



REDINGTON (INDIA) LIMITED

Q3FY19 Earnings Presentation

December 2018

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

- **Q3FY19** – On a consolidated basis, Revenue grew by 12%, EBITDA grew by 31% and PAT grew by 14%
 - India – Revenue grew by 12%, EBITDA grew by 5% and PAT degrew by 6%
 - Overseas – Revenue grew by 12%, EBITDA grew by 58% and PAT grew by 29%
 - **Overseas w/o Arena, Turkey – Revenue grew by 15%, EBITDA grew by 62% and PAT grew by 11%**
- **9MFY19** – On a consolidated basis, Revenue grew by 11%, EBITDA grew by 11% and PAT grew by 0.1%
 - India – Revenue grew by 10%, EBITDA degrew by 11% and PAT degrew by 20%
 - Overseas – Revenue grew by 11%, EBITDA grew by 36% and PAT grew by 16%
 - **Overseas w/o Arena, Turkey – Revenue grew by 14%, EBITDA grew by 43% and PAT grew by 18%**
- During the quarter, Gross margin has improved in both India & Overseas
- On a consolidated basis, WC days for Q3FY19 is 41 days and 9MFY19 is 46 days, signifying 8-9 WC turns
- On a consolidated basis, Net Debt Equity ratio is at 0.4
- On a consolidated basis, Provision for bad debts at 0.12% for Q3FY19

Financial Highlights

India business

Q3FY19

- During the quarter, India business registered double digit growth in Revenue, with IT segment continuing its growth momentum at 17% YoY
- EBITDA growth of 5% YoY, on the back of Gross Margin growth
- WC days have gone up by 7 days in India to 60 days, primarily driven by increase in inventory in Mobility segment and increase in receivables in the Enterprise segment, thereby leading to increase in interest cost as well
- ProConnect continues its strong growth momentum with revenue growth of 20% YoY and PAT growth of 17% YoY

Financial Highlights

Overseas business

- During the quarter, Overseas business continued its strong momentum, registering strong double digit growth across Revenue, EBITDA and PAT
- Strong EBITDA growth was driven by both IT and Mobility segment
- Redington MEA had undertaken impairment of investment made in Arena, Turkey to the tune of \$10.2mn
- Strong PAT growth of 29% YoY in Q3FY19, inspite of the impairment
- Generated positive free cash flow in both Q3FY19 and 9MFY19

Turkey Update

- During the quarter, Arena biz had registered EBITDA growth of 27% YoY, despite revenue degrowth of 9%, driven by Opex control



Q3FY19 Highlights

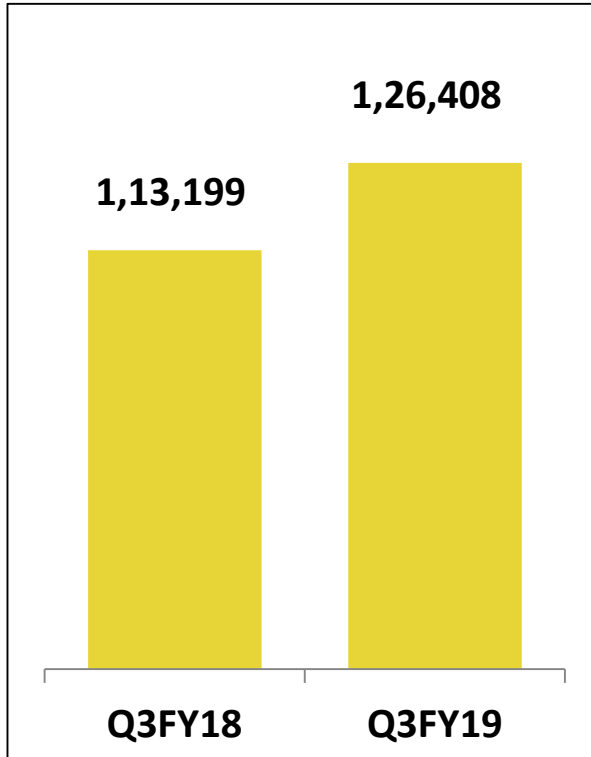


Q3FY19- Consolidated Financials

₹ in million

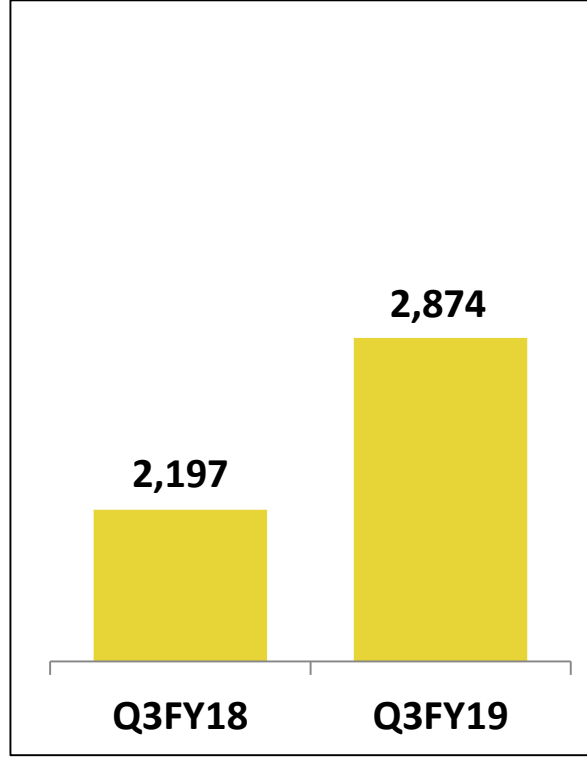
REVENUE

12% ▲



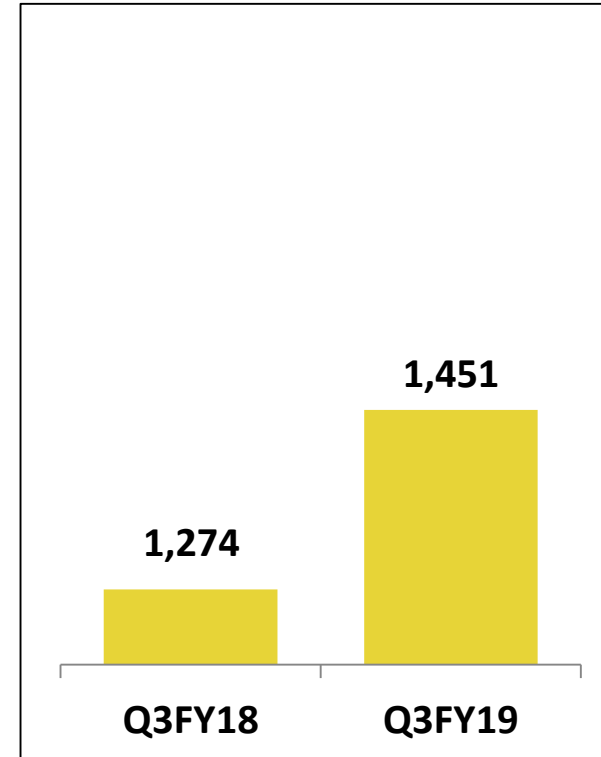
EBIDTA

31% ▲



PAT

14% ▲

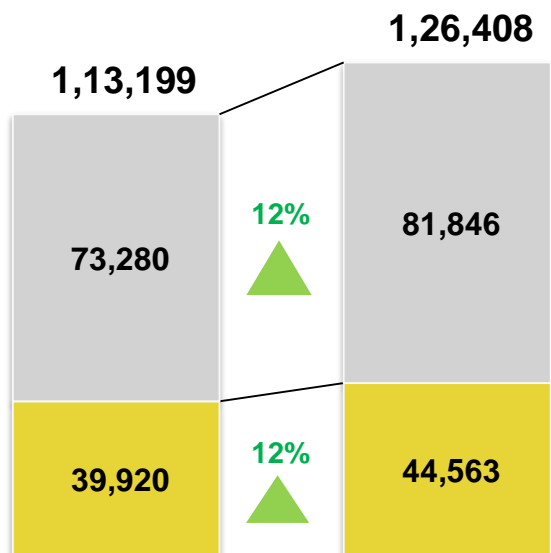


Q3FY19 Performance by Market

₹ in million

REVENUE

12% ▲



Q3FY18

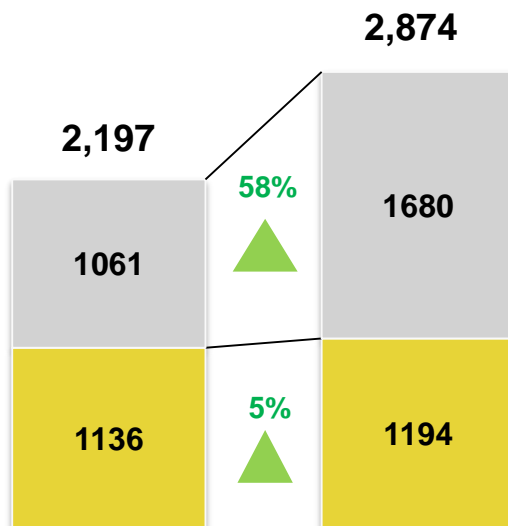
Q3FY19

■ INDIA

■ OVERSEAS

EBIDTA

31% ▲



Q3FY18

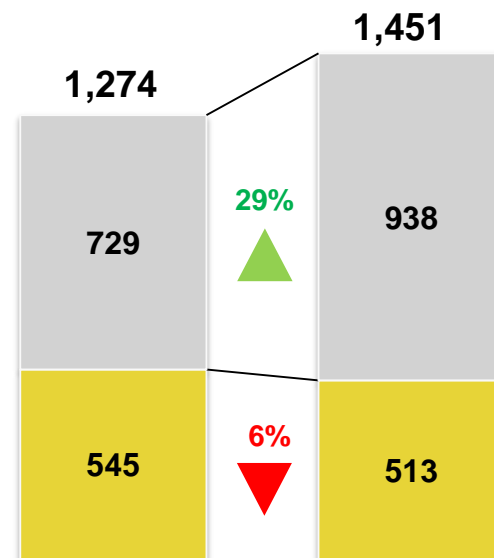
Q3FY19

■ INDIA

■ OVERSEAS

PAT

14% ▲



Q3FY18

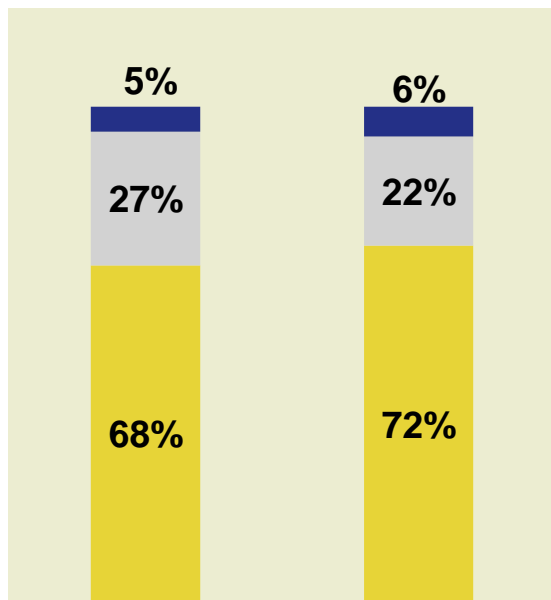
Q3FY19

■ INDIA

■ OVERSEAS

Q3FY19 Performance by Vertical

INDIA

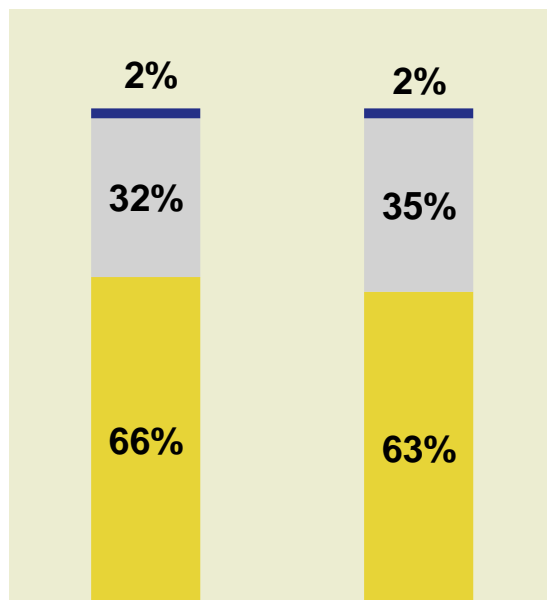


Q3FY18

Q3FY19

■ IT ■ Mobility ■ Services

OVERSEAS

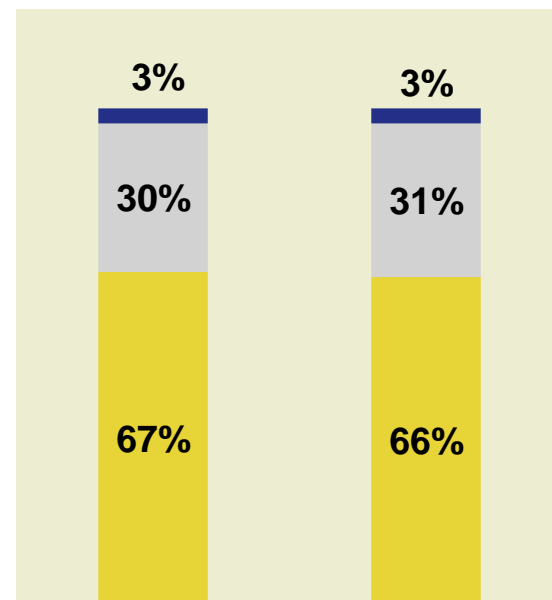


Q3FY18

Q3FY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



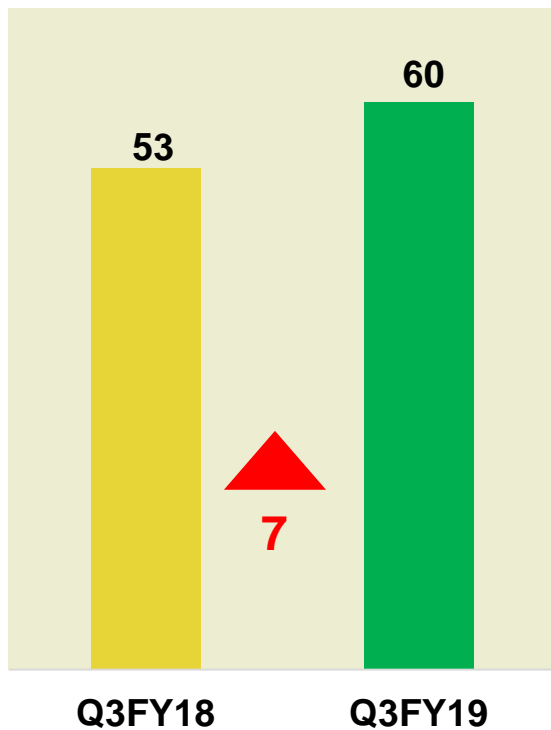
Q3FY18

Q3FY19

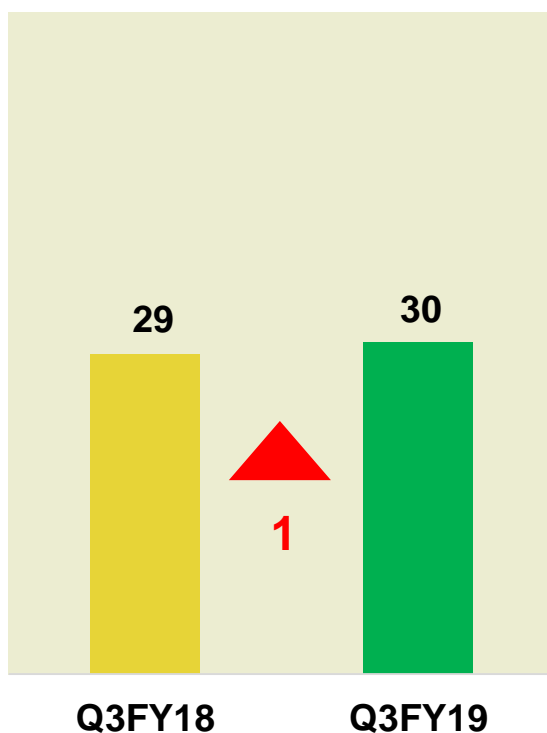
■ IT ■ Mobility ■ Services

Q3FY19 – Working Capital Days

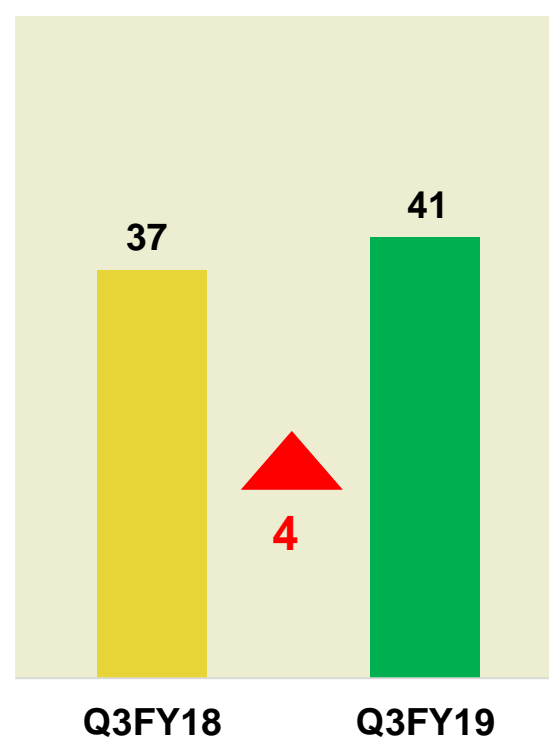
INDIA



OVERSEAS



CONSOLIDATED



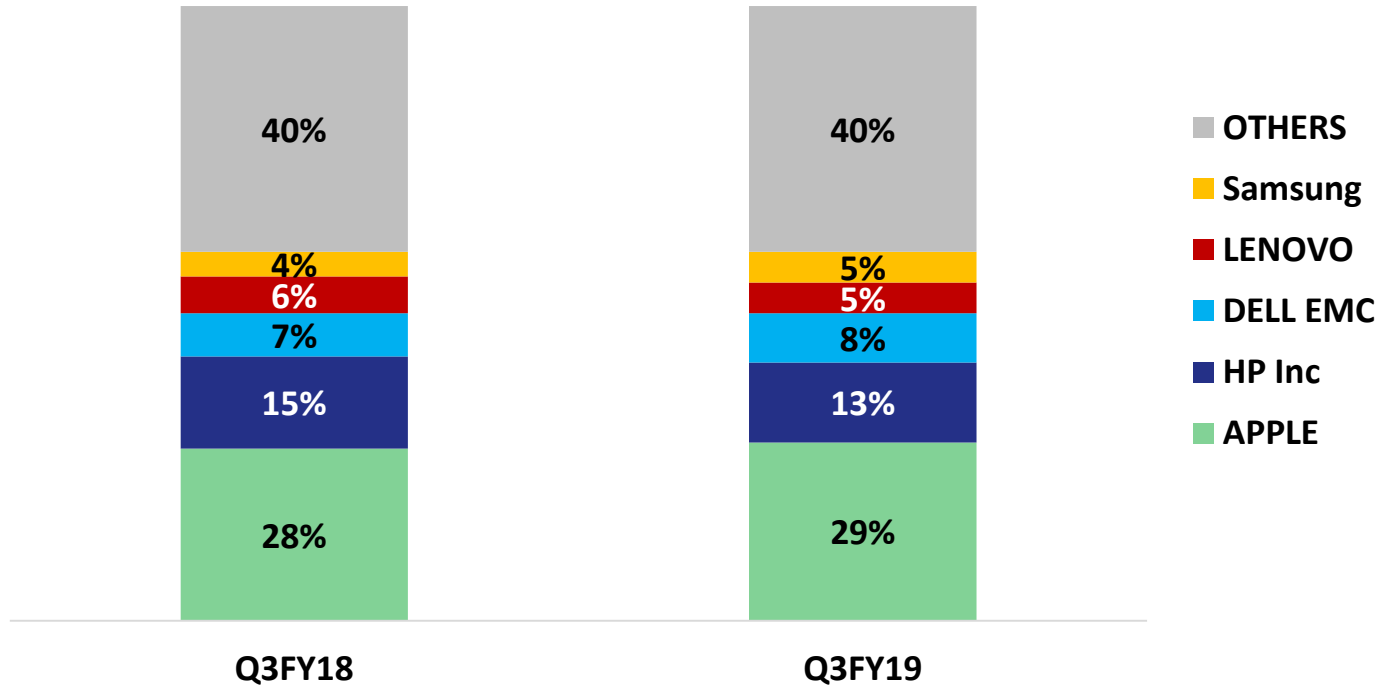
Free Cash Flow Statement

₹ in million

Particulars	Q3 FY19	Q3 FY18
Profit Before Taxation	1,443	1,661
Non-cash items	1,432	234
Outflow of Finance Cost	479	361
Changes in Working Capital	(7,839)	(147)
Direct Taxes Paid	(961)	(420)
Net Cash Flow from Operations	(5,446)	1,689
Capex	(121)	143
Dividend paid including DDT	(38)	(12)
Outflow of Finance Cost	(490)	(357)
Free Cashflow	(6,095)	1,463

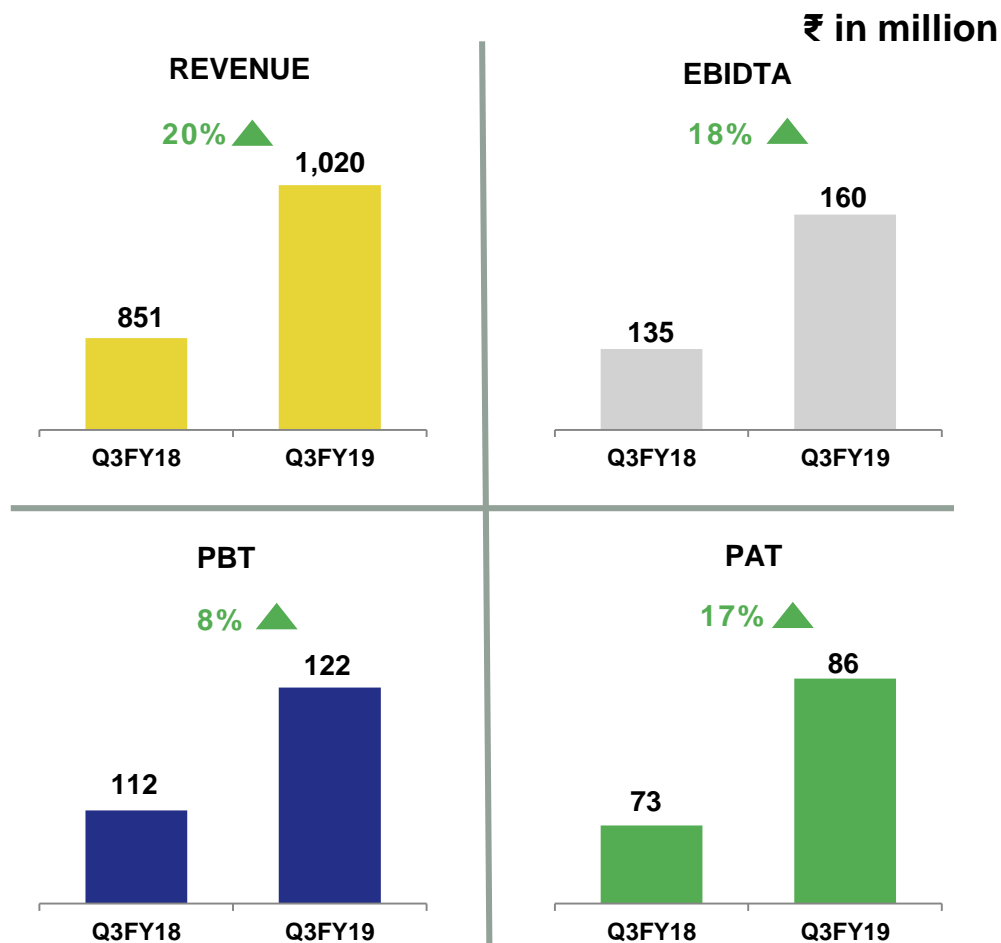
Q3FY19 – Top 5 Vendors Consolidated

REVENUE



Q3FY19 Performance – ProConnect

- Revenue growth over Q3FY18 is 20%
- EBITDA growth over Q3FY18 is 18%





9MFY19 Highlights

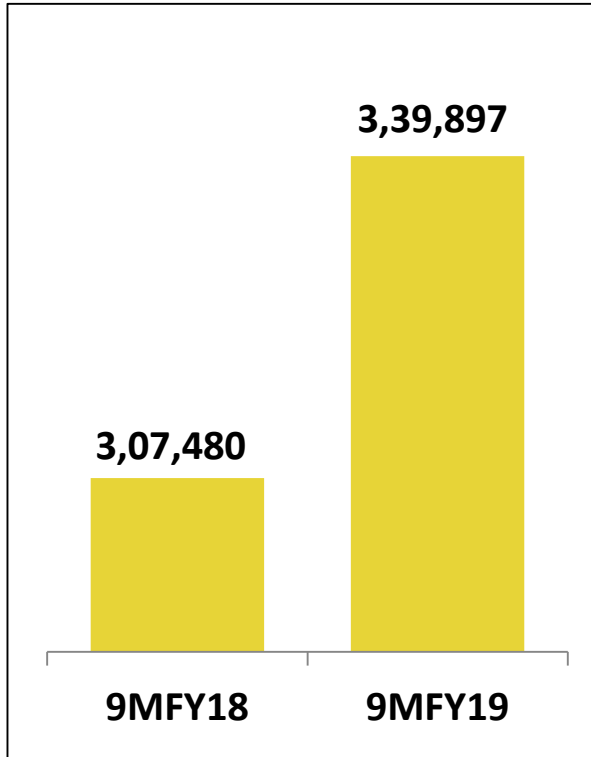


9MFY19- Consolidated Financials

₹ in million

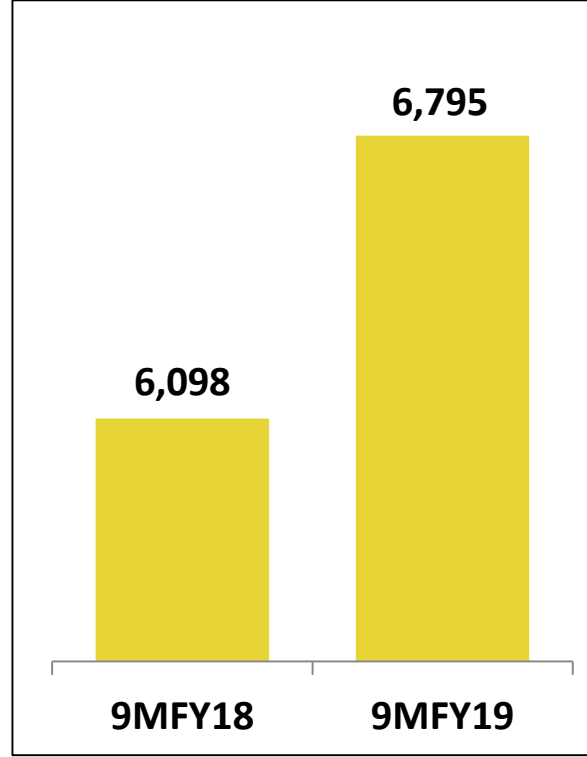
REVENUE

11% ▲



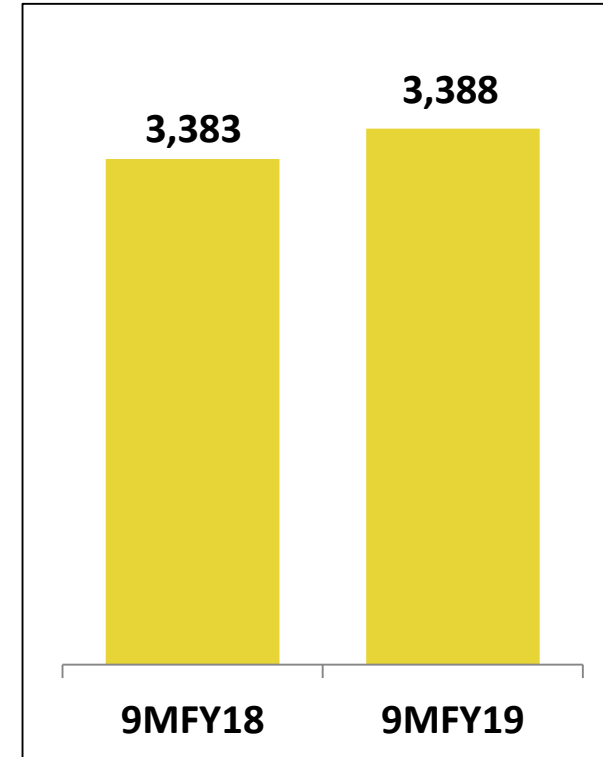
EBIDTA

11% ▲



PAT

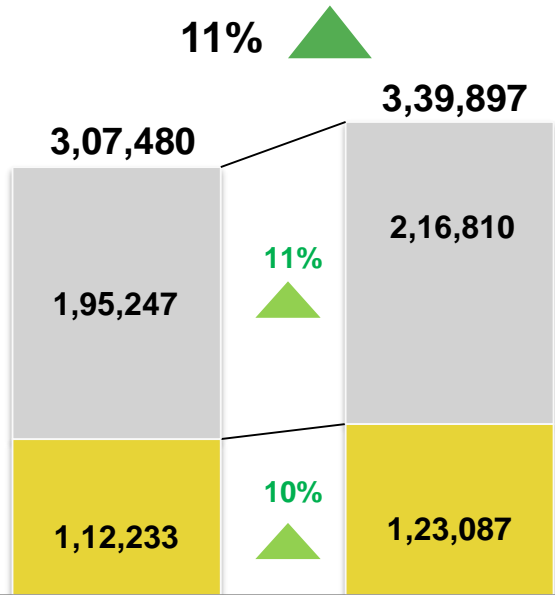
0.1% ▲



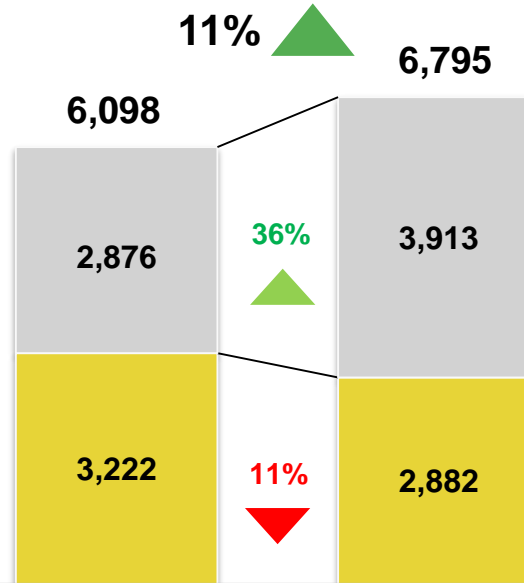
9MFY19 Performance by Market

₹ in million

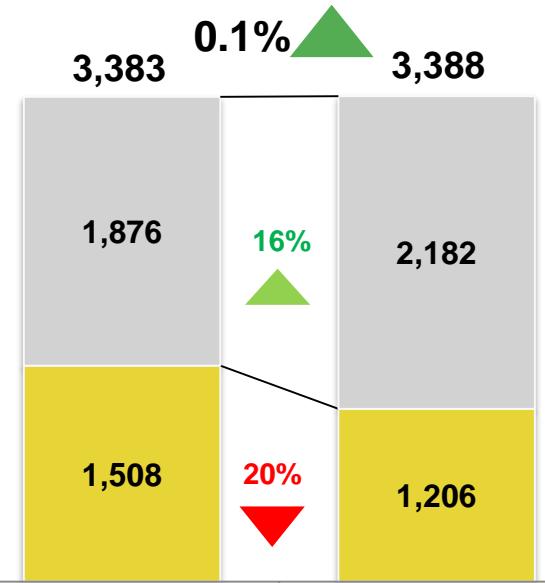
REVENUE



EBIDTA



PAT



9MFY18

9MFY19

India

Overseas

9MFY18

9MFY19

India

Overseas

9MFY18

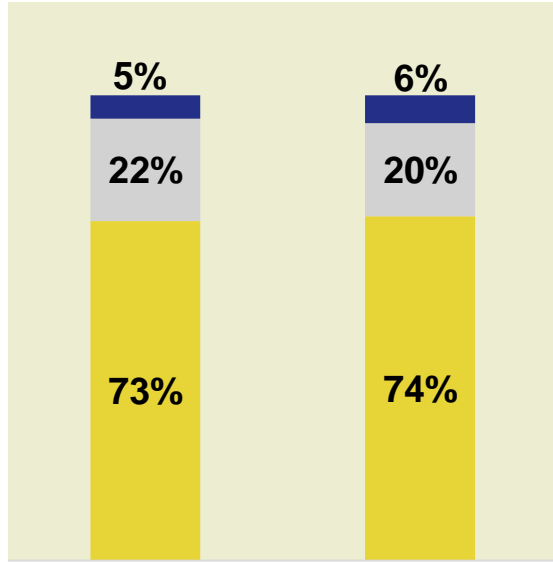
9MFY19

India

Overseas

9MFY19 Performance by Vertical

INDIA

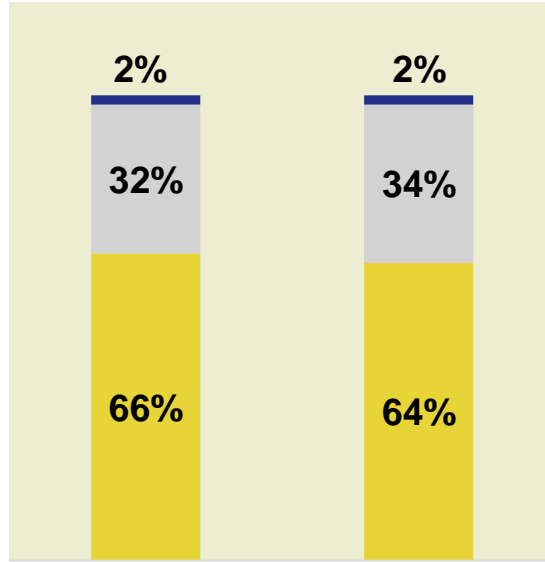


9MFY18

9MFY19

■ IT ■ Mobility ■ Services

OVERSEAS

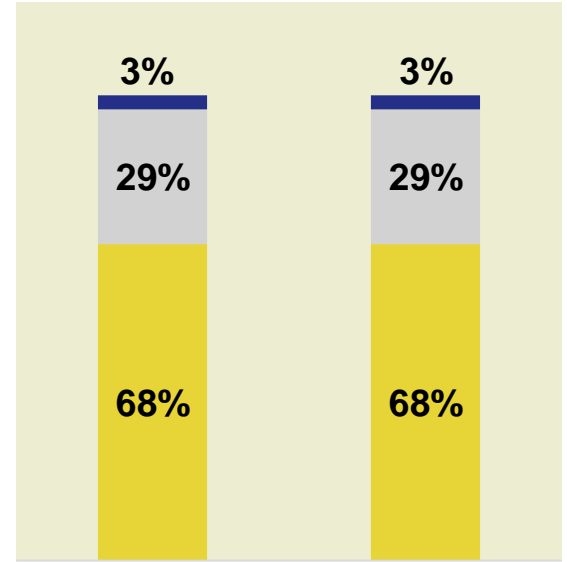


9MFY18

9MFY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



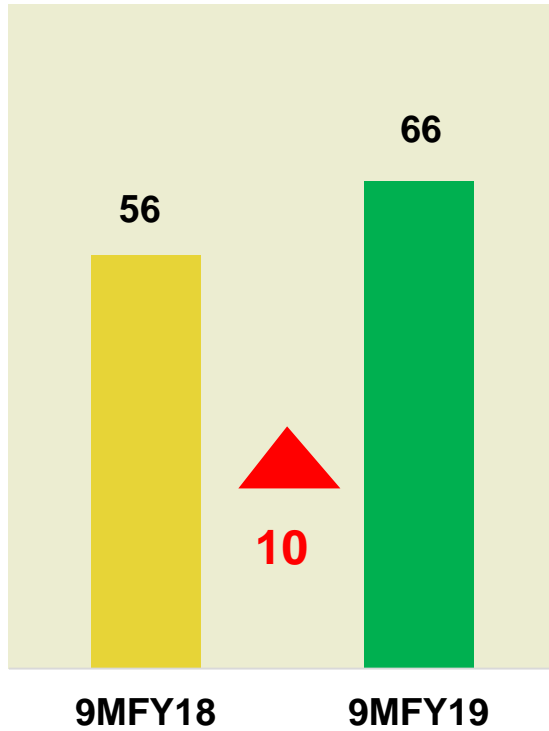
9MFY18

9MFY19

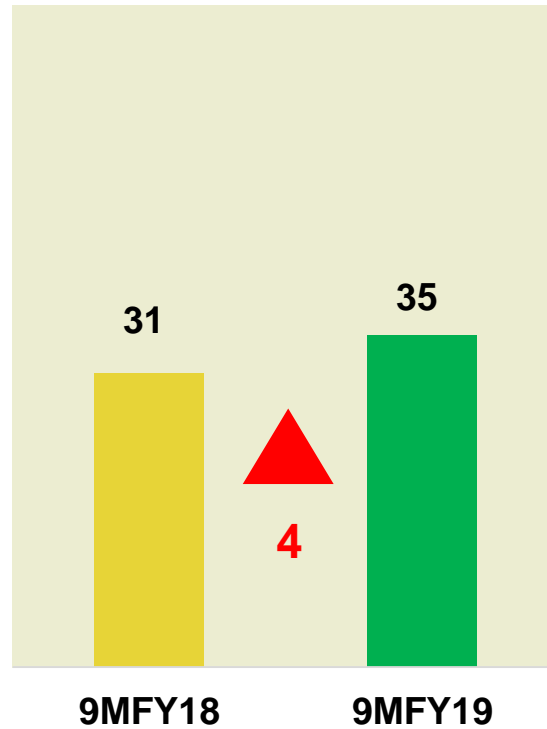
■ IT ■ Mobility ■ Services

9MFY19 – Working Capital Days

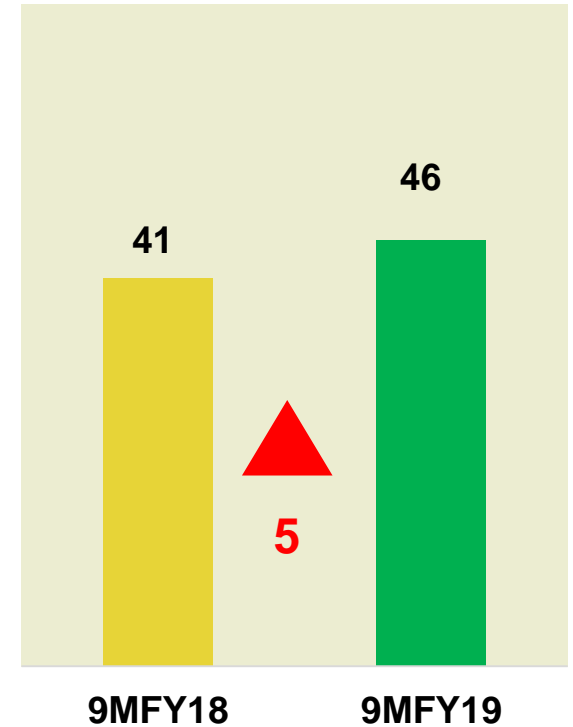
INDIA



OVERSEAS



CONSOLIDATED



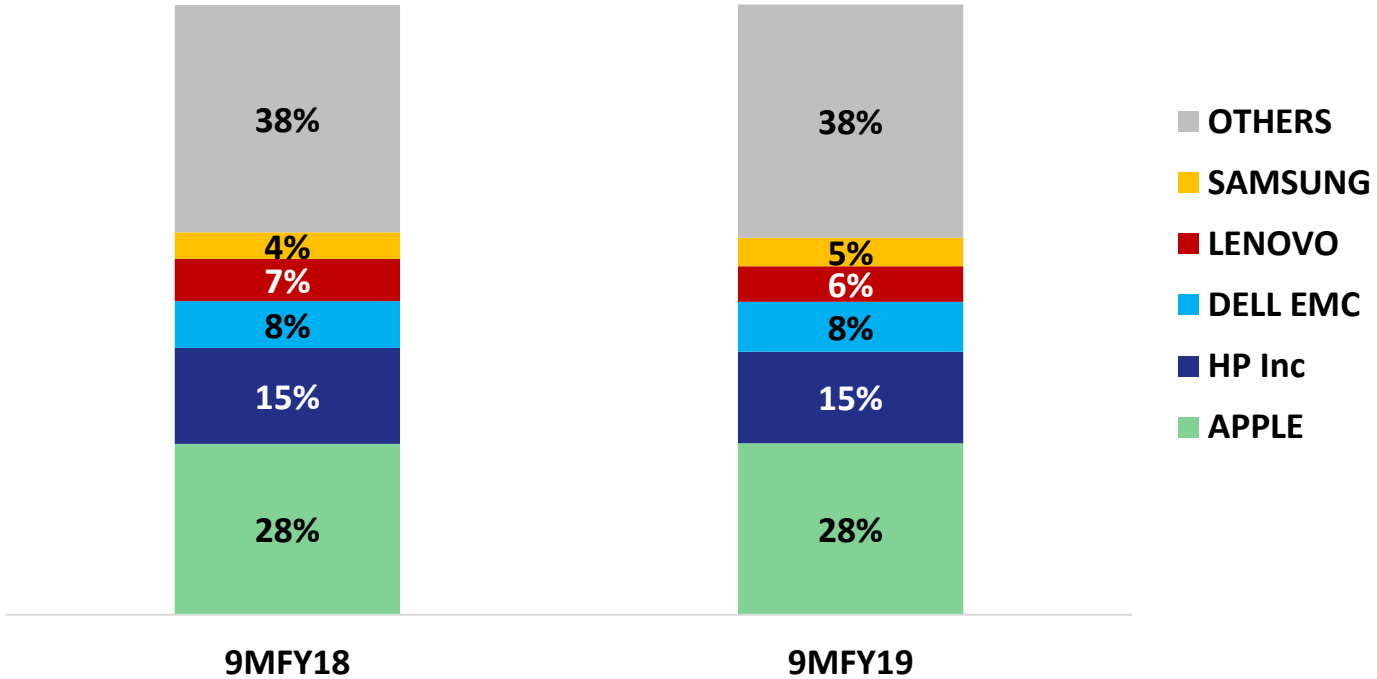
Free Cash Flow Statement

₹ in million

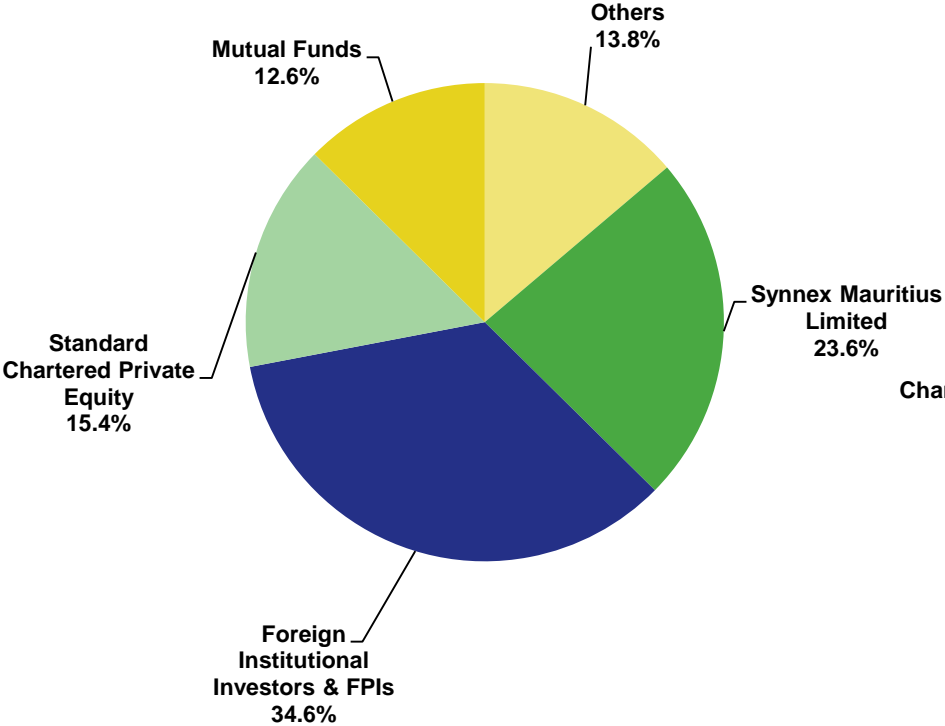
Particulars	9MFY19	9MFY18
Profit Before Taxation	4,134	4,474
Non-cash items	2,381	818
Outflow of Finance Cost	1,310	1,025
Changes in Working Capital	(6,856)	(510)
Direct taxes paid	(2,031)	(1,004)
Net Cash Flow from Operations	(1,061)	4,803
Capex	(458)	(101)
Dividend paid including DDT	(1,176)	(1,105)
Outflow of Finance Cost	(1,412)	(1,062)
Free Cashflow	(4,107)	2,535

9MFY19 – Top 5 Vendors Consolidated

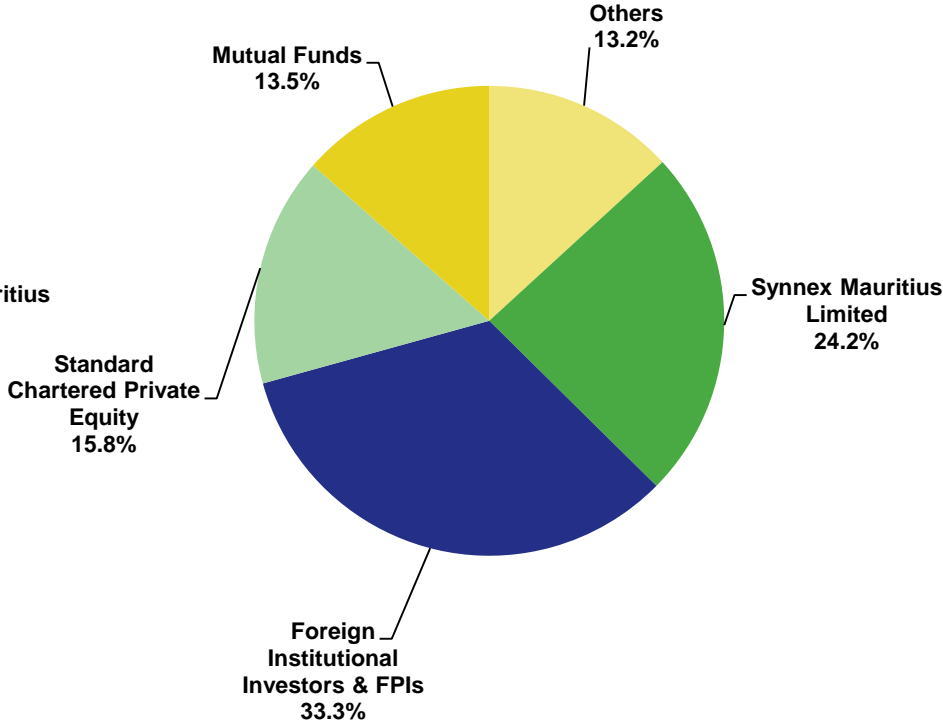
REVENUE



Shareholding Pattern



30-Sep-2018



31-Dec-2018



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