

Ontex is a leading international personal hygiene solutions provider

Profile

Ontex is a growing international group specialised in hygienic products for baby, adult and feminine care. Ontex products are distributed in more than 110 countries under the company's own brands and retailer brands. The main sales channels are retail trade, medical institutions and pharmacies.



Performance in 2017

Ontex total revenues for 2017 is EUR 2.36 billion, up by 18.2% on a reported basis and by 5.5% on a Like-For-Like ("LFL") basis, outperforming the broadly flat personal hygiene market. In 2017, Ontex delivered revenue growth across all three categories (baby care, adult care and feminine care). This demonstrated strong consumer demand for Ontex's products, resulting in market share gains across most divisions.

FY 2017 revenue was broad-based with most geographies delivering higher LFL revenue. As a result of double-digit LFL growth and the Brazil acquisition, sales in the Americas rose to 27% of group sales, while the proportion of group sales in Western Europe was less than 50% for the first time ever, despite the solid increase in this region.

Adjusted EBITDA of EUR 266.4 million (margin of 11.3%) was 7.1% higher year-on-year despite EUR 7.8 million FX headwind.

Adjusted EBITDA margins of the group excluding Brazil proved robust at 12.0% compared to 12.5% in 2016. This was a resilient performance, with Ontex's cost savings and efficiencies programs largely offsetting significant external headwinds, and some capacity constraints that limited Ontex's profitability in the near term.

The overall performance of the Brazilian business acquired in March 2017 fell well short of Ontex's expectations. Challenging market conditions provided a difficult backdrop.

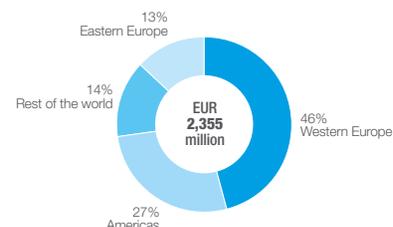
Significant actions have already been taken to address the issues in Brazil, including some changes in the sales incentive system, reinforced processes and controls. Ontex is reviewing ways in which the company can sustainably improve the business performance on the top and bottom line.

The refinancing of debt in the second half of 2017 resulted in a meaningful extension of debt maturities to 2022 and 2024, and a lower average cost of debt with the interest rate risk largely hedged, in line with the group's hedging policy. Estimated annual savings before tax are expected to be approximately EUR 10 million.

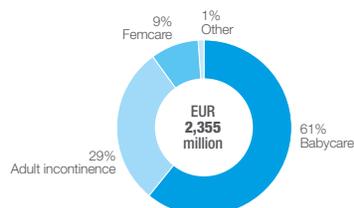
The Board of Directors proposes to pay a gross dividend of EUR 0.60 per share, an increase of EUR 0.05 per share subject to approval by shareholders at the next Annual General Meeting.

Ontex in figures

Geographic breakdown of 2017 revenue



Breakdown of 2017 revenue per category



Key financial data

	2017	2016	2015
Simplified income statement (in EUR million)			
Reported revenue	2,355	1,993	1,689
Adjusted EBITDA	266	249	209
Adjusted profit/(loss)	131	132	103
Profit/(loss) (group's share)	128	120	99

Simplified balance sheet

	2017	2016	2015
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	1,178	999	852
Non-controlling interests	0	0	0
Net financial debt	744	665	410
Debt-equity ratio (%)	63	67	48
Net financial debt/Adjusted EBITDA (x)	2.8	2.7	2.0



Investment case

The growth of the industry is supported by (i) the resilience of the business (hygiene basics), (ii) an ageing population in mature countries and (iii) the growth in population and product adoption rates for hygiene products in emerging countries.

Ontex should be able to continue to outperform the market thanks to (i) increases in market share in retailer brands, (ii) increases in share of its own brands, including premiumisation, and (iii) its greater exposure to emerging countries and adult incontinence products.



Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares issued (in thousands)	82,347	74,861	72,139
Market capitalisation (in EUR million)	2,271	2,115	2,363
Closing share price (in EUR/share)	27.58	28.25	32.76
Adjusted EPS (in EUR/share)	1.65	1.77	1.50
Dividend (in EUR/share)	0.60 ⁽¹⁾	0.55	0.46

GBL's investment	2017	2016	2015
Percentage of share capital (in %)	19.98	19.98	7.6
Percentage of voting rights (in %)	19.98	19.98	7.6
Market value of the investment (in EUR million)	454	423	181
Dividends collected by GBL (in EUR million)	9	5	1

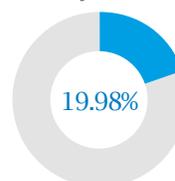
Representatives in statutory bodies	1	0	0
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(1) Subject to the approval of the General Shareholders' Meeting

TSR annualised (%)

	1 year	3 years	5 years
Ontex	(0.7)	6.6	n.a.
STOXX Europe 600 Personal & Household Goods	12.5	13.0	13.7

Capital held by GBL



Representatives in statutory bodies



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Ontex's contribution to the net dividends collected on GBL's investments



Ontex's contribution to GBL's portfolio

