

EARNINGS PRESENTATION

Q1FY25



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 BPS market 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.

Established in **2001**
Public listing in 2007



Specialized BPS partner

Hyper-focused, domain-centric teams with cutting-edge tech, data, and analytics



200+ global clients# including
19 Fortune 500 companies and 3 FTSE 100 companies



29,231* Firstsourcers

Across US, UK, India, Philippines, South Africa, Australia, & Mexico



Part of RP-Sanjiv Goenka Group
Since 2012



Leaders in chosen segments

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



Deep partnerships with clients
Average tenure of top 5 clients is over 18 years



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



#For clients with trailing 12-months revenue over US\$0.25mn
*As on 30th June 2024

Part of RP-Sanjiv Goenka Group

Group turnover of
~US\$4.4 Bn*

EBITDA of
~US\$855 Mn*



Asset base of
>US\$7.3 Bn*

Over
1.1 Million Shareholders

One of India's **new-age and fastest growing** Conglomerates

Strong workforce of **50,000+** employees, belonging to different nationalities

Presence in **50+** countries

100+ offices worldwide



Committed to powering millions of Indian homes and businesses with reliable electricity through its **generation and distribution services**



A global player and a national leader with portfolio of **Carbon Black & Specialty Chemicals**



Domain driven BPM services company leveraging a **'Digital First, Digital Now'** approach to solve key customer problems for 200+ global clients



Diversified and innovative media company, with music catalogue that spans the gamut from the **first recorded Indian songs to the latest hits** and a strong video play, spread across making Films, TV serials, OTT series and short video content catering to the youth



Nature's Basket is India's **finest gourmet retailer** with international food products
Spencer is an experience led **multi-format retailer** with varied assortments



Too Yumm is a **rapidly growing snack brand**, captivating consumers with its **flavorful and better-for-you snacking**
Playing in the **Personal care** category with brands like Naturali and Within Beauty



Inspiring communities, unite fans, set new benchmarks, foster championship culture, contribute to the **development & growth of sports culture globally**



Step into a world of unparalleled luxury. Quest, the first of its kind in Eastern India, curates **premium experiences that elevate your lifestyle**



India's **largest** producer of rubber & South India's second largest cultivator of tea



Global media organization dedicated to helping its readers succeed big in business through best-in-class storytelling

* All figures as on FY24



Banking & Financial Services

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



Communications Media & Technology

- Streaming Services, Cable TV
- Broadband & Telephony
- Consumer Tech
- Ed Tech
- E-Commerce



Healthcare

- Hospital Providers
- Physician Groups
- 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

11 of Top 15

Health insurance/managed care providers 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

Utility companies in the UK

Our Leadership Team



Ritesh Idnani
—
MD & CEO



Dinesh Jain
—
Chief Financial Officer



Sohit Brahmawar
—
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

Performance Highlights | Q1FY25



REVENUE

₹ 17,911 Million
(US\$ 215 Million)

YoY growth of 17.1%
YoY constant currency growth of 14.8%
QoQ constant currency growth of 6.5%



EBIT

₹ 1,970 Million
(Margin 11.0%)

YoY growth of 10.1%
YoY margin contraction of 70bps
QoQ margin flat



PROFIT AFTER TAX

₹ 1,353 Million
(Margin 7.6%)

YoY growth of 7.4%
YoY margin contraction of 60bps
QoQ margin contraction of 40bps



EARNINGS PER SHARE (Diluted)

₹ 1.92
per share

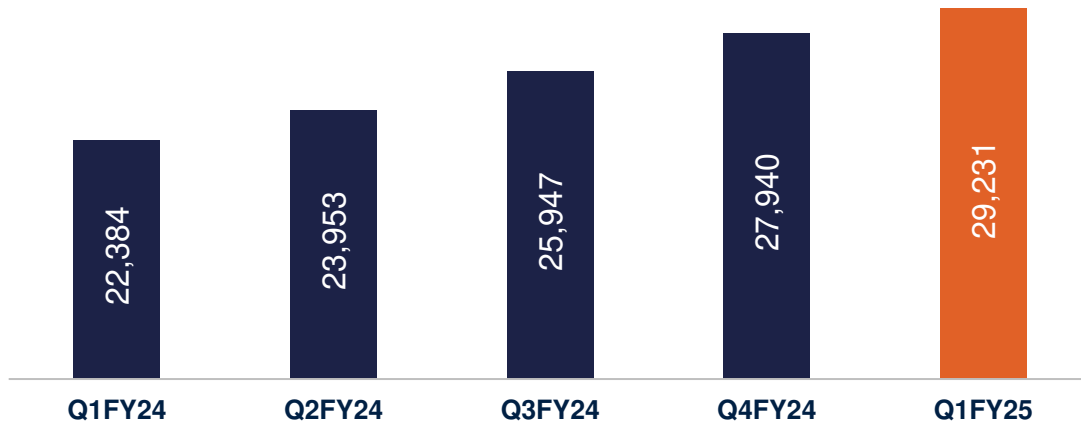
Q4FY24 at ₹ 1.90 per share
Q1FY24 at ₹ 1.80 per share

- Won a large deal from a Fortune500 managed health care companies in the US, one of our existing clients, for member and provider services, and end-to-end claims processing services
- Expanded footprint and wallet share in one of the Top5 healthcare insurance companies in the US for providing digital intake, claims, and provider data management services
- Large deal from a premier SaaS platform provider for the Freight Industry in North America, a new logo for us, for providing customer service and back-office operations
- New logo addition with a scale deal from a leading pension administrator in the UK to improve their service coverage
- Strengthened the multi-decade relationship with one of the largest managed health care and insurance companies in the US with additional business for providing application support and onboarding support for their clearing house line of business
- Selected by a Top5 health insurance companies in the US for claims processing services for their Medicare Line of business
- Won a deal from one of the largest public health care delivery system in the US for providing collection and insurance discovery services
- Selected by one of the largest US newspaper publishers to run in-bound and out-bound subscribers support

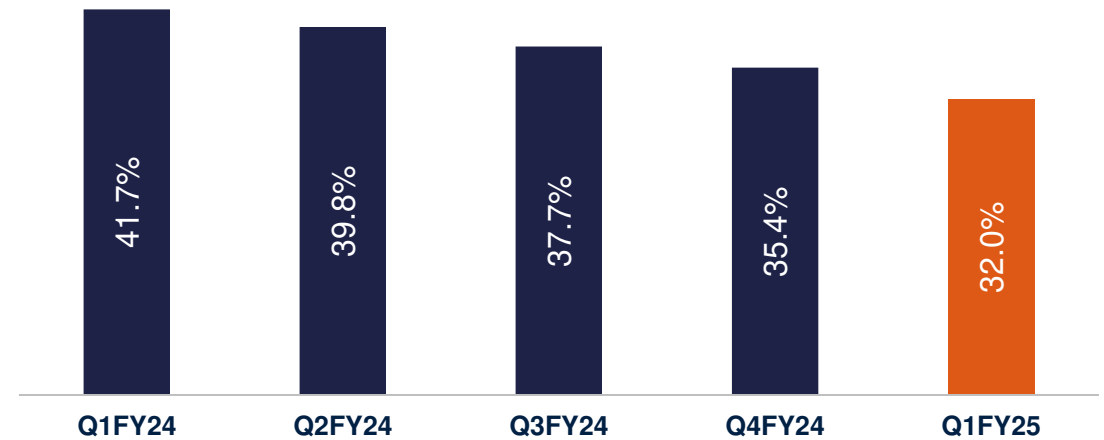
Employee Base | Q1FY25

- Total headcount of **29,231** employees
- QoQ net headcount addition of **1,291**
- TTM employee attrition at **32.0%***
- **45.1%** of employees are women

Total headcount



Attrition

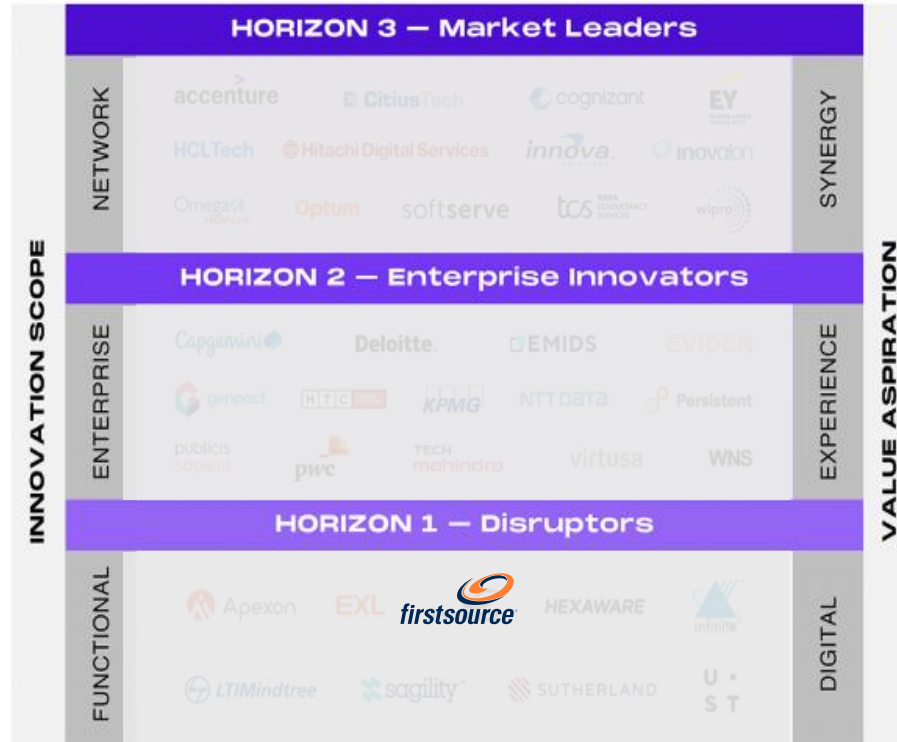


*For employees in employment for more than 180 days

HFS Horizons

Horizon 1

Ranked as a Disruptor in HFS Horizons
HCP Service Providers, 2024



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi & Net Zero

Our ESG commitment

As part of our decarbonization strategy:

Submitted the **commitment letter** to SBTi which has been accepted

Indicating our commitment towards **reducing carbon emissions** as per set guidelines

2035 is our near-term target as per **SBTi alignment**

2050 is our long-term target for **Net Zero**

11.5-13.5%
constant currency
revenue growth
(Earlier: 10-13%)



11-12%
EBIT margin
(Earlier: 11-12%)

Factsheet

Cons. IndAS financials | Profit & Loss Statement

In ₹ million	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	QoQ	YoY
Income from services	15,267	15,417	15,948	16,693	63,325	17,839	6.9%	16.8%
Other operating Income	25	(17)	18	12	37	72	-	-
Revenue from operations	15,292	15,400	15,966	16,705	63,362	17,911	7.2%	17.1%
Revenue from operations (USD Mn)	\$ 186	\$ 186	\$ 192	\$ 201	\$ 765	\$ 215	6.7%	15.4%
<i>QoQ Growth % - Constant Currency</i>	<i>(3.0%)</i>	<i>(0.1%)</i>	<i>3.4%</i>	<i>4.2%</i>	-	<i>6.5%</i>	-	-
<i>YoY Growth % - Constant Currency</i>	<i>(1.6%)</i>	<i>(1.9%)</i>	<i>2.8%</i>	<i>4.5%</i>	<i>1.1%</i>	<i>14.8%</i>	-	-
Manpower Expenses	9,239	9,402	9,895	10,558	39,093	11,268	6.7%	22.0%
Operating Expenses	3,652	3,710*	3,700	3,643	14,705	3,944	8.3%	8.0%
EBITDA	2,402	2,288	2,371	2,503	9,564	2,699	7.8%	12.4%
EBITDA Margin	15.7%	14.9%	14.9%	15.0%	15.1%	15.1%	10bp	-60bp
Depreciation / amortization	613	654	663	673	2,602	729	8.2%	18.9%
EBIT	1,789	1,634*	1,709	1,830	6,962	1,970	7.7%	10.1%
EBIT Margin	11.7%	10.6%	10.7%	11.0%	11.0%	11.0%	NM	-70bp
Other Income / (expense)	6	153 [#]	134 [#]	3	296	(11)	-	-
Interest expense, net	(243)	(244)	(235)	(240)	(962)	(287)	19.4%	18.1%
Profit Before Taxes	1,553	1,543	1,608	1,593	6,296	1,673	5.0%	7.7%
Taxes and Minority Interest	293	278	321	258	1,150	320	24.1%	9.2%
Profit After Tax	1,260	1,265	1,287	1,335	5,147	1,353	1.3%	7.4%
<i>Net Margin</i>	<i>8.2%</i>	<i>8.2%</i>	<i>8.1%</i>	<i>8.0%</i>	<i>8.1%</i>	<i>7.6%</i>	<i>-40bp</i>	<i>-60bp</i>
Diluted EPS (₹ /Share)	1.80	1.80	1.84	1.90	7.34	1.92	1.1%	6.7%

[#]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

Cons. IndAS financials | Balance Sheet

In ₹ million	As on 31-Mar-24	As on 30-Jun-24
ASSETS		
Non-Current Assets		
Fixed assets	2,461	3,164
Right-of-use assets	6,355	6,515
Goodwill on consolidation	29,885	32,464
Investment in associates	0	0
Financial Assets		
Investments	115	114
Other financial assets	825	1,009
Deferred tax assets	2,921	2,813
Income tax assets (net)	809	831
Other non-current assets	2,086	2,187
Total Non-Current Assets	45,457	49,096
Current Assets		
Financial assets		
Current investments	300	385
Trade receivables	11,608	13,497
Cash and cash equivalents	1,748	1,731
Other balances with bank	137	130
Other financial assets	94	167
Other current assets	1,486	1,982
Total Current Assets	15,374	17,893
TOTAL ASSETS	60,830	66,989

In ₹ million	As on 31-Mar-24	As on 30-Jun-24
EQUITY AND LIABILITIES		
Shareholder's Funds		
Equity share capital	6,970	6,970
Reserve and surplus	30,034	31,444
Non - controlling interest	4	4
Total Equity	37,008	38,418
Non-Current Liabilities		
Financial Liabilities		
Long-term borrowings	42	2,132
Lease liabilities	5,714	5,937
Other Financial Liabilities	0	568
Provisions	188	230
Deferred tax liabilities	1,470	1,492
Total Non-Current Liabilities	7,414	10,358
Current Liabilities		
Financial Liabilities		
Short-term and other borrowings	8,081	9,702
Trade payables	3,056	3,106
Lease liabilities	1,496	1,463
Other financial liabilities	2,047	2,345
Other current liabilities	1,057	971
Provisions	467	490
Provision for tax (net)	205	136
Total Current Liabilities	16,409	18,213
TOTAL LIABILITIES	60,830	66,989

Cons. IndAS financials | Cash Flow Statement

In ₹ million	3 Month ended June 30, 2023	3 Month ended June 30, 2024
Cash Flow from Operating Activities		
Net profit before taxation and non controlling interest	1,553	1,673
Depreciation and amortization	613	729
Finance costs (For borrowing & lease liabilities)	254	316
Adjustment: Non-Cash Expense / (Other Income)	(116)	187
Add: Working Capital Changes	(1,832)	(2,643)
Less: Income Taxes Paid	(90)	(321)
Net cash generated from / (used in) Operating Activities (A)	380	(60)
Cash Flow from Investing Activities		
Capital Expenditure, net	(151)	(538)
Interest income received	0	2
(Increase)/Decrease in current investments	(604)	30
Acquisition of business	-	(2,005)
Earmarked balances with banks	7	6
Net cash generated from / (used in) Investing Activities (B)	(748)	(2,504)
Cash Flow from Financing Activities		
Net Change in Borrowings	1,070	3,710
Net Interest Paid	(305)	(388)
Payment of Lease Liabilities	(349)	(375)
Purchase of Treasury Shares, net	17	(171)
Purchase of non controlling interest in subsidiary	(583)	(225)
Net cash generated from / (used in) Financing Activities (C)	(150)	2,552
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(518)	(12)
Cash and cash equivalents at the beginning of the period	1,515	1,748
Foreign exchange (loss) / gain on translating Cash and cash equivalents	(1)	(5)
Closing Cash and Cash Equivalents	997	1,731
Current Investments	1,210	385
Short term fixed deposits	-	33
Cash and Cash Equivalents including Investments	2,207	2,149

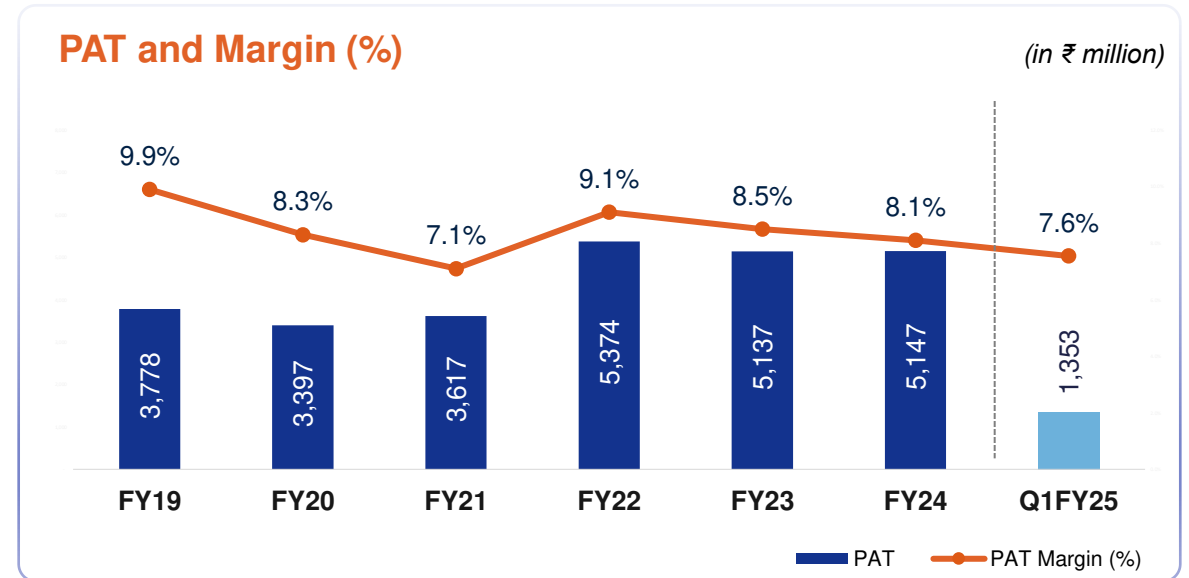
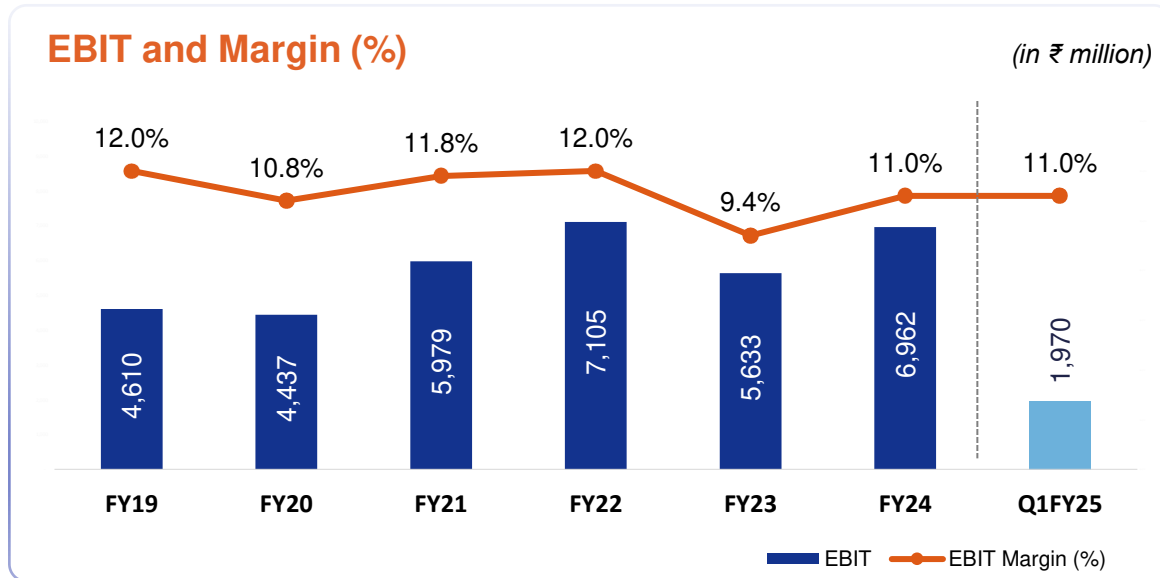
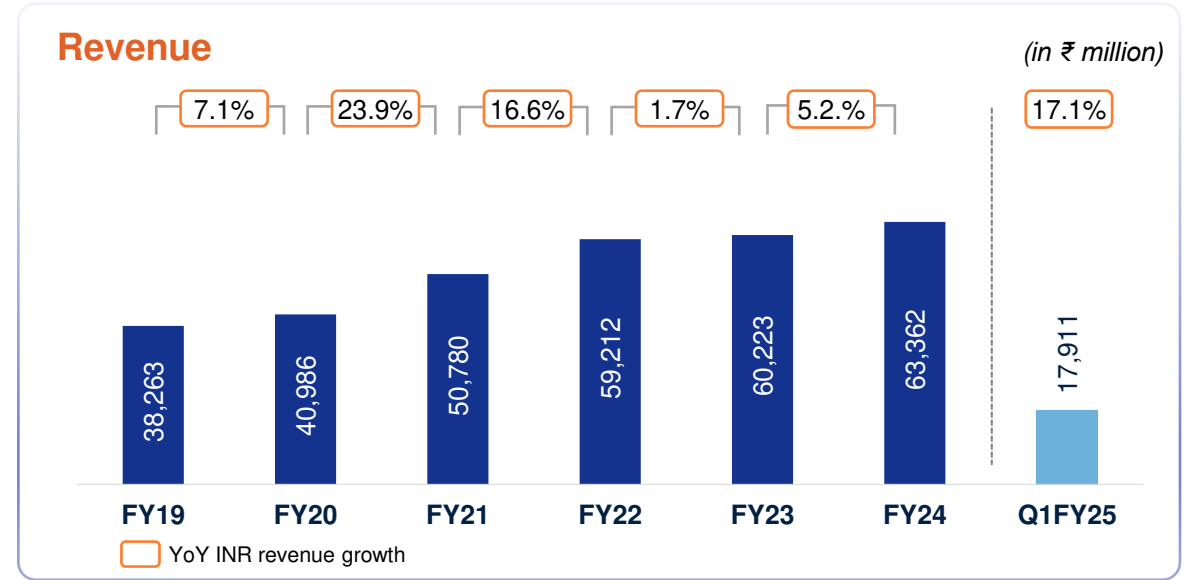
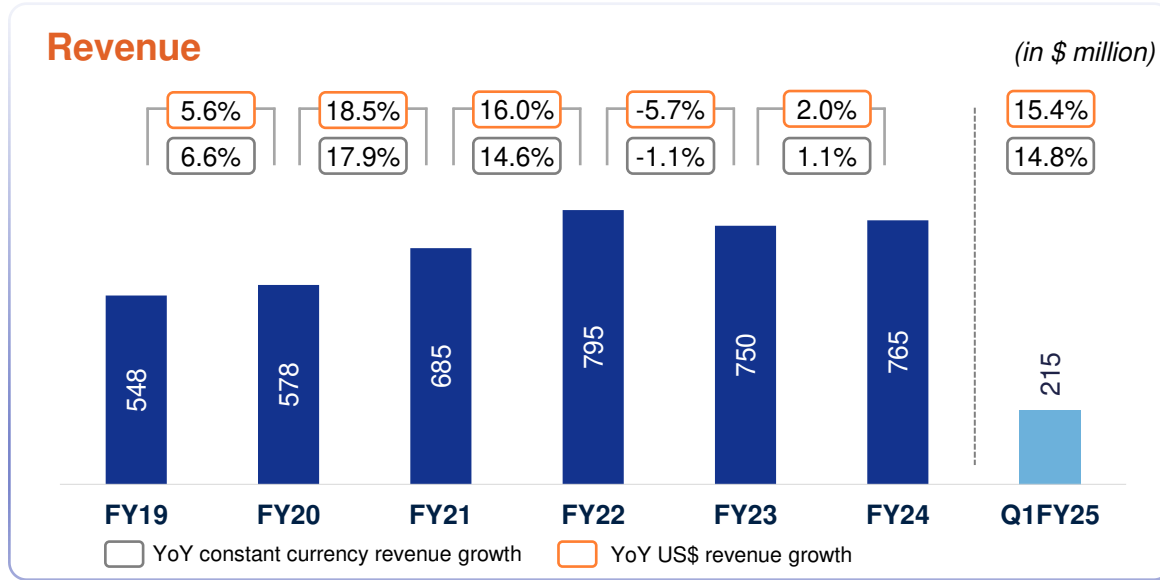
Operating Metrics | Q1FY25

		Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Revenue by Vertical	Banking & Financial Services	46.3%	43.4%	41.8%	40.3%	40.8%	40.8%	38.3%	37.3%	36.4%
	Healthcare	32.1%	34.5%	34.2%	33.2%	32.6%	32.7%	33.5%	32.9%	35.7%
	Communications, Media & Tech	20.2%	20.2%	21.6%	22.3%	21.8%	21.2%	22.5%	23.6%	22.3%
	Diverse Industries	1.4%	1.9%	2.4%	4.2%	4.8%	5.3%	5.7%	6.2%	5.6%
Revenue by Geography	North America	68.4%	67.2%	64.9%	63.3%	63.5%	65.1%	65.4%	65.0%	68.2%
	Europe, Middle East, and Africa	30.1%	31.3%	34.1%	36.3%	36.4%	34.8%	34.5%	34.9%	31.8%
	Rest of World	1.5%	1.5%	1.0%	0.4%	0.1%	0.1%	0.1%	0.1%	0.0%
Revenue by Delivery	Offshore	27.4%	25.9%	25.1%	24.6%	25.6%	26.7%	30.3%	31.4%	35.0%
	Onshore	72.6%	74.1%	74.9%	75.4%	74.4%	73.3%	69.7%	68.6%	65.0%
New Logos	New logos added (during the quarter)	8	25	12	9	10	12	10	8	10
Client Concentration	Top 5 clients (share of total revenues)	36.4%	36.6%	38.5%	37.4%	37.2%	35.0%	35.8%	36.7%	34.6%
	Top 10 clients (share of total revenues)	50.0%	50.6%	53.6%	53.6%	52.7%	51.3%	52.0%	52.6%	51.5%
Client Distribution	US\$ 1m+ clients (nos.)	97	99	100	99	98	101	104	103	100
	US\$ 5m+ clients (nos.)	31	29	29	28	24	24	25	25	25
	US\$ 10m+ clients (nos.)	15	17	15	11	14	13	13	13	13
	US\$ 20m+ clients (nos.)	8	9	7	7	9	8	8	8	9
	US\$ 50m+ clients (nos.)	2	1	1	2	2	2	2	2	2
Revenue by Currency	USD	68.0%	65.4%	63.3%	62.2%	63.2%	65.0%	64.9%	64.8%	67.9%
	GBP	30.0%	32.6%	35.5%	37.0%	36.3%	34.3%	34.4%	34.4%	31.4%
	Others	2.1%	2.1%	1.1%	0.9%	0.5%	0.7%	0.7%	0.8%	0.7%
Employee Metrics	Total employees (period-end)	25,234	23,932	23,627	23,018	22,384	23,953	25,947	27,940	29,231
	Net addition	(1,323)	(1,302)	(305)	(609)	(634)	1,569	1,994	1,993	1,291
	Attrition (TTM)	48.6%	48.1%	45.5%	43.3%	41.7%	39.8%	37.7%	35.4%	32.0%

* For employees in employment for more than 180 days

Annexure

Financial performance snapshot | Q1FY25

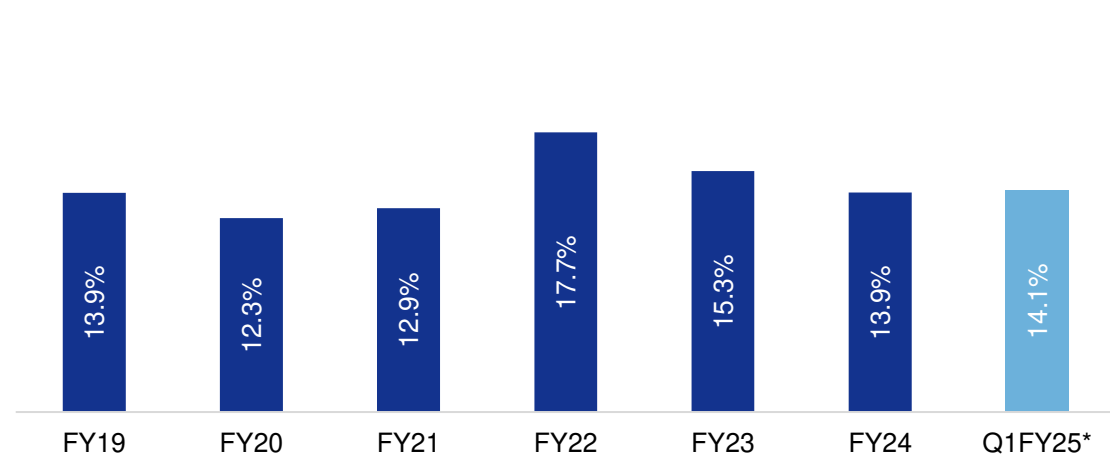


Note: FY24 EBIT margin was 11.1%, adjusted for one-time charges related to leadership changes in Q2FY24

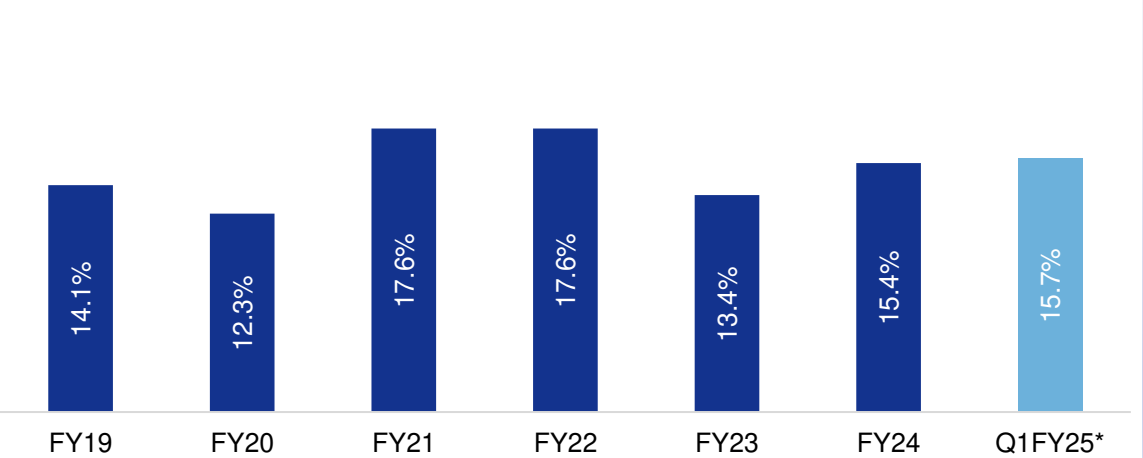
Note: FY21 PAT was ₹ 4,499m excluding exceptional items

Key performance indicators | Q1FY25

Return on Equity (%)

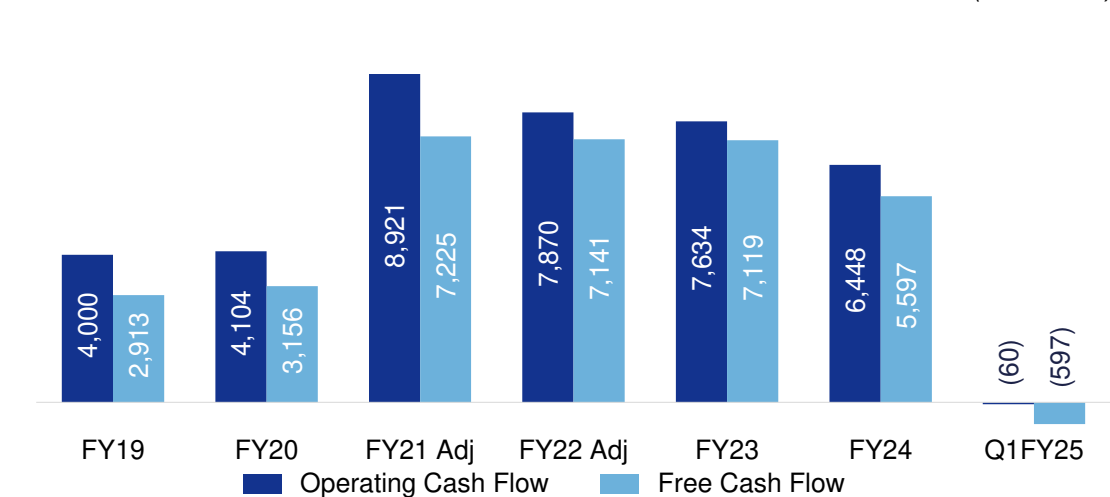


Return on Capital Employed (%)



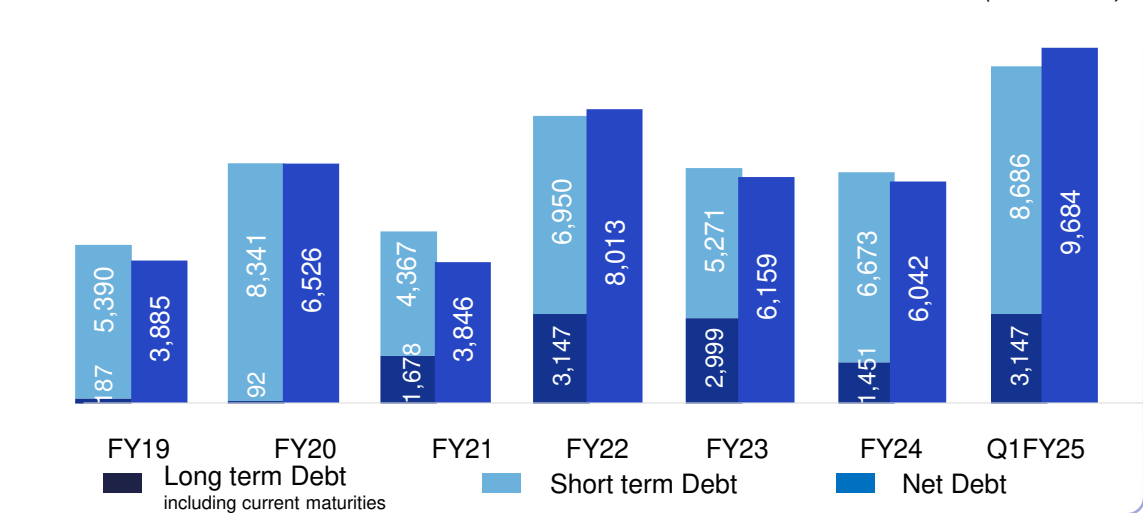
Cash Flow

(in ₹ million)



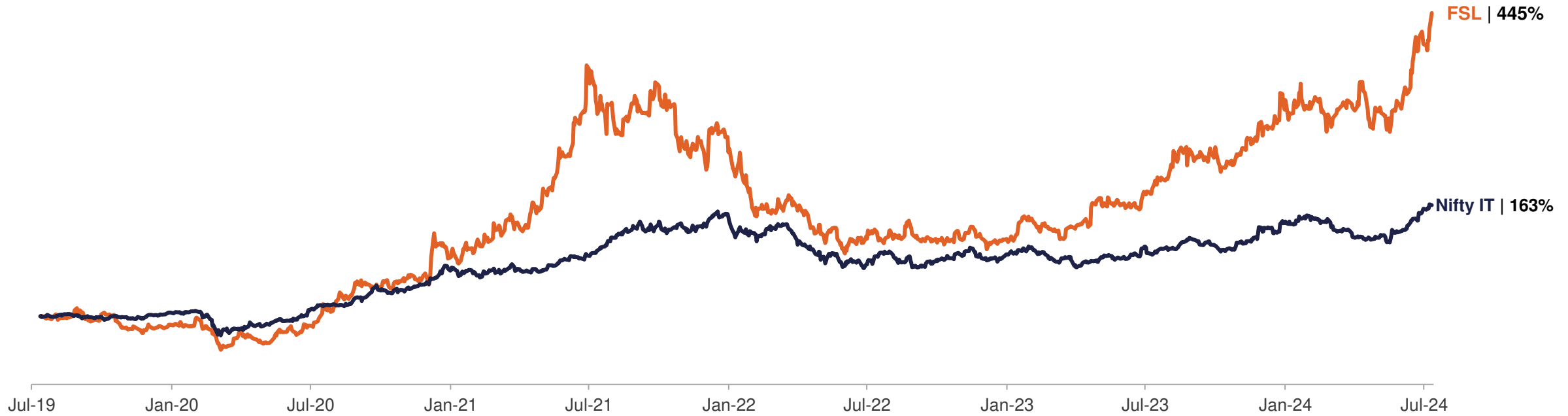
Debt Position

(in ₹ million)



*Annualised

Total Shareholder Return | Trailing 5 years



Total Shareholders Return (including dividends) of 478% in past 5 years

Based on closing prices as of 29th July 2024

THANK YOU

[Investor relations](#)

