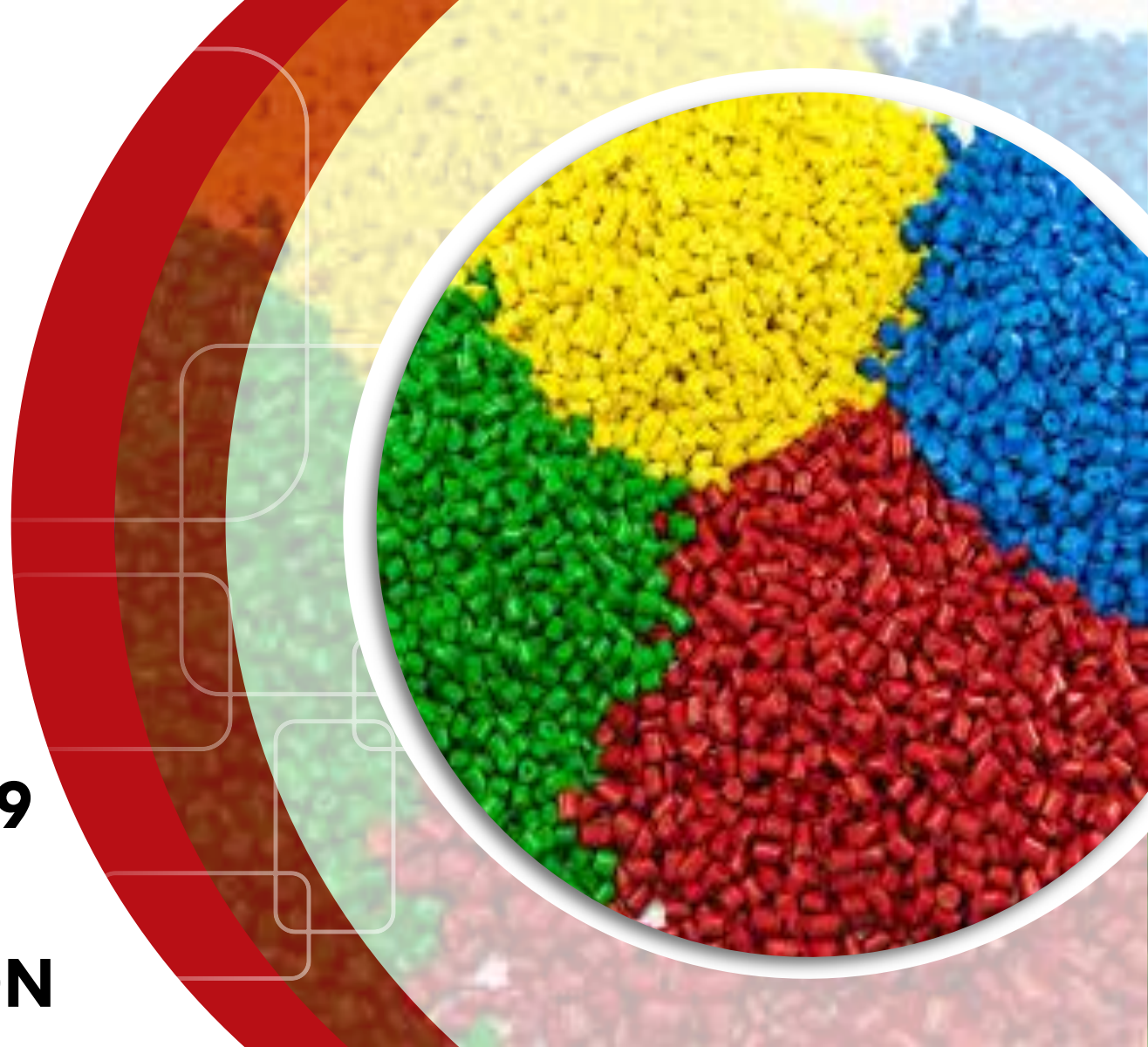




February 11, 2019

**Q3 & 9M FY19
RESULTS
PRESENTATION**



Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Ester Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



**Q3 & 9M FY19
Performance
Overview**



Financial Summary

➤ Revenue from operations up 32%; EBITDA expansion of 74%; PAT of Rs. 23 cr

Figs in cr.

	9M FY19	9M FY18		
↑	773	587	Revenues	Revenue growth of 32%, largely driven by strong performance of Film business which continues to benefit from steady demand and pricing environment. Engineering Plastics also contributed to the overall revenue growth
↑	83	48	EBITDA	Strong top line growth coupled with stringent cost rationalization initiatives resulted in EBITDA expansion of 74%. Margins as well increased 260 bps despite volatile input prices.
↑	23	(0.31)	PAT	PAT of Rs. 23 cr as against loss of Rs. 0.31 cr reported during 9M FY18, largely owing to overall improved performance of the Film business.

Business wise Financial Performance

- Polyester Film business continues to perform well – driving bulk of the profitability
- Specialty Polymer and Engineering Plastics business to contribute to the overall revenue growth of the business

9M FY19 v/s 9M FY18 Performance

	Revenues		EBIT	
	Rs. cr	%	Rs. cr	%
Polyester Film*	601	41.4	84	115.9
Specialty Polymers	24	(33.2)	3	(52.2)
Engineering Plastics	148	18.1	6	(38.5)

Figs in cr.

* Including sale of Polyester Chips

Polyester Films – Strong performance on the back of steady demand and realisations. Product mix improves – share of value added products constitutes 21%; working towards increasing its share to ~30% by FY20. The performance of Film SBU would have been better but for volatility in crude oil prices (hence feedstock prices) during quarter ended December 2018.

Specialty Polymers – Soft performance, lower off-take impacting revenue and profitability. Undertaking steps towards reviving the business. Product pipeline remains strong.

Engineering Plastics – Steady performance, contributing to the overall growth of the business. Margins though remained under pressure owing to higher input prices. Aiming towards increasing share of value added products in the overall mix

- Outstanding term debt of Rs. 85 cr as of Dec. 31 2018
- Repayment Schedule
 - Q4 FY19 Rs. 10 cr
 - FY20 Rs. 20 cr
 - FY21 Rs. 20 cr
 - FY22 Rs. 17 cr
 - FY23 Rs. 18 cr
- Repayment obligation during FY 2018-19 is Rs. 44 crores which would reduce significantly to about Rs. 20 crores per annum from FY 2019-20 onwards
- Interest bearing working capital liabilities stood at Rs. 191 cr as of Dec 31 2018
- Debt / equity to remain at comfortable level going forward



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

"We are pleased with our performance for 9M FY19, a period wherein we delivered strong revenue and profitability growth of 32%. Film business continued to drive bulk of the growth, on the back of steady demand and improved product mix. Engineering Plastics business as well contributed to the overall growth albeit at a slower rate.

We expect the momentum in Film business to continue going forward amidst steady demand and pricing environment. Further, we are also working towards improving the product mix by increasing the share of value added products – which should help us in translating higher revenues into better margins and profitability for the business.

Performance of Specialty Polymer and Engineering Plastics business though remained somewhat soft – with lower off-take and higher input prices impacting the profitability of the respective businesses. We are undertaking requisite measures towards revitalizing the businesses and are hopeful of delivering better performance in coming quarters.

Further, our stringent efforts towards containing costs should help us in lowering expenses and improving profitability going forward."

Specialty Polymers



Specialty Polymer – The Catalyst



High entry barriers -
Patent protected
business (Product &
process)

7

Patents
filed

18

Product
portfolio

30,000_{MTPA}

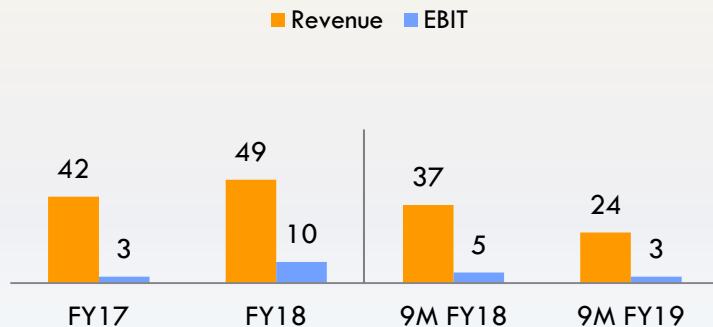
Production Capacity

20%+

Margins on achieving
of adequate scale of
operations

Specialty Polymers

Figs in cr.



- Muted performance owing to lower product off-take
- Product pipeline remains strong; continue to strengthen R&D and executional capabilities
- 2 -3 products are in advance stage of approval process which are likely to fructify into sales during FY 2019-20 & onwards

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- Product portfolio -18 products at various stages of development of which patents have been filed in respect of 7
- High entry barriers protected by Intellectual Property rights
- Existing Product Portfolio –
 - Product Stain resistant Master Batch – Positive response from the customers; ramping up sales
 - Master batch for a Cationic Dyeable Yarn - Patent filed under PCT for a Master Batch to produce specialized polyester yarn. Gaining strong potential in China and Taiwan

Patent Status

Product Code	Product Description	Status of Patent	Product approval from customer	Application
ESTER HR-03	Hot Fill PET by normal ISBM	Filed in India, Europe, Korea, USA (granted), Mexico, Japan & China, PCT	Approved	Packaging
ESPET MB-03	Masterbatch Sulfonated PET	Filed in India, Europe, Korea & USA (granted) PCT	Approved	Stain Resistance in Nylon Carpet
ESPNB	Clear PBN	India, PCT, USA & EU	Under Trials	Monolayer and Multilayer Containers
ESPET HR-01 B3	Beer Keg PET	India, PCT, USA & EU	Under Trials	Monolayer containers/Kegs
ESPET MW-01	Microwaveable PET	India, PCT, USA & Europe	Under Trials	Extrusion and thermoforming
ESPET FR-10	Flame Retardent PET	India, PCT	Approved	Flame retardant master batch for PET Polyester in textile (PFY/PSF) & Film application
ESPET MB-06 R3 & ESPET MB-07 R7	Easy Dyeable & Cationic Masterbatch	India , PCT	MB-06 R3 - Under Trial MB-07 R7 - Approved	Deep and Dark dyeability in Textile

Specialty Polymers – Products & Applications

Products

Polyethylene Terephthalate (PET)

Polybutylene Terephthalate (PBT)

Polyethylene Naphthalate (PEN)

Master Batches

Applications

Rigid Packaging – Hot-fill / Beer Kegs

Textile – Flame Retardant

Carpets – Stain Resistant Master Batches

Heat Sealable

Engineered Plastics / Injection Moulding

Low Melt Polymers for Textiles



Polyester Films



Polyester Film – “De-Commoditizing”



De-commoditizing the business by changing product mix



Mfg. Capacity -57,000MTPA Polyester Films & 13,200 MTPA Metalized polyester films



Improving sector fundamentals – Better pricing environment; limited capex planned over the next 2 years

#56

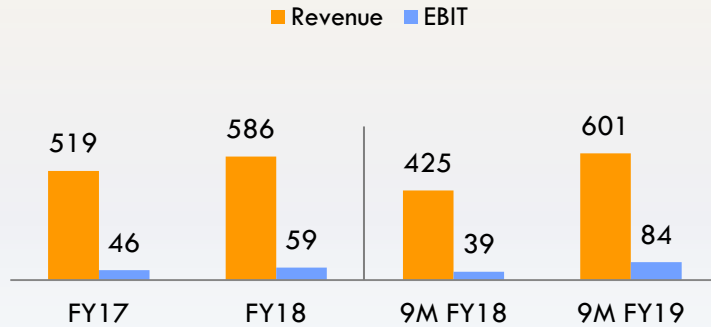
No. of countries (exports)

~30%

Share of value added product (FY 20) from ~20% (FY18)

Polyester Films

Figs in cr.



- Improving sector dynamics: Demand – Supply equilibrium resulting in stable and better pricing environment
- Steady demand coupled with improved product mix and pricing environment resulted in revenue growth of 41%

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- Manufactures and markets polyester films under the brand “**UmaPET**”
- **Manufacturing capacity** - 57,000 MTPA for polyester films & 13,200 MTPA for metalized polyester films
- **Integrated player** – Polyethylene Terephthalate (Polyester) chips manufacturing capacity 67,000 MTPA
- **Global Footprint** : Formidable reach across more than 56+ countries
- Value Added & Specialty products include transparent barrier film, shrink film & silky matte etc.
- Thrust on increasing proportion of value added & specialty products in overall mix by focusing on innovation, development and partnership with customers both in India and overseas which will reduce the effect of inherent cyclicality

Industry Dynamics turning for the better

- Demand – Supply equilibrium (Domestic)
- Limited Capacity addition in near term
- Better pricing environment

Company specific initiatives

- Working towards increasing the share of value added products – ~35% by FY20
- On the back of improved performance in FY 2018-19 coupled with reduced term debt & repayment obligation, Company to evaluate growth through expansion by end of FY 2020

Polyester Films – Products & Applications

Products

White Opaque	High Clear
High Barrier	Embossable
Heat Saleable	Twist Wrap
Shrink film	Anti - Static
Metalized High Barrier	Matte

Applications

Flexible Packaging
Barrier Packaging
Embossing
Lidding
Label & Graphics



Engineering Plastics



Engineering Plastics – “Deliver better Return ratios”

#250

Product Portfolio

13,500MTPA

Mfg. capacity

“Estoplast”

Products marketed
under the brand



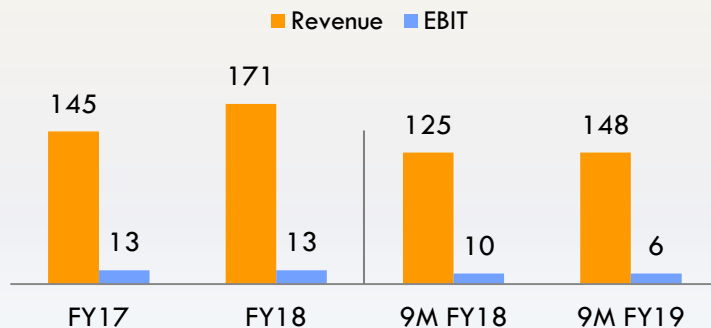
“Fastest Growing Enterprise
Processing (Engineering Polymers)”
at the Plastindia Exhibition in
February 2015



Improving product mix
to improve margin
profile & return ratio

Engineering Plastics

Figs in cr.



- Business continues to perform well, contributing steadily to the overall revenue growth
- Higher input prices caused by volatile crude prices during quarter ended December 2018 resulted in profitability compression
- Working towards increasing share of high margin products in the overall mix

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Business highlights

- A well regarded manufacturer of Engineering plastics
- Diverse Product Portfolio – 250+ grades products marketed under the brand “ESTOPLAST”
- Manufacturing capacity - 13,500 MTPA
- Growing at better than industry run rate since the last 3 years
- Awarded the prestigious Plasticon Gold Award for the “Fastest Growing Enterprise – Processing (Engineering Polymers)” at the Plastindia Exhibition in February 2015

Engineering Plastics – Products & Applications

Products

Thermoplastic Polyester Compounds

Polybutylene Terephthalate (PBT)

Polyethylene Terephthalate (PET)

Polyamide 6 Compounds

Polyamide 6.6 Compounds

Applications

CFL Holders, Adapters & Sockets

MCB Case, Cover & other Parts

Handles

Knobs, Panels

Switches

Optical Fibre Sheathing

Textile Machinery Parts

Connectors



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About Us: (CIN :- L24111UR1985PLC015063)

Incorporated in 1985, Ester Industries Limited (EIL) is an ISO 9001:2008, ISO 22000:2005, TS16949:2002 certified Company engaged in the manufacture of polyester films, specialty polymers, engineering plastics and polyester chips with manufacturing facilities located in Khatima (Uttarakhand). A globally recognized player Ester manufactures and markets its polyester films under the brand 'UmaPET' and engineering plastics as 'Estoplast'. The Specialty Polymers business is driven by technology and innovation and the Company presently has many 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.