

3rd May 2024

To:

**National Stock Exchange of
India Limited (Scrip Code: FSL)**
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (East),
Mumbai - 400 051

**BSE Limited (Scrip Code:
532809)**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Madam/ Sir,

Sub: Earnings Presentation

We are enclosing herewith a copy of the Earnings presentation regarding conference call to be held on Friday, 3rd May 2024 at 4.00 PM IST with the analysts and investors, on the financial results of the Company for the quarter & financial year ended 31st March 2024.

This is for your information and record.

Thanking you,

For **Firstsource Solutions Limited**

Pooja Nambiar
Company Secretary

Encl.: A/a

Firstsource Solutions Ltd.

5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064 India.
Tel: +91 (22) 6666 0888 | Fax: +91 (22) 6666 08887 | Web: www.firstsource.com

(CIN: L64202MH2001PLC134147)

A large, semi-transparent graphic overlay on the left side of the image. It consists of a vertical orange bar on the left, followed by the text "Earnings Presentation" in a large, white, sans-serif font, and "Q4FY24" in a smaller, orange, sans-serif font below it.

Q4FY24



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in BPO services including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on client contracts, client concentration, our ability to manage ramp-ups and growth, our ability to manage our international operations, reduced demand in our key focus verticals, disruptions in telecom infrastructure and technology, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, performance of our subsidiaries, withdrawal of government fiscal incentives, political instability, legal restrictions on raising capital and acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Firstsource may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

About Us



Established in **2001**



Revenues of **INR 63.4 Billion**
(US\$765 Million) in FY2024



27,940* Firstsourcers

across US, UK, India, Philippines and Mexico
*As on 31st Mar. 2024



Leaders in chosen segments

across Banking & Financial Services, Healthcare,
Communications, Media & Technology and Diversified Industries



Domain driven BPM services company

leveraging a 'Digital First, Digital Now' approach to solve key customer problems



150+ global clients including

18 Fortune 500 companies and 3 FTSE 100 companies



Deep partnerships with clients

Average tenure of top 5 clients is over 18.4 years



Publicly Traded on Indian Stock Exchanges

NSE: FSL | BSE: 532809 | Reuters: FISO.BO | Bloomberg: FSOL:IN

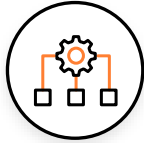
Part of RP-Sanjiv Goenka Group



Power



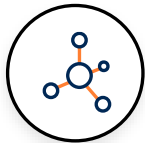
Consumer & Retail



Education & Infrastructure



Sports



Carbon Black



Media & Entertainment



IT-Enabled Services



Combined Revenues
US\$4.5 Billion*

Asset Base
US\$6 Billion*

Shareholders
1 Million+*



Banking & Financial Services

- Asset Finance
- Credit Cards
- Mortgages
- Retail & SME Banking
- FinTech



Communications Media & Technology

- Streaming Services
- Cable TV, Broadband and Telephony
- Consumer Tech
- E-Commerce
- Shared Economy



Healthcare

- Hospital Providers
- Health Plans
- Healthcare Services
- Medical Devices



Diversified Industries

- Utilities
- Government Entities



5 of Top 15

Mortgage Servicers in the US

5 of Top 15

Mortgage Lenders in the US

6 of Top 10

Credit card issuers in the US

3 of Top 6

Retail Banks in the UK

1,000+

Hospitals in the US

7 of Top 10

Health insurance companies in the US

1 of Top 2

Broadcasting and media companies in the UK

2 of Top 5

Telecom and broadcasting companies in the US

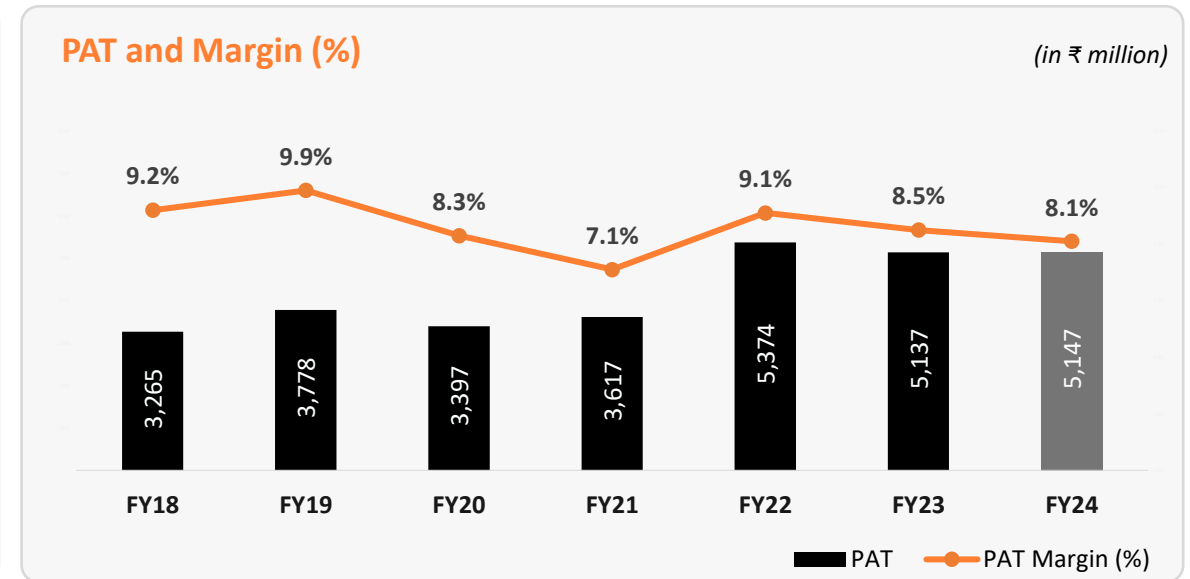
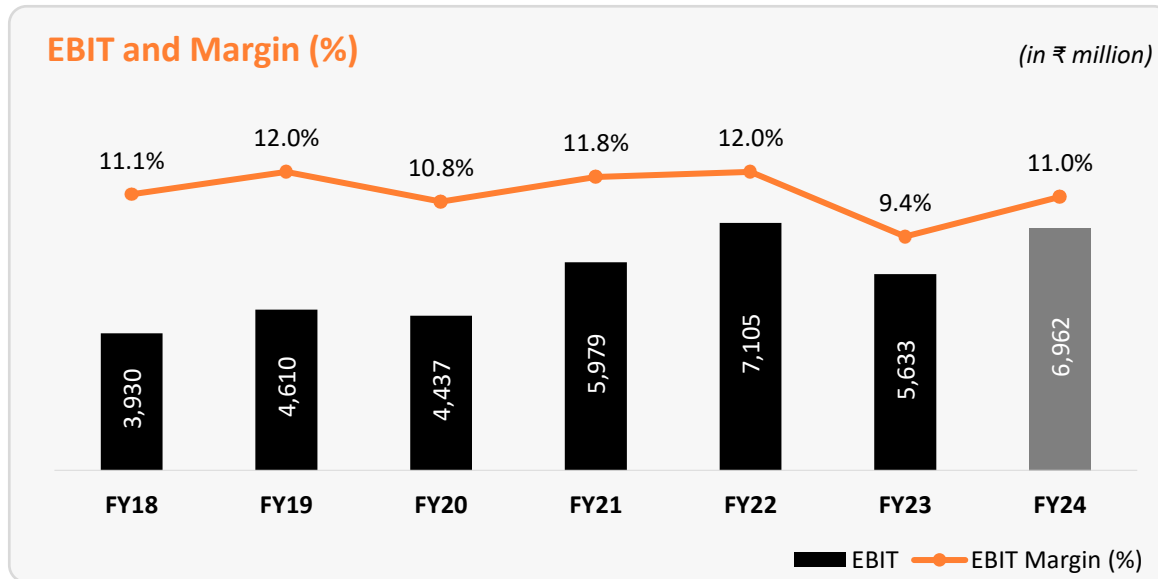
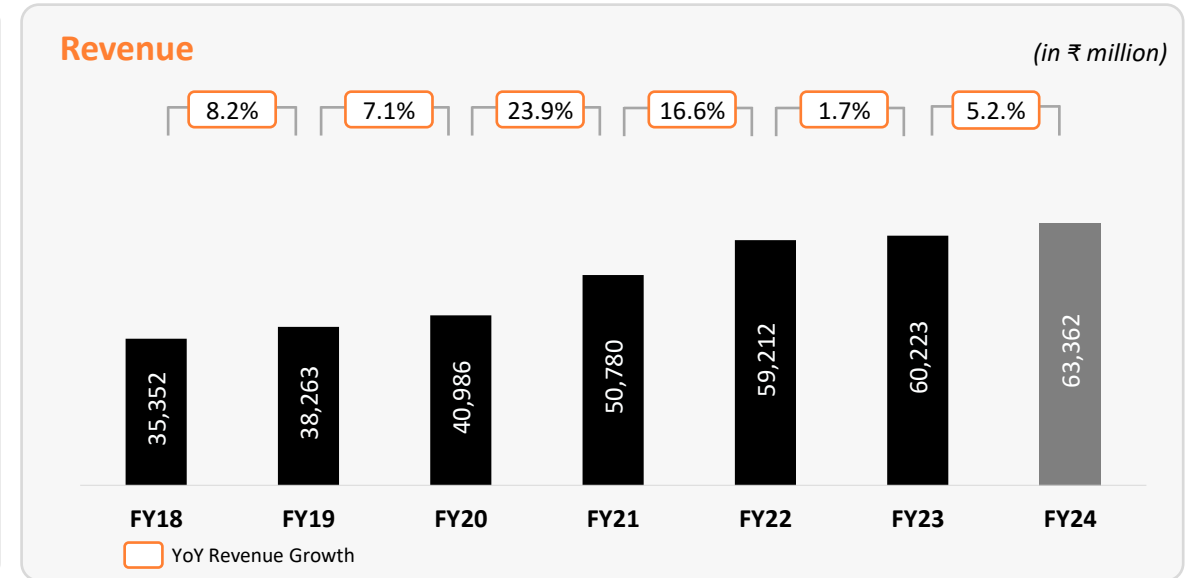
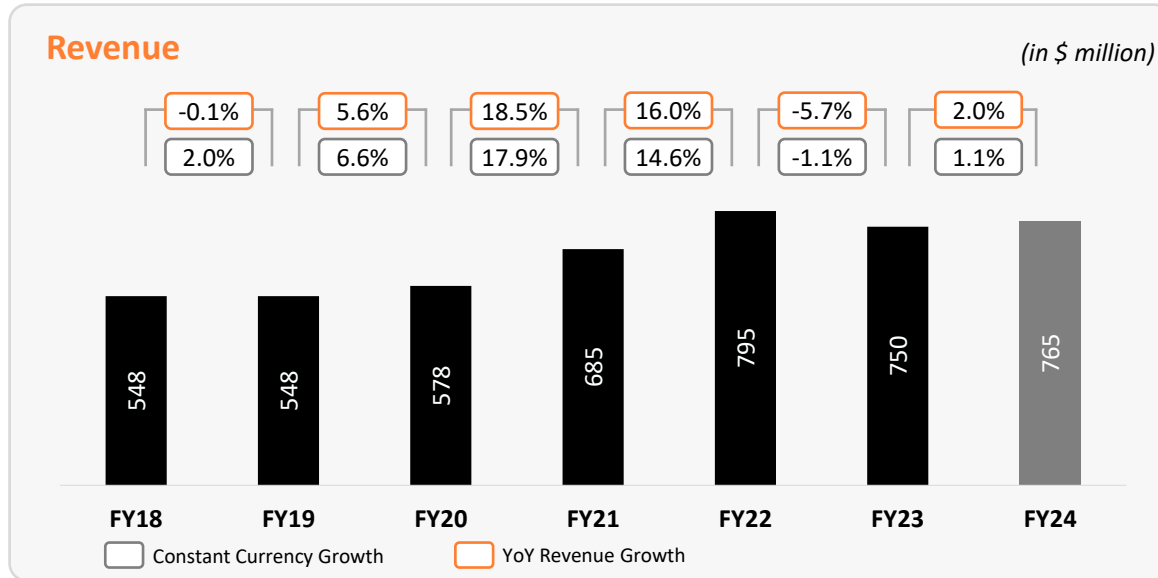
3 of Top 5

Consumer-tech companies in the US

2 of Top 4

Utilities companies in the UK

Financial Performance Snapshot



Note: FY24 EBIT margin was 11.1%, adjusted for on-time charges related to leadership changes in Q2FY24

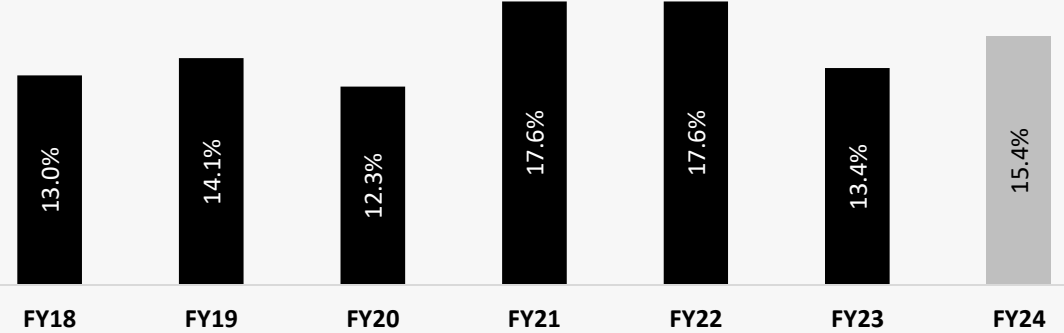
Note: FY21 PAT was ₹ 4,499 m excluding exceptional items

Key Performance Indicators

Return on Equity (%)

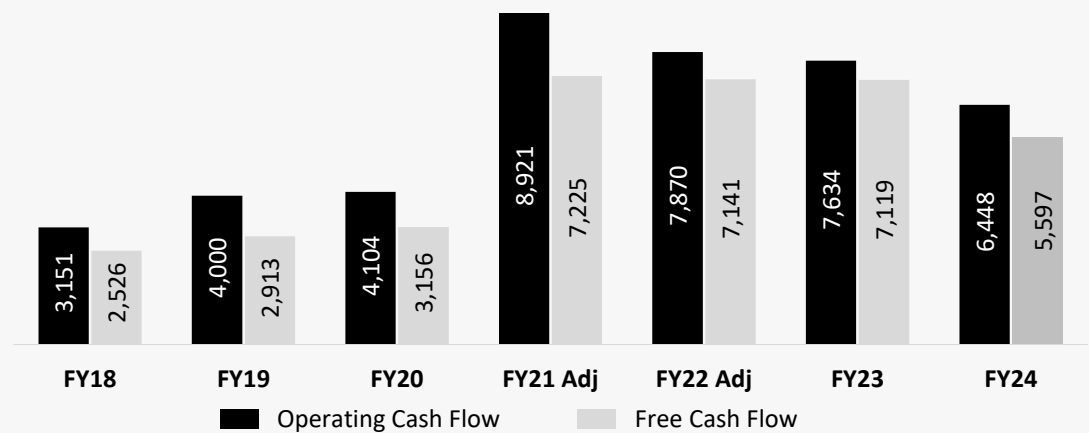


Return on Capital Employed (%)



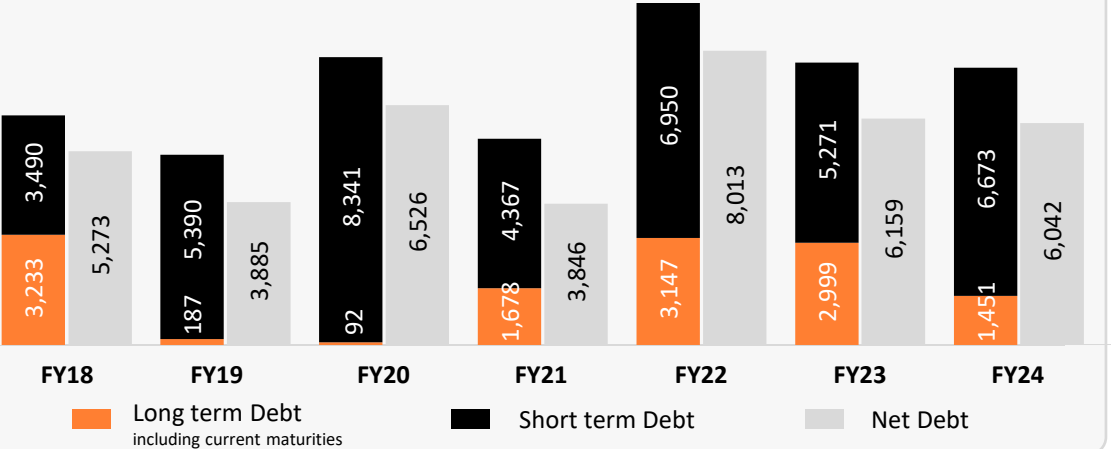
Cash Flow

(in ₹ million)



Debt Position

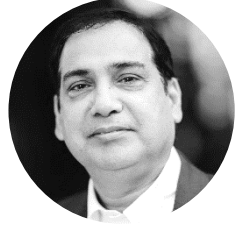
(in ₹ million)



Leadership Team



Ritesh Idnani
—
MD & CEO



Dinesh Jain
—
Chief Financial Officer



Prashanth Nandella
—
Chief Operating Officer



Aftab Javed
—
Chief Human Resources Officer



Aniket Maindarkar
—
Chief Marketing Officer



Hasit Trivedi
—
Chief Digital & AI Officer



Vivek Sharma
—
Head – CMT, BFS
and Emerging Geos



Venkatgiri Vandali
—
Head – Healthcare &
Lifesciences



Rajiv Malhotra
—
Head – Europe, Middle East
& Africa



Arjun Mitra
—
Head – Collections



Ashish Chawla
—
Head – CX and Consulting

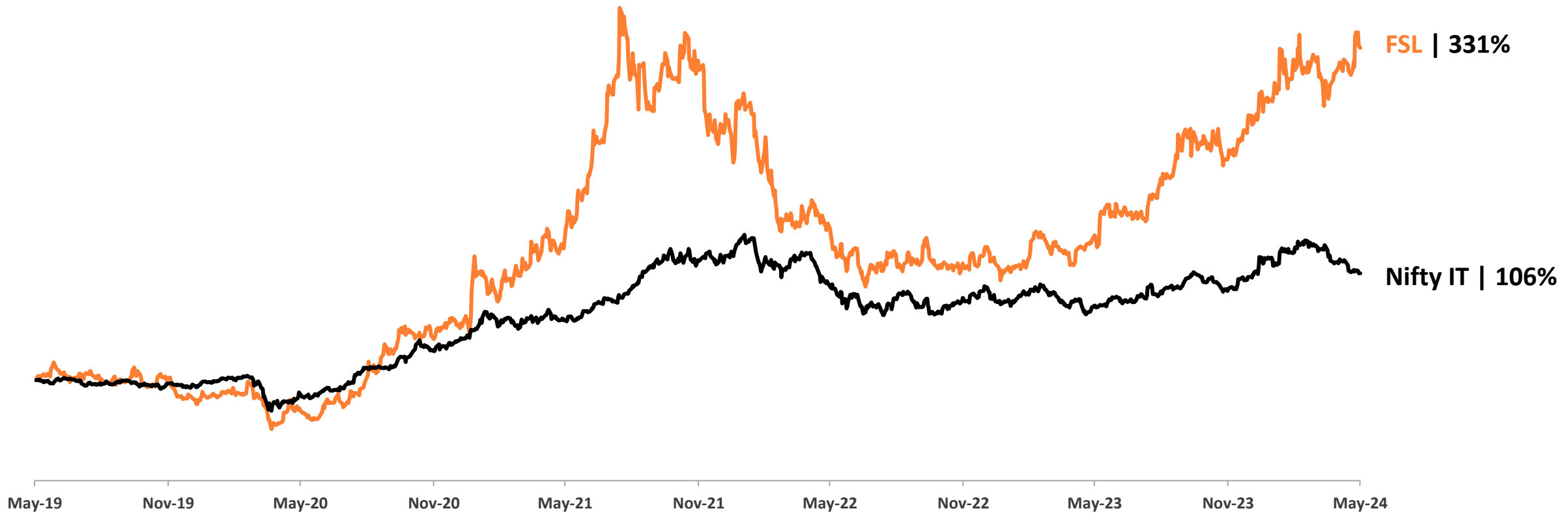


Akash Pugalia
—
Head – Trust & Safety



Sundara Sukavanam
—
Head – Enterprise
Transformation Office

Total Shareholders Return



Total Shareholders Return (including dividends) of 363% in past 5 years

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Performance Highlights | Q4FY24

Summary of Performance for the Quarter ended March 31, 2024



REVENUE

₹ 16,705 Million
(US\$ 201 Million)

YoY growth of 7.3%
Constant Currency YoY growth of 4.5%
Constant Currency QoQ growth of 4.2%



EBIT

₹ 1,830 Million
(Margin 11.0%)

YoY growth of 1.7%
YoY Margin contraction of 60bps
QoQ margin expansion of 30bps



PROFIT AFTER TAX

₹ 1,335 Million
(Margin 8.0%)

YoY decline of 5.5%
YoY Margin contraction of 110bps



EARNINGS PER SHARE

(Diluted)

₹ 1.90
per share

Q3FY24 at ₹ 1.84 per share
Q4FY23 at ₹ 2.02 per share

*excluding other income on account of changes in the fair value of the liabilities for purchase of non-controlling interest and contingent considerations

Summary of Performance for the Full Year ended March 31, 2024



REVENUE

₹ 63,362 Million
(US\$ 765 Million)

YoY growth of 5.2%
Constant Currency YoY growth of 1.1%



EBIT

₹ 6,962 Million
(Margin 11.0%)

YoY growth of 25.4%#
YoY Margin expansion of 180 bps#



PROFIT AFTER TAX

₹ 5,147 Million
(Margin 8.1%)

YoY growth of 26.8%*
YoY Margin expansion of 130 bps*



EARNINGS PER SHARE

(Diluted)

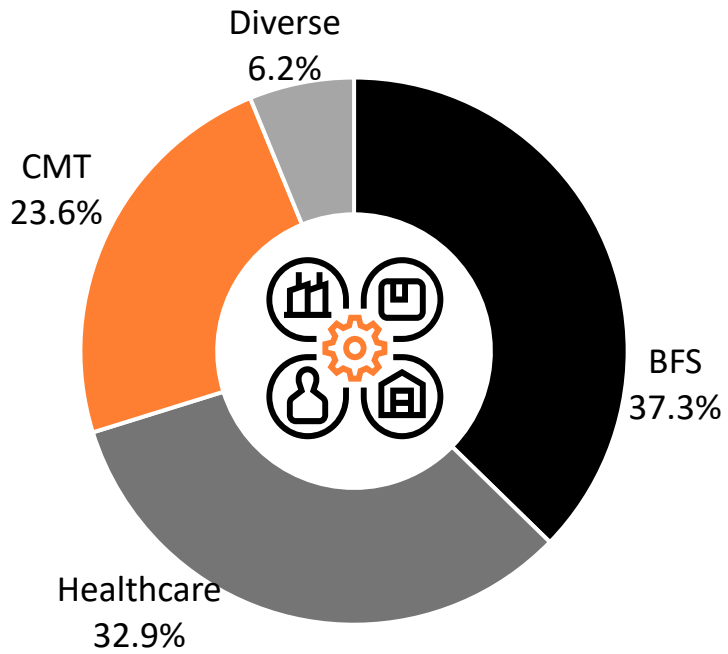
₹ 7.34
per share

FY23 at 7.32 per share

excluding one-time charges related to leadership changes in Q2FY24

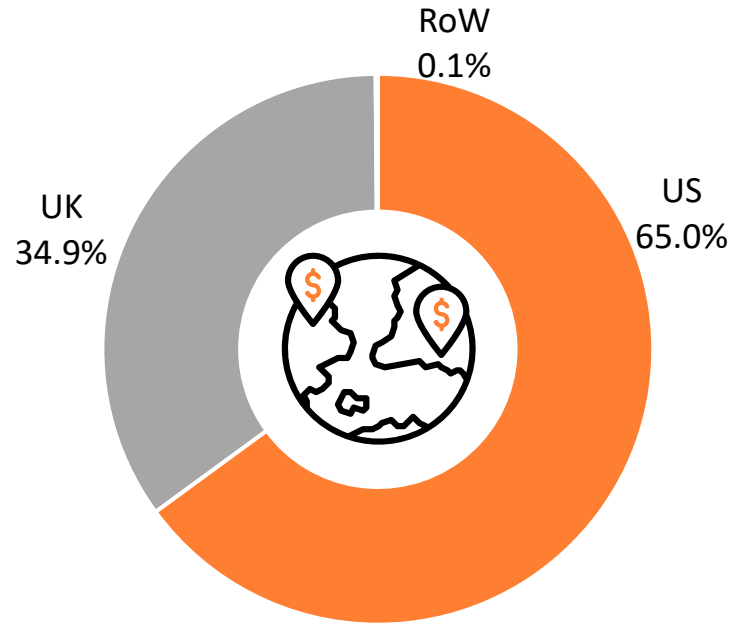
*excluding other income on account of changes in the fair value of the liabilities for purchase of non-controlling interest and contingent considerations

Revenue split by verticals



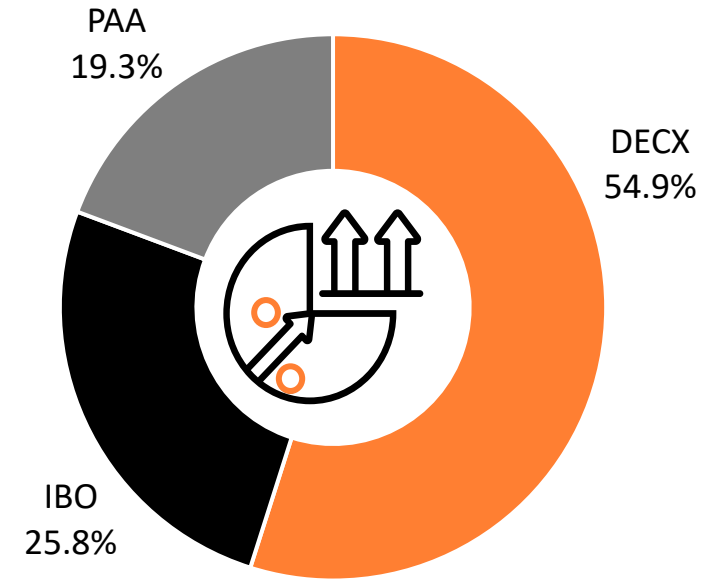
Banking & Financial Services (BFS)	Healthcare
Communication, Media & Tech (CMT)	Diverse Industries

Revenue split by geography



United States (US)	United Kingdom (UK)
Rest of World (RoW)	

Revenue split by service lines



Digitally Empowered Customer Experience (DECX)	
Intelligent Back Office (IBO)	Platforms, Automation & Analytics (PAA)

- Selected by a **large cooperative financial institution in the UK** for services in the areas of financial crime and compliance
- Additional business from a **large retail bank**, an existing client, to provide customer support and back-office services
- Added one of the oldest and **largest education services company** for their transformation initiatives
- Secured new business for management of low dollar claims denials and follow-up of unpaid insurance claims from **one of the top-ranked hospitals in the US**
- Selected by a **major player in the US healthcare delivery system** to manage claims operations spanning their commercial, Medicare, and Medicaid divisions
- Additional business from **one of the largest telecom and media companies** globally, an existing client, for outbound service and seasonal ramp to accommodate increased volumes
- Expanded footprint in one of the **leading providers of health insurance in the US** for contact center operations
- Expanded footprint and wallet share in one of the **Top5 healthcare insurance providers in the US** with additional business for providing digital intake and provider data management services
- Selected by a **leading subservicing firm in the US** to transform its Quality Control and compliance systems by leveraging Generative AI tools

Employee base

- Q4FY24: QoQ net headcount addition of **1,993**
 - India employee base higher by **1,718**; RoW higher by **275**
- FY24: net headcount addition of **4,922**
 - India employee base higher by **5,592**; RoW lower by **670**
- TTM employee attrition[#] at **42.5%** for onshore and **30.8%** for offshore
- **44.4%** of employees are women

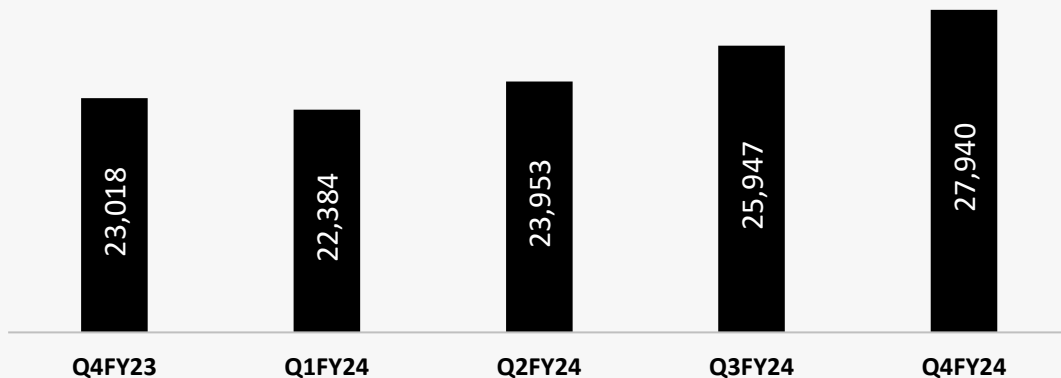


‘Dream Employer of the Year’
‘Dream Companies to Work For’

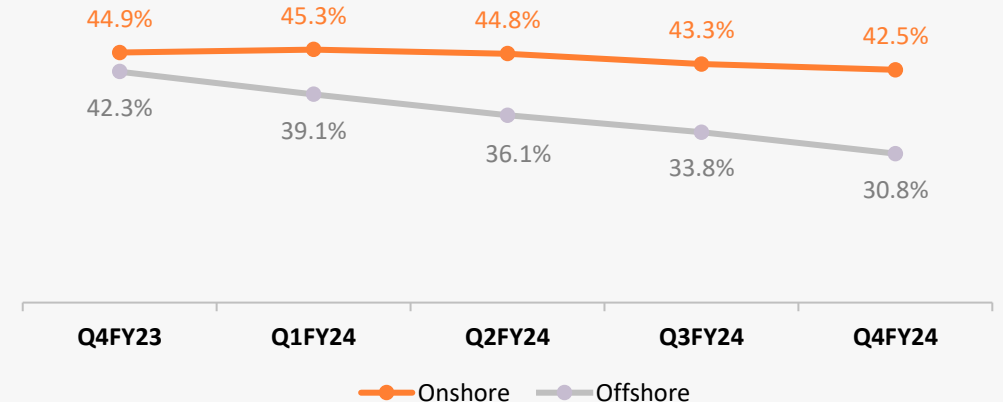


iVolunteer Awards 2023
‘Leader in Employee Volunteering’

Total headcount



Attrition



[#]For employees in employment for more than 180 days

*RoW: Rest Of the World

Select Recognition | Q4FY24

HFS Horizons

HFS Horizons
Customer Experience Service
Providers, 2024

Horizon 2

For offering a dedicated
consulting framework, resulting
in an elevated CX



NelsonHall NEAT
vendor assessment for
CX Services Transformation 2024

Leader
in Cost Optimization and Revenue
Generation Capability

Innovator
in CX Improvement Capability



Everest Group
Financial Crime and Compliance
Operations Services
PEAK Matrix® Assessment 2024
Aspirant



Everest Group
Marketing Services
PEAK Matrix® Assessment 2024
Aspirant



Everest Group's
Intelligent Process Automation
PEAK Matrix® Assessment 2024
Major Contender

Included in the S&P Global YearBook '2024 "Sustainability Yearbook Member"



Firstsource Solutions Limited
Professional Services

S&P Global CSA Score 2023

A key component of the S&P Global ESG Score

62 / 100

As of January 29, 2024.

The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. Company scores can be compared to their peers in the same industry. Learn more at [spglobal.com/esg/scores](https://www.spglobal.com/esg/scores)

S&P Global



Firstsource Solutions Limited
Professional Services

Sustainability Yearbook Member

S&P Global Corporate Sustainability
Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 62/100

Score date: February 7, 2024

The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. Position and scores are industry specific and reflect exclusion screening criteria. Learn more at <https://www.spglobal.com/esg/csa/yearbook/methodology/>

S&P Global



FY25 business outlook

10-13%
constant currency
revenue growth



11-12%
EBIT margin

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Factsheet

Profit & Loss Statement

Consolidated IndAS financials

In ₹ million	Q4FY23	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	QoQ	YoY	FY24	YoY
Income from services	15,566	59,859	15,267	15,417	15,948	16,693	4.7%	7.2%	63,325	5.8%
Other operating Income	2	364	25	(17)	17.6	12	(33.5%)	505.2%	37.17	(89.8%)
Revenue from operations	15,568	60,223	15,292	15,400	15,966	16,705	4.6%	7.3%	63,362	5.2%
Revenue from operations (USD Mn)	\$ 190	\$ 750	\$ 186	\$ 186	\$ 192	\$ 201	4.9%	6.2%	\$ 765	2.0%
<i>QoQ Growth % - Constant Currency</i>	<i>2.5%</i>	<i>-</i>	<i>(3.0%)</i>	<i>(0.1%)</i>	<i>3.4%</i>	<i>4.2%</i>			<i>-</i>	
<i>YoY Growth % - Constant Currency</i>	<i>(2.8%)</i>	<i>(1.1%)</i>	<i>(1.6%)</i>	<i>(1.9%)</i>	<i>2.8%</i>	<i>4.5%</i>			<i>1.1%</i>	
Personnel Expense	9,692	38,680	9,239	9,402	9,895	10,558	6.7%	8.9%	39,093	1.1%
Operating Expense	3,435	13,278	3,652	3,710*	3,700	3,643	(1.5%)	6.1%	14,705	10.7%
EBITDA	2,441	8,265	2,402	2,288	2,371	2,503	5.6%	2.5%	9,564	15.7%
<i>EBITDA Margin</i>	<i>15.7%</i>	<i>13.7%</i>	<i>15.7%</i>	<i>14.9%</i>	<i>14.9%</i>	<i>15.0%</i>	<i>10bps</i>	<i>(70bps)</i>	<i>15.1%</i>	<i>140bps</i>
Depreciation / amortization	642	2,632	613	654	663	673	1.6%	4.8%	2,602	(1.1%)
EBIT	1,799	5,633	1,789	1,634*	1,709	1,830	7.1%	1.7%	6,962	23.6%
<i>EBIT Margin</i>	<i>11.6%</i>	<i>9.4%</i>	<i>11.7%</i>	<i>10.6%</i>	<i>10.7%</i>	<i>11.0%</i>	<i>30bps</i>	<i>(60bps)</i>	<i>11.0%</i>	<i>160bps</i>
Other Income / (expense)	105 [#]	1,251 [#]	6	153 [#]	134 [#]	75	(44.2%)	(28.8%)	368	(70.5%)
Interest Income / (expense), net	(185)	(732)	(243)	(244)	(235)	(312)	32.8%	68.3%	(1,034)	41.3%
Profit Before Taxes	1,719	6,152	1,553	1,543	1,608	1,593	(0.9%)	(7.3%)	6,296	2.4%
Taxes and Minority Interest	306	1,015	293	278	321	258	(19.5%)	(15.6%)	1,150	13.3%
Profit After Tax	1,413	5,137	1,260	1,265	1,287	1,335	3.7%	(5.5%)	5,147	0.2%
<i>Net Margin</i>	<i>9.1%</i>	<i>8.5%</i>	<i>8.2%</i>	<i>8.2%</i>	<i>8.1%</i>	<i>8.0%</i>	<i>(10bps)</i>	<i>(110bps)</i>	<i>8.1%</i>	<i>(40bps)</i>
Diluted EPS (₹ /Share)	2.02	7.32	1.80	1.80	1.84	1.90	3.3%	(5.8%)	7.34	0.3%

[#]including other income on account of changes in the fair value of the liabilities for purchase of non-controlling interest and contingent considerations

*Q2FY24: include one-time charges

Balance Sheet

Consolidated IndAS financials

In ₹ million	As on 31-Mar-23	As on 31-Mar-24
ASSETS		
Non-Current Assets		
Fixed assets	2,789	2,461
Right-of-use assets	4,958	6,355
Goodwill on consolidation	29,450	29,885
Investment in associates	0	0
Financial Assets		
Investments	116	115
Other financial assets	488	825
Deferred tax assets	2,948	2,921
Income tax assets (net)	786	809
Other non-current assets	1,026	2,086
Total Non-Current Assets	42,561	45,457
Current Assets		
Financial assets		
Current investments	596	300
Trade receivables	10,385	11,608
Cash and cash equivalents	1,515	1,748
Other balances with bank	40	137
Other financial assets	40	94
Other current assets	1,507	1,486
Total Current Assets	14,082	15,374
TOTAL ASSETS	56,644	60,830

In ₹ million	As on 31-Mar-23	As on 31-Mar-24
EQUITY AND LIABILITIES		
Shareholder's Funds		
Equity share capital	6,970	6,970
Reserve and surplus	26,699	30,034
Non - controlling interest	4	4
Total Equity	33,672	37,008
Non-Current Liabilities		
Financial Liabilities		
Long-term borrowings	1,394	42
Lease liabilities	4,467	5,714
Other Financial Liabilities	181	0
Provisions	137	188
Deferred tax liabilities	1,196	1,470
Total Non-Current Liabilities	7,375	7,414
Current Liabilities		
Financial Liabilities		
Short-term and other borrowings	6,876	8,081
Trade payables	2,314	3,056
Lease liabilities	1,195	1,495
Other financial liabilities	3,556	2,047
Other current liabilities	829	1,057
Provisions	826	467
Provision for tax (net)	0	205
Total Current Liabilities	15,597	16,409
TOTAL LIABILITIES	56,644	60,830

Cash Flow Statement

Consolidated IndAS financials

In ₹ million	Full year ended March 31, 2023	Full year ended March 31, 2024
Cash Flow from Operating Activities		
Net profit before taxation and non controlling interest	6,152	6,297
Depreciation and amortization	2,632	2,602
Finance costs (For borrowing & lease liabilities)	790	1,034
Adjustment: Non-Cash Expense / (Other Income)	(1,732)	(363)
Add: Working Capital Changes	765	(2,404)
Less: Income Taxes Paid	(656)	(718)
Net cash generated from / (used in) Operating Activities (A)	7,950	6,448
Cash Flow from Investing Activities		
Capital Expenditure, net	(514)	(850)
Interest income received	10	10
(Increase)/Decrease in current investments	637	357
Short term fixed deposits	-	(33)
Earmarked balances with banks	30	(64)
Net cash generated from / (used in) Investing Activities (B)	164	(580)
Cash Flow from Financing Activities		
Net Change in Borrowings	(2,351)	(291)
Net Interest Paid	(787)	(1,011)
Payment of Lease Liabilities	(1,495)	(1,410)
Purchase of Treasury Shares, net	(140)	59
Purchase of non controlling interest in subsidiary	(276)	(583)
<i>Dividend Paid (Net)</i>	<i>(2,384)</i>	<i>(2,406)</i>
Net cash generated from / (used in) Financing Activities (C)	(7,434)	(5,642)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	680	226
Cash and cash equivalents at the beginning of the period	828	1,515
Foreign exchange (loss) / gain on translating Cash and cash equivalents	7	6
Closing Cash and Cash Equivalents	1,515	1,748
Current Investments	596	300
Short term fixed deposits	-	33
Cash and Cash Equivalents including Investments	2,111	2,081

Operating Metrics

	Particulars	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Revenue by Vertical	Banking & Financial Services	49.0%	46.3%	43.4%	41.8%	40.3%	40.8%	40.8%	38.3%	37.3%
	Healthcare	30.3%	32.1%	34.5%	34.2%	33.2%	32.6%	32.7%	33.5%	32.9%
	Communications Media & Tech	19.0%	20.2%	20.2%	21.6%	22.3%	21.8%	21.2%	22.5%	23.6%
	Diverse Industries	1.7%	1.4%	1.9%	2.4%	4.2%	4.8%	5.3%	5.7%	6.2%
Revenue by Service Lines	Digitally Empowered Customer Experience	44.4%	46.6%	47.7%	50.4%	52.6%	51.8%	52.9%	53.5%	54.9%
	Intelligent Back Office	36.5%	32.7%	30.9%	29.2%	27.0%	27.0%	25.2%	25.8%	25.8%
	Platforms, Automation & Analytics	19.1%	20.7%	21.4%	20.4%	20.4%	21.2%	21.9%	20.7%	19.3%
Revenue by Geography	US	70.7%	68.4%	67.2%	64.9%	63.3%	63.5%	65.1%	65.4%	65.0%
	UK	27.5%	30.1%	31.3%	34.1%	36.3%	36.4%	34.8%	34.5%	34.9%
	Rest of World	1.8%	1.5%	1.5%	1.0%	0.4%	0.1%	0.1%	0.1%	0.1%
Revenue by Delivery	Offshore	27.0%	27.4%	25.9%	25.1%	24.6%	25.6%	26.7%	30.3%	31.4%
	Onshore	73.0%	72.6%	74.1%	74.9%	75.4%	74.4%	73.3%	69.7%	68.6%
Top Clients Revenue	Top client %	14.8%	15.2%	14.9%	15.8%	15.4%	14.6%	12.7%	13.7%	14.9%
	Top 5 client %	35.9%	36.4%	36.6%	38.5%	37.4%	37.2%	35.0%	35.8%	36.7%
Other Metrics	Total employees (end of period)	26,557	25,234	23,932	23,627	23,018	22,384	23,953	25,947	27,940
	• Employees in India	16,045	14,769	13,431	12,489	12,395	12,457	14,437	16,269	17,987
	• Employees outside India	10,512	10,465	10,501	11,138	10,623	9,927	9,516	9,678	9,953
	Net Addition	(841)	(1,323)	(1,302)	(305)	(609)	(634)	1,569	1,994	1,993
	Offshore Attrition (180 days+)	45.9%	43.8%	45.7%	44.4%	42.3%	39.1%	36.1%	33.8%	30.8%
	Onshore Attrition (180 days+)	50.2%	56.9%	52.0%	47.2%	44.9%	45.3%	44.8%	43.3%	42.5%

Note: Attrition data till FY22 is on a quarterly annualized basis and on a Trailing Twelve Months (TTM) basis effective Q1FY23

THANK YOU

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