

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

CIN : L24111UR1985PLC015063

**Date:** 7<sup>th</sup> November 2024

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

Dear Sir/Madam,

**Subject: Press Release on Un-audited Financial Results for the quarter and half year ended on 30<sup>th</sup> September 2024**

Please find enclosed herewith the press release on Un-audited financial results of the Company for the quarter and half year ended on 30<sup>th</sup> September 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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**Phone :** +91-124-2656100, 4572100 **Fax :** +91-124-4572199, 2656199 **E-Mail :** info@ester.in **Website :** www.esterindustries.com

**Regd. Office & Works :** Sohan Nagar, P. O. Charubeta, Khatima - 262308 Distt. Udham Singh Nagar, Uttarakhand  
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# ESTER INDUSTRIES LTD.

## Ester Industries reports Q2 & H1 FY25 results

**Gurugram, 6<sup>th</sup> November 2024:** Ester Industries Limited, India's leading manufacturer of Polyester Films and Specialty Polymers, announced its financial results (standalone and consolidated) for the quarter and half year ended 30<sup>th</sup> September, 2024.

| Particulars – Standalone (Rs.cr)                | Q2FY25 | Q2FY24 | %         | H1 FY25 | H1FY24 | %        |
|---|--------|--------|-----------|---------|--------|----------|
| Total Income                                    | 302    | 244    | 24        | 546     | 451    | 21       |
| EBITDA (including non-operating income)         | 36     | 3      | 1100      | 53      | 15     | 253      |
| EBITDA Margin (%)                               | 12     | 1.1    | +1190 bps | 10      | 3.4    | +660 bps |
| PAT   | 12     | -13    | -         | 10      | -18    | -        |
| PAT Margin (%)                                  | 4      | -      | -         | 2       | -      | -        |
| Other comprehensive income/(loss) (Net of Tax)* | -5     | -      | -         | -5      | -      | -        |
| Total comprehensive income /(loss)              | 7      | -13    | -         | 5       | -18    | -        |

| Particulars – Consolidated (Rs.cr)              | Q2FY25 | Q2FY24 | %  | H1FY25 | H1FY24 | %        |
|---|--------|--------|----|--------|--------|----------|
| Total Income                                    | 334    | 271    | 23 | 626    | 538    | 16       |
| EBITDA (including non-operating income)         | 43     | -0.4   | -  | 60     | 9      | 567      |
| EBITDA Margin (%)                               | 13     | -      | -  | 10     | 1.7    | +830 bps |
| PAT   | 3      | -30    | -  | -13    | -53    | -        |
| PAT Margin (%)                                  | 1      | -      | -  | -      | -      | -        |
| Other comprehensive income/(loss) (Net of Tax)* | -5     | -      | -  | -5     | -0.1   | -        |
| Total comprehensive income/(loss)               | -2     | -30    | -  | -18    | -53    | -        |

\*Total comprehensive income impacted by negative MTM provision amounting to Rs. 6 crores (Rs. 4.5 crores net of tax) on account of Interest Rate Swap on FCL availed by Ester Industries

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

"We are pleased with our quarterly performance which witnessed a turnaround in our Film business and continued strength in our Specialty Polymer business. After facing challenges over the past 7 - 8 quarters, Film business is now experiencing early but strong signs of revival in pricing & margin environment as demand-supply mismatch evens out.



*Specialty Polymer once again posted strong results, driven by the revival of demand in key markets (USA) leading to a higher volume of sales for our marquee products, MB03 and Innovative PBT. We anticipate this positive trend to persist in the latter half of the fiscal, supported by sustained growth prospects and a promising product lineup. Due to the intellectual property protection of our business, margins and profitability are expected to remain remunerative.*

*As far as Film business is concerned, I am extremely pleased to report that in line with the indications we earlier shared, we are witnessing a better demand supply balance for BOPET which in turn is translating into more reasonable pricing & margin. The profitability profile of the business had been adversely impacted in the past few years largely owing to weak margins. Although our overall volume of sales for the quarter was lower compared to the past, largely owing to plant shutdown, improved product mix and better pricing & margins resulted in improved profitability for the business. We expect the trend to sustain as we enhance our utilization levels and make steady progress towards achieving our objective of increasing the share of Value Added and Specialty products. In addition, 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.*

*I am also happy to share that the implementation of plans for our JV with Loop Industries is progressing well. Various activities towards implementation of the project are progressing well and as per the current estimate we expect commercial production to commence during Q2 calendar 2027.*

*Moving forward, supported by our robust position in both Strategic Business Units (SBUs), we are optimistic about generating value for our shareholders, considering the strong fundamentals of each business. The collaboration with Loop represents a significant milestone that is poised to drive profitable expansion for the company in the foreseeable future.”*

## **Business Highlights**

- **Polyester Films: Turnaround quarter – profitability improves amidst better product mix and pricing & margin environment.**
  - Improved performance despite shutting down of Film production Line # 1 & 2 for few weeks during the quarter on account of commercial reasons
  - Share of Value-added products in EIL’s Film SBU stood at 33% during Q2FY25
  - Better pricing & margin environment made good the negative impact of lower volumes
  - Witnessing early but strong signs of recovery in pricing & margin environment, undertaking efforts towards improving product mix by increasing share of Value Added & Specialty products
  - Confident of sustained margin and profitability over coming quarters / years
- **Specialty Polymers: Strong performance – expect growth momentum to sustain in H2FY25**
  - Strong H1 performance underpinned by higher volumes & better product mix
  - Higher share of marquee products (MB03 and Innovative PBT) resulted in higher profitability and margin expansion
  - Product pipeline remains encouraging, expect business momentum to continue –in H2 leading to sustained revenue, margins and profitability
- **Comments on Financial Performance**
  - Consolidated EBITDA for the Q2FY25 would have been Rs. 51 crores (higher by Rs. 8 crores) but for impact of exchange fluctuation & MTM on FCL / derivative availed by Ester Filmtech



- Q2FY25 - Total Comprehensive Income impacted by negative MTM provision amounting to Rs. 6 crores (Rs 4.5 crores net of tax) on account of Interest Rate Swap on FCL availed by Ester Industries. However, it has and will have no impact on actual operating profit & cashflow forever as it is only a notional book entry. We expect these MTM notional losses to reverse by terminal date of the FCL.

### 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 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 40% of its revenue from exports of Polyester Films & Specialty Polymers with sales and distribution network in about 50 countries across the world resulting in a strong customer relationship.

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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