

HLE Glascoat: 15% Revenue Growth, Strong Enquiries, Thaletec Encouraging

Maroli, 05th August, 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 ended 30th June, 2024

Q1FY25 Key Financial Snapshot

Revenue from Operations

Rs. 22,707.2 lakhs

 15.2% (Y-o-Y)

EBITDA[^]

Rs. 2,363.0 lakhs

Margin 10.4%

Profit After Tax

Rs. 542.0 lakhs

Margin 2.4%

[^] includes other income

Key Financial Highlights:

Particulars (Rs. Lakhs)	Q1 FY25	Q1 FY24	Y-o-Y	Q4 FY24	Q-o-Q	FY24
Revenue from operations	22,707.2	19,718.7	15.2%	30,689.8	-26.0%	96,792.0
EBIDTA (includes other income)	2,363.0	2,386.4	-1.0%	3,845.4	-38.6%	12,087.7
EBIDTA %	10.4%	12.1%	-170 bps	12.5%	-212 bps	12.5%
Profit before tax and exceptional items	692.7	1,312.4	-47.2%	2,116.7	-67.3%	6,398.7
Profit for the year (PAT)	542.0	929.1	-41.7%	1,480.2	-63.4%	4,088.9
PAT %	2.4%	4.7%	-232 bps	4.8%	-244 bps	4.2%

Segment Wise Performance:

Segment	Q1 FY25	Q1 FY24	Y-o-Y	Q4 FY24	Q-o-Q	FY24
Revenue (Rs. lakhs)						
Filtration, Drying and Other Equipment	6,881.8	6,553.5	5.0%	11,515.9	-40.2%	37,366.7
Glass Lined Equipment	13,317.4	13,086.8	1.8%	12,768.8	4.3%	49,675.7
Heat Transfer Equipment	2,109.4	-	-	5,946.9	-64.5%	8,869.6
EBIT (Rs. lakhs)						
Filtration, Drying and Other Equipment	927.3	994.6	-6.8%	1,564.7	-40.7%	5,135.2
Glass Lined Equipment	598.3	1,006.6	-40.6%	426.0	40.4%	2,900.1
Heat Transfer Equipment	200.5	-	-	1,255.2	-84.0%	2,160.3

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

The Company completed the acquisition of 35.56% ownership interest 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. ¹

Key Operational and Financial Highlights

▪ Operating Highlights

- Orderbook as at June 2024 end of INR 47,585.8 lakhs provides reasonable visibility. The Company continues to receive enquiries for orders for all segments
- The Scheme of Amalgamation of Kinam Enterprise Private Limited with HLE Glascoat Limited is awaiting approval of the Stock Exchanges pursuant to Regulation 37 of the SEBI (LODR) Regulations
- Thaletec, India's business for the innovative range of Glass Lined products and solutions has been received well by the customers and the response is extremely encouraging.

▪ Financial Performance

- The consolidated **Revenue** for the Q1FY25 stood at Rs. 22,707.2 lakhs, achieving a growth of 15.2% on Y-o-Y basis.
- **EBITDA** stood at Rs. 2,363.0 lakhs with an EBITDA margin of 10.4% in Q1FY25
- **PAT** stood at Rs. 542.0 lacs with a PAT margin of 2.4% in Q1FY25

Commenting on the Results, Mr. Aalap Patel, Executive Director said,

“The global geopolitical landscape continues to present challenges, marked by escalating conflicts and significant elections worldwide. These events are poised to influence the global economy, impacting shipping rates and affecting exporters. Major central banks remain divided on the future of interest rates, but the persistent challenge of global inflation remains a key focus.

In the chemical sector, we faced sluggish demand due to deferment of capex plans by the user industries in the uncertain environment. The specialty chemicals sector also encountered headwinds from inventory rationalization, and impacted growth in the agrochemical and pharmaceutical industries in form of new demand. projects was slower. However, there is continuous positive commentary from large chemical companies, indicating an expected improvement in the second half of FY25

Despite these industry-wide challenges, our operations showed resilience. Our Indian glass-lined equipment segment achieved marginal growth, and our Filtration, Drying, and Other Equipment segment grew by approximately 5%. Overall, we managed to grow our top line by around 15% in this challenging environment. In this challenging market scenario we continue to ensure that costs are rationalized to ensure that margins are not impacted.”

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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 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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