



 **ION EXCHANGE**  
*Refreshing the Planet*

EARNINGS PRESENTATION – FY20 / Q4-FY20



# Executive Summary

FY20: Operating  
Income\*  
**INR 14,798**  
Mn

FY20: Operating  
EBITDA\*  
**INR 1,346**  
Mn

FY20: PAT\*  
**INR 940 Mn**

\*Consolidated

## 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.

## BUSINESS & REVENUE (%) MIX - CONSOLIDATED

- **Engineering (61%)** – 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 (31%)** - Provides a comprehensive range of resins, speciality chemicals and customized chemical treatment programmes for water, non-water and specialty applications.
- **Consumer Products (8%)** – Caters to individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defence establishments providing safe drinking water and a clean environment.

## MARQUEE CLIENTS

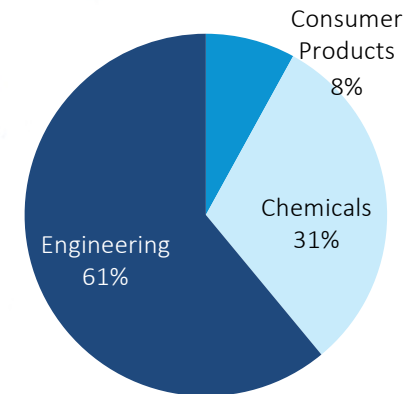
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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



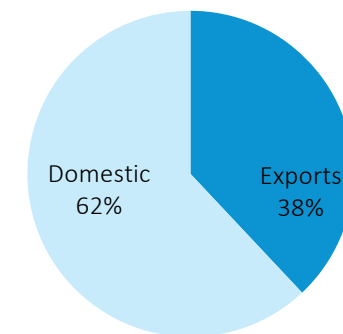
# Company Overview

- 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 56<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 FY20\*



## GEOGRAPHICAL BREAKUP FY20\*



\*Consolidated

# FY20 / Q4-FY20 FINANCIAL HIGHLIGHTS

## ❑ Q4-FY20 Performance (Standalone):

- Operating Income: INR 3,279 Mn
- Operating EBITDA: INR 327 Mn
- Operating EBITDA Margins: 9.97%
- Net Profit: INR 289 Mn
- PAT Margins: 8.81%
- Diluted EPS: INR 23.49 per share

## ❑ FY20 Performance (Standalone):

- Operating Income: INR 14,072 Mn
- Operating EBITDA: INR 1,210 Mn
- Operating EBITDA Margins: 8.60%
- Net Profit: INR 991 Mn
- PAT Margins: 7.04%
- Diluted EPS: INR 81.85 per share

## ❑ Q4-FY20 Performance (Consolidated):

- Operating Income: INR 3,511 Mn
- Operating EBITDA: INR 393 Mn
- Operating EBITDA Margins: 11.19%
- Net Profit: INR 287 Mn
- PAT Margins: 8.17%
- Diluted EPS: INR 24.22 per share

## ❑ FY20 Performance (Consolidated):

- Operating Income: INR 14,798 Mn
- Operating EBITDA: INR 1,346 Mn
- Operating EBITDA Margins: 9.10%
- Net Profit: INR 940 Mn
- PAT Margins: 6.35%
- Diluted EPS: INR 80.55 per share

# FY20 / Q4-FY20 OPERATIONAL HIGHLIGHTS

## Business Operations

- Operations of the Company were affected in Q4-FY20 due to COVID 19 pandemic and the resultant lockdowns in several geographies including India.
- This resulted in deferral of despatches in all the three segments thereby impacting the sales and margins.
- Currently with the phase wise lifting of the lockdown, all our manufacturing operations and offices at most of the locations are functional.
- We have invoked FORCE MAJEURE clause for all our major projects where the Company foresees contractual delays due to the lockdown.

## Engineering

- Revenue recognition for the Sri Lanka project in the quarter was affected due to the COVID 19 lockdown impact. Post receipt of necessary permissions from the Sri Lanka Govt, we have recently resumed our supplies and civil works.
- Whilst the Engineering order book remains healthy, the order intake for the quarter was muted due to the general economy slowdown and the delay in order finalisations caused by the lockdown.

## Chemicals

- Margins improved due to operational efficiencies resulting from the capacity increases coupled with change in product mix due to seasonality of certain product lines.

## Consumer

- Adverse impact of the COVID 19 lockdown significantly affected the volumes thereby resulting in lower recovery of fixed costs.

## Q4-FY20 STANDALONE INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR MN)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Operating Income	3,279	4,181	(21.6)%	3,781	(13.3)%
Expenses	2,952	3,677	(19.7)%	3,413	(13.5)%
Operating EBITDA	327	504	(35.1)%	368	(11.1)%
<i>Operating EBITDA Margins (%)</i>	<i>9.97%</i>	<i>12.05%</i>	<i>(208) Bps</i>	<i>9.73%</i>	<i>24 Bps</i>
Depreciation	61	47	29.8%	55	10.9%
Finance Cost	32	42	(23.8)%	35	(8.6)%
Other Income	155	48	NA	104	49.0%
PBT	389	463	(16.0)%	382	1.8%
Tax	100	155	(35.5)%	104	(3.8)%
Profit After Tax	289	308	(6.2)%	278	4.0%
<i>PAT Margins (%)</i>	<i>8.81%</i>	<i>7.37%</i>	<i>144 Bps</i>	<i>7.35%</i>	<i>146 Bps</i>
Other Comprehensive Income	(5)	(4)	NA	(2)	NA
Total Comprehensive Income	284	304	(6.6)%	276	2.9%
Diluted EPS (INR)	23.49 <sup>#</sup>	25.68 <sup>*</sup>	(8.5)%	22.87 <sup>#</sup>	2.7%

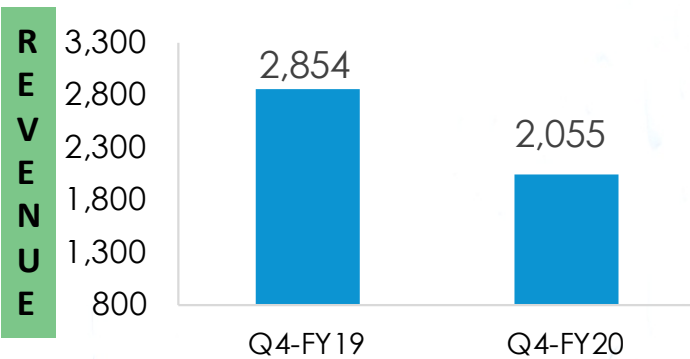
*\*Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.  
No. of Shares- 26,62,914*

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No. of Shares- 23,68,939*

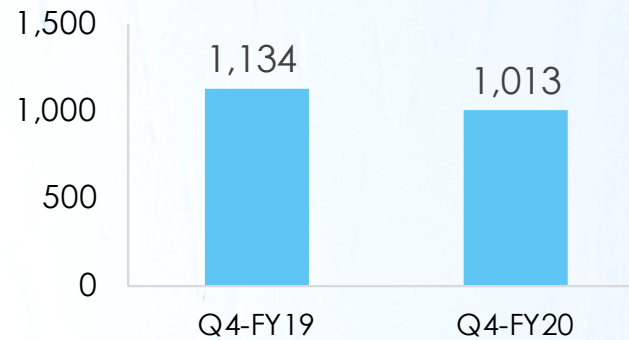


# SEGMENTAL BREAKUP- QUARTERLY STANDALONE

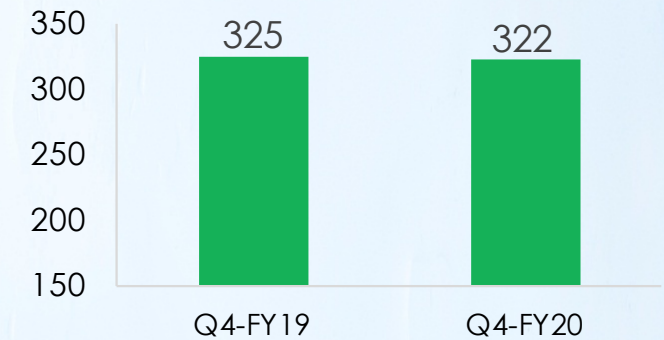
## ENGINEERING (INR MN)



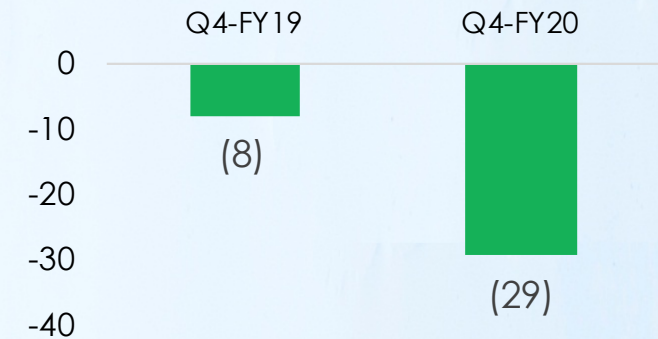
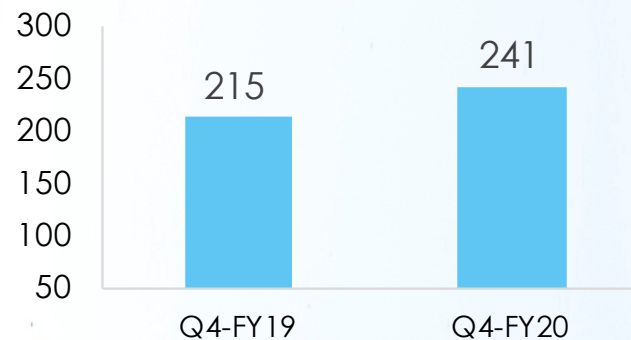
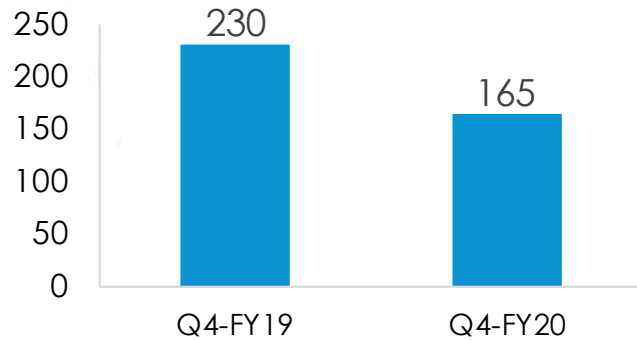
## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



## E B I T





# STANDALONE INCOME STATEMENT (IND-AS)

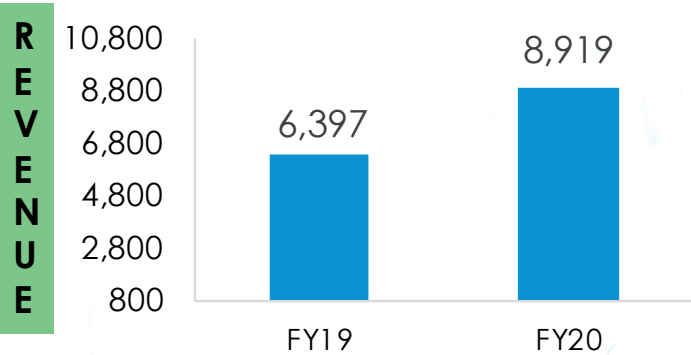
INCOME STATEMENT (INR MN)	FY20	FY19	Y-o-Y
Operating Income	14,072	11,023	27.7%
Expenses	12,862	10,110	27.2%
Operating EBITDA	1,210	913	32.5%
<i>Operating EBITDA Margins (%)</i>	<i>8.60%</i>	<i>8.28%</i>	<i>32 Bps</i>
Depreciation	221	181	22.1%
Finance Cost	132	162	(18.5)%
Other Income	485	441	10.0%
PBT	1,342	1,011	32.7%
Tax	351	345	1.7%
Profit After Tax	991	666	48.8%
<i>PAT Margins (%)</i>	<i>7.04%</i>	<i>6.04%</i>	<i>100 Bps</i>
Other Comprehensive Income	(9)	(5)	NA
Total Comprehensive Income	982	661	48.6%
Diluted EPS (INR)	81.85 <sup>#</sup>	55.47 <sup>*</sup>	47.6%

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

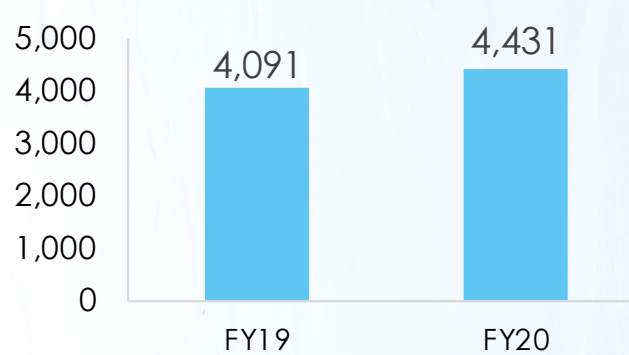
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# SEGMENTAL BREAKUP- STANDALONE

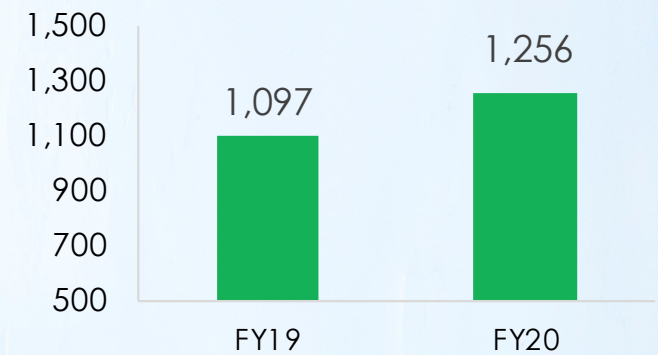
## ENGINEERING (INR MN)



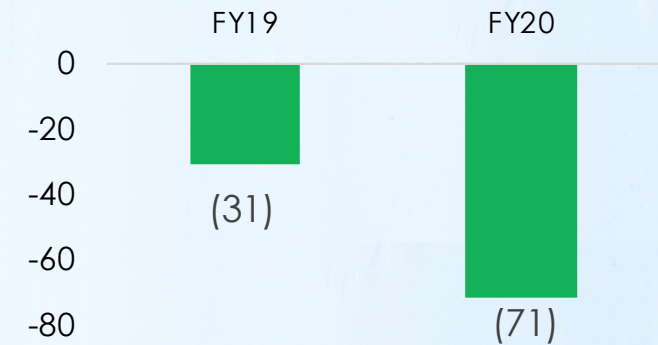
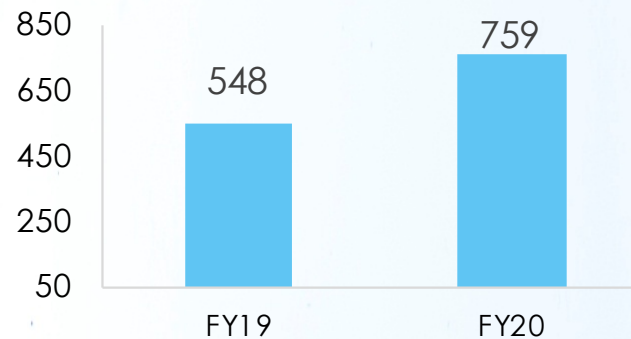
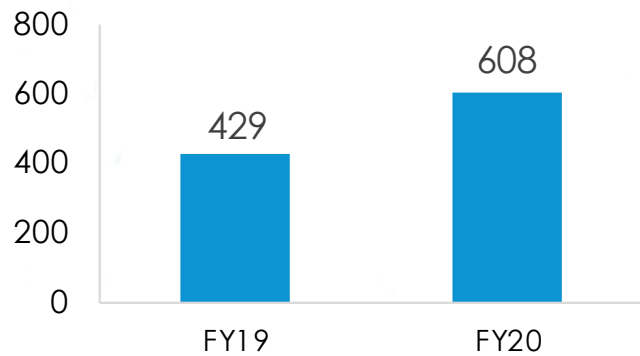
## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



## E B I T

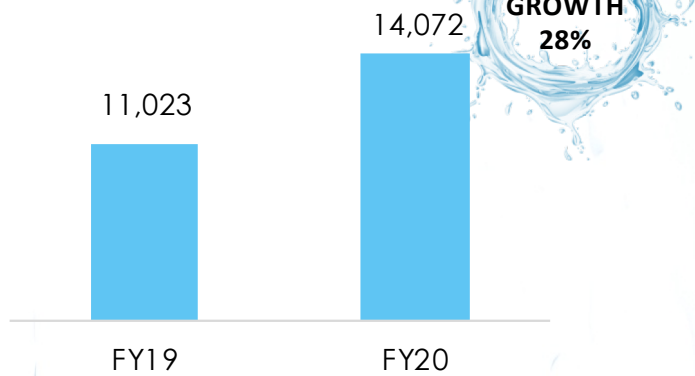


## STANDALONE BALANCE SHEET (As Per IND-AS)

PARTICULARS (INR MN)	FY20	FY19	PARTICULARS (INR MN)	FY20	FY19
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
<b>Equity</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	147	147	(A) Property, Plant and Equipment	1,623	1,425
(B) Other Equity	4,668	3,597	(B) Capital Work-in-progress	179	123
<b>Total Equity</b>	<b>4,815</b>	<b>3,744</b>	(C) Right-of-Use Assets	67	-
<b>Non-Current Liabilities</b>			(D) Other Intangible Assets	16	14
(A) Financial Liabilities			(E) Financial Assets		
(i) Borrowings	271	261	(i) Investments	620	607
(ii) Lease Liabilities	17	-	(ii) Trade Receivables	29	36
(iii) Other financial Liabilities	81	81	(iii) Loans	420	403
(B) Provisions	140	118	(F) Other Non-Current Assets	53	63
(C) Deferred Tax Liabilities (Net)	-	11	(G) Deferred Tax Assets	6	-
(D) Liabilities for Non-Current Tax (Net)	19	15	<b>Total Non – Current Assets</b>	<b>3,013</b>	<b>2,671</b>
<b>Total Non – Current Liabilities</b>	<b>528</b>	<b>486</b>	<b>Current Assets</b>		
<b>Current Liabilities</b>			(A) Inventories	1,180	1,092
(A) Financial Liabilities			(B) Financial Assets		
(i) Borrowings	640	434	(i) Investments	1	4
(ii) Lease Liabilities	15	-	(ii) Trade Receivables	5,137	4,276
(iii) Trade Payables	4,570	3,948	(iii) Cash & Cash Equivalents	846	360
(iv) Other Financial Liabilities	475	380	(iv) Bank Balances	2,691	2,394
(B) Other Current Liabilities	3,118	2,979	(v) Loans	472	509
(C) Provisions	49	38	(vi) Other Financial Assets	224	184
(D) Liabilities for current tax (Net)	157	141	(C) Other current assets	803	660
<b>Total Current Liabilities</b>	<b>9,024</b>	<b>7,920</b>	<b>Total Current Assets</b>	<b>11,354</b>	<b>9,479</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>14,367</b>	<b>12,150</b>	<b>GRAND TOTAL – ASSETS</b>	<b>14,367</b>	<b>12,150</b>

# FINANCIALS - STANDALONE

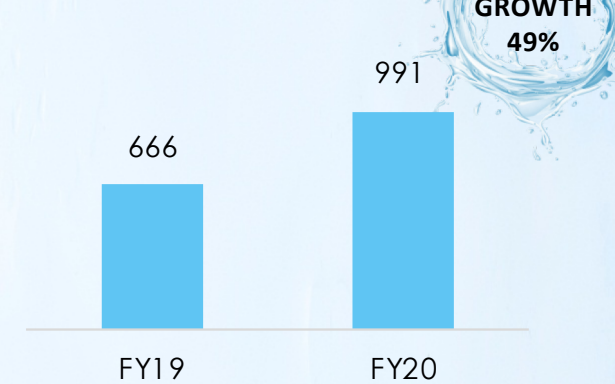
## REVENUES (INR MN)



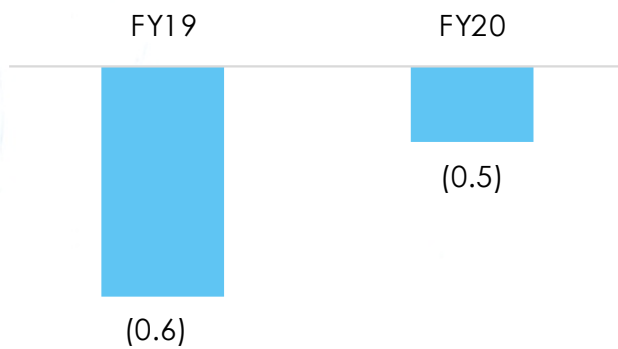
## OPERATING EBITDA (INR MN)



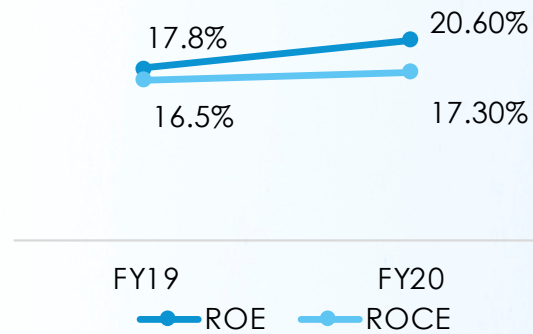
## PAT (INR MN)



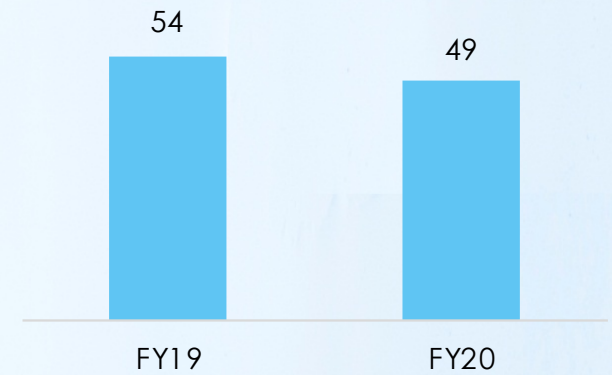
## NET DEBT/EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS





## Q4-FY20 CONSOLIDATED INCOME STATEMENT (IND-AS)

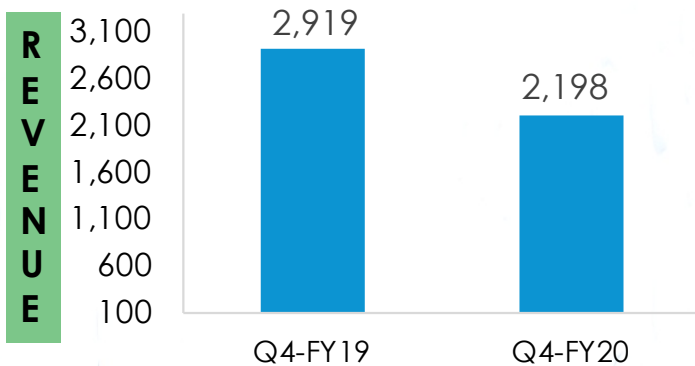
INCOME STATEMENT (INR MN)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Operating Income	3,511	4,318	(18.7)%	3,982	(11.8)%
Expenses	3,118	3,719	(16.2)%	3,590	(13.1)%
Operating EBITDA	393	599	(34.4)%	392	0.3%
<i>Operating EBITDA Margins (%)</i>	<i>11.19%</i>	<i>13.87%</i>	<i>(268) Bps</i>	<i>9.84%</i>	<i>135 Bps</i>
Depreciation	65	51	27.5%	59	10.2%
Finance Cost	40	49	(18.4)%	42	(4.8)%
Other Income	109	20	NA	76	43.4%
<b>PBT</b>	<b>397</b>	<b>519</b>	<b>(23.5)%</b>	<b>367</b>	<b>8.2%</b>
Share of Profit of equity accounted Investee	(4)	2	NA	3	NA
Tax	106	160	(33.8)%	107	(0.9)%
<b>Profit After Tax</b>	<b>287</b>	<b>361</b>	<b>(20.5)%</b>	<b>263</b>	<b>9.1%</b>
<i>PAT Margins (%)</i>	<i>8.17%</i>	<i>8.36%</i>	<i>(19) Bps</i>	<i>6.60%</i>	<i>157 Bps</i>
Other Comprehensive Income	13	(4)	NA	(7)	NA
<b>Total Comprehensive Income</b>	<b>300</b>	<b>357</b>	<b>(16.0)%</b>	<b>256</b>	<b>17.2%</b>
Diluted EPS (INR)	24.22 <sup>#</sup>	31.17 <sup>*</sup>	(22.3)%	22.50 <sup>#</sup>	7.6%

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

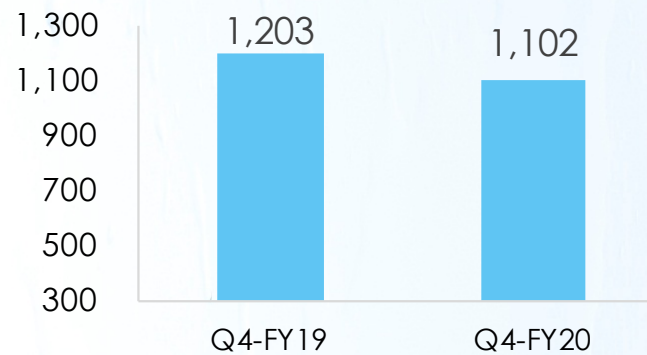
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No. of Shares- 23,68,939*

# SEGMENTAL BREAKUP-QUARTERLY CONSOLIDATED

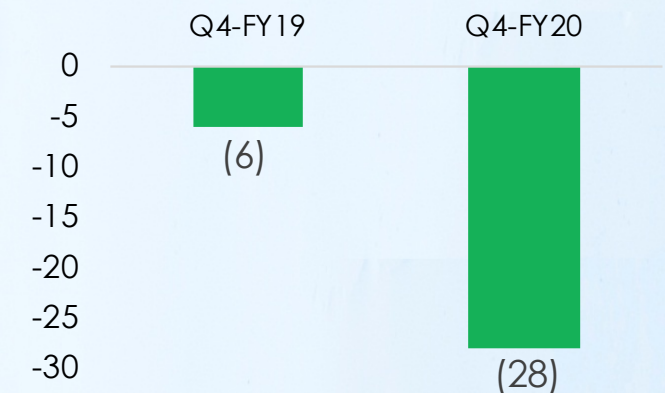
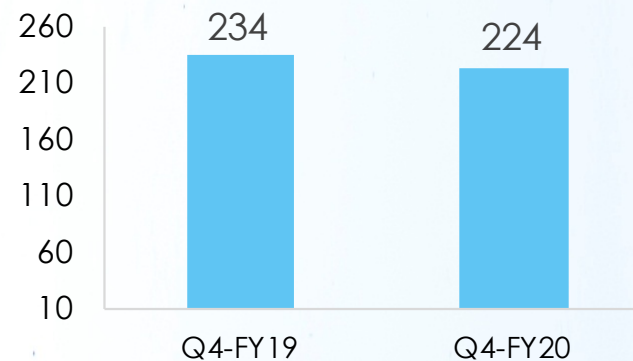
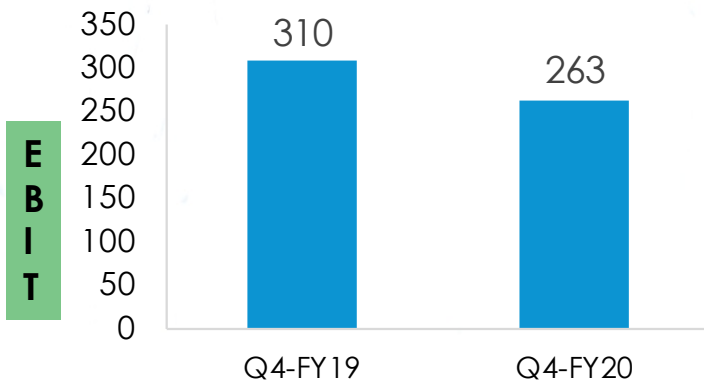
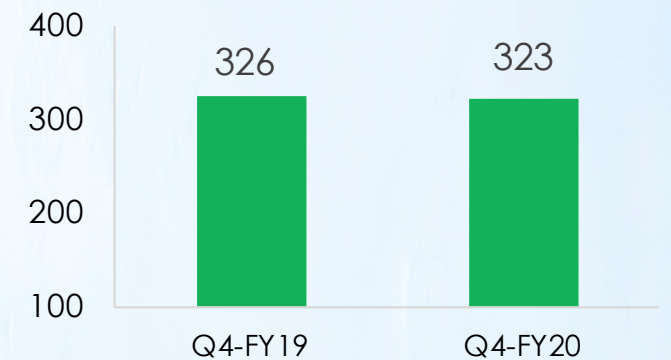
## ENGINEERING (INR MN)



## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



## CONSOLIDATED INCOME STATEMENT (As per IND-AS)

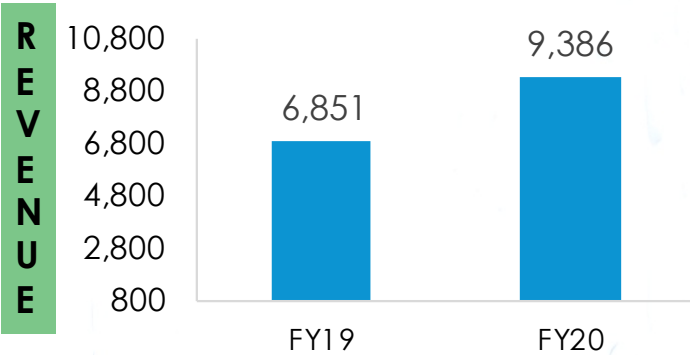
INCOME STATEMENT (INR MN)	FY20	FY19	Y-o-Y
Operating Income	14,798	11,623	27.3%
Expenses	13,452	10,557	27.4%
Operating EBITDA	1,346	1,066	26.3%
<i>Operating EBITDA Margins (%)</i>	<i>9.10%</i>	<i>9.17%</i>	<i>(7) Bps</i>
Depreciation	237	196	20.9%
Finance Cost	160	190	(15.8)%
Other Income	354	333	6.3%
<b>PBT</b>	<b>1,303</b>	<b>1,013</b>	<b>28.6%</b>
Share of Profit of equity accounted Investee	4	5	(20.0)%
Tax	367	359	2.2%
<b>Profit After Tax</b>	<b>940</b>	<b>659</b>	<b>42.6%</b>
<i>PAT Margins (%)</i>	<i>6.35%</i>	<i>5.67%</i>	<i>68 Bps</i>
Other Comprehensive Income	2	1	NA
<b>Total Comprehensive Income</b>	<b>942</b>	<b>660</b>	<b>42.7%</b>
EPS Diluted (INR)	80.55 <sup>#</sup>	56.99 <sup>*</sup>	41.3%

\*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)

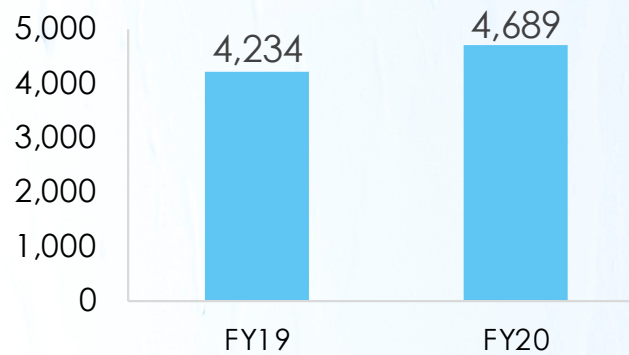
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# SEGMENTAL BREAKUP- CONSOLIDATED

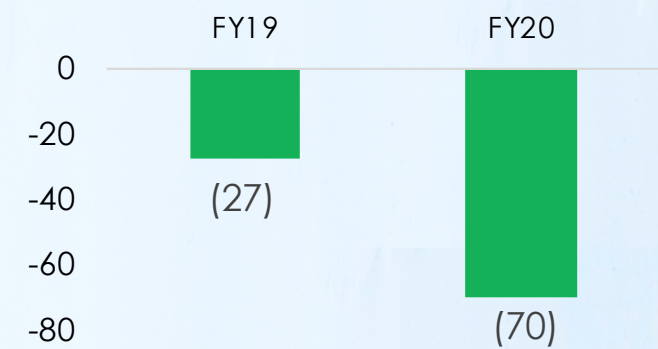
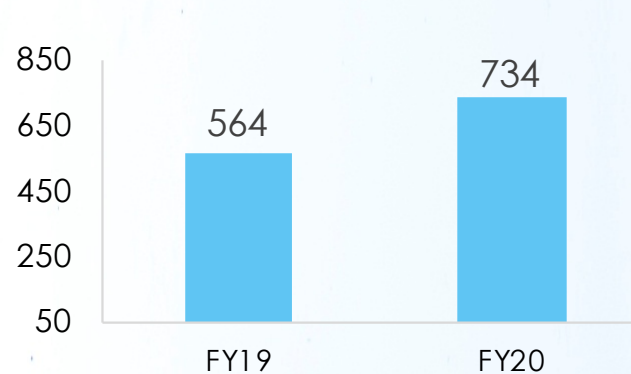
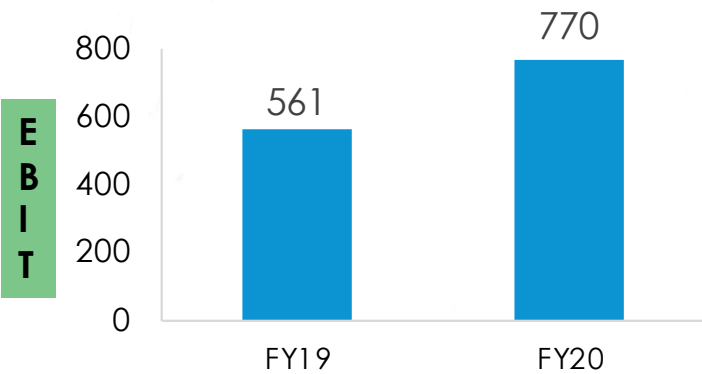
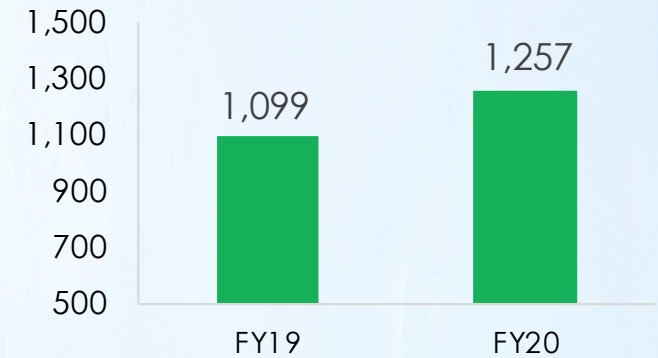
## ENGINEERING (INR MN)



## CHEMICALS (INR MN)



## CONSUMER PRODUCTS (INR MN)



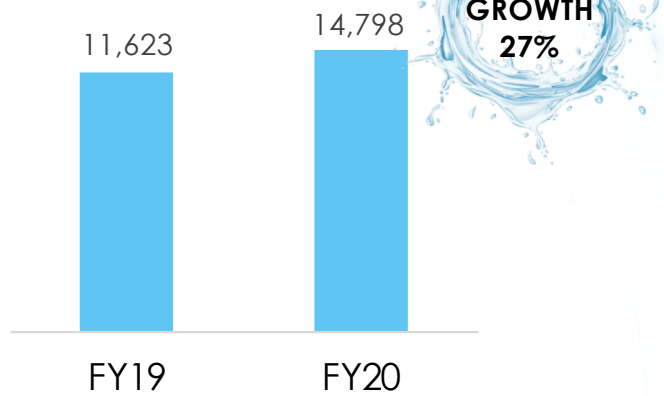


# CONSOLIDATED BALANCE SHEET (IND-AS)

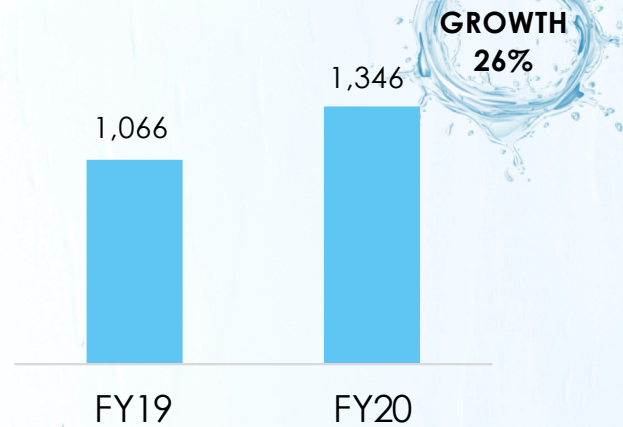
PARTICULARS (INR MN)	FY20	FY19	PARTICULARS (INR MN)	FY20	FY19
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
Equity			<b>Non-Current Assets</b>		
(A) Equity Share Capital	142	142	(A) Property, Plant and Equipment	1,697	1,507
(B) Other Equity	3,489	2,458	(B) Capital Work-in-progress	179	123
<b>Equity attributable to owners</b>	<b>3,631</b>	<b>2,600</b>	(C) Right-of-Use Assets	77	-
Non Controlling Interest	20	22	(C) Other Intangible Assets	16	14
<b>Total Equity</b>	<b>3,651</b>	<b>2,622</b>	(D) Goodwill	86	86
			(E) Investment accounted using Equity Method	37	34
<b>Non-Current Liabilities</b>			(F) Financial Assets		
(A) Financial Liabilities			(i) Investments	7	7
(i) Borrowings	271	261	(ii) Trade Receivables	62	142
(ii) Lease liabilities	22	-	(iii) Loans	118	100
(iii) Other Financial Liabilities	81	81	(iv) Other Financial Assets	65	70
(B) Provisions	157	133	(G) Deferred Tax Assets (Net)	15	10
(C) Deferred Tax Liabilities (Net)	5	11	(H) Other Non-Current Assets	165	167
(D) Other Non-Current Liabilities	5	6	(I) Non-Current Tax Assets	5	5
(E) Liabilities for non-current tax (Net)	19	16	<b>Total Non – Current Assets</b>	<b>2529</b>	<b>2,265</b>
<b>Total Non – Current Liabilities</b>	<b>560</b>	<b>508</b>	<b>Current Assets</b>		
			(A) Inventories	1,345	1,298
<b>Current Liabilities</b>			(B) Financial Assets		
(A) Financial Liabilities			(i) Investments	1	4
(i) Borrowings	858	667	(ii) Trade Receivables	5,019	4,242
(ii) Lease liabilities	17	-	(iii) Cash & Cash Equivalentents	1,015	452
(iii) Trade Payables	4,800	4,151	(iv) Bank Balances	2,716	2,452
(iv) Other Financial Liabilities	518	428	(v) Loans	173	91
(B) Other Current Liabilities	3,190	3,078	(vi) Other Financial Assets	237	197
(C) Provisions	57	45	(C) Current Tax Assets (Net)	15	13
(D) Liabilities for current tax (Net)	171	154	(D) Other Current Assets	772	639
<b>Total Current Liabilities</b>	<b>9,611</b>	<b>8,523</b>	<b>Total Current Assets</b>	<b>11,293</b>	<b>9,388</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>13,822</b>	<b>11,653</b>	<b>GRAND TOTAL – ASSETS</b>	<b>13,822</b>	<b>11,653</b>

# FINANCIALS - CONSOLIDATED

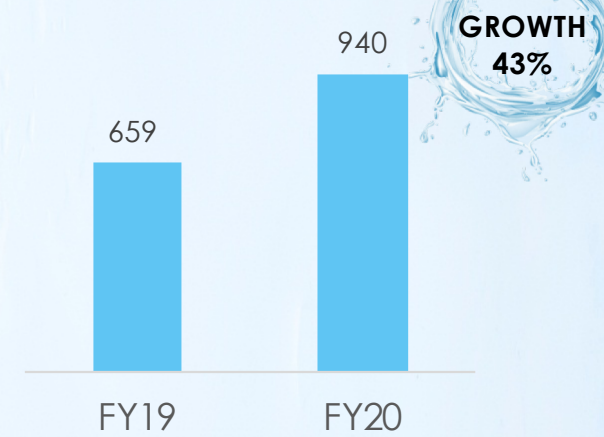
## REVENUES (INR MN)



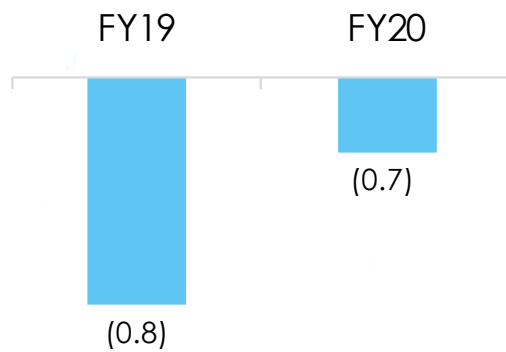
## OPERATING EBITDA (INR MN)



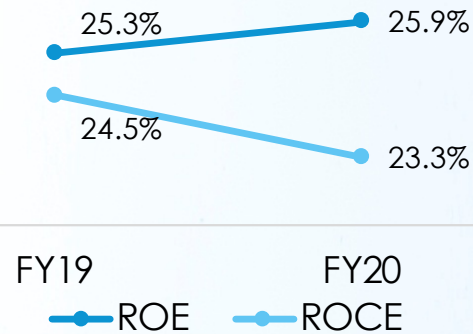
## PAT (INR MN)



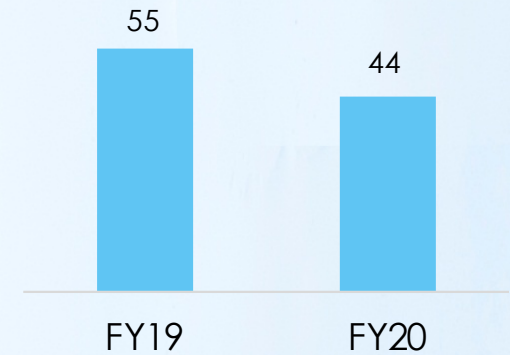
## NET DEBT/ EQUITY



## ROE and ROCE

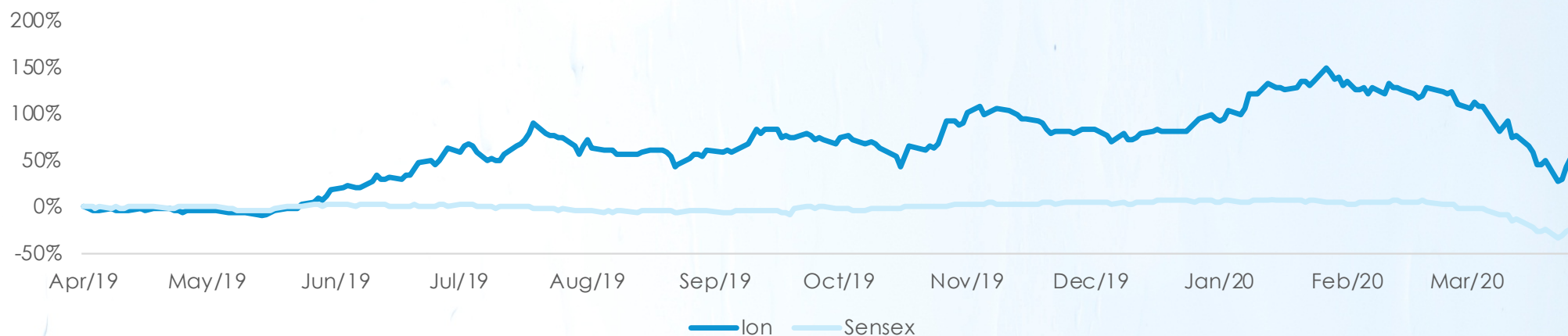


## WORKING CAPITAL DAYS



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

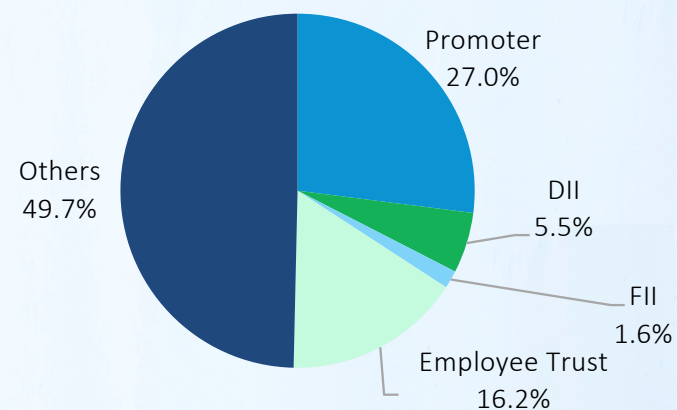
## 1 YEAR SHARE PRICE MOVEMENT (UPTO 31<sup>ST</sup> MARCH, 2020)



## PRICE DATA (AS ON 31<sup>ST</sup> MARCH, 2020)

Face value (INR)	10.0
Market Price (INR)	602.4
52 Week H/L (INR)	1,071.0/360.2
Market Cap (INR Mn)	8,834.4
Equity Shares Outstanding (Mn)	14.7
1 Year Avg. trading volume ('000)	27.3

## SHAREHOLDING PATTERN (AS ON 31<sup>ST</sup> MARCH, 2020)



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A high-speed photograph of a blue water splash against a white background. The water is captured in mid-air, creating a dynamic, flowing shape that spans the width of the image. The splash is composed of many small droplets and larger, interconnected bubbles, giving it a textured, crystalline appearance. The color is a vibrant, clear blue, and the lighting is bright, highlighting the individual facets of the water molecules.

**THANK YOU**