

12th February 2019

The National Stock Exchange of India Ltd
Exchange Plaza
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051

Sub: Presentation to Investor/ Analyst

Dear Sir/Madam,

This is further to our letter dated 5th February 2019 on the Investor/ Analyst call scheduled today.

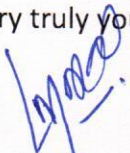
Pursuant to Regulation 30(2) and 46(2)(o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith a copy of Investor Presentation that will be shared with the analyst/investors.

The same shall be uploaded on our website www.redingtongroup.com

We request you to kindly take the above information on record.

Thanking you,

Very truly yours,



M. Muthukumarasamy
Company Secretary.

Cc : BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001



REDINGTON (INDIA) LIMITED

Q3FY19 Earnings Presentation

December 2018

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

- **Q3FY19** – On a consolidated basis, Revenue grew by 12%, EBITDA grew by 31% and PAT grew by 14%
 - India – Revenue grew by 12%, EBITDA grew by 5% and PAT degrew by 6%
 - Overseas – Revenue grew by 12%, EBITDA grew by 60% and PAT grew by 29%
 - **Overseas w/o Arena, Turkey – Revenue grew by 15%, EBITDA grew by 72% and PAT grew by 20%**
- **9MFY19** – On a consolidated basis, Revenue grew by 11%, EBITDA grew by 11% and PAT grew by 0.1%
 - India – Revenue grew by 10%, EBITDA degrew by 11% and PAT degrew by 20%
 - Overseas – Revenue grew by 11%, EBITDA grew by 36% and PAT grew by 16%
 - **Overseas w/o Arena, Turkey – Revenue grew by 14%, EBITDA grew by 46% and PAT grew by 21%**
- During the quarter, Gross margin has improved in both India & Overseas
- On a consolidated basis, WC days for Q3FY19 is 41 days and 9MFY19 is 46 days, signifying 8-9 WC turns
- On a consolidated basis, Net Debt Equity ratio is at 0.4
- On a consolidated basis, Provision for bad debts at 0.12% for Q3FY19

Financial Highlights

India business

Q3FY19

- During the quarter, India business registered double digit growth in Revenue, with IT segment continuing its growth momentum at 17% YoY
- EBITDA growth of 5% YoY, on the back of Gross Margin growth
- WC days have gone up by 7 days in India to 60 days, primarily driven by increase in inventory in Mobility segment and increase in receivables in the Enterprise segment, thereby leading to increase in interest cost as well
- ProConnect continues its strong growth momentum with revenue growth of 20% YoY and PAT growth of 17% YoY

Financial Highlights

Overseas business

- During the quarter, Overseas business continued its strong momentum, registering strong double digit growth across Revenue, EBITDA and PAT
- Strong EBITDA growth was driven by both IT and Mobility segment
- Redington MEA had undertaken impairment of investment made in Arena, Turkey to the tune of \$10.2mn
- Strong PAT growth of 29% YoY in Q3FY19, inspite of the impairment
- Generated positive free cash flow in both Q3FY19 and 9MFY19

Turkey Update

- During the quarter, Arena biz had registered EBITDA growth of 27% YoY, despite revenue degrowth of 9%, driven by Opex control



Q3FY19 Highlights

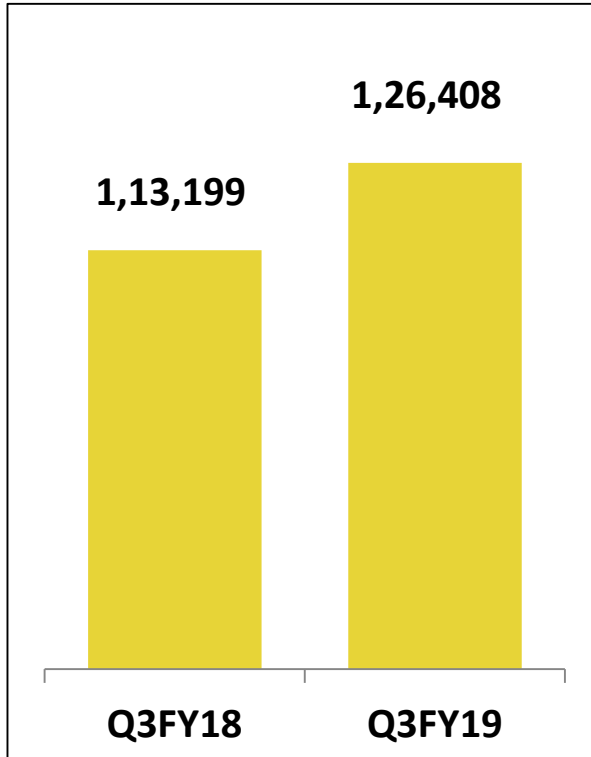


Q3FY19- Consolidated Financials

₹ in million

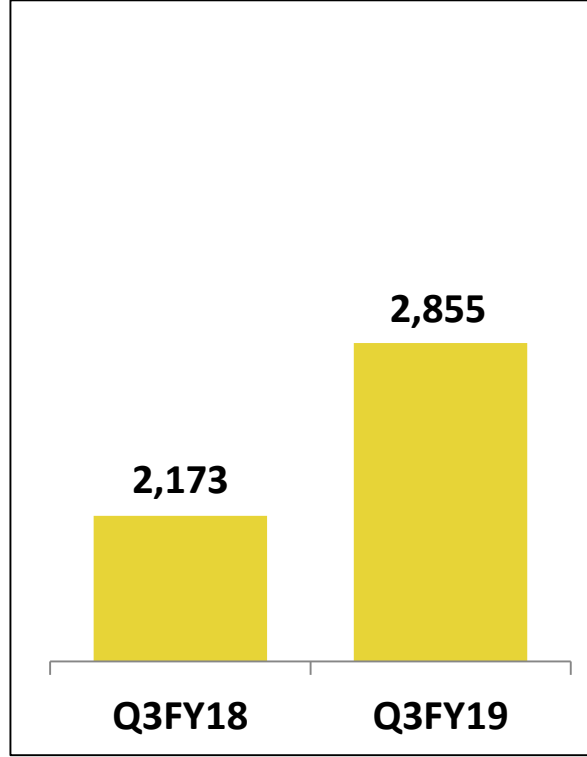
REVENUE

12% ▲



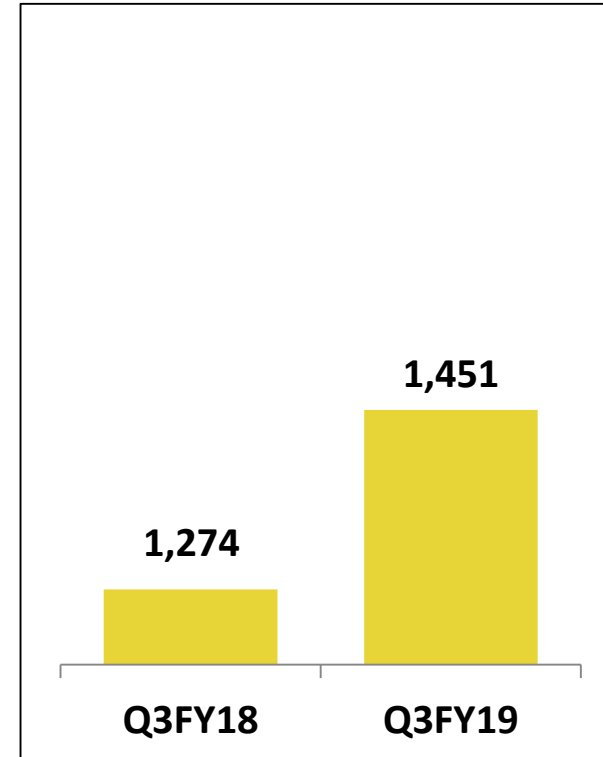
EBIDTA

31% ▲



PAT

14% ▲



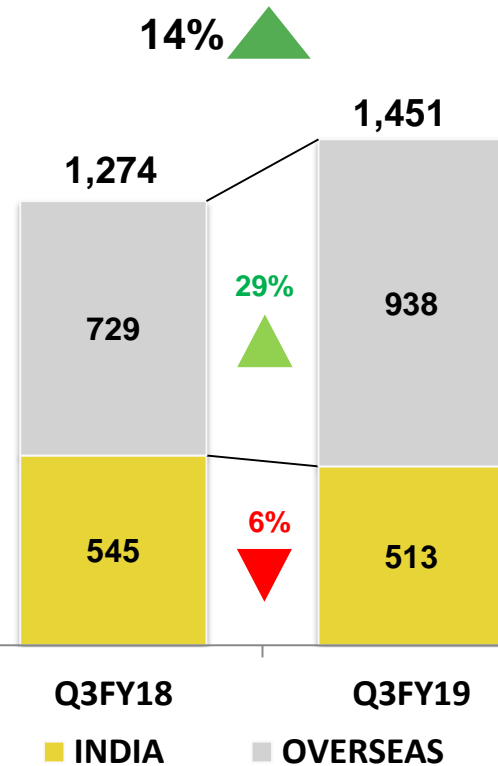
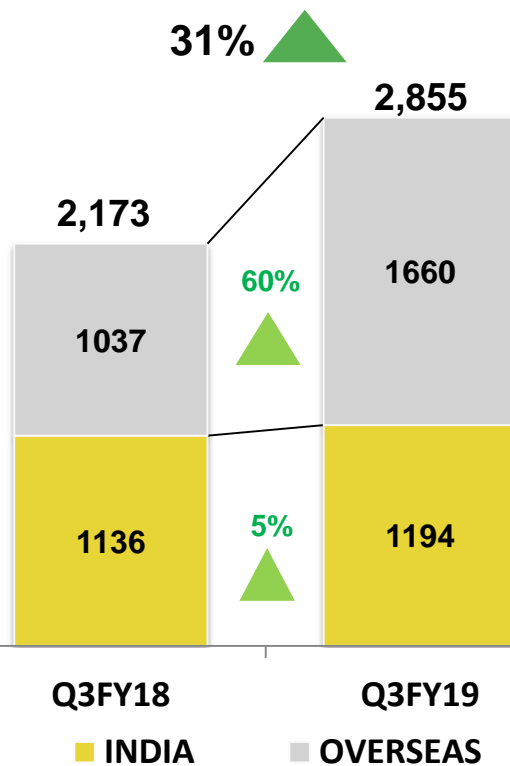
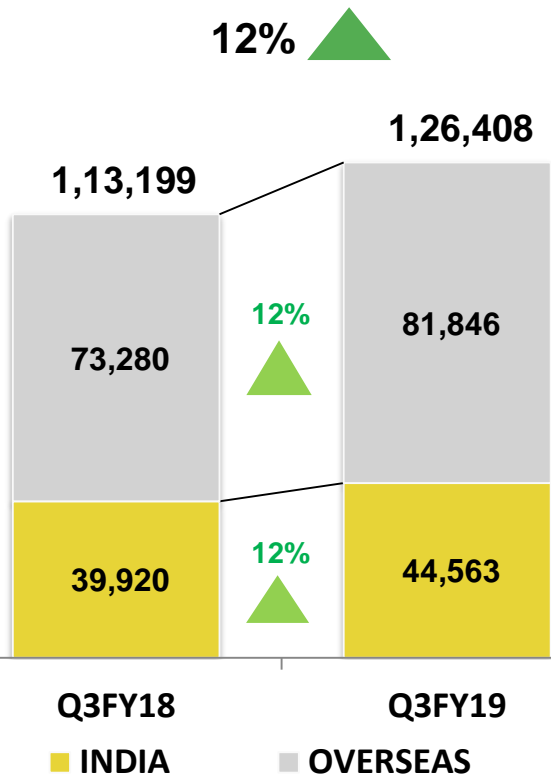
Q3FY19 Performance by Market

₹ in million

REVENUE

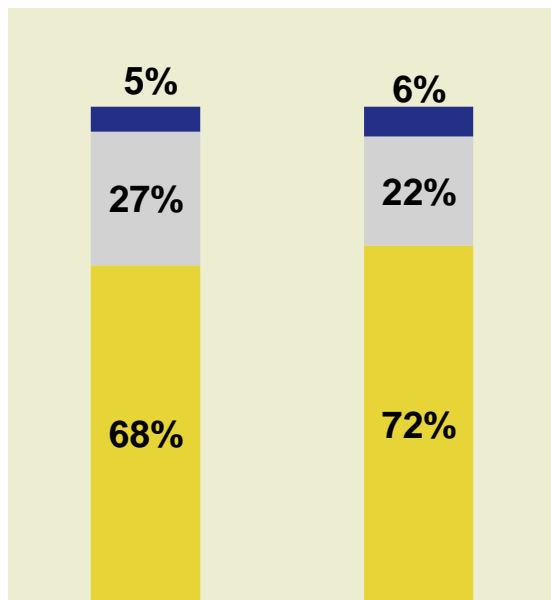
EBIDTA

PAT



Q3FY19 Performance by Vertical

INDIA

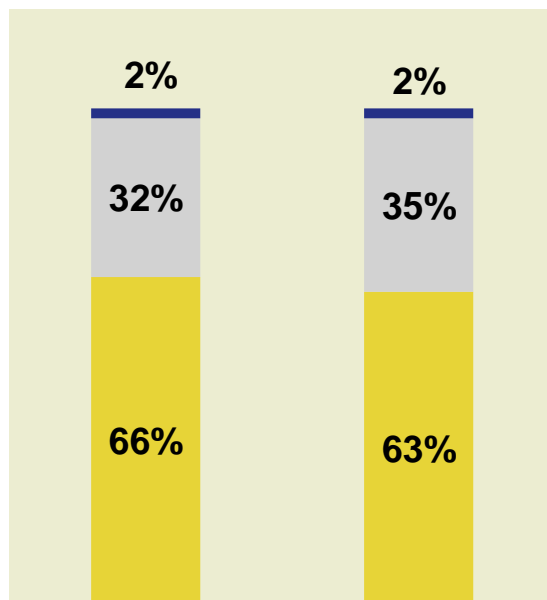


Q3FY18

Q3FY19

■ IT ■ Mobility ■ Services

OVERSEAS

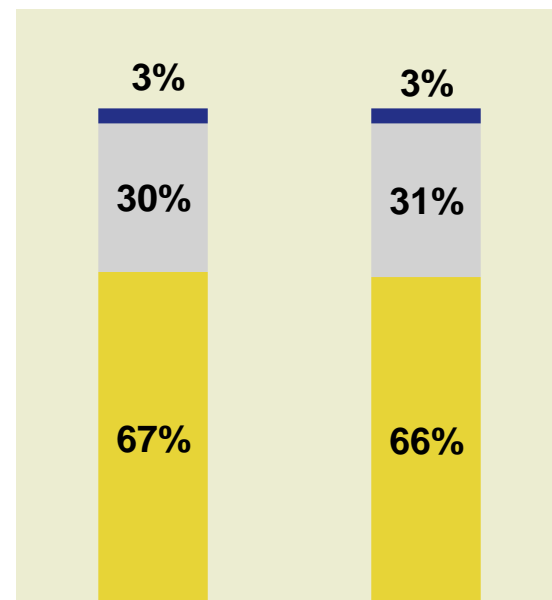


Q3FY18

Q3FY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



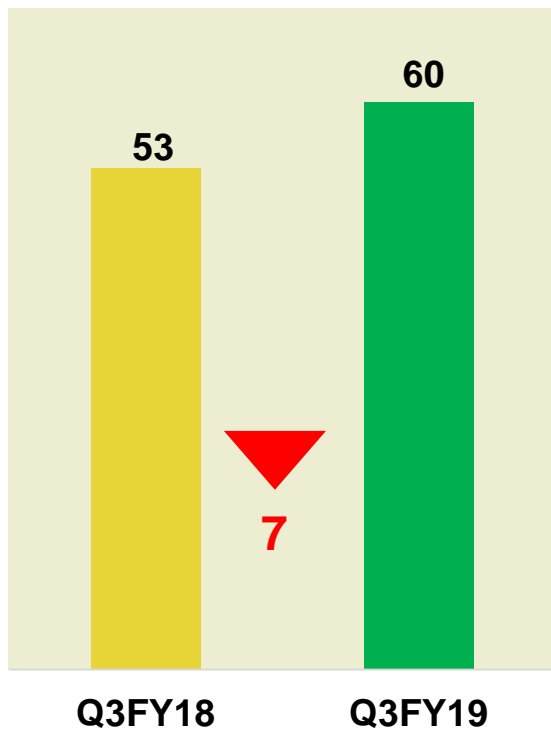
Q3FY18

Q3FY19

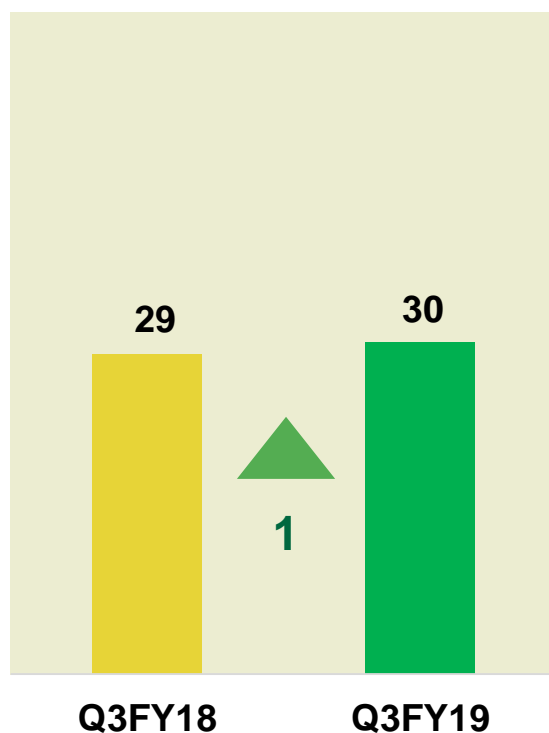
■ IT ■ Mobility ■ Services

Q3FY19 – Working Capital Days

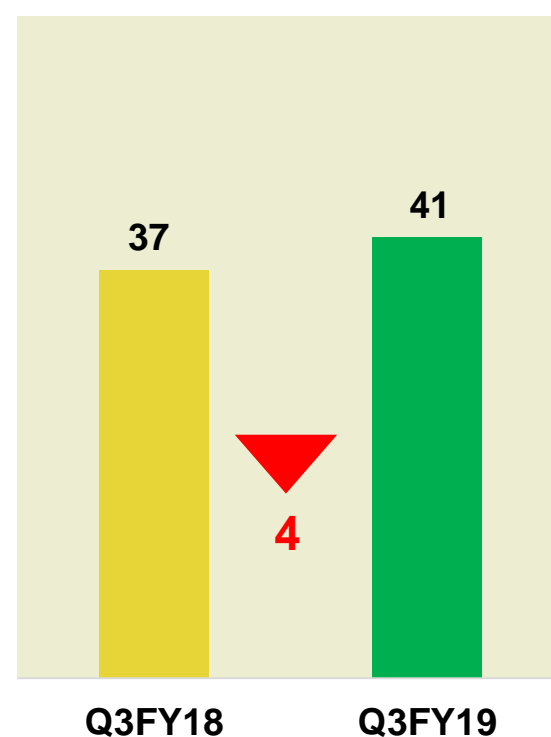
INDIA



OVERSEAS



CONSOLIDATED



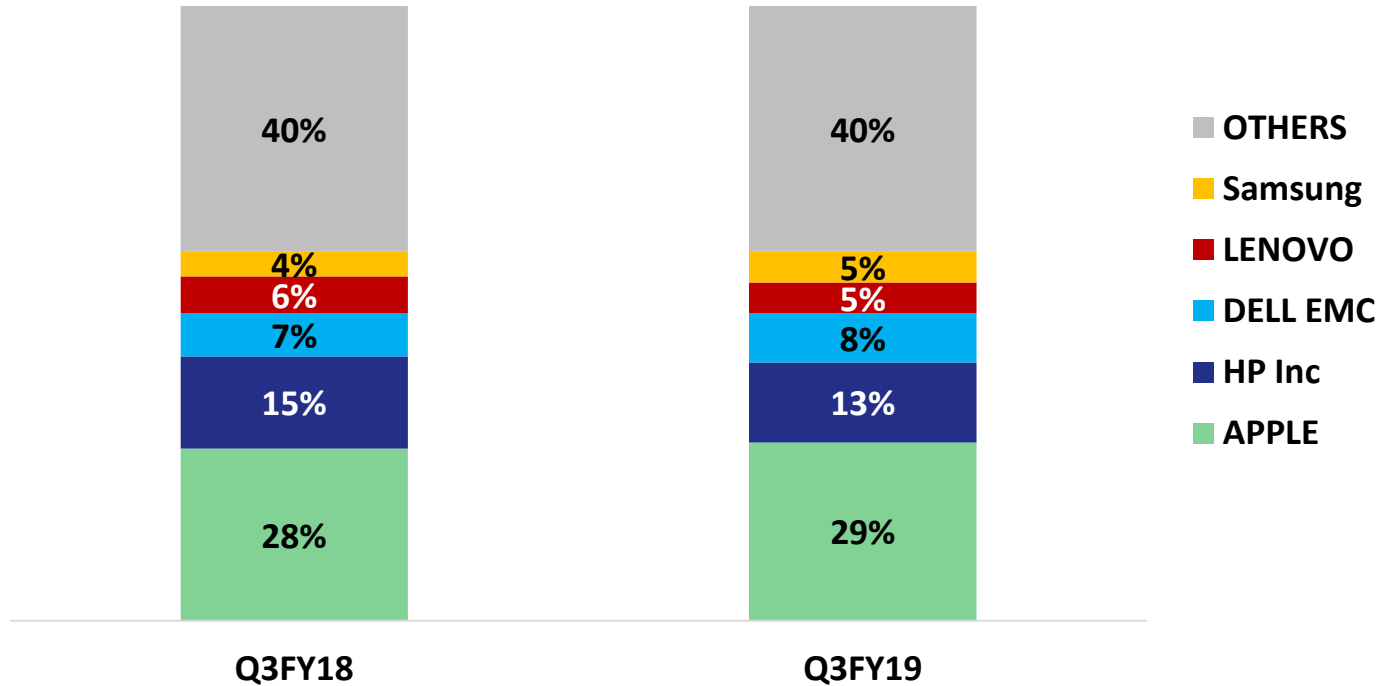
Free Cash Flow Statement

₹ in million

Particulars	Q3 FY19	Q3 FY18
Profit Before Taxation	1,443	1,661
Non-cash items	1,432	234
Outflow of Finance Cost	479	361
Changes in Working Capital	(7,839)	(147)
Direct Taxes Paid	(961)	(420)
Net Cash Flow from Operations	(5,446)	1,689
Capex	(121)	143
Dividend paid including DDT	(38)	(12)
Outflow of Finance Cost	(490)	(357)
Free Cashflow	(6,095)	1,463

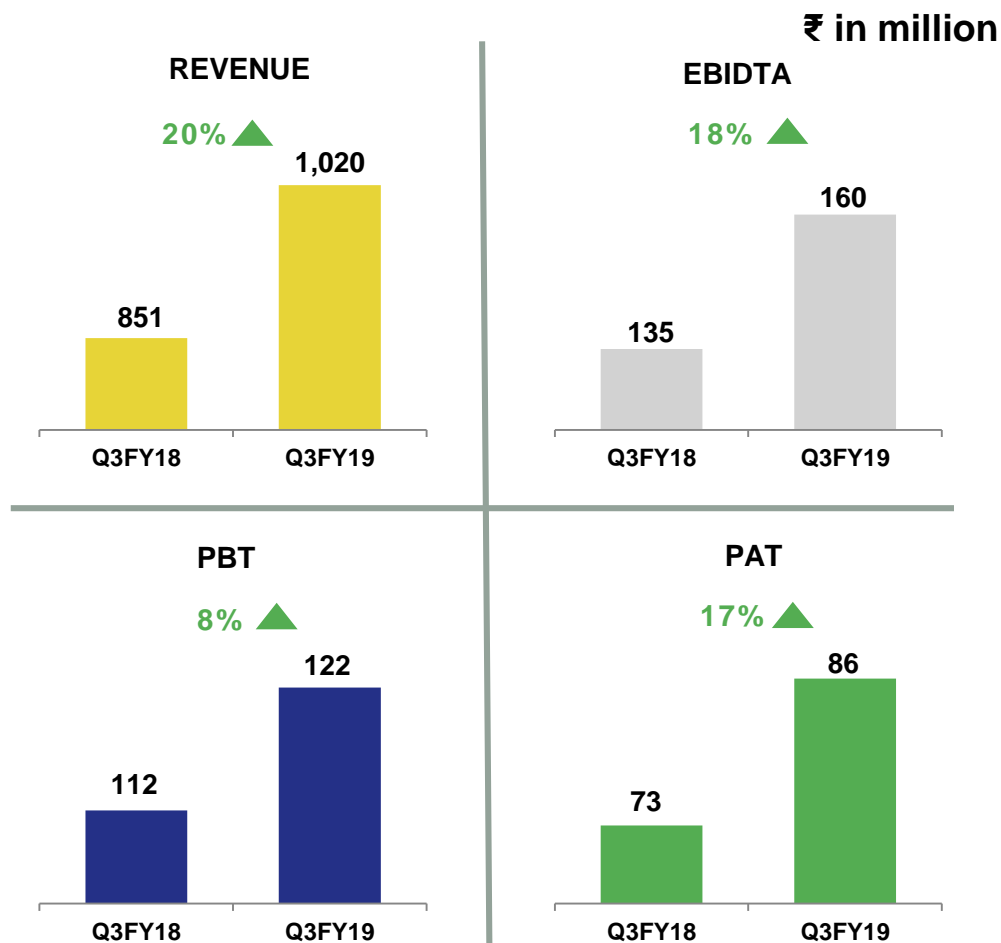
Q3FY19 – Top 5 Vendors Consolidated

REVENUE



Q3FY19 Performance – ProConnect

- Revenue growth over Q3FY18 is 20%
- EBITDA growth over Q3FY18 is 18%





9MFY19 Highlights

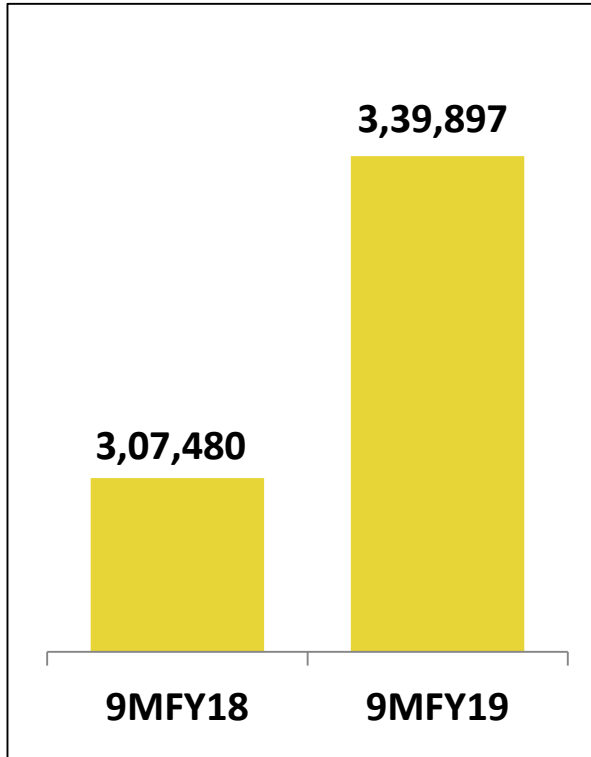


9MFY19- Consolidated Financials

₹ in million

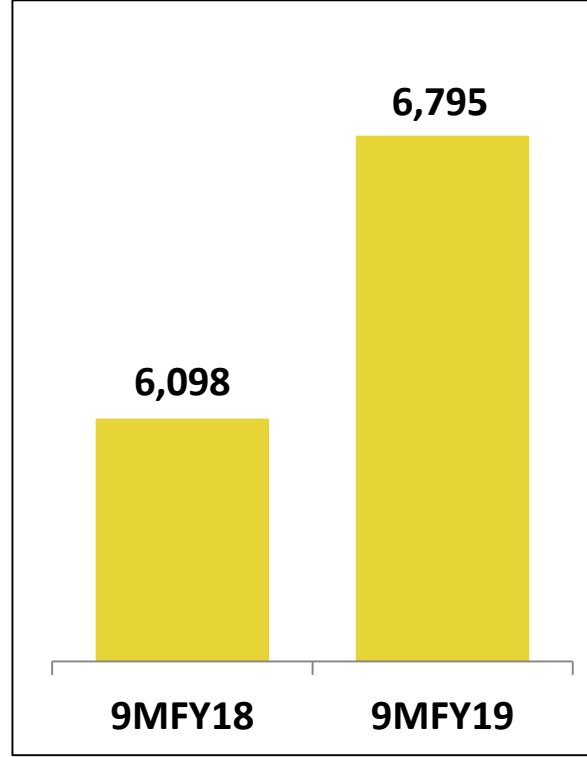
REVENUE

11% ▲



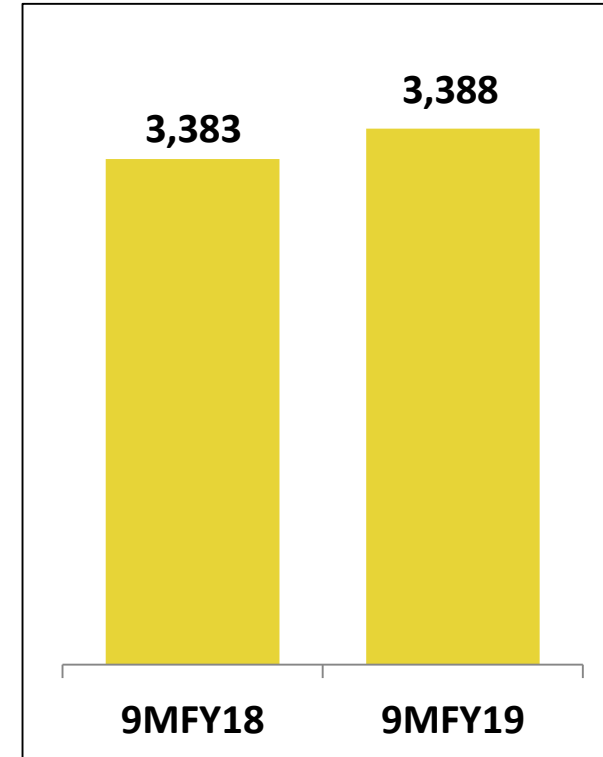
EBIDTA

11% ▲



PAT

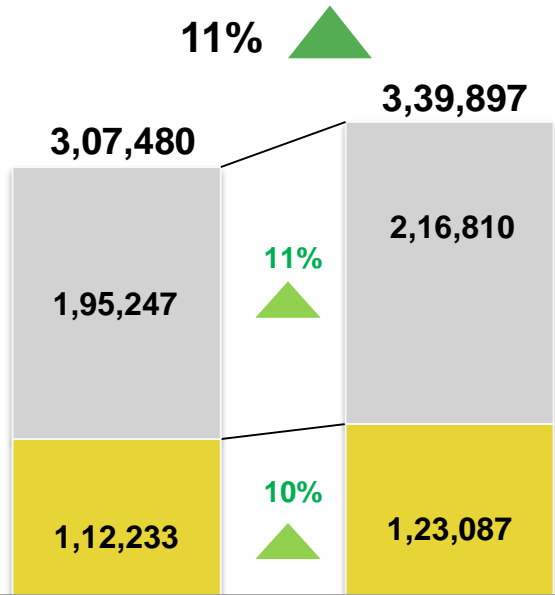
0.1% ▲



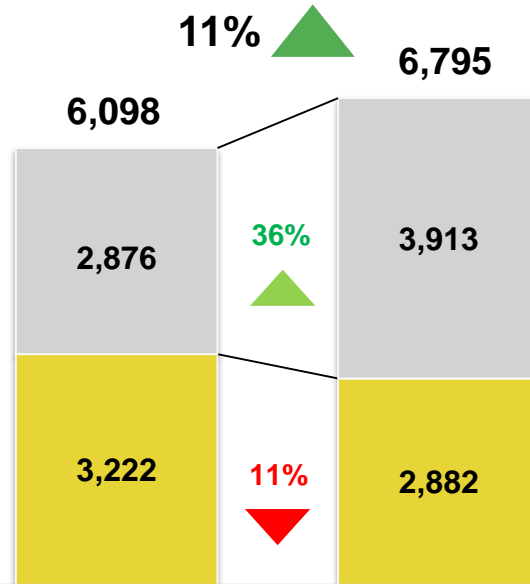
9MFY19 Performance by Market

₹ in million

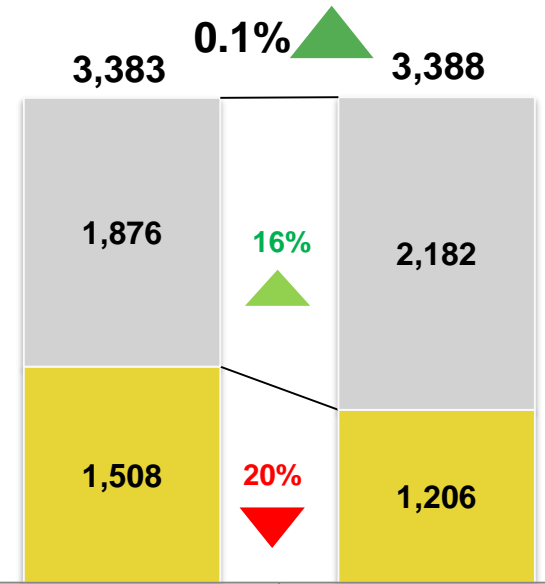
REVENUE



EBIDTA



PAT



9MFY18

9MFY19

■ India

■ Overseas

9MFY18

9MFY19

■ India

■ Overseas

9MFY18

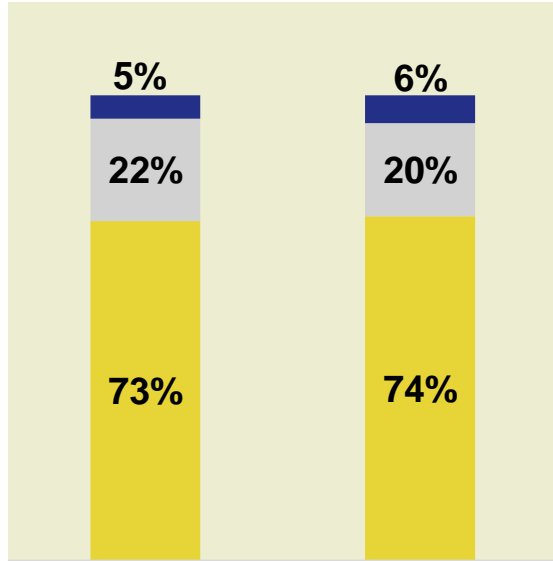
9MFY19

■ India

■ Overseas

9MFY19 Performance by Vertical

INDIA

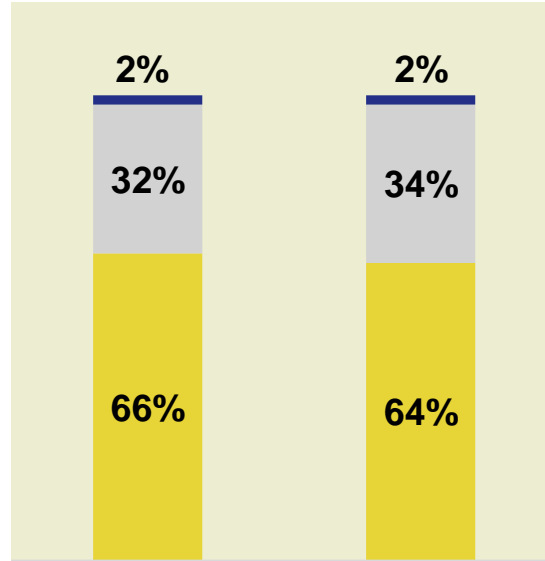


9MFY18

9MFY19

■ IT ■ Mobility ■ Services

OVERSEAS

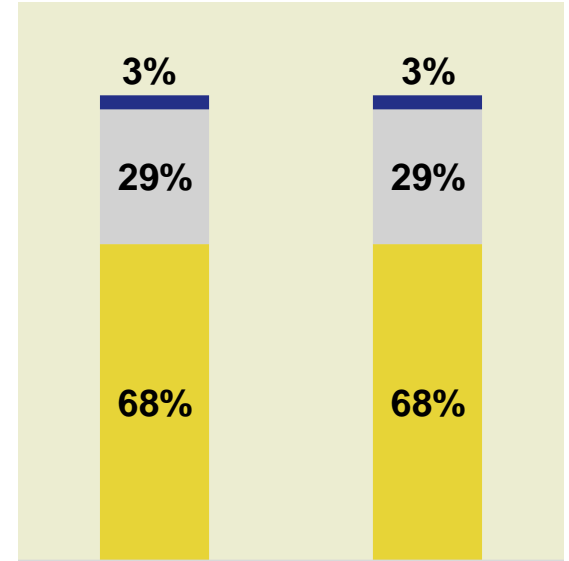


9MFY18

9MFY19

■ IT ■ Mobility ■ Services

CONSOLIDATED



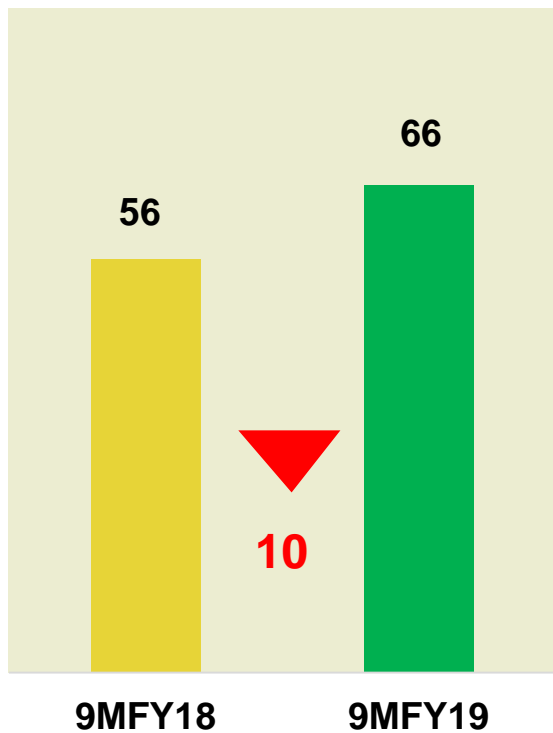
9MFY18

9MFY19

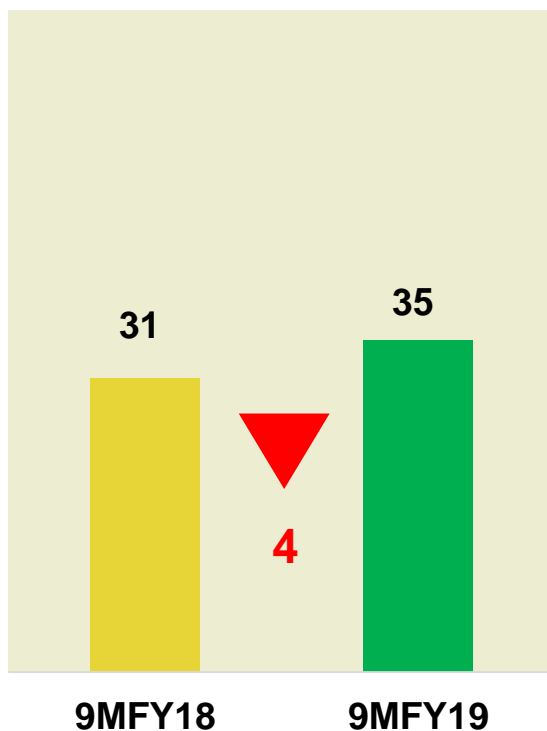
■ IT ■ Mobility ■ Services

9MFY19 – Working Capital Days

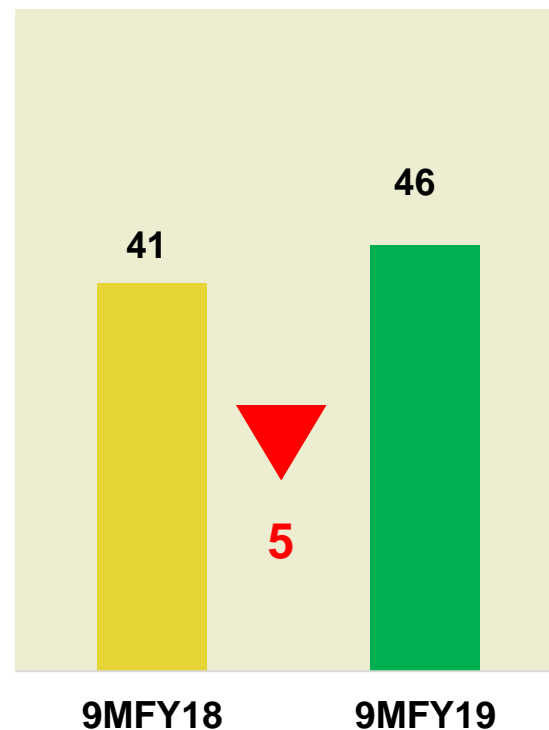
INDIA



OVERSEAS



CONSOLIDATED



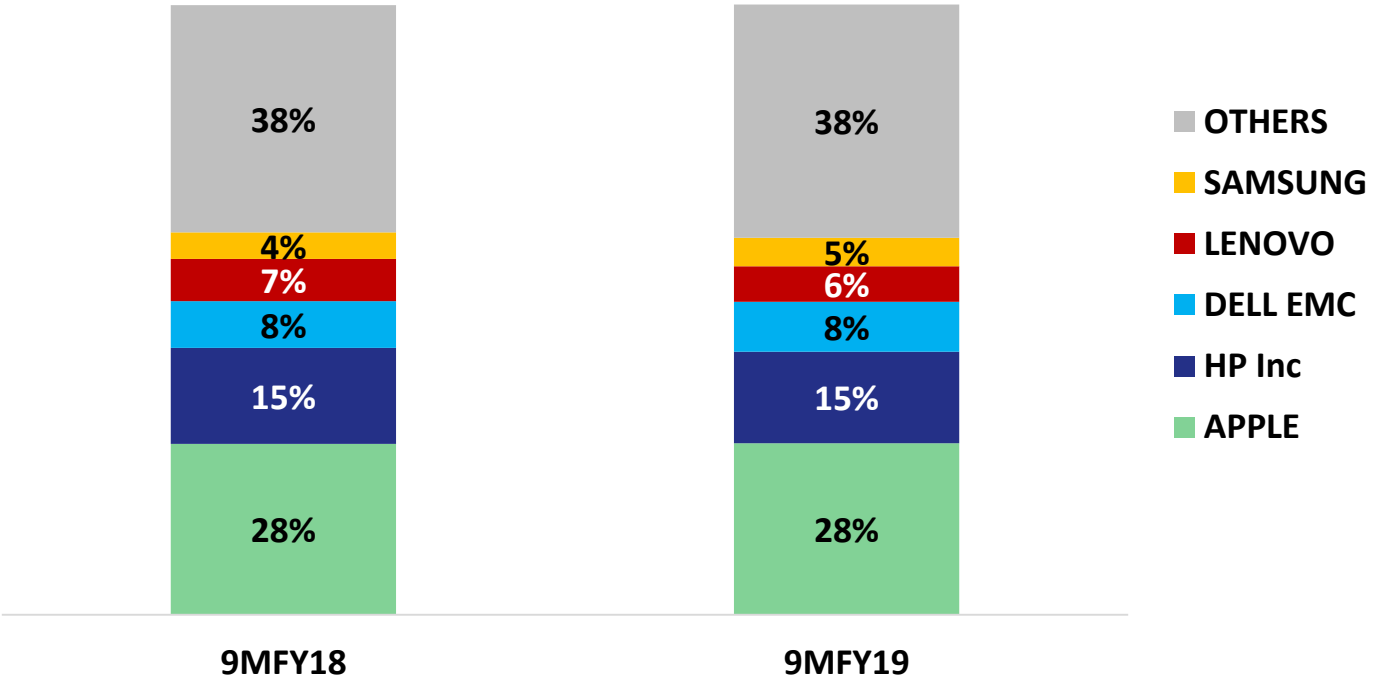
Free Cash Flow Statement

₹ in million

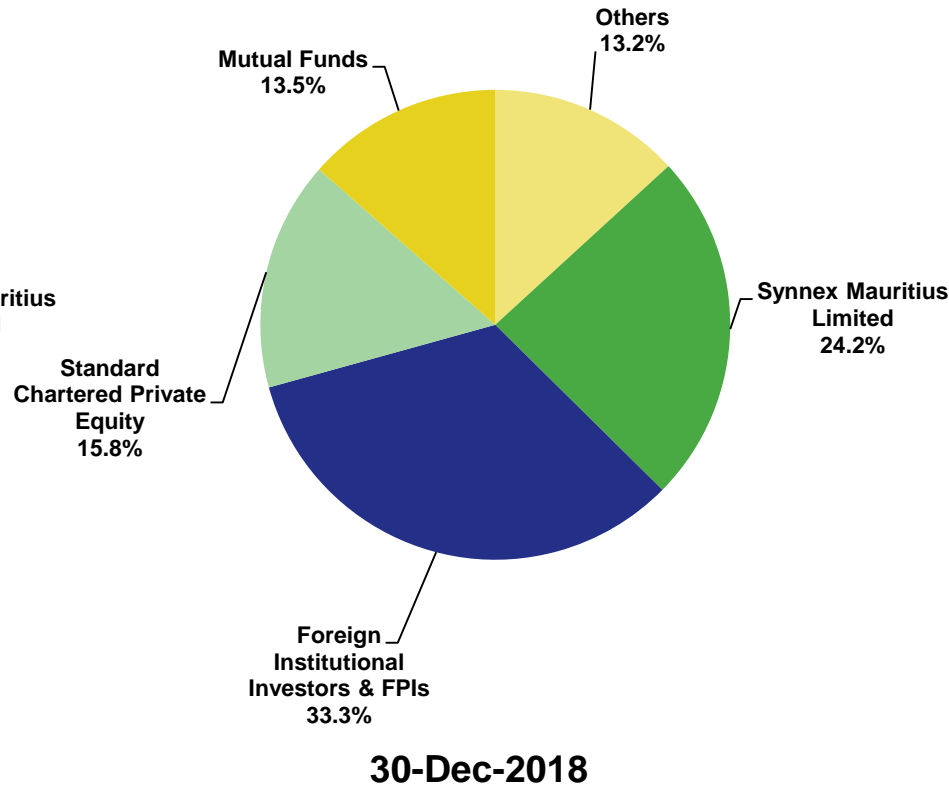
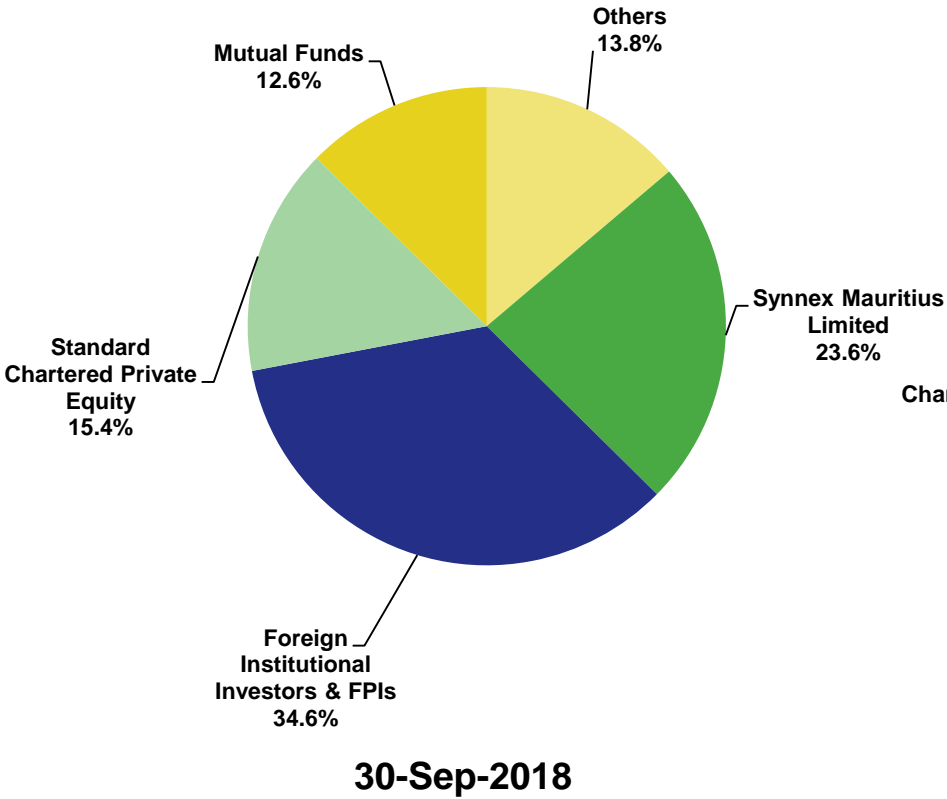
Particulars	9MFY19	9MFY18
Profit Before Taxation	4,134	4,474
Non-cash items	2,381	818
Outflow of Finance Cost	1,310	1,025
Changes in Working Capital	(6,856)	(510)
Direct taxes paid	(2,031)	(1,004)
Net Cash Flow from Operations	(1,061)	4,803
Capex	(458)	(101)
Dividend paid including DDT	(1,176)	(1,105)
Outflow of Finance Cost	(1,412)	(1,062)
Free Cashflow	(4,107)	2,535

9MFY19 – Top 5 Vendors Consolidated

REVENUE



Shareholding Pattern





Investor Contacts

M. Muthukumarasamy

Compliance Officer

Redington (India) Limited

SPL Guindy House, 95 Mount Road,

Guindy, Chennai 600 032

<https://www.redingtonindia.com>

Sowmiya M

Manager – Investor Relations

sowmiya.manickam@redington.co.in

CIN - L52599TN1961PLC028758



Corporate Presentation

December 2018

WHO ARE WE?

*A prominent & leading
“Technology Distributor”
evolving into a
“Services & Solutions company”*



WHAT WE DO?

*We are ‘Business Enablers’,
Seamlessly partnering with
Brands and Channel partners
in delivering value*



No.1 Technology distributor in MEA and No.2 in India

Multi faceted approach of Distribution & Services

Expanding the reach & coverage for over 220+ brands through 40,900+ partners

An Emerging Markets player with in-country presence

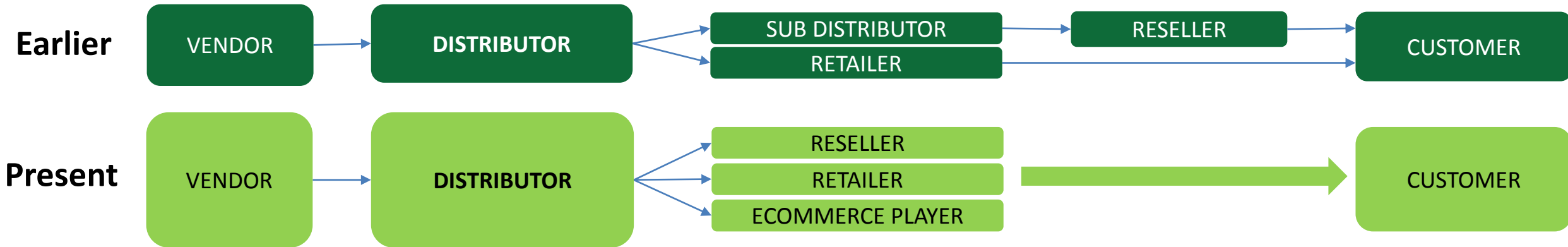
\$6.6bn+ company with strong double digit 11 year CAGR (Revenue, EBITDA & PAT)

Industry Overview

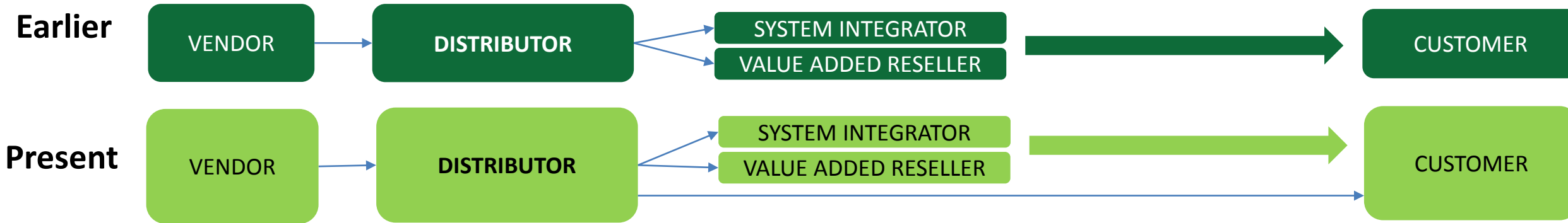


Distribution Food Chain

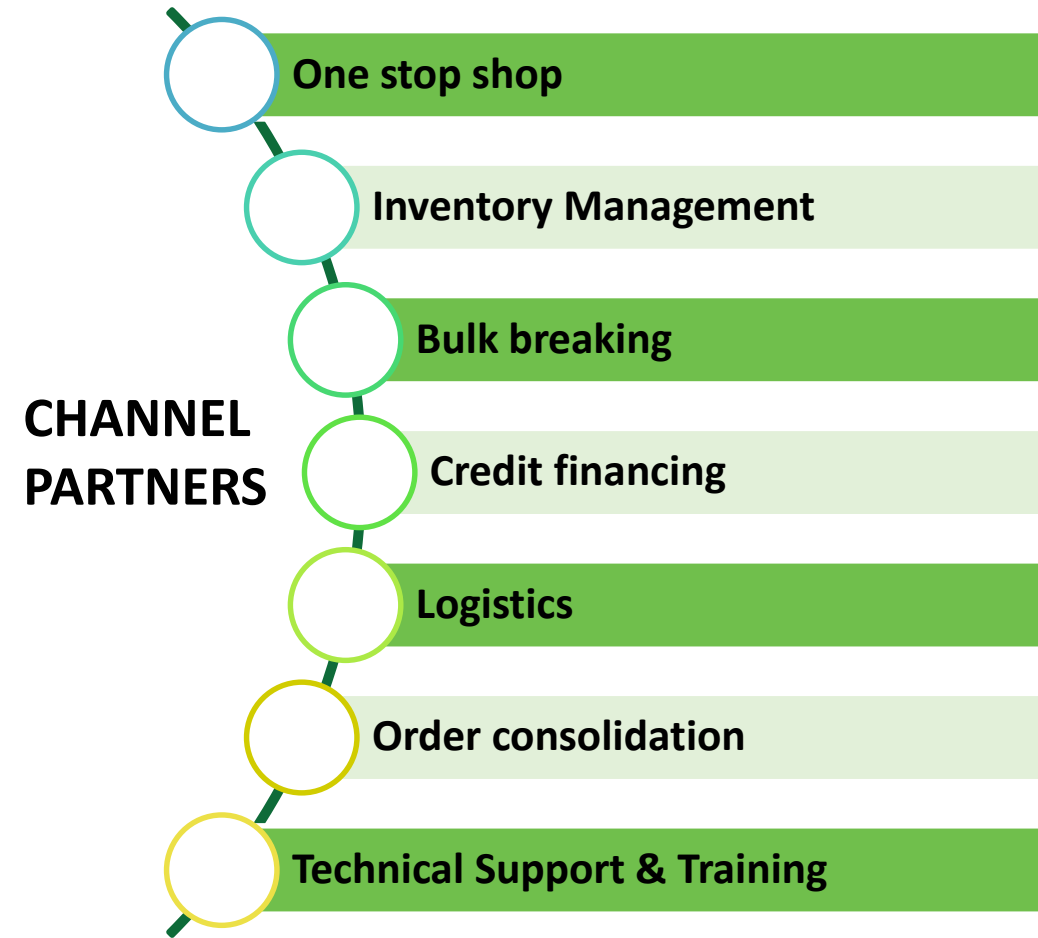
IT CONSUMER & MOBILITY



IT ENTERPRISE



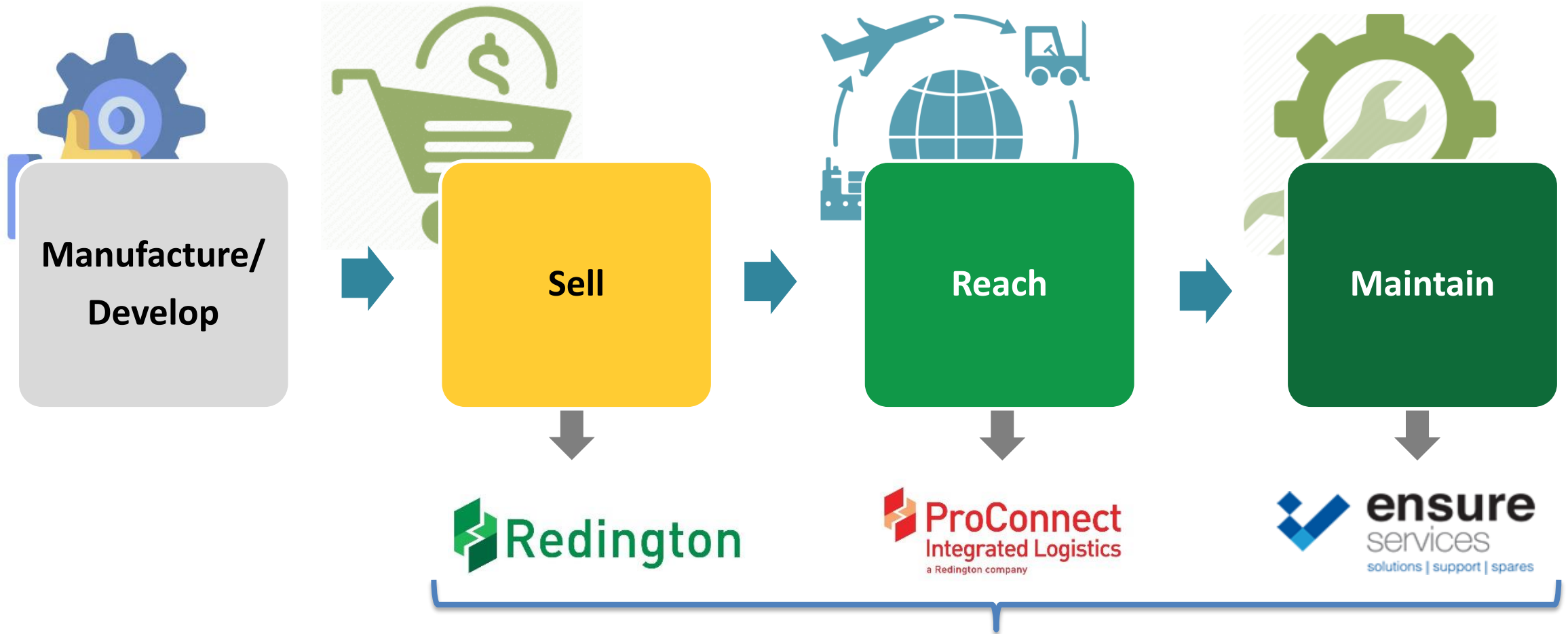
Distributors: Value Creators



Increase in the revenue base & increased value offered in a product

Facilitating selling as well as enhancing the selling potential for partners

Product Lifecycle



Our presence across the product lifecycle

Company Overview



“Our mission is to offer a robust technology-powered platform to enable a seamless flow of products and services”

Our Values



ADAPTABILITY



COLLABORATION



KNOW-HOW



OBJECTIVITY



SIMPLICITY



TRUST



TRANSPARENCY

Our Emergence

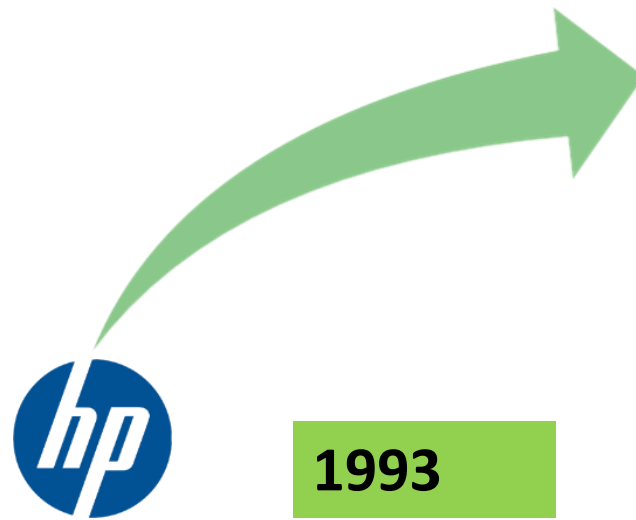
Present



1993

Presence across 30 markets, a leading Emerging Markets player

Our Associations

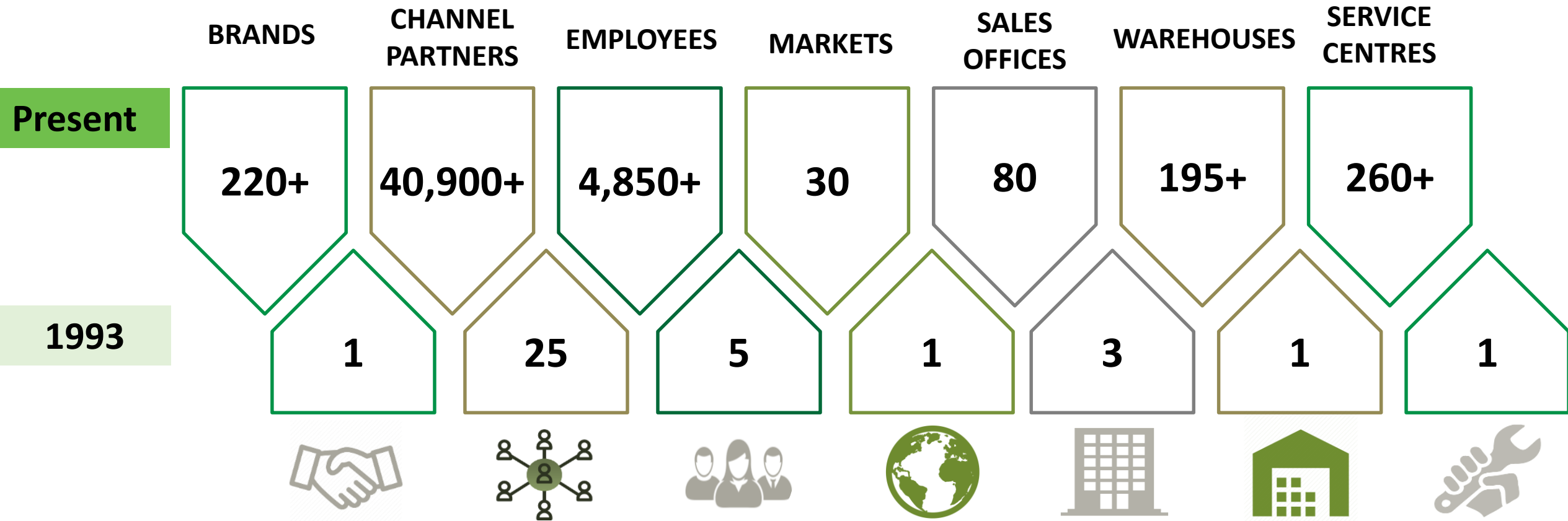


1993



Enviably Partnerships with over 220+ brands

Our Expansion



From a 'Home Grown Company' to a 'Leading Distributor'

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



Raj Shankar
Managing Director



E H Kasturi Rangan
Whole time Director

Non-Executive Directors



Tu, Shu-Chyuan
General Manager
Business Development
Synnex Tech, Taiwan



Chen, Yi-Ju
Senior Manager – Finance
Planning & Management
Synnex Tech, Taiwan



Udai Dhawan
Managing Director,
Standard Chartered
Private Equity, India

Our Experienced Executive Team



Raj Shankar
Managing Director



P S Neogi
Joint COO, India



**E H Kasturi
Rangan**
Joint COO, India



Ramesh Natarajan
Sr. President, India



Dr. R. Arunachalam
Sr. Vice President,
ProConnect Logistics,
India



S V Krishnan
Chief Financial
Officer



S V Rao
Vice President,
Ensure Services,
India



Jitendra Berry,
Vice President,
IT Volume,
Middle East



Rawad Ayash,
Vice President,
Telecom,
Middle East



B Ramkumar
President,
IT Value Added
Distribution, MEA



Jim Mathew
Sr. Vice President,
Telecom,
Africa



S Chidambaram
Sr. Vice President,
Supply Chain
Management, MEA



Sriram Ganeshan
Director & Chief
Financial Officer,
MEA



S Sethuraman
Sr. Vice President,
Support Services /
Ensure Services, MEA



Serkan Celik,
Chief Executive
Officer, Arena,
Turkey

Business Overview



Distribution Business

BUSINESS

INDIA

MIDDLE EAST

AFRICA

TURKEY

SINGAPORE

SOUTH ASIA

DISTRIBUTION



IT CONSUMER

PCs



Laptops



Print Supplies



Printers



Consumer Lifestyle products

IT ENTERPRISE

Networking



Software



Servers & Storage



Security



MOBILITY

Smartphones

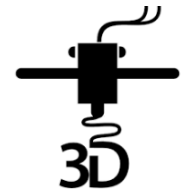


EMERGING



Health & Medical Equipment

3D Printers & Scanners



Solar products

Services Business

BUSINESS	INDIA	MIDDLE EAST	AFRICA	TURKEY	SINGAPORE	SOUTH ASIA
SERVICES	 					



 a Redington company				 imagine the real
Logistics services	Support services	Cloud services	Digital print services	3D Print Services

ProConnect India



Wholly Owned Subsidiary of Redington



Integrated Third Party Logistics partner



PAN India presence



155+ Warehouses



6.6 mn Sq.ft. in operation



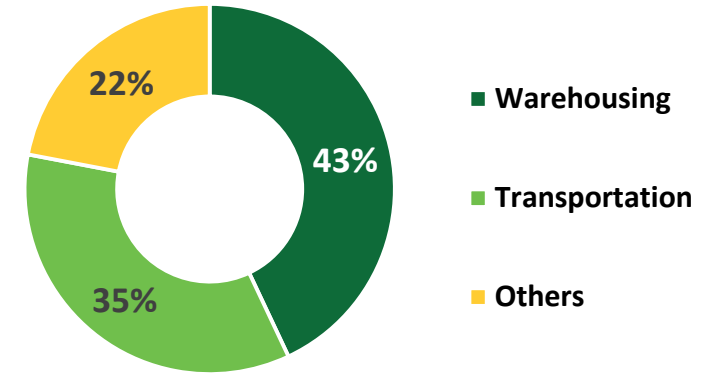
161+ Customers across 12+ Industries



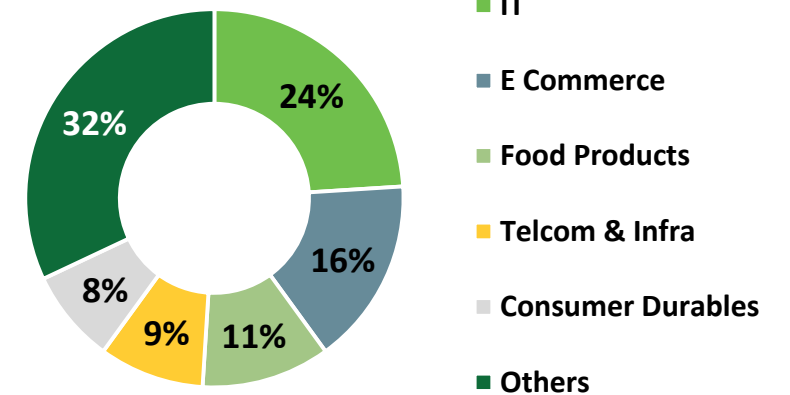
19,600+ Pincodes



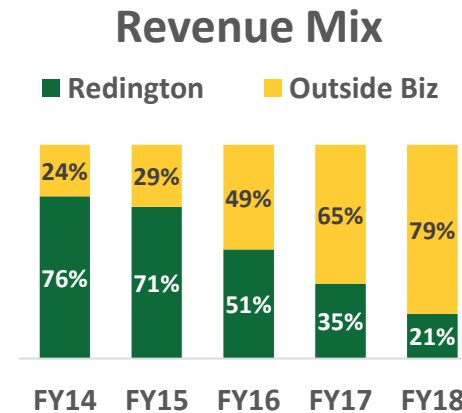
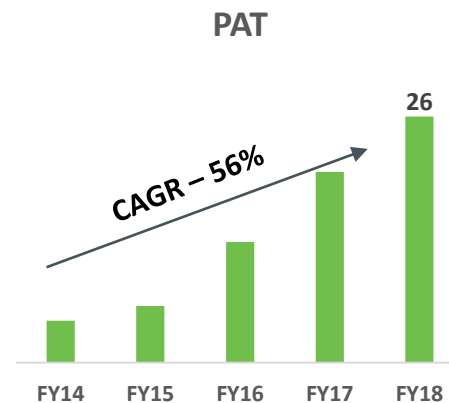
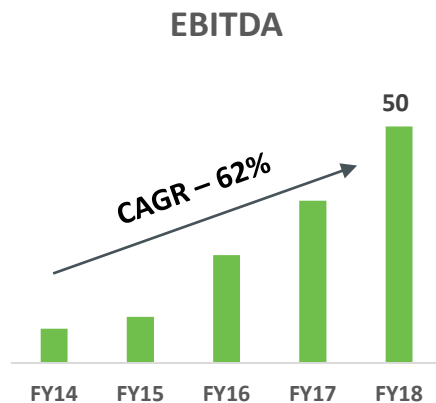
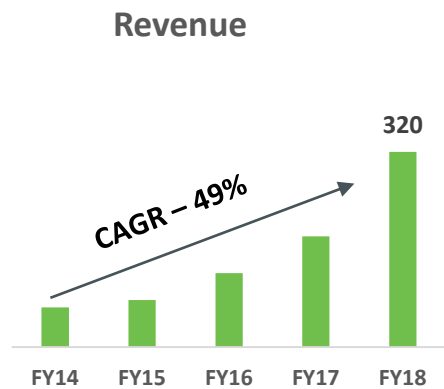
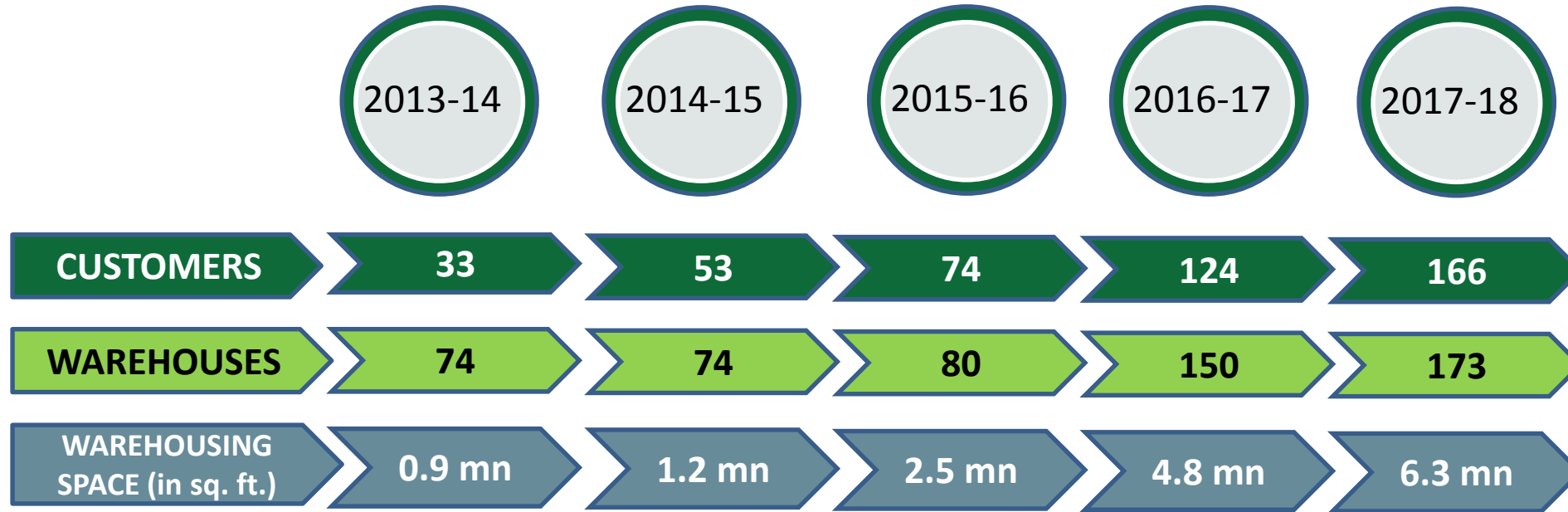
Revenue Contribution from Services



Revenue Contribution from Industries



ProConnect India : Growth Story



Ensure India



Wholly Owned Subsidiary of Redington



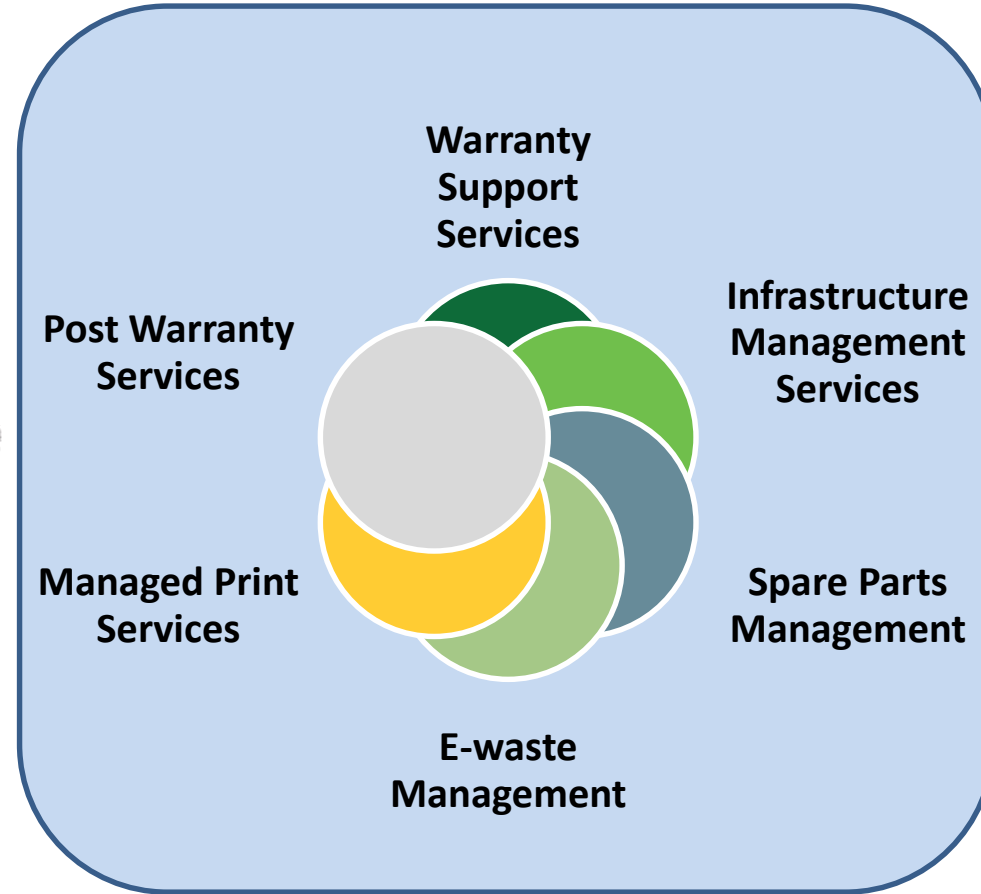
PAN India presence with 35+ Owned services across India



Preferred Service partner with 175+ service partners across India



FY18 Revenues : Rs 123 crs
FY18 PAT : Rs 6 crs



Clients

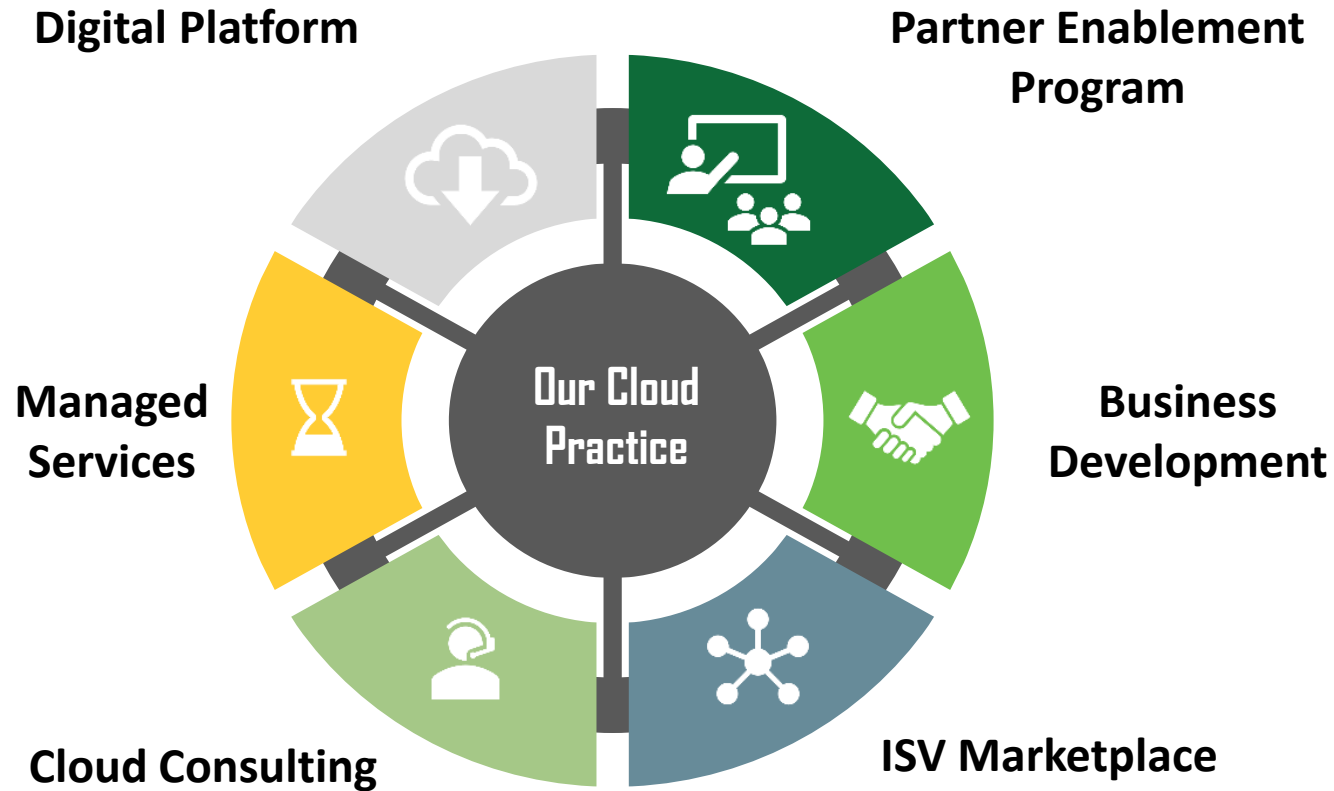


*Illustrative

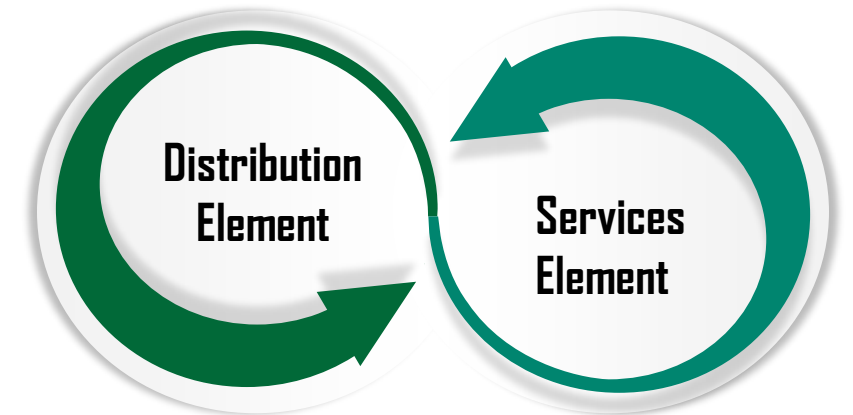
Redington Cloud Solutions



Our Cloud Practice



Our business



Down-selling of
Cloud products



ORACLE

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

DIGITAL PRINT SERVICES



Exclusive Distributor of
HP Indigo's "Digital
Printing Press" in India

REVENUE MODEL

Distribution of Printing Press

Annuity revenues from clicks (impressions)

Parts & Labour

Ranked
Grade "AAA"
by HP Indigo
(Highest in
the world)



3D PRINT SERVICES



Set up 3D Printing
Facility in Chennai



On-Demand Manufacturing

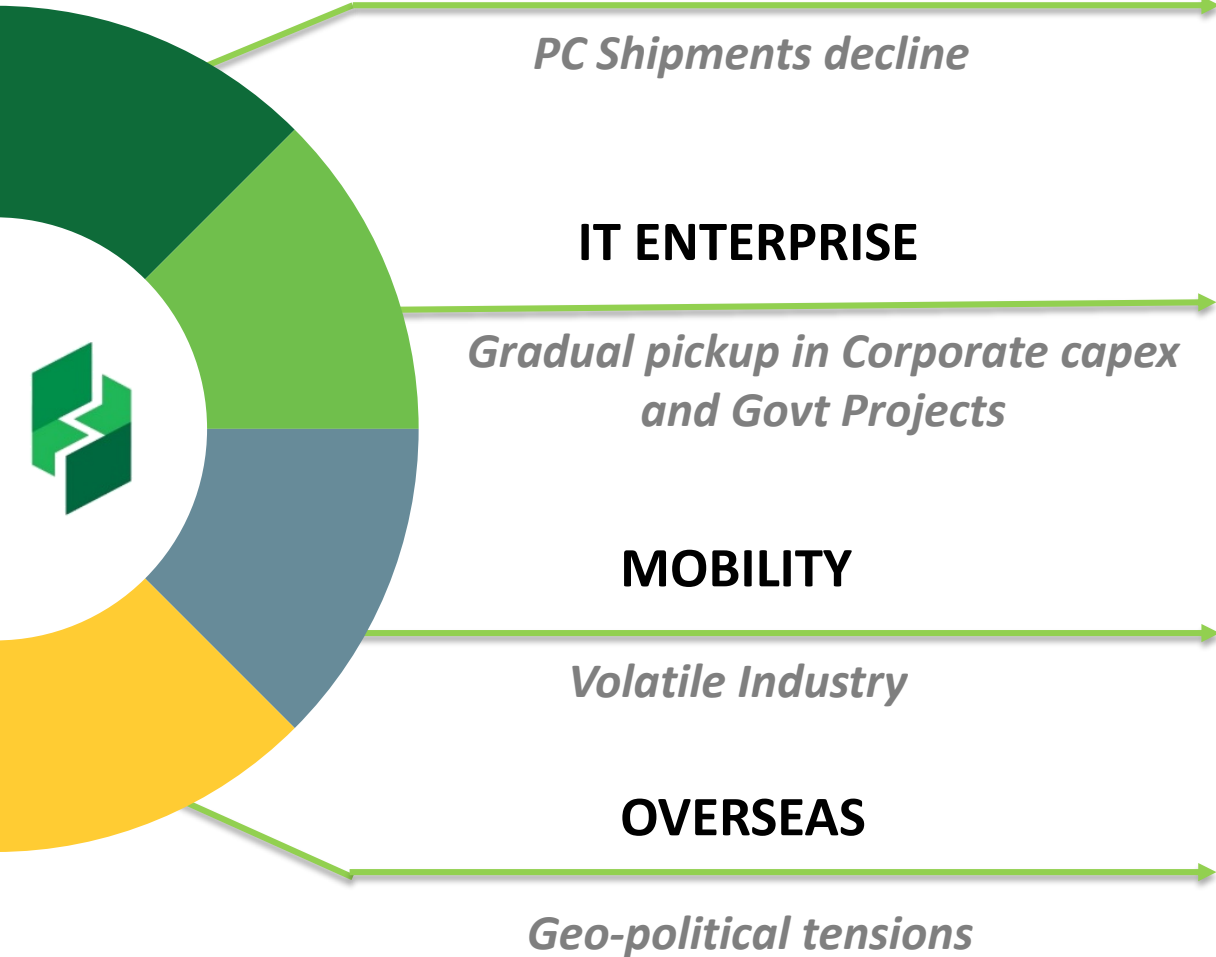


Prototyping



Scanning

Fueling Growth In a Challenging Business



- Enabling better product mix with higher ASP
- Market share gains

- Establishing presence in Cloud
- Increased value added services
- Systematic approach devised to participate in Government Projects

- Association with MNC brands with clear long term strategy

Three Commandments

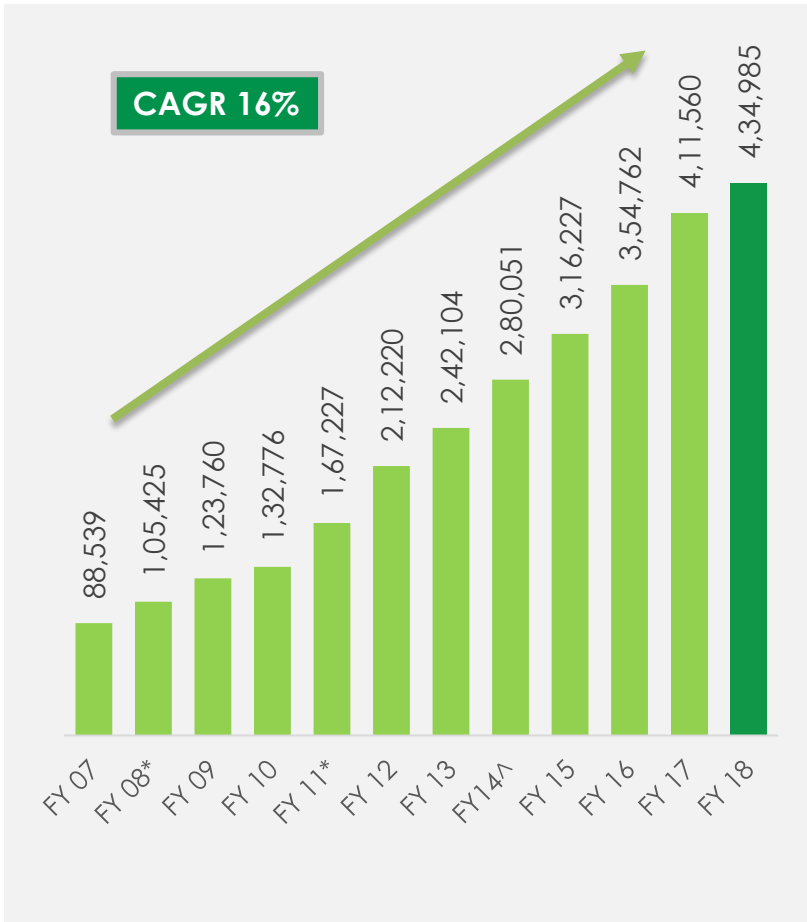
- Protect capital fiercely
- Be absolutely paranoid about risk
- Reduce costs as much as possible

Financial Performance

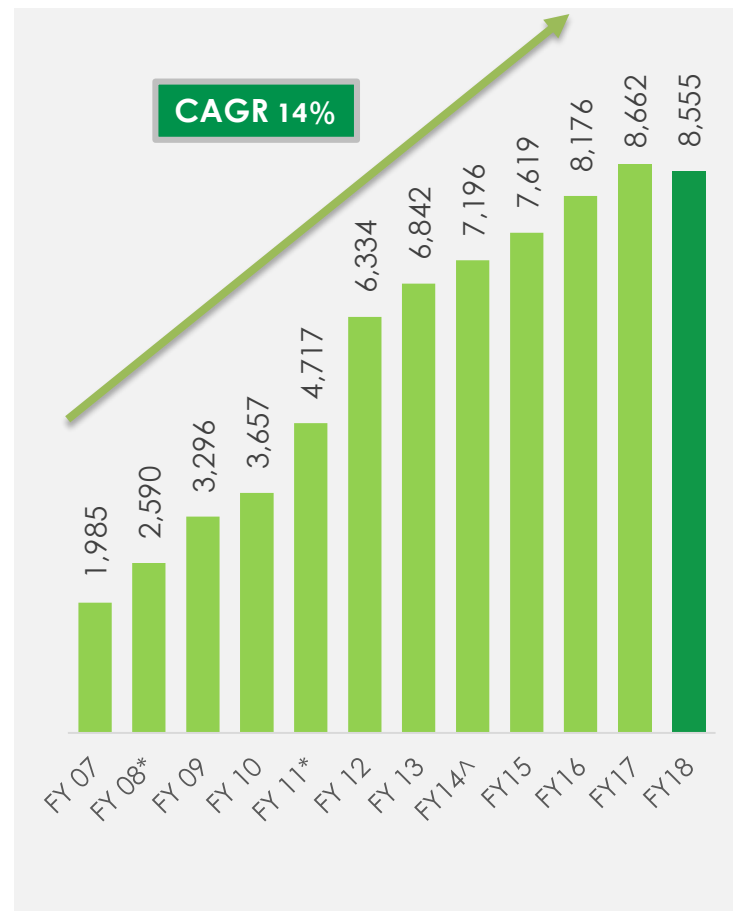


Performance Since Listing

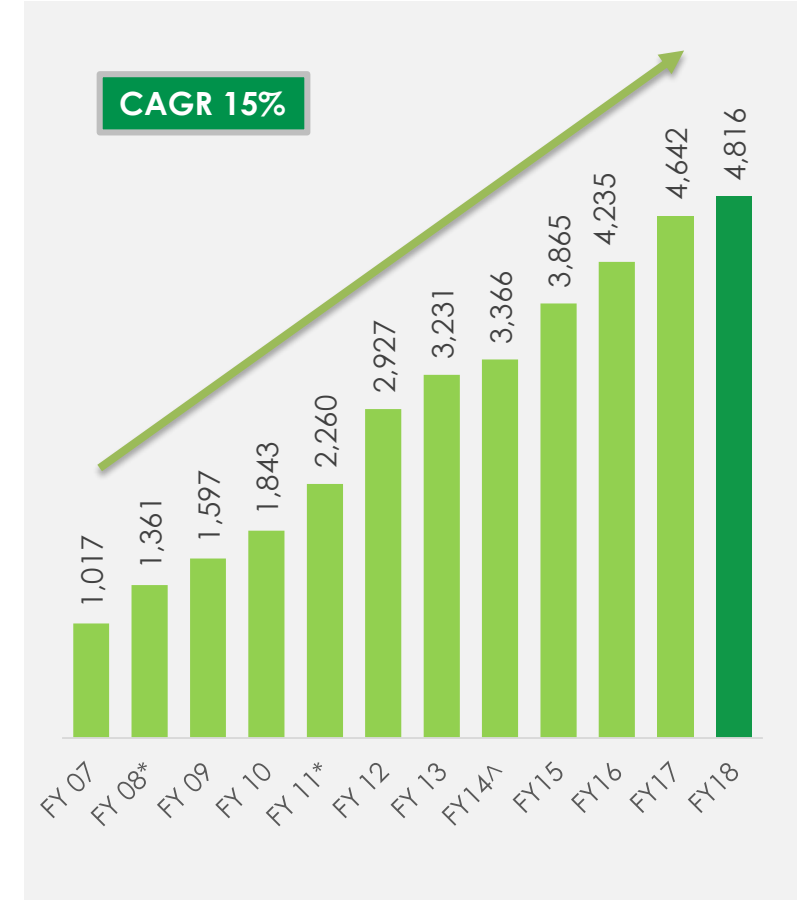
REVENUE



EBITDA



PAT

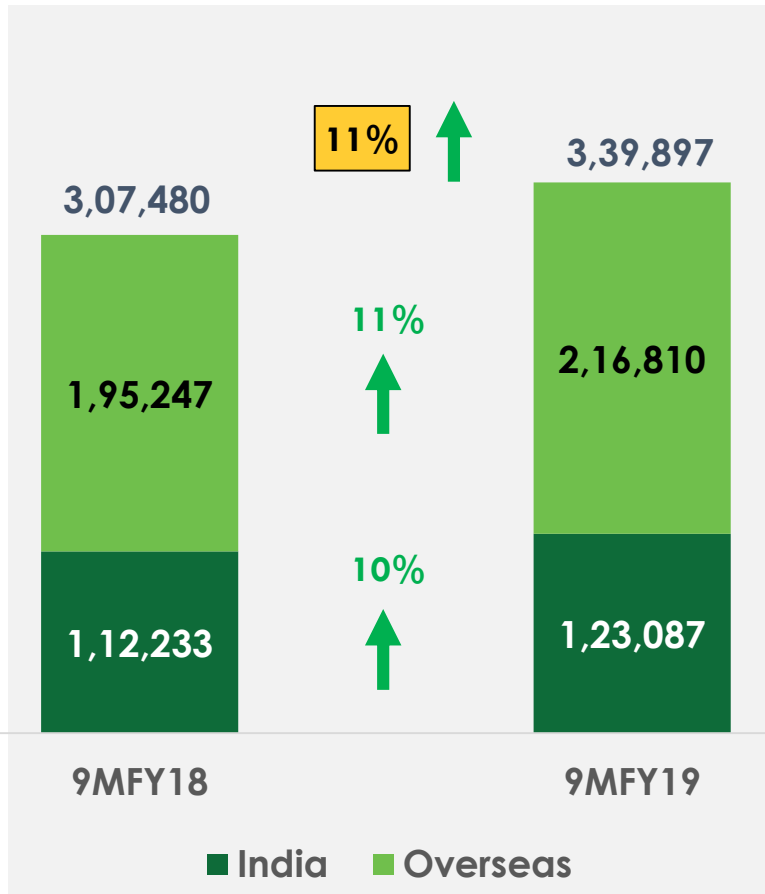


*Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services

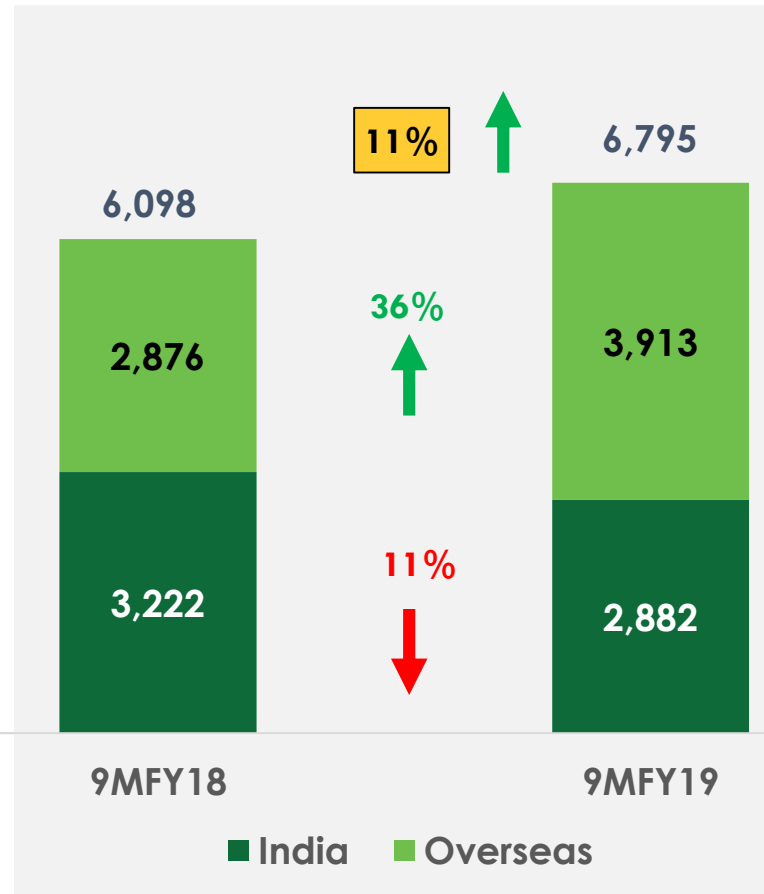
Performance By Market

₹ in million

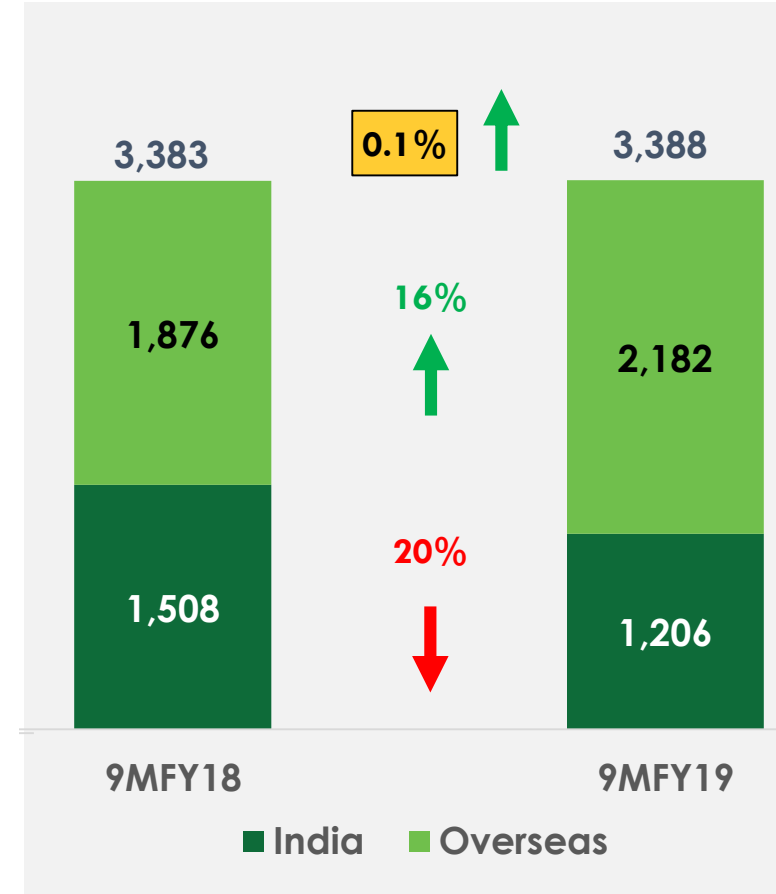
REVENUE



EBIDTA

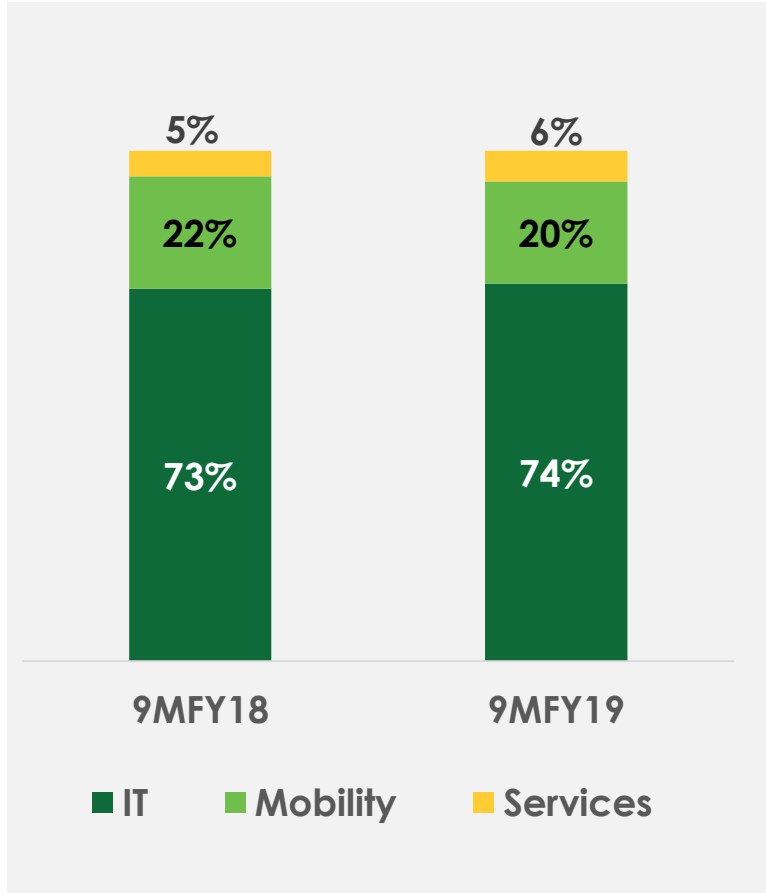


PAT

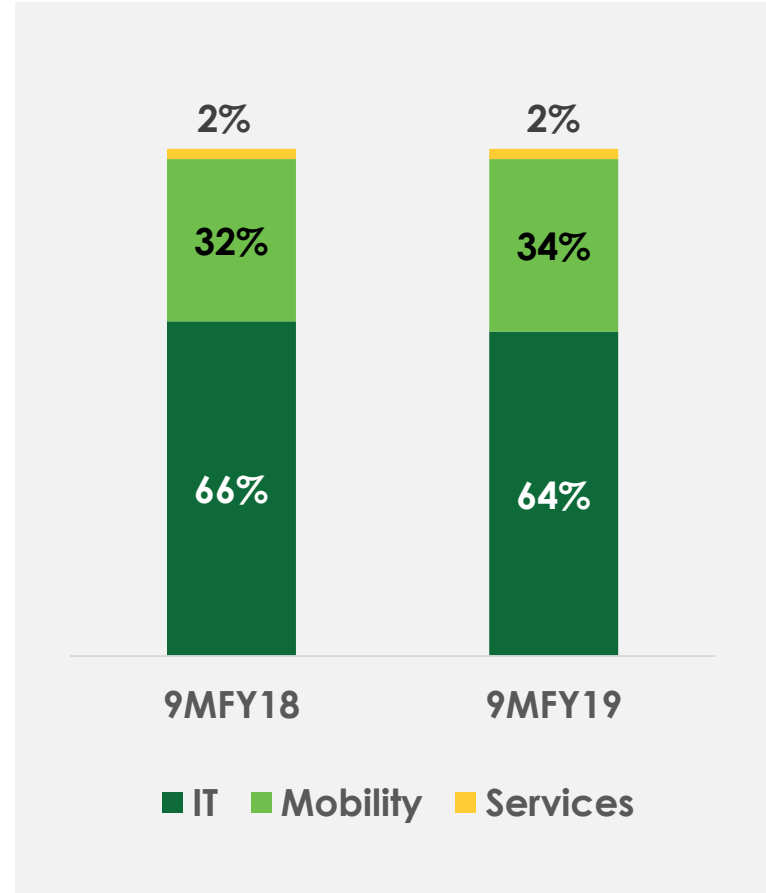


Performance By Vertical

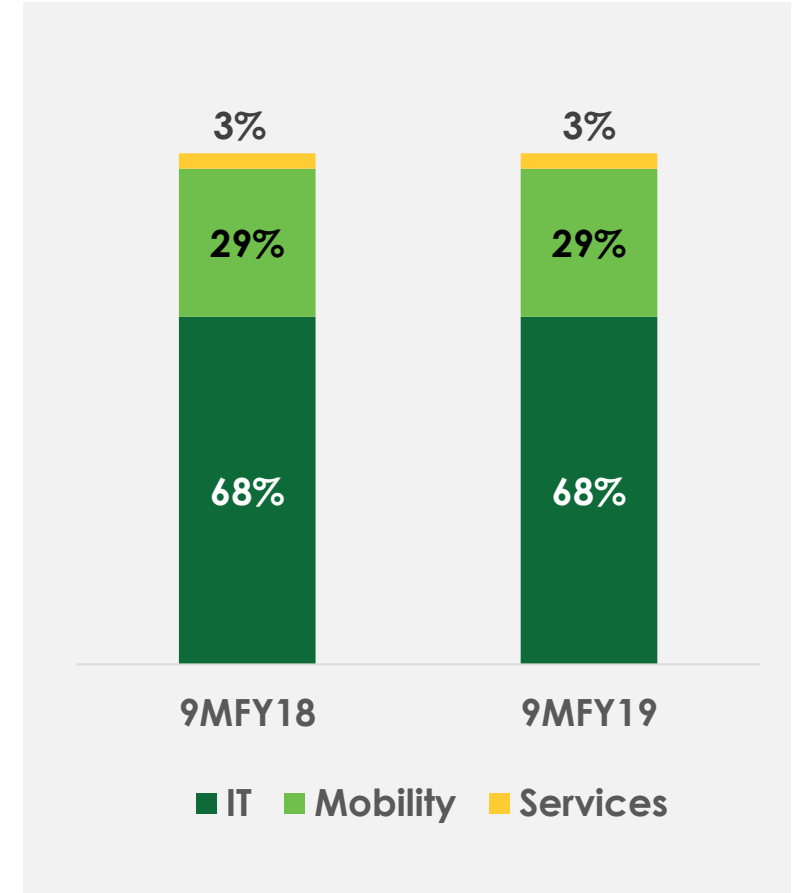
INDIA



OVERSEAS

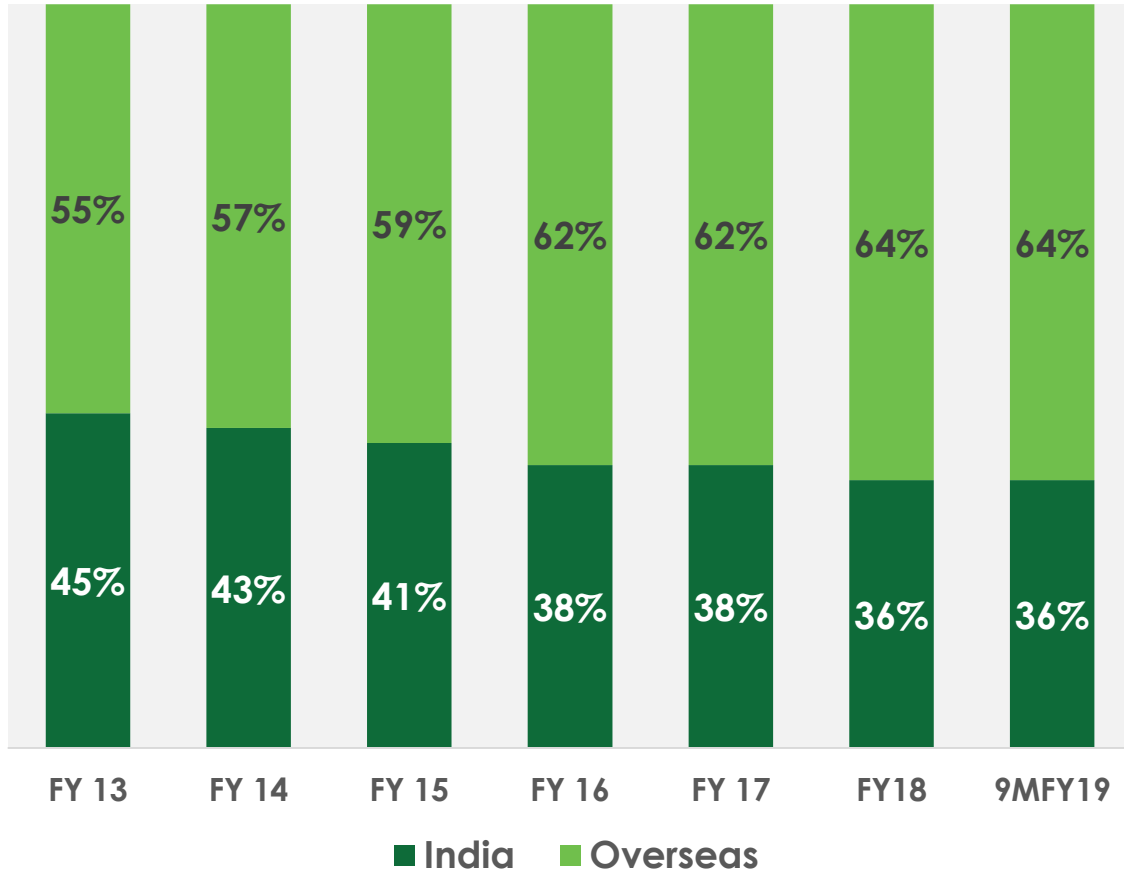


CONSOLIDATED

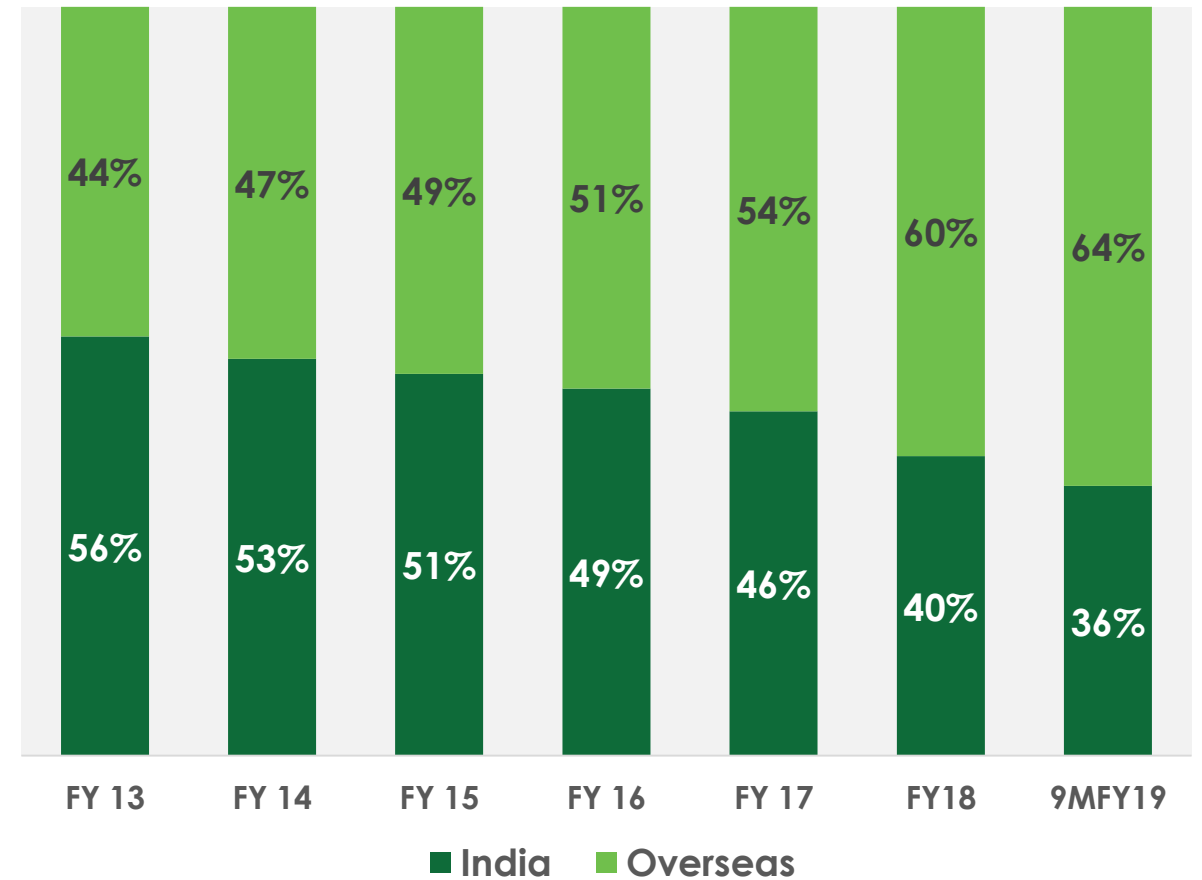


Geographical Contribution

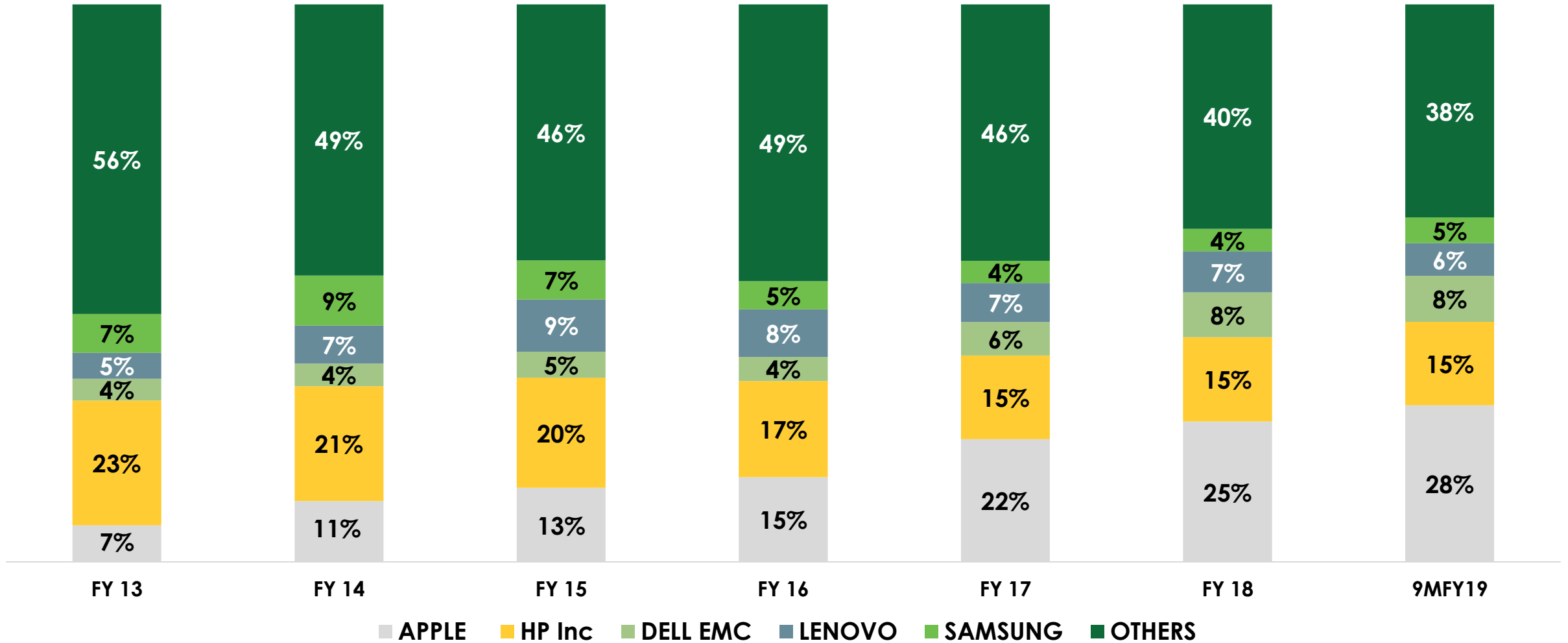
REVENUE



PAT

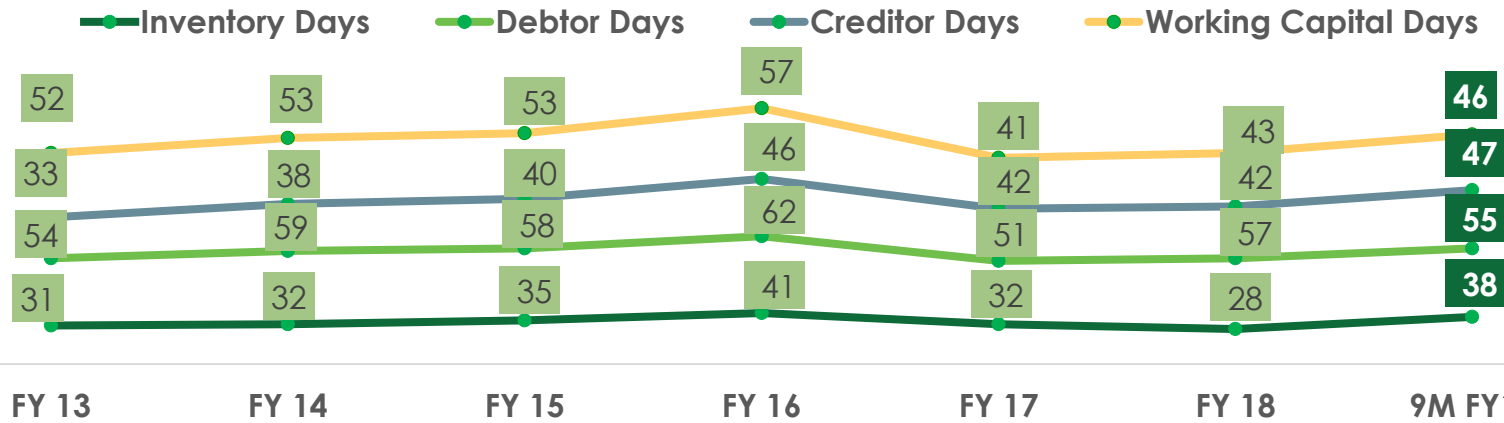


Top 5 Vendors



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

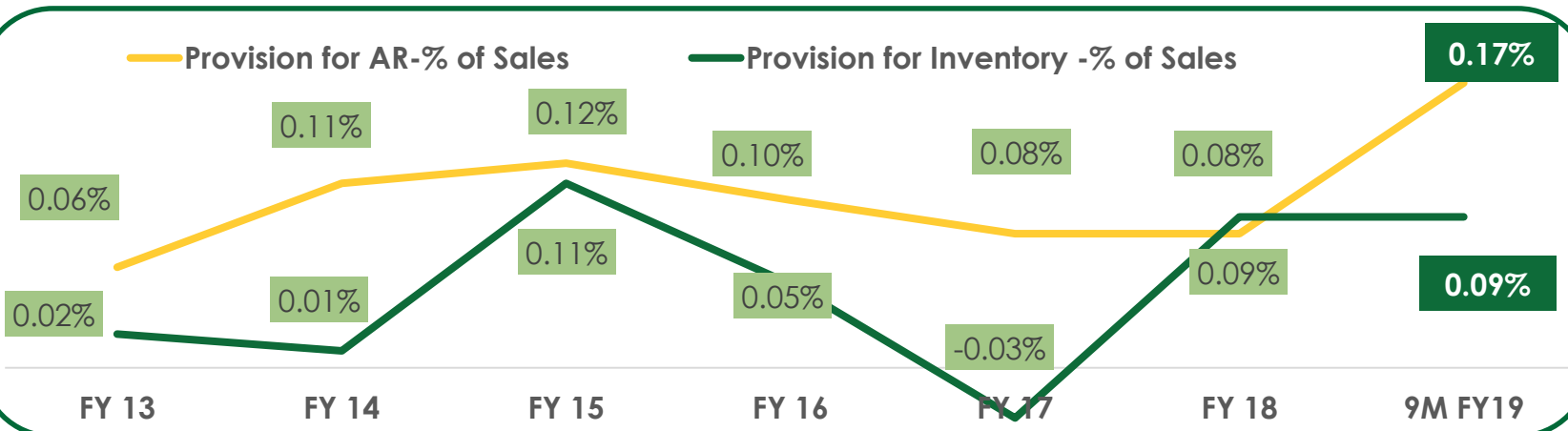
Key Operating Metrics



Working Capital Days at sustainable levels

Rs in mn	FY13	FY14	FY15	FY16	FY17	FY18	9MFY19
CFO	2,877	2,413	1,951	(1,922)	12,986	1,841	(1,061)
FCF	(478)	(389)	947	(5,054)	9,113	(935)	(4,107)

Cumulative generation of cash flows



Ensuring Risk adjusted Returns

Consolidated Financials

Particulars	9MFY19	FY18	FY17	FY16	FY15	FY14	FY 13
Total Revenue	3,39,897	4,34,985	4,11,560	3,54,762	3,16,227	2,80,051	2,42,104
EBITDA	6,795	8,555	8,662	8,176	7,619	7,196	6,842
PAT	3,388	4,816	4,642	4,235	3,865	3,367	3,231
Networth	37,617	35,306	31,479	29,494	23,742	20,213	16,407
Capital Employed	64,570	53,472	50,252	56,659	44,468	39,938	39,471
EBITDA Margins	2.0%	2.0%	2.1%	2.3%	2.4%	2.6%	2.8%
PAT Margins	1.0%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%
ROCE	14.2%	15.5%	15.2%	14.9%	17.2%	17.2%	17.7%
ROE	12.4%	14.5%	15.3%	15.6%	18.2%	19.1%	22.8%
EPS (₹)^	8.5	12.0	11.6	10.6	9.7	8.4	8.1
Book Value per share (₹)	96.6	87.7	78.2	73.2	57.6	48.8	39.5

Dividend Distribution

Dividend Payout : 20% on profits earned

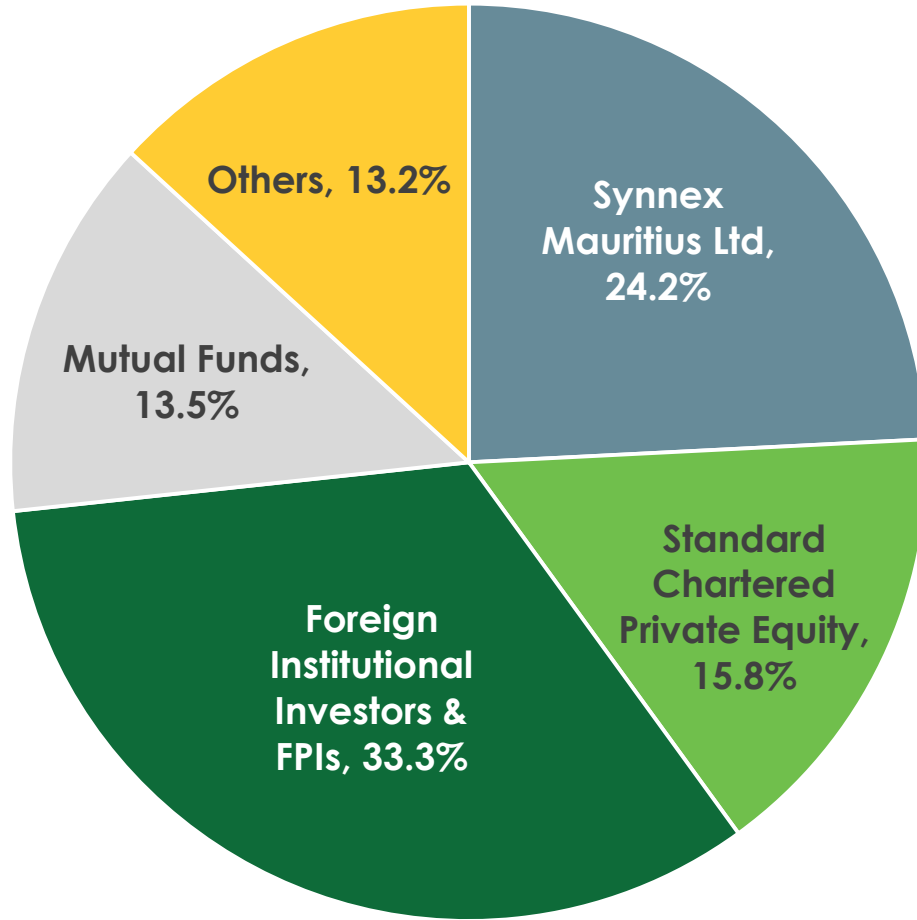


Buyback of shares
Issue size Rs.139 crs
% Equity 2.78%

— Dividend % on Face Value of shares

▲ Final dividend plus Special Interim Dividend declared

Shareholding Pattern (As of Dec 31st 2018)



HDFC Mutual Fund



Fidelity Management & Research (FMR)



Franklin Templeton Investments



ICICI Pru Life Insurance



Fidelity International



Norges Bank



Dimensional Fund Advisors

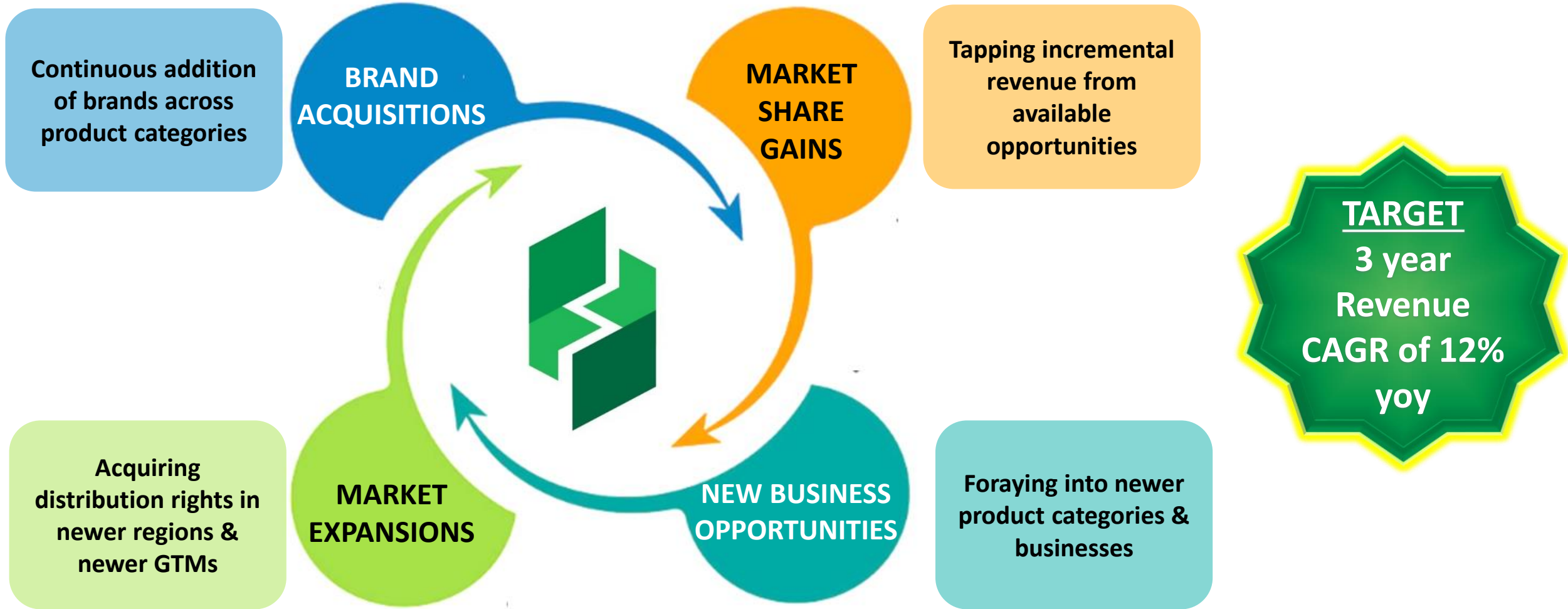


Royal Bank of Canada

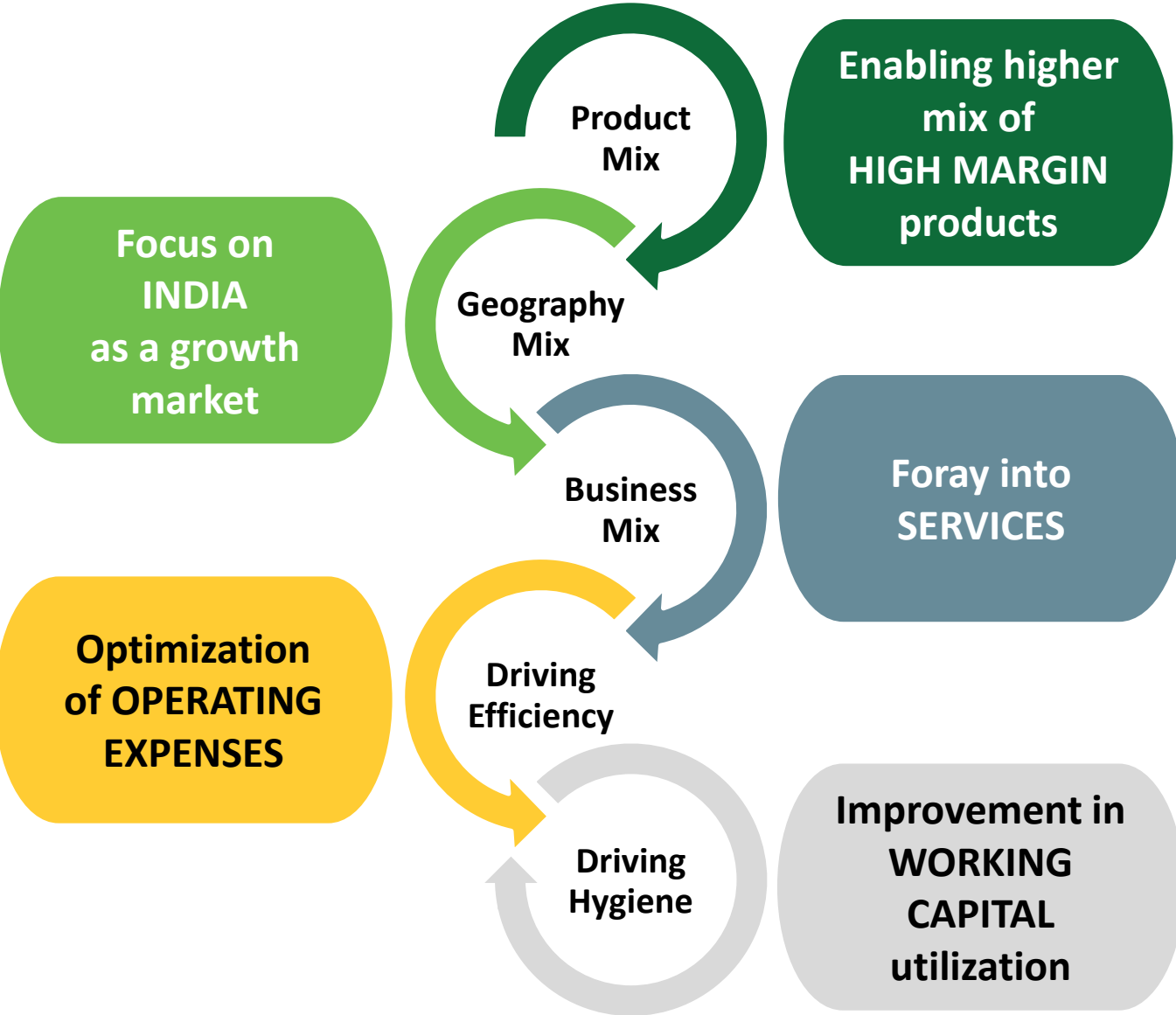
Our Growth Drivers



Revenue Growth Vectors



Margin Growth Vectors



Improved Margin Trajectory



Improved WC turns



Improved ROCE

TARGET
ROCE of
16-18% by
FY21

Capital Allocation Priorities



NO FPO
MADE



Debt
Equity
Ratio at
0.4



AA/A1+
Credit
rating

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

CONTACT US

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Guindy, Chennai 600 032*

<https://www.redingtonindia.com>

CIN - L52599TN1961PLC028758

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sowmiya.manickam@redington.co.in

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



THANK YOU

