

SIS DELIVERS STELLAR GROWTH AND SOLID RETURN RATIOS AMIDST CHALLENGING MACRO ENVIRONMENT

Quarter - 36% YoY growth in EBITDA and 33% YoY growth in PAT
9M YTD – 52% YoY growth in EBITDA and 61% YoY growth in PAT

- Consolidated Revenue for Q3 FY20 is Rs. 2,178 cr, a growth of 18.6% YoY
- Consolidated EBITDA for Q3 FY20 is Rs. 134 cr, growth of 35.6% YoY
- Consolidated PAT for Q3 FY20 is Rs. 78 cr, showing a growth of 32.5% on a YoY basis
- Solid return ratios - ROE at 23.0% and ROCE at 20.5%
- 80% OCF/ EBITDA in Q3 FY20

New Delhi, January 29, 2020, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), A market leader in Security, Facility Management & Cash Logistics solutions, announced its Unaudited Financial Results for the quarter ended December 31st, 2019.

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	<i>Q3 FY20</i>	<i>Q3 FY19</i>	<i>Y-o-Y</i>	<i>Q2 FY20</i>	<i>Q-o-Q</i>	<i>9MFY20</i>	<i>9MFY19</i>	<i>Growth</i>
<i>Revenue from operations</i>	2,178.2	1,836.8	18.6%	2,088.8	4.3%	6,275.4	5,138.4	22.1%
<i>EBITDA</i>	133.5	98.4	35.6%	123.6	8.0%	381.9	251.7	51.7%
<i>EBITDA %</i>	6.1%	5.4%		5.9%		6.1%	4.9%	
<i>Profit after taxes</i>	78.3	59.1	32.5%	76.2	2.8%	229.4	142.3	61%
<i>Profit after taxes %</i>	3.6%	3.2%		3.6%		3.7%	2.8%	

- **Return Ratios:** Trailing 12month ROCE and ROE are 20.5% and 23.0% respectively.

Business Updates:

India Security Business:

- Revenues - Rs. 908.9 cr in Q3 FY20 v/s Rs. 875.9 crs in Q2 FY20 and Rs 725.2 cr in Q3 FY19
 - This translates to a QoQ growth of 3.8% and YoY growth of 25.3%
- EBITDA - Rs. 54.9 crs in Q3 FY20 v/s Rs. 53.8 crs in Q2 FY20 and Rs 42.2 cr in Q3 FY19
 - This translates to a QoQ growth of 2.1% and YoY growth of 30.1%
 - Margin is stable at 6.0% in Q3 FY20 as compared to 6.1% in Q2 FY20
- The India security business also saw a strong quarter for new sales ending the quarter with a monthly revenue run rate of Rs304 cr

International Security Business:

- Revenues - Rs. 939.7 cr in Q3 FY20 vs Rs. 903.4 Crs in Q2 FY20 and Rs. 862.6 cr in Q3 FY19
 - This translates to a QoQ growth of 4.0% and YoY growth of 8.9%
- EBITDA - Rs. 54.4 crs in Q3 FY20 v/s Rs. 49.0 crs in Q2 FY20 and Rs. 39.7 cr in Q3 FY19
 - This translates to a QoQ growth of 11.1% and YoY increase of 37.0%
 - EBITDA Margin has increased from 4.6% in Q3 FY19 to 5.8% in Q3 FY20. This is also an increase over the 5.4% margin recorded in Q2 FY20.
- Segment ended September with a monthly run rate of Rs318 cr.

Facility Management:

- Revenues - Rs.332.6 crs in Q3 FY20 vs 313.9 crs in Q2 FY20 and Rs. 250.7 Crs in Q3 FY19
 - This translates to a QoQ growth of 6.0% and YoY growth of 32.7%
- EBITDA - Rs. 24.0 crs in Q3 FY20 vs Rs. 20.9 Crs in Q2 FY20 and Rs. 16.4 Crs in Q3 FY19
 - This translates to a QoQ increase of 14.9% and YoY growth of 46.2%
 - EBITDA Margin increased from 6.7% in Q2 FY20 to 7.2% in Q3 FY20
- The segment also ended the quarter with a monthly run rate of Rs114 cr which takes us closer to becoming No. 1 in the sector

Commenting on the performance, Mr. Rituraj Sinha, Group Managing Director said,

“Amidst tough economic conditions, SIS’ results have once again demonstrated demand resilience for Security and Facility Management Solutions. With strong revenue growth, profitability and return ratios, our 11-quarter revenue CAGR of 5.8% and EBITDA CAGR of 7.2% reinforce the predictability and scalability of our business model. We ended the quarter with a monthly run rate of Rs727 cr. Our cash flow generation also improved to generate operating cash flows at 80% of EBITDA in Q3. The Net Debt/ EBITDA is fairly comfortable at 1.2X which gives us a good platform and financial muscle for future organic and inorganic growth.

We believe that SIS is well placed to benefit from a potential economic revival, the rapid formalization led by the recent labour reforms and the customer behavior shifting to a solution led delivery model.”

About Security and Intelligence Services (India) Ltd. (SIS):

SIS is a market leader in Security, Facility management & Cash Logistics Solutions. SIS is India’s largest Security Solutions company and the largest Security Solutions company in Australia. It is also India’s 2nd largest Facility Management Solutions Company and the 2nd largest Cash Logistics Solutions company. With 312 branches, 240,000 employees, 7500 customers, 630 districts covered in India, market leadership in 4 countries – SIS ranks amongst the top 10 Security and Facility Management companies worldwide.

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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