

Redington

Distributing Technology Across Emerging Markets



EXECUTIVE SUMMARY

Redington, among the ten largest IT distributors globally, connects about 450 brands with 73,000+ channel partners across 40 markets in India, the Middle East, Africa, Turkey and South Asia. Since 1993 it has broadened from PCs and printers into smartphones, data-centre hardware, cloud and software.

FY26 revenue rose 20% to ₹119,347 crore (US\$13.5bn) and adjusted PAT 17% to ₹1,565 crore. Q1 FY27 was the best quarter in the company's history: revenue +34% and PAT +77%, led by India (+63%), cloud (+67%) and data-centre deals.

EBITDA is about 2% of revenue, so returns rest on asset turns and working-capital discipline.


40

Markets served


~5,300

Employees


~450

Brand partners


73,000+

Channel partners


US\$14bn

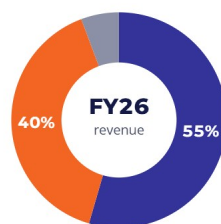
FY26 revenue

REDINGTON AT A GLANCE¹

	Started	1993, IT distribution
	Headquarters	Chennai, India
	Market cap²	₹29,008 Cr (US\$3.1bn)
	FY26 Revenue³	US\$13.5bn (₹119,347 Cr)
	FY26 EBITDA	US\$273m (₹2,414 Cr)
	FY26 PAT⁴	US\$177m (₹1,565 Cr)
	FY26 margins	EBITDA 2.0%, PAT 1.3%
	FY26 ROE	16.8%
	Top shareholder	Synnex, 24.1%

REVENUE MIX – FY26¹

By market



	SISA (Singapore, India, S. Asia)	54.5%
	Rest of world, ex-Arena	39.8%
	Arena, Turkey	5.7%

REVENUE BY BUSINESS – FY26¹

	35%	Mobility – smartphones
	31%	Endpoint – PCs, laptops, printers
	17%	Software – cloud, licensing, security
	16%	Tech solutions – servers, storage
	1%	Logistics, solar and other services

Share of vertical revenue before eliminations.

THE TECHNOLOGY SPENDING BACKDROP⁵

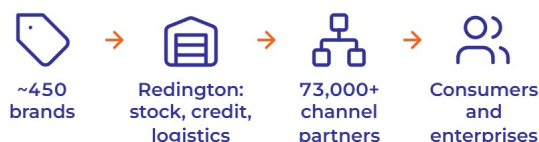
- Gartner forecasts worldwide IT spending of US\$6.37 trillion in 2026, up 14.2%, led by data-centre systems (+62.5%) and software (+15.5%) as AI infrastructure is built out.
- Memory-cost inflation is the near-term offset: global PC shipments fell 22.4% year on year in Q3 2026 as component costs lifted prices.



India IT spending: US\$176bn in 2026 (+10.6%); devices are the largest category at US\$66bn.

BUSINESS MODEL

Redington sits between global brands and fragmented local channels, holding stock, extending credit and running logistics.



GLOBAL FOOTPRINT¹

-  40 markets served, in-country presence in 33
-  168 warehouses and 71 sales offices
-  #1 or #2 distributor in most markets

India, Middle East

South & SE Asia

Africa, Turkey, CIS

PRODUCT AND SERVICE PORTFOLIO

	Smartphones		Cloud and professional services
	PCs, laptops and AI PCs		Software licensing and security
	Printers, 2D and 3D printing		Solar energy products
	Servers, storage, networking		Logistics and warranty services

FINANCIAL PERFORMANCE – REDINGTON (CONSOLIDATED)¹

Year ending March (₹ Cr)	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Revenue	51,514	57,042	62,732	79,519	89,610	99,562	119,347
YoY growth (%)	10.5%	10.7%	10.0%	26.8%	12.7%	11.1%	19.9%
EBITDA	1,071	1,439	1,879	2,261	2,141	2,257	2,414
EBITDA margin (%)	2.1%	2.5%	3.0%	2.8%	2.4%	2.3%	2.0%
PAT ²	515	758	1,280	1,393	1,219	1,340	1,565
PAT margin (%)	1.0%	1.3%	2.0%	1.8%	1.4%	1.3%	1.3%
EPS (₹) ^{2,3}	6.6	9.7	16.4	17.8	15.6	17.1	20.0
EPS YoY growth (%)	1.4%	47.0%	69.1%	8.5%	-12.4%	9.6%	17.0%
ROE (%)	n.a.	16.5%	24.1%	22.2%	17.0%	16.9%	16.8%
Net debt / equity (x) ⁴	0.09	-0.58	-0.49	0.20	0.18	0.16	0.17
Net debt / EBITDA (x) ⁴	0.37	-2.00	-1.51	0.61	0.62	0.63	0.71

Notes: 1. Company-reported revenue, EBITDA, PAT, EPS and ROE (corporate presentation, Q1 FY27). 2. Attributable to owners; FY25 excludes the Paynet divestment gain (₹265 Cr) and FY26 the Arena impairment (₹75 Cr); reported EPS was ₹20.53 in FY25 and ₹19.06 in FY26. 3. Adjusted for the 1:1 bonus issue in FY22; FY20 EPS derived from PAT; FY20 ROE not disclosed. 4. Borrowings (incl. lease liabilities) less cash and equivalents, consolidated balance sheet at 31 March; negative = net cash. Growth, margins and leverage: IA calculations.

Q1 FY27 RESULTS – RECORD QUARTER ⁶			
₹ Cr	Q1 FY26	Q1 FY27	YoY
Revenue	26,002	34,966	+34%
Gross profit	1,334	1,713	+28%
EBITDA	450	751	+67%
PAT (ex-exceptional)	275	486	+77%
EBITDA margin	1.7%	2.1%	+0.4%
Working capital days	37	32	-5 days

Q1 FY27 REVENUE GROWTH, YOY ^{6,7}	
India	63%
Middle East & Africa	15%
Cloud	67%
Software (SSG)	52%
Technology solutions	50%
Endpoint (PCs, print)	35%
Mobility	21%



Arena (Turkey) is being restructured: revenue has almost halved after the mobility exit and Paynet sale, and it lost ₹64 Cr in Q1 FY27 (Redington's share ₹31 Cr). Ex-Arena, revenue rose 41% and PAT was a record ₹517 Cr.

KEY GROWTH DRIVERS AND THE REDINGTON ADVANTAGE

 Emerging-market reach 40 markets; #1 or #2 distributor in most	 Brand breadth ~450 brands; the top 10 are about 75% of business	 Channel scale 73,000+ partners, from large retailers to system integrators	 Software and cloud 17% of FY26 revenue, 20% ambition; cloud +67% in Q1 FY27	 AI infrastructure ~₹1,000 Cr of large Q1 FY27 deals, ~₹700 Cr in Indian data centres	 Balance sheet AA+/Stable rating; working capital 30 days in FY26 (33 in FY25)
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KEY GROWTH DRIVERS

- India technology demand: India revenue +63% in Q1 FY27.
- Data-centre, AI server and AI PC cycles.
- Shift to subscription and consumption software, with professional services.
- Africa, revenue +39% in Q1 FY27.

COMPETITIVE ADVANTAGES

- Scale across 40 markets and ~450 brands.
- Board-governed, no promoter; Synnex holds 24.1%.
- Own logistics (ProConnect) and services (Ensure) arms; cloud marketplace.
- AA+/Stable rating (ICRA, CRISIL).

INVESTMENT SUMMARY

- Operating leverage: EBITDA +67% on revenue +34% in Q1 FY27, as mix moves to software and data centres.
- Watchpoint: FY26 free cash flow -₹199 Cr (company basis) as receivables grew.
- Risks: memory-cost inflation, Middle East disruption, Arena losses.
- 18.6x FY26 adjusted EPS at ₹371.05 (19 Oct 2026); +39% over 12 months.

SOURCES AND REFERENCES

1. Redington corporate presentations, Q4 FY26 (May 2026) and Q1 FY27 (29 Jul 2026)
2. Redington earnings presentations, Q4 FY26 (14 May 2026) and Q1 FY27 (29 Jul 2026)
3. Redington Q1 FY27 earnings call transcript

4. Consolidated balance sheets FY20–FY26, company filings
5. NSE quote and 52-week data, 19 Oct 2026
6. Redington Q1 FY27 press release (29 Jul 2026). 7. Cloud growth from the earnings call

India Avenue Investment Management

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