

**Management:** Over to you Palak.

**Management:** Thank you. Good morning everyone. Thank you for joining the event. It's been a year since our organizational transformation when we formed the SSG business unit, which saw a growth of 37% in FY26 to become a \$2.2 billion business, which is 17% of our overall top line. Since formation, we have received several questions from many of you during our various conversations, and this is an effort to put together what we are today, where we shall be in the next few years, and how we are transforming.

This event is divided into four parts. First, we have a presentation from our leaders, followed by a presentation from AWS for about 10 minutes. The leaders' presentation is about 30 minutes. Then we have a moderated panel discussion for about 30 minutes, followed by Q&A for about 50 minutes. We shall start this presentation with Mr. S.V. Krishnan. He is known to everybody, but I would just like to introduce him a bit before I hand it over to him. S.V. Krishnan brings a wealth of experience in financial management and strategy. He has played a key role in the company's growth and expansion over the years, driving financial discipline, risk management, compliance, capital raises, listing, and also investor interactions. Over to you, sir.

**Management:** Thank you. Thank you, Palak. Good morning to all of you. As Palak said, from the time we started SSG as a vertical and started reporting it to the market, there have been constant queries on various aspects. What are we trying to do? How adjunct is this? How is this industry moving? Who else is in this space? What investments are getting done? What can be the expected returns? There are many questions. We have been waiting to have this SSG Day for quite some time. It is good that we have got sufficient content to share with you regarding where we are and what our thought process is. I hope this exercise will help address all your queries. If there are any remaining, we are going to have a Q&A at the end as Palak said, and we will try to answer as much as possible.

I just have one slide to start with. This captures broadly the financial performance of SSG as a vertical in the last year. As it is, SSG is a \$2.2 billion business at the global level for us. It has grown for the last year at about 29%. Just now Palak mentioned 37%; I just want to correct that 37% is on the basis of Indian Rupee reporting where the US dollar gets converted into Indian Rupees, which had an advantage because of the depreciation last year. What is given here, all numbers are in dollars. So, what we have done is we have retained the US dollar and converted the Indian Rupees to US dollars, so we have a slight disadvantage. But directionally, I think this will give you a perspective. This is a high-growth segment, having grown at 29% in terms of revenue, and the gross margin has grown at about 17%.

More than that, the contribution of this vertical to the overall revenue of the Redington Group for last year was 17%. I just want to remind you, 2 years back that was about 12%. So very clearly, even though the base business is also growing at a good pace, here is a case where this segment is growing at a much faster pace, and that is contributing to the overall growth of the company and increasing its contribution. While for the last 3 years, we have grown just shy of seeing two times growth in this 3-year period, our internal expectation in the next 3 years is that we should be more than doubling our revenue because of various actions that we have undertaken in the last 1.5 years

Report is AI-generated and may contain inaccuracies.

and plans we are going to share today.

This SSG is split into four business verticals broadly. One is software, which contributes 40% to the SSG revenue. Cloud contributes about 33%. Security products contribute about 27%, and services have a very marginal contribution as we speak now, sub-1%, but we think that is an area where scale will come up and it also has a superior margin profile. As you all know, we have had cloud reporting for many years in the past as CSG. When we started reporting, the growth rate used to be about 20%. Then it moved to 30%, then to 40%. What we are able to now consistently see is a 40–50% growth in the cloud space, and we think it is mainly because of the focus and the tracking that we started doing in this business. That is one of the reasons why we started declaring SSG as a vertical and started tracking it; in our view, it has the potential to grow like I said in the case of cloud and overall SSG. That is the key.

Overall, as an industry, very clearly the hardware industry is moving more and more towards software; hence, we thought this needed targeted focus. The key aspect, unlike in the hardware business where the relationship is more transactional—there is an order, we supply the material, we give the credit, we collect the money, and the transaction is consummated and closed—that is not the case with SSG. Here, it is more of an annuity business, a recurring business. About 74% of our last year revenue is recurring. You can say very clearly for every product category, the recurring revenue is quite sizable. This used to be 72% in the previous year, and we expect this trend to keep going up.

There are four key aspects why we think SSG is an important vertical: one, there is predictability in the business, higher growth, higher profitability—adjusted for the investments—and higher return on capital employed. Some key highlights for last year regarding SSG as a vertical that we formed at the global level: unlike in the rest of the businesses like MSG, TSG, and ESG where it is more at the country level, we have a global team that drives strategy, best practices, building capabilities, investing into the future, and also tracking the investments. Another aspect which I thought I should mention is our geographical expansions in the recent period are all focused on SSG, be it ASEAN countries, CIS countries, or even South Africa. So, we think we have a very strong base that is built, and we need to grow from here in any markets that we enter. The top six vendors are Microsoft, AWS, Autodesk, Red Hat, Fortinet, and Palo Alto Networks. These are all major vendors we have good relationships with. I can also tell you, while professional services is a very small portion of our business—about \$10 million plus today—it has a gross margin in strong double digits, more than 20%. This is where we think we are going to focus moving forward, which will give us much better profitability in the years to come. With that, let me pause and my colleague Hari will take over, or Palak, would you want to give the intro before moving to the next step? Thanks.

**Management:** Yes, thank you, sir. We will move on to Hari. Hari is an accomplished leader with three decades of experience in sales, marketing, and general management. His career has been defined by a commitment to innovation and a passion for driving growth in diverse markets. As the group CEO of Redington, he is poised to lead with passion and foresight, driving transformation across newer markets in the world's fastest-growing economies. Over to you, Hari.

**Management:** Thanks, Palak. Good morning, everyone. It is great to be here and joined by my colleagues. We wanted to make sure that we give you a full overview, both breadth and depth, on

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

SSG. We also have one of our key brand partners, AWS, here so that we can give you an overview of what we are doing and how we are doing it. Let me begin by talking for a few minutes about the genesis of SSG from a global perspective—why we created it and why it is important for us.

What you see here is the famous new digital trinity. There are three parts of this digital trinity that we are focused on. First, software. Software powers the outcomes that businesses seek, and that is very obvious. Cloud enables scale for us and accessibility across geographies, which is becoming really important in these days of resilience and geopolitical risk. Security ensures that the outcomes are delivered safely and reliably without compromise. We are focused on all three businesses, and you will hear more both from Sayantan and from some of the other speakers.

I will just start with a global perspective. If we look at the year that has gone by, globally for all distribution, hardware has actually declined or stayed flat. Software has grown 20% plus and has become 31% of all tech distribution globally. For us, software and services is 17%, as S.V. Krishnan mentioned earlier. That is partly because hardware is also growing while SSG has been growing at 29% or 37%, depending on whether you look at the US dollar view or the rupee view. It is 17% and growing as a ratio. The big change we also see is that when we were working only on hardware, we had a number of big brands where we would take the brand and work with many resellers and customers; it was one vendor to many resellers. In the world of software and services, there are many software products and services products we need to distribute to many customers. To manage many-to-many, we need to work on platforms and marketplaces.

Now, regarding Redington's position within global distribution: this is a calendar 2025 view from a report published by Omdia Group. Redington continues to be in the top 10 despite not playing in the US, Europe, and China, which are the three biggest markets. We continue to grow very well. On this slide, if you see, there is only one distributor that would be faster than us in terms of growth; we are growing 20% year-on-year. If I remove a couple of distributors who are ahead of us but are not exactly in a similar category because they are focused on government defense software and data centers, we could be number 6. So, clearly Redington has its position within global distribution as a top 10 and is growing faster than a lot of our peers. We are number 8 globally, but we are number 1 in India and number 1 in Middle East Africa.

Regarding the market opportunity, we are still just scratching the surface. It is huge; it is \$515 billion for 2025, and if you see our numbers, it is only a small sliver. It is growing very rapidly towards \$1.7 trillion; these numbers are published by Gartner as their projections. You see three categories there: IaaS stands for Infrastructure as a Service, which is largely cloud-related, Platform as a Service (PaaS), and Software as a Service (SaaS). If you look at the specific markets we are playing in, India is growing at 31%, and we are obviously growing faster than the market, but there is still a lot more potential to appropriate. Middle East Africa is growing at 19%, and SESA (Southeast and South Asia), the new markets that we are getting into, is growing at 23%. So all in all, all of these markets are offering good double-digit potential just from a market perspective, and both by way of share and by way of business growth, we have a lot of potential.

This is a very important slide, and Sayantan will deep dive into this more. In the world of distribution for software and services, and taking these products to many partners and customers, orchestration is critical. We become like a conductor of an orchestra that brings many things together. On the left

Report is AI-generated and may contain inaccuracies.

side, you see brands and OEMs, and Sayantan will talk about the number of brands and OEMs we engage. ISVs (Independent Software Vendors) become really important because they become like the bloodline in terms of accelerating workloads and creating a lot of software and services that will complement the products that come from brands and OEMs. On the right-hand side, you see the go-to-market. Our sales and solution architects are a key component of our go-to-market, alongside our channel partners. Sayantan will give you a little bit more color on the number of partners we have and their types. On the top, you see a very key ingredient that we are investing in: platforms. This includes a range of platforms, marketplaces, automations, and tools, as well as our own academy, which is the training and skill-building program for both our sales force and our partners. The bottom piece is going to become important, not just as a margin generator, but for the creation of stickiness and value creation. A range of cloud professional services from migration and modernization to FinOps and DevOps will be critical there, alongside security services like SOC, MDR, VAPT, SOAR, and a range of AI services and AI agents. Redington is in the middle of orchestrating all of this to take us through the journey.

The DNA of taking our value-add from brands to customers is shown here, with hardware at the top and software at the bottom. I want to make two or three points. We have moved from overcoming market friction with hardware into technology friction with hardware through solutioning and configuration, and now into the world of knowledge friction. There is a big difference in the way we approach the market, whether it is a hardware physical solution or a non-physical solution. We have to start looking at lifecycle management, how to drive consumption, and how to drive customer analytics. The CloudQuarks platform and marketplaces will all become important, and that is where the focus on SSG is—building on these nuances and these platforms. Sayantan will cover this in great detail.

AI is not a standalone piece. We are into four businesses: MSG, ESG, TSG, and SSG. Clearly, in MSG with premium smartphones and wearables, on-device AI and cloud AI are going to become extremely important. In the Endpoint Solutions Group, with the evolution of PCs and recent announcements of high-compute HP PCs like the RTX, edge devices will play a big role in AI, both in hybrid devices and super PCs. The Technology Solutions Group is transforming with AI as GPUs come out. Hyperscalers provided the early data centers, Neocloud players provided the next set of data centers, and we are now moving toward edge data centers and distributed DCs; AI plays a big role there as well. Software solutions are clearly taking advantage of all the AI capabilities coming into the market, but the beauty is that all of these are going to come together in the world of professional services, AI agents, and productized services. Edge devices, both PCs and smartphones, will play an important role in the new ecosystem of software solutions and data centers. It is all going to become a large ecosystem where the new world of AI-enabled solutions and services will not be standalone; they will work together. So, that is a big transformation that we see, and it will be really important how we drive SSG and AI going forward. Thanks, and over to you, Palak.

**Management:** Thank you, Hari. We will move to Sayantan next. Sayantan is our global head of SSG, and he shall be diving more into the business dynamics in this session. Sayantan is a president and global head of the SSG business unit, scaling software-led distribution across our regions with a strong focus on software, cloud, and security. He brings over two decades of experience in scaling the value side of technology distribution, driving ecosystem expansion, accelerating cloud

Report is AI-generated and may contain inaccuracies.

adoption, and building high-velocity partner networks across our markets. Over to you, Sayantan.

**Management:** Thank you, Palak, and thank you to everybody attending this call. A warm welcome again to this meet. Over the next few slides, I will take you through starting from some of the market shifts which have an impact on our industry—what it means for the industry in terms of market size and opportunities—and what capabilities we are building in SSG to make sure that we are at the center of it and maximizing this opportunity.

Starting with the key market shifts that we see, there are three very important shifts which have a direct impact on the industry that we serve. The first is the consumption models moving from perpetual licenses to flexible, outcome-based subscriptions. The customer's choice to subscribe for a service rather than owning a license is a major shift. The second part is about platform-led distribution. A lot more vendors are consolidating through marketplaces and an API-first ecosystem. That has an impact on how we go to market and our route to market, and I will cover that in more detail in the subsequent slides. The third is a very important shift in the way software and services are delivered. There is a clear shift from labor-intensive services delivery to highly automated services delivery, almost delivered as a software template through a drag-and-click model. I will explain in a little while what that means.

Overall, we have an extremely interesting market opportunity ahead of us. We know that most of the business outcomes and problems today are getting solved by digital or software solutions. There is a clear adoption of Software as a Service across all markets, starting from enterprise down to SMB, mid-market, and individual users. That creates an opportunity of about \$700 billion by 2028. Redington's advantage here is our reach and our availability in most markets, including some very complex markets and geographies. The second important development is the huge opportunity in the cloud space. We all know that cloud has essentially democratized access to high-end computing resources, which means that innovation is now not limited to a few in the enterprise; new startups and ISVs get access to high-end computing resources, driving rapid innovation across the industry. In the AI age, this has significant importance.

Our advantage in the cloud space—which we will talk about a little later—is that we have literally put the cart before the horse. We invested in this business way ahead of the market and we have very strong relationships with the key hyperscalers. The third important area of focus is, of course, cybersecurity. Most businesses are now digital, and they are increasing their reliance on digital assets. The cost of those assets getting compromised is much more expensive than it has ever been. On the other hand, since there is digital exposure like never before, the threat surface and threat vectors—meaning the number of ways an organization can be attacked—are also increasing. Hence, cybersecurity is a boardroom discussion everywhere, which is creating a significant opportunity for integrated security solutions and managed services.

Very quickly, regarding how we are transforming from an old model to a new model: essentially, in one line, it means that we are moving from one-time transaction management to being a sustainable growth engine. There are four key elements to it. Number 1 is the platform, where we orchestrate at scale. The key assets there are our marketplace, various automation tools, and a huge ecosystem built over a period of time. Number 2 is the change in how services are delivered, resulting in a serious improvement in the time-to-value for customers. We are trying to attach

Report is AI-generated and may contain inaccuracies.

differentiated investments in services across cloud, security, and software. Number 3: the change from one-time transactions to the customer's preference to subscribe for services gives us an opportunity to remain involved throughout the subscription lifecycle at multiple touchpoints. Starting from the transaction, we onboard the customer, help them adopt better, renew on time, and expand the number of services we provide. We manage this through our lifecycle management. Finally, we all know AI has been the most disruptive and pervasive technology today. What we are trying to do through AI is unlock intelligence across all areas and drive outcomes for customers through our AI offerings, alongside the use of advanced and real-time insights and analytics. Thirdly, we are using AI horizontally, adopting it across all levels of automation, which results in a profitable growth engine. By growing our ARR base, bundling delivery, helping cross-vendor platforms for solution orchestration, and managing renewals and upsells, we drive this engine.

Essentially, the mantra is to own the platform, attach services, manage the lifecycle, and compound recurring revenue. That is our transformation plan.

If you look at this schematic architecture of what we call the platform, we have the capability layer in the middle where we have marketplace, APIs, billing, and analytics. On the back end, we are connected to all our major vendors through APIs, and on the front end, you have a very seamless, easy-to-use user interface where most things are self-served. There are a number of automation tools and you get real-time insights into your commerce. We have three key objectives for platform-led distribution: API-first integration with major vendors and marketplaces, providing white-label storefronts for our partners—investing on their behalf—and thirdly, embedding billing and usage intelligence at every stage.

This is how our services and solution orchestration looks. Essentially, orchestration for us is about aggregating complex vendor solutions and other ISV solutions, removing the complexity, coupling that with services through Redington-led and ecosystem-led services, and delivering outcomes to our customers. We enable that through the four stages: discovering the business outcomes customers seek through our platforms; bundling our services and solutions through sales and GTM motions; delivering through channel-led and marketplace-led execution; and then continuing to optimize usage through our cloud platforms and other assets like TrackMyCloud and DigiGlass, which is our managed security services practice.

The significance of the services play has changed. Services has moved from labor-intensive to automated delivery. It is more like a software template with an agent in the background—pre-built templates with AI agents. At some point in the near future, you will find library scripts of different services on our platform where partners can leverage them. There is a clear opportunity shift from being a service provider to an ecosystem orchestrator. Because of the level of automation, we can scale and productize services through platforms, partners, and products to scale profitably.

Our customer lifecycle management is about driving adoption, retaining customers, and helping them renew on time. More importantly, it is about helping them realize the true value of the services they are subscribing to. We believe that is our true responsibility, as it demonstrates the value of the solution and results in better adoption and expansion of services. We are present from the onboarding stage to activation, then adoption through our digital platforms and our customer success team. We help them renew through an automated motion using our renewal team and an

Report is AI-generated and may contain inaccuracies.

automated platform called Reonix. Our customer success team works closely with the customer from the time they are onboarded to help them use the solution better, which helps in value realization for the customer and results in renewal automation and expansion of services.

I want to emphasize why AI and its massive disruption is an advantage to us. When we talk about AI, it is not just about frontier models or AI applications; delivering AI also requires readiness across infrastructure, data, and security—particularly in cloud and data center infrastructure. Our presence in this market and our investments in these businesses, both in terms of alliances and capabilities, gives us a clear advantage in the AI age. We are demonstrating a high level of capability and getting recognized by our alliance partners and vendors. We have an AWS Generative AI competency and have recently been awarded the "Frontier" designation by Microsoft. For everyone's benefit, that is the highest level of partnership. Microsoft has three levels: Solution Partners, Advanced Partners, and Frontier Partners. The Frontier Partner designation means Microsoft recognizes only a handful of partners across the globe whom they consider future-ready in terms of AI adoption and market offerings.

The new disruption in the AI age is a clear advantage for Redington. We use AI across many levels. In innovation, we will continue to invest in our AI labs, customer proof-of-concepts, and building industry use cases. Regarding AI solutions, we are building a catalog and exchange through which customers and partners can access services. A evolved go-to-market includes a ground-up AI partner program specifically for partners who want to transform or start an AI practice, an MSP motion that is now very mature, and enterprise-level AI adoption. In terms of platforms, we are offering AI solutions through our platform and integrating AI features into CloudQuarks 2.0, the ISV marketplace, and our AI solution marketplace. Another very important part is the communities we have built over time, whether software builders or open-source communities. In many cases, we are running the AI councils for many of our vendors. This community is a good place to deliver state-of-the-art AI solutions. Finally, we will continue to invest heavily in our learning and talent through the Redington Academy, where a massive calendar has been rolled out with particular emphasis on AI certifications and practitioner programs.

Here are some interesting stats about how our recurring revenue mix is changing. Recurring revenue used to be about 69% of our revenue in FY23. As we speak today, it is already at 74%, and we expect this to move to 85% in the next 3 years. Couple that with the fact that we are investing in renewal automation as a practice. Our renewal rate today is about 85%. Generally, it tends to stabilize there because of competitive pressures from late entrants, but we are seeing a clear improvement in the renewal rate and predict it should reach 90% in the next 3 years. What that means is that with a 74% ARR and an 85% retention rate today, our banked revenue for the next year is already 63.5%, which will go up to 72% in the next 3 years. That gives great predictability to this business. What is driving this shift? Obviously, the market shift to cloud and subscription models, customer preference for flexibility and predictable costs, and vendors focusing on subscription-led business for strong visibility and high customer lifetime value.

These are the capabilities we are investing in for SSG and AI. CloudQuarks is the platform through which we run our cloud and SSG commerce. The Marketplace is an extension of CloudQuarks where buyers meet sellers. We help them with discovery, solution recommendations, POCs, and completing transactions; you will hear a lot about what we are releasing in the marketplace in the

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

next few months. Redington Academy is focused on skill building, both internally and for our larger partner ecosystem. We will continue to invest in new capabilities and talent. I spoke about building several AI labs to innovate across markets; we plan to build 2 in India, 1 in Dubai, and 1 in Singapore very soon.

In terms of services, there is a massive shift happening. This is to the advantage of someone like us. We are investing in that business, and it will become a significant portion of our business going ahead. CISS is the services capability-building organization based in India, but we have 5 more delivery locations. TrackMyCloud is an observability solution helping customers use their subscriptions and cloud efficiently. DigiGlass is our managed security services practice. Redington AI Exchange is our marketplace for AI catalogs and use cases, and Reonix is our automation platform for subscription renewals.

We follow a framework of the "Five Ps" for capability building. In terms of People, enablement is key. We have a strong partner community globally of around 10,000 partners, and internally, the SSG team is a 1,000-person organization and growing fast. Regarding Processes, we are applying AI wherever possible to automate and cope with the speed at which customers consume services; we already have 10+ automation tools and 100+ accelerators built in.

Portfolio is at the center of our business. We are constantly curating and expanding a portfolio of solutions across newer categories and brands. Currently, we have relationships with 130+ brands in SSG. Platforms will be our key route to market; we already have 6+ platforms, but we are unifying them into one fabric. Again, our investment in Professional Services is expected to pay out significantly and help bridge the "knowledge friction" gap that Hari mentioned. Currently, we have a team of 500+ and 5 delivery centers.

Here is a quick snapshot of our portfolio: we are working with 50+ brands in software, 20+ brands in cloud, and 60+ brands in security. We work with the top-of-the-pyramid brands in each of these categories. In a nutshell, we work with 130+ vendors across 40+ markets. That is why we created a global business unit—to create capabilities and leverage them across the marketplace.

SSG is achieving predictable revenue; we are already at 74% of our ARR today. With improved customer retention, our renewal success rate is already at 85%, and we want to grow that to 90% plus. We also have scalable margins, as platform-led delivery grows more efficiently than labor-intensive services. This gives us an opportunity because every time you close an ARR opportunity, you generally close about 3 times that opportunity over the cycle. When you attach services to any offering, there is a 60% margin uplift to the solution; this is time-tested. With our current portfolio and customer base, we can clearly focus on an incremental market opportunity of another \$2 billion. The strategic outcome is that SSG is transforming from a transactional distributor into a high-margin, platform-driven service orchestrator.

Directionally, our path forward involves continued investment in platforms; CloudQuarks 2.0 was released early this year, and we can now release modules very fast. The next set of releases will be in September and December. We will continue to work with partners on their transformation and add most of our vendors through APIs. Finally, the way we measure ourselves is changing; we are going to set ARR milestones and track our subscription mix quarterly. Thank you.

Report is AI-generated and may contain inaccuracies.

**Management:** Thank you, Sayantan. We have S.V. Krishnan again for some more discussion on business metrics.

**Management:** Thanks, Palak. I am sure all of you were thrilled with what Hari and Sayantan presented. Much more is to come. We are going to share our thought process on investment and how we expect our profitability to improve. All our investments are directed toward the strategy Sayantan detailed: platform, portfolio, professional services, process, and people. We started this about 2–3 years ago. Some investment numbers are given below; please do not take them as hard-coded. I admit that since this is a new business model, we haven't tracked these investments as meticulously in the past.

These numbers are more indicative, but year after year, the quantum of investment is growing. Whatever results you have seen, and will see, are in spite of these investments. Predominantly, these are OpEx investments. For platforms and certain tools or physical assets like the AI Center of Excellence, it will be a CapEx model, but about 80–90% is OpEx. Our objective is to ensure we get a payback within a 3–5 year period. We have a robust cadence in place to identify those investments and track the returns.

This does not include any possible inorganic initiatives we might pursue in the SSG space. We see some gaps where inorganic fillips could ensure capability is properly set for scale and growth. These will not be bolt-on acquisitions but smaller, strategic ones where we ensure there is a proper return. In our view, as we make these investments, you will see operational leverage where margins outweigh costs. Our renewal engine has gone live in the Middle East and was launched in India last year. By FY28, we think 80% plus of our renewals will be tracked in the system, and our objective is for renewals to be more than 95%. Overall, in the next 3 years, we expect to achieve a revenue of about \$5 billion with a gross margin range between 5.5% and 6%. If the professional services mix improves, this can definitely be better than 6%. The PAT percentage can be closer to 2% in this 3-year period.

The key aspect in SSG is that the processes and metrics are very different from our traditional business. In traditional business, everything is physical; all our controls, from revenue recognition to risk management, are built around physical products. In this case, it is non-physical. The whole organization has to make a fundamental change in how it looks at this vertical.

Global contracts in traditional business are predominantly market-based and managed at the country level. In SSG, this is more global, and we need the capability to manage the business locally while optimizing talent across borders. Regarding our 5 global captive delivery centers, while they help us optimize, we must maintain cross-charge models that meet regulatory and transfer pricing requirements at arm's length.

Regarding revenue recognition, in traditional business, an invoice becomes revenue. But in SSG, for certain categories like renewals and subscriptions, we cannot recognize the full invoice value as revenue due to IFRS rules. Only the spread—which is the gross margin—becomes the revenue. This is roughly a 5% impact at the SSG level; there is a 5% gap between what we invoice customers and what we show as revenue in the books.

Report is AI-generated and may contain inaccuracies.

Withholding taxes are another consideration. As we are present in multiple countries, there is withholding tax on transactions. We are exploring the use of Double Taxation Avoidance Agreements (DTAAs) and tax residency certificates to handle this. Contract management also requires standardized global governance for liabilities and back-to-back agreements with vendors.

For multi-year contracts, while they give predictable revenue, we need to take a longer credit view, which has not been our traditional practice. We must also ensure there are back-to-back cancellation terms. In services, we have to manage stage-wise billing and agree on scopes of work with customers. Unbilled revenue is a new concept for us, as is ensuring we follow the data protection policies of various countries. There are a whole host of system changes and metric adjustments we are making to maximize this business. This will clearly differentiate a traditional distributor from an organization like Redington. I am done. Thank you.

**Management:** Thank you so much, sir. We shall now move to the next part of the discussion with Kalyan Pola from AWS. Kalyan is a Principal Partner Development Manager at AWS. He has been in this role for nearly 5 years, interacting with us across our regions while primarily managing India and SESA. Over to you, Kalyan.

**Management:** Thank you, Palak. Good morning, everyone. I am very excited today to share the story of one of AWS's most transformational distribution partnerships: our collaboration with Redington. I must admit that leadership from both sides calls this the "GOAT," the Greatest Of All Time partnership. This is a decade-old relationship that began in 2015 with a single customer and single partner in India. Fast-forward to 2025, and we've seen relentless growth. We have scaled to 7,000 customers and more than 850 transacting partners. AWS currently works with Redington across India, the Middle East, and SESA, where they act as a force multiplier, extending AWS's reach into geographies, segments, and customer tiers that would otherwise remain untapped.

This journey is about more than numbers; it's about firsts. Throughout this partnership, we've jointly driven initiatives like the downstream SCA called REEP, Cloud Starter Kits for Tier 2 and Tier 3 cities, and Unnati, which is Redington's academy for building AWS skills. The Strategic Collaboration Agreement (SCA) 1.0 is a status held by less than 1% of AWS partners globally. It is a joint commitment to investing in building skills and partner progression. Our downstream SCAs help partners with various skill sets and cascade partnership benefits; this has become a blueprint for distributors across APJ and globally.

Jointly, AWS and Redington have come up with pre-packaged cloud solutions wrapped in Redington's managed services to drive cloud adoption in Tier 2 and Tier 3 cities in India, targeting 30 cities. Our partner university, now called Redington Academy, helps partners build both sales and managed services cloud skills. In the world of AI, there is a first-mover advantage where we have jointly built an upcoming physical experience center and initiatives like "Lead with Cloud." The Bus Yatra covered 3,000 kilometers across 18 cities assist customers in adopting the cloud.

Redington didn't just grow revenue; they built a dedicated AWS practice and became an AWS Premier Tier designated partner. Today, they are among the few partners globally to enter into a multibillion-dollar, 5-year Strategic Collaboration Agreement with AWS. This commitment focuses on partner enablement, GenAI adoption, and new customer acquisition across SMBs, startups, and the public sector. This is what a true partnership looks like. Thank you.

Report is AI-generated and may contain inaccuracies.

**Management:** Thank you so much, Kalyan. Now we move to a panel of leaders within Redington to talk about GTM strategy, professional services, and AI, moderated by Nehal Sharma. Nehal, what is changing in SSG's business model and why will this create higher value than a traditional distributor model?

**Management:** Thanks, Palak. I think everyone mentioned orchestration, and where we have changed is moving from being transaction-led to lifecycle-led—a circular business model rather than a linear one. Traditional distribution monetizes product management, credit efficiency, and scale efficiency. Over the past 10 years, our SSG model has evolved from simple reselling to co-selling, and now to ecosystem orchestration. This helps us monetize solution designing, subscriptions, cloud consumption, renewals, and services. This improves the quality of the business, leading to expanded margin pools and increased revenue recurrence.

I have the first question for Ramesh Natarajan, the CEO of India and Middle East. Ramesh, how should we think about the regional nuances between India and the Middle East Africa, and why do both markets matter to the SSG value creation story?

**Management:** Thanks, Nehal. India and the Middle East are both growth markets. The ICT growth CAGR for India is close to 11%, and for the Middle East, it is close to 8–10%. In the Middle East, growth is largely driven by national digitalization and compliance mandates. Cyber security is becoming pervasive, with a growth rate of 20% in both markets. Regarding cloud, the market in India is growing at 25%, with the SME segment growing at 35–37%. The Middle East cloud market is growing at 18–20%. The software and AI segments will be the pivots for the future. India leads on size and SME demand for Opex and subscription models, while the Middle East has larger enterprise and government growth tied to national digitalization mandates.

**Management:** Thank you, Ramesh. Our next panelist is Jem Burhan, CEO for SESA. Jem, as SESA undergoes rapid digital transformation, how is Redington's go-to-market model evolving across the region to capture future growth?

**Management:** Thank you, Nehal. The SESA region represents one of the most attractive growth opportunities. Compared to mature regions, it remains relatively unpenetrated and highly fragmented. We call our approach the "Redington 3.0" strategy, which is software-led. Our go-to-market model is evolving from traditional distribution toward lifecycle-oriented orchestration. We are focusing on four key areas: building deep technical capabilities across cloud and security; enabling partner transformation from product selling to solution providing; expanding services like managed services and deployment support; and orchestrating the broader ecosystem. Two main differentiators for us are launching the AI Center of Excellence in Singapore—which we call the "Launchpad"—serving as a regional hub, and the AI Exchange platform to connect customers and partners with AI use cases. We believe the combination of our ecosystem reach and technical capabilities positions us exceptionally well.

**Management:** Thank you, Jem. My next question is for Sachin Dubey, who heads professional services. Sachin, why is SSG placing so much emphasis on services, and how will that change overall economics?

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

**Management:** Thank you, Nehal. This is a fundamental shift from transaction to transformation-led growth. Services is not just a revenue add-on; it is a mechanism for driving adoption and ensuring product renewals. In the AI era, customers expect "services as software" focused on business outcomes like GenAI adoption or cost takeout. This shifts the focus from price up to value, improving wallet share and customer engagement. Economically, services are helping us drive margins upward, improving revenue quality and providing annuity-led growth. We are focusing on the academy and technology practices to go deep into skill development and cater to the entire technology lifecycle journey.

**Management:** Thank you, Sachin. My next question is for Deepak Puligadda, our Global Chief Technology Officer. Deepak, how do you see AI shaping the future strategy for SSG?

**Management:** Thanks, Nehal. AI will be a cornerstone of our next phase of growth. We look at AI in two or three roles. One is horizontal—infusing AI into everything we do to make it better. We are embedding AI into core processes, credit, pre-sales, and our platforms. This helps us make decisions faster and handle customer requirements better. On the vertical side, AI is a core offering across cloud, security, and professional services. The objective is to move customers from experimentation to active, scaled-up adoption. Third is our AI Exchange for market orchestration. We are bringing solutions from ISVs closer to the partners who own the customers. This cuts time-to-market and democratizes the ecosystem where AI agents are available to many players. SSG will scale from being a distributor to being an orchestrator of AI innovation.

**Management:** Thank you, Deepak. My last question is for Mohammad Sadeq to talk about building our AI GTM. Sadeq, how are we positioning our AI go-to-market strategy to capture this enormous opportunity?

**Management:** Thanks, Nehal. Demand for AI is growing across almost every business function, and customers are moving from POC to production. Our answer to this is the Redington AI orchestration layer—an AI stack with three foundation layers (infra, data, security) and four GTM layers. Our first GTM pillar is the ISV motion, centered on the AI Exchange. It has more than 450+ curated, ready-to-deploy AI agents. If a customer has a business need, we can configure and deploy pre-validated agents in a couple of weeks rather than months. Speed is our competitive advantage.

The second GTM is hyperscalers; we drive AI readiness assessments for existing AWS, Google, or Azure customers. Third is strategic partnerships and our Center of Excellence for long-term solution building. Fourth is edge devices; with NPU-enabled devices and lower inferencing costs, we see an opportunity for AI workloads to move onto endpoint solutions. When we bring these four GTMs together, it creates a real differentiation for our partners. Thank you.

**Management:** Thank you, everyone. We covered a lot today about what we want to do and our insights on every region and GTM category.

**Management:** Thank you, everyone. We will now move to the Q&A section. May I request everyone to restrict questions to one or two and ensure they are relevant only to the SSG business unit.

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

**Management:** We have received some questions pertaining to the hardware side of the business; we shall not be taking those. Hari, S.V. Krishnan, and Sayantan are here to answer. Let me start with the first one from Sahil Doshi. Regarding the SSG financial snapshot, could you explain the difference between net revenue and gross revenue?

**Management:** In the hardware business, if a product is \$100 and we add a 5% margin, we invoice \$105. That \$105 appears as revenue in the system. That is the case for a predominant part of SSG, but not all. There is a portion relating to renewals, subscriptions, and vendor-led services where IFRS rules dictate we cannot take the full invoice value as revenue. The spread, or gross margin, becomes our revenue. If you take SSG as 100%, this piece is about 5% of the mix. So, for the \$2.2 billion in reported revenue, the actual amount billed to customers is about \$150 million more.

**Management:** Regarding the question on gross profit growth being lower than revenue growth: it is related to the product mix. At the gross margin level, our objective is to maintain a 5.5% to 6% range, with a positive bias if professional services contribution improves. Across all four business verticals, this is the highest margin.

**Management:** Additionally, we are in the initial stages of SSG's formation. We have some very good capabilities in some areas more than others. As we improve parts of the business like security and professional services, you will see gross margin growth align more with revenue growth.

**Management:** Regarding the concentration of vendors: the top six vendors contribute about 70% plus of revenue today, which is the trend across the industry. The key is to continue adding new categories and brands to improve that mix.

**Management:** Today, cyber security is where we have a large number of vendors. For cloud hyperscalers and software, bigger players will continue to be concentrated. Over time, we will have a longer tail in security and software that will start contributing more.

**Management:** We have a set of questions from Hitendra Pradhan from Maximal Capital. Can you explain a cloud transaction use case from RFQ to fulfillment? What is the role of the partner/vendor, and what do the margins and working capital look like?

**Management:** A cloud journey often starts even before the RFQ is floated. We play a role in advisory, assessing workloads and creating ROI maps for customers moving to the cloud. This engagement leads to the choice of partners and actual onboarding onto our platform. Post-onboarding, we use assets like TrackMyCloud for FinOps and cloud usage optimization tool. We engage with customers to ensure they get the best return, right up to the renewal cycle where we assess usage and recommend upgrades or changes.

**Management:** Regarding working capital, this is not a space where deployment is far less; it is similar to the traditional business. While inventory holding is marginal—mostly in certain security products—the accounts receivable (AR) days are longer compared to the rest of the business. The working capital range is more or less between hardware and SSG. However, because of higher profitability, the return on capital employed is stronger.

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

**Management:** Hitendra also asks: what is the difference between solutions and services, and why is the services contribution currently low?

**Management:** We have moved from product delivery to solution delivery, which is about delivering business outcomes. Our orchestration role is about aggregating complex solutions from multiple vendors, removing complexity, and coupling them with implementation services.

**Management:** Services is a key area of focus. Traditionally, we looked only at cloud for professional services, but we are moving into security and AI. We are working on productized services that allow us to scale more easily. We are not trying to replace what our partners do; our role is to complement them. Whatever services revenue you see, there is likely an 8–10x multiplier of services delivered by the ecosystem.

**Management:** Dishant Jain from Kosa Capital asks: can products and services in SSG be replaced by AI? Other than the partner network, what other moat do we have?

**Management:** AI is not replacing solutions or services; it is complementing them. Our vendors are adding AI features to their products, and AI help us orchestrate those solutions and deliver services through agents.

**Management:** Having a network is key, but "Global-Local" presence is our true moat. In all 40 markets, we have local teams. Not everything can happen over a platform. Relationship with local partners and local delivery nuances are vital. Competency and certifications locally developed by us and our partners complement what we offer customers.

**Sahil Doshi – Thinkwise Wealth Managers:** SSG has grown to almost 17% of revenue today and grows faster than the overall business. What is the medium-term aspiration for SSG revenue and profits?

**Management:** Our SSG percentage could have grown larger, but in our markets, hardware is also growing rapidly. In FY26, our hardware business grew at 17%, whereas hardware distribution globally is de-growing by 2–3%. If hardware continues to grow at 15–20% and software grows at 30–35%, the ratio could remain in the 17–25% range. Our aspiration is for SSG to reach about 25% of our business in the coming years.

**Sahil Doshi – Thinkwise Wealth Managers:** What portion of revenue is from SMEs versus large enterprises?

**Management:** If we look at the transaction mix, about 70% of transactions are with SMEs. However, enterprise deals are often very large opportunities; if we mapped revenue-to-revenue, that ratio might flip because individual enterprise deals are substantial.

**Management:** Brands and OEMs are very engaged with large enterprises directly and bring us in for fulfillment or complete solutions. With SMEs, we are engaged more horizontally to bring everything together.

**Sahil Doshi – Thinkwise Wealth Managers:** How vulnerable is this business to vendors bypassing distributors to sell directly to large enterprises?

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

**Management:** Brands will engage directly with large customers, but they are increasingly dependent on distributors for the entire value chain—fulfilling services from partners and bringing a full range of solutions. I have heard this question for 20 years, even in hardware. When we listed at 8,600 crores of revenue, people asked if we would be disrupted. We are still alive and kicking; we have established ourselves as highly valued by brands, particularly in SSG.

**Vivek Ramakrishnan – DSP MF:** Will the SSG business transform your balance sheet—lower working capital and more OpEx versus CapEx? Is all OpEx taken through the P&L?

**Management:** From a working capital perspective, there is hardly a difference overall, although there is a shift from inventory into AR. Our CapEx is already pretty low and will continue to be so. Most investments are in OpEx, taken through the P&L for the initial 3–5 years. Beyond this leverage stage, you will see better profitability.

**Tushar Dhonde – Sanghavi Family Office:** What sort of managed services are we offering, and are we competing with system integrators?

**Management:** We provide managed services in cloud and security, from managing workloads and troubleshooting to optimizing usage. We also developed DigiGlass for managed security services. We see a trend where customers outsource security services to third-party specialists. We are not competing head-on with system integrators; we complement what they do. Our role is to build competency and bring that complementarity to partners. What they can do, we will not compete with; what they cannot do, we will complement and train them on.

**Pratik Kothari – Unique PMS:** Since we don't provide logistics or heavy credit in software, why are gross margins higher? For renewals, why should we get the same margin in year two as we did in year one?

**Management:** That is an excellent question. If we didn't bring enough value, we wouldn't appropriate the margin. Credit actually remains an important value-add. But digitally, we are involved in the entire lifecycle from onboarding to management and the renewal cycle. This requires investments in platforms like CloudQuarks and our marketplace. OEMs allocate higher margins to those who can deliver value and stickiness. Our customer success team works throughout the lifecycle to make sure customers use all the features of the software, which leads to natural renewals or upgrades. That is the value customers are paying for.

**Tarun Agarwal – Old Bridge Asset Management:** How big is Redington for major vendors like AWS, Microsoft, and Palo Alto Networks in your respective markets?

**Management:** In markets like India and Middle East, we are a very strong number 1. If we are not number 1 or number 2, we don't bring enough critical mass to partners. We have joint business plans for 3–5 years with these players.

**Management:** We are number 1 in most markets barring a few. Our vendor partners see value in how we help customers realize the true value of their offerings. If a hyperscaler builds a platform, our job is to bring customers onto it and ensure they make the most of it.

Report is AI-generated and may contain inaccuracies.

## Redington

17 June 2026

**Nitin Padmanabhan – Investec:** What gaps are you trying to fill? What investments are you making in professional services and how much will head count grow?

**Management:** We are in the beginning of a journey. Whether it is CloudQuarks, our marketplace, or our renewal engine, there are many gaps to fill. We need more solution architects and practice leads. We are adding many head counts this year. Sachin Dubey is now leading our professional services in India to identify gaps in delivery and upskilling. We are not an IT-ITES company; we aren't doing bespoke million-dollar custom deals. We are creating "productized services" for AI, cloud, and security that complement our partners. Our goal is to multiply professional services 7-10x over the next few years.

**Management:** We will be conscious of profit growth. These are OpEx investments, but we will not compromise on overall profit. We will keep quarterly performance in mind as we invest.

**Management:** Thank you so much for your engagement today. We have promised this deep dive into our SSG strategy for a while. Hardware continues to be very important, but the growth of SSG is central. We remain confident in our momentum and will keep an eye on the P&L and ROI as we invest. We look forward to sustained value creation and further discussions with all of you. Have a good day.

Report is AI-generated and may contain inaccuracies.