

May 25, 2017

Bombay Stock Exchange 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 year ended March 31, 2017.

The aforesaid information is also disclosed on website of the company i.e. [www.ionindian.com](http://www.ionindian.com)

Kindly take the information on record.

Thanking You,

Yours faithfully,  
For Ion Exchange (India) Limited



Milind Puranik  
Company Secretary



*Refreshing the Planet*

## EARNINGS PRESENTATION

**Q4 / FY17**

# EXECUTIVE SUMMARY

## 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 (60%)** – 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 (30%)** - 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.

## 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

## CONSOLIDATED FINANCIALS (FY17)

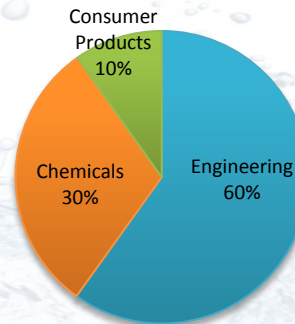
- **Total Income** – INR 10,298 Mn
- **EBITDA** – INR 833 Mn
- **PAT** – INR 283 Mn



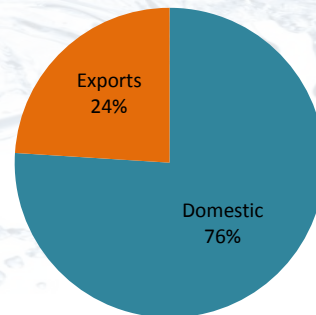
# COMPANY OVERVIEW

- 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 celebrating its 52<sup>nd</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 FY17\*



## GEOGRAPHICAL BREAKUP FY17\*



# Q4/FY17 STANDALONE FINANCIAL HIGHLIGHTS

## ❑ Q4-FY17 performance:

- Total Income : INR 3,538Mn; Growth of 79.69% Q-o-Q and 46.20% Y-o-Y
- EBITDA : INR 461 Mn; Growth of 184.57% Q-o-Q and 53.16% Y-o-Y
- EBITDA Margin : 13.03%; Growth of 480 Bps Q-o-Q and 59 Bps Y-o-Y
- Net Profit : INR 262 Mn; Growth of 329.51 % Q-o-Q and 57.83% Y-o-Y
- PAT Margin : 7.41%; Growth of 431 Bps Q-o-Q and 55 Bps Y-o-Y
- Diluted EPS : INR 17.91

## ❑ FY17 performance:

- Total Income : INR 9,513 Mn; Growth of 16.88% Y-o-Y
- EBITDA : INR 938 Mn; Growth of 30.28% Y-o-Y
- EBITDA Margin : 9.86%; Growth of 101 Bps Y-o-Y
- Net Profit : INR 460 Mn; Growth of 33.33% Y-o-Y
- PAT Margin : 4.84%; Growth of 60 Bps Y-o-Y
- Diluted EPS : INR 31.36

# FY17 CONSOLIDATED FINANCIAL HIGHLIGHTS

## □ FY17 performance:

- Total Income : INR 10,298 Mn; Growth of 17.34% Y-o-Y
- EBITDA : INR 833 Mn; Growth of 34.14% Y-o-Y
- EBITDA Margin : 8.09%; Growth of 101 Bps Y-o-Y
- Net Profit : INR 283 Mn; Growth of 84.97% Y-o-Y
- PAT Margin : 2.75%; Growth of 101 Bps Y-o-Y
- Diluted EPS : INR 19.94



# Q4&FY17 OPERATIONAL HIGHLIGHTS

## STANDALONE

### **ENGINEERING**

- Increase in sales of Standard/mid-sized plants, Engineering Export and commencement of Sri Lanka Order execution has contributed to increase in sales and profitability.
- Encouraging order inflows in the Medium Engineering segment.
- Sluggishness in the capital goods industry continues to affect the order inflow and the turnover in the Large EPC segment.

### **CHEMICALS**

- Muted growth due to lower off take in some of the Heavy Industry customers on account of market conditions.
- Demonetization impact in some segments continued in the current quarter affecting overall volumes.
- Margins have improved largely due to manufacturing efficiencies.

### **CONSUMER PRODUCTS**

- Higher turnover due to increased market penetration coupled with augmentation and strengthening of the team
- Losses in the business have not significantly reduced due to higher staff costs.

## GROUP COMPANIES

- Performance of the Subsidiary Companies operating in the Engineering segment continues to remain under pressure due to unfavorable market conditions.
- The Subsidiary Co – Ion Exchange Enviro Farms Ltd has preferred fresh appeal in SAT citing practical difficulties in execution of SEBI order and the appeal has been admitted.

# Q4 FY17 – STANDALONE INCOME STATEMENT

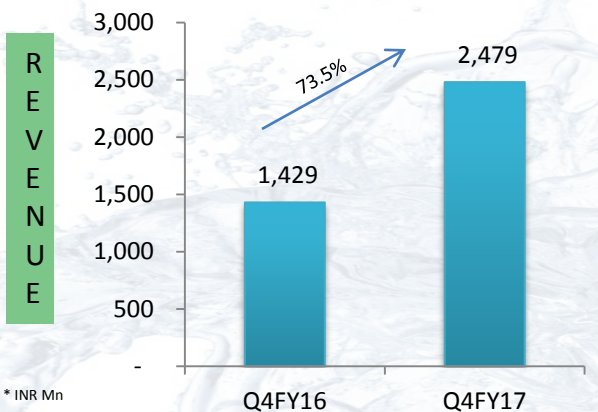
INCOME STATEMENT (INR MN)	Q4-FY17	Q3-FY17	Q-o-Q	Q4-FY16	YoY
<b>Total Income*</b>	<b>3,538</b>	<b>1,969</b>	<b>79.69%</b>	<b>2,420</b>	<b>46.20%</b>
Total Expenses	3,077	1,807	70.28%	2,119	45.21%
<b>EBITDA</b>	<b>461</b>	<b>162</b>	<b>184.57%</b>	<b>301</b>	<b>53.16%</b>
<b>EBITDA Margin</b>	<b>13.03%</b>	<b>8.23%</b>	<b>480 bps</b>	<b>12.44%</b>	<b>59 bps</b>
Depreciation	29	27	7.41%	25	16.00%
Finance Cost	33	37	-10.81%	30	10.00%
<b>PBT</b>	<b>399</b>	<b>98</b>	<b>307.14%</b>	<b>246</b>	<b>62.20%</b>
Tax	137	37	270.27%	80	71.25%
<b>Profit After Tax</b>	<b>262</b>	<b>61</b>	<b>329.51%</b>	<b>166</b>	<b>57.83%</b>
<b>PAT Margin</b>	<b>7.41%</b>	<b>3.10%</b>	<b>431 bps</b>	<b>6.86%</b>	<b>55 bps</b>
<b>EPS (Diluted)</b>	<b>17.91</b>	<b>4.16</b>	<b>330.53%</b>	<b>11.19</b>	<b>60.05%</b>

\*Total income includes other income

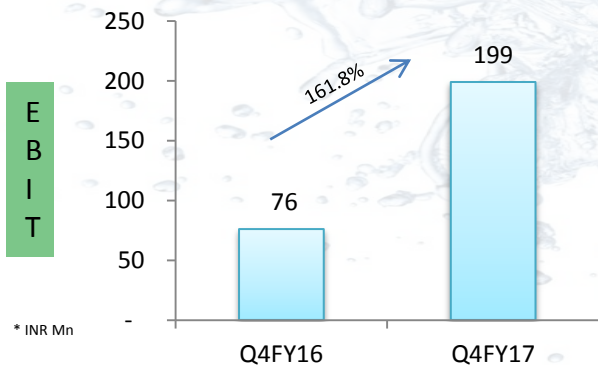


# SEGMENTAL BREAKUP-QUARTERLY STANDALONE

## ENGINEERING\*

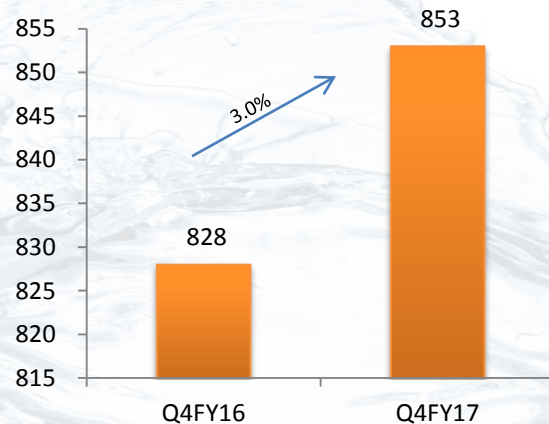


Q4FY16 Q4FY17

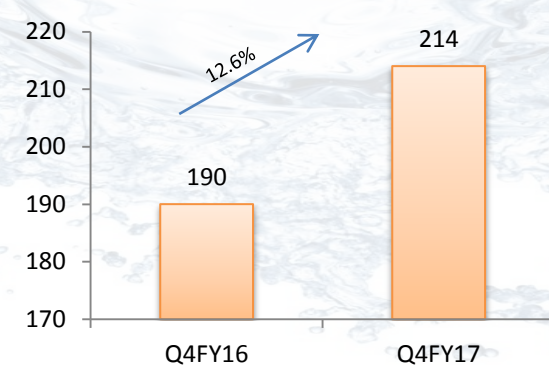


Q4FY16 Q4FY17

## CHEMICALS\*

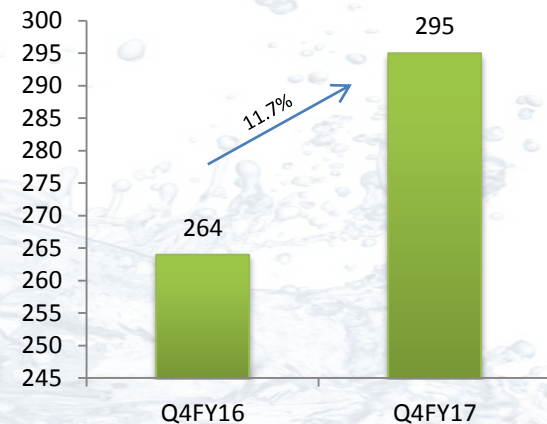


Q4FY16 Q4FY17

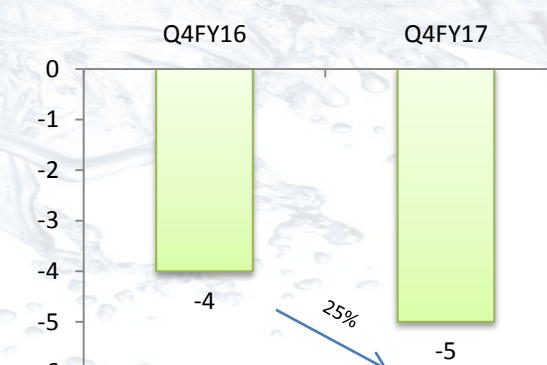


Q4FY16 Q4FY17

## CONSUMER PRODUCTS\*



Q4FY16 Q4FY17



Q4FY16 Q4FY17

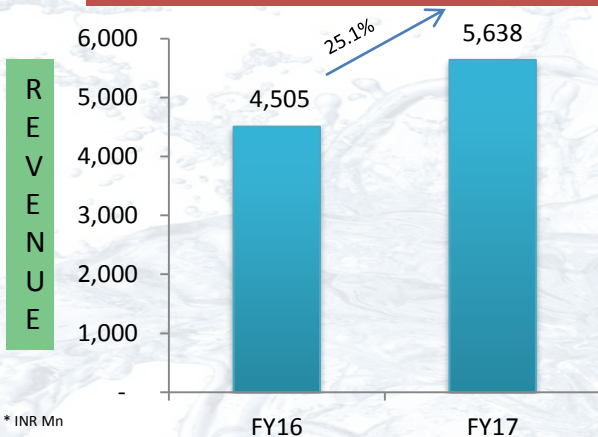
# FY17 – STANDALONE INCOME STATEMENT

INCOME STATEMENT (INR MN)	FY17	FY16	YoY
<b>Total Income*</b>	<b>9,513</b>	<b>8,139</b>	<b>16.88%</b>
Total Expenses	8,575	7,419	15.58%
<b>EBITDA</b>	<b>938</b>	<b>720</b>	<b>30.28%</b>
<b>EBITDA Margin</b>	<b>9.86%</b>	<b>8.85%</b>	<b>101 bps</b>
Depreciation	108	100	8.00%
Finance Cost	128	106	20.75%
<b>PBT</b>	<b>702</b>	<b>514</b>	<b>36.58%</b>
Tax	242	169	43.20%
<b>Profit After Tax</b>	<b>460</b>	<b>345</b>	<b>33.33%</b>
<b>PAT Margin</b>	<b>4.84%</b>	<b>4.24%</b>	<b>60 bps</b>
<b>EPS (Diluted)</b>	<b>31.36</b>	<b>23.20</b>	<b>35.17%</b>

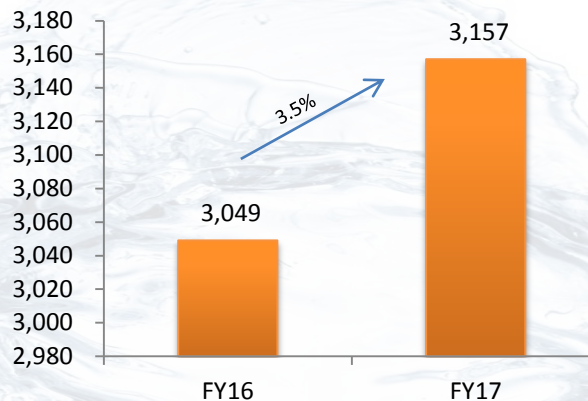
\*Total income includes other income

# SEGMENTAL BREAKUP-ANNUAL STANDALONE

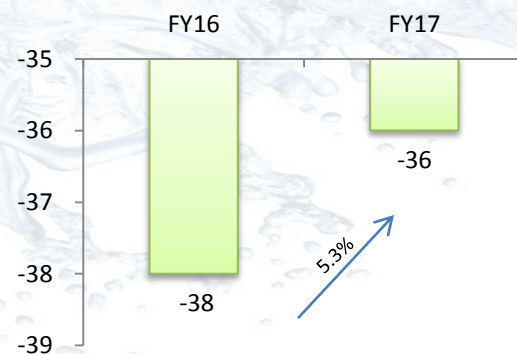
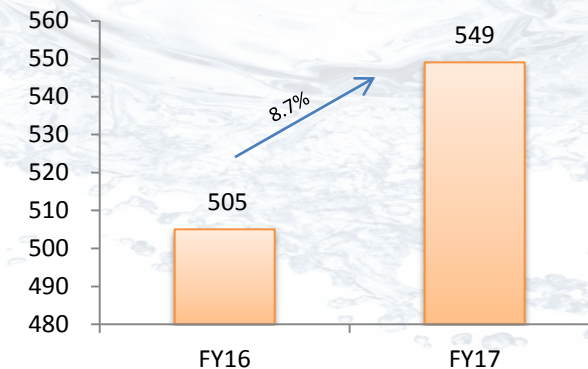
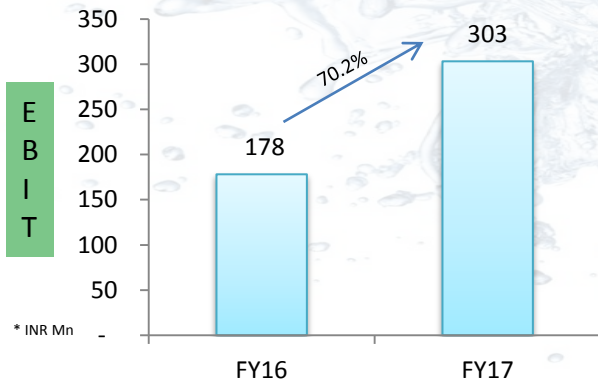
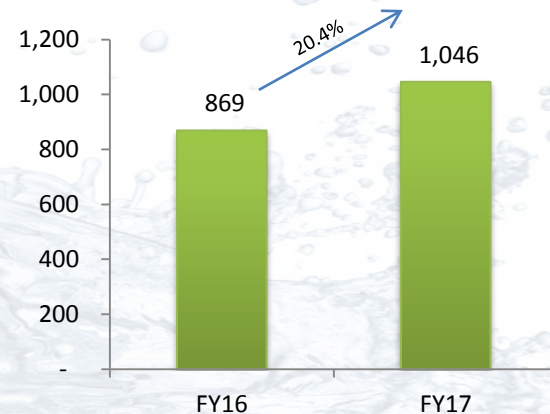
## ENGINEERING\*



## CHEMICALS\*



## CONSUMER PRODUCTS\*



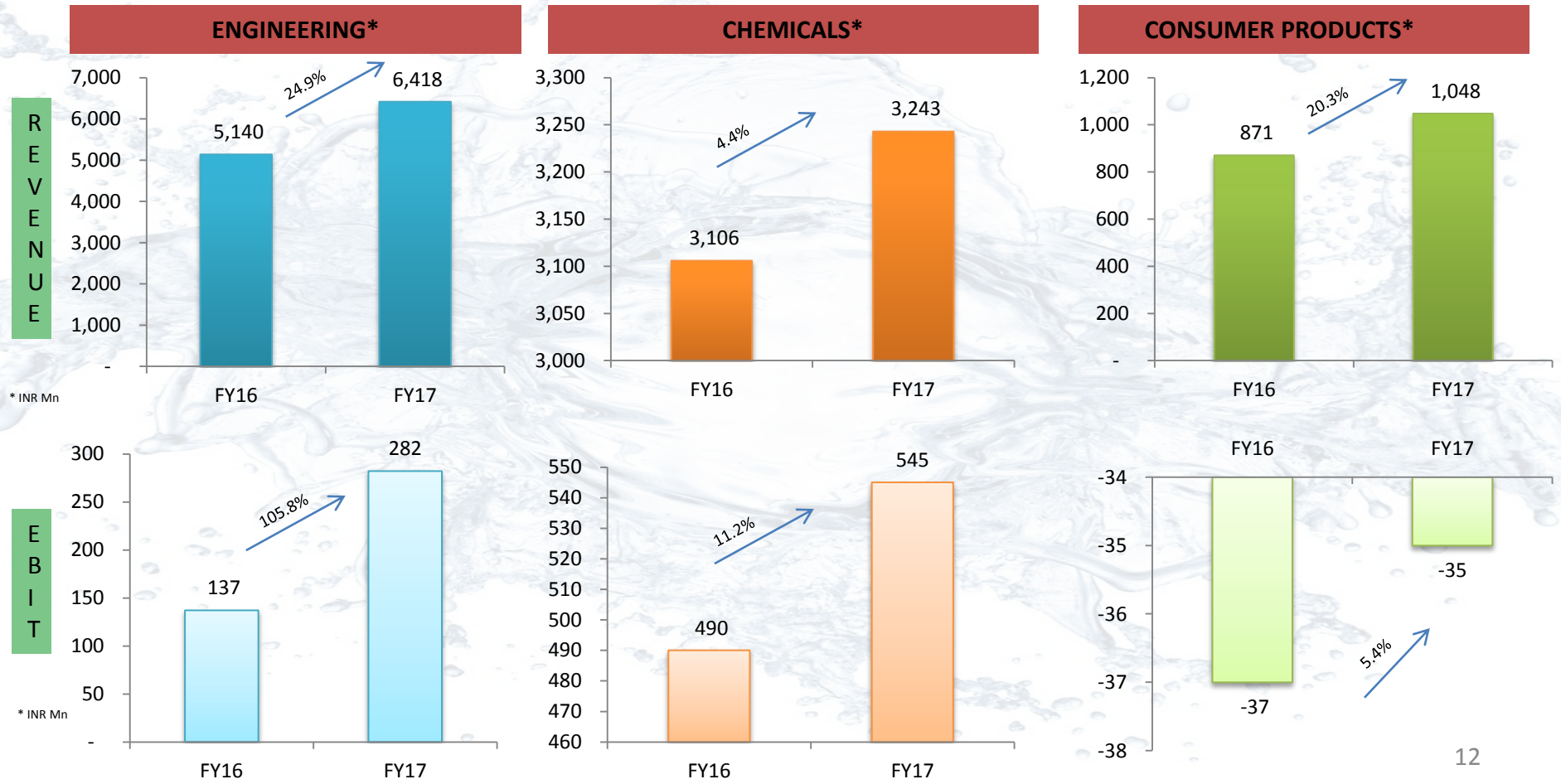


# FY17 – CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (INR MN)	FY17	FY16	YoY
<b>Total Income*</b>	<b>10,298</b>	<b>8,776</b>	<b>17.34%</b>
Total Expenses	9,465	8,155	16.06%
<b>EBITDA</b>	<b>833</b>	<b>621</b>	<b>34.14%</b>
<b>EBITDA Margin</b>	<b>8.09%</b>	<b>7.08%</b>	<b>101 bps</b>
Depreciation	133	126	5.56%
Finance Cost	163	149	9.40%
<b>PBT</b>	<b>537</b>	<b>346</b>	<b>55.20%</b>
Tax	251	177	41.81%
<b>Profit After Tax, Before Minority Interest</b>	<b>286</b>	<b>169</b>	<b>69.23%</b>
Add: Profit/(Loss) from Associate	6	1	500.00%
Less: Minority Interest	9	17	-47.06%
<b>PAT</b>	<b>283</b>	<b>153</b>	<b>84.97%</b>
<b>PAT Margin</b>	<b>2.75%</b>	<b>1.74%</b>	<b>101 bps</b>
<b>EPS (Diluted)</b>	<b>19.94</b>	<b>10.61</b>	<b>87.94%</b>

\*Total income includes other income

# SEGMENTAL BREAKUP-ANNUAL CONSOLIDATED



# HISTORICAL STANDALONE INCOME STATEMENT

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16	FY17
<b>Total Income*</b>	<b>7,732</b>	<b>7,201</b>	<b>7,400</b>	<b>8,139</b>	<b>9,513</b>
Total Expenses	7,208	6,705	6,813	7,419	8,575
<b>EBITDA</b>	<b>524</b>	<b>496</b>	<b>587</b>	<b>720</b>	<b>938</b>
<b>EBITDA Margin</b>	<b>6.77%</b>	<b>6.89%</b>	<b>7.93%</b>	<b>8.85%</b>	<b>9.86%</b>
Depreciation	79	84	98	100	108
Finance Cost	120	98	109	106	128
<b>PBT</b>	<b>325</b>	<b>314</b>	<b>380</b>	<b>514</b>	<b>702</b>
Tax	110	109	119	169	242
<b>Profit After Tax</b>	<b>215</b>	<b>205</b>	<b>261</b>	<b>345</b>	<b>460</b>
<b>PAT Margin</b>	<b>2.78%</b>	<b>2.85%</b>	<b>3.53%</b>	<b>4.24%</b>	<b>4.84%</b>
<b>EPS (Diluted)</b>	<b>14.56</b>	<b>14.08</b>	<b>17.61</b>	<b>23.20</b>	<b>31.36</b>

\*Total income includes other income



# HISTORICAL STANDALONE BALANCE SHEET

PARTICULARS (INR MN)	FY 15	FY16	FY17	PARTICULARS (INR MN)	FY15	FY16	FY17
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
Shareholder Funds				Non Current Assets			
(A) Share Capital	145	146	147	(A) Fixed Assets	750	823	1,233
(B) Reserves& Surplus	2,058	2,355	2,812	(B) Non-current investments	552	552	552
<b>Total -Shareholder Funds</b>	<b>2,203</b>	<b>2,501</b>	<b>2,959</b>	(C) Deferred tax assets (Net)	0	0	0
Non Current Liabilities				(D) Long term loans & advance	597	692	650
(A) Long Term Borrowings	102	155	277	(E) Other Non Current Assets	67	59	39
(B) Deferred Tax Liabilities (Net)	46	43	41				
(C) Other Long Term liabilities	73	84	86	<b>Total - Non – Current Assets</b>	<b>1,966</b>	<b>2,126</b>	<b>2,474</b>
(D) Long Term provisions	108	119	108	Current Assets			
<b>Total - Non – Current Liabilities</b>	<b>329</b>	<b>401</b>	<b>512</b>	(A) Current Investments	1	1	1
Current Liabilities				(B) Inventories	453	598	858
(A) Short term Borrowings	357	410	408	(C) Trade Receivables	3,265	3,352	4,216
(B) Trade Payables	2,703	2,893	3,532	(D) Cash & Bank Balances	148	192	1,511
(C) Other Current Liabilities	565	595	2,511	(E) Short-term loans & advances	486	724	1,051
(D) Short-term provisions	164	198	193	(F) Other current assets	2	5	4
<b>Total – Current Liabilities</b>	<b>3,789</b>	<b>4,096</b>	<b>6,644</b>	<b>Total – Current Assets</b>	<b>4,355</b>	<b>4,872</b>	<b>7,641</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>6,321</b>	<b>6,998</b>	<b>10,115</b>	<b>GRAND TOTAL – ASSETS</b>	<b>6,321</b>	<b>6,998</b>	<b>10,115</b>

# HISTORICAL CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (INR MN)	FY15	FY16	FY17
<b>Total Income*</b>	<b>8,048</b>	<b>8,776</b>	<b>10,298</b>
Total Expenses	7,539	8,155	9,465
<b>EBITDA</b>	<b>509</b>	<b>621</b>	<b>833</b>
<b>EBITDA Margin</b>	<b>6.32%</b>	<b>7.08%</b>	<b>8.09%</b>
Depreciation	121	126	133
Finance Cost	150	149	163
<b>PBT</b>	<b>238</b>	<b>346</b>	<b>537</b>
Tax	124	177	251
<b>Profit After Tax, Before Minority Interest</b>	<b>114</b>	<b>169</b>	<b>286</b>
Add: Profit/(Loss) from Associate	0	1	6
Less: Minority Interest	16	17	9
<b>PAT</b>	<b>98</b>	<b>153</b>	<b>283</b>
<b>PAT Margin</b>	<b>1.22%</b>	<b>1.74%</b>	<b>2.75%</b>
<b>EPS (Diluted)</b>	<b>6.78</b>	<b>10.61</b>	<b>19.94</b>

\*Total income includes other income

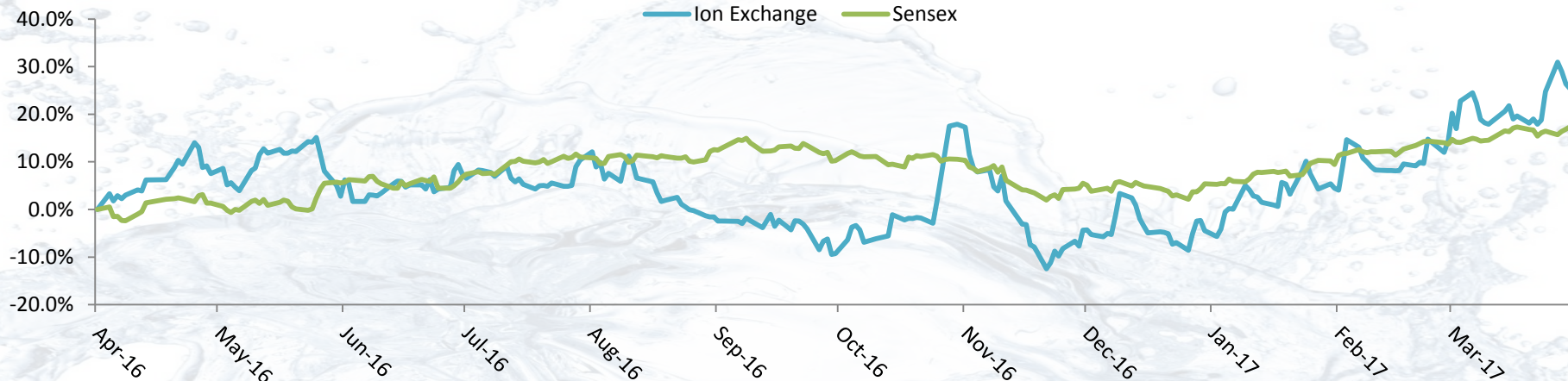
# HISTORICAL CONSOLIDATED BALANCE SHEET

PARTICULARS (INR MN)	FY 15	FY 16	FY17	PARTICULARS (INR MN)	FY15	FY 16	FY17
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
Shareholder Funds				Non Current Assets			
(A) Share Capital	141	141	142	(A)Fixed Assets	989	1,050	1,453
(B) Reserves& Surplus	1,420	1,560	1,837	(B) Non-current investments	24	24	29
<b>Total -Shareholder Funds</b>	<b>1,561</b>	<b>1,701</b>	<b>1,979</b>	(C) Deferred tax assets (Net)	8	8	9
Minority Interest	85	62	63	(D) Long term advance	476	543	453
Non Current Liabilities				(E) Other non-current assets	263	263	266
(A) Long Term Borrowings	202	230	299				
(B) Deferred Tax Liabilities (Net)	47	44	41	<b>Total - Non – Current Assets</b>	<b>1,760</b>	<b>1,888</b>	<b>2,210</b>
(C) Other Long Term liabilities	110	128	126	Current Assets			
(D) Long Term provisions	116	129	118	(A) Current Investments	1	1	1
<b>Total - Non – Current Liabilities</b>	<b>475</b>	<b>531</b>	<b>584</b>	(B) Inventories	793	814	1,109
Current Liabilities				(C) Trade Receivables	3,582	3,630	4,405
(A) Short term Borrowings	567	567	608	(D) Cash and Bank Balances	262	334	1,669
(B) Trade Payables	3,162	3,314	3,960	(E) Short-term loans and advances	401	489	646
(C) Other Current Liabilities	783	781	2,650	(F) Other current assets	3	5	5
(D) Short-term provisions	169	205	201	<b>Total – Current Assets</b>	<b>5,042</b>	<b>5,273</b>	<b>7,835</b>
<b>Total – Current Liabilities</b>	<b>4,681</b>	<b>4,867</b>	<b>7,419</b>				
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>6,802</b>	<b>7,161</b>	<b>10,045</b>	<b>GRAND TOTAL – ASSETS</b>	<b>6,802</b>	<b>7,161</b>	<b>10,045</b>



# MARKET DATA (BLOOMBERG – ION IN, REUTERS – IONX.BO)

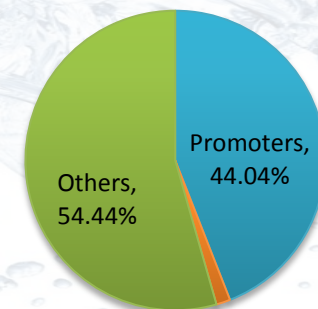
## 1 YEAR SHARE PRICE MOVEMENT (UPTO 31<sup>ST</sup> MARCH, 2017)



## PRICE DATA (AS ON 31<sup>ST</sup> MARCH, 2017)

Face value (INR)	10
Market Price (INR)	388.75
52 Week H/L (INR)	415/254
Market Cap (INR Mn)	5,702
Equity Shares Outstanding (Mn)	14.66
1 Year Avg. trading volume ('000)	11.48

## SHAREHOLDING PATTERN (AS ON 31<sup>ST</sup> MARCH, 2017)



DII, 1.52%

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**For further details please contact our Investor Relations Representatives:**

**VALOREM ADVISORS**

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