

Q2 FY22 PAT at Rs. 68 Crs; 15% up QoQ

- Consolidated Revenue for Q2FY22 at Rs. 2,431 Crs; 12.7% YoY growth
- Consolidated EBITDA for Q2FY22 at Rs. 123 Crs
- Sound Return Ratios - RONW at 19.2%
- OCF/ EBITDA for H1FY22 at 40.4%

New Delhi, October 27, 2021, SIS Ltd. (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended September 30th, 2021.

Key Consolidated Financials at a Glance:

| <i>Rs. In crs</i> | <i>Q2 FY22</i> | <i>Q2 FY21</i> | <i>Y-o-Y</i> | <i>Q1FY22</i> | <i>Q-o-Q</i> |
|--------------------------------|----------------|----------------|--------------|----------------|--------------|
| <i>Revenue from operations</i> | 2,430.9 | 2,157.9 | 12.7% | 2,379.3 | 2.2% |
| <i>EBITDA</i> | 123.1 | 129.7 | -5.1% | 121.3 | 1.4% |
| <i>EBITDA %</i> | 5.1% | 6.0% | | 5.1% | |
| <i>Profit after taxes</i> | 68.4 | 108.1 | -36.7% | 59.5 | 14.9% |
| <i>Profit after taxes %</i> | 2.8% | 5.0% | | 2.5% | |

- **Segmental Revenues are as follows:**

- **Security Solutions India:** Rs. 945 Crs in Q2FY22 vs Rs 839 Crs in Q2 FY21 and Rs. 881 Crs in Q1FY22
- **Security Solutions International:** Rs. 1156 Crs in Q2FY22 vs Rs 1068 Crs in Q2 FY21 and Rs. 1201 Crs in Q1FY22

- **Facilities Management:** Rs. 336 Crs in Q2 FY22 vs Rs 256 Crs in Q2 FY21 and Rs. 305 Crs in Q1 FY22
- **Return Ratios:** RONW (based on proforma trailing 12 months PAT) is 19.2%, our strong return ratios continue despite Covid impact on revenues and consequently reduced operating leverage.
- **Cash Conversion** - The company demonstrated very strong cash conversion for first half, despite a steady reversion to the historical average DSOs and continued lockdowns with OCF/ EBITDA at 40% in H1FY22.
- **Vaccination** - Finished 3.71 lakh vaccination doses with 84% employees fully vaccinated; expected to achieve 100% vaccination by early December.

Business Updates:

- **India Security Solutions Business:** The India security business came back strongly into growth mode with 7.4% QoQ growth in revenues which is one of our fastest quarterly growth rates. Our sharp execution enabled sizeable new contract additions as we added further to our sales teams and normalised operations. We made impressive strides in our technology solutions with big wins with marquee clients which put us firmly on our Vision 2025 roadmap to double our EBITDA from solution sales. Our operations are back to normal and is a huge source of competitive advantage for us. With a fully vaccinated employee base and a revival in the capex in the economy, we are confident of doubling our market share as envisioned in the Vision 2025 plan.
- **International Security Solutions Business:** The International business ended Q2 with a marginal 3.7% decline despite a steady tapering off of one-off Covid related government contracts. This has been countered to some extent by revival in traditional business segments. However the segment still demonstrated a 12.9% growth in H1FY22 revenues over H1FY21. The EBITDA margin for the international business was 5.9% in Q2, which is significantly higher than the 5.4% in Q1FY22. The segment has also been impacted by the

extended lockdown in Australia which has been the longest in the world, which has also impacted our collection efforts in Q2.

- **Facility Management:** The Facility Management segment revived faster than expected despite the IT/ ITeS and Railways segments not fully operational as yet. Our focus on manufacturing and healthcare has paid off and has helped us win important clients. Our quarterly revenue were Rs 336 Crs which is close to our historical high in Q4 of FY20. One SIS has also won blue chip clientele outlining the vendor consolidation that many of our customers are keen on. With the IT and hospitality segment getting back into full operational mode in Q3, we are confident of a strong Q3 and H2. Working capital performance continues to be solid with DSOs maintaining a downward trend at 84 days as against 93 days in September 2020.
- **Cash Logistics:** The Cash Logistics segment continues its strong revenue growth with all business segments performing solidly. The cash segment had a 17.7% revenue growth YoY on the back of good wins with banks and increased deployment in the cash processing business. We are also seeing tariff hikes with an increasing number of banks and slow and steady rollout of the RBI/ MHA norms. The EBITDA margins were also at 11.4% which is the highest we have ever seen in the segment and is a testament to the high margin nature of the cash logistics segment. The margins have increased despite a steep increase in the fuel rates, due to strong operational improvements and productivity gains.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, *“Q2 results signal strong and secular growth, across service segments. Security & Facility management segments have reported 7% and 10% growth respectively as compared to Q1FY22, which is amongst the highest QoQ change for SIS. Overall, H1 revenues is up 11% Vs H1FY21.*

With strong recovery in the economy, service volumes are witnessing an uptick. Coupled with an encouraging order pipeline for Q3, SIS is looking at a Rs 10,000 crs annual revenue runrate. Full vaccination of 84% of our workforce has emboldened us to go back to growth mode in full steam.”

About SIS Limited (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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