



HLE  Glascoat

ACQUISITION OF THE GLOBAL BUSINESS OF  **THALETEC**

INVESTOR PRESENTATION

September 2021

Safe Harbor



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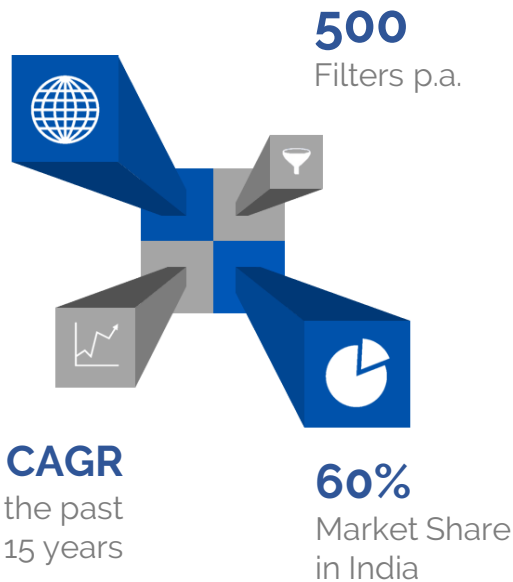
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Industry Reference for Excellence in Engineering

Market Leader in Filtration & Drying Equipment with more than 60% share of the Indian Market

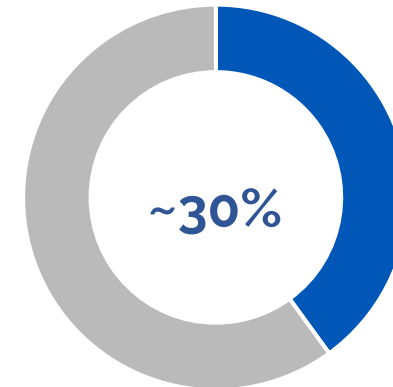
World's Largest
Manufacturer of
ANFDs



HLE Glascoat

- HLE Glascoat is one of the largest chemical process equipment manufacturers in the country.
- Capability to cater to customized process needs and projects with a wide range of equipment.
- Chemical engineering expertise with first-hand knowledge of chemical processes and plants.
- One of a kind pilot-plant and R&D facility.
- Expertise in a wide range of materials ranging from Carbon Steel, Exotic Alloys and corrosion resistant linings.

Second Largest
manufacturer of Glass Lined
Equipment in India with
nearly 30% market share.



Market Share

In Glass Lined Equipment
in India



Acquisition of the global business of **Thaletec GmbH**



The acquisition will enhance efficiencies and combine similar business interests for both the entities, resulting in operational synergies, streamlining and optimization of the business.

It would also lead to administrative efficiency and optimal utilization of various resources being in the similar line of business and provide common leadership vision for the consolidated global business, economies of scale and integration of processes.

The Company intends to provide its global expertise and management capabilities to ensure the growth of Thaletec primarily through:

- Increased focus on expanding territorial coverage
- Improving competitiveness
- Greater penetration of European and American markets

The Company intends to use the marketing and post sales network of Thaletec to promote and market various additional equipment manufactured by the Company to increase the product offering of Thaletec to its customers in the same user industries.

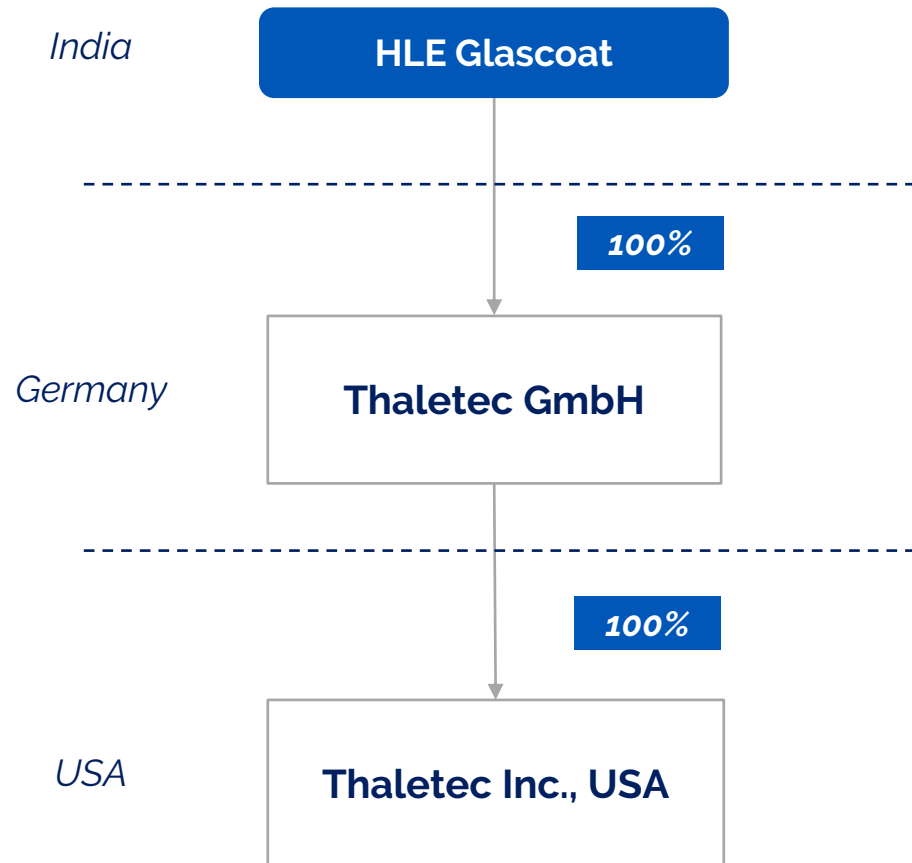
The Company would use certain manufacturing technologies of Thaletec to bring about commonality of the product specifications globally.

The combination of HLE Glascoat and Thaletec would also result in overall value accretion to all the stakeholders.



Valuation and Terms of Acquisition

Acquisition of Target Company shares from Selling Shareholders



HLE Glascoat will purchase 100% of the equity shares in Thaletec, from the Selling Shareholders.

The consideration for the abovementioned shares will be **Euro 12 Million payable in cash.**

As a part of the deal, both companies have mutually agreed that Thaletec will continue to have its distinct brand identity and remain a separate business entity post the acquisition.

After the acquisition, Dr. Reinemuth will continue to act as the Managing Director of Thaletec and Mr. Bergmann will act as the Advisor to Thaletec.

Pursuant to the acquisition, Thaletec will become a wholly owned subsidiary of HLE Glascoat with the entire business of Thaletec being consolidated into the Company.

Valuation Parameters based on 2020 Audited Financials

- **Equity Value = € 12.00 Million**
- **Enterprise Value (EV) = € 12.96 Million**
- **EV/EBITDA Multiple = 5.1 x**
- **PAT Multiple = 9.0 x**

About Thaletec GmbH

Thaletec is engaged in the business of manufacturing specialized process equipment/ reactors and has its manufacturing facility in Germany

It is a market leader in the Glass Lined Equipment business in the highly sophisticated market of Germany

Thaletec offers sophisticated customized and innovative technical solutions with glass lining equipment and services in the chemical, pharmaceutical and environmental process industries

Thaletec has its headquarters in Thale, Sachsen-Anhalt, Germany with 2 additional service centres in Germany and a Business Development and Service Centre in North Carolina, USA

MANUFACTURING FACILITIES

- Thaletec operates a 40,000 sq. m., manufacturing facility with more than 160 employees
- The facility is ISO 90001 and EN 150001 Certified
- The facility has capabilities to manufacture equipment with dimensions of up to 100,000 liters volume
- The facility is equipped to work with carbon steel, stainless steel, and nickel-based alloys (Hastelloy, Inconel) and other materials

Particulars (Euro Mn.)	2018	2019	2020
Sales Revenue	22.24	24.26	26.27
EBITDA	1.54	1.83	2.56
<i>EBITDA %</i>	<i>6.94%</i>	<i>7.55%</i>	<i>9.73%</i>
Depreciation	0.31	0.36	0.40
Interest	0.18	0.18	0.19
PBT	1.06	1.29	1.96
PAT	0.73	0.88	1.33
Net Worth	2.86	2.84	2.22
Total Debt	0.77	0.54	0.96
Net Fixed Assets	1.02	1.28	1.21



Products, Capabilities and Clientele

CUSTOMERS



PRODUCTS

Supplier of high-quality technical glass-lined process vessels and equipment at competitive prices including Special Equipment like agitated reactors, glass lined static mixers, heat exchangers, storage tanks and receivers, columns, pressure filters, etc.

Worldwide certified (PED, ASME, Chinese Code etc.).

SERVICES

Thaletec has highly experienced and well-trained associates to help install new or reglassed equipment. They also produce Glass-lined repairing elements instead of Tantalum patches.

It offers customers complete solutions with 3D printing services: From the design of additive manufactured parts to the manufacturing from ABS plastic or glass lined steel.

RESALE

Thaletec buys used equipment like Reactors, Storage Tanks, receivers, Covers, Agitators, Baffles, etc.

They, then, sell this used equipment with quality tested new parts/vessels, reglassed parts with certificates and guarantees and refurbished parts.

ENVIRONMENTAL

Thaletec produces products such as Pipes made from carbon steel, covered with a layer of glass-lining. Thaletec is a key manufacturer of Power Tubes, which are Glass-lined pipes used as heat-exchangers in power plants or industrial incineration plants.

THANK YOU



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