Press release
Regulated information
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Strong H1 results leading to upward revision of full year outlook, with volume growth and cost transformation driving profitability up and leverage down further

> Revenue up 3% like for like, driven by 5% volume growth;

> Adjusted EBITDA rose by 31%, lifting margin up to 12%, on continued delivery of the cost transformation program, strengthening competitiveness and profitability;

> Net debt dropped 12%, thanks to strong FCF delivery and M&A proceeds, contributing to leverage ratio improvement to 2.5x;

> Full year outlook revised upward, with higher expected revenue growth, adjusted EBITDA margin and FCF, and with leverage down further.

CEO quote

Gustavo Calvo Paz, Ontex's CEO, said: "*We have achieved several key strategic milestones in the first half year. Two divestments were successfully completed, sharpening our focus on Core Markets further, and our cost transformation program delivered solid efficiency gains yet again. This consistent delivery, coupled with our sustainable innovation pipeline, allows us to grow our business in North America and strengthen it in Europe, which gives me confidence to deliver a strong year. Aiming to further strengthen our competitive position, we announced the intention to restructure our Belgian production and distribution activities. These measures will allow us to further reinforce and grow our business sustainably, while driving profitability and cash flow generation up.*"

H1 2024 results

> **Revenue** [1] was €916 million, up 3% like for like. Volumes were up 5%, including mix effects, driven by double-digit volume growth in North America and in selected product categories. Prices were 2% lower, as expected, in view of the evolution of raw material price indices.

> **Adjusted EBITDA** [1] was €110 million, up 31% year on year. The cost transformation program continued to deliver 5% operational efficiencies, strengthening profitability and competitiveness. Meanwhile, volume growth and mix improvement contributed €6 million. Index-driven lower raw material costs offset most of the continued inflation impact on other operating and SG&A costs. The adjusted EBITDA margin thereby rose to 12%, up 2.6pp year on year.

> **Operating profit** [1] was €31 million, €4 million lower than last year, as one-time provisions and impairments of €(42) million were taken primarily for the intended Belgian footprint restructuring.

> **Adjusted profit from continuing operations**, excluding the restructuring costs, was €41 million, well up versus €12 million the year before.

> **Loss of the period** for the Total Group was €(6) million, compared to €(19) million the year before. It includes the €10 million profit from continuing operations, up versus €2 million in 2023, and the €(15) million loss from discontinued operations. Solid operational results of these, were offset by non-cash currency translation adjustments related to the recent divestments.

- **Free cash flow** amounted to €43 million, a significant increase compared to the €(29) million outflow in 2023, reflecting the strong operational delivery and helped by capex payment phasing in the year, while still allowing for working capital investments to support the Group's expansion and the cost transformation program.
- **Net financial debt** for the Total Group dropped €77 million to €588 million over the half year, thanks to the solid free cash flow and inflow from recent divestments. Combined with the EBITDA improvement, the leverage ratio fell from 3.3x at the start of the year to 2.5x at the end of June.

Q2 2024 results

- **Revenue** [1] was €456 million, up 2% like for like. Volume growth and mix effects contributed 5%, driven by volume growth in North America and in selected product categories. Prices were down 3% year on year.
- **Adjusted EBITDA** [1] was €57 million, up 32% year on year. Relentless focus on the cost transformation program delivered yet again 5% operational efficiency savings, which more than covered for the price decrease. Volume growth and mix improvement contributed €5 million. Lower raw material costs more than offset other operating and SG&A cost inflation. The adjusted EBITDA margin rose to 12.5%, up 2.8pp year on year.
- **Operating loss** [1] was €(3) million, post the one-time provisions and impairments of €(42) million. These were taken primarily for the intended Belgian footprint restructuring.

2024 outlook

Based on the solid delivery in the first half of 2024, and further progress made on Ontex's structural transformation, Ontex's management revises its previously iterated guidance upward, expecting:

- **Revenue** [1] to grow in a range of 4% to 5% like for like (previously: by low-single-digit);
- **Adjusted EBITDA margin** [1] of 12% (previously: in a range of 11% to 12%);
- **Free cash flow** higher than €20 million (previously: to improve year on year);
- **Leverage ratio** to reduce further to below 2.5x by year end (previously: to below 2.8x).

[1] Reported P&L figures, represent continuing operations, i.e. Core Markets, only. As from 2022, Emerging Markets are reported as assets held for sale and discontinued operations, following the strategic decision to divest these businesses.

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 9.

Key business indicators

Business results in € million	Q2 2024	Q2 2023	Q2 %	Q2 % LFL	H1 2024	H1 2023	H1 %	H1 % LFL
Core Markets (continuing operations)								
Revenue	455.9	445.9	*+2%*	*+2%*	916.1	891.8	*+3%*	*+3%*
Baby Care	195.2	201.5	*-3%*	*-4%*	390.7	396.6	*-1%*	*-2%*
Adult Care	195.7	176.9	*+11%*	*+11%*	394.5	359.9	*+10%*	*+11%*
Feminine Care	60.3	61.7	*-2%*	*-3%*	120.5	123.0	*-2%*	*-3%*
Adj. EBITDA	56.9	43.2	*+32%*		109.8	83.8	*+31%*	
Adj. EBITDA margin	*12.5%*	*9.7%*	*+2.8pp*		*12.0%*	*9.4%*	*+2.6pp*	
Operating profit/(loss)	(3.1)	18.6	*-117%*		31.1	35.6	*-13%*	
Emerging Markets (discontinued operations) [2]								
Revenue	74.7	131.3		*-10%*	165.9	337.1		*-5%*
Adj. EBITDA	8.3	7.8			20.0	22.8		
Adj. EBITDA margin	*11.1%*	*5.9%*	*+5.2pp*		*12.1%*	*6.7%*	*+5.3pp*	
Operating loss	(18.2)	(15.2)			(6.8)	(2.8)		
Total Group [2]								
Revenue	530.6	577.3		*-0%*	1,082.0	1,228.9		*+1%*
Adj. EBITDA	65.2	50.9			129.8	106.6		
Adj. EBITDA margin	*12.3%*	*8.8%*	*+3.5pp*		*12.0%*	*8.7%*	*+3.3pp*	
Operating profit/(loss)	(21.3)	3.4			24.3	32.8		

Core Markets revenue in € million	2023	Vol/mix	Price	2024 LFL	Forex	2024
Second Quarter	445.9	+21.4	-12.9	454.4	+1.5	455.9
First Half	891.8	+41.6	-16.5	916.9	-0.8	916.1

Core Markets adj. EBITDA in € million	2023	Vol/mix /price	Raw mat'ls	Operat. costs	Operat. savings	SG&A/ Other	Forex	2024
Second Quarter	43.2	-8.0	+13.0	-5.5	+18.8	-5.7	+1.1	56.9
First Half	83.8	-10.2	+20.1	-11.0	+37.1	-12.1	+2.0	109.8

[2] The Emerging Markets and Total Group year-on-year comparison is affected by divestments in the period, i.e. the Mexican, Algerian and Pakistani business activities. The LFL comparison is corrected for this scope reduction.

H1 2024 business review of Core Markets (continuing operations)

Revenue

Revenue was €916 million, up 3% like for like, with higher, volume-driven, adult care sales of 11%, more than compensating for a price-related decrease in baby care and in feminine care of 2% and 3% respectively. Forex fluctuations had no meaningful net effect, leaving revenue growth at 3% overall compared to the first half of 2023, and 1% compared to the second half.

Volumes were up 5%, including mix effects, driven by strong double-digit volume growth in North America and in selected product categories.

The strong increase in North America contrasted with the overall stable demand for baby care products in the region, thereby highlighting Ontex's share gains. These were based on new contracts that started during the second half of 2023, the first quarter of 2024 and at the end of the second quarter. Further volume growth in the year will be supported by additional secured contracts. The year-on-year comparison was partly helped by customer destocking in the first quarter of 2023 which depressed order levels at that time.

In Europe, overall demand for baby care products weakened, while they were stable for feminine care and growing for adult care, in line with the demographic evolution. While promotional activities by branded players, temper the previous share gains of retail brands in baby diapers, the latter continue to outperform in baby pants and in the feminine and adult category. Ontex's sales volumes in Europe overall reflected these market trends, with lower sales in baby diapers and strong increases in baby pants and in adult care, especially in the healthcare channel.

Prices were 2% lower on average. While in certain categories, such as healthcare, prices remained relatively stable, as these contracts typically have a longer term and are more rigid, prices have been coming down sequentially in other categories since the second half of 2023. This was expected, in view of the raw material price index decreases which had started earlier that year.

Adjusted EBITDA

Adjusted EBITDA was €110 million, up 31% compared to the first half of 2023, and 22% compared to the second half. Continued delivery on the cost transformation program, coupled with sustainable innovation, strengthened profitability and competitiveness, servicing customers better and managing prices to invest in further volume growth. Meanwhile, volume growth and mix improvement contributed €6 million. The net cost inflation impact was largely flat and forex effects were supportive.

The **cost transformation program** delivered €37 million net operating savings, leading to a reduction of the operating cost base by 4.9%. Product innovations, manufacturing and supply chain improvements, and especially procurement initiatives remain the drivers behind the structural savings. In June, Ontex announced the intention to restructure its Belgian production and distribution activities, as part of its strategic transformation to strengthen its competitive position in the European market. It would entail the closure of the Eeklo site, as well as the transformation of the Buggenhout site into a center of excellence for research, development and production of medium and heavy incontinence care products. This initiative aims at strengthening Ontex's operational cost-efficiency across Europe, allowing to pursue the structural operating efficiency gains so far.

Costs were €3 million higher on a net basis. Raw material cost decreases had a €20 million positive impact, reflecting the year-on-year lower price indices for fluff, super-absorbent polymers and non-woven materials. However, these indices have started to rise sequentially again, compared to the end of 2023. Other operating costs were up by €11 million year on year, largely due to inflation of salaries, energy and distribution costs. SG&A expenditure was up by €12 million, with wage inflation and actualization of variable remuneration in the half year.

Forex fluctuations had a €2 million net positive impact, mainly linked to the appreciation of some non-euro currencies in Europe.

The **adjusted EBITDA margin** rose to 12.0%, up 2.6pp compared to the first half of 2023, and 2.0pp compared to the second half.

Q2 2024 business review of Core Markets (continuing operations)

Revenue

Revenue was €456 million, up 2% like for like, with a solid volume-driven increase in adult care of 11%, more than compensating for a price-related decrease in baby care of 4% and in feminine care of 3%. Forex fluctuations had a minor positive effect, leaving revenue to grow 2% year on year overall, and to reduce 1% quarter on quarter.

Volumes, including mix effects, were up 5% year on year, driven by solid growth in selected categories, and especially in North America. The latter was largely based on contracts that kicked in in the prior quarters and to a lesser extent in the quarter. Ontex's sales volumes in Europe were up significantly in adult care, especially in the healthcare channel, and in other selected categories such as baby pants, while in baby diapers volumes were down, in line with market trends.

Prices were down across categories and 3% on average compared to last year. These decreases were expected, and in line with the raw material price index decreases during last year.

Adjusted EBITDA

Adjusted EBITDA was €57 million, up 32% year on year, and 8% quarter on quarter, mainly thanks to relentless focus on delivering on the cost transformation program, which more than covered for the price decreases. Volume growth and mix improvement contributed €5 million. Lower raw material costs more than compensated for other operating and SG&A cost inflation. Forex effects had a small positive contribution.

The **cost transformation program** resulted in €19 million net operating savings, leading to a reduction of the operating cost base by 5.0%. Product innovations, manufacturing and supply chain improvements, and especially procurement initiatives were the drivers behind the structural savings.

Costs decreased by €2 million net versus last year. Year-on-year decreases of the raw material price indices had a €13 million positive impact. Other operating costs were up by €5 million year on year, largely due to inflation of wages, energy and distribution costs, and SG&A expenditure was up by €6 million year on year, on wage inflation and variable remuneration actualisations as in the first quarter.

Forex fluctuations had a €1 million net positive impact, mainly linked to the appreciation of some non-euro currencies in Europe.

The **adjusted EBITDA margin** rose to 12.5%, up 2.8pp year on year and 1.0pp quarter on quarter.

Key financial indicators

Financial results in € million	H1 2024	 2023	 %
Adj. EBITDA	**109.8**	**83.8**	***+31%***
Depreciation & amortization	(36.4)	(35.7)	*-2%*
Net finance cost	(26.5)	(24.8)	*-7%*
Adj. income tax expense [3]	(5.4)	(11.2)	*+51%*
Adj. profit from continuing operations	**41.4**	**12.2**	***+240%***
EBITDA adjustments [4]	(42.2)	(12.6)	*-236%*
Impact of EBITDA adjustments on income tax [3] [4]	10.5	2.5	*+323%*
Profit from continuing operations	**9.6**	**2.1**	***+367%***
Loss from discontinued operations	(15.5)	(21.2)	*+27%*
Loss for the period	**(5.8)**	**(19.2)**	***+70%***
Basic EPS (in €)	(0.07)	(0.24)	*+70%*
Capex	(37.9)	(44.4)	*+14%*
Free cash flow	**43.2**	**(28.6)**	***+251%***
M&A cash flow	33.6	207.2	*-84%*
Net working capital [5]	150.7	166.5	*-9%*
Working capital / revenue [5]	*7.1%*	*7.6%*	*-0.6pp*
Gross financial debt [5]	748.0	833.5	*-10%*
Net financial debt [5]	**588.1**	**665.3**	***-12%***
Leverage ratio [5]	*2.49x*	*3.25x*	*-0.76x*

[3] The Adjusted income tax expense consists of the income tax expense, as presented in the income statement, adjusted for the impact of EBITDA adjustments.

[4] EBITDA adjustments and their impact on income tax are subtracted from adjusted profit to obtain profit.

[5] Balance sheet data reflect the end of the period and compare to the start of the period, i.c. December 2023.

H1 2024 financial review of Total Group

P&L

Depreciation & amortization from continuing operations was slightly up at €(36) million, reflecting the higher investment level.

EBITDA adjustments of €42 million were made in continuing operations. These adjust for €(38) million restructuring provisions accounted for as "Income & expenses related to changes in Group structure", and consist primarily of €(37) million provisioned for the intended restructuring of the Belgian operating footprint. This amount reflects the potential redundancy cost for the employees concerned according to the Belgian legal requirements. As the social information and consultation round is still ongoing, and negotiations were not started up, no reliable estimate for the social plan beyond these legal requirements could be made. EBITDA adjustments were also made for €(4) million related asset impairments, accounted for as "Income & expenses related to impairments & major litigations".

Net finance cost from continuing operations was €(27) million, slightly higher than €(25) million in 2023, as forex effects offset the reduced interest charge. The latter is the result of lower indebtedness, following the repayment of the €220 million term loan mid last year.

Income tax result from continuing operations was a positive €5 million, compared to a €(9) million charge a year ago, following the recognition of deferred tax assets in the period in view of the improving profitability.

Discontinued operations, consisting of the Emerging Markets division, generated a revenue of €166 million, a 5% like for like decrease versus 2023, excluding forex and scope effects, following the divestment of the Mexican business in 2023 and the Algerian and Pakistani businesses earlier in this year. The adjusted EBITDA was €20 million resulting in a margin of 12.1%, almost double the 6.7% from a year ago, reflecting the improvement of the remaining businesses in Turkey and Brazil. The operating loss was €(7) million, compared to €(3) million last year, which still included the partial contribution from the Mexican business and the full contribution of the Algerian and Pakistani business. It includes some divestment-related costs as well as the non-cash recycling of €(20) million currency translation adjustments through the P&L, from "Cumulative translation reserves" to "Retained earnings and other reserves" in the equity. This follows the finalization of the divestment of the Algerian and Pakistani businesses in the period.

Loss of the period for the Total Group was €(6) million, compared to €(19) million the year before, and consists of the €(15) million loss from discontinued operations and the €10 million profit from continuing operations. The latter compares to €2 million in 2023, and includes the impact of restructuring and impairment related costs. Excluding these, the adjusted profit from continuing operations was €41 million, well up versus €12 million the year before. Basic earnings per share of the Total Group were €(0.07), compared to €(0.24) in 2023.

Cash flow

Capital expenditure was €(38) million, representing 3.5% of the Total Group revenue. The ratio is relatively low compared to the expected ratio for the year, due to phasing of payments, and is expected to accelerate in the second half, to support investments in the North American business expansion and the further implementation of the cost transformation program. Capital expenditure excludes financial leases which amounted to €(12) million, largely in line with 2023. The combined capital expenditure and leases represented 1.4x the depreciation.

Free cash flow amounted to €43 million, well up compared to €(29) million in 2023, reflecting the strong operational delivery and helped by capex phasing. Working capital needs to support the business expansion and transformation amounted to €(12) million, while cash-out for restructuring and primarily divestment-related cash costs were €(5) million. Cash taxes were €(5) million and net financing cash-out totaled €(17) million, substantially lower than in 2023, as the interest payments decreased, and in 2023 significant transaction costs were paid related to the renegotiated revolving credit facility.

M&A cash flow totaled €34 million. Early April, Ontex completed the divestment of its Algerian business, and in June its Pakistani business. The net cash proceeds for both transactions combined so far were €25 million net of cash disposed, but remain subject to taxes, transaction costs and the customary post-closing adjustments, likely to be paid in the second half of the year. A deferred receivable related to the divestment of the Mexican business in 2023 still remained outstanding. In the first half year €8 million was received from the acquirer, and €19 million remains due within the next four years.

Balance sheet

Net working capital for the Total Group at the end of the period was €151 million, a €16 million decrease versus the end of 2023, largely linked to the divestment of the Algerian and Pakistani businesses. Net working capital in the remaining operations were largely stable, reflecting a relative improvement versus revenue. Trade receivables increased in line with the growing business, partly offset by slightly higher factoring activity, i.e. €170 million at the end of June. Inventories were up more to support the ramp-up in revenue in North America and the footprint adjustments in Europe. Increased trade payables offset these increases, however, reflecting better payment terms as a result of the cost transformation program.

Net financial debt for the Total Group dropped €77 million, from €665 million to €588 million over the half year, thanks to the solid free cash flow and the inflow from recent divestments. The leverage ratio decreased further from 3.25x at the start of the year to 2.49x end of June, as a combination of the net financial debt reduction and especially the further increase of the adjusted EBITDA of the Total Group of the last twelve months.

Gross financial debt of the Total Group reduced even more, by €86 million, from €834 million to €748 million, thanks to cash optimization. It consists primarily of the €580 million bond at fixed 3.5% rate maturing in July 2026, of €130 million of short- and long-term lease liabilities, and of €32 million drawn on the floating rate revolving credit facility with a maximum capacity of €242 million. The available liquidity of the Total Group increased from €322 million to €370 million, consisting of the €160 million cash and cash equivalents and the undrawn part of the revolving credit facility.

Assets-held-for-sale at the end of the period, i.e. the Brazilian and Turkish businesses, are valued at €141 million net on the balance sheet and include a €57 million net cash position. The balance sheet also includes €(211) million of cumulative translation reserves in equity related to these assets.

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, i.e. the Mexican business activities, divested in the second quarter of 2023, and the Algerian and Pakistani businesses in the second quarter of 2024.

Reconciliation of financial debt		**30/06/2024**			**31/12/2023**		
in € million		Cont.	Discont.	Total	Cont.	Discont.	Total
Non-current interest-bearing debts	*A*	671.3	12.6	683.9	671.8	15.3	687.0
Current interest-bearing debts	*B*	60.6	3.6	64.2	141.1	5.4	146.5
Gross financial debt	*C = A+B*	**731.9**	**16.2**	**748.0**	**812.9**	**20.7**	**833.5**
Cash & cash equivalents	*D*	86.3	73.6	159.9	97.2	71.1	168.3
Net financial debt	*E = C-D*	**645.5**	**(57.5)**	**588.1**	**715.7**	**(50.4)**	**665.3**
Adj. EBITDA (LTM) [6]	*F*	199.8	36.2	236.0	173.9	30.7	204.6
Leverage ratio	*G = E/F*			***2.49x***			***3.25x***

Net working capital

Net working capital is calculated by adding inventories, trade receivables and prepaid expenses and other receivable and deducting trade payables and accrued expenses and other payables. The ratio to the annualized ratio of the last three months excludes the contribution of businesses divested since, i.e. the Algerian and Pakistani businesses, divested in the second quarter of 2024.

Reconciliation of working capital		**30/06/2024**			**31/12/2023**		
in € million		Cont.	Discont.	Total	Cont.	Discont.	Total
Inventories	*H*	287.8	39.0	326.8	252.8	57.7	310.5
Trade receivables	*I*	211.2	52.8	264.0	206.1	63.6	269.7
Prepaid expenses & other receivables	*J*	72.8	6.9	79.7	63.5	7.9	71.4
Trade payables	*K*	420.4	67.0	487.4	370.5	82.2	452.7
Accrued expenses & other payables	*L*	21.9	10.6	32.5	20.6	11.8	32.4
Net working capital	*M = H+I+J-K-L*	**129.6**	**21.1**	**150.7**	**131.3**	**35.2**	**166.5**
Working capital / revenue (L3M) [7]	*N = M/(4*a)*			*7.1%*			*7.6%*

[6] The Last-Twelve-Months (LTM) adj. EBITDA excludes the contribution from the divested Mexican businesses for 2023, and the Algerian and Pakistani businesses for 2024.

[7] The Last-Three-Months (L3M) revenue is annualized (x4) and excludes the contribution from the Algerian and Pakistani businesses for 2024.

EBITDA and adjusted EBITDA, and related margins

EBITDA is defined as earnings before net finance cost, income taxes, depreciations and amortizations. Adjusted EBITDA is defined as EBITDA plus EBITDA adjustments. EBITDA and adjusted EBITDA margins are EBITDA and 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 income statement		**2024**			**2023**		
in € million		Cont.	Discont.	Total	Cont.	Discont.	Total
Q2							
Revenue	*a*	**455.9**	**74.7**	**530.6**	**445.9**	**131.3**	**577.3**
Operating profit/(loss)	*b*	(3.1)	(18.2)	(21.3)	18.6	(15.2)	3.4
Depreciation & amortization	*c*	(18.4)	0.0	(18.4)	(18.9)	0.0	(18.9)
EBITDA	*d = b-c*	15.3	(18.2)	(2.8)	37.5	(15.2)	22.3
Income & expenses related to changes to Group structure	*e*	(37.7)	(26.5)	(64.2)	(4.2)	(10.3)	(14.5)
Income & expenses related to impairments & major litigations	*f*	(3.8)	0.0	(3.8)	(1.5)	(12.6)	(14.1)
EBITDA adjustments	*g = -e-f*	41.6	26.5	68.0	5.7	22.9	28.6
Adj. EBITDA	*h = d+g*	**56.9**	**8.3**	**65.2**	**43.2**	**7.8**	**50.9**
Adj. EBITDA margin	*i = h/a*	***12.5%***	***11.1%***	***12.3%***	***9.7%***	***5.9%***	***8.8%***
H1							
Revenue	*a*	**916.1**	**165.9**	**1,082.0**	**891.8**	**337.1**	**1,228.9**
Operating profit/(loss)	*b*	31.1	(6.8)	24.3	35.6	(2.8)	32.8
Depreciation & amortization	*c*	(36.4)	(0.0)	(36.4)	(35.7)	(0.0)	(35.7)
EBITDA	*d = b-c*	67.5	(6.8)	60.7	71.3	(2.8)	68.5
Income & expenses related to changes to Group structure	*e*	(38.5)	(26.8)	(65.3)	(11.1)	(12.9)	(24.0)
Income & expenses related to impairments & major litigations	*f*	(3.8)	0.0	(3.8)	(1.5)	(12.7)	(14.2)
EBITDA adjustments	*g = -e-f*	42.2	26.8	69.1	12.6	25.6	38.1
Adj. EBITDA	*h = d+g*	**109.8**	**20.0**	**129.8**	**83.8**	**22.8**	**106.6**
Adj. EBITDA margin	*i = h/a*	***12.0%***	***12.1%***	***12.0%***	***9.4%***	***6.7%***	***8.7%***

More information on the EBITDA adjustments can be found on page 7.

Adjusted profit and adjusted EPS

Adjusted profit is defined as profit for the period plus EBITDA adjustments and the impact of these EBITDA adjustments on tax. Adjusted basic earnings per share are defined as adjusted profit divided by the weighted average number of ordinary shares.

Reconciliation of adjusted profit		**H1**	
in € million		2024	2023
Profit from continuing operations	*j*	9.6	2.1
EBITDA adjustments	*g*	42.2	12.6
Impact of EBITDA adjustments on income tax	*k*	(10.5)	(2.5)
Adj. profit from continuing operations	*l = j+g+k*	**41.4**	**12.2**
Weighted average number of shares outstanding in the period (in million)	*o*	81.1	81.1
Adj. basic EPS from continuing operations (in €)	*m = l/o*	**0.51**	**0.15**

Free cash flow

Free cash flow is defined as net cash generated from operating activities (as presented in the consolidated cash flow statement, i.e. including income taxes paid) less capital expenditures (Capex, defined as purchases of property, plant and equipment and intangible assets), less repayment of lease liabilities and including cash (used in)/from disposal, less financing cash flows, i.e. Interests paid and received, cost of refinancing & other costs of financing, realized foreign exchange (losses)/gains on financing activities and derivative financial assets).

Reconciliation of free cash flow		**H1**	
in € million		2024	2023
Operating profit (Total Group)	*b*	24.3	32.8
Depreciation & amortization (Total Group)	*c*	(36.4)	(35.7)
EBITDA (Total Group)	*d = b-c*	60.7	68.5
Non-cash items and items relating to investing & financing activities	*j*	66.3	15.0
Changes in working capital	*k*	(12.3)	(21.4)
Current Employee benefit liabilities	*l*	0.6	4.3
Cash from operating activities before taxes	*m = d+j+k+l*	115.2	66.4
Income taxes paid	*n*	(5.1)	(11.8)
Net cash generated from operating activities	*o = m+n*	110.1	54.7
Capex (Purchases of PPE & intangible assets)	*p*	(37.9)	(44.4)
Proceeds from disposal of PPE & intangible assets	*q*	0.1	6.2
Repayment of lease liabilities	*r*	(12.4)	(12.1)
Free cash flow before financing	*s = o+p+q+r*	59.8	4.3
Interests paid	*t*	(20.6)	(28.0)
Interests received	*u*	3.2	1.7
Cost of refinancing & other costs of financing	*v*	2.6	(9.8)
Realized foreign exchange (losses)/gains on financing activities	*w*	(1.1)	5.0
Derivative financial assets	*x*	(0.7)	(1.8)
Free cash flow	*y = s+t+u +v+w+x*	**43.2**	**(28.6)**

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 page 3. Like-for-like growth compares the like-for-like revenue with the revenue of the previous year.

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 above press release and related financial information of Ontex Group NV for the six months ended June 30, 2024 was authorized for issue in accordance with a resolution of the Board on July 30, 2024.

Audio webcast

Management will host an audio webcast for investors and analysts on July 31, 2024 at 12:00 CEST / 11:00 BST. Click on https://channel.royalcast.com/landingpage/ontexgroup/20240731_1 to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device, so be sure to have headphones or your volume turned up. A full replay of the presentation will be available at the same link shortly after the conclusion of the live presentation. A copy of the presentation slides will be available on ontex.com.

Financial calendar

> October 24, 2024	Q3 2024 results
> February 19, 2025	Q4 & full year 2024 results
> April 30, 2025	Q1 2025 results
> May 5, 2025	2025 Annual general meeting of shareholders
> July 31, 2025	Q2 & H1 2025 results

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About Ontex

Ontex is a leading international developer and producer of care products and solutions for retailers and healthcare, with expertise in baby care, feminine care and adult care. Ontex's innovative products are distributed in around 100 countries through retailers and healthcare providers. Employing some 7,500 people, Ontex has a presence in 14 countries, with its headquarters in Aalst, Belgium. Ontex is listed on Euronext Brussels and is part of the Bel Mid®. To keep up with the latest news, visit ontex.com or follow Ontex on LinkedIn, Facebook, Instagram and YouTube.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST HALF ENDED JUNE 30, 2024

CONTENT

Statement of the Board of Directors **2**

Independent Auditors' Report **3**

1. Consolidated statement of financial position as at June 30 **4**

2. Consolidated income statement for the first half ended June 30 **5**

3. Consolidated statement of comprehensive income for the first half ended June 30 **6**

4. Consolidated statement of changes in equity for the first half ended June 30 **7**

5. Consolidated statement of cash flows for the first half ended June 30 **9**

6. Notes to the condensed consolidated interim financial statements **10**

6.1. Corporate information 10

6.2. Summary of significant accounting policies 10

6.3. Operating segments 14

6.4. Goodwill 14

6.5. Intangible assets 15

6.6. Property, plant and equipment 15

6.7. Right-of-use assets 15

6.8. Net debt 16

6.9. Provisions 16

6.10. Disposal group held for sale and discontinued operations 17

6.11. EBITDA adjustments 20

6.12. Net finance cost 21

6.13. Earnings per share 22

6.14. Share based payments 23

6.15. Financial instruments 24

6.16. Contingencies 27

6.17. Related party transactions 27

6.18. Events after the end of the reporting period 27

6.19. Alternative Performance Measures 28

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Ontex Group NV certifies in the name and on behalf of Ontex Group NV, that to the best of their knowledge,

- the Condensed Consolidated Interim Financial Statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, financial position and results of Ontex Group NV and of the entities included in the consolidation;
- the financial report presents a fair overview of the information that needs to be disclosed pursuant Article 12, paragraph 2 of the Royal Decree of November 14, 2007.

The amounts in this document are represented in millions of euros (€ million), unless noted otherwise.

Due to rounding, numbers presented throughout these Condensed Consolidated Interim Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

INDEPENDENT AUDITORS' REPORT

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONSOLIDATED CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED JUNE 30, 2024

To the Board of Directors
Ontex Group NV
Korte Keppestraat 23
9320 Erembodegem

Statutory auditor's report on review of condensed consolidated interim financial statements for the period ended 30 June 2024

Introduction

We have reviewed the accompanying consolidated statement of financial position of Ontex Group NV and its subsidiaries as of 30 June 2024 and the related consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months period, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Ghent, 30 July 2024

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Signed by:
AF31B8E5949E481...
Lien Winne*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Lien Winne BV

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1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30

ASSETS in € million	Note	June 30, 2024	December 31, 2023
Non-current Assets			
Goodwill	6.4	797.8	796.0
Intangible assets	6.5	31.9	32.6
Property, plant and equipment	6.6	470.0	461.5
Right-of-use assets	6.7	106.3	105.2
Deferred tax assets		21.5	11.7
Non-current receivables		19.3	29.0
		1,446.7	**1,436.1**
Current Assets			
Inventories		287.8	252.8
Trade receivables		211.2	206.1
Prepaid expenses and other receivables		72.8	63.5
Current tax assets		2.6	4.9
Derivative financial assets		4.3	5.1
Other financial assets		0.1	-
Cash and cash equivalents	6.8	86.3	97.2
Assets classified as held for sale	6.10	260.6	296.1
		925.7	**925.7**
TOTAL ASSETS		**2,372.4**	**2,361.7**

EQUITY AND LIABILITIES in € million	Note	June 30, 2024	December 31, 2023
Equity attributable to owners of the company			
Share capital & premium		1,208.0	1,208.0
Treasury shares		(30.3)	(32.3)
Cumulative translation reserves		(221.2)	(246.8)
Retained earnings and other reserves		(29.4)	(26.8)
TOTAL EQUITY		**927.0**	**902.0**
Non-current liabilities			
Employee benefit liabilities		15.2	14.9
Interest-bearing debts	6.8	671.3	671.8
Deferred tax liabilities		16.4	19.9
Other payables		2.8	1.0
		705.6	**707.5**
Current liabilities			
Interest-bearing debts	6.8	60.6	141.1
Derivative financial liabilities		2.8	5.4
Trade payables		420.4	370.5
Accrued expenses and other payables		21.9	20.6
Employee benefit liabilities		42.1	41.0
Current tax liabilities		27.8	27.0
Provisions	6.9	45.0	10.0
Liabilities related to assets classified as held for sale	6.10	119.2	136.6
		739.8	**752.2**
TOTAL LIABILITIES		**1,445.4**	**1,459.7**
TOTAL EQUITY AND LIABILITIES		**2,372.4**	**2,361.7**

The accompanied notes are an integral part of the condensed consolidated interim financial statements.

2. CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF ENDED JUNE 30

in € million	Note	First Half 2024	First Half 2023
Revenue	6.3	916.1	891.8
Cost of sales		(645.5)	(667.1)
Gross Profit		**270.5**	**224.7**
Distribution expenses		(100.9)	(96.1)
Sales and marketing expenses		(40.5)	(39.7)
General administrative expenses		(50.8)	(39.7)
Other operating income/(expenses), net		(5.0)	(1.1)
Income and expenses related to changes to Group structure	6.11	(38.5)	(11.1)
Income and expenses related to impairments and major litigations	6.11	(3.8)	(1.5)
Operating profit/(loss)		**31.1**	**35.6**
Finance income		1.8	0.4
Finance costs		(25.3)	(30.6)
Net exchange differences relating to financing activities		(3.1)	5.4
Net finance cost	6.12	**(26.5)**	**(24.8)**
Profit/(loss) before income tax		**4.6**	**10.8**
Income tax expense		5.1	(8.7)
Profit/(loss) for the period from continuing operations		**9.6**	**2.1**
Profit/(loss) for the period from discontinued operations	6.10	**(15.5)**	**(21.2)**
Profit/(loss) for the period		**(5.8)**	**(19.2)**
Profit/(loss) attributable to:			
Owners of the parent		(5.8)	(19.2)
Profit/(loss) for the period		**(5.8)**	**(19.2)**

Earnings per share:

in €	Note	First Half 2024	First Half 2023
For continuing operations			
Basic earnings per share		0.12	0.03
Diluted earnings per share		0.11	0.03
For continuing and discontinued operations			
Basic earnings per share	6.13	(0.07)	(0.24)
Diluted earnings per share	6.13	(0.07)	(0.24)
Weighted average number of ordinary shares outstanding during the period		81,148,812	81,073,346

The accompanied notes are an integral part of the condensed consolidated interim financial statements.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST HALF ENDED JUNE 30

in € million	Note	First Half	
		2024	2023*
Profit/(loss) for the period		**(5.8)**	**(19.2)**
Other comprehensive income/(loss) for the period, after tax:			
Exchange differences on translating foreign operations		25.6	9.0
Fair value remeasurements - Cash flow hedge	6.15	3.0	4.4
Deferred tax on items that will be reclassified subsequently to income statement		(0.6)	-
Items that will be reclassified subsequently to income statement, net of tax		**27.9**	**13.4**
Other comprehensive income/(loss) for the period, net of tax		**27.9**	**13.4**
Total comprehensive income/(loss) for the period		**22.1**	**(5.8)**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		22.1	(5.8)
Total comprehensive income/(loss) for the period		**22.1**	**(5.8)**

*The impact of hyperinflation for both non-monetary and monetary items is presented in cumulative translation reserves as of the second half of 2023. The figures for the first half of 2023 have been restated, having a reclassification impact of €11.3 million between retained earnings and cumulative translation reserves

The accompanied notes are an integral part of the condensed consolidated interim financial statements.

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST HALF ENDED JUNE 30

	Attributable to equity holders of the Company										
							Other reserves				
in € million	Number of shares	Share capital	Share Premium	Treasury shares	Cumulative translation reserves	Retained earnings	Defined benefit plans	Cash flow hedge	Share-based payments	Other	Total Equity
Balance at December 31, 2023	**82,347,218**	**795.2**	**412.8**	**(32.3)**	**(246.8)**	**(322.8)**	**2.0**	**(2.5)**	**11.5**	**285.0**	**902.0**
Transactions with owners at the level of Ontex Group NV:											
Share-based payments	-	-	-	-	-	3.0	-	-	0.3	-	3.3
Settlement of share-based payments	-	-	-	2.5	-	-	-	-	(0.9)	(1.6)	-
Treasury Shares	-	-	-	(0.4)	-	-	-	-	-	-	(0.4)
Descope	-	-	-	-	-	(0.2)	0.2	-	-	-	(0.0)
Total transactions with owners	**-**	**-**	**-**	**2.1**	**-**	**2.8**	**0.2**	**-**	**(0.5)**	**(1.6)**	**3.0**
Comprehensive income:											
Profit/(loss) for the period	-	-	-	-	-	(5.8)	-	-	-	-	(5.8)
Other comprehensive income/(loss)	-	0.0	-	-	25.6	0.0	0.0	2.3	-	-	27.9
Balance at June 30, 2024	**82,347,218**	**795.2**	**412.8**	**(30.3)**	**(221.2)**	**(325.8)**	**2.2**	**(0.1)**	**11.0**	**283.4**	**927.0**

	Attributable to equity holders of the Company										
							Other reserves				
in € million	Number of shares	Share capital	Share Premium	Treasury shares	Cumulative translation reserves *	Retained earnings*	Defined benefit plans	Cash flow hedge	Share-based payments	Other	Total Equity
Balance at December 31, 2022	**82,347,218**	**795.2**	**412.8**	**(34.2)**	**(254.1)**	**(361.6)**	**3.4**	**(2.3)**	**13.2**	**286.1**	**858.4**
Transactions with owners at the level of Ontex Group NV:											
Share-based payments	-	-	-	-	-	4.0	-	-	(2.7)	0.1	1.4
Settlement of share-based payments	-	-	-	1.9	-	-	-	-	(0.8)	(1.2)	-
Treasury Shares	-	-	-	(0.5)	-	-	-	-	-	-	(0.5)
Total transactions with owners	**-**	**-**	**-**	**1.4**	**-**	**4.0**	**0.0**	**0.0**	**(3.5)**	**(1.1)**	**0.9**
Comprehensive income:							**-**				
Profit/(loss) for the period	-	-	-	-	-	(19.2)	-	-	-	-	(19.2)
Other comprehensive income/(loss)	-	-	-	-	9.0	(0.0)	-	4.4	-	-	13.4
Balance at June 30, 2023	**82,347,218**	**795.2**	**412.8**	**(32.8)**	**(245.1)**	**(376.7)**	**3.4**	**2.1**	**9.8**	**285.0**	**853.6**

*The impact of hyperinflation for both non-monetary and monetary items is presented in cumulative translation reserves as of the second half of 2023. The figures per June 2023 have been restated, having a reclassification impact of €59.0 million between retained earnings and cumulative translation reserves

The accompanied notes are an integral part of the condensed consolidated interim financial statements.

5. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF ENDED JUNE 30

in € million	First Half 2024	First Half 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	**(5.8)**	**(19.2)**
Adjustments for:		
Income tax expense	(0.1)	18.7
Depreciation and amortization	36.4	35.7
Impairment losses and items relating to investing activities	29.1	21.1
Provisions (including employee benefit liabilities)	39.8	(10.6)
Change in fair value of financial instruments	(2.6)	4.5
Net finance cost	30.2	33.2
Changes in working capital:		
Inventories	(34.3)	(22.3)
Trade and other receivables and prepaid expenses	(29.2)	(22.0)
Trade and other payables and accrued expenses	51.1	22.9
Current Employee benefit liabilities	0.6	4.3
Cash from operating activities before taxes	**115.2**	**66.4**
Income taxes paid	(5.1)	(11.8)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**110.1**	**54.7**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(37.9)	(44.4)
Proceeds from disposal of property, plant and equipment and intangible assets	0.1	6.2
Proceeds from divestments, net of cash disposed and transaction costs	33.6	237.3
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(4.2)**	**199.1**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	250.8	154.5
Repayment of borrowings	(347.7)	(400.1)
Interests paid	(20.6)	(28.0)
Interests received	3.2	1.7
Cost of refinancing & other costs of financing	2.6	(9.8)
Realized foreign exchange (losses)/gains on financing activities	(1.1)	5.0
Derivative financial assets	(0.7)	(1.8)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(113.5)**	**(278.6)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(7.6)**	**(24.9)**
Effects of exchange rate changes on cash and cash equivalents	(0.7)	(6.9)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**168.3**	**208.7**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**159.9**	**177.0**
Of which presented as part of Assets classified as held for sale	73.6	64.2

The accompanied notes are an integral part of the condensed consolidated interim financial statements.

6. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6.1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of Ontex Group NV (the 'Group' or 'Ontex') for the First Half ended June 30, 2024 were authorized for issue in accordance with a resolution of the Board on July 30, 2024.

Legal status

Ontex Group is a limited-liability company incorporated as a "*naamloze vennootschap*" ("NV") under Belgian law with company registration number 0550.880.915. Ontex Group has its registered office at Korte Keppestraat 21, 9320 Erembodegem (Aalst), Belgium. The shares of Ontex Group are listed on the regulated market of Euronext Brussels.

6.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.2.1. Basis of preparation

The condensed consolidated interim financial statements of the Group for the first six months ended June 30, 2024 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*, as adopted by the European Union. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023 of Ontex Group NV, that can be found on the website: https://www.ontexglobal.com.

The amounts in this document are presented in € millions, unless noted otherwise. This may give rise to rounding differences in the tables presented in the report.

This report has been prepared in Dutch and translated into English. In the case of discrepancies between the two versions, the Dutch version will prevail.

A summary of the significant accounting policies can be found in the audited consolidated financial statements for the year ended December 31, 2023 of Ontex Group NV that can be found in the Integrated Annual Report 2023 on the website (https://www.ontexglobal.com), from page 95 through page 108. The accounting policies have been consistently applied to all the periods presented.

The accounting policies used to prepare the condensed consolidated interim financial statements for the period from January 1, 2024 to June 30, 2024 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2023 of Ontex Group NV.

IFRS accounting standards to be adopted as from 2024

The following relevant new standards and amendments to existing standards have been published and are mandatory for the first time for the financial periods beginning on or after January 1, 2024 and have been endorsed by the European Union:

Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as current or non-current* (effective January 1, 2024), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services;
- Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS *7 Financial Instruments: Disclosures: Supplier Finance Arrangements* (effective January 1, 2024). The amendment describes the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.

Amendments to IFRS 16 *Leases: Lease Liability in a Sale and Leaseback* (effective January 1, 2024). The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognized when they occur as these relate to the right of use terminated and not the right of use retained.

The above mentioned standards did not have an impact on the condensed consolidated interim financial statements.

Relevant IFRS accounting pronouncements to be adopted as from 2025 onwards

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning January 1, 2024 and have not been endorsed by the European Union. Those which may be the most relevant to the Ontex Group’s consolidated financial statements are set out below.

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (effective January 1, 2025). IAS 21 previously did not cover how to determine exchange rates in case there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on:

- Determining when a currency is exchangeable into another and when it is not;
- Determining the exchange rate to apply in case a currency is not exchangeable;
- Additional disclosures to provide when a currency is not exchangeable.

Amendments to IFRS 9 and to IFRS 7: *the Classification and Measurement of Financial Instruments* (effective on January 1, 2026). On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement environment, social and governance (ESG) targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 18 *Presentation and Disclosure in Financial Statements* (effective on January 1, 2027). The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes.

The above-mentioned amendment to IAS 21 is not expected to have a significant impact on the condensed consolidated interim financial statements. The impact of the amendments to IFRS 9 and IFRS 7 as well as the standard IFRS 18 still needs to be assessed.

Financial reporting in hyperinflationary economies

In 2022, the Turkish economy faced further rapid inflation resulting in the three-year cumulative inflation of Turkey to exceed 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 *Financial Reporting in Hyperinflationary Economies.* IAS 29 requires to report the results of the company’s operations in Turkey as if these were highly inflationary as of January 1, 2022. The standard is applied as of 2022 and consistently applied for both 2023 and 2024, except for the impact on equity which is now fully presented in the cumulative translation reserves as of September 2023. The figures per June 2023 have been restated to reflect this change in accounting policy.

Under IAS 29, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. These re-measured accounts are used for conversion into euro at the period closing exchange rate. As a

result, the statement of financial position and net results of subsidiaries operating in hyperinflation economies are stated in terms of the measuring unit current at the end of the reporting period.

6.2.2. Measurement in the consolidated financial statements

Revenues and costs that are incurred unevenly during the financial year are anticipated or deferred in the interim consolidated financial statement only if it would be also appropriate to anticipate or defer such revenues and costs at the end of the financial period.

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

6.2.3. Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The estimates and assumptions that could have an impact on the consolidated financial statements are discussed below.

Liquidity situation

The consolidated condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities during the normal course of business.

On June 1, 2023, the Group announced that it had reached an agreement with its bank syndicate to extend its revolving credit facility of €250.0 million, from June 2024 to December 2025. The maximum amount of the extended revolving credit facility was raised to €269.1 million until June 23, 2024 and then set at €242.5 million until maturity. The facility continues to limit dividend pay-out over its term and remains subject to covenant tests. The covenant tests, measured over the Total Group's financials, including discontinued operations, consist of:

- Leverage covenant: The leverage ratio of net financial debt over the last-twelve-months adjusted EBITDA is not to exceed 3.60 by June 2024, and 3.25 by December 2024 and June 2025.
- Liquidity covenant: The sum of cash & cash equivalents and the non-utilized portion of the revolving credit facility was set at minimum €215.3 million at the end of each quarter until June 2024, and €194.0 million beyond that date.

The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period, with the liquidity covenant amounting to €370.4 million versus a threshold of €215.3 million and the leverage covenant of 2.49 versus a threshold of 3.60.

Management has prepared detailed budgets for the next years, which reflect the strategy of the Group. Management acknowledges that uncertainty remains in these budget exercises, but the Company is confident that it will meet the requirements of the loan covenants and that new financing will be in place at the maturity date of its current facilities.

Impairment

Annual impairment reviews are performed during the fourth quarter of each year for all cash-generating units ("CGU"). These reviews compare the carrying value of each CGU with the recoverable amount of the CGU's assets calculated using a discounted cash flow model and taking into account climate related matters, for which we refer to the Integrated Annual Report 2023. There has been no significant change in the climate related assumptions in first half of 2024. If the recoverable amount is less than the carrying value of the CGU, an impairment loss is recognized immediately in the income statement.

As a consequence of the finalization of the sale of the Algerian and Pakistani business in the first half of 2024, the Group identifies the following cash-generating units used for impairment testing:

- Europe
- Russia
- North America
- As part of Assets held for Sale:
    - Brazil
    - Turkey

During the first half year of 2024, there were only impairment indicators identified for the CGU 'Russia', for which the impairment test did not reveal any need for impairment. For more details, please refer to note 6.4.

Discontinued operations and disposal group held for sale

Following its strategic review announced end of 2021 and formalized beginning of 2022, the Group announced it will pursue divestment opportunities for the activities located in the "Emerging Markets".

"Emerging Markets" were primarily driven by own brands and essentially grouped the Central and South American activities, as well as those in the Middle East and Africa.

As such, these operations have been classified as a disposal group held for sale and presented separately in the statement of financial position.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Any excess of the carrying amount over the fair value less costs to sell is recognized as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

The sale of the Algerian and Pakistani activities was finalized in the first half of 2024, while the Central American activities were disposed of during the first half of 2023. The remaining assets and liabilities within assets held for sale predominantly entail the Brazilian and Turkish activities, which meet the requirements of IFRS 5.

Operations in Russia

The Group is closely following the developments in the conflict between Russia and Ukraine as this disrupts Ontex's ability to operate in these regions. Ontex's first focus is the safety of its employees, and the Group is providing the necessary support. Ontex has sales and marketing offices in Russia and Ukraine and a manufacturing plant in Noginsk, near Moscow.

In the first half of 2024, the Group generated €47.0 million (first half of 2023: €56.4 million) revenue in Russia. The fixed assets held in Russia represent €18.1 million (2023: €18.7 million) consolidated fixed assets, including mainly machinery and right-of-use assets (leased manufacturing facilities). The manufacturing and commercial operations are ongoing as the Russian Ontex operation provides essential care products, but these are significantly dependent from the supply of the necessary raw materials and resources to the local manufacturing facility.

From the start of the invasion of Ukraine by Russia, Ontex has defined tight conditions to its continued operation in Russia, including putting in place a dedicated operating model which is aimed at safeguarding compliance with the evolving applicable regulations on economic sanctions. This has led to the progressive autonomation of most local activities in Russia within a framework defined by the Group, allowing to remain compliant to Ontex's standards on quality, safety as well as financial controls, reporting and objectives. The model also includes limitations regarding investments, including a total stop of investments financed by funds not generated by the Russian operations.

The Group already had a very limited presence in Ukraine prior to the conflict, only having a few people in commercial activities and no owned production or assets, and now maintains a minimum activity level without putting any of its employees in danger. Ontex realized a revenue of approximately €3.0 million in the first half of 2024, in line with the first half of 2023.

Restructuring

On June 13, 2024, Ontex announced its intention to restructure its production and distribution activities in Belgium. The intended restructuring would entail the closure of the Eeklo site, as well as the transformation of the Buggenhout site into a Center of Excellence for research, development and production of medium and heavy incontinence care products. The intended restructuring would lead to the reduction of 489 employees in Eeklo and Buggenhout. At June 30, 2024, Ontex accounted for a provision of €37.3 million in relation to the intended restructuring which represents the dismissal cost of the 489 employees, taking into account Belgian legal requirements.

Since mid-June, the information and consultation round is ongoing and has not been completed to date. If and when the intention would be confirmed, the negotiations with the unions will be started up presumably from September onwards. The additional cost of a social plan (on top of the legal requirements) has not yet been provisioned as the intention is not yet confirmed and the outcome of resulting negotiations cannot be reasonably measured at this moment.

6.3. OPERATING SEGMENTS

According to IFRS 8, reportable operating segments are identified based on the “management approach”. This approach stipulates external segment reporting based on the Group’s internal organizational and management structure and on internal financial reporting to the chief operating decision maker. The Group’s activities are in one segment, “Hygienic Disposable Products”. There are no other significant classes of business, either singularly or in aggregate. The chief operating decision maker, the Board of Directors, reviews the operating results and operating plans, and makes resource allocation decisions on a company-wide basis. Therefore, the Group operates as one segment.

The key product categories are:

- Baby Care, principally baby diapers, baby pants and, to a lesser extent, wet wipes;
- Adult Care, such as adult pants, adult diapers, incontinence towels and bed protection;
- Feminine Care, such as sanitary towels, panty liners and tampons.

	First Half	
in € million	**2024**	**2023**
Baby Care	390.7	396.6
Adult Care	394.5	359.9
Feminine Care	120.5	123.0
Other	10.3	12.3
Total revenue	**916.1**	**891.8**

The activity of Ontex Group is not subject to significant seasonality throughout the year. Therefore, the additional disclosure of financial information for the 12-month period ended on the interim reporting date, encouraged in IAS 34.21, is not provided.

6.4. GOODWILL

The movement in the first half year of 2024 on goodwill relates to exchange differences (gain of €1.7 million).

The Group identifies the following cash-generating units used for impairment testing:

- Europe
- Russia
- North America

Annual impairment reviews are performed during the fourth quarter of each year for all CGUs. These reviews compare the carrying value of each CGU with the recoverable amount of the CGU’s assets calculated using a discounted cash flow model. If the recoverable amount is less than the carrying value of the CGU, an impairment loss is recognized immediately in the income statement.

Due to the ongoing conflict between Russia and Ukraine, the Group has performed an updated impairment test for the CGU ‘Russia’ during the first half-year 2024, although the goodwill amounts to zero. This did not lead to any further impairment on the Russian assets.

The recoverable amounts of cash-generating units (‘CGUs’) have been determined based on value-in-use calculations. Value-in-use calculations require the use of estimates and assumptions, including macroeconomic conditions, demand and competition in the markets where we operate, product offerings, product mix and pricing, raw materials availability and cost, direct and indirect expenses, operating margins, growth rates, capital expenditure and working capital, etc. as reflected in Ontex’ financial budgets and strategic plans, as well as discount rates. The pre-tax discount rate used for Russia amounted to 22.2% compared to a pre-tax discount rate of 18.5% at the end of 2023. Cashflows beyond the strategic plan, which covers three years, are extrapolated using no estimated growth rate, similar to 2023. Sensitivity analysis shows that there is no risk for impairment in reasonable scenarios.

6.5. INTANGIBLE ASSETS

The Group acquired intangible assets for a total amount of €3.9 million, mainly relating to IT implementation costs for €2.5 million (First half of 2023: €5.1 million of which €2.7 million relating to IT implementation costs) and capitalized development costs.

The amortization charge for the period amounts to €4.6 million (First half of 2023: €4.5 million). The remaining movement in 2024 concerns exchange differences for €1.7 million (First half of 2023: €(1.0) million).

6.6. PROPERTY, PLANT AND EQUIPMENT

Separate additions to property, plant and equipment represent mainly investments in capacity extension, investments in innovation, investments to improve the efficiency and IT investments for a total amount of €34.2 million (First half of 2023: €40.9 million).

The depreciation charge for the period amounts to €21.1 million (First half of 2023: €20.9 million). Impairment losses for an amount of €3.8 million (First half of 2023: €0.7 million) have been recognized in the first half of 2024 which is related to machinery in Eeklo and Buggenhout following the intended restructuring.

Remaining movement in the first half of 2024 related to exchange differences for €(0.9) million (First half of 2023: €5.8 million) and the transfer from assets relating to the discontinued operations reclassified as held for sale for €0.5 million (First half of 2023 a transfer of €2.4 million).

The Group has contracted expenditures for the acquisition of property, plant and equipment at June 30, 2024 of €56.6 million.

6.7. RIGHT-OF-USE ASSETS

6.7.1. Right-of-use assets

The Group entered into new lease contracts for a total amount of €9.1 million (First half of 2023: €4.2 million), mainly related to buildings (€3.5 million) and furniture and vehicles (€4.5 million).

Furthermore, modifications to lease contracts have an impact of €1.6 million (First half of 2023: €1.5 million).

The depreciation expense for the period amounts to €10.7 million (First half of 2023: €10.3 million).

The remaining movement of the period relates to exchange differences for €1.1 million (First half of 2023: €(0.5) million).

6.7.2. Lease liabilities

The lease liabilities are included in the interest-bearing debts and amount to €94.8 million under non-current liabilities and €20.9 million under current liabilities (December 31, 2023: €96.1 million as non-current and €18.6 million as current).

6.8. NET DEBT

The Group monitors capital on the basis of the net debt position. The Group's net financial debt position is calculated by adding all short and long-term interest-bearing debts and by deducting the available short-term liquidity.

The net financial debt positions of the Group for the periods ended June 30, 2024 and December 31, 2023 are as follows:

in € million	June 30, 2024			December 31, 2023		
	Continuing Operations	Discontinued Operations	Total Group	Continuing Operations	Discontinued Operations	Total Group
Non-current interest-bearing debts	671.3	12.6	683.9	671.8	15.3	687.0
Current interest-bearing debts	60.6	3.6	64.2	141.1	5.4	146.5
Cash and cash equivalents	(86.3)	(73.6)	(159.9)	(97.2)	(71.1)	(168.3)
Net financial debt	**645.5**	**(57.5)**	**588.1**	**715.7**	**(50.4)**	**665.3**

On June 1, 2023, the Group reached an agreement with the bank syndicate to extend its current revolving credit facility of €250.0 million, from June 2024 to December 2025.

The maximum amount of the extended revolving credit facility is raised to €269.1 million until June 23, 2024 and then set at €242.5 million until maturity. Initially, it carried a slightly higher interest rate than before the extension, similarly based on EURIBOR plus a margin. The margin is subject to the leverage ratio and equals 1.60% at a leverage of 2.50 which is the leverage achieved at June 30, 2024. At June 30, 2024, an amount of €32.0 million was utilized on the revolving credit facility versus €115.0 million at December 31, 2023.

Ontex's main financing consists of its €580.0 million High Yield bond ('Senior Notes'), with a coupon of 3.50% fixed rate maturing in July 2026.

6.9. PROVISIONS

6.9.1. Business restructuring

The provision at June 30, 2024 mainly includes a provision of €37.3 million for the intended restructuring in Belgium as explained in note 6.2.3, section 'Restructuring'.

The additional provisions have been recognized in 'EBITDA Adjustments', under the heading 'Business restructuring', see note 6.11.

6.9.2. Legal claims

The Group is involved in a number of environmental, contractual, product liability, intellectual property, employment and other claims and disputes incidental to our business.

On September 2, 2014, Ontex received a notification that the Spanish Competition Authorities (CNMC) opened infringement proceedings against 15 companies in the sector (including three subsidiaries of the Company: Ontex Es Holdco, S.A., Ontex Peninsular, S.A.U. and Ontex ID, S.A.U.) with respect to alleged conduct of fixing prices and other commercial conditions in the Spanish market for heavy adult incontinence products. On May 26, 2016, following the investigation, the CNMC issued its decision. In its decision, the CNMC has found eight companies, including Ontex' Spanish subsidiaries guilty of being part of a cartel. For its involvement from 1999 to 2014, the CNMC issued an administrative fine of €5.2 million to Ontex. All companies, including Ontex, filed appeals with the National Court, and, following the rejection of the appeals by the National Court, with the Spanish Supreme Court. On July 6, 2023, the Supreme Court has rejected Ontex's appeal, rendering the CNMC decision and related administrative fine final. As per December 31, 2016, a provision amounting to €5.2 million has been accounted for. As at June 30, 2024, Ontex had not yet received a formal request for payment of the administrative fine. For that reason, the provision remains unchanged as per June 30, 2024.

The Group currently believes that the disposition of all other claims and disputes, individually or in the aggregate, should not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

6.10. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

Following its strategic review, announced end of 2021 and formalized beginning of 2022, the Group announced it will pursue divestment opportunities for the activities located in the “Emerging Markets”.

“Emerging Markets” were primarily driven by own brands and essentially grouped the Central and South American activities, as well as those in the Middle East and Africa.

These operations have been classified as a disposal group held for sale and presented separately in the statement of financial position. As a result, discontinued operations are shown as one line item in the condensed consolidated interim financial statements as detailed below. The discontinued statement of financial position items are presented at lower of the fair value less costs to sell and the carrying amount, in accordance with IFRS 5.

The associated assets and liabilities are consequently presented as held for sale as from January 1, 2022. The related financial performance is thereby reported as discontinued operations in the Income statement. On May 2, 2023, the Group completed the divestment of its Mexican business and in the first half of 2024, the Group completed the sale of both the Algerian and Pakistani business, meaning that the remaining assets and liabilities predominantly entail the Brazilian and Turkish activities.

Disposal group classified as held for sale

Within the result for the period from discontinued operations in the first half of 2024, there are EBITDA adjustments for an amount of €26.8 million which are entirely related to changes to the group structure. The loss of €26.8 million is mostly linked to the sale of both the Algerian (€13.7 million) and Pakistani (€12.5 million) activities (combined €26.3 million) and the following reclassification of the foreign currency translation reserve from other comprehensive income to the income statement, having a combined effect of €19.7 million.

The total disposal consideration for both activities amounts to €35.0 million, while the amount of cash and cash equivalents disposed of within the transaction amounts to €9.5 million, leading to a net cash impact of €25.5 million. Apart from the cash and cash equivalents, the net assets disposed entailed mainly fixed assets for €3.7 million, working capital for €19.7 million and short term employee benefit liabilities for €(1.1) million. The loss on the transaction, which also includes transaction expenses, is still subject to post-closing adjustments/negotiations.

In the first half of 2023, there were EBITDA adjustments for an amount of €25.6 million of which €12.9 million was related to changes to the group structure, including the sale of the Mexican business, and €12.7 million was related to impairment losses on the business in Algeria (€9.0 million) and Pakistan (€3.6 million).

For the remaining activities, the proceeds of disposal are expected to exceed the carrying amount of the related net assets and accordingly no additional impairment losses have been recognized on the classification of these operations as held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

in € million	June 30, 2024	December 31, 2023
Non-current Assets		
Intangible assets	0.1	0.1
Property, plant and equipment	64.2	69.4
Right-of-use assets	18.0	18.0
Deferred tax assets	3.2	4.1
Other non-current assets	0.2	0.3
	85.7	**92.0**
Current Assets		
Inventories	39.0	57.7
Trade receivables	52.8	63.6
Prepaid expenses and other receivables	6.9	7.9
Current tax assets	1.8	3.8
Derivative financial assets	0.8	0.0
Cash and cash equivalents	73.6	71.1
	174.9	**204.1**
Assets classified as held for sale	**260.6**	**296.1**

in € million	June 30, 2024	December 31, 2023
Non-current liabilities		
Employee benefit liabilities	2.5	2.8
Interest-bearing debts	12.6	15.3
Deferred tax liabilities	7.6	7.6
	22.8	**25.7**
Current liabilities		
Interest-bearing debts	3.6	5.4
Derivative financial liabilities	0.0	0.2
Trade payables	67.0	82.2
Accrued expenses and other payables	10.6	11.8
Employee benefit liabilities	6.4	8.5
Current tax liabilities	6.4	-
Provisions	2.5	2.8
	96.5	**110.9**
Liabilities related to assets classified as held for sale	**119.2**	**136.6**

The cumulative foreign exchange losses recognized in other comprehensive income in relation to the discontinued operations as at June 30, 2024 were €211.2 million.

Financial performance

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	First Half	
in € million	2024	2023
Revenue	**165.9**	**337.1**
Operating expenses (excl. depreciations and amortizations)	(145.9)	(314.3)
Adjusted EBITDA	**20.0**	**22.8**
Income and expenses related to impairment losses and restructuring	(26.8)	(25.6)
EBITDA	**(6.8)**	**(2.8)**
Depreciation and amortization	-	(0.0)
Financial result	(3.7)	(8.4)
Profit/(loss) before income tax	**(10.5)**	**(11.2)**
Income tax expense	(5.0)	(10.0)
Profit/(loss) for the period from discontinued operations*	**(15.5)**	**(21.2)**

*Hyperinflation impact included in 2024 of €(5.2) million (2023: €(7.4) million)

Earnings per share (€)	First Half 2024	2023
For discontinued operations		
Basic earnings per share	(0.19)	(0.26)
Diluted earnings per share	(0.19)	(0.26)

Cash flows

The cash flow information presented are for the six months ended June 30, 2024 and 2023:

in € million	First Half 2024	2023
Net cash generated from / (used in) operating activities	5.9	79.5
Net cash generated from / (used in) investing activities	11.1	35.6
Net cash generated from / (used in) financing activities	(11.3)	(108.5)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**5.8**	**6.6**
Effects of exchange rate changes on cash and cash equivalents	(3.2)	(2.1)

Hyperinflation in Turkey

In first half year of 2022, the Turkish economy faced further rapid inflation resulting in the three-year cumulative inflation of Turkey to exceed 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies as of January 1, 2022. The main principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy must be stated in terms of the measuring unit current at the end of the reporting period. Therefore, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated. These re-measured accounts are used for conversion into euro at the period closing exchange rate.

Consequently, the Ontex Group has applied hyperinflation accounting for its Turkish subsidiary in these interim financial statements applying the IAS 29 rules as follows:

- Hyperinflation accounting was applied as of January 1, 2022 and was continuously applied during 2023 and 2024;
- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of Turkey were restated using official Consumer Price Index (“CPI”) published by the Turkish Statistic Institute TUIK. The hyperinflation impacts resulting from changes in the general purchasing power until December 31, 2021 were reported in cumulative translation reserves and the impacts of changes in the general purchasing power from January 1, 2022 are reported through the income statement on a dedicated account for hyperinflation monetary adjustments in the finance line. This impact on the finance line in 2024, in combination with the application of the CPI on the income statement, amounted to €(5.5) million (First Half of 2023: €(8.1) million). The CPI index at June 30, 2024 amounted to 2,319.29 which means an increase of 24.7% versus December 31, 2023;
- Next to adjusting the income statement at the end of each reporting period using the change in the CPI, it is also converted at the closing exchange rate of each period (rather than the monthly average rates for non-hyperinflationary economies) of which the impact is offset in the finance line. This impact on the finance line amounted to €0.6 million in 2024 (First Half of 2023: €0.7 million).

In the first six months of 2024, the Turkish operations represented 30.3% (First half of 2023: 12.4%) of the company’s revenue from discontinued operations.

In the net Assets held for Sale presented above of €141.4 million, the impact of Hyperinflation amounts to €18.0 million (December 31, 2023: €14.7 million). This increase is explained by the obligation to apply hyperinflation accounting in the statutory books of Ontex Turkey as of December 31, 2023, which reduced the deferred tax liability position.

6.11. EBITDA ADJUSTMENTS

in € million	First Half 2024	First Half 2023
Business restructuring	(38.5)	(11.0)
Acquisition and disposal of businesses	-	(0.0)
Income and expenses related to changes to Group structure	**(38.5)**	**(11.1)**
Impairment of assets	(3.8)	(0.4)
Litigation and legal claims	-	(1.1)
Income and expenses related to impairments and major litigations	**(3.8)**	**(1.5)**
Total EBITDA adjustments	**(42.2)**	**(12.6)**

Items classified under the heading EBITDA adjustments are those items that are considered by management not to relate to items in the ordinary course of activities of the Company. The Group has adopted this classification to allow a better understanding of its recurring financial performance.

These items are presented as follows in the consolidated income statement as follows:

- income and expenses related to changes to Group structure; and
- income and expenses related to impairments and major litigations

6.11.1. Income and expenses related to changes to Group structure

Business restructuring

At June 30, 2024, Ontex accounted for a provision of €37.3 million in relation to the intended restructuring as explained in note 6.2.3, section 'Restructuring'.

During 2023, the costs related to restructuring expenses in the context of cost-out programs in operations and SG&A overheads.

6.11.2. Income and expenses related to impairments and major litigations

Impairment of assets

Following the announced intention to restructure its production and distribution activities in Belgium, a number of production lines will become idle and have been impaired in 2024, having an impact of €3.8 million.

In 2023, no material impairments were recognized.

Litigations and claims

The Company incurred specific legal fees in 2023 in the context of certain on-going or potential litigation matters which are expected to result in a potential benefit for the Company or in the avoidance of potential future expenses. There were no such legal fees in the first half of 2024.

6.12. NET FINANCE COST

The various items comprising the net finance cost are as follows:

	First Half	
in € million	**2024**	**2023**
Interest income on current assets	1.8	0.4
Finance income	**1.8**	**0.4**
Interest expense on group borrowings	(13.8)	(18.4)
Amortization of borrowing expenses	(1.4)	(3.5)
Interest expense on other borrowings and other liabilities	(7.8)	(6.9)
Interest expense	***(22.9)***	***(28.9)***
Banking cost	(0.8)	(0.8)
Factor fee	(1.0)	(0.6)
Losses on derivatives and cost of hedging	(0.5)	(1.1)
Other	(0.0)	0.7
Finance cost	**(25.3)**	**(30.6)**
Finance income as per income statement	1.8	0.4
Finance expense as per income statement	(25.3)	(30.6)
Net exchange differences relating to financing activities	(3.1)	5.4
Net finance cost as per income statement	**(26.5)**	**(24.8)**

The decreased interest expense on group borrowings is mainly explained by the repayment of the term loan in the first half of 2023. The refinancing in June 2023 resulted in a loss as a consequence of the application of the amortized cost for an amount of €2.3 million (accelerated amortization of the borrowing expenses related to this term loan), presented in net finance cost in the consolidated income statement for the period ended June 30, 2023.

The remaining interest expense on group borrowings represent the interest on the €580.0 million High Yield bond with a coupon of 3.50% fixed rate and the interest expense on the revolving credit facility. At closing of June 30, 2024, €32.0 million was utilized (June 30, 2023: €116.0 million).

6.13. EARNINGS PER SHARE

In accordance with IAS 33, the basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The number of shares used for 2023 was 81,073,346, which is the weighted average number of shares for the first half 2023. The number of shares used for the first half 2024 was 81,148,812, which is the weighted average number of shares for 2024.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

In case of Ontex Group NV, no effects of dilution affect the net profit attributable to ordinary equity holders. The table below reflects the income and share data used in the basic and diluted earnings per share computations:

	First Half	
in € million	**2024**	**2023**
Basic earnings		
Profit/(loss) from continuing operations attributable to equity holders of the Company	9.6	2.1
Profit/(loss) attributable to equity holders of the Company	(5.8)	(19.2)
Adjustment dilution	-	-
Profit/(loss) from continuing operations attributable to equity holders of the Company, after dilution effect	**9.6**	**2.1**
Profit/(loss) attributable to equity holders of the Company, after dilution effect	**(5.8)**	**(19.2)**

	First Half	
Number of Shares	**2024**	**2023**
Weighted average number of ordinary shares outstanding during the period	81,148,812	81,073,346
Dilution	3,797,083	1,184,453

	First Half	
Earnings per share (€)	**2024**	**2023**
For continuing operations		
Basic earnings per share	0.12	0.03
Diluted earnings per share	0.11	0.03
For continuing and discontinued operations		
Basic earnings per share	(0.07)	(0.24)
Diluted earnings per share	(0.07)	(0.24)

A weighted average number of 1,552,413 dilutive instruments (i.e. LTIP instruments) were not included in the denominator of the diluted earnings per share as they were out-of-the-money at the end of June 30, 2024 (2023: 2,873,562 dilutive instruments). For more information, we refer to note 6.14 relating to share-based payments.

6.14. SHARE BASED PAYMENTS

The Company implemented yearly Long-Term Incentive Plans (‘LTIP’), which are based on a combination of stock options (further ‘Options’), restricted stock units (further ‘RSU’s’) and performance stock units (further ‘PSU’s’), together the Instruments. The Options, RSU’s and PSU’s are accounted for as equity-settled share-based payments. The options, RSU’s and PSU’s can only vest and options giving the right to receive shares of the Company (further ‘Shares’) or any other rights to acquire Shares can only be exercisable as from three years after the grant. For PSU’s, non-market and market conditions should also be met in order to be vested. The Instruments will vest subject to the condition that the participant remains in service. The share price is considered to be the relevant performance indicator and the vesting of the award will not be subject to additional specific performance conditions. The Articles of Association authorize the Company to deviate from such rule, as allowed under the Belgian Companies Code.

The exercise price of the Options will be equal to the last closing rating of the Share immediately preceding the option grant date. For the Options, the exercise period will start on the vesting date. The Shares underlying the RSU’s and PSU’s will be granted for free as soon as practicable after the vesting date of the RSU’s and PSU’s. Upon vesting of RSU’s and PSU’s, the Shares underlying these instruments are transferred to the participants, while upon vesting, Options may be exercised until their expiry date (eight years from the date of grant).

During the period, the Group granted new LTIPs consisting of 301,634 PSU’s, of which 6,289 instruments have been forfeited as of June 30, 2024. The instruments are exercisable upon vesting. The new LTIPs have the following characteristics:

	Expiry Date	Weighted average Fair value (€)	Number of instruments
LTIP 2024			
PSU's Plan A	2026	1.31	217,112
PSU's Plan B	2027	1.10	84,522

The fair value of the new LTIPs have been determined using a stochastic valuation model based on the Monte Carlo methodology, considering that the PSU’s include also a market condition. The expected volatility used in the model is based on the implied volatility of the Company.

Below is an overview of all the parameters used in this model:

	LTIP 2024	
	Plan A	Plan B
Exercise Price (€)	-	-
Expected volatility of the shares (%)	28.21%	26.85%
Expected dividends yield (%)	4.00%	4.00%
Risk free interest rate (%)	2.91%	2.67%

Social charges related to the LTIP are accrued for over the vesting period.

6.15. FINANCIAL INSTRUMENTS

The table below summarizes all financial instruments by category in accordance with IFRS 9 and discloses the fair values of each instrument and the fair value hierarchy:

	June 30, 2024			
in € million	**Designated in hedge relationship**	**At amortized cost**	**Fair value**	**Fair value level**
Non-current receivables		19.3	19.3	Level 3
Trade receivables		211.2	211.2	Level 2
Other receivables		72.8	72.8	Level 2
Derivative financial assets	4.3		4.3	
Interest rate swap	*2.3*		*2.3*	Level 2
Forward foreign exchange contracts	*1.3*		*1.3*	Level 2
Commodity hedging contracts	*0.7*		*0.7*	Level 2
Cash and cash equivalents		86.3	86.3	Level 2
Assets classified as held for sale		260.6	260.6	Level 3
Total Financial Assets	**4.3**	**650.3**	**654.5**	
Interest-bearing debts - non-current		671.3	668.5	
Senior Notes		*576.3*	*573.5*	Level 1
Lease & other liabilities		*94.9*	*94.9*	Level 2
Derivative financial liabilities	2.8		2.8	
Forward foreign exchange contracts	*2.8*		*2.8*	Level 2
Other payables - non-current		2.8	2.8	Level 2
Interest-bearing debts - current		60.6	60.6	
Syndicated Term Loan A < 1 year		*30.5*	*30.5*	Level 2
Accrued interests - Other		*9.1*	*9.1*	Level 2
Lease & other liabilities		*20.9*	*20.9*	Level 2
Trade payables		420.4	420.4	Level 2
Other payables - current		21.9	21.9	Level 2
Liabilities related to assets classified as held for sale		119.2	119.2	Level 3
Total Financial Liabilities	**2.8**	**1,296.2**	**1,296.2**	

in € million	Designated in hedge relationship	At amortized cost	Fair value	Fair value level
	December 31, 2023			
Non-current receivables		29.0	29.0	Level 3
Trade receivables		206.1	206.1	Level 2
Other receivables		63.5	63.5	Level 2
Derivative financial assets	5.1		5.1	
Interest rate swap	4.2		4.2	Level 2
Forward foreign exchange contracts	*0.9*		*0.9*	Level 2
Cash and cash equivalents		97.2	97.2	Level 2
Assets classified as held for sale		296.1	296.1	Level 3
Total Financial Assets	**5.1**	**691.8**	**696.9**	
Interest-bearing debts - non-current		671.8	647.6	
Senior Notes		*575.5*	*551.4*	Level 1
Lease & other liabilities		*96.3*	*96.3*	Level 2
Derivative financial liabilities	5.4		5.4	
Forward foreign exchange contracts	*5.2*		*5.2*	Level 2
Commodity hedging contracts	*0.2*		*0.2*	Level 2
Other payables - non-current		1.0	1.0	Level 2
Interest-bearing debts - current		141.1	141.1	
Syndicated Term Loan A < 1 year		*113.1*	*113.1*	Level 2
Accrued interests - Other		*9.5*	*9.5*	Level 2
Lease & other liabilities		*18.6*	*18.6*	Level 2
Trade payables		370.5	370.5	Level 2
Other payables - current		20.6	20.6	Level 2
Liabilities related to assets classified as held for sale		136.6	136.6	Level 3
Total Financial Liabilities	**5.4**	**1,341.5**	**1,322.8**	

In the context of the Group's financial risk management, the Group uses derivative instruments to cover specific risks, such as foreign currency exposure, interest rate exposure and commodity price exposure. The following table presents an overview of the derivative instruments outstanding at reporting date:

in € million	Fair value		Nominal amounts	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Derivative financial assets	**4.3**	**5.1**	**259.2**	**237.1**
Interest rate swap	*2.3*	*4.2*	*150.0*	*150.0*
Forward foreign exchange contracts	*1.3*	*0.9*	*89.9*	*87.1*
Commodity hedging contracts	*0.7*	*0.0*	*19.3*	*0.0*
Derivative financial liabilities	**2.8**	**5.4**	**170.3**	**211.9**
Forward foreign exchange contracts	*2.8*	*5.2*	*170.3*	*198.1*
Commodity hedging contracts	*0.0*	*0.2*	*0.0*	*13.8*

The derivative instruments presented in the tables above are all designated in a cash flow hedge relationship. The impact on OCI and Income statement of the different derivates is as follows:

in € million	December 31, 2023	Amounts recognized in 2024	Amounts derecognized (Recycled to P&L) in 2024	Total Movement 2024	June 30, 2024
	OCI				
Forward foreign exchange contracts	**(2.7)**	2.8	(1.0)	1.8	**(0.9)**
Commodity hedging contracts	**(0.2)**	(1.0)	1.9	0.9	**0.7**

in € million	December 31, 2022	OCI Amounts recognized in 2023	OCI Amounts derecognized (Recycled to P&L) in 2023	OCI Total Movement 2023	June 30, 2023
Forward foreign exchange contracts	**(9.3)**	3.6	2.0	5.6	**(3.7)**
Commodity hedging contracts	**(1.1)**	(1.8)	1.3	(0.5)	**(1.6)**
Interest rate swap	**7.6**	1.0	(1.5)	(0.5)	**7.1**

The table above does not reconcile with the Consolidated Statement of Changes in Equity as a result of the deferred tax on the derivatives included in the Other Comprehensive Income for an amount of €0.1 million for the Total Group (June 30, 2023: €0.9 million). In 2023, there was a small movement within discontinued operations for an amount of €(0.6) million.

The fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is exceeding 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The fair value of the derivatives is based on level 2 inputs as defined under IFRS 7.27, meaning inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The above table provides an analysis of financial instruments grouped into Levels 1 to 3 based on the degree to which the fair value (recognized on the statement of financial position or disclosed in the notes) is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial assets and financial liabilities are based on mathematical models that use market observable data and are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes).
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- Level 3 liabilities: the amount has been determined based on contractual agreements.

The Group has derivative financial instruments which are subject to offsetting, enforceable master netting arrangements and similar agreements. No offsetting needed to be done per June 30, 2024 (neither in prior year).

The counterparties of the outstanding derivative instruments have an A-credit rating.

Factoring agreement

The Group has a long term, standing non-recourse syndicate factoring agreement with BNP Paribas Fortis Factor and KBC Commercial Finance (the “Factor”). The Agreement provides us with a maximum credit facility of up to €200.0 million and up to 95% of the amount of the approved outstanding receivables on all debtors that we transfer to the Factor. The remaining 5% of the relevant receivables is paid by the Factor to us upon receipt of payment from the relevant debtor, upon which also the remaining balance of the receivable is derecognized. Financing per debtor is capped at 10% of the aggregate amount of all approved outstanding receivables transferred to the Factor. Any financing within the credit limit is non-recourse to the Group. In accordance with IFRS 9 *Financial instruments*, all non-recourse trade receivables, included in these factoring programs, are derecognized for the non-continuing involvement part.

The non-recourse syndicate factoring agreement with BNP Paribas Fortis Factor and KBC Commercial Finance has an interest rate based on Euribor 3 months + margin and the all-in cost for factoring, including interest and factoring fees is €3.7 million for the first half of 2024, compared to €2.7 million in the first half of 2023 driven mainly by an increase in interest rates.

For the non-recourse syndicate factoring agreement with BNP Paribas Fortis Factor and KBC Commercial Finance, at June 30, 2024 the trade receivables before factoring amounted to €181.3 million out of which €129.1 million was derecognized leading to a continuing involvement of €52.2 million. As at December 31, 2023 the trade receivables before factoring amounted to €178.3 million out of which €112.0 million was derecognized leading to a continuing involvement of €66.3 million.

Next to the above-mentioned Group factoring agreement a number of non-recourse agreements are in place at local level. Bilateral factoring agreements are in place for Serenity (Italian subsidiary) with Ifitalia, Banca Sistema and BFF while Ontex Russia has agreements with AK BARS BANK PJSC and Rosbank. The all-in cost for factoring, including interest and factoring fees for these programs amounts to €1.4 million for the first half of 2024, compared to €1.2 million in the first half of 2023 also driven mainly by an increase in interest rates.

As at June 30, 2024, €166.6 million (December 31, 2023: €155.8 million) of financing was obtained through the above mentioned factoring programs, this is in addition to €3.6 million (December 31, 2023: €4.3 million) of financing which was obtained through the use of supply chain financing programs offered by our customers. Taking this into account, the total outstanding factoring amount at June 30, 2024, amounts to €170.1 million versus €163.8 million at December 31, 2023 as there was a limited amount of factoring within Assets held for Sale at year-end. The late payment risk related to the factoring has been assessed as immaterial at half year 2024 and closing 2023.

Bank guarantees

In the first half of 2024, the Group has instructed BBVA to issue a guarantee with the Mexican VAT authorities as beneficiary for an amount of MXN 100 million and with a duration of one year, which is extendable.

6.16. CONTINGENCIES

The Group is involved in a number of environmental, contractual, product liability, intellectual property, employment and other claims and disputes incidental to our business.

In October 2021, COFECE, the Mexican antitrust authority, announced its decision following its investigation into certain legacy practices in the personal hygiene industry in Mexico. In this decision, COFECE confirmed that Grupo PI Mabe, S.A. de C.V. (“Mabe”) and certain individuals had committed antitrust violations in periods prior to the acquisition of Mabe by Ontex. Mabe appealed such decision on grounds of unconstitutionality of the fines imposed. Under the purchase agreement for its acquisition of Mabe in 2016, Ontex received a full indemnity for all resulting fines and legal fees from the selling shareholders of Mabe. In May 2023, Ontex completed the divestiture of Mabe to Softys, S.A.. As part of such divestiture, Ontex granted a back-to-back indemnity to Softys. Based on the back-to-back indemnity arrangements that are in place, the Group does not expect these proceedings to result in a net financial cost to it.

State Sales Tax (ICMS), the State of Goias issued a decree determining Falcon Distribuição Armazenamento e Transportes S/A (Falcon) to pay a contribution to the Social Protection Fund of the State of Goias (PROTEGE). Falcon received a tax assessment but filed a lawsuit against the Treasury office of the State of Goias. During 2023, a favorable decision at the court of first instance was received. The Treasury office of the State of Goias filed an appeal in June 2024. The Group awaits the outcome. The Group believes that there are good arguments to defend the case and as such the Group does not believe a loss is probable.

As disclosed in note 6.9, Ontex has accounted for a provision of €37.3 million in relation to the intended restructuring of its production and distribution activities in Belgium. This amount represents the dismissal cost of 489 employees taking into account the Belgian legal requirements. Since mid-June the information and consultation round is ongoing and has not been completed to date. If and when the intention would be confirmed, the negotiations with the unions will be started up presumably from September onwards. The additional cost of a social plan (on top of the legal requirements) has not yet been provisioned as the intention is not yet confirmed and the outcome of resulting negotiations cannot be reasonably measured at this moment.

The Group currently believes that the disposition of the claims and disputes, individually or in aggregate, should not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

6.17. RELATED PARTY TRANSACTIONS

There are no substantial related party transactions during the first half of 2024.

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, for which reason no further details are included in this interim report.

6.18. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events that occurred after the end of the reporting period.

6.19. ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (non-GAAP) are used in the financial communication of the Group 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 and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance or our liquidity under IFRS.

6.19.1. EBITDA adjustments

Income and expenses classified under the heading "EBITDA adjustments" are those items 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. EBITDA adjustments are presented separately, due to their size or nature, so as to allow users of the consolidated financial statements of the Group to get a better understanding of the normalized performance of the Group. EBITDA adjustments 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.

EBITDA adjustments of the Group for the first half ended June 30 are composed of the following items presented in the consolidated income statement and can be reconciled in note 6.11 for continued operations and in note 6.10 for discontinued operations:

- income/(expenses) related to changes to Group structure; and
- income/(expenses) related to impairments and major litigations.

6.19.2. EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before net finance cost, income taxes, depreciations and amortizations. Adjusted EBITDA is defined as EBITDA excluding EBITDA adjustments.

EBITDA and Adjusted EBITDA reconciliation of the Group for the periods ended June 30 are as follows:

	First Half					
	2024			2023		
in € million	Continuing Operations	Discontinued Operations	Total Group	Continuing Operations	Discontinued Operations	Total Group
Revenue	916.1	165.9	1,082.0	891.8	337.1	1,228.9
Operating profit/(loss)	31.1	(6.8)	24.3	35.6	(2.8)	32.8
Depreciation and amortization	36.4	0.0	36.4	35.7	0.0	35.7
EBITDA	**67.5**	**(6.8)**	**60.7**	**71.3**	**(2.8)**	**68.5**
EBITDA adjustments	42.2	26.8	69.1	12.6	25.6	38.1
Adjusted EBITDA	**109.8**	**20.0**	**129.8**	**83.8**	**22.8**	**106.6**
Adjusted EBITDA margin	*12.0%*	*12.1%*	*12.0%*	*9.4%*	*6.7%*	*8.7%*

6.19.3. Net financial debt/LTM adjusted EBITDA ratio (Leverage)

Net financial debt is calculated by adding short-term and long-term debt and deducting cash and cash equivalents. LTM adjusted EBITDA is defined as EBITDA excluding EBITDA adjustments for the last twelve months (LTM).

Net financial debt/LTM adjusted EBITDA ratio of the Group for the periods are presented below:

in € million	June 30, 2024			December 31, 2023		
	Continuing Operations	Discontinued Operations	Total Group	Continuing Operations	Discontinued Operations	Total Group
Non-current interest-bearing debts	671.3	12.6	683.9	671.8	15.3	687.0
Current interest-bearing debts	60.6	3.6	64.2	141.1	5.4	146.5
Cash and cash equivalents	(86.3)	(73.6)	(159.9)	(97.2)	(71.1)	(168.3)
Net financial debt	**645.5**	**(57.5)**	**588.1**	**715.7**	**(50.4)**	**665.3**
Adjusted EBITDA (LTM)*	**199.8**	**36.2**	**236.0**	**173.9**	**30.7**	**204.6**
Leverage ratio			*2.49*			*3.25*

*LTM adjusted EBITDA 2024 excludes the Algerian and Pakistani business as these were sold in the first half of 2024, while the LTM Adjusted EBITDA 2023 is excluding the Mexican business as a result of the realization of its sale beginning of May 2023

6.19.4. Free Cash Flow

Free cash flow is defined as net cash generated from operating activities (as presented in the consolidated cash flow statement, i.e. including income taxes paid) less capital expenditures (Capex, defined as purchases of property, plant and equipment and intangible assets), less repayment of lease liabilities and including cash (used in)/from disposal, less financing cash flows, i.e. Interests paid and received, and other financing cash flows (Cost of refinancing & other costs of financing, realized foreign exchange (losses)/gains on financing activities and derivative financial assets).

Free Cash Flow of the Group for the periods ended June 30 is as follows:

in € million	First Half	
	2024	2023
Operating profit/(loss)	**31.1**	**35.6**
Depreciation and amortization	36.4	35.7
EBITDA	**67.5**	**71.3**
EBITDA from discontinued Operations	**(6.8)**	**(2.8)**
Non-cash items and items relating to investing and financing activities	66.3	15.0
Change in working capital		
Inventories	(34.3)	(22.3)
Trade and other receivables and prepaid expenses	(29.2)	(22.0)
Trade and other payables and accrued expenses	51.1	22.9
Employee benefit liabilities	0.6	4.3
Cash from operating activities before taxes	**115.2**	**66.4**
Income taxes paid	(5.1)	(11.8)
Net cash generated from operating activities	**110.1**	**54.7**
Capex	(37.9)	(44.4)
Cash (used in)/from on disposal	0.1	6.2
Repayment of lease liabilities	(12.4)	(12.1)
Free Cash Flow before financing	**59.8**	**4.3**
Interests paid & received	(17.4)	(26.3)
Other financial cash flow	0.8	(6.6)
Free Cash Flow	**43.2**	**(28.6)**

6.19.5. Adjusted Basic Earnings and Adjusted Basic Earnings per Share

Adjusted basic earnings (or Adjusted Profit) are defined as profit for the period plus EBITDA adjustments and tax effect on EBITDA adjustments, attributable to the owners of the parent. Adjusted basic earnings per share are defined as Adjusted basic earnings divided by the weighted average number of ordinary shares. Adjusted Basic Earnings for periods ended June 30 are presented in note 6.13.

	First Half	
in € million	**2024**	**2023**
Adjusted Basic Earnings		
Profit from continuing operations attributable to owners of the parent	9.6	2.1
EBITDA Adjustments	42.2	12.6
Tax correction	(10.5)	(2.5)
Adjusted Basic Earnings	**41.4**	**12.2**
Adjustment dilution	-	-
Adjusted Earnings, after dilution effect	**41.4**	**12.2**

	First Half	
Number of Shares	**2024**	**2023**
Weighted average number of ordinary shares outstanding during the period	81,148,812	81,073,346
Dilution	3,797,083	1,184,453

	First Half	
Earnings per share (€)	**2024**	**2023**
Adjusted basic earnings per share	0.51	0.15
Adjusted diluted earnings per share	0.49	0.15

6.19.6. Working capital

The components of our working capital are inventories, trade receivables and prepaid expenses and other receivables plus trade payables and accrued expenses and other payables.

	June 30, 2024			December 31, 2023		
in € million	**Continuing Operations**	**Discontinued Operations**	**Total Group**	**Continuing Operations**	**Discontinued Operations**	**Total Group**
Inventories	287.8	39.0	326.8	252.8	57.7	310.5
Trade receivables	211.2	52.8	264.0	206.1	63.6	269.7
Prepaid expenses and other receivables	72.8	6.9	79.7	63.5	7.9	71.4
Trade payables	(420.4)	(67.0)	(487.4)	(370.5)	(82.2)	(452.7)
Accrued expenses and other payables	(21.9)	(10.6)	(32.5)	(20.6)	(11.8)	(32.4)
Total Net Working Capital	*129.6*	*21.1*	*150.7*	*131.3*	*35.2*	*166.5*

6.19.7. Alternative performance measures included in the press releases and other regulated information

Like-for-Like (LFL) revenue

Like-for-Like revenue is defined as revenue at constant currency excluding change in scope of consolidation or M&A and hyperinflation.

in € million	2023			2024 LFL			Forex			2024		
	Cont. Ops.	Discon. Ops.	Total Group	Cont. Ops.	Discon. Ops.	Total Group	Cont. Ops.	Discon. Ops.	Total Group	Cont. Ops.	Discon. Ops.	Total Group
Revenue	891.8	337.1	**1,228.9**	916.9	179.0	**1,095.8**	(0.8)	(13.1)	**(13.9)**	916.1	165.9	**1,082.0**

Adjusted EBITDA margin

Adjusted EBITDA margin is adjusted EBITDA divided by revenue.

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 trading update.

This trading update has been prepared in Dutch and translated into English. In the case of discrepancies between the two versions, the Dutch version will prevail.