



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.: Investor Presentation Q3 FY19

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, please find attached herewith Investor Presentation Q3 FY19.

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



FIBERWEB INDIA LTD

INVESTOR PRESENTATION – Q3FY19

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Content

1

Performance Highlights

2

Company Overview

3

Industry Overview

4

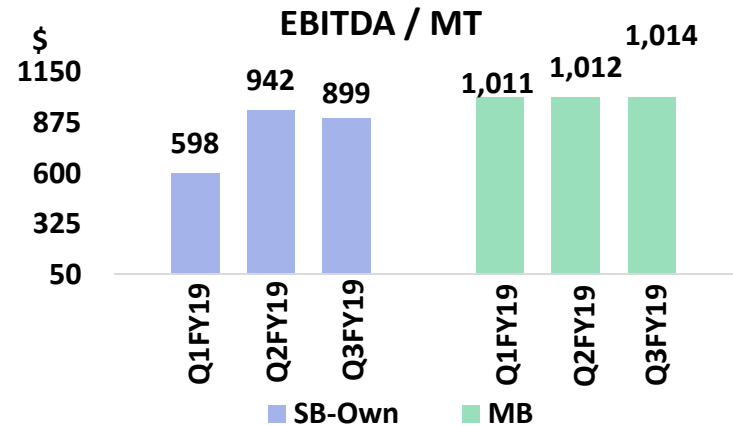
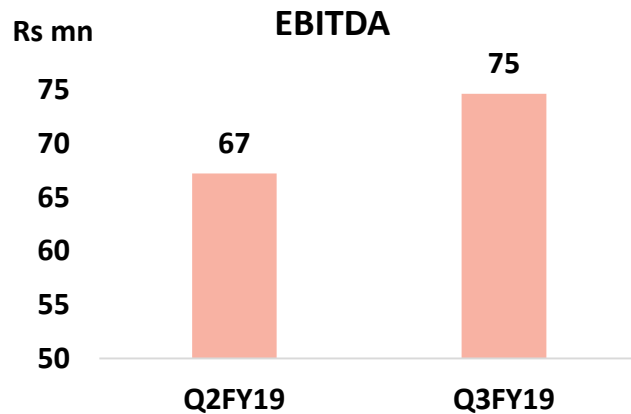
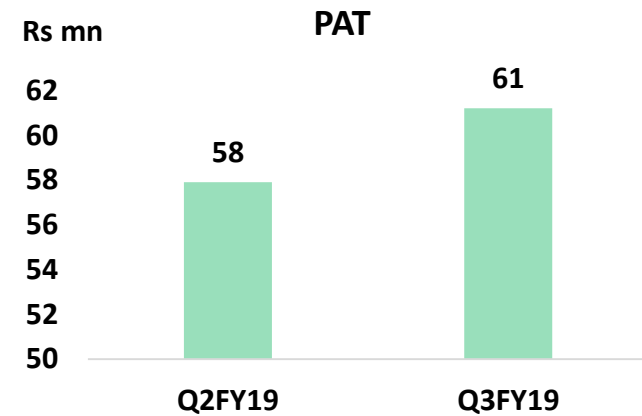
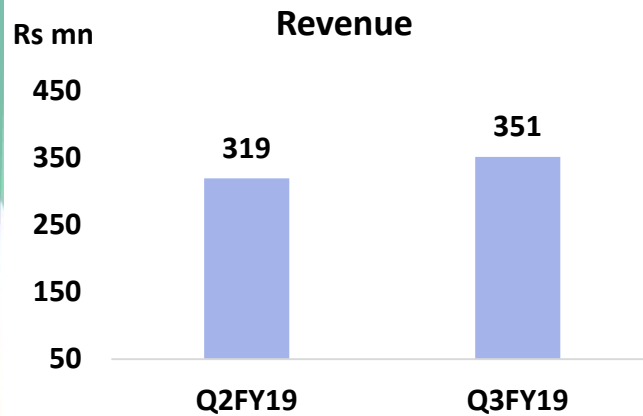
Key Financial Metrics

5

Way Forward

Performance Highlights

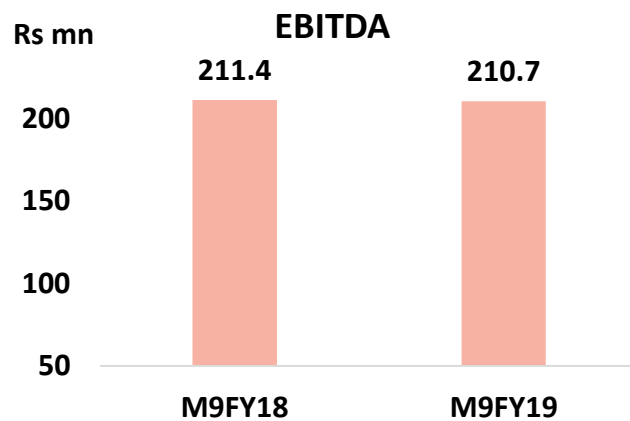
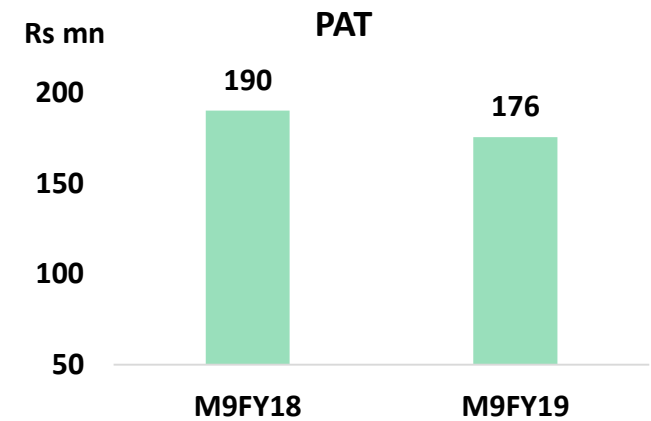
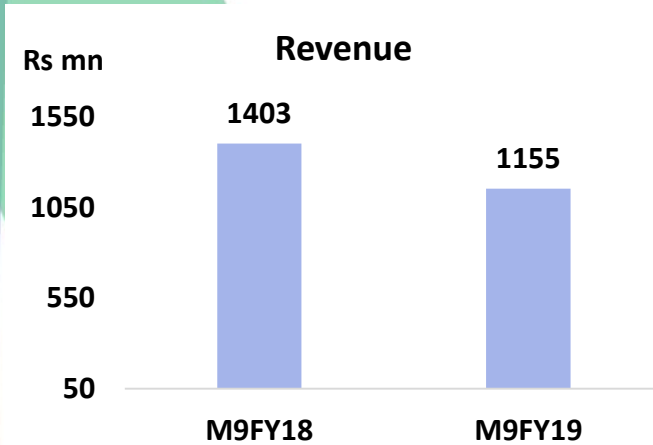
Q3FY19 - Standalone



P.S.: YOY not comparable, as current quarter includes meltblown numbers which started only from Q4FY18 onwards

Performance Highlights

9MFY19 - Standalone



Financial Highlights

Q3FY19 - Standalone

Standalone									
Rs. mn	Q3FY19	Q3FY18	YoY	Q2FY19	QoQ		M9FY19	M9FY18	YoY
Total Income from Operations	351.0	608.0	-42%	319.4	10%		1154.5	1402.9	-18%
Cost of Raw material Consumed	230.8	496.2	-53%	212.6	9%		819.9	1079.9	-24%
Changes in Inventory	-3.7	-22.4	-83%	-2.6	41%		-7.6	-22.5	-66%
Total Raw material Consumed	227.1	473.8		209.9			812.3	1057.5	
RM/Net Sales	64.7%	77.9%	-1325 bps	65.7%	-106 bps		70.4%	75.4%	-502 bps
Employee Cost	17.1	15.2	12%	12.1	41%		41.7	37.2	12%
Other Cost	32.2	35.4	-9%	30.1	7%		89.9	96.8	-7%
Total Expenditure	276.4	524.5	-47%	252.2	10%		943.9	1191.5	-21%
EBITDA	74.6	83.5	-11%	67.2	11%		210.7	211.4	0%
EBITDA Margin%	21.3%	13.7%	752 bps	21.0%	22 bps		18.2%	15.1%	318 bps
Interest	0.0	0.0	0%	0.0	0%		0.0	0.0	
Depreciation	10.3	7.7	35%	12.4	-17%		35.1	22.9	54%
Other Income	-3.1	0.1		3.1			0.1	1.8	-92%
Profit Before Tax	61.2	76.0	-19%	57.9	6%		175.7	190.3	-8%
Tax	0.0	0.0		0.0			0.0	0.0	
PAT	61.2	76.0	-19%	57.9	6%		175.72	190.30	-8%
PAT Margin%	17.4%	12.5%	494 bps	18.1%	-69 bps		15.2%	13.6%	165 bps
EPS in Rs.	2.1	5.3		2.0			6.1	13.2	-54%

Financial Highlights

Q3FY19 - Consolidated

Consolidated									
Rs. mn	Q3FY19	Q3FY18	YoY	Q2FY19	QoQ		M9FY19	M9FY18	YoY
Total Income from Operations	351.0	818.0	-57%	575.6	-39%		1611.6	1976.1	-18%
Cost of Raw material Consumed	230.8	656.5	-65%	446.7	-48%		1227.4	1555.1	-21%
Changes in Inventory	-3.7	0.0		-2.6	41%				
Total Raw material Consumed	227.1	656.5		444.0			1227.4	1555.1	
RM/Net Sales	64.68%	80.26%	-1557 bps	77.15%	-1246 bps		76.16%	78.69%	-253 bps
Employee Cost	17.1	15.2	12%	12.5	36%		42.1	37.2	13%
Other Cost	32.2	35.6	-10%	31.6	2%		93.3	97.9	-5%
Total Expenditure	276.3	707.3	-61%	488.2	-43%		1362.8	1690.2	-19%
EBITDA	74.7	110.7	-33%	87.4	-15%		248.7	285.9	-13%
EBITDA Margin	21%	14%	774 bps	15%	609 bps		15.43%	14.47%	96 bps
Interest	0.0	0.0		0.0	0%		0.0	0.0	
Depreciation	10.3	7.7	35%	12.4	-17%		35.1	22.9	54%
Other Income	-3.1	0.1		3.1			0.1	1.8	-92%
Profit Before Tax	61.3	103.2	-41%	78.1	-22%		213.8	264.9	-19%
Tax	0.0	0.0					0.0	0.0	
PAT	61.3	103.2	-41%	78.1	-22%		213.8	264.9	-19%
PAT Margin%	17.46%	12.61%	484 bps	13.57%	388 bps		13.26%	13.40%	-14 bps
EPS in Rs.	2.1	7.2		2.7			7.4	18.4	-60%

Business Updates

❖ **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

❖ **Converted products**

- The share of value-added products, in our spunbond segment, now stands increased to 41% of our overall revenues, up from 25% in the previous years, stoking our profitability metrics

❖ **Order book status**

- 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

Business Updates

❖ **Progress on flat bond project**

- We have equipped ourselves with comprehensive data, painstakingly collated over the last couple of months, to ensure success in this 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



Company Overview

01



Pioneer and amongst leading players in manufacturing of Spun bond nonwoven fabric in India

02



State-of-art manufacturing facility at Daman, with machines procured from Reifenhauer GMBH of Germany

03



100% EOU, with ~75% of its products exported to US, Europe, UK etc

04



International accreditations and certifications - ISO 9001-2008, 14001-2004, OHSAS 18001:2007, Intertek and UKAS

05



Well set supply chain, with most of the raw material sourced from the world's largest O&G company, Exxon Mobil

06



Zero debt company



Our Core Team

Fiberweb India

Since inception

8 yrs with the company

25 yrs with the company

Since inception



Pravin Sheth

Chairman Emeritus

- ❖ Over 5 decades of industry experience
- ❖ Responsible for driving the vision and strategy for Company



Bhavesh Sheth

Director

- ❖ Responsible for business development, business process and organization strategy
- ❖ Total Experience – 30 years (8 yrs with Fiber web). Earlier worked with Fortune 500 Companies in USA as Senior Management



G Ravindran

Dy. President (Operations)

- ❖ B. Tech (Chem Engg), M.Tech (Ind. Management) – IIT, Kharagpur
- ❖ Responsible for manufacturing facility in Daman
- ❖ Total experience – 40 years, 25 years with Company



P. Krishnan

CFO

- ❖ Over 3 decades of experience in finance, exports & administration
- ❖ Been with Company since 1984
- ❖ Prior to 1984, worked in diamond exports

Our Journey Till Date

- 5000 MTPA spunbond capacity installed
- Subsequently started exporting to UAE, Europe, UK, South Africa, New Zealand & Australia
- Set up a 100% sub in Dubai, to trade in lower value spunbond fabrics

1986

1995

1996 - 2009

2016

2017

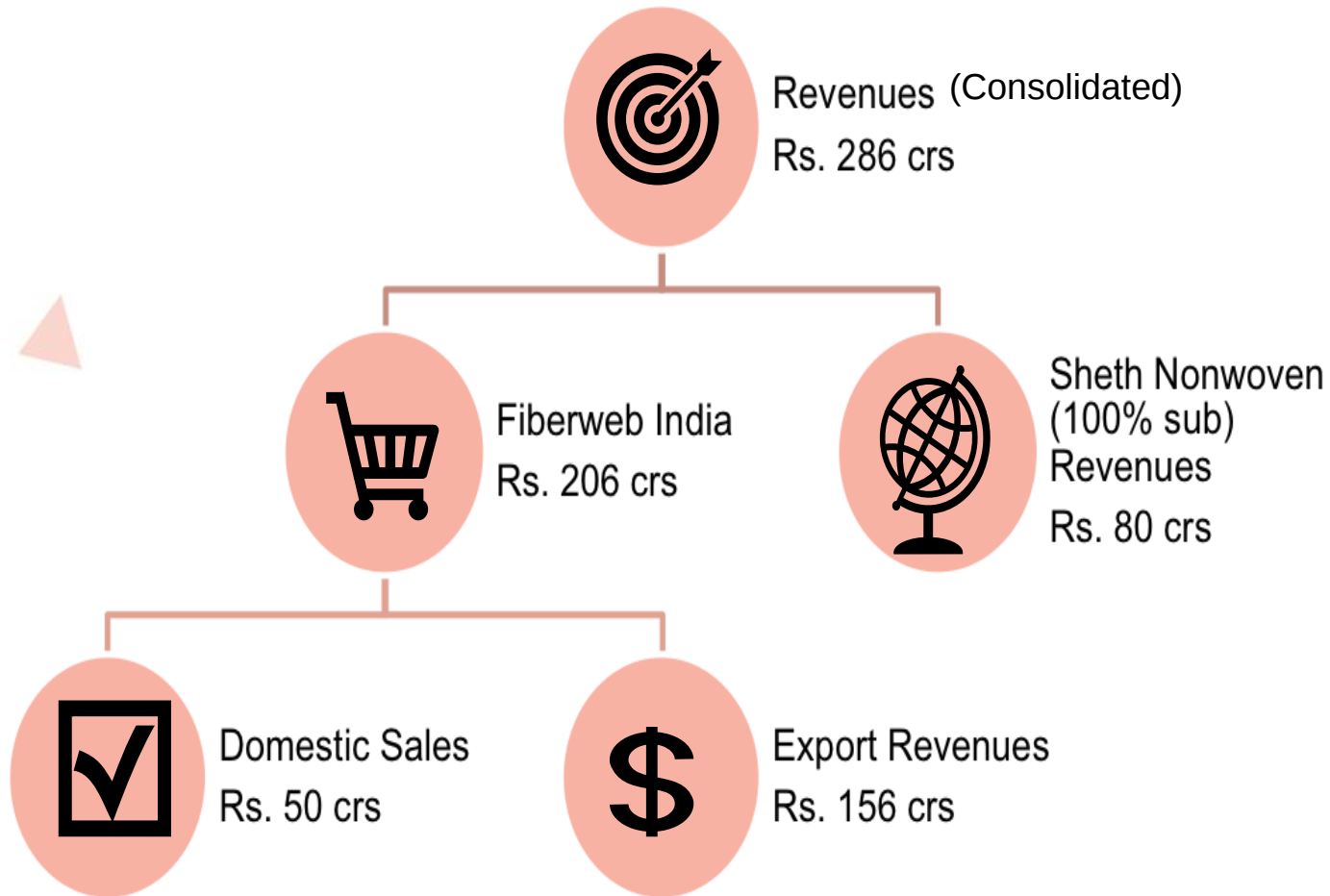
2018

- Established as a plastic moulding company
- Forayed into manufacturing spunbond nonwoven fabrics
- Started exports to North America
- 2500 MTPA of leased spunbond capacity signed up
- Started exporting value added products (converted products) in spunbond
- Successfully commissioned Meltblown line with a 3000 MTPA capacity
- Capex incurred – Rs. 45 crs



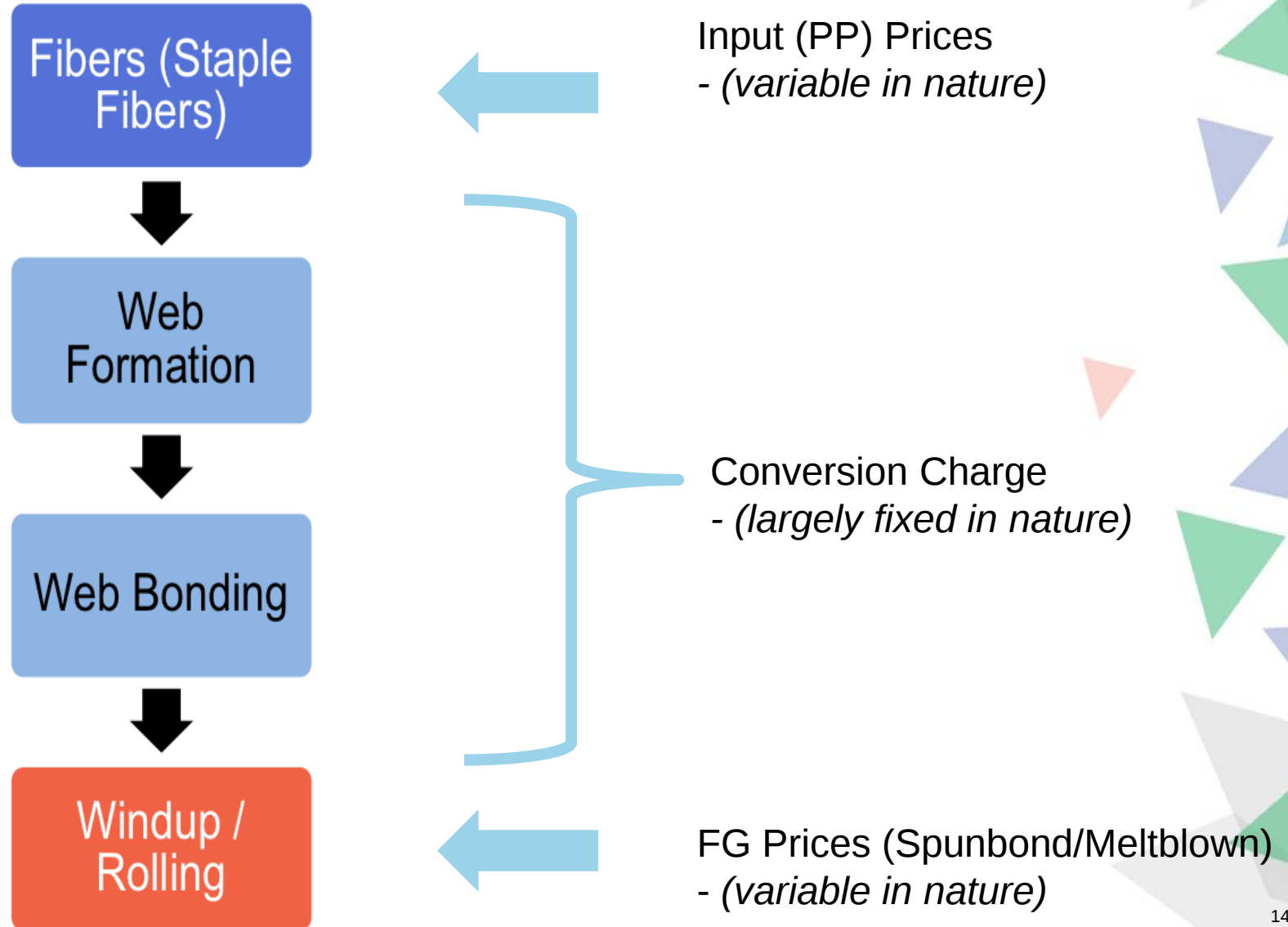
Our Revenue Model

FY18



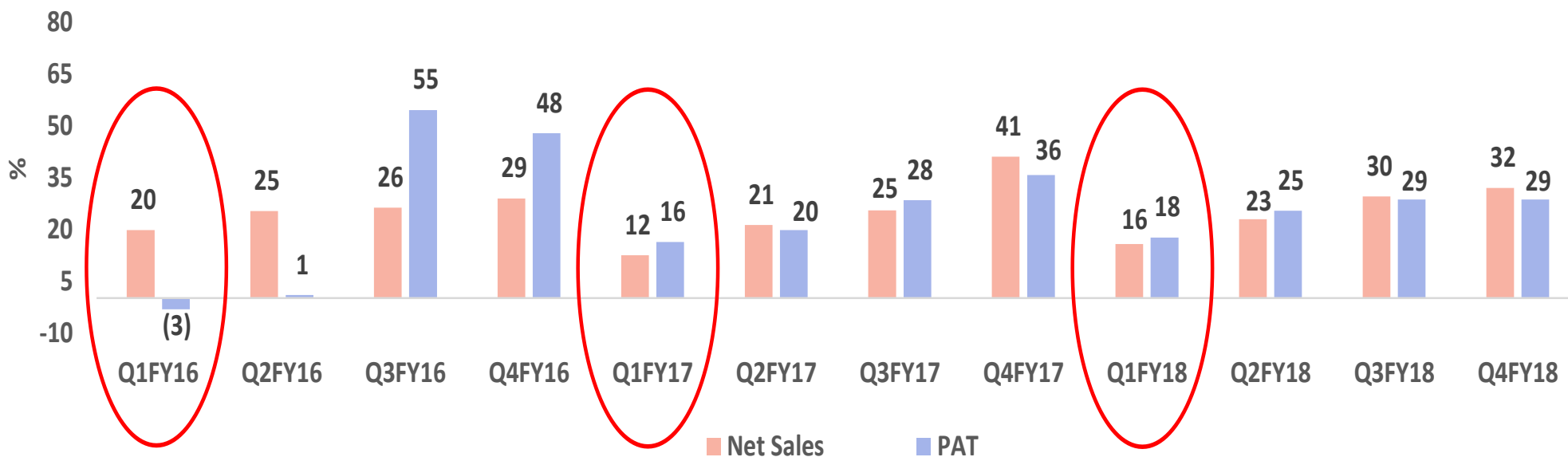


Our Business Model





Quarterly Contribution



Q1 – weakest quarter

- ✓ Non seasonal time in our key market (US)
- ✓ Negligible sales of converted products in this qtr



Q2 – highest order intake quarter

- ✓ The ordering for the peak season (in US) begins from July end/August onwards



Q3 – Ramp up quarter

- ✓ Bulk supplies done in this quarter, for the upcoming business season in the US



Q4 – Strongest quarter

- ✓ Peak season time in our key market (US)
- ✓ Highest sales of converted products (with higher margin)



Our Manufacturing Facilities

State-of-the-art facility

Spunbond fabrics



**Unit 1, Daman – 5000 MTPA
(owned)**
**Unit 2, Daman – 2500 MTPA
(leased)**

Meltblown Fabrics



Unit 1, Daman – 3000 MTPA



Our Products



Nonwoven Fabrics

Spunbond – Own

Manufacturing Capacity – 5000 MTPA
Utilisation – 92%



Spunbond – Leased

Manufacturing Capacity – 2500 MTPA
Utilisation – 90%



A

FY18 Data

C

B



Meltblown – Own

Manufacturing Capacity – 3000 MTPA
Utilisation – ~17% (commissioned only in Q4FY18)

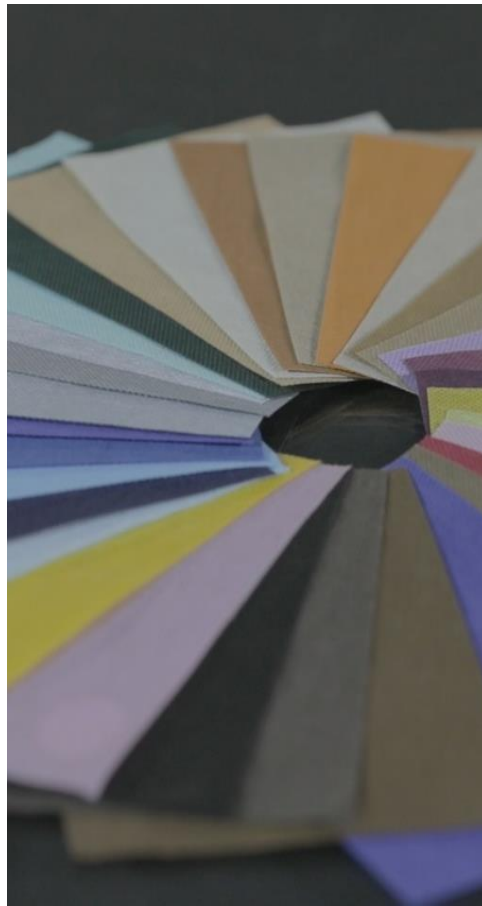




Spunbond

Nonwovens

What is Spunbond Fabric



Spunbond fabrics are produced by depositing extruded, spun filaments onto a collecting belt in a random manner followed by bonding the fibers. The fibers are separated during the web laying process by air jets or electrostatic charges.

The collecting surface is usually perforated to prevent the air stream from deflecting and carrying the fibers in an uncontrolled manner. Bonding imparts strength and integrity to the web by applying heated rolls to partially melt the polymer and fuse the fibers together.



Spunbond - Applications

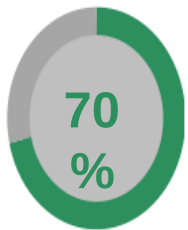


Spunbond Revenue Model

FY18

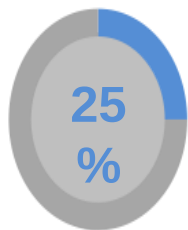
By Segment

By Application



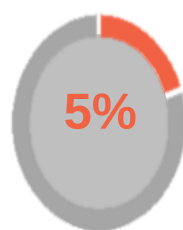
Rolled Goods

% of production supplied, as rolled goods, to converters



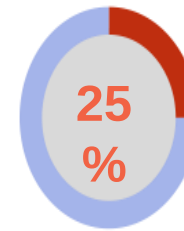
Converted Products

% of production supplied, as converted products, to large global procurers

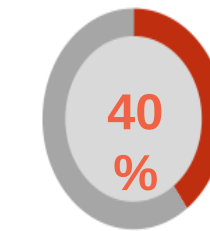


Distributors

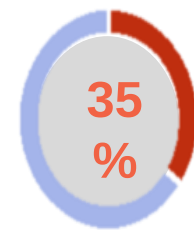
% of production supplied, as rolled goods, to distributors



Personal Hygiene



Agriculture



General



Meltblown

Nonwovens

What is Meltblown Fabric



Meltblown nonwovens are produced by extruding melted polymer fibers through a spin net or die consisting of upto 40 holes per inch to form long thin fibers which are stretched and cooled by passing hot air over the fibers as they fall from the die. The resultant web is collected into rolls and subsequently converted to finished products.

The extremely fine fibers (typically PP) differ from other extrusions, particularly spunbond, in that they have low intrinsic strength but much smaller size offering key properties. Often meltblown is added to spun bond to form SM or SMS webs, which are strong & offer the intrinsic benefits of fine fibers such as fine filtration.



Meltblown - Applications

Medical Fabrics

The segments of the medical market for meltblown nonwoven fabrics are disposable gowns, drapes and sterilization wraps.

Oil Absorbents

Picking up oil from water, such as an accidental oil spill, is a common use for meltblown fabrics. Additionally, they are used for mats in machine shops / industrial plants.

Wipes

Common usage includes making wipes suitable for various applications e.g. face wipes, hand wipes, surface cleaning (wood, leather, floors, tiles etc).



Filtration

Meltblown applications include surgical face masks, liquid filtration, gas filtration, cartridge filters, clean room filters etc

Sanitary Products

Used frequently in feminine sanitary napkins, diaper & disposable adult incontinence products

Apparel

Disposable industrial apparel, thermal insulation and substrates for synthetic leather

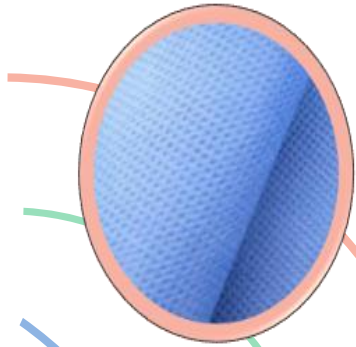


Industry Dynamics

Nonwovens (Technical Textiles)

What are Nonwovens

Types of nonwoven



Spunbond fabrics

These are produced by depositing extruded, spun filaments onto a collecting belt in a uniform random manner followed by bonding the fibers. The fibers are separated during the web laying process by air jets or electrostatic charges



Melt Blown

These are extremely fine fibers which differ from spunbond, in that they have low intrinsic strength but much smaller size offering key properties



Flat Bond

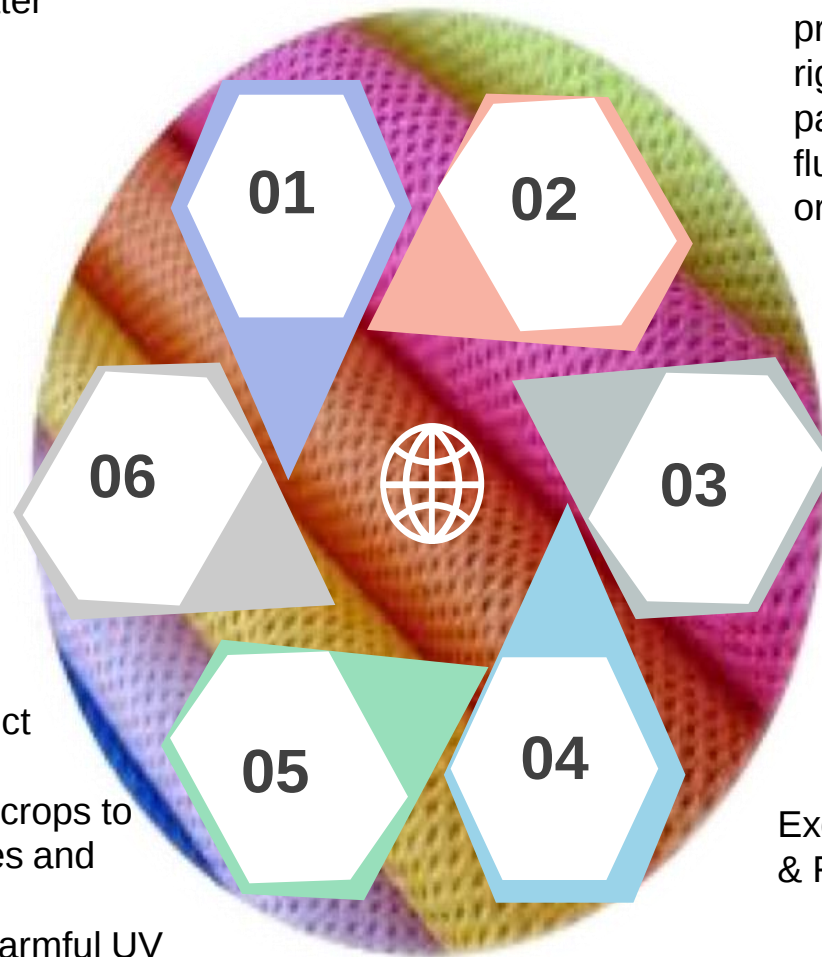
By applying heat and consistent pressure in the form of a flat calendar across the web, flatbonding creates a smooth surface where fibers are bonded to each other

Nonwovens are broadly defined as sheet or web structures bonded together by entangling fiber or filaments mechanically, thermally or chemically. They are flat or tufted porous sheets that are made directly from separate fibers, molten plastic or plastic film. They aren't made by weaving or knitting and do not require converting the fibers to yarn.

Why Nonwovens

Removes wide range of contaminants from water (i.e. bacteria, viruses, metals, minerals etc.)

- High level of flow capacity & High tensile strength
- Apertures between intersecting fibers of nonwoven sheets - big enough to allow air and water to reach crop but small enough to keep out insects
- Frost, Weed control and insect protection
- Protection allows plants and crops to grow without use of pesticides and herbicides
- Protection of crops against harmful UV rays



Sufficient strength and extensibility to withstand high-speed converting processes; a balance of softness and rigidity to accommodate both packaging and the intended use; fluid transport; absorption, containment or repellency; porosity; and density.

- Exceptional permeability, Tear and puncture-resistance & Absorption of fats and oils
- High retention capacities & high air permeability

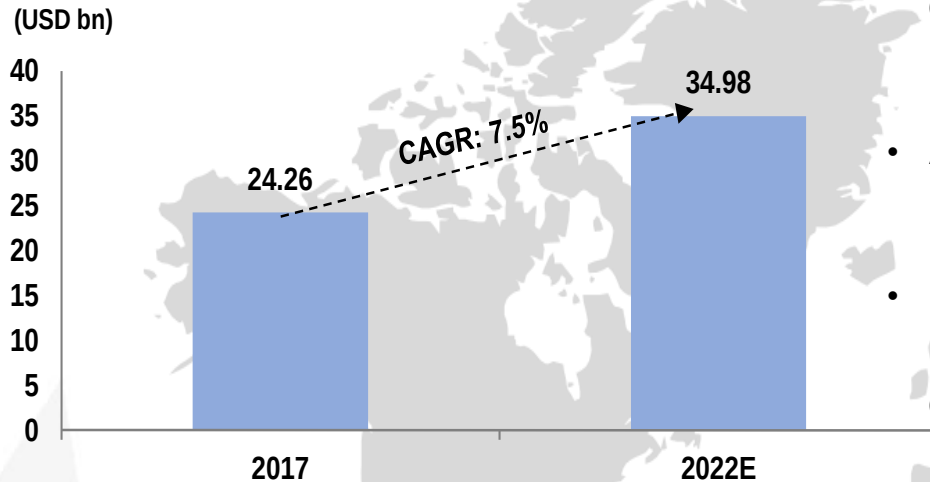
Excellent abrasion resistance & Flame retardant

Domestic Dynamics

- ❖ India's nonwoven market is growing at a rate of 8-10% & the market is expected to grow at a rate of 12-15 % in future.
- ❖ Production of non-woven in India is estimated at ~3.65 lakh MT for 2016, a growth of 17% YoY
- ❖ Most of the tonnage today is going into low end, cost competitive products constituting of shopping bags, carpets and backings.
- ❖ However the consistent growth showing up usage in automotives, filtration, geotextiles and the medical and hygiene sector, the growth will escalate in value terms too.
- ❖ The personal hygiene market is expected to grow @ CAGR of 20% till 2020, led by rising disposable income and increasing awareness
- ❖ The Geotextile market is expected to reach ~USD 9.3bn by 2022 @ CAGR of 10.2% from 2017
- ❖ India is expected to emerge as the world's 3rd largest passenger vehicle market by 2021 with annual production to ~5mn vehicles. This will increase the demand for non-woven
- ❖ The Indian packaging industry is likely to witness CAGR growth of 18% with the increase in share of non-woven

Global Dynamics

Global non-woven textile market size

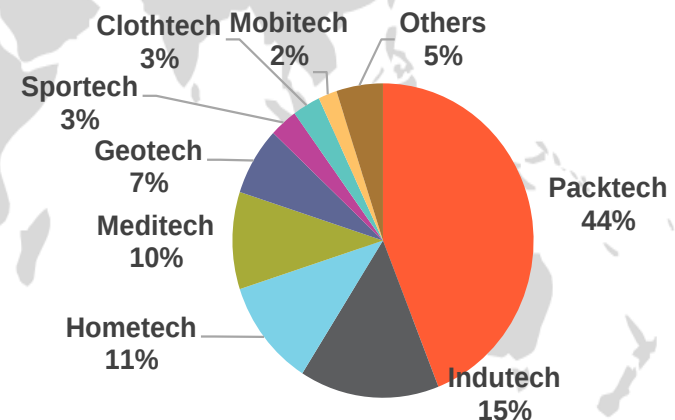


Source: Industry

- The global nonwoven market is expected to grow at a ~7.5% CAGR by 2022 led by rising demand for hygiene products such as baby diapers and personal care & feminine hygiene product.
- Asia Pacific is the leading regional market and accounted for the largest share of global demand in 2016.
- Increasing consumption in the emerging economies of China. India and Brazil is likely to have a positive influence on market growth.

- With wide applications and a large potential market in India, the nonwoven fabric market is set to grow at 12-15%, with the personal hygiene market expected to grow at a CAGR of ~20% till 2020.
- Major international players in nonwoven fabric include Berry Plastics (US), Kimberly-Clark (US), Ahlstrom (Sweden), DuPont (US) and Fitesa (US). There is no other organised player in India.

Exports by nonwoven technical textile segment



Source: Industry

Global Dynamics

Spunbond

- Expected to be valued at USD 10.73 bn in 2017, likely to reach USD 16 bn by 2022, @ 8.3% CAGR
- The APAC region expected to be the largest market by 2017. China, India, Japan & South Korea are the major countries
- Rising disposable income has resulted in the increasing demand for disposable diapers, feminine hygiene items and wipes
- Personal care and hygiene, medical, agriculture, packaging & automotive are some of the key end use segments

Meltblown

- Expected to be valued at USD 5 bn in 2017, likely to reach USD 6.21 bn by 2020, @ 7.5% CAGR
- Asia – highest annual growth for filtration media @ 19% per year during 2010-16. India led growth in Asian demand, followed by China & Japan
- Consumption of meltblown filter media will keep increasing through the steady replacement of traditional textiles and paper filter media
- Main usage segments: Filtration (liquid and air) media, Insulation (thermal or sound) media and sorbent (absorption) media

Kimberley-Clark, Berry Group, Mitsui Chemicals, Ahlstrom, Indorama Ventures, Toray Inds, DuPont & Fitesa are the key companies operating in Nonwovens



Our Financials

Consolidated P&L

Rs. Mln	FY18	FY17	YoY %
Total Income	2861	1304	119.5
Raw Materials	2300	919	
Employee Cost	49	43	
Other Cost	117	142	
Total Expenditure	2466	1104	
EBITDA	395	200	99.0
Interest	0	0	
Depreciation	32	27	
PBT	363	172	
Tax	0	0	
PAT	363	172	111.1
PAT Margin (%)	12.70	13.20	(50 bps)
EPS (Rs.)	12.61*	13.70	

* EPS for FY18 is adjusted for the increased equity post bonus and preferential allotment

Our Financials

Consolidated Balance Sheet

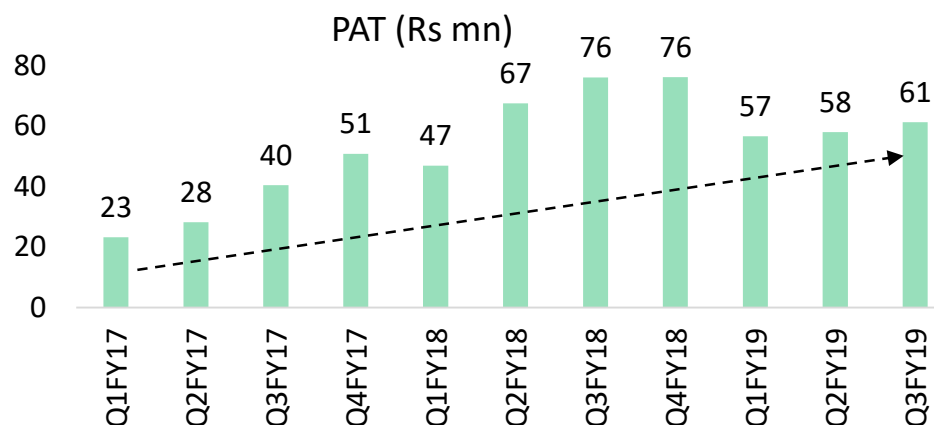
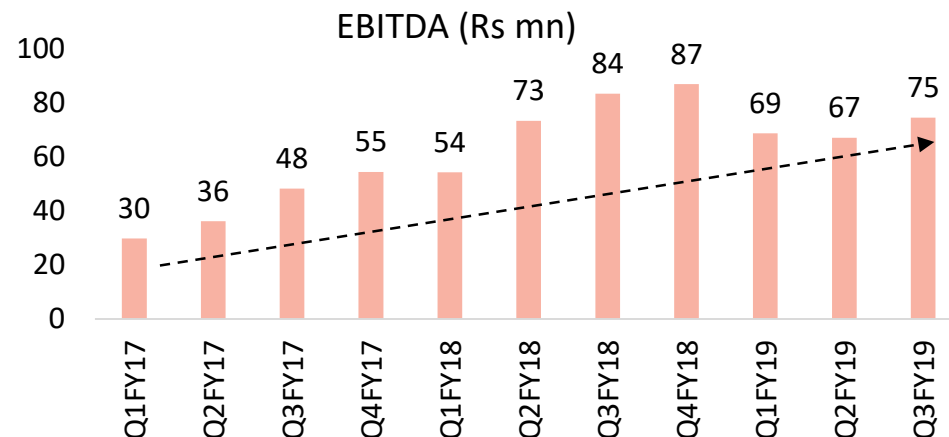
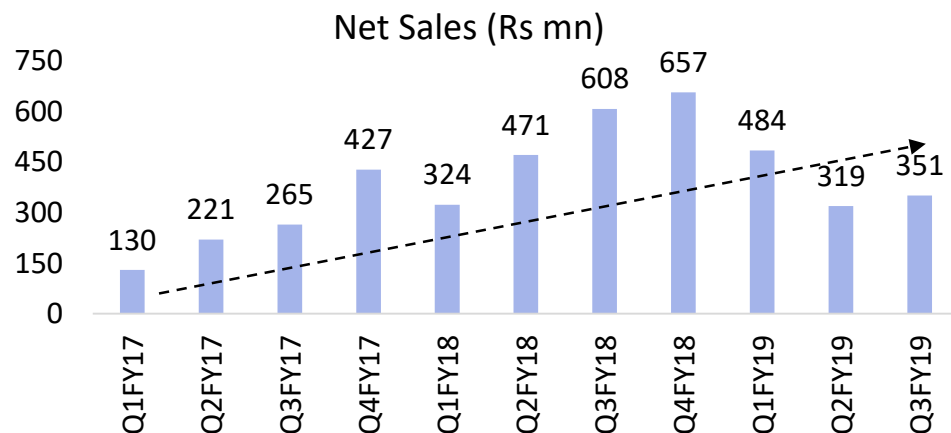
Rs. Mln	As on 31/09/2018	As on 31/03/2018
Shareholder's Funds	1596	1431
Share capital	288	288
Reserves & Surplus	1308	1143
Capital Reserves		
Money received against warrants		
Non-current liabilities		
Long term borrowings		
Defer Tax liabilities		
Other Long-Term liabilities		
Long-Term Provisions		
Current liabilities	476	232
Short Term Borrowings		
Trade Payables	454	227
Other Current liabilities	0.70	0.60
Short-term provisions		4.00
Total Equities & Liabilities	2072	1663

Rs. Mln	As on 31/09/2018	As on 31/03/2018
Non-current assets	1015	892
Fixed assets	967	846
Non-current Investments		
Long-term loans & advances	46	46
Current assets	1057	771
Current investments		
Inventories	154	154
Trade receivables	837	536
Cash & Cash equivalents	20	46
Short-term loans & Advances	45	35
Total Assets	2072	1663



Our Financial Track Record

Standalone Quarterly Trend Charts







FIBERWEB (INDIA) LTD

Mr. Bhavesh Pravin Sheth
Director

Mr. G. Ravindran
Dy. President (Operations)

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Thank You

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