



**Ester Industries delivers Q3 performance – Growth momentum continues
EBITDA jumps 29%; margins at 22.5% (up 434 bps)
PAT grows 70%**

Gurugram, 2nd February, 2021: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended December 31, 2020.

Particulars (Rs.cr)	Q3 FY21	Q3 FY20	%
Total Revenue	255.65	246.34	4
EBITDA	57.59	44.81	29
Margins (%)	22.53	18.19	+434 bps
PAT (A)	32.90	19.39	70
Other comprehensive income for the period (B)	0.03	(0.18)	(117)
Total Comprehensive Income (A+B)	32.93	19.21	71

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

"Revenue and profitability both registered an increase year on year on the back of strong performance of the Film and Engineering Plastics businesses. Engineering Plastics business in fact delivered its best quarterly performance till date.

Performance of Film SBU during Dec 20 quarter was marginally subdued in comparison to Sept 20 quarter. During Sept 20 quarter, due to pandemic related stocking of packaged items by consumers, the demand & consequently margins were exceptionally high which could not have been sustained. Performance during December quarter is generally subdued due to lower demand post Diwali. External factors like farmers rally & effect of sudden high increase in input cost resulted in lower demand growth and impact on margins. Going forward, we expect the domestic & global demand to grow at the rate of 11% - 13% pa and 6% - 6.5% pa respectively. We are accordingly getting future ready by scaling up our capacities to meet the growing demand of our customers. Furthermore our attempts towards improving the product mix by increasing the share of value added products have started to show encouraging & positive results.

Specialty Polymers business was impacted by external factors, but is expected to rebound by next year. Commercial sales of two new products namely MB 07 (Easy Dyeable & Cationic

Master batch) and LMC 03 (Low Melt Copolyetherester) having immense potential has started during the quarter. Performance of our Specialty Polymer business was largely impacted by lack of demand from our key customer markets (mainly USA) on account of Covid – 19. The underlying strength of this business, however, gives us confidence that this business will regain its momentum as the environment normalizes. Additionally, commencement of commercial sales of our newly launched products (MB 07 & LMC 03) acts as a strong growth trigger for the business.

Moving on to Engineering Plastics, the business delivered a stellar performance, with revenue and margins registering a sizeable jump. Volumes for the quarter were exceptionally strong on the back of strong demand from end-user industries. We expect the business to perform well going forward and believe that our decision to relocate our unit would help us to improve bottom line of the SBU besides serving our clients in a better and more efficient way.

To conclude, we believe that all our businesses are well positioned to deliver steady and consistent performance over the medium to long term and create significant value for our shareholders."

Business Highlights

- **Polyester Films – Volume growth sustained; expect momentum to continue going forward**
 - Y-o-Y: Favorable demand – supply scenario, higher operating leverage resulting in better profitability & margin
 - Q-o-Q: Maintenance shutdown undertaken during the quarter, resulted in lower volume and revenue generation
 - Steady improvement in product mix – share of Value added products stands at 20% as of Q3 FY21
- **Specialty Polymers – external factors impacts Q3 performance; expect better show in FY22**
 - Exports of MB 03 to USA affected due to exceptional situation caused by Covid – 19. Effects of vaccination drive likely to normalise situation by April 21. Normal level of exports likely from May / June 21.
 - Demand for existing and newly introduced products remain encouraging; expect FY22 to be a better year for the business
 - Commercial sales of MB 07 and LMC 03 started during the quarter.
 - Encouraging response for new products MB 16 - finding application in textiles / carpet industry
- **Engineering Plastics – Delivers best quarterly performance till date**
 - Delivers best quarterly performance till date
 - Revenue and profitability growth following strong pickup in demand from end user industries – OFC, Auto and electrical & electronics industry
 - Elevated volumes and operating leverage resulted in higher profitability and margin expansion



- Expect business momentum to continue 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 about 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 US and other overseas markets.

For more information contact:

Pradeep Kumar Rustagi (CFO)
Ester Industries Ltd.

Tel: +91 124 2656 100

Fax: +91 124 2656 199

E-mail: pradeep.rustagi@ester.in

Gavin Desa / Suraj Digawalekar
CDR India

Tel: +91 22 6645 1237 / 1219

Fax: +91 22 6645 1213

E-mail: gavin@cdr-india.com / suraj@cdr-india.com

CIN: L24111UR1985PLC015063

*Regd. Office : Sohan Nagar, P.O. Charubeta, Khatima- 262308 Distt. Udham Singh Nagar, Uttarakhand
Phone: EPABX No. (05943) 250153-57; Fax No.: (05943) 250158;
Email: info@ester.in; Website: www.esterindustries.com*

