



# **REDINGTON (INDIA) LIMITED**

**Q1FY20 Earnings Presentation**

**June 2019**

# 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

- **Q1FY20** – Strong double digit growth across all parameters in both India and Overseas
  - On a consolidated basis, Revenue grew by 14%, EBITDA grew by 35% and PAT grew by 24%
  - India – Revenue grew by 14%, EBITDA grew by 46% and PAT grew by 23%
  - Overseas – Revenue grew by 14%, EBITDA grew by 27% and PAT grew by 25%
- On a consolidated basis, WC days for Q1FY20 is 44 days, signifying WC turns of over ~8.3x
- On a consolidated basis, Net Debt Equity ratio is at 0.4
- For the quarter, ROCE & ROE improved in both India & Overseas, leading to consolidated ROCE of 13.7% and ROE of 11.2%
- Consol EPS has grown by 28% YoY to Rs.2.83
- **Services PAT contribution to India PAT – Q1FY20 – 23%**
- **Services PAT contribution to Conso PAT – Q1FY20 – 12%**

# Financial Highlights

## India business

- During the quarter,
  - In spite of General Elections and SAP implementation in Indian operations, the India business registered strong double digit growth in Revenue, EBITDA and PAT
  - Growth driven by all three business segments, viz a viz, IT, Mobility and Services
- ProConnect registered revenue growth of 22% YoY, EBITDA growth of 57% and PAT growth of 1% YoY. Modest PAT growth is on account of increase in Interest cost (largely driven by Working Capital) and depreciation expenses

# Financial Highlights

## Overseas business

- During the quarter,
  - Overseas business delivered strong double digit growth, driven by IT and Mobility segment
  - Overseas business continues to maintain WC efficiently with WC days for Q1FY20 at 36 days

## Turkey Update

- During the quarter, Arena biz had registered high single digit growth on Revenues and strong double digit growth on EBITDA, driven by Opex control
- Despite tax rate of 91%, Arena registered profits during the quarter



# Q1FY20 Highlights

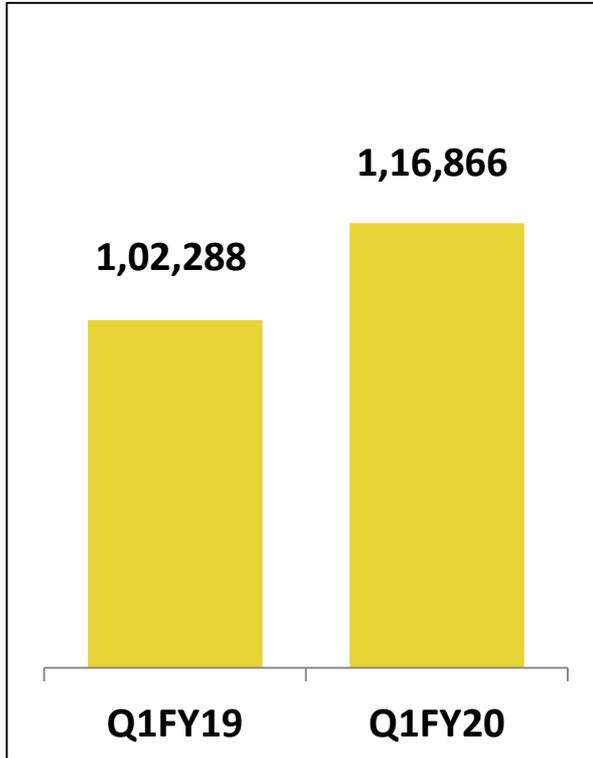


# Q1FY20- Consolidated Financials

₹ in million

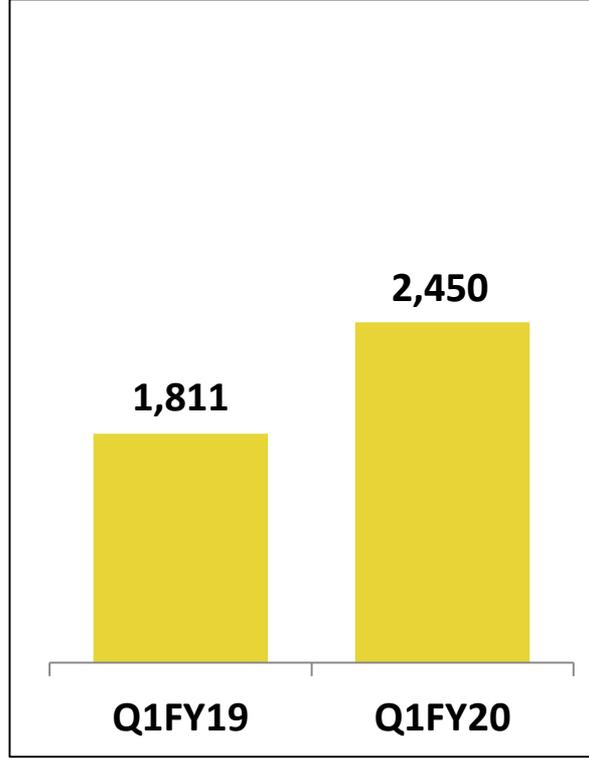
## REVENUE

14% ▲



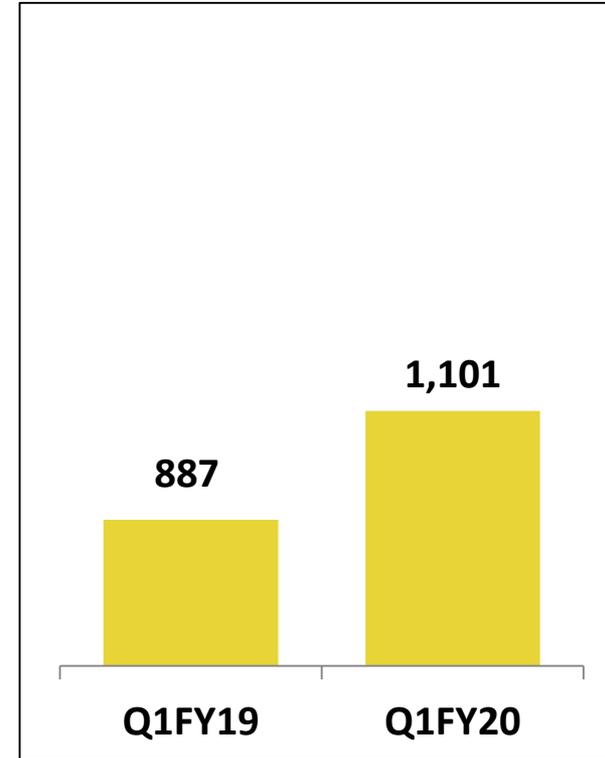
## EBIDTA

35% ▲



## PAT

24% ▲

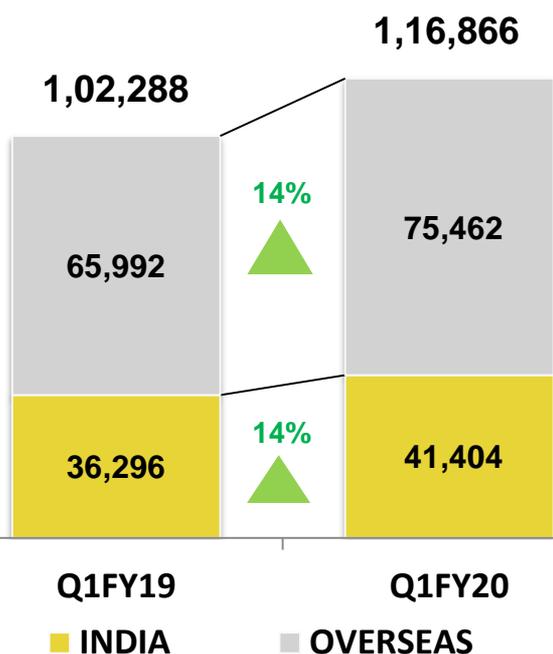


# Q1FY20 Performance by Market

₹ in million

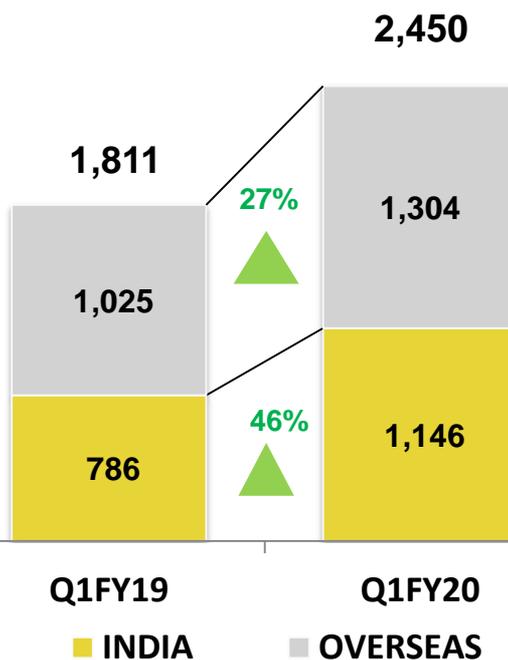
## REVENUE

14% ▲



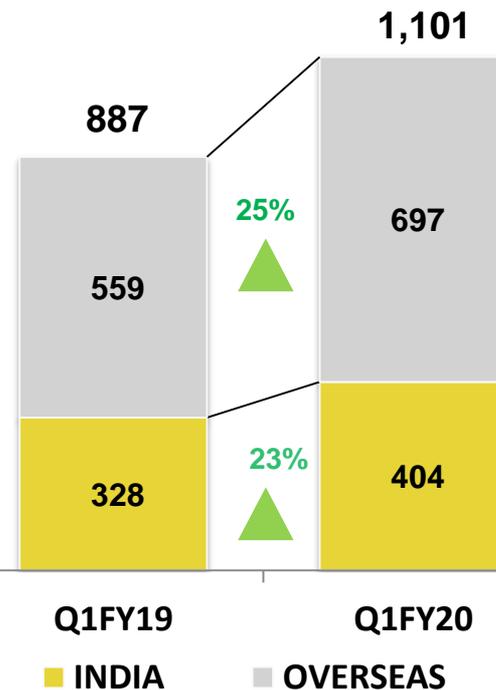
## EBIDTA

35% ▲



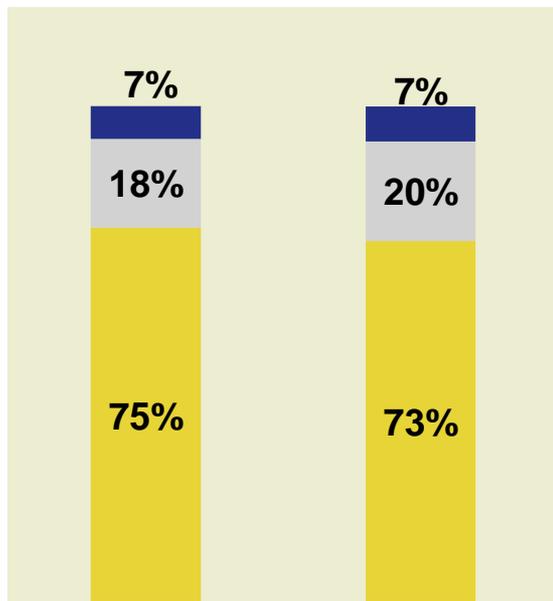
## PAT

24% ▲



# Q1FY20 Performance by Vertical

## INDIA

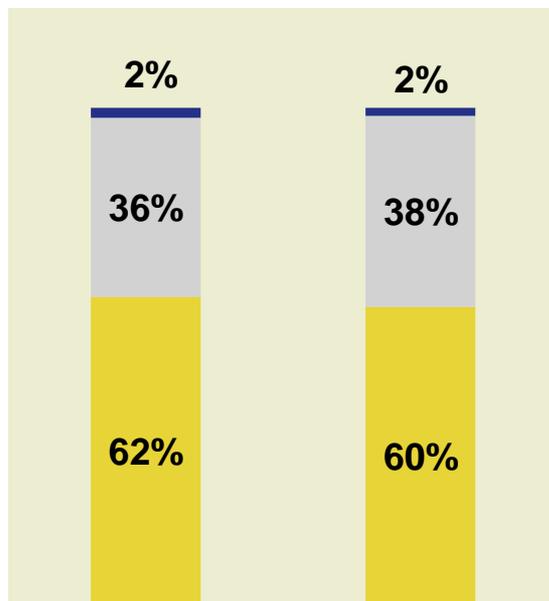


Q1FY19

Q1FY20

■ IT ■ Mobility ■ Services

## OVERSEAS

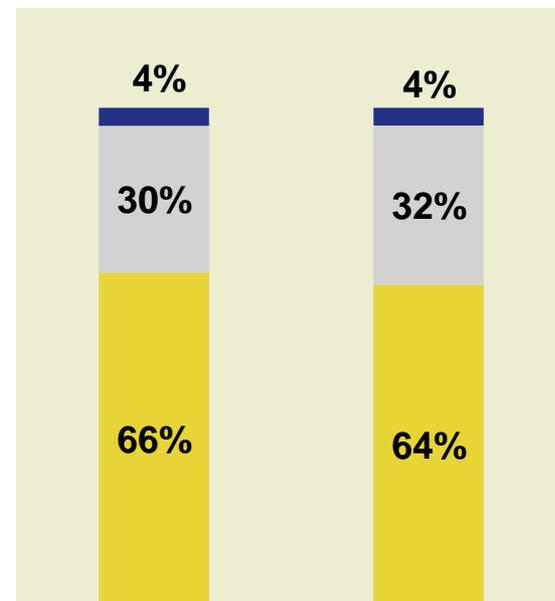


Q1FY19

Q1FY20

■ IT ■ Mobility ■ Services

## CONSOLIDATED



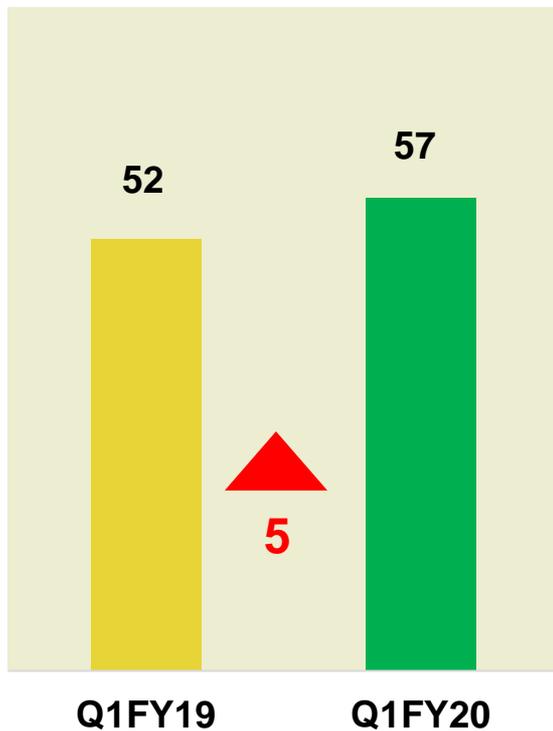
Q1FY19

Q1FY20

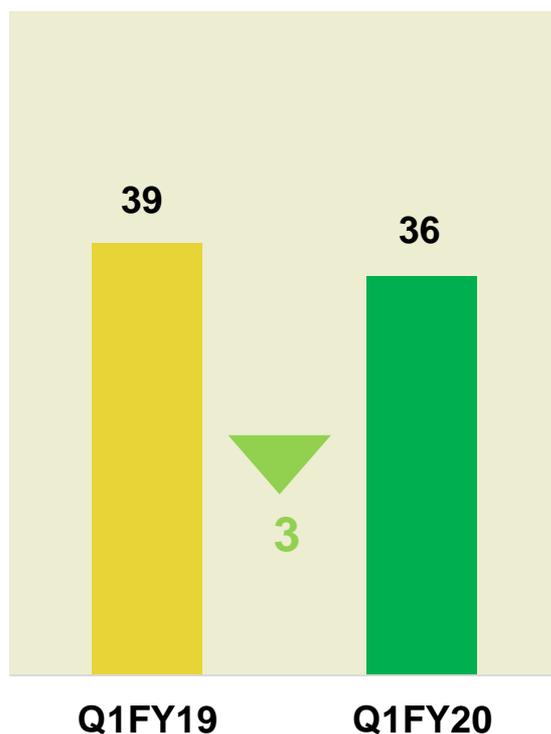
■ IT ■ Mobility ■ Services

# Q1FY20 – Working Capital Days

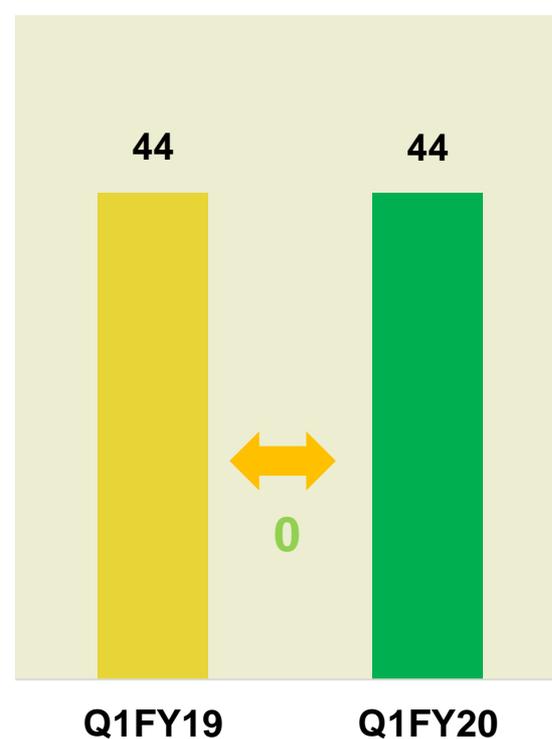
INDIA



OVERSEAS



CONSOLIDATED

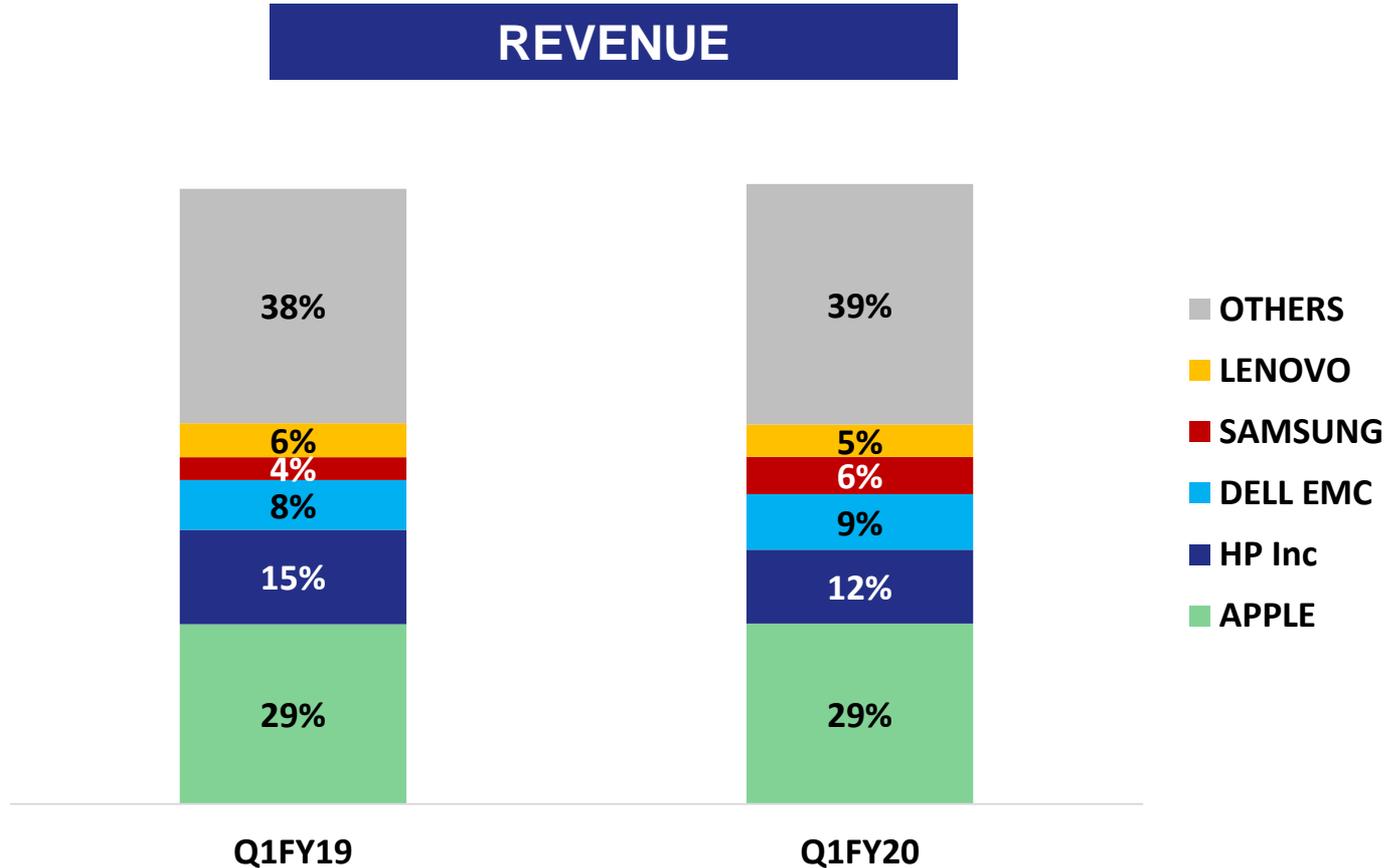


# Free Cash Flow Statement

₹ in million

Particulars	Q1 FY20	Q1FY19
<b>Profit Before Taxation</b>	<b>1,469</b>	<b>1,218</b>
Non-cash items	347	672
Outflow of Finance Cost	577	395
Changes in Working Capital	(10,713)	150
Direct Taxes Paid	(155)	(616)
<b>Net Cash Flow from Operations</b>	<b>(8,475)</b>	<b>1,819</b>
Capex	(328)	(211)
Dividend paid including DDT	-	-
Outflow of Finance Cost	(541)	(437)
<b>Free Cashflow</b>	<b>(9,344)</b>	<b>1,171</b>

# Q1FY20 – Top 5 Vendors Consolidated



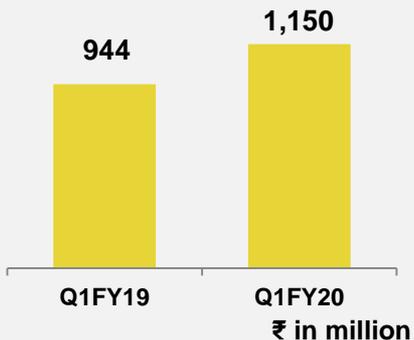
# Q1FY20 Performance – ProConnect

- Revenue growth over Q1FY19 is 22%
- EBITDA growth over Q1FY19 is 57%



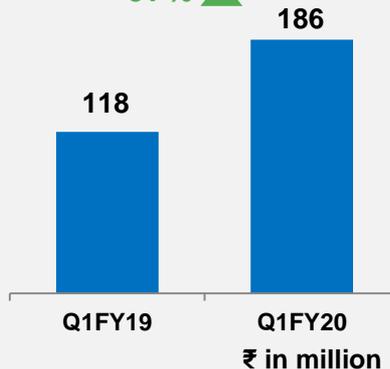
## REVENUE

22% ▲



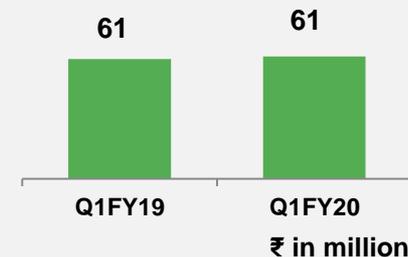
## EBIDTA

57% ▲

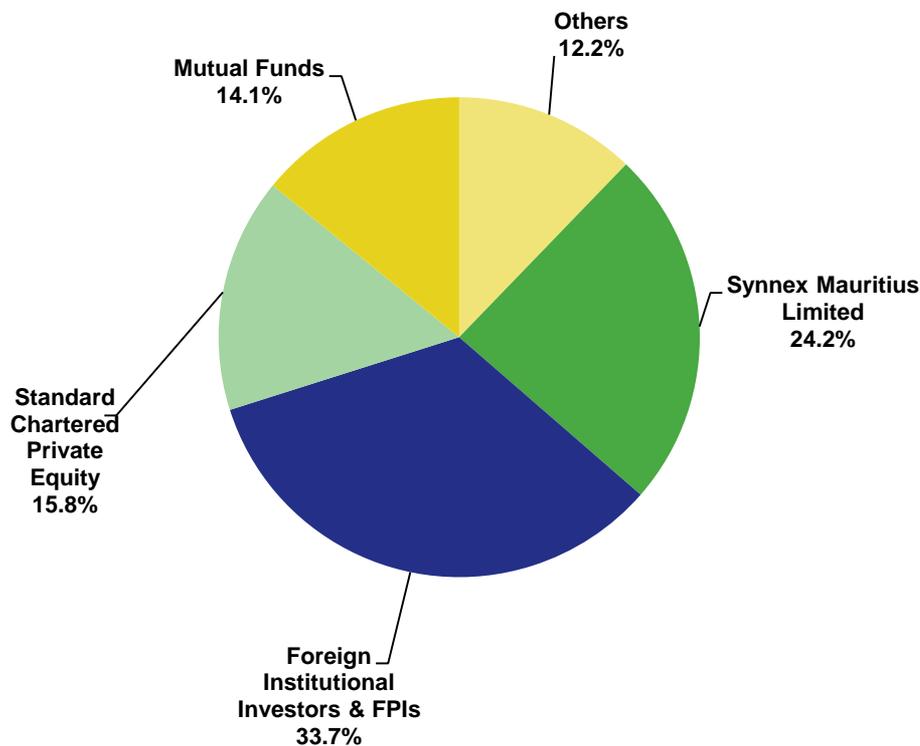


## PAT

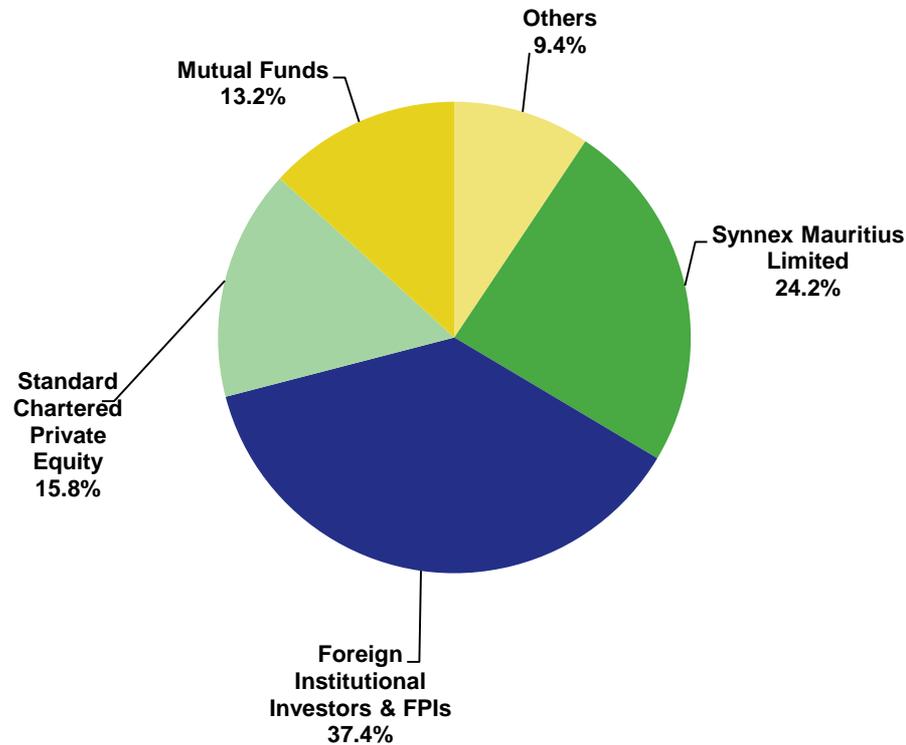
1% ▲



# Shareholding Pattern



**Mar-2019**



**Jun-2019**



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