

SIS reports stellar financial results for FY19, crosses \$1bn in revenues and acquires market leadership in security segment in India

- Consolidated Revenue for FY19 at Rs. 7,093 Crs; 21.6% YoY growth
- Consolidated EBITDA for FY19 at Rs. 365 Crs, 16.9% YoY growth
- Consolidated Net Profit after Tax for FY19 at Rs. 215 Crs, 31.7% YoY growth

New Delhi, May 2, 2019, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), A market leader in Security, Facility Management & Cash Logistics services, announced its Audited Financial Results for the year ended 31st March 2019.

Key Consolidated Financials at a Glance:

| Particulars (Rs Crs) | Q4 FY19 | Q4 FY18 | YoY% | FY19 | FY18 | YoY% |
|----------------------|---------|---------|--------|---------|---------|-------|
| Revenue | 1,954.8 | 1,592.2 | 22.8% | 7,093.3 | 5,833.4 | 21.6% |
| EBITDA | 114.8 | 85.2 | 34.8% | 365.2 | 312.4 | 16.9% |
| EBITDA Margins | 5.9% | 5.3% | | 5.1% | 5.4% | |
| PAT | 72.4 | 36.1 | 100.6% | 214.7 | 163.0 | 31.7% |
| PAT Margins | 3.7% | 2.3% | | 3.0% | 2.8% | |

• **Segmental Revenues are as follows:**

- **Security Solutions India:** Rs. 779 Crs in Q4 FY19 v/s Rs. 572 Crs in Q4 FY18 & Rs. 2,696 Crs for FY19 v/s Rs. 2,150 Crs for FY18
- **Security Solutions International:** Rs. 902 Crs in Q4 FY19 v/s Rs. 841 Crs in Q4 FY18 & Rs. 3,458 Crs for FY19 v/s Rs. 3,019 Crs for FY18

– **Facilities Management:** Rs. 277 Crs in Q4 FY19 v/s Rs. 182 Crs in Q4 FY18 & Rs. 948 Crs for FY19 v/s Rs. 674 Crs for FY18

- **Return Ratios:** ROCE and RONW are 18.6% and 18.8% respectively for FY19
- **Cash Conversion** - The company demonstrated high cash conversion with OCF/ EBITDA of 50% in FY19

Business Updates:

- **India Security Solutions Business:** Strong organic growth of 17% during the year coupled with the acquisition of majority stake acquisition in SLV and Uniq (consolidated from September 1st, 2018 and February 1st, 2019 respectively) have helped the India security solutions business grow at 26% over FY18 taking us to No. 1 by the end of FY19. The margins corrected to a more sustainable level after the additional provisioning and one-time expenses in Q1FY19 and Q2FY19. The EBITDA margin in Q4 FY19 was a sustainable 6.4%. The division ended the year with a strong monthly revenue run rate of over Rs265 cr.
- **International Security Solutions Business:** MSS (along with SXP) grew a healthy clip of 13.6% organic growth. Towards the end of the year we acquired a majority stake in Henderson Security in Singapore and Platform4Group in New Zealand which have been consolidated only since March 1st, 2019. The consolidated international business grew at 14.6% over FY2018. The EBITDA margin for the international business increased from 4.3% to 4.5%.
- **Facility Management:** The Facility Management segment has shown a 35% organic growth in FY19. With the acquisition of Rare Hospitality (effective November 1, 2018), the overall division grew 41% over FY18 with total revenues of Rs948 cr. We have made effective inroads into specialised services in healthcare, railways and are investing steadily in MEP (Mechanical, Electrical and Plumbing) and SLA based commercial models to become an integrated facility management company. The segment demonstrated

strong margin increase from 5.1% in FY18 to 6.7% in FY19 on the back of greater scale benefits. The FM segment ended FY18 with a robust monthly revenue run rate of Rs91 cr.

- **Cash Logistics** – FY19 has been a tough year with challenges on the macro front. However, we have rationalised our portfolio to exit unviable contracts and also re-organised the portfolio mix between ATM and non-ATM business. This has helped the company end the year with a positive EBITDA. The recent RBI regulations on minimum operating standards are a healthy outcome and we are working with various industry regulators to implement these changes.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, “2019 was a milestone year as we crossed \$1 Bn in revenues. The steep growth during the year demonstrates the scalability of our model. The predictability is reinforced by our 8 quarter revenue CAGR of 6.7% and 8 quarter EBITDA CAGR of 8%. We acquired the pole position in the India security solutions business, our core vertical. Our international business continues to significantly outpace market growth. We also made impressive strides towards being No.1 in facility management with the division showing excellent growth. Market leaders get a pricing premium in the industry and SIS being the leader is poised to show pricing power. Strong cash flow generation, despite our strong growth and attendant working capital needs, demonstrate our financial prudence. We continue to make investments in technology to fundamentally shape the delivery models in the industry and we continue to be the pioneer in solution based service models.”

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 largest Security Solutions company in India, the largest Security Solutions company in Australia. It is also the 2nd largest Facility Management company in India. SIS is the 2nd largest Cash Logistics Service provider in India. The company strongly believes in

Technology and uses it to manage Employee productivity and also offer innovative solutions to its clients.

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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