

Firstsource Solutions Reports Second Quarter Fiscal 2024 Results

Highest deal wins in the last four quarters; 1,569 net headcount addition
EBIT up 30% YoY; Diluted EPS of ₹ 1.80

Mumbai, November 8, 2023: Firstsource Solutions Limited (NSE: FSL, BSE:532809), a global provider of Business Process Management (BPM) services and an RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter ended September 30, 2023, according to IndAS.

Financial highlights for quarter ended September 30, 2023

- Revenues at ₹ 15,400 million (US\$ 186 million), up 3.5% YoY
 - EBIT at ₹ 1,634* million or 10.6% of revenues, up 30.3% YoY; Normalised EBIT margin at 11.2%
 - Profit After Tax (PAT) at ₹ 1,265 million or 8.2% of revenues, down 2.2% YoY
 - Diluted Earnings Per Share (EPS) of ₹ 1.80
- *Includes one-time charges

Financial highlights for half year ended September 30, 2023

- Revenues at ₹ 30,692 million (US\$ 372 million), up 3.7% YoY
 - EBIT at ₹ 3,424* million or 11.2% of revenues, up 41.2% YoY; Normalised EBIT margin at 11.5%
 - Profit After Tax (PAT) at ₹ 2,525 million or 8.2% of revenues, up 17.7% YoY
 - Diluted Earnings Per Share (EPS) of ₹ 3.60
- *Includes one-time charges

Dr. Sanjiv Goenka, Chairman - RPSG Group and Firstsource Solutions, commented, “Firstsource had a stable second quarter in FY24, with strong uptake of our digital and new-tech solutions across clients. Our digital-first ethos has driven substantial efficiencies, both for clients seeking cost optimization and revenue growth. The quarter also saw us realigning strategically to better address our long-term goals, reformulating for sustained success in the face of ever-changing business environments. We remain confident in our people-centric approach, emphasizing a balance between profitability and sustainability. Leveraging our diverse geographic presence, we're equipped to support our clients as they build for the future.”

Key Business Highlights:

In Q2FY24, our business remained steady with 12 key wins across verticals and increased adoption of digital and new—tech solutions. We continue to participate actively in both the cost optimization and process transformation agendas of our clients.

- Q2 saw us onboard 7 new clients in the BFS portfolio, notably including a major US reverse mortgage firm for comprehensive operations and technology services. Our UK presence expanded, marking 20 years of successful partnership with a key UK banking client. Diversification within the consumer lending chain brought success in reverse mortgage, auto finance, and Fintech. We intensified our focus on Risk & Compliance and augmented our Collections footprint through digital collections and entry into new industry verticals beyond finance. Moreover, we expanded our capabilities in Mexico, and ventured into collaborating with a significant Nordic bank for their collections business.

PRESS RELEASE

- The Healthcare business continued to be driven by cost optimization and efficiency, enabling us to leverage our geographical presence to build offshore solutions, adding 4 new clients. We further strengthened a multi-decade relationship with one of the largest managed healthcare and insurance companies in the US with additional business for providing digital intake and digital engagement services. Additionally, we're expanding our BPaaS offerings through collaborative efforts with technology service providers in the market.
- In Communications, Media, and Tech we expanded services for a key UK client and significantly strengthened our relationship with an EdTech client. This involved not just refining processes but also implementing leading-edge technology for an end-to-end DECX demonstration. Additionally, we established a state-of-the-art Global Capability Centre to offer diverse services for this client, including technology, assessment operations, business intelligence, product management, and finance operations. We also leveraged GenAI to enhance customer experience (CX) and create Firestarter kits for easier applications. Addressing the prevalent need for cost optimization, our Tech portfolio is developing GenAI solutions to drive business transformation. We onboarded 1 new client in Q2.
- Our Diversified portfolio is seeing healthy traction across Europe with strong demand in the energy market.
- In continuation of our FirstSenseAI platform, we developed a sandbox ecosystem called Firstsense.AI Studio for clients to experiment and evaluate AI frameworks.
- Recognitions:
 - Positioned as a 'Leader' and a 'Star Performer' in Everest Group Healthcare Payer Operations PEAK Matrix® Assessment 2023
 - Identified as a Leader in the 2023 ISG Provider Lens™ Customer Experience Services Report for Europe
 - Positioned as a 'Major Contender' and a 'Star Performer' in Everest Group Banking Operations – Services PEAK Matrix® Assessment 2023
 - Gold for Excellence in Leadership Development by Brandon Hall 2023 HCM Awards
 - Bronze for Best Advancement in crafting an exceptional Learning and Development strategy by Brandon Hall 2023 HCM Awards

About Firstsource:

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL:IN), is a leading provider of transformational solutions and services spanning the customer lifecycle across Healthcare, Banking and Financial Services, Communications, Media and Technology, and other industries. The Company's 'Digital First, Digital Now' approach helps organizations reinvent operations and reimagine business models, enabling them to deliver moments that matter and build competitive advantage. With an established presence in the US, the UK, Mexico, India, and the Philippines, Firstsource acts as a trusted growth partner for over 150 leading global brands, including several Fortune 500 and FTSE 100 companies. (www.firstsource.com)

Media Contact

Madhavi.Behl@firstsource.com

Investors Contact

Pankaj.Kapoor@firstsource.com