



Ester Industries ends FY21 on a strong note
- Delivers highest profitability till date / last decade

Gurugram, 18th May, 2021: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended March 31, 2021.

Particulars (Rs.cr)	Q4FY21	Q4FY20	%	FY21	FY20	%
Total Revenue	297	254	17.0	992	1,039	(4.5)
EBITDA	60	53	12.8	244	198	22.9
Margins (%)	20.3	21.1	(80 bps)	24.6	19.1	+550 bps
PAT (A)	34	37	(8.2)	142	99	42.8
Other comprehensive income for the period (B)	(0.24)	(0.28)		(0.25)	(0.76)	
Total Comprehensive Income (A+B)	34	37	(8.2)	141.83	98.74	43.6

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

"FY21 has been a landmark year for us; a year wherein we delivered our highest profitability till date. While legacy Film business continued to deliver strong performance, another legacy business, Engineering Plastics returned unprecedented performance during FY 2020-21, we believe the next phase of earnings growth will be largely driven by our R&D driven and patent protected Specialty Polymer business.

Performance of Specialty Polymer business during the year was muted due to Covid-19 led disruptions. Being an export oriented business, Covid related restrictions across some of our key markets (including USA) and subsequent logistical impediments impacted demand and product off – take during the year. However, we believe the business will emerge stronger in FY22, given its underlying core strength. We have already witnessed a sharp revival in volumes & profitability during Q4 itself and expect buoyancy to continue going ahead. Demand momentum for the existing and newly introduced products continues to remain strong, which should drive the performance going forward.

Film business maintained its recent momentum and supported by unprecedented performance by EP business drove bulk of the profitability growth for the year. Volumes remained elevated throughout the year (except Covid impacted June quarter) owing to growing preference

amongst consumer for packaged goods. Lower profitability for the business during Q4 was largely owing to softening of margins in export markets as there is a time lag between movement in raw material prices and corresponding adjustment in sales realizations in export market. We however expect the spreads to remain healthy over short to medium term. With domestic demand expected to remain in double digit, we believe the commissioning of our new plant in October 22 will help us to serve our customers' demand in a better way. Furthermore our efforts towards improving the product mix by increasing the share of value added products is shaping up well and we believe a mix of scale and better product mix should help us deliver sustained healthy performance going forward.

Moving on to Engineering Plastics, the business delivered its best ever performance till date with profitability growing over ~5 fold over the previous year. Rising trend in polymer prices and shortage of base polymers resulted into never seen before kind of margins. We are also working towards relocating our EP unit to serve our customers in an efficient & cost effective manner.

Going ahead we believe all our businesses are well positioned to deliver growth and create value for our stakeholders."

Business Highlights

- **Polyester Films – Steady performance – Volumes continue to remain elevated**
 - Strong demand from end – user industries helped maintain growth momentum in the business. Quarterly EBIT though declined following softness in margins in export markets owing to time lag between higher raw material prices and corresponding adjustment in sales realizations. Shift in consumers preference towards packaged products following pandemic outbreak, helped maintain momentum
 - Expect spreads to sustain / improve in the short to medium term. Domestic demand continues to grow at healthy double digit rate
 - Steady improvement in product mix – share of Value added products stands at 18% as of FY21
- **Specialty Polymers – Sharp pick up in Q4 performance; expect buoyant FY22**
 - Ended the year on a positive note, following sharp pick up in MB-03 volumes during Q4. Performance of Innovative PBT remained solid throughout the year
 - Newly introduced products as well have been well received. Expect pick-up in volumes going ahead
 - Encouraging response for new products MB – 16, MB – 07 and LMC – 03 - finding application in textiles / carpet industry
 - FY21 performance was largely impacted by supply led challenges on account of Covid-19 pandemic; expect buoyancy in FY22 following resumption of commercial activities and return to normalcy in geographies that we serve.
- **Engineering Plastics – Delivers best performance till date**
 - Best performance till date; delivers stellar performance in FY21 – Margin expansion, strong volumes, and operating leverage resulted in higher profitability



- Unprecedented margin expansion
- Strong pick-up in demand from end user industries – OFC, Auto and electrical & electronics industry and better realizations (owing to shortage of raw material) resulted in higher revenue and profitability
- Decision to relocate unit, to help serve customers in a better and more efficient & cost effective way and improve margin expansion by ~200 bps
- Expect business to continue to make meaningful contribution to the bottom-line of the Company going forward

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 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.

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