



Corporate Presentation

Sept 2020

*An 'Emerging Markets Multinational'
with a multi-faceted approach of*



DISTRIBUTION

SERVICES



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



Distribution of IT Consumer, IT Enterprise, & Mobility products



Expanding the reach & coverage for over 230+ brands through 38,230+ partners



\$7.3bn+ company with strong double digit 13 year CAGR (Revenue, EBITDA & PAT)



Third Party Logistics Services through ProConnect



Support Services through Ensure



An Emerging Markets player with in-country presence



Our Mission and Values

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



ADAPTABILITY



COLLABORATION



KNOW-HOW



OBJECTIVITY



SIMPLICITY



TRUST



TRANSPARENCY



Our Transformation



From a "Broadline Distributor" to a "Value Added Distributor" to a "Services & Solutions Company"



IT CONSUMER

1993-2002 : The Emergence

IT CONSUMER + IT ENTERPRISE + MOBILITY

2003-2011 : The Proliferation

IT + MOBILITY + LOGISTICS

2012-2020 : The Expansion

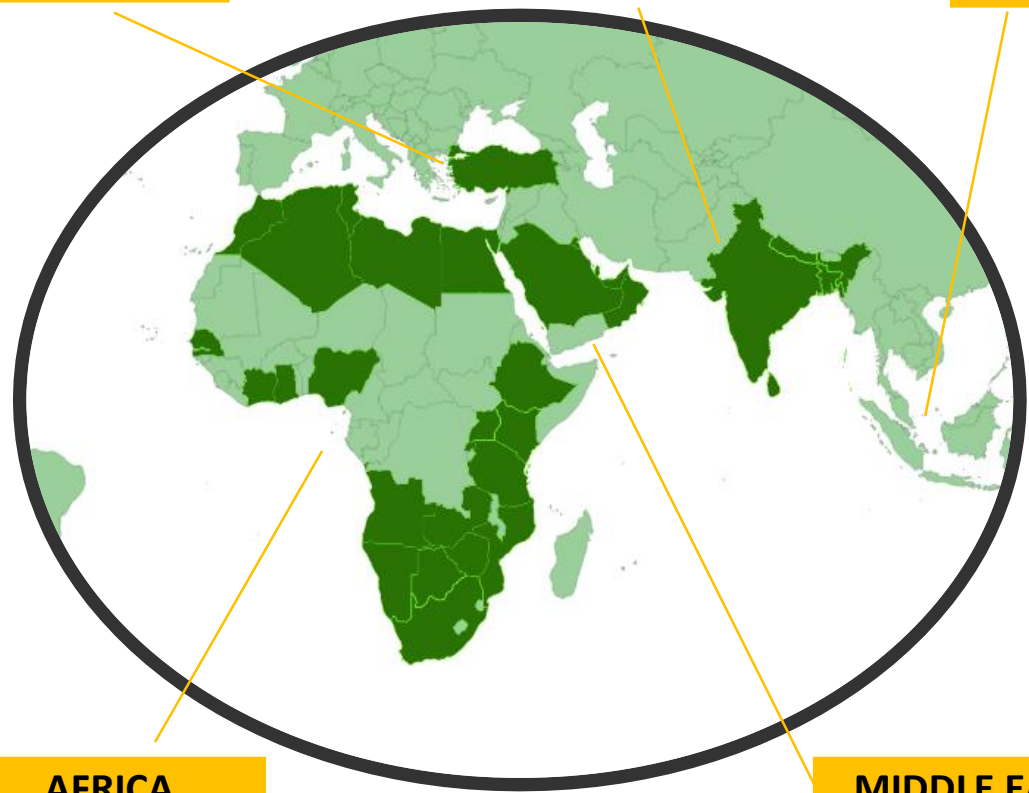
Our Presence



TURKEY
1 market

INDIA
1 market

SSA
5 markets

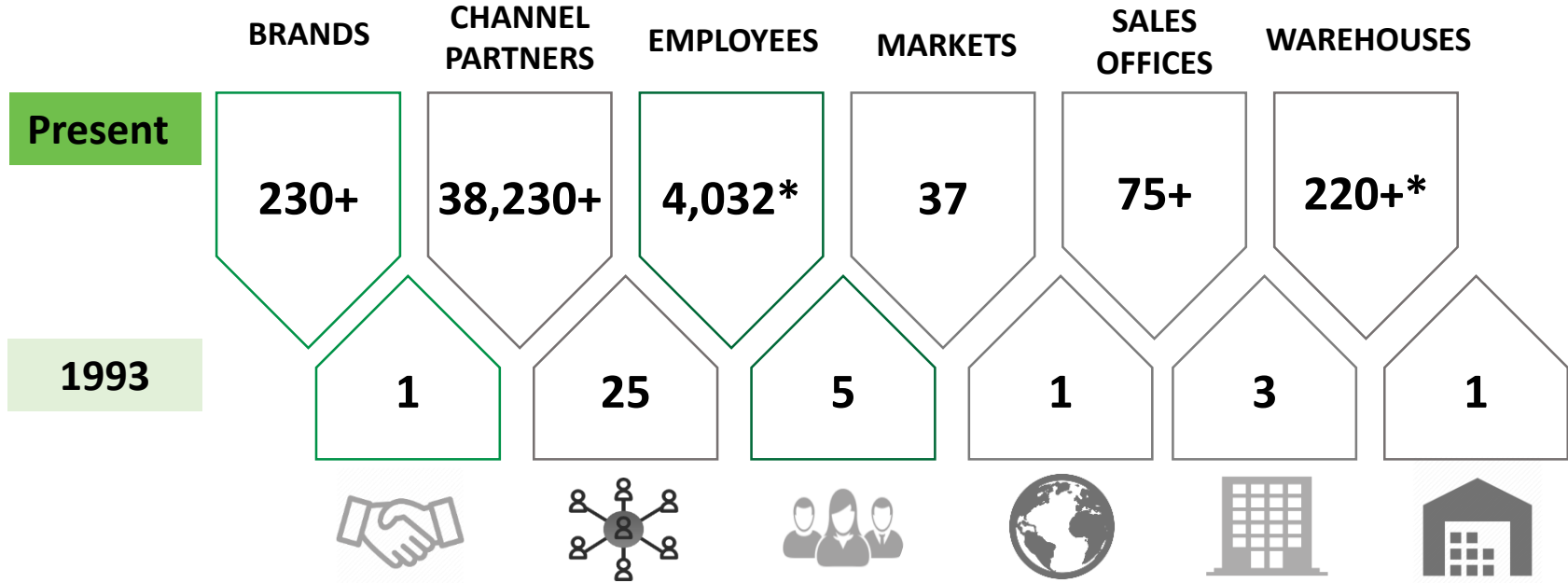


AFRICA
22 markets

MIDDLE EAST
8 markets

- Enviably "In country" presence in 37 markets*
- No.1 or No.2 position across all markets*
- "High potential" markets*
- Presence across product categories*
- Portfolio of Marquee brands*

Our Expansion



*Figures does not contain the details of Ensure India which has been divested in Jul'20

Our Board Of Directors

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

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 & Mgmt
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 of Staff



S V Krishnan
CFO & Whole
Time Director



Ramesh Natarajan
CEO, India
Distribution



J K Senapati,
COO, India
Distribution



Gautam Hukku,
President, Apple
& Mobility Group



R Venkatesh
President, Enterprise
Business Group



E H Kasturi Rangan
MD, ProConnect
Logistics, India



Dilip Sharma
COO, ProConnect
Logistics, India



Sriram Ganeshan
Director & Chief
Financial Officer,
MEA



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



Jeetendra Berry,
President,
IT Volume,
Middle East



Rawad Ayash,
President,
Mobility,
Middle East



Jim Mathew
President,
Mobility,
Africa



Sayantan Dev
President,
IT Value
Distribution

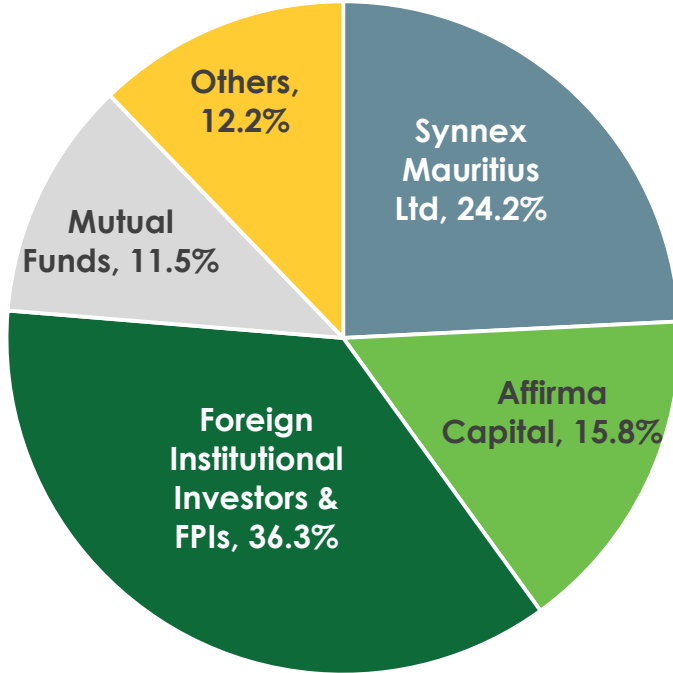


S Chidambaram
Sr. Vice President,
ProConnect
Logistics, MEA



Serkan Celik,
CEO, Arena,
Turkey

Our Shareholders



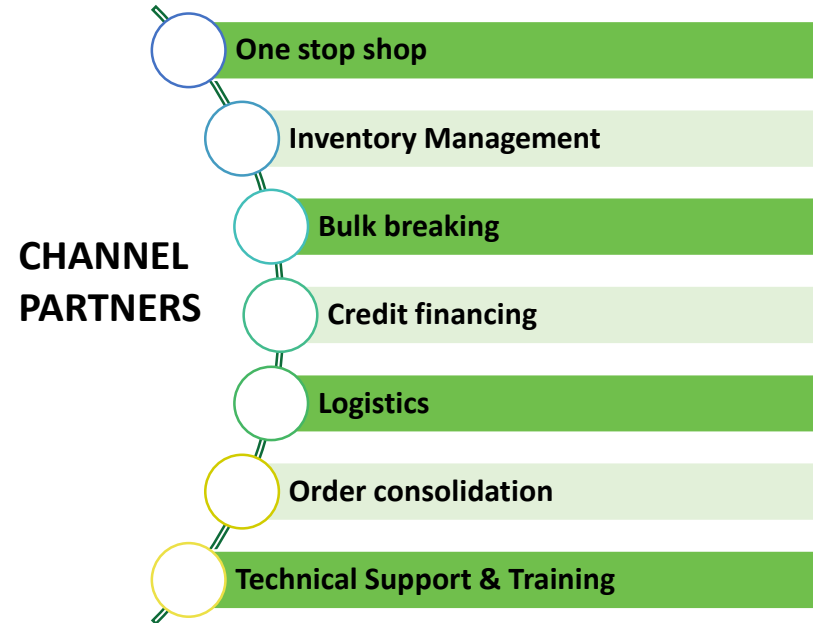
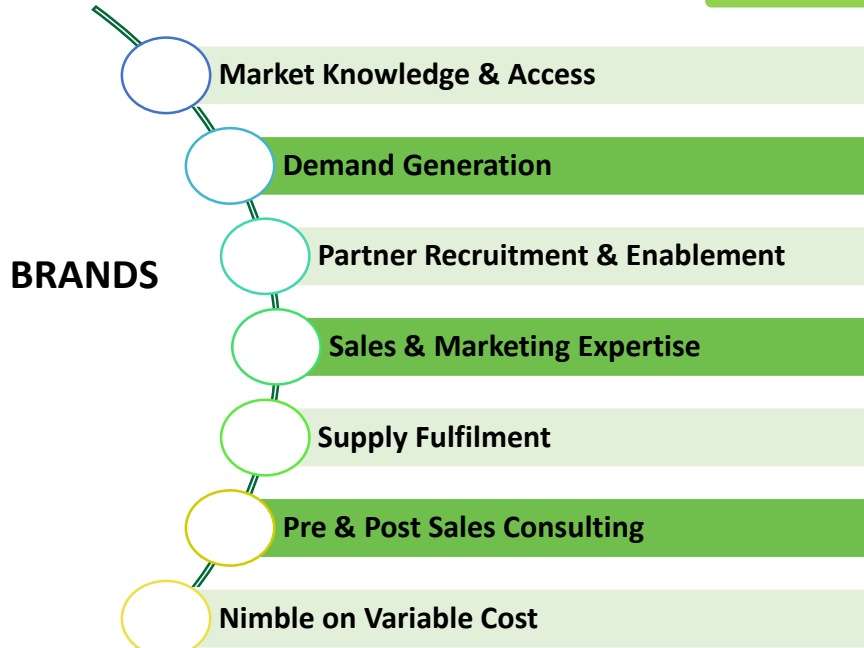
-  **HDFC Mutual Fund**
-  **Fidelity Management & Research (FMR)**
-  **ICICI Pru Life Insurance**
-  **Fidelity International**
-  **Franklin Templeton Investments**
-  **Acacia Partners (Ruane Cunniff & Goldfarb)**
-  **Massachusetts Institute Of Technology Investment Management Company**
-  **Dimensional Fund Advisors**

Business Overview










Distribution Business

Distribution Business Model



*Retailers include Retailers, Large Format Retailers (LFR), Multi Brand Retail, Brand Stores

Distribution Business

BUSINESS	INDIA	MIDDLE EAST	AFRICA	TURKEY	SINGAPORE	SOUTH ASIA	
DISTRIBUTION	 LINK PLUS®						

IT CONSUMER



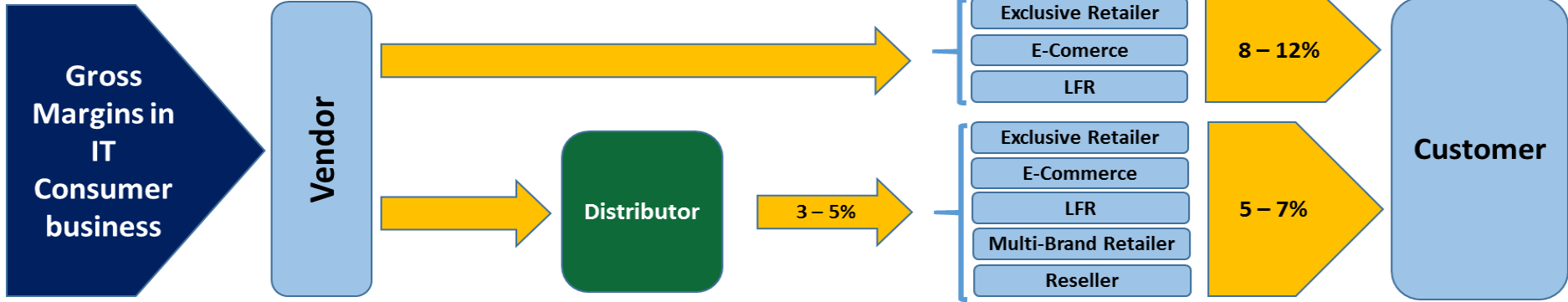
IT ENTERPRISE



MOBILITY



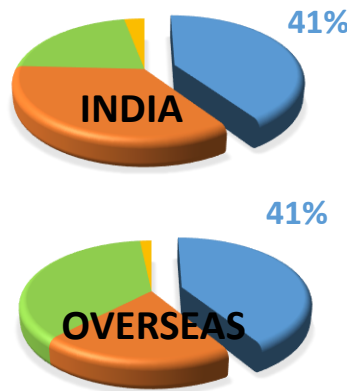
IT Consumer Business



PRODUCT CATEGORIES



IT CONSUMER'S CONTRIBUTION TO REVENUES*

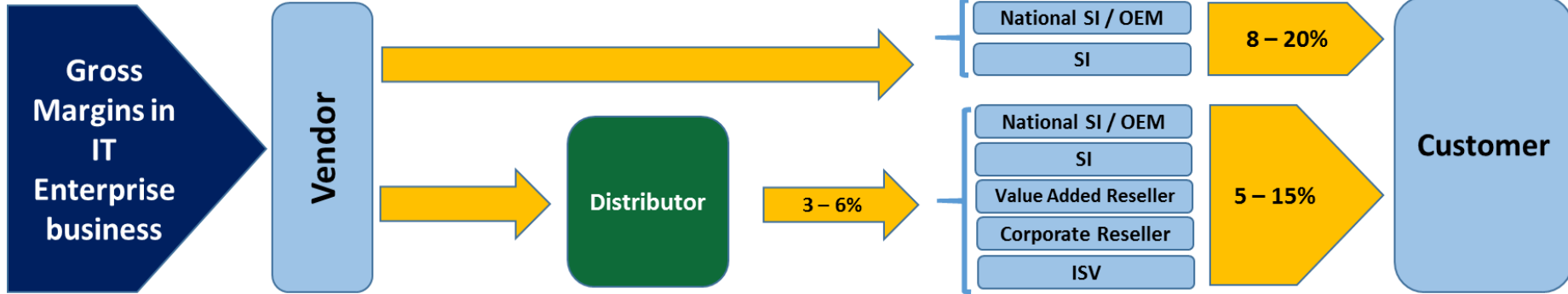


BRANDS#



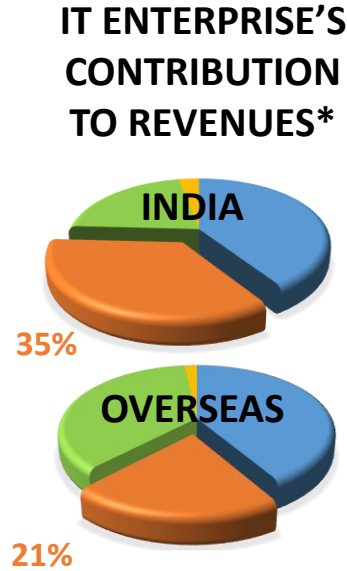
*Figures as on H1FY21
#Illustrative List

IT Enterprise Business



PRODUCT CATEGORIES

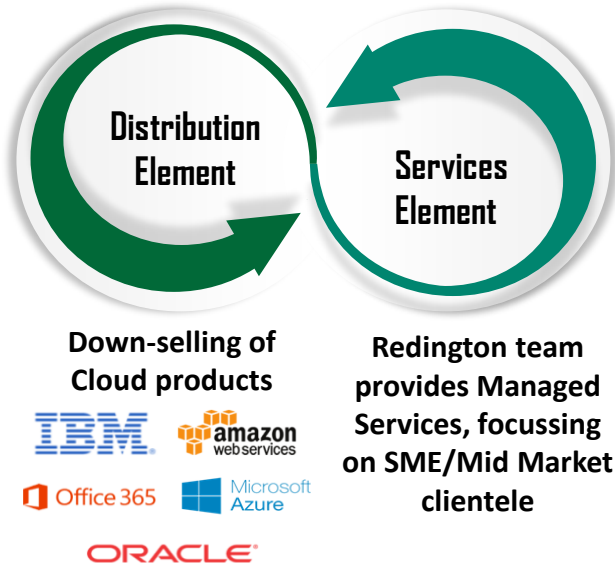
- Networking:** Routers, switches, and network cables.
- Software:** Computer monitors and keyboards.
- Cloud:** Cloud icon with server connections.
- Servers & Storage:** Server racks.
- Security:** Security padlock icon on a circuit board.
- Licensing & Subscription:** License icons.



BRANDS#

*Figures as on H1FY21
#Illustrative List

Our business



Our Major Competencies

Unified Digital Cloud Platform

Enabling channel partners to auto provision, consume, view consumption reports, subscription management and monthly billing of Cloud services

Investments in Manpower

Team Strength : 78

Cloud Solution Architects, Cloud Consultants, Cloud Engineers, Advanced Pre-sales, Field Sales, Digital Marketing

Redington Managed Cloud Solutions

End to end solutions including 24*7 support services, cloud monitoring, cloud management, reactive & proactive services

Redington Cloud Academy

Offering partner training and enablement services to help partners improve their value chain

6000+

Registered Partners

2500+

Customers

350+

Cloud Migrations

100+

Enterprise workloads



FEATURES OF REDINGTON CLOUD MANAGED SOLUTIONS



Assessment workshop

Redington and Partner works with Customer IT team to do assessment workshop and validate customer readiness for cloud



Architect

Findings from application/Infra details via assessment, cloud solution is proposed to customers considering security and optimized cost



Migrate

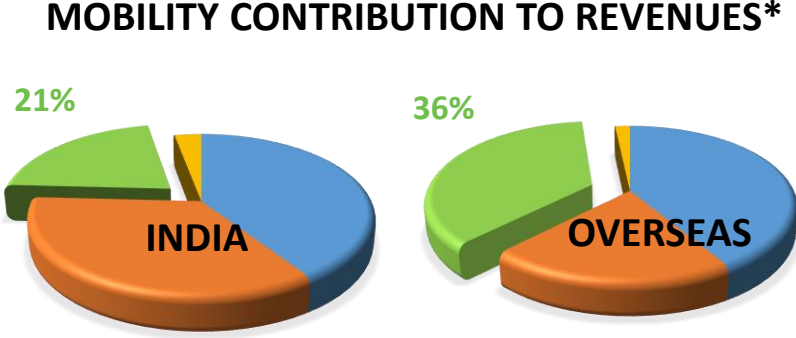
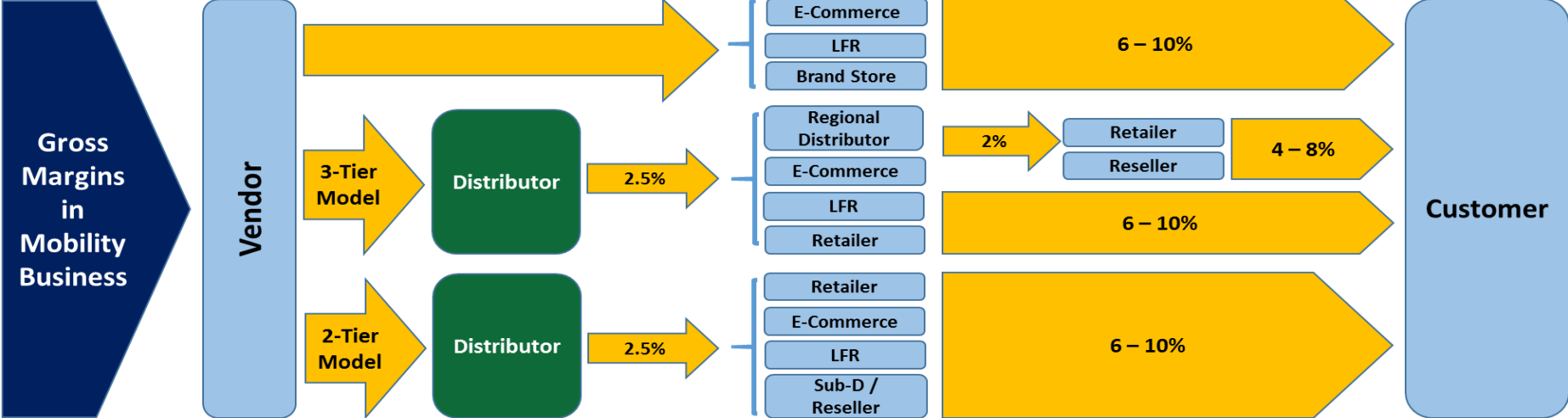
Step-by-Step processes of Migration in order of criticality and testing outcomes on Cloud



Manage

Continuous processes with proactive monitoring to ensure the infra is ALWAYS managed & optimized with respect to utilization and new needs

Mobility Business



*Figures as on H1FY21
#Illustrative List

Services Business

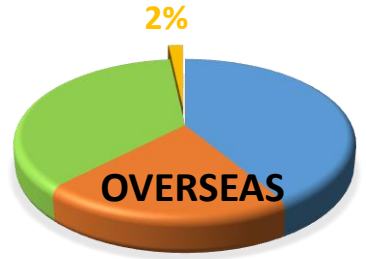
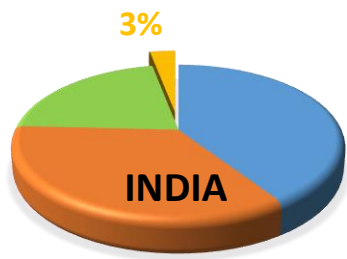
Services Business

		INDIA	MIDDLE EAST	AFRICA
Logistics	 <small>a Redington company</small>			
Support Services		Divested in Jul'20		



- Subsidiaries of Redington India Limited
- Third Party Logistics player offering
 - ✓ Warehousing;
 - ✓ Transportation;
 - ✓ Value added services

SERVICES CONTRIBUTION TO REVENUES*



*Figures as on H1FY21

ProConnect India



Wholly Owned Subsidiary of Redington



Integrated Third Party Logistics partner



PAN India presence



160+ Warehouses



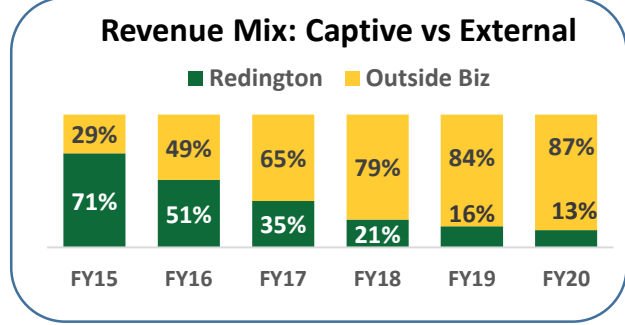
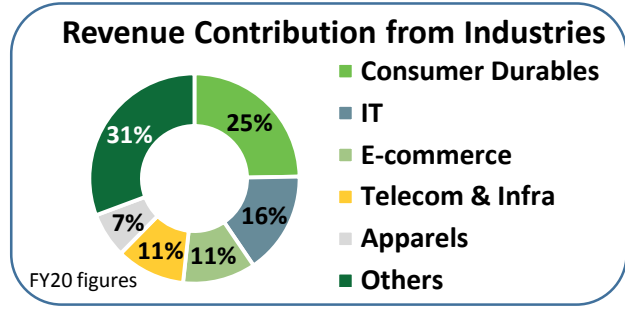
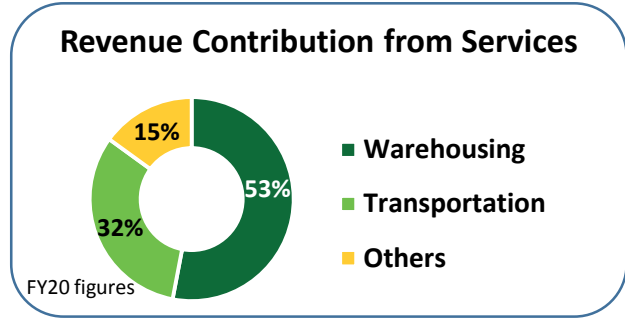
6.4 mn Sq.ft. in operation



20+ Customers across 12+ Industries



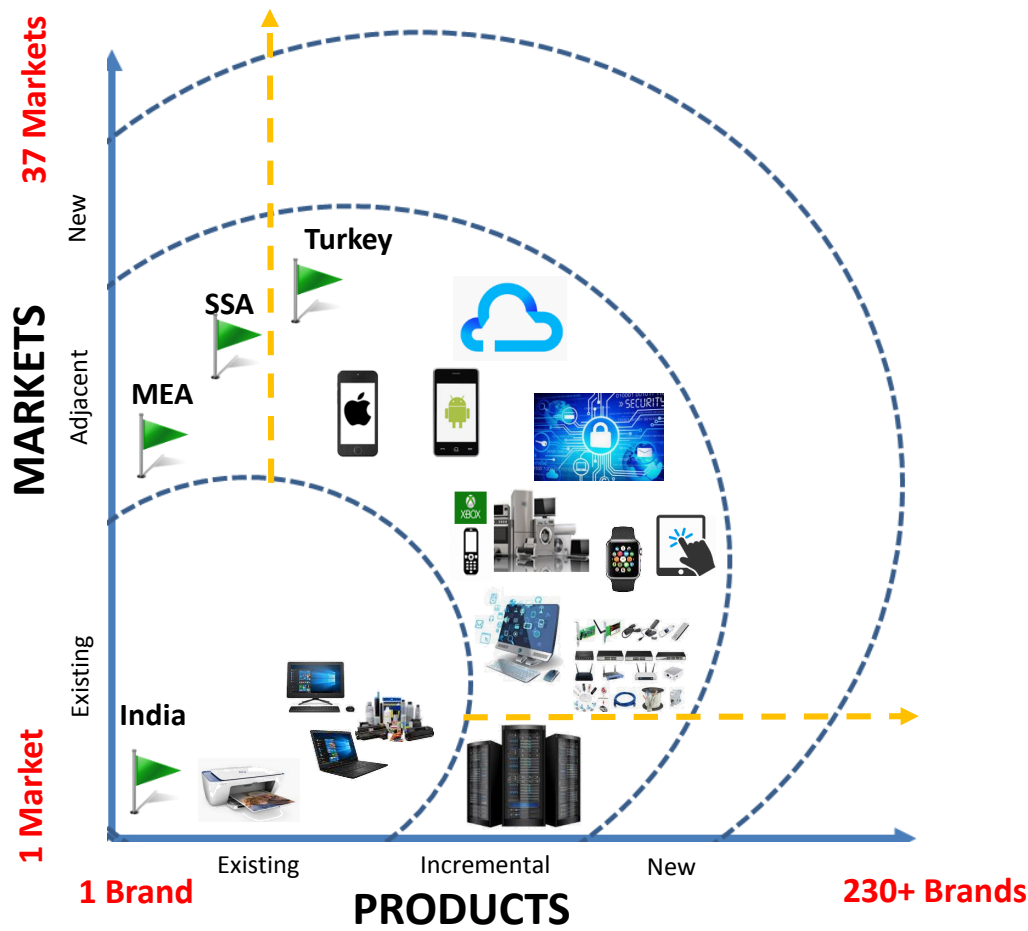
20,200+ Pincodes



Risk Management



De-risking Strategy By Diversification



Our rich product portfolio consists of *diversified Brands* and *diversified product categories under the same brand*

Presence in multiple markets ensures diversification of risk as well as ensuring Kaizen's continuous improvement

Our strong and seamless partnerships and dynamic business model ensure that we *stay relevant in the everchanging technological environment*

Foraying into new lines of businesses, leading to incremental growth as well as diversification of risk

Inherent Risks & Mitigation Measures



Risk	Measures	Effect of Mitigated Risk
Inventory Risk	<ul style="list-style-type: none"> • Stock Rotation • Price protection • Marketing Support • Prudent Provisioning 	Inventory provisioning at 0.04% of Revenue since 10 years
Receivables Risk	<ul style="list-style-type: none"> • Collection of post dated Cheques • Performance linked pay-out only on collection • Strict internal parameters for overdues and bad debts 	AR Provisioning at 0.10% of Revenue since 10 years
Currency Risk	<ul style="list-style-type: none"> • Hedging all exposures • India – ~84% of purchases in rupee dominated invoices, forward cover for the rest with premium becoming a part of COGS • MEA – Currencies pegged in USD and USD denominated transactions. Effective forward controls and local currency borrowings 	Consistent business performance despite fluctuating currencies

Ensuring risk adjusted returns

Financial Performance

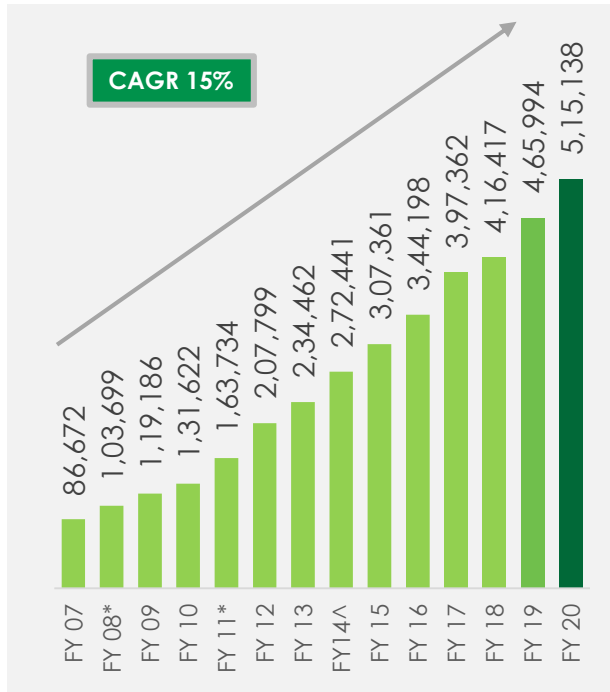


Performance track record

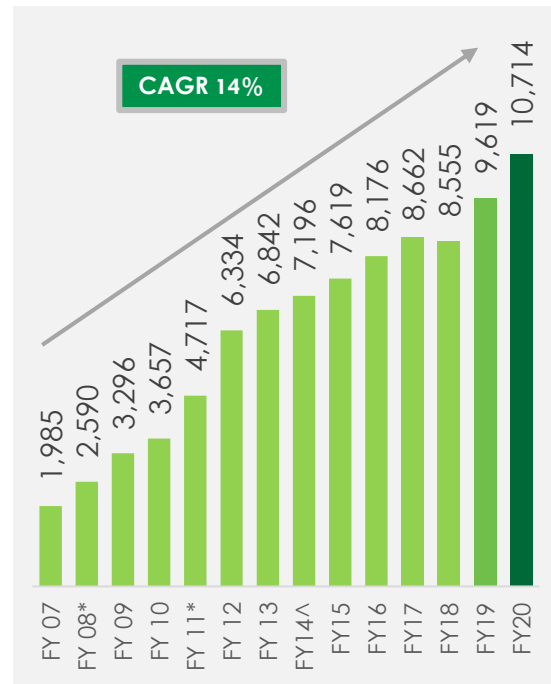
Performance Since Listing

Achieved Rs.500 bn milestone mark in Revenues

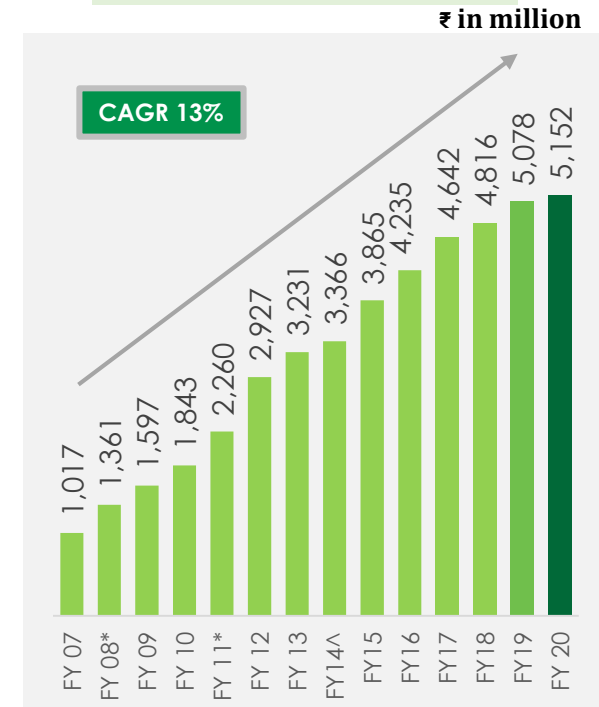
REVENUE



EBITDA



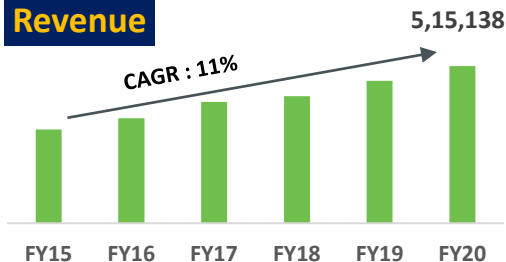
PAT



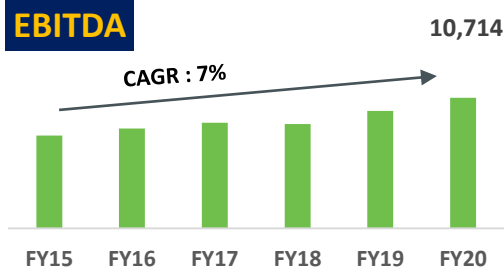
*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services

Performance Snapshot

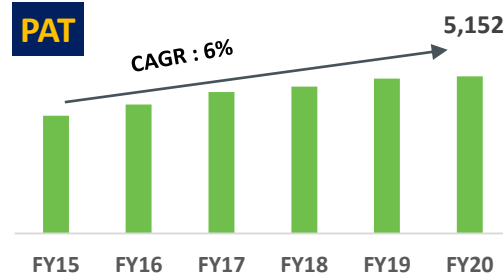
Revenue



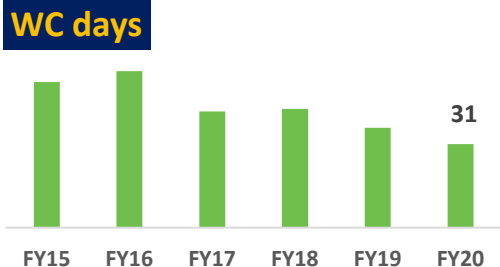
EBITDA



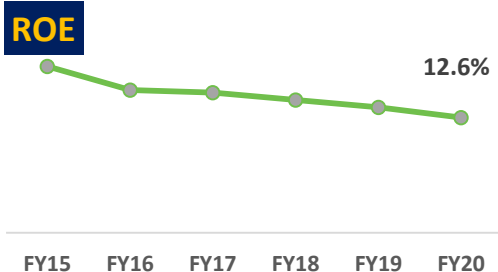
PAT



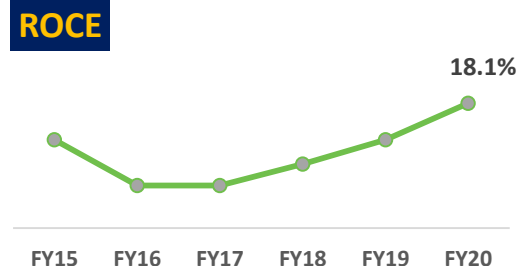
WC days



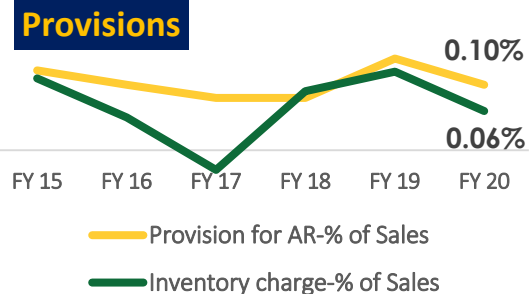
ROE



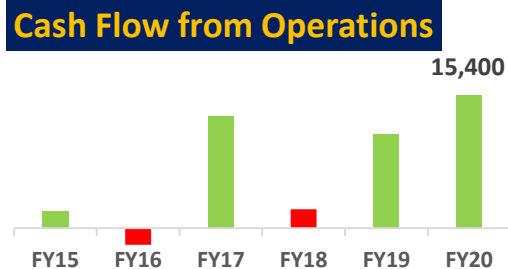
ROCE



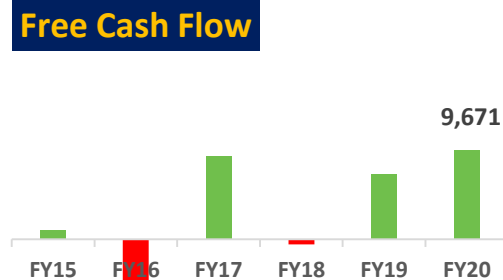
Provisions



Cash Flow from Operations



Free Cash Flow



#ROCE is calculated net of cash and on average capital employed

Annual performance track record

Particulars	H1FY21	FY20	FY19	FY18	FY17	FY16
Total Revenue	2,45,080	5,15,138	4,65,994	4,16,417	3,97,362	3,44,198
Growth YoY	1.9%	10.5%	11.9%	5.8%	15.4%	12.0%
EBITDA	5,411	1,0714	9619	8,555	8,662	8,176
Growth YoY	6.6%	10.4%	12.4%	-1.2%	5.9%	7.3%
PAT	2,646	5,152	5,078	4,816	4,642	4,235
Growth YoY	10.2%	1.5%	5.4%	3.7%	9.6%	9.6%
Networth	44,873	43,089	39,060	35,306	31,479	29,494
Capital Employed*	25,688	48,505	53,118	54,759	49,741	57,353
EBITDA Margins	2.2%	2.1%	2.1%	2.1%	2.2%	2.4%
PAT Margins	1.1%	1.0%	1.1%	1.2%	1.2%	1.2%
ROCE#	25.2%	18.1%	16.9%	16.1%	15.4%	15.4%
ROE	12.0%	12.6%	13.7%	14.5%	15.3%	15.6%
EPS (₹)	6.8	13.2	12.8	12.0	11.6	10.6
Book Value per share (₹)	114.9	110.3	99.8	87.7	78.2	73.2

*Closing Capital Employed

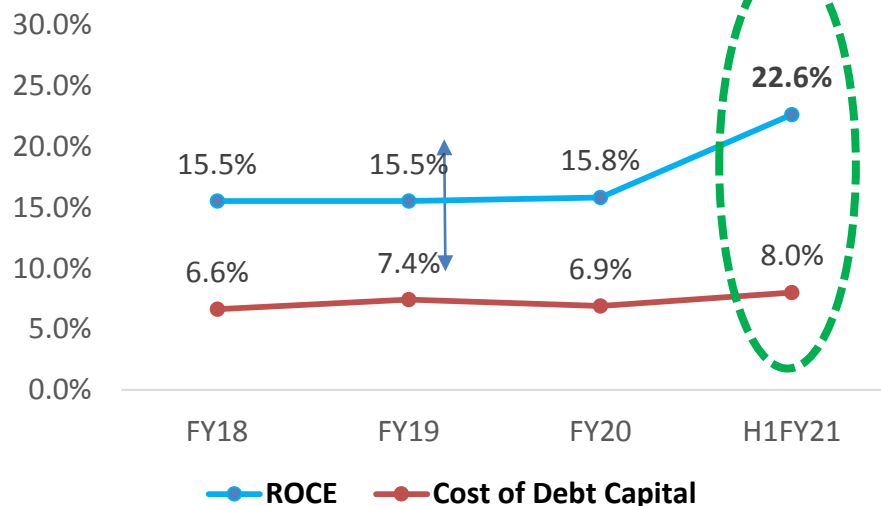
#ROCE is calculated net of cash and on average capital employed

ROCE vs Cost of Debt Capital

Consistent Focus on Capital efficiency

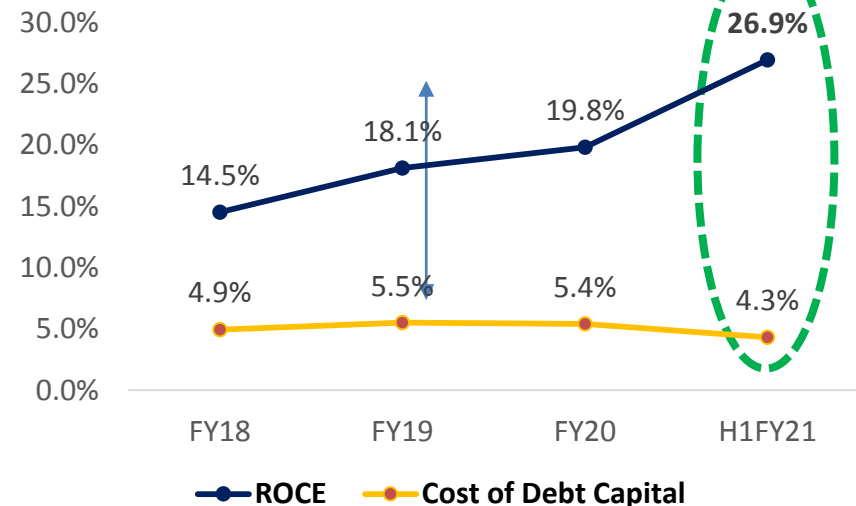
INDIA Return on Rupee capital

Value Creation 14.6%



OVERSEAS Return on Dollar Capital

Value Creation 22.6%



*ROCE is calculated net of cash and on average capital employed

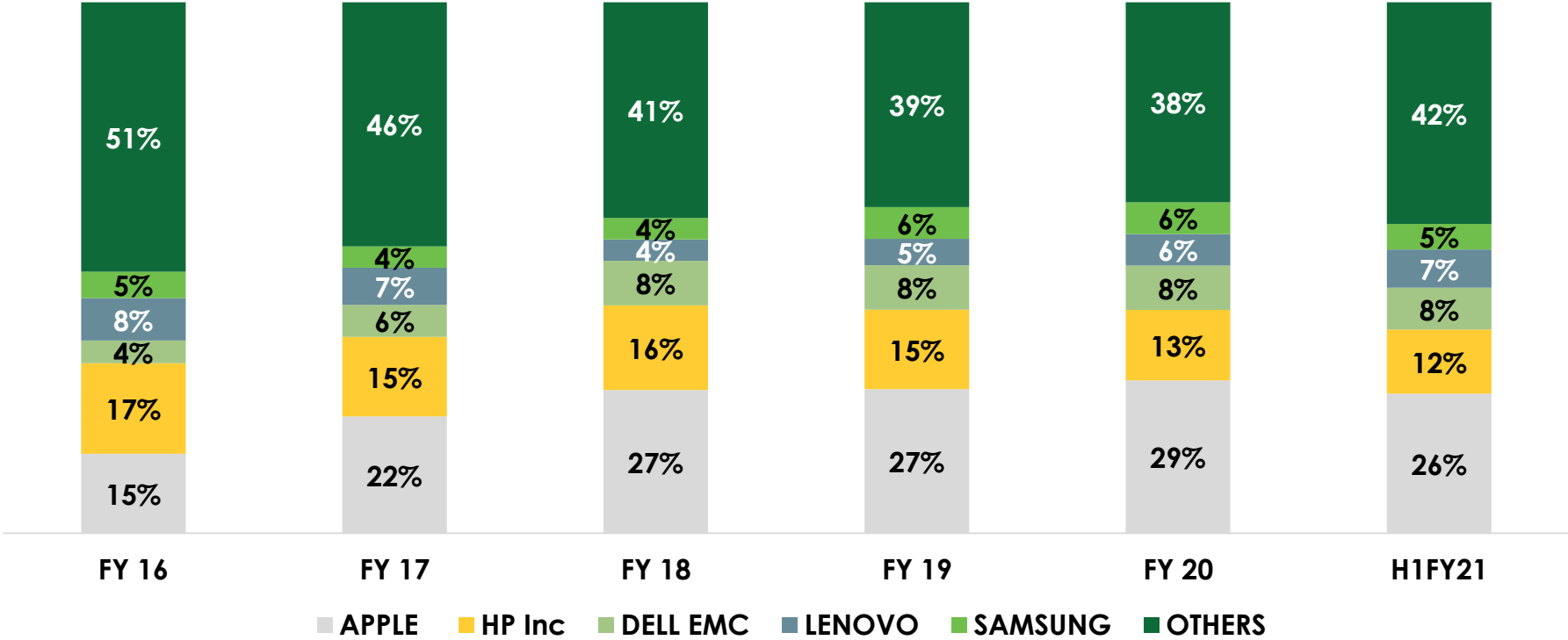
Quarterly performance track record

Particulars	Q2FY21	Q1FY21	Q4FY20	Q3FY20	Q2FY20
Total Revenue	1,37,861	1,07,220	1,26,773	1,47,956	1,23,543
Growth QoQ	28.6%	-15.4%	-14.3%	19.8%	5.7%
EBITDA	3,110	2,301	2,545	3,094	2,627
Growth QoQ	35.1%	-9.5%	-17.7%	17.8%	7.2%
PAT	1,758	888	1,192	1,559	1,301
Growth QoQ	98.0%	-25.5%	-23.5%	19.9%	18.2%
Networth	44,873	43,904	43,089	41,514	40,542
Capital Employed*	25,688	26,138	48,505	59,140	48,145
EBITDA Margins	2.2%	2.1%	2.0%	2.1%	2.1%
PAT Margins	1.3%	0.8%	0.9%	1.1%	1.1%
ROCE#	42.6%	20.6%	16.3%	20.3%	15.6%
ROE	15.8%	8.2%	11.4%	15.2%	12.9%
EPS (₹)	4.5	2.3	3.1	4.0	3.3
Book Value per share (₹)	114.9	112.4	110.3	106.1	103.6

*Closing Capital Employed

#ROCE is calculated net of cash and on average capital employed

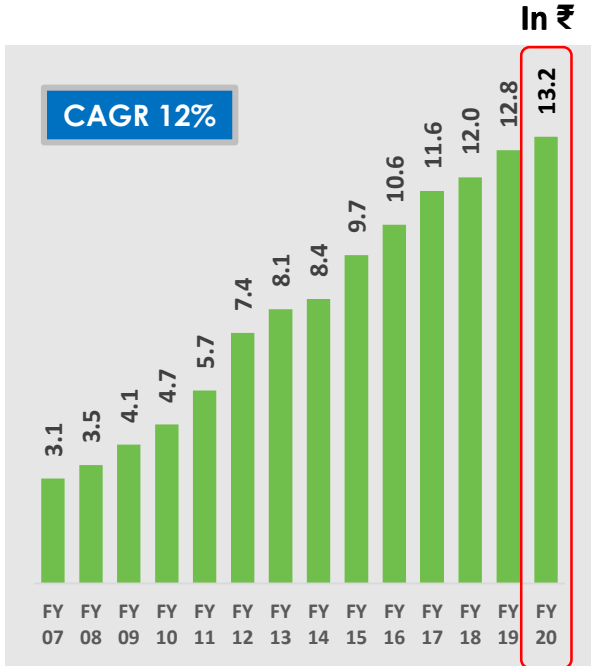
Top 5 Vendors



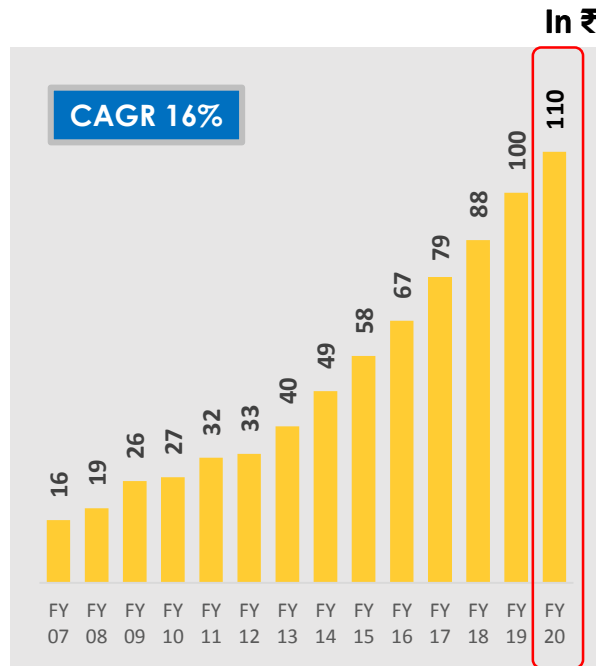
Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

Value Creation for our Shareholders

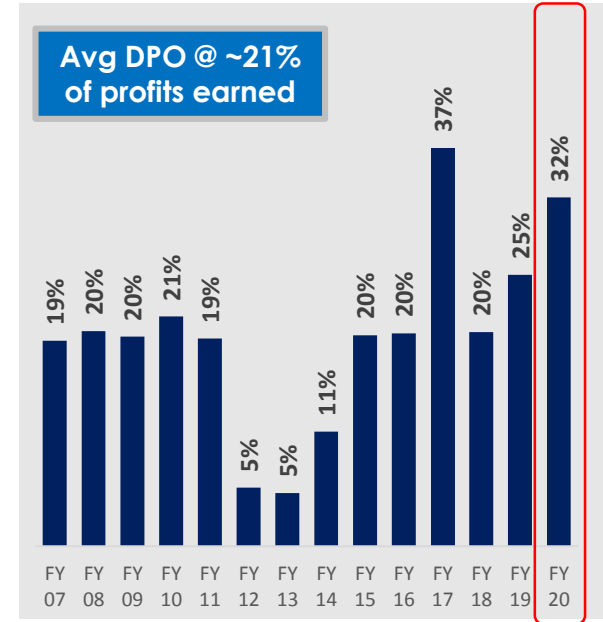
EPS



BOOK VALUE/SHARE



DIVIDEND PAYOUT



Note: Special dividend declared in FY17, to commemorate 10 years of listing

Note: Two interim dividends totalling to Rs.4.3 declared in FY20

Current year performance

H1FY21 Performance Snapshot

REVENUE

2% 

H1FY21: Rs.2,45,080 mn
H1FY20: Rs.2,40,409 mn

EBITDA

7% 

H1FY21: Rs.5,411 mn
H1FY20: Rs.5,076 mn

PAT

10% 

H1FY21: Rs.2,646 mn
H1FY20: Rs.2,401 mn

WC DAYS

15 days

H1FY20: 31 days

ROE

12.0%

H1FY20: 12.1%

ROCE#

25.2%

H1FY20: 18.1%

INVENTORY CHARGE

-0.08%

H1FY20: 0.07%

AR PROVISION

0.04%

H1FY20: 0.07%

FREE CASH FLOW

Rs.25,147 mn

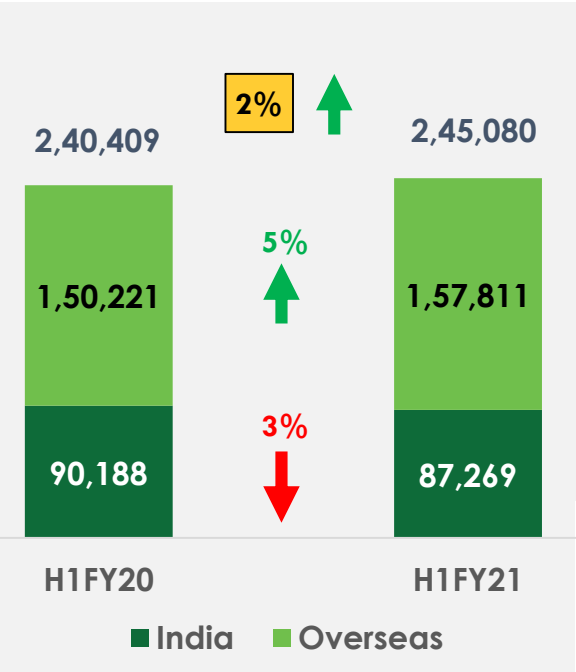
H1FY20: Rs.6,731 mn

Performance By Market

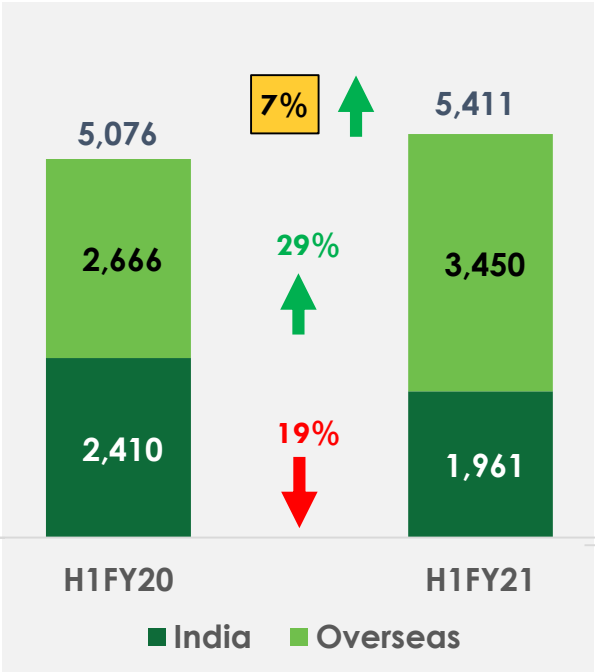


₹ in million

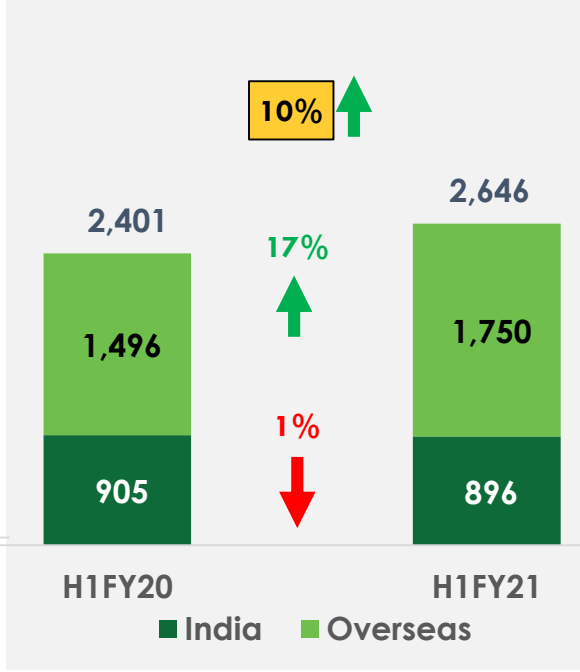
REVENUE



EBITDA



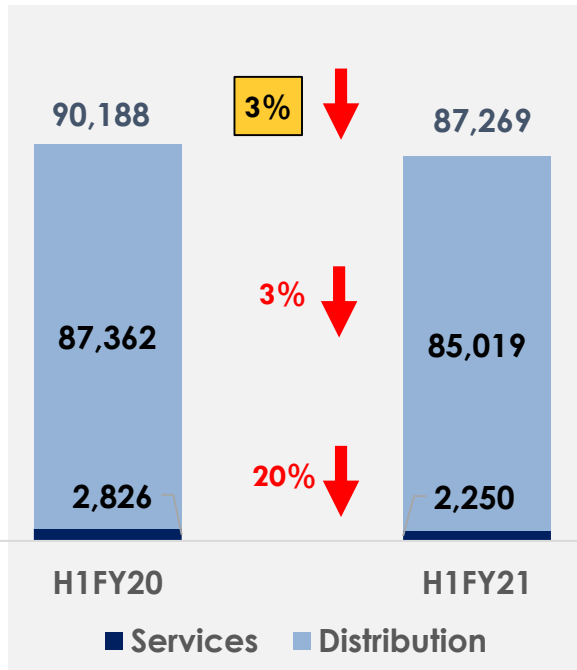
PAT



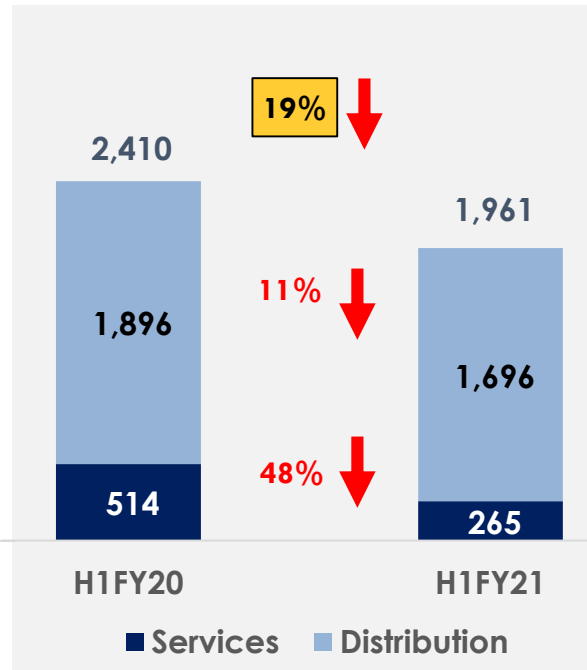
India Performance

₹ in million

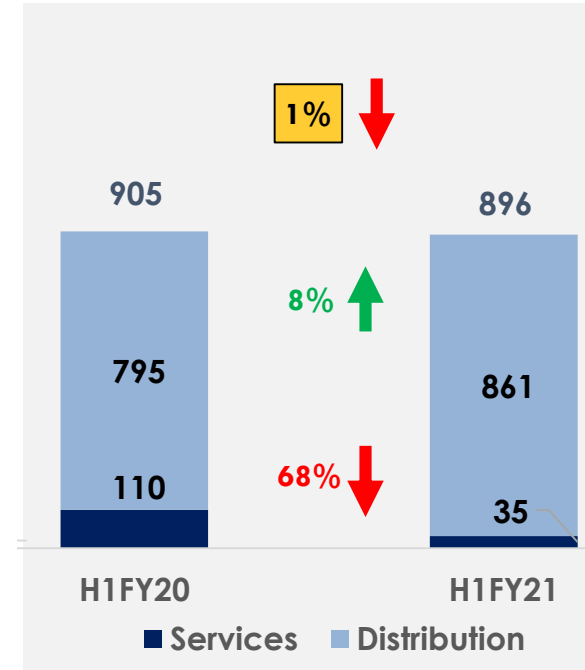
REVENUE



EBITDA



PAT



Note: Services represents ProConnect & Ensure

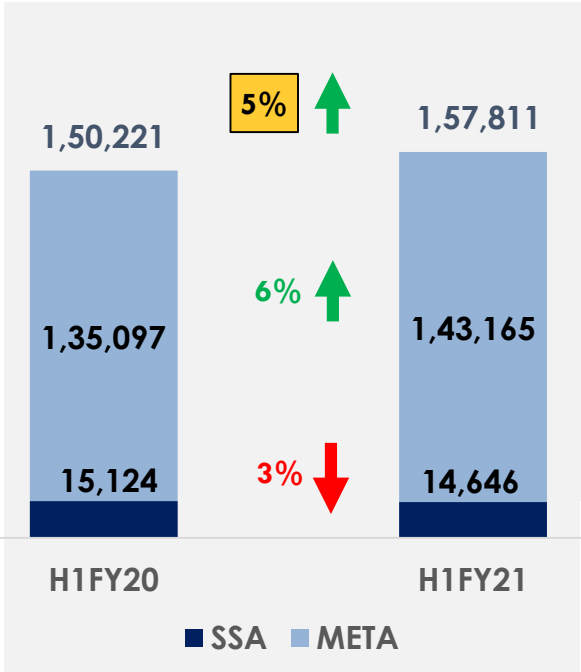
Note: Services includes capital profits of Rs.4.4 crs on sale of Ensure India

Overseas Performance

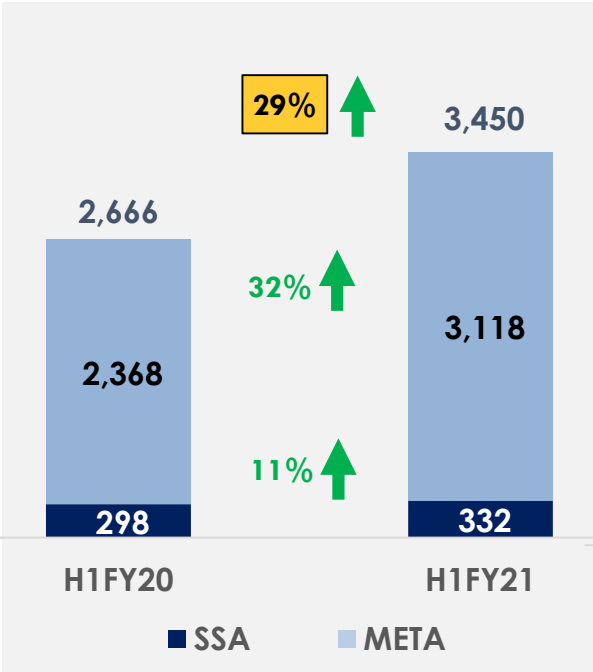


₹ in million

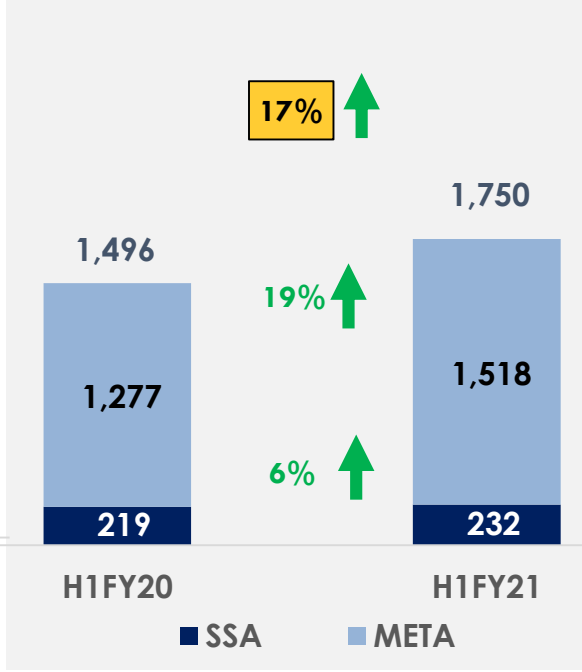
REVENUE



EBITDA



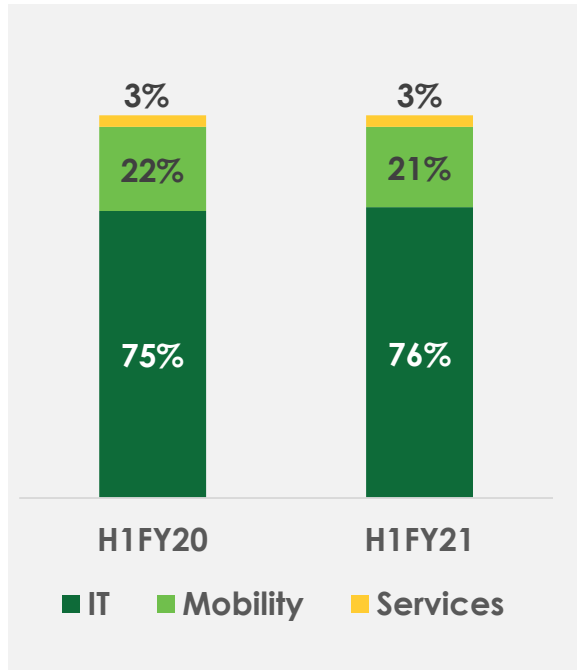
PAT



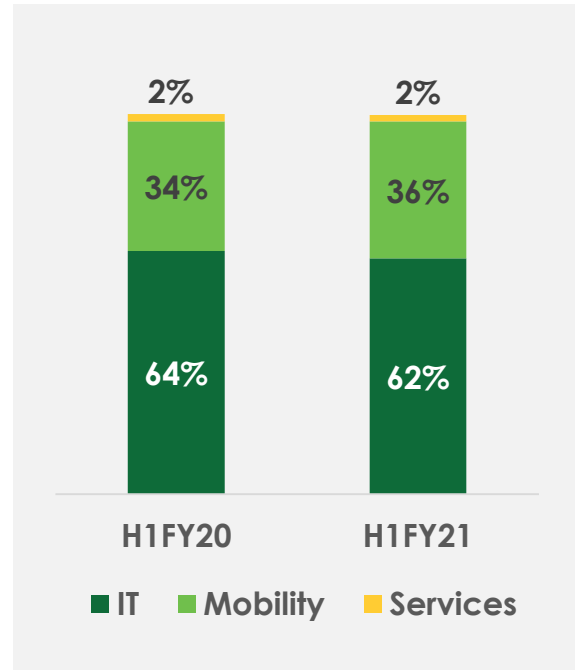
Note: Overseas performance in c/c terms – Revenue (2%); EBITDA 20% ; PAT 9%

Performance By Vertical

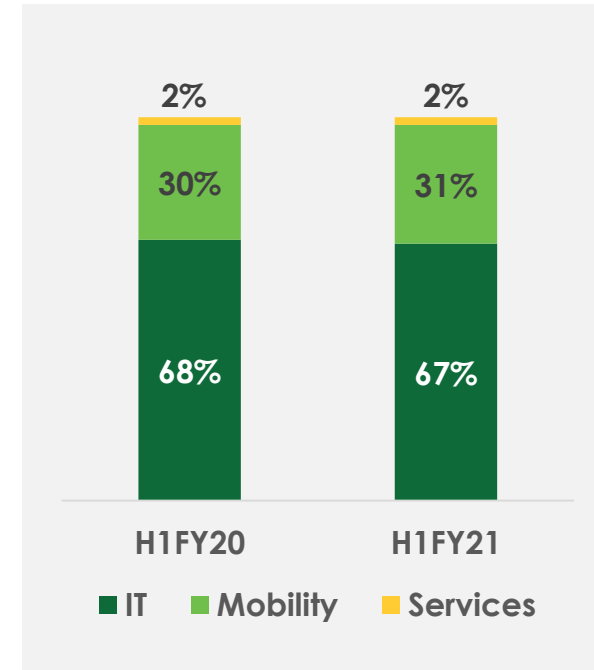
INDIA



OVERSEAS

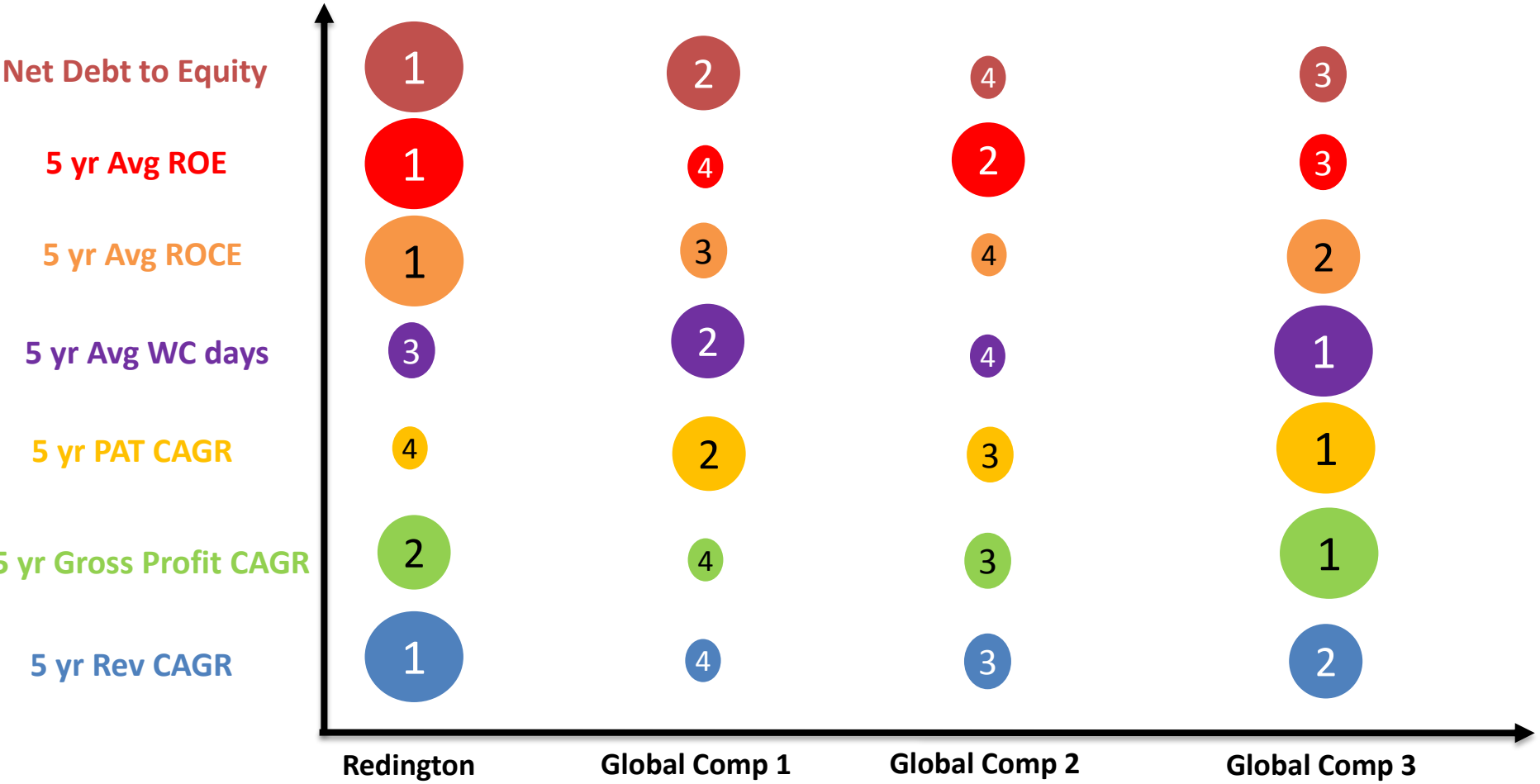


GLOBAL



Note: Services represents ProConnect & Ensure

Redington Vis-à-vis Global Peers



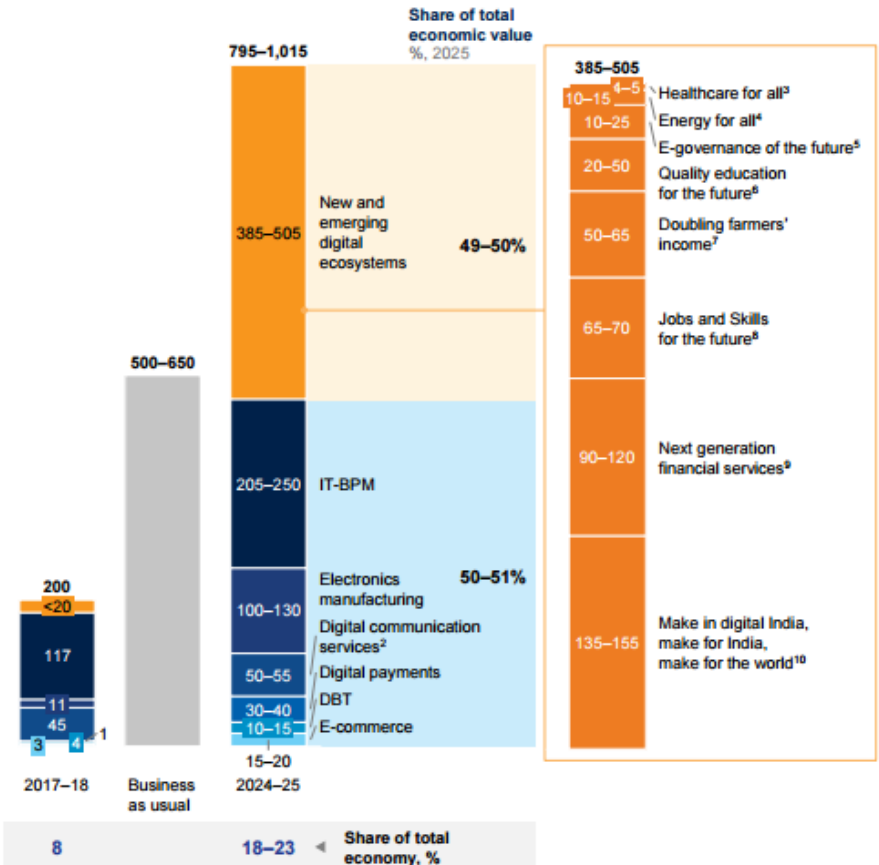
Our Opportunities



India: Govt spending opportunities



Size of India's digital economy, \$ billion, nominal



India to attain a trillion dollar of economic value of digital economy by 2025

India's digital economy could contribute 18-23% of overall economic activity by 2025, with more than half the potential coming from scaling up new and emerging digital ecosystems

Source: MEITY-McKinsey report

India Opportunities

- Covid 19 impact - CIOs to invest more in **Security, Collaboration, Mobility & Cloud**
- **5G** to comprise **18% mobile subscriptions** in India **by 2025**
- **Enterprise networking market** is expected to post a **CAGR of 5%** between 2019 and 2024
- **India public cloud market** to reach **Rs 63,000 crs** by 2025
- India's **overall software market** is estimated to grow at a **CAGR of 8%** between 2019-2024
- **India Managed Security Services Market** is expected to grow at a **CAGR of 22%** until 2024
- **Indian cybersecurity services** industry to hit **\$14 billion** by 2025
- **Digitalisation of SMBs** could add as much as **\$216 billion to India's GDP** by 2024
- **SMBs** can account for **30% of India's public cloud market**
- Both executives (69%) and employees (55%) acknowledge the **need for further investment in digital transformation as the top priority for organizations** seeking to leverage any pandemic-induced cost savings
- India's **digital transformation market** is expected to reach **\$710 billion** by 2024

META Opportunities



- **Government ICT spending** in MEA to reach **\$15 billion by 2023**
- **Total smartphone connections** in MENA will **exceed 500 million by 2025**
- **AI-based spending** in META region will increase at a **CAGR of 19% by 2023**
- **IoT revenue to more than double** in Middle East and Africa **by 2023**
- **Cybersecurity market** in MEA region is expected to register a **CAGR of 14%** during 2020-2025
- **Investments in digital transformation and innovation** will account for **30% of all IT spending** in the META region by 2024, up from 18% in 2018
- **Public cloud spending** in META region will top **\$7 billion in 2024**
- Tech trends influencing Middle East ranges from **5G and 4G adoption, upheaval in finance, to shifts in retail and AI**

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

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



THANK YOU

