

Highest ever Quarterly Revenue at Rs. 2601 Crs
Q3 FY22 PAT at Rs. 101 Crs; 47% up QoQ

- Consolidated Revenue for Q3FY22 at Rs. 2,601 Crs; 10.3% YoY growth
- Consolidated EBITDA for Q3FY22 at Rs. 130 Crs
- Sound Return Ratios - RONW at 18.0%

New Delhi, February 03, 2022, SIS Ltd. (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended December 31st, 2021.

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	<i>Q3 FY22</i>	<i>Q3 FY21</i>	<i>Y-o-Y</i>	<i>Q2FY22</i>	<i>Q-o-Q</i>
<i>Revenue from operations</i>	2,600.8	2,357.5	10.3%	2,430.9	7.0%
<i>EBITDA</i>	129.7	146.9	-11.7%	123.1	5.4%
<i>EBITDA %</i>	5.0%	6.2%		5.1%	
<i>Profit after taxes</i>	100.6	99.0	1.6%	68.4	47.2%
<i>Profit after taxes %</i>	3.9%	4.2%		2.8%	

- **Segmental Revenues are as follows:**
 - **Security Solutions India:** Rs. 995 Crs in Q3FY22 vs Rs 889 Crs in Q3FY21 and Rs. 945 Crs in Q2FY22
 - **Security Solutions International:** Rs. 1247 Crs in Q3FY22 vs Rs 1190 Crs in Q3FY21 and Rs. 1156 Crs in Q2FY22
 - **Facilities Management:** Rs. 368 Crs in Q3FY22 vs Rs 283 Crs in Q3FY21 and Rs. 336 Crs in Q2FY22

- **Return Ratios:** RONW (based on proforma trailing 12 months PAT) is 18.0%, 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 nine months, despite high revenue growth during the year to date and continued lockdowns with OCF/ EBITDA at 32% in 9MFY22.
- **Vaccination** - Accomplished 5.3 lakh vaccination doses with 96% employees fully vaccinated; initiated booster dose roll-out for all employees.

Business Updates:

- **India Security Solutions Business:** The India security business continued the growth momentum with 5.2% QoQ growth in revenues and reached Rs. 995 Crs which is the highest in our history and indicates a strong growth revival over the past few months. We also rolled-out pay revisions, one-time discretionary incentives for office based employees during the quarter. Despite this EBITDA margin for the Q3FY22 is 4.3% which is higher than 4.1% in Q2FY22.
- 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 recorded a revenue of Rs. 1247 Crs which is a 7.8% QoQ growth. The Covid related business, though lower than the previous quarters, continued to remain stronger than expected in Q3 due to the

high number of COVID cases and the continued restrictions on inbound domestic and international travellers. However, new wins of Rs. 10 Crs on a monthly basis was the main driver of the revenue growth. The segment demonstrated a 10.0% growth in 9MFY22 revenues over 9MFY21. The EBITDA margin for the international business was 5.6% in Q3, which is slightly lower than the 5.9% in Q2FY22, the margin is setting towards our pre-Covid normal levels as temporary Covid contracts with exceptional margins decline.

- **Facility Management:** The Facility Management segment continued its strong recovery with a revenue growth of 9.4% over Q2FY22 and 29.9% over Q3FY21, reaching revenues of Rs 368 Crs for the quarter, surpassing the previous high of Rs 342 Crs recorded in Q4FY20 (pre-COVID) despite the IT/ ITeS segments not fully operational as yet. Our focus on manufacturing, healthcare and E-commerce / Logistics segments has paid off and has helped us win important clients. Given the learnings from last two years, we have consciously continued to reduce our exposure to IT / ITeS and have focussed on increasing our exposure to more resilient and stable sectors like manufacturing, food processing industries and the new sectors like e-commerce. The EBITDA margin also increased to 4.8% in Q3FY22, which is higher than 4.6% in Q2FY22.
- **Cash Logistics:** The Cash Logistics segment continues its strong revenue growth with all service lines performing well. The segment had a 15% revenue growth YoY on the back of major wins with banks, increased deployment in the cash processing business and introduction of new products. The tariff hikes continue to be implemented and we continue to make steady progress on this with steady rollout of the RBI/ MHA norms. The EBITDA margins were also at 12.4% 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.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, “Q3FY22 was a record quarter for SIS with its highest ever revenue at Rs. 2,601 Crs and Reported PAT at Rs. 101 Crs for the quarter.

Our 9M FY22 result continues to re-inforce the inelastic demand for essential services like security, facility management and cash logistics across CoVID waves and economic activity rebound phases. SIS is geared up to take on the COVID third wave resiliently.”

About SIS Limited (SIS):

SIS is a US\$ 1.3 Bn, Indian Multinational and Essential services Market Leader in India, with over 2,30,000 employees. SIS is amongst the Top 10 private sector employers with over 400 offices across 650 districts. SIS is #1 in Security Solutions, #2 in Facility Management and #2 in Cash Logistics segments in India. It is also the largest Security Solutions company in Australia.

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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