

All 4 business verticals maintain momentum to deliver 63% YoY growth. With 248 crs EBITDA in H1 FY20, a standout performance amidst trying macro environment.

Board approves stock split from a face value of Rs10/ share to Rs5/ share.

- Consolidated Revenue for Q2 FY20 is Rs. 2,089 cr, a growth of 23.6% YoY
- Consolidated EBITDA for Q2 FY20 is Rs. 124 cr, growth of 58.1% YoY
- Consolidated PAT for Q2 FY20 is Rs. 76 cr, showing a growth of 74% on a YoY basis
- Sound return ratios - RONW at 22.6% and ROCE at 20.3%
- 75% OCF/ EBITDA in Q2 FY20

New Delhi, October 24th, 2019, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), A market leader in Security, Facility Management & Cash Logistics solutions, announced its Unaudited Financial Results for the quarter ended September 30th, 2019.

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	<i>Q2 FY20</i>	<i>Q2 FY19</i>	<i>Y-o-Y</i>	<i>Q1 FY20</i>	<i>Q-o-Q</i>	<i>H1FY20</i>	<i>H1FY19</i>	<i>Growth</i>
<i>Revenue from operations</i>	2,088.8	1,690.2	23.6%	2,008.4	4.0%	4,097.1	3,301.6	24.1
<i>EBITDA</i>	123.6	78.2	58.1%	124.7	-0.9%	248.3	152.6	62.7%
<i>EBITDA %</i>	5.9%	4.6%		6.2%		6.1%	4.6%	
<i>Profit after taxes</i>	76.2	43.8	74.0%	74.9	1.7%	151.1	83.3	81.4%
<i>Profit after taxes %</i>	3.6%	2.6%		3.7%		3.7%	2.5%	

- **Return Ratios:** Trailing 12month ROCE and RONW are 20.3% and 22.6% respectively.

Business Updates:

India Security Business:

- Revenues - Rs. 878.9 cr in Q2 FY20 v/s Rs. 812.3 crs in Q4 FY19 and Rs 629.9 cr in Q2FY19
 - This translates to a QoQ growth of 8.2% and YoY growth of 39.5%
 - Organic revenue growth is 8.2% QoQ and 24% YoY
- EBITDA - Rs. 53.7 crs in Q2 FY20 v/s Rs. 53.1 crs in Q1 FY20 and Rs 32.4 cr in Q2FY19
 - This translates to a QoQ growth of 1.1% and YoY growth of 65.6%
 - Margin has declined marginally from 6.5% in Q1 FY20 to 6.1% in Q2 FY20, margin decline due to annual wage hikes for back office staff
- The India security business also saw a strong quarter for new sales ending the quarter with a monthly revenue run rate of Rs295 cr

International Security Business:

- Revenues - Rs. 903.4 cr in Q2FY20 vs Rs. 913.4 Crs in Q1 FY20 and Rs. 843.9 cr in Q2FY19
 - This translates to a QoQ decline of -1.1% and YoY growth of 7.1%
- EBITDA - Rs. 49.6 crs in Q2 FY20 v/s Rs. 53.7 crs in Q1 FY20 and Rs. 30.9 cr in Q2FY19
 - This translates to a QoQ decline of -7.6% and YoY increase of 60.3%
 - EBITDA Margin has increased from 3.7% in Q2 FY19 to 5.5% in Q2 FY20 though this quarter has seen a decline in margin from 5.9% in Q1FY20 on account of Federal minimum wage revisions in Australia that get passed on with a lag.
- Segment ended September with a monthly run rate of Rs318 cr.

Facility Management:

- Revenues - Rs.314.3 crs in Q2FY20 vs 290.2 crs in Q1 FY20 and Rs. 221.3 Crs in Q2 FY19
 - This translates to a QoQ growth of 8.3% and YoY growth of 42.0%
- EBITDA - Rs. 20.9 crs in Q2FY20 vs Rs. 18.1 Crs in Q1 FY20 and Rs. 15.6 Crs in Q2 FY19
 - This translates to a QoQ increase of 15.5% and YoY growth of 34.2%
 - EBITDA Margin increased from 6.2% in Q1 FY20 to 6.6% in Q2 FY20
- The segment also ended the quarter with a monthly run rate of Rs108 cr which takes us closer to becoming No. 1 in the sector as a part of our Vision 2020 plan.

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

“SIS has demonstrated significant resilience in a period of challenging times for the Indian economy. Our 9-quarter revenue CAGR of 5.9% and EBITDA CAGR of 7.1% reinforces the predictability and scalability that underpin the SIS model. Our businesses are quite demand inelastic and we are seeing proof of that in the SIS performance amidst the current mood of downturn. We ended the quarter with a monthly run rate of Rs748 cr which is a significant jump over the June run rate of Rs670 cr. Our cash flow generation also improved, despite stressed clientele, to generate operating cash flows at 75% of EBITDA.

With significant reform measures undertaken by the government over the past couple of months, we are hopeful of a quick economic recovery. Formalisation measures continue apace with the labour reforms that have been rolled out recently being an important stepping stone in this process. SIS is ideally poised to capture the coming growth recovery and the rapid formalization underway in the economy.”

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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