

Investor Release

HLE Glascoat reports strong top-line, profitability and order visibility

Maroli, Gujarat, 9th August, 2023; HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, filtration, drying and glass lined equipment markets, announced its Unaudited financial results for the quarter ended 30th June, 2023

Q1FY24 Key Financial Snapshot

Revenue from Operations

Rs. 19,718.7 lakhs

-3.5% (Y-o-Y)

EBITDA

Rs. 2,386.4 lakhs

Margin 12.1%

Profit After Tax

Rs. 929.1 lakhs

Margin 4.7%

Orders booked

Rs. 29,098 lakhs

Key Financial Highlights:

Particulars (Rs. Lacs)	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	FY23
Revenue from operations	19,718.7	20,442.4	-3.5%	29,834.2	93,152.2
EBIDTA	2,386.4	3,150.6	-24.3%	4,730.4	14,507.3
EBIDTA %	12.1%	15.4%		15.9%	15.6%
Profit before tax and exceptional items	1,312.4	2,181.8	-39.8%	3,256.0	9,932.8
Profit for the year (PAT)	929.1	1,537.8	-39.6%	2,278.8	6,980.7
PAT %	4.7%	7.5%		7.6%	7.5%

Segment Wise Performance:

Segment	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	FY23
▪ Revenue (Rs. lacs)					
Filtration, Drying and Other Equipment	6,553.5	7,120.4	-8.0%	11,332.4	34,420.9
Glass Lined Equipment	13,086.8	13,150.3	-0.5%	18,185.0	57,855.7
▪ EBIT (Rs. lacs)					
Filtration, Drying and Other Equipment	994.6	761.6	30.6%	1,638.4	4,442.9
Glass Lined Equipment	1,006.6	1,927.0	-47.8%	2,418.0	8,063.98

Notes: All the financial numbers are for HLE Glascoat Limited (Consolidated)

Key Operational and Financial Highlights

■ Operational Highlights

- Strong Orderbook as at June end of INR 55,199 lakhs, driven by new order booking of over INR 29,098 lakhs during the quarter
- Orderbook provides visibility of 5-6 months for the India business and 10-11 months for the Thaletec business
- Successfully ventured into the US markets with orders of ~ US\$ 7 Mil during the quarter, which has subsequently grown to over US\$ 9.5 Mil as on end of July, 2023
- Successfully launched Stainless Steel reactors with a current orderbook of over 100 reactors amounting to INR 2,000 lakhs
- Successfully launched new products - Pharma-skid and Chem-skid systems

■ Launch of Thaletec Products in India

- Ready for launch of Thaletec's innovative range of products to improve and enhance the product offering in India
- Will be launched by the firm 'Thaletec India' (name changed from HL Equipments), where the company owns 99% ownership interest.

■ Financial Performance

- The consolidated **Revenue** for the Q1FY24 stood at Rs. 19,718.7 lacs thus, registering a de-growth of 3.5% on Y-o-Y basis.
- **EBITDA** stood at Rs. 2,386.4 lacs with an EBITDA margin of 12.1% in Q1FY24
- **PAT** stood at Rs. 929.1 lacs with a PAT margin of 4.7% in Q1FY24

Commenting on the Results, Mr. Himanshu Patel, Managing Director said,

“Given the current scenario in the chemical and pharmaceutical industry, the dispatches during the quarter have seen some decline. Traditionally, the first quarter of the financial year tends to be impacted by similar trends every year. However, the order-booking is showing an extremely encouraging trend leading to high confidence of improved performance during the coming quarters.

On a positive note, there are multiple developments in the company worth highlighting. We are ready to launch Thaletec products in India and the initial response is quite encouraging. We have also successfully forayed into the North American market with an order book of over US\$ 9.5 million as of July end. We have also expanded our product portfolio with the successful launch of Stainless-Steel reactors in the Indian market.

In a significant move, we are excited to announce the acquisition of 'Kinam Engineering Industries', a renowned manufacturer specializing in various types of multiple types of Heat Exchangers. This strategic acquisition aligns perfectly with our expansion strategy, aiming to diversify our product portfolio with new technologies. It further solidifies our position as an industry leader, dedicated to producing innovative and specialized process equipment, bespoke solutions, and cutting-edge systems.

We thank all the stakeholders in supporting us in this growth journey as we continue to deliver the goal to become a preferred partner to the Chemical and Pharmaceutical Industry.”

About HLE Glascoat Limited

HLE Glascoat is engaged in the specialized business of manufacturing chemical process equipment. The Company's key product segment has been Filtration and Drying Equipment. The flagship products in this segment are Agitated Nutsche Filters and Dryers. Today, the HLE brand is synonymous with filtration and drying in the Indian Chemical and API industries. The Company also manufactures specialised glass lined equipment like reactors, columns, heat exchangers, filters and dryers.



HLE Glascoat has set high standards of innovation and engineering even in this product segment and has continued to develop its glass lining technology indigenously. HLE Glascoat is highly reputed for its quality, customer focus and reliability.

HLE has the advantage of having the capability of supplying a bundle of products for all chemical process industries. HLE Glascoat operates three manufacturing facilities in Western India and one in Germany with best-in-class equipment. The Company's well planned manufacturing plants include a modern machine shop with CNC machine tools and SCADA controlled electric and gas fired furnaces for glass lining of equipment as well as components. Highly automated manufacturing process with SPMs ensure accuracy and repeatability. HLE Glascoat has the distinction of having successfully implemented Robotic Welding to match the stringent quality standards of glass lining.

HLE has acquired the global business of Thaletec GmbH, Germany. Thaletec is engaged in the business of manufacturing specialized glass lined process equipment/ reactors and has its manufacturing facility in Germany. Thaletec offers sophisticated customized and innovative technical solutions with glass lining or service in the chemical, pharmaceutical or environmental process industry and is one of the most reputed companies in the process equipment manufacturing segment in Europe. The acquisition will enhance efficiencies and combine similar business interests for both the entities, resulting in operational synergies, optimization of the business and overall value accretion to all the stakeholders.

HLE Glascoat's customers are spread across the agrochemicals, specialty chemicals, dyes and pigments, API and pharmaceutical industries.

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