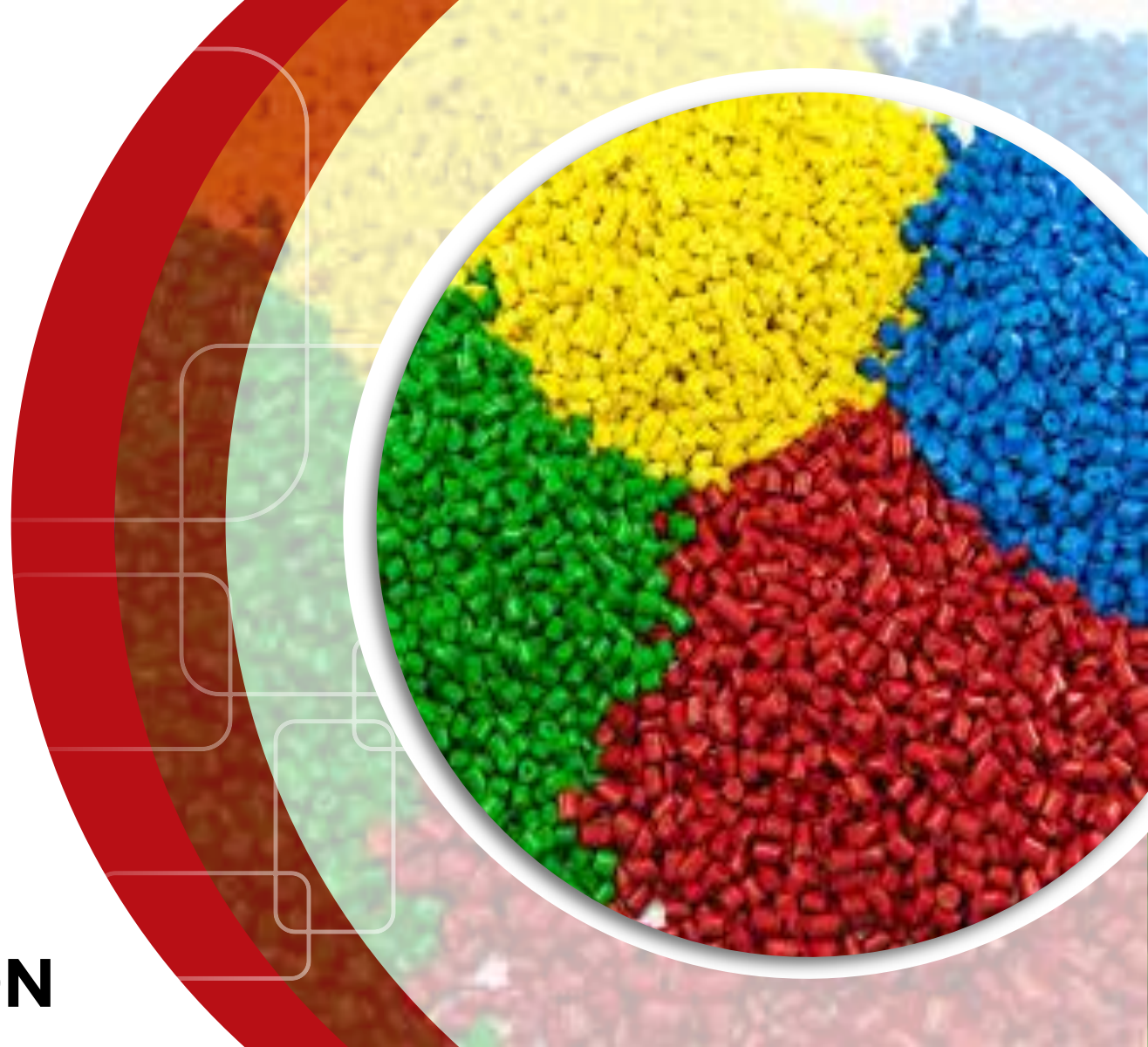




August 14, 2018

**Q1 FY19
RESULTS
PRESENTATION**



Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Ester Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

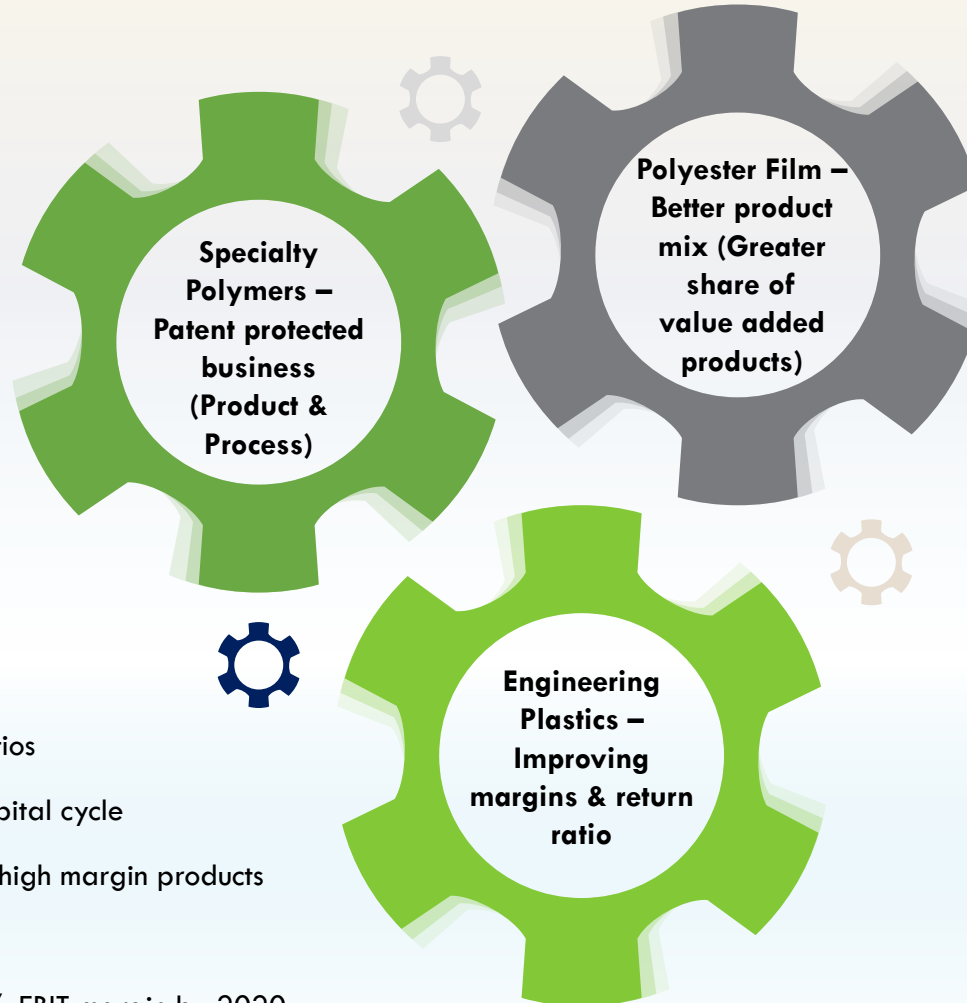


Vision



Transformation - Road Map

- Increase share of business in the overall mix
- Ramp up sales volume
- Develop healthy product pipeline by leveraging technology



- Develop high margin value added product
- ~**2x** share of value added products to ~**35%** in FY20
- Further expansion of EBIT margin from early double digit at present

- Improve return ratios
- Lower working capital cycle
- Increase share of high margin products
- Rationalize cost
- Target **10% -11%** EBIT margin by 2020

**Q1 FY19
Performance
Overview**



Financial Summary

➤ Revenue from operations up 11%; EBITDA expansion of 69%; PAT of Rs. 7 cr

	Q1 FY19	Q1 FY18		
↑	227	205	Revenues	Improved demand environment coupled with better product mix for Film business drove bulk of the revenue growth. Specialty Polymer and Engineering Plastics business as well contributed positively
↑	27	16	EBITDA	Higher revenue growth coupled with strategic cost containing initiatives resulted in improved operating profitability and margins for the period
↑	7	(0.13)	PAT	Strong performance of Film business supported ably by steady uptick in Engineering Plastics and Specialty Polymer business resulted in higher profitability for the quarter

Business wise Financial Performance

- Strong performance of Polyester Film business drive bulk of the growth
- Specialty Polymer and Engineering Plastics business to contribute positively to overall profitability

Q1 FY19 Performance

	Revenues		EBIT	
	Rs. cr	%	Rs. cr	%
Specialty Polymer	8	(36)	1	55
Polyester Film*	177	31	26	78
Engineering Plastics	42	4	3	(36)

* Including sale of Polyester Chips

Specialty Polymers – Soft performance: Low on revenue, but greater share of value added products resulted in higher profitability during the quarter. Product pipeline remains strong

Polyester Films – Steady demand coupled with improving macros and product mix resulted in growth of 31% for the quarter

Engineering Plastics – Steady performance during the quarter. Working towards increasing the share of value added mix



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

“We have started the year on a good note, with steady revenue and profitability growth, driven largely by positive performances across all our businesses. Film business continued to perform well on the back of improved product mix and a better pricing environment. We are hopeful that our efforts towards increasing the share of value added products combined with improving sector fundamentals following attainment of demand – supply parity should help us in maintaining the momentum going forward as well.”

Specialty Polymer business is progressing well, albeit at a slower than anticipated pace. While the product off-take has been slow, we continue to maintain healthy product pipeline on the back of our persistent efforts towards developing and ramping up our executional capabilities. We expect overall growth and profitability revival once customer orders starts picking up. Engineering plastics business also continued to perform well contributing positively to the overall business. We are working towards improving the share of high margin products in the overall mix which should help maintain the improved profitability momentum going forward as well.

Going ahead, in addition to the improving performances of the individual businesses our efforts towards cost rationalization should help us create and deliver value for our shareholders.”

Specialty Polymers



Specialty Polymer – The Catalyst



High entry barriers -
Patent protected
business (Product &
process)

7

Patents
filed

18

Product
portfolio

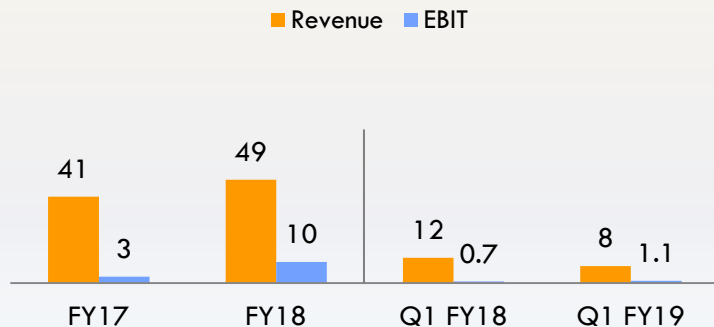
30,000_{MTPA}

Production Capacity

20%+

Margins on achieving
of adequate scale of
operations

Specialty Polymers



- Steady performance during the quarter
- Product pipeline remains strong; continue to strengthen R&D and executional capabilities
- Key growth driver for the business in coming years

- 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
- 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 specialized polyester yarn. Gaining strong potential in China and Taiwan

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
ESPNB	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 Film – “De-Commoditizing”



De-commoditizing the business by changing product mix



Mfg. Capacity -57,000MTPA
Polyester Films & 13,200 MTPA
Metalized polyester films



Improving sector fundamentals –
Better pricing environment;
limited capex planned over the
next 2 years

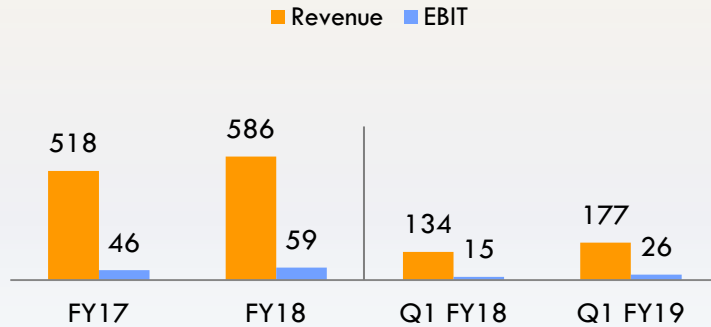
#70

No. of countries
(exports)

~35%

Share of value added
product (FY 20) from
~20% (FY18)

Polyester Films



- Improving fundamentals: Demand – Supply equilibrium contributed positively to the business
- Steady demand coupled with improved product mix and pricing environment resulted in revenue growth of 31%

- 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 70+ countries
- Value Added & Specialty products include transparent barrier film, shrink film etc.
- 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 cyclicality

Industry Dynamics turning for the better

- Demand – Supply equilibrium (Domestic)
- Limited Capacity addition in near term
- Better pricing environment

Company specific initiatives

- Working towards increasing the share of value added products – ~35% by FY20
- No additional capacities expected to come on stream over the next few years

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 – “Deliver better Return ratios”

#250

Product Portfolio

13,500MTPA

Mfg. capacity

“Estoplast”

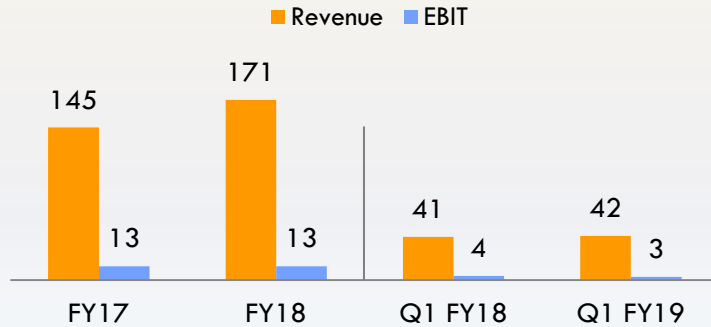
Products marketed
under the brand



“Fastest Growing Enterprise
Processing (Engineering Polymers)”
at the Plastindia Exhibition in
February 2015



Improving product mix
to improve margin
profile & return ratio



- Business continued to perform well on the back of steady demand
- Working towards increasing share of high margin products in the overall mix

- A well regarded manufacturer of Engineering plastics
- Diverse Product Portfolio – 250+ 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 – 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



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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.