



Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

17th January, 2019

The Dy. Manager (Corporate Relations Dept.),
The Bombay Stock Exchange Ltd.,
1st Floor, New Trading Ring, Rotunda Bldg.,
P. J. Towers, Dalal Street, Fort,
MUMBAI – 400 001.

Ref: Fiberweb (India) Limited (Scrip code: 507910)

Sub.: Media Release

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, please find attached herewith Media Release dated 17th January, 2019.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For FIBERWEB (INDIA) LIMITED

Sonal Sharma

Sonal Sharma
Company Secretary & Compliance Officer



Encl: As above

Product is manufactured in the plant, where the Management system is certified for ISO 9001:2008, 14001:2004, OHSAS 18001:2007

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CIN NO. L25209DD1985PLC004694



ISO 9001:2008, 14001:2004, OHSAS 18001:2007

Media Release

Continued thrust on converted products boosts profitability

Q3FY19 Revenues at Rs. 347.96 mln

Q3FY19 EBITDA at Rs. 74.63 mln

Q3FY19 PAT at 61.21 mln

Q3FY19 EPS at Rs. 2.10

FY19 annualised EPS at Rs. 8.53

Mumbai, January 17, 2019: Fiberweb (India) Limited (BSE: 507910), pioneer and amongst the leading players in manufacturing of Non-Woven Fabric in India, today, announced its unaudited results for the quarter ended December 31, 2018.

Key developments during the quarter:

- **Introduction of novel product** – The R&D team of the company has managed to develop a novel product which utilizes Melt Blown and Spun Bond nonwoven fabrics combined with various treatments, printing and lamination giving multipurpose advantages over conventional products. The samples of this unique product has been sent to our customers in USA, UK and Europe and have received very encouraging response from them.
- **Continued focus on converted products** – The share of value-added products, in our spun bond segment, now stands increased to 41% of our overall revenues, up from 25% in the previous years.
- **Order book position:** Order intake during the quarter was in excess of Rs. 63 crs. These orders cover value-added spun and melt blown products. With this, the order book of the company swells to Rs. 89 crs and remains fully booked for the next 5 months.

Standalone Financial Results Highlights

Q3 FY19 Vs. Q3 FY18 Highlights: -

- **Revenue - Rs. 351 million** reported in Q3 FY19 as against Rs. 608 million in the Q3 FY18
- **EBITDA - Rs. 74.63 million** reported in Q3 FY19 as against Rs. 83.54 million in Q3 FY18
- **EBIDTA margin – 21.3%** reported in Q3 FY19 as against 13.7% reported in Q3FY18
- **PAT - Rs. 61.21 million** reported in Q3 FY19 as against Rs. 76 million in Q3 FY18.

Commenting on the developments, **Mr. Bhavesh Sheth, Director**, said “As a company, we continued with the strategy adopted in the previous quarter by focussing on margin improvement as opposed to mere volume sales. We delivered higher volumes of converted, value-added, spun bond fabrics during the quarter. This helps explain how we have managed to retain the key profitability metric (edibta/ton) that we monitor closely. The share of value-added products, in our spun bond segment, now stands increased to 41% of our overall revenues, up from 25% in the previous years. Our aim is to improve this contribution closer to 50%, over the next 12-15 months. In our previous communication, we had updated investors about surging input prices & a looming trade war between US and China causing demand uncertainties. US has imposed stiff tariffs on imports of several products from China, non-woven fabrics being one of them. This severely dented the commercial feasibility of the products we deal with, thru our subsidiary. Consequently, this subsidiary has recorded nil transactions during the quarter. We continue to closely monitor all such developments and proactively strategise to respond to such triggers. While the commissioning of the melt blown line (late last year) should help more than fill up any loss of revenues on account of this geo-political development this year, we anticipate significant margin expansion also because of this. I am sure you are aware of the fact that melt blown fabrics enjoy significantly superior margins as compared to the margins of the spun bond fabrics that we used to supply from our leased premises.

Over the years, the management has consistently endeavoured to better the business profile of the company. And this has been done proactively, in consultation with the wide profile of prestigious clients that the company enjoys a long-standing relationship with. In some instances, our clients have sought a certain product requirement what they thought our company could provide. In other instances, the company’s team has proactively proposed innovative solutions to clients which has found their approval. Not only has this led to introduction of newer products but also help deepen our client penetration and significantly increase our market share. We have managed to do all of this, without compromising on strict quality parameters, delivery deadlines and consistency. This has not only helped the company win repeat orders from our customers but, more importantly, has helped win their confidence.

With increased share of value-added products in our spun bond fabrics and growing revenue contribution from our melt blown fabrics, we have ensured strong revenue and margin traction this year. I remain very excited on the journey we have embarked upon and see brighter prospects for the company going ahead”.

Business Updates:

- **Meltblown division:** While our meltblown products had already found good acceptance with our customers, I am delighted to share our incremental progress in this area. The R&D team of the company has managed to develop a novel product which utilizes Melt Blown and Spun Bond nonwoven fabrics combined with various treatments, printing and lamination giving multipurpose advantages over conventional products. The samples of this unique product has been sent to our customers in USA, UK and Europe and have received very encouraging response from them.
- **Order book:** Our efforts to remain relevant with our customers and adding value to them continues to help us immensely. Our order book witnessed robust intake during the quarter. We ended the quarter with an order book of Rs. 89 crs, with almost equal demand being witnessed in both spunbond as well as meltblown fabrics. While we are booked for the next 5 months, we continue exercising due caution in booking incremental orders, in light of the

volatile business environment, on currency as well as key inputs. Though our business model practically permits us to pass on increases in input prices, the same is done with a slight lag. Our practise of maintaining inventories for ~ 2 months have proved to be handy at such times.

Flatbond project: With regards to our ambitious Flatbond project, we had previously updated investors of the fact that the company had almost secured the external funding needed to kick start the project. We have equipped ourselves with comprehensive data, painstakingly collated over the last couple of months, to ensure success in this project. The high margin flat bond products, that we intend venturing into, are dominated by few large global players making it very crucial for us to not only match their quality standards, but also be competitive on pricing parameters. This is precisely why we intend to get the flat bond products, produced on this line, to be validated by the vendor and seeking the vendor to provide financial guarantee regarding performance of the line. Having learnt from some of our past experiences, I am sure you will appreciate the increased caution we choose to exercise to ringfence the company from any adverse impact, if any, of such a massive project. Based on the suggestions received from international experts with who we have been seeking consultations, we have already submitted the NDA to our vendor and await their response. On receipt of their response, we shall be sharing the detailed specs with them. With this move, we have virtually completed tasks which needed to be attended from the company's side and have moved another step closer towards this project.

About the company:

Fiberweb (India) Ltd. is a well trusted brand globally with high quality products, accepted by fortune 500 Companies across developed nations. The Company is a pioneer and amongst the leading players in the manufacturing of Spun Bond and Melt Blown Non-Woven Fabric. Its presence is spread across significant sectors with diversified applications in Personal Hygiene, Textile, Industrial Applications, Agriculture and Crop Protection and Industrial Filtration space. The Machinery for the Spun Bond Nonwoven Fabrics is supplied by a very well-known and highly reputed German manufacturer - M/s. Reifenhäuser GmbH.

The Company is the first in this field, in India, with a 100% EOU status, largest exporter and Star Export House for non-woven. Our brand is an established name as a high-quality supplier in the international market due to our ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and OekoTex Standard 100 Company. Because of this, it is able to establish a reputed name as a quality supplier in the field of "Technical Textiles" not only in the USA but also in the UK, Europe and many other developed countries. Apart from exports to reputed overseas clients, the Company also supplies its products in domestic market to multinational companies like Johnson & Johnson India Ltd

Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. Fiberweb (India) Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*