



Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

22nd October, 2018

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

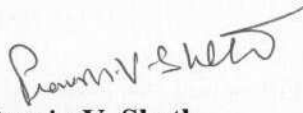
Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, please find attached herewith Media Release dated 22nd October, 2018.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For FIBERWEB (INDIA) LIMITED


Pravin V. Sheth
Director
(DIN: 00138797)



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

CIN NO. L25209DD1985PLC004694

Media Release

Improved sales of converted products boosts profitability

Q2FY19 Consolidated Revenues at Rs. 575.58 mln, down 16% YoY

Q2FY19 Consolidated EBITDA at Rs. 87.42 mln, up 1% YoY

Q2FY19 Consolidated PAT at 78.13 mln, up 5% YoY

FY19 annualised EPS at Rs. 10.84 (consolidated)

Mumbai, October 23, 2018: 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 September 30, 2018.

Key developments during the quarter:

- **Increased thrust 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 at Rs. 520 mln. With this, the order book of the company swells to Rs. 730 mln and remains fully booked for the next 4 months.

Consolidated Financial Results Highlights

Q2 FY19 Vs. Q2 FY18 Highlights: -

- **Revenue - Rs. 575.58 million** reported in Q2 FY19 as against Rs. 684.95 million in the Q2 FY18
- **EBITDA - Rs. 87.42 million** reported in Q2 FY19 as against Rs. 86.60 million in Q2 FY18
- **PAT - Rs. 78.13 million** reported in Q2 FY19 as against Rs. 74.34 million in Q2 FY18.

H1 FY19 Vs. H1 FY18 Highlights: -

- **Revenue - Rs. 1260.53 million** reported in Q2 FY19 as against Rs. 1158.13 million in the Q2 FY18
- **EBITDA - Rs. 174.02 million** reported in Q2 FY19 as against Rs. 175.23 million in Q2 FY18

- **PAT - Rs. 152.47 million** reported in Q2 FY19 as against Rs. 161.67 million in Q2 FY18.

Commenting on the developments, **Mr. Bhavesh Sheth, Director**, said “Going by the results we managed to achieve, our strategy of focussing on margin improvement seems to have paid off. We focussed on delivering higher volumes of converted, value-added, spun bond fabrics during the quarter. This seriously stoked our profitability metrics (edibta/ton). 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. Not only that, but improved utilisations in our meltblown line helped boost our profitability. As mentioned in our previous communications, typically the 2nd half of each year records improved numbers for the company than the 1st half, largely driven by seasonal demand in our key market, US. As also, surging input prices & a looming trade war between US and China caused uncertainty and kept some check on the demand during the quarter under review. The improvement in our profitability metric seems commendable in the backdrop of these challenges. Our continued focus on improving efficiencies helped us in identifying areas where costs could be kept in check, providing some more margin relief.

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, as helped win their confidence. We have been reducing our focus on selling products made on single beam, leased spunbond line, which were suitable for a particular segment (lawn & garden market). Over a period of time, the gross margins from that segment have been reducing from ~\$ 800 per MT to ~\$ 350 per MT in the last quarter. Hence, we have decided to move resources from volume sales to higher margin sales.

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. We have done a lot of sampling work with regards to many new converted meltblown products during 3 months period ended Sept 30, which are currently going through the customer approval process - this typically takes 75 to 120 days as it involves lab testing, field trials etc., hence benefits of it will be seen in forthcoming quarters. Upon approval, not only do we estimate much higher realisations from our meltblown division, but margins also should witness significant improvement over those that were anticipated by us earlier.

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. 730 mln, with almost equal demand being witnessed in both spunbond as well as meltblown fabrics. While we are booked for the next 4 months, we are exercising due caution in booking incremental orders, in light of the volatile input regime. 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 are now one step closer. While we have almost secured the external funding needed to kick start the project, we are in discussions with some international consultants to seek advice on this project. This is required to iron out technical complexities regarding the construction and design of the flat bond line with the vendor. Flat bond products, produced on this line, need to be validated by the vendor to meet international certification standards, consequently requiring the vendor to provide financial guarantee regarding performance of the line. Embarking a highly technical project, of this magnitude, necessitates such precautions. That said, the complexities in setting up the project and lower competitive intensity globally, would enable the company to not only move up the value chain but also earn significantly superior margins, once commissioned.

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. Reifenhauer 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.

For FIBERWEB (INDIA) LIMITED

Pravin V. Sheth
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Director
DIN: 00138797

