

With 19.5% YoY revenue growth and 26.9% YoY PAT growth, SIS reports stellar results

- Consolidated Revenue for Q3 FY19 is Rs. 1,837 Crs depicting a growth of 19.5% YoY
- Consolidated EBITDA for Q3 FY19 is Rs. 98 Crs, growth of 16% YoY;
- Consolidated PAT for Q3 FY19 is Rs. 59 Crs, showing a growth of 26.9% on a YoY basis
- Two acquisitions announced – adding over Rs450 cr revenues on a full year basis to the group revenues

New Delhi, January 30th, 2019, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), A market leader in Security, Facility Management & Cash Logistics services, announced its Unaudited Financial Results for the quarter ended December 31st, 2018.

Key Consolidated Financials at a Glance:

Particulars (Rs crs)	Q3 FY19	Q3 FY18	YoY%	Q2 FY19	QoQ%
Revenue	1,836.8	1,537.7	19.5%	1,690.2	8.7%
EBITDA	97.8	84.3	16.0%	78.2	25.1%
EBITDA Margins	5.3%	5.5%		4.6%	
PAT	59.1	46.5	26.9%	43.8	34.9%
PAT Margins	3.2%	3.0%		2.6%	

- **Return Ratios:** Trailing 12month ROCE and RONW are 18.6% and 16.0% respectively.

Business Updates:

India Security Business:

- Revenues - Rs. 725 Crs in Q3 FY19 v/s Rs. 630 Crs in Q2 FY19 and Rs563 cr in Q3FY18
 - This translates to a QoQ growth of 15.2% and YoY growth of 28.9%
 - Organic revenue growth is 9.0% QoQ and 15.6% YoY
- EBITDA - Rs. 42.2 Crs in Q3 FY19 v/s Rs. 32.4 Crs in Q2 FY19 and Rs38.9 cr in Q3FY18
 - This translates to a QoQ growth of 30.3% and YoY growth of 8.7%
 - Margin has increased from 5.1% in Q2 FY19 to 5.8% in Q3 FY19
- As on 31st December 2018, the India Security business employed 131,940 Billing (direct) employees and 2,655 non-billing (indirect) employees
- The India security business also saw a strong quarter for new sales ending the quarter with a monthly revenue run rate of Rs236 cr
- Uniq acquisition expected to close by end of the month and consolidated from February onwards, further adding to the year ending run rate. Uniq will enhance SIS market share by close to 75% in India's fastest growing security market – Bangalore.

International Security Business:

- Revenues - Rs. 863 Crs in Q3 FY19 v/s Rs. 844 Crs in Q2 FY19 and Rs805 cr in Q3FY18
 - This translates to a QoQ growth of 2.2% and YoY growth of 7.2%
- EBITDA - Rs. 39.7 Crs in Q3 FY19 v/s Rs. 30.9 Crs in Q2 FY19 and Rs36.7 cr in Q3FY18
 - This translates to a QoQ growth of 28.5% and YoY growth of 8.3%
 - EBITDA Margin has increased from 3.7% in Q2 FY19 to 4.6 % in Q3 FY19
- As on 31st December 2018, the Australia Security business employed 7,165 Billing (direct) employees and 261 non-billing (indirect) employees
- Henderson likely to be consolidated in books from March 2019.
- Henderson has generated EBITDA margin upwards of 11% in FY17 and is going to be EPS and ROE accretive.

Facility Management:

- Revenues - Rs. 251 Crs in Q3 FY19 v/s Rs. 221 Crs in Q2 FY19 and Rs172 cr in Q3FY18

- This translates to a QoQ growth of 13.5% and YoY growth of 46.3%
- Organic revenue growth is 6.7% QoQ and 37.5% YoY
- EBITDA - Rs. 16.4 Crs in Q3 FY19 v/s Rs. 15.6 Crs in Q2 FY19 and Rs8.6 cr in Q3FY18
 - This translates to a QoQ growth of 5.6% and YoY growth of 91.3%
 - Margins stabilizing after a steep increase in H1 - margins for the quarter at 6.5% as against 7.0% for Q2FY9.
- Facility Management segment continues to have a stellar year with strong sequential growth and clients wins across all brands – December 2018 run rate stood at Rs91 crs.
- As on 31st December 2018, the Facility Management business employed over 53,699 billing (direct) employees and 965 non-billing (indirect) employees
- Integration of Rare Hospitality underway, with opportunities being explored to capitalise on their healthcare and hospitality strengths.

Commenting on the performance, Mr. Rituraj Sinha, Group Managing Director said,

“SIS has a predictable business model ensuring strong visibility. We have continued to demonstrate this regularly, quarter on quarter, resulting in a 6.5% quarterly PAT growth for the past 7 quarters. Our quarterly revenue CAGR of 6.7% during this time has taken us close to our Vision 2020 plan to become the largest company in security services, facility management and cash logistics. With a Rs610 cr + monthly run rate in December 2018, we are a USD 1 Bn (annualized) company and we continue to further consolidate and build on our position in all our verticals and markets. Our investment in technology and solution selling continues apace and we look to being the market leader in technology led security solutions in the coming years.”

About Security and Intelligence Services (India) Ltd. (SIS):

SIS is a market leader in all the 3 business segments of Security, Facility management & Cash Logistics services. SIS is the 2nd largest & fastest growing Security services company in India and the largest security services company in Australia. It is also the 2nd largest Facility Management Services company in India. SIS is the 2nd largest Cash Logistics Service provider in India. The

company strongly believes in technology and leverages and deploys innovative tools to manage its manpower and improve employee productivity. SIS has the largest trained manpower supply chain in India.

Safe harbor statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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