



Financial Results - Q2 2013



Jacques Purnode, Chief Finance Officer
Steven Vandenbogaerde, Finance Director



Forward-looking statements



This Presentation 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 Presentation regarding trends or current activities should not be taken as a representation 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 Presentation.

The information contained in this Presentation is subject to change without notice. No representation 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.

Most of the tables are shown in € million for transparency reasons. This may give rise to rounding differences.

A small number of customers have been reclassified to a different division in 2013, in line with the account and sales management. To allow for relevant comparisons, the 2012 sales by division have been restated.





Introduction Jacques Purnode



Enhanced Consumer Goods Industry Background & Expertise



■ Introduction and Background

- Transition is well under way
- Responsible for Legal and ICT function in addition to Finance

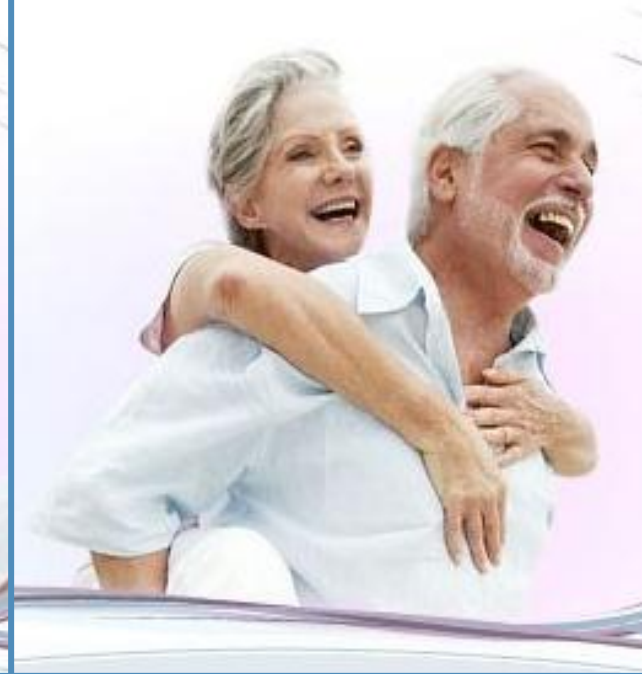
■ Ontex's consumer goods expertise further strengthened

- Commercial and strategic initiatives producing results
- Processes and financial framework to be maintained

■ Committed to a continuous dialogue with the Debt Capital Markets

- Participation in conferences and investor meetings to continue
- Will host Q3 2013 earnings call in November





Key Highlights



Ontex
Hygienic
Disposables





- **Group Sales at €387.8 million in Q2 2013, up 20.1% versus prior year**
 - Excluding currency effects, Q2 2013 sales amounted to €393.0 million, an increase of 21.7% compared to Q2 2012
 - H1 2013 sales up 12.1% at constant currency
 - Serenity Sales contributed to €36.5 million in the quarter
- **Adjusted EBITDA at €45.0 million for Q2 2013, an increase of 25.3% year-on-year**
 - €4.9 million of adverse currency effects for Q2 2013
 - Adjusted EBITDA at €83.0 million in H1 2013, up 8.6% vs H1 2012 despite €8.4 million adverse currency effects
- **FCF amounted to €16.6 million in Q2 2013, compared to €24.4 million in Q2 2012**
 - FCF for H1 2013 at €30.8 million (versus €34.4 million for H1 2012)
- **Net Debt amounted to €886.7 million as of June 30, 2013 and the available liquidity was €96.1 million**



Macro and Market Dynamics Impacted by Adverse Currency Effects



General Retail and Competitive Environment

- Retailers continue to focus on price
- Promotional activity remains stable but high
- Economic climate favourable to retail brands

Raw Materials

- Slightly lower pricing levels in Q2 vs. Q1 2013, as anticipated

Currencies

- Adverse currency movements notably for the British Pound, Turkish Lira and the Australian dollar



Good Commercial Momentum Post K-C Exit



- Spanish plant closed in May
- K-C stockpiling starting to unwind in line with expectations
- Former Huggies volumes:
 - Market dynamics still vary country by country, primarily dictated by individual retailers' shelf readjustment decisions between A brands and retail brand products
 - Good traction in markets where retailers took a lead in this transition, particularly in the UK
 - Some retailers almost completely replaced former “Huggies” volumes with their own retail brand products where production has now been transferred to Ontex
 - Some countries have been slower to react but a certain shift in shelf allocation patterns is starting to take place
- Former retail brand volumes
 - Additional retail brand contracts secured at acceptable margins

Commercial and strategic Initiatives starting to produce tangible results



Execution of 2013 Projects Progressing to Plan



- **Closure of Recklinghausen fully completed**
 - Severance compensation almost entirely paid in Q2 2013
 - Existing equipment is now being redeployed to other group sites; process on track and completion expected by year end

- **Serenity integrated into the Healthcare division as of April 2013**
 - Trading in line with initial business plan
 - Various operational integration projects approaching completion
 - Albeit slower than expected, negotiations for the factoring agreement are showing solid progress

- **Healthcare optimization**
 - Addressing product/customer mix
 - Balancing volumes and profitability





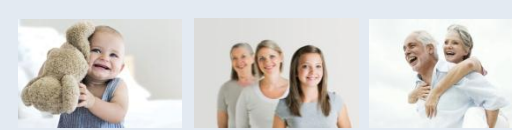
Financials



Ontex
Hygienic
Disposables



New Retail Contract Wins Becoming Visible in Q2 2013



In €m	Q2 2013	Q2 2012	% as reported	% at constant currency	% at constant currency excl. Serenity
<i>Per division</i>					
Retail	238.5	214.1	11.4%	12.8%	12.7%
Healthcare	102.3	67.2	52.2%	53.4%	(0.7)%
Turkey Region	47.0	41.7	12.7%	16.1%	16.1%
<i>Per product group</i>					
Baby	204.5	176.7	15.7%	17.8%	17.7%
Femcare	48.0	46.4	3.4%	4.0%	4.0%
Incontinence	129.5	96.1	34.8%	36.0%	(0.9)%
Other (Traded goods)	5.8	3.8	52.6%	57.3%	34.0%
<i>Per geographic area</i>					
Western Europe	265.6	219.4	21.1%	22.3%	5.8%
Eastern Europe	49.9	43.0	16.0%	16.9%	16.4%
Rest of the world	72.3	60.6	19.3%	22.8%	22.7%



Q2 2013 Financial Highlights (1/2)



In €m	Q2 2013	Q2 2012	%
Revenues	387.8	323.0	20.1%
<i>Revenues at constant currency</i>	393.0	323.0	21.7%
<i>Revenues at constant currency excl. Serenity</i>	356.5	323.0	10.4%
Cost of sales	(284.5)	(244.1)	16.6%
Gross profit	103.3	78.9	30.9%
Opex ¹	(66.4)	(50.6)	31.2%
Adjusted EBITDA ²	45.0	35.9	25.3%
<i>Adjusted EBITDA² at constant currency</i>	49.9	35.9	39.0%

1: Defined as the sum of distribution expenses, sales and marketing expenses, general and administrative expenses, other operating income but excluding non-recurring expenses

2: For definition and reconciliation of Adjusted EBITDA please see Ontex Financial Report for Q2 2013



Q2 2013 Financial Highlights (2/2)



In €m	Q2 2013	Q2 2012	%
Adjusted EBITDA ¹	45.0	35.9	25.3%
Non recurring expenses ²	(4.6)	(1.5)	N.M.
Reported EBITDA	40.4	34.4	17.4%
Depreciation & Amortization	(8.5)	(7.7)	10.4%
Operating profit	31.9	26.7	19.5%

1: For definition and reconciliation of Adjusted EBITDA please see Ontex Financial Report for Q2 2013

2: Non-recurring expenses excluding amortization



Free Cash Flow



In €m	Q2 2013	Q2 2012
Adjusted EBITDA	45.0	35.9
Changes in WC	(11.4)	2.7
Cash taxes paid	(6.5)	(1.8)
Capex	(10.5)	(12.4)
Free Cash Flow	16.6	24.4

- **WC consumption, although declining, remains high in Q2 2013**
 - Inventory levels continue to decrease gradually, particularly volumes of finished goods from Recklinghausen
 - Majority of the working capital increase for Q2 2013 is linked to Serenity
- **Capex spend overall in line with previous indications with main focus on**
 - Enabling redeployment and efficient reassembly of the Recklinghausen machinery
 - Ensuring capacity is available to secure additional business from former K-C contracts
 - Overall €26.7 million of Capex spend in H1 2013 versus €20.3 million in H1 2012
- **Serenity acquisition impacted cash taxes by €3.1 million in Q2 2013**



Available Liquidity

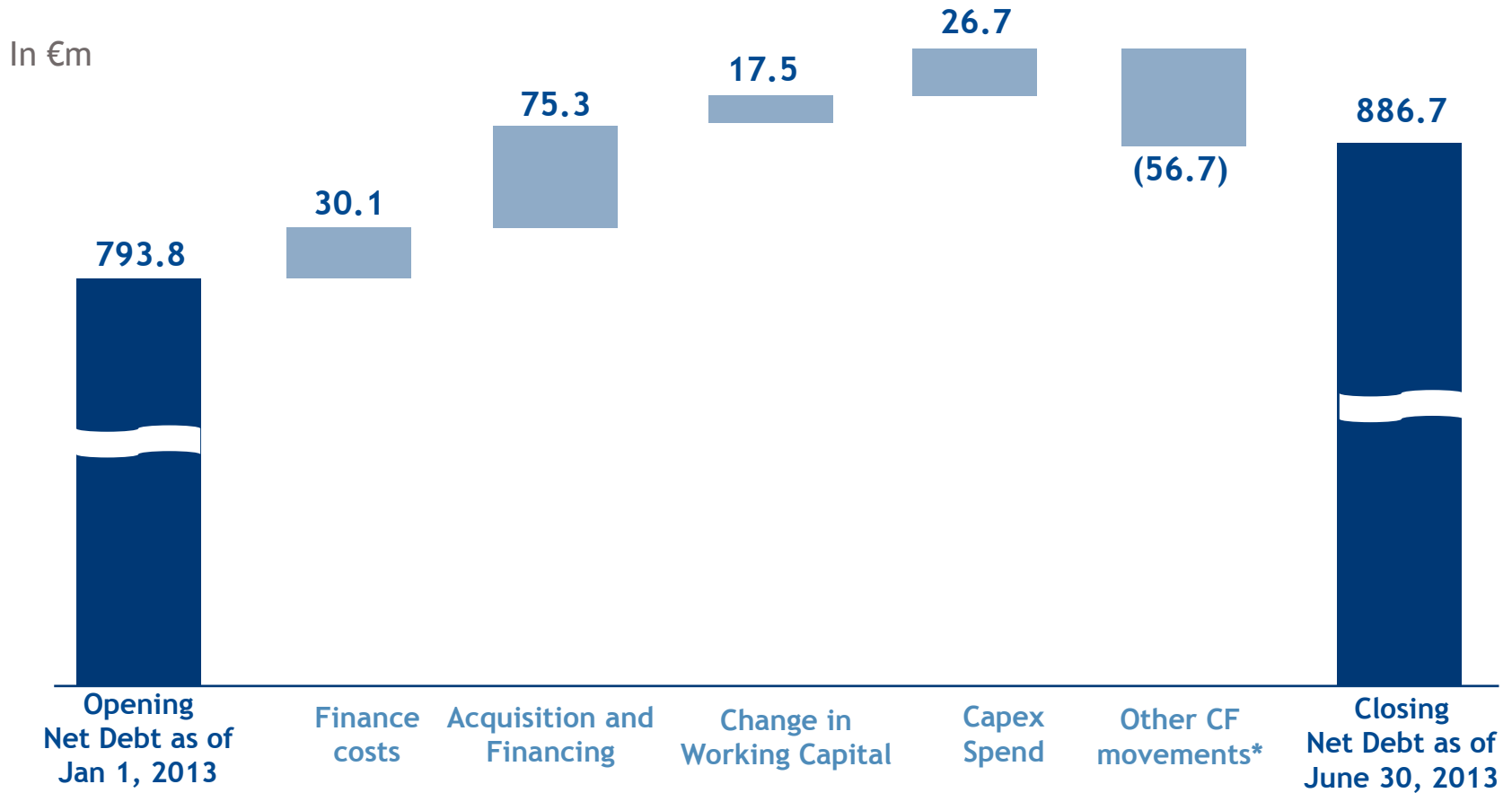


In €m	As of June 30, 2013
Cash & Cash Equivalents	51.1
Credit Lines of €75.0 (of which drawn: €30.0 million)	45.0
Available Liquidity	96.1

- Cash and Cash Equivalents at €51.1 million at the end of June 30, 2013, compared to €53.6 million at the end of June 30, 2012
- €30m drawn down from the RCF pending implementation of factoring arrangements as of Q2 2013
 - €10m of the RCF was repaid in August 2013



Net Debt Bridge



* Including cash taxes as well as other cash inflow and outflow related to operating and investing activities





Progressing into H2 2013



Ontex
Hygienic
Disposables





- **Raw Material outlook for the next two quarters**
 - Q3 2013 raw material prices to be similar to Q2 2013 levels
 - Initial indications point towards a slight increase in prices for Q4 2013

- **Continuing to monitor currency movements closely and their impact on trading**
 - Working on initiatives to help mitigate the adverse impact from currencies

- **Serenity**
 - Team integration continues in both directions
 - Systems integration planned for 1 January 2014

- **Search for a new site will delay the planned centralisation of production sites in France**





Q&A - Q2 2013



Ontex
Hygienic
Disposables

