



REDINGTON (INDIA) LIMITED

Q2FY20 Earnings Presentation

September 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

- **Q2FY20** – On a consolidated basis, Revenue grew by **11%**, EBITDA grew by **24%** and PAT grew by **24%**
 - India – Revenue grew by 15%, EBITDA grew by 40% and PAT grew by 37%
 - Overseas – Revenue grew by 9%, EBITDA grew by 13% and PAT grew by 17%
- **H1FY20** – On a consolidated basis, Revenue grew by **13%**, EBITDA grew by **29%** and PAT grew by **24%**
 - India – Revenue grew by 14%, EBITDA grew by 43% and PAT grew by 31%
 - Overseas – Revenue grew by 11%, EBITDA grew by 19% and PAT grew by 20%
- On a consolidated basis, **WC days** for Q2FY20 is **30 days** and H1FY20 is **31 days**
- Improvement in **ROCE** on consolidated basis to **13.5%** in Q2FY20 and **15.1%** in H1FY20
- Generated **free cash flow** of **Rs. 1,607 crs** for Q2FY20 and **Rs.673 crs** for H1FY20

Financial Highlights

India business

- During the quarter, India business registered double digit growth in Revenue, EBITDA and PAT, driven by Mobility segment
- Substantial improvement in WC days to the tune of 17 days during Q2FY20 and 21 days during H1FY20
- ROCE improved to 16.8% in Q2FY20 and 20.8% in H1FY20
- During the quarter, ProConnect registered revenue growth of 19% YoY, EBITDA growth of 78% and PAT degrowth of 68% YoY. PAT degrowth is on account of operational challenges in the subsidiary company as well as increase in Interest cost (largely driven by Working Capital) and depreciation expenses in the Standalone business

Financial Highlights

Overseas business

- During the quarter,
 - Overseas business delivered double digit growth in EBITDA and PAT, driven mainly by IT segment
 - Overseas business continues to maintain WC efficiently with WC days for Q2FY20 at 32 days (vs 39 days in Q2FY19)
 - Redington Gulf had an impairment charge to the tune of Rs.1.08 crs, on account of loss of distribution contract in its subsidiary company

Turkey Update

- During the quarter, Arena biz had registered double digit growth on Revenues and strong double digit growth on EBITDA
- There was tax advantage during this quarter. However, Arena registered growth at PBT level as well



Q2FY20 Highlights

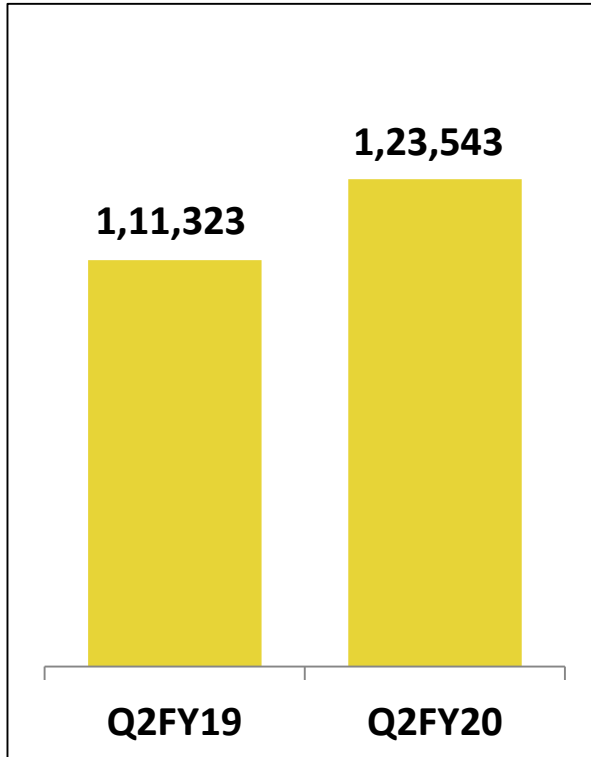


Q2FY20- Consolidated Financials

₹ in million

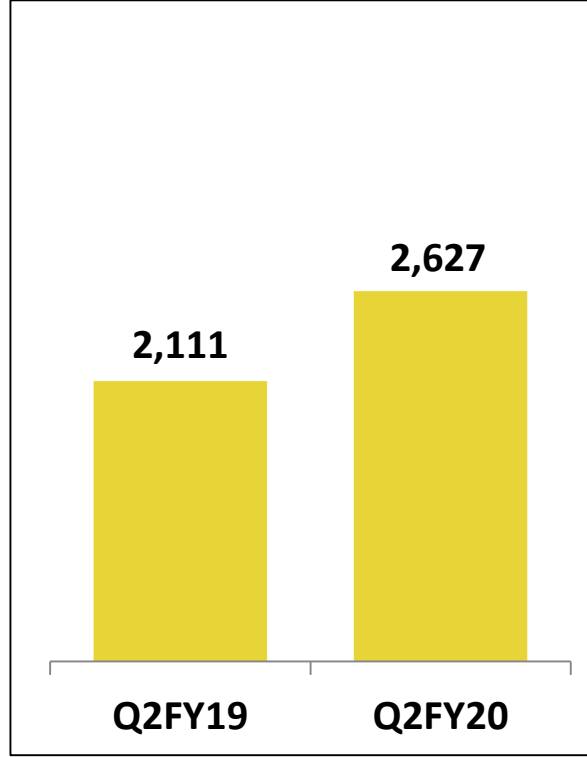
REVENUE

11% ▲



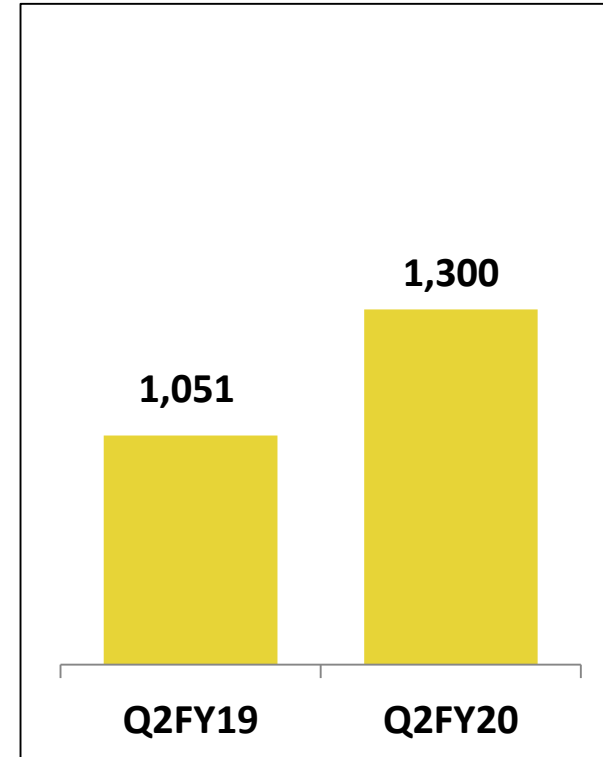
EBITDA

24% ▲



PAT

24% ▲

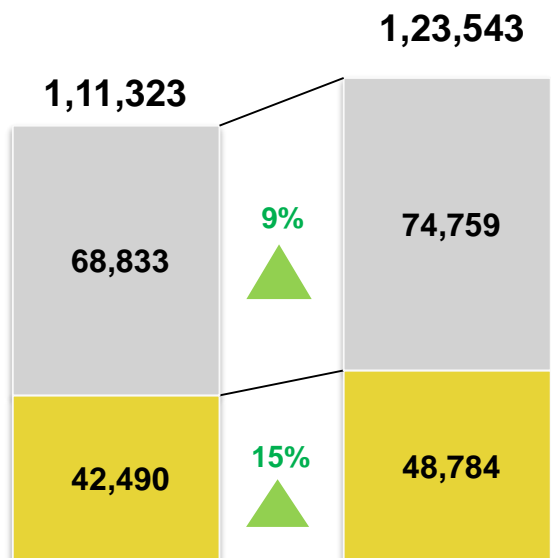


Q2FY20 Performance by Market

₹ in million

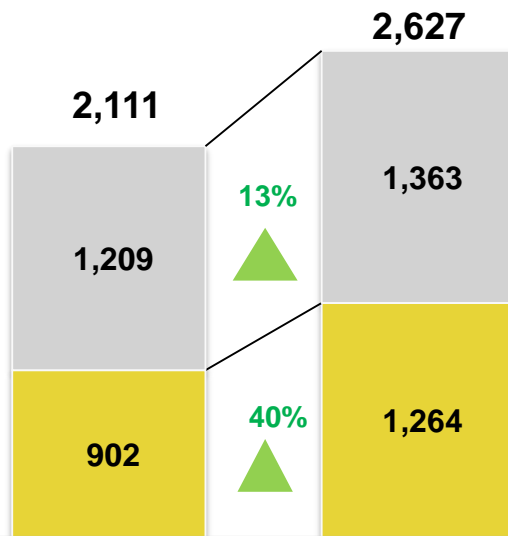
REVENUE

11% ▲



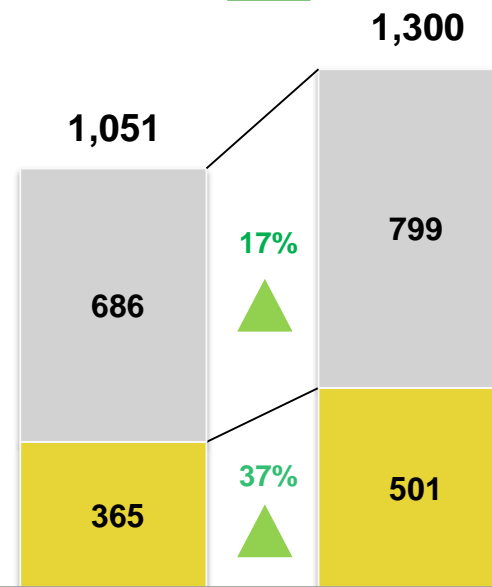
EBITDA

24% ▲



PAT

24% ▲



Q2FY19

Q2FY20

INDIA

OVERSEAS

Q2FY19

Q2FY20

INDIA

OVERSEAS

Q2FY19

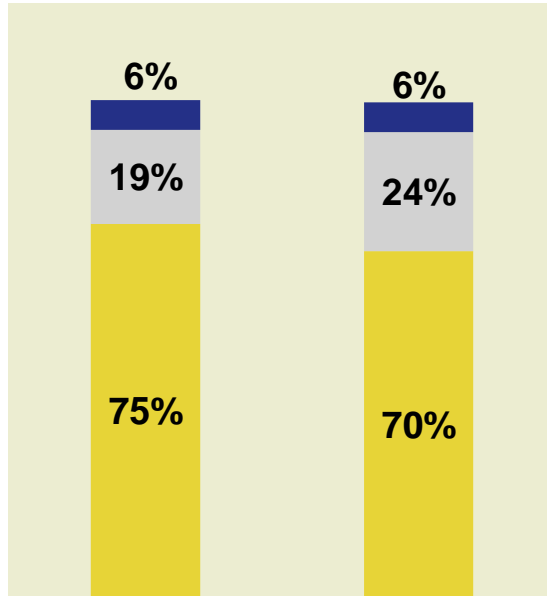
Q2FY20

INDIA

OVERSEAS

Q2FY20 Performance by Vertical

INDIA

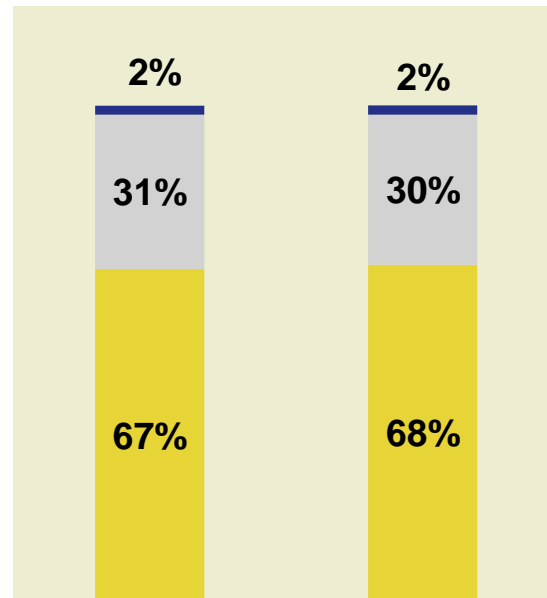


Q2FY19

Q2FY20

■ IT ■ Mobility ■ Services

OVERSEAS

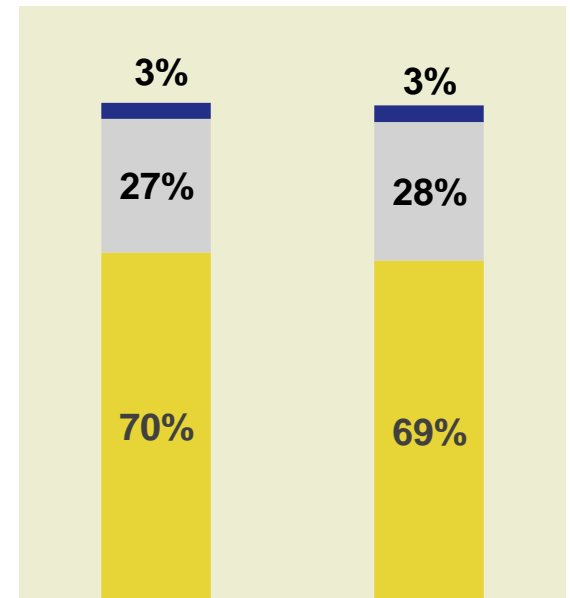


Q2FY19

Q2FY20

■ IT ■ Mobility ■ Services

CONSOLIDATED



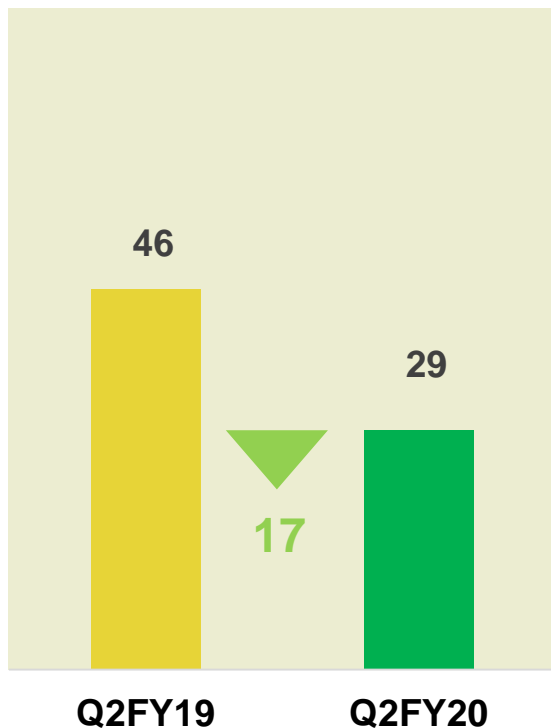
Q2FY19

Q2FY20

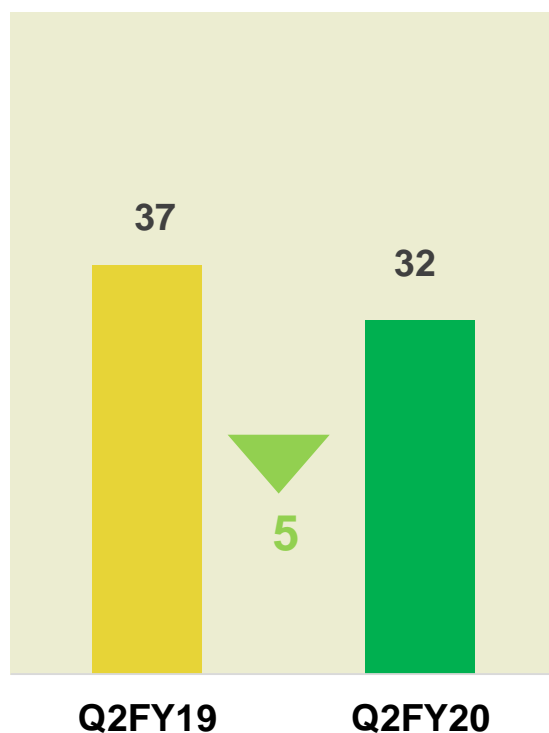
■ IT ■ Mobility ■ Services

Q2FY20 – Working Capital Days

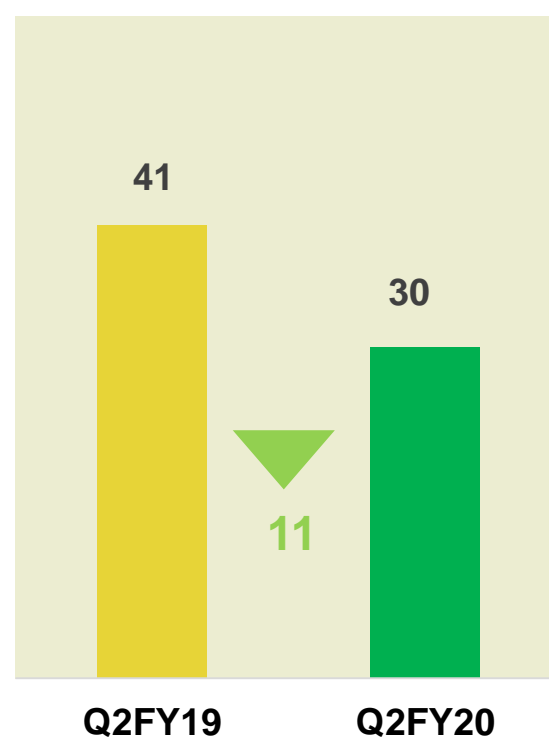
INDIA



OVERSEAS



CONSOLIDATED



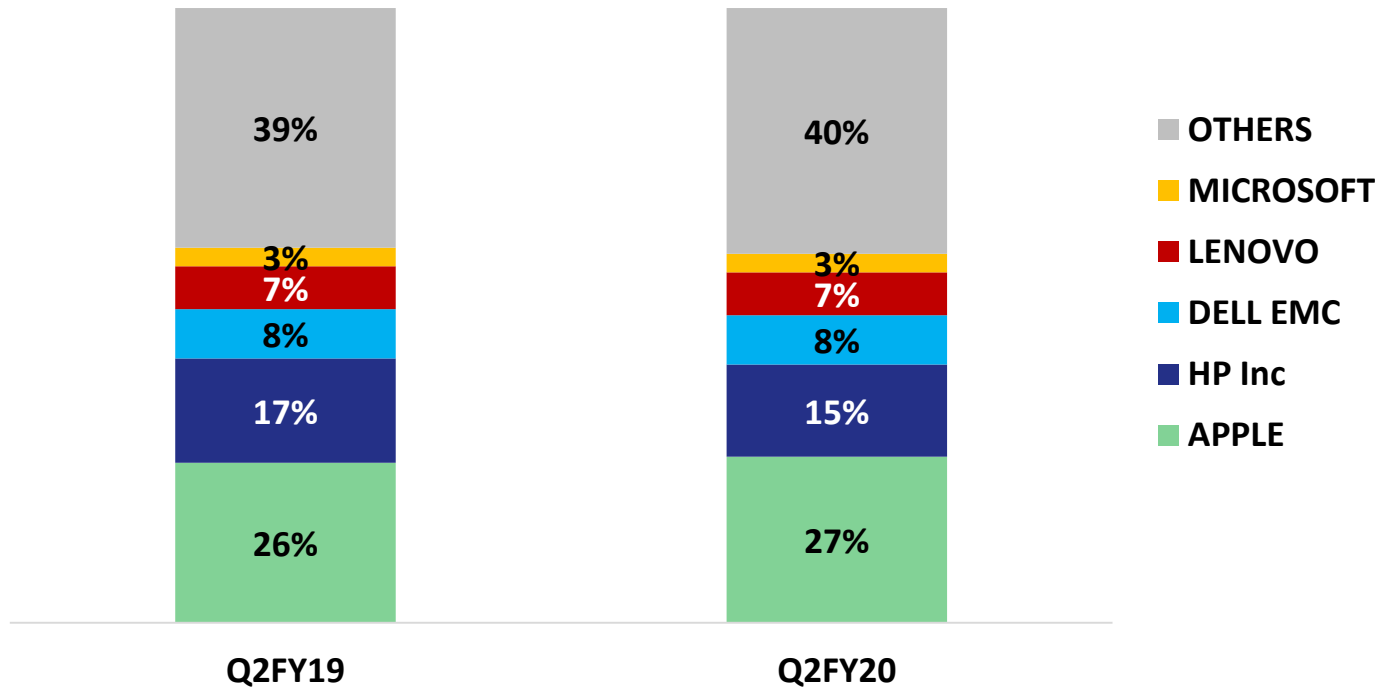
Free Cash Flow Statement

₹ in million

Particulars	Q2 FY20	Q2FY19
Profit Before Taxation	1,512	1,474
Non-cash items	630	459
Outflow of Finance Cost	526	437
Changes in Working Capital	15,854	810
Direct Taxes Paid	(627)	(432)
Net Cash Flow from Operations	17,895	2,748
Capex	(34)	(125)
Dividend paid including DDT	(1,287)	(1,138)
Outflow of Finance Cost	(499)	(484)
Free Cashflow	16,075	1,001

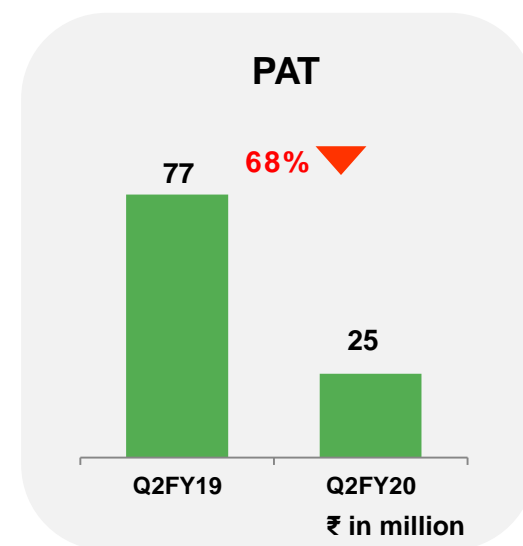
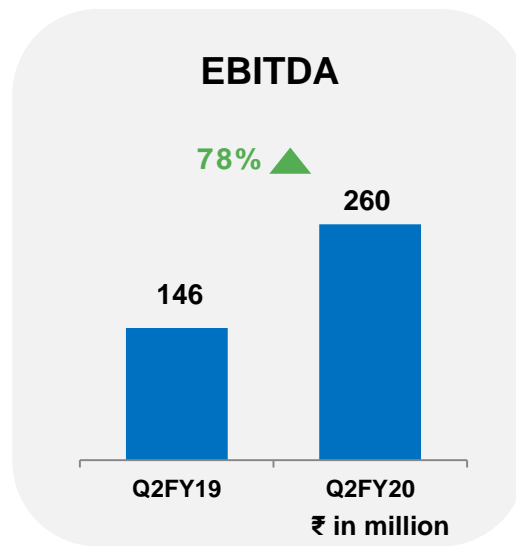
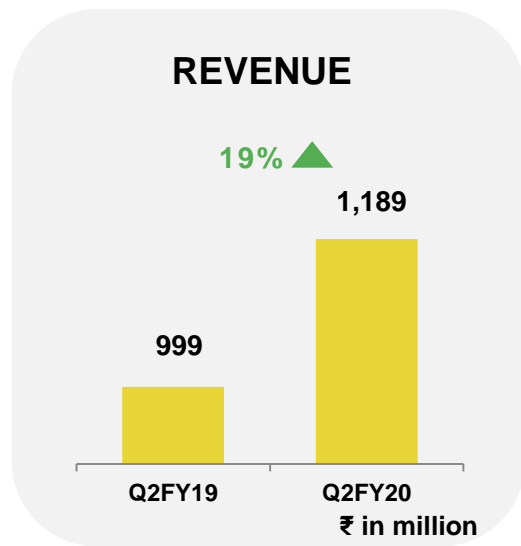
Q2FY20 – Top 5 Vendors Consolidated

REVENUE



Q2FY20 Performance – ProConnect

- Revenue growth over Q2FY19 is 19%
- EBITDA growth over Q2FY19 is 78%





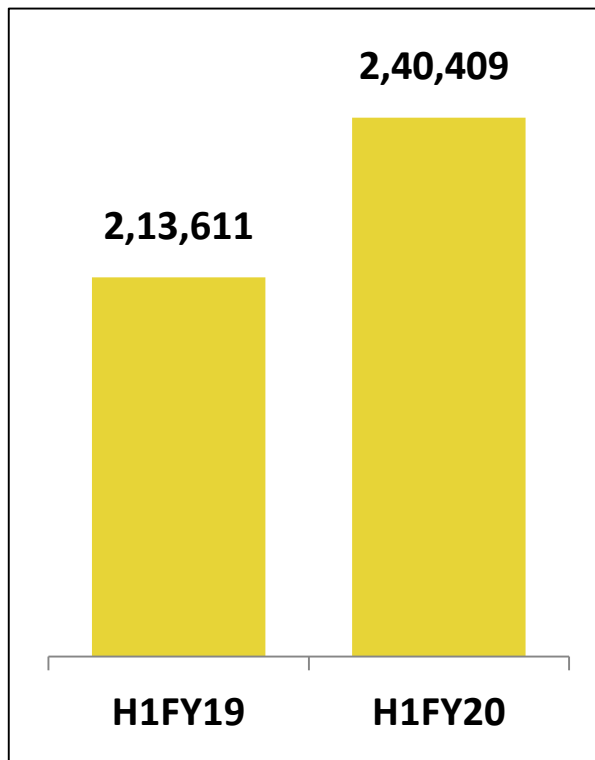
H1FY20 Performance

H1FY20- Consolidated Financials

₹ in million

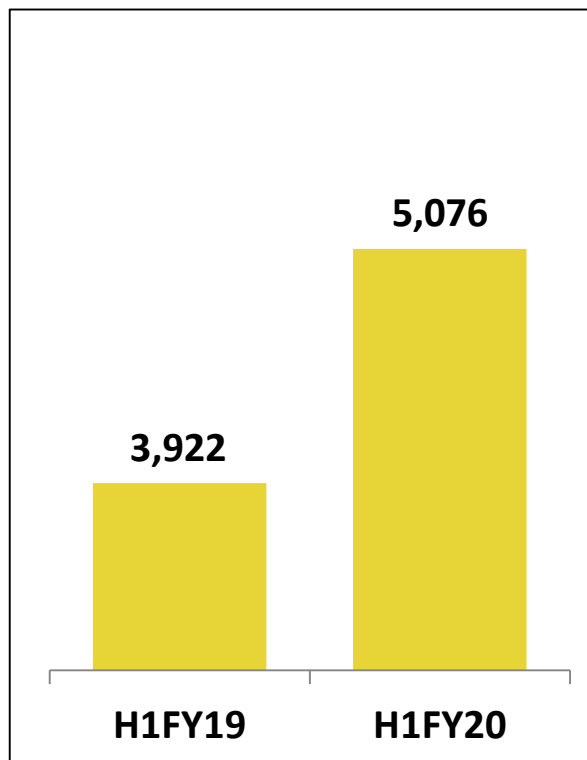
REVENUE

13% ▲



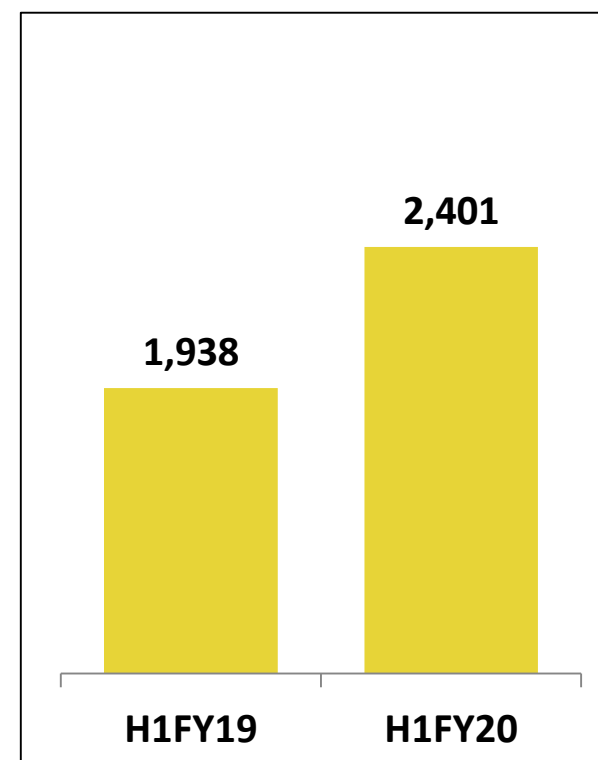
EBITDA

29% ▲



PAT

24% ▲



H1FY20 Performance by Market

₹ in million

REVENUE

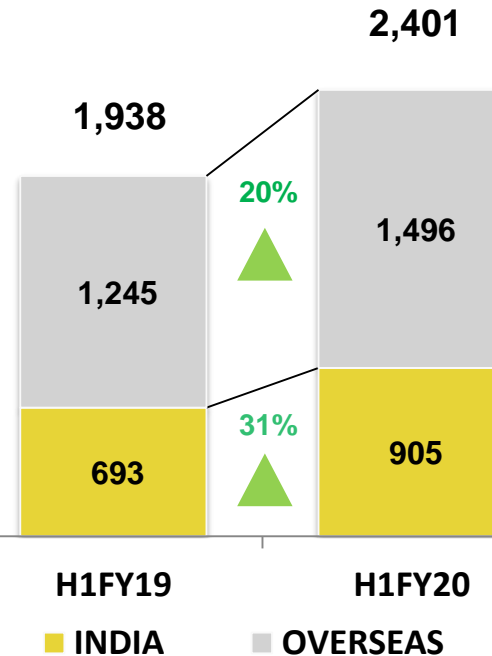
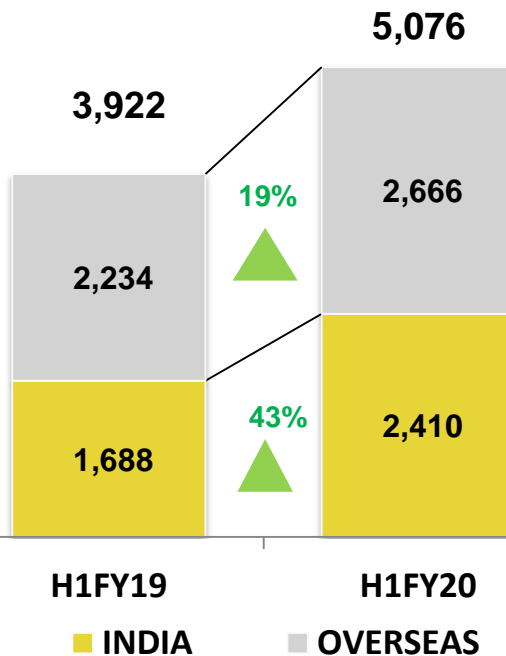
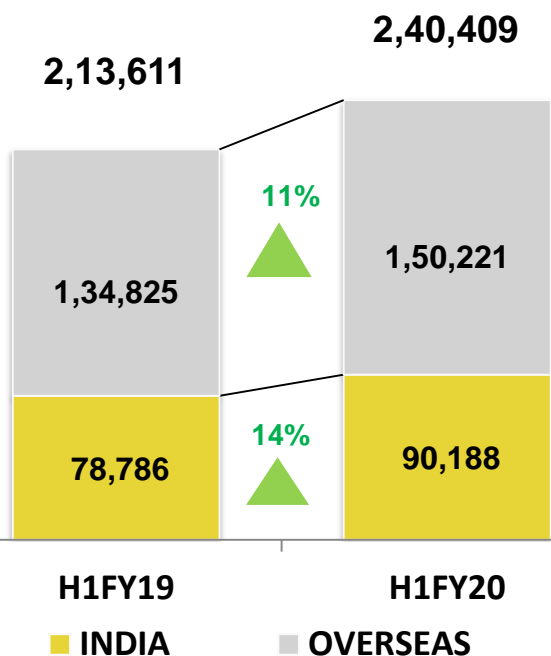
13% ▲

EBITDA

29% ▲

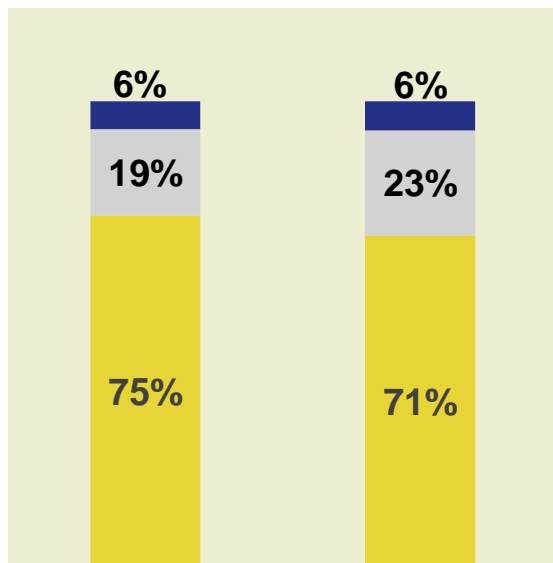
PAT

24% ▲



H1FY20 Performance by Vertical

INDIA

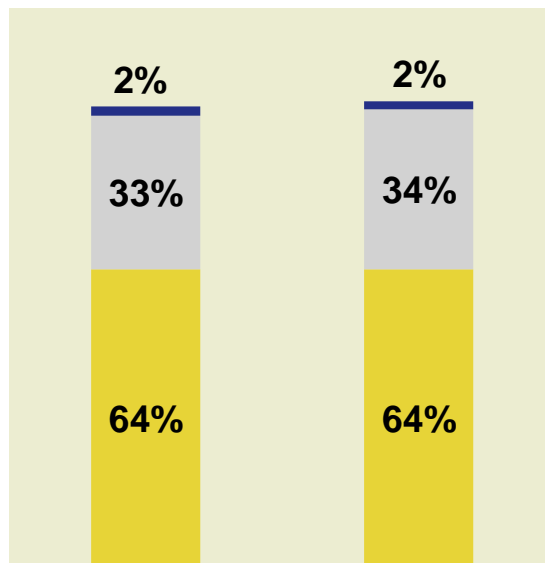


H1FY19

H1FY20

■ IT ■ Mobility ■ Services

OVERSEAS

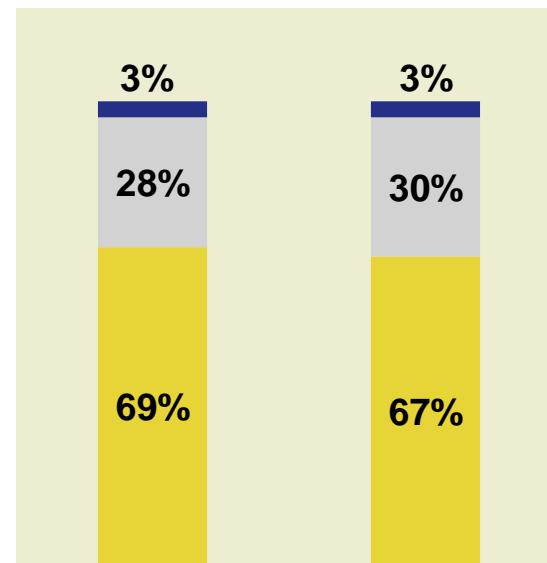


H1FY19

H1FY20

■ IT ■ Mobility ■ Services

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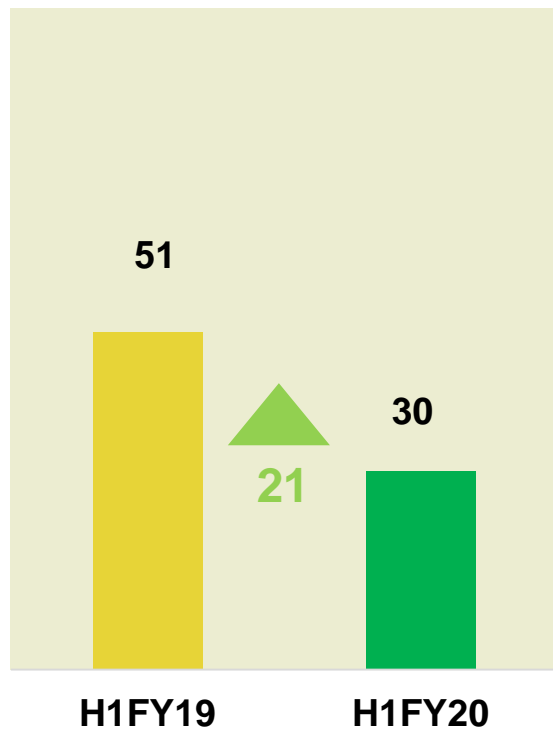
H1FY19

H1FY20

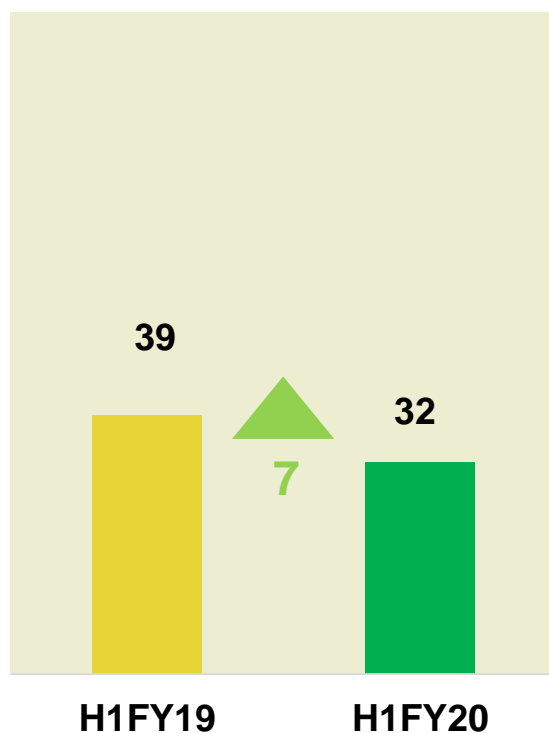
■ IT ■ Mobility ■ Services

H1FY20 – Working Capital Days

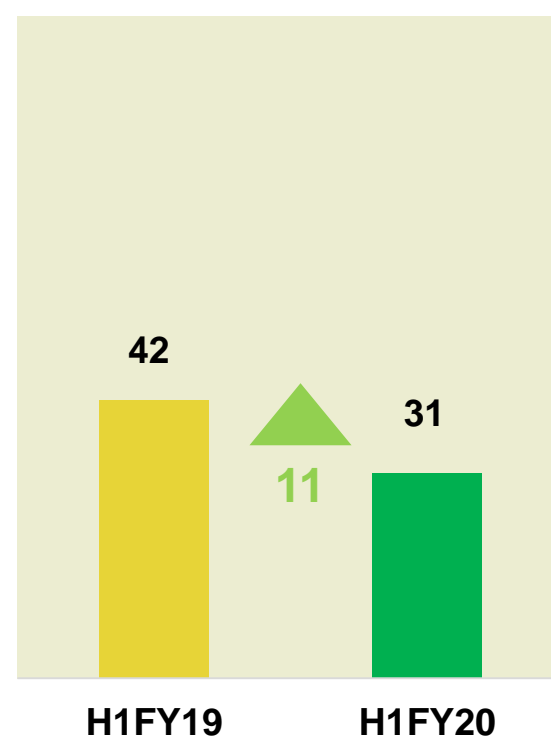
INDIA



OVERSEAS



CONSOLIDATED



Free Cash Flow Statement

₹ in million

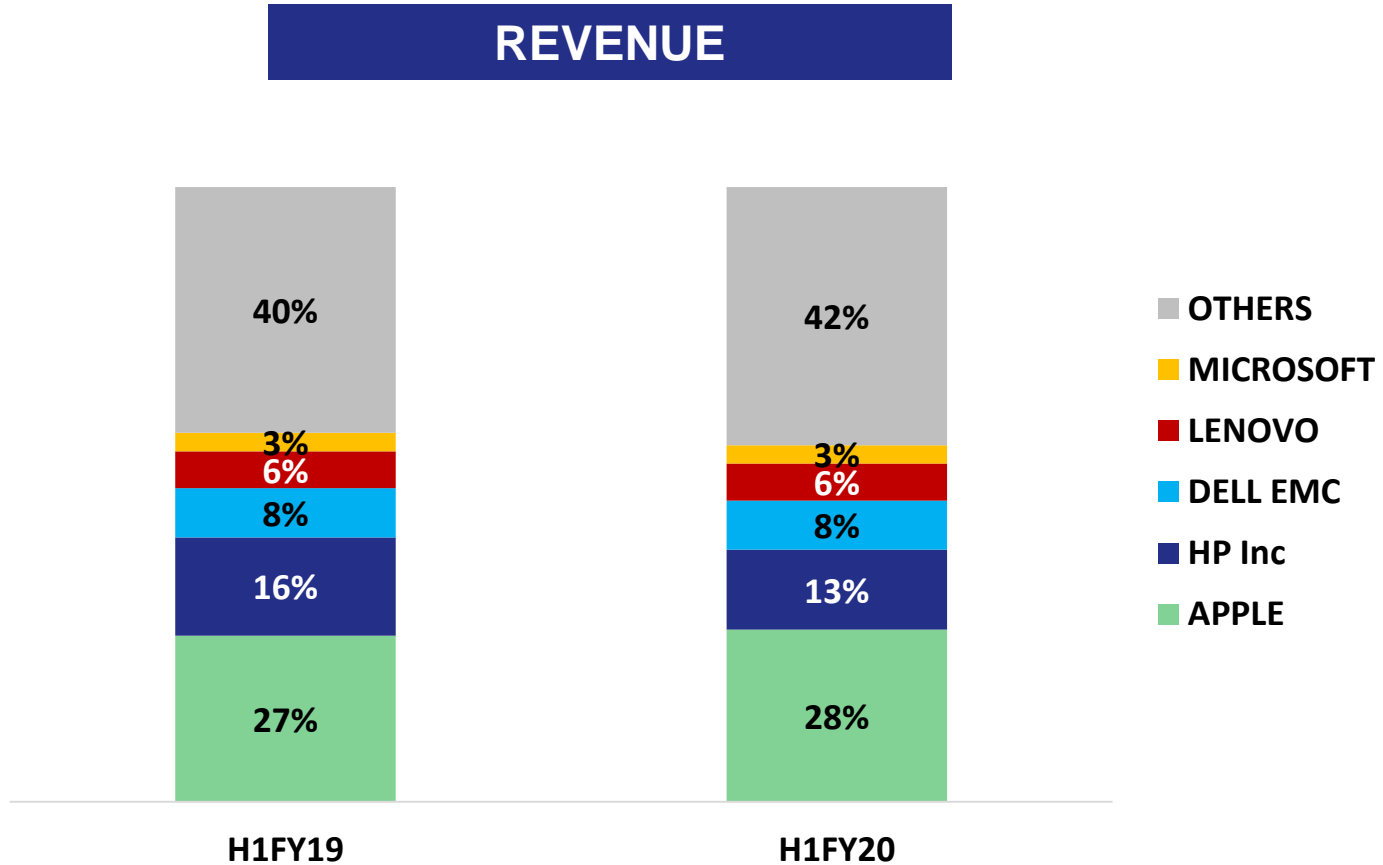
Particulars	H1FY20	H1FY19
Profit Before Taxation	2,981	2,692
Non-cash items	976	1,131
Outflow of Finance Cost	1,103	832
Changes in Working Capital	5,141	960
Direct Tax Paid	(783)	(1,049)
Net Cash Flow from Operations	9,418	4,567
Capex	(363)	(337)
Dividend	(1,287)	(1,138)
Outflow of Finance Cost	(1,039)	(922)
Free Cashflow	6,729	2,171

Consolidated Balance Sheet

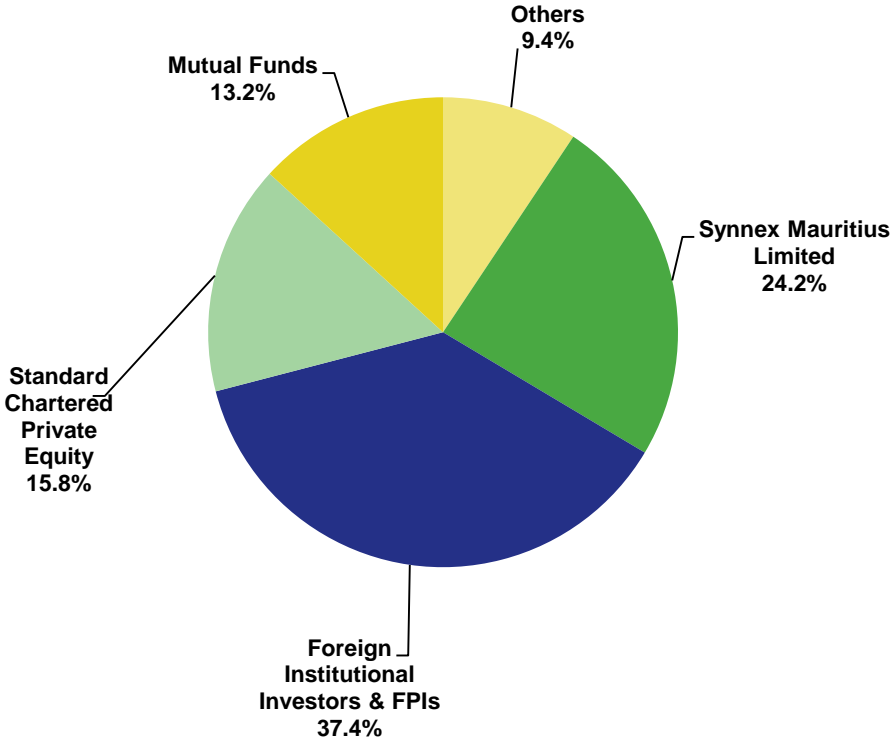
₹ in million

Particulars	30-SEP-19	30-SEP-18
Source:		
Networth	40,542	38,567
Net Debt	4,045	10,087
Minority Interest	3,558	3,753
Total	48,145	52,407
Application:		
Fixed Assets	4,558	5,068
Goodwill	218	238
Net Assets	43,369	47,101
Total	48,145	52,407

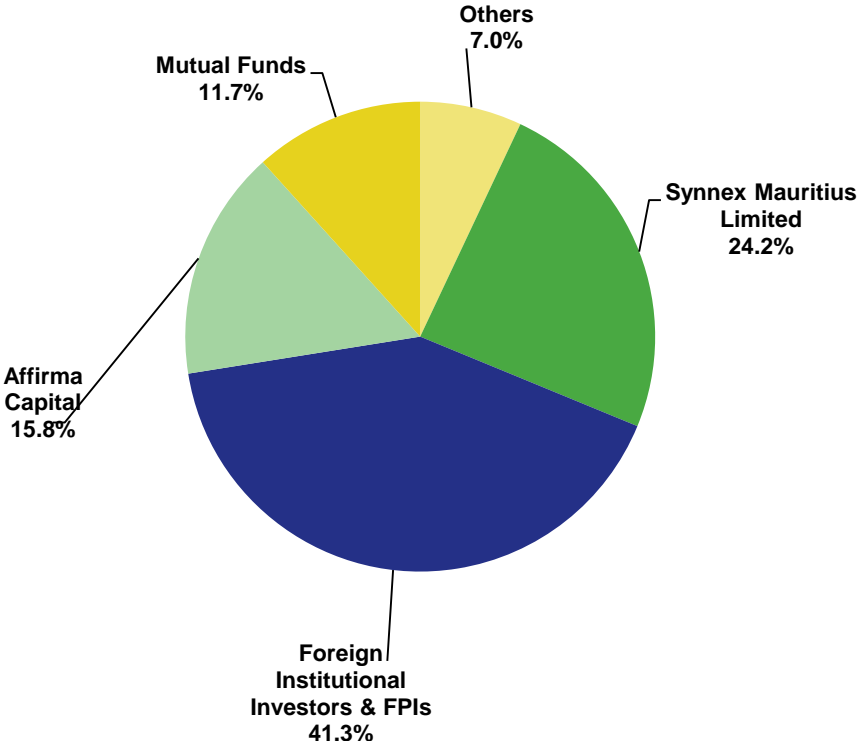
H1FY20 – Top 5 Vendors Consolidated



Shareholding Pattern



Jun-2019



Sep-2019

Note: Post corporate restructuring, SCPE shareholding has been transferred to Affirma Capital



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