

PFNonwovens a.s. reports the results for the first nine months of 2019

PRAGUE/ZNOJMO (14 November 2019) – Based on unaudited results, PFNonwovens a.s. (hereafter "Company"), a leading European producer of nonwovens textiles, recorded consolidated revenues of CZK 4,817.4 million in the first nine months 2019, up by 0.3% yoy.

Sales volumes in tonnage terms decreased. On the other hand, the development in the price of polymers had a positive effect on the year-on-year development of revenues.

In the first nine months of 2019, EBITDA amounted to CZK 940.6 million, down by 5.9% yoy. The cause of the year-on-year decline in EBITDA were primarily the poor results in the second quarter of this year resulting from inefficient production, which were related to the very low level of inventories of finished products that prevented efficient production. The impact of the polymer price pass-through mechanism was neutral.

During the first nine months of this year, profit from operations (EBIT) amounted to CZK 549.5 million, down by 15.7% over the same period in 2018.

Net profit reached CZK 488.7 million in the first nine months of 2019, up by 11.7% yoy. The growth in net profit was achieved even despite a lower profit from operations (EBIT), primarily as a result of booked unrealised foreign exchange gains and the decline in interest and tax expenses in the compared periods. In the third quarter of 2019, the Company achieved a net profit of CZK 241.9 million.

"In the first nine months of this year, EBITDA reached CZK 940.6 million, representing a year-on-year decline of almost 6%. The reason for this decline was primarily poor profit from operations in the second quarter. During the course of the third quarter, we managed to increase inventories of finished products. Also, in the third quarter, commercial production volumes came on line from the newly built production plant in South Africa. Thus, EBITDA amounted to CZK 334.8 million in the third quarter.

We expect that we will maintain production and its efficiency for the remainder of this year. In relation to this, we expect this year's EBITDA to reach the lower bounds of the outlook for 2019, which was set in the range from CZK 1.30 to 1.45 billion.

Capital expenditures in the first nine months of this year amounted to more than CZK 1.1 billion and were predominantly associated with the completion of the new production plant in South Africa and with the installation of the new semi-commercial production line at the Znojmo-Přímětice production plant.

In the third quarter, the production plant in South Africa operated in full commercial mode and its operating parameters are gradually reaching the standard levels achieved on our existing production lines.

At the end of the third quarter, the new semi-commercial production line in Znojmo-Přímětice produced the first commercial-grade tonnes of standard material," said Marian Rašík, Chief Financial Officer and Member of the Board of PFNonwovens a.s.

Consolidated Financial Results of PFNonwovens a.s. for the first half and the second quarter of 2019.

	9M 2018	9M 2019	Change in %
Revenues	4,802.7	4,817.4	0.3%
EBITDA	1,000.0	940.6	(5.9%)
Profit from operations	651.6	549.5	(15.7%)
Net profit	437.5	488.7	11.7%

In CZK mil.

	3Q 2018	3Q 2019	Change in %
Revenues	1,642.0	1,658.1	1.0%
EBITDA	337.9	334.8	(0.9%)
Profit from operations	220.6	196.3	(11.0%)
Net profit	157.5	241.9	53.5%

In CZK mil.

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PFNonwovens a.s. is a holding company based in the Czech Republic with operating companies based in the Czech Republic, Egypt and South Africa. 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 almost 700 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.