



## Ester Industries 9M FY20 - Stellar performance; Net up ~3x

**Gurugram, 10<sup>th</sup> February, 2020:** Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter and nine months ended December 31, 2019.

Particulars (Rs.cr)	Q3 FY20	Q3 FY19	%	9M FY20	9M FY19	%
Total Revenue	246.34	269.86	(9)	784.82	773.01	1.5
EBITDA	44.81	28.68	56	144.80	82.61	75
<b>Margins (%)</b>	<b>18.19</b>	<b>10.63</b>	<b>+756 bps</b>	<b>18.45</b>	<b>10.69</b>	<b>+776 bps</b>
PAT (A)	19.39	8.36	132	62.59	23.05	172
Other comprehensive income for the period (B)	(0.18)	(0.14)	-	(0.48)	0.05	-
Total Comprehensive Income (A+B)	19.21	8.22	134	62.11	23.10	169

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

*"We have delivered yet another solid quarter marked by strong profitability growth. The positive momentum was largely driven by the strong performances of Film and Specialty Polymer business.*

*FY20 is shaping up to be a turnaround year for Specialty Polymer business – which after initial few soft years is now hitting consistency and delivering the returns which we had envisaged. Demand and order visibility for the products remains high, lending us the confidence for scaling up our capacities in the business. While the performance for the current fiscal was largely driven by strong performance of MB-03 and innovative Polybutylene Terephthalate (PBT) product; we are seeing positive responses for our other products as well which will help drive the future growth of the business. Fresh investment of Rs. 110 crores in Specialty Polymers business is estimated to yield revenues of Rs. 180 – Rs. 190 crores at full capacity.*

*Volume momentum in Film business continues to remain strong. Realizations as well as margins are relatively steady despite additional capacities entering the market during current fiscal. Further our efforts towards improving the product mix – focusing on increasing the share of Value added products likely to help us maintain revenues and profitability momentum.*

*The softness in Engineering Plastic is largely owing to overall economic slowdown and weakness in the Auto segment, large end user of the business. We are hopeful that our internal efforts coupled with overall revival in the economy should help us improve the performance in the coming quarter.*

*Lastly, our efforts towards rationalizing cost and interest expense should help us in creating value for our Shareholders."*



## Business Highlights

- **Polyester Films – Steady volume growth & improving product mix drives profitability growth**
  - Steady volumes and margins aids EBITDA margin and profitability expansion
  - Realizations remain relatively steady despite incremental supply entering the market
    - Balanced Demand – Supply situation; ensuring stability in volumes, realizations & margins
  - Improving product mix by increasing the share of high margin product – to help maintain realization & profitability momentum
- **Specialty Polymers – Robust performance; expect business momentum to continue**
  - Stellar 9M performance – 125% revenue growth; 8x profitability expansion
  - Higher off-take of high margin products; especially MB03 & *innovative Polybutylene Terephthalate (PBT)* drove bulk of the quarterly growth
  - Margin expansion on the back of better product mix
  - Expect business momentum to continue in FY21
- **Engineering Plastics – Soft performance amidst challenging business environment**
  - Overall economic 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
- **Debt Rationalization playing out well - deleveraging balance sheet and contributing to profitability growth**
  - Outstanding term debt of Rs. 72 cr as of Dec. 31 2019
  - Interest bearing working capital liabilities stood at Rs.99 cr as of Dec 31 2019
  - Very low gearing as on date
  - 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, 60,000 TPA of Polyester Film, 30,000 TPA of Specialty Polymers and 16,500 TPA of Engineering Plastics. The company currently exports about 25% 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 US and other overseas markets.

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