

31st May 2017

The National Stock Exchange of India Ltd
Exchange Plaza
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051

Sub: Investor Presentation

Dear Sir/Madam,

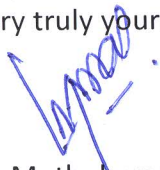
This has reference to our communication dated 12th May 2017 intimating the details of the Analyst meet scheduled on 30th May 2017.

In this regard we are enclosing herewith the presentation made at the aforesaid Analysts meet.

We request you to kindly take the above information on record.

Thanking you,

Very truly yours,



M. Muthukumarasamy
Company Secretary.

Cc : BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

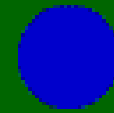
**TECHNOLOGY AS
A TOOL**



**LOGISTICS
PLAY**



● *Striking ahead in tougher times*



**INDIA
FOCUS**

**EMERGING
BUSINESS
SEGMENTS**



**SHIFT
TOWARDS
"SERVICES"**



SAFE HARBOR

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.

Professionally
managed
company

Analyst Meet 2016 takeaways

MANAGEMENT TEAM



Raj Shankar
Managing Director



P S Neogi
Joint COO, IT
Division, India



**E H Kasturi
Rangan**
Joint COO, India



Ramesh Natarajan
Sr. President, India



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



S V Krishnan
Chief Financial
Officer



S V Rao
Vice President,
Ensure Services,
India



Ashish Bharti
President,
IT Volume
Distribution, ME & A



**Aloysius
Fernandes**
President,
IT Volume, Africa



B Ramkumar
President,
IT Value Added
Distribution, ME & A



Jim Mathew
Sr. Vice President,
Telco Distribution,
Africa



Sriram Ganesan
Director & Chief
Financial Officer,
ME & A



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



Okay Nasir,
Chief Executive
Officer, Arena,
Turkey



Serkan Celik,
Chief Financial
Officer,
Arena, Turkey

Professionally
managed
company

Analyst Meet 2016 takeaways

BOARD OF DIRECTORS

Independent Directors



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



V. S. Hariharan
Ex. Vice President,
Hewlett-Packard,
Singapore



Keith WF Bradley
Ex. President,
Ingram Micro, North
America



Suchitra Rajagopalan
Director,
Corporate Governance,
Volvo, UK



Raj Shankar
Managing Director



E H Kasturi Rangan
Whole time Director

Non-Executive Directors



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



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



Udai Dhawan
Managing Director,
Standard Chartered
Private Equity, India



B Ramaratnam
Professional Director

Analyst Meet 2016 takeaways

**Robust
Infrastructure**

Our Pillars of strength



**40,000+
PARTNERS**



**80+
SALES OFFICE**



**100+
WAREHOUSES**



**350+
SERVICE CENTRES**



**7,000+
PEOPLE POWER**



DISTRIBUTION: 200+

SERVICES: 50+



**PRESENCE IN
24 COUNTRIES**

INDIA - 1

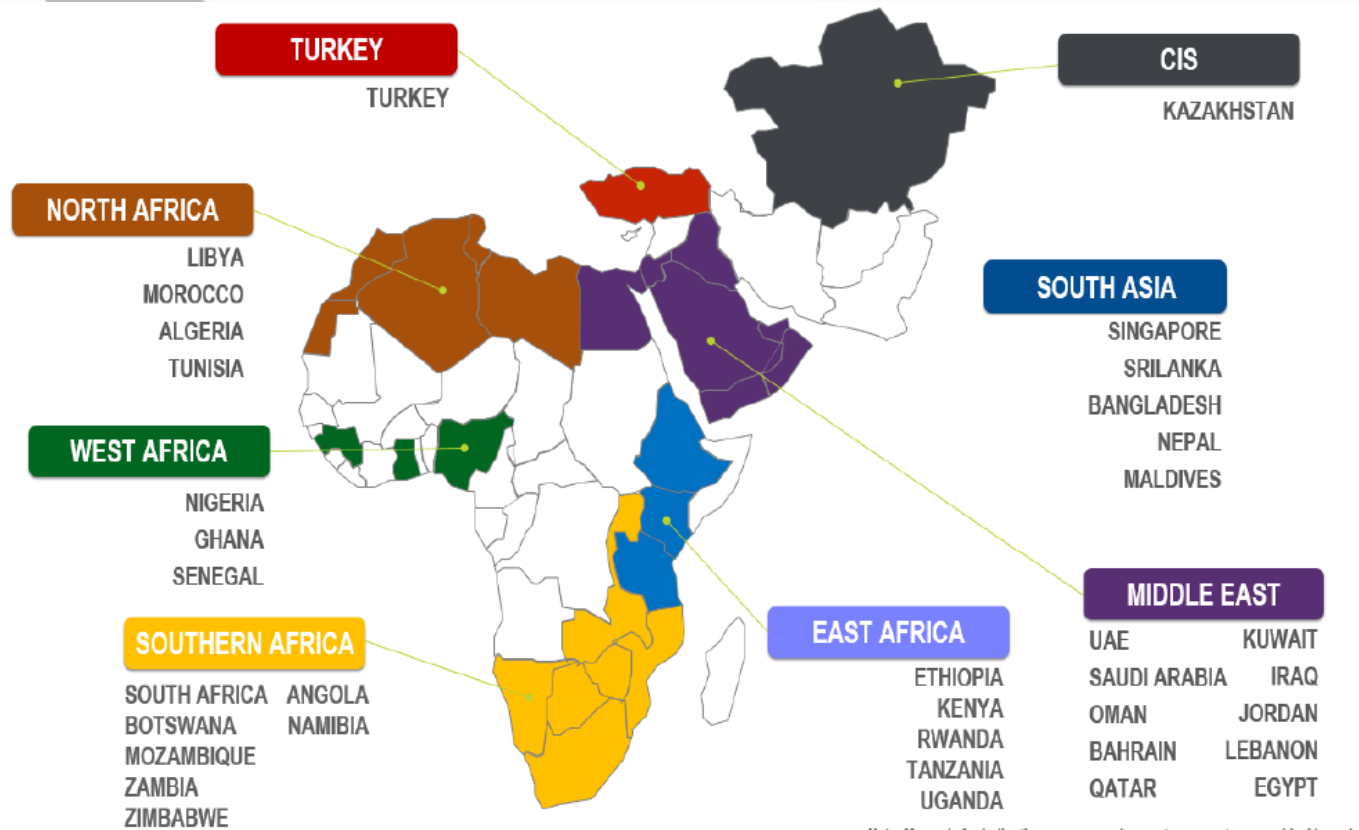
SOUTH AISA - 3

MIDDLE EAST - 7

AFRICA - 12

TURKEY - 1

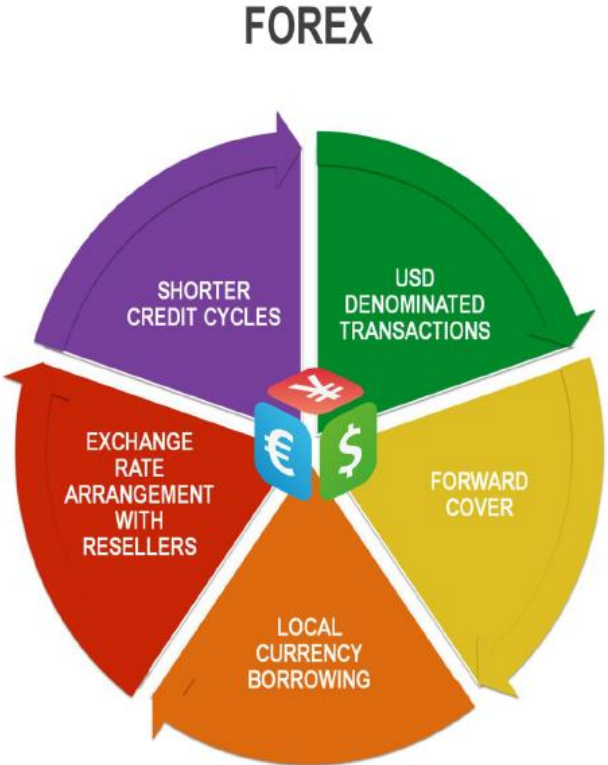
Analyst Meet 2016 takeaways



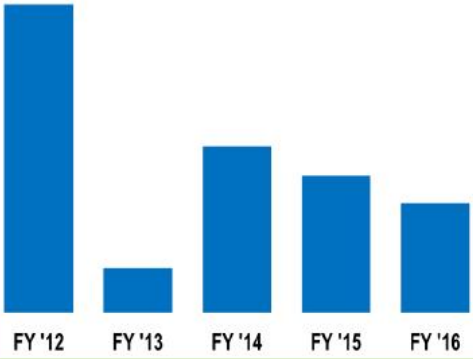
**Operating in
challenging
but potential
markets**

Analyst Meet 2016 takeaways

RISK MANAGEMENT



RECEIVABLE PROVISION

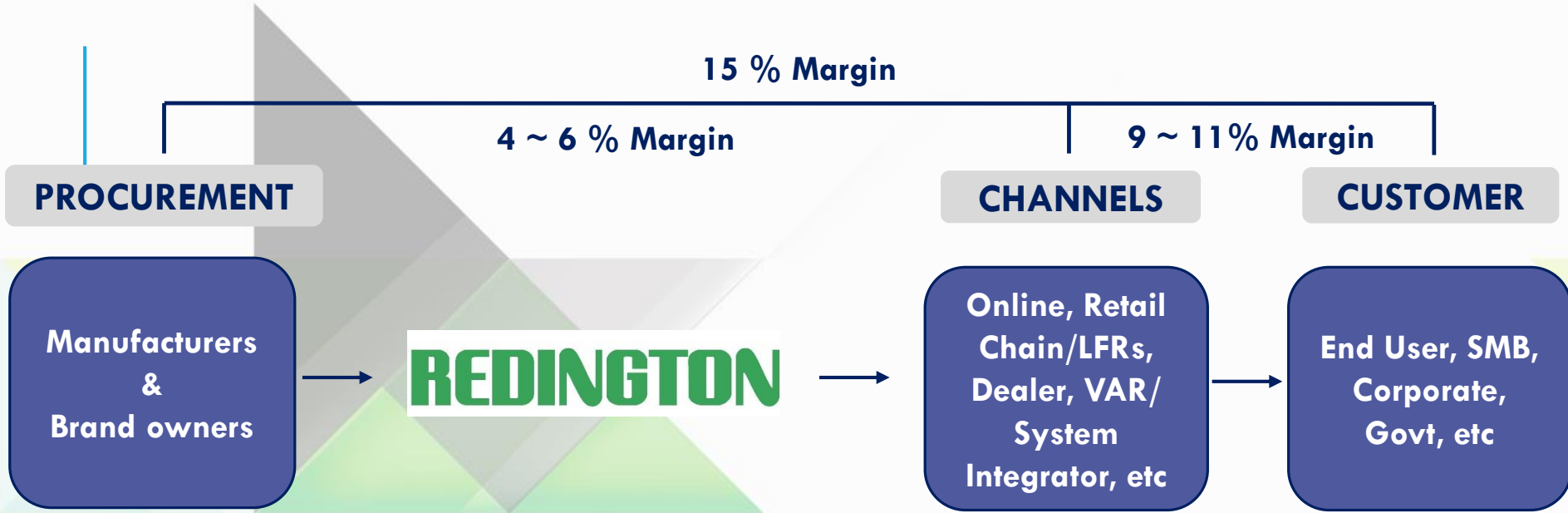


INVENTORY PROVISION



Understand,
Manage,
Mitigate
Risk

INHERENT RELEVANCE OF A DISTRIBUTOR



- Risk adjusted margin**
- Duopoly/Oligopoly— a global phenomenon**
- High wallet share - No.1 or No.2 distributor for vendor**
- Both consumer and enterprise play – Distribution plus Solutioning**

GEO-POLITICAL TENSIONS... CONTINUE UNABATED

BREXIT: After 44 years in the EU;
Pound crashed to 31 year low.
Snap elections in June '17

Turkey coup attempt (Jul '16); emergency imposed. and Referendum (Apr '17) - moving to presidential system

US uses MOAB for the first time in Afghanistan in fight against ISIS



Donald Trump wins presidential election, plunging US into uncertain future

Syria war 6+ years;
Chemical attacks on civilians;
US launches tomahawk missile attacks



NUCLEAR DEAL

Iran nuclear deal - Uncertainty



North Korea - US tensions escalate; warns of a nuclear attack

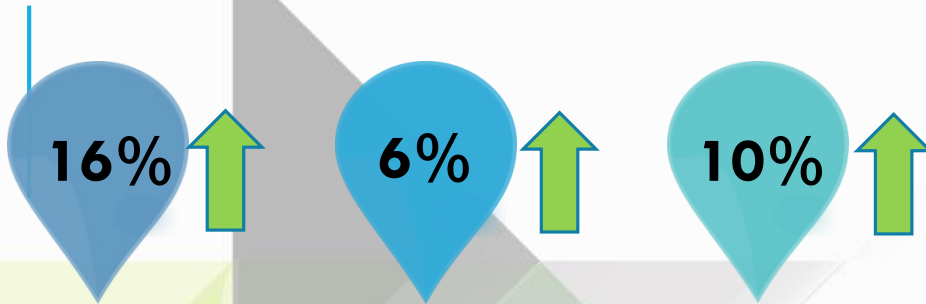
India - demonetization

Yemen war continues; 2+ years, 7600+ killed



Attacks in 17 countries; 1,500+ killed

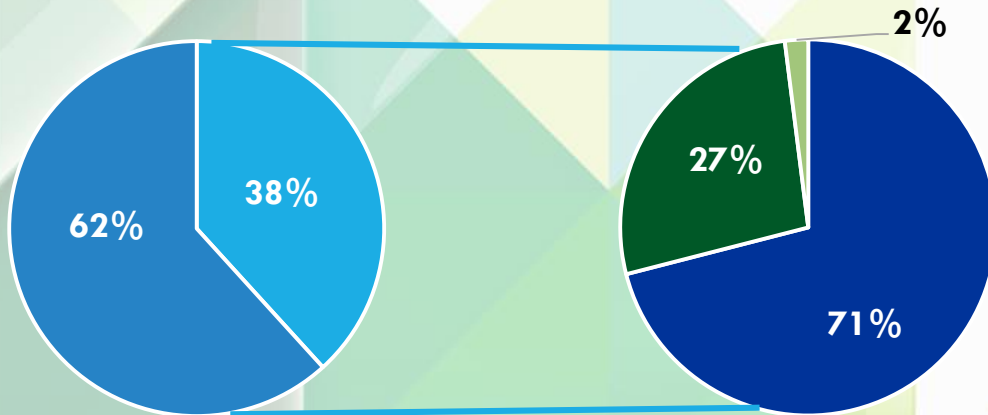
FY17 PERFORMANCE



₹ in million

4,11,561	8,662	4,642
REVENUE	EBITDA	PAT

Revenue contribution



India Overseas

IT Mobility Services

Rs. 9,117 mn

Free cash flow

16 days

Reduction in WC days

15.3%

ROCE

15.4%

ROE

-0.03%

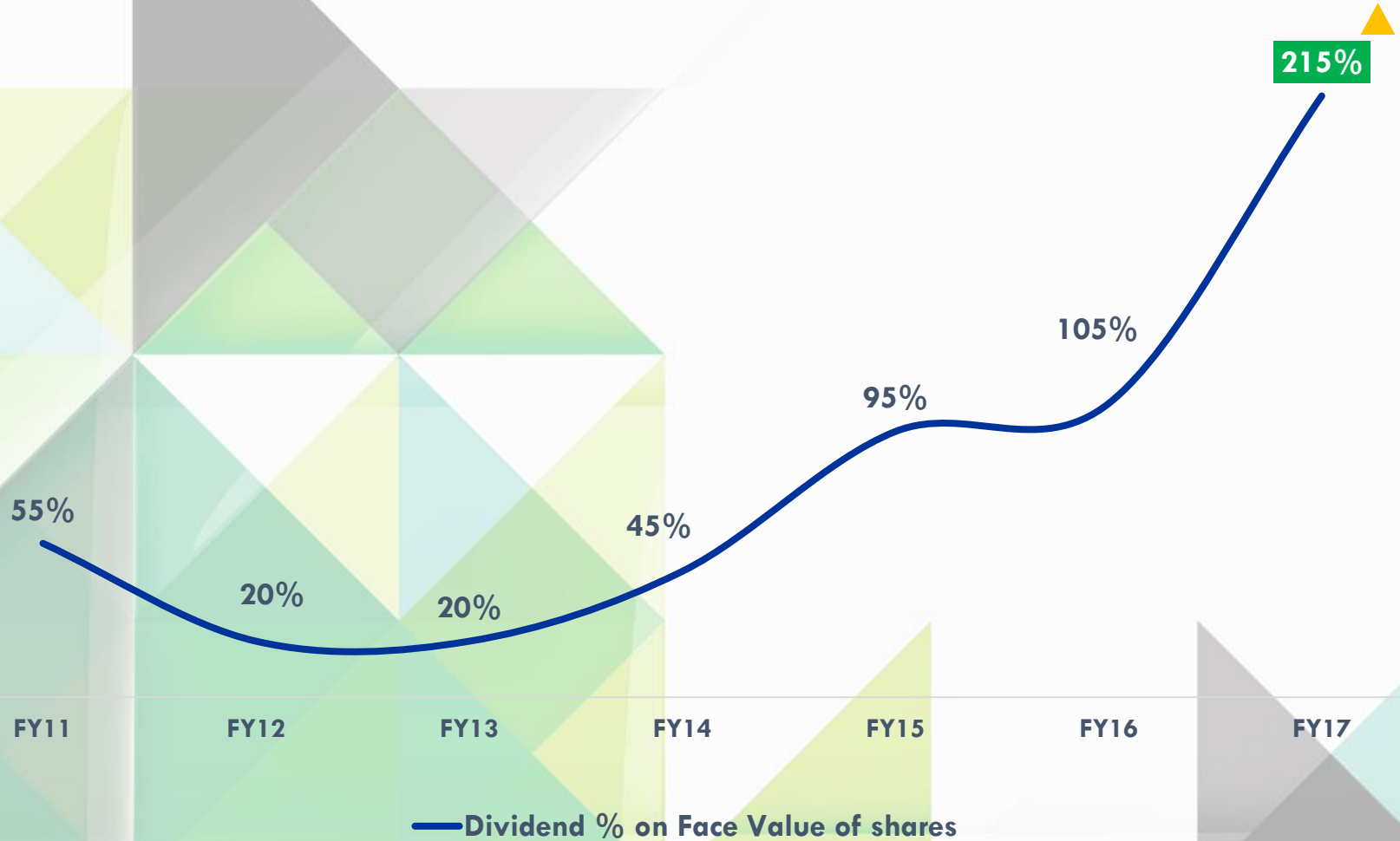
Inventory Provision

0.08%

AR Provision

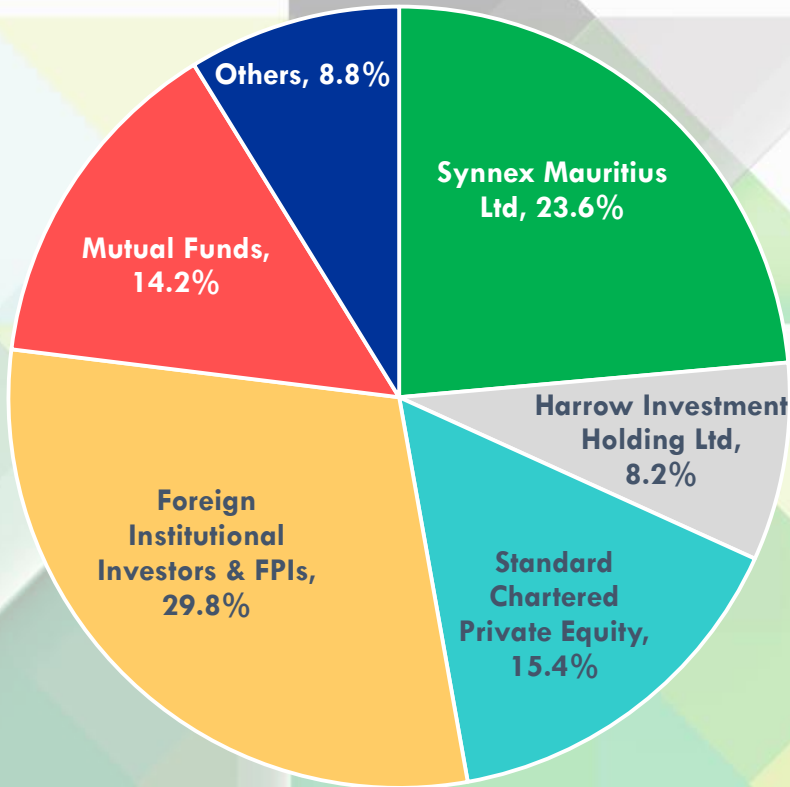
DIVIDEND DISTRIBUTION

Dividend Policy : 20% pay-out on profits earned



▲ As recommended by Board plus Special Interim Dividend declared

SHAREHOLDING PATTERN (AS AT MAR 31ST, 2017)



Other prominent shareholders



Fidelity



ICICI Prudential Life Insurance



Morgan Stanley



Franklin Templeton Fund



HDFC Small & Midcap Fund



ICICI Prudential Fund



Dimensional Fund Advisors



Reliance Capital Trustee Company



SBI Mutual Fund

TEN YEARS SINCE LISTING(2007-2016)



Redington 55th amongst top Global Tech companies



Redington MEA No.1 Distributor for 12 consecutive years



Redington MEA ranked No.24 in Great Place to Work UAE

NO FPO MADE

Listing of Shares



2007

Commenced distribution of BlackBerry



2008

ADCs in Chennai, Dubai



2009

Investment in Turkey via Arena



2010

Logistics services under ProConnect & Commenced distribution of Apple iPhone



2012

Support Services under Ensure & ADC in Kolkata



2014

Investment in Turkey via LinkPlus



2015

Commenced Cloud biz & distribution of Google Pixel

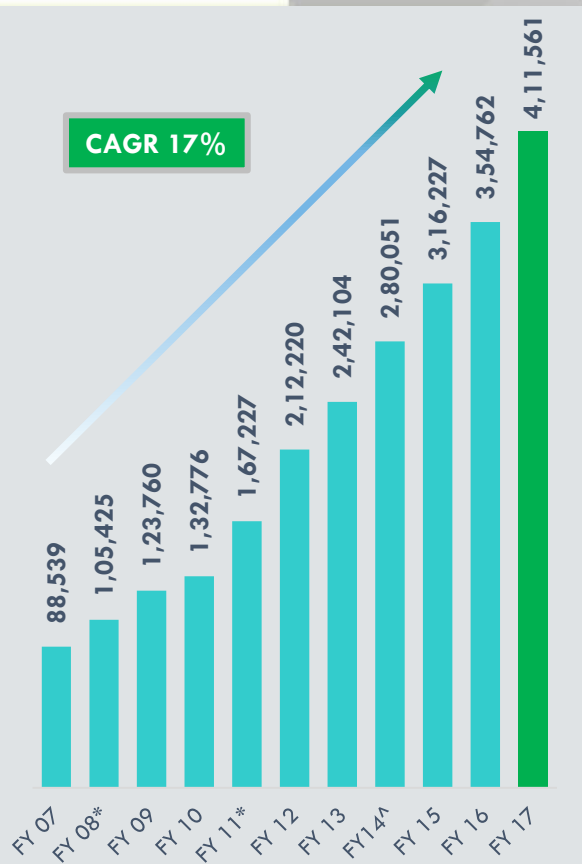


2016

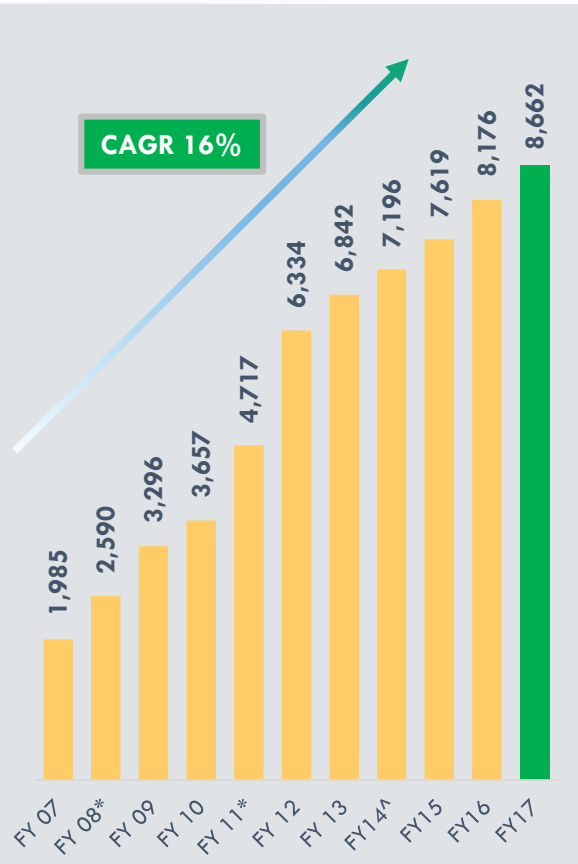
10 YEAR PERFORMANCE

₹ in million

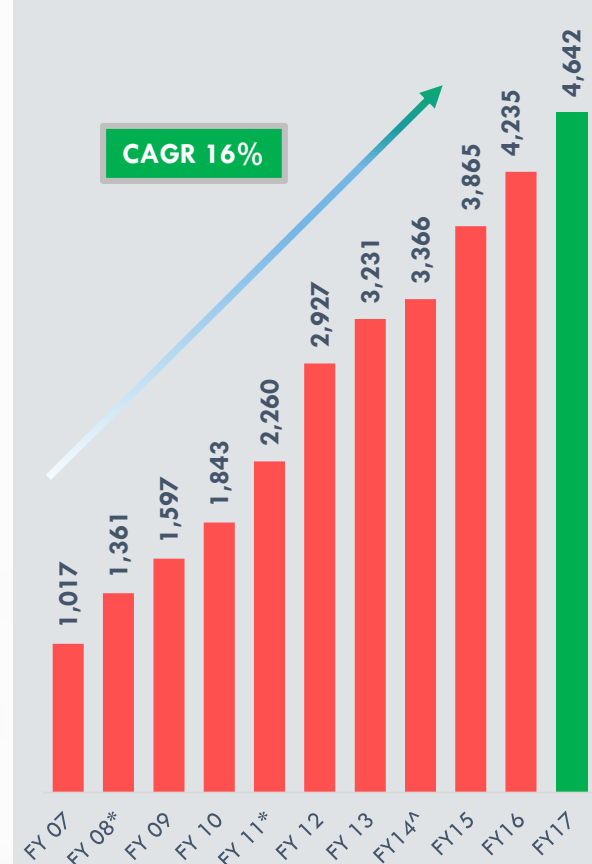
REVENUE



EBITDA



PAT



*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services .
CAGR computed for full year

OUR WAY AHEAD...

SERVICES

Less on WC
High-margin segments

EMERGING BUSINESSES

Incremental growth
Margin/ROCE interesting

CORE BUSINESSES

Driving our core growth
Sustainable margins

Faster growth in India



Protect & consolidate Overseas

OUR WAY AHEAD...





CORE BUSINESSES

Driving our core growth
Sustainable margins

GST AND OUR BUSINESS

 REDINGTON

Possible reduction in No. of warehouses from **56 to 30** 

Probable reduction in Logistics cost – **10%** 

Delivery timings expected to improve by **1-3 days** 

Potential reduction on Inventory holding days by **3-4 days** 

GST Credit available for domestic customers – Pricing advantage

Consolidation of Warehouses to offer **10-20%** reduction via 

 PROCONNECT
supply chain solutions

Reduced Warehouse rentals

Improved operational & manpower efficiency

Reduction in Inventory & Holding Cost

Bigger shared facility to offer competitive advantage

Increased transportation requirements to increase revenue by **10-15%** 

Compliance requirements

Dealers initial apprehension to purchase

Operational challenges of GSTN

Likely to impact Q1/Q2 performance

GST AND OUR BUSINESS



E-COM – COMPLEMENTING THAN COMPETING

Opportunities

Serves as yet another GTM

Opportunities for channel partners to sell in marketplace

Clients

All the major E-Com players

Revenue contribution

16%
of India FY17
Mobility revenues



THE WAY AHEAD

Build our own marketplace
(B2B, B2C4B,
B2B4C)

Opportunities

3PL to E-Com players
(Manage FCs)

Cross sell/ Deep sell opportunities

Clients

All the major E-Com players

Revenue contribution

12%
of ProConnect FY17
revenues



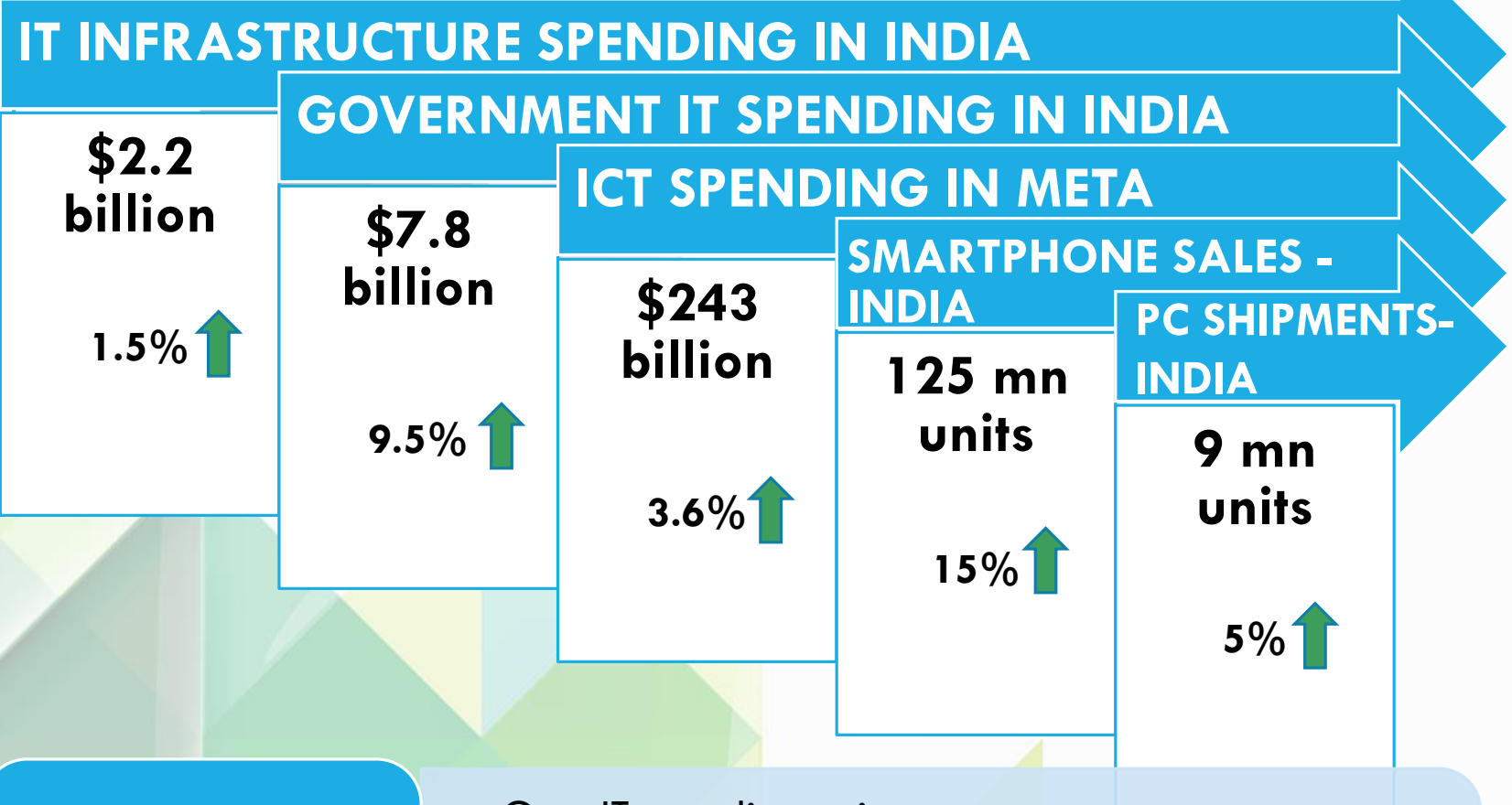
E-COM – COMPLEMENTING THAN COMPETING



CORE DISTRIBUTION – GROWTH DRIVERS

2
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1
7

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CORE DISTRIBUTION BUSINESS

- Govt IT spending to improve
- Increase in Enterprise spending on IT infrastructure
- PC & Internet penetration still at nascent stage
- Smartphone play – Addition of brands

Source: Gartner, IDC

EMERGING BUSINESSES

- Incremental growth
- Margin/ROCE interesting

SOLAR EQUIPMENTS



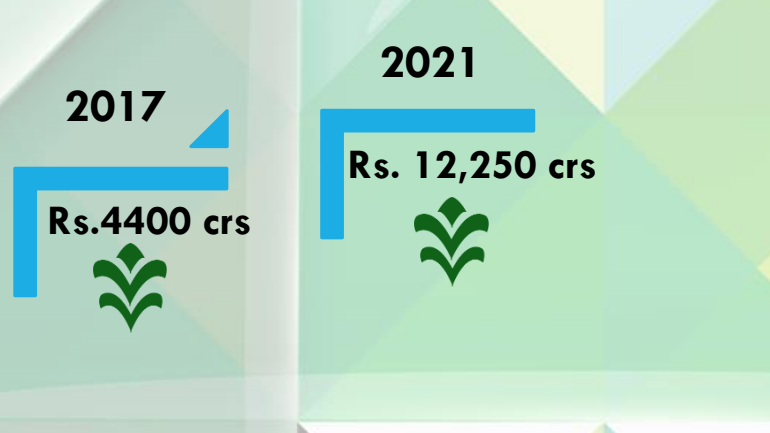
OUR FOCUS – “Rooftop Solar Market”

Rooftop solar constitutes 10-12% share of overall solar capacity – Substantial potential for increase

11.9 GW of new rooftop solar capacity addition between 2017 and 2021



INDIA'S ROOFTOP SOLAR MARKET



PRODUCT FOCUS

- Solar PV Panels
- Solar On Grid Inverters
- Solar DC Cables
- Panel Mounting Structures
- Solar Batteries
- Solar Junction Boxes

MAJOR BRANDS

- Trina
- REC
- Growatt
- Renewsys

HEALTH & MEDICAL EQUIPMENTS



OUR FOCUS – “Equipment & Instruments” (Mid-size)

Equipments & Instruments – 53% of total Indian Medical Device and Equipment sector



INDIA'S EQUIPMENTS & INSTRUMENTS MARKET

2016
 Rs.10,000+ crs
 Rs.1,900 crs

2021
 Rs.20,000+ crs
 Rs.3,100 crs

PRODUCT FOCUS

- Ultrasound
- X-Ray
- Respiratory
- BP machines
- Personal care

MAJOR BRANDS

- Siemens
- Phillips
- Omron

SERVICES

- Less on WC
- High-margin segments

PROPELLING ahead
with



PROCONNECT
supply chain solutions



PROCONNECT – SNAPSHOT

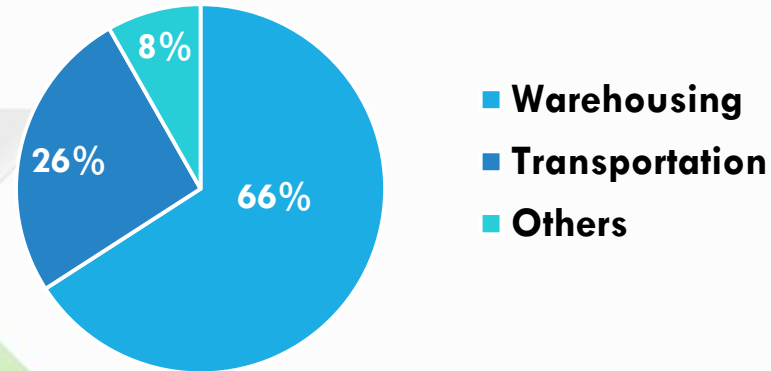
Services Offered

- Warehousing
- Transportation
- Mission Critical Services
- 3PL to E-Commerce
- Import & IOR Services
- Reverse Logistics
- Cold Storage

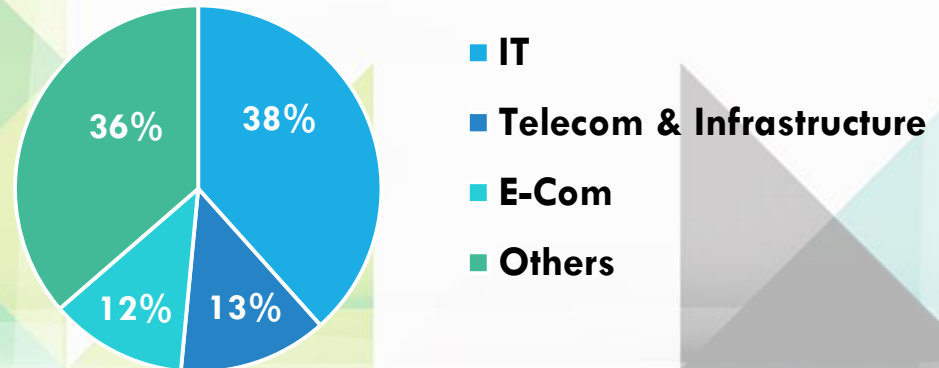
Industries Served

IT | Pharma | Office automation | FMCG | Telecom & Infrastructure | Chemicals & Plants | Beverages | Consumer Durables | Electrical & Electronics | Engineering | Garments | Security Products | 4PL | E-Com

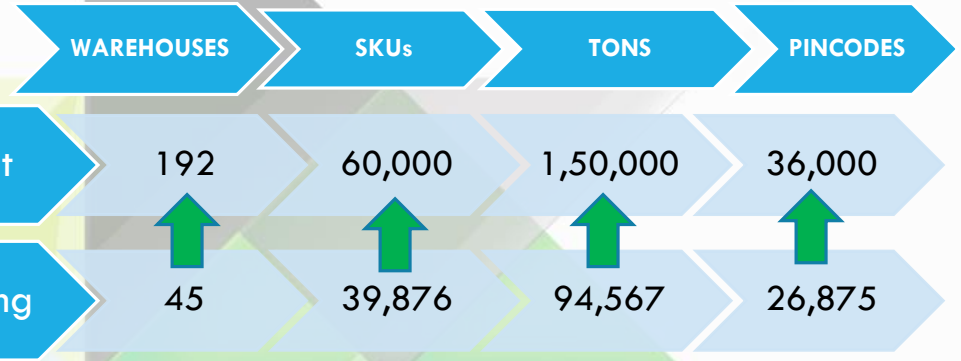
FY 17 Revenue contribution from Services



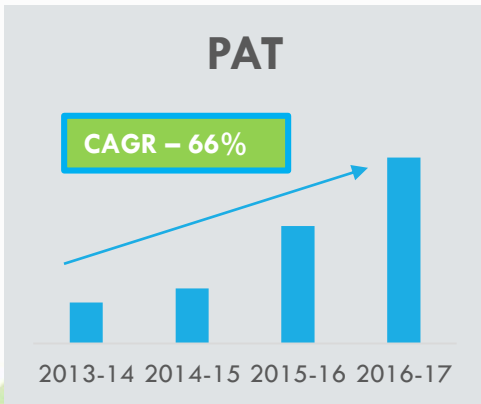
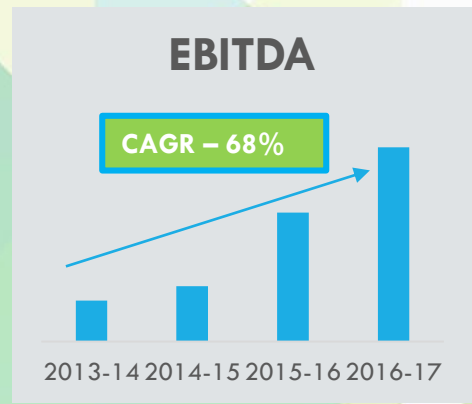
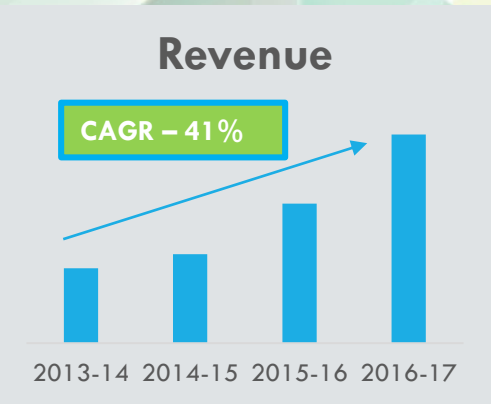
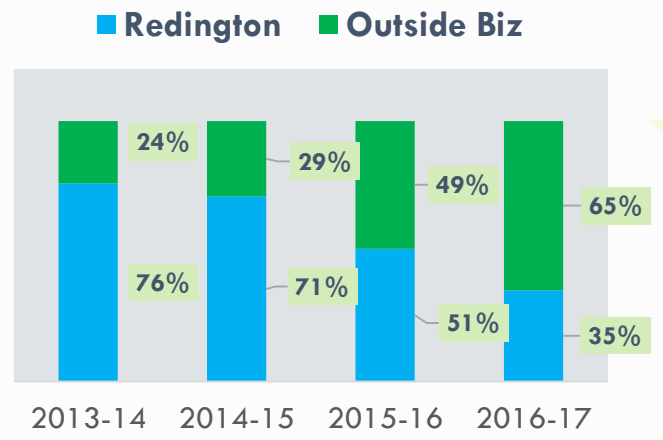
FY 17 Revenue contribution from Industries



PROCONNECT – THE GROWTH STORY



Revenue Mix



ROA – 21%

ROE – 34%

ROCE – 53%

GROWTH DRIVERS & FOCUS AREAS

GROWTH DRIVERS

GST roll out

Industrial Growth

Make in India initiatives & Digitalization road map

Improvement in Infrastructure

E-Com as a growth industry

FOCUS AREAS

Opportunities from GST – Consolidation and Transportation

Focus on expanding into FMCG/Pharmaceuticals and Cold Storage

Grow Mission Critical Services

M&A for new market reach & acquiring capabilities

GROWTH DRIVERS & FOCUS AREAS





SUPPORT SERVICES

WARRANTY SERVICES

1. IT
2. TELCO

POST WARRANTY SERVICES

1. Annual Maintenance
2. Facility Management
3. On-demand Services



SPARE PARTS MGMT

1. Inventory Planning
2. Forward & Reverse Logistics
3. DOA validation



ENTERPRISE SOLUTIONS

1. Managed Security Services (MSSP)
2. Consultancy & Professional Services
3. Cloud Support Services (MSP)



ensure
services
solutions | support | spares

240+ Service centres across India, ME & Africa
75,000 repairs per month in India
1,000+ cities serviced per month in India

EVOLVING INTO THE FUTURE

PAT Margin – 8%

Warranty/Out of warranty services

Infrastructure Management Services (IMS)

Managed Security Services Provider (MSSP)

Managed Services Provider (MSP)

CONSULTING

EVOLVING INTO THE FUTURE

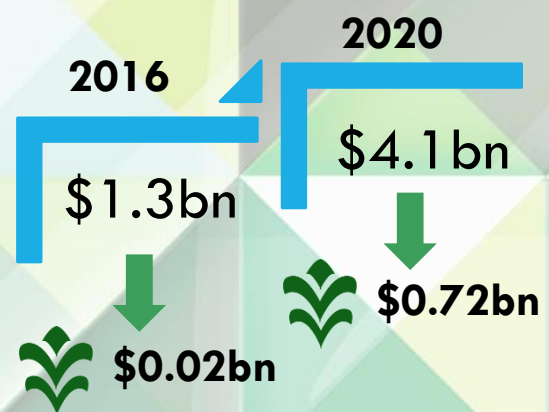


CLOUD BUSINESS

VISION – “To become a premium cloud solution provider”

**ORACLE's
Cloud(IaaS/PaaS)
Transformation Partner
of the Year 2016**

INDIA'S PUBLIC CLOUD MARKET



OUR MAJOR ASSOCIATIONS



3D PRINTING



OUR FOCUS – 3D Printing & Parts Manufacturing

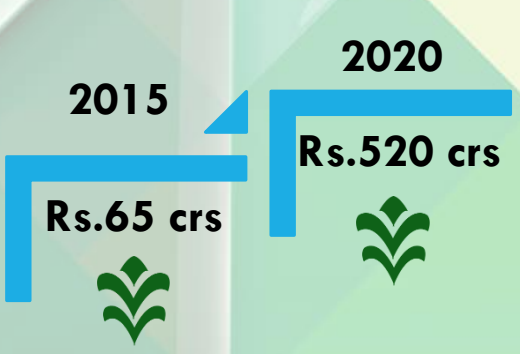
Digital Parts Manufacturing Facility through



INDIA'S 3D PRINTING PRODUCTS & SERVICES MARKET

PRODUCTS & SERVICES FOCUS

MAJOR BRANDS



- 3D Printers
- 3D Scanners
- Parts Manufacturing

- 3D Systems
- Zeiss

Source: Wohler

NAVIGATING SUCCESSFUL TRANSFORMATION

- Navigating the ambiguous environment
- Responding with clarity & precision

ADAPTABILITY

OUR PEOPLE

Strong domain knowledge

Proven track record

Displayed high degree of Adversity Quotient

ADAPTABILITY

FLEXIBILITY

- Ability to embrace change
- Ability to identify & convert an opportunity

RELATIONSHIP MANAGEMENT

Established long standing relationship

Win-win partnerships with vendors/partners

Specialized servicing & Key Account Managers

FLEXIBILITY

- Technologically volatile times
- Necessitates quick and prudent response

AGILITY

SYSTEMS & INFRASTRUCTURE

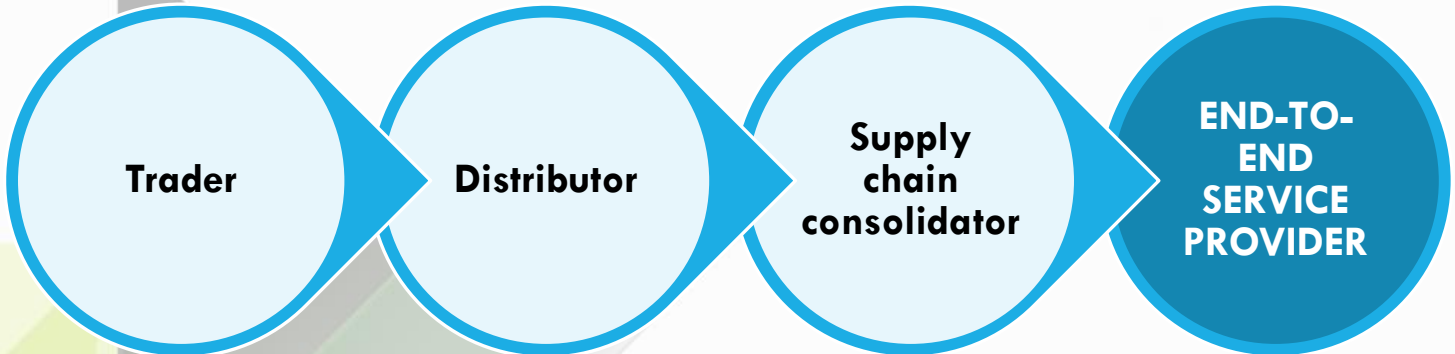
Technologically driven

Established systems and controls

Continuous adoption to changes

AGILITY

OUR TRANSFORMATION



Logistics services

Support services

Digital printing services

Cloud services

3D Services

20%

PAT CONTRIBUTION OF SERVICES IN 2020

OUR TRANSFORMATION





Making a *Difference*

- REDINGTON CSR

Project Read

Employability Skills
Training to Socially &
Economically Challenged



1406
students
benefitted



Project Reach

Vocational Training to
Differently abled



651
students
benefitted



Project Excellence

Bring Excellence in
Student's Community



18,734
beneficiaries



HOW WE MEASURE SUCCESS

Stakeholders	Objectives	Key metrics	Rating
Shareholders	Constant endeavour to increase shareholder's value	Operating margin, ROCE, Revenue & Earnings growth EPS, Dividend per share, ROE	Medium
Vendors	Be the preferred distributor to the vendor	Remain No.1 or No.2 distributor	High
Channel Partners	One-stop shop to Channel Partners	Win-win partnership	High
Company	Maintain high rating on image, reputation, trust & transparency		High
Employees	Make Redington India "A Great Place to Work" (Redington Gulf – No.24 th)	Employee Satisfaction survey	Medium
Ecosystem	Member of the Global Technology Distribution Council (GTDC) Member of Technology Distribution Association of India (TDAI) CSR initiatives through Redington Foundation	Being a thought leader	High

Our goal : To achieve "High" rating across all the classes

KEY OBJECTIVES IN THE WAY FORWARD

- **Services business to contribute to 20% of PAT by 2020**
- **Positive free cash flow generation**
- **Foray into new Emerging businesses – to drive profitable growth**
- **Monetization of assets to deliver “higher” shareholders’ value**
- **To be a digitalized company in the next 3 years**

THANK YOU

Investor Contact

M. Muthukumarasamy

Compliance Officer

Redington (India) Limited

SPL Guindy House, 95 Mount Road,

Guindy, Chennai 600 032

<https://www.redingtonindia.com>

Sowmiya M

Manager – Investor Relations

sowmiya.manickam@redington.co.in

CIN - L52599TN1961PLC028758