

January 28, 2019

To,  
BSE Limited  
The Corporate Relationship Dept.  
P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

**BSE Company Code: 500214**

Dear Sir/ Madam,

Sub: **Submission of Analyst / Investor Presentation**

Pursuant to Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed presentation being made to Analyst / Institutional Investor to discuss the Financial performance of the Company for the third quarter ended December 31, 2018.

The aforesaid information is also disclosed on website of the company i.e. [www.ionindia.com](http://www.ionindia.com)

Kindly take the information on record.

Thanking You,

**Yours faithfully,  
For Ion Exchange (India) Limited**



**Milind Puranik  
Company Secretary**

# EARNINGS PRESENTATION | 9M / Q3-FY19



## OVERVIEW

- Ion Exchange (India) Ltd (Ion Exchange), formed in 1964, is a pioneer in water, waste water treatment & environment solutions and caters to various industries, homes & communities.
- Headquartered in Mumbai, the company has six manufacturing & assembly facilities across India, and one each in Bangladesh and UAE. It also has presence across other key geographies.
- Installation: 1 lakh globally; 500+ in core sectors.

FY18: Total Income\*  
INR 10,760 Mn

## BUSINESS & REVENUE (%) MIX - CONSOLIDATED

- **Engineering (58%)** – Provides comprehensive and integrated services and solutions in water & waste water treatment including Sea Water desalination, Recycle and Zero liquid discharge plants to diverse industries.
- **Chemicals (32%)** - Provides a comprehensive range of resins, speciality chemicals and customized chemical treatment programmes for water, non-water and specialty applications.
- **Consumer Products (10%)** – Caters to individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defence establishments providing safe drinking water and a clean environment.

FY18: EBITDA\*  
INR 981Mn

## MARQUEE CLIENTS

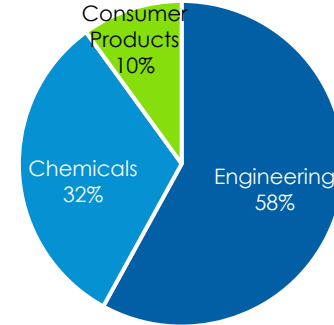
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC , BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill, Technip France, Unilever Group, Jurong, Thyssenkrupp (Uhde), Jacobs, Kawasaki, Mitsubishi, PDO Oman, Emirates Steel, IKPP Indonesia.

FY18: PAT\*  
INR 398 Mn

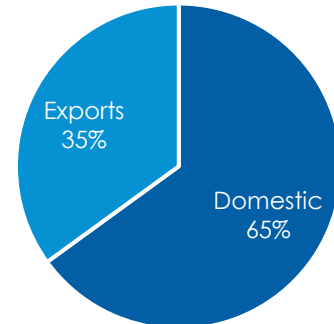
# Company Overview

- Ion Exchange was originally formed as a subsidiary of Permutit, UK in 1964. It became a wholly owned Indian company in 1985. The company is currently in its 55<sup>th</sup> Year of operations.
- The company has expanded its footprints globally and possesses a diversified product range. It offers one stop water and non-water treatment solutions catering to diverse segments like infrastructure, industry, institutions, municipal, homes and communities, urban and rural.
- The company offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc.
- The company is also engaged in manufacturing ion exchange resins, speciality chemicals for water and waste water treatment as well as non-water applications.
- It has two facilities for in-house R&D and two applications and testing centers.
- The company has over 50 patents to their credit and 100+ products commercialized.
- The company has a global presence apart from presence in major cities in India with sales & service centers and dealer network of more than 100.
- The company exports to Africa, Japan, Middle East, Russia, South East Asia, Europe, UK, USA, Canada and neighbouring countries.

## REVENUE BREAK UP FY18\*



## GEOGRAPHICAL BREAKUP FY18\*



\*Consolidated

## □ Q3-FY19 Performance:

- Total Income\*: INR 2,583 Mn
- EBITDA : INR 276 Mn
- EBITDA Margins: 10.69%
- Net Profit: INR 128 Mn
- PAT Margins: 4.96%
- Diluted EPS: INR 10.67

## □ 9M-FY19 Performance:

- Total Income\*: INR 7,235 Mn
- EBITDA: INR 802 Mn
- EBITDA Margins: 11.09%
- Net Profit: INR 358 Mn
- PAT Margins: 4.95%
- Diluted EPS: INR 29.79

\* Includes other income

## **ENGINEERING**

- Steady growth during the quarter. Expect the momentum to continue considering the healthy order back log.
- Re: Sri Lanka Order, revenue recognition is not significant as certain planned dispatches got deferred. We expect substantial growth in the 4th quarter.

## **CHEMICALS**

- Sustained demand growth has resulted in improved volumes and profitability.

## **CONSUMER PRODUCTS**

- Higher volumes and overhead control has resulted in containment of losses.

# Q3-FY19 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	Q3-FY19	Q3-FY18	Y-o-Y	Q2-FY19	Q-o-Q
<b>Total Income*</b>	<b>2,583</b>	<b>2,489</b>	<b>3.8%</b>	<b>2,436</b>	<b>6.0%</b>
Total Expenses	2,307	2,286	0.9%	2,165	6.6%
<b>EBITDA</b>	<b>276</b>	<b>203</b>	<b>36.0%</b>	<b>271</b>	<b>1.8%</b>
<b>EBITDA Margins (%)</b>	<b>10.69%</b>	<b>8.16%</b>	<b>253 Bps</b>	<b>11.12%</b>	<b>(43) Bps</b>
Depreciation	45	30	50.0%	45	NA
Finance Cost	39	37	5.4%	39	NA
<b>PBT</b>	<b>192</b>	<b>136</b>	<b>41.2%</b>	<b>187</b>	<b>2.7%</b>
Tax	64	48	33.3%	66	(3.0)%
<b>Profit After Tax</b>	<b>128</b>	<b>88</b>	<b>45.5%</b>	<b>121</b>	<b>5.8%</b>
<b>PAT Margins (%)</b>	<b>4.96%</b>	<b>3.54%</b>	<b>142 Bps</b>	<b>4.97%</b>	<b>(1) Bps</b>
Other Comprehensive Income	-	(1)	NA	(1)	NA
<b>Total Comprehensive Income</b>	<b>128</b>	<b>87</b>	<b>47.1%</b>	<b>120</b>	<b>6.7%</b>
EPS Diluted (INR) (Not annualised)	10.67	7.37	44.8%	10.04	6.3%

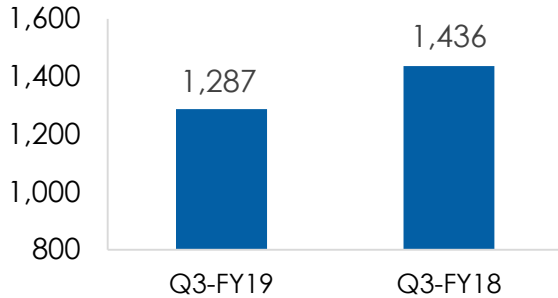
\* Includes other income

Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.  
No. of Shares- 26,62,914

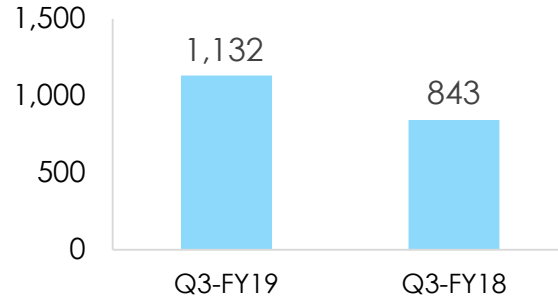
# SEGMENTAL BREAKUP- QUARTERLY STANDALONE

## ENGINEERING (INR MN)

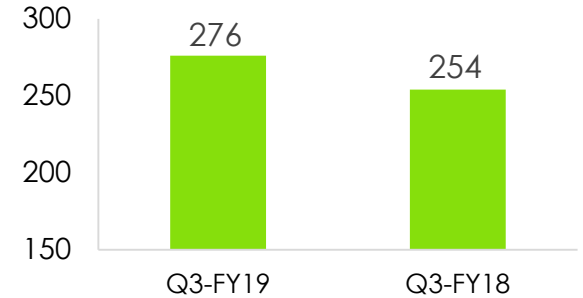
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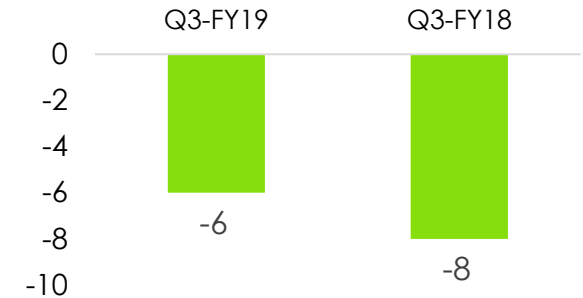
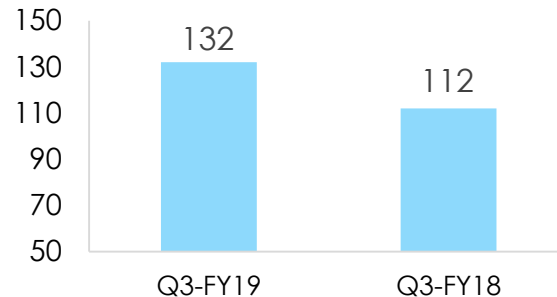
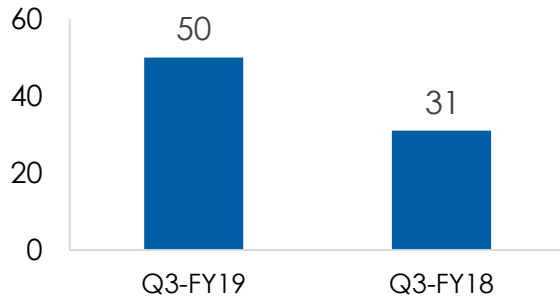
## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



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# 9M-FY19 – STANDALONE INCOME STATEMENT (IND AS)

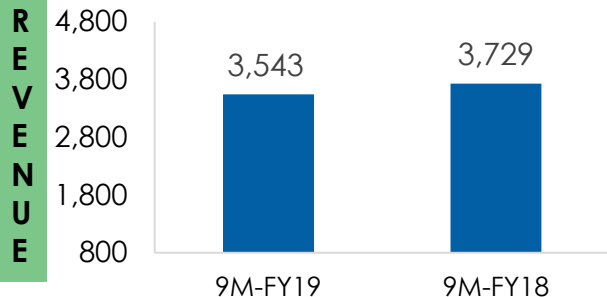
INCOME STATEMENT (INR MN)	9M-FY19	9M-FY18	Y-o-Y
<b>Total Income*</b>	<b>7,235</b>	<b>6,888</b>	<b>5.0%</b>
Total Expenses	6,433	6,311	1.9%
<b>EBITDA</b>	<b>802</b>	<b>577</b>	<b>39.0%</b>
<b>EBITDA Margins (%)</b>	<b>11.09%</b>	<b>8.38%</b>	<b>271 Bps</b>
Depreciation	134	94	42.6%
Finance Cost	120	108	11.1%
<b>PBT</b>	<b>548</b>	<b>375</b>	<b>46.1%</b>
Tax	190	135	40.7%
<b>Profit After Tax</b>	<b>358</b>	<b>240</b>	<b>49.2%</b>
<b>PAT Margins (%)</b>	<b>4.95%</b>	<b>3.48%</b>	<b>147 Bps</b>
Other Comprehensive Income	(1)	(3)	NA
<b>Total Comprehensive Income</b>	<b>357</b>	<b>237</b>	<b>50.6%</b>
EPS Diluted (INR) (Not annualised)	29.79	20.04	48.7%

\* Includes other income

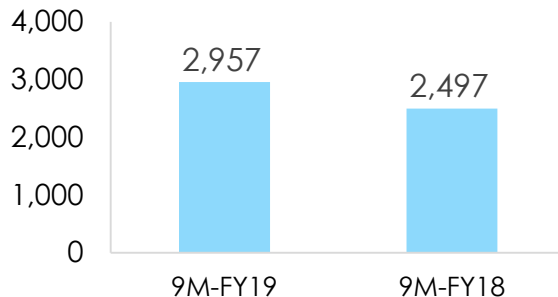
Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.  
No. of Shares- 26,62,914

# SEGMENTAL BREAKUP- 9M-FY19 STANDALONE

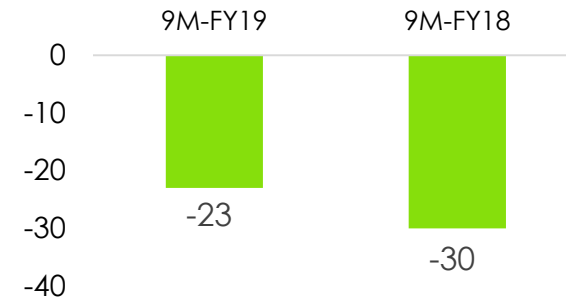
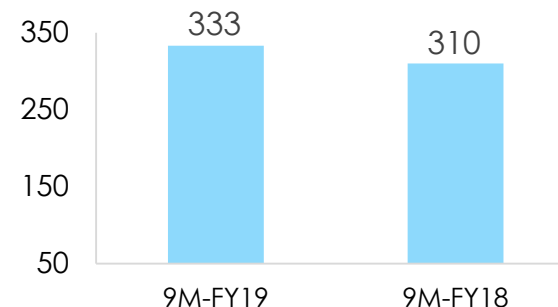
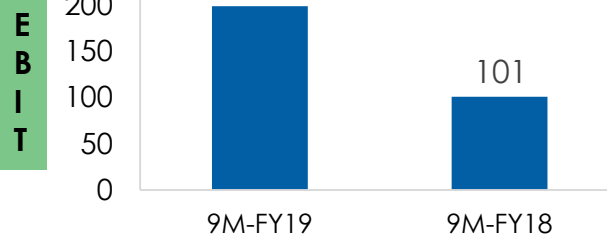
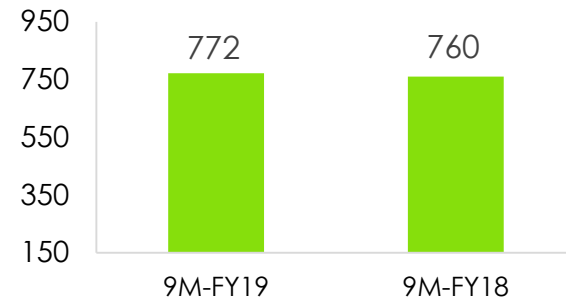
## ENGINEERING (INR MN)



## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



# Standalone Income Statement (As per IndAS)

INCOME STATEMENT (INR MN)	FY17	FY18
<b>Total Income*</b>	<b>9,811</b>	<b>10,243</b>
Total Expenses	8,862	9,239
<b>EBITDA</b>	<b>949</b>	<b>1,004</b>
<b>EBITDA Margins (%)</b>	<b>9.67%</b>	<b>9.80%</b>
Depreciation	108	119
Finance Cost	128	157
<b>PBT</b>	<b>713</b>	<b>728</b>
Tax	243	250
<b>Profit After Tax</b>	<b>470</b>	<b>478</b>
<b>PAT Margins (%)</b>	<b>4.79%</b>	<b>4.67%</b>
Other Comprehensive Income	(4)	(2)
<b>Total Comprehensive Income</b>	<b>466</b>	<b>476</b>
EPS Diluted (INR)	39.21	39.78

\* Includes other income

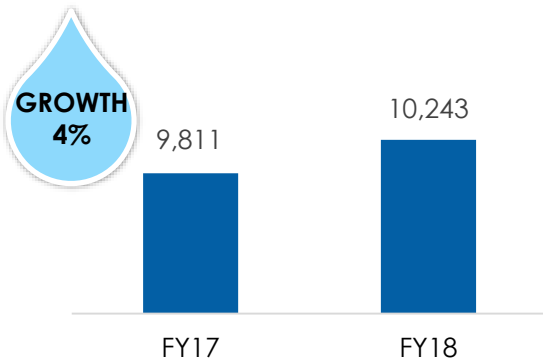
Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.  
No. of Shares- 26,62,914

# Standalone Balance Sheet (As per IndAS)

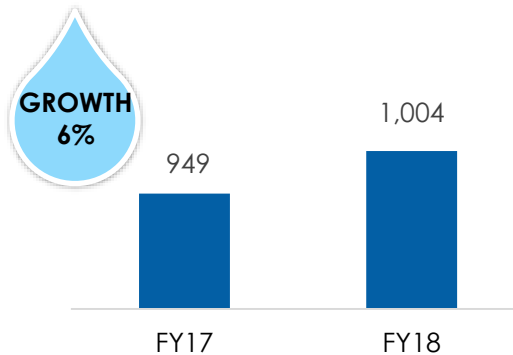
PARTICULARS (INR MN)	FY17	FY18	H1-FY19	PARTICULARS (INR MN)	FY17	FY18	H1-FY19
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>				<b>Non-Current Assets</b>			
(A) Equity Share Capital	147	147	147	(A) Property, Plant and Equipment	887	1,347	1,362
(B) Other Equity	2,562	2,987	3,165	(B) Capital Work-in-progress	336	66	73
<b>Total Equity</b>	<b>2,709</b>	<b>3,134</b>	<b>3,312</b>	(C) Other Intangible Assets	13	13	11
				(D) Financial Assets			
				(i) Investments	565	575	604
<b>Non-Current Liabilities</b>				(ii) Trade Receivables	36	36	36
(A) Financial Liabilities				(iii) Loans	362	399	403
(i) Borrowings	275	331	285	(E) Deferred Tax Assets (Net)	11	-	-
(ii) Other financial Liabilities	85	89	90	(F) Other Non-Current Assets	79	56	63
(B) Provisions	91	101	120	(G) Non Current Tax Assets	3	3	3
(C) Deferred Tax Liabilities (Net)	-	19	23	<b>Total Non – Current Assets</b>	<b>2,292</b>	<b>2,495</b>	<b>2,555</b>
(D) Other Non-Current Liabilities	1	-	-				
(E) Liabilities for Non-Current Tax (Net)	17	17	17	<b>Current Assets</b>			
<b>Total Non – Current Liabilities</b>	<b>469</b>	<b>557</b>	<b>535</b>	(A) Inventories	1,039	771	1,010
<b>Current Liabilities</b>				(B) Financial Assets			
(A) Financial Liabilities				(i) Investments	3	4	3
(i) Borrowings	484	886	585	(ii) Trade Receivables	3,910	4,297	3,458
(ii) Trade Payables	3,456	3,406	3,291	(iii) Cash & Cash Equivalents	1,082	606	335
(iii) Other Financial Liabilities	268	358	370	(iv) Bank Balances	438	1,902	2,191
(B) Other Current Liabilities	2,245	2,587	2,621	(v) Loans	557	554	616
(C) Provisions	31	39	44	(vi) Other Financial Assets	8	76	130
(D) Liabilities for current tax (Net)	161	114	153	(C) Other current assets	494	376	613
<b>Total Current Liabilities</b>	<b>6,645</b>	<b>7,390</b>	<b>7,064</b>	<b>Total Current Assets</b>	<b>7,531</b>	<b>8,586</b>	<b>8,356</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>9,823</b>	<b>11,081</b>	<b>10,911</b>	<b>GRAND TOTAL – ASSETS</b>	<b>9,823</b>	<b>11,081</b>	<b>10,911</b>

# Financials - Standalone

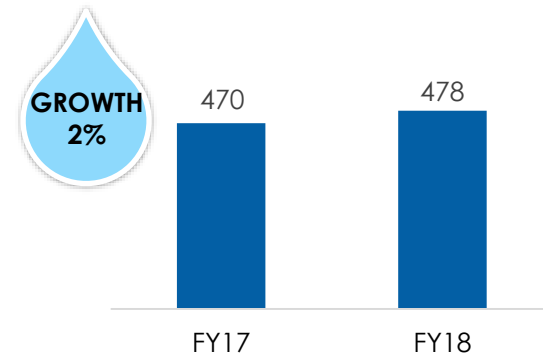
## REVENUES\* (INR MN)



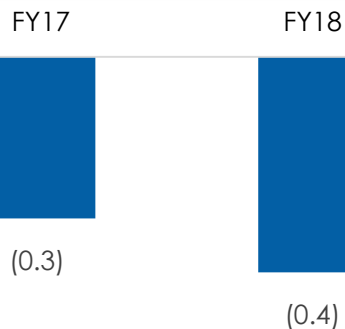
## EBITDA (INR MN)



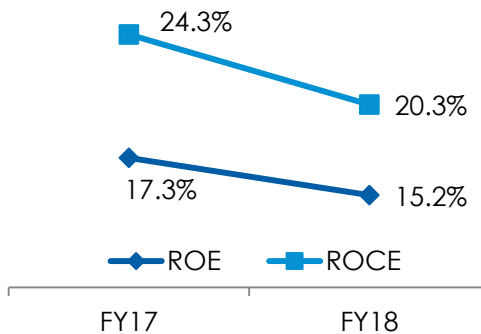
## PAT (INR MN)



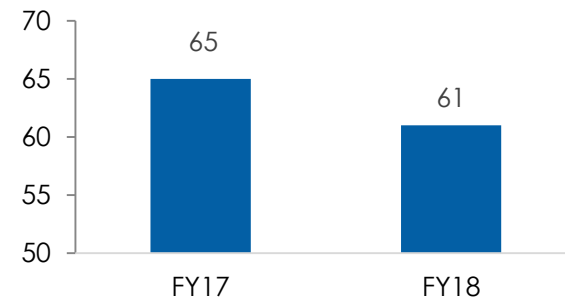
## NET DEBT/EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS



\* Includes other income

# CONSOLIDATED INCOME STATEMENT (As per IndAS)

INCOME STATEMENT (INR MN)	FY17	FY18
<b>Total Income*</b>	<b>10,594</b>	<b>10,760</b>
Total Expenses	9,776	9,779
<b>EBITDA</b>	<b>818</b>	<b>981</b>
<b>EBITDA Margins (%)</b>	<b>7.72%</b>	<b>9.12%</b>
Depreciation	118	131
Finance Cost	163	187
<b>PBT</b>	<b>537</b>	<b>663</b>
Share of Profit of equity accounted Investee	1	1
Tax	248	264
<b>Profit After Tax</b>	<b>288</b>	<b>398</b>
<b>PAT Margins (%)</b>	<b>2.72%</b>	<b>3.70%</b>
Other Comprehensive Income	1	(13)
<b>Total Comprehensive Income</b>	<b>289</b>	<b>385</b>
EPS Diluted (INR)	24.97	34.46

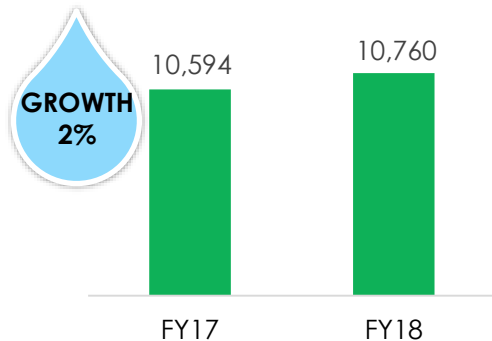
\* Includes other income

Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts (No. of Shares-26,62,914) and shares held by Subsidiary companies (No. of Shares- 4,37,874)

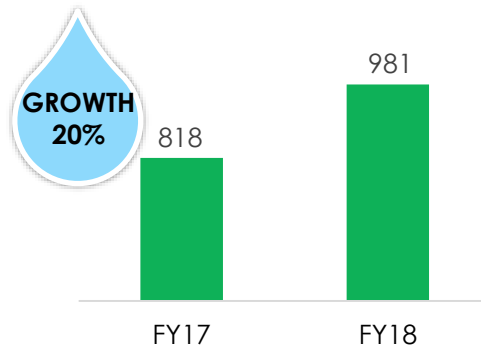
# Consolidated Balance Sheet (As per IndAS)

PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
<b>Equity</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	142	142	(A) Property, Plant and Equipment	977	1,436
(B) Other Equity	1,525	1,859	(B) Capital Work-in-progress	336	66
Non Controlling Interest	39	28	(C) Other Intangible Assets	13	13
<b>Total Equity</b>	<b>1,706</b>	<b>2,029</b>	(D) Investment accounted using Equity Method	24	30
			(E) Financial Assets		
<b>Non-Current Liabilities</b>			(i) Investments	5	7
(A) Financial Liabilities			(ii) Trade Receivables	175	138
(i) Borrowings	297	334	(iii) Loans	64	99
(ii) Other Financial Liabilities	86	89	(iv) Other Financial Assets	80	75
(B) Provisions	100	113	(F) Deferred Tax Assets (Net)	60	12
(C) Deferred Tax Liabilities (Net)	41	20	(G) Other Non-Current Assets	169	152
(D) Other Non-Current Liabilities	6	6	(H) Non-Current Tax Assets	8	4
(E) Liabilities for non-current tax (Net)	17	17	<b>Total Non – Current Assets</b>	<b>1,911</b>	<b>2,032</b>
<b>Total Non – Current Liabilities</b>	<b>547</b>	<b>579</b>	<b>Current Assets</b>		
			(A) Inventories	1,290	1,012
<b>Current Liabilities</b>			(B) Financial Assets		
(A) Financial Liabilities			(i) Investments	3	4
(i) Borrowings	684	1,125	(ii) Trade Receivables	4,162	4,371
(ii) Trade Payables	3,912	3,639	(iii) Cash & Cash Equivalents	1,171	672
(iii) Other Financial Liabilities	321	419	(iv) Bank Balances	506	1,959
(B) Other Current Liabilities	2,335	2,696	(v) Loans	179	169
(C) Provisions	36	45	(vi) Other Financial Assets	19	88
(D) Liabilities for current tax (Net)	166	120	(C) Current Tax Assets (Net)	6	8
<b>Total Current Liabilities</b>	<b>7,454</b>	<b>8,044</b>	(D) Other Current Assets	460	337
			<b>Total Current Assets</b>	<b>7,796</b>	<b>8,620</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>9,707</b>	<b>10,652</b>	<b>GRAND TOTAL – ASSETS</b>	<b>9,707</b>	<b>10,652</b>

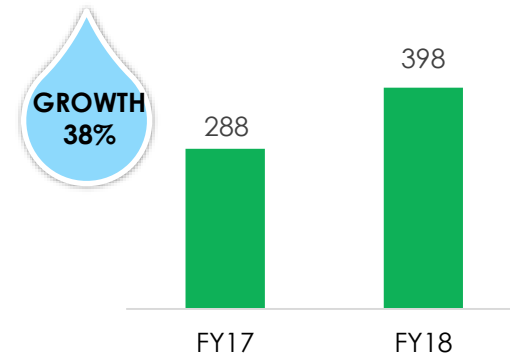
## REVENUES\* (INR MN)



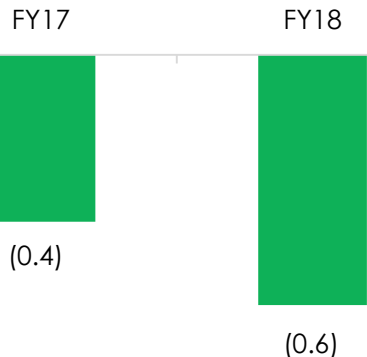
## EBITDA (INR MN)



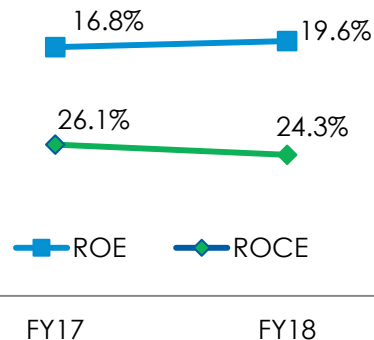
## PAT \*\* (INR MN)



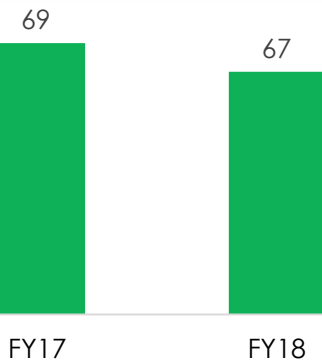
## NET DEBT/ EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS



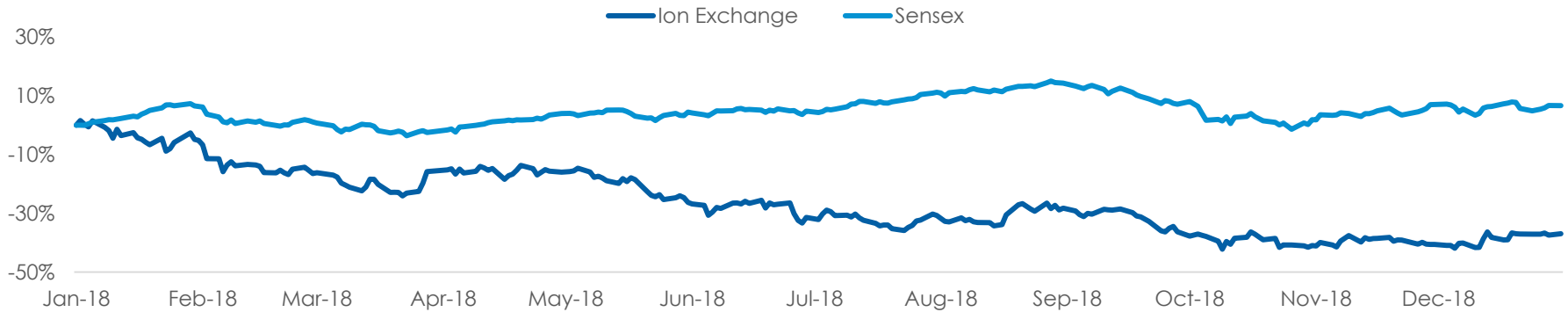
\* Includes other income

\*\*PAT after Minority Interest



# Market Data (Bloomberg – ION IN, Reuters – IONX.BO)

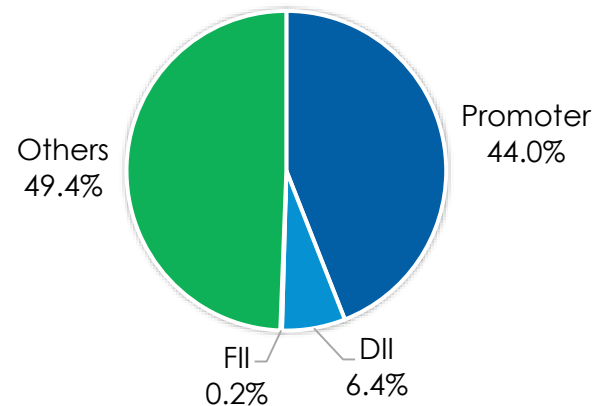
## 1 YEAR SHARE PRICE MOVEMENT (AS ON 31st DECEMBER, 2018)



## PRICE DATA (AS ON 31<sup>ST</sup> DECEMBER, 2018)

Face value (INR)	10
Market Price (INR)	372.40
52 Week H/L (INR)	604/335
Market Cap (INR Mn)	5,461.9
Equity Shares Outstanding (Mn)	14.67
1 Year Avg. trading volume ('000)	6.02

## SHAREHOLDING PATTERN (AS ON 31<sup>ST</sup> DECEMBER, 2018)



## **Ion Exchange (India) Limited**

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