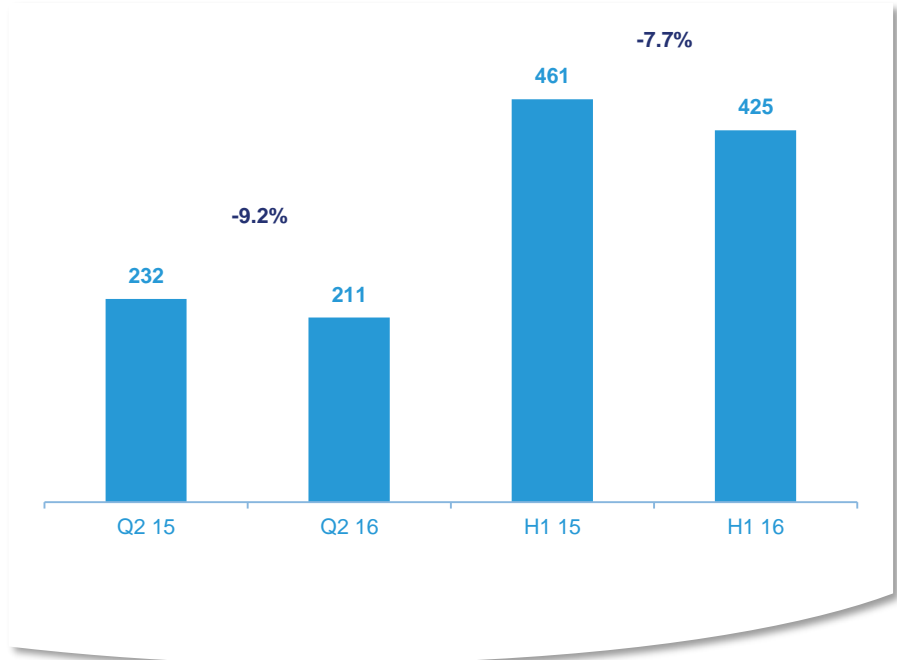
Mature Market Retail: 44% of H1 reported group sales



Navigating challenging markets with disciplined approach

- Like-for-like revenue decline, in line with expectations, due to previously mentioned cycling of contract losses in Western Europe
- Overall market value declined slightly for the first five months of 2016 due to pricing competition, including increased promotional activities by international brands
- H1 2016 revenue higher year-on-year (yoy) in Italy and Poland, declines in the UK and France
- Reinforced efforts to support retail partners
- Reported revenue decline of 7.6% in H1 2016, which included €7.9 million of sales contribution from Mabe's European business and a negative currency impact largely due to the British Pound and Polish Zloty; (-8.7% in Q2)

LFL Revenue (€m) and sales growth

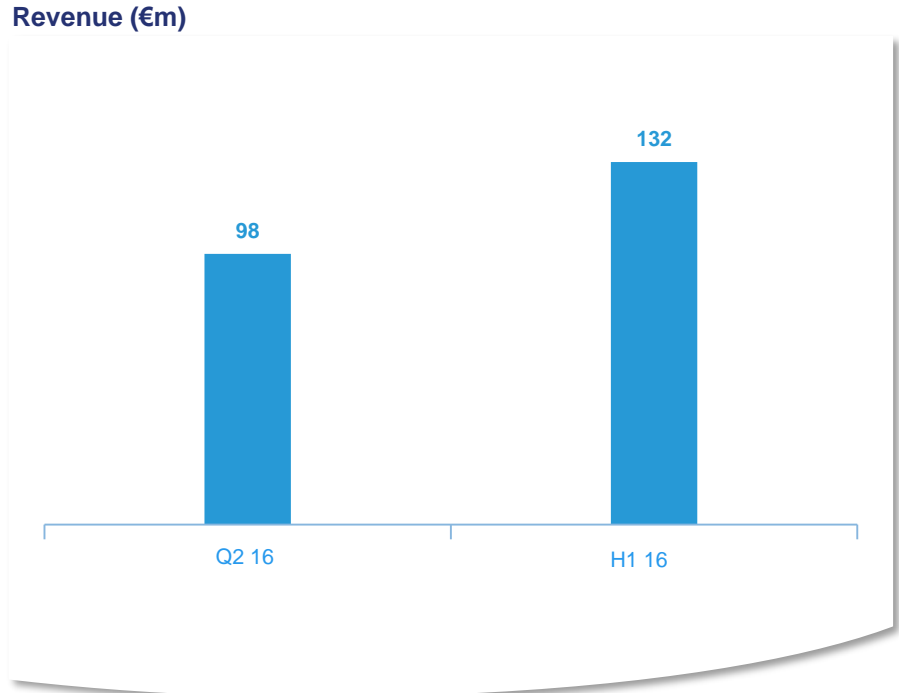


Americas Retail: 14% of H1 reported group sales



Consolidation since March 1 2016; solid growth at constant currency

- Post completion of Grupo Mabe acquisition, activities consolidated from March 1 under a new fifth division called “Americas Retail”.
- Business has performed in line with management’s expectations at the time of the transaction
- Solid progress in Mexico in Babycare, Adult Inco and Femcare
- Pro-forma H1 2016 revenue +12.4% yoy at constant currency (+8.6% in Q2)
- Reported pro-forma revenue for H1 2016 down 0.2% due to negative FX impact from Mexican Peso (-5.2% in Q2)



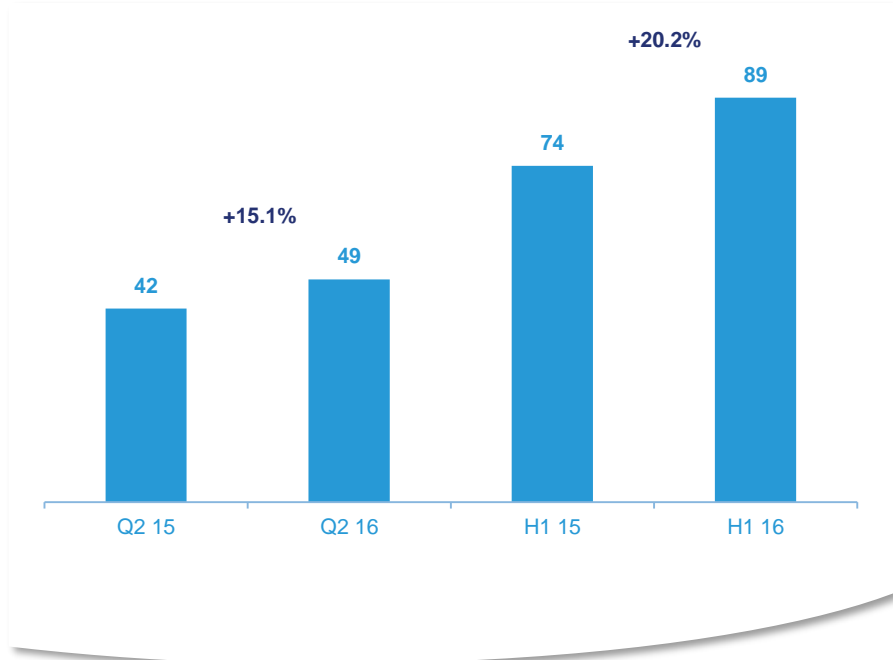
Growth Markets: 8% of H1 reported group sales



Outpacing market growth with higher volumes

- Like-for-like revenues +20.2% in H1 2016 (+15.1% in Q2)
- H1 2016 revenue growth outpacing market, driven by higher volumes in Russia and Central Eastern Europe
- Impact of price adjustments undertaken in 2015 lessening as Russian Rouble and competitive pricing dynamics coming into play
- Negative FX impact, mainly due to the Russian Rouble; reported revenue growth of 8.3% in H1 2016 (+1.2% in Q2)

LFL Revenue (€m) and sales growth



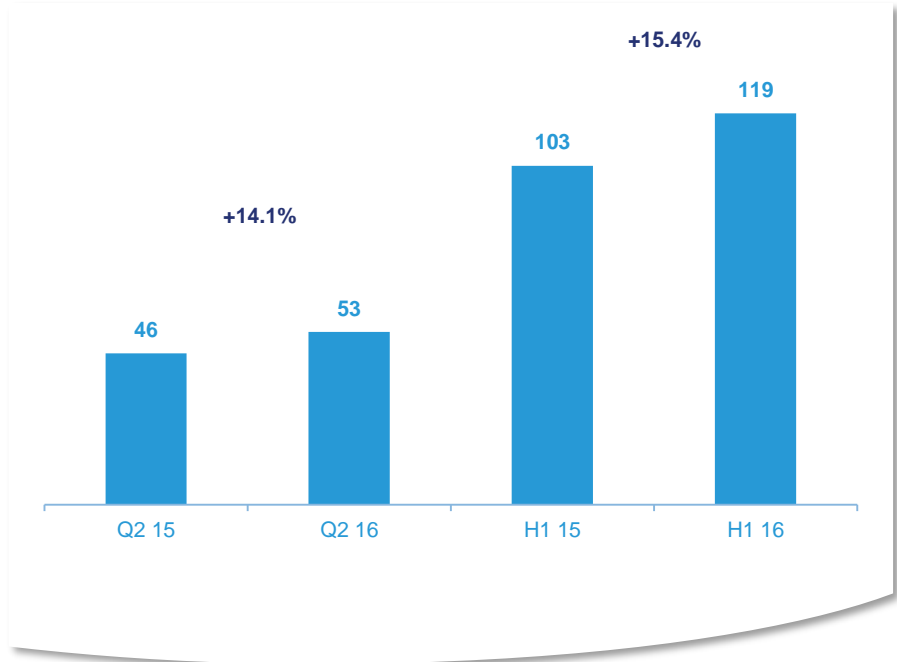
MENA: 11% of H1 reported group sales



Further growth of Ontex brands

- Like-for-like revenues +15.4% in H1 2016 (+14.1% in Q2)
- Volume-led growth across a majority of our markets
- Investing in our brands based on consumer-driven innovation, such as Canbebe in Turkey
- Competitor pricing has been increasingly volatile, including a higher level of promotional activity by international brands
- Reported growth at +5.0% in both Q2 and H1 2016, mainly as a result of negative FX impact from the Turkish Lira and Algerian Dinar

LFL Revenue (€m) and sales growth



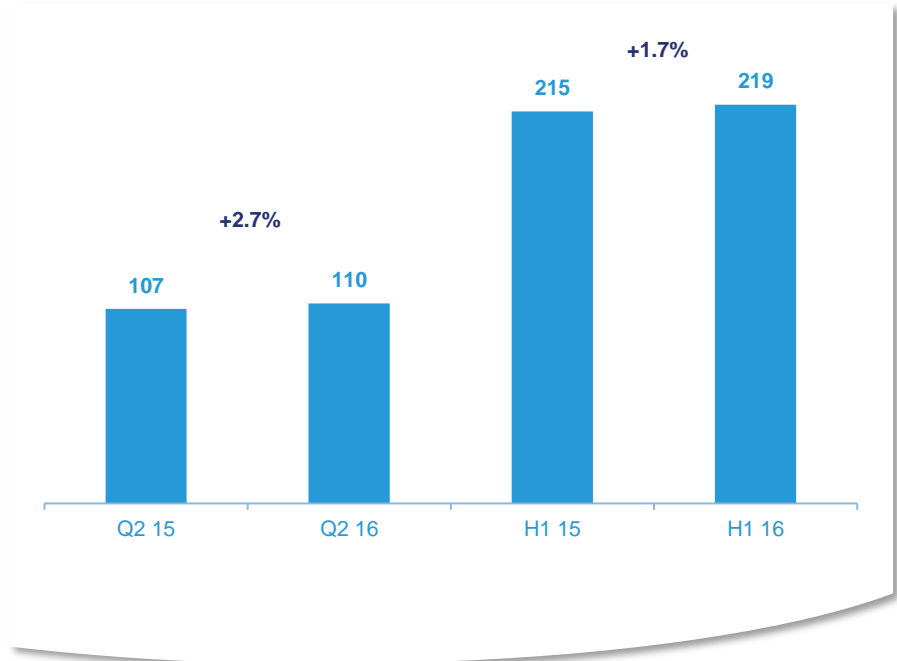
Healthcare: 23% of H1 reported group sales



Solid performance led by volume growth

- Like-for-like revenues +1.7% in H1 2016 (+2.7% in Q2)
- Growth led by Spain, Italy and the UK, offset by lower sales in France and Germany
- Leveraging home delivery expertise led to higher revenue in Germany and Italy in this channel
- Negative FX impact mostly due to the British Pound; reported revenue up 0.7% in H1 2016 (+1.4% in Q2)

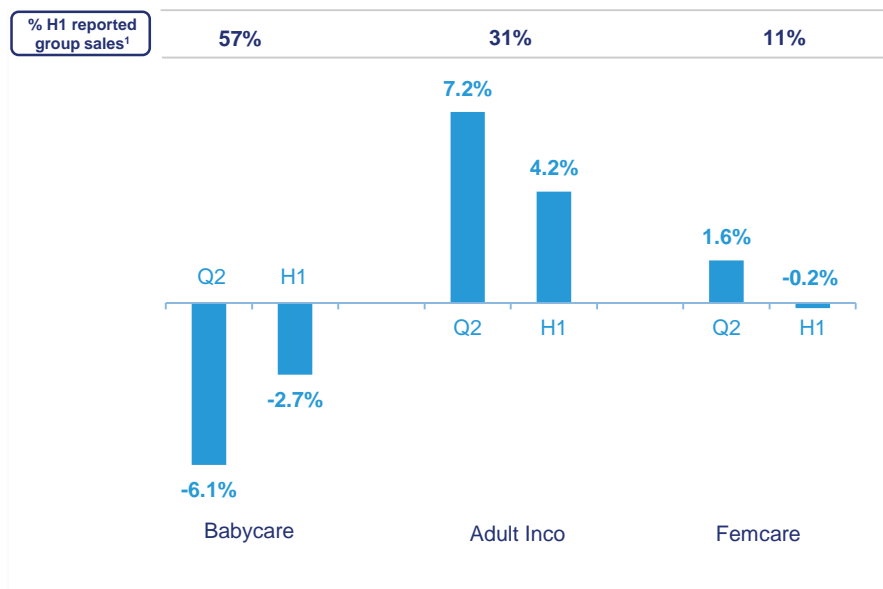
LFL Revenue (€m) and sales growth



Mixed performance across the three categories

- Babycare LFL revenue down 2.7% in H1 2016 (-6.1% in Q2), due to contract losses in developed markets
 - H1 2016 reported revenue up 20.1% including Mabe and negative FX impact (+29.7% in Q2)
- Adult Inco revenue +4.2% LFL in H1 2016 (+7.2% in Q2) thanks to:
 - Slight increase in revenue in institutional channels
 - Solid 13% revenue growth in retail channels
 - Reported revenue +5.7% in H1 2016 including Mabe and a negative FX impact (+9.8% in Q2)
- Femcare down 0.2% for H1 2016 (+1.6% in Q2), slightly ahead of retailer brand market performance in Western European
 - Revenue +2.7% including Mabe and a negative FX impact in H1 2016 (+5.5% in Q2)

LFL sales growth



Note 1: Category split excludes 1% of "Other"



Financial Review



Solid result based on higher gross margin and organizational investments

Key margin drivers

Adjusted EBITDA margin down slightly by 7 bps to 12.8% in H1 2016, in line with expectations; -56 bps for Q2 2016 to 13.0% compared to highest quarterly margin of 2015

- Currency volatility has led to strong headwinds in H1; adverse impact expected to continue into H2. FX impact partially offset by synergies from the Grupo Mabe deal
- Continued to strengthen our capabilities in sales, marketing and administrative functions

Gross margin expansion of 132 bps for H1 to 29.5%

- Continued focus on efficiency gains and savings and commodity raw material tailwinds more than offset adverse FX impacts
- Pricing for oil-based commodities was lower in H1 with a majority of the benefit being recorded in Q1; expected to continue in Q3
- Fluff pulp costs remained historically high in USD

Strong negative foreign exchange impact on Adjusted EBITDA in H1 2016

- H1 2016: -€27.8 million mainly due to the US Dollar, Russian Rouble, Turkish Lira, Polish Zloty and Algerian Dinar. The Mexican Peso also weakened against the Euro

Non-recurring costs



H1 2016 mainly impacted by provision for anti trust claim

In millions of Euro	H1 2016	H1 2015
Non recurring income and expenses¹	(8.7)	(2.3)
Factory closure	(0.1)	(0.1)
Business restructuring	(0.7)	(0.7)
Acquisition related expenses	(3.7)	(0.4)
Spanish anti trust claim	(5.2)	-
Refinancing costs	-	(0.1)
Other	0.9	(1.0)

- H1 2015 included expenses linked to the simplification of our corporate structure
- H1 2016 included:
 - Expenses incurred in connection to the acquisition of Grupo Mabe
 - A provision related to a decision of the Spanish Competition Authorities in May 2016

Note 1: Non recurring expenses excluding amortization

Increase in inventory and taxes not fully offset by higher EBITDA

In millions of Euro	H1 2016	H1 2015	%
Adjusted EBITDA	123.3	109.9	12.2%
Changes in working capital	15.1	19.0	(20.5%)
<i>Inventories</i>	(23.2)	(3.0)	<i>N.M</i>
<i>Trade and other receivables</i> ¹	9.3	3.9	<i>N.M</i>
<i>Trade and other payables</i>	29.0	18.1	60.2%
Cash taxes paid	(11.0)	(6.7)	64.2%
Capex	(18.7)	(15.3)	22.2%
Adj. Free Cash Flow (post tax)	108.7	106.9	1.7%

- Increase in Adjusted EBITDA despite adverse FX impacts
- Working capital at 10.6% of revenue in H1 2016, within our target (12% of revenue) included inventory build-up in advance of French plant move and the sale of the remainder of an Italian VAT receivable
- Capex reflected lower phasing in H1 2016. FY 2016 Capex expected between 3.5% - 4% of sales, including Grupo Mabe and IT investments

Note 1: Includes cash received from non-recourse factoring of receivables

Net leverage under control

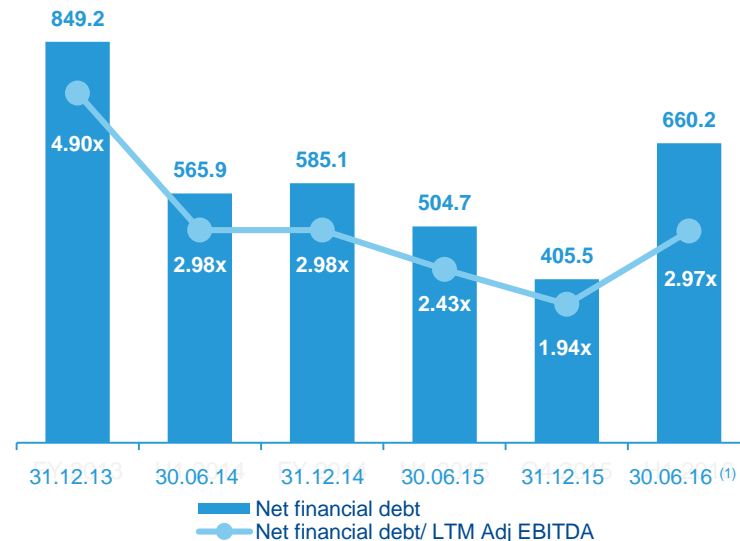
Reported debt position and liquidity as of June 30, 2016

Net Debt Calculation		(€m)
Gross debt		804.3
Cash & cash equivalents		(144.1)
Net debt		660.2

Leverage Calculation		(€m)
Net debt		660.2
LTM Adjusted EBITDA		222.5
Net debt/LTM Adjusted EBITDA		2.97x

Liquidity		(€m)
Cash & cash equivalents		144.1
Revolving credit facility of €100.0m (of which drawn: €0.0m)		200.0
Term Loan C of €125.0m (of which drawn: €25.0m)		
Available liquidity		344.1

Net Debt (€m) and leverage (x)



Note 1: Reported net debt includes acquisition related earn-outs since 31/03/2016; the earn-out was €97.6 million at 30/06/2016. Acquisition related earn-outs were not previously reported in net debt; for comparability, total net debt at 30/06/2015 would have been €514.7 million including €10.0 million of earn-outs.



Outlook



Strategic progress and priorities

- Based on current FX rates, outlook on commodity pricing and competitive environment:
 - We expect that second half 2016 revenue growth will be in our mid-term range of 4% to 6% like-for-like, based upon a better performance in Mature Market Retail and continued solid performances in the balance of our portfolio of activities
 - We will continue to capture efficiencies and savings throughout our business. In addition, in the second half of the year we will deliver an increasing amount of synergies from the Mabe acquisition. Including the dilutive impact of Grupo Mabe, we expect to have a Group Adjusted EBITDA margin for FY 2016 at least in line with FY 2015 (12.4%) on a much larger revenue base



Q&A





Appendix



Performance overview for Q2 & H1 2016



In millions of Euro	Q2 2016	Q2 2015	% as reported	% LFL	H1 2016	H1 2015	% as reported	% LFL
Per Division								
Mature markets retail	212.2	232.4	(8.7%)	(9.2%)	425.7	460.8	(7.6%)	(7.7%)
Americas Retail	98.4	0.0	n.a	n.a	132.2	0.0	n.a	n.a
Growth markets	42.9	42.4	1.2%	15.1%	79.8	73.7	8.3%	20.2%
Healthcare	108.4	106.9	1.4%	2.7%	216.9	215.3	0.7%	1.7%
MENA	48.3	46.0	5.0%	14.1%	108.1	103.0	5.0%	15.4%
Per Category								
Babycare	298.2	230.0	29.7%	(6.1%)	548.1	456.5	20.1%	(2.7%)
Femcare	53.6	50.8	5.5%	1.6%	104.3	101.6	2.7%	(0.2%)
Adult incontinence	153.8	140.1	9.8%	7.2%	298.4	282.4	5.7%	4.2%
Other (Traded goods)	4.5	6.8	(33.8%)	(32.4%)	11.8	12.3	(4.1%)	(2.4%)
Per Geographic Area								
Western Europe	262.3	279.5	(6.2%)	(7.0%)	521.9	559.6	(6.7%)	(7.2%)
Eastern Europe	76.5	72.6	5.4%	16.5%	146.9	133.4	10.1%	19.2%
Americas	100.3	2.2	N/M	31.8%	137.0	4.9	N/M	20.4%
Rest of the world	71.0	73.4	(3.3%)	2.2%	156.7	154.9	1.2%	8.3%

n.a: not applicable
N.M: Not meaningful

Delivering sustainable profitable growth



In millions of Euro	H1 2016	H1 2015	%
Revenues	962.6	852.8	12.9%
Like-for-like (LFL) revenues ¹	851.9	852.8	(0.1%)
Gross margin	283.6	240.0	18.2%
<i>Gross margin as % of sales</i>	<i>29.5%</i>	<i>28.1%</i>	<i>132 bps</i>
Adjusted EBITDA²	123.3	109.9	12.2%
<i>Adjusted EBITDA margin</i>	<i>12.8%</i>	<i>12.9%</i>	<i>(7 bps)</i>
Adjusted EBITDA at constant currency	151.1	109.9	37.5%
Operating profit excl. non recurring costs	103.2	93.6	10.3%
Operating profit	94.5	91.3	3.5%
Net finance cost	(14.1)	(17.4)	(19.0%)
Income tax expense	(22.2)	(17.0)	30.6%
Net profit / loss	58.2	56.9	2.3%
<i>Basic EPS</i>	<i>0.79</i>	<i>0.84</i>	<i>(6.0%)</i>

Note 1: LFL revenues are defined as revenues at constant currency excluding change in perimeter or M&A

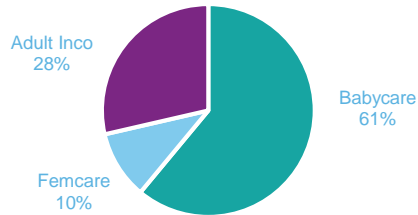
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A Strong and Diversified Business...

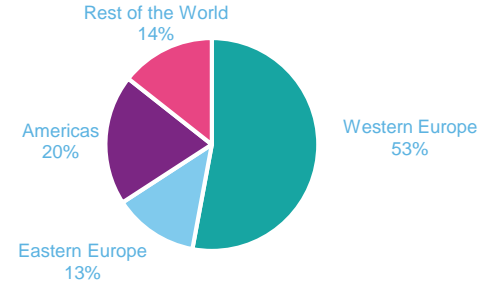


Ontex and Grupo Mabe Consolidated

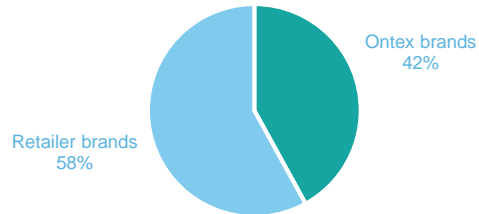
Focused on 3 attractive categories...



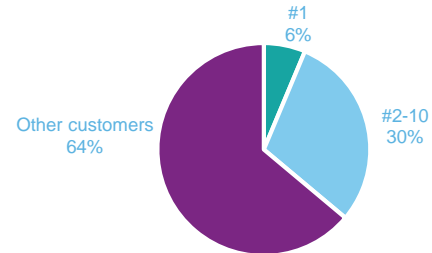
... in diverse markets...



... offering quality Retailer and Ontex brands...



...for a blue chip customer base



Note: Category split excludes 1% of "Other"

Note: Percentage splits based on FY2015 pro-forma revenue of Ontex and Grupo Mabe



Thank you

