

ESTER**INDUSTRIES LTD.**

CIN : L24111UR1985PLC015063

Date: 6th August, 2020

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 ended on 30th June, 2020We wish to submit the Press Release on financial results for the quarter ended on 30th June, 2020.

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 Q1FY21 Results – Strong performance in a challenging quarter; PAT grows 23%

Gurugram, 6th August, 2020: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended June 30, 2020.

Particulars (Rs.cr)	Q1 FY21	Q1 FY20	%
Total Revenue	189	284	(34%)
EBITDA	52	54	(2%)
Margins (%)	27.7	18.8	+890 bps
PAT (A)	29	24	23%
Other comprehensive income for the period (B)	(0.08)	(0.23)	-
Total Comprehensive Income (A+B)	29	24	24%

Commenting on the performance, Mr. Arvind Singhania, Chairman, Ester Industries said:
“Revenue from operations for the quarter were expectedly lower owing to lockdown led disruptions. Nonetheless, despite lower revenue generation, margin expansion in Film due to improved market conditions, and efforts towards cost containment & efficiencies coupled with lower rate of tax resulted in profitability expansion.

Performance of Specialty Polymer business, consequent to the pandemic and the increasing restrictions in customer markets, was muted though we are confident about long term prospects of the business as fundamentals remain structurally strong.

While revenues for the Film business de-grew during the quarter due to volume de-growth only in the month of April 20 on account of adverse effect of Covid on supply chain and restricted movement of labour, margins for the business improved resulting into sustained profitability. Volumes and utilization levels have subsequently picked up and business is now operating at pre-Covid levels. Further, the commissioning of an off-line coater will help us to improve the product mix and margin profile of the business by increasing the share of value added products. We expect the business momentum to continue on the back of strong domestic and international demand.

Performance of the Engineering Plastics business was sub-optimal owing to suspension of operations due to softness in the application industry segments. However, return to normalcy has been faster than expected as we have been able to achieve normal level of operations in the month of July 2020. Though overall situation in the near term continues to remain challenging for the business, we are nonetheless undertaking steps towards reviving the business by improving the product mix and cutting down on expenses.



Lastly, we are consciously & continuously working towards further improving efficiencies and lowering costs. We are also working towards further improving our balance sheet by repaying debt and maintaining healthy gearing ratios. As regards expansion of Film capacity through a wholly owned subsidiary, we have already started implementation of the project."

Business Highlights

- **Polyester Films – Lockdown related disruption impacts volume growth; margin improvement drives higher profitability**
 - Lower volume growth owing to lockdown related challenges (only during the month of April 20); however business started to perform close to pre - Covid levels since May 2020 with improved margins
 - Margin improvement on account of strong demand and reduced costs resulted in profitability expansion
- **Specialty Polymers – Closure & lockdown in India & USA disrupts recent momentum**
 - Adverse effect of Covid – 19 & lockdown on demand in USA impacted sales in Q1FY21
 - Expect revival in demand for MB – 03 by end of current financial year as economic activities revive steadily in USA
 - Healthy traction seen in other products as well
 - Promising outlook on the back of exciting product pipeline and strong fundamentals for the business
 - Witnessing encouraging demand for products besides MB-03 & IQPBT as well
- **Engineering Plastics – Temporary shutdown of operations, impacts profitability**
 - Shutting down of operations in application industries impacted demand and hence business' profitability
 - Return to normalcy has been faster than expected as achieved normal level of operations in the month of July 2020.
 - Working towards increasing share of high margin products in the overall mix and cutting down costs

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



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