



**sis**  
Group Enterprises

A Market Leader in  
Security, Cash Logistics  
& Facility Management

***FY18 Annual Results  
May 9, 2018***



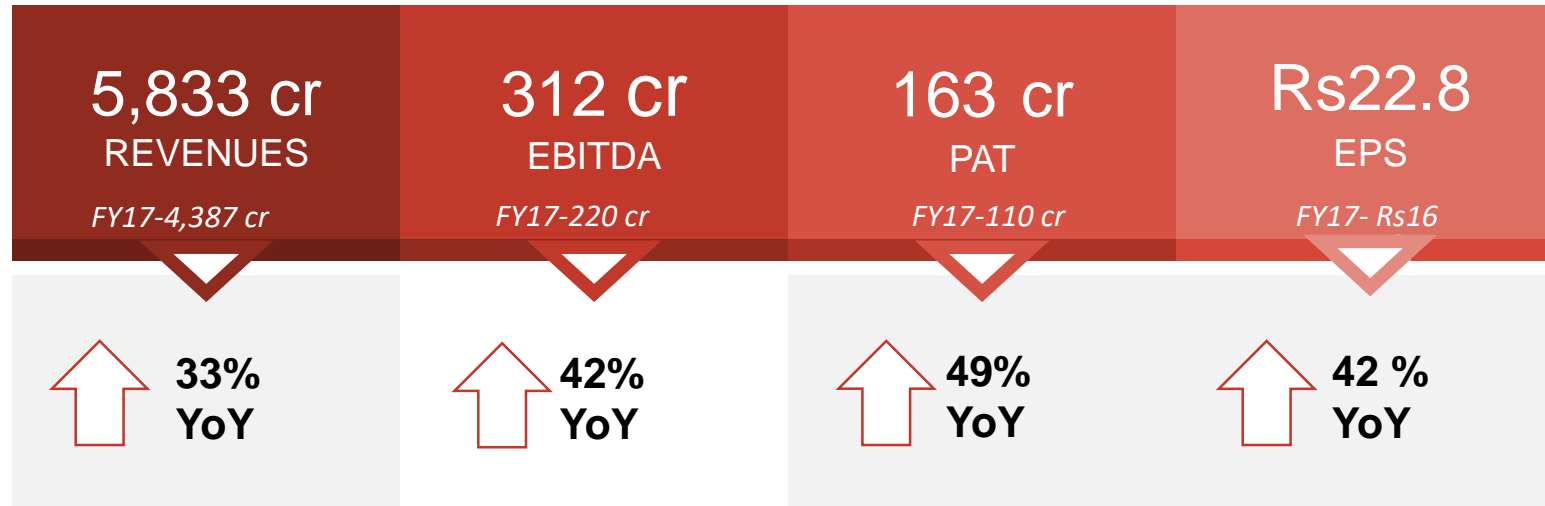
## SAFE HARBOUR

*This presentation and the accompanying slides (the “Presentation”), which have been prepared by Security and Intelligence Services (India) Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*

*This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.*

# RESULTS HIGHLIGHTS – FY 18



*EBITDA margin increase from 5.0% to 5.4%*



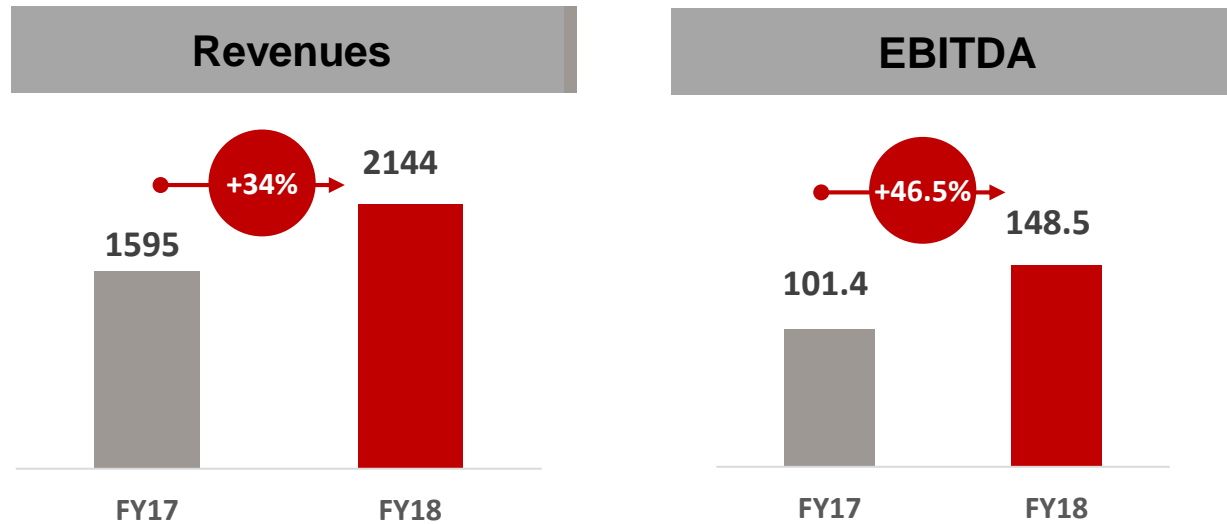
*ROCE at 24.2% and RONW at 20.1%*

*Total dividend of Rs. 3.50/ share recommended*

# INDIA SECURITY – A LANDMARK YEAR, INCHING CLOSE TO NO.1



Rs. In crs



**107,746**  
Trained security personnel

**153**  
Branches

**11,995**  
Sites

Revenue crossed **2000 cr.** - Close No. 2

Added over 500 cr revenues in a single year – an industry record

EBITDA % increased from **6.4% to 6.9%**

Margin expansion with steady productivity increases

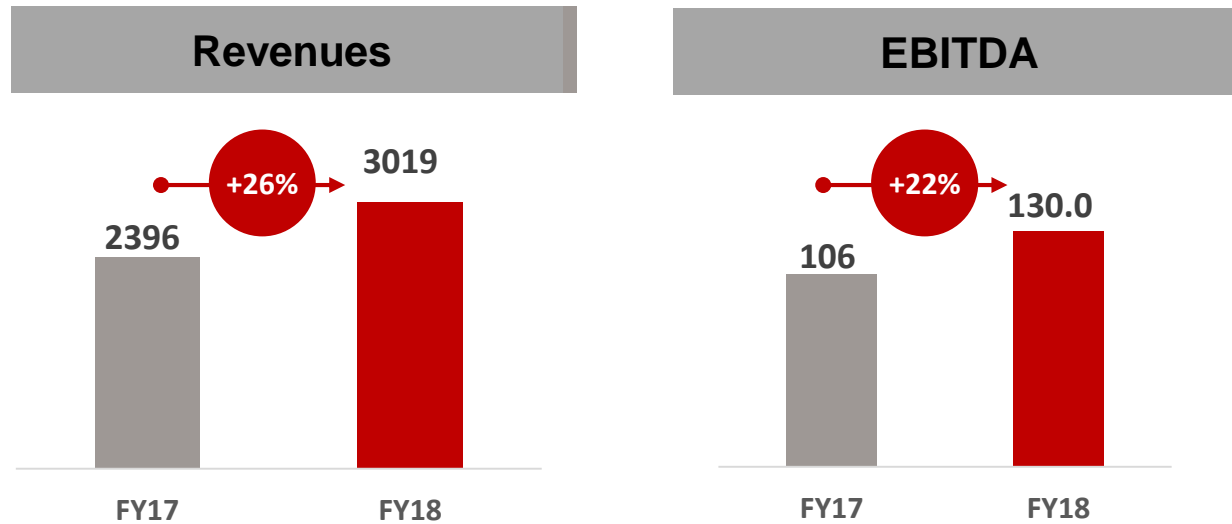
DSO - **61 days**; increase of 5 days over FY17

DSO hit during the year due to GST fallout, impact reduced by year end

# AUSTRALIA SECURITY – NEW OFFERINGS ADD TO MARKET DOMINANCE



Rs. In crs



**7,400**  
Trained security personnel

**33**  
Branches

**9,600**  
Mobile Patrol Sites

Acquired SXP, the leader in mobile patrols, in July 2017

21% market share in Australia

Margins flat over FY17 to FY18

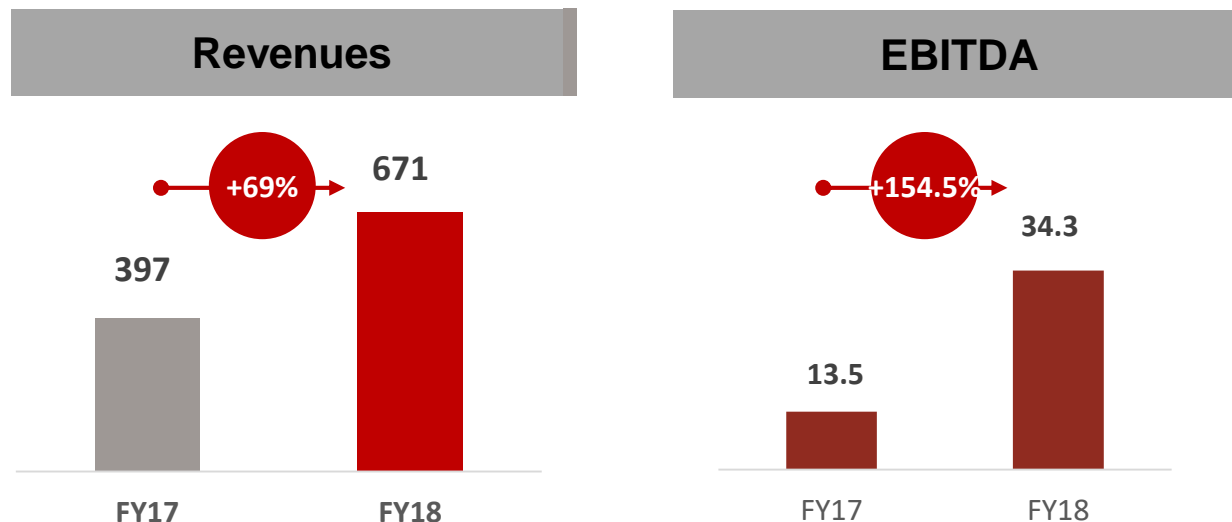
Targeted synergies of AUD \$1 Mn on MSS – SXP by 2019

DSO - 42 days – lowest ever in MSS history

Australia generated free cash flow of AUD 28.7 mn

# FACILITY MANAGEMENT – AN YEAR OF INFLECTION

Rs. In crs



**42,148**  
Trained staff

**59**  
Branches

**2,740**  
Customer Sites

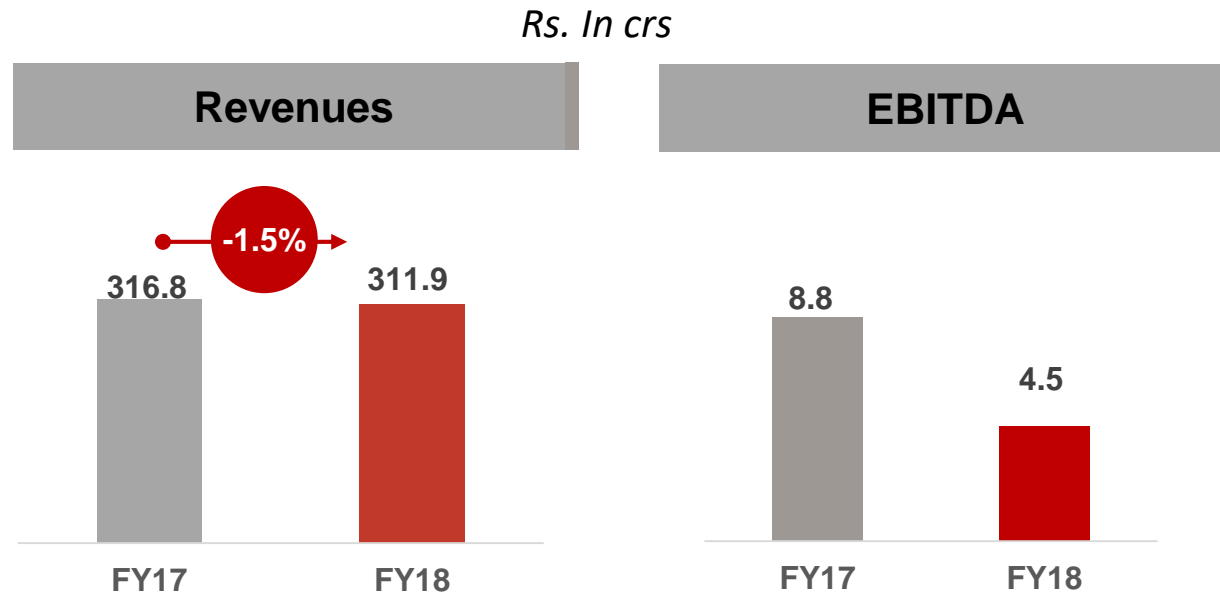


**135 cr** organic growth in FM segment  
Focus on healthcare paying off for DTSS ; SMC – building expertise in B2G

EBITDA margin improvement from 3.4% to 5.1%  
Margin increase across both SMC and DTSS with operating leverage with larger scale

DSO increased by 4 days, largely on account of lingering GST impact  
Impact curtailed by year end

# CASH LOGISTICS – REGULATORY CHANGES LIKELY TO ASSIST TURNAROUND



### RBI Regulations

- Minimum networth of Rs. 100 cr for cash logistics operators
- Minimum 300 cash vans in fleet
- All ATMs to migrate to cassettes over a 3 year period
- Increased circulation of Rs. 200 notes



Muted growth on back of industry weakness  
Recent RBI regulations are likely to spur consolidation and price escalation

EBITDA declined on account of portfolio rationalisation  
Increased Capex & Opex to implement RBI norms

Continued stress on collections



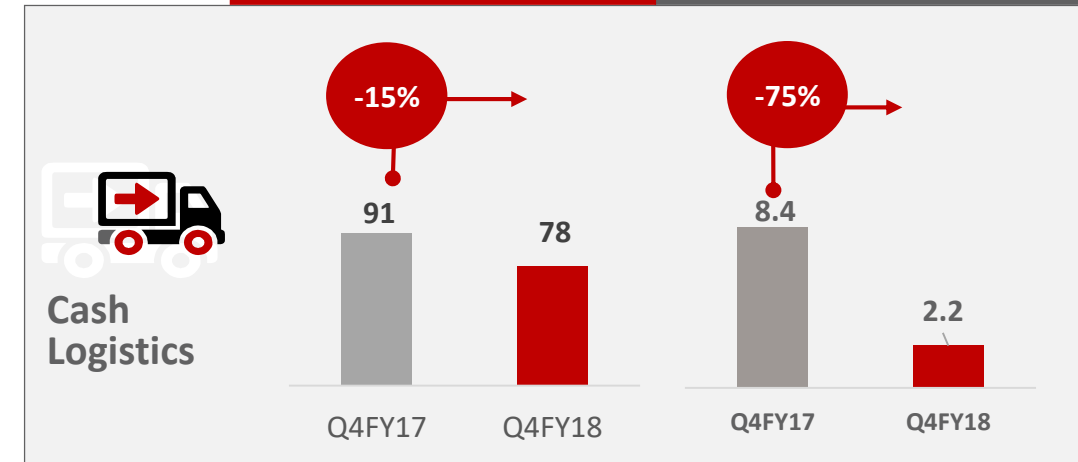
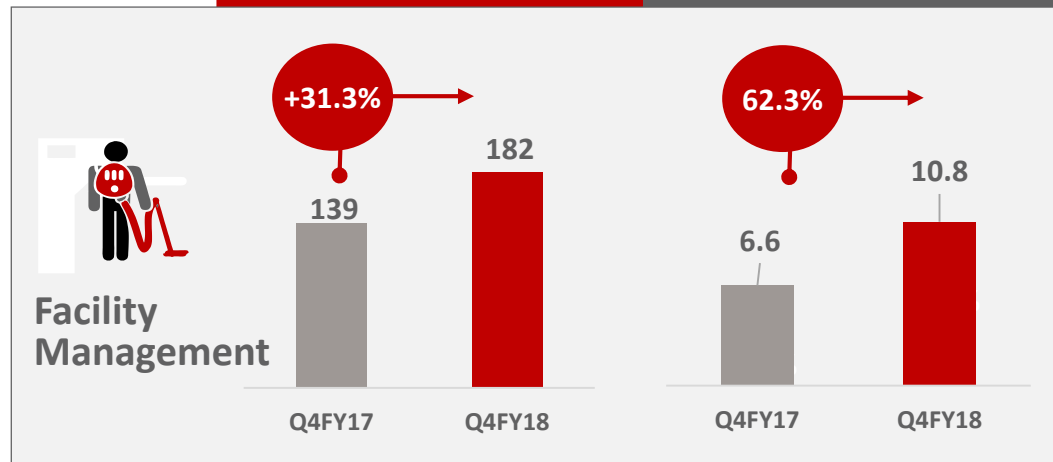
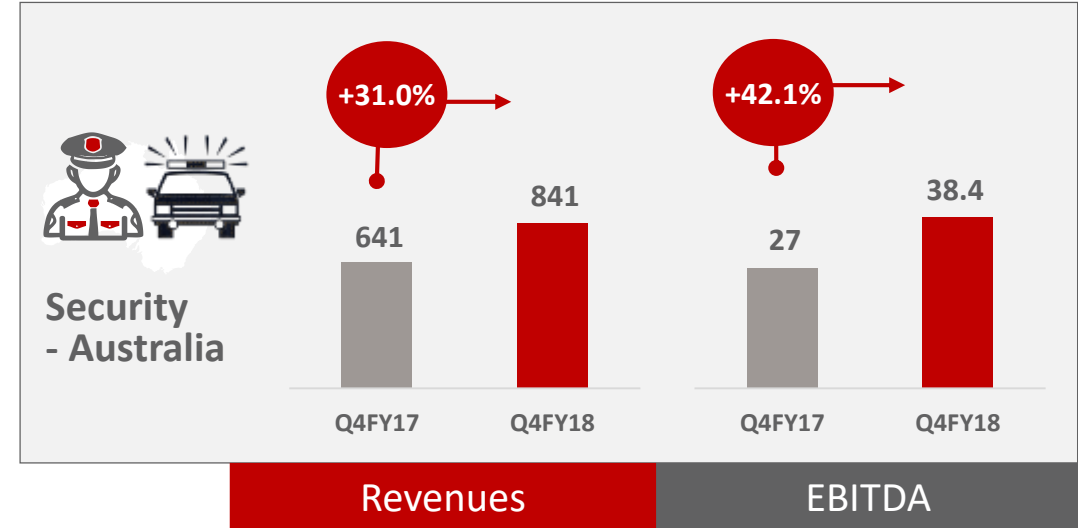
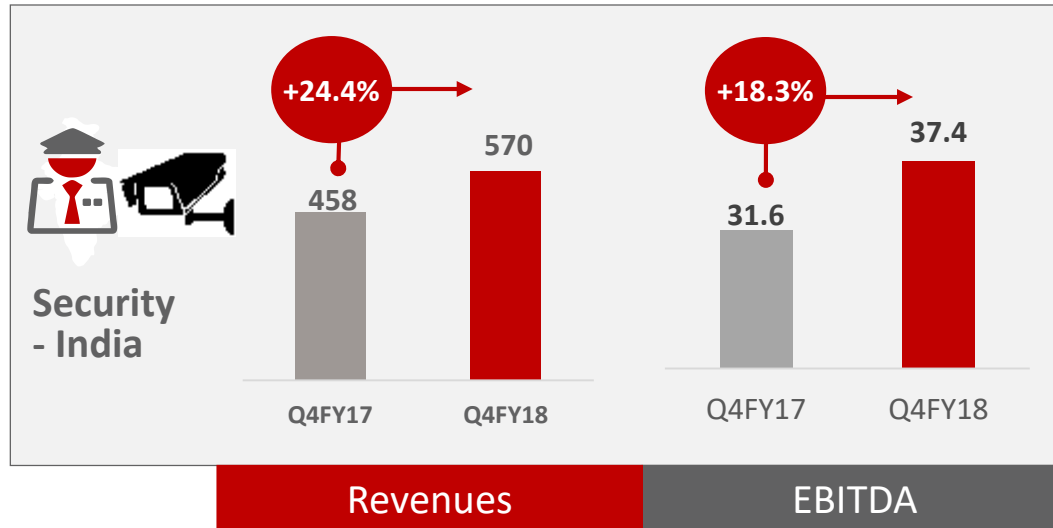
# FY18

## Financial Information





# QUARTERLY SUMMARY – SOLID RUNRATE FOR FY19



Note: Q4FY17 cash had one time revenues arising out of demonetisation related charges  
Cash business is not consolidated in the books

*Rs in cr*

# FINANCIAL SUMMARY – INCOME STATEMENT

Rs. In crs

	Q4FY18	Q4FY17	Y-o-Y	FY18	FY17	Y-o-Y
Revenue from operations	1,592.2	1,238.1	28.6%	5,833.4	4,387.2	33.0%
EBITDA	86.6	65.2	32.8%	312.0	220.4	41.6%
<b>EBITDA%</b>	<b>5.4%</b>	<b>5.3%</b>		<b>5.3%</b>	<b>5.0%</b>	
Share of net profit / (loss) of Associates	-5.7	1.0	-650.4%	-11.8	-6.0	94.9%
Depreciation & amortisation	18.3	10.2	79.1%	56.0	35.8	56.3%
Other Income	4.1	0.7	479.7%	35.7	8.7	311.7%
Finance costs	27.7	24.4	13.6%	92.5	76.7	20.6%
<b>Profit before Tax</b>	<b>39.0</b>	<b>32.4</b>	<b>20.7%</b>	<b>187.4</b>	<b>110.5</b>	<b>69.7%</b>
Tax expense	3.0	-23.2	-112.8%	24.4	0.8	3065.9%
<b>Profit after taxes</b>	<b>36.1</b>	<b>55.6</b>	<b>-35.1%</b>	<b>163.0</b>	<b>109.7</b>	<b>48.6%</b>
<b>Profit after tax %</b>	<b>2.3%</b>	<b>4.5%</b>		<b>2.8%</b>	<b>2.5%</b>	
EPS	4.66	8.09	-42.4%	22.77	16.03	42.0%
Diluted EPS	4.57	7.94	-42.4%	22.36	15.81	41.4%



## FINANCIAL SUMMARY – ADJUSTMENTS UNDER IND-AS

*Finance costs – under Ind-As, fair value of future liabilities has to be accounted for and the resultant notional finance costs for each period are calculated in the books*

*Fair value and amortisation adjustment amount of Rs.10.5 cr in Q4FY18 on account of Purchase Price allocation in relation to SXP*

INR Cr	Q4 FY18	Q4 FY17
Revenue	1,592.2	1,238.1
EBITDA	86.6	65.2
<b>Profit after taxes</b>	<b>36.1</b>	<b>55.6</b>
<b>Normalisation adjustments:</b>		
Deferred tax on 80JAA benefits	-	-22.8
<u>SXP - PPA adjustments:</u>		
Amortisation net of deferred taxes	3.3	
Finance costs on unwinding of discount of future liability	7.2	
<b>Normalised PAT</b>	<b>46.6</b>	<b>32.8</b>
Normalised YOY Growth	<b>41.8%</b>	

*Creation of deferred tax asset in Q4FY17 of Rs.22.8 cr on account of IND-AS Transition adjustments.*

*On a normalised basis, PAT in Q4FY18 is Rs.46.6 cr against Rs. 32.8 cr in Q4FY17, an increase of 42%*

## FINANCIAL SUMMARY – BALANCE SHEET

*Rs. In crs*

	31-Mar-18	31-Mar-17
Equity	1,029.7	590.9
Net debt	99.3	393.9
Non current liabilities	386.9	175.5
Current liabilities	812.6	577.2
<b>Total liabilities</b>	<b>2,328.5</b>	<b>1737.5</b>

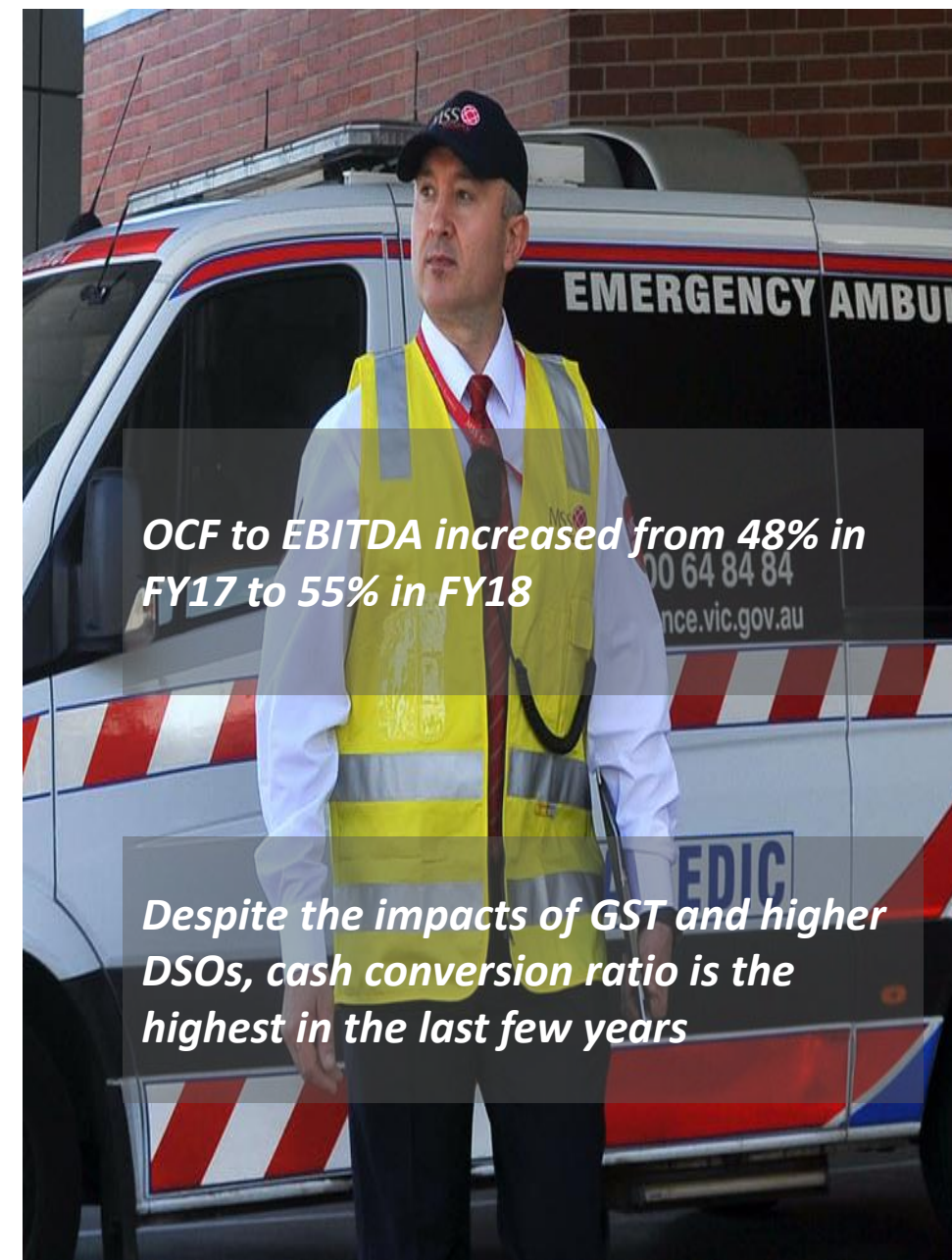
	31-Mar-18	31-Mar-17
Non current assets	1,099.8	743.5
Current assets	1,228.8	994.0
<b>Total assets</b>	<b>2,328.5</b>	<b>1,737.5</b>

*Net debt has reduced by Rs. 295 cr over March '17 due to strong cash flow generation and IPO proceeds*

*Net debt to EBITDA – 0.3X giving substantial capacity for borrowing for growth – both organic and inorganic*

# CASH FLOW – ROBUST CASH GENERATION

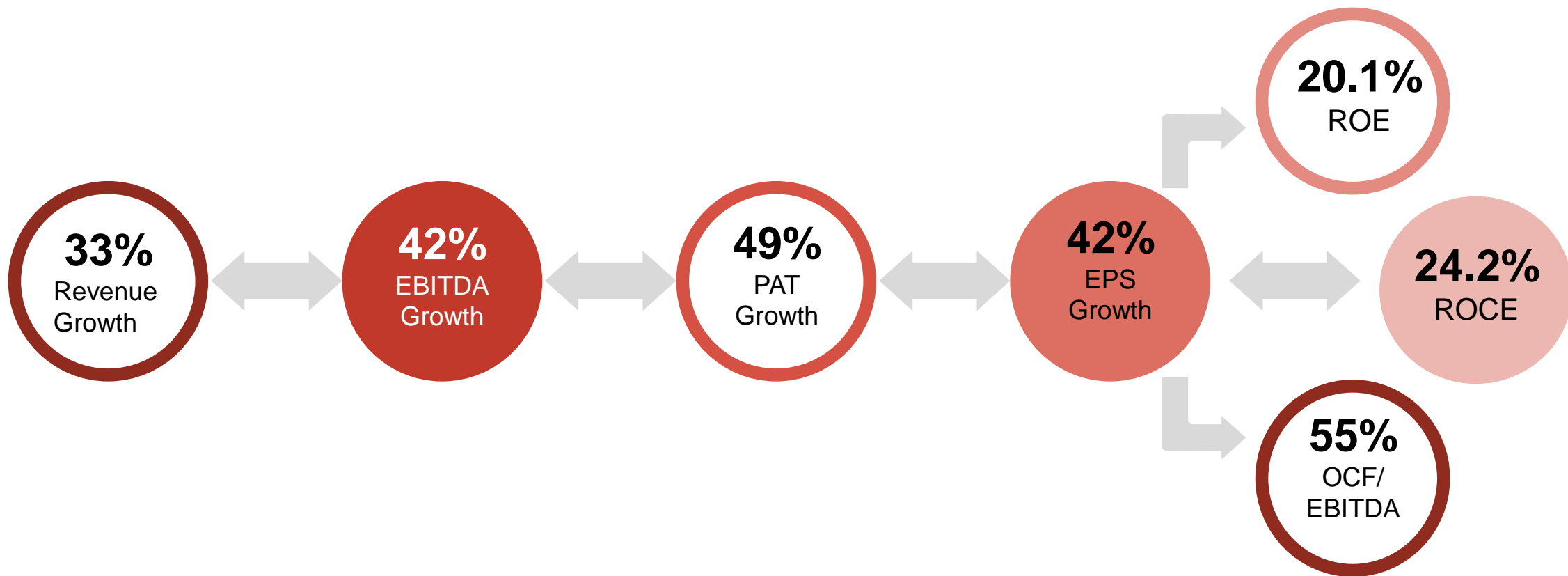
Summary cash flow statement		
INR Cr	31-Mar-18	31-Mar-17
<b>Cash Flows from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>187</b>	<b>110</b>
Depreciation	56	36
Interest expense	80	75
Interest income	-15	-11
Other items	2	8
<b>Operating profit/(loss) before working capital changes</b>	<b>311</b>	<b>218</b>
Decrease/(increase) in Trade receivables	-163	-161
Change in other working capital items	108	74
Change in non-current assets and liabilities	-12	52
<b>Cash (used in)/generated from operations before taxes</b>	<b>244</b>	<b>184</b>
Direct tax paid (net of refunds)	-71	-77
<b>Operating cash flows</b>	<b>173</b>	<b>107</b>
<b>Cash flows from investing activities</b>		
Investments made	-121	-153
Other items	46	-135
	<b>-74</b>	<b>-288</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	341	0
Proceeds from loans	110	210
Repayment of loans	-200	-37
Bonds/Debentures issued (net)	-79	87
Other items	-105	-48
	<b>66</b>	<b>212</b>
<b>Net cash generated / (used)</b>	<b>164</b>	<b>31</b>
Cash and cash equivalents at the beginning of the year	307	292
Translation adjustments	-5	-17
<b>Cash and cash equivalents at the end of the year</b>	<b>466</b>	<b>307</b>



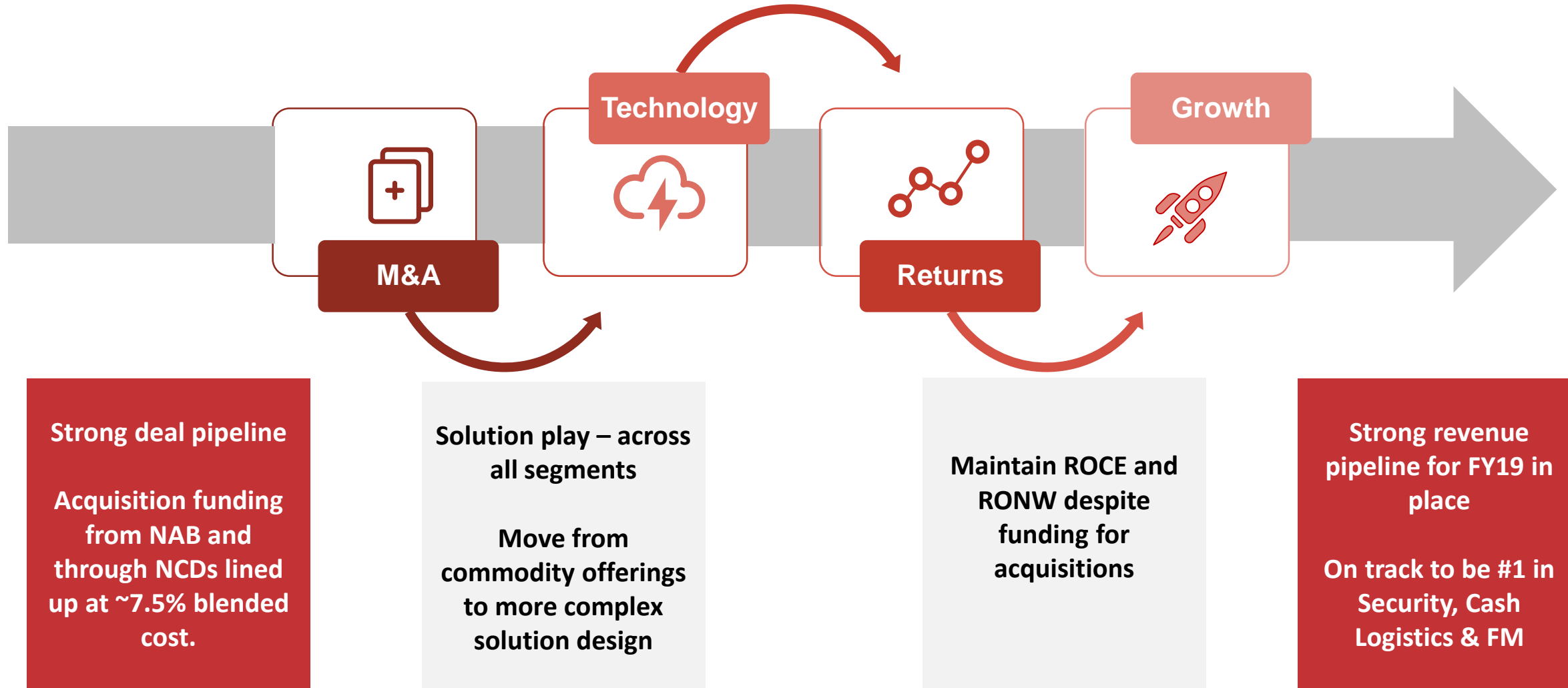
*OCF to EBITDA increased from 48% in FY17 to 55% in FY18*

*Despite the impacts of GST and higher DSOs, cash conversion ratio is the highest in the last few years*

# SUMMARY OF KEY FINANCIAL METRICS



# LOOKING AHEAD





**VISION 2020**  
— BIGGER & BETTER —



*Security Services*

*Cash Logistics*

*Facility Management*



A Market Leader in  
Security, Cash Logistics  
& Facility Management

CIN: L75230BR1985PLC002083

Mr. Vamshidhar Guthikonda

Email : [vamshidhar@sisindia.com](mailto:vamshidhar@sisindia.com)

Website : [www.sisindia.com](http://www.sisindia.com)

**SGA** Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Shogun Jain

Email : [pankaj.c@sgapl.net](mailto:pankaj.c@sgapl.net)

Website : [www.sgapl.net](http://www.sgapl.net)