



REDINGTON (INDIA) LIMITED

Q4FY16 Earnings Presentation

May 2016



Disclaimer

This presentation contains “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Redington India Limited’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Redington India Limited undertakes no obligation to periodically revise any forward looking statements to reflect future / likely events or circumstances.

REDINGTON

Q4FY16 Highlights



Connecting The Dots

Transformation from 'Product' to 'Utility of Product'

Q4FY16 Business Highlights

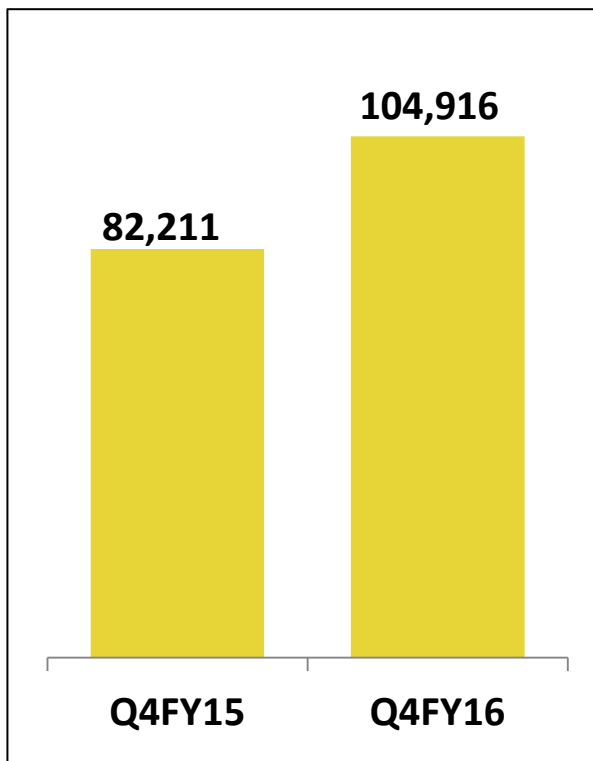
- Strong Sales performance in both India and Overseas.
- Significant reduction in Working Capital in Q4 as compared with the previous quarters.
- Generated positive free cash flow both in India and Overseas in Q4.

Q4FY16 - Consolidated Financials

₹ in million

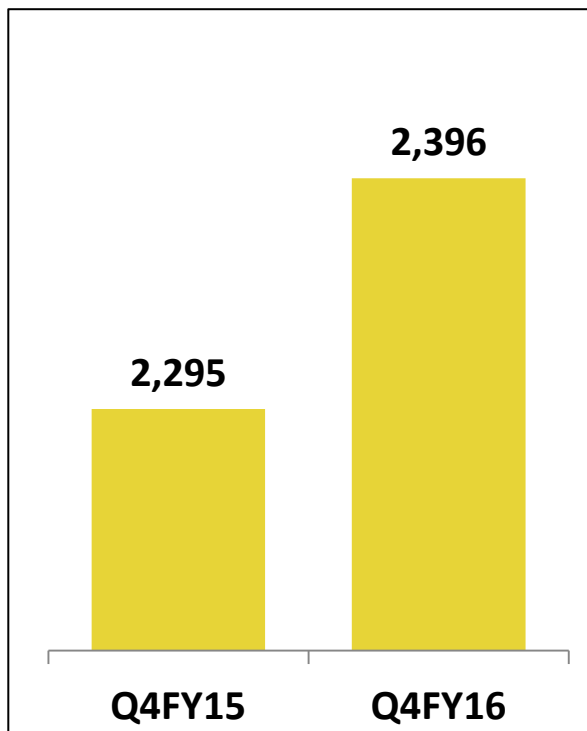
REVENUE

27.6% ▲



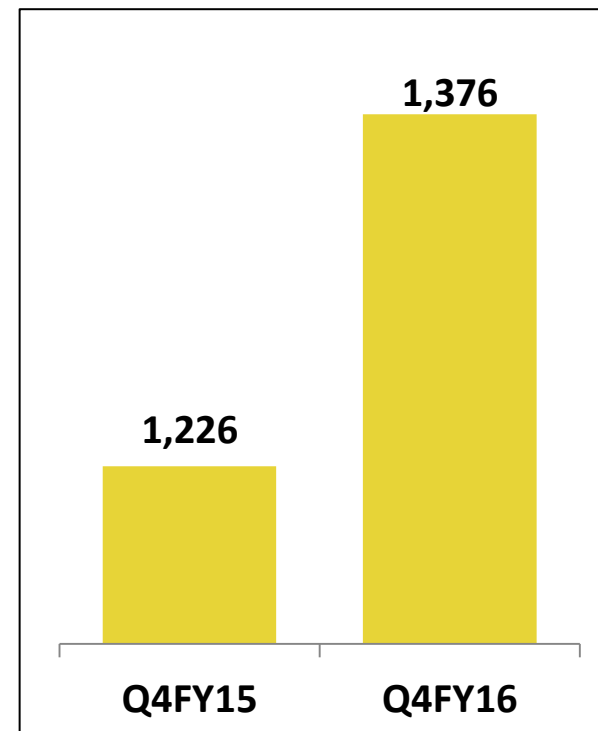
EBIDTA

4.4% ▲



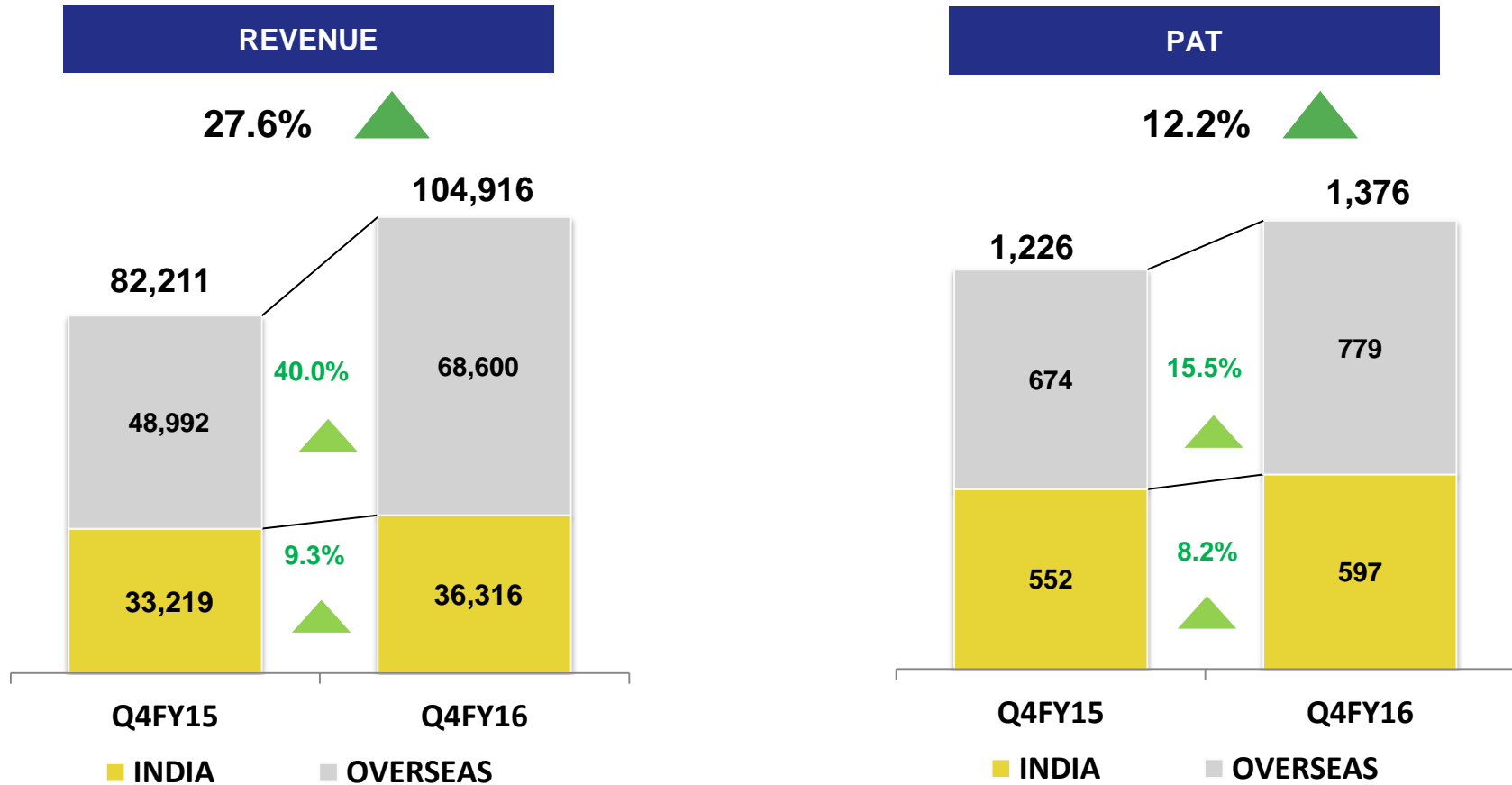
PAT

12.2% ▲

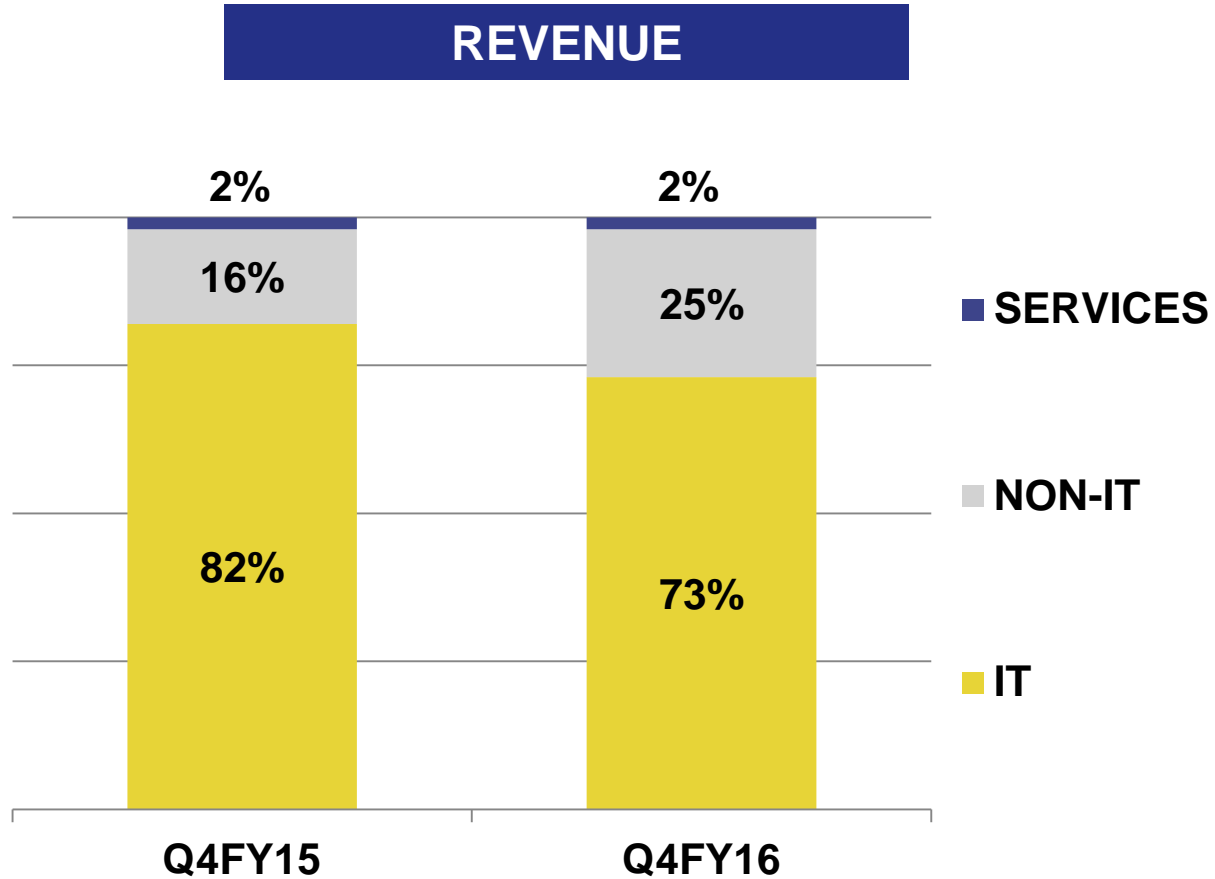


Q4FY16 Performance by Market

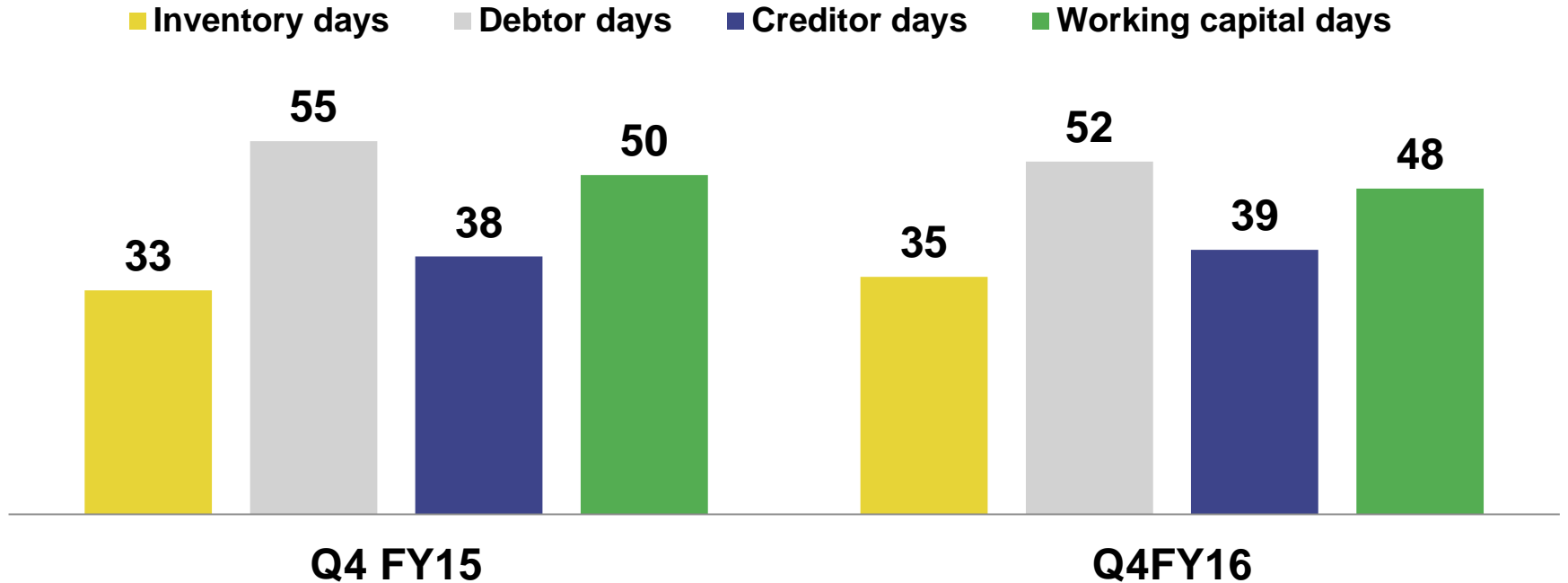
₹ in million



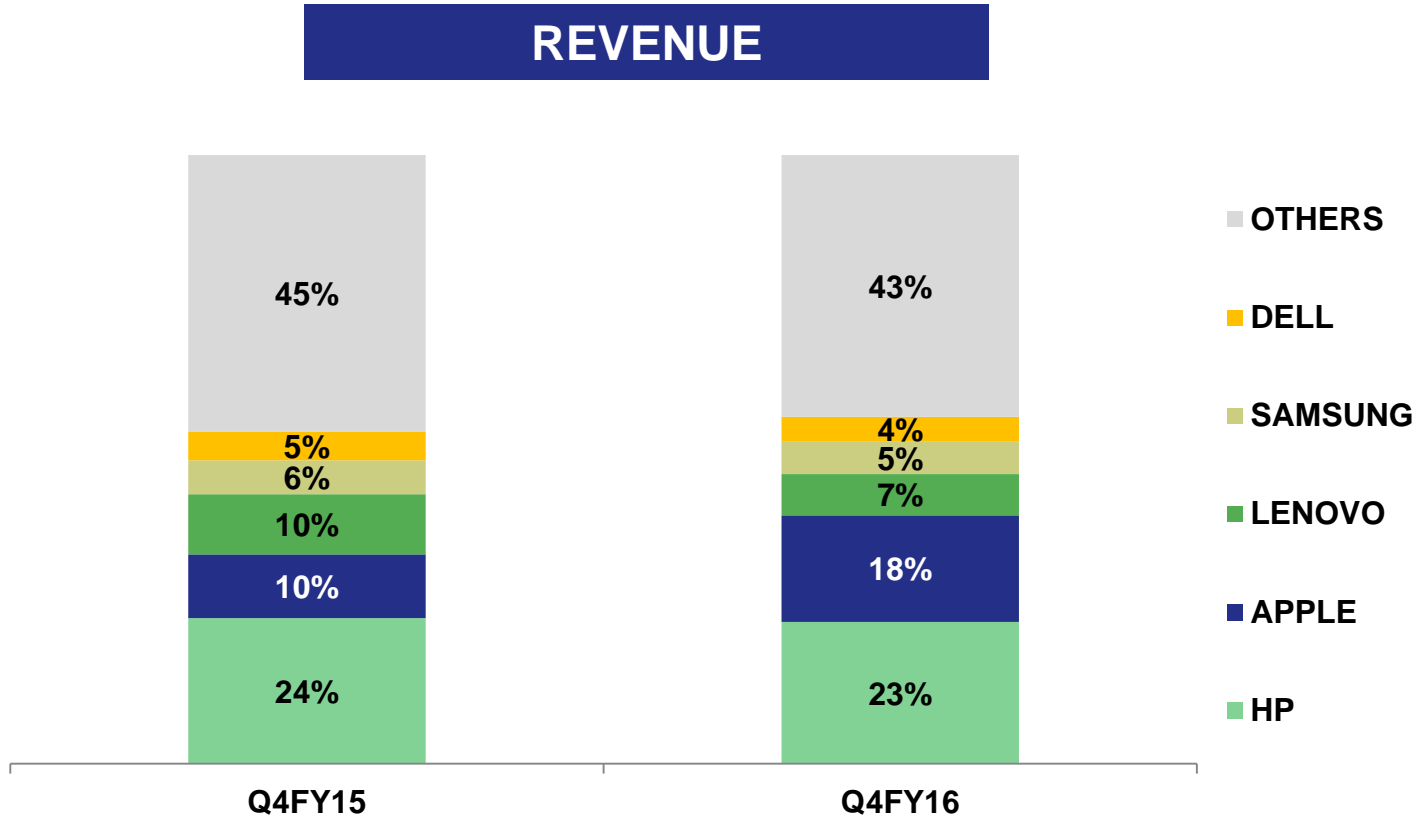
Q4FY16 Performance by Vertical



Q4FY16 – Working Capital Days

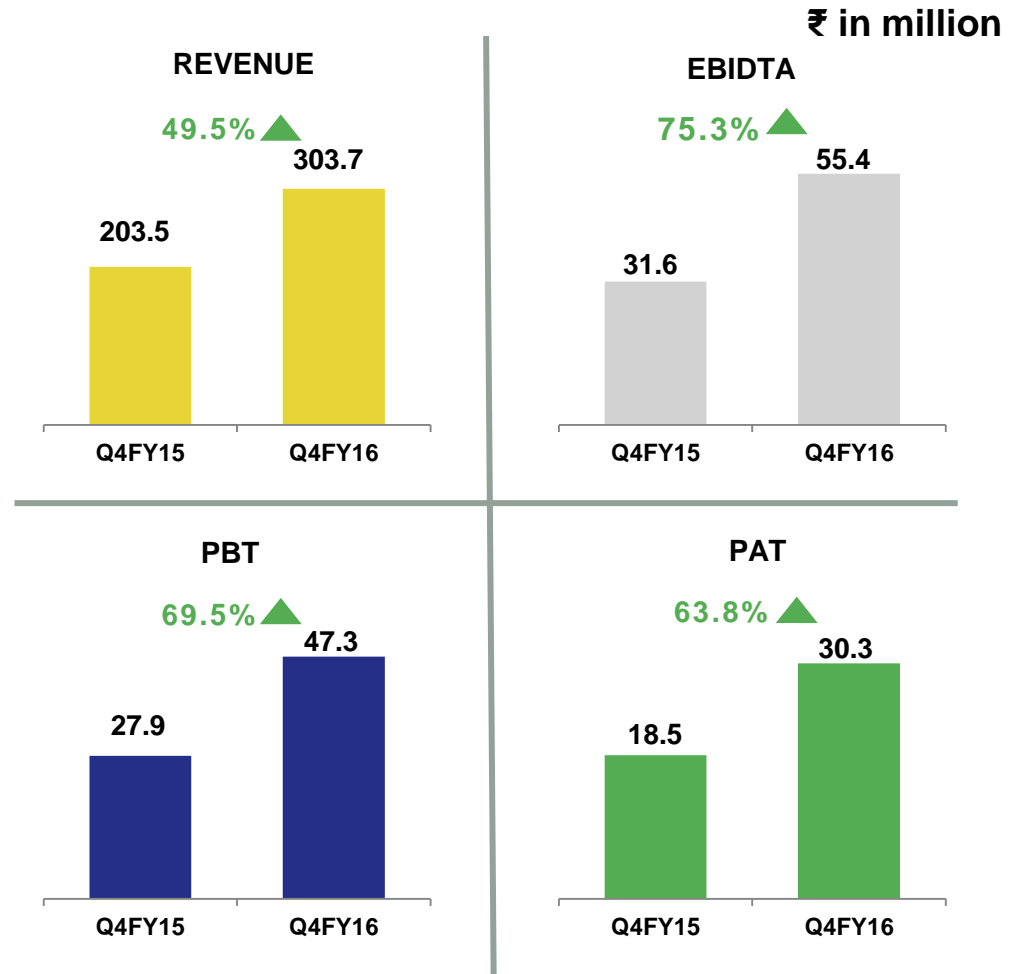


Q4FY16 – Top 5 Vendors Consolidated



Q4FY16 Performance – ProConnect

- Consecutive strong double digit growth in Revenue and PAT in each of the four quarters in FY16
- Third Party Business has doubled in Revenue in Q4 FY16 over FY15.
- Continued traction in Online Business.



Free Cash Flow Statement

₹ in million

Particulars	Q4 FY16	Q4 FY15
Profit Before Taxation	1,787	1,713
Non-cash items	(262)	463
Change in Working Capital	5,418	2,883
Direct Tax Paid	(700)	(94)
Outflow of Finance Cost	379	328
Net Cash Flow from Operations	6,622	5,293
Capex	(226)	(47)
Dividend	(0.0)	(0.0)
Outflow of Finance Cost	(379)	(328)
Free Cashflow	6,017	4,918

REDINGTON

FY16 Highlights



Connecting The Dots

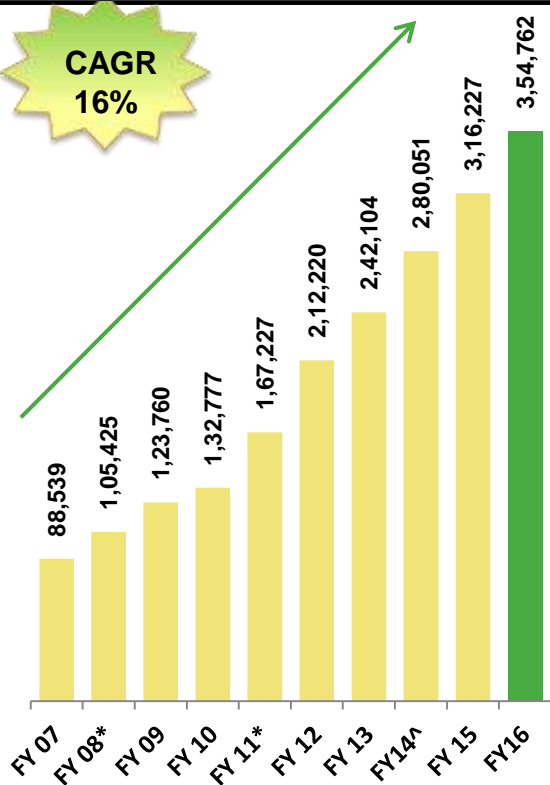
Transformation from 'Product' to 'Utility of Product'

FY16 Performance

₹ in million

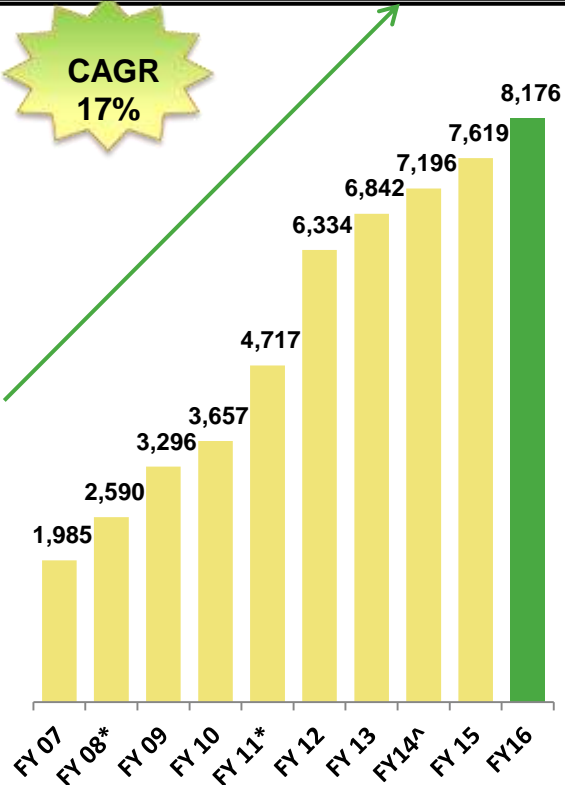
REVENUE

CAGR
16%



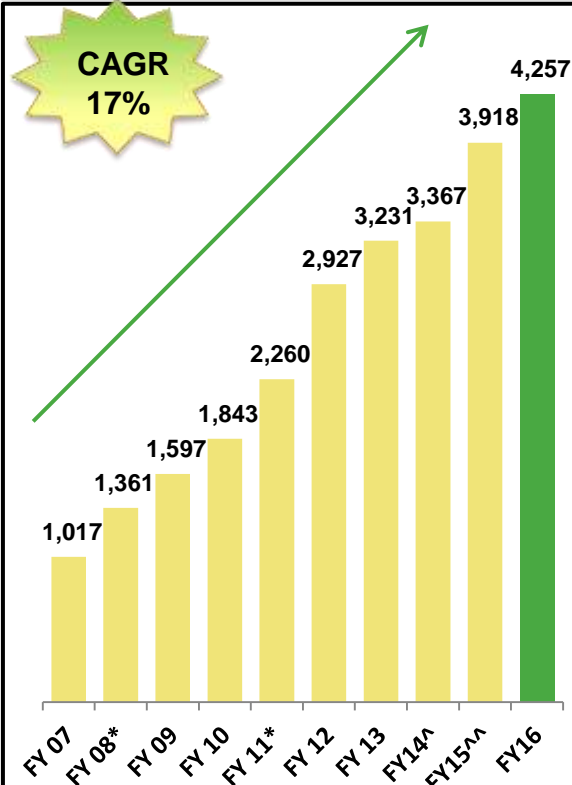
EBIDTA

CAGR
17%



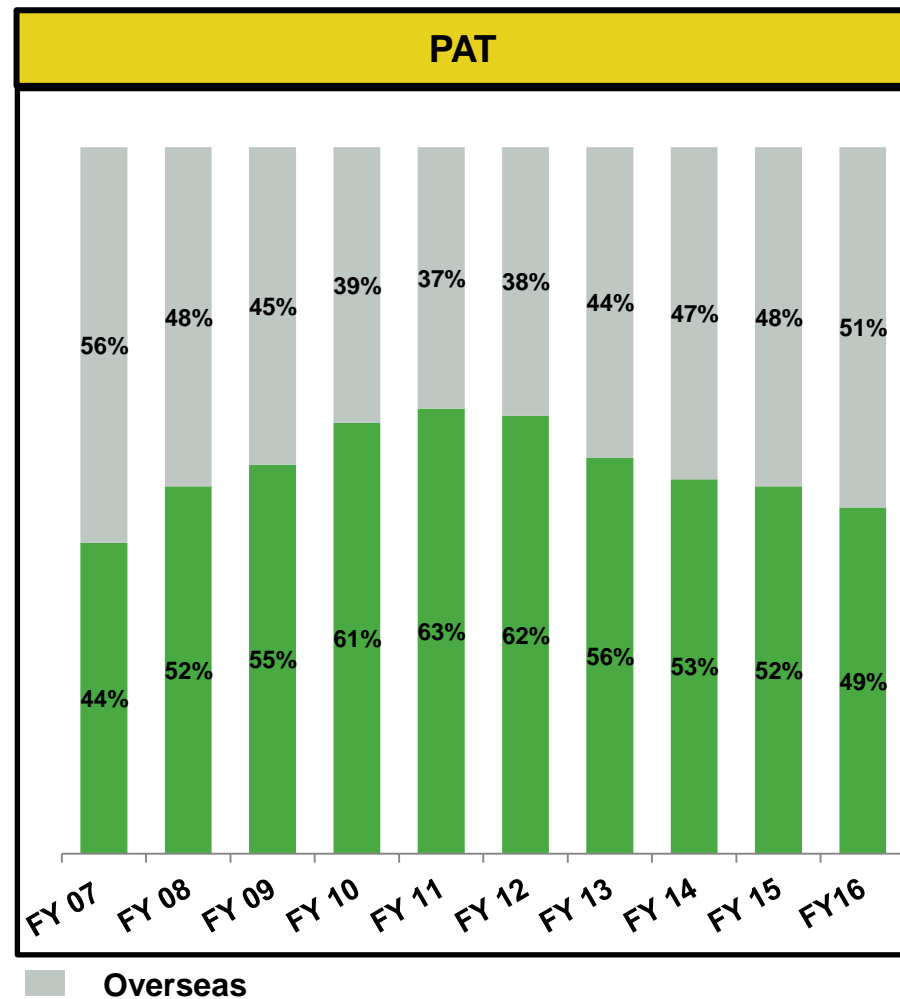
PAT

CAGR
17%



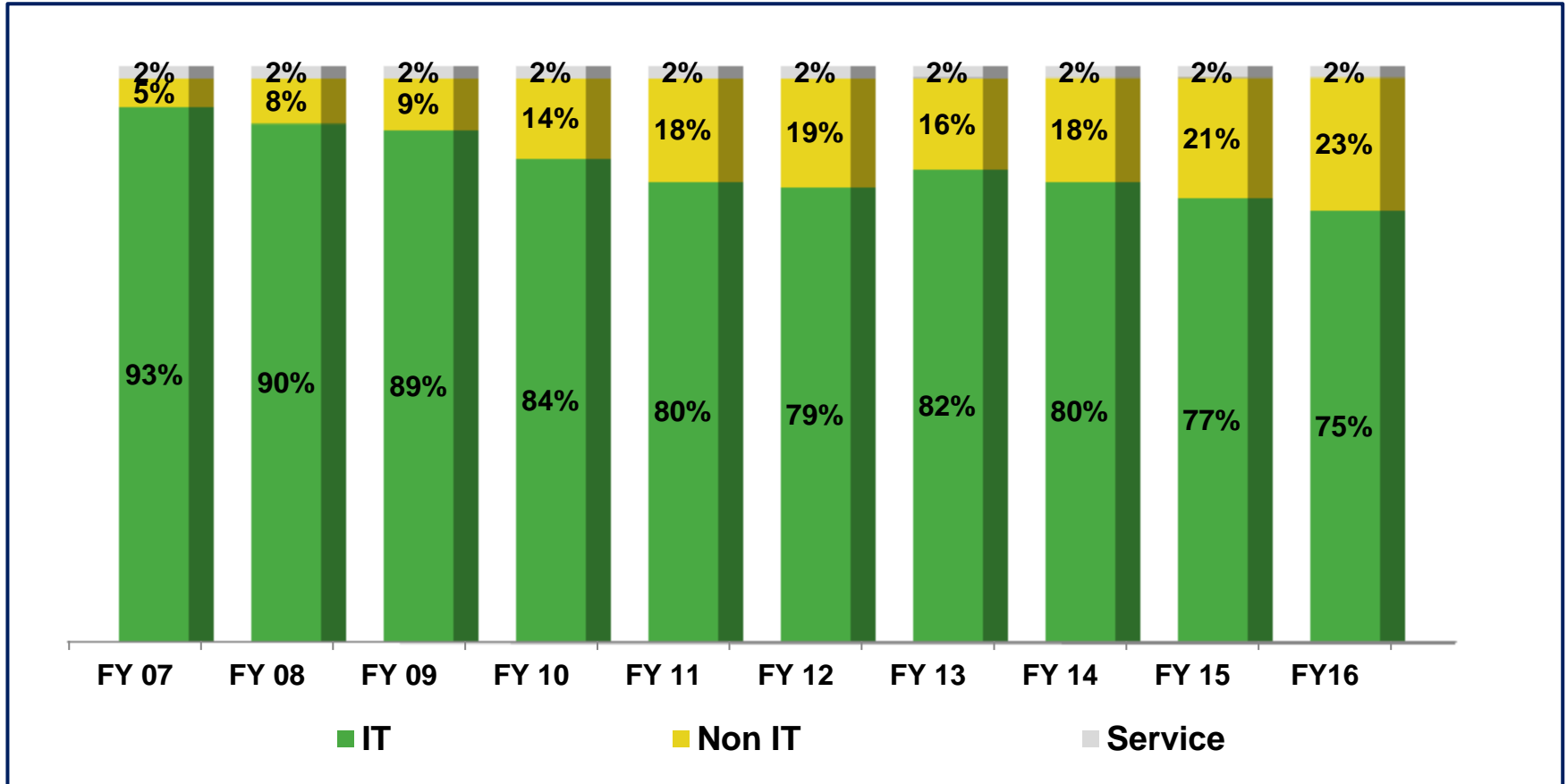
*Post acquisition of following entities - FY08 Easyaccess Financials Services Ltd, FY11 Arena. ^ Post sale of Easyaccess financial services CAGR computed for Full Year ; ^^ FY15 PAT after CSR - ₹3865 Mio

FY16 Performance by Market



FY16 Performance by Vertical

REVENUE



Consolidated Profit and Loss

₹ in million

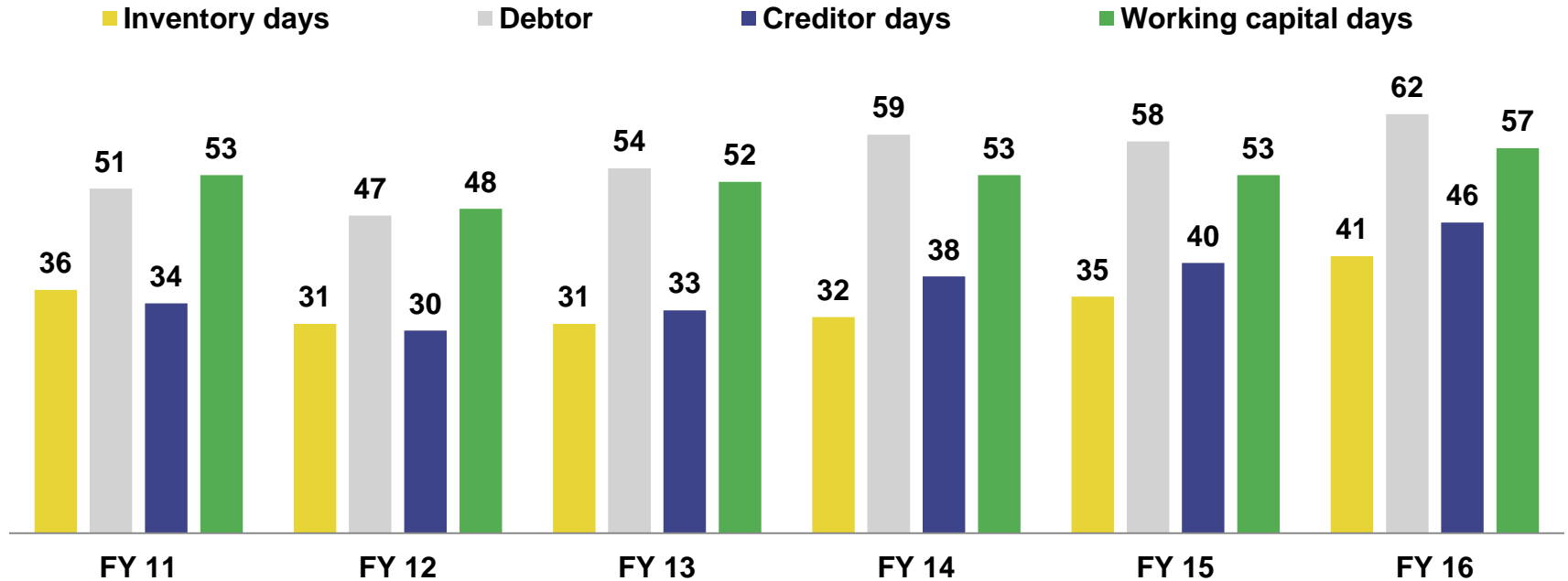
Particulars	FY16	FY15^^*	FY14^	FY 13	FY 12	FY 11*	FY 10	FY 09	FY 08*	FY 07
Total Revenue	354,762	3,16,227	2,80,051	2,42,104	2,12,220	1,67,227	1,32,777	1,23,760	1,05,425	88,539
EBIDTA	8,175	7,619	7,196	6,842	6,334	4,717	3,657	3,296	2,590	1,985
PAT	4,257	3,918	3,367	3,231	2,927	2,260	1,843	1,597	1,361	1,017
Networth	27,874	23,742	20,213	16,407	13,225	12,553	10,757	10,022	7,215	6,256
Capital Employed	53,884	45,424	39,938	39,471	34,776	31,863	24,649	22,265	15,054	12,269
EBITDA Margins	2.3%	2.4%	2.6%	2.8%	3.0%	2.8%	2.8%	2.7%	2.5%	2.3%
PAT Margins	1.2%	1.2%	1.2%	1.3%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%
Return on Avg. Capital Employed	16.0%	17.2%	17.2%	17.7%	18.4%	16.0%	14.6%	18.5%	18.9%	18.2%
Return on Avg. Equity	17.1%	18.2%	19.1%	22.8%	23.9%	20.0%	17.7%	19.0%	21.7%	21.2%
EPS ()^^	10.6	9.7	8.4	8.1	7.4	5.7	4.7	4.1	3.5	3.1
Book Value per share ()	67.2	57.6	48.8	39.5	33.2	31.7	27.4	25.7	18.5	16.1
P / BV	1.7									

Consolidated Balance Sheet

₹ in million

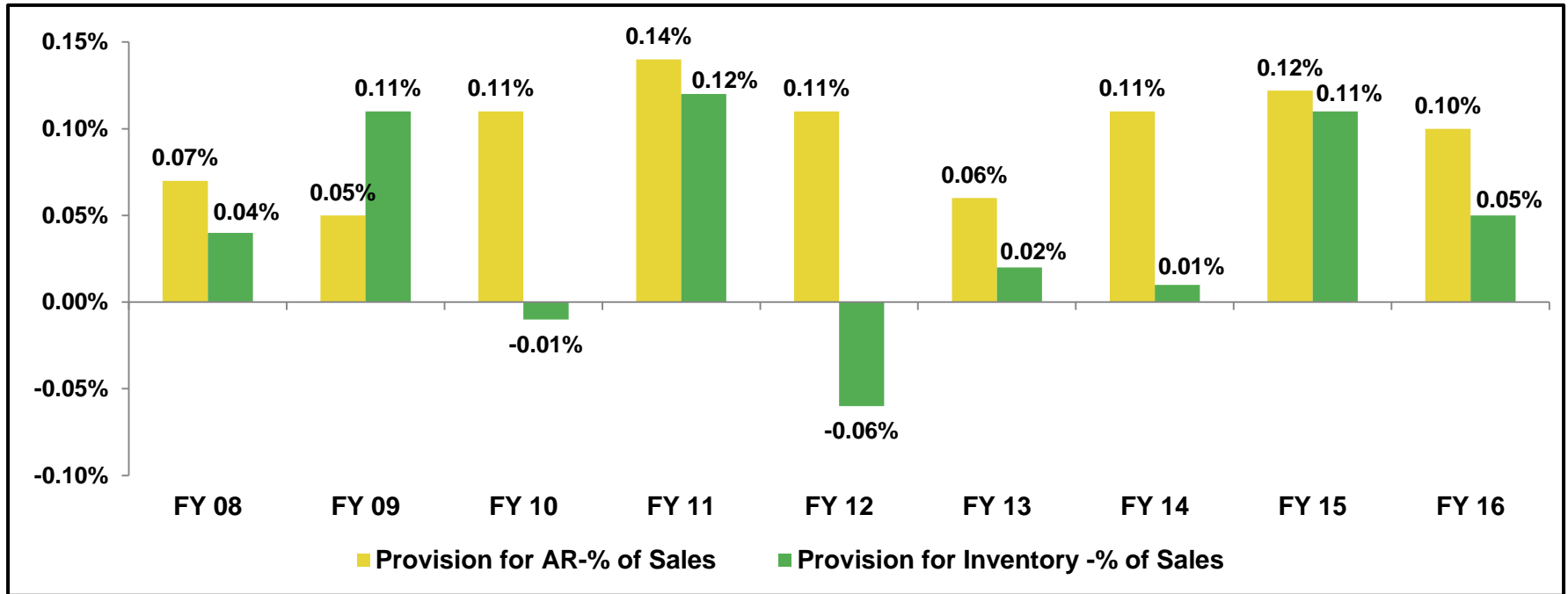
Particulars	31-MAR-16	31-MAR-15
Source:		
Networth	27,874	23,742
Net Debt	17,987	13,353
Minority Interest	2,519	2,060
Total	48,267	39,155
Application		
Fixed Assets	2,347	2,152
Goodwill	994	738
Net Assets	44,926	36,265
Total	48,267	39,155

FY16 – Working Capital Days

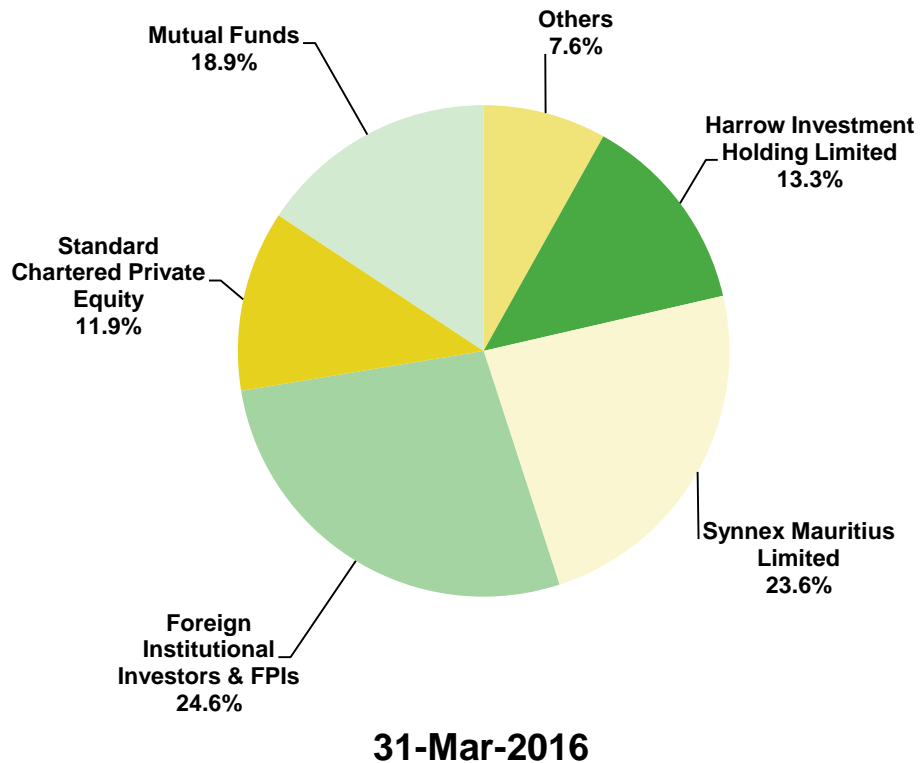
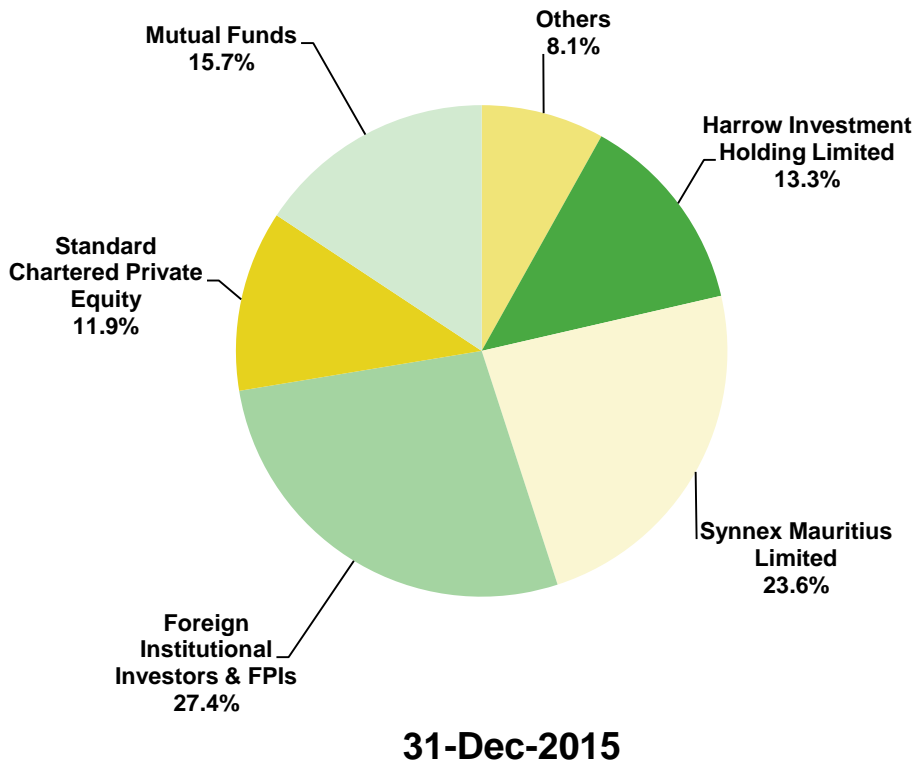


Provisions

Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY15	FY16
Provision for AR-% of Sales	0.07%	0.05%	0.11%	0.14%	0.11%	0.06%	0.11%	0.12%	0.10%
Provision for Inventory -% of Sales	0.04%	0.11%	-0.01%	0.12%	-0.06%	0.02%	0.04%	0.11%	0.05%



Shareholding Pattern



REDINGTON

Investor Contacts

M. Muthukumarasamy

Compliance Officer

Redington (India) Limited

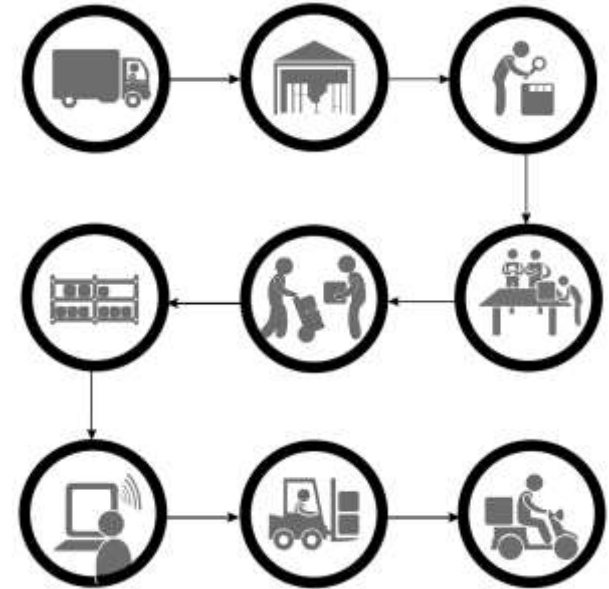
SPL Guindy House, 95 Mount Road,

Guindy, Chennai 600 032

<https://www.redingtonindia.com>

Corporate Presentation

<https://redingtonindia.com/images/Redingtoncorporatepresentationmay2016.pdf>



Connecting The Dots

Transformation from 'Product' to 'Utility of Product'



REDINGTON (INDIA) LIMITED

Corporate Overview

May 2016





About Us



Subsidiaries



Board & Management



Performance



Competition

Our Vision

To become the leading supply chain services provider in emerging markets

Our Mission

To grow through

- innovation
- nimble adaptation to change
- prudent risk management

Our Business

DISTRIBUTION

REDINGTON

LOGISTICS



SUPPORT SERVICES



IT – Consumer

- PCs & Accessories
- Tablets
- Printer & Supplies
- Gaming Consoles

IT - Enterprise

- Commercial PCs, Printers
- Storage & Servers
- Software & Security
- Cloud & Services
- Networking
- Power Products & Audio Visual
- Digital Printing Press

Telco

- Smartphones
- Feature phones

Verticals

- Warehousing
- Transportation
- Import Clearance
- In-plant Management
- Reverse Logistics

Offerings

- Hardware & Software support Services
- ICT Infrastructure
- Managed Services
- Warranty and Post warranty services
- Infrastructure Management Services

Long Lasting relationship with 200+ vendors

IT BRANDS

PERIPHERALS



COMPONENTS



NETWORKING



ENTERPRISE



SYSTEMS



SOFTWARE

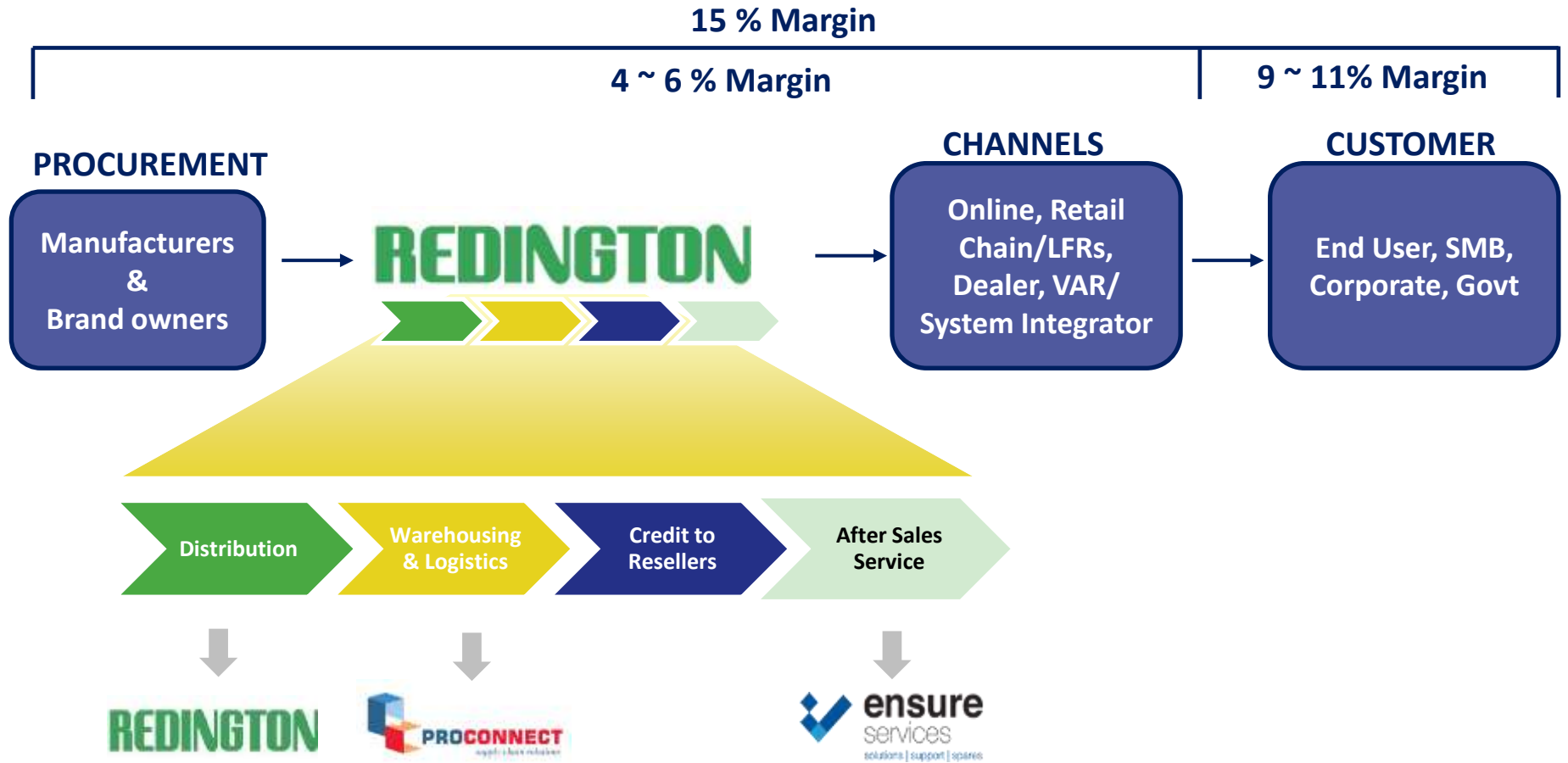


TELCO BRANDS

MOBILE



End to end supply chain solutions



Glo-cal Presence

SOUTH ASIA



India



Srilanka



Singapore



Bangladesh

7 Subsidiaries

MIDDLE EAST



Bahrain



Oman



Qatar



Saudi Arabia



UAE



Iraq*

18 Subsidiaries

AFRICA



Egypt



Ghana



Kazakhstan



Kenya



Libya



Morocco



Nigeria



Rwanda



Senegal



S.Africa



Tanzania



Uganda



Angola*

23 Subsidiaries

TURKEY



Turkey

5 Subsidiaries

* Yet to commence operations

Our network

META & CIS	SOUTH ASIA
Channel Partners	
11,000	30,676
Sales Offices	
27	60
Warehouses	
24	84
Service Centres	
26	70
Partner Service Centres	
22	252





About Us

Subsidiaries

Board & Management

Performance

Competition

About ProConnect

- Integrated Logistics services provider
- Well poised to tap the booming logistics market in India

Management

- Professionally managed Board
- Dedicated senior management team
- 1300+ work force

Infrastructure

- 84 Warehouses across India
- 2 ADCs – Chennai & Kolkatta
- 1.7 Mio sq ft warehousing space

Industries Catered

IT | Pharma & Office automation| FMCG | Telecom & Infrastructure | Chemicals & Plants | Beverages| Consumer Durables | Electrical & Electronics | Engineering | Garments | Education | E-Com

Services Offered

- Warehousing
- Transportation
- Import Clearance
- Reverse Logistics
- In-plant management

Capabilities

Handling

- 180 Lakh transactions
- 1.5 lakh tonnes of weight annually
- 35,000 delivery locations
- 4,000 pin codes across India

Automated Distribution Centres



Chennai

Land Area – 11.56 Acres
Operational since July '09
Capacity – 3.35 lakhs sq ft



Kolkata

Land Area – 13.76 Acres
Operational since Feb '14
Capacity – 1.50 lakhs sq ft



Dubai

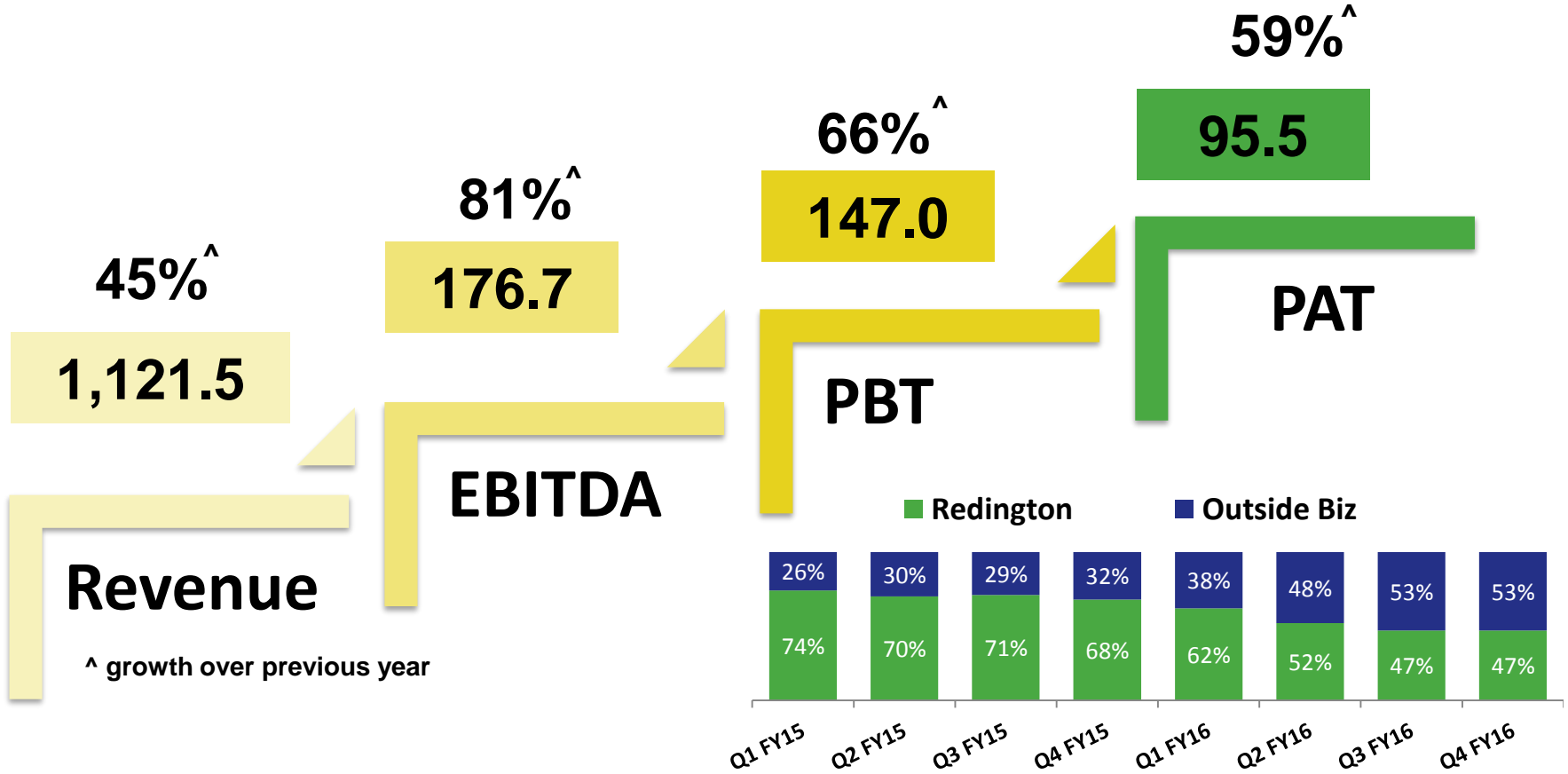
Land Area* – 5.17 Acres
Operational since Sep '10
Capacity – 94,723 sq ft

* Long lease


















































Total number of warehouses: 84 with 1.7 mn sq. ft. – PAN India

Business Performance – FY16

₹ in million



75+ Customers...

IT	Telecom & Infrastructure	Consumer Durables	Electrical & Electronics	Chemicals	Engineering	e commerce
          	          	   Pharmaceutical  	   	  Office Automation  	   	  
		FMCG  	4PL   	Garments 	Retail 	

About Arena

- Listed in the Istanbul Stock Exchange (Turkey);
- Redington holds 49.4% stake
- Authorised technology product distributor for 43 global brands
- Serves more than 7,500+ resellers through 7 sales office and 3 warehouses
- 5 member Board (2 independent members)
350+ talented workforce



Acquisition



provides training, consulting & other value added services



provides payment services



About Us

Subsidiaries

Board & Management

Performance

Competition

Board of Directors

Independent Directors



Prof. Ramachandran
Chairman
Professor Corporate Policy
& Strategy IIM, Bangalore



V. S. Hariharan
Ex. V.P Hewlett-Packard
Singapore



Keith WF Bradley
Ex. President Ingram Micro
North America



Suchitra Rajagopalan
Director
Corporate Governance
Volvo, UK



Raj Shankar
Managing Director



M Raghunandan
Whole Time Director

Non-Executive Directors



R Srinivasan
Vice Chairman



R Jayachandran
Ex-Chairman
Olam International
Singapore



Tu, Shu-Chyuan
General Manager
Business Development
Synnex Tech, Taiwan



Lin, Tai-Yang
Director of Finance Planning
and Management
Synnex Tech, Taiwan



Nainesh Jaisingh
MD & Global Co-Head
Standard Chartered
Private Equity, Singapore



N Srinivasan
Professional Director

Our Experienced Execution Team



Raj Shankar
Managing Director



P S Neogi
Joint COO- IT
Division, India



E H Kasturi Rangan
Joint COO- Non -IT
Division, India



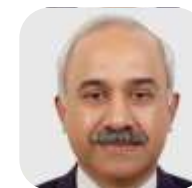
Ramesh Natarajan
Senior President
India



Dr. R. Arunachalam
Senior Vice President,
ProConnect Logistics , India



S V Krishnan
CFO, India



Stephen Aranha
President
Ensure Service , India



Ashish Bharti
President
IT Volume Distribution,
ME



Aloysius Fernandes
President
IT Volume, Africa



B Ramkumar
President
IT Value Added Distribution
ME & A



Jim Mathew
VP
Telco Distribution
Africa



Sriram Ganeshan
CFO
ME & A



S Sethuraman
Sr. VP
Support Services /
Ensure Services, ME & A

Okay Nasir,
CEO – Arena,
Turkey



Serkan Celik,
CFO – Arena,
Turkey





About Us

Subsidiaries

Board & Management

Performance

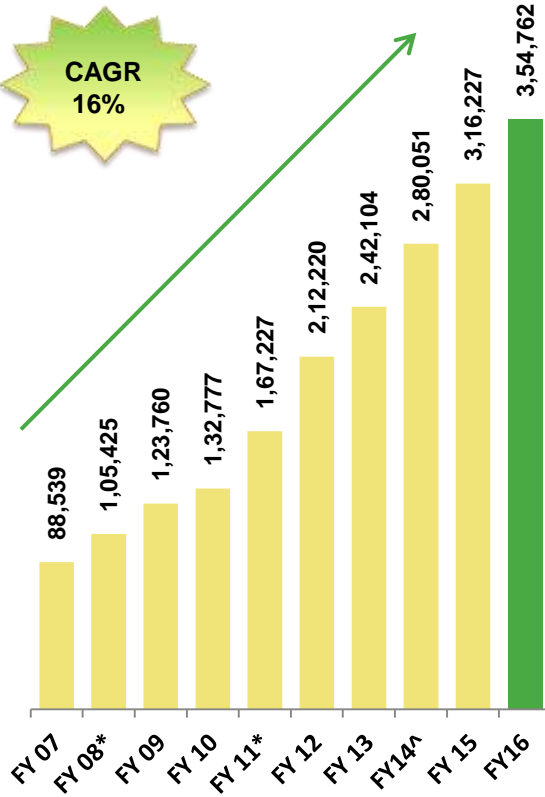
Competition

Financial Snapshot

₹ in million

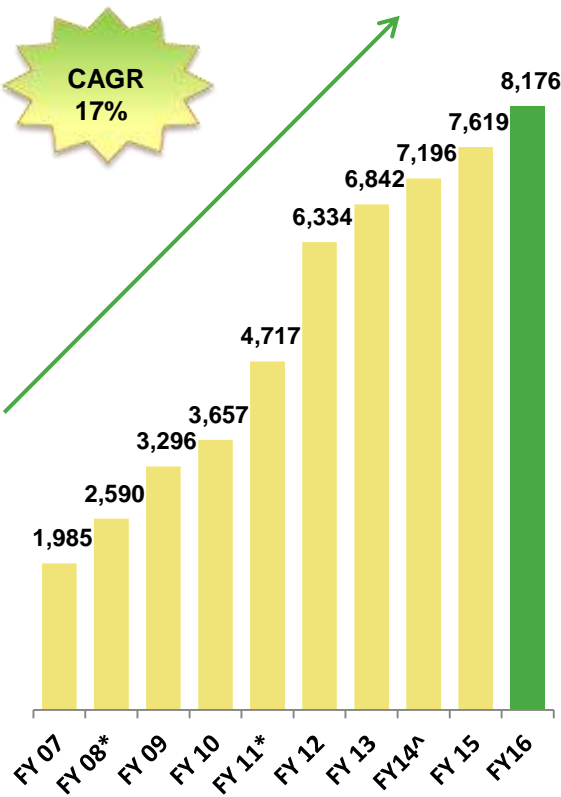
REVENUE

CAGR
16%



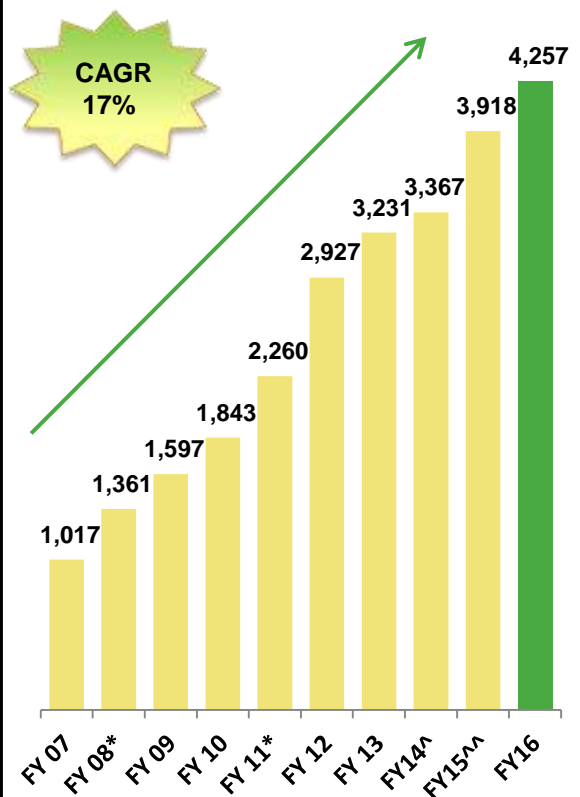
EBIDTA

CAGR
17%



PAT

CAGR
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*Post acquisition of following entities - FY08 Easyaccess Financials Services Ltd, FY11 Arena. ^ Post sale of Easyaccess financial services CAGR computed for Full Year ; ^^ FY15 PAT after CSR - ₹3865 Mio

Consolidated Financials

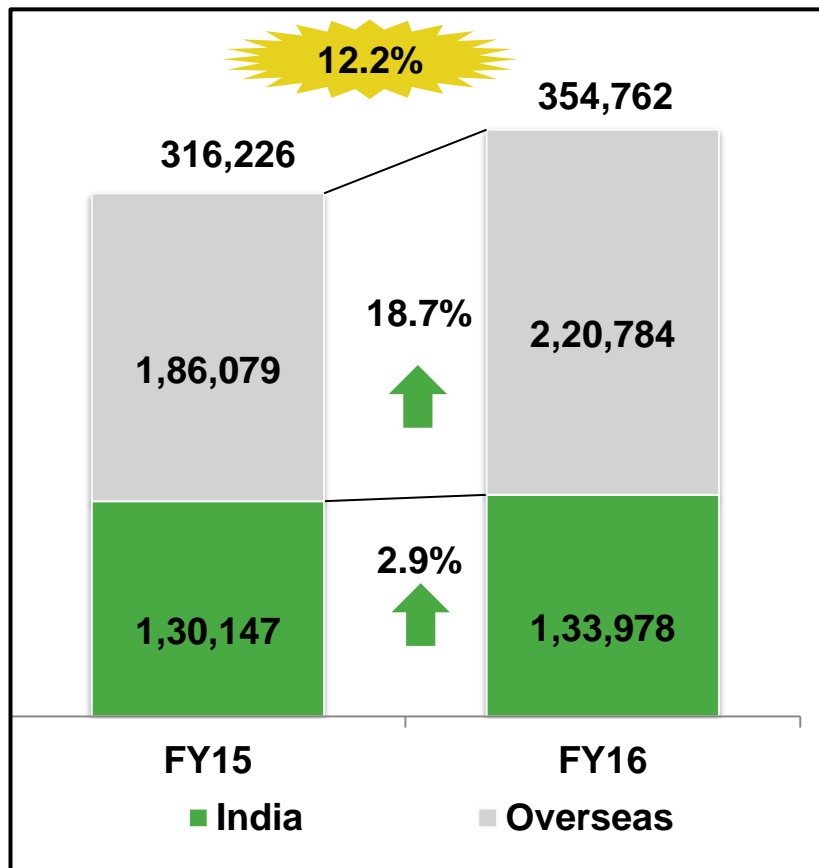
₹ in million

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Total Revenue	354,762	3,16,227	2,80,051	2,42,104	2,12,220	1,67,227	1,32,777	1,23,760	1,05,425	88,539
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Capital Employed	53,884	45,424	39,938	39,471	34,776	31,863	24,649	22,265	15,054	12,269
EBITDA Margins	2.3%	2.4%	2.6%	2.8%	3.0%	2.8%	2.8%	2.7%	2.5%	2.3%
PAT Margins	1.2%	1.2%	1.2%	1.3%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%
Return on Avg. Capital Employed	16.0%	17.2%	17.2%	17.7%	18.4%	16.0%	14.6%	18.5%	18.9%	18.2%
Return on Avg. Equity	17.1%	18.2%	19.1%	22.8%	23.9%	20.0%	17.7%	19.0%	21.7%	21.2%
EPS (₹) ^{^^}	10.6	9.7	8.4	8.1	7.4	5.7	4.7	4.1	3.5	3.1
Book Value per share (₹)	67.2	57.6	48.8	39.5	33.2	31.7	27.4	25.7	18.5	16.1
P / BV	1.7									

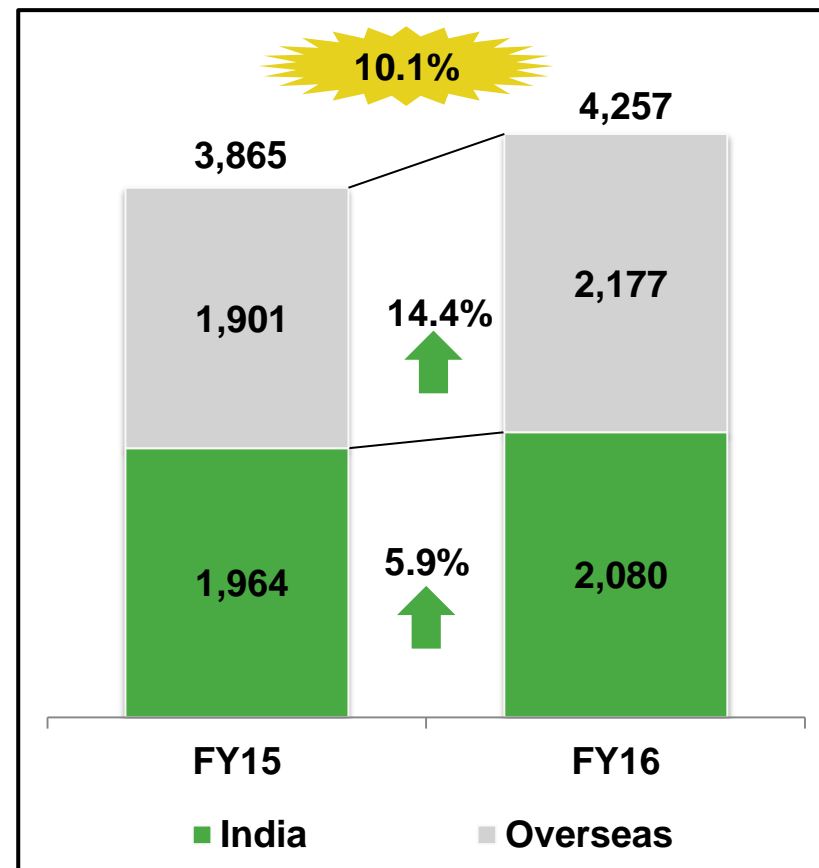
Performance by Market

₹ in million

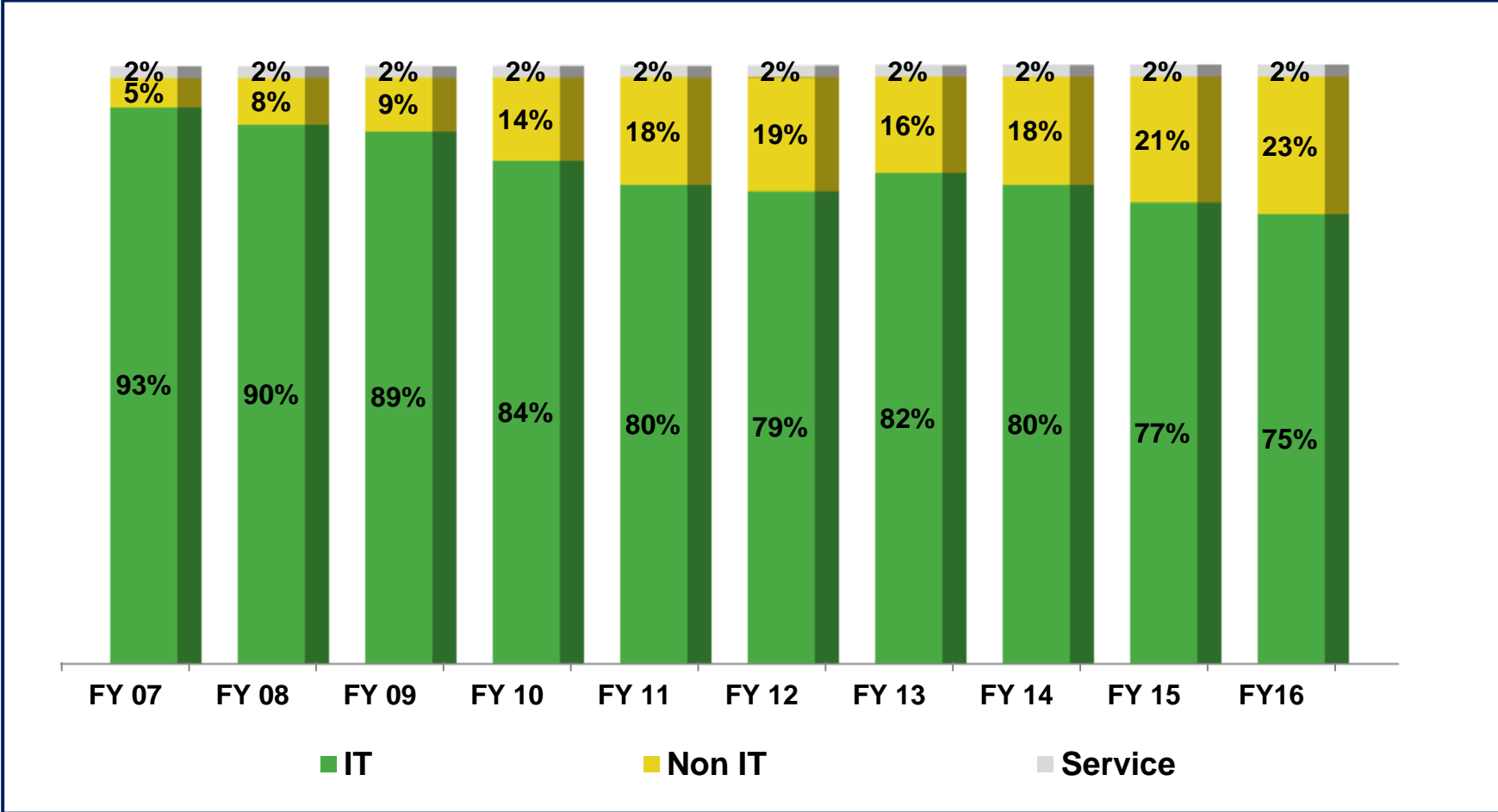
REVENUE



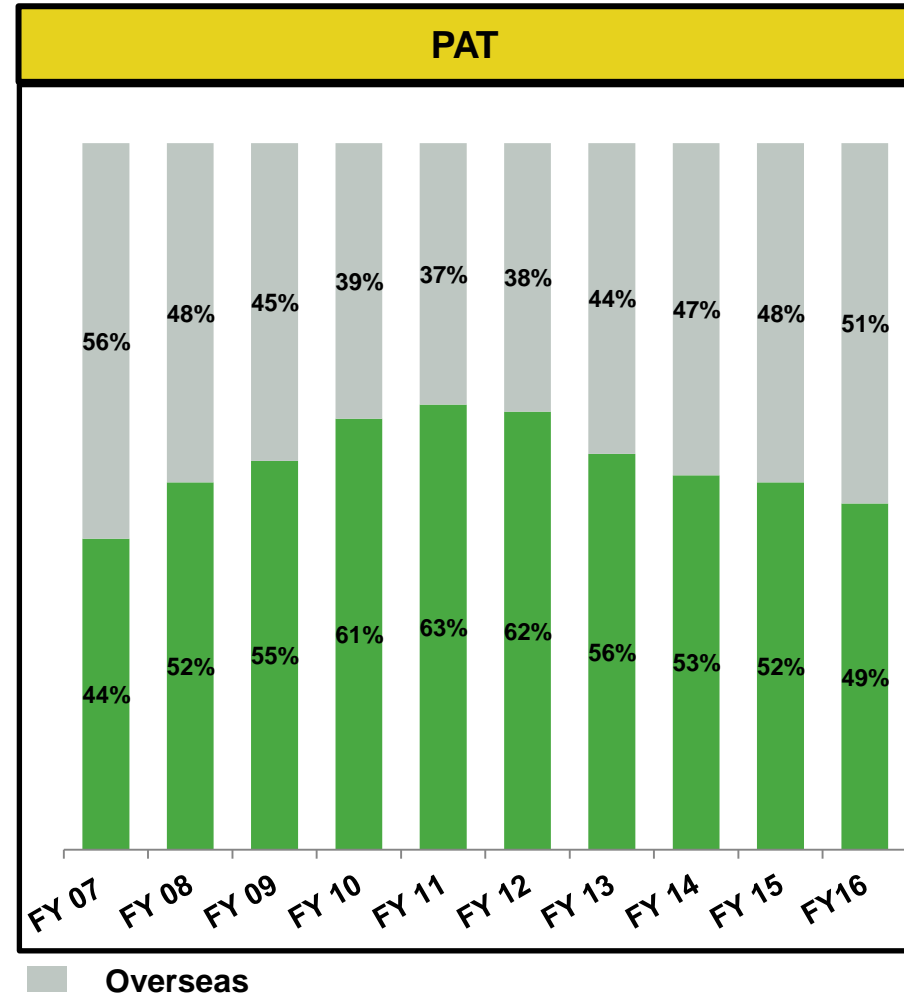
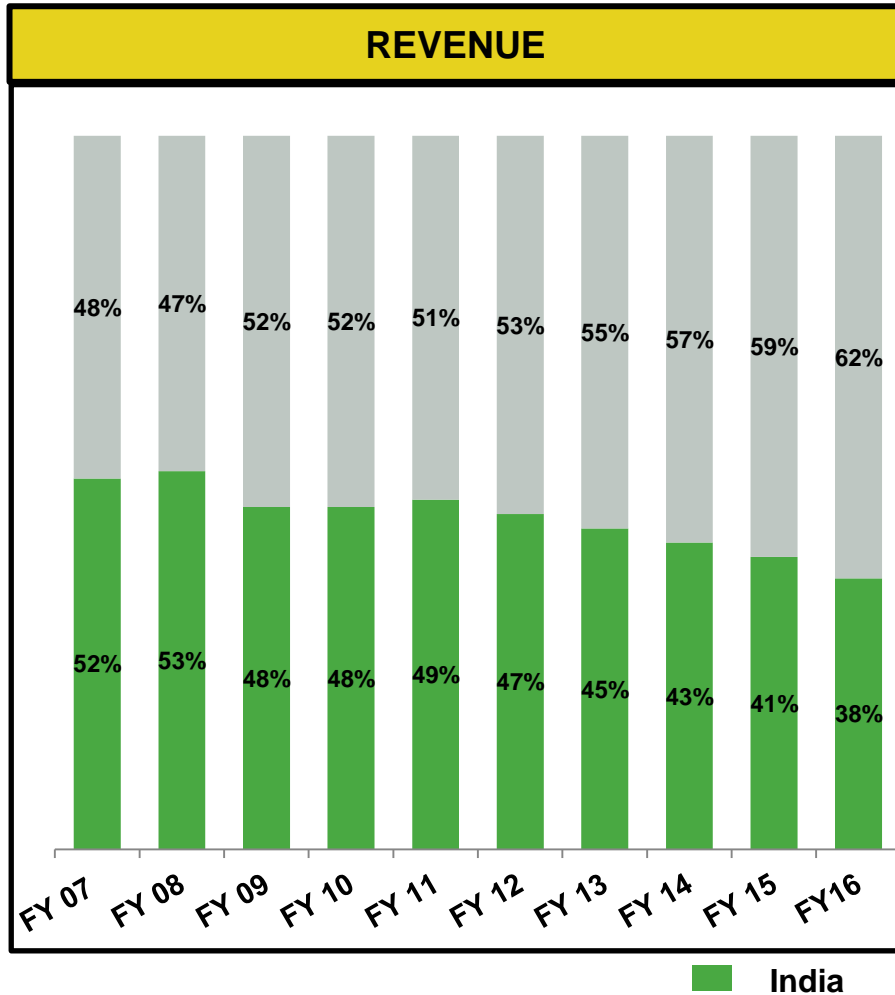
PAT



Revenue by Vertical



Geographical Contribution

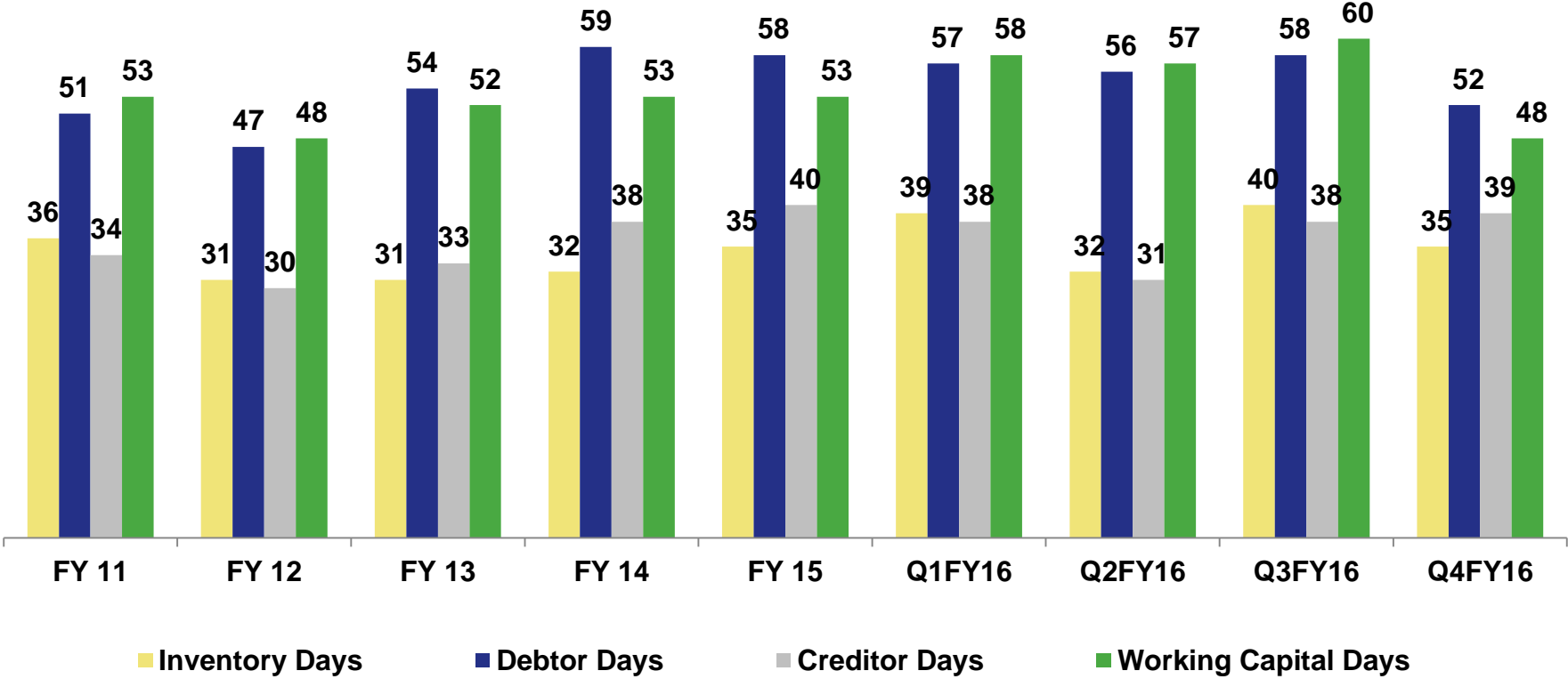


Free Cash Flow Statement

₹ in million

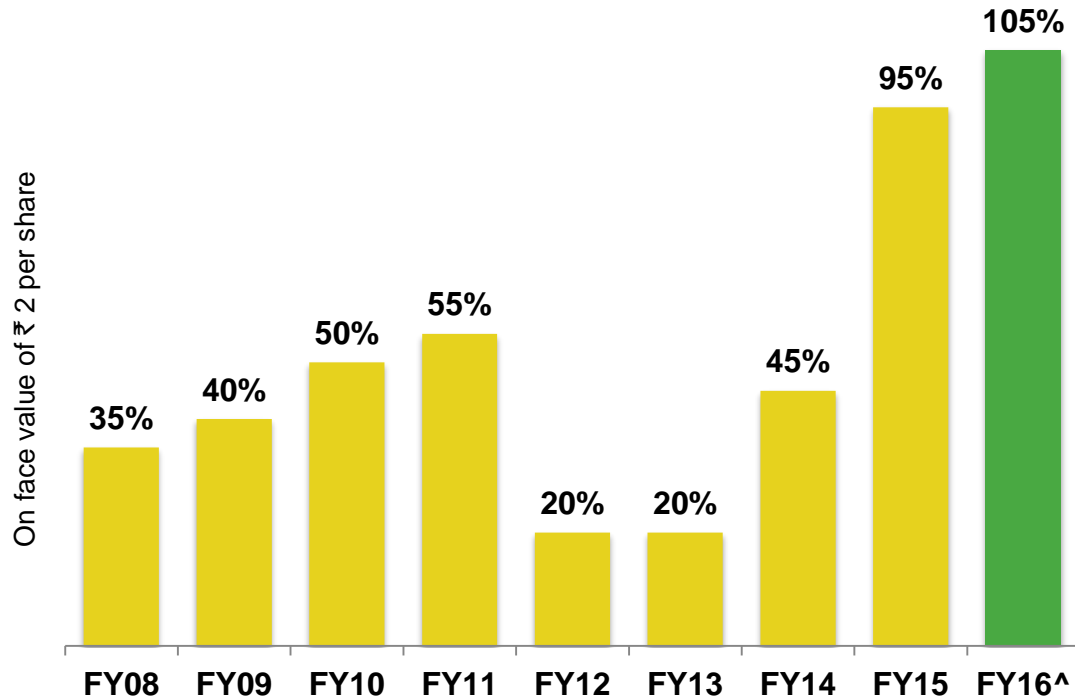
Particulars	FY16	FY15
Profit Before Taxation	5,940	5,555
Non-cash items	822	806
Change in Working Capital	(8,394)	(3,790)
Direct Tax Paid	(1,814)	(1,054)
Outflow of Finance Cost	1,55.9	1,353
Net Cash Flow from Operations	(1,886)	2,868
Capex	(573)	(506)
Dividend	(963)	(468)
Outflow of Finance Cost	(1,559)	(1,353)
Free Cashflow	(4,981)	542

Working Capital Days

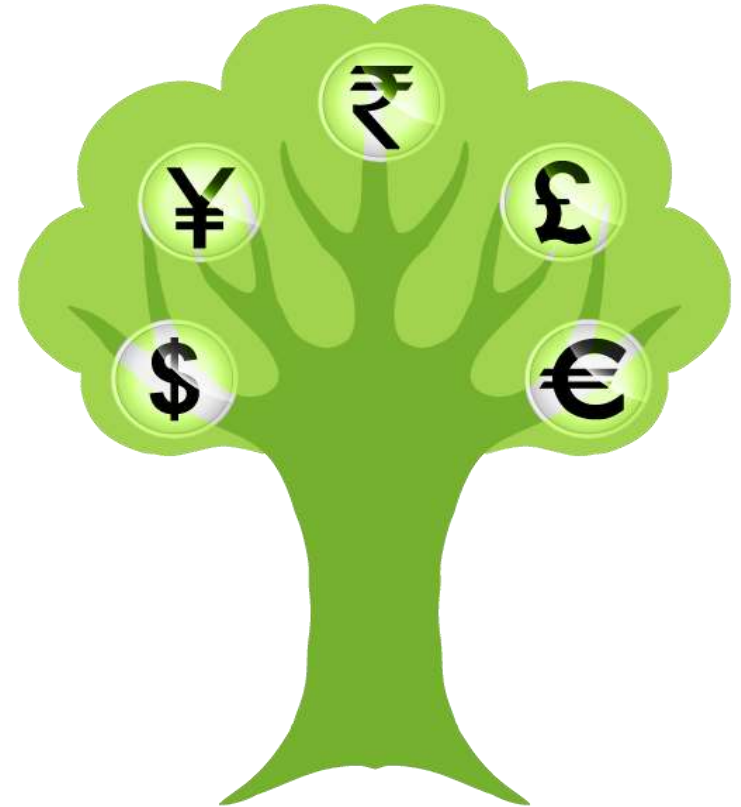


Dividend Distribution

“Dividend Policy: 20% payout on profits earned”

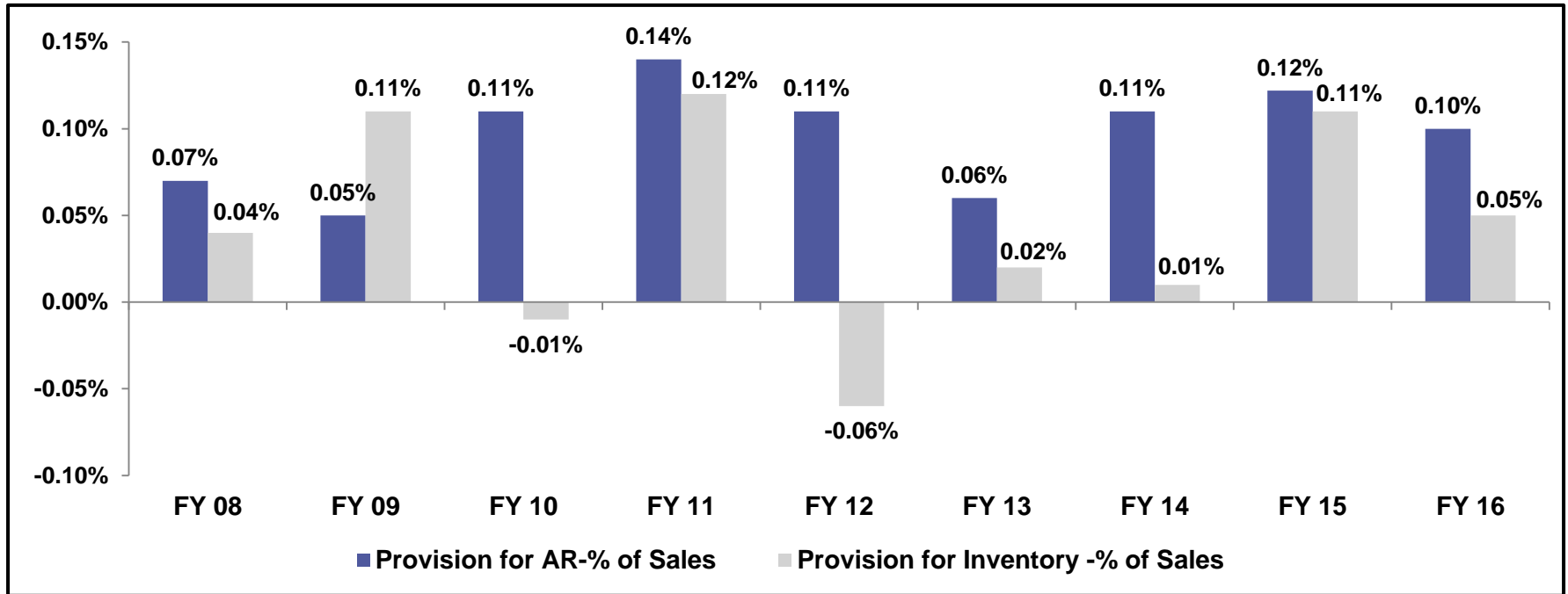


[^] Subjected to approval of shareholders in the ensuing AGM

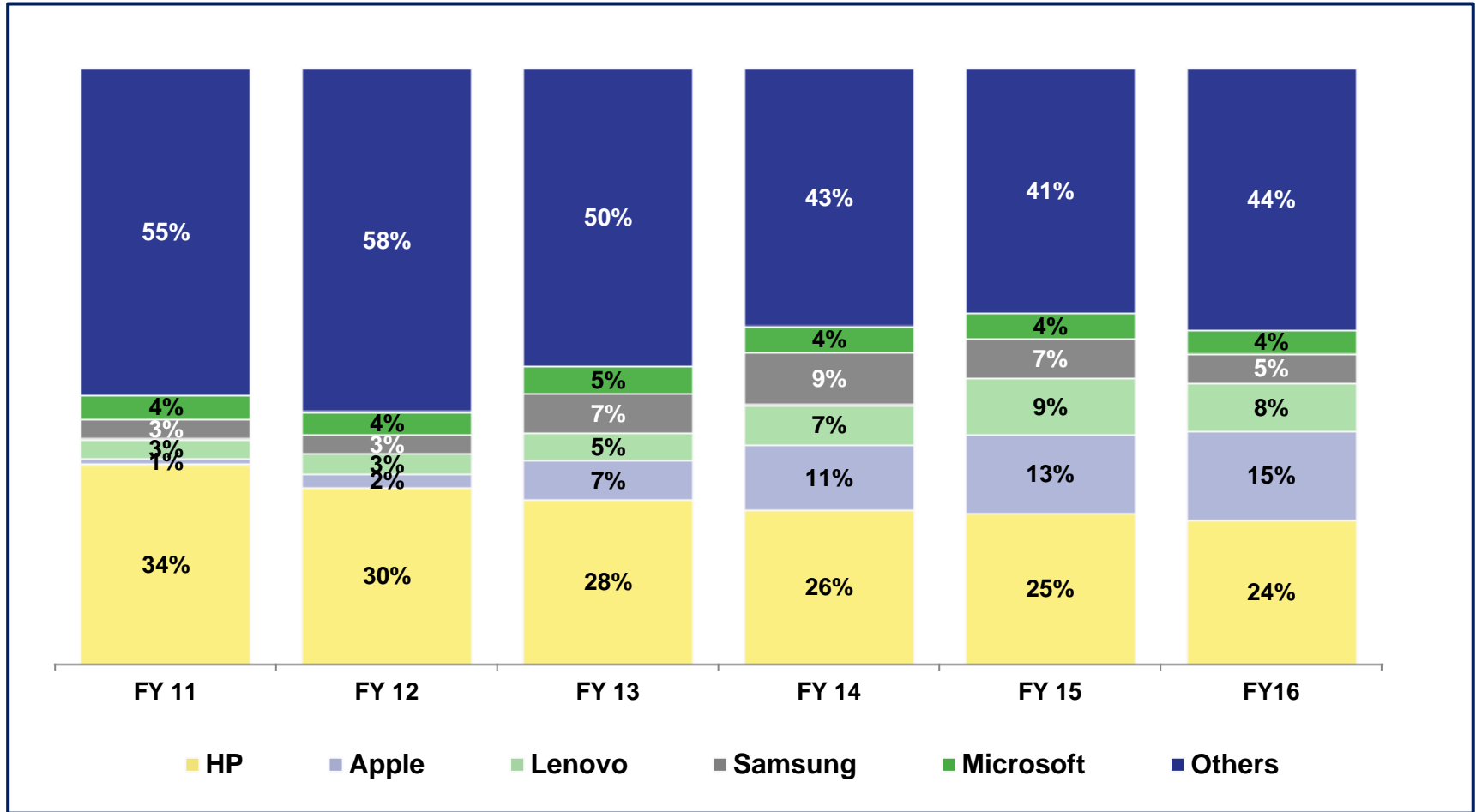


Provisions

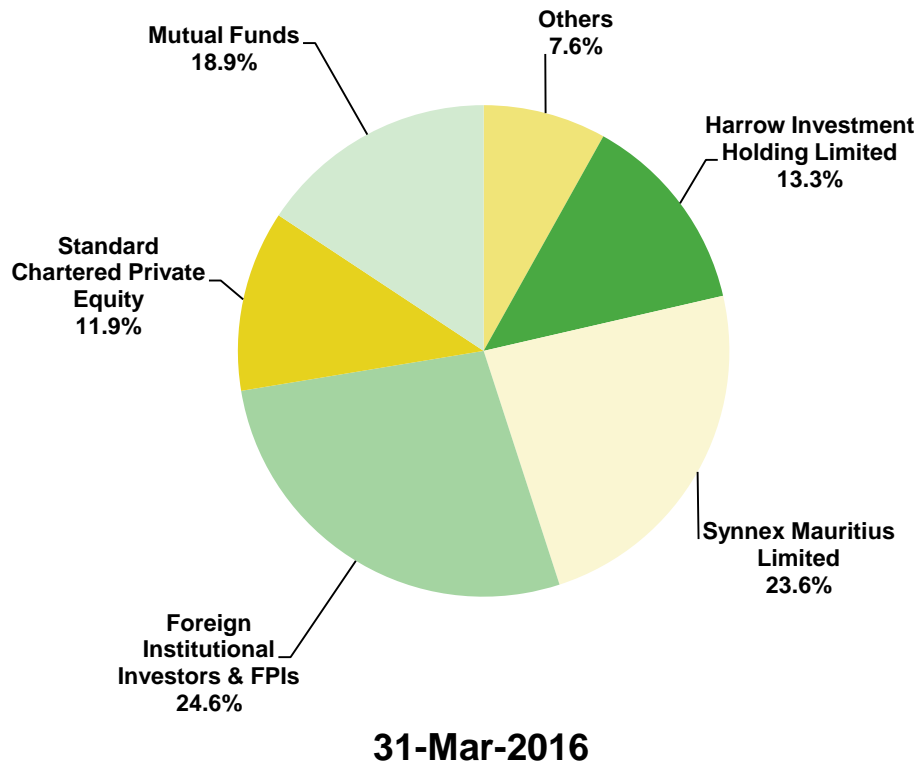
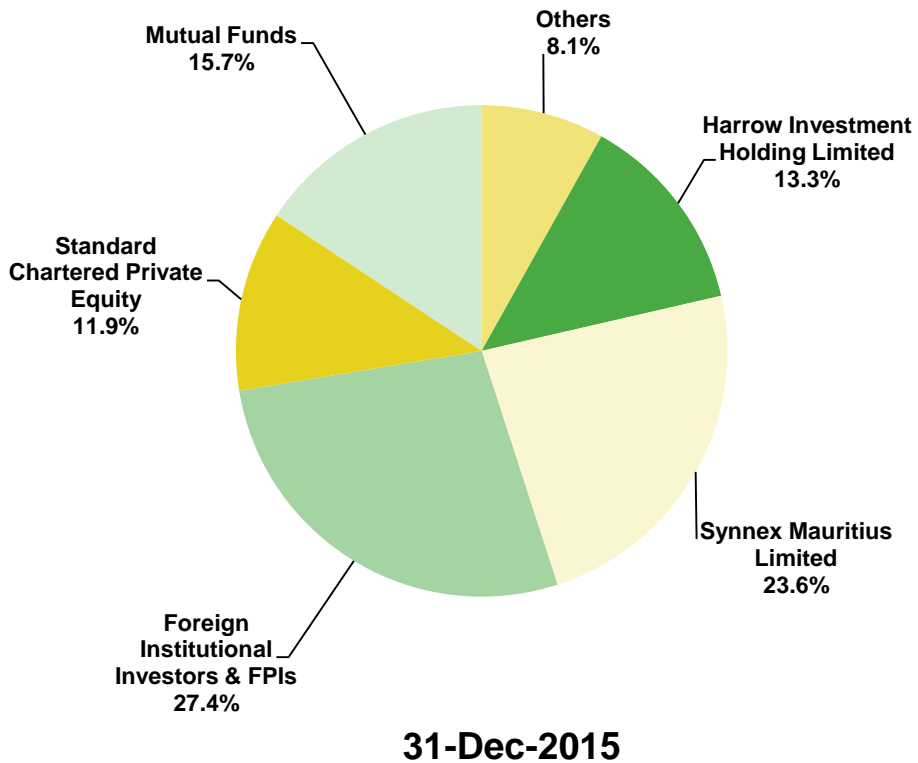
Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY15	FY16
Provision for AR-% of Sales	0.07%	0.05%	0.11%	0.14%	0.11%	0.06%	0.11%	0.12%	0.10%
Provision for Inventory -% of Sales	0.04%	0.11%	-0.01%	0.12%	-0.06%	0.02%	0.04%	0.11%	0.05%



Top 5 Vendors – Consolidated



Shareholding Pattern



Prominent Shareholders as on 13 May 2016

S. No	Name of the Shareholder	Shareholding %
1	Synnex (Mauritius) Limited	23.6%
2	Harrow Investment Holding Limited	13.3%
3	Standard Chartered Private Equity (Mauritius) Limited	11.9%
4	Fidelity (FIL)	7.2%
5	Morgan Stanley	6.5%
6	Reliance Capital Trustee Company Limited	6.0%
7	ICICI Prudential Life Insurance Company	5.0%
8	HDFC Small & Midcap Fund	4.5%
9	Franklin Templeton Fund	3.5%
10	IDFC Premier equity Fund	2.8%
11	ICICI Prudential Fund (Eastspring Investments)	2.7%
12	SBI Mutual Fund	1.9%
13	Dimensional Fund Advisors	1.4%
14	Vanguard Total International Stock Index Fund	1.2%
15	The Wellington Trust Company	0.9%
16	Baring India Private Equity Fund	0.6%
17	Sundaram Mutual Fund A/C Sundaram Smile Fund	0.5%
18	Sloane Robinson LLP A/c	0.5%
19	MSCI Emerging Markets	0.4%
20	Wisdomtree Trust A/c	0.4%

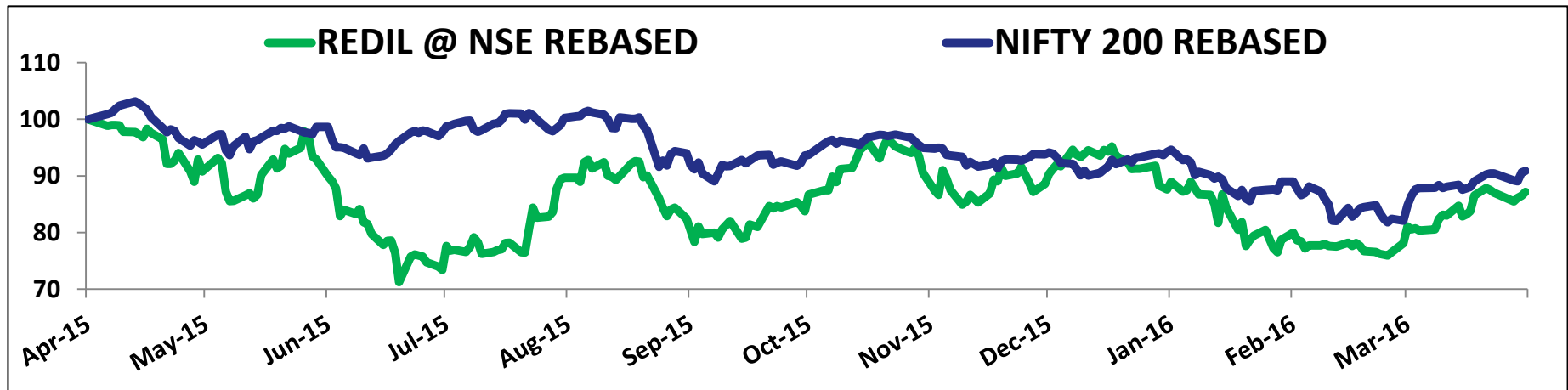
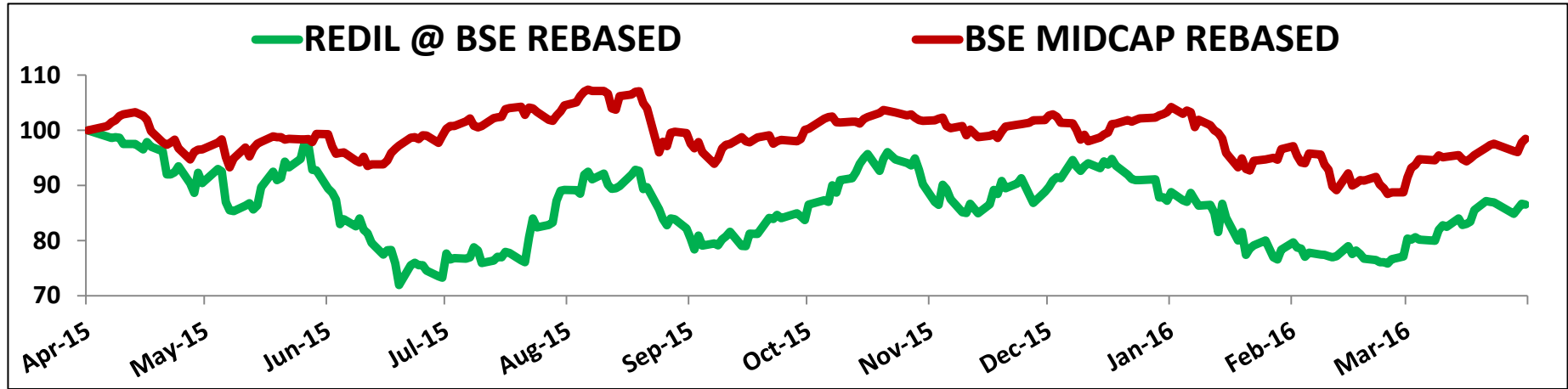
Top 50

97.6 %

Top 20

94.7%

REDIL Stock Performance vs. Index





About Us

Subsidiaries

Board & Management

Performance

Competition

Competitive Landscape

Global Players



India

- Ingram has been acquired by Tianjin Tianhai, a Chinese Corporation
- Ingram Micro and Avnet present among Global Players
- Redington and Ingram Micro of similar size; together address 70% of the market
- Other smaller regional players include: Savex, Compuage, Rashi Peripherals

Dubai

- Middle East, Africa & Turkey
- Ingram Micro and Arrow present in the Middle East
- Local distributors such as BDL, Metra, Logicom are present in the Middle East
- Arrow acquired Computer links in the Middle East
- Index (Listed in ISE) is the largest distributor in Turkey
- Ingram Micro acquired Armada in Turkey

Top 50 IT Distributors – India

Rank	Company	Revenue Rs. in Cr		
		FY15	FY14	FY13
1	Ingram Micro	15,823	14,128	12,024
2	Redington	14,610	13,657	11,746
3	HCL Infosystems	6,239	7,267	9,885
4	Savex Computers	5,980	5,678	4,681
5	Rashi Peripherals	2,980	2,180	1,765
6	IRIS Computers	2,723	1,893	1,605
7	Compuage Infocom	2,129	2,275	1,961
8	Supertron Electronics	1,975	1,575	1,408
9	Neoteric Informatic	1,606	1,501	1,624
10	Global Infonet	1,237	1,105	934
11	Datacare Corp	600	500	400
12	Fortune Marketing	560	508	552
13	Mediaman Infotech	438	325	321
14	Ample Technologies	400	300	250
15	Balaji Solutions	392	308	251
16	Technocrat Infotec	350	324	303
17	Compage Computers	350	370	370
18	Roop Technologies	348	270	263
19	Eastern Logica	310	250	210
20	Lalani Infotech	300	260	240
21	Maxtron Electronics	289	365	360
22	Agmetal India	280	207	221
23	Pacific Infotel	241	232	195
24	Vishal Peripherals	236	185	158
25	Swetha Computers and peripherals	230	250	200

Rank	Company	Revenue Rs. In Crore		
		FY15	FY14	FY13
26	Sakri IT Solutions	230	180	145
27	Datamation Services	228	228	225
28	Savera Marketing Technologies	225	182	157
29	Sogo Computers	220	330	300
30	Alco Infotech	215	185	165
31	Comexcell Technologies	200	190	185
32	Elcom trading	199	176	158
33	Creative peripherals and distribution	184	140	127
34	Supreme Technologies	178	156	140
35	RX Infotech	171	155	131
36	Mega Compu World	168	140	125
37	Aegis Infoware	165	165	151
38	Supreme Computers	164	178	188
39	Modi Infosol	160	180	150
40	Park Network	150	150	116
41	Galaxy computech	129	109	102
42	Peripherals engineers	125	123	105
43	Aldous Glare Trade and Export	120	110	159
44	Suntronic systems	120	125	110
45	Sujatha Computers	110	100	120
46	SV Electronics	105	125	140
47	Champion computers	98	86	73
48	Microcare Computers	95	126	77
49	Saboo Computers	91	95	75
50	Aarvee computers	91	84	89

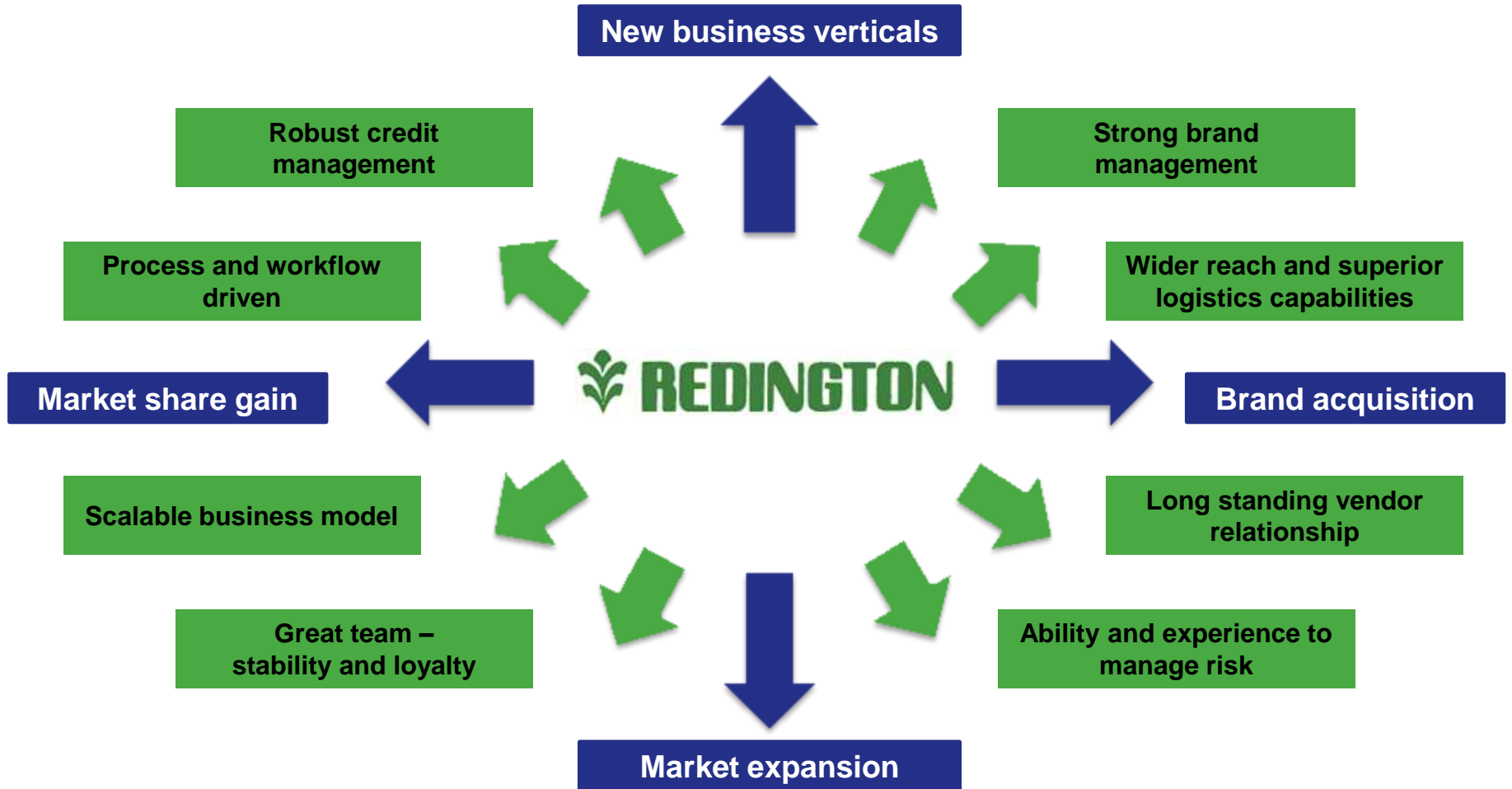
Source: DQ Week

Top 15 IT Distributors – Middle East

Company	Position	2014	2013	Auditor	Staff
Redington Gulf FZE	Same	\$2.62bn	\$ 2.32bn	Deloitte & Touché	1,750
BDL Group	Same	\$ 903m	\$ 770m	Dr. Usaama Tabbara	322
Metra Computer FZCO	Same	\$ 830m	\$ 723m	Ernst & Young	800
Global Distribution FZE	↑	\$ 607.99m	\$ 464m	Moore Stephans	120
Logicom Group Middle East	↓	\$ 575m	\$ 510m	KPMG	325
FDC International FZE	↓	\$ 571m	\$ 465m	Puthran Chartered Acc	141
Almasa IT Distribution	Same	\$ 410m	\$ 370m	Deloitte & Touche	225
Mitsumi Distribution	Same	\$ 390m	\$ 320m	PKF	205
Mindware FZ LCC	Same	\$ 328m	\$ 240.7m	Deloitte & Touche	145
Asbis Middle East FZCO	Same	\$ 229m	\$ 231.9m	KPMG	87
Westcon ME Group	Same	\$ 207m	\$ 181m	Deloitte & Touche	165
Golden Systems Middle East	New Entry	\$ 177m	NA	Salim Rajkutwala	80
Al-Jammaz Distribution	↑	\$ 160m	\$ 125m	Al Hoshan	180
Gulf Shadow Computer Systems	↑	\$ 156m	\$ 135m	Awni Farsakh & Co.,	135
Prologix Distribution	↑	\$ 153m	\$ 100.2m	Morrison Menon	200
Trigon LLC	↓	\$ 150m	\$ 168.5m	KPMG	102
Despec MERA FZE	↓	\$ 124.8m	\$ 140.9m	KPMG	75

Source: Channel Middle East

In Closing





Thank you