



Q3 & 9M FY18 Results Presentation

February 13, 2018

ESTER
INDUSTRIES LTD.

Disclaimer

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Key Developments – 9M FY18

- **Specialty Polymer business performed well on the back of gradual pick up in off-take and steady realisations**
 - Filed patent under PCT - Modified polyester masterbatch for textile applications and manufacturing process thereof. Facilitates easy dyeability of Polyester Fibre and provides deep dyeing through cationic as well as disperse dyes
 - Outlook remains positive on the back of sustained R&D initiatives / investments and stepping up the production of existing products
- **Improving sector fundamentals supporting Film business performance**
 - Steady volume growth coupled with gradual improvement in realisations following demand –supply parity helped deliver better performance
 - Margin expansion owing to better cost control and higher share of value added products
- **Engineering Plastics business delivers steady performance**
 - Sustained, improved performance delivered during the first half
 - Working towards widening and enhancing product mix

Result Highlights

Particular (Rs cr)	9M FY18	9M FY17	Y-o-Y (%)
Total Income*	591.3	509.9	16%
EBITDA	47.6	34.2	39%
Margins %	8.04%	6.70%	+134 bps
PAT (A)	(0.31)	(10.08)	
Other comprehensive income for the period (B)	0.47	0.02	2250%
Total Comprehensive Income (A+B)	0.16	(10.06)	

Higher share of Film business in the overall mix coupled with steady improvement in Specialty Polymer and Engineering Plastics business resulted in revenue expansion of 16%

Steadily improving margins across businesses coupled with stringent cost efficiencies resulted in margin expansion of 134 bps

Higher share of value added products in overall product mix coupled with better cost control resulted in lowering of losses

* Net of Excise and GST

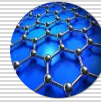
9M FY18 - Highlights



Product pipeline for Specialty Polymer continues to strengthen

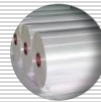
- Patent filed under PCT - Modified polyester masterbatch for textile applications and manufacturing process thereof
 - Facilitates easy dyeability of Polyester Fibre and provides deep dyeing through cationic as well as disperse dyes.
 - Ensures complete dye bath exhaustion which helps in environment protection. This will enable printing of fabric, carpets and PET sheets.

Business outlook



Specialty Polymer business –

- Innovative and exciting product pipeline – some of which are at various stages of approvals and commercialization stage
- Tie up / partnership with renowned global players for developing niche specialty polymer products



Film –

- Business environment improving
 - Demand – Supply mismatch improving
 - No major capacity addition in the Industry
 - Company's focus remains towards improving product mix and controlling costs
 - Working towards increasing share of value added products towards 35% from present level of 20%



Engineering Plastics –

- Business scenario gradually improving
- Working towards widening and improving product mix

Chairman's Comments



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

"We have seen steady improvement across our business segments during 9M FY18 on the back of recent strategic initiatives and gradual improvement in the overall macros.

I am also pleased to report that the Specialty Polymer business after going through challenging times has started to show signs of stabilization and we expect a steady sustainable recovery in the business in near to medium term. Product pipeline for the business continues to remain strong given our persistent efforts towards strengthening R&D and executional capabilities. The fundamentals of the business remains strong and we believe that lower product off-take prevalent at present should improve over the coming years.

Film business performance continued to remain steady on the back of supportive sector developments resulting in steady realisations and demand. Further, our efforts towards improving the cost efficiencies and product mix by increasing share of value added products should help us sustain the improvement in the business.

Engineering Plastics business is shaping up well and we are confident that our efforts towards improving the product mix will further improve the margin profile of the business.

Going ahead, we are confident that our recent efforts towards improving the margin profile of the businesses will help us in delivering better performance going forward."

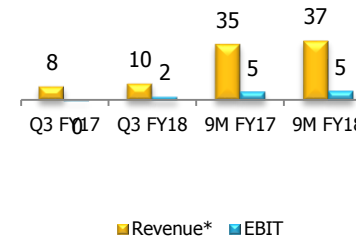
Specialty Polymers



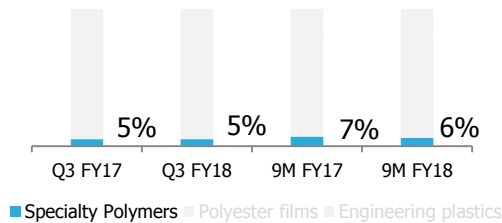
Specialty Polymers

- **Product portfolio** - 18 products at various stages of development of which patents have been filed in respect of **7**
- **High entry barriers** protected by Intellectual Property rights
- **To set up of R&D and Innovation Centre** – In house downstream analytics and pilot scale manufacturing to lower lead time
- **Existing Product Portfolio** –
 - **Product Stain resistant Master Batch** – Positive response from the customers; ramping up sales
 - **Master batch for a Cationic Dyeable Yarn** -- Patent filed under PCT for a Master Batch to produce specialised polyester yarn. Gaining strong potential in China and Taiwan

Specialty Polymers



Revenue Share (%)



* Net of Excise and GST

▪ Growth Drivers –

- Strengthening R&D capabilities
- Develop customized polyester resins based on customer's requirement
- Focus on developing products which will help transform latent demand into real demand
- Develop high quality specialty polyesters to ensure competitive advantage for customers

Patent Status

Product Code	Product Description	Status of Patent	Product approval from customer	Application
ESTER HR-03	Hot Fill PET by normal ISBM	Filed in India, Europe, Korea, USA (granted), Mexico, Japan & China, PCT	Approved	Packaging
ESPET MB-03	Masterbatch Sulfonated PET	Filed in India, Europe, Korea & USA (granted) PCT	Approved	Stain Resistance in Nylon Carpet
ESPBN	Clear PBN	India ,PCT, USA & EU	Under Trials	Monolayer and Multilayer Containers
ESPET HR-01 B3	Beer Keg PET	India, PCT, USA & EU	Under Trials	Monolayer containers/Kegs
ESPET MW-01	Microwaveable PET	India ,PCT, USA & Europe	Under Trials	Extrusion and thermoforming
ESPET FR-10	Flame Retardent PET	India , PCT	Approved	Flame retardant master batch for PET Polyester in textile (PFY/PSF) & Film application
ESPET MB-06 R3 & ESPET MB-07 R7	Easy Dyeable & Cationic Masterbatch	India , PCT	MB-06 R3 - Under Trial MB-07 R7 - Approved	Deep and Dark dyeability in Textile

Specialty Polymers – Products & Applications



Products

Polyethylene Terephthalate (PET)

Polybutylene Terephthalate (PBT)

Polyethylene Naphthalate (PEN)

Master Batches

Applications

Rigid Packaging – Hot-fill / Beer Kegs

Textile – Flame Retardant

Carpets – Stain Resistant Master Batches

Heat Sealable

Engineered Plastics / Injection Moulding

Low Melt Polymers for Textiles

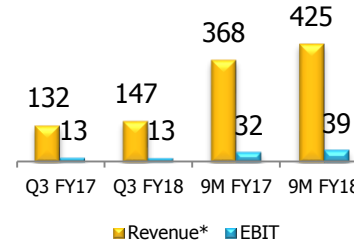
Polyester Films



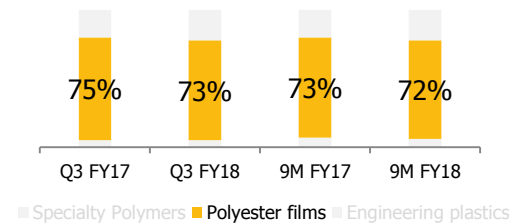
Polyester Films

- Manufactures and markets polyester films under the brand "UmaPET"
- Manufacturing capacity** - 57,000 MTPA for polyester films & 13,200 MTPA for metalized polyester films
- Integrated player** – Polyethylene Terephthalate (Polyester) chips manufacturing capacity 70,000 MTPA
- Global Footprint:** Formidable reach across more than 85 countries
- Value Added & Specialty products** include transparent barrier film, shrink film etc
 - Transparent high barrier film is being keenly explored by global buyers to replace PVdC coated PET (environmentally hazardous material) and EVOH coextruded films (due to their higher mass).
- Thrust on increasing proportion of value added & specialty products in overall mix by focusing on innovation, development and partnership with customers both in India and overseas which will reduce the effect of inherent cyclical

Polyester Films



Revenue Share (%)



* Net of Excise and GST

- Improved business environment following demand – supply parity
- Input prices have firmed up recently. Undertook price revision to off-set the impact of rising raw material prices
- Working towards improving share of value added product in the overall mix

- Improving business environment with supply demand equilibrium
- Cost reduction exercise translating to improving profitability, hopeful of improving operational efficiencies even further
- Focus on improving profitability by sprucing up product mix; more focus on developing value added products
 - Value added / specialty products constitutes about 20% of the overall revenue at present – emphasis on expanding this to 35% in 2 years
- Operational efficiencies aligned towards meeting the future goals by optimizing operational cost
- Focused on offering customers unique value proposition by aligning innovation, development and partnership

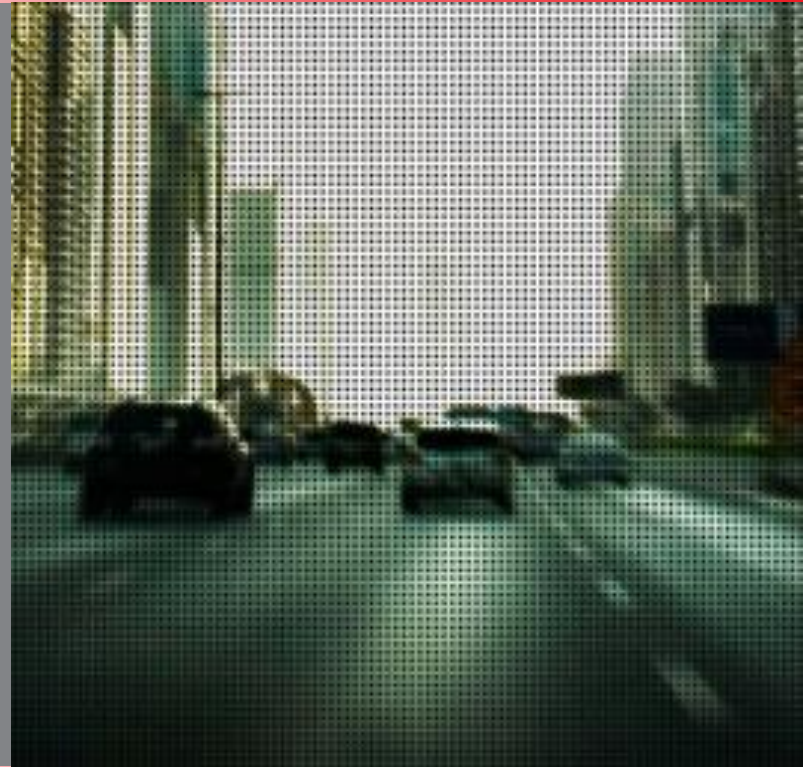
Polyester Films – Products & Applications



Products	White Opaque	High Clear
	High Barrier	Embossable
	Heat Saleable	Twist Wrap
	Shrink film	Anti - Static
	Metalized High Barrier	Matte

Applications	Flexible Packaging
	Barrier Packaging
	Embossing
	Lidding
	Label & Graphics

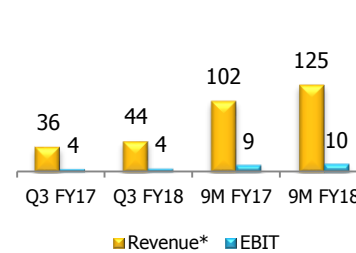
Engineering Plastics



Engineering Plastics – Products & Applications

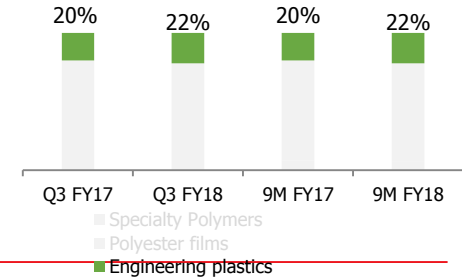
- A well regarded manufacturer of Engineering plastics
- **Diverse Product Portfolio** – 350+ grades products marketed under the brand “ESTOPLAST”
- **Manufacturing capacity - 13,500 MTPA**
- Growing at **better than industry run rate** since the last 3 years
- **Awarded** the prestigious **Plasticon Gold Award** for the “*Fastest Growing Enterprise – Processing (Engineering Polymers)*” at the Plastindia Exhibition in February 2015

Engineering Plastics



* Net of Excise and GST

Revenue Share (%)



- Adverse impact on the domestic business during the first half owing to GST roll-out; the business and sector though should benefit in the medium to long term from GST implementation

- Enhancing relationships with OEMs & Tier-1/2 customers in the automotive/ electrical segments
- Expanding global footprint through aggressive pursuit of Identified Exports opportunities and participation in international exhibitions to enhance brand visibility.
- Building R&D capability (in-house or through strategic alliances) so as to cater to specific needs
- Enhancing Ester’s UL-certified product portfolio

Engineering Plastics – Products & Applications



Products

Thermoplastic Polyester Compounds

Polybutylene Terephthalate (PBT)

Polyethylene Terephthalate (PET)

Polyamide 6 Compounds

Polyamide 6.6 Compounds

Applications

CFL Holders, Adapters & Sockets

MCB Case, Cover & other Parts

Handles

Knobs, Panels

Switches

Optical Fibre Sheathing

Textile Machinery Parts

Connectors

Investor Contacts

About Us: (CIN :- L24111UR1985PLC015063)

Incorporated in 1985, Ester Industries Limited (EIL) is an ISO 9001:2008, ISO 22000:2005, TS16949:2002 certified Company engaged in the manufacture of polyester films, specialty polymers, engineering plastics and polyester chips with manufacturing facilities located in Khatima (Uttarakhand). A globally recognized player Ester manufactures and markets its polyester films under the brand 'UmaPET' and engineering plastics as 'Estoplast'. The Specialty Polymers business is driven by technology and innovation and the Company presently has many patent applications pending for this business. With state-of-the-art manufacturing plant, skillfully managed operations and a committed work force Ester continuously strives to meet commitments towards total customer satisfaction.

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