

Speed
Reliability
Value Performance

COMPUAGE INFOCOM LTD

18th August, 2020

To,

The Corporate Services Dept.
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

National Stock Exchange of India Ltd.,
Exchange Plaza,
C-1, Block G, Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Security Code: 532456
ISIN: INE070C01037

Symbol: COMPINFO

Sub: Investor Presentation

Dear Sir/Ma'am,

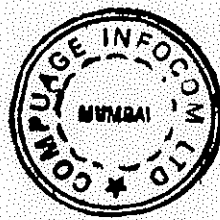
Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed herewith the August 2020 Investor Presentation for Q1 & FY21.

This is for your information and records.

Thanking you,

Yours faithfully
For Compuage Infocom Limited


Sunil Mehta
Chief Finance Officer



Place: Mumbai

Encl: As above.



Enhanced Commitment
Enduring Growth



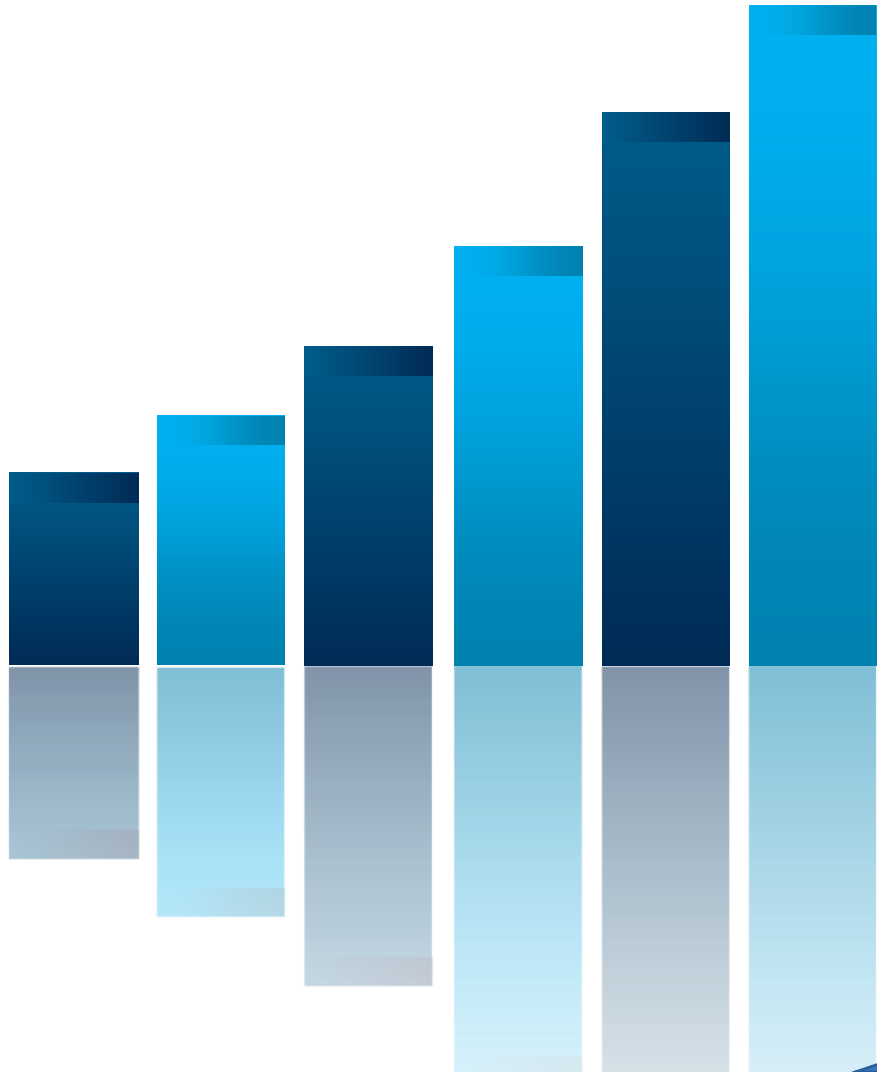
COMPUAGE INFOCOM LIMITED

Investor Presentation
August 2020

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Q1FY21 Financial Highlights

Q1FY21 Performance

Q1FY21 Total Income
Rs. 561.0 Crores

Q1FY21 Gross Profit
Rs. 29.3 Crores

Q1FY21 EBITDA
Rs. 13.4 Crores

Q1FY21 EBIT
Rs. 12.5 Crores

Key Highlights

- ❑ In Q1FY21, Business operations were impacted as significant part of the quarter went under the COVID-19 induced lockdown
- ❑ However, Gross margins & EBITDA margins expanded by 80 bps and 20 bps YoY to 5.2% and 2.4% respectively with continuous focus on better product mix and cost optimization efforts undertaken by the Company
- ❑ Post pandemic world will lead companies to invest extensively in IT devices that enable smooth work from home operations, cloud services & cyber security services. Compuage is present in all these value-added segments and thus is well placed to capture these new business opportunities and increase its market share

Covid-19 Impact – New Business Trends

Digital Revolution

Favourable Trends Expected post Pandemic COVID-19

Rising Adoption of Digital Devices – Smart Digital devices like smartphones & laptops demand to increase as people realise the important role it plays to stay connected & for entertainment

Work From Home will lead to rise in demand for better communication devices & softwares which enhances the company's productivity

Cyber Security Services – Companies will increase spending on cyber security softwares as employees working from remote locations are vulnerable to malware attacks

Cloud Services – Companies will invest in best in class cloud services as employees need to access data from various locations remotely

Importance of Distributors – Companies working through distributorship model will benefit as efficient supply chain will play a crucial role for recovery

Recent Partnerships



Distribution Partner for Zhejiang Dahua Technology

Zhejiang Dahua Technology Co. Ltd., the world-leading video-centric smart IoT solution and service provider, has partnered with Compuage for distribution of its entire range of CCTV surveillance and video management solution products in four major states of India including Maharashtra, Karnataka, Andhra Pradesh and Telangana

Partnership signed during the lockdown



Service Agreement with HP

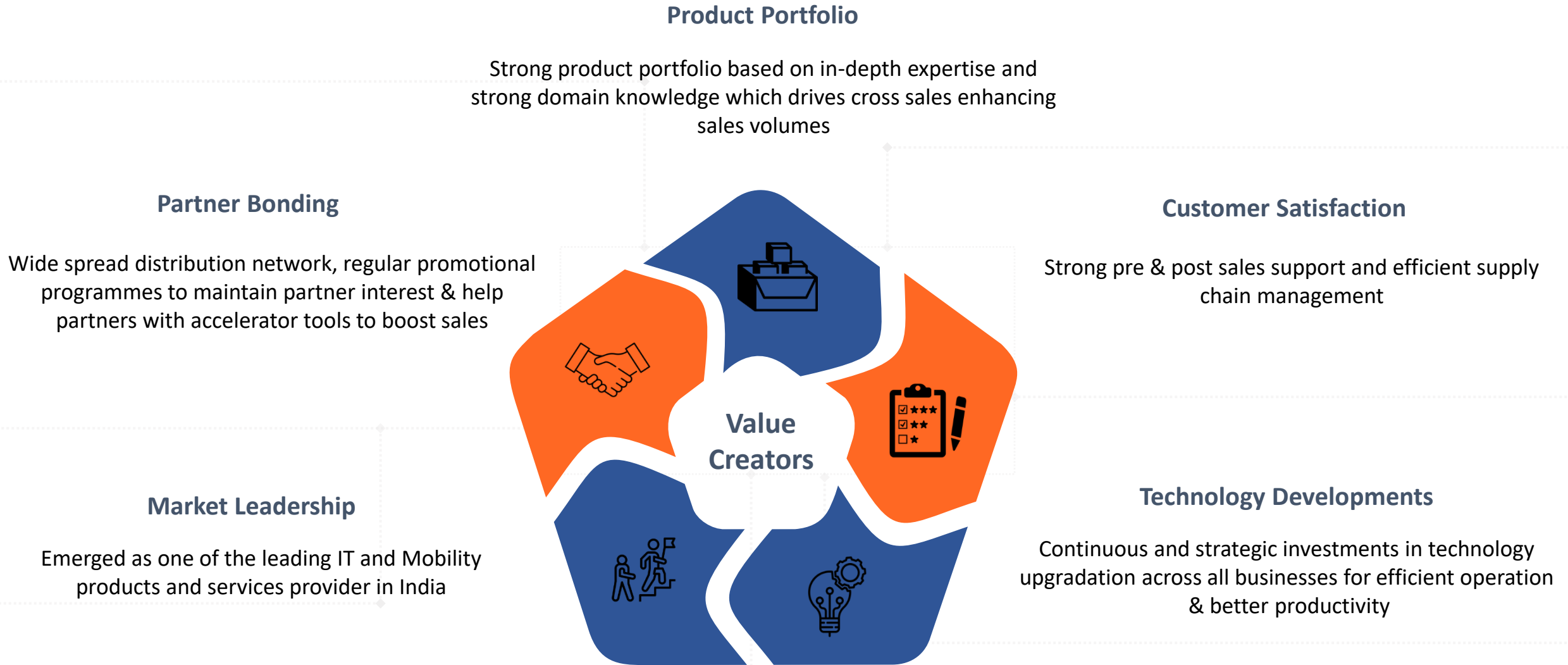
Signed a service agreement with HP to provide after-market support for their printers, PC Commercials & notebooks for Mumbai market to begin with



Joining hands with GOQii

Tie up with GOQii, the smart-tech enabled preventive healthcare platform for their range of healthcare & fitness devices for Pan-India distribution

Compuage – Well Placed to take the Advantage



Consolidated Profit & Loss

Profit & Loss Statement (Rs. Crs)	Q1FY21	Q1FY20	Q4FY20	FY20
Revenue from Operations	554.1	926.2	1,043.4	4,232.5
Other Income	6.9	3.4	5.0	16.7
Total Income	561.0	929.6	1,048.4	4,249.2
Cost of Goods Sold	531.7	888.6	993.6	4,054.4
Gross Profit	29.3	41.1	54.8	194.9
Gross Profit Margin (%)	5.2%	4.4%	5.2%	4.6%
Employee Expenses	9.0	10.3	9.6	38.5
Other Expenses	6.9	10.6	12.9	51.4
EBITDA	13.4	20.2	32.3	105.0
EBITDA Margin (%)	2.4%	2.2%	3.1%	2.5%
Depreciation	0.9	1.1	1.0	4.2
EBIT	12.5	19.1	31.3	100.8
EBIT Margin (%)	2.2%	2.1%	3.0%	2.37%
Finance Cost	12.3	12.5	18.1	60.9
Profit before Tax	0.2	6.6	13.2	40.0
Tax	0.1	2.3	2.8	9.4
Profit After Tax	0.2	4.2	10.5	30.5
PAT Margin (%)	0.0%	0.5%	1.0%	0.7%

Since the lockdown was in force for a significant part of Q1, the results for Q1FY21 were adversely affected by the COVID-19 pandemic and may not be strictly comparable with those of other quarters

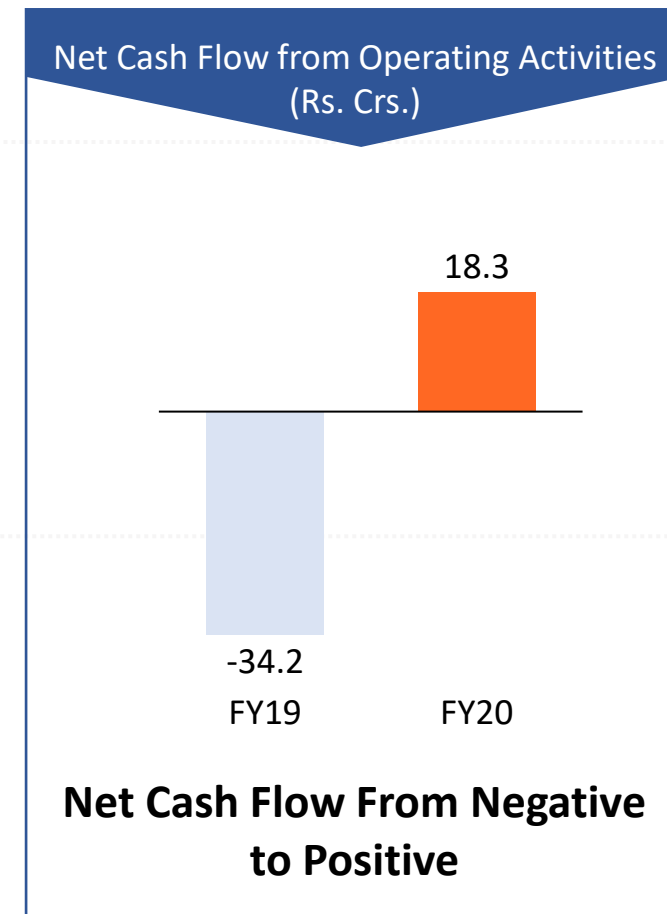
Consolidated Balance Sheet

ASSETS (Rs.Crs)	Mar-20	Mar-19
Non-Current Assets		
Property, Plant & equipment	50.1	53.9
Intangible Assets	0.0	0.0
Financial Assets		
i) Investments	0.7	0.5
ii) Other Financial Assets	0.0	0.0
Total Non-Current Assets	50.9	54.4
Current Assets		
Inventories	338.0	301.4
Financial Assets		
i) Investments	0.0	2.5
ii) Trade Receivables	554.3	644.6
iii) Cash and Cash Equivalents	9.1	44.6
iv) Bank Balances	70.5	73.4
v) Loans	5.1	5.3
vi) Other Financial Assets	11.2	7.5
Current Tax Assets	5.6	3.8
Other Current Assets	96.9	103.6
Total Current Assets	1,090.7	1,186.8
Total Assets	1,141.5	1,241.2

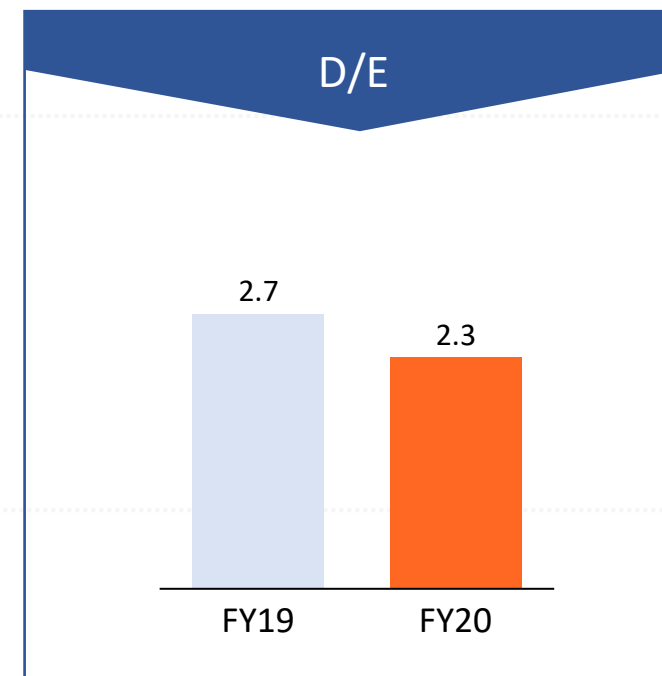
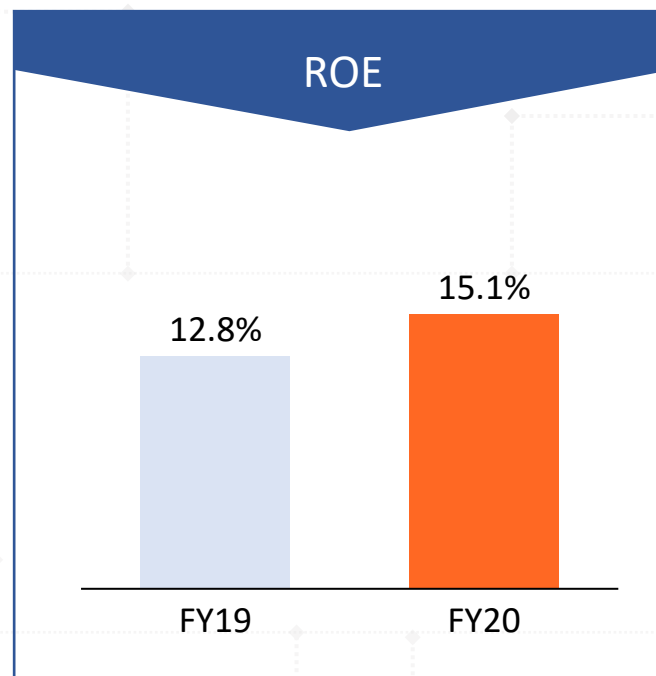
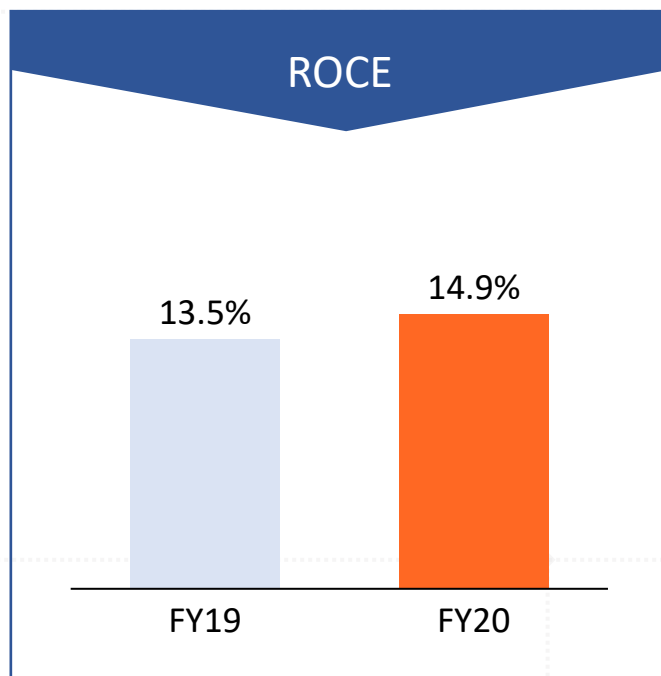
EQUITY AND LIABILITIES (Rs.Crs)	Mar-20	Mar-19
Equity		
Equity Share Capital	13.0	13.0
Other Equity	189.1	163.8
Total Equity	202.1	176.8
Non Current Liabilities		
Financial Liabilities		
i) Borrowings	21.4	22.9
ii) Provisions	1.8	2.3
Deferred Tax Liabilities	4.1	6.2
Total Non-Current Liabilities	27.3	31.3
Current Liabilities		
i) Borrowings	450.9	460.3
ii) Trade Payables	392.6	507.5
iii) Other financial liabilities	33.5	39.2
Other Current Liabilities	34.8	25.6
Provisions	0.3	0.5
Total Current Liabilities	912.1	1,033.1
Total Equity and Liabilities	1,141.5	1,241.2

Strong Cash Flow Generation

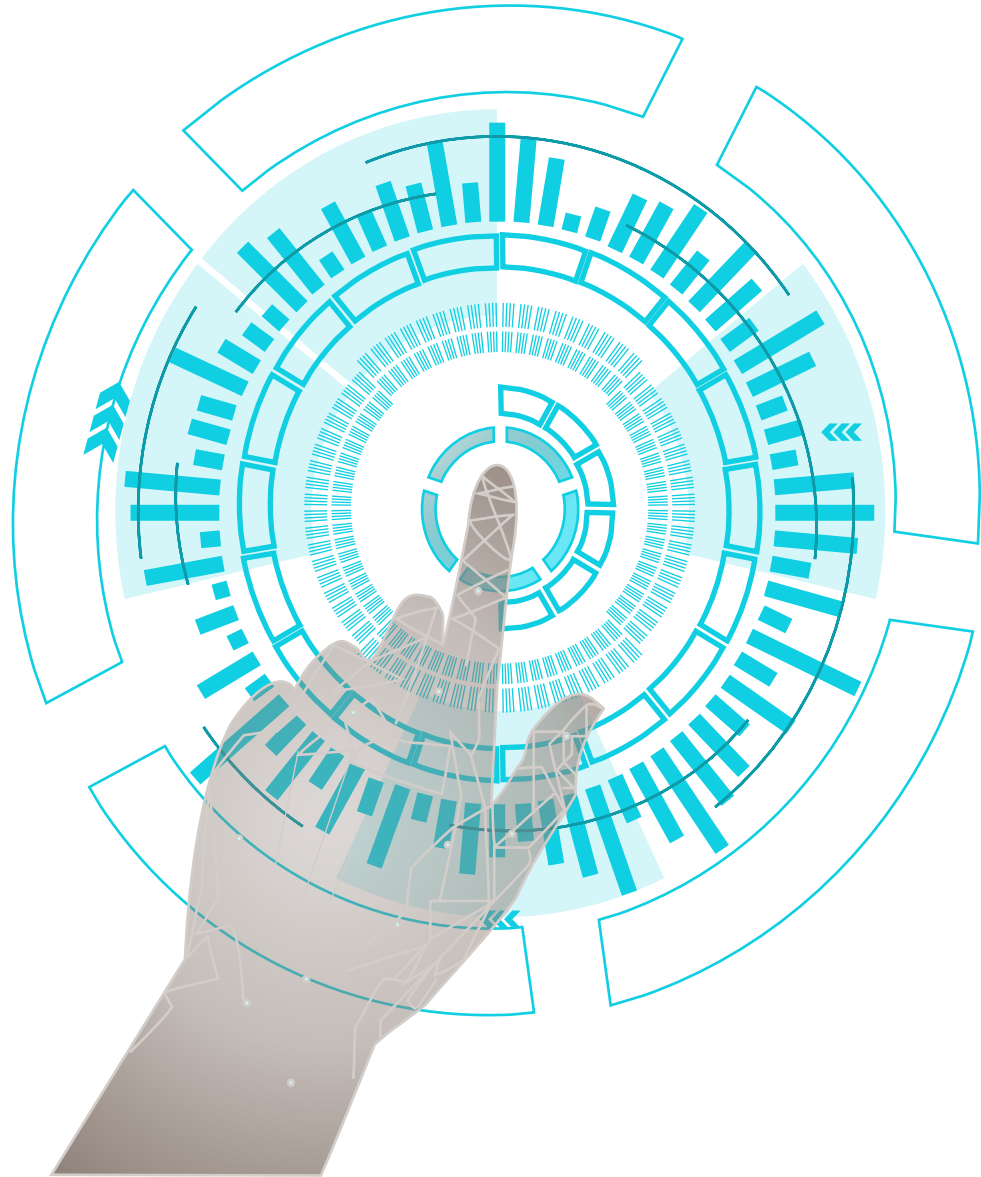
Cash Flow Statement for Six Months Ended (Rs in Cr)	FY20	FY19
Profit Before Tax	40.2	35.0
Adjustments for Depreciation and other items	45.2	42.3
Operating profit before working capital changes	85.4	77.3
Changes in working capital	-54.5	-97.3
Total Cash Flow from Operations	30.9	-20.0
Direct taxes paid (net of refund)	-12.6	-14.2
Net Cash Flow from Operating Activities	18.3	-34.2
Net Cash Flow from Investing Activities	21.4	4.3
Net Cash Flow from Financing Activities	-75.3	28.3
Net Change in cash and cash equivalents	-35.5	-1.7



Focus on Return Ratios & Deleveraging



- ❑ Focus towards more profitable business segments & cost optimization to enhance company's return on investments
- ❑ Deleveraging strategy to continue going forward for optimising the capital structure



About the Company

Compuage in a Nutshell

AT A GLANCE



Compuage has evolved into a seamless distribution intermediary of top of-the-line technology products and solutions like PC Components and Peripherals, PCs, Enterprise Solutions, Cloud Computing, Mobility Products & Services

At **Compuage**, we are known for performance through partnership and capabilities to market technological advancements to various customer segments. We are the partner by choice because of our wide reseller network that is steered by our superior technical assistance, well-defined go-to-market strategy and prudent distribution practices

FY20 Total Income

Rs. 4,249
Crores

Channel Partners

12,500+
Online & Offline
Channel Partners

Presence

600+
Presence across Indian Cities
through Branch Offices, Service
Centers and Channel Partners



30
Global Brands



69
Service Centers



46
Sales Offices



28
Warehouses



800+
Employees



Global Footprint
7 countries
across SAARC Nations



Listing in
2000



Headquarters
Mumbai



Fortune 500 Indian
Company

Milestones

Commencement - Reseller

Commencement of business of Computer Consumables as a Corporate Reseller



1987

Started Distribution & Got Listed

Forayed into Distribution.
Got listed by merging with a listed entity



2001

Global Foot Prints

Established operations in Singapore to serve SAARC Region



2012

Regional Offices

Commenced Imports of IT Hardware and started Regional Sales Offices at Bangalore, Kolkata and Delhi.



1995

Aggressive reach out Campaign

Branch expansion continues.
Launched and executed 60 City India Campaign which showcased our products to over 6000 Resellers across India



2006

Completed 30 successful years

Having 46 sales offices, 28 warehouses, 69 service centres, 30 global brands, 12,500 resellers with presence in 600 cities & towns



2017

Vision & Mission



Vision

To be a world class Technology Products and Services Distribution Company



Mission

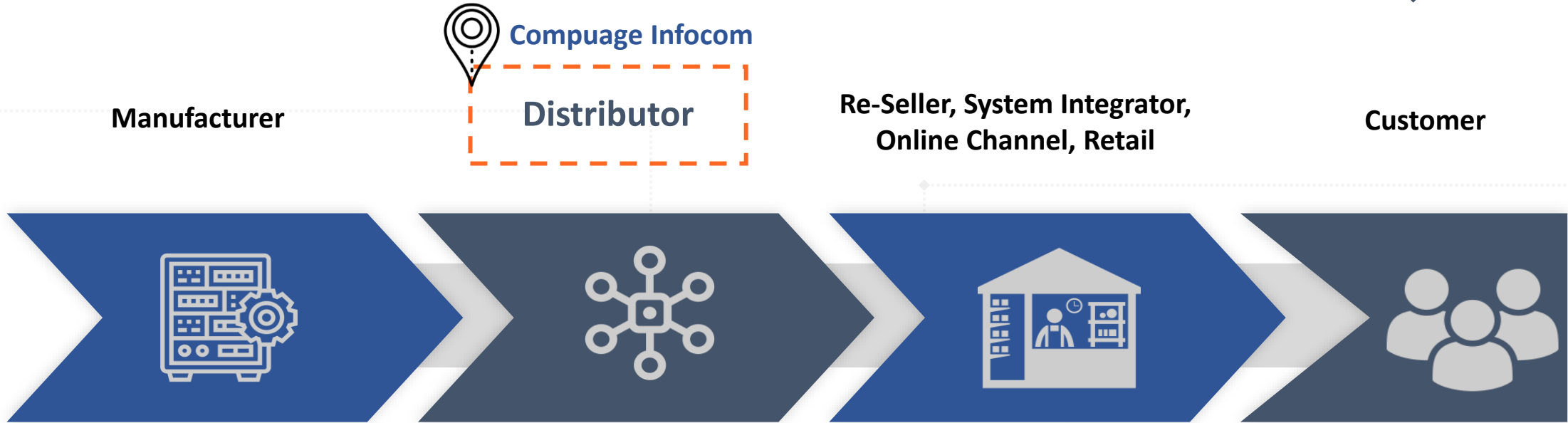
To deliver superior value to our Customers, Vendors, Shareholders, Employees and Society at large



Values

- ✓ Integrity and Fairness
- ✓ Reliability and Commitment
- ✓ Teamwork
- ✓ Respect for All
- ✓ Excellence
- ✓ Passion

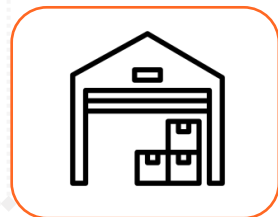
Business Flow



Our Key Business Activities



Sourcing



Warehousing



Inventory Management



Sales

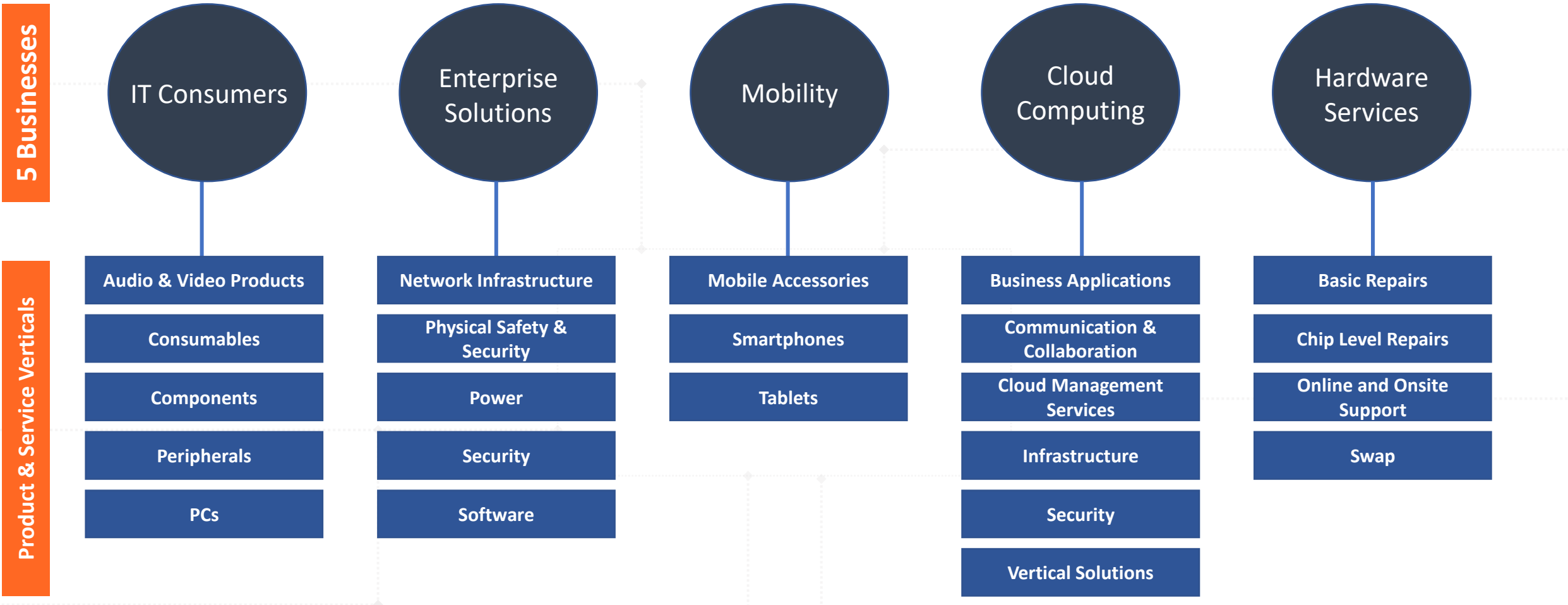


Credit Deployment

Association with Renowned Brands

IT Consumer	Enterprise Solutions	Mobility	Cloud Computing	Hardware Services

Diversifying Risks



No vertical accounts for more than 30% of its revenues

No brand accounts for more than 30% of its business

The Company has successfully entered the Cloud segment to offer several Cloud –based offerings which will be the next growth engine

Board of Directors

Atul Mehta
Chairman & Managing
Director



B.Com and MBA in Finance from USA.
Founder Member of the Company with focus on
Strategic Planning and Financial Management

Bhavesh Mehta
Director & COO



B.Com and M.Com with specialization in
Marketing. Associated with the Company since
two decades with expertise in sales and
marketing

G.S. Ganesh
Independent Director



A Chartered Accountant by qualification and
Investment Banker by profession with experience
of 30+ years. His areas of expertise include,
Financial Restructuring, Mergers and Acquisitions
and Project Financing

Ajay Mehta
Director



M. Com Graduate holding Master's degree in
Commerce with expertise in the areas of Sales
and Marketing having a vast experience of 30
years

Vijay Agarwal
Independent Director



M.Com and Chartered Accountant by
qualification. He has been in practice for more
than 30+ years

Fatima Nasab
Independent Director



Expert in Human Behaviour

Management Team



Atul Mehta
Chairman & M.D.



Bhavesh Mehta
Director & COO

Sunil Mehta
Director & CFO



A Chartered Accountant by profession with experience of over 2 decades. He is in-charge of the Company's financial management, financial analysis & planning

Deepak Karia
Vice President Sales



Responsible for Mobility division and Value sales by effectively extending the Company's offerings by pushing growth across markets

Dilip Darji
Head Accounts



With 2 decades of experience, responsible for Accounts and Finance, Systems & Processes, MIS and Automation

Shreyas Vyas
Head IT



With over 25 years of working knowledge, he sets measurable short and long-term goals for the team and is responsible for efficient project management and IT vendor management

Sagar Abraham
Head Services



With almost 3 decades of experience, established service business with next-gen services and integrated client centric delivery models

Awards & Accolades



2017

HP Envisage National Distribution Meet

Consumer Notebook - Best Distributor YOY Notebook Growth

Consumer Printer - Best Distributor - Modern Retail – 2017

HP Supplies Best Individual Contributor - Alternate Pipe – 2017

Distributor of the year award – Tyco

Cisco Best Performer

LG Best Performer

Samsung security surveillance best partnership award

2018

Tyco Elite League Award

ACVS Partner of the year

Cisco Start Award - Best Adoption Award

Lenovo - T1 Business Experts Award

Hanwha Techwin - Highest Growth Achievement Award

Commscope Distributors Meet

Best AMP Net Connect Distributor Award
Best Managed Distributor Award

Asus Distributors Meet

Best Sales Team Award
Best Distributor Award

2019

Digital Terminal – Channel’s Favourite Distributor

HP Distributors Meet

Best Distributor Convertible Notebooks

Best Distributor CISS Print & Supplies

Cisco Distribution Partner of the Year FY18

Cisco Bulls Eye Scheme Award

Commscope

Best National Distributor - AMP Net Connect Enterprise Network Business SAARC

100 Cr plus business Achiever

Significant contributor – Systemax Enterprise Business Network SAARC

Distributor Employee Appreciation

Hanwha Techwin ACVS Partner of the year

Asus

Asus Leadership Award

Asus Champion of the year award

SanDisk Premier League

Best Market Expansion Award



Brand Acquisitions

- Adding product lines that would enable Compuage offer a complete basket of products to its channel partners.

Penetrating Untapped Geographies

- To be present across the metro cities as well as tier II and tier III cities
- Penetrate across underserved geographies of the nation to help drive volume for the distribution intermediaries

Diversified Sales Channels

- Serving important link between channel partner and end customer
- To be present across all forms of channels across the country

Enhance Service Offerings

- Hardware Services and Technical Support - Pre and Post Sales

Target

- Revenue of US\$1 billion in 3 years
- 2X Profitability
- Penetrate 15000 Partners in 800 cities in 3 years.

Programming Growth: VERSION 2.0

COMPUAGE 1.0

✓ From sole IT Consumer Distributor to IT Consumer, IT Enterprise and Mobility Products Distributor

✓ From a Single brand portfolio to 30 Global Brands in portfolio

Distribution Strength:

- ✓ 12,500+ Channel Partners
- ✓ 600+ presence across Indian Cities

✓ FY20 Income : Rs. 4,249 Crores



COMPUAGE 2.0

Transform to a Products, Cloud & Services Organization (Cloud & Services to be > 10% of Revenue)

EBITDA Accretive Business

Higher Net Profits

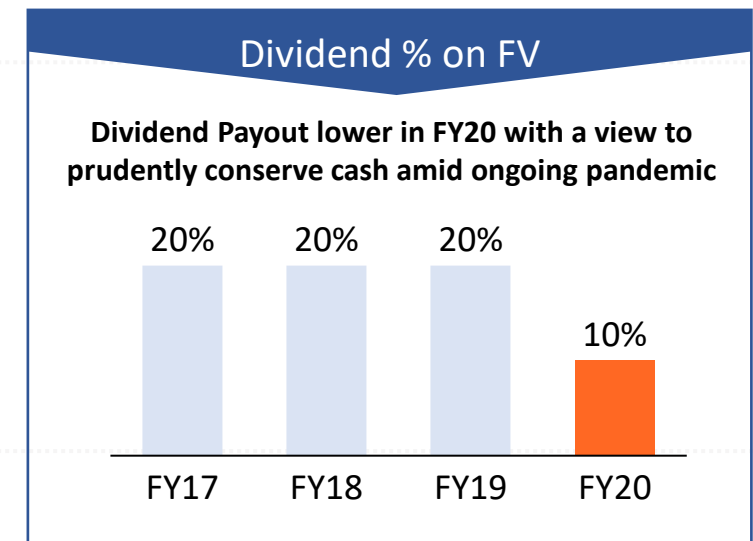
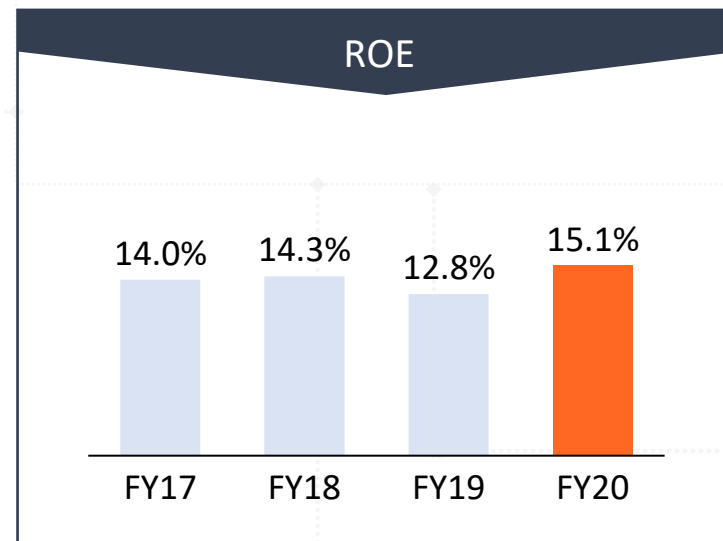
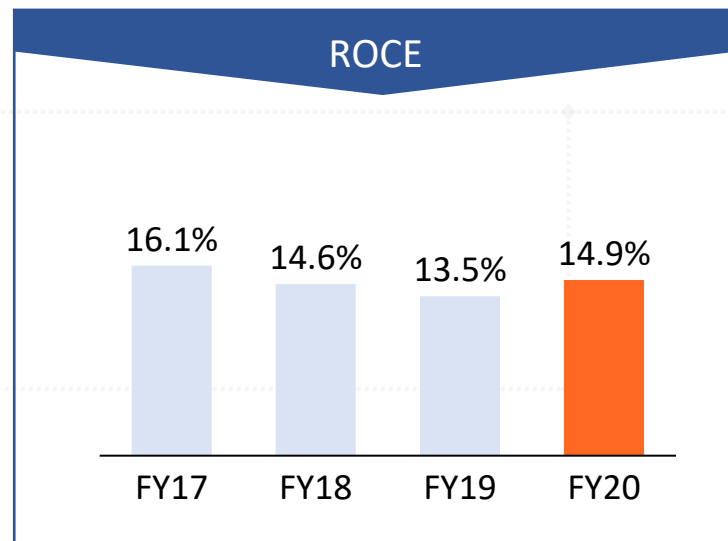
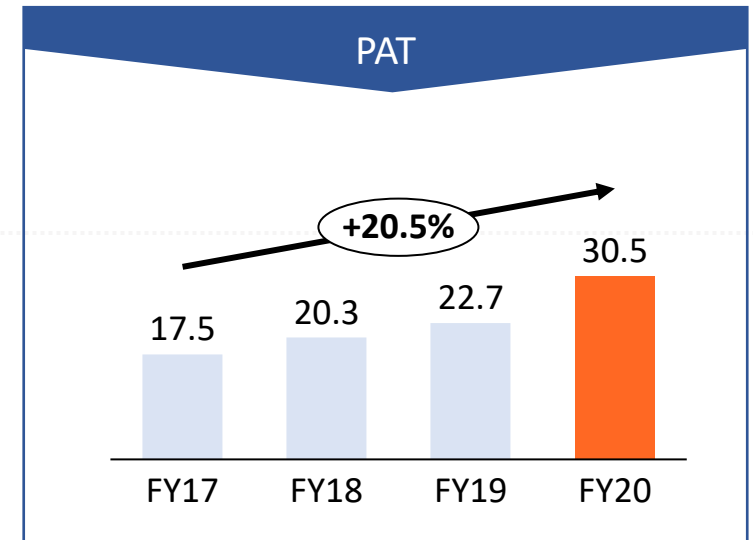
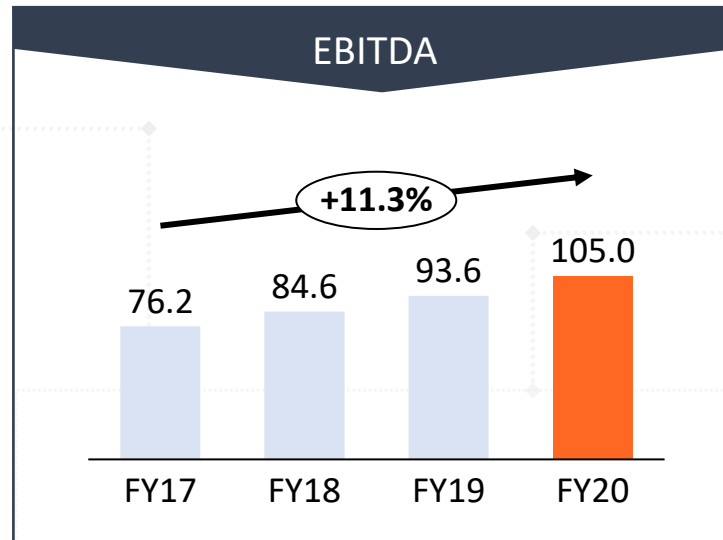
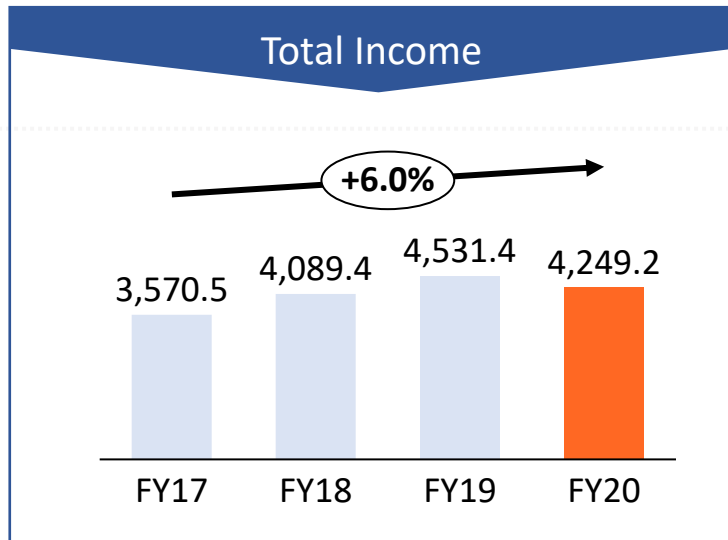
✓ Focus on addition of Global Brands

Distribution Strengths – 3 Year Plan:

- ✓ 15,000+ Channel Partners
- ✓ 800+ presence across Indian Cities

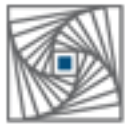
✓ 3 Year Target Revenue : Rs.7,000 Crores

Historical Financial Highlights



For further information, please contact:

Company :



*Speed
Reliability
Value Performance*

COMPUAGE INFOCOM LTD

Compuage Infocom Ltd.
CIN – L99999MH1999PLC135914

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Investor Relations Advisors :

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.
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