

Investor Release

HLE Glascoat Reports Another Quarter of Strong Performance

Maroli, Gujarat, 10th August, 2022; 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 quarter ended 30th June, 2022

Revenue from Operations*

Rs. 20,442 lakhs

 **+65%**

EBITDA**

Rs. 3,150 lakhs

 **+27%**

Profit After Tax*

Rs. 1,538 lakhs

 **+8%**

*For Q1FY23

Key Financial Highlights:

Particulars (Rs. lakhs)	Q1 FY23	Q1 FY22	Q-o-Q	FY22
Revenues	20,442.35	12,423.52	65%	65,221.82
EBITDA#	3,150.55	2,487.54	27%	11,776.38
EBITDA Margins (%)	15.15%	19.85%		17.84%
Profit Before Tax	2,181.76	2,046.99	7%	9,342.70
Exceptional Items	0.00	0.00		911.42
Profit After Tax**	1,537.81	1,419.35	8%	5,823.34
PAT Margins (%)	7.39%	11.32%		8.82%

**Company had incurred exceptional items of Rs. 911.42 lakhs in FY22 relating to acquisition of Thaletec

Segment Wise Performance

Segment Revenues (Rs. lakhs)	Q1 FY23	Q1 FY22	Q-o-Q	FY22
Filtration, Drying and Other Equipment	7,120.38	6,543.81	9%	31,410.57
Glass Lined Equipment	13,150.27	5,713.79	130%	33,002.59

Segment Result - EBIT (Rs. lakhs)	Q1 FY23	Q1 FY22	Q-o-Q	FY22
Filtration, Drying and Other Equipment	761.60	1,001.52	-24%	4,609.29
Glass Lined Equipment	1,869.41	1,314.23	42%	7,055.58

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

The Company completed the acquisition of 100% shareholding in Thaletec GmbH, Germany on 17th December, 2021 and the financial information includes the performance of Thaletec GmbH and its wholly owned subsidiary Thaletec Inc.,USA for the period commencing from that date.

EBITDA = PBT + Interest and Finance Charges + Depreciation and Amortisation.

Key Developments:

- Commenced commercial manufacture at our Greenfield Plant at Silvassa to augment the Filtration and Drying Equipment capacity of the Company in Q1 of FY23. The manufacturing facility is equipped with a machine shop, EOT cranes and other critical equipment.
- The Board of Directors had recommended a dividend of Rs. 5 per share for FY22 and have approved the sub-division of equity shares of the Company, subject to consent by the shareholders at the forthcoming AGM.
- The process of integration of the operations of Thaletec GmbH, acquired in December, 2021, is ongoing. We believe that the benefits of the combined synergies will accrue in the coming quarters.
- An Order Book of approximately 5 months for the Indian business and approximately 8-9 months for the European business.

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

“Despite the geo-political uncertainties, the Indian economy continues to consolidate its growth and investment activity is gaining traction with higher business confidence. The commodity price fluctuations and the energy cost increase had briefly threatened to decelerate growth but these threats are now receding. The benefits of the acquisition of Thaletec GmbH and its combination with the Indian company are beginning to reflect and we believe these will also increasingly contribute positively in the coming quarters. The recent increases in manufacturing capacities at Anand, Maroli and Silvassa Plants will also contribute to enhanced business growth.

In this background, your Company has reported good performance for the Q1 of FY23 with Consolidated Revenue growing by 65% and Consolidated EBITDA by 27%. The jump in the revenue was due to higher production, increase in demand from end user industries, consolidation of Thaletec and the order book.

With some stabilisation being visible in the global commodities markets, we are expecting an improvement in our order book for all the segments. The end user industries are continuing to perform well and the increase in the Company’s manufacturing capacities will further augment the activity levels in all business segments. We continue to focus on adding newer customers from the MSME sector, which has tremendous potential. We will also continue our thrust on building on the post sales and spares/ component business, which is increasing continually.

In order to further boost our internal capabilities, the Company has strengthened its management and executive team by making senior level hires in marketing, operations and support functions in recent months.

Continuing ahead, the Company will sharpen its focus on augmenting and increasing its market share in the Filtration, Drying and Glass Lined Equipment segments in India and abroad, whilst persevering to concentrate on product and application innovations and improved quality to fulfil unmet customer needs.”

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.

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 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.

Contact Details

Company: HLE Glascoat Limited	Investor Relations: Orient Capital
	
Mr. Naveen Kandpal, CFO	Mr. Ashish Chovatia/ Ms. Rasika Sawant
investor.relations@hleglascoat.com	ashish.chovatia@linkintime.co.in / rasika.sawant@linkintime.co.in
CIN: L26100GJ1991PLC016173	Tel : +91 9930044680/+91 9594457518
www.hleglascoat.com	www.orientcap.com

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