



# **REDINGTON (INDIA) LIMITED**

**Q4FY21 Earnings Presentation**

**Mar 2021**

# 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

Highest ever  
REVENUES

**Rs.5,70,416 mn**

Highest ever  
EBITDA

**Rs.14,390 mn**

Highest ever  
PAT

**Rs.7,564 mn**

Rs.8,454 mn<sup>^</sup>

Lowest ever  
WC DAYS

**14 days**

Highest ever  
ROCE#

**36.5%**

Highest ever  
FCF

**Rs.33,600 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)

# Financial Highlights

- **Q4FY21** –
  - **Global** – Revenue grew by **23%**, EBITDA grew by **77%**, PAT grew by **154%**
  - **India** – Revenue grew by **45%**, EBITDA grew by **142%**, PAT grew by **935%**
  - **Overseas** – Revenue grew by **10%**, EBITDA grew by **51%** and PAT grew by **70%**
- **FY21** –
  - **Global** – Revenue grew by **11%**, EBITDA grew by **34%**, PAT grew by **47%**, Adjusted PAT grew by **64%**
  - **India** – Revenue grew by **22%**, EBITDA grew by **34%**, PAT grew by **77%** and Adjusted PAT grew by **141%**
  - **Overseas** – Revenue grew by **4%**, EBITDA grew by **35%** and PAT grew by **36%**
- **Key Metrics - Global**
  - **WC days** for Q4FY21 is **12 days** and FY21 is **14 days**
  - Strong **positive FCF** generation of **Rs. 5,989mn** for Q4FY21 and **Rs.33,600mn** for FY21
  - For the quarter, **ROCE** is **70.8%** and **ROE** is **25.7%**
  - **Gross Debt to Equity** is at **0.08x** and there is **Net Cash and Bank balance of Rs.30,480mn**
- **Stock price breached \$1bn in Market capitalization (52w high: Rs 202.9)**
- **On account of superior performance, the company has declared 60% of global profits as dividend (including 20% Special dividend)**

Note: For FY21, 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 **46%**, EBITDA grew by **71%**, PAT grew by **135%**
- Strong growth across IT Consumer, IT Enterprise & Mobility segment
- **WC days** stood at **15 days** in Q4FY21 as against 33 days in Q4FY20
- Generated positive **FCF** of **Rs.1,024mn** for the quarter
- Strong ROCE and ROE performance with **ROCE** at **56.3%** and **ROE** at **34.2%**

## ProConnect India (PCS)

### *Commit*

*“We are confident that we will be able to correct it, consolidate it and once again put this company back on the growth mode by the end of the year” – Q4FY20 Call*



### *Delivery*

**Covid impact**

Particulars	Q1	Q2	Q3	Q4	FY21
Revenues	80	112	137	129	<b>458</b>
Revenue growth	-30%	-6%	32%	36%	<b>6%</b>
EBITDA Margin	5.9%	12.5%	9.9%	11.5%	<b>10.3%</b>

## HC verdict – Gift of shares

- Latest Update: Department has accepted our application for settlement under the Vivas Se Vishwas Scheme, 2020 and payments have been made accordingly

# Financial Highlights

## OVERSEAS BUSINESS

- During the quarter,
  - Earnings growth was faster than revenue growth
    - Impact to revenue growth in SSA on account of shift of few biz (at vendor end) to India
  - **WC days** stood at **10 days** in Q4FY21 as against 29 days in Q4FY20
  - Strong **FCF** generation at **Rs. 4,965 mn**
- Strong ROCE and ROE performance with **ROCE** at **85.4%** and **ROE** at **22.1%**

## Turkey Update

- During the quarter, Arena biz had degrown revenues by 5%; PAT degrew sharply on account of tax rate impact (Tax rate at 94%)
- Arena Market Cap breached \$200mn



# Q4FY21 Highlights

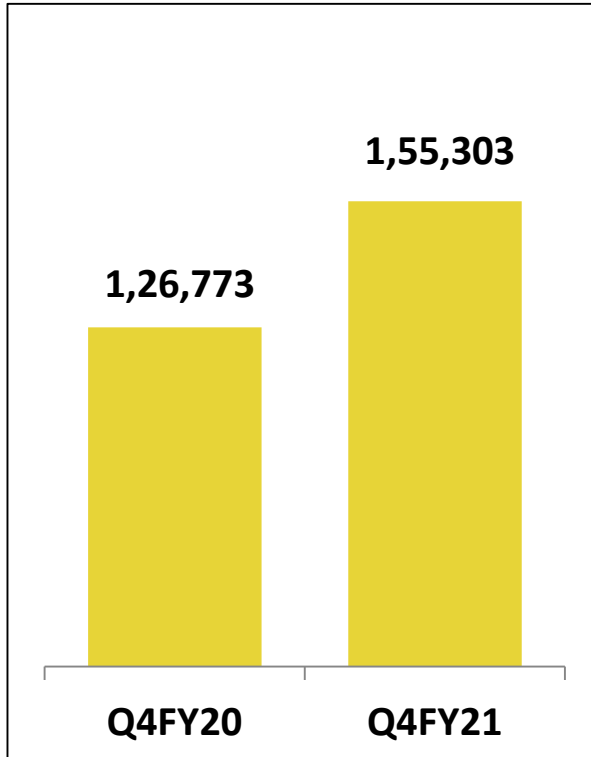


# Q4FY21 Redington Global Performance

₹ in million

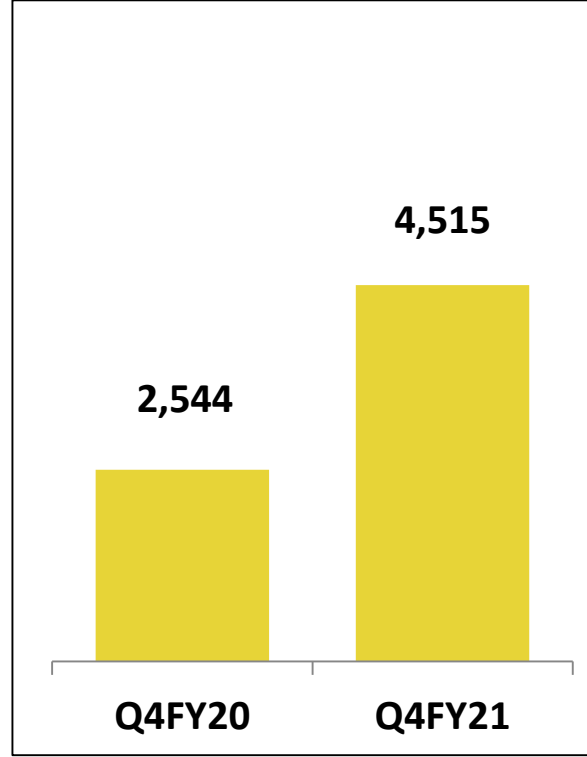
REVENUE

23% ▲



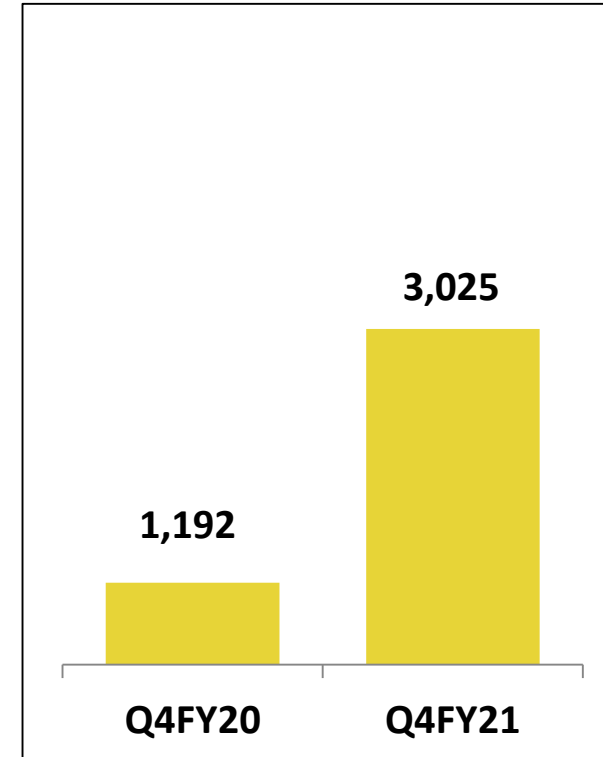
EBITDA

77% ▲



PAT

154% ▲





# Q4FY21 Performance by Market

₹ in million

## REVENUE

45%



## EBITDA

142%

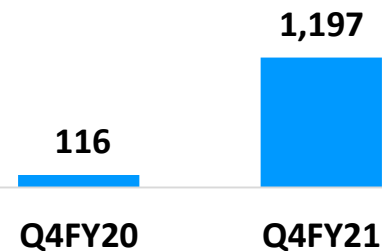
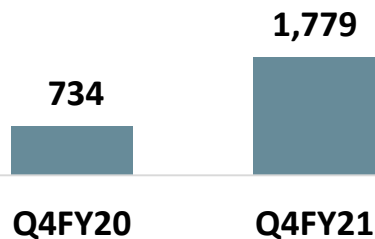
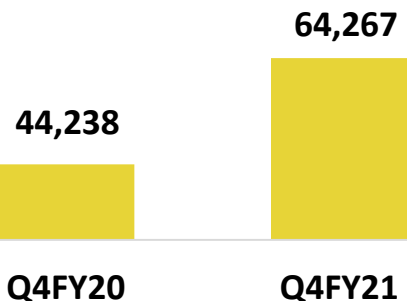


## PAT

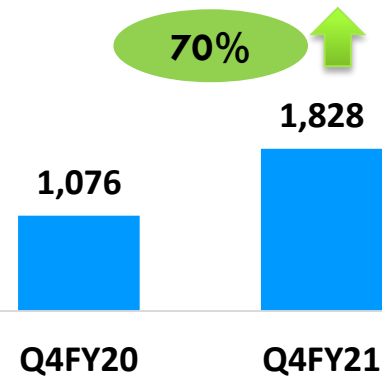
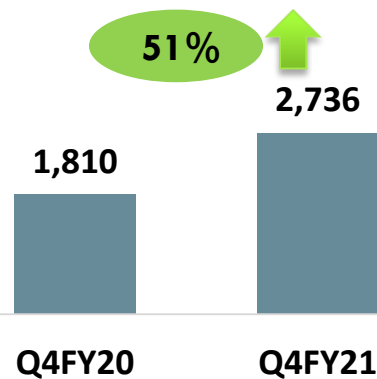
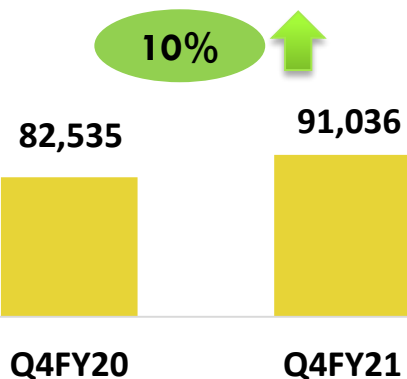
935%



INDIA



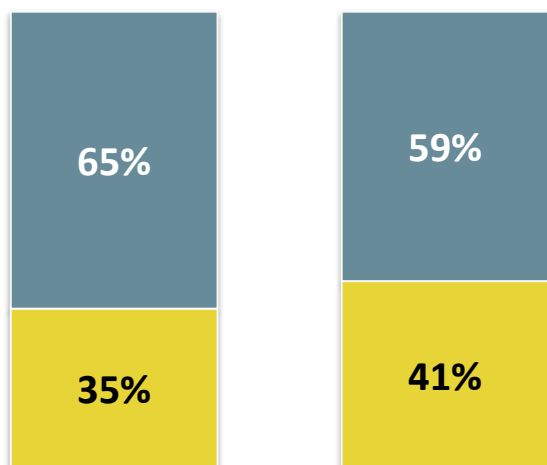
OVERSEAS



# Q4FY21 Contribution by Market

₹ in million

## REVENUE



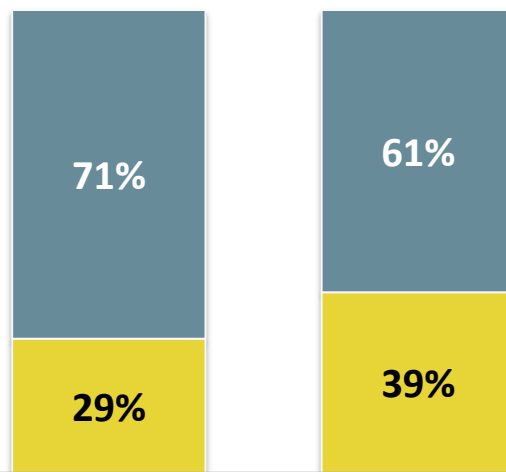
Q4FY20

INDIA

Q4FY21

OVERSEAS

## EBITDA



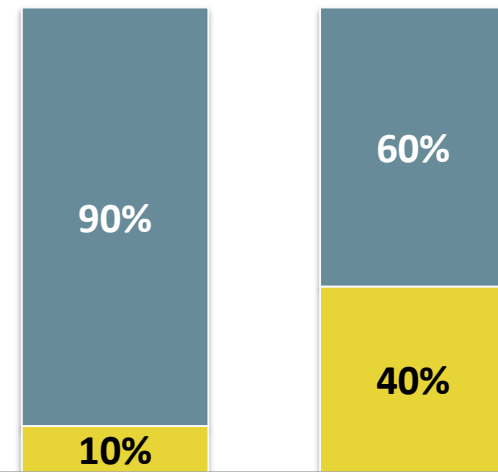
Q4FY20

INDIA

Q4FY21

OVERSEAS

## PAT



Q4FY20

INDIA

Q4FY21

OVERSEAS

# Q4FY21 India Performance

₹ in million

DISTRIBUTION

REVENUE

46%



42,997

62,979

Q4FY20

Q4FY21

EBITDA

71%



956

1,631

Q4FY20

Q4FY21

PAT

135%



481

1,128

Q4FY20

Q4FY21

SERVICES#

4%



1,241

1,288

Q4FY20

Q4FY21

-ve to +ve



Q4FY20

Q4FY21

-222

148

-ve to +ve



Q4FY20

Q4FY21

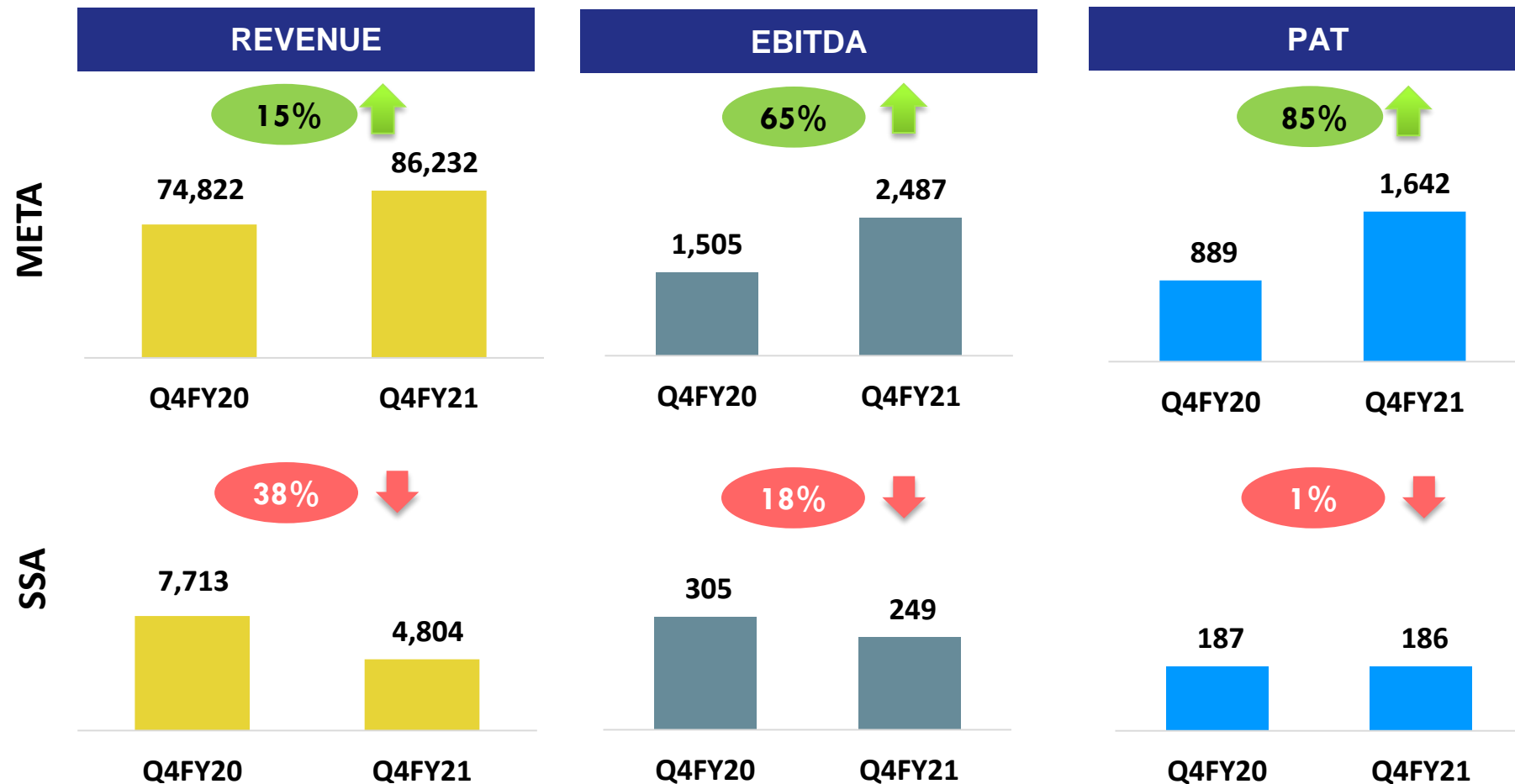
-365

69

#Services contains Ensure India figures in Q4FY20 (Divested in Jul'21)

# Q4FY21 Overseas Performance

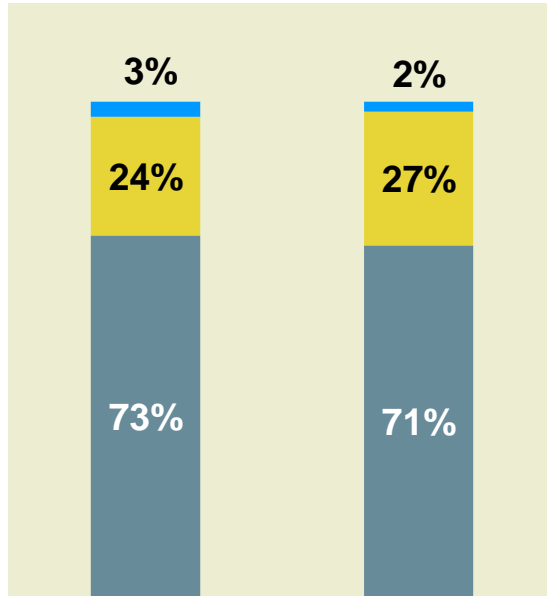
₹ in million



Note: Overseas performance in c/c terms – Revenue 10%; EBITDA 49% ; PAT 67%

# Q4FY21 Revenue Performance by Verticals

## INDIA

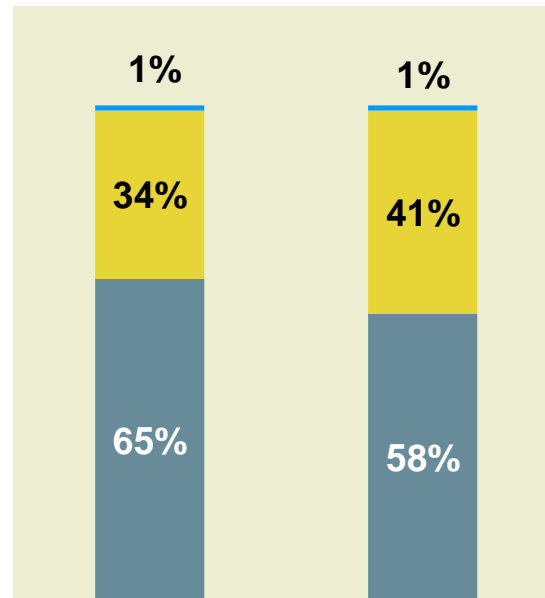


Q4FY20

Q4FY21

■ IT ■ Mobility ■ Services

## OVERSEAS

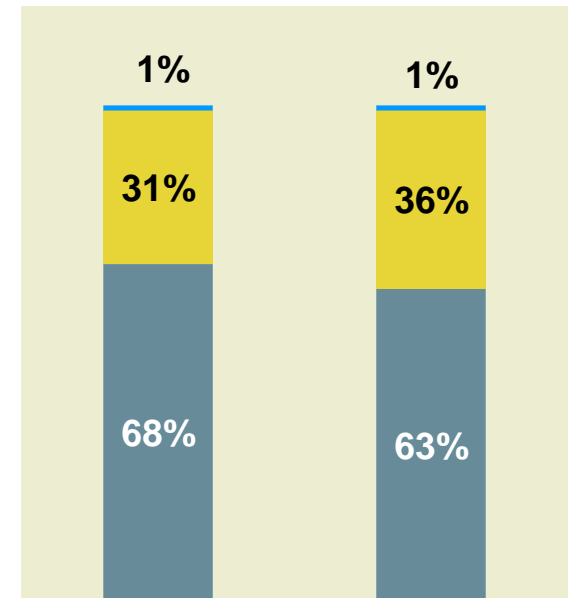


Q4FY20

Q4FY21

■ IT ■ Mobility ■ Services

## GLOBAL



Q4FY20

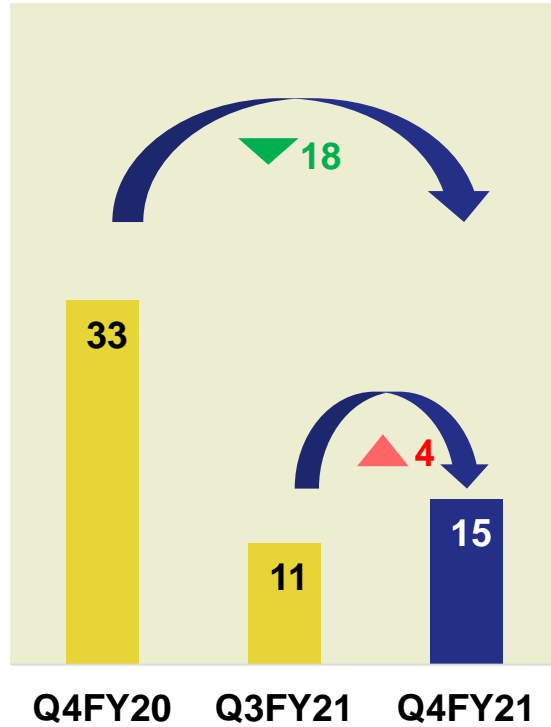
Q4FY21

■ IT ■ Mobility ■ Services

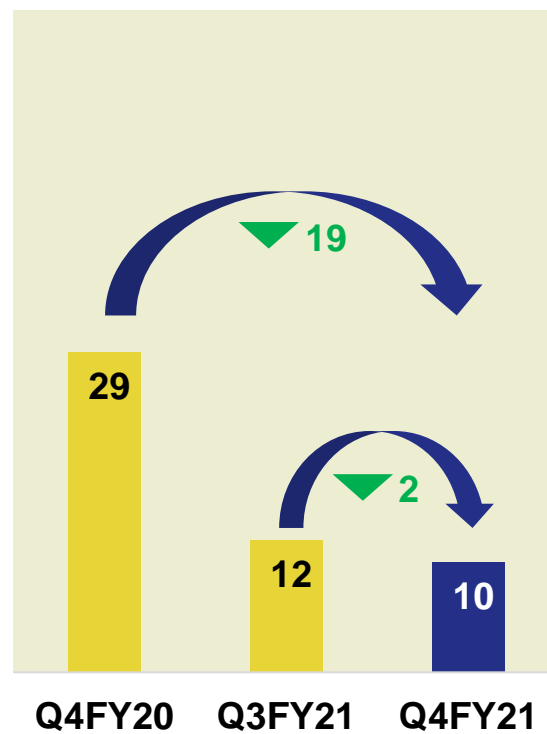
Note: Services represents ProConnect only

# Q4FY21 Working Capital Days

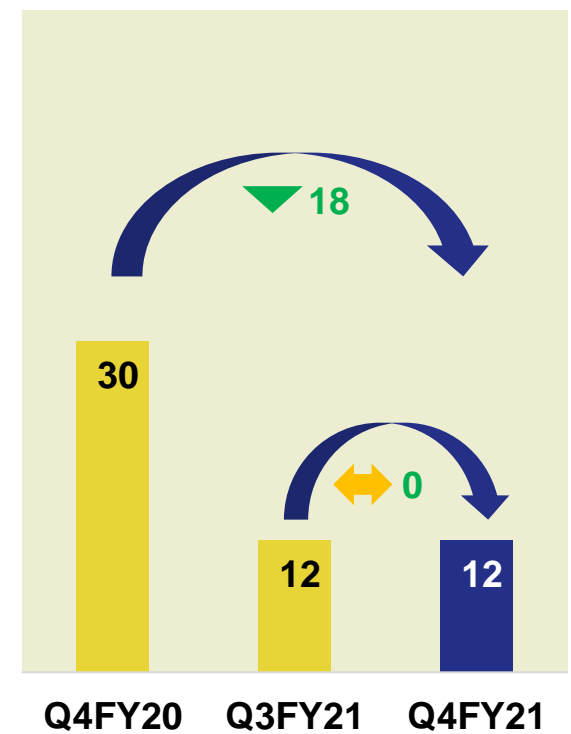
INDIA



OVERSEAS



GLOBAL



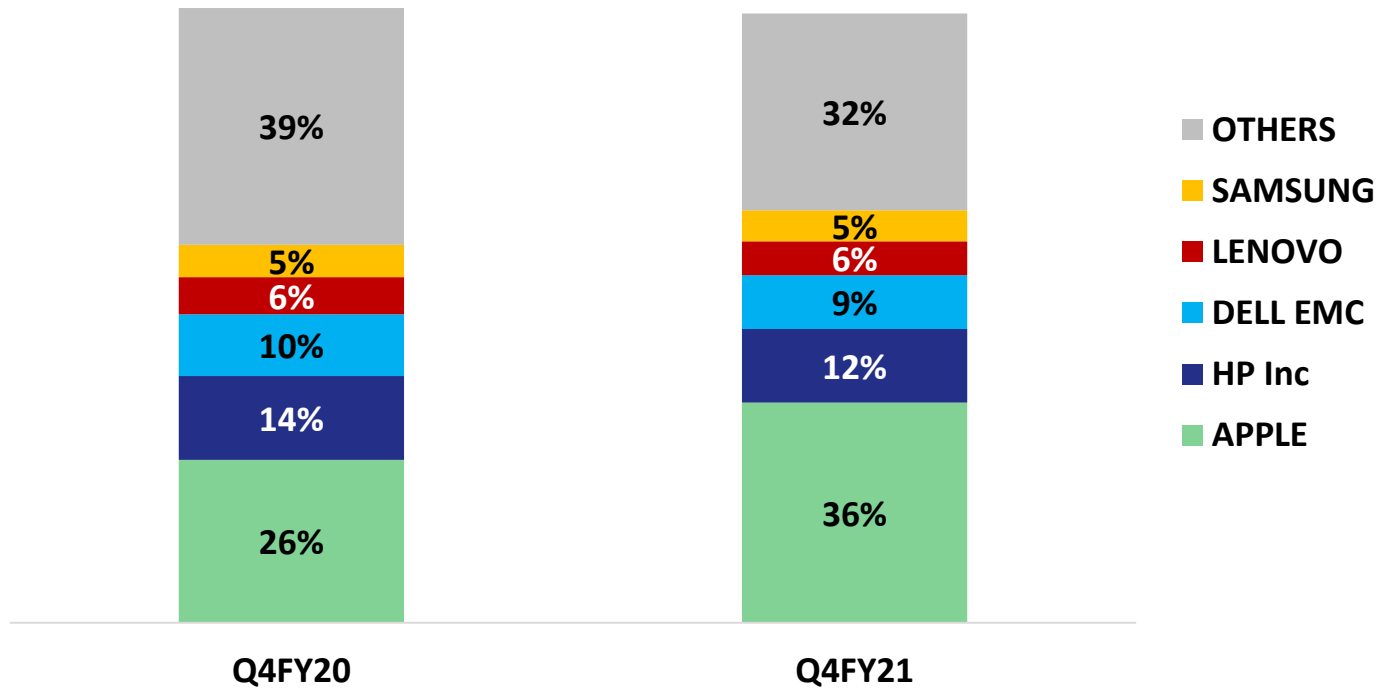
# Q4FY21 Free Cash Flow Statement

₹ in million

Particulars	Q4FY20	Q3FY21	Q4FY21
<b>Profit Before Taxation</b>	<b>1,659</b>	<b>3,716</b>	<b>3,848</b>
Non-cash items	721	573	<b>522</b>
Outflow of Finance Cost	469	173	<b>220</b>
Changes in Working Capital	12,385	(1,431)	<b>2,803</b>
Direct Tax Paid	(502)	(437)	<b>(1,265)</b>
<b>Net Cash Flow from Operations</b>	<b>14,732</b>	<b>2,594</b>	<b>6,128</b>
Capex	(448)	(99)	<b>(124)</b>
Dividend	(1,157)	-	-
Outflow of Finance Cost	(453)	(160)	<b>(15)</b>
<b>Free Cashflow</b>	<b>12,674</b>	<b>2,335</b>	<b>5,989</b>

# Q4FY21 Top 5 Vendors

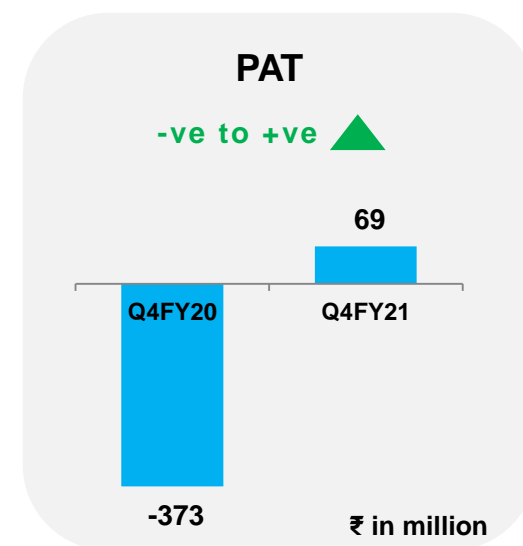
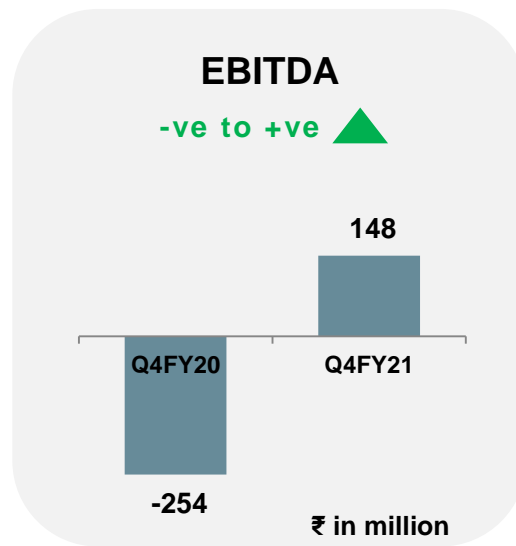
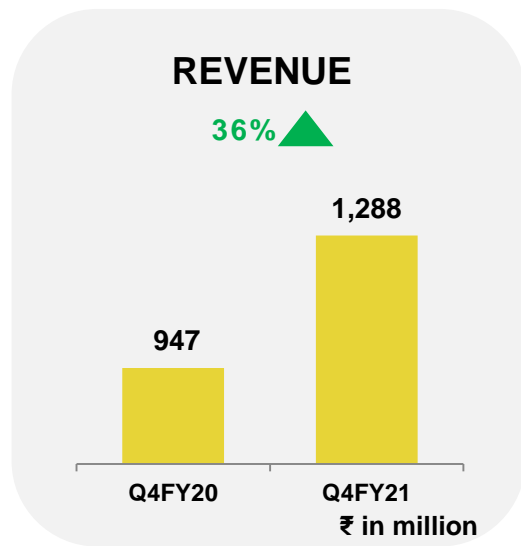
## REVENUE





# Q4FY21 ProConnect India

- PCS registered growth across all metrics with revenue growth of 36% YoY
- PCS registered EBITDA margin of 11% for the quarter





# FY21 Performance

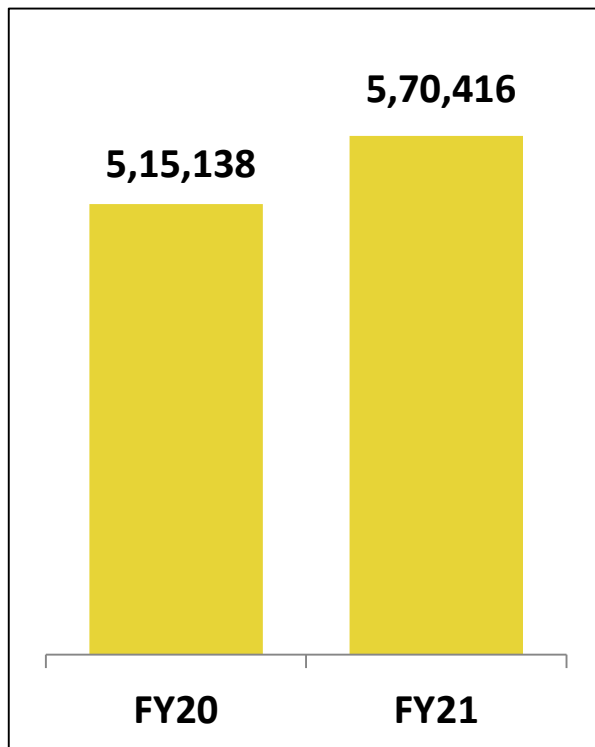


# FY21 Redington Global Performance

₹ in million

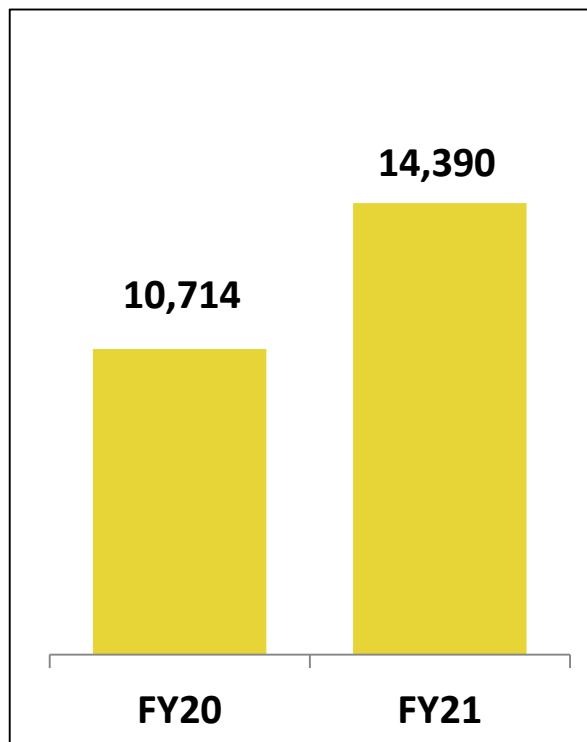
## REVENUE

11% ▲



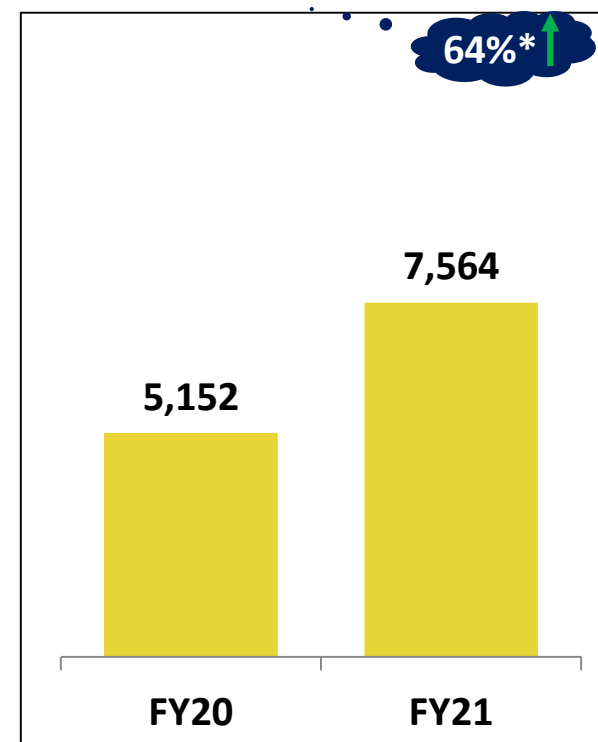
## EBITDA

34% ▲



## PAT

47% ▲



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

# FY21 Performance by Market

₹ in million

INDIA

REVENUE

22%



1,88,196

2,28,832

FY20

FY21

EBITDA

34%



4,183

5,594

FY20

FY21

PAT

77%



1,389

2,457

FY20

FY21

141%\*



OVERSEAS

4%



3,26,942

3,41,584

FY20

FY21

35%



6,531

8,796

FY20

FY21

36%



3,763

5,107

FY20

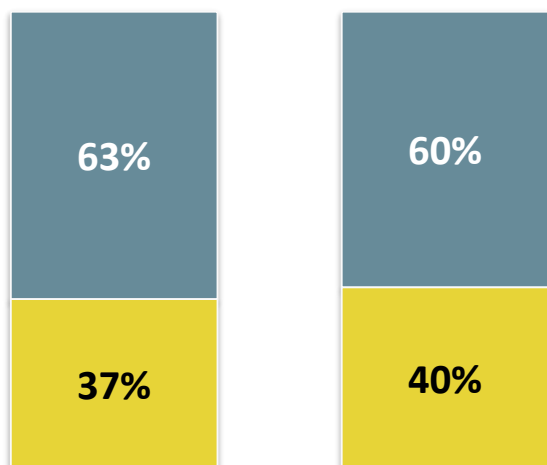
FY21

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

# FY21 Contribution by Market

₹ in million

## REVENUE



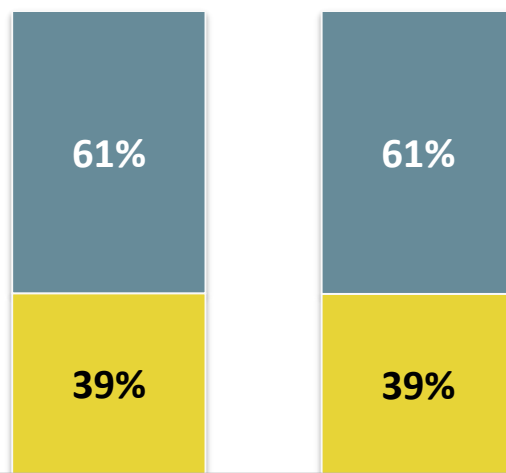
FY20

INDIA

FY21

OVERSEAS

## EBITDA



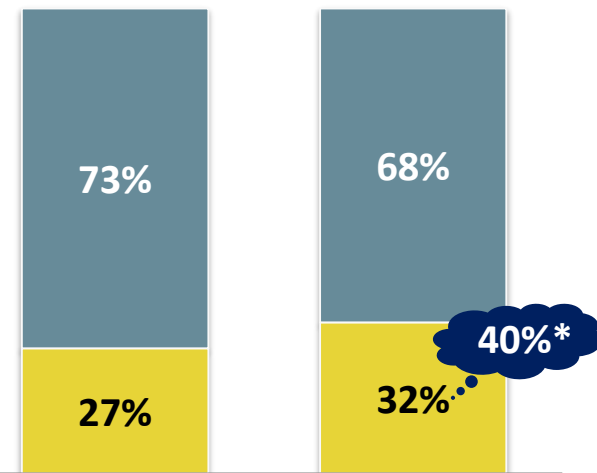
FY20

INDIA

FY21

OVERSEAS

## PAT



FY20

INDIA

FY21

OVERSEAS

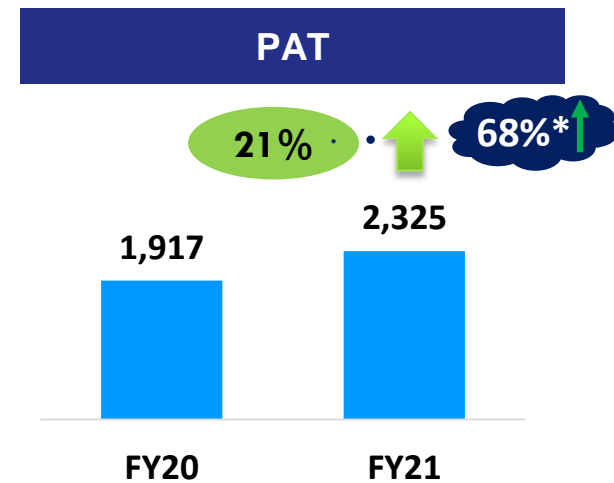
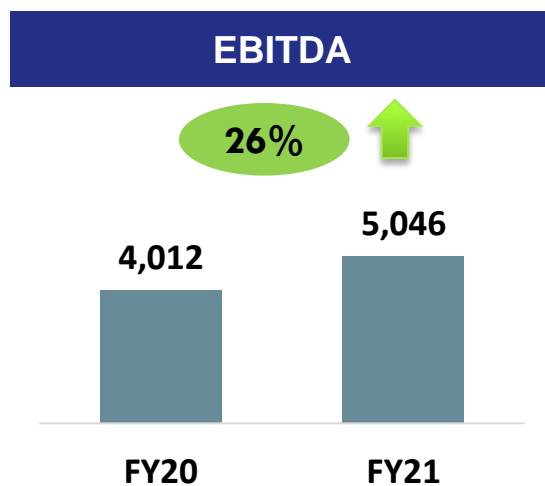
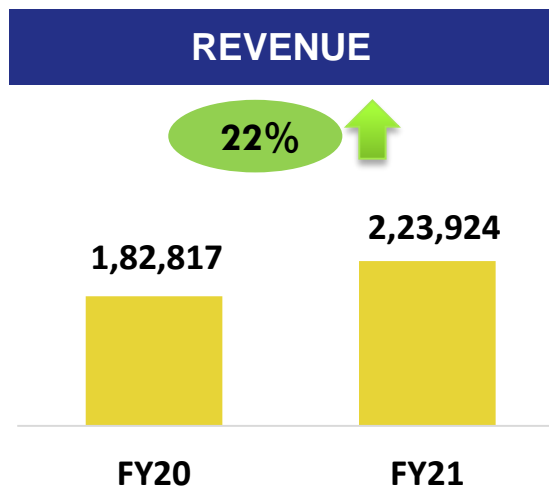
40%\*

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

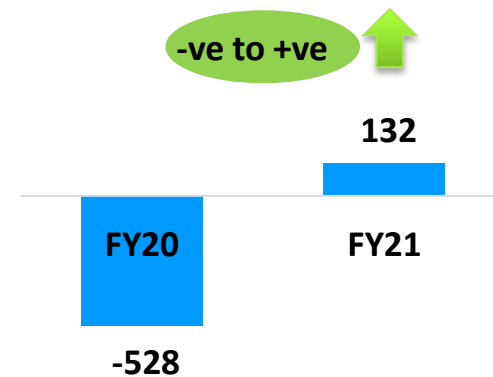
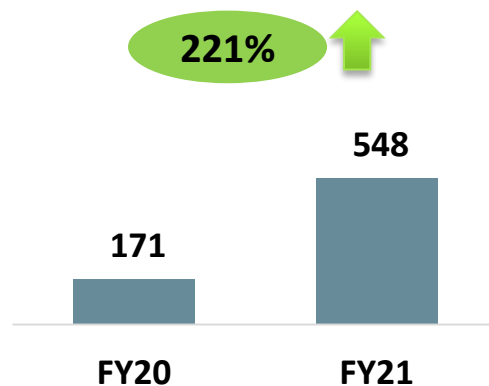
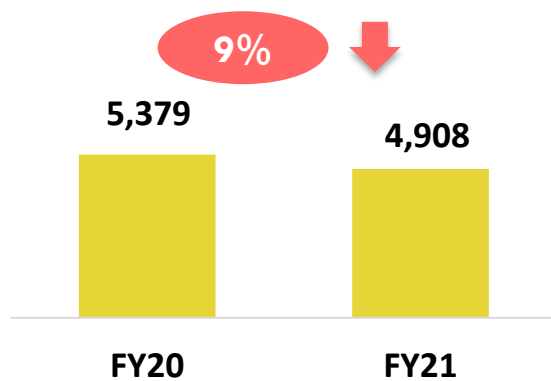
# FY21 India Performance

₹ in million

DISTRIBUTION



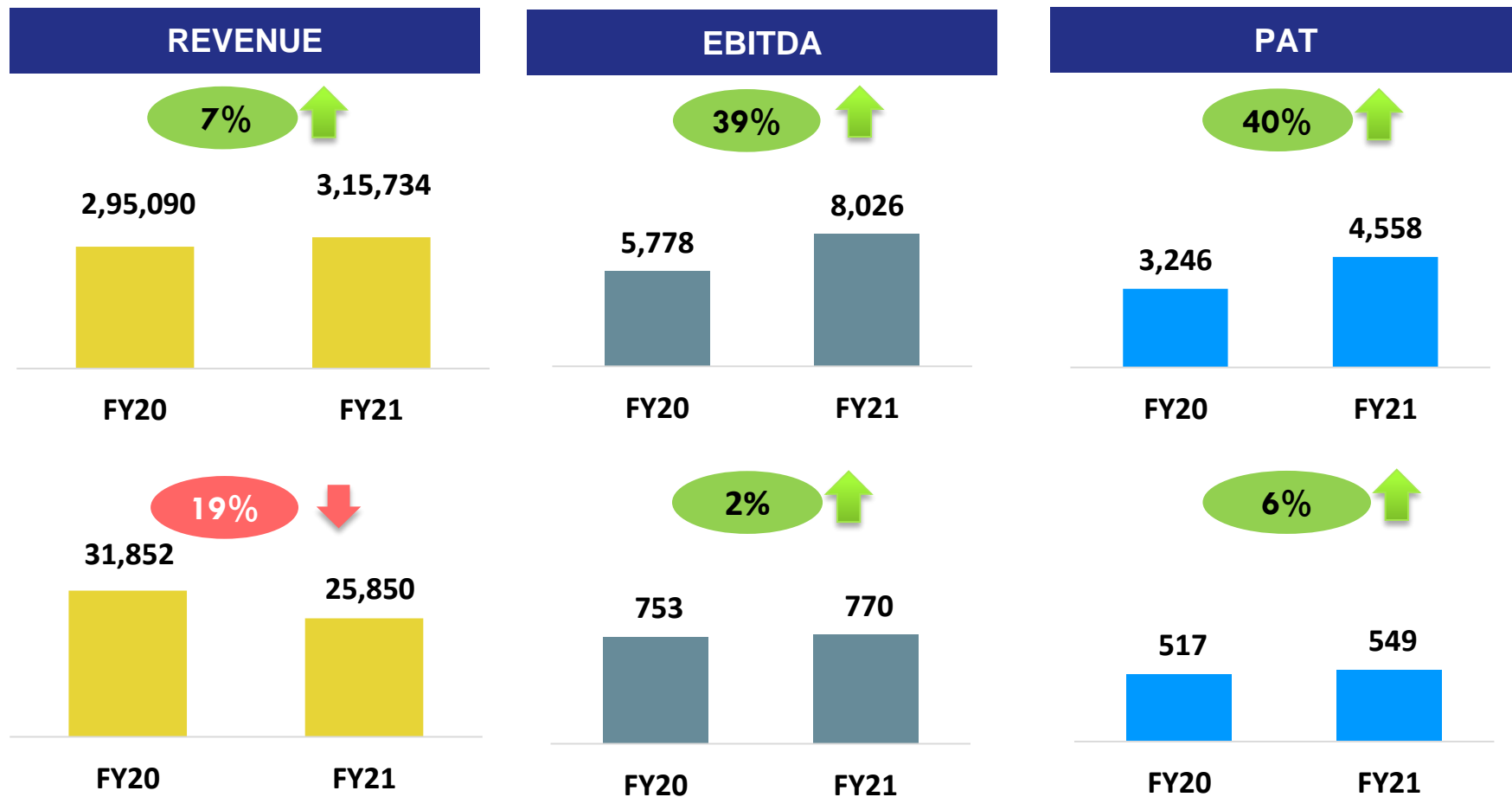
SERVICES



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

# FY21 Overseas Performance

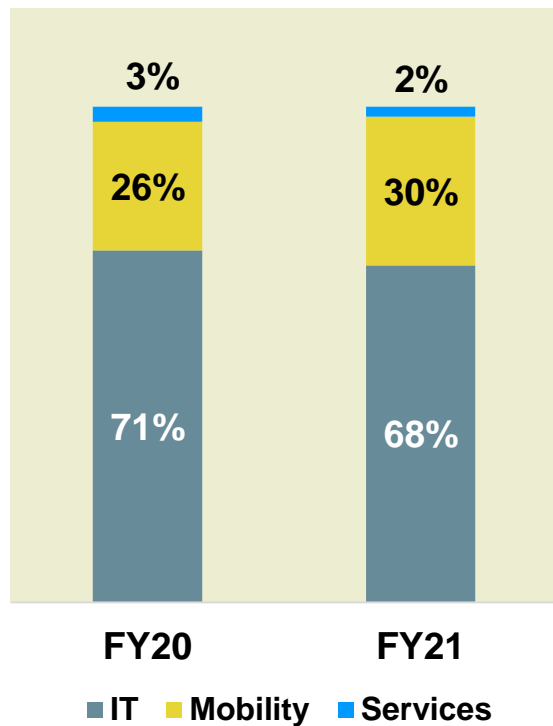
₹ in million



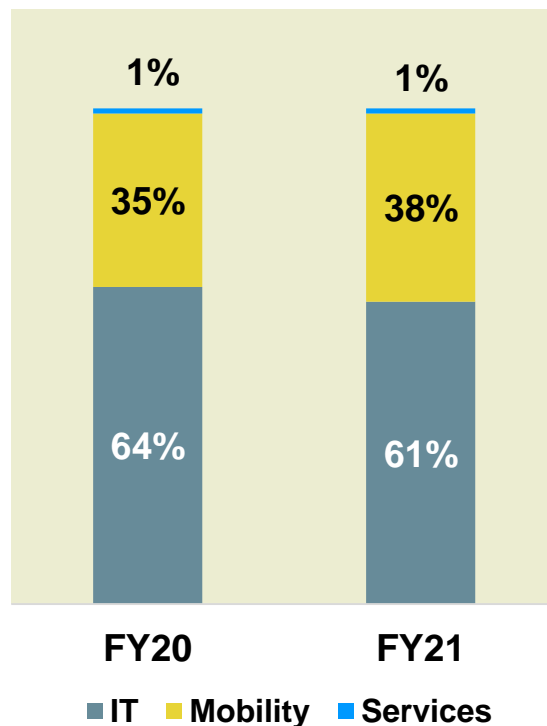
Note: Overseas performance in c/c terms – Revenue (0.2%); EBITDA 29% ; PAT 30%

# FY21 Revenue Performance by Verticals

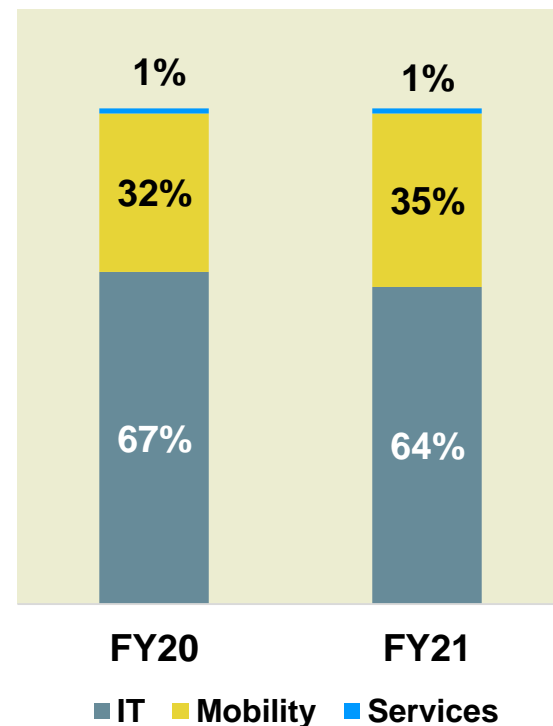
## INDIA



## OVERSEAS



## GLOBAL

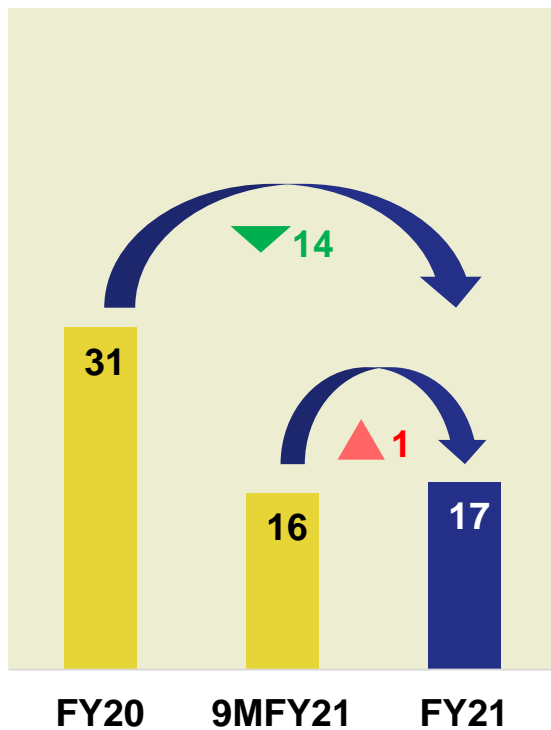


Note: Services represents ProConnect only

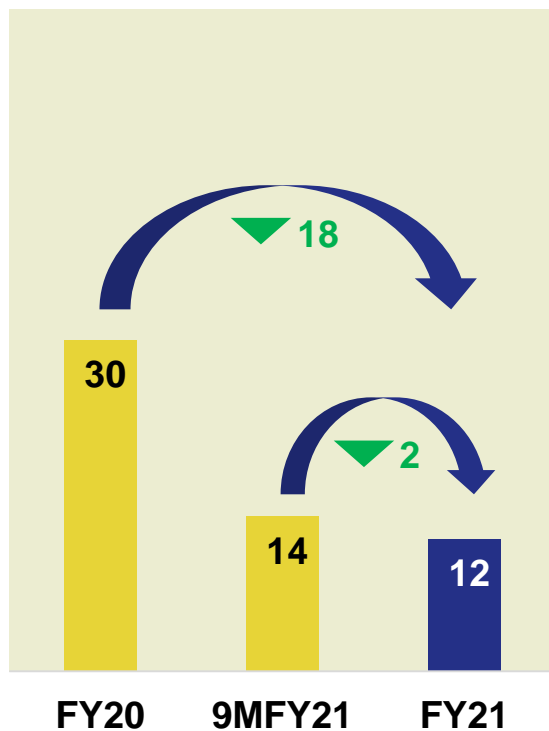


# FY21 Working Capital Days

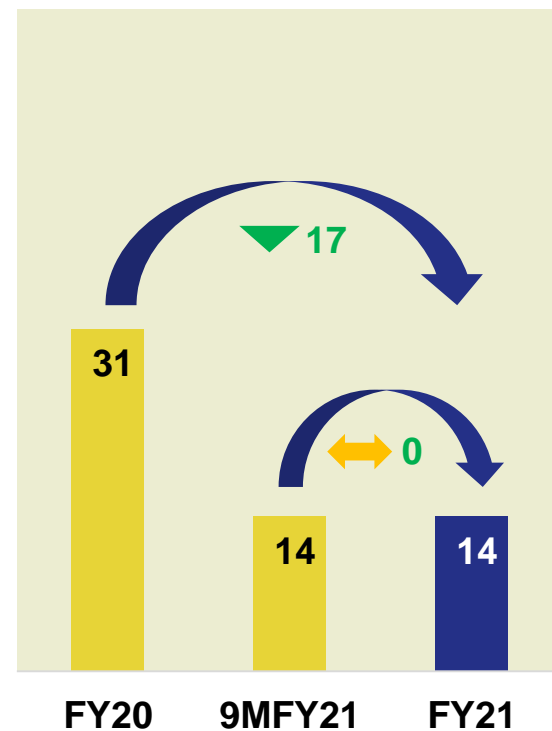
INDIA



OVERSEAS



GLOBAL



# FY21 Free Cash Flow Statement

₹ in million

Particulars	FY20	9MFY21	FY21
<b>Profit Before Taxation</b>	<b>6,922</b>	<b>7,433</b>	<b>11,281</b>
Non-cash items	2,613	1,463	1,986
Outflow of Finance Cost	1,954	768	988
Changes in Working Capital	5,756	20,535	23,338
Direct Tax Paid	(1,845)	(1,369)	(2,634)
<b>Net Cash Flow from Operations</b>	<b>15,400</b>	<b>28,831</b>	<b>34,959</b>
Capex	(838)	(356)	(480)
Dividend	(3,028)	-	-
Outflow of Finance Cost	(1,862)	(864)	(879)
<b>Free Cashflow</b>	<b>9,672</b>	<b>27,611</b>	<b>33,600</b>

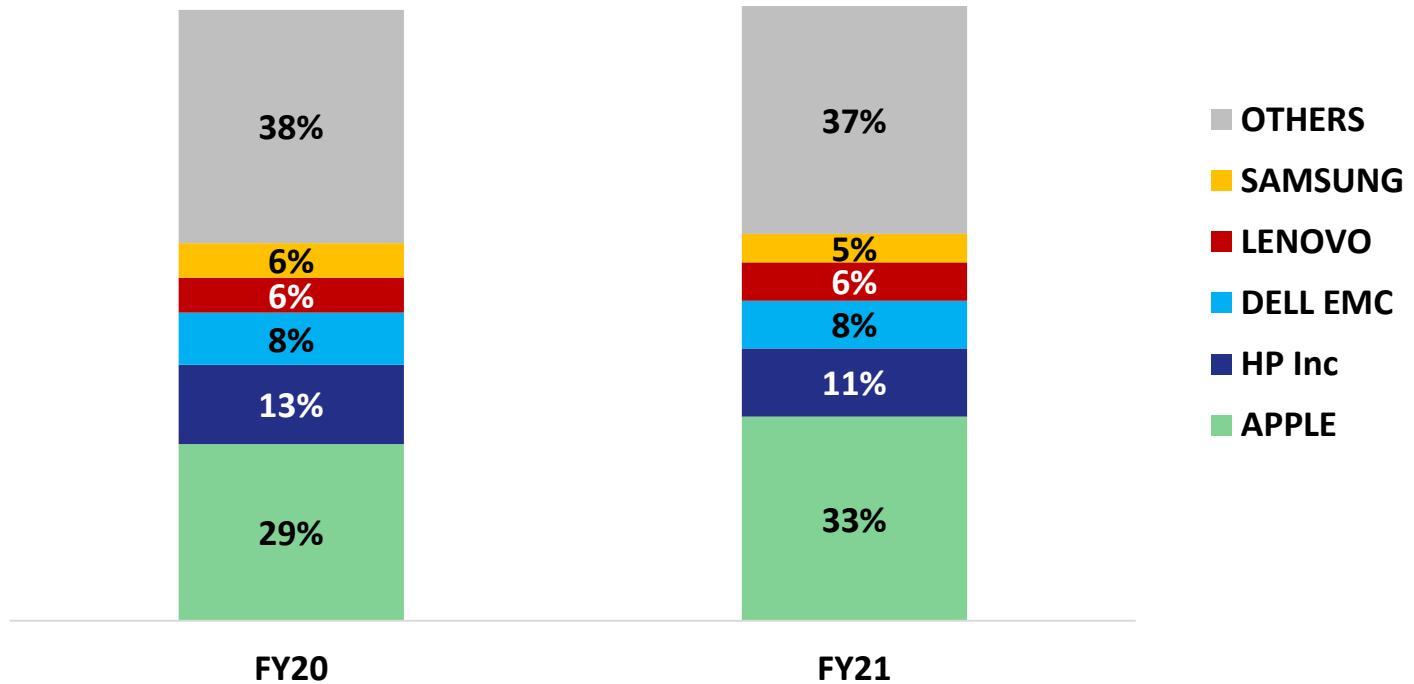
# FY21 Balance Sheet

₹ in million

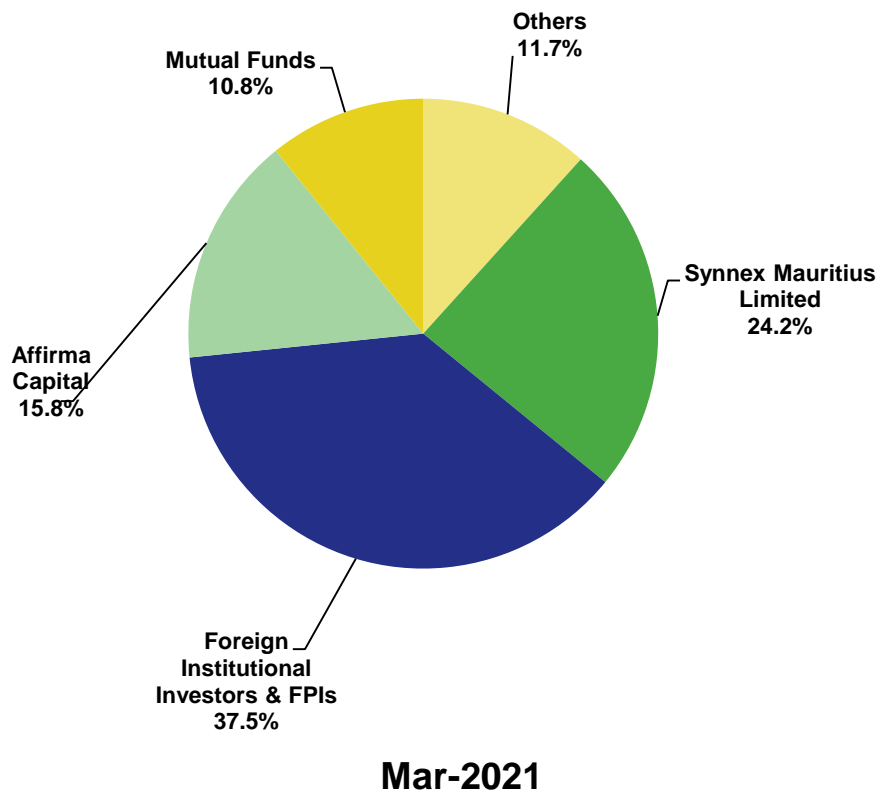
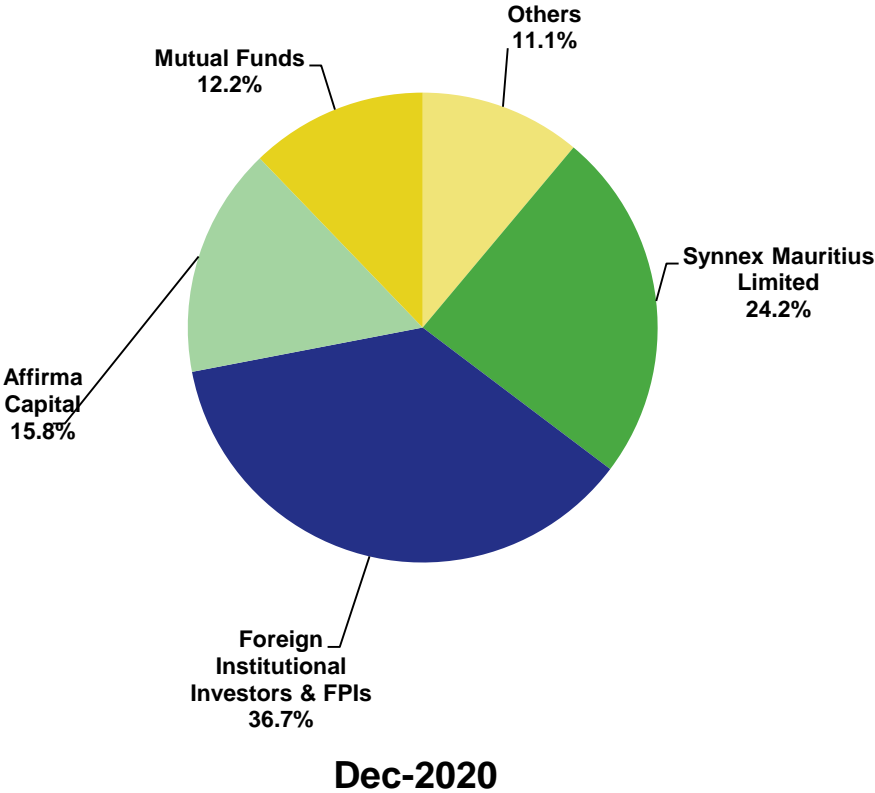
Particulars	31-MAR-20	31-MAR-21
<b>Source:</b>		
Networth	43,089	49,337
Net Debt	1,603	(30,480)
Minority Interest	3,813	3,730
<b>Total</b>	<b>48,505</b>	<b>22,587</b>
<b>Application:</b>		
Fixed Assets	4,773	4,182
Goodwill	183	183
Right to Use Assets	2,303	1,771
Net Assets	41,246	16,451
<b>Total</b>	<b>48,505</b>	<b>22,587</b>

# FY21 Top 5 Vendors

## REVENUE



# Shareholding Pattern





## Investor Contacts

M. Muthukumarasamy

Compliance Officer

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Redington House, Centre Point, Plot No. 11 (SP),

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Chennai 600 032

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CIN - L52599TN1961PLC028758