

HLE Glascoat records improved Revenues and Market Expansion

Maroli, Gujarat, 7th November, 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 September, 2023

Q2FY24 Key Financial Snapshot

Revenue from Operations

Rs. 22,442.1 lakhs

 4.6% (Y-o-Y)

EBITDA

Rs. 2,985.3 lakhs

Margin 13.3%

Profit After Tax

Rs. 1,082.1 lakhs

Margin 4.8%

Key Financial Highlights:

Particulars (Rs. Lacs)	Q2 FY24	Q2 FY23	Y-o-Y	H1 FY24	H1 FY23
Revenue from operations	22,442.1	21,452.8	4.6%	42,160.7	41,895.2
EBIDTA	2,985.3	3,798.3	-21.4%	5,371.7	6,948.8
EBIDTA %	13.3%	17.7%	-440 bps	12.7%	16.6%
Profit before tax and exceptional items	1,801.7	2,760.4	-34.7%	3,114.1	4,942.1
Profit for the year (PAT)	1,082.1	1,936.6	-44.1%	2,011.2	3,474.4
PAT %	4.8%	9.0%	-421 bps	4.8%	8.3%

Segment Wise Performance:

Segment	Q2 FY24	Q2 FY23	Y-o-Y	H1 FY24	H1 FY23
▪ Revenue (Rs. lacs)					
Filtration, Drying and Other Equipment	10,077.8	8,246.3	22.2%	16,631.3	15,366.7
Glass Lined Equipment	12,196.6	13,073.1	-6.7%	25,283.5	26,223.4
▪ EBIT (Rs. lacs)					
Filtration, Drying and Other Equipment	1,402.8	1,072.2	30.8%	2,397.4	1,833.8
Glass Lined Equipment	865.5	2,140.3	-59.6%	1,872.2	3,893.5

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

The Company completed the acquisition of 35.56% of the partnership share in Kinam Engineering Industries on 26th September, 2023 and the financial information includes the performance of Kinam Engineering Industries for the period commencing from that date.

Key Operational and Financial Highlights

▪ Operating Highlights

- Strong Orderbook as at September end of INR 56,966 lakhs.
- Orderbook provides visibility of ~5 months for the India business and 9-10 months for the Thaletec business.
- Completed the acquisition of 35.56% of the partnership share in Kinam Engineering Industries on 26th September, 2023. This will be followed by succession of the entire business of Kinam Engineering Industries into Kinam Engineering Industries Private Limited.
- Thaletec India has started receiving orders for the innovative range of products of Thaletec in India. The initial response is encouraging.

▪ Financial Performance

- The consolidated **Revenue** for the Q2FY24 stood at Rs. 22,442.1 lacs achieving a growth of 4.6% on Y-o-Y basis.
- **EBITDA** stood at Rs. 2,985.3 lacs with an EBITDA margin of 13.3% in Q2FY24
- **PAT** stood at Rs. 1,082.1 lacs with a PAT margin of 4.8% in Q2FY24

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

“Whilst the geo-political situation has further worsened with outbreak of war between Israel and Palestine, the Indian economy continues to remain strong. Although there could be some slowdown in the core industries because of the general elections in FY24, the Government spending on infrastructure will continue to remain strong or could even increase in the coming months. The Company’s performance has been satisfactory in these difficult and uncertain times.

There are multiple positive developments in the Company worth highlighting (a) Thaletec products in India are being received well by the customers (b) The robust order book will lead to increased execution in the coming quarters and will result in improved margins.

In a significant move, we are excited to announce the completion of acquisition of 35.56% ownership share in 'Kinam Engineering Industries,' a renowned manufacturer specializing in various 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.”

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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.

HLE has acquired 35.56% ownership share in Kinam Engineering Industries, one of the reputed designers, innovators and manufacturers of Shell and Tube Heat Exchangers, Corrugated Tube Heat Exchangers, Spiral Heat Exchangers, Plate Type Heat Exchangers, Pressure Vessels and Process Equipment. Its clients include leading players in the chemical, petrochemical, fertilizers, refineries, power plants, pharmaceutical, biotech, cosmetics and textile industries. Operating from a well-equipped manufacturing unit (at Ambernath, near Mumbai), Kinam also exports its products to several countries.

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

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