

The title "Investor Presentation" is displayed in a large, white, sans-serif font. To the left of the text is a vertical orange bar. The background of the slide is a dark, monochromatic photograph of two business professionals in a meeting, with one person pointing at a document on a clipboard that contains various charts and graphs.

Q2FY24

# 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 60.2 Billion**  
(US\$750 Million) in FY2023



**23,953\*** Firstsourcers

across US, UK, India, Philippines and Mexico  
\*As on 30<sup>th</sup> Sept. 2023



**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**

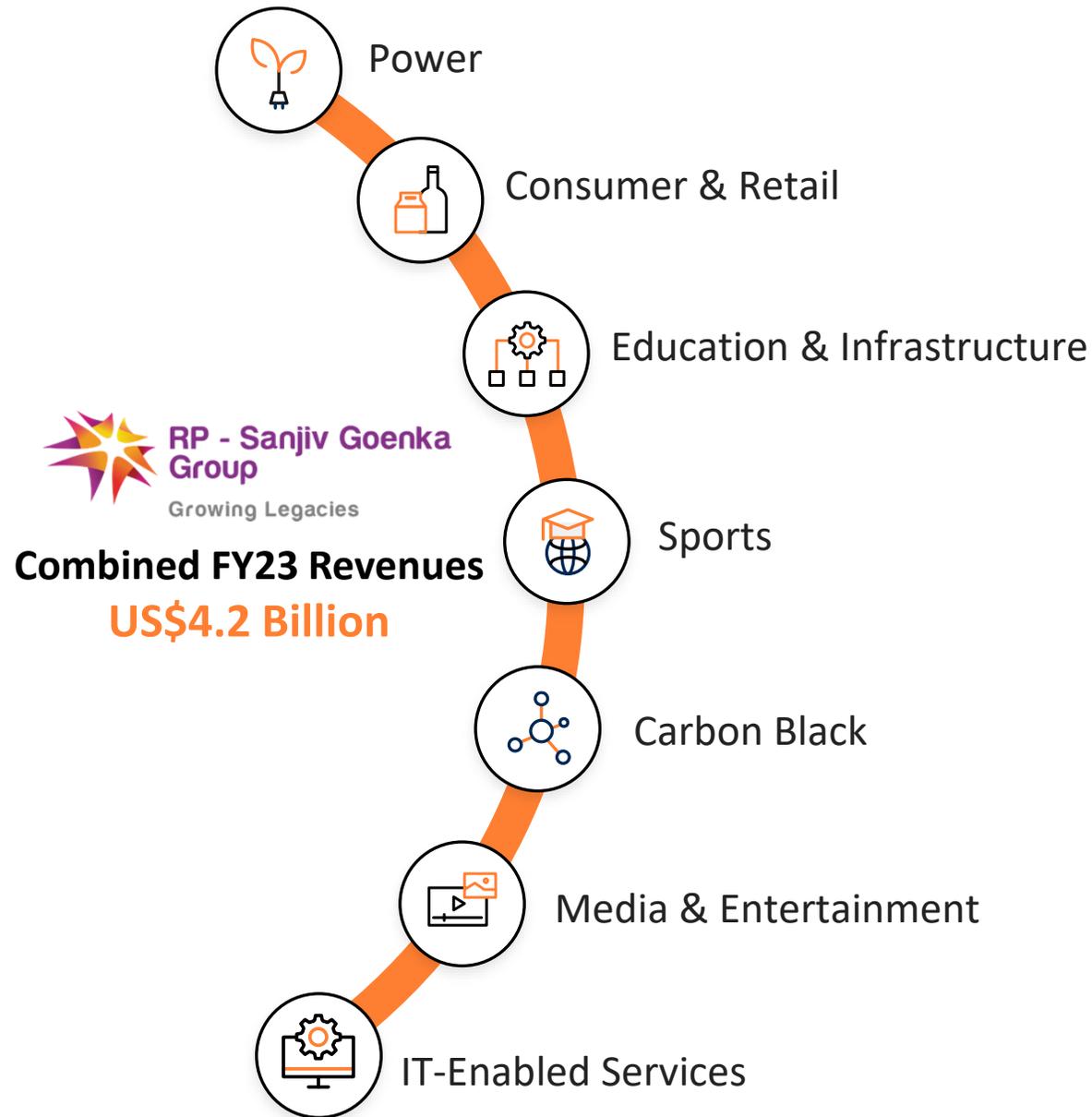
Average tenure of top 5 clients is over 18.7 years



**Publicly Traded on Indian Stock Exchanges**

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

# Part of RP-Sanjiv Goenka Group





## Banking & Financial Services

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



## Healthcare

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



## Communications Media & Technology

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



## Diversified Industries

- Utilities
- Government Entities

### 7 of Top 15

Mortgage Servicers in the US

### 5 of Top 15

Mortgage Lenders in the US

### 5 of Top 10

Credit card issuers in the US

### 2 of Top 6

Retail Banks in the UK

### 1,000+

Hospitals in the US

### 7 of Top 10

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

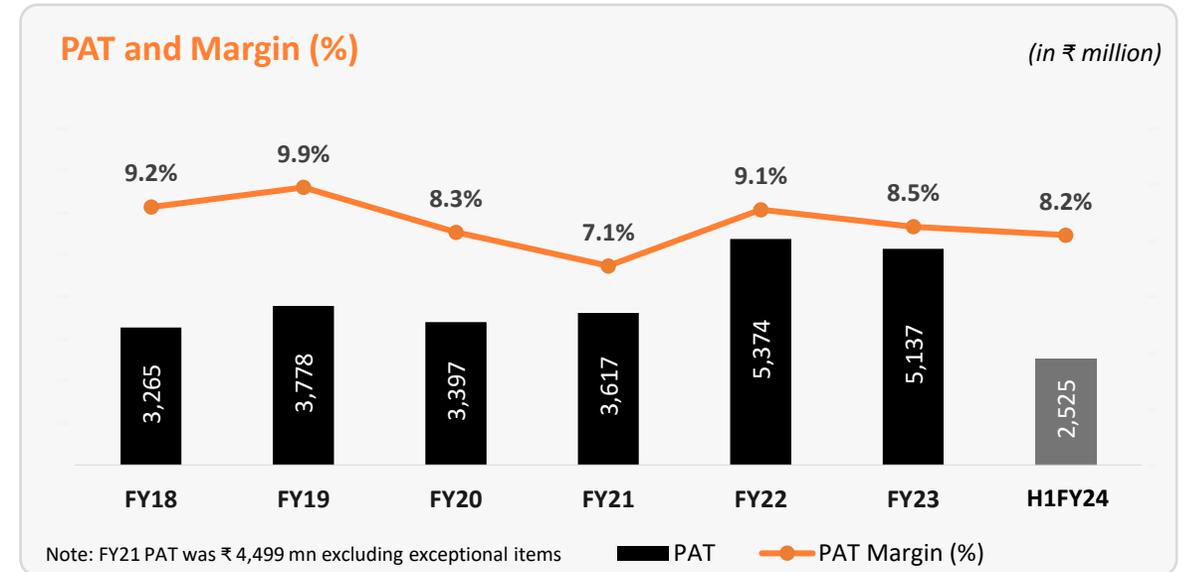
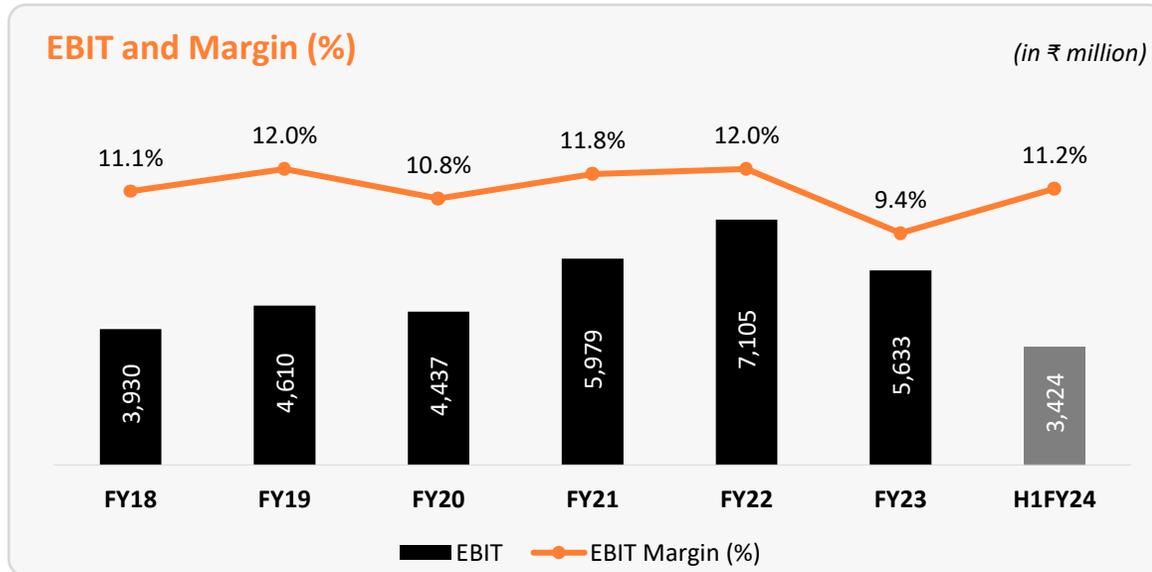
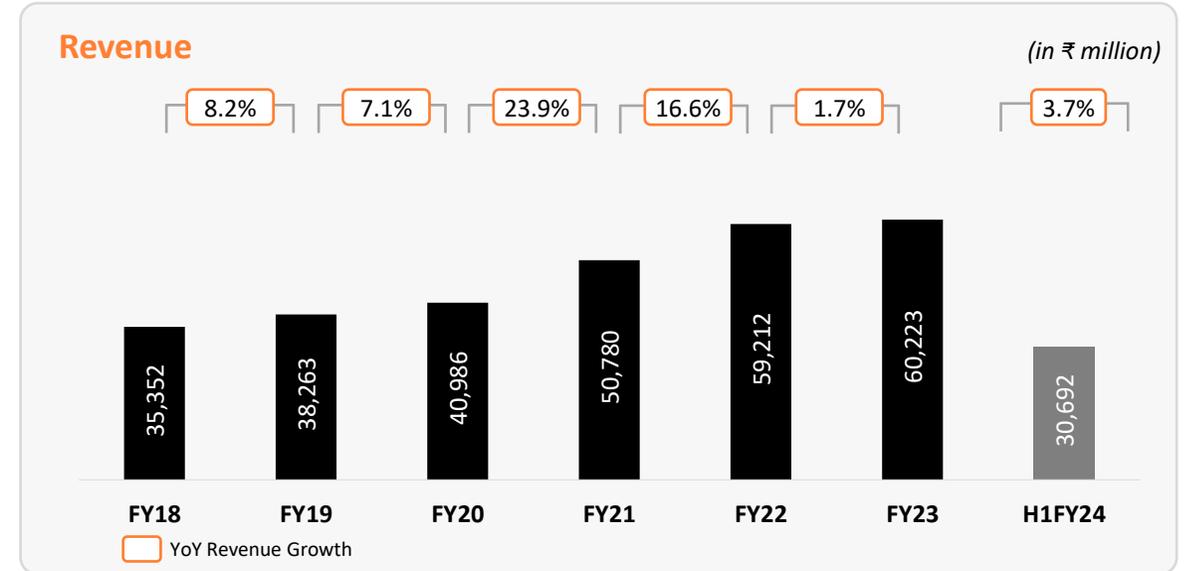
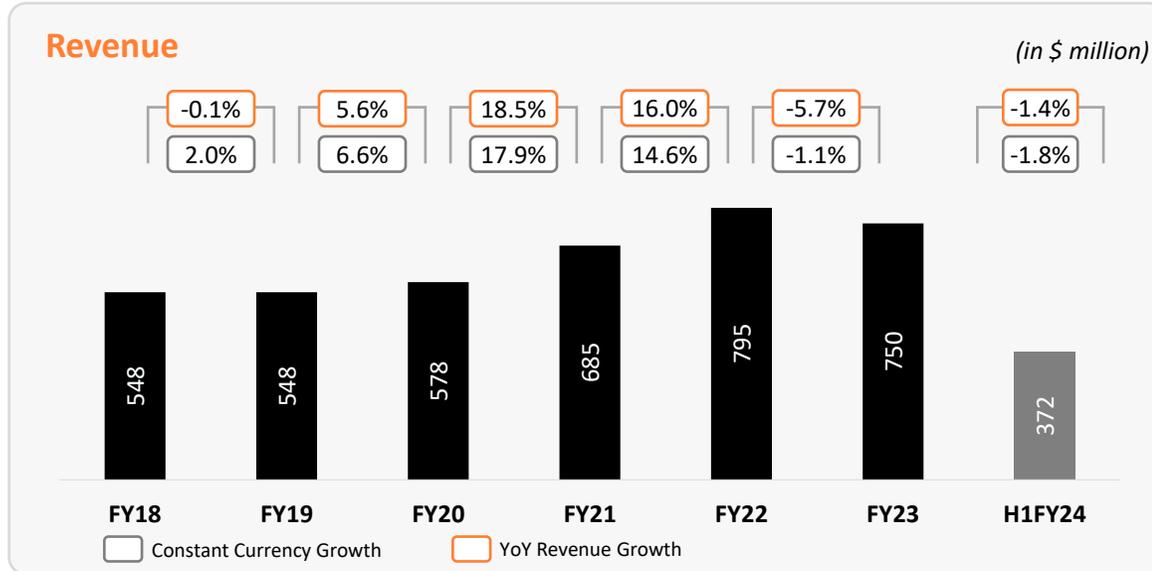
### 2 of Top 3

Consumer-tech companies in the US

### 2 of Top 3

Utility companies in the UK

# Financial Performance Snapshot



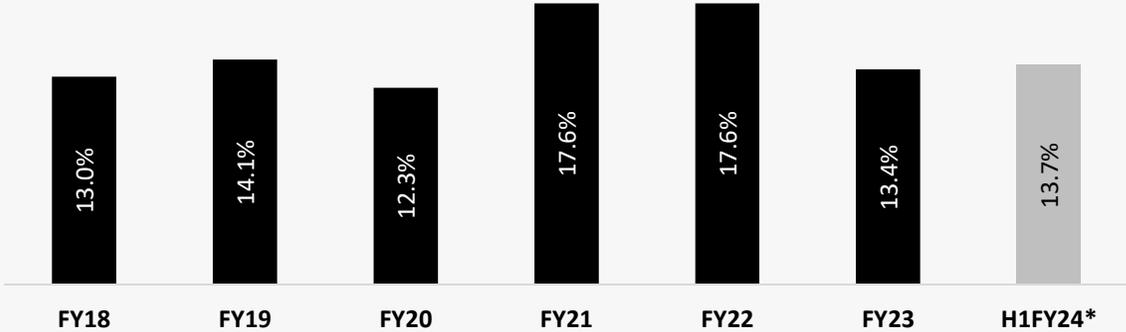
# Key Performance Indicators

## Return on Equity (%)



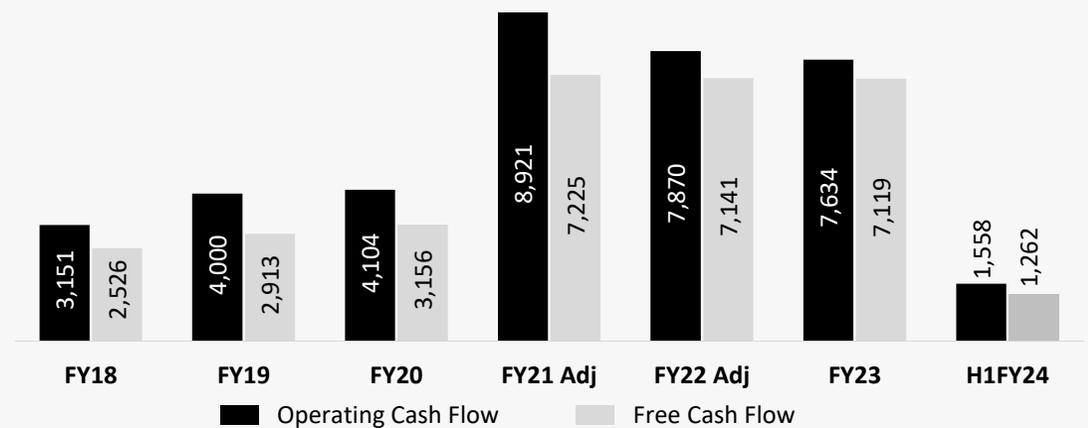
Note: FY21 ROE was 16.1% excluding exceptional items

## Return on Capital Employed (%)



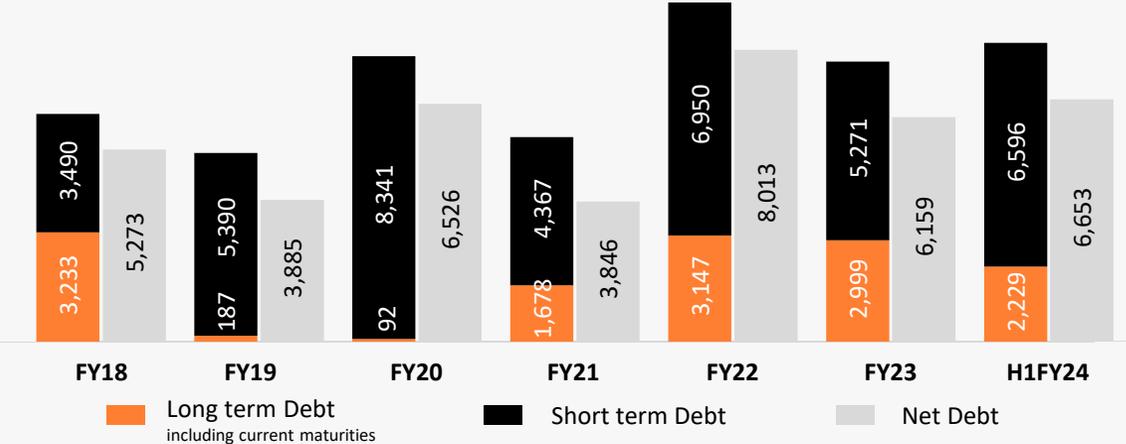
## Cash Flow

(in ₹ million)



## Debt Position

(in ₹ million)



# Leadership Team



Ritesh Idnani

—  
MD & CEO



Dinesh Jain

—  
Chief Financial Officer



Prashanth Nandella

—  
Chief Operating Officer



Venkatgiri Vandali

—  
Head - Healthcare



Rajiv Malhotra

—  
Head - Europe



Sameer Ahluwalia

—  
Head - BFS



Arjun Mitra

—  
Head - Collections



Ashish Chawla

—  
Head- IDEA, EdTech &  
Digital Media



Sundara Sukavanam

—  
Chief Digital Officer



Aftab Javed

—  
Chief Human Resources  
Officer

# ESG at Firstsource

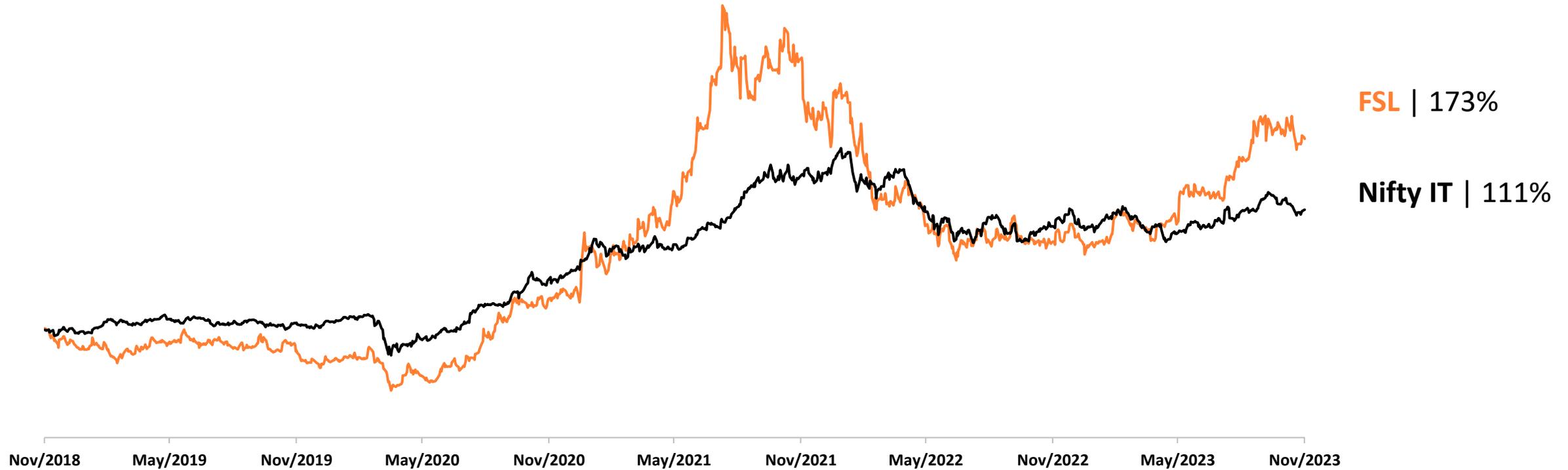
 <b>Environment</b>	 <b>Social</b>	 <b>Governance</b>
<p><b>65%</b> Increase in renewable energy consumption vs FY22 (India)</p>	<p><b>46%</b> of the total workforce comprise of women</p>	<p><b>50%</b> of the Board consist of Independent Directors</p>
<p><b>24%</b> Renewable energy mix (India)</p>	<p>Recognized as a <b>Level 3</b> Disability Confident Leader in the UK</p>	<p><b>10%</b> of the Independent Directors of the Board are Women</p>
<p><b>100%</b> Waste disposed to responsible waste handler</p>	<p><b>15,298</b> CSR – Hours of Volunteering</p>	<p><b>54%</b> Promoter shareholding</p>
<p><b>4</b> Offices are Green Building Certified</p>	<p><b>INR 68.4 Mn</b> Spent directly through our CSR Initiatives Impacting <b>65,500+ Lives</b></p>	<p><b>Zero</b> Political contributions</p>
<p><b>77%</b> Reduction in Scope 1 emission compared to the previous year</p>	<p><b>70%</b> Of our new suppliers were screened on E&amp;S criteria</p>	<p><b>Zero</b> Cases of insider trading</p>
	<p><b>Zero</b> Cases of discrimination reported</p>	<p><b>Zero</b> Fines and penalties related to unethical business practices</p>



[Read our FY23 ESG report](#)



# Total Shareholders Return



**Total Shareholders Return (including dividends) of 198% in past 5 years**



# Performance Highlights | Q2FY24

# Summary of Performance for the Quarter ended September 30, 2023



## REVENUE

**₹ 15,400 Million**  
**(US\$ 186 Million)**

YoY growth of 3.5%  
Constant Currency YoY decline of 1.9%



## EBIT

**₹ 1,634 Million**  
**(Margin 10.6%)**

YoY growth of 30.3%  
YoY Margin expansion of 220 bps  
(including one-time charges)



## PROFIT AFTER TAX

**₹ 1,265 Million**  
**(Margin 8.2%)**

YoY decline of 2.2%  
YoY Margin contraction of 50 bps



## EARNINGS PER SHARE

(Diluted)

**₹ 1.80**  
**per share**

Q1FY24 at 1.80 per share  
Q2FY23 at ₹ 1.84 per share



## REVENUE

**₹ 30,692 Million**  
**(US\$ 372 Million)**

YoY growth of 3.7%  
Constant Currency YoY decline of 1.8%



## EBIT

**₹ 3,424 Million**  
**(Margin 11.2%)**

YoY growth of 41.2%  
YoY Margin expansion of 300 bps  
(including one-time charges)



## PROFIT AFTER TAX

**₹ 2,525 Million**  
**(Margin 8.2%)**

YoY growth of 17.7%  
YoY Margin expansion of 100 bps



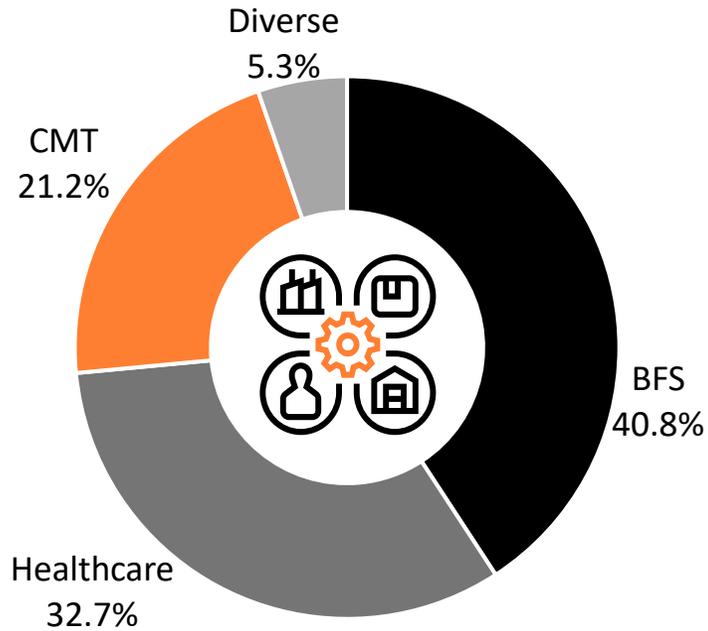
## EARNINGS PER SHARE

(Diluted)

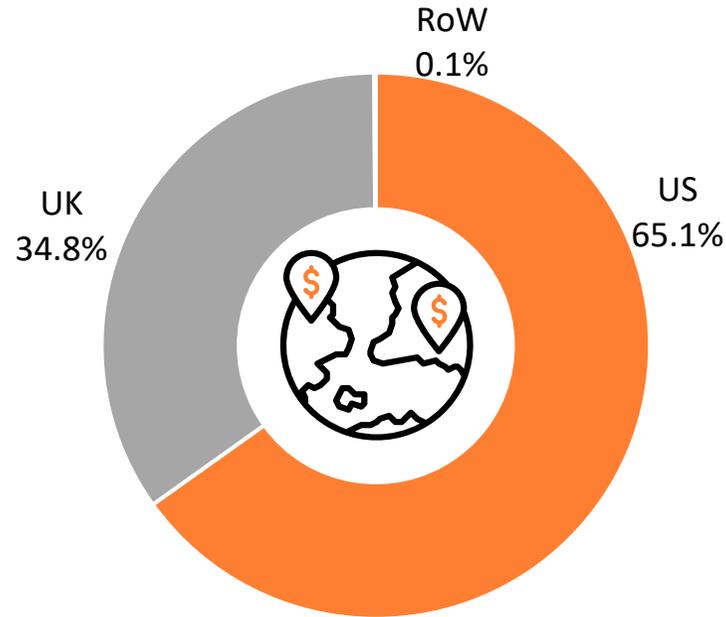
**₹ 3.60**  
**per share**

H1FY23 at 3.05 per share  
TTM EPS at ₹ 7.87 per share

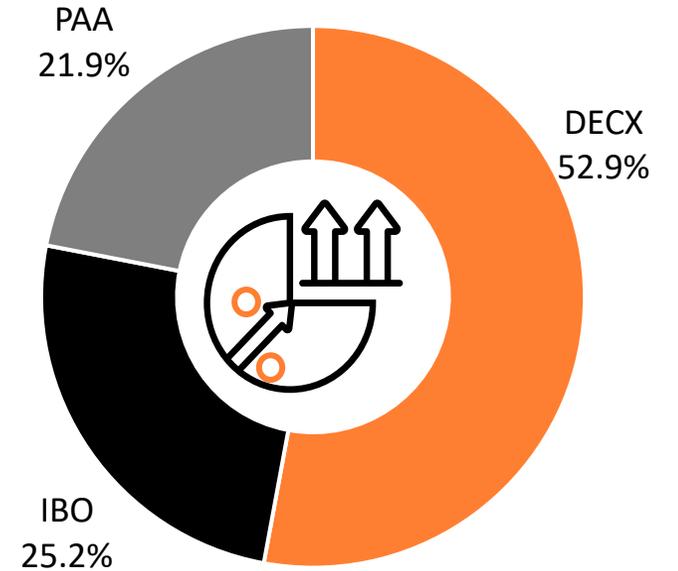
### Revenue split by verticals



### Revenue split by geography



### Revenue split by service lines



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

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

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

- We were selected by **Education Testing Services**, one of the largest education testing and assessment organizations in the world, to provide student support and technology services. As part of the deal, we recently launched a state-of-the-art Global Capability Center to deliver a cross-section of services across technology, assessment operations, business intelligence, product management, and finance operations for ETS.
- Firstsource expanded its offshore footprint for one of **Europe's leading media and entertainment companies**, by adding new complex service queues and launching chat services for customers in Ireland.
- Firstsource was selected by a **prominent US reverse mortgage company** to provide a comprehensive set of operational and tech services. They will collaborate to create new capabilities to support the client's growth strategy and enhance their modern retirement solutions platform, focusing on home-related offerings like reverse mortgages, home improvement loans, and home-sharing services.
- Further strengthened the multi-decade relationship with **one of the largest managed health care and insurance companies in the US** with additional business for providing digital intake and digital engagement services.
- 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.
- Firstsource won additional business from **one of the largest telecom and media companies globally**, an existing client, to provide core customer support and RPA implementation at its UK operations.
- Firstsource is working with **two of the largest consumer tech companies globally** on training their proprietary AI tool leveraging its AI Ops framework.

# Gen AI – progress update

- Launched **FirstSense.AI** our proprietary framework to accelerate client’s AI deployment
- Developed **Firstsense.AI Studio** sandbox ecosystem for experimentation, evaluation, and integration
- Investing in a robust **partner ecosystem** across AI, Robotics, Process and Task Mining, and Conversational AI
- Library of **100+ use cases** spanning across industries
- Completed **25+ POCs**; 5 advancing to **production pilots**
- Launched **First Collab** – an initiative to proactively engage Firstsourcers in AI engineering
- First **batch of trainees** on prompt engineering

## Large US regional bank

### What are we doing

Building an AI-based co-pilot for analyzing, extracting, and correlating complex terms and numbers from structured and unstructured documents

### Expected business outcome

50%+ productivity improvement for underwriters

## Top5 US health plan

### What are we doing

Creating an instructional design co-pilot using GenAI

### Expected business outcome

50% cut in the time to produce training content and simulations

## Global telecom giant

### What are we doing

providing real-time Gen AI-based agent guidance

### Expected business outcome

Quick query resolution, cost saving from optimised technician visits, higher customer satisfaction

## Top5 US health plan

### What are we doing

implementing a claims decision agent leveraging AI

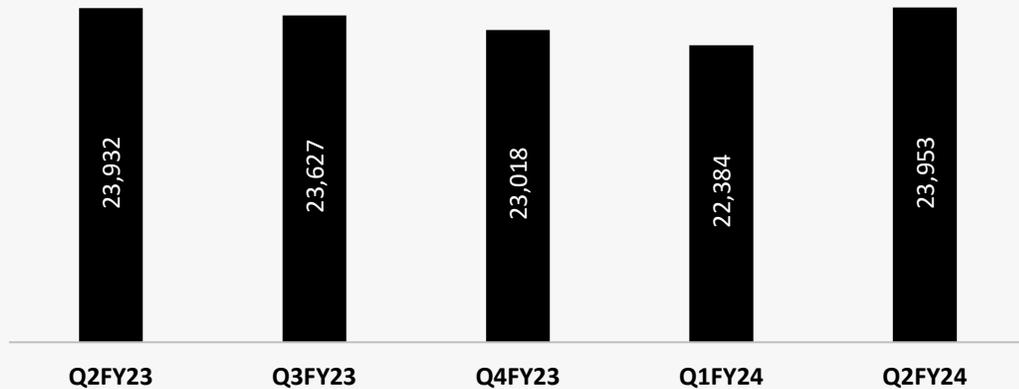
### Expected business outcome

Accelerated claims processing at lower costs with improved provider experience

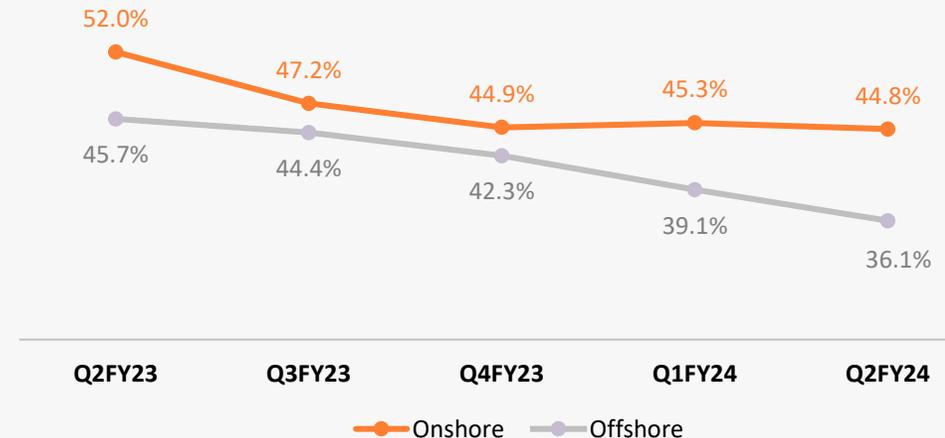
# Employee base

- QoQ net headcount addition of **1,569**
  - India employee base higher by **1,980**; RoW lower by **411**
- YoY net headcount addition of **21**
  - India employee base higher by **1,006**; RoW lower by **985**
- TTM employee attrition<sup>#</sup> at **44.8%** for onshore and **36.1%** for offshore
- **45.7%** of employees are women

## Total headcount



## Attrition



<sup>#</sup>For employees in employment for more than 180 days

\*RoW: Rest Of the World

# Select Recognition

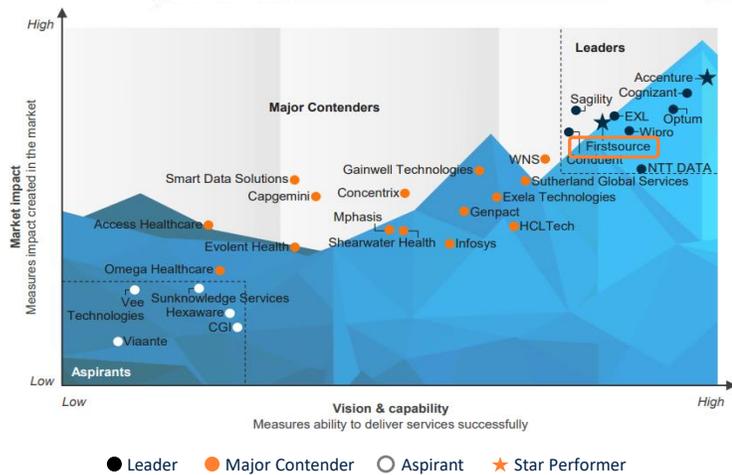


## PEAK Matrix® Assessment 2023 Healthcare Payer Operations

Firstsource among **nine payer operations** ranked as a **'Leader'** among 29 service providers assessed

It also featured as **one of only two 'Star Performer'** for the strongest forward and upward movement versus 2022 on the PEAK Matrix

Firstsource's Healthcare Payer Operations scored **high across parameters**, particularly on portfolio mix, scope of services offered, and delivery footprint



[Read the full report](#)

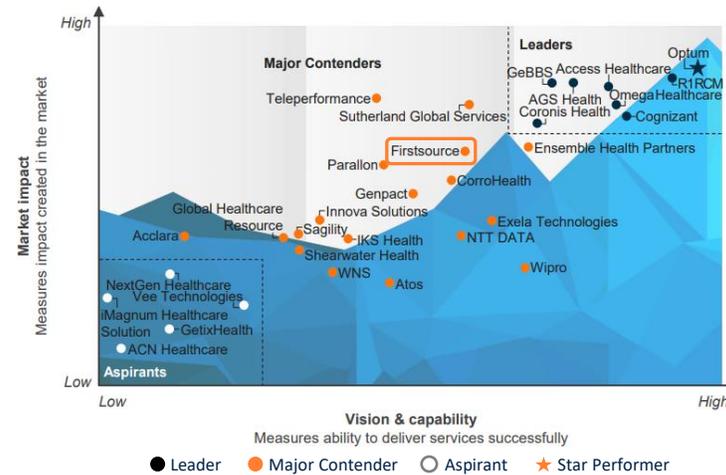


## PEAK Matrix® Assessment 2023 Revenue Cycle Management (RCM) Operations

Firstsource ranked as a **'Major Contender'** among 31 RCM operations providers assessed

Cost-effectiveness of solutions, receptiveness to feedback and pre-registration automation were cited as **FSL's key strengths** by its clients

Its technology portfolio, especially **Firstsource Healthcare Cloud**, and an extensive presence in the patient access segment are other differentiators



[Read the full report](#)



## PEAK Matrix® Assessment 2023 Banking Operations – Services

Firstsource ranked as a **'Major Contender'** among 34 banking operations service providers assessed

It also featured as a **'Star Performer'** for the strongest forward and upward movement versus 2022 on the PEAK Matrix Assessment

Established capabilities around asset finance, credit cards and mortgages, and Platforms, analytics and automation solutions were cited as the key strengths

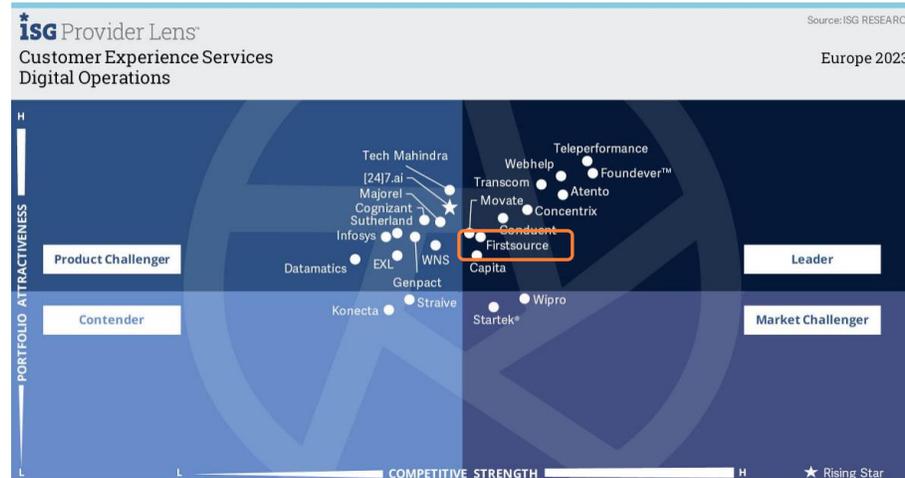
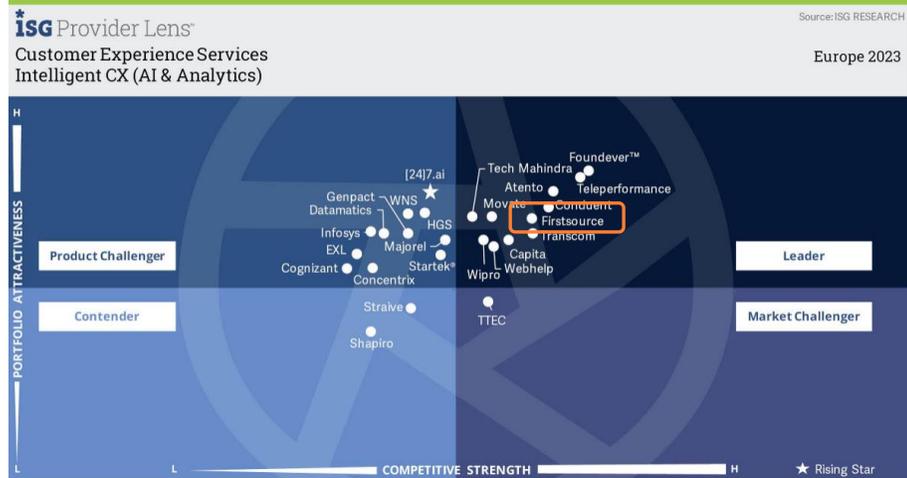


[Read the full report](#)

# Select Recognition

## \* ISG Provider Lens™

Customer Experience Services | Europe | SEPTEMBER 2023



ISG Provider Lens™ quadrant report covers the following four quadrants for services/solutions:  
**Digital Operations, Hybrid Working Solutions, Intelligent CX (AI & Analytics); and Social Media CX Services**

Firstsource rated as a **Leader** in all the four quadrants by ISG for the **third consecutive year**

Key strengths of Firstsource cited in the report include  
**Digitally Empowered Contact Center that combines human interactivity and technology for rapid resolutions**  
**Digitally Enabled CX driven by a core of generative AI**  
**First Customer Intelligence solution for speech and text analytics**  
**In-house labs and prototyping**  
**Social media SMM suite & framework**

[Read the full report](#)

# FY24 business outlook

0-2%  
constant currency  
revenue growth



11-11.5%  
EBIT margin

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# Factsheet

# Profit & Loss Statement

In ₹ million	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	QoQ	YoY
Income from services	14,524	14,735	15,033	15,566	59,859	15,267	15,417	1.0%	4.6%
Other operating Income	199	147	16	2	364	25	(17)	(169.1%)	(111.9%)
<b>Revenue from operations</b>	<b>14,724</b>	<b>14,882</b>	<b>15,049</b>	<b>15,568</b>	<b>60,223</b>	<b>15,292</b>	<b>15,400</b>	<b>0.7%</b>	<b>3.5%</b>
<b>Revenue from operations (USD Mn)</b>	<b>\$ 191</b>	<b>\$ 187</b>	<b>\$ 183</b>	<b>\$ 190</b>	<b>\$ 750</b>	<b>\$ 186</b>	<b>\$ 186</b>	<b>0.1%</b>	<b>(0.2%)</b>
<i>QoQ Growth % - Constant Currency</i>	<i>(5.1%)</i>	<i>0.2%</i>	<i>(0.9%)</i>	<i>2.5%</i>	-	<i>(3.0%)</i>	<i>(0.1%)</i>	-	-
<i>YoY Growth % - Constant Currency</i>	<i>(2.7%)</i>	<i>1.8%</i>	<i>(0.3%)</i>	<i>(2.8%)</i>	<i>(1.1%)</i>	<i>(1.6%)</i>	<i>(1.9%)</i>	-	-
Personnel Expense	9,597	9,527	9,861	9,690	38,675	9,237	9,400	1.8%	(1.3%)
Operating Expense	3,316	3,438	3,092	3,437	13,283	3,653	3,712*	1.6%	8.0%
EBITDA	1,810	1,917	2,097	2,441	8,265	2,402	2,288	(4.7%)	19.3%
<i>EBITDA Margin</i>	<i>12.3%</i>	<i>12.9%</i>	<i>13.9%</i>	<i>15.7%</i>	<i>13.7%</i>	<i>15.7%</i>	<i>14.9%</i>	<i>(85) bps</i>	<i>197 bps</i>
Depreciation / amortization	639	663	687	642	2,632	613	654	6.7%	(1.4%)
<b>EBIT</b>	<b>1,171</b>	<b>1,254</b>	<b>1,409</b>	<b>1,799</b>	<b>5,633</b>	<b>1,789</b>	<b>1,634</b>	<b>(8.7%)</b>	<b>30.3%</b>
<i>EBIT Margin</i>	<i>8.0%</i>	<i>8.4%</i>	<i>9.4%</i>	<i>11.6%</i>	<i>9.4%</i>	<i>11.7%</i>	<i>10.6%</i>	<i>(109) bps</i>	<i>220 bps</i>
Other Income / (expense)	54	482 <sup>#</sup>	610 <sup>#</sup>	105 <sup>#</sup>	1,251 <sup>#</sup>	6	153	2279.1%	(68.3%)
Interest Income / (expense), net	(177)	(187)	(183)	(185)	(732)	(243)	(244)	0.4%	30.5%
Profit Before Taxes	1,048	1,549	1,837	1,719	6,152	1,553	1,543	(0.6%)	(0.4%)
Taxes and Minority Interest	197	255	257	306	1,015	293	278	(5.1%)	8.9%
<b>Profit After Tax</b>	<b>851</b>	<b>1,294</b>	<b>1,579</b>	<b>1,413</b>	<b>5,137</b>	<b>1,260</b>	<b>1,265</b>	<b>0.4%</b>	<b>(2.2%)</b>
<i>Net Margin</i>	<i>5.8%</i>	<i>8.7%</i>	<i>10.5%</i>	<i>9.1%</i>	<i>8.5%</i>	<i>8.2%</i>	<i>8.2%</i>	<i>(2) bps</i>	<i>(50) bps</i>
Diluted EPS (₹ /Share)	1.21	1.84	2.25	2.02	7.32	1.80	1.80	-	(2.2%)

<sup>#</sup>Q2-Q4FY23: include changes in the fair value of liabilities for the purchase of the non-controlling interest

\*Q2FY24: include one-time charges

# Balance Sheet

In ₹ million	As on 30-Sep-23	As on 31-Mar-23
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed assets	2,454	2,789
Right-of-use assets	5,550	4,958
Goodwill on consolidation	29,758	29,450
Investment in associates	0	0
<b>Financial Assets</b>		
Investments	115	116
Other financial assets	739	488
Deferred tax assets	2,880	2,948
Income tax assets (net)	826	786
Other non-current assets	2,110	1,026
<b>Total Non-Current Assets</b>	<b>44,431</b>	<b>42,561</b>
<b>Current Assets</b>		
Financial assets		
Current investments	1,276	596
Trade receivables	11,468	10,385
Cash and cash equivalents	895	1,515
Other balances with bank	33	40
Other financial assets	123	40
Other current assets	1,795	1,507
<b>Total Current Assets</b>	<b>15,589</b>	<b>14,082</b>
<b>TOTAL ASSETS</b>	<b>60,021</b>	<b>56,644</b>

In ₹ million	As on 30-Sep-23	As on 31-Mar-23
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's Funds</b>		
Equity share capital	6,970	6,970
Reserve and surplus	29,727	26,699
Non - controlling interest	4	4
<b>Total Equity</b>	<b>36,700</b>	<b>33,672</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
Long-term borrowings	622	1,394
Lease liabilities	4,969	4,467
Other Financial Liabilities	0	181
Provisions	176	137
Deferred tax liabilities	1,385	1,196
<b>Total Non-Current Liabilities</b>	<b>7,151</b>	<b>7,375</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Short-term and other borrowings	8,202	6,876
Trade payables	2,498	2,314
Lease liabilities	1,352	1,195
Other financial liabilities	2,184	3,556
Other current liabilities	1,241	829
Provisions	567	826
Provision for tax (net)	126	-
<b>Total Current Liabilities</b>	<b>16,169</b>	<b>15,597</b>
<b>TOTAL LIABILITIES</b>	<b>60,021</b>	<b>56,644</b>

# Cash Flow Statement

In ₹ million	Half-Year ended Sept 30, 2023	Half-Year ended Sept 30, 2022
<b>Cash Flow from Operating Activities</b>		
Net profit before taxation and non controlling interest	3,096	2,597
Depreciation and amortization	1,266	1,302
Finance costs (For borrowing & lease liabilities)	514	386
Adjustment: Non-Cash Expense / (Other Income)	(264)	(1,638)
Add: Working Capital Changes	(2,759)	1,522
Less: Income Taxes Paid	(296)	(355)
<b>Net cash generated from / (used in) Operating Activities (A)</b>	<b>1,558</b>	<b>3,813</b>
<b>Cash Flow from Investing Activities</b>		
Capital Expenditure, net	(296)	(270)
Interest income received	1	1
(Increase)/Decrease in current investments	(654)	175
Earmarked balances with banks	7	44
<b>Net cash generated from / (used in) Investing Activities (B)</b>	<b>(942)</b>	<b>(50)</b>
<b>Cash Flow from Financing Activities</b>		
Net Change in Borrowings	555	(1,570)
Net Interest Paid	(571)	(389)
Payment of Lease Liabilities	(668)	(771)
Purchase of Treasury Shares, net	25	(173)
Purchase of non controlling interest in subsidiary	(583)	(276)
<b>Net cash generated from / (used in) Financing Activities (C)</b>	<b>(1,242)</b>	<b>(3,180)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(626)</b>	<b>583</b>
Cash and cash equivalents at the beginning of the period	1,515	828
Foreign exchange (loss) / gain on translating Cash and cash equivalents	6	3
<b>Closing Cash and Cash Equivalents</b>	<b>895</b>	<b>1,414</b>
Current Investments	1,276	1,032
<b>Cash and Cash Equivalents including Investments</b>	<b>2,172</b>	<b>2,446</b>

# Operating Metrics

	Particulars	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Revenue by Vertical	Banking & Financial Services	48.9%	48.3%	49.0%	46.3%	43.4%	41.8%	40.3%	40.8%	40.8%
	Healthcare	29.6%	30.3%	30.3%	32.1%	34.5%	34.2%	33.2%	32.6%	32.7%
	Communications Media & Tech	19.5%	19.6%	19.0%	20.2%	20.2%	21.6%	22.3%	21.8%	21.2%
	Diverse Industries	2.0%	1.8%	1.7%	1.4%	1.9%	2.4%	4.2%	4.8%	5.3%
Revenue by Service Lines	Digitally Empowered Customer Experience	46.8%	45.9%	44.4%	46.6%	47.7%	50.4%	52.6%	51.8%	52.9%
	Intelligent Back Office	45.6%	44.0%	36.5%	32.7%	30.9%	29.2%	27.0%	27.0%	25.2%
	Platforms, Automation & Analytics	7.6%	10.1%	19.1%	20.7%	21.4%	20.4%	20.4%	21.2%	21.9%
Revenue by Geography	US	68.4%	69.8%	70.7%	68.4%	67.2%	64.9%	63.3%	63.5%	65.1%
	UK	30.1%	28.5%	27.5%	30.1%	31.3%	34.1%	36.3%	36.4%	34.8%
	Rest of World	1.5%	1.7%	1.8%	1.5%	1.5%	1.0%	0.4%	0.1%	0.1%
Revenue by Delivery	Offshore	31.0%	30.8%	27.0%	27.4%	25.9%	25.1%	24.6%	25.6%	26.7%
	Onshore	69.0%	69.2%	73.0%	72.6%	74.1%	74.9%	75.4%	74.4%	73.3%
Top Clients Revenue	Top client %	15.8%	15.2%	14.8%	15.2%	14.9%	15.8%	15.4%	14.6%	12.7%
	Top 5 client %	41.2%	37.6%	35.9%	36.4%	36.6%	38.5%	37.4%	37.2%	35.0%
Other Metrics	Total employees (end of period)	27,835	27,398	26,557	25,234	23,932	23,627	23,018	22,384	23,953
	• Employees in India	16,976	16,826	16,045	14,769	13,431	12,489	12,395	12,457	14,437
	• Employees outside India	10,859	10,572	10,512	10,465	10,501	11,138	10,623	9,927	9,516
	Net Addition	(81)	(437)	(841)	(1,323)	(1,302)	(305)	(609)	(634)	1,569
	Offshore Attrition (180 days+)	36.2%	45.2%	45.9%	43.8%	45.7%	44.4%	42.3%	39.1%	36.1%
	Onshore Attrition (180 days+)	68.8%	59.5%	50.2%	56.9%	52.0%	47.2%	44.9%	45.3%	44.8%

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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