

October 31, 2019

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 Half Year Ended September 30, 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 | H1 / Q2-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

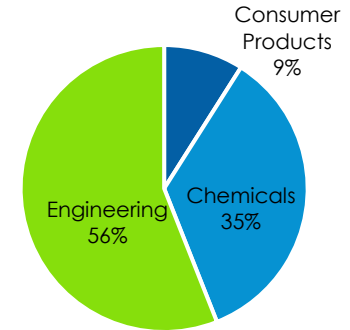
- **Industrial** – NTPC, NPC, Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC, BHEL, Tata Group.
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill,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

FY19: PAT*
INR 659 Mn

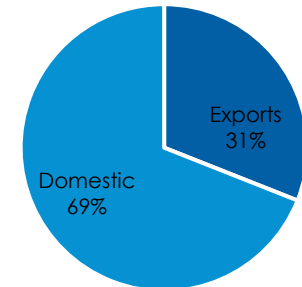
Company Overview

- 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

❑ Q2-FY20 Performance (Standalone):

- Operating Income: INR 3,970 Mn
- Operating EBITDA: INR 296 Mn
- Operating EBITDA Margins: 7.46%
- Net Profit: INR 271 Mn
- PAT Margins: 6.83%
- Diluted EPS: INR 22.56 per share

❑ H1-FY20 Performance (Standalone):

- Operating Income: INR 7,012 Mn
- Operating EBITDA: INR 515 Mn
- Operating EBITDA Margins: 7.34%
- Net Profit: INR 425 Mn
- PAT Margins: 6.06%
- Diluted EPS: INR 35.39 per share

❑ Q2-FY20 Performance (Consolidated):

- Operating Income: INR 4,094 Mn
- Operating EBITDA: INR 329 Mn
- Operating EBITDA Margins: 8.04%
- Net Profit: INR 257 Mn
- PAT Margins: 6.28%
- Diluted EPS: INR 22.19 per share

❑ H1-FY20 Performance (Consolidated):

- Operating Income: INR 7,305 Mn
- Operating EBITDA: INR 561 Mn
- Operating EBITDA Margins: 7.68%
- Net Profit: INR 390 Mn
- PAT Margins: 5.34%
- Diluted EPS: INR 33.70 per share

ENGINEERING

- Improvement in revenues and margins on the back of healthy order backlog at the beginning of the year.
- Sri Lanka order execution is proceeding satisfactorily. Revenue recognition in the quarter has picked up pace based on work progress.

CHEMICALS

- Sustained demand in certain segments has contributed to improvement in sales and profitability.
- The Company continues to invest in the capacity expansion in Chemical segment to meet the increasing market demand.

CONSUMER PRODUCTS

- Increased market penetration has resulted in growth.
- The Company expects improved financial performance in the ensuing quarters with increase in volumes.

Q2-FY20 STANDALONE INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR MN)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Operating Income	3,970	2,288	73.5%	3,042	30.5%
Expenses	3,674	2,165	69.7%	2,824	30.1%
Operating EBITDA	296	123	140.7%	218	35.8%
Operating EBITDA Margins (%)	7.46%	5.38%	208 Bps	7.17%	29 Bps
Depreciation	53	45	17.8%	52	1.9%
Finance Cost	32	39	(17.9)%	32	NA
Other Income	122	148	(17.6)%	104	17.3%
PBT	333	187	78.1%	238	39.9%
Tax	62	66	(6.1)%	84	(26.2)%
Profit After Tax	271	121	124.0%	154	76.0%
PAT Margins (%)	6.83%	5.29%	154 Bps	5.06%	177 Bps
Other Comprehensive Income	(2)	(1)	NA	(1)	NA
Total Comprehensive Income	269	120	124.2%	153	75.8%
Diluted EPS (INR) (Not annualised)	22.56	10.04	124.7%	12.83	75.8%

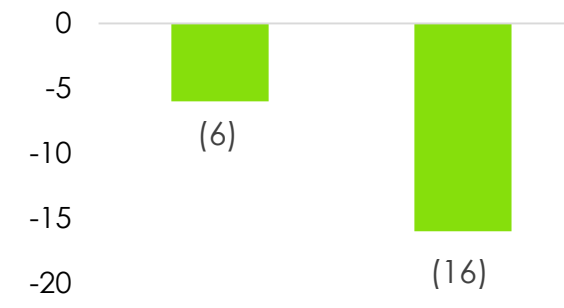
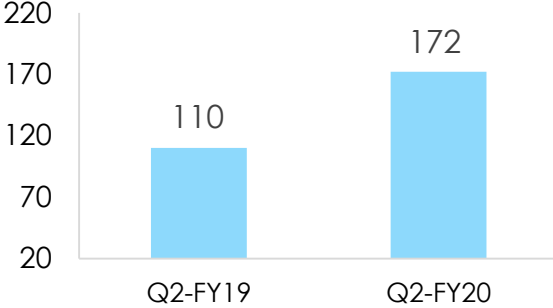
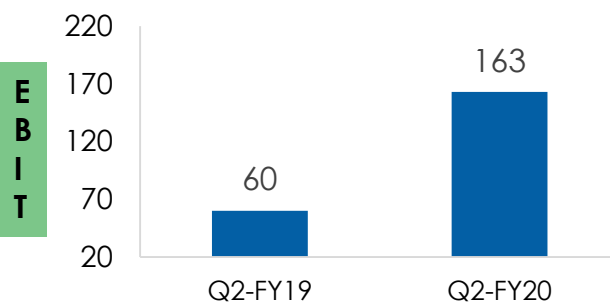
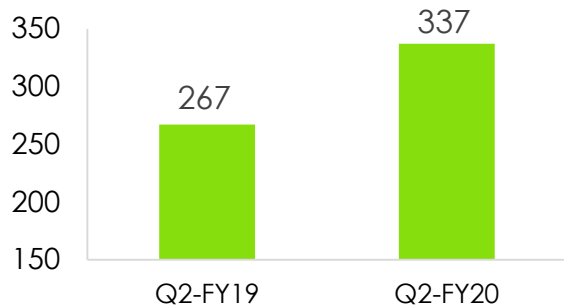
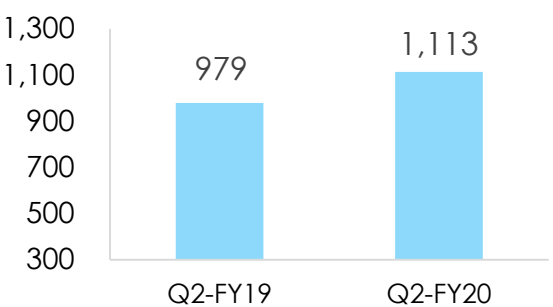
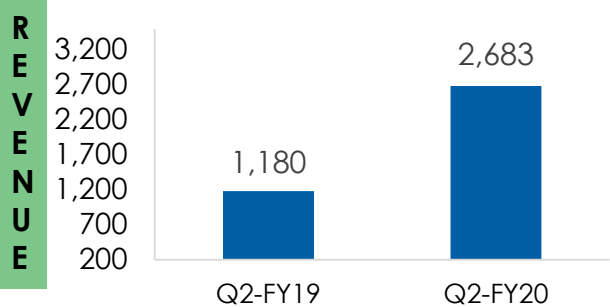
Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.
No. of Shares- 26,62,914

SEGMENTAL BREAKUP - QUARTERLY STANDALONE

ENGINEERING (INR MN)

CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)



H1-FY20 STANDALONE INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR MN)	H1-FY20	H1-FY19	Y-o-Y
Operating Income	7,012	4,344	61.4%
Expenses	6,497	4,126	57.5%
Operating EBITDA	515	218	136.2%
Operating EBITDA Margins (%)	7.34%	5.02%	232 Bps
Depreciation	105	89	18.0%
Finance Cost	65	81	(19.8)%
Other Income	226	308	(26.6)%
PBT	571	356	60.4%
Tax	146	126	15.9%
Profit After Tax	425	230	84.8%
PAT Margins (%)	6.06%	5.29%	77 Bps
Other Comprehensive Income	(3)	(1)	NA
Total Comprehensive Income	422	229	84.3%
Diluted EPS (INR) (Not annualised)	35.39	19.12	85.1%

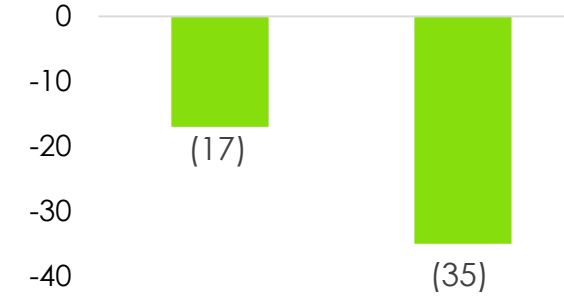
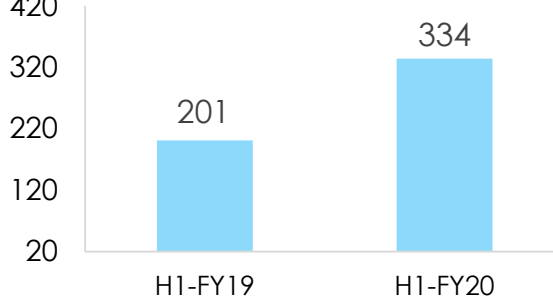
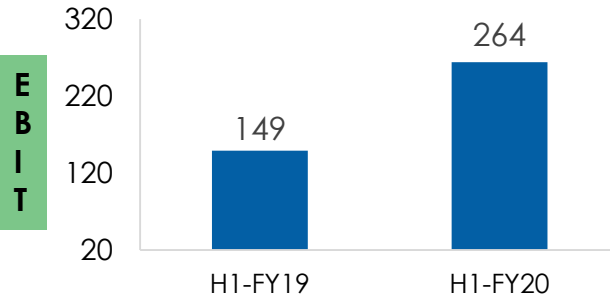
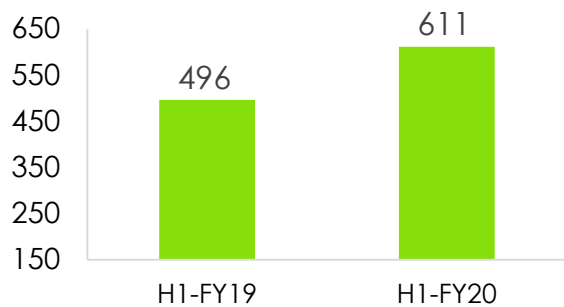
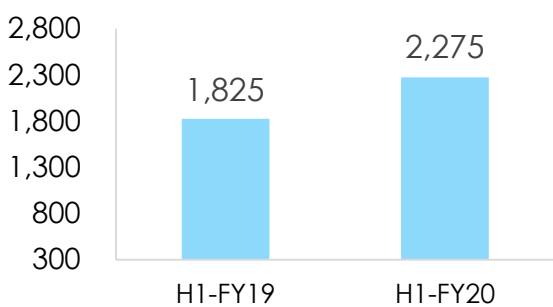
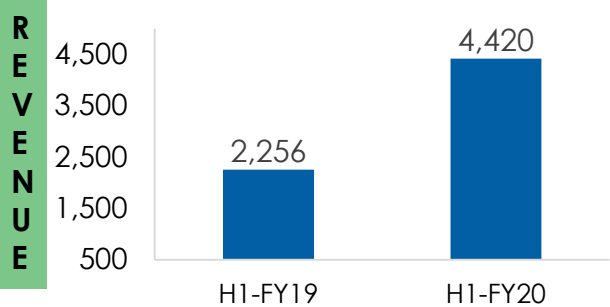
Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts.
No. of Shares- 26,62,914

SEGMENTAL BREAKUP – HALF YEARLY STANDALONE

ENGINEERING (INR MN)

CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)



STANDALONE INCOME STATEMENT (IND AS)

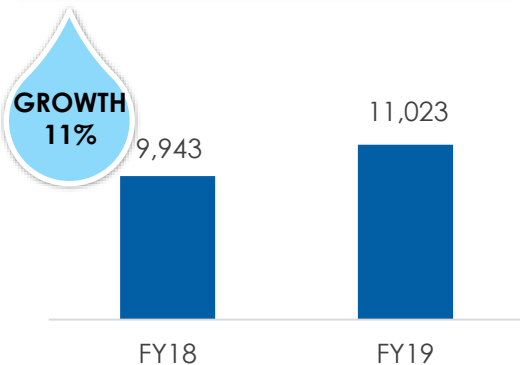
INCOME STATEMENT (INR MN)	FY18	FY19	H1-FY20
Operating Income	9,943	11,023	7,012
Expenses	9,239	10,110	6,497
Operating EBITDA	704	913	515
Operating EBITDA Margins (%)	7.08%	8.28%	7.34%
Depreciation	119	181	105
Finance Cost	157	162	65
Other Income	300	441	226
PBT	728	1,011	571
Tax	250	345	146
Profit After Tax	478	666	425
PAT Margins (%)	4.80%	6.04%	6.06%
Other Comprehensive Income	(2)	(5)	(3)
Total Comprehensive Income	476	661	422
Diluted EPS (INR)	39.78	55.47	35.39

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

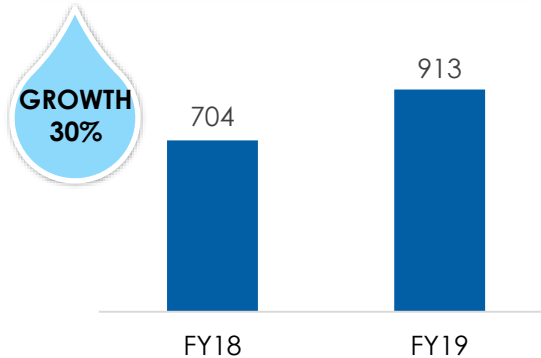
Standalone Balance Sheet (As per IndAS)

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

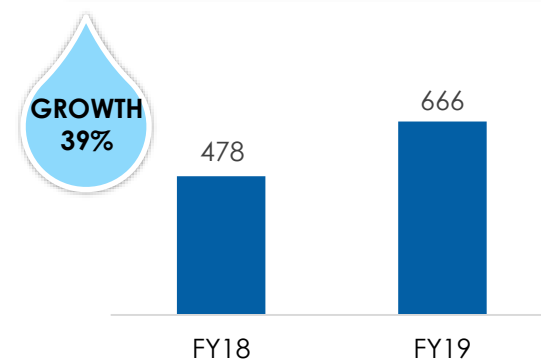
REVENUES (INR MN)



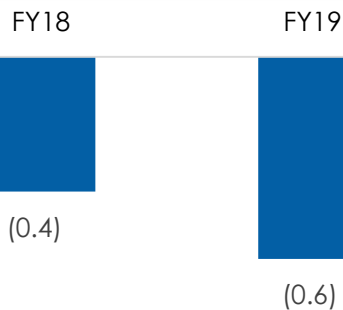
OPERATING EBITDA (INR MN)



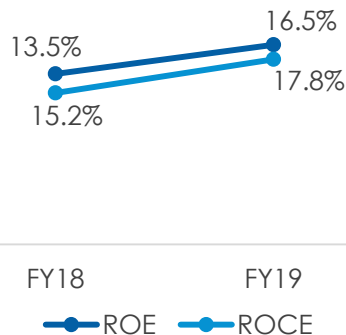
PAT (INR MN)



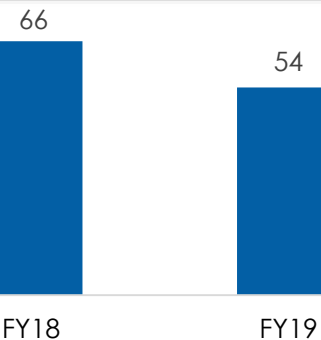
NET DEBT/EQUITY



ROE and ROCE



WORKING CAPITAL DAYS



Q2-FY20 CONSOLIDATED INCOME STATEMENT (IND AS)

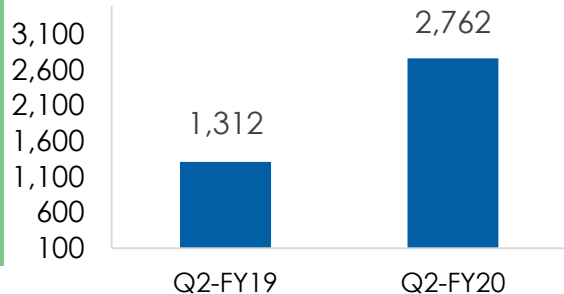
INCOME STATEMENT (INR MN)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Operating Income	4,094	2,438	67.9%	3,211	27.5%
Expenses	3,765	2,277	65.3%	2,979	26.4%
Operating EBITDA	329	161	104.3%	232	41.8%
Operating EBITDA Margins (%)	8.04%	6.60%	144 Bps	7.23%	81 Bps
Depreciation	57	49	16.3%	55	3.6%
Finance Cost	39	46	(15.2)%	39	NA
Other Income	91	113	(19.5)%	77	18.2%
PBT	324	179	81.0%	215	50.7%
Share of Profit of equity accounted Investee	1	2	(50.0)%	5	(80.0)%
Tax	68	68	NA	87	(21.8)%
Profit After Tax	257	113	127.4%	133	93.2%
PAT Margins (%)	6.28%	4.63%	165 Bps	4.14%	214 Bps
Other Comprehensive Income	-	3	NA	(4)	NA
Total Comprehensive Income	257	116	121.6%	129	99.2%
EPS Diluted (INR)	22.19	9.78	126.9%	11.52	92.6%

Note: 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)

SEGMENTAL BREAKUP-QUARTERLY CONSOLIDATED

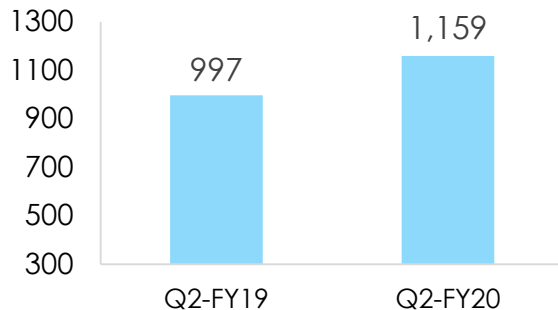
ENGINEERING (INR MN)

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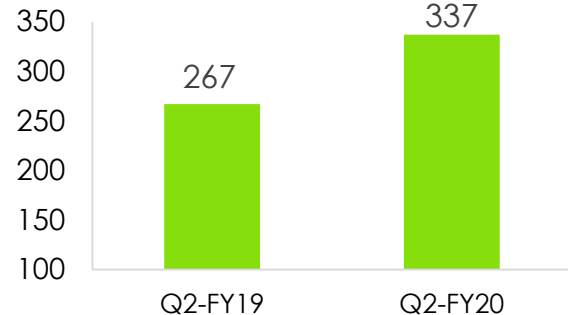
CHEMICALS (INR MN)

1300
1100
900
700
500
300

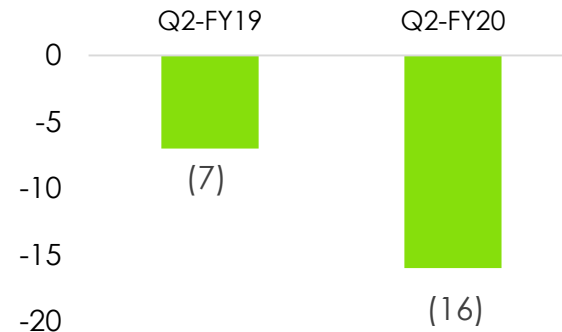
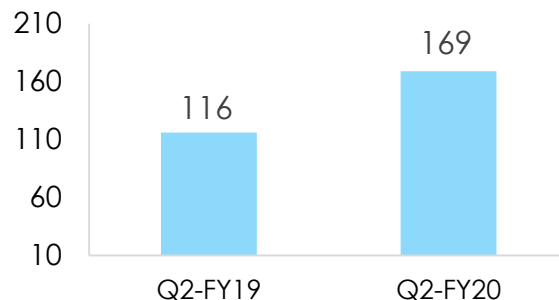
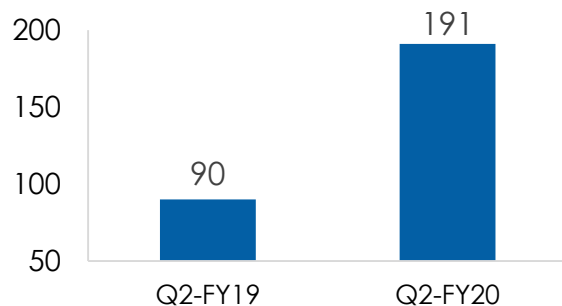


CONSUMER PRODUCTS (INR MN)

350
300
250
200
150
100



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H1-FY20 CONSOLIDATED INCOME STATEMENT (IND AS)

INCOME STATEMENT (INR MN)	H1-FY20	H1-FY19	Y-o-Y
Operating Income	7,305	4,722	54.7%
Expenses	6,744	4,442	51.8%
Operating EBITDA	561	280	100.4%
Operating EBITDA Margins (%)	7.68%	5.93%	175 Bps
Depreciation	113	96	17.7%
Finance Cost	78	96	(18.8)%
Other Income	169	260	(35.0)%
PBT	539	348	54.9%
Share of Profit of equity accounted Investee	6	4	50.0%
Tax	155	133	16.5%
Profit After Tax	390	219	78.1%
PAT Margins (%)	5.34%	4.64%	70 Bps
Other Comprehensive Income	(4)	11	NA
Total Comprehensive Income	386	230	67.8%
EPS Diluted (INR)	33.70	18.96	77.7%

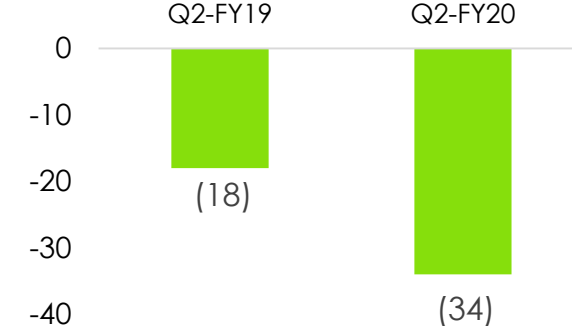
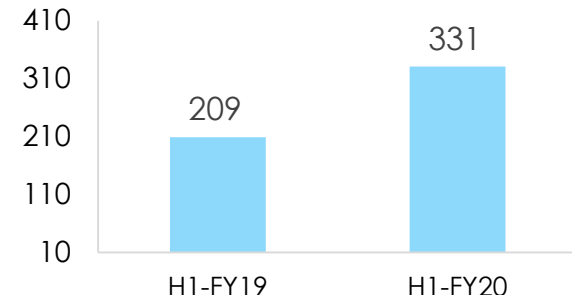
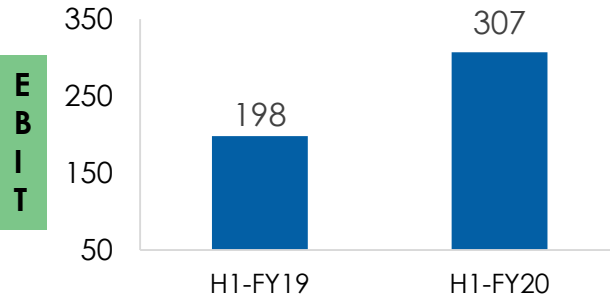
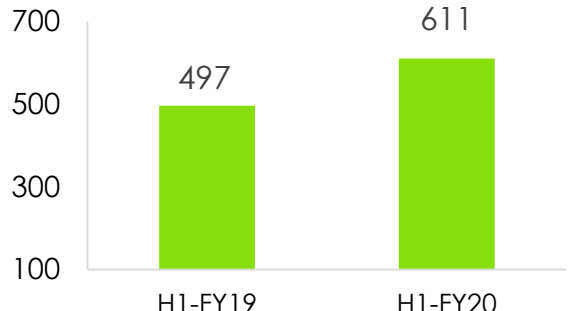
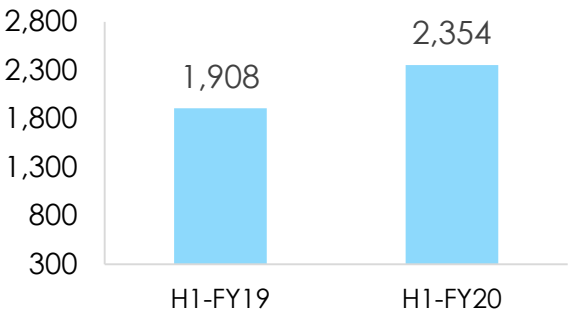
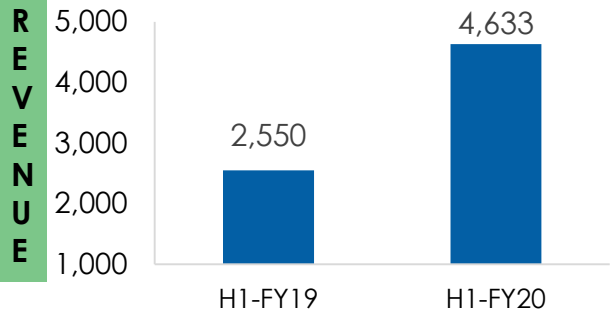
Note: Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts (No. of Shares-26,62,914) and shares held by Subsidiary companies (No. of Shares- 4,37,874)

SEGMENTAL BREAKUP - HALF YEARLY CONSOLIDATED

ENGINEERING (INR MN)

CHEMICALS (INR MN)

CONSUMER PRODUCTS (INR MN)



CONSOLIDATED INCOME STATEMENT (IND-AS)

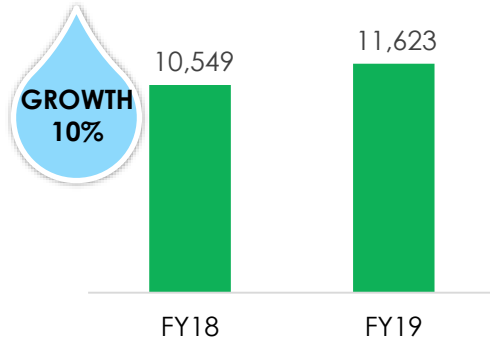
INCOME STATEMENT (INR MN)	FY18	FY19	H1-FY20
Operating Income	10,549	11,623	7,305
Expenses	9,779	10,557	6,744
Operating EBITDA	770	1,066	561
Operating EBITDA Margins (%)	7.30%	9.17%	7.68%
Depreciation	131	196	113
Finance Cost	187	190	78
Other Income	211	333	169
PBT	663	1,013	539
Share of Profit of equity accounted Investee	(1)	5	6
Tax	263	359	155
Profit After Tax	399	659	390
PAT Margins (%)	3.78%	5.67%	5.34%
Other Comprehensive Income	(14)	1	(4)
Total Comprehensive Income	385	660	386
EPS Diluted (INR)	34.46	56.99	33.70

Note: 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)

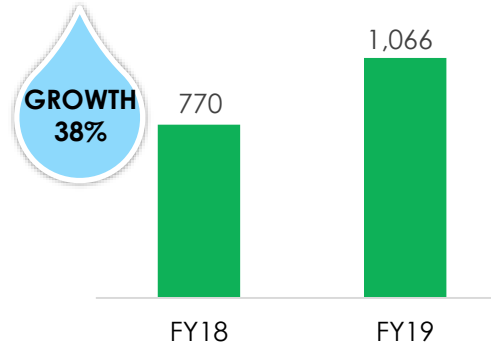
Consolidated Balance Sheet (IND-AS)

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

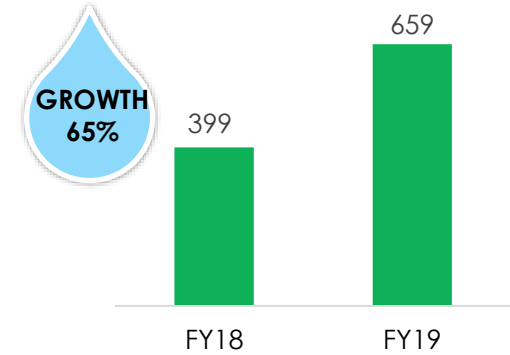
REVENUES (INR MN)



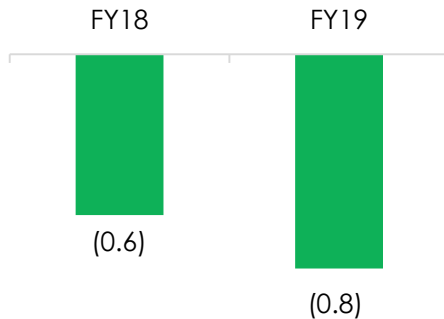
OPERATING EBITDA (INR MN)



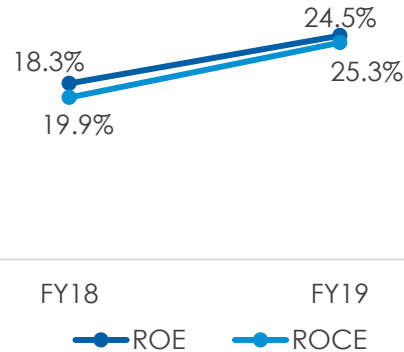
PAT (INR MN)



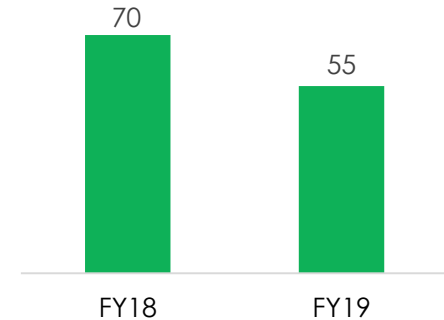
NET DEBT/ EQUITY



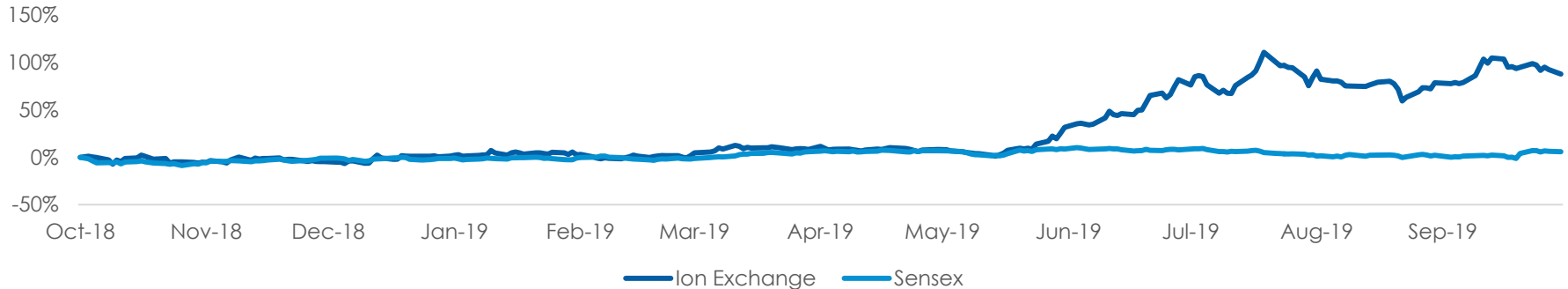
ROE and ROCE



WORKING CAPITAL DAYS



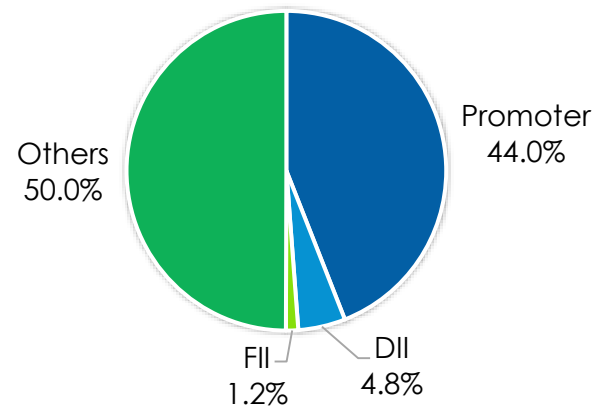
1 YEAR SHARE PRICE MOVEMENT (UPTO 30th September, 2019)



PRICE DATA (AS ON 30th September, 2019)

Face value (INR)	10.0
Market Price (INR)	691.3
52 Week H/L (INR)	794.0/335.0
Market Cap (INR Mn)	10,138.3
Equity Shares Outstanding (Mn)	14.7
1 Year Avg. trading volume ('000)	15.8

SHAREHOLDING PATTERN (AS ON 30th SEPTEMBER, 2019)



Ion Exchange (India) Limited

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