



## **Ester Industries Limited announces Definitive Agreement to Sell its Engineering Plastics Business to Radici Plastics India Private Limited for Rs. 289.33 crore**

### **Strategic exit enables Company to focus on Core Businesses of Polyester Films and Specialty Polymers**

#### **Stronger balance sheet to help support Company's growth initiatives**

**Gurugram, 10<sup>th</sup> May, 2022:** Ester Industries Limited, India's leading manufacturer of Polyester Films and Specialty Polymers announced on 6th May, 2022 that it has entered into a definitive agreement to sell its Engineering Plastic Business to Radici Plastics India Private Limited, engaged in the business of manufacturing of Engineering Plastic products in an all-cash slump sales transaction, amounting to INR 289.33 crore.

The transaction enables the Ester Industries' management to better focus on its core business of developing niche and complex products within its core Polyester Films and Specialty Polymer businesses. Furthermore, the proceeds from the transaction will not only result in stronger balance sheet for Ester Industries but also provide the requisite growth capital for scaling up its capacities in business areas wherein the Company believes there is opportunity to enhance value.

Ester Industries' Specialty Polymer business which is largely IP/ patent protected has over the years demonstrated its capabilities in developing novel and exciting products, offering innovative solutions to some marquee global brands across the Manufacturing and Chemical segment. In addition, the Company's Film business has also delivered consistent growth over the past decades and is now being further scaled up to further enhance its portfolio of offerings.

The Company's Engineering Plastics business manufactured multiple grades of engineering plastic products, catering to various industries like Automotive, Electrical & Electronics, Consumer durables, Telecom and other industrial applications. The transaction with a global major in the Engineering plastics space is also a reflection of Ester Industries' ability to build a new business and create value. Some of the Company's talented human resources will now be part of Radici Plastics India Private Limited.

**Commenting on the transaction, Mr. Arvind Singhania, Chairman and CEO, Ester Industries Limited said** "Today unfolds a significant chapter in our Company, as we take another meaningful step towards our strategic direction of focusing on our core businesses namely Packaging Films and Specialty Polymers where we have proven and well-established capabilities and competencies. While the Engineering Plastics Business has



been profitable for the Company specially in the last 2 years, this business was essentially non – core and was also ideal for divestment to release capital for core businesses of the Company. We believe that scaling it up into a large business would have taken significant resources & time and in that sense passing it onto a globally recognized & credible player would be the most logical step for everyone involved."

Ester Industries will continue to work towards building innovative and path-breaking products in its Specialty Polymer business besides improving its mix in Film business by increasing the share of value-added products.

The deal was exclusively advised by Singhi Advisors, Mumbai as financial advisors to the Transaction.

### 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. 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.

### About RadiciGroup:

With approximately 3,000 employees, sales revenue of EUR 1,508 million in 2021 and a network of production and sales sites located throughout Europe, North America, South America and Asia, RadiciGroup is one of the world's leading producers of a wide range of chemical intermediates, polyamide polymers, high performance engineering polymers and advanced textile solutions, including nylon yarn, polyester yarn, yarn made from recovered and bio-source materials, nonwovens and personal protective equipment for the healthcare field. These products are the result of the Group's outstanding chemical expertise and vertically integrated polyamide production chain and have been developed for use in a variety of industrial sectors, such as: automotive – electrical and electronics – consumer goods – apparel – furnishings – construction – household appliances – sports. The basis of the Group's strategy is a strong focus on innovation, quality, customer satisfaction and social and environmental sustainability. With its business areas – Specialty Chemicals, High Performance Polymers and Advanced Textile Solutions –, RadiciGroup is part of a larger industrial group that also includes textile machinery (ITEMA), energy (GEOGREEN) and hotel (SAN MARCO) businesses.

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