

SIS reports a strong Q1 with revenue growth of 7.9%, despite Covid and National lockdown impact

- Consolidated Revenue for Q1FY21 at Rs. 2,167 Crs; 7.9% YoY growth
- Consolidated EBITDA for Q1FY21 at Rs. 121 Crs, -3% YoY growth post higher provisioning to the tune of Rs54 cr for uncertainty in the environment
- Sound Return Ratios - RONW at 22.8% ,
- OCF/ EBITDA at 81%

New Delhi, July 29, 2020, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended June 30th, 2020.

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	<i>Q1 FY21</i>	<i>Q1 FY20</i>	<i>Y-o-Y</i>
<i>Revenue from operations</i>	2,166.7	2,008.4	7.9%
<i>EBITDA</i>	120.9	124.7	-3.1%
<i>EBITDA %</i>	5.6%	6.2%	
<i>Profit after taxes</i>	57.9	74.9	-22.7%
<i>Profit after taxes %</i>	2.7%	3.7%	

- **Segmental Revenues are as follows:**
 - **Security Solutions India:** Rs. 858 Crs in Q1FY21 vs Rs 808 Crs in Q1 FY20
 - **Security Solutions International:** Rs. 1020 Crs in Q1FY21 vs Rs 913 Crs in Q1 FY20
 - **Facilities Management:** Rs. 293 Crs in Q1FY21 vs Rs 290 Crs in Q1 FY20
- **Return Ratios:** RONW (based on proforma trailing 12 months PAT) is 22.8%

- **Cash Conversion** - The company demonstrated very strong cash conversion with OCF/EBITDA at 81% in Q1FY21.

Business Updates:

- **India Security Solutions Business:** SIS role as an essential services provider was reinforced during the toughest quarter ever faced, as we ended Q1FY21 at YoY growth of 6.1%. All our branch offices continued to be operational during the lockdown period and we ensured business continuity for all our customers with minimal disruption. Similarly, despite aggressive and cautionary provisions, our EBITDA margin was stable at 5.4%. We continue to be cautiously optimistic for the rest of the year - market share gains will be the focus for the year on the back of cross sales initiatives and launch of new solutions.
- **International Security Solutions Business:** The International business has been the standout vertical this quarter with revenues of Rs 1020 Cr which is a YoY increase of 11.7%. The growth in the international markets was aided by strong, proactive economic and medical response to Covid resulting in minimal disruption to the business climate. The EBITDA margin for the international business was 5.9%, despite conservative provisioning and deferring recognition of certain government grants.
- **Facility Management:** The Facility Management segment was impacted to some extent due to the extended lockdowns in big urban cities in India. The revenues for the segment saw a 1% increase YoY. Going forward, the FM segment is likely to see increased operating expenditure, higher quality standards and more intensive cleaning requirements. We believe that this is going to lead to significant changes in industry dynamics and greater formalisation. We have launched new solutions in the areas of disinfection, deep cleaning, sanitisation and production support which will help us greatly in increasing wallet share with customers.
- **Cash Logistics:** The Cash Logistics segment continues on its steady path of portfolio rationalisation and margin improvement. Despite the ATM pricing reset getting delayed due to the pressures on the banking sector, our other segments of retail cash management and cash in transit continued to show strong operating metrics. The

segment delivered a 68.4% YoY growth in EBITDA in Q1FY21, despite a 9.8% YoY decline in revenues (on account of closure of unprofitable routes and contracts). We believe that our focussed operations will continue to stand us in good stead in the coming quarters.

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

“The Covid pandemic and lockdowns have reinforced the essential need for our services, which are a business continuity imperative for a safe workplace and society. The Q1 results establish that our industry is less impacted and will recover quicker than many other sectors. Covid will also accelerate market share consolidation as customer focus is shifting towards expertise, reliability and market leaders. Given near term uncertainties, we continue to remain cautiously optimistic and will undertake prudent provisioning policies to factor for unforeseen surprises.”

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 provider 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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