

## Investor Release

### HLE Glascoat Achieves Good Q2FY25 Performance with Debt Reduction and Healthy Order Book

**Maroli, 11<sup>th</sup> November, 2024;** HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, filtration, drying, heat transfer and glass lined equipment, announced its Unaudited financial results for the quarter and half year ended 30<sup>th</sup> September, 2024

#### Q2FY25 Key Financial Snapshot (Consolidated)

##### Revenue from Operations

**₹ 23,577.9 lakhs**

 5.1% (Y-o-Y)

##### EBITDA<sup>^</sup>

**₹ 3,548.8 lakhs**

 18.9% (Y-o-Y)

Margin 15.1%

##### Profit After Tax

**₹ 1,442.1 lakhs**

 33.3% (Y-o-Y)

Margin 6.1%

<sup>^</sup> includes other income

#### Key Financial Highlights:

Particulars (₹ Lakhs)	Q2 FY25	Q2 FY24	Y-o-Y	Q1 FY25	Q-o-Q	H1 FY25	H1 FY24	Y-o-Y
Revenue from operations	23,577.9	22,442.1	5.1%	22,707.2	3.8%	46,285.1	42,160.7	9.8%
EBITDA (includes other income)	3,548.8	2,985.3	18.9%	2,363.0	50.2%	5,911.7	5,371.7	10.1%
EBITDA %	15.1%	13.3%	170 bps	10.4%	470 bps	12.8%	12.7%	10 bps
Profit before tax and exceptional items	1,953.2	1,801.7	8.4%	692.7	182.0%	2,646.0	3,114.1	-15.0%
Profit after tax (PAT)	1,442.1	1,082.1	33.3%	542.0	166.1%	1,984.2	2,011.2	-1.3%
PAT %	6.1%	4.8%	130 bps	2.4%	370 bps	4.3%	4.8%	-50 bps

#### Segment Wise Performance:

Segment	Q2 FY25	Q2 FY24	Y-o-Y	Q1 FY25	Q-o-Q	H1 FY25	H1 FY24	Y-o-Y
<b>Revenue (₹ lakhs)</b>								
Filtration, Drying and Other Equipment	6,495.5	10,077.8	-35.5%	6,881.8	-5.6%	13,377.3	16,631.3	-19.6%
Glass Lined Equipment	14,439.9	12,196.6	18.4%	13,317.4	8.4%	27,757.3	25,283.5	9.8%
Heat Transfer Equipment	2,473.6	-	-	2,109.4	17.3%	4,583.0	-	-
<b>EBIT (₹ lakhs)</b>								
Filtration, Drying and Other Equipment	699.4	1,402.8	-50.1%	927.3	-24.6%	1,626.7	2,397.4	-32.1%
Glass Lined Equipment	1,936.9	865.5	123.8%	598.3	223.7%	2,535.2	1,872.2	35.4%
Heat Transfer Equipment	255.4	-	-	200.5	27.4%	455.9	-	-

**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 26<sup>th</sup> 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. 1

## Key Operational and Financial Highlights

### ▪ Operating Highlights

- The Orderbook as at September 2024 end of ₹ 60,247.1 lakhs provides reasonable visibility. The Company continues to receive enquiries for orders for all its segments. The outlook is promising.
- The Company will acquire a 26% equity stake in Clean Max Anchorage P Ltd (CMAPL), enabling access to a captive open access model in Gujarat, which will boost renewable energy usage and reduce energy costs for the Company.
- The Operating Cashflow improved on the back of improved receivables and better working capital management.
- The Scheme of Amalgamation of Kinam Enterprise Private Limited with HLE Glascoat Limited has received the approval from the Stock Exchanges.

### ▪ Financial Performance

- The consolidated **Revenue** for the Q2FY25 stood at ₹ 23,577.9 lakhs, achieving a growth of 5.1% on Y-o-Y basis.
- **EBITDA** for Q2FY25 stood at ₹3,548.8 lakhs, reflecting a year-on-year growth of approximately 19.0%, with an EBITDA margin of 15.1%.
- **PAT** for the quarter reached ₹1,442.1 lakhs, marking a robust growth of around 33.1% on a year-on-year basis, with a PAT margin of 6.1%.
- The Company has reduced its long-term and short-term debt obligations by ~₹s 35 Crores.

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

“Despite global challenges over the past six quarters, that delayed capex decisions by chemical companies and other user industries, we are pleased to report a stable performance for the quarter and half-year. This performance was supported by a robust order book, which grew by approximately 27% sequentially. Our global business order book now stands at ~₹602 crores, which provides a healthy visibility for the coming quarters.

In the chemical sector, demand remained subdued due to deferred capex plans. However, we observed good momentum in the pharmaceutical industry. The overall prospects are looking more encouraging now.

Our Filtration, Drying and Other Equipment segment witnessed strong traction, while our global Glass Lined Equipment business is set to outperform last year. Additionally, we have leveraged our past acquisitions in the Heat Transfer Business to explore new sectors like Oil and Gas, opening up fresh opportunities for growth.

We are also pleased to announce the strategic joint venture - Clean Max Anchorage Private Limited – which will enable us to optimize energy costs, while furthering our sustainability goals through captive use.”

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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, 2021. 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 Ambarnath, 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

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 not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.