SIS Group Enterprises

A Market Leader in Security, Cash Logistics & Facility Management

Q2FY23
EARNINGS UPDATE

2nd Nov 2022

Q2 FY23 Earnings Highlights

Q2 FY23 REVENUES	Q2 FY23 EBITDA	Q2 FY23 PAT	ROE
Rs. 2,767.7 Crs	Rs. 109.8 Crs	Rs. 67.4 Crs	18.0%
13.9% YoY	-10.8% YoY	-1.4% YoY	

Contents

- The revenue for the quarter Q2 FY23 was Rs. 2,767.7 Crs which was 3.3% growth q-o-q and 13.9% growth on y-o-y basis.
- The EBITDA for the quarter Q2 FY23 was Rs. 109.8 Crs, which was -9.1% growth q-o-q and -10.8% growth on y-o-y basis.
- The PAT for the quarter Q2 FY23 was Rs. 67.4 Crs, which was -18.3% growth q-o-q and -1.4% growth on y-o-y basis.
- The Return on Equity for the period is 18.0%
- Net Debt / EBITDA for the period is 1.7x
- Security Solutions – India business revenue posted a record organic growth of 21.7% y-o-y and 8.8% q-o-q, Facility Management Solutions business revenue also grew at record levels of 40.1% y-o-y and 10.1% q-o-q organically, and Cash Logistics Solutions revenue also continued its strong growth at 41.5% y-o-y and 4.2% q-o-q.

Notes from the Group Managing Director

Rituraj Sinha
Group Managing Director

On the completion of 5 years since being listed, which included two difficult years impacted by the COVID-19 pandemic, we look back with a quiet sense of satisfaction of having built a highly stable and predictable business, resilient to economic variations, de-risked from a geography and industry perspective, and consistently delivered revenue and business growth every year and continued distributions to shareholders in the form of dividends and buybacks every year.

Growth is back in India

We continued our strong financial performance in Q2 FY23 with a record organic revenue growth in the Security Solutions – India business of 21.7% y-o-y and 8.8% q-o-q. Facility Management Solutions business revenue also grew at record levels of 40.1% y-o-y and 10.1% q-o-q organically, and Cash Logistics Solutions revenue also continued its strong growth at 41.5% y-o-y and 4.2% q-o-q. These record levels of growth clearly indicate the strength of the SIS sales engine which continues to leverage and capitalize on the growth of the economy in India, post Covid. Security Solutions – India has witnessed the highest growth quarter post Covid and Facility Management Solutions continues its strong growth momentum backed by impressive client wins and strong focus on operations.

While SIS is ranked amongst the top 10 in our industry globally (by revenue), it continues to be the fastest growing amongst listed peers across global markets and the only platform with market leading positions across Security Services (#1), Facility Management (#2) and Cash Logistics (#2) in a major market like India. The Q2FY23 performance underlines and reinforces the fundamentals that add long term predictability to our growth story, i.e., essential services demand remains resilient in both crisis and growth phases and SIS has built a unique natural hedge with its International Operations.

Continued improvement in India margins

EBITDA in India business during Q2 FY23 increased significantly on a q-o-q basis indicating that the quality of the growth and margins are tracking back to pre-covid levels. EBITDA in Security Solutions – India increased from 4.0% (INR 41.9 Crs) in Q1 FY23 to 4.4% (INR 51.1 Crs) in Q2 FY23. Security Solutions – India recorded its highest ever quarterly EBITDA, post Covid of INR 51.1 Crs which was a growth of 21.9% q-o-q. Facility Management Solutions also recorded its highest ever EBITDA post Covid of INR 20.8 Crs, with a growth of 8.6% q-o-q. However, as expected and indicated earlier the EBITDA margins in Security Solutions – International business witnessed a decline during the quarter on the back of a landmark wage increase in Australia. This decline is a temporary phenomenon which is caused by timing differences between the increase in wages and the contracted increase in the revenue and prices from clients. Closure of all COVID related temporary high margin contracts also contributed to the decline in the EBITDA margins during the quarter. The gap caused by these timing differences are expected to be eliminated by Q3 FY23 and the full quarter effect will be visible in Q4 FY23.

Acquisition of SDS in Australia

SIS group completed the acquisition of SDS during the quarter through an initial acquisition of 85% shareholding in Q2 FY23 with the balance 15% to be acquired in two years time. SDS is a Perth based company providing Critical Risk Management, Rescue & Medical Services and Training services across Australia.

SDS is a great strategic fit with our existing Strategic Medical & Rescue business ("SMR") business within MSS in Australia sharing common core competencies and strengthens our presence in different geographical regions across Australia and into various industries like Maritime, Oil and Gas and Training as Service. SDS has advanced training facilities in Perth and Darwin. SDS, together with our SMR business will create Australia's largest Emergency Services provider.

This acquisition is a key milestone in the Vision 2025 objective for SMR to achieve AUD 100 Mn in annual revenues and can provide great value add to our clients both through cost savings and synergy opportunities with the combined capabilities.

Consistent, predictable and resilient performance demonstrated since listing

During Q2 FY23, we completed 5 years since listing. During this period annual revenue grew from INR 4,387 Crs in FY17 to INR 10,059 Crs in FY22 which is a 129.3% increase (CAGR of 18.1%), EBITDA grew from INR 220 Crs in FY17 to INR 499 Crs in FY22 which is a 126.2% increase (CAGR of 17.7%) and PAT grew from INR 110 Crs in FY17 to INR 326 Crs in FY22 which is a 197.1% increase (CAGR of 24.3%). Headcount grew from 1.5 lakhs in 2017 to 2.6 lakhs in 2022.

During these 5 years we generated a total OCF of INR 1,494 Crs and FCF (after loan repayments, dividends and buybacks, investments for acquisitions and capital expenditure) of INR 101.8 Crs. We maintained both ROE and ROCE at an average of 19.7%. Total money returned to shareholders in the form of dividends and buybacks amounted to INR 180.6 Crs which represents a total return of INR 12.3 for every equity share of face value INR 5.

During this entire period, which included two difficult years impacted by the COVID-19 pandemic, the group consistently delivered revenue and business growth every year and also consistently continued distributions to shareholders in the form of dividends and buybacks. These metrics clearly showcase that the SIS group's business and operations are highly stable, predictable, resilient to economic variations and represent a well-crafted annuity business which is de-risked from a geography and industry perspective.

Appointed SSKM as the new auditor

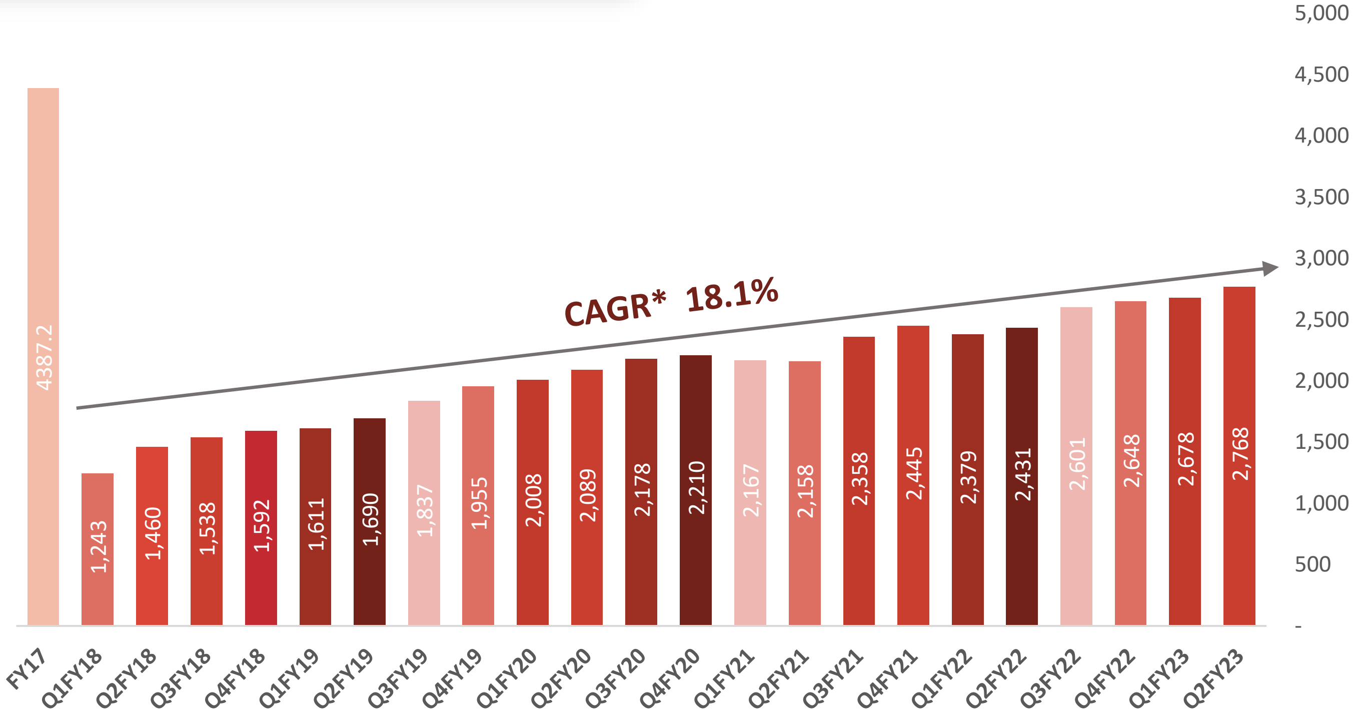
Appointed SS Kothari Mehta & Co. as the new auditor on the completion of the 5 years term of the previous auditors.

Notes from the Group Managing Director

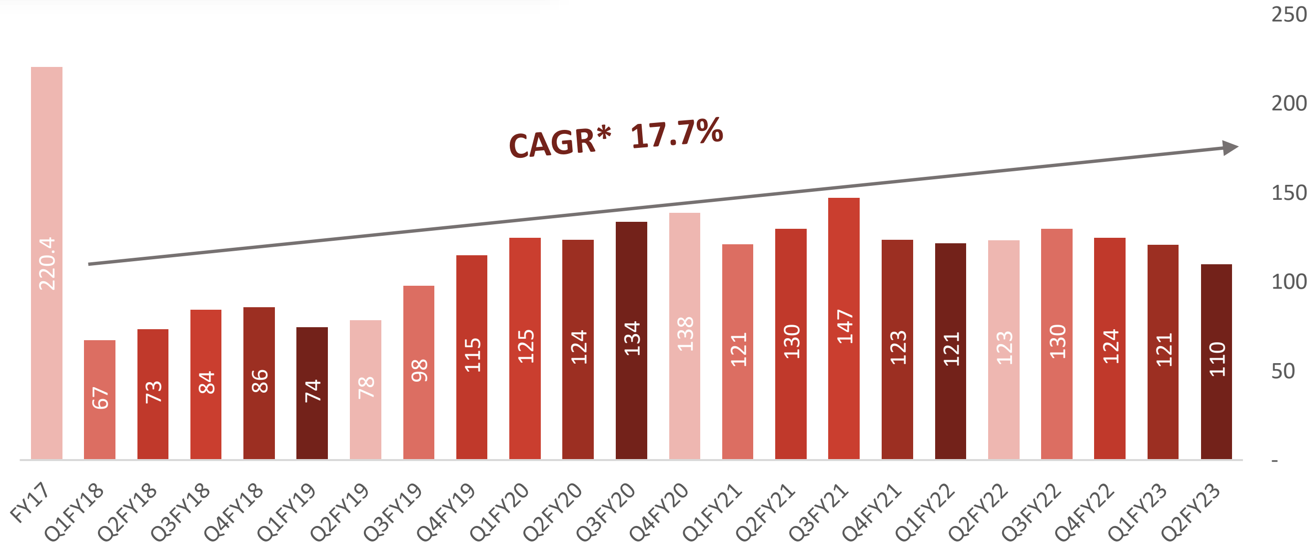
SSKM is one of the top audit firms in India and are the auditors for many renowned listed companies in India spread across industries.

Facility Management entities DTSS, Rare and Terminix are audited by KPMG, International entities SIS Australia by PWC and SXP, P4G, Henderson are audited by GT

Quarterly Revenue Trend



Quarterly EBITDA Trend



**CAGR computed from FY17 to FY22*

Consolidated Financial Results

Particulars (In INR Crs)	Quarterly Numbers		Change %	H1 Numbers		Change %
	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	H1 FY23 v/s H1 FY22
Revenue	2,767.7	2,430.9	13.9%	5,445.8	4,810.2	13.2%
EBITDA	109.8	123.1	-10.8%	230.5	244.4	-5.7%
%	4.0%	5.1%		4.2%	5.1%	
Depreciation	32.2	23.4	37.2%	59.8	47.4	26.3%
Finance Costs	27.5	24.7	11.6%	52.2	49.2	6.0%
Other income & share of profit/(loss) in associates –	10.3	7.7	*34.0%*	17.4	18.6	*-6.3%*
Earnings Before Taxes (Incl. Grants)	**60.3**	**82.6**	*-27.0%*	**135.8**	**166.3**	*-18.3%*
Less: Acquisition related costs / (income)						
- Depreciation & Amortization	0.9	3.0		1.9	6.0	
Earnings Before Taxes (Reported)	**59.4**	**79.6**	*-25.4%*	**134.0**	**160.3**	*-16.4%*
%	*2.1%*	*3.3%*		*2.5%*	*3.3%*	
Tax Expenses	-8.0	11.2		-16.0	32.4	
Profit After Taxes (Reported)	**67.4**	**68.4**	*-1.4%*	**150.0**	**127.9**	*17.3%*
%	*2.4%*	*2.8%*		*2.8%*	*2.7%*	
Profit After Taxes (Operating)	**65.6**	**62.5**	*4.8%*	**145.5**	**114.5**	*27.1%*
%	*2.4%*	*2.6%*		*2.7%*	*2.4%*	
EPS	4.6	4.7	*-1.5%*	10.2	8.7	*17.9%*
OCF	-30.6	-17.1	*-78.7%*	-25.5	98.8	*-125.8%*
OCF to EBITDA	***-27.8%***	***-13.9%***		***-11.1%***	***40.4%***	
Net Debt	841.5	653.7		841.5	653.7	
Net Debt to EBITDA	***1.7***	***1.3***		***1.7***	***1.3***	

For an explanation of the special items affecting the EBITDA, EBIT and PAT, please refer the sections titled "Special items"

Revenue, EBITDA, and PAT Growth Development by Business Segment

Business Segments	Revenue Growth		EBITDA Growth		PAT Growth	
Total Growth - %age	**Q2 FY23 v/s Q2 FY22**	**Q2 FY23 v/s Q1 FY23**	**Q2 FY23 v/s Q2 FY22**	**Q2 FY23 v/s Q1 FY23**	**Q2 FY23 v/s Q2 FY22**	**Q2 FY23 v/s Q1 FY23**
Security Solutions – India	21.7%	8.6%	30.5%	22.0%	17.9%	-22.6%
Security Solutions – International (on a constant currency basis)	-0.2%	-2.4%	-45.1%	-35.6%	-46.6%	-34.1%
Facility Management Solutions	40.1%	10.5%	35.1%	7.6%	158.7%	27.3%
Total of SIS Group	**13.9%**	**3.3%**	**-10.8%**	**-9.1%**	**-1.4%**	**-18.3%**

Q2 FY23: Financial Commentary

Revenue Development

Consolidated revenue for Q2 FY23 was INR 2,767.7 Crs; grew by 13.9% over Q2 FY22.
Consolidated revenue for Q2 FY23 was a q-o-q increase of 3.3%

All businesses continued to report strong revenue growth during the quarter signifying the continuation of the business and economic recovery in all segments where the Group operates with record growth being achieved in Security Solutions – India and Facility Management Solutions. In Security Solutions – International, revenue growth continued on a normalised basis after backing out the impact of the expected winding down of the special COVID related quarantine contracts and the special events revenue in the previous quarter.

Security Solutions – India posted another strong quarter with 8.8% growth q-o-q on the back of new wins of more than INR 24 Crs of monthly revenue during the quarter with major contributions from Oil & Gas, Healthcare and Education segments.

Facility Management Solutions segment continued its record growth momentum during the quarter with a revenue increase of 10.1% q-o-q. This growth was primarily driven by new wins of around INR 12 Crs of monthly revenue during the quarter in Healthcare, Education, Commercial spaces and retail segments.

Security Solutions – International reported a 3.6% decline in revenues from Q1 FY23 on an absolute basis but posted a 3.6% increase on a normalised basis (in constant currency terms) after backing out the impact of the expected winding down of the special COVID related quarantine contracts and the special event revenue in the previous quarter. New wins/commencement of new business of AUD 25 Mn of annualised revenue and the price increases due to the minimum wage increase drove the increase in normalised revenue. On a constant currency basis, the International Security segment reported revenue growth of -2.4 % on q-o-q basis.

Business segment wise revenue growth for Q1 FY23 are as follows:

a. Security Solutions – India, had a q-o-q increase over Q1 FY23 of 8.8% and a y-o-y increase by 21.7% over Q2 FY22

b. Security Solutions – International, had a q-o-q decrease over Q1 FY23 of 3.6% and a y-o-y increase of 0.4% over Q2 FY22 (-0.2 % and -2.4% growth respectively on a constant currency basis); and

c. Facility Management Solutions, had a q-o-q increase over Q1 FY23 of 10.1% and a y-o-y increase by 40.1% over Q2 FY22

Earnings Before Interest Tax Depreciation & Amortization (EBITDA)

Consolidated EBITDA for Q2 FY23 at INR 109.8 Crs was a 9.1% decline compared to Q1 FY23.

While there was a continued improvement in the margins of Security Solutions – India from 4.0% to 4.4%, the EBITDA margin in Facility Management Solutions was almost flat. However, these increases were offset by an expected decrease in the margins of Security Solutions – International due to the unprecedented minimum wage hike of 4.6% effective 1st July leading to a temporary gap between the wage increase and the commensurate price increase and the continued labour shortages due to record low unemployment rates of 3.5% in Australia which is resulting in higher labour costs and is expected to continue for the short term.

As reported in the last quarter, we implemented the normal annual salary reviews and incentive payouts during Q1 FY23 (effective June 22), the full impact of which has been considered in Q2FY23.

Business segment wise reported EBITDA movement for Q1 FY23 on y-o-y basis are as follows:

a. Security Solutions – India reported EBITDA of 4.4% which was q-o-q increase of 40 bps.

b. Security Solutions – International reported EBITDA of 3.3% which was q-o-q decrease of 160 bps; and

c. Facility Management Solutions reported EBITDA of 4.4% which was q-o-q decrease of 10 bps.

Earnings Before Taxes (Reported)

The reported Earnings Before Taxes for the Group were at INR 59.4 Crs for Q2 FY23, compared to INR 74.6 Crs for Q1 FY23, driven by a reduced EBITDA, higher depreciation and finance costs.

Other income & share of profit/(loss) in associates for the quarter is comprised of:

a) The effects of unrealised currency translation amounting to INR 1.9 Crs in respect of the RDBs issued by the parent to its Australian subsidiary.

b) Interest income from bank deposits; and the Group's share of the profit/(loss) in its associates and other gains and losses which is driven by a continued improvement in the Cash Logistics business

Q2 FY23: Financial Commentary

The Group's consolidated **Depreciation & Amortization** amounted to INR 33.1 Crs for Q2 FY23 which was higher than INR 28.6 Crs for the previous quarter as a result of capital expenditure on installations in our VProtect business.

Finance costs for the Group amounted to INR 27.5 Crs, which was higher compared to the previous quarter of INR 24.7 Crs driven by higher working capital and a general increase in interest rates.

Taxes & Profit after Tax

Operating PAT

The Operating Profit after Tax has been computed after adjusting for these amounts to explain the real/sustainable PAT:

Particulars (in INR Crs)		Q2FY23	Q2FY22	Q1FY23	H1FY23
Reported PAT		**67.4**	**68.4**	**82.5**	**150.0**
Less: the effect of special items explained above		1.9	5.8	2.6	4.5
Operating PAT		**65.6**	**62.5**	**79.9**	**145.5**
Growth	**y-o-y**	***4.8%***			
	q-o-q	***-18.0%***			

The Operating PAT for the quarter was lower than the previous quarter primarily due to the lower EBT

Accounting for the benefits under Section 80JJAA of the Income Tax Act, 1961

The key qualifying criterion for availing the tax benefits under section 80JJAA are an increase in the number of employees during the year and eligible employees completing a period of employment of at least 240 days in the year either in the year of recruitment or in the immediately succeeding financial year.

During the quarter, the number of employees in all businesses continued to increase. As a result, we continue to account for the tax benefits under Section 80JJAA of the Income Tax Act for the quarter in line with past practice.

We continue to receive, and account for, the tax benefits under section 80JJAA which have accrued to the Group during FY22. In FY23, the Group is also eligible to claim benefits in respect of those eligible employees employed in FY22 and completing a period of employment of at least 240 days in FY23.

On a standalone basis, the Company's current tax rate is close to NIL because of the benefits accruing under Section 80JJAA of the Income Tax Act, 1961.

The current tax rate reflects the amount of tax the Company is expected to pay when preparing and filing its tax returns. The real effective tax rate reflects the current tax plus the deferred tax effect on timing differences. The current tax rate and real effective tax rate, is computed below:

INR Crs	Q2FY23	Q2FY22	Q1FY23
PBT	**17.1**	**13.6**	**14.9**
Less: dividend subject to special tax rates	-	-	-
Current tax	0.3	1.2	-
Less: tax on dividend at special rates	-	-	-
Deferred tax effect on timing differences	-0.6	-2.1	-2.7
Total tax items	-0.2	-0.9	-2.7
Current tax rate	1.9%	8.8%	0.0%
Real Effective tax rate	**-1.3%**	**-6.4%**	**-18.1%**

Leverage and Financing

Cash flows, Leverage (Net Debt) and Return Ratios

- **Net Debt/ EBITDA** was **1.74** as of September 2022, which is higher than 1.48 in June 2022. This increase in Net Debt / EBITDA was a result of record growth in India business during the quarter which led to an increase in working capital.
- **OCF/EBITDA** on a consolidated basis was **-27.8%** for the quarter which is a direct result of the business growth and overall increase in DSO for the quarter per past trends.
- **Return Ratios** Our consolidated Return on Capital employed (ROCE) which is a reflection of the operating earnings as a percentage of operating capital is 13.3% and our Return on Equity is **18.0%.**

In INR Cr	IND - SEC	INT - SEC	FM	Consolidated
PBT	20.9	30.7	14.1	59.4
Cash Profit	**56.1**	**39.0**	**22.4**	**117.0**
Changes in working capital	-113.0	27.9	-24.5	-98.3
Taxes paid	-21.7	-20.6	-7.0	-49.2
Net Operating cash flows	**-78.6**	**46.3**	**-9.0**	**-30.6**
Capex / Other items	-15.2	-6.9	-5.0	-26.8
Investments made/realised	-1.0	-27.8	0.0	-27.8
Net Investing cash flows	**-16.2**	**-34.8**	**-5.0**	**-54.6**
Borrowings, net / Lease liability	0.9	15.1	0.4	5.5
Interest paid	-11.5	-1.7	-3.6	-16.7
Other items	0.0	0.4	1.0	0.5
Net financing cash flows	**-10.6**	**13.7**	**-2.2**	**-10.8**
Net change in cash flows	**-105.4**	**25.3**	**-16.2**	**-95.9**
EBITDA	**51.1**	**37.9**	**20.8**	**109.8**
OCF/EBITDA	**-153.8%**	**122.3%**	**-43.4%**	**-27.8%**

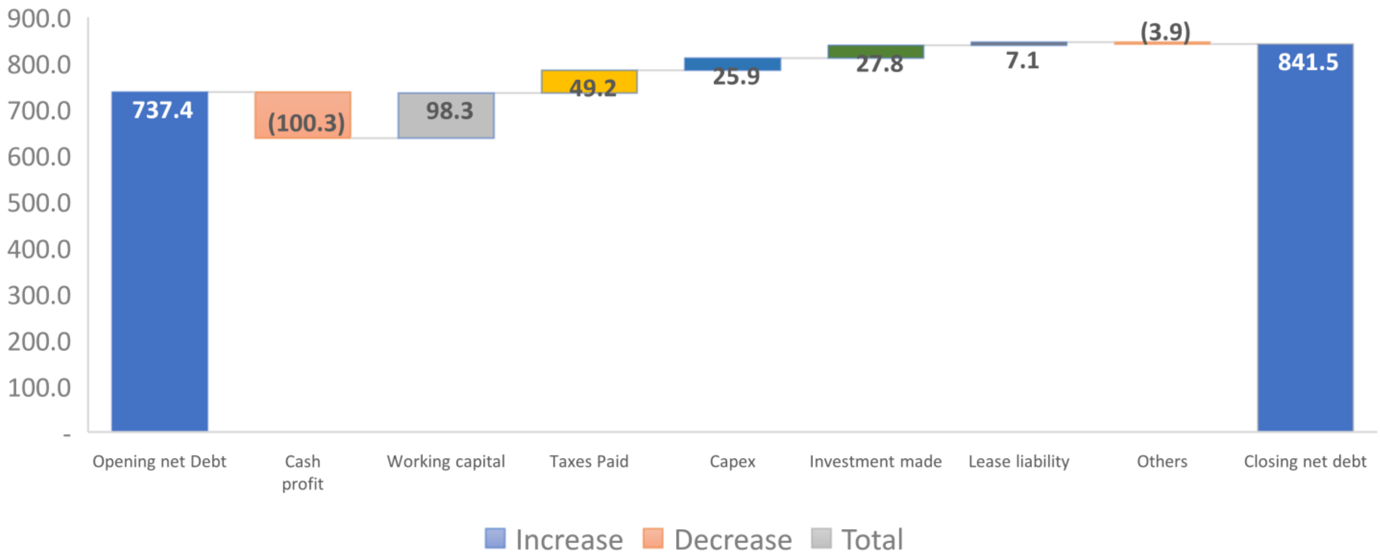
Leverage and Financing

Leverage (Net Debt)

The movement in Net debt for Q2 FY23 is provided in the table and chart below:

Particulars (in INR Crs)	September 2022			June 2022		
	India	Intl	Total	India	Intl	Total
Long-term borrowings	43	553	596	60	548	608
Short-term borrowings	874	18	893	801	12	813
Lease liabilities	68	56	124	68	58	126
Gross Debt	**985**	**627**	**1,612**	**929**	**617**	**1,546**
Less: Cash and Cash Equivalents	244	526	770	305	504	809
Net Debt	**740**	**101**	**842**	**624**	**114**	**738**

Net Debt Bridge (in INR Crs) – June'22 to September'22

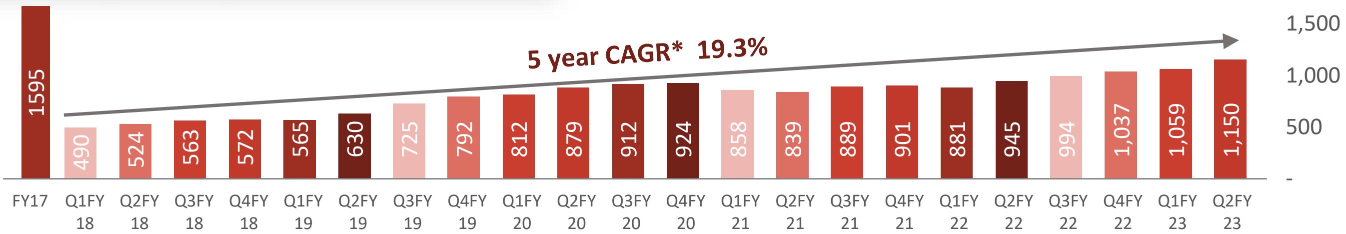


Security Solutions – India

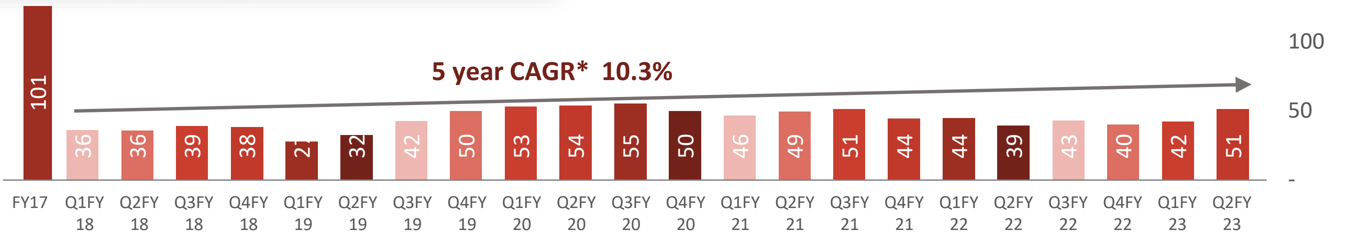
The India Security Solutions business comprises five entities – our flagship SIS security business, SLV, Uniq, Tech SIS and Vprotect. We continue our leadership position as the largest security solutions company in India.

- The business currently operates across 182 branches and has 178,106 employees (an increase of 5,879 over Q1FY23)
- Record revenue growth for the segment with Q2 revenues at Rs 1,150.4 Crs which was a 8.8% quarterly growth over Q1 FY23 and a 21.7% YoY increase over the same quarter in the previous year.
- EBITDA continued tracking back to pre-Covid levels with Q2 FY23 at Rs. 51.1 Crs (4.4% of revenue) which was a 22.0% quarterly growth over Q1 FY23 (4.0% of revenue) and a 30.5% growth over the same quarter in the previous year
- New order wins during the quarter were more than Rs 25 Crs of monthly revenue. Major wins during the quarter came from Oil & Gas, Healthcare and Education segments.
- Minimum wages are being revised significantly after a long gap of two years, e.g. states like Sikkim announced a 67% increase, Karnataka 23% increase, Bihar and Punjab at 15%-17% increase and the Central minimum wage has also increased.
- This minimum wage hike is expected to positively impact both our revenue & EBITDA and also improve our employee retention and manpower availability.
- Around 80% of our manpower are now covered under digital attendance system through our in-house developed Digital Attendance System, which provides us a real-time tracking and availability of our workforce and will help improve our service standards to clients.
- Our technology and electronic security solutions businesses continues to grow, with 1,155 new installations during the quarter in our Alarm monitoring and response business, which now services 12,453 customer connections.
- DSO days for the segment increased by 2 days to 78 days on the back of record revenue growth and new business commencements during the quarter.

Quarterly Revenue Trend



Quarterly EBITDA Trend



Particulars (in Rs Crs)	Q2 FY23	Q2 FY22	*Change YoY*	Q1 FY23	*Change QoQ*
Revenues	1,150.4	945.3	*21.7%*	1,057.6	*8.8%*
EBITDA	51.1	39.1	*30.5%*	41.9	*22.0%*
EBITDA%	*4.4%*	*4.1%*		*4.0%*	
Share of group Revenues	*41.6%*	*38.9%*		*39.5%*	
Share of group EBITDA	*46.5%*	*31.8%*		*34.7%*	

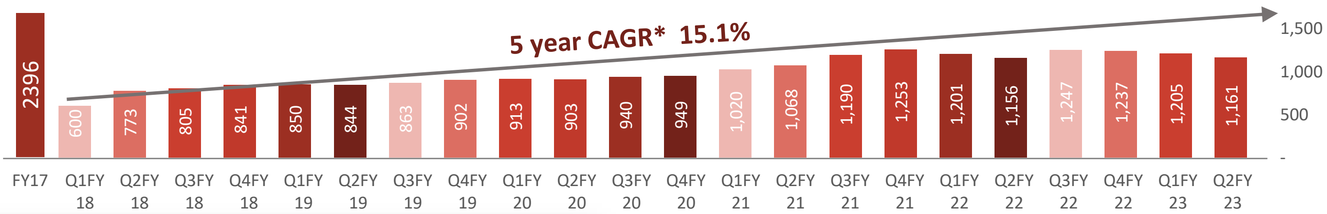
*CAGR computed from FY17 to FY22

Security Solutions – International

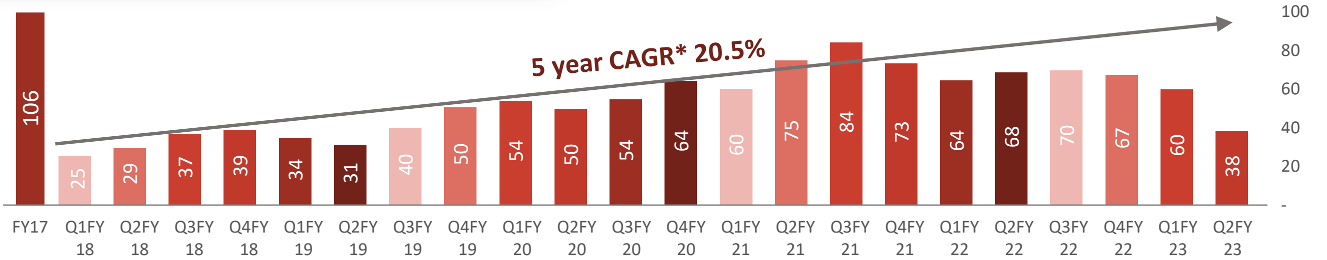
The International security business comprises four entities – MSS and SXP in Australia, Platform4Group (P4G) in New Zealand and Henderson in Singapore. We continue to be the market leader in Australia and a top 3 player in New Zealand.

- The International security business currently has 8,743 employees
- Revenue for the segment in Q2 was INR 1,161.3 Crs compared to INR 1,205.1 Crs in Q1 FY23.
- After adjusting for the impact of temporary high margin covid related contracts reducing to a miniscule level in Q2 and special events revenue in Q1, the business grew 3.6% in constant currency.
- Labour shortages across the international geographies continued having an impact on the costs.
- EBITDA for the segment in Q2 was INR 37.9 Crs compared to INR 59.6 Crs in Q1 FY23. During the quarter, Fair Work Australia announced an unprecedented minimum wage hike of 4.6% in Australia effective 1st July. While we are required to implement these increases effective 1st July, a large number of our client contracts stipulate commensurate price increases on the anniversary of such contracts.
- Therefore, as expected and indicated earlier, the EBITDA margins in Security Solutions – International business witnessed a decline. This decline is a temporary phenomenon which is caused by timing differences between the increase in wages and the contracted increase in the revenue and prices from clients as explained above. The closure of all COVID related temporary high margin contracts also contributed to the decline in the EBITDA margins during the quarter. The gap caused by these timing differences are expected to be eliminated by Q3 FY23 and the full quarter effect will be visible in Q4 FY23.
- The continued labour shortages due to record low unemployment rates of 3.5% in Australia, continued to result in higher labour costs and this trend is expected to continue for the short term. Similar trends are playing out in other countries as well
- New order wins during the quarter were worth almost AUD 25 Mn. Major wins during the quarter came from Retail, BFSI, Power, Manufacturing, Residential and IT segments.
- DSO days remained stable, marginally inching up by 1 day to 46 days during the quarter.

Quarterly Revenue Trend



Quarterly EBITDA Trend



Particulars (in Rs Crs)	Q2 FY23	Q2 FY22	*Change YoY*	Q1 FY23	*Change QoQ*
Revenues	**1,161.3**	**1,156.3**	***0.4%***	**1,205.1**	***-3.6%***
EBITDA	**37.9**	**68.5**	***-44.7%***	**59.6**	***-36.5%***
EBITDA%	***3.3%***	***5.9%***		***4.9%***	
Share of group Revenues	***42.0%***	***47.6%***		***45.0%***	
Share of group EBITDA	***34.5%***	***55.6%***		***49.4%***	

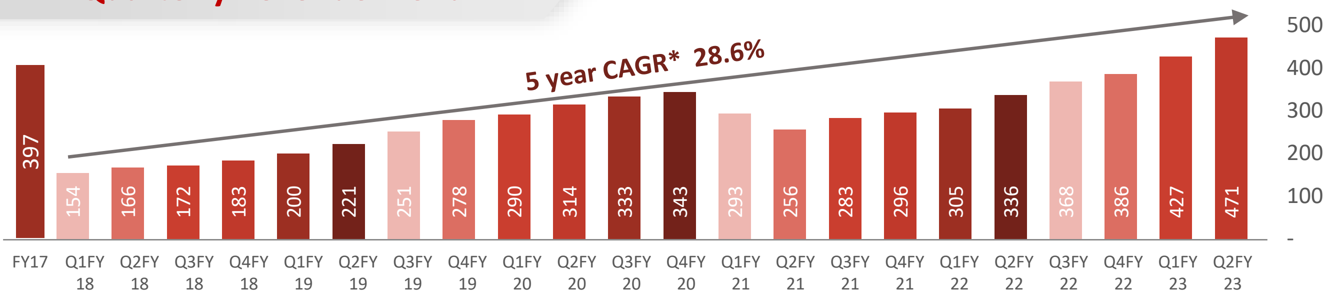
**CAGR computed from FY17 to FY22*

Facility Management Solutions

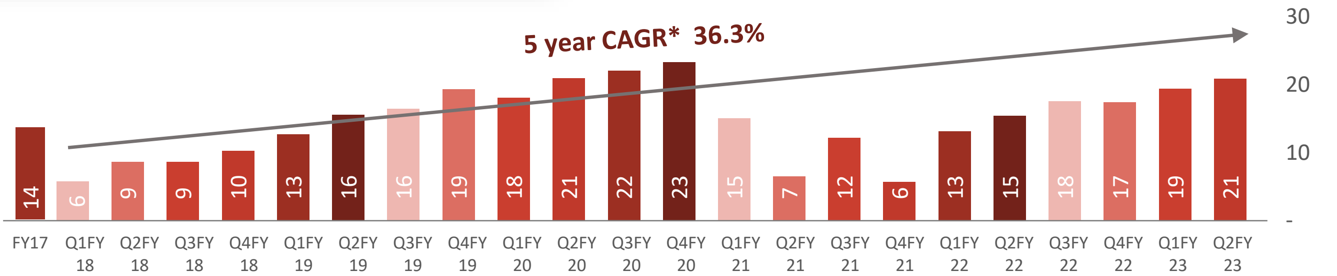
The facility management business comprises DTSS, SMC, RARE Hospitality and TerminixSIS. The Group operates the second largest FM business in India.

- The FM business currently operates across 108 branches and has 76,758 employees, an increase of 2,965 over the previous quarter.
- Record revenue growth continued for the segment with another quarter of historic high revenue, with Q2 FY23 revenues at Rs 471.1 Crs which was a 10.5% quarterly growth over Q1 FY23 and a 40.1% YoY increase over the same quarter in the previous year.
- EBITDA continues to grow with Q2 FY23 at Rs. 20.8 Crs which was a 7.6% quarterly growth over Q1 FY23 and a 35.1% increase over the same quarter in the previous year
- New order wins during the quarter were around Rs 12 Crs of monthly revenue. Major wins during the quarter came from Healthcare, Education, Commercial spaces and retail segments.
- Minimum wages are being revised significantly after a long gap of two years, e.g. states like Sikkim announced a 67% increase, Karnataka 23% increase, Bihar and Punjab at 15%-17% increase and the Central minimum wage has also increased.
- This minimum wage hike is expected to positively impact both our revenue & EBITDA and also improve our employee retention and manpower availability.
- We see an increasing trend of large customers looking to consolidate their service providers to achieve cost savings and be more compliant which is a favourable factor for organized players like us and our integrated business service solutions offering One SIS.
- DSO days remained stable at 84 days despite the growth in the business.

Quarterly Revenue Trend



Quarterly EBITDA Trend



Particulars (in Rs Crs)	Q1FY23	Q1FY22	*Change YoY*	Q3 FY22	*Change QoQ*
Revenues	**471.1**	**336.3**	***40.1%***	**427.7**	***10.1%***
EBITDA	**20.8**	**15.4**	***35.1%***	**19.2**	***8.6%***
EBITDA%	***4.4%***	***4.6%***		***4.5%***	
Share of group Revenues	***17.0%***	***13.8%***		***16.0%***	
Share of group EBITDA	***19.0%***	***12.5%***		***15.9%***	

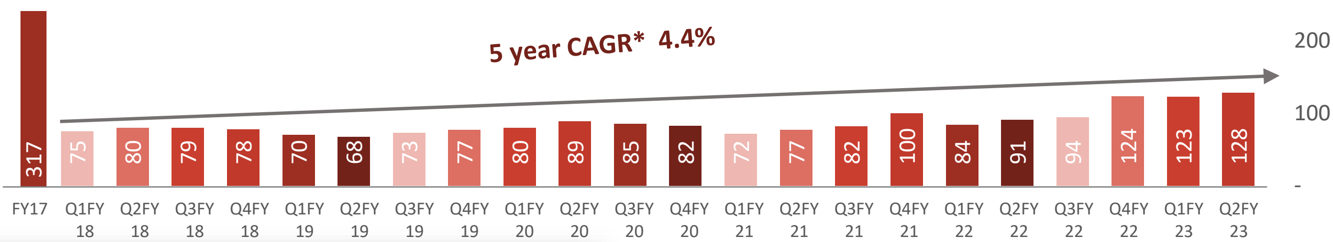
*CAGR computed from FY17 to FY22

Cash Logistics Solutions

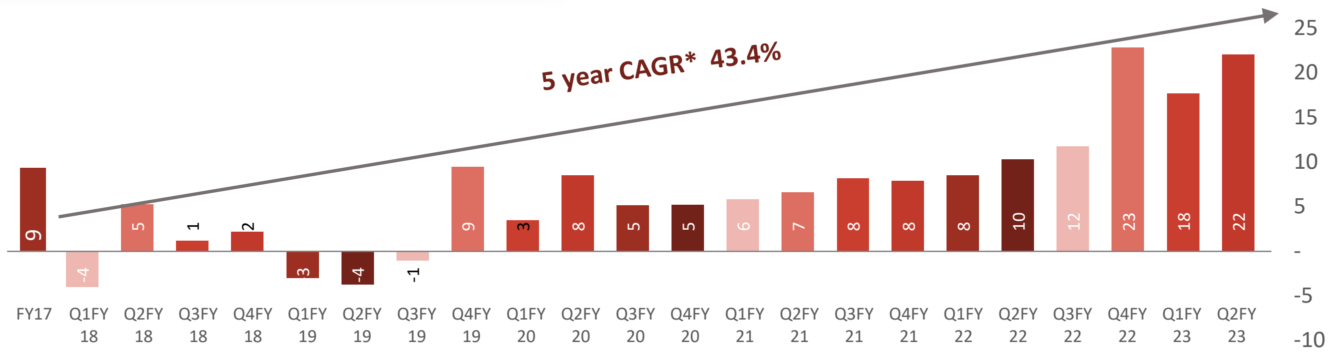
The cash management business is a JV with Prosegur of Spain, a world leader in cash solutions. We have a 49% holding in the JV which is the second largest cash logistics business in India.

- The Cash Logistics Solutions business currently operates over 3,000 cash vans and 60 vaults covering over 300 cities across India
- Continued strong revenue growth for the segment with another quarter of historic high revenues, with Q2 FY23 revenues at Rs 128.1 Crs, a 4.2% quarterly growth over Q1 FY23 and a 41.5% YoY increase over the same quarter in the previous year.
- EBITDA for the segment during Q2 FY23 was Rs. 22.0 Crs which was a 24.8% quarterly increase over Q1 FY23 and a 114.3% increase over the same quarter in the previous year
- Progress on the deployment according to RBI/MHA norms done in 50 more cities in Q2.
- Initiated many new age technology-based offerings like QR code based DSB pickups, CIT APP to track the cash movement and CPO software to track the daily attendance & bundles processed for the CPO BL
- Our focus on non-ATM business like Door-step banking and Cash Processing business (which we believe to have the highest growth potential in the near term) continues showing good results
- DSO continued its reducing trend during the quarter by 5 days to reach 85 days.

Quarterly Revenue Trend



Quarterly EBITDA Trend



Particulars (in Rs Crs)	Q2 FY23	Q2 FY22	*Change YoY*	Q1 FY23	*Change QoQ*
Revenues	128.1	90.6	*41.5%*	123.0	*4.2%*
EBITDA	22.0	10.3	*114.3%*	17.7	*24.8%*
EBITDA%	*17.2%*	*11.4%*		*14.4%*	

**CAGR computed from FY17 to FY22*