

Date: 10<sup>th</sup> February, 2016

<b>Bombay Stock Exchange Limited</b> Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
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Dear Sir

**Subject : Investor Presentation for quarter ended on 31<sup>st</sup> December, 2015.**

We have enclosed Investor Presentation for quarter ended on 31<sup>st</sup> December, 2016.

Please acknowledge the receipt of the same and upload on your website.

Thanking You

Yours Faithfully  
For Ester Industries Limited

  
Diwaker Dinesh  
Company Secretary



Encls: As Above



# Q3 & 9M FY16 Results Presentation

February - 2016

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

# Disclaimer

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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.

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# Q3 & 9M FY16 Performance



# Financial - Q3 & 9M FY16 Performance

Particular (Rs cr)	Q3 FY16	Q3 FY15	Y-o-Y (%)	9M FY16	9M FY15	Y-o-Y (%)
Total Income	174	213	(18)	587	688	(14.6)
EBITDA	12	13.3	(8.3)	60.4	52.9	14.1
<b>Margins %</b>	<b>7.0</b>	<b>6.2</b>		<b>10.3</b>	<b>7.7</b>	
PAT	(2.96)	(2.54)	16.5	4.8	0.14	3364

Revenue de-growth reflective of "commodity" dominant polyester business. Ester continues to work towards both reducing proportion of this business and enhancing component of value addition

Improving margins reflective of increasing proportion of Specialty Polymer business in overall mix

- Acute fall in crude oil prices & consequential drop in feedstock (petrochemical products) prices resulted in revenue de-growth and inventory valuation losses
- Improved operating margins owing to growing presence of specialty polymer and value added products in the overall mix. Higher margins associated with these products to aid Company's profitability profile going forward.
- Specialty Polymer business continues to gain traction; filed application for 1 more product
- Performance of Engineering Plastics business showing signs of improvement; greater share of value added products to result in improved product portfolio

# Chairman's Comments



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

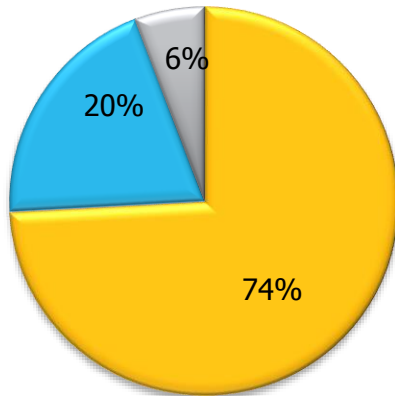
*"Esters' journey towards transforming itself into an innovation driven company continues to progress smoothly on the back of continued traction of the specialty polymers business. With innovation and customization as the primary focus of all our endeavors we have been successful in carving out a niche for ourselves and gradually changing our profile of being a commodity driven Company. The recent award wins coupled with filing of patents for additional products in the specialty polymers business further validates our progress and gives us the confidence of attaining our goals.*

*We are also working towards strengthening and enhancing our legacy businesses, namely Polyester Films and Engineering Plastics by enhancing the product portfolio and making them more customer centric thereby helping them attain scale to complement the growth generating business of specialty polymers.*

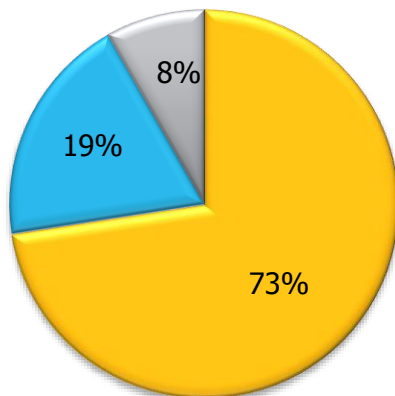
*We are hopeful that the completion of our transformation will fortify the business and help us negate the vagaries affecting our performance at present."*

# Business Wise - Revenue Contribution

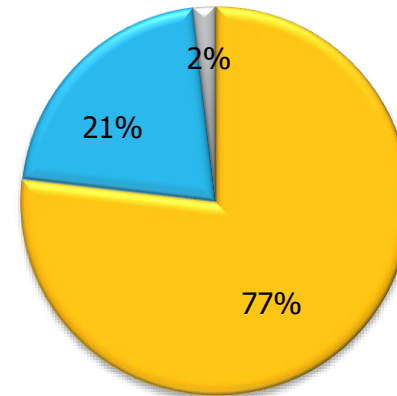
**Q3 FY16 (Rs. cr)**



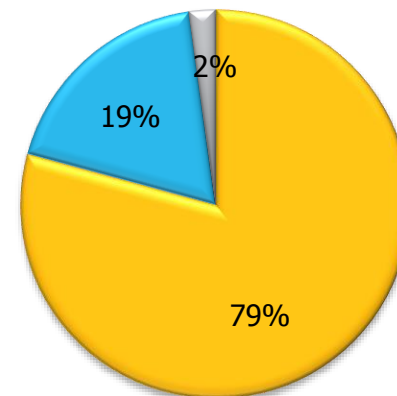
**9M FY16 (Rs. cr)**



**Q3 FY15 (Rs. cr)**



**9M FY15 (Rs. cr)**

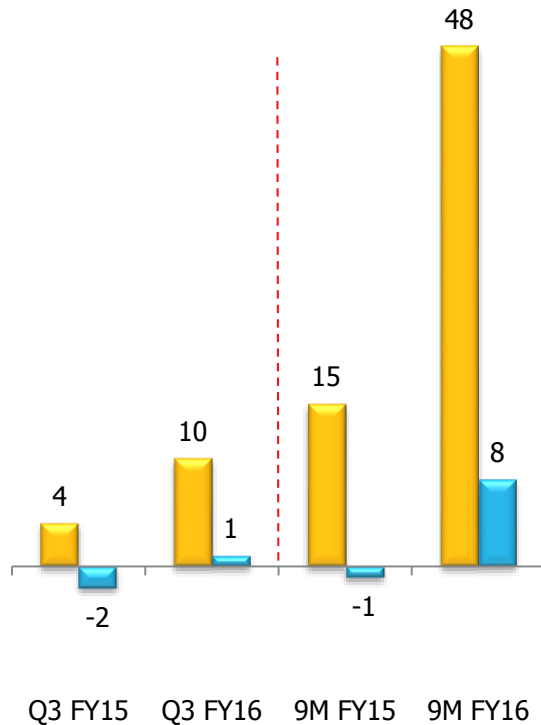


■ PF ■ EP ■ SP

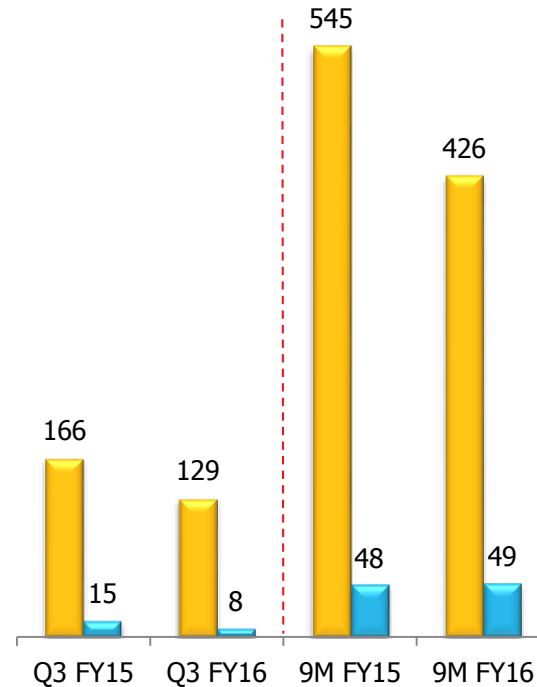


# Business Performance..... (Rs. cr)

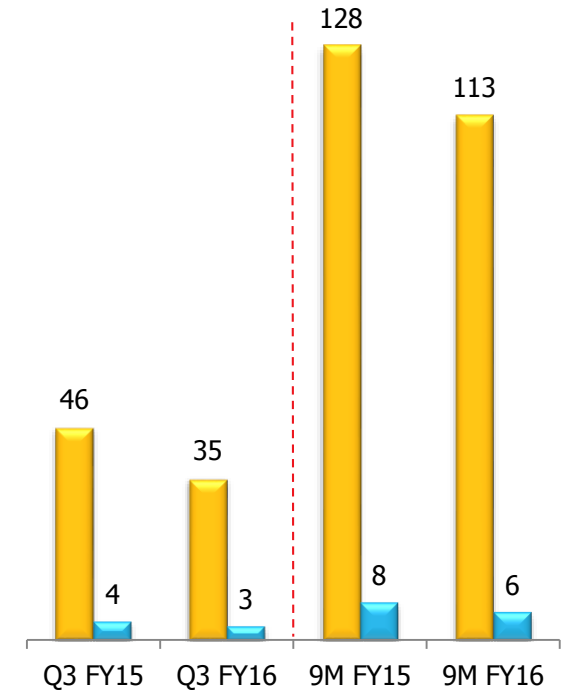
## Specialty Polymers



## Polyester Films & Chips



## Engineering Plastics



■ Revenue ■ EBIT

# Specialty Polymers

- Leveraging strong R & D base to continuously create innovative products to address customized needs
- **Product portfolio** - 15 products of which patents have been filed in respect of 8
- **Strong product pipeline** - 18 products at various stages of development
- **High entry barriers** resulting from protection granted by Intellectual Property rights, leading to consistent high margins
- **Noteworthy developments** – Products like Stain resistant Master Batch for Carpets and PET resin for Hot-fill rigid packaging application already commercialized

Particulars (Rs cr)	Q3 FY16	Q3 FY15	%	9M FY16	9M FY15	%
<b>Revenues</b>	10.0	4.5	124	47.5	15	216.5
<b>EBIT</b>	1.4	(2)	-	8.5	(1.4)	-
<i>Margins (%)</i>	<i>14.29</i>	<i>(45.1)</i>	-	<i>17.8</i>	<i>(9.4)</i>	-

- **Growth Drivers** –
  - Focus on innovation and scaling up of operations to drive growth
  - **Filing of patent** - Filed 2 applications for incremental development in respect of 1 product
  - **Creating new market** – Development of newer innovative products at cost- effective rates creates newer market for product; patent protection ensures virtual monopoly

# 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

# Awards

- Felicitated at the 6th National Awards for Technology Innovation 2015-16 in Petrochemicals under the category of **“Innovation in Polymeric Materials”**
- **Joint Winner** in the category of **Innovation in Polymeric Materials for “Modified Polyester for Hotfill Application by Injection Stretch Blow Molding (ISBM) Process”**
  - Ester has successfully developed a polymer, with which bottles/jar can be blown with normal ISBM process without the need for heat set and also permitting filling temperatures of up-to 90 degree Centigrade
  - Use of PET for packaging hot-fill products is highly desirable and preferred by end-users as it not only reduces the overall cost but also makes it user friendly by being lightweight and unbreakable
- **Joint runner up** in the category of **Innovation in Polymeric Materials for “Polyester Masterbatch to Impart Stain Resistance in Nylon for Carpet Application”**
  - Ester’s master batch 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, thereby reducing the cost as well as providing total flexibility in the production process



# Patent filings

S. N.	Product	Title of Patent App.	App. Type	Filing Date	Patent App. No.	Law Firm	Filing Country	Patent Status	RFE Applied (Y/N)
1	ESPET E06	Sulfonated Co-Polyesters Having Dark Dye Pick UP and Method of Preparation	Domestic Provisional Ref.: EILSP/PAT/009	04-12-2015	3958/DEL/2015	Ester	India	-	N/A

- Filed patent application for sulfonated polyester master batch
  - Application filed for incremental development of the product

# Polyester Films

- A leading and well known player in the Polyester Film industry
- 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 70,000 MTPA
- **Value Added & Specialty products** include transparent barrier film, shrink film etc
  - Transparent high barrier film is being keenly explored by global buyers to replace PVdC coated PET (environmentally hazardous material) and EVOH coextruded films (due to their higher mass).
- Aiming towards 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 cyclicity

Particulars (Rs cr)	Q3 FY16	Q3 FY15	%	9M FY16	9M FY15	%
<b>Revenues</b>	129	166	(22.3)	426	545	(21.8)
<b>EBIT</b>	7.8	15.4	(49.4)	48.9	48.1	1.8
<i>Margins (%)</i>	<i>6.0</i>	<i>9.3</i>	<i>(330 bps)</i>	<i>11.5</i>	<i>8.8</i>	<i>+270 bps</i>

Results for Polyester Film segment include Chips

- Lower Chips sales and moderating crude prices resulted in revenue generation of Rs. 426 crore for 9M FY16, as against Rs. 545 crore of 9M FY15
- **Improved operating margins** – Higher share of value added products resulting in margin expansion of 270 bps during 9M FY16 over 9M FY15
- Working towards improving overall product mix by increasing share of value added and specialty products

# Polyester Films – Products & Applications



<b>Products</b>	White Opaque	High Clear
	High Barrier	Embossable
	Heat Saleable	Twist Wrap
	Shrink film	Anti - Static
	Metalized High Barrier	Matte



<b>Applications</b>	Flexible Packaging
	Barrier Packaging
	Embossing
	Lidding
	Label & Graphics

# Engineering Plastics – Products & Applications

- A well regarded manufacturer of Engineering plastics
- Manufactures and markets engineering plastics under the brand name “**Estoplast**”
- **Manufacturing capacity - 16,500 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

Particulars (Rs cr)	Q3 FY16	Q3 FY15	%	9M FY16	9M FY15	%
<b>Revenues</b>	34.8	45.9	(24.2)	113.7	127.8	(11)
<b>EBIT</b>	2.9	3.8	(22.7)	6.4	7.8	(18)
<i>Margins (%)</i>	8.3	8.2	+10 bps	5.7	6.2	-50 bps

- Subdued revenues owing to de-growth in Optical Fiber Cable segment grade
- Efforts towards scaling up business and building up product portfolio. Targeting overseas markets as well.

<b>Applications</b>	CFL Holders, Adaptors & Sockets
	MCB Case, Cover & other Parts
	Handles
	Knobs, Panels
	Switches
	Optical Fibre Sheathing
	Textile Machinery Parts
	Connectors

<b>Products</b>	Thermoplastic Polyester Compounds
	Polybutylene Terephthalate (PBT)
	Polyethylene Terephthalate (PET)
	Polyamide 6 Compounds
	Polyamide 6.6 Compounds





# Business Overview



# Quick Facts



Founded

**1985**



Corporate Headquarters

**GURGAON,  
INDIA**



Businesses & Annual Capacities

**Polyester Chips – 70 KT**

**Specialty Polymers – 30 KT**

**Polyester Film – 57 KT**

**Metallized Film – 13.2 KT**

**Engineering Plastics – 16.5 KT**



Global Presence

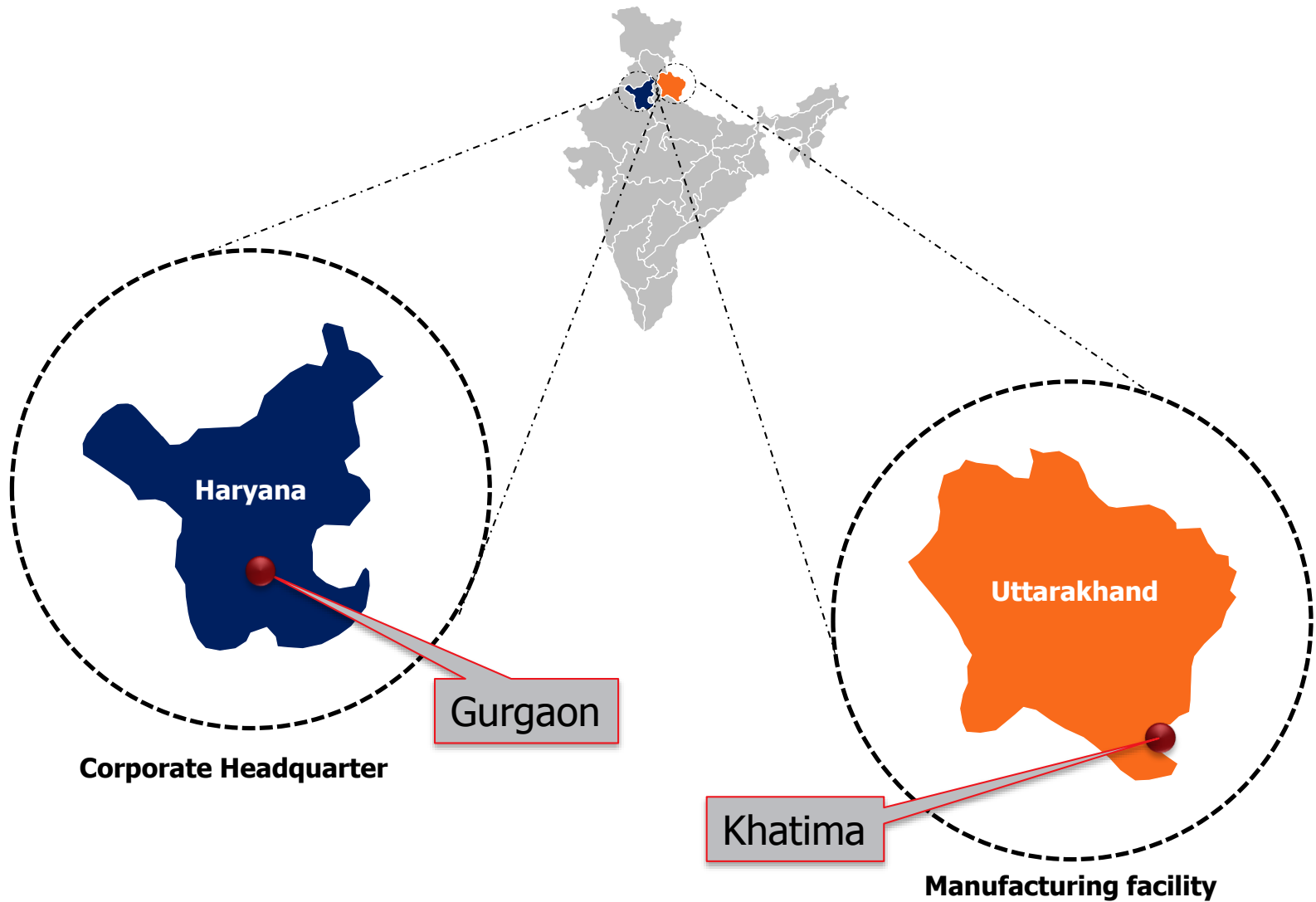
**EXPORTS TO 50+  
COUNTRIES**



People

**560+**

# Our Presence



# Global Presence



**USA**



**Canada**



**Brazil**



**Peru**



**Argentina**



**Colombia**



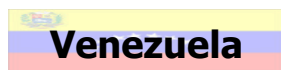
**Chile**



**Ecuador**



**Uruguay**



**Venezuela**



**Croatia**



**Romania**



**Hungary**



**Slovakia**



**Ukraine**



**Italy**



**Germany**



**Spain**



**United Kingdom**



**Austria**



**Poland**



**Bulgaria**



**Oman**



**Syria**



**Lebanon**



**Dubai**



**Saudi Arabia**



**Jordan**



**Iran**



**Turkey**



**Israel**



**South Africa**



**Tunisia**



**Kenya**



**Morocco**



**Nigeria**



**Egypt**



**Senegal**



**Algeria**



**Tanzania**



**Cameroon**



**Russia**



**Thailand**



**Nepal**



**Srilanka**



**Bangladesh**



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**Malaysia**



**Vietnam**



**Taiwan**



**Korea**



**Indonesia**



**Kazakhstan**



**New Zealand**

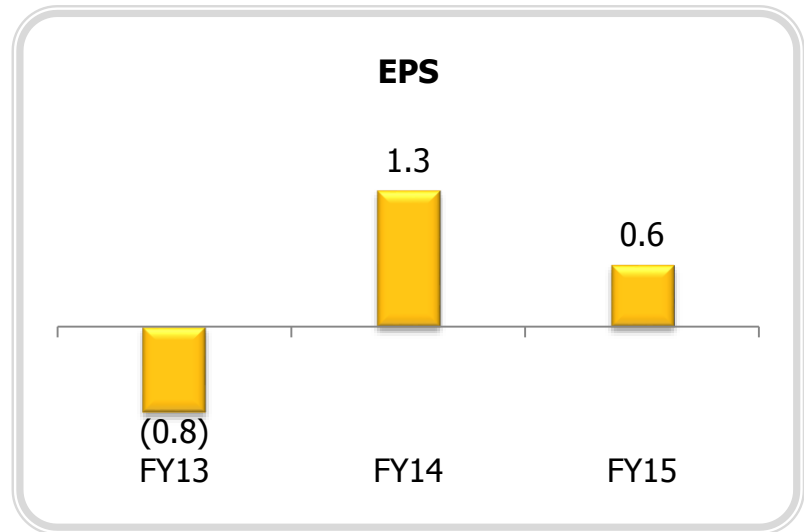
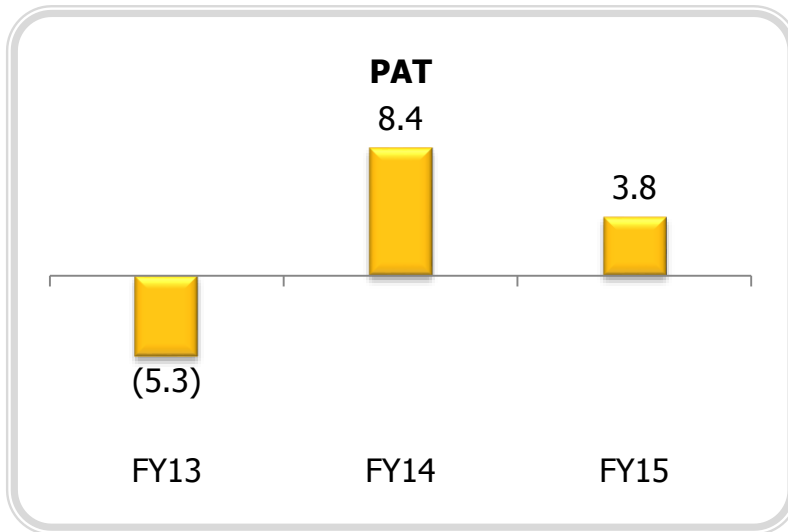
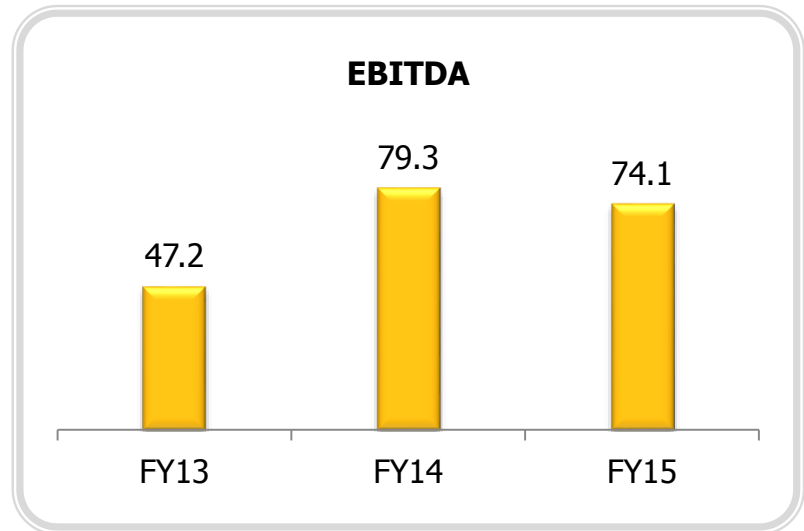
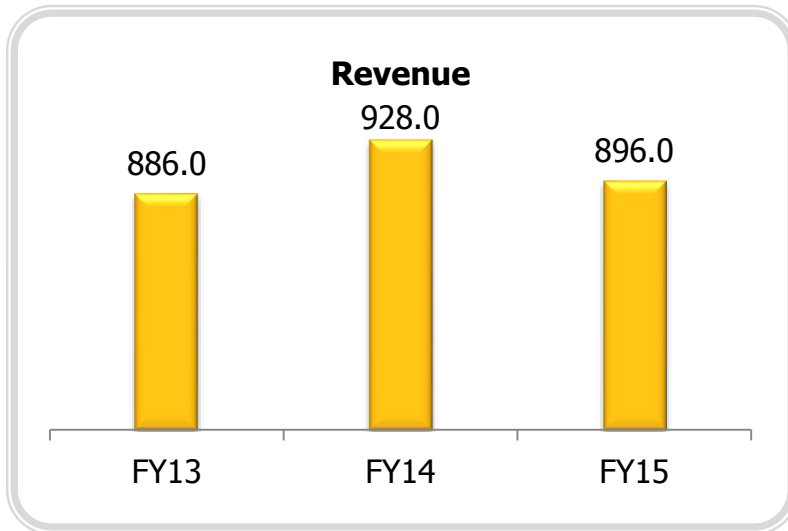


**Australia**



**India**

# Financials..... (Rs. cr)



**Strategic shift – The new Ester**

**ESTER**  
INDUSTRIES LTD.

# Business Transformation – “Commodity” to “Technology”

New Product Development

Value Addition

Technology

Innovation

Customisation



- One amongst many in the Polyester Film and Engineering plastic space

- Transforming from a “commodity” to “technology” player
- Redefining product portfolio with innovative and customer centric products

- Aiming to be a Technology driven enterprise
- Insulate performance from effects of volatility & cyclicality
- Emphasis on sustainable & profitable growth

***The Specialty Polymers business will be a key driver of this transition***

# Driving Profitable Growth

- **Specialty Polymers**

- **Polyester Films**

- **Engineering Plastics**

- Focus on building technological capabilities; emphasis on R&D and innovative product development
- Patent already filed for 8 products; many more in the pipeline
- Significant opportunities with large global entities, especially in USA & EU across varied applications including rigid & flexible packaging , carpets, textiles, engineering plastics and industrial
  
- Enhancing proportion of Value Added & Specialty products
- Customized solutions for International & Domestic customers
- Long Term engagement with stakeholders
  
- Strengthening and widening product portfolio
- Identifying opportunities in new polymer / product categories
- Exploring export opportunities
- Enhancing relationships with present customers; exploring new domestic / overseas opportunities

***Innovation, Technology, Customization and Value creation across all businesses***



# Business Outlook



# Business Outlook



## Specialty Polymers

- High entry barriers
- Rapidly growing revenues
- High & consistent margins



## Polyester Films

- **Greater awareness of environmental issues:** Shift from substrates (such as PVC and PVDC) to BOPET
- Rapid conversion of product portfolio from commodity to Value Added & Specialty will reduce effects of commoditization
- **Brand differentiation:** Redefine company's approach from product supplier to solution provider



## Engineering Plastics

- Increased usage of plastics in the automotive industry
- Increased focus towards promoting usage of energy-saving lighting
- New and wider usage of product across various industries such as the Medical industry

# Investor Contacts

## 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.

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