

October 26, 2018

The Corporate Relationship Dept.  
BSE Limited  
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 Obligation 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 Second quarter and Half year ended September 30, 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 | H1/ Q2-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

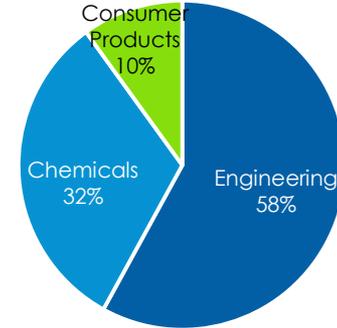
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

FY18: PAT\*  
INR 398 Mn

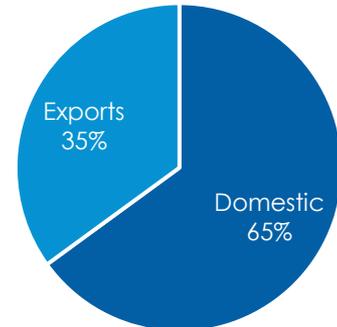
# Company Overview

- 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 54<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

## ❑ Q2-FY19 Performance:

- Total Income\*: INR 2,436 Mn
- EBITDA : INR 271 Mn
- EBITDA Margins: 11.12%
- Net Profit: INR 121 Mn
- PAT Margins: 4.97%
- Diluted EPS: INR 10.04

## ❑ H1-FY19 Performance:

- Total Income\*: INR 4,652 Mn
- EBITDA: INR 527 Mn
- EBITDA Margins: 11.33%
- Net Profit: INR 230 Mn
- PAT Margins: 4.94%
- Diluted EPS: INR 19.12

\* Includes other income

## ENGINEERING

- Improved order booking and execution during the quarter.
- Re: Sri Lanka Order, significant phase of civil work has commenced. Whilst the revenue recognition is insignificant, we expect substantial revenue recognition in the 2nd half of the financial year.

## CHEMICALS

- Increased demand requirement has resulted in higher off take during the quarter. However, margins have remained under pressure due to rising commodity prices.

## CONSUMER PRODUCTS

- Improved realizations and overhead control has resulted in containment of losses.

# Q2-FY19 – STANDALONE INCOME STATEMENT (IND AS)

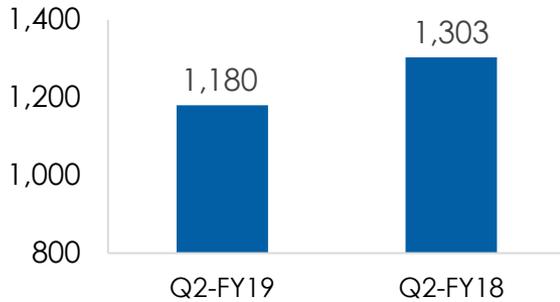
INCOME STATEMENT (INR MN)	Q2-FY19	Q2-FY18	Y-o-Y	Q1-FY19	Q-o-Q
<b>Total Income*</b>	<b>2,436</b>	<b>2,262</b>	<b>7.69%</b>	<b>2,216</b>	<b>9.93%</b>
Total Expenses	2,165	2,063	4.94%	1,960	10.46%
<b>EBITDA</b>	<b>271</b>	<b>199</b>	<b>36.18%</b>	<b>256</b>	<b>5.86%</b>
<b>EBITDA Margins (%)</b>	<b>11.12%</b>	<b>8.80%</b>	<b>232 Bps</b>	<b>11.55%</b>	<b>(43) Bps</b>
Depreciation	45	32	40.62%	44	2.27%
Finance Cost	39	39	-	42	(7.1)%
<b>PBT</b>	<b>187</b>	<b>128</b>	<b>46.10%</b>	<b>170</b>	<b>10.00%</b>
Tax	66	49	34.69%	61	8.20%
<b>Profit After Tax</b>	<b>121</b>	<b>79</b>	<b>53.16%</b>	<b>109</b>	<b>11.01%</b>
<b>PAT Margins (%)</b>	<b>4.97%</b>	<b>3.49%</b>	<b>148 Bps</b>	<b>4.92%</b>	<b>5 Bps</b>
Other Comprehensive Income	(1)	(1)	NA	(1)	NA
<b>Total Comprehensive Income</b>	<b>120</b>	<b>78</b>	<b>53.85%</b>	<b>108</b>	<b>11.11%</b>
EPS Diluted (INR) (Not annualised)	10.04	6.60	52.12%	9.08	10.57%

\* Includes other income

# SEGMENTAL BREAKUP-QUARTERLY STANDALONE

## ENGINEERING (INR MN)

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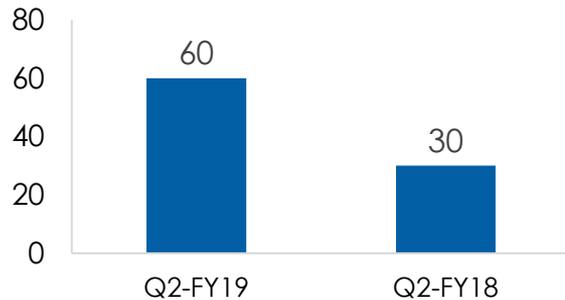
## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



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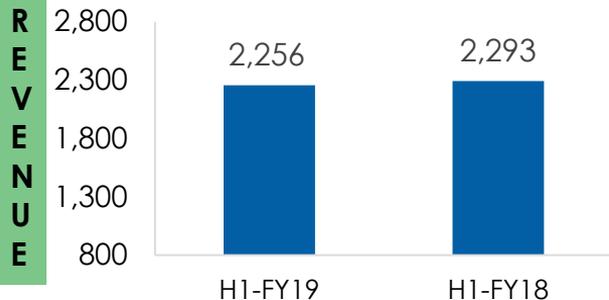
# H1-FY19 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	H1-FY19	H1-FY18	Y-o-Y
<b>Total Income*</b>	<b>4,652</b>	<b>4,399</b>	<b>5.75%</b>
Total Expenses	4,125	4,024	2.51%
<b>EBITDA</b>	<b>527</b>	<b>375</b>	<b>40.53%</b>
<b>EBITDA Margins (%)</b>	<b>11.33%</b>	<b>8.52%</b>	<b>281 Bps</b>
Depreciation	89	65	36.92%
Finance Cost	81	71	14.08%
<b>PBT</b>	<b>357</b>	<b>239</b>	<b>49.37%</b>
Tax	127	87	45.98%
<b>Profit After Tax</b>	<b>230</b>	<b>152</b>	<b>51.32%</b>
<b>PAT Margins (%)</b>	<b>4.94%</b>	<b>3.46%</b>	<b>148 Bps</b>
Other Comprehensive Income	(1)	(2)	NA
<b>Total Comprehensive Income</b>	<b>229</b>	<b>150</b>	<b>52.67%</b>
EPS Diluted (INR) (Not annualised)	19.12	12.67	50.91%

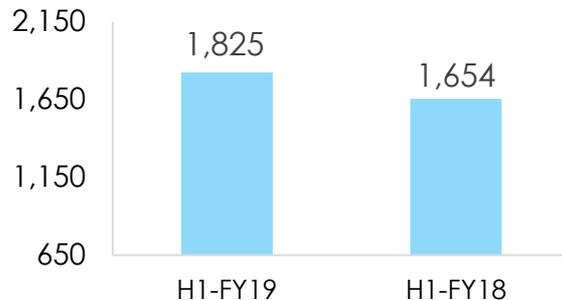
\* Includes other income

# SEGMENTAL BREAKUP- HALF YEAR STANDALONE

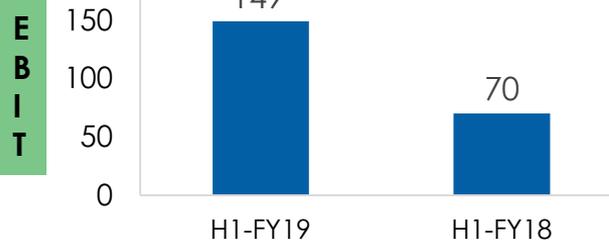
## ENGINEERING (INR MN)



## 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

# Standalone Balance Sheet (As per IndAS)

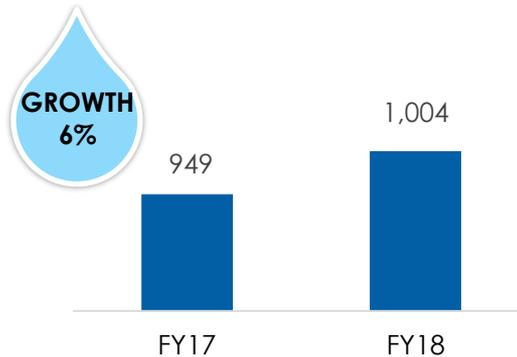
PARTICULARS (INR MN)	FY17	FY18	H1-FY19	PARTICULARS (INR MN)	FY17	FY18	H1-FY19
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>				<b>Non-Current Assets</b>			
(A) Equity Share Capital	147	147	147	(A) Property, Plant and Equipment	887	1,347	1,362
(B) Other Equity	2,562	2,987	3,165	(B) 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

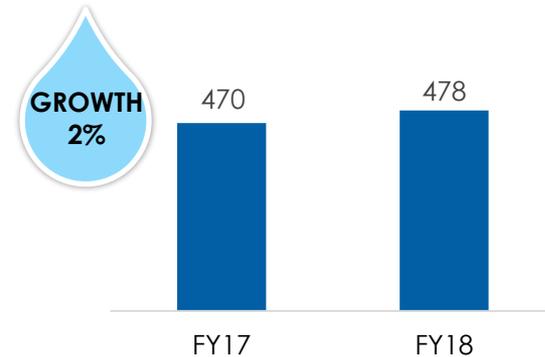
## REVENUES\* (INR MN)



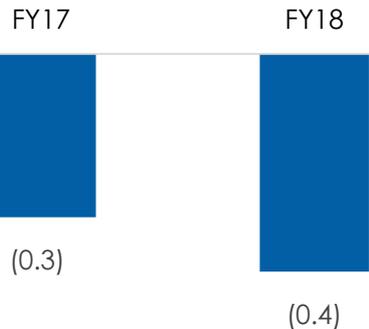
## EBITDA (INR MN)



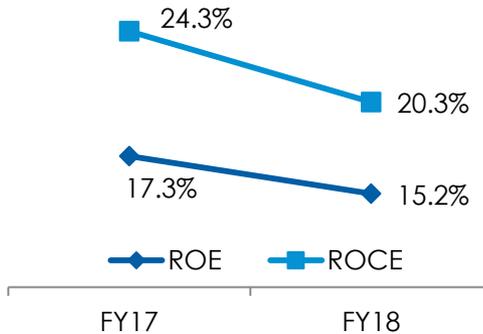
## PAT (INR MN)



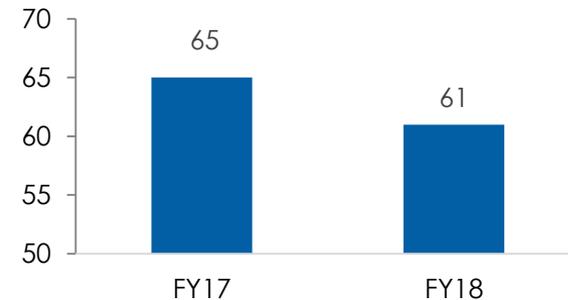
## NET DEBT/EQUITY



## 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

# Consolidated Balance Sheet (As per IndAS)

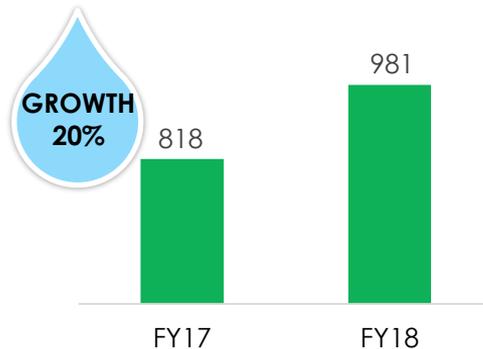
PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
<b>Equity</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	142	142	(A) Property, Plant and Equipment	977	1,436
(B) Other Equity	1,525	1,859	(B) Capital Work-in-progress	336	66
Non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

# Financials - Consolidated

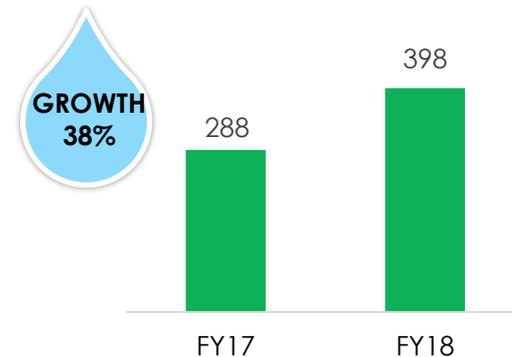
## REVENUES\* (INR MN)



## EBITDA (INR MN)



## PAT \*\* (INR MN)

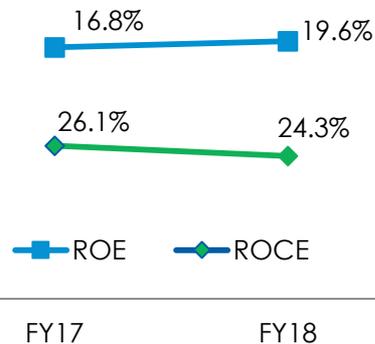


## NET DEBT/ EQUITY

FY17 FY18



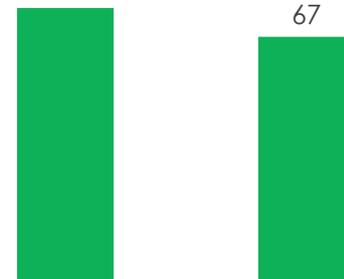
## ROE and ROCE



## WORKING CAPITAL DAYS

69 67

FY17 FY18

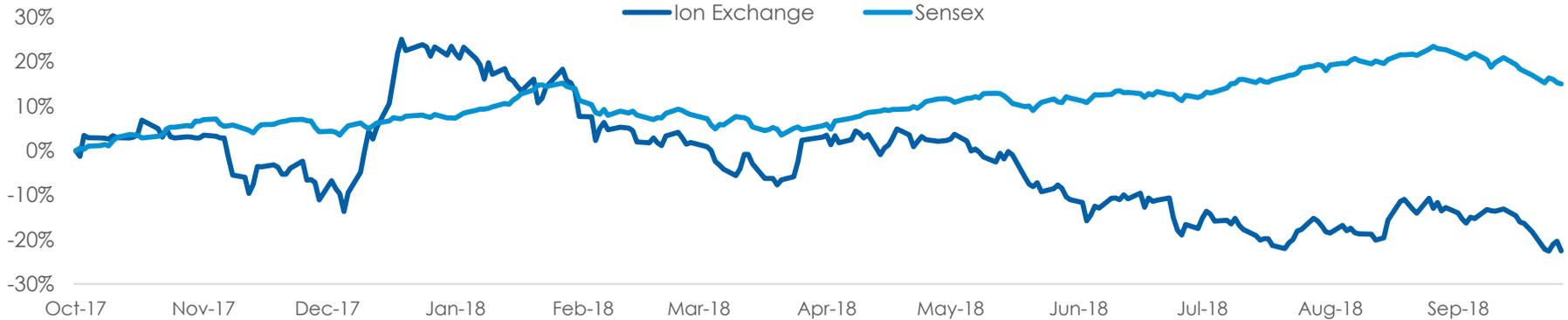


\* Includes other income

\*\*PAT after Minority Interest

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

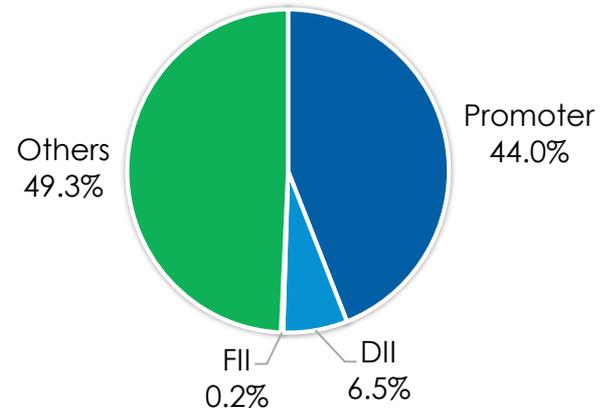
## 1 YEAR SHARE PRICE MOVEMENT (AS ON 30th SEPTEMBER, 2018)



## PRICE DATA (AS ON 30th SEPTEMBER, 2018)

Face value (INR)	10
Market Price (INR)	376.45
52 Week H/L (INR)	634/370
Market Cap (INR Mn)	5,521.3
Equity Shares Outstanding (Mn)	14.67
1 Year Avg. trading volume ('000)	8.25

## SHAREHOLDING PATTERN (AS ON 30th SEPTEMBER, 2018)



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

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**For further details please contact our Investor Relations Representatives:**

**VALOREM ADVISORS**

**Mr. Anuj Sonpal**

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Email: [ion@valoremadvisors.com](mailto:ion@valoremadvisors.com)



**ION EXCHANGE**  
*Refreshing the Planet*

THANK YOU