



REDINGTON (INDIA) LIMITED

Q4FY19 Earnings Presentation

March 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

- **Q4FY19** – On a consolidated basis, Revenue grew by 16%, EBITDA grew by 15% and PAT grew by 18%
 - India – Revenue grew by 24%, EBITDA grew by 17% and PAT grew by 6%
 - Overseas – Revenue grew by 11%, EBITDA grew by 13% and PAT grew by 23%
 - Overseas w/o Arena, Turkey – Revenue grew by 12%, EBITDA grew by 11% and PAT grew by 17%
- **FY19** – On a consolidated basis, Revenue grew by 12%, EBITDA grew by 12% and PAT grew by 5%
 - **Excluding impairment of Turkey biz undertaken in Q3FY19, consolidated PAT would have grown by 11%**
 - India – Revenue grew by 13%, EBITDA degrew by 4% and PAT degrew by 14%
 - Overseas – Revenue grew by 11%, EBITDA grew by 28% and PAT grew by 19%
 - Overseas w/o Arena, Turkey – Revenue grew by 14%, EBITDA grew by 32% and PAT grew by 18%
- On a consolidated basis, WC days for Q4FY19 is 33 days and FY19 is 37 days, signifying WC turns of over ~9.8x
- Generated positive free cash flow of Rs.1,142 crs in Q4FY19 and Rs. 732 crs in FY19
- On a consolidated basis, Net Debt Equity ratio is at 0.1
- For the quarter, consolidated ROCE improved to 18.1% and ROE improved to 17.9%

Financial Highlights

India business – Turnaround story sustains

- During the quarter,
 - India business registered strong double digit growth in Revenue, driven by all three business segments, viz a viz, IT, Mobility and Services
 - EBITDA growth of 17% YoY, on the back of Gross Margin growth
 - Significant improvement in WC days to the tune of 13 days
 - ProConnect registered revenue growth of 16% YoY, EBITDA growth of 8% but degrew PAT by 2% YoY. Adjusting for one-offs relating to M&A, EBITDA growth would have been 19% YoY and PAT growth of 9% YoY
- Generated positive free cash flow in both Q4FY19 and FY19

Financial Highlights

Overseas business – Momentum maintained

- During the quarter,
 - Overseas business continued its strong momentum, registering strong double digit growth across Revenue, EBITDA and PAT
 - All the three major geographies have contributed to the growth story
 - Overseas business continues to maintain WC efficiently with WC days for Q4FY19 at 30 days
- Generated positive free cash flow in both Q4FY19 and FY19

Turkey Update

- During the quarter, Arena biz had registered revenue growth of 6% YoY and EBITDA growth of 41% YoY, driven by Opex control

Commits & Delivery

“We have taken working capital management in India as a very clear mandate for the current year” – Q4FY18 Call

WC DAYS	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18
WC Days	40	60	46	52	53

“So, given all of this, we believe that, in FY19 the company will grow both revenue and profit better than what we did in FY18” – Q4FY18 call

Growth Rates	Consolidated (FY19 over FY18)	Consolidated (w/o impairment)	Consolidated (FY18 over FY17)
Revenues	12%	12%	5%
PAT	5%	11%	4%

“But H1 may tend to be a little slower in terms of the growth but we certainly see a strong rebound in H2” – Q4FY18 call

Growth Rates	Consolidated (H2FY19 vs H2FY18)	Consolidated (H2FY19 vs H1FY19)	Consolidated (H1FY19 vs H1FY18)
Revenues	14%	18%	10%
PAT	16%	62%	-8%



Q4FY19 Highlights

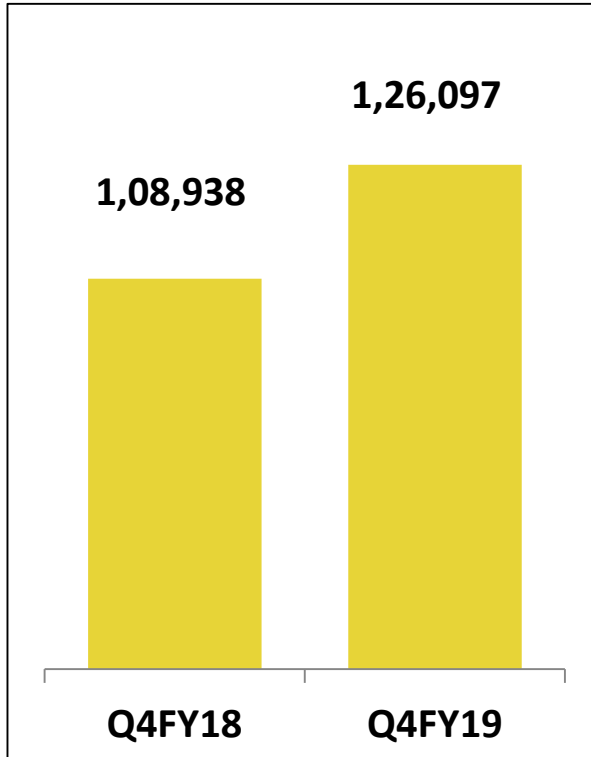


Q4FY19- Consolidated Financials

₹ in million

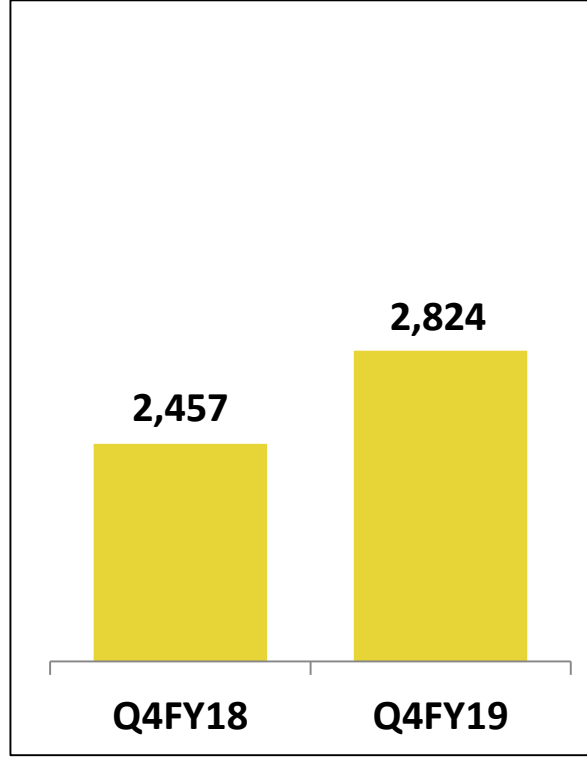
REVENUE

16% ▲



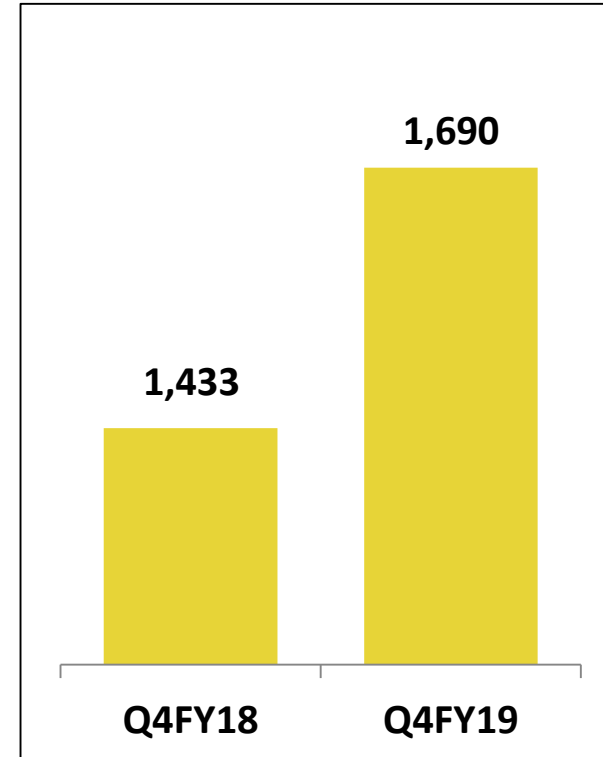
EBIDTA

15% ▲



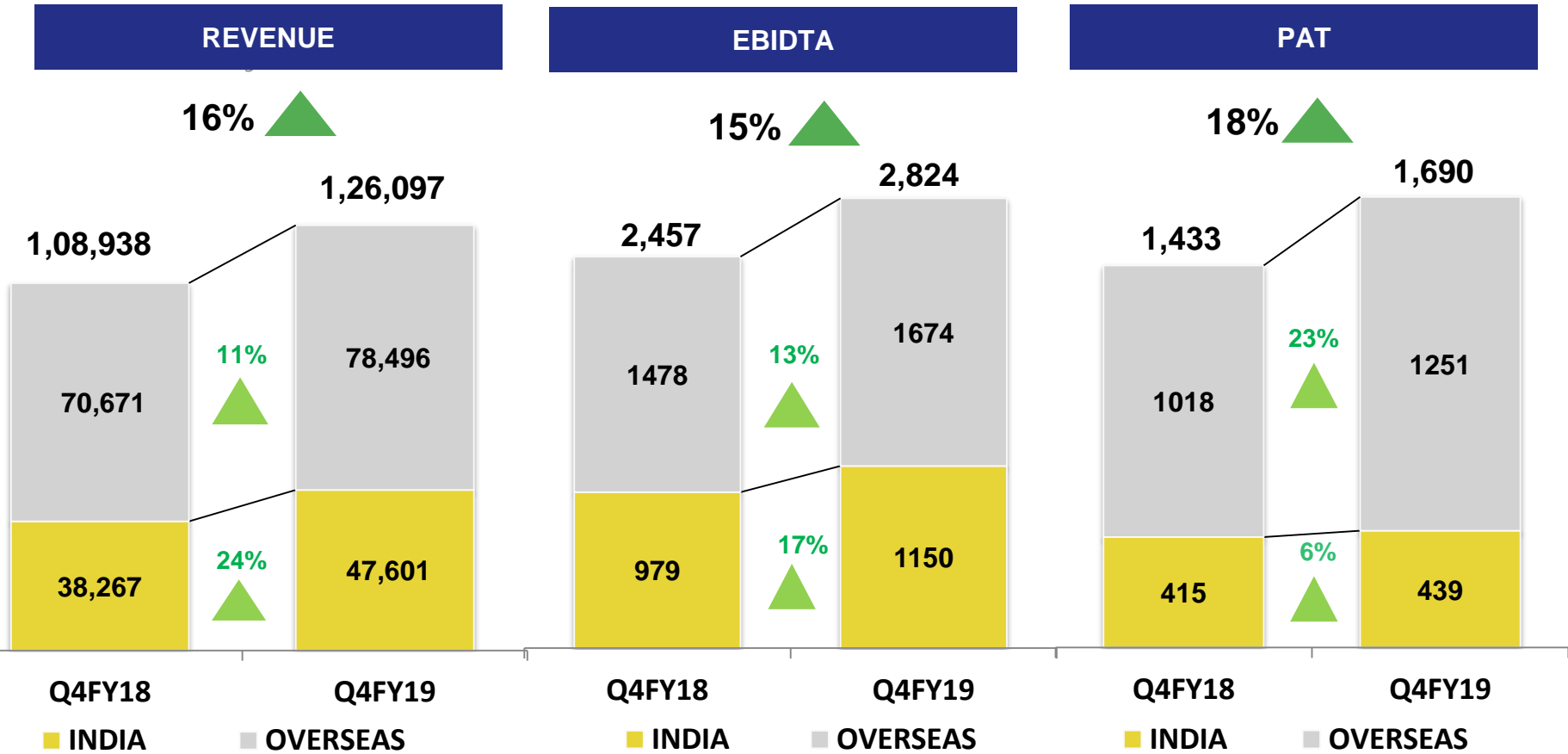
PAT

18% ▲



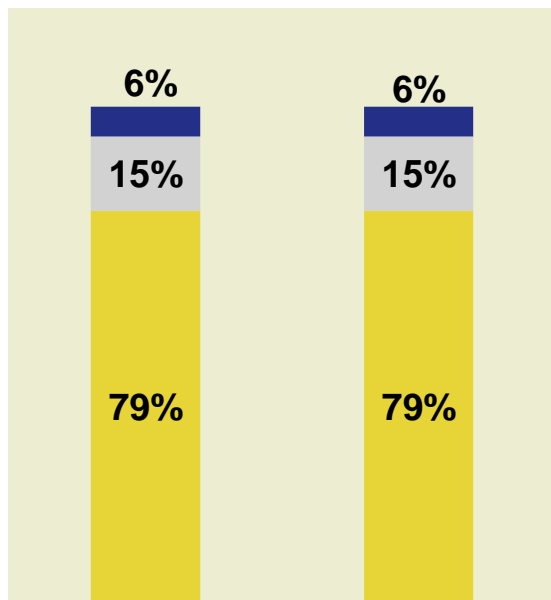
Q4FY19 Performance by Market

₹ in million



Q4FY19 Performance by Vertical

INDIA

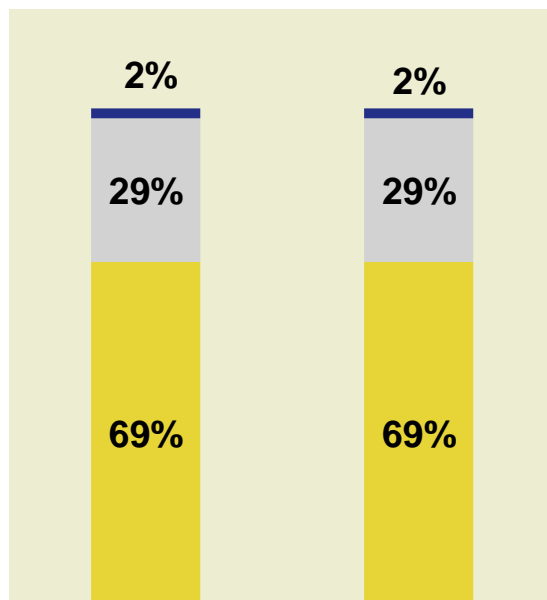


Q4FY18

Q4FY19

■ IT ■ Mobility ■ Services

OVERSEAS

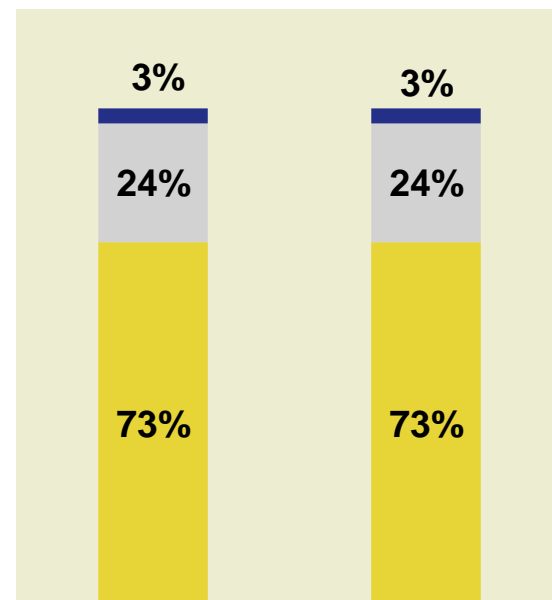


Q4FY18

Q4FY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



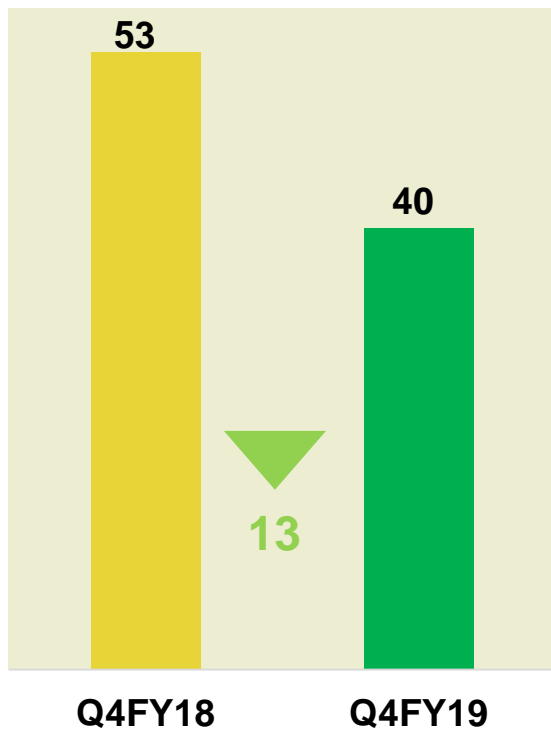
Q4FY18

Q4FY19

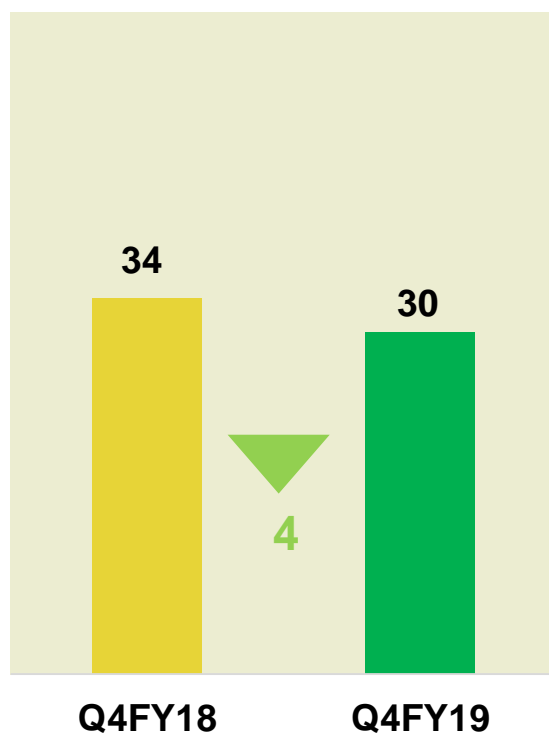
■ IT ■ Mobility ■ Services

Q4FY19 – Working Capital Days

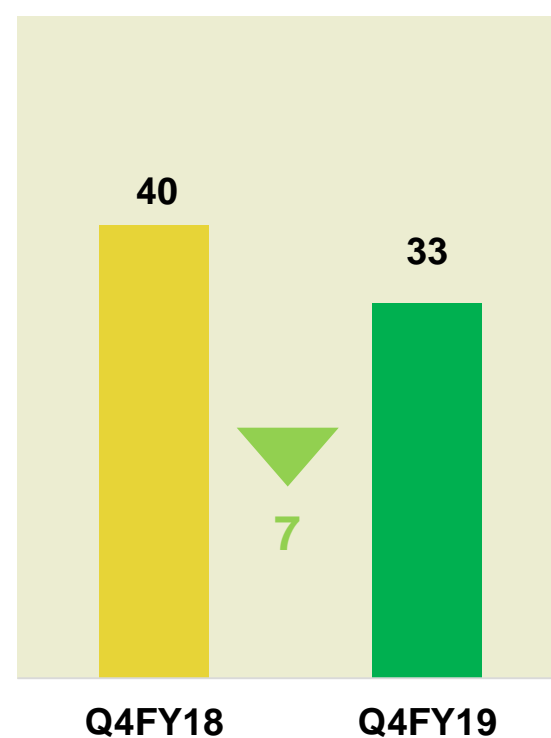
INDIA



OVERSEAS



CONSOLIDATED

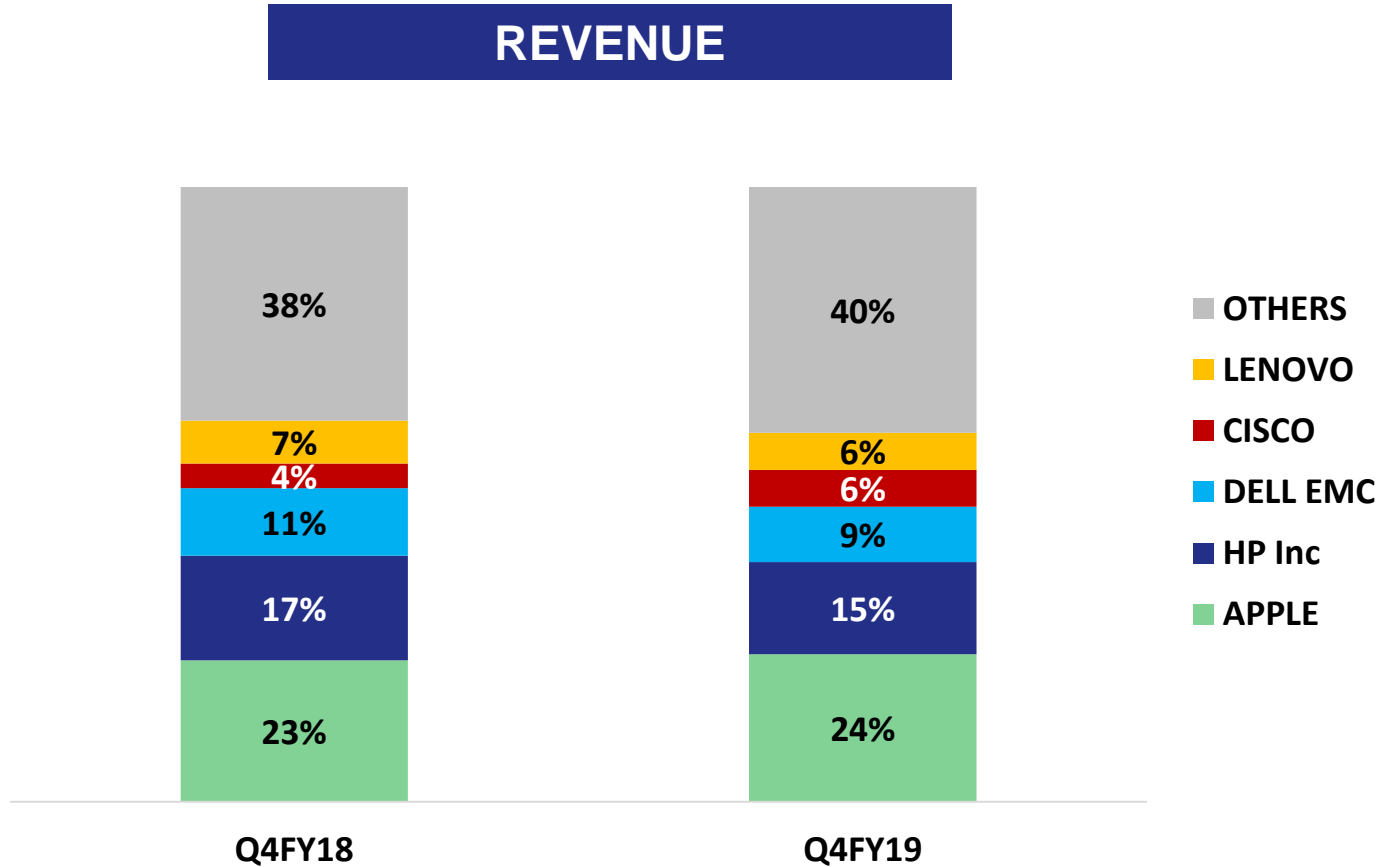


Free Cash Flow Statement

₹ in million

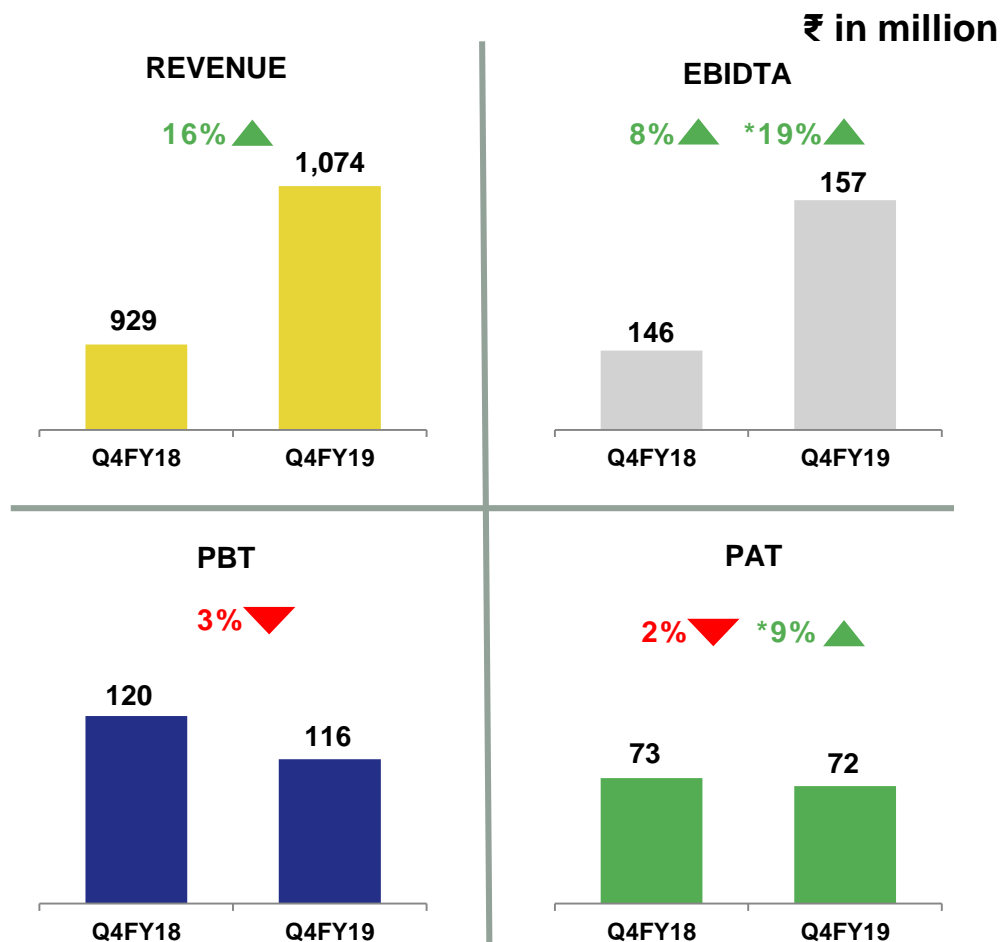
Particulars	Q4 FY19	Q4 FY18
Profit Before Taxation	2,099	1,831
Non-cash items	(426)	(31)
Outflow of Finance Cost	492	608
Changes in Working Capital	9,832	(4,503)
Direct Taxes Paid	37	(510)
Net Cash Flow from Operations	12,034	(2,605)
Capex	(220)	(214)
Dividend paid including DDT	0	196
Outflow of Finance Cost	(385)	(476)
Free Cashflow	11,423	(3,099)

Q4FY19 – Top 5 Vendors Consolidated



Q4FY19 Performance – ProConnect

- Revenue growth over Q4FY18 is 16%
- EBITDA growth over Q4FY18 is 8%
- PAT degrowth over Q4FY18 is -2%
- *Adjusting for one-offs relating to M&A, EBITDA would have grown by 19% and PAT by 9%





FY19 Highlights

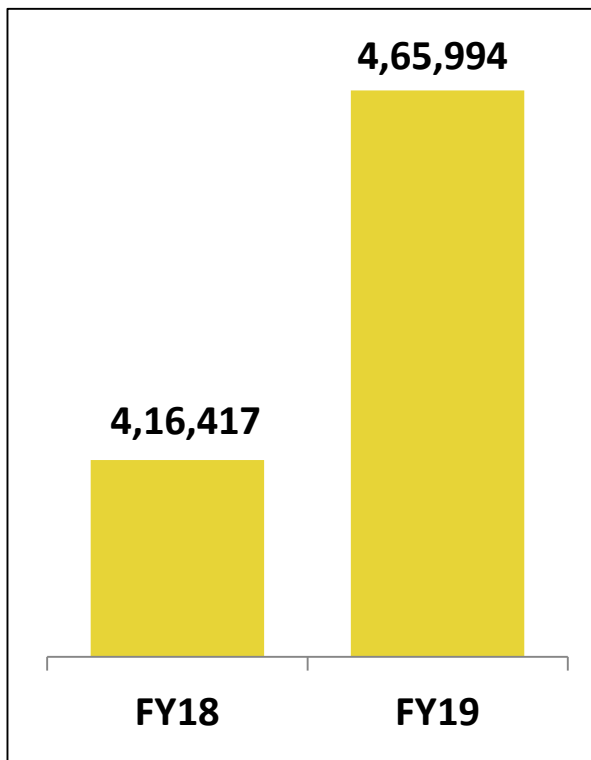


FY19- Consolidated Financials

₹ in million

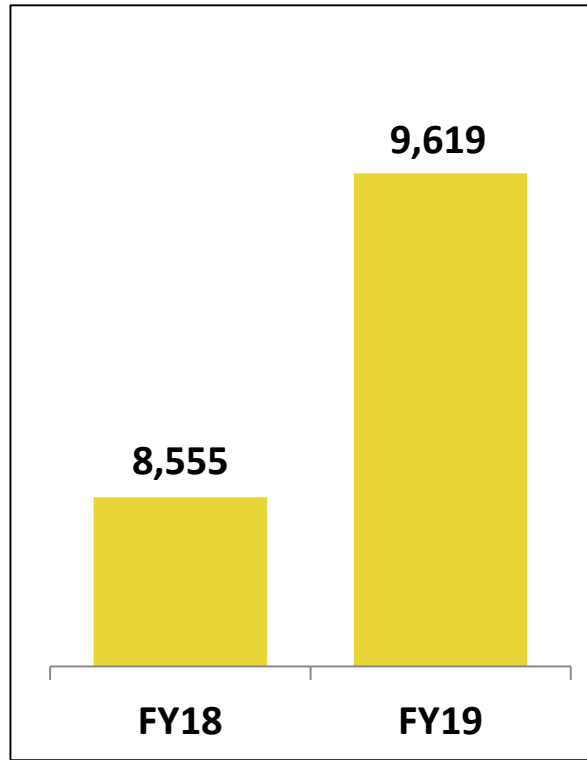
REVENUE

12% ▲



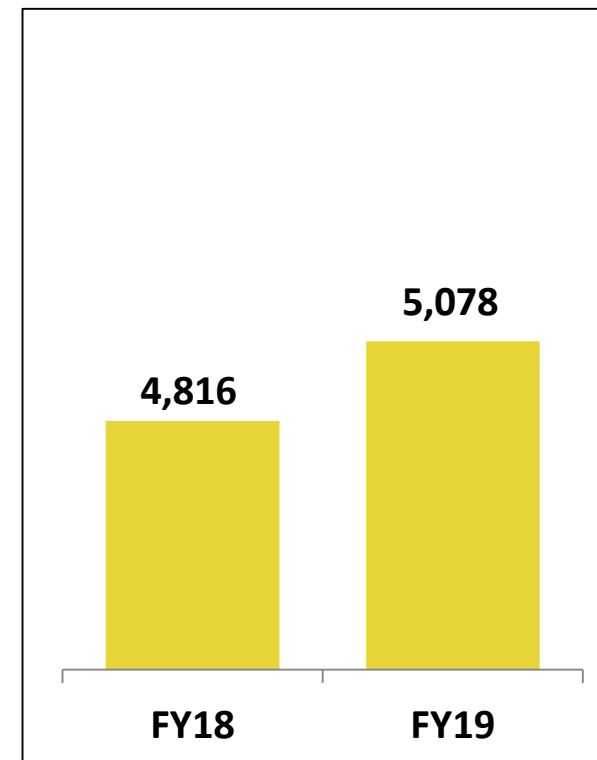
EBIDTA

12% ▲



PAT

5% ▲

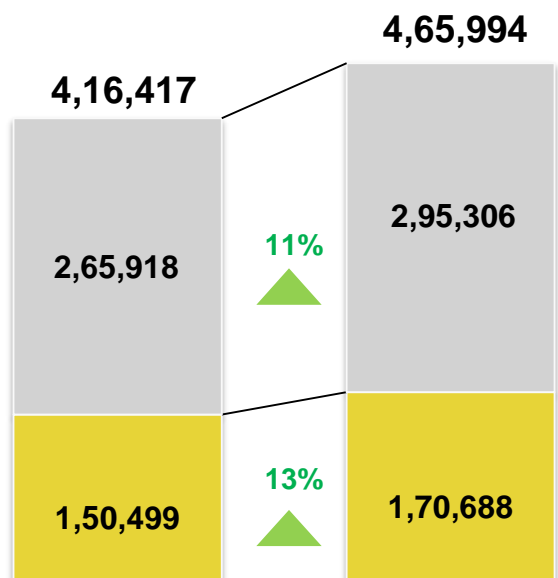


FY19 Performance by Market

₹ in million

REVENUE

12% ▲



FY18

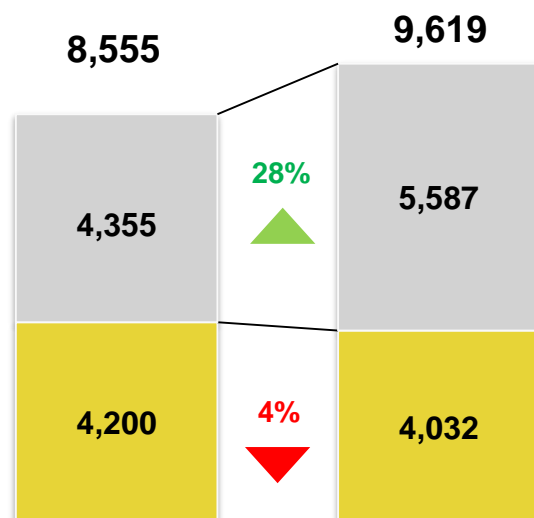
FY19

■ India

■ Overseas

EBIDTA

12% ▲



FY18

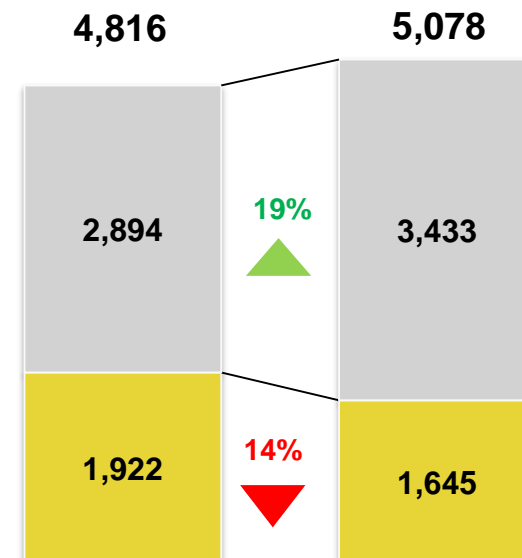
FY19

■ India

■ Overseas

PAT

5% ▲



FY18

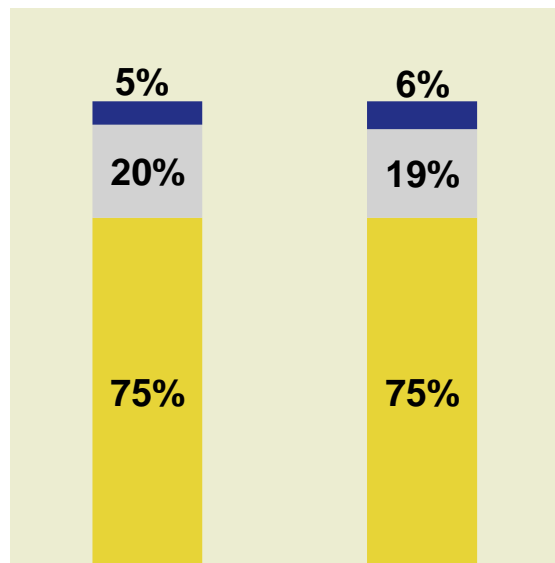
FY19

■ India

■ Overseas

FY19 Performance by Vertical

INDIA

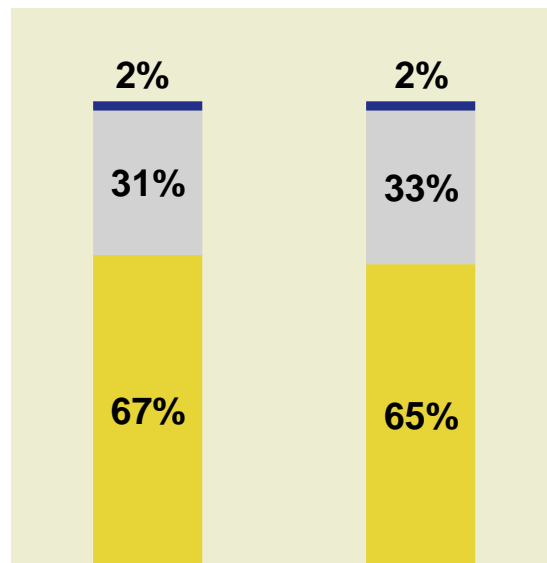


FY18

FY19

■ IT ■ Mobility ■ Services

OVERSEAS

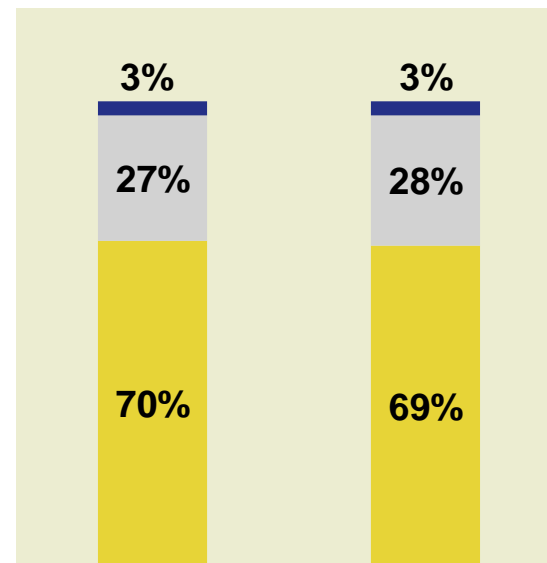


FY18

FY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



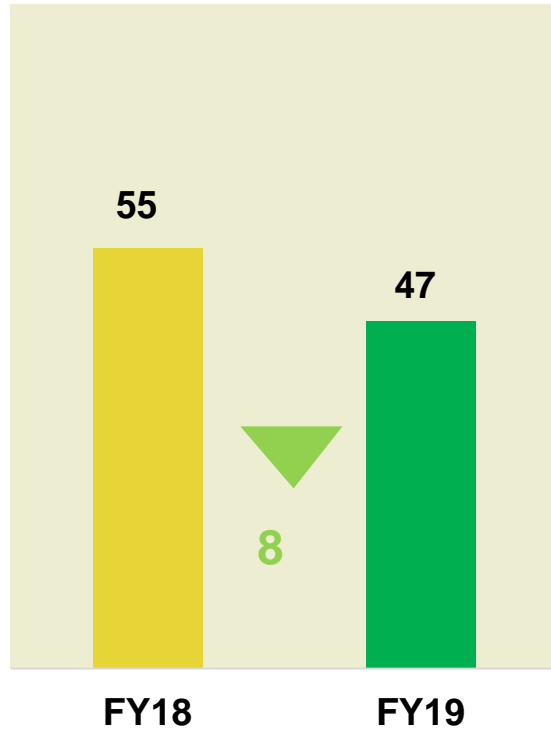
FY18

FY19

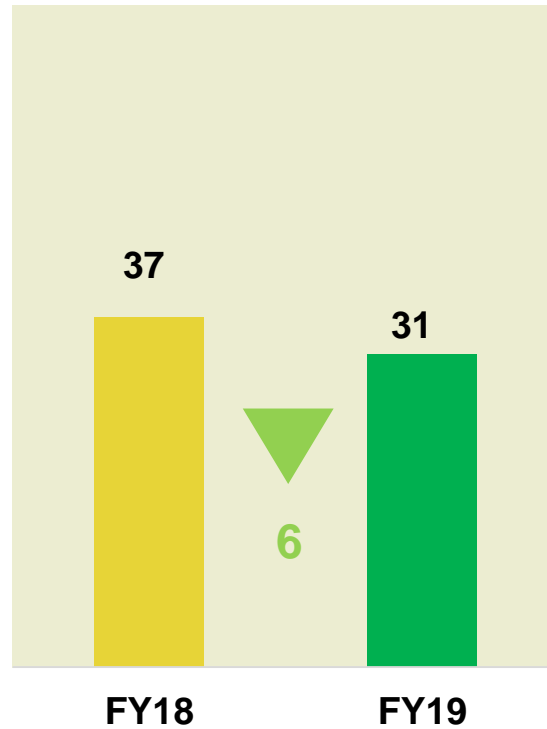
■ IT ■ Mobility ■ Services

FY19 – Working Capital Days

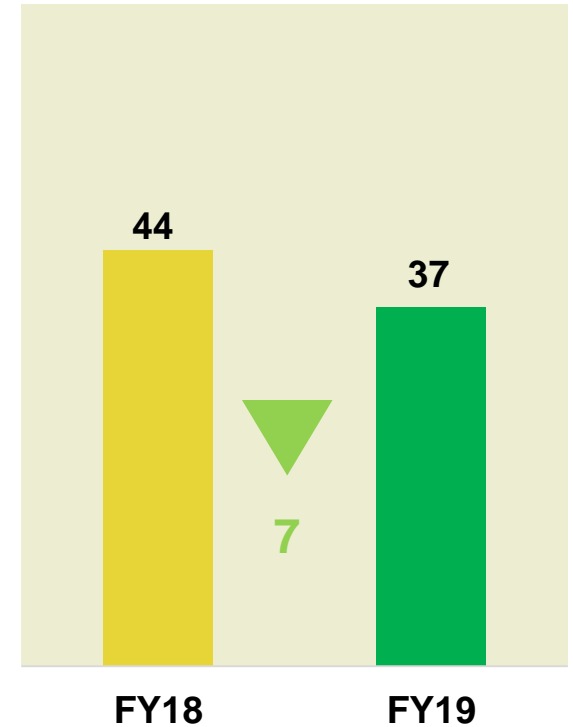
INDIA



OVERSEAS



CONSOLIDATED



Free Cash Flow Statement

₹ in million

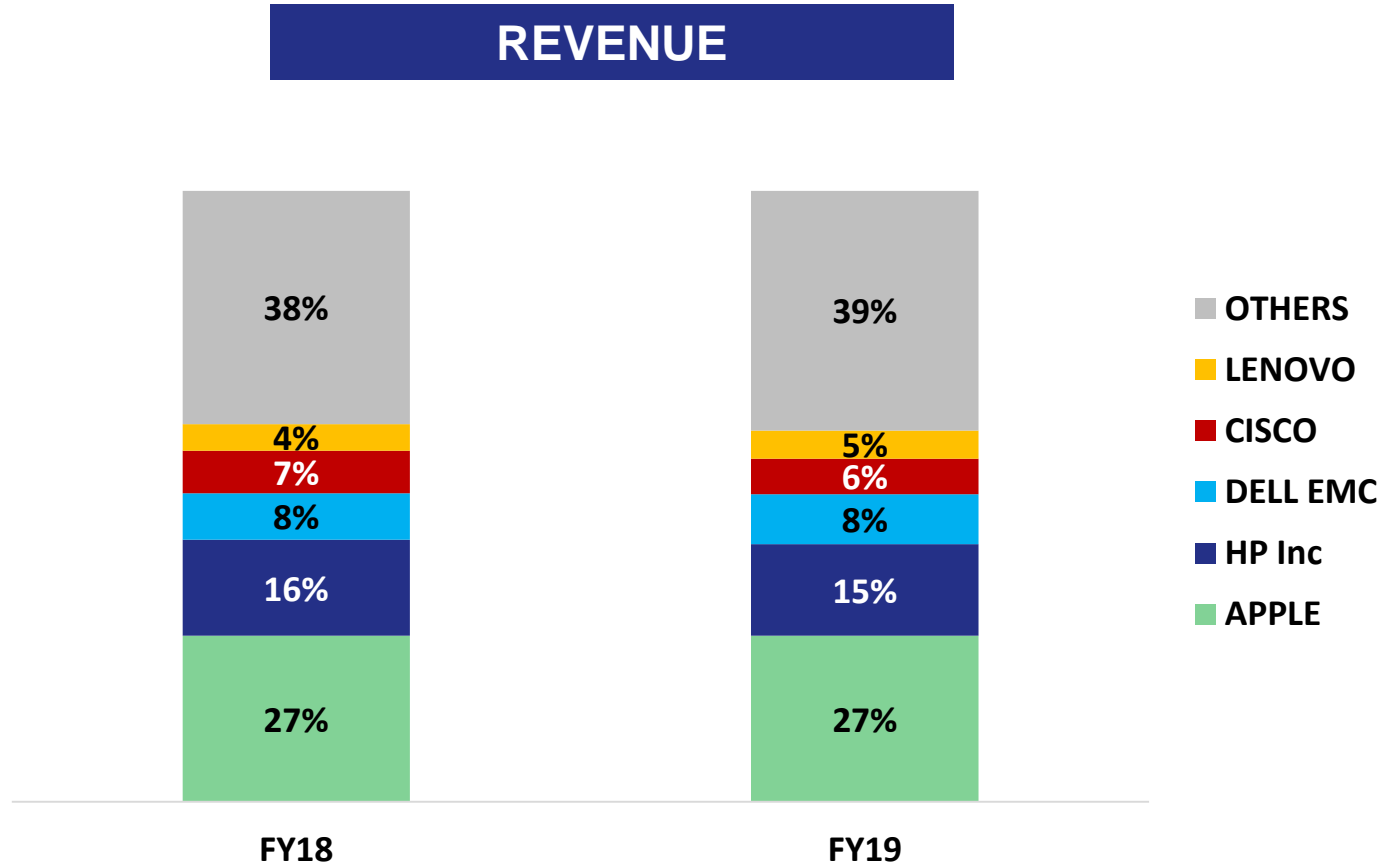
Particulars	FY19	FY18
Profit Before Taxation	6,233	6,306
Non-cash items	1,956	787
Outflow of Finance Cost	1,802	1,633
Changes in Working Capital	2,975	(5,014)
Direct taxes paid	(1,993)	(1,514)
Net Cash Flow from Operations	10,973	2,198
Capex	(678)	(315)
Dividend paid including DDT	(1,180)	(910)
Outflow of Finance Cost	(1,797)	(1,538)
Free Cashflow	7,318	(565)

Consolidated Balance Sheet

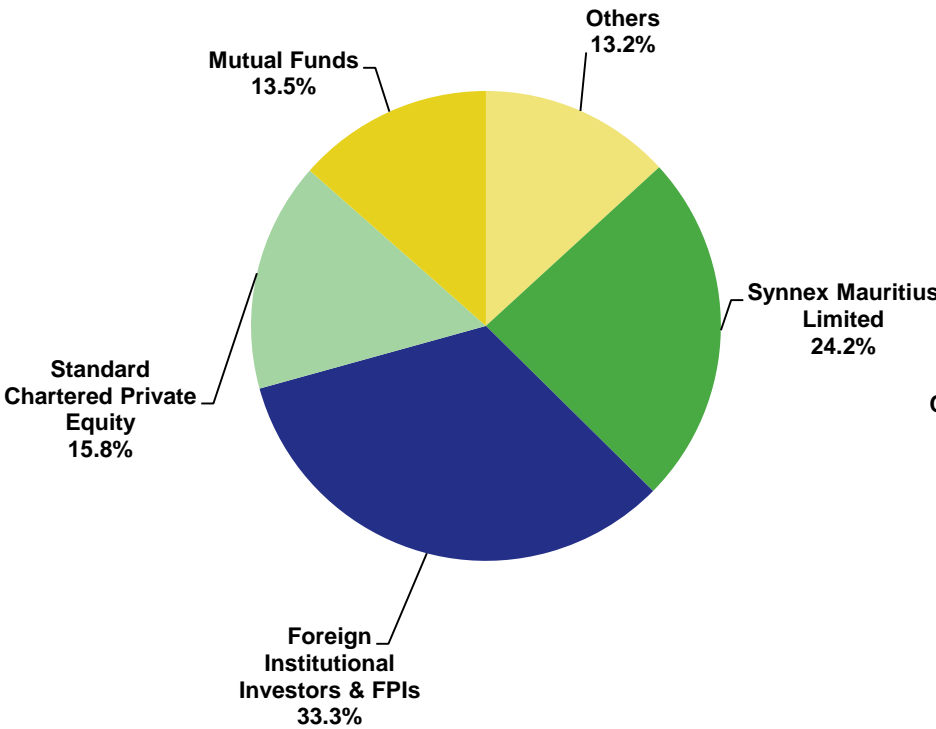
₹ in million

Particulars	31-MAR-19	31-MAR-18
Source:		
Networth	39,060	35,306
Net Debt	4,302	9,165
Minority Interest	3,447	3,588
Total	46,809	48,059
Application:		
Fixed Assets	4,508	4,692
Goodwill	220	213
Net Assets	42,081	43,154
Total	46,809	48,059

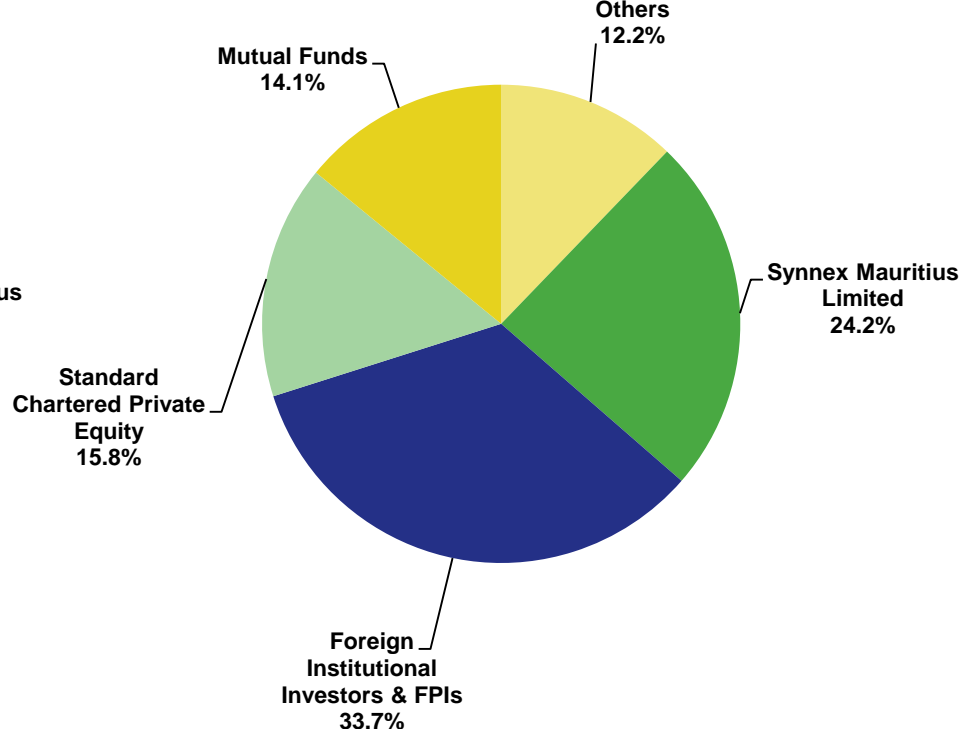
FY19 – Top 5 Vendors Consolidated



Shareholding Pattern



31-Dec-2018



31-Mar-2019



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