

ESTER**INDUSTRIES LTD.**

CIN : L24111UR1985PLC015063

**Date:** 6th February 2025

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

Dear Sir/Madam,

Subject: Investor Presentation on Un-audited Financial Results for the quarter and nine months ended on 31st December 2024

Please find enclosed herewith the Investor Presentation on Un-audited Financial Results of the Company for the quarter and nine months ended on 31st December 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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Regd. Office & Works : Sohan Nagar, P. O. Charubeta, Khatima - 262308 Distt. Udham Singh Nagar, Uttarakhand
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ESTER
INDUSTRIES LTD.

Q3 & 9M FY25 Investor Presentation

Feb, 2025

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.

Content

About Us

Q3 & 9M FY25 Results Highlights

Key Developments – JV with Loop Industries Inc

About Us

Diversified business portfolio

Comprehensive product suite

State-of-the-art manufacturing facilities

Global footprint

Experienced management team

Healthy financial Position

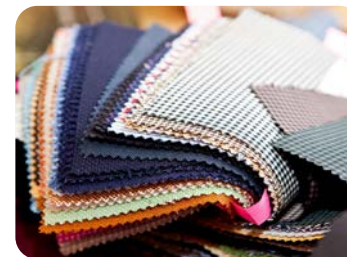
JV with Loop – A path breaking initiative

Sales Mix (Q3FY25)



Polyester Chips
& Films
Segment

87%



Specialty
Polymers
Segment

13%

Quick Facts

1985

Year of Incorporation

GURGAON, INDIA

Corporate Headquarters

2

Business Segments*

About 50 COUNTRIES

Global Footprint

525 – EIL – KHATIMA,
SITARGANJ, GURGAON

142 – EFL – HYDERABAD,
Gurgaon

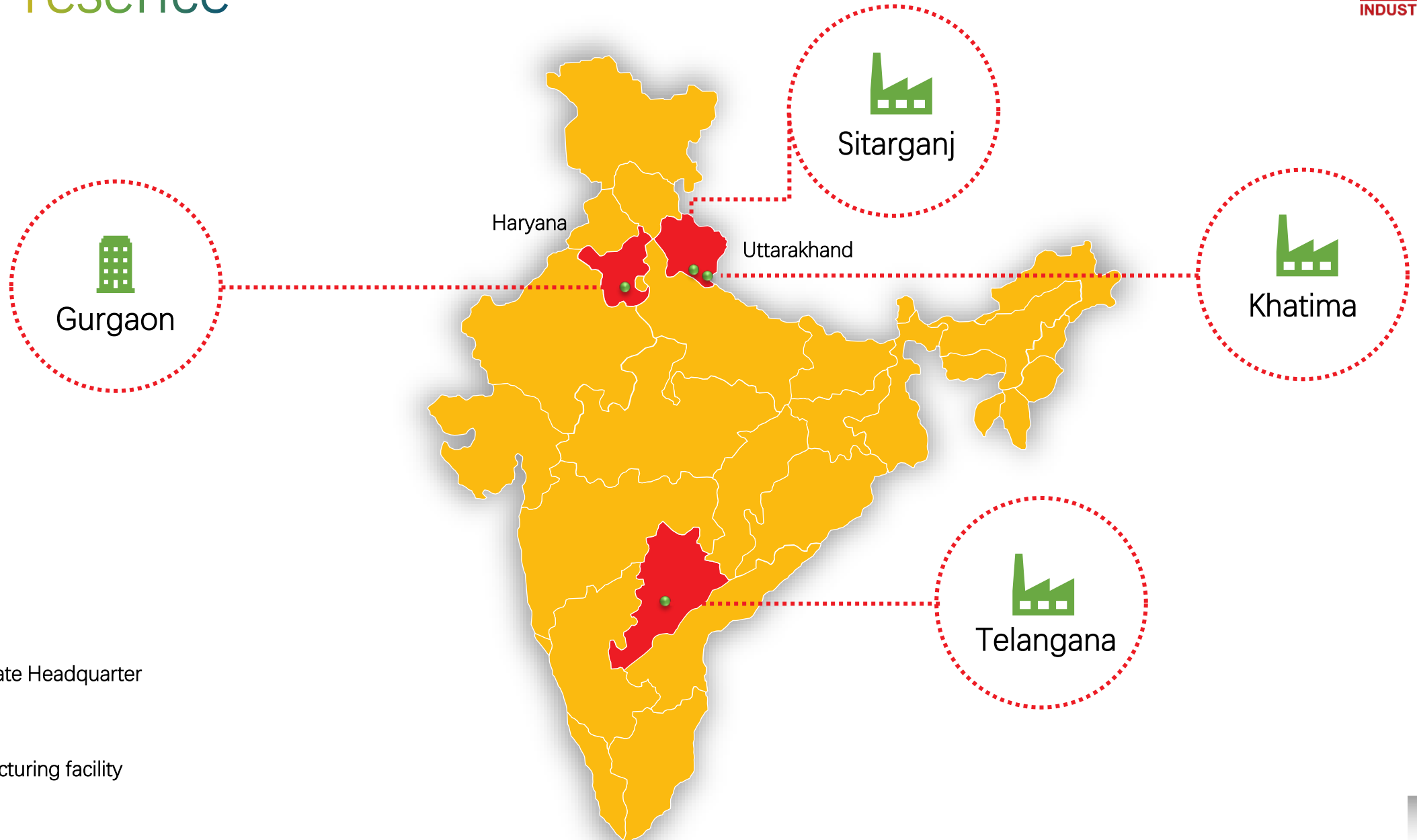
Permanent People

CRISIL A –

(Industry Outlook – Negative)

Credit Rating (Long Term)

Our Presence



Global Presence

We serve about 50 Countries



Q3 & 9M FY25 Performance Overview

Financial Summary (Standalone)

Particulars (Rs.cr)	Q3 FY25	Q3 FY24	%	9MFY25	9MFY24	%
Total Income	277	211	31	823	662	24
EBITDA (including Non operating income)	44	(2)	-	98	14	600
Margins (%)	15.9	-	-	11.9	2.1	+980 bps
PAT	19	(16)	-	28	(34)	-
Margins (%)	6.7	-	-	3.4	-	-

- Better product mix & geography mix especially in Film business resulted in strong operating performance (Y-o-Y).
 - Film business: Strong performance due to higher volume
 - Film Business: Better realisations and greater contribution specially from exports of high margin Value Added products led to overall profitability and margin expansion
 - Specialty Polymer: Steady growth on a Y-o-Y basis
 - Total income includes revenues from sales of Polyester Chips in Q3FY25 – Rs. 30 crore (3,767 MT) including Rs. 18 crores (2231 MT) to WOS

Financial Summary (Consolidated)

Particulars – (Rs.cr)	Q3 FY25	Q3 FY24	%	9MFY25	9MFY24	%
Total Income	351	272	29	977	810	21
EBITDA (including Non operating income)	65	(15)	-	125	(6)	-
Margins (%)	18.5	-	-	12.7	-	-
PAT	25	(45)	-	12	(97)	-
Margins (%)	7.1	-	-	1.2	-	-

- Specialty Polymers' contribution in total income: Rs. 34 crore in Q3FY25 as compared to Rs. 22 crore in Q3FY24 and Rs. 44 crore in Q2FY25
 - Revenue growth of ~55% on a Y-o-Y basis
- Achieved better operating performance in both Ester Industries and Ester Filmtech
- Increased volume and an enhanced product and geographic mix within the film sector contributed to a rise in profitability
 - BOPET Films - Sales volume of 13,530 MT in Ester Industries and 6,698 MT in Ester Filmtech.
 - Export registered volume growth of 27% during Q3FY25
- Consolidated BOPET film capacity utilisation of 75%. Capacity Utilisation - 91% in Ester Industries and 55% in Ester Filmtech

Cash Flow Statement (Consolidated for 9MFY25)

	Cash flow (April 24 to Dec 2024)		Rs. / Crore	Nature
Source	S. No:	Particulars	Total	
	1	Opening Cash & Bank and other Bank Balance	117	
	1a	Investment as on 1 st April 2024	69	
	2	Profit before tax	21	Operating
	3	Depreciation	52	Operating
	4	Unrealized foreign exchange loss on FLC-OLB & IDFC	0	Operating
		Sub total	259	
	6	Issue of Share warrant	44	Financing
7	Issue of Share capital	1	Financing	
Application	1	Reduction in short term Bank Borrowing	-8	Financing
	2	Repayment of Term Loans (net of fresh TL raised)	-62	Financing
	3	Reduction in CA & CL	-42	Investing
	4	Capitalisation of Fixed Assets	-24	Investing
	5	Others	-1	Operating
		Investment in hand as on 31 st Dec 2024	53	
	Closing Cash & Bank Balance as on 31 st Dec 2024	94		

On consolidated basis, cash & bank balance and liquid investments stand at Rs. 147 crores

Chairman's Comments



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

"We are pleased to report that we have not only sustained the business momentum from previous quarter but have further accelerated it during Q3 as can be seen from the revenues and profitability growth. While both our businesses performed well,, films business in particular delivered a healthy performance. Specialty Polymer business as well registered healthy growth on a Y-o-Y basis.

Specialty Polymer, on Y-o-Y basis, registered a healthy revenue growth of 55% during the quarter driven by steady traction for our marquee products MB03 and Innovative PBT. We expect this positive business trajectory to continue in the coming years, underpinned by a robust product pipeline and a strong competitive edge due to the absence of competition in the sector.

As far as Film business is concerned, we have seen a sharp improvement in the margin profile and profitability of the business during the quarter. While the volumes continued to remain elevated, increased contribution from exports of high margin Value Added products aided the overall profitability of the business. Exports volumes registered a strong growth of 27% during the quarter. During 9 months ended Dec 24, proportion of Value Added products increased from 18% (9MFY24) to 26%. Various initiatives to transform Ester from a commodity to specialty film player are being pursued diligently. We expect the profitability improvement to sustain over the coming years on the back of better product mix i.e. share of high margin business and operating leverage.

Furthermore, the introduction of the Plastic Waste Management Rules (PWMR), which will require a minimum of 10% recycled content in flexible packaging laminate expected to be effective from next year, is likely to further stimulate demand for Polyester Film as conversions from alternative substrates to polyester take place.

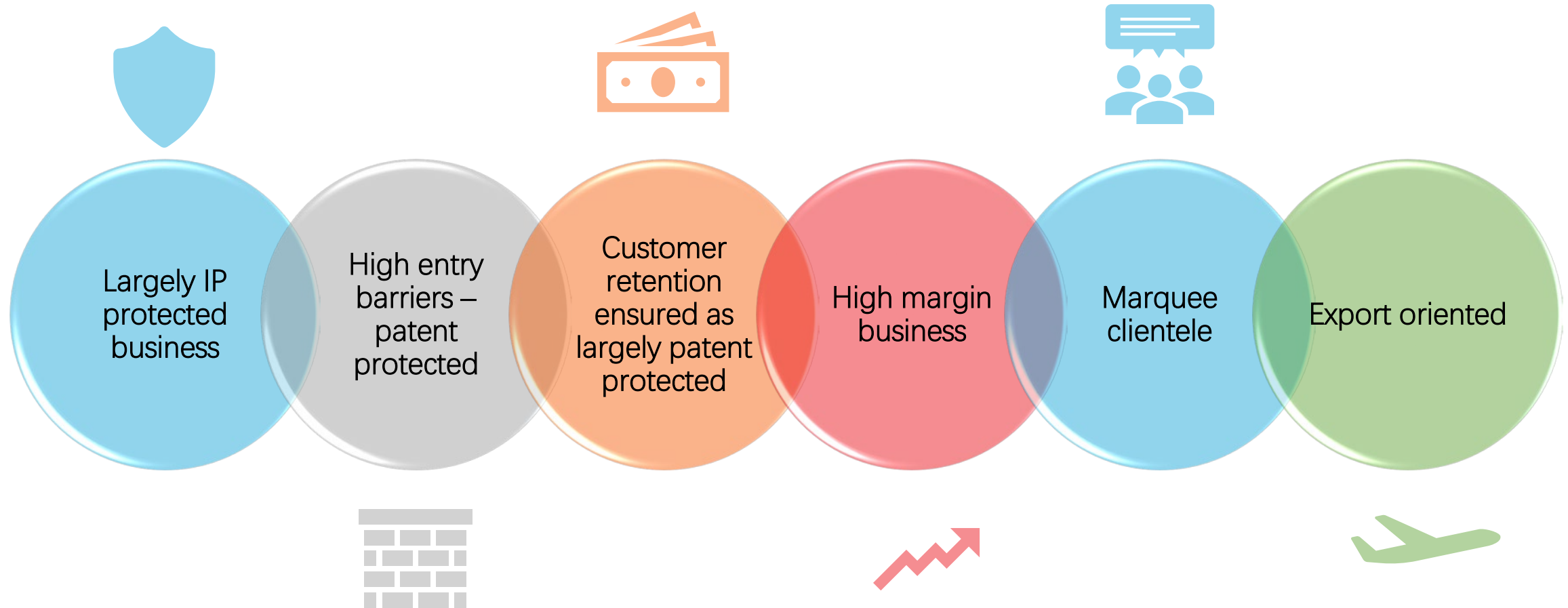
I am pleased to report that the execution of our joint venture plans with Loop Industries is advancing according to the established timeline. We are diligently pursuing various activities related to the project's implementation.

Looking ahead, our strong position in both Strategic Business Units (SBUs) gives us confidence in our ability to create value for our shareholders, particularly in light of the robust fundamentals of each business"



Specialty Polymer

Specialty Polymer – Business Salience



Specialty Polymers – Case Study

Problem



High cost towards carpet stain removal

- Stain marks on (nylon) carpets given spillover / spillage of liquid shortens its life
- Impairs aesthetic appeal
- Present technology – ‘Sulphonated Nylon’ (Costly & inflexible) and ‘Topical coating’ (wash fastness & longevity issue) for addressing the problem are not economically feasible

Solution



Flexible low cost solution

- Ester has developed a PET based master batch, which imparts permanent stain resistance in nylon carpets
- Provides total flexibility to producers of “nylon yarns for carpets” to adjust the content of the active ingredient for stain resistance to their specific need
- Granted patent in USA; India, Europe & Korea

Business Opportunity

USA, largest producer of Carpets & Rugs boasts of an industry with annual revenues of ~USD 15 Billion

Innovative PBT: Manufacturing for global chemical leader



- Regularly manufacturing & supplying Innovative Polybutylene Terephthalate (PBT) polymers to a global chemical leader
- Ester Industries is amongst the only company globally equipped with the expertise and infrastructure to manufacture the product
- Innovative PBT being manufactured from recycled material is more eco-friendly than PBT which is manufactured using virgin raw materials
- Innovative PBT finds application across multiple industries – Consumer electronics, textile, fibre & automotive
- The product fetches decent price / margin
- Volume and Value progression

	Q3 FY25	Q3 FY24	Q2 FY25	9M FY 25	9M FY 24
Volume (MT)	333	314	476	1110	578
Value (Rs./crores)	15	12	26	58	28

Specialty Polymers – Products & Applications

Products

Polyethylene Terephthalate (PET)

Polybutylene Terephthalate (PBT)

Polyethylene Naphthalate (PEN)

Master Batches



Applications

Consumer electronics

Textile – Flame Retardant, Deep dyeable master batches, Cationic dyeable master batch

Carpets – Stain Resistant Master Batches

Carpets – Deep Dyeable Master Batch

Heat Sealable

Engineered Plastics / Injection Moulding

Low Melt Polymers for Textiles

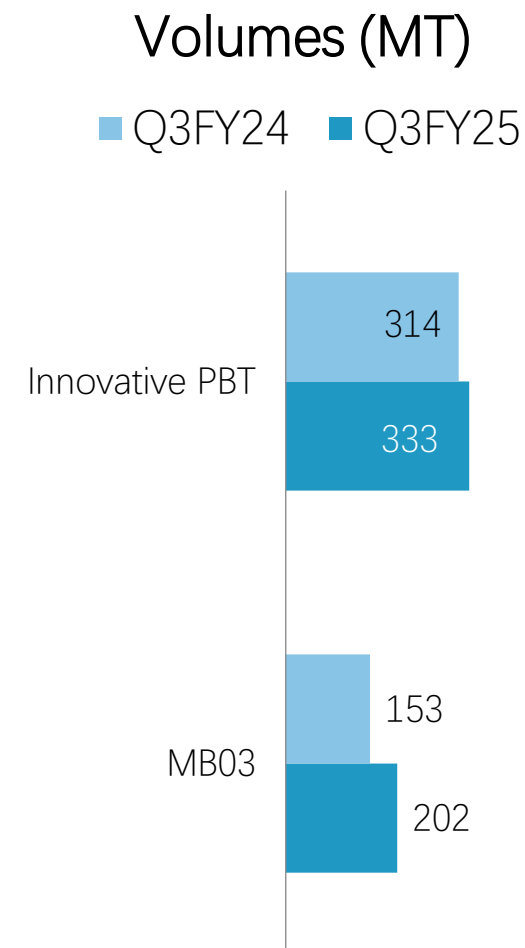


Q3 & 9M FY25 Performance

Figs. in cr



Particulars	Q3 FY25	Q3 FY24	%	9MFY25	9MFY24	%
Sales (Vol's MT)	1155	558	106	3,353	1,683	99
Revenue	34	22	55	126	69	83
EBIT	10	0.2		45	13	246
Margins (%)	29.4	0.9	+2,850 bps	35.7	18.8	+1,690 bps



- Robust 9M performance driven by elevated volumes & enhanced product mix
- Volume of 1155 MT includes sale of 370 MT (Rs. 3.8 crores) of R-PET
- volume of 3353 MT includes sale of 743 MT (Rs. 7.6 crores) of R-PET
- Increased demand for flagship products, specifically MB03 and Innovative PBT, led to enhanced profitability and an expansion of margins
- Product pipeline remains promising, expect business momentum to sustain over the coming years

Packaging (BOPET) Film Business





Global Scenario:

- Demand growth of 5.5% - 6.0%
- BOPET film used in flexible packaging applications will continue to be the key end use sector, accounting for nearly 60% of global consumption, and drive demand over the next five years
- Gaining wider application across both industrial & consumer staples and discretionary sector
- Design versatility; low carbon footprint and better cost economics driving demand
- China and India account for ~60% of global output



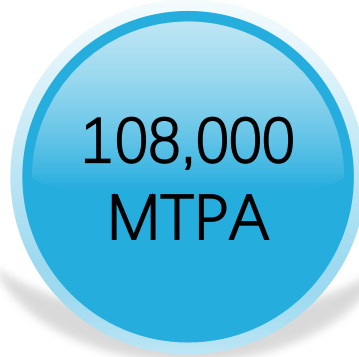
Domestic Scenario:

- Strong double digit growth rate of 11%-13% pa over past 6 years
- Low per capita consumption of BOPET; new innovative products and rising disposable income – key growth drivers
- Capacity expansion in Converting space, export opportunities in laminates offer promise
- Availability of recycled content films, helping sustainability initiatives

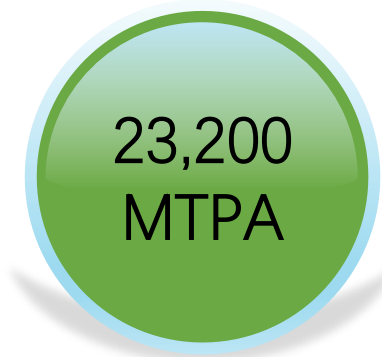
Packaging Film Business - Overview



Years of experience



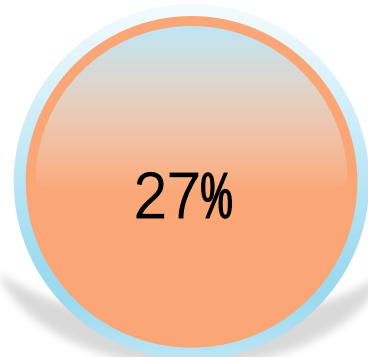
Polyester Film capacity
(including Telangana capacity)



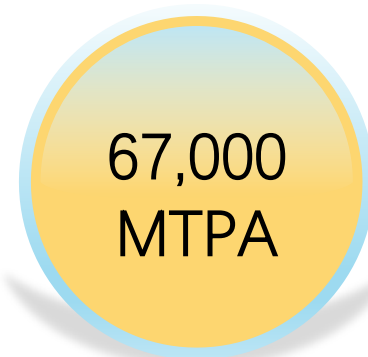
Metallized Polyester Film capacity
(including Telangana capacity)



Export market
(# of countries)



Share of value-added
products (Q3 FY25)



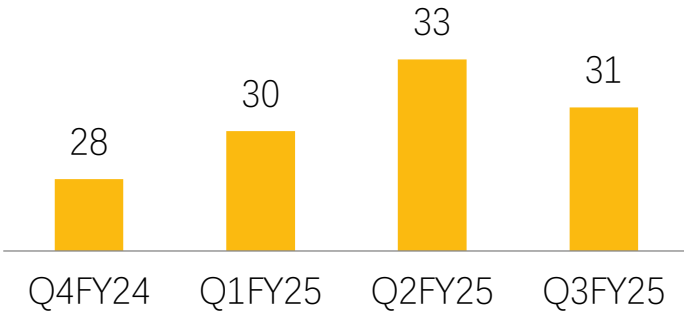
Polyethylene Terephthalate
(Polyester) Chips capacity



Commercial production
commenced on 20th January 23

Key Strengths

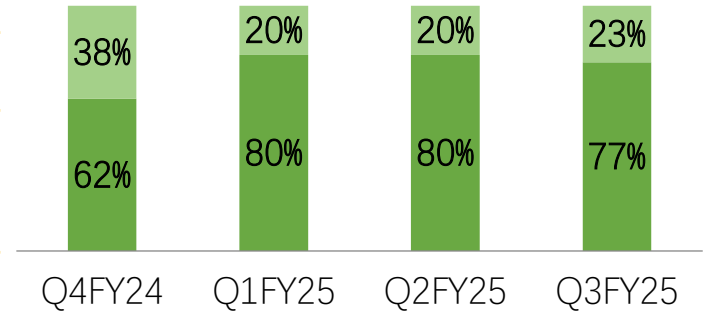
Value Added (%)



*Film & Chips Segment

(Rs.cr)	Q4FY24	Q1FY25	Q2FY25	Q3FY25
EBIT	0.3	0.4	21	40
Margins (%)	0.1	0.2	8.4	16.6

■ Domestic ■ Exports



Product mix – aiming towards increasing the share of value added & specialty products

Pass through business model for raw material prices
 Raw Materials are petrochemical based products
 Margins governed by demand supply scenario
 Demand supply imbalance improving quarter by quarter

Balanced mix of domestic and exports orders

Above stated numbers are only for Ester Industries Limited

Polyester Films – Products & Applications

Products	White Opaque	High Clear	Applications	Flexible Packaging
	High Barrier	Embossable		Barrier Packaging
	Heat Sealable	Twist Wrap		Embossing
	Shrink film	Anti - Static		Lidding
	Metalized High Barrier	Matte		Label & Graphics



Q3 & 9M FY25 Performance (Standalone)

Figs. in cr **ESTER**
INDUSTRIES LTD.

Particulars	Q3 FY25	Q3 FY24	%	9M FY25	9M FY24	%
Sales (Vol's MT)	13,530	12,816	5	36,998	38,170	(3)
Revenue	240	182	32	686	570	-
EBIT	40	(3)	-	61	(0.4)	-
Margins (%)	16.6	-	-	8.9	-	-

- Better realizations coupled with higher volumes during the quarter resulted in revenue growth of 32% (Y-o-Y) basis
 - Share of Value-added products stood at 31% during Q3FY25
- Increased share of high margin Value Added products in exports resulted in better profitability for the business
 - Exports registered volume growth of 27% during Q3FY25
- Domestic demand continues to grow at 10%-11% - augurs well for the business
- Confident of sustaining margin and profitability over coming quarters / years

Ester Filmtech Limited (WOS)

- Ester Filmtech Limited, a wholly-owned-subsiary of Ester Industries Limited, commenced commercial production on 20th January 23 at new Polyester (BOPET) film manufacturing plant in the State of Telangana.
- Generated revenues worth Rs.90 crore and volumes of 6,698 MT during Q3FY25
- Better pricing & margin environment resulted in significant improvement in EBITDA for the quarter. EBITDA for 9M FY25 stood at Rs. 29 crore
- Robust growth in domestic demand as well as global demand helping bridge the gap between demand & supply
- This will lead to improvement in margins and profitability in coming quarters / years
- Production efficiency, stabilized operations, higher operating leverage coupled with better product mix and pricing environment should result in better profitability over the long term
- The plant is expected to generate revenues worth approximately Rs. 360 crores in FY25. Upon achieving optimal utilization at reasonable prices / margins expect revenues to be Rs.450– Rs.500 crore in FY26

Ester Filmtech Limited – Q3 & 9M FY25 Financials

Particulars – (Rs.cr)	Q3FY25	Q2FY25	9MFY25	9MFY24
Sales Volume (MT)	6,698	7,425	20,624	18,699
Net Sales	90	99	266	201
Other Operating Income	1	1	3	1
EBITDA (including other non-operating income)	21	6	29	(20)
Cash Profit	14	(2)	5	(44)
PBT	8	(9)	(15)	(63)
PAT	8	(9)	(15)	(63)

EBITDA for Q2FY25 was impacted by negative exchange fluctuation of Rs. 8 crore which is entirely reversed in Q3FY25

Strong, transparent governance for long-term sustainability



Emphasis on Compliances

- Installed compliance management tool (developed by PWC) in 2015 to ensure adherence to statutory & regulatory compliances.
- Audit of the compliance management tool to ensure zero non – compliance



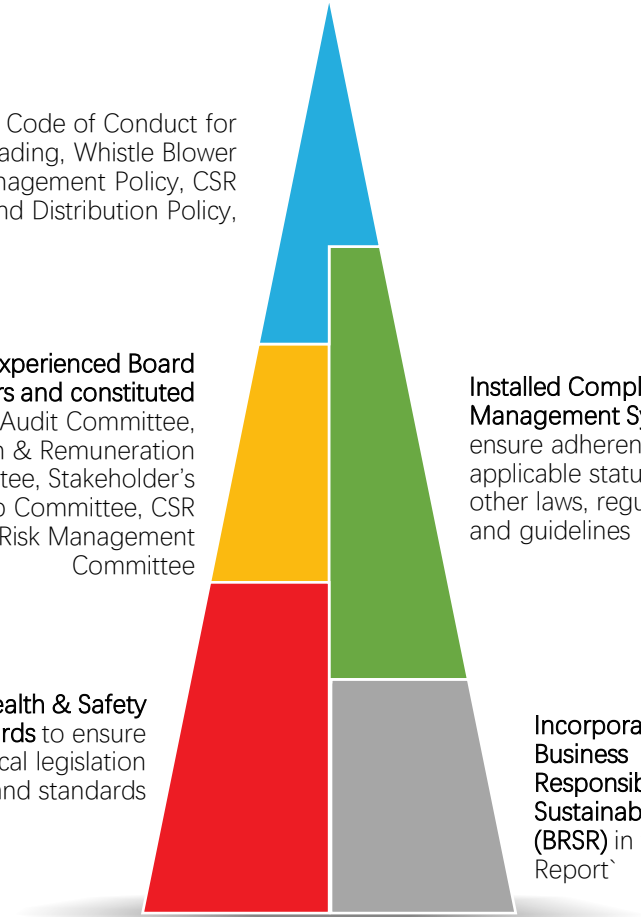
Implemented Code of Conduct for Insider Trading, Whistle Blower Policy, Risk Management Policy, CSR Policy, Dividend Distribution Policy,

Well diversified & experienced Board of Directors and constituted committees – Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, CSR Committee, Risk Management Committee

Adoption of Health & Safety Standards to ensure adherence to local legislation and standards

Installed Compliance Management System to ensure adherence to all applicable statutory & other laws, regulations and guidelines

Incorporated Business Responsibility & Sustainability Report (BRSR) in the Annual Report`



JV with Loop
Industries, INC



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 quantities 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 Q1 Calendar Year 27, with commercial operations commencing in Q2 Calendar Year 27
- Project cost: US\$. 165 Mn

~US\$ 28bn

Global Mkt size: DMT and MEG specialty chemicals

~4% CAGR

Forecasted growth rate through 2023

~24%

Expected Project IRR from the JV

~35%

Expected Equity IRR from the JV

How it works – Infinite Loop™ Technology

Loop's process begins with waste PET plastic and polyester fiber of low or no value which today end up in landfill, incineration or natural areas

The resin is converted into PET plastic and polyester fiber products to be sold, consumed and recycled



Loop's low heat, no added pressure depolymerization technology breaks down the waste PET into its base chemical building blocks, or monomers: DMT and MEG¹

The monomers are purified and polymerized to create virgin-quality Loop™ PET resin

¹Dimethyl terephthalate and mono ethylene glycol
Source: Loop Industries Inc

Project Economics

Output Products & Capacity: rDMT 70,000 MTPA; rMEG of 23,000 MTPA

Estimated project capital expenditures: USD 165 Mn (Rs. 1,385 crore)

Estimated Plant revenues: USD 159 Mn Rs. 1,336 crore (first full year of operation)

Target EBITDA margins: ~35%

Payback period: ~5 years

Project Implementation – Progress

JV Company by the name 'Ester Loop Infinite Technologies Private Limited formed

Various scheduled activities towards implementation and completion of the project by Q2FY28 are being pursued in the right earnest

JV Company capitalised - Equity contribution of Rs. 17.00 crores (Rs. 8.50 crores each) has been made by Ester & Loop

Government Mandates Driving Recycled Demand



- Zero plastic waste 2030
- 50% recycled content²
- Extended producer responsibility²



- California requires plastic bottles contain >25% post-consumer resin by 2025 and 50% by 2030.



- €450/tonne, nonreusable plastic packaging, 2023



- £200/tonne tax on packaging not containing 30% recycled plastic
- Target of 75% recycling rate for packaging by 2030



- 100% of plastics recycled by 2025 target
- 77% of beverage bottles to be collected



- €800/tonne on nonrecycled plastic packaging based on amount of plastic
- 50% plastic packaging recycled by 2025



- €450/tonne on virgin single use plastic, 2023



- Consumer brands to include at least 30% recycled plastic in packaging by 2025



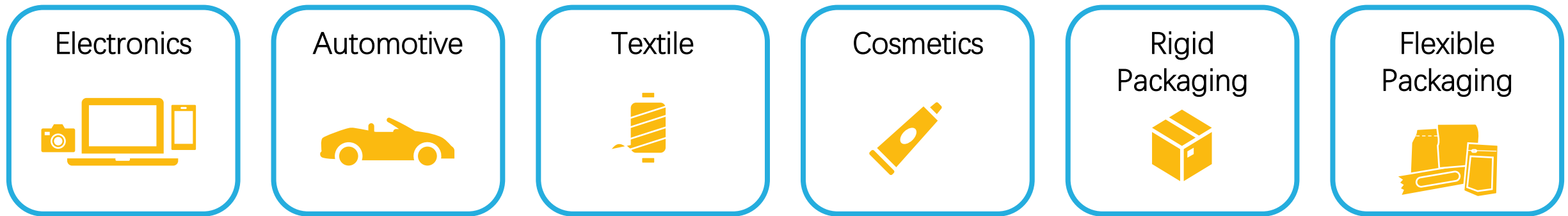
- 30% renewable plastic 2030
- Reduce plastic waste by 20% and increase recycling rates from 54% to 70% by 2025

¹- Projected PET consumption of 85 million tonnes per year in 2022. Historically, PET consumption has grown at 4% annually (Source: IHS Markit 2018)

²- <https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-environment-and-climate-change-mandate-letter>

End user segment

Loop Specialty Chemicals (DMT and MEG) target markets



Loop DMT and MEG enable chemical companies to:



Increase their sustainability product portfolio



Launch new products



Contribute to supply chain decarbonization

About Us: (CIN :- L24111UR1985PLC015063)

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. 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 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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ESTER
INDUSTRIES LTD.

Thank You