



REDINGTON (INDIA) LIMITED

Q3FY21 Earnings Presentation

Dec 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

★ “Record quarter in the history of Redington – Highest revenue & PAT ever” ★

- **Q3FY21** – Global Revenue grew by **15%**, EBITDA grew by **44%**, PAT grew by **21%**, Adjusted PAT grew by **78%**
 - **India** – Revenue grew by **44%**, EBITDA grew by **79%**, PAT degrew by **1%** and Adjusted PAT grew by **240%**
 - **Overseas** – Revenue degrew by **2%**, EBITDA grew by **27%** and PAT grew by **28%**
- **9MFY21** – Global Revenue grew by **7%**, EBITDA grew by **21%**, PAT grew by **15%**, Adjusted PAT grew by **37%**
 - **India** – Revenue grew by **14%**, EBITDA grew by **11%**, PAT degrew by **1%** and Adjusted PAT grew by **69%**
 - **Overseas** – Revenue grew by **3%**, EBITDA grew by **28%** and PAT grew by **22%**
- **Key Metrics**
 - On a Global basis, **WC days** for Q3FY21 is **12 days** and 9MFY21 is **14 days**
 - Strong **positive FCF** generation of **Rs. 2,335mn** for Q3FY21 and **Rs.27,611mn** for 9MFY21
 - On a Global basis, for the quarter, **ROCE** is **64.1%**, **ROE** is **16.5%** and **Adjusted ROE** is **24.3%**
 - **Gross Debt to Equity** is at **0.09x** and there is **Negative Net Debt of Rs.25,000mn**

Note: PAT adjusted for one-off VSV tax provision of Rs 890mn (Mainly Gift of shares case)

Financial Highlights

INDIA BUSINESS

- During the quarter,
 - India Distribution – Revenue grew by **45%**, EBITDA grew by **48%**, PAT grew by **48%**, Adjusted PAT grew by **91%**
 - Strong growth in both IT & Mobility segment with **IT registering 31% YoY growth** and **Mobility registering 69% YoY growth**
 - **WC days** stood at **11 days** in Q3FY21 as against 39 days in Q3FY21
 - **ROCE** is strong at **60.4%**

ProConnect India (PCS)

- PCS registered growth across all metrics with revenue growth of **32% YoY**
- PCS registered **EBITDA margin of 10%** for the quarter

HC verdict – Gift of shares

- During the quarter, the company received an unfavourable order from the Honorable Madras HC on the Gift of shares issue leading to a potential demand of Rs. 1,421mn excluding interest, which was intimated to Stock Exchange on Dec 11th, 2020
- Latest Update: Company has decided to opt for settlement under the Vivad Se Vishwas Scheme, 2020, with complete waiver of interest and penalty thereon; Acceptance by Department awaited

Impact: Including for other years, VSV tax provision of Rs.890mn (mainly Gift of shares case) was made during the quarter

Note: PAT adjusted for one-off VSV tax provision of Rs 890mn (Mainly Gift of shares case)

Financial Highlights

OVERSEAS BUSINESS

- During the quarter,
 - In spite of revenue decline, Overseas **registered strong growth in margins**
 - Revenue decline was mainly led by degrowth in SSA on account of shift of few biz (at vendor end) to India
 - **WC days** stood at **12 days** in Q3FY21 as against 30 days in Q3FY20
 - Strong **FCF** generation at **Rs. 2,696 mn**
 - **ROCE** is strong at **67.1%**

Turkey Update

- During the quarter, Arena biz had degrown revenues by 4% but grew EBITDA by 7%



Q3FY21 Highlights

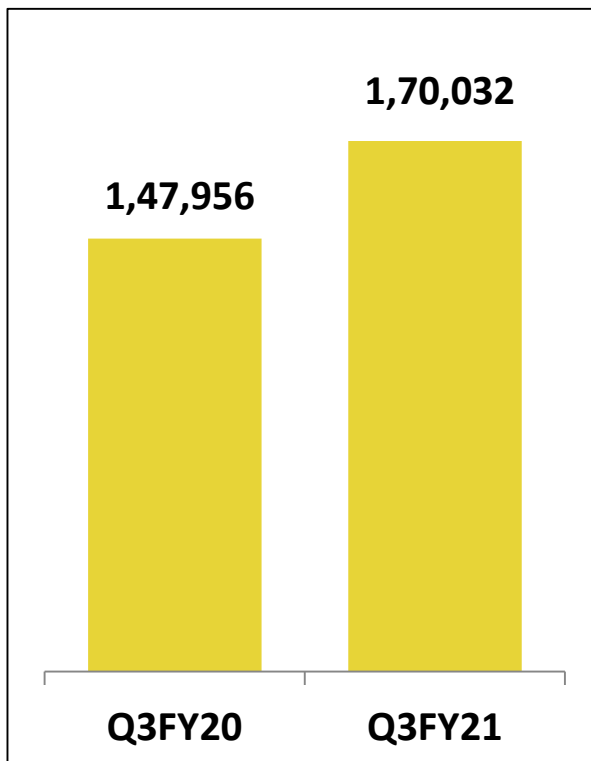


Q3FY21 Redington Global Performance

₹ in million

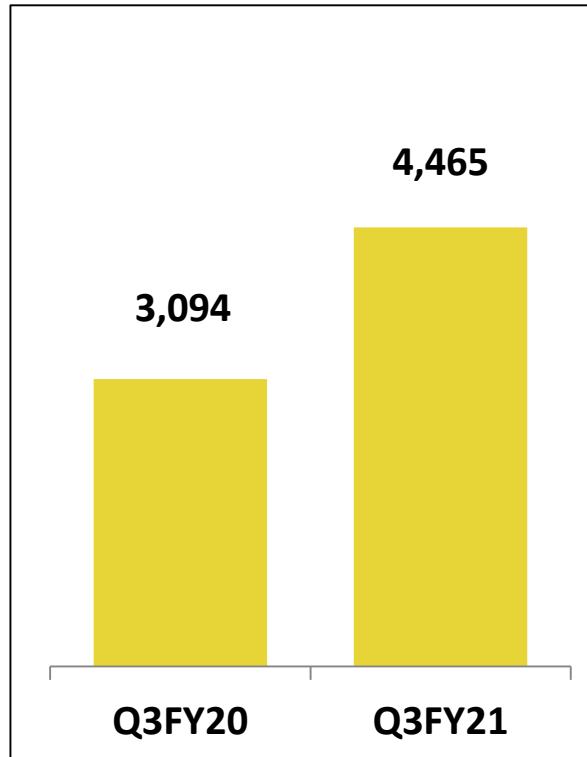
REVENUE

15% ▲



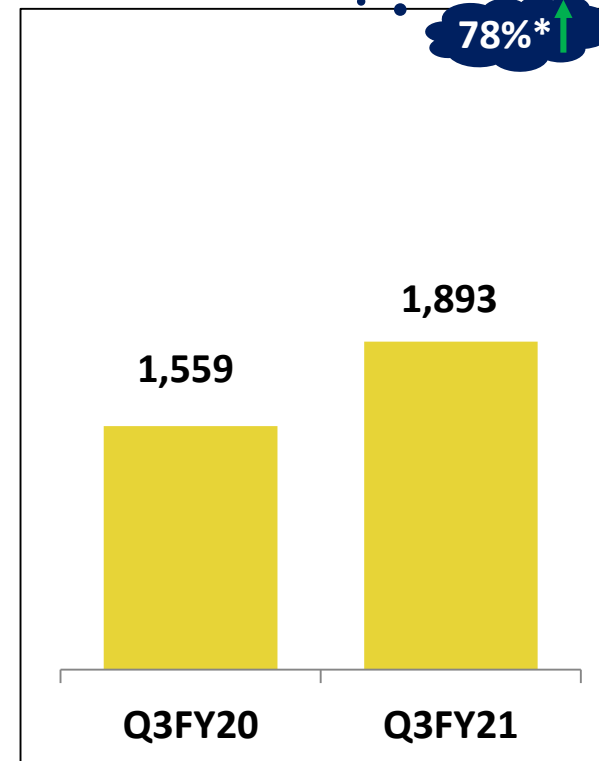
EBITDA

44% ▲



PAT

21% ▲

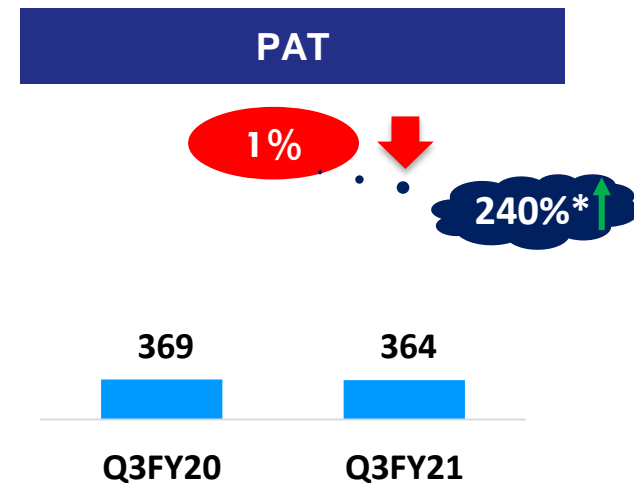
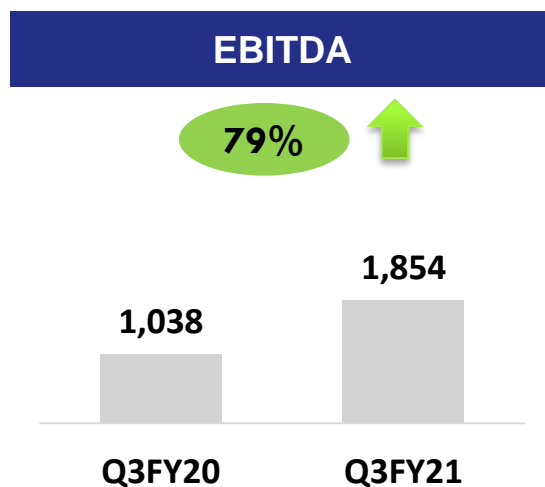
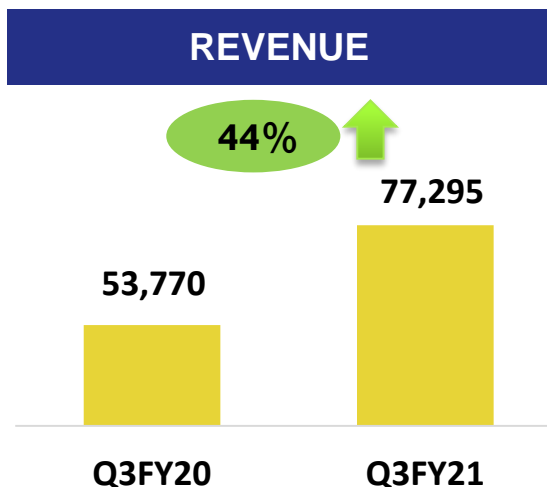


*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

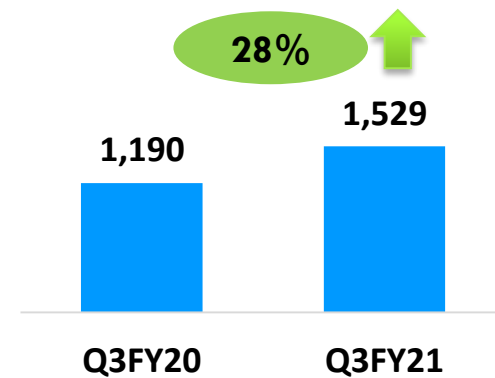
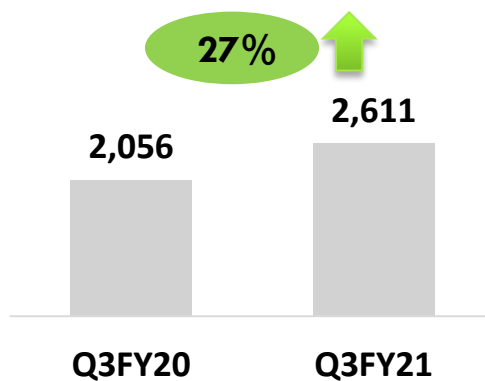
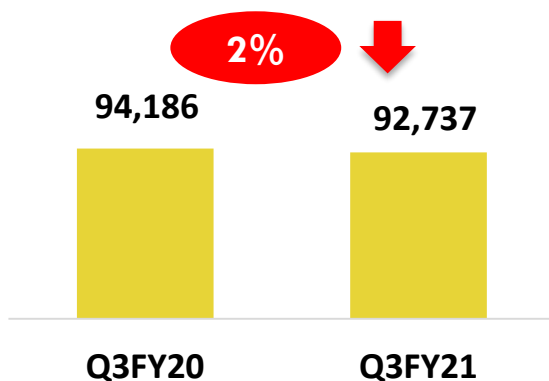
Q3FY21 Performance by Market

₹ in million

INDIA



OVERSEAS

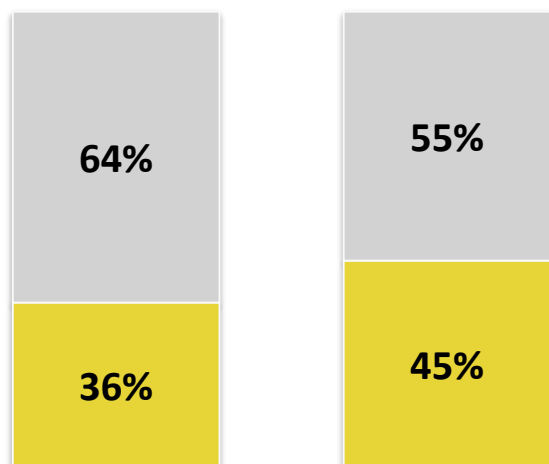


*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

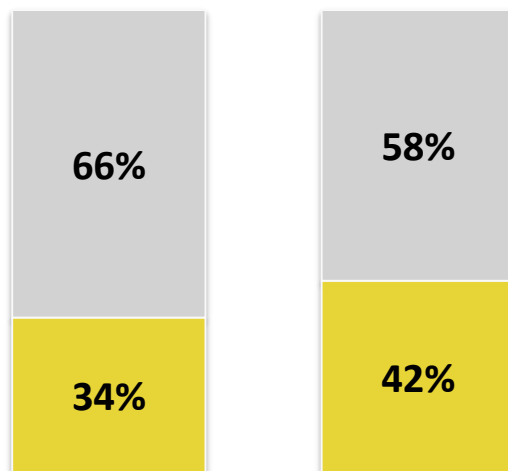
Q3FY21 Contribution by Market

₹ in million

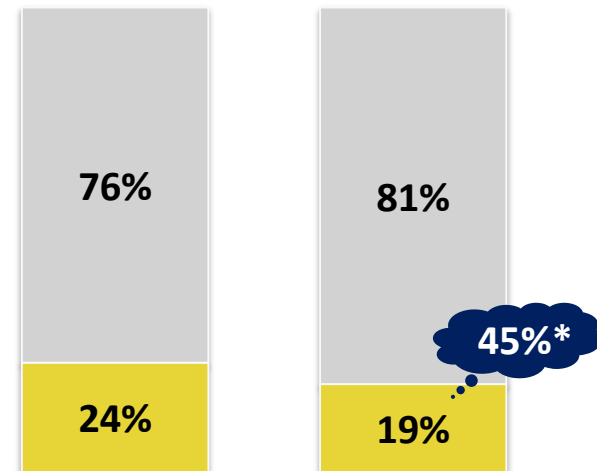
REVENUE



EBITDA



PAT



Q3FY20

Q3FY21

INDIA

OVERSEAS

Q3FY20

Q3FY21

INDIA

OVERSEAS

Q3FY20

Q3FY21

INDIA

OVERSEAS

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

Q3FY21 India Performance

₹ in million

DISTRIBUTION

REVENUE

45% ↑



52,459

75,926

Q3FY20

Q3FY21

EBITDA

48% ↑



1,159

1,719

Q3FY20

Q3FY21

PAT

48% ↓



641

336

Q3FY20

Q3FY21

91%* ↑



SERVICES#

4% ↑



1,311

1,369

Q3FY20

Q3FY21

-ve to +ve ↑



Q3FY20

-121

Q3FY21

135

-ve to +ve ↑



Q3FY20

-272

Q3FY21

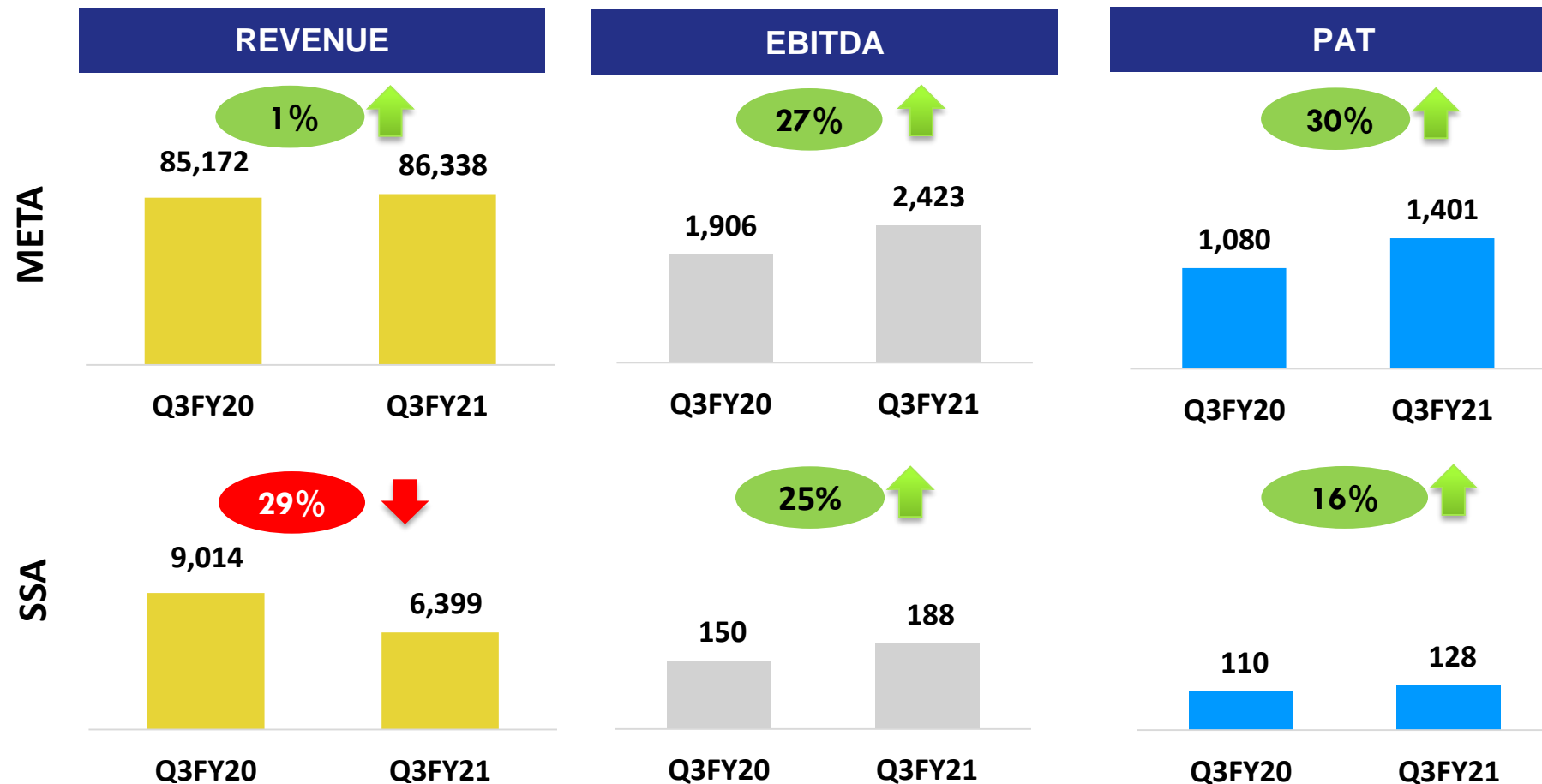
28

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

#Services in Q3FY20 contains Ensure India figures

Q3FY21 Overseas Performance

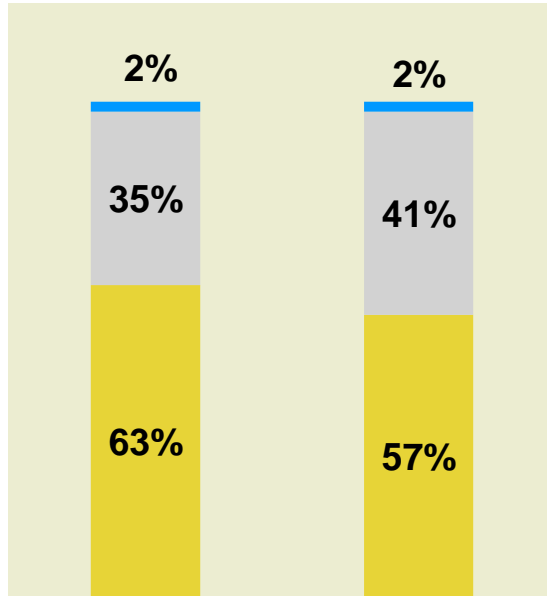
₹ in million



Note: Overseas performance in c/c terms – Revenue (5%); EBITDA 21% ; PAT 23%

Q3FY21 Revenue Performance by Verticals

INDIA

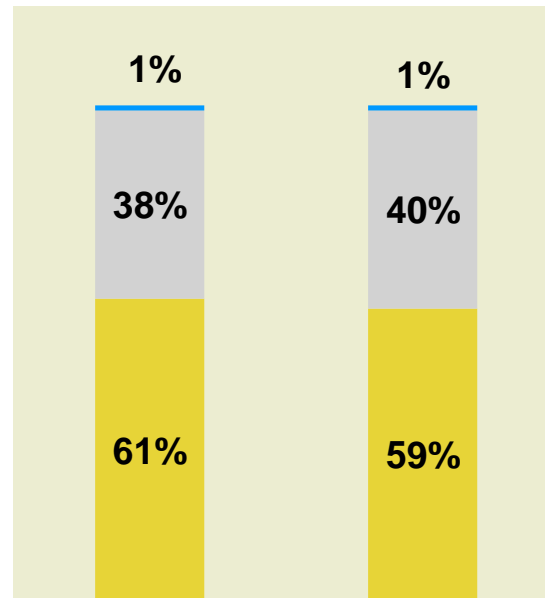


Q3FY20

Q3FY21

■ IT ■ Mobility ■ Services

OVERSEAS

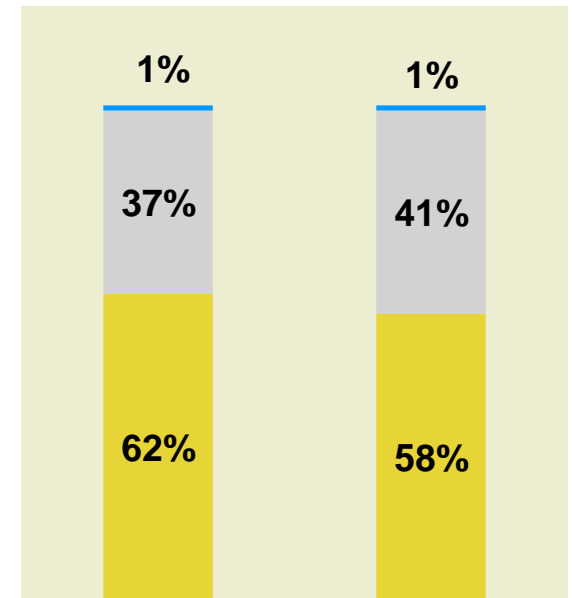


Q3FY20

Q3FY21

■ IT ■ Mobility ■ Services

GLOBAL



Q3FY20

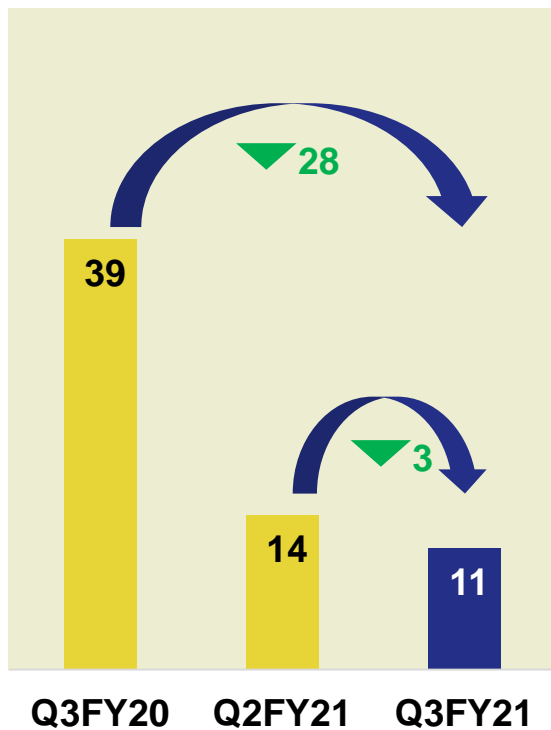
Q3FY21

■ IT ■ Mobility ■ Services

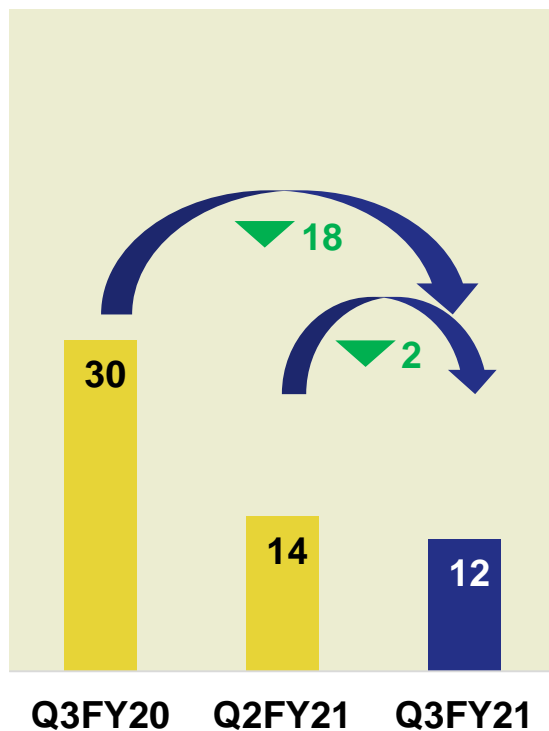
Note: Services represents ProConnect only

Q3FY21 Working Capital Days

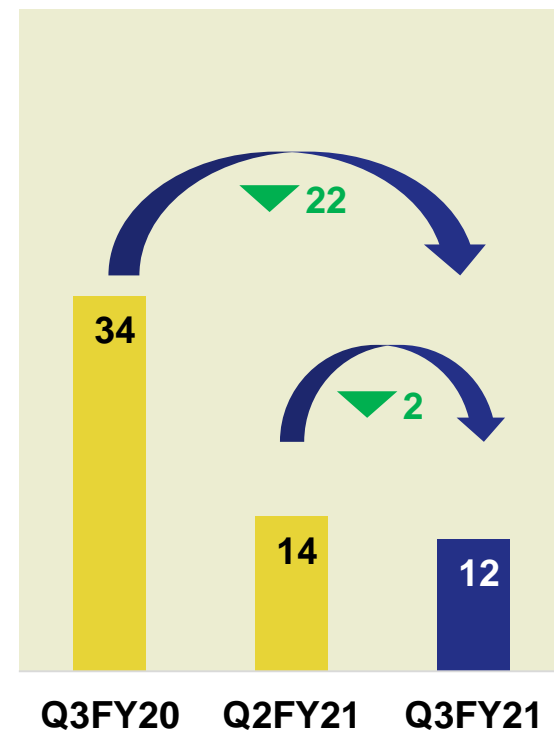
INDIA



OVERSEAS



GLOBAL



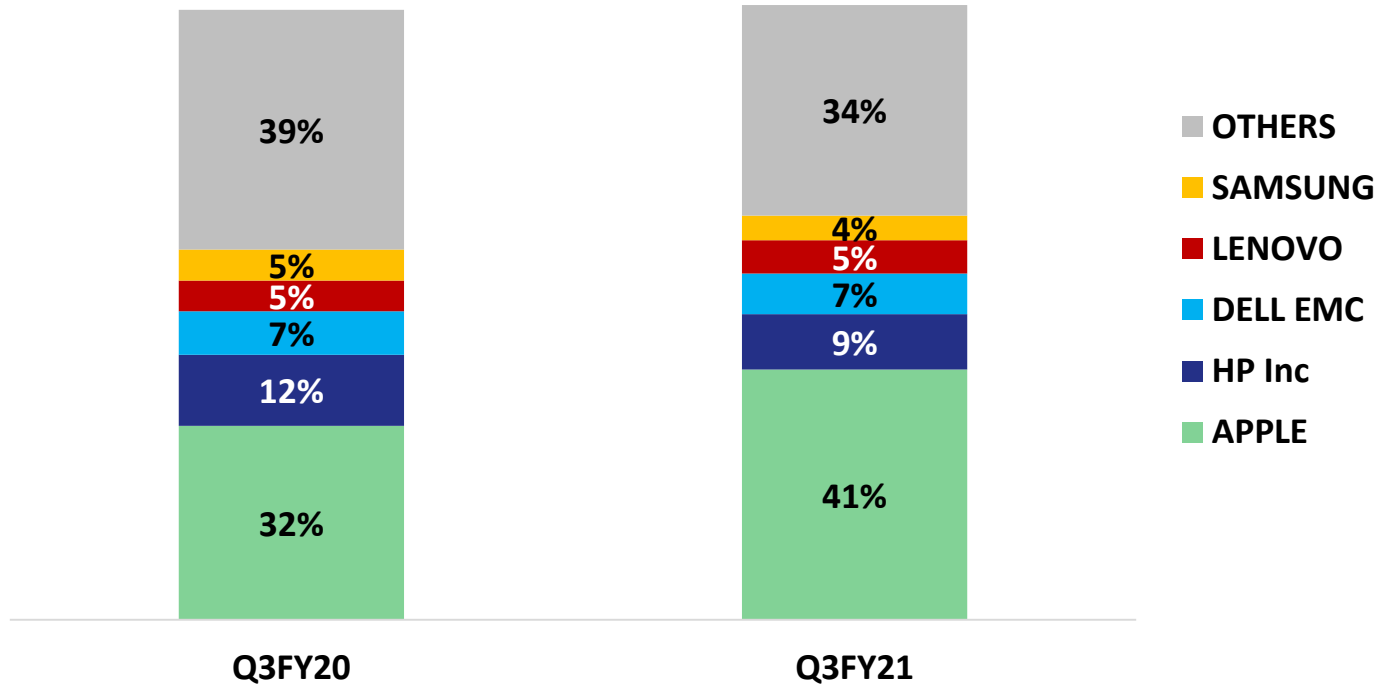
Q3FY21 Free Cash Flow Statement

₹ in million

| Particulars | Q3FY20 | Q2FY21 | Q3FY21 |
|--------------------------------------|----------------|--------------|----------------|
| Profit Before Taxation | 2,281 | 2,412 | 3,716 |
| Non-cash items | 915 | 465 | 573 |
| Outflow of Finance Cost | 383 | 171 | 173 |
| Changes in Working Capital | (11,771) | (224) | (1,431) |
| Direct Tax Paid | (561) | (645) | (437) |
| Net Cash Flow from Operations | (8,753) | 2,179 | 2,594 |
| Capex | (27) | (118) | (99) |
| Dividend | (584) | - | - |
| Outflow of Finance Cost | (370) | (238) | (160) |
| Free Cashflow | (9,734) | 1,823 | 2,335 |

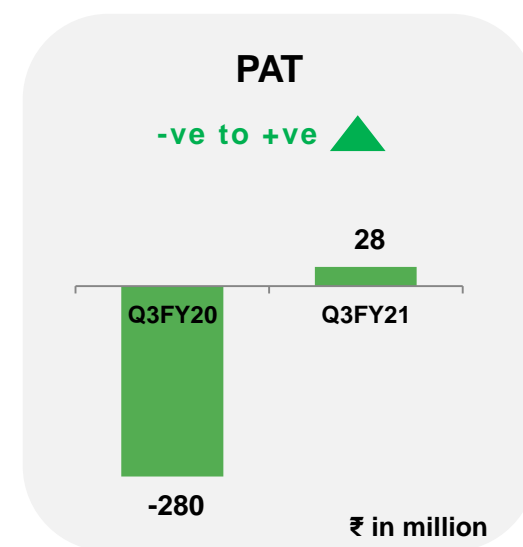
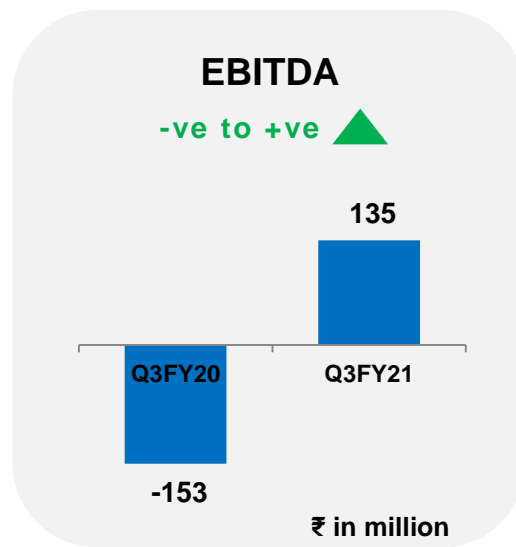
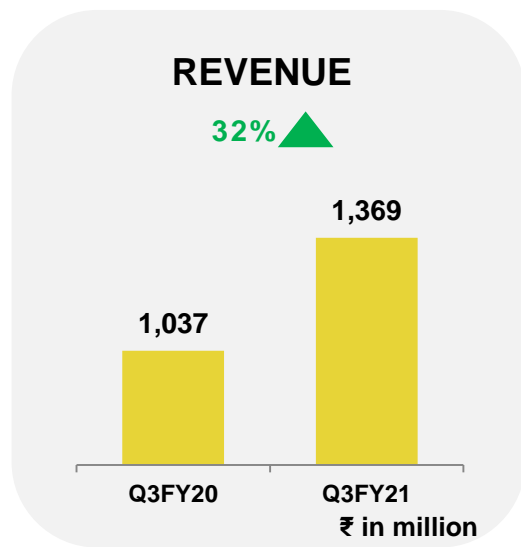
Q3FY21 Top 5 Vendors

REVENUE



Q3FY21 ProConnect India

- PCS registered growth across all metrics with revenue growth of 32% YoY
- PCS registered EBITDA margin of 10% for the quarter





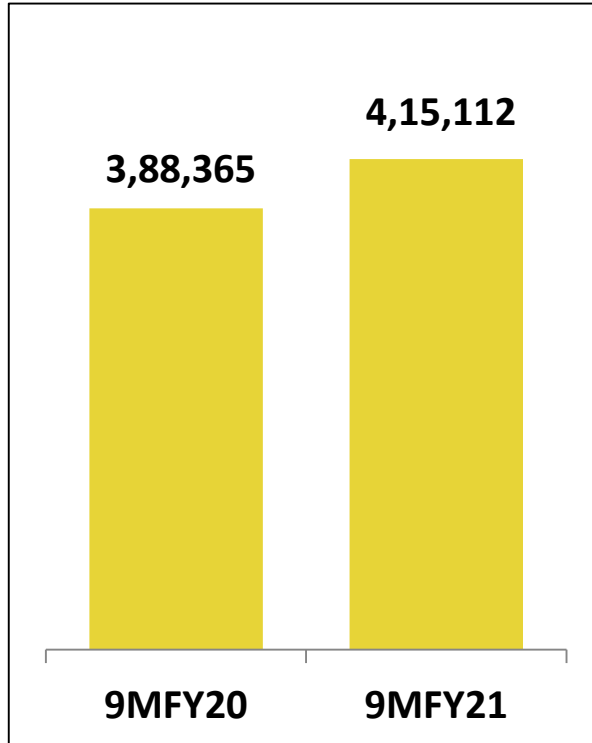
9MFY21 Performance

9MFY21 Redington Global Performance

₹ in million

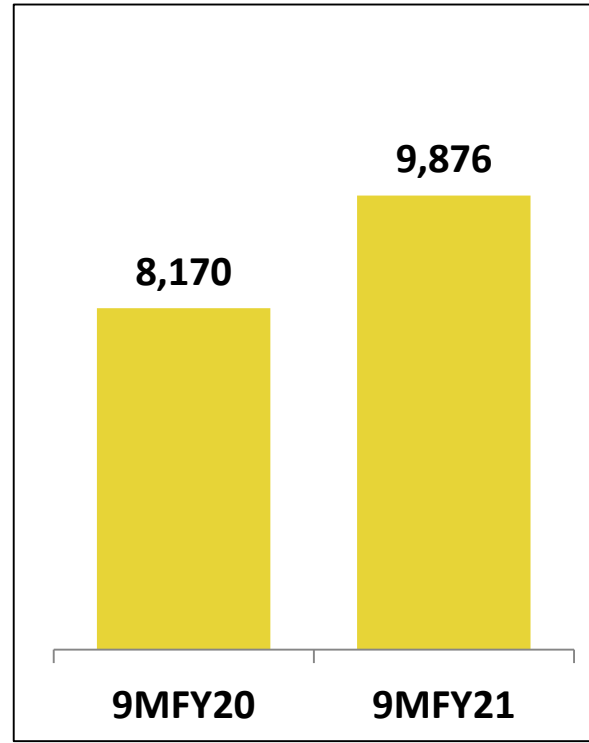
REVENUE

7% ▲



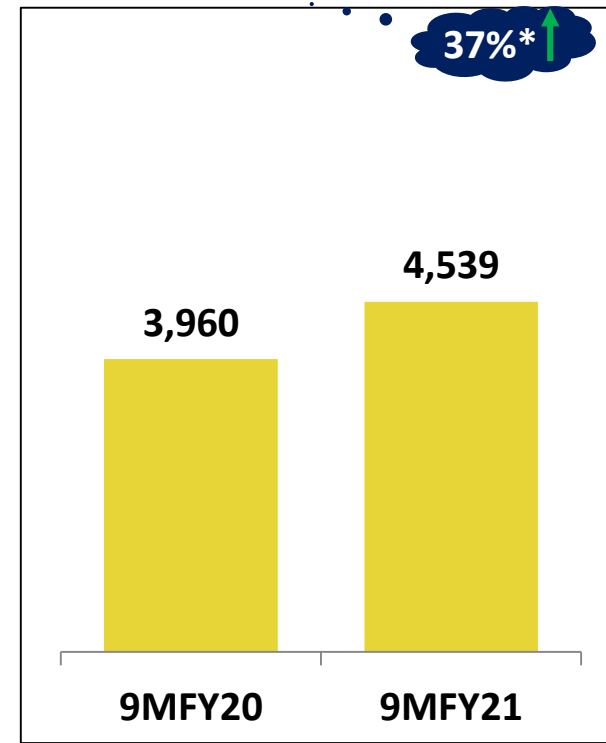
EBITDA

21% ▲



PAT

15% ▲



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

9MFY21 Performance by Market

₹ in million

REVENUE

EBITDA

PAT

14%

11%

1%

69%*

1,43,958

1,64,564

3,448

3,815

1,274

1,260

9MFY20

9MFY21

9MFY20

9MFY21

9MFY20

9MFY21

INDIA

3%

28%

22%

2,44,407

2,50,548

4,722

6,061

2,686

3,279

9MFY20

9MFY21

9MFY20

9MFY21

9MFY20

9MFY21

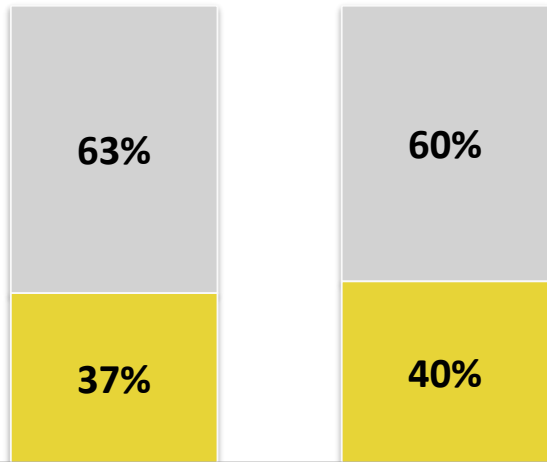
OVERSEAS

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

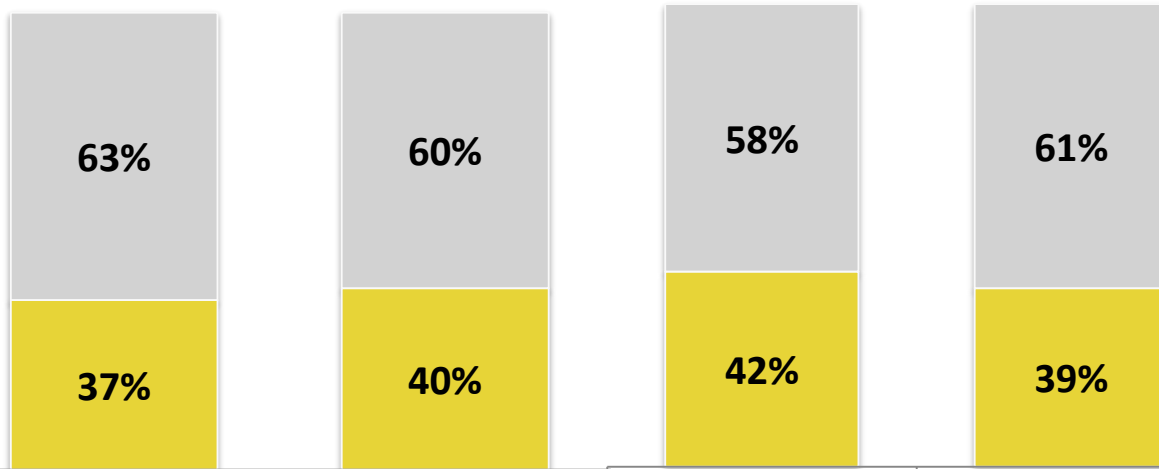
9MFY21 Contribution by Market

₹ in million

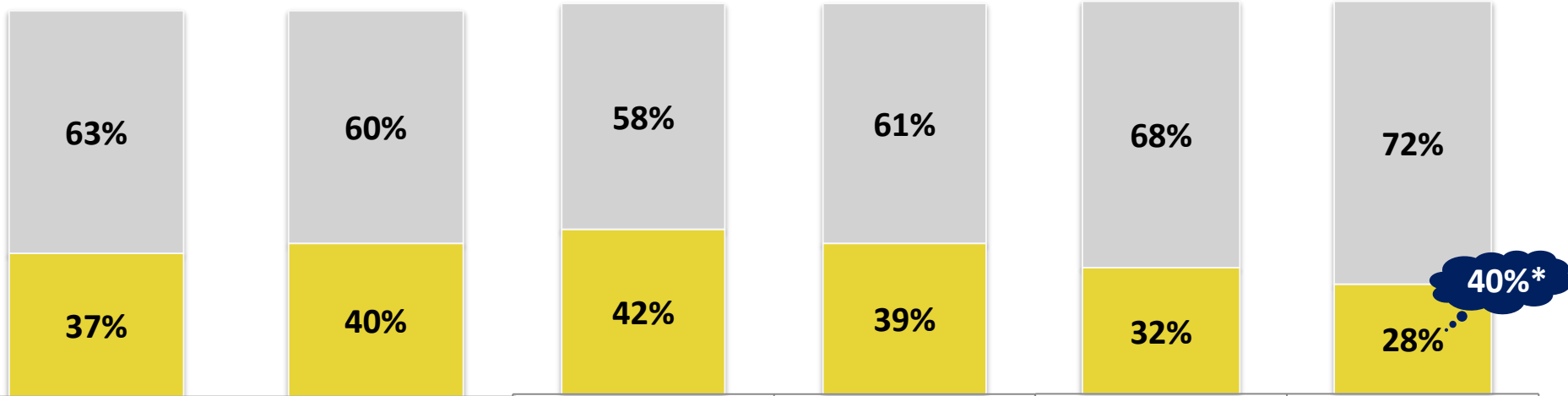
REVENUE



EBITDA



PAT



9MFY20

9MFY21

9MFY20

9MFY21

9MFY20

9MFY21

INDIA

OVERSEAS

INDIA

OVERSEAS

INDIA

OVERSEAS

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

9MFY21 India Performance

₹ in million

DISTRIBUTION

REVENUE

EBITDA

PAT

15%

12%

17%

45%*

1,39,820

1,60,945

3,056

3,415

1,436

1,197

9MFY20

9MFY21

9MFY20

9MFY21

9MFY20

9MFY21

SERVICES

13%

2%

-ve to +ve

4,138

3,619

392

400

63

9MFY20

9MFY21

9MFY20

9MFY21

9MFY20

9MFY21

-162

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

9MFY21 Overseas Performance

₹ in million

REVENUE

4%



2,20,269

2,29,503

9MFY20

9MFY21

EBITDA

30%



4,274

5,539

9MFY20

9MFY21

PAT

24%



2,358

2,917

9MFY20

9MFY21

META

13%



24,138

21,045

9MFY20

9MFY21

16%



448

522

9MFY20

9MFY21

10%



328

362

9MFY20

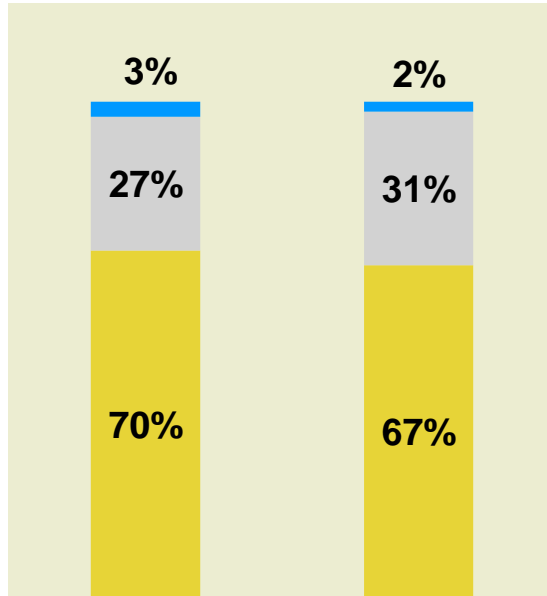
9MFY21

SSA

Note: Overseas performance in c/c terms – Revenue (3%); EBITDA 21% ; PAT 15%

9MFY21 Revenue Performance by Verticals

INDIA

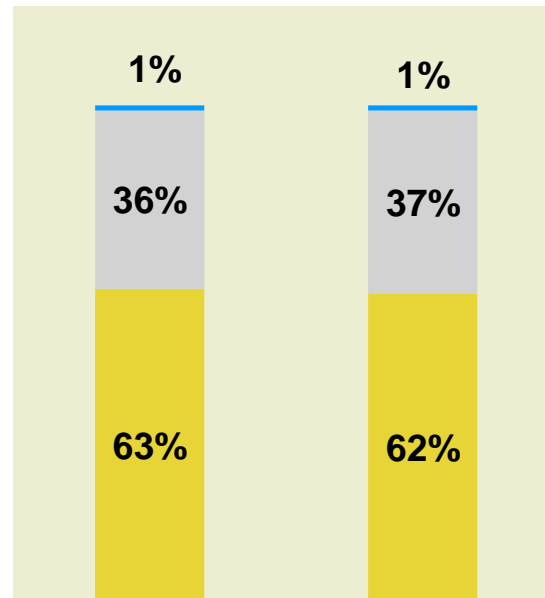


9MFY20

9MFY21

■ IT ■ Mobility ■ Services

OVERSEAS

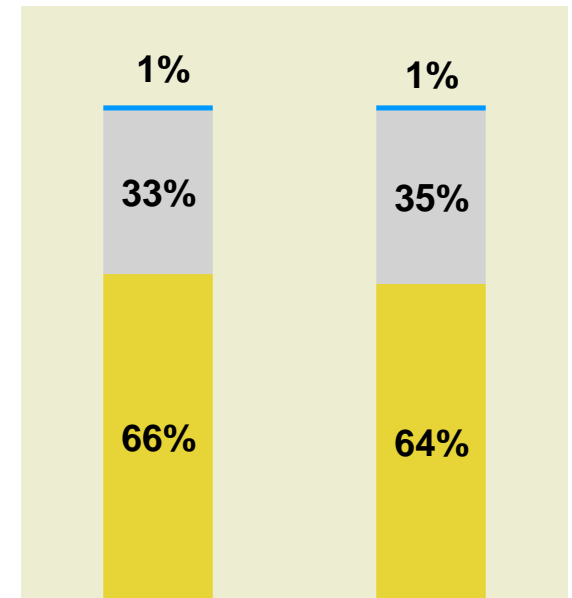


9MFY20

9MFY21

■ IT ■ Mobility ■ Services

GLOBAL



9MFY20

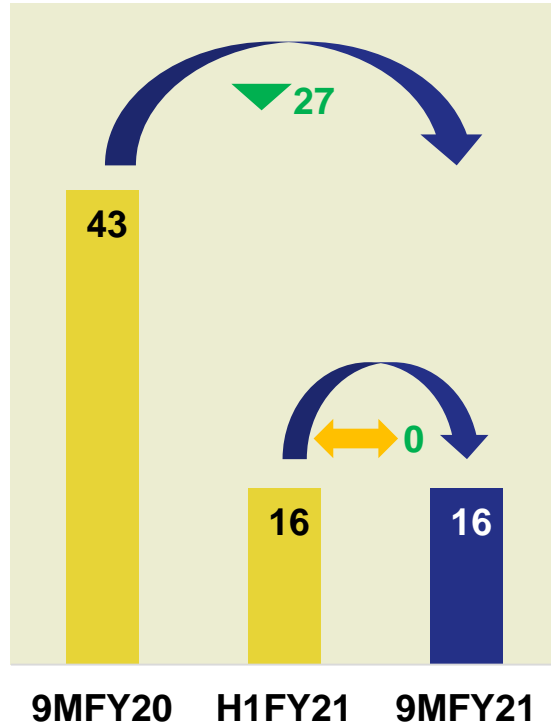
9MFY21

■ IT ■ Mobility ■ Services

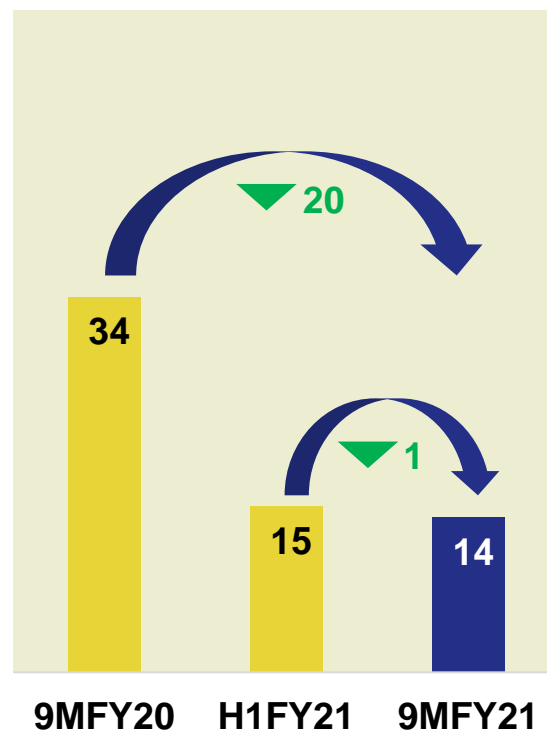
Note: Services represents ProConnect only

9MFY21 Working Capital Days

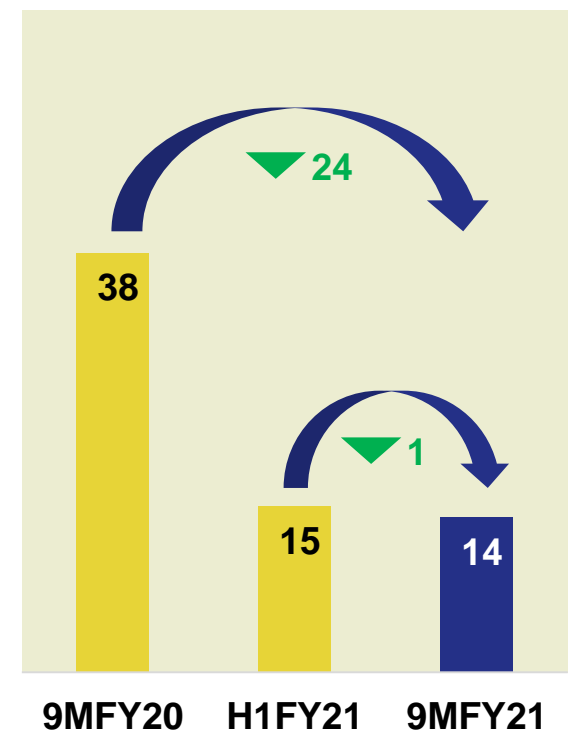
INDIA



OVERSEAS



GLOBAL



9MFY21 Free Cash Flow Statement

₹ in million

| Particulars | 9MFY20 | H1 FY21 | 9MFY21 |
|--------------------------------------|----------------|---------------|---------------|
| Profit Before Taxation | 5,262 | 3,717 | 7,433 |
| Non-cash items | 1,892 | 891 | 1,463 |
| Outflow of Finance Cost | 1,486 | 595 | 768 |
| Changes in Working Capital | (6,630) | 21,834 | 20,535 |
| Direct Tax Paid | (1,344) | (932) | (1,369) |
| Net Cash Flow from Operations | 666 | 26,105 | 28,831 |
| Capex | (389) | (257) | (356) |
| Dividend | (1,871) | - | - |
| Outflow of Finance Cost | (1,409) | (701) | (864) |
| Free Cashflow | (3,003) | 25,147 | 27,611 |

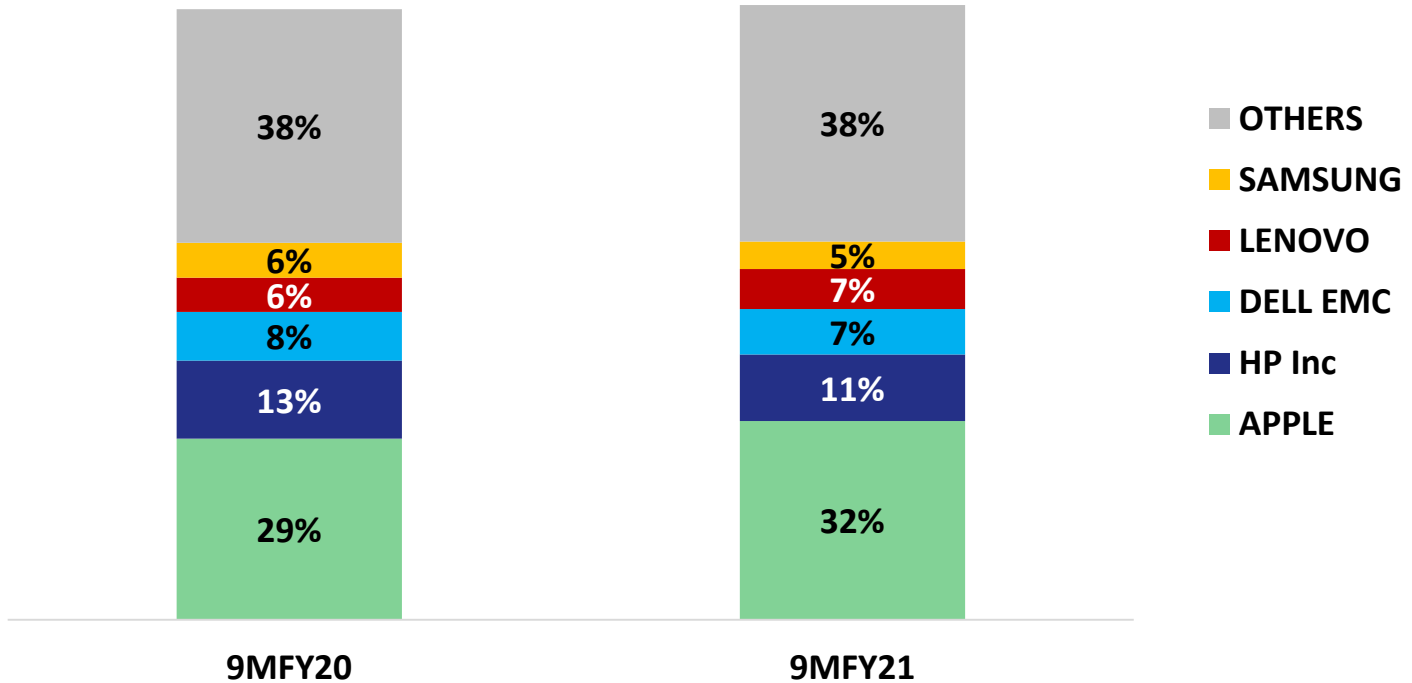
9MFY21 Balance Sheet

₹ in million

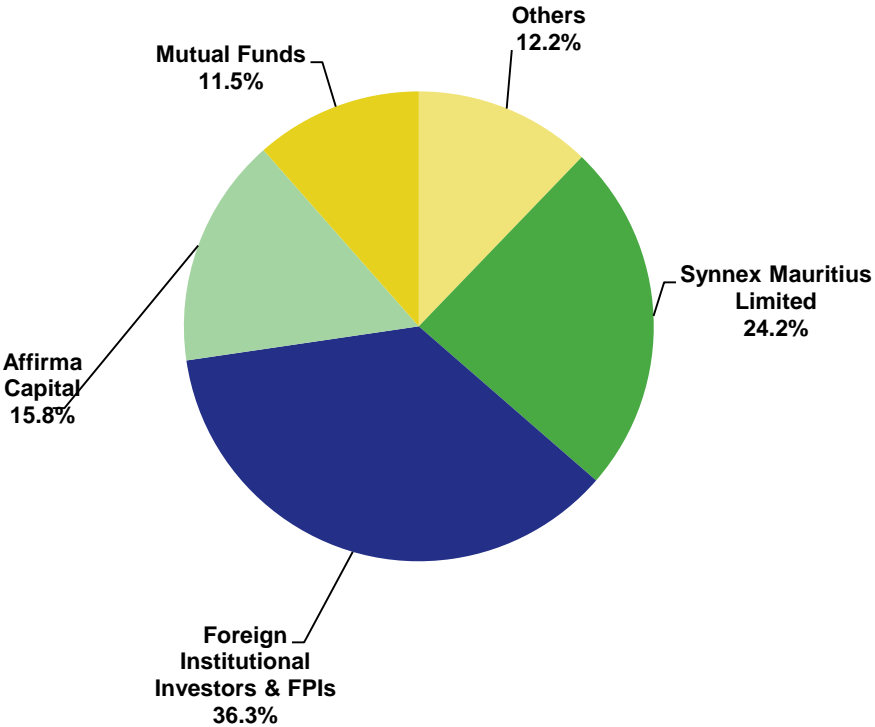
| Particulars | 30-DEC-19 | 30-DEC-20 |
|---------------------|---------------|---------------|
| Source: | | |
| Networth | 41,514 | 46,432 |
| Net Debt | 13,960 | (25,000) |
| Minority Interest | 3,666 | 3,891 |
| Total | 59,140 | 25,323 |
| Application: | | |
| Fixed Assets | 4,486 | 4,348 |
| Goodwill | 218 | 183 |
| Right to Use Assets | 2,616 | 1,810 |
| Net Assets | 51,820 | 18,982 |
| Total | 59,140 | 25,323 |

9MFY21 Top 5 Vendors

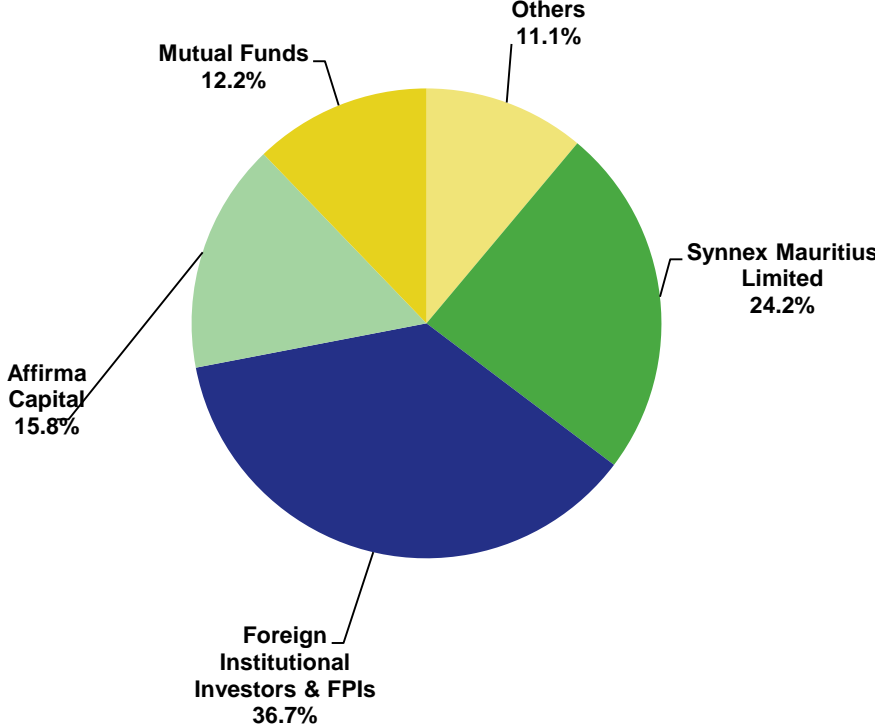
REVENUE



Shareholding Pattern



Sep-2020



Dec-2020



Investor Contacts

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