



# Q1 FY25 EARNINGS UPDATE

24 July 2024

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## Q1 FY25

Revenue  
₹3,129.9 cr.



5.1% Y-o-Y

EBITDA  
₹137.4 cr.



-1.2% Y-o-Y

Operating PAT\*  
₹64.2 cr.



*Robust performance of the FM business with EBITDA margins at 4.2% up from 3.9%. Consolidated EBITDA dropped marginally on the back of the underperformance of SXP (Security Solutions – International).*

*Budget 2024 signals the government's thrust on job creation. As one of the largest employers in India, we see interesting prospects. However, we await details to fully assess implications and opportunities for SIS.*

**Rituraj Sinha**

**Group Managing Director**

### Facility Management: Bouncing back. EBITDA Margin improves from 3.9% in Q4-FY24 to 4.2% in Q1-FY25

The revenue for Facility Management segment was at ₹530.3 cr. a growth of 2.2% y-o-y and an EBITDA margin of 4.2%, an uptick of 0.3% from the previous quarter and a marginal decline y-o-y. The EBITDA was impacted by the wage revision cycle in June, annual conference expenses and lower profitability of the remaining fixed-price contracts. We continue to evaluate all contracts and are in the process of gradually weeding out low-margin/fixed-price contracts. We are seeing robust demand trends in Q2 and are happy to report that OneSIS has achieved break-even profitability and is on track to grow.

### Cash Logistics Solutions: Leading with robust growth and profitability. DAM Capital appointed as banker.

The Cash Logistics Solutions segment crossed ₹170 cr. in quarterly revenue with a revenue of INR 171.2 cr. a growth of 12.0% y-o-y. The segment reported a robust EBITDA of INR 29.0, a growth of 21.3% y-o-y in Q1-FY25, achieving an EBITDA margin of 17.0%. Innovative solutions account for 8.1% of revenue in Q1 FY25.

### Security Solutions - India: Focus on profitable growth continues

For Q1-FY25 the segment achieved a revenue of INR 1,337.5 cr., a growth of 8.8% y-o-y. The segment reported an EBITDA of INR 72.0 cr. a growth of 8.9% y-o-y with an EBITDA margin of 5.4%, remaining flat from the same period last year. The EBITDA was impacted by the wage revision cycle in June and annual conference expenses. We continue to focus on securing profitable contracts and enhancing our solutions revenue.

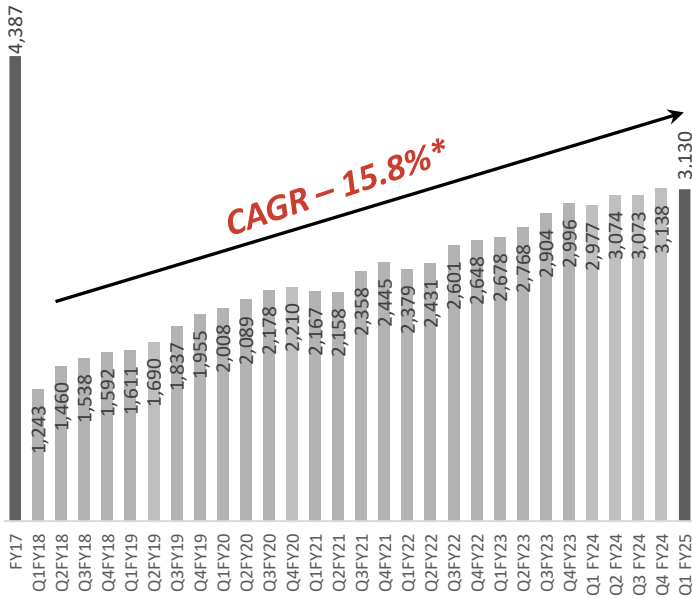
### Security Solutions - International: Impacted by SXP

Security Solutions – International reported revenue of ₹1,276.0 for Q1-FY25 a growth 2.7% on a y-o-y basis, on the back of new order wins from clients across healthcare & pharma, public sector, retail, logistics, and hospitality sectors among others across Singapore and Australia. The segment reported an EBITDA of INR 43.2 cr., a decline of -14.0% y-o-y with an EBITDA margin of 3.4%. Leadership changes at SXP resulted in increased overheads and impacted profitability of the segment. This is likely to persist in the short term. Additionally, P4G had won profitable one-off casual work related to F1 events in New Zealand in Q1-FY24.



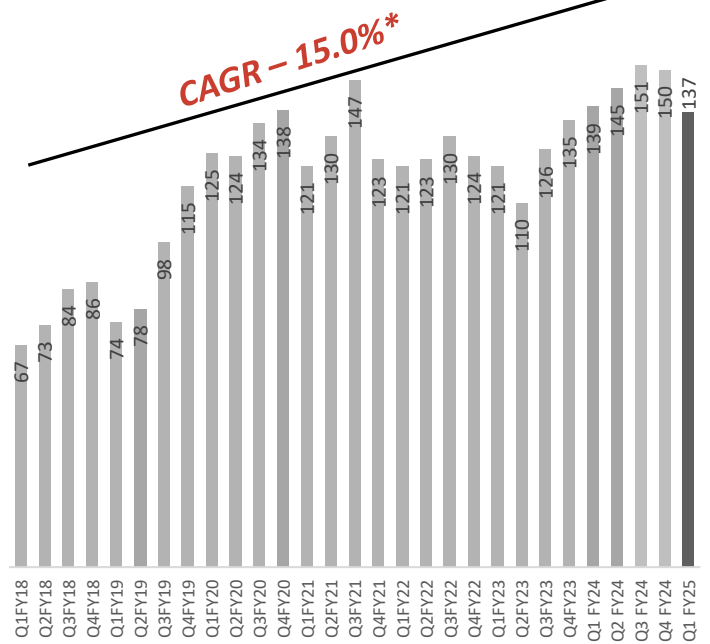
## Quarterly Trend (₹ cr.)

### Revenue

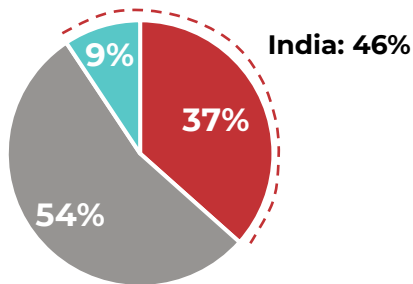


\*FY17-24 CAGR%

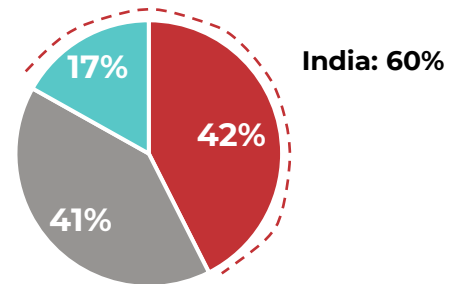
### EBITDA



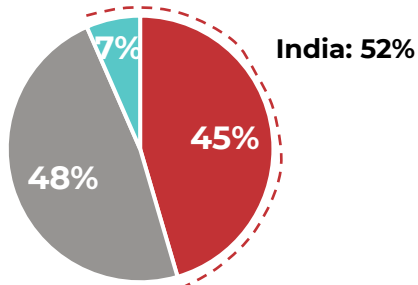
### FY17 Revenue Contribution



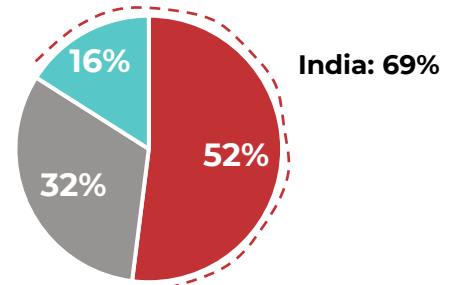
### Q1 FY25 Revenue Contribution



### FY17 EBITDA Contribution



### Q1 FY25 EBITDA Contribution



■ Security Solutions - India

■ Security Solutions - International

■ Facility Management Solutions



Particulars (In ₹cr.)			Change %		Change %
	Q1 FY25	Q1 FY24	Q1 FY25 vs Q1 FY24	Q4 FY24	Q1 FY25 vs Q4 FY24
<b>Revenue</b>	<b>3,129.9</b>	<b>2,976.7</b>	<b>5.1%</b>	<b>3,137.6</b>	<b>-0.2%</b>
<b>EBITDA</b>	<b>137.4</b>	<b>139.0</b>	<b>-1.2%</b>	<b>149.6</b>	<b>-8.2%</b>
<b>EBITDA Margin%</b>	<b>4.4%</b>	<b>4.7%</b>		<b>4.8%</b>	
Depreciation	40.0	34.9	14.5%	48.2	-17.0%
Finance Costs	42.2	32.7	28.8%	40.3	4.6%
Other income & share of profit/(loss) in associates	18.7	14.0	33.7%	22.2	-15.5%
Earnings Before Taxes	<b>74.0</b>	<b>85.4</b>	<b>-13.4%</b>	<b>83.3</b>	<b>-11.2%</b>
Less: Acquisition-related costs / (income)					
– Depreciation & Amortization	2.8	0.8		0.5	
<b>Earnings Before Taxes (Operating)</b>	<b>71.2</b>	<b>84.6</b>	<b>-15.8%</b>	<b>82.9</b>	<b>-14.1%</b>
EBT Margin%	2.3%	2.8%		2.6%	
– Goodwill Impairment	0.0	0.0		65.6	
<b>Earnings Before Taxes (Reported)</b>	<b>71.2</b>	<b>84.6</b>	<b>-15.8%</b>	<b>17.3</b>	<b>312.5%</b>
EBT Margin%	2.3%	2.8%		0.6%	
Tax Expenses	7.0	-5.0		28.9	
<b>Profit After Taxes (Reported)</b>	<b>64.2</b>	<b>89.5</b>	<b>-28.3%</b>	<b>-11.7</b>	
Reported PAT Margin%	2.1%	3.0%		-0.4%	
<b>Profit After Taxes (Operating)</b>	<b>64.2</b>	<b>89.5</b>	<b>-28.3%</b>	<b>53.9</b>	<b>19.1%</b>
Reported PAT Margin%	2.1%	3.0%		1.7%	
EPS	4.5	6.1		-0.8	
OCF	-42.4	-36.2		258.2	
<b>OCF to EBITDA%</b>	<b>-30.9%</b>	<b>-26.1%</b>		<b>172.6%</b>	
Net Debt	1,023.0	983.3		889.3	
<b>Net Debt to EBITDA</b>	<b>1.76</b>	<b>1.91</b>		<b>1.52</b>	

## Revenue, EBITDA, and PAT Growth Development by Business Segment

Business Segments	Revenue Growth		EBITDA Growth		Operating PAT Growth	
	Q1 FY25 v/s Q1 FY24	Q1 FY25 v/s Q4 FY24	Q1 FY25 v/s Q1 FY24	Q1 FY25 v/s Q4 FY24	Q1 FY25 v/s Q1 FY24	Q1 FY25 v/s Q4 FY24
Total Growth - %						
Security Solutions – India	8.8%	2.1%	8.9%	0.1%	-27.2%	9.7%
Security Solutions – International (on a constant currency basis)	2.5%	-4.0%	-14.1%	-24.9%	-43.3%	-54.9%
Facility Management Solutions	2.2%	2.0%	-1.8%	8.5%	-24.6%	738.3%
<b>Total of SIS Group</b>	<b>5.1%</b>	<b>-0.2%</b>	<b>-1.2%</b>	<b>-8.2%</b>	<b>-28.3%</b>	<b>19.1%</b>





## Revenue Development

Consolidated revenue for Q1 FY25 was INR 3,129.9 cr.; grew by 5.1% over Q1 FY24. Consolidated revenue for Q1 FY25 was almost flat with -0.2% on a q-o-q basis.

**Security Solutions – India** reported an 8.8% growth y-o-y on the back of new wins of more than INR 32 cr. of monthly revenue during the quarter with major contributions from the Manufacturing, BFSI, Automobile, and Real Estate sectors.

**Facility Management Solutions** segment continued its growth momentum during the quarter with a revenue increase of 2.2% y-o-y. This growth was primarily driven by new wins of around INR 10 cr. of monthly revenue in the Logistics, Manufacturing, Aviation, and Education sectors.

**Security Solutions – International** reported a 2.7% growth y-o-y in revenues. On a constant currency basis, the International Security segment reported revenue growth of 2.5% on a y-o-y basis. This growth was primarily driven by new wins in the BFSI, Public sector, Retail, and Healthcare sectors.

Business segment wise reported revenue growth for Q1 FY25 is as follows:

Particulars (in %)	Growth % Q1 FY25 vs. Q1 FY24	Growth % Q1 FY25 vs. Q4 FY24
Security Solutions – India	8.8%	2.1%
Security Solutions – International	2.7%	-3.5%
Facility Management Solutions	2.2%	2.0%

## Earnings Before Interest Tax Depreciation & Amortization (EBITDA)

Consolidated EBITDA for Q1 FY25 at INR 137.4 cr. was a 1.2% decrease compared to Q1 FY24.

Security Solutions – India reported a stable EBITDA margin of 5.4% in Q1 FY25; the EBITDA margin in Facility Management Solutions slightly declined to 4.2%. Security Solutions – India and Facility Management Solutions business EBITDA margins were slightly impacted due to the annual salary revisions effective June, and EBITDA margin in Security Solutions - International decreased due to the loss of certain high-margin contracts during the previous year and increased SG&A costs.

Business segment wise reported EBITDA movement for Q1 FY25 is as follows:

Particulars (in %)	Q1 FY25	Q1 FY24	YoY Change	Q4 FY24	QoQ Change
Security Solutions – India	5.4%	5.4%	0 bps	5.5%	(10) Bps
Security Solutions – International	3.4%	4.0%	(60) Bps	4.3%	(90) Bps
Facility Management Solutions	4.2%	4.4%	(20) Bps	3.9%	30 bps

## Earnings Before Taxes

The reported Earnings Before Taxes for the Group were at INR 71.2 cr. for Q1 FY25, compared to INR 84.6 cr. for Q1 FY24, a decline of 15.8%.

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

- The effects of unrealized currency translation amounting to INR -1.9 cr. in respect of the RDBs issued by the parent to its Australian subsidiary.
- Interest income; and the Group's share of the profit/(loss) in its associates and other gains and losses.



The Group's consolidated **Depreciation & Amortization** amounted to INR 42.7 cr. for Q1 FY25 which was higher than INR 35.8 cr. for the same quarter last year as a result of capital expenditure on installations in our VProtect business in FY24 and amortization of capitalized cost in respect of new business application platforms.

**Finance costs** for the Group amounted to INR 42.2 cr. which was higher compared to the same quarter last year of INR 32.7 cr. driven by capital expenditure on installations in our VProtect business in FY24 which were financed by bank borrowings.

On a y-o-y basis, our effective interest cost decreased by 40 bps while the bank rate remained flat.

## Taxes & Profit after Tax (PAT)

The Operating Profit after Tax has been computed after adjusting for the items explained in the Special items section above:

Particulars (in ₹cr.)	Q1 FY25	Q1 FY24	Q4 FY24
<b>Reported PAT</b>	64.2	89.5	-11.7
Less: The effect of special items	0.0	0.0	65.6
<b>Operating PAT</b>	<b>64.2</b>	<b>89.5</b>	<b>53.9</b>

## 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 is 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.

We continue to receive, and account for, the tax benefits under section 80JJAA which have accrued to the Group during FY23 and FY24. In FY25, the Group is also eligible to claim benefits in respect of those eligible employees employed in FY24 and completing a period of employment of at least 240 days in FY25.

On a standalone basis, the Company's current tax rate continues to be 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:

Particulars (in ₹cr.)	Q1 FY25	Q1 FY24	Q4 FY24
<b>PBT</b>	<b>29.3</b>	<b>31.4</b>	<b>22.9</b>
Current tax	-0.1	-0.2	-0.1
Deferred tax effect on timing differences	-3.4	-5.3	4.3
Total tax items	-3.5	-5.4	4.2
Current tax rate	-0.4%	-0.5%	-0.4%
<b>Real Effective tax rate</b>	<b>-12.0%</b>	<b>-17.3%</b>	<b>18.2%</b>



## Cash flows, Leverage (Net Debt) and Return Ratios

**Net Debt / EBITDA** was **1.76** as of end of Q1 FY25, which improved from 1.91 at the end of Q1 FY24.

**OCF/EBITDA** on a consolidated basis was **-30.9%** for the quarter which is a result of the increase in DSOs. DSO for Q1 FY25 increased by 4 days.

**Return Ratios:** Our Consolidated Return on Capital employed (ROCE) which is a reflection of the operating earnings as a percentage of operating capital is **11.8%**.

### Q1 FY25 Cash Flow:

Particulars (in ₹cr.)	IND - SEC	INT - SEC	FM	Consolidated
PBT	32.7	22.6	11.6	71.2
<b>Cash Profit</b>	<b>76.7</b>	<b>42.7</b>	<b>22.9</b>	<b>142.4</b>
Changes in working capital	-62.8	-59.5	-18.3	-141.0
Taxes paid	-20.0	-14.7	-9.0	-43.8
<b>Net Operating cash flows</b>	<b>-6.0</b>	<b>-31.5</b>	<b>-4.4</b>	<b>-42.4</b>
Capex	-4.5	-14.0	-4.4	-22.9
Investments made/realised	-8.0	-0.7	0.0	-8.7
Other items	2.5	-9.1	0.0	-9.1
<b>Net Investing cash flows</b>	<b>-10.0</b>	<b>-23.8</b>	<b>-4.4</b>	<b>-40.8</b>
Borrowings, net	-15.6	3.8	0.7	-8.7
Lease liability	-5.9	-6.7	-1.8	-14.4
Interest paid	-16.7	-9.2	-3.1	-28.8
Other items	0.0	-0.2	0.0	0.0
<b>Net financing cash flows</b>	<b>-38.2</b>	<b>-12.3</b>	<b>-4.3</b>	<b>-52.0</b>
<b>Net change in cash flows</b>	<b>-54.3</b>	<b>-67.6</b>	<b>-13.2</b>	<b>-135.2</b>
<b>EBITDA</b>	<b>72.0</b>	<b>43.2</b>	<b>22.2</b>	<b>137.4</b>
<b>OCF/EBITDA%</b>	<b>-8.4%</b>	<b>-72.9%</b>	<b>-20.0%</b>	<b>-30.9%</b>



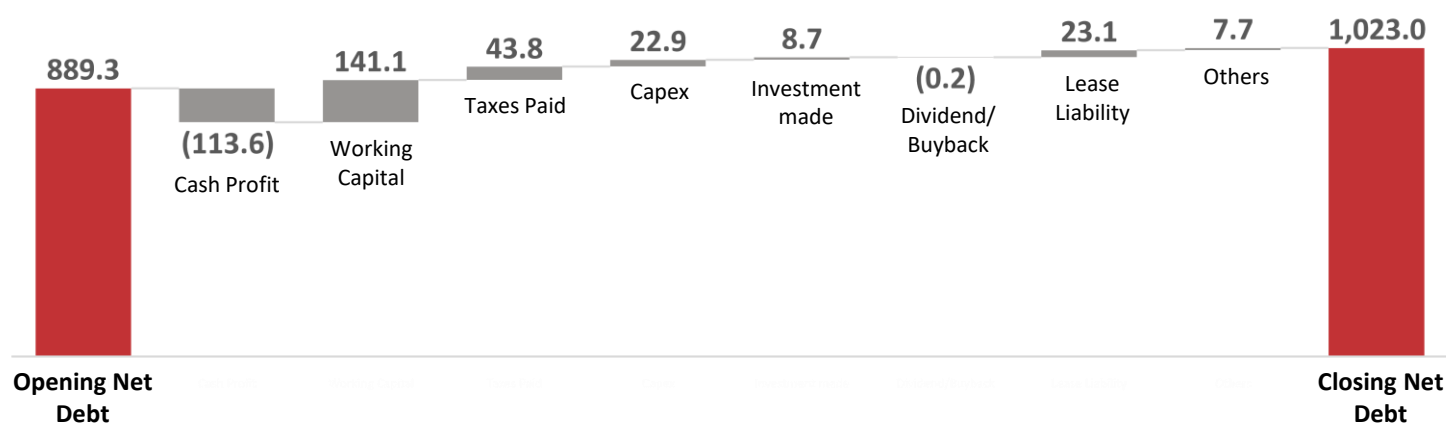


## Leverage (Net Debt)

The movement in Net debt for Q1 FY25 is provided in the table and chart below:

Particulars (in ₹cr.)	June 2024			March 2024		
	India	Intl	Total	India	Intl	Total
Long-term borrowings	286	521	808	299	506	805
Working capital borrowings	775	1	776	703	1	704
Add: Lease liabilities	113	45	158	101	49	149
<b>Gross Debt</b>	<b>1,175</b>	<b>567</b>	<b>1,742</b>	<b>1,102</b>	<b>556</b>	<b>1,658</b>
Less: Cash and Cash Equivalents	341	378	719	336	432	769
<b>Net Debt</b>	<b>834</b>	<b>189</b>	<b>1,023</b>	<b>766</b>	<b>123</b>	<b>889</b>

## Net Debt Bridge (in ₹cr.) – Q1 FY25 (March '24 – June '24) :





The Security Solutions - India business comprises of five entities.

We continue our leadership position as the largest security solutions company in India.

The business currently operates across 177 branches and has 187,225 employees.

- **Revenue growth:** The segmental revenues for Q1 FY25 were INR 1,337.5 Cr. which is 8.8% growth over Q1 FY24 and 2.1% growth over Q4 FY24, thus continuing the growth momentum. Our new order wins during the quarter were more than INR 32 cr. of monthly revenue. Major wins during the quarter came from the Manufacturing, BFSI, Automotive, and Real Estate sectors.
- **EBITDA and EBITDA margin:** The segment has reported a quarterly EBITDA of INR 72.0 Cr. in Q1 FY25 which is 8.9% increase y-o-y. EBITDA margin of 5.4% for Q1 FY25 remained flattish compared to that of Q1 FY24. The EBITDA margin was majorly due to the compensation review of back-office employees leading to high SG&A costs.
- **Growth in technological solutions:** Due to rising labour costs and skilled resource shortages, the demand for advanced technology-based security solutions continues to rise with the advancement of technology and complex customer requirements.

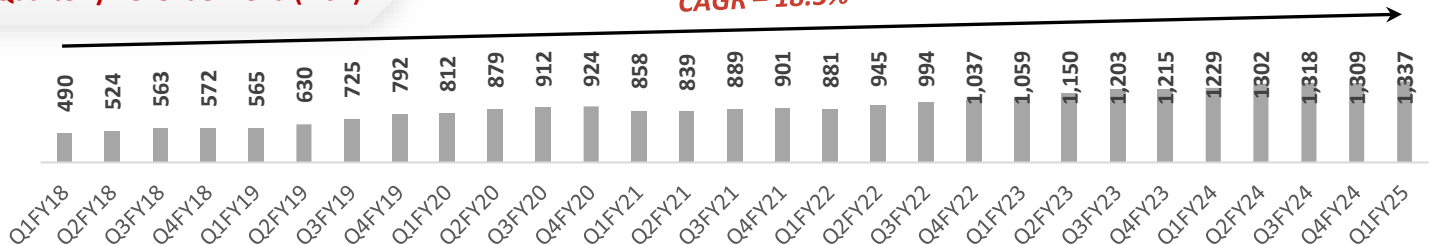
We continue winning new business in our technology-based security solutions business i.e., in ManTech and in the Alarm monitoring and response business (VProtect). Our VProtect business continues to grow, with over 2,400 new installations during the quarter, and it now services 23,500+ customer connections.

- **Cashflows:** DSOs increased by 5 days to 84 days at the end of June 2024 compared to March 2024. Q1 collections are generally low and are likely to improve in the next quarter. The business reported OCF/EBITDA of -8.4% during the quarter.

Particulars (in ₹cr.)	Q1 FY25	Q1 FY24	Y-o-Y Change %	Q4 FY24	QoQ Change %
Revenue	1,337.5	1,229.1	8.8%	1,309.3	2.1%
EBITDA	72.0	66.2	8.9%	71.9	0.1%
EBITDA%	5.4%	5.4%		5.5%	
Share of group Revenue%	42.7%	41.3%		41.7%	
Share of group EBITDA%	52.4%	47.6%		48.1%	

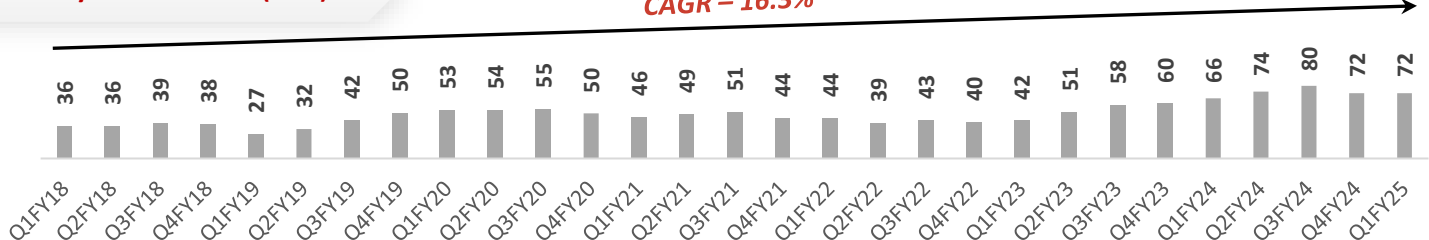
Quarterly Revenue Trend (₹ cr.)

CAGR – 18.3%\*



Quarterly EBITDA Trend (₹ cr.)

CAGR – 16.3%\*



\*FY17-24 CAGR%





The Security Solutions - International business comprises four entities.

We continue to be the market leader in Australia and a top 3 player in New Zealand.

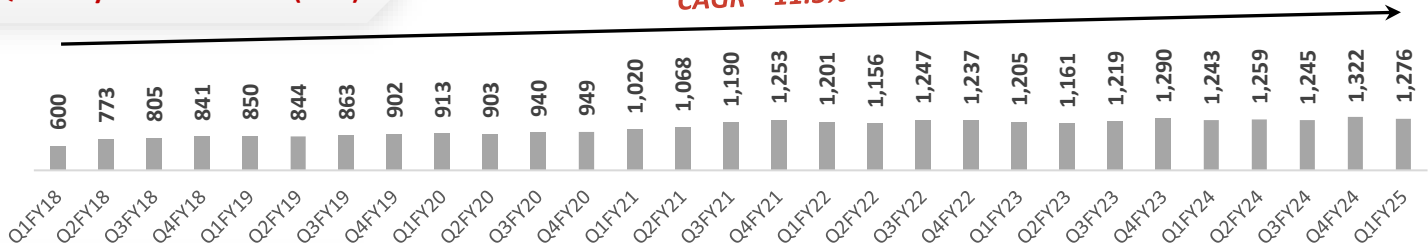
The International Security business currently has 9,563 employees.

- **Revenue growth:** The segmental revenues for Q1FY25 were INR 1,276.0 Cr. which is 2.7% growth over Q1 FY24, thus continuing the growth momentum, however, Q1 FY25 saw 3.5% q-o-q decline in revenues primarily due to lower casual work vis-à-vis Q4 FY24. Major wins during the quarter came from the Healthcare & Pharma, Public sector, Retail, Logistics and Hospitality sectors.
- **EBITDA and EBITDA margin:** The EBITDA margin for Q1FY25 was 3.4% compared to 4.3% in Q4 FY24 and 4.0% in Q1 FY24. This decline is due to continued labour shortages owing to low unemployment rates in Australia which is leading to high labour cost and is expected to continue for the medium term. Similar trends are playing out in other countries as well. EBITDA for Q1FY25 was INR 43.2 Cr. which declined by 14.0% y-o-y and by 24.4% q-o-q, impacted by the increase in costs in P4G due to leadership changes.
- **Annual wage revision:** In July, Fair Work Australia announced a minimum wage hike of 3.8% in Australia effective 1st July. While it is required to implement such increases effective 1st July, a large number of client contracts stipulate commensurate price increases on the anniversary of such contracts.
- **Cashflows:** DSOs increased by a day from 55 days at the end of March 2024 to 56 days at the end of June 2024. However, the business reported OCF/EBITDA of -72.9% during the quarter.

Particulars (in ₹cr.)	Q1 FY25	Q1 FY24	Y-o-Y Change %	Q4 FY24	QoQ Change %
Revenue	1,276.0	1,242.7	2.7%	1,321.9	-3.5%
EBITDA	43.2	50.3	-14.0%	57.2	-24.4%
EBITDA%	3.4%	4.0%		4.3%	
Share of group Revenue%	40.8%	41.7%		42.1%	
Share of group EBITDA%	31.5%	36.2%		38.3%	

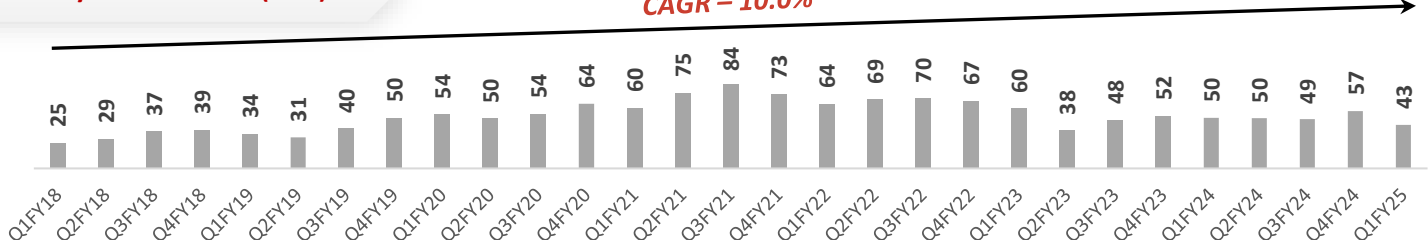
Quarterly Revenue Trend (₹ cr.)

CAGR – 11.3%\*



Quarterly EBITDA Trend (₹ cr.)

CAGR – 10.0%\*



\*FY17-24 CAGR%





The facility management business comprises of five entities.

The Group operates the largest FM business in India.

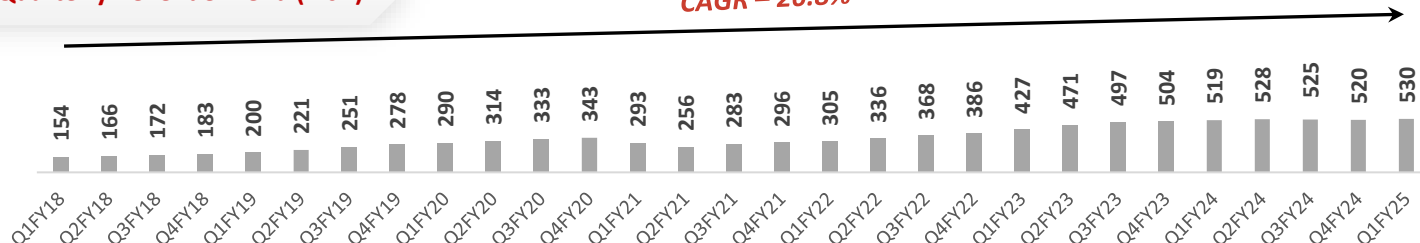
The FM business currently operates across 93 branches and has 78,913 employees.

- **Revenue growth:** The segmental revenue for Q1 FY25 was INR 530.3 Cr., a 2.2% y-o-y growth and a 2.0% q-o-q growth, thus continuing the growth momentum. Our new order wins during the quarter were around INR 9 cr. of monthly revenue. Major wins during the quarter came from the Health, Retail, Technology, Real Estate, Manufacturing, Hospitality and Logistics sectors.
- **Margin improvement initiatives:** The EBITDA margin of 4.2% in Q1 FY25 showed an improvement as compared to 3.9% in Q4 FY24. EBITDA margins were impacted due to remaining fixed margin contracts which are in the process of disbandment and growth in minimum wages in fixed margin contracts. However, margin improvement continues to be the key focus of the management with a few initiatives like material cost optimization, government grants from National Apprentice Promotion Scheme, etc.
- **Growth in contribution from solutions:** With increasing customer awareness on Environmental, Social, and Governance (ESG) requirements, as a leader of the segment, we are continuously providing enhanced solutions to our customers by focusing on eco-friendly operations, adoption of renewable energy and reduction of carbon footprint in facilities in our solutions. Additionally, we have signed an LOI for energy management solutions and expect to realize revenue in the next few quarters.
- **Cashflows:** DSOs increased by 5 days to 93 days at the end of June 2024 compared to March 2024. The business reported OCF/EBITDA of -20% during the quarter.

Particulars (in ₹cr.)	Q1 FY25	Q1 FY24	Y-o-Y Change %	Q4 FY24	QoQ Change %
Revenue	530.3	519.0	2.2%	520.1	2.0%
EBITDA	22.2	22.6	-1.8%	20.4	8.5%
EBITDA%	4.2%	4.4%		3.9%	
Share of group Revenue%	16.9%	17.4%		16.6%	
Share of group EBITDA%	16.1%	16.2%		13.7%	

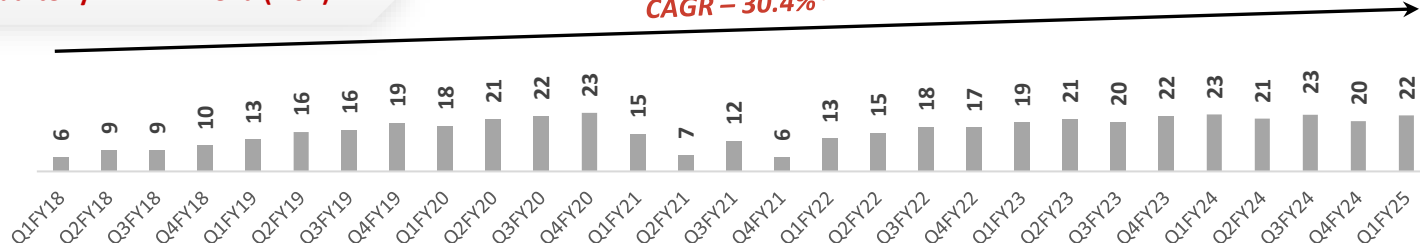
Quarterly Revenue Trend (₹ cr.)

CAGR – 26.8%\*



Quarterly EBITDA Trend (₹ cr.)

CAGR – 30.4%\*



\*FY17-24 CAGR%



# Cash Logistics Solutions

**From this quarter onward, we will be sharing a detailed note on our Cash Logistics Solution Segment – A leader in Bank Outsourcing Solutions**





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# Commentary from the Chairman of the Board

## Q1 FY25

Revenue  
**₹171.2 cr.**



12.0% Y-o-Y

EBITDA  
**₹29.0 cr.**



21.3% Y-o-Y

PAT  
**₹13.9 cr.**



32.0% Y-o-Y



*Our business has now transformed into a Bank Outsourcing Solutions (BOS) provider from a mere a provider of cash logistics. SIS Prosegur achieved the highest ever quarterly revenues of INR 171.2 cr. and an EBITDA of INR 29.0 cr. with 17.0% EBITDA margin.*

**Rituraj Sinha**

Chairman of the Board

### Cash is still the King

Cash in circulation nearly tripled since FY17 from INR 13 lakh crores to INR 35 lakh crores driven by consumption demand. Cash in circulation comprises around 13% of the country's GDP. This is also driven by the strong GDP growth of the country across the globe and future growth estimate of the country.

### Fastest-growing company in the segment

- Last five years revenue CAGR – 17.1%
- Revenue growth over Q1 FY24 – 12.0%
- Revenue growth over Q4 FY24 – 5.6%
- Compared to our peers, we are the fastest growing company in the industry.

### We are now a BOS provider. #2 in industry

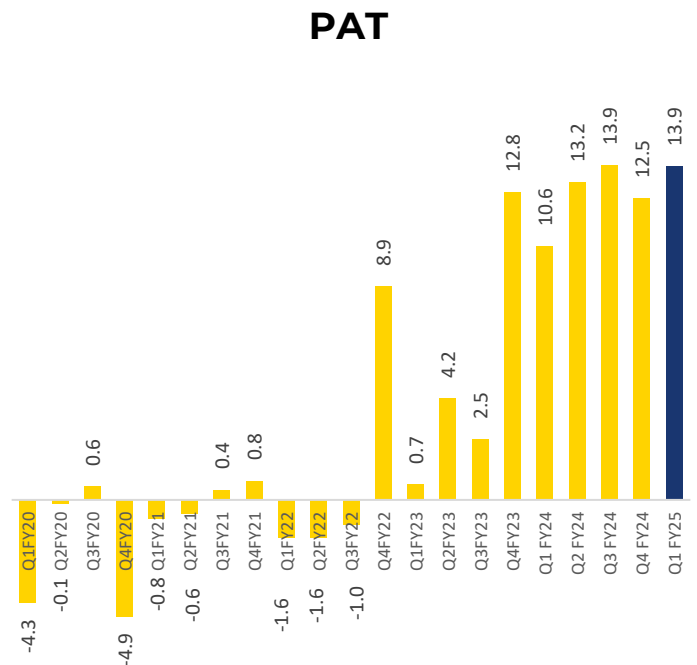
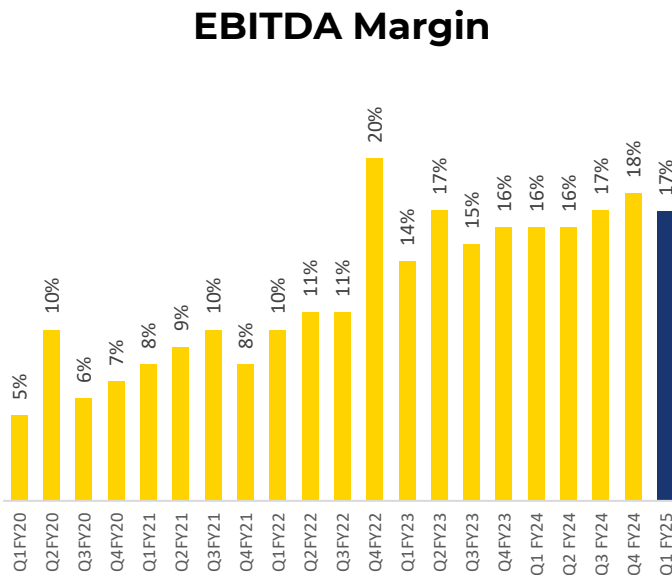
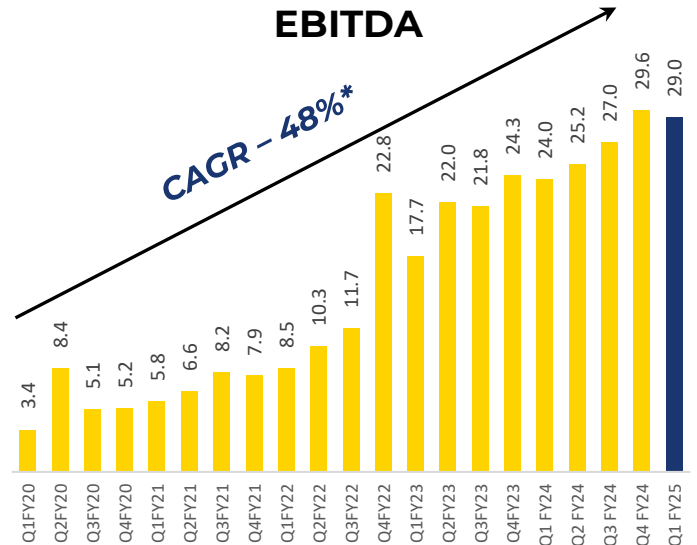
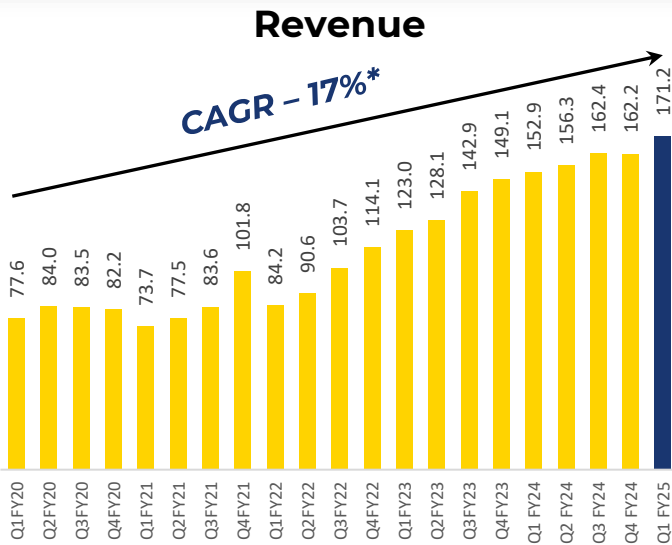
The business has transformed itself since 2017 into a Bank Outsourcing Solutions (BOS) provider and not merely a provider of cash logistics. Today more than 70% of our contracts are directly with the banks and not dependent on any third parties. The business has increased and widened the depth of its engagement with customers, offering more and new innovative technology solutions.

### Not another ATM Replenishment Business

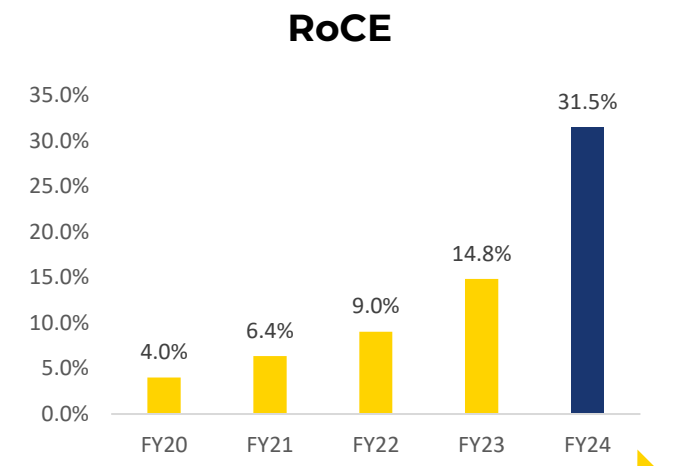
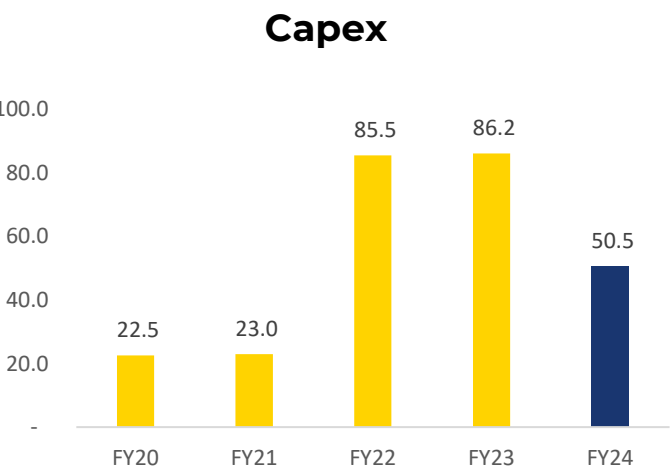
We are the leaders in Innovative solutions in the industry and only around 20% of our business is from traditional ATM business. Our New innovative solutions include bullion management, PEGE, Value Cargo, Cash today and Cash Process Outsourcing (CPO). These new age solutions have delivered a revenue growth of 66% in Q4 FY24 y-o-y. We introduced a QR code based DSB pick-up along with Green DSB among other innovative solutions

# Historical Financial Trends

## Quarterly Trend (₹ cr.)



\*CAGR computed from FY20 to FY24



# CEO's Commentary on Business Performance for the quarter



**Oscar Esteban**

CEO,

SIS-Prosegur JV (Cash Management Services)

## Non - ATM Services

- **Cash in Transit (CIT)** : Revenue grew 20.3 % over Q1 FY24, driven by new contracts won during the last quarter and tariff increases. Expansion through public and private banks, increasing the overall contribution of public banks to over 50%.
- **DSB (Door-Step Banking)** : .Revenue grew by 3.1% over Q1 FY24 driven by new order wins mainly in cash burial, a new offering under DSB. Deeper penetration by means of direct contracts with retail customers. In Mar-24, we got an order for 1,700 pick-up points with a retail customer across the country, which services will start from Apr-24 onwards.
- **Innovative solutions** continued its growth momentum with 91% growth over Q1 FY24 with contribution to overall revenue increased to 8.1% in Q1 FY25. Major achievements:
  - SIS-Prosegur continues to be the market leader in Cash Processing Outsourcing (CPO), being the only service provider in more than 20% of the outsourced banking currency chests in India through this unique value proposition. In Q4 we got order for deploying CPO in another 120 currency chests of a public bank, which shall get progressively implemented along FY25.
  - Bullion monthly run-rate Jun-24 vs Jun-23 increased by more than 15x through jewelry delivery.
  - In Q1 FY25, we started an important order under the end to end cash management solution (PEGE) with a monthly revenue of more than 75 lakhs.
  - We continued the expansion of our value cargo services, having increased 23% its revenue from Q1 FY24 to Q1 FY25, by means of different solutions offering, industries and customers.

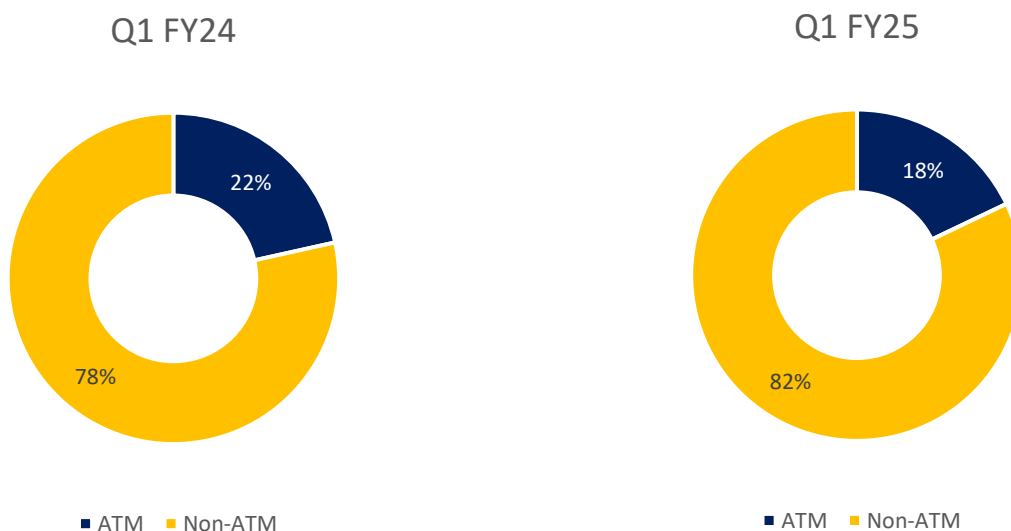
## ATM Services

- **ATM** : Revenue declined by 6.8% over Q1 FY24 due to the company's focused approach on quality than quantity and being selective on banks and customers. The former statement is materialized on lowest level of deductions, market leadership on conversion to RBI/MHA regulation and cassette swap operational mode, exceeding 90% and 27% of all ATMs under service as of Jun-24.. The average rate per serviced ATM in Jun-24 was around INR 12,000 per ATM..

# Consolidated Financial Results & Commentary

Particulars (In ₹cr.)	Q1 FY25	Q1 FY24	Q1 FY25 vs Q1 FY24	Q4 FY24	Q1 FY25 vs Q4 FY24
<b>Revenue</b>	<b>171.2</b>	<b>152.9</b>	<b>12.0%</b>	<b>162.2</b>	<b>5.6%</b>
<b>EBITDA</b>	<b>29.0</b>	<b>24.0</b>	<b>21.3%</b>	<b>29.6</b>	<b>-1.8%</b>
<b>EBITDA Margin%</b>	<b>17.0%</b>	<b>15.7%</b>		<b>18.2%</b>	
Depreciation	8.5	7.3	16.9%	8.7	-1.4%
Finance Costs	5.5	6.1	-9.5%	4.7	15.5%
Other income	1.9	1.4	33.4%	3.5	-46.3%
<b>Earnings Before Taxes</b>	<b>16.9</b>	<b>12.0</b>	<b>40.9%</b>	<b>19.6</b>	<b>-14.0%</b>
EBT Margin%	9.9%	7.8%		12.1%	
Tax Expenses	2.9	1.4		7.1	
<b>Profit After Taxes</b>	<b>13.9</b>	<b>10.6</b>	<b>32.0%</b>	<b>12.5</b>	<b>11.2%</b>
PAT Margin%	<b>8.1%</b>	<b>6.9%</b>		<b>7.7%</b>	
OCF	28.2	19.0		21.4	
<b>OCF to EBITDA%</b>	<b>97.2%</b>	<b>79.1%</b>		<b>72.5%</b>	
Net Debt	104.0	164.6		119.7	
<b>Net Debt to EBITDA</b>	<b>0.94</b>	<b>1.79</b>		<b>1.13</b>	

## Revenue Mix



# Leverage and Financing

## Cash flows, Leverage (Net Debt) and Return Ratios

**Net Debt / EBITDA** was 0.94 as of end of Q1 FY25, which declined compared to 1.13 as at end of Q4 FY24 due to repayment of loans during the quarter.

**OCF/EBITDA** on a consolidated basis was a healthy 97.2% for the quarter.

**Return Ratios:** Our Consolidated Return on Capital employed (ROCE) which is a reflection of the operating earnings as a percentage of operating capital is **31.5%** and Return on Equity (RoE) is **39.1%**..

## Q1 FY25 Cash Flow:

Particulars (in ₹cr.) Consolidated	June 2024
PBT	16.9
<b>Cash Profit</b>	<b>31.6</b>
Changes in working capital	-0.7
Taxes paid	-2.7
<b>Net Operating cash flows</b>	<b>28.2</b>
Capex	-6.4
Investments made/realised	0.0
Other items	0.0
<b>Net Investing cash flows</b>	<b>-6.4</b>
Borrowings, net	-8.3
Lease liability	-1.7
Interest paid	-2.9
Other items	0.0
<b>Net financing cash flows</b>	<b>-13.0</b>
<b>Net change in cash flows</b>	<b>8.9</b>
<b>EBITDA</b>	29.0
<b>OCF/EBITDA%</b>	<b>97.2%</b>

## Net Debt

The movement in Net debt for Q1 FY25 is provided in the table and chart below:

Particulars (in ₹cr.)	June 2024	March 2024
Borrowings	188.3	205.9
Add: Lease liabilities	37.9	36.4
<b>Gross Debt</b>	<b>226.3</b>	<b>242.4</b>
Less: Cash and Cash Equivalents	122.3	122.7
<b>Net Debt</b>	<b>104.0</b>	<b>119.7</b>



# SIS Prosegur Journey



# SIS-Prosegur transformative journey

## Timeline of Key Events

- Rating: A Stable (LT). A1 (ST)
- 61% increase in total revenue
- 98% growth in EBITDA
- 79% growth in new services revenue

FY22  
–  
FY24

FY19  
–  
FY21

FY16  
–  
FY18

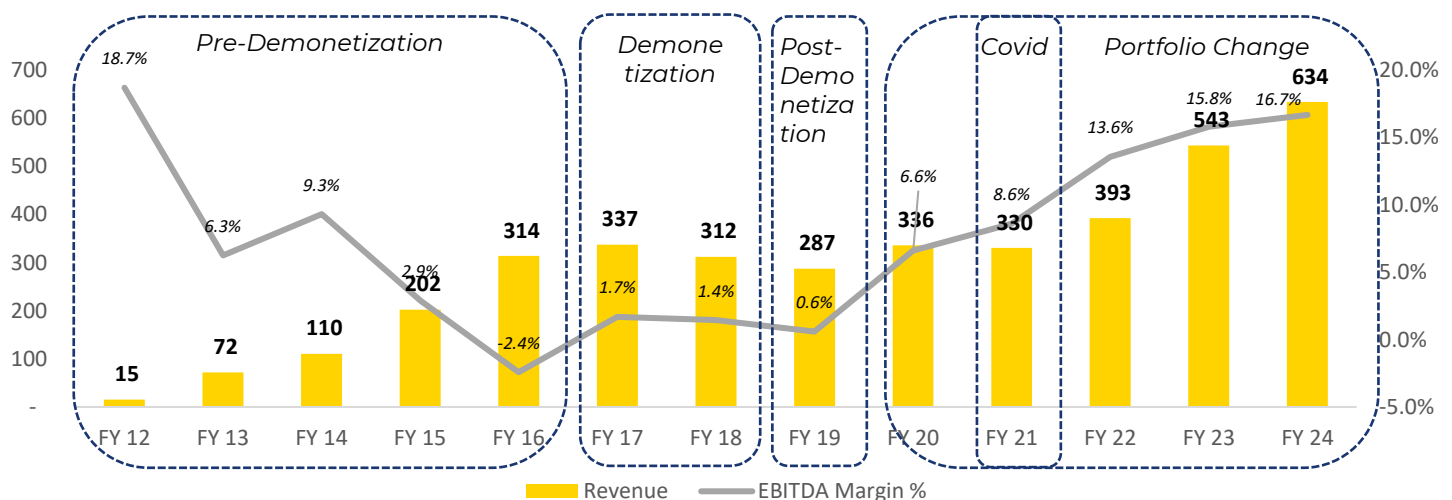
FY13  
–  
FY15

SIS & Prosegur  
form a JV

FY12

- Introduction of 4 new business lines.
- Strong growth even through COVID

Strong organic and inorganic growth: Focused on ATM services



Adapting and Thriving Through Change

# Company Overview



**PROSEGUR**

**GLOBAL**

Market leader

**160,000+**

Employees

**10,000+**

Vehicles for cash movement

**25**

Countries in 5 continents

**SIS PROSEGUR**

LEADER IN CASH LOGISTICS >>

**JV since 2012**

**~9,000**

ATMs

**10,000+**

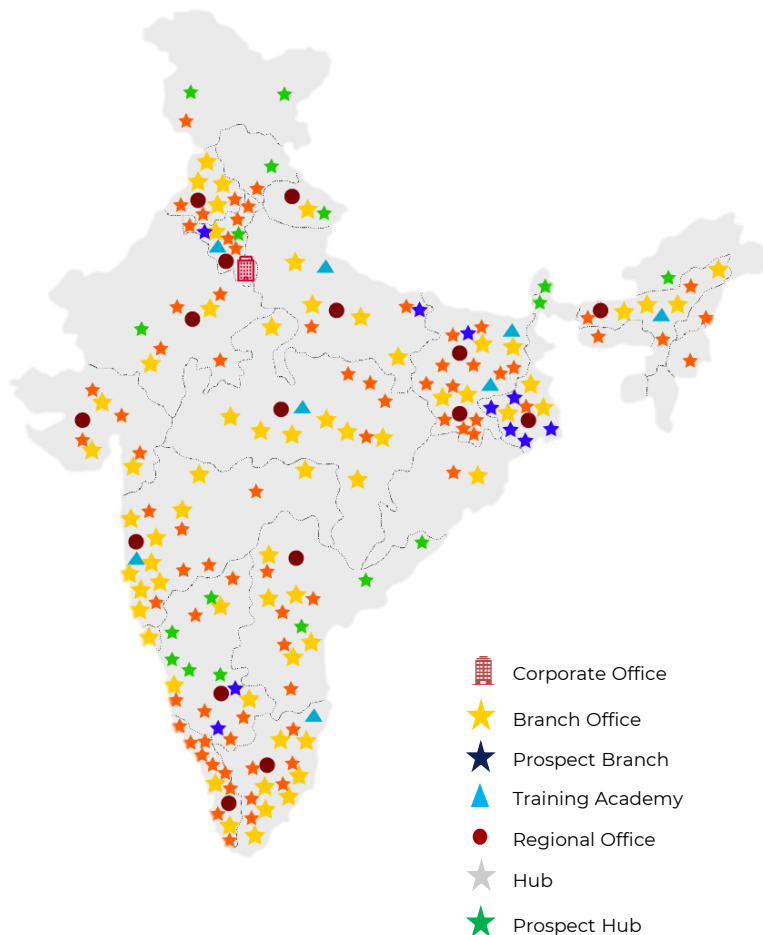
Employees

**3,000+**

Cash vans

**22,000+**

Retail Points



**15**

**Regions**



**90+**

**Branches**



**60+**

**Vaults**

**SIS-Prosegur is the 2<sup>nd</sup> largest cash management solutions provider in India**

# Services Overview

**SIS-Prosegur offers a Comprehensive Range of Traditional Cash Management Solutions...**



**Cash in Transit (CIT)**



**Cash Pickup & Delivery (DSB)**



**ATM Cash Replenishment and FLM**



**Cash Assistant – Cash Processor**

**...along with New, Innovative Solutions**



**Bullion Management**



**Value Cargo**



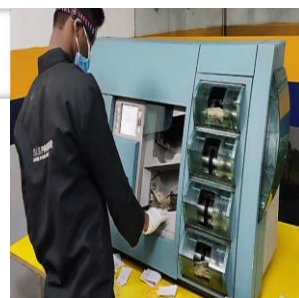
**PEGE**



**CashToday**



**Cash Processing Outsourcing**



# World class technology and innovation to enhance efficiency



## Bank on Wheels:

**Description:** Fully equipped mobile bank branch.

**Tech Aspect:** Leveraging mobile technology to bring banking services to underserved areas, ensuring financial inclusion and convenience.



## World-class NoC:

**Description:** Control Center for risk mitigation.

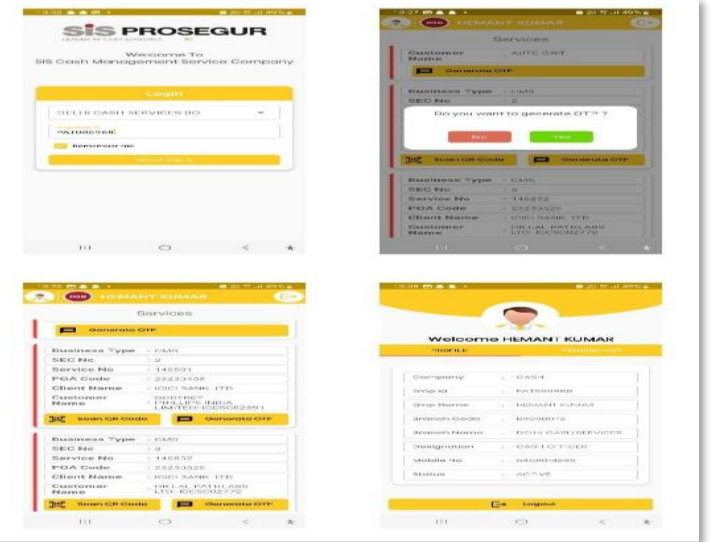
**Tech Aspect:** Utilizing advanced technologies for real-time operations risk tracking, enhancing security and operational efficiency.



## Cash Today:

**Description:** Holistic back-office end to end solution for retail cash.

**Tech Aspect:** On-line solution with cash loss risk covered by SIS-Prosegur, which makes retail owners forgetting about cash management, connecting physical and online operations seamlessly.



## Applications for Service Data:

**Description:** : Seamlessly capturing service data from PoS to billing.

**Tech Aspect:** Integrating cutting-edge applications to streamline data capture and processing, ensuring accuracy and efficiency from point-of-sale to billing, bringing visibility to operations.

**Harnessing robust technology to drive efficiency, security, and innovation across our services**

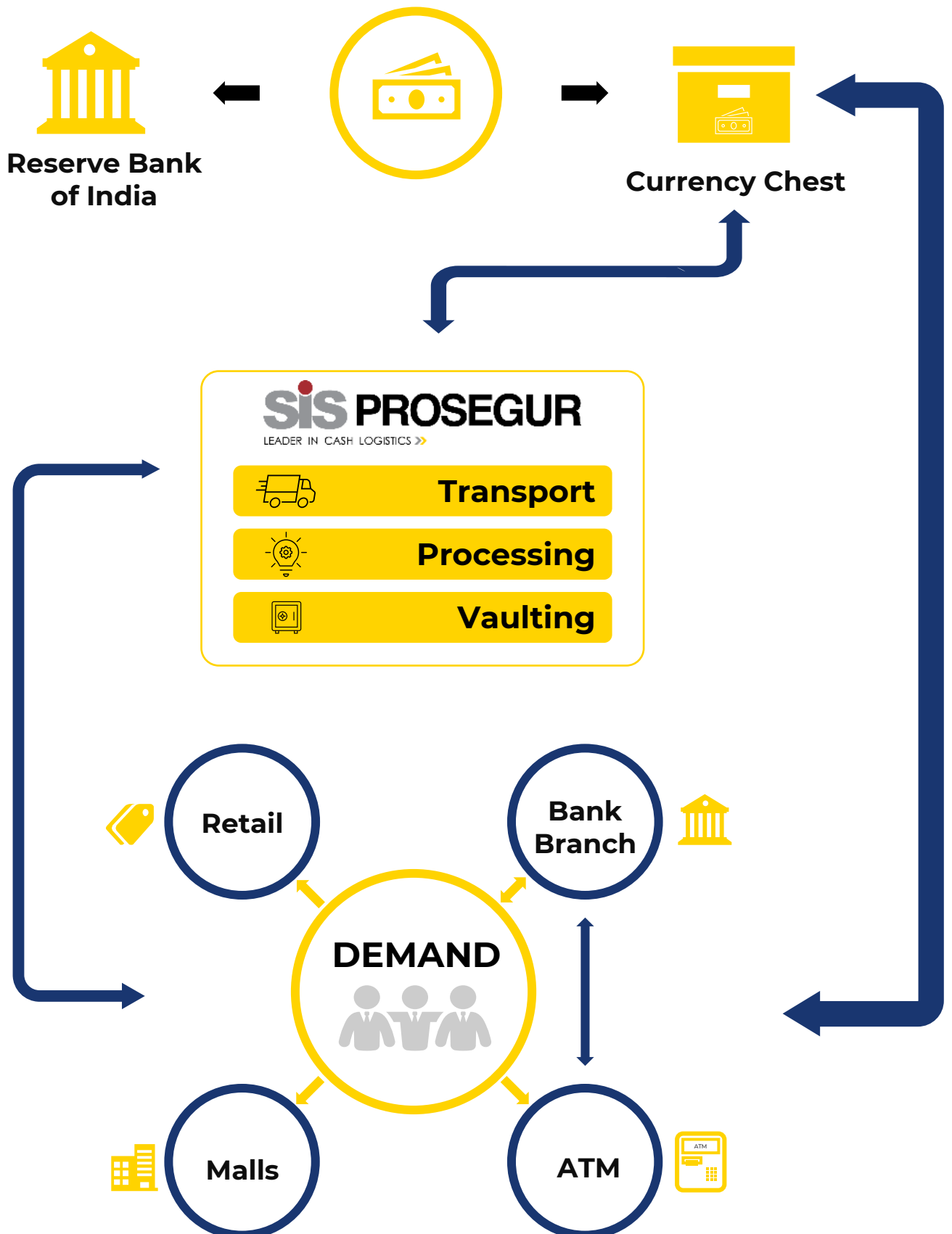


# Industry Overview



# Cash Supply Chain

SIS-Prosegur is key in keeping India's economy moving

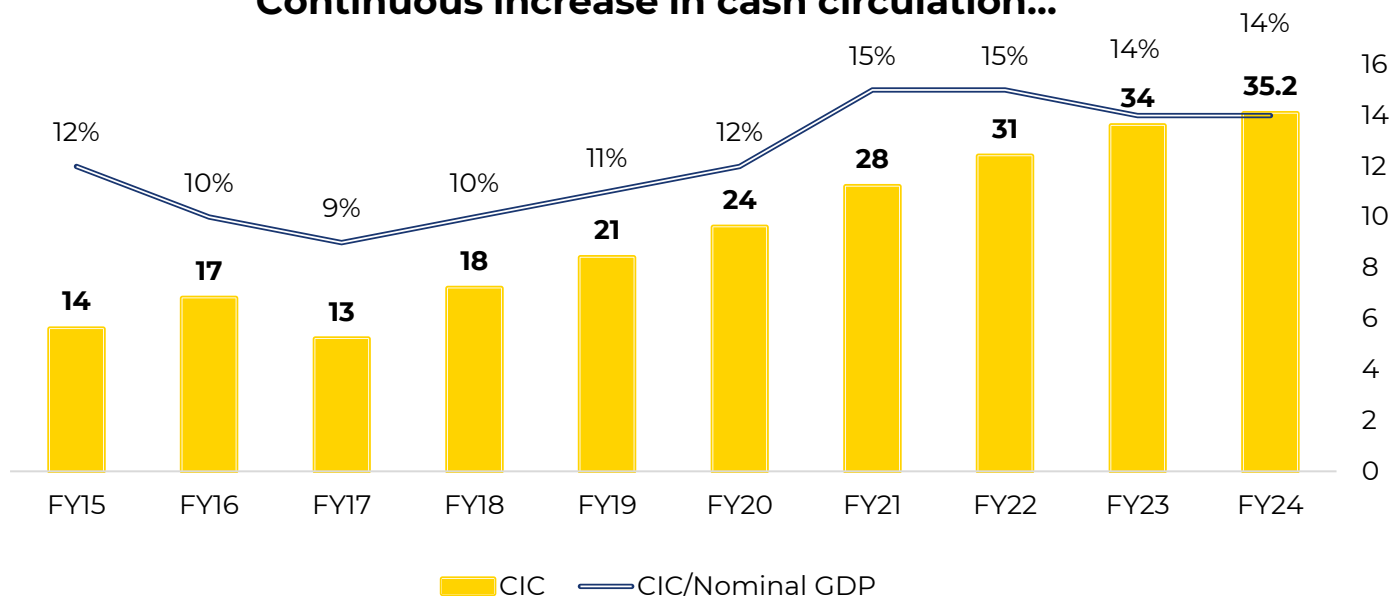




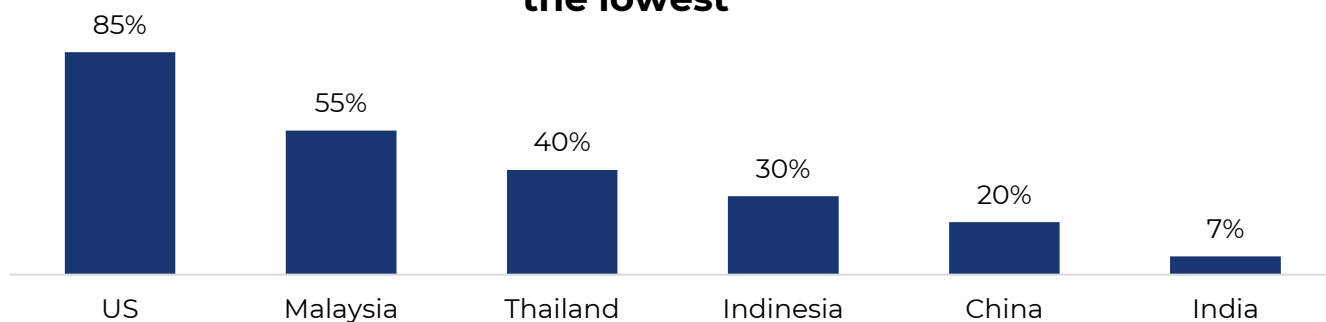
# Industry Overview

(INR Tn)

## Continuous increase in cash circulation...

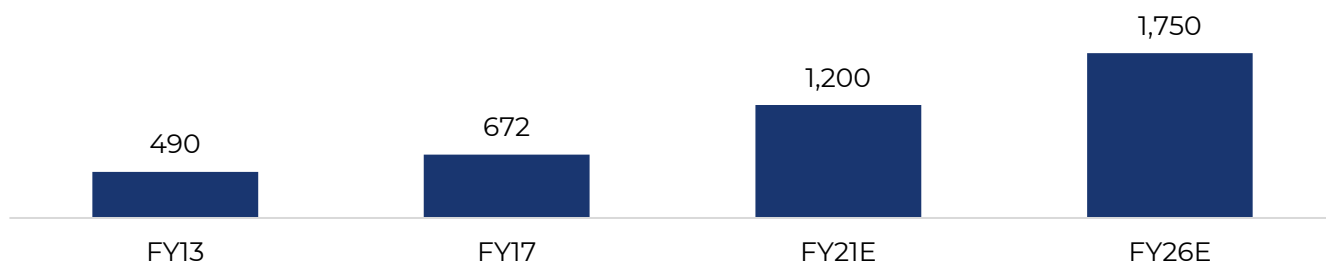


## The percentage of organized retail in India ranks among the lowest



(INR Bn)

## Anticipated acceleration in the growth of the retail market size



**India's cash transactions are expected to grow at a faster CAGR compared to previous years**

# Cash Management Market Overview

## Organized Retail as a New Customer

- Growth in organized retail and higher compliance costs have created a new customer segment for the cash management industry: organized retail



## Business Composition

- Predominantly cash logistics (90%), with 25% of operations still in-house by banks.
- In mature markets, the industry ratio is 60:40 (logistics: processing).

## Focus on Compliance

- 1<sup>st</sup> player prepared for phase 1-cassette swap in 2023, 3 months ahead of the industry
- Enhanced focus on compliance and professionalism

## Regulatory Environment

- Increase in barriers to entry
- High capex requirements

## Opportunities in Cash

1

### High Cash in Circulation

₹30 lakh crores, up from ₹17.5 crores pre-demonetization, means cash continues to be king.

2

### Innovative Solution gaining traction

CashToday and PEGE opportunities are increasing, especially with greater retail penetration

3

### Banks Increasingly Outsourcing

Opportunities for CPO & CA-CP are expected to rise. Additionally, there are opportunities in branch outsourcing and cash delivery

4

### Inorganic Growth Opportunities

Synergies are being explored for potential acquisitions and mergers

5

### RBI/MHA & Cassette Swap Implementation

Improved compliance across locations is expected to generate better margins, particularly in the ATM business segment

# Why SIS Cash



**Industry Leader**



**Pan-India Service Network**



**Reputation for Excellence**



**Strong Quality Control**



**24x7 Monitoring**



**Robust Process Design**



**Technology Adaptive**



**Global Best Practices**



**Customized Training**



**Balanced Services Portfolio**



**Pioneer in Compliance**

**Leader in Innovation**