



## Ester Industries reports Q3 & 9M FY24 results

**Gurugram, 14<sup>th</sup> February 2024:** Ester Industries Limited, India's leading manufacturer of Polyester Films and Specialty Polymers, announced its financial results for the quarter and nine months ended December 31, 2023.

Particulars – Continued Operations (Rs.cr)	Q3 FY24	Q3 FY23	%	9MFY24	9MFY23	%
Total Income	210.9	204.4	3.0	661.6	839.0	(21.2)
EBITDA (including non-operating income)	(1.2)	6.2	-	14.0	98.4	(85.8)
Margins (%)	-	3.0	-	2.1	11.7	(960 bps)
PAT (Continuing operations)	(16.1)	(8.8)	-	(34)	32.9	-
Margins (%)	-	-	-	-	3.9	-

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

"Our performance for the quarter is expectedly soft given the challenges grappling both our businesses at present.

Specialty Polymer business continues to trend well below its true potential amidst the demand uncertainties in the US, the key market for the business. While the realizations are stable across products, volumes remains under pressure compared to expectation. Lower profitability during the quarter was owing to onetime inventory hit and adverse product mix which we expect to correct in the coming quarters. Sales of our marquee products MB03 and Innovative PBT have shown resilience. We have started seeing improvement in volume from Q4 FY 2024 and expect this positive momentum to continue to improve. We also remain equally committed towards building an exciting product pipeline for the business by harnessing our R&D prowess.

Film business performance is largely influenced by the temporary disruption in the demand-supply equation, stemming from the commissioning of newer capacities. Realisations have remained under duress in turn impacting the margins and profitability of the business. While our steps towards improving our product mix to better address the cyclical and pricing pressure in the business will yield the desired results in medium to long term, we expect short term volatility and uncertainties to persist in the near term.

Looking ahead, while we maintain confidence in the strength of our business fundamentals, we anticipate that growth momentum and profitability will continue to face challenges in the near term. Nonetheless, we are actively directing our efforts towards reducing inefficiencies, decreasing our debt burden, and bolstering cash flows to enhance the liquidity profile of the business and generate value for our shareholders. To maintain healthy liquidity, the company is raising Rs 99.90 crore through preferential issue of equity shares. This strategic move will enhance Company's ability to meet its short-term and long-term obligations."



## Business Highlights

- **Polyester Films – Heightened competitive intensity dents revenue growth and profitability**
  - External challenges persists, impacting sales volume and realisations. Temporary demand-supply imbalance following commissioning of newer capacities impacting business momentum in near term
    - Share of Value-added products stood at 24% during Q3FY24
  - Margin and profitability remain under pressure owing to heightened competitive intensity
  - While margins may remain under pressure in the near term owing to commissioning of new capacities; medium and long term prospects of the business continues to remain favourable
- **Specialty Polymers – Softness in USA (key market) decelerates growth momentum**
  - Demand sentiments continue to remain soft amidst uncertainties across key markets
  - Lower profitability during Q3 owing to adverse product mix and one time inventory write off
  - Recovery in the US markets, a key requisite for growth revival
    - Competitive intensity not a concern at all as products are largely IP protected
    - Product pipeline remains strong

## 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 and 30,000 TPA of Specialty Polymers. The company currently exports about 30% of its production of Polyester Films with sales and distribution network in more than 50 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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