

5th November 2019

The National Stock Exchange of India
Exchange Plaza
Bandra-Kurla Complex,
Bandra (E), Mumbai-400 051.

Dear Sir/Madam,

Sub: Presentation to Investor/Analyst Meet

This is further to our letter dated 30th October 2019 on the Investor/Analyst call scheduled today.

Pursuant to Regulation 30(2) and 46(2)(o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Investor Presentation that will be shared with the Analysts/Investors.


The same shall be uploaded on our website www.redingtongroup.com

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

Thanking you,

Very Truly Yours,

For Redington (India) Limited


M. Muthukumarasamy
Company Secretary

CC: The Bombay Stock Exchange Ltd.,
Floor 25, P.J Towers, Dalal Street,
Mumbai-400 001.



REDINGTON (INDIA) LIMITED

Q2FY20 Earnings Presentation

September 2019

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.

Financial Highlights

- **Q2FY20** – On a consolidated basis, Revenue grew by **11%**, EBITDA grew by **24%** and PAT grew by **24%**
 - India – Revenue grew by 15%, EBITDA grew by 40% and PAT grew by 37%
 - Overseas – Revenue grew by 9%, EBITDA grew by 13% and PAT grew by 17%
- **H1FY20** – On a consolidated basis, Revenue grew by **13%**, EBITDA grew by **29%** and PAT grew by **24%**
 - India – Revenue grew by 14%, EBITDA grew by 43% and PAT grew by 31%
 - Overseas – Revenue grew by 11%, EBITDA grew by 19% and PAT grew by 20%
- On a consolidated basis, **WC days** for Q2FY20 is **30 days** and H1FY20 is **31 days**
- Improvement in **ROCE** on consolidated basis to **13.5%** in Q2FY20 and **15.1%** in H1FY20
- Generated **free cash flow** of **Rs. 1,607 crs** for Q2FY20 and **Rs.673 crs** for H1FY20

Financial Highlights

India business

- During the quarter, India business registered double digit growth in Revenue, EBITDA and PAT, driven by Mobility segment
- Substantial improvement in WC days to the tune of 17 days during Q2FY20 and 21 days during H1FY20
- ROCE improved to 16.8% in Q2FY20 and 20.8% in H1FY20
- During the quarter, ProConnect registered revenue growth of 19% YoY, EBITDA growth of 78% and PAT degrowth of 68% YoY. PAT degrowth is on account of operational challenges in the subsidiary company as well as increase in Interest cost (largely driven by Working Capital) and depreciation expenses in the Standalone business

Financial Highlights

Overseas business

- During the quarter,
 - Overseas business delivered double digit growth in EBITDA and PAT, driven mainly by IT segment
 - Overseas business continues to maintain WC efficiently with WC days for Q2FY20 at 32 days (vs 39 days in Q2FY19)
 - Redington Gulf had an impairment charge to the tune of Rs.1.08 crs, on account of loss of distribution contract in its subsidiary company

Turkey Update

- During the quarter, Arena biz had registered double digit growth on Revenues and strong double digit growth on EBITDA
- There was tax advantage during this quarter. However, Arena registered growth at PBT level as well



Q2FY20 Highlights

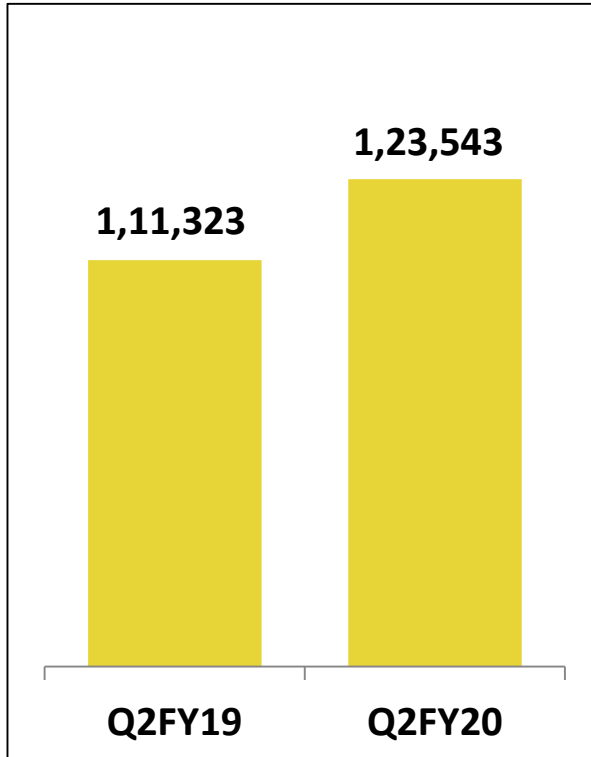


Q2FY20- Consolidated Financials

₹ in million

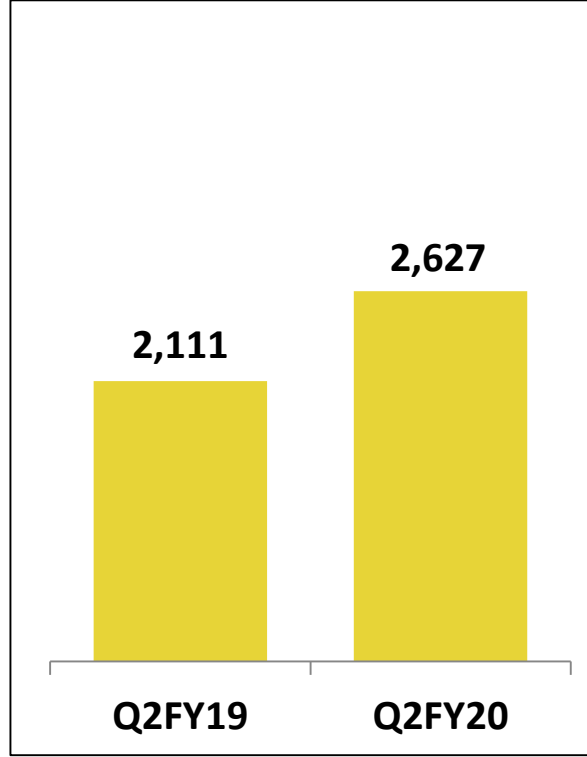
REVENUE

11% ▲



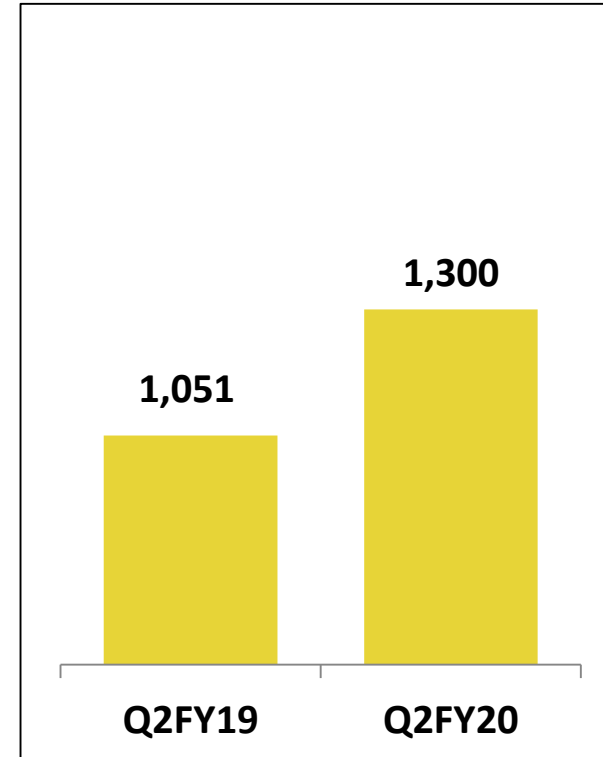
EBITDA

24% ▲



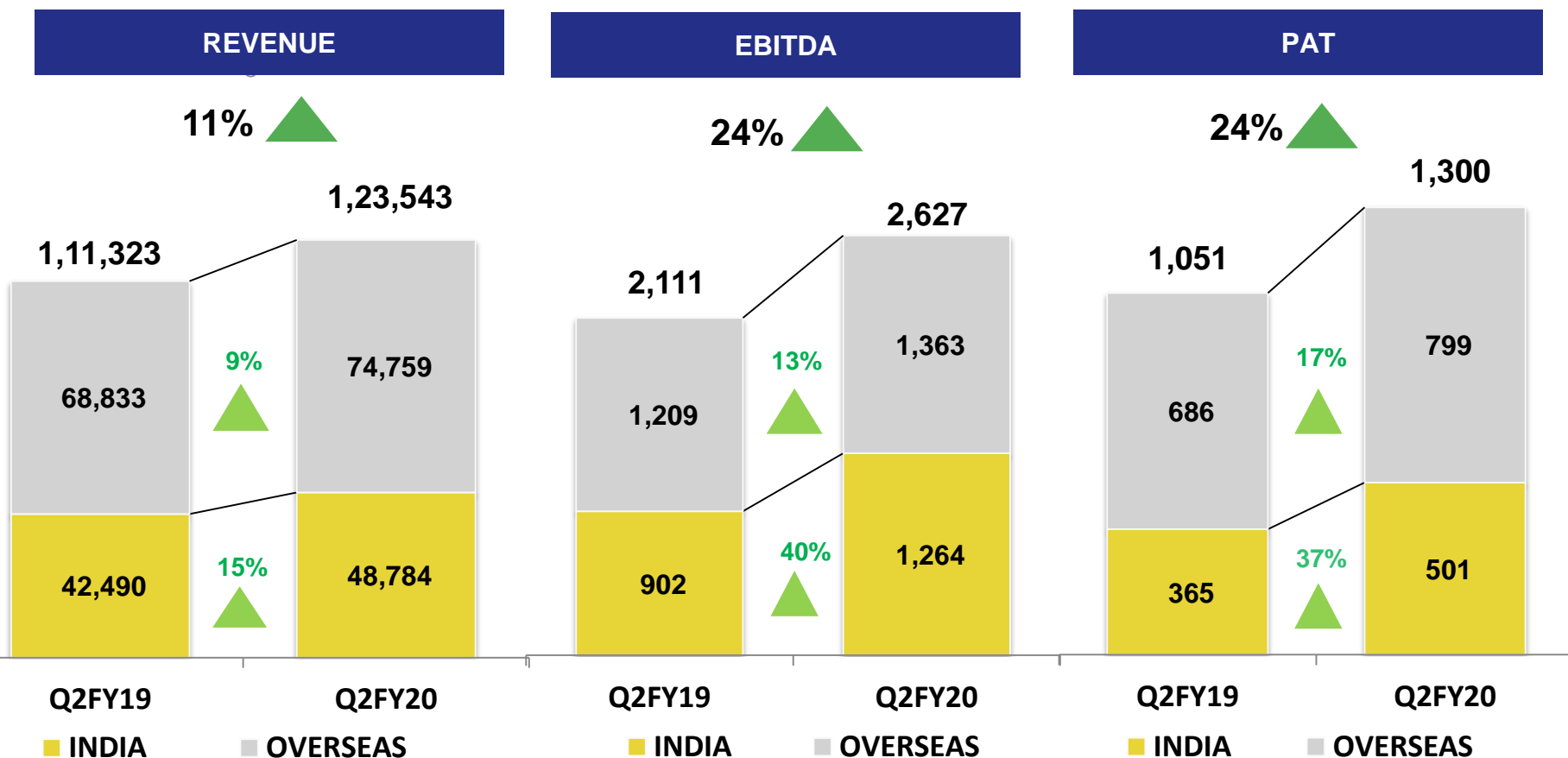
PAT

24% ▲



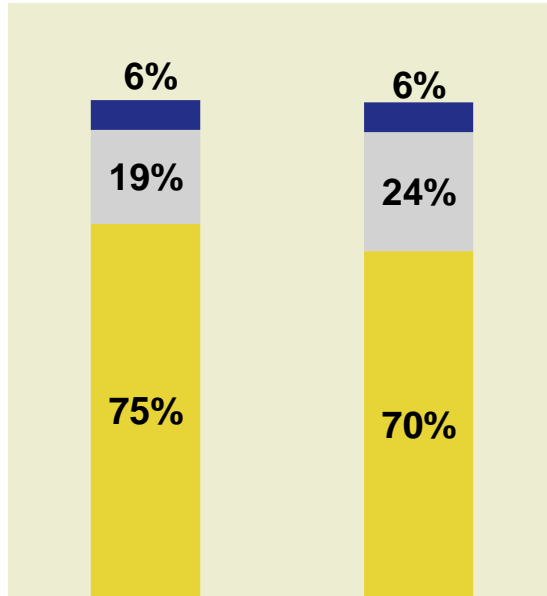
Q2FY20 Performance by Market

₹ in million



Q2FY20 Performance by Vertical

INDIA

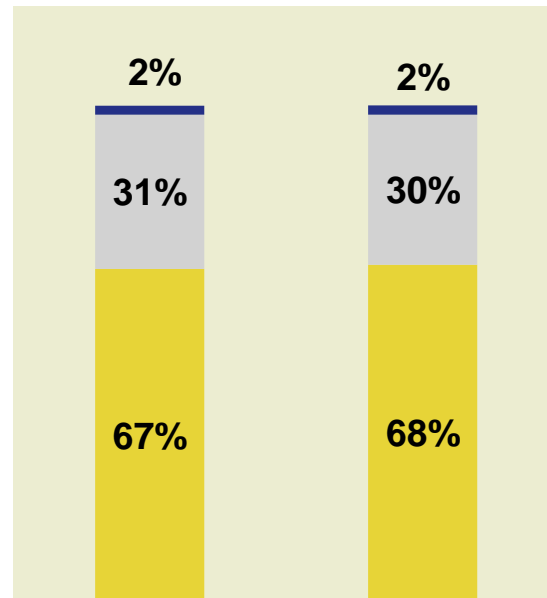


Q2FY19

Q2FY20

■ IT ■ Mobility ■ Services

OVERSEAS

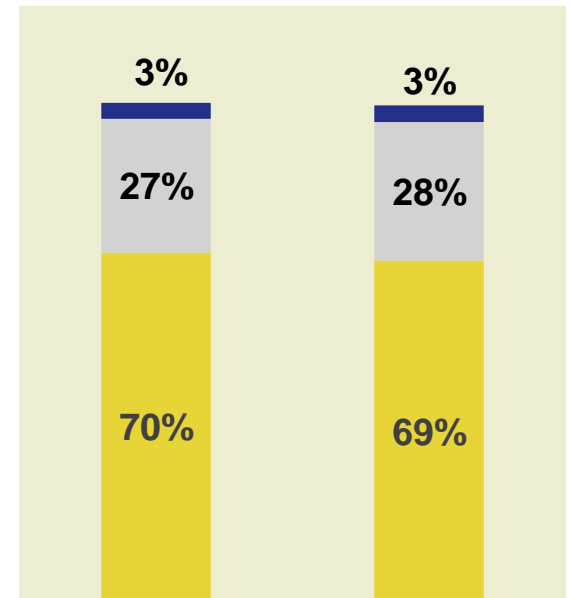


Q2FY19

Q2FY20

■ IT ■ Mobility ■ Services

CONSOLIDATED



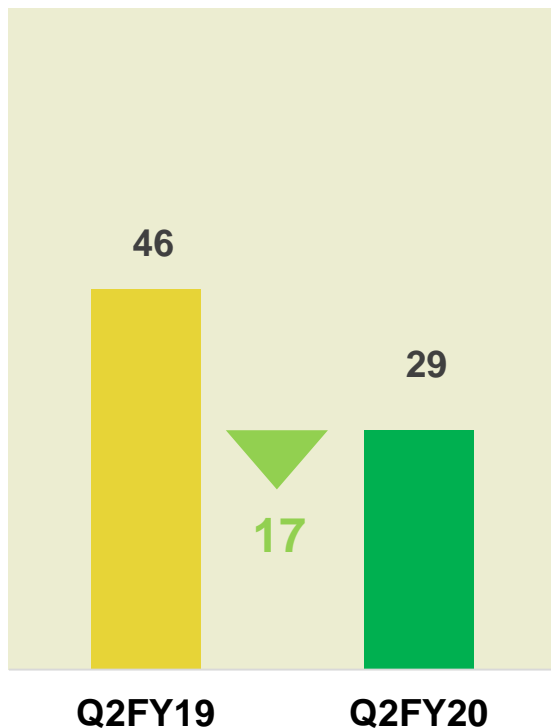
Q2FY19

Q2FY20

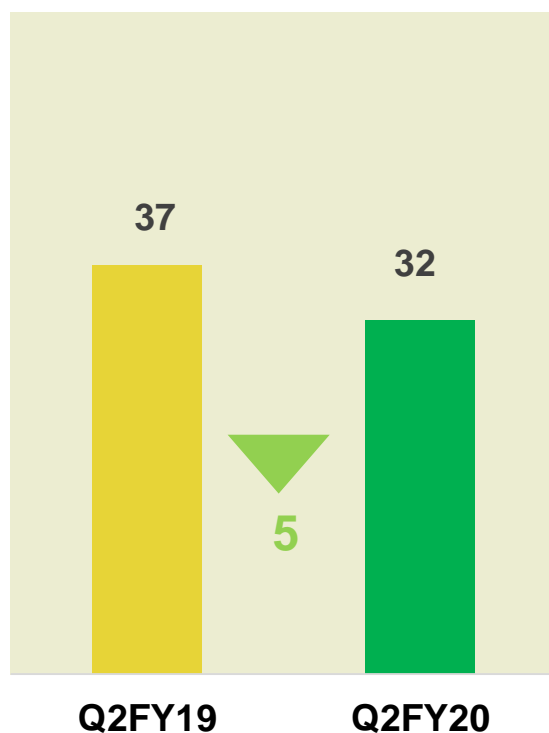
■ IT ■ Mobility ■ Services

Q2FY20 – Working Capital Days

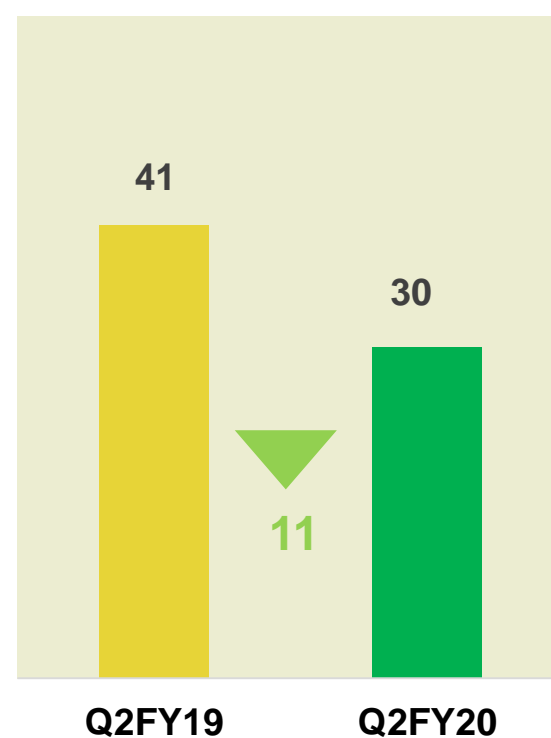
INDIA



OVERSEAS



CONSOLIDATED



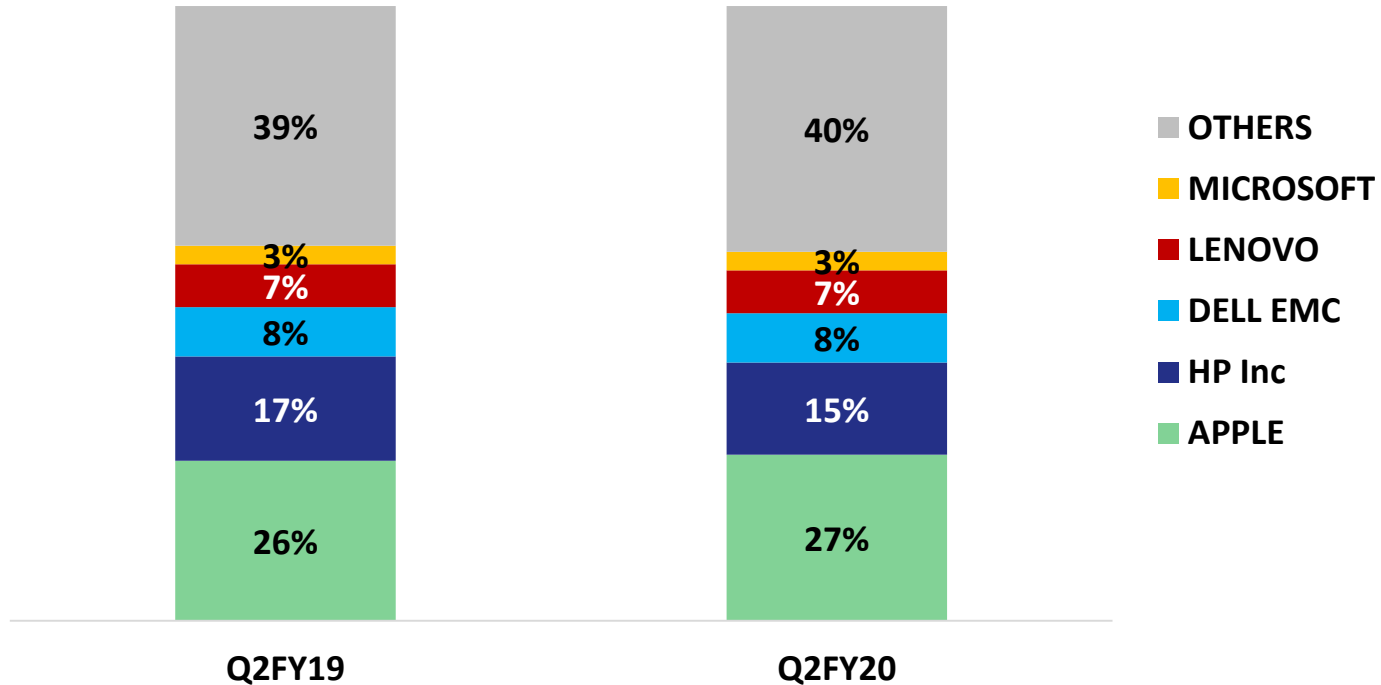
Free Cash Flow Statement

₹ in million

Particulars	Q2 FY20	Q2FY19
Profit Before Taxation	1,512	1,474
Non-cash items	630	459
Outflow of Finance Cost	526	437
Changes in Working Capital	15,854	810
Direct Taxes Paid	(627)	(432)
Net Cash Flow from Operations	17,895	2,748
Capex	(34)	(125)
Dividend paid including DDT	(1,287)	(1,138)
Outflow of Finance Cost	(499)	(484)
Free Cashflow	16,075	1,001

Q2FY20 – Top 5 Vendors Consolidated

REVENUE



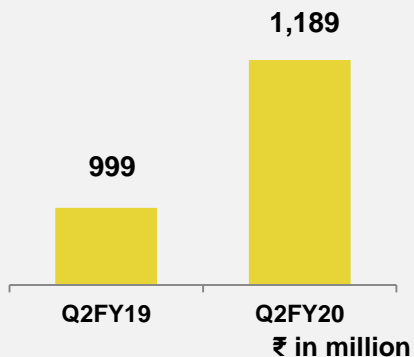
Q2FY20 Performance – ProConnect

- Revenue growth over Q2FY19 is 19%
- EBITDA growth over Q2FY19 is 78%



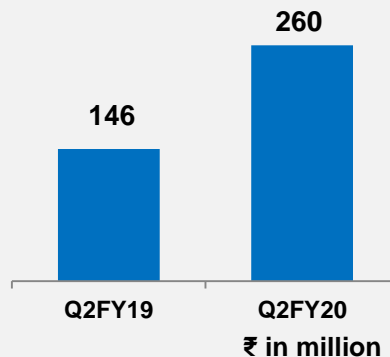
REVENUE

19% ▲



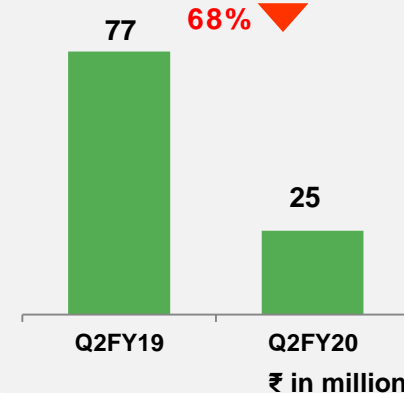
EBITDA

78% ▲



PAT

68% ▼





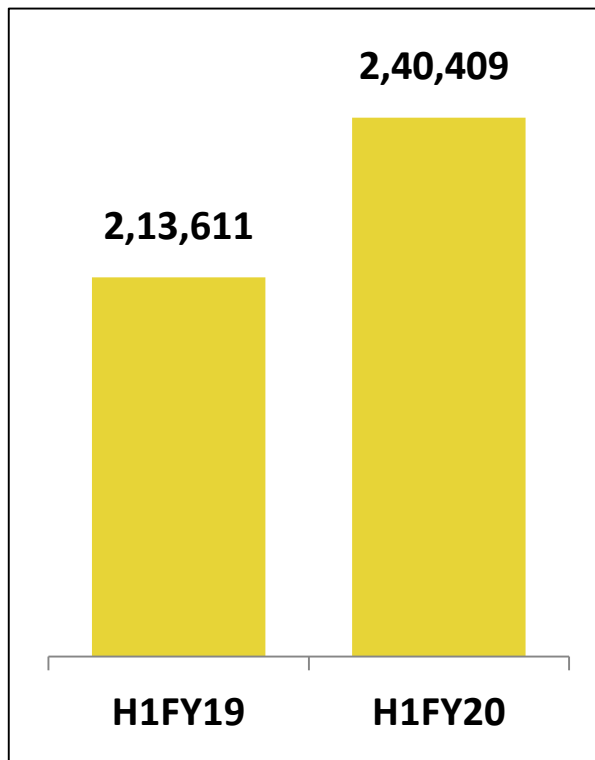
H1FY20 Performance

H1FY20- Consolidated Financials

₹ in million

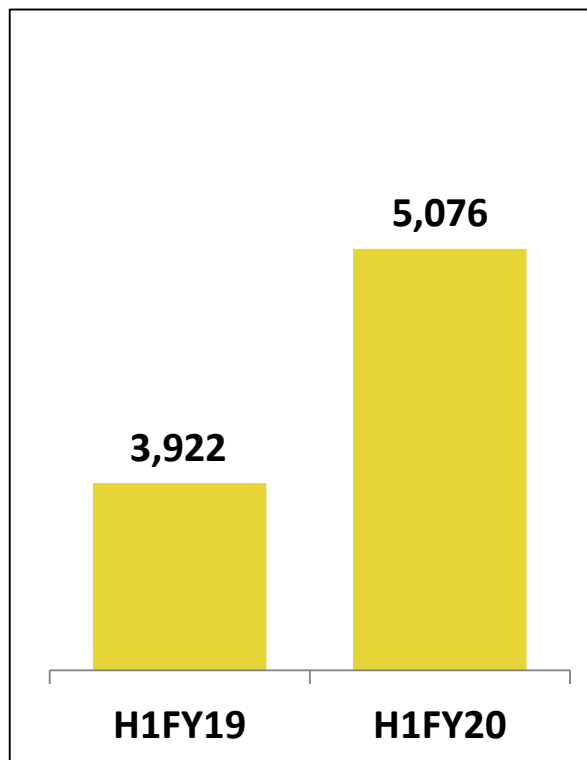
REVENUE

13% ▲



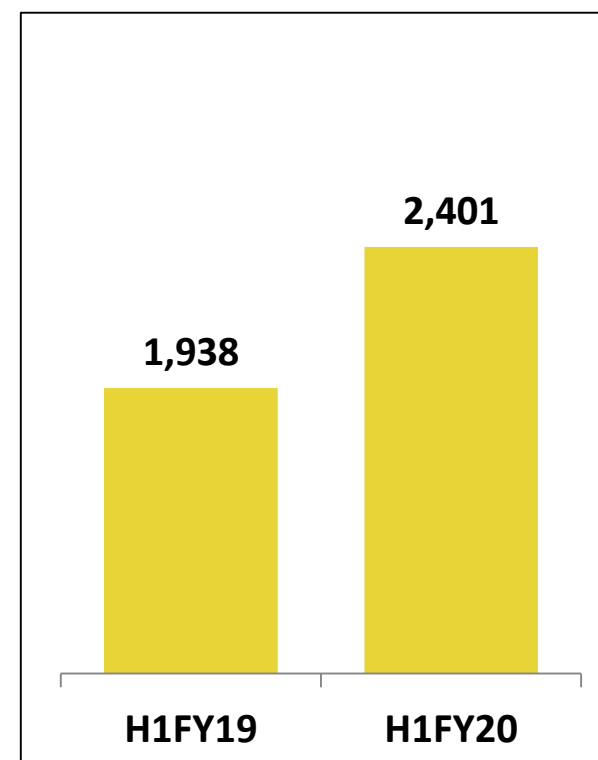
EBITDA

29% ▲



PAT

24% ▲

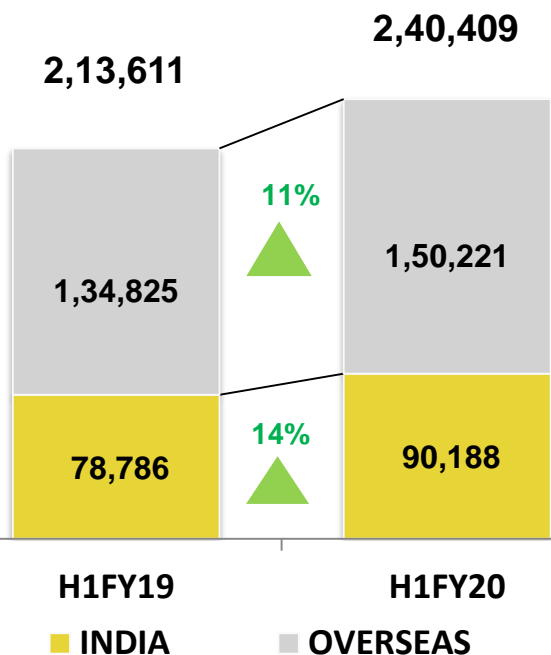


H1FY20 Performance by Market

₹ in million

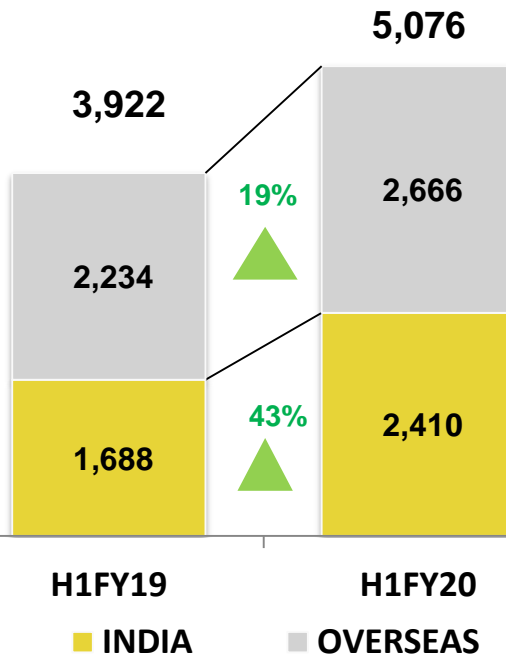
REVENUE

13% ▲



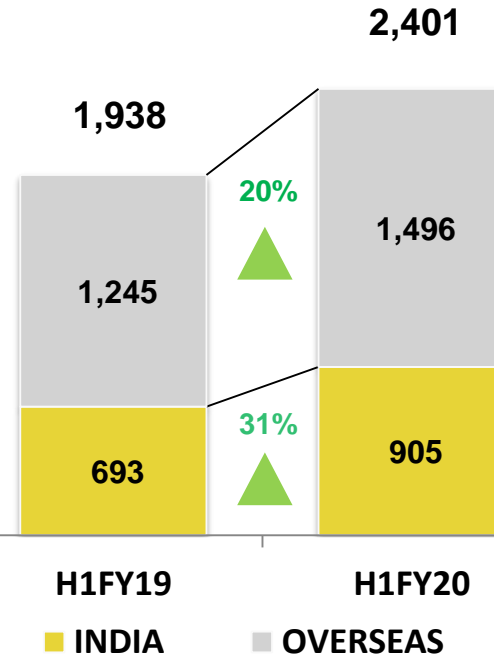
EBITDA

29% ▲



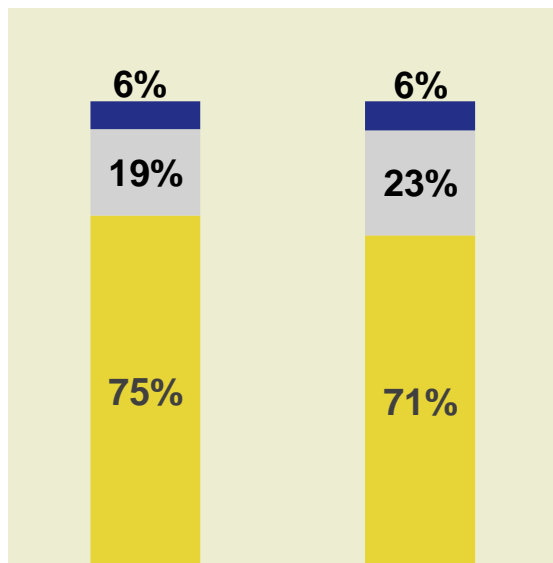
PAT

24% ▲



H1FY20 Performance by Vertical

INDIA

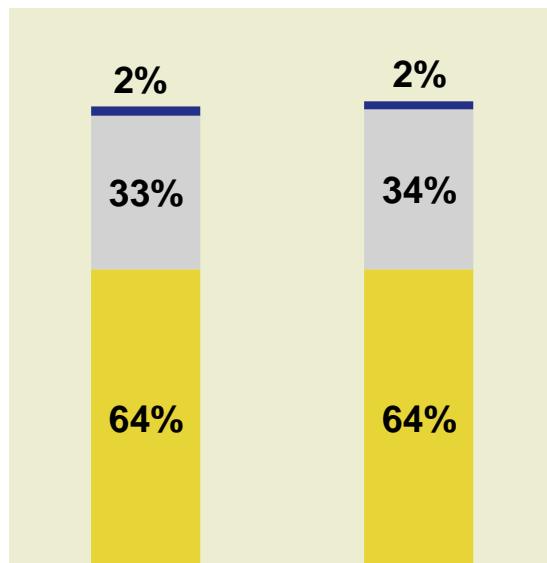


H1FY19

H1FY20

■ IT ■ Mobility ■ Services

OVERSEAS

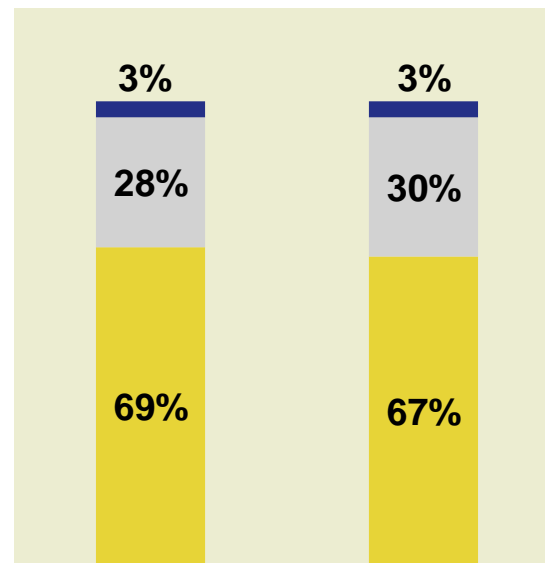


H1FY19

H1FY20

■ IT ■ Mobility ■ Services

CONSOLIDATED



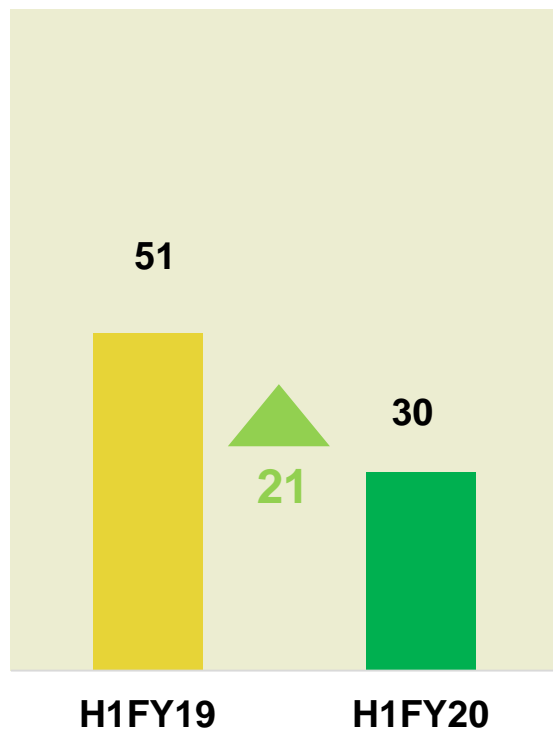
H1FY19

H1FY20

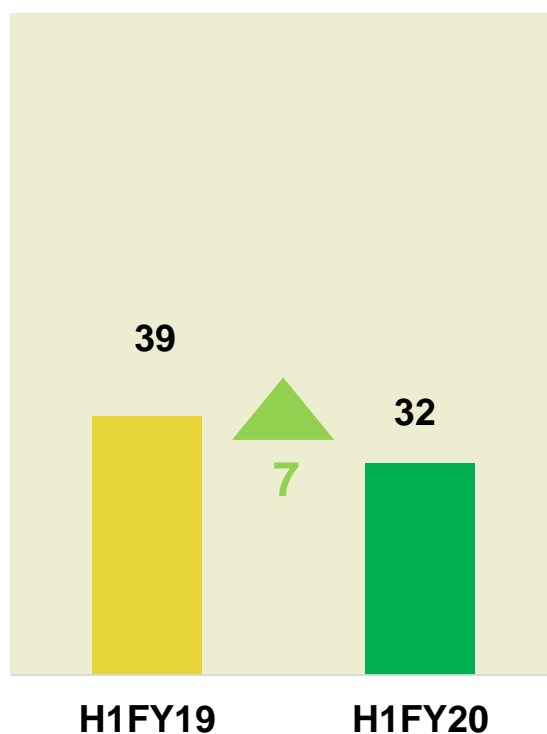
■ IT ■ Mobility ■ Services

H1FY20 – Working Capital Days

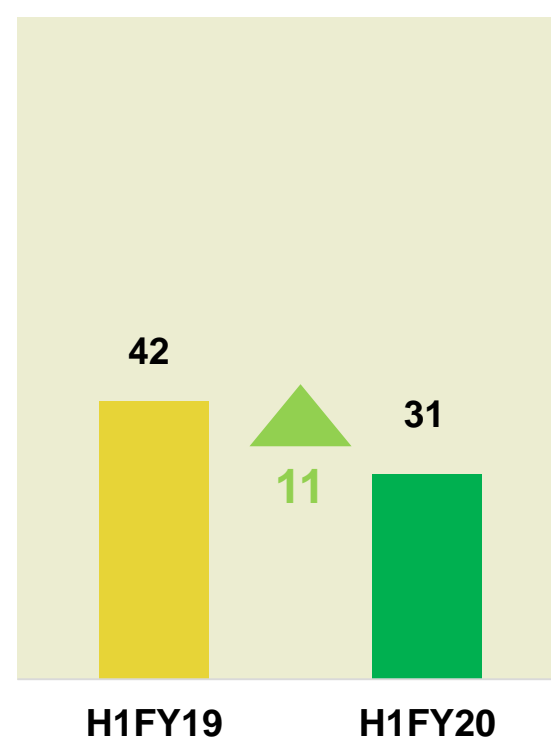
INDIA



OVERSEAS



CONSOLIDATED



Free Cash Flow Statement

₹ in million

Particulars	H1FY20	H1FY19
Profit Before Taxation	2,981	2,692
Non-cash items	976	1,131
Change in Working Capital	1,103	832
Direct Tax Paid	5,141	960
Outflow of Finance Cost	(783)	(1,049)
Net Cash Flow from Operations	9,418	4,567
Capex	(363)	(337)
Dividend	(1,287)	(1,138)
Outflow of Finance Cost	(1,039)	(922)
Free Cashflow	6,729	2,171

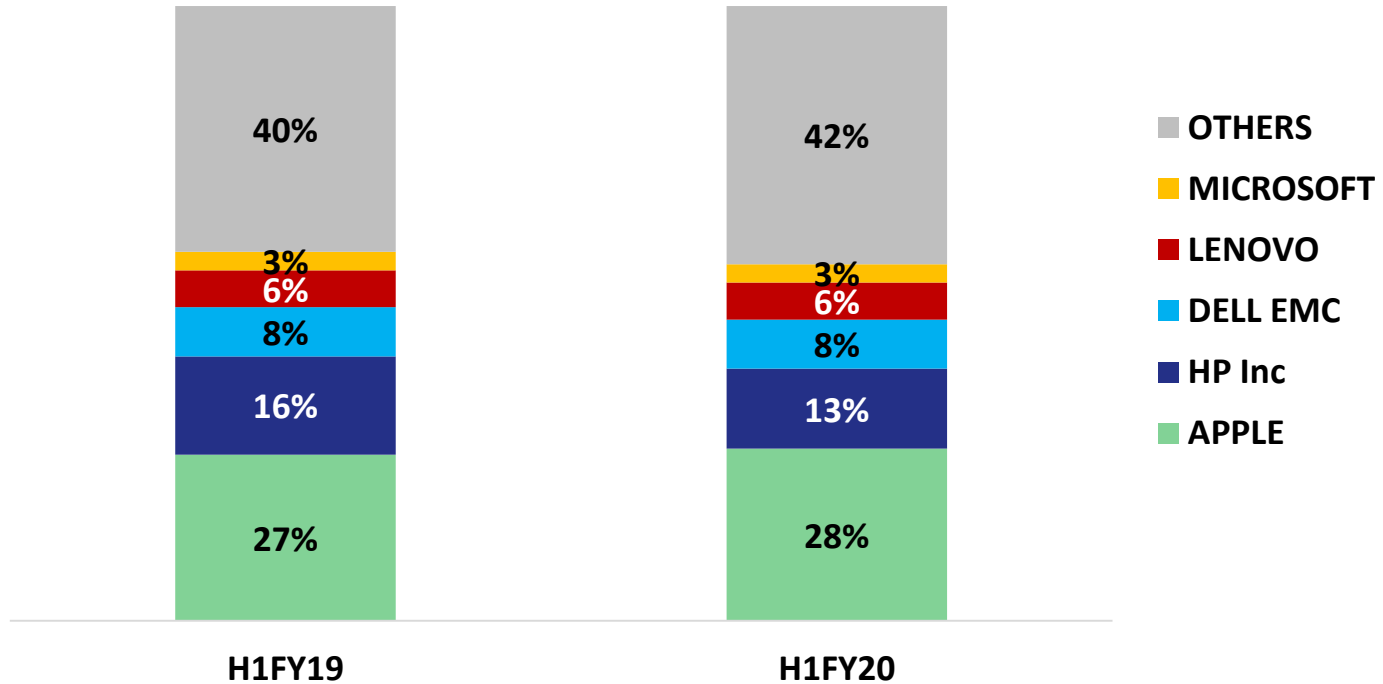
Consolidated Balance Sheet

₹ in million

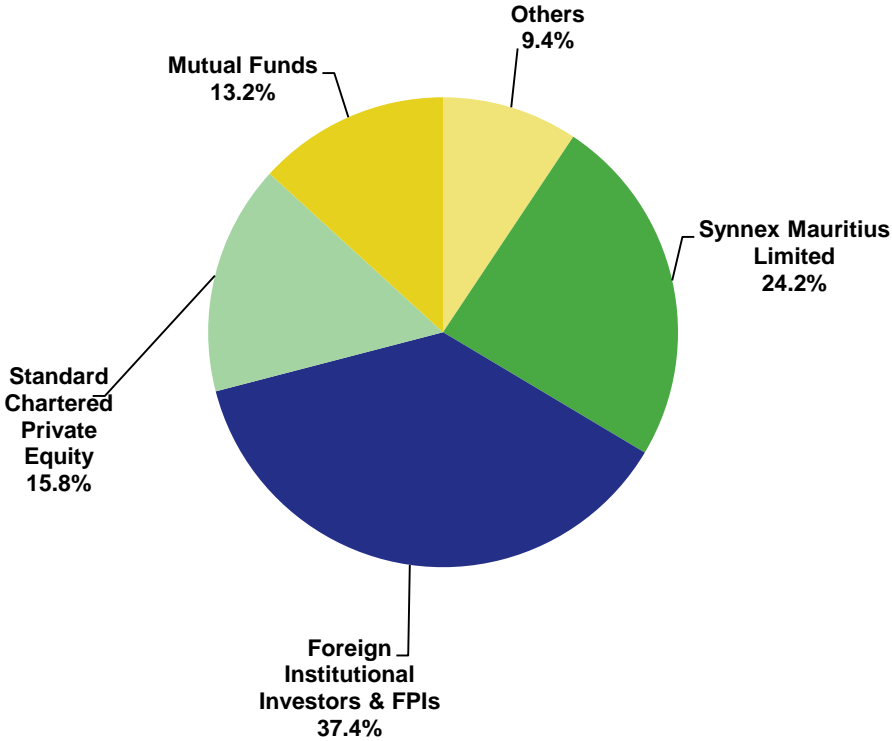
Particulars	30-SEP-19	30-SEP-18
Source:		
Networth	40,542	38,567
Net Debt	4,045	10,087
Minority Interest	3,558	3,753
Total	48,145	52,407
Application:		
Fixed Assets	4,558	5,068
Goodwill	218	238
Net Assets	43,369	47,101
Total	48,145	52,407

H1FY20 – Top 5 Vendors Consolidated

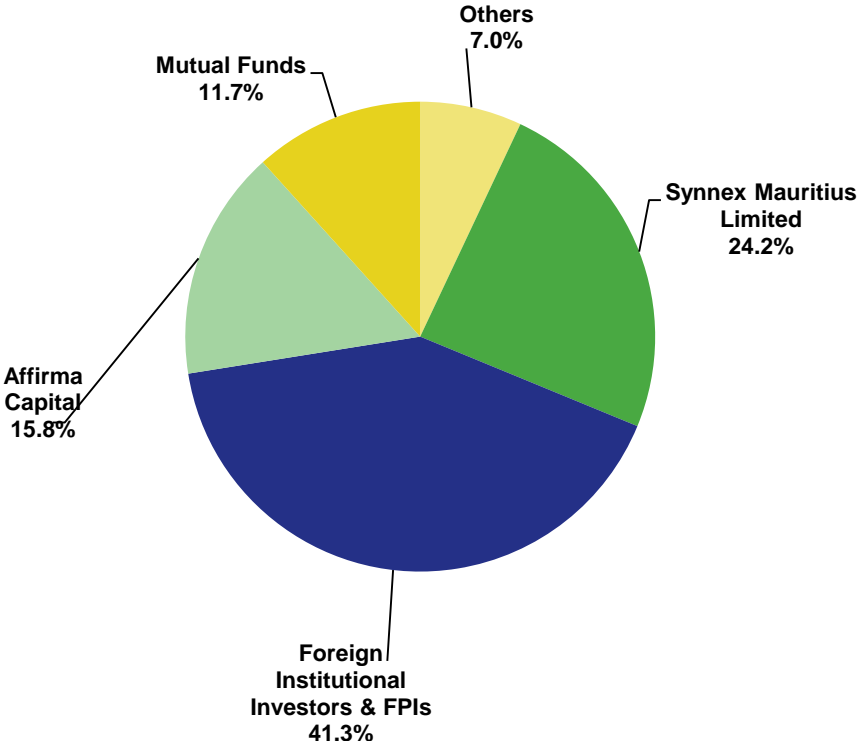
REVENUE



Shareholding Pattern



Jun-2019



Sep-2019

Note: Post corporate restructuring, SCPE shareholding has been transferred to Affirma Capital



Investor Contacts

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Compliance Officer

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Guindy, Chennai 600 032

<https://www.redingtongroup.com>

Sowmiya M

Senior Manager – Investor Relations

sowmiya.manickam@redington.co.in

CIN - L52599TN1961PLC028758



Corporate Presentation

June 2019

WHO ARE WE?

*A prominent & leading
“Technology Distributor”
evolving into a
“Services & Solutions company”*



WHAT WE DO?

*We are ‘Business Enablers’,
Seamlessly partnering with
Brands and Channel partners
in delivering value*



No.1 Technology distributor in MEA and No.2 in India



Multi faceted approach of Distribution & Services



Expanding the reach & coverage for over 215+ brands through 38,200+ partners



An Emerging Markets player with in-country presence



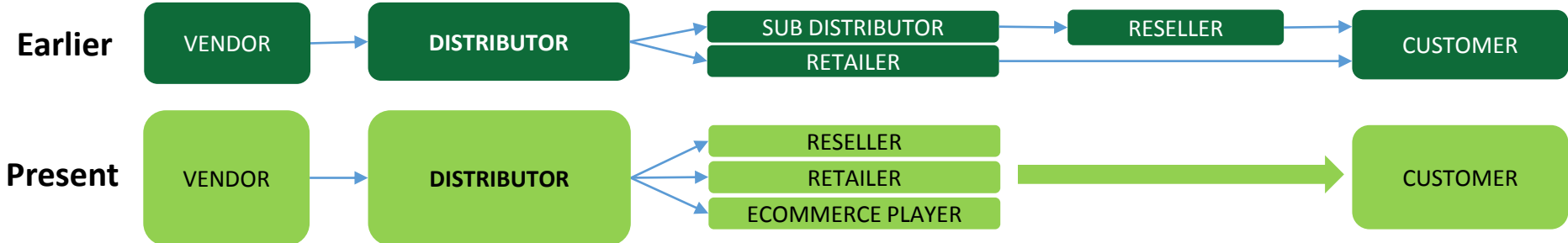
\$6.7bn+ company with strong double digit 12 year CAGR (Revenue, EBITDA & PAT)

Industry Overview

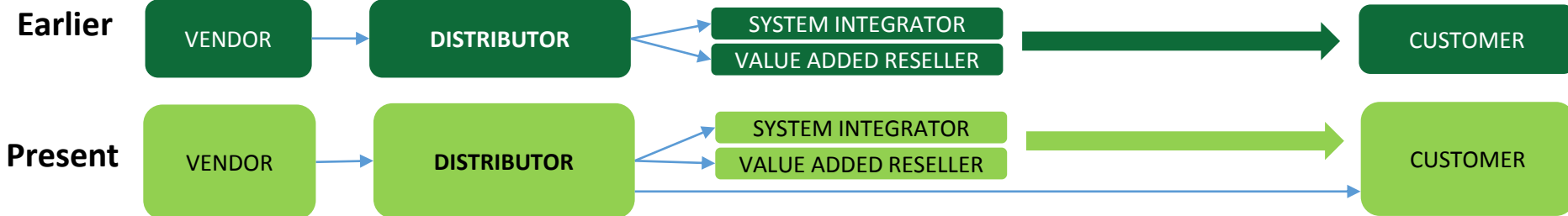


Distribution Food Chain

IT CONSUMER & MOBILITY



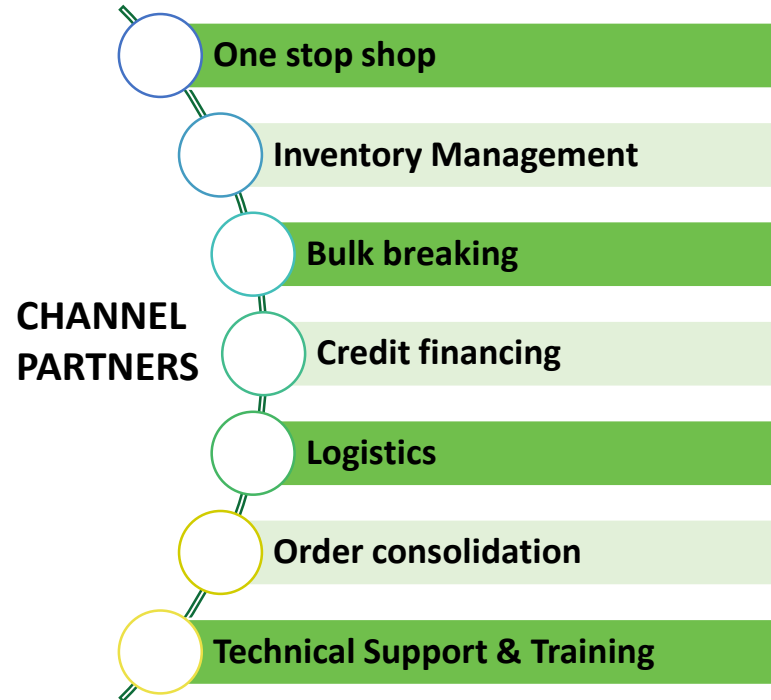
IT ENTERPRISE



Distributors: Value Creators

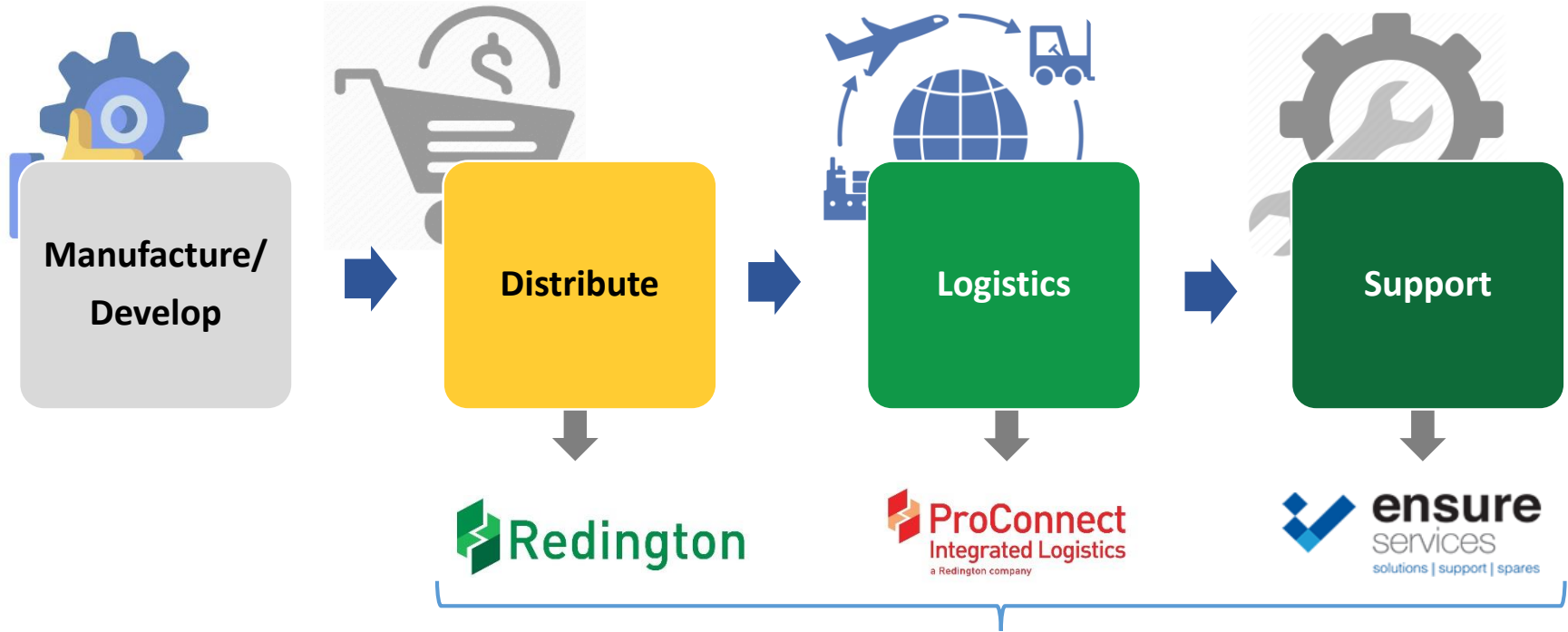


Increase in the revenue base & increased value offered in a product



Facilitating selling as well as enhancing the selling potential for partners

Product Lifecycle



Our presence across the product lifecycle

Company Overview



“Our mission is to offer a robust technology-powered platform to enable a seamless flow of products and services”

Our Values



ADAPTABILITY



COLLABORATION



KNOW-HOW



OBJECTIVITY



SIMPLICITY

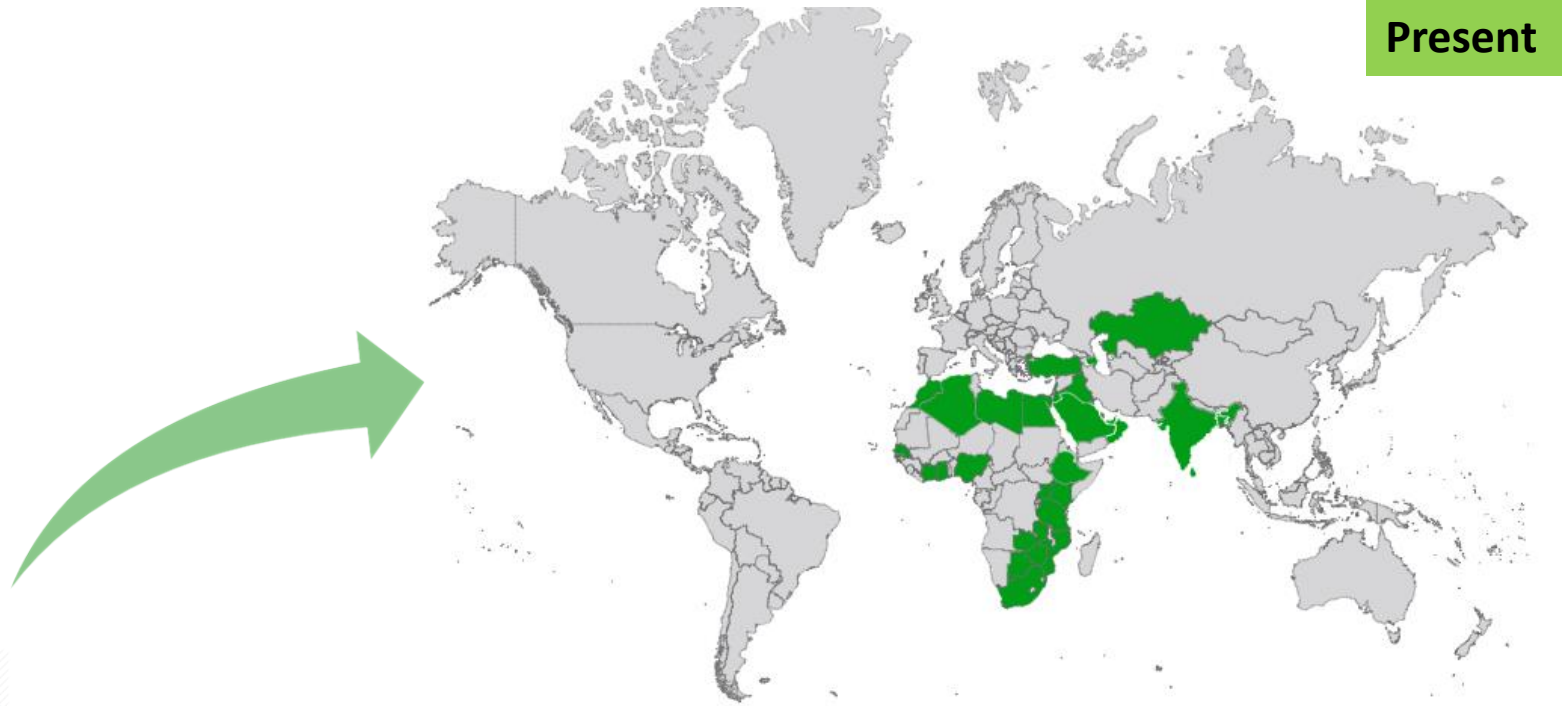


TRUST



TRANSPARENCY

Our Emergence

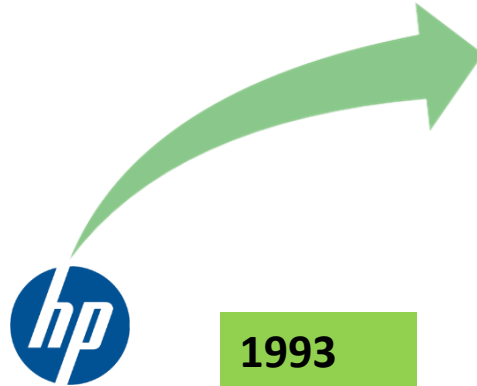


Present

1993

Presence across 37 markets, a leading Emerging Markets player

Our Associations

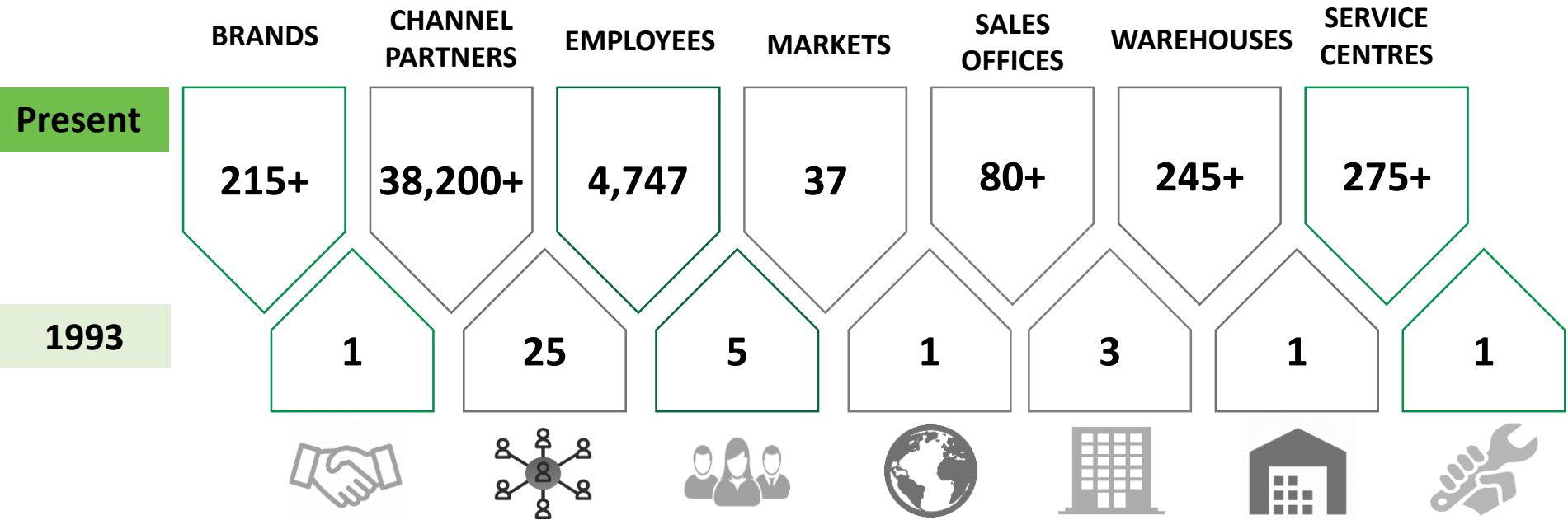


1993



Enviably Partnerships with over 215+ brands

Our Expansion



From a 'Home Grown Company' to a 'Leading Distributor'

Independent Directors

CHAIRMAN



Prof. Ramachandran
Professor, Corporate
Policy & Strategy
IIM, Bengaluru



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



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



B Ramaratnam
Professional
Director



Anita P Belani
Sr Business & Human
Capital Leader, Operating
Partner (Gaja Capital)

Executive Directors



Raj Shankar
Managing Director



S V Krishnan
Whole time
Director



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



Chen, Yi-Ju
Senior Manager –
Finance Planning &
Management
Synnex Tech, Taiwan



Udai Dhawan
Founding Partner &
Head of India,
Affirma Capital

Non-Executive Directors

Our Experienced Executive Team



Raj Shankar
Managing Director



P S Neogi
Chief Development
& Strategy Officer



S V Krishnan
CFO & Whole
Time Director



Ramesh Natarajan
Joint COO & Chief
Sales Officer, India



J K Senapati,
Joint COO, India



E H Kasturi Rangan
MD, ProConnect
Logistics, India



Dr. R. Arunachalam
CEO, ProConnect
Logistics, India



S V Rao
CEO, Ensure
Services, India



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



**Jeetendra
Berry,**
Sr Vice
President,
IT Volume,
Middle East



Rawad Ayash,
Sr Vice
President,
Mobility,
Middle East



Sayantan Dev
Sr Vice
President,
IT Value
Distribution



Jim Mathew
Sr. Vice President,
Mobility,
Africa



S Chidambaram
Sr. Vice President,
Supply Chain
Management, MEA



Sriram Ganeshan
Director & Chief
Financial Officer,
MEA



S Sethuraman
Sr. Vice President,
Ensure Services, MEA



Serkan Celik,
CEO, Arena,
Turkey

Business Overview



Distribution Business

BUSINESS

INDIA

MIDDLE EAST

AFRICA

TURKEY

SINGAPORE

SOUTH ASIA

DISTRIBUTION



IT CONSUMER

PCs



Laptops



Print Supplies



Printers



Consumer Lifestyle products



IT ENTERPRISE

Networking



Software



Servers & Storage



Security



MOBILITY

Smartphones

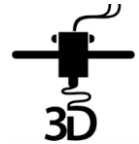


EMERGING



Health & Medical Equipment

3D Printers & Scanners



Solar products

Services Business



BUSINESS	INDIA	MIDDLE EAST	AFRICA	TURKEY	SINGAPORE	SOUTH ASIA
SERVICES	 					



 a Redington company				 imagine the real
Logistics services	Support services	Cloud services	Digital print services	3D Print Services

ProConnect India



Wholly Owned Subsidiary of Redington



Integrated Third Party Logistics partner



PAN India presence



180+ Warehouses



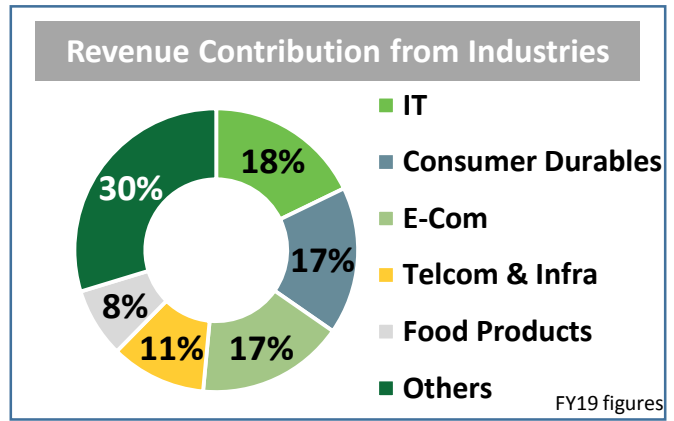
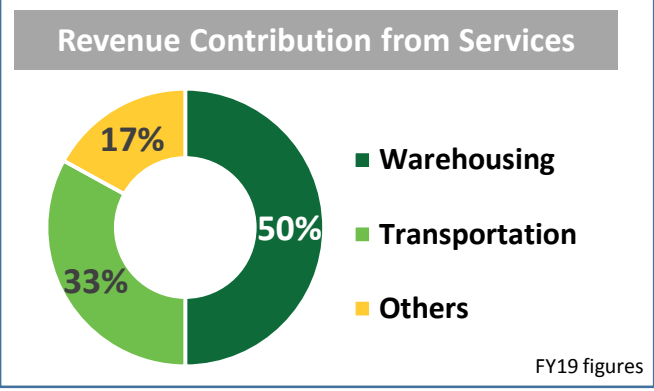
6.7 mn Sq.ft. in operation



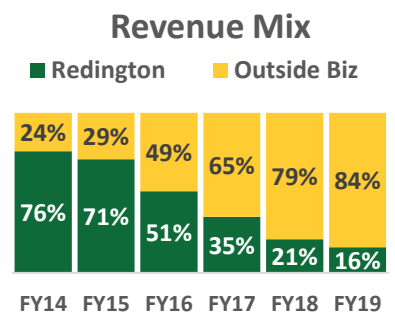
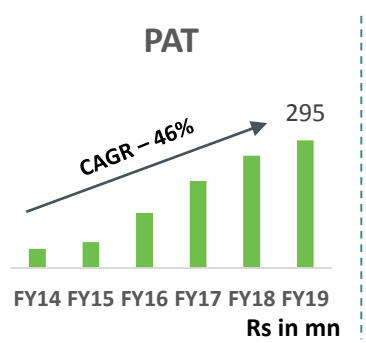
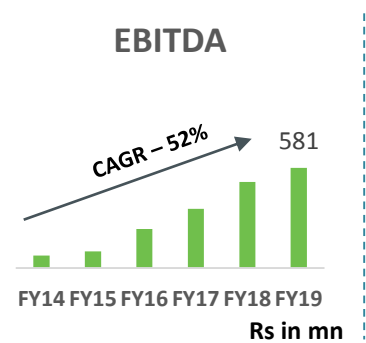
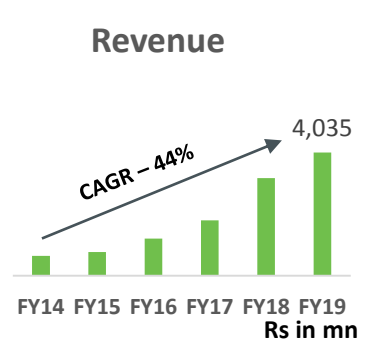
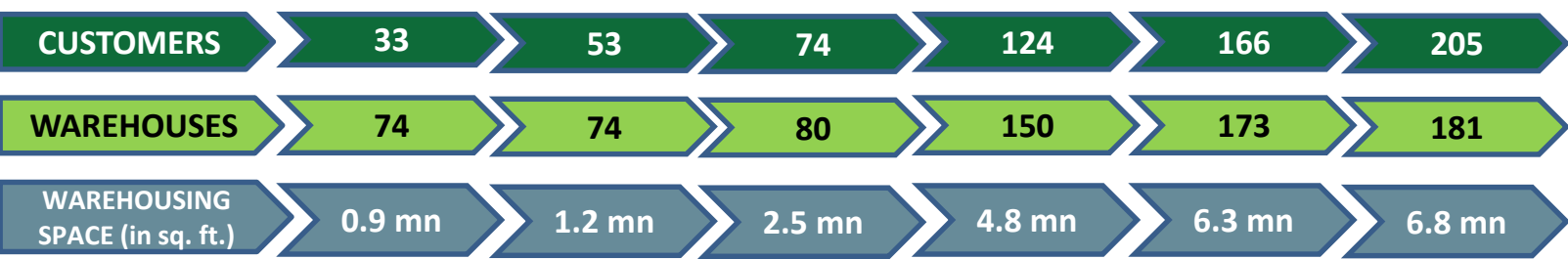
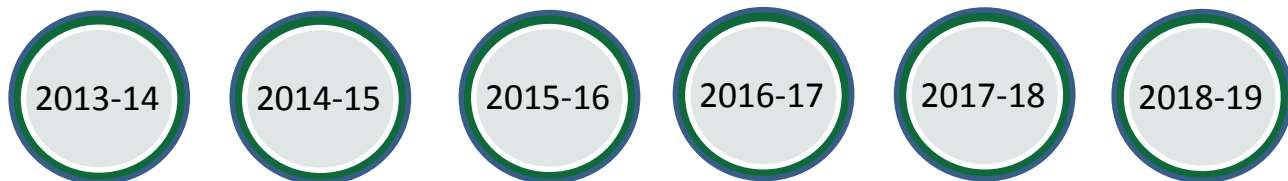
185+ Customers across 12+ Industries



19,800+ Pincodes



ProConnect India : Growth Story





Wholly Owned Subsidiary of Redington



PAN India presence with 45+ Owned service centres across India



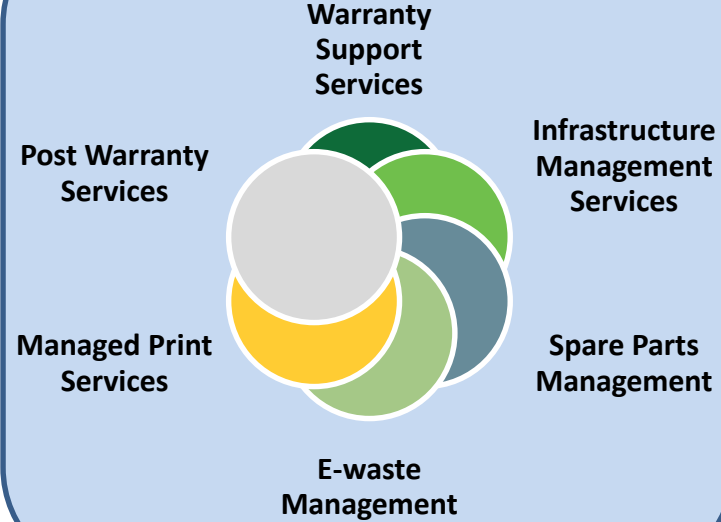
Preferred Service partner with 185+ service partners across India



FY19 Revenues : Rs 1069 mn
FY19 PAT : Rs 39 mn



ensure
services

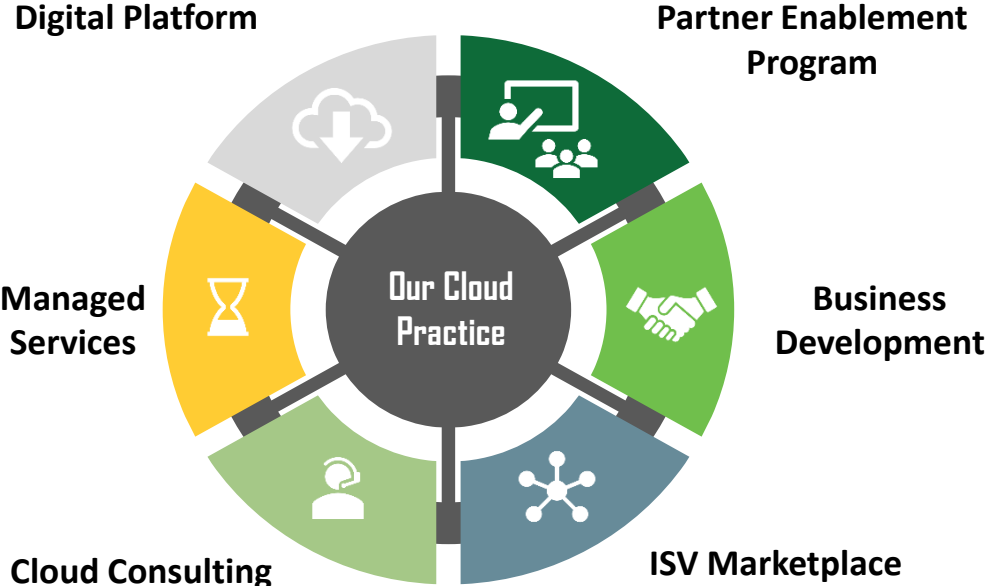


Clients

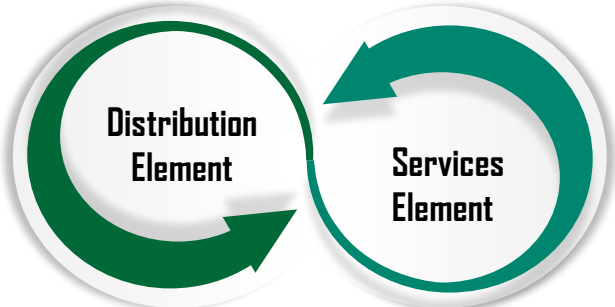


*Illustrative

Our Cloud Practice



Our business



Down-selling of Cloud products



ORACLE

Redington team provides Managed Services, focussing on SME/Mid Market clientele

DIGITAL PRINT SERVICES



Exclusive Distributor of
HP Indigo's "Digital
Printing Press" in India

REVENUE MODEL



Distribution of Printing Press



Annuity revenues from clicks



Parts & Labour



Ranked Grade
"AAA" by HP
Indigo
(First in the
world)

3D PRINT SERVICES



Set up 3D Printing
Facility in Chennai



On-Demand Manufacturing



Prototyping



Scanning

Fueling Growth In a Challenging Business



IT CONSUMER

PC Shipments decline

- Enabling better product mix with higher ASP
- Market share gains

IT ENTERPRISE

*Gradual pickup in Corporate capex
and Govt Projects*

- Establishing presence in Cloud
- Increased value added services
- Systematic approach devised to participate in Government Projects

MOBILITY

Volatile Industry

- Association with MNC brands with clear long term strategy

OVERSEAS

Geo-political tensions

Three Commandments

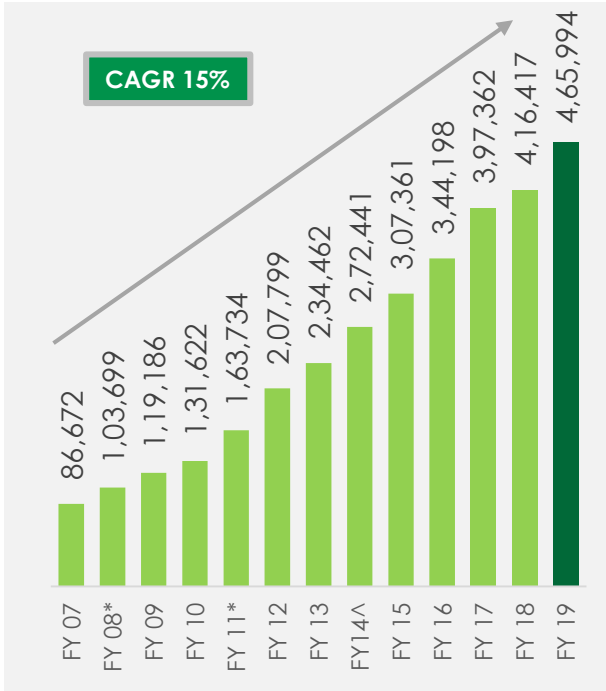
- Protect capital fiercely
- Be absolutely paranoid about risk
- Reduce costs as much as possible

Financial Performance

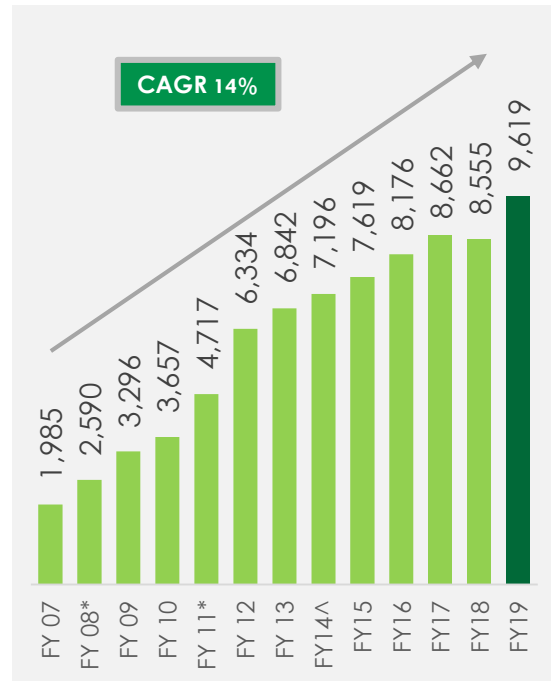


Performance Since Listing

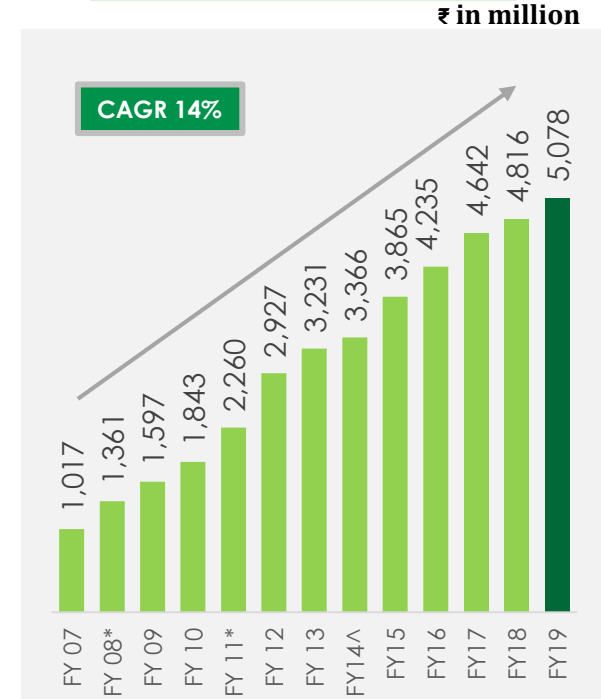
REVENUE



EBITDA



PAT

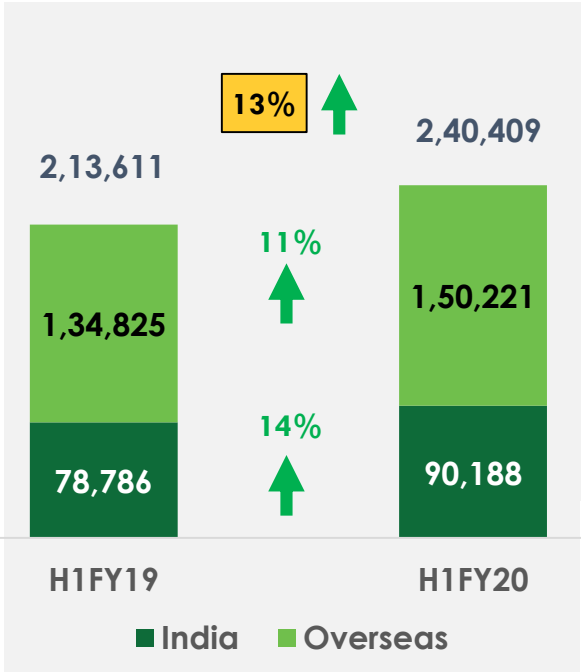


Performance By Market

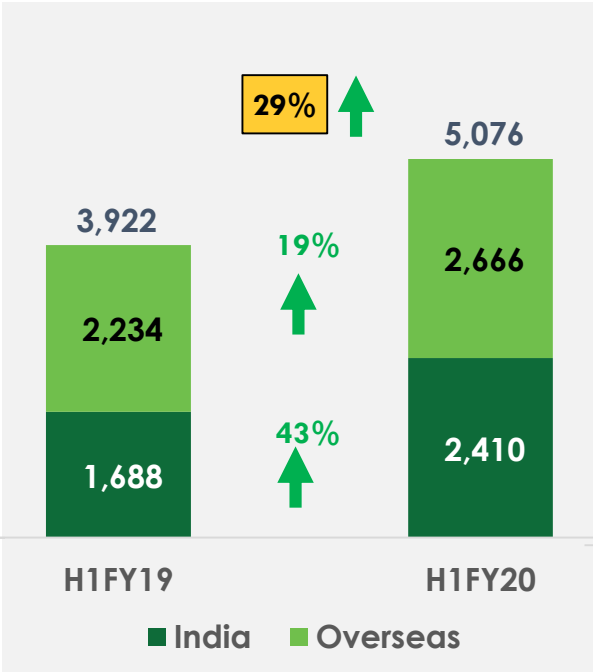


₹ in million

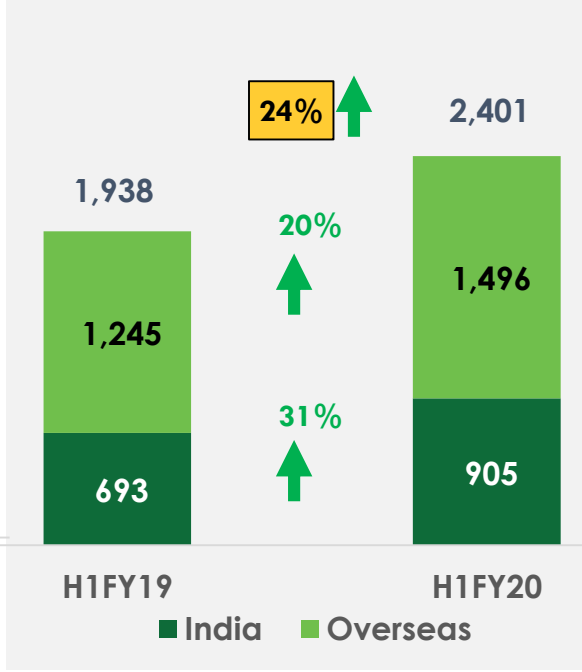
REVENUE



EBIDTA

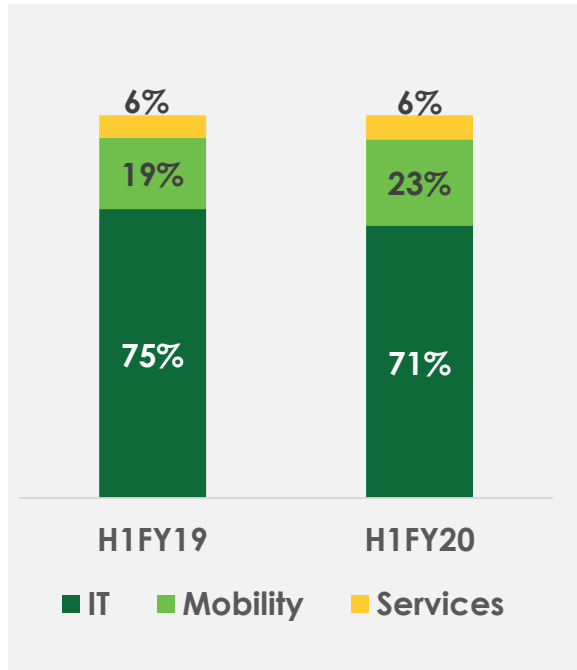


PAT

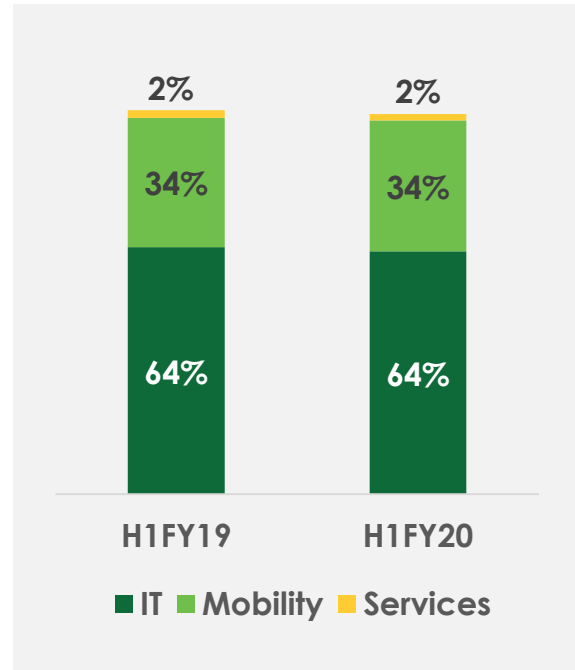


Performance By Vertical

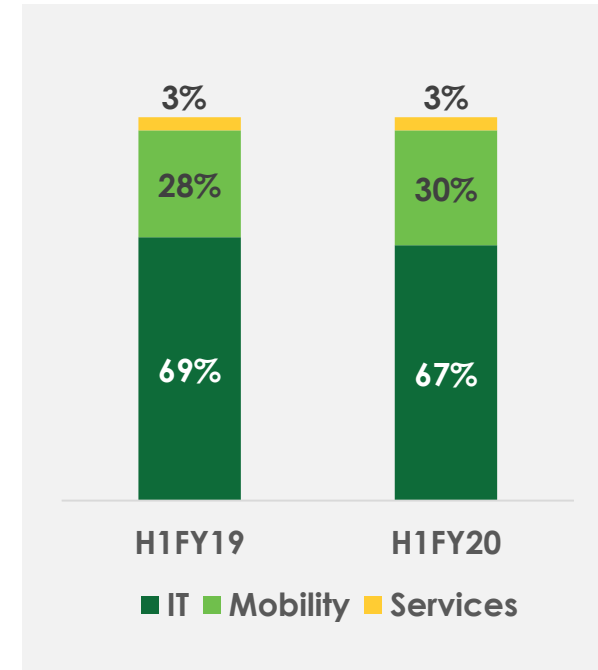
INDIA



OVERSEAS

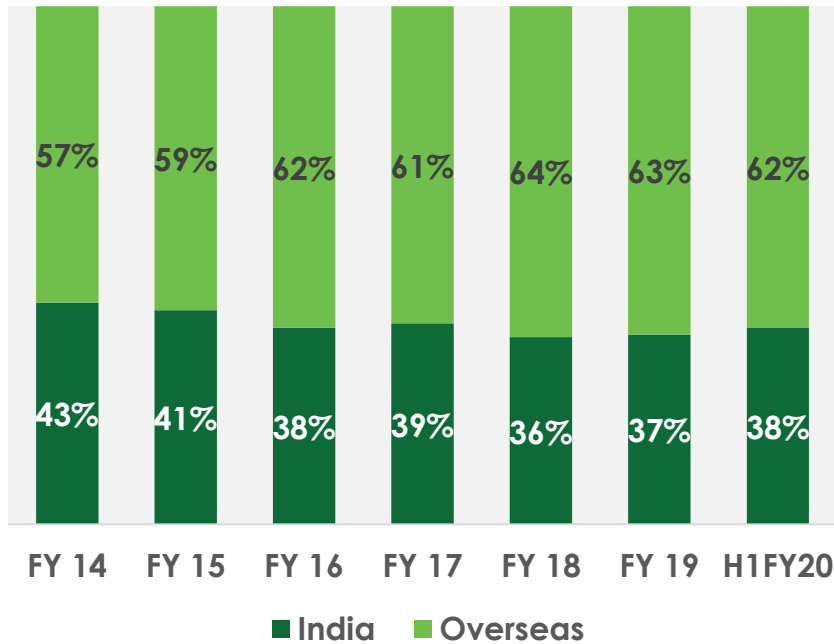


CONSOLIDATED

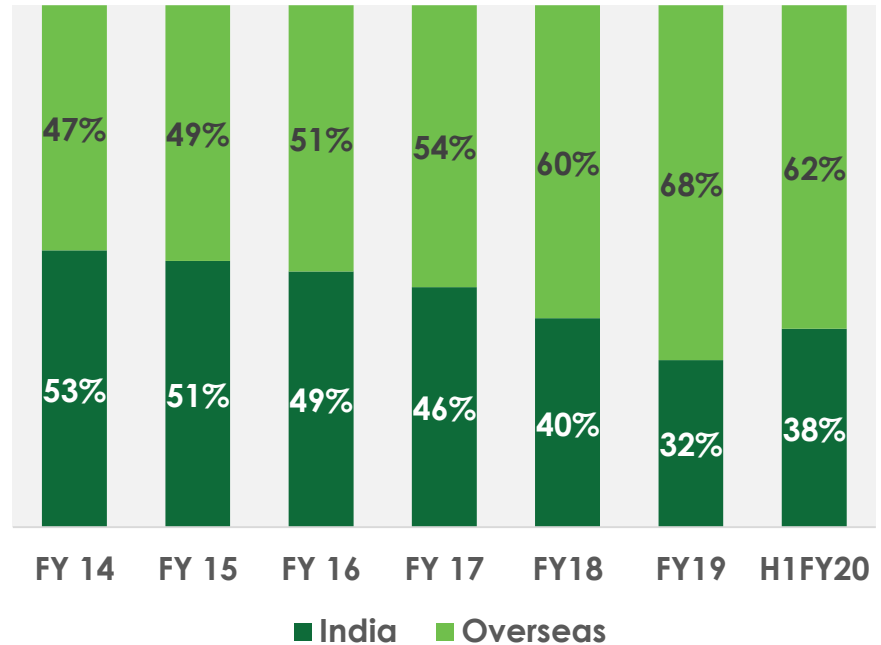


Geographical Contribution

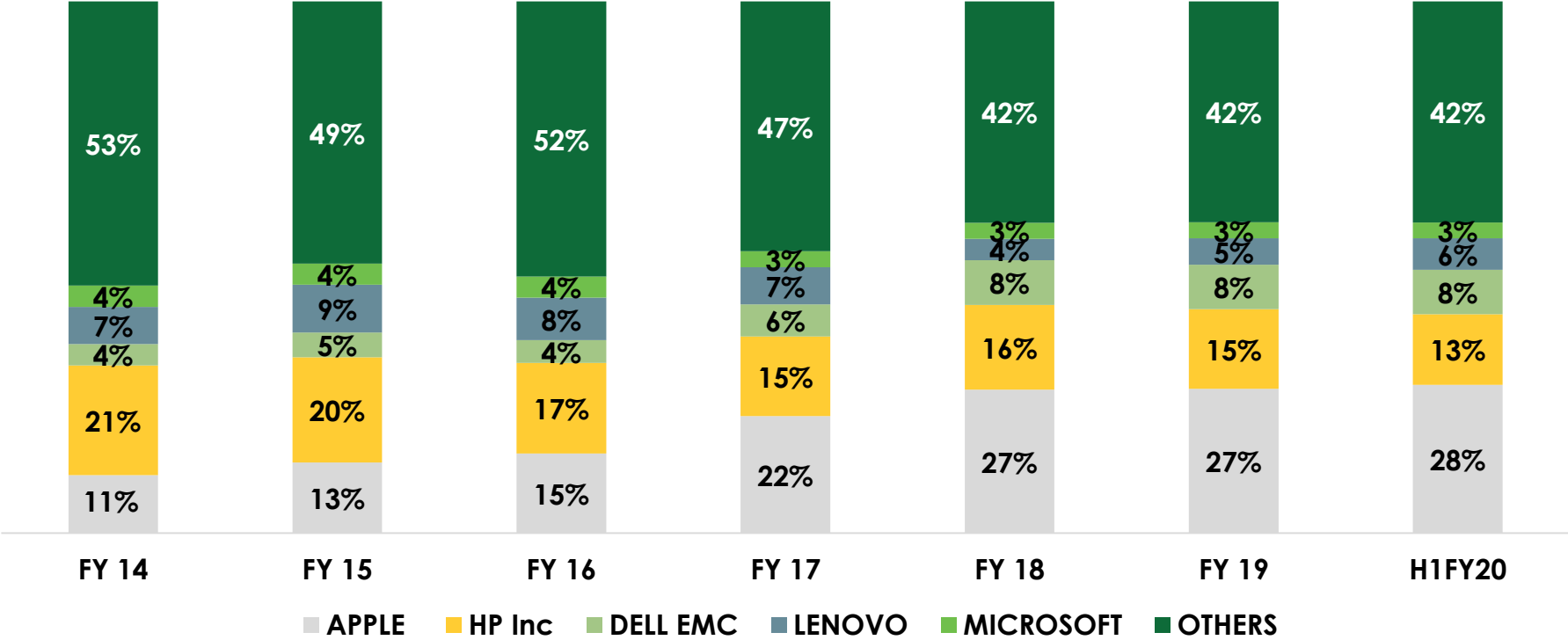
REVENUE



PAT

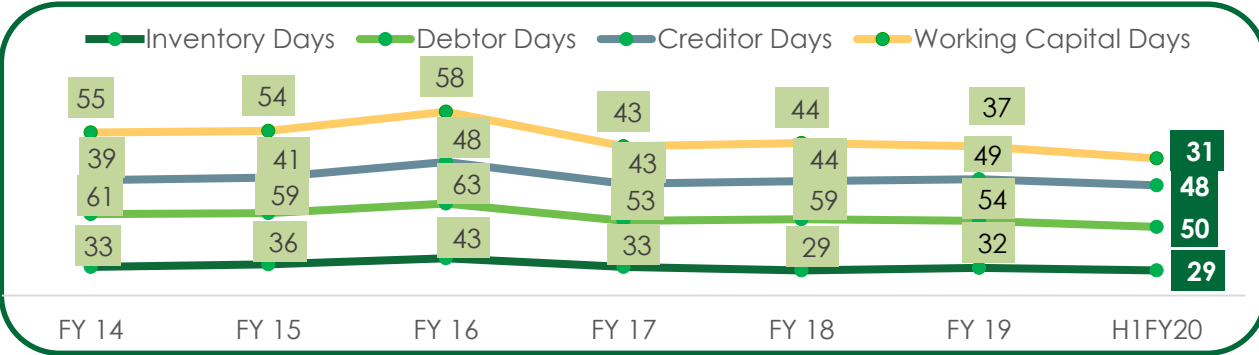


Top 5 Vendors



Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

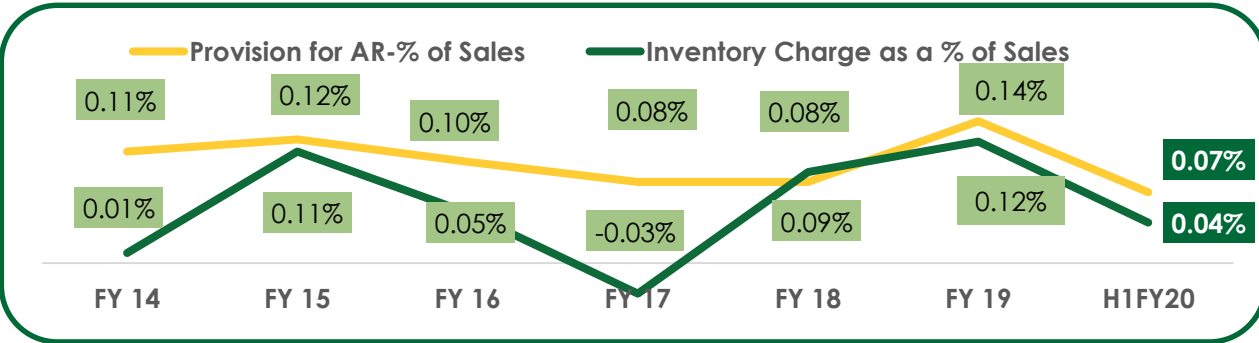
Key Operating Metrics



Working Capital Days at sustainable levels

Rs in mn	FY14	FY15	FY16	FY17	FY18	FY19	H1FY20
CFO	2,413	1,951	(1,922)	12,986	2,198	10,973	9,419
FCF	(389)	947	(5,054)	9,113	(565)	7,318	6,730

Cumulative generation of cash flows

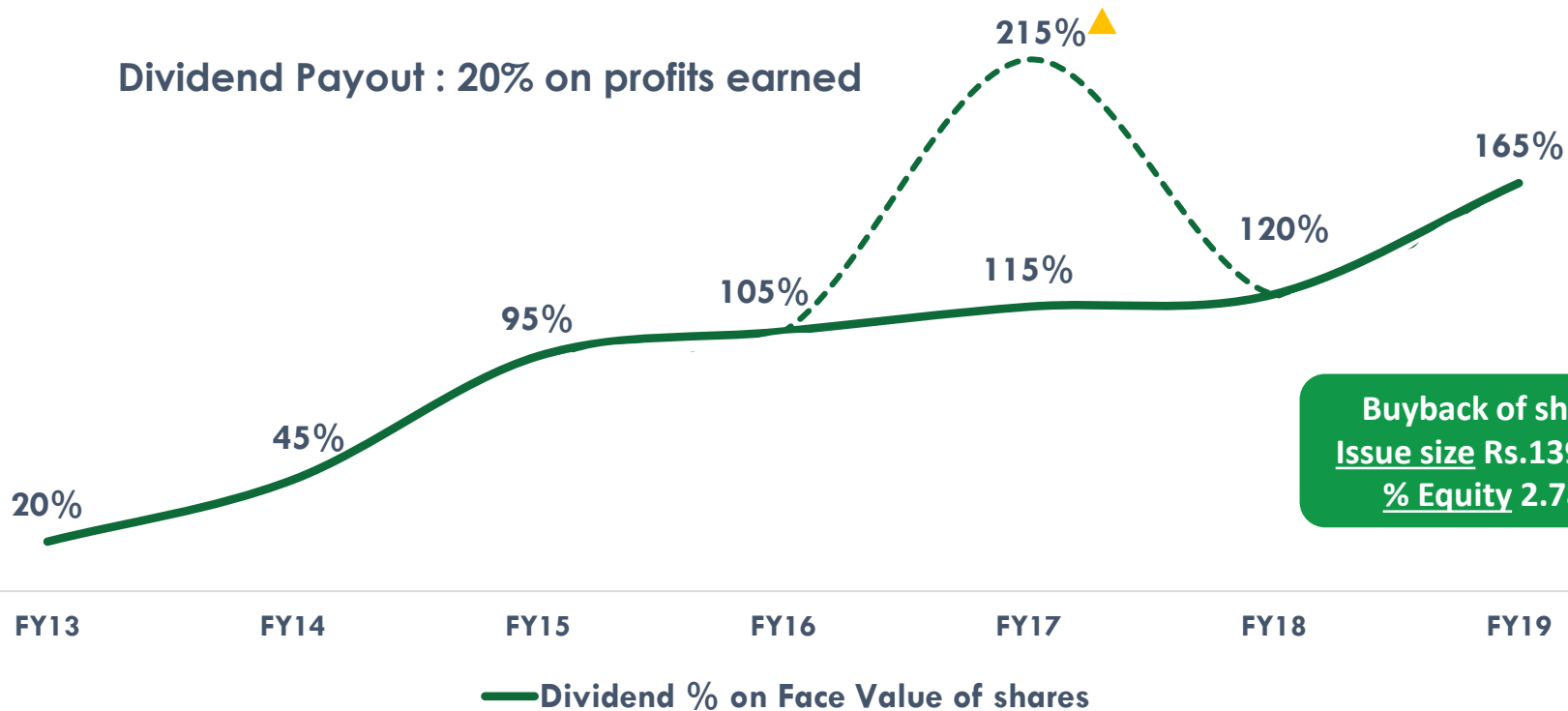


Ensuring Risk adjusted Returns

Consolidated Financials

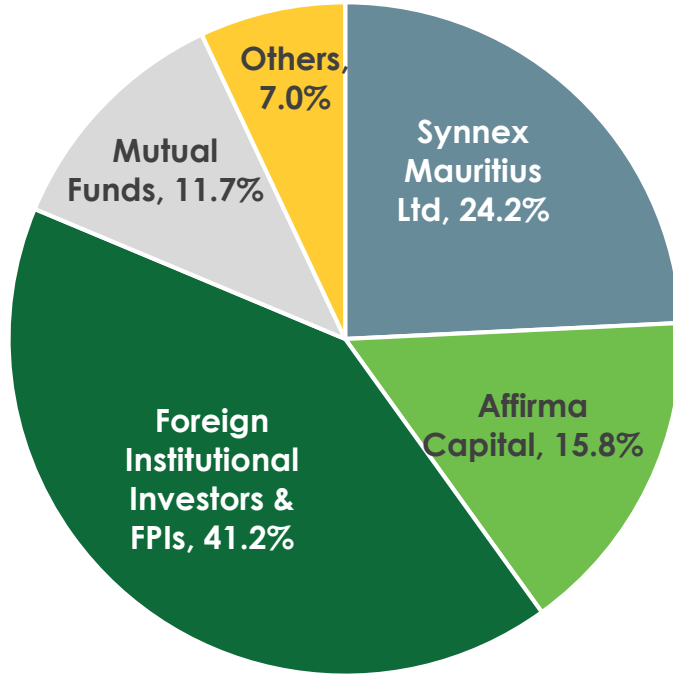
Particulars	H1FY20	FY19	FY18	FY17	FY16	FY15	FY14
Total Revenue	2,40,409	4,65,994	4,16,417	3,93,762	3,44,198	3,07,361	2,72,441
EBITDA	5,076	9,619	8,555	8,662	8,176	7,619	7,196
PAT	2,401	5,078	4,816	4,642	4,235	3,865	3,367
Networth	40,542	39,060	35,306	31,479	29,494	23,742	20,213
Capital Employed	57,485	55,581	53,472	50,252	56,659	44,468	39,938
EBITDA Margins	2.1%	2.1%	2.1%	2.2%	2.4%	2.5%	2.6%
PAT Margins	1.0%	1.1%	1.2%	1.2%	1.2%	1.3%	1.2%
ROCE	15.1%	16.5%	15.5%	15.2%	14.9%	17.2%	17.2%
ROE	12.1%	13.7%	14.5%	15.3%	15.6%	18.2%	19.1%
EPS (₹)	6.2	12.8	12.0	11.6	10.6	9.7	8.4
Book Value per share (₹)	103.6	99.8	87.7	78.2	73.2	57.6	48.8

Dividend Distribution



▲ Final dividend plus Special Interim Dividend declared

Shareholding Pattern (Sep 2019)



HDFC Mutual Fund



Fidelity Management & Research (FMR)



Franklin Templeton Investments



Fidelity International



ICICI Pru Life Insurance



Acacia Partners (Ruane Cunniff & Goldfarb)



Dimensional Fund Advisors



The Vanguard Group

Note: Post corporate restructuring, SCPE shareholding has been transferred to Affirma Capital

Our Growth Drivers

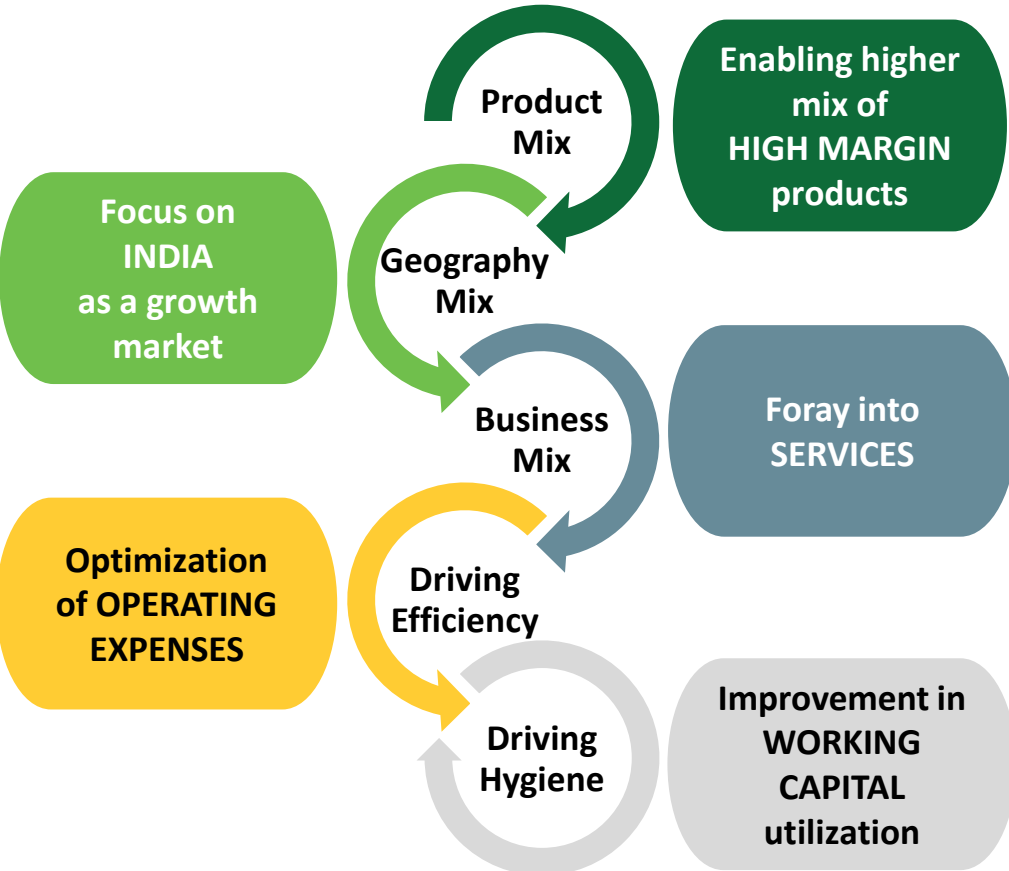


Revenue Growth Vectors



TARGET
3 year
Revenue
CAGR of
10% yoy

Margin Growth Vectors



Improved Margin Trajectory



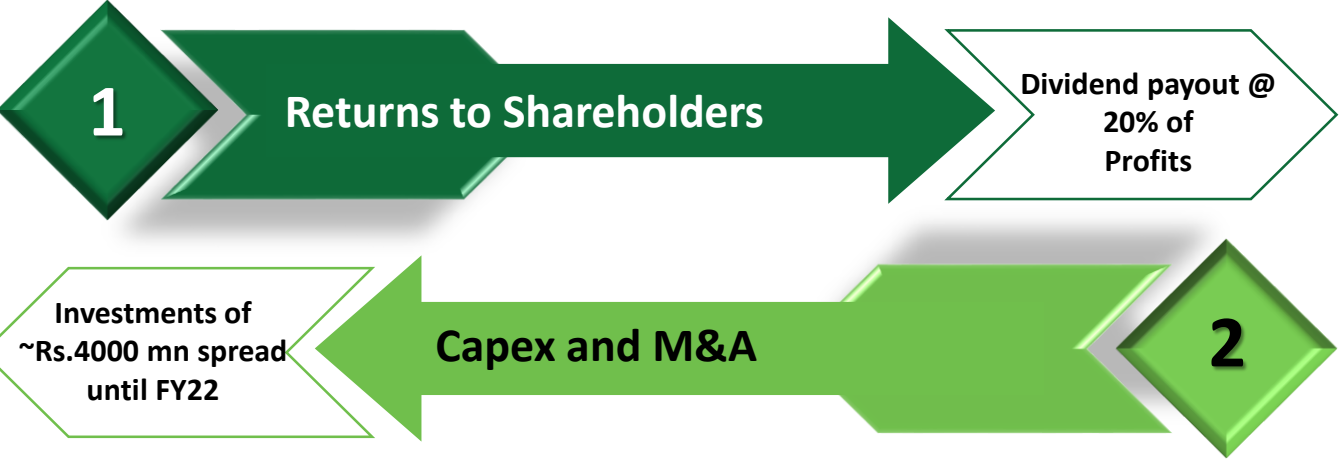
Improved WC turns



Improved ROCE

TARGET
ROCE of
16-18% by
FY21

Capital Allocation Priorities



NO FPO MADE

Debt Equity Ratio at 0.1

AA/A1+ Credit rating

Foundation for CSR @ Redington (Redington Foundation), a trust formed by Redington (India) Limited to implement various CSR activities towards the betterment of the society



Employability Skills Training

- ➔ Communication Skills
- ➔ Computer Skills
- ➔ Personality Development
- ➔ Office Etiquette
- ➔ Domain Knowledge Skills

Vocational Skills Training

- ➔ Disability inclusive support
Improving quality of
education through
Technology
- ➔ Sign Language for hearing
impaired
- ➔ Holistic self development
- ➔ Employment Generation

Equipping Activities

- ➔ Setting up smart class
rooms
- ➔ Monetary support to
students
- ➔ Recognition to teachers
- ➔ Revamping of School infra

Smart Schools

- ➔ Setting up Smart class
rooms
- ➔ Strategic association with
Schools for academic
upliftment
- ➔ Promoting schools in rural
areas

CONTACT US

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Guindy, Chennai 600 032**

<https://www.redingtongroup.com>

CIN - L52599TN1961PLC028758

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IR Materials - <https://redingtongroup.com/india/financials-and-reports/>



THANK YOU

