

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Ester Industries Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Sharma from Adfactors PR. Thank you, and over to you, sir.

Amit Sharma – Adfactors PR: Thank you, Sagar. Good afternoon, everybody, and a very warm welcome to you all. Thank you, everyone, for participating in the earnings call of Ester Industries Ltd. for the first quarter ended June 30, 2026. On the call today, we have Mr. Vaibhav Jha, CEO; Mr. Pradeep Rustagi, Executive Director – Corporate Affairs; and Mr. Saurabh Agarwal, CFO of the company. The management will take us through the operational and financial performance for the quarter, following which we will open the forum for the question-and-answer session.

Before we begin, please note that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. I now request Mr. Vaibhav Jha to take us through the company's performance. Thank you, and over to you, sir.

Vaibhav Jha – CEO: Thank you, Amit. Thank you, everyone, for joining us today. I will take you through the industry environment and key business developments during the quarter, following which Saurabh will walk you through the financial performance. I would first share with you a short perspective on the industry landscape before I move to company-specific key updates.

The operating environment for the BOPET film industry continued to improve during Q1 FY27. Global prices of BOPET have remained stable due to tighter trade flows, raw material shortages, and increases in raw material and freight costs. At the same time, the disruptions and uncertainties caused by the imposition of reciprocal and punitive trade tariffs by the USA during Q2 and Q3 FY26 have largely moderated subsequent to the rejection of such trade tariffs by the Supreme Court of the US. India now enjoys a favorable import tariff scenario for imports into the US, which has resulted in the regaining of lost market share in the US between Q2 and Q4 FY26 during this quarter.

We continue to see strong structural tailwinds emerging from the circular economy. The implementation of the Plastic Waste Management Rules and the increasing requirement for PET and BOPET films with stipulated post-consumer recycled content are creating additional demand opportunities for rPET and recycled-content BOPET films. Among the various films and substrates used for flexible packaging, BOPET film is the only food-grade-approved substrate and the only substrate that can have sufficient post-consumer recycled content to help brands meet their sustainability targets. Further, new capacity additions are projected to be moderate and evenly phased out, given the volatile scenario experienced by industry players during the last 2–3 years.

Overall, while industry cycles will continue to influence the business, we believe that the combination of improving industry discipline, buoyancy in international prices, and growing

Report is AI-generated and may contain inaccuracies.

Ester Inds

demand for recycled-content products provides a more favorable operating environment for the BOPET industry.

Sustainable solutions are at the core of Ester Industries Ltd.'s strategic growth platform. The regulatory environment is becoming increasingly supportive of recycled materials. In India, recycled-content requirements under the plastic waste management framework are stipulated to increase progressively. For Ester Industries Ltd., this creates an opportunity to participate across multiple points of the value chain.

Ester Industries Ltd. has invested in creating recycled PET capacities of 30,000 tonnes per annum. This enables us to produce recycled PET for use as feedstock in recycled-content films. In addition, this gives us a platform to supply best-in-class bottle-grade recycled PET to prestigious brands, as well as textile-grade and film-grade recycled PET to various leading customers. We are also building capabilities to participate in higher-value circular applications over time through Elite.

Against this backdrop, Ester Industries Ltd. continues to strategically transform itself into a manufacturer of specialty BOPET films and polymers. A consistently increasing volume and proportion of value-added specialty products, along with a strong business development pipeline of new products within specialty polymers, showcases this key strategic focus. Exploring new customers in new markets and various other geographies continues to be the highest priority. We continue to invest rapidly in R&D to innovate at a rapid pace and fast-track our journey to becoming a specialty manufacturer.

These strategies are aimed at improving realizations, enhancing the overall product mix, and, importantly, reducing earnings volatility arising from the inherent cyclicity in commodity BOPET film products caused by demand-supply imbalances from time to time.

Now moving on to the key business updates, starting with the Polyester Film segment. In this segment, we delivered a healthy improvement in performance during the quarter. Consolidated film volume increased 2.7% year-on-year to 22,120 metric tonnes, while film segment revenue grew by approximately 38% to 399.5 crores. The significant difference between volume and revenue growth reflects the improvement in realization and margin, as well as the continued improvement in our product mix. Consolidated capacity utilization also improved to 84%, compared with 82% in Q1 FY26, supported by the better market scenario.

A particularly encouraging development was the continued growth in our VAP films portfolio. VAP volume increased 23% year-on-year to 6,368 metric tonnes in this quarter, and its contribution to total film volumes increased to approximately 29% from 24% a year ago.

We consider this shift in mix to be an important indicator of the progress we are making in the business. As the volume and proportion of VAP products increase, our ability to compete is increasingly based on product performance, satisfying new application requirements, and customer qualification, rather than being driven purely by price. Encouraged by the recent performance and positive outcomes of our strategic focus, we are targeting the proportion of VAP products to reach approximately 50-60% over the next 2-3 years.

Report is AI-generated and may contain inaccuracies.

We will therefore continue to invest in product development, customer approvals, and capabilities to serve more specialized applications. Chips business revenue during the quarter was around 5 crores, driven by higher third-party sales volume.

In this quarter's performance, we saw a significant improvement in realizations, driven by growth in VAP sales as well as favorable industry dynamics. Consolidated film revenue grew by approximately 38% year-on-year, while the segment delivered around a 10% EBIT margin, supported by better throughput and a higher contribution from VAP products.

Going forward, our focus will remain on maintaining price discipline, improving utilization, and increasing the volume and proportion of VAP products. We believe this will help us improve the overall quality of earnings and build greater resilience in the film business through industry cycles.

Now turning to specialty polymers. The segment reported consolidated sales volume of 725 metric tonnes during the quarter, compared with 954 metric tonnes in Q1 FY26. Consolidated revenue stood at 32.7 crores, compared with 48.1 crores in the corresponding quarter last year. While the overall volumes and revenue were lower due to demand pressure in one of our high-margin specialty products, the profitability of the business improved meaningfully, with EBIT margin increasing from 31.7% to 45.3%. This was primarily driven by a better product mix during the quarter.

We continue to focus on optimizing the product mix and expanding the portfolio while maintaining the healthy margin profile of this business. The growth in specialty polymers will be driven by an increase in volume, with a mix of high-margin specialties as well as mid-margin value-added products, or VAP. The focus on VAP will help us improve operating leverage and cash flows while also diversifying our business, while the growth in high-margin specialties will provide profitability buoyancy.

However, given the strength of our business development pipeline, we expect to recover the revenue growth in this business by the end of this financial year. We are targeting growth at a CAGR of 20% over the next 3-5 years in the specialty polymer segment.

Coming to the rPET business, consolidated volumes increased 19% year-on-year to 1,394 metric tonnes, while revenue grew 24% to 17.5 crores during the quarter. We continue to see rPET as an important part of our broader film strategy, as well as an important sustainable solution that we offer to our customers at large.

Coming to Ester Filmtech, we saw meaningful improvement in the business during the quarter. Capacity utilization reached approximately 83%, the highest level achieved so far, while sales volume increased 22.7% year-on-year to 9,807 metric tonnes. More importantly, the business is now beginning to demonstrate the better operating leverage that comes with higher capacity utilization.

The improvement is being supported not only by higher throughput but also by better production efficiency and a healthier product mix. As we continue to ramp up utilization and increase the contribution from VAP and recycled-content products, we see Ester Filmtech as an increasingly relevant part of the consolidated business. Our focus will remain on continuing this ramp-up,

Report is AI-generated and may contain inaccuracies.

improving the mix, and translating the improvement in operating performance into consistent cash generation.

I would now like to touch upon Elite, our 50-50 joint venture with Loop Industries. We see Elite as strategically different from our existing recycling activities, as the objective is to establish a chemical recycling platform for polyester textile waste and enable textile-to-textile recycling.

The project is progressing through the engineering phase. The FEED study has been completed by Tata Consulting Engineers, and Toyo Engineering India has been appointed for detailed engineering. Land acquisition is also progressing and is expected to conclude within the next 2 months. The facility is targeted to become operational in CY 2028 and will use Loop's proprietary depolymerization technology to convert 100% of the textile waste stream into virgin-quality monomer, which will then be polymerized into virgin-quality polyester resin.

An encouraging development for Elite has been early and regular customer validation. Following Nike's earlier commitment as an anchor customer, our joint venture partner, Loop Industries, has now secured a letter of intent from a leading global sports and athletic brand for the potential offtake of up to 15,000 metric tonnes per year of Loop PET fiber-grade resin under a multi-year commercial framework.

The resin will be supplied from the upcoming manufacturing facility in Gujarat, to be operated by Elite, the 50-50 joint venture between Ester Industries Ltd. and Loop Industries. With commitments from these marquee global brands, a substantial portion of the planned capacity is now covered with contracts and LOIs well ahead of commercial startup.

We view this as an important validation of both the technology and the market opportunity, and it reinforces the growing interest from global brands in circular textile-to-textile recycled polyester. We will continue to progress the project through the remaining qualification, permits, approvals, and execution stages in a disciplined manner.

Looking ahead, our priorities remain clear. We will continue to focus on sustaining the improvement in film realizations and capacity utilization, increasing the volume and proportion of VAP products, and expanding specialty polymers through new products, customers, and geographies. At the same time, we will continue to scale our rPET capabilities and integrate them more closely with the BOPET film business while progressing Elite.

Vaibhav: The project is progressing in a disciplined manner toward its targeted commissioning in calendar year 2028. With that, I hand over to Saurabh to take you through the financial performance. Over to you, Saurabh.

Saurabh: Thank you, Vaibhav, and good afternoon, everyone. Let me take you through the financial performance for the quarter, after which we will open the floor for questions.

I will begin with the standalone performance of Ester Industries Ltd. Standalone total income for Q1 FY27 increased 22% year-on-year to 347.7 crores, compared with 284.9 crores in Q1 FY26. The improvement was primarily driven by the film segment, where higher realizations, better capacity utilization, and an improved product mix supported the revenue growth.

Report is AI-generated and may contain inaccuracies.

Ester Inds

18 August 2026

Standalone EBITDA increased 25.2% year-on-year to 40 crores, with the EBITDA margin improving to 11.5% from 11.2% in the corresponding quarter. Profit after tax increased 50.5% to 14.5 crores, compared with 9.6 crores in Q1 FY26, resulting in an improvement in PAT margin from 3.4% to 4.2%. Overall, the standalone business delivered improvement across revenue, operating profitability, and the bottom line.

Coming to Ester Filmtech, our 100% subsidiary, the quarter marked a significant improvement in the financial performance of the business. Sales volume increased 22.7% year-on-year to 9,807 metric tonnes, while total income increased 62.7% to 159.6 crores. EBITDA improved to 19.5 crores, compared with a loss of 2.7 crores in Q1 FY26, resulting in an EBITDA margin of 12.2%.

PAT also turned positive at 4.7 crores, compared with a loss of 16.5 crores in the corresponding quarter last year. As Vaibhav mentioned earlier, capacity utilization in BOPET film at Ester Industries Ltd. stood at 85%. Capacity utilization at Ester Filmtech reached approximately 83%, which is the highest level so far. This resulted in consolidated capacity utilization standing at 84%.

Coming to the consolidated performance of the company, consolidated total income increased 27.4% year-on-year to 441.9 crores, compared with 346.9 crores in Q1 FY26. Consolidated EBITDA increased 103.4% to 58.9 crores, with the EBITDA margin expanding to 13.3% from 8.3% in the corresponding quarter. Profit after tax turned positive at 18.6 crores, compared with a loss of 7.2 crores in Q1 FY26. PAT margin stood at 4.2%.

The improvement in consolidated profitability was broad-based, with all businesses, including polyester chips, polyester film, specialty polymer, and rPET, contributing meaningfully to operating profit, although the polyester film segment remained the principal contributor.

Within the film segment, consolidated revenue increased approximately 38% year-on-year to 399.4 crores, while segment EBIT increased significantly to 39.1 crores from 6.9 crores in Q1 FY26. Consequently, EBIT margin improved to 9.8% from 2.4%. Film volumes increased 2.7% year-on-year to 22,120 metric tonnes, while rPET volumes increased 19% to 1,394 metric tonnes.

The specialty polymer SBU also continued to demonstrate the strength of its business model. While volumes and revenue were lower year-on-year, segment EBIT stood at 14.8 crores, with EBIT margin improving significantly to 45.3% from 31.7%. This reflects the continued strength of the specialty polymer business and its contribution to the overall quality of earnings.

As of June 30, 2026, the gross total debt of the company was 722 crores and liquidity was 236 crores. The company aims to gradually deleverage in the coming years by reducing its debt on an overall basis.

Overall, the company has demonstrated resilience and operational progress, with enhanced margins and profitability during the quarter, setting the stage for improved profitability in the coming quarters. This concludes our opening remarks. We can now commence the question-and-answer session. Thank you.

Operator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and then one on your touchtone phone. If you wish to

Report is AI-generated and may contain inaccuracies.

Ester Inds

18 August 2026

remove yourself from the question queue, you may press star and then two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, to register for a question, you may press star and then one now.

Your first question comes from the line of Shlok Patel with Ventflow Finance. Please go ahead.

Shlok Patel – Ventflow Finance: Hi, am I audible?

Vaibhav: Yes.

Shlok Patel – Ventflow Finance: Firstly, congratulations on a good set of results. I wanted to know whether we can maintain a similar run rate for the remaining 3 quarters, and whether there were any one-off gains in this quarter.

Vaibhav: Yes, thanks for that question, Shlok. As you must have seen in the financial statements, there is an other income component. Other than that, I think the industry structure is quite favorable to us on the BOPET film industry side.

We are seeing very stable and reasonably priced global markets. We are seeing enough opportunities to place volumes profitably in India as well as across the world. We are also seeing opportunities to sustain higher volumes compared with our past quarters because of the current supply-demand balance in the industry.

All this gives us confidence that we should have sustainable, good earnings going forward, not only for the next 3 quarters, but I would go on to say for the next 6-8 quarters.

Shlok Patel – Ventflow Finance: Okay, thanks. That helps. I have another question. I wanted to know about our goals for the next 2-3 years. As you said, cyclicity has moved away and the industry is improving. You also mentioned that with our existing facilities, we can generate approximately 2,000-2,200 crores of revenue across our business segments.

I want to understand which segments will drive this revenue and how margins will improve over the next 2-3 years, as our product mix from value-added products will increase significantly and our existing capacity will also be utilized more.

Vaibhav: You have answered the question in your question itself. This increase in revenue will be driven by multiple factors.

First is the price itself. As I said, we expect global prices to hold at a higher level than what we have seen in the last 2-3 years. That itself is going to lead to an improvement in revenue.

Second, capacity utilization is going to improve not only in films but also in specialty polymers going forward, as well as in rPET.

Third, as the share of specialty products increases in our product mix, these specialty products are usually priced much higher than commodity products. As the proportion increases, it will automatically lead to an increase in revenue because of the increase in high-priced sales that we would be undertaking.

Report is AI-generated and may contain inaccuracies.

The fourth factor that is playing out is that as we move toward operational excellence, we are able to run the plants more efficiently and derive more tonnage from the same asset class that we have. This is also going to lead to better production and higher sales volume.

All of these factors together are going to result in an increasingly improved topline.

Shlok Patel – Ventflow Finance: Is it fair to assume that in the next 2–3 years we can achieve the target of 2,000–2,200 crores?

Vaibhav: I think we are steadily moving toward that, and we should definitely reach it in the next 2–3 years.

Shlok Patel – Ventflow Finance: Okay, thanks. I will get back to the queue.

Operator: Thank you. Participants wishing to ask a question may press star and then one now. The next question comes from the line of Saransh Gupta with Swan Investments. Please go ahead.

Saransh Gupta – Swan Investments: Thank you for the opportunity, sir. I hope I am audible.

Vaibhav: Yes, Saransh.

Saransh Gupta – Swan Investments: Congratulations on a decent set of quarterly results, sir. I had a few questions. First, I wanted to understand the ground reality regarding the China anti-dumping policy that has been implemented. Have imports declined, and is that benefiting us in terms of pricing?

Vaibhav: Let me address this question. In general, what has happened is that the global price situation has improved simply because trade flows are currently restricted. We are seeing that this set of factors is going to be sustained.

Multiple factors are leading to the stability in prices that we are seeing right now, both globally and in India. In India specifically, there have hardly been any capacity additions in the last couple of years. Capacity additions, I would say, have lagged demand growth. We see this trend lasting for the next 2–3 years.

Especially in the local market, we see the demand-supply balance remaining strong. Similarly, in the global market, we see enough opportunities for Indian manufacturers to place their volumes profitably.

Saransh Gupta – Swan Investments: Understood, sir. What were the spreads last quarter?

Vaibhav: The spreads last quarter were in the range of 28–30. When I say spread, I mean value added over raw material for 12-micron film.

Saransh Gupta – Swan Investments: Understood. For the base BOPET film of 12 microns, the spread would be around 7–8 rupees for the last quarter?

Vaibhav: No, I said 28–30 rupees for 12-micron corona commodity film.

Ester Inds

18 August 2026

Saransh Gupta – Swan Investments: And, sir, we charge a higher premium of around 20-25 rupees on the value-added products, right?

Vaibhav: Value-added products range from 25 rupees to much higher levels because it is a mix. The more specialized the product, the more value addition we are able to derive from it. There are offline-coated products that command a higher premium, much higher than normal value-added products.

Saransh Gupta – Swan Investments: Understood, sir. With this China anti-dumping policy, would it be fair to assume that these spreads can be sustained until the year-end?

Vaibhav: As I told you, we are very positive that the global and domestic supply-demand balance is going to hold for the next 6-8 quarters. I think that is going to give us some respite and keep margins steady.

Saransh Gupta – Swan Investments: Understood, sir. I wanted to understand one more thing. Our value-added contribution this quarter was 29%, which has been the highest since implementation. What can the contribution be by the year-end? Will it be at a similar level? We are aiming for 50-60% in the next 2-3 years, but I wanted to understand what the contribution could be by the year-end, especially with exports to the US also opening up.

Vaibhav: We are seeing value-added products contributing up to 35% of our overall portfolio by the end of the quarter, or rather, by the end of the year.

Saransh Gupta – Swan Investments: Understood, sir. Just one more question. Our rPET volumes declined sequentially in this quarter. I wanted to understand what led to that decline.

Vaibhav: This is a temporary slowdown because what you are seeing is external sales, and external sales had to take a hit because internal demand for rPET in our packaging films increased.

We believe that this situation should change during this quarter, toward September, and this trend will be more visible in the October-to-December quarter, when you will see much larger rPET volumes being sold externally.

Saransh Gupta – Swan Investments: Understood, sir. Just one last question, and then I will come back to the queue. With our {? [unclear] ?} project becoming operational in calendar year 2028, and with us having the land bank within the next 2 months, I wanted to understand that there are other competitors also entering the same textile-to-textile recycling segment, and they have already set up capacity. Will we be somewhat late, or will there be competition by the time we are ready with the capacity?

Vaibhav: First of all, the market for this type of product is very large and demand is very high, so there is space for many players.

Saurabh: Second, the technology is fundamentally different, and we will be able to process low-cost feedstock that cannot be processed by our competitors' technologies. That is our differentiator, and it is going to bring in the required economies and create a much larger appeal for our customers.

Report is AI-generated and may contain inaccuracies.

To expand on this factor a little more, the competing technologies usually look for textile waste that is close to 100% polyester. There is difficulty in processing textile waste when it contains a blend with polyester. If you look at any practical textile waste, it is always a blend of polyester.

Our technology, however, can manage any kind of blend, with any kind of color, pigment, or dye, and produce virgin-like quality material. The maturity of this technology is also far higher than that of our competing technologies in most cases.

Loop has been working on this technology for a long period of time, for more than 10 years. They have scaled up to a small-scale plant in Canada, where all types of practical textile waste have been processed and all possible combinations have been tested. This validation has been carried out not only by us as a joint venture partner but also by customers who are proceeding to give us large-volume contracts 1.5 years ahead of plant commissioning.

The maturity is therefore at a different level, and our production confidence in terms of being able to process the waste and achieve the rated capacity is much higher in our case. We are also more confident about the economics in our case than about those of the competing technologies.

There is another point: we are targeting the export of all volumes coming out of the Elite project outside India. We are not sure of, or aware of, the marketing strategy of the competitor, but for us, the entire production is going to be exported.

Saransh Gupta – Swan Investments: Understood, sir. So it would be a reasonable assumption that we will also have a better premium in the market when we have the capacity available?

Saurabh: Absolutely.

Saransh Gupta – Swan Investments: Thank you, sir. I will rejoin the queue, and all the best.

Operator: Thank you. The next question comes from the line of Raj Shah with Prudential AMP. Please go ahead.

Raj Shah – Prudential AMP: Thank you for the opportunity. I wanted to understand, from a 2–3-year perspective, how you see the rPET volumes now that we have a 28,000-tonne capacity. Over the next 2–3 years, do we plan to reach optimum utilization and revenues of 400 crores? What could the margins be at the growth level?

Saurabh: Let me clarify regarding rPET. The major logic behind investing in rPET for us was in-house consumption. However, we saw demand for high-quality rPET in the market, which was not being fulfilled by many of the existing players. Therefore, we thought of utilizing that opportunity to make bottle-grade rPET and other filament and textile-grade rPET.

To be honest, however, that is more of a secondary objective for us. Our objective is to derive value through in-house consumption. Having said that, I think the right measure of how we are performing with respect to rPET would be the value generated by rPET through both external and internal utilization, including external sales and internal utilization.

Ester Inds

18 August 2026

Let me give you approximate numbers. We are producing much larger volumes than we were producing last year. We are extremely confident that we will reach more than 100% of rated capacity by the exit quarter of this financial year.

A significant portion of this will not be visible in the financial statements because it will be used internally, but a large part will be reflected in external sales. As I said, the logic for us is internal consumption as much as external sales.

Raj Shah – Prudential AMP: Understood. On specialty polymers, we saw margins drop to 12–13% year-on-year. Are these margins sustainable at these levels because the value-added share is increasing, or what could be the full-year margins for specialty polymers, assuming prices remain at these levels?

Saurabh: Right now, the share of VAP is at a much smaller scale because we are building a pipeline, and this pipeline takes some time to mature. Therefore, the influence of mid-margin VAP is not too apparent.

You are right that as we go forward, we are going to see some moderation in the percentage margin because the mid-margin products are going to pull down the high-specialty margins slightly in percentage terms.

However, because of the improving operating leverage, we are going to see better financials in terms of EBITDA or EBIT because we are essentially increasing capacity utilization and improving operating leverage. We should focus more on absolute topline growth, as well as absolute EBITDA and EBIT growth.

Raj Shah – Prudential AMP: Understood. Lastly, in terms of debt repayment, what is the target for this year? Also, regarding Elite, would we require any additional debt?

Saurabh: This year's debt repayment target is around 100 crores. As far as Elite is concerned, as you are aware, it is a separate project from Ester Industries Ltd. It is a joint venture between Loop Industries Canada and Ester Industries Ltd.

Additional debt will be raised in the joint venture company, not on Ester Industries Ltd.'s balance sheet. It will not be consolidated with Ester Industries Ltd. because it is a 50–50 joint venture.

Raj Shah – Prudential AMP: Correct, understood. Excluding the joint venture, there is no major capex for FY27?

Saurabh: I am sorry, could you repeat the question?

Raj Shah – Prudential AMP: Excluding the joint venture, there is no major capex for FY27 in the standalone business and polymers?

Saurabh: No. Apart from sustenance and maintenance capex, we are not planning any major capex.

Raj Shah – Prudential AMP: Understood. Thank you very much.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. The next question comes from the line of Charchit Maloo with Tenacity Capital. Please go ahead.

Charchit Maloo – Tenacity Capital: Hi, sir. Thank you very much for the opportunity. Can you give me the split of other income, specifically the 10 crores?

Saurabh: Other income basically comprises income from our investments. As you know, we have total cash available in excess of 200 crores. That is the first component.

Second, other income also comprises favorable foreign exchange gains, whereas foreign exchange was negative in the last quarter.

Charchit Maloo – Tenacity Capital: I would also like to know whether you can provide guidance for FY27 and FY28 revenues, EBITDA, and PAT.

Saurabh: Could you repeat the question? I am sorry, the line is a little disturbed. Can you give the guidance for FY27 and FY28 for revenue, EBITDA, and PAT?

I think what we can say is that we are looking at sustainable growth in our revenues and profitability. However, at this point in time, we would hold back from giving very firm guidance on specific revenue and EBITDA numbers.

Charchit Maloo – Tenacity Capital: Okay, thank you.

Operator: Charchit, does that answer all your questions?

Charchit Maloo – Tenacity Capital: Yes, that is all. Thank you.

Operator: Thank you. We remind all participants that if you wish to register for a question, you may press star and then one. The next question comes from the line of Sakit Kapoor with Kapoor Company. Please go ahead.

Sakit Kapoor – Kapoor Company: Hello, sir. I hope I am audible.

Saurabh: Yes.

Sakit Kapoor – Kapoor Company: Firstly, coming to the other income component, Mr. Saurabh, you mentioned that this is from treasury operations. Can you elaborate further? Since we are also net of debt, how was this income generated? What was the foreign exchange benefit included in it?

Saurabh: Yes, Sakit. If you remember, in the last quarter there was pressure on other income in terms of a negative foreign exchange loss, and we also had some negative returns on our mutual fund investments in the last quarter.

In this quarter, we had positive returns on our investments as well as favorable foreign exchange gains, which is why other income is higher. However, this is a one-time gain. On a sustainable basis, we are not going to see this high a number on a quarter-on-quarter basis.

Ester Inds

18 August 2026

Sakit Kapoor – Kapoor Company: Can you give the split? How much was the foreign exchange contribution and how much came from the treasury? Since we have debt, what is the current book size of the mutual funds in which we have invested?

Saurabh: The total book size of mutual funds is around 60 crores, and the total fixed deposits that we have currently are more than 160 crores.

Sakit, we have already raised money for the purpose of equity contribution in our joint venture. The company raised share warrants, and we have already received the money in our bank account. Therefore, the primary driver of our other income is mainly the interest on that amount.

Sakit Kapoor – Kapoor Company: Do you have the split? How much came from treasury and how much from FD interest? I wanted the 9.8-crore split between foreign exchange, treasury, and interest.

Saurabh: I can give you the overall split. Treasury contributed around 3 crores, interest on fixed deposits and other investments was around 3.5 crores, and the foreign exchange gain within other income was around 1 crore. There is also a balance comprising other income.

Sakit Kapoor – Kapoor Company: We are seeing that there is a 100-crore repayment planned for this year. What is the current net debt number, and what is the expected closing balance for the year?

Saurabh: Our gross debt is 720 crores, which is going to come down by 100 crores. By the end of the year, we will have gross debt of 620 crores. The cash and cash balance that we currently have is 235 crores.

Sakit Kapoor – Kapoor Company: So, for the net debt number, can we assume that 235 crores will remain available?

Saurabh: No. A portion of this amount will be used. As I told you, 140 crores of this is for the joint venture. As and when we invest in the joint venture, this liquidity will go away. Therefore, around 100 crores is the sustainable liquidity that we will have.

Regarding your other question, you were mentioning that there is currently no further capacity addition in BOPET. I believe one of your competitors in the BOPP segment added BOPET film capacity last year, or possibly this year itself. Taking into account the current dynamics, should we understand that there are no further lines coming up during the current financial year?

Saurabh: What I said was that there have been very few capacity additions, and capacity additions have lagged demand growth. What I mean is that demand growth has been higher than capacity additions.

Two lines have come up in the last 1.5 years, but growth has been far greater than the capacity that they brought on stream. We expect another 2–3 lines to come up in the next 1.5–2 years. However, if you look at the net position, the supply–demand balance is going to tighten further because there is very strong BOPET demand growth in India, and we are also seeing some green shoots in Europe.

Report is AI-generated and may contain inaccuracies.

Ester Inds

This is mainly because of the Plastic Waste Management Rules in India, which are leading brands to switch from other substrates to BOPET to meet their sustainability targets. A similar trend is still too early to confirm, but we are seeing some green shoots of something similar happening in Europe as well.

That is why demand growth in India, at least, is at a much higher level than capacity addition.

Sakit Kapoor – Kapoor Company: Do we have the figures for the entire domestic industry? What is the installed capacity for BOPET and the current utilization?

Management: The industry's capacity should be around 1.35 million tonnes, and the operating rate is approximately 85%, because a significant portion is also exported from India. Given the way trade flows are currently aligned, Indian manufacturers are going to see sufficient opportunities to maintain sustained levels of profitable exports.

Sakit Kapoor – Kapoor Company: Coming to specialty polymers, please correct me if I am wrong. Did you mention that our revenue guidance is 20–25% for this year, or were you commenting on the margin? I missed your comment on specialty polymers.

Management: No, no. 20%—sorry, sorry. Please go ahead, Sakit.

Sakit Kapoor – Kapoor Company: No, sir, please go ahead. I will wait.

Management: What we were saying was that we are seeing a 20% CAGR over the next 3–5 years. We are not saying this for this year, mainly because we are seeing some demand pressure on one of our high-specialty products.

However, after considering the other pipeline products that we have and the way the market is set up, we are extremely confident that we should recover the lost demand in terms of sales of other products by the exit quarter of this year. Going forward, we should achieve a CAGR of 20% or more.

Sakit Kapoor – Kapoor Company: To understand this further, on a topline of 180 crores for the last financial year, we did 32–33 crores in the first quarter, and then you are saying that there is some demand issue going forward. What is the likelihood that this will be a flat year for specialty polymers, with normalized margins going forward?

Alternatively, are these margins also the result of a product mix advantage, through which we achieved exceptional margins of 40% and above? Please explain where we are headed.

Management: What we are seeing is that we will be at least flat or achieve single-digit growth in this financial year because a significant portion of our pipeline is going to mature in the second half of the year, especially toward the last quarter.

We will see improvement in the topline as we move through the year, particularly as we go deeper into the second half. However, going into the next financial year, we are going to see good CAGR revenue growth and profitability growth.

As I mentioned, our focus is on improving operating leverage here. Therefore, while you might see some normalization in EBIT percentage and EBITDA percentage, the absolute numbers for EBITDA

Report is AI-generated and may contain inaccuracies.

Ester Inds

18 August 2026

and EBIT should start growing significantly from the next financial year.

Sakit Kapoor – Kapoor Company: To model it, will we be able to match last year's specialty polymer margins, or can we expect some growth? I believe last year's margin was 44%.

Management: We should be able to match it and probably achieve some single-digit growth by the time we finish the year.

Sakit Kapoor – Kapoor Company: In margins also?

Management: Yes. VAP products have larger volumes. Although the margin might be lower, the volumes are larger.

Operator: Thank you, and I am sorry to interrupt, Sakit.

Sakit Kapoor – Kapoor Company: Okay, sir. I will rejoin the queue.

Operator: Thank you. The next question comes from the line of Amit Kumar with Determined Investments. Please go ahead.

Amit Kumar – Determined Investments: Thank you very much, sir. Can you hear me?

Management: Yes.

Amit Kumar – Determined Investments: My first question is regarding your raw material sourcing. There are 2 parts to it. First, how are you viewing the availability scenario right now?

The second, related question is about the projects for PTA and MEG that are coming up in India. GAIL, IOC, and RIL have a few projects in the pipeline. They are slightly delayed, as I understand, but some capacity is expected to come up in India this year.

Have you tied up with any of these players or any of this capacity to localize your raw material sourcing and provide some protection from the volatility that we have seen in the past?

Management: We have long-term contracts, and we source all our PTA and MEG requirements locally. We have long-term contracts with PTA and MEG suppliers, which ensure that we generally do not fall short of our requirements.

As far as the new capacities are concerned, nothing is going to be up and running before December of this year. Our annual contracts run from January to December. Therefore, as and when the—

Amit Kumar – Determined Investments: Next year, you can perhaps—

Management: Yes, this is what I am coming to. We are already in discussions with GAIL, which is likely to start by the end of this calendar year. Indian Oil will take some more time to start, and Reliance is still some time away.

Regarding MEG, no new capacity is coming up, but all our requirements are being met by the existing suppliers because polyester film is not a large consumer of PTA and MEG, unlike PET resin or yarn.

Report is AI-generated and may contain inaccuracies.

Our raw material is tied up, which is reflected in the operations of the first quarter, where we did not lose any production because of availability issues.

Amit Kumar – Determined Investments: My second question is whether you can provide an update on the PWMR, or Plastic Waste Management Rules. What is the current situation?

Our understanding is that although the government has implemented these rules, it is not clear whether there is complete acceptability of the rules at the industry level. There is some flexibility regarding how much rPET needs to be used currently and how much can be done later or caught up subsequently.

Can you explain the current status of implementation of the rules, in terms of what is on paper and what the situation is on the ground?

Management: We need to differentiate between 2 aspects of the question. The first is the usage of rPET in laminates due to PWMR, and the second is what brands are doing to be better prepared for stricter enforcement of PWMR.

Regarding recycled content in films, you are right that enforcement has yet to take place. However, we work with leading brands that are not going to be non-compliant with the rules, whether or not the government is strict in enforcing them.

This is where the major pull for recycled PET-based film is coming from. All brands, both large and small, are switching rapidly from other substrates to polyester film substrates so that they can keep their laminates ready. In case there is tighter scrutiny from the government and compliance is enforced more strictly, they can rapidly switch to rPET-content-based films.

This is leading to an increase in BOPET film demand well beyond the usual growth that we used to see. I hope I was able to give you a perspective on the question that you asked.

Amit Kumar – Determined Investments: Yes, very much so. Thank you very much.

Management: All right. Thank you.

Operator: Thank you. The next question comes from the line of D. Surendra, an individual investor. Please go ahead.

D. Surendra – Individual Investor: Hello. Good evening. Thank you for taking my questions. My question is about rPET capacity. What is our rated capacity?

Management: Our rated capacity should be somewhere in the range of 28,000 tonnes.

D. Surendra – Individual Investor: What is the timeline for achieving that?

Management: As I explained, we are already operating at a very high throughput. This is not very apparent in the financial reports because a significant portion is being used internally as raw material for our films.

We should exceed the capacity utilization level by the exit quarter of this financial year. We should therefore be producing more than the rated capacity. That is what we are seeing.

D. Surendra – Individual Investor: Is there any backward integration for our Telangana plant?

Management: At present, you can consider the recycled PET extruder that we have installed there to be backward integration. However, if you mean whether we have a {? CP ?} unit, then we do not have anything localized there.

We are supplying Hyderabad from our in-house raw material capacity in Khatima. To that extent, the majority of Hyderabad's raw material requirements are being catered to in-house.

D. Surendra – Individual Investor: One more question is about specialty polymers. Are there any new inventions?

Management: Yes. This year, we also filed a few patents for new products. Invention is a way of life for us in specialty polymers.

The challenge is the gestation period, which is very long for such novel inventions. However, we continue to invest very heavily in R&D, and we continue to see many patent-worthy inventions and several trade secrets that we do not patent because we do not want competitors to know about those inventions.

Innovation is quite evident in this business.

D. Surendra – Individual Investor: One last question. We hear about sun-control films and paint-protection films, which are becoming increasingly common in the market. Do we also have plans to manufacture such products?

Management: We are evaluating various products and take such decisions from time to time. At present, we do not have any news on this front for you.

D. Surendra – Individual Investor: Okay, sir. Thank you very much.

Management: All right.

Operator: Thank you. The next question comes from the line of Saket Kapoor. Please go ahead.

Saket Kapoor: Thank you, sir, for the opportunity. Again, as you were mentioning, the majority of rPET is being consumed internally for captive use. How is this accretive to our margins? Could you provide some color on how this consumption contributes to margins?

The recyclability aspect is one part of the story, but how much contribution comes to the margin from using rPET instead of purchasing raw material externally?

Management: Because we are producing it in-house, we are able to capture the margins that we would typically have paid to an external supplier. To that extent, the margin is credited internally.

It is also, in most cases, cheaper than virgin raw material, and that benefit is also accrued.

Report is AI-generated and may contain inaccuracies.

Ester Inds

Saket Kapoor: No, sir. How much arbitrage would there be between purchasing raw material or chips from outside and using rPET internally?

Management: Saket, we would prefer to avoid answering with specific numbers.

Saket Kapoor: Correct, sir. I understand your point. That would not be appropriate from a competitive perspective either.

Regarding spreads, you mentioned that our commodity spreads were 28–30 rupees in Q1. What is the current outlook on spreads? Can you share any further color?

Management: The spreads are similar. They are holding, and we are seeing resilience in this kind of {? phase ?} in our commodity films.

Saket Kapoor: Okay. And utilization for—

Operator: Thank you. I am sorry to interrupt, Saket, but due to time constraints, we will only be able to take this last question.

Saket Kapoor: Yes, we are closing the call.

Operator: That is correct.

Management: Sir, please let Saket ask one question.

Saket Kapoor: Yes, sir. I wanted to discuss 2 points. First, when is the rPET update due, and when is it scheduled to be released?

Second, are you doing any work on succession planning with Mr. Singhania? It appeared that there had been some transfer of shares. Mr. Singhania is not present here, so could you provide any comment, or could you take the feedback from him?

Also, my earlier question was interrupted. I wanted to know whether, at the current utilization level compared with our levels in the previous quarter, we are seeing any increase in Q2. That was the question I was asking at the time.

Management: From a capacity perspective, Q2 capacity utilization is looking better than the previous quarter.

Management: And compared with Q1.

Management: Yes, compared with Q1. And you want us to answer the rating question?

Management: Mr. Sachin, in terms of the rating, the review is already in progress, and we expect the rating review to be completed by the end of this month.

Regarding succession and ownership, these are 2 different things. They are 2 separate matters. We are already managed professionally, and what he has transferred to his son is their internal family matter.

Report is AI-generated and may contain inaccuracies.

Ester Inds

18 August 2026

Saket Kapoor: Okay, sir. Thank you very much to all of you for answering all the questions. Thank you, and all the best to the team.

Operator: Ladies and gentlemen, as there are no further questions from participants, I now hand the conference over to Mr. Vaibhav Jha for closing remarks. Over to you, sir.

Vaibhav Jha: I would like to thank all our stakeholders, partners, and team members for their continued support, and thank you all for participating in this call.

We are pleased with the strong start to FY27 and are quite optimistic that we will perform well during the year and see even better performance during the succeeding quarters. For further queries, please reach out to our investor-relations partners at Adfactors. Thank you.

Operator: Thank you. Thank you to all members of the management. On behalf of Ester Industries Ltd., that concludes this conference. Thank you, everyone, for joining us. You may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.