

Corporate Presentation

Jun 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 245+ brands through 34,000+ 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

To quickly and effectively change and grow with the global and regional markets



Collaboration

With our customers and our suppliers, we put our heads together to get the job-done



Know-how

Our technical and market expertise runs deep



Objectivity

We work with open minds and no bias – other than making our customers successful



Simplicity

We believe in keeping things simple, both for the customers and organization



Trust

Reflected throughout the Company communication, trust is a pre-requisite for us to achieve a synergy with both internal as well as external stakeholders



Transparency

We believe in openness and promote it within the organization

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

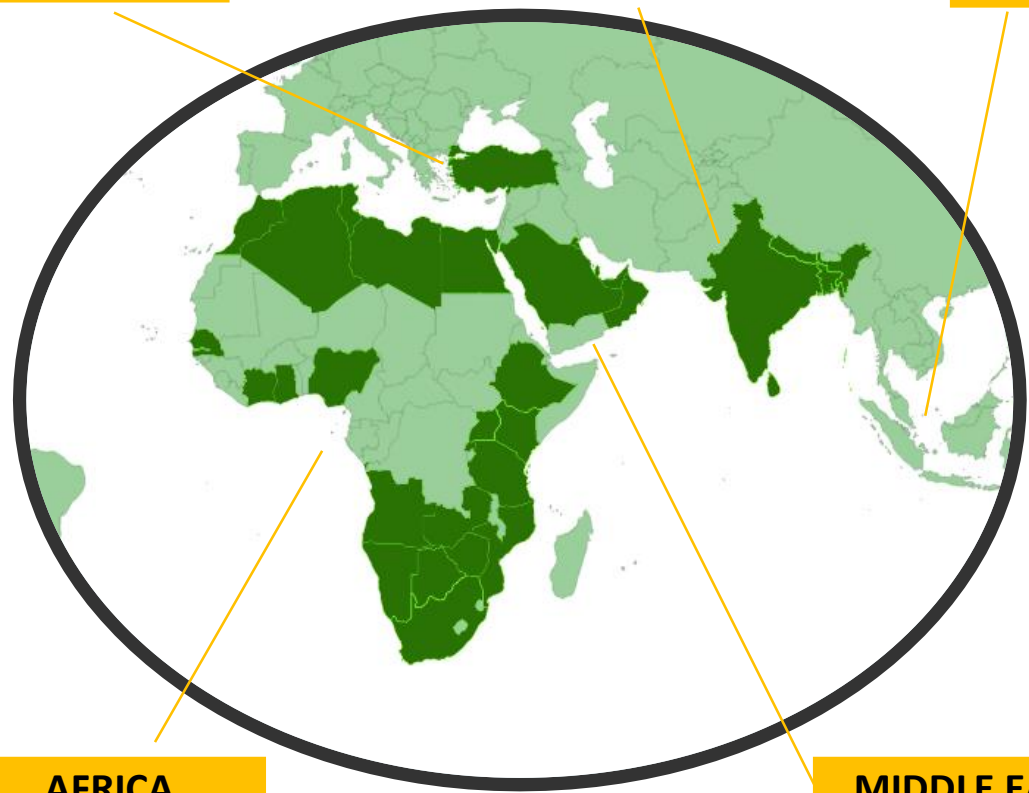
2012-2021 : The Expansion

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

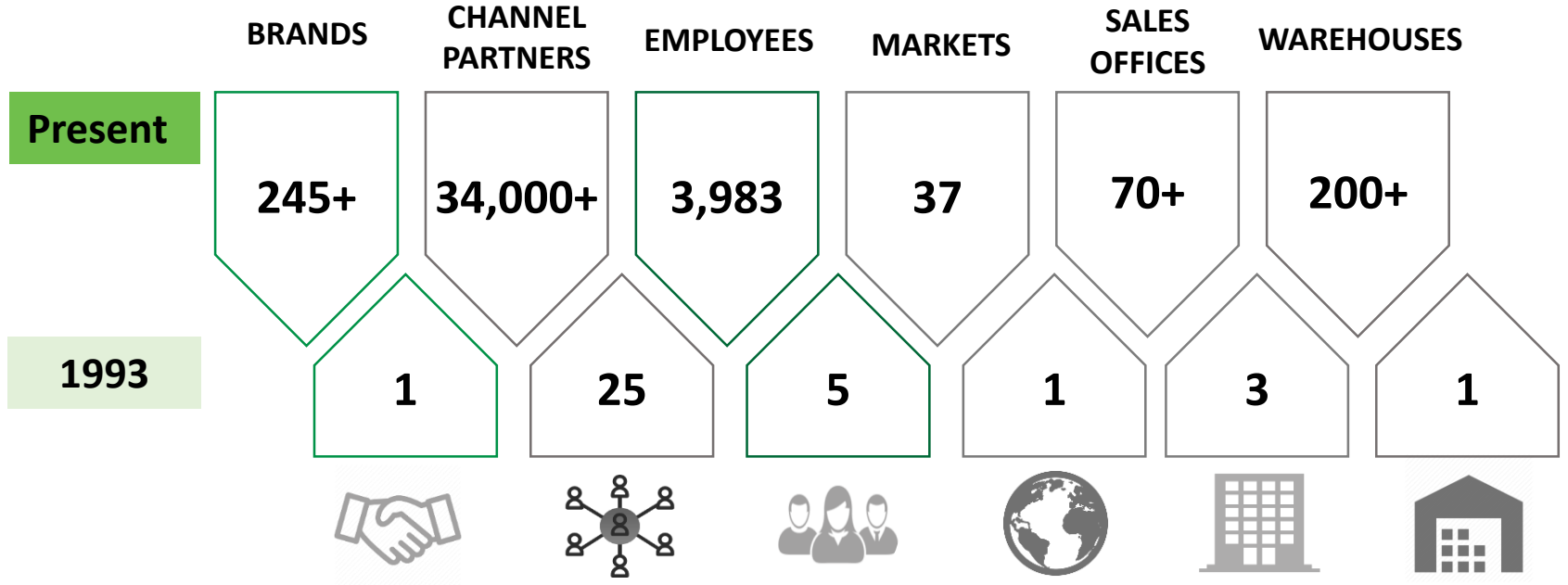
No.1 or No.2 position across all markets

"High potential" markets

Presence across product categories

Portfolio of Marquee brands

Our Expansion



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
VP, Group Business
Strategy & Development
Synnex Tech, Taiwan



Chen, Yi-Ju
Vice Director, Finance
Planning & Mgmt
Synnex Tech, Taiwan

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,
Telecom,
Middle East



Jim Mathew
President,
Telecom,
Africa



Sayantan Dev
President,
IT Value
Distribution

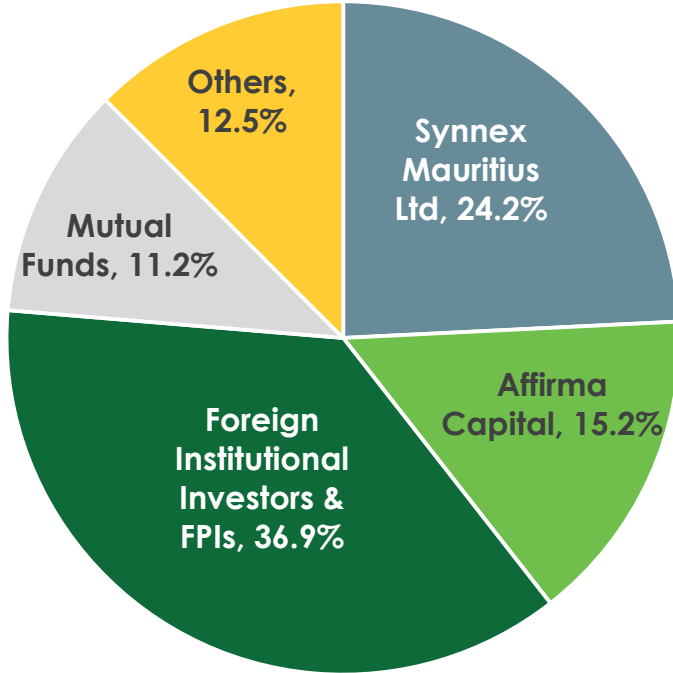


S Chidambaram
Exec. Vice President,
ProConnect Logistics,
MEA



Serkan Celik,
CEO, Arena,
Turkey

Our Shareholders



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

Our ESG Journey

*An **Environmentally** conscious
Redington*

*A **Socially** compassionate
Redington*

*An **Ethically Governed**
Redington*

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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***In July 2021, Redington (India) Ltd received
a rating of **BBB** rating in the MSCI ESG
Ratings assessment***

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide

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Redington Foundation

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**



**VOCATIONAL
SKILLS TRAINING**



**EQUIPPING
ACTIVITIES**



**SMART
SCHOOLS**



HEALTHCARE



**EMPOWERING
WOMEN**



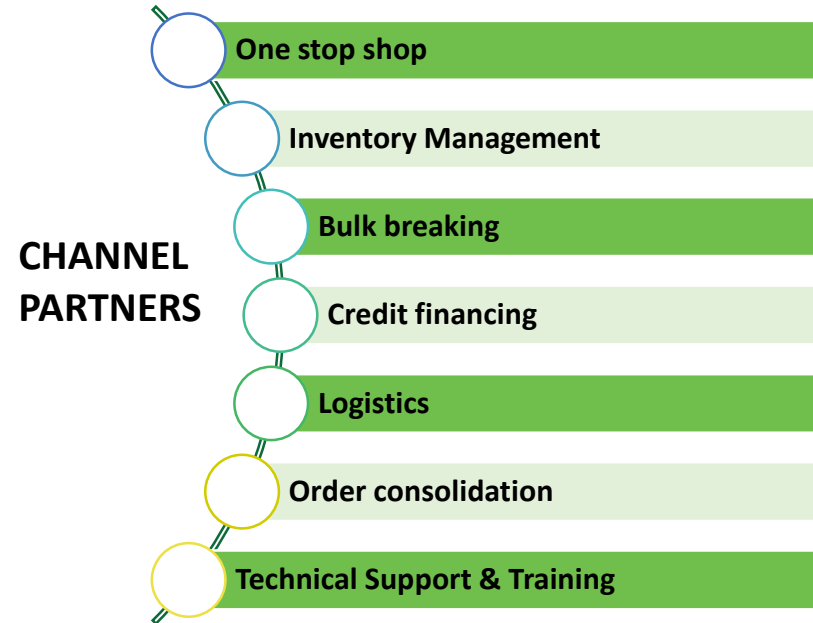
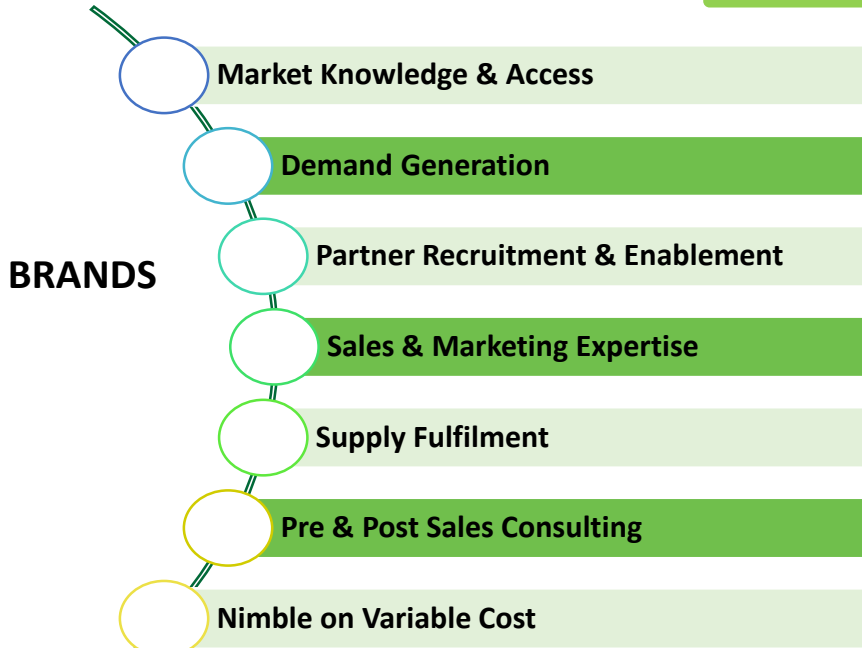
**ENVIRONMENTAL
CARE**

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							

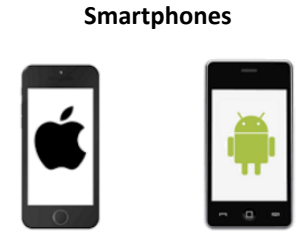
IT CONSUMER



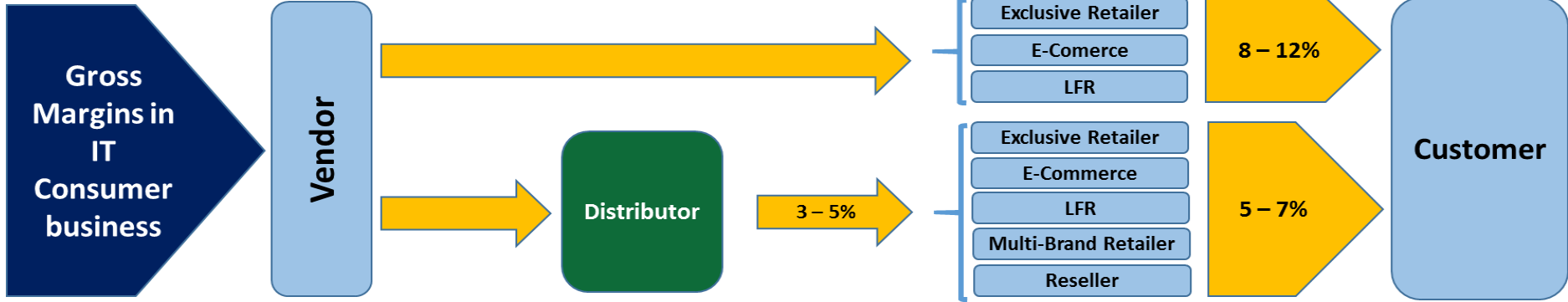
IT ENTERPRISE



MOBILITY

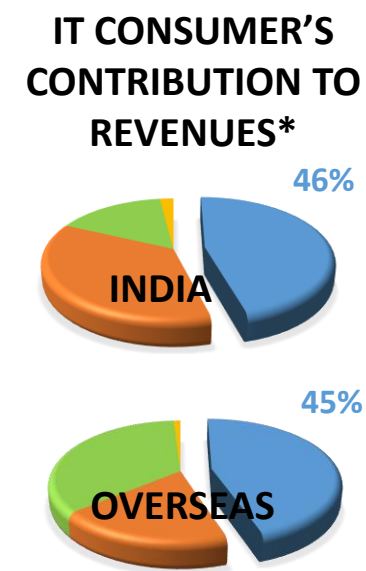


IT Consumer Business



PRODUCT CATEGORIES

- PCs
- Laptops
- Printers
- Print Supplies
- Digital Print Solutions
- Consumer Lifestyle products

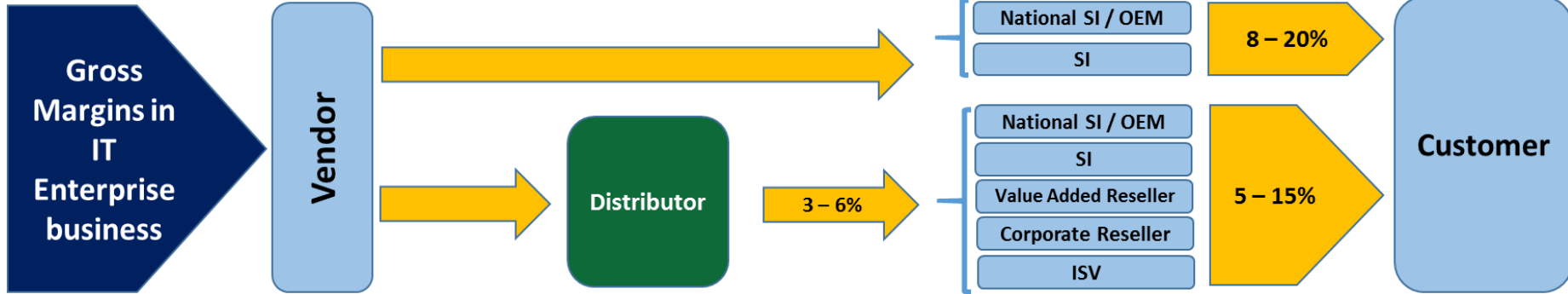


BRANDS#

- acer
- Apple
- ASUS
- Canon
- DELL
- EPSON
- FUJITSU
- hp
- IBM
- hp Indigo
- Lenovo
- Microsoft
- msi
- SAMSUNG
- SanDisk
- WD Western Digital

* Figures as on Q1FY22
#Illustrative List

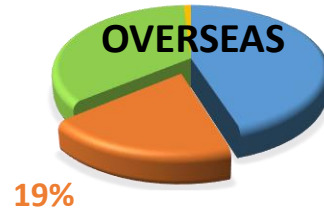
IT Enterprise Business



PRODUCT CATEGORIES

- Networking:** Routers, switches, and network cables.
- Software:** Computer monitors and software icons.
- Cloud:** Cloud icon with server connections.
- Servers & Storage:** Server racks and storage units.
- Security:** Security padlock icon and network security graphics.
- Licensing & Subscription:** License and subscription icons.

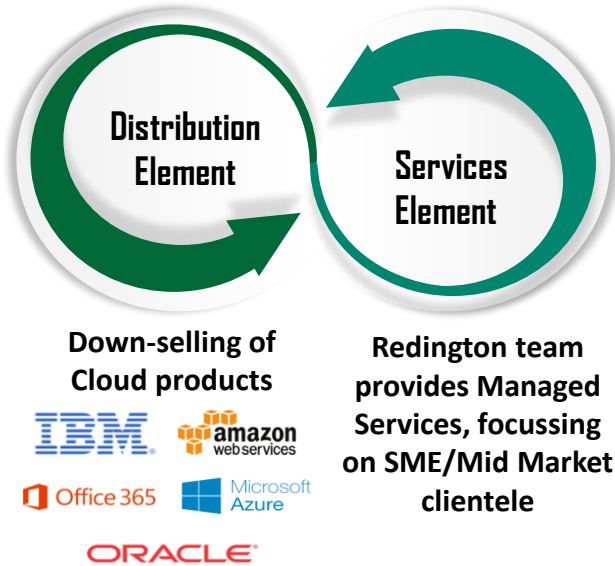
IT ENTERPRISE'S CONTRIBUTION TO REVENUES*



BRANDS#

*Figures as on Q1FY22
#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 : 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

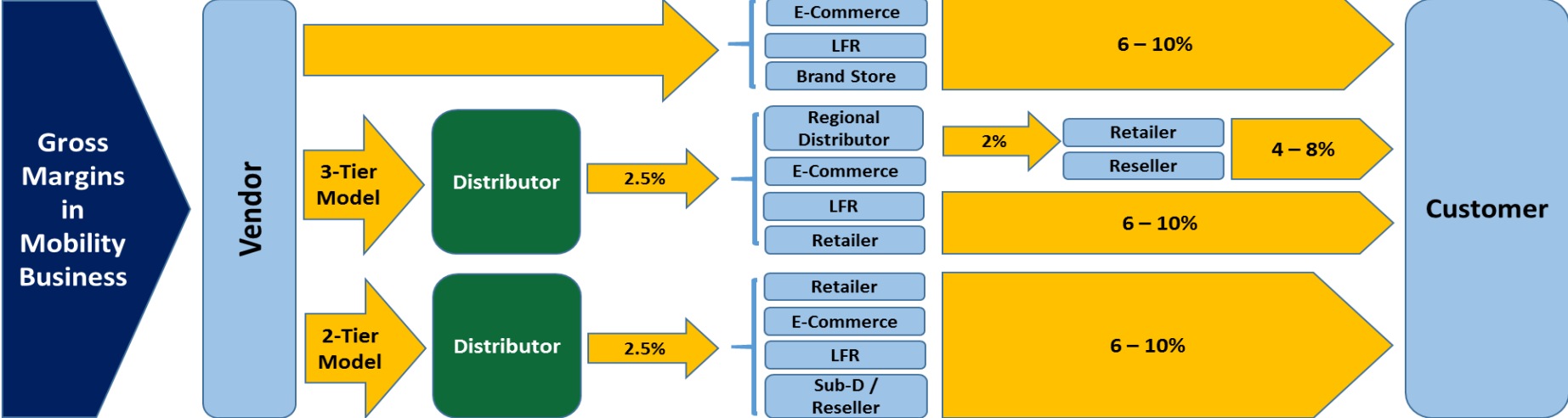


Migrate
Step-by-Step processes of Migration in order of criticality and testing outcomes on Cloud

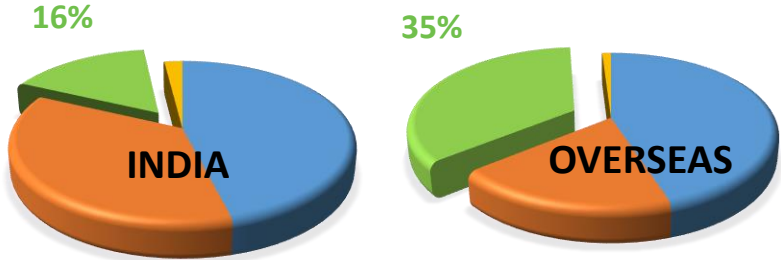


Manage
Continuous processes with proactive monitoring to ensure the infra is ALWAYS managed & optimized with respect to utilization and new needs

Mobility Business



MOBILITY CONTRIBUTION TO REVENUES*



*Figures as on Q1FY22
#Illustrative List

Services Business

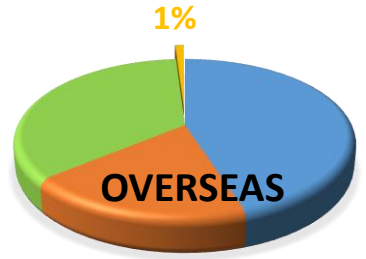
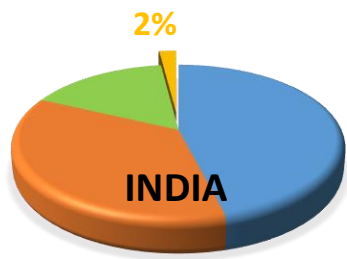
Services Business

		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 Q1FY22

ProConnect India



Wholly Owned Subsidiary of Redington



Integrated Third Party Logistics partner



PAN India presence



150+ Warehouses



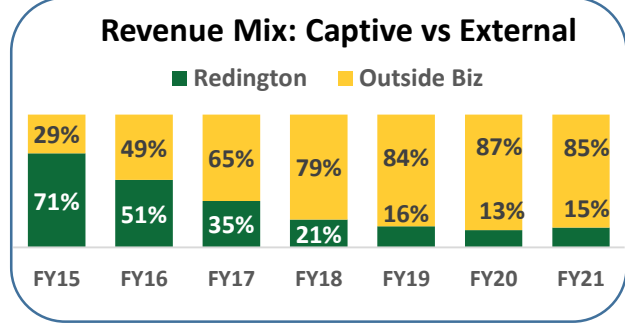
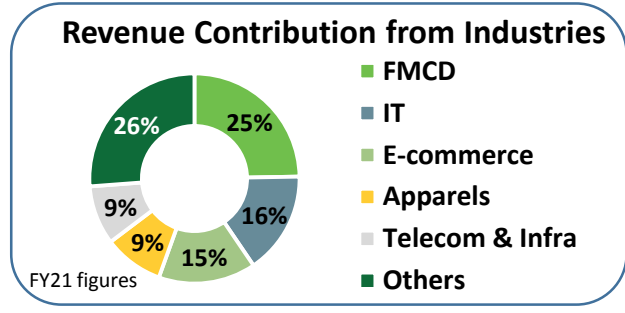
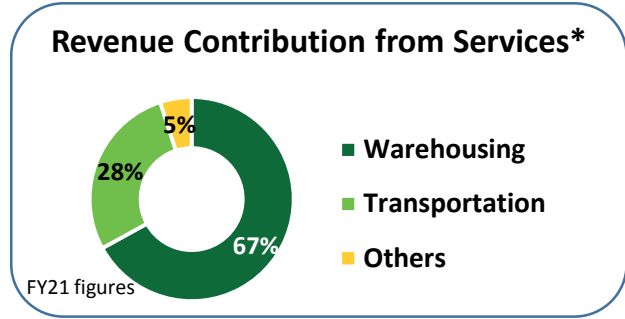
7.7 mn Sq.ft. in operation



160+ Customers across 12+ Industries



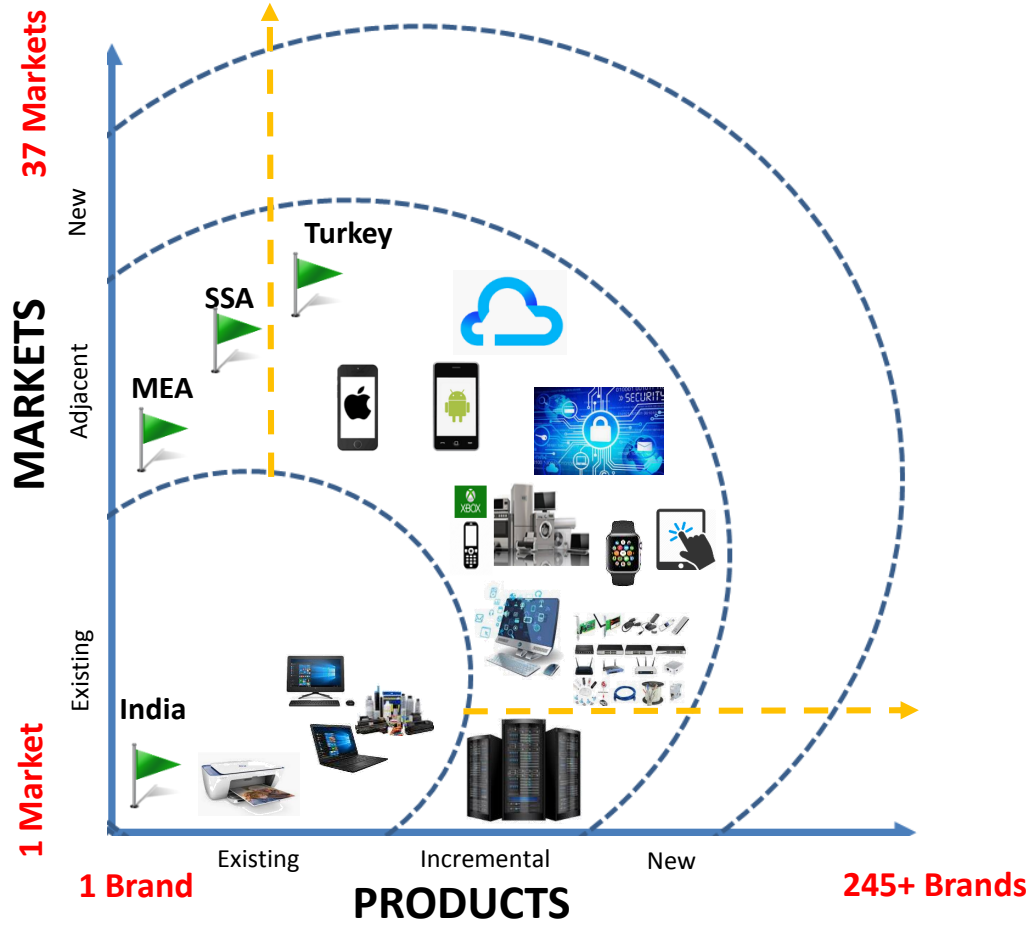
20,315+ Pincodes



*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
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

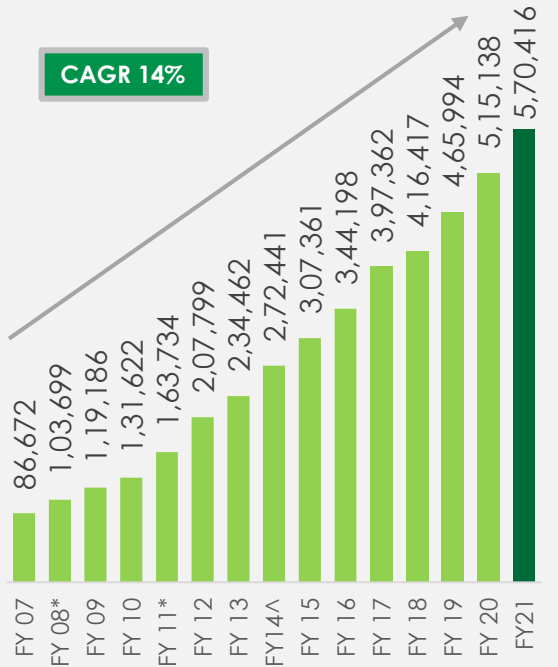
Performance Since Listing

Surpassed Rs.500 bn milestone mark in Revenues

REVENUE

₹ in mn

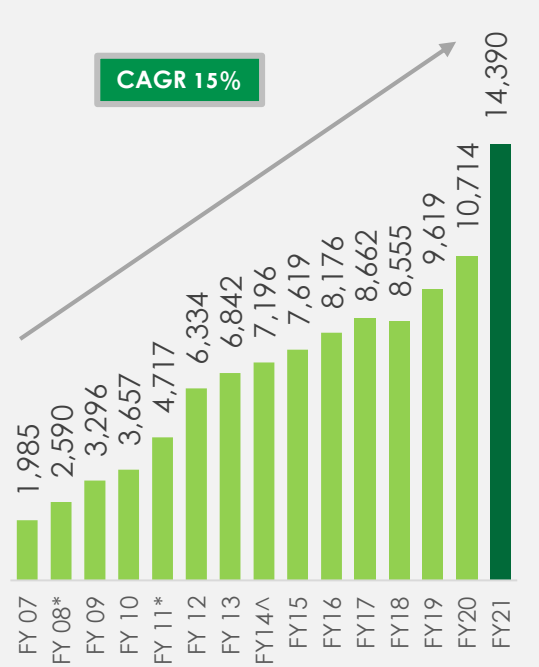
CAGR 14%



EBITDA

₹ in mn

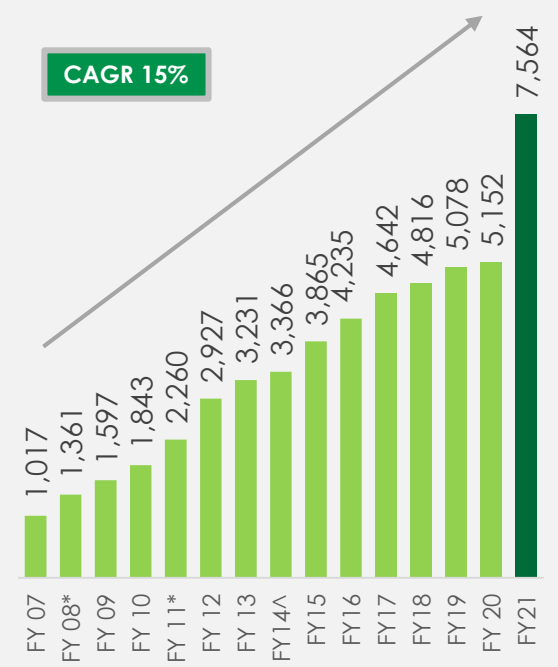
CAGR 15%



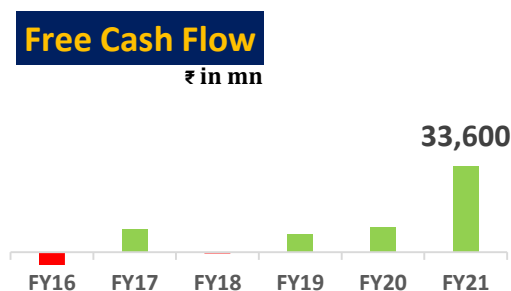
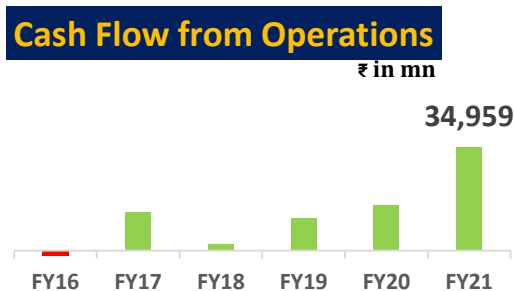
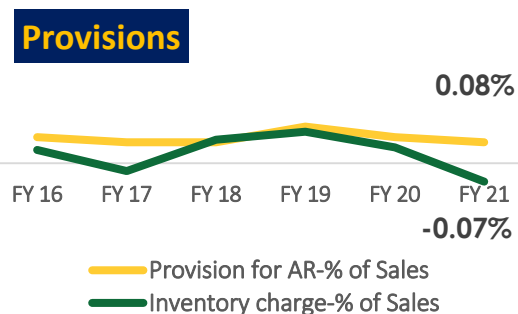
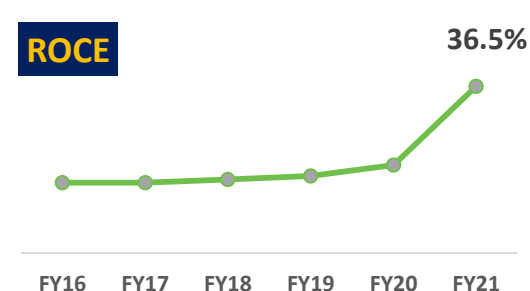
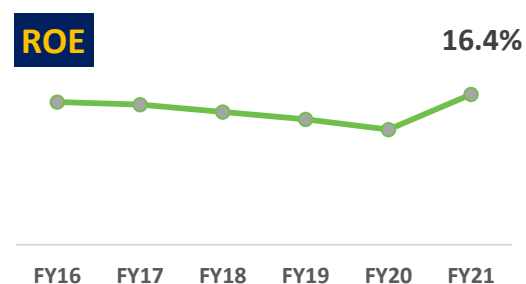
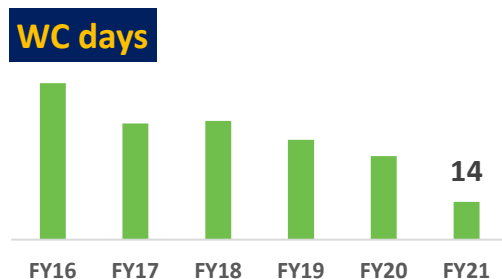
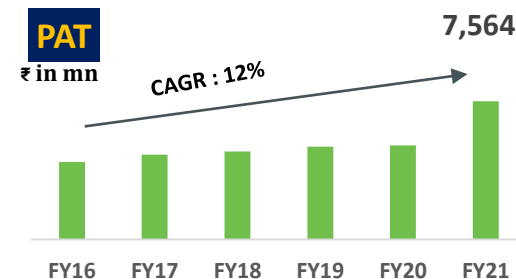
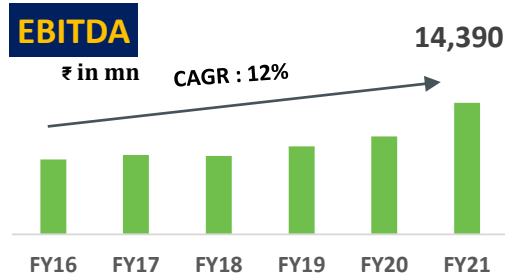
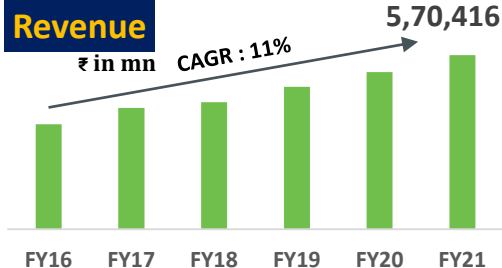
PAT

₹ in mn

CAGR 15%



Performance Snapshot



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

Annual performance track record

All figures are ₹ in mn

Particulars	Q1FY22	FY21	FY20	FY19	FY18	FY17
Total Revenue	1,34,740	5,70,416	5,15,138	4,65,994	4,16,417	3,97,362
Growth YoY	25.7%	10.7%	10.5%	11.9%	5.8%	15.4%
EBITDA	3,642	14,390	1,0714	9619	8,555	8,662
Growth YoY	58.3%	34.3%	10.4%	12.4%	-1.2%	5.9%
PAT	2,367	7,564	5,152	5,078	4,816	4,642
Growth YoY	166.6%	46.8%	1.5%	5.4%	3.7%	9.6%
Networth	52,241	49,337	43,089	39,060	35,306	31,479
Capital Employed*	28,517	22,587	48,505	53,118	54,759	49,741
EBITDA Margins	2.7%	2.5%	2.1%	2.1%	2.1%	2.2%
PAT Margins	1.8%	1.3%	1.0%	1.1%	1.2%	1.2%
ROCE#	52.2%	36.5%	19.3%	16.9%	16.1%	15.4%
ROE	18.8%	16.4%	12.6%	13.7%	14.5%	15.3%
EPS (₹)	6.1	19.4	13.2	12.8	12.0	11.6
Book Value per share (₹)	133.4	126.3	110.3	99.8	87.7	78.2

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

ROCE vs Cost of Debt Capital

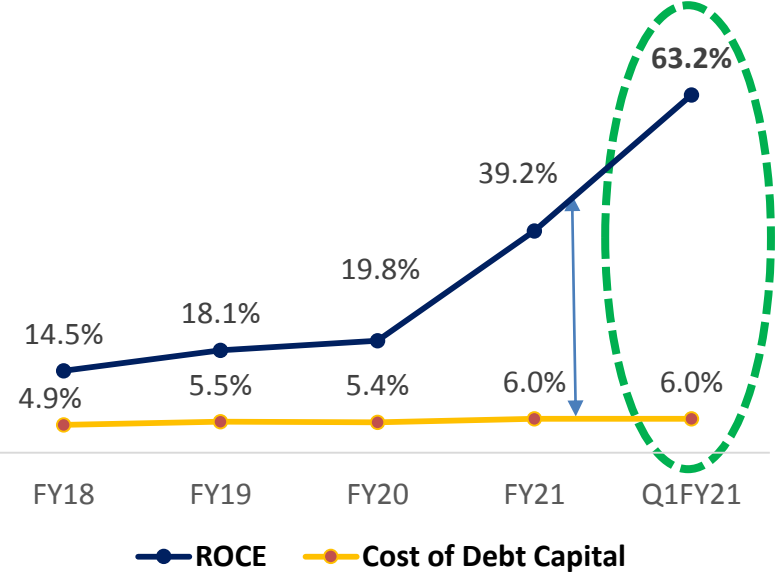
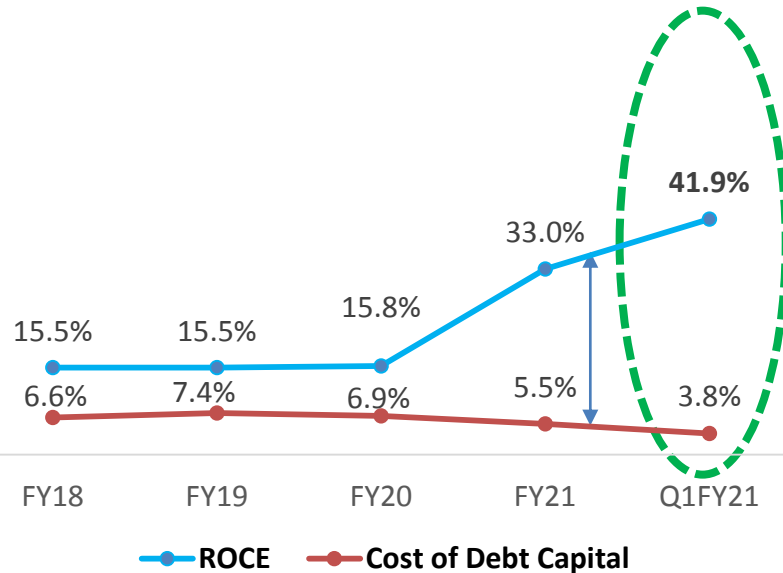
Consistent Focus on Capital efficiency

INDIA
Return on Rupee capital

OVERSEAS
Return on Dollar Capital

Value Creation 38.1%

Value Creation 57.2%



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

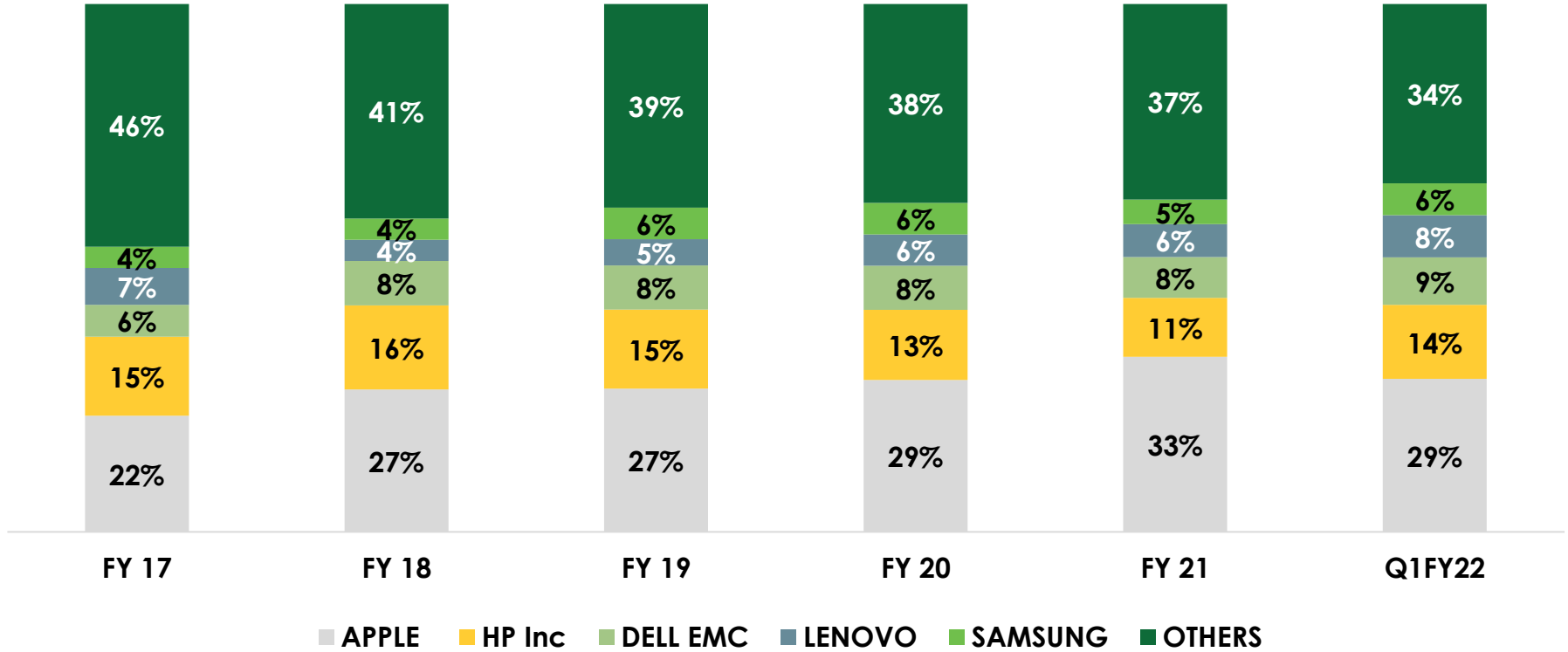
Quarterly performance track record

All figures are ₹ in mn

Particulars	Q1FY22	Q4FY21	Q3FY21	Q2FY21	Q1FY21
Total Revenue	1,34,740	1,55,303	1,70,032	1,37,861	1,07,220
Growth QoQ	-13.2%	-8.7%	23.3%	28.6%	-15.4%
EBITDA	3,642	4,515	4,465	3,110	2,301
Growth QoQ	-19.3%	1.1%	39.4%	35.1%	-9.5%
PAT	2,367	3,025	1,893	1,758	888
Growth QoQ	-21.8%	59.8%	7.7%	98.0%	-25.5%
Networth	52,241	49,337	46,432	44,873	43,904
Capital Employed*	28,517	22,587	25,323	25,688	26,138
EBITDA Margins	2.7%	2.9%	2.6%	2.2%	2.1%
PAT Margins	1.8%	1.9%	1.1%	1.3%	0.8%
ROCE#	52.2%	70.8%	64.1%	42.6%	20.6%
ROE	18.8%	25.7%	16.5%	15.8%	8.2%
EPS (₹)	6.1	7.8	4.9	4.5	2.3
Book Value per share (₹)	133.4	126.3	118.9	114.9	112.4

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

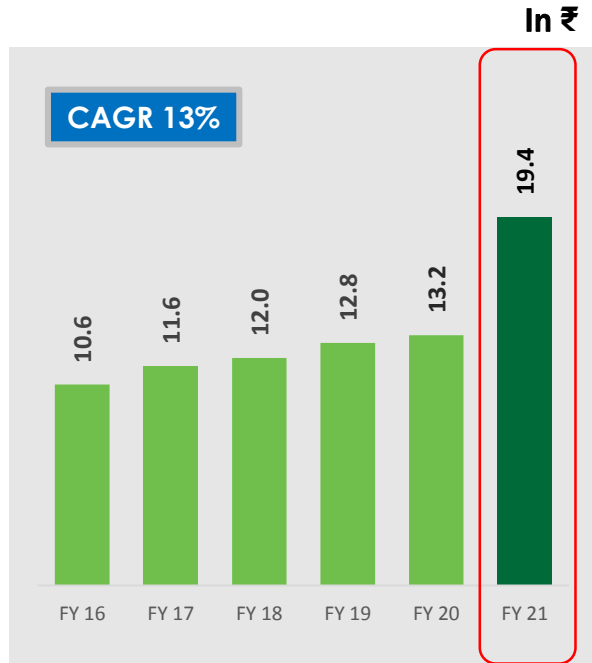
Top 5 Vendors



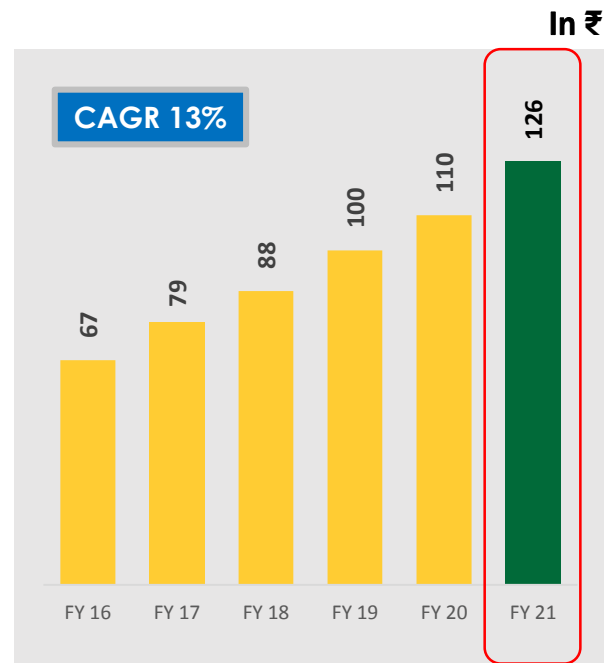
Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

Value Creation for our Shareholders

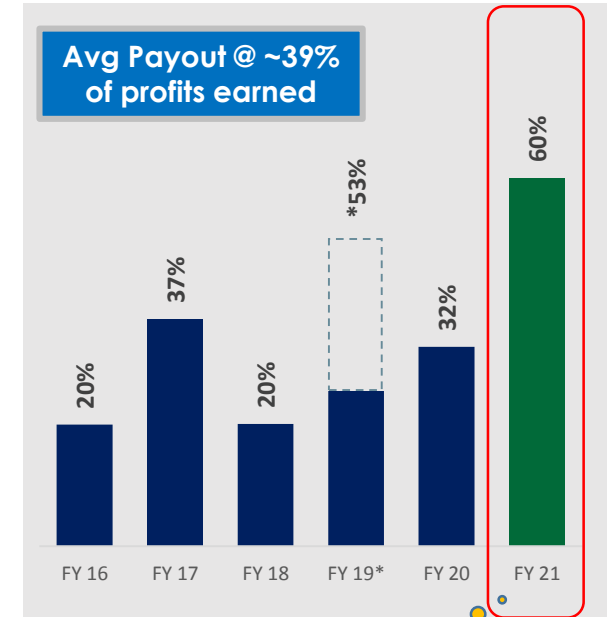
EPS



BOOK VALUE/SHARE



PAYOUT TO SHAREHOLDERS*



Note: Bonus issue of 1:1 declared in FY22, in recognition of superior performance

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

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

*Includes both dividend & buyback

BONUS ISSUE
1:1

Current year performance

Q1FY22 Performance Snapshot

REVENUE

26% 

Q1FY22: Rs.1,34,740 mn
Q1FY21: Rs.1,07,220 mn

EBITDA

58% 

Q1FY22: Rs.3,642 mn
Q1FY21: Rs.2,301 mn

PAT

167% 

Q1FY22: Rs.2,367 mn
Q1FY21: Rs.888 mn

WC DAYS

18 days

Q1FY21: 17 days

ROE

18.8%

Q1FY21: 8.2%

ROCE#

52.2%

Q1FY21: 20.6%

INVENTORY CHARGE

0.33%

Q1FY21: 0.05%

AR PROVISION

0.16%

Q1FY21: 0.07%

FREE CASH FLOW

Rs.(3,167) mn

Q1FY21: Rs.23,324 mn

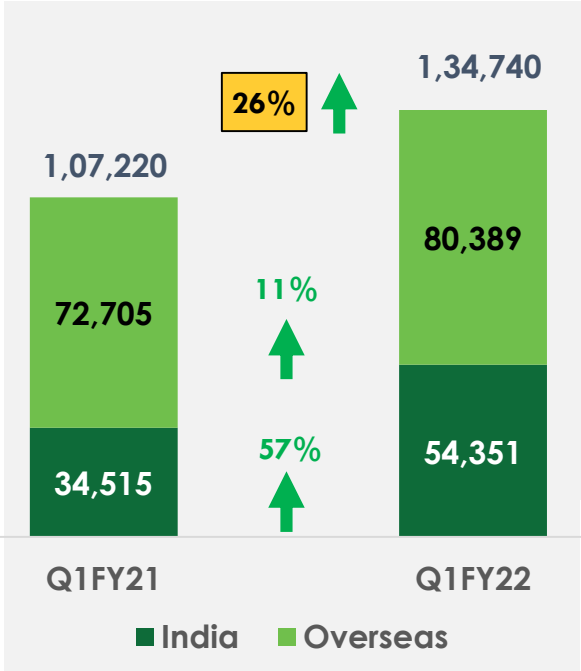
#ROCE is calculated net of cash and on average capital employed

Performance By Market



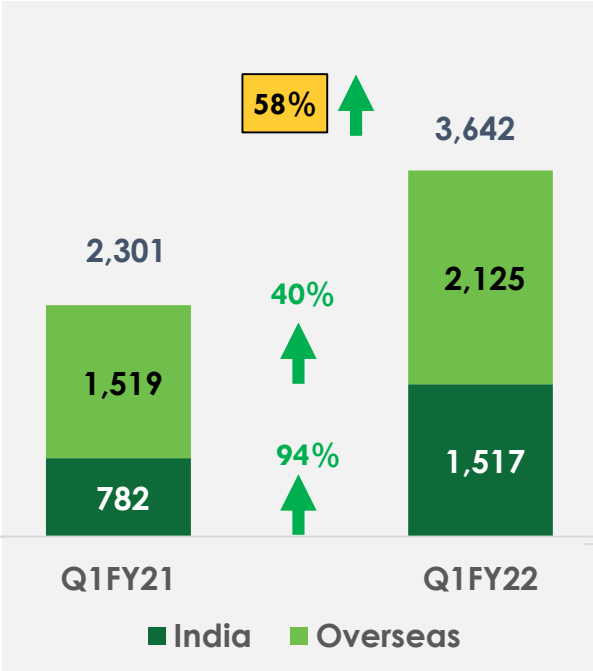
REVENUE

₹ in mn



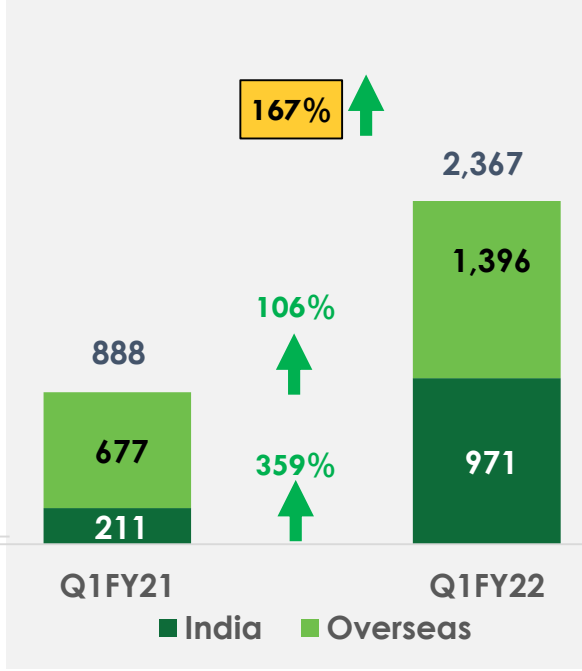
EBITDA

₹ in mn



PAT

₹ in mn

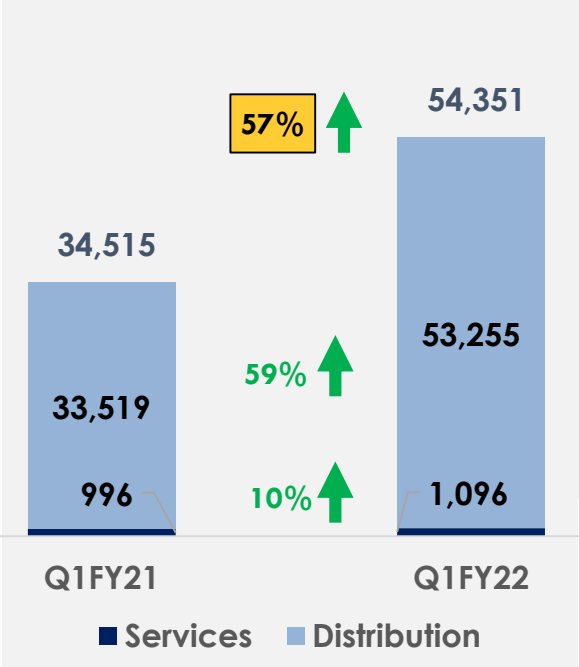


India Performance



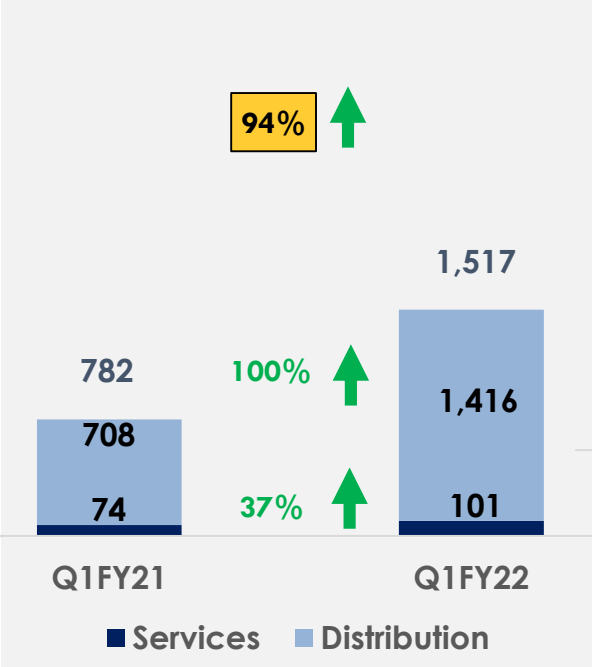
REVENUE

₹ in mn



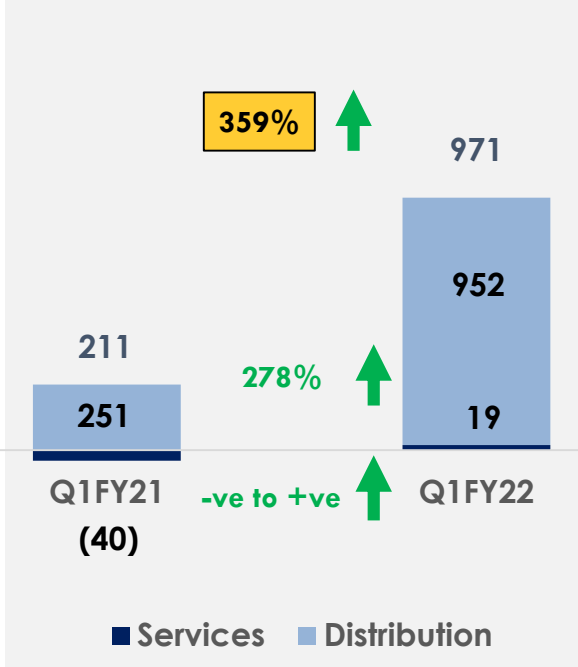
EBITDA

₹ in mn



PAT

₹ in mn



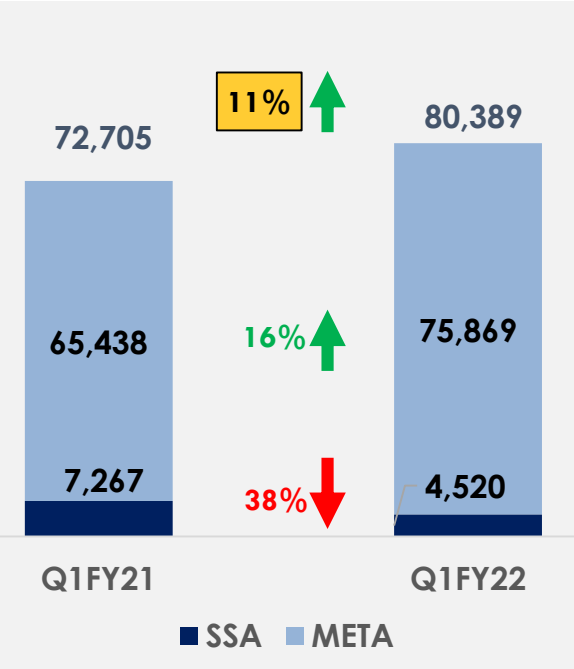
Note: Services represents ProConnect only; Ensure India figures only in Q1FY21

Overseas Performance



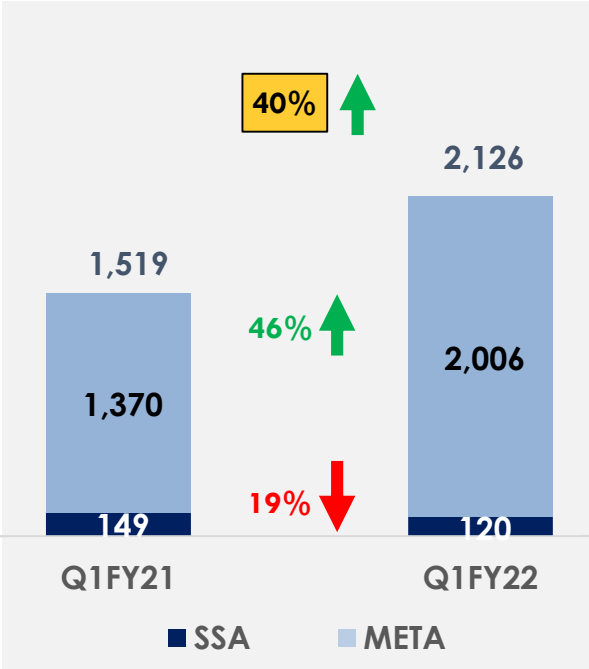
REVENUE

₹ in mn



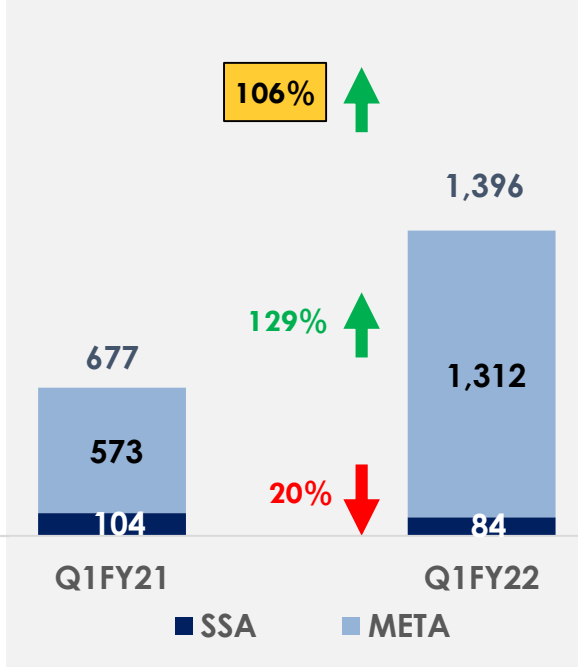
EBITDA

₹ in mn



PAT

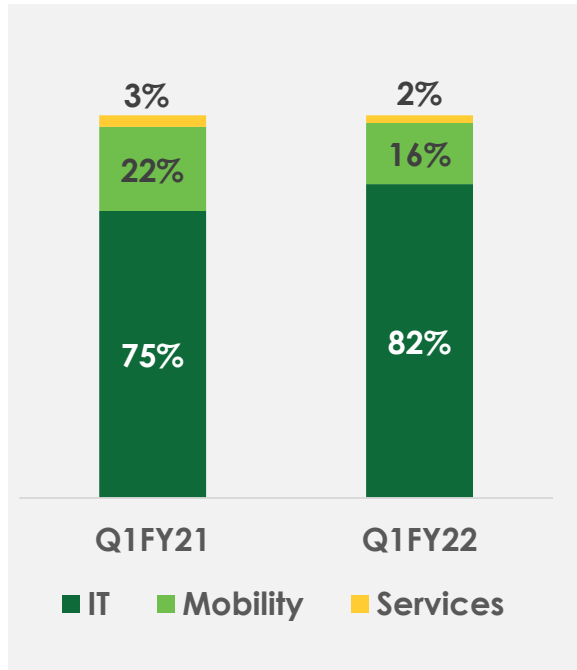
₹ in mn



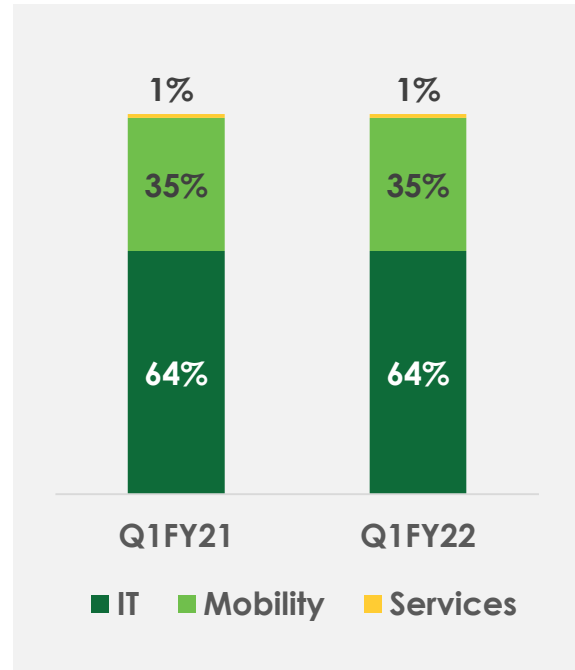
Note: Overseas performance in c/c terms – Revenue 13%; EBITDA 44% ; PAT 111%

Performance By Vertical

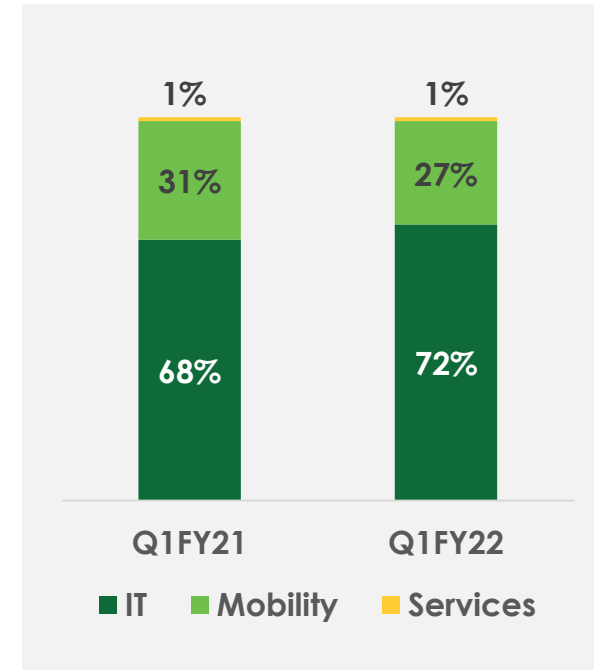
INDIA



OVERSEAS

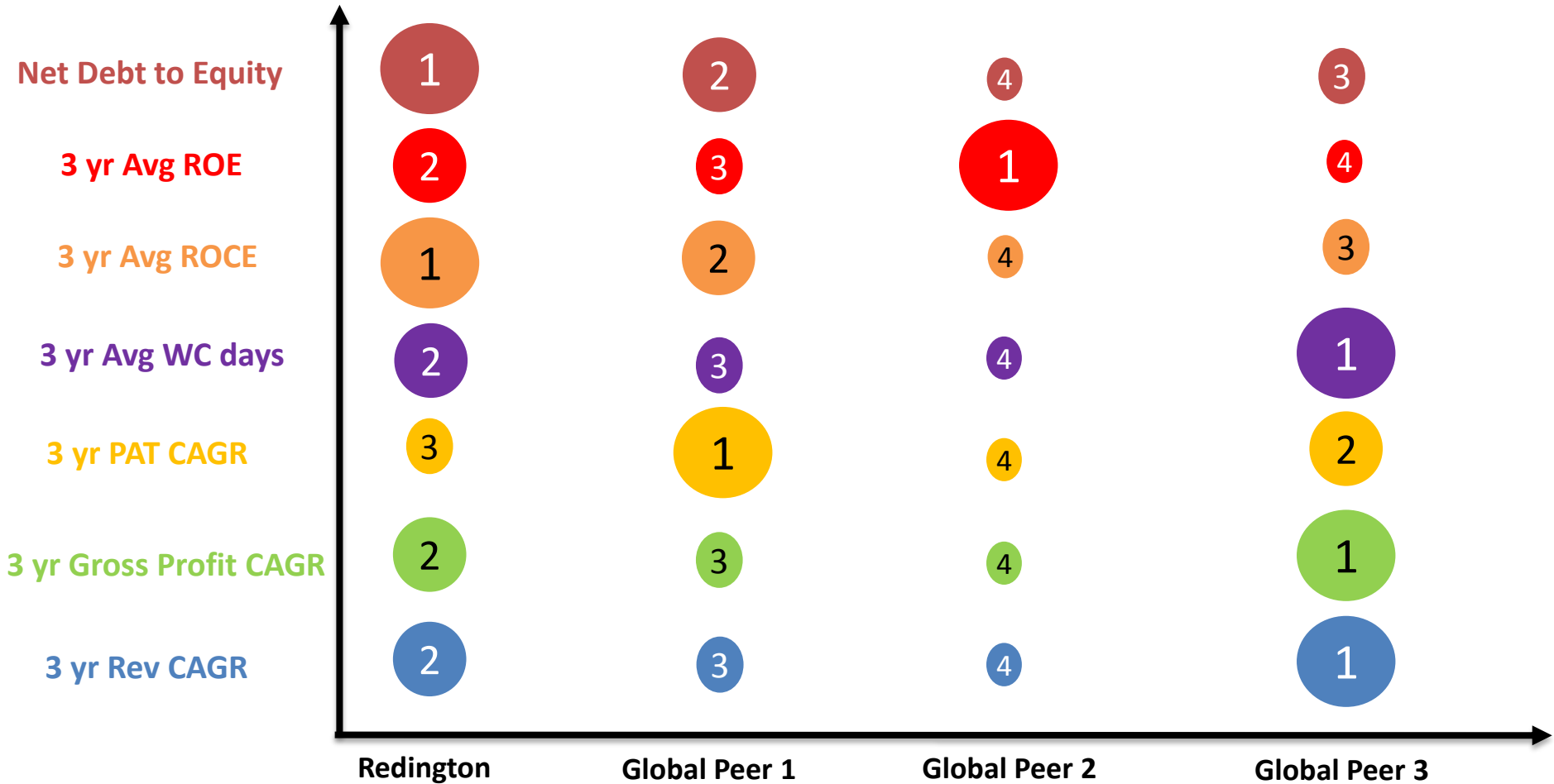


GLOBAL



Note: Services represents ProConnect only

Redington Vis-à-vis Global Peers



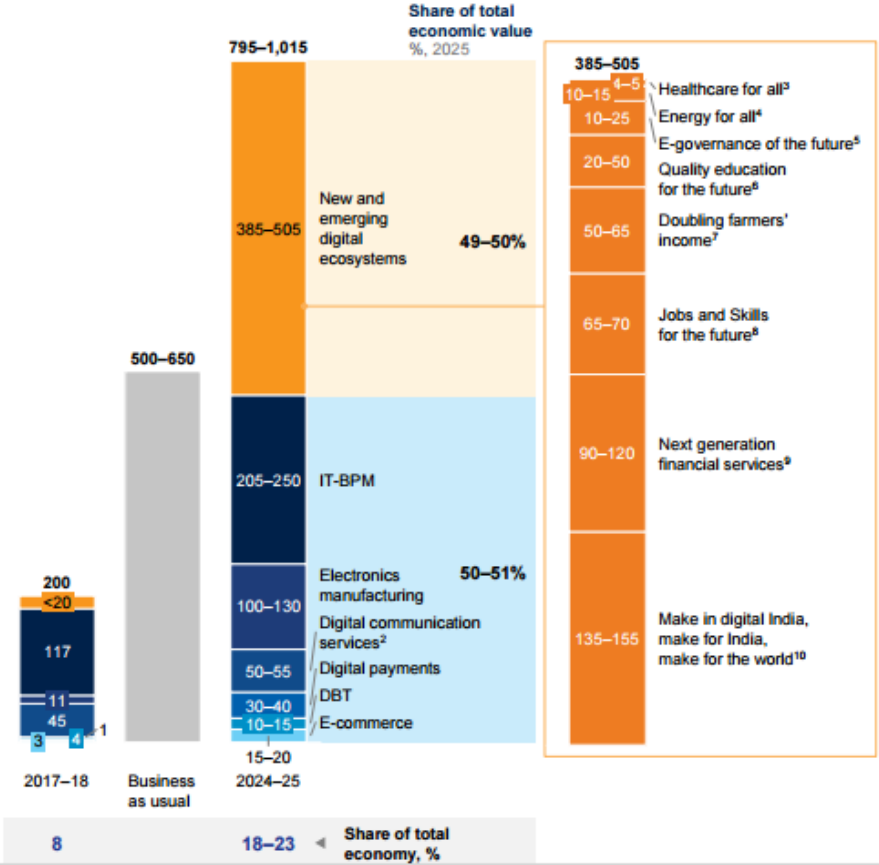
Our Opportunities



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**

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



THANK YOU

