



# **REDINGTON (INDIA) LIMITED**

**Q2FY22 Earnings Presentation**

**Sep 2021**

# 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

- **Q2FY22** – On a Global basis, Revenue grew by **11%** while EBITDA grew by **47%** and PAT grew by **73%**
  - **India** – Revenue grew by **30%**, EBITDA grew by **65%** and PAT grew by **85%**
  - **Overseas** – Revenue degrew by **0.4%**, EBITDA grew by **36%** and PAT grew by **65%**
- **H1FY22** – On a Global basis, Revenue grew by **17%** while EBITDA grew by **52%** and PAT grew by **105%**
  - **India** – Revenue grew by **41%**, EBITDA degrew by **76%** and PAT grew by **154%**
  - **Overseas** – Revenue grew by **5%**, EBITDA grew by **38%** and PAT grew by **81%**
- **Key Metrics**
  - Strong **positive FCF** generation of **Rs. 10,583mn** for Q2FY22 and **Rs.7,415mn** for H1FY22
  - On a Global basis, **WC days** for Q2FY22 is **7 days** and H1FY22 is **8 days**
  - On a Global basis, for the quarter, **ROCE** is **74.6%** and **ROE** is **23.8%**
  - **Gross Debt to Equity** is at **0.07x** and **Net Debt to Equity** is at **(0.69x)**

# Financial Highlights

## INDIA BUSINESS

- During the quarter,
  - India Distribution – Revenue grew by **30%**, EBITDA grew by **82%** and PAT grew by **107%**
  - **IT segment** grew by **33% YoY** led by growth in IT Consumer segment while Mobility segment grew by **21% Yoy**
  - **WC days** stood at **3 days** in Q2FY22 as against 14 days in Q2FY21
  - Strong **FCF** generation at **Rs. 9,852mn**
  - **ROCE** is strong at **71.5%**

## ProConnect India (PCS)

- PCS grew revenues by **16% YoY** but degrew PAT by **13% YoY** on the back of RCS merger impact in the base quarter (excluding the same, PAT would have grown by **36% YoY**)
- PCS registered **EBITDA margin of 11%** for the quarter

# Financial Highlights

## OVERSEAS BUSINESS

- During the quarter,
  - Overseas revenues degrew by **0.4% YoY** but grew strong double digit at EBITDA and PAT level
    - SSA revenues impacted by degrowth in SSA on account of shift of few biz (at vendor end) to India
    - IT segment in META grew by **10% YoY**
    - Arena revenues impacted by degrowth in Mobility biz in Turkey
  - **WC days** stood at **11 days** in Q2FY22 as against 14 days in Q2FY21
  - Strong **FCF** generation at **Rs. 731 mn**
  - **ROCE** is strong at **77.0%**

## Turkey Update

- During the quarter, Arena degrew revenues at **17% YoY** but grew EBITDA by **19% YoY** and PAT by **85% YoY**, driven by opex savings and favourable tax rate of 8%



# Q2FY22 Highlights

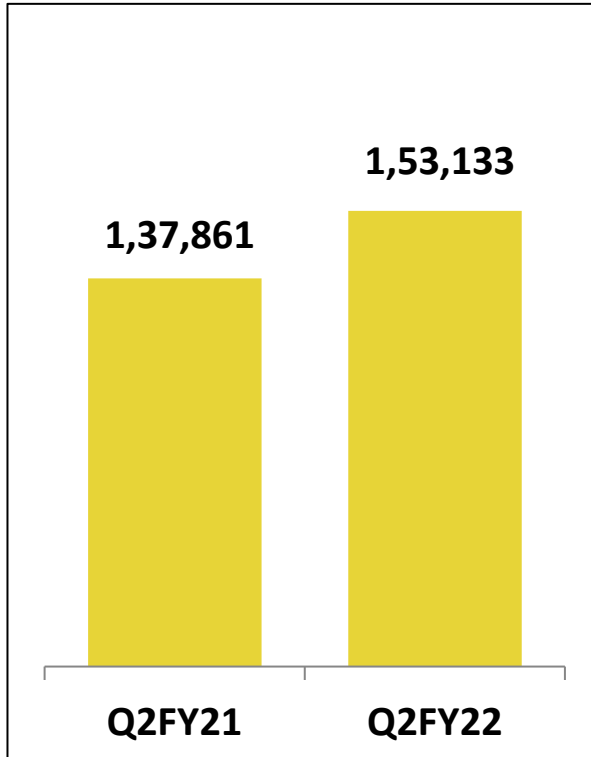


# Q2FY22 Redington Global Performance

₹ in mn

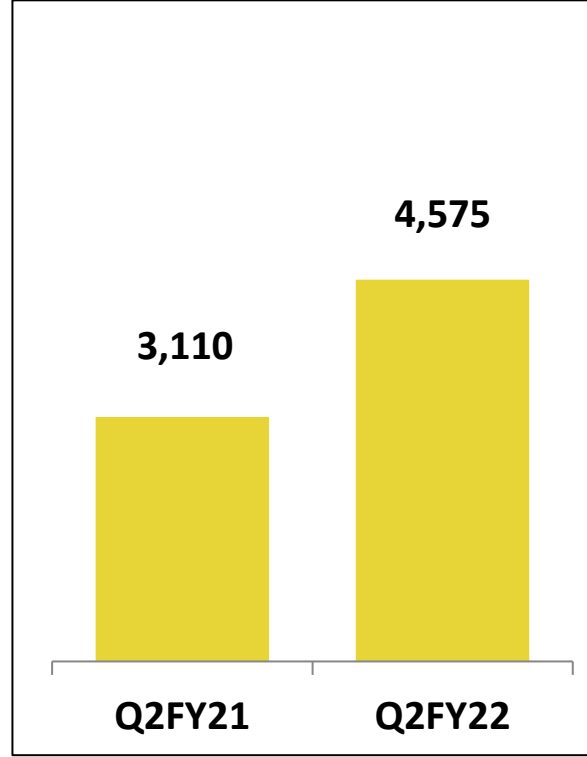
## REVENUE

11% ▲



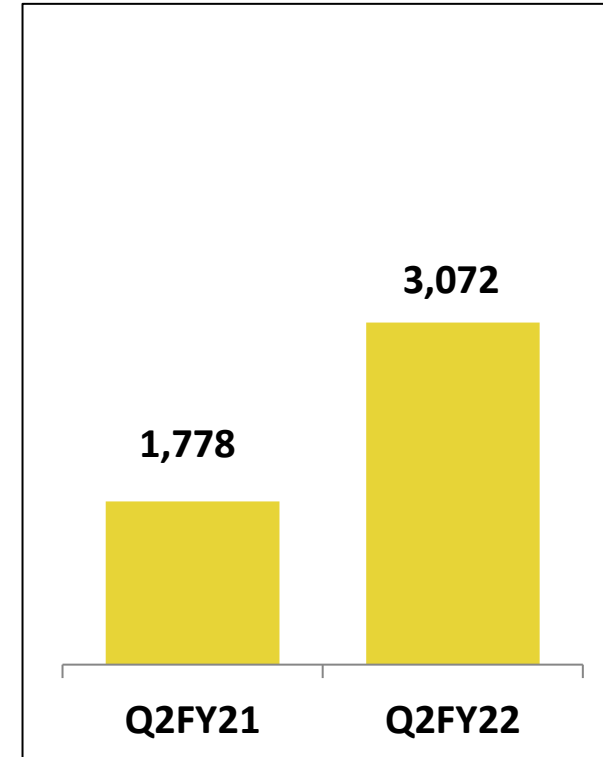
## EBITDA

47% ▲



## PAT

73% ▲

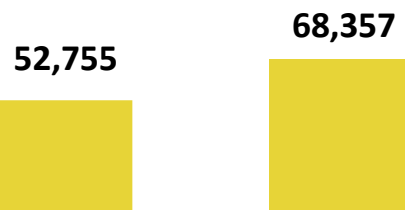


# Q2FY22 Performance by Market

₹ in mn

## REVENUE

30% ↑

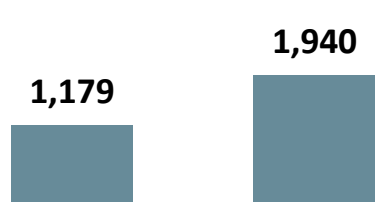


Q2FY21

Q2FY22

## EBITDA

65% ↑

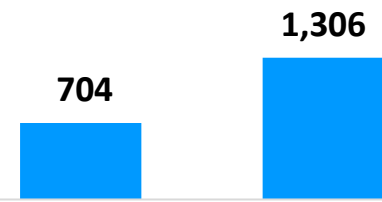


Q2FY21

Q2FY22

## PAT

85% ↑

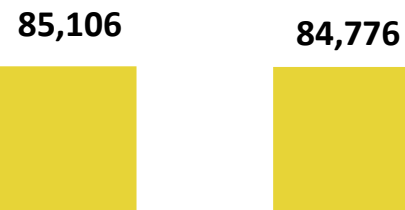


Q2FY21

Q2FY22

INDIA

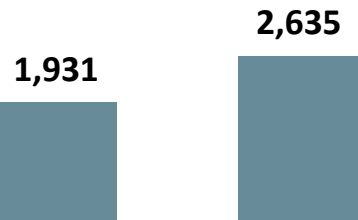
-0.4% ↓



Q2FY21

Q2FY22

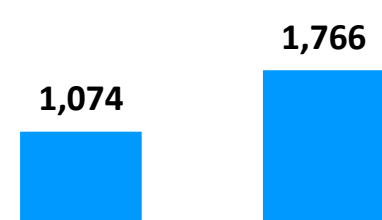
36% ↑



Q2FY21

Q2FY22

65% ↑



Q2FY21

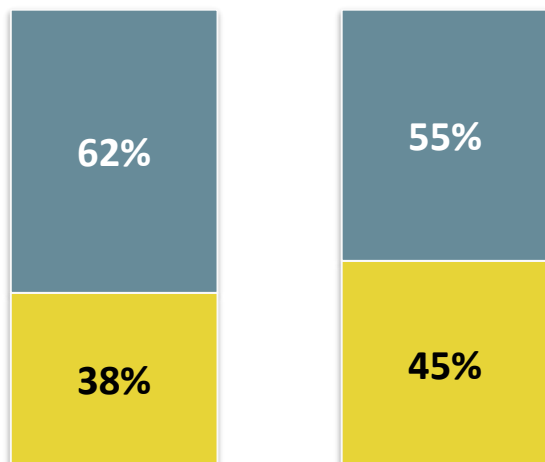
Q2FY22

OVERSEAS



# Q2FY22 Contribution by Market

## REVENUE



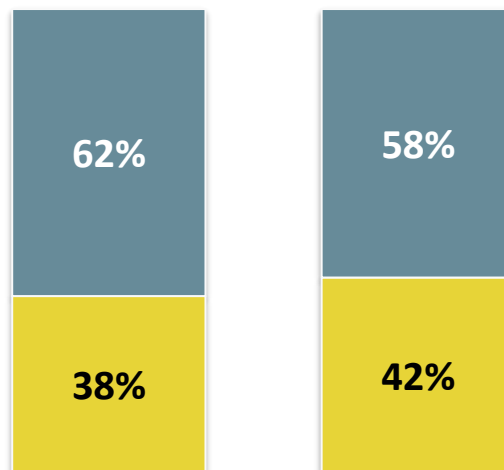
Q2FY21

INDIA

Q2FY22

OVERSEAS

## EBITDA



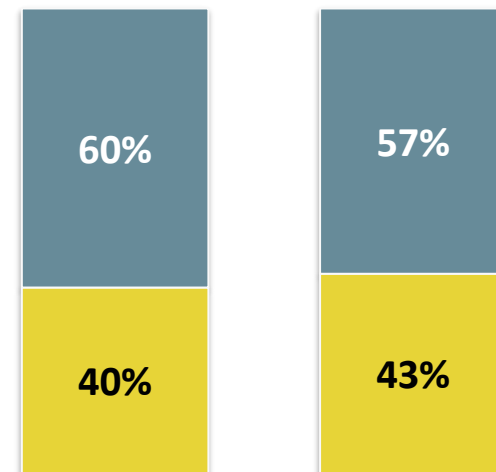
Q2FY21

INDIA

Q2FY22

OVERSEAS

## PAT



Q2FY21

INDIA

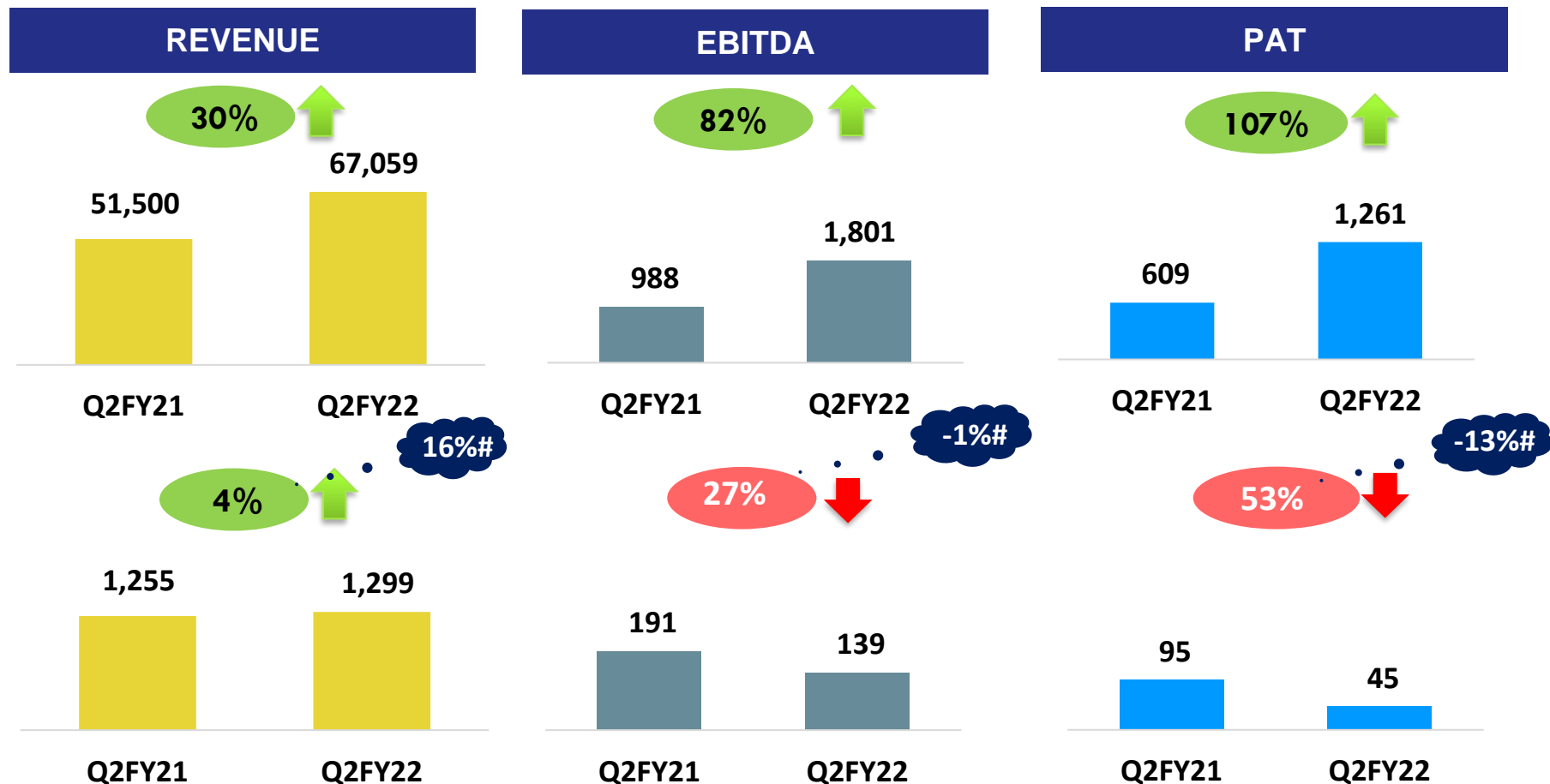
Q2FY22

OVERSEAS

# Q2FY22 India Performance

₹ in mn

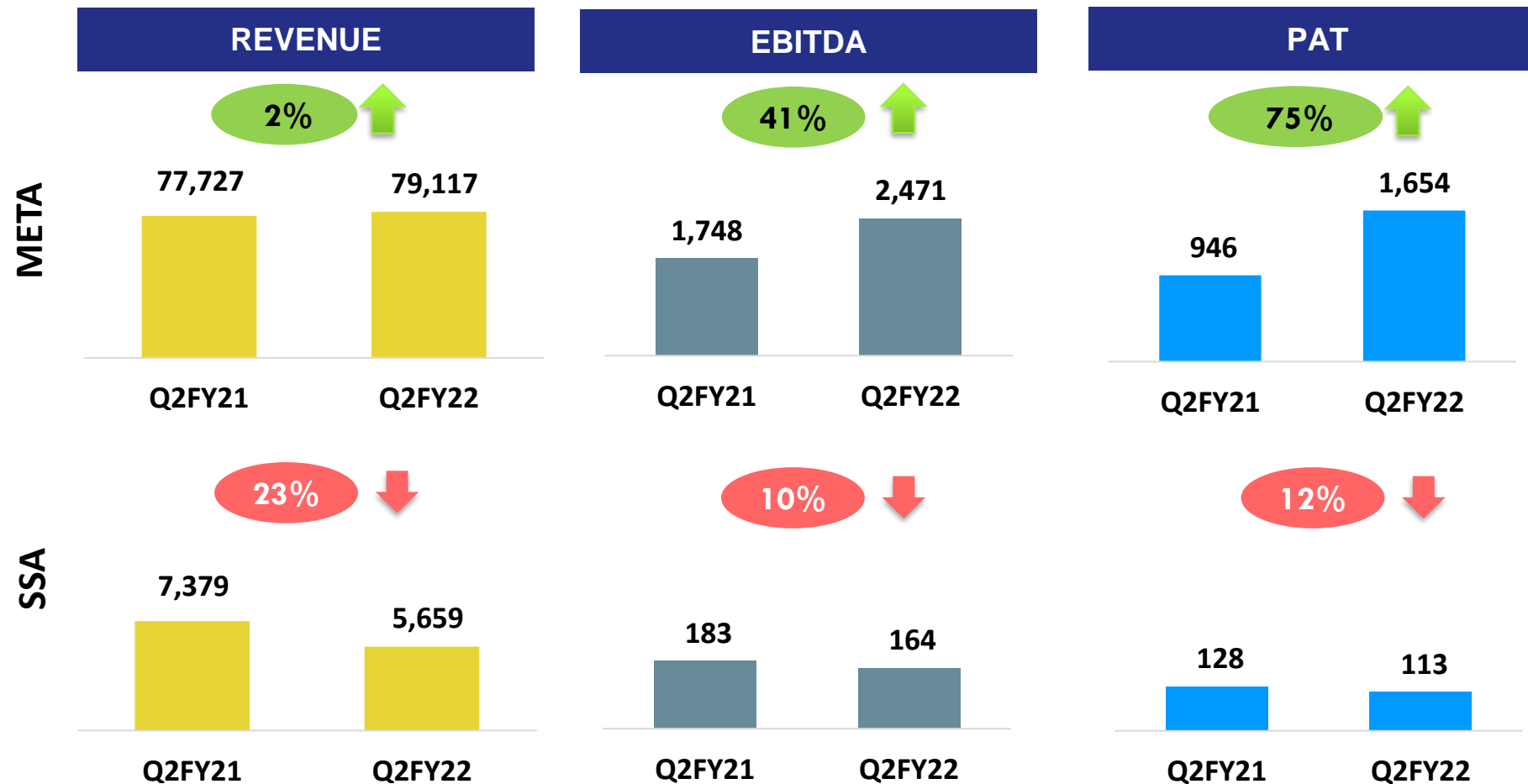
DISTRIBUTION



#Services excluding Ensure (divested in Q1FY21)

# Q2FY22 Overseas Performance

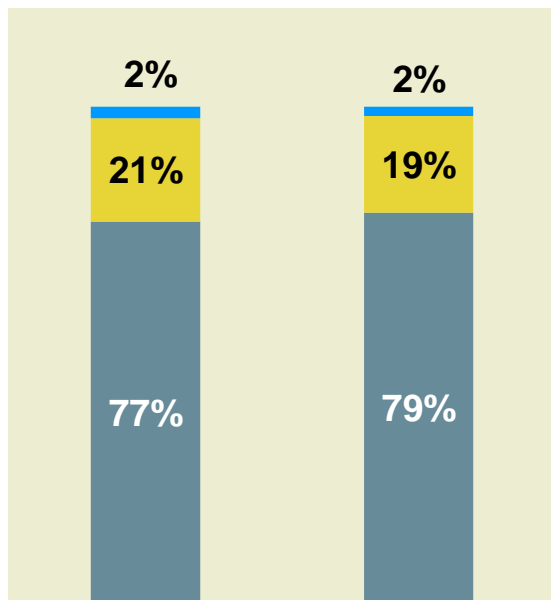
₹ in mn



Note: Overseas performance in c/c terms – Revenue 0.3%; EBITDA 38% ; PAT 66%

# Q2FY22 Revenue Performance by Verticals

## INDIA

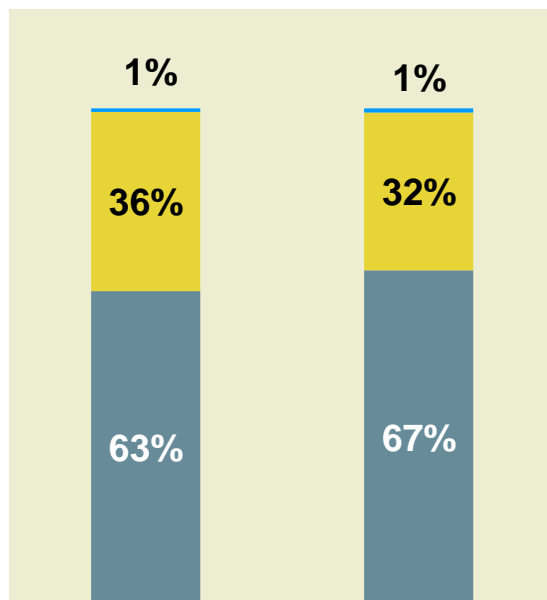


Q2FY21

Q2FY22

■ IT ■ Mobility ■ Services

## OVERSEAS

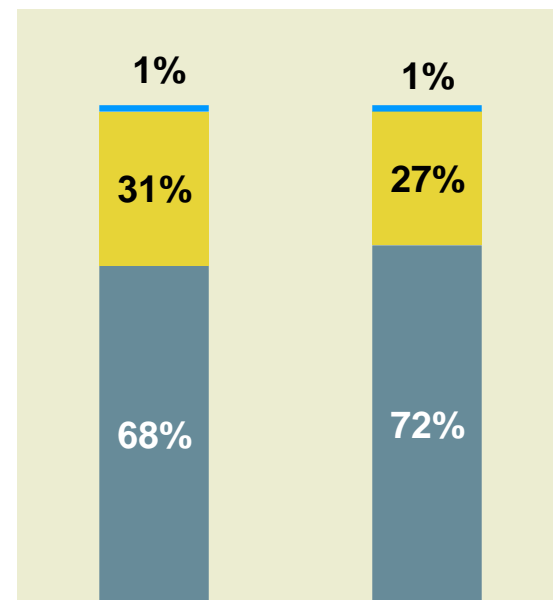


Q2FY21

Q2FY22

■ IT ■ Mobility ■ Services

## GLOBAL



Q2FY21

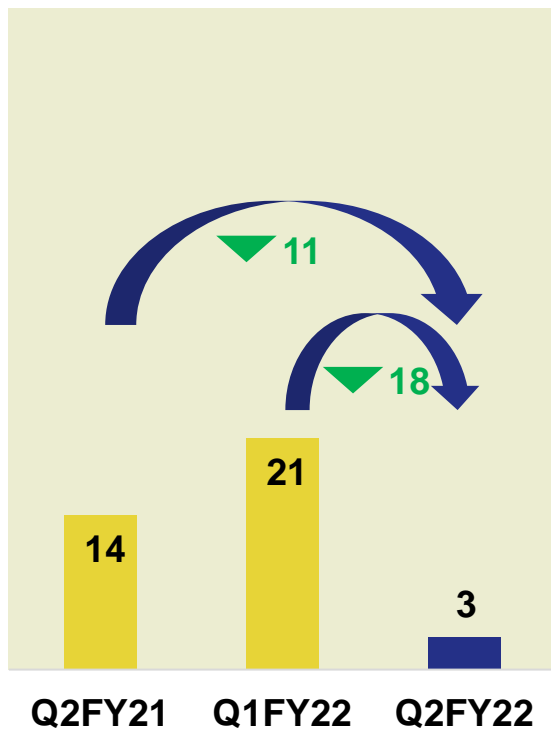
Q2FY22

■ IT ■ Mobility ■ Services

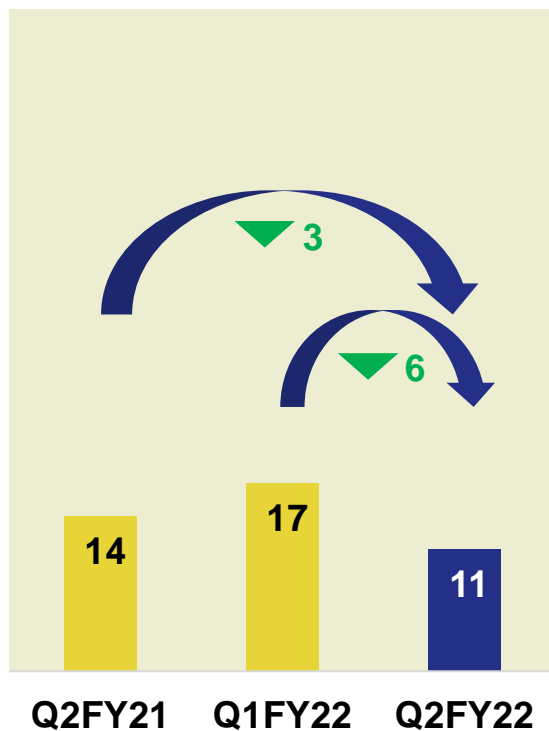
Note: Services includes Ensure India figures in Q2FY21

# Q2FY22 Working Capital Days

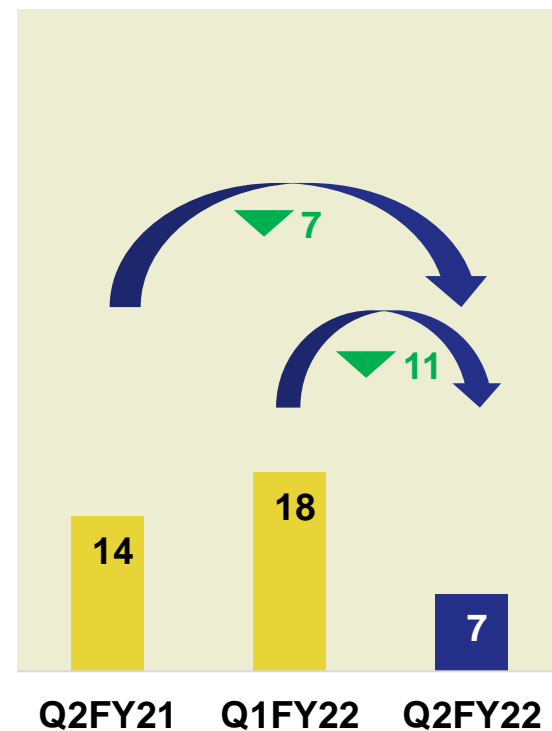
INDIA



OVERSEAS



GLOBAL



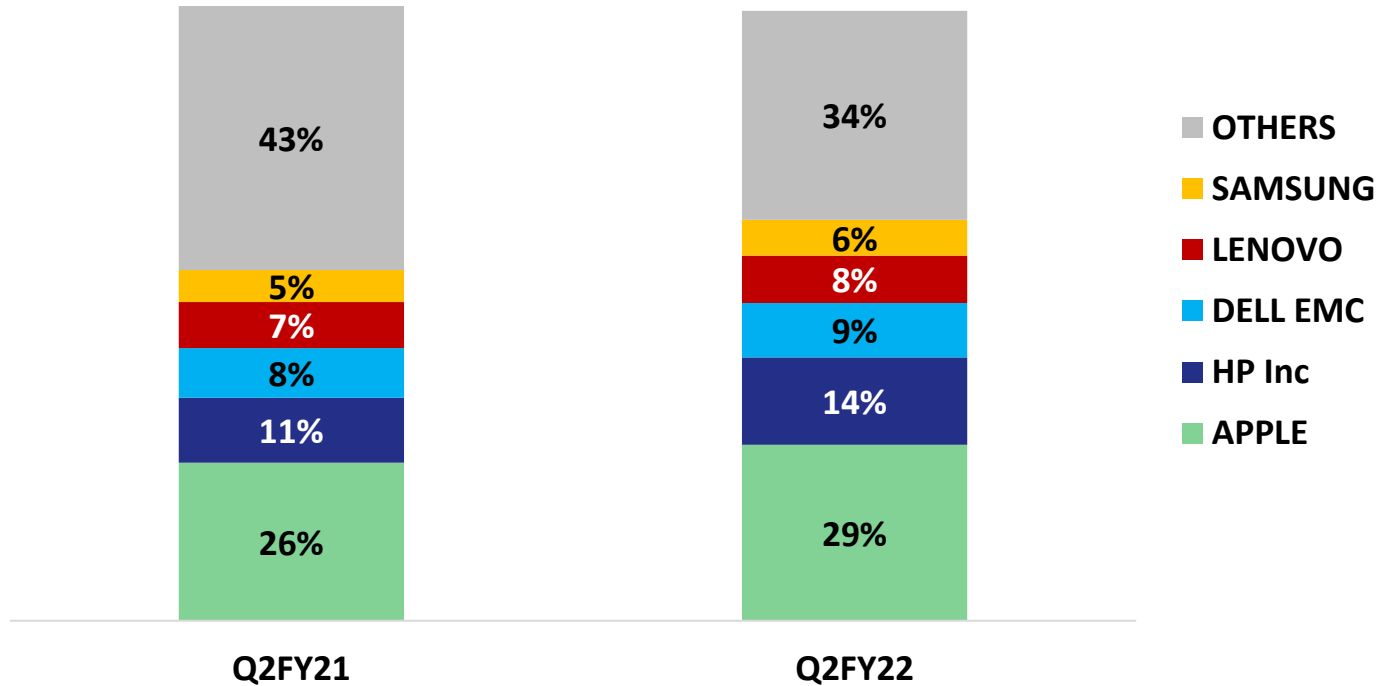
# Q2FY22 Free Cash Flow Statement

₹ in mn

Particulars	Q2FY21	Q1FY22	Q2FY22
<b>Profit Before Taxation</b>	<b>2,412</b>	<b>3,014</b>	<b>3,908</b>
Non-cash items	465	511	<b>372</b>
Outflow of Finance Cost	171	183	<b>217</b>
Changes in Working Capital	(224)	(5,901)	<b>12,563</b>
Direct Tax Paid	(645)	(667)	<b>(857)</b>
<b>Net Cash Flow from Operations</b>	<b>2,179</b>	<b>(2,861)</b>	<b>16,203</b>
Capex	(118)	(90)	<b>(916)</b>
Dividend	-	(74)	<b>(4,531)</b>
Outflow of Finance Cost	(241)	(143)	<b>(173)</b>
<b>Free Cashflow</b>	<b>1,820</b>	<b>(3,167)</b>	<b>10,583</b>

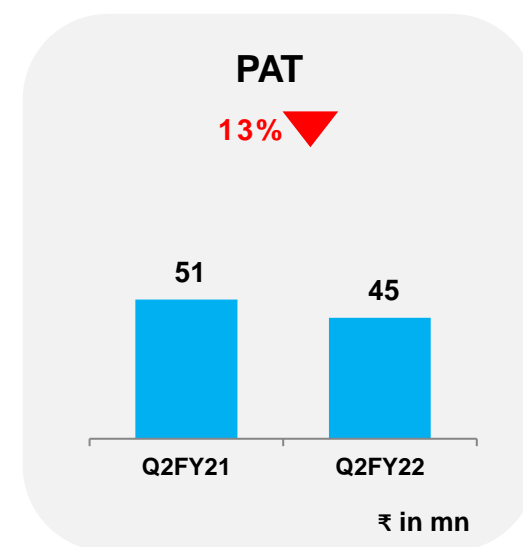
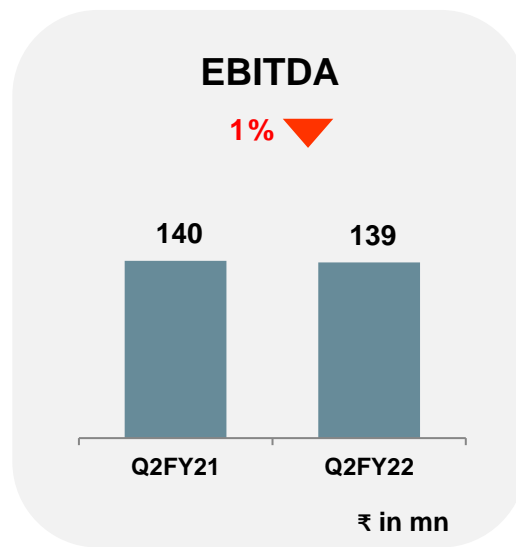
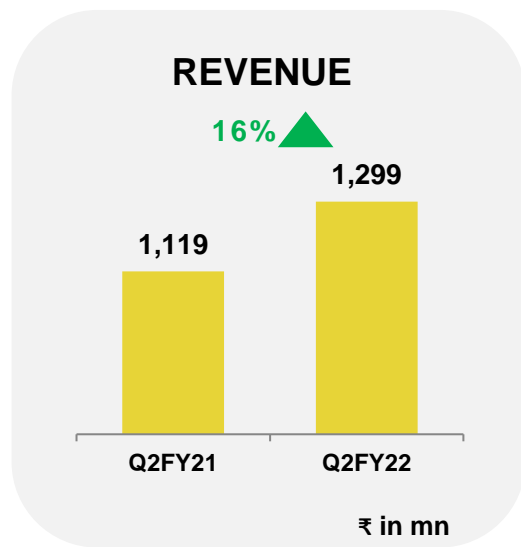
# Q2FY22 Top 5 Vendors

## REVENUE



# Q2FY22 ProConnect India

- PCS registered growth across all metrics with revenue growth of 16% YoY
- PCS registered EBITDA margin of 11% for the quarter







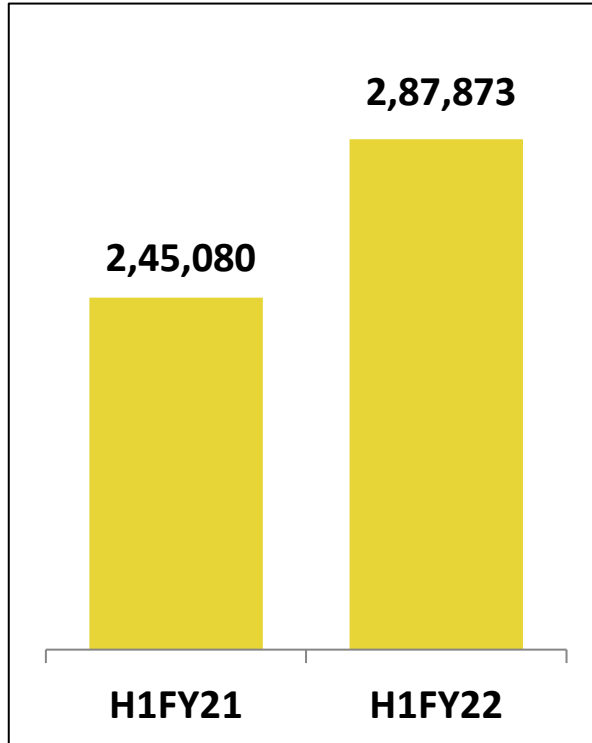
# H1FY22 Performance

# H1FY22 Redington Global Performance

₹ in million

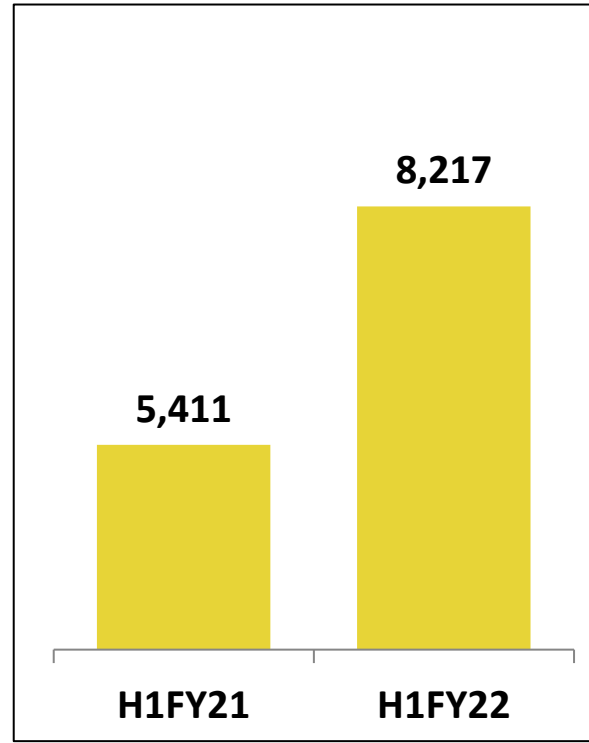
## REVENUE

17% ▲



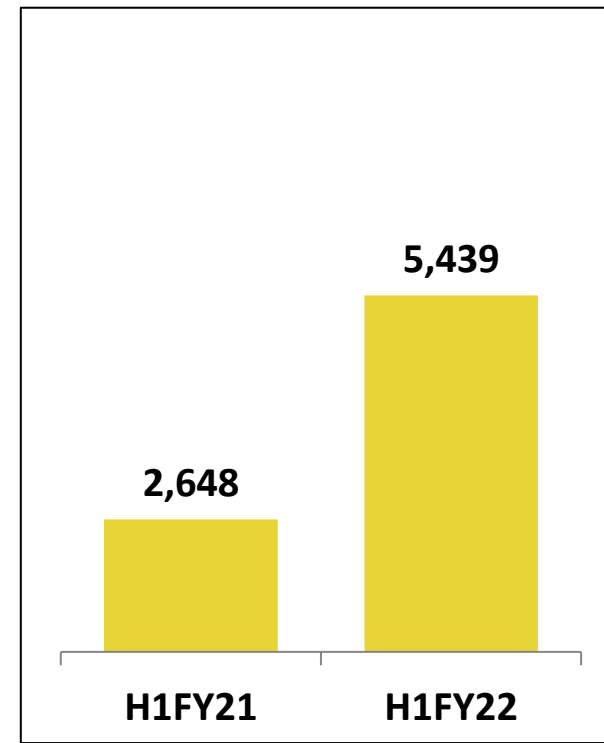
## EBITDA

52% ▲



## PAT

105% ▲



# H1FY22 Performance by Market

₹ in mn

## REVENUE

41%



87,269

1,22,708

H1FY21

H1FY22

## EBITDA

76%



1,961

3,457

H1FY21

H1FY22

## PAT

154%



898

2,277

H1FY21

H1FY22

INDIA

5%



1,57,811

1,65,165

H1FY21

H1FY22

38%



3,450

4,760

H1FY21

H1FY22

81%



1,750

3,162

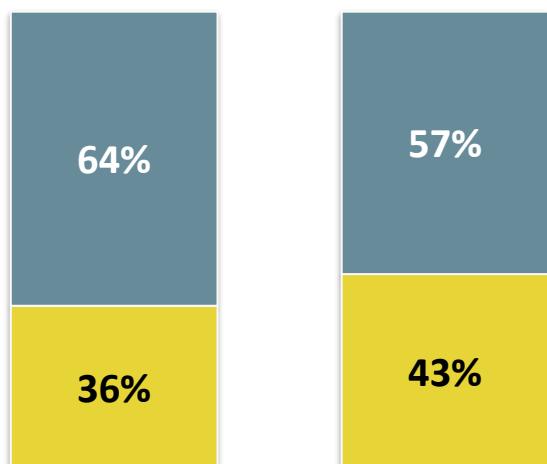
H1FY21

H1FY22

OVERSEAS

# H1FY22 Contribution by Market

## REVENUE



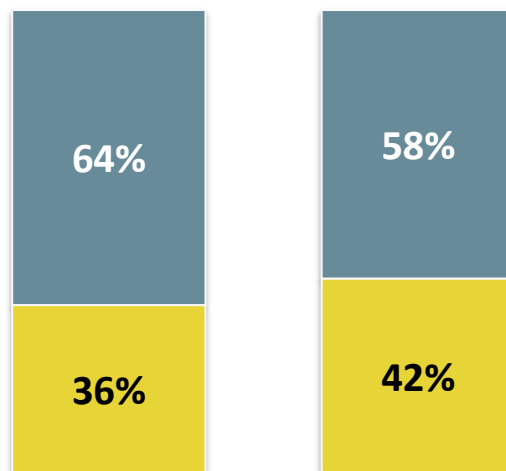
H1FY21

INDIA

H1FY22

OVERSEAS

## EBITDA



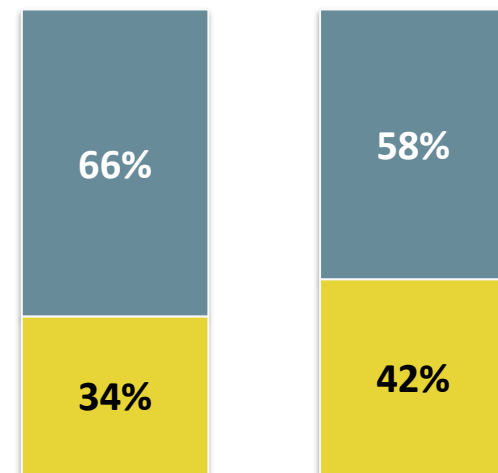
H1FY21

INDIA

H1FY22

OVERSEAS

## PAT



H1FY21

INDIA

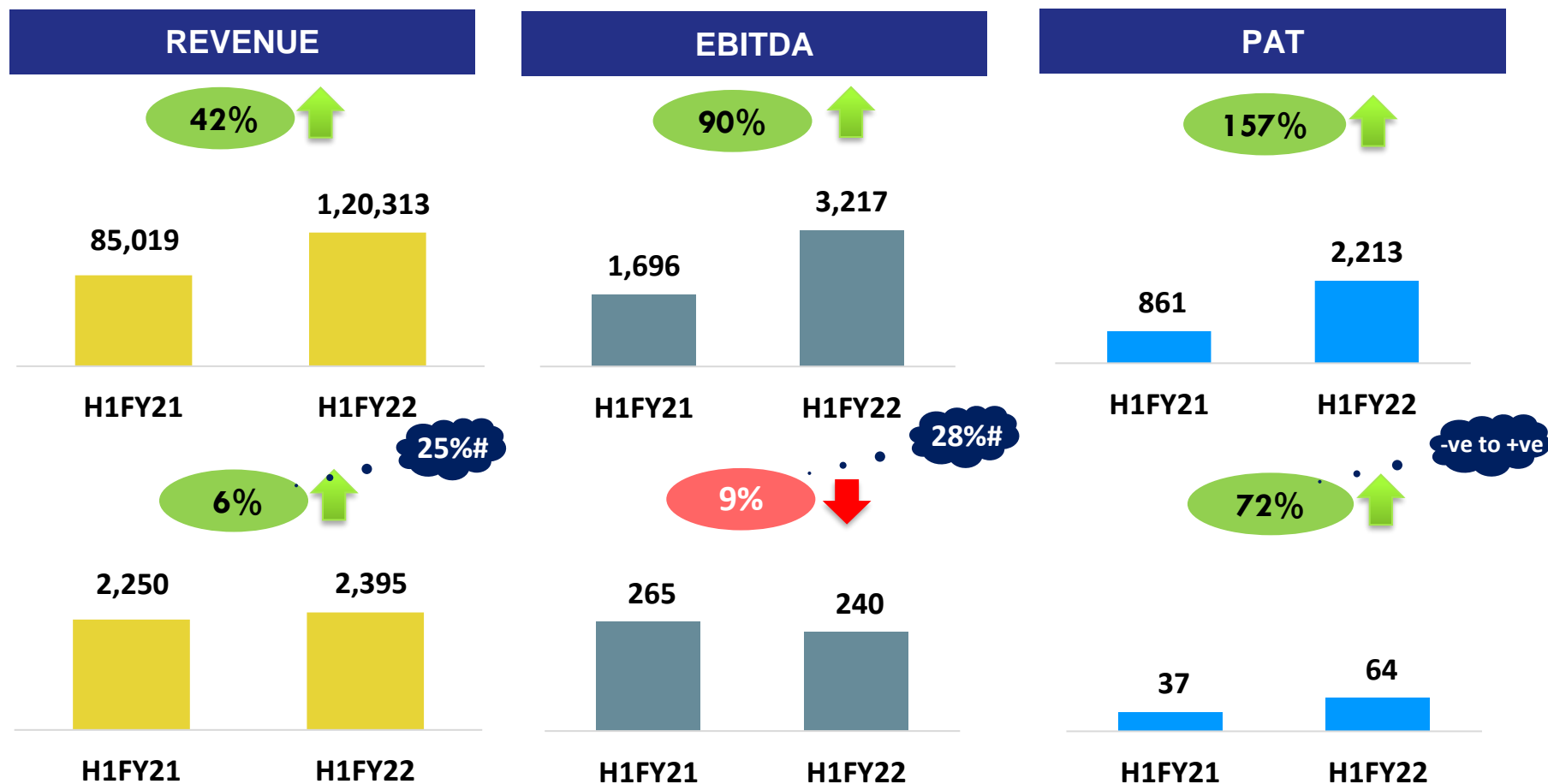
H1FY22

OVERSEAS

# H1FY22 India Performance

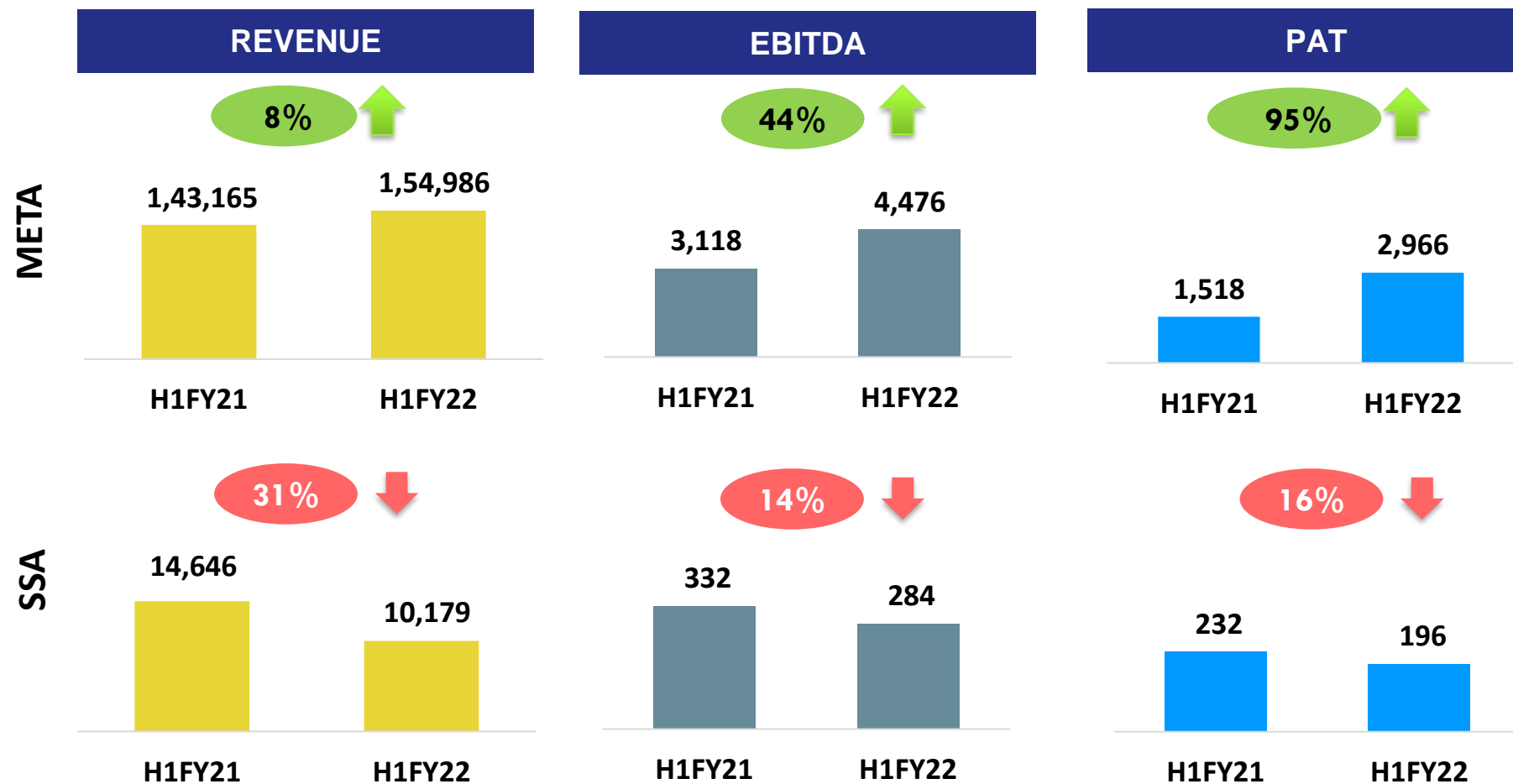
₹ in mn

DISTRIBUTION



# H1FY22 Overseas Performance

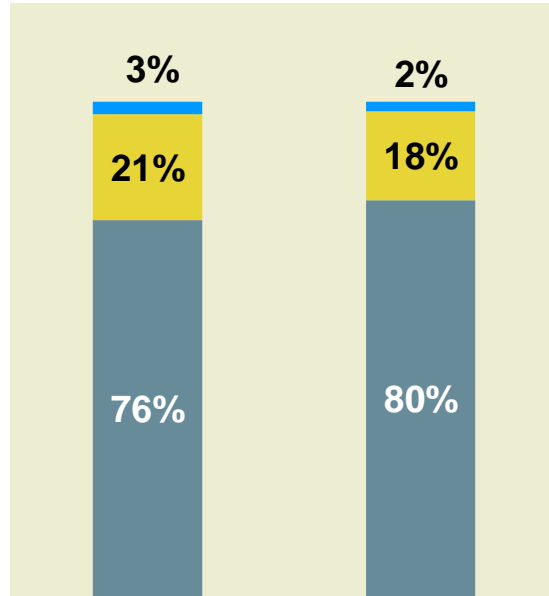
₹ in mn



Note: Overseas performance in c/c terms – Revenue 6%; EBITDA 40% ; PAT 83%

# H1FY22 Revenue Performance by Verticals

## INDIA

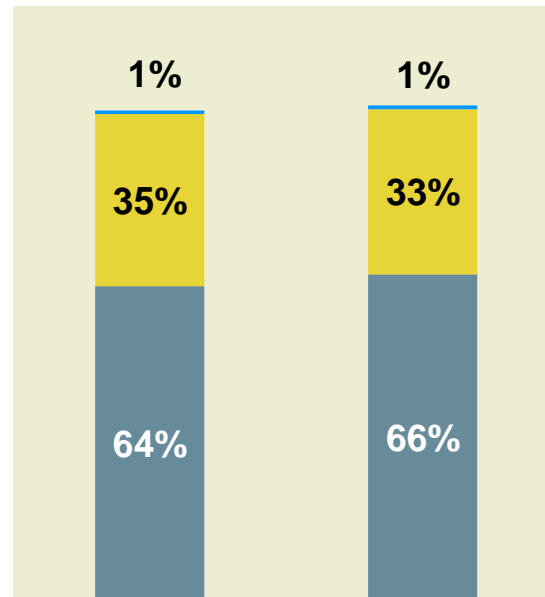


H1FY21

H1FY22

■ IT ■ Mobility ■ Services

## OVERSEAS

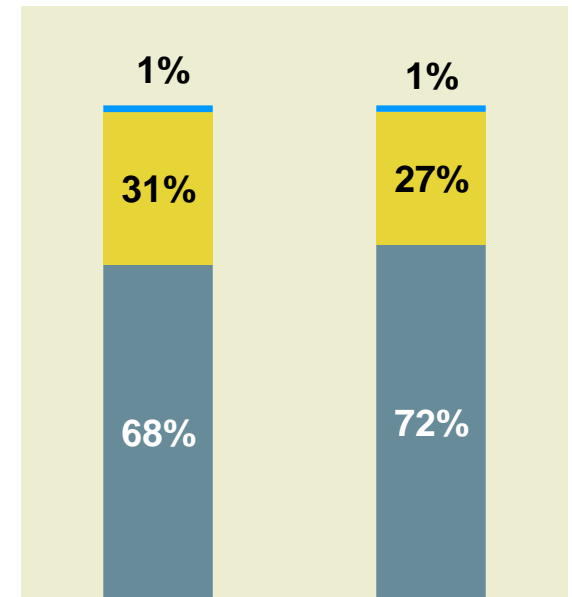


H1FY21

H1FY22

■ IT ■ Mobility ■ Services

## GLOBAL



H1FY21

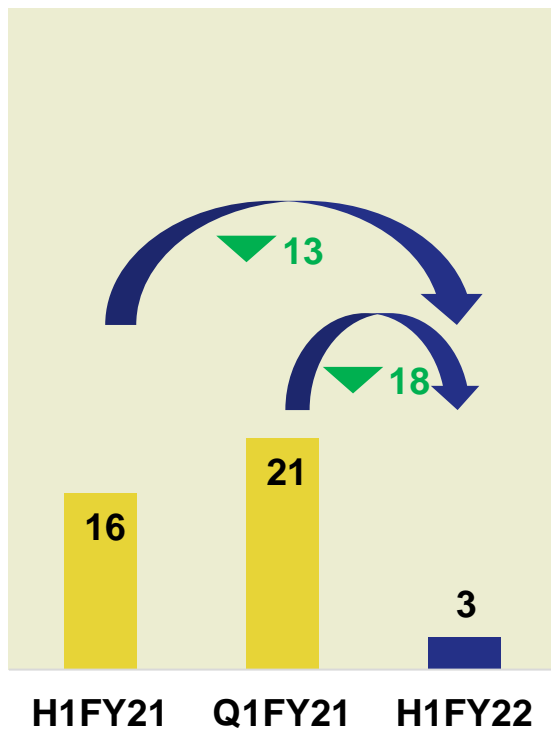
H1FY22

■ IT ■ Mobility ■ Services

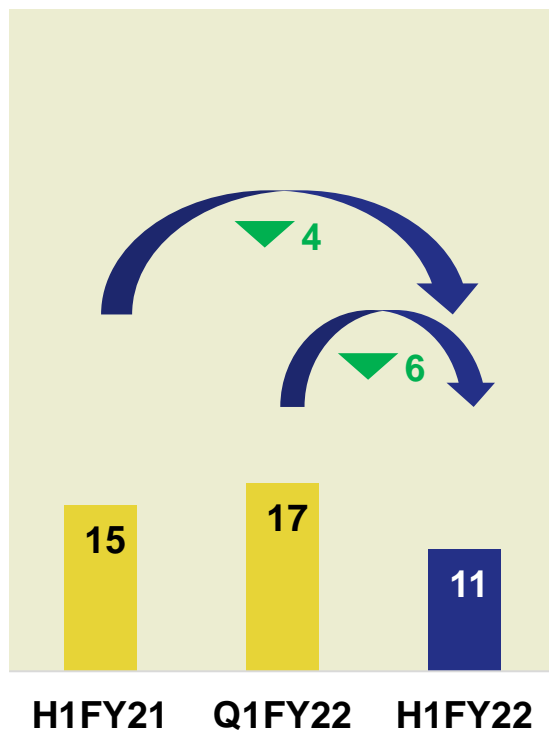
Note: Services includes Ensure India figures in Q2FY21

# H1FY22 Working Capital Days

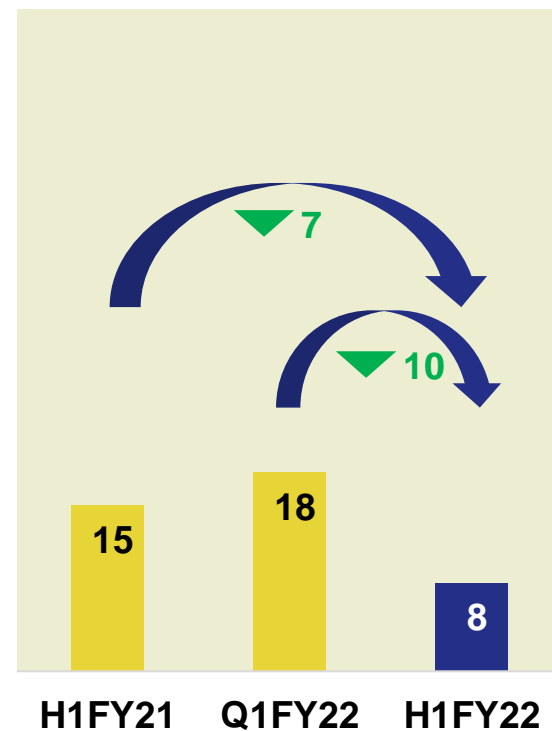
INDIA



OVERSEAS



GLOBAL





# H1FY22 Free Cash Flow Statement

₹ in mn

Particulars	H1FY21	Q1FY22	H1FY22
<b>Profit Before Taxation</b>	<b>3,717</b>	<b>3,014</b>	<b>6,921</b>
Non-cash items	891	511	<b>883</b>
Outflow of Finance Cost	595	183	<b>400</b>
Changes in Working Capital	21,834	(5,901)	<b>6,662</b>
Direct Tax Paid	(932)	(667)	<b>(1,524)</b>
<b>Net Cash Flow from Operations</b>	<b>26,105</b>	<b>(2,861)</b>	<b>13,342</b>
Capex	(257)	(90)	<b>(1,006)</b>
Dividend	-	(74)	<b>(4,605)</b>
Outflow of Finance Cost	(704)	(143)	<b>(316)</b>
<b>Free Cashflow</b>	<b>25,144</b>	<b>(3,167)</b>	<b>7,415</b>

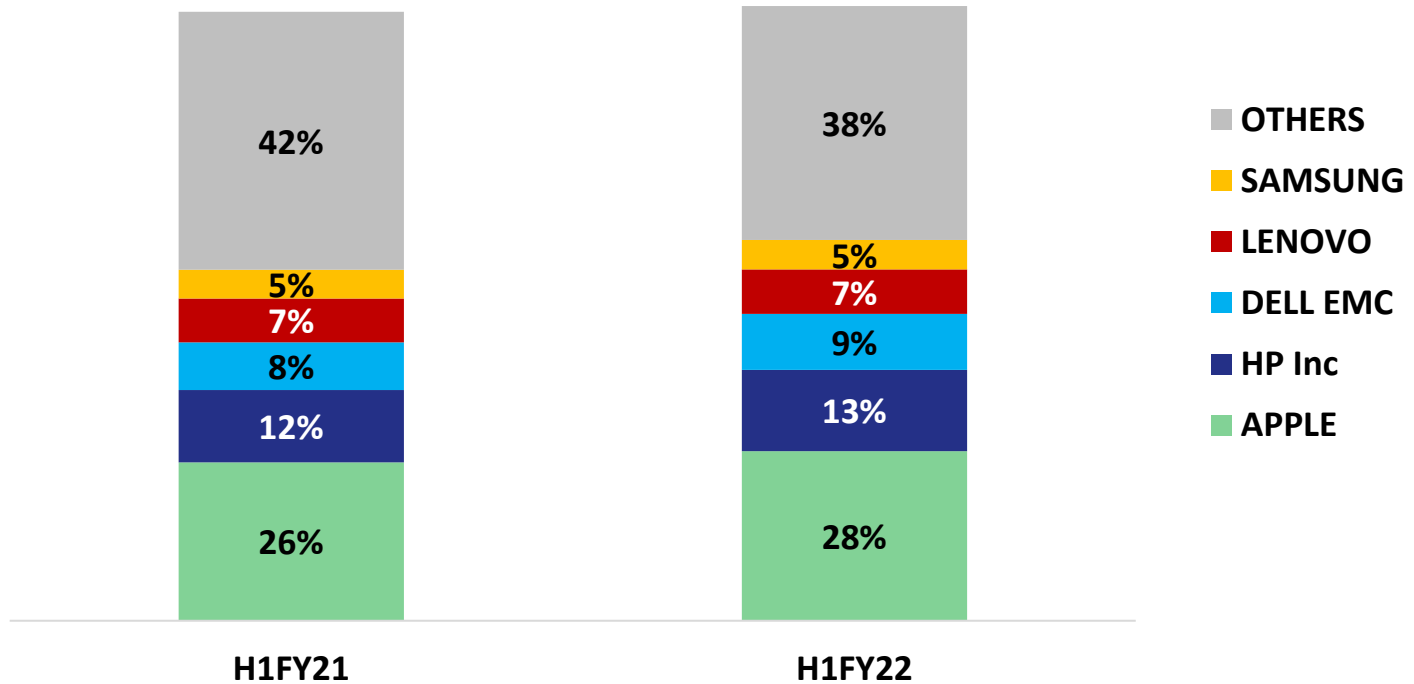
# H1FY22 Balance Sheet

₹ in million

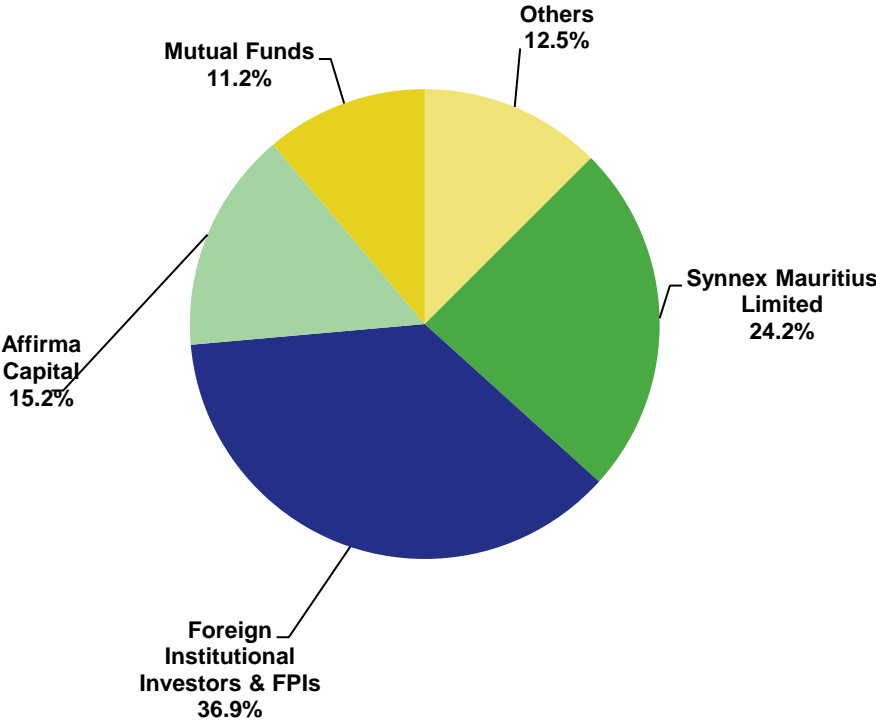
Particulars	30-SEP-20	30-SEP-21
<b>Source:</b>		
Networth	44,904	50,616
Net Debt	(22,912)	(37,612)
Minority Interest	3,727	3,774
<b>Total</b>	<b>25,719</b>	<b>16,778</b>
<b>Application:</b>		
Fixed Assets	4,610	4,752
Goodwill	183	183
Right to Use Assets	1,856	1,841
Net Assets	19,070	10,002
<b>Total</b>	<b>25,719</b>	<b>16,778</b>

# H1FY22 Top 5 Vendors

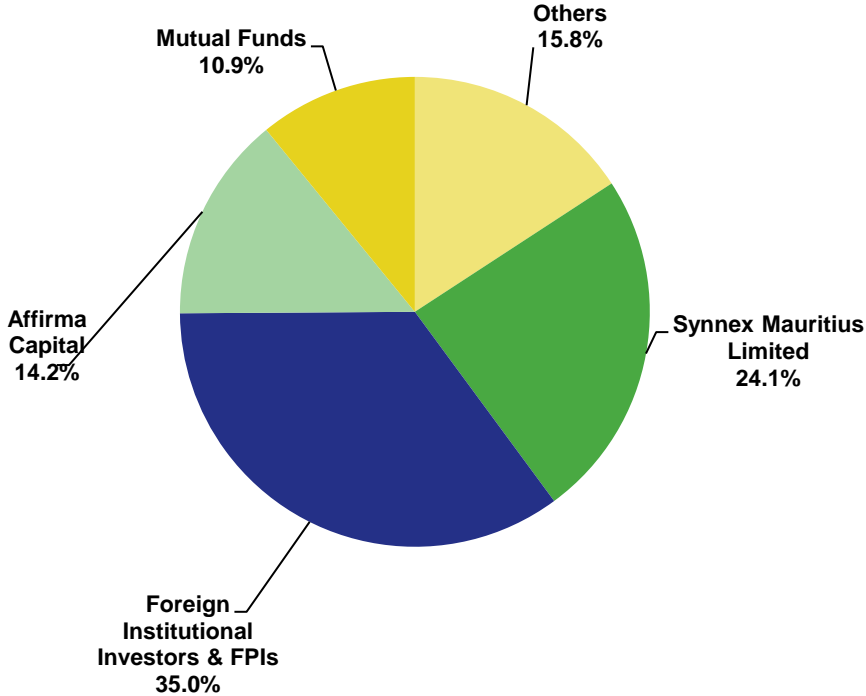
## REVENUE



# Shareholding Pattern



Jun-2021



Sep-2021



## Investor Contacts

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CIN - L52599TN1961PLC028758