



# Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

22<sup>nd</sup> October, 2018

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

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

**Sub.: Result Update Presentation**

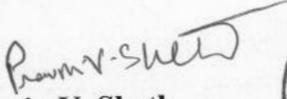
Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, please find attached herewith Q2 FY19 Result Update Presentation 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

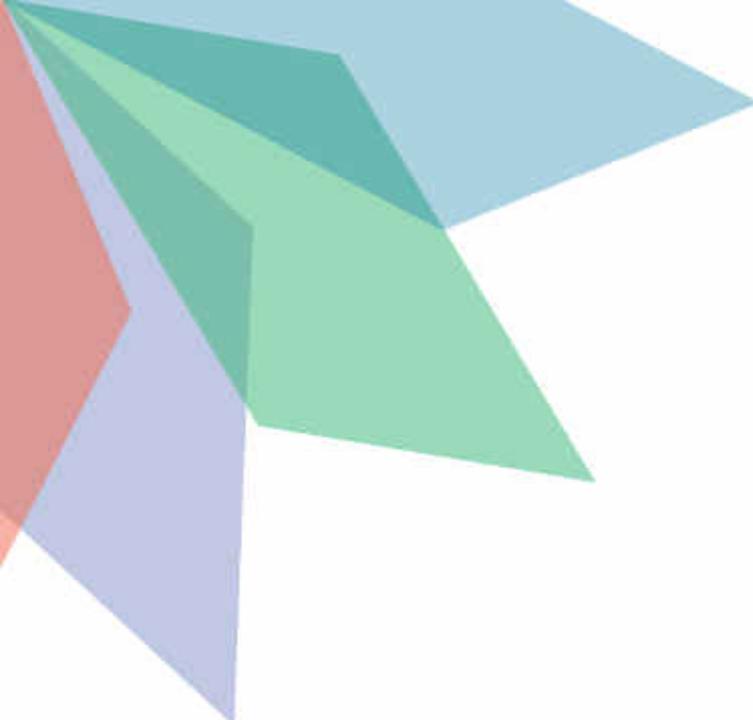
**Product is manufactured in the plant, where the Management system is certified for ISO 9001:2008, 14001:2004, OHSAS 18001:2007**

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**CIN NO. L25209DD1985PLC004694**



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



# **FIBERWEB INDIA LTD**

**INVESTOR PRESENTATION**



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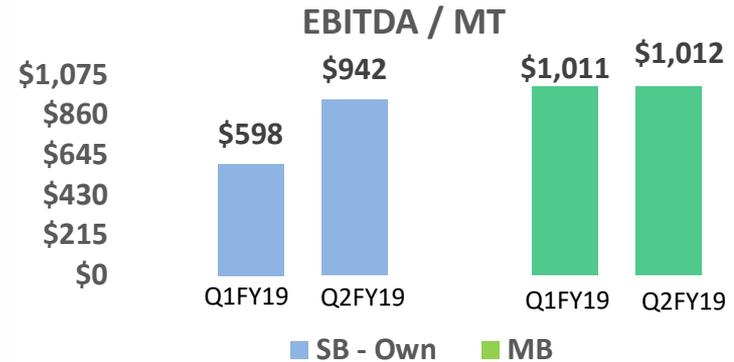
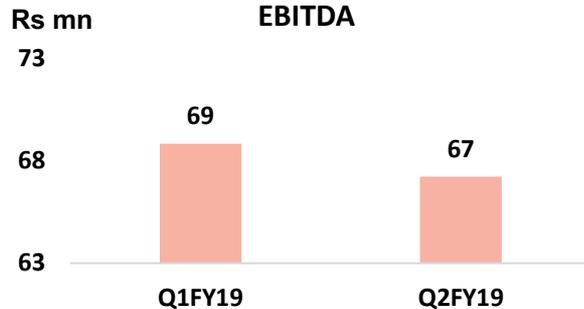
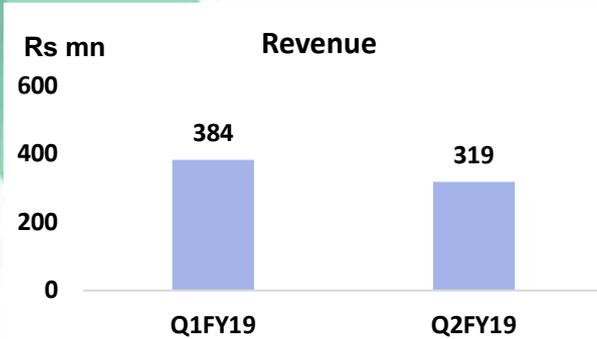
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# Performance Highlights

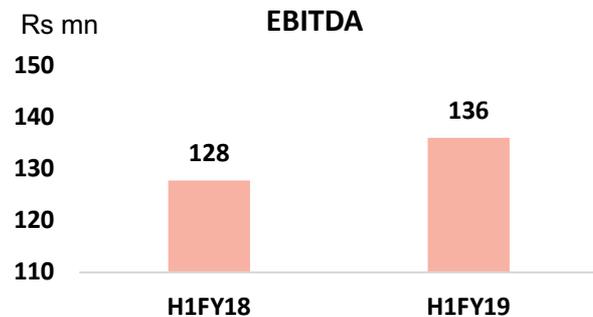
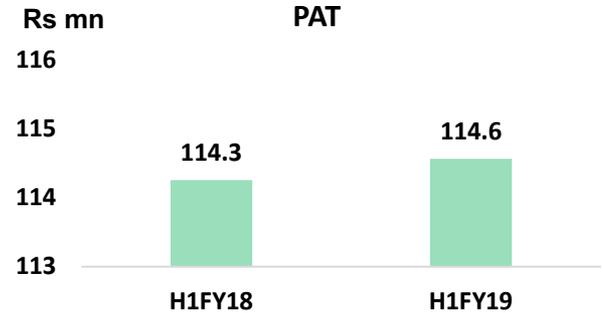
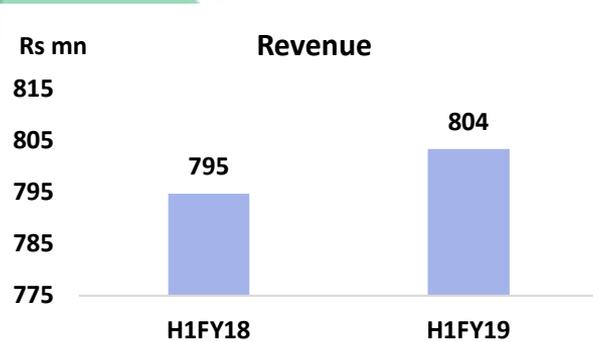
## Q2FY19 - Standalone



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

# Performance Highlights

## H1FY19 - Standalone



# Financial Highlights

## Q2FY19 - Standalone

Standalone									
Rs. mn	Q2FY19	Q2FY18	YoY	Q1FY19	QoQ		H1FY19	H1FY18	YoY
<b>Total Income from Operations</b>	<b>319.38</b>	<b>471.02</b>	<b>-32%</b>	<b>484.14</b>	<b>-34%</b>		<b>803.52</b>	<b>794.83</b>	<b>1%</b>
Cost of Raw material Consumed	212.58	347.60	-39%	376.53	-44%		589.10	583.70	1%
Changes in Inventory	-2.63	2.65	-199%	-1.22	116%		-3.84	-0.067	5637%
Total Raw material Consumed	209.95	350.24	-40%	375.31	-44%		585.26	583.63	0%
<i>RM/Net Sales</i>	66%	74%		78%			73%	73%	-1%
Employee Cost	12.11	12.03	1%	12.45	-3%		24.56	21.957	12%
Other Cost	30.07	35.26	-15%	27.51	9%		57.58	61.411	-6%
Total Expenditure	252.12	397.53	-37%	415.27	-39%		667.39	667.00	0%
<b>EBITDA</b>	<b>67.26</b>	<b>73.49</b>	<b>-8%</b>	<b>68.87</b>	<b>-2%</b>		<b>136.13</b>	<b>127.82</b>	<b>6%</b>
EBITDA Margin%	21.1%	15.6%	35%	14.2%	48%		16.9%	16.1%	5%
Interest	0.00	0.00	0%	0.00	0%		0.00		
Depreciation	12.39	7.59	63%	12.39	0%		24.77	15.183	63%
Other Income	3.09	1.59		0.12			3.22	1.62	98%
Profit Before Tax	57.96	67.48	-14%	56.61	2%		114.57	114.26	0%
Tax	0.00	0.00		0.00			0.00		
<b>PAT</b>	<b>57.96</b>	<b>67.48</b>	<b>-14%</b>	<b>56.61</b>	<b>2%</b>		<b>114.57</b>	<b>114.26</b>	<b>0%</b>
PAT Margin%	18.1%	14.3%		11.7%			14.3%	14.4%	
EPS in Rs.	2.01	2.34		1.97			3.98	3.97	0%

# Financial Highlights

## Q2FY19 - Consolidated

Consolidated									
Rs. mn	Q2FY19	Q2FY18	YoY	Q1FY19	QoQ		H1FY19	H1FY18	YoY
<b>Total Income from Operations</b>	<b>575.58</b>	<b>684.95</b>	<b>-16%</b>	<b>621.19</b>	<b>-7%</b>		<b>1260.53</b>	<b>1158.13</b>	<b>9%</b>
Cost of Raw material Consumed	446.66	557.55	-20%	479.75	-7%		1004.21	898.66	12%
Changes in Inventory	-2.63	-1.22		2.65			-3.84	-0.067	
Total Raw material Consumed	444.03	556.33	-20%	482.39	-8%		1000.36	898.60	11%
<i>RM/Net Sales</i>	<i>77%</i>	<i>81%</i>		<i>78%</i>			<i>79%</i>	<i>78%</i>	<i>2%</i>
Employee Cost	12.54	12.45	1%	12.03	4%		24.99	21.96	14%
Other Cost	31.58	29.57	7%	35.64	-11%		61.15	62.34	-2%
Total Expenditure	488.16	598.35	-18%	530.06	-8%		1086.51	982.89	11%
<b>EBITDA</b>	<b>87.42</b>	<b>86.60</b>	<b>1%</b>	<b>91.13</b>	<b>-4%</b>		<b>174.02</b>	<b>175.23</b>	<b>-1%</b>
EBITDA Margin%	15.2%	12.6%	20%	14.7%	4%		13.8%	15.1%	-9%
Interest	0.00	0.00		0.00			0.00	0.00	
Depreciation	12.39	12.39	0%	7.59	63%		24.77	15.18	63%
Other Income	3.09	0.12		1.59			3.22	1.62	98%
Profit Before Tax	78.13	74.34	5%	85.12	-8%		152.47	161.67	-6%
Tax	0.00	0.00		0.00			0.00	0.00	
<b>PAT</b>	<b>78.13</b>	<b>74.34</b>	<b>5%</b>	<b>85.12</b>	<b>-8%</b>		<b>152.47</b>	<b>161.67</b>	<b>-6%</b>
PAT Margin%	13.6%	10.9%		13.7%			12.1%	14.0%	
EPS in Rs.	2.714	2.58		2.96			5.30	5.62	-6%

# Business Updates

- ❖ Focus on increasing profitability
  - Reduced focus on selling products made on single beam, leased spunbond line
  - These are suitable only for a particular segment of the lawn and garden market
  - GMs from this segment has been reducing from ~\$ 800 per MT (2017) to ~\$ 350 per MT in last quarter
  - Strategic decision to move resources from volume sales to higher margin sales
  
- ❖ 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, stoking our profitability metrics
  - EBIDTA/ton improves to \$ 942 in Q2FY19, from \$ 598 in Q1FY19
  
- ❖ Meltblown products
  - We have done a lot of sampling work with regards to many new converted meltblown products during the quarter
  - These are currently going through the customer approval process - this typically takes 75 to 120 days as it involves lab testing, field trials etc.
  - Benefits of these will be seen in forthcoming quarters

# Business Updates

- ❖ Order book status
  - 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
  - Booked for the next 4 months,
  - However, exercising due caution in booking incremental orders in light of the volatile input regimes
  
- ❖ Flatbond project
  - Almost secured the external funding needed to kick start the project
  - 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
  - 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
  
- ❖ Others
  - Cross currency movement has been beneficial to the company as reflected by gains on forex realisations, reported in Other Operating Income



# Company Overview

01



Pioneer and amongst leading players in manufacturing of Spunbond 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 Fiberweb). 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



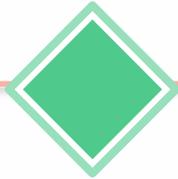
# Our Journey Till Date

1986



- Established as a plastic moulding company

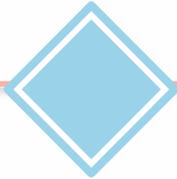
1995



- Forayed into manufacturing spunbond nonwoven fabrics

- 5000 MTPA spunbond capacity installed

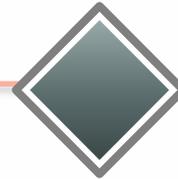
1996 - 2009



- Started exports to North America

- Subsequently started exporting to UAE, Europe, UK, South Africa, New Zealand & Australia

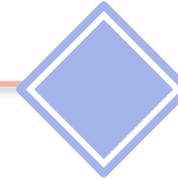
2016



- 2500 MTPA of leased spunbond capacity signed up

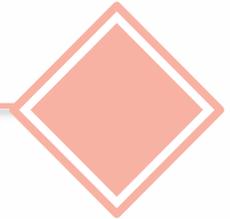
- Set up a 100% sub in Dubai, to trade in lower value spunbond fabrics

2017



- Started exporting value added products (converted products) in spunbond

2018

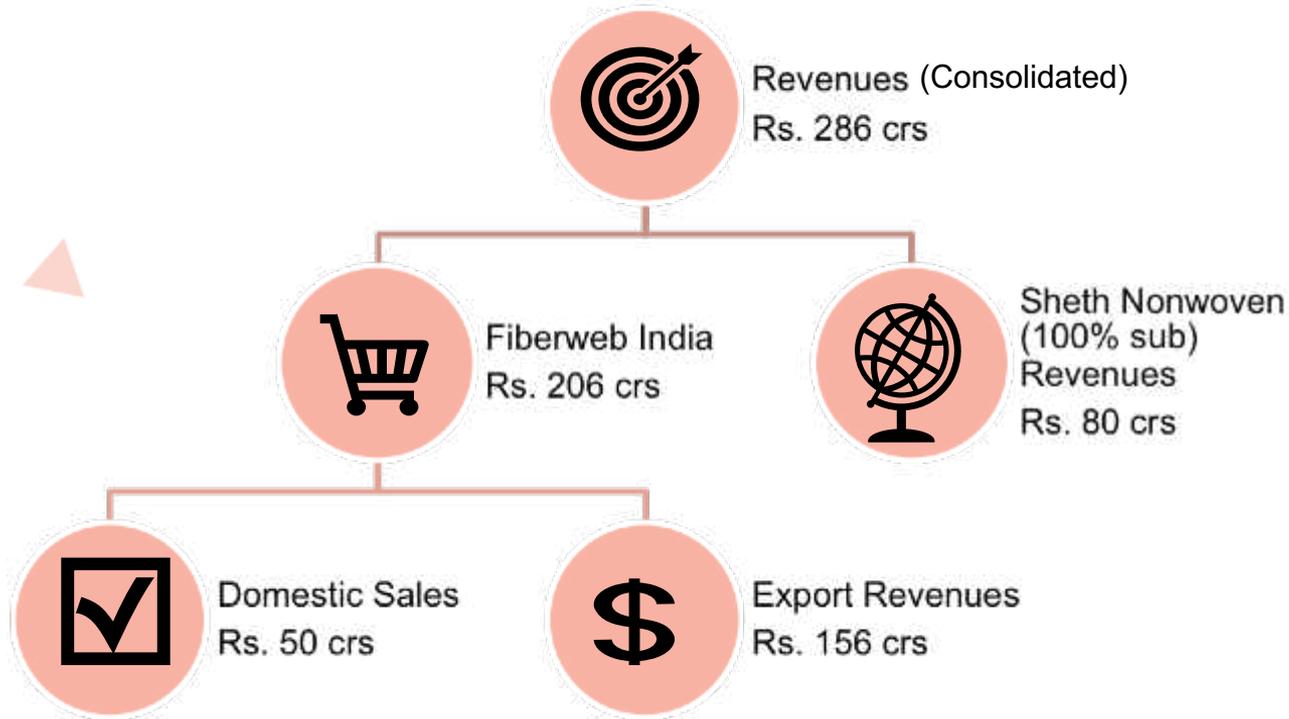


- Successfully commissioned Meltblown line with a 3000 MTPA capacity
- Capex incurred – Rs. 45 crs

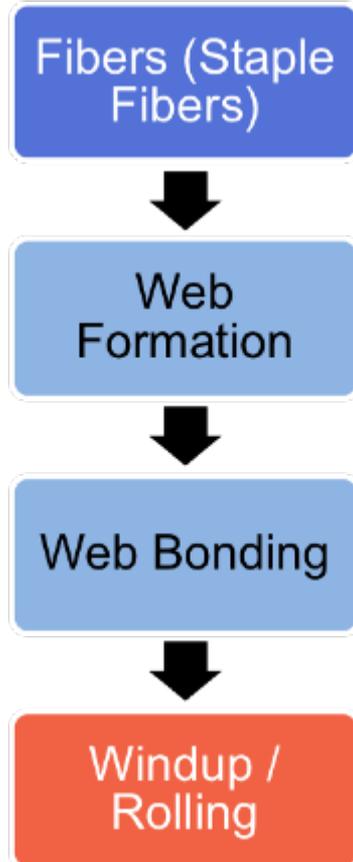


# Our Revenue Model

FY18



# Our Business Model



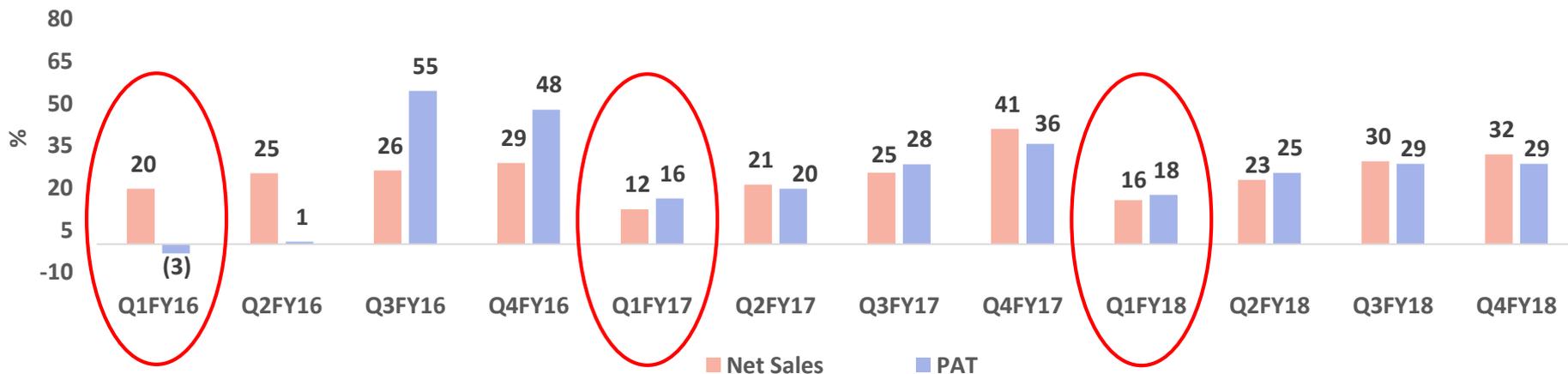
Input (PP) Prices  
- *(variable in nature)*

Conversion Charge  
- *(largely fixed in nature)*

FG Prices (Spunbond/Meltblown)  
- *(variable in nature)*



# 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**



### Spunbond – Own

Manufacturing Capacity – 5000 MTPA  
Utilisation – 92%



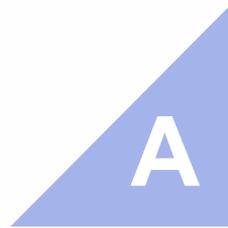
### Spunbond – Leased

Manufacturing Capacity – 2500 MTPA  
Utilisation – 90%

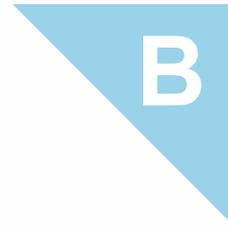


# Our Products

Nonwoven Fabrics



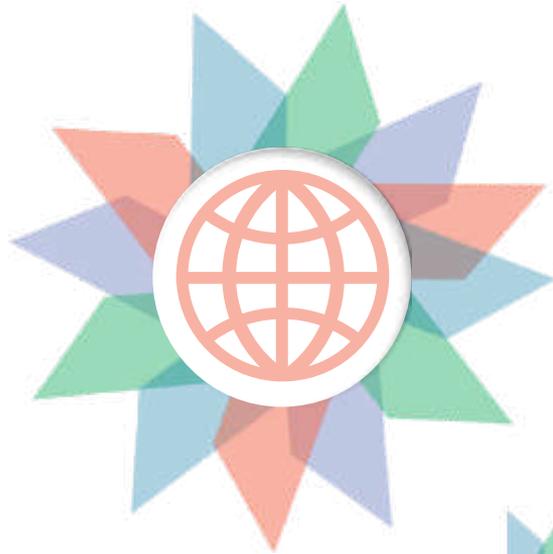
FY18 Data



### Meltblown – Own

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





# Spunbond

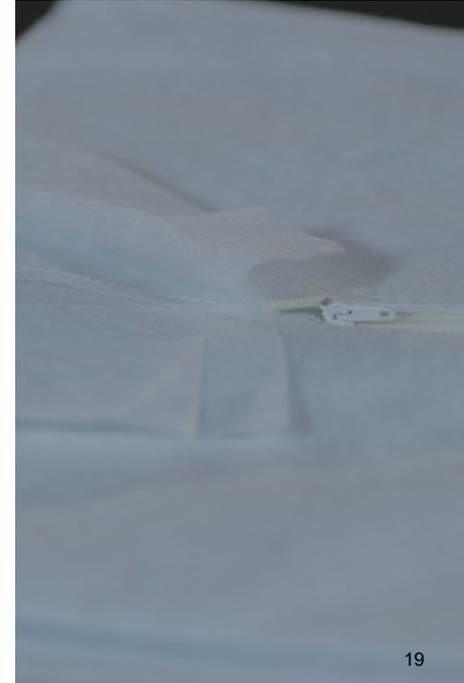
## Nonwovens

# What is Spunbond Fabric

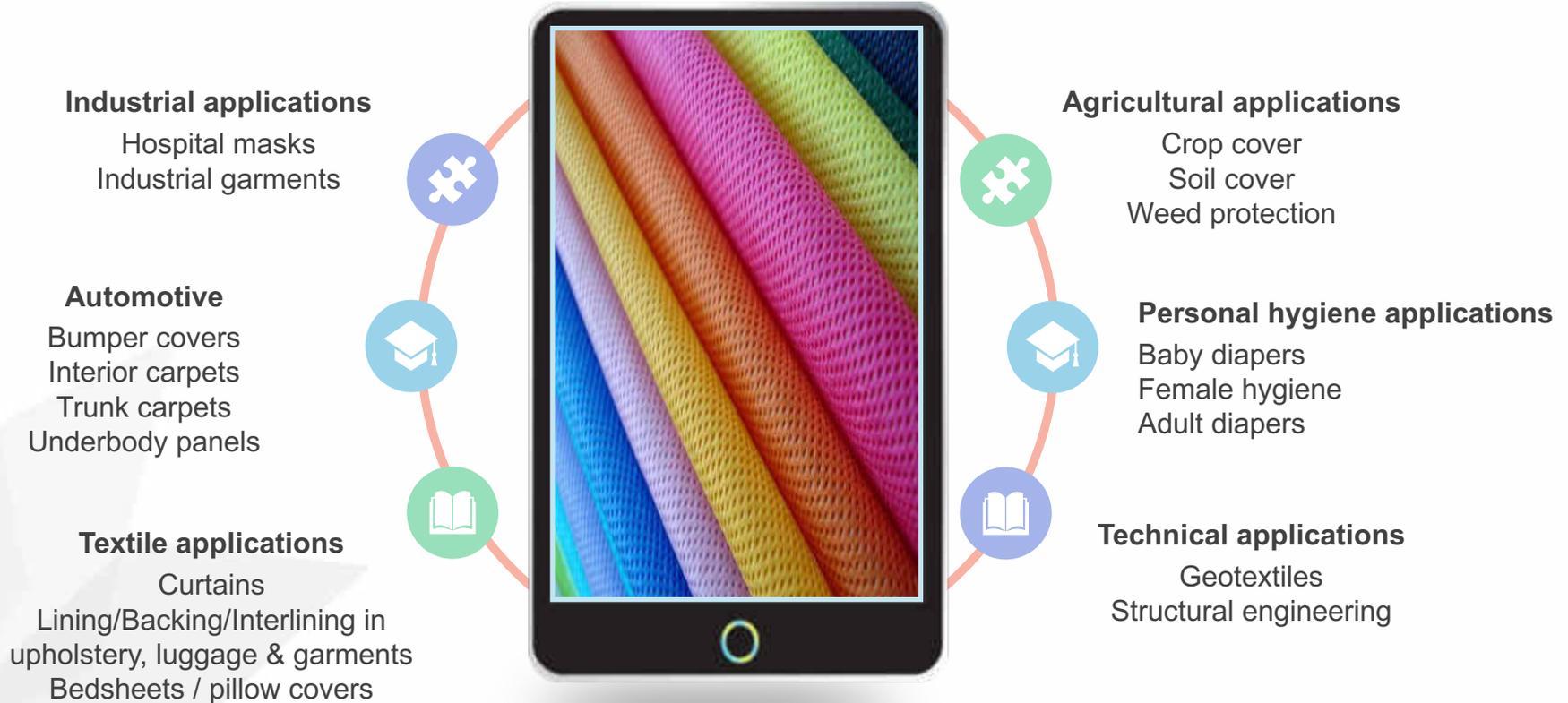


Spunbond fabrics are produced by depositing extruded, spun filaments onto a collecting belt in a random manner followed by bonding the fibers. The fibers are separated during the web laying process by air jets or electrostatic charges.

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



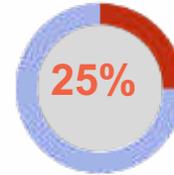
**Converted Products**

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

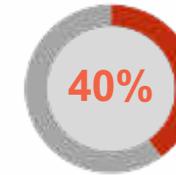


**Distributors**

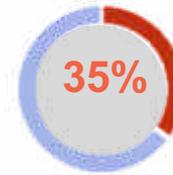
% of production supplied, as rolled goods, to distributors



**Personal Hygiene**



**Agriculture**



**General**



# Meltblown

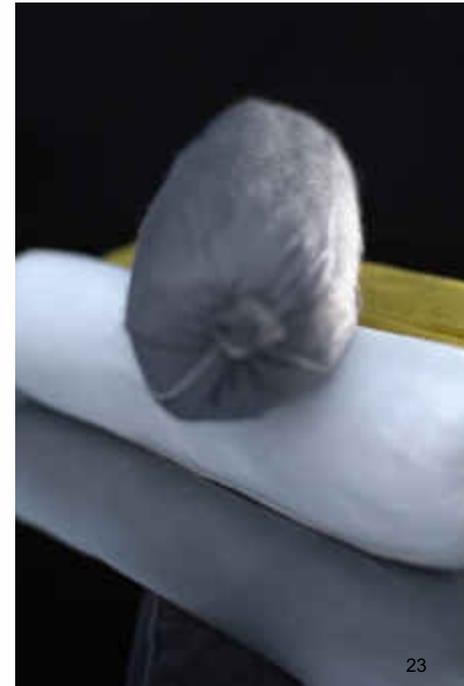
## Nonwovens

# 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

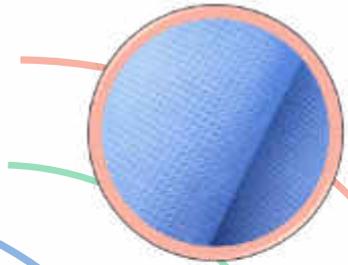


# Industry Dynamics

## Nonwovens (Technical Textiles)

# What are Nonwovens

Types of nonwoven



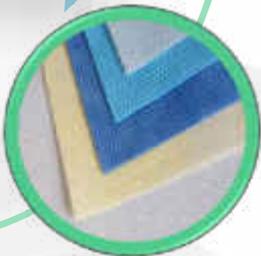
## Spunbond fabrics

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



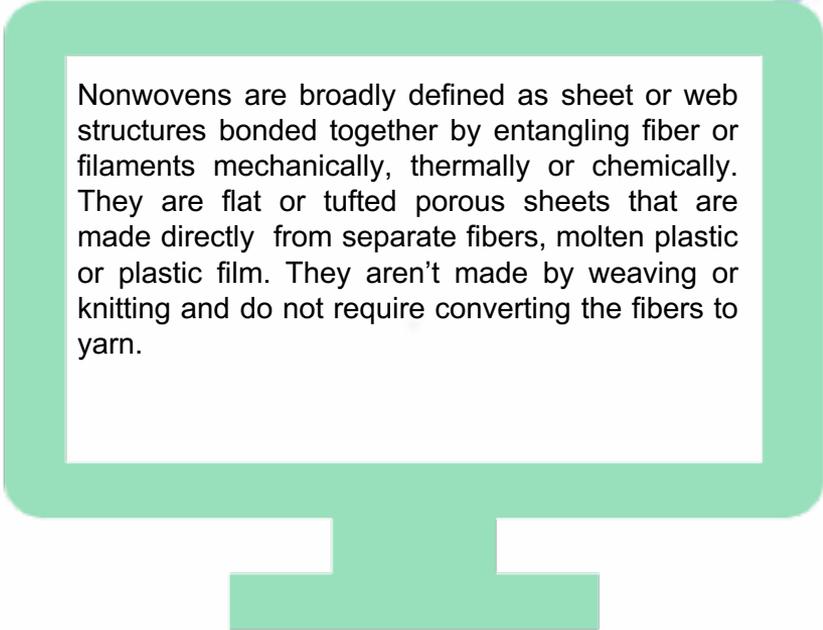
## Melt Blown

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

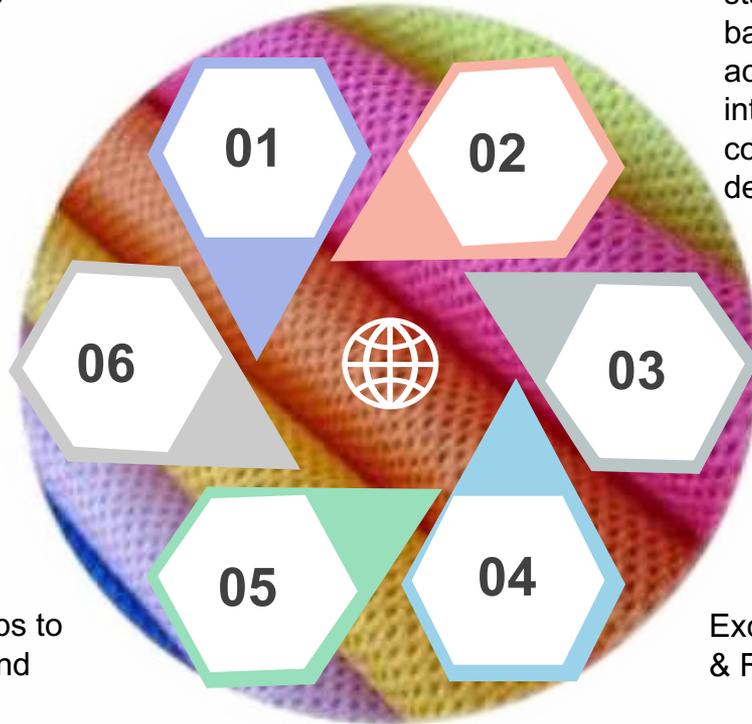


Nonwovens are broadly defined as sheet or web structures bonded together by entangling fiber or filaments mechanically, thermally or chemically. They are flat or tufted porous sheets that are made directly from separate fibers, molten plastic or plastic film. They aren't made by weaving or knitting and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

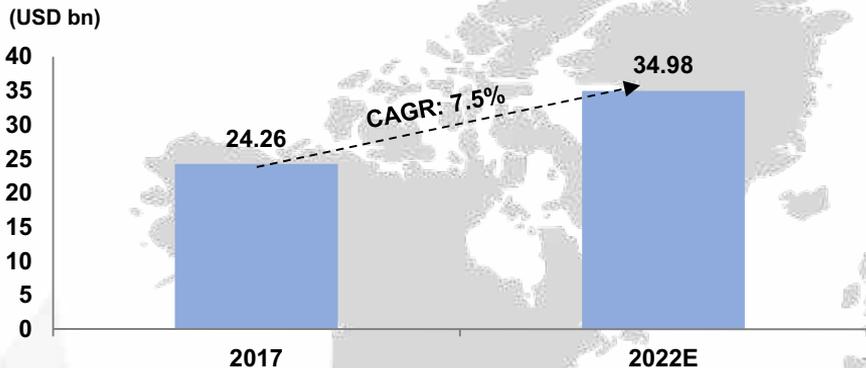
Excellent abrasion resistance & Flame retardant

# 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 3<sup>rd</sup> 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

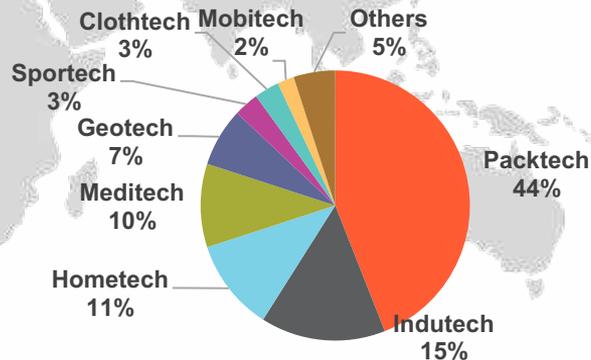
## Global non-woven textile market size



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.

## Exports by nonwoven technical textile segment



Source: Industry

- 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.

# Global Dynamics

## Spunbond

- Expected to be valued at USD 10.73 bn in 2017, likely to reach USD16 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 %
<b>Total Income</b>	<b>2861</b>	<b>1304</b>	<b>119.5</b>
Raw Materials	2300	919	
Employee Cost	49	43	
Other Cost	117	142	
Total Expenditure	2466	1104	
<b>EBITDA</b>	<b>395</b>	<b>200</b>	<b>99.0</b>
Interest	0	0	
Depreciation	32	27	
<b>PBT</b>	<b>363</b>	<b>172</b>	
Tax	0	0	
<b>PAT</b>	<b>363</b>	<b>172</b>	<b>111.1</b>
PAT Margin (%)	12.70%	13.20%	(50 bps)
<b>EPS (Rs.)</b>	<b>12.61*</b>	<b>13.70</b>	

\* 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
<b>Shareholder's Funds</b>	1596	1431
Share capital	288	288
Reserves & Surplus	1308	1143
Capital Reserves		
Money received against warrants		
<b>Non-current liabilities</b>		
Long term borrowings		
Defer Tax liabilities		
Other Long-Term liabilities		
Long-Term Provisions		
<b>Current liabilities</b>	476	232
Short Term Borrowings		
Trade Payables	454	227
Other Current liabilities	0.70	0.60
Short-term provisions		4.00
<b>Total Equities &amp; Liabilities</b>	2072	1663

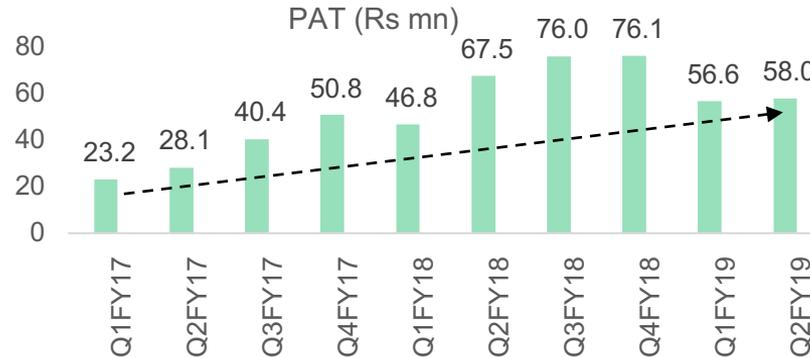
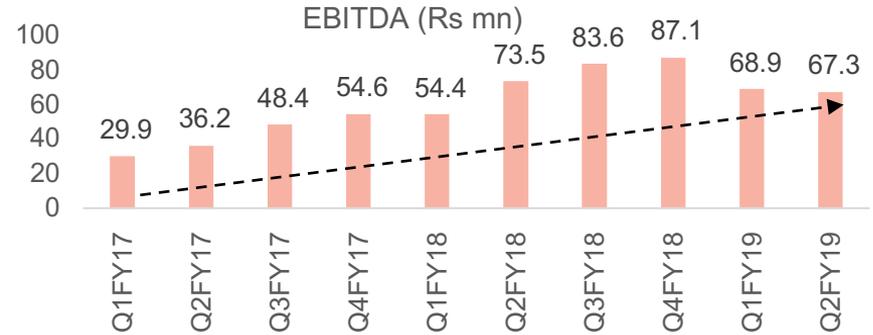
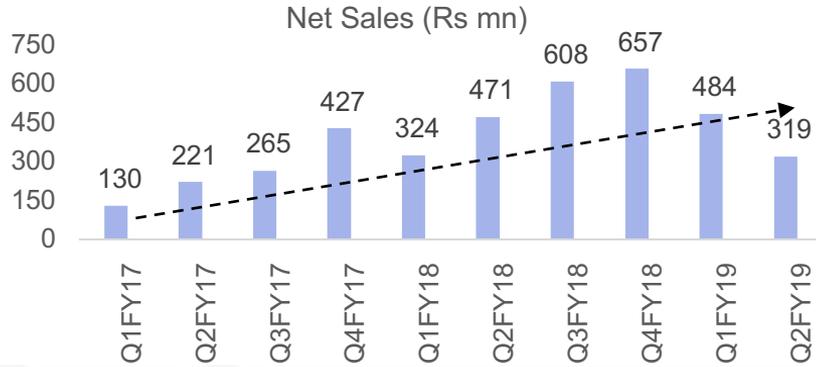
Rs. Mln	As on 31/09/2018	As on 31/03/2018
<b>Non-current assets</b>	1015	892
Fixed assets	967	846
Non-current Investments		
Long-term loans & advances	46	46
<b>Current assets</b>	1057	771
Current investments		
Inventories	154	154
Trade receivables	837	536
Cash & Cash equivalents	20	46
Short-term loans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



# Our Financial Track Record



## Standalone Quarterly Trend Charts







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# Thank You

Lets Connect