



Ester Industries announces Q3 & 9M FY22 results
- Q3 FY22 Revenue up 43%; EBITDA grows 10%

Gurugram, 7th February, 2022: 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, 2021.

Particulars (Rs.cr)	Q3 FY22	Q3 FY21	%	9MFY22	9MFY21	%
Revenues	365	256	43.0	1017	695	46.3
EBITDA	64	58	10.3	187	183	2.2
Margins (%)	17.4	22.5	(510 bps)	18.4	26.3	(790 bps)
PAT	36	33	8	106	108	(0.9)
Margins (%)	9.7	12.9	(320 bps)	10.6	15.5	(490 bps)

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

"We are pleased with our performance for the quarter wherein we have delivered a healthy topline growth both on a Y-o-Y and Q-o-Q basis. The growth was largely broad based with all our businesses registering healthy run rate.

Specialty Polymer business maintained its recent momentum with revenues of Rs. 44 crores. during the quarter. Product off-take continued to remain high, registering a volume growth of 7.7% over the previous quarter. Customer response for both - existing and newly introduced products continues to remain encouraging. Sales of MB-03 registered a healthy growth both on an annual and sequential basis. Though sales of Innovative PBT declined during the quarter; basis orders in March 22 quarter, on annual basis we expect to match last year performance

Margins for the business trended lower owing to product mix not as good as last quarter, although we expect the same to correct going forward. Our product pipeline for the business remains healthy. Portfolio of patented products and strong product pipeline provide us the confidence of sustaining the growth going forward.

Film business delivered yet another quarter of solid growth – as higher sales realisations consequent to higher feedstock prices helped deliver revenue growth of 35% over the previous year. Furthermore, we have also been able to register improvement in margins and profitability over Q2FY22 despite competitive intensity as we could increase the share of value added & specialty products to 23%. As we have been indicating that the realisations may remain under pressure in the near term owing to excess supply, we are trying to preserve the margins and profitability by increasing the share of value-added products in the overall mix. Besides, improving the product mix, we are confident the profitability of the business will be sustained post commissioning of our new unit.

Engineering plastics business performed well during the quarter, having delivered a revenue growth of 26% over the previous year. The performance would have been even better but for slowdown in the auto sector. We are hopeful of sustaining the performance going forward and believe the relocation of the unit will help us sustain the profitability besides enabling us to better serve our customers.

Going forward, we believe all our business verticals are well placed to deliver significant growth and create value for our shareholders going forward.”

Business Highlights

- **Polyester Films – Registers strong revenue growth; margin revival on a Q-o-Q basis**
 - Revenue growth of 35% on a Y-o-Y basis driven by better realisations consequent to higher feedstock prices
 - Able to register improvement in margins and profitability over Q2FY22 despite competitive intensity as share of value added & specialty products increased to 23%.
 - Working towards increasing the share of value-added product in the overall mix to sustain improve margin profile and profitability;
- **Specialty Polymers – Product off-take remains strong; expect momentum to sustain in FY23**
 - Higher product off-take resulting in improved sales velocity; revenue growth of ~3x on a Y-o-Y basis
 - Witnessing good traction for new (LMC03; LMC07) and existing (MB03) products
 - Though sales of Innovative PBT declined during the quarter; basis orders in March 22 quarter, expect to match last year performance
 - Product pipeline remains strong; confident to end FY22 on a strong note
- **Engineering Plastics – Sustains revenue momentum**
 - Remunerative prices coupled with strong demand during the festive months of Oct 21 & Nov 21 resulted in revenue growth; the performance could have been even better but lower demand in auto sector
 - Improved realizations driven by higher input prices
 - EBIT and margins remained steady despite limited holding of low-priced inventory
 - Relocation of unit to Halol near Vadodara in Gujarat expected to help in further improving operations and profitability of the business

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 and Sitarganj 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 (ED – Corporate Affairs)
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*

