

Date: 15th November, 2021

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

Dear Sir,

Subject: Press Release on financial results for the quarter and period ended on 30th September, 2021

We wish to submit the Press Release on financial results for the quarter and period ended on 30th September, 2021.

Please acknowledge the receipt of the same.

Thanking You

Yours Faithfully
For Ester Industries Limited



Diwaker Dinesh
Head-Legal & Company Secretary



Encls: As Above

Ester Industries Limited

Corporate Office : Block-A, Plot No. 11, Infocity-I, Sector-34, Gurgaon - 122001 Haryana, India
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
Phone : EPABX No. (05943) 250153-57 **Fax No.:** (05943) 250158



Ester Industries announces Q2 & H1 FY22 results

- Q2 FY22 Revenue up 33%; H1 Revenue grows 49%

Gurugram, 15th November, 2021: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter and half year ended September 30, 2021.

Particulars (Rs.cr)	Q2 FY22	Q2 FY21	%	H1 FY22	H1FY21	%
Revenues	333	251	32.9	652	439	48.5
EBITDA	59	73	(20.1)	123	126	(2.4)
Margins (%)	17.7	29.1	(1140 bps)	18.8	28.7	(990 bps)
PAT	33	46	(28.1)	71	75	(5.3)
Margins (%)	9.9	18.3	(840 bps)	10.9	17	(610 bps)

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

"We have had a good first half with revenues expanding ~50% over the previous year. All our businesses continue to perform well, helping us sustain the growth momentum."

Specialty Polymer business delivered yet another quarter of solid performance on the back of good demand and off-take for our products. Demand for MB-03, one of our marquee products continues to remain strong, as reflected by the strong volume growth during the quarter. Innovative PBT as well maintained its momentum with a volume growth of 27% over the previous year. In addition to the existing products, demand for some of our newly introduced products like MB 07 & LMC 03 as well remain encouraging. As mentioned earlier, we expect the sales of the new products to pick up pace over the following quarters. Furthermore, we are also close to achieving techno commercial qualification for some of our other products as well, which once approved and commissioned should help us drive the revenues in the years to come.

Performance of Film business would have been better but for lower production owing to plant shut down for maintenance. Margins moderated largely owing to new capacities getting commissioned. Furthermore, higher shipping costs caused by global supply chain disruption impacted both margins and volume of export sales. Benign margin environment coupled with lower production owing to plant shut down for maintenance resulted in lower profitability during the quarter. Though the margin / profitability scenario is likely to remain subdued over short to medium term, we are working relentlessly to mitigate the same by higher volume of value added and off-line coated products. Lastly, commissioning of our new BOPET plant as well should help scale up our business in the coming years.

Engineering plastics business performed well with significant improvement in profitability. Demand from end-user customers remained buoyant which coupled with favourable pricing environment resulted in revenue growth of 51% for the quarter. We expect the business to perform well going forward as well. Eliminating the impact of increase in feedstock prices from raw material consumption and revenues from operations, the EBITDA margin for the Company would have been 24%

We believe we are well placed to deliver growth and create value for our stakeholders."

Business Highlights

- **Polyester Films – Lower margins impact profitability; Revenues remain buoyant**
 - Eliminating the impact of increase in feedstock prices from raw material consumption and revenue from operations, the EBIT margin during Q2FY22 would have been about 17%
 - Margin compression during the quarter owing to:
 - Lower margins owing to excess supply following commissioning of new capacities
 - Higher shipping freight cost impacted export volume and margins
 - Margin / profitability scenario is likely to remain subdued over short to medium term; mitigation strategy focusing on enhancing volume of value added and off-line coated products being pursued relentlessly
- **Specialty Polymers – Solid performance; Revenues and profitability expands**
 - Business momentum continues; revenue growth of ~4x on a Y-o-Y basis
 - Witnessing strong demand for new and existing products
 - Positive response for newly introduced products; commenced commercial sales of MB07
 - Higher volumes & better product mix contributes to margin and profitability expansion
 - Eliminating the impact of increase in feedstock prices from raw material consumption and sales value, the EBIT margin during Q2FY22 would have been about 50%
- **Engineering Plastics – Revenue momentum accelerates; Margins soften**
 - Revenue growth remained strong on the back of better realizations; higher realizations driven by higher input prices
 - EBIT and margins for the Q2FY22 in comparison to Q1FY22 declined as the benefit of low-cost inventory in hand / pipeline subsided
 - Eliminating the impact of increase in feedstock prices from raw material consumption and sales value, the EBIT margin during Q2FY22 would have been about 34%.
 - Relocation of unit should help in further improvement in operations and profitability of the business

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.

For more information contact:

Pradeep Kumar Rustagi (CFO)

Ester Industries Ltd.

Tel: +91 124 2656 100

Fax: +91 124 2656 199

E-mail: pradeep.rustagi@ester.in

Gavin Desa / Suraj Digawalekar

CDR India

Tel: +91 22 6645 1237 / 1219

Fax: +91 22 6645 1213

E-mail: gavin@cdr-india.com / suraj@cdr-india.com

CIN: L24111UR1985PLC015063

Regd. Office : Sohan Nagar, P.O. Charubeta, Khatima– 262308 Distt. Udham Singh Nagar, Uttarakhand
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