



INVESTOR & ANALYST MEET 2019

Investor & Analyst Meet 2019

India Distribution Presentation

TECHNOLOGY DISTRIBUTION – KEY TO INDUSTRY GROWTH

70%

Contribution of Distribution
to IT Industry biz*



Aided the explosive growth of IT products & services in India

VENDORS

- Order planning & Stocking
- Channel & Geo expansion
- Partner Training & Enablement
- Pre-Sales
- Proof of Concept

UNIQUE STRENGTHS

Best in class Execution
Efficiency

Early investments in
Emerging Tech practices

Quick GTM Roll-out

Lean Opex Structure

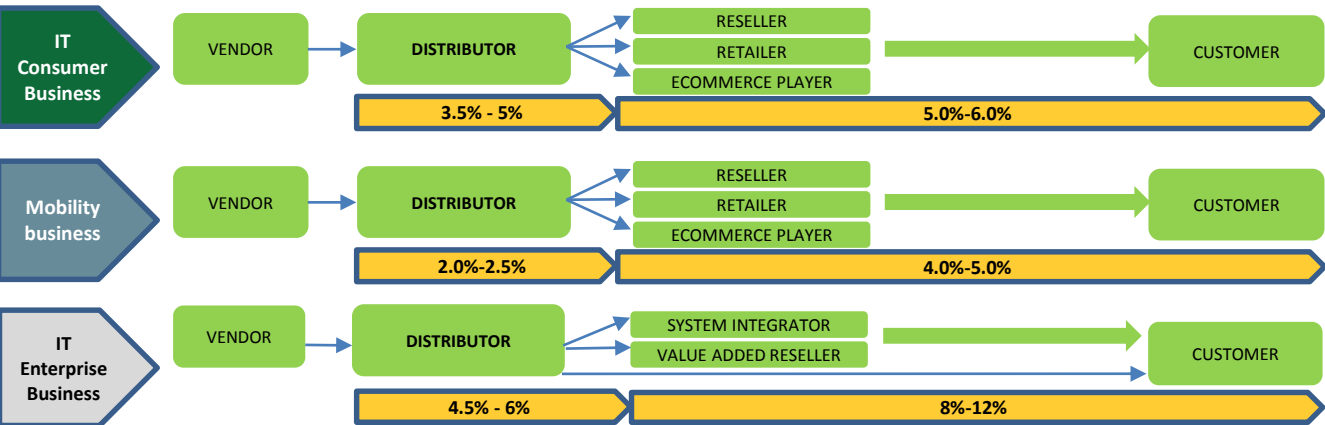
Highly Efficient Sales
engine

CHANNEL PARTNERS

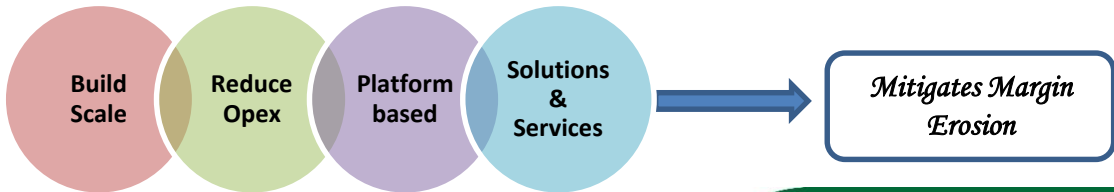
- Product Bouquet
- Finance solutions
- Cross-sell & Up-sell Support
- Logistics
- Technical Support

*Excludes ITeS

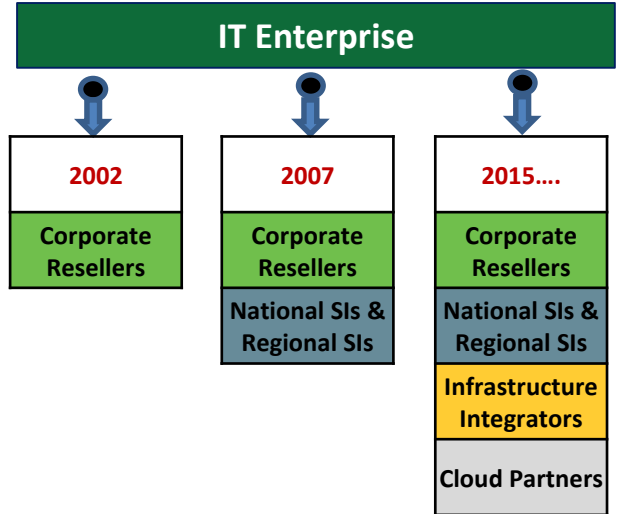
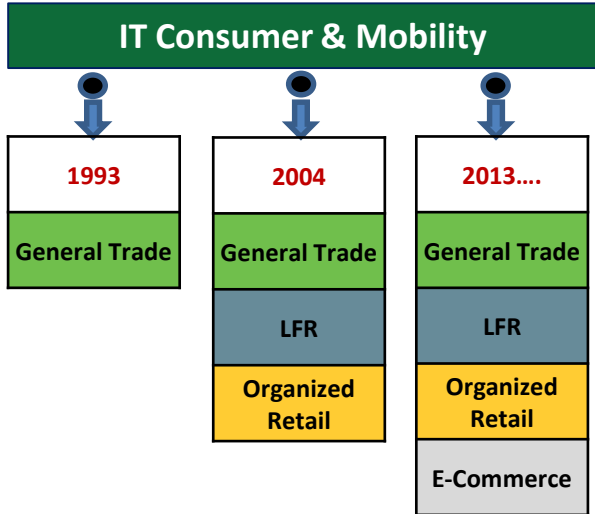
CHANGING DISTRIBUTION LANDSCAPE



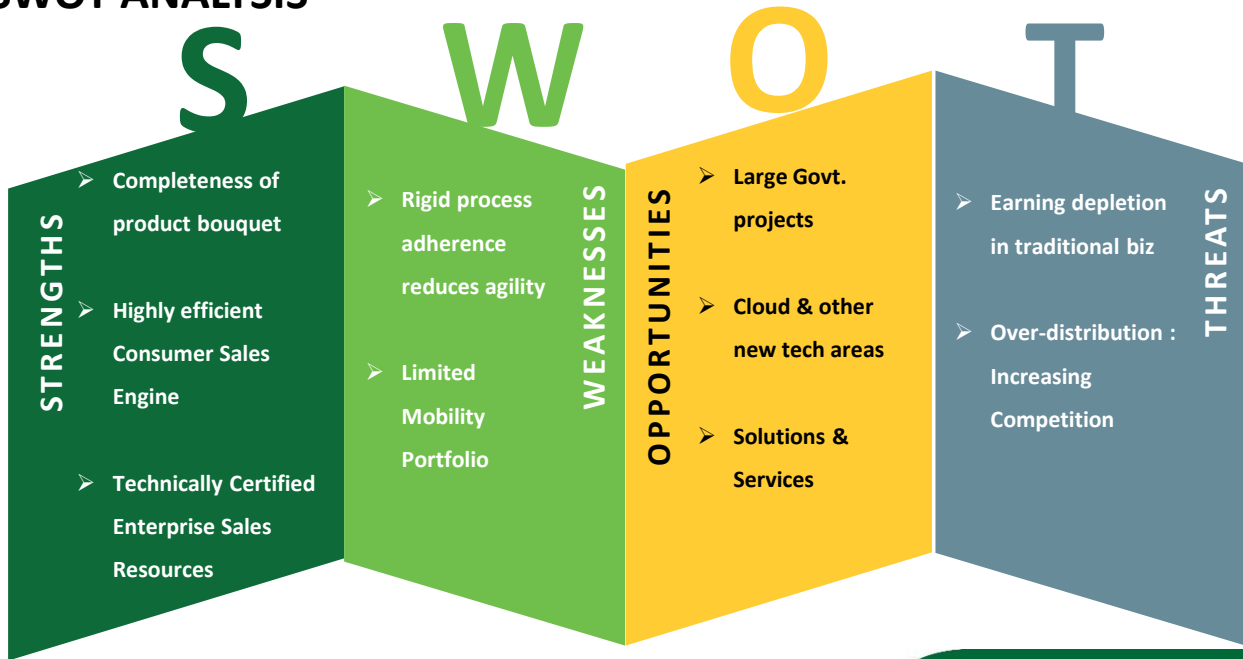
REDINGTON STRATEGY



CHANGING GTM LANDSCAPE



SWOT ANALYSIS



IT DISTRIBUTION PERFORMANCE



10 yr Revenue CAGR of 11%

GROWTH OUTLOOK

ENTERPRISE IT



Industry Outlook

Redington Growth Drivers

Targeted Outcome

- Govt. / PSU projects
- Investments by BFSI / Telcos
- Investments in Cyber Security Solutions
- Managed Services play
- Transition to Solution Oriented Distributor

Margin expansion by
2%-3%
- by 2022 -

MOBILITY



- Strong growth in existing portfolio
- Incremental growth through portfolio additions
- Digital Platform : Opex reduction through increased efficiencies

Improve ROCE by 3-5%
- by 2022 -

CONSUMER IT



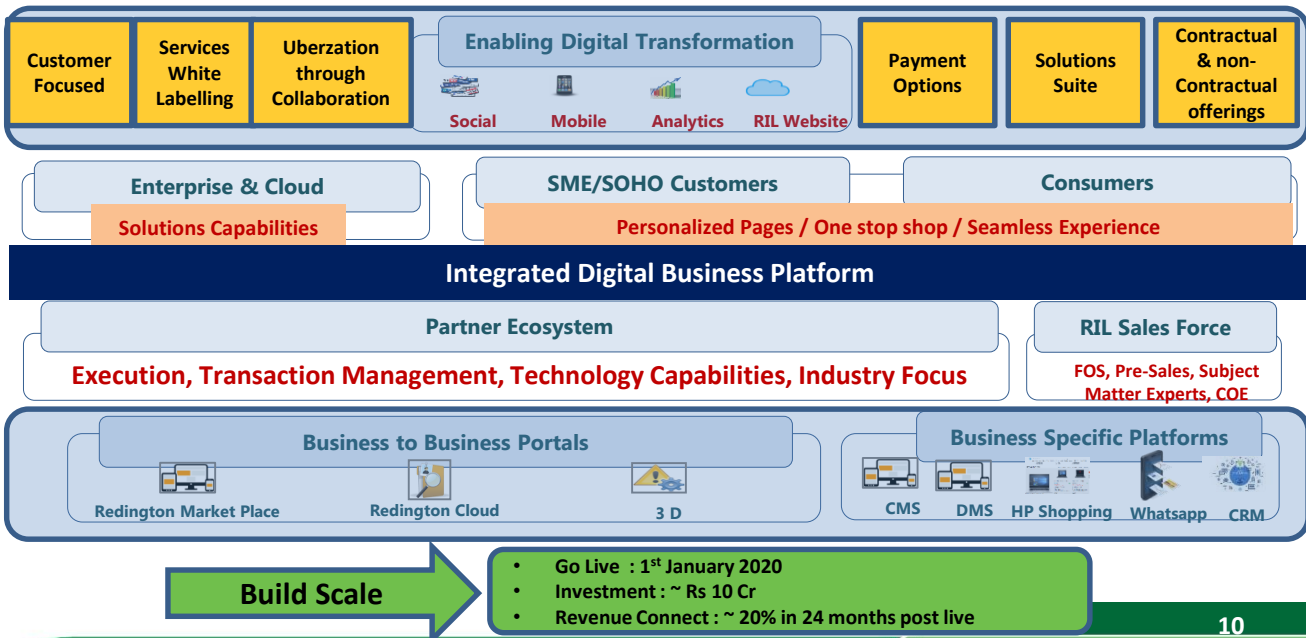
- Market share gains
- Focus new categories : Gaming
- Digital Platform to build scale
- Build Services
 - MPS
 - DaaS/Retail/EMI

Opex Reduction by 20bps
- by 2022 -

KEY INITIATIVES

- *Transactions on an Integrated Digital Platform*
- *Transition to a Solution Oriented Distributor*
- *Cost efficiency through Centre of Excellence*

INTEGRATED DIGITAL PLATFORM : "LOW TOUCH" BIZ



TRANSITION TO A SOLUTION ORIENTED DISTRIBUTOR

Expand Margins

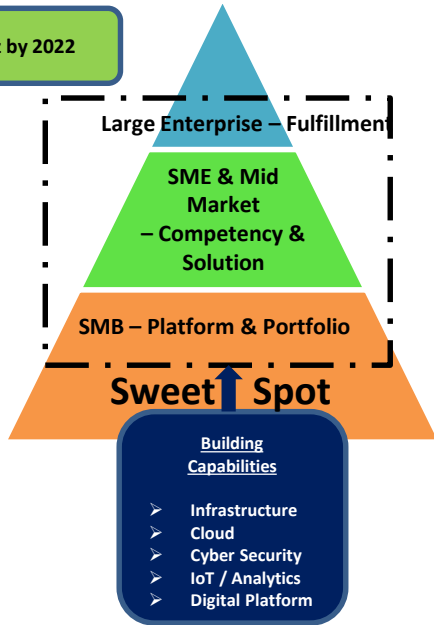
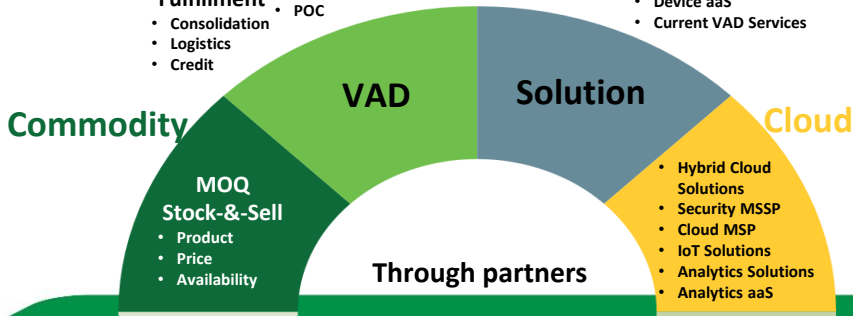
- Investment : ~ Rs 15 Cr
- Margin Increase : by 2-3% for Overall Enterprise Biz by 2022
- Targeted Service Attach : ~ 20% by 2022

From Vendor Led to Customer Led

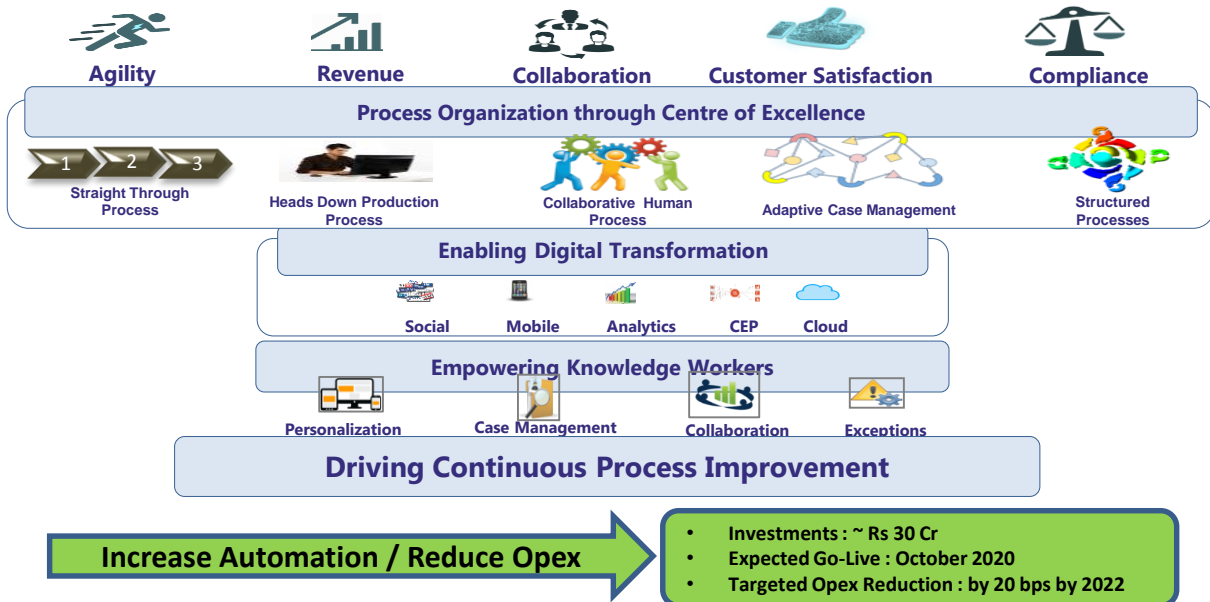


- B2B Fulfillment**
- Consolidation
 - Logistics
 - Credit
- Redington Autonomous**
- Demand Gen
 - Pre-sales
 - POC

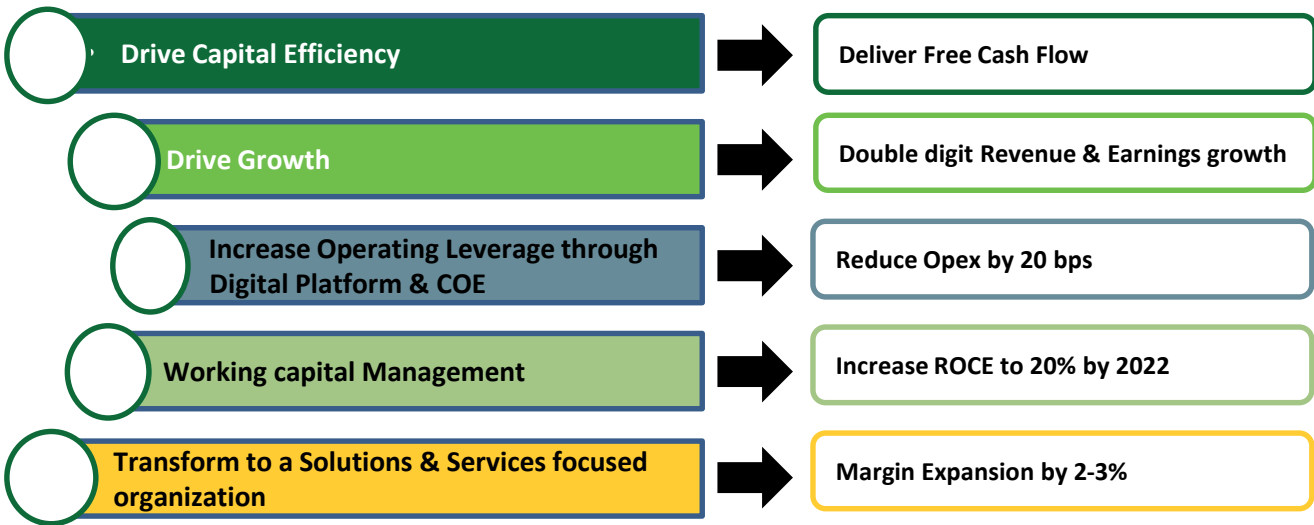
- Cybersecurity
- HCI
- SD Infra
- Datacenter Solutions
- Device aaS
- Current VAD Services



INVEST IN A CENTRE OF EXCELLENCE



OUR OBJECTIVES



Investor & Analyst Meet 2019

ProConnect presentation



Who are we?

Parentage

Established in 2012 as wholly owned subsidiary of Redington

Experience

Integrated Logistics player with 20+ years of Logistics experience

Presence

Pan India Presence, directly & through subsidiaries

Clientele

End to End supply chain solutions for 200+ customers

Governance

Professionally run and Board managed

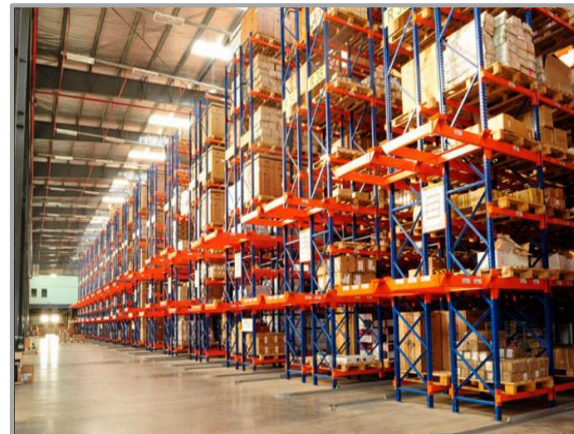
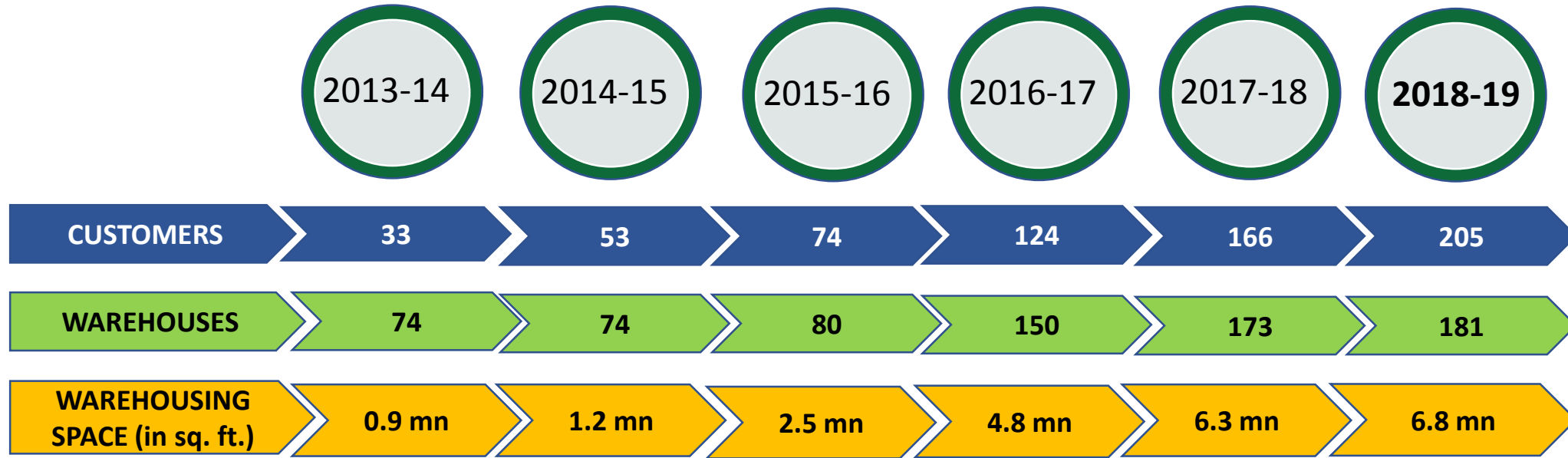
Position

Amongst Top 5 organised 3PL providers in India

Certified ISO 9001:2015 by TUV Nord

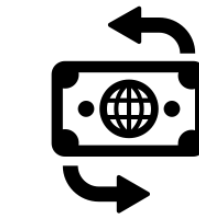
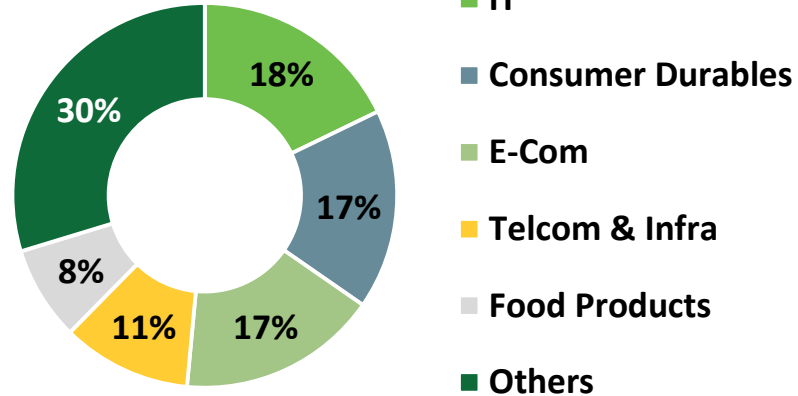


Our Growth Story



Our Operations

VERTICALS MIX



Transactions

14.5mn



Units Handled

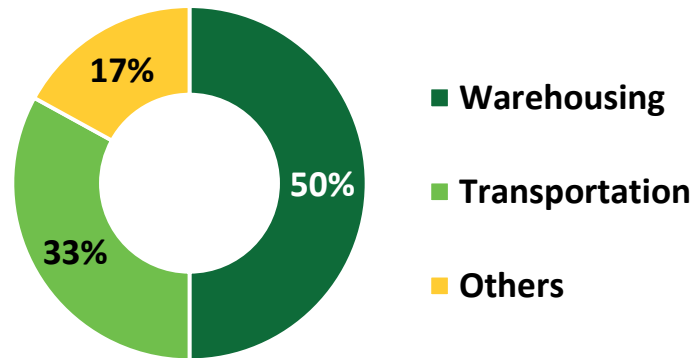
13mn



No. of Invoices

6.7mn

SERVICE OFFERINGS MIX



Employees

549*

*Onroll only



Pin codes

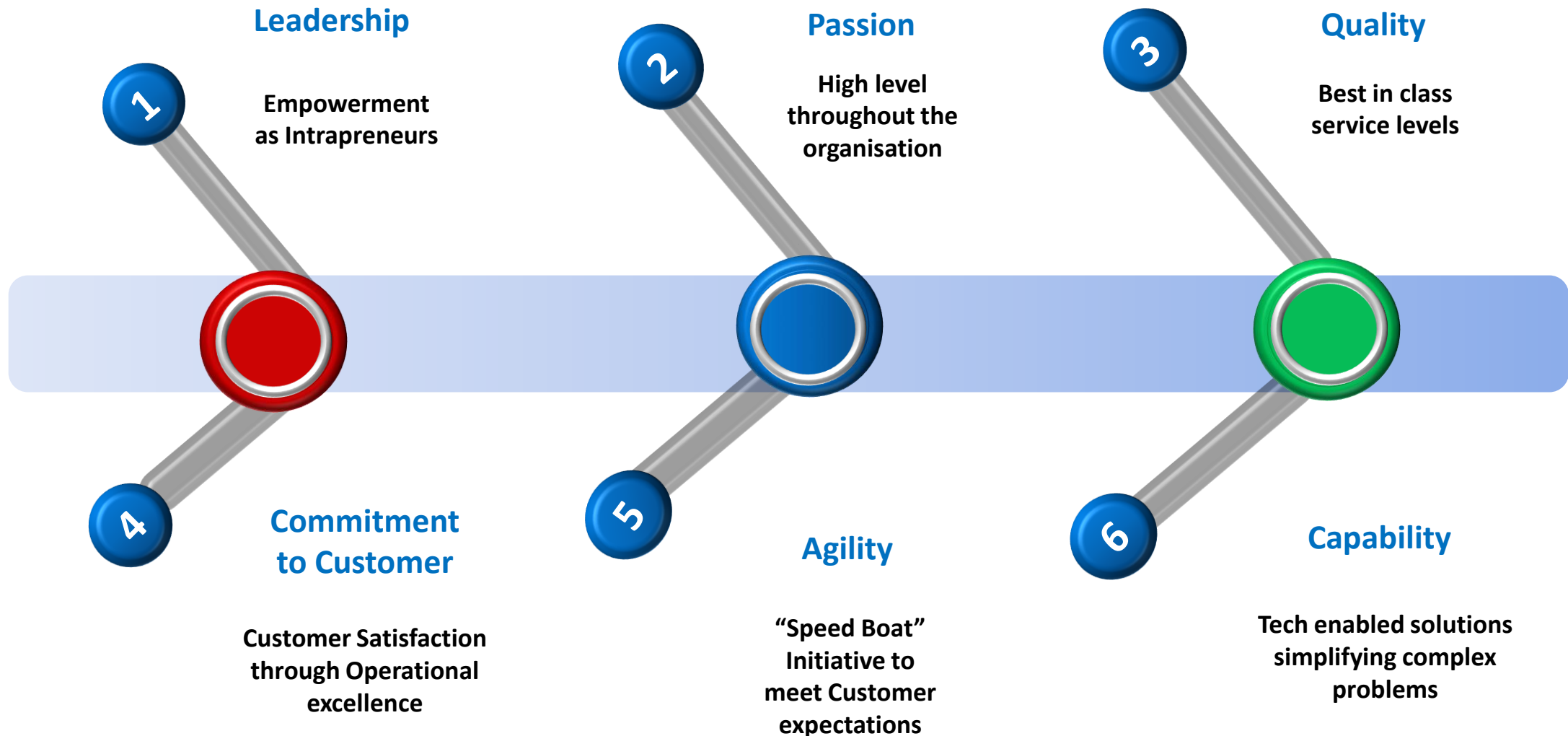
19800+



Industries

12+

Philosophy of ProConnect



Board led since incorporation



Prof. J. Ramachandran
Chairman

- ❖ A Chartered & Cost Accountant
- ❖ Professor & Head of Strategy in IIM Bangalore
- ❖ Chairman in Redington Board
- ❖ His research in Strategic & Organization challenges published in Harvard Business Review



Mr. Rajesh Neelakanta
Independent Director

- ❖ A Logistics Management Professional with 26 yrs of Experience in various Logistics domain
- ❖ An Industry veteran in Transportation
- ❖ ED & CEO of BVC Logistics Pvt Ltd



Mr. E.H Kasturi Rangan
Managing Director

- ❖ Chartered Accountant and associated with Redington from 1999
- ❖ Started career as credit consultant & took Operations & SCM in 2004
- ❖ Instrumental in developing of Non IT Vertical in Redington
- ❖ Prior to ProConnect, Whole time director in Redington Board



Dr. N. Chandrasekaran
Independent Director

- ❖ Doctorate in Economics-Financial Management
- ❖ Certified Supply Chain Management Professional
- ❖ A Management consultant in the area of Strategy & Supply Chain



Mr. S.V Krishnan
Director

- ❖ A Triplet, over 23 years of experience and associated with Redington from 1998
- ❖ CFO & Whole time Director of Redington
- ❖ Prior to Redington, associated with Ashok Leyland



Mr. P. S Neogi
Director

- ❖ Rich Experience of 30+ years
- ❖ Joined Redington India during 2000
- ❖ He is currently Chief Development & Strategy officer in Redington

Strategy so far & Learnings

Past Approach

- 2007 ~ 2012
 - In house Anchor Customer
Redington + Few 3PL Clients
- 2012 ~ till date
 - Spun as an Independent Asset
light Company
 - Foray into Multiple Verticals
 - Focus on Transportation apart
from Warehousing

What went well

- Redington Captive business gave a
platform
- Gained IT Hardware & Telecom
experience
- Grew profitably
- Entry into E-Com paid off well
- Focus on Mission Critical gave the
impetus and Synergy

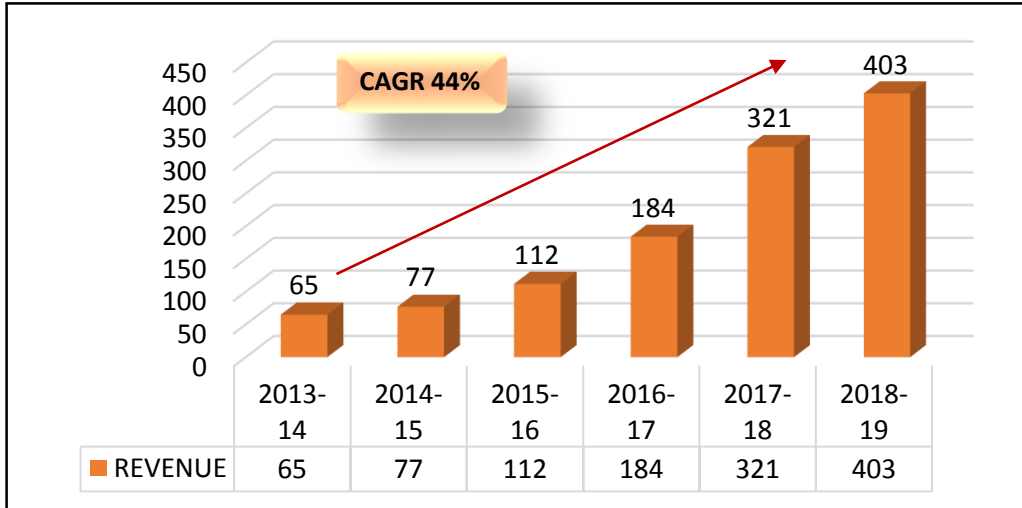
Learnings

- Narrow down to few verticals to
become a niche player
- Continue to focus on high margin
businesses
- Technology is a serious
differentiator
- M&A to complement and accelerate
our Organic Growth

Our Performance

Rs in Crs

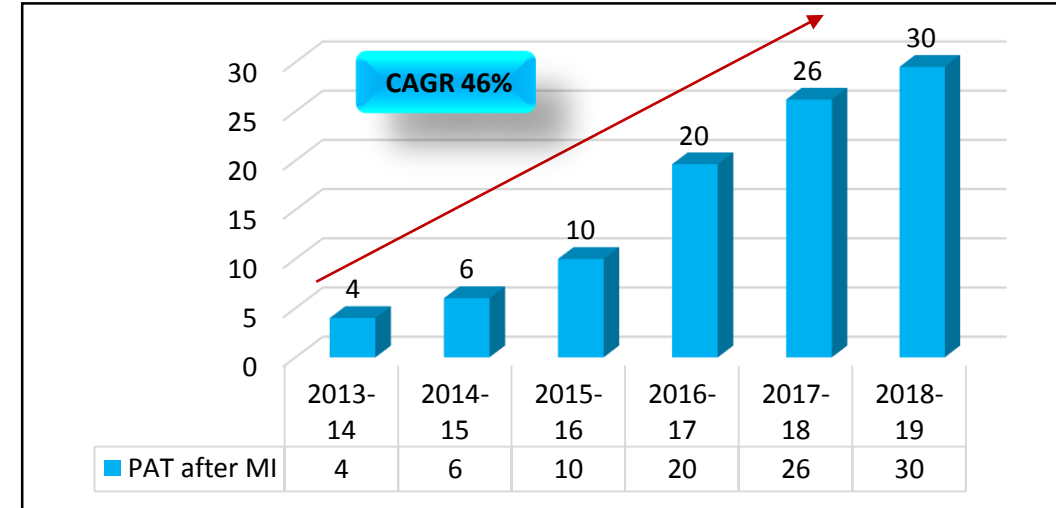
REVENUE



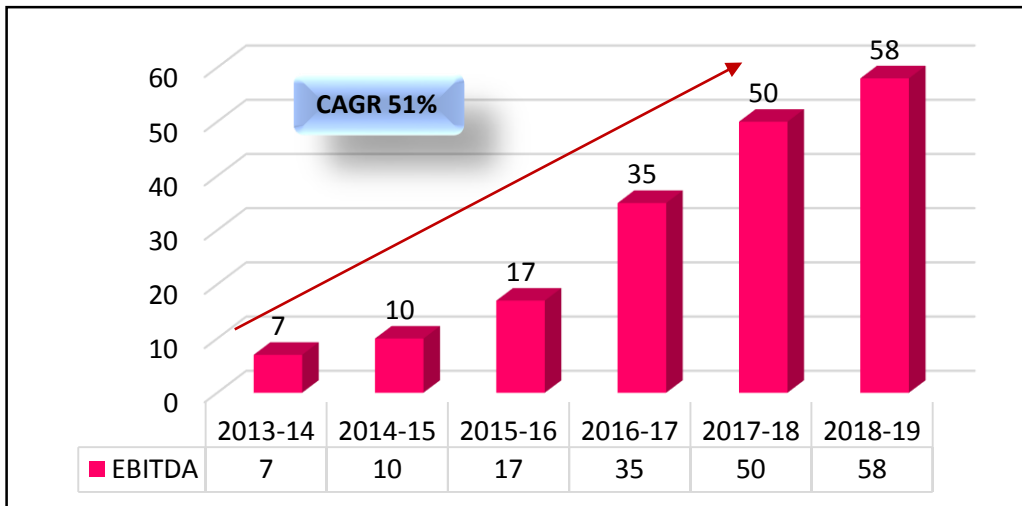
Net Worth
Rs.122 Crs

Debit
Equity 0.8

PAT After MI



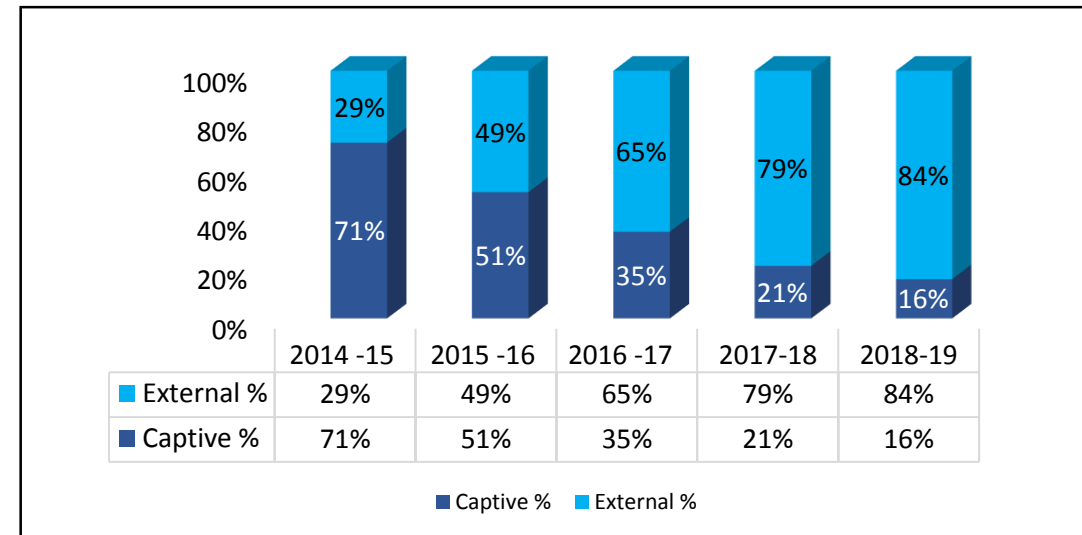
EBITDA



ROCE
29%

ROE
29%

CAPTIVE VS THIRD PARTY CLIENTELE



High Adversity Quotient

Chennai 'Vardah' challenge



- Dec 12th, 2016 – Vardah Cyclone hit Chennai
- Warehouse collapsed
- Recovered Rs. 400 Cr of inventory
- Business Continuity established in 10 days

Jaipur Warehouse Challenge

- Warehouse hypothecated to a bank by Landlord
- Due to non-payment banker sealed the warehouse
- Material shifted to new warehouse in 72 hours after taking bank approval

Kolkatta ADC Labour Union Strike

- Unreasonable demand – Workers went on a strike
- Manage to resume work within half a day

Mumbai Warehouse issue

- Court locked the premises as the stocks were handled by an agency who had defaulted the payment
- Approached Mumbai HC through attorneys
- Materials were released within 72 hours

Our Competitive Advantage

Expertise

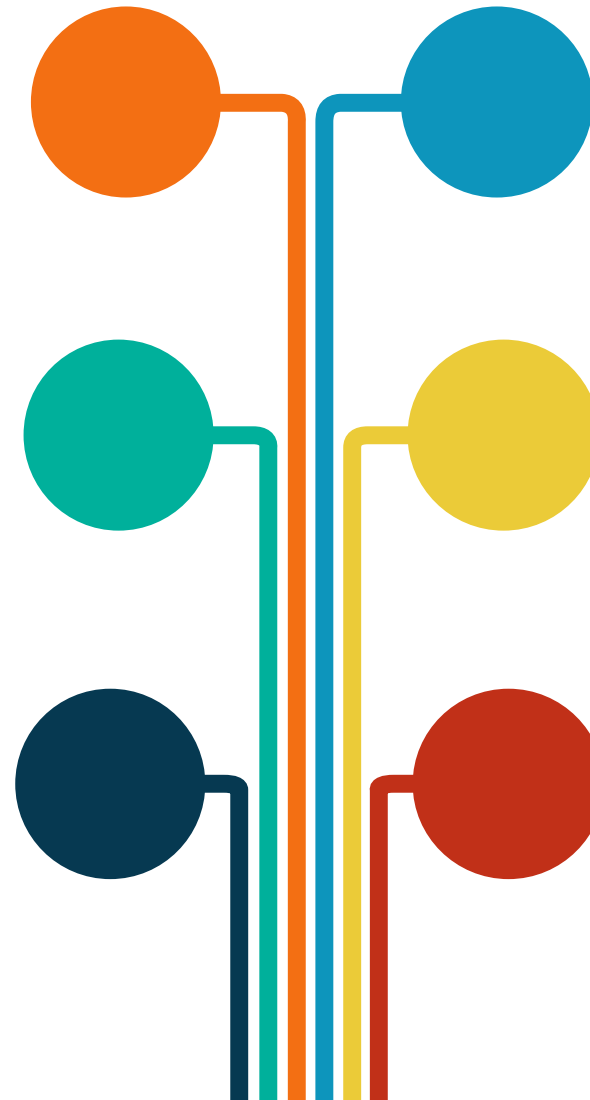
Ability to leverage 20+ years of Logistics experience

Tech Enabled

Tech enabled service offerings as a serious differentiator

PAN India presence

PAN India presence leading to faster delivery with cost efficiency



Niche verticals

Expertise in Mission Critical service deliveries

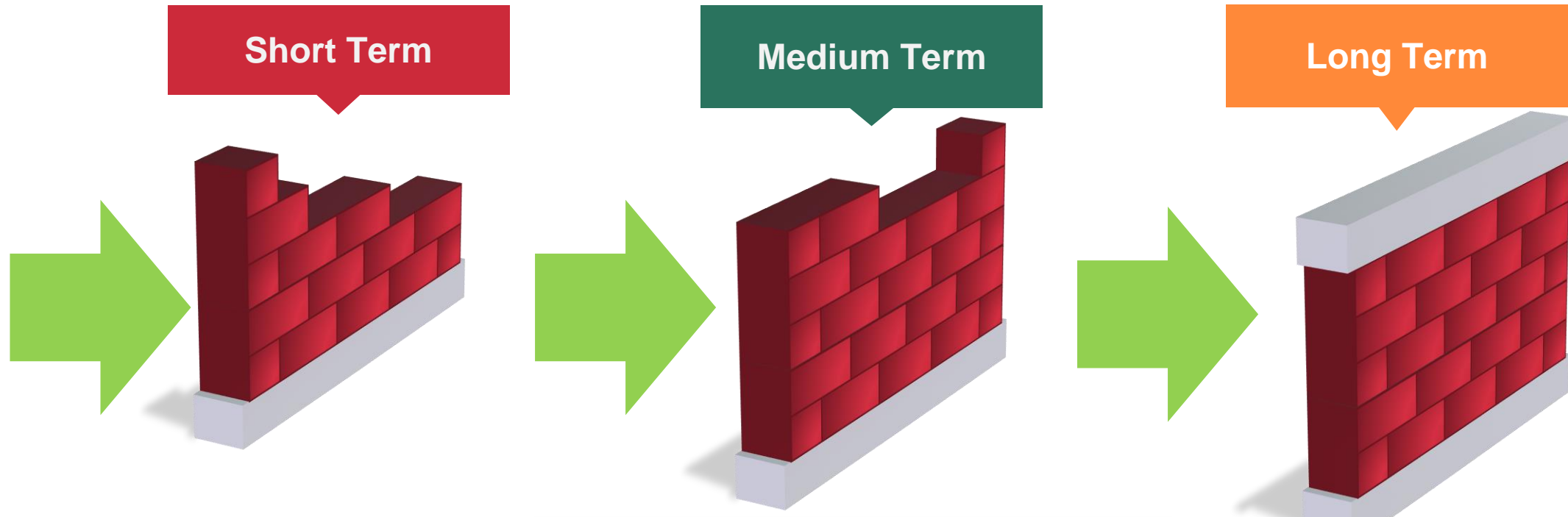
Adherence to SLAs

Strong SLA commitments

People

Experienced and domain experts

Way Forward



Short Term

Medium Term

Long Term

- Achieve Customer SLA of 98%
- Customer Satisfaction & Retention @100%
- “Powering the customer” through E2E Software implementation

- Focused M&A strategy – Tech based, Specific capability, Niche vertical
- Operate in focused verticals
 - IT & Telecom, Electrical & Electronics, MCS & High value, Pharma & FMCG

- A preferred specialized logistics service provider
- Great place to work amongst top 10 Logistics service providers in India
- Unlocking value for share holders

Our commitment

ANALYST MEET **2017** COMMITMENT



ANALYST MEET **2019** COMMITMENT



Investor & Analyst Meet 2019

Middle East & Africa (MEA) presentation

Middle East & Africa
Journey so far...

OUR PRESENCE



27+ countries addressed
19+ years regional presence

- | | | | | | | | | |
|---------|---------------|----------|---------|------------|---------|--------------|--------------|---------|
| ALGERIA | BOTSWANA | ETHIOPIA | KENYA | LIBYA | NAMIBIA | QATAR | SENEGAL | TUNISIA |
| ZAMBIA | COTE D'IVOIRE | GHANA | KUWAIT | MOROCCO | NIGERIA | RWANDA | SOUTH AFRICA | UAE |
| BAHRAIN | EGYPT | JORDAN | LEBANON | MOZAMBIQUE | OMAN | SAUDI ARABIA | TANZANIA | UGANDA |

MIDDLE EAST AND AFRICA - OPERATING IN ADVERSITY

arab spring

multiple currencies

credit risk

economic slowdown

income disparity

geo-political risk

nationalization

religious sensitivity

war

MIDDLE EAST & AFRICA - OPPORTUNITY IN ADVERSITY

USD 47.9 billion

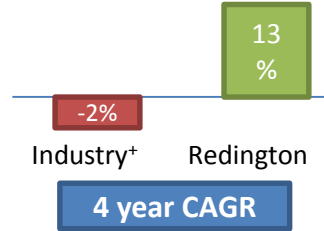
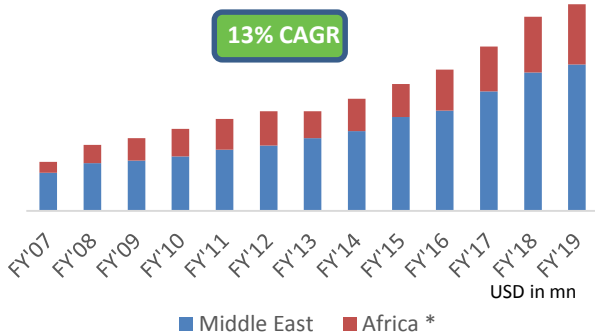
Technology opportunity

currency fluctuation credit risk economic slowdown income disparity war

arab spring geo-political risk nationalization religious sensitivity

MIDDLE EAST & AFRICA – REDINGTON GROWTH

No. 1 Technology Distributor for 14 consecutive years*



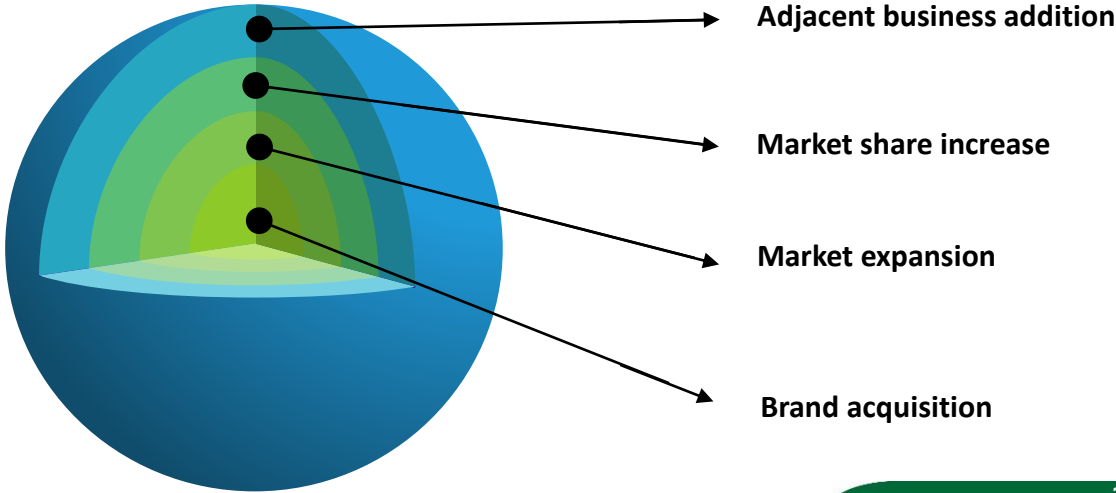
+ IDC Middle East and Africa IT Spending, Devices and Software 2018

* Distributor Power List by Channel Middle East

currency fluctuation credit risk economic slowdown income disparity war

arab spring geo-political risk nationalization religious sensitivity

MIDDLE EAST & AFRICA - CORE FACTORS FOR GROWTH



MIDDLE EAST & AFRICA - PRESENCE FY'07 VS FY'19

16 132
Brands



10 27
Markets



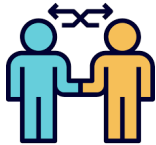
10 45
Entities



7 30
Warehouses



984 7797
Partners



16 41
Service Centers



210 1696
Employees



Center of Excellence



MIDDLE EAST & AFRICA - PEOPLE

Stable Leadership

13+

Avg years
of
experience

Multi-cultural Team

36

Nationalities



1,696
Employees

**Great
Place
To
Work®**

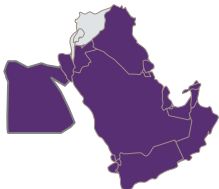
in UAE for CY 2016, 2017

MIDDLE EAST & AFRICA - REDINGTON DIFFERENTIATORS



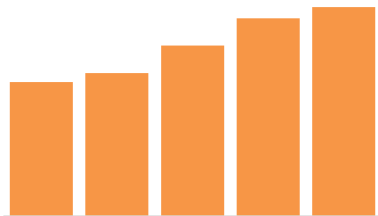
MIDDLE EAST & AFRICA – REGIONAL GROWTH

MIDDLE EAST



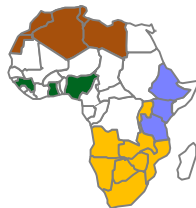
CAGR : 12%

9 Markets



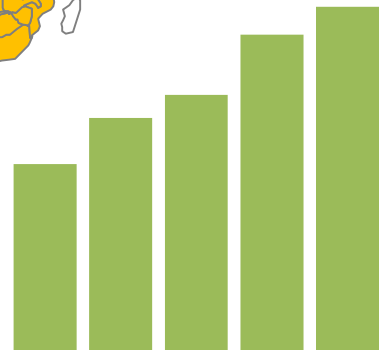
FY '15 FY '16 FY '17 FY '18 FY '19

AFRICA



CAGR : 16%

18 Markets



FY '15 FY '16 FY '17 FY '18 FY '19

MARKET SHARE



DELL Technologies

Lenovo

SAMSUNG

UAE



2



KSA



3

Nigeria



2



Kenya



2

Qatar



2



2

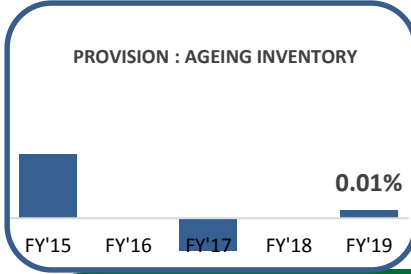
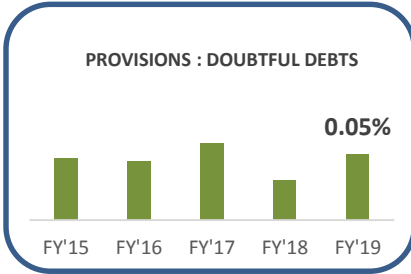
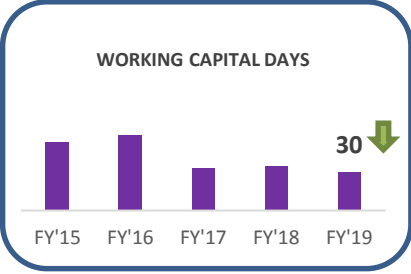
Senegal



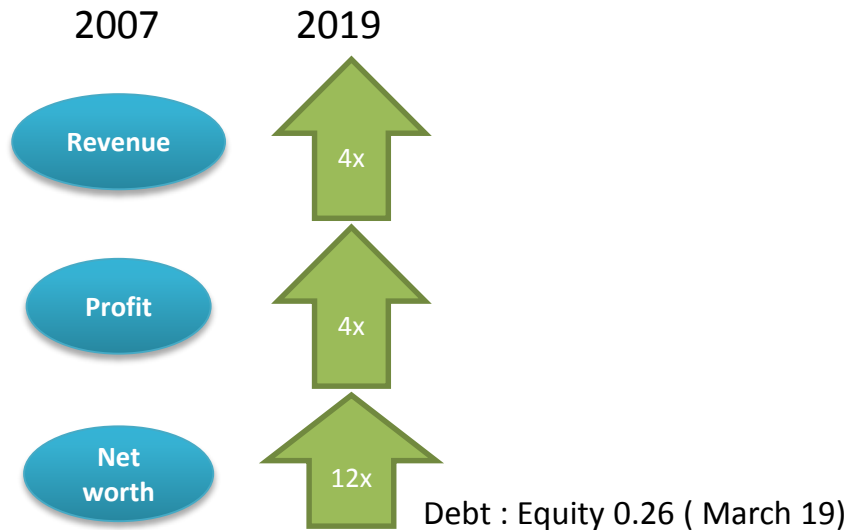
MIDDLE EAST & AFRICA – CAPITAL & RISK MANAGEMENT



Capital Deployment is a function of risk adjusted reward

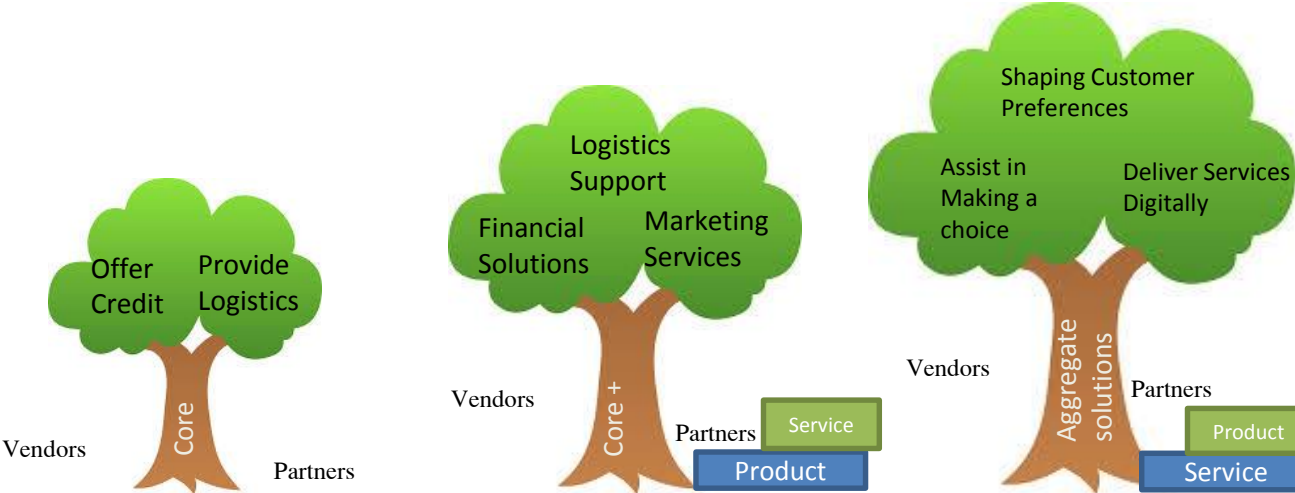


MIDDLE EAST & AFRICA – REDINGTON GROWTH



Way Forward

MIDDLE EAST AND AFRICA – VALUE CREATION MODEL



MIDDLE EAST & AFRICA - INITIATIVES



Van Sales



Automation

MIDDLE EAST & AFRICA - OPPORTUNITY



USD 56.3 billion

Technology opportunity by 2022

REDINGTON PLANS

Double
Revenues
in 6 years

Double
Earnings*
in 5 years

*Focus on Services

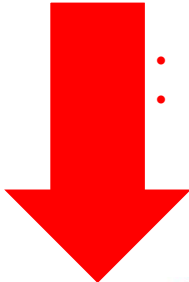
Investor & Analyst Meet 2019

Arena (Turkey) Presentation

TURKEY - OPPORTUNITIES & RISKS



- **Population: 80 Mn**
- **GDP: 800 Bn**
- **Customs Union with EU**
- **Democratic System**

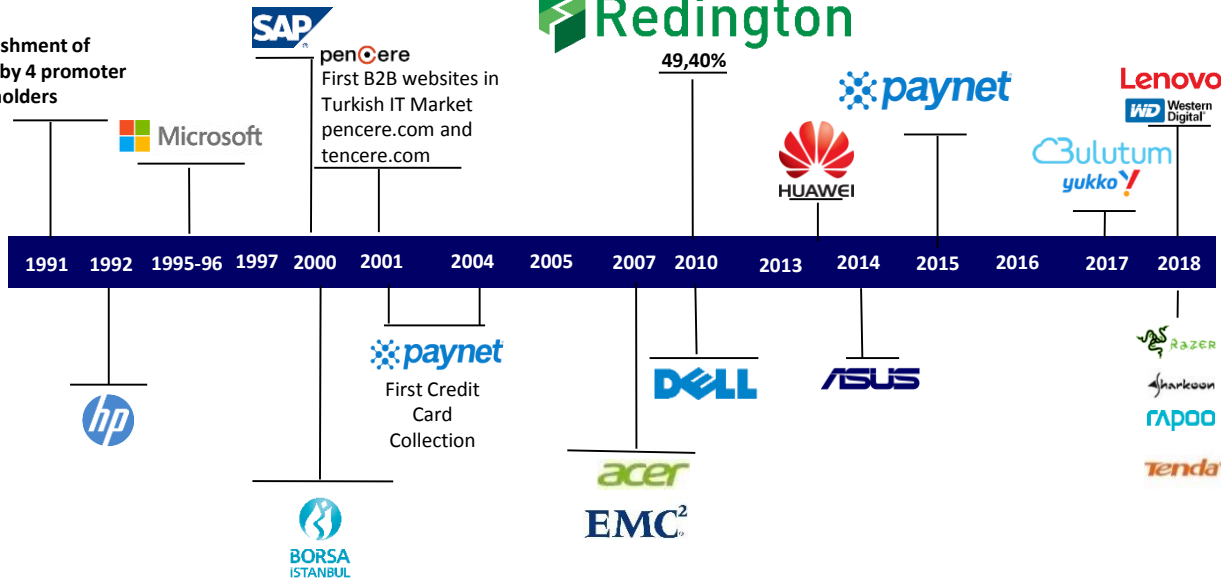


- **Political Risks**
- **Fragile Economy**

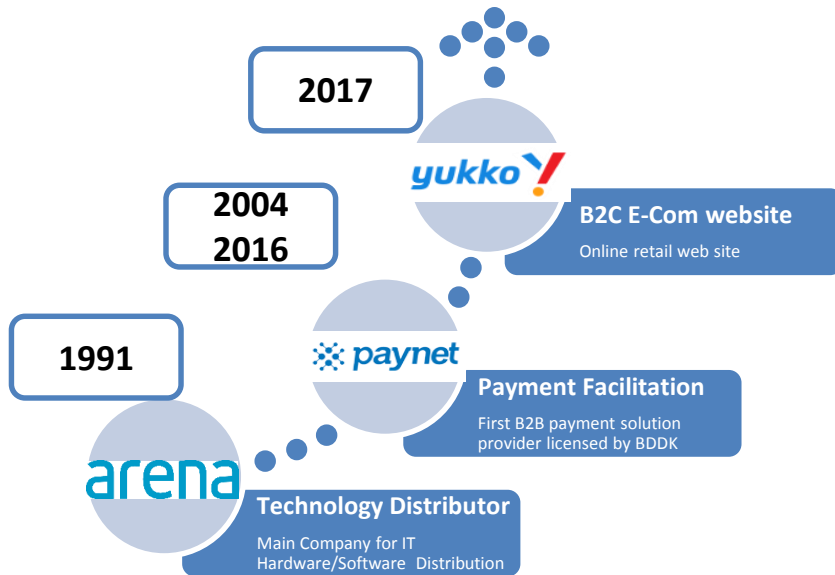
KEY MILESTONES



Establishment of
Arena by 4 promoter
shareholders



LINES OF BUSINESS



ARENA AT A GLANCE



35+
Brands



10K sqm
Warehouses



2,200+

Channel Partners



\$200 mio

Bank Line



3

Sales Offices



450K

Transactions



20%

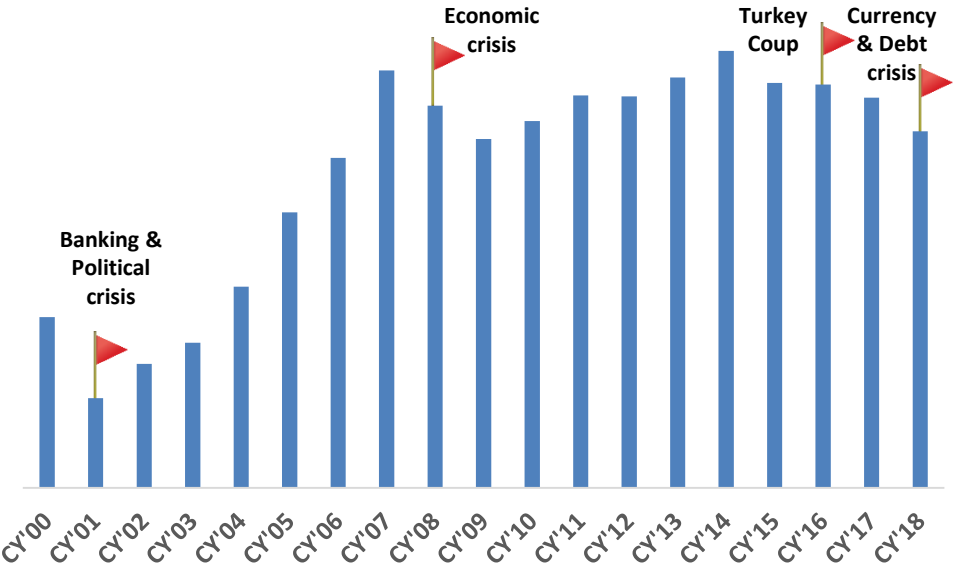
Market share



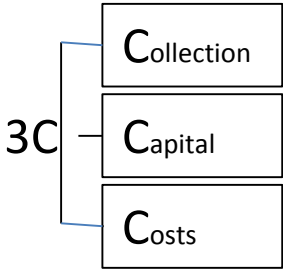
290+

Employees

A HISTORY OF CRISIS MANAGEMENT



Survival Strategy



OUR ASSOCIATIOS



OUR VALUE PROPOSITION

Unique secure payment system to enable the vendor and distributor to reach to end users directly



Financial Solutions

GTM

Offline : Focus partner programs
Online: B2B portal
penCere

Channel development activities & Technical & pre sales support

Market Development

Logistics

24 hours delivery
48 hours for upcountry locations

OUR ACHIEVEMENTS



DELLEMC

DISTRIBUTOR OF THE YEAR



THE MOST COMMON CHANNEL NETWORK
DISTRIBUTION NETWORK

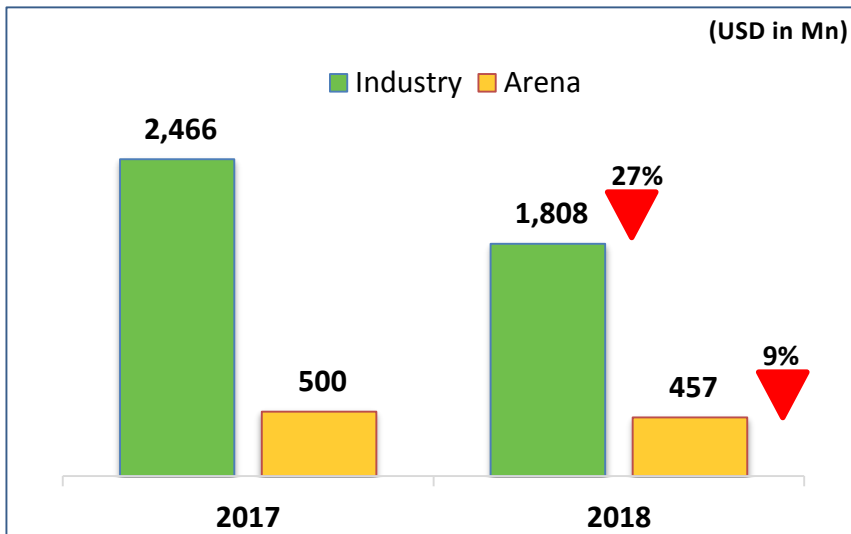


THE BEST SALES PERFORMING
DISTRIBUTOR



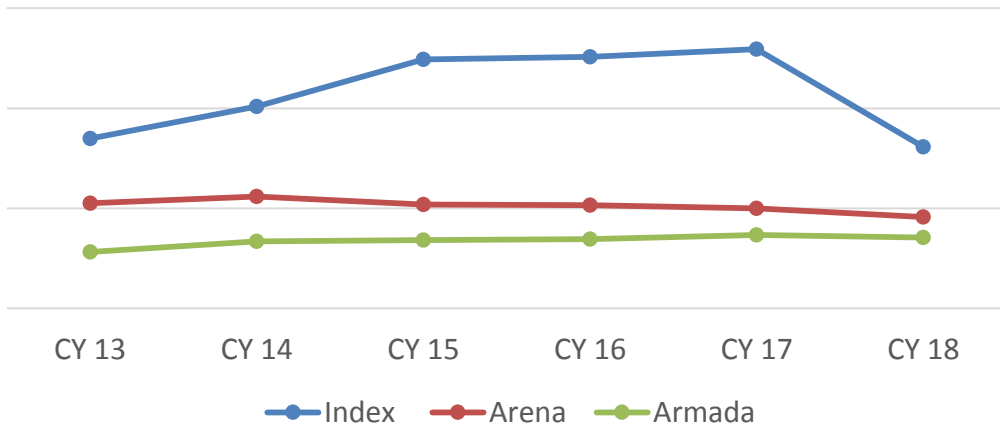
DISTRIBUTOR OF THE YEAR

INDUSTRY VS ARENA



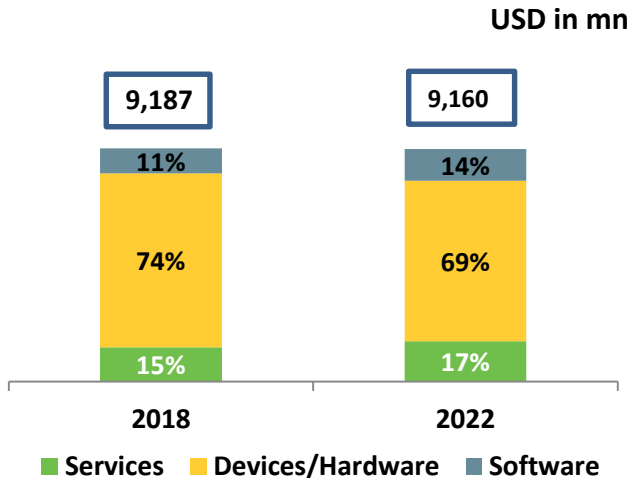
Arena de-grew much less than Industry

REVENUE: ARENA VS COMPETITON



No.2
Distributor

TURKEY: IT MARKET PROJECTIONS

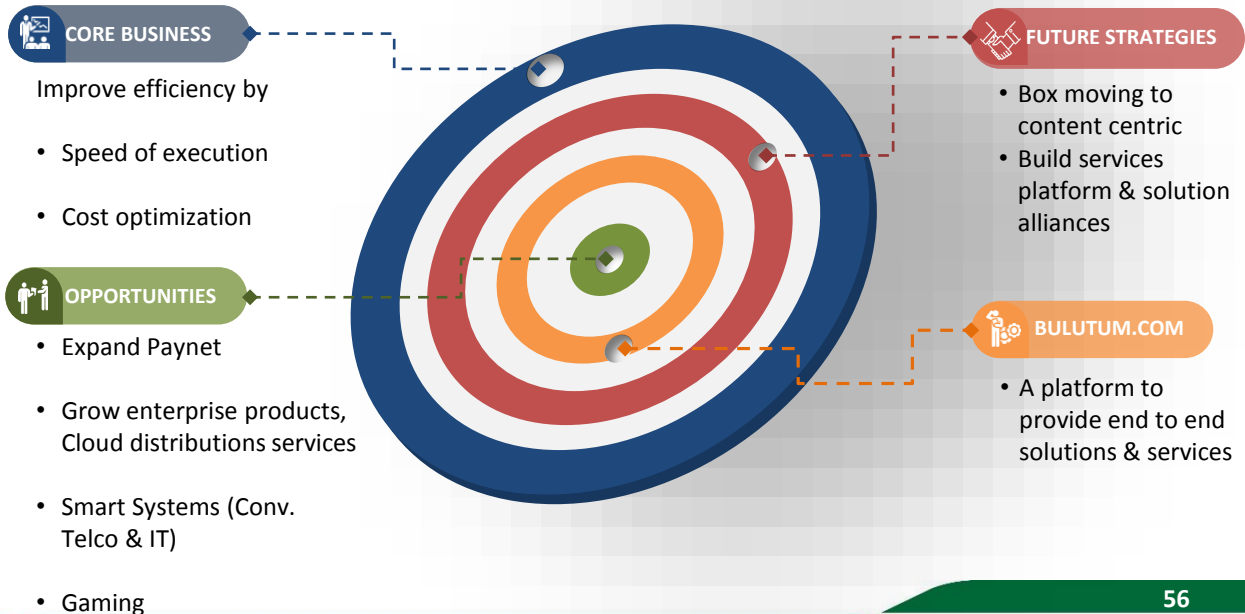


Opportunity to grow market share & focus on services

*All HW Categories Inc.

* Source: IDC

WAY FORWARD



Investor & Analyst Meet 2019

Singapore & South Asia (SSA) Presentation

OVERVIEW OF SSA OPERATIONS

RDPL – 100% subsidiary of
Redington India Ltd

Operations since 2005

Catering to India customers
availing import duty benefit



42+
Brands



4
Warehouses



690+
Channel Partners



780+
Customers



6
Sales Offices



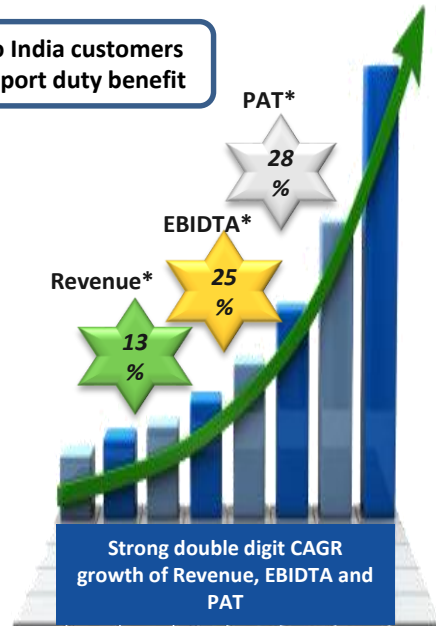
1
Service Centers



6
Markets



92
Employees



*Since listing

SSA BUSINESS MODEL



INDIA



BANGLADESH & NEPAL



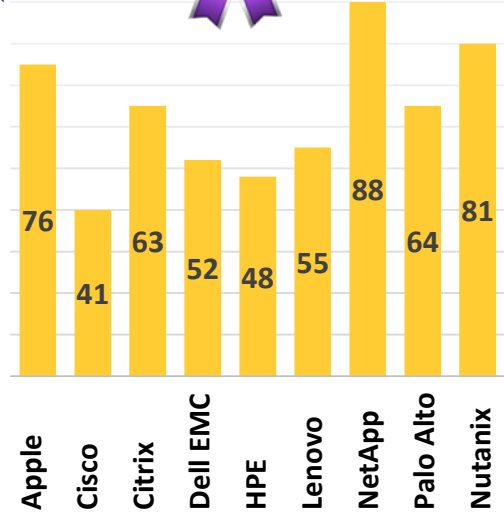
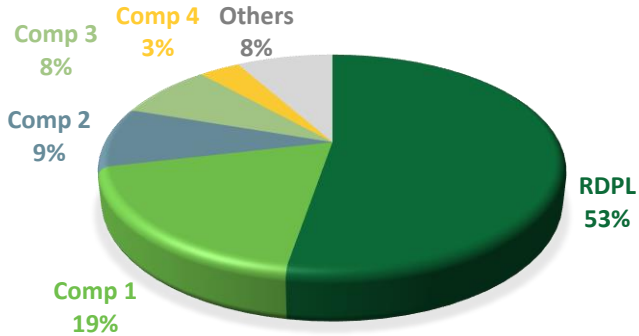
SRILANKA & MALDIVES

- Bill to end Customers
- Bill to Partners

- Bill to Partners

- Local Billing to Partners
- Bill to Partners from Singapore

PERFORMANCE BY MARKET SHARE



DISRUPTIONS EXPERIENCED

Post GST, tax
arbitrage
advantage
reduced

Rupee
depreciation
made import
more expensive

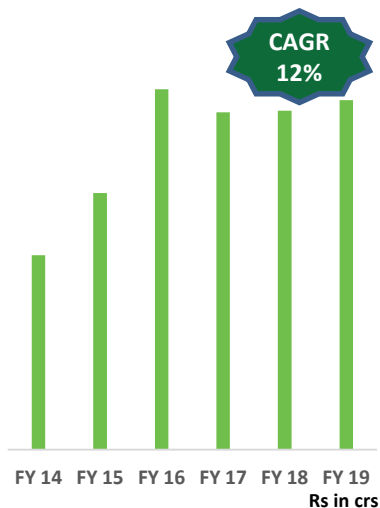
Interest rate
difference
between USD
& INR
narrowed

Competition
intensity
increased

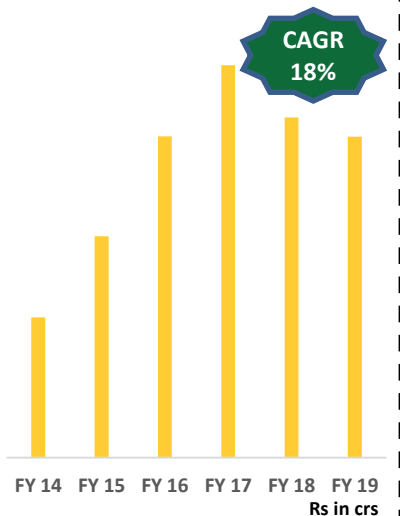
Vendors prefer
in-country billing
model

FINANCIAL PERFORMANCE

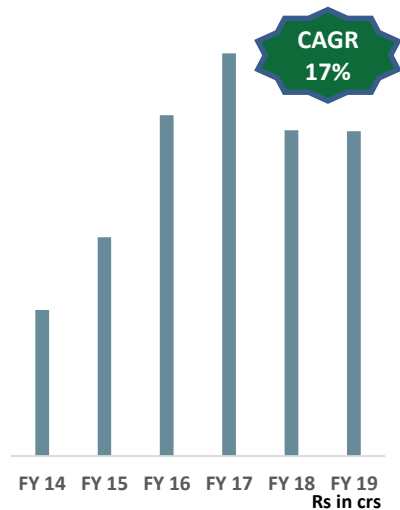
REVENUE



EBITDA



PAT



WAY FORWARD

Implement Partner enablement and Training for VAD

- Partner enablement/ training program
- Develop partner eco system and partner collaboration

Expand presence in tier II cities in India

- Ahmedabad
- Surat
- Cochin
- Trivandrum

Expand in-country business in Sri Lanka

- Increase SOW in current brands
- New brands signup
- Focus on mid market

Participate in growth opportunity in Bangladesh

- Focus on Govt. & BFSI projects
- New brands signup

Investor & Analyst Meet 2019

MD presentation

ANALYST MEET 2017 TAKEAWAYS

• Services business to contribute to 20% of PAT by 2020



India Services : FY18 -20%, FY19 – 28%

• Positive free cash flow generation



FCF in FY19 : Rs.732 crores

• Foray into new Emerging businesses – to drive profitable growth



“Re-think” – Changed environment

• Monetization of assets to deliver “higher” shareholders’ value



Work in progress

• To be a digitalized company in the next 3 years



SAP in India
Digital Platform by FY20

25 YEARS OF REDINGTON



25 YEARS OF CREATING VALUE



25 YEARS OF CREATING VALUE



Explore

Evolve

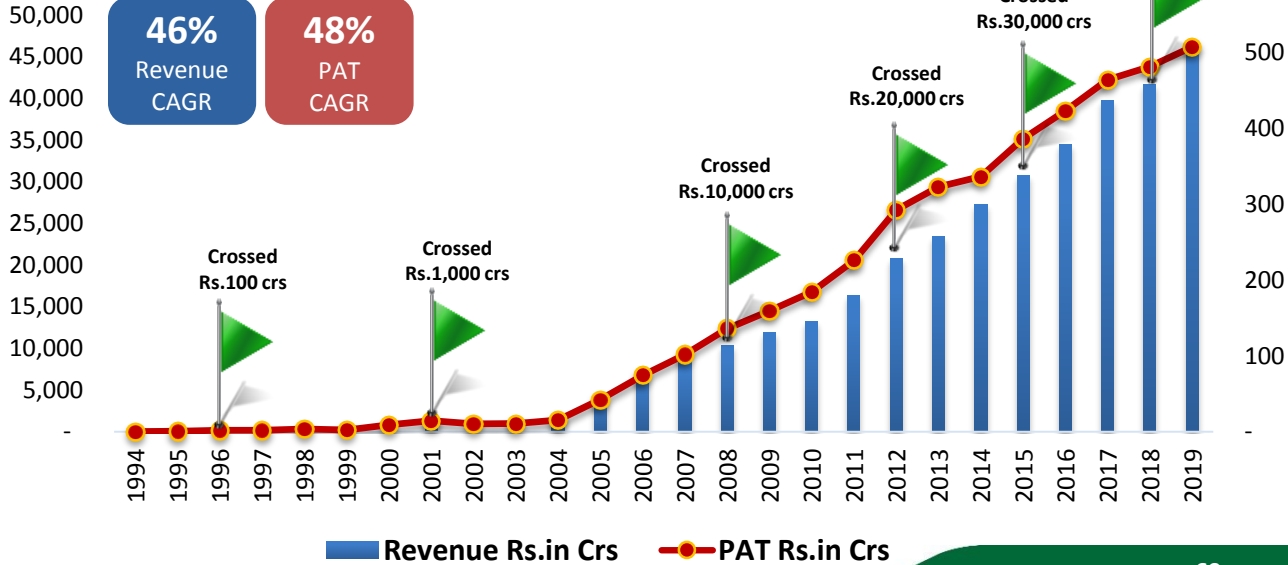
Innovate

25 YEARS OF DELIVERING VALUE



46%
Revenue
CAGR

48%
PAT
CAGR



COMPLEX BUSINESS SIMPLIFIED



15%*
Revenue
CAGR

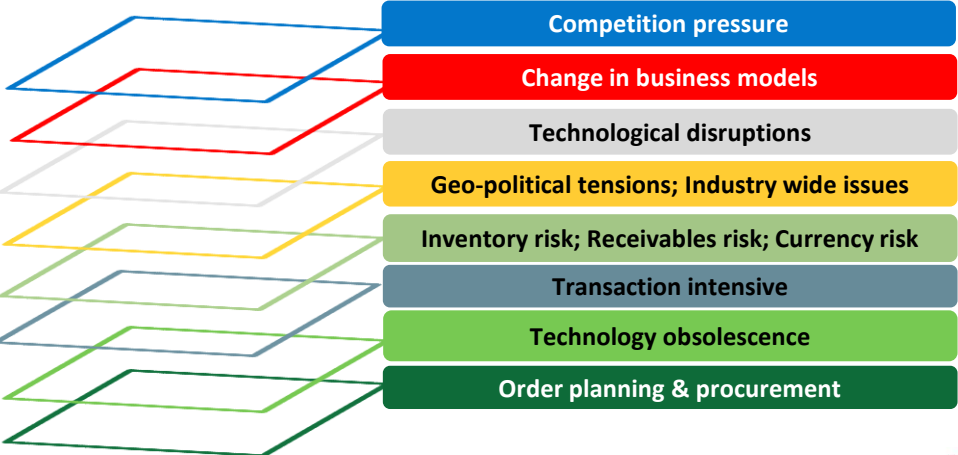
14%*
EBITDA
CAGR

14%*
PAT
CAGR

No.1
In MEA

No.2
In India

Redington growth
> Industry growth



220+ Brands	39,800+ Partners
37 Markets	45,000 SKUs

*Risk Adjusted
Margins*

*Since listing

FY19 PERFORMANCE

Revenue growth



12% YoY

EBITDA growth



12% YoY

PAT growth



5% YoY (Ex-Impairment 15% YoY)

Free cash flow



Rs.732 crs

WC days



37 days or 9.9 turns

Provisions



Bad debts: 0.14%; Inventory:0.12%

ROCE/ROE



ROCE: 16.5%; ROE: 13.7%

Net Debt to Equity



0.1

PROFESSIONALLY MANAGED...



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

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



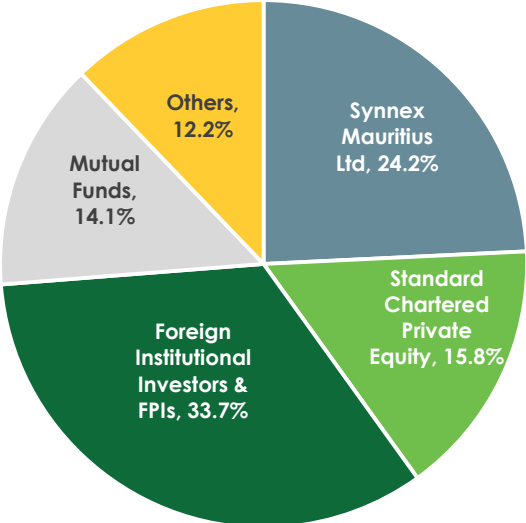
Chen, Yi-Ju
Senior Manager –
Finance Planning &
Management
Synnex Tech, Taiwan



Udai Dhawan
Managing Director,
Standard Chartered
Private Equity, India

Non-Executive Directors

MARQUEE INVESTOR BASE



HDFC Mutual Fund



Fidelity Management & Research (FMR)



Franklin Templeton Investments



ICICIPru Life Insurance



Fidelity International



Dimensional Fund Advisors



Norges Bank

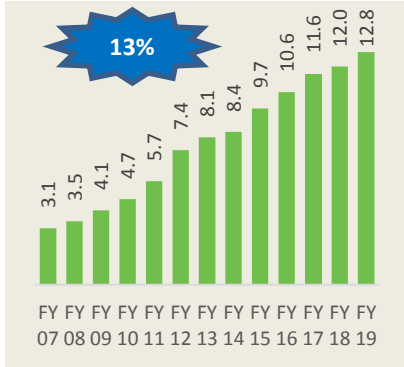


BlackRock Inc

RETURNS TO SHAREHOLDERS

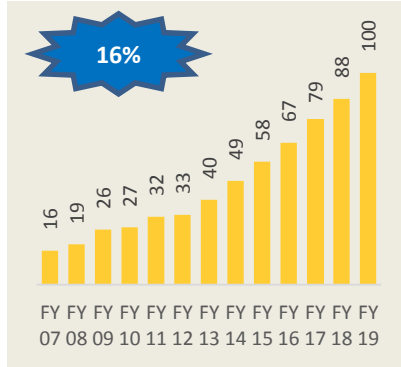
EPS

In ₹

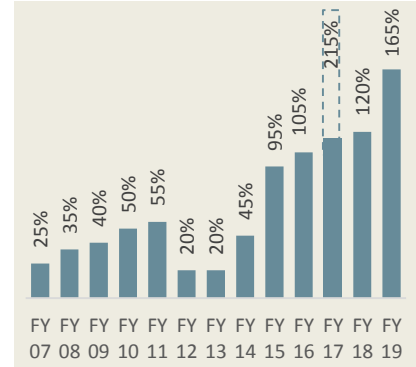


BOOK VALUE/SHARE

In ₹



DIVIDEND



RETURNS TO SHAREHOLDERS



ADVANTAGE REDINGTON



Net Debt to Equity

1

2

4

3

5 yr Avg ROE

1

4

2

3

5 yr Avg ROCE

1

3

4

2

5 yr Avg WC days

3

2

4

1

5 yr PAT CAGR

2

4

3

1

5 yr Gross Profit CAGR

1

4

3

2

5 yr Rev CAGR

1

3

4

2

Redington

Global Comp 1

Global Comp 2

Global Comp 3

TRENDS IN DISTRIBUTION LANDSCAPE



From
"Products" to
"Products +
Services"



Ability to
interpret &
utilize "Data"



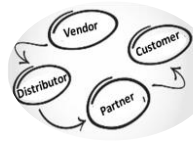
From "Supply
Chain" to "Supply
Network"



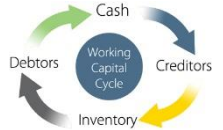
From "Own" to
"Collaborative" biz
models



From "Traditional
biz" to "Digital
Platform biz"



From "Working Capital
driven" to "Intellectual
Capital" driven



**Margin
Expansion**

ROCE Expansion

**Enhanced
Relevance**

KEY BUSINESS SEGMENTS DRIVING GROWTH

IT Enterprise



GROWTH DRIVERS

- Govt spends
- Corporate Capex
- Value for 'Solutioning'
- Cyber Security



INITIATIVES

- Project based approach
- Building Solutions Capabilities
- Investment into people

TARGETED OUTCOME

Margin expansion

Logistics



GROWTH DRIVERS

- Inherent Industry demand for 3PL
- Post GST streamlining



INITIATIVES

- M&A for scaling quickly
- Investments into people & tech

TARGETED OUTCOME

Revenue & Earnings growth

Cloud Services



GROWTH DRIVERS

- Cloud adoption picking up
- Leverage distribution relationships



INITIATIVES

- M&A for scaling quickly
- Investments into people & tech

TARGETED OUTCOME

Margin & ROCE expansion

Mobility



GROWTH DRIVERS

- Smartphone penetration levels
- Addition of brands

INITIATIVES

- Building Digital Platform for driving cost efficiencies

TARGETED OUTCOME

Margin & ROCE expansion

ANALYST MEET 2019 TAKEAWAYS



•Continue to grow faster than the industry



•Quality of Earnings to improve – Earnings growth faster than Revenue growth



•Services to contribute ~20% of PAT by 2022



•Strategic acquisitions to propel growth



•ROCE to improve by ~3% by 2022



•To become fully digitalized company by 2022



THANK YOU

