

Date: 17th May, 2018

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: Investor presentation on financial results for the Quarter and year ended on 31st March, 2018

We wish to submit the Investor presentation on financial results for the Quarter and year ended on 31st March, 2018.

Please acknowledge the receipt of the same.

Thanking You

Yours Faithfully
For Ester Industries Limited



Diwaker Dinesh
Company Secretary

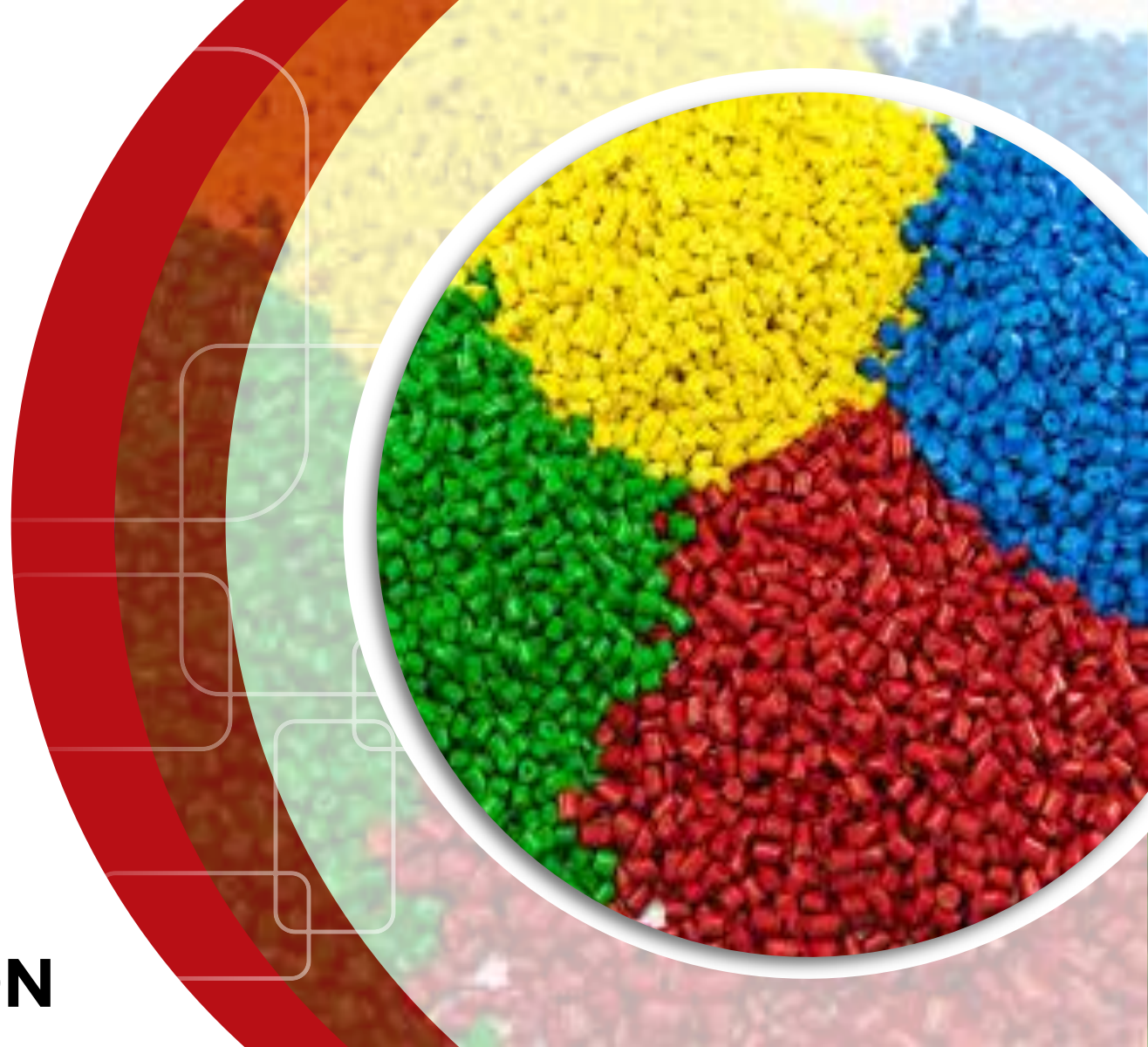


Encls: As Above



May 17, 2018

**Q4 & FY18
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.



Vision



Transform to be “R&D Focused” from
“Commoditized” business

Transform the existing margin profile of the
business – generate high double digit margins

Increase the share of high margin value added
products in the overall mix

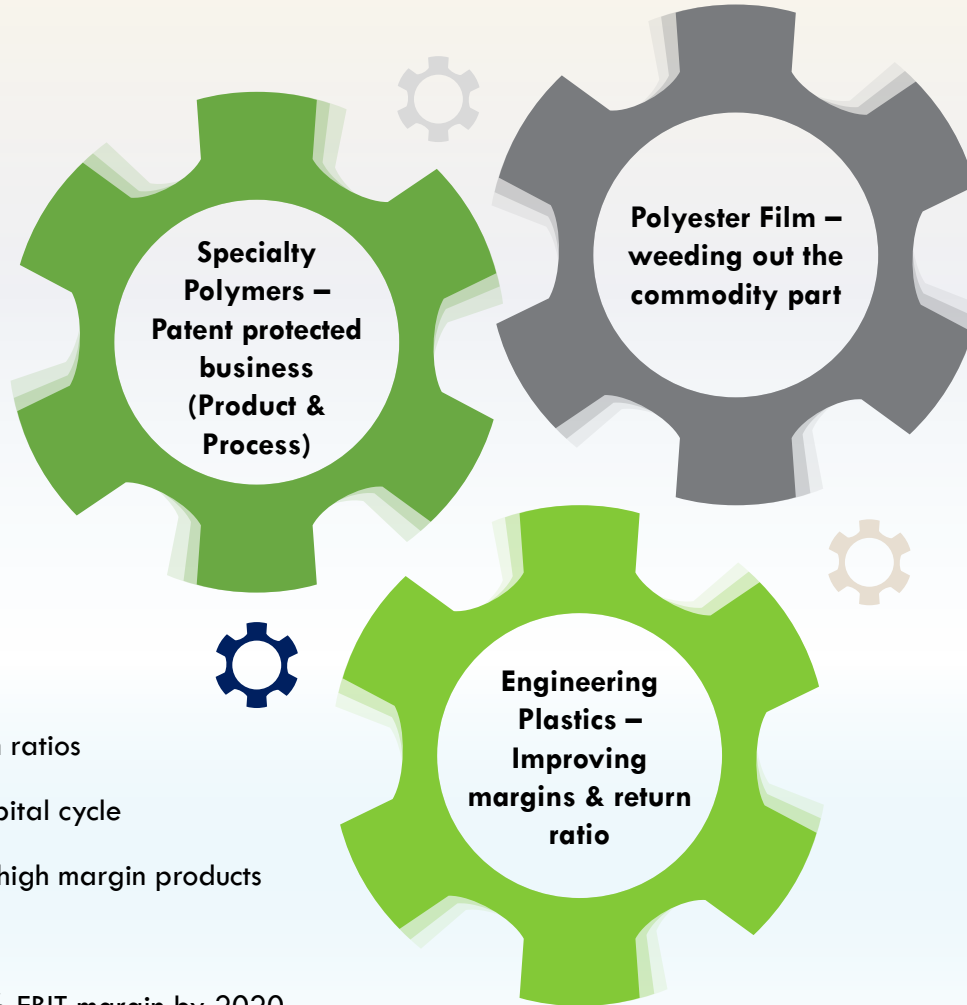
Rationalize cost and lower gearing ratio

Generate healthy positive cash flows



Transformation - Road Map

- Increase the share of business in the overall mix
- Ramp up sales volume
- Develop healthy product pipeline by leveraging technology



- Develop high margin value added product
- ~**2x** share of value added products to ~**35%** in FY20
- Further expansion of EBIT margin from early double digit at present

- Improve the return ratios
- Lower working capital cycle
- Increase share of high margin products
- Rationalize cost
- Target **10% -11%** EBIT margin by 2020

**FY18
Performance
Overview**



Financial Summary

➤ Revenue up 15%; EBITDA expansion of 45%; PAT of Rs. 5 cr v/s loss of Rs. 11 cr (FY17)

	Q4 FY18		FY18	
	Rs.cr	%	Rs. cr	%
REVENUE	220	12%	807	15%
EBITDA	24	58%	71	45%
PAT	6	-	5	-

Revenues – Improving performance of dominant Film business coupled with gradual pick up in Specialty Performance resulted in revenue growth of 15%

EBITDA – Higher operational profitability driven by improved product mix and strategic cost saving initiatives led to sharp improvement in operational profitability and margins

PAT – Revival in Specialty polymer business coupled with strong momentum in Film business resulted in delivering PAT for the year against FY17's loss

- In May 2018, Promoters pledged shares in lieu of Rs. 53 cr of Term loan sanctioned by consortium of banks & NBFC
- Term loan availed for improving Long term Working Capital of the Company
- Interest repayment for FY19 to remain as per schedule – Additional term loan of Rs.53 cr replacement to existing short term working capital

Business wise Financial Performance

- Delivers improved operational performance across New & Legacy businesses
- Expect momentum to continue during FY19

FY18 Performance

	Revenues		EBIT	
	Rs. cr	%	Rs. cr	%
Specialty Polymer	49	21%	10	234%
Polyester Film	587	13%	59	27%
Engineering Plastics	171	18%	13	(6%)

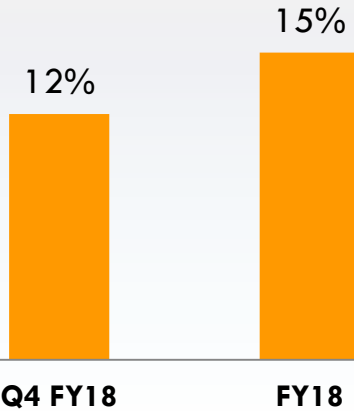
Specialty Polymers – Gradual pick up in product off-take resulted in strong revenue growth of 21% for the year.

Polyester Films – Improving macros coupled with better product mix resulted in revenue growth of 13% during FY18.

Engineering Plastics – Steady performance during the year. Efforts undertaken towards increasing the share of value added mix

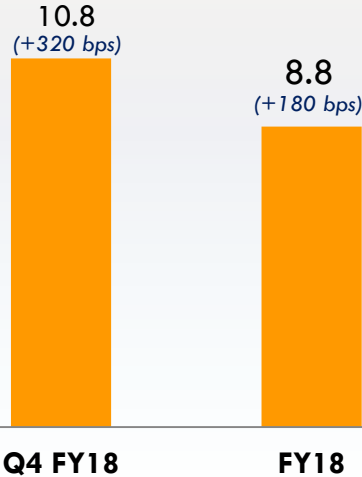
Financial Highlights

Revenue Growth (%)



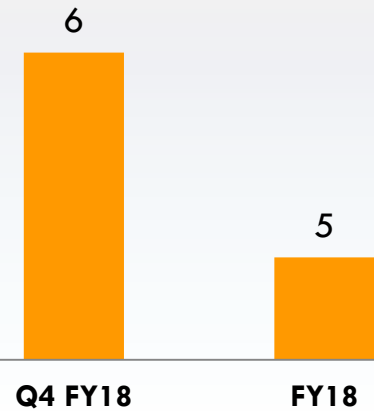
Improving performance of Specialty Polymers and Film business in particular resulted in delivering a revenue growth of 12% & 15% for the quarter and year

Margin Performance (%)



Higher revenue growth on the back of improved product mix coupled with stringent cost controlling measures resulted in margin progression

Profitability (Rs.cr)

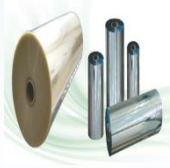


Improved performance of legacy and specialty polymer business coupled with effective cost control measures resulted in higher profitability for the business against loss reported during FY17



Revival in Specialty Polymer business in H2 FY18 lays the foundation for better FY19

- Filed patent under PCT - Modified polyester masterbatch for textile applications and manufacturing process thereof. Facilitates easy dyeability of Polyester Fibre and provides deep dyeing through cationic as well as disperse dyes
- Outlook remains positive on the back of sustained R&D initiatives / investments and stepping up the production of existing products



Film business performed well on the back of supportive macros & improved product mix

- Steady volume growth owing to sustained demand
- Improved realisations following demand – supply equilibrium in domestic market
- Margin expansion owing to better cost control and higher share of value added products



Engineering Plastics business performed well

- Sustained, improved performance delivered during the year
- Working towards widening and enhancing product mix



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

"FY18 has been a rewarding year for us. A year wherein our Specialty Polymer business finally started delivering performance closer to its true potential. We are hopeful that the uptick in Specialty Polymer business would help accelerate the transformation phase and deliver better financial performance.

The uptick witnessed in the Specialty Polymer business, during the second half of the year reflects and to a large extent justifies our optimism and investments undertaken towards developing the business over the past few years. We are hopeful that our persistent efforts in strengthening our R&D capabilities coupled with entering into an alliance with some of the leading global players for developing innovative products will help us sustain the business momentum.

Further, our legacy businesses – Film business and Engineering Plastics business continued to perform well. The positive momentum in Film business is likely to sustain on the back of our strategic initiatives and supportive macros. We are working diligently towards improving the product mix of the business by increasing the share of value added product in the mix. Further, the favorable pricing environment owing to demand – supply parity in the business should help preserve business' profitability. Engineering Plastics business continues to chug along well and we expect the business to continue deliver steady performance going forward.

In addition, the completion of our cost controlling exercise should help us transform into a much leaner & cost conscious business in turn aiding the businesses overall profitability.

Going forward, we believe the improving fundamentals of individual businesses should help us in delivering better performance going forward."

Specialty Polymers



Specialty Polymer – The Catalyst



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

7

Patents
filed

18

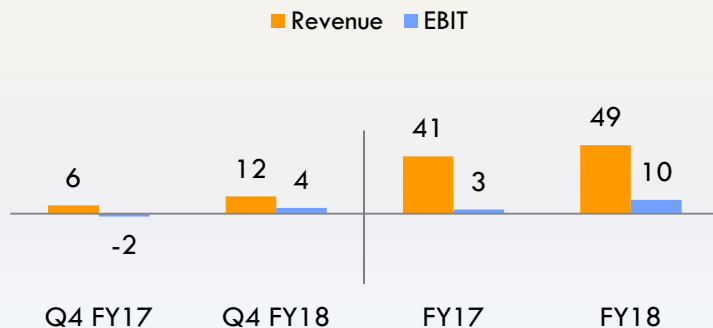
Product
portfolio

30,000_{MTPA}

Production Capacity

~25% - ~ 30%

High Margin business:
EBIT margin range



- Strong performance during H2 FY18; higher share of margin accretive products in the overall mix resulting in EBIT expansion
- Product pipeline remains strong; expect strong performance in FY19

- 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
- To set up of R&D and Innovation Centre – In house downstream analytics and pilot scale manufacturing to lower lead time
- 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

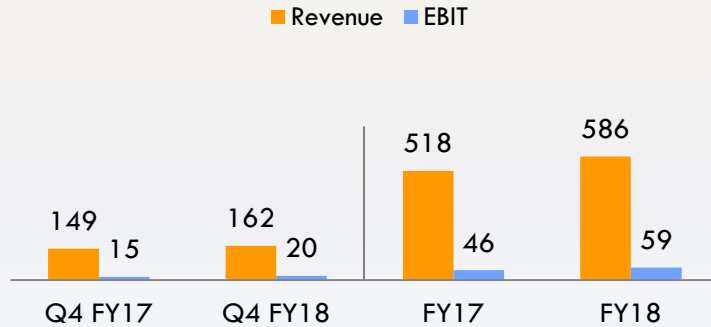
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No. of countries (exports)

~35%

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

Polyester Films



- Improving fundamentals: Demand – Supply equilibrium contributed positively to the business
- Higher share of margin accretive products in the overall mix resulting in EBIT expansion
- Expect momentum to continue in FY19

- 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
- **Global Footprint** : Formidable reach across more than 85 countries
- Value Added & Specialty products include transparent barrier film, shrink film 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

Film Business – Better days ahead

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
- No additional capacities expected to come on stream over the next few years

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”

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Product Portfolio

13,500MTPA

Mfg. capacity

“Estoplast”

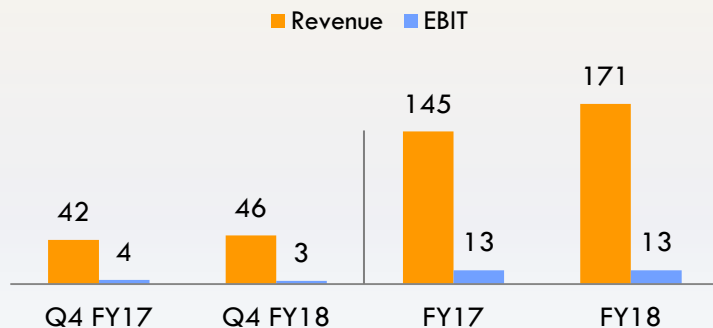
Products marketed
under the brand



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



Improving product mix
to improve margin
profile & return ratio



- Business continued to perform well on the back of steady demand
- Working towards increasing share of high margin products in the overall mix
- Expect steady performance to continue during FY19

- A well regarded manufacturer of Engineering plastics
- Diverse Product Portfolio – 350+ 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



Investor Contacts

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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.