



## **Ester Industries announces Q1 FY18 results**

**Q1 FY18 Total Income grows 13% to Rs. 205 crore**

**EBITDA expands 14% to Rs. 16 crore**

**New Delhi, 15<sup>th</sup> September, 2017:** Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended June 30, 2017.

### **Q1 FY18 performance overview compared with Q1 FY17**

- Total Income stood to Rs. 205 crore v/s Rs. 181 crore
  - Steady performance of film and engineering plastics business on the back of improving macro environment
- EBITDA stood at Rs. 16 crore compared to Rs. 14 crore; up by 14%
  - Focus on improving product mix by increasing share of value added products and cost rationalization activities to help preserve margins and profitability in the future
- Loss after tax for Q1 FY18 stood at Rs. 0.13 crore as against loss of Rs. 2 crore reported during Q1 FY17

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

*"We have had a muted start to the year, marked by an improving performance of our Film and Engineering Plastics businesses and a slower pick up in Specialty Polymers.*

*While we continue to be excited about the prospects of our Specialty Polymer business, the segment has taken more time than anticipated to translate. Longer than expected time taken by clients to evaluate and confirm orders has been one of the key reasons for this. We however continue to focus on leveraging our R&D capabilities in an endeavour to bring forth a newer and wider range of offerings. An example of this is the patent application we have made in the last quarter for a Master batch for easy dyeability of Polyester Yarn & Fibre*

*As far as our legacy businesses are concerned, performance of polyester films is significantly better on a YOY basis. The uptrend from the sequentially preceding quarter has continued with only the month of June witnessing some constraints on the back of destocking and low pick up by customers in anticipation of GST implementation. Our emphasis on improving the product mix by increasing the share of high margin products should also help us drive the future growth of the business. We are working on similar strategy for our Engineering Plastic business as well wherein focus continues to be on profitable growth.*

*Going ahead, we remain positive about our business and are confident of overcoming the short term challenges and strongly executing on our capabilities."*



## Key Developments

- **Performance of Specialty Polymer business remained soft, owing to lower off-take and greater than anticipated time being taken by customers to confirm orders**
  - 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
  - Remain optimistic about the business' prospects over the long term on the back of sustained R&D initiatives / investments and exciting product pipeline
- **Film business reported steady performance on the back of stable pricing & demand – supply parity –**
  - Destocking in anticipation of GST implementation lowered offtake in June
  - Efforts towards increasing share of value added products and cost control to drive growth in the future
- **Engineering Plastics business maintained its positive momentum**
  - Improved performance despite uncertain environment surrounding GST implementation
  - Working towards widening and enhancing product mix

## 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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