

October 30, 2017

Bombay Stock Exchange 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 Second quarter ended September 30, 2017.

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

Kindly take the information on record.

Thanking You,

Yours faithfully,  
For Ion Exchange (India) Limited



Milind Puranik  
Company Secretary

# EARNINGS PRESENTATION | H1/Q2 FY18



# Executive Summary

## 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.

Total Income\*  
INR 10,298 Mn

## BUSINESS & REVENUE (%) MIX - CONSOLIDATED

- **Engineering (60%)** – 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 (30%)** - 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.

EBITDA\*  
INR 833 Mn

## MARQUEE CLIENTS

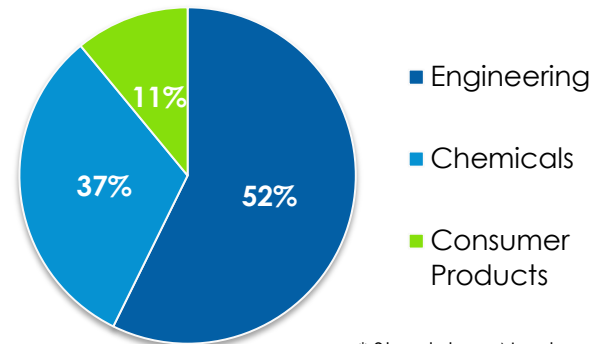
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

PAT\*  
INR 283 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 53<sup>rd</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 BREAKUP H1-FY18\*



\* Standalone Numbers

## GEOGRAPHICAL BREAKUP FY17\*\*



\*\* INR MN - Consolidated

# H1/Q2-FY18 STANDALONE FINANCIAL HIGHLIGHTS

## ❑ Q2-FY18 Performance:

- Total Income\*: INR 2,262 Mn
- EBITDA : INR 199 Mn
- EBITDA Margins: 8.8%
- Net Profit: INR 79 Mn
- PAT Margins: 3.5%
- Diluted EPS: INR 6.60

## ❑ H1-FY18 Performance:

- Total Income\*: INR 4,399 Mn
- EBITDA: INR 375 Mn
- EBITDA Margins: 8.5%
- Net Profit: INR 152 Mn
- PAT Margins: 3.5%
- Diluted EPS: INR 12.67

*\* Includes other income*

# H1/Q2-FY18 OPERATIONAL HIGHLIGHTS

## ENGINEERING

- Order flows and dispatches did not witness any significant improvement in Q2.
- Whilst several orders are in the advanced stages of negotiations, their finalizations have been delayed.
- The overall slowdown in the capital goods sector coupled with the recent structural and policy changes in the economy has contributed to the decline.
- Sri Lanka order execution is on schedule and revenue has been recognized in this quarter based on work progress.

## CHEMICALS

- Growth adversely affected due to lower off take in some of the Heavy Industry customers on account of market conditions.
- Slow recovery seen in some segments which affected dispatches in Q2.

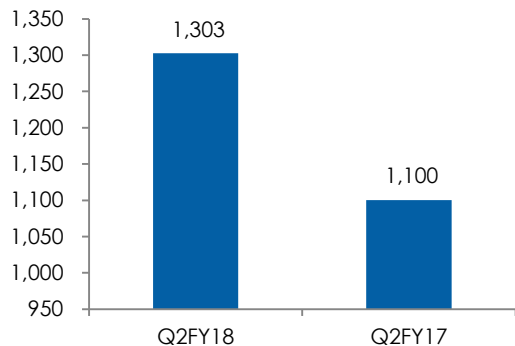
## CONSUMER PRODUCTS

- Turnover and consequential margins adversely affected due to the lingering effects of tax changes.

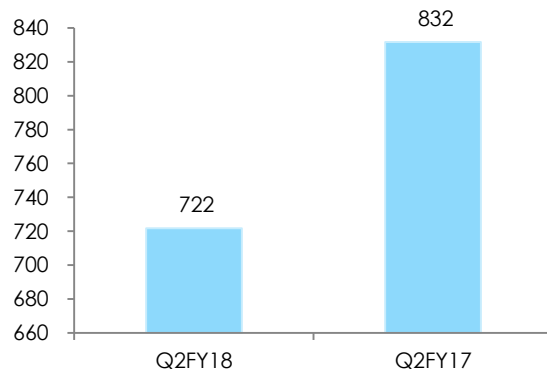
# SEGMENTAL BREAKUP-QUARTERLY STANDALONE

## ENGINEERING\*

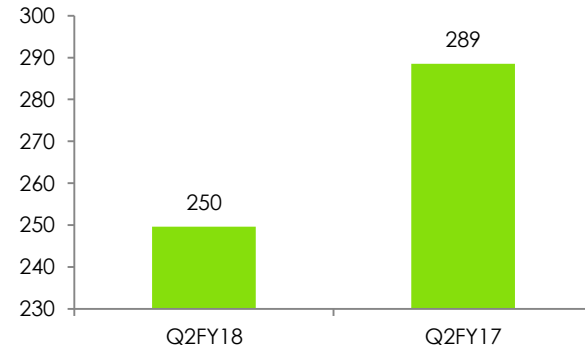
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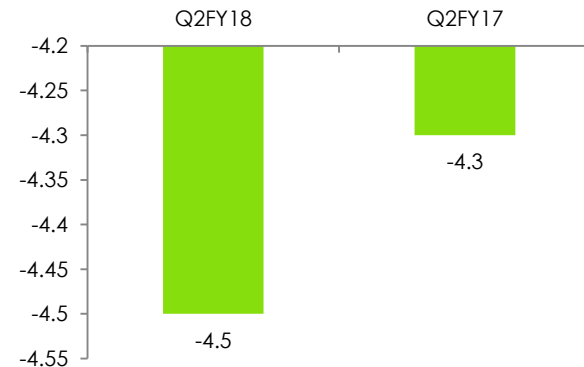
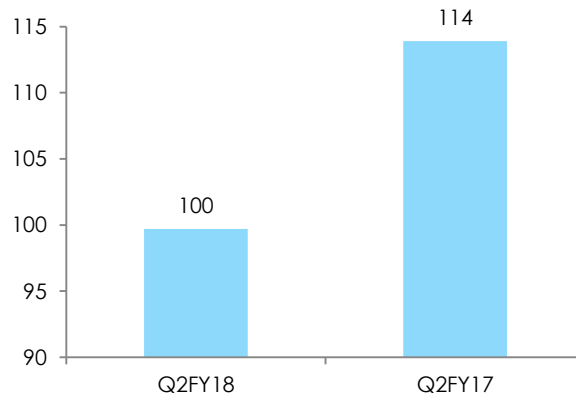
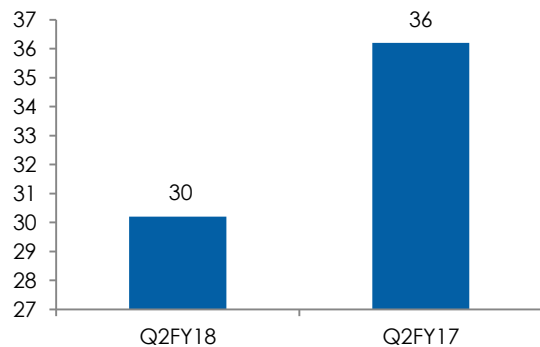
## CHEMICALS\*



## CONSUMER PRODUCTS\*



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\* INR Mn

# Q2 FY18 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	Q2FY18	Q2FY17	Y-o-Y	Q1FY18	Q-o-Q
<b>Total Income*</b>	<b>2,262</b>	<b>2,148</b>	<b>5%</b>	<b>2,137</b>	<b>6%</b>
Total Expenses	2,063	1,959	5%	1,962	5%
<b>EBITDA</b>	<b>199</b>	<b>189</b>	<b>5%</b>	<b>175</b>	<b>14%</b>
<b>EBITDA Margins (%)</b>	<b>8.80%</b>	<b>8.80%</b>	<b>NA</b>	<b>8.19%</b>	<b>61 Bps</b>
Depreciation	32	26	23%	32	NA
Finance Cost	39	33	18%	32	22%
<b>PBT</b>	<b>128</b>	<b>130</b>	<b>(2)%</b>	<b>111</b>	<b>15%</b>
Tax	49	42	17%	38	29%
<b>Profit After Tax</b>	<b>79</b>	<b>88</b>	<b>(10)%</b>	<b>73</b>	<b>8%</b>
<b>PAT Margins (%)</b>	<b>3.49%</b>	<b>4.10%</b>	<b>(61) Bps</b>	<b>3.42%</b>	<b>7 Bps</b>
Other Comprehensive Income	(1)	(1)	NA	(1)	NA
<b>Total Comprehensive Income</b>	<b>78</b>	<b>87</b>	<b>(10)%</b>	<b>72</b>	<b>8%</b>
EPS Diluted (INR)	6.60	7.38	(11)%	6.07	9%

\* Includes other income



# H1FY18 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	H1FY18	H1FY17	Y-o-Y
<b>Total Income*</b>	<b>4,399</b>	<b>4,220</b>	<b>4%</b>
Total Expenses	4,024	3,855	4%
<b>EBITDA</b>	<b>375</b>	<b>365</b>	<b>3%</b>
<b>EBITDA Margins (%)</b>	<b>8.52%</b>	<b>8.65%</b>	<b>(13) Bps</b>
Depreciation	65	52	25%
Finance Cost	71	60	18%
<b>PBT</b>	<b>239</b>	<b>253</b>	<b>(6)%</b>
Tax	87	84	4%
<b>Profit After Tax</b>	<b>152</b>	<b>169</b>	<b>(10)%</b>
<b>PAT Margins (%)</b>	<b>3.46%</b>	<b>4.00%</b>	<b>(54) Bps</b>
Other Comprehensive Income	(2)	(2)	NA
<b>Total Comprehensive Income</b>	<b>150</b>	<b>167</b>	<b>(10)%</b>
EPS Diluted (INR)	12.67	14.16	(11)%

\* Includes other income

# Standalone Income Statement

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16	FY17	H1FY18**
<b>Total Income*</b>	<b>7,732</b>	<b>7,201</b>	<b>7,400</b>	<b>8,139</b>	<b>9,513</b>	<b>4,399</b>
Total Expenses	7,208	6,705	6,813	7,419	8,575	4,024
<b>EBITDA</b>	<b>524</b>	<b>496</b>	<b>587</b>	<b>720</b>	<b>938</b>	<b>375</b>
<b>EBITDA Margins (%)</b>	<b>6.8%</b>	<b>6.9%</b>	<b>7.9%</b>	<b>8.9%</b>	<b>9.9%</b>	<b>8.5%</b>
Depreciation	79	84	98	100	108	65
Finance Cost	120	98	109	106	128	71
<b>PBT</b>	<b>325</b>	<b>314</b>	<b>380</b>	<b>514</b>	<b>702</b>	<b>239</b>
Tax	110	109	119	169	242	87
<b>Profit After Tax</b>	<b>215</b>	<b>205</b>	<b>261</b>	<b>345</b>	<b>460</b>	<b>152</b>
<b>PAT Margins (%)</b>	<b>2.8%</b>	<b>2.8%</b>	<b>3.5%</b>	<b>4.2%</b>	<b>4.8%</b>	<b>3.5%</b>
Other Comprehensive Income	-	-	-	-	-	(2)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>
EPS Diluted (INR)	14.56	14.08	17.61	23.20	31.36	12.67

\* Includes other income

\*\* As per Ind As

# Standalone Balance Sheet

(As per IND-AS)

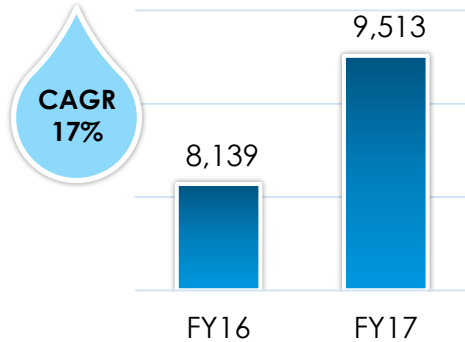
PARTICULARS (INR MN)	H1FY18	PARTICULARS (INR MN)	H1FY18
<b>EQUITIES &amp; LIABILITIES</b>		<b>ASSETS</b>	
<b>Equity</b>		<b>Non-Current Assets</b>	
(A) Equity Share Capital	147	(A) Property, Plant and Equipments	850
(B) Other Equity	2,661	(B) Capital Work-in-progress	418
<b>Total Equity</b>	<b>2,808</b>	(C) Other Intangible Assets	13
<b>Non-Current Liabilities</b>		(D) Financial Assets	
(A) Financial Liabilities		(i) Investments	575
(i) Borrowings	234	(ii) Trade Receivables	36
(ii) Other financial Liabilities	89	(iii) Loans	381
(B) Provisions	125	(E) Income Tax Assets	3
(C) Deferred Tax Liabilities (Net)	20	(F) Other Non-Current Assets	62
(D) Other Non-Current Liabilities	0	<b>Total Non – Current Assets</b>	<b>2,338</b>
<b>Total Non – Current Liabilities</b>	<b>468</b>	<b>Current Assets</b>	
		(A) Inventories	1,044
<b>Current Liabilities</b>		(B) Financial Assets	
(A) Financial Liabilities		(i) Investments	4
(i) Borrowings	1,166	(ii) Trade Receivables	4,313
(ii) Trade Payables	3,446	(iii) Cash & Cash Equivalents	321
(iii) Other Financial Liabilities	299	(iv) Bank Balances	1,725
(B) Other Current Liabilities	2,900	(v) Loans	744
(C) Provisions	36	(vi) Others	36
(D) Liabilities for current tax (Net)	142	(C) Other current assets	740
<b>Total Current Liabilities</b>	<b>7,989</b>	<b>Total Current Assets</b>	<b>8,927</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>11,265</b>	<b>GRAND TOTAL – ASSETS</b>	<b>11,265</b>

# Historical Standalone Balance Sheet (As per IGAAP)

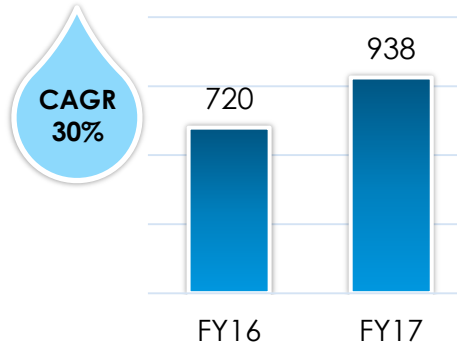
PARTICULARS (INR MN)	FY15	FY16	FY17	PARTICULARS (INR MN)	FY15	FY16	FY17
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
<b>Shareholder's Funds</b>				<b>Non Current Assets</b>			
(A) Share Capital	145	146	147	(A) Fixed Assets	750	823	1,233
(B) Reserves & Surplus	2,058	2,355	2,812	(B) Non-current investments	552	552	552
<b>Total Shareholder's Funds</b>	<b>2,203</b>	<b>2,501</b>	<b>2,959</b>	(C) Deferred tax assets (Net)	0	0	0
<b>Non-Current Liabilities</b>				(D) Long term loans & advance	597	692	650
(A) Long Term Borrowings	102	155	277	(E) Other non-current assets	67	59	39
(B) Deferred Tax Liabilities (Net)	46	43	41	<b>Total Non – Current Assets</b>	<b>1,966</b>	<b>2,126</b>	<b>2,474</b>
(C) Other Long Term liabilities	73	84	86				
(D) Long Term provisions	108	119	108	<b>Current Assets</b>			
<b>Total Non – Current Liabilities</b>	<b>329</b>	<b>401</b>	<b>512</b>	(A) Current Investments	1	1	1
<b>Current Liabilities</b>				(B) Inventories	453	598	858
(A) Short term Borrowings	357	410	408	(C) Trade Receivables	3,265	3,352	4,216
(B) Trade Payables	2,703	2,893	3,532	(D) Cash & Bank Balances	148	192	1,511
(C) Other Current Liabilities	565	595	2,511	(E) Short-term loans & advances	486	724	1,051
(D) Short-term provisions	164	198	193	(F) Other current assets	2	5	4
<b>Total Current Liabilities</b>	<b>3,789</b>	<b>4,096</b>	<b>6,644</b>	<b>Total Current Assets</b>	<b>4,355</b>	<b>4,872</b>	<b>7,641</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>6,321</b>	<b>6,998</b>	<b>10,115</b>	<b>GRAND TOTAL – ASSETS</b>	<b>6,321</b>	<b>6,998</b>	<b>10,115</b>

# Financials - Standalone (As per IGAAP)

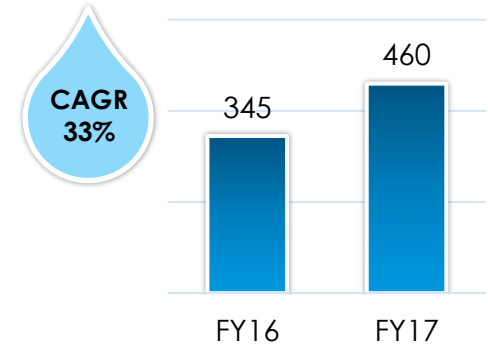
## REVENUES\* (INR MN)



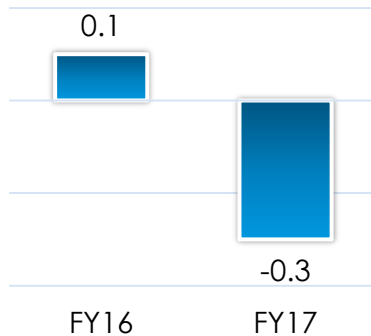
## EBITDA (INR MN)



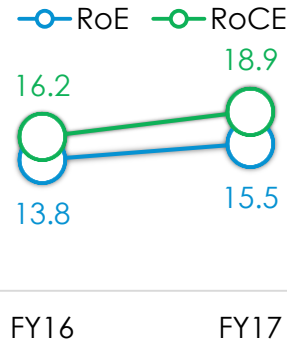
## PAT (INR MN)



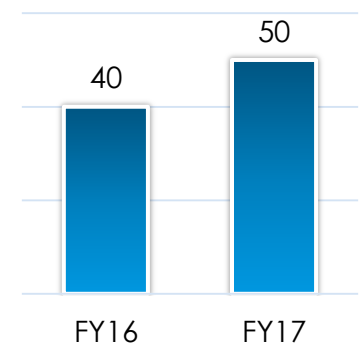
## NET DEBT/EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS



\* Includes other income

# Consolidated Income Statement (As per IGAAP)

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16	FY17
<b>Total Income*</b>	<b>8,620</b>	<b>7,978</b>	<b>8,048</b>	<b>8,776</b>	<b>10,298</b>
Total Expenses	8,081	7,588	7,539	8,155	9,465
<b>EBITDA</b>	<b>539</b>	<b>390</b>	<b>509</b>	<b>621</b>	<b>833</b>
<b>EBITDA Margins (%)</b>	<b>6.3%</b>	<b>4.9%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>8.1%</b>
Depreciation	123	106	121	126	133
Finance Cost	156	136	150	149	163
<b>PBT</b>	<b>260</b>	<b>148</b>	<b>238</b>	<b>346</b>	<b>537</b>
Tax	113	100	124	177	251
<b>Profit After Tax</b>	<b>147</b>	<b>48</b>	<b>114</b>	<b>169</b>	<b>286</b>
(+) Share of Profit / (Loss) in Associates	(1)	0	0	1	6
(-) Minority Interest	4	2	16	17	9
<b>PAT after Minority Interest</b>	<b>142</b>	<b>46</b>	<b>98</b>	<b>153</b>	<b>283</b>
<b>PAT Margins (%)</b>	<b>1.6%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>1.7%</b>	<b>2.7%</b>
<b>EPS Diluted (INR)</b>	<b>9.80</b>	<b>3.22</b>	<b>6.78</b>	<b>10.61</b>	<b>19.94</b>

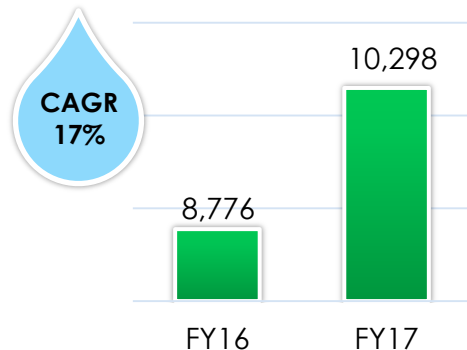
\* Includes other income

# Historical Consolidated Balance Sheet (As per IGAAP)

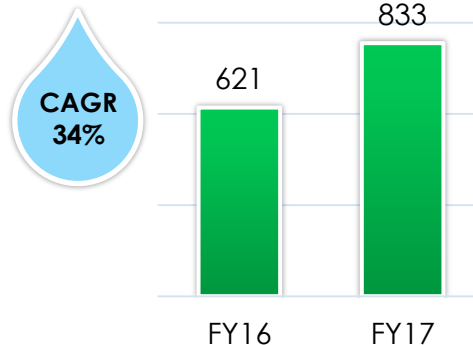
PARTICULARS (INR MN)	FY 15	FY 16	FY 17	PARTICULARS (INR MN)	FY 15	FY 16	FY 17
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
<b>Shareholder Funds</b>				<b>Non Current Assets</b>			
(A) Share Capital	141	141	142	(A) Fixed Assets	989	1,050	1,453
(B) Reserves & Surplus	1,420	1,560	1,837	(B) Non-current investments	24	24	29
<b>Total -Shareholder Funds</b>	<b>1,561</b>	<b>1,701</b>	<b>1,979</b>	(C) Deferred tax assets (Net)	8	8	9
<b>Minority Interest</b>	<b>85</b>	<b>62</b>	<b>63</b>	(D) Long term advance	476	543	453
<b>Non Current Liabilities</b>				(E) Other non-current assets	263	263	266
(A) Long Term Borrowings	202	230	299	<b>Total - Non – Current Assets</b>	<b>1,760</b>	<b>1,888</b>	<b>2,210</b>
(B) Deferred Tax Liabilities (Net)	47	44	41				
(C) Other Long Term Liabilities	110	128	126	<b>Current Assets</b>			
(D) Long Term provisions	116	129	118	(A) Current Investments	1	1	1
<b>Total - Non – Current Liabilities</b>	<b>475</b>	<b>531</b>	<b>584</b>	(B) Inventories	793	814	1,109
<b>Current Liabilities</b>				(C) Trade Receivables	3,582	3,630	4,405
(A) Short term Borrowings	567	567	608	(D) Cash and Bank Balances	262	334	1,669
(B) Trade Payables	3,162	3,314	3,960	(E) Short-term loans and advances	401	489	646
(C) Other Current Liabilities	783	781	2,650	(F) Other current assets	3	5	5
(D) Short-term provisions	169	205	201	<b>Total – Current Assets</b>	<b>5,042</b>	<b>5,273</b>	<b>7,835</b>
<b>Total – Current Liabilities</b>	<b>4,681</b>	<b>4,867</b>	<b>7,419</b>				
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>6,802</b>	<b>7,161</b>	<b>10,045</b>	<b>GRAND TOTAL – ASSETS</b>	<b>6,802</b>	<b>7,161</b>	<b>10,045</b>

# Financials - Consolidated (As per IGAAP)

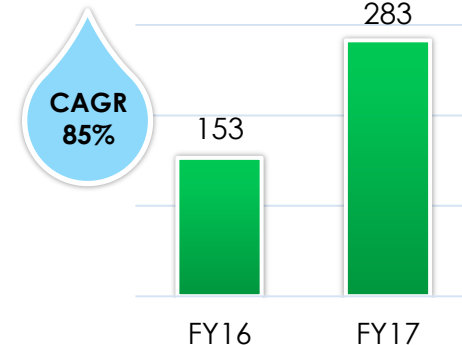
## REVENUES\* (INR MN)



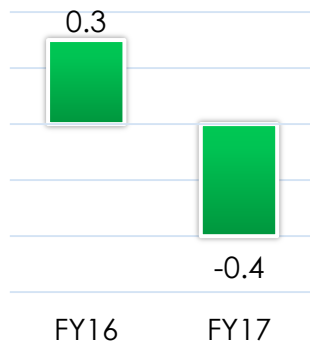
## EBITDA (INR MN)



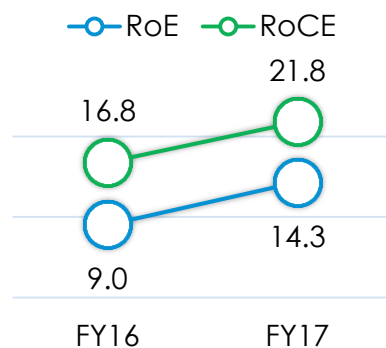
## PAT \*\* (INR MN)



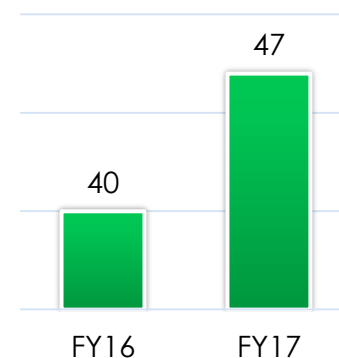
## NET DEBT/ EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS



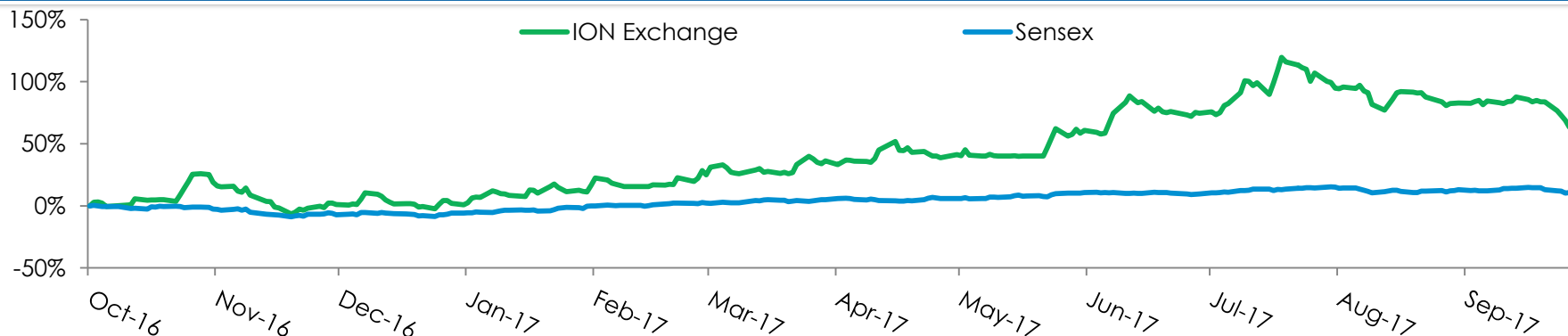
\* Includes other income

\*\*PAT after Minority Interest



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

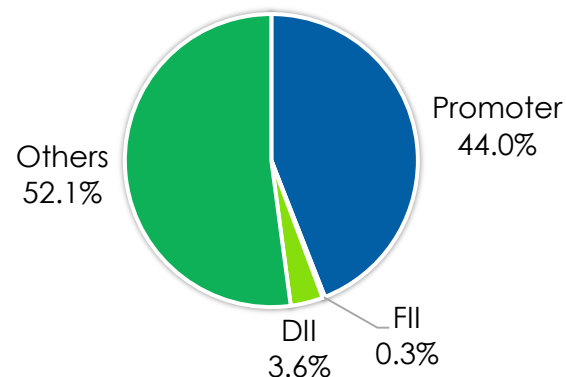
## 1 YEAR SHARE PRICE MOVEMENT (AS ON 30th SEPTEMBER, 2017)



## PRICE DATA (AS ON 30th SEPTEMBER, 2017)

Face value (INR)	10
Market Price (INR)	473.5
52 Week H/L (INR)	638/254
Market Cap (INR Mn)	6,945
Equity Shares Outstanding (Mn)	14.67
1 Year Avg. trading volume ('000)	13.99

## SHAREHOLDING PATTERN (AS ON 30th SEPTEMBER, 2017)



# Disclaimer

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

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