



An Integrated Supply Chain Solutions Provider

An Overview

December 2015

Business & Management

Financial Summary

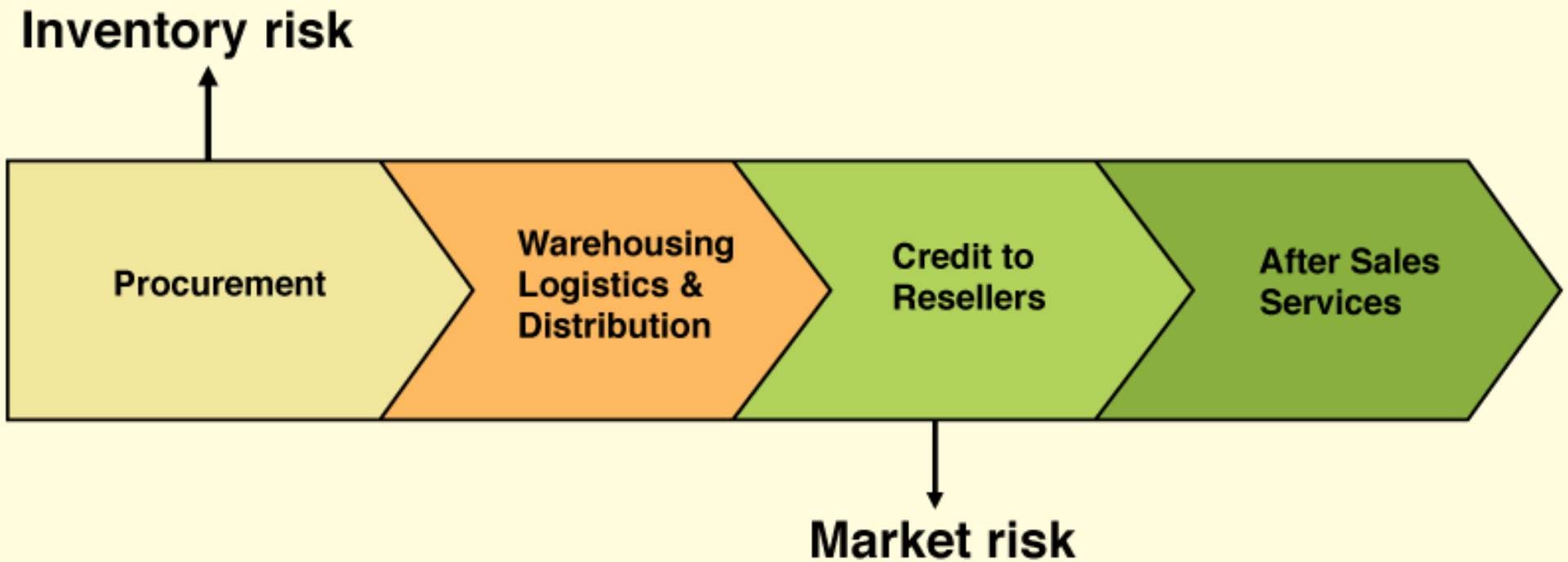
Risk Management

Commenced distribution operations in India in 1993

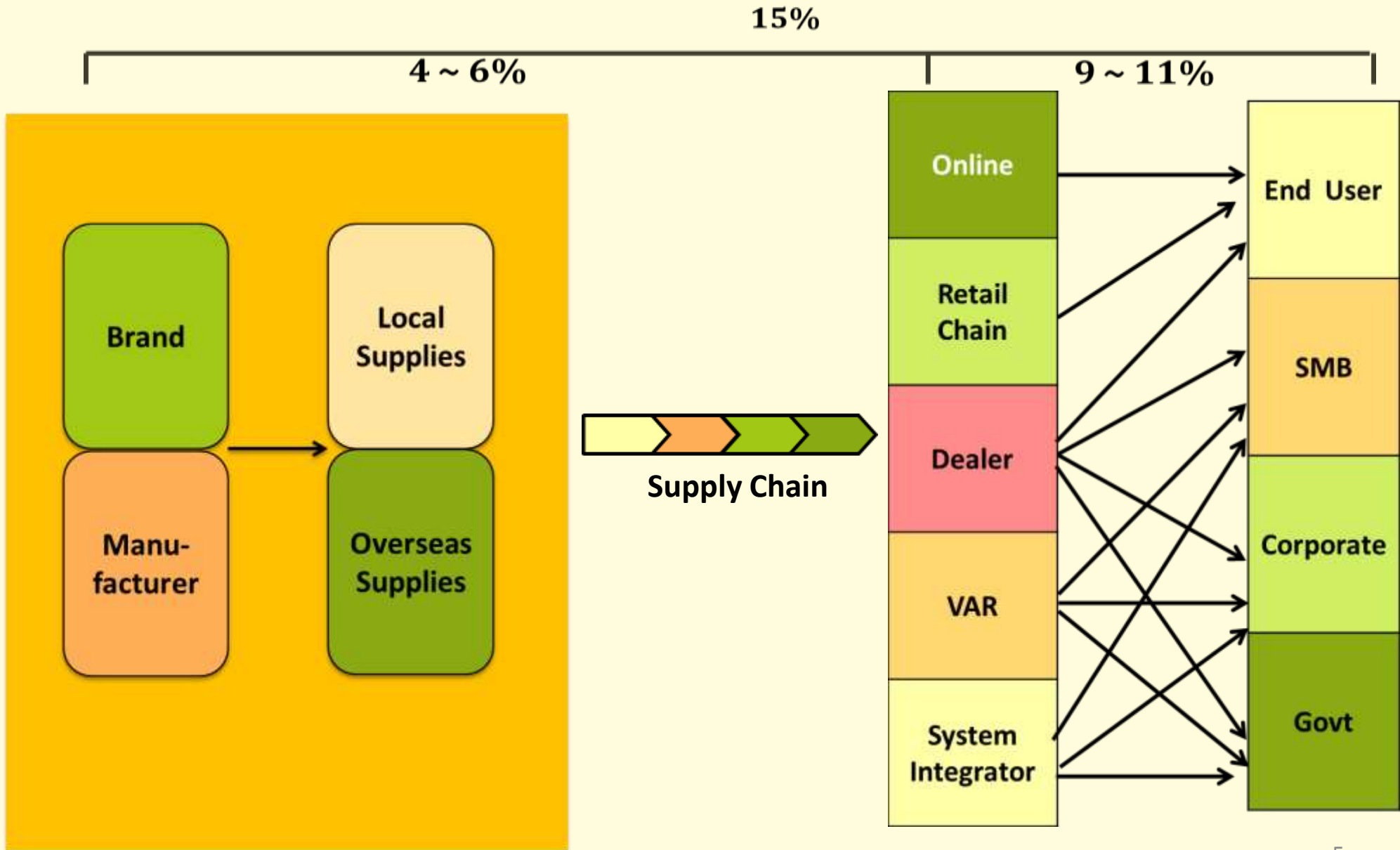
Evolved into Supply chain Solutions Provider
(traditional cash and carry model to management of inventory)

- ~ Distribution Channel spans across India, South Asia, Middle East, Africa & Turkey
- ~ Distributes over 185+ brands of Global repute
- ~ Post sales support services – 340+ service centres in India, MEA & Singapore.

- ~ 2nd largest distributor of IT & Non -IT Brands in India (34,100 + Channel Partners)
- ~ The largest in Middle East, Africa & Turkey (11,000+ Channel partners)



Value in Supply Chain



Indian Market

- ~ Ingram Micro and Avnet present among Global Players
- ~ Redington and Ingram Micro of equal size ; together address 70% of the market.
- ~ Other smaller regional players include: Savex, Compuage, Rashi Peripherals

Global Players

- ~ **Ingram Micro**
- ~ **Tech Data**
- ~ **Synnex**
- ~ **Avnet**

Middle East , Africa & Turkey

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

Global peers

9MCY15 [JAN - SEP]				
Particulars	Redington	Ingram Micro	Synnex Tech	Tech data
Total revenue in US\$ Mn	3,807	31,711	7,205	18,899
GM%	6.1%	6.1%	4.1%	5.0%
SG&A%	3.8%	5.5%	2.2%	3.6%
EBIT%	2.3%	0.6%	1.9%	1.4%
PAT%	1.3%	0.2%	1.5%	0.9%
Working capital days	53	25	56	21

Top 20 IT companies – India

RANK FY 13	RANK FY 14	RANK FY 15	COMPANY	Revenue in Crore				Growth		
				FY15	FY 14	FY 13	FY 12	FY 15	FY 14	FY 13
1	1	1	Tata Consultancy Services	94,648	81,809	55,134	43,794	16%	48%	26%
2	2	2	Cognizant Technology Solutions	65,779	55,894	41,602	29,162	18%	34%	43%
3	3	3	Infosys Technologies	53,319	50,133	38,521	31,195	6%	30%	23%
4	4	4	Wipro	47,318	43,763	34,777	29,803	8%	26%	17%
5	5	5	Hewlett-Packard India	37,985	36,697	32,316	24,854	4%	14%	30%
6	6	6	HCL Technologies	35,709	31,200	23,772	18,500	14%	31%	28%
16	7	7	Tech Mahindra	22,621	18,331	6,872	5,490	23%	167%	25%
7	8	8	IBM India	20,442	18,754	18,033	15,413	9%	4%	17%
8	9	9	Ingram Micro India	15,823	14,128	12,024	10,547	12%	17%	14%
9	10	10	Redington	14,610	13,657	11,746	10,938	7%	16%	7%
11	12	11	Dell India	13,984	10,757	9,961	8,662	30%	8%	15%
10	11	12	Oracle India	12,440	11,437	10,590	9,208	9%	8%	15%
14	14	13	SAP India	9,896	9,520	8,500	6,866	4%	12%	24%
13	13	14	Cisco Systems India	9,740	8,902	9,785	8,819	9%	-9%	11%
18	16	15	Microsoft India	8,624	7,224	6,122	5,418	19%	18%	13%
19	17	16	iGate Global Solutions	7,879	6,734	5,900	4,823	17%	14%	22%
20	20	17	APC by Schneider Electric India	6,848	6,114	5,508	NA	12%	11%	NA
NA	NA	18	Capgemini India	6,305	5,483	NA	NA	15%	NA	NA
17	18	19	Intel India	6,292	6,412	6,750	6,406	-2%	NA	NA
12	15	20	HCL Infosystems	6,270	8,218	9,883	10,754	-24%	-17%	NA

Top 50 IT distributors – India

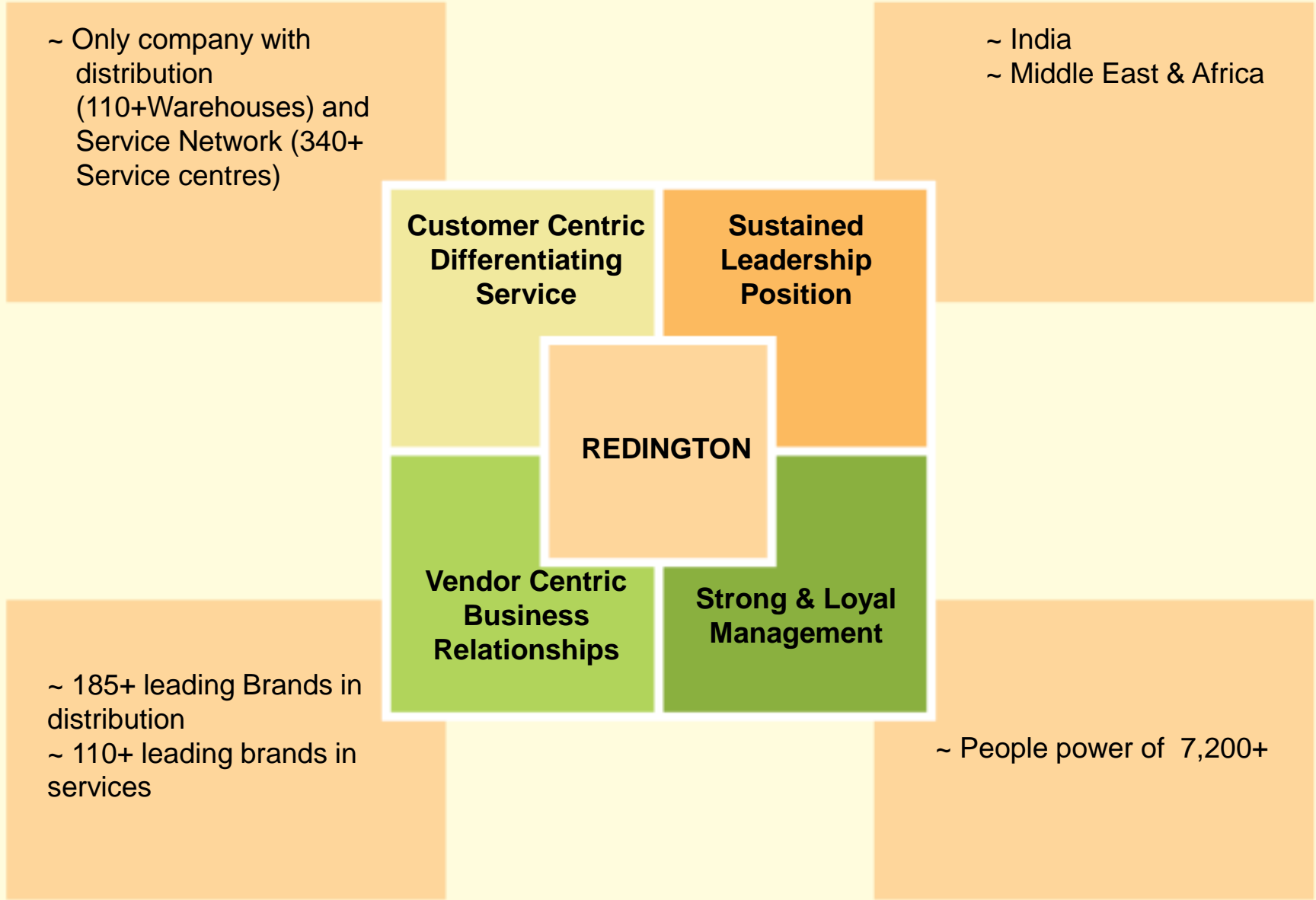
RANK	COMPANY	REVENUE FY15	REVENUE FY14	REVENUE FY13	RANK	COMPANY	REVENUE FY15	REVENUE FY14	REVENUE FY13
1	Ingram Micro	15,823	14,128	12,024	26	Sakri IT Solutions	230	180	145
2	Redington	14,610	13,657	11,746	27	Datamation Services	228	228	225
3	HCL Infosystems	6,239	7,267	9,885	28	Savera Marketing Technologies	225	182	157
4	Savex Computers	5,980	5,678	4,681	29	Sogo Computers	220	330	300
5	Rashi Peripherals	2,980	2,180	1,765	30	Alco Infotech	215	185	165
6	IRIS Computers	2,723	1,893	1,605	31	Comexcell Technologies	200	190	185
7	Compuage Infocom	2,129	2,275	1,961	32	Elcom trading	199	176	158
8	Supertron Electronics	1,975	1,575	1,408	33	Creative peripherals and distribution	184	140	127
9	Neoteric Informatic	1,606	1,501	1,624	34	Supreme Technologies	178	156	140
10	Global Infonet	1,237	1,105	934	35	RX Infotech	171	155	131
11	Datacare Corp	600	500	400	36	Mega Compu World	168	140	125
12	Fortune Marketing	560	508	552	37	Aegis Infoware	165	165	151
13	Mediaman Infotech	438	325	321	38	Supreme Computers	164	178	188
14	Ample Technologies	400	300	250	39	Modi Infosol	160	180	150
15	Balaji Solutions	392	308	251	40	Park Network	150	150	116
16	Technocrat Infotec	350	324	303	41	Galaxy computech	129	109	102
17	Compage Computers	350	370	370	42	Peripherals engineers	125	123	105
18	Roop Technologies	348	270	263	43	Aldous Glare Trade and Export	120	110	159
19	Eastern Logica	310	250	210	44	Suntronic systems	120	125	110
20	Lalani Infotech	300	260	240	45	Sujatha Computers	110	100	120
21	Maxtron Electronics	289	365	360	46	SV Electronics	105	125	140
22	Agmetal India	280	207	221	47	Champion computers	98	86	73
23	PacifiC Infotel	241	232	195	48	Microcare Computers	95	126	77
24	Vishal Peripherals	236	185	158	49	Saboo Computers	91	95	75
25	Swetha Computers and periphers	230	250	200	50	Aarvee computers	91	84	89

Top 15 IT distributor - 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 Stephens	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	AlHoshan	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

Redington – Strong Brand Recall



Wide pan-India presence



110+ brands...

Brand Categories

IT- Peripherals, PCs , PC components, UPS, Networking products, Packaged software, Storage products, High- end servers

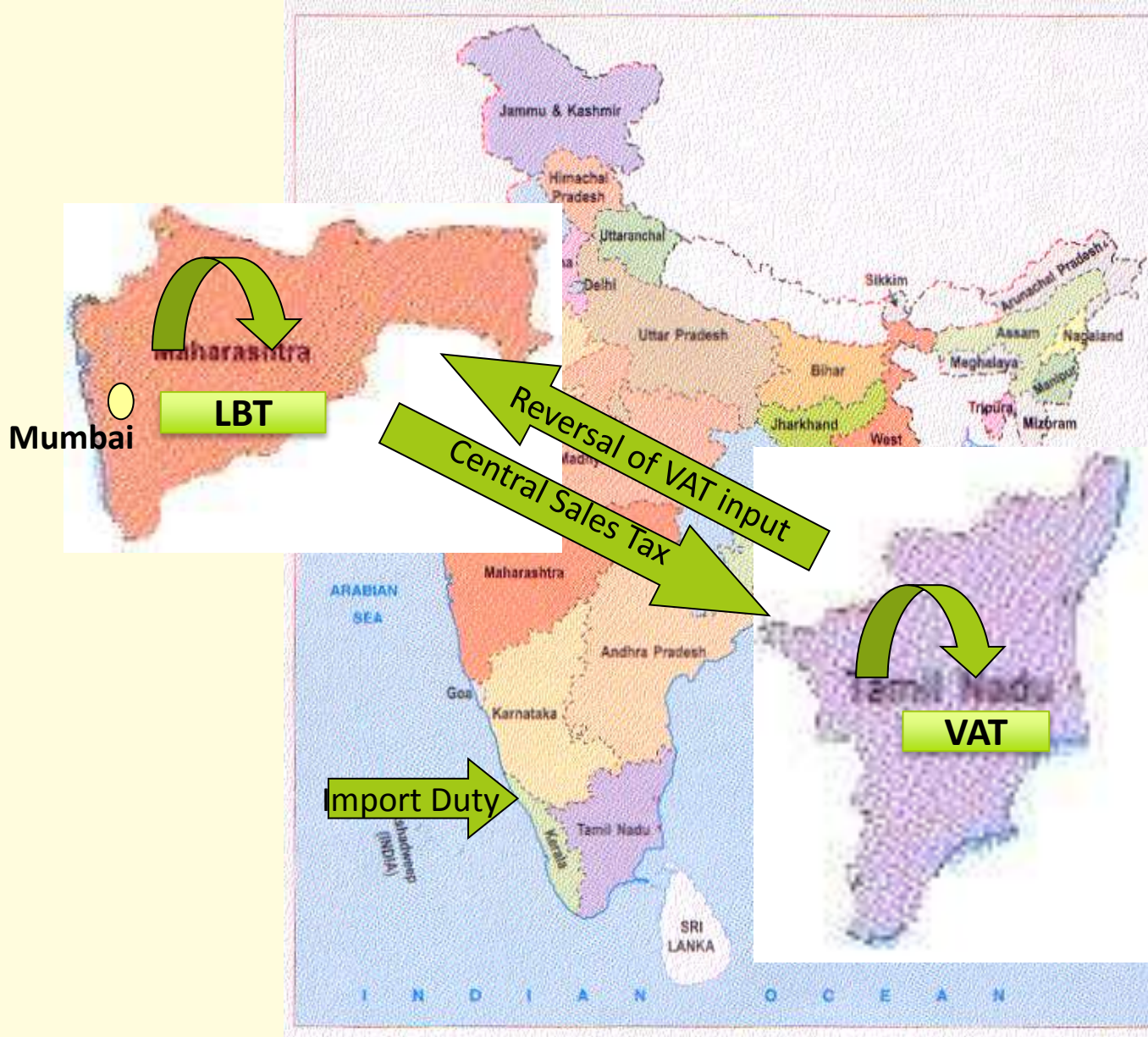
Non-IT- Telecom devices, Consumer durables, Digital printing press, Tablets & Gaming consoles.

Distribution / Service Network

34,148	58	91*	71	224
Channel Partners	Sales Offices	Warehouses	Service Centres	Partner Centres

* Including 2 ADCs

India - VAT Structure



- ~ Multiple Tax structures across different provinces
- ~ Single / Uniform VAT (GST) will bring competitive advantage to Redington.

GST – Proposed framework

Coverage



- Excise duties / Service tax / CVD / SAD
- VAT / Entry tax / Purchase tax / Entertainment tax / Luxury tax
- Cesses & Surcharges on supply of goods & services

Framework



- Dual GST for Centre and States, IGST on inter-state transactions
- Additional 1% tax on inter-state supply of goods, not eligible for set-off
- Separate legislation, levy & administration
- Place of Supply Rules for determining 'situs' of services and goods

Rate

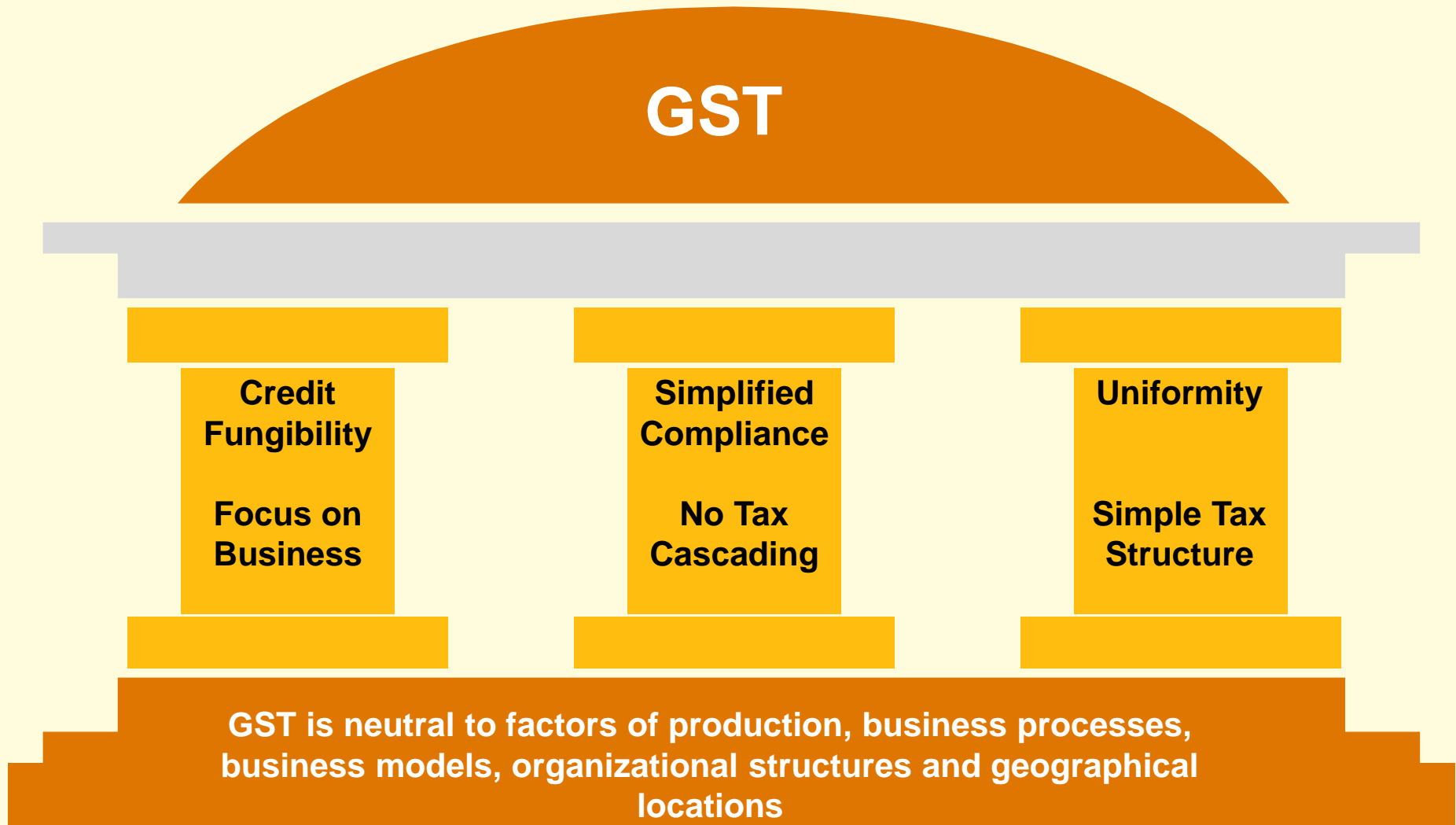


- Varying rates proposed, no final consensus yet
- Concessional rate for select goods (not for services)?
- Free credit flow - No cross credit between CGST & SGST

Credit



- Order of Utilization:
IGST = IGST, CGST, SGST
SGST = SGST, IGST
CGST = CGST, IGST



- Ambiguity in classification as 'goods' or 'service' made irrelevant, being a common goods and services tax
- Credit fungibility across the board reducing the cascading effect of taxes on inventory cost
- Ease of administrative compliance thru' simplified tax structure and unified returns and payments process
- Ease of movement of material pan-India thru' elimination of entry taxes / octroi / multitude of forms
- Possibility for consolidations of warehouses provided there is clarity on the 1% additional tax on inter-state movement of goods



95+ Brands....

Brand categories

IT - Peripherals, PCs , PC components, UPS, Networking products, Packaged software, Storage products, High- end servers

Non-IT- Mobile handsets, Tablets

Distribution / Service Network

11,000	21	26	23*	30	20
Channel Partners	No of countries Present	Sales Offices	Warehouses	Service Centres	Partner Centres

* Including 1 ADC

Longstanding Vendor Relationships



BY ADDING - :

" - BRANDS"

- Apple, Samsung (2012)
- Oracle (2013)
- Motorola (2014)

" - PENETRATED NEW PRODUCT CATEGORIES"

- Digital Printing Press (2005)
- Smartphones (2008)
- Tablets (2011)
- 3D Printers (2012)

" - FORAYED INTO NEW BUSINESS"

- 3PL Logistics (2008)
- Cloud services (2015)

" - EXPANDED INTO NEW MARKETS"

- Turkey (2010)
- Kazakhstan (2011)

CHENNAI



KOLKATA



Acquired Land in

~ Chennai - 11.56 acres

~ Kolkata - 13.76 acres

~ New Delhi - 13.32 acres

~ Mumbai - in process

- **Chennai ADC operational since July 2009**
- **Kolkata ADC is Operational since Feb 2014.**
- **Delhi ADC : Land approval in final stages.**
- **Intention to build a network of warehouses**



Long Lease

~ Dubai

- 5.16 acres

Dubai ADC operational since Sep 2010



ProConnect Customers



End to End Support Capabilities - Single Point of Contact for all service needs



- Technical Call Center
- Bench & on-site support,
- Warehousing, forward & reverse logistics,
- Re-exports,
- No Fault Found (NFF) validations,
- Business specific CRM & SCM support and integration with customers' global systems

Diverse business verticals

- Warranty – IT & Telecom products
- Annual Maintenance Contracts
- Infrastructure Management Services
- Spare Parts Logistics Support
- Enterprise Product Support – Pre-sale, Professional and Support Services.

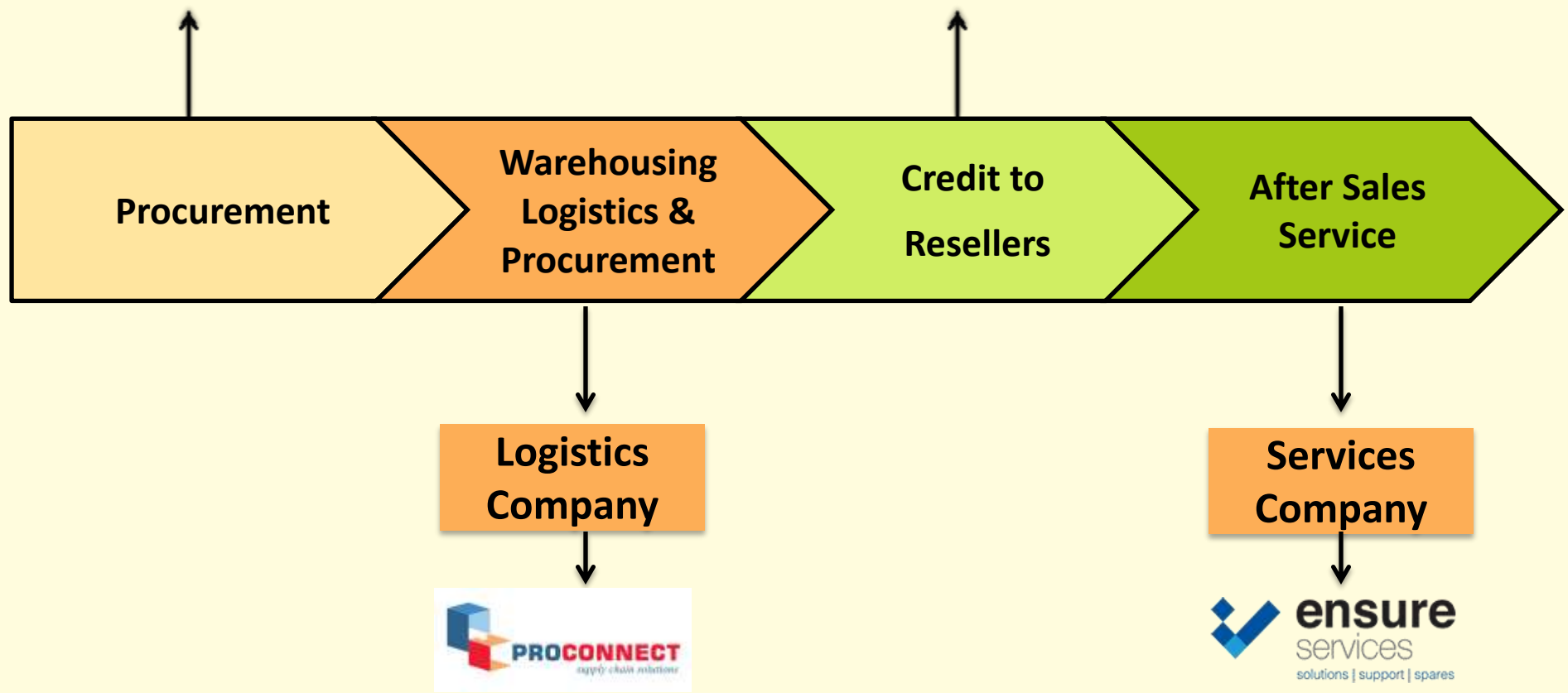
Ensure Support Services

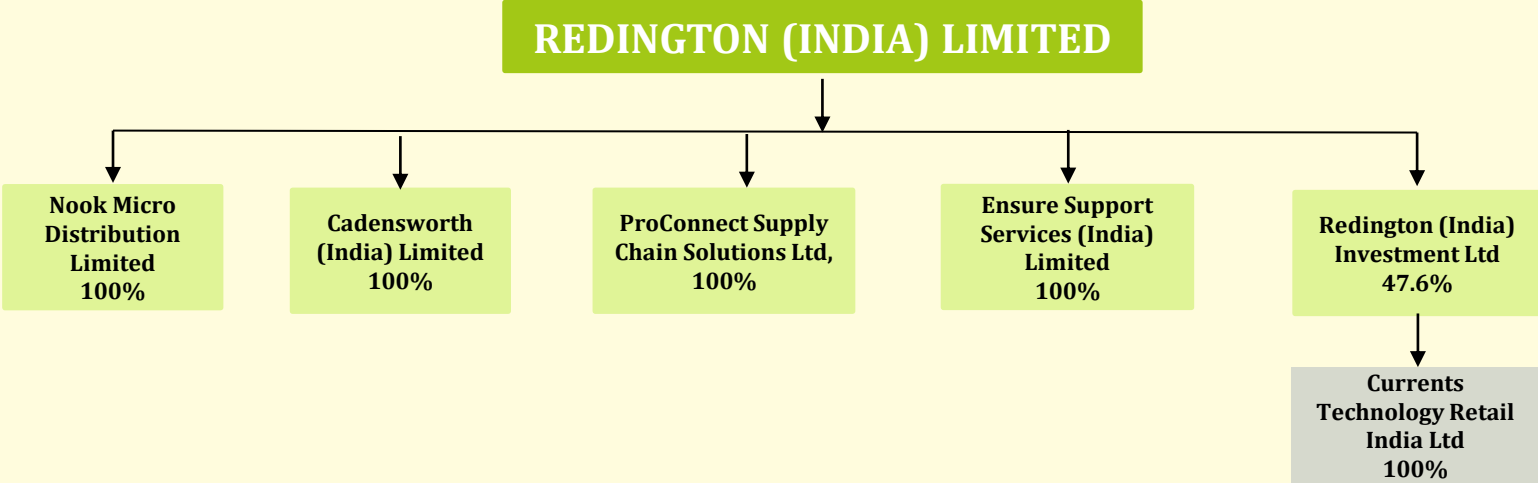
- 90% of the customer locations can be reached in 1 business day.
- 100+ Owned Service centers and 240+ partner service centers
- Brands supported :

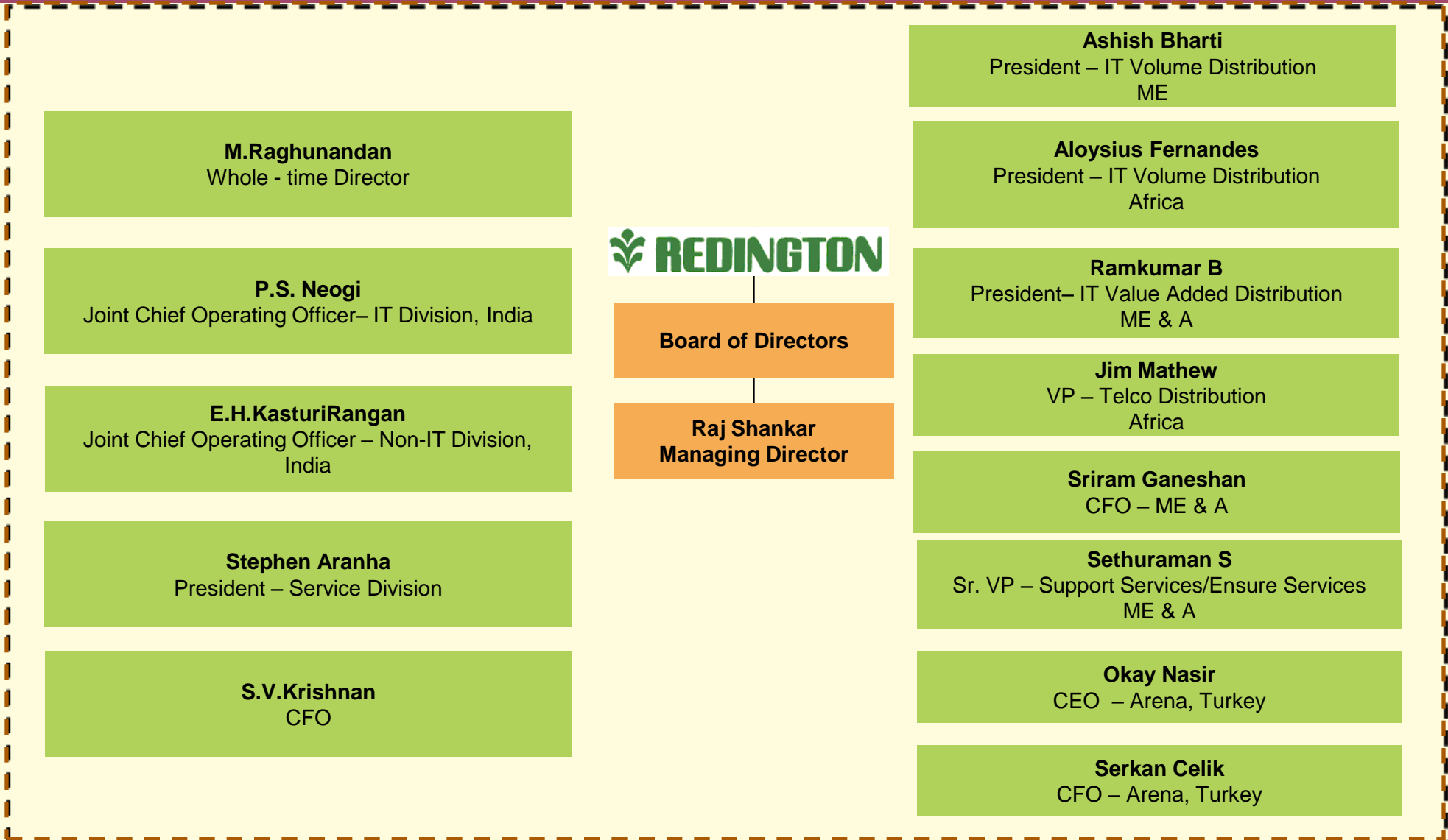


Inventory Risk

Market Risk







Management with sound execution capabilities

Board of Directors

NON EXECUTIVE DIRECTORS

Mr.R.JAYACHANDRAN
Chairman
Olam International, Singapore

Mr. R. SRINIVASAN
Vice Chairman

Mr. TU, SHU-CHYUAN
General Manager
Business Development
Synnex Tech, Taiwan

Mr. LIN, TAI-YANG
Director of Finance Planning and
Management
Synnex Tech , Taiwan

Mr. NAINESH JAISINGH
MD & Global Co-Head
Standard Chartered Pvt Equity

Mr. N. SRINIVASAN
Professional Director

EXECUTIVE DIRECTORS

Mr. RAJ SHANKAR
Managing Director

Mr. M. RAGHUNANDAN
Whole Time Director

INDEPENDENT DIRECTORS

PROF.RAMACHANDRAN
BOC Professor of Business Policies
IIM, Bangalore

Mr. V. S. HARIHARAN
Ex. Vice president/General Manager
Hewlett-Packard Singapore

Mr. KEITH WF BRADLEY
Ex.President North America
Ingram Micro

Ms. SUCHITRA RAJAGOPALAN, Director
Corporate Governance, Volvo UK

Business & Management

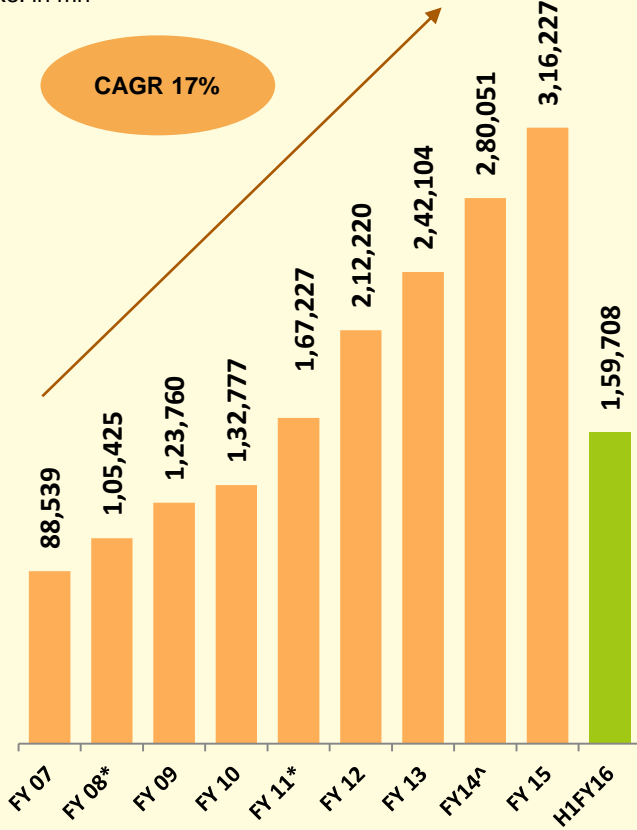
Financial Summary

Risk Management

Financial Snapshot

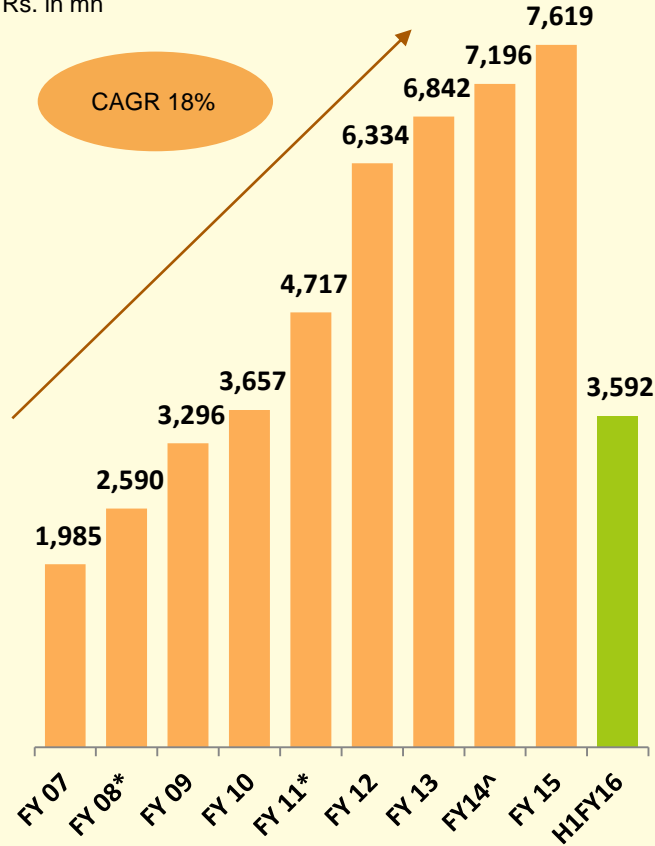
Total Revenue

Rs. in mn



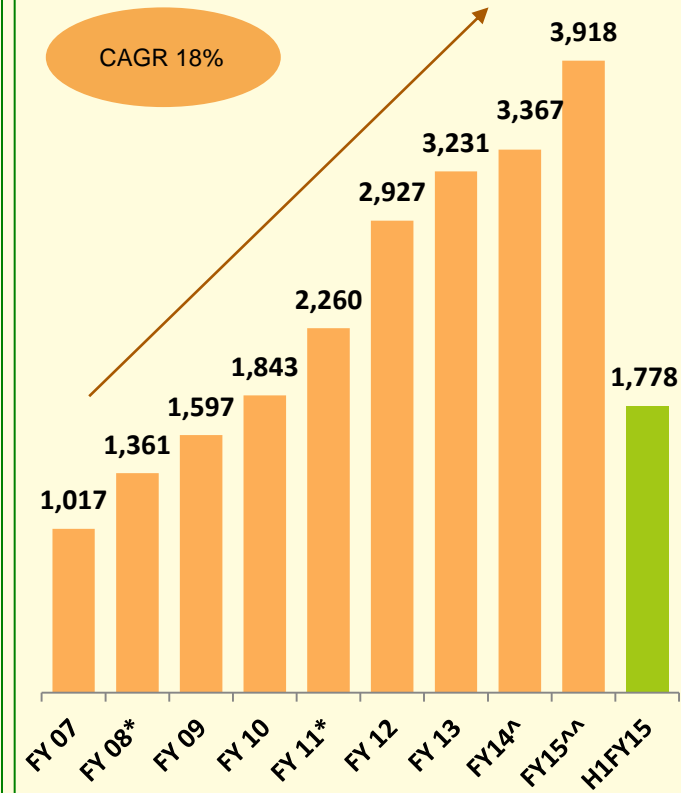
EBIDTA

Rs. in mn



PAT

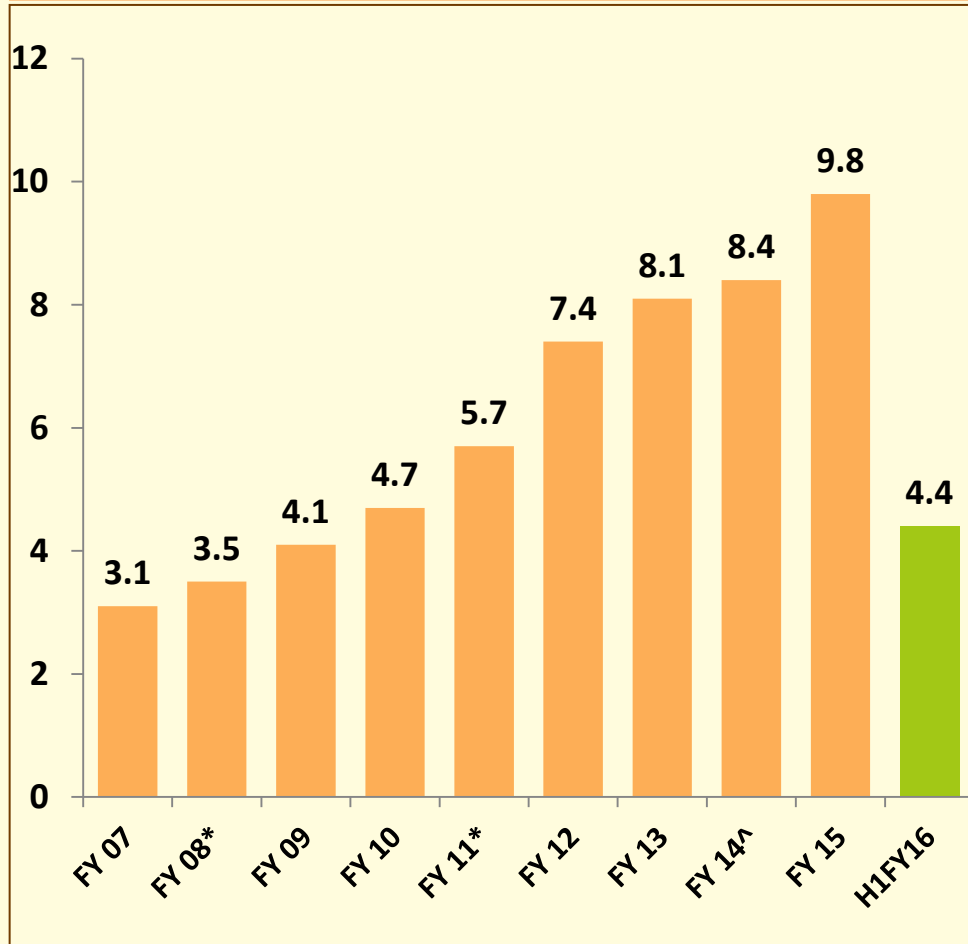
Rs. in mn



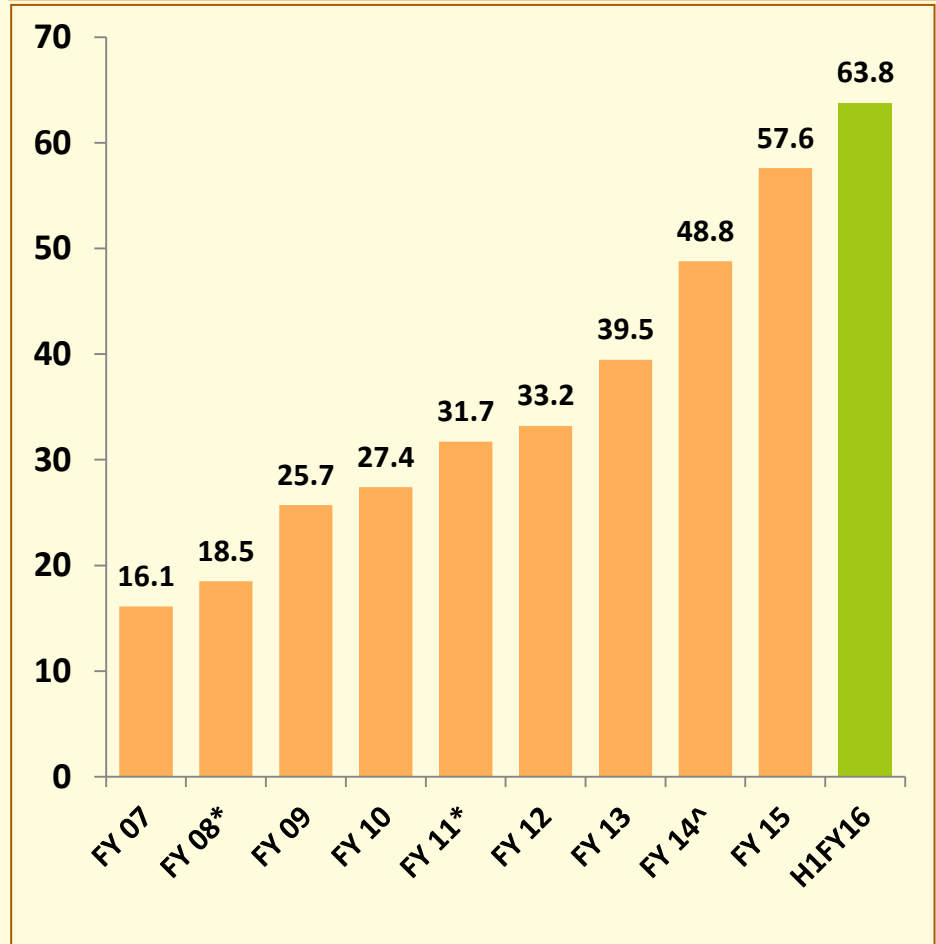
*Post acquisition of following entities - FY08 (Easyaccess Financials Services Ltd.), FY11 (Arena). ^ Post sale of Easyaccess financial services CAGR computed for Full Year
^^ FY15 PAT after CSR -Rs.3865 Mio

Financial Snapshot (cont'd)

Earnings Per Share^^ (Rs.)

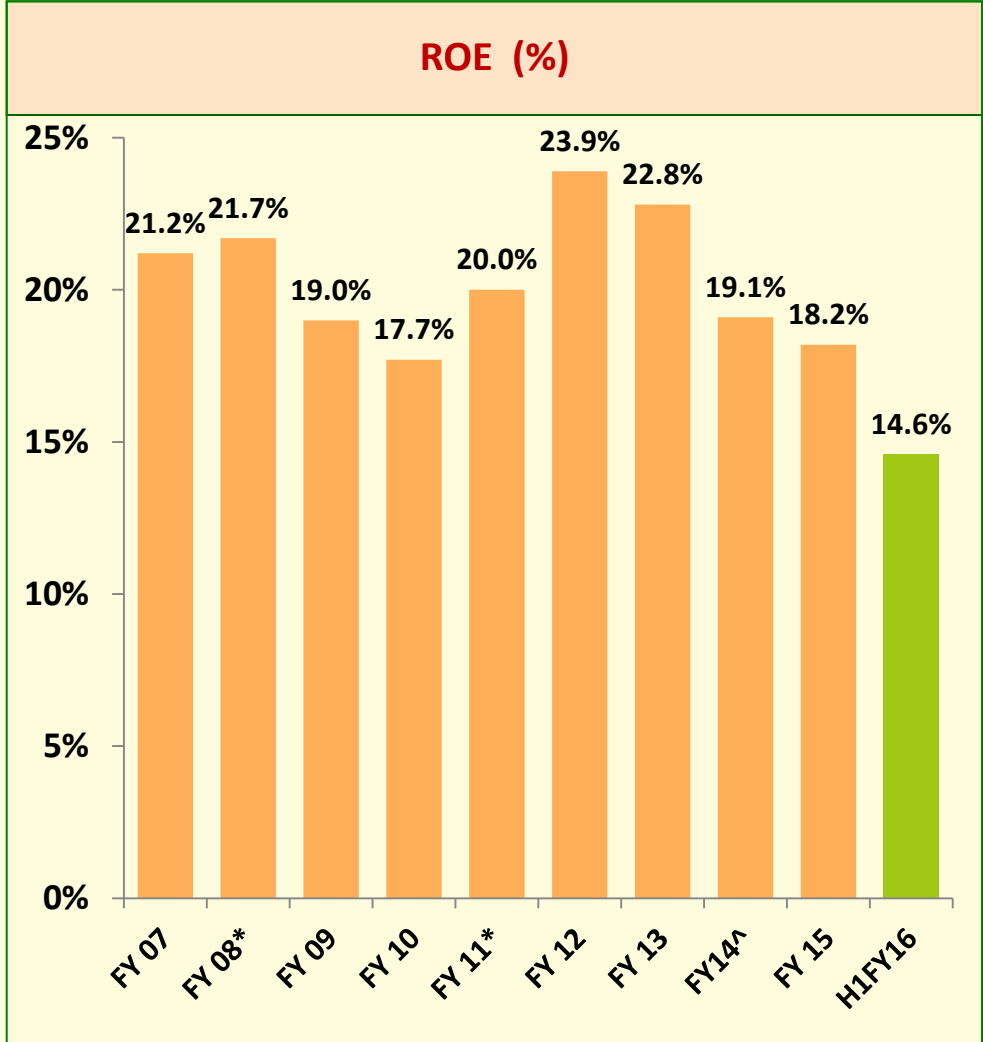
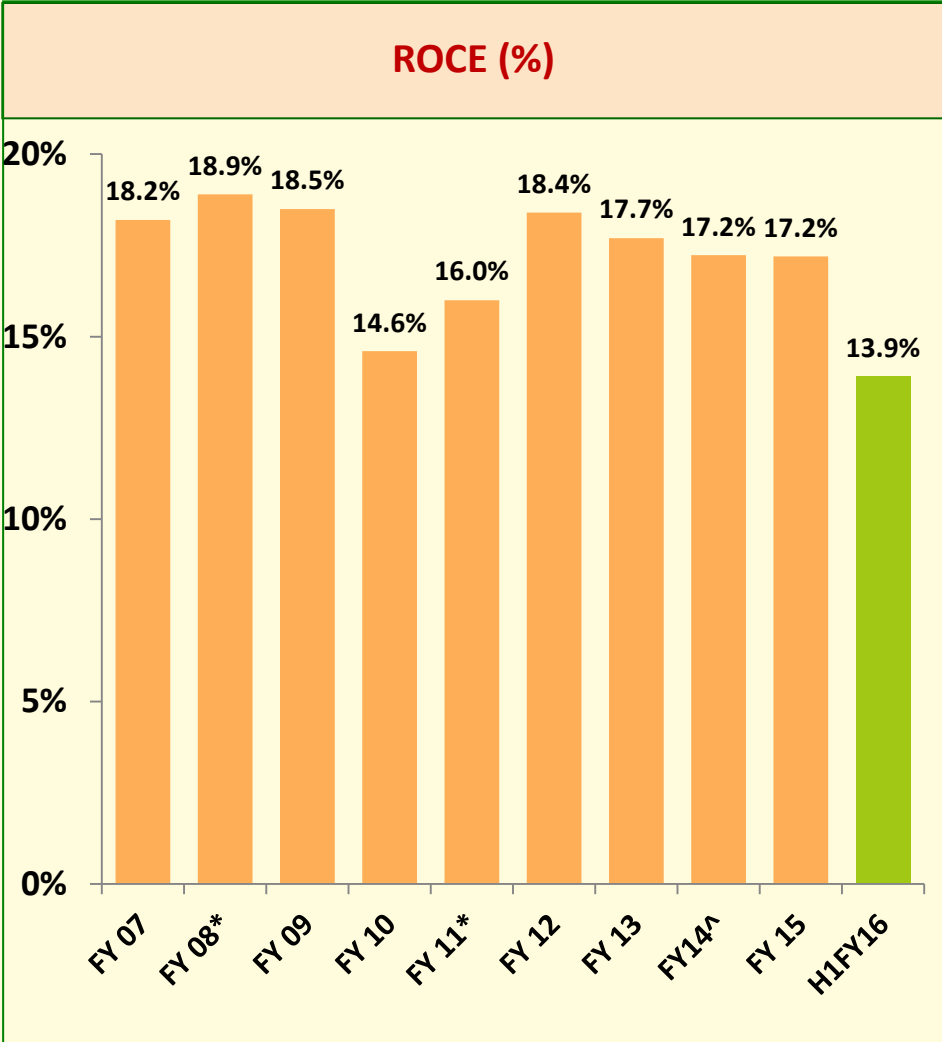


Book Value per share (Rs.)



Post Acquisition of following entities - FY08 (Easyaccess Financials Services Ltd.) FY11(Arena) ^ Post sale of Easyaccess financial services
 ^^ For EPS calculation - weighted average number of equity shares have been considered. For EPS & Book Value Calculation, the post split number of shares (From Rs.10/- to Rs.2/- per share)has been considered; EPS is for the period and not annualized.

Financial Snapshot (cont'd)



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Consolidated Financials

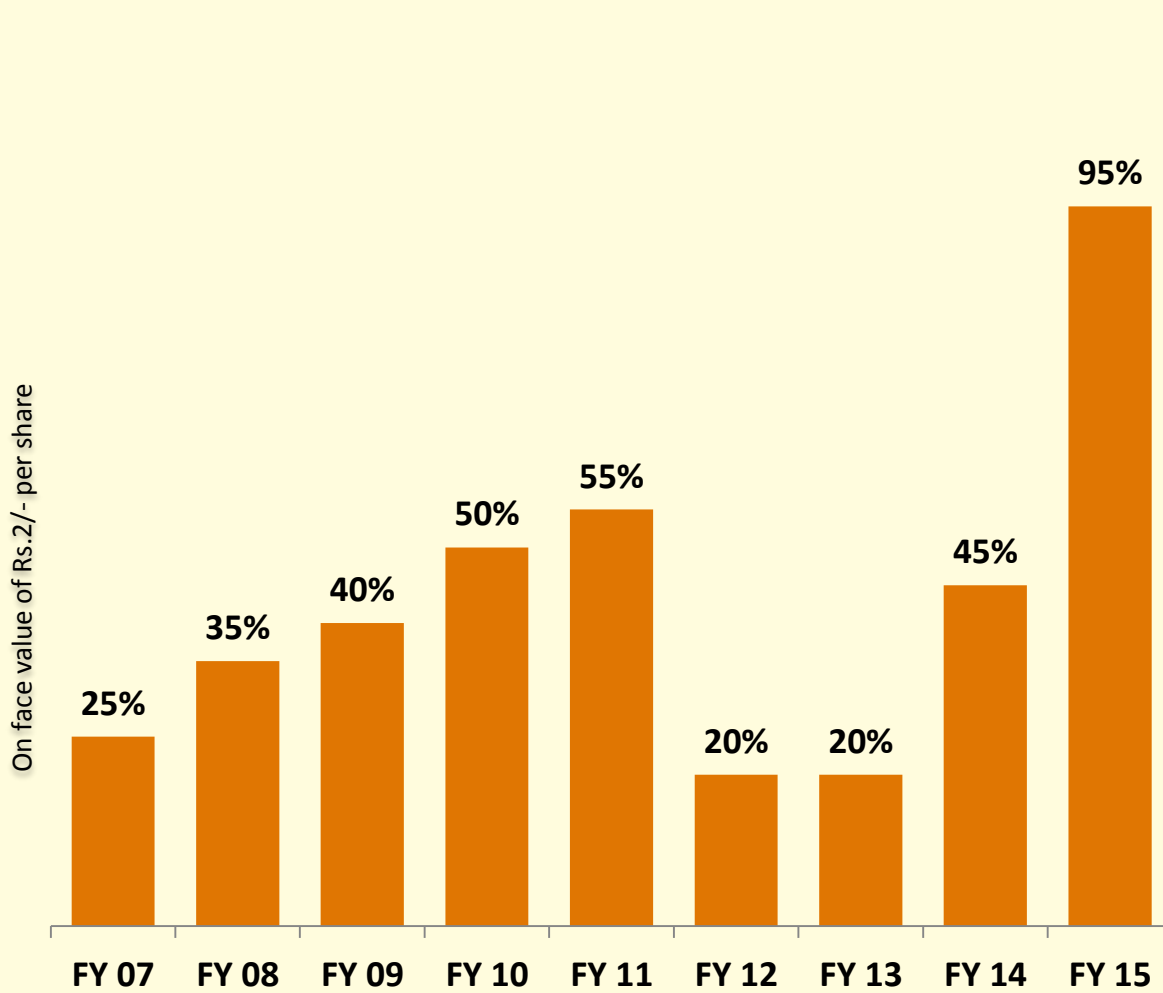


<i>(Rupee in mn)</i>	<i>FY 07</i>	<i>FY 08*</i>	<i>FY 09</i>	<i>FY 10</i>	<i>FY 11</i>	<i>FY 12</i>	<i>FY 13</i>	<i>FY14^</i>	<i>FY 15^^*</i>	<i>H1FY15</i>
Total Revenue	88,539	1,05,425	1,23,760	1,32,777	1,67,227	2,12,220	2,42,104	2,80,051	3,16,227	1,59,708
EBIDTA	1,985	2,590	3,296	3,657	4,717	6,334	6,842	7,196	7,619	3,592
PAT	1,017	1,361	1,597	1,843	2,260	2,927	3,231	3,367	3,918	1,778
Networth	6,256	7,215	10,022	10,757	12,553	13,225	16,407	20,213	23,742	26,260
Capital Employed	12,269	15,054	22,265	24,649	31,863	34,776	39,471	39,938	45,424	54,186
Gross Margins	4.6%	5.2%	5.5%	5.6%	5.7%	6.1%	6.1%	6.1%	6.0%	5.9%
EBITDA Margins	2.3%	2.5%	2.7%	2.8%	2.8%	3.0%	2.8%	2.6%	2.4%	2.2%
PAT Margins	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.3%	1.2%	1.2%	1.1%
Return on Avg. Capital Employed (%)	18.2%	18.9%	18.5%	14.6%	16.0%	18.4%	17.7%	17.2%	17.2%	13.9%
Return on Avg. Equity	21.2%	21.7%	19.0%	17.7%	20.0%	23.9%	22.8%	19.1%	18.2%	14.6%
EPS^^ (Rs.)	3.1	3.5	4.1	4.7	5.7	7.4	8.1	8.4	9.7	4.4
Book Value per share (Rs.)	16.1	18.5	25.7	27.4	31.7	33.2	39.5	48.8	57.6	63.8
P/BV										1.73

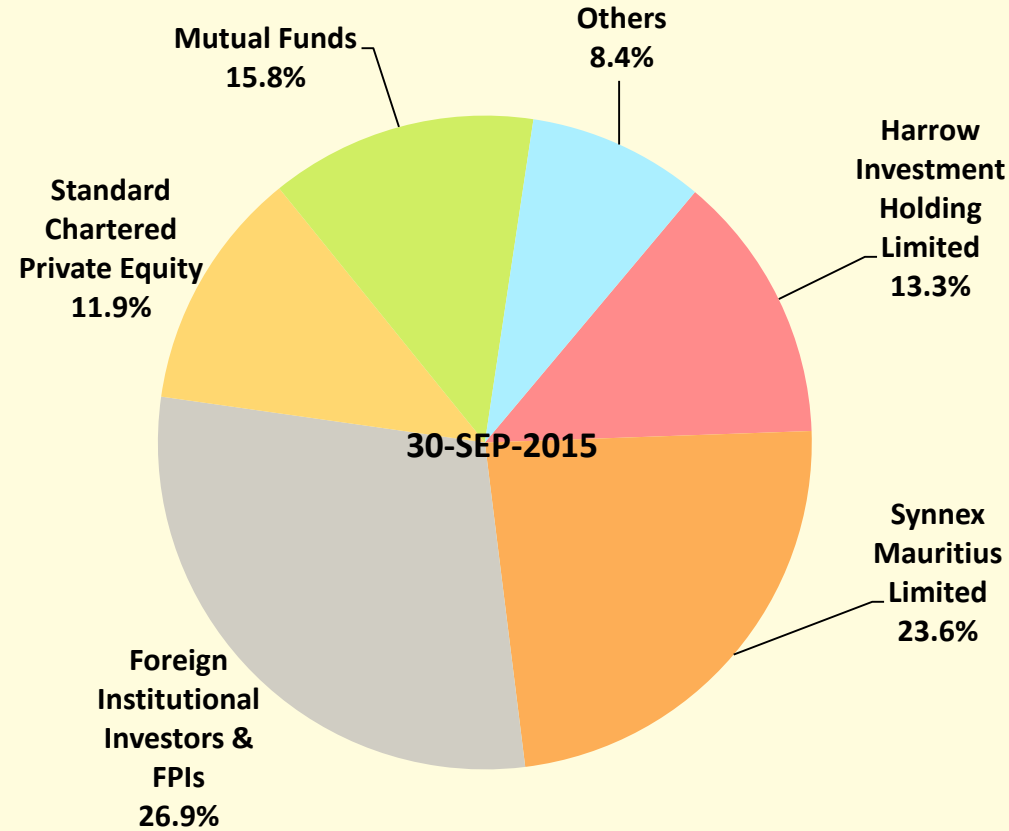
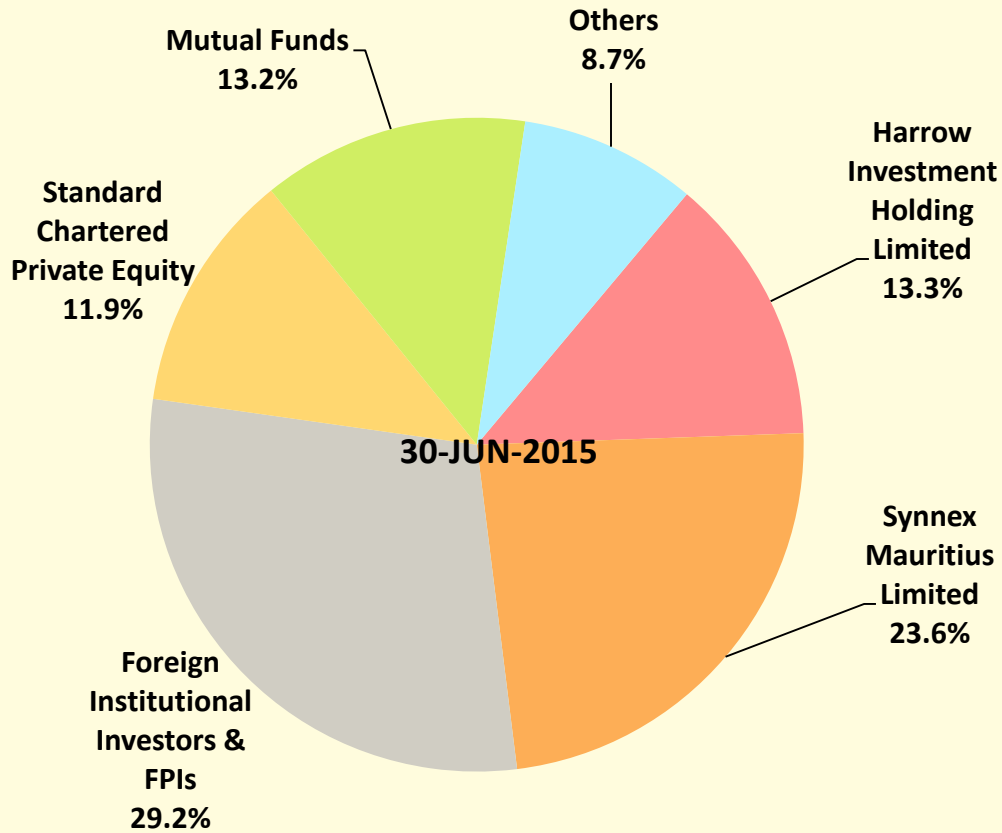
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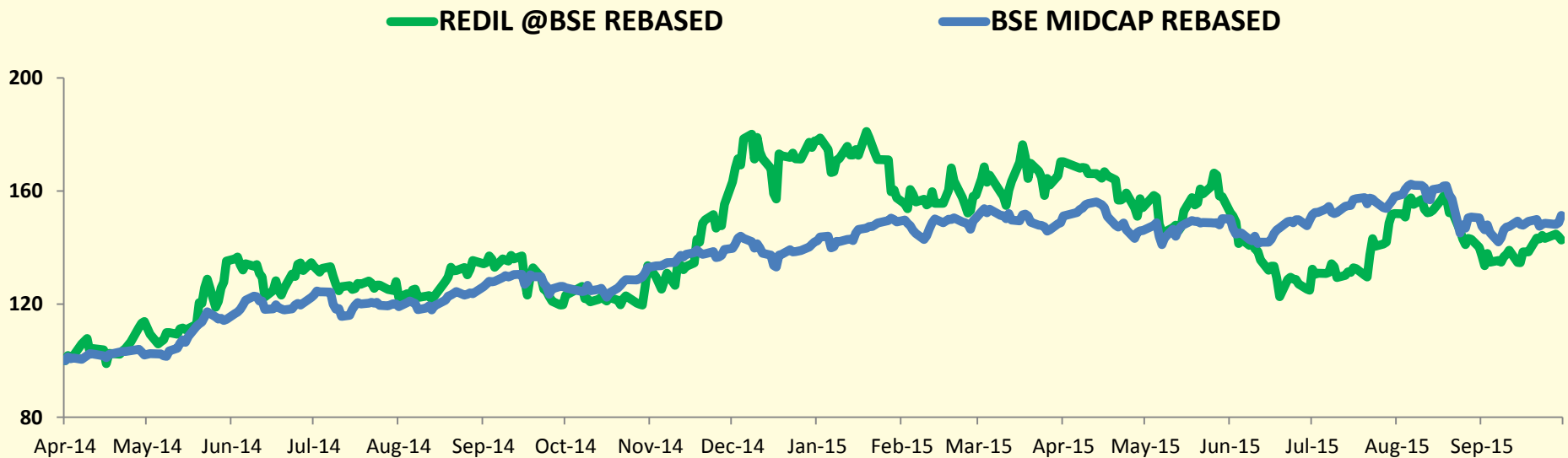
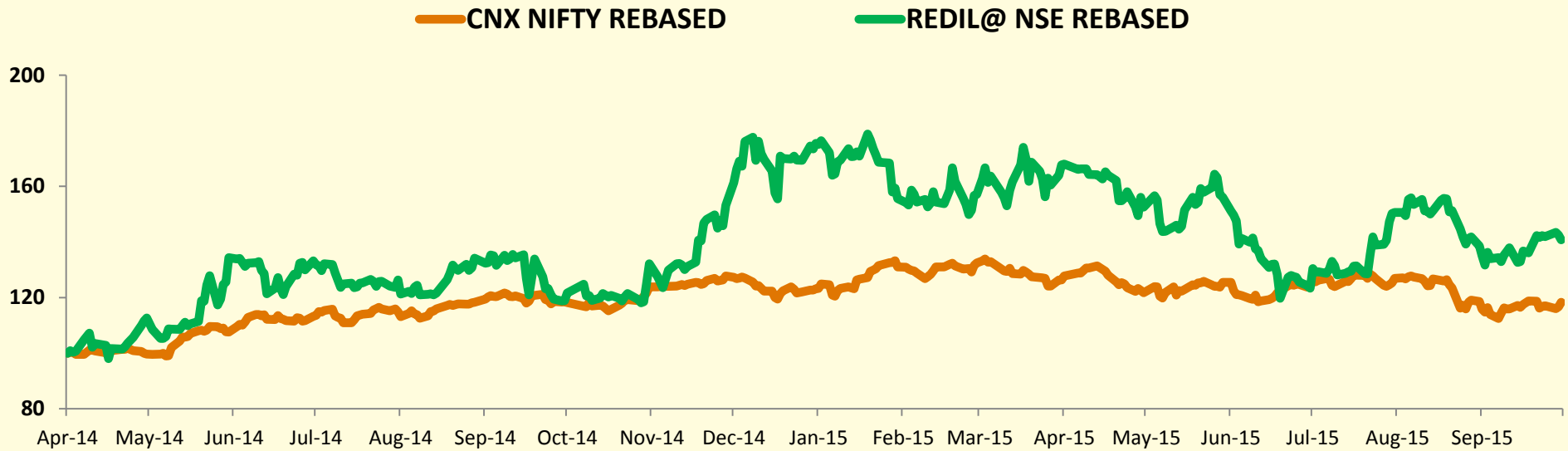
Dividend Distribution



Shareholding structure



REDIL Stock Performance Vs. Index



Business & Management

Financial Summary

Risk Management

Business Risks

Risk Mitigation Strategy

Gross Margins

Increasing Value Portfolio, New Initiatives

Vendor And Product Spread Concentration

Broad basing Vendors, Depth in major Product lines

- Relationship with over 185+ vendors, many of which are for more than 10 years
- Range of 110+ brands in India and 125+ brands in international operations
- Conscious movement into Non-IT Categories

Receivables Risk

Sound Credit Policies

- Dedicated credit team spread across the country
- Bad debts (including provisions) at an average of less than 0.10% of sales at the consolidated level

Working Capital Intensive

- Increasing proportion of Non –IT business with less cash conversion cycle

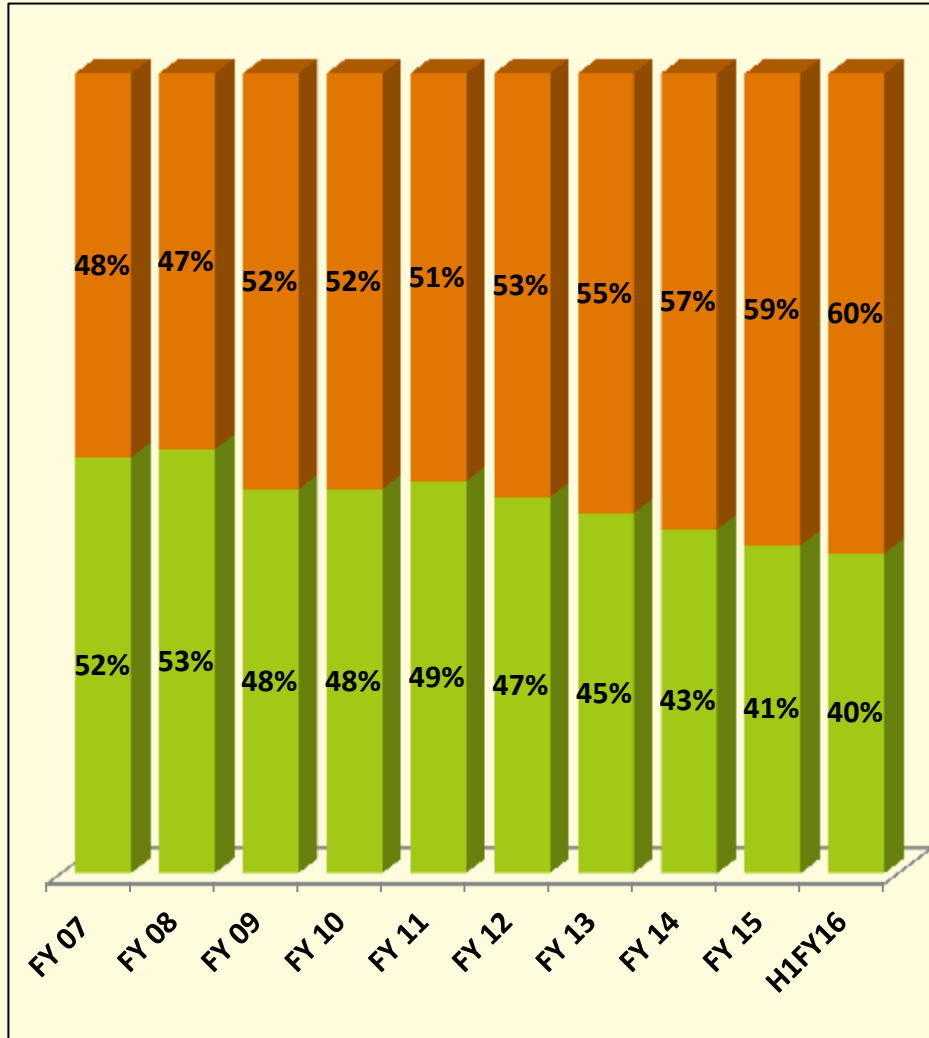
Inventory Risk

Inventory Management

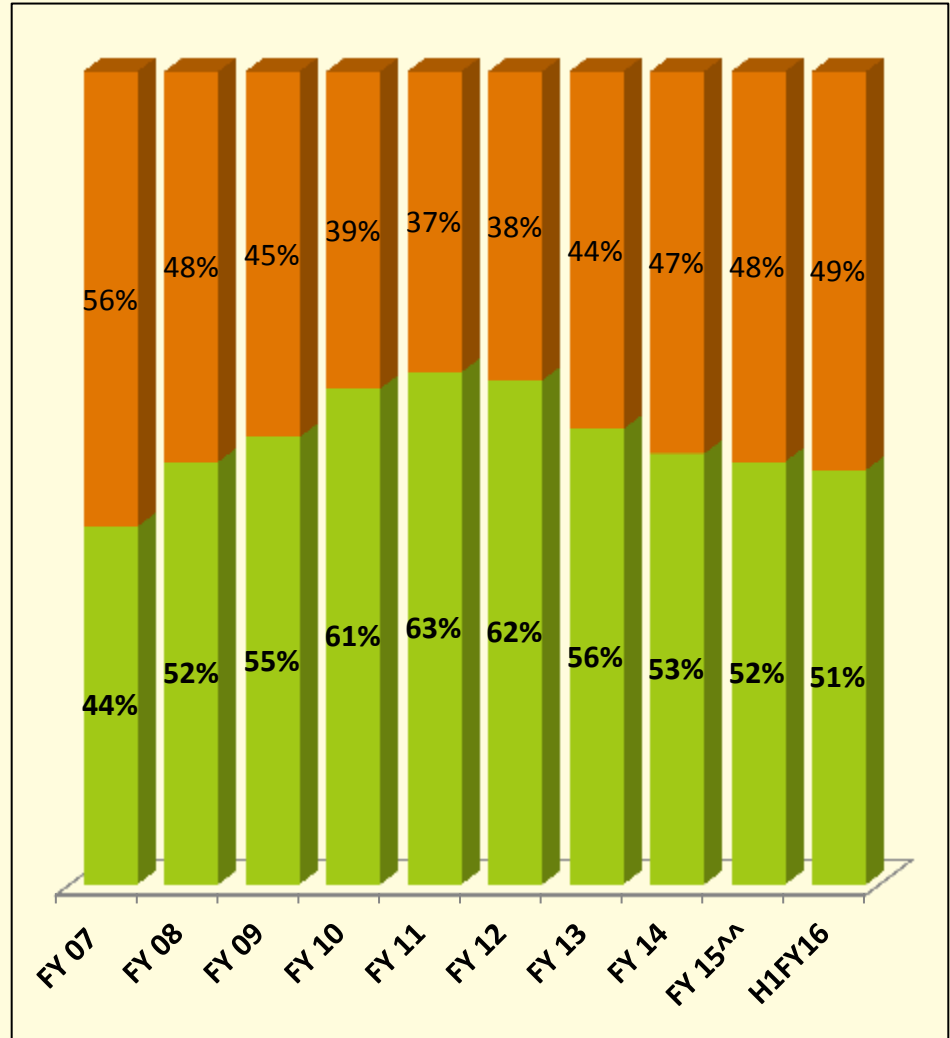
- Market knowledge, forecasting ability.
- Stock rotation policy price supported by vendors
- Price erosion broadly supported by vendor discounts

Geographical Contribution

REVENUE



PAT



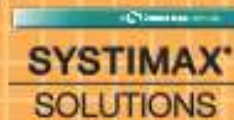
INDIA OVERSEAS

PROVEN EXECUTION

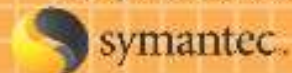
WELL POSITIONED
IN EMERGING MARKETS

GROWTH
OUTLOOK EXCITING

FAIL SAFE BUSINESS
EVEN IN DIFFICULT TIMES



Computer Associates



Symantec Registered Partner



Thank you