

EARNINGS PRESENTATION | Q4-FY18/FY18



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.

FY2018: 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.

FY2018: EBITDA*
INR 981Mn

MARQUEE CLIENTS

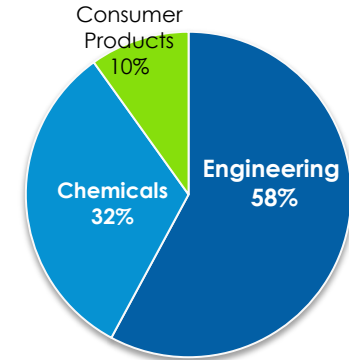
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC , BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

FY2018: PAT*
INR 398 Mn

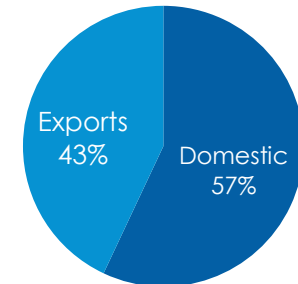
Company Overview

- 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 53rd 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*



* INR MN - Consolidated

❑ **Q4-FY18 Performance:**

- Total Income: INR 3,355 Mn
- EBITDA: INR 427 Mn
- EBITDA Margins: 12.73%
- Net Profit: INR 237 Mn
- PAT Margins: 7.06%
- Diluted EPS: INR 19.74

❑ **FY18 Performance:**

- Total Income: INR 10,243 Mn
- EBITDA: INR 1,004 Mn
- EBITDA Margins: 9.80%
- Net Profit: INR 478 Mn
- PAT Margins: 4.67%
- Diluted EPS: INR 39.78

□ **FY18 Performance:**

Total Income: INR 10,760 Mn

EBITDA: INR 981 Mn

EBITDA Margins: 9.12%

Net Profit: INR 398 Mn

PAT Margins: 3.70%

Diluted EPS: INR 34.46

ENGINEERING

- Recovery in the segment witnessed post Nov 17 continued in this quarter resulting in increase in sales and profitability.
- Encouraging order visibility in the capital goods industry.
- Revenue against Sri Lanka order has been recognized based on work progress.

CHEMICALS

- Improved off take due to seasonality in certain product segments has resulted in higher sales growth over the previous quarters.
- Margins have remained under pressure due to rising commodity prices.

CONSUMER PRODUCTS

- Higher turnover has resulted in improved overheads recovery and lower losses.

GROUP COMPANIES

- Losses of some of the Subsidiary Companies operating in the Engineering segments have reduced resulting in improved consolidated profitability compared to previous year.
- The Subsidiary Co. – Ion Exchange Enviro Farms Ltd. had preferred appeal in SAT citing practical difficulties in execution of SEBI order. The appeal was admitted and the matter is pending before it.

Q4-FY18 – STANDALONE INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	Q4-FY18	Q4-FY17	Y-o-Y	Q3-FY18	Q-o-Q
Total Income*	3,355	3,568	(6.0)%	2,489	34.8%
Total Expenses	2,928	3,140	(6.8)%	2,286	28.1%
EBITDA	427	428	(0.2)%	203	110.3%
EBITDA Margins (%)	12.73%	12.00%	73 Bps	8.16%	457 Bps
Depreciation	25	29	(13.8)%	30	(16.7)%
Finance Cost	49	31	58.1%	37	32.4%
PBT	353	368	(4.1)%	136	159.6%
Tax	116	127	(8.7)%	48	141.7%
Profit After Tax	237	241	(1.7)%	88	169.3%
PAT Margins (%)	7.06%	6.75%	31 Bps	3.54%	352 Bps
Other Comprehensive Income	1	(1)	NA	(1)	NA
Total Comprehensive Income	238	240	(0.8)%	87	173.6%
EPS Diluted (INR)	19.74	20.11	(1.8)%	7.37	167.8%

* Includes other income

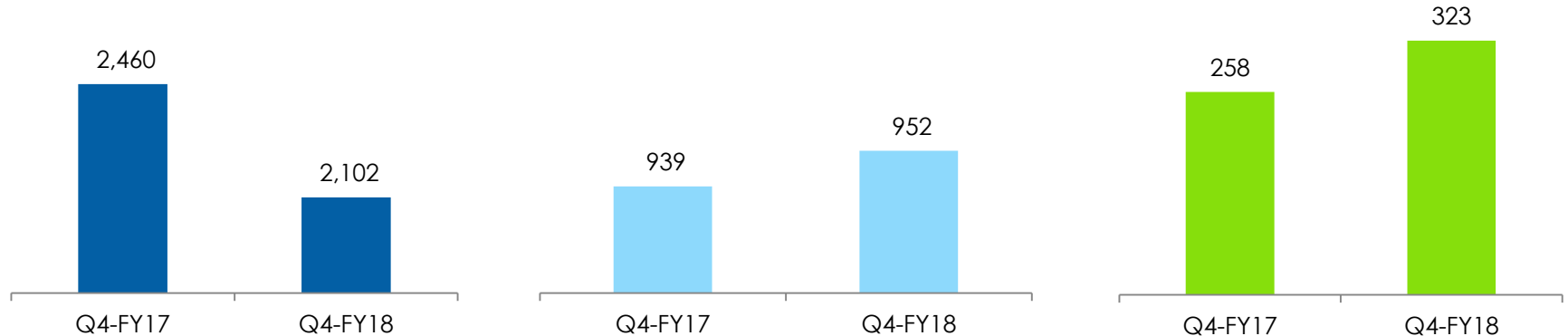
SEGMENTAL BREAKUP-QUARTERLY STANDALONE

ENGINEERING (INR MN)

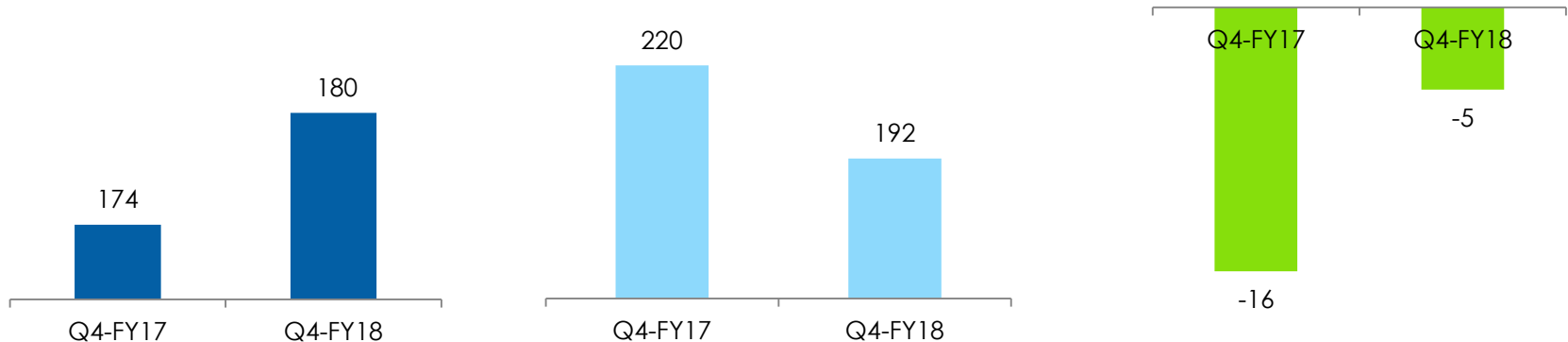
CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)

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FY18 – STANDALONE INCOME STATEMENT (IND AS)

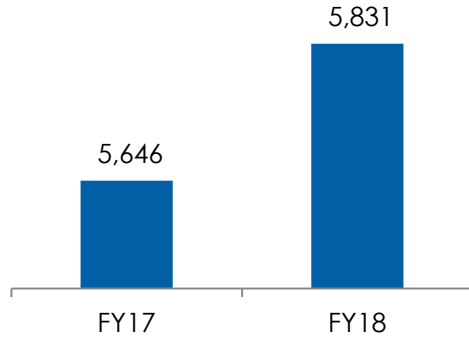
INCOME STATEMENT (INR MN)	FY17	FY18	Y-o-Y
Total Income*	9,811	10,243	4.4%
Total Expenses	8,862	9,239	4.3%
EBITDA	949	1,004	5.8%
EBITDA Margins (%)	9.67%	9.80%	13 Bps
Depreciation	108	119	10.2%
Finance Cost	128	157	22.7%
PBT	713	728	2.1%
Tax	243	250	2.9%
Profit After Tax	470	478	1.7%
PAT Margins (%)	4.79%	4.67%	(12) Bps
Other Comprehensive Income	(4)	(2)	NA
Total Comprehensive Income	466	476	2.1%
EPS Diluted (INR)	39.21	39.78	1.5%

* Includes other income

SEGMENTAL BREAKUP STANDALONE

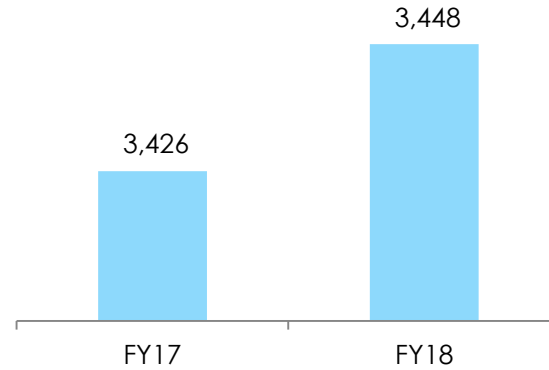
ENGINEERING (INR MN)

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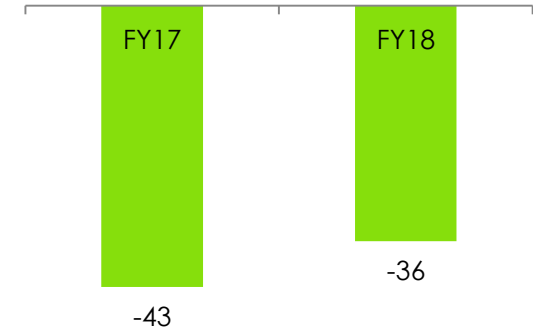
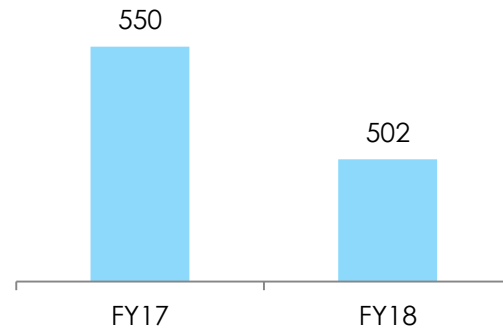
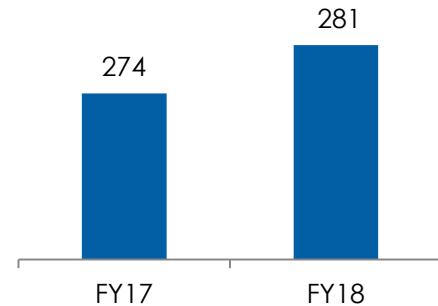
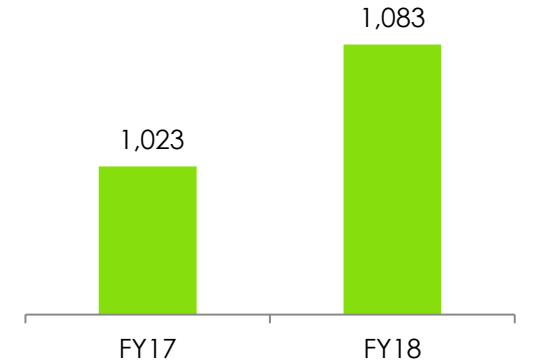


CHEMICALS (INR MN)

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CONSUMER PRODUCTS (INR MN)



FY18 – CONSOLIDATED INCOME STATEMENT (IND AS)

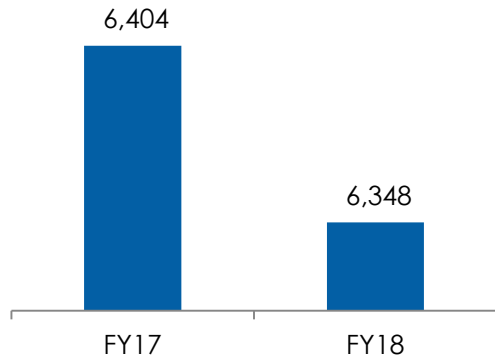
INCOME STATEMENT (INR MN)	FY17	FY18	Y-o-Y
Total Income*	10,594	10,760	1.6%
Total Expenses	9,776	9,779	NA
EBITDA	818	981	19.9%
EBITDA Margins (%)	7.72%	9.12%	140 Bps
Depreciation	118	131	11.0%
Finance Cost	163	187	14.7%
PBT	537	663	23.5%
Share of Profit of equity accounted Investee	1	1	NA
Tax	248	264	6.5%
Profit After Tax	288	398	38.2%
PAT Margins (%)	2.72%	3.70%	98 Bps
Other Comprehensive Income	1	(13)	NA
Total Comprehensive Income	289	385	33.2%
EPS Diluted (INR)	24.97	34.46	38.0%

* Includes other income

SEGMENTAL BREAKUP CONSOLIDATED

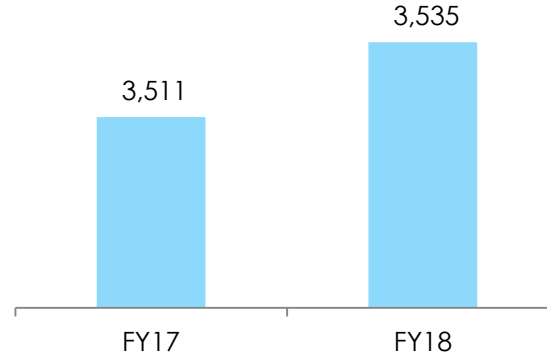
ENGINEERING (INR MN)

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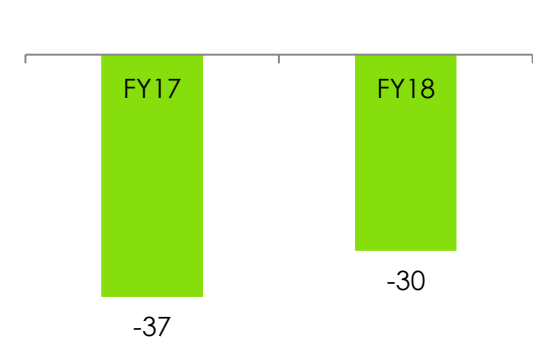
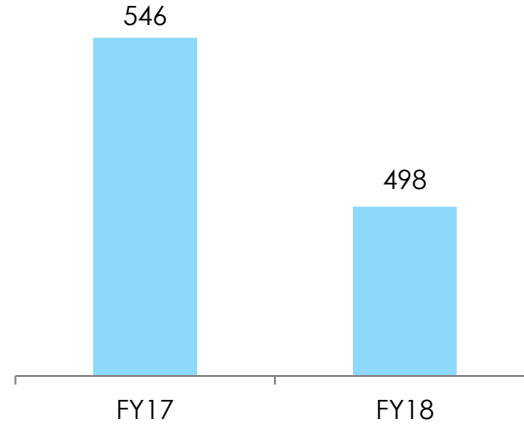
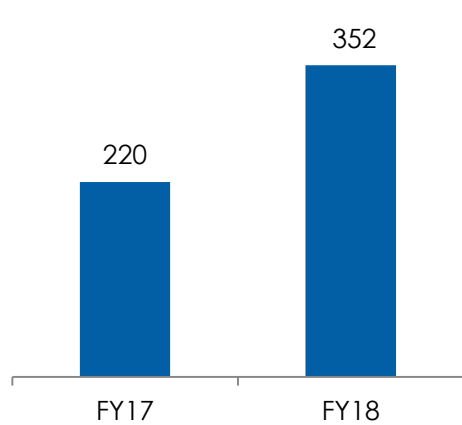
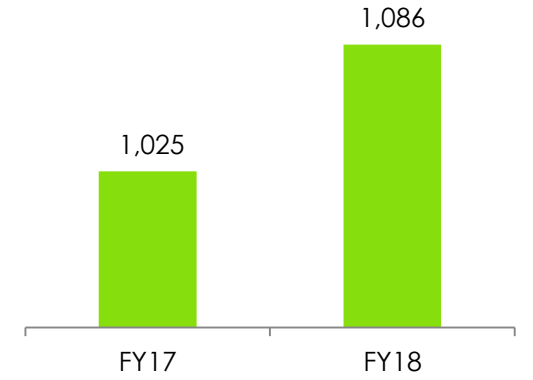


CHEMICALS (INR MN)

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CONSUMER PRODUCTS (INR MN)



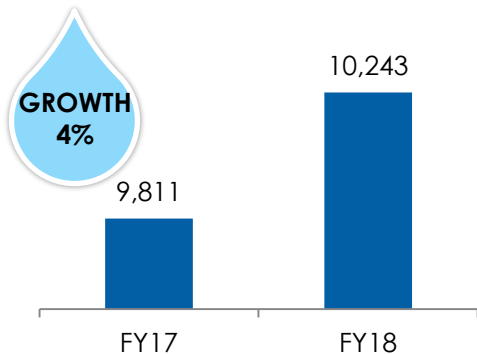
Standalone Balance Sheet

(As per IndAS)

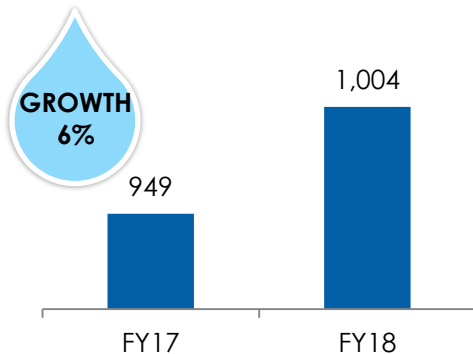
PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
EQUITIES & LIABILITIES			ASSETS		
Equity			Non-Current Assets		
(A) Equity Share Capital	147	147	(A) Property, Plant and Equipments	887	1,347
(B) Other Equity	2,562	2,987	(B) Capital Work-in-progress	336	66
Total Equity	2,709	3,134	(C) Other Intangible Assets	13	13
			(D) Financial Assets		
Non-Current Liabilities			(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	-	Total Non – Current Assets	2,292	2,495
(E) Liabilities for Non-Current Tax (Net)	17	17	Current Assets		
Total Non – Current Liabilities	469	557	(A) Inventories	1,039	771
Current Liabilities			(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) Others	8	76
(D) Liabilities for current tax (Net)	161	114	(C) Other current assets	494	376
Total Current Liabilities	6,645	7,390	Total Current Assets	7,531	8,586
GRAND TOTAL - EQUITIES & LIABILITES	9,823	11,081	GRAND TOTAL – ASSETS	9,823	11,081

Financials - Standalone

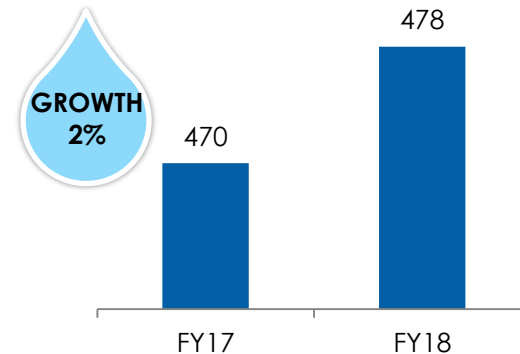
REVENUES* (INR MN)



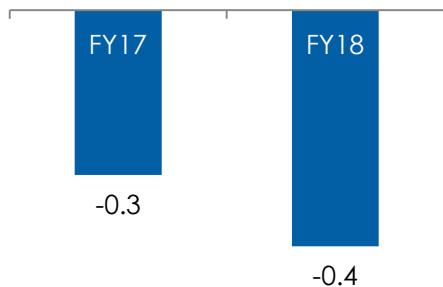
EBITDA (INR MN)



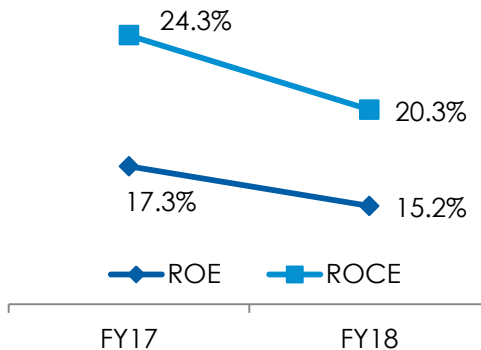
PAT (INR MN)



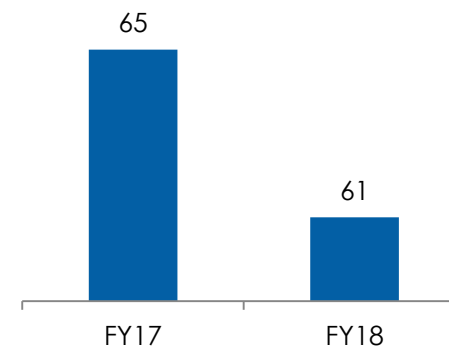
NET DEBT/EQUITY



ROE and ROCE



WORKING CAPITAL DAYS



* Includes other income

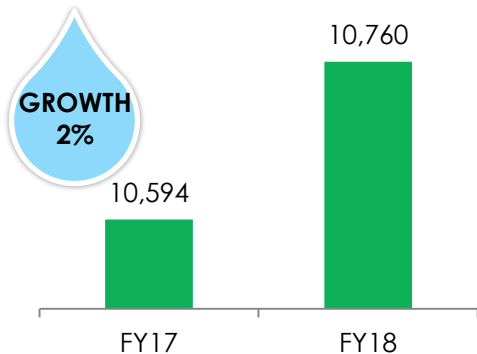
Consolidated Balance Sheet

(As per IndAS)

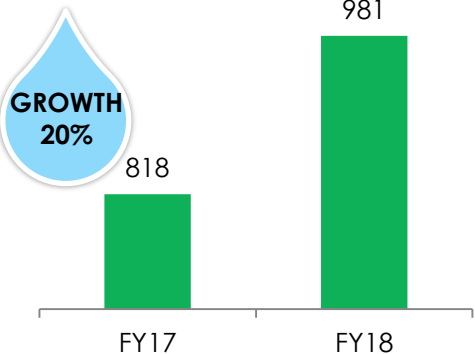
PARTICULARS (INR MN)	FY17	FY18	PARTICULARS (INR MN)	FY17	FY18
EQUITIES & LIABILITIES			ASSETS		
Equity			Non-Current Assets		
(A) Equity Share Capital	142	142	(A) Property, Plant and Equipments	977	1,436
(B) Other Equity	1,525	1,859	(B) Capital Work-in-progress	336	66
Non Controlling Interest	39	28	(C) Other Intangible Assets	13	13
Total Equity	1,706	2,029	(D) Investment accounted using Equity Method	24	30
			(E) Financial Assets		
Non-Current Liabilities			(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) Others	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	Total Non – Current Assets	1,911	2,032
Total Non – Current Liabilities	547	579	Current Assets		
			(A) Inventories	1,290	1,012
Current Liabilities			(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) Others	19	88
(D) Liabilities for current tax (Net)	166	120	(C) Current Tax Assets (Net)	6	8
Total Current Liabilities	7,454	8,044	(D) Other Current Assets	460	337
			Total Current Assets	7,796	8,620
GRAND TOTAL - EQUITIES & LIABILITES	9,707	10,652	GRAND TOTAL – ASSETS	9,707	10,652

Financials - Consolidated

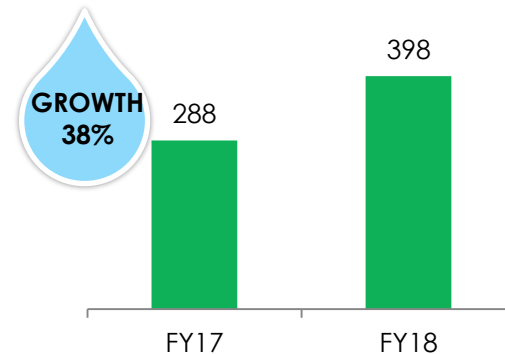
REVENUES* (INR MN)



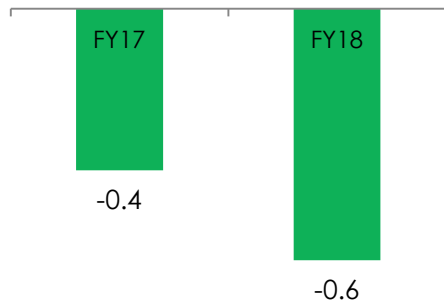
EBITDA (INR MN)



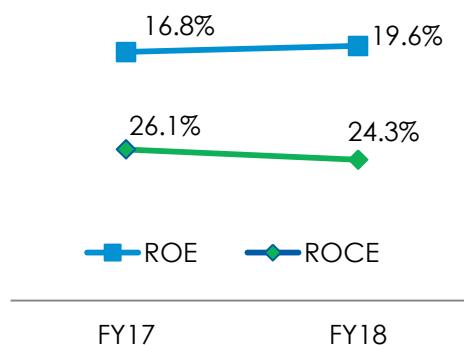
PAT ** (INR MN)



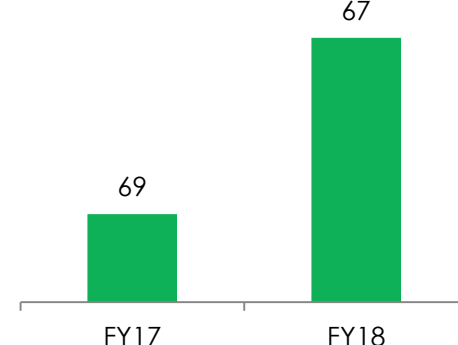
NET DEBT/ EQUITY



ROE and ROCE



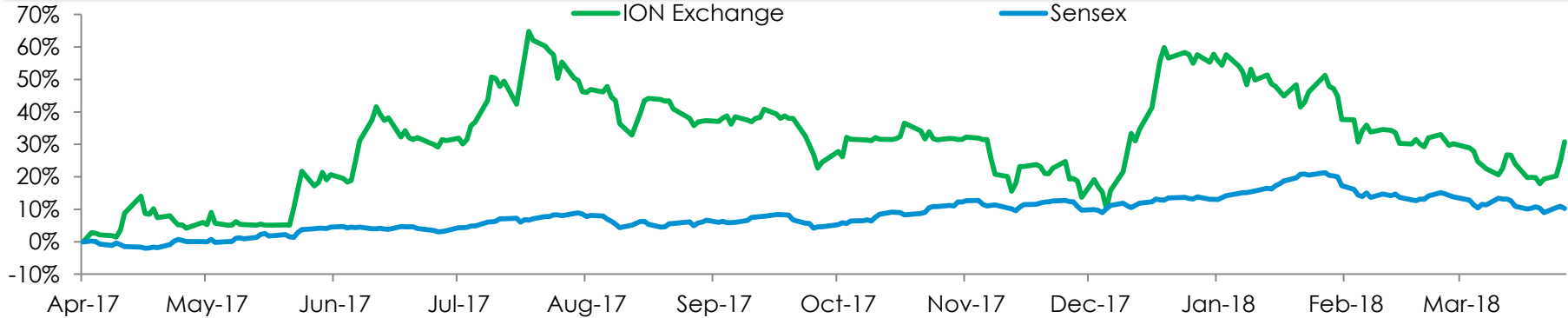
WORKING CAPITAL DAYS



* Includes other income

**PAT after Minority Interest

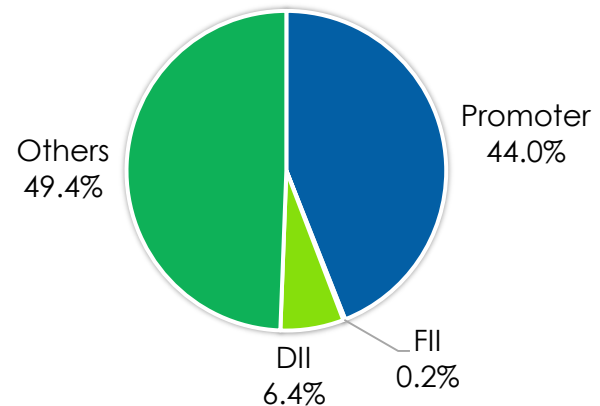
1 YEAR SHARE PRICE MOVEMENT (UPTO 31ST MARCH, 2018)



PRICE DATA (AS ON 31ST MARCH, 2018)

Face value (INR)	10
Market Price (INR)	497.65
52 Week H/L (INR)	638.0/371.2
Market Cap (INR Mn)	7,299
Equity Shares Outstanding (Mn)	14.67
1 Year Avg. trading volume ('000)	12.04

SHAREHOLDING PATTERN (AS ON 31ST MARCH, 2018)



Ion Exchange (India) Limited

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ION EXCHANGE
Refreshing the Planet

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