

# EARNINGS PRESENTATION | Q1-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

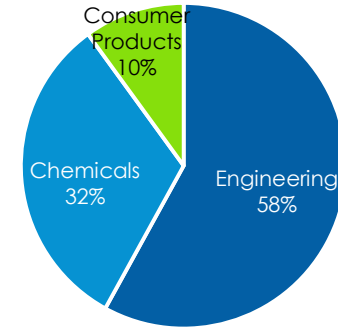
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

FY18: PAT\*  
INR 398 Mn

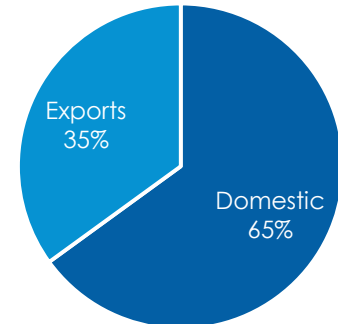
# Company Overview

- 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

## □ Q1-FY19 Performance:

- Total Income: INR 2,216 Mn
- EBITDA: INR 256 Mn
- EBITDA Margins: 11.55%
- Net Profit: INR 109 Mn
- PAT Margins: 4.92%
- Diluted EPS: INR 9.08 per share

## ENGINEERING

- Encouraging order visibility in the capital goods industry.
- Revenue against Sri Lanka order has been recognized based on work progress.

## CHEMICALS

- Margins have remained under pressure due to rising commodity prices.

## CONSUMER PRODUCTS

- Improved realization and overhead control resulted in containment of losses.

# Q1-FY19 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	Q1-FY19	Q1-FY18	Y-o-Y	Q4-FY18	Q-o-Q
<b>Total Income*</b>	<b>2,216</b>	<b>2,137</b>	<b>3.7%</b>	<b>3,355</b>	<b>(33.9)%</b>
Total Expenses	1,960	1,962	(0.1)%	2,928	(33.1)%
<b>EBITDA</b>	<b>256</b>	<b>175</b>	<b>46.3%</b>	<b>427</b>	<b>(40.0)%</b>
<b>EBITDA Margins (%)</b>	<b>11.55%</b>	<b>8.19%</b>	<b>336 Bps</b>	<b>12.73%</b>	<b>(118) Bps</b>
Depreciation	44	32	37.5%	25	76.0%
Finance Cost	42	32	31.3%	49	(14.3)%
<b>PBT</b>	<b>170</b>	<b>111</b>	<b>53.2%</b>	<b>353</b>	<b>(51.8)%</b>
Tax	61	38	60.5%	116	(47.4)%
<b>Profit After Tax</b>	<b>109</b>	<b>73</b>	<b>49.3%</b>	<b>237</b>	<b>(54.0)%</b>
<b>PAT Margins (%)</b>	<b>4.92%</b>	<b>3.42%</b>	<b>150 Bps</b>	<b>7.06%</b>	<b>(214) Bps</b>
Other Comprehensive Income	(1)	(1)	NA	1	NA
<b>Total Comprehensive Income</b>	<b>108</b>	<b>72</b>	<b>50.0%</b>	<b>238</b>	<b>(54.6)%</b>
Diluted EPS (INR) (Not annualised)	9.08	6.07	49.6%	19.74	(54.0)%

\* Includes other income

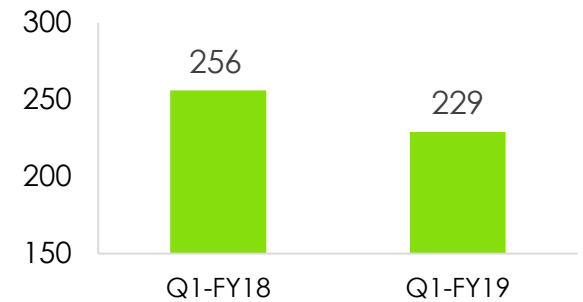
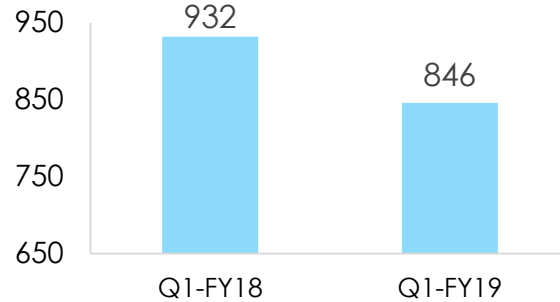
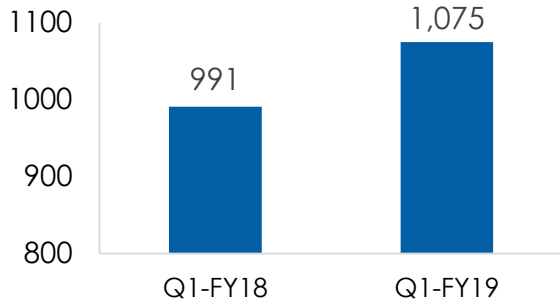
# SEGMENTAL BREAKUP-QUARTERLY STANDALONE

## ENGINEERING (INR MN)

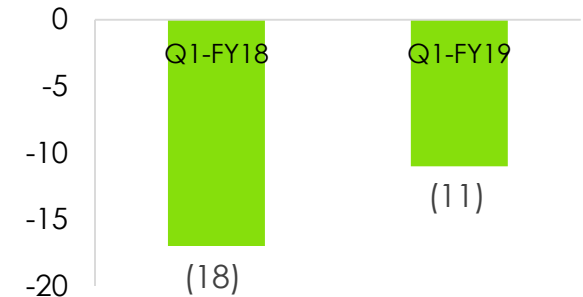
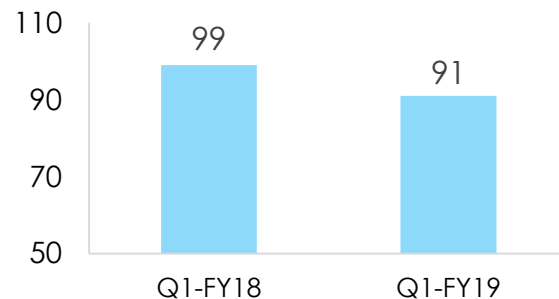
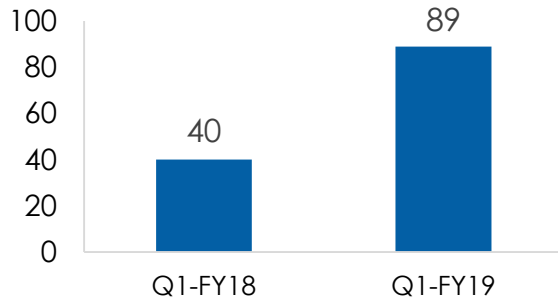
## CHEMICALS (INR MN)

## CONSUMER PRODUCTS (INR MN)

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# FY18 – STANDALONE INCOME STATEMENT (IND AS)

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>
Diluted EPS (INR) (Not annualised)	39.21	39.78

\* Includes other income

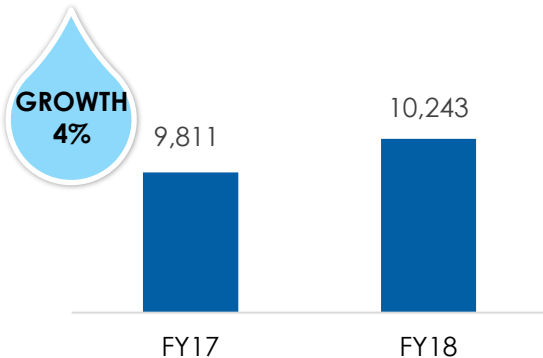


# Standalone Balance Sheet (As per IndAS)

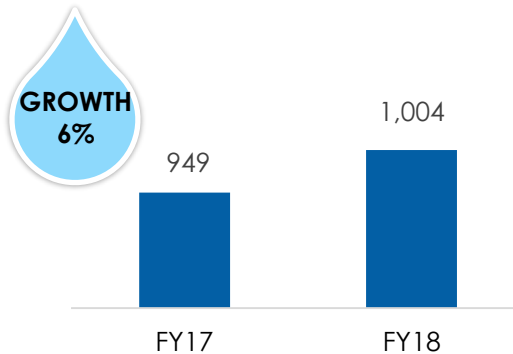
PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
<b>Equity</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	147	147	(A) Property, Plant and Equipment	887	1,347
(B) Other Equity	2,562	2,987	(B) Capital Work-in-progress	336	66
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

# Financials - Standalone

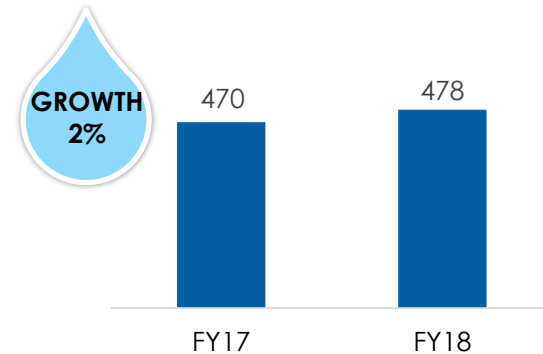
## REVENUES\* (INR MN)



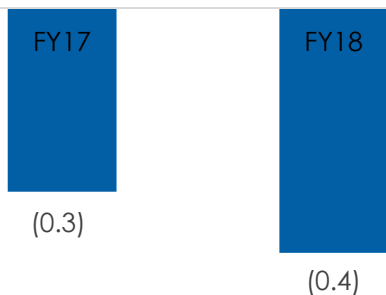
## EBITDA (INR MN)



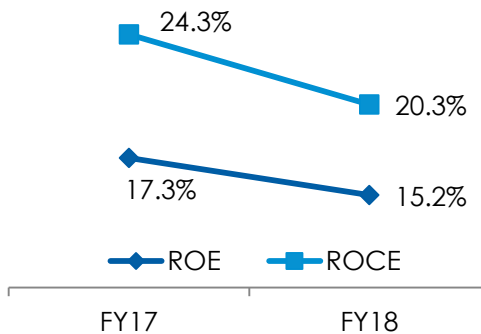
## PAT (INR MN)



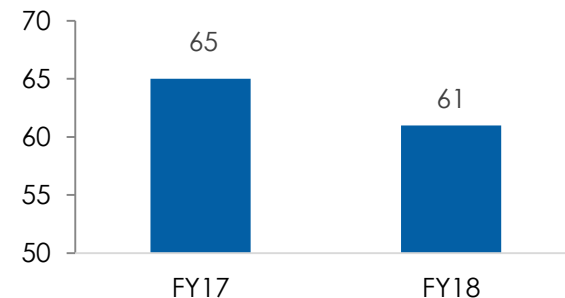
## NET DEBT/EQUITY



## ROE and ROCE



## WORKING CAPITAL DAYS



\* Includes other income

# FY18 – CONSOLIDATED INCOME STATEMENT (IND AS)

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

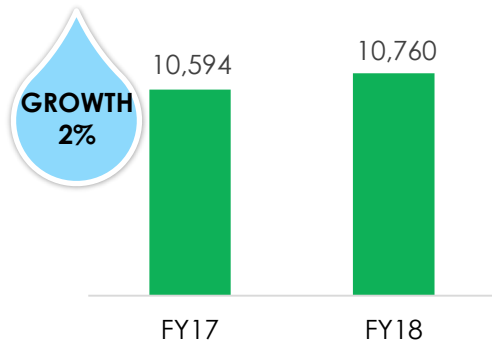
# Consolidated Balance Sheet

(As per IndAS)

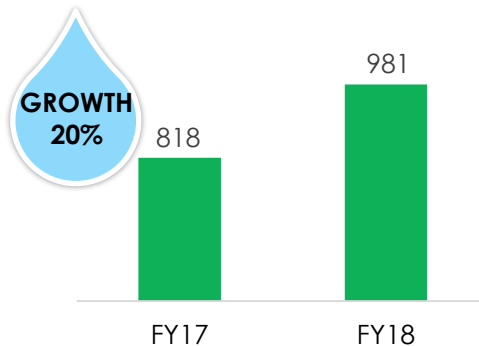
PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
<b>Equity</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	142	142	(A) Property, Plant and Equipment	977	1,436
(B) Other Equity	1,525	1,859	(B) Capital Work-in-progress	336	66
Non 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
			(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>

# Financials - Consolidated

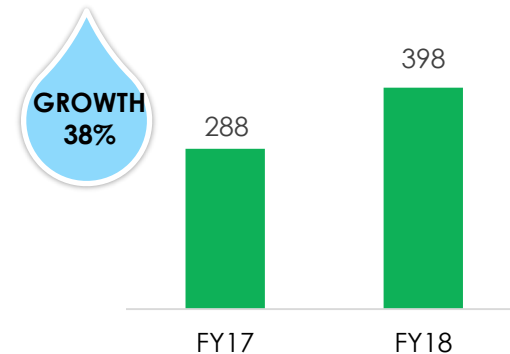
## REVENUES\* (INR MN)



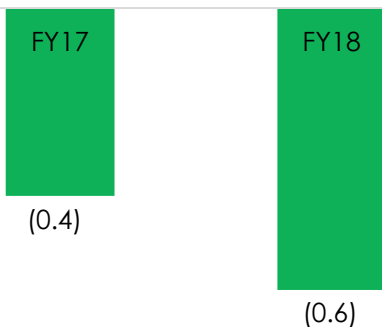
## EBITDA (INR MN)



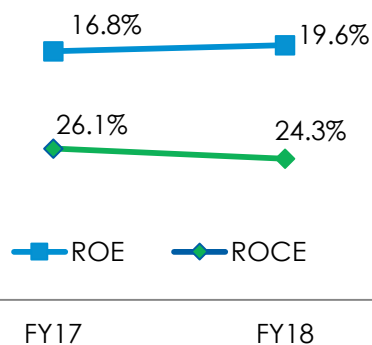
## PAT \*\* (INR MN)



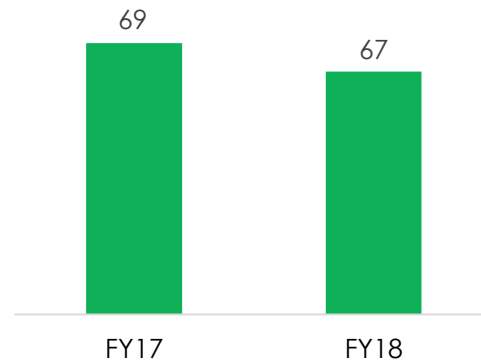
## NET DEBT/ EQUITY



## ROE and ROCE



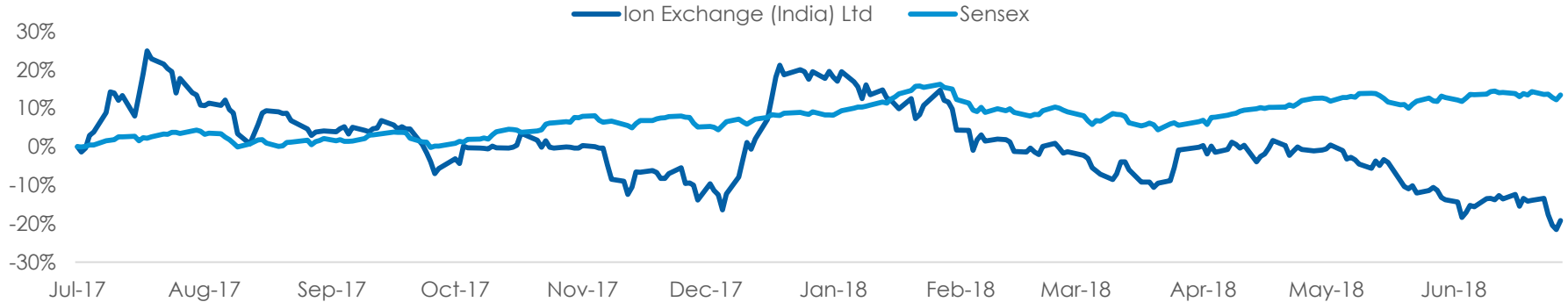
## WORKING CAPITAL DAYS



\* Includes other income

\*\*PAT after Minority Interest

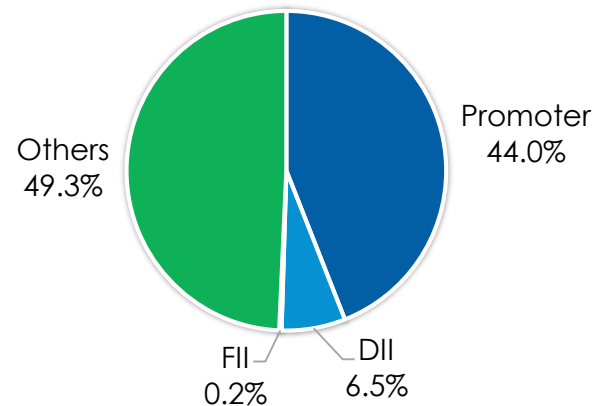
## 1 YEAR SHARE PRICE MOVEMENT (UPTO 30<sup>th</sup> JUNE, 2018)



## PRICE DATA (AS ON 30<sup>th</sup> JUNE, 2018)

Face value (INR)	10
Market Price (INR)	405.35
52 Week H/L (INR)	638.0/392.4
Market Cap (INR Mn)	5,945
Equity Shares Outstanding (Mn)	14.67
1 Year Avg. trading volume ('000)	9.14

## SHAREHOLDING PATTERN (AS ON 30<sup>th</sup> JUNE, 2018)



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*Refreshing the Planet*

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