

January 27, 2020

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 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 Third Quarter Ended December 31, 2019.

The aforesaid information is also disclosed on website of the company i.e. 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-FY20



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.

FY19: Operating Income*
INR 11,623 Mn

BUSINESS & REVENUE (%) MIX - CONSOLIDATED

- **Engineering (56%)** – 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 (35%)** - Provides a comprehensive range of resins, speciality chemicals and customized chemical treatment programmes for water, non-water and specialty applications.
- **Consumer Products (9%)** – Caters to individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defence establishments providing safe drinking water and a clean environment.

FY19: Operating EBITDA*
INR 1,066 Mn

MARQUEE CLIENTS

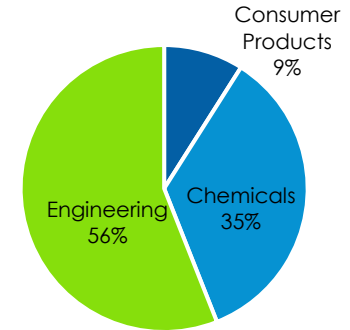
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

FY19: PAT*
INR 659 Mn

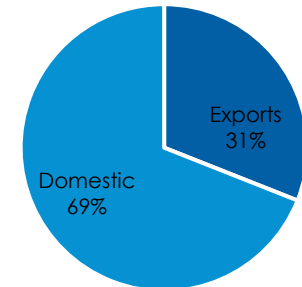
Company Overview

- 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 55th 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 FY19*



GEOGRAPHICAL BREAKUP FY19*



*Consolidated

❑ Q3-FY20 Performance (Standalone):

- Operating Income: INR 3,781 Mn
- Operating EBITDA: INR 368 Mn
- Operating EBITDA Margins: 9.73%
- Net Profit: INR 278 Mn
- PAT Margins: 7.35%
- Diluted EPS: INR 22.87 per share

❑ 9M-FY20 Performance (Standalone):

- Operating Income: INR 10,793 Mn
- Operating EBITDA: INR 882 Mn
- Operating EBITDA Margins: 8.17%
- Net Profit: INR 702 Mn
- PAT Margins: 6.50%
- Diluted EPS: INR 58.30 per share

❑ Q3-FY20 Performance (Consolidated):

- Operating Income: INR 3,982 Mn
- Operating EBITDA: INR 392 Mn
- Operating EBITDA Margins: 9.84%
- Net Profit: INR 263 Mn
- PAT Margins: 6.60%
- Diluted EPS: INR 22.50 per share

❑ 9M-FY20 Performance (Consolidated):

- Operating Income: INR 11,287 Mn
- Operating EBITDA: INR 952 Mn
- Operating EBITDA Margins: 8.43%
- Net Profit: INR 653 Mn
- PAT Margins: 5.79%
- Diluted EPS: INR 56.24 per share

ENGINEERING

- Increase in Sales and profitability on the back of healthy order backlog.
- Sri Lanka order execution is proceeding satisfactorily. Revenue recognition in the quarter is based on work progress.

CHEMICALS

- Sustained demand in certain segments has resulted in improvement in sales and profitability.

CONSUMER PRODUCTS

- Higher volumes have resulted in growth on year on year basis in this quarter.
- The Company expects improved performance in the ensuing quarters with increase in volumes.

Q3-FY20 STANDALONE INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR MN)	Q3-FY20	Q3-FY19	Y-o-Y	Q2-FY20	Q-o-Q
Operating Income	3,781	2,499	51.3%	3,970	(4.8)%
Expenses	3,413	2,308	47.9%	3,674	(7.1)%
Operating EBITDA	368	191	92.7%	296	24.3%
Operating EBITDA Margins (%)	9.73%	7.64%	209 Bps	7.46%	227 Bps
Depreciation	55	45	22.2%	53	3.8%
Finance Cost	35	39	(10.3)%	32	9.4%
Other Income	104	85	22.4%	122	(14.8)%
PBT	382	192	99.0%	333	14.7%
Tax	104	64	62.5%	62	67.7%
Profit After Tax	278	128	117.2%	271	2.6%
PAT Margins (%)	7.35%	5.12%	223 Bps	6.83%	52 Bps
Other Comprehensive Income	(2)	-	NA	(2)	NA
Total Comprehensive Income	276	128	115.6%	269	2.6%
Diluted EPS (INR) (Not annualised)	22.87 [#]	10.67 [*]	114.3%	22.56 [*]	1.4%

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

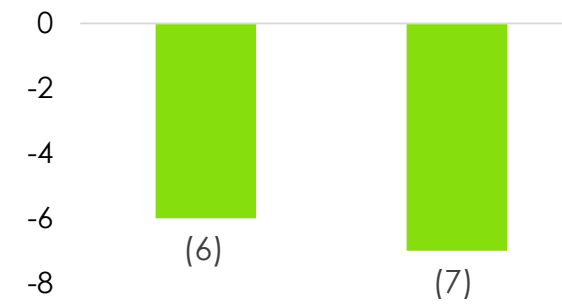
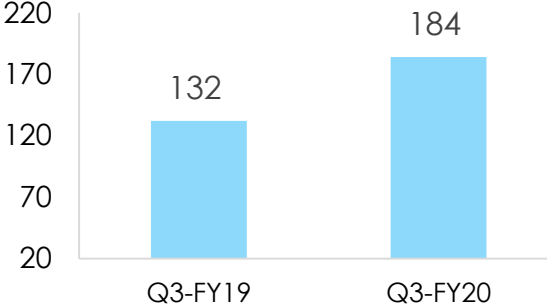
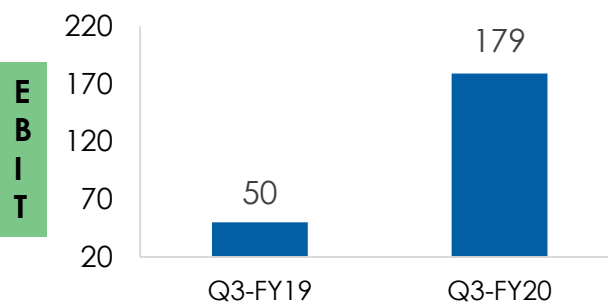
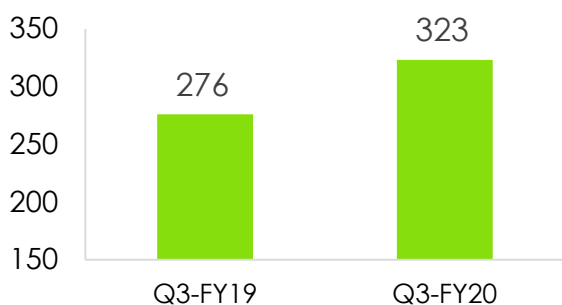
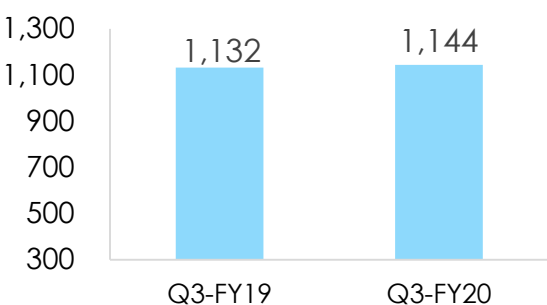
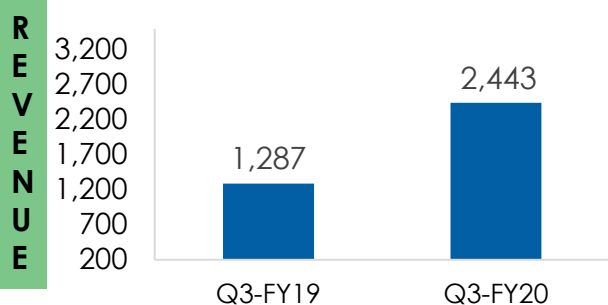
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No. of Shares- 23,68,939*

SEGMENTAL BREAKUP - QUARTERLY STANDALONE

ENGINEERING (INR MN)

CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)



9M-FY20 STANDALONE INCOME STATEMENT (IND-AS)

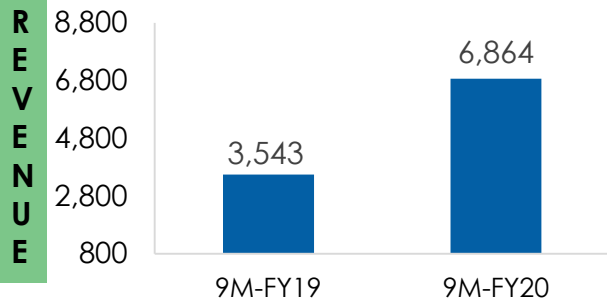
INCOME STATEMENT (INR MN)	9M-FY20	9M-FY19	Y-o-Y
Operating Income	10,793	6,842	57.7%
Expenses	9,911	6,433	54.1%
Operating EBITDA	882	409	115.6%
Operating EBITDA Margins (%)	8.17%	5.98%	219 Bps
Depreciation	160	134	19.4%
Finance Cost	100	120	(16.7)%
Other Income	330	393	(16.0)%
PBT	952	548	73.7%
Tax	250	190	31.6%
Profit After Tax	702	358	96.1%
PAT Margins (%)	6.50%	5.23%	127 Bps
Other Comprehensive Income	(4)	(1)	NA
Total Comprehensive Income	698	357	95.5%
Diluted EPS (INR) (Not annualised)	58.30 [#]	29.79 [*]	95.7%

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No. of Shares- 26,62,914*

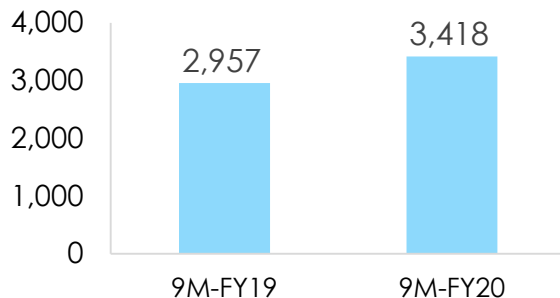
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SEGMENTAL BREAKUP- NINE MONTHS STANDALONE

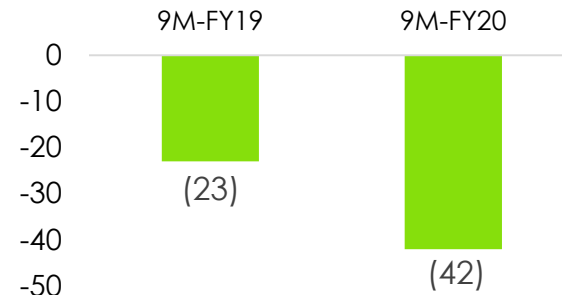
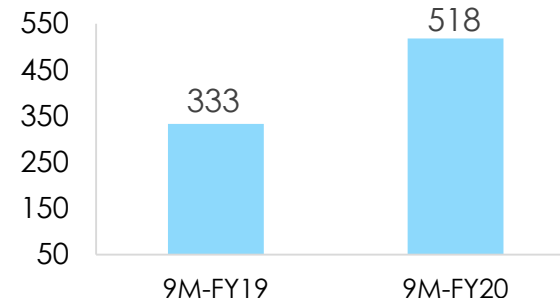
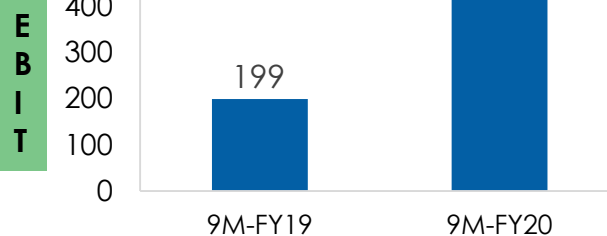
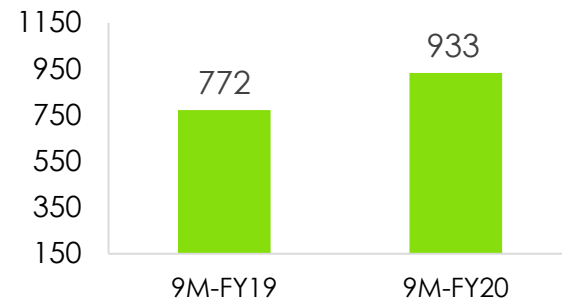
ENGINEERING (INR MN)



CHEMICALS (INR MN)



CONSUMER PRODUCTS (INR MN)



STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	FY18	FY19	9M-FY20
Operating Income	9,943	11,023	10,793
Expenses	9,239	10,110	9,911
Operating EBITDA	704	913	882
Operating EBITDA Margins (%)	7.08%	8.28%	8.17%
Depreciation	119	181	160
Finance Cost	157	162	100
Other Income	300	441	330
PBT	728	1,011	952
Tax	250	345	250
Profit After Tax	478	666	702
PAT Margins (%)	4.80%	6.04%	6.50%
Other Comprehensive Income	(2)	(5)	(4)
Total Comprehensive Income	476	661	698
Diluted EPS (INR)	39.78*	55.47*	58.30 [#]

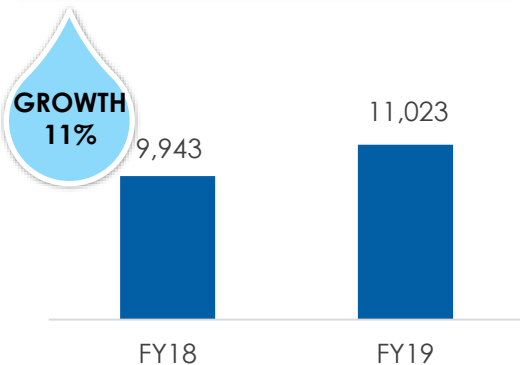
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No. of Shares- 23,68,939

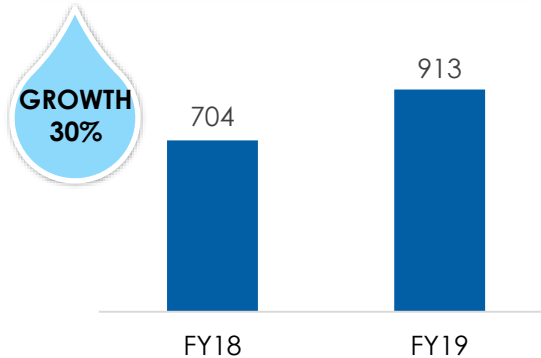
Standalone Balance Sheet (As per IndAS)

PARTICULARS (INR MN)	FY18	FY19	H1- FY20	PARTICULARS (INR MN)	FY18	FY19	H1- FY20
EQUITIES & LIABILITIES				ASSETS			
Equity				Non-Current Assets			
(A) Equity Share Capital	147	147	147	(A) Property, Plant and Equipment	1,347	1,425	1,333
(B) Other Equity	2,987	3,597	3,956	(B) Capital Work-in-progress	66	123	389
Total Equity	3,134	3,744	4,103	(C) Right-of-Use Assets	-	-	74
Non-Current Liabilities				(D) Other Intangible Assets	13	14	15
(A) Financial Liabilities				(E) Financial Assets			
(i) Borrowings	331	261	272	(i) Investments	575	607	611
(ii) Lease Liabilities	-	-	23	(ii) Trade Receivables	36	36	35
(iii) Other financial Liabilities	89	81	86	(iii) Loans	399	403	419
(B) Provisions	101	118	132	(F) Other Non-Current Assets	56	63	78
(C) Deferred Tax Liabilities (Net)	19	11	11	(G) Non Current Tax Assets	3	-	-
(D) Liabilities for Non-Current Tax (Net)	17	15	15	Total Non – Current Assets	2,495	2,671	2,954
Total Non – Current Liabilities	557	486	539	Current Assets			
Current Liabilities				(A) Inventories	771	1,092	1,123
(A) Financial Liabilities				(B) Financial Assets			
(i) Borrowings	886	434	489	(i) Investments	4	4	2
(ii) Lease Liabilities	-	-	16	(ii) Trade Receivables	4,297	4,276	4,322
(iii) Trade Payables	3,406	3,948	4,747	(iii) Cash & Cash Equivalents	606	360	376
(iv) Other Financial Liabilities	358	380	447	(iv) Bank Balances	1,902	2,394	2,728
(B) Other Current Liabilities	2,587	2,979	2,721	(v) Loans	554	509	633
(C) Provisions	39	38	59	(vi) Other Financial Assets	76	184	213
(D) Liabilities for current tax (Net)	114	141	153	(C) Other current assets	376	660	923
Total Current Liabilities	7,390	7,920	8,632	Total Current Assets	8,586	9,479	10,320
GRAND TOTAL - EQUITIES & LIABILITIES	11,081	12,150	13,274	GRAND TOTAL – ASSETS	11,081	12,150	13,274

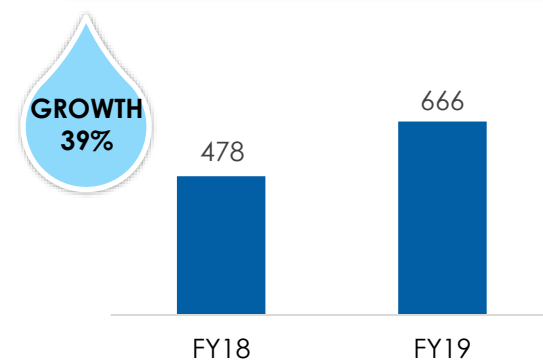
REVENUES (INR MN)



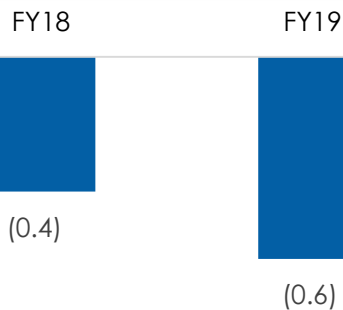
OPERATING EBITDA (INR MN)



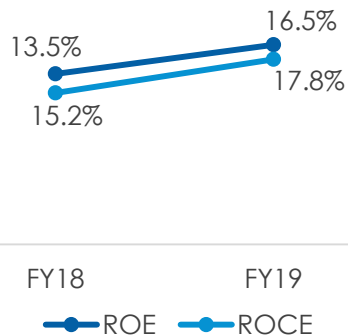
PAT (INR MN)



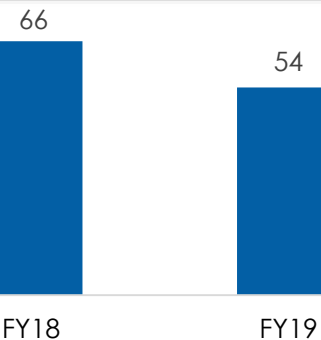
NET DEBT/EQUITY



ROE and ROCE



WORKING CAPITAL DAYS



Q3-FY20 CONSOLIDATED INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	Q3-FY20	Q3-FY19	Y-o-Y	Q2-FY20	Q-o-Q
Operating Income	3,982	2,583	54.2%	4,094	(2.7)%
Expenses	3,590	2,396	49.8%	3,765	(4.6)%
Operating EBITDA	392	187	109.6%	329	19.1%
Operating EBITDA Margins (%)	9.84%	7.24%	260 Bps	8.04%	180 Bps
Depreciation	59	48	22.9%	57	3.5%
Finance Cost	42	46	(8.7)%	39	7.7%
Other Income	76	53	43.4%	91	(16.5)%
PBT	367	146	152.3%	324	13.3%
Share of Profit of equity accounted Investee	3	-	NA	1	NA
Tax	107	67	59.7%	68	57.4%
Profit After Tax	263	79	232.9%	257	2.3%
PAT Margins (%)	6.60%	3.06%	354 Bps	6.28%	32 Bps
Other Comprehensive Income	(7)	(6)	NA	-	NA
Total Comprehensive Income	256	73	250.7%	257	(0.4)%
EPS Diluted (INR)	22.50 [#]	6.86 [*]	228.0%	22.19 [*]	1.4%

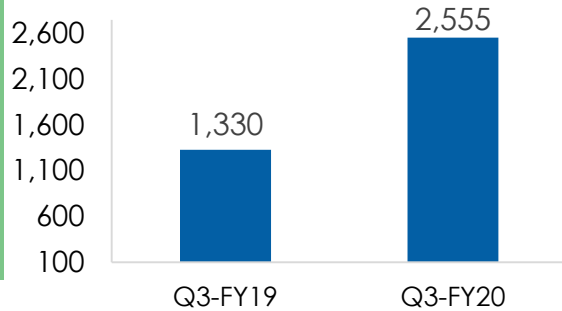
**Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts (No. of Shares-26,62,914) and shares held by Subsidiary companies (No. of Shares- 4,37,874)*

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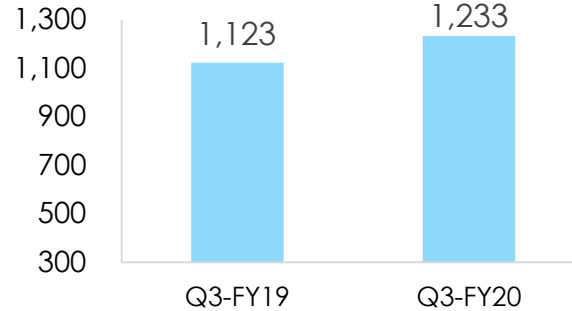
SEGMENTAL BREAKUP-QUARTERLY CONSOLIDATED

ENGINEERING (INR MN)

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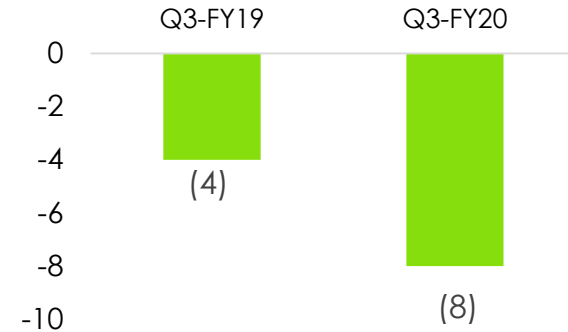
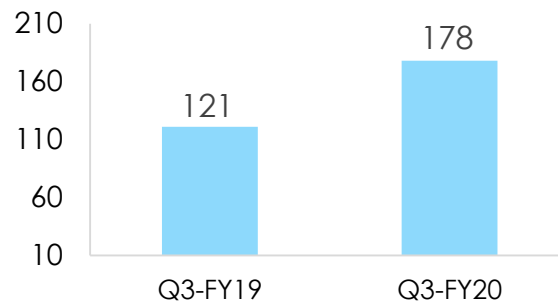
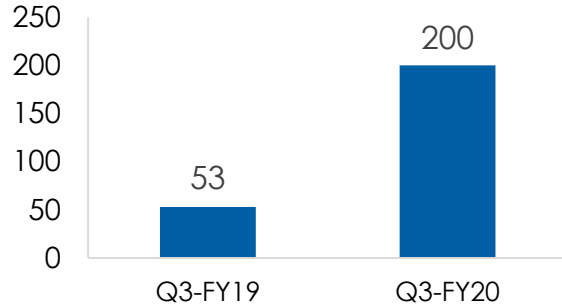
CHEMICALS (INR MN)



CONSUMER PRODUCTS (INR MN)



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9M-FY20 CONSOLIDATED INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	9M-FY20	9M-FY19	Y-o-Y
Operating Income	11,287	7,305	54.5%
Expenses	10,335	6,837	51.2%
Operating EBITDA	952	468	103.4%
Operating EBITDA Margins (%)	8.43%	6.41%	202 Bps
Depreciation	171	145	17.9%
Finance Cost	120	142	(15.5)%
Other Income	245	313	(21.7)%
PBT	906	494	83.4%
Share of Profit of equity accounted Investee	9	4	125.0%
Tax	262	199	31.7%
Profit After Tax	653	299	118.4%
PAT Margins (%)	5.79%	4.09%	170 Bps
Other Comprehensive Income	(11)	4	NA
Total Comprehensive Income	642	303	111.9%
EPS Diluted (INR)	56.24 [#]	25.82 [*]	117.8%

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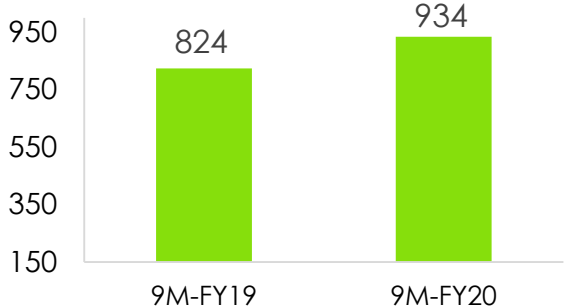
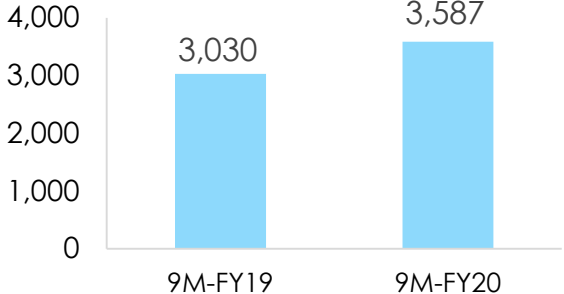
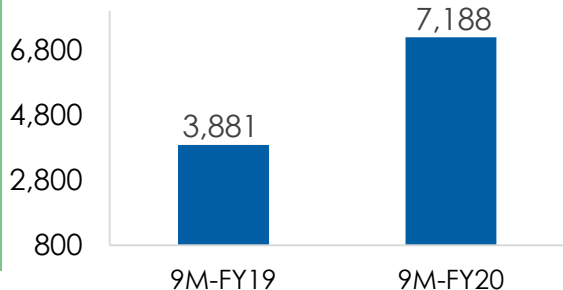
SEGMENTAL BREAKUP – NINE MONTHS CONSOLIDATED

ENGINEERING (INR MN)

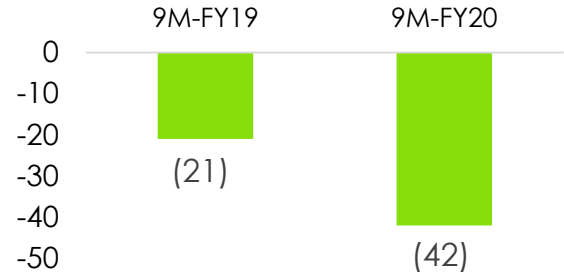
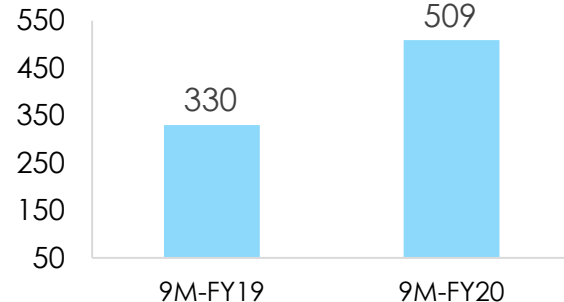
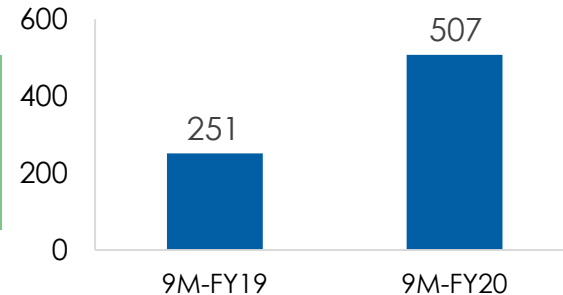
CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)

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CONSOLIDATED INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR MN)	FY18	FY19	9M-FY20
Operating Income	10,549	11,623	11,287
Expenses	9,779	10,557	10,335
Operating EBITDA	770	1,066	952
Operating EBITDA Margins (%)	7.30%	9.17%	8.43%
Depreciation	131	196	171
Finance Cost	187	190	120
Other Income	211	333	245
PBT	663	1,013	906
Share of Profit of equity accounted Investee	(1)	5	9
Tax	263	359	262
Profit After Tax	399	659	653
PAT Margins (%)	3.78%	5.67%	5.79%
Other Comprehensive Income	(14)	1	(11)
Total Comprehensive Income	385	660	642
EPS Diluted (INR)	34.46*	56.99*	56.24 [#]

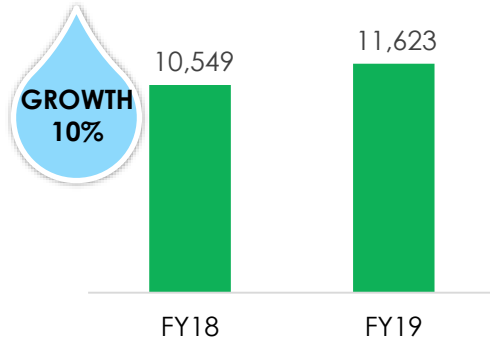
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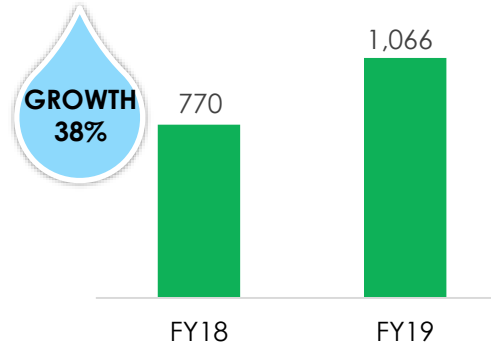
Consolidated Balance Sheet (IND-AS)

PARTICULARS (INR MN)	FY18	FY19	H1- FY20	PARTICULARS (INR MN)	FY18	FY19	H1-FY20
EQUITIES & LIABILITIES				ASSETS			
Equity				Non-Current Assets			
(A) Equity Share Capital	142	142	142	(A) Property, Plant and Equipment	1,436	1,507	1,410
(B) Other Equity	1,859	2,458	2,784	(B) Capital Work-in-progress	66	123	389
Equity attributable to owners	2,001	2,600	2,926	(C) Right-of-Use Assets	-	-	78
Non Controlling Interest	28	22	21	(D) Other Intangible Assets	13	14	15
Total Equity	2,029	2,622	2,947	(E) Goodwill	-	86	86
				(F) Investment accounted using Equity Method	30	34	40
				(G) Financial Assets			
Non-Current Liabilities				(i) Investments	7	7	7
(A) Financial Liabilities				(ii) Trade Receivables	138	142	141
(i) Borrowings	334	261	272	(iii) Loans	99	100	117
(ii) Lease liabilities	-	-	25	(iv) Other Financial Assets	75	70	68
(iii) Other Financial Liabilities	89	81	86	(H) Deferred Tax Assets (Net)	12	10	10
(B) Provisions	113	133	147	(I) Other Non-Current Assets	152	167	185
(C) Deferred Tax Liabilities (Net)	20	11	11	(J) Non-Current Tax Assets	4	5	5
(D) Other Non-Current Liabilities	6	6	6	Total Non – Current Assets	2,032	2,265	2,551
(E) Liabilities for non-current tax (Net)	17	16	15				
Total Non – Current Liabilities	579	508	562	Current Assets			
				(A) Inventories	1,012	1,298	1,313
Current Liabilities				(B) Financial Assets			
(A) Financial Liabilities				(i) Investments	4	4	2
(i) Borrowings	1,125	667	699	(ii) Trade Receivables	4,371	4,242	4,315
(ii) Lease liabilities	-	-	18	(iii) Cash & Cash Equivalents	672	452	499
(iii) Trade Payables	3,639	4,151	4,995	(iv) Bank Balances	1,959	2,452	2,769
(iv) Other Financial Liabilities	419	428	495	(v) Loans	169	91	169
(B) Other Current Liabilities	2,696	3,078	2,765	(vi) Other Financial Assets	88	197	226
(C) Provisions	45	45	72	(C) Current Tax Assets (Net)	8	13	10
(D) Liabilities for current tax (Net)	120	154	161	(D) Other Current Assets	337	639	860
Total Current Liabilities	8,044	8,523	9,205	Total Current Assets	8,620	9,388	10,163
GRAND TOTAL - EQUITIES & LIABILITIES	10,652	11,653	12,714	GRAND TOTAL – ASSETS	10,652	11,653	12,714

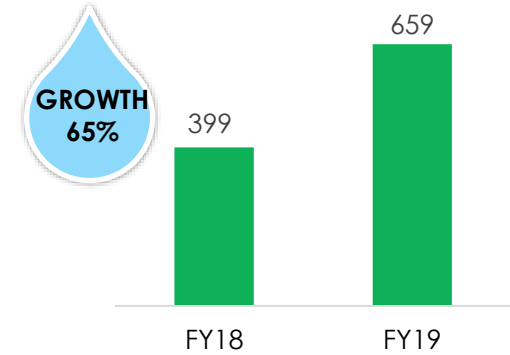
REVENUES (INR MN)



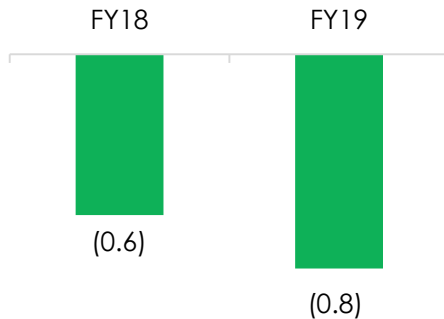
OPERATING EBITDA (INR MN)



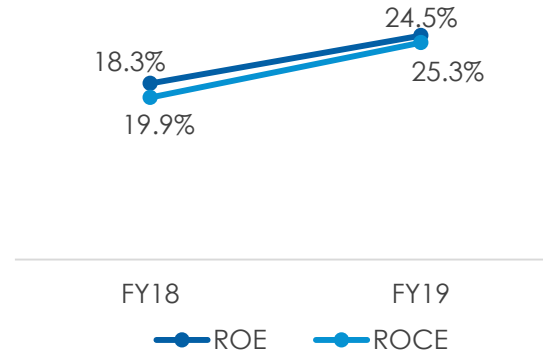
PAT (INR MN)



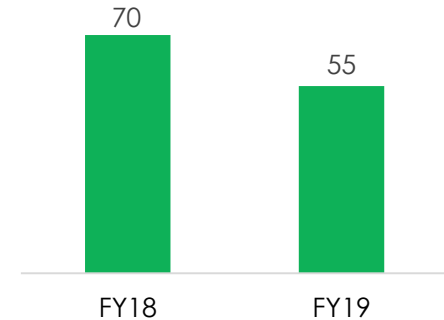
NET DEBT/ EQUITY



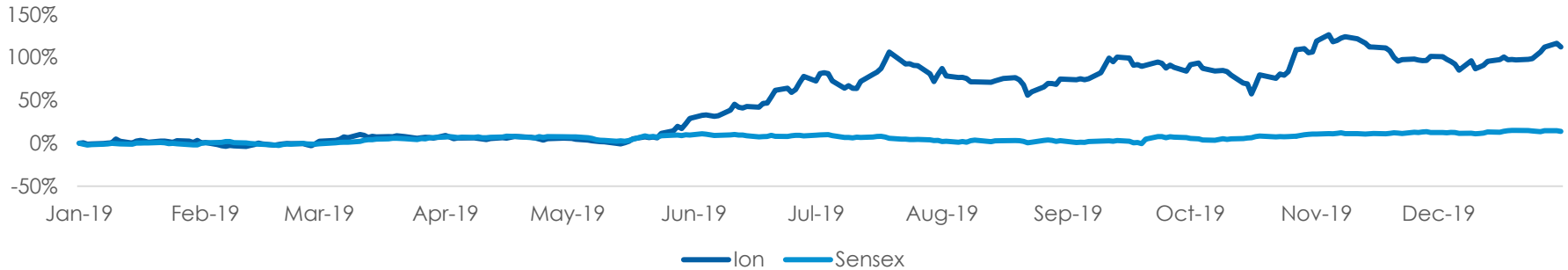
ROE and ROCE



WORKING CAPITAL DAYS



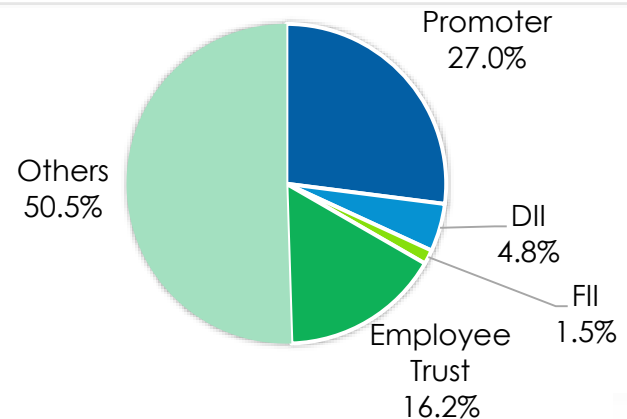
1 YEAR SHARE PRICE MOVEMENT (UPTO 31ST DECEMBER, 2019)



PRICE DATA (AS ON 31ST DECEMBER, 2019)

Face value (INR)	10.0
Market Price (INR)	797.2
52 Week H/L (INR)	860.0/355.0
Market Cap (INR Mn)	11,692.3
Equity Shares Outstanding (Mn)	14.7
1 Year Avg. trading volume ('000)	20.5

SHAREHOLDING PATTERN (AS ON 31ST DECEMBER, 2019)



Ion Exchange (India) Limited

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