

Registered & Corporate Office

Redington (India) Limited
Redington House, Centre Point,
Plot. No.11 (SP), Thiru.Vi.Ka Industrial Estate,
Guindy, Chennai- 600032. Tamil Nadu, INDIA
Tel:+91 44 4224 3353 Fax:+91 44 2225 3799
CIN: L52599TN1961PLC028758
www.redingtongroup.com

November 9, 2021

The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

Dear Sir/Madam,

### Sub: Presentation to Investor/Analyst Meet

This is further to our announcement dated November 2, 2021 on the Analyst/Investors conference call on the unaudited financial results for the quarter and half year ended September 30, 2021 scheduled today.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Investor Presentations that will be shared with the Analysts/Investors.

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the same will also be uploaded on the website of the Company at <a href="https://www.redingtongroup.com">www.redingtongroup.com</a>

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**

Q2FY22 Earnings Presentation
Sep 2021

### **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**

- Q2FY22 On a Global basis, Revenue grew by 11% while EBITDA grew by 47% and PAT grew by 73%
  - India Revenue grew by 30%, EBITDA grew by 65% and PAT grew by 85%
  - Overseas Revenue degrew by 0.4%, EBITDA grew by 36% and PAT grew by 65%
- H1FY22 On a Global basis, Revenue grew by 17% while EBITDA grew by 52% and PAT grew by 105%
  - India Revenue grew by 41%, EBITDA degrew by 76% and PAT grew by 154%
  - Overseas Revenue grew by 5%, EBITDA grew by 38% and PAT grew by 81%
- Key Metrics
  - Strong positive FCF generation of Rs. 10,583mn for Q2FY22 and Rs.7,415mn for H1FY22
  - On a Global basis, WC days for Q2FY22 is 7 days and H1FY22 is 8 days
  - On a Global basis, for the quarter, **ROCE** is **74.6%** and **ROE** is **23.8%**
  - Gross Debt to Equity is at 0.07x and Net Debt to Equity is at (0.69x)

## **Financial Highlights**

### **INDIA BUSINESS**

- During the quarter,
  - India Distribution Revenue grew by 30%, EBITDA grew by 82% and PAT grew by 107%
  - IT segment grew by 33% YoY led by growth in IT Consumer segment while Mobility segment grew by 21%
     Yoy
  - WC days stood at 3 days in Q2FY22 as against 14 days in Q2FY21
  - Strong FCF generation at Rs. 9,852mn
  - ROCE is strong at 71.5%

### **ProConnect India (PCS)**

- PCS grew revenues by **16% YoY** but degrew PAT by **13% YoY** on the back of RCS merger impact in the base quarter (excluding the same, PAT would have grown by **36% YoY**)
- PCS registered EBITDA margin of 11% for the quarter

## **Financial Highlights**

### **OVERSEAS BUSINESS**

- During the quarter,
  - Overseas revenues degrew by 0.4% YoY but grew strong double digit at EBITDA and PAT level
    - SSA revenues impacted by degrowth in SSA on account of shift of few biz (at vendor end) to India
    - IT segment in META grew by 10% YoY
    - Arena revenues impacted by degrowth in Mobility biz in Turkey
  - WC days stood at 11 days in Q2FY22 as against 14 days in Q2FY21
  - Strong FCF generation at Rs. 731 mn
  - ROCE is strong at 77.0%

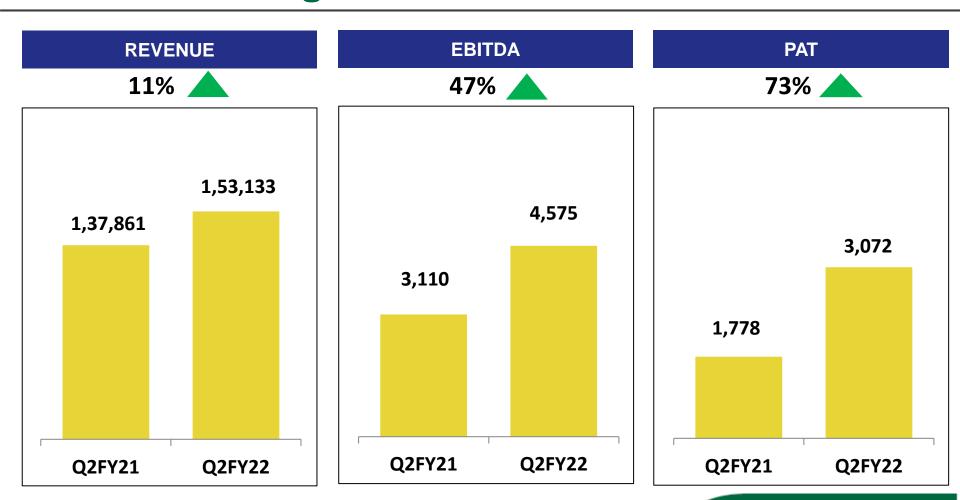
### **Turkey Update**

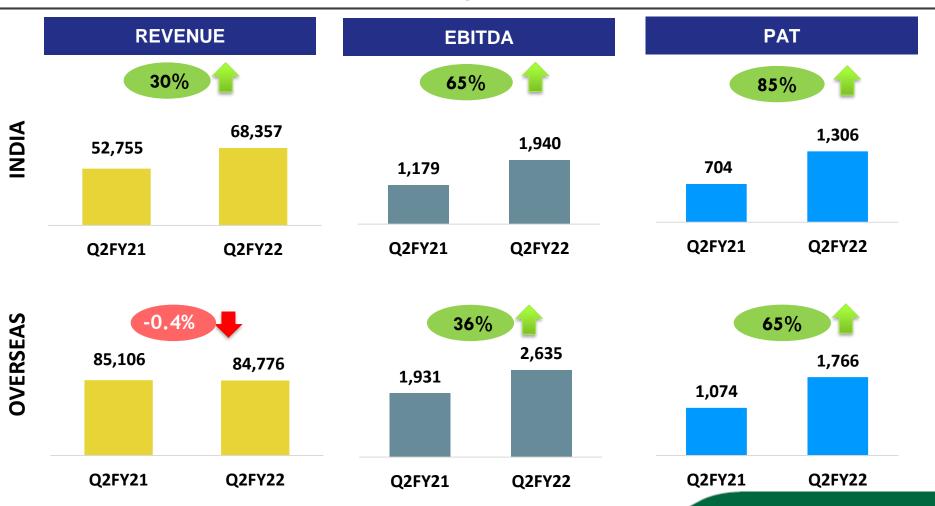
During the quarter, Arena degrew revenues at 17% YoY but grew EBITDA by 19% YoY and PAT by 85% YoY,
 driven by opex savings and favourable tax rate of 8%



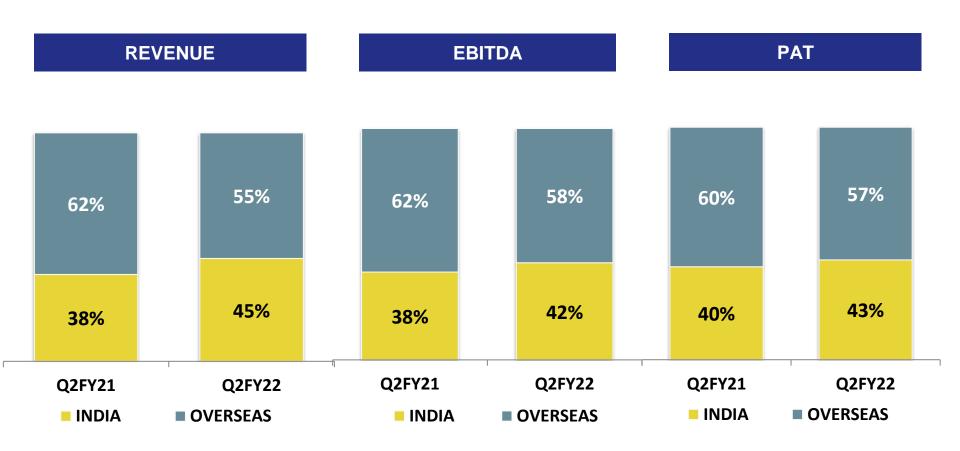
**Q2FY22** Highlights

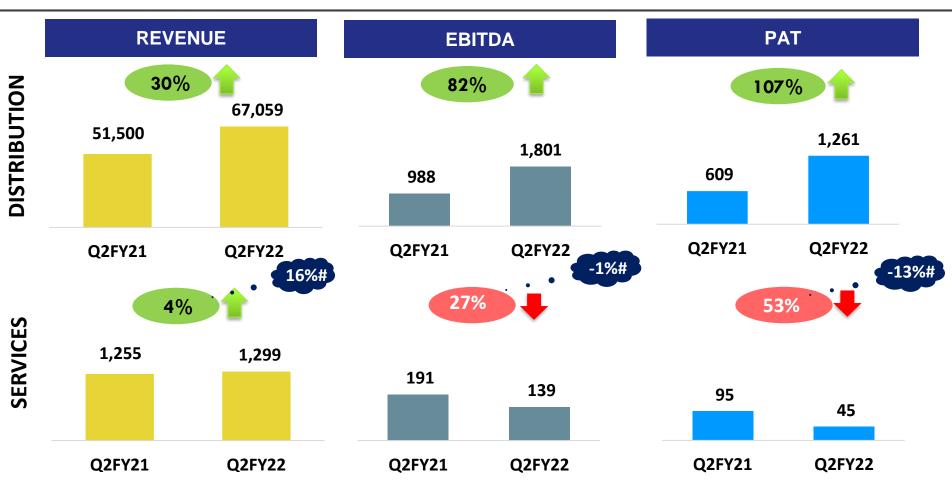




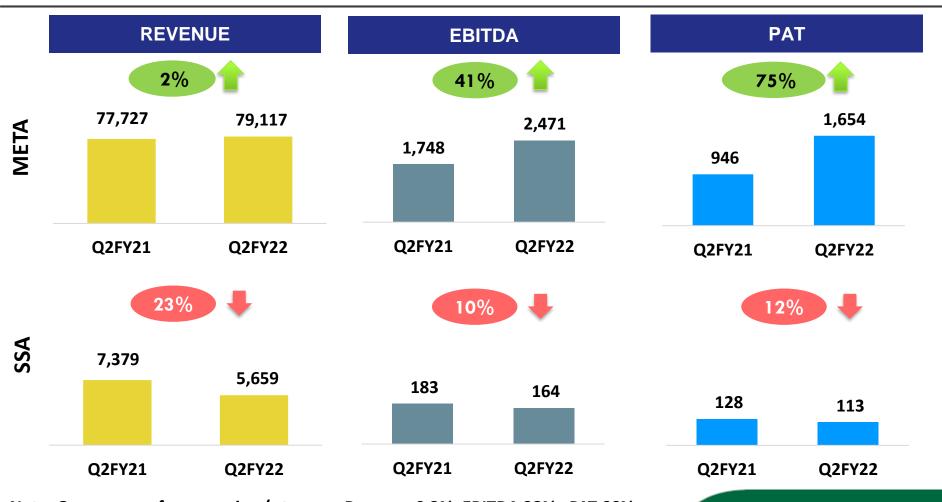


## **Q2FY22 Contribution by Market**



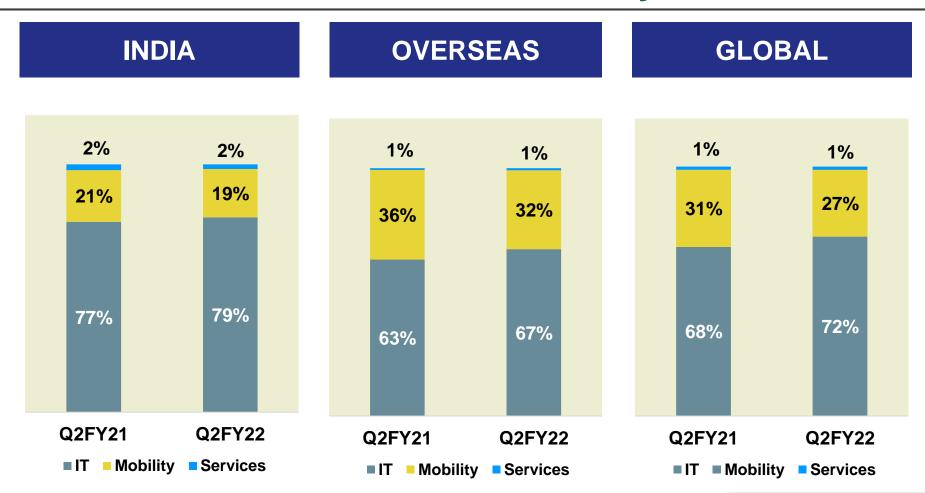


**#Services excluding Ensure (divested in Q1FY21)** 



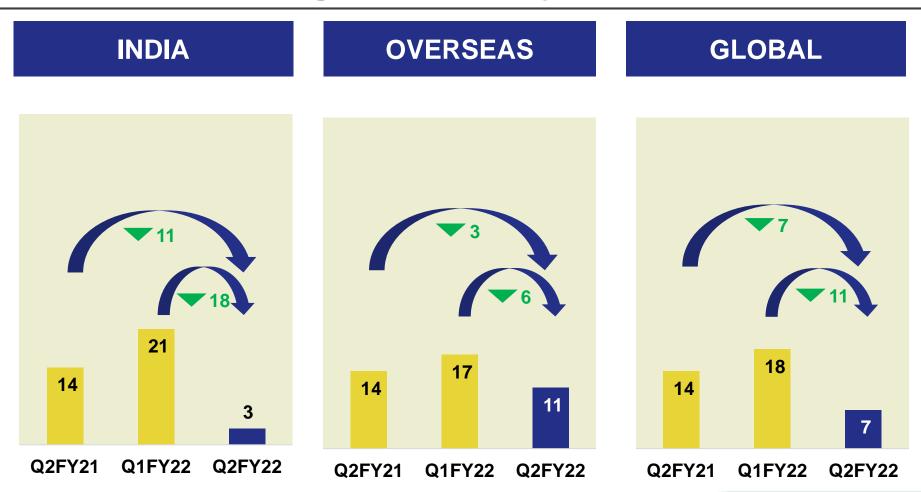
Note: Overseas performance in c/c terms – Revenue 0.3%; EBITDA 38%; PAT 66%

# **Q2FY22** Revenue Performance by Verticals



Note: Services includes Ensure India figures in Q2FY21

# **Q2FY22 Working Capital Days**

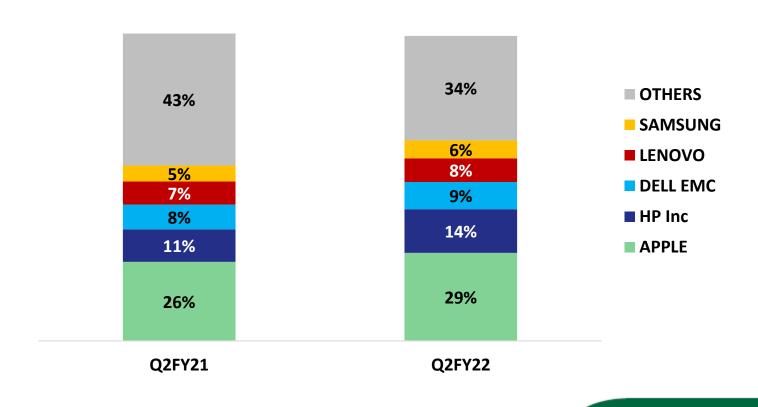


# **Q2FY22 Free Cash Flow Statement**

| Particulars                   | Q2FY21 | Q1FY22  | Q2FY22  |
|-------------------------------|--------|---------|---------|
| Profit Before Taxation        | 2,412  | 3,014   | 3,908   |
| Non-cash items                | 465    | 511     | 372     |
| Outflow of Finance Cost       | 171    | 183     | 217     |
| Changes in Working Capital    | (224)  | (5,901) | 12,563  |
| Direct Tax Paid               | (645)  | (667)   | (857)   |
| Net Cash Flow from Operations | 2,179  | (2,861) | 16,203  |
| Capex                         | (118)  | (90)    | (916)   |
| Dividend                      | -      | (74)    | (4,531) |
| Outflow of Finance Cost       | (241)  | (143)   | (173)   |
| Free Cashflow                 | 1,820  | (3,167) | 10,583  |

# **Q2FY22 Top 5 Vendors**

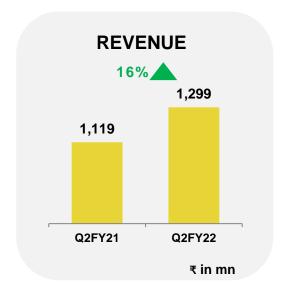


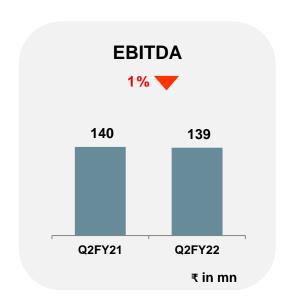


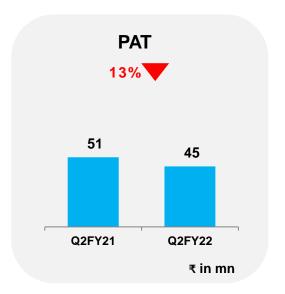
## **Q2FY22 ProConnect India**

- PCS registered growth across all metrics with revenue growth of 16% YoY
- PCS registered EBITDA margin of 11% for the quarter







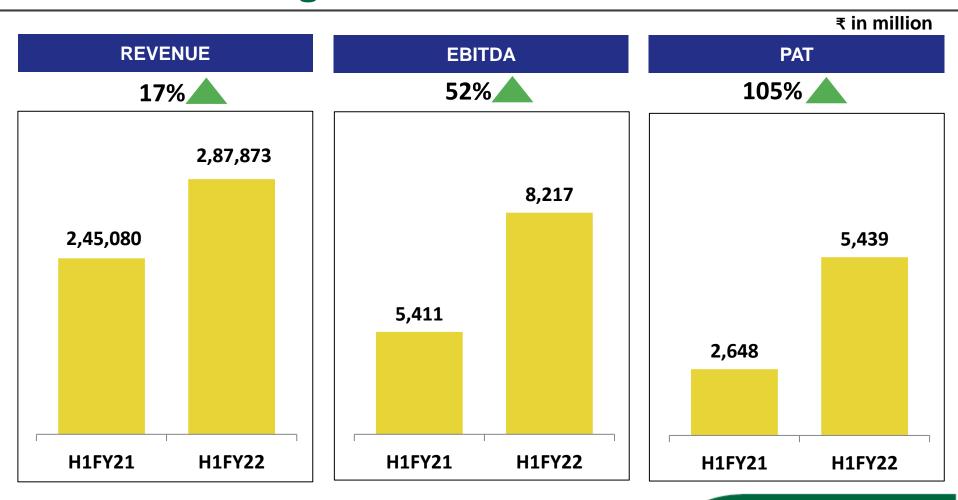


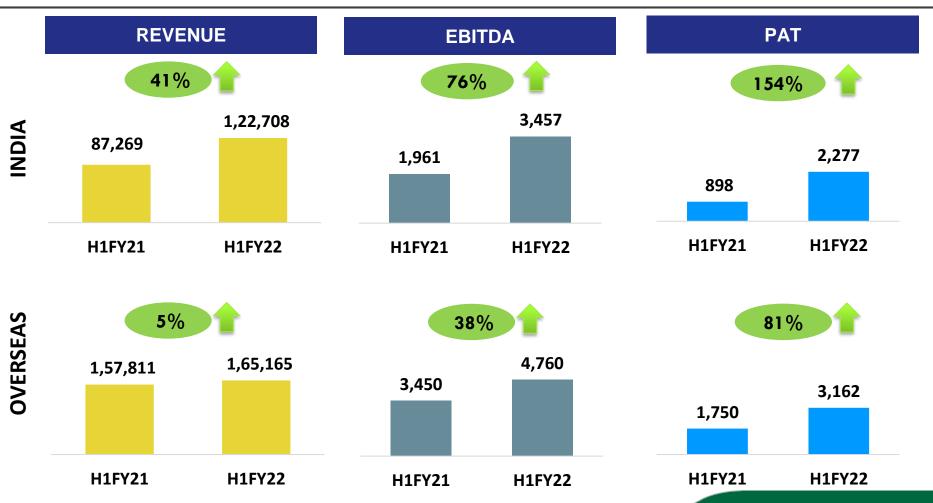


H1FY22 Performance

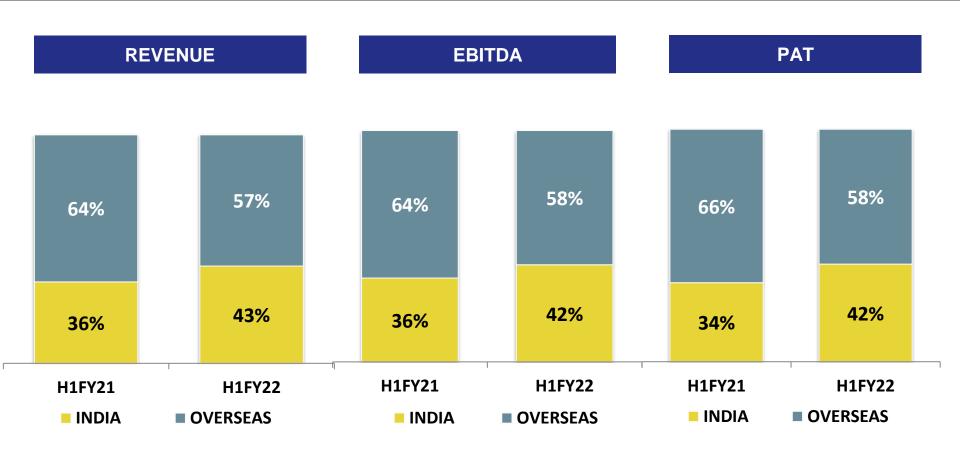


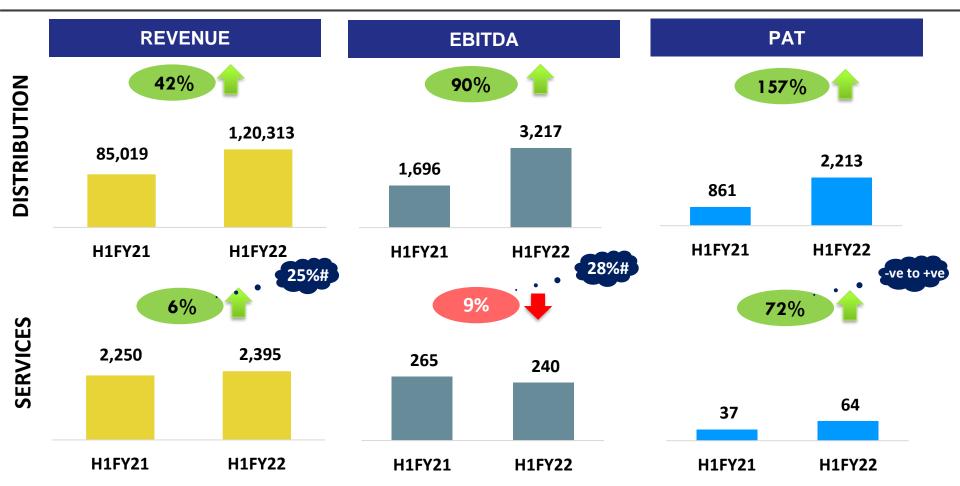
## **H1FY22** Redington Global Performance



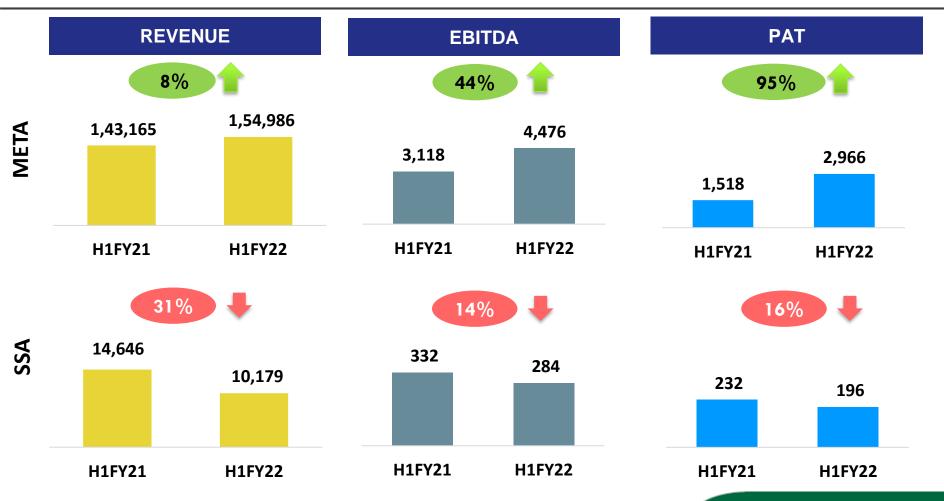


# **H1FY22 Contribution by Market**



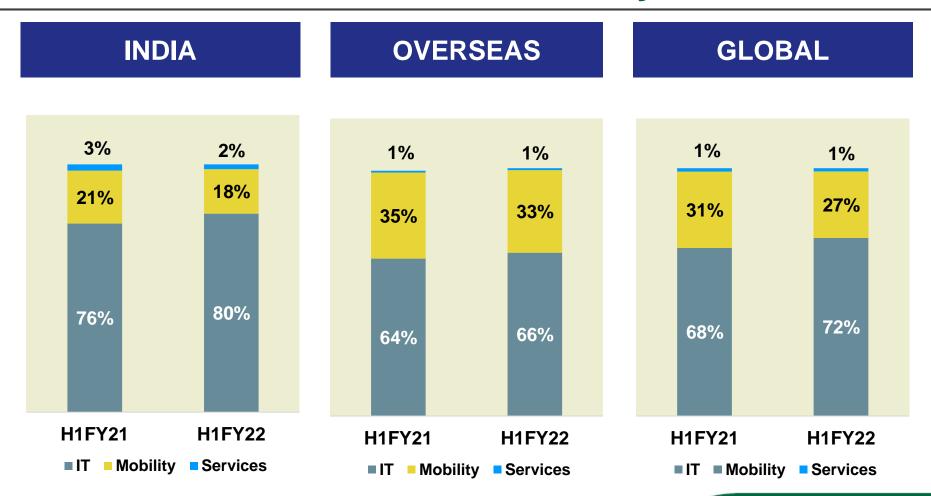


**#Services excluding Ensure (divested in Q1FY21)** 



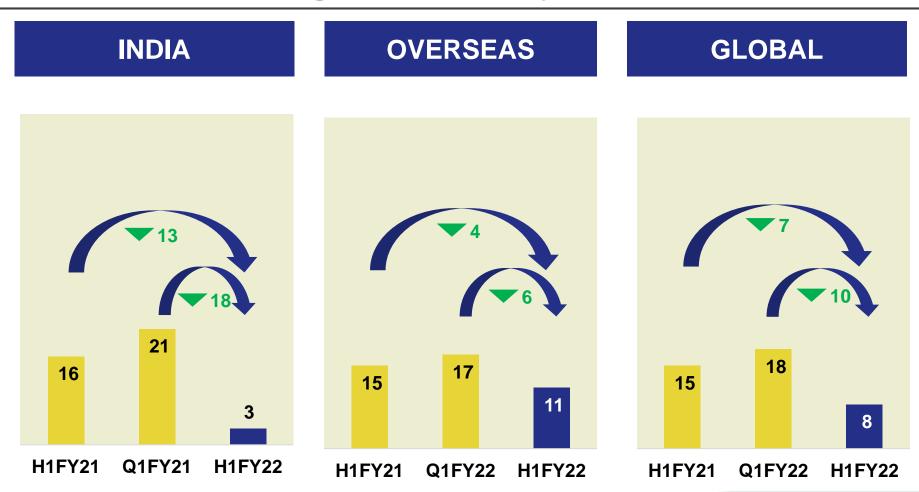
Note: Overseas performance in c/c terms – Revenue 6%; EBITDA 40%; PAT 83%

## H1FY22 Revenue Performance by Verticals



Note: Services includes Ensure India figures in Q2FY21

# **H1FY22 Working Capital Days**



# **H1FY22 Free Cash Flow Statement**

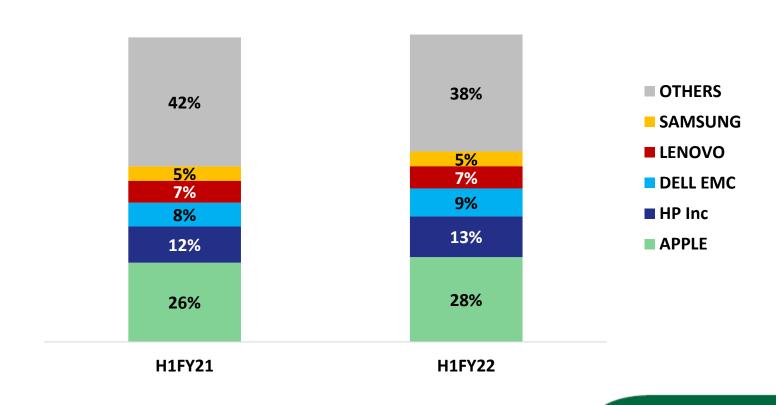
| Particulars                   | H1FY21 | Q1FY22  | H1FY22  |
|-------------------------------|--------|---------|---------|
| Profit Before Taxation        | 3,717  | 3,014   | 6,921   |
| Non-cash items                | 891    | 511     | 883     |
| Outflow of Finance Cost       | 595    | 183     | 400     |
| Changes in Working Capital    | 21,834 | (5,901) | 6,662   |
| Direct Tax Paid               | (932)  | (667)   | (1,524) |
| Net Cash Flow from Operations | 26,105 | (2,861) | 13,342  |
| Capex                         | (257)  | (90)    | (1,006) |
| Dividend                      | -      | (74)    | (4,605) |
| Outflow of Finance Cost       | (704)  | (143)   | (316)   |
| Free Cashflow                 | 25,144 | (3,167) | 7,415   |

## **H1FY22 Balance Sheet**

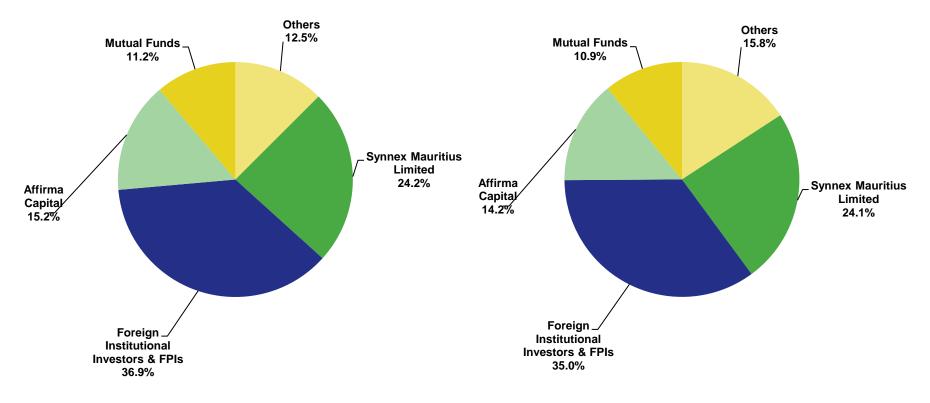
| Particulars         | 30-SEP-20 | 30-SEP-21 |
|---------------------|-----------|-----------|
| Source:             |           |           |
| Networth            | 44,904    | 50,616    |
| Net Debt            | (22,912)  | (37,612)  |
| Minority Interest   | 3,727     | 3,774     |
| Total               | 25,719    | 16,778    |
| Application:        |           |           |
| Fixed Assets        | 4,610     | 4,752     |
| Goodwill            | 183       | 183       |
| Right to Use Assets | 1,856     | 1,841     |
| Net Assets          | 19,070    | 10,002    |
| Total               | 25,719    | 16,778    |

# **H1FY22 Top 5 Vendors**





# **Shareholding Pattern**



Jun-2021 Sep-2021



### **Investor Contacts**

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# **Corporate Presentation**

Sep 2021



### Disclaimer



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## **About Redington**



### We are a Services & Solutions company



- An Emerging Markets Multinational with presence across 37 markets
- Distributor → Entire gamut of IT products, Smartphones, Non-tech products, etc
- Service & Solutions → Enterprise professional services, Cloud Managed Services, Logistics Services, Support Services, 3D Printing services

### We have expansive network and strong relationships



- Over 245+ brands associations and servicing 35,900+channel partners
- 4,099+ Redingtonians creating a culture of inclusion, creativity, and innovation

### We are a professionally run and board governed company

- SEBI status Listed entity with no promoter
- Independent Director as the Chairman since listing



- Executive Leadership team with minimum of 15+ yrs of experience
- In July 2021, Redington (India) Ltd received a rating of BBB rating in the MSCI ESG Ratings assessment\*

### We have demonstrated consistent financial performance



- \$7.7bn+ company with strong double digit 14 year CAGR
- Average ROE range of ~16-18% and ROCE of ~18-20%

\*MSCI Disclaimer in Slide 2

### **Our Business**





### PCs, Laptops, Tablets

A leading distributor of consumer & commercial PCs, desktops, laptops, iPads and MacBooks



### **Printers & Print Supplies**

Rich experience in distributing printers & related consumables and accessories



### **Smartphones**

Distributors of wide assortment of smartphones

#### **Networking**

Solutions ranging from basic switching or routing to software-defined networking



#### **Software**

Software solutions spanning across business productivity software to software used for specific business verticals



#### **Server & Storage**

In-house certified experts who help channel partners build the optimal data strategy for their customers





### Licensing & Subscription

Enabling Licensing & Subscription services for Autodesk, Microsoft, etc



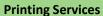
### **Security**

One-stop solution for channel partner looking for enterprise security solutions



### Cloud Resell & Managed Services

Clould Management Platform enabled, S.M.A.R.T. Cloud Adoption Framework



Digital printing services (HP Indigo) and 3D printing services



### **Logistics Services**

3PL services through Wholly Owned Subsidiary, ProConnect, offering Warehousing, Transportation & VAS



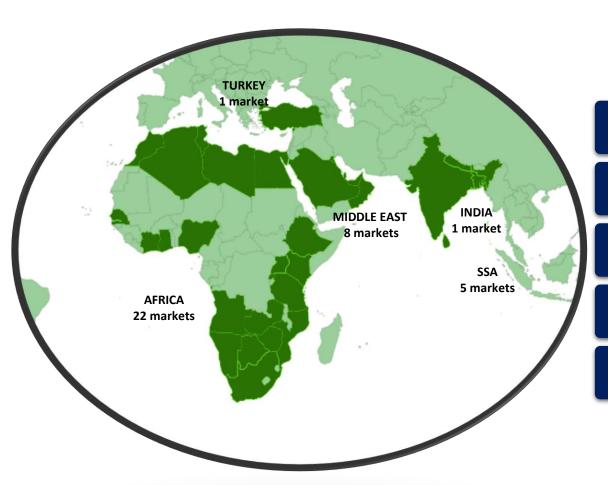
### **Support Services**

Post Sales warranty services, Infrastructure Managed Services through subsidiary, Ensure



## Our Presence





Enviable "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 Brands & Channel Partners





#### **CHANNEL PARTNERS**

- Sub Distributors
- ☐ Retailers
  - Large Format Retailers
- Multi Brand Retailers
- Branded Stores
- Resellers
- CorporateResellers
- ☐ Value Added Resellers
- System Integrators
- ☐ Independent
  Software Vendors
- ☐ E-Commerce Players

(ISVs)

### 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

#### **Non-Executive Directors**



Tu, Shu-Chyuan VP, Group Business Strategy & Development Synnex Tech, Taiwan



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

### 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



President,
IT Volume,
Middle Fast



Rawad Ayash,
President,
Telecom,
Middle East



Jim Mathew President, Telecom, Africa



Sayantan Dev President, IT Value Distribution



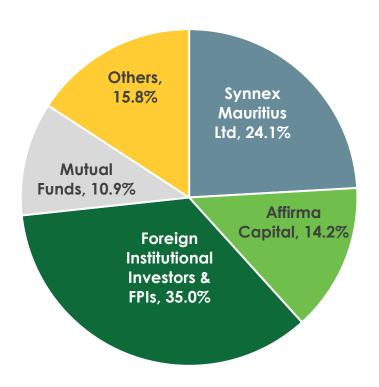
S Chidambaram Exec. Vice President, ProConnect Logistics, MEA



Serkan Celik, CEO, Arena, Turkey

### Our Shareholders







**HDFC Mutual Fund** 



Fidelity Management & Research (FMR)



ICICIPru Life Insurance



Massachusetts Institute Of Technology Investment Management Company



**Franklin Templeton Investments** 



**The Vanguard Group** 



Ruane, Cunniff & GoldFarb



**TATA Mutual Fund** 

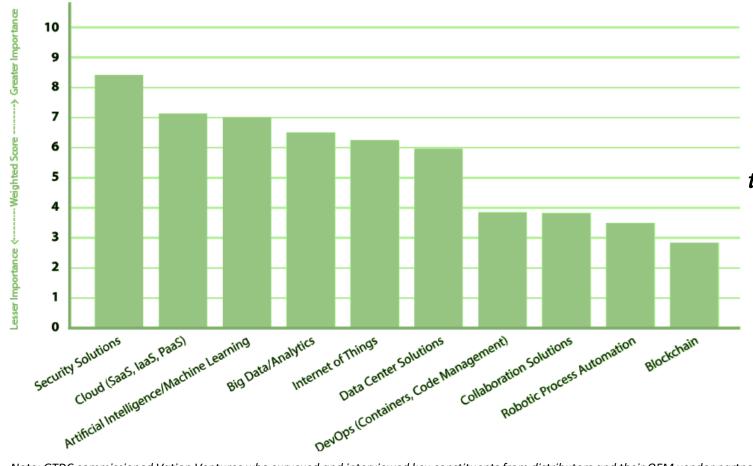


## **Our Strategy**



### Technology Trends in the future





Ranking of the technology trends in the future by Respondents

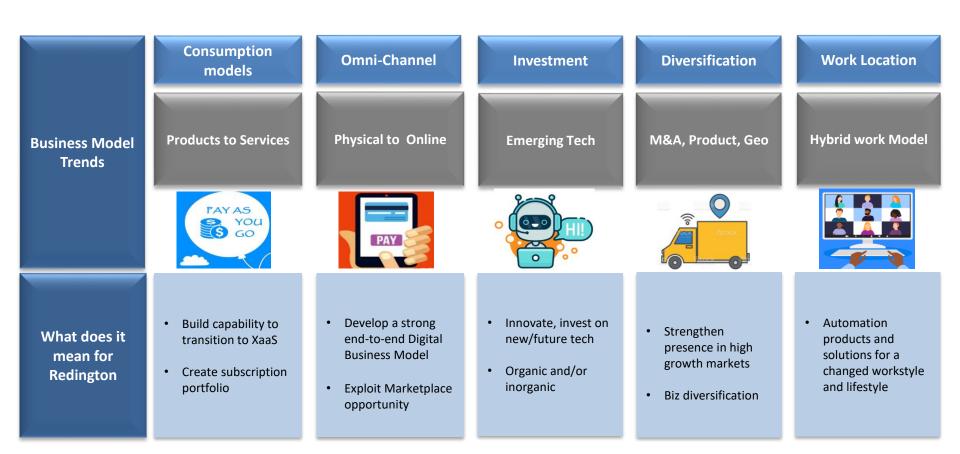
Note: GTDC commissioned Vation Ventures who surveyed and interviewed key constituents from distributors and their OEM vendor partners. The majority of study participants – nearly 69% – possess greater than a decade of experience working with technology distributors. Those new to distribution also represented a sizable 10% of the respondents, and approximately 21% indicated between 5-10 yrs of distribution-related experience

## Key Tech trends and Redington possibility

In 2022 : Global ICT spend growth at 5.5%, India \$98Bn @ 6% and MENA \$177Bn @ 4%.

**Technology Trends Hybrid Cloud Emerging Tech** 5G **Cyber Security Digital economy Tech Growth** IND: 20.0% IND: 25.0% IND: 26.0% IND: 20.2% **META: 10.4 M** CAGR % (2021-26) **META: 7.9% META: 17.2% META: 15.3%** Subs (2021 Est.) **META: 25.0%** Capability creation Adopt Emerging Tech Refresh High growth in Digital platform - competency and Tech for internal Security products and Digital projects to suit 5G Automation digital - required for environment & solutions **Payment Solutions** What does it high growth Telecom, media & Product distribution mean for Assess leverage of Opportunity to entertainment. opportunities Redington Turkey product scale Managed Focus on alliances, Healthcare focus Paynet for quick **Security Services** partnerships, ISV's Increased device **Solutions & Services** Practice (MSSP) roll out and service delivery offerings demand

### Biz model trends and Redington opportunity



### Changing Distribution needs & our preparedness





Respondents
ranked the need
for the following
distribution go-tomarket services in
the future

Note: GTDC commissioned Vation Ventures who surveyed and interviewed key constituents from distributors and their OEM vendor partners. The majority of study participants – nearly 69% – possess greater than a decade of experience working with technology distributors. Those new to distribution also represented a sizable 10% of the respondents, and approximately 21% indicated between 5-10 yrs of distribution-related experience

### Our Strategy



#### Addressing the technology needs of the Emerging Markets



Continue being a key player in the existing tech practices

#### **Business model re-invention**

- From brick & mortar to omni channel play
- \*
- From products to services play
- Moving towards XaaS revolution
- Consistent & continuous value addition to brands & channel partners

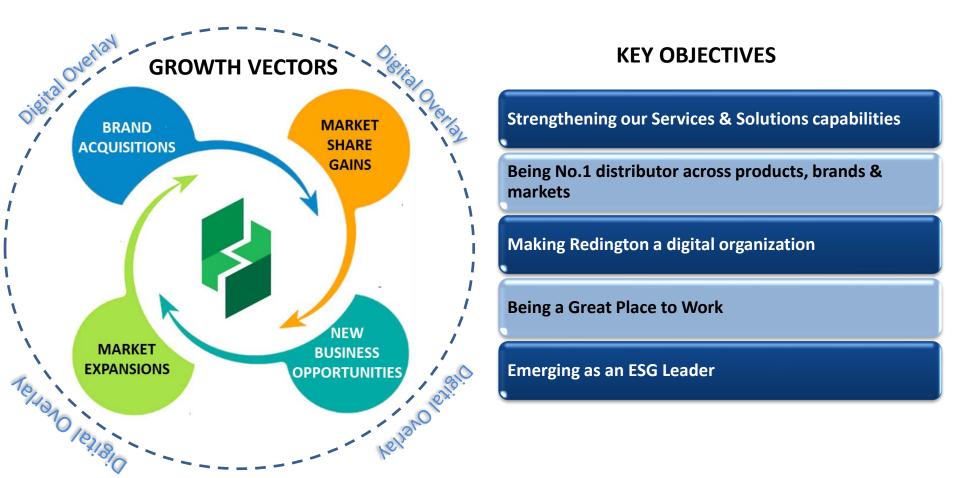
#### Focus on high tech areas



 Cloud, 5G, Automation, Analytics, IoT, Artificial Intelligence, Augmented Reality/Virtual Reality, Cyber Security, Digital economy, etc

### Our growth vectors & objectives







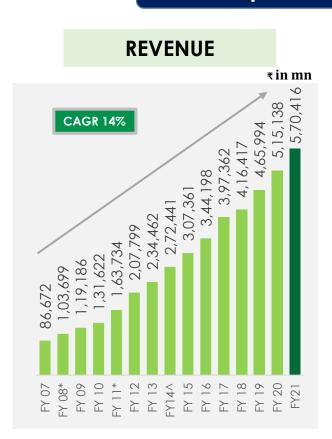
### **Financial Performance**

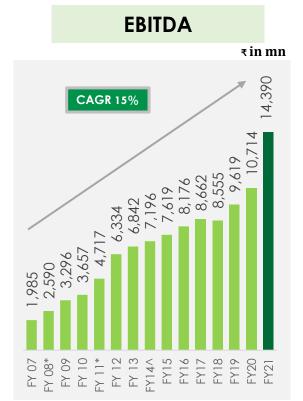


## Performance Since Listing



### Surpassed Rs.500 bn milestone mark in Revenues



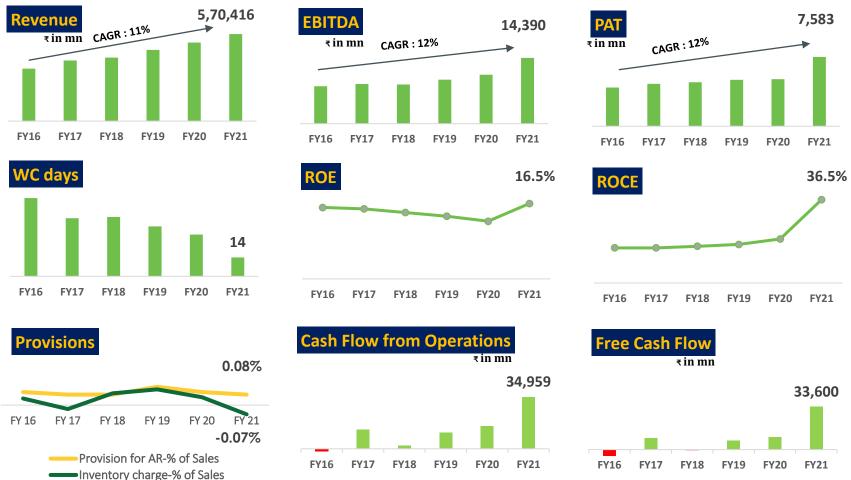




<sup>\*</sup>Post acquisition of Easyaccess Financial Services in FY 08 and Arena in FY 11. ^ Post sale of Easyaccess Financial Services FY21 PAT has been restated to provide RCS merger effect

### Performance Snapshot





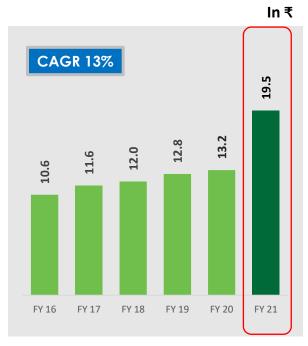
### Value Creation for our Shareholders

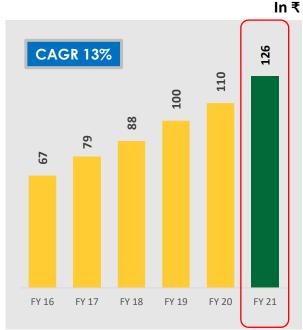


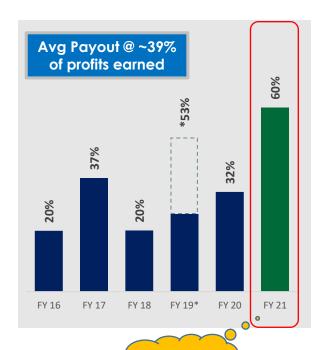
EPS

**BOOK VALUE/SHARE** 

**PAYOUT TO SHAREHOLDERS\*** 







**BONUS ISSUE** 

\*Includes both dividend & buyback

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

Note: FY21 EPS has been restated to provide RCS merger effect

## H1FY22 Performance Snapshot



**REVENUE** 

17%

H1FY22: Rs.2,87,873 mn H1FY21: Rs.2,45,080 mn

**WC DAYS** 

8 days

H1FY21: 15 days

**INVENTORY CHARGE** 

0.18%

H1FY21: (0.08)%

**EBITDA** 

**52%** 

H1FY22: Rs.8,217 mn H1FY21: Rs.5,411 mn

**ROE** 

21.8%

H1FY21: 12.1%

**AR PROVISION** 

0.08%

H1FY21: 0.04%

PAT

**105%** 

H1FY22: Rs.5,439 mn H1FY21: Rs.2,648 mn

ROCE#

76.7%

H1FY21: 25.2%

**FREE CASH FLOW** 

Rs.7,415 mn

H1FY21: Rs.25,144 mn

### **CONTACT US**



#### **Compliance Officer**

M. Muthukumarasamy
Redington (India) Limited
Redington House, Centre Point, Plot No. 11 (SP),
Thiru. Vi. Ka. Industrial Estate, Guindy,
Chennai 600 032
https://www.redingtongroup.com

CIN - L52599TN1961PLC028758

#### **Investor Contact**

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Senior Manager – Investor Relations
sowmiya.manickam@redington.co.in

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



# **THANK YOU**

