

## SIS (SECIS) – BUY

### Result Update

Current Market Price (CMP) <b>Rs.390</b>	Target Price <b>Rs.460</b>
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**Our fair value of Rs.460 offers an upside of 17.95% from current market price.**

### Rationale:

- International business drives revenue outperformance with ad-hoc contract win
- Strong cash conversion led by strong collections, lower working capital & stable business
- Expect business to remain resilient
- We expect earnings to grow by 19.5% in FY23E
- We value SIS's on sum-of-the-parts (SOTP) and arrive at a fair value of Rs.460.

### Q3FY21 Earnings update:

#### **Positives:**

- International security business revenue growth of 27% yoy (estimate 12% yoy)
- India & international security business at 95% & 136%, respectively of Mar'20
- India security business revenue declined 2% yoy (estimate of 5% yoy decline)
- Operating profit was up 10% yoy in Q3FY21 (12% ahead of estimates).

#### **Negatives:**

- Facilities Management business may take longer to recover (i.e. at 83% of Mar'20).

[Click here](#) For detailed report dated 4<sup>th</sup> February 2021. Note: CMP & valuation may differ due to difference in dates.



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Holding Period: 12 months. Disclaimer: <http://bit.ly/2n5AxIE>