

HLE Glascoat to acquire the global business of Thaletec GmbH

- **Revenue of the acquired entity was Euro 26 million in 2020**
- **Thaletec, a market leader in manufacturing of specialized glass lined reactors and process equipment, to retain its brand identity and remain a separate entity post acquisition**
- **This acquisition is expected to be earnings accretive to the shareholders of HLE Glascoat**

Anand, Gujarat, 17th September, 2021

HLE Glascoat, the leading manufacturer of process equipment, today announced the signing of definitive agreements to acquire the global business of Thaletec GmbH, Germany as well as its subsidiary Thaletec USA, as a part of its strategy to strengthen its position further in the global markets with innovative technology. As a part of the deal, both companies have mutually agreed that Thaletec will continue to have its distinct brand identity and remain a separate business entity post the acquisition.

The current promoters have agreed to divest their entire stake in Thaletec in an all cash transaction to HLE Glascoat. The acquisition will see the transfer of business, key technology and rich global experience garnered by Thaletec over the last two decades.

Pursuant to the acquisition, Thaletec will become a wholly owned subsidiary of HLE Glascoat with the entire business of Thaletec being consolidated into the Company.

Since both HLE Glascoat and Thaletec are engaged in similar and synergistic lines of business and operations, incremental improvements in the operations of the two companies are expected. The acquisition will enhance efficiencies and combine the similar business interests for both the entities, resulting in operational synergies, streamlining and optimization of the businesses.

The acquisition is in line with the Company strategy to expand its footprint globally and reinforces its position as a market leader in manufacturing innovative and specialized process equipment, customized solutions and systems.

Speaking about the acquisition, Mr. Himanshu Patel, Chairman and MD, HLE Glascoat said, "We are thrilled to announce this very significant development which meets all the criteria set out by our Group in terms of profitability and growth potential. While this transaction



creates excellent value for our shareholders and allows us to accelerate our expansion plans, Thaletec also shares our existing vision, values, and strategic thinking. It is a historic moment for us looking at the immense possibilities that lie ahead for both brands to serve our customers with innovative and world class products as per their fast-evolving tastes and requirements."

Dr. Reinemuth, MD of Thaletec, stated "Thaletec has established itself in the European, Asian and North American markets as a reputed and experienced customized glass lined equipment manufacturer and has built a solid foundation for the next phase of its growth. The unification of Thaletec and HLE Glascoat is very exciting news for our customers and employees. We, at Thaletec, strongly believe that the two organizations will benefit from complementary business philosophies, culture, resources and technology. We look forward to supporting HLE in their endeavor to take Thaletec to the next level and wish them success."

"Our organization's strength and success come from its dedicated employees, strong customer relations and its mission to ensure high quality service to its customers." said Mr. Bergmann, MD of Thaletec. "We believe that this transaction presents an excellent succession plan, allowing leadership to transition from myself to HLE Glascoat, known for their deep industry knowledge and a passion for engineering excellence."

Subject to the satisfaction of certain closing conditions and regulatory approvals, the acquisition is expected to close by the end of 2021. Under the agreed terms, the consideration of €12 million is fixed for the equity acquisition.

Innergize Solutions acted as the Strategic Advisor to HLE Glascoat on the transaction. Squire Patton Boggs and Khaitan & Co acted as the Legal Advisors to HLE Glascoat on the transaction.

About HLE Glascoat

HLE Glascoat Limited is a leading manufacturer of process equipment for the chemical and pharmaceutical industries. Over the last three decades, it has established itself as a market leader in Filtration and Drying Equipment and is a leading manufacturer of Glass Lined Equipment globally. It manufactures a wide range of chemical processing equipment in an equally wide range of materials for some of the most demanding applications. It has the capabilities to provide process solutions and equipment in complex chemical manufacturing applications across diverse industries and is presently the world's largest manufacturer of Agitated Nutsche Filter Dryers (ANFDs). HLE Glascoat enjoys a track record of growth and profitability. For further information, please visit www.hleglascoat.com.

About Thaletec GmbH

Thaletec is engaged in the business of manufacturing specialized glass lined process equipment/ reactors and has its manufacturing facility in Germany. It offers sophisticated customized and innovative technical solutions with glass lining equipment and services in chemical, pharmaceutical and environmental process industry and is one of the most reputed companies in the process equipment manufacturing segment in Europe. It has its headquarters in Thale, Sachsen-Anhalt, Germany with 2 additional service centres in Germany and a Business Development and Service Centre in North Carolina, USA. For further information, please visit www.thaletec.com.

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Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Contact Details

<u>Company</u>	<u>Investor Relations: Orient Capital</u>
Name: Mr. K.V. Unnikrishnan, CFO	Name: Mr. Deven Dhruva
Email: investor.relations@glascoat.com	Email: deven.dhruva@linkintime.co.in
CIN: L26100GJ1991PLC016173	Tel: +91 9833373300
www.glascoat.com	orientcap.com