

HLE Glascoat reports strong top-line and profitability growth

Maroli, Gujarat, 29th May, 2023; HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, filtration, drying and glass lined equipment markets, announced its audited financial results for the quarter and year ended 31st March, 2023

Revenue from Operations*

Rs. 93,152.2 lakhs

 **+42.8%**

EBITDA*

Rs. 14,507.3 lakhs

 **+23.3%**

Profit After Tax*

Rs. 6,980.7 lakhs

 **+19.9%**

*For FY23

Key Financial Highlights:

Particulars (in Rs. Lacs)	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from operations	29,834.2	24,922.8	19.7%	21,422.9	39.3%	93,152.2	65,221.8	42.8%
EBIDTA	4,730.4	3,960.6	19.4%	2,828.1	67.3%	14,507.3	11,762.9	23.3%
EBIDTA %	15.9%	15.9%		13.2%		15.6%	18.0%	
Profit before tax and exceptional items	3,256.0	3,052.2	6.7%	1,734.7	87.7%	9,932.8	9,342.7	6.3%
Profit for the year (PAT)	2,278.8	2,332.9	-2.3%	1,227.5	85.7%	6,980.7	5,823.3	19.9%
PAT %	7.6%	9.4%		5.7%		7.5%	8.9%	

Segment Wise Performance

Segment Revenues (Rs. lakhs)	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Filtration, Drying and Other Equipment	11,332.4	10,369.4	9.3%	7,721.9	46.8%	34,420.9	31,410.6	9.6%
Glass Lined Equipment	18,185.0	14,309.9	27.1%	13,447.3	35.2%	57,855.7	33,002.6	75.3%

Segment Result - EBIT (Rs. lakhs)	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Filtration, Drying and Other Equipment	1,638.4	1,484.2	10.4%	970.8	68.8%	4,442.9	4,595.8	-3.3%
Glass Lined Equipment	2,338.5	2,177.8	7.4%	1,678.0	39.4%	7,792.9	6,021.2	29.4%

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.

Key Highlights

- Strong Financial Performance
 - FY23 Revenue from Operations growth of 42.8% Y-o-Y, EBITDA growth of 23.3% Y-o-Y
 - Q4FY23 Revenue from Operations growth of 19.7% Y-o-Y, EBITDA growth of 19.4% Y-o-Y
 - Q4FY23 Revenue from Operations growth of 39.3% Q-o-Q, EBITDA growth of 67.3% Q-o-Q
- An order book of approximately 4-5 months for the Indian business and approximately 9 months for the European business. Several new customers added in India and in Europe.
- Plans for phased implementation of a new manufacturing facility for Glass Lined Equipment at the land parcel acquired at Anand, Gujarat are being prepared.
- The process of integration of the operations of Thaletec GmbH, Germany is ongoing. We believe advantages of the combined operations will continue to accrue in the coming quarters.
- The Board recommended a final dividend of Rs. 1.10 per equity share, face value of Rs. 2 (PY Rs. 5 per equity share, face value of Rs. 10), subject to shareholders approval.

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

“There have been overlapping crises in the world, the latest being the liquidity crunch in the global banking system combined with the recessionary predictions in advanced economies. The Indian economy however continues to be resilient but faces the challenges of increase in interest rates and higher inflation. Despite these challenges, the Company has performed very well, as reflected in our revenues from operations, which grew at approximately 42.8% and EBITDA, which grew at 23.3%. We continue to observe an encouraging trend in demand, as evidenced by our robust order book.

The raw material prices during the first half of FY23 witnessed unprecedented volatility, thereby adversely impacting the business margins. Fortunately, we are now observing stability in the prices of key raw material and we continue to monitor the situation very closely. The EBITDA margins were maintained at 15.6% (PY 18.0%) on account of close monitoring of costs and focus on operating efficiencies.

The Company continues to work very closely with Thaletec Germany to take advantage of our synergies.

We continuously strive to meet the evolving needs of our clients through constant efforts in innovation and research and development. By investing in cutting-edge technologies and proactive product development, we ensure that we deliver solutions that exceed customer expectations and maintain our position as a trusted industry leader.”

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. 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.

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