

## HLE Glascoat Reports Revenue Growth, Innovating through Thaletec and Kinam Collaboration

Anand, Gujarat, 17<sup>th</sup> February, 2024; 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 31<sup>st</sup> December, 2023

### Q3FY24 Key Financial Snapshot

#### Revenue from Operations

**Rs. 23,929.7 lakhs**

 11.7% (Y-o-Y)

#### EBITDA

**Rs. 2,870.6 lakhs**

Margin 12.0%

#### Profit After Tax

**Rs. 597.4 lakhs**

Margin 2.5%

### Key Financial Highlights:

Particulars (Rs. Lacs)	Q3 FY24	Q3 FY23	Y-o-Y	9M FY24	9M FY23
Revenue from operations	23,929.7	21,422.9	11.7%	66,108.8	63,318.0
EBIDTA	2,870.6	2,828.1	1.5%	8,242.3	9,776.9
EBIDTA %	12.0%	13.2%	-121 (bps)	12.5%	15.4%
Profit before tax and exceptional items	1,167.8	1,734.7	-32.7%	4,282.0	6,676.8
Profit for the year (PAT)	597.4	1,227.5	-51.3%	2,608.6	4,701.9
PAT %	2.5%	5.7%	-3.2%	3.9%	7.4%

### Segment Wise Performance:

Segment	Q3 FY24	Q3 FY23	Y-o-Y	9M FY24	9M FY23
<b>Revenue (Rs. lacs)</b>					
Filtration, Drying and Other Equipment	9,219.5	7,721.9	19.4%	25,850.8	23,088.5
Glass Lined Equipment	11,605.1	13,447.3	-13.7%	36,906.9	39,670.6
Heat Exchange Equipment	2,929.2	-	0.0%	2,929.2	-
<b>EBIT (Rs. lacs)</b>					
Filtration, Drying and Other Equipment	1,175.3	970.8	21.1%	3,572.6	2,804.5
Glass Lined Equipment	601.9	1,752.5	-65.7%	2,474.1	5,646.0
Heat Exchange Equipment	860.4	-	0.0%	860.4	-

**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 26<sup>th</sup> 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 December end of INR 55,044.81 lakhs.
- Orderbook provides visibility of 5 months for the India business and 12 months for the Thaletec business.
- The Board has approved the Scheme of Amalgamation of Kinam Enterprise Private Limited with HLE Glascoat Limited. Consequent to the Scheme the Company will acquire the control over the balance 34.44% shares (to make it 70% controlling stake) in 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 extremely encouraging.
- ICRA has reaffirmed the long-term rating at ICRA A, and also reaffirmed the short-term rating at ICRA A2+ . The Outlook on the long-term rating is Stable.

### ▪ Financial Performance

- The consolidated **Revenue** for the Q3FY24 stood at Rs. 23,929.7 lakhs achieving a growth of 11.7% on Y-o-Y basis.
- **EBITDA** stood at Rs. 2,870.6 lakhs with an EBITDA margin of 12.0% in Q3FY24
- **PAT** stood at Rs. 597.4 lacs with a PAT margin of 2.5% in Q3FY24

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

“Whilst the geo-political situation continues to loom on the global economy, the Indian economy continues to remain strong with recent announcements in the Interim Budget where the Government has set a higher target of nominal GDP Growth. Infrastructure outlay for the next year has been increased by 11.1% to Rs. 11.11 lakhs crores (3.4% of GDP). Also fiscal deficit for FY25 is estimated at 5.1% of GDP, lower compared to previous budget estimate of 5.9% and to further bring it down to 4.5% by FY26. This provide a very promising outlook for the core industries and a clear direction that the Government spending on infrastructure will continue to remain strong.

Whilst the last two quarters have been relatively lower than our expectations, especially for the GLE business in India, we are confident that in the coming quarters, the business will be back on the strong growth trajectory.

With respect to roll out of Thaletec products in India, the response from customers is very encouraging. Integration of the Kinam business is also playing out well, and we are confident that bouquet of product offering, viz. Filtration and Drying Equipment, Glass Lined Equipment and Heat Exchangers will further solidify 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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## **Safe Harbor Statement**

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