



## **H1FY17 Result Release**

**Total Income stood at Rs. 330 crore; EBITDA Rs. 21 crore**

**New Delhi, 15 November, 2016:** Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter and half year ended September 30, 2016.

### **H1 FY17 performance overview compared with H1 FY16**

- Total Income stood to Rs. 330 crore v/s Rs. 413 crore, down 20%
  - No chip sales, lower off-take for Specialty Polymer and Engineering Plastics business coupled with lower share of value added products in the overall mix resulted in revenue contraction
- EBITDA stood at Rs. 21 crore compared to Rs. 48 crore, down 56%
  - EBITDA de-growth owing to lower share of margin accretive Specialty polymer business and lower proportion of high margin value added products
- Profit after tax was (Rs. 6.6 crore)
- EPS amounted to (Rs. 0.8 per share)

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

*"Ester Industries continues its journey towards transforming itself into a technology driven Company, with focus on innovation. We continue to invest in R&D and strengthening our capabilities to achieve breakthrough new products and deliver enhanced value.*

*Our Specialty Polymer business is shaping up well, with efforts directed equally towards developing and marketing of our innovative products. What we are seeing though, is a lag in volume ramp up even after expressed interest and acceptance. This is primarily a result of customers needing time to amend all related infrastructure which may include materials unrelated to operations like logistics, packaging and media. Moreover, given the relative newness of the product and that our customers are large well established organisations, the transition process takes time.*



*While this is a learning for us, our belief in our offerings and capabilities as well as the interest levels of our customers remains extremely high and we are confident of this translating to business performance.*

*Performance of our legacy businesses namely polyester film and engineering plastics continue to remain under pressure reflective of their largely commoditized nature at present. However, we are optimistic that our efforts towards improving the overall product mix by increasing the share of value added products should help improve their profitability profile.*

*We remain confident that our focused innovative approach combined with improving operational performance would start reflecting in our financials which at present fail to reflect the true potential of the business.”*

## **Business Performance**

- **Specialty Polymer business – Soft performance on account of**
  - Lower off-take resulting from longer than anticipated transition/ approval time taken by customers
  - Natural delay owing to inherent nature of innovative products - need to adjust for reducing of earlier inventories
  - Customer interest and buy in remains strong. Ester continues focus on developing innovative products – Short term pain, long term gain
- **Polyester Film business performance under pressure due to –**
  - Demand supply mismatch as a result of significantly increased number of BOPET players
  - Lower realizations coupled with higher conversion cost leading to margin contraction
  - Emphasis on value addition, value added offerings presently comprise ~15% of portfolio
- **Restrained performance of Engineering plastic business –**
  - Muted performance of Optical Fiber Cable segment resulting in lower government offtake
  - Enhancing portfolio, deepening relationship with key private sector customers



**About Ester Industries:**

Ester Industries Limited is a public limited company incorporated in 1985 promoted by the Singhania family. The company is one of India's leading producers of Polyester Films, Engineering Plastics and Speciality 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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