Group Enterprises

A Market Leader in Security, Cash Logistics & Facility Management

Q1 FY27

EARNINGS UPDATE

5 August 2026

Results commentary from Group Managing Director

Q1-FY27

Q1 FY27	Revenue	EBITDA	PAT
	₹4,604 cr.	₹207 cr.	₹102 cr.
	30% ↑	36% ↑	9% ↑
	Q1 FY26: ₹3,548 cr.	Q1 FY26: ₹152 cr.	Q1 FY26: ₹93 cr.

ROCE	ROE
16.7% ↑	15.8%
FY26: 16.5%	FY26: 15.8%

"With Labour Codes implementation and strong execution in Q1, FY27 is set to be an inflection year. We are pleased to be amongst the first few to tap the open market route for our buyback, which is scheduled to open next week. With this buyback, SIS will have returned over INR 700 cr. to shareholders since IPO"

Rituraj Sinha
Group Managing Director

Quantum jump over Q1FY26

SIS forges ahead on its growth trajectory in FY27 and ended Q1 FY27 with a June run rate of over INR 1,578 cr. At the consolidated level, SIS achieved revenue of INR 4,604 cr., for Q1-FY27, up 29.7% y-o-y and 2.5% q-o-q. EBITDA crossed the INR 200 cr. mark again at INR 207 cr., up 36.2% y-o-y, with robust performance across segments.

Over INR 700 cr. returned to shareholders since listing

SIS has regularly returned capital to shareholders since listing. Across 4 completed buybacks (~INR 420 cr.; cumulatively ~86 lakh shares have been extinguished → ~5.81% of 14.83 cr. shares as of FY21), and 4 dividends (~INR 180 cr.), the company has returned ~INR 600 cr. The proposed 5th buyback commits up to a further INR 106 cr., taking the cumulative total to ~INR 706 cr. The board has approved a maximum buyback price of ~INR 478.50 per share, to be executed via the open market route starting next week.

Return ratios moving up consistently

Our consolidated ROCE is 16.7%, up from 11.8% in Q1 FY25, an increase of 487 bps. RoE for June is 15.8%, up from 9.4% in Q1 FY25, an increase of 647 bps over eight quarters. This underscores the quality of earnings and the discipline of our capital allocation.

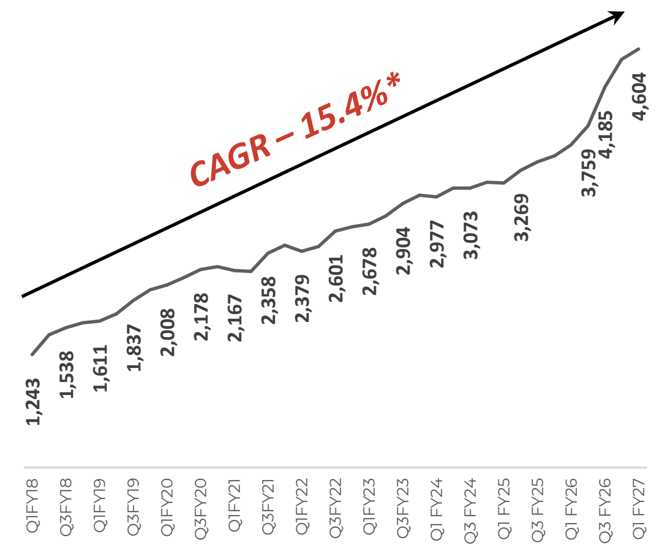
Labour Codes: Tailwind for SIS

Our readiness for the Labour Codes has been years in the making, built across regulatory engagement, proprietary compliance automation with software upgrade and customer engagement program. We formally launched our Labour Code Implementation Project from 1 April 2026, migrating ~15,000 existing contracts to labour code compliant rate structures. We also went live with a new invoicing and compliance-assurance system across our security businesses, under which every invoice is now issued with a complete, auto-generated Labour Code compliance docket. This is now being extended across our India businesses. Labour Codes, once implemented, shall not only help with the creation of a level playing field in the industry, but shall also boost manpower retention, support margin accretion and reduction in working capital investments in the business.

Historical Financial Trends

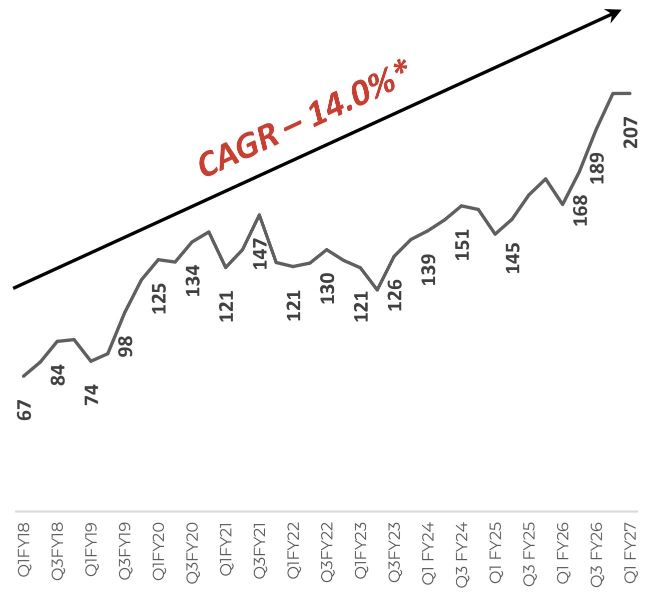
Quarterly Trend (₹ cr.)

Revenue

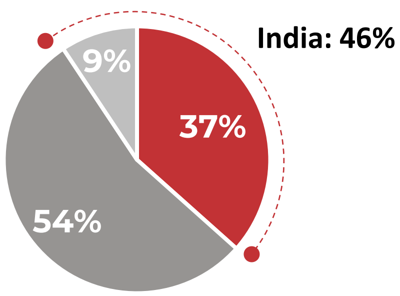


*FY17-26 CAGR%

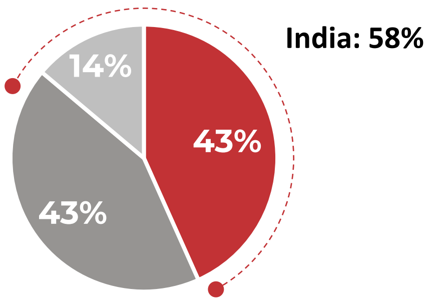
EBITDA



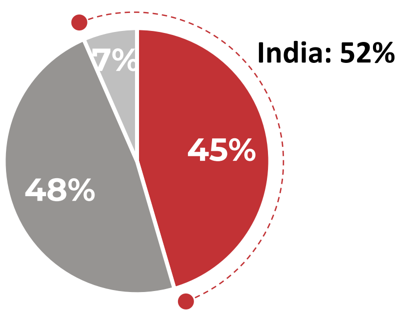
FY17 Revenue Contribution



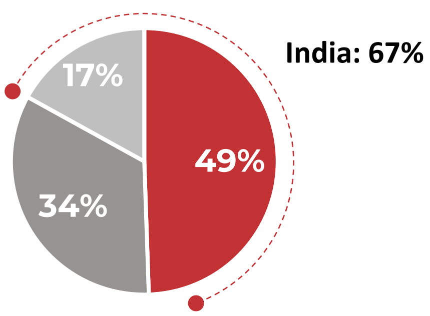
Q1 FY27 Revenue Contribution



FY17 EBITDA Contribution



Q1 FY27 EBITDA Contribution



Facility Management Solutions   Security Solutions - India   Security Solutions - International

Consolidated Financial Results & Commentary

Particulars (In ₹cr.)	Quarterly Numbers			Change %	
	Q1 FY27	Q1 FY26	Q4 FY26	Y-o-Y	Q-o-Q
Revenue	**4,603.6**	**3,548.5**	**4,489.3**	*29.7%*	*2.5%*
EBITDA	**207.1**	**152.1**	**207.0**	*36.2%*	*0.0%*
EBITDA Margin%	*4.5%*	*4.3%*	*4.6%*		
Depreciation	54.7	39.9	61.7	*37.2%*	*-11.4%*
Finance Costs	50.3	40.9	41.1	*23.0%*	*22.3%*
Other income & share of profit/(loss) in associates	19.9	26.0	20.5		
Less: Acquisition related costs / (income)					
Depreciation	7.8	1.7	*8.6*		
Finance Costs	7.8	0.0	*7.5*		
Earnings Before Taxes	**106.4**	**95.6**	**108.6**	*11.2%*	*-2.0%*
EBT Margin%	*2.3%*	*2.7%*	*2.4%*		
Tax Expenses	4.7	2.7	6.1		
Profit After Taxes	**101.7**	**92.9**	**102.5**	*9.4%*	*-0.8%*
Reported PAT Margin%	*2.2%*	*2.6%*	*2.3%*		
EPS	7.2	6.4	7.3		
OCF	87.7	160.8	420.9		
OCF to EBITDA%	***42.3%***	***174.8%***	***203.3%***		
Net Debt	807.1	540.3	706.9		
Net Debt to EBITDA (LTM EBITDA)	***1.05***	***0.71***	**0.99**		

Revenue, EBITDA, and PAT Growth Development by Business Segment

Business Segments	Revenue Growth		EBITDA Growth		PAT Growth	
Total Growth - %	Q1 FY27 v/s Q1 FY26	Q1 FY27 v/s Q4 FY26	Q1 FY27 v/s Q1 FY26	Q1 FY27 v/s Q4 FY26	Q1 FY27 v/s Q1 FY26	Q1 FY27 v/s Q4 FY26
	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q
Security Solutions – India	37.3%	4.1%	31.2%	4.2%	-36.9%	-16.6%
Security Solutions – International (on a constant currency basis)	7.0%	-3.8%	24.5%	-11.1%	43.3%	-5.3%
Facility Management Solutions	8.0%	1.1%	23.7%	1.4%	-14.9%	68.7%
SIS Group Consolidated	**29.7%**	**2.5%**	**36.2%**	**0.0%**	**9.4%**	**-0.8%**

Revenue Development

Consolidated revenue for Q1 FY27 was INR 4,603.6 cr.; grew by 29.7% y-o-y and 2.5% q-o-q.

Business segment wise reported revenue growth for Q1 FY27 is as follows:

Particulars (Q 1 FY27)	YoY Change %	QoQ Change %
Security Solutions – India	37.3%	4.1%
Security Solutions – International	31.0%	1.7%
Facility Management Solutions	8.0%	1.1%

Earnings Before Interest Tax Depreciation & Amortization (EBITDA)

Consolidated EBITDA for Q1 FY27 at INR 207.1 cr. was a 36.2% increase compared to Q1 FY26.

Security Solutions – India reported an EBITDA margin of 5.1% in Q1 FY27, flat as compared to Q4 FY26 and EBITDA margin in Security Solutions – International reported 3.5% in Q1 FY27, an increase from 3.0% in Q1 FY26. The EBITDA margin in Facility Management Solutions increased to 5.5% in Q1 FY27 from 4.8% in Q1 FY26 and remained stable as compared to Q4 FY26 primarily driven by the focused execution of contract portfolio refinement and rationalization of SG&A expenses.

Business segment wise EBITDA movement for Q1 FY27 is as follows:

Particulars (in %)	Q1 FY27	Q1 FY26	YoY Change	Q4 FY26	QoQ Change
Security Solutions – India	**5.1%**	5.4%	*(30) bps*	5.1%	-
Security Solutions – International	**3.5%**	3.0%	*50 bps*	3.8%	*(30) bps*
Facility Management Solutions	**5.5%**	4.8%	*70 bps*	5.5%	-

Earnings Before Taxes (Reported)

The reported Earnings Before Taxes for the Group were INR 106.4 cr. for Q1 FY27, compared to INR 95.6 cr. for Q1 FY26 primarily due to higher EBITDA from APS acquisition.

The Group's consolidated **Depreciation & Amortization** amounted to INR 62.5 cr. for Q1 FY27, which was higher than INR 41.6 cr. for Q1 FY26 mainly due to an increase in capex deployed at customer sites, acquisition related depreciation of ₹7.8 cr. (increased by ₹6.1 cr. from Q1 FY26) and depreciation on ROU assets related to a new office multi-year lease within Security Solution – International segment.

Finance costs for the Group amounted to INR 58.1 cr., which was higher compared to Q1 FY26 of INR 40.9 cr. primarily due to an increase in interest cost of lease liabilities for a new office multi-year lease which added ~INR 3.3 cr. to finance cost in Q1 FY27 and acquisition related finance cost of ₹7.8 cr. The breakup of finance cost with lease liabilities split is placed below:

Particulars (In ₹ cr.)	Quarterly Numbers			Change %	
	Q1 FY27	Q1 FY26	Q4 FY26	Y-o-Y	Q-o-Q
Interest on lease liabilities	9.7	4.7	8.1		
Other Finance Cost	48.4	36.2	40.5		
Total Finance Cost	**58.1**	**40.9**	**48.6**	*42.2%*	*19.6%*

Taxes & Profit after Tax (PAT)

The reported Profit after Tax for the Group was at INR 101.7 cr. for Q1 FY27 compared to INR 92.9 cr. for Q1 FY26.

Ind AS 116 requires lessees to bring most lease arrangements onto the balance sheet, recognising a Right-of-Use asset and a corresponding lease liability for all leases exceeding 12 months. This replaces the straight-line rent expense with depreciation on the ROU asset and interest expense on the lease liability. Consequently, lease rentals are now reflected as depreciation and finance cost rather than as an operating expense, which inflates reported EBITDA and affects comparability with historical trends and industry peers.

The Company therefore continues to present non-Ind AS (pre-Ind AS 116) financials alongside the statutory Ind AS numbers, providing a like-for-like view of underlying operating performance consistent with the basis on which the business is managed and evaluated.

Particulars (In ₹cr.)	Quarterly Numbers		
	Q1 FY27	Q1 FY26	Q4 FY26
Reported EBITDA	**207.1**	**152.1**	**207.0**
Rent expense (A)	-18.7	-13.8	-16.4
EBITDA (w/o Ind As 116)	**188.4**	**138.3**	**190.7**
Depreciation – ROU (B)	17.8	12.1	16.5
Interest expense on lease liability (C)	9.7	4.7	8.1
Total Impact (A+B+C)	**8.8**	**3.0**	**8.2**
Reported PAT	**101.7**	**92.9**	**102.5**
PAT (w/o Ind As 116)	**110.5**	**96.0**	**110.8**

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 FY25 and FY26. In FY27, the Group is also eligible to claim benefits in respect of those eligible employees employed in FY26 and completing a period of employment of at least 240 days in FY27.

The current tax rate reflects the amount of tax on a standalone basis 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 are computed below for SIS standalone:

Particulars (in ₹ cr.)	Q1 FY27	Q1 FY26	Q4 FY26
PBT – A	**51.4**	**96.3**	**44.1**
Current tax	5.3	7.6	-13.0
Less: Tax on Capital Gains and dividends	-	-	12.0
Adjusted current tax – B	**5.3**	**7.6**	**-0.9**
Deferred tax effect on timing differences	-5.0	-2.1	2.3
Total tax items – C	**0.3**	**5.5**	**2.3**
Adjusted Current tax rate (B/A)	10.4%	7.9%	-2.1%
Real Effective tax rate (C/A)	**0.6%**	**5.7%**	**5.2%**

Leverage and Financing

Cash flows, Leverage (Net Debt) and Return Ratios

Net Debt / EBITDA was **1.05** as at end of Q1 FY27, which increased compared to 0.99 as at end of Q4 FY26. This was primarily due to an increase in DSO.

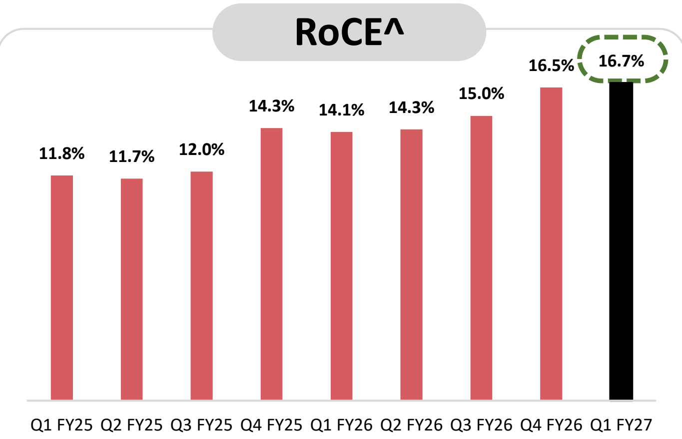
OCF/EBITDA on a consolidated basis was **42.3%** for the quarter due to **an increase in DSO**.

Return Ratios: Our Consolidated Return on Capital employed (ROCE), which is a reflection of the operating earnings as the percentage of operating capital is **16.7%**. Our Return on Equity (RoE) is **15.8%**.

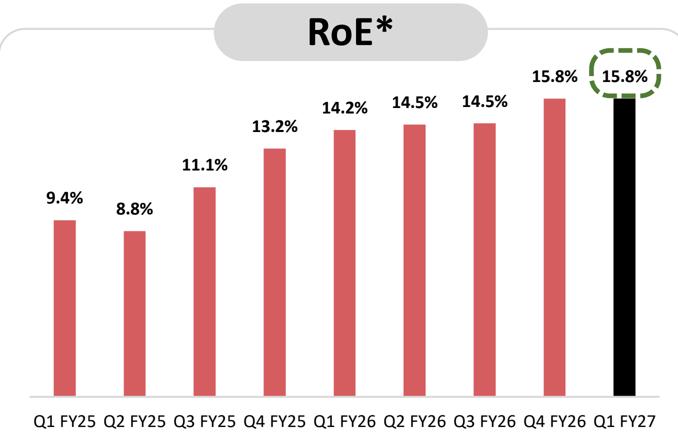
Q1 FY27 Cash Flow:

Particulars (in ₹ cr.)	IND – SEC	INT - SEC	FM	Consolidated*
PBT	61.6	33.6	22.1	106.4
Cash Profit	**114.5**	**70.0**	**37.0**	**220.4**
Changes in working capital	-150.6	69.6	-24.8	-105.9
Taxes paid	-6.1	-11.9	-8.8	-26.8
Net Operating cash flows	**-42.2**	**127.7**	**3.3**	**87.7**
Capex	-35.2	-12.9	-7.5	-55.6
Investments made/realised	-61.5	0.0	0.0	-59.0
Net Investing cash flows	**-96.7**	**-12.9**	**-7.5**	**-114.5**
Borrowings, net	-3.8	-51.7	-5.0	-60.5
Lease liability	-10.9	-10.9	-3.0	-24.6
Interest paid	-14.2	-8.7	-2.3	-25.2
Other items	0.0	-0.1	1.6	1.5
Net financing cash flows	**-29.0**	**-71.5**	**-8.6**	**-108.8**
Net change in cash flows	**-167.9**	**43.4**	**-12.7**	**-135.7**
EBITDA	**102.5**	**69.6**	**35.2**	**207.1**
OCF/EBITDA%	**-41.2%**	**183.5%**	**9.5%**	**42.3%**

*Consolidated cashflows include impact from eliminations.



^RoCE is computed post adjusting the acquisition-related expenses



**Return on Equity (RoE) post adjusting the impairment charge and gratuity expense*

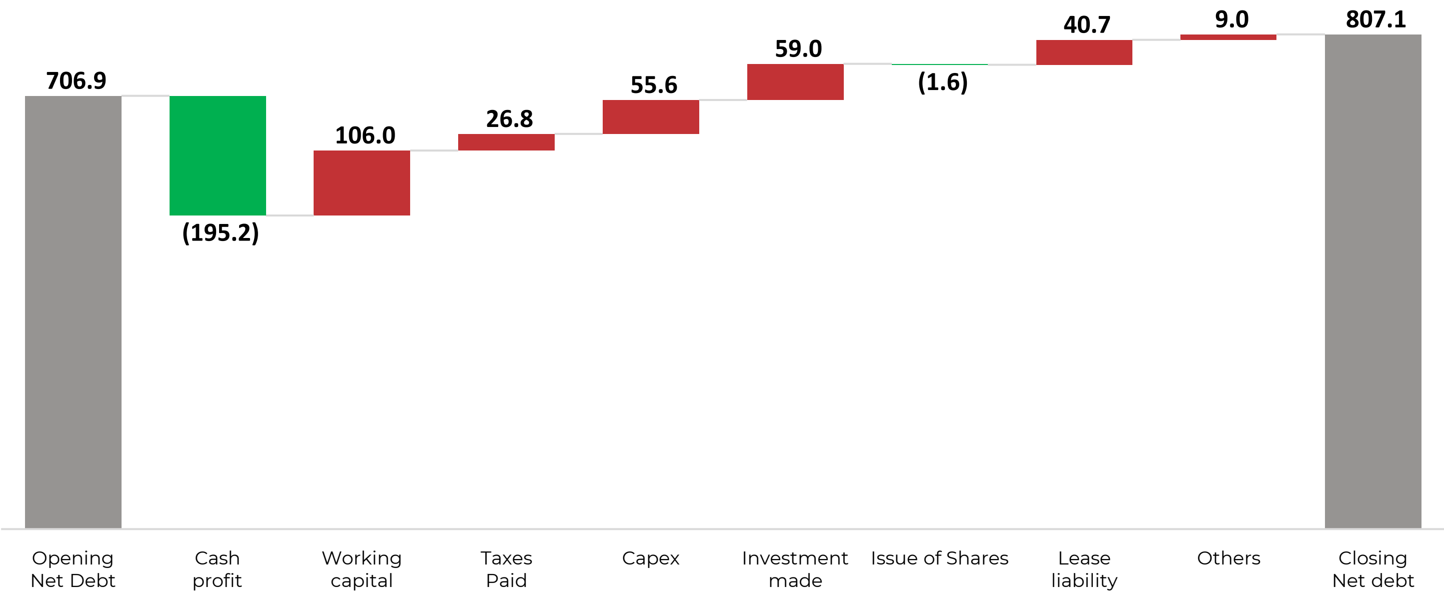
Leverage and Financing

Leverage (Net Debt)

The movement in Net debt for Q1 FY27 is provided in the table and chart below:

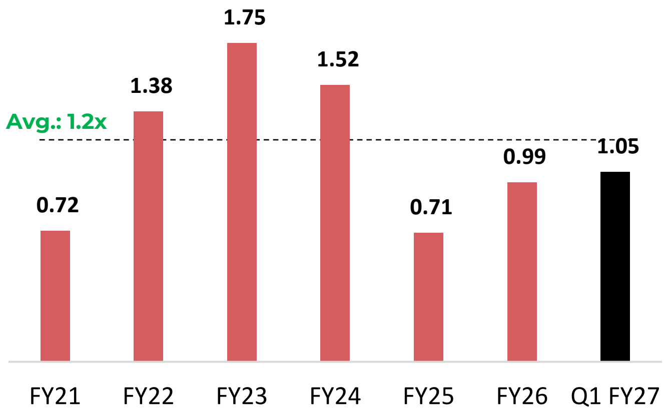
Particulars (in ₹ cr.)	June 2026			March 2026		
	India	Intl	Total	India	Intl	Total
Long-term borrowings	333	519	852	340	557	897
Working capital borrowings	744	28	772	508	30	538
Add: Lease liabilities	140	230	370	124	230	354
Gross Debt	**1,216**	**777**	**1,993**	**972**	**817**	**1,789**
Less: Cash and Cash Equivalents	420	766	1,186	365	717	1,082
Net Debt	**796**	**11**	**807**	**607**	**100**	**707**

Net Debt Bridge (in ₹ cr.) – Q1 FY27 (1st April '26 – 30th June '26):

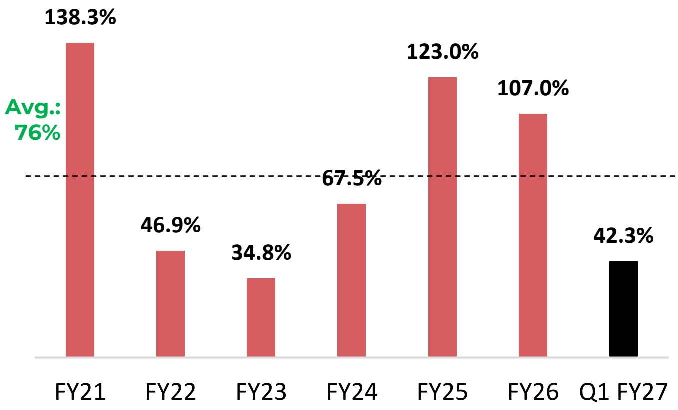


KPIs – Consolidated

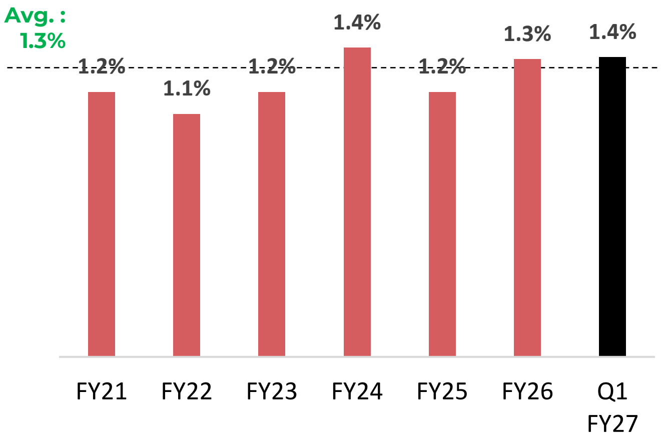
Net Debt / EBITDA (x)



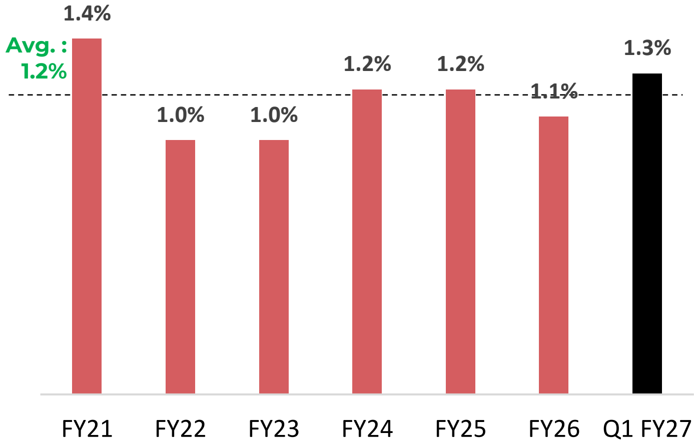
OCF / EBITDA (%)



Depreciation as a % revenue



Finance Cost as a % revenue



Security Solutions – India

The Security Solutions - India business comprises six entities.

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

The business currently operates across 197 branches with
- **Billable employees: 2,53,210**
- **Non-billable employees: 3,475**

Continued Growth Momentum with Record Revenue

The segment has achieved a new revenue milestone of INR 2,004.1 cr. for Q1 FY27, which was 37.3% growth YoY and continuing the growth momentum.

Our new order wins during the quarter were around INR 51 cr. of monthly revenue. Major wins during the quarter came from the Education, Healthcare, E-commerce and BFSI sectors.

Strong EBITDA Growth with Stable Margins

The segment has reported a quarterly EBITDA of INR 102.5 cr. in Q1 FY27, a 31.2% growth y-o-y. EBITDA margin remained stable at 5.1% in Q1 FY27 compared to that of Q4 FY26.

Margin improvement initiatives

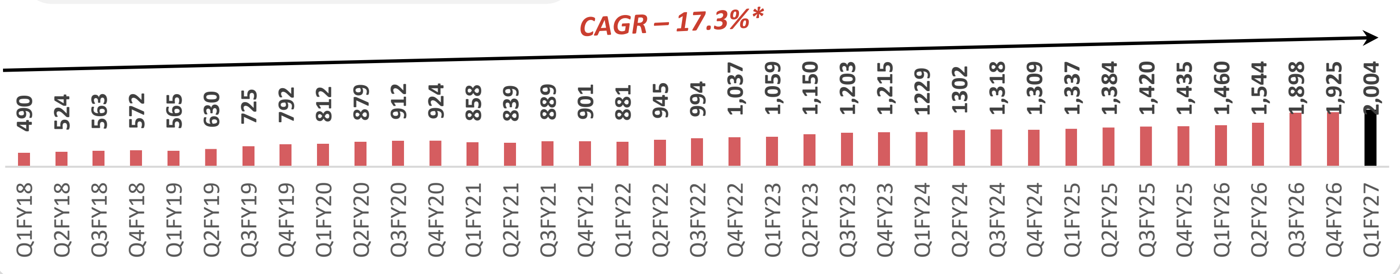
The company continues to focus on margin improvement initiatives like regular review of low-margin contracts and implementation of corrective actions to enhance profitability, tight control over operating expenses and special cost optimization projects across operations.

Improved Working Capital Efficiency

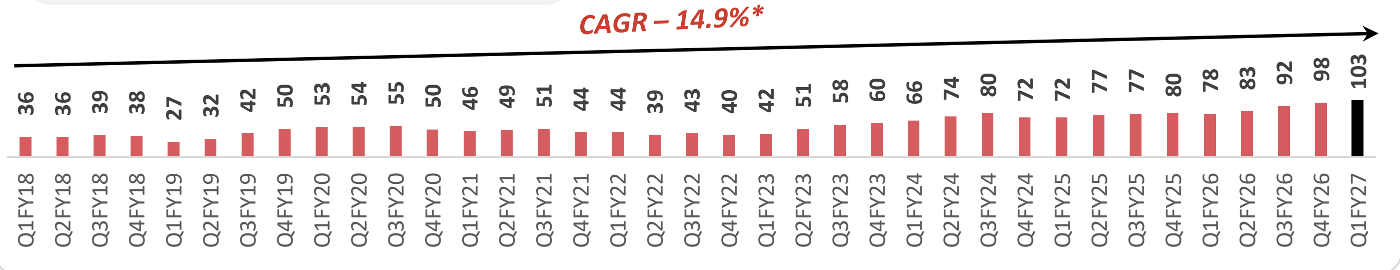
DSO for the quarter stood at 74 days - 2 days better than 76 days at the end of June 2025, but DSOs for the quarter ended March 2026 were at 67 days. DSOs were impacted due to ongoing discussions with customers on rate revisions on account of Labour Codes compliance.

Particulars (in ₹ cr.)	Q1 FY27	Q1 FY26	Y-o-Y Change %	Q4 FY26	QoQ Change %
Revenue	**2,004.1**	1,459.9	37.3%	1,925.3	4.1%
Reported EBITDA	**102.5**	78.2	31.2%	98.4	4.2%
Reported EBITDA%	**5.1%**	5.4%		5.1%	
Share of group Revenue%	**43.5%**	41.1%		42.9%	
Share of group EBITDA%	**49.5%**	51.4%		47.5%	

Quarterly Revenue Trend (₹ cr.)



Quarterly EBITDA Trend (₹ cr.)



*FY17-26 CAGR%

Security Solutions – International

The Security Solutions - International business comprises four entities.

We continue to be the market leader in Australia.

The International Security business currently has
- **Billable employees: 11,155**
- **Non-billable employees: 433**

Record Quarterly Revenue Driven by Strong New Business Wins

The segment has reported the highest ever quarterly revenues of INR 1,981.9 cr. for Q1 FY27, which was 31.0% growth YoY (Constant currency basis: 7.0% y-o-y) and continued the growth momentum on account of new wins. New wins during the quarter primarily came from the Defence and the Aviation sectors.

Strong EBITDA Growth with Continued Margin Expansion

The segment has reported quarterly EBITDA of INR 69.6 cr. for Q1 FY27, which was 52.4% growth YoY. The EBITDA margin for Q1 FY27 was 3.5% compared to 3.0% in Q1 FY26. Margin improvement remains the key focus of management and the team is focused on implementing margin improvement initiatives to enhance profitability through FY27.

Contractual Price Escalations Mitigate Wage Inflation Impact

During the quarter, Fair Work Australia announced a 4.75% increase in the national minimum wage, effective July 2026. While the Company is required to implement these wage increases, a significant proportion of client contracts provide for corresponding price revisions upon their respective contract anniversaries.

Persistent Labour Shortages Result in Elevated Labour Costs

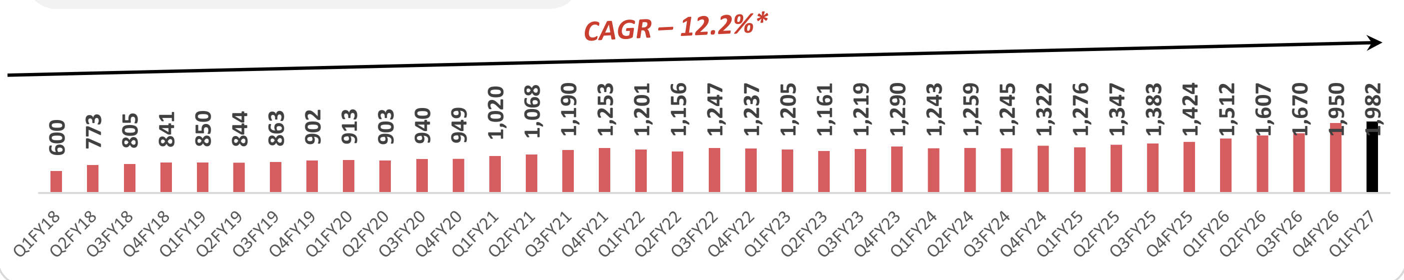
The continued labour shortages due to low unemployment rates of 4.4% (as per the Australian Bureau of Statistics for May 2026) in Australia continued to result in higher labour costs, which are expected to continue for the medium term.

Strong Cash Conversion with Improved DSOs

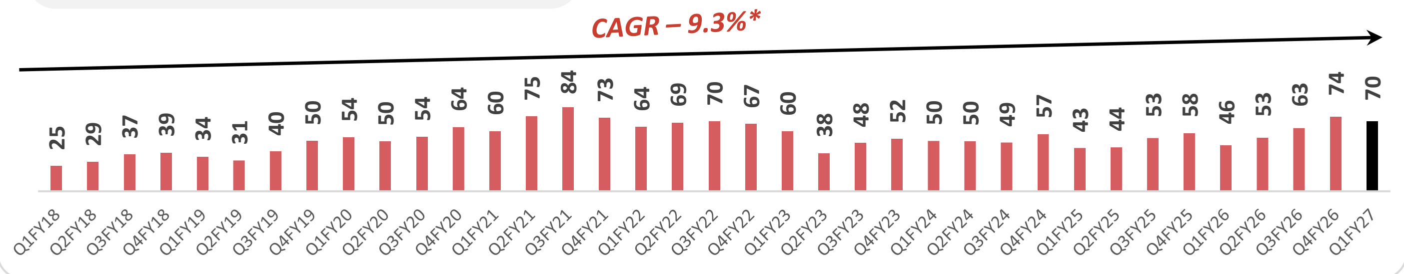
DSOs improved by 1 day to 48 days at the end of June 2026 compared to 49 days at the end of June 2025. The business reported a strong OCF/EBITDA of 183.5% during the quarter.

Particulars (in ₹cr.)	Q1 FY27	Q1 FY26	Y-o-Y Change %	Q4 FY26	QoQ Change %
Revenue	**1,981.9**	1,512.5	*31.0%*	1,949.6	*1.7%*
EBITDA	**69.6**	45.7	*52.4%*	74.1	*-6.1%*
EBITDA%	**3.5%**	3.0%		3.8%	
Share of group Revenue%	**43.1%**	42.6%		43.4%	
Share of group EBITDA%	**33.6%**	30.0%		35.8%	

Quarterly Revenue Trend (₹ cr.)



Quarterly EBITDA Trend (₹ cr.)



*FY17-26 CAGR%

Case Study: ManTech Security Solutions

Technology-led Rail Network Security

Client Profile

One of Australia's largest metropolitan passenger rail networks - carrying over **1.4 million passenger journeys every day** across **178 stations** spanning **~815 route kilometers**, operating **24/7 without pause**. Managing security for a network that never stops.

Challenge:

- Immense **scale and round-the-clock complexity** — securing 178 stations across ~815 km with continuous 24/7 operations.
- Fragmented, siloed monitoring systems created surveillance **blind spots** across the network.
- **Delayed incident response** caused by disjointed alerting and manual coordination.
- **Limited manpower** stretched thin across a vast, dispersed station footprint.
- Compliance and shift assurance **difficult to track and evidence in real time**

Intervention

The network didn't need more people — it needed smarter security. MSS Security deployed a fully integrated, technology-led model, replacing presence-only guarding with intelligence-driven oversight. Key elements of the solution:

- **iOPS command platform with live guard tracking:** Every station connected and real-time visibility of officer location, delivering centralized, real-time control across the network of 178 stations.
- **NFC check-ins & welfare checks:** Verified patrols and officer-safety confirmation at each point, captured digitally.
- **Real-time compliance:** Every shift verified instantly, generating audit-ready digital records.
- **Intelligence-led response:** Consolidated alerting and analytics to close blind spots with swift action.

Outcomes → Intelligence. Integration. Control.

400+ incident reports generated - faster, better-evidenced response.

Surveillance blind spots eliminated through connected, network-wide monitoring.

5,700+ digital logs captured - real-time, audit-ready compliance.

Improved reporting and oversight **without adding headcount**.

1,500+ audits completed - strengthened compliance assurance.

A technology-led deployment securing a major 24/7 Australian metro rail network — intelligence-driven oversight delivering faster response and audit-ready compliance without adding headcount.

Facility Management Solutions

The Facility Management business comprises five entities.

The Group operates the largest FM business in India.

The FM business currently operates across 82 branches with
- Billable employees: 83,812
- Non-billable employees: 854

Sustained Growth with Strong Traction in Core Sectors

The segment has reported quarterly revenues of INR 642.0 cr. for Q1 FY27, which was 8.0% growth YoY and continuing the growth momentum.

Our new order wins during the quarter were more than INR 22 cr. of monthly revenue. Major wins during the quarter came from the Education, Manufacturing & Hospitality sectors.

Strong EBITDA Growth. Margin improvement trend continues

The segment has reported the highest ever quarterly EBITDA of INR 35.2 cr. for Q1 FY27, which was a 23.7% growth YoY. The EBITDA margin for Q1 FY27 was 5.5% compared to 4.8% in Q1 FY26. Margin improvement was supported by continued contract portfolio optimization and disciplined SG&A rationalization.

Growing Demand for Integrated IFM Solutions

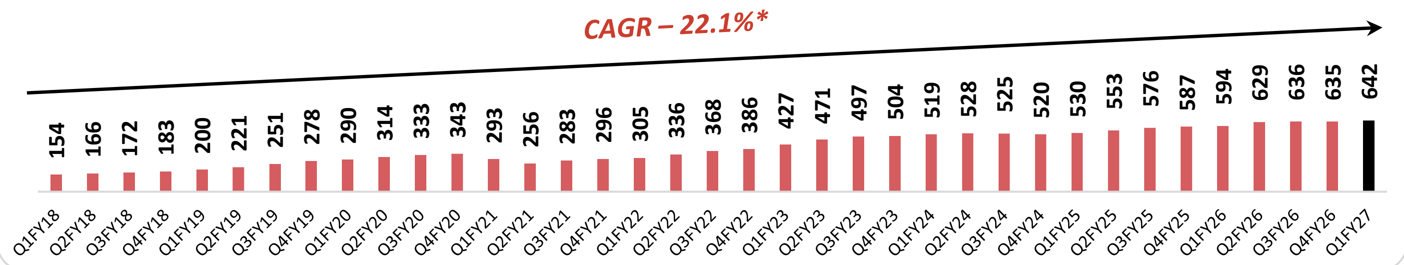
Demand for Integrated Facility Management (IFM) services continues to expand across sectors, with large university campuses and educational institutions increasingly seeking end-to-end solutions ranging from campus landscaping to technical services.

Improved Working Capital Efficiency

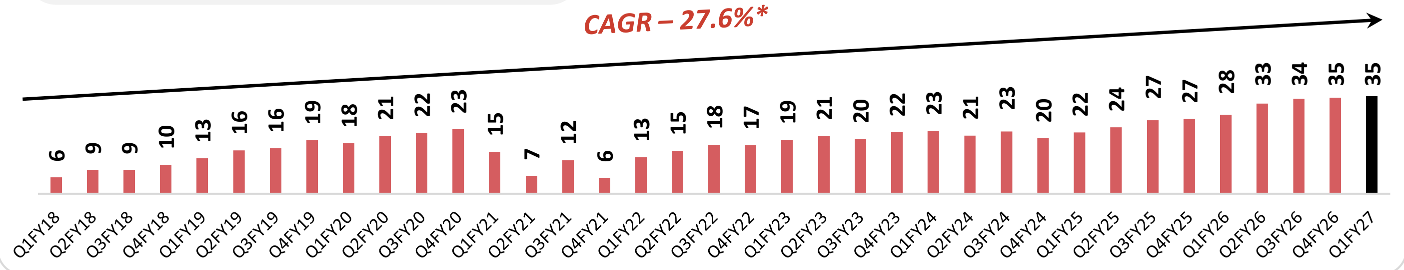
DSO for the quarter stood at 92 days - 2 days better than 94 days at the end of June 2025, but DSOs for the quarter ended March 2026 were at 87 days. DSOs were impacted due to ongoing discussions with customers on rate revisions on account of Labour Codes compliance.

Particulars (in ₹ cr.)	Q1 FY27	Q1 FY26	Y-o-Y Change %	Q4 FY26	QoQ Change %
Revenue	642.0	594.3	*8.0%*	634.7	*1.1%*
EBITDA	35.2	28.4	*23.7%*	34.7	*1.4%*
EBITDA%	5.5%	4.8%		5.5%	
Share of group Revenue%	13.9%	16.7%		14.1%	
Share of group EBITDA%	17.0%	18.7%		16.7%	

Quarterly Revenue Trend (₹ cr.)



Quarterly EBITDA Trend (₹ cr.)



*FY17-26 CAGR%