



REDINGTON

REDINGTON (INDIA) LIMITED

ANALYST MEET
24 JUNE 2016



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.

Our journey

To an emerging market Supply Chain
Solution Provider
I-SA-METACIS

To a multi product/ multi brand/
pan India , pan Arab and pan
Africa distributor

From a single product/ single
brand/ single country distributor



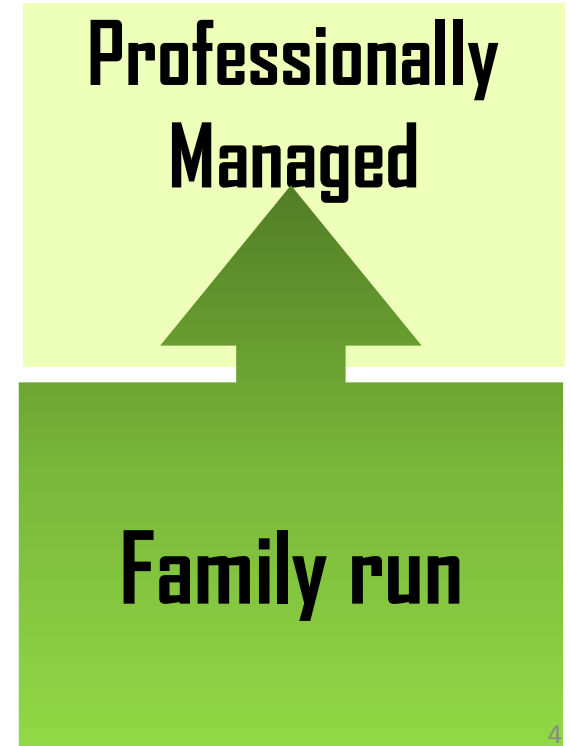
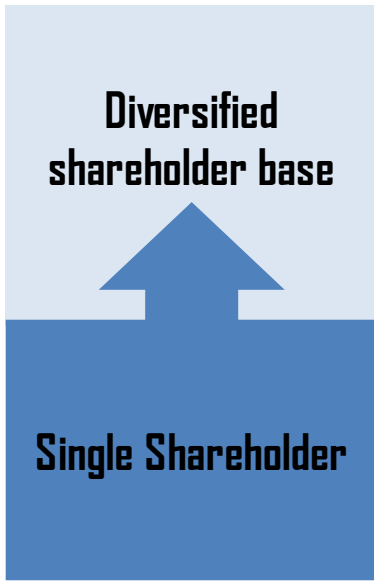
1993

1994 - 2007

2016



Our transformation



Redington Supply Chain

PROCUREMENT



REDINGTON



CHANNEL



CUSTOMER



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**

Lines of business across geographies

LINES OF BUSINESS	MIDDLE EAST	AFRICA	TURKEY	INDIA/SOUTH ASIA	CIS	
DISTRIBUTION						
						
						
IT SERVICES						
						
LOGISTICS SERVICES						

* IN UAE
 ** ARENA, LINKPLUS
 *** ADEO

DISTRIBUTION



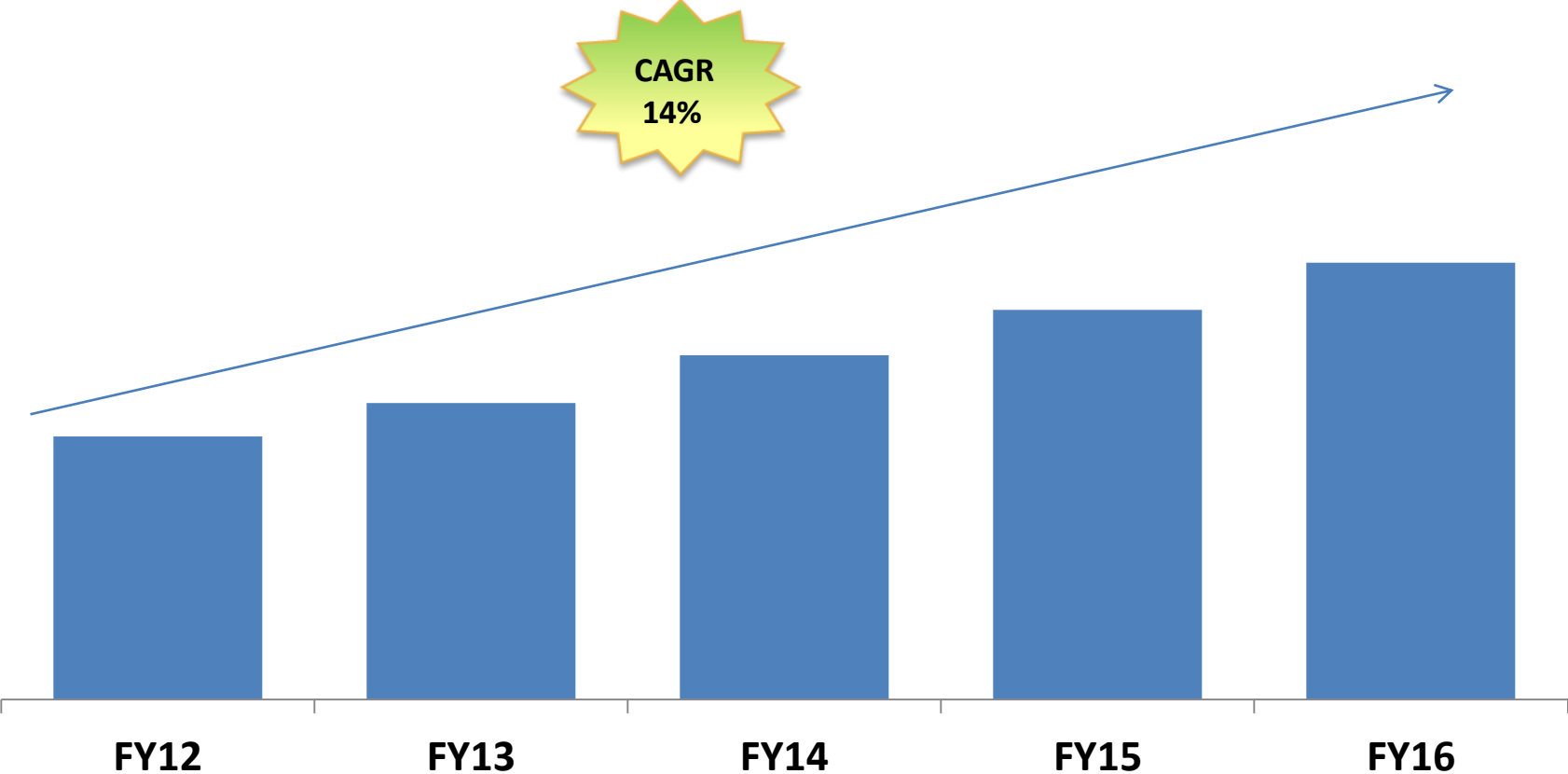
IT / MOBILITY PRODUCTS

ACROSS

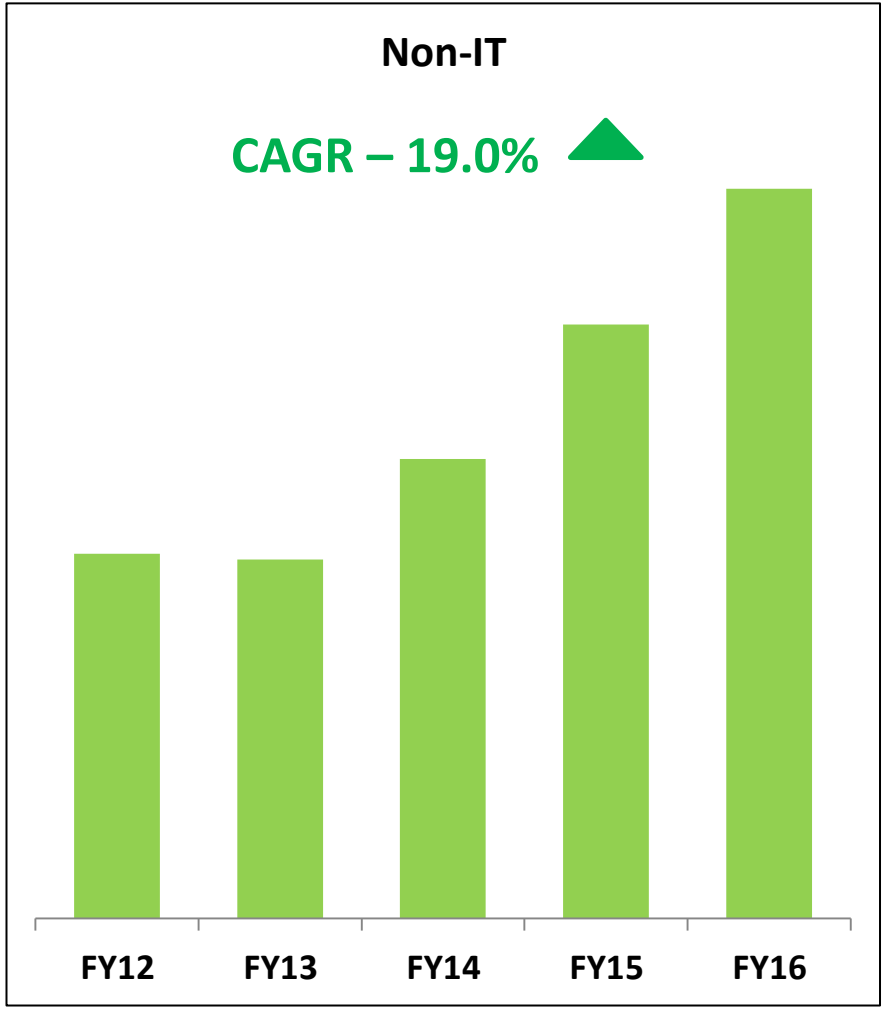
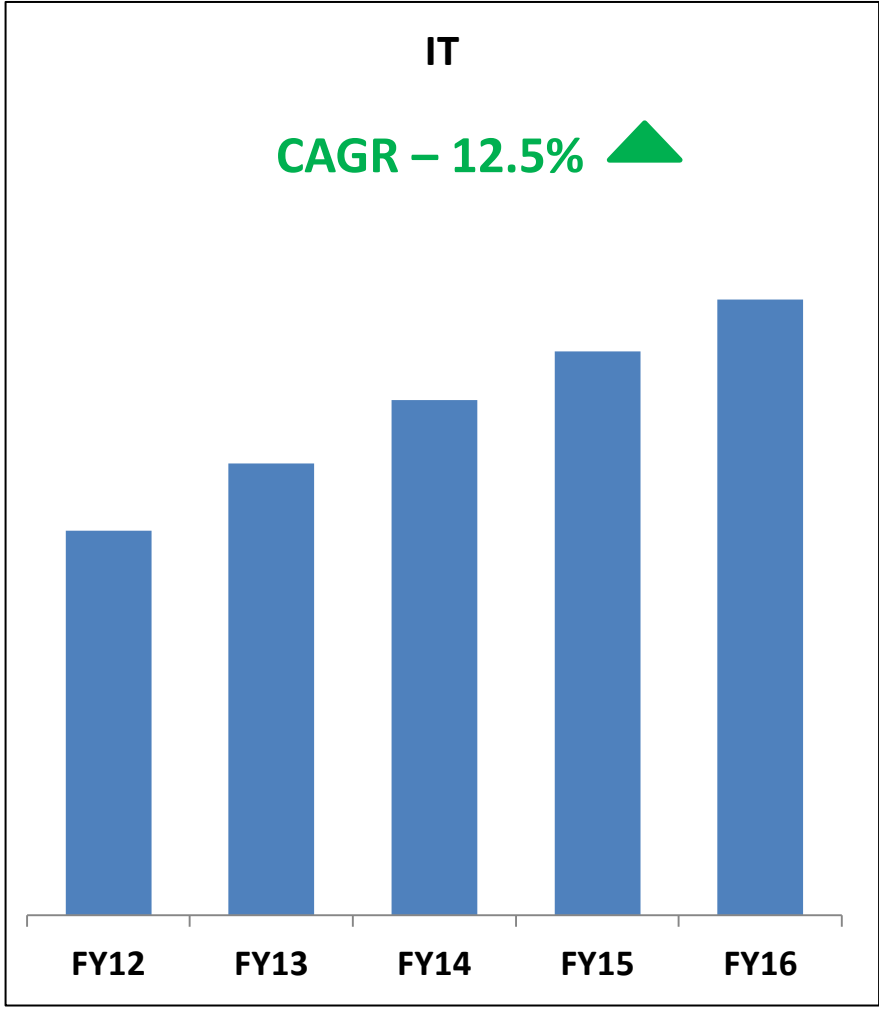
CONSUMER / ENTERPRISE SEGMENTS



Distribution Business Performance - Revenue



Business Performance



LOGISTICS



Industries:

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

PAN INDIA PRESENCE

OVERSEAS OPERATIONS IN UAE COMMENCED RECENTLY



IMPORT CLEARANCES



WAREHOUSING



IN PLANT MANAGEMENT



TRANSPORTATION



VALUE ADDED SERVICES

ProConnect Snapshot



Verticals Served



IT Products



Retail / E-Commerce



Pharma



Office Automation



Telecom & Infrastructure



Consumer Durables



Electricals & Electronics



Paints



Engineering




















































FMCG & Food Products

CAPABILITIES

- Offering End to End Services
- Adhering best practices in Supply chain
- Pan India Network
- IT Enabled operation
- Support to all verticals
- Expertise in IT & telecom verticals
- Specialised in Ecom biz process
- Value added services offering
- Quick Adoptability to new processes
- Scalability
- Efficient Transport Mgmt

ProConnect Clientele

IT	Telecom & Infrastructure	Consumer Durables	Electrical & Electronics	Chemicals	Engineering	e commerce
          	          	   <p data-bbox="579 505 811 535">Pharmaceutical</p>   <p data-bbox="647 782 743 812">FMCG</p>  	    <p data-bbox="927 782 985 812">4PL</p>   	  <p data-bbox="1130 451 1323 511">Office Automation</p>   <p data-bbox="1120 782 1255 812">Garments</p> 	    <p data-bbox="1439 782 1526 812">Retail</p> 	  

Automated Distribution Centres



Chennai

Land Area – 11.56 Acres
Operational since July '09
Capacity – 3.35 lakhs sq ft



Kolkata

Land Area – 13.76 Acres
Operational since Feb '14
Capacity – 1.50 lakhs sq ft



Dubai

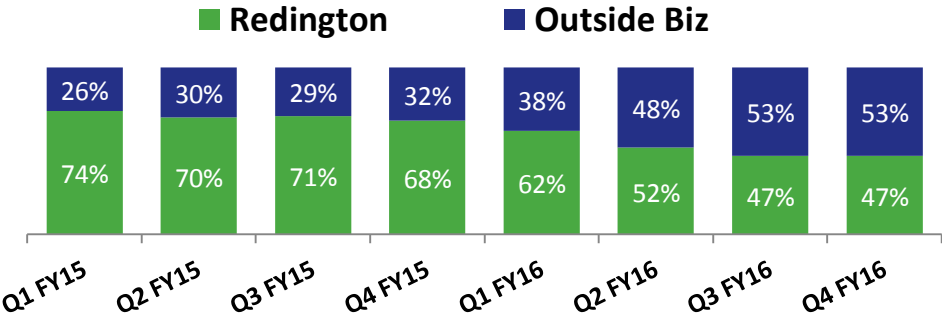
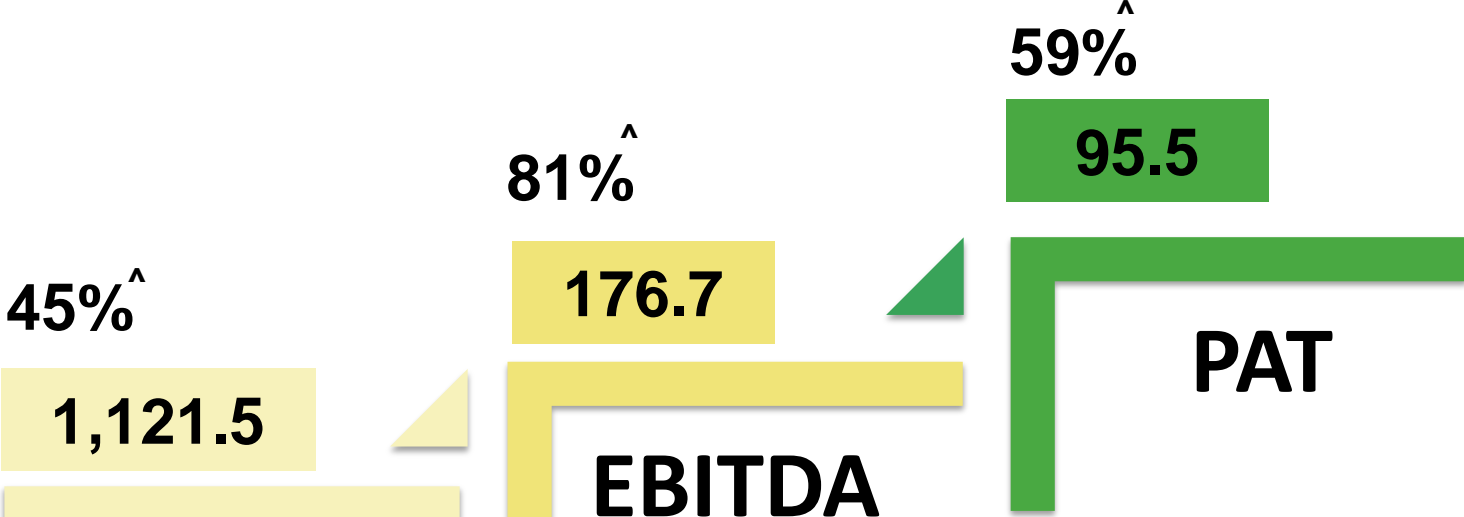
Land Area* – 5.17 Acres
Operational since Sep '10
Capacity – 94,723 sq ft

* Long lease

Total number of warehouses: 100+ with 2.2 mn sq. ft. – PAN India, Middle East and Africa

ProConnect Performance – FY16

₹ Million



[^] growth over previous year

SUPPORT SERVICES



HARWARE SUPPORT



WARRANTY SERVICES



ensure
services

solutions | support | spares



INFRASTRUCTURE SERVICES



AMC SERVICES

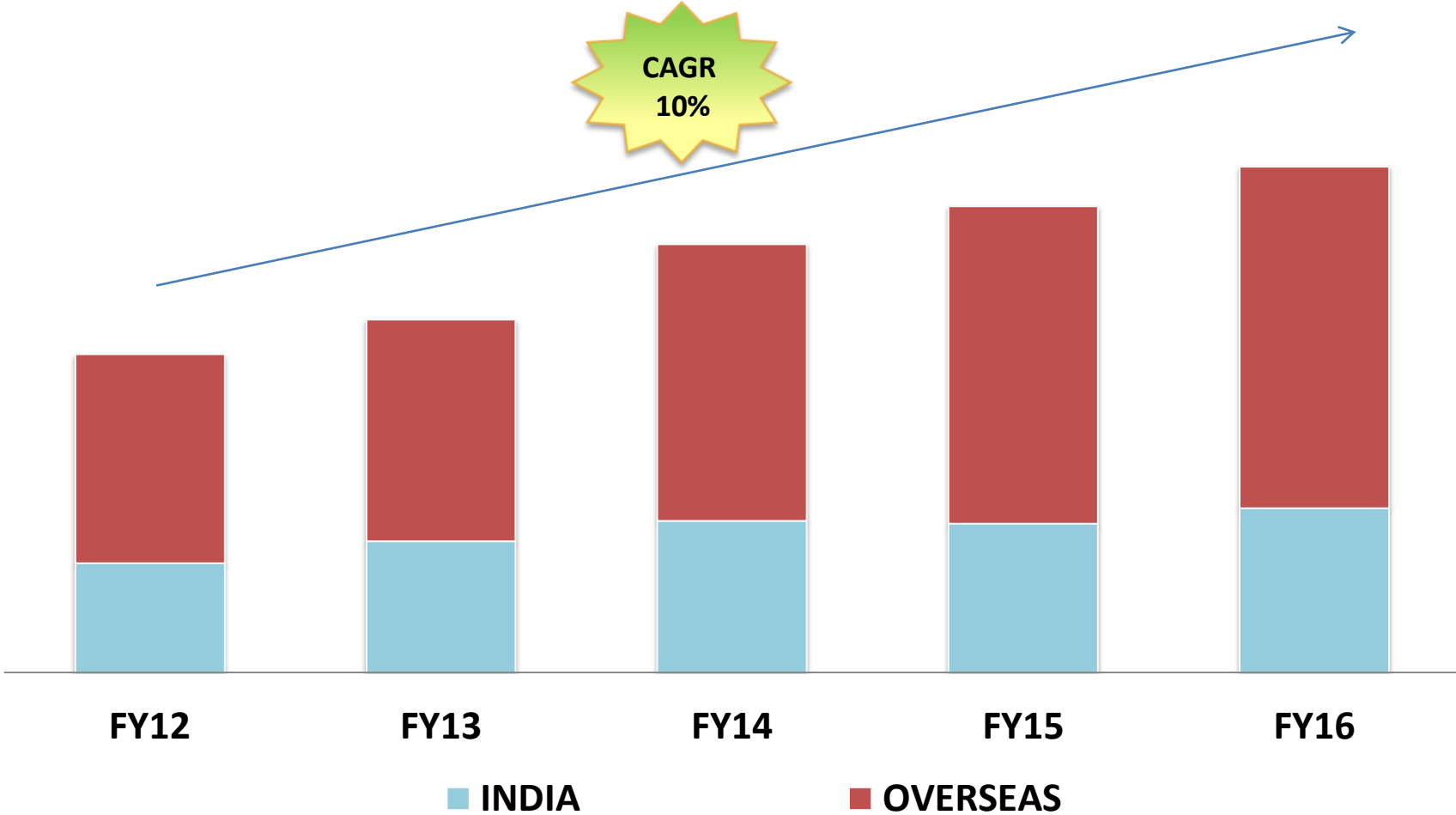
350+ Service centres across

- India
- Middle East
- Africa



SOFTWARE SUPPORT SERVICES

Ensure Performance - Revenue



Ensure – Brands Serviced

acer

Acronis
Compute with confidence

ALCATEL
onetouch.



ASUS®

BlackBerry®

BROCADE 

Canon


CISCO



EMC²



FUJITSU

Haier



IBM

iomega®

lenovo

 LifeSize


Logitech®


MOTOROLA

 Microsoft

molex®


NetApp

NETGEAR®

NetComputing®

RICOH


SAMSUNG

SONY

TOSHIBA
Leading Innovation >>>

TRIPP-LITE
POWER PROTECTION

 TREND
MICRO™

vmware



Our Board

Independent Directors



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



V. S. Hariharan
Ex. V.P 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



R Srinivasan
Vice Chairman



R Jayachandran
Ex-Chairman
Olam International
Singapore



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



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



Nainesh Jaisingh
MD & Global Co-Head
Standard Chartered
Private Equity, Singapore



B Ramaratnam
Professional Director

Our Management Team



E H Kasturi Rangan
Whole time Director



P S Neogi
Joint COO-IT
Division, India



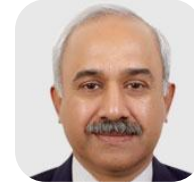
Ramesh Natarajan
Senior President
India



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



S V Krishnan
CFO, India



Stephen Aranha
President
Ensure Service , India



Ashish Bharti
President
IT Volume Distribution,
ME



Aloysius Fernandes
President
IT Volume, Africa



B Ramkumar
President
IT Value Added Distribution
ME & A



Jim Mathew
VP
Telco Distribution
Africa



Sriram Ganeshan
CFO
ME & A



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



Okay Nasir,
CEO – Arena,
Turkey



Serkan Celik,
CFO – Arena,
Turkey

Key differentiators



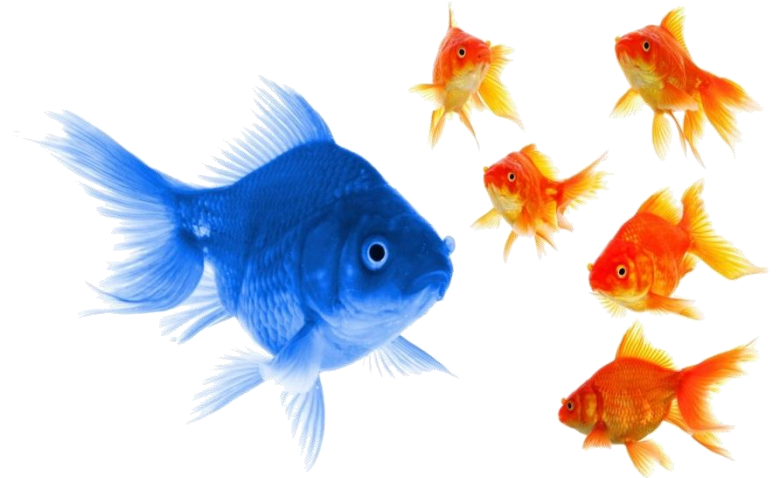
- **BRANDS & MARKETS**
Unmatched bouquet of brands
Extensive footprint



- **INVESTMENTS**
Infrastructure, Systems and processes
Customized to local needs



- **PEOPLE**
Professionals with long service
Product and market knowledge



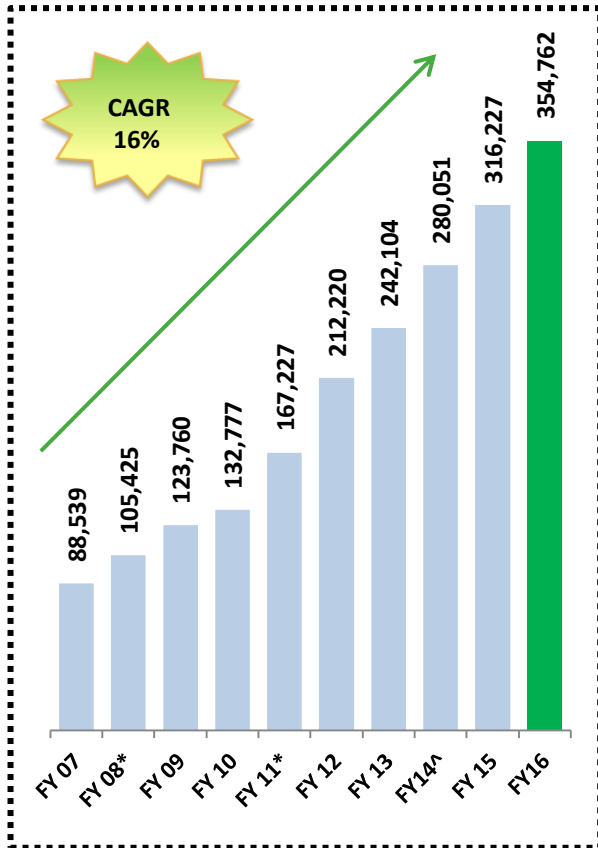
Our Performance



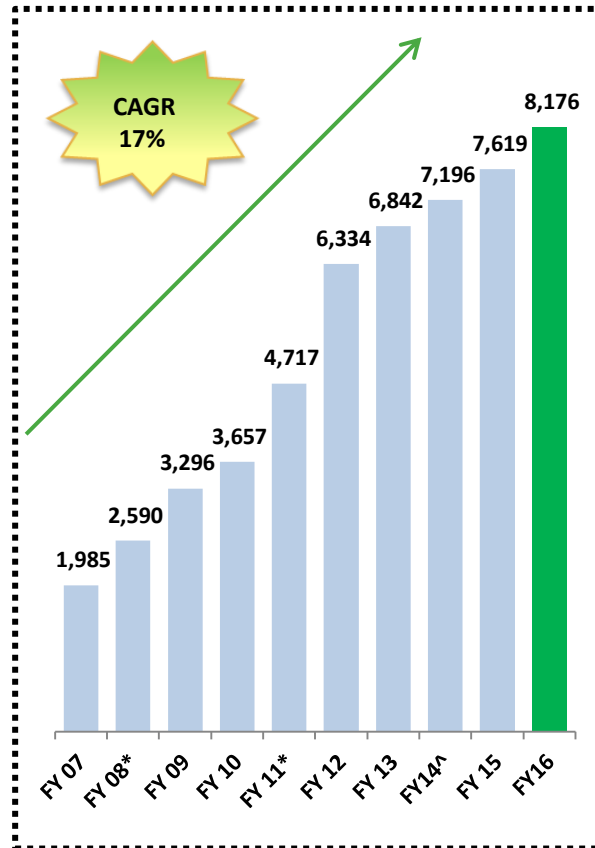
Performance

₹ Million

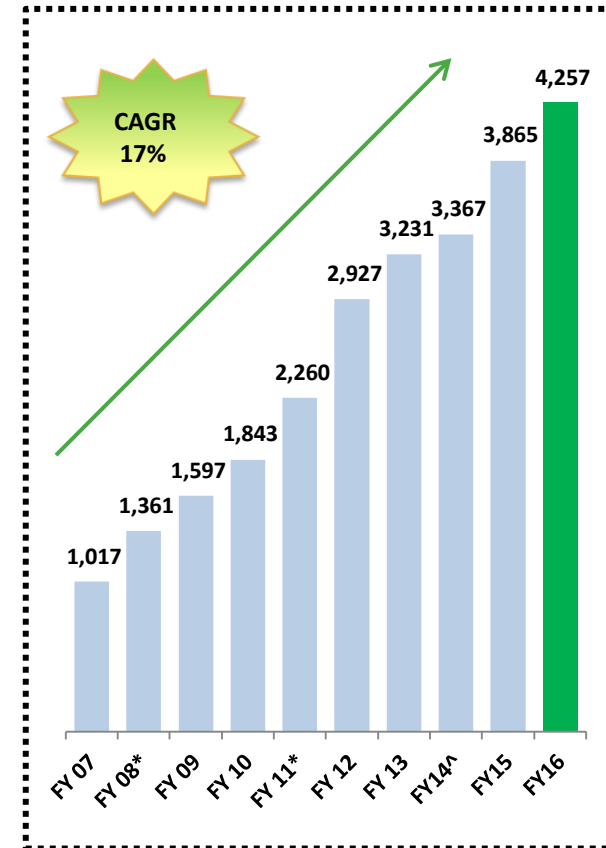
REVENUE



EBIDTA



PAT

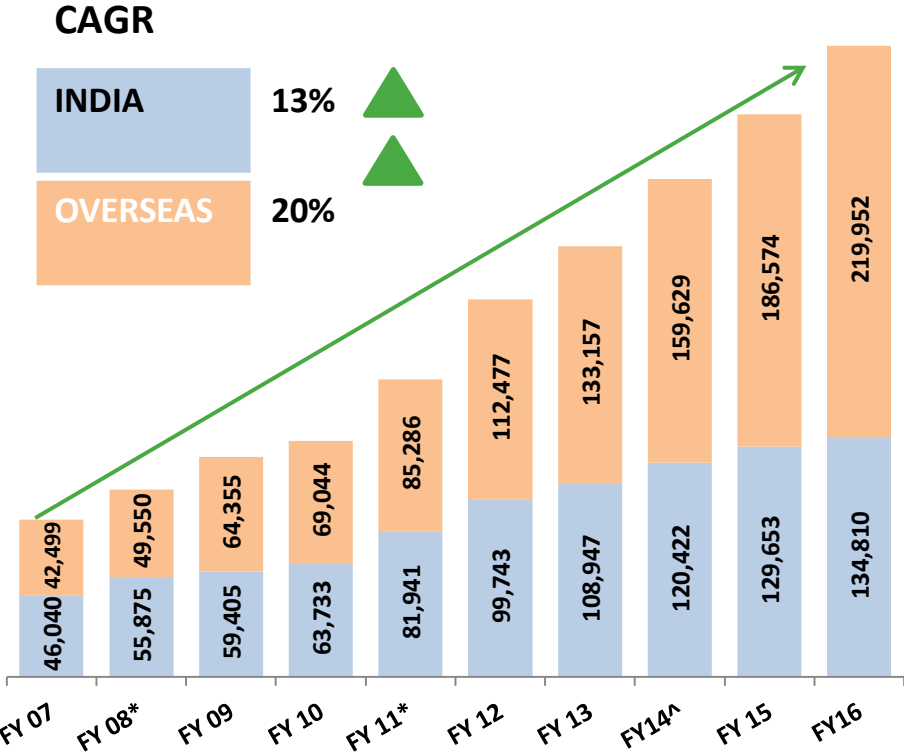


*Post acquisition of following entities - FY08 Easyaccess Financials Services Ltd, FY11 Arena. ^ Post sale of Easyaccess financial services.

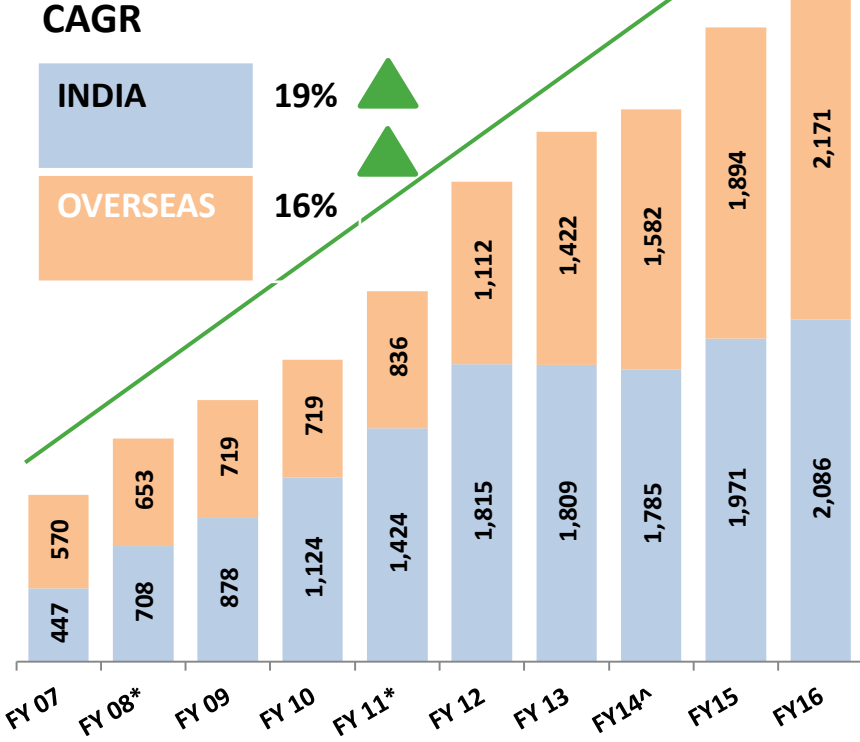
Geographical split

₹ Million

REVENUE



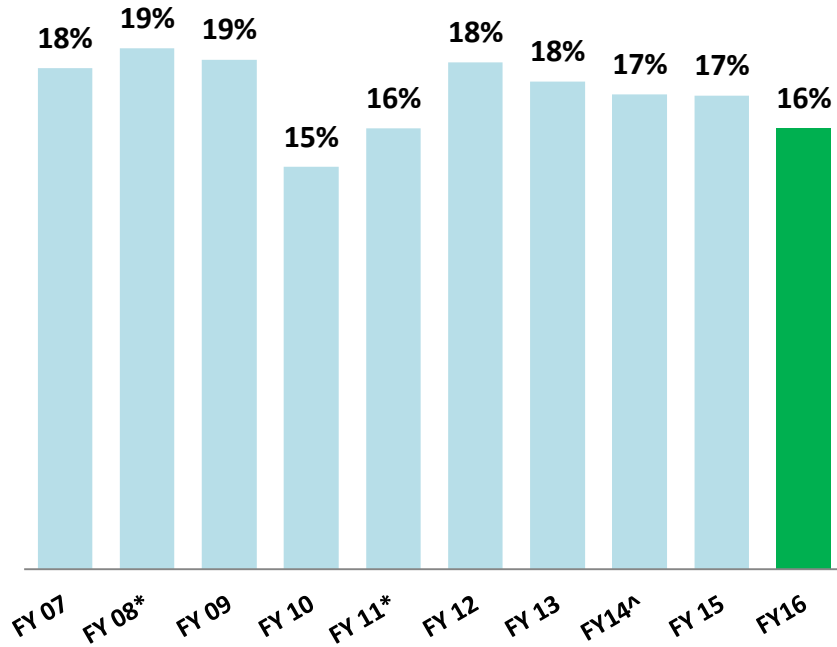
PAT



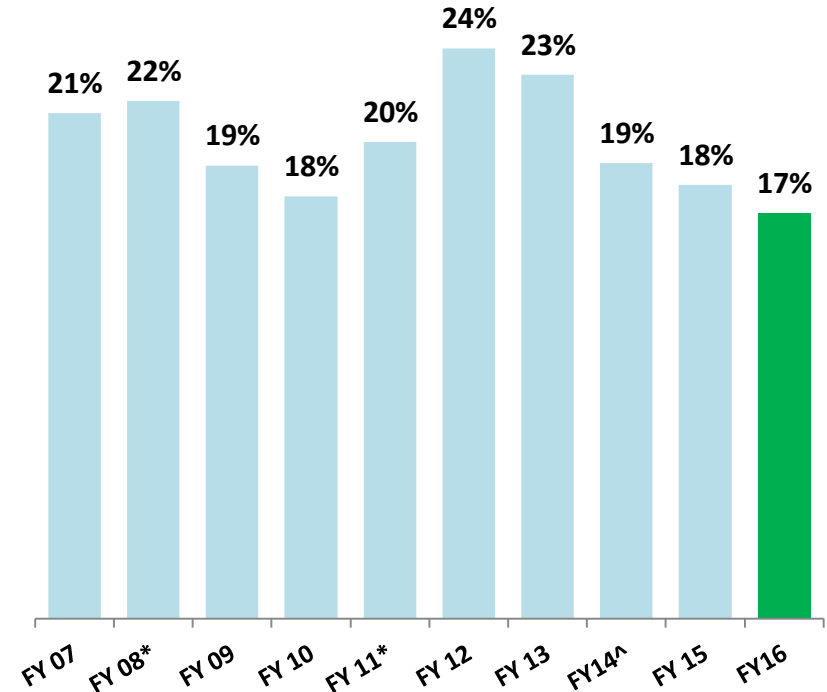
*Post acquisition of following entities - FY08 Easyaccess Financials Services Ltd, FY11 Arena. ^ Post sale of Easyaccess financial services.

Performance

ROCE

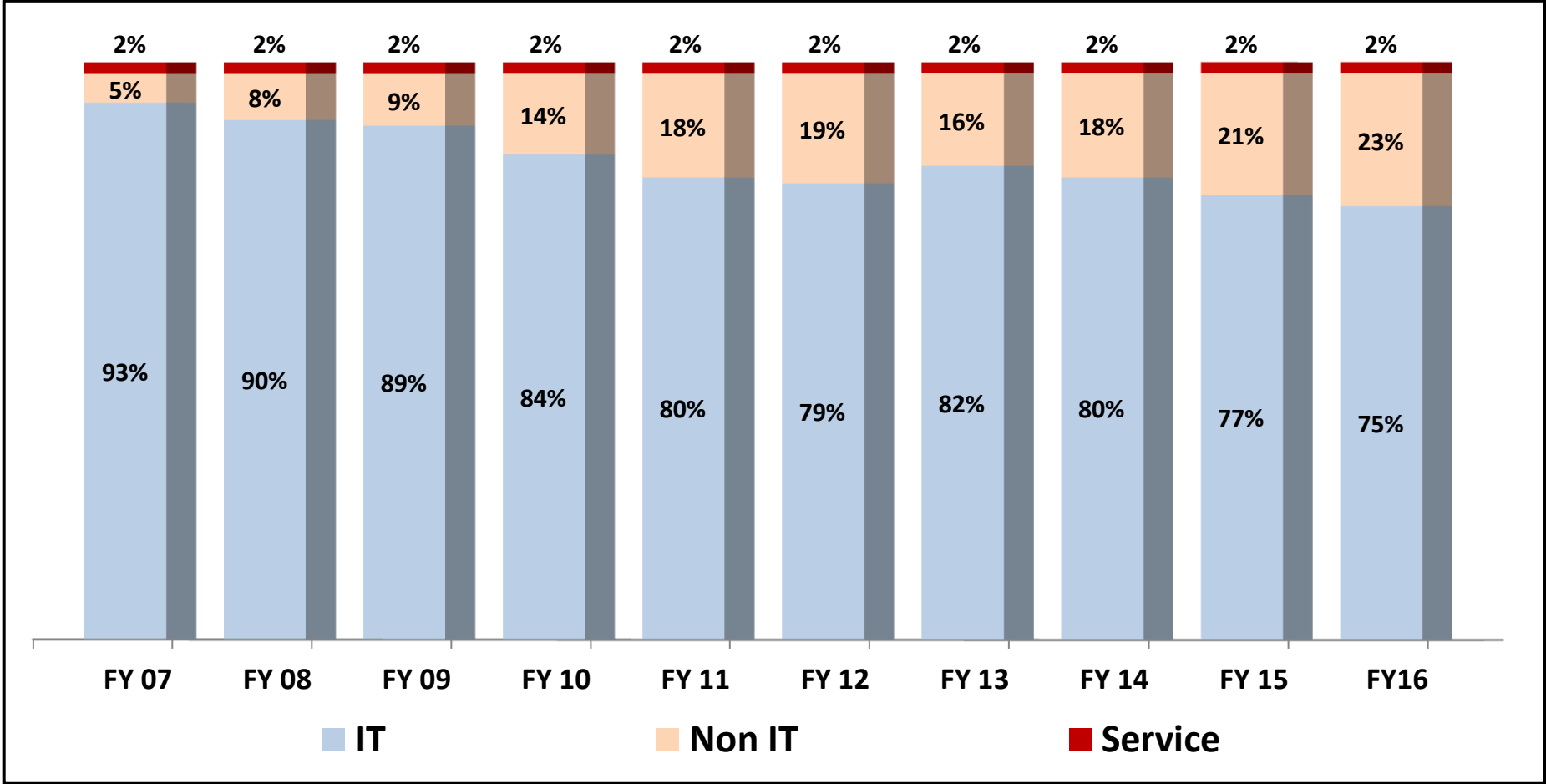


ROE



*Post acquisition of following entities - FY08 Easyaccess Financials Services Ltd, FY11 Arena. ^ Post sale of Easyaccess financial services.

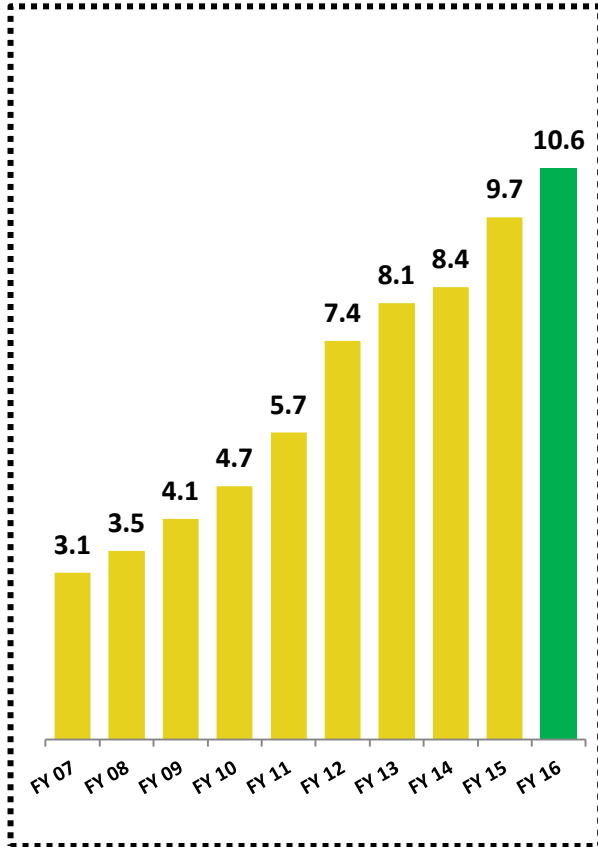
Revenue by Vertical



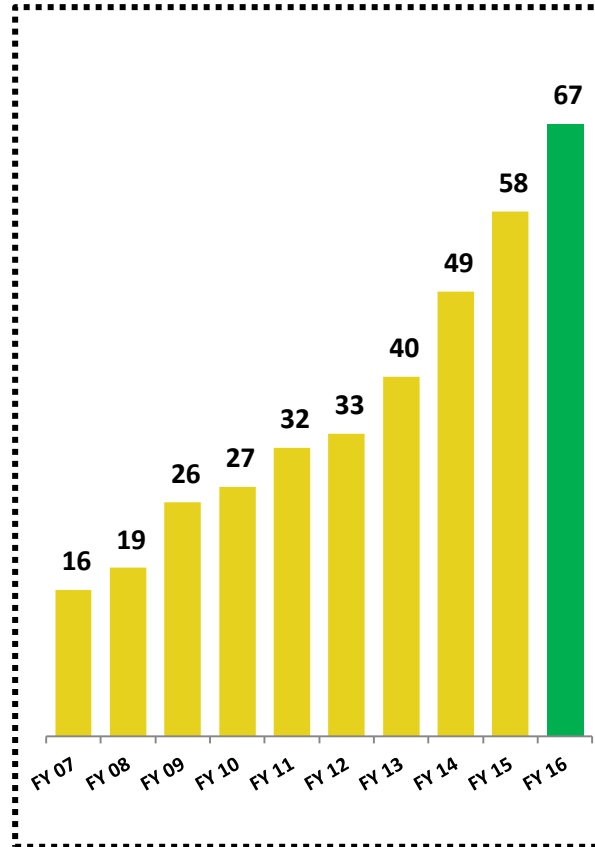
Return to Shareholders

Amt. in INR

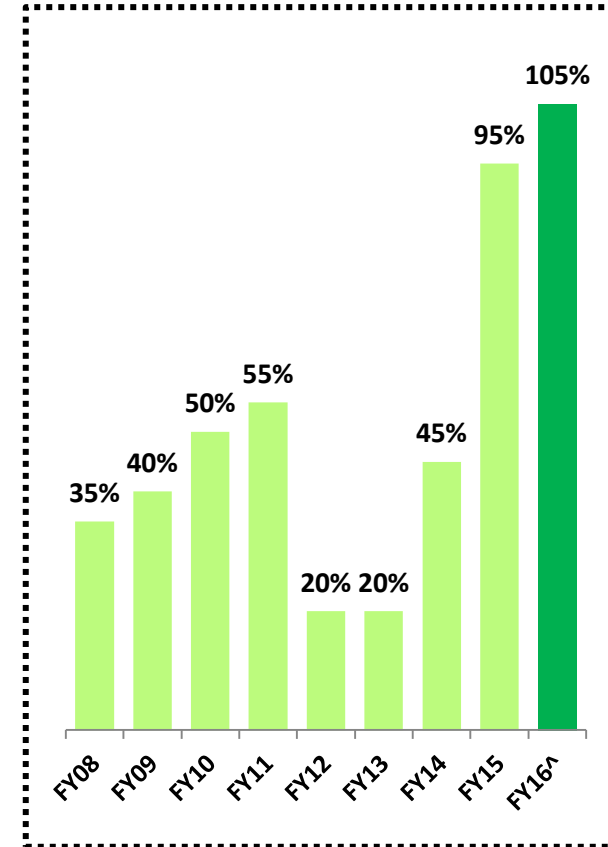
EPS



BOOK VALUE / SHARE

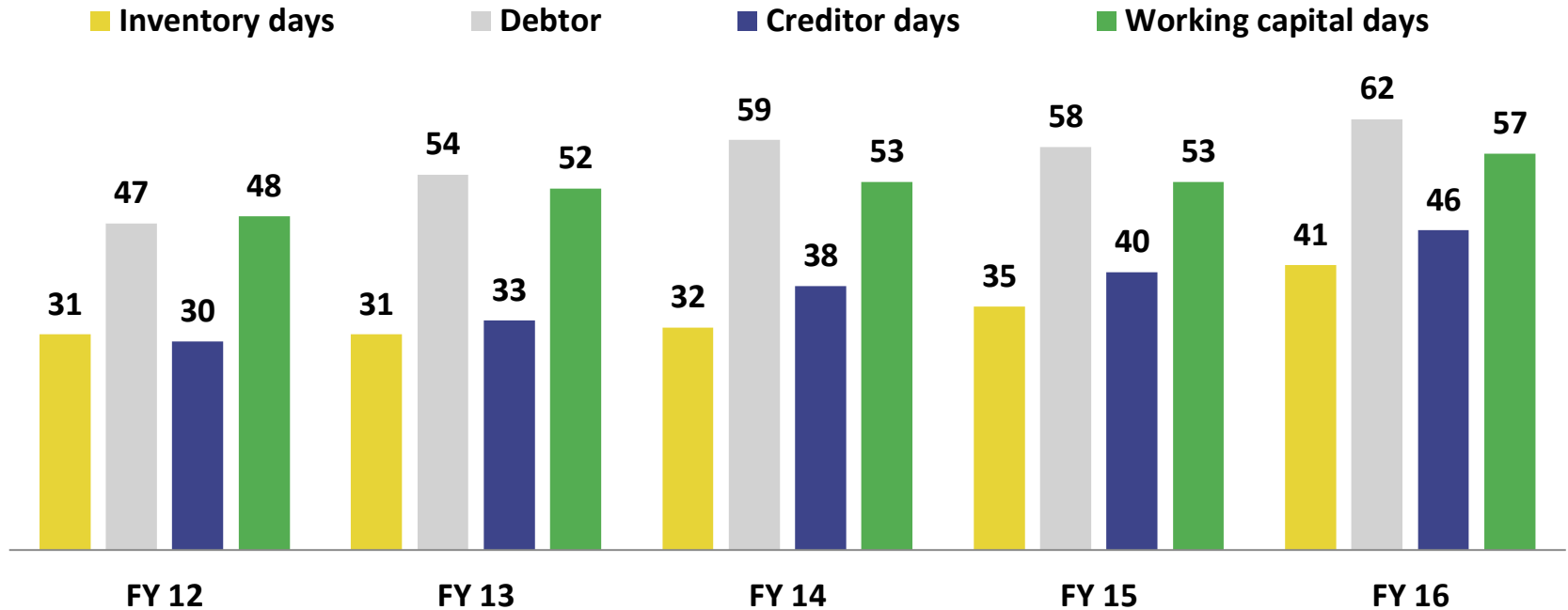


DIVIDEND



[^] Subjected to approval by members in ensuing AGM

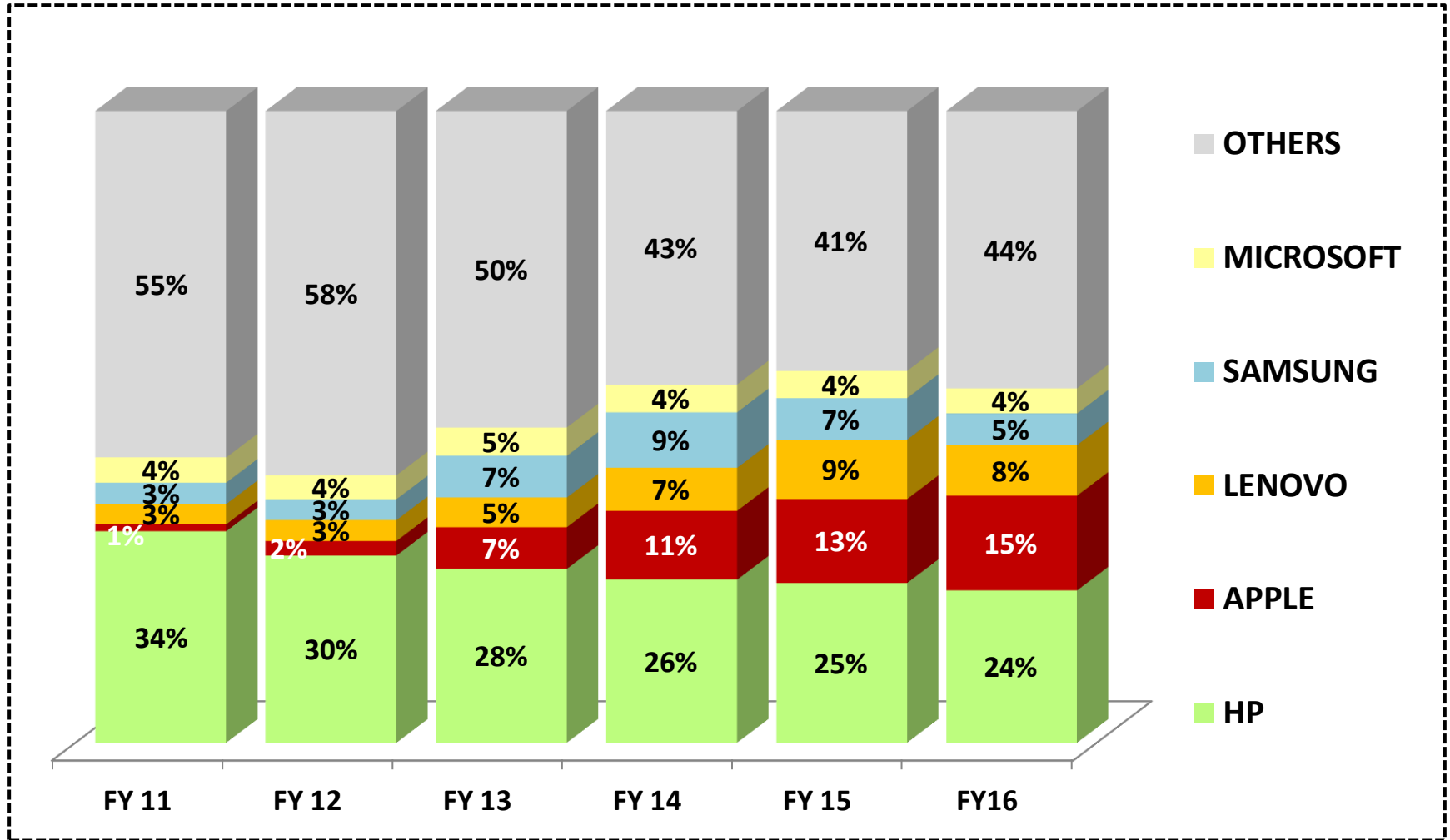
Working Capital Days



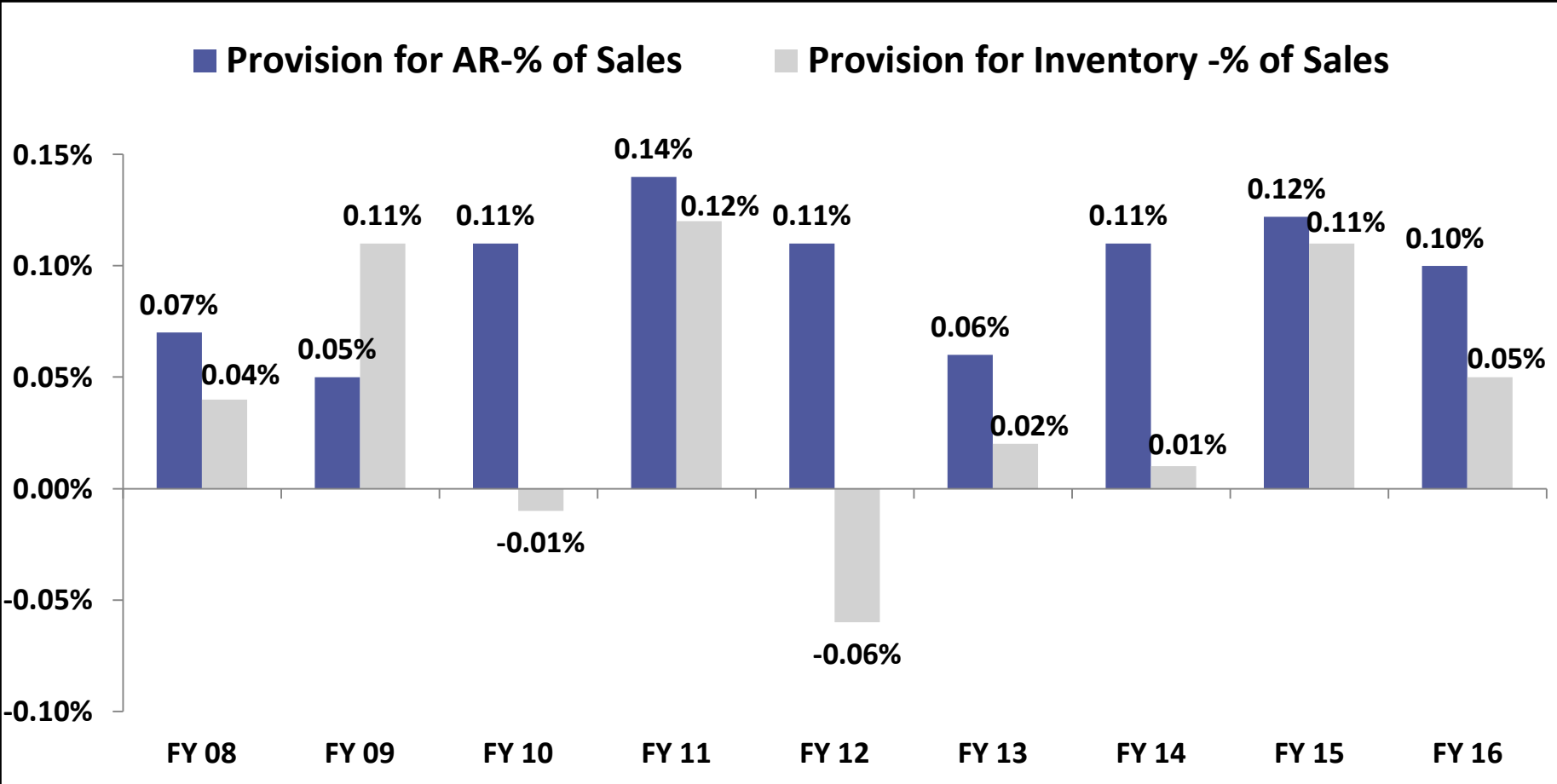
Operating Cashflow – ₹ Mn

2,584.2	2,876.7	2,413.1	2,568.3	(1,421.4)
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Top 5 vendors



Provisions



Risk Management

% of Bank limits utilised for FY16	43%	
	Long term	Short term
CRISIL	AA - (stable)	A1+
ICRA	AA -	A1+
Credit insurance - % of Revenue	44%	

Ability to manage challenges

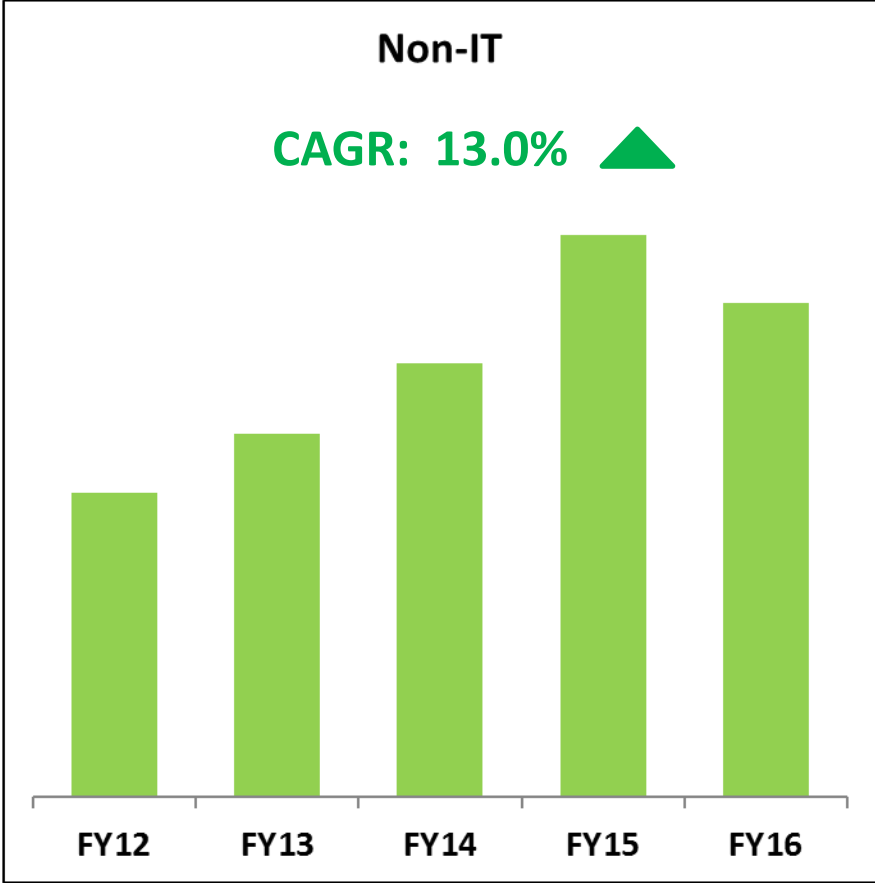
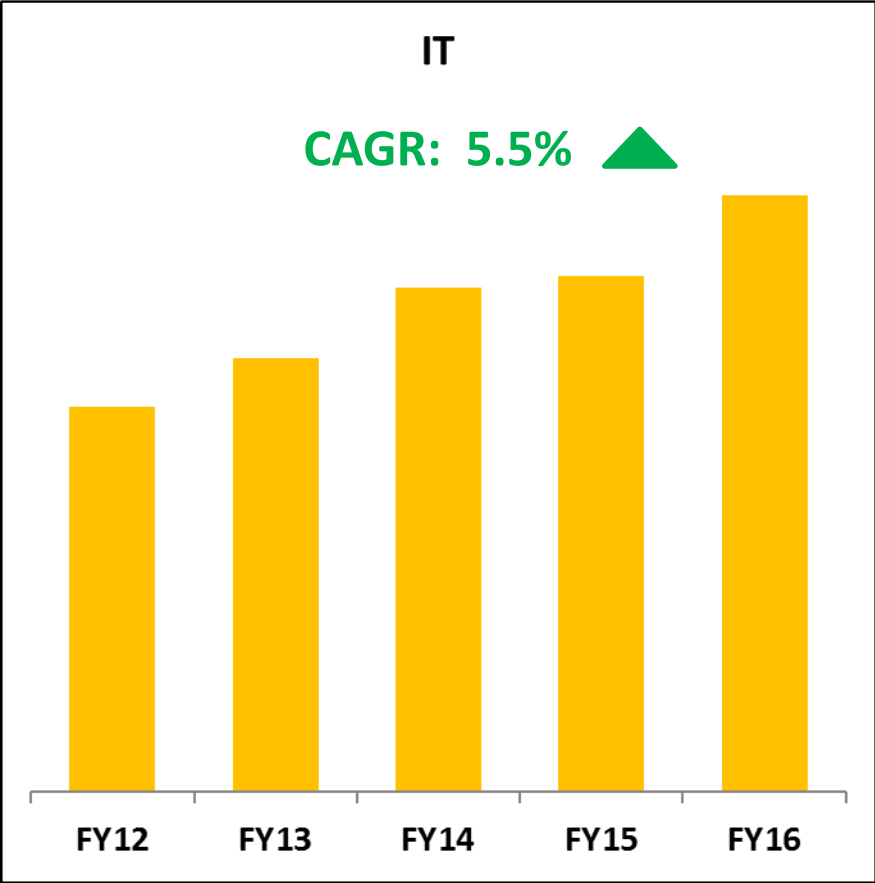
Event	FY	% of Consolidated revenue		Total REDIL Revenue YOY growth
		Before the event	After the event	
HP de-growth in MEA	2010	46%	39%	7.3%
HP restructuring in India	2011	34%	22%	25.9%
Nokia Exit in Africa	2013	13%	3%	14.1%
Blackberry slump	2013	17%	11%	14.1%
iPhone change in distribution	2016	33%	29%	12.2%



REDINGTON

INDIA OPERATIONS

Business Performance - INDIA



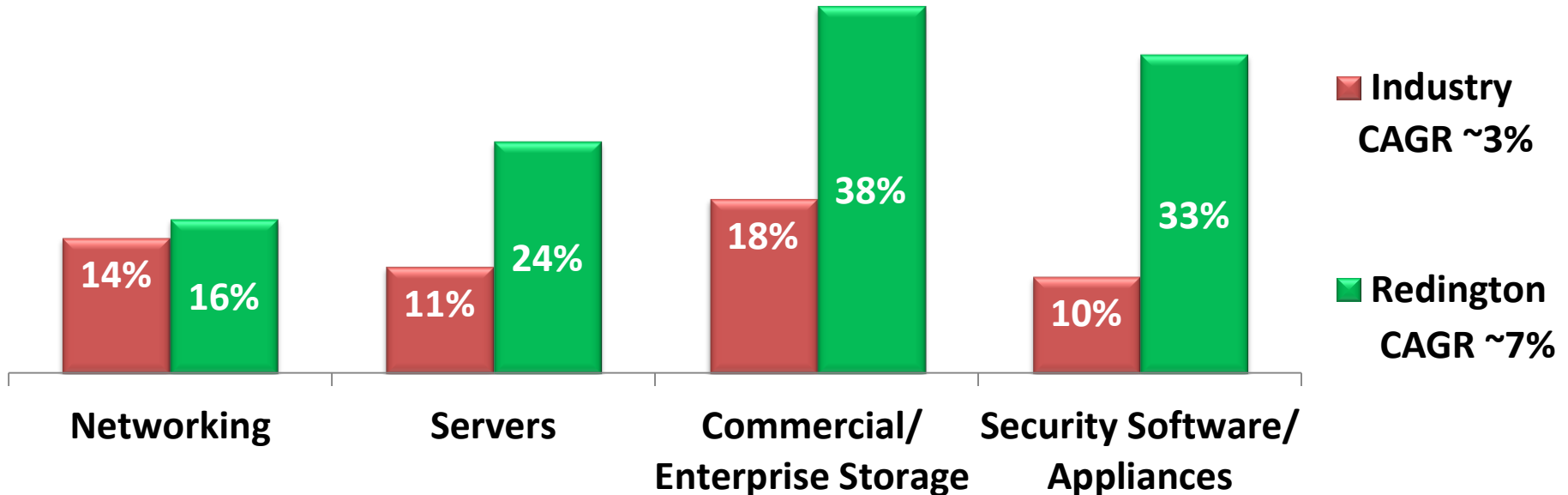
DQ CHANNEL : Top 50 Distributor – INDIA

Rank	Company	Revenue Rs. in Cr		
		FY15	FY14	FY13
1	Ingram Micro	15,823	14,128	12,024
2	Redington	14,610	13,657	11,746
3	HCL Infosystems	6,239	7,267	9,885
4	Savex Computers	5,980	5,678	4,681
5	Rashi Peripherals	2,980	2,180	1,765
6	IRIS Computers	2,723	1,893	1,605
7	Compuage Infocom	2,129	2,275	1,961
8	Supertron Electronics	1,975	1,575	1,408
9	Neoteric Informatic	1,606	1,501	1,624
10	Global Infonet	1,237	1,105	934
11	Datacare Corp	600	500	400
12	Fortune Marketing	560	508	552
13	Mediaman Infotech	438	325	321
14	Ample Technologies	400	300	250
15	Balaji Solutions	392	308	251
16	Technocrat Infotec	350	324	303
17	Compage Computers	350	370	370
18	Roop Technologies	348	270	263
19	Eastern Logica	310	250	210
20	Lalani Infotech	300	260	240
21	Maxtron Electronics	289	365	360
22	Agmetal India	280	207	221
23	Pacific Infotel	241	232	195
24	Vishal Peripherals	236	185	158
25	Swetha Computers and peripherals	230	250	200

Rank	Company	Revenue Rs. In Crore		
		FY15	FY14	FY13
26	Sakri IT Solutions	230	180	145
27	Datamation Services	228	228	225
28	Savera Marketing Technologies	225	182	157
29	Sogo Computers	220	330	300
30	Alco Infotech	215	185	165
31	Comexcell Technologies	200	190	185
32	Elcom trading	199	176	158
33	Creative peripherals and distribution	184	140	127
34	Supreme Technologies	178	156	140
35	RX Infotech	171	155	131
36	Mega Compu World	168	140	125
37	Aegis Infoware	165	165	151
38	Supreme Computers	164	178	188
39	Modi Infosol	160	180	150
40	Park Network	150	150	116
41	Galaxy computech	129	109	102
42	Peripherals engineers	125	123	105
43	Aldous Glare Trade and Export	120	110	159
44	Suntronic systems	120	125	110
45	Sujatha Computers	110	100	120
46	SV Electronics	105	125	140
47	Champion computers	98	86	73
48	Microcare Computers	95	126	77
49	Saboo Computers	91	95	75
50	Aarvee computers	91	84	89

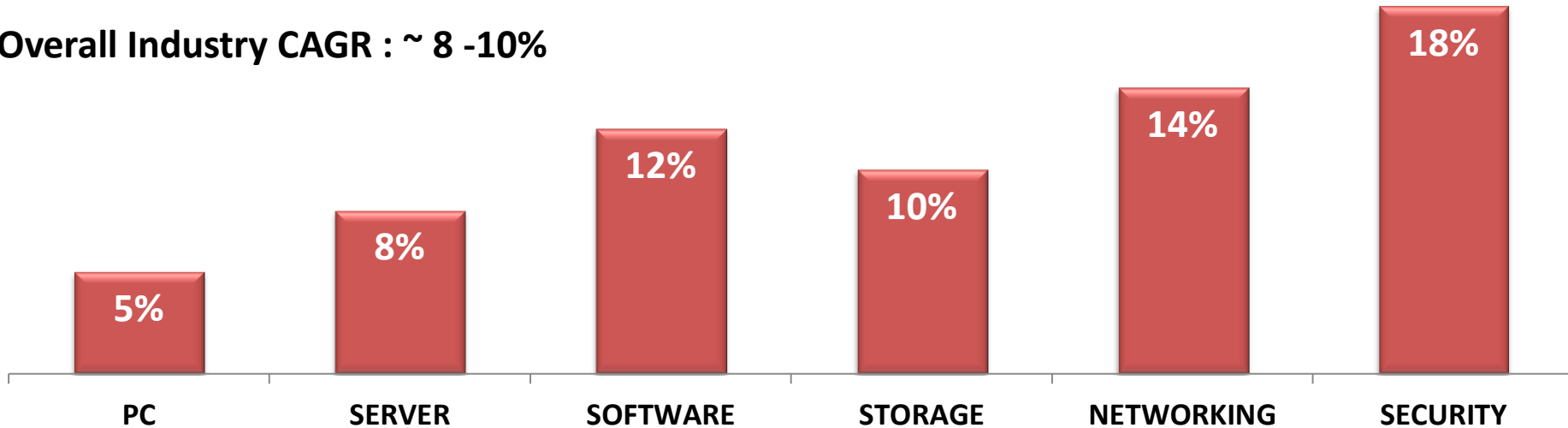
India IT Industry vs. Redington FY14-16

Overall Market size : ~ ₹ 80,000 Cr
Distribution addressable business : ~ ₹ 45,000 Cr
Redington Share : ~ 17% of ₹ 45,000 Cr



India IT Industry – FY17-20

Overall Industry CAGR : ~ 8 -10%



GROWTH DRIVERS

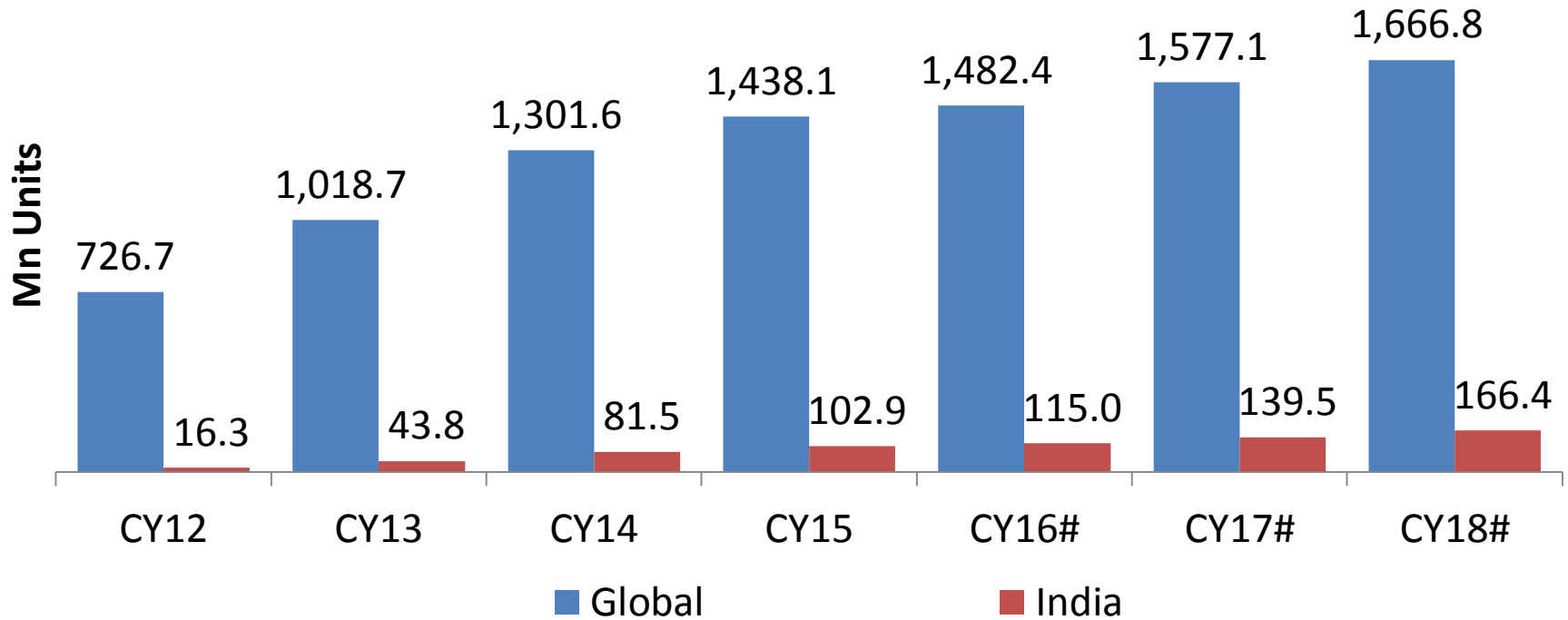
- Digital India and Smart City Projects
- Brand Acquisition & Channel expansion in T3 / T4 cities
- Increase wallet-share in targeted volume vendors

On-Prem vs Cloud : FY 15-16 → FY 19-20

	TOTAL IT MARKET	TOTAL ON-PREM BUSINESS	TOTAL CLOUD BUSINESS
FY 2015-16	\$ 12.0 Bn	\$ 11.3 Bn	\$ 0.70 Bn
FY 2019-20	\$ 17.5 Bn	\$ 14.0 Bn	\$ 3.5 Bn
CAGR	10%	5.5%	~ 50%

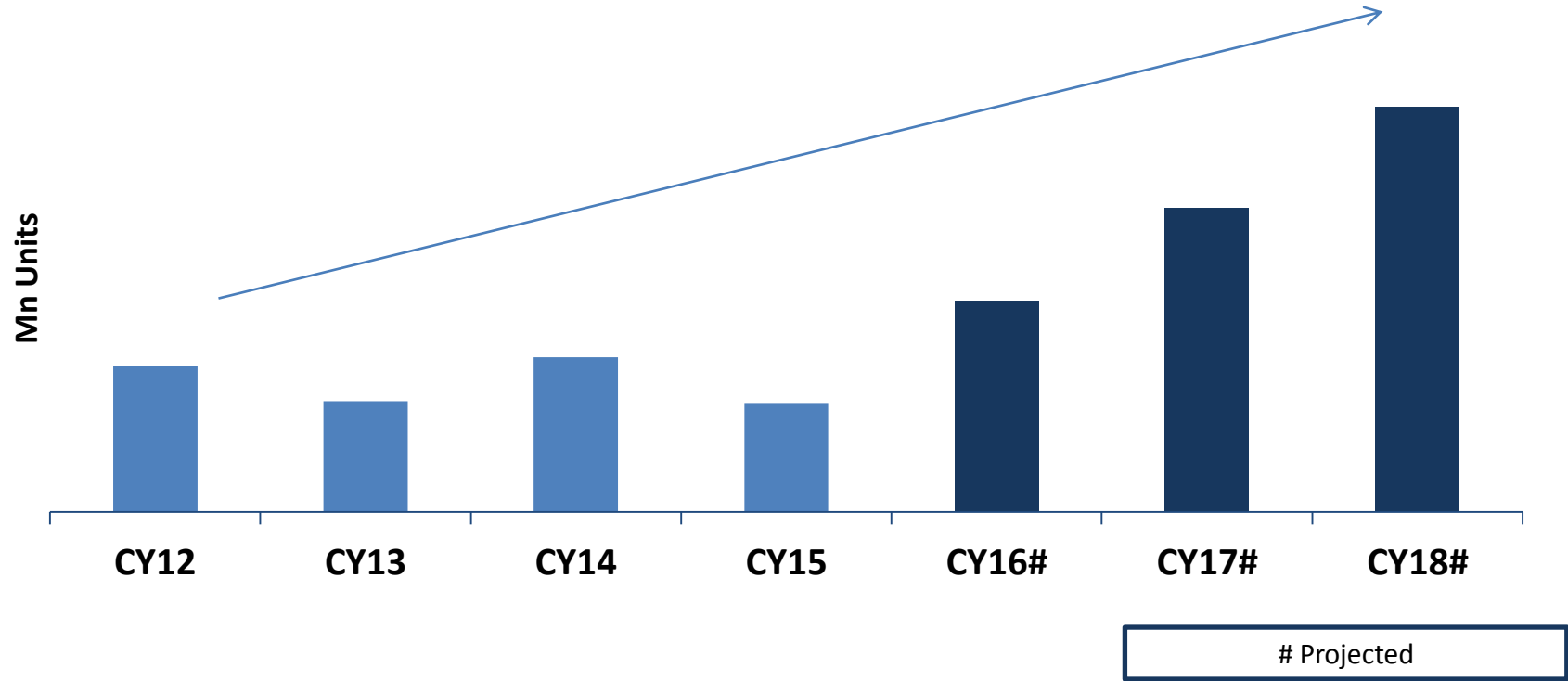
REDINGTON ADDRESSABLE CLOUD REVENUE IN FY19-20 : \$1.3 Bn

Smartphone Shipments - Global and India



Projected

REDIL Smartphone Sales - Past and Projected



Growth Strategy



Increase in Portfolio - Predominantly Blackberry & Apple in the past to bouquet of brands including MNC, India and Chinese brands



Platform agnostic - In addition to BB & iOS focus on Android as well



Present in all GTM - LFR, D2R, RDS, OT chains, Enterprise and Online



Expand Geo - National /Regional / State / City



Increase wallet share in Vendor pie



Vendor preferred distributor when expanding from Online to Offline

PROCONNECT

**Capitalise on 3PL market
potential in India**



Industry forecast

15% -20% of India's GDP spent on Logistics and transportation

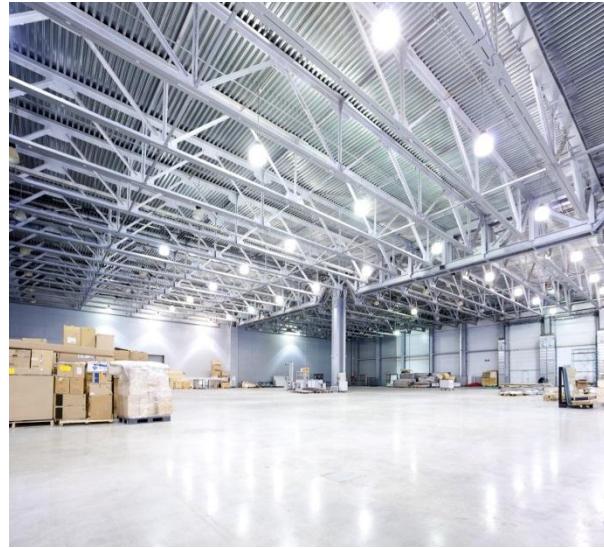
3PL to grow by 12% reaching US\$ 19.2 Bn by 2020



LOGISTICS

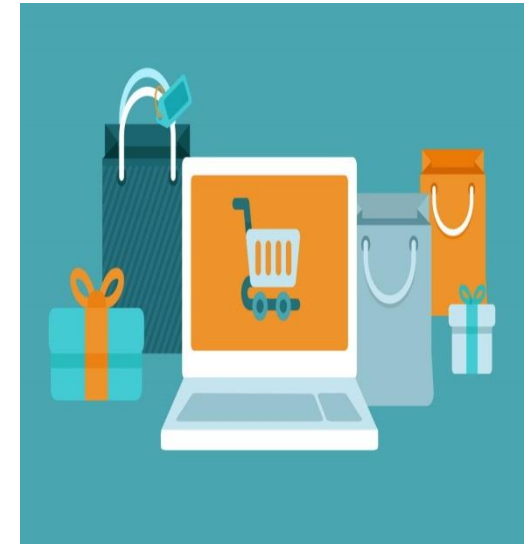
Demand to grow at 9% CAGR to 1439 Mi Sq ft by 2019

constitutes 15% - 35% of the total Logistics Cost



WAREHOUSING

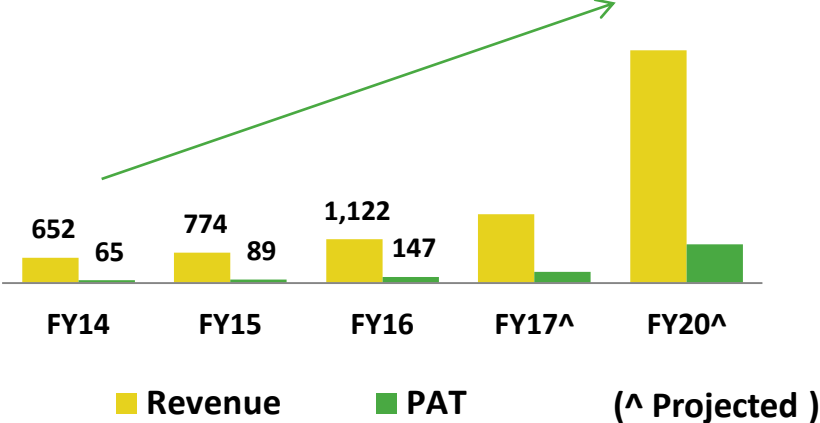
To grow by 3-4x targeting US \$ 44.1Bn in 2018



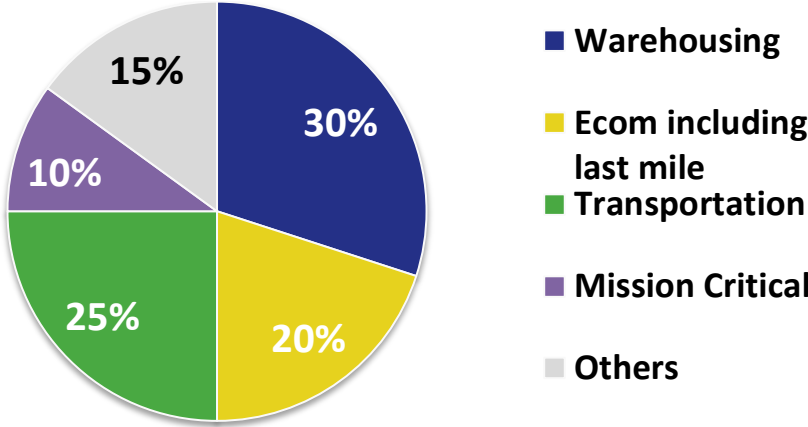
E-COMMERCE

Proconnect

FINANCIAL GROWTH



VISION ACHIEVED THROUGH



Growth in Clientele base

Expected Benefits of GST to Redington

- No. of WHs for Redington Biz to come down from 53 To 36
- Net reduction in SCM cost
- Reduction in Inventory by 3-5 days
- Improvement in Return ratios
- Increased business opportunities for ProConnect
- 5 additional ADCs in key locations, for increased throughput & operational efficiency
- Overall demand environment expected to improve

Way Forward - India

Product Category - Enterprises / Smartphones

Business - Logistics

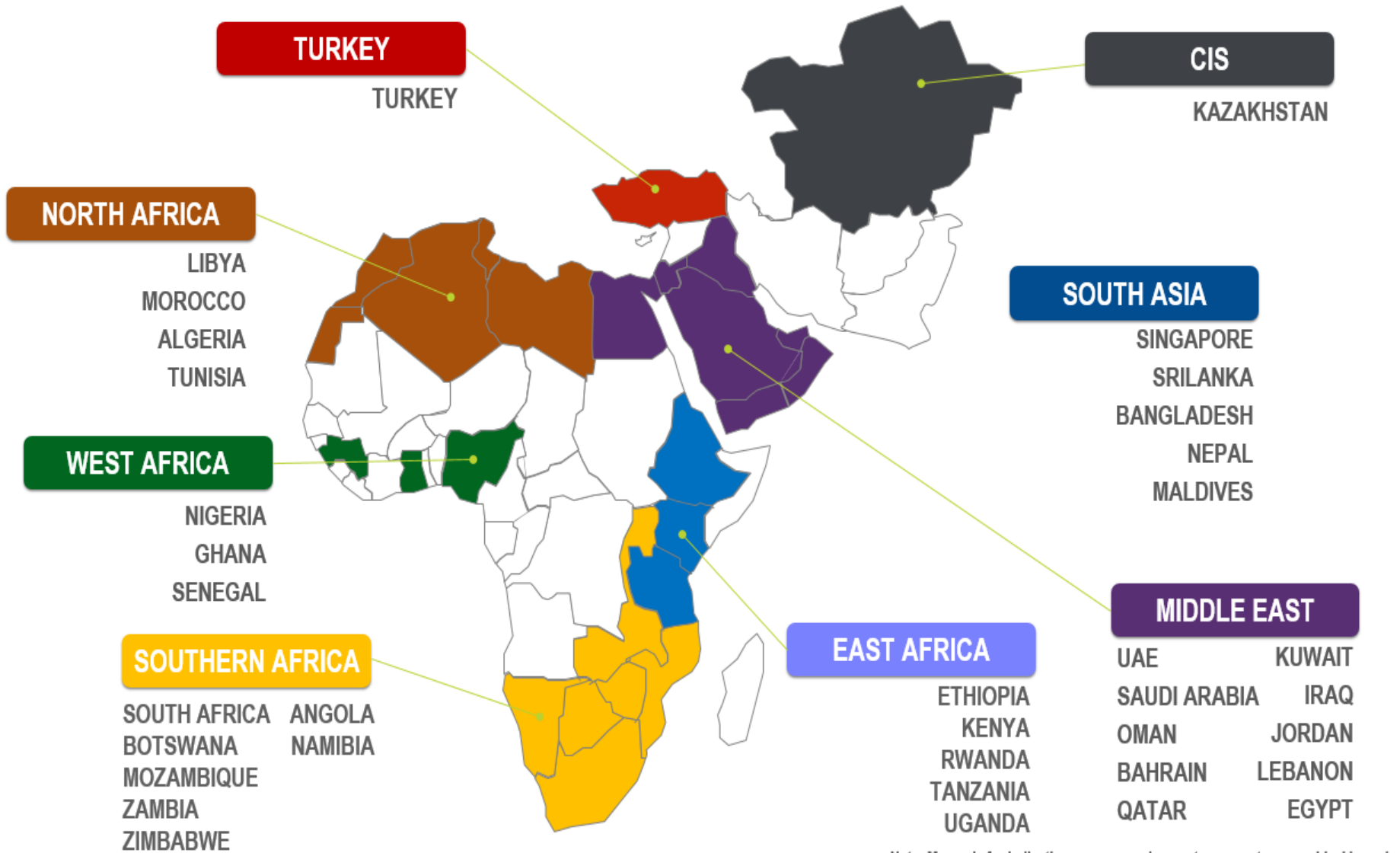
Objectives

- Improve ROE & ROCE
- Double-Digit Earnings Growth



REDINGTON

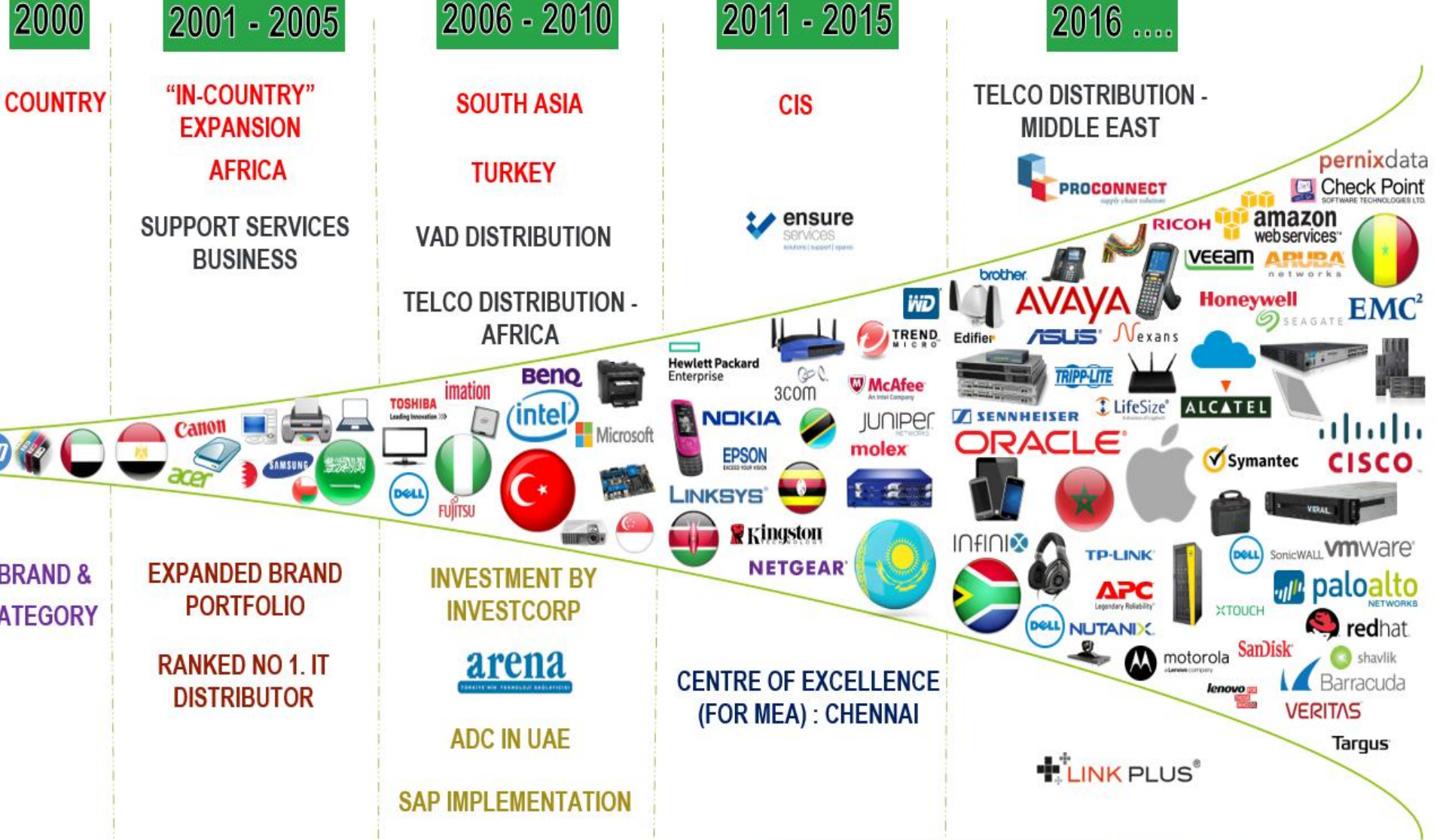
OVERSEAS OPERATIONS



Note: Map only for indicative purposes – does not represent geographical boundaries

Evolution & Transformation





Redington Gulf board

NON-EXECUTIVE



Mr R SRINIVASAN
Chairman



Mr R JAYACHANDRAN
Ex-Chairman
Olam International,
Singapore

EXECUTIVE

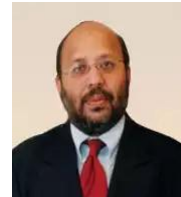


Mr RAJ SHANKAR
Managing Director

INDEPENDENT



Ms RAMA BIJAPURKAR
Successful Management
Consultant in Market Strategy &
Independent Director in other
Bluechip Boards

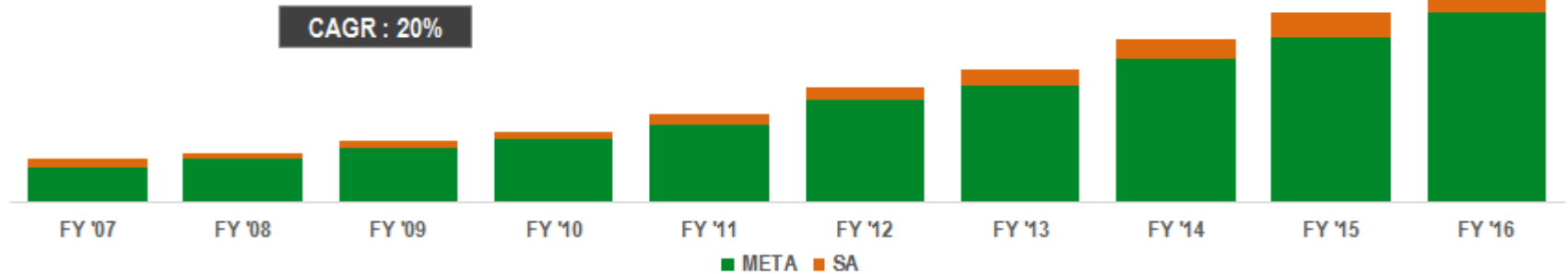


Mr STEVEN PINTO
Ex-Head, Osool Finance (CB)
Ex-CEO, Citibank, Oman

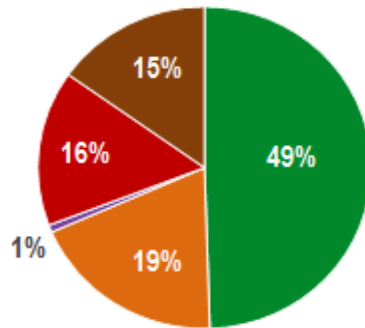
PERFORMANCE OVER THE YEARS

₹ mil

REVENUE

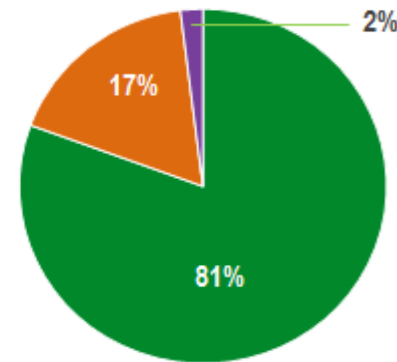


MARKET



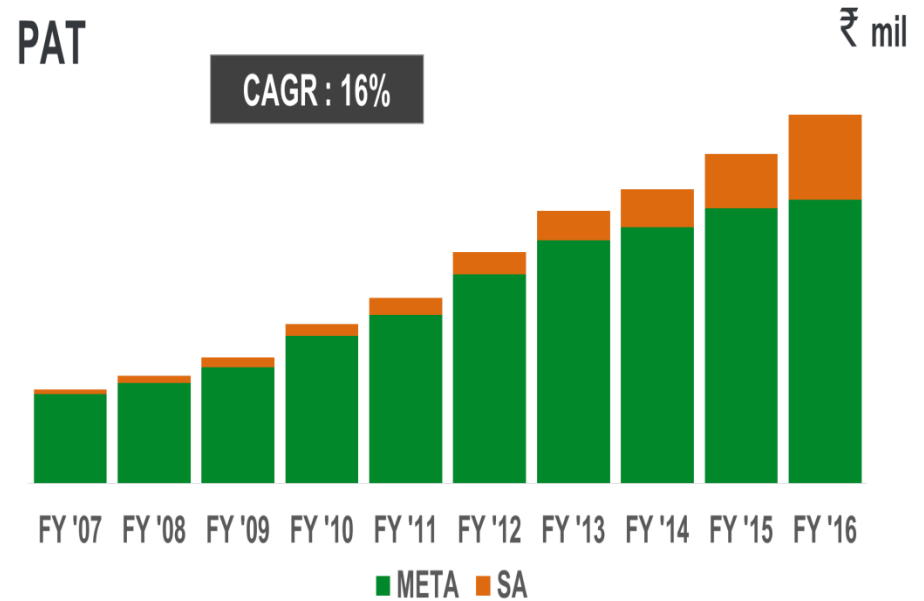
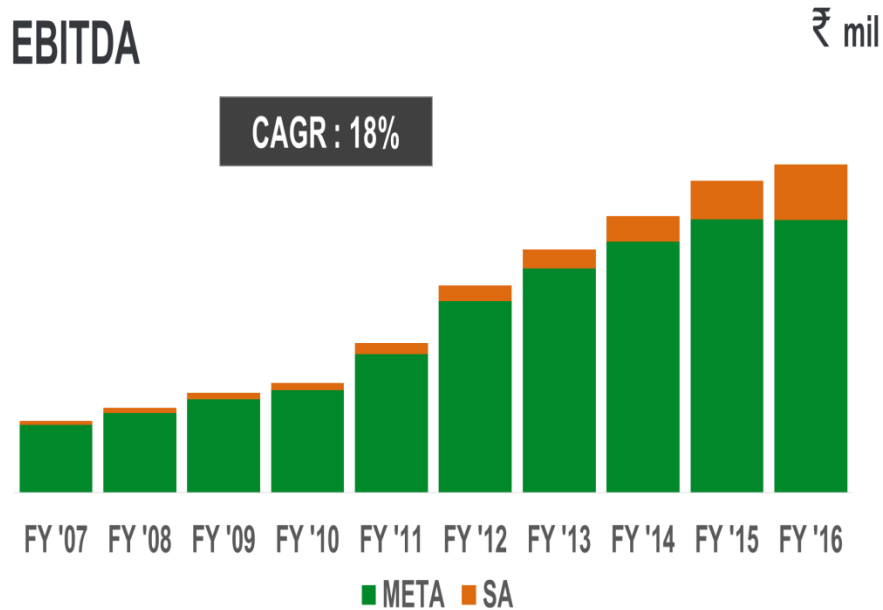
■ MIDDLE EAST ■ AFRICA ■ CIS ■ TURKEY ■ SOUTH ASIA

VERTICAL



■ IT ■ MOBILITY ■ SERVICES

Performance over the years



Our Growth



Leadership position for 12 consecutive years



DISTRIBUTOR	CHANGE	2015	2014	AUDITOR	STAFF	ACTIVE ACCOUNTS
REDINGTON GULF FZE	SAME	\$ 2.84 BN	2.62 BN	DELOITTE & TOUCHE	1,901	16,000
GLOBAL DISTRIBUTION FZE	↑	\$ 853.4 M	\$ 607.9 M	MOORE STEPHANS	115	1,150
BDL GROUP	↓	\$ 722.4 M	\$ 903 M	Dr. USAMA TABBARA	160	840
LOGICOM GROUP MIDDLE EAST	↑	\$ 710 M	\$ 575 M	KPMG	350	3,500
METRA COMPUTER GROUP	↓	\$ 680 M	\$ 830 M	ERNST & YOUNG	800	7,000
MITSUMI DISTRIBUTION	↑	\$ 475 M	\$ 390 M	PKF	201	3,300
ALMASA IT DISTRIBUTION	SAME	\$ 390.1 M	\$ 410 M	DELOITTE & TOUCHE	220	1,000
ASBIS MIDDLE EAST FZCO	↑	\$ 254 M	\$ 229 M	KPMG	85	34,000
WESTCON ME GROUP	SAME	\$ 214 M	\$ 207 M	DELOITTE & TOUCHE	175	5,000
AL-JAMMAZ GROUP	↑	\$ 187 M	\$ 160 M	ALHOSHAN	240	1000
GULF SHADOW COMPUTER SYSTEM	↑	\$ 152 M	\$ 156 M	AWNI FARSAKH & CO	150	1,700
TRIGON LLC	↑	\$ 142 M	\$ 150 M	KPMG	102	350
GOLDEN SYSTEMS MIDDLE EAST	↑	\$ 135 M	\$ 177 M	SALIM RAJKUTWALA	82	500
STARLINK	NEW ENTRY	\$ 104 M	N/A	KPMG	250	

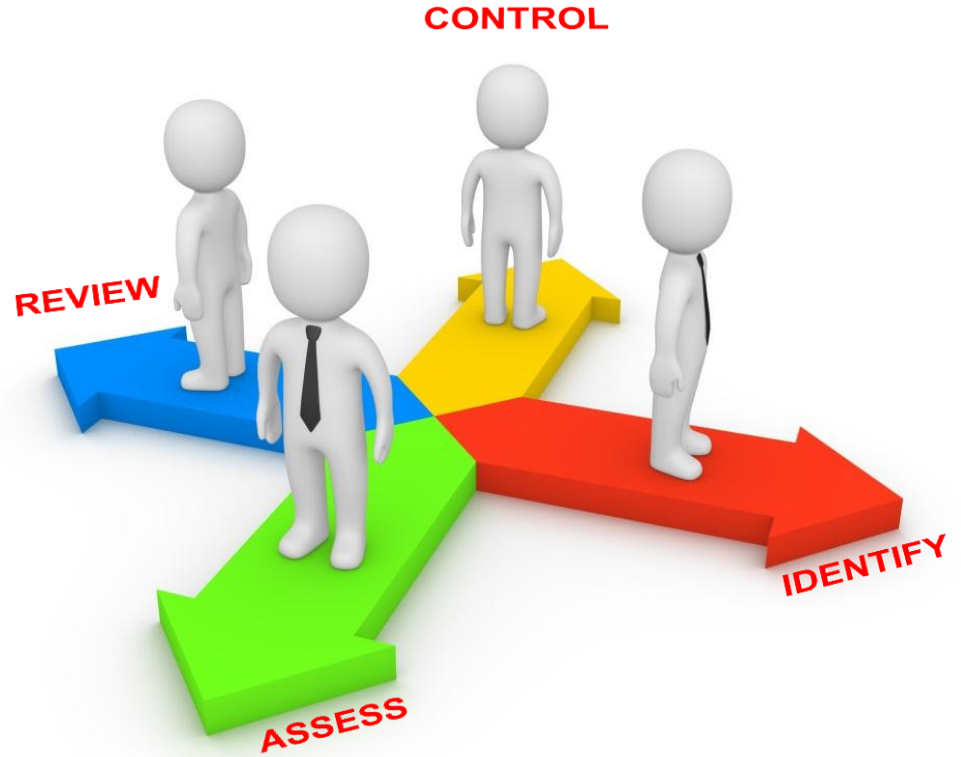
Distribution landscape

- No global player present on a regional basis
- present only in select businesses/markets
- 2 of the Top 5 global distributors exited the region
- 7 of the top 10 regional distributors degrew in FY'16
- None of the regional distributors have a comprehensive product and service offering

Adapt to a changing landscape



Risk Management



Risks



KENYA, NIGERIA, TURKEY



IRAQ, LIBYA, SYRIA, YEMEN

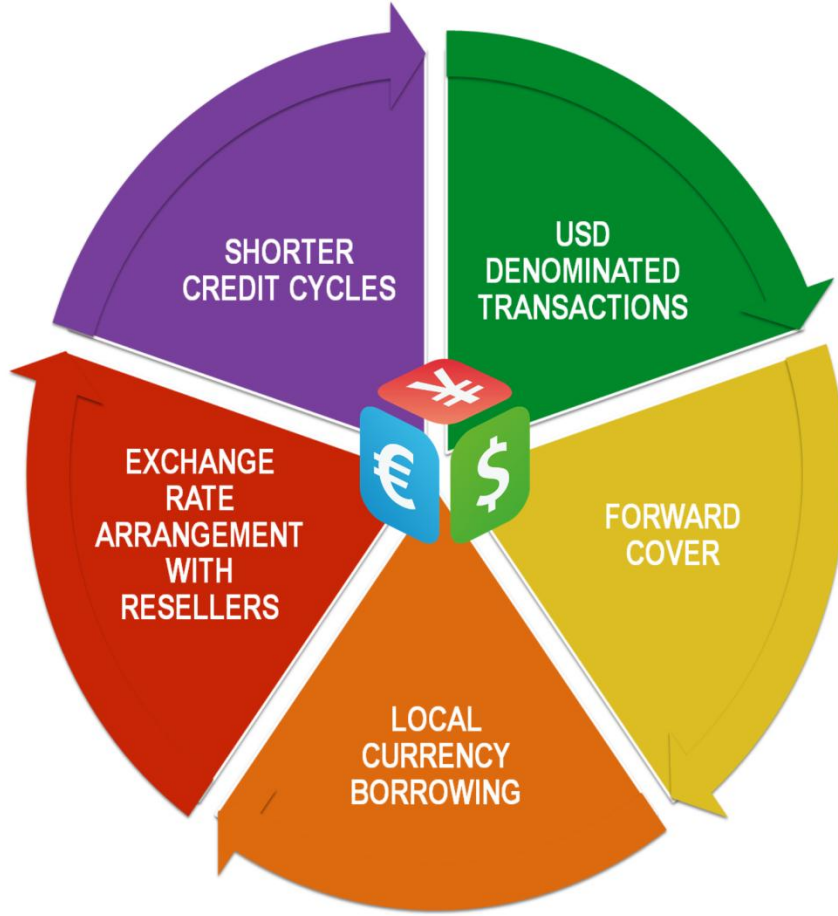


POLITICAL INSTABILITY
2 PARLIAMENTARY ELECTIONS

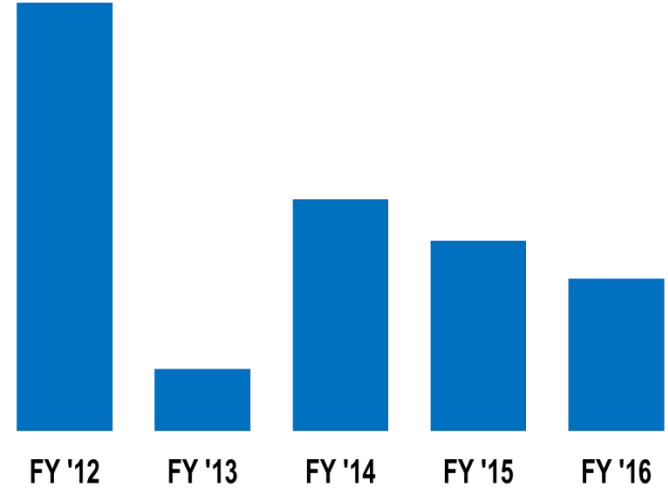


RISK MANAGEMENT

FOREX



RECEIVABLE PROVISION



INVENTORY PROVISION



Way forward

FOCUS MARKET

MIDDLE EAST



SHORT TERM

UAE, KSA QATAR, KUWAIT

MEDIUM - LONG TERM

IRAQ, IRAN & LEVANT

AFRICA



TANZANIA, KENYA, ETHIOPIA, GHANA,
SENEGAL




NIGERIA, MOROCCO



KAZAKHSTAN

UZBEKISTAN, TURKMENISTAN, GEORGIA

Way forward

		SHORT TERM	MEDIUM - LONG TERM
FOCUS BUSINESS	IT	VAD	VAD, IOT, CONNECTED DEVICES
	MOBILITY	SMART PHONES	SMART PHONES   
	SUPPORT SERVICES	REPAIR SERVICES IN ME	IMS, SOLUTIONS
	LOGISTICS SERVICES	UAE	SAUDI ARABIA, QATAR, KUWAIT

COMPANY OBJECTIVE IN 3-5 YEARS

- DOUBLE DIGIT EARNINGS GROWTH EVERY YEAR
- REDUCE WORKING CAPITAL DAYS BY ONE WEEK

Summary

LEADING DISTRIBUTOR IN META FOR **12** YEARS IN ROW

ONLY COMPANY ADDRESSING **37** MARKETS WITH EXTENSIVE INCOUNTRY INFRASTRUCTURE AND PROFESSIONAL TEAM

ONLY COMPANY HAVING BOTH **DISTRIBUTION** AND **SERVICES** IN META REGION

OVER LAST **10** FINANCIAL YEARS ACHIEVED **DOUBLE DIGIT CAGR** GROWTH IN **REVENUE** AND **PROFITS**

PROFESSIONAL BOARD WITH DEEP EXPERIENCE IN BOTH REDINGTON AND ARENA

Questions

Investor contact

REDINGTON

Investor Contact

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