

**SIS reports 44.7% increase in Operating PAT (QoQ)**

- Consolidated Revenue for Q1FY22 at Rs. 2,379 Crs; 9.8% YoY growth
- Consolidated EBITDA for Q1FY22 at Rs. 121 Crs, flat YoY
- Sound Return Ratios - RONW at 22.6%
- Outstanding cash flow generation continues with OCF/ EBITDA at 96%
- Ranked 31<sup>st</sup> among Best Employers in India by Great Places to Work and in the top 15 Nation Builders in India

New Delhi, July 28, 2021, SIS Ltd. (SIS) (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended June 30<sup>th</sup>, 2021.

**Key Consolidated Financials at a Glance:**

<i>Rs. In crs</i>	<i>Q1 FY22</i>	<i>Q1 FY21</i>	<i>Y-o-Y</i>	<i>Q4FY21</i>	<i>Q-o-Q</i>
<i>Revenue from operations</i>	<b>2,379.3</b>	<b>2,166.7</b>	9.8%	<b>2,445.2</b>	-2.7%
<i>EBITDA</i>	<b>121.3</b>	<b>120.9</b>	0.4%	<b>123.3</b>	-1.6%
<i>EBITDA %</i>	5.1%	5.6%		<b>5.0%</b>	
<i>Profit after taxes</i>	<b>59.5</b>	<b>57.9</b>	2.8%	<b>102.2</b>	-41.8%
<i>Profit after taxes %</i>	2.5%	2.7%		<b>4.2%</b>	
<b><i>Operating PAT</i></b>	<b>51.9</b>	<b>39.6</b>	<b>31.2%</b>	<b>35.9</b>	<b>44.7%</b>
<i>Operating Profit after taxes %</i>	2.2%	1.8%		<b>1.5%</b>	

- **Segmental Revenues are as follows:**
  - **Security Solutions India:** Rs. 881 Crs in Q1FY22 vs Rs 858 Crs in Q1 FY21 and Rs. 901 Crs in Q4FY21

- **Security Solutions International:** Rs. 1201 Crs in Q1FY22 vs Rs 1020 Crs in Q1 FY21 and Rs. 1253 Crs in Q4FY21
  
- **Facilities Management:** Rs. 305 Crs in Q1FY22 vs Rs 293 Crs in Q1 FY21 and Rs. 296 Crs in Q4FY21
  
- **Return Ratios:** RONW (based on reported trailing 12 months PAT) is 22.6%, strong return ratios continue despite continued expenditure towards Covid related health and safety needs.
  
- **Cash Conversion** - The company demonstrated very strong cash conversion, generating Rs116 Crs of operating cash during the quarter with OCF/ EBITDA at 96% in Q1FY21. This continues the trend seen in FY21.

#### **Business Updates:**

- **India Security Solutions Business:** SIS role as an essential services provider was reinforced during the toughest quarter we have ever faced from a health/ logistics and macro economic point of view. We ended the tumultuous Q1FY22 at YoY growth of 2.6% and a marginal 2.3% drop over the previous quarter. The learnings from the last 12 months came handy as we were able to run our operations in a streamlined manner and ensure business continuity for our customers while ensure that the primary focus during this quarter continues to be the health and safety needs of our employees. Despite expenditures on medical needs and vaccination for our huge frontline workforce, our EBITDA margin was marginally up to 5.0% from 4.9% in the previous quarter. We are seeing a good rebound from June onwards. While the sustainability of this will depend on the unfolding health scenario, with most of our workforce already vaccinated, we are confident of a steady growth and increase in market share.
  
- **International Security Solutions Business:** The International business which benefited significantly from one-off government contracts in FY21 has seen these contracts slowly taper off over the past 2 quarters. This has been countered to some extent by revival in

traditional business segments. The segment has thus ended the quarter with a decline of 4.2% over the prior quarter but still demonstrated a 17.7% growth in revenues over Q1FY21. The EBITDA margin for the international business was 5.4%, reverting back to historical levels. The international segment continues to be a balancing force in our group portfolio , continuously generating high ROCE and Cash Flows.

- **Facility Management:** The Facility Management segment was impacted the most in FY21 due to the extended lockdowns in big urban centres in India and decline in volumes at key segments like IT/ ITeS, Railways and Hospitality. Q1 saw a good rebound with a 3.1% revenue growth with all the companies showing QoQ growth. Rare Hospitality has been a standout with its focus on healthcare as has been the Terminix SIS pest control business which continues its high growth and margins trajectory. The margins also saw a steep uptick from 1.9% EBITDA in Q4FY21 to 4.3% in Q1FY22.. Going forward, we continue to believe that the FM segment is likely to see more spends per square feet with higher quality standards and more intensive cleaning requirements. We have launched new solutions in the areas of disinfection, deep cleaning, sanitisation and production support which are seeing good customer wins, thus enabling us to increase wallet share with customers.
- **Cash Logistics:** The Cash Logistics segment continues on its steady path of portfolio rationalisation and margin improvement. Despite the retail business (DSB) taking a deep hit in Q1 because of the second wave and a 15.6% drop in revenues QoQ, we have managed to increase EBITDA over the same period with margins reaching 10.1% in Q1. New solutions like cash processing, high value cargo and bullion, better routes synergies coupled with a semblance of better tariffs in some corners of the market give us confidence that the segment is poised to continue its strong performance.

**Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said,**  
*“With June 2021 monthly run rate of Rs788 Crs, stable and improving margins and a strong*

*Balance Sheet on the back of record collections, Q1FY22 marks a solid start to FY22. We have vaccinated 1.94 lakh employees (92% of employees) with first dose and 33K employees (17% of employees) with both doses of the vaccine and are targeting 100% full vaccination by September. I am also immensely proud and humbled that GPTW has recognised SIS as No. 31 in Best Employers and also ranked us in the top 15 Nation Builders category. Considering what our employees have gone through over the past 15 months, this is a testimony to their dedication, commitment and the SIS culture.”*

**About SIS Limited:**

*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. With 222,000 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.

**For further details please contact:**

**Company:**

**SIS Limited**

CIN: U75230BR1985PLC002083

**Mr. Vamshidhar Guthikonda**

**Email:** [investorrelations@sisindia.com](mailto:investorrelations@sisindia.com)