



**Ester Industries delivers stellar Q2 performance –
EBITDA up 58%; PAT jumps ~2.4x
Board declares interim dividend of Rs. 1.50 per share**

Gurugram, 28th October, 2020: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended September 30, 2020.

Particulars (Rs.cr)	Q2 FY21	Q2 FY20	%
Total Revenue	250.52*	254.41*	(1.6)
EBITDA	73.48	46.50	58.0
Margins (%)	29.33	18.28	1,105 bps
PAT (A)	45.91	19.25	138.5
Other comprehensive income for the period (B)	0.05	(0.07)	-
Total Comprehensive Income (A+B)	45.95	19.18	139.6

*Q2FY20 revenue includes sales worth Rs.16 from Chip business against Zero sales during Q2 FY21

Commenting on the performance, Mr. Arvind Singhanian, Chairman, Ester Industries said: *“We are very pleased with our performance for the quarter which has seen sharp pick up in revenues and profitability over Q1.*

Film business continued its recent momentum on the back of strong demand from the end user industries. Covid-19 pandemic appears to have had positive effect on the film business with a growing number of customers preferring more packaged products. Stronger demand resulted into improvement in sales volumes and capacity utilization. Further, we are also working towards improving our product mix and expect the commissioning of the off-line coater to improve the share of value added products over the coming quarters. The commissioning of our new line should provide a further leg up to the business.

As regard to Specialty Polymers SBU, while the current year is likely to be subdued primarily because of Covid – 19 related restriction in customer markets, the business fundamentals remain structurally sound and we expect strong recovery from next year onwards. But for Covid – 19, performance of Specialty Polymers SBU would have been much better than FY20. We are very encouraged with the introduction of 3 new products in recent weeks and expect these products to contribute substantially going forward.

As far as Engineering Plastics business is concerned, Covid – 19 adversely impacted the performance during Q1FY21. However, the revival has been stronger & sooner than expected, demonstrated by substantial improvement in volume of sales and margin in Q2FY21. We are confident of a much better performance of Engineering Plastics SBU going forward.

Lastly, we continue to make steady progress in our efforts towards strengthening our balance sheet and improving overall efficiencies of the business. Our gearing ratio has been steadily declining and we are committed towards maintaining it at better than prudent level. Further, reduced interest expense and lower tax rates are also resulting in higher net profits for the company.”

Business Highlights

- **Polyester Films – Volume growth restored; additional line to provide further leg up to the business**
 - Strong and consistent demand from end – user industries resulted in higher volumes for the quarter
 - Favorable demand – supply scenario, higher operating leverage resulting in better profitability & margin
 - Expect higher share of value added products following commissioning of Off – Line Coater in June 2020
 - Setting up an advanced polyester film manufacturing facility in the state of Telangana with a Capex of Rs. 587 crores through Wholly Owned Subsidiary (WOS); Targeted completion date - June 2022
- **Specialty Polymers – business momentum picking up steam; expect strong recovery in FY22**
 - Business momentum slowly picking up steam, following challenging Q1 (disrupted by covid-19 led challenges)
 - Demand for Innovative PBT continues to remain strong;
 - Already witnessing revival in demand for MB – 03
 - Encouraging progress made in the development of another new product (LMC-03) for carpet industry in USA. Commercial sales have already started on a small scale.
 - Cationic Dyeable Master Batch (MB-16) and Deep Dyeable Master Batch (MB-07) - Customer approval already received and commercial sales have commenced. Expect substantial volumes from these products going forward
- **Engineering Plastics – Improved performance amidst pick-up in demand**
 - Recovery in demand is much stronger & sooner than expected
 - Q2FY21 has been the best quarter both in terms of volume & margin in the history of SBU
 - Expect much better performance from the SBU going forward compared to past
 - Working towards increasing share of high margin products

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, 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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