

**ESTER****INDUSTRIES LTD.**

CIN : L24111UR1985PLC015063

**Date:** 12<sup>th</sup> August 2024

<b>BSE Limited (BSE)</b> Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
<b>Scrip Code: 500136</b>	<b>Symbol: ESTER</b>

Dear Sir/Madam,

**Subject: Press Release on Financial Results for the quarter ended on 30<sup>th</sup> June 2024**

Please find enclosed herewith the press release on financial results of the Company for the quarter ended on 30<sup>th</sup> June 2024.

Please take the same on your records.

Thanking you,

Yours faithfully

For **Ester Industries Limited**

**Poornima Gupta**  
**Company Secretary & Compliance Officer**

**Encl: As above**

**Ester Industries Limited**

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## Ester Industries reports Q1 FY25 results

**Gurugram, 12<sup>th</sup> August 2024:** Ester Industries Limited, India's leading manufacturer of Polyester Films and Specialty Polymers, announced its financial results (standalone and consolidated) for the quarter ended June 30, 2024.

Particulars – Standalone (Rs.cr)	Q1FY25	Q1 FY24	%	Q4 FY24	%
Revenues	244	206	18.1	220	11
EBITDA (including Non-operating income)	17	13	35.3	9	89
Margins (%)	6.9	6.1	+80 bps	4.0	+290 bps
PAT (Continuing operations)	(2)	(5)	-	(9)	-

Particulars – Consolidated (Rs.cr)	Q1FY25	Q1 FY24	%	Q4 FY24	%
Revenues	292	267	9.4	280	4.3
EBITDA (including Non-operating income)	17	10	70.0	9	88.9
Margins (%)	5.9	3.6	+230 bps	3	+290 bps
PAT (Continuing operations)	(16)	(22)	-	(24)	-

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

*"We have started the fiscal on a positive note. Specialty Polymer has had a strong quarter as can be seen by operating and financial performance indicators. Film business after undergoing challenging period of last two years, is finally witnessing some positivity as far as pricing & margin environment is concerned. As the demand-supply mismatch improves quarter after quarter, we are hopeful of margin & profitability improvement in times to come.*

*Specialty Polymer performed well both on a Y-o-Y and Q-o-Q basis. Q1 performance was largely driven by good volume off-take of our marquee products MB03 and Innovative PBT. Higher share of value-added products resulted in improved margins and profitability. We expect the momentum to not only sustain but accelerate further throughout the year. As I have emphasized earlier, this business is protected by intellectual property, which safeguards our margins and preserves profitability. We continue to work towards building a healthy product pipeline and expect positive contributions from some of them over the coming years.*

*As far as Film business is concerned, having gone through a rough period of last two years especially with regards to margins, I am pleased to report that we have started to witness some respite over the past few months. The pricing and margin environment has started to improve. As a result, going forward Film SBU is likely to return better performance despite lower volumes of sales. The proportion of Value Added &*



Specialty products stood at 30% during the quarter under review and with a targeted increase to 40% by FY26, profitability is expected to get further boost.

Plastic Waste Management Rules (PWMR) mandating utilization of 10% recycled content in flexible packaging laminate, coming into force from 1<sup>st</sup> April 2025 will further increase demand for Polyester Film with conversion taking place from other substrates to polyester.

As regards our JV with Loop Industries Inc, I am happy to announce that it is progressing as per schedule. Various activities towards implementation of the project are being pursued in right earnest.

Looking ahead, given our strong position in both SBUs, we are confident of creating value for our shareholders, as the fundamentals of both businesses remain solid. The joint venture with Loop is a transformative development that will pave the way for profitable growth for the company in the years to come.”

## Business Highlights

- **Polyester Films: Pricing environment improves as demand – supply gap narrows**
  - Pricing environment started to improve during the quarter, though sales in volumetric terms was lower
  - Shutting down of Film production Line # 1, 2 and Hyderabad plant for few weeks during the quarter on account of commercial reasons impacted volume of sales, however better pricing environment resulted in sustaining revenue
    - Share of Value-added products in EIL’s Film SBU stood at 30% during Q1FY25
  - Though demand-supply mismatch still persists, basis robust growth in demand, the same is getting bridged quarter after quarter
  - Confident of margin and profitability improvement over coming quarters / years
- **Enters into a JV with Loop Industries., Inc**
  - Entered into a JV with Loop Industries., Inc to produce a unique product offering of lower carbon footprint recycled dimethyl terephthalate (“rDMT”), recycled mono-ethylene glycol (“rMEG”) in India, using the Infinite Loop™ technology
  - The Infinite Loop™ India JV facility aims to annually produce 70,000 tonnes of rDMT and 23,000 tonnes of rMEG. Ester will then convert part of these quantity into various specialty polymer grades.
    - This facility can cut carbon emissions by up to 70% compared to virgin DMT and MEG from fossil fuels
    - provide chemical companies with a straightforward, circular alternative, aiding them in meeting sustainability targets
  - JV combines Loop’s cutting-edge technology and access to global brands with Ester’s 40 years of polymer expertise and operational prowess
  - Construction is expected to be completed by the end of 2026, with commercial operations commencing in early 2027; Various activities towards implementation of the project are being pursued in the right earnest
  - Project cost: USD 165 Mn



- **Specialty Polymers – Strong start to the fiscal as volumes and product mix improves during Q1; expect momentum to sustain throughout the year**
  - Specialty Polymers’ revenue progression: Rs. 45 crore in Q1FY25 as compared to Rs. 20 crore in Q1FY24 and Rs. 30 crore in Q4FY24
  - Strong start to the fiscal underpinned by higher volumes, better product mix and significantly improved profitability
  - Higher share of marquee products (MB03 and Innovative PBT) resulted in higher profitability and margin expansion
  - Expect business momentum to continue - leading to revenue, margins and profitability improvement

### About Ester Industries:

Incorporated in 1985, Ester Industries Limited (EIL), a public limited company, is an ISO 50001:2018, ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015 certified. The company is promoted by the Singhania family. The company is one of India’s leading producers of Polyester Films 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 & Sitarganj in Uttarakhand with the capacity of 67,000 TPA of Polyester Resin, 60,000 TPA of Polyester Film and 30,000 TPA of Specialty Polymers. Through Wholly Owned Subsidiary, Ester Filmtech Limited, it has set up state of the art manufacturing facility in Hyderabad, Telangana to produce 48,000 MT of Polyester Film. The company currently generates more than 45% of its revenue from exports of Polyester Films & Specialty Polymers with sales and distribution network in about 50 countries across the world resulting in strong customer relationships.

Specialty Polymers are manufactured primarily for the European and US markets. Specialty Polymers business is driven by technology and innovation and the Company has been granted many patents and presently has quite a few patent applications pending for this business. With state-of-the-art manufacturing plant, skillfully managed operations and a committed work force Ester continuously strives to meet commitments towards total customer satisfaction.

### For more information contact:

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