SSC Security Services Corp. Announces FY2024 Q3 Results With Strongest Q3 Revenue in Company's History

- **Q3 2024 revenue of $29.7 million – an increase of $3.2 million, or 12.1%, over Q3 2023. This is the strongest Q3 revenue in the Company's history.**
- **Q3 2024 Adjusted EBITDA of $1.3 million ($0.06 per share) – an increase of $0.3 million, or 30%, over Q3 2023.**

REGINA, SK, Aug. 20, 2024 /CNW/ - SSC Security Services Corp. ("**SSC**" or the "**Company**) (TSXV: SECU) (OTCQX: SECUF), a national provider of cyber, physical and electronic security services to commercial, industrial and public sector clients across Canada, is pleased to release its results for the third quarter of the 2024 fiscal year ended June 30, 2024. All figures are presented in Canadian dollars.

"Our revenue growth remains strong, and our profitability continues to improve as a result of strong efforts from our management team and employees. Our revenues are at historic levels, and we look forward to delivering positive results in the future. We always attempt to maintain a singular focus on customer satisfaction with our service delivery and that is paying off right now. As well we are always looking for new ways to create value for our shareholders through cross selling our existing physical, electronic and cyber security services. I am very proud of our employee efforts to make the world we live in a safer place for our clients and the public in general," said Chairman and CEO Doug Emsley.

Q3 2024 HIGHLIGHTS

- During the third quarter, which ended on June 30, 2024, revenue was $29.7 million. This represents an increase of $3.2 million (12.1% organic growth) over the revenue recorded in the same period last year. Year-to-date revenues are $91.0 million, up 14.2% compared to the same period last year.

- Adjusted EBITDA for the quarter was $1.3 million ($0.06 per share), up from $1.0 million ($0.05 per share) during the same quarter last year (30% increase over Q3 2023). Year-to-date adjusted EBITDA is $3.8 million, up 37.2% compared to the prior year.

- During the quarter we paid $0.03 per share in dividends to shareholders and bought back 116,800 shares of the Company.

- We finished the quarter ended June 30, 2024 with:
  - Cash and cash equivalents of $12.4 million (versus $14.1 million in Q2 2024);
  - Working capital of $28.3 million (versus $28.6 million in Q2 2024);
  - Remaining Legacy assets of $6.7 million (versus $6.8 million in Q2 2024);
  - Total shareholders' equity of $65.5 million (versus $66.3 million in Q2 2024); and
  - No long-term debt.

Key Performance Indicators for the quarter and previous comparable period are summarized below:

Key Performance Indicators	Quarter ended June 30		Nine months ended June 30	
	2024	2023	**2024**	2023
Revenue	**29,726**	26,512	**91,010**	79,749
Cost of Sales	**25,425**	22,511	**77,899**	67,521
Gross Profit	**4,301**	4,001	**13,112**	12,228

Comprehensive net income (loss)	**26**	(12)	**742**	233
Comprehensive net income (loss) per share (basic)	***0.00***	*(0.00)*	***0.04***	*0.01*
Adjusted EBITDA	**1,265**	1,016	**3,766**	2,745
Adjusted EBITDA per share (basic)	***$0.06***	*$0.05*	***$0.19***	*$0.14*

REVENUE, GROSS PROFIT & NET INCOME

Revenues for the quarter ended June 30, 2024, were $29.7 million compared with $26.5 million during the quarter ended June 30, 2023, an increase of $3.2 million (revenue increase of 12.1%). Revenues for the YTD ended June 30, 2024 were $91.0 million compared with $79.7 million during the same period last year, an increase of $11.3 million or 14.2%. The increase in revenues is entirely attributable to internally generated organic growth.

Gross profit for the quarter ended June 30, 2024 increased to $4.3 million from $4.0 million during the same quarter last year. The gross margin % for both periods remains within our long-term expectations for the security business.

Comprehensive net income for the YTD ended June 30, 2024 was $0.7 million (profit of $0.04 per share), compared to YTD June 30, 2023 comprehensive net income of $0.2 million (profit of $0.01 per share).

ADJUSTED EBITDA

Adjusted EBITDA, and Adjusted EBITDA per share are the primary KPI's used by the Company to measure the financial performance of the Company. Adjusted EBITDA for the quarter ended June 30, 2024, was $1.3 million ($0.06 per share), as compared to $1.0 million ($0.05 per share) during the same quarter last year.

Adjusted EBITDA for the nine months ended June 30, 2024, was $3.8 million ($0.19 per share), as compared to $2.7 million ($0.14 per share) during the same nine months last year (this represents a 35.7% increase in adjusted EBITDA per share year-over-year).

A reconciliation of earnings to EBITDA and Adjusted EBITDA is provided in the Non-IFRS section of the MD&A published concurrently with this press release.*

BALANCE SHEET

Key balance sheet items are summarized below:

Statements of Financial Position	**As at 30-Jun-24**	As at 30-Jun-23
Cash	**12,367**	12,648
Accounts receivable	**23,176**	21,499
Legacy business assets	**6,719**	7,860
Working capital	**28,317**	27,290
Long-term debt	**0**	0
Total assets	**81,181**	82,522
Total liabilities	**15,682**	13,877
Total shareholders' equity	**65,499**	68,646
Common shares outstanding	**18,816**	19,412

UPDATE ON NORMAL COURSE ISSUER BID

During the quarter ended June 30, 2024, we bought back 116,800 shares.

We renewed our NCIB for the upcoming year on January 4, 2024 because we continue to believe that our shares have been trading in a price range which does not adequately reflect their value and that the purchase of shares under the NCIB will enhance shareholder value in general.

OUTLOOK

We expect demand for security services to continue to grow and our national presence will assist us in winning new contracts across all geographic regions in the country. Additional growth may come via acquisition, as we look to acquire other companies in the Canadian security industry. Any additional acquisitions will of course accelerate our growth, however we will continue to be disciplined and conservative in our approach to any new deals.

The majority of our remaining legacy assets are expected to convert to cash over the next year. Our objective is to make these resources available for the expansion of our security business.

We plan to continue to distribute capital to shareholders via the dividend, operate with minimal to no debt while maintaining solid liquidity, buy back shares using our NCIB when we feel the market price is too low, and focus on maximizing Adjusted EBITDA per share.

ABOUT SSC

SSC Security Services Corp. is a national provider of cyber, physical and electronic security services to corporate and public sector clients across Canada. For more information, please visit www.securityservicescorp.ca

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Forward Looking Statements

This release includes forward-looking statements regarding SSC and its business. Such statements are based on the current expectations and views of future events of SSC's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting SSC, including risks regarding the security industry, the agricultural industry, economic factors and the equity markets generally and many other factors beyond the control of SSC. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and SSC undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

*__Non-IFRS Measures__**

SSC measures key performance metrics established by management as being key indicators of the Company's strength, using certain non-IFRS performance measures, including:

- EBITDA, EBITDA per share, Adjusted EBITDA, and Adjusted EBITDA per share.

The Company uses these non-IFRS measures for its own internal purposes. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and these measures may be calculated differently by other companies. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company provides these non-IFRS measures to enable investors and analysts to understand the underlying operating and financial performance of the Company in the same way as it is frequently evaluated by Management. Management will periodically assess these non-IFRS measures and the components thereof to ensure their continued use is beneficial to the evaluation of the underlying operating and financial performance of the Company. For more detailed information, please refer to pages 17 and 18 of the Company's Management Discussion and Analysis dated August 19, 2024 available on the Company's website at www.securityservicescorp.ca and on SEDAR+ at www.sedarplus.ca.

SOURCE SSC Security Services Corp.

View original content: http://www.newswire.ca/en/releases/archive/August2024/20/c1220.html

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