

13th August 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 6th August 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

Q1FY20 Earnings Presentation

June 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

- **Q1FY20** – Strong double digit growth across all parameters in both India and Overseas
 - On a consolidated basis, Revenue grew by 14%, EBITDA grew by 35% and PAT grew by 24%
 - India – Revenue grew by 14%, EBITDA grew by 46% and PAT grew by 23%
 - Overseas – Revenue grew by 14%, EBITDA grew by 27% and PAT grew by 25%
- On a consolidated basis, WC days for Q1FY20 is 44 days, signifying WC turns of over ~8.3x
- On a consolidated basis, Net Debt Equity ratio is at 0.4
- For the quarter, ROCE & ROE improved in both India & Overseas, leading to consolidated ROCE of 13.7% and ROE of 11.2%
- Consol EPS has grown by 28% YoY to Rs.2.83
- **Services PAT contribution to India PAT – Q1FY20 – 23%**
- **Services PAT contribution to Conso PAT – Q1FY20 – 12%**

Financial Highlights

India business

- During the quarter,
 - In spite of General Elections and SAP implementation in Indian operations, the India business registered strong double digit growth in Revenue, EBITDA and PAT
 - Growth driven by all three business segments, viz a viz, IT, Mobility and Services
- ProConnect registered revenue growth of 22% YoY, EBITDA growth of 57% and PAT growth of 1% YoY. Modest PAT growth is on account of increase in Interest cost (largely driven by Working Capital) and depreciation expenses

Financial Highlights

Overseas business

- During the quarter,
 - Overseas business delivered strong double digit growth, driven by IT and Mobility segment
 - Overseas business continues to maintain WC efficiently with WC days for Q1FY20 at 36 days

Turkey Update

- During the quarter, Arena biz had registered high single digit growth on Revenues and strong double digit growth on EBITDA, driven by Opex control
- Despite tax rate of 91%, Arena registered profits during the quarter



Q1FY20 Highlights

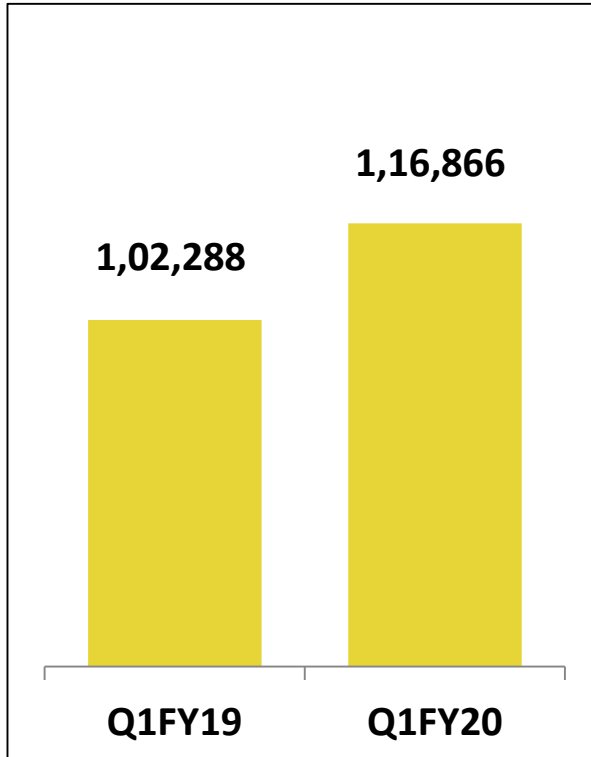


Q1FY20- Consolidated Financials

₹ in million

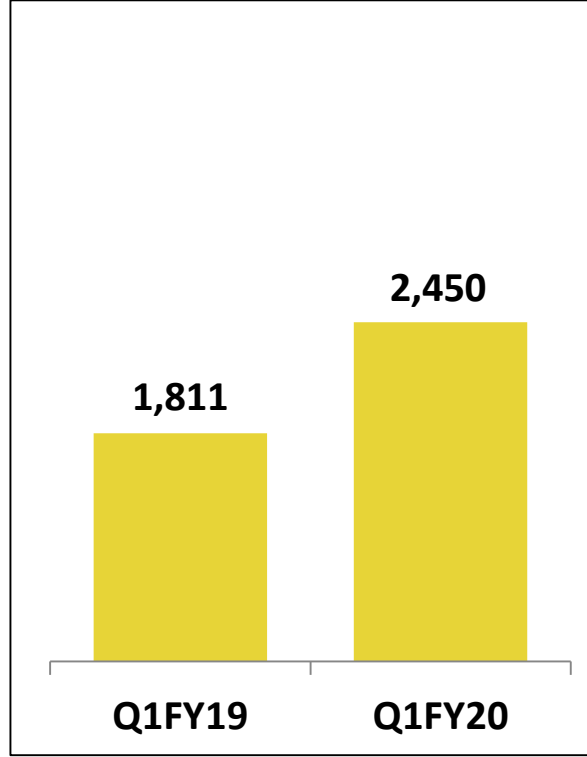
REVENUE

14% ▲



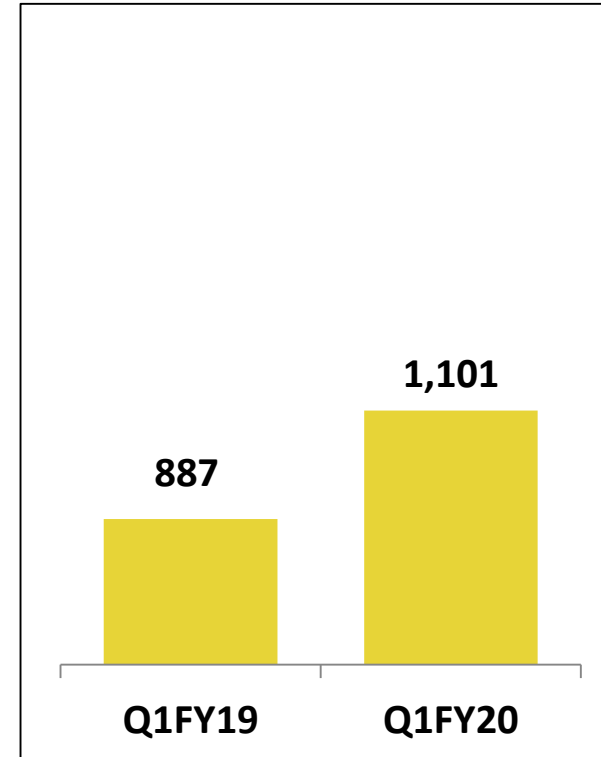
EBIDTA

35% ▲



PAT

24% ▲

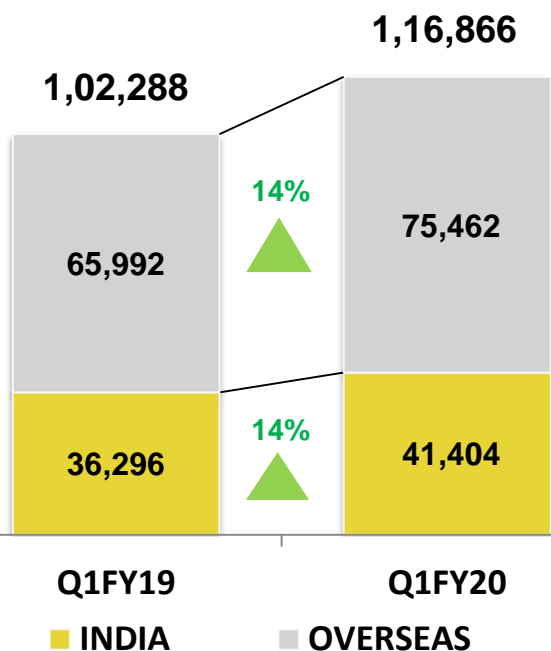


Q1FY20 Performance by Market

₹ in million

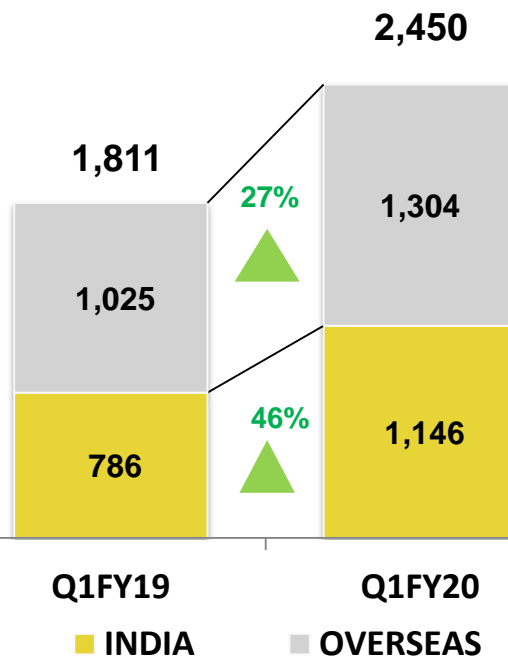
REVENUE

14% ▲



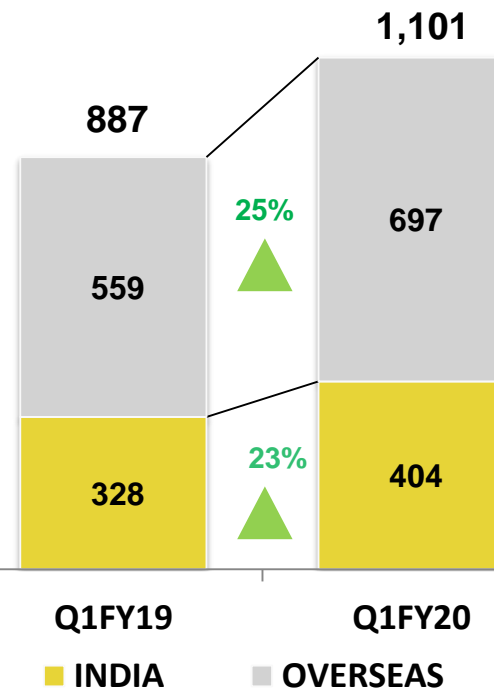
EBIDTA

35% ▲



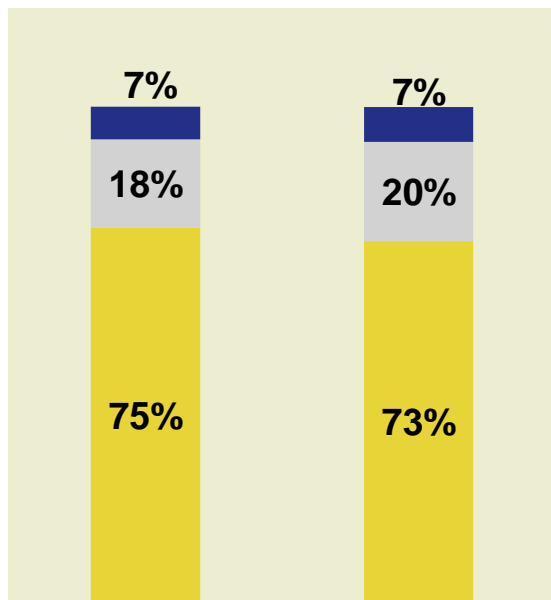
PAT

24% ▲



Q1FY20 Performance by Vertical

INDIA

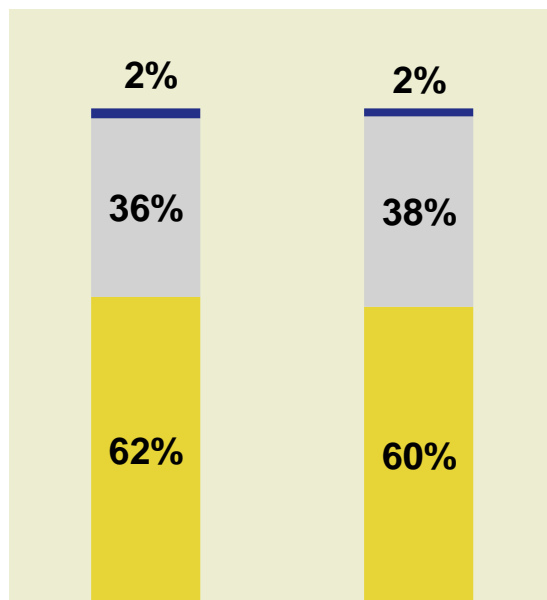


Q1FY19

Q1FY20

■ IT ■ Mobility ■ Services

OVERSEAS

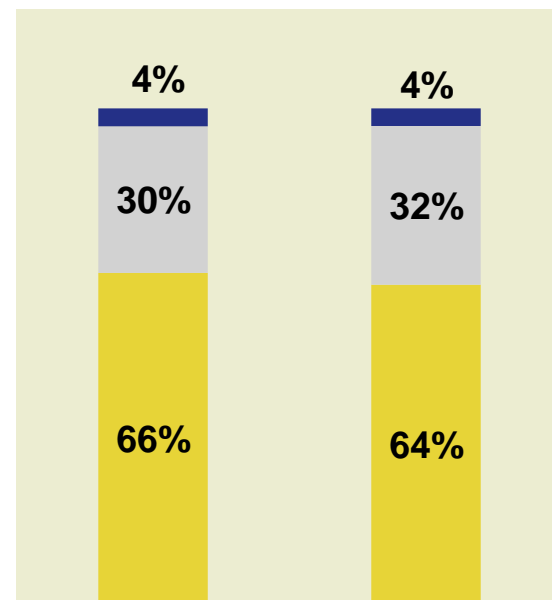


Q1FY19

Q1FY20

■ IT ■ Mobility ■ Services

CONSOLIDATED



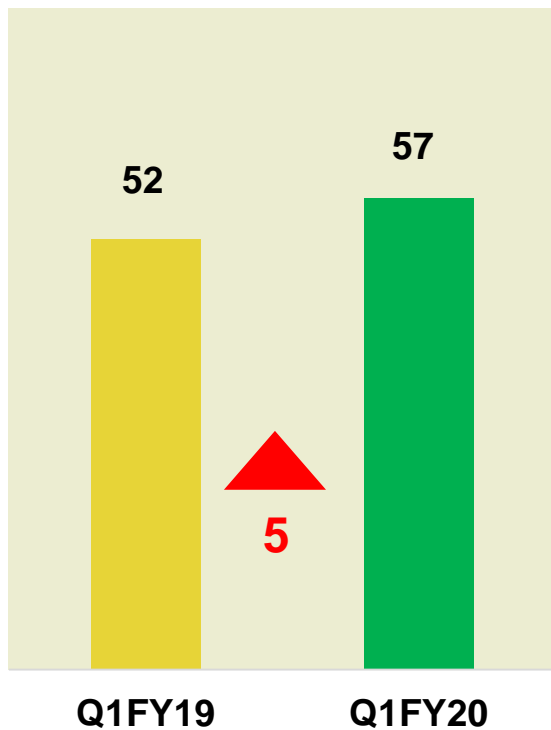
Q1FY19

Q1FY20

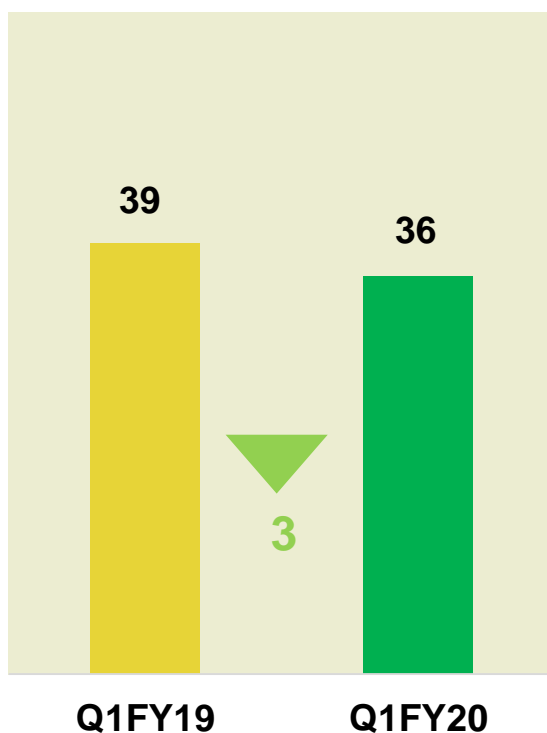
■ IT ■ Mobility ■ Services

Q1FY20 – Working Capital Days

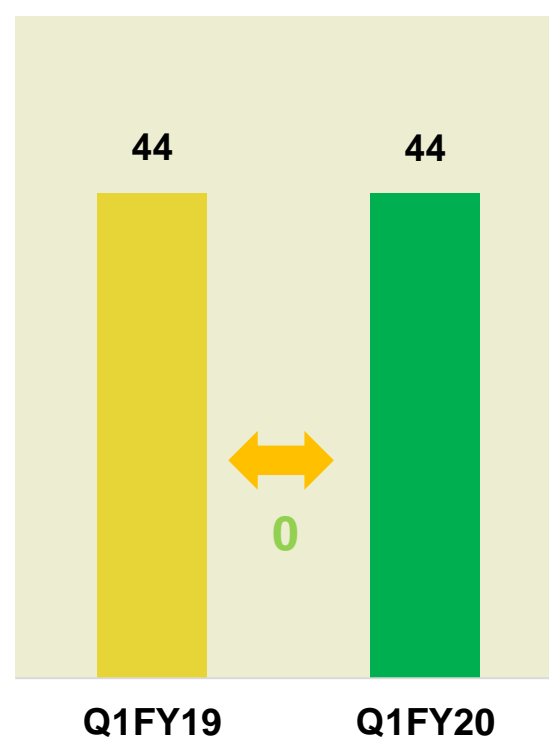
INDIA



OVERSEAS



CONSOLIDATED



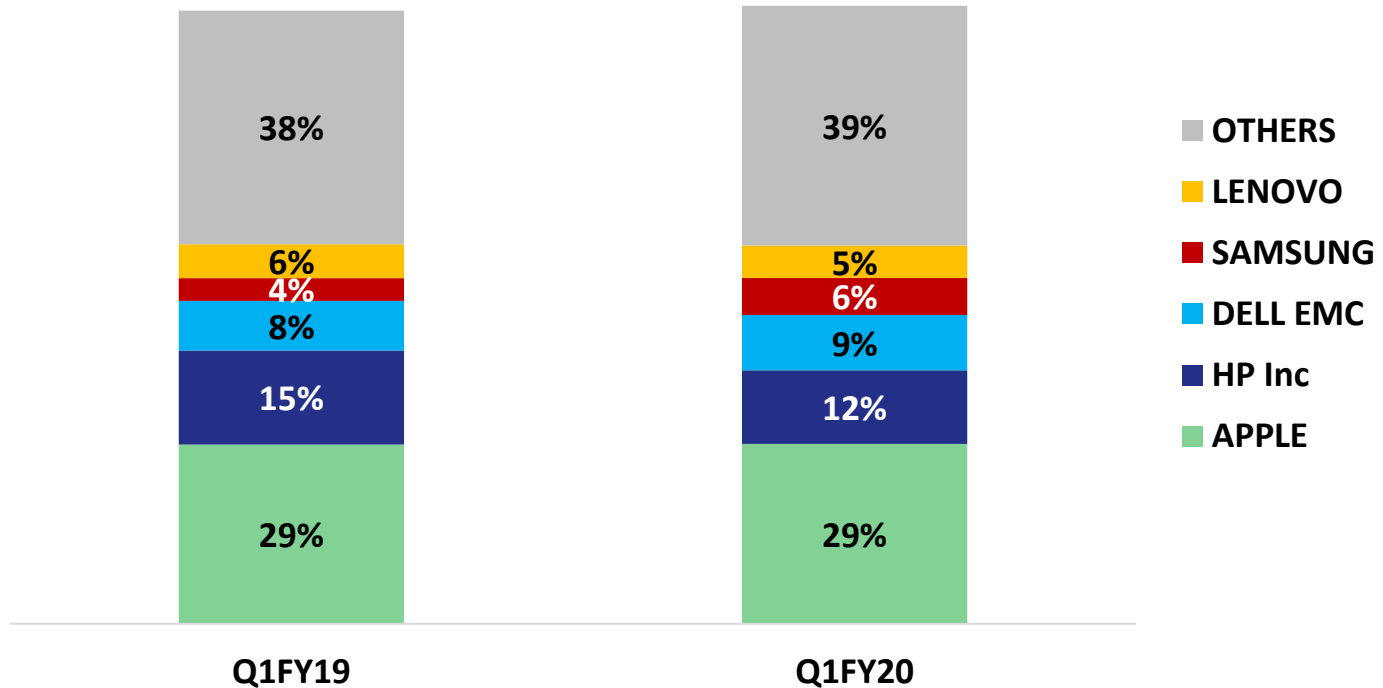
Free Cash Flow Statement

₹ in million

Particulars	Q1 FY20	Q1FY19
Profit Before Taxation	1,469	1,218
Non-cash items	347	672
Outflow of Finance Cost	577	395
Changes in Working Capital	(10,713)	150
Direct Taxes Paid	(155)	(616)
Net Cash Flow from Operations	(8,475)	1,819
Capex	(328)	(211)
Dividend paid including DDT	-	-
Outflow of Finance Cost	(541)	(437)
Free Cashflow	(9,344)	1,171

Q1FY20 – Top 5 Vendors Consolidated

REVENUE



Q1FY20 Performance – ProConnect

- Revenue growth over Q1FY19 is 22%
- EBITDA growth over Q1FY19 is 57%



REVENUE

22% ▲

944

1,150

Q1FY19

Q1FY20

₹ in million

EBIDTA

57% ▲

118

186

Q1FY19

Q1FY20

₹ in million

PAT

1% ▲

61

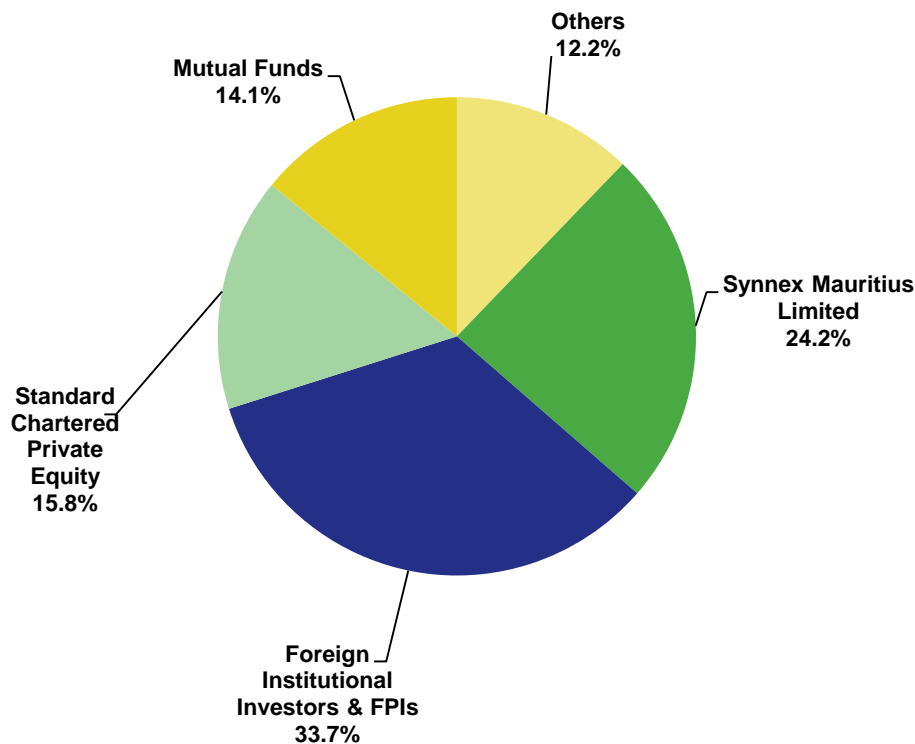
61

Q1FY19

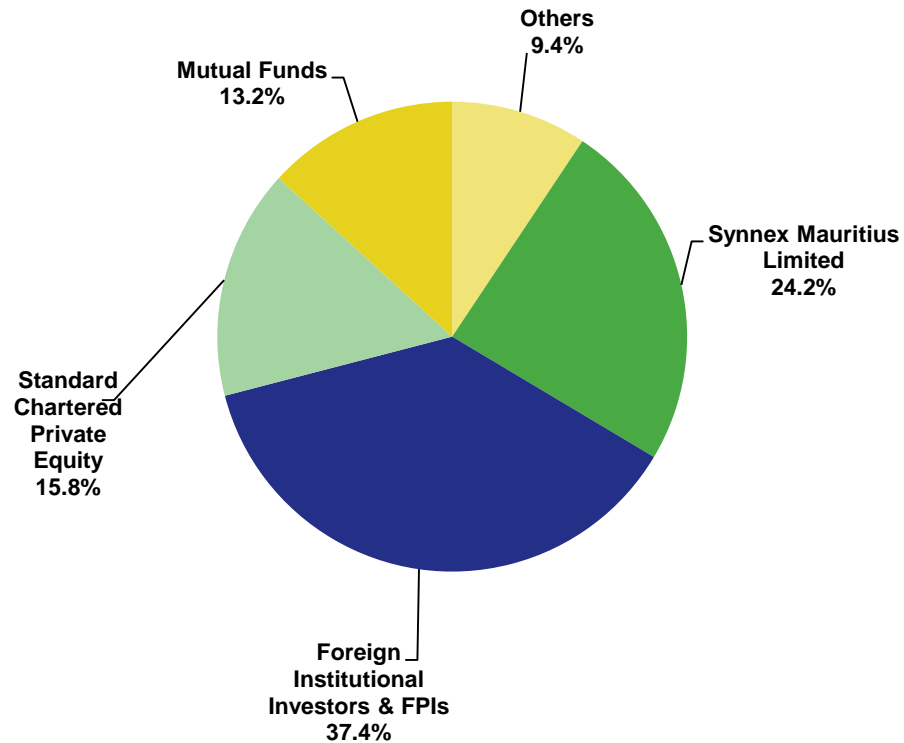
Q1FY20

₹ in million

Shareholding Pattern



Mar-2019



Jun-2019



Investor Contacts

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Compliance Officer

Redington (India) Limited

SPL Guindy House, 95 Mount Road,

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 220+ brands through 39,650+ partners

An Emerging Markets player with in-country presence

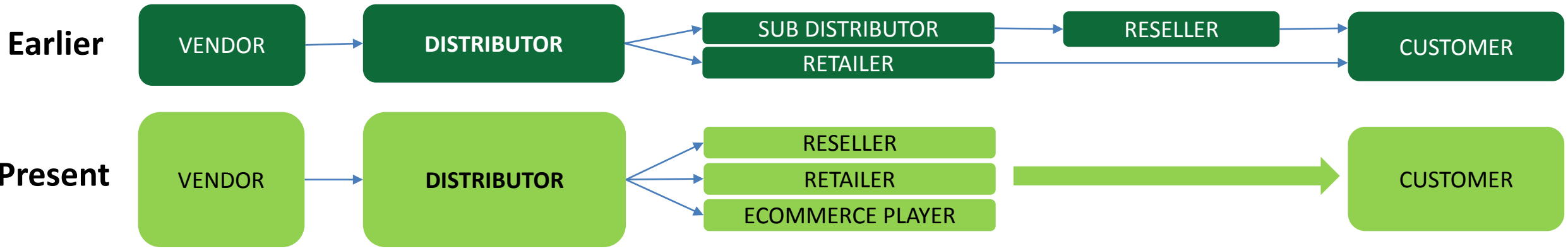
\$6.7bn+ company with strong double digit 12 year CAGR (Revenue, EBITDA & PAT)

Industry Overview

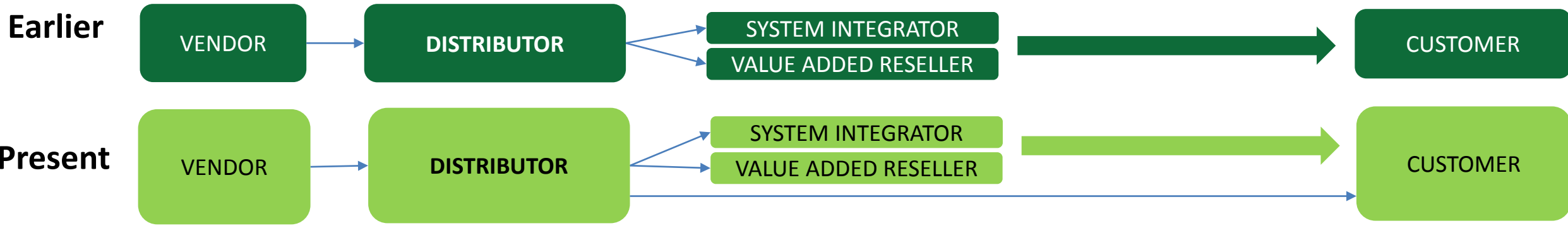


Distribution Food Chain

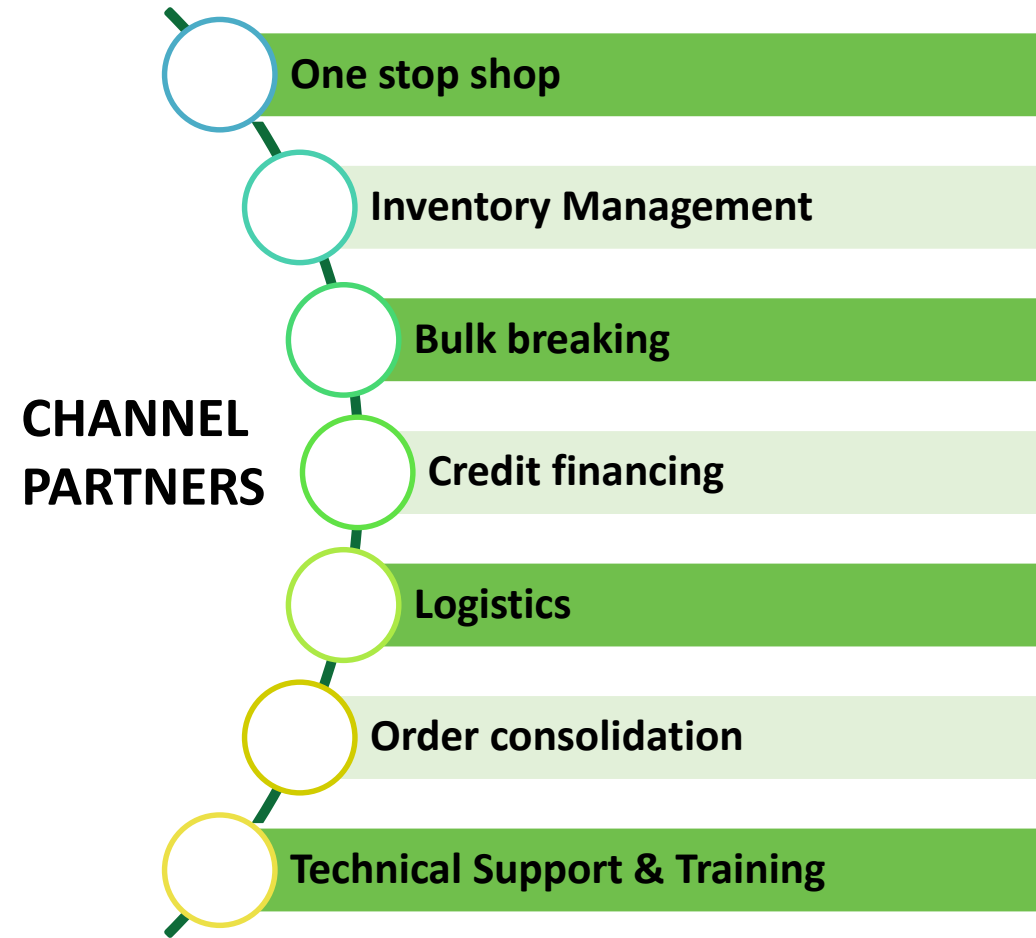
IT CONSUMER & MOBILITY



IT ENTERPRISE



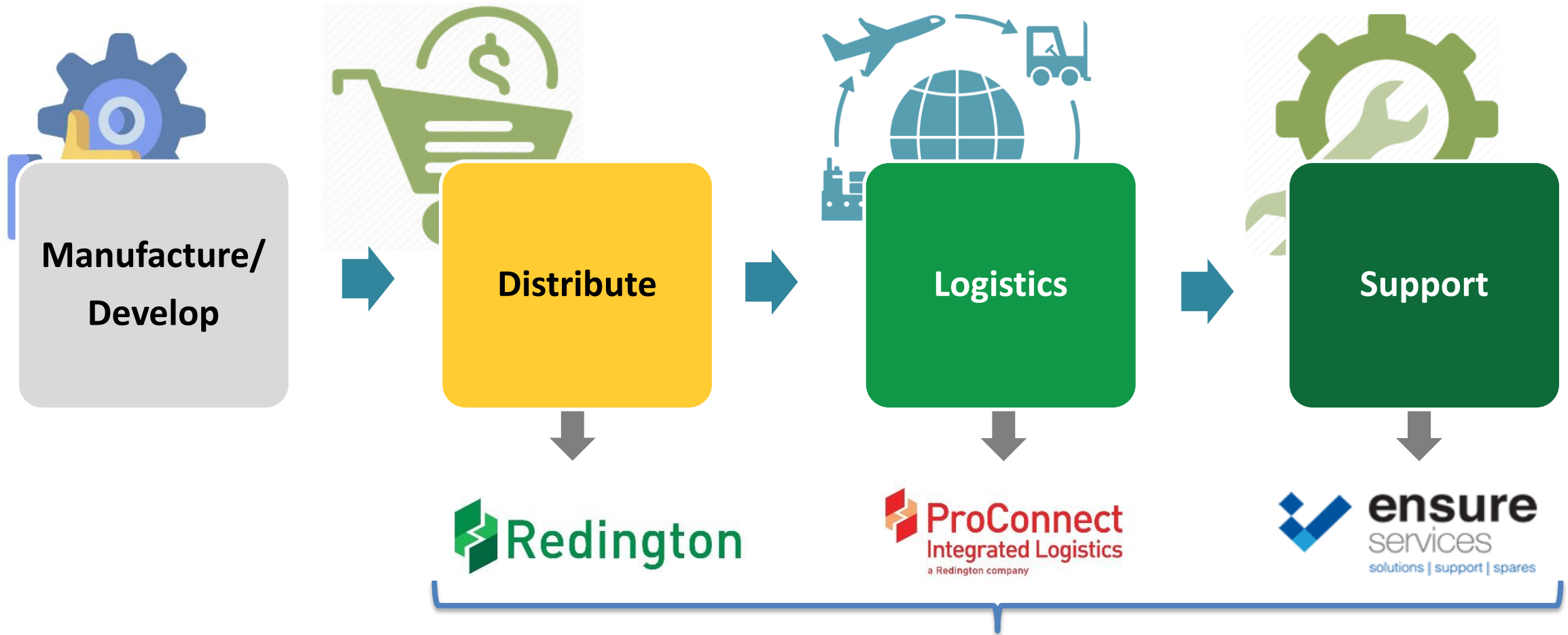
Distributors: Value Creators



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



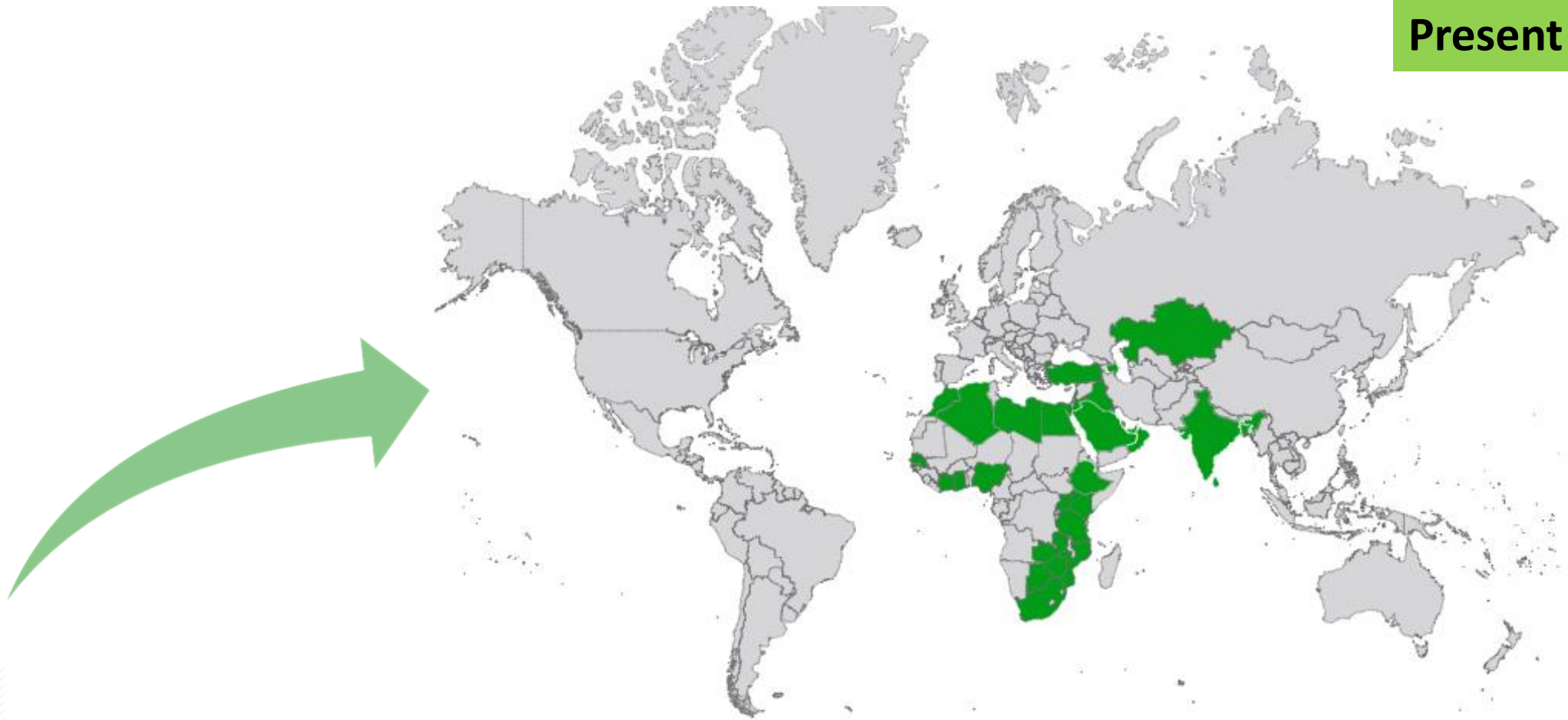
TRUST



TRANSPARENCY

Our Emergence

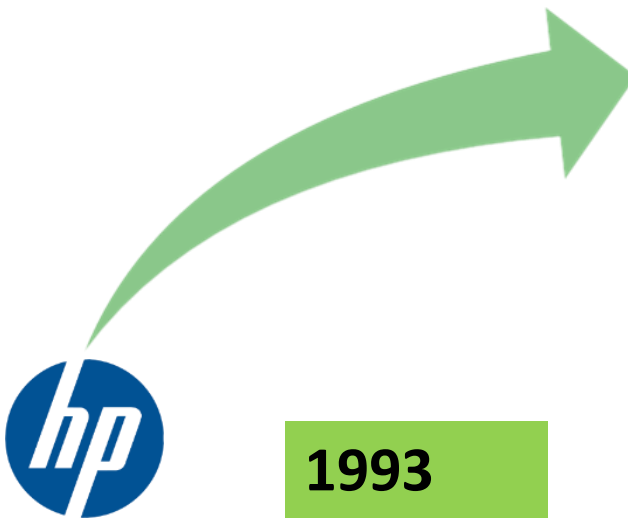
Present



1993

Presence across 37 markets, a leading Emerging Markets player

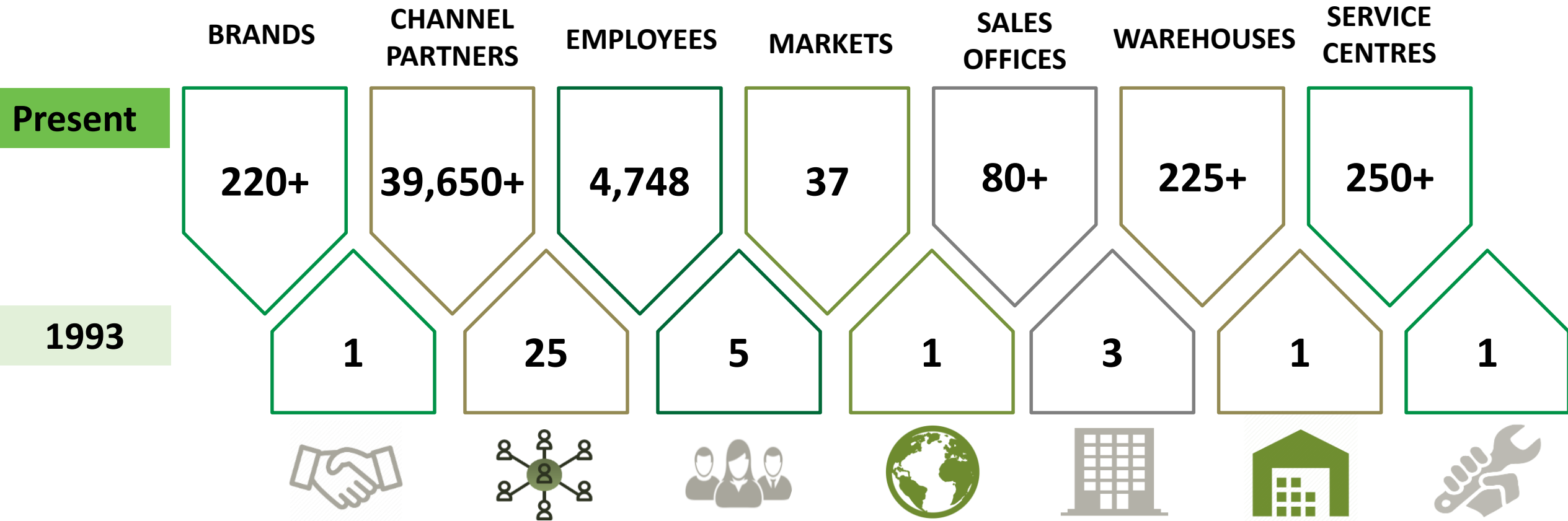
Our Associations



1993

Enviably Partnerships with over 220+ 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



B Ramkumar
COO, Gulf



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

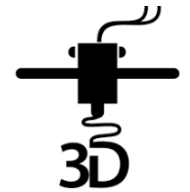


EMERGING



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



6.6 mn Sq.ft. in operation



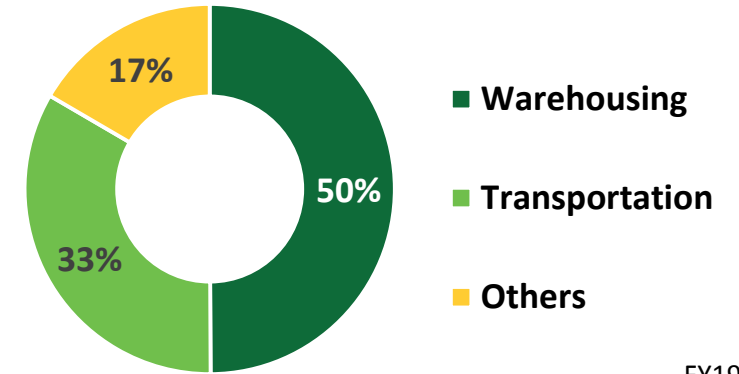
200+ Customers across 12+ Industries



19,800+ Pincodes

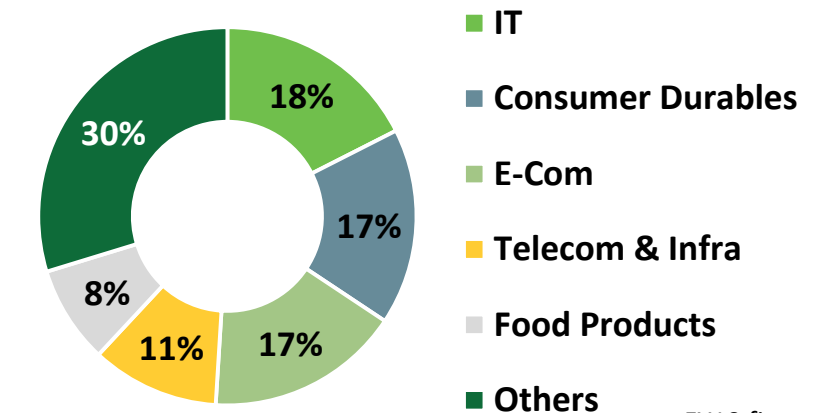


Revenue Contribution from Services



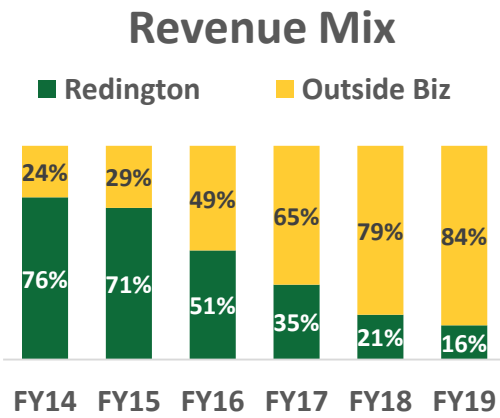
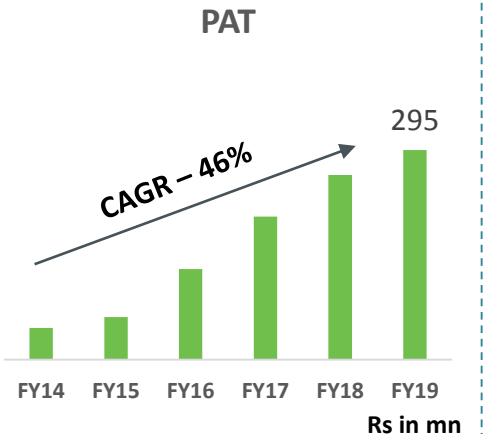
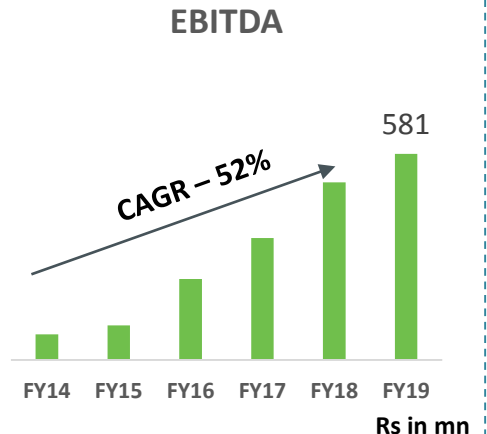
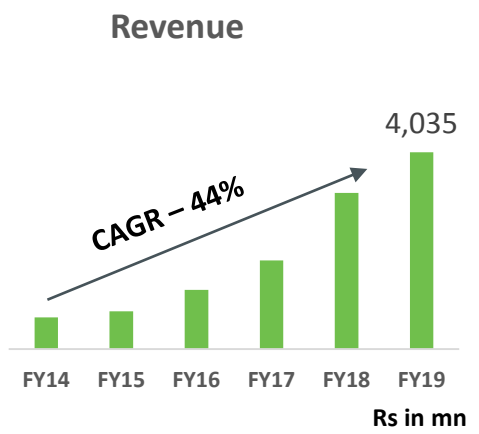
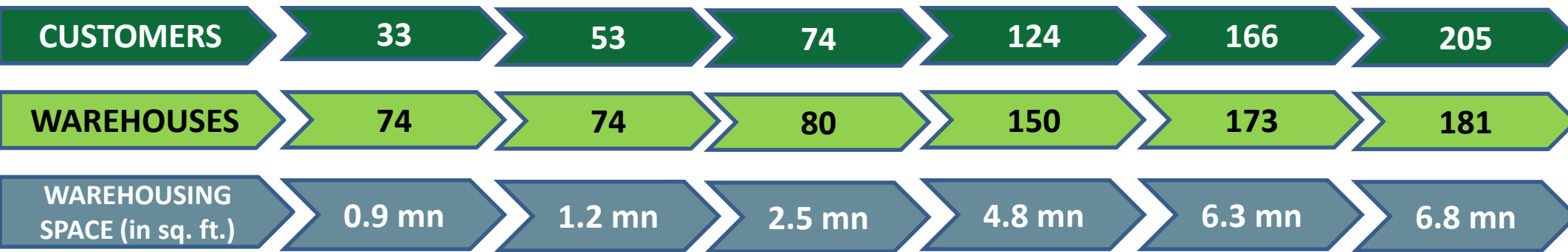
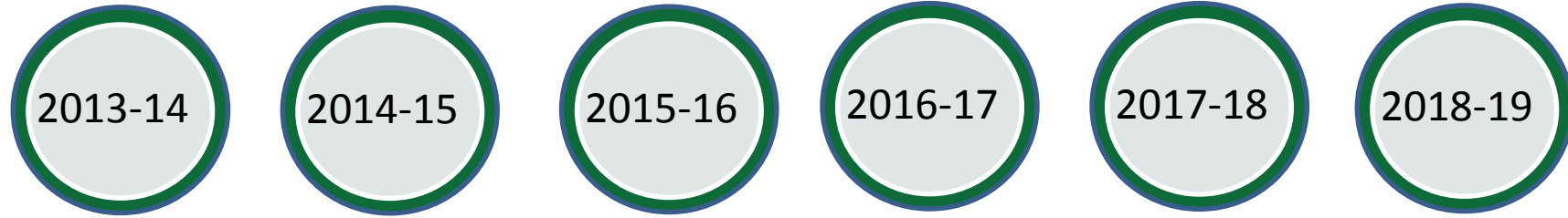
FY19 figures

Revenue Contribution from Industries



FY19 figures

ProConnect India : Growth Story



Ensure India



Wholly Owned Subsidiary of Redington



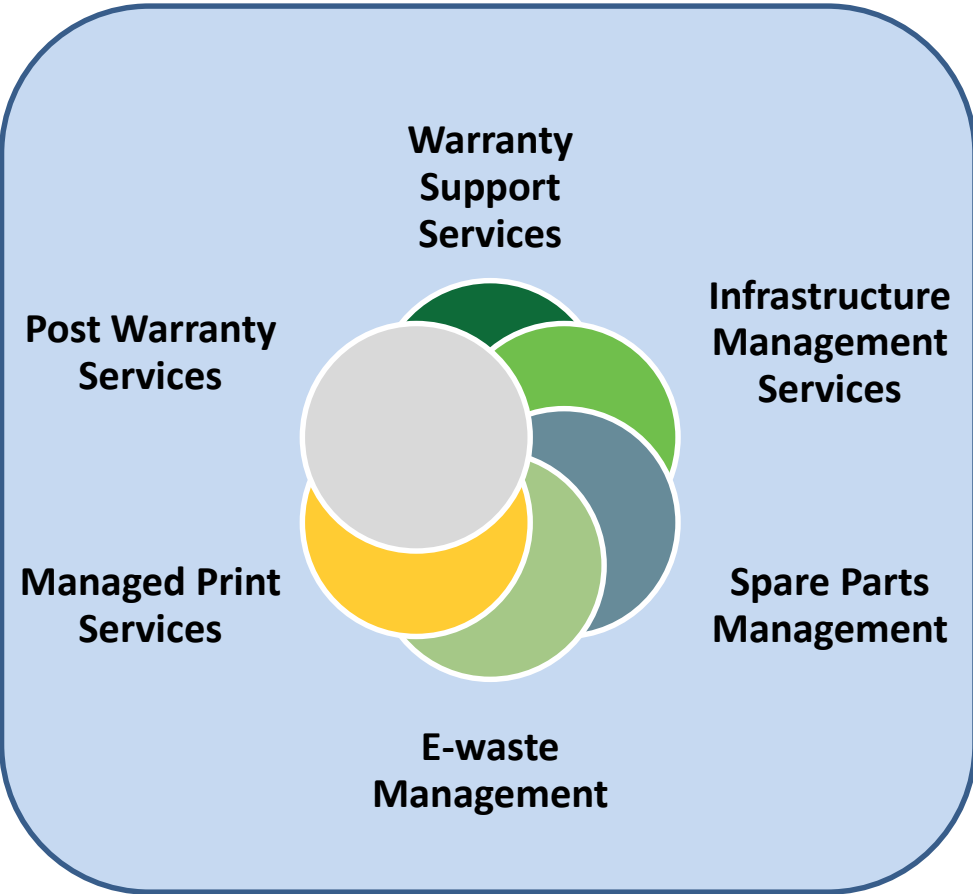
PAN India presence with 35+ Owned service centres across India



Preferred Service partner with 170+ service partners across India



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



Clients

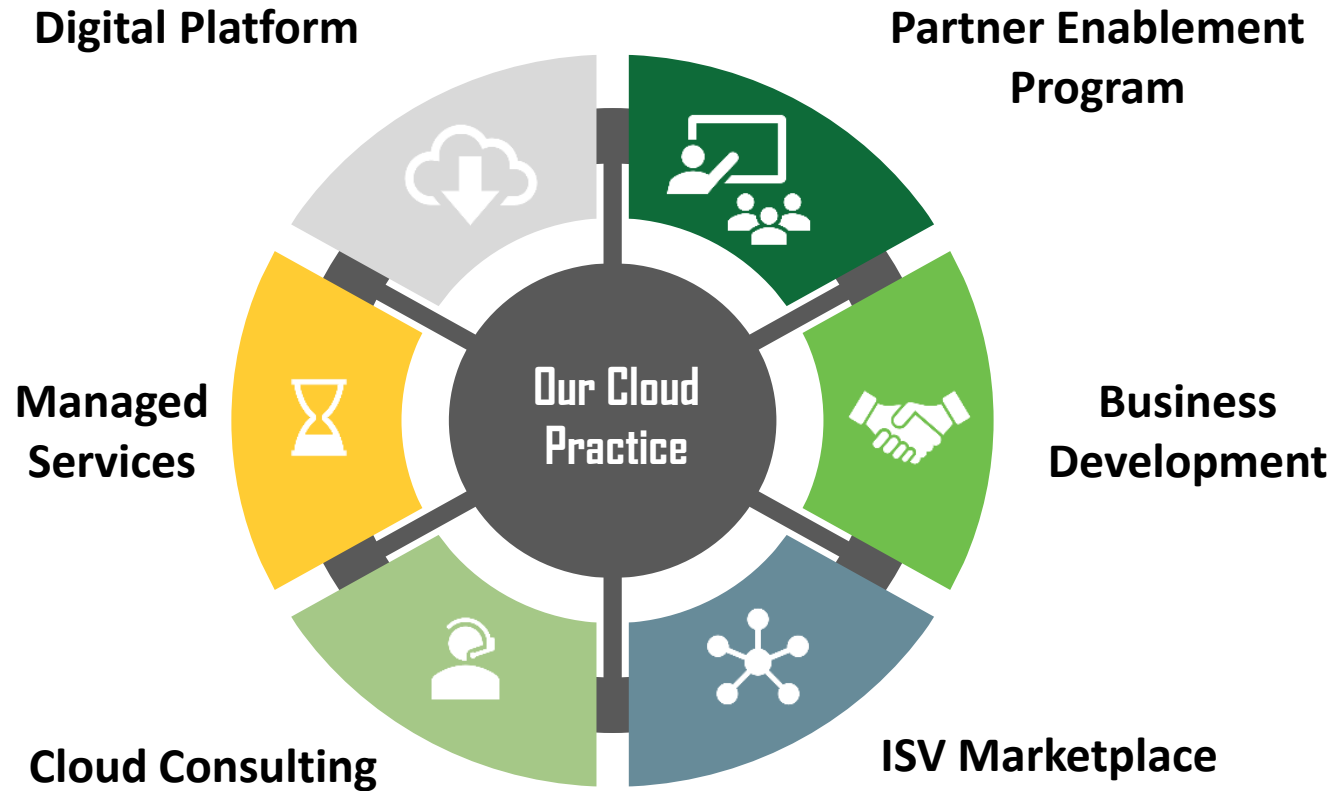


*Illustrative

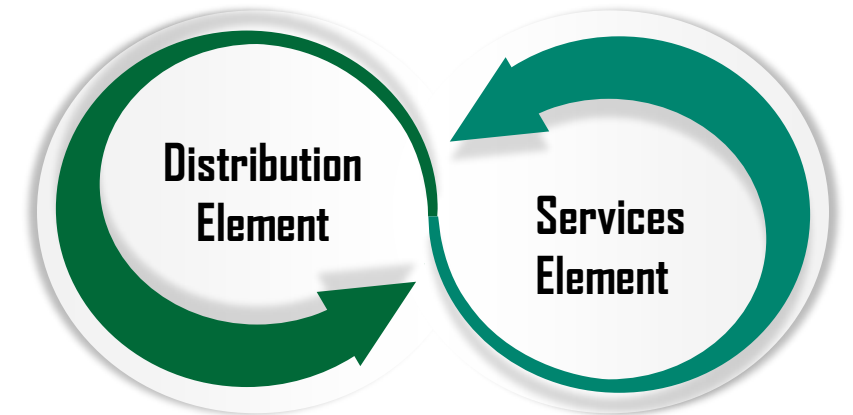
Redington Cloud Solutions



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 (impressions)

Parts & Labour

Ranked Grade
"A" by HP Indigo
(Second highest
in the world)



3D PRINT SERVICES



Set up 3D Printing
Facility in Chennai



On-Demand Manufacturing

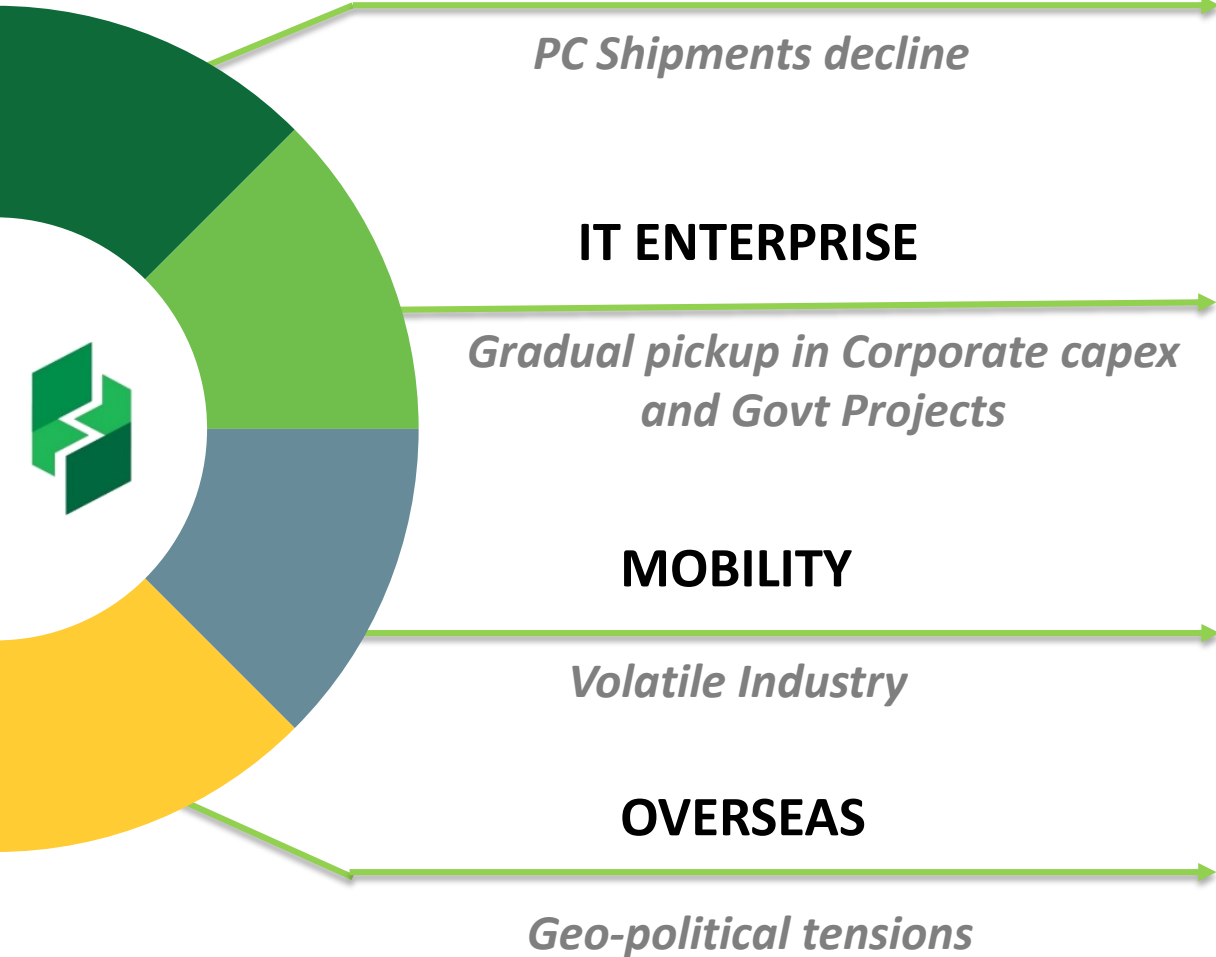


Prototyping



Scanning

Fueling Growth In a Challenging Business



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

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

- Association with MNC brands with clear long term strategy

Three Commandments

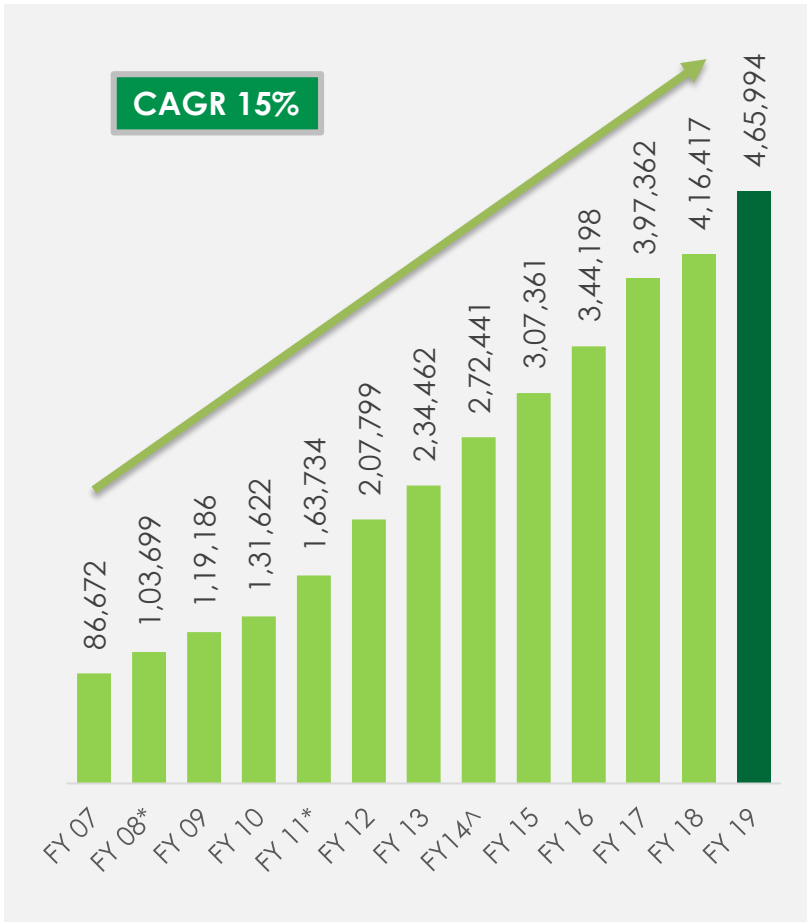
- Protect capital fiercely
- Be absolutely paranoid about risk
- Reduce costs as much as possible

Financial Performance

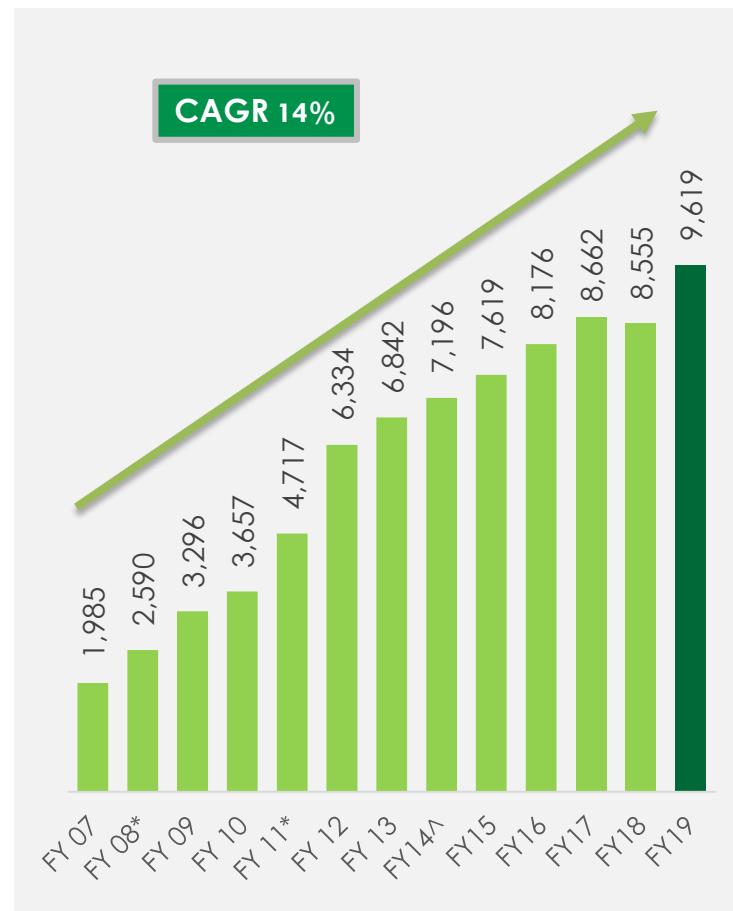


Performance Since Listing

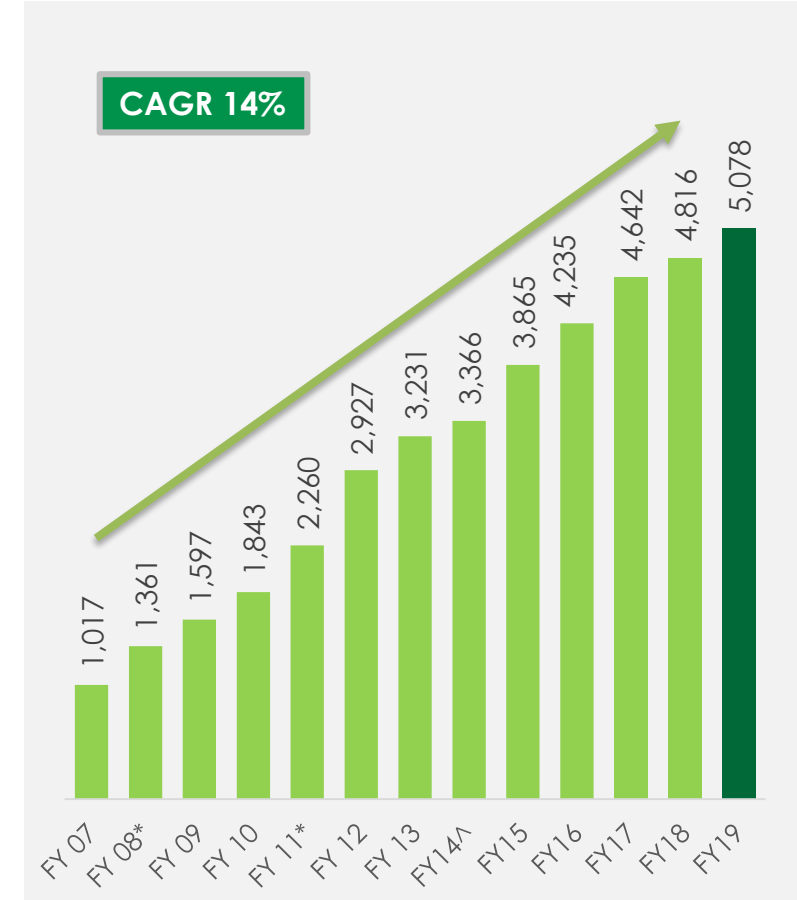
REVENUE



EBITDA



PAT

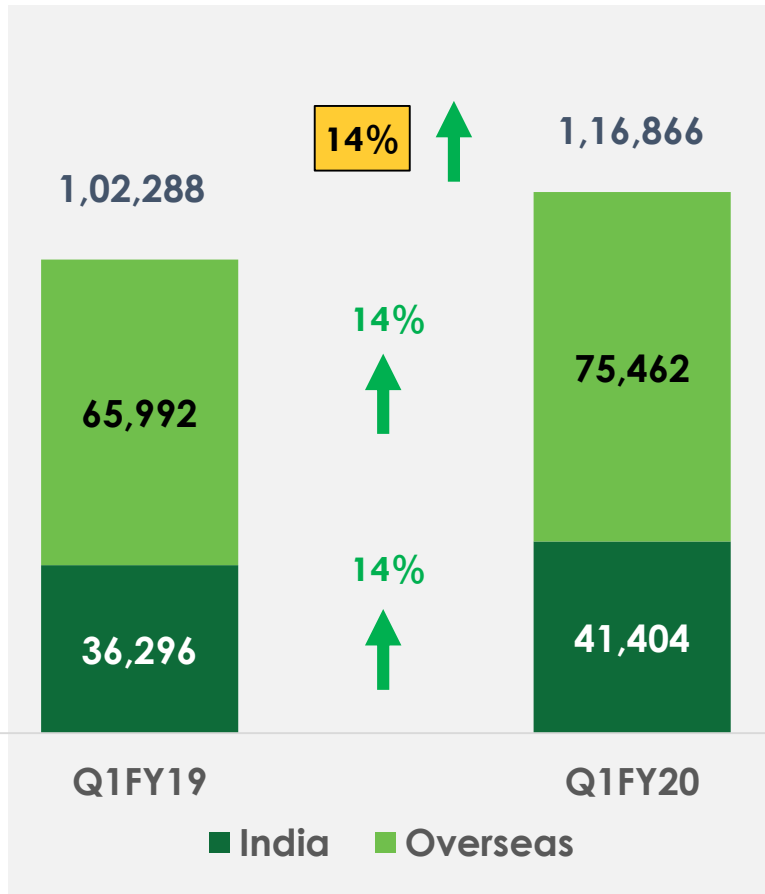


*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services

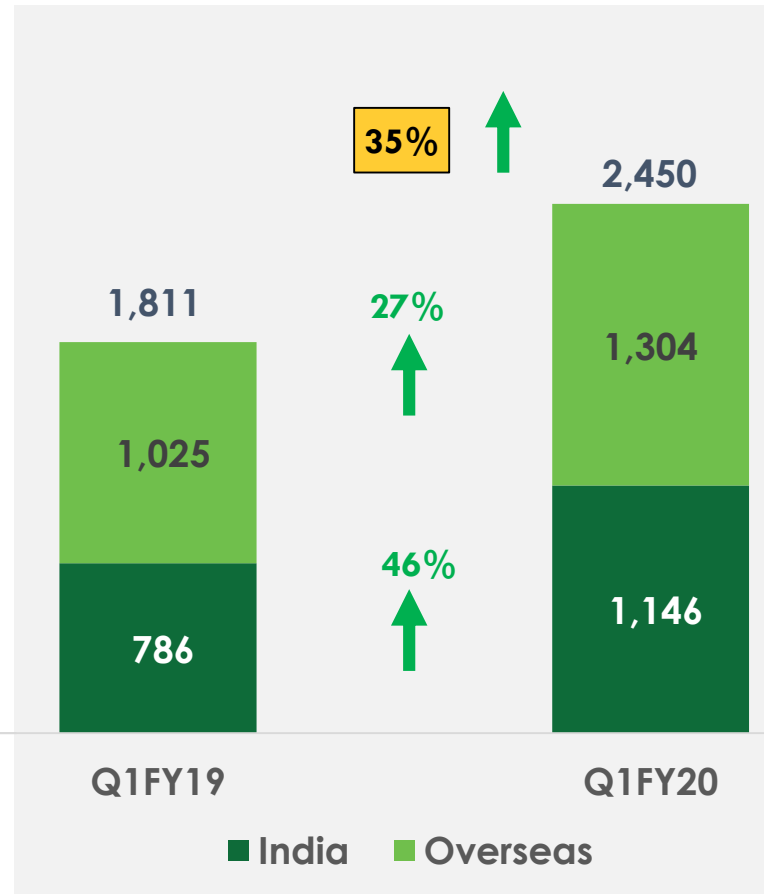
Performance By Market

₹ in million

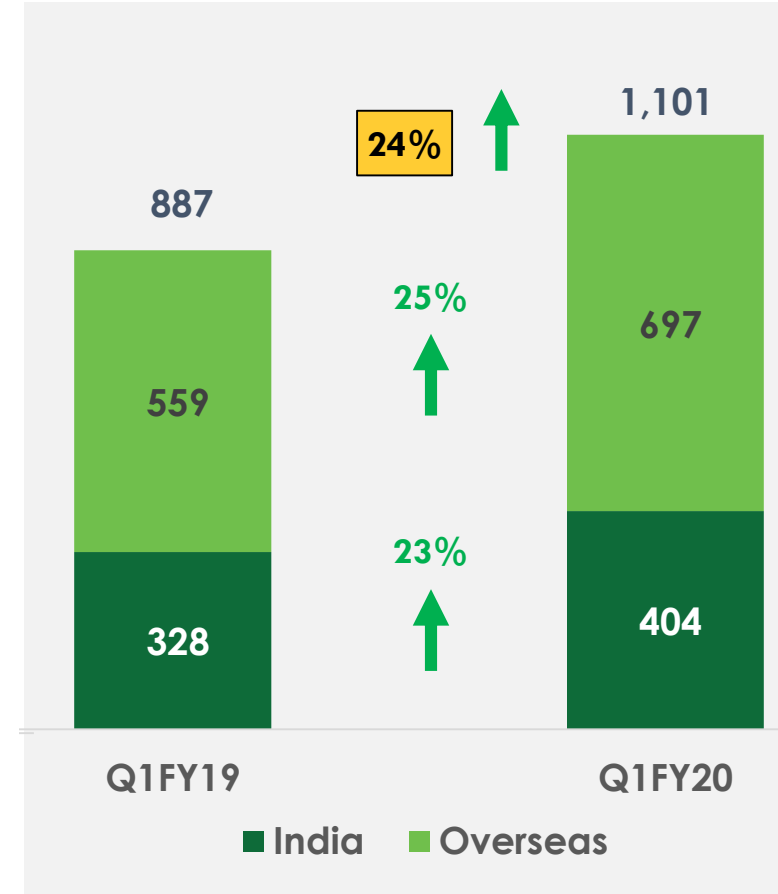
REVENUE



EBIDTA

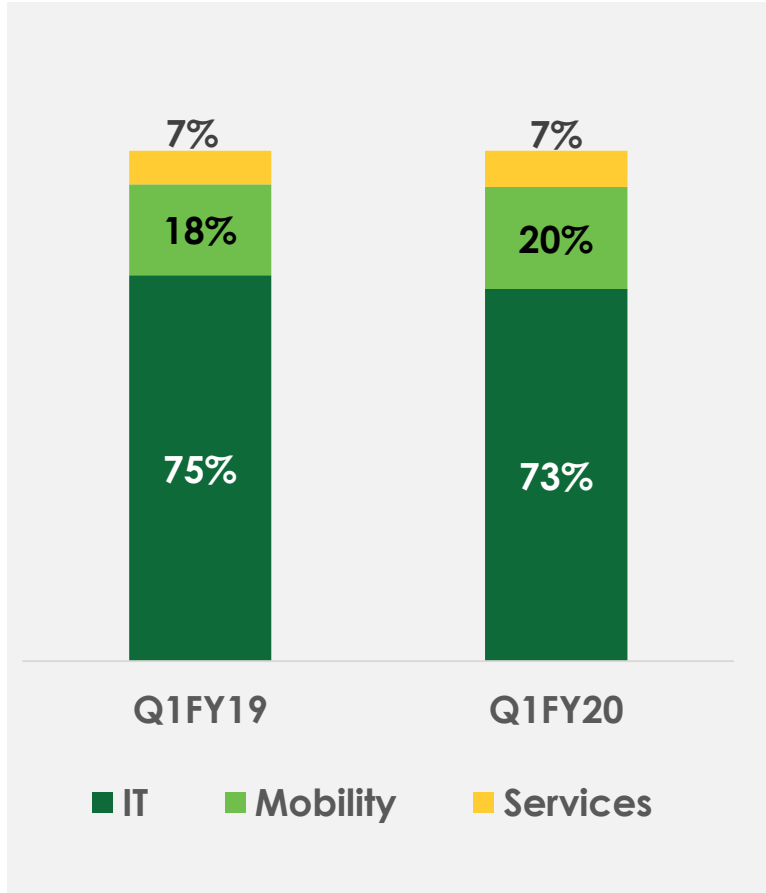


PAT

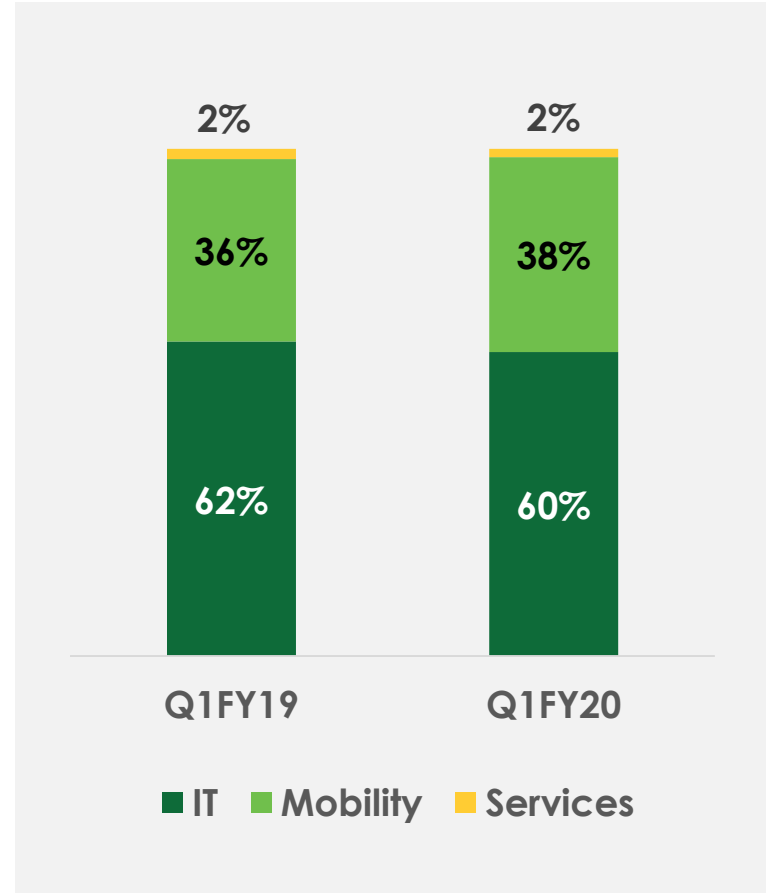


Performance By Vertical

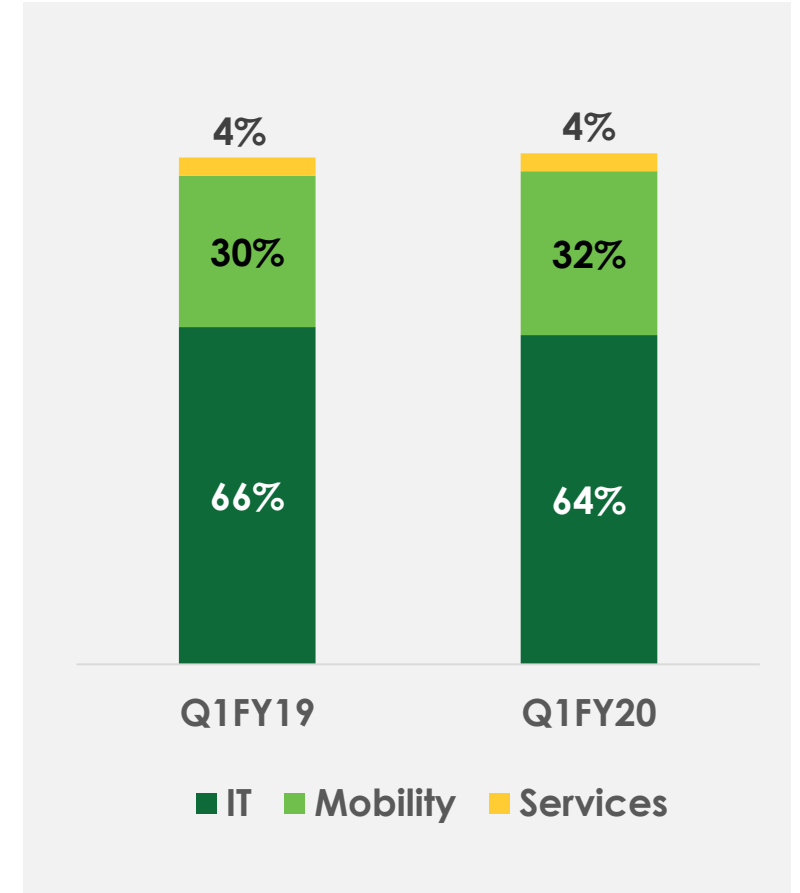
INDIA



OVERSEAS

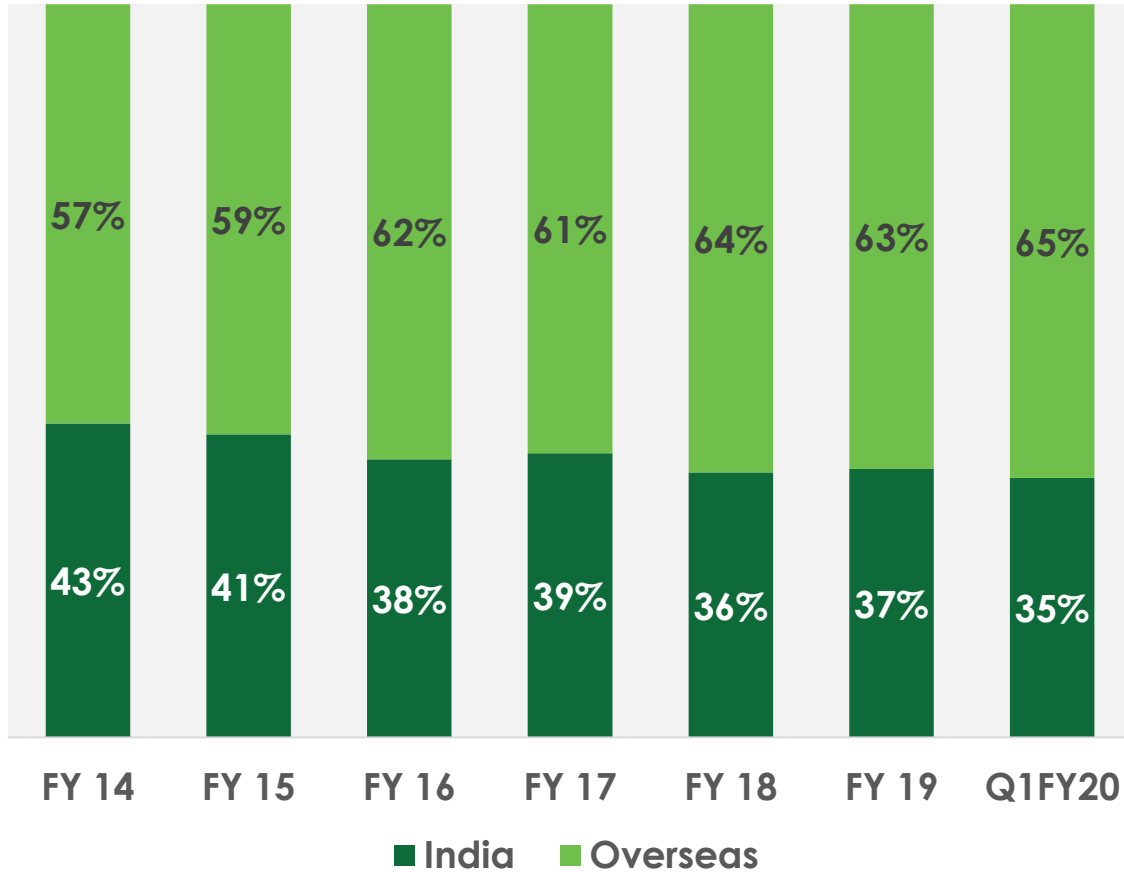


CONSOLIDATED

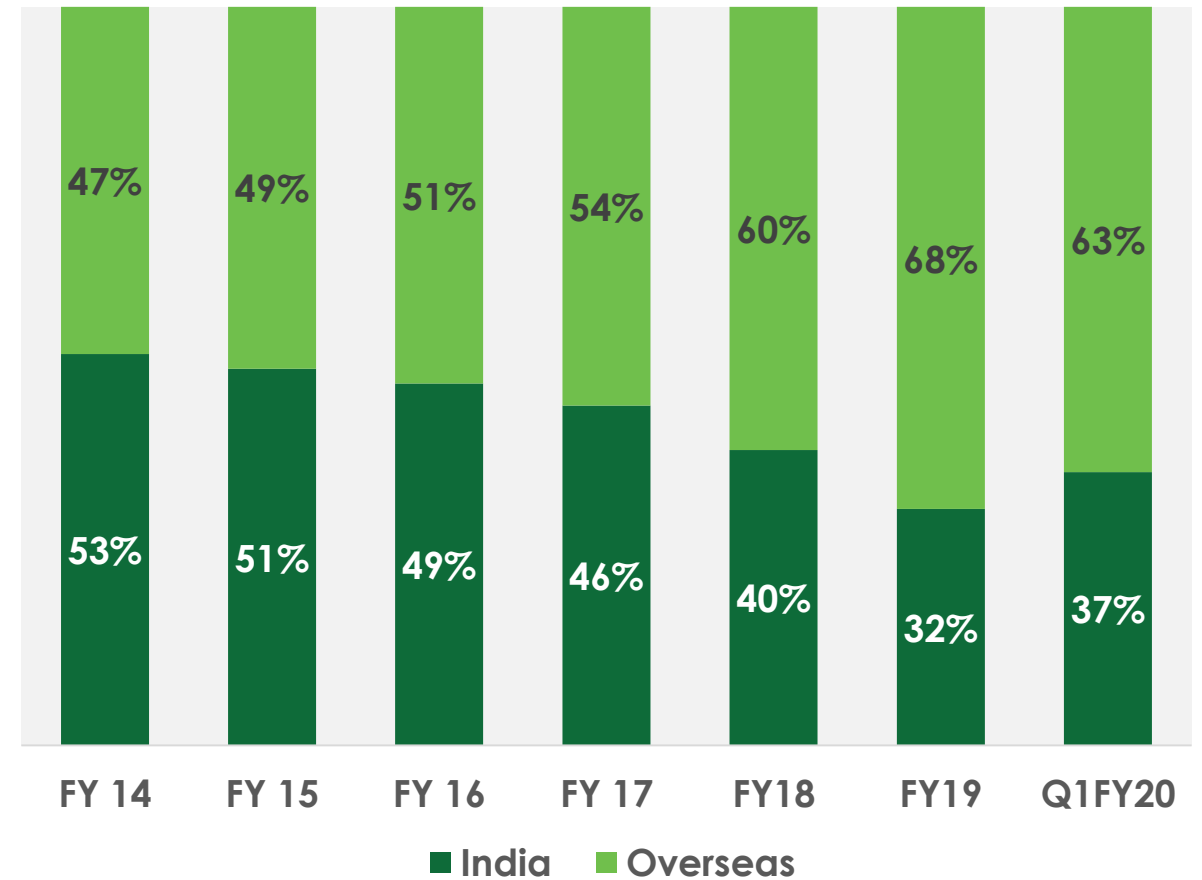


Geographical Contribution

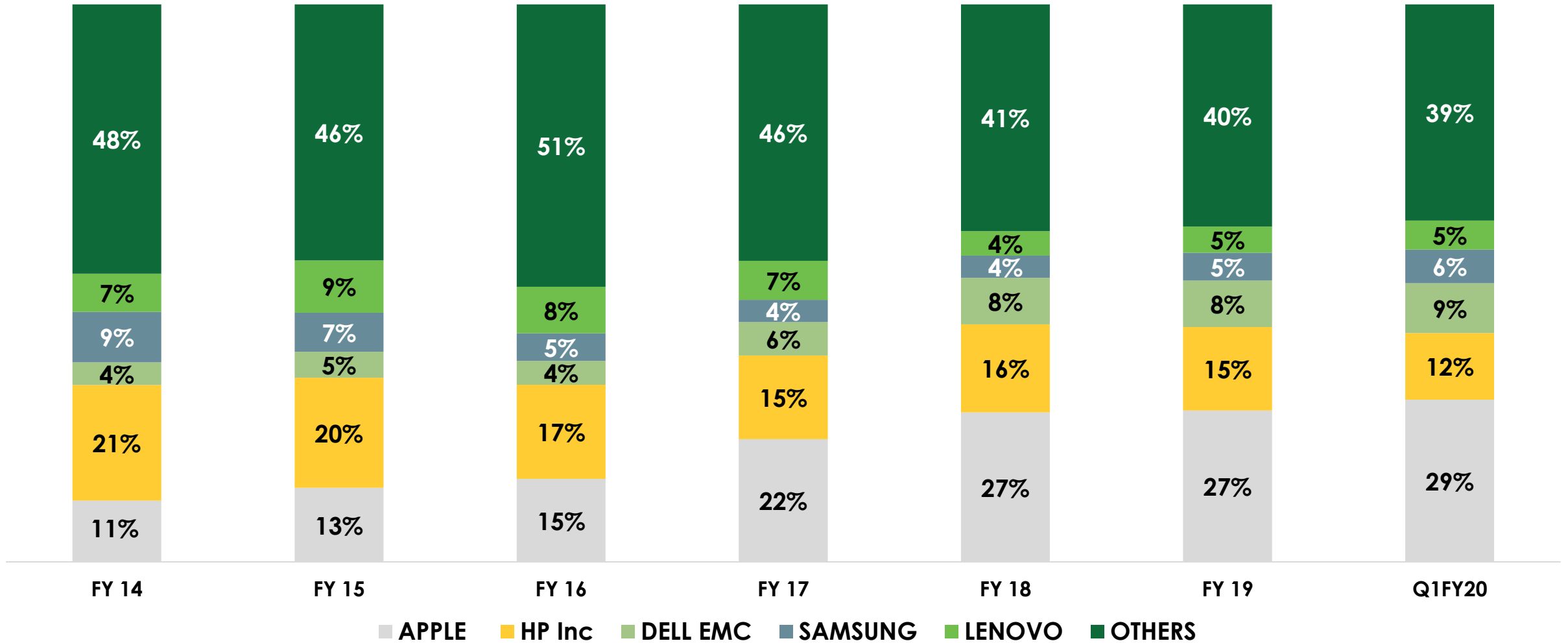
REVENUE



PAT

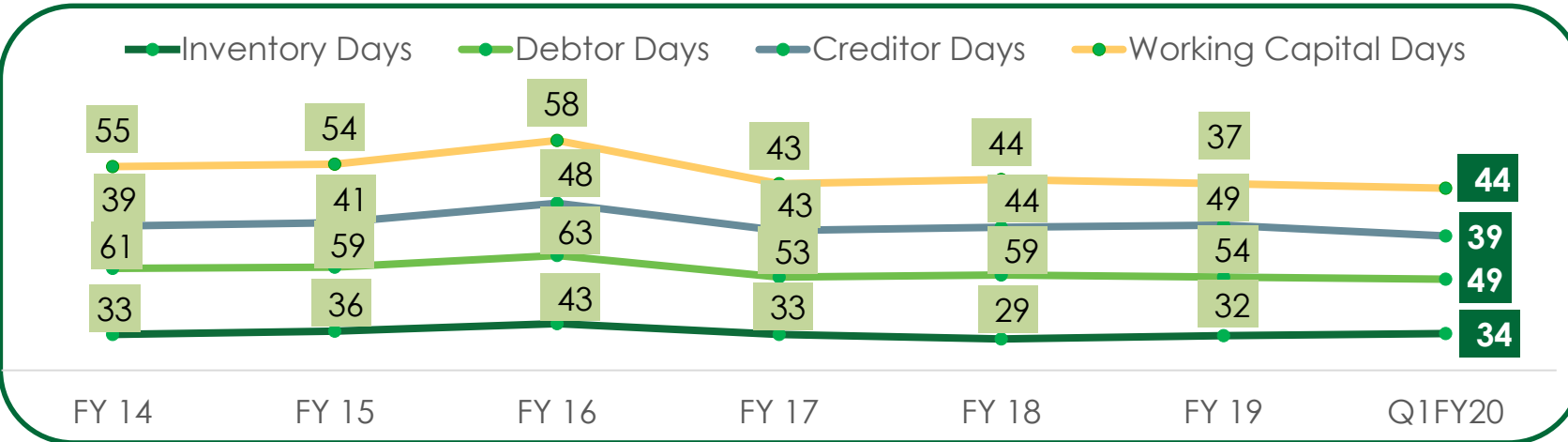


Top 5 Vendors



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

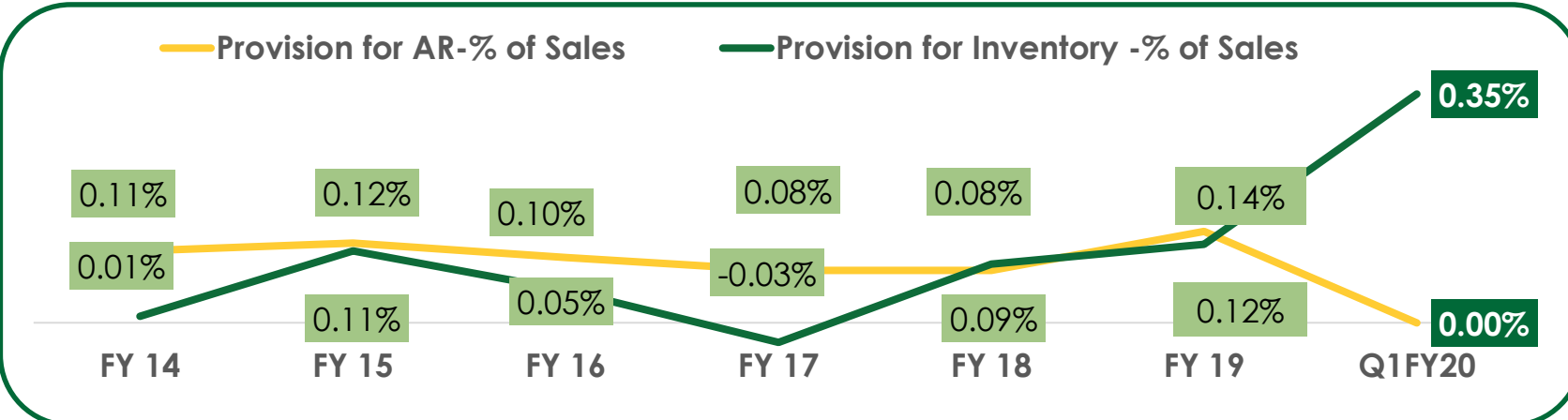
Key Operating Metrics



Working Capital Days at sustainable levels

Rs in mn	FY14	FY15	FY16	FY17	FY18	FY19	Q1FY20
CFO	2,413	1,951	(1,922)	12,986	2,198	10,973	(8,475)
FCF	(389)	947	(5,054)	9,113	(565)	7,318	(9,344)

Cumulative generation of cash flows



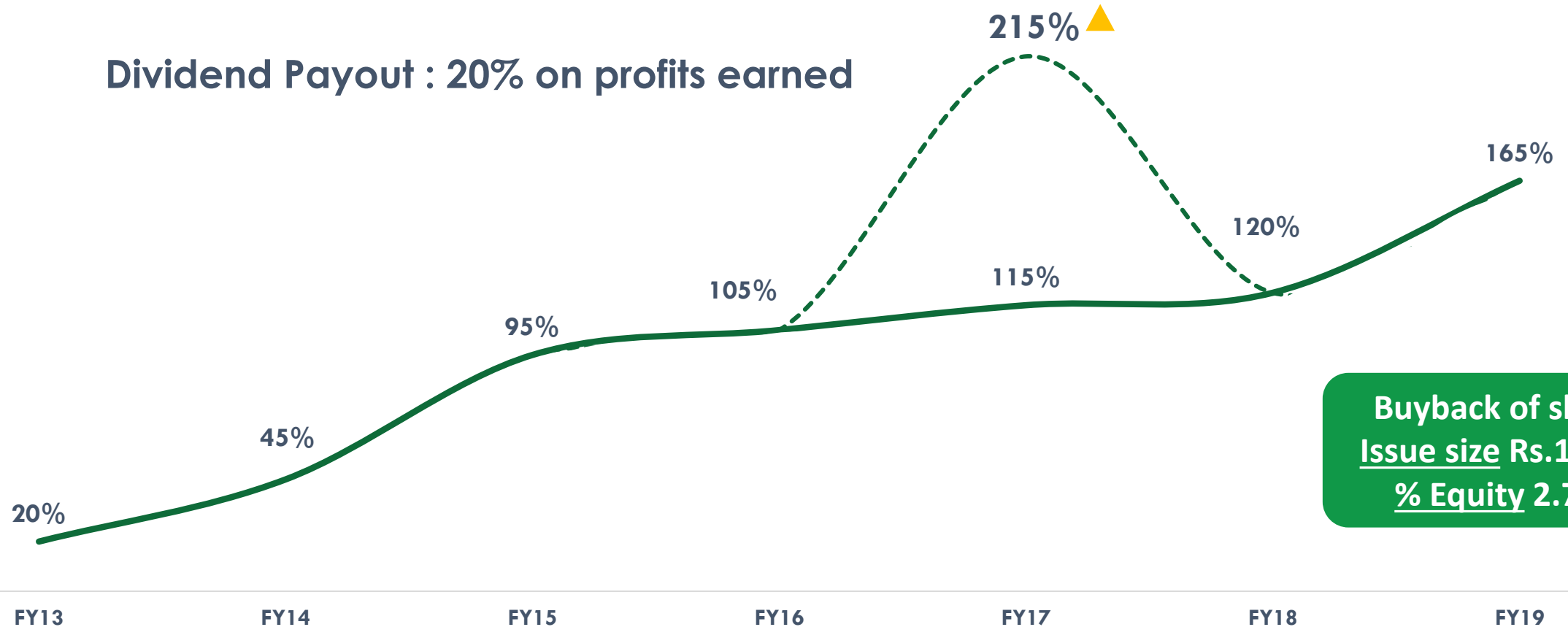
Ensuring Risk adjusted Returns

Consolidated Financials

Particulars	Q1FY20	FY19	FY18	FY17	FY16	FY15	FY14
Total Revenue	1,168,66	4,65,994	4,16,417	3,93,762	3,44,198	3,07,361	2,72,441
EBITDA	2,450	9,619	8,555	8,662	8,176	7,619	7,196
PAT	1,101	5,078	4,816	4,642	4,235	3,865	3,367
Networth	40,029	39,060	35,306	31,479	29,494	23,742	20,213
Capital Employed	69,316	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	0.9%	1.1%	1.2%	1.2%	1.2%	1.3%	1.2%
ROCE	13.7%	16.5%	15.5%	15.2%	14.9%	17.2%	17.2%
ROE	11.2%	13.7%	14.5%	15.3%	15.6%	18.2%	19.1%
EPS (₹)	2.8	12.8	12.0	11.6	10.6	9.7	8.4
Book Value per share (₹)	102.3	99.8	87.7	78.2	73.2	57.6	48.8

Dividend Distribution

Dividend Payout : 20% on profits earned

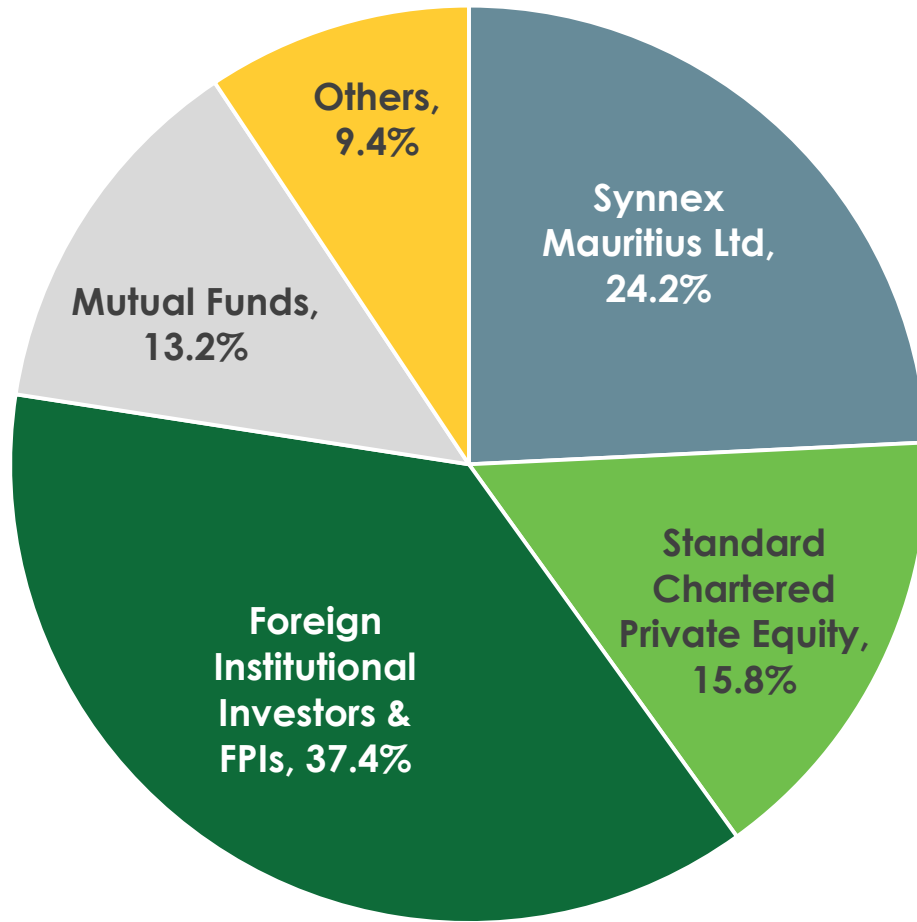


Buyback of shares
Issue size Rs.139 crs
% Equity 2.78%

— Dividend % on Face Value of shares

▲ Final dividend plus Special Interim Dividend declared

Shareholding Pattern (June 2019)



HDFC Mutual Fund



Fidelity Management & Research (FMR)



Franklin Templeton Investments



ICICIPru Life Insurance



Fidelity International



Dimensional Fund Advisors



Norges Bank

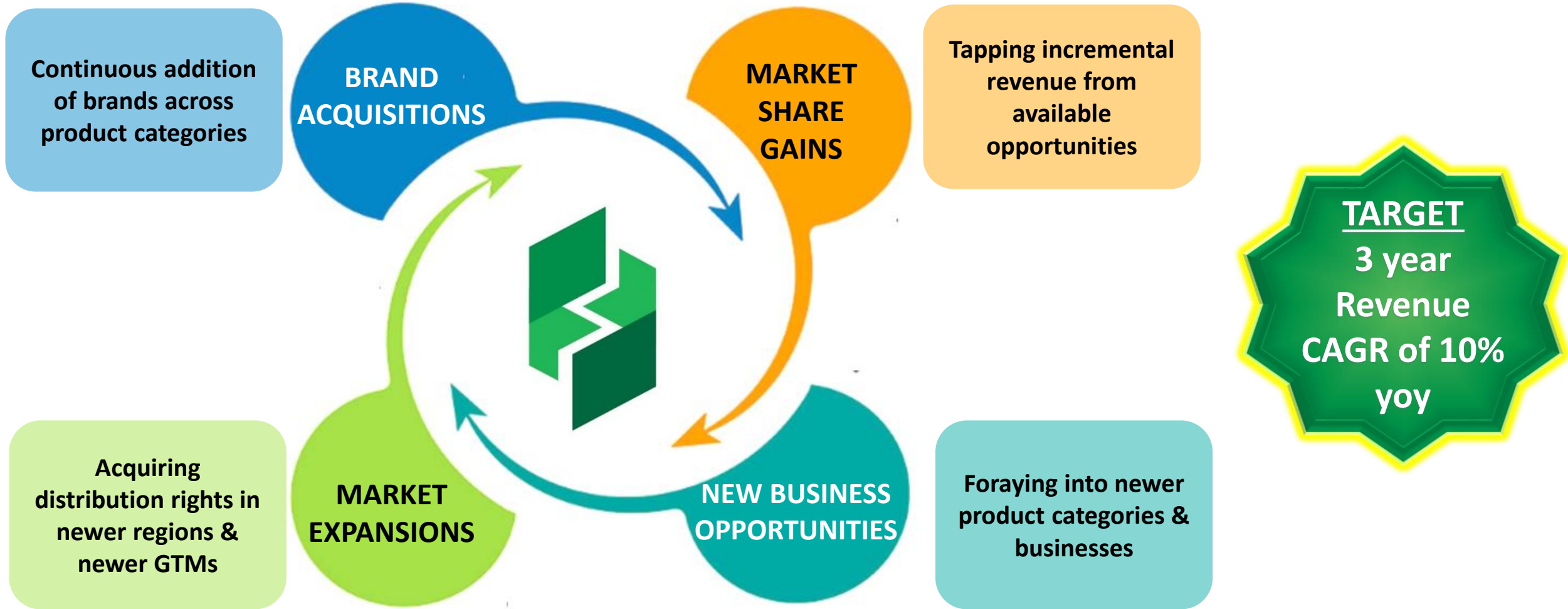


BlackRock Inc

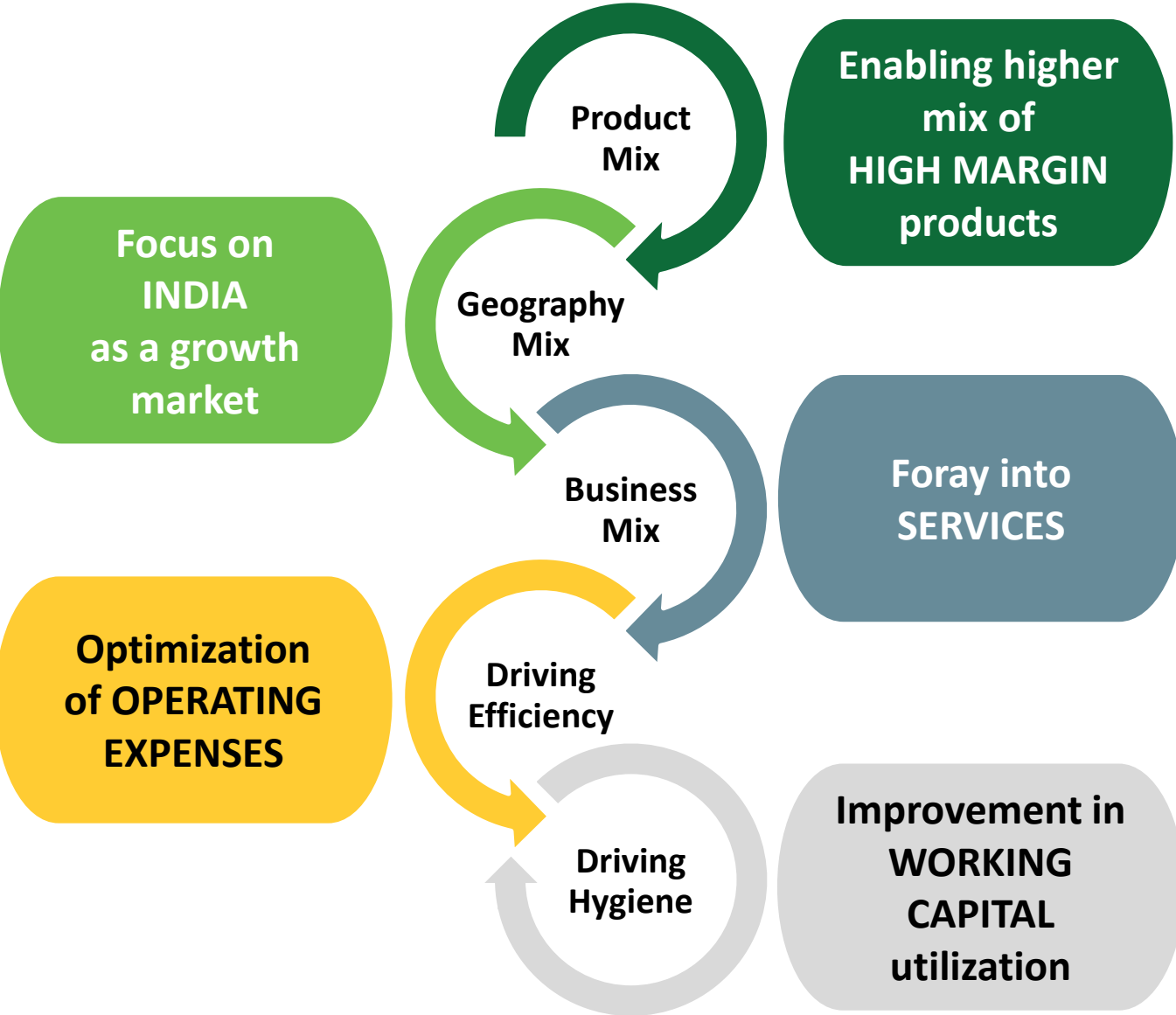
Our Growth Drivers



Revenue Growth Vectors



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
0.4



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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<https://www.redingtongroup.com>

CIN - L52599TN1961PLC028758

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



THANK YOU

