Redington
SEAMLESS PARTNERSHIPS

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May 26, 2022

The National Stock Exchange of India Limited,
Exchange Plaza,
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Bandra (E), Mumbai – 400051.

BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai — 400 001

Symbol: REDINGTON

Scrip: 532805

Dear Sir/Madam,

Sub: Q4 - FY 2022 - Earnings Conference Call Transcript

This is further to our letter dated May 17, 2022 intimating the details of Investor/Analyst call on the audited financial results for the quarter and year ended March 31, 2022 scheduled to be held on May 23, 2022.

In this regard, we are enclosing herewith the transcript of conference call hosted on May 23, 2022. The same is available in the Company's website: https://redingtongroup.com/india/financials-and-reports/

Thanking you.

Very Truly Yours,

MUTHUKUMARASAMY MUTHUKRISHNAN
Digitally signed by MUTHUKUMARASAMY MUTHUKRISHNAN
Date: 2022.05.26 18:51:22 +05'30'

M. Muthukumarasamy
Company Secretary

“Redington (India) Limited
Q4 FY22 Earnings Conference Call”

May 23, 2022

DISCLAIMER: E&OE - THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON 24TH MAY 2022 WILL PREVAIL

MANAGEMENT: **MR. RAJIV SRIVASTAVA - MANAGING DIRECTOR - REDINGTON (INDIA) LIMITED**
MR. S.V. KRISHNAN - GLOBAL CHIEF FINANCIAL OFFICER - REDINGTON (INDIA) LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Redington India Limited Q4 FY22 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajiv Srivastava, Managing Director of Redington (India) Limited. Thank you over to you Sir!

Rajiv Srivastava: Good morning and a warm welcome to everyone on this Redington's earnings call for Q4 and year gone by. A very happy to be with all of you today morning and we are pleased to report another strong quarter of sales and operating margin growth. Redington achieved record revenue and operating margin for the year as our continued investments in technology capabilities, partner relationships and our comprehensive breadth of offerings begins to payoff. Growing demand for supply chain orchestration is driving strong financial performance across our global businesses.

Looking ahead to this quarter, we continue to anticipate a reasonable demand environment and expect to sustain strong revenue and margins from our recently implemented operating improvements amidst the backdrop of geopolitical uncertainty, which we all know is playing out in the world but let me give a color on the numbers. Our revenue for the quarter stands at Rs.17,324 Crores which is a 12% growth year-on-year and 13% in terms of absolutely on gross accounting basis. EBITDA growth has been 14% which is higher than revenue and PAT has been 15% growth which is again higher than EBITDA and revenue both, so that is on a consolidated basis for all the geographies we operate in.

India grew 22% in revenue, 8% EBITDA and PAT of 8% whereas the overseas saw a revenue growth of 4%, but very strong EBITDA growth of 18% and PAT of 20%, so those are the numbers for the quarter gone by.

For the year, we crossed the revenue of Rs.62,732 Crores which is a 12% growth on gross accounting basis and net is 10%, very strong EBITDA growth for the year at 31% and PAT growing 69% for the year, so I think both in terms of quarter and year, we have had a very, very robust performance.

Let me give you a bit of color on as to what is going on in the world from the point of technology and from the geographies and regions that we operate in to give you a sense of story behind the numbers. We know that world markets and world businesses and individuals are seeing a very strong technology adoption. We operate in India, Middle East, Africa, and Turkey pretty much across 37 -38 odd countries and at one level you will find that most of these economies for the last couple of quarters have been pretty positive. The prognosis which is a future version for this economy growth is also positive and we can talk about in terms of near-term challenges, but largely the GDP growth forecast for the year looks like quite positive for each of these countries and all of these countries are going through a very strong technology adoption. We have seen infrastructure push by governments in our regions, India, Middle East, Africa, Turkey everywhere pretty much all locations.

Organizations have rolled out years of technology projects into few months and that really has been a serious acceleration of digital transformation or digital adoption that we have seen and this happens to be pretty much across all the sectors of the economy manufacturing, retail, education, government policy support for all the technology projects, learn from home, work from home, acceleration of digital economy, so pretty much every single business is trying to leverage technology as a next lever of growth as also education work from home, learn from home continue to accelerate. Now we know that there will be a shift in this as we go forward, but for the moment it has been a very strong driver.

All of this growth you would find that is investment and consumption led so far. Companies, organizations, and governments have been making a huge amount of investments in each of the infrastructure push just to make sure that they can modernize, they can automate themselves, so the investment and consumption led scenario was playing out to our advantage. The technology which it is consuming is in the domain of cloud, subscription and then base level foundation applications like SAP and CRM, customer experience, very strong focus on sales automation and customer analytics. Whatever companies can do to access and reach out to their customers in a more productive manner is something which is finding immense flavor as we speak right now.

Then there is always new technology or the nature of Artificial Intelligence, Augmented Reality, Virtual Reality, Internet of Things, IoT is getting more and more popular as we speak, 5G base applications, we will find that the world going forward, it is going to be a lot more video and voice based and we are trying to ride all of these and then there is one very interesting thing which is happening is on the space of very small for us yet, but very interesting space of 3D where you can pretty much manufacture in an edited manner a variety of product that customers and consumers can consume and it is really a democratization of manufacturing as well. Those are the things that are happening on technology perspective, but we as a company are also cognizant and conscious of the fact that there is a buying behavior shift in the market. What people buy, how they buy and who they buy from is completely shifting and shifting at a very fast pace. So there is a shift from product to services so instead of buying everything in a very capex dominated way, people are shifting to as a service model that is one big shift.

The other thing is from an owned to a subscription model. So instead of trying to own everything and be paying for it upfront people are trying to move towards the more subscription-oriented model which means you buy and consume when you want to and really do not have to be saddled with an opex cost forever in your life so I think those are the things which buying behavior shift is taking place. We are also seeing very strong shift in business model and traditionally we have always been accustomed to use to a very brick and mortar method of buying and selling by people, but that brick and mortar is shifting towards a much more online dominated world and pretty much everything in between, so we are entering into a world which is a true omni channel where the customer journey's is continues and anybody who can predict or manage the customer journeys in this continuous world will be in absolute clear winner, so I think there are business model shifts in the marketplace, the omni channel everything has a service and those are the elements that we are very conscious of, cognizant of and we will do everything possible to make sure that we can ride this trade. With this initial commentary, let me stop over here and open it up for your comments and your observations, questions and we will be more than happy to take it everything on. I can also talk to you a bit about strategy as we go forward, but for the moment let me open it up for your interaction. I just want to let you know I also got my Global Chief Financial Officer, S.V. Krishnan on the call with me and Deepika, Finance Leader.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chetan Shah from Abakkus Asset Management. Please go ahead.

Chetan Shah: Good morning and congratulations to entire team for such fabulous number and keep surprising us in terms of not just the business, but also in terms of the way you are managing your working capital. I have two very specific questions. One, in continuation of your opening remarks where you mentioned that we are now going for a change in the way customer buys the product and the entire business model and bucket sizing is getting changed, so could you just little bit elaborate in terms of how does this going to play out from our mix of business, because we will be more focused on B2B or within the B2B the large client, concentrated client, they not only expect from us just the product but also the continuation of support of the product, one is that question and sir second I want to understand, how is the ProConnect as a business progressing, we are seeing steady state growth in the number and also the margin, if you can give some flavor of that business where we are and what is our big picture looks like three years down the line, these are the two very specific question and once again congratulation and all the best for your future Sir.

Rajiv Srivastava: Thanks so much. I look both your questions are very, very interesting and let me give you and very close to what we are doing right now, so let me give you a sense of what is happening in the customer buying behavior and you mentioned clearly the buying behavior is shifting like I said we used to all go and buy from shops and retails and malls wherever we used to and even before pandemic had started the model started to pivot towards a convenience and customer choice model. You get the convenience of ordering from anywhere and everywhere and you get to choose where you sit behind and then just go through a site or a website or the options that are available on that site for your buying. I think those are the two drivers, convenience and customer choice are the drivers of change in business model. We see this coming very strongly, it happened in our business, a lot of our products have started to go online and people are shifting to buying. Today what you do is, you walk into a shop, you go to a retail outlet, you check out the products then suddenly you go to a website and do research online, so check online and research offline or vice versa are the game and so this is a continuous customer journey. There is no one customer which just follows one single pattern, customer follow multiple routes and multiple patterns and we got to be cognizant. This is a very huge analytics and very huge customer track and trace, technology driven architecture that we need to create to be able to maximize this and this is exactly what we are trying to do in both in our B2B world where customers can come and take a look at the products that we have on site and they can take a look at the choices that have got available from various brands and various vendors and they can make a right choice and we will also give them advisory services on what is absolutely right for the business, so that is a huge shift in a manner in which we are trying to fulfill the basic customer requirement of choice and convenience, so that is what we are trying to do and then whether you buy online or offline, products gets supported, because support, warranty long term commitment to maintain the product and absolutely keep it working in a way it was designed to work, these are the product attributes of all brands, so that does not get compromise at all, so continuation on support for every consumer and customer is absolutely an experience that we cannot and can never no brand can ever compromise on, so those are things that are happening in the online and omni channels sort of world.

Your point about ProConnect, a very interesting story on ProConnect. We have had such a satisfying year on ProConnect. The ProConnect always used to come up as a story which has a little bit up and down a bit, last year we took a call that we will do every single thing possible in ProConnect business to make sure the business stabilizes before we launch ourselves for an aggressive growth and that is exactly the way it played out. ProConnect turnaround with our revenue growth of 9% last year, it did at EBITDA of 17% growth and a PAT of 46% growth and these are the things that we put fundamentals in place in ProConnect business, whether it is right sizing of the customers, going after the right verticals in our customer, making sure that we have the right technology in place for fulfilling our logistics, supply chain business for transportation and warehousing, making sure that we have the right sort of operational capability in place, so there is a lot of work which has gone in the ProConnect business to make sure the business start looks fundamentally very sound and secure and that is precisely what you are seeing in results now. So our strategy of consolidating, getting foundationally strong from a capability perspective has played out very well.

Chetan Shah: Thank you so much Sir. Just one small question about the cloud business, if you can give something about that, that is it from my side. Thank you very much.

Rajiv Srivastava: I do not know what do you mean by when you say I can give you something about cloud

Chetan Shah: I just wanted to understand that how the traction happening in that specific vertical, this is something which we started couple of years back, we have a very big plan for next five years, so in the journey where are we, are we on track, are we ahead of track because now seeing other verticals I want to believe that we are ahead of curve in that side of the business also, so just trying to get a sense on that.

Rajiv Srivastava: I think it is a great question. You are absolutely correct when you say that, when you compare it with rest of the business how does cloud stack up and it stacks up extremely well Chetan, it stacks up well because our growth in cloud in last year and cloud is a combination of products and services, we are small in services that is the muscle that we will build up, but overall products and services combination of cloud has grown 41% for us last year in FY22, it has grown 41% which is much faster than my overall business. My overall business is about 10%, for the year but cloud has grown 41%, so it rides on the back of exactly what I told you about the changing business models in the market. The way customers and consumers are buying everything as a service and as a subscription model, so they would not have to get saddled with the investment, which is not paying off for the long run, they can make quick adjustments to their operating model to their cost structures and still get the best in technology, what the best in technology has to offer. So our cloud story is coming around very nicely, very quickly, we partner with all the hyperscalers which is Amazon, Microsoft, and Google, so we got some very sound partnerships in place, these are the three biggest players in the world and we are fortunate to be aligning with them to make sure that our cloud story continues to become stronger and stronger as we go forward.

S.V. Krishnan: Just to compliment what Rajiv said, we have also invested in a very good cloud platform which will enable no touch or a less touch level of transaction and that is also going to help us in terms of scaling the business at optimized cost.

Chetan Shah: Thank you so much and I will come back in the queue.

Moderator: Thank you. The next question is from the line of Dhaval Shah from Svan Investments. Please go ahead.

Dhaval Shah: Good morning to the team and great set of numbers in this challenging times. Sir I have questions, I was just comparing with this around Rs.17,300 Crores topline and I am going to just compare this with the December 2020 quarter, Q3 2021, we were roughly about same number, 17,000 approx, but if you look at the operating expenses at that time they were at around Rs.260 Crores and now at Rs.330 Crores, so which element of this operating expenses has seen a big increase, which is leading from 260 to 332 and secondly our employee cost over last couple of quarters, we have seen a lot of up and down in terms of the absolute number, so any trend or how should we understand that, how does this employee cost move with the topline, in December 2020 quarter same it is Rs.250 Crores now it is Rs.238 Crores, so these are my two broad questions.

Rajiv Srivastava: Let me give you a color on the expenses that we are doing and what we are doing in expenses I think you will relate this to what I said earlier about investments in technology, in people and how the business is moving towards everything as a service and customer choice model. When you do all these things we got to make sure that we pivot our business from brick and mortar offline model to a omni channel enabled model and so we make a huge amount of investments and we continue to make, you will see our investments continued to be high, it will convert our business to a much more responsive online model, so we are setting up online platform which will allow our customers the choice that I just talked about a bit ago. Krishnan also mentioned to you about the choice in the cloud platform. We have invested in a very strong cloud platform where any customer or any partner can come and configure the product solutions and services they want to buy and procure and then just provision for themselves it is such a easy sell service sort of a model that we have launched now and that is again a huge investment we will continue to make sure we invest in that space to increase our technology capability to reach out to our customers and partners in a very meaningful way and then when you pivot towards in the cloud area, when you pivot from products to a much more product and services combination you would find that services is a very people dominated business, it is a highly capability oriented, people dominated business you need to acquire the best of capabilities in the market to make sure that you can serve your customers much more closely and much more integrated holistic fashion that is what we are doing that is the reason our opex cost on people, employee cost has gone up, our opex has gone up just because we have invested a lot of money in the cloud, technology and e-commerce technology platform plus we are also investing a lot in our own internal tech capabilities so that we can get far more streamlined, far more optimized as we go forward. These are the best time to make investments, because if you make investments now, you really can get the best of the investments that you make and the relations that we have for future continued robust growth in the future, so we are in a way, in a sense, we are future proofing ourselves. This time is being utilized by us to make sure that we future proof ourselves in a very robust manner and continue to ride the growth curve forever and there is a shift we acknowledge, we recognize the shift in the marketplace and fortunate that we got it at the best time and we are dialing up on those shifts.

S.V. Krishnan: Just one more point to your question, Just on the first point with respect to the comparison to Q3 of last financial year, you would have seen in the last couple of years, Q3 has always been on the higher end mainly because of certain new launches that are being done in the mobility space to correspond to the festive season, so there will be some spike in revenue that time which will enable better profitability. Even in the current year if you see for Q3, the EBITDA was much higher as well as the PAT, so that is very specific to Q3, but having said that on the expenses, Rajiv very clearly mentioned, we are making some investments for the future that will enable some increase in cost, but we are very positive in terms of that getting recovered in the form of higher margins in future.

Rajiv Srivastava: I think the revenue is just seasonality thing.

Moderator: Thank you. The next question is from the line of Krish Mehta from Enam Holdings. Please go ahead.

Krish Mehta: Congratulations on a great set of numbers and thank you for taking my question. I just had two questions. One was on the cloud revenue for Q4 and the subscription revenue within cloud for Q4?

Rajiv Srivastava: All of our cloud revenue is actually subscription revenue only, our cloud revenue for Q4 is Rs.436 Crores which is a 49% growth year-on-year and all of it is subscription that’s how you measure cloud.

Krish Mehta: I am sorry I meant services part of the cloud revenue for Q4?

Rajiv Srivastava: Okay, service is a small part, services revenue in this is I think about Rs.20 Crores, about 4.4%.

Krish Mehta: If I could followup on that how do you see this services scaling up as we go forward in this financial year?

Rajiv Srivastava: Services is the one which is meant to scale up that is where I said we are making a tonne of our investments in employees is all around services. Cloud will scale up and so will services, services always start small, and I am so pleased I cannot even tell you how pleased I am right now that in a short time we have gone to a service revenue of almost about 4.5% of our overall cloud business, which is a very, very healthy trajectory. What it is doing to us is? many things okay, it is not just about, and I do not want to get relate just on the size of the revenue, what it is doing to us is, it is opening us up to many, many different kinds of very deep-rooted strategic partnerships. We are getting exposed to a lot more customers, we are getting exposed to a lot more partners whom we partner and take their services to customers, we are getting exposed to a lot more system integration partners who are taking us along with them to customers to make sure that we can deliver services there, it is far more strategic at that level, so overall hopefully right now it is about 4.5%, but over time I see our services portfolio going in the near term to be at least about 10% of our overall cloud business.

Krish Mehta: Thank you so much. That is very helpful.

Moderator: Thank you. The next question is from the line of Pushkar Jain from Sequent Investment. Please go ahead.

Pushkar Jain: I just had one short question. I just need your viewpoint on how the go to market strategy from Apple will impact our business? Thank you.

Rajiv Srivastava: Unless Apple has got like any other brand, like any other vendor, every vendor has got their own GTM approach and its strategy where they try and dissect the market, this segment in the market is a lot more. Apple has made a very strong change to go to market model beginning of last year and they shifted a lot of there business from partners like ours to going direct to retail which is Flipkart, Amazon variety in India. They did not make the similar change in Middle East and Africa. They made a different change in Middle East and Africa, they took away some regional distributors in Middle East and Africa, so a similar theme played out that they wanted to be closer to their customers, they wanted to be closer to their partners and all of that and look what we did, despite Apple going the way they did or any other brand going the way they did, our revenues in India last year grew 19%, so we were able to mitigate totally because what is happening is when route-to-market is made in a different way of addressing, there are other ways which open up and Apple has a lot of products. Apple has products of the nature of MacBook, Apple has product of iPad, they have got lots and lots of accessories and similar so on and so forth on many other product categories and all of those started to play out differently for us, so we re-engineered I mean just we are talking Apple GTM, I think what is more relevant for you and for us is how did Redington re-engineered its GTM to maximize the market opportunity. We re-engineered our GTM, we went in a variety of different ways to lot more countries, lot more geography, lot more local presence and I think a lot of capabilities at the ground in the field close to customers and close to partners where they exist to make sure that we can continue the relative growth and the results have really, really been fantastic for us, they surprise us in a way, but they have been absolutely and in a pleasant way they have surprised us, but we could remodel our GTM to make sure that we continue to capitalize on the growth that we deserve.

Moderator: Thank you. The next question is from the line of Chintan Sheth from Sameeksha Capital. Please go ahead.

Chintan Sheth: Thank you for the opportunity. I had just two set up questions. One is on the revenue part India business effectively grew faster given the high base of last year. If you can throw some light on which segment whether it is IT product driven growth or it was mobility driven growth which helped us to clock such a wonderful revenue growth for the quarter and second on the international part, again in the revenue piece that despite Brightstar acquisition and getting full quarter benefit for this quarter, the revenue were softer and the same question applies to here as well that which segment, was softer related to what we have been seeing in the past.

If you can provide color on that and second part of the question is on the working capital if I look at the trajectory from last year to this year our receivable days and inventory kind of inching back to the normal level and the benefit which we are getting is purely driven by the payables being favorable to us and given that there is a supply issue given that we are expecting a slightly better gross margin from the market, the payable being favorable to us, I need to try to understand this piece when your supply is tight, your margins are better in the market and yet you will get a better credit terms from your vendor so if you can throw more color on that piece that is all from my end. Thanks.

Rajiv Srivastava: Okay, Chintan you asked many, many, many questions not just two or three, because each one of them is a strong question itself but let us try and answer each one of them. I will do a few and I will leave to Krishnan to handle the rest. So just to give you a sense of revenue grew faster, which products grew faster than the others. Our IT products and IT business grew very fast, it grew at 24%, our services business grew fast at 12% and our mobility was a decline last year it was a negative 11% and let me give you why mobility was declining and within the IT products which grew. Mobility was a decline because last year in three out of the four quarters there has been a considerable pressure on supply, the supply chain in the world has been disrupted, there are a lot of commodity shortages because of which lots of brands have been struggling with supplies. Apple has struggled with supplies last quarter they were eight billion short on supplies, Samsung struggled on supplies, Oppo, Vivo in different geographies we have got different mobility brands and all mobility brands last year went through a huge supply constraint. I am hoping they will come out of it this year and let us keep our fingers crossed, but that led to a decline in the revenue of phones or smart phones or mobility business. It is borne by the fact that overall global market on smart phones degrew 6% in Q2, degrew 6% in Q3 and degrew 9% in Q4 so for the last three quarters global smart phone market, global mobility market has been shrinking and it is all because of supply led constraints so we had a drop in our mobility revenue not surprisingly and absolutely aligned with what we are seeing in the market.

Our IT business saw very, very strong growth, our IT business our enterprise grew faster than our consumer access product device, so enterprise IT grew 30% last year on the back of the way you are seeing change in the cloud buying behavior, the change in the fact that enterprises are trying to run really, really large and big complex projects as you go forward, so enterprise IT has grown extremely well and that is very, very good story whereas the consumer IT has grown 21% for the full year again a strong growth but the heartening factor over here and this is something which really, really pleases me is the fact that we out set the market by a factor. In India for instance in Q4, the PC market grew 31%, Redington grew 46%, PC market in Middle East and Africa grew 8% Q4, we grew 21% this 2.5x the market growth. . The way I talk to the earlier question on GTM how we re-engineered our GTM that is I think playing to our advantage of making sure that we get the growth. I think our revenue growth faster and this is how the state of whole revenue growth looks like.

To talk to you about the international business and with the Brightstar acquisition despite the Brightstar acquisition how the revenue has stayed pretty much flat or actually oversees the revenue growth 5% in gross accounting terms. It is grown 5% despite Brightstar, now you have to understand two things happened. We grew much faster in the market like I said but the overall market came down so holding on, so our job in that place was how do you continue grow or in a stable or a de-growing market and that is exactly what we did so we feel good about the fact that we were able to outset the market by such a factor and maintain our growth trajectory and Brightstar added and help to it but other things that could have probably helped if we had the right level of supplies of mobility and all I think we would have been a much, much, much faster growing business but it just we out set the market which is a great, great story from our perspective. Let me hand it over to Krishnan to answer the questions on receivables, favorable payables, supply issues

S.V. Krishnan: We have maintained our working capital and you are absolutely right in terms of your analysis that the DSO has gone up, DIO has gone up and the increase in DPO is what has contributed to maintaining working capital perfectly right. The reason why the payable days have gone up is also to do with mix of products as Rajiv just explained our IT division has done very well within that enterprise has done even more better and these were the cases where the credit days from the vendors are significantly high that has enabled us to increase our payable day. Having said that there is a small portion which may be due to the supply model that we have had towards the end of the quarter. We did see lot of supplies happening towards the end of the quarter which has enabled us to liquidate those inventories. To that extent it could be slightly higher which will get normalize in future, but otherwise the significant part of it is because of the mix and the better negotiation that our business team has done with the vendors.

Chintan Sheth: Okay but any credit terms being turned favorable apart from what you mentioned the mix driven effect on the DPOs?

Rajiv Srivastava: I do not think there is a real revision or reworking on the credit terms, it is just that on a deal-by-deal basis, you rework the credit terms. The deal business is different since there is such a strong focus on enterprise which is deal oriented so you see a better favorable AP in that sense.

S.V. Krishnan: In those business verticals the credit days that we offer to the customer is also higher and accordingly the credit days that we get from the vendors are also higher.

Chintan Sheth: Got it. I will join back in queue for more questions. Thank you for the answering.

Moderator: Thank you. The next question is from the line of Chirag Setalvad from HDFC. Please go ahead.

Chirag Setalvad: Good morning and congratulations for a great year and for a great quarter as well. I had two questions. One was in terms of Apple if you could highlight the performance for this quarter and because of the change in GTM, what kind of performance could Apple deliver next year also considering the supply constraints in the system so that is my first question and the second was in terms of profitability I think the company has done a remarkable job so would like to understand what you think is sustainable overall consolidated profitability? Those are my two questions. Thank you.

Rajiv Srivastava: Okay, let me give you a sense on both of them. Clearly, Apple has been a great story, Apple grew very, very fast in last quarter. They grew 33%, growing 33%, a revenue turnover of some 290 billion which took them to 366 billion for the year last year was fantastic but the last quarter, they had a slower growth it was not a launch quarter, the previous quarter was a launch quarter and Krishnan mentioned about that. Like as I said our overall mobility business came down so Apple also came down for us just because there were supply shortage situations in the quarter, our contribution of Apple to overall revenues is a little down from the earlier times, but we do see a very strong going forward because there will be new launches coming up in the next two quarters. We see the supply situation and I was going through the news yesterday and very good announcement Apple said that they would consider to increase the production volumes from the factory in India. You guys know that they do a manufacturing for Winston in India, Bangalore and that could be a very good story if they dial up the volumes, increase the manufacturing volumes from the India factory. We will all be benefited immensely and that can lead to a very strong positive supply chain gap being mitigated completely if that were to happen in a hurry, so Apple is in a very, very good space for us. It continues to be our largest brand and continues to be a very positive story as we are thinking about Apple last year now and for the next year as well, so we will continue to do everything right. We are obviously making sure that our rest of the brands and our rest of the business portfolio starts to look better and healthier all the time that is the reason I mentioned to you about enterprise growth and the cloud growth and all of that, but it is all those portfolios in a very good space.

From a profitability perspective the question that will the profitability of the last year continue for this year or not I think that is a question that we will uncover as we go forward and I do not want to sound random on this because the world today is really in an uncertain space, a lot of elements in the world are in an uncertain space right now and we got to be thoughtful that we have undergone and undertaken and weathered in a very positive way a lot of storms, we continue to do that and we will be very watchful to make sure that our trajectory of profitability and our trajectory of revenue growth continues. There are headwinds clearly in business, there are headwinds of the nature of inflation, of the nature of commodity prices, of the nature of energy cost a whole bunch of stuff which is creating headwinds and there are also tailwinds. Fuel prices going up actually leads to a very good story from a Middle East perspective a lot of countries are driven by that so we are in a good space right now between letting it out all the geopolitical factors for ourselves, the shortest situation which can hold up our gross margins extremely well. We will be extremely watchful and cautious and we will watch every single day, every single moment because we operate in a environment today which is highly dynamic and highly volatile and we got to make sure that we adjust and readjust our business priorities and our operations on an absolutely real time dynamic basis so we feel good about where we are right now we feel good the fact that in the near term, in the interim the gross margins should hold up and we will continue to watch this space. Chirag I am sure you must be watching what is going on in the financial markets around the world and in India so I am sure all of us will be together in this but I feel good about where we are right now that everything should hold up.

Chirag Setalvad: And just a quick follow up what would have been the impact of the change in GTM for Apple for last year in terms of lost revenue?

Rajiv Srivastava: We would have lost about 3.2 to 3.3 thousand.

Chirag Setalvad: And that impact is just in the second half or would you have seen that in the first half as well?

Rajiv Srivastava: Started in Q2 actually, first half Q1 and then Q3 and Q4.

Chirag Setalvad: The loss in revenue is around Rs.3,500 Crores?

Rajiv Srivastava: Rs.3,200 Crores something like that but we are more than made up like I said despite that India grew 19%, so we could make up much more than that.

Chirag Setalvad: Thank you very much and all the best.

Moderator: Thank you. The next question is from the line of Mohit from Edelweiss Securities. Please go ahead.

Mohit: Congratulations for a good set of numbers and thanks for the opportunity. Sir my question is on the supply chain issues which we have been seeing in the mobility side of business right, so you said that we have been seeing this degrowth in the last three quarters because of the supply chain so wanted to understand for how many quarters more you expect the situation to continue, what are you seeing on the ground at the current level and the second question of working capital is a basic one where we have the working capital of around 13 to 14 days right and it is driven by the increase in payable days because we had mentioned the previous earnings call that it would come down to around normalized level of 28 to 30 days so it will be again the payables does this come down from 63 to 47, 48 days so the creditors will get revised with the vendors from the IT segment as well, so those are my two questions. Thanks.

Rajiv Srivastava: Krishnan, do you want to take the second question first and I will take.

S.V. Krishnan: You are right we have been saying that there will be normalization so that is very clearly in place as the situation becomes normalized in the market, the working capital will get normalized, which component of that will get normalized within all the three will get impacted and in our view there will be a good increase in the inventory days and the AR days which has been highly favorable for us in the last few quarters so whenever this normalization happens you will see the change across resulting in increase in working capital.

Rajiv Srivastava: To your question about the supply chain issues on mobility and how long will they continue, I am hoping they will end very soon. This quarter looks a little better than the previous quarter from a supply chain fixing perspective. Some locations in China, some factories in China continue to be under COVID determined lockdown so those are long term implications that the world will continue to see, but despite that this quarter Q1 we have seen Q1 financials we have seen a better or little improvement in supplies I am hoping it continues and this is not only mobility because components that go into the manufacture of a mobile phone are similar to the components that go into the manufacture of a lot of other technology of intelligent equipment like PC and chips and IoT and all of that and my discussions with the global leaders of companies like Lenovo and Dell and HP suggests that this shortage should get start to become a lot more easier by Q3 of this year, so it is from October onwards you will see a much more eased out, a much more sort of relatively freer flowing supplies, but we will have to wait and watch because which way the war will sort of start to play out from that perspective we will have to be very cautious, but as we speak the phone supplies will become a little better than last quarter.

Mohit: Thank you.

Moderator: Thank you. The next question is from the line of Sandeep Dixit from Arjav Partners. Please go ahead.

Sandeep Dixit: Thank you. Can you give us a sense of the product concentration in your sales as in which are the top brands and what is their share of revenues?

Rajiv Srivastava: You saying the top brands is it?

Sandeep Dixit: Yes, break up of your sales by brands.

Rajiv Srivastava: Our product concentration mirrors pretty much the global brand or the global play out and we have got very strong partnerships with 240 but only a handful of them obviously do much better or are contributing to the higher part of the revenue. So Apple is a big contributor to our revenue so is HP then Dell EMC the whole portfolio of Dell EMC then there is Lenovo and then there is Samsung so these are the five brands which play out the maximum for us. We do not do Samsung in India, we do Samsung in Middle East and Africa and we do Dell across some locations not all, again HP also in some locations not all, same with Apple but that is the way the concentration looks like Apple, HP, Dell, Lenovo, Samsung become our top five brands and this is similar to you would find this similar to the way the IT industry product led revenues are and so we mirror a lot of the world.

Sandeep Dixit: Fair enough. My actual question was about the risk of let us say Apple decided a different GTM strategy and if I guess managing risk is one of your key concerns probably now as we've ranked them up so I just wanted a sense from that first.

Rajiv Srivastava: That risk is forever there, this is the risk of not only Apple it is a risk of larger distribution business that you can get disintermediate at any point of time and all good companies you would find that they would have to mitigate the risk of disintermediation not only Apple but it can be anything. A model change for instance when the world went from offline to online that was the risk of disintermediation to Redington. When company like Apple decided to go in that way or HP decided to go, so we will do geography based distribution, it is the risk to us, but like all good companies Redington also has a very good way of trying to understand the risk read them into the future and then apply your own mitigation approaches to minimize the risk and actually grow and you saw it happen last year. Apple, the change in the business model had an impact on us to the extent of that much revenue and everything for us still turned out to be a 19% growth so we have to be mindful and these are regular business cycles that keep happening. Sometimes a new product comes and disrupts you, sometimes a new business model disrupts you, sometimes the change in approach of some vendors will disrupt you that is normal business. I am never overly concerned about those. They are all normal business happenings; they happen all the time and as good companies we got to be mindful of how we try to deal with it and make sure that we continue to grow in a market which is so favorable and so potential right now.

S.V. Krishnan: Just to supplement what Rajiv says that is the advantage of being in multiple markets and with multiple brands and some of these GTM strategy changes by vendor will also be positive for us that is why you are able to see a very consistent growth across various markets.

Sandeep Dixit: That is extremely helpful. Can I just as one last thing, these five brands would you say that they were about 80%, 70%, 60% how much of your revenues with these five brands, just ballpark number, just to get a sense of concentration.

Rajiv Srivastava: Five brands will be less than two-thirds.

Sandeep Dixit: Thank you very much.

Moderator: Thank you. The next question is from the line of Ronak Vora from AUM Advisors. Please go ahead.

Ronak Vora: Congratulations on a good set of numbers. Two things, I want to understand with Apple change in GTM what was our reply or our re-engineered GTM can you please elaborate?

Rajiv Srivastava: Fairly straight. We are giving too much of credit to Apple GTM strategies is not required because every brand will do, every company does what they have to do for their right way of being. We re-engineer GTM all the time and why do you re-engineer a GTM Ronak, because like I said the manner in which products are being bought and the manner in which products have been sold today and consumed is changing, the buying behavior is changing. There is a bunch of customers who are trying to go direct and online I think we have a legitimate right to go and say look how do we fulfill that requirement of customer choice. If there is a shift in the market towards the most service dominated model, we have a legitimate right to make say how do we continue to provide service to our customers in a model which is shifting from capital expense to operating expense driven model so I think it is just that we have to change our model all the time. We do it all the time and in this specific case you will shift us and I am just giving a generic answer. You will shift your focus from one particular so assuming there is a one route is Flipkart is doing something different. We have no reason or concern to really take them on we have to figure out what we do to address that requirement and so we figure out a way of trying to go more to customers, to expand our geographies, to make sure we are expanding to our partners, the typical things that our distribution engine has to do the whole supply chain efficiency getting closer to customers and partners bringing more and more value add and we have done a ton of them and that is the reason you are seeing that nothing impacted us. It actually helped us and everybody grew. It is not only Apple, Lenovo had a change in business model last year. They also went to retail directly or to online directly so did Acer and so on and so forth many, many brands have that and the collective outcome of all this is that we re-engineered ourselves and grew 19% larger and it is a healthy business thing because it allows you, enables you to be sharper about your approaches. It allows you to be focused on yourself and make sure you are doing all the right things to provide customers the choice they deserve, provide customers the range of services they need and be close to that and continue to grow that really is a whole net of this.

Ronak Vora: Okay and secondly I had this question on cloud services, you said that we have tie-ups with all these hyperscalers so what kind of services do we provide to them so what kind of benefits do we have with them to our clients and what is the exact business that we do?

Rajiv Srivastava: I obviously cannot share with you the kind of benefits they have with us and we have with them that is not appropriate I cannot share that but I can let you know that these guys have all of them have cloud products like Microsoft has cloud, Office 365, Azure Services, Amazon has got Amazon web services and packages which can be rolled out to any customer, any SMB, any large enterprise, any customer, any individual for that matter I am sure you use Office 365 on the web like I do, you buy office 365 for Rs.6499, six people get enabled because of that one procurement buy and this is a wonderful model and that is what happening so there are a whole set of products that you sell as cloud enabled products because they are subscription services and second is for mid to large enterprises. There are other range of services that need to be done and there are many services. The services of nature of transition services, infrastructure services, migration services, platform as a service, implementation, whole ranges of analytics so I think there is a whole model of cloud is so sort of potential and so dynamic and so smart it is just because it provides customer choices, it provide customer ease and it provides customers agility to deploy more. We have got a whole range of services and the range of products from these hyperscalers to sell to our customer partner.

Ronak Gora: Thank you.

Moderator: Thank you. The next question is from the line of Anuj Jain from ValueQuest Capital. Please go ahead.

Anuj Jain: Thanks for the opportunity. I have one question. My question is with regards to Turkey operations if we can provide more details regarding growth and profitability for the full year and our expectations going forward considering the macro in Turkey?

Rajiv Srivastava: Turkey has been a very, very good operation for us and we operate in Turkey under two we have a direct operations in Turkey which is Redington Turkey and then we have a Turkey operation which is through our company, which we acquired in Turkey called Redington Arena and the revenue has been flattish in Turkey and you understand Turkey has gone through a huge amount of geopolitical economic considerations over the last couple of years now. The inflation in Turkey this year happens to be at around 70% pretty much the highest inflation country in the world at this moment but despite all that, our revenue in Turkey has been doing reasonably well. We know we have been going faster in the market across pretty much all categories. Arena plays largely in the volume space which is mobility and the access products PC and printers and surveillance security equipment and Redington Turkey which is our 100% subsidiary operates largely in the value space so they do the cloud and other kinds of value services so in both of these cases we have had a very strong sort of a positioning in Turkey. Our prognosis for Turkey which is what the input of your question looks like we stay invested in Turkey. It is a huge market, it is a market that provides us with many, many leverages. It is a gateway to the West, it is a gateway of huge amount of innovation I was surprised, I went to Turkey recently, I was surprised at the level of innovation that Turkey is trying to engage with on high technology, on services, on cost of service delivery, so Turkey is extremely strategic for Redington and we will make sure that they continue to grow faster in the market which is what they have been doing over the last so many years despite a very difficult economic environment and we will leverage Turkey for a variety of other innovations that they are capable of bringing.

Anuj Jain: In FY22 did we had losses in Turkey operations, or it was profitable?

Rajiv Srivastava: It is profitable, Turkey operations grew 15.5% in profit in PAT last year just in FY22 over FY2021 so Turkey has been obviously profitable.

Anuj Jain: Okay, I understood thanks.

Rajiv Srivastava: Extremely quite profitable and I really compliment my team in Turkey for their ability to manage the most volatile region of the world right now from an economic perspective.

Anuj Jain: That is it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Aasim Bharde from DAM Capital Advisors. Please go ahead.

Aasim Bharde: So just wanted clarification on the GTM Apple change, this one was specific to smart phones in India right?

Rajiv Srivastava: Yes.

Aasim Bharde: Okay then the Rs.3500 Crores loss of revenue that would be purely on the India mobility business and although you mentioned that despite the Apple India revenue loss you have grown India business by 19% so I assume that is for the console India business so just on the India mobility side, have there been any mitigating strategies put in place for the loss in Apple revenue?

Rajiv Srivastava: We are obviously contemplating what we can do, mitigation is not a brand specific mitigation, a mitigation overall business specific mitigation and so just a typical mitigation would be what you do with more brands, where you can provide more services, how can you reach out to more customers and consumers, what GTMs can improve and improvise upon to reach out to more partners, more cities, more towns all of that so all of that is there so diversification in terms of the partners that we have, diversification or addition of number of towns and locations that we do businesses, diversification in number of additional brands that we can do or more services that can provide and become a more holistic country to become a more holistic provider that is what we are trying to do. All of the answers on this I know there has been a lot of questions on this topic. All of my answers have been consistent, we are trying to make sure that we do what is right from expansion of our business and geo and partner and all that coverage, so we reinvent our GTM to make sure we grow.

Aasim Bharde: So basically the loss of Apple mobility revenue would probably be covered not just from mobility business but from your other IT business as well that is the point right?

Rajiv Srivastava: Yes, it always happens right.

Aasim Bharde: And just fair to assume that rather the Apple GTM issue was Q3, Q4 phenomena last year so fair to assume that even Q1 and Q2 of this year, there should be an impact in India mobility business regardless of supply chain issue?

Rajiv Srivastava: Much less, not Q2 because like I said Q2, Q3, Q4 were impacted last year, so that y-o-y compare will start to become positive from this year, just the Q1 will be and we will obviously manage that.

S.V. Krishnan: Having said that I just want to say normally for these businesses, the festive season is a peak period so that is something that we had seen in the previous period itself so I do not think there needs to be any extra concern.

Aasim Bharde: Thanks a lot.

Moderator: Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr Rajiv Srivastava for closing comments.

Rajiv Srivastava: Thanks so much. Really enjoyed this interaction, there were a wide variety of questions though and it went through the business situation, it went through the customer buying, how we are trying to see the way in which the world is evolving from a technology buying as well as tech perspective all of that and I just want to let you know so first of all thanks so much for the very engaging interaction. We continue to do what we do best which is we continue to make sure we are investing in our business to make it far more streamlined, smooth and efficient, close to customers and partners, a business that continues to create the highest levels of experience for every single stakeholder we deal with, our employees, our customers, our partners, our vendors whoever else comes to our website to get a sneak into the products and services that we deliver, so our digitalization of business will continue absolutely at a very fast pace and I am happy that somebody asked a question on why the opex is going up, it will go up just because we want to make sure that we are continuing on the trajectory of implementing and investing in tech, that is the way the world moves. It will increase because we are investing in customer outreach programs on the digital platform that is the way the world is moving and we are in a way moving ahead of the curve in some areas. We will continue our portfolio expansion, we will continue our partnership alliances, operational excellence and we will continue to recruit the best people in the business to make sure we again are able to differentiate ourselves and we will continue as a company and this is something which I did not talk about it, but as a company we have a very, very strong community conscious, we try and do everything from the perspective of environment, from the perspective of governance, holding ourselves to the highest standards of corporate governance and also from the perspective of social initiatives that we do and we got a very, very strong social program which I cannot talk about but you guys should visit our website and take a look at that, very strong social program, very strong governance and effects and compliance all of that we want to make sure that we hold ourselves highest global standards on this topic.

So thank you so much for joining. I really appreciate the interaction and the level of details that you guys have on the questions. Any more questions I will be more than happy to answer if you can mail them to us, to Deepika or to SGA partners and we will be more than happy to take them all. Great and have a great day.

Moderator: Thank you. On behalf of Redington India Limited we conclude this conference. Thank you for joining us and you may now disconnect your lines.