



REDINGTON (INDIA) LIMITED

Q1FY21 Earnings Presentation

June 2020

Disclaimer

This presentation contains “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Redington India Limited’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Redington India Limited undertakes no obligation to periodically revise any forward looking statements to reflect future / likely events or circumstances.

Financial Highlights

- **Q1FY21** – On a Global basis, Revenue degrew by **8%** while EBITDA degrew by **6%** and PAT degrew by **19%**
 - **Global Distribution** – Revenue degrew by **8%**, EBITDA grew by **1%** and PAT degrew by **5%**
 - **India** – Revenue degrew by **17%**, EBITDA degrew by **32%** and PAT degrew by **48%**
 - **Overseas** – Revenue degrew by **4%**, EBITDA grew by **17%** and PAT degrew by **3%**
- **Key Metrics**
 - On a Global basis, **Operating expenses** decline was in line with revenue decline at **~8%**
 - On a Global basis, **Interest cost** declined by **~8%**
 - On a Global basis, **WC days** for Q1FY21 is **17 days** as against 44 days in Q1FY20
 - On a Global basis, **AR provision** is at **0.07%** and **Inventory charge** is at **0.05%**
 - Strong **positive FCF** generation of **Rs. 23,324 mn** for Q1FY21
 - For the quarter, **ROCE** stood at **20.6%**
 - **Gross Debt to Equity** is at **0.44x** and **Net Debt to Equity** is at **(0.45x)**

Financial Highlights

INDIA BUSINESS

- During the quarter,
 - India Distribution – Revenue degrew by **16%**, EBITDA degrew by **24%** and PAT degrew by **25%**
 - While IT segment degrew by double digit, Mobility degrew by a mid single digit
 - **WC days** stood at **12 days** in Q1FY21 as against 57 days in Q1FY20
 - Strong **FCF** generation at **Rs. 11,323 mn**
 - Excellent **cash flow** generation with cash in books at **Rs.14,043 mn**
 - **ROCE** is strong at **19.1%**

ProConnect India (PCS)

- Though PCS degrew revenues by **30% YoY**, it delivered **EBITDA of Rs.47 mn** but generated loss at PAT level on account of high interest cost

Ensure India

- Ensure, the after sales support services subsidiary of Redington was divested on July 31st, 2020 to Accel Limited

Financial Highlights

OVERSEAS BUSINESS

- During the quarter,
 - Overseas Distribution – Revenue degrew by **4%**, EBITDA grew by **22%** and PAT grew by **5%**
 - **IT segment** registered growth of **1%**
 - **WC days** stood at **19 days** in Q1FY21 as against 36 days in Q1FY20
 - Strong **FCF** generation at **Rs. 12,001 mn**
 - Excellent **cash flow** generation with cash in books in Overseas at **Rs.28,756 mn**
 - **ROCE** is strong at **21.4%**

Turkey Update

- During the quarter, Arena biz had registered **strong double digit growth** on Revenues and **triple digit growth** on EBITDA, driven by Opex control



Q1FY21 Highlights

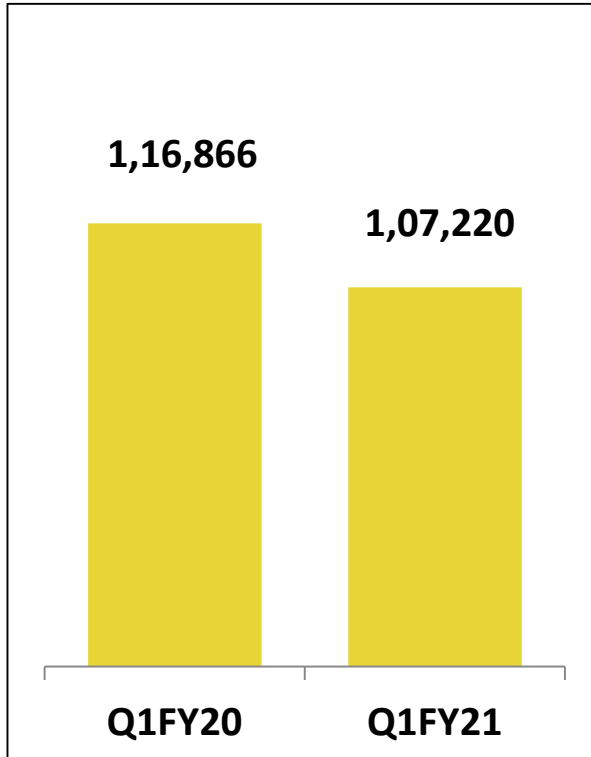


Q1FY21 Redington Global Performance

₹ in million

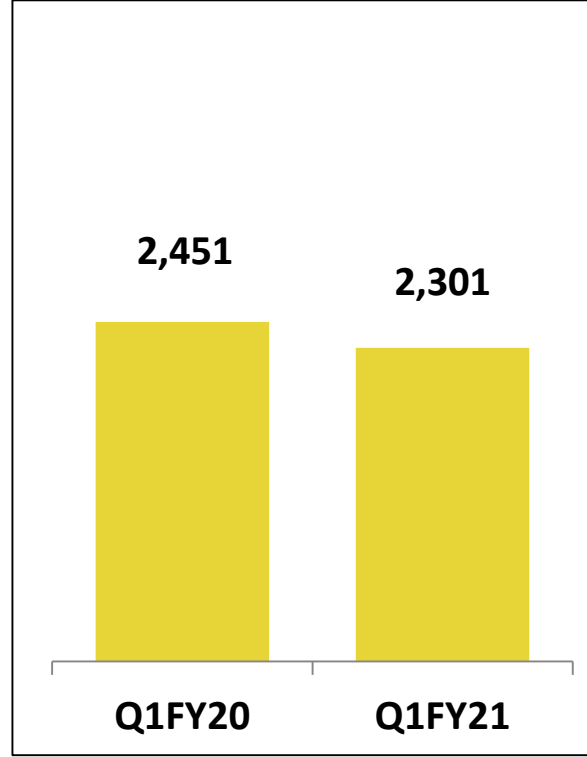
REVENUE

8%



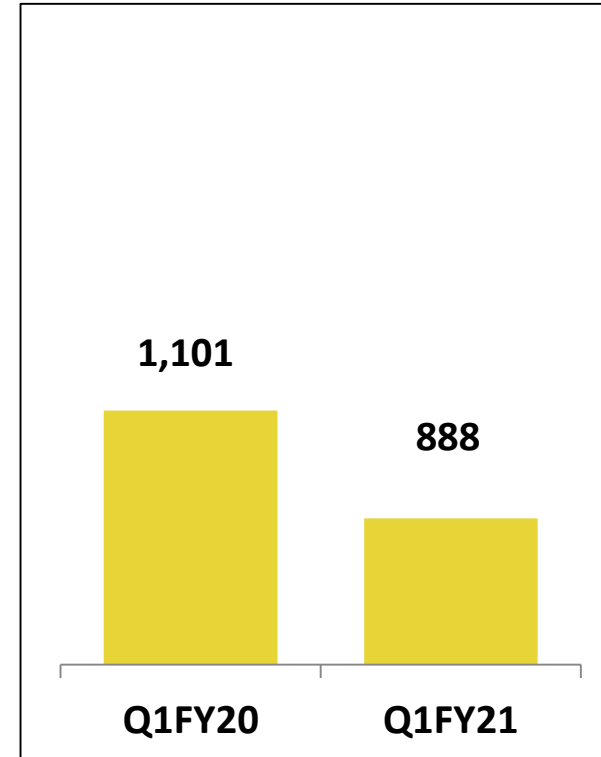
EBITDA

6%



PAT

19%

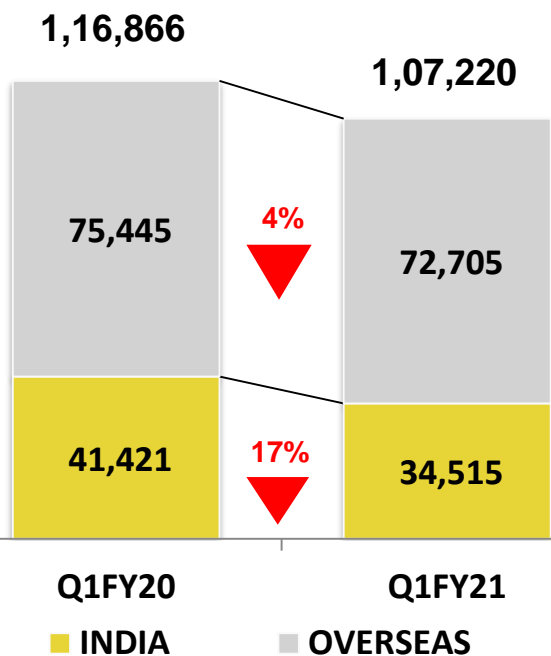


Q1FY21 Performance by Market

₹ in million

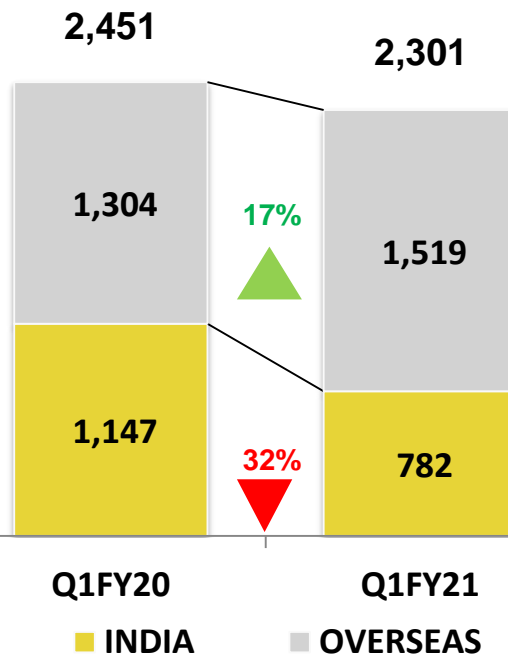
REVENUE

8% ▼



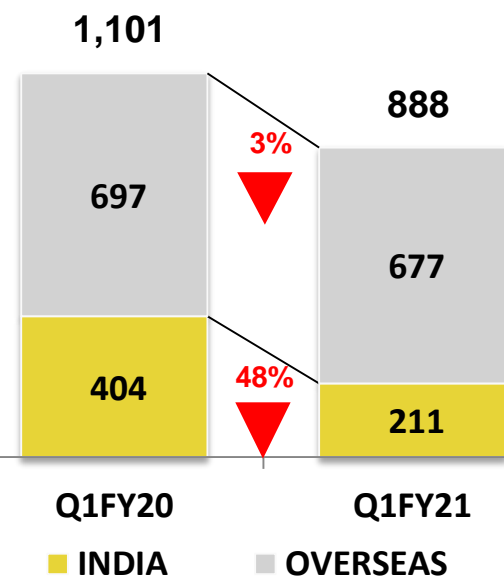
EBITDA

6% ▼



PAT

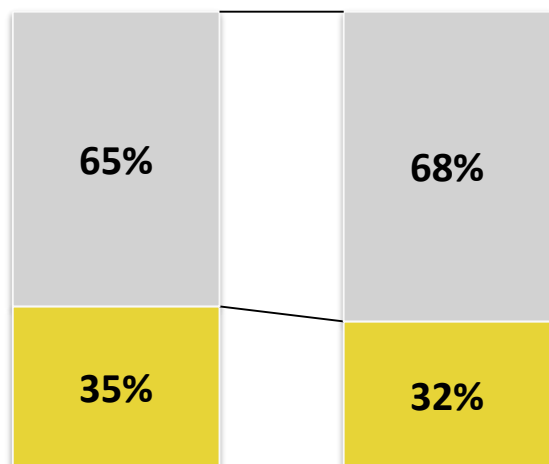
19% ▼



Q1FY21 Contribution by Market

₹ in million

REVENUE



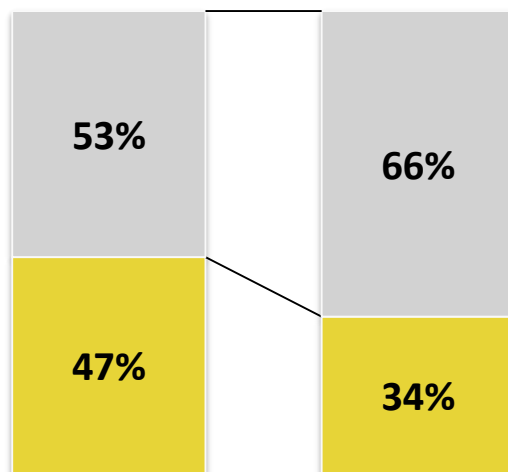
Q1FY20

Q1FY21

INDIA

OVERSEAS

EBITDA



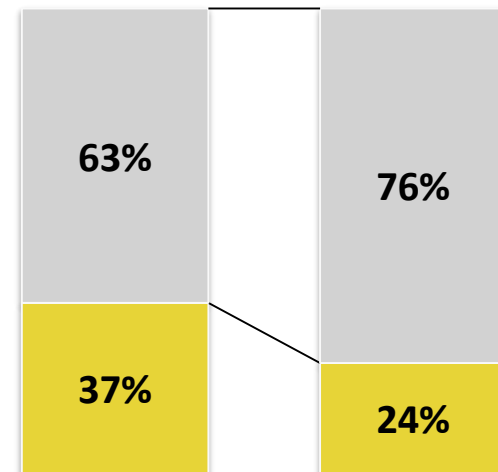
Q1FY20

Q1FY21

INDIA

OVERSEAS

PAT



Q1FY20

Q1FY21

INDIA

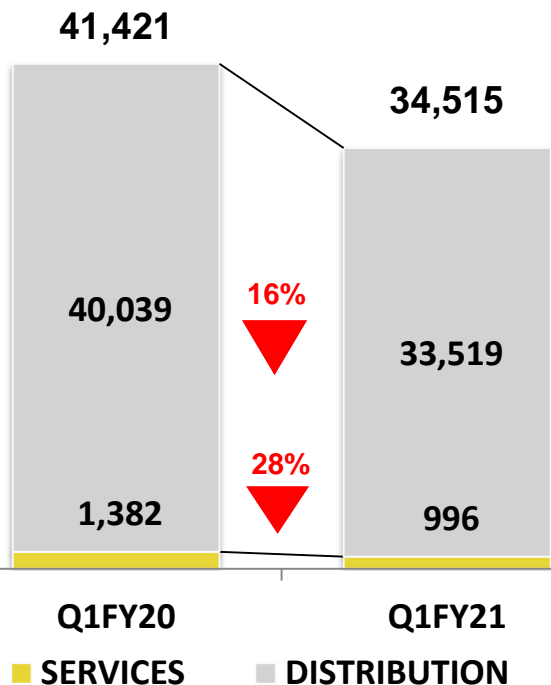
OVERSEAS

Q1FY21 India Performance

₹ in million

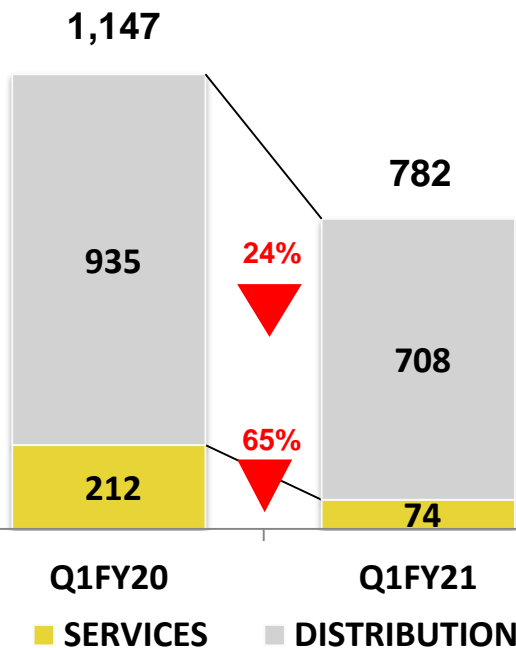
REVENUE

17% ▼



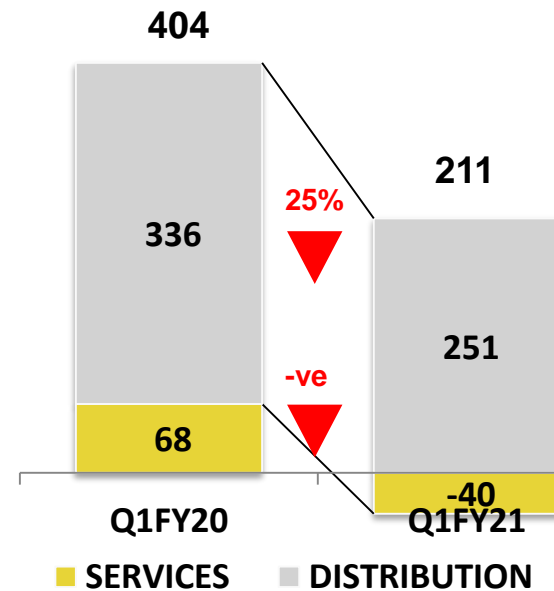
EBITDA

32% ▼



PAT

48% ▼

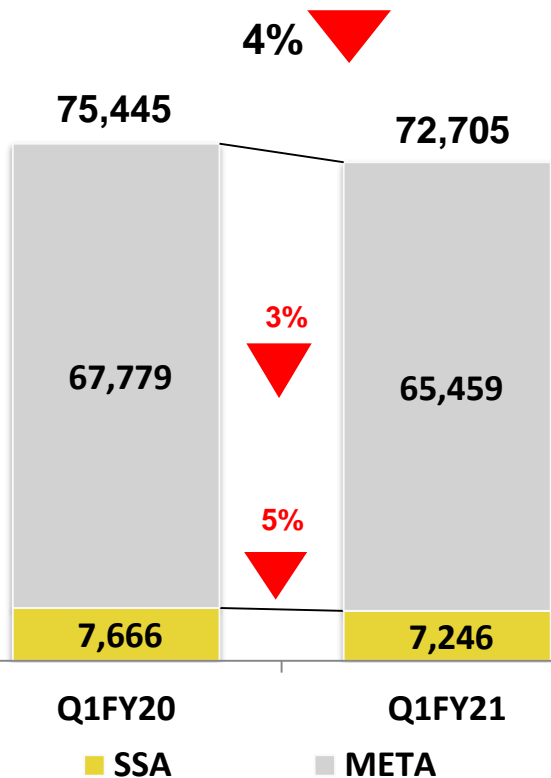


Note: Services represents ProConnect & Ensure

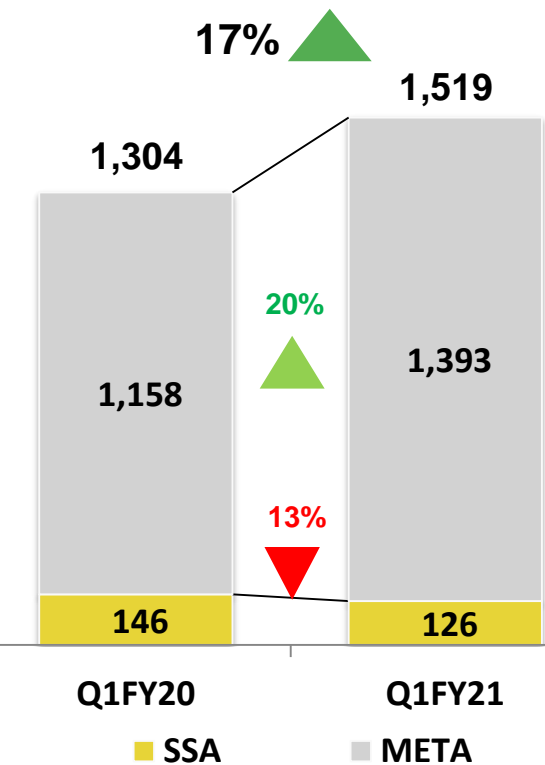
Q1FY21 Overseas Performance

₹ in million

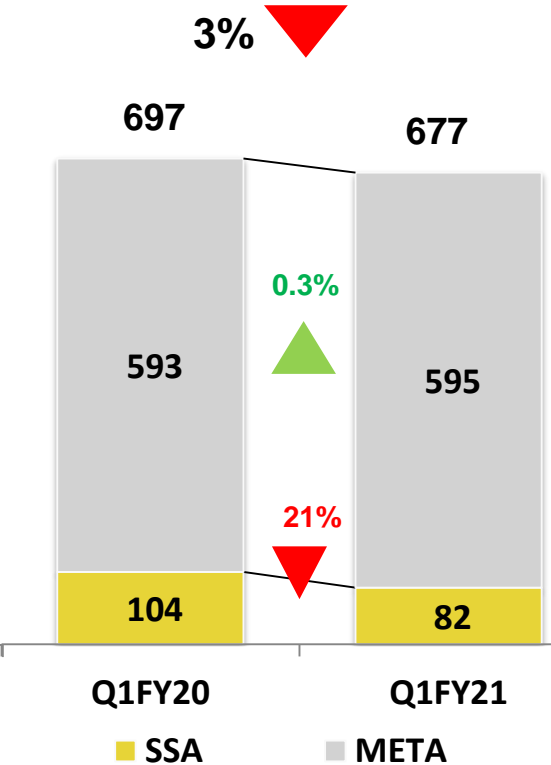
REVENUE



EBITDA



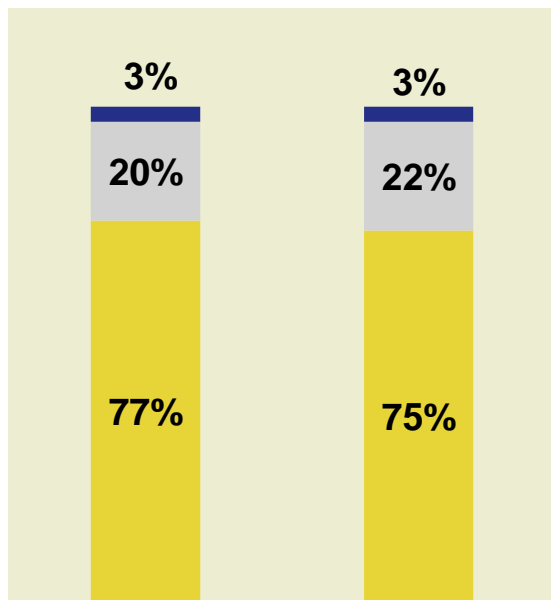
PAT



Note: Overseas performance in c/c terms – Revenue (11%); EBITDA 7% ; PAT (11%)

Q1FY21 Revenue Performance by Verticals

INDIA

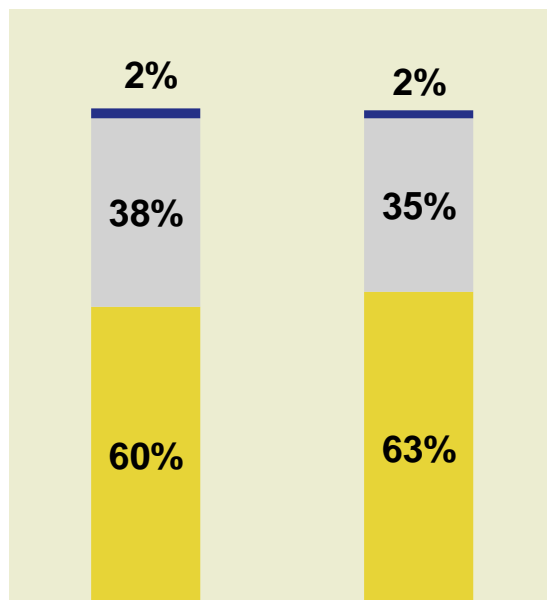


Q1FY20

Q1FY21

■ IT ■ Mobility ■ Services

OVERSEAS

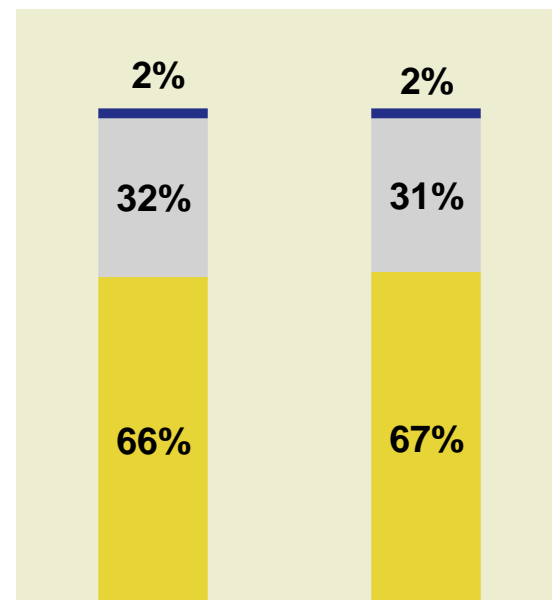


Q1FY20

Q1FY21

■ IT ■ Mobility ■ Services

CONSOLIDATED



Q1FY20

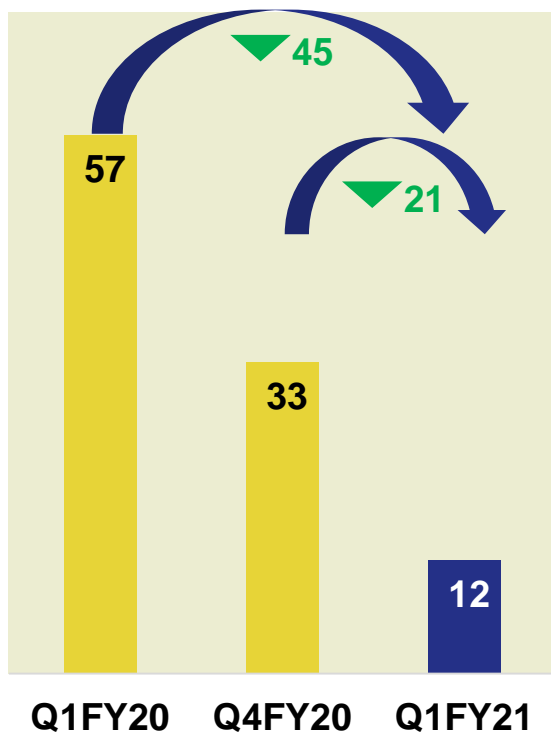
Q1FY21

■ IT ■ Mobility ■ Services

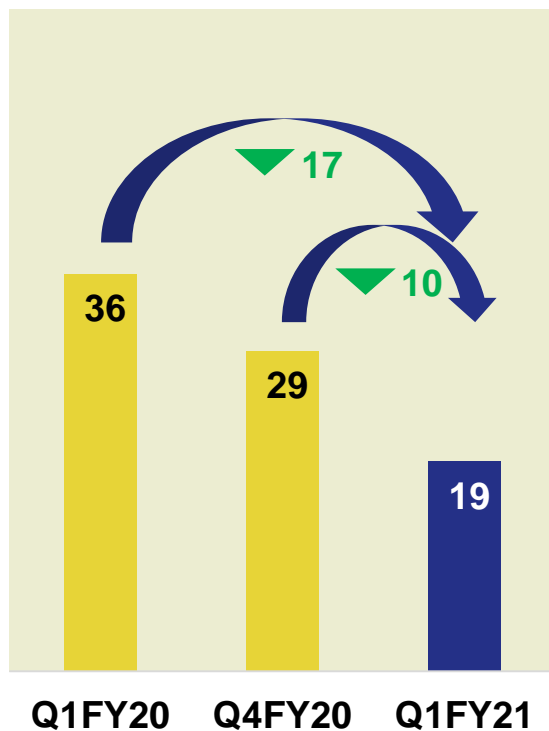
Note: Services represents ProConnect & Ensure

Q1FY21 Working Capital Days

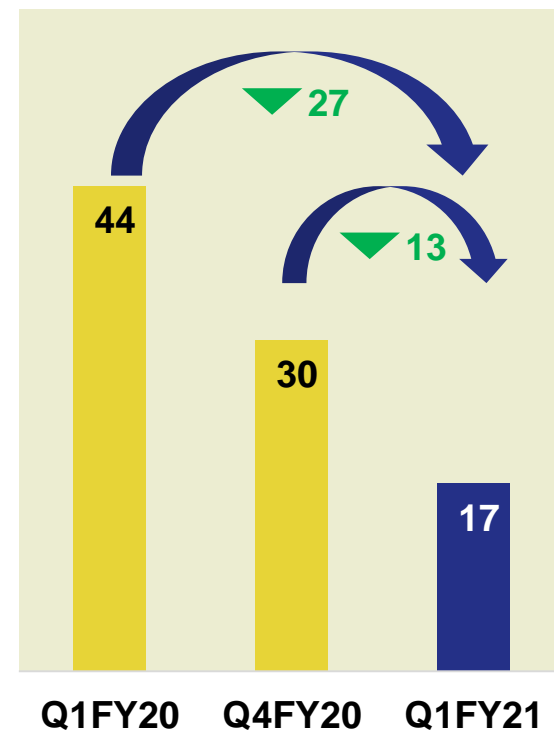
INDIA



OVERSEAS



GLOBAL



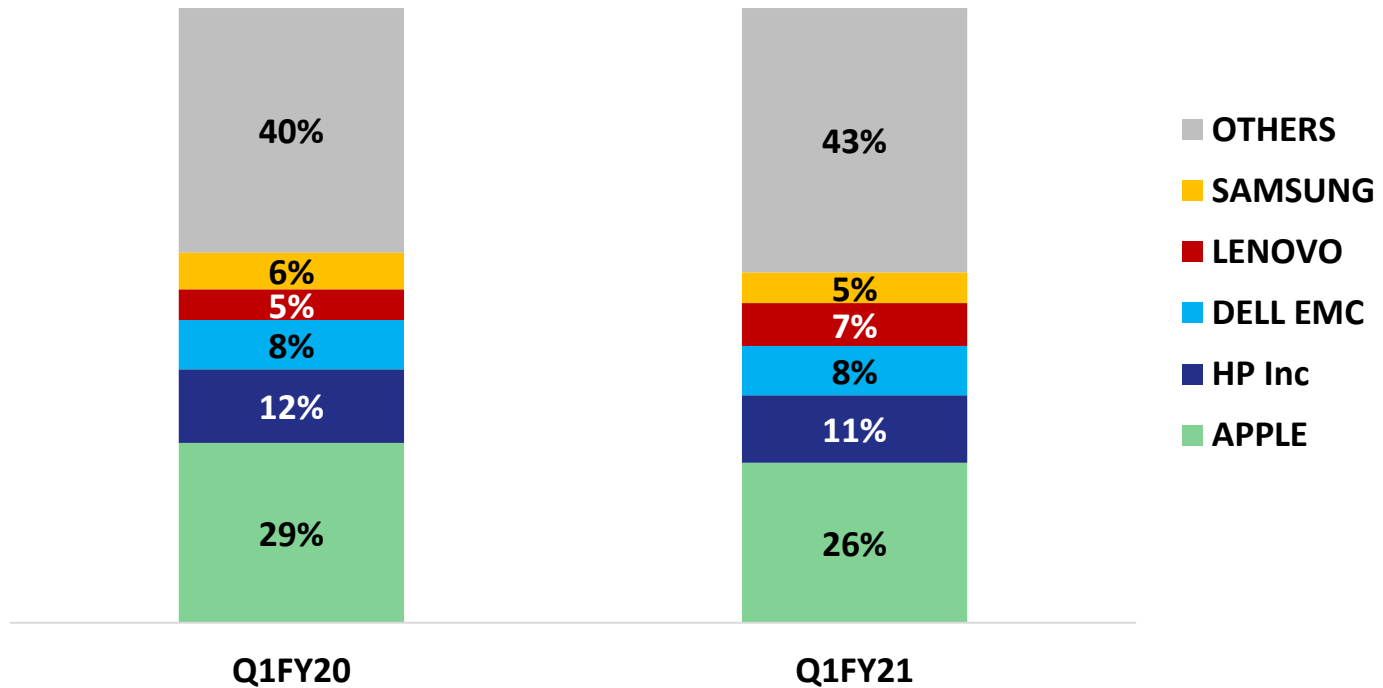
Q1FY21 Free Cash Flow Statement

₹ in million

| Particulars | Q1 FY20 | Q1 FY21 |
|--------------------------------------|----------------|---------------|
| Profit Before Taxation | 1,469 | 1,305 |
| Non-cash items | 346 | 426 |
| Outflow of Finance Cost | 577 | 424 |
| Changes in Working Capital | (10,713) | 22,058 |
| Direct Taxes Paid | (155) | (288) |
| Net Cash Flow from Operations | (8,476) | 23,925 |
| Capex | (328) | (138) |
| Dividend paid including DDT | - | - |
| Outflow of Finance Cost | (541) | (463) |
| Free Cashflow | (9,345) | 23,324 |

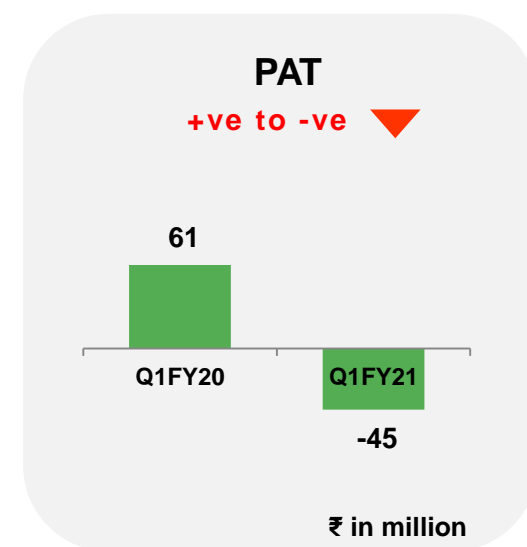
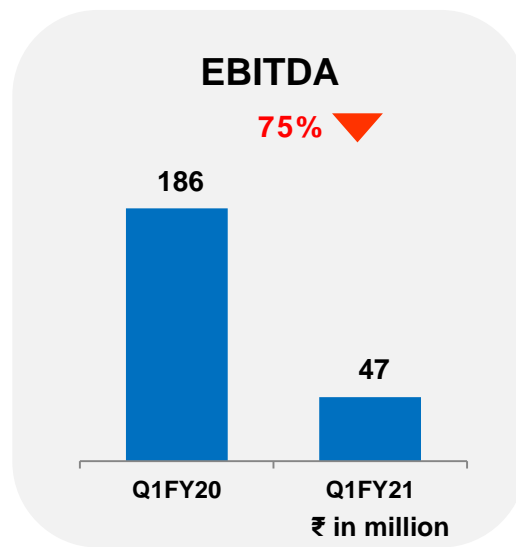
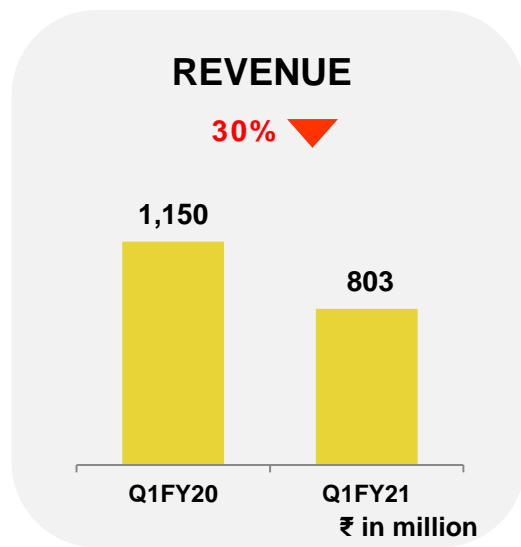
Q1FY21 Top 5 Vendors

REVENUE

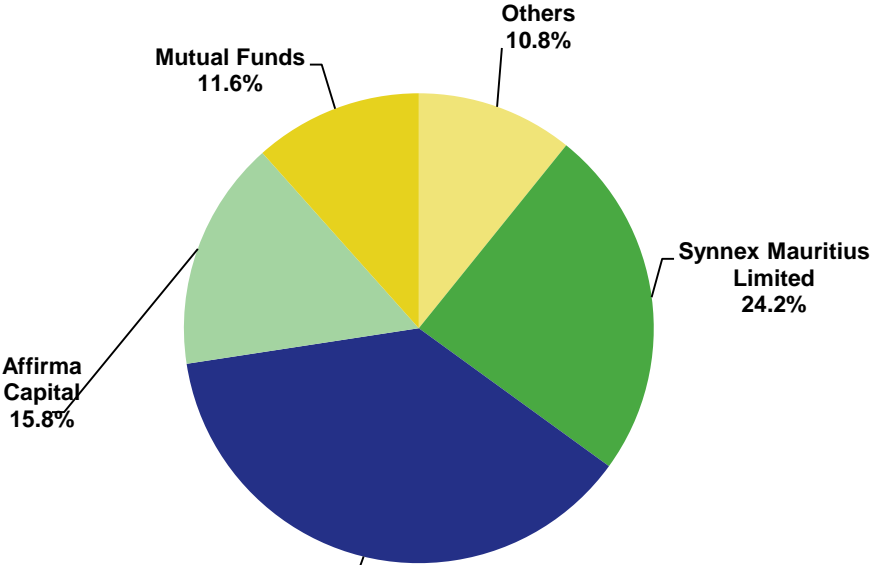


Q1FY21 ProConnect India

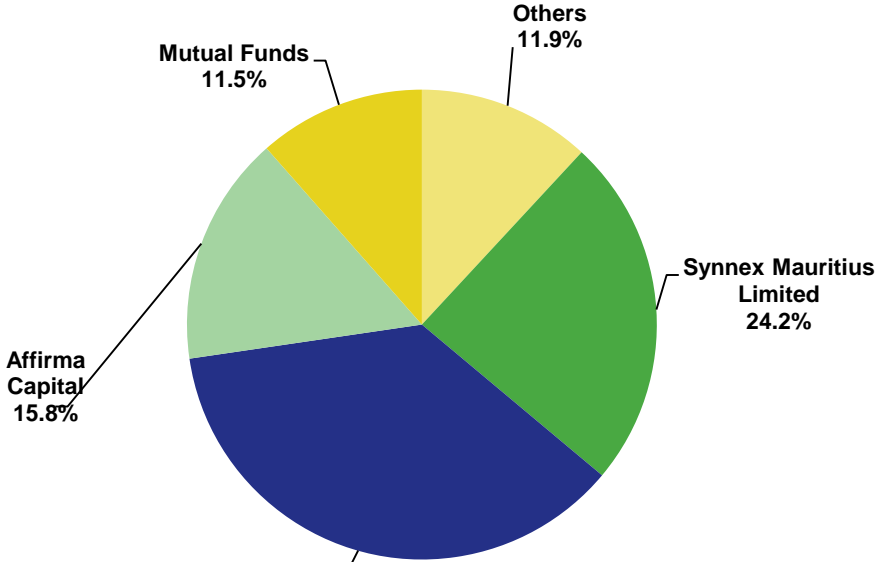
- Though PCS degrew revenues by 30% YoY, it delivered EBITDA of Rs.47 mn but generated loss at PAT level on account of high interest cost



Shareholding Pattern



Mar-2020



Jun-2020



Investor Contacts

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