



## Q1 results lower year on year, as expected; Comprehensive action plan underway to address market challenges

- > Growth in adult care offset by continued softness in baby care and expected decline in contract manufacturing, resulting in 4% LFL revenue decrease year on year; Capacity ramp-up continued in adult care to support future growth;
- > Adjusted EBITDA margin of 9.1%, down 2.2pp year on year, and stable quarter on quarter; Efficiency initiatives accelerated to improve profitability;
- > Net debt reduced by a further 5% over the quarter to €550 million, strengthening the balance sheet; Actions taken to further optimize working capital management;
- > Based on current market visibility and subject to gradual easing of the energy crisis, full-year outlook maintained; Ontex actively mitigating higher costs through pricing actions;
- > Strategic review on track: Initial actions launched, and more to be shared at Q2 results publication.

### CEO quote

Laurent Nielly, Ontex's CEO, said: *"Our performance is clearly not yet at the level we aspire it to be, but in a quarter with new geopolitical instability and market demand a bit softer than expected, I am encouraged by the work of our teams to make Ontex resilient and deliver the anticipated profit level. We have a strong supply chain to navigate potential supply pressure and we have proven cost mitigation and targeted pricing capabilities to help us address the impact on our cost base caused by the recent oil price increase. Despite these headwinds, our previously shared outlook of improving adjusted EBITDA remains within reach. The on-going strategic review is progressing well and efficiency measures are accelerated, which will help in achieving the outlook in 2026 and grow further beyond."*

### Q1 2026 results

**Revenue** was €426 million, decreasing by 2% quarter on quarter, which is overall in line with the softening market demand over the period, and by 4% like for like on a year-on-year basis. With the combined price and product mix impact largely stable, the year-on-year decrease was fully attributable to lower volumes. Volumes were up by 2% in adult care, reflecting the continued mid-single-digit growth of the retail channel and stable demand in the healthcare channel in Europe. In feminine care, Ontex's volumes decreased by 4%, largely in line with slower market demand. In baby care, Ontex's volumes were 11% lower than in Q1 2025, which benefited from order phasing over the first two quarters. Baby care demand in Europe was down by mid-single digits, and by high single digits in retailer brands, still impacted by promotional activity from A-brands. Ontex volumes were in line with the softer retailer brand market in the region. In North America, the decline of the retailer brand demand also persisted, but Ontex's sales in this segment continued to grow thanks to new and previously realized contract gains. Sales in contract manufacturing were lower, however, as anticipated. Furthermore, some contracts were exited in other overseas markets. Including slightly adverse forex, mostly the depreciation of the US dollar, revenue decreased by 5% overall versus last year.

Unless otherwise stated, all comments in this document are on a year-on-year basis and for revenue also on a like-for-like (LFL) basis (at constant currencies). Definitions of Alternative Performance Measures (APMs) can be found in the 2025 annual report as from page 265, and the reconciliation is provided in the tables on page 3 of this document.

**Adjusted EBITDA** was €39 million, which is in line with Q4 2025, and 24% lower compared to €51 million in Q1 2025. The revenue decrease had a €(8) million year-on-year impact, while net costs increased by €(5) million. Indices drove fluff, SAP and non-woven prices down, but backsheets, packaging and other raw materials were more expensive, resulting in a net negative impact. Other operating costs were up on inflation, on higher transportation costs and on some remaining supply chain inefficiencies. These raw material and other operating cost increases were partially offset by continued delivery of the cost transformation program. SG&A costs were stable as salary inflation was compensated by savings initiatives. The translational forex impact was slightly positive, adding €1 million. Although the adjusted EBITDA margin thereby contracted by 2.2pp to 9.1% versus Q1 2025, it improved by 0.2pp versus Q4 2025, reflecting progress on stabilizing the business and operations over the quarter.

**Operating profit** was €15 million, compared to €29 million in Q1 2025, reflecting the adjusted EBITDA decrease. It includes €3 million restructuring costs and impairments, primarily related to new restructuring initiatives.

**Net financial debt** was €550 million at the end of March, compared to €577 million at the start of the year. The €27 million improvement is mostly attributable to the repatriation of the cash position in Algeria, which had been reclassified as financial asset in 2025. The liquidity position strengthened to €262 million, compared to €240 million at the start of the year. With the lower last-twelve-months EBITDA contribution, the leverage ratio rose slightly from 3.29x to 3.36x.

## 2026 outlook

As indicated in February, Ontex expects to continue operating in challenging market circumstances throughout 2026, with sustained soft baby care demand and persistent A-brand promotional activity, which Ontex expects to offset thanks to new and previously realized contract gains. Meanwhile geopolitical and economic circumstances are putting pressure on the supply base, driving energy and raw materials prices up, especially for oil derivatives. Ontex is taking action to mitigate the impact of this additional cost inflation, including pricing actions and transportation surcharges.

Based on current market visibility and subject to gradual easing of the energy crisis, Ontex maintains its full year outlook, expecting:

- > **Adjusted EBITDA** to increase by around 10%, with a gradual improvement throughout the year. The growth is based on largely stable volumes, while net efficiency improvements and pricing actions are to offset the margin pressure of rising raw material and energy costs;
- > **Free cash flow** to turn positive, based on the EBITDA improvement, lower transformation-related capital expenditure and restructuring cash-out, as well as working capital management;
- > **Leverage ratio** to gradually decrease from 3.36x at the end of Q1, to 3x or lower by year end.

## Strategic review update

At the year start, a review of all strategic options was initiated to identify additional opportunities to further drive profitable growth and unlock the inherent value in Ontex. External advisors were appointed to review both North-American and European businesses and the diagnostic phase is now mostly complete. The work has already highlighted opportunities to accelerate execution, particularly in cost optimization and cash conversion. Ontex plans to provide more insight into its strategic review at its Q2 earnings call.

In parallel, the current focus remains on cost optimization and near-term execution, including the following initiatives:

- > **Organization streamlining:** Accelerating plans to align the organization with the current business scope and market outlook, targeting to reduce the number of SG&A positions by about 15% within the next 12 to 18 months.
- > **Capacity right-sizing:** Adjusting production capacity to revised demand expectations in Europe and North America, including increased flexibility to enable redeployment where capacity is added, and ceasing the baby diapers production in Australia by year-end.
- > **Working Capital improvement:** Initiatives taken to reduce working capital as a percentage of revenue by a further 0.5pp, while maintaining service level.

These initiatives will require an initial cash outlay of approximately €(10) million in 2026. This is incremental to the €(10) million already provisioned in 2024 related to the finalization of the Belgian footprint transformation.

## Key business and financial indicators

Business results <i>in € million</i>	Q1		
	2026	2025	%
<b>Revenue</b>	<b>426.3</b>	<b>450.6</b>	<b>-5.4%</b>
Operating expenses (excl. Depreciation & Amortization)	(387.7)	(400.1)	+3.1%
<b>Adj. EBITDA</b>	<b>38.6</b>	<b>50.5</b>	<b>-24%</b>
<i>Adj. EBITDA margin</i>	9.1%	11.2%	-2.2pp
Income and expenses related to changes to Group structure	(2.7)	(2.2)	-24%
Income and expenses related to major litigations	(0.3)	(0.4)	+35%
Income and expenses related to impairments of assets	(0.2)	(0.1)	-123%
Depreciation & amortization	(20.4)	(19.0)	-7.6%
<b>Operating profit</b>	<b>15.0</b>	<b>28.9</b>	<b>-47.9%</b>

Q1 Revenue <i>in € million</i>	2025	Volume	Price /mix	2026 LFL	Forex	2026
Adult care	202.4	+3.4	+1.3	207.1	-0.3	206.8
		+1.7%	+0.6%	+2.3%	-0.1%	+2.2%
Baby care	188.2	-21.0	+0.4	167.5	-5.4	162.1
		-11.1%	+0.2%	-11.0%	-2.9%	-13.8%
Feminine care	56.2	-2.0	-1.2	53.0	-0.5	52.6
		-3.5%	-2.1%	-5.6%	-0.8%	-6.4%
<b>Group</b>	<b>450.6</b>	<b>-19.5</b>	<b>+1.4</b>	<b>432.5</b>	<b>-6.2</b>	<b>426.3</b>
		-4.3%	+0.3%	-4.0%	-1.4%	-5.4%

Q1 adj. EBITDA <i>in € million</i>	2025	Revenue	Net cost	2026 LFL	Forex	2026
Group	50.5	-8.2	-4.7	37.6	+1.0	38.8
		-16%	-9.3%	-26%	+2.0%	-24%

Financial results <i>in € million</i>	Q1 2026		
	End	Start	%
Non-current interest-bearing debts	517.6	518.1	-0%
Current interest-bearing debts	104.2	129.3	-19%
<b>Gross financial debt</b>	<b>621.8</b>	<b>647.4</b>	<b>-4%</b>
Cash & cash equivalents	71.9	70.4	+2%
<b>Net financial debt</b>	<b>549.9</b>	<b>577.0</b>	<b>-4.7%</b>
Last-twelve-months adj. EBITDA	163.7	175.6	-6.8%
<i>Leverage ratio</i>	3.36x	3.29x	+0.07x

## Practical information

### Disclaimer

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

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

### Corporate information

The financial information in this document of Ontex Group NV for the three months ended March 31, 2026 was authorized for issue in accordance with a resolution of the Board on April 28, 2026.

### Audio webcast

Management will host an audio webcast for investors and analysts on April 29, 2026 at 12:00 CEST / 11:00 BST. To attend, click on [https://ontexgroup.engagestream.euronext.com/26q1\\_results\\_call](https://ontexgroup.engagestream.euronext.com/26q1_results_call). A replay will be available on the same link shortly after the live presentation. A copy of the presentation slides will be made available beforehand on <https://ontex.com/investors/results-reports>.

### Financial calendar

- > **May 5, 2026** 2026 annual general meeting of shareholders
- > **July 30, 2026** Q2 & H1 2026 results publication
- > **October 28, 2026** Q3 2026 results publication

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### About Ontex

Ontex is a leading international developer and producer of baby care, feminine care and adult care products, both for retailers and healthcare, primarily in Europe and North America. It employs around 5,000 people with plants and offices in 12 countries, and its innovative products are distributed in around 100 countries. Ontex is headquartered in Aalst, Belgium and is listed on [Euronext Brussels](https://www.euronext.com/brussels). To keep up with the latest news, visit [ontex.com](https://ontex.com) or follow Ontex on [LinkedIn](https://www.linkedin.com/company/ontex).