

**SIS reports highest ever quarterly revenues with PAT margin at 4.2%**

- Consolidated Revenue for 9MFY21 at Rs. 6,682 Crs; 6.5% YoY growth; Consolidated Revenues for Q3FY21 at Rs. 2,358 Crs; 8.2% growth
- Consolidated EBITDA for 9MFY21 at Rs. 397 Crs, 4.1% YoY growth; Consolidated EBITDA for Q3FY21 at Rs. 147 Crs; 10.0% growth
- Consolidated PAT for Q3FY21 at Rs99 Crs, QoQ growth of 26.5% and PAT margin at 4.2%
- OCF/ EBITDA for 9MFY21 at 140% and for Q3 FY21 at 145% - with total OCF generation at Rs555 Crs for 9M FY21
- Sound Return Ratios – ROCE at 19.0%

New Delhi, February 3, 2021, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended December 31<sup>st</sup>, 2020.

**Key Consolidated Financials at a Glance:**

<i>Rs. In crs</i>	<b>Q3 FY21</b>	<b>Q3 FY20</b>	<b>%age</b>	<b>9M FY21</b>	<b>9M FY20</b>	<b>%age</b>
<i>Revenue from operations</i>	<b>2,357.5</b>	<b>2,178.2</b>	<b>8.2%</b>	<b>6,682.1</b>	<b>6,275.4</b>	<b>6.5%</b>
<i>EBITDA</i>	<b>146.9</b>	<b>133.5</b>	<b>10.0%</b>	<b>397.4</b>	<b>381.9</b>	<b>4.1%</b>
<i>EBITDA %</i>	<b>6.2%</b>	<b>6.1%</b>		<b>5.9%</b>	<b>6.1%</b>	
<i>Profit after taxes</i>	<b>99.0</b>	<b>78.3</b>	<b>26.5%</b>	<b>265.0</b>	<b>229.4</b>	<b>15.5%</b>
<i>Profit after taxes %</i>	<b>4.2%</b>	<b>3.6%</b>		<b>4.0%</b>	<b>3.7%</b>	

- **Segmental Revenues are as follows:**
  - **Security Solutions India:** Rs 2587 Crs in 9MFY21 vs Rs 2593 Crs in 9MFY20; Rs 889 Crs in Q3FY21 vs Rs 909 Crs in Q3FY20;
  - **Security Solutions International:** Rs 3277 Crs in 9MFY21 vs Rs 2757 Crs in 9MFY20; Rs 1190 Crs in Q3FY21 vs Rs 940 Crs in Q3FY20;
  - **Facilities Management:** Rs 832 Crs in 9MFY21 vs Rs 936 Crs in 9MFY20; Rs 283 Crs in Q3FY21 vs Rs 333 Crs in Q3 FY20;
- **Return Ratios:** ROCE at 19.0%
- **Cash Conversion** - The company continues its strong cash conversion with OCF/ EBITDA at 145% in Q3FY21. The company generated Rs213 Crs of OCF in Q3 and Rs555 Crs of OCF for the 9M – this has been on the back of strong collections, lower working capital needs and stable business.
- **Net Debt/ EBITDA** – Despite payout of Rs203 Crs for the buyout of the balance 49% stake in SXP, the Company's Net Debt/ EBITDA was a very healthy 0.92 which is a steep reduction from 1.45 at the end of Q3FY20. The company managed to reduce the net debt by Rs213 Crs, a 30% reduction from the beginning of the year.

#### **Business Updates:**

- **India Security Solutions Business:** The India security business showed good demand recovery growth during the quarter, with revenues at 97% of the March 2020 revenues. For 9MFY21 the revenues at Rs2587 Crs were flat over 9M FY20, thus re-inforcing the demand inelasticity of our services. The diversity of end-user segments and the customer agnostic nature of our solutions helped maintain revenues in trying times. Our EBITDA margin continued to be stable at 5.7% in the current quarter. While the festival demand led recovery led to a healthy growth in Q3, we continue to be cautiously optimistic for the rest of the year.
- **International Security Solutions Business:** The International business continues to be the standout vertical this quarter with revenues of Rs 1190 Cr which is a YoY increase of

26.6%. For 9M as a whole, SIS International had a revenue growth of 18.9% over 9MFY20 and an EBITDA growth of 39.2%. The growth in the international markets was aided by rebound in the aviation and special events business in Australia and New Zealand and continued strength in the Covid related ad-hoc business. The proactive economic and medical response to Covid in our international markets has resulted in minimal disruption to the economies. The EBITDA margin for Q3FY21 for the international business was 7.1% led by good margins on our ad-hoc business coupled with operating leverage impact.

- **Facility Management:** The Facility Management segment has seen a good demand growth at 10.7% QoQ but was still down -14.9% compared to Q3 of FY20. This was due to continued impact on service volumes in segments like railways, retail and entertainment, airports, IT etc. While some of these segments have steadily unlocked amidst the festive season, we are hopeful of regaining our March 20 revenues over the next few months. 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 to track very positively with revenues at 106.5% of March 2020 levels. The segment continues to focus on revenue viability which has in turn helped margin growth. The segment has shown 6.4% QoQ growth with a 23.4% increase in EBITDA. There have been some pockets of price escalation that have also aided in the margin growth despite fuel costs rising steeply. We will continue to prioritise viable routes and contracts to ensure margin sustenance.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, “*We have ended the quarter with our highest ever quarterly revenues, our OCF/ EBITDA for the 9M is 140% and we have generated Rs555 Crs of OCF in these 9 months and our Net Debt/ EBITDA continues to be a very sound 0.9 with a Rs213 Cr reduction in Net Debt. We believe that the SIS Balance Sheet is very solidly placed to capture the organic and inorganic growth opportunities that are going to unfold, even more so after the landmark budget with its huge focus on infrastructure*

*spend especially in the fields of healthcare, ports, metros, airports etc. SIS is best placed to capture the potential increase in market size post the significant capex push by the government”*

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

*SIS is a USD 1.2 Bn Indian multinational and market leader in Security, Facility management & Cash Logistics solutions with operations across India, Australia, Singapore and New Zealand. SIS is the largest Security Solutions company in India. It is also the 2<sup>nd</sup> largest Facility Management company and the 2<sup>nd</sup> largest Cash Logistics provider in India. We are among the top 5 private sector employers in the country. SIS services over 7000 clients across 18500+ sites spread across 630 districts 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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