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APRIL 2022 - APRIL 2023

INDIA

TM

**sis** A Market Leader in  
Security, Cash Logistics  
& Facility Management  
Group Enterprises



**Investor Presentation**

**September 2022**

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# A MARKET LEADER IN SECURITY SERVICES, FACILITY MANAGEMENT AND CASH LOGISTICS

No. 1

No. 1

No. 2

No. 2



*Group flagship –No. 1 Security solutions company in India*

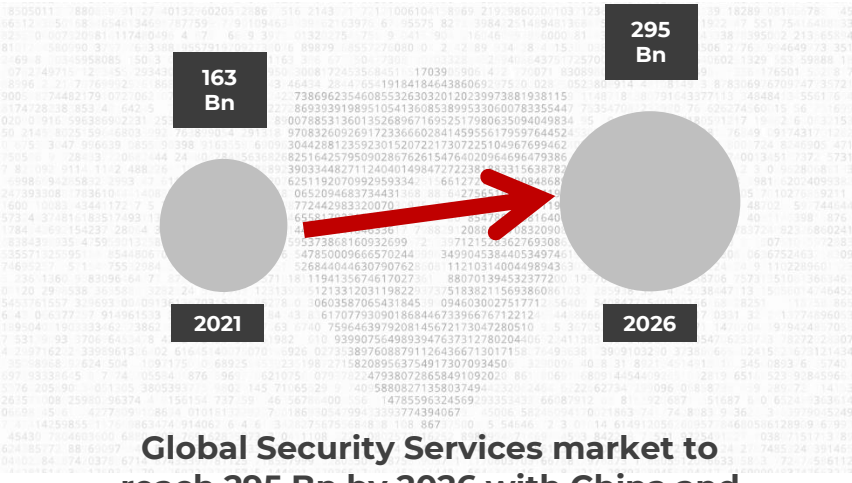
*Leader in Australia for over a decade*

*Grew from a fledging player in 2014 to the No.2 in 5 years*

*Joint venture with global leader Prosegur*

# CUSP OF A TREMENDOUS OPPORTUNITY

## Across Security Services



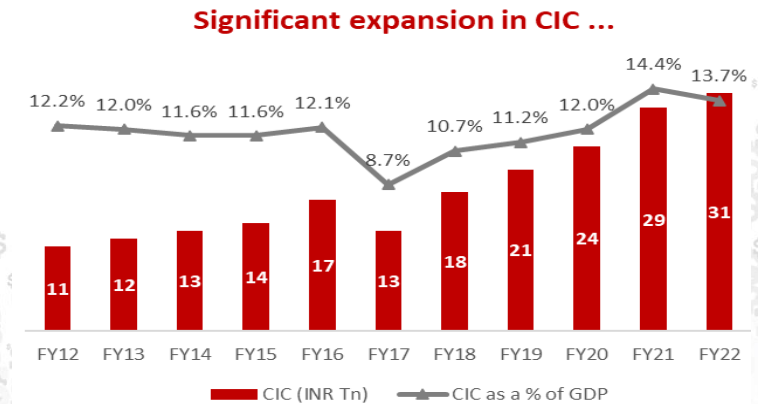
**Global Security Services market to reach 295 Bn by 2026 with China and India expected to be the fastest growing markets**

## ...Facility Management



**5X growth in Indian real estate market by 2030 from 2021**

## ...and Cash Logistics



**~75% of transactions in India are in cash  
Cash in circulation continues to grow**

## STRONG REVENUE GROWTH WITH CONSISTENTLY HIGH RETURN RATIOS

INR' Cr	FY17	FY18	FY19	FY20	FY21	FY22	5 Yr CAGR
<b>Revenue</b>	<b>4,387.2</b>	<b>5,833.4</b>	<b>7,093.3</b>	<b>8,485.2</b>	<b>9,127.3</b>	<b>10,059.1</b>	<b>18.1%</b>
Revenue Growth	551.0	1,446.2	1,259.9	1,391.9	642.1	931.8	
<b>Revenue Growth %</b>	<b>14.4%</b>	<b>33.0%</b>	<b>21.6%</b>	<b>19.6%</b>	<b>7.6%</b>	<b>10.2%</b>	
<b>EBITDA</b>	<b>220.4</b>	<b>312.0</b>	<b>365.2</b>	<b>520.4</b>	<b>520.8</b>	<b>498.5</b>	<b>17.7%</b>
EBITDA %	5.0%	5.3%	5.1%	6.1%	5.7%	5.0%	
<b>PAT (Reported)</b>	<b>109.7</b>	<b>163.0</b>	<b>214.7</b>	<b>225.5</b>	<b>367.2</b>	<b>325.9</b>	<b>24.3%</b>
PAT%	2.5%	2.8%	3.0%	2.7%	4.0%	3.2%	
<b>EPS</b>	<b>7.9</b>	<b>11.2</b>	<b>14.5</b>	<b>15.1</b>	<b>24.7</b>	<b>21.9</b>	<b>22.6%</b>
<b>ROCE %</b>	<b>25.5%</b>	<b>24.2%</b>	<b>18.6%</b>	<b>20.9%</b>	<b>19.0%</b>	<b>15.6%</b>	
<b>ROE %</b>	<b>21.0%</b>	<b>20.1%</b>	<b>18.8%</b>	<b>20.1%</b>	<b>22.8%</b>	<b>16.7%</b>	
<b>OCF/EBITDA%</b>	<b>45.0%</b>	<b>69.0%</b>	<b>50.0%</b>	<b>39.0%</b>	<b>123.0%</b>	<b>46.9%</b>	
Net Debt/EBITDA	1.3	0.2	1.1	1.4	0.7	1.4	
Operating CF	100.1	215.0	204.8	201.4	639.6	233.6	
Investing CF	288.6	116.4	522.4	275.9	163.5	314.4	
<b>FCF (OCF-ICF)</b>	<b>-188.5</b>	<b>98.6</b>	<b>-317.6</b>	<b>-74.5</b>	<b>476.1</b>	<b>-80.8</b>	

**Performed consistently since IPO on all the key metrics we focus on: Growth, ROCE% and OCF/EBITDA**



# *Security Services*

# INDIA SECURITY - MULTI BRAND APPROACH TARGETING DIVERSE SOLUTIONS



#1 and fastest growing security provider

Security assessment, solution design, integration and ongoing security program management



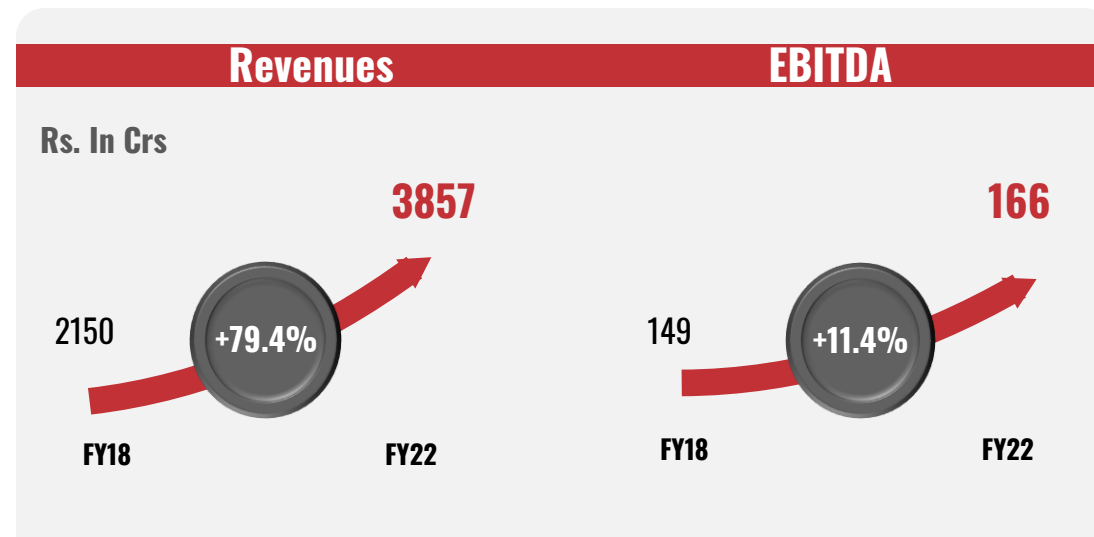
Comprehensive range of electronic security solutions

Electronic security on opex model (eSaas); Pioneering Man-Tech solution sales pan-India



India's first end-end home security system

Cost effective solution for banks and retail



Organically built over the years – first inorganic acquisitions in Q2 and Q3 of FY19

**167,011**

Trained security personnel

**181**

Branches

**26,147**

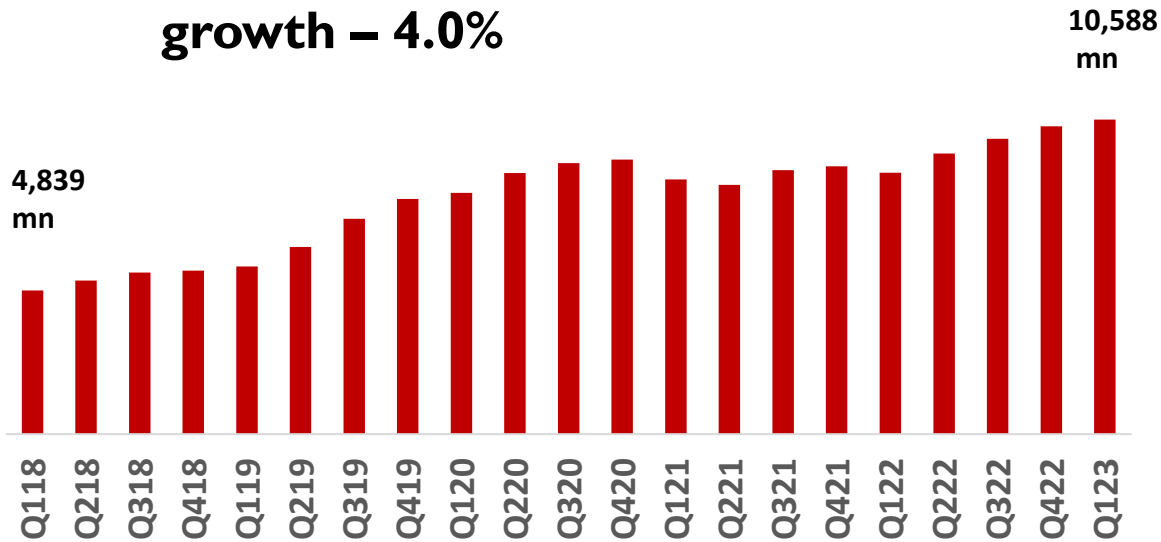
Sites

**8,100+**

Customers

# INDIA SECURITY – SCALABLE AND PREDICTABLE

## Quarterly Revenue growth – 4.0%



**Rapidly scaled the business to become the largest security company in India**

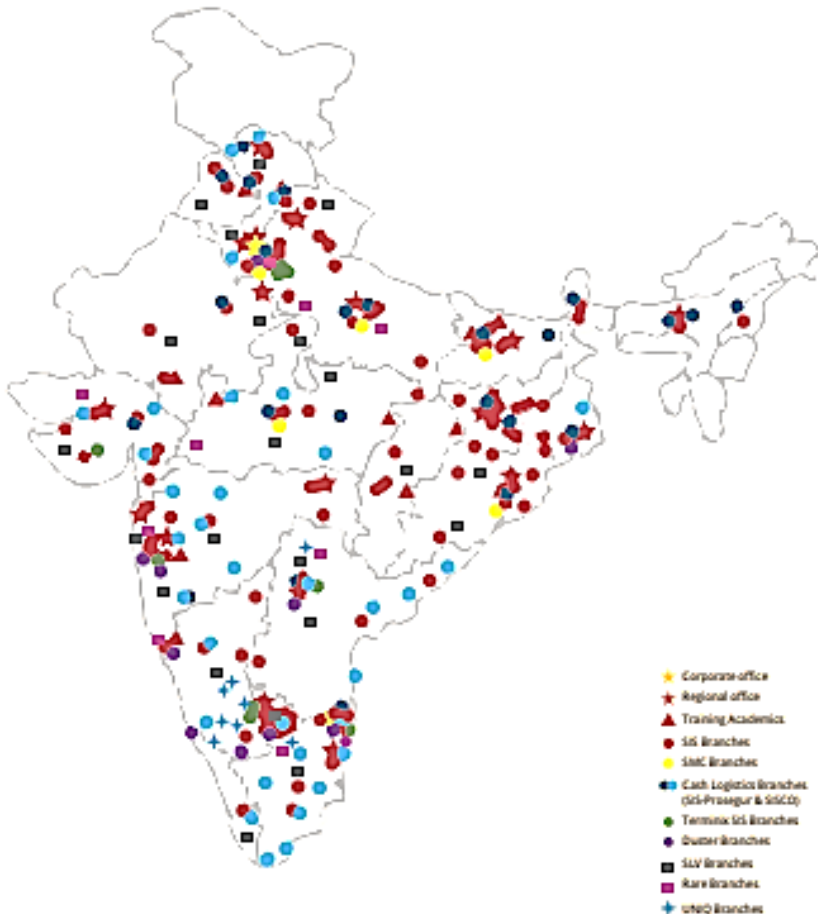
## Our USP

- 01 **Widest geographical reach – across 630 districts in India**
- 02 **Largest sales force of 200+ people**
- 03 **Strong customer servicing resulting in high retention**
- 04 **Forerunner in introducing technology in each stage of the operations chain**



# SIS BRINGS UNPARALLELED REACH ACROSS THE COUNTRY

Presence in India



**BRANCH CREATION STRATEGY**

**Smaller/Regional Customers** Micro-Market approach: Branches are located close to the customer location leading to better sales & services

**Larger Customers** Need the ability to serve across the country with consistent systems, processes and SLAs

**BRANCH EXPANSION STRATEGY**

**None of the branches are started from scratch** Existing branches which have grown beyond certain Revenue/Man-power thresholds are split in two

- All branches are on same performance metrics & parameters
- Helps provide career path for aspiring managers

<b>Increasing sales per branch per month</b>	<b>Ability to serve across the country</b>	<b>Economies of Scale</b>
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# SUPPORTED BY SUPERIOR TECHNOLOGY ENABLED PROCESSES

## Operational & Reporting Systems Tied in to the ERP System



**RECRUITMENT**



**TRAINING & DEVELOPMENT**



**OPERATIONS**



**PERFORMANCE MEASUREMENT**

**ARK** **Automated Recruitment Kiosk - Product Quality and Consistency**  
Enables enforcement of minimum quality standards and detailed product quality metrics

**SalesMaxx** **Sales Maxx- Salesforce Productivity and Margin Control**  
Tablet based sales platform  
Targeted at enhancing sales productivity; real time margin validation pre quote generation, incentive linkage

**iOPS** **iOPS - Service Quality Assurance and Operations Productivity**  
Mobile app based operations platform  
Workflow automation, data analytics, real time customer reporting and PMP linkage

**Seven Finger Model - ERP generated monthly balanced scorecard**  
Version of the balanced scorecard, through which we measure KPIs and review those on a monthly basis for all our branches

<b>Results Drivers</b>	<b>+</b>	<b>Performance Measures</b>
Sustainably developing <b>new sales</b>		Revenue growth
Service quality and <b>client retention</b>		Cost control
<b>Manpower retention</b> and input quality		Unit Level Margin and cash generation
Efficient <b>receivables collection</b>		

**PMP** **PMP - Customised PMP portal**  
Employee performance score, peer group ranking and transparent, quantitative pay review system  
Basis for talent development, promotions, transfers and separations



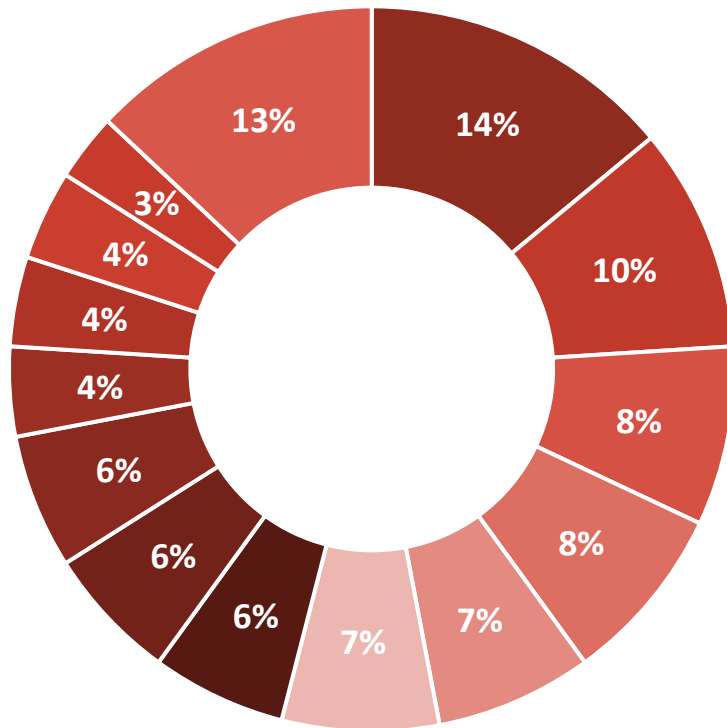
**m. TRAINER**

**Mobile training platform**  
Provides regular on-job training to fresh recruits

**QACA**  
**Quality Assurance & Compliance Assurance portal**  
Provides customers a dashboard to quickly access compliance, operations, training, billing & collection details

# DERISKED WITH DIVERSITY IN END USER SEGMENTS

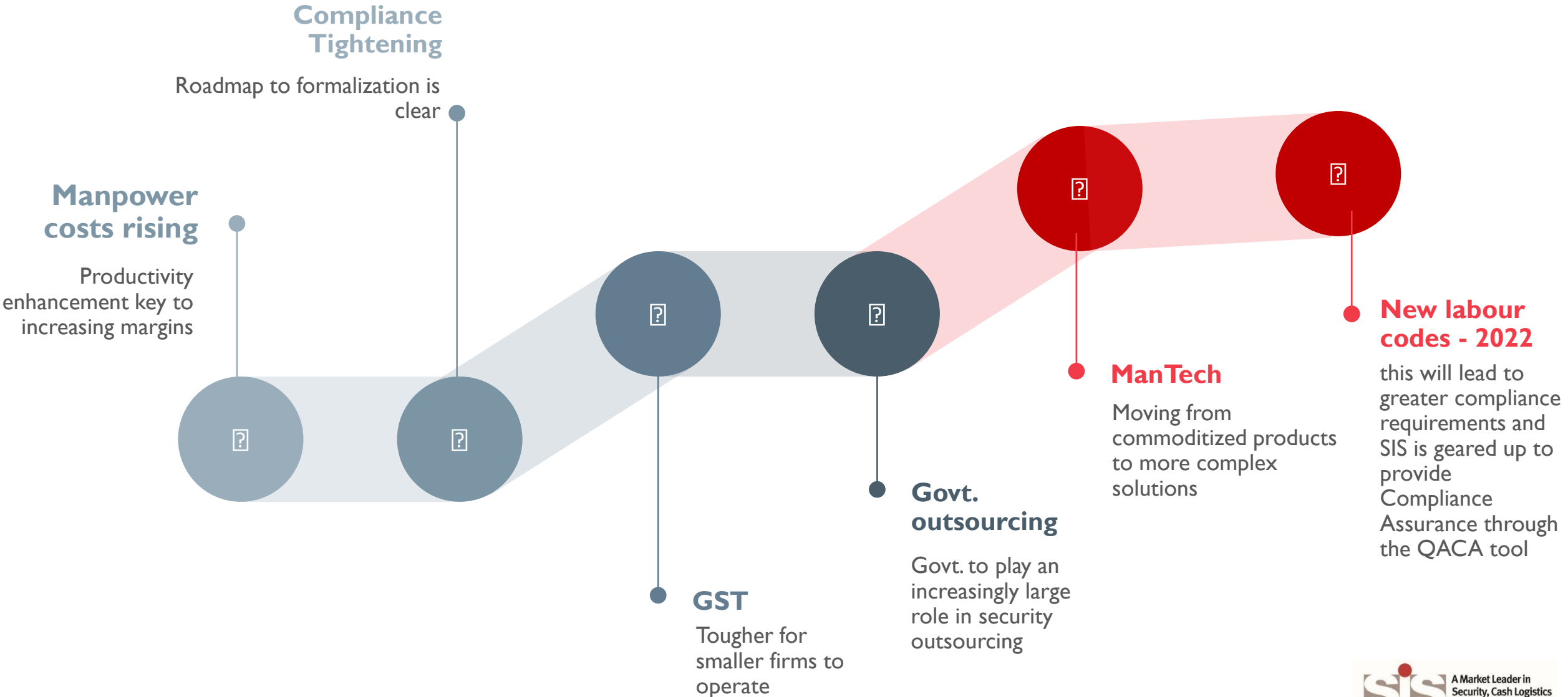
India Security:  
Segment wise  
revenue mix FY22



- Government
- Power, metal & mining
- IT / ITES / Telecom
- Healthcare & Pharmaceuticals
- Automobile
- Engineering & Construction
- Hospitality, real estate and townships
- BFSI
- Educational Institution
- Logistics
- Oil & gas
- FMCG
- Retail & entertainment
- Others

**Not much dependence on a single segment - largest customer segment accounts for only 14% of our revenues**

# TRENDS IN INDIA SECURITY



# INTERNATIONAL SECURITY – CONTINUING MARKET DOMINANCE



# 1 security company in Australia, among only 2 national players

Security assessment, solution design, integration and ongoing security program mgt.



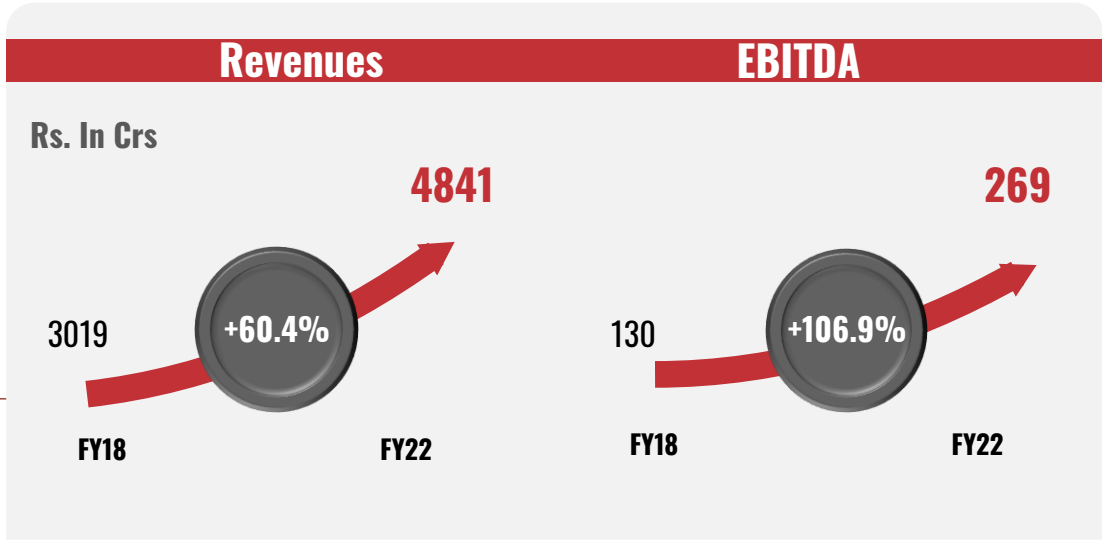
Largest mobile patrol business in Australia

Asset protection, loss prevention, electronic surveillance and monitoring services



Among Top 5 players in Singapore

Garners 10% revenues from electronic security



Among Top 3 players in New Zealand

Security solutions, alarm monitoring, mobile patrols and event-related solutions

**8,200+**  
Trained security personnel

**18%**  
Market share in Australia

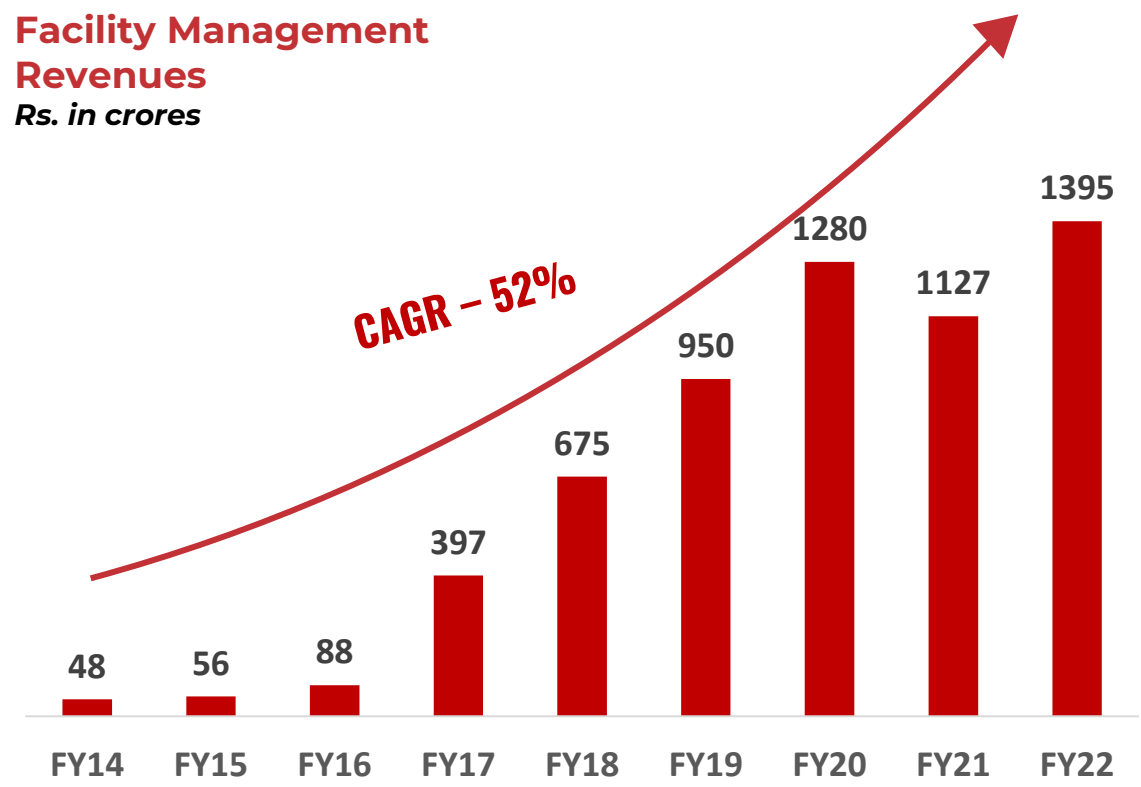
**8,145**  
Customer Sites

**7,400+**  
Customers



# *Facility Management*

# FACILITY MANAGEMENT – No.2 AND FASTEST GROWING IN INDIA



**From a small base in 2016, we have built India's No. 2 Facility Management company**

- 01 Pan India Coverage
- 02 Single Window Services
- 03 Ability to Invest
- 04 Specialist teams
- 05 Multiple Brands

# DIVERSE BRANDS TARGETING IDENTIFIED GEOGRAPHIES AND SOLUTIONS



*Integrated FM solutions including soft services, MEP and industrial production support*

*Focus on South and West markets*



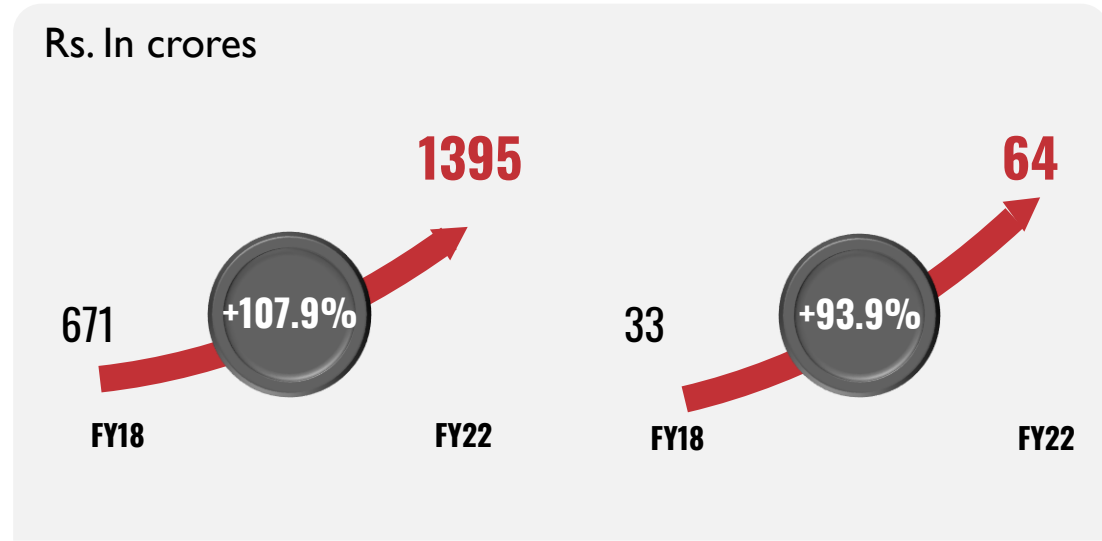
*Integrated FM solutions – specialist in B2G segment*

*Focus on North and East markets*



*Well-regarded facility management company based in Mumbai*

*Strong focus on hospitals – >60% of revenues*



*Pest Control Business*

*Terminix SIS is a 100% subsidiary of the SIS Group*

**66,712**  
Trained housekeeping staff

**109**  
Branches

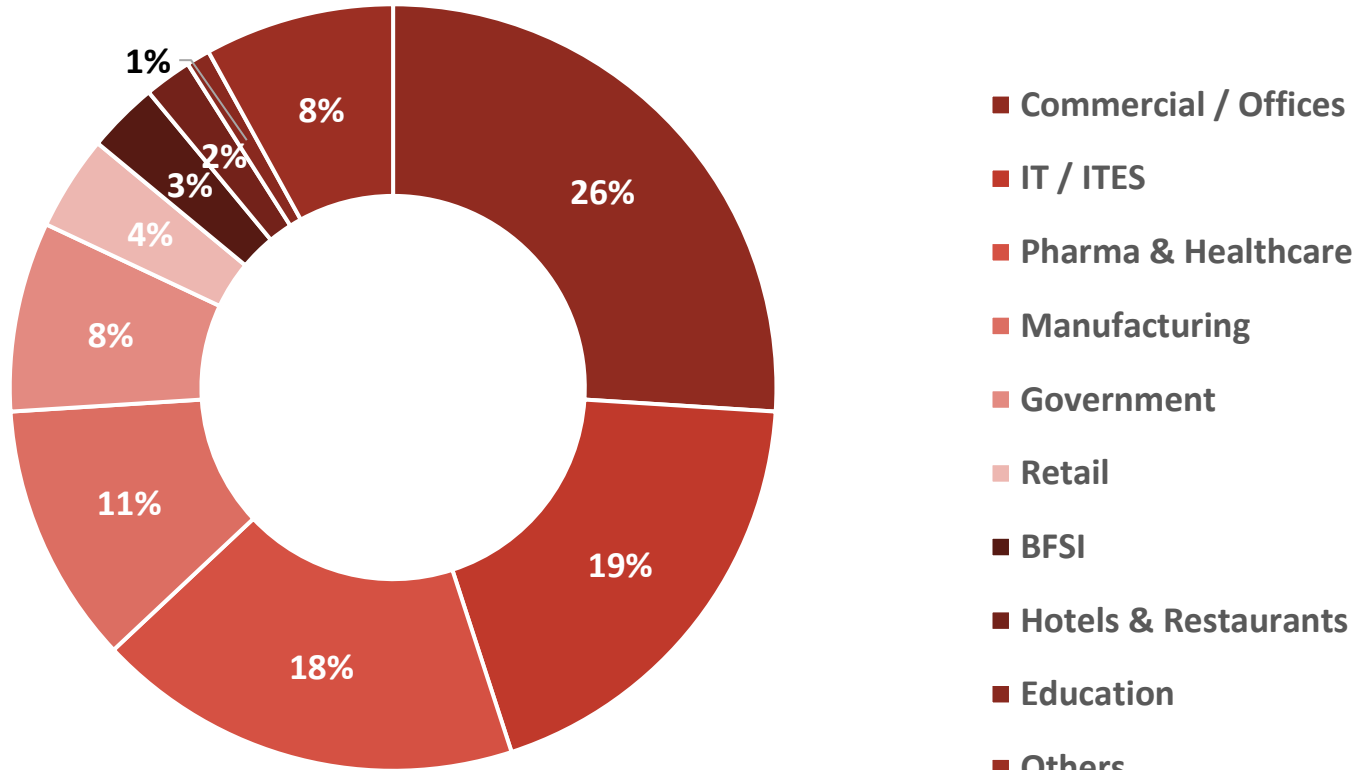
**8,596**  
Sites

**1,930**  
Customers



# DOMINANT PRESENCE IN KEY FM MARKETS AND SEGMENTS

## Segment wise revenue mix FY22



**Not much dependence on a single segment - largest customer segment accounts for only ~26% of our revenues**

# TRENDS IN FACILITY MANAGEMENT



Verticalization/  
Specialisation



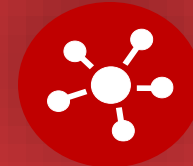
Market growth at 18-20%



Stringent compliance/  
audit



Larger contract sizes



Integrated Services /  
“Smarter Combination”





## STRATEGIC OUTLOOK AND FINANCIAL RESULTS

# LOOKING AHEAD Vision 2025

## Key Goals

Market Leadership  
To  
Market Share

Services Company  
to  
Solutions Company

## M&A

## Businesses

- Security India**
- Increased focus on solution sales
  - Alarm monitoring to be increasingly significant
  - Compliance assurance, tech usage to be differentiators

- Security International**
- Emphasis on selling Solutions to customers
  - Grow Strategic Medical & Rescue practice
  - Develop expertise in Aviation security

- Facility Management**
- One SIS (IFM) and MEP to be vital cogs
  - Increased outcome based solutions and tech based TFM

**M&A to complement organic growth and aim to add around Rs 1250 cr of revenues**

Initial priority to be on India – international in later years

## Functions

- HR**
- Preparing for 5x scale in India by FY25
  - Next Gen 100 leaders' identification across group.
  - Top 500 incentivisation through ESOPs

- IT**
- IT team and IT platforms transformation for 3x scale –3x speed.
  - Drive process automations all back office functions
  - Compliance Assurance as USP

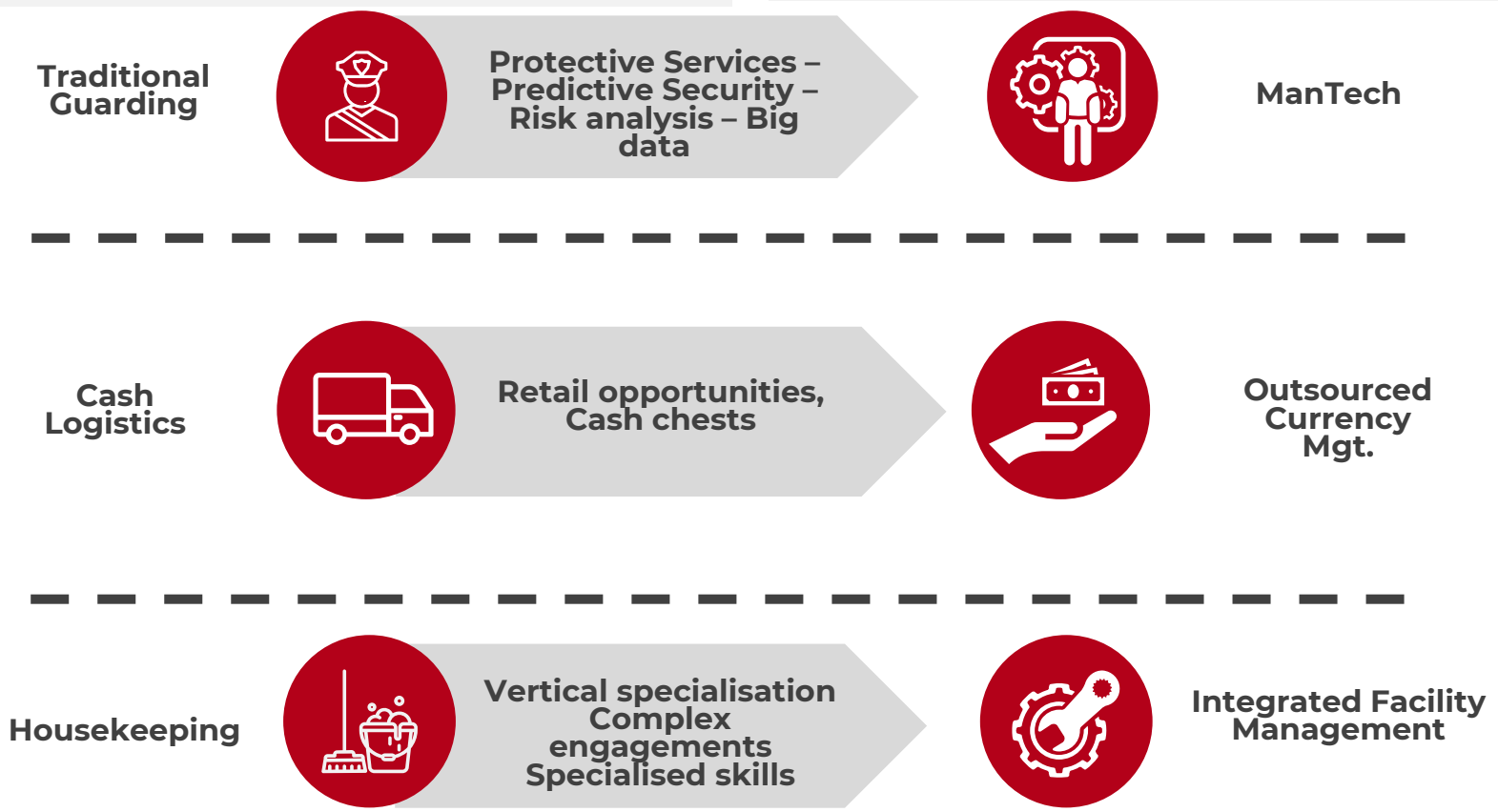
- Finance**
- Focus on building cash corpus
  - Deployment of new ERP platforms group-wide
  - Back office productivity through rapid deployment of SSC (Shared Service Center)

M&A to supplement geographic presence and Tech solutions

Present M&A model expected to continue

# TRANSITIONING FROM SERVICES TO PROBLEM SOLVING

*Market Leadership* → **Market Share**      *Services Company* → **Solutions Company**



**March '19 – 3%**  
**March '22 – 5%**

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**March '19 – 47% ATM**  
**March '22 – 24% ATM**

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**March '19 – 6%**  
**March '22 – 20%**

## FY22 – PROFIT AND LOSS STATEMENT

Financial Statements (INR Crores)	FY22	FY21	Y-o-Y
<b>Revenue from operations</b>	<b>10,059.1</b>	<b>9,127.3</b>	<b>10.2%</b>
<b>EBITDA</b>	<b>498.5</b>	<b>520.8</b>	<b>-4.3%</b>
<i>EBITDA %</i>	<i>5.0%</i>	<i>5.7%</i>	
Depreciation	99.4	98.6	0.9%
Finance costs	98.4	107.1	-8.1%
Other income & share of profit/(loss) in associates	29.6	160.1	-81.5%
<b>Profit before Tax (Incl. Grants)</b>	<b>330.3</b>	<b>475.2</b>	<b>-30.5%</b>
Business combination related accounting Charges	(13.6)	(7.4)	
<b>Profit before Tax (Reported)</b>	<b>343.9</b>	<b>482.6</b>	<b>-28.7%</b>
<i>Profit before Tax %</i>	<i>3.4%</i>	<i>5.3%</i>	
Tax expense	17.9	115.4	
<b>Profit after taxes (Reported)</b>	<b>325.9</b>	<b>367.2</b>	<b>-11.2%</b>
<i>PAT (Reported) %</i>	<i>3.2%</i>	<i>4.0%</i>	
<b>Profit after taxes (Operating)</b>	<b>288.6</b>	<b>193.5</b>	<b>49.1%</b>
<i>PAT (Operating) %</i>	<i>2.9%</i>	<i>2.1%</i>	
<b>EPS</b>	<b>22.1</b>	<b>24.8</b>	

Revenue grown by 10.2% y-o-y in FY22 despite the uncertain times

Gain of Rs 25.7 Crs included under Business combination related charges in FY22, due to write down of the liability created for the acquisition of the balance 49% shares of P4G and similar gain of 42.4 Crs for the balance 49% shares of SXP in FY21

Received grants income of Rs. 13.4 Crs in International business during FY22 (Rs. 88.6 Crs in FY21)

# Vision 2025



Mr. Devesh Desai  
Group CFO, SIS Ltd  
Website : [www.sisindia.com](http://www.sisindia.com)