

**Company Name:** Ion Exchange India Ltd.

**Quarter under review:** Q4-FY26

**Ion Exchange India Ltd. – Q4-FY26/FY26 Concall Highlights:**

Ion Exchange India Ltd (Consolidated)								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	8,633	8,346	3.4%	7,344	17.5%	29,148	27,371	6.5%
EBITDA	199	858	-76.9%	592	-66.5%	2,102	2,938	-28.5%
EBITDA M (%)	2.30%	10.29%	-799 bps	8.07%	-577 bps	7.21%	10.73%	-352 bps
PAT	243	632	-61.6%	206	18.1%	1,432	2,083	-31.2%
PAT M (%)	2.81%	7.58%	-477 bps	2.80%	1 bps	4.91%	7.61%	-270 bps
Diluted EPS	2.04	5.34	-61.9%	1.71	18.9%	12.03	17.53	-31.4%

**Operational Highlights:**

- Engineering order book stood at INR 2,643 crore as of March 2026, providing strong revenue visibility for the coming years. Engineering order inflows grew strongly YoY and QoQ, driven by healthy demand across medium-sized opportunities across multiple sectors.
- Commissioned the raw water treatment plant at IOCL Panipat Refinery, India's largest water treatment package awarded to date.
- Entered into a strategic technology collaboration with MANN+HUMMEL for manufacturing ultra-filtration membranes and membrane bioreactor (MBR) technology in India.
- The MANN+HUMMEL partnership strengthens the membrane portfolio and enhances positioning in the rapidly growing global membrane market.
- Engineering exports worth nearly INR 60 crore were deferred during Q4 FY26 due to logistics disruptions arising from the West Asia crisis.
- The Sri Lanka legacy project is progressing as planned and is expected to be completed by Q2 FY27.
- Execution of the 20-year Oman BOOT water project valued at OMR 73.46 million continues as per schedule, with revenue contribution expected to commence gradually from FY27.
- Formed a joint venture in Malawi to execute a USD 18.1 million water treatment project awarded by the Northern Region Water Board.
- Chemical segment revenue grew 3% YoY, supported by continued demand across water treatment chemicals and resin products.
- Successfully commissioned all manufacturing lines at the Roha resin facility, completing the largest resin capacity expansion.
- The Roha facility received Water Quality Association (WQA) certification, improving access to international markets, particularly the US drinking water segment.
- Expected to achieve around 25% utilization at the Roha plant during its first full year of operation.
- Input cost inflation in key raw materials such as styrene and oleum, along with logistics disruptions, impacted chemical segment profitability during the quarter.
- Secured strategic contracts with key customers in the specialty water treatment chemicals business, supporting future growth.
- Consumer Products Division revenue increased 34% YoY, while losses narrowed due to improving scale, market reach, and product acceptance.
- Commercial production commenced at the Dammam, Saudi Arabia manufacturing facility, strengthening local supply capabilities and helping de-risk the Middle East supply chain.

## Key Questions & Answers discussed during the Concall:

- What is the strategic significance of the MANN+HUMMEL partnership?** The MANN+HUMMEL partnership is a strategic step to strengthen the membrane business, one of the key long-term growth drivers. The collaboration provides access to advanced ultra-filtration (UF) and membrane bioreactor (MBR) technologies, broadens the membrane portfolio, and enhances the company's ability to compete in the fast-growing global membrane market. It also supports expansion into new geographies such as Africa and Europe while strengthening its position in existing international markets.
- How will the company commercialize the new membrane portfolio globally?** The membrane portfolio is already being marketed across Asia-Pacific and the Middle East. The company plans to expand further into Africa and Europe while leveraging MANN+HUMMEL technologies for co-developed products. New products will be integrated into existing global distribution channels. This is expected to enhance customer penetration and increase international revenues over time.
- What is the outlook for the Roha resin facility?** The Roha plant has been fully commissioned and has already received WQA certification required for the US drinking water market. The facility was established primarily to cater to export demand and support volume growth from existing customers. Management expects revenues from Roha to begin scaling up during FY27 as qualification cycles are completed. Capacity utilization is expected to improve progressively over the next few years.
- What caused the margin pressure in the chemicals segment?** The primary impact came from depreciation and interest costs associated with the Roha expansion. Additional pressure came from higher raw material costs and logistics disruptions linked to the West Asia crisis. Approximately three-fourths of the margin impact was attributable to Roha-related expenses, while the balance was linked to logistics disruptions. The company expects part of the deferred revenue to return during FY27.
- What is the status of backward integration at Roha?** The manufacturing facility is fully operational and capable of commercial production. One backward integration project remains under implementation and is aimed at improving profitability rather than enabling production. The ongoing integration initiative is expected to support margins once completed. Production ramp-up is therefore not dependent on this remaining project.
- What impacted engineering segment margins during Q4 FY26?** Engineering margins were affected by multiple factors including deferred GCC shipments worth approximately INR 60 crore, execution of legacy projects, and slower progress in the UP-government project. Export mix reduced because of shipment disruptions, increasing the proportion of lower-margin domestic execution. These factors collectively impacted profitability during the quarter. Management expects execution to improve as logistics conditions normalize.

## Key Questions & Answers discussed during the Concall:

- **How is the company positioned against global membrane competitors?** The business competes with leading global players such as DuPont, Hydronautics, Toray, Veolia, and NanoH2O. Its expanded membrane portfolio, advanced technology capabilities, and local manufacturing presence provide a competitive advantage. It is among the few non-Chinese manufacturers offering a broad range of membrane products, supporting both domestic and international growth opportunities.
- **What is the revenue potential from the Oman concession project?** The Petroleum Development Oman concession is expected to begin contributing O&M revenues during FY27. Revenue recognition will occur through the Oman joint venture and therefore be reflected in consolidated financials. The contract has a long-term tenure of 20 years, providing recurring revenue visibility. Execution continues according to plan.
- **What is the outlook for the UP-government project?** The project experienced delays due to funding constraints. Following the government's renewed commitment and budget allocation, fund inflows have started improving. Execution pace is expected to gradually accelerate. However, the project is likely to continue into the next financial year before full completion.

## Key Participants:

- *Kishore Kumar – Unifi Capital*
- *Harsh Shah – Merisis Advisors*
- *Dheeraj Desai – Incred Equities*
- *Deepak – Sundaram Mutual Fund*

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