

SIS ends a tough year with highest ever Revenues, EBITDA, PAT and Cash Flows

- Consolidated Revenue FY21 at Rs. 9127 Crs; 7.6% YoY growth
- Consolidated EBITDA for FY21 at Rs. 521 Crs, 0.1% YoY growth;
- Consolidated PAT for FY21 at Rs. 367 Crs; 62.9% growth
- OCF/ EBITDA for FY21 at 123% - with total OCF generation at Rs640 Crs for FY21
- Sound Return Ratios – ROCE at 19.0% and ROE at 22.8%

New Delhi, April 28, 2021, SIS Ltd. (SIS) (NSE: SIS, BSE: 540673), announced its Audited Financial Results for the quarter and year ended March 31st, 2021.

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	Q4 FY21	Q4 FY20	%age	FY21	FY20	%age
<i>Revenue from operations</i>	2,445.2	2,209.7	10.7%	9,127.1	8,485.2	7.6%
<i>EBITDA</i>	123.3	138.5	-10.9%	520.8	520.4	0.1%
<i>EBITDA %</i>	5.0%	6.3%		5.7%	6.1%	
<i>Profit after taxes</i>	102.2	-3.9	2714.2%	367.2	225.5	62.9%
<i>Profit after taxes %</i>	4.2%	-0.2%		4.0%	2.7%	

- **Segmental Revenues are as follows:**

- **Security Solutions India:** Rs 3,488 Crs in FY21 vs Rs 3,528 Crs in FY20; Rs 901 Crs in Q4FY21 vs Rs 924 Crs in Q4FY20;

- **Security Solutions International:** Rs 4,530 Crs in FY21 vs Rs 3,706 Crs in FY20; Rs 1253 Crs in Q4FY21 vs Rs 949 Crs in Q4FY20;
- **Facilities Management:** Rs 1127 Crs in FY21 vs Rs 1280 Crs in FY20; Rs 296 Crs in Q4FY21 vs Rs 343 Crs in Q4FY20;
- **Cash Conversion** - The company generated the highest ever cash flows with total operating cash flow generation of Rs640 Crs with cash conversion at OCF/ EBITDA of 123% for FY21 and 89% for Q4FY21. 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 in Q3FY21, the Company was able to reduce Net Debt by Rs327 Crs during the year with the Net Debt/ EBITDA at 0.7 at the end of the year, a steep reduction from 1.35 at the end of FY20.

Business Updates:

- **India Security Solutions Business:** The India security business continued to show steady demand recovery, with March 2021 monthly revenues at 102% of the March 2020 revenues. For FY21 the revenues at Rs3,488 Crs were flat over FY20, which in probably the biggest crises of our lifetimes, re-inforces the resiliience and annuity nature of our services. Over the past 6 months we have actively refocused our business development efforts toward sectors that we feel are going to be less impacted from the pandemic and has been standing us in good stead. Our EBITDA margin for the year was at 5.5% as compared to 6.0% for FY20. We believe that with our experience of last year, we are well prepared to handle the current Covid surge across the country.
- **International Security Solutions Business:** The International business continues to be the standout vertical this year with revenues of Rs 4,530 Cr which is a YoY increase of 22.3%. For the quarter specifically, SIS International had a 5.3% QoQ growth and a 32% YoY growth. The SIS International vertical is the much needed bulwark to the volatility that the Indian economy has been undergoing. The steep growth in our international revenues

is on the back of ad-hoc covid contracts with the government in Australia and New Zealand along with rebound in the aviation and special events 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 the international business was 6.4 % led by good margins on our ad-hoc business coupled with operating leverage impact.

- **Facility Management:** The Facility Management segment continues steady demand recovery with a 4.5% QoQ growth in revenues, however for the full year the segment is still down 12% in revenue terms over FY20. Many of the highly impacted segments like railways, retail and entertainment, airports, IT etc continue to see slow rebound with extended work from home plans along with intermittent lockdowns. Our solutions in the areas of disinfection, deep cleaning, sanitisation and production support continue to gain impressive traction. We believe that the current Covid surge may delay the recovery, but the customer diversification and integrated services offerings that are seeing good customer takeoff, are likely to be a solid support and demand trigger for us going ahead.
- **Cash Logistics:** The Cash Logistics segment has seen an especially strong year, with March '21 monthly revenues at 130% of our March '20 monthly revenues. The revenue growth has been matched by an equally strong margin performance with EBITDA at 8%. With pockets of price escalation, diversified non-ATM business, steep increase in cash in circulation, steady consolidation all bode well for the vertical in the near future.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, *“FY21 has been a year of validation. 7.6% YoY revenue growth, highest ever PAT of Rs367 Crs and highest ever OCF generation of Rs640 Crs, in year of GDP contraction underlines 3 unique characteristics of SIS. First, we as essential services are a fundamental need of society leading to inelastic demand. Second, ROCE remains intact at ~ 20% across varying growth years as working capital intensity adjusts. Third, incentivisation of blue collar job creating sectors, through fiscal measures is govt policy imperative through GDP growth and contraction phases”*

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 2nd largest Facility Management company and the 2nd largest Cash Logistics provider in India. With 230,000 frontline essential services workforce, we are among the top 5 private sector employers in the country. SIS services over 9000 clients at 23000+ 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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