

PFNonwovens a.s. reports the results for the first nine months of 2018

PRAGUE/ZNOJMO (15 October 2018) – Based on unaudited results, PFNonwovens a.s. (hereafter "Company"), a leading European producer of nonwovens textiles, recorded consolidated revenues of CZK 4,529.9 million in the first nine months 2018, up by 1.9% yoy.

The increase in the price of polymers had a positive effect on the year-on-year comparison of revenues. Sales volumes in tonnage terms increased year-on-year in line with the increase in production as a result of new production capacity launched in the second quarter of 2017. The appreciation of CZK had a negative impact on revenues denominated in CZK due to the fact that the vast majority of the Company's revenues are in EUR.

In the first nine months of 2018, EBITDA amounted to CZK 1,000.0 million, up by 21.6% yoy. The year-on-year increase in EBITDA was primarily the result of new production capacity being put into operation in the second quarter of 2017. Likewise, in the first half of this year, the polymer price pass-through mechanism had a positive impact as the price of polymers remained more or less stagnant compared with the growth in polymer prices registered in the first half of last year. A more significant increase in the polymer price indices to the annual maximum occurred in June, and these annual maximum levels continued for the entire period of the third quarter. On a year-on-year comparison basis, the effect of the revaluation of the share option plan was positive. EBITDA, adjusted for the effect of the revaluation of the share option plan, increased by 11.7% yoy to CZK 1,004.1 million.

During the first nine months of this year, profit from operations (EBIT) amounted to CZK 651.6 million, up by 34.5% over the same period in 2017.

Net profit reached CZK 437.5 million in the first nine months of 2018, up by 218.2% yoy. The increase in net profit resulted primarily from better financial results at the EBITDA level and concurrently the booked unrealised foreign exchange changes in the compared periods.

"In the first nine months of this year, EBITDA amounted to CZK 1.0 billion, representing a year-on-year increase of 21.6%, respectively an 11.7% increase when adjusted for the revaluation of the share option plan. This growth resulted primarily from strong production and sales performance and the positive effect of the polymer price pass-through mechanism on a year-on-year comparison.

With respect to the achieved results in the first nine months of this year, we can confirm our outlook for full year EBITDA in the range CZK 1.22 to 1.38 billion.

The Company's financial results were in line with our expectations enabling us to focus on our strategic projects.

The construction of the production plant in South Africa has advanced so far as to enable the installation of the production line to be commenced. The project is

continuing according to schedule and we continue to expect the ramp up and first commercial deliveries from the line at the end of the first half of next year.

Likewise, the new semi-commercial production line in Znojmo-Přímětice is progressing according to schedule and, therefore, the planned launch of commercial production on the line remains unchanged and is expected during the third quarter of 2019," said Marian Rašík, CFO and Member of the Board of PFNonwovens a.s.

Consolidated Financial Results of PFNonwovens a.s. for the first nine months and the third quarter of 2018.

| | 9M 2017 | 9M 2018 | Change in % |
|------------------------|---------|---------|-------------|
| Revenues | 4,445.4 | 4,529.9 | 1.9% |
| EBITDA | 822.5 | 1,000.0 | 21.6% |
| Profit from operations | 484.5 | 651.6 | 34.5% |
| Net profit | 137.5 | 437.5 | 218.2% |
| In CZK mil. | | | |

| | 3Q 2017 | 3Q 2018 | Change in % |
|------------------------|---------|---------|-------------|
| Revenues | 1,453.0 | 1,545.7 | 6.4% |
| EBITDA | 267.6 | 337.9 | 26.3% |
| Profit from operations | 151.7 | 220.6 | 45.4% |
| Net profit | 18.1 | 157.5 | 771.2% |
| In CZK mil. | | | |

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PFNonwovens a.s. is a holding company based in the Czech Republic with operating companies based in Znojmo and Bucovice, Czech Republic and in the City of 6th October, Egypt. The Group manufactures polypropylene / polyethylene nonwoven textiles for the hygiene, industrial, construction, agricultural, medical and other specialised sectors. These textiles are primarily used for the manufacture of baby diapers, feminine hygiene and adult incontinence products. The Group is active in developing new products demanded by the market and thereby maintains its position of technology leader in the European nonwovens market. The Group currently has about 570 employees. PFNonwovens a.s. is a publicly traded company on the Prague stock exchange.

PFNonwovens a.s. is registered with the commercial register in the Czech Republic, maintained by the Municipal Court in Prague under file No. B 23154. Its registered office is at Hradčanské náměstí 67/8, Hradčany, 118 00 Praha 1, Czech Republic.