

May 27, 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 May 21, 2021 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 Analysts/Investors.

The same will be uploaded on our website [www.redingtongroup.com](http://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**

**Q4FY21 Earnings Presentation**

**Mar 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

Highest ever  
REVENUES

**Rs.5,70,416 mn**

Highest ever  
EBITDA

**Rs.14,390 mn**

Highest ever  
PAT

**Rs.7,564 mn**

Rs.8,454 mn<sup>^</sup>

Lowest ever  
WC DAYS

**14 days**

Highest ever  
ROCE#

**36.5%**

Highest ever  
FCF

**Rs.33,600 mn**

#ROCE is calculated net of cash and on average capital employed

<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# Financial Highlights

- **Q4FY21** –
  - **Global** – Revenue grew by **23%**, EBITDA grew by **77%**, PAT grew by **154%**
  - **India** – Revenue grew by **45%**, EBITDA grew by **142%**, PAT grew by **935%**
  - **Overseas** – Revenue grew by **10%**, EBITDA grew by **51%** and PAT grew by **70%**
- **FY21** –
  - **Global** – Revenue grew by **11%**, EBITDA grew by **34%**, PAT grew by **47%**, Adjusted PAT grew by **64%**
  - **India** – Revenue grew by **22%**, EBITDA grew by **34%**, PAT grew by **77%** and Adjusted PAT grew by **141%**
  - **Overseas** – Revenue grew by **4%**, EBITDA grew by **35%** and PAT grew by **36%**
- **Key Metrics - Global**
  - **WC days** for Q4FY21 is **12 days** and FY21 is **14 days**
  - Strong **positive FCF** generation of **Rs. 5,989mn** for Q4FY21 and **Rs.33,600mn** for FY21
  - For the quarter, **ROCE** is **70.8%** and **ROE** is **25.7%**
  - **Gross Debt to Equity** is at **0.08x** and there is **Net Cash and Bank balance of Rs.30,480mn**
- **Stock price breached \$1bn in Market capitalization (52w high: Rs 202.9)**
- **On account of superior performance, the company has declared 60% of global profits as dividend (including 20% Special dividend)**

Note: For FY21, PAT adjusted for one-off VSV tax provision of Rs 890mn (Mainly Gift of shares case)

# Financial Highlights

## INDIA BUSINESS

During the quarter,

- India Distribution – Revenue grew by **46%**, EBITDA grew by **71%**, PAT grew by **135%**
- Strong growth across IT Consumer, IT Enterprise & Mobility segment
- **WC days** stood at **15 days** in Q4FY21 as against 33 days in Q4FY20
- Generated positive **FCF** of **Rs.1,024mn** for the quarter
- Strong ROCE and ROE performance with **ROCE** at **56.3%** and **ROE** at **34.2%**

## ProConnect India (PCS)

### *Commit*

*“We are confident that we will be able to correct it, consolidate it and once again put this company back on the growth mode by the end of the year” – Q4FY20 Call*



### *Delivery*

**Covid impact**

| Particulars    | Q1   | Q2    | Q3   | Q4    | FY21         |
|----------------|------|-------|------|-------|--------------|
| Revenues       | 80   | 112   | 137  | 129   | <b>458</b>   |
| Revenue growth | -30% | -6%   | 32%  | 36%   | <b>6%</b>    |
| EBITDA Margin  | 5.9% | 12.5% | 9.9% | 11.5% | <b>10.3%</b> |

## HC verdict – Gift of shares

- Latest Update: Department has accepted our application for settlement under the Vivas Se Vishwas Scheme, 2020 and payments have been made accordingly

# Financial Highlights

## OVERSEAS BUSINESS

- During the quarter,
  - Earnings growth was faster than revenue growth
    - Impact to revenue growth in SSA on account of shift of few biz (at vendor end) to India
  - **WC days** stood at **10 days** in Q4FY21 as against 29 days in Q4FY20
  - Strong **FCF** generation at **Rs. 4,965 mn**
- Strong ROCE and ROE performance with **ROCE** at **85.4%** and **ROE** at **22.1%**

## Turkey Update

- During the quarter, Arena biz had degrown revenues by 5%; PAT degrew sharply on account of tax rate impact (Tax rate at 94%)
- Arena Market Cap breached \$200mn



# Q4FY21 Highlights

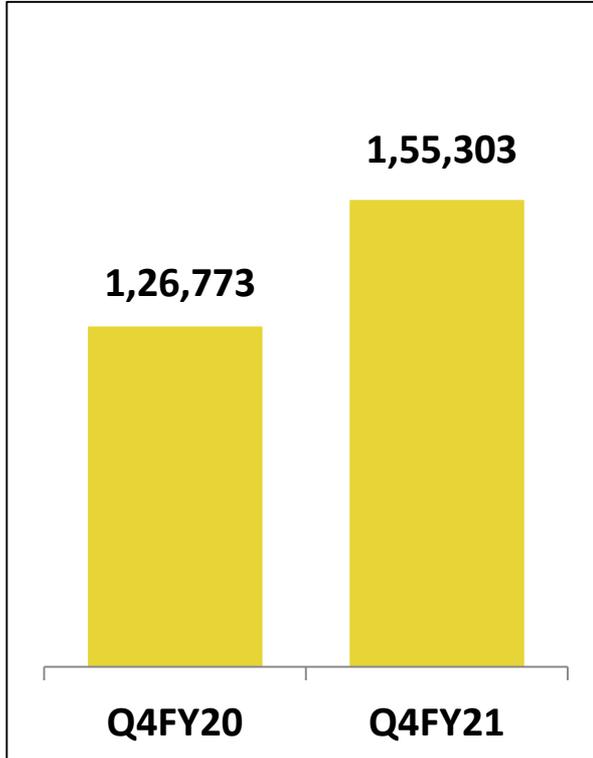


# Q4FY21 Redington Global Performance

₹ in million

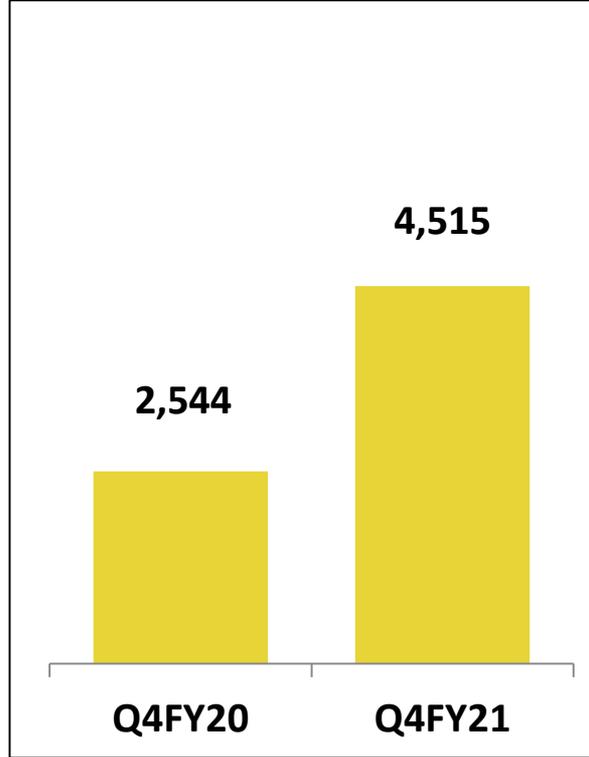
REVENUE

23% ▲



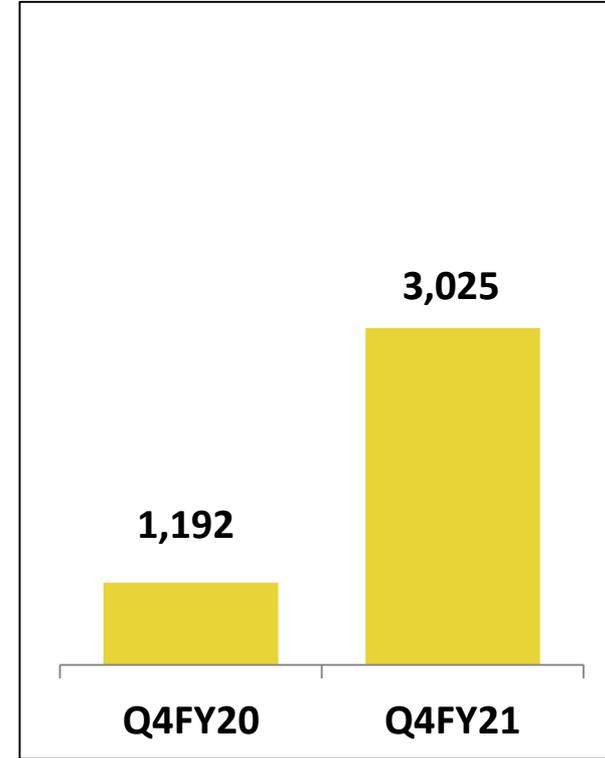
EBITDA

77% ▲



PAT

154% ▲



# Q4FY21 Performance by Market

₹ in million

## REVENUE

45%



## EBITDA

142%

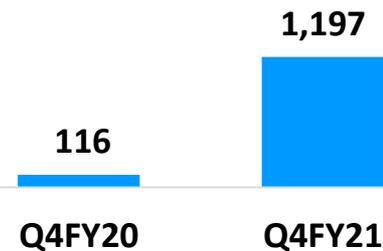
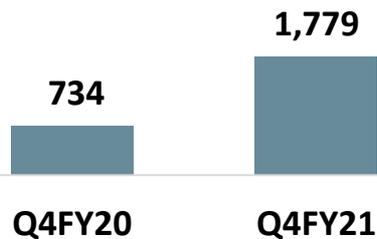
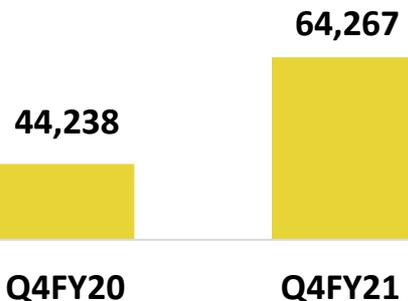


## PAT

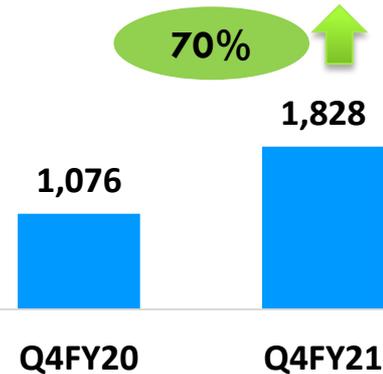
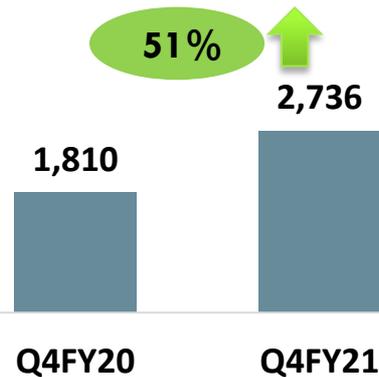
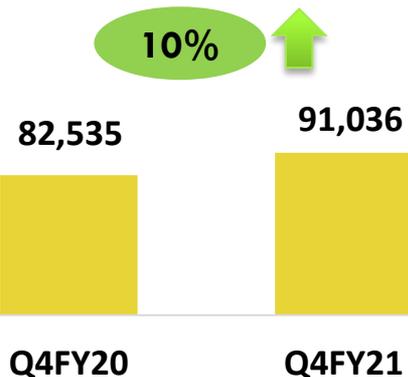
935%



INDIA



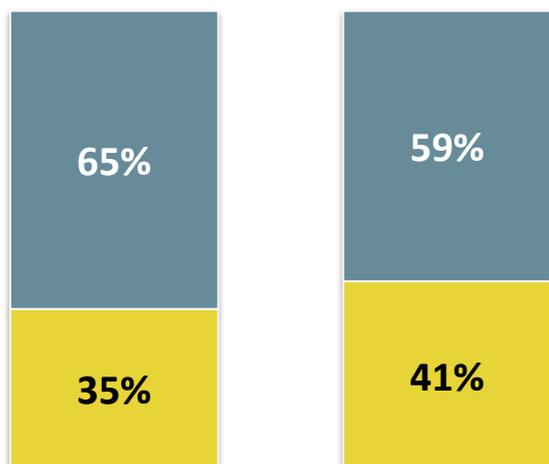
OVERSEAS



# Q4FY21 Contribution by Market

₹ in million

REVENUE



Q4FY20

INDIA

Q4FY21

OVERSEAS

EBITDA



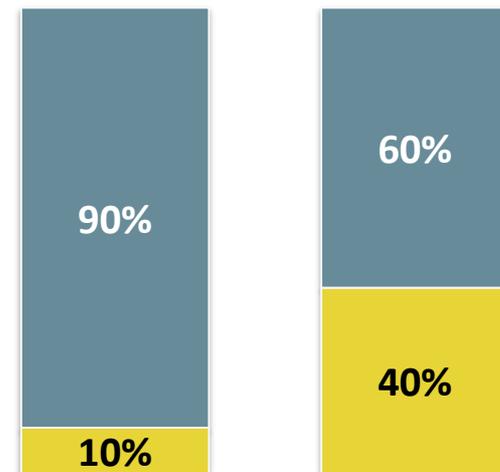
Q4FY20

INDIA

Q4FY21

OVERSEAS

PAT



Q4FY20

INDIA

Q4FY21

OVERSEAS

# Q4FY21 India Performance

₹ in million

DISTRIBUTION

REVENUE

46%



42,997

62,979

Q4FY20

Q4FY21

EBITDA

71%



956

1,631

Q4FY20

Q4FY21

PAT

135%



481

1,128

Q4FY20

Q4FY21

SERVICES#

4%



1,241

1,288

Q4FY20

Q4FY21

-ve to +ve



Q4FY20

Q4FY21

-222

148

-ve to +ve



Q4FY20

Q4FY21

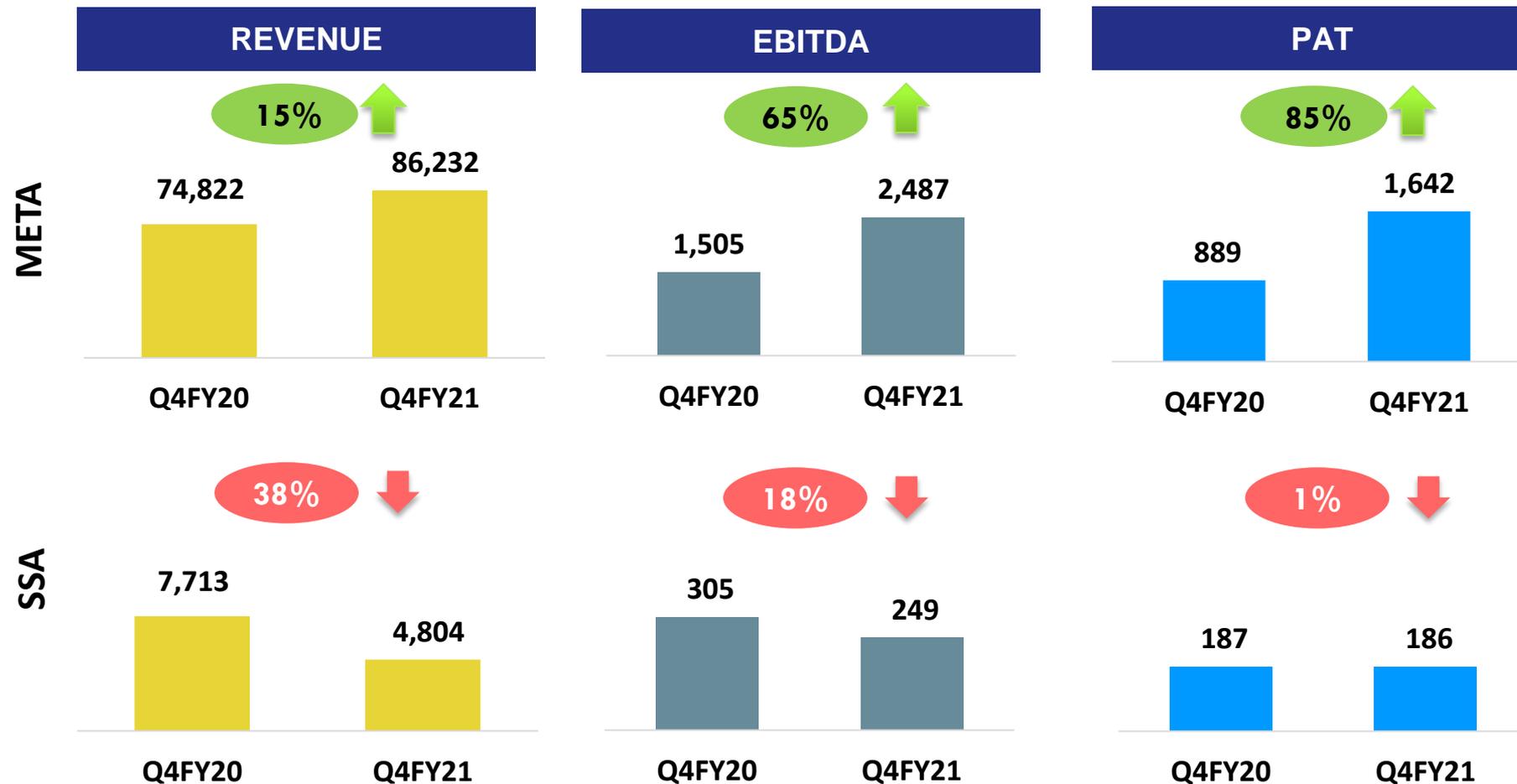
-365

69

#Services contains Ensure India figures in Q4FY20 (Divested in Jul'21)

# Q4FY21 Overseas Performance

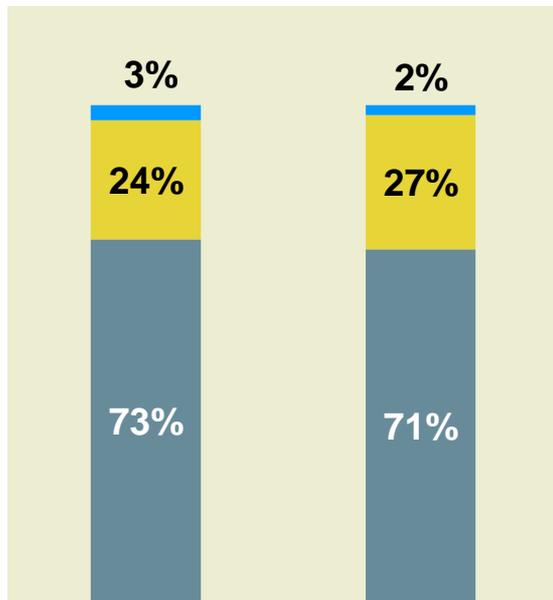
₹ in million



Note: Overseas performance in c/c terms – Revenue 10%; EBITDA 49% ; PAT 67%

# Q4FY21 Revenue Performance by Verticals

## INDIA

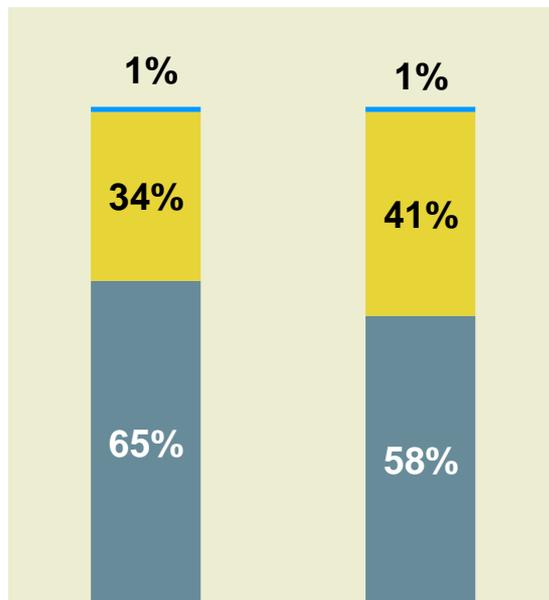


Q4FY20

Q4FY21

■ IT ■ Mobility ■ Services

## OVERSEAS

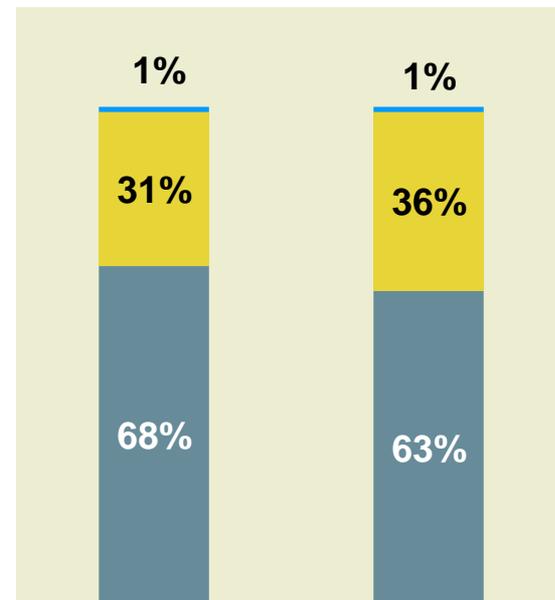


Q4FY20

Q4FY21

■ IT ■ Mobility ■ Services

## GLOBAL



Q4FY20

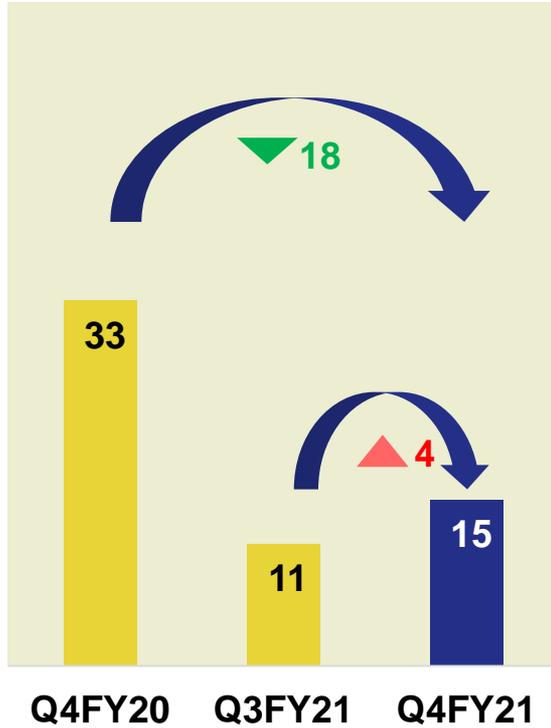
Q4FY21

■ IT ■ Mobility ■ Services

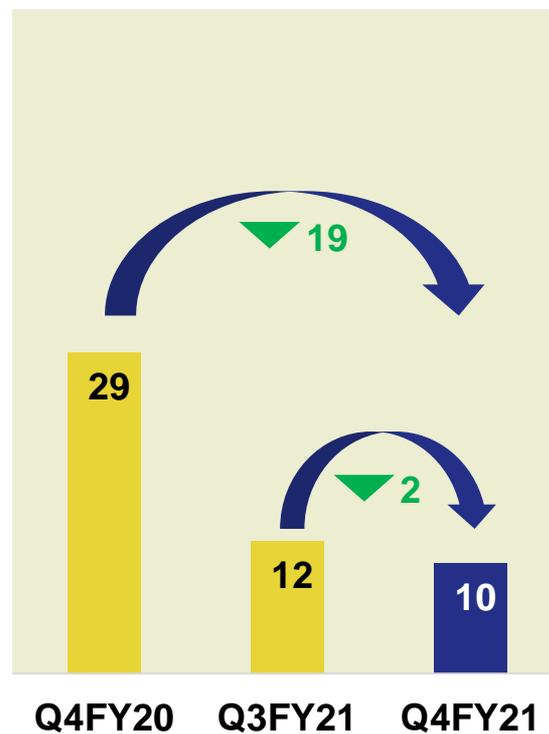
Note: Services represents ProConnect only

# Q4FY21 Working Capital Days

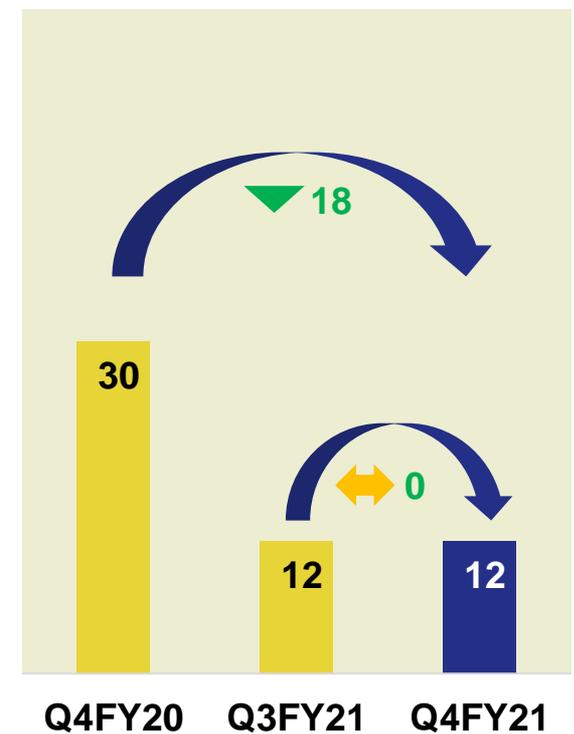
INDIA



OVERSEAS



GLOBAL



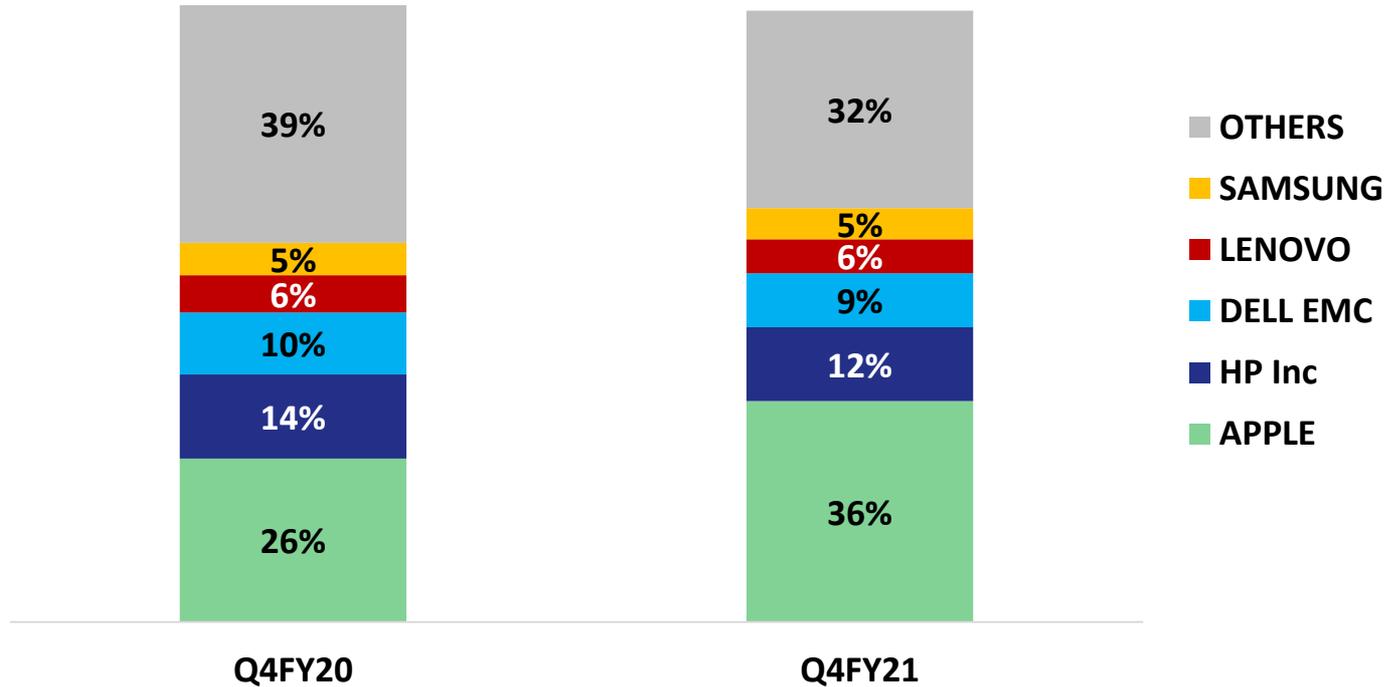
# Q4FY21 Free Cash Flow Statement

₹ in million

| Particulars                          | Q4FY20        | Q3FY21       | Q4FY21         |
|--------------------------------------|---------------|--------------|----------------|
| <b>Profit Before Taxation</b>        | <b>1,659</b>  | <b>3,716</b> | <b>3,848</b>   |
| Non-cash items                       | 721           | 573          | <b>522</b>     |
| Outflow of Finance Cost              | 469           | 173          | <b>220</b>     |
| Changes in Working Capital           | 12,385        | (1,431)      | <b>2,803</b>   |
| Direct Tax Paid                      | (502)         | (437)        | <b>(1,265)</b> |
| <b>Net Cash Flow from Operations</b> | <b>14,732</b> | <b>2,594</b> | <b>6,128</b>   |
| Capex                                | (448)         | (99)         | <b>(124)</b>   |
| Dividend                             | (1,157)       | -            | -              |
| Outflow of Finance Cost              | (453)         | (160)        | <b>(15)</b>    |
| <b>Free Cashflow</b>                 | <b>12,674</b> | <b>2,335</b> | <b>5,989</b>   |

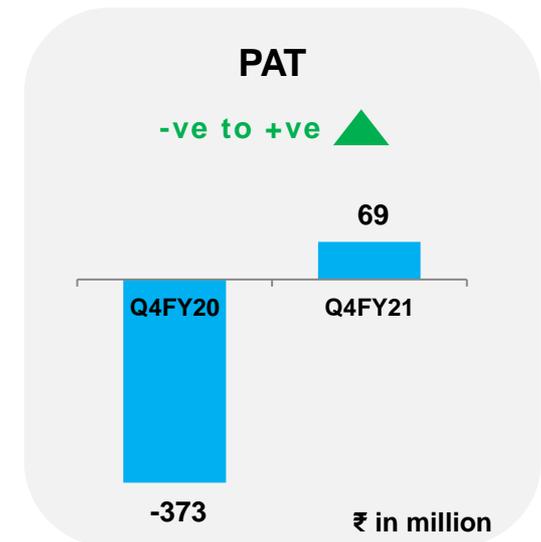
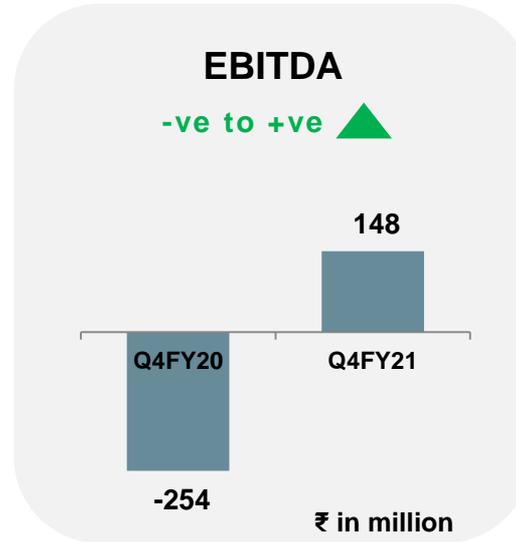
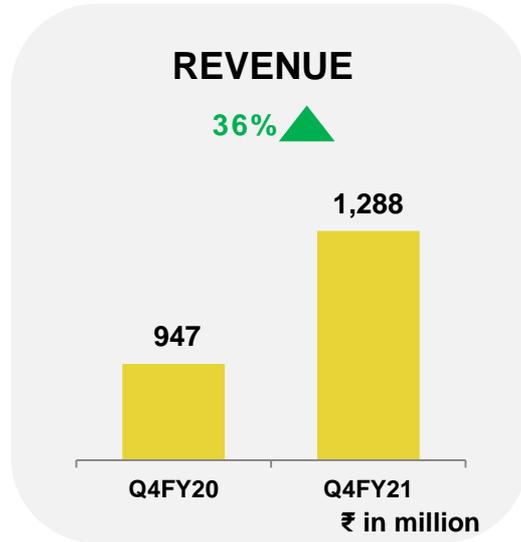
# Q4FY21 Top 5 Vendors

## REVENUE



# Q4FY21 ProConnect India

- PCS registered growth across all metrics with revenue growth of 36% YoY
- PCS registered EBITDA margin of 11% for the quarter





# FY21 Performance

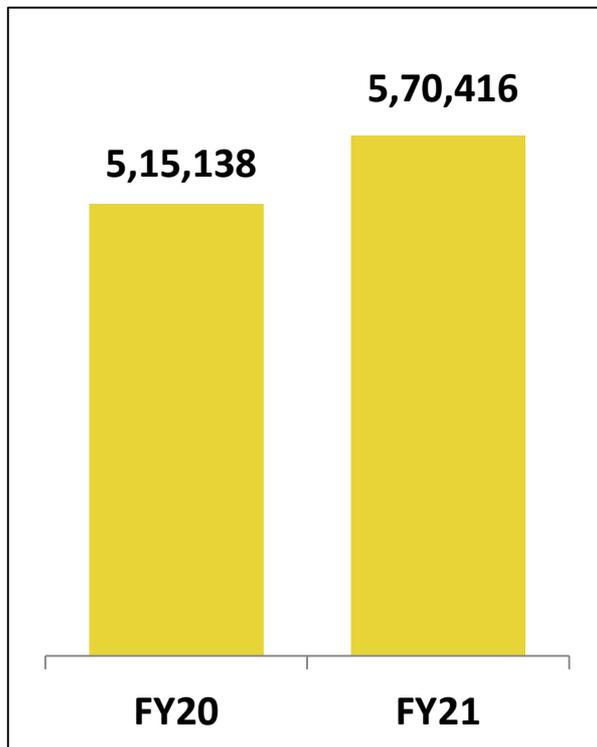


# FY21 Redington Global Performance

₹ in million

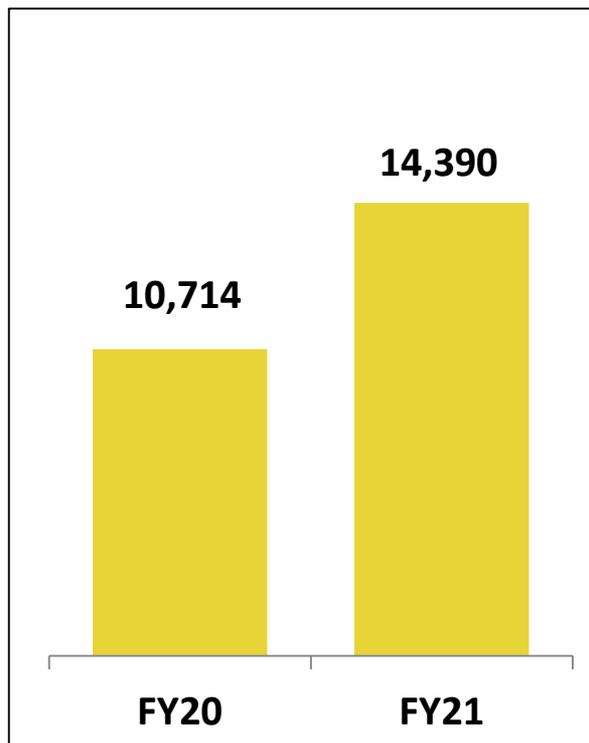
## REVENUE

11% ▲



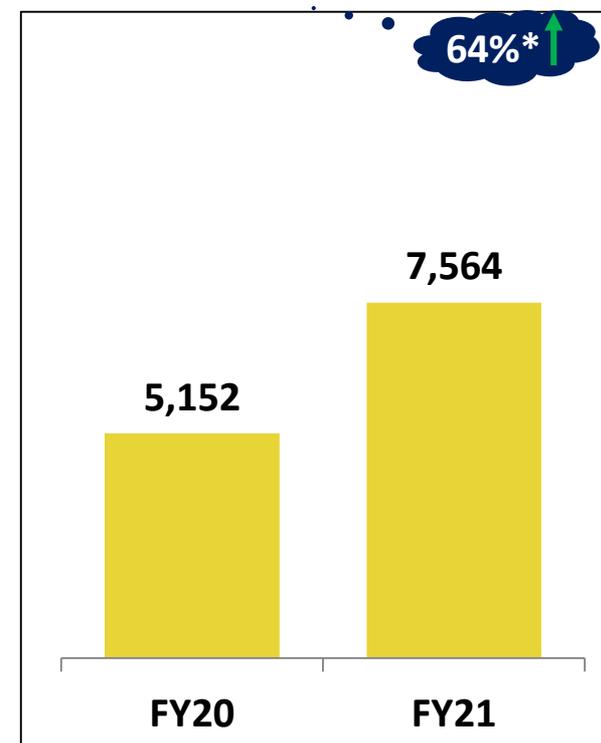
## EBITDA

34% ▲



## PAT

47% ▲



\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# FY21 Performance by Market

₹ in million

INDIA

REVENUE

22%



1,88,196

2,28,832

FY20

FY21

EBITDA

34%



4,183

5,594

FY20

FY21

PAT

77%



1,389

2,457

FY20

FY21

141%\*



OVERSEAS

4%



3,26,942

3,41,584

FY20

FY21

35%



6,531

8,796

FY20

FY21

36%



3,763

5,107

FY20

FY21

\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# FY21 Contribution by Market

₹ in million

## REVENUE



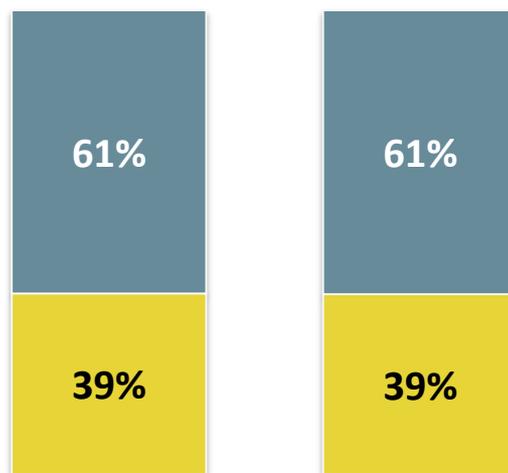
FY20

INDIA

FY21

OVERSEAS

## EBITDA



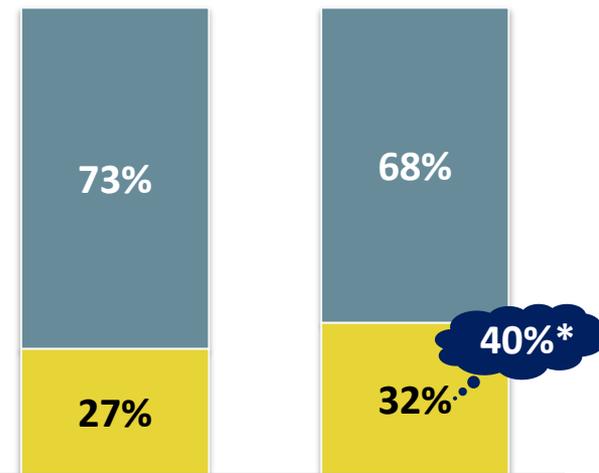
FY20

INDIA

FY21

OVERSEAS

## PAT



FY20

INDIA

FY21

OVERSEAS

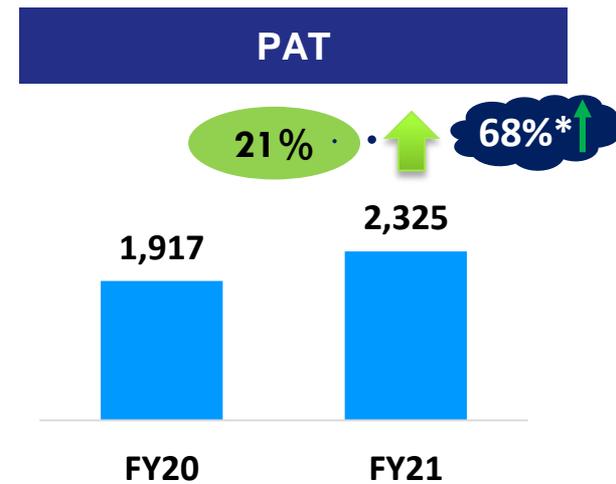
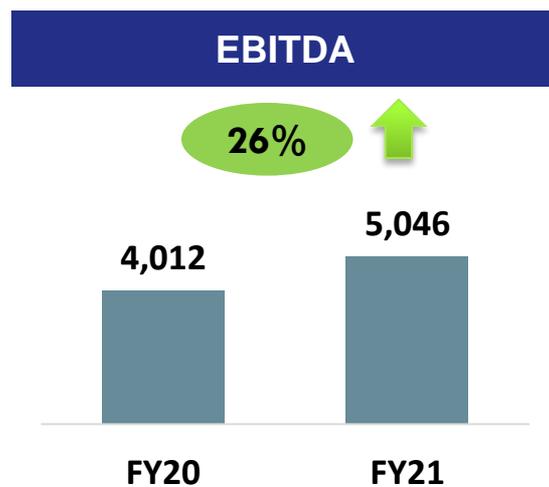
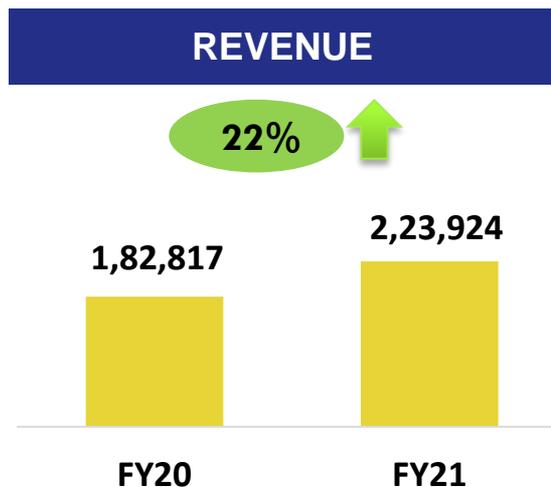
40%\*

\*Contribution excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

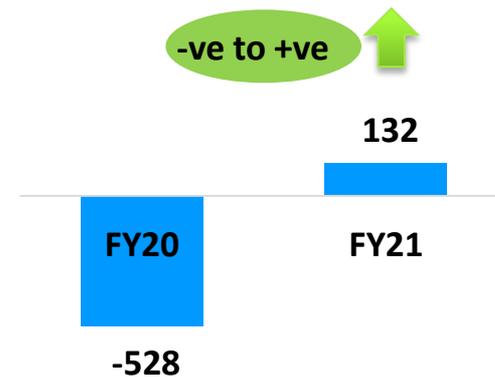
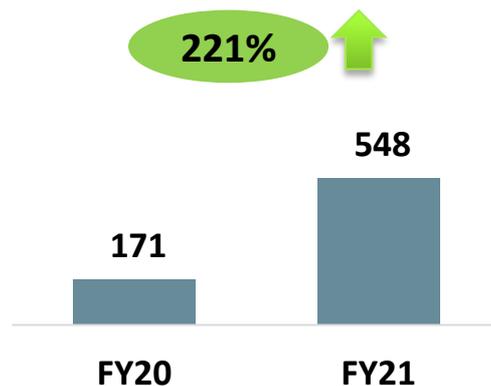
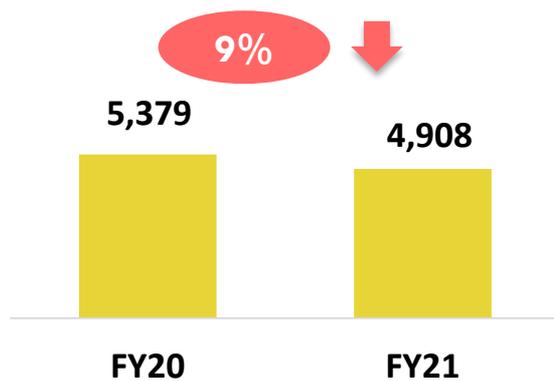
# FY21 India Performance

₹ in million

DISTRIBUTION



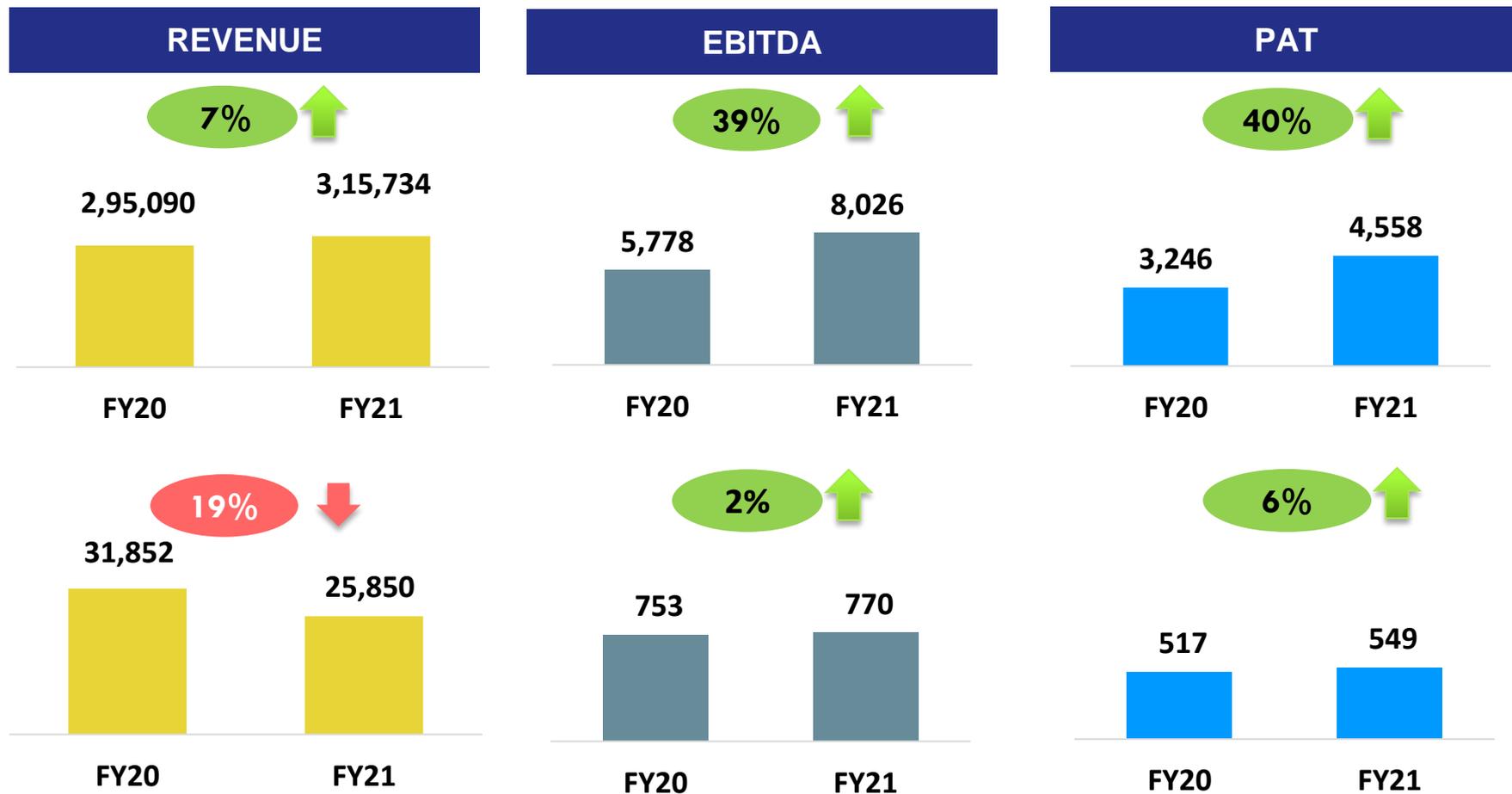
SERVICES



\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# FY21 Overseas Performance

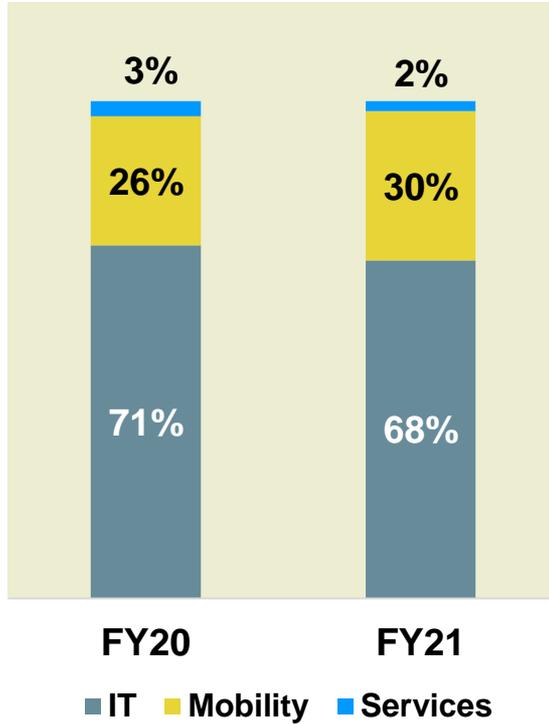
₹ in million



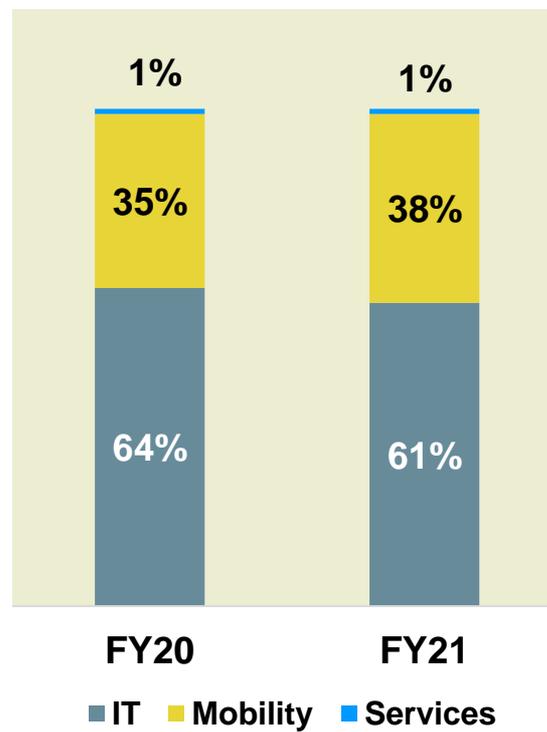
Note: Overseas performance in c/c terms – Revenue (0.2%); EBITDA 29% ; PAT 30%

# FY21 Revenue Performance by Verticals

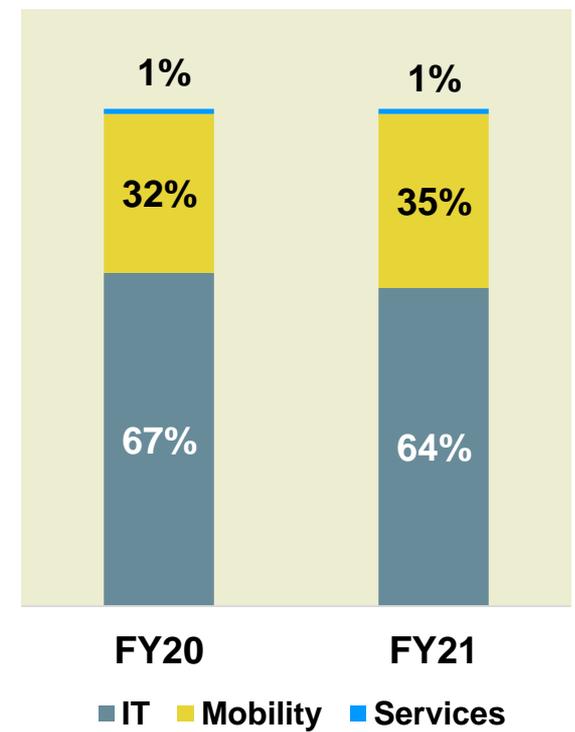
## INDIA



## OVERSEAS



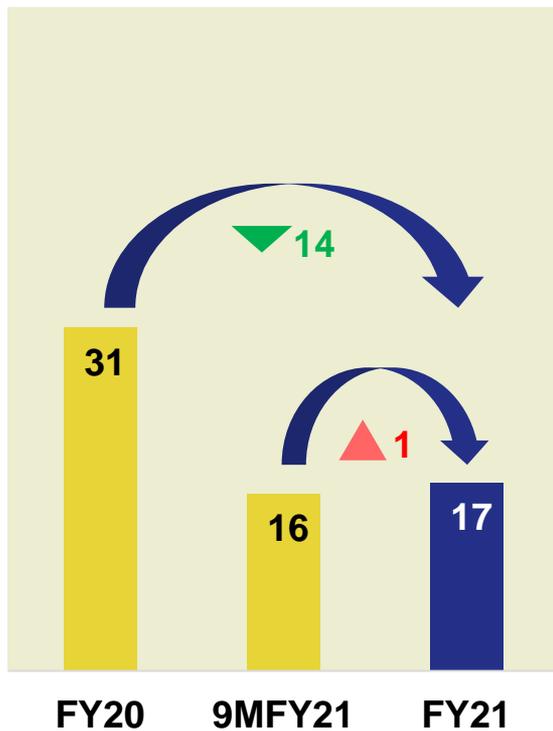
## GLOBAL



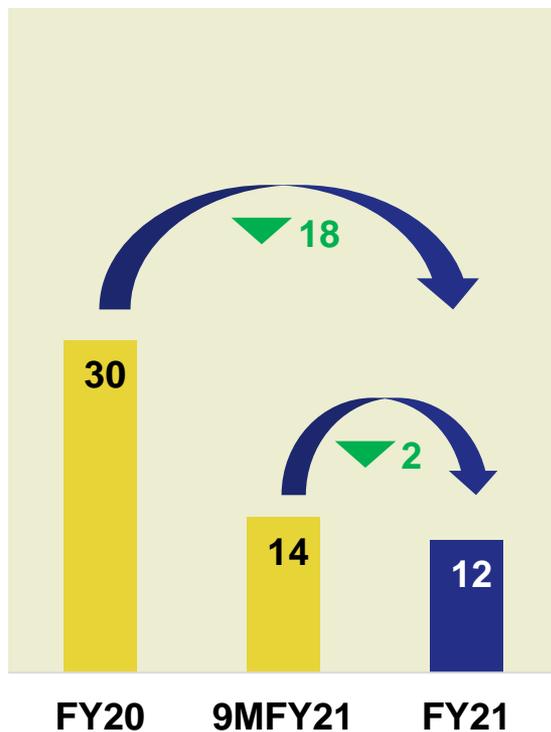
Note: Services represents ProConnect only

# FY21 Working Capital Days

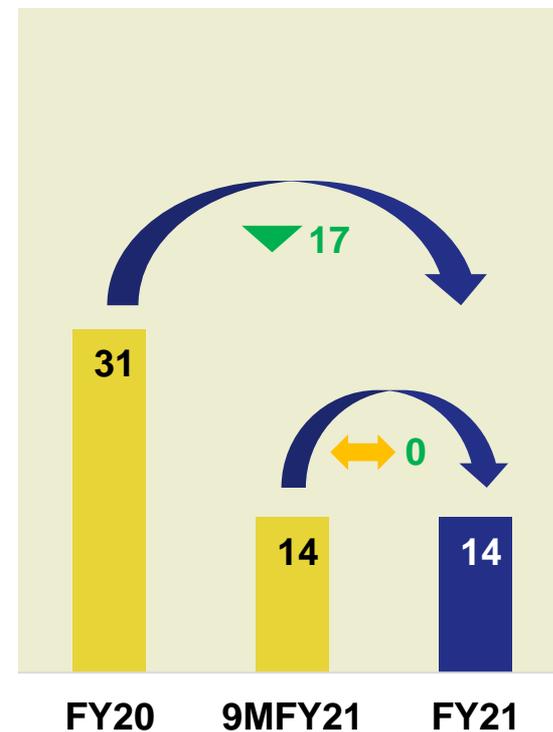
INDIA



OVERSEAS



GLOBAL



# FY21 Free Cash Flow Statement

₹ in million

| Particulars                          | FY20          | 9MFY21        | FY21          |
|--------------------------------------|---------------|---------------|---------------|
| <b>Profit Before Taxation</b>        | <b>6,922</b>  | <b>7,433</b>  | <b>11,281</b> |
| Non-cash items                       | 2,613         | 1,463         | 1,986         |
| Outflow of Finance Cost              | 1,954         | 768           | 988           |
| Changes in Working Capital           | 5,756         | 20,535        | 23,338        |
| Direct Tax Paid                      | (1,845)       | (1,369)       | (2,634)       |
| <b>Net Cash Flow from Operations</b> | <b>15,400</b> | <b>28,831</b> | <b>34,959</b> |
| Capex                                | (838)         | (356)         | (480)         |
| Dividend                             | (3,028)       | -             | -             |
| Outflow of Finance Cost              | (1,862)       | (864)         | (879)         |
| <b>Free Cashflow</b>                 | <b>9,672</b>  | <b>27,611</b> | <b>33,600</b> |

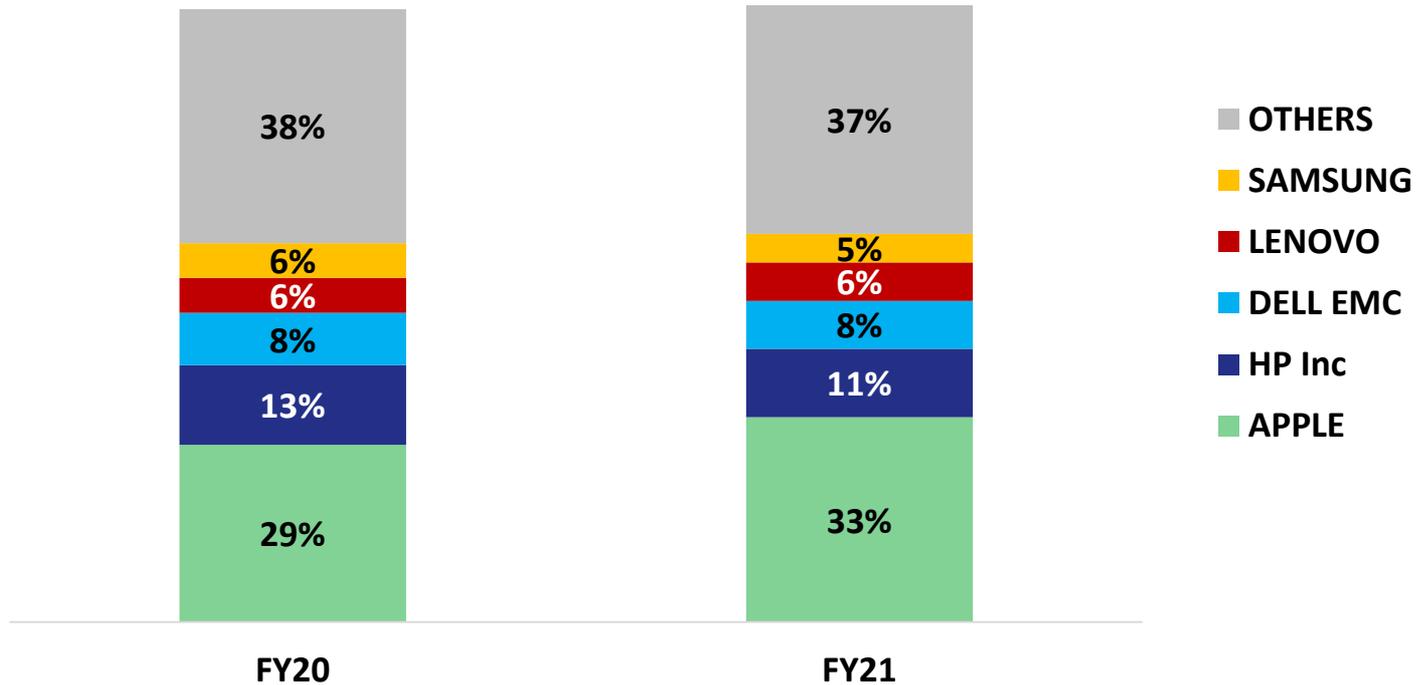
# FY21 Balance Sheet

₹ in million

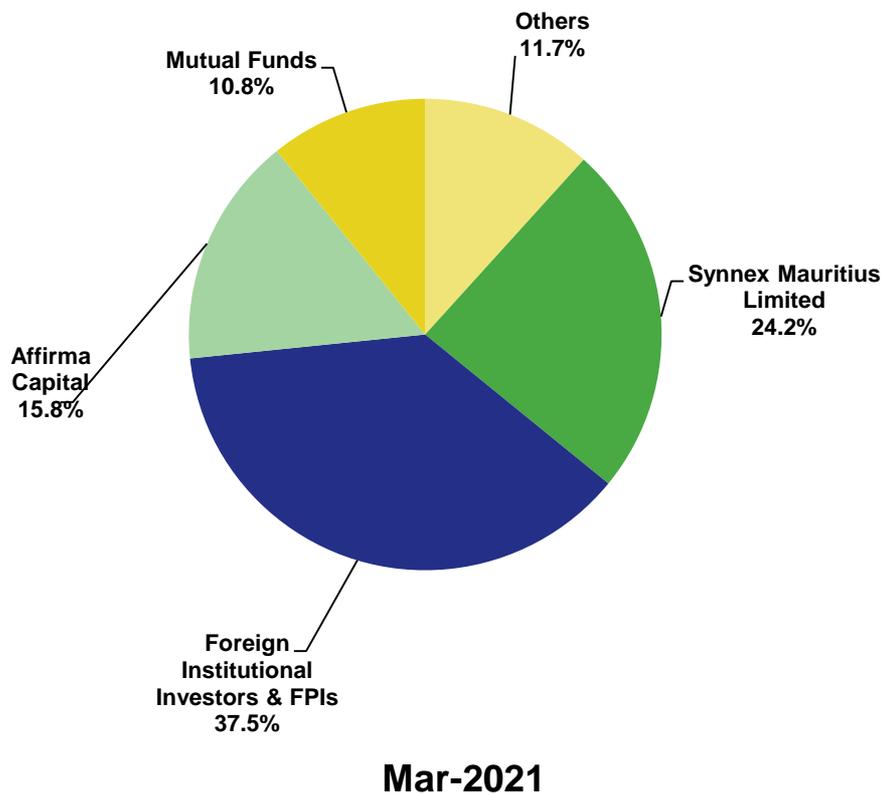
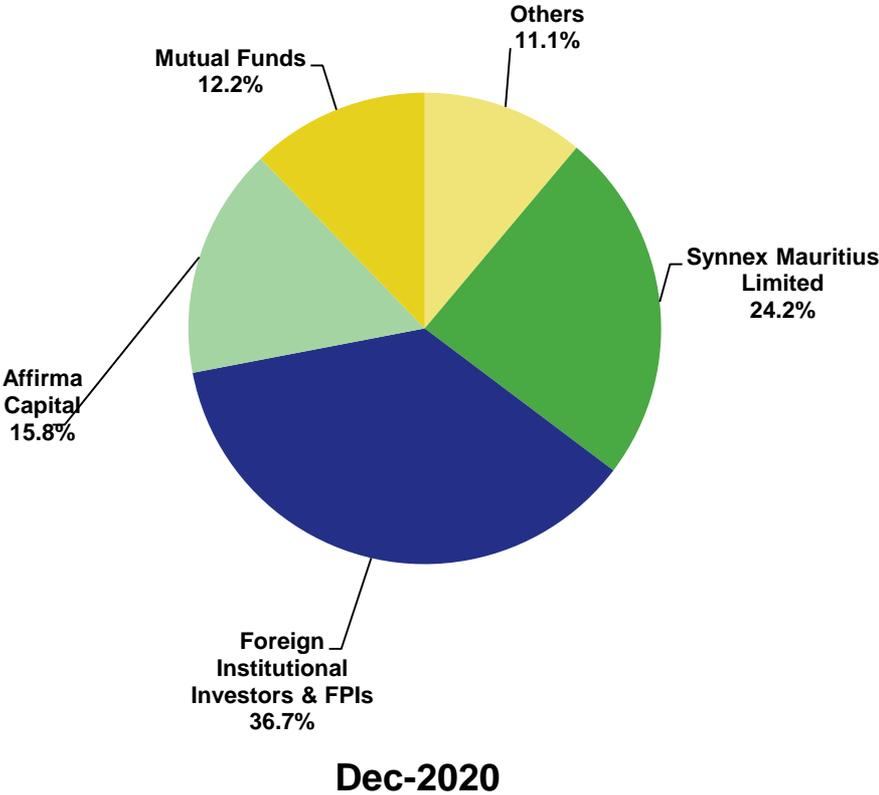
| Particulars         | 31-MAR-20     | 31-MAR-21     |
|---------------------|---------------|---------------|
| <b>Source:</b>      |               |               |
| Networth            | 43,089        | 49,337        |
| Net Debt            | 1,603         | (30,480)      |
| Minority Interest   | 3,813         | 3,730         |
| <b>Total</b>        | <b>48,505</b> | <b>22,587</b> |
| <b>Application:</b> |               |               |
| Fixed Assets        | 4,773         | 4,182         |
| Goodwill            | 183           | 183           |
| Right to Use Assets | 2,303         | 1,771         |
| Net Assets          | 41,246        | 16,451        |
| <b>Total</b>        | <b>48,505</b> | <b>22,587</b> |

# FY21 Top 5 Vendors

## REVENUE



# Shareholding Pattern





## Investor Contacts

M. Muthukumarasamy

Compliance Officer

Redington (India) Limited

Redington House, Centre Point, Plot No. 11 (SP),

Thiru. Vi. Ka. Industrial Estate, Guindy,

Chennai 600 032

<https://www.redingtongroup.com>

Sowmiya M

Senior Manager – Investor Relations

[sowmiya.manickam@redington.co.in](mailto:sowmiya.manickam@redington.co.in)

CIN - L52599TN1961PLC028758



# Corporate Presentation

Mar 2021

*An 'Emerging Markets Multinational'  
with a multi-faceted approach of*



**DISTRIBUTION**

**SERVICES**



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

Third Party Logistics Services through ProConnect



Distribution of IT Consumer, IT Enterprise, & Mobility products

Support Services through Ensure



Expanding the reach & coverage for over 235+ brands through 33,950+ partners

An Emerging Markets player with in-country presence



\$7.7bn+ company with strong double digit 14 year CAGR (Revenue, EBITDA & PAT)

# Our Mission and Values

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



**ADAPTABILITY**



**COLLABORATION**



**KNOW-HOW**



**OBJECTIVITY**



**SIMPLICITY**



**TRUST**



**TRANSPARENCY**



# Our Transformation



From a **“Broadline Distributor”** to a **“Value Added Distributor”** to a **“Services & Solutions Company”**



**IT CONSUMER**

1993-2002 : The Emergence

**IT CONSUMER + IT ENTERPRISE + MOBILITY**

2003-2011 : The Proliferation

**IT + MOBILITY + LOGISTICS**

2012-2021 : The Expansion

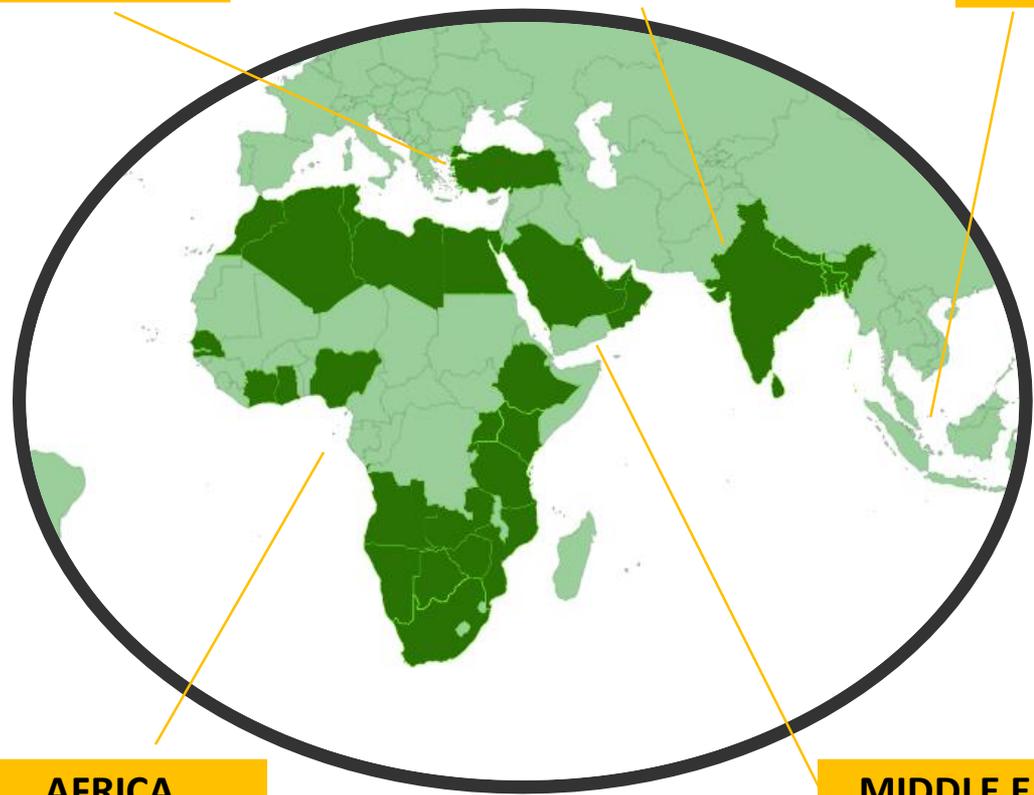
# Our Presence



**TURKEY**  
1 market

**INDIA**  
1 market

**SSA**  
5 markets

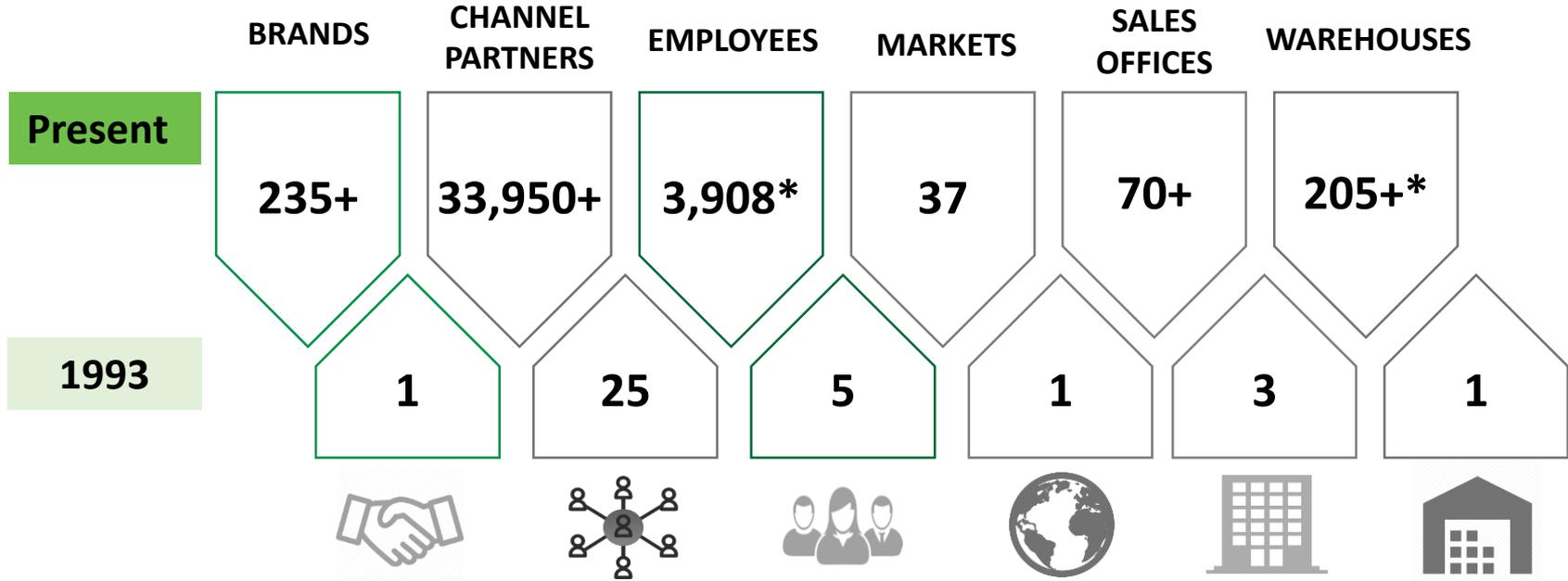


**AFRICA**  
22 markets

**MIDDLE EAST**  
8 markets

- Enviably "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 Expansion



\*Figures does not contain the details of Ensure India which has been divested in Jul'20

# 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



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



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



**Udai Dhawan**  
Founding Partner &  
Head of India,  
Affirma Capital

## Non-Executive Directors

# 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



**Jeetendra Berry,**  
President,  
IT Volume,  
Middle East



**Rawad Ayash,**  
President,  
Mobility,  
Middle East



**Jim Mathew**  
President,  
Mobility,  
Africa



**Sayantan Dev**  
President,  
IT Value  
Distribution

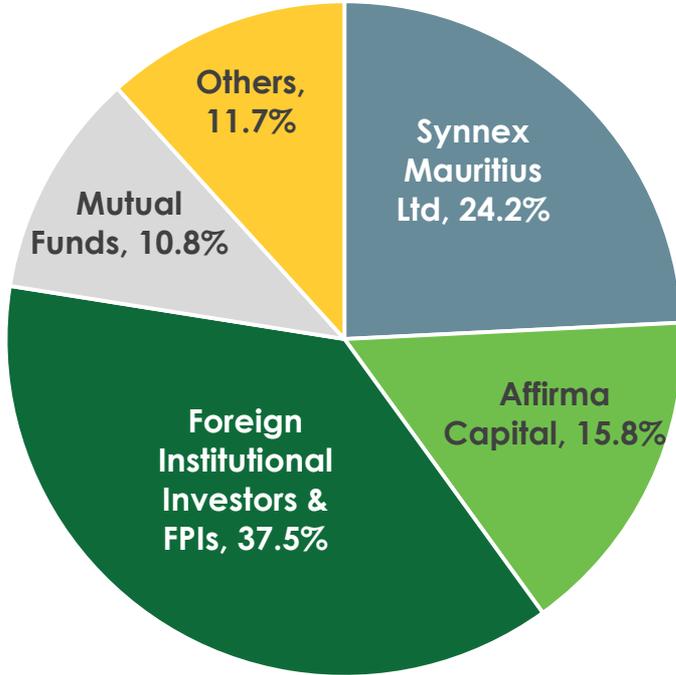


**S Chidambaram**  
Exec. Vice President,  
ProConnect Logistics,  
MEA



**Serkan Celik,**  
CEO, Arena,  
Turkey

# Our Shareholders



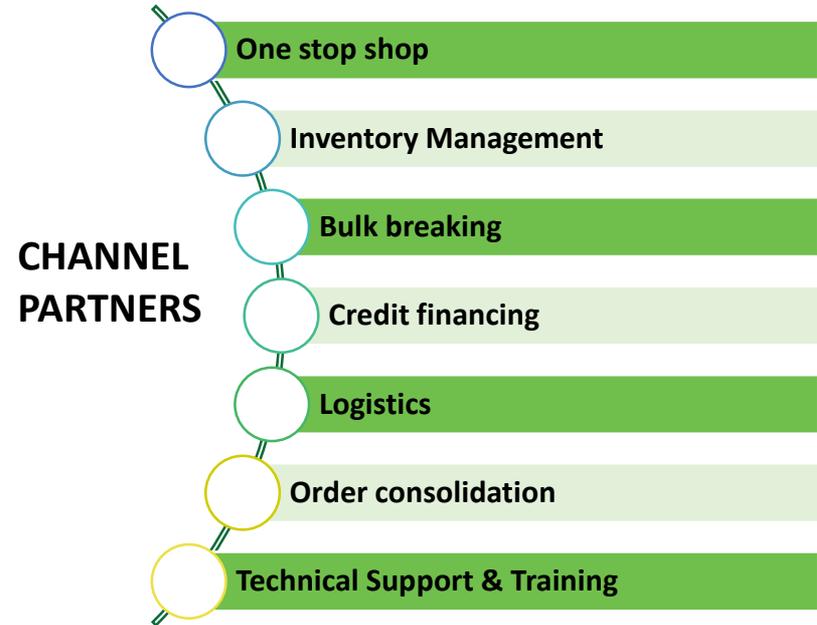
-  **HDFC Mutual Fund**
-  **Fidelity Management & Research (FMR)**
-  **ICICI Pru Life Insurance**
-  **Fidelity International**
-  **Franklin Templeton Investments**
-  **Acacia Partners (Ruane Cunniff & Goldfarb)**
-  **Massachusetts Institute Of Technology Investment Management Company**
-  **The Vanguard Group**

# **Business Overview**



# Distribution Business

# Distribution Business Model



\*Retailers include Retailers, Large Format Retailers (LFR), Multi Brand Retail, Brand Stores

# Distribution Business

| BUSINESS     | INDIA   | MIDDLE EAST   | AFRICA  | TURKEY*   | SINGAPORE   | SOUTH ASIA  |   |
|--------------|---|---|---|---|---|---|---|
| DISTRIBUTION |  |  |  |  |  |  |  |

## IT CONSUMER



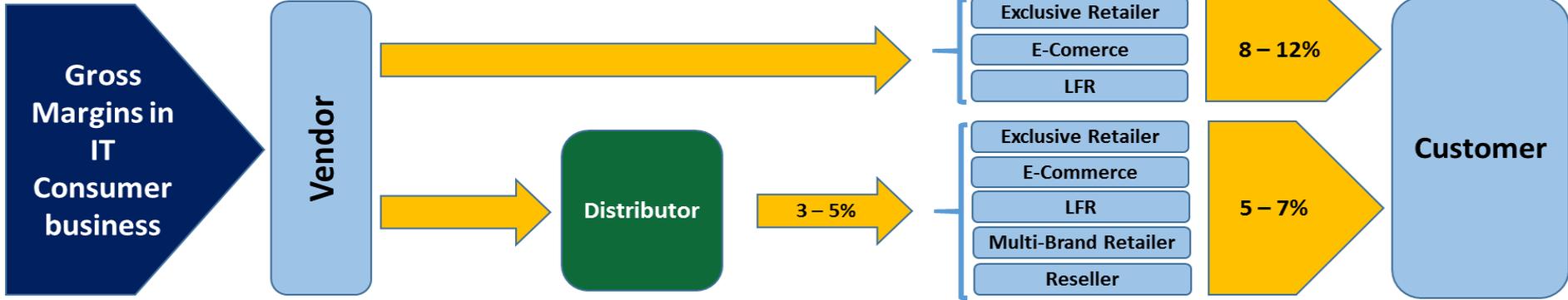
## IT ENTERPRISE



## MOBILITY



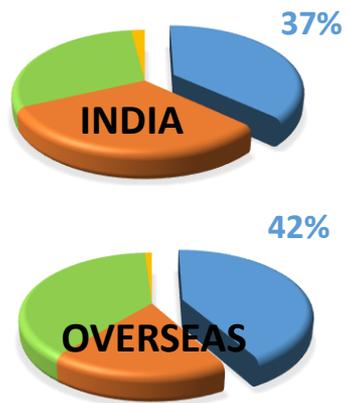
# IT Consumer Business



### PRODUCT CATEGORIES

- PCs
- Laptops
- Printers
- Print Supplies
- Digital Print Solutions
- Consumer Lifestyle products

### IT CONSUMER'S CONTRIBUTION TO REVENUES\*

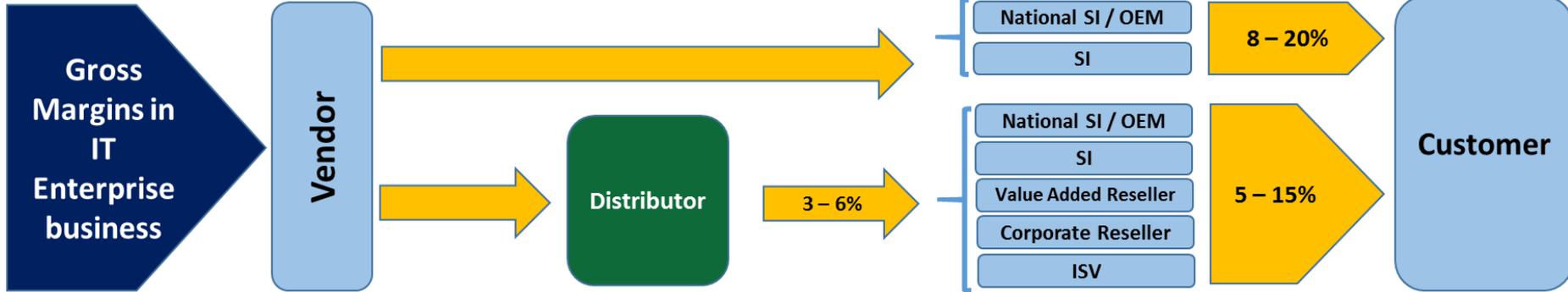


### BRANDS#

- acer
- Apple
- ASUS
- Canon
- DELL
- EPSON
- FUJITSU
- hp
- IBM
- Indigo
- Lenovo
- Microsoft
- msi
- SAMSUNG
- SanDisk
- WD Western Digital

\*Figures as on FY21  
#Illustrative List

# IT Enterprise Business



### PRODUCT CATEGORIES

|                                  |                     |   |
|----------------------------------|---------------------|---|
| <b>Networking</b><br>            | <b>Software</b><br> | <b>Cloud</b><br>                        |
| <b>Servers &amp; Storage</b><br> | <b>Security</b><br> | <b>Licensing &amp; Subscription</b><br> |

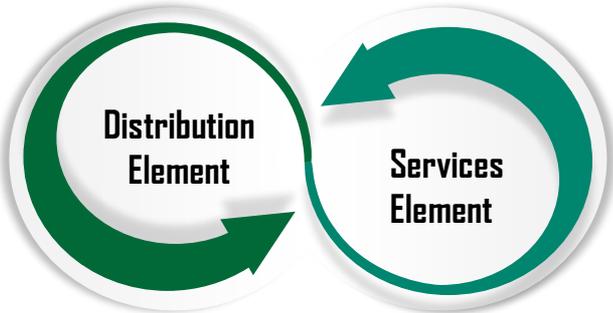
### IT ENTERPRISE'S CONTRIBUTION TO REVENUES\*



### BRANDS#

\*Figures as on FY21  
#Illustrative List

## Our business



Down-selling of Cloud products



ORACLE

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

## Our Major Competencies

**Unified Digital Cloud Platform**

Enabling channel partners to auto provision, consume, view consumption reports, subscription management and monthly billing of Cloud services

**Investments in Manpower**

**Team Strength : 80**  
Cloud Solution Architects, Cloud Consultants, Cloud Engineers, Advanced Pre-sales, Field Sales, Digital Marketing

**Redington Managed Cloud Solutions**

End to end solutions including 24\*7 support services, cloud monitoring, cloud management, reactive & proactive services

**Redington Cloud Academy**

Offering partner training and enablement services to help partners improve their value chain

**6000+**

Registered Partners

**2500+**

Customers

**350+**

Cloud Migrations

**100+**

Enterprise workloads



## FEATURES OF REDINGTON CLOUD MANAGED SOLUTIONS



### Assessment workshop

Redington and Partner works with Customer IT team to do assessment workshop and validate customer readiness for cloud



### Architect

Findings from application/Infra details via assessment, cloud solution is proposed to customers considering security and optimized cost



### Migrate

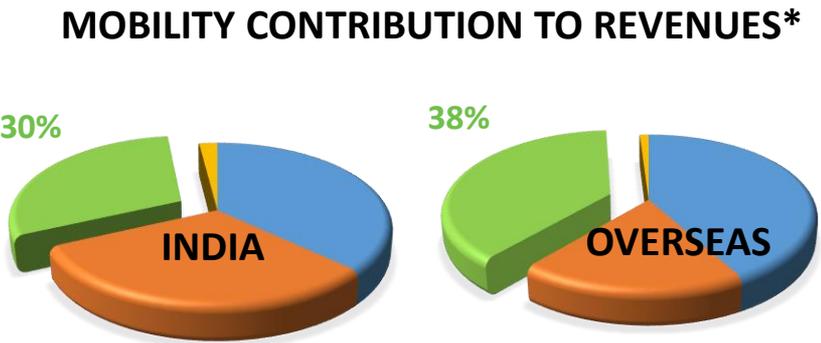
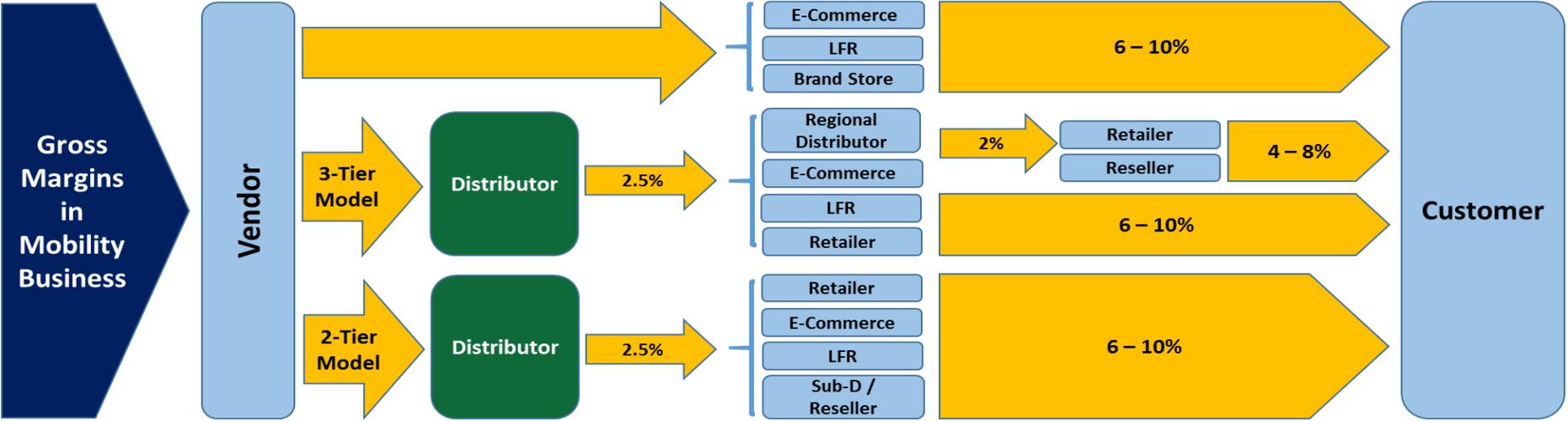
Step-by-Step processes of Migration in order of criticality and testing outcomes on Cloud



### Manage

Continuous processes with proactive monitoring to ensure the infra is ALWAYS managed & optimized with respect to utilization and new needs

# Mobility Business



\*Figures as on FY21  
#Illustrative List

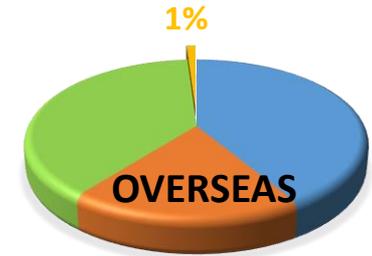
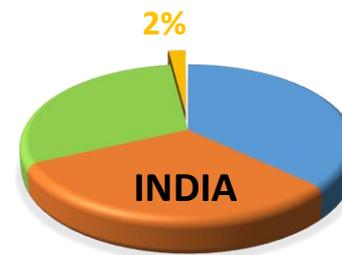
Services Business

|                  |   | INDIA              | MIDDLE EAST | AFRICA |
|------------------|---|--------------------|-------------|--------|
| Logistics        | <br><b>ProConnect</b><br>Integrated Logistics<br><small>a Redington company</small> |                    |             |        |
| Support Services | <br><b>ensure</b><br>services   | Divested in Jul'20 |             |        |



- Subsidiaries of Redington India Limited
- Third Party Logistics player offering
  - ✓ Warehousing;
  - ✓ Transportation;
  - ✓ Value added services

## SERVICES CONTRIBUTION TO REVENUES\*



\*Figures as on FY21

# ProConnect India



**Wholly Owned Subsidiary of Redington**



**Integrated Third Party Logistics partner**



**PAN India presence**



**145+ Warehouses**



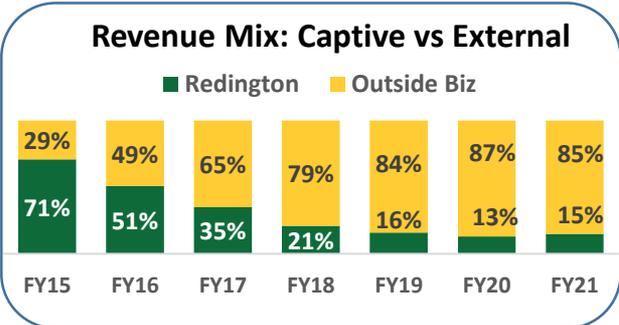
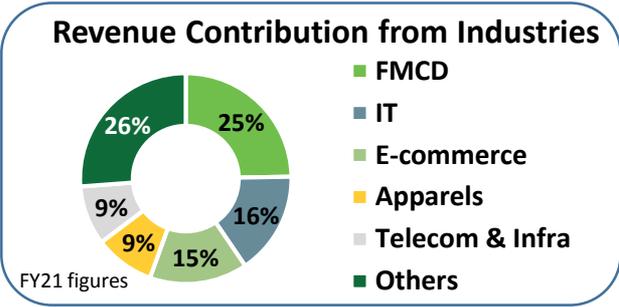
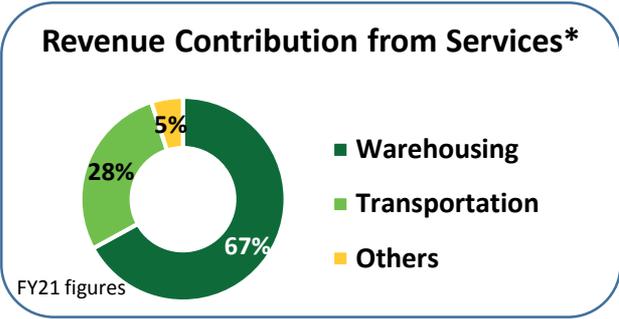
**6.5 mn Sq.ft. in operation**



**161+ Customers across 12+ Industries**



**20,315+ Pincodes**

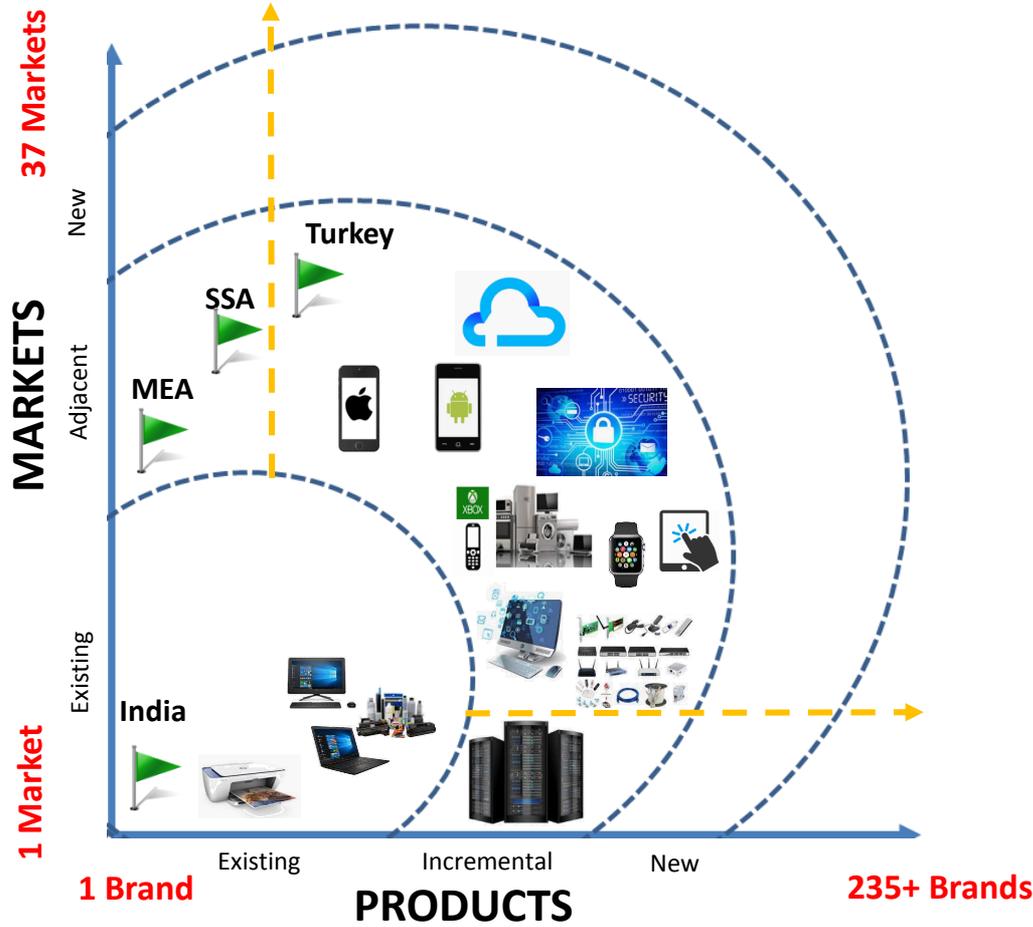


\*Some portion of Value Added Services (VAS) has been regrouped under Warehousing

# Risk Management



# De-risking Strategy By Diversification



Our rich product portfolio consists of *diversified Brands* and *diversified product categories under the same brand*

*Presence in multiple markets* ensures diversification of risk as well as ensuring Kaizen's continuous improvement

Our strong and seamless partnerships and dynamic business model ensure that we *stay relevant in the everchanging technological environment*

*Foraying into new lines of businesses*, leading to incremental growth as well as diversification of risk

# Inherent Risks & Mitigation Measures



| Risk                    | Measures   | Effect of Mitigated Risk  |
|-------------------------|--|---|
| <b>Inventory Risk</b>   | <ul style="list-style-type: none"> <li>• Stock Rotation</li> <li>• Price protection</li> <li>• Marketing Support</li> <li>• Prudent Provisioning</li> </ul>  | Inventory provisioning at <b>0.04% of Revenue</b> since 10 years      |
| <b>Receivables Risk</b> | <ul style="list-style-type: none"> <li>• Collection of post dated Cheques</li> <li>• Performance linked pay-out only on collection</li> <li>• Strict internal parameters for overdues and bad debts</li> </ul>   | AR Provisioning at <b>0.10% of Revenue</b> since 10 years             |
| <b>Currency Risk</b>    | <ul style="list-style-type: none"> <li>• Hedging all exposures</li> <li>• India – ~84% of purchases in rupee dominated invoices, forward cover for the rest with premium becoming a part of COGS</li> <li>• MEA – Currencies pegged in USD and USD denominated transactions. Effective forward controls and local currency borrowings</li> </ul> | Consistent business performance despite <b>fluctuating currencies</b> |

**Ensuring risk adjusted returns**

# Financial Performance

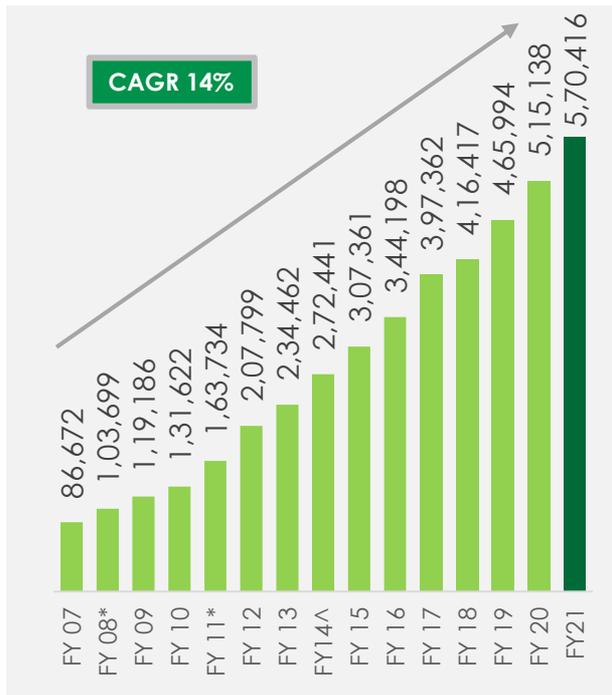


Performance track record

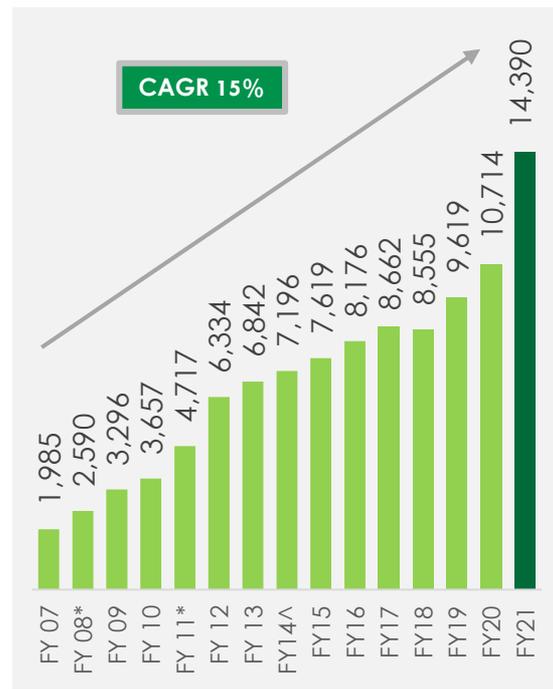
# Performance Since Listing

Achieved Rs.500 bn milestone mark in Revenues

## REVENUE



## EBITDA

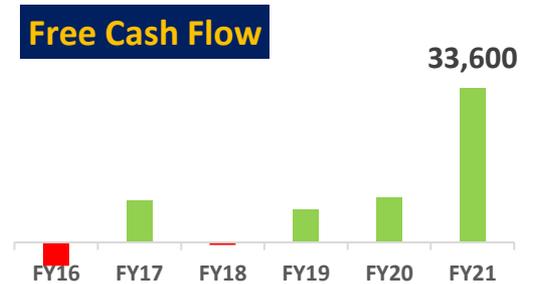
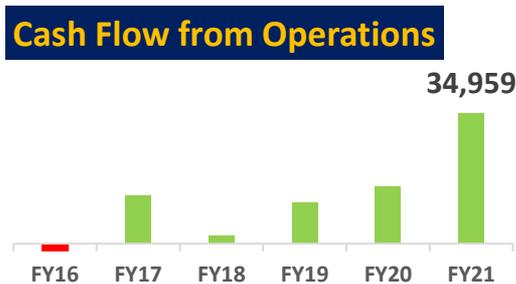
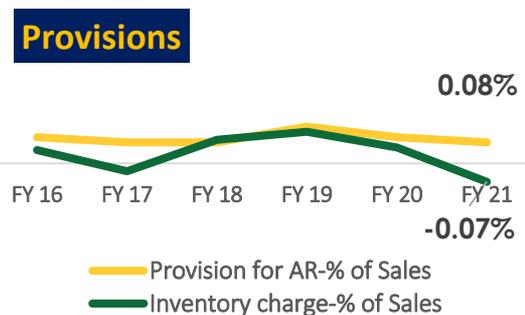
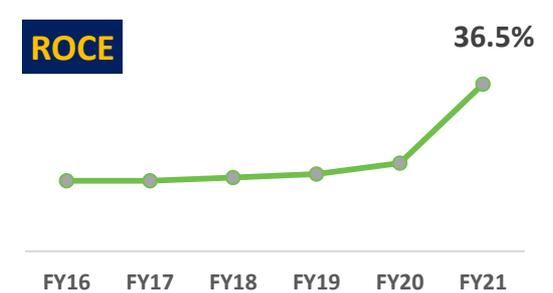
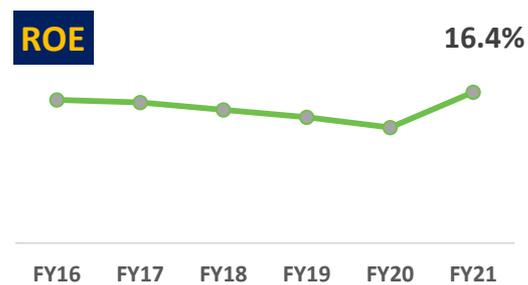
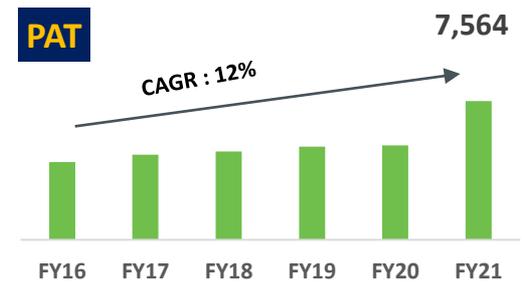
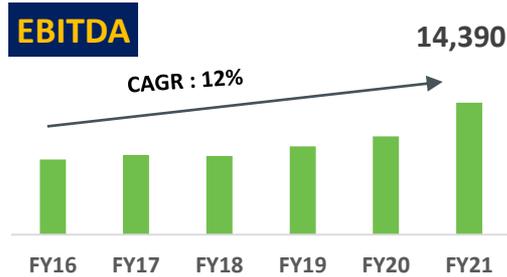
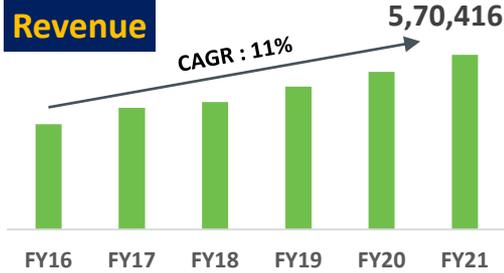


## PAT



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

# Performance Snapshot



#ROCE is calculated net of cash and on average capital employed

# Annual performance track record

| Particulars              | FY21                     | FY20     | FY19     | FY18     | FY17     | FY16     |
|--------------------------|--------------------------|----------|----------|----------|----------|----------|
| Total Revenue            | 5,70,416                 | 5,15,138 | 4,65,994 | 4,16,417 | 3,97,362 | 3,44,198 |
| Growth YoY               | 10.7%                    | 10.5%    | 11.9%    | 5.8%     | 15.4%    | 12.0%    |
| EBITDA                   | 14,390                   | 1,0714   | 9619     | 8,555    | 8,662    | 8,176    |
| Growth YoY               | 34.3%                    | 10.4%    | 12.4%    | -1.2%    | 5.9%     | 7.3%     |
| PAT                      | 64.1% <sup>^</sup> 7,564 | 5,152    | 5,078    | 4,816    | 4,642    | 4,235    |
| Growth YoY               | 46.8%                    | 1.5%     | 5.4%     | 3.7%     | 9.6%     | 9.6%     |
| Networth                 | 49,337                   | 43,089   | 39,060   | 35,306   | 31,479   | 29,494   |
| Capital Employed*        | 22,587                   | 48,505   | 53,118   | 54,759   | 49,741   | 57,353   |
| EBITDA Margins           | 1.3% <sup>^</sup> 2.5%   | 2.1%     | 2.1%     | 2.1%     | 2.2%     | 2.4%     |
| PAT Margins              | 1.3%                     | 1.0%     | 1.1%     | 1.2%     | 1.2%     | 1.2%     |
| ROCE#                    | 18.4% <sup>^</sup> 36.5% | 19.3%    | 16.9%    | 16.1%    | 15.4%    | 15.4%    |
| ROE                      | 16.4%                    | 12.6%    | 13.7%    | 14.5%    | 15.3%    | 15.6%    |
| EPS (₹)                  | 19.4                     | 13.2     | 12.8     | 12.0     | 11.6     | 10.6     |
| Book Value per share (₹) | 126.3                    | 110.3    | 99.8     | 87.7     | 78.2     | 73.2     |

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

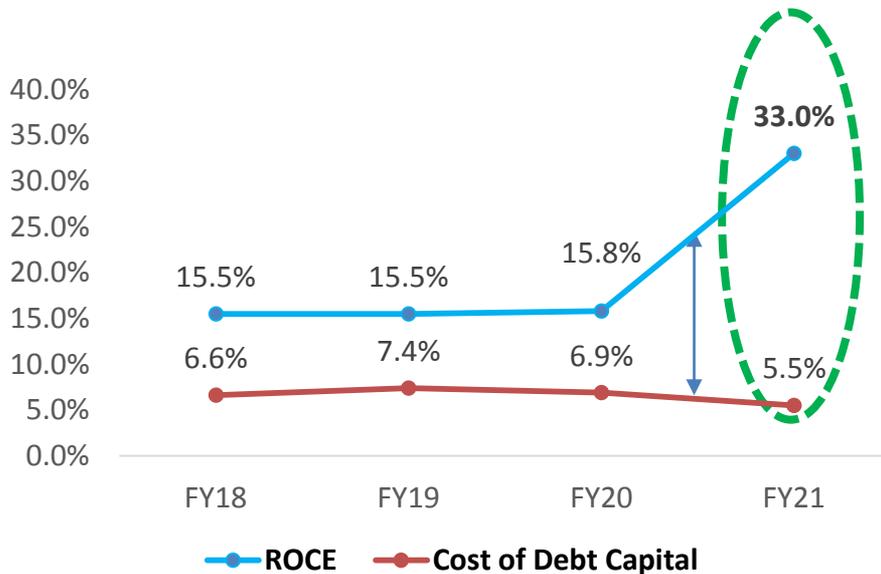
<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# ROCE vs Cost of Debt Capital

## Consistent Focus on Capital efficiency

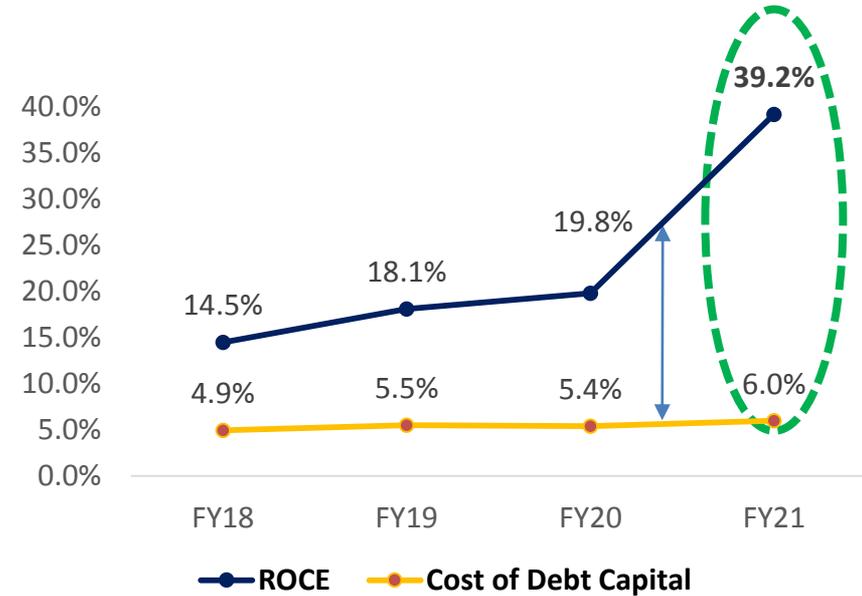
### INDIA Return on Rupee capital

Value Creation 27.5%



### OVERSEAS Return on Dollar Capital

Value Creation 33.2%



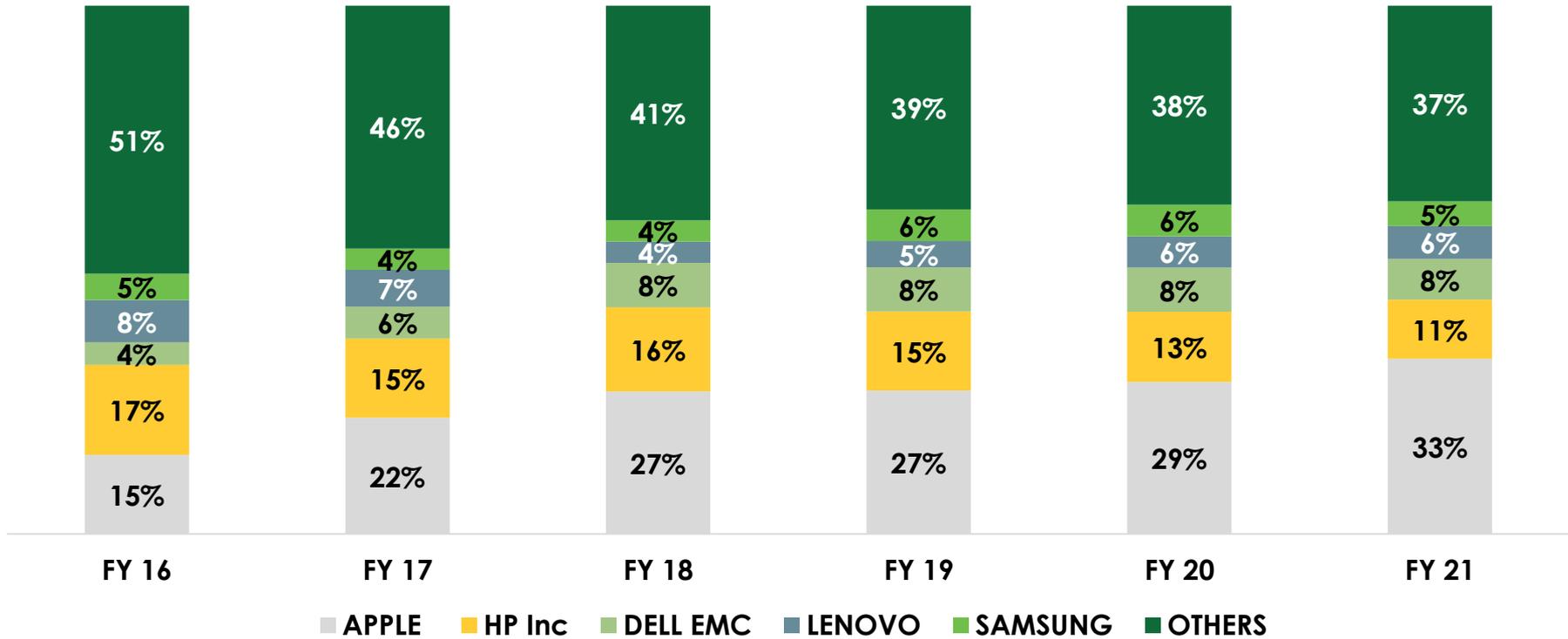
\*ROCE is calculated net of cash and on average capital employed

# Quarterly performance track record

| Particulars              | Q4FY21       | Q3FY21       | Q2FY21       | Q1FY21        | Q4FY20        |
|--------------------------|--------------|--------------|--------------|---------------|---------------|
| Total Revenue            | 1,55,303     | 1,70,032     | 1,37,861     | 1,07,220      | 1,26,773      |
| Growth QoQ               | <b>-8.7%</b> | <b>23.3%</b> | <b>28.6%</b> | <b>-15.4%</b> | <b>-14.3%</b> |
| EBITDA                   | 4,515        | 4,465        | 3,110        | 2,301         | 2,545         |
| Growth QoQ               | <b>1.1%</b>  | <b>39.4%</b> | <b>35.1%</b> | <b>-9.5%</b>  | <b>-17.7%</b> |
| PAT                      | 3,025        | 1,893        | 1,758        | 888           | 1,192         |
| Growth QoQ               | <b>59.8%</b> | <b>7.7%</b>  | <b>98.0%</b> | <b>-25.5%</b> | <b>-23.5%</b> |
| Networth                 | 49,337       | 46,432       | 44,873       | 43,904        | 43,089        |
| Capital Employed*        | 22,587       | 25,323       | 25,688       | 26,138        | 48,505        |
| EBITDA Margins           | 2.9%         | 2.6%         | 2.2%         | 2.1%          | 2.0%          |
| PAT Margins              | 1.9%         | 1.1%         | 1.3%         | 0.8%          | 0.9%          |
| ROCE#                    | 70.8%        | 64.1%        | 42.6%        | 20.6%         | 16.3%         |
| ROE                      | 25.7%        | 16.5%        | 15.8%        | 8.2%          | 11.4%         |
| EPS (₹)                  | 7.8          | 4.9          | 4.5          | 2.3           | 3.1           |
| Book Value per share (₹) | 126.3        | 118.9        | 114.9        | 112.4         | 110.3         |

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

# Top 5 Vendors



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

# Value Creation for our Shareholders

## EPS

In ₹

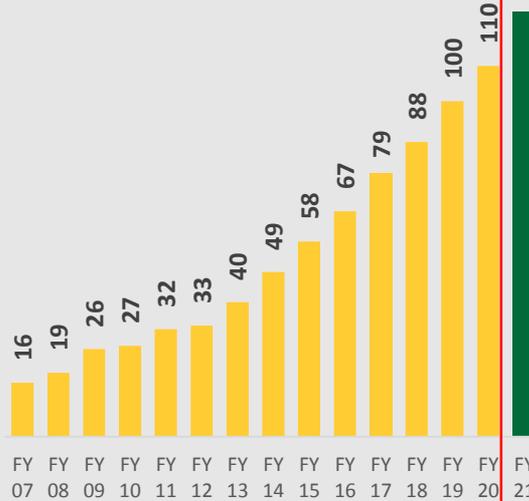
CAGR 14%



## BOOK VALUE/SHARE

In ₹

CAGR 16%



## DIVIDEND PAYOUT

Avg DPO @ ~27%  
of profits earned



Note: Special dividend declared in FY21, in recognition of superior performance

Note: Special dividend declared in FY17, to commemorate 10 years of listing

Current year performance

# FY21 Performance Snapshot

## REVENUE

**11%** 

FY21: Rs.5,70,416 mn  
FY20: Rs.5,15,138 mn

## EBITDA

**34%** 

FY21: Rs.14,390 mn  
FY20: Rs.10,714 mn

## PAT

**47%** 

FY21: Rs.7,564 mn  
FY20: Rs.5,152 mn

**64%<sup>^</sup>**

## WC DAYS

**14 days**

FY20: 31 days

## ROE

**16.4%**

FY20: 12.6%

**18.4%<sup>^</sup>**

## ROCE#

**36.5%**

FY20: 19.3%

## INVENTORY CHARGE

**-0.07%**

FY20: 0.06%

## AR PROVISION

**0.08%**

FY20: 0.12%

## FREE CASH FLOW

**Rs.33,600 mn**

FY20: Rs.9,671 mn

#ROCE is calculated net of cash and on average capital employed

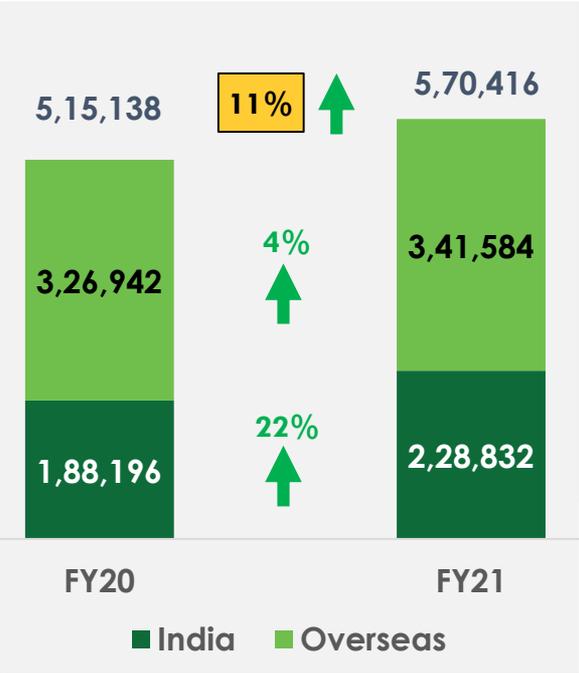
<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# Performance By Market

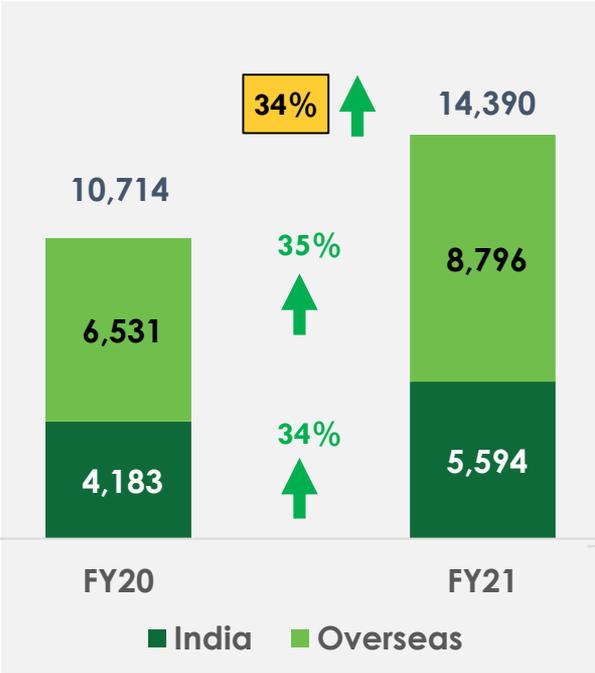


₹ in million

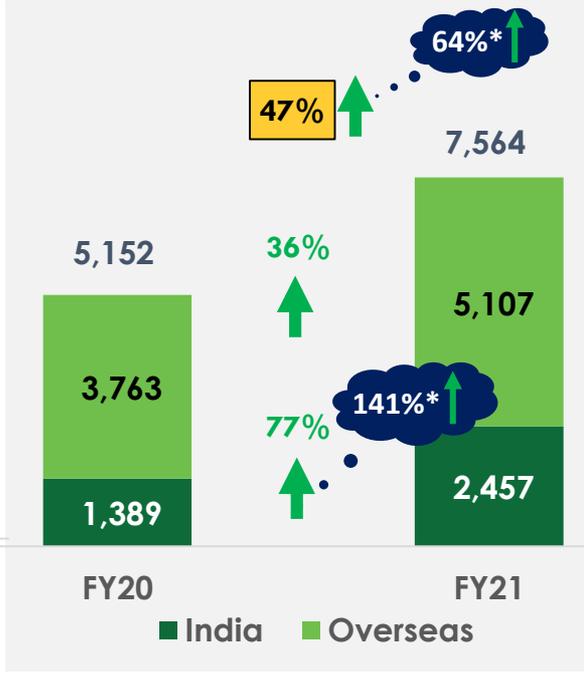
## REVENUE



## EBITDA



## PAT

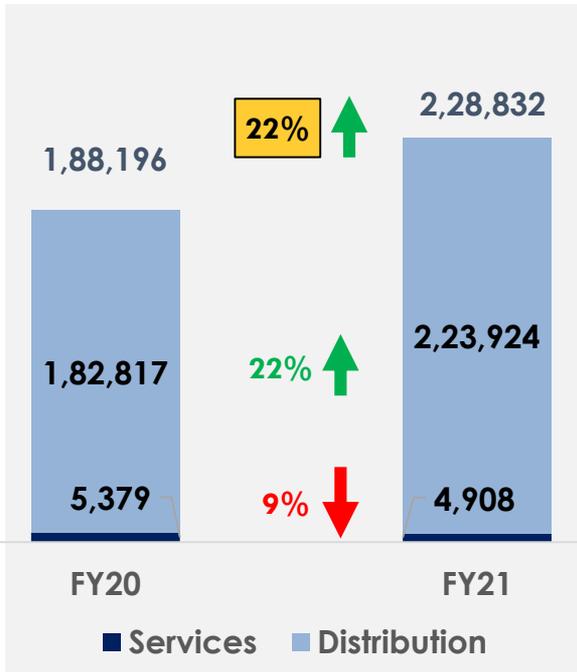


\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

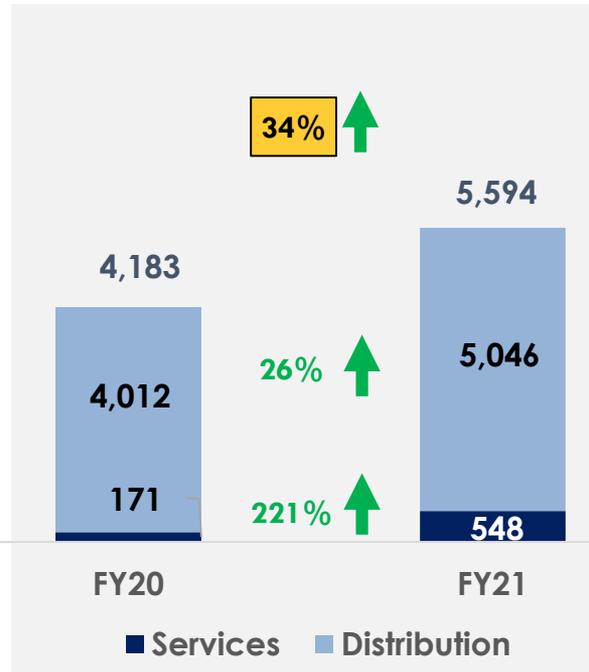
# India Performance

₹ in million

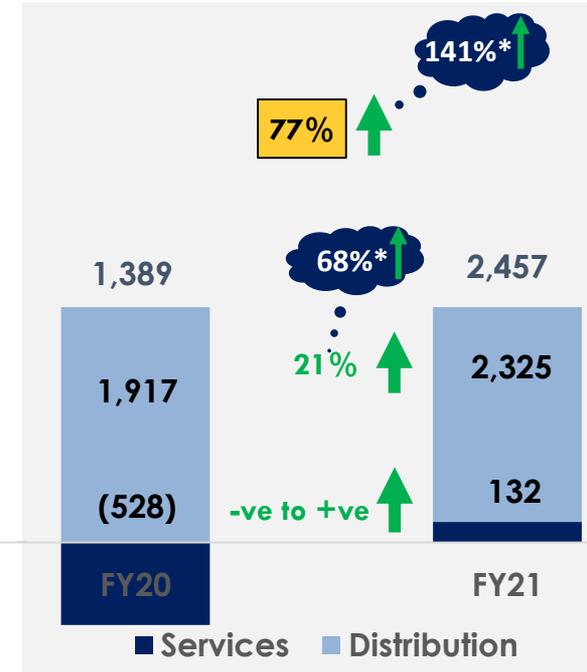
## REVENUE



## EBITDA



## PAT



\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

Note: Services represents ProConnect & Ensure (Only 4 months figures in FY21)

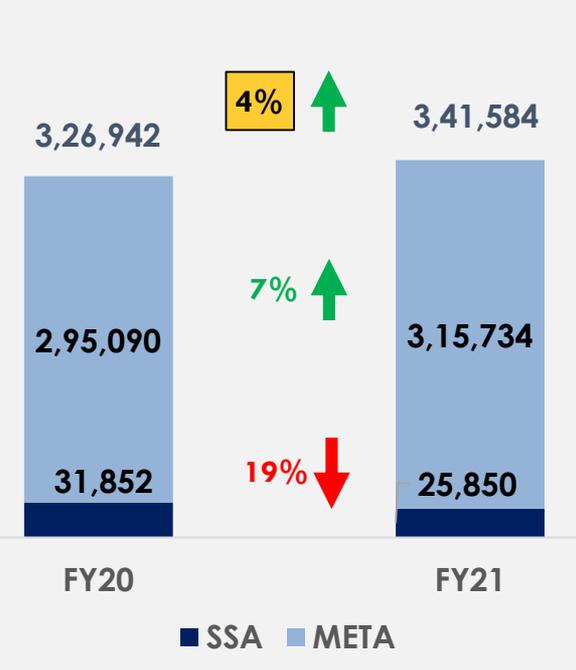
Note: Services in FY21 includes capital profits of Rs.4.4 crs on sale of Ensure India

# Overseas Performance

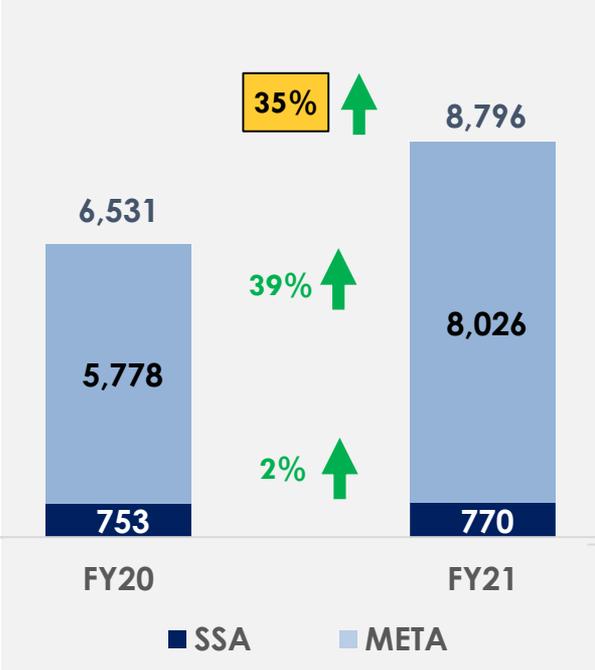


₹ in million

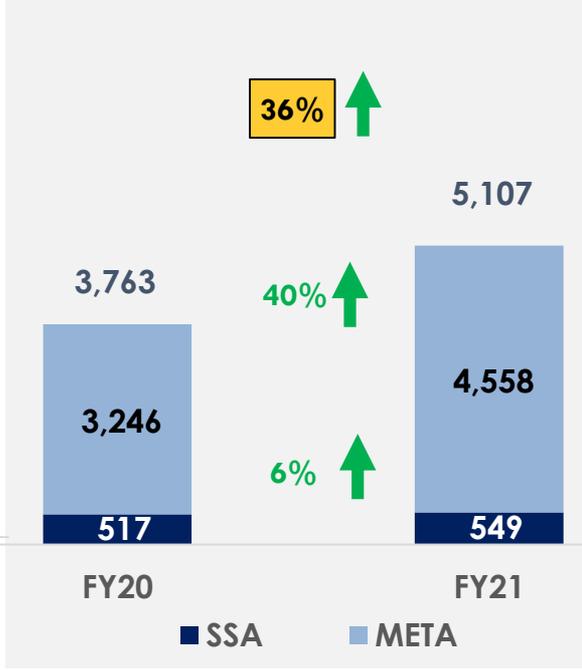
## REVENUE



## EBITDA



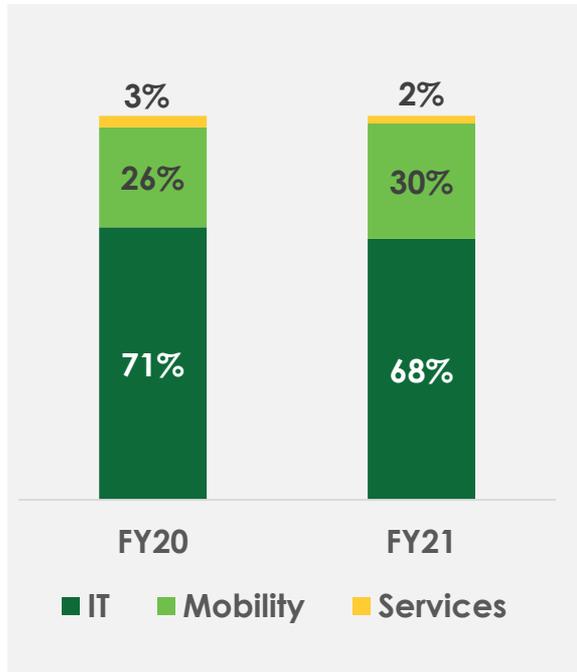
## PAT



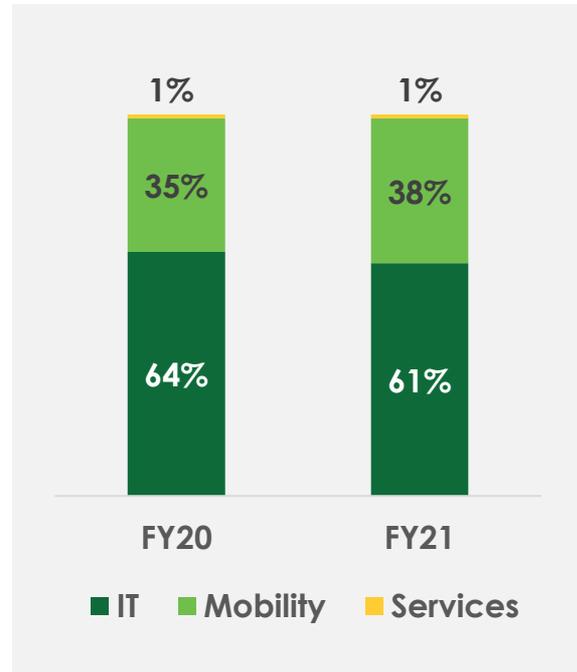
Note: Overseas performance in c/c terms – Revenue (0.2%); EBITDA 29% ; PAT 30%

# Performance By Vertical

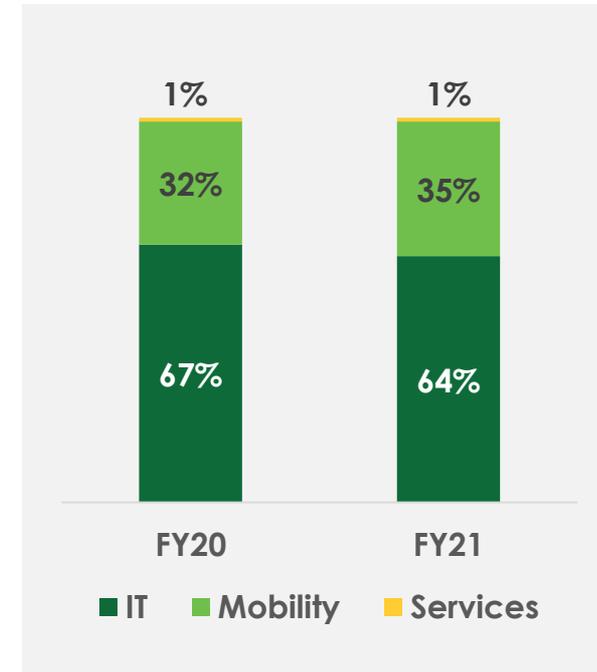
## INDIA



## OVERSEAS

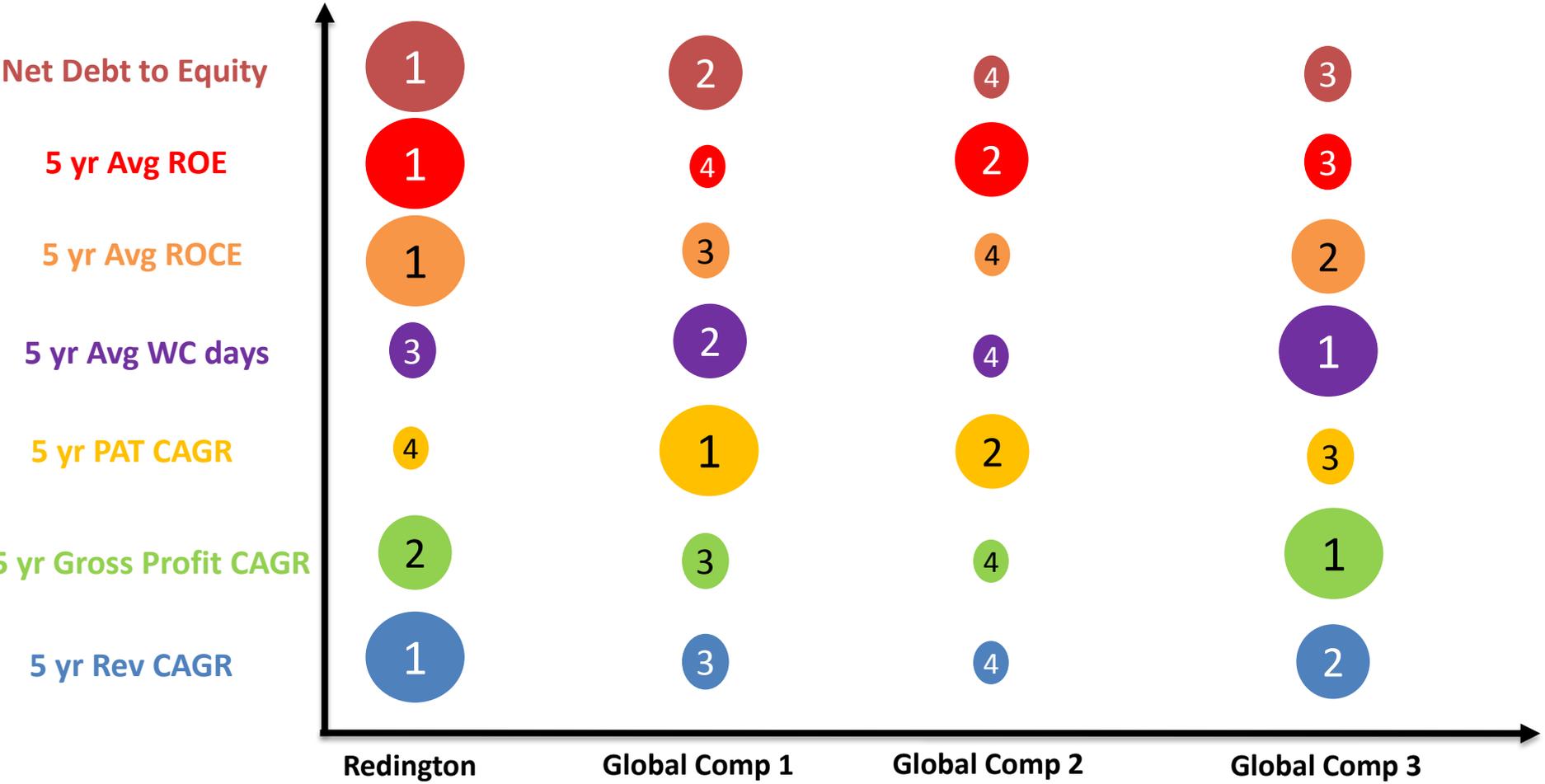


## GLOBAL



Note: Services represents ProConnect only

# Redington Vis-à-vis Global Peers



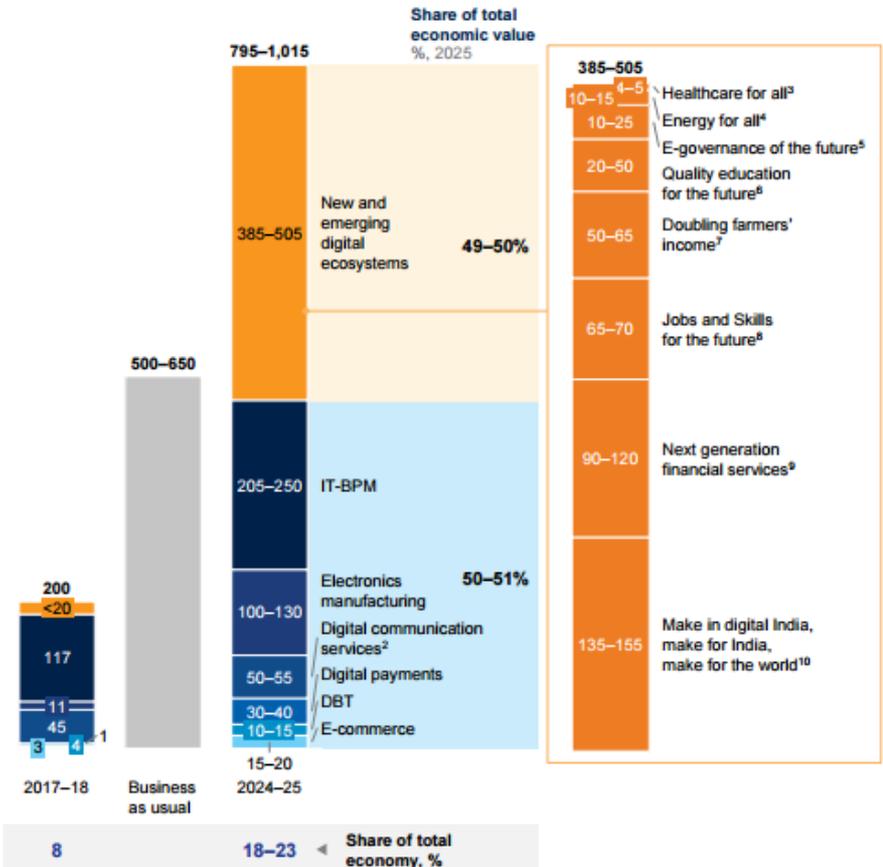
# **Our Opportunities**



# India: Govt spending opportunities



Size of India's digital economy, \$ billion, nominal



India to attain a trillion dollar of economic value of digital economy by 2025

India's digital economy could contribute 18-23% of overall economic activity by 2025, with more than half the potential coming from scaling up new and emerging digital ecosystems

Source: MEITY-McKinsey report

# India Opportunities

- Covid 19 impact - CIOs to invest more in **Security, Collaboration, Mobility & Cloud**
- **5G** to comprise **18% mobile subscriptions** in India **by 2025**
- **Enterprise networking market** is expected to post a **CAGR of 5%** between 2019 and 2024
- **India public cloud market** to reach **Rs 63,000 crs** by 2025
- India's **overall software market** is estimated to grow at a **CAGR of 8%** between 2019-2024
- **India Managed Security Services Market** is expected to grow at a **CAGR of 22%** until 2024
- **Indian cybersecurity services** industry to hit **\$14 billion** by 2025
- **Digitalisation of SMBs** could add as much as **\$216 billion to India's GDP** by 2024
- **SMBs** can account for **30% of India's public cloud market**
- Both executives (69%) and employees (55%) acknowledge the **need for further investment in digital transformation as the top priority for organizations** seeking to leverage any pandemic-induced cost savings
- India's **digital transformation market** is expected to reach **\$710 billion** by 2024

# META Opportunities



- **Government ICT spending** in MEA to reach **\$15 billion by 2023**
- **Total smartphone connections** in MENA will **exceed 500 million by 2025**
- **AI-based spending** in META region will increase at a **CAGR of 19% by 2023**
- **IoT revenue to more than double** in Middle East and Africa **by 2023**
- **Cybersecurity market** in MEA region is expected to register a **CAGR of 14%** during 2020-2025
- **Investments in digital transformation and innovation** will account for **30% of all IT spending** in the META region by 2024, up from 18% in 2018
- **Public cloud spending** in META region will top **\$7 billion in 2024**
- Tech trends influencing Middle East ranges from **5G and 4G adoption, upheaval in finance, to shifts in retail and AI**

*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

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



**THANK YOU**

