

Ion Exchange (India) Limited

COMPANY BACKGROUND.....

- Ion Exchange (India) Ltd. (ION Exchange) was originally formed as a subsidiary of Permutit, UK in 1964. It became a wholly owned Indian company in 1985.
- 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, wastewater treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc.
- 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.
- Executing large projects worth USD 194 Mn from National Water Supply and Drainage Board in Sri Lanka & INR 1,000 Crores worth from the UP-State Water & Sanitation Mission.

BUSINESS MIX (as on FY24).....

- **Engineering (60%):** Provides comprehensive and integrated services and solutions in water & wastewater treatment including Sea Water desalination, Recycle and Zero liquid discharge plants to diverse industries.
- **Chemicals (30%):** Provides a comprehensive range of resins, specialty chemicals and customized chemical treatment programs for water, non-water and specialty applications.
- **Consumer Products (10%):** Caters to individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defense establishments providing safe drinking water and a clean environment.

KEY STRENGTHS.....

- Largest one stop shop water solution's provider in Asia
- Design, Engineering and supply of water, wastewater treatment and recycle plants on turnkey, BOT and EPC basis.
- Global footprint with exports to several African, European and Middle East countries as well as to UK and USA.
- 50 years of pan India presence
- Manufacturer of chemicals and ion exchange resins in ISO 9001, 14001 and OHSAS 18001 certified facilities.
- Marquee clients are Reliance, IOCL, L&T, Taj Hotels, Unilever, Tata Group etc.
- Over 50 patents to credit and 100+ products commercialized

FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Mn.)	Op. Income	Op. EBITDA	Op. EBITDA%	PAT	PAT%	EPS
FY21	14,495	2,023	13.96%	1,433	9.89%	12.141
FY22	15,769	2,132	13.52%	1,617	10.25%	13.730
FY23	19,896	2,550	12.82%	1,950	9.8%	16.595
FY24	23,479	2,720	11.58%	1,954	8.32%	16.535

Note: All numbers are as per IND-AS

Key Data

BSE Code	500214
NSE Code	IONEXCHANG
Reuters	IONX.BO
Bloomberg	ION:IN

Market Data (INR) As on 31st March , 2024

Face Value	1.0
CMP	507.2
52 Week H/L	687.6/318.6
MCAP (Mn.)	74,382.0
Shares O/S (Mn.)	146.7
1 Yr. Avg. Vol. ('000)	304.1

Performance As on 31st March , 2024

	3M	6M	12M
Ion Exch.	-11.5%	-3.4%	46.7%
SENSEX	2.0%	11.9%	24.6%
BSE SMALLCAP	0.73%	14.53%	59.62%

Shareholding Pattern As on 31st March , 2024

Promoters	26.4%
Employee Trust	16.2%
Mutual Funds	10.0%
FPI	5.6%
AIF	2.2%
Others	39.6%

BUSINESS SEGMENTS.....

Engineering (60%):

- **Projects:** Projects cater to treatment needs of industries such as nuclear and thermal power, fertilizer, refinery, petrochemical, automobile, electronics, paper, textile and chemical.
- **Standard Systems:** Packaged and pre-engineered range - softeners, filters, demineralizers and reverse osmosis systems, Ultra-filtration plants are engineered to meet the exacting process water quality requirements of different industries.
- **Membranes:** Reverse osmosis - Industrial and domestic applications - brackish, Sea & process water and waste water treatment/recycle and drinking water systems.

Chemicals (29%):

- **Resins:** Ion exchange resins are used for softening, demineralization in water treatment. They are also used in various non water separation across many verticals such as pharmaceuticals, biotechnology, food and beverages etc.
- **Industrial Chemicals:** Water treatment chemicals are used in boiler, cooling water treatment, coagulation and flocculation, membrane cleaning etc. They are used to prevent corrosion, scaling, fouling, growth of algae, fungi and bacteria. Non-water or specialty chemicals are used as additives that impart superior qualities in the end product along-with protecting the pre-treatment equipment.

Consumer Products (11%):

- **Water Purifiers:** The company's water and environment management solutions extend beyond the industrial sector to homes, hotels, spas, educational institutions, hospitals, laboratories, realty sector and defence establishments providing safe drinking water and a clean environment. It focuses on household and point of use water purifiers and plans to increase its presence in the rural drinking water treatment. Zero B, the flagship brand of Ion Exchange (India) Ltd., has revolutionized RO technology, in India.

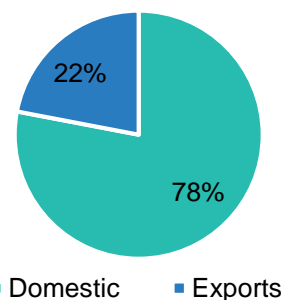
KEY GROWTH DRIVERS.....

- **Engineering:**
 - Increased exposure to international markets.
 - Selectively target Infrastructure and Municipal projects.
 - New Government initiatives resulting in more opportunities.
- **Chemicals:**
 - Export of resins and development of new products for the US & Europe markets.
 - Introduction of new specialty chemicals through inhouse R&D facilities
- **Consumer Products:**
 - Initiation by the government to provide drinking water to every household.

APPROXIMATE ORDER BOOK & PIPELINE:
Engineering projects[^] INR 2,520 Cr.
Bid Pipeline INR 8,716 Cr.
Outstanding UP SWSM & Delhi Jal Nigam ~ INR 830 Cr.
Outstanding Sri Lanka ~ INR 196 Cr.
Total Orderbook ~ INR 3,546 Cr.

[^]Excluding Sri Lanka Order, UP SWSM

Consolidated Geographical Sales (FY24)



Segmental Revenue & EBIT (%) As on FY24		
Segments	Operating Income (Mn)	EBIT Margins (%)
Engineering	14,514	7.7%
Chemicals	7,085	24.8%
Consumers	1,931	(2.4)%

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
Ion Exchange	23,479	2,720	11.58%	1,954	8.32%	74,382
VA Tech Wabag	28,564	3,757	13.15%	2,504	8.77%	47,439
Thermax	93,235	7,975	8.55%	6,432	6.90%	4,99,920
Triveni Eng.	61,514	6,264	10.18%	3,952	6.42%	67,990
Praj Industries	34,663	3,879	11.19%	2,834	8.18%	97,917

INCOME STATEMENT (CONSOLIDATED)

INCOME STATEMENT (INR MN)	FY21	FY22	FY23	FY2024
Operating Income	14,495	15,769	19,896	23,479
Expenses	12,472	13,637	17,346	20,759
Operating EBITDA	2,023	2,132	2,550	2,270
Operating EBITDA Margins (%)	13.96%	13.52%	12.82%	11.58%
Depreciation	277	280	219	364
Finance Cost	126	100	92	121
Other Income	331	417	411	439
PBT	1,951	2,169	2,578	2,674
Share of Profit of equity accounted Investee	(1)	4	9	15
Tax	517	556	637	735
Profit After Tax	1,433	1,617	1,950	1,954
PAT Margins (%)	9.89%	10.25%	9.80%	8.32%
Other Comprehensive Income	(2)	(10)	(17)	(3)
Total Comprehensive Income	1,431	1,607	1,933	1,951
EPS Diluted (INR)	12.11 [#]	13.730 [#]	16.595 [@]	16.535 [@]

*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)

#Earnings per equity share includes impact of equity shares held by IEI Shareholding (Staff Welfare) Trusts & HMIL shareholding (Staff Welfare) Trusts (No. of Shares-23,73,614) and shares held by Subsidiary companies (No. of Shares- 4,37,874)

BALANCE SHEET (CONSOLIDATED) (IND-AS).....

PARTICULARS (INR MN)	FY22	FY23	FY24	PARTICULARS (INR MN)	FY22	FY23	FY24
EQUITIES & LIABILITIES				ASSETS			
Equity				Non-Current Assets			
(A) Equity Share Capital	142	142	142	(A) Property, Plant and Equipment	1,446	1,707	3,018
(B) Other Equity	6,414	8,193	10,037	(B) Capital Work-in-progress	200	420	607
Equity attributable to owners	6,556	8,335	10,179	(C) Right-of-Use Assets	370	343	383
Non Controlling Interest	(8)	23	19	(C) Other Intangible Assets	19	18	162
Total Equity	6,548	8,358	10,198	(D) Goodwill	86	86	102
Non-Current Liabilities				(E) Investment accounted using Equity Method	40	48	62
(A) Financial Liabilities				(F) Financial Assets			
(i) Borrowings	117	157	1,091	(i) Investments	44	47	55
(ii) Lease liabilities	29	34	110	(ii) Trade Receivables	45	45	42
(iii) Other Financial Liabilities	89	87	146	(iii) Other Financial Assets	171	155	158
(B) Provisions	191	239	261	(G) Deferred Tax Assets (Net)	93	116	85
(C) Deferred Tax Liabilities (Net)	2	8	93	(H) Other Non-Current Assets	257	120	308
(D) Other Non-Current Liabilities	5	5	4	(I) Non-Current Tax Assets	14	18	6
Total Non – Current Liabilities	433	530	1,705	Total Non – Current Assets	2,785	3,123	4,988
Current Liabilities				Current Assets			
(A) Financial Liabilities				(A) Inventories	1,810	2,223	2,365
(i) Borrowings	364	368	285	(B) Financial Assets			
(ii) Lease liabilities	42	33	38	(i) Investments	3	3	5
(iii) Trade Payables	5,235	5,513	6,946	(ii) Trade Receivables	5,077	6,968	9,348
(iv) Other Financial Liabilities	324	404	633	(iii) Cash & Cash Equivalents	1,691	1,754	1,536
(B) Other Current Liabilities	3,085	4,071	4,545	(iv) Bank Balances	3,668	3,726	4,343
(C) Provisions	73	66	84	(v) Loans	201	152	79
(D) Liabilities for current tax (Net)	150	59	60	(vi) Other Financial Assets	137	151	160
Total Current Liabilities	9,273	10,514	12,591	(C) Current Tax Assets (Net)	3	0	11
GRAND TOTAL - EQUITIES & LIABILITIES	16,254	19,402	24,494	(D) Other Current Assets	879	1,302	1,659
				Total Current Assets	13,469	16,279	19,506
				GRAND TOTAL – ASSETS	16,254	19,402	24,494

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

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