

HLE Glascoat reports strong Financial Performance

Q3 FY21 Financial Performance

- Total Revenue at Rs. 133 crores, growth of 23%
 - EBITDA at Rs. 30 crores, growth of 44%
 - PAT at Rs. 17 crores, growth of 58%

Anand, Gujarat, 12th February, 2021

HLE Glascoat Limited, engaged in the specialized business of manufacturing chemical process equipment, with leaders in filtration and dryers and second largest player in the Indian glass lined equipment market announced its Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2020

Key Financial Highlights are as follows:

Particulars (Rs. Crs.)	Q3 FY21	Q3 FY20	Y-o-Y	9M FY21	9M FY20	Y-o-Y
Total Revenue	132.50	107.68	23%	338.67	316.62	7%
EBITDA	29.70	20.67	44%	66.78	55.43	20%
EBITDA Margins (%)	22.55%	19.34%		19.82%	17.58%	
Profit After Tax	17.16	10.87	58%	35.44	28.18	26%
PAT Margins (%)	13.02%	10.17%		10.52%	8.93%	

Engineering Business Performance:

Segment Revenues (Rs. Crs.)	Q3 FY21	Q3 FY20	Y-o-Y	9M FY21	9M FY20	Y-o-Y
Filtration, Drying and Other Equipment	65.03	42.64	53%	171.16	137.72	24%
Glass Lined Equipment	54.61	42.98	27%	133.28	123.45	8%

Segment Result - EBIT (Rs. Crs.)	Q3 FY21	Q3 FY20	Y-o-Y	9M FY21	9M FY20	Y-o-Y
Filtration, Drying and Other Equipment	12.30	7.90	56%	30.45	23.34	30%
Glass Lined Equipment	13.68	5.89	132%	26.96	14.67	84%

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

Key Highlights for the Quarter

- During the last quarter, the Company has reduced its debt. Our Debt to EBITDA stands at less than 1x as on 31st December, 2020 (annualized)
- Order Book of 6 -7 months for both filter dryers and glass lined equipment
- Order book for both the segments continued to remain strong and the delivery schedule continues to remain stretched, reflecting the robust nature of the order flow and the sustained demand

Update on Capex

Company plans to incur Capex of approx. Rs. 50 crores till FY2022 for the following projects:

- Commissioned assembly shed at Anand thereby enhancing the assembly capacity by around 50%. This will also add roughly 20% more floor space to the Anand workshop
- Installation of additional Gas Fired Furnaces is under way at the Anand facility. These will boost our Glass Lining capacity by nearly 25% and reduce the per unit Power and Fuel costs further. The new furnace is expected to be operational by Q1 FY2022
- Planned addition of new manufacturing shed adjacent to the existing facility at Maroli adding over 25% more floor area for manufacturing of Filtration and Drying Equipment. The implementation is likely to be completed in 9 to 12 months
- Greenfield plant at Silvassa to augment Filtration and Drying Equipment capacity. It is expected to be completed during FY2022

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

“During the last quarter, the Company has witnessed strong performance on the back of robust demand from the end user industry and increased efficiencies in the business.

We currently have 6 to 7 months order book for both filter dryers as well as glass lined equipment. All our end user industries - API Pharma, Specialty Chemicals, Agrochemicals, Dyes and Pigments are performing well, and their outlook remains promising. Currently, the order book is well distributed across all these user industries.

Over the next two years, we will be seeing significant capex being announced by our end user industry which will translate into growth opportunities for us. We are in the process of expanding our capacities in both, the of Filtration & Drying Equipment segment as well as the Glass Lined Equipment segment. This will help us further strengthen our market position in both segments going ahead. We are adding members to the team with significant experience in the sector for the next phase of growth.

We continue to pursue new products within our existing segments as well as explore the possibilities of using our engineering capabilities to introduce new products and innovations. Through continuous innovations, HLE Glascoat is optimizing every step of the manufacturing process with special purpose machines and highly trained manpower. However, what really sets us apart from other equipment manufacturers is our chemical engineering expertise.

The Company continues to maintain its positive outlook for the rest of the financial year with long term focus on continuous product development to meet our customers evolving expectations.”



About HLE Glascoat Limited

(Formerly known as Swiss Glascoat Equipments Ltd.)

HLE Glascoat is engaged in the specialized business of manufacturing chemical process equipment which are focused on filtration and dryers. The flagship product in this segment is Agitated Nutsche Filters and Dryers. HLE is the preferred supplier and technology leader having over 60% share in the Indian Filtration and Drying market. HLE plant manufactures over 400 filters every year, the highest in the world. Today, the HLE brand is synonymous with filtration and drying in the Indian Chemical and API industries and is considered to be the Industry Reference for Excellence in Engineering.

Currently, HLE Glascoat is also the second largest player in the Indian glass lined equipment market. HLE Glascoat is highly reputed for its quality, increased customer focus and reliability. The Company now has a unique advantage of having the capability of supplying a bundle of products for all chemical process industries. The Company also manufacture specialised glass lined equipment like columns and heat exchangers. HLE Glascoat has set high standards of innovation and engineering and has continued to develop its glass lining technology indigenously.

HLE Glascoat operates three manufacturing facilities in Western India complete with best-in-class equipment. The Company has state-of-the-art machine shop with modern CNC machine tools. For the GLE business, the Company has five state of the art SCADA controlled electric and gas fired furnaces for glass lining and four dedicated furnaces for glass lining of components. Highly automated manufacturing process with computer controls, SPMs ensure accuracy and repeatability.

HLE Glascoat has the distinction of being only manufacturer to have successfully implemented Robotic Welding to match the stringent quality standards of glass lining. We are a formidable player in the glass lined market with the capability and track record of exceeding some of the largest product orders, largest reactors and largest storage tanks in the country.

Customers are spread across the agro chemicals, specialty chemicals, dyes and pigments and pharmaceutical industries. Esteemed clientele includes almost all the large reputed domestic and MNC industry players in India.

Contact Details

Company	Investor Relations: Orient Capital
Name: Mr. K.V. Unnikrishnan, CFO	Mr. Deven Dhruva deven.dhruva@linkintime.co.in
Email: investor.relations@glascoat.com	+91 9833373300
CIN: L26100GJ1991PLC016173	Ms. Neha Shroff neha.shroff@linkintime.co.in
www.glascoat.com	+91 7738073466

Safe Harbor

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.

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