

HLE Reports Revenue Growth, Hopeful Future

Silvassa, 28th May, 2024; HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, filtration, drying, heat transfer and glass lined equipment, announced its audited financial results for the quarter and year ended 31st March, 2024

Q4FY24 Key Financial Snapshot

Revenue from Operations

Rs. 30,689.8 lakhs

 2.9% (Y-o-Y)

EBITDA

Rs. 3,845.4 lakhs

Margin 12.5%

Profit After Tax

Rs. 1,480.2 lakhs

Margin 4.8%

Key Financial Highlights:

Particulars (Rs. Lakhs)	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY23
Revenue from operations	30,689.8	29,834.2	2.9%	23,923.1	28.3%	96,792.0	93,202.3
EBIDTA [^]	3,845.4	4,730.4	-18.7%	2,870.6	34.0%	12,087.7	14,507.3
EBIDTA %	12.5%	15.9%	-340 bps	12.0%	50 bps	12.5%	15.6%
Profit before tax and exceptional items	2,116.7	3,256.0	-35.0%	1,167.8	81.3%	6,398.7	9,932.8
Profit for the year (PAT)	1,480.2	2,278.8	-35.0%	597.4	147.8%	4,088.9	6,980.7
PAT %	4.8%	7.6%	-280 bps	2.5%	230 bps	4.2%	7.5%

[^] includes other income

Segment Wise Performance:

Segment	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY23
■ Revenue (Rs. lakhs)							
Filtration, Drying and Other Equipment	11,515.9	11,332.4	1.6%	9,219.5	24.9%	37,366.7	34,418.8
Glass Lined Equipment	12,768.8	18,185.0	-29.8%	11,605.1	10.0%	49,675.7	57,907.9
Heat Transfer Equipment	5,946.9	-	-	2,922.7	103.5%	8,869.6	-
■ EBIT (Rs. lakhs)							
Filtration, Drying and Other Equipment	1,564.7	1,638.4	-4.5%	1,175.3	33.1%	5,135.2	4,442.9
Glass Lined Equipment	426.0	2,418.0	-82.4%	601.9	-29.2%	2,900.1	8,064.0
Heat Transfer Equipment	1,255.2	-	-	860.4	45.9%	2,160.3	-

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

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

Key Operational and Financial Highlights

▪ Operating Highlights

- Strong Orderbook as at March 2024 end of INR 47,936.07 lakhs.
- Orderbook provides visibility of 4 months for the India business and 9-10 months for the Thaletec business.
- The Board had 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 Q4FY24 stood at Rs. 30,689.8 lakhs, achieving a growth of 2.9% on Y-o-Y basis.
- **EBITDA** stood at Rs. 3,845.4 lakhs with an EBITDA margin of 12.5% in Q4FY24
- **PAT** stood at Rs. 1,480.2 lacs with a PAT margin of 4.8% in Q4FY24

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

“The global geopolitical landscape remains challenging, marked by ongoing conflicts and significant elections worldwide. These events are poised to influence the direction of the global economy. Major central banks have hinted at potential rate cuts throughout the year; however, the persistent lack of progress on global inflation remains a concern.

In the chemical sector, we continued to witness demand slackness due to dumping and lower capacity utilization caused by international events. The sector also faces headwinds from inventory rationalization. Despite these challenges, there has been some positive commentary from large chemical companies indicating an improvement in the fourth quarter, with further recovery expected to pick up pace in the second half of FY25.

Globally, the rise in energy prices due to war has further impacted demand, but the impending issue of inventory destocking seems to be nearing an end. The overall order book is showing gradual improvement. There is growing anticipation of a rise in exports from Indian chemical companies, albeit at a lower rate than initially expected for FY25 after a challenging FY24.

Regarding our operations, our Indian glass-lined equipment segment experienced slow performance due to demand weakness. Nonetheless, we remain committed to our growth strategy. Our earlier acquisition of Thaletec GmbH has allowed us to introduce the Thaletec products to the Indian market. Additionally, our strategic acquisition of Kinam Engineering Industries aligns well with our product diversification strategy and expand our product offerings. Despite the challenging market conditions, we are focused on growing in size and enhancing our capabilities. Thank you for your continued support and confidence in our Company.”

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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 wide range of products for all chemical process industries. HLE Glascoat operates four 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 in December, 2022. 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 in September, 2023. 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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