Press release
Regulated information
April 30, 2025 – 07:00 CEST

Ontex shows margin resilience in Q1, and confirms full year outlook

> Revenue of €451 million, 2.8% lower LFL, with soft market demand partly offset by mix improvement in Europe and double-digit volume growth in North America;

> Adj. EBITDA margin resilient at 11.2%, with strong delivery of the cost transformation program ;

> Divestment of Brazilian business successfully concluded;

> Long-term financing secured, with new €400 million bond maturing in 2030;

> Full year outlook confirmed, with volume gains in H2 as main driver.

CEO quote

Gustavo Calvo Paz, Ontex's CEO, said: "*These results demonstrate Ontex's improved resilience in a more challenging economic environment, providing us confidence to confirm our full-year outlook. While we may encounter occasional challenging quarters, these are temporary fluctuations not indicative of the long-term trends our business is built on. Our focus is on achieving sustained success over the long term, and we are thereby committed to execute our strategic transformation roadmap, which fundamentally enhances our competitiveness to address the market even better. In the quarter, we also reached two significant strategic milestones, finalizing a major divestment and strengthening our balance sheet for the future, which allows us to focus even better.*"

Q1 2025 results

> **Revenue** was €451 million, a 2.8% like-for-like decrease. Volumes, including mix effects, were 1.3% lower, with softer market demand in the quarter partly offset by mix improvement in Europe and double-digit volume growth in North America. Sales prices were 1.6% lower, as expected, due to the carry-over effect from the price decreases in the first half of 2024.

> **Adjusted EBITDA** was €51 million with a margin of 11.2%. The slight decrease reflects business resilience in a more challenging environment. The cost transformation program, including the initial contribution from the Belgian footprint optimization, delivered €15 million net savings, which fully offset the sales price decrease and the operating cost increase.

> **Operating profit** was €29 million, including €3 million one-time restructuring costs.

> **Net financial debt** for the Total Group was €656 million at the end of March. The increase over the quarter is mainly linked to temporary higher working capital needs, partly caused by the mitigation actions related to the US tariff threat. The leverage ratio thereby rose temporarily from 2.5x to 2.7x.

Unless otherwise indicated, all comments in this document are on a year-on-year basis and for revenue specifically on a like-for-like (LFL) basis (at constant currencies and scope and excluding hyperinflation effects). Definitions of Alternative Performance Measures (APMs) in this document can be found on page 5.

Strategic developments

> In January, Ontex reached a binding agreement to sell its Turkish business activities to Dilek Grup for an enterprise value of approximately €24 million. The closing is expected during the second half of 2025, subject to customary conditions.

> In March, Ontex issued a €400 million bond which matures in April 2030 and holds a fixed interest rate of 5.25%. This bond replaces the existing €580 million bond which matures in July 2026. Approximately 50% of this bond has been repurchased at par meanwhile, and the remainder will be repaid by the middle of this year.

> Early April, Ontex concluded the divestment of its Brazilian business. Aggregate net cash proceeds received at closing were €81 million. An additional €18 million [1], currently still in escrow is expected to be received in the second quarter. The divestment proceeds will be used to further pay down Ontex's outstanding financial debt.

> By mid-April, Ontex finalized its 1.5 million share buyback program, which had been launched in December 2024. The acquired shares will contribute to meeting Ontex's obligations under its current and future long-term incentive plans. Ontex currently holds 2.85% of its issued shares in treasury.

2025 outlook

While market conditions were soft in the first quarter, Ontex remains confident it will deliver its previously published outlook for 2025, with volume gains in the second half of the year as main driver:

> **Revenue** to grow by 3% to 5% like for like, supported by double-digit volume growth in North America, with new contracts kicking in during the second half of the year, which will also improve margin through operating leverage;

> **Adjusted EBITDA** to grow by 4% to 7%, supported by revenue growth and further improvement of operational efficiencies, and taking into account that the products Ontex imports into the US from its plant in Mexico, are manufactured under the tariff exemption provided by the USMCA, thereby minimizing the direct impacts from US tariffs;

> **Free cash flow** to remain strong, while continuing to step up investments in Ontex's transformation. This step-up will be nearing completion by the end of 2025;

Leverage below 2.5x by year end.

[1] Approximate amount based on BRL/EUR rate at the moment of the transaction.

Key business and financial indicators

Business results in € million	Q1 2025	 2024	 %	 % LFL
Revenue	**450.6**	**460.2**	**-2.1%**	**-2.8%**
Adult Care	202.4	198.9	*+1.8%*	*+1.3%*
Baby Care	188.2	195.5	*-3.8%*	*-4.9%*
Feminine Care	56.2	60.3	*-6.8%*	*-7.5%*
Operating expenses (excl. DA)	(400.1)	(407.3)	*+1.8%*	
Adj. EBITDA	**50.5**	**52.9**	**-4.4%**	
Adj. EBITDA margin	*11.2%*	*11.5%*	*-0.3pp*	
(EBITDA adjustments)	(2.7)	(0.7)	*n.a.*	
Depreciation & amortization	(19.0)	(18.0)	*-5.3%*	
Operating profit	**28.9**	**34.2**	**-15%**	
Net financial debt [2]	655.6	612.0	*+7.1%*	
Leverage ratio [2]	*2.72x*	*2.46x*	*+0.25x*	

Revenue in € million	**2024**	Vol/mix	Sales price	**2025 LFL**	Forex	**2025**
Q1	**460.2**	-5.8	-7.3	**447.1**	+3.6	**450.6**
		-1.3%	*-1.6%*	**-2.8%**	*+0.8%*	**-2.1%**

Adj. EBITDA in € million	**2024**	Vol/mix	Sales price	Operat. savings	Raw mat'ls	Other costs	Forex	**2025**
Q1	**52.9**	-2.3	-7.3	+15.3	-2.9	-4.6	-0.6	**50.5**
		-4.4%	*-13.8%*	*+28.9%*	*-5.4%*	*-8.6%*	*-1.2%*	**-4.4%**

[2] Balance sheet data reflect the end of the period and compare to the start of the period, i.e. 31/12/2024.

Q1 2025 business review

Revenue

Revenue was €451 million, 2.8% lower like for like. Volumes decreased with softer market demand in the quarter caused by the more challenging economic conditions. This was partly offset by mix improvement in Europe and growth in North America. Sales prices were lower, as expected.

Volumes were down 1.3% including mix effects. Feminine care sales volumes dropped due to some temporary supply constraints and soft market demand in Europe, albeit with better relative performance for retailer brands. Adult care volumes were up, however, in line with continued market growth in the European retail channel and stable demand from the healthcare channel. Baby care volumes in Europe were lower on softer demand, albeit that retailer brands performed slightly better, despite intensified promotional activities by A-brands. Ontex's focus on selective product categories, led to a further mix improvement. In North America baby care sales volumes were up by double digits, thanks to the contract gains in the retail channel built up since mid-2024. Market demand was lower, especially for retailer brands, which were impacted by intense promotional activities by A-brands.

Sales prices were lower across regions and categories, and 1.6% down overall. While these have been largely stable since mid-2024, the decrease reflects the carry-over effect of the price decreases in the first half of 2024.

Forex fluctuations were supportive, adding 0.8%, mainly thanks to the appreciation of the Polish złoty, British pound and US dollar versus the same period in 2024.

Adjusted EBITDA

Adjusted EBITDA was €51 million, a 4.4% year-on-year decrease, reflecting the €2 million volume and mix reduction impact. The cost transformation program fully offset the €7 million sales price decrease and the operating cost increase.

The cost transformation program delivered €15 million net operating savings, leading to an improvement of the operating efficiency by 4.3% year on year, with purchasing, supply chain, product innovation and manufacturing initiatives. The transformation of Ontex's production footprint in Belgium is also starting to deliver, with the closure of the Eeklo plant finalized.

Raw material prices were up by €3 million in the quarter, which was mainly attributable to higher indices for fluff since the end of last year, as well as higher prices for super-absorbent polymers, packaging and other raw materials.

Other operating and SG&A costs were up by €5 million year on year, largely due to inflation of wages, as well as costs related to the ramp-up in North America and the mitigation actions related to the US tariff threat.

Forex fluctuations had a €1 million net negative impact, mainly linked to the depreciation of the Mexican peso affecting the contribution from the plant in Tijuana, Mexico.

The **adjusted EBITDA margin** was 11.2%, 0.3 percentage points lower year on year.

Q1 2025 financial review

P&L

Operating profit from continuing operations was €29 million, compared to €34 million in 2024. The €5 million decrease consists of the €2 million lower adjusted EBITDA, €2 million higher restructuring charges (€3 million in the period, versus €1 million in 2024), and €1 million higher depreciation charges linked to the more intensive investment level in the recent years.

Discontinued operations generated a revenue of €62 million, 0.7% lower like for like. The adjusted EBITDA was €4 million, resulting in a 6.1% margin. The operating profit from discontinued operations amounted also to €4 million, in the absence of depreciation and restructuring costs.

Balance sheet

Net financial debt for the Total Group was up €44 million over the period to reach €656 million at the end of March. While EBITDA delivery remained robust, these only partly offset working capital needs, capital expenditure and restructuring spent. Working capital increased, reflecting working capital inefficiencies, including mitigation measures taken in anticipation of the US tariff threat. Capital expenditure remained at a higher level to support the business growth and transformation, and the remainder of the restructuring charges related to the closure of the Eeklo sites were paid in the quarter. Also, €10 million was used to finance the share buy-back program, which has meanwhile been finalized.

The **leverage ratio** thereby rose to 2.7x, from 2.5x at the start of the year, reflecting the net debt increase and the lower last-twelve-months adjusted EBITDA.

Alternative performance measures

Alternative performance measures (non-GAAP) are used in this press release since management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measure of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of operating results, performance or liquidity under IFRS.

Net financial debt and leverage ratio

Net financial debt is calculated by adding short-term and long-term debt and deducting cash and cash equivalents. The leverage ratio is calculated by dividing the net financial debt by the adjusted EBITDA for the last twelve months (LTM). It excludes the contribution of businesses divested since.

Reconciliation of net financial debt		31/03/2025			31/12/2024		
in € million		Cont.	Discont.	**Total**	Cont.	Discont.	**Total**
Non-current interest-bearing debts	A	676.2	10.9	**687.1**	667.1	10.9	**678.0**
Current interest-bearing debts	B	91.0	5.0	**95.9**	53.1	5.2	**58.3**
Gross financial debt	C = A+B	**767.1**	**15.9**	**783.0**	**720.2**	**16.1**	**736.3**
Cash & cash equivalents	D	61.3	66.1	**127.5**	56.9	67.3	**124.2**
Net financial debt	E = C-D	**705.8**	**(50.2)**	**655.6**	**663.3**	**(51.2)**	**612.0**
Adj. EBITDA (LTM) [3]	F	220.3	21.1	**241.3**	222.6	25.7	**248.3**
Leverage ratio	G = E/F			**2.72x**			**2.46x**

[3] The Last-Twelve-Months (LTM) adj. EBITDA excludes the contribution from the divested Algerian and Pakistani businesses in 2024.

Like-For-Like (LFL) revenue and growth

Like-for-like revenue is defined as revenue at constant currency excluding change in scope of consolidation or M&A and hyperinflation impacts. The reconciliation of like-for-like revenue can be found on 2. Like-for-like growth compares the like-for-like revenue with the revenue of the previous year.

Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA is defined as earnings before net finance cost, income taxes, depreciations and amortizations (commonly defined as EBITDA) plus EBITDA adjustments. The adjusted EBITDA margin is the adjusted EBITDA divided by revenue.

EBITDA adjustments are made for income and expenses that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the Group. These income and expenses are presented separately, due to their size or nature, so as to allow users of the consolidated financial statements of the Company to get a better understanding of the normalized performance of the Company, and relate to:

> acquisition-related expenses;

> changes to the measurement of contingent considerations in the context of business combinations;

> changes to the Group structure, business restructuring costs, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of factories;

> impairment of assets and major litigations.

In the consolidated income statement these EBITDA adjustments are composed of the following items:

> income/(expenses) related to changes to Group structure; and

> income/(expenses) related to impairments and major litigations.

Reconciliation of Q1 income statement		2025			2024		
in € million		Cont.	Discont.	**Total**	Cont.	Discont.	**Total**
Revenue	a	**450.6**	**62.4**	**513.1**	**460.2**	**91.2**	**551.3**
Operating profit	b	28.9	3.9	**32.8**	34.2	11.4	**45.6**
Depreciation & amortization	c	(19.0)	(0.0)	**(19.0)**	(18.0)	0.0	**(18.0)**
EBITDA	d = b-c	**47.9**	**3.9**	**51.8**	**52.2**	**11.4**	**63.6**
EBITDA adjustments	g	2.7	(0.1)	**2.6**	0.7	0.4	**1.1**
Adj. EBITDA	h = d+g	**50.5**	**3.8**	**54.4**	**52.9**	**11.8**	**64.6**
Adj. EBITDA margin	i = h/a	*11.2%*	*6.1%*	**10.6%**	*11.5%*	*12.9%*	**11.7%**

More information on the EBITDA adjustments can be found on page 5.

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.

The information contained in this report is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance should be placed on it. In most of the tables of this report, amounts are shown in € million for reasons of transparency. This may give rise to rounding differences in the tables presented in the report.

Corporate information

The financial information in this document of Ontex Group NV for the three months ended March 31, 2025 was authorized for issue in accordance with a resolution of the Board on April 29, 2025.

Audio webcast

Management will host an audio webcast for investors and analysts on April 30, 2025 at 12:00 CEST / 11:00 BST. To attend, click on https://channel.royalcast.com/landingpage/ontexgroup/20250430_1. A replay will be available on the same link shortly after the live presentation. A copy of the presentation slides will be available on ontex.com.

Financial calendar

> **May 5, 2025**	2025 annual general meeting of shareholders
> **July 31, 2025**	Q2 & H1 2025 results publication
> **October 30, 2025**	Q3 2025 results publication
> **February 12, 2026**	Q4 & full year 2025 results publication

Enquiries

> **Investors**	Geoffroy Raskin	+32 53 33 37 30	investor.relations@ontexglobal.com
> **Media**	Catherine Weyne	+32 53 33 36 22	corporate.communications@ontexglobal.com

About Ontex

Ontex is a leading international developer and producer of baby care, feminine care and adult care products, for retailer and healthcare brands across Europe and North America. It employs about 5,500 people with plants and offices in 13 countries, and its innovative products are distributed in around 100 countries. The company is headquartered in Aalst, Belgium and is listed on Euronext Brussels, where it is a constituent of the Bel Mid® index. To keep up with the latest news, visit ontex.com or follow Ontex on LinkedIn.