

PRESS RELEASE

Fibertex Personal Care | Schouw & Co.
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Fibertex Personal Care starts print production in the U.S.

The Danish nonwovens producer Fibertex Personal Care, which is owned by the industrial conglomerate Schouw & Co., is to establish its own production in North Carolina, USA. It will operate within printing directly on nonwoven fabric, a niche in which the company is a global market leader.

Fibertex Personal Care is one of the world's largest producers of spunbond nonwovens, and is now to establish operations on American soil for the first time. The company has acquired an industrial site in Asheboro, North Carolina, as part of the total investment of USD 10 million.

The new factory will focus on printing on nonwoven fabric. Through its German subsidiary Innowo Print, Fibertex Personal Care possesses a unique technology, where colours and images are printed directly on the nonwoven materials:

- The large global producers of diapers, sanitary napkins and incontinence products are increasingly demanding print directly on nonwoven materials. Today, the majority of products have a design print on a thin film. However, a growing number of our customers have realised the many possibilities in having their design printed directly on the nonwoven materials. For instance, our print technology gives them the opportunity to enhance the visual expression, which facilitates a range of differentiation possibilities, Mikael Staal Axelsen, Group CEO of Fibertex Personal Care, explains.

In 2008, Fibertex Personal Care co-founded the German print company Innowo Print and took full ownership in 2014. In 2016, the factory expanded with a fourth production line, while the first print production line was established in Malaysia.

Now, Fibertex Personal Care is taking the next step by establishing print production in the U.S.:

- It is the idea that the print production in Germany and Malaysia is to cover the European and the Asian markets, respectively, while the coming factory in the U.S. is to cover the markets in North and South America. We expect strong growth rates within this niche in the coming years, and therefore, the American factory has to be operational by the end of 2018, Mikael Staal Axelsen continues.

An important part of the business concept is that Fibertex Personal Care prints both on its own nonwovens, and on nonwovens produced by other companies too. North Carolina was chosen as location for the new print production facility for this very reason, as many nonwovens producers are located in this area.

Differentiation and a global mindset

The Danish nonwovens specialist has experienced high growth rates during recent years, and in 2016, the company invested a large amount in the expansion of plant facilities and specialty production. Today, Fibertex Personal Care has production lines at the headquarters in Aalborg and in Malaysia. The total production capacity of about 138,000 tons of spunbond nonwovens a year corresponds to approx. 10 percent of the global consumption:

- The market for specialty nonwovens is growing significantly, and our customers who represent well-known global brands have increased their focus on differentiation. With our high-volume nonwoven products and our printing competencies, we hold a strong position as their partner, Mikael Staal Axelsen says and continues:- and now, with a factory in the U.S., our expertise, services and capacity will be more accessible to our global customers.

According to the owner, Schouw & Co., differentiation and a global mindset are vital to the success of Danish industrial companies. Schouw & Co. has extensive experience in bringing Danish industrial companies to the global market, and in investing long-term and specifically in differentiation:

- Fibertex Personal Care is a classic example of how volume production with a focus on R&D can be combined with differentiated niches on a global scale. We have no doubt that our unique expertise within print and nonwovens contains great potential, and therefore, we are now taking the big step enabling us to cover both the European, Asian and American markets, says Jens Bjerg Sørensen, President of Schouw & Co., and continues: - we have many years of experience in timing our investments in growth and development within areas that show high growth rates, and generally speaking this proves to be the best long-term strategy.

With production facilities in 23 countries and sales to about 100 countries, Schouw & Co. is globally very active, and each year significant investments in growth and development are made. Today, Schouw & Co. is estimated at a market value of nearly DKK 18 billion and is currently in the top 30 of Denmark's most valuable publicly listed companies.

In 2016, Fibertex Personal Care generated revenue of almost DKK 1.8 billion and generated EBIT of DKK 246 million. The investment in the U.S. will not affect the guidance for 2017.

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