



# Corporate Presentation

Mar 2021

*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 235+ brands through 33,950+ partners



\$7.7bn+ company with strong double digit 14 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**

2012-2021 : The Expansion

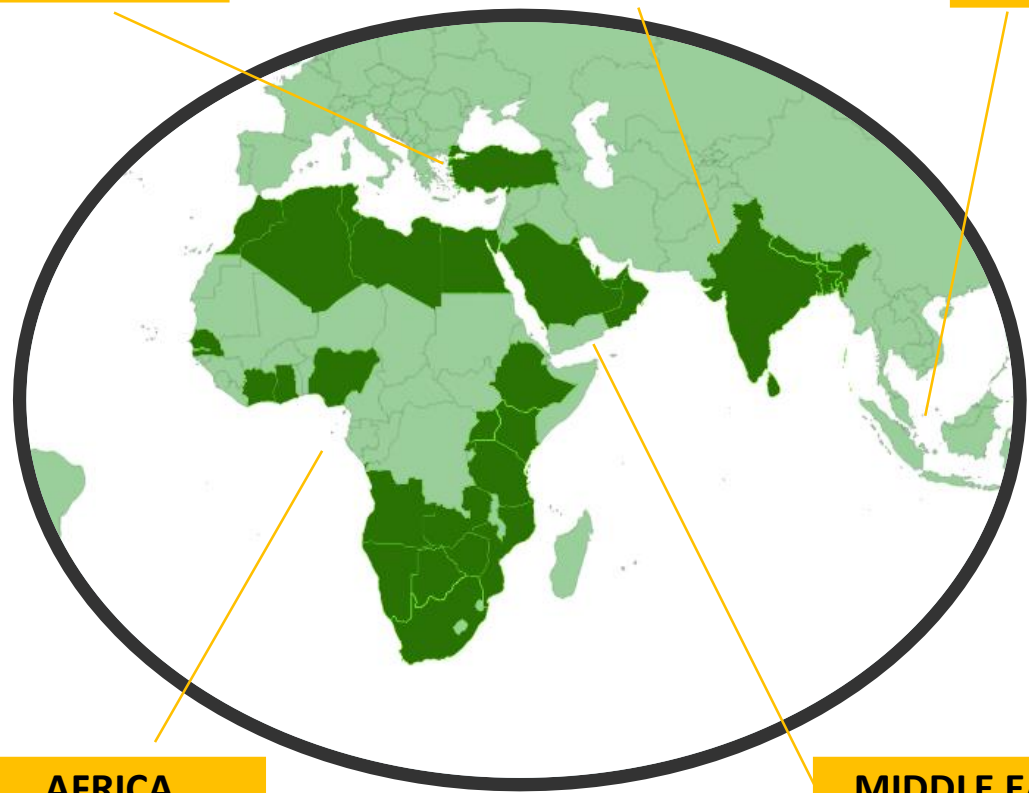
# Our Presence



**TURKEY**  
1 market

**INDIA**  
1 market

**SSA**  
5 markets

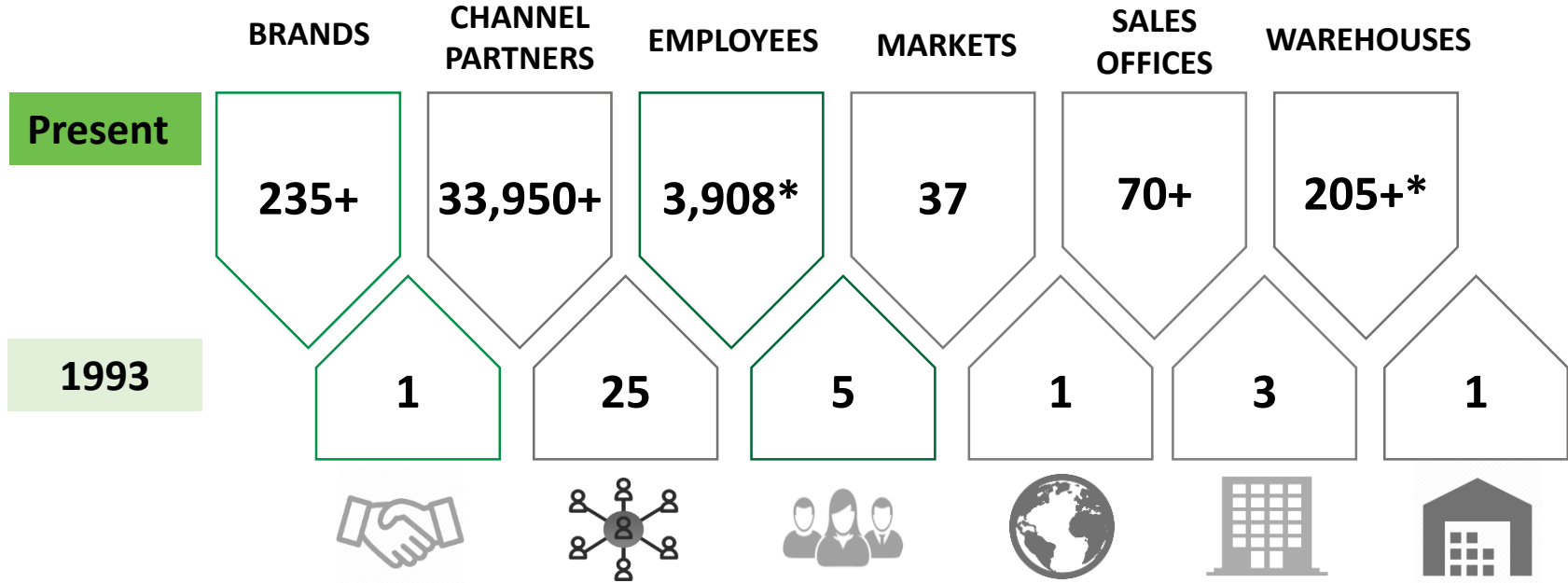


**AFRICA**  
22 markets

**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

### VICE CHAIRMAN



**Raj Shankar**  
Vice Chairman



**S V Krishnan**  
Whole time Director



**Rajiv Srivastava**  
Additional 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**  
Vice Chairman & Managing Director



**Rajiv Srivastava**  
Joint Managing Director



**P S Neogi**  
Chief of Staff



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



**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



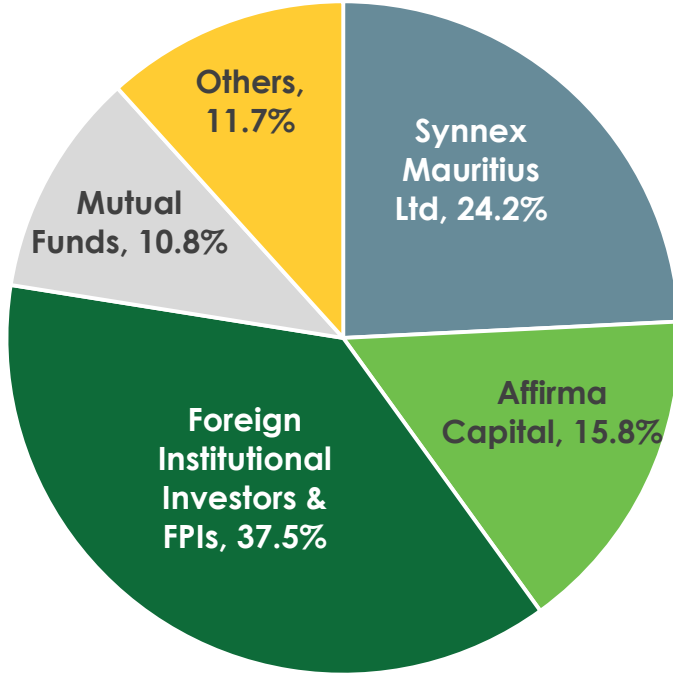
**S Chidambaram**  
Exec. Vice President,  
ProConnect Logistics,  
MEA



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



# Our Shareholders



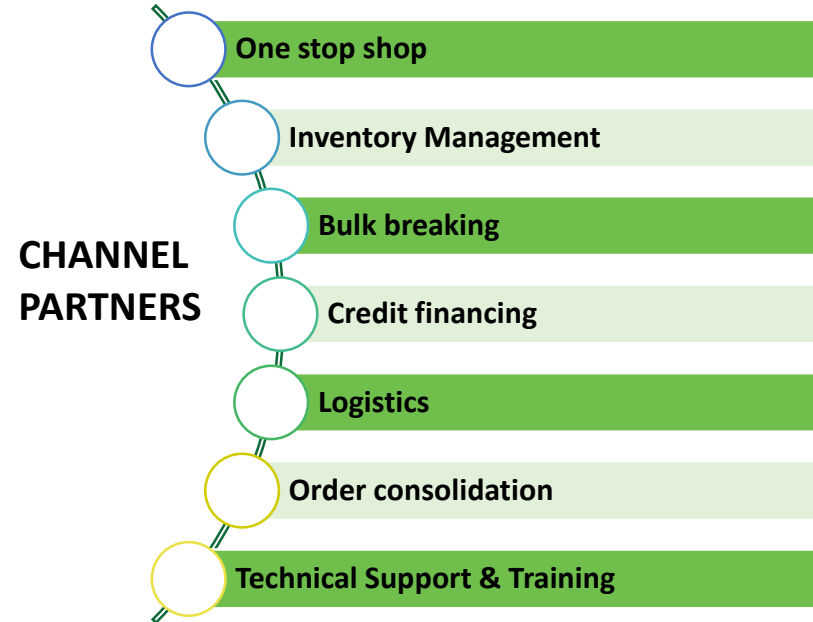
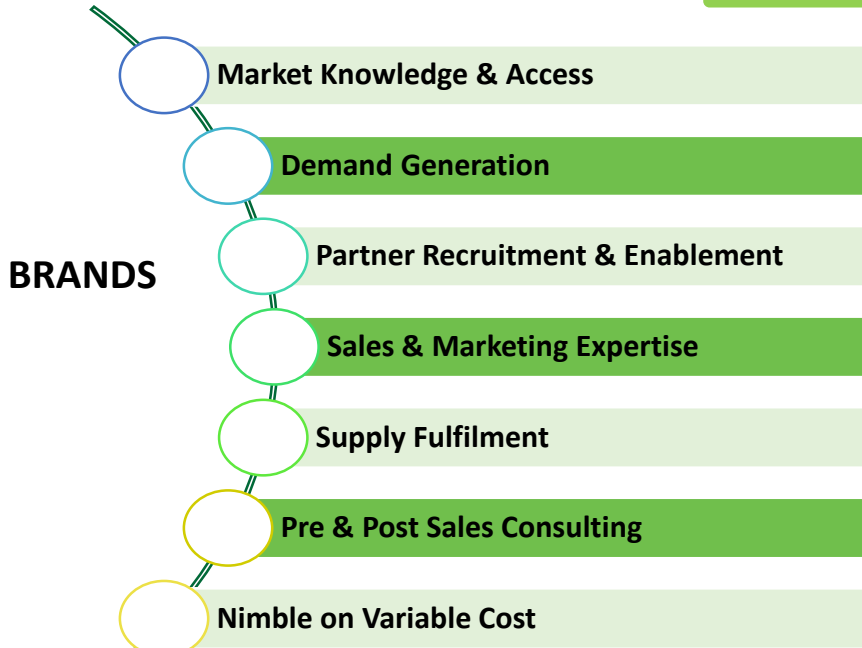
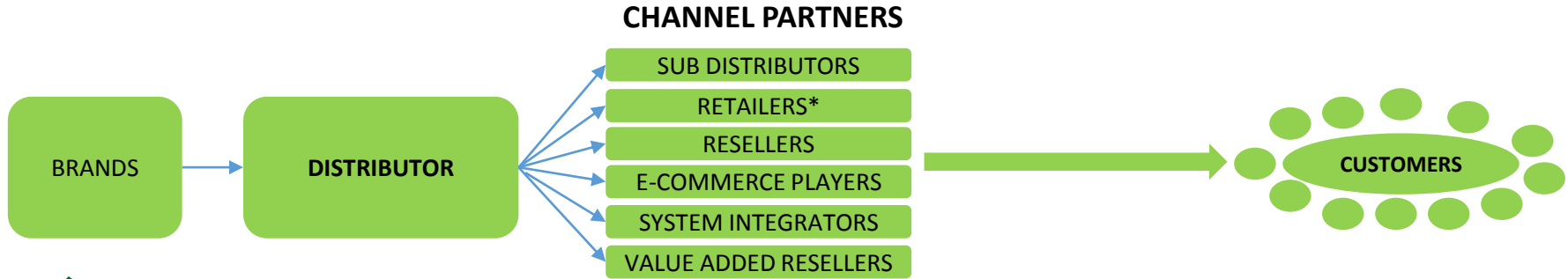
-  **HDFC Mutual Fund**
-  **Fidelity Management & Research (FMR)**
-  **ICICI Pru Life Insurance**
-  **Fidelity International**
-  **Franklin Templeton Investments**
-  **Acacia Partners (Ruane Cunniff & Goldfarb)**
-  **Massachusetts Institute Of Technology Investment Management Company**
-  **The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

# **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							

## IT CONSUMER



## IT ENTERPRISE

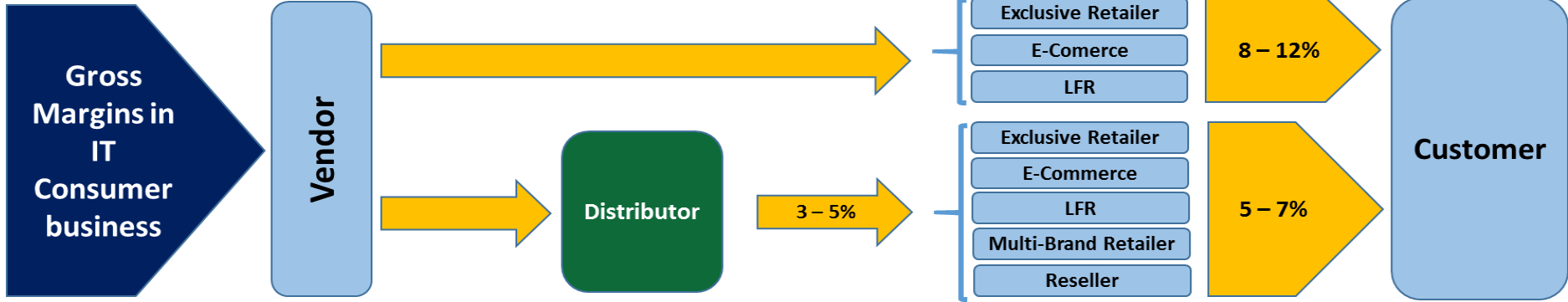


## MOBILITY



\*LinkPlus, Turkey is now Redington Turkey Technology, w.e.f. Jan 1'2021

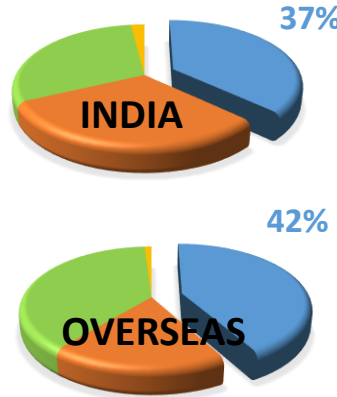
# IT Consumer Business



## PRODUCT CATEGORIES



## IT CONSUMER'S CONTRIBUTION TO REVENUES\*

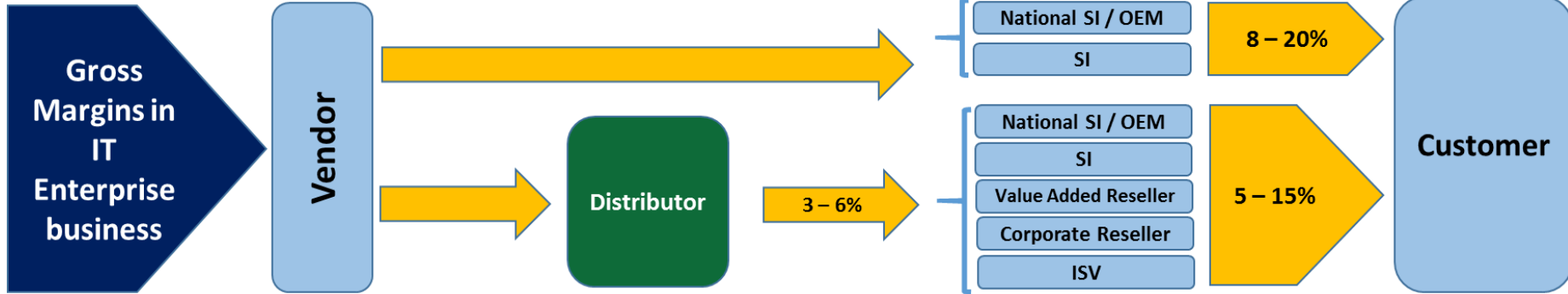


## BRANDS#



\*Figures as on FY21  
#Illustrative List

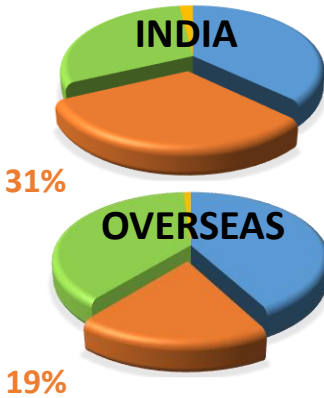
# IT Enterprise Business



### PRODUCT CATEGORIES

- Networking**: Routers, switches, cables, etc.
- Software**: Computer monitor with icons, etc.
- Cloud**: Cloud icon with server connections.
- Servers & Storage**: Server racks.
- Security**: Padlock icon on a circuit board.
- Licensing & Subscription**: License icons.

### IT ENTERPRISE'S CONTRIBUTION TO REVENUES\*

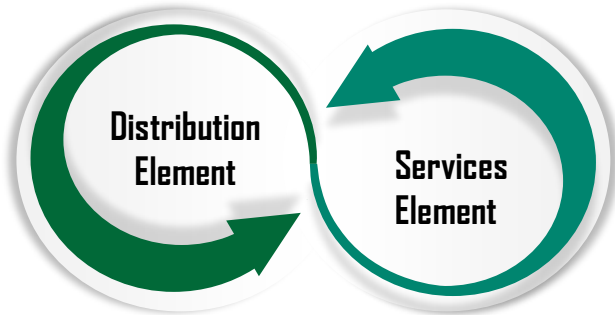


### BRANDS#

\*Figures as on FY21  
#Illustrative List



## Our business



Down-selling of  
Cloud products



ORACLE®

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

## 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 : 80**

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

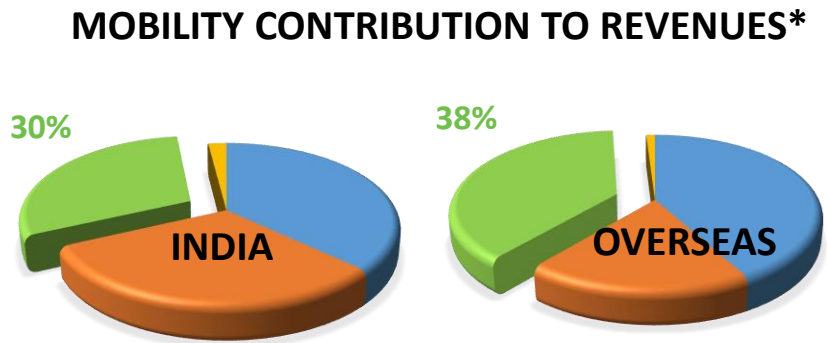
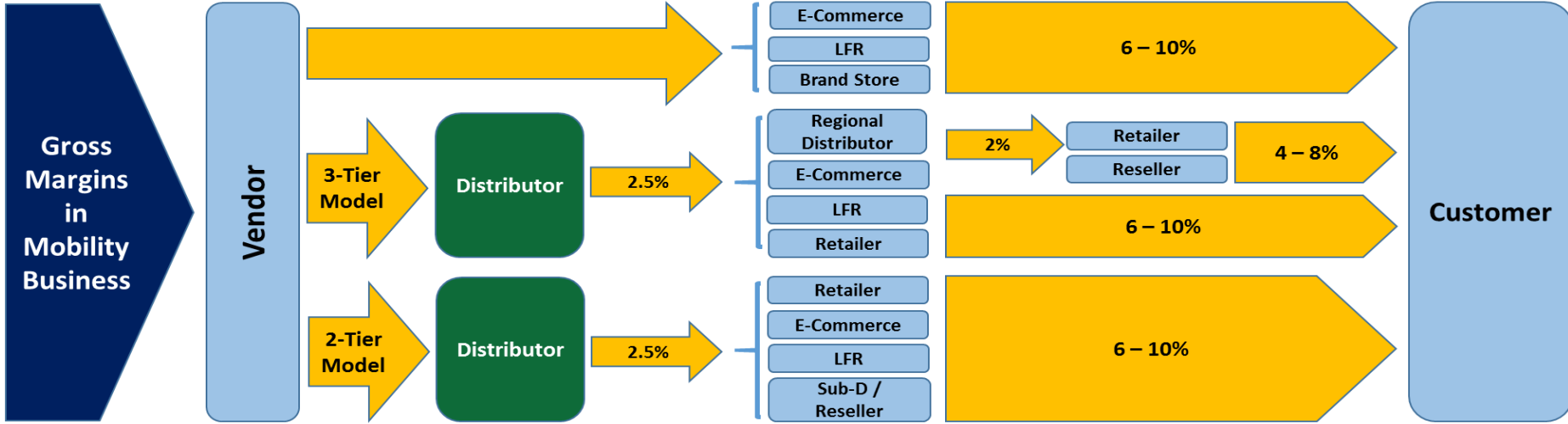


**Migrate**  
Step-by-Step processes of Migration in order of criticality and testing outcomes on Cloud



**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 FY21  
#Illustrative List

Services Business

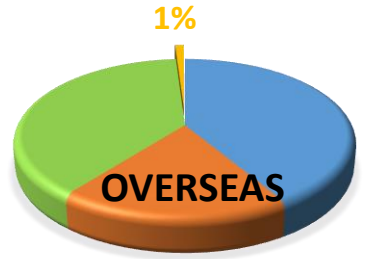
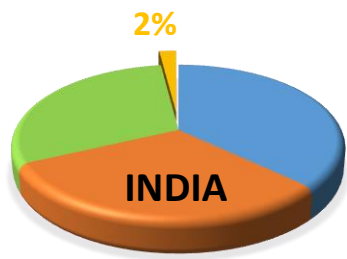
# Services Business

		INDIA	MIDDLE EAST	AFRICA
Logistics	→  ProConnect Integrated Logistics <small>a Redington company</small>			
Support Services	→  ensure 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 FY21

# ProConnect India



**Wholly Owned Subsidiary of Redington**



**Integrated Third Party Logistics partner**



**PAN India presence**



**145+ Warehouses**



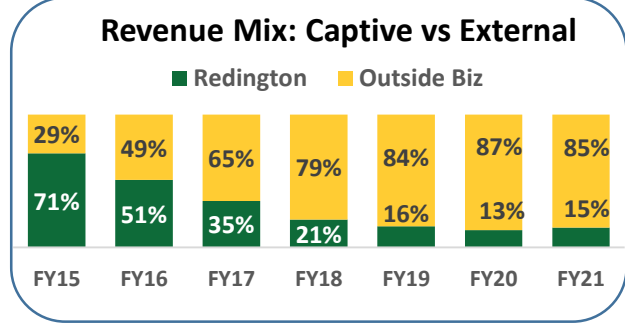
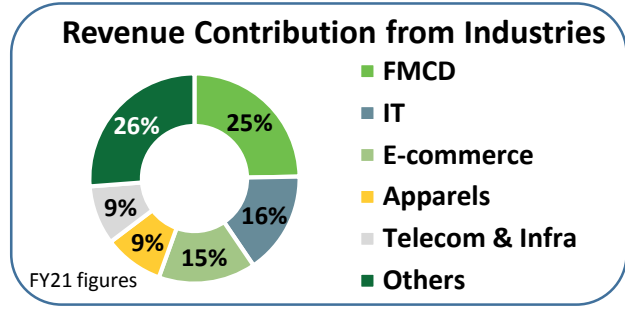
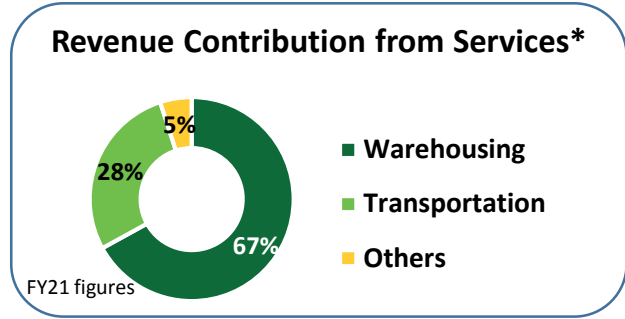
**6.5 mn Sq.ft. in operation**



**161+ Customers across 12+ Industries**



**20,315+ Pincodes**



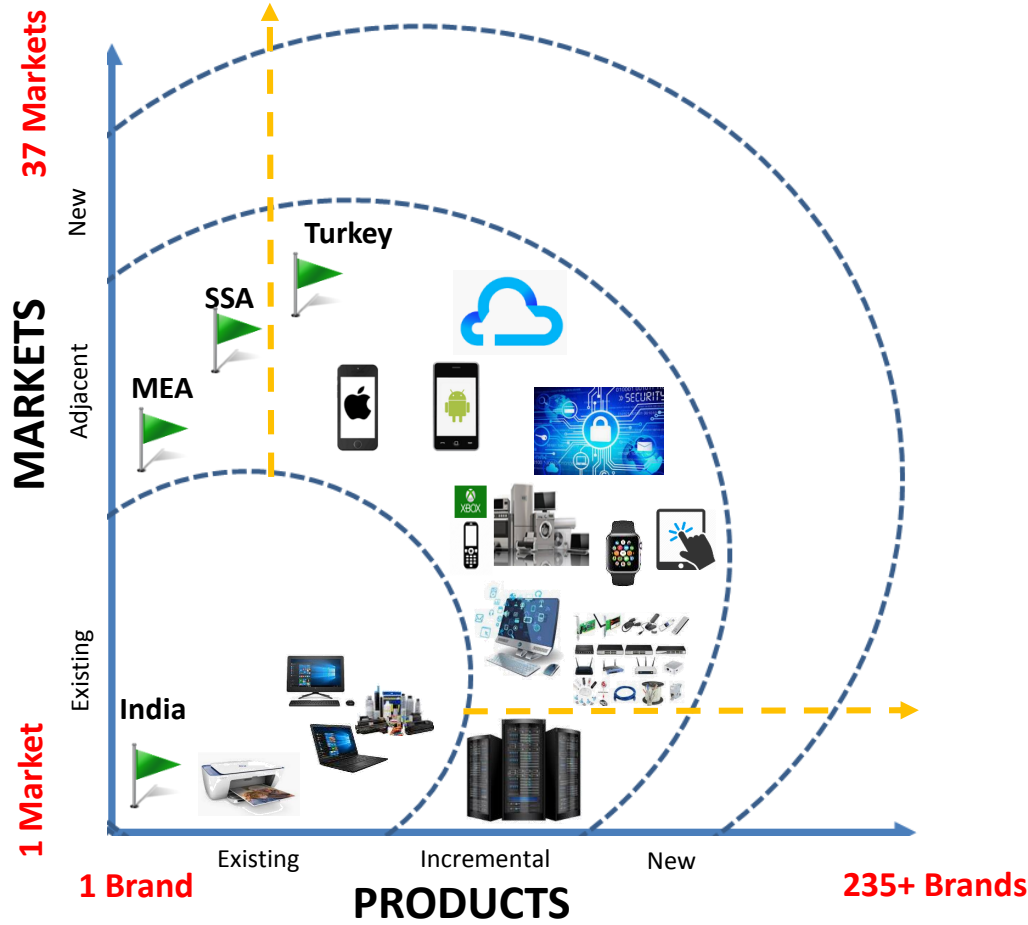
\*Some portion of Value Added Services (VAS) has been regrouped under Warehousing

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

**Ensuring risk adjusted returns**

# Financial Performance

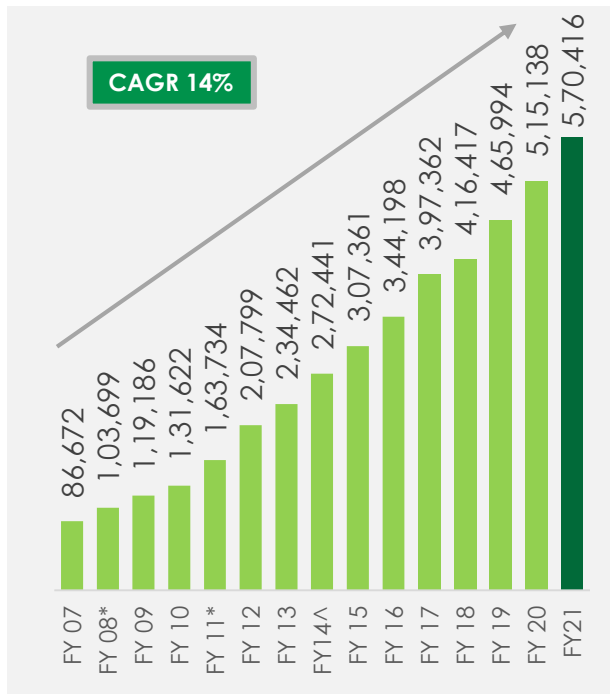


Performance track record

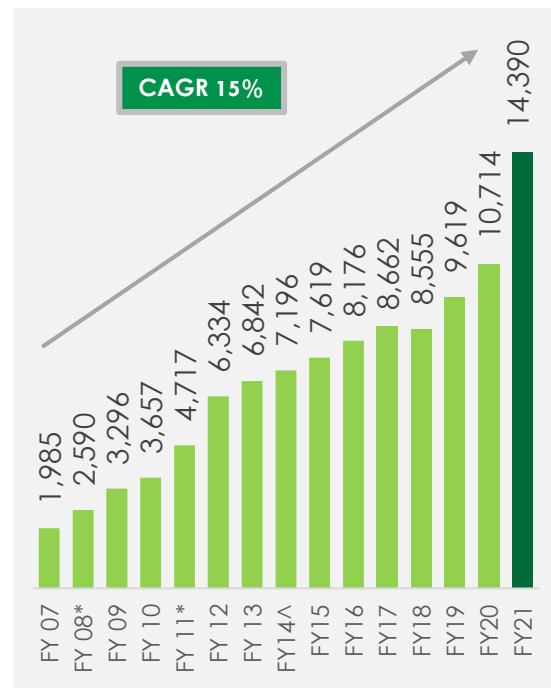
# Performance Since Listing

**Achieved Rs.500 bn milestone mark in Revenues**

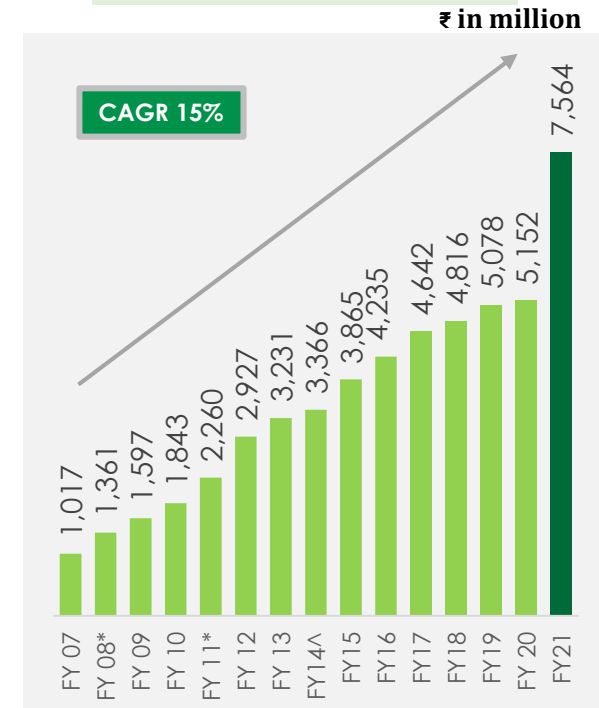
## REVENUE



## EBITDA



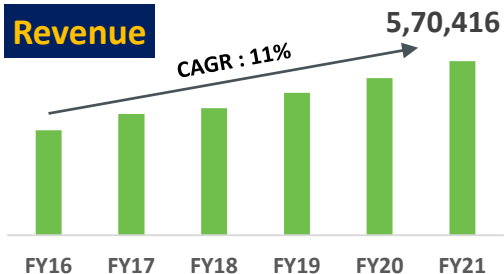
## PAT



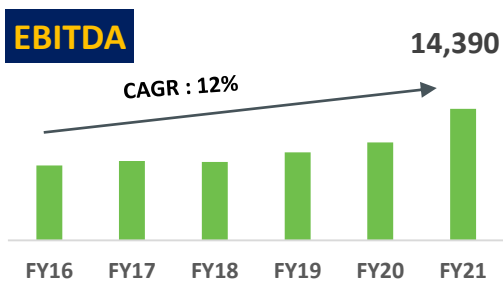
\*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services

# Performance Snapshot

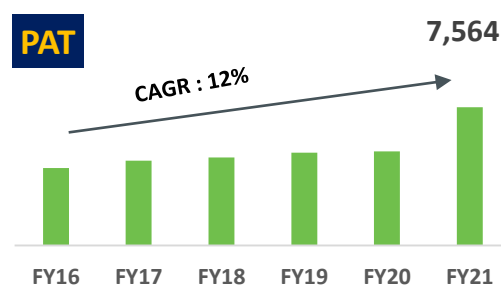
## Revenue



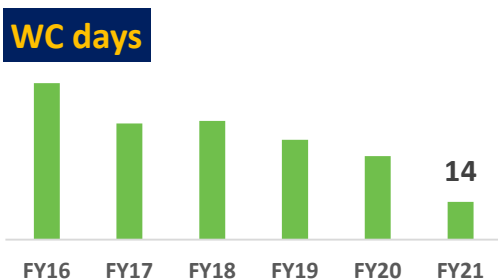
## EBITDA



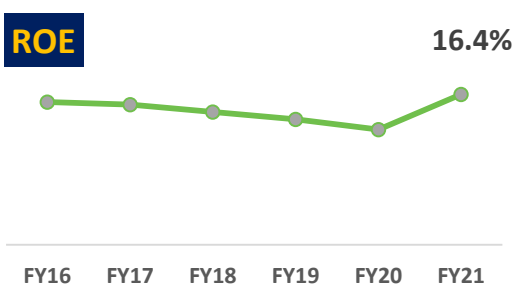
## PAT



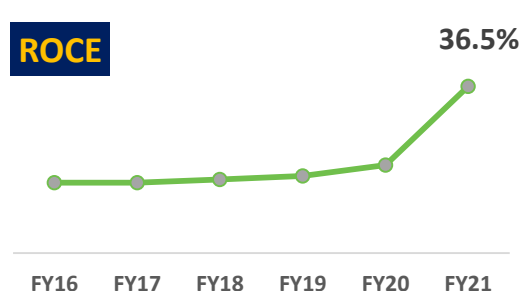
## WC days



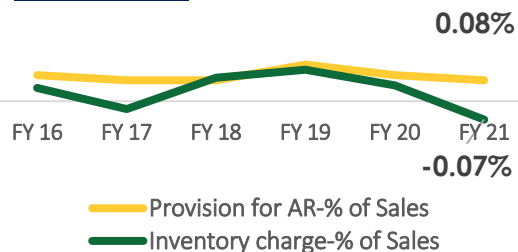
## ROE



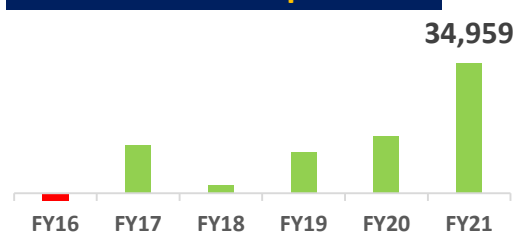
## ROCE



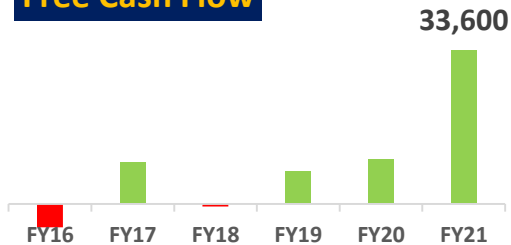
## Provisions



## Cash Flow from Operations



## Free Cash Flow



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

# Annual performance track record

Particulars	FY21	FY20	FY19	FY18	FY17	FY16
Total Revenue	5,70,416	5,15,138	4,65,994	4,16,417	3,97,362	3,44,198
Growth YoY	10.7%	10.5%	11.9%	5.8%	15.4%	12.0%
EBITDA	14,390	1,0714	9619	8,555	8,662	8,176
Growth YoY	34.3%	10.4%	12.4%	-1.2%	5.9%	7.3%
PAT	64.1% <sup>^</sup> 7,564	5,152	5,078	4,816	4,642	4,235
Growth YoY	46.8%	1.5%	5.4%	3.7%	9.6%	9.6%
Networth	49,337	43,089	39,060	35,306	31,479	29,494
Capital Employed*	22,587	48,505	53,118	54,759	49,741	57,353
EBITDA Margins	1.3% <sup>^</sup> 2.5%	2.1%	2.1%	2.1%	2.2%	2.4%
PAT Margins	1.3%	1.0%	1.1%	1.2%	1.2%	1.2%
ROCE#	18.4% <sup>^</sup> 36.5%	19.3%	16.9%	16.1%	15.4%	15.4%
ROE	16.4%	12.6%	13.7%	14.5%	15.3%	15.6%
EPS (₹)	19.4	13.2	12.8	12.0	11.6	10.6
Book Value per share (₹)	126.3	110.3	99.8	87.7	78.2	73.2

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

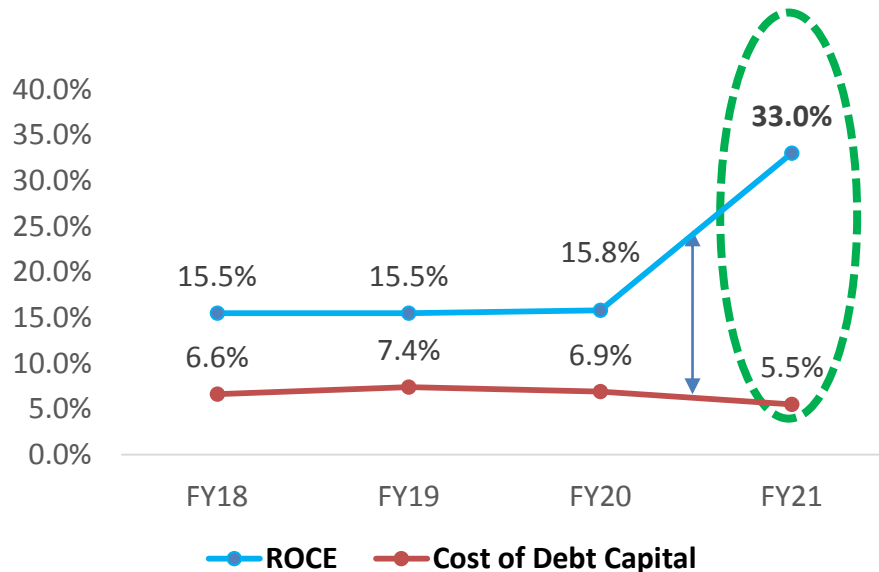


# ROCE vs Cost of Debt Capital

## Consistent Focus on Capital efficiency

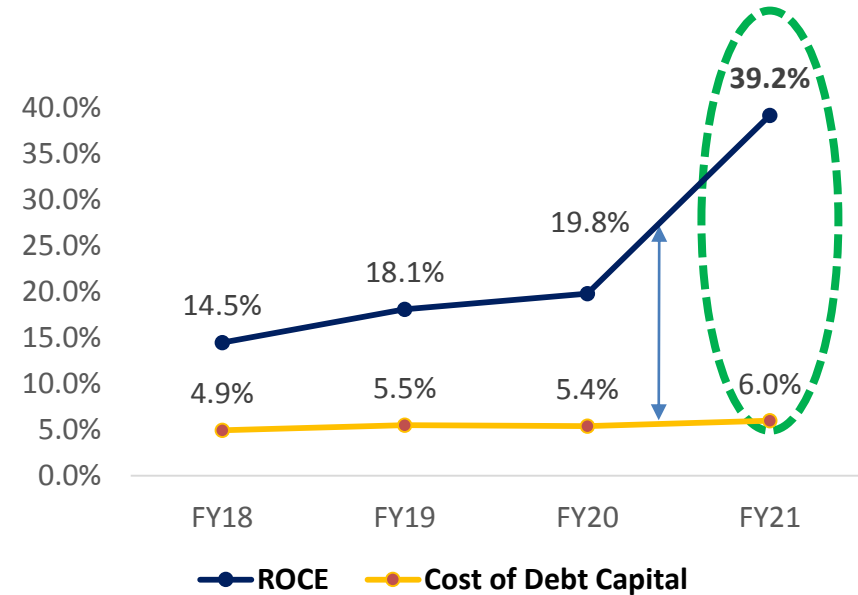
### INDIA Return on Rupee capital

Value Creation 27.5%



### OVERSEAS Return on Dollar Capital

Value Creation 33.2%



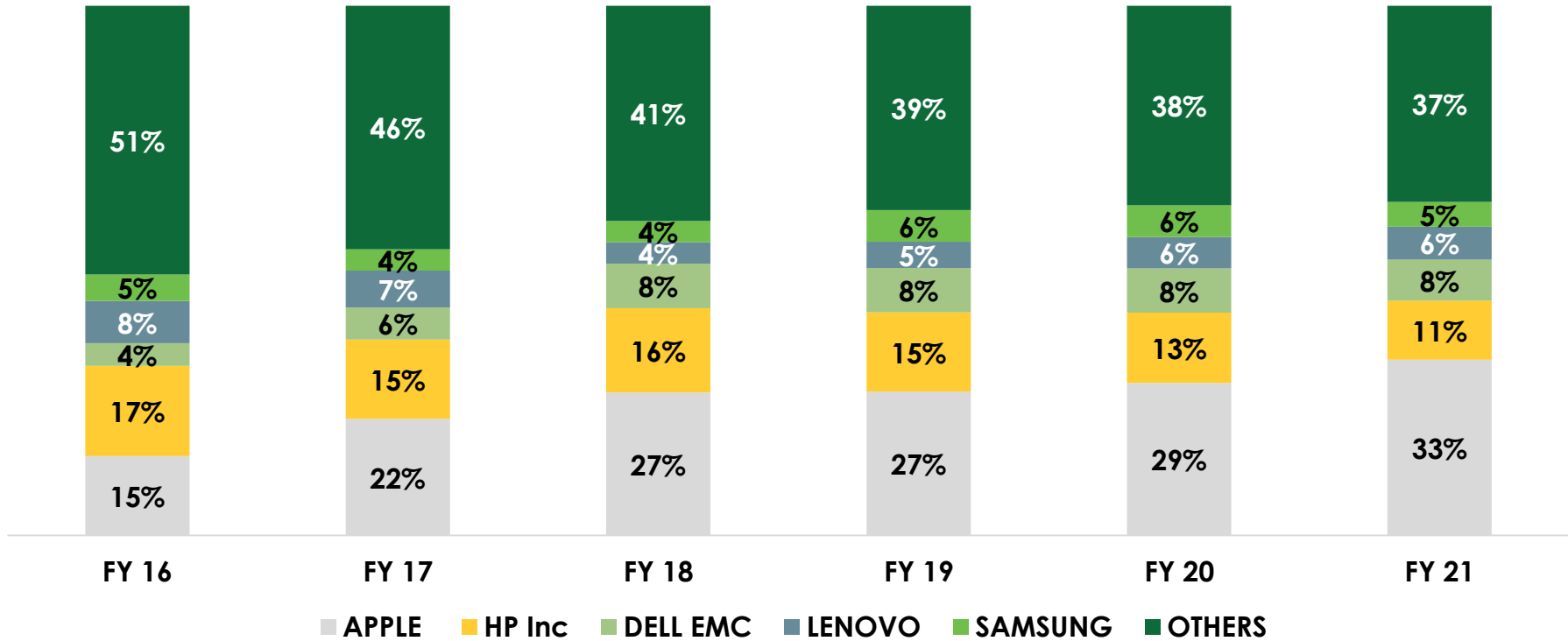
\*ROCE is calculated net of cash and on average capital employed

# Quarterly performance track record

Particulars	Q4FY21	Q3FY21	Q2FY21	Q1FY21	Q4FY20
Total Revenue	1,55,303	1,70,032	1,37,861	1,07,220	1,26,773
Growth QoQ	<b>-8.7%</b>	<b>23.3%</b>	<b>28.6%</b>	<b>-15.4%</b>	<b>-14.3%</b>
EBITDA	4,515	4,465	3,110	2,301	2,545
Growth QoQ	<b>1.1%</b>	<b>39.4%</b>	<b>35.1%</b>	<b>-9.5%</b>	<b>-17.7%</b>
PAT	3,025	1,893	1,758	888	1,192
Growth QoQ	<b>59.8%</b>	<b>7.7%</b>	<b>98.0%</b>	<b>-25.5%</b>	<b>-23.5%</b>
Networth	49,337	46,432	44,873	43,904	43,089
Capital Employed*	22,587	25,323	25,688	26,138	48,505
EBITDA Margins	2.9%	2.6%	2.2%	2.1%	2.0%
PAT Margins	1.9%	1.1%	1.3%	0.8%	0.9%
ROCE#	70.8%	64.1%	42.6%	20.6%	16.3%
ROE	25.7%	16.5%	15.8%	8.2%	11.4%
EPS (₹)	7.8	4.9	4.5	2.3	3.1
Book Value per share (₹)	126.3	118.9	114.9	112.4	110.3

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

# Top 5 Vendors



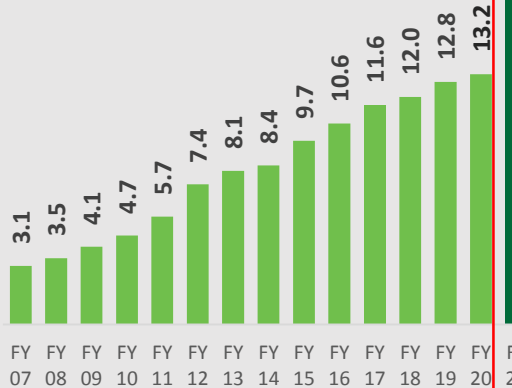
Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

# Value Creation for our Shareholders

## EPS

In ₹

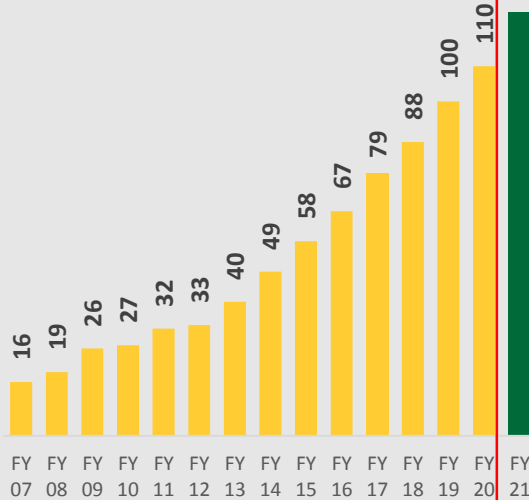
CAGR 14%



## BOOK VALUE/SHARE

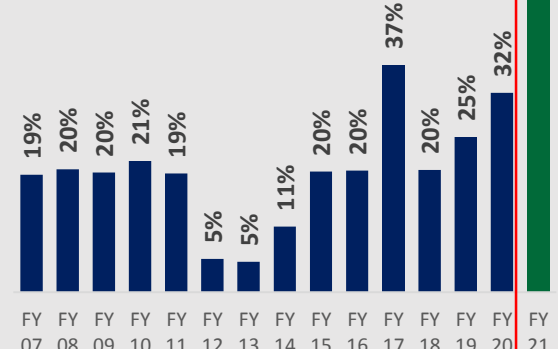
In ₹

CAGR 16%



## DIVIDEND PAYOUT

Avg DPO @ ~27%  
of profits earned



Note: Special dividend declared in FY21, in recognition of superior performance

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

Current year performance

# FY21 Performance Snapshot

## REVENUE

**11%** 


FY21: Rs.5,70,416 mn  
FY20: Rs.5,15,138 mn

## EBITDA

**34%** 

FY21: Rs.14,390 mn  
FY20: Rs.10,714 mn

## PAT

**47%** 

FY21: Rs.7,564 mn  
FY20: Rs.5,152 mn

**64%<sup>^</sup>**

## WC DAYS

**14 days**

FY20: 31 days

## ROE

**16.4%**

FY20: 12.6%

**18.4%<sup>^</sup>**

## ROCE#

**36.5%**

FY20: 19.3%

## INVENTORY CHARGE

**-0.07%**

FY20: 0.06%

## AR PROVISION

**0.08%**

FY20: 0.12%

## FREE CASH FLOW

**Rs.33,600 mn**

FY20: Rs.9,671 mn

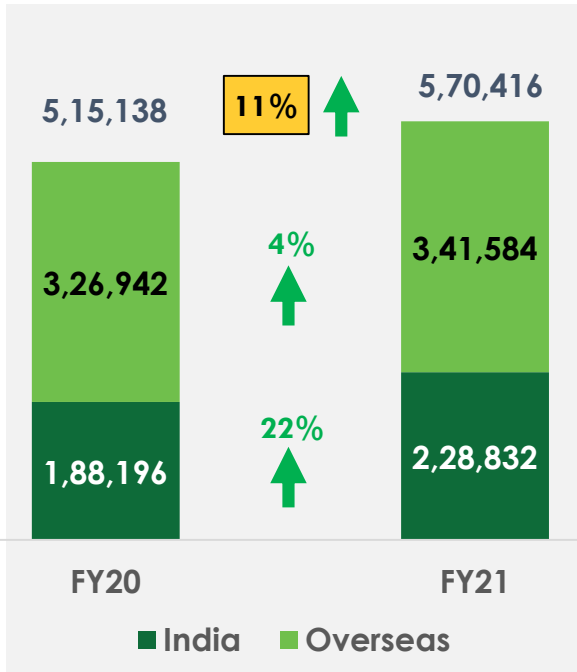
#ROCE is calculated net of cash and on average capital employed

<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

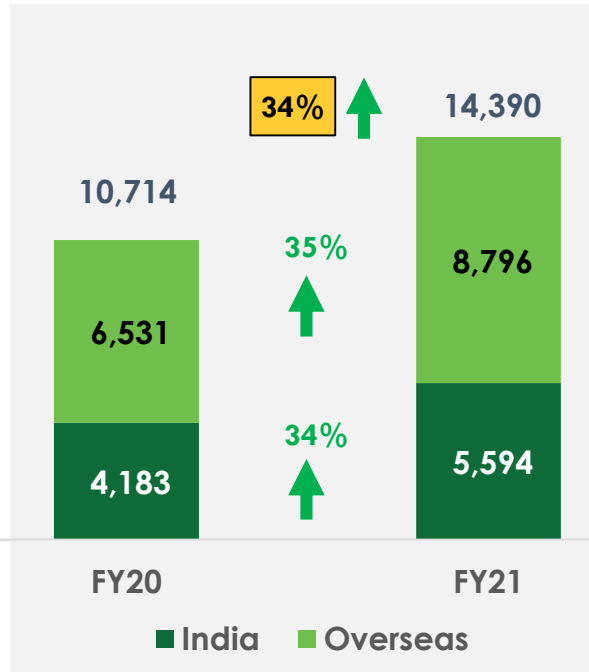
# Performance By Market

₹ in million

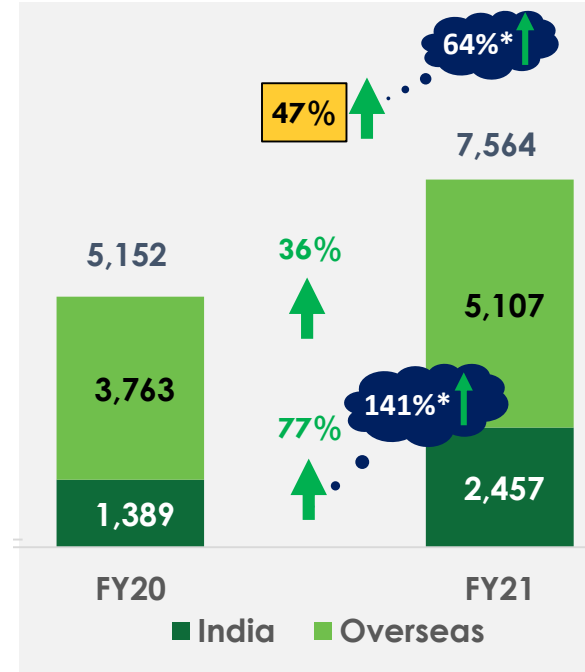
## REVENUE



## EBITDA



## PAT



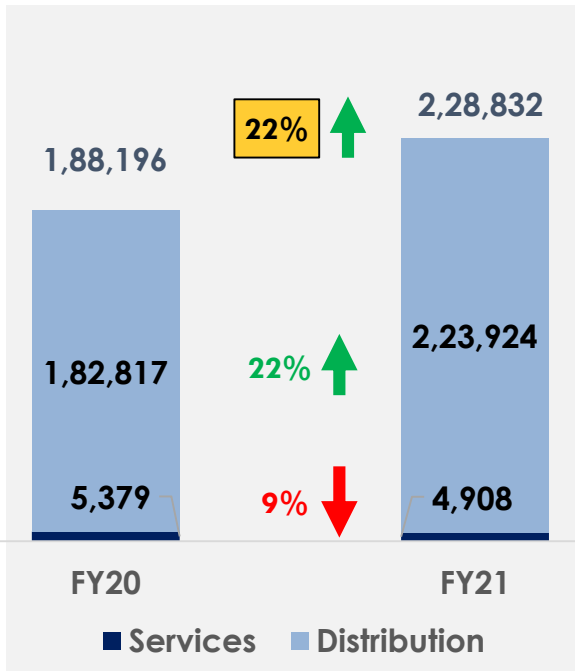
\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)



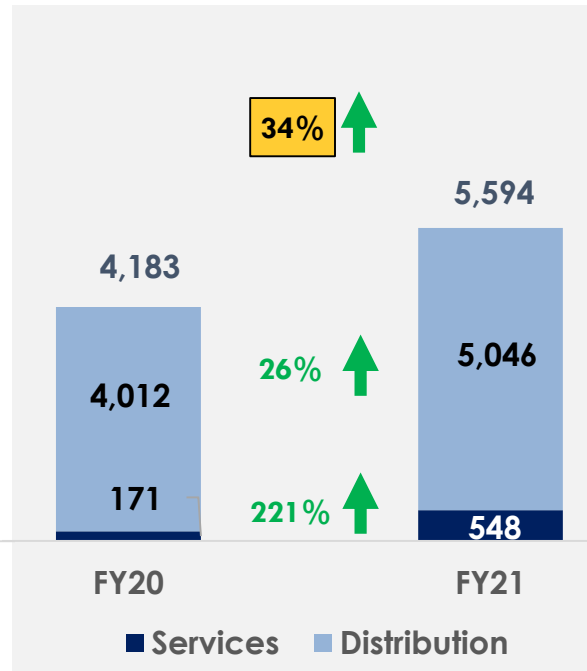
# India Performance

₹ in million

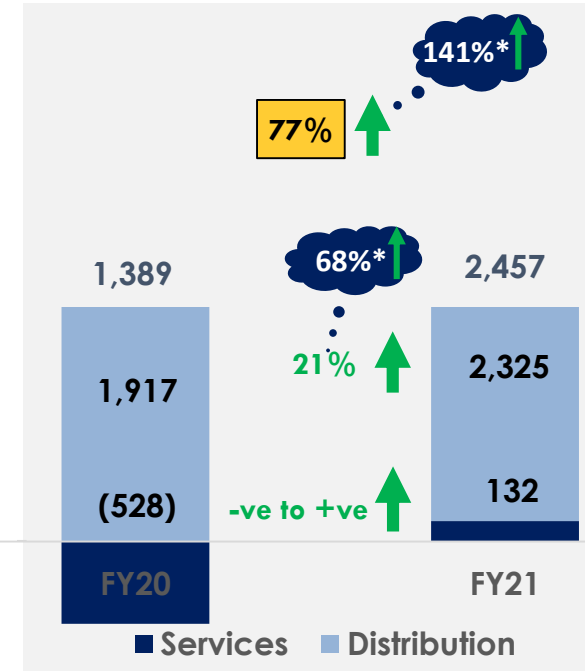
## REVENUE



## EBITDA



## PAT



\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

Note: Services represents ProConnect & Ensure (Only 4 months figures in FY21)

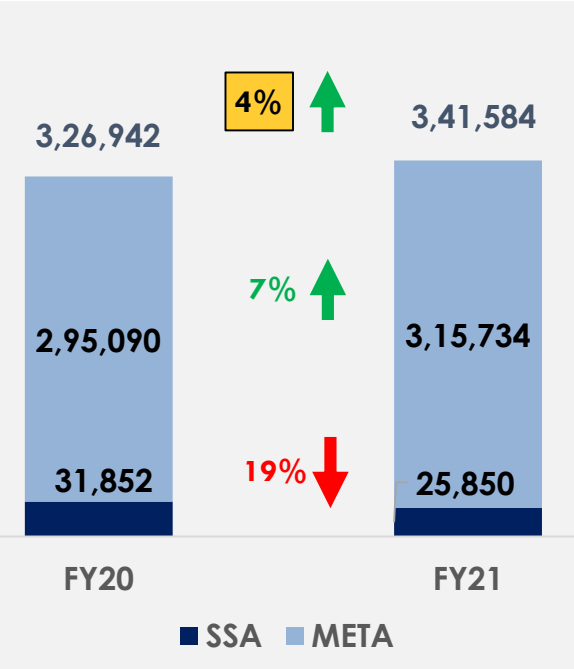
Note: Services in FY21 includes capital profits of Rs.4.4 crs on sale of Ensure India

# Overseas Performance

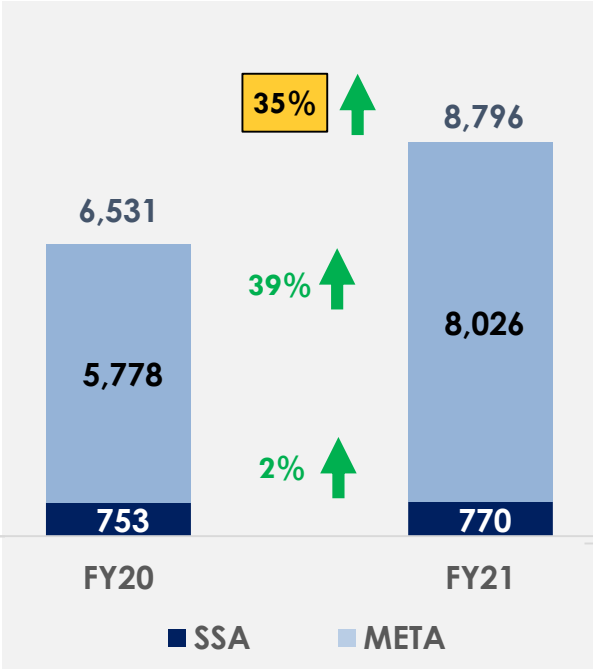


₹ in million

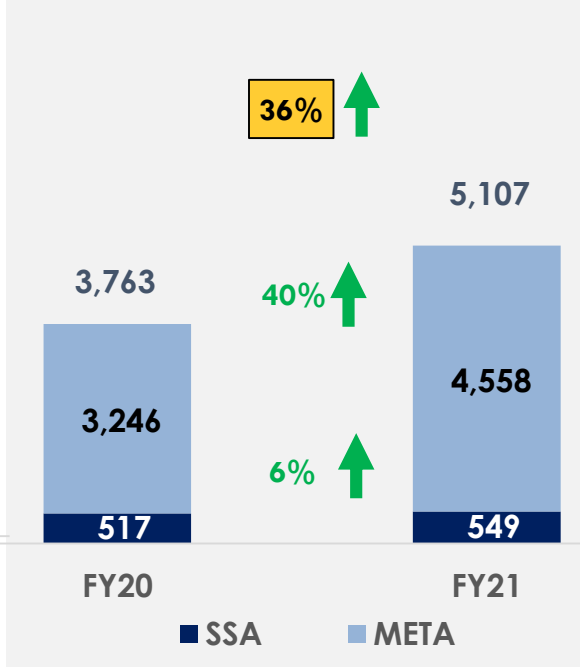
## REVENUE



## EBITDA



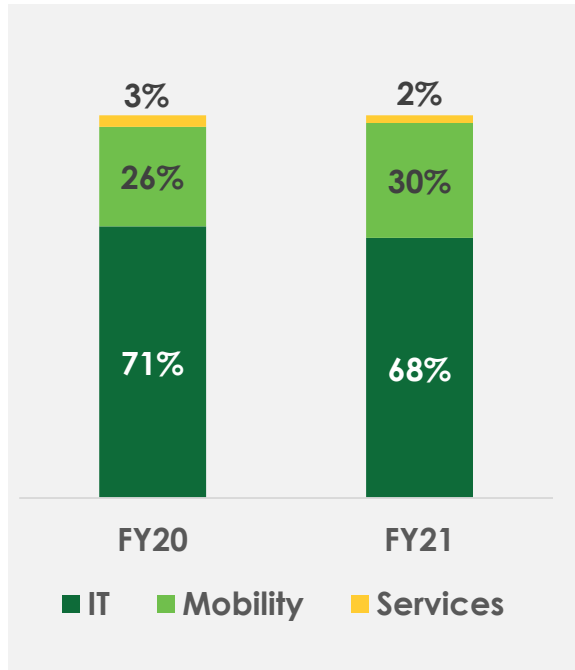
## PAT



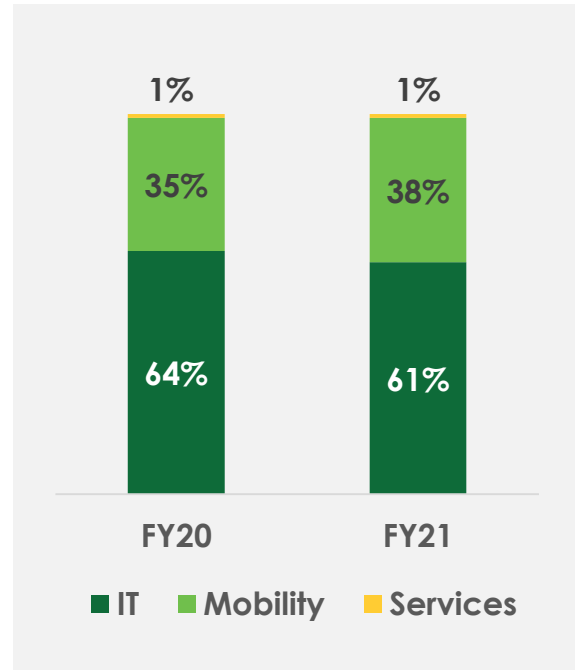
Note: Overseas performance in c/c terms – Revenue (0.2%); EBITDA 29% ; PAT 30%

# Performance By Vertical

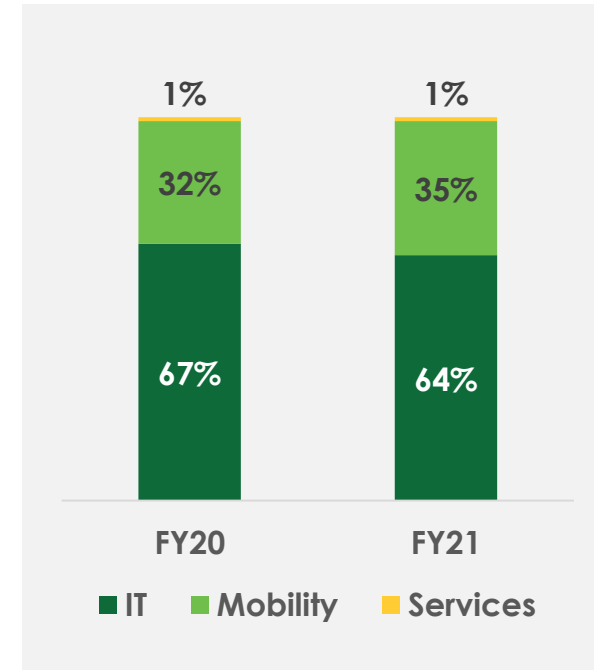
## INDIA



## OVERSEAS

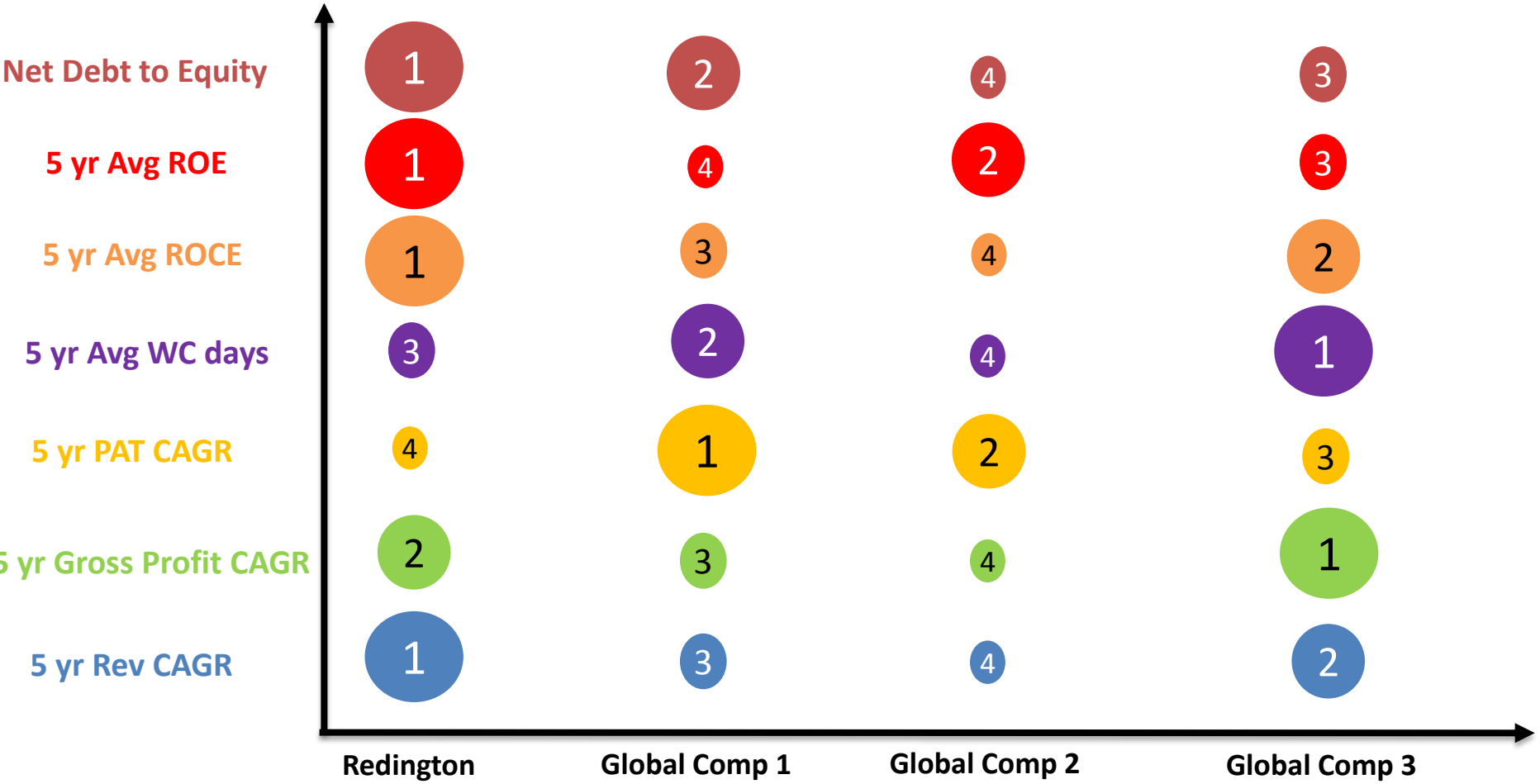


## GLOBAL



Note: Services represents ProConnect only

# Redington Vis-à-vis Global Peers

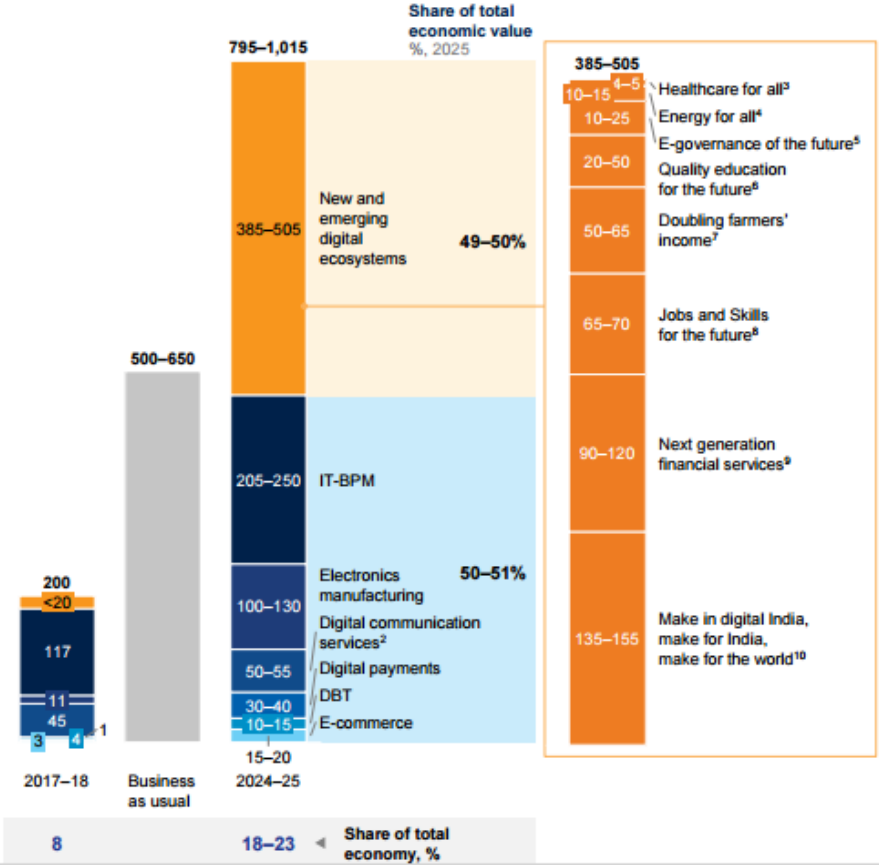


# **Our Opportunities**



# 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**

