



Ester Industries delivers strong H1 performance; net up ~3x

Gurugram, 14th November, 2019: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter and half year ended September 30, 2019.

Particulars (Rs.cr)	Q2 FY20	Q2 FY19	%	H1 FY20	H1 FY19	%
Total Revenue	254.40	276.41	(8.0)	538.48	503.85	+6.87
EBITDA	46.49	27.23	+70.7	99.99	53.93	+85.41
Margins (%)	18.27	9.85	+855 bps	18.57	10.72	+732 bps
PAT (A)	19.25	7.29	164.1	43.20	14.69	+194.08
Other comprehensive income for the period (B)	(0.07)	0.11	-	(0.30)	0.19	--
Total Comprehensive Income (A+B)	19.18	7.40	+159.2	42.90	14.88	+188.31

Commenting on the performance, Mr. Arvind Singhania, Chairman, Ester Industries said:

"We have had a strong first half with revenue and profitability growth largely driven by solid performance of Film and Specialty Polymer business. Engineering Plastic while going through a challenging phase at present should start performing well once the economic activities picks up.

Film business sustained its recent momentum with volumes largely remaining firm. Our growth has largely been driven by volumes which have been good despite increasing capacities. Further, our sustained focus towards improving the product mix – by introducing high margin products continues to be top priority for Film SBU.

Specialty Polymer business expectedly delivered yet another strong performance – driven by demand for MB-03, stain resistance master batch. We expect the momentum for the product to continue in the second half as well. Further, demand for our other products, besides MB-03, as well remains encouraging and we expect the same to start reflecting in orders in short to medium term.

Engineering Plastic business performance, presently is reflective of the on-ground challenges of overall slowdown (specifically in Auto segment). While we are trying to refurbish the existing product portfolio with introduction of high margin products, the end result would largely start reflecting only post the revival in the end user industry.

In addition to the above, our cost rationalization measures coupled with prudent debt management activities have started contributing to the overall profitability improvement of the business".



Business Highlights

- **Polyester Films – Growth momentum sustained on the back of higher volumes**
 - Business momentum sustained resulting in revenue and profitability growth during H1 FY20 of 11% & 78% respectively
 - Revenue growth largely volume driven; realizations marginally softened. Expect to maintain volume growth during rest of the year
 - Efforts towards improving product mix by increasing the share of high margin product – to help maintain realization trend
- **Specialty Polymers – Strong performance in H1; expect business momentum to continue**
 - Strong First half – 72% revenue growth; 3x profitability expansion
 - Higher off-take of products; especially MB03 drove bulk of the quarterly growth
 - Margin expansion on the back of high operating leverage
 - Expect business momentum to continue in H2FY20
- **Engineering Plastics – Challenging business environment weigh in on H1 performance**
 - Overall slowdown (specifically in Auto segment) continued to persist in turn impacting demand and margins for the SBU
 - Softness in numbers reflective of the on-ground challenges
 - Working towards increasing share of high margin products in the overall mix
- **Debt Rationalization playing out well - deleveraging balance sheet and contributing to profitability growth**
 - Outstanding term debt of Rs. 73 cr as of Sep. 30 2019
 - Interest bearing working capital liabilities stood at Rs.86 cr as of Sep 30 2019
 - Debt / equity to remain at prudent level going forward

About Ester Industries:

Ester Industries Limited is a public limited company incorporated in 1985 promoted by the Singhanian family. The company is one of India's leading producers of Polyester Films, Engineering Plastics and Specialty Polymers having a track record of continually developing new and innovative products for customers across the globe. Ester Industries has state of the art manufacturing facilities in khatima in Uttarakhand with the capacity of 67,000 TPA of Polyester Resin, 57,000 TPA of Polyester Film, 30,000 TPA of Specialty Polymers and 16,500 TPA of Engineering Plastics. The company currently exports more than 30% of its production of Polyester Films with sales and distribution network in more than 56 countries across the world resulting in strong customer relationship. Specialty Polymers are manufactured primarily for the European and US markets.

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