HLE Glascoat Limited
CIN: L26100GJ1991PLC016173
Website: www.hleglascoat.com

November 9, 2026

To, **The Manager (CRD)** **BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street, Fort,** **Mumbai - 400 001**	**To,** **The Manager - Listing Department** **National Stock Exchange of India Ltd** **Exchange Plaza, Plot no. C/1, G Block,** **Bandra-Kurla Complex, Bandra (East)** **Mumbai - 400 051**
Scrip Code: 522215	**Symbol : HLEGLAS**

Sub: Transcript of Earnings Call for Q2 & H1 FY 2026-27

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of the Earnings conference call held on November 3, 2026 regarding discussion on operational and financial performance for the Quarter 2 and Half Year ended on September 30, 2026 (Q2 & H1 FY 2026-27).

This same will also be available on the Company's website at www.hleglascoat.com.

This is for your information and records.

Thanking You,

Yours faithfully,
For HLE Glascoat Limited
THAKKAR ACHAL
Digitally signed by THAKKAR ACHAL
Date: 2026.11.09 17:15:10 +05'30'
ACHAL S. THAKKAR
Company Secretary &
Compliance Officer

Encl: as above.

"HLE Glascoat Limited

Q2 and H1 FY27 Earnings Conference Call"

November 03, 2026

MANAGEMENT: **MR. AALAP PATEL – EXECUTIVE DIRECTOR – HLE GLASCOAT LIMITED**
MR. HARSH PATEL – EXECUTIVE DIRECTOR – HLE GLASCOAT LIMITED
MR. AMIT KALRA – CHIEF FINANCIAL OFFICER – HLE GLASCOAT LIMITED
MR. NILESH GANJWALA – SENIOR ADVISOR – HLE GLASCOAT LIMITED

MODERATOR: **MS. VIDHI VASA – MUFG**

Moderator: Ladies and gentlemen, good day, and welcome to HLE Glascoat Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Vidhi Vasa from MUFG. Thank you, and over to you.

Vidhi Vasa: Thank you, Ana. Good evening, everyone. Welcome to the Q2 and H1 FY27 Earnings Conference Call of HLE Glascoat Limited. Today on this call, we have Mr. Aalap Patel, Executive Director; Mr. Harsh Patel, Executive Director; Mr. Amit Kalra, Chief Financial Officer; and Mr. Nilesh Ganjwala, Senior Advisor. This conference call may contain some of the forward-looking statements about the company, which are based on beliefs, opinion and expectations as of today. Actual results may differ materially.

These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is given to the company's investor presentation, which has been uploaded on the stock exchange as well as company's website. With this, I hand over the call to Mr. Harsh Patel, sir, for the opening remarks. Over to you, sir.

Harsh Patel: Hello. Good afternoon. It gives me great pleasure to welcome you all to HLE Glascoat Limited's Quarter 2 and H1 FY27 Earnings Conference Call. I hope you have had an opportunity to go through our financial results and the investor presentation, which have been uploaded on the stock exchanges and the company's website.

The global economic environment continues to remain dynamic with geopolitical developments, inflationary pressure, supply chain realignments and evolving trade policies influencing industrial investment decisions across markets. Despite these uncertainties, the long-term outlook for India's manufacturing and engineering sectors remain encouraging.

HLE Glascoat with its strong technological capabilities and established market presence is well positioned to benefit from these emerging opportunities. Also, Q2 FY27 has been a significant milestone for HLE Glascoat with our consolidated order book crossing the INR1,000 crores mark for the first time in the company's history.

As of September 30, 2026, the consolidated order book stood at INR1,087.3 crores, registering a growth of 51% year-on-year and 64% quarter-on-quarter compared to INR662 crores as of June 30, 2026. This strong order accretion reflects the confidence our customers place in our engineering capabilities, technological expertise and execution track record across domestic and international markets.

A key highlight during the quarter was the landmark order worth approximately EUR20.56 million secured by our step-down subsidiary, HLE Surface Technologies GmbH, Germany, for vitreous enamel cladding panels for the common wealth channel connecting Germany and

Denmark. This project further strengthens our international presence and provides long-term revenue visibility.

The record order book, coupled with a diversified geographical presence and product portfolio provides a strong foundation for our growth in the coming quarters. During the quarter, we witnessed a gradual improvement in business momentum following a period of geopolitical uncertainties and delays in customer delivery acceptances. The positive indicators observed in Q1 have gained further traction, particularly towards the latter part of quarter 2.

Customer inquiries across the pharmaceutical and specialty chemical industries have improved, while several previously deferred projects are now again progressing towards finalization. Filtration, drying and other equipment recorded revenue of INR102 crores during the quarter. Glass lined products reflected INR195.4 crores, while heat exchanger equipment contributed INR48.8 crores.

On a sequential basis, all 3 segments witnessed improvement in revenue, indicating a gradual recovery in business activity. The THALETEC business continues to strengthen its presence in international markets, particularly across U.S. and Europe, supported by growing customer engagement and increasing opportunities in the pharmaceutical and specialty chemical industries.

While large-scale pharmaceutical capital expenditure announcements are gradually translating into project execution, we believe our international platform is well positioned to capitalize on these opportunities over the medium-term. In the domestic market, the THALETEC range of products introduced in India over the past few years is witnessing encouraging traction.

As communicated earlier, we have viewed this as a medium-term opportunity, recognizing that wider customer adoption would require a gradual shift in market preferences and greater acceptance of advanced product offerings. We are now seeing this transition gaining momentum with THALETEC products contributing approximately 22% of our overall glass lined product businesses in India during the current quarter.

This represents encouraging progress in expanding our product portfolio and standing market penetration. Going forward, we expect customer acceptance to improve further, supporting a higher contribution from THALETEC products and to improve further and creating an additional growth opportunity for our glass lined products business.

With a healthy order pipeline, diversified end user exposure, strengthening international operations and improving business visibility, we believe HLE Glascoat is well positioned to capitalize on emerging opportunities and deliver sustainable growth and long-term value for our shareholders.

From a balance sheet perspective, we continue to follow a disciplined financial approach with a strong emphasis on working capital optimization, prudent capital allocation and maintaining financial flexibility. These priorities remain central to supporting our growth objectives while ensuring financial discipline.

As we move into the second half of '27, our key priorities remain focused on converting the record order book into timely project execution, improving margins through a favorable product mix, trending cost efficiencies and further expanding our product portfolio and customer relationships. With a strong order book, a diversified business portfolio and encouraging demand indicators across our key industries, we remain optimistic about the business outlook for second half of '27.

We are confident that our continued focus on execution excellence, operational efficiency and strategic growth initiatives will enable us to strengthen our market position and deliver sustainable profitable growth in the years ahead. I will now request our CFO, Mr. Amit Kalra, to take you through the financial highlights for the second quarter and half year ended 30th September '26. Over to you, Amit.

Amit Kalra: Good afternoon, everyone. I'll now take you through the financial performance of the company for the quarter and half year ended 30th September 2026. During quarter 2, the company reported consolidated revenue from operations of approximately INR346.7 crores with a growth of 15.3% compared to Q1 FY27 with EBITDA of INR39 crores and EBITDA margin of 11.2%. EBITDA grew by 72.3% quarter-on-quarter. The company earned profit after tax of around INR16 crores with a PAT margin of 4.6%.

PAT grew 680% quarter-on-quarter. For H1 FY27, our revenue grew by 2%, rising from INR634.7 crores to INR647.4 crores. Our EBITDA FY26 stood at INR61.6 crores against INR80 crores, registering a de-growth of 23% year-on-year and EBITDA margin stood at 9.5%. Our filtration, drying and other equipment segment grew by 5.4% quarter-on-quarter. We reported a revenue of INR102 crores in comparison to INR96.8 crores in the previous quarter.

Meanwhile, our glass lined equipment business generated about INR195.4 crores of revenue in Q2 FY27 compared to around INR157.3 crores last year in the same quarter, reflecting a growth of 24.2%. Likewise, for H1 FY27, our revenue increased by 35.4% in this segment. The heat transfer equipment segment showed a revenue de-growth by 12.3% year-on-year and growth of 362.3% quarter-on-quarter.

Net working capital days increased to 102 days in line with the order book expansion from 80 days in FY26. Going forward, we remain focused on improving working capital efficiency through better inventory management, disciplined receivables collection and optimizing the overall cash conversion cycle.

Our emphasis will continue to be on prudent capital allocation, maintaining financial flexibility and strengthening operational efficiencies to support sustainable business growth. I will now request the moderator to open the floor for Q&A. Thank you.

Moderator: Thank you very much, sir. We will now begin the question and answer session. The first question is from the line of Aviral Sharma from Finavenue Growth Fund.

Aviral Sharma: I just wanted to understand the demand scenario in our key geographies. How is the demand like? And I'll come up with the second question after this?

Harsh Patel: So just to clarify when you say key geographies, you mean country-wise. So let me start with India. So the demand scenario in India is quite optimistic. We have very high demand in, as I explained in my speech, in the API sector and the specialty chemical sector. So overall demand is quite good.

Europe, the demand in Europe is slightly subdued, but it is not really subdued, but the demand from U.S. is quite high. So that's the general, I mean, overview of the demand from key geographies that we operate in.

Aviral Sharma: Okay. I also wanted to know the new capex you're putting up near Anand in the heavy engineering business, right? And what are the kind of products we'll be making there?

Aalap Patel: Yes. So as you rightly said, we are putting up a new plant at the site, which is called Adas close to Anand. This will be largely focused on heavy equipment. So these will be equipment's which are in excess of 100, 150 tons large diameters and length, so maybe up to 4.5 to 5 meters in diameter, 15, 20 meters in length.

So these kind of equipment usually find its application in the energy sector, oil and gas, in petrochemicals, also many a times in renewable energy. So the application can vary quite a bit. But the USP there will be our ability to handle large and complex jobs in various materials or construction.

Aviral Sharma: One last question from my side. I just wanted to understand how big is the market for the cladding panel order we've got in through the Omeras subsidiary? Just wanted to understand that. And what kind of revenues we project from there in the coming years?

Amit Kalra: Yes. So we got a large order which we reported some time back about 20 close to EUR21 million. This is for a tunnel that is being built between Germany and Denmark. It's actually the largest under the sea tunnel that is currently being built and we'll start supplying early next year or mid next year, and this delivery will be done over the period of 3, 3.5 years.

Aviral Sharma: I wanted to understand the market size for this?

Amit Kalra: The market size for this is quite large. Basically, enameled panels have 2 applications. One application is in infrastructure projects and the second application is in architectural projects. Omeras has quite a strong track record in infrastructure projects. Quite a lot of metro stations in Germany are made by us. And then we have made quite a lot of tunnels around the world over the last 2 to 3 decades.

So mainly in a developed market, any time an infrastructure project like this is happening, Omeras panels have a very strong potential to be applied. Beyond that in architectural areas, we have done a few projects. And this is one area that we have now begun to set up. And quite a few architects in the Western markets are showing large interest in using these panels for architectural projects.

Moderator: The next question is from the line of Uttam Purohit from VVD Asset Managers.

Uttam Purohit: Sir, I wanted to know the quarterly run rate for Omeras and what kind of yearly turnover we are expecting from this particular subsidiary? Actually, sir, you are not audible. I'm sorry.

Nilesh Ganjwala: Can you hear me now?

Uttam Purohit: Yes.

Nilesh Ganjwala: Okay. , during this entire half year, Omeras has achieved a turnover in a little excess of about EUR8.5 million and has touched EBITDA breakeven during the first half. So that's the kind of performance that we've seen. So I think we are now trying to ramp up business at Omeras to get the profit that we hope to see from there.

Uttam Purohit: And if we exclude the Omeras, our business for GLE and also f GLE has not performed within the domestic market on Y-o-Y basis. So if you could share like where we are falling back in that perspective?

Nilesh Ganjwala: So as I think we had mentioned during the last call at the end of the previous financial year, the Indian glass lined business has started picking up. And even as we speak, the current year, , of about INR110 crores for during this half year at the glass lined business in India.

And we have achieved EBITDA margins of high single-digits currently. So this is relatively better than the way it was performing in the previous year. And I think the third and the fourth quarter, we are hoping that performance will be better, especially in view of the kind of order book and the visibility of business that we are currently seeing.

Uttam Purohit: And lastly, on the order book, if you could share the inflow figure for -- order inflow figure for Q2 particularly and also share the breakup between the segments, if possible.

Nilesh Ganjwala: Yes. That's quite a large number to give you because there are lots of parts. We actually track order book by individual plants and not just by segment itself. But suffice to say that the accretion in order book from June '26 to September '26 has been close to about INR425 crores. So INR425 crores is the additional or the increase in the order book itself.

Add to that about INR350 crores of order execution, which means the total order book or total of new orders during this period is close to about INR775 crores. And this includes the 20 million -EUR21 million order that Amit Bhai spoke about.

Moderator: The next question is from the line of Jaish Maniyar from Sicomoro Advisors Private Limited.

Jaish Maniyar: My main question was related to Omeras, which I think it has been already answered by the management.

Moderator: The next question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Sir, one thing we have observed over the past few years has been in the domestic segment, even when the pharma segment has been performing well, either one of our segment GLE or ANFD filtration and drying segment hasn't performed. So even in this quarter, despite significant demand that we are seeing from the pharma side, our GLE performance has been good, but our

filtration and drying segment hasn't performed well and might have seen asignificant decline on a Y-o-Y basis.

So just wanted to understand what has happened there? And secondly, on our European business side also THALETEC, how has been the performance for this quarter and half year. So if you can talk about that, why there's been a discrepancy despite pharma performing well and both segments, GLE and filtration and drying segment catering to pharma in a big way and our GLE segment performing quite well in this quarter.

Nilesh Ganjwala: So just to clarify, when we say that the pharma sector is performing well, basically, that reflects the kind of order flow that we are currently seeing. Basically, we are seeing very, very good order flows from the pharma industry. Since our execution cycle can be anywhere between 4 to 7 months, the reflection of the revenues and profits arising from those orders comes almost a couple of quarters later.

So this order book that you see now is reflective of the kind of orders that we'll be successful in getting. And this will get executed over the next 2 or 3 quarters, and you will see the performance of a better, let's say, industry response in those 3 quarters.

So we normally always have a slightly delayed impact on P&L account, because that's the nature of our industry and also the fact that we account for sales and revenue only on dispatch of the equipment, not at the time of either booking orders or at the time of even manufacturing. So we only account for revenues only when the equipment has been dispatched to the customer.

Ankit Gupta: Got it, Nilesh Bhai. But the issue has been when we had our last call also, so you were very bullish on the order inflow. So now what you're saying is like the order inflow has come and the execution will happen in H2. So both the segments, filtration and drying and the GLE should perform well on the domestic as well as on the export side.

Nilesh Ganjwala: Absolutely. You got that right. Absolutely correct. I think you understood that absolutely correctly. If you see what happens is typically, especially just to clarify it a little further, the quarter 1 and quarter 2 results was marginally impacted, I wouldn't say very largely, but marginally impacted by, while we have orders, sometimes delivery acceptance by customers gets postponed simply because of

Let's say, things like geopolitical disturbances and stuff like that due to which their own project execution or their own project implementation gets delayed by a month or even a couple of months here and there.

So that kind of impact also happens to our dispatches. So we might have a situation and we do have a situation where products are manufactured and kept ready as per order, but are not dispatched because the customer is not ready. Now that obviously also has an impact on the revenue that we report.

Ankit Gupta: And one more request from I think not just from me, but from larger investor fraternity was that, sir, our overall business, if I look at it, we have a stand-alone HLE business in India doing both GLE and filtration and drying. And we have THALETEC, we have Omeras and we have Kinam

also. So especially on the stand-alone side, at least in the presentation, if you can give a broad breakup of revenues, it's not margins, but at least a broad breakup of revenues, how much revenues were from the domestic business?

How much from THALETEC, Kinam anyway will come to know because there is a heat transfer equipment, but -- and how much from Omeras because Omeras also will have GLE now also adds to the GLE segment revenue.

So it gives us an idea on how all the 3, 4 moving parts that we have in the company are performing because we have now become quite a large company and 2 to 4 moving parts. So that will help us in understanding the business in more detail, at least in the presentation, if you can give that, it will be really helpful.

Nilesh Ganjwala: We'll try and incorporate this, but you'll appreciate that as a company, we are constantly evolving. In fact, maybe at this time next year, we may have another moving part, as you said, of the Omeras India business, which is also likely to get commissioned in the next 2 quarters or so. So there will be multiple moving parts.

I'm very happy to share information, that's never been an issue. We also don't want information to be too clattered where it becomes a little difficult to understand. But I'll take your suggestion, and we'll definitely try to incorporate that in the- upcoming quarters.

Ankit Gupta: And on the Kinam side, first quarter, we had low execution, it has picked up in the second quarter. But sir, if you look at on a Y-o-Y basis, of course, last year, we had - one large order which was executed. So how should we look at the trajectory for Kinam for FY27 and '28, both on revenue and the margin side, given the kind of the large base that we had in FY26?

Nilesh Ganjwala: So we should probably split that into 2 broad parts, if one were to just look at Kinam as a business independently. Kinam has its traditional business, if I may put it that way, which covers the traditional businesses of chemicals, paints, APIs and so on. So that is a business that is growing and growing reasonably. And that's, let's say, the core business on which Kinam has always stood. Last year, we had one large order was also a breakthrough order for us to get into the oil and gas segment.

And that will now be the basis of a track record creation for the future. And as Aalap Bhai mentioned, we are also planning to set up the heavy engineering business where that track record will actually be of great and immense use to us in going forward to becoming like a Tier 1 vendor to some of these industries. So that's really the way we would look at Kinam. One is the growth in its traditional business and the other is the intended entry into the completely new segment of larger orders, which cover oil and gas, petrochemicals and so on.

Ankit Gupta: So basically, the oil and gas business that we got a large order last year, how should we look at the numbers for that going forward? Like will it be like always be a lumpy thing that once we get a big order and that gets executed, we'll see a significant jump in revenues and improvement in margins? Or how should we look at the overall Kinam's trajectory over FY27, '28?

Nilesh Ganjwala: I think it is going to be lumpy in the initial period till the time we have a track record to talk about. So maybe the first 1 or 2 orders will be spread out, may not be one immediately after the other. But I think after that, we believe that these are multiple orders that can flow and execution for them will also be happening in parallel and simultaneously, which means that it will become a continuing ongoing business. We are probably,I think roughly about 12 to 18 months away from that scenario.

Ankit Gupta: Just last question just to come back to the queue. In the last con call, we had stated our ambition of reaching 15% EBITDA margins by FY28 when Omeras also would be profitable and all the other businesses will also start firing. In this first half, we are around 8%, 9% EBITDA margin. So for FY27 and FY28, how should we look at the margins.

Especially with the kind of order book ramp-up that we have seen and hopefully, on both GLE and ANFD also start seeing some improvement in our pricing. So if you can talk about what kind of margins we should be looking in FY27, '28 on a business as a whole on a consolidated basis?

Nilesh Ganjwala: I think the numbers that you stated and what we had also discussed previously, I think we stand by those numbers. We still believe that we are very much on track to achieve those numbers, and I think a good jump in the order book in recent months has obviously helped, and we are hopeful that we can achieve that probably earlier rather than later.

Ankit Gupta: Okay. So we should expect, let's say, when you scale up in second half, if not 15%, we should start seeing low teens kind of EBITDA margins, 12%, 13% with the...

Nilesh Ganjwala: Actually, if you see our consolidated numbers for quarter 2, the quarter 2 EBITDA margins are at 11% just for quarter 2. So we are already in low teens as we speak. roughly around 11% is where we are. So we only hope that and expect that this will get better.

Ankit Gupta: Okay. Omeras, we had like if you can talk about at EBITDA level, we had achieved breakeven in Q4 of last year. So how has been its performance on the profitability side in the first half?

Nilesh Ganjwala: In quarter 4, we had actually incurred a loss last year. No, we had not achieved breakeven. We've achieved breakeven in H1 of this year. So H1 for the entire half year, we are at EBITDA breakeven.

Ankit Gupta: Okay. And PBT is loss because of...

Nilesh Ganjwala: Yes. PBT is marginally in loss due to interest and depreciation, yes.

Moderator: The next question is from the line of Ajay from NIVESHAAY.

Ajay Surya: Congratulations on the fantastic order book. Sir, my first question is, if you can help us explain the order, if you can give some more details on the order book because we have had in the past some large orders, for example, Kinam because this is the consolidated order book. So one large order, is there some kind of big orders in the order book which is there? And also in past, we

also mentioned that because the competition intensity in the Indian glass lining was increasing. So there were bids happening at even lower pricing.

So does this order book which we have at this moment, does that also include maybe some lower pricing order because of the competition intensity? So if you can just give some more color on the order book. And also like post September, I mean, how are we currently maybe seeing the pipeline getting built up further for maybe India and Europe?

Aalap Patel: Yes. So as far as the order book is concerned, I think rather out of the INR1,087-odd crores of order book one order obviously stands out, which is the order for the Fehmarnbelt tunnel. So even if you remove the INR210 crores or INR220-odd crores of order booking from that, which is, let's say, to be delivered over the next 3 years or so, we are still looking at an order book which is close to INR875 crores.

So out of this order book, currently, we don't have any order which is similar to what we had for Kinam earlier, right? So all of that order book comes from regular repeating sustainable business. Obviously, within that, there will obviously be certain large orders, certain very large orders and obviously, a lot of not-so-large orders.

So there is always a mix of project orders of different sizes, but they all form a part of our regular routine business catering to our core industries and regular customers. Can you please remind me what your next question was, sorry?

Ajay Surya: So again, just like continuing on this. So I wanted to understand the competition intensity like because there are multiple businesses like F&D, GLE and then Kinam for heat exchangers and Omeras. So if you can describe the competition intensity, particularly for maybe India glass lining and F&D?

Aalap Patel: Sure. So I think when we speak about competitive intensity, a large portion of the competitive intensity for a couple of quarters now was driven mainly by equipment manufacturers trying to fill capacity. So with the market demand picking up, I think obviously, that competitive intensity has gone down. We are able to not only book orders, we are able to book orders at improving margins month after month. What HLE is also doing differently is positioning itself as a technology solution provider.

As we have been speaking for many quarters now, we have placed THALETEC as a premium offering in the Indian market. We continue to drive technology adoption even in the filtration and drying market. And positioning a premium product in both these sectors, as you might imagine is easier to do when the demand is higher and you have the, let's say, the luxury, so to speak, to bid for premium orders. So I think this covers our view on the competitive intensity.

Ajay Surya: Got it. And sir, I mean, on Omeras, so I mean, more than a year has been now passed. So are we now seeing any new hiring in this like have we shifted maybe some existing people from HLE to there or any new hiring over there? Because as a company or as a group, we have always acquired a few companies turned around them and then grow on a platform. So just on Omeras maybe like in last 1 year, what has maybe changed on ground over there? And any new hiring or specific people shifting has been done over there?

Amit Kalra: Yes. So there has been a significant enhancement in capabilities and capacities both. So as an example, we have a new Chief Operations Officer, who has come from a large American multinational joined Omeras, which is now known as HLE Surface Technologies. Then we have a new CFO, who is on board since a couple of quarters. We have enhanced our design team.

We have added new people in the sales teams across various geographies in Europe. So yes, there has been quite a significant improvement in both capabilities and capacities to take the company forward and achieve the turnaround as fast as possible.

Ajay Surya: And so sir, I mean, because now we have this big order of this maybe 3 year execution period. So I mean even if we have almost INR50 crores, INR60-odd crores annual revenue run rate. So when I was looking at the past acquisition, the gross margins of this business are significantly higher, even in last maybe 4 quarters, if we see the gross margins for our business on a consolidated business has increased.

So I mean does that INR50 crores, INR60-odd crores run rate now gives us an extra room to maybe grow at an aggressive rate or something like maybe that fills up the expenses which we were maybe incurring kind of fixed nature expenses.

Moderator: Sorry to interrupt you, sir. If you have follow-up questions, please re-join the queue.

Ajay Surya: Maybe if we can complete this one.

Nilesh Ganjwala: Okay. Let me answer this question. Yes, you're right. We normally identify businesses which have potential for high revenue and profits going forward. And Omeras is no exception. I think we have mentioned that once we cross breakeven, the increase in profitability is likely to be relatively quicker than, let's say, other businesses of a similar nature simply because of the higher gross margin, which will flow down to the bottom line.

So we need to build on the revenues. We think that once we cross the EUR20 million revenue per annum, the company should get back to serious profitability and maybe between EUR25 million and EUR30 million, we could even be as high as double-digit EBITDA margins.

Moderator: The next question is from the line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: Sir, my first question is in some of the previous calls, we had mentioned that even though for the India GLE business, the revenue is almost similar or slightly less than the previous cycle peak, but the volumes are 30%, 40% higher. So can you throw some more light on this drop in realization is just a function of product mix.

Because all other prices would have gone up in the last 4, 5 years. So how should we look at this? Why the realizations went down? And secondly, with THALETEC portfolio scaling up in India, shall we expect a realization uptick going forward?

Nilesh Ganjwala: Yes. So I think the number of equipment that we manufacture and the value that it converts into is dependent on multiple factors. One is, of course, the price, as you rightly mentioned. The second is the size of the equipment. And the third is the complexity of the equipment. So it's

normally a mix of all these complexities that build the product mix and hence, the final price. So as we move away from.

Let's say, more commoditized products and we move into more specialized products, which we are talking about with the THALETEC products, we're actually going towards more premium manufacturer. We were looking at better realizations and also better margins. This will reflect in the coming quarters.

Dhwanil Desai: Got it. So taking forward this India GLE business, probably in the last cycle, the peak was INR230 crores, INR240 crores. So from here, how do we see a path to, let's say, INR380 crores, INR400 crores, what will drive that? Do you think we can do that in a couple of years? And we used to do 17%, 18% margin.

And I think we mentioned that, that remains an ambition for India GLE business. So you mentioned currently, we are at a high single-digit number for the current H1. So from that to again reaching that high-teens, how do we see the path?

Nilesh Ganjwala: So again, I think the answer in this is, is the way the costing for a product like this works out. GLE in India is also a high gross margin business. The fixed costs in this business are high. And hence, once we cross a certain threshold, the flow of profits and contribution to the bottom line is quite substantial. Historically, our best year has been the year in which we did roughly about INR300 crores revenue, a little under INR300 crores to be precise, actually.

And that's probably the year in which we had margins in excess of 18% at the EBITDA level. We believe that even at current levels of operation, current levels of expenditure, even with a INR300-odd crores revenue, we could still be between 16% and 18% kind of EBITDA levels going forward. And this is driven by 2 main things.

One is, of course, better realization coming from more technology-driven products, which is the THALETEC range that we have introduced and about which Harsh Bhai and Aalap Bhai spoke about earlier. And second is, of course, the discipline over the cost that we have been able to maintain over the years.

Dhwanil Desai: Got it. Sir, with current order book, do we see that reaching that INR300-odd crores next year, or you think it will take longer?

Nilesh Ganjwala: So the current visibility is predominantly for FY27 because the order book that we have would be executed predominantly during quarter 3 and quarter 4. We expect the revenue this year to be anywhere between INR260 crores and INR280 crores.

Moderator: The next question is from the line of Ajit Sethi from Eiko Quantum Solutions.

Ajit Sethi: Sir, in your earlier con call, you have guided for INR2,000 crores revenue target by FY28. So this guidance stays intact for FY28, right?

Nilesh Ganjwala: Yes. I think we are on track for that, yes.

Ajit Sethi: Okay. So if I just do the math, this implies a revenue CAGR of 20% to 22% growth CAGR. And we have done INR648 crores in H1. So for H2, we have to do around 35% growth. So are we on track to achieve that?

Nilesh Ganjwala: See, I think it will be difficult for me to give you a number for every quarter or half year. But suffice to say the INR2,000 crores revenue is going to be driven by existing products. It's also going to be driven by new products. It's also going to be driven by the new plant for Omeras products that we are starting manufacture for in India. So we're going to be launching these products in India also.

So it's going to be a mix of all of that. It's not just growth from existing product range. We also have a range of other products that we propose to introduce for which actions have already been taken.

Ajit Sethi: Okay. And sir, you are guiding for an EBITDA margin target of 15% by FY28. So could you please explain the key growth drivers that will help the company to achieve this significant margin improvement?

Nilesh Ganjwala: To be very honest, 15% is not an improvement. It is something that we've historically achieved and we are just getting back to those numbers. So I would not say it's an improvement. We do believe that Kinam can deliver about 16% on a sustainable basis. We believe the filtration and drying business can deliver about 16% on a sustainable basis.

We believe glass lined equipment's in India after ramping up as we are now seeing clear signs of can be in the mid-teens, which would be, let's say, in the 12% to 14% range going forward. And THALETEC has historically always been in the 12% to 14% EBITDA range. If you take a weighted average of all of this, it does come to 15% in any case. So I think 15% is not something that is out of the box. I think we are very, very confident of achieving those numbers.

Ajit Sethi: Okay. And sir, beyond FY28 as the new Omeras plant will be operational in India, so can we expect to sustain this 15% to 20% CAGR going forward?

Nilesh Ganjwala: Are you talking about the period after FY28? Or are you talking about...

Ajit Sethi: Yes, after FY28, yes.

Nilesh Ganjwala: So after FY28, I think we are expecting our growth to be more in line with the market growth. And of course, we will also innovate and bring in newer and newer products from time to time. In addition, the recent announcement that we made about the additional manufacture of heavy engineering products will be a new product, which will add substantially to the post '28 revenues.

So that will be a driver for, let's say, I would say, above the ordinary growth. So let's say, ordinary growth can give you about 15%, 17%, 18%, and then heavy engineering can add maybe another 5% or 7% on top of that.

Ajit Sethi: And sir, what is the EBITDA margin expected for this heavy engineering segment?

Nilesh Ganjwala: In the initial periods, the margins could be in the range of between 15% to 18%. Going forward, on a more mature basis, this business should deliver EBITDA margins of close to about 22%.

Ajit Sethi: And what is the peak revenue potential from this heavy engineering segment?

Nilesh Ganjwala: I think the peak revenue is , I don't know the companies ,we have companies that we all know of who have done well in excess of INR1,500 crores or INR2,000 crores solely in this business. So I don't think that the peak is only what you bring upon yourself. There is really no ceiling. This is a very big market. It all depends on capacity and capability.

Moderator: The next question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Sir, if you listen to the con calls of so many companies across various sectors, one thing is very clear that the cost have gone up significantly across majority of the European companies with the rising fuel cost and rising employee costs. We have 2 of our subsidiaries, THALETEC and acquired one in both operating out of Europe. So how are we dealing with such a sharp rise in cost over there? And if you can talk about it in more detail and how are we able to maintain our profitability and projecting profitable growth there?

Aalap Patel: Yes. So as you rightly said, Europe is facing a lot of cost pressures. And thankfully, both our companies are well equipped to handle that because we already have a well-established manufacturing base here in India, right? And historically, the challenge for these companies to source from India was customer acceptance because in critical equipment that are used in the chemical and API manufacturing, customers would usually push back on equipment that are not fully manufactured in Europe. So historically, this was the primary challenge that they faced.

However, given the cost challenges that our end users are facing themselves, right, so the chemical industry and the pharma industry, I think they are now themselves exploring options to make their capex more efficient. And as a result, they are now engaging more and more with customers across the globe. And as and when this shift or transition happens, we are ideally suited to capitalize on that.

We already partner a lot with our German subsidiaries to rather strategically source items from India. And we will also look at more ways to use the low-cost manufacturing and services base of India to soften the effect of the cost pressures that we are seeing in Europe.

Ankit Gupta: So for both THALETEC and Omeras, do we plan to substantially shift manufacturing out of Europe to our Indian operations? Is that the right understanding?

Aalap Patel: I believe that or rather we believe that there is still a large portion of the market in Europe where a European-made equipment or a European-made enamel panel still finds application. And the transition to, let's say, non-European made equipment, we don't believe that it will fully transition to an Indian-made equipment, let's say, per se. What will happen over the next couple of years is that certain noncritical portions of the equipment will be sourced from India.

And the components that will be supplied from a low-cost manufacturing base, it will -- the share of such components will increase over the next coming years. But there will always be

applications which are critical enough which warrants the use of a European-made equipment. So we don't see at least in the medium-term, a scenario where the European manufacturing plants will be empty and everything will be sourced from India or another low-cost country.

Ankit Gupta: And on THALETEC, if you can share the H1 revenue and EBITDA margin numbers.

Aalap Patel: Yes. Just give us a second, please.

Ankit Gupta: Sure.

Nilesh Ganjwala: So the revenue for the first half from THALETEC Germany is about INR192 crores. And the EBITDA margin was roughly about a little over 11.5%.

Ankit Gupta: Sure. And how much was it last year in H1 of FY26?

Nilesh Ganjwala: FY26, the revenues were at about INR343 crores. And EBITDA last year was a little under 11%.

Ankit Gupta: Okay. And you've seen a significant decline in revenues over here, right, like...

Nilesh Ganjwala: No, I think on a run, this is for a 12 month period, I'm saying. The previous year number I'll say is a 12 month period.

Ankit Gupta: 12 months, okay. I thought it was for H1.

Nilesh Ganjwala: Yes. So if you see pro rata, it's almost about 12% to 13% increase.

Moderator: The next question is from the line of Raj Patil from RK Securities.

Raj Patil: So I just have couple of questions…

Moderator: The participant seems to have disconnected. Since that was the last question for today, I now hand the conference over to the management for closing.

Harsh Patel: Thank you very much for the participation in this meeting. I hope we have been able to answer most of your queries. We are committed to good governance and performance. Thank you very much for having faith in us.

Moderator: The next question is from the line of Ajay from Niveshaay.

Ajay Surya: Just one thing like I mean, we have seen a company acquiring maybe a few assets over a couple of year horizon. So maybe going forward, if you can share some road map, we also have some roughly INR350-odd crores of debt on the book and then also have a very good free cash flow. So going forward, would it be more towards maybe are we looking for any new acquisition as of now or that would maybe going forward be used towards debt any repayment in the longer picture?

Nilesh Ganjwala: sorry, I think you were the last caller after the last caller. So sorry, we had a kind of a break in between Harsh Bhai was just giving the vote of thanks. But let me take your question anyways.

I think the management is driven by consolidation at this point of time. All our businesses are looking promising and encouraging.

We just completed the acquisition of Omeras just about a year back. I think it's a good time for us to sit back and consolidate it, sort of consolidate the operations. The debt on an overall basis is very manageable and not an area of concern at all. But at the same time, we would like to kind of always build for a rainy day going forward.

Having said that, if at all, we get an opportunity, a strategic opportunity, which is in and around our core area of expertise and interest and is also of a size and scale that we are in a position to digest, we would then look at it. But in general, I think the current feeling within the management is to build on the existing businesses and consolidate.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing remarks.

Harsh Patel: So thank you very much. I think I already closed, but I can close again. So I thank all the investors for having faith in HLE Glascoat. And I hope we have been able to answer all the questions. See you in the next earnings call. Thank you.

Moderator: Thank you. On behalf of HLE Glascoat Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.