



# **Corporate Presentation**

June 2019

# WHO ARE WE?

*A prominent & leading  
“Technology Distributor”  
evolving into a  
“Services & Solutions company”*



# WHAT WE DO?

*We are ‘Business Enablers’,  
Seamlessly partnering with  
Brands and Channel partners  
in delivering value*



**No.1 Technology distributor in MEA and No.2 in India**

**Multi faceted approach of Distribution & Services**

**Expanding the reach & coverage for over 220+ brands through 39,650+ partners**

**An Emerging Markets player with in-country presence**

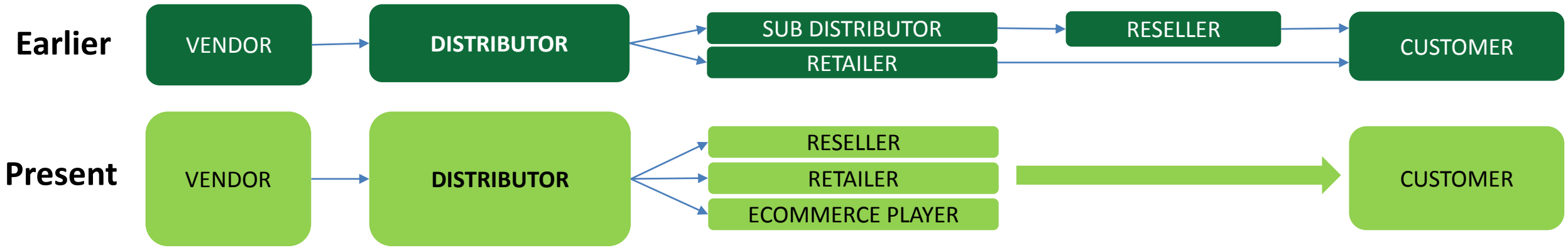
**\$6.7bn+ company with strong double digit 12 year CAGR (Revenue, EBITDA & PAT)**

# Industry Overview

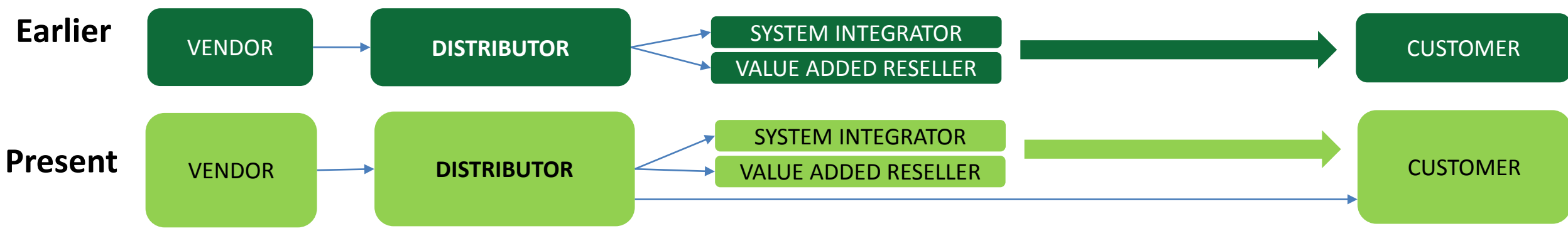


# Distribution Food Chain

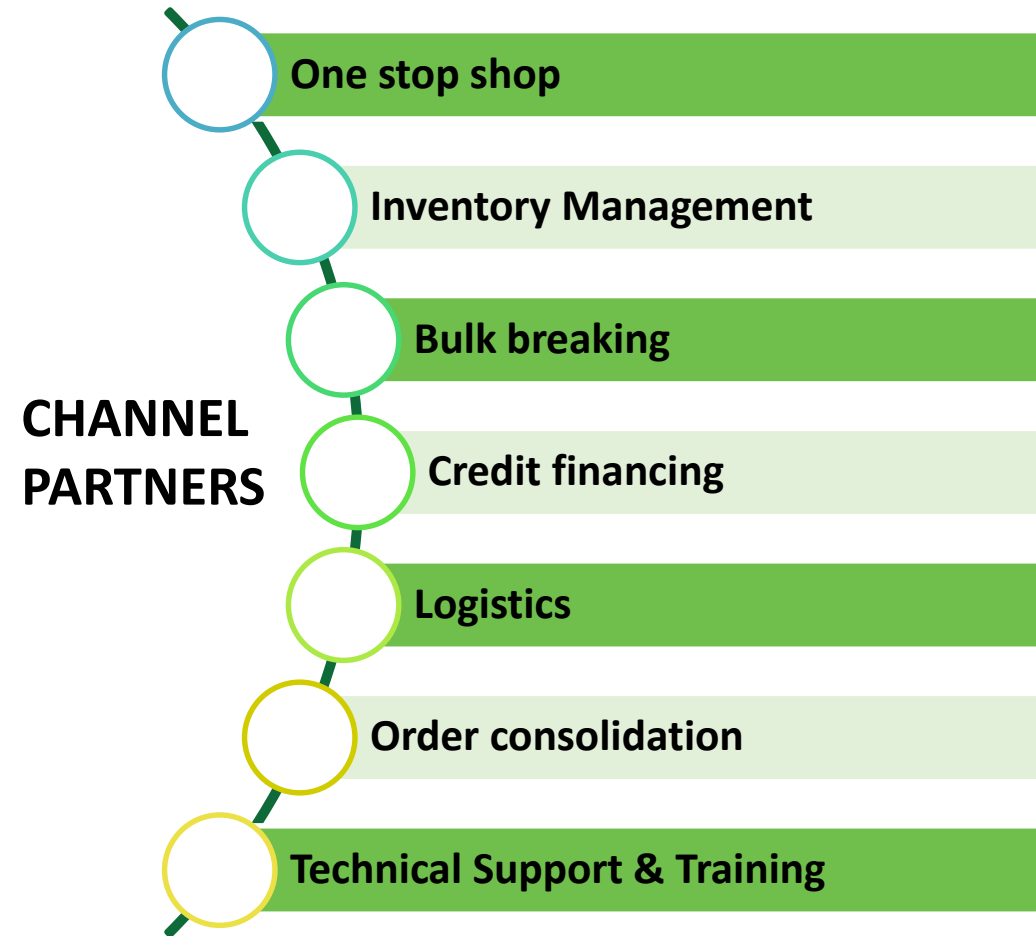
## IT CONSUMER & MOBILITY



## IT ENTERPRISE



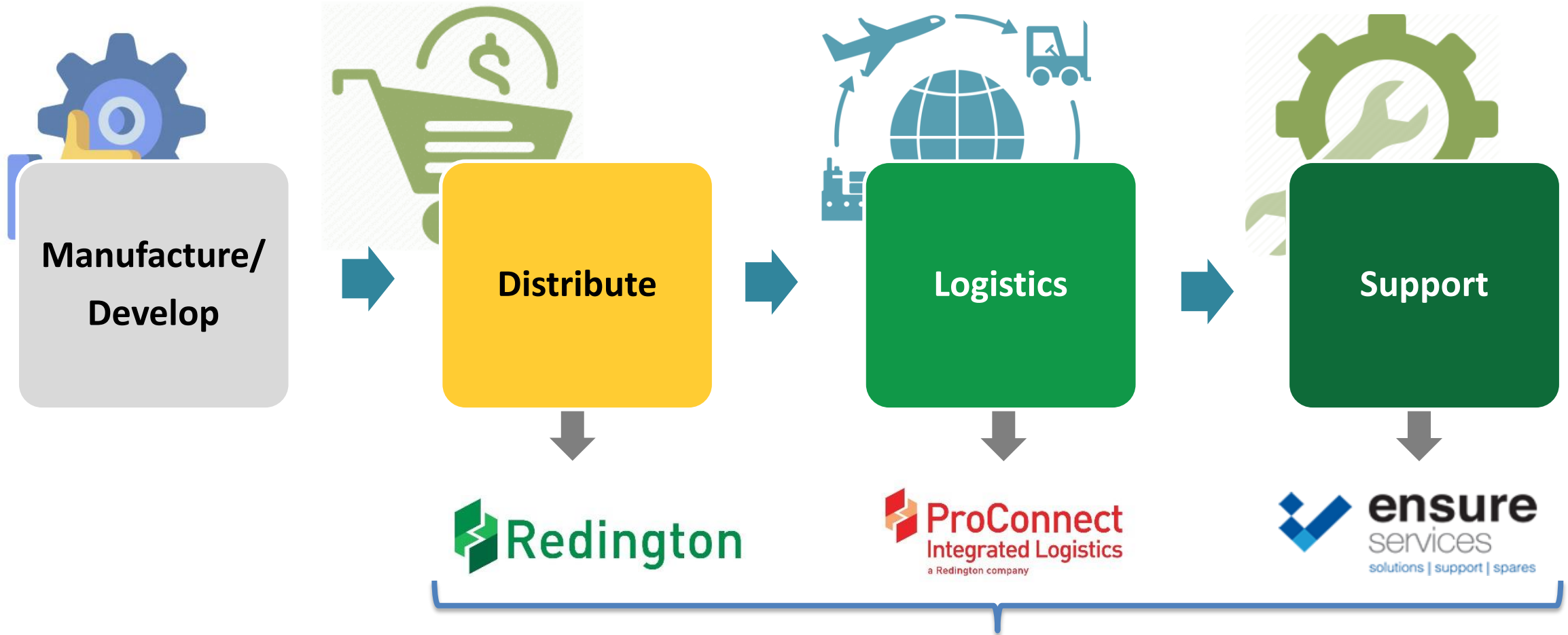
# Distributors: Value Creators



*Increase in the revenue base & increased value offered in a product*

*Facilitating selling as well as enhancing the selling potential for partners*

# Product Lifecycle



*Our presence across the product lifecycle*

# Company Overview



*“Our mission is to offer a robust technology-powered platform to enable a seamless flow of products and services”*



# Our Values



**ADAPTABILITY**



**COLLABORATION**



**KNOW-HOW**



**OBJECTIVITY**



**SIMPLICITY**



**TRUST**



**TRANSPARENCY**

# Our Emergence

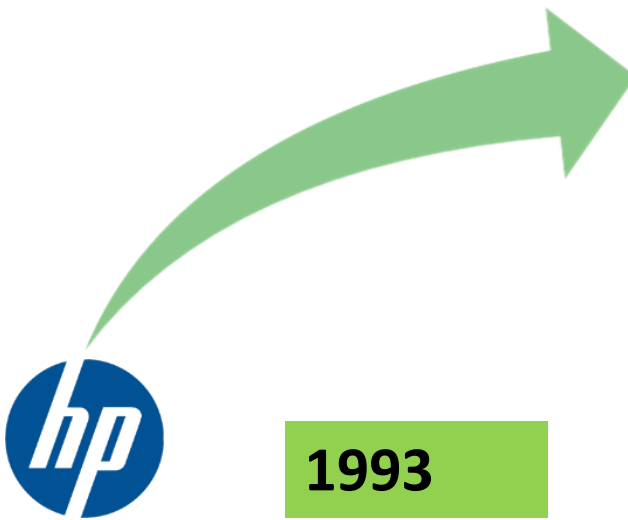
Present



1993

*Presence across 37 markets, a leading Emerging Markets player*

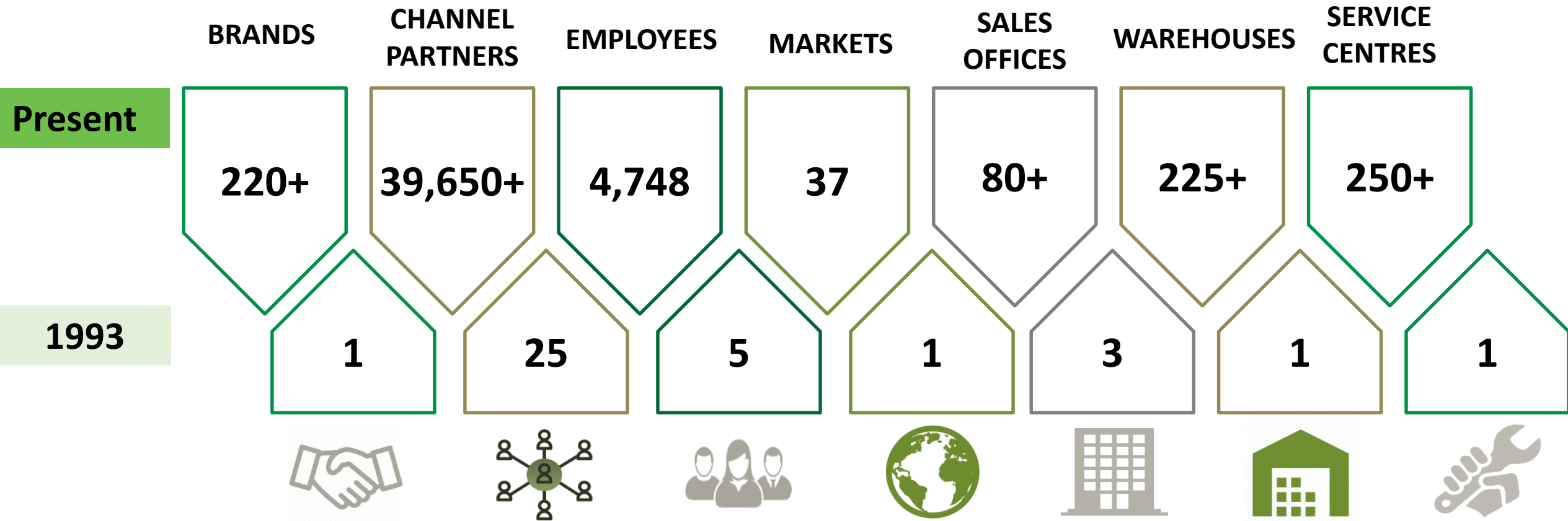
# Our Associations



1993

*Enviably Partnerships with over 220+ brands*

# Our Expansion



*From a 'Home Grown Company' to a 'Leading Distributor'*

## Independent Directors

### CHAIRMAN



**Prof. Ramachandran**  
Professor, Corporate  
Policy & Strategy  
IIM, Bengaluru



**V. S. Hariharan**  
Ex. Vice President,  
Hewlett-Packard,  
Singapore



**Keith WF Bradley**  
Ex. President,  
Ingram Micro,  
North America



**B Ramaratnam**  
Professional  
Director



**Anita P Belani**  
Sr Business & Human  
Capital Leader, Operating  
Partner (Gaja Capital)

## Executive Directors



**Raj Shankar**  
Managing Director



**S V Krishnan**  
Whole time  
Director



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



**Chen, Yi-Ju**  
Senior Manager –  
Finance Planning &  
Management  
Synnex Tech, Taiwan



**Udai Dhawan**  
Founding Partner,  
Head of India,  
Affirma Capital

## Non-Executive Directors



# Our Experienced Executive Team



**Raj Shankar**  
Managing Director



**P S Neogi**  
Chief Development & Strategy Officer



**S V Krishnan**  
CFO & Whole Time Director



**Ramesh Natarajan**  
Joint COO & Chief Sales Officer, India



**J K Senapati,**  
Joint COO, India



**E H Kasturi Rangan**  
MD, ProConnect Logistics, India



**Dr. R. Arunachalam**  
CEO, ProConnect Logistics, India



**S V Rao**  
CEO, Ensure Services, India



**Aloysius Fernandes**  
President, IT Volume, Africa



**Jeetendra Berry,**  
Sr Vice President, IT Volume, Middle East



**Rawad Ayash,**  
Sr Vice President, Mobility, Middle East



**B Ramkumar**  
COO, Gulf



**Jim Mathew**  
Sr. Vice President, Mobility, Africa



**S Chidambaram**  
Sr. Vice President, Supply Chain Management, MEA



**Sriram Ganeshan**  
Director & Chief Financial Officer, MEA



**S Sethuraman**  
Sr. Vice President, Ensure Services, MEA



**Serkan Celik,**  
CEO, Arena, Turkey

# **Business Overview**



# Distribution Business

BUSINESS

INDIA

MIDDLE EAST

AFRICA

TURKEY

SINGAPORE

SOUTH ASIA

DISTRIBUTION



## IT CONSUMER

PCs



Laptops



Print Supplies



Printers



Consumer Lifestyle products

## IT ENTERPRISE

Networking



Software



Servers & Storage



Security



## MOBILITY

Smartphones

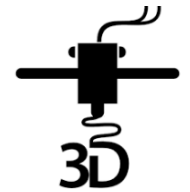


## EMERGING



Health & Medical Equipment

3D Printers & Scanners



Solar products



# Services Business

| BUSINESS | INDIA    | MIDDLE EAST | AFRICA | TURKEY | SINGAPORE | SOUTH ASIA |
|----------|----------|-------------|--------|--------|-----------|------------|
| SERVICES | <br><br> |             |        |        |           |            |



|                         |                  |                |                        |                      |
|-------------------------|------------------|----------------|------------------------|----------------------|
| <br>a Redington company |                  |                |                        | <br>imagine the real |
| Logistics services      | Support services | Cloud services | Digital print services | 3D Print Services    |

# ProConnect India



**Wholly Owned Subsidiary of Redington**



**Integrated Third Party Logistics partner**



**PAN India presence**



**180+ Warehouses**



**6.6 mn Sq.ft. in operation**



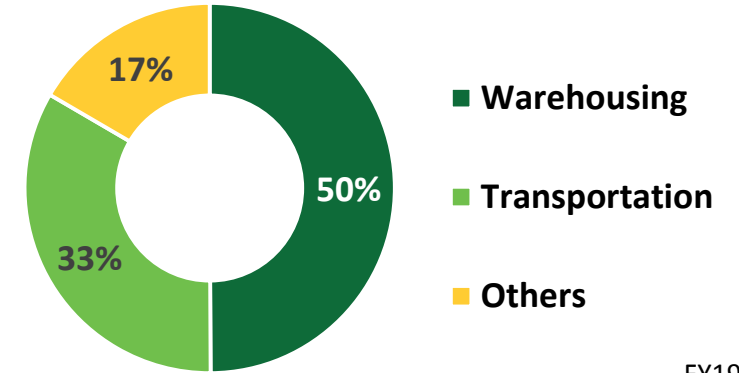
**200+ Customers across 12+ Industries**



**19,800+ Pincodes**

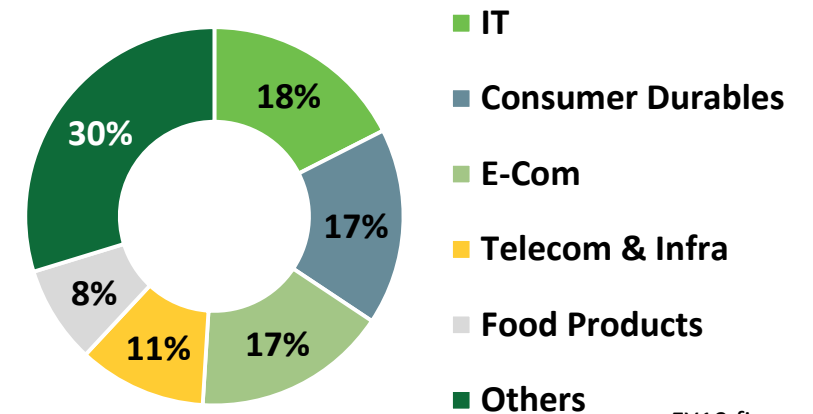


## Revenue Contribution from Services



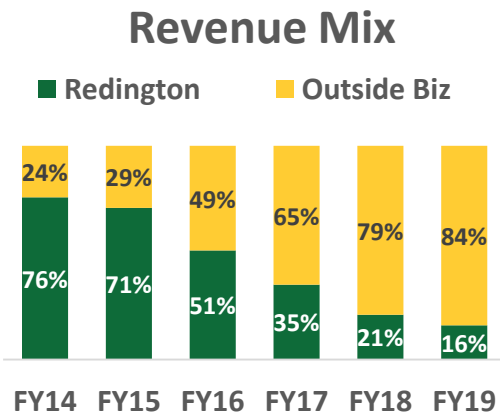
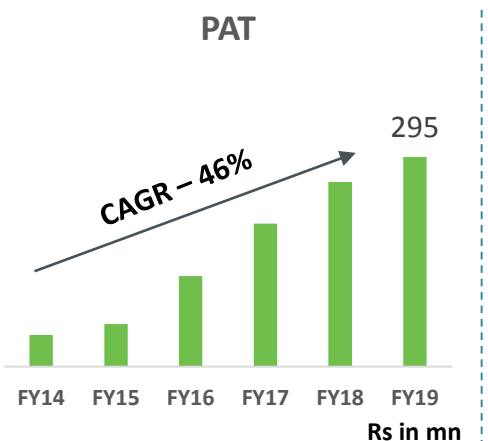
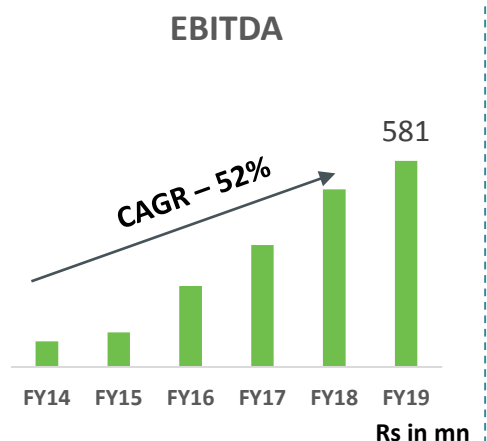
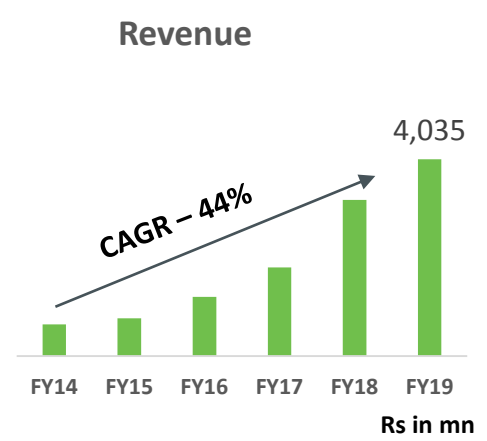
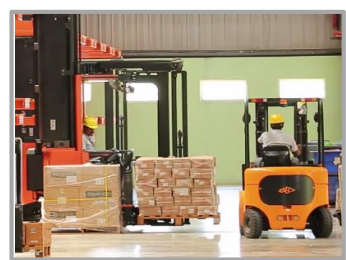
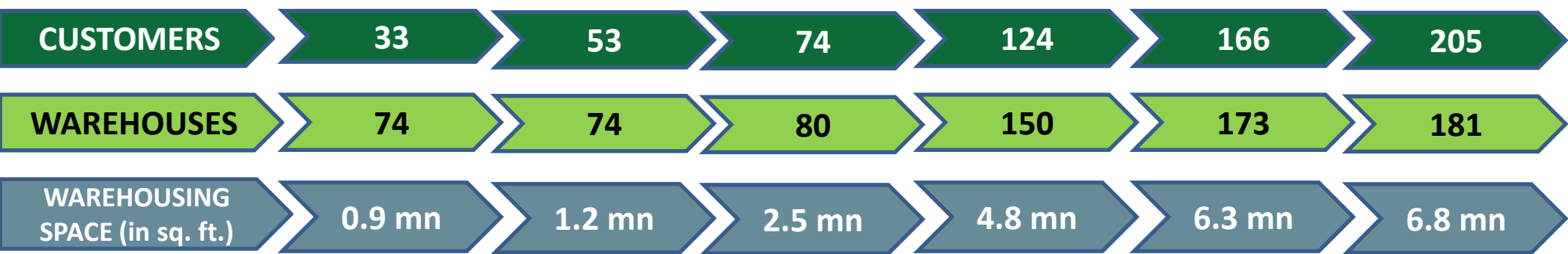
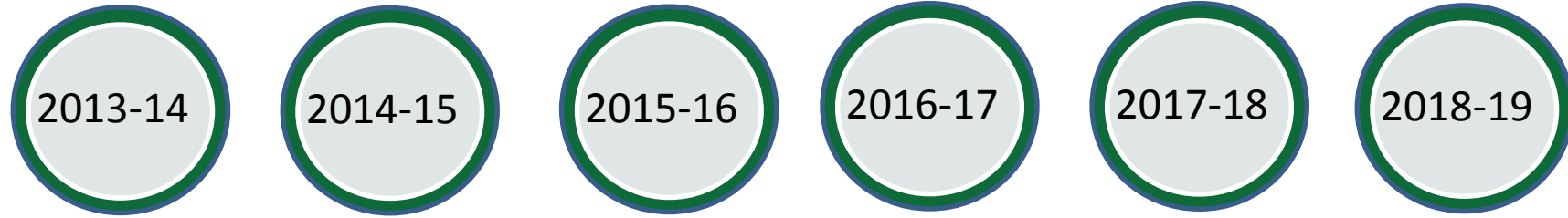
FY19 figures

## Revenue Contribution from Industries



FY19 figures

# ProConnect India : Growth Story



# Ensure India



*Wholly Owned Subsidiary of Redington*



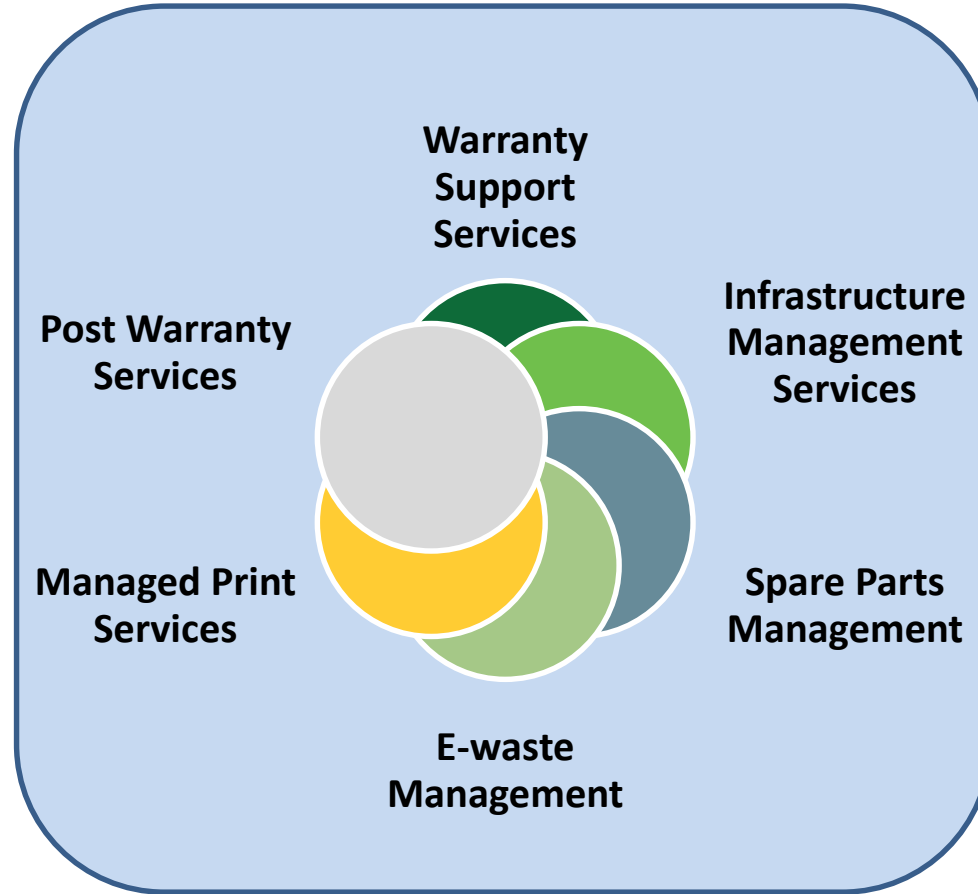
*PAN India presence with 35+ Owned service centres across India*



*Preferred Service partner with 170+ service partners across India*



*FY19 Revenues : Rs 1069 mn*  
*FY19 PAT : Rs 39 mn*



## Clients

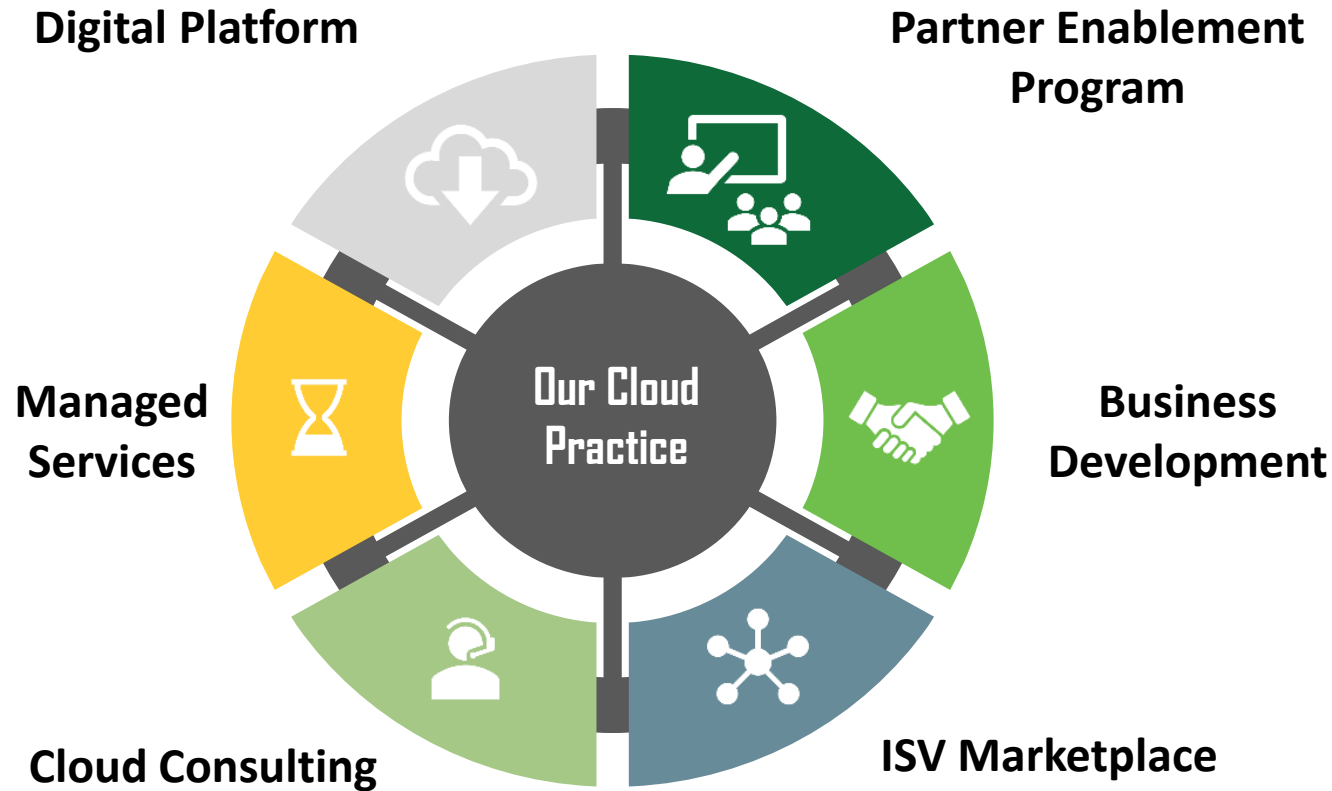


\*Illustrative

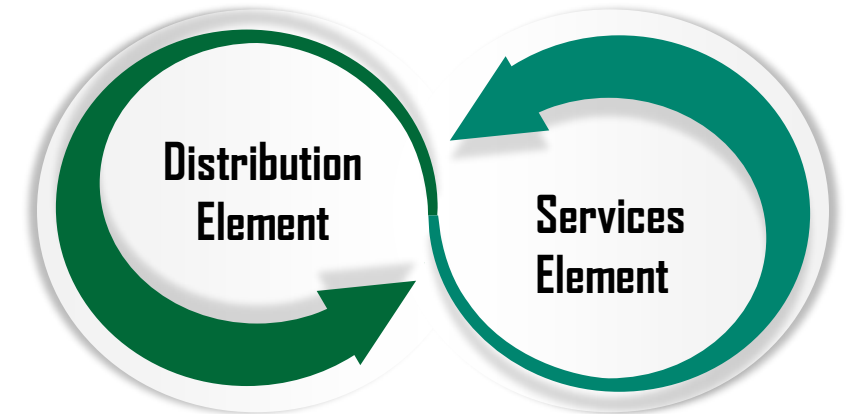
# Redington Cloud Solutions



## Our Cloud Practice



## Our business



Down-selling of  
Cloud products



ORACLE

Redington team  
provides  
Managed  
Services,  
focussing on  
SME/Mid Market  
clientele

## DIGITAL PRINT SERVICES



Exclusive Distributor of  
HP Indigo's "Digital  
Printing Press" in India

### REVENUE MODEL

Distribution of Printing Press

Annuity revenues from clicks (impressions)

Parts & Labour

Ranked Grade  
"A" by HP Indigo  
(Second highest  
in the world)



## 3D PRINT SERVICES



Set up 3D Printing  
Facility in Chennai



On-Demand Manufacturing



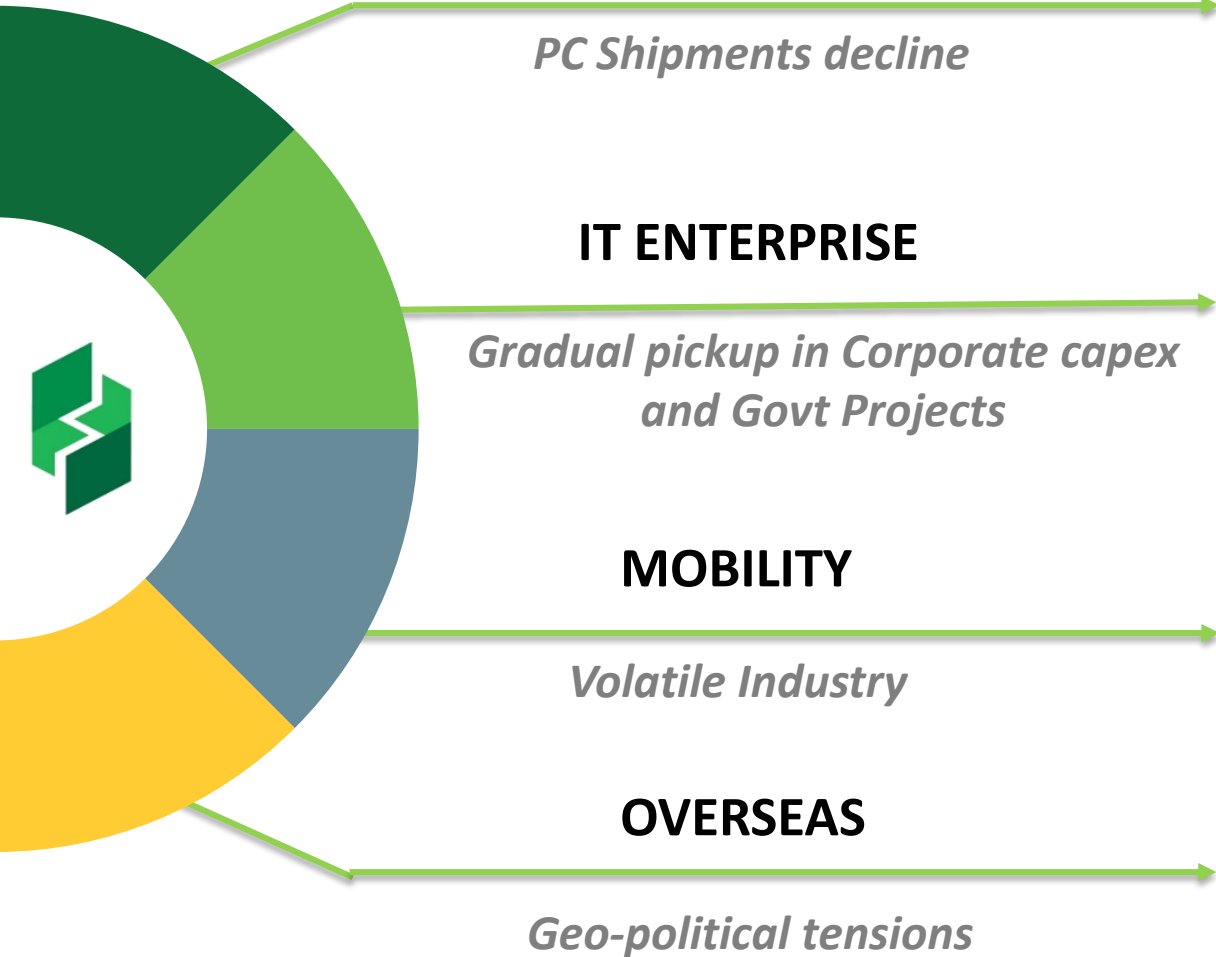
Prototyping



Scanning



# Fueling Growth In a Challenging Business



- Enabling better product mix with higher ASP
- Market share gains

- Establishing presence in Cloud
- Increased value added services
- Systematic approach devised to participate in Government Projects

- Association with MNC brands with clear long term strategy

### Three Commandments

- Protect capital fiercely
- Be absolutely paranoid about risk
- Reduce costs as much as possible

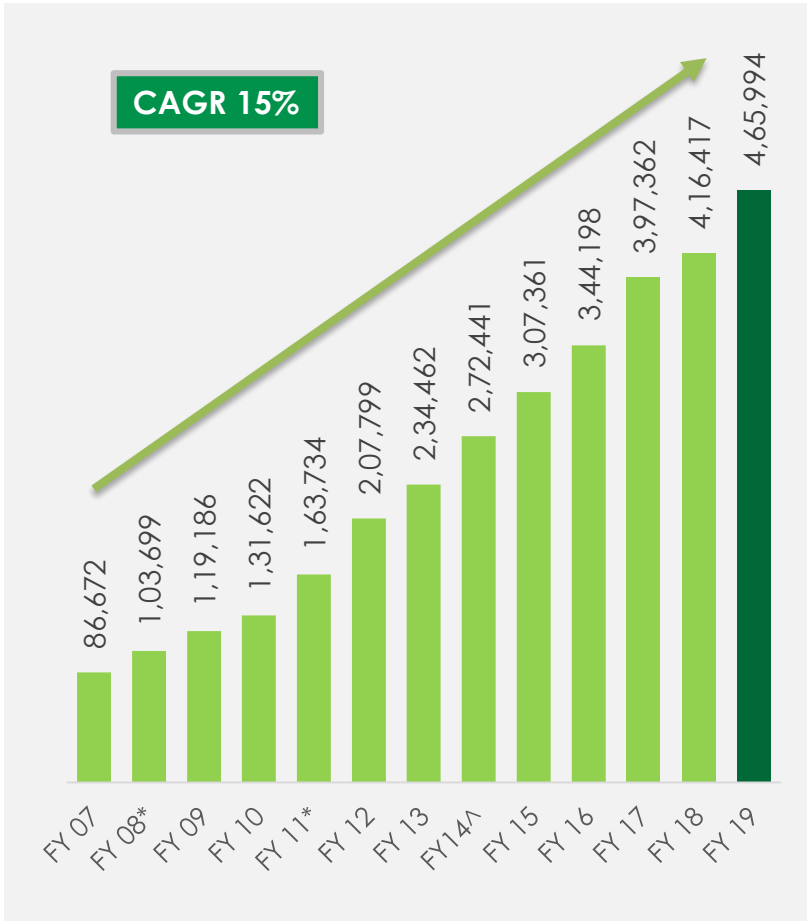
# Financial Performance



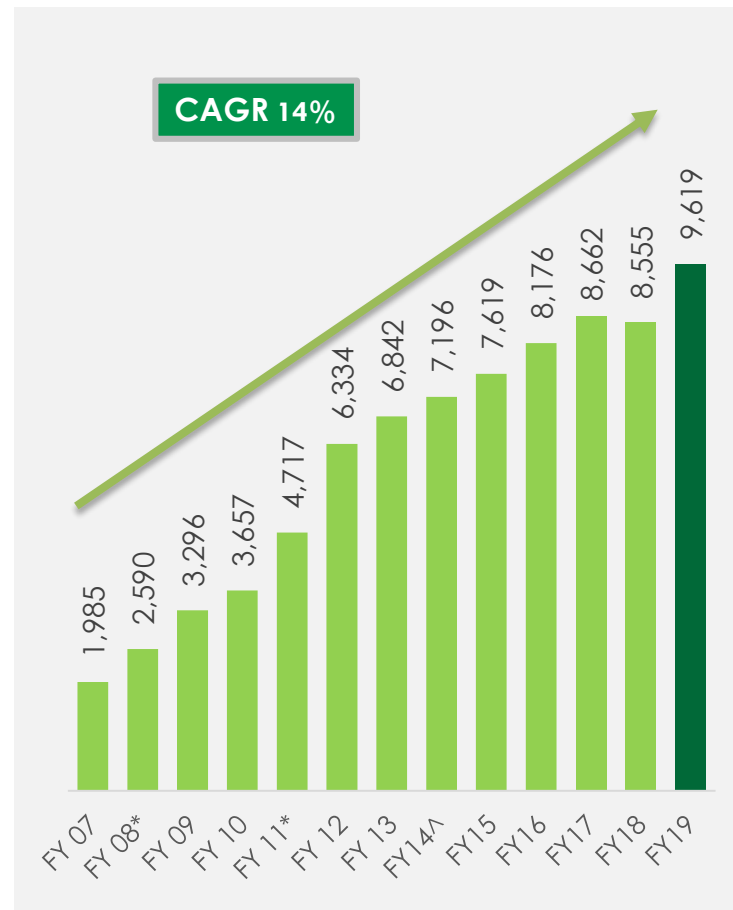


# Performance Since Listing

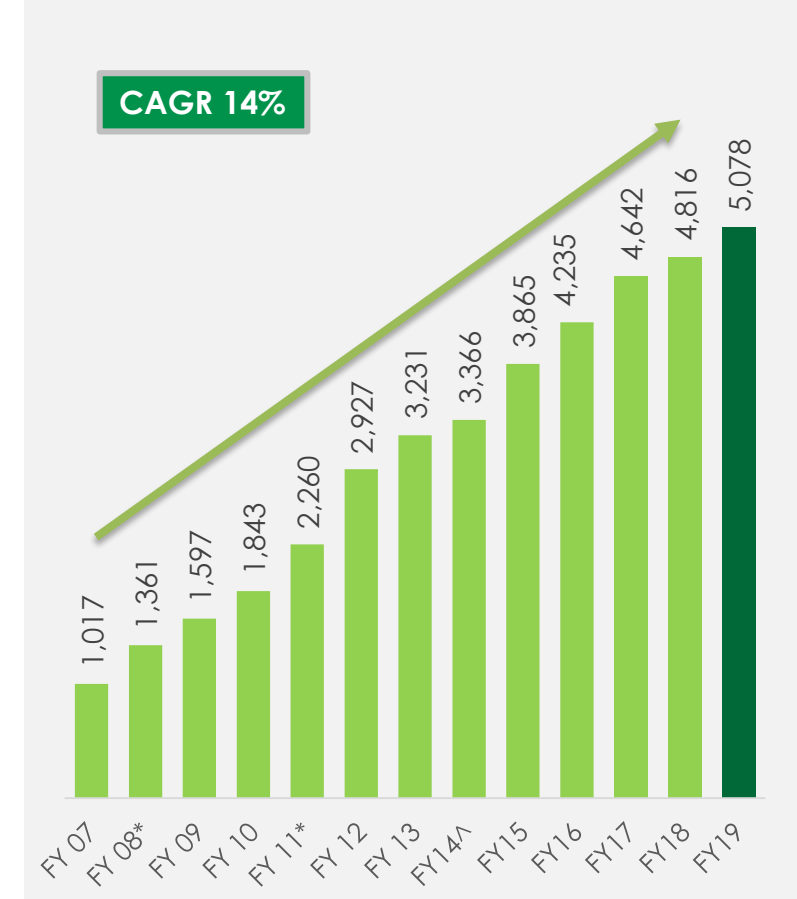
## REVENUE



## EBITDA



## PAT

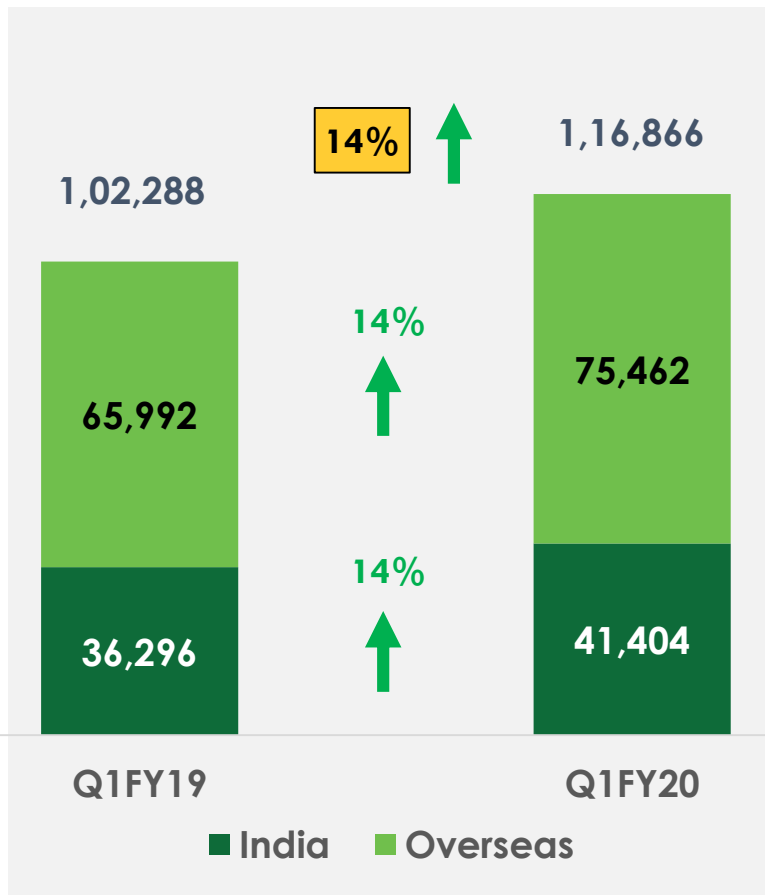


\*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services

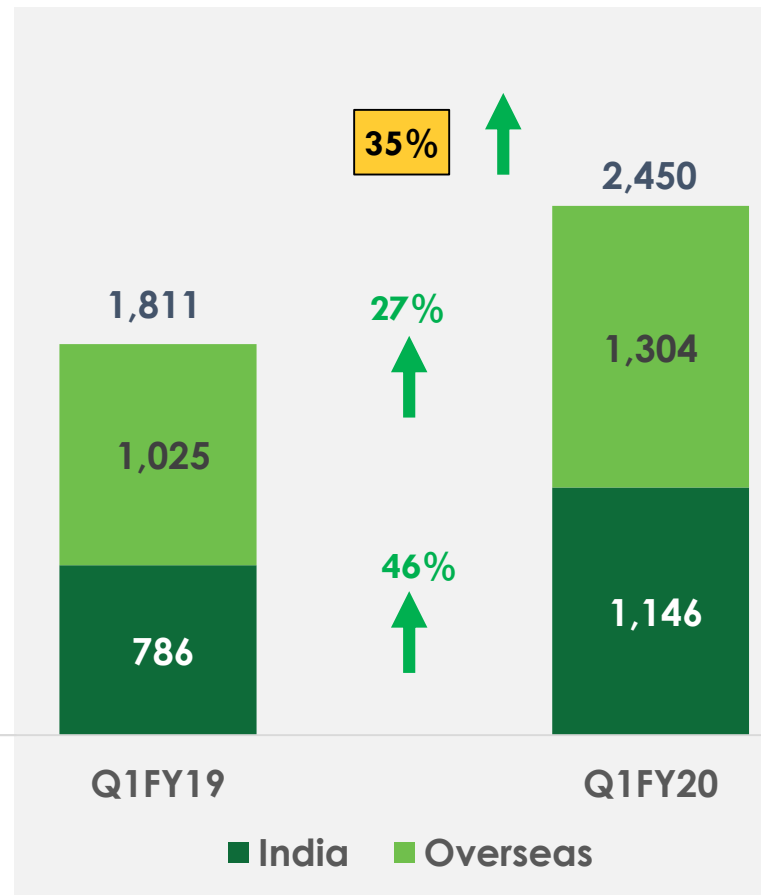
# Performance By Market

₹ in million

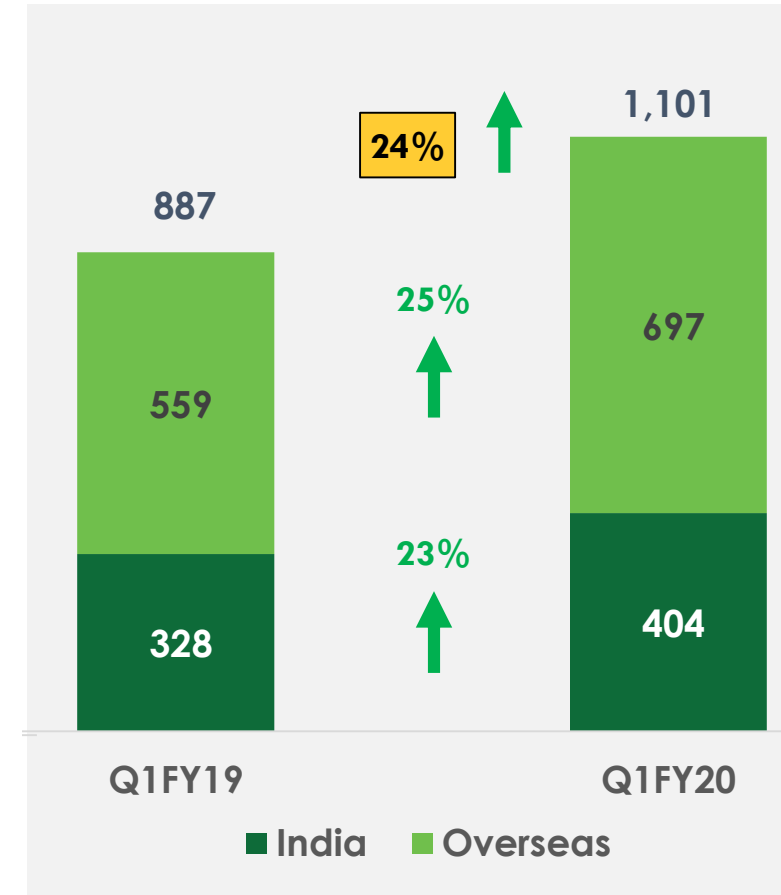
## REVENUE



## EBIDTA

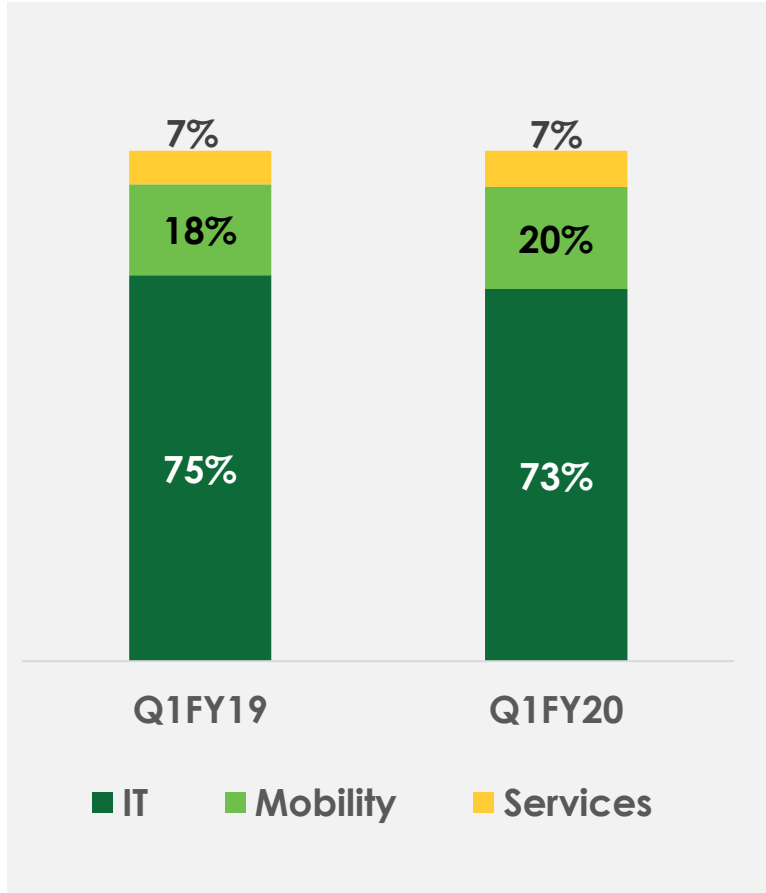


## PAT

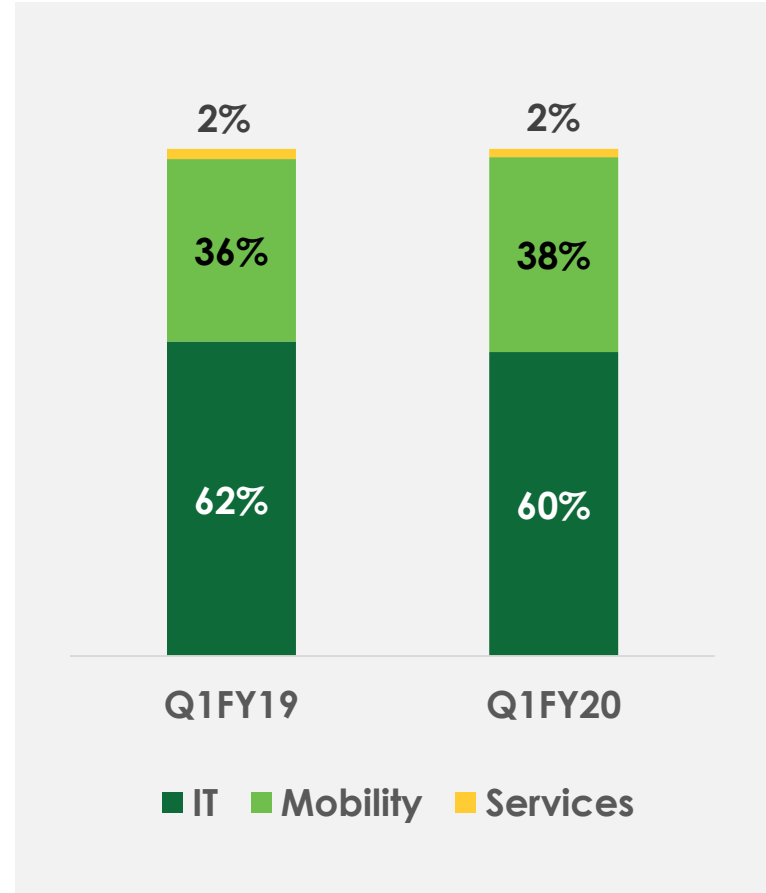


# Performance By Vertical

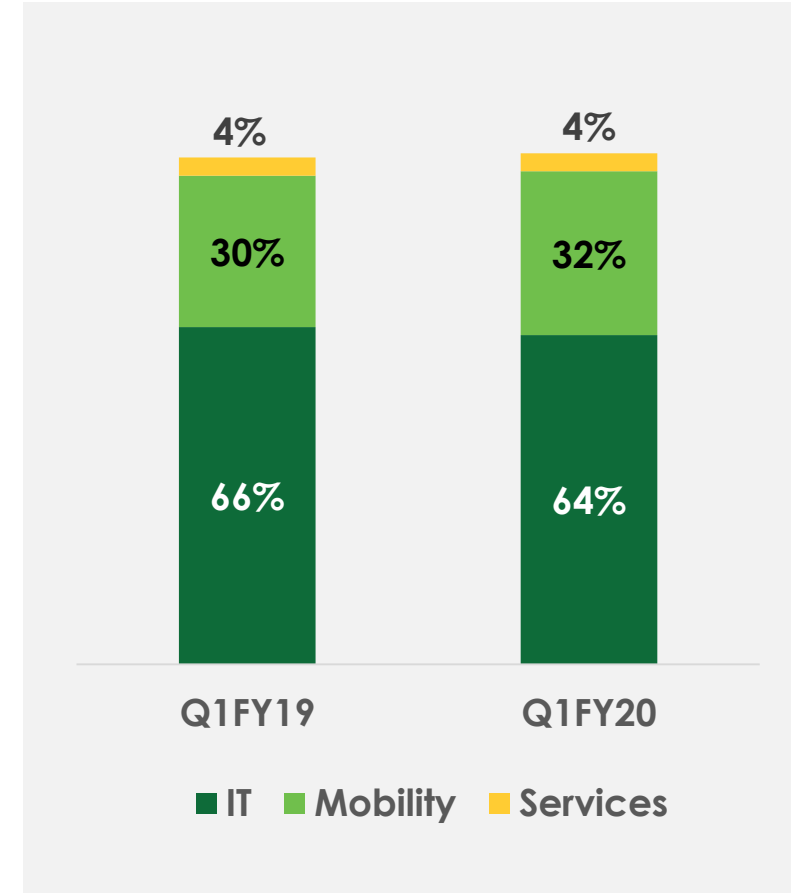
## INDIA



## OVERSEAS

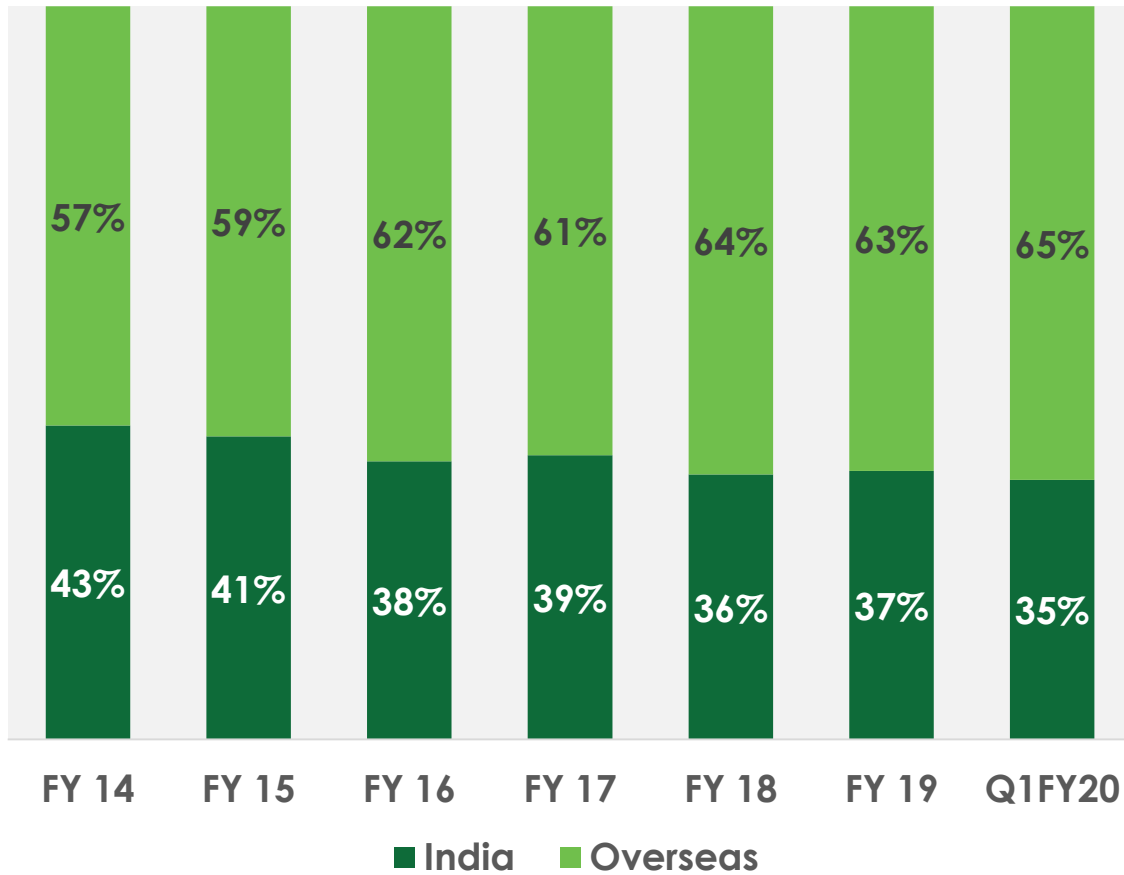


## CONSOLIDATED

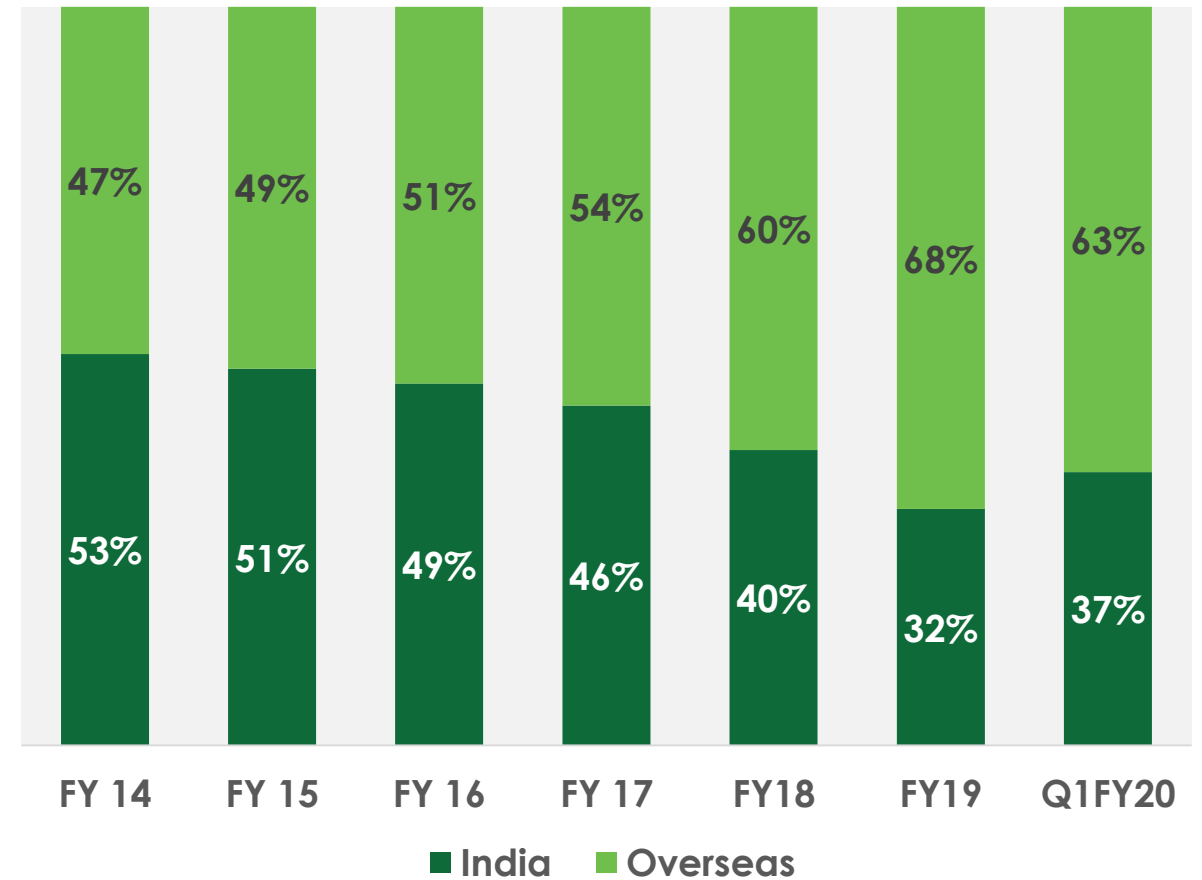


# Geographical Contribution

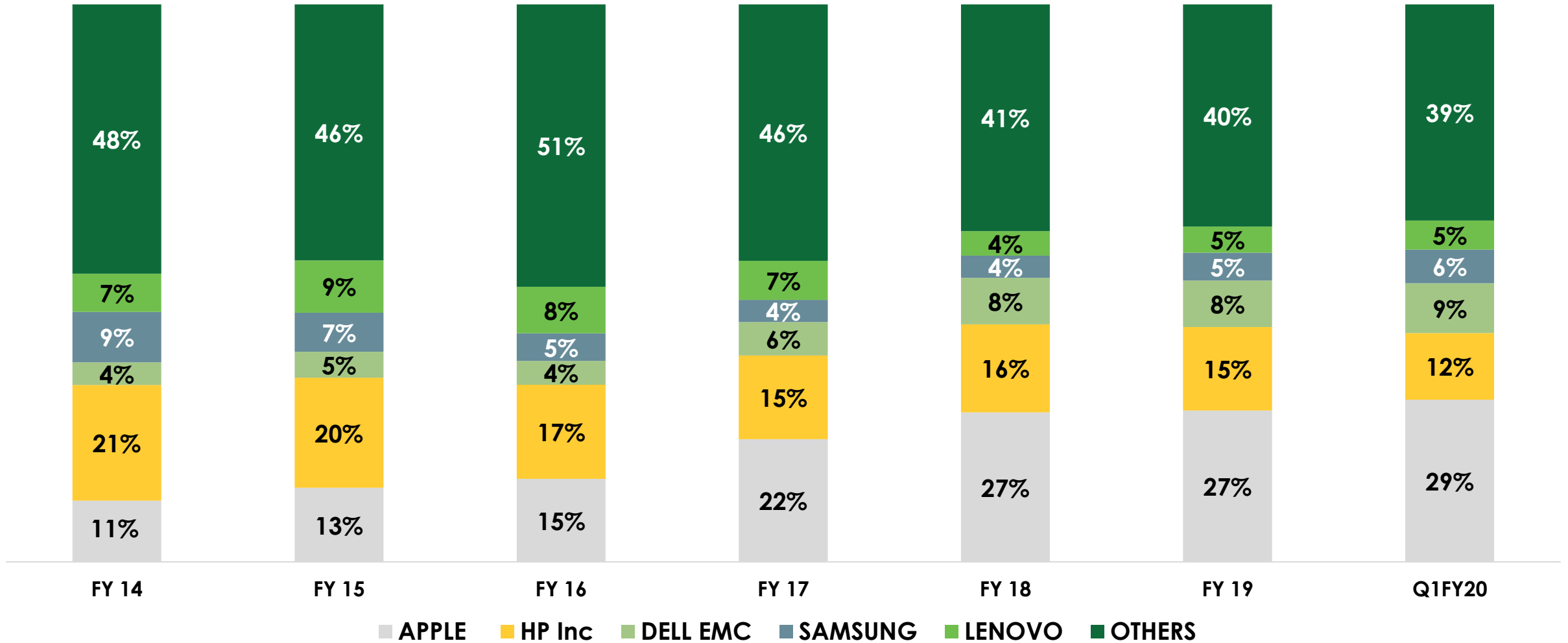
## REVENUE



## PAT

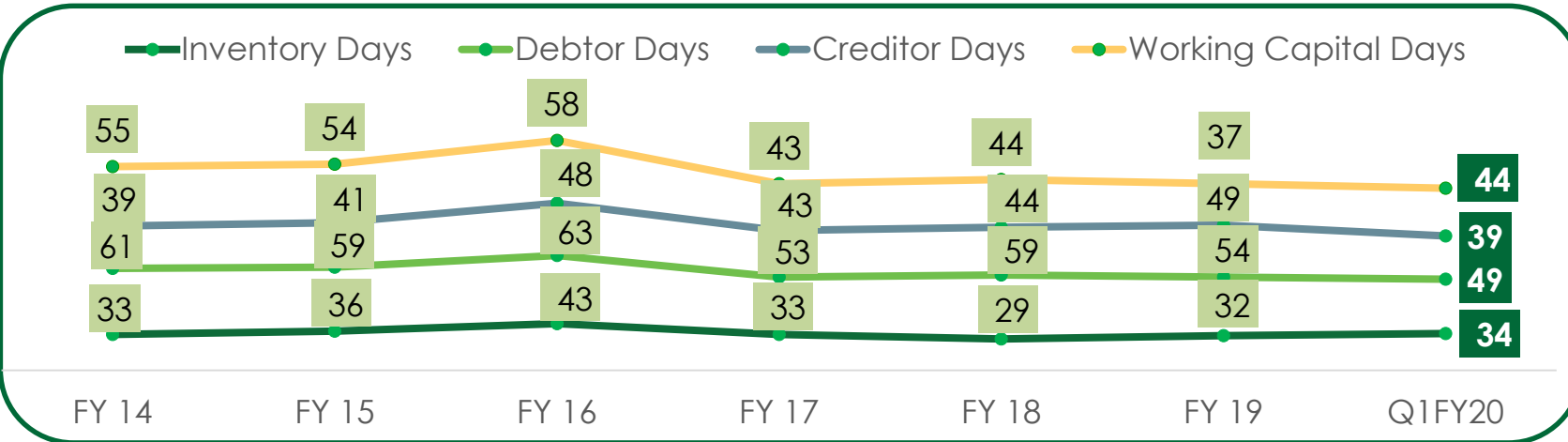


# Top 5 Vendors



Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

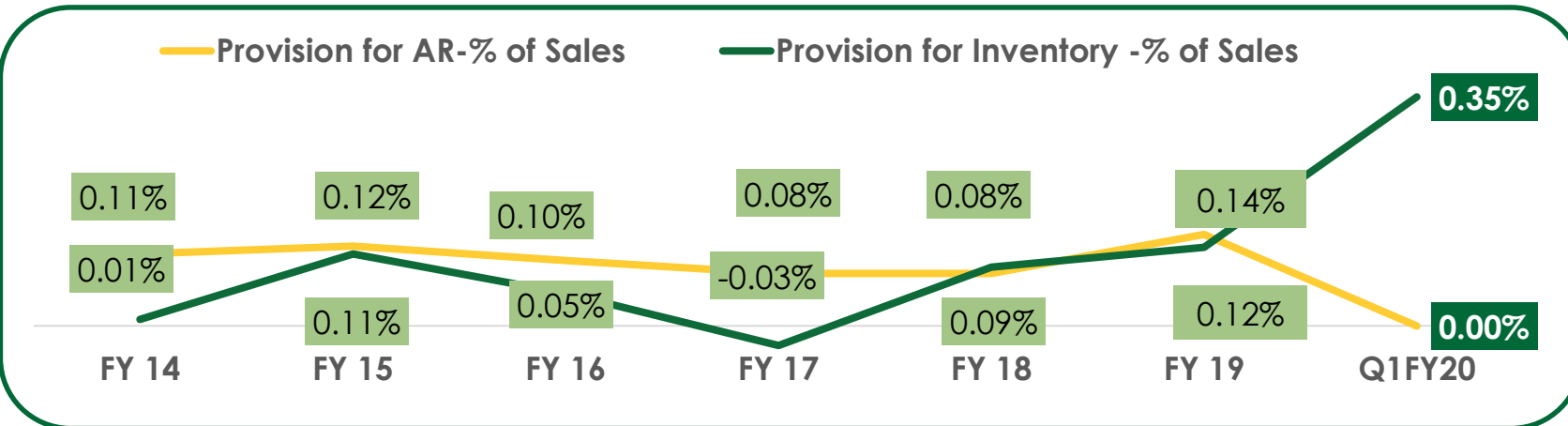
# Key Operating Metrics



**Working Capital Days at sustainable levels**

| Rs in mn   | FY14  | FY15  | FY16    | FY17   | FY18  | FY19   | Q1FY20  |
|------------|-------|-------|---------|--------|-------|--------|---------|
| <b>CFO</b> | 2,413 | 1,951 | (1,922) | 12,986 | 2,198 | 10,973 | (8,475) |
| <b>FCF</b> | (389) | 947   | (5,054) | 9,113  | (565) | 7,318  | (9,344) |

**Cumulative generation of cash flows**



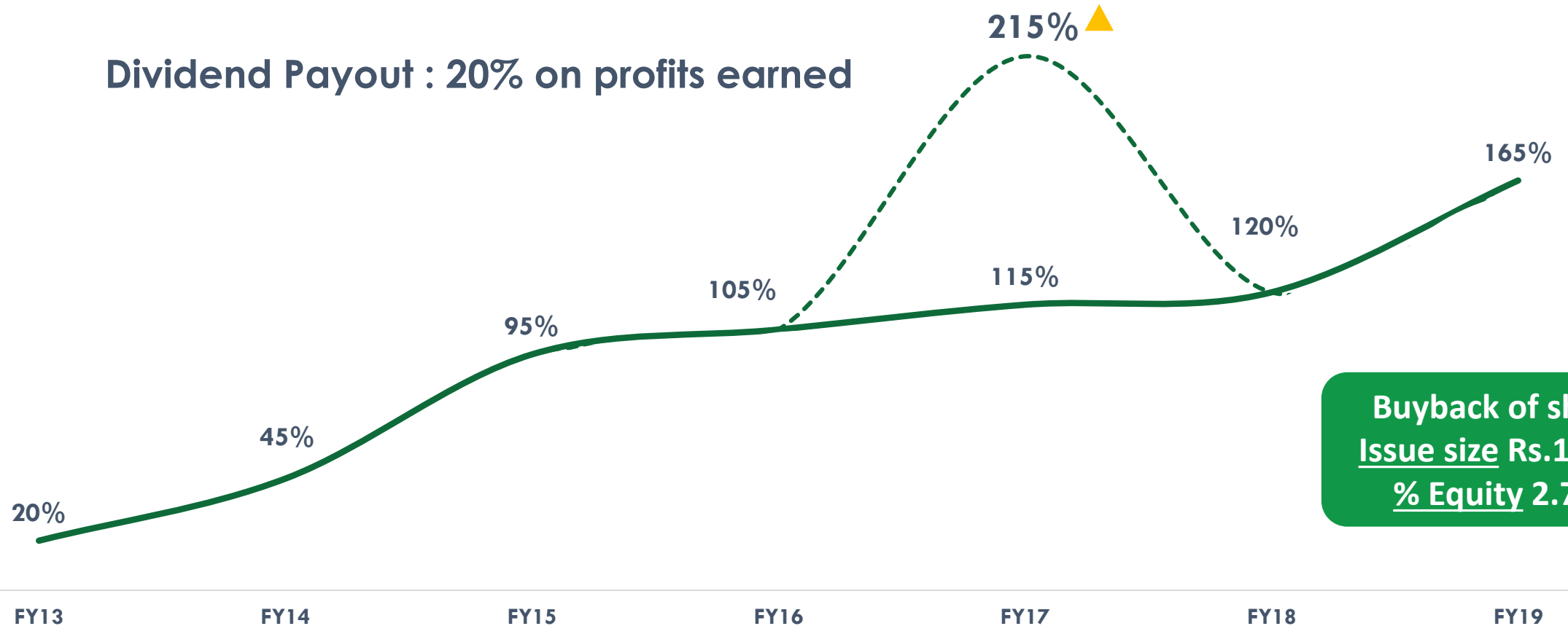
**Ensuring Risk adjusted Returns**

# Consolidated Financials

| Particulars                     | Q1FY20   | FY19     | FY18     | FY17     | FY16     | FY15     | FY14     |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Total Revenue</b>            | 1,168,66 | 4,65,994 | 4,16,417 | 3,93,762 | 3,44,198 | 3,07,361 | 2,72,441 |
| <b>EBITDA</b>                   | 2,450    | 9,619    | 8,555    | 8,662    | 8,176    | 7,619    | 7,196    |
| <b>PAT</b>                      | 1,101    | 5,078    | 4,816    | 4,642    | 4,235    | 3,865    | 3,367    |
| <b>Networth</b>                 | 40,029   | 39,060   | 35,306   | 31,479   | 29,494   | 23,742   | 20,213   |
| <b>Capital Employed</b>         | 69,316   | 55,581   | 53,472   | 50,252   | 56,659   | 44,468   | 39,938   |
| <b>EBITDA Margins</b>           | 2.1%     | 2.1%     | 2.1%     | 2.2%     | 2.4%     | 2.5%     | 2.6%     |
| <b>PAT Margins</b>              | 0.9%     | 1.1%     | 1.2%     | 1.2%     | 1.2%     | 1.3%     | 1.2%     |
| <b>ROCE</b>                     | 13.7%    | 16.5%    | 15.5%    | 15.2%    | 14.9%    | 17.2%    | 17.2%    |
| <b>ROE</b>                      | 11.2%    | 13.7%    | 14.5%    | 15.3%    | 15.6%    | 18.2%    | 19.1%    |
| <b>EPS (₹)</b>                  | 2.8      | 12.8     | 12.0     | 11.6     | 10.6     | 9.7      | 8.4      |
| <b>Book Value per share (₹)</b> | 102.3    | 99.8     | 87.7     | 78.2     | 73.2     | 57.6     | 48.8     |

# Dividend Distribution

Dividend Payout : 20% on profits earned



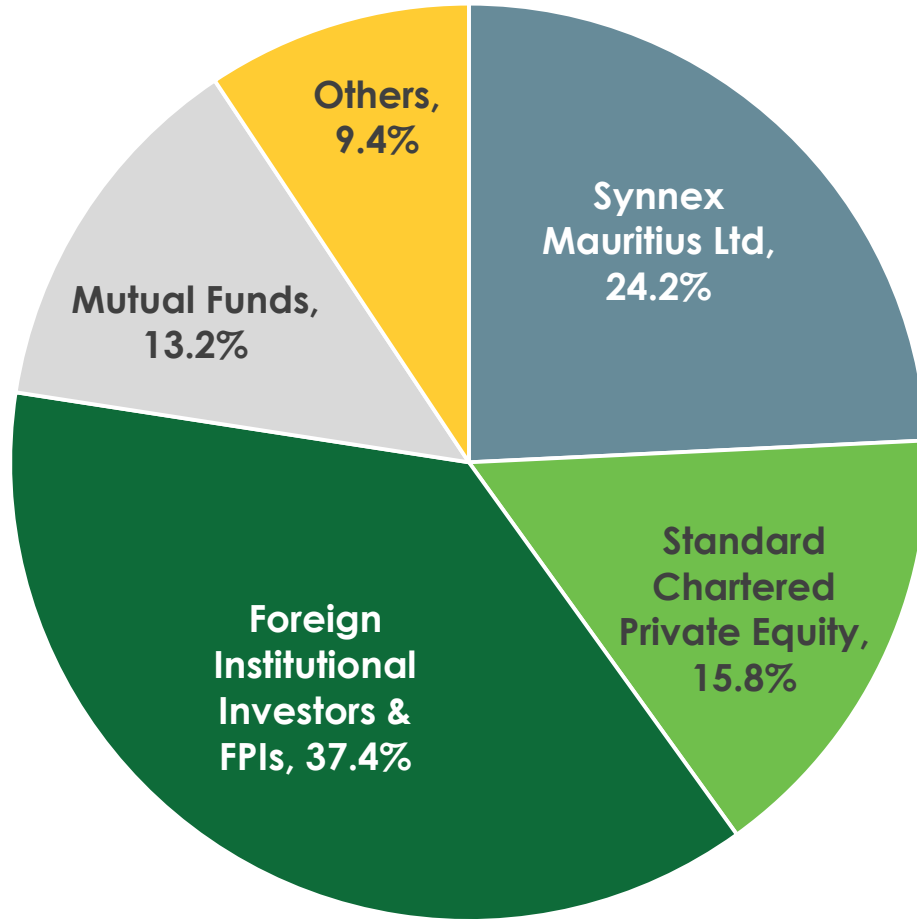
**Buyback of shares**  
**Issue size Rs.139 crs**  
**% Equity 2.78%**

— Dividend % on Face Value of shares

▲ Final dividend plus Special Interim Dividend declared



# Shareholding Pattern (June 2019)



HDFC Mutual Fund



Fidelity Management & Research (FMR)



Franklin Templeton Investments



ICICI Pru Life Insurance



Fidelity International



Dimensional Fund Advisors



Norges Bank

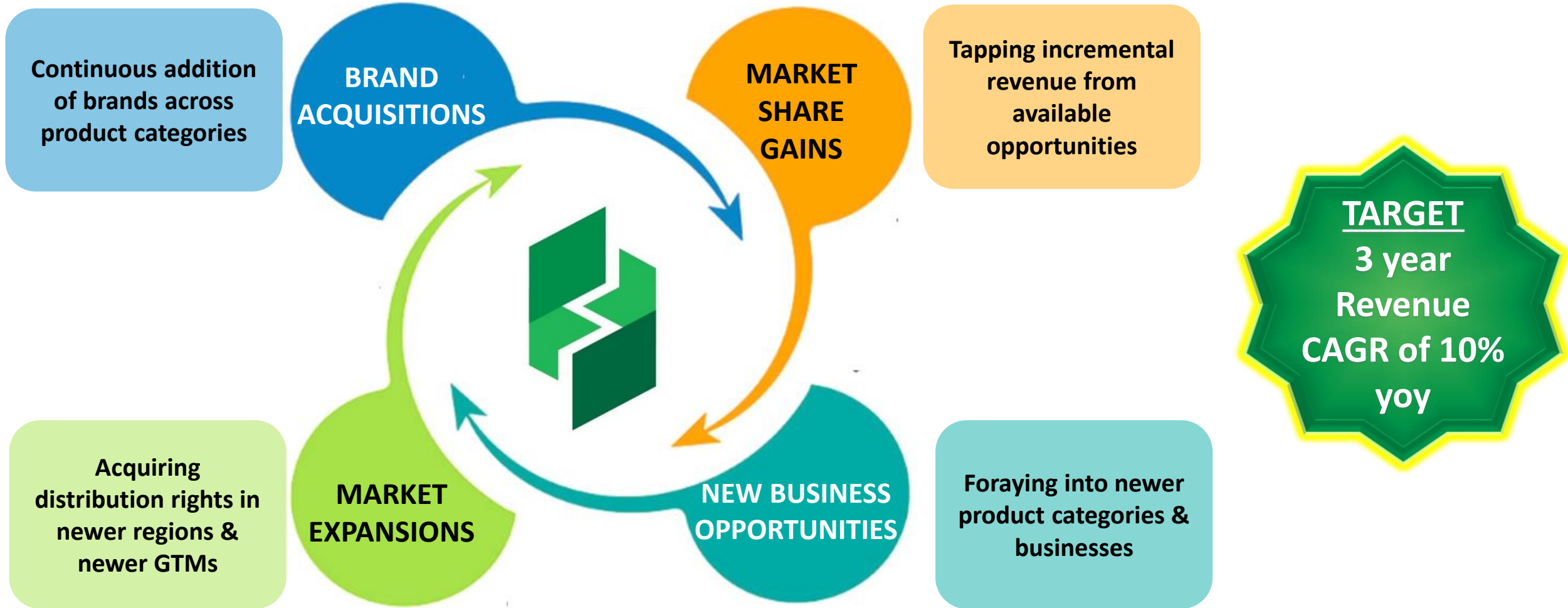


BlackRock Inc

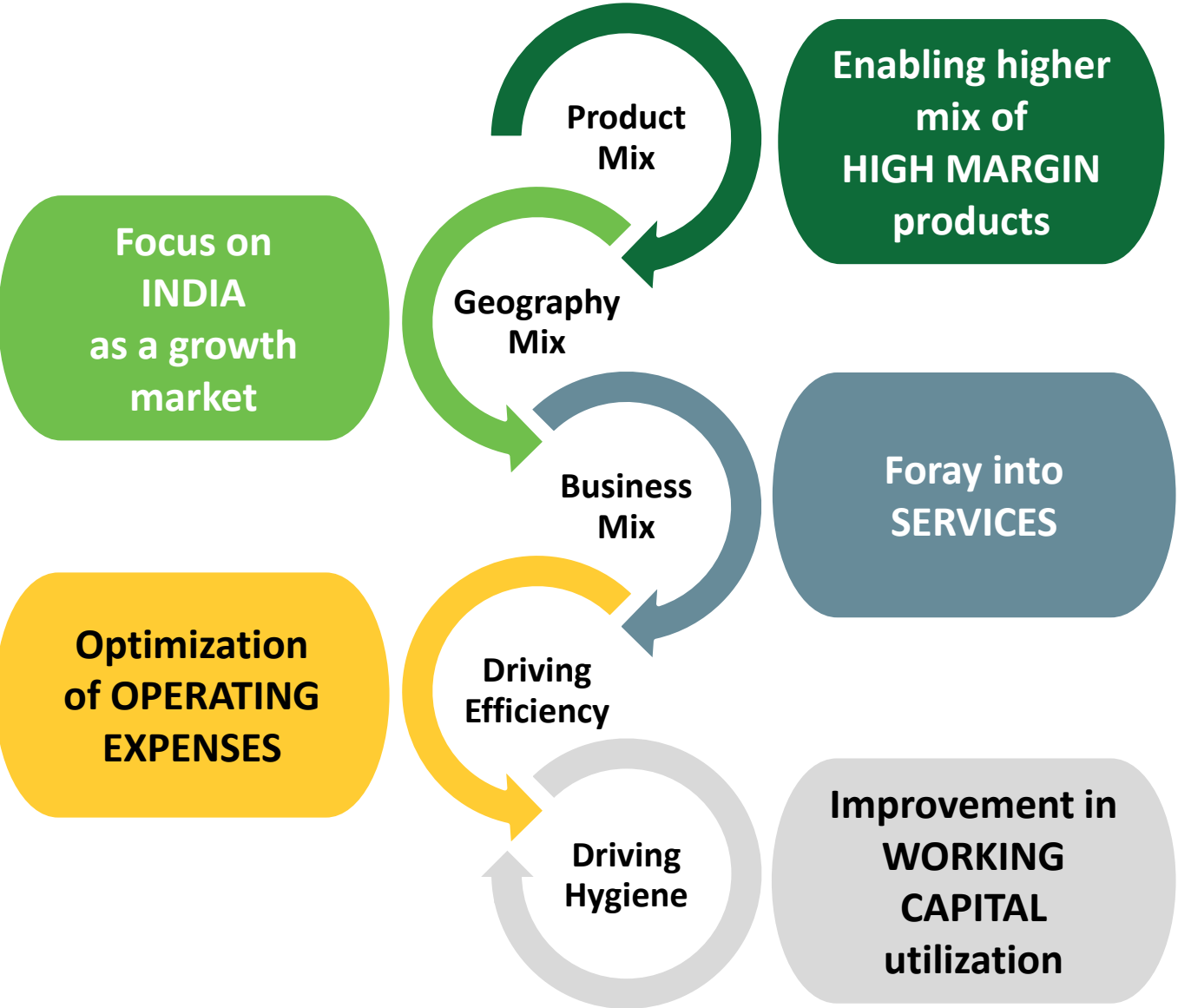
# **Our Growth Drivers**



# Revenue Growth Vectors



# Margin Growth Vectors



Improved Margin Trajectory



Improved WC turns



Improved ROCE

**TARGET**  
ROCE of  
16-18% by  
FY21

# Capital Allocation Priorities



NO FPO  
MADE



Debt  
Equity  
Ratio at  
0.4



AA/A1+  
Credit  
rating

*Foundation for CSR @ Redington (Redington Foundation), a trust formed by Redington (India) Limited to implement various CSR activities towards the betterment of the society*



## Employability Skills Training

- ➔ Communication Skills
- ➔ Computer Skills
- ➔ Personality Development
- ➔ Office Etiquette
- ➔ Domain Knowledge Skills



## Vocational Skills Training

- ➔ Disability inclusive support  
Improving quality of  
education through  
Technology
- ➔ Sign Language for hearing  
impaired
- ➔ Holistic self development
- ➔ Employment Generation



## Equipping Activities

- ➔ Setting up smart class  
rooms
- ➔ Monetary support to  
students
- ➔ Recognition to teachers
- ➔ Revamping of School infra



## Smart Schools

- ➔ Setting up Smart class  
rooms
- ➔ Strategic association with  
Schools for academic  
upliftment
- ➔ Promoting schools in rural  
areas



# CONTACT US

## Compliance Officer

*M. Muthukumarasamy*

*Redington (India) Limited*

*SPL Guindy House, 95 Mount Road,  
Guindy, Chennai 600 032*

<https://www.redingtongroup.com>

*CIN - L52599TN1961PLC028758*

## Investor Contact

*Sowmiya M*

*Senior Manager – Investor Relations*

[sowmiya.manickam@redington.co.in](mailto:sowmiya.manickam@redington.co.in)

IR Materials - <https://redingtongroup.com/india/financials-and-reports/>



**THANK YOU**

