

HLE Glascoat reports strong Q2 & H1 Financial Performance

Anand, Gujarat, 13th November, 2021; HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, leaders in filtration and drying and the second largest player in the Indian glass lined equipment market announced its Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2021

Revenue from Operations*

Rs. 248 crores



EBITDA*

Rs. 48 crores



Profit After Tax*

Rs. 27 crores



*For H1FY22

Key Financial Highlights:

Particulars (Rs. Crs.)	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y
Revenues	124.0	121.5	2%	248.3	205.3	21%
EBITDA	23.4	21.8	7%	48.2	36.9	31%
EBITDA Margins (%)	18.8%	17.9%		19.4%	18.0%	
Profit After Tax	13.0	11.7	12%	27.2	18.3	49%
PAT Margins (%)	10.5%	9.6%		11.0%	8.9%	

Segment Wise Performance

Segment Revenues (Rs. Crs.)	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y
Filtration, Drying and Other Equipment	72.8	59.4	23%	138.2	106.1	30%
Glass Lined Equipment	50.2	50.1	0%	107.4	78.7	36%

Segment Result - EBIT (Rs. Crs.)	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y
Filtration, Drying and Other Equipment	11.4	9.9	15%	21.4	17.8	20%
Glass Lined Equipment	10.1	9.5	7%	23.3	13.0	78%

Other Key Highlights

- Order Book of approximately 6 months for both filter dryers and glass lined equipment
- Order book for both the segments continued to remain encouraging reflecting the continued demand from the user industries and the product quality and acceptance
- The Company has achieved substantially higher production levels during Q2FY22, which augurs very well for the coming quarters
- Return on Capital Employed (RoCE) and Return on Equity (RoE) remain at over 30%
- Net Debt to EBITDA stands at 0.1x in September 2021, reduced further from 0.6x in March 2021

Update on on-going Capex

- The project for addition of the manufacturing sheds adjacent to the existing facility at Maroli adding over 25% more floor area for manufacturing of Filtration, Drying and Other Equipment is ongoing. The implementation is likely to be completed in around next 3-4 months. The aggregate project cost is estimated at ~Rs. 15 crores.
- The Greenfield Plant at Silvassa to augment Filtration, Drying and Other Equipment manufacturing capacity is also ongoing. It is expected to be completed during FY2022. The aggregate project cost is estimated at ~Rs. 50 crores.

Update on Acquisition of the global business of Thaletec GmbH

- The process of acquisition of 100% ownership of Thaletec GmbH is progressing and it is expected to be completed within 2021.
- The Company would use certain manufacturing technologies of Thaletec to bring about commonality of the product specifications globally.
- The Company intends to use the marketing and post sales network of Thaletec to promote and market various additional equipment manufactured by the Company to increase the product offering of Thaletec to its customers in the same user industries in the coming years.
- The acquisition will enhance efficiencies and combine similar business interests for both the entities, resulting in operational synergies, streamlining and optimization of the business.
- It would also lead to administrative efficiency and optimal utilization of various resources being in the similar line of business and provide opportunities related to economies of scale and integration of processes.

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

"Your Company has reported good performance for the first half of fiscal year 2022 with Revenue growing by 21% and EBITDA and PAT growing by 29% and 49% respectively. The increased demand from end user industries and strong order book provides ample scope for growth in the coming years. The high production levels, reflected in higher processed inventory, provides the lever for growth potential in the coming quarters.

As the economy is recovering and approaching normalcy, we foresee increase in our order book for the filtration, drying and glass lined equipment segments, which continues to be strong at ~6-7 months. The end user industries are performing well, and most of them continue their investments in future growth, which augers well for our Company's future. We are also taking steps to introduce better technologies to smaller players in the end user industries as this market is rapidly growing. Our focus on customer retention, satisfaction and post sales service support continues.

In September 2021, we announced the signing of definitive documents to acquire 100% of the global business of Thaletec GmbH, Germany as well as its subsidiary Thaletec Inc., USA, as a part of our strategy to strengthen our position further in the global markets with innovative technology. The process of acquisition of Thaletec GmbH is progressing well and we expect the acquisition to be completed by end of this quarter. 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.

Our endeavor is to continually add newer and innovative products to our portfolio, enhance our addressable market and be a preferred vendor for our customers. The Company is continuously exploring new growth opportunities to use the engineering capabilities and to introduce value added products.

Our efforts towards achieving operational efficiencies on a sustainable basis are ongoing. The Company continues to have a long-term focus on meeting our customers' evolving expectations."

About HLE Glascoat Limited

(Formerly known as Swiss Glascoat Equipments Ltd.)

HLE Glascoat is engaged in the specialized business of manufacturing chemical process equipment. The Company's largest product segment is Filtration and Drying Equipment. HLE is the preferred supplier and technology leader having over 60% share in the Indian Filtration and Drying market. The flagship products in this segment are Agitated Nutsche Filters and Dryers. HLE Glascoat's plant manufactures more specialized filters and dryers every year than any other vendor in the world. Today, the HLE brand is synonymous with filtration and drying in the Indian Chemical and API industries and is considered to be the 'Industry Reference for Excellence in Engineering'.

Currently, HLE Glascoat is also the second largest player in the Indian glass lined equipment market. HLE Glascoat is highly reputed for its quality, customer focus and reliability. The Company 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 has the unique 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 with best-in-class equipment. The Company's state-of-the-art plants include a modern machine shop with CNC machine tools, state of the art 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 being the first manufacturer to have successfully implemented Robotic Welding to match the stringent quality standards of glass lining.

HLE Glascoat's customers are spread across the agrochemicals, specialty chemicals, dyes and pigments, API and pharmaceutical industries. Esteemed clientele includes almost all the large reputed domestic and MNC industry players in India and many others worldwide.

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