

PFNonwovens a.s. publishes preliminary unaudited results for 2018

PRAGUE/ZNOJMO (28 March 2019) – Based on unaudited results, PFNonwovens a.s. (hereafter "Company"), a leading European producer of nonwovens textiles, recorded consolidated revenues of CZK 6,484.8 million in the year 2018, up by 5.1% yoy.

In 2018, consolidated revenues (revenues from sales of the Company's products) reached CZK 6,484.8 million, up by 5.1% yoy. In the fourth quarter of 2018, consolidated revenues reached CZK 1,682.1 million, up by 16.2% yoy. This increase in revenues was related to sales volumes. The sales figures were also positively affected by the development in polymer prices, which on average grew by more than 6% yoy.

EBITDA adjusted for the effect of the revaluation of the share option plan reached CZK 1,346.1 million, thus growing by 7.9% yoy. The achieved result means that the Company achieved its target, which it had set in the range CZK 1,220 – 1,380 million. The year-on-year increase in EBITDA was the result of several factors, namely the growth in sales volumes, an improved product mix, with positive support from the polymer price pass-through mechanism and also a slight increase in production capacity compared to 2017. EBITDA for 2018 unadjusted for the effect of the revaluation of the share option plan amounted to CZK 1,347.1 million.

In the fourth quarter of 2018, EBITDA reached CZK 347.1 million, down by 1.7% yoy.

In 2018, profit from operations (EBIT) amounted to CZK 879.5 million, up by 22.5% compared with 2017. In the fourth quarter of 2018, profit from operations (EBIT) declined by 2.4% yoy to CZK 227.9 million.

Net profit reached CZK 815.2 million in 2018, up by 268.3% yoy. The increase in net profit resulted from the combination of the above-mentioned factors, namely the better financial results, the improved impact of unrealized foreign exchange changes in the compared periods and the change in the deferred tax calculation associated with the investment incentives.

In the fourth quarter of 2018, the Company achieved a net profit of CZK 377.7 million.

"In the fourth quarter, EBITDA reached CZK 347.1 million, with the full-year 2018 ending at approximately CZK 1.35 billion. The achieved result met our target, which for 2018 we had set in the range CZK 1.22 – 1.38 billion. The year-on-year increase in EBITDA was the result of several factors, namely the growth in sales volumes, an improved product mix, with positive support from the polymer price pass-through mechanism. These very good financial results were further bolstered by an increased production capacity compared to 2017, where full-year output in 2018 exceeded last year's number and reached almost 110 thousand tonnes.

As far as our investment projects are concerned, the construction of the South African plant is proceeding according to plan. Currently, we are finishing up building works and finalizing the assembly of the production line. Test operations will be

underway in the second quarter, with a gradual ramping up of the line. Excluding any unforeseen events, we will be in commercial production mode by the end of the first half.

The Znojmo-Přímětice semi-commercial production line project has entered its realization phase. Building modifications have been completed and currently the production line is in the process of being installed. Everything is continuing according to the approved schedule and commercial operations on the line are planned for the third quarter of 2019.

Taking these investment projects into consideration, this year we are again planning to increase our production output and accordingly also the sales volumes.

On the basis of our expectations for 2019, we have set our EBITDA guidance in the range from CZK 1.30 to 1.45 billion.

The execution and completion of our investment projects is also accounted for in our planned CAPEX, which should not exceed CZK 1.45 billion.

In accordance with the published strategy, the Board of Directors shall propose to the annual general meeting not to pay out dividends for 2018.

The year 2019 will be very demanding both in regards to the successful completion of our investment projects and completion of negotiations with key customers regarding new product supply agreements for 2020 and 2021, as well as meeting our ambitious financial goals. I am confident that we will all do our best to fulfil them," said Marian Rašík, Member of the Board of PFNonwovens a.s. and Chief Financial Officer of the PFNonwovens Group.

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 600 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.

Consolidated Financial Results of PFNonwovens a.s. for the full year and the fourth quarter of 2018.

	FY 2017	FY 2018	Change in %
Revenues	6,169.7	6,484.8	5.1%
EBITDA	1,175.7	1,347.1	14.6%
Profit from operations	718.1	879.5	22.5%
Net profit	221.3	815.2	268.3%

In CZK mil.

	4Q 2017	4Q 2018	Change in %
Revenues	1,447.6	1,682.1	16.2%
EBITDA	353.2	347.1	(1.7%)
Profit from operations	233.6	227.9	(2.4%)
Net profit	83.8	377.7	350.6%

In CZK mil.

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