



Ontex Q1 2017: Positive start to the year

- Reported revenue up 23.1%; increased volumes and LFL revenue in all five Divisions with Mature Market Retail returning to growth
- Delivered resilient Adjusted EBITDA margin performance in challenging environment
- Completed Hypermarcas Personal Hygiene acquisition and started integration

Aalst-Erembodegem, May 10, 2017 - Ontex Group NV (Euronext Brussels: ONTEX; 'Ontex,' 'the Group' or 'the Company') today announced its trading update for the three-month period ended March 31, 2017.

Q1 2017 Highlights

- Started the integration of Hypermarcas Personal Hygiene (hereafter "Ontex Brazil"), with consolidation from March 1 2017
 - A leading player in the Adult Inco and Babycare categories in Brazil
- Revenue of €556.9 million was up 23.1% on a reported basis and +3.6% on a like-for-like (LFL) basis, year-on-year (yoy)
- Adjusted EBITDA of €70.0 million was 22.8% higher yoy, resulting in an Adjusted EBITDA margin of 12.6%, stable yoy
- Net negative foreign exchange (FX) impacts of €2.0 million on revenue and €2.5 million on Adjusted EBITDA
- Net Debt was €753.7 million as of March 31, 2017. Including an estimation of the last twelve months of EBITDA for Ontex Brazil, management estimates that Group leverage is between 2.6x and 2.8x
- Following the acquisition of Ontex Brazil, we successfully completed an accelerated bookbuilt placement representing approximately 10% of issued ordinary share capital

Key Financials Q1 2017

In € million	Q1 2017	Q1 2016	% Change
Reported Revenue	556.9	452.4	23.1%
LFL Revenue	468.9	452.4	3.6%
Adjusted EBITDA	70.0	57.0	22.8%
Adj. EBITDA Margin	12.6%	12.6%	(4bps)
Net Debt	753.7	701.7	7.4%

Ontex Group reported revenue includes 3 months of Grupo Mabe and 1 month of Ontex Brazil in Q1 2017, and 1 month of Grupo Mabe in Q1 2016

Charles Bouaziz, Ontex CEO: "Our first quarter performance confirms the solid progress that we are making in competitive markets as well as the ongoing transformation of Ontex. Our top line improved, with Mature Market Retail returning to growth owing to our focused efforts over the past year, while growth in developing markets was in line with our expectations versus high Q1 2016 comparables in several countries. Adjusted EBITDA margin was maintained, demonstrating the

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resilient business model, underpinned by our savings and efficiency programs. We also completed the acquisition of Ontex Brazil in early March, welcoming new colleagues who have built a strong branded business, resulting in market leadership in adult incontinence, and a top three position in baby diapers in Brazil. The integration has now started and we look forward to developing this business further and capturing synergies as with Grupo Mabe. All in all, this is a positive start to 2017.”

Market Dynamics

Market growth for our categories in the first two months of 2017 reflects the ongoing challenging environment, particularly driven by pricing pressure in several markets. Total retailer brand share of the Babycare, Femcare and Adult Incontinence categories was higher in Western Europe and Russia.

Foreign exchange rates had a limited negative impact at Group level on revenue and Adjusted EBITDA in Q1 2017, albeit with significant moves for some currencies such as the British Pound, Mexican Peso, Russian Rouble and Turkish Lira.

The overall impact of our main commodity raw materials was also limited in Q1 2017 year-on-year. We anticipate that prices for these raw materials will be a headwind from Q2 2017 compared to the previous year.

Outlook

We have made a positive start to 2017, which allows us to maintain our expectation to grow revenue ahead of our markets in all Divisions for the full year. The contribution from the Ontex Brazil acquisition, with completion announced on March 7 2017, will also drive Group reported revenue growth in 2017, increasing the proportion of revenue from our own brands and from our higher growth markets.

Our expectation for impacts from the external environment such as FX and raw materials, as well as our internal actions in 2017, are in line with the outlook provided during our FY 2016 results. We remain committed to modest margin expansion over time.

Overview of Ontex Performance in Q1 2017

Q1 2017 Group revenue was €556.9 million. On a reported basis, revenue grew by 23.1% compared to last year including a full quarter’s contribution from Grupo Mabe, and one month of Ontex Brazil. Excluding the impact of these two acquisitions and FX, revenue grew +3.6% on a LFL basis, with higher revenue in all five Divisions.

Adjusted EBITDA grew 22.8% year-on-year to €70.0 million in Q1 2017, driven by savings and efficiency gains as well as the two acquisitions. Sales and marketing expenses were higher than a year ago, reflecting the growing share of the branded business, and our commitment to understanding and meeting the needs of our customers and consumers. Adjusted EBITDA margin for Q1 2017 was 12.6%, essentially in line with the same period last year.

Operational Review: Divisions

in € million	Q1 2017	Q1 2016	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	556.9	452.4	23.1%	3.6%
Mature Market Retail	221.0	213.7	3.4%	2.0%
Growth Markets	46.1	35.3	30.6%	14.4%
Healthcare	107.5	108.3	(0.7%)	0.6%
MENA	56.5	59.8	(5.4%)	2.4%
Americas Retail	125.7	35.4	N.M.	N.M.
<i>Americas Retail pro-forma</i>	<i>108.3</i>	<i>109.7</i>	<i>(1.3%)</i>	<i>2.9%</i>

N.M.: not meaningful

Ontex Group and Americas Retail reported revenue include 3 months of Grupo Mabe and 1 month of Ontex Brazil in Q1 2017, and 1 month of Grupo Mabe in Q1 2016.

Americas Retail pro-forma includes 3 months of Mabe in both Q1 2017 and Q1 2016, and does not include Ontex Brazil

Mature Market Retail

Q1 2017 revenue was up 2.0% on a LFL basis in Mature Market Retail compared to the same period a year ago. This performance, owing to volume growth, confirms the improving trend since mid-2016, was broad-based across most of our markets and is in line with our expectations. Notably, our commercial progress was achieved despite a highly competitive environment, in which international branded suppliers continued their heavy promotional campaigns in the Babycare category. Against this background, our focus remains to support retail customers with innovative products and services that allow them to win, while we stay disciplined on pricing.

Growth Markets

The Growth Markets Division had a strong performance in Q1 2017, with revenue growth of 14.4% on a LFL basis. Volumes in the Division were well ahead of a year ago, with Russia continuing to be the main driver despite strong pricing competition linked partly to a strengthening Rouble. As retailer brands develop from a relatively low base in countries like Russia, we will continue to support retailers in launching their own brand, or accelerate the growth of their existing retailer brand business.

Healthcare

Healthcare Divisional revenue was up 0.6% on a LFL basis in Q1 2017, ahead of estimated market growth. This increase is driven by higher volumes, and mainly due to higher revenue in Spain and the UK, while revenue in France was below last year.

MENA

Revenue in the Middle East and North Africa Division was 2.4% higher on a LFL basis in Q1 2017. This quarter's LFL performance was slightly below our expectations versus a high comparable a year ago, particularly in Turkey, when we were preparing for the successful relaunch of our Canbebe baby diaper last year. Divisional LFL sales also reflect lower revenue in some of our export markets which are experiencing pressures due to liquidity constraints, versus very strong growth last year. Despite the challenging political and economic environment, we anticipate that sales will improve as the effects of high comparables from 2016 ease.

Americas Retail

Revenue in the Americas Retail Division increased by 2.9% in Q1 2017 on a pro-forma basis at constant currency. This growth was fully in line with our expectations, impacted by a very high

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comparable for the period January to February 2016. Our business in Mexico continued to progress well in both the Babycare and Adult Inco categories, despite currency volatility and inflationary pressures on the consumer. Sales in the US were up in March 2017 compared to the prior year.

Operational Review: Categories

in € million	Q1 2017	Q1 2016	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	556.9	452.4	23.1%	3.6%
Babycare	335.7	250.0	34.3%	4.0%
Femcare	54.4	50.6	7.5%	2.9%
Adult Inco	161.9	144.6	12.0%	5.6%

* Includes €4.8 million of Other in Q1 2017; €7.3 million in Q1 2016

Babycare

Q1 2017 category revenue for Babycare was 34.3% higher compared to Q1 2016 on a reported basis including the incremental contributions from Grupo Mabe and Ontex Brazil, and 4.0% higher on a LFL basis, with growth in both developed and developing markets.

Femcare

Femcare category revenue in Q1 2017 was up 7.5% on a reported basis, including Grupo Mabe and Ontex Brazil, and 2.9% higher on a LFL basis. LFL growth was mostly from Western Europe, where the majority of our category sales are generated.

Adult Inco

Revenue in the Adult Inco category grew 12.0% on a reported basis including Grupo Mabe and Ontex Brazil, and 5.6% on a LFL basis. On a LFL basis, Adult Inco sales in retail channels grew 14% year-on-year, and sales in institutional channels were also higher.

Operational Review: Geographies

in € million	Q1 2017	Q1 2016	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	556.9	452.4	23.1%	3.6%
Western Europe	267.2	259.6	2.9%	2.9%
Eastern Europe	73.7	70.5	4.6%	(3.3%)
Americas	126.8	36.7	N.M.	N.M.
ROW	89.2	85.7	4.0%	7.7%

N.M. not meaningful

The proportion of Q1 2017 Group revenue generated from Western Europe fell below 50% for the first time in the history of Ontex. This decrease in our geographic mix took place despite increased revenue in very competitive Western European markets, with higher sales recorded in both retail and institutional channels. The change in geographic mix of Group revenue is mainly due to LFL revenue growth in developing markets, and higher reported sales attributable to the acquisitions of Grupo Mabe and Ontex Brazil.

Financial Review

Net debt and leverage

Net debt at March 31, 2017 amounted to €753.7 million, including the net financial position of Ontex Brazil. The Group net debt position includes payment for Ontex Brazil and net proceeds from an accelerated bookbuilt placement, both of which took place in March 2017. Including an estimation of the last twelve months of Adjusted EBITDA for Ontex Brazil, Management estimates that Group leverage at March 31 2017 was between 2.6x and 2.8x.

Corporate information

The above press release and related financial information of Ontex Group NV for the three months ended March 31, 2017 was authorized for issue in accordance with a resolution of the Board on May 9, 2017.

Alternative Performance Measures

The following alternative performance measures (non-GAAP) have been included in this press release since management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures 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.

Like-for-like revenue (LFL)

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

Pro-forma revenue

Pro-forma revenue includes 3 months of Mabe in both Q1 2017 and Q1 2016, and does not include Ontex Brazil. Pro-forma revenue at constant currency is pro-forma revenue excluding FX.

Non-recurring Income and expenses

Non-recurring income and expenses are defined as those items that are considered to be non-recurring or unusual because of their nature. The non-recurring income and expenses relate to:

- acquisition costs;
- business restructuring costs, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of factories;
- asset impairment costs;
- IPO and refinancing costs.

EBITDA and Adjusted EBITDA and related margins

EBITDA is defined as earnings before net finance cost, income taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA plus non-recurring income and expenses and excluding non-recurring depreciation and amortisation. EBITDA and Adjusted EBITDA margins are EBITDA and Adjusted EBITDA divided by revenue.

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 plus non-recurring income and expenses and excluding non-recurring depreciation and amortisation for the last twelve months (LTM).

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Conference call

Management will host a presentation for investors and analysts on May 10, 2017 at 8:00am BST/9:00am CEST.

A copy of the presentation slides will be available at: <http://www.ontexglobal.com/financial-reports-including-annual-reviews>

If you would like to participate in the conference call, please dial-in 5 to 10 minutes prior using the details below:

United Kingdom:	+44 (0)330 336 9105
United States:	+1 719 457 2086
Belgium:	+32 (0)2 404 0659
France:	+33 (0)1 76 77 22 74
Germany:	+49 (0)69 2222 13420
Passcode:	7288067

Financial calendar 2017

AGM	May 24, 2017
H1 2017	July 27, 2017
Q3 2017	November 8, 2017

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DISCLAIMER

This trading update 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 trading update 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 trading update.

The information contained in this trading update 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 trading update, 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.