

**Buy at CMP: Rs 286.4 | Target: Rs 316 (11%) | SL: Rs 270**

**Trading**

The company is engaged in the business of distribution of information technology, mobility and other technology products besides supply chain solutions.

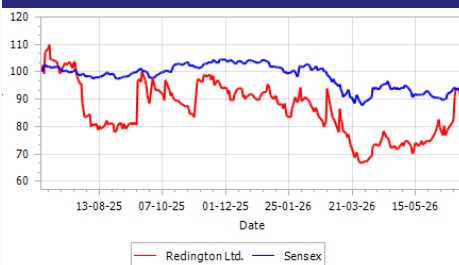
### Script Details

BSE Group	A
BSE Code	532805
NSE Code	REDINGTON
Bloomberg Code	REDI IN
Market Cap (INR Cr.)	22,187
Free Float (%)	100.0%
52wk Low/High	335/191
Beta (1yr Nifty 50)	1.34
Face Value (INR)/ D. Yield (%)	2/2.1
Total paid Up Shares (Mn.)	781.8

### Share Holding Pattern (%)

FII's	DII's	Public
45.0%	20.8%	34.2%

### Share Price Relative Performance



**Invest Now**

### Investment Rationale

- Accelerated Transition to High-Margin, Predictable Revenue Streams:** Redington is successfully shifting its business mix toward the Software Solutions Group (SSG), which includes cloud hyperscalers, cybersecurity, application software, and professional services. This segment grew by 37% in FY26 (in rupee terms) to become a \$2.2 billion business, representing 17% of total revenue compared to just 12% two years prior. Management expects to double SSG revenue within the next three years. By utilizing platform-led distribution via CloudQuarks 2.0, Redington can scale these services profitably without the labor-intensive costs of traditional service models.
- Market Dominance in Rapidly Digitalising Emerging Economies:** Redington maintains a commanding position in some of the world's fastest-growing technology markets, serving as the number one IT distributor in India and the Middle East. The India business delivered exceptional performance in Q4 FY26, with top-line growth of 50% and profit growth of 41%. This is supported by an "upcountry" expansion initiative that saw 45% growth in Tier 2 and Tier 3 cities. The company is aggressively penetrating the SESA (Southeast and South Asia) region, which management identifies as a critical "Redington 3.0" growth runway that remains relatively unpenetrated.
- Early-Mover Advantage in the Global AI Ecosystem:** The company launched the AI Exchange, a marketplace featuring over 450 curated, ready-to-deploy AI agents that connect ISVs and innovators with the partner ecosystem. Redington has secured elite industry designations, including the Microsoft Frontier Partner status (reserved for a handful of future-ready partners globally) and the AWS Generative AI Competency. The company is capitalising on the hardware-software AI nexus by fulfilling the demand for high-compute GPU servers and AI-powered PCs, while simultaneously providing the professional services required for AI readiness and deployment.
- Valuations:** We model a Revenue/PAT CAGR of 13%/20% and estimate REDINGTON to clock PAT of Rs 2130 Cr by FY28E. REDINGTON is trading at forward P/E(x) of 10.4 and we value at 11.5(x) FY28E and Recommend BUY on REDINGTON with TP Price of Rs. 316 (10.5%).

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	79,377	2,119	1,393	15.9	11.4
FY24	89,346	1,877	1,219	18.2	12.9
FY25	99,334	2,029	1,605	13.8	11.9
FY26	1,19,162	2,229	1,490	14.9	10.8
FY27E	1,34,653	2,356	1,885	11.8	10.3
FY28E	1,52,158	2,663	2,130	10.4	9.1

Source: Company Data, Ace Equity, GEPL Research

## TECHNICAL VIEW

### Observation

- On the monthly timeframe, Redington continues to maintain a strong bullish structure, characterized by a series of higher tops and higher bottoms. The stock has recently witnessed a bullish mean reversion from its 50-month EMA, reinforcing the prevailing long-term uptrend.
- On the weekly chart, the stock has broken above a downward-sloping trendline drawn from the July 2025 swing high, indicating a potential resumption of the primary uptrend. This breakout is supported by a noticeable increase in trading volumes, highlighting improving market participation.
- Momentum indicators are also turning constructive. The MACD has registered a bullish crossover, suggesting a pickup in momentum and strengthening the bullish outlook.
- Given the positive alignment across multiple timeframes, Stock appears well-positioned to extend its upmove toward the 316 level. Traders may consider maintaining a closing-basis stop loss at 270 to effectively manage downside risk.



 TradingView

Source: Tradingview.in, GEPL Research

### Inference & Expectations

- Considering these factors, it can be inferred that REDINGTON stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 316 level.
- The stop loss must be at 270 level, strictly on the closing basis.

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