

Firstsource Solutions Reports Third Quarter Fiscal 2024 Results

Records highest deal wins in the last three years; Adds 1,994 net headcount in Q3

Declares interim dividend of ₹ 3.50 per share

Mumbai, February 7, 2024: 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 December 31, 2023, according to IndAS.

Financial highlights for quarter ended December 31, 2023

- Revenues at ₹ 15,966 million (US\$ 192 million), up 6.1% YoY
- EBIT at ₹ 1,709 million or 10.7% of revenues, up 21.2% YoY
- Profit After Tax (PAT) at ₹ 1,287 million or 8.1% of revenue, up 18.5%* YoY
- Diluted Earnings Per Share (EPS) of ₹ 1.84

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

Financial highlights for Nine Months ended December 31, 2023

- Revenues at ₹ 46,658 million (US\$ 564 million), up 4.5% YoY
- EBIT at ₹ 5,132 million or 11.0% of revenues, up 36.5%* YoY
- Profit After Tax (PAT) at ₹ 3,812 million or 8.2% of revenues, up 41.9%* YoY
- Diluted Earnings Per Share (EPS) of ₹ 5.43

#excluding one-time charges 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

Dr. Sanjiv Goenka, Chairman - RPSG Group and Firstsource Solutions, commented, “With a strong performance in Q3, the strategic refresh for Firstsource is underway laying the foundation for a resilient and durable long-term business. This has resulted in industry leading growth in Q3, a significant expansion in the pipeline as well as the largest deal wins in any single quarter. We added close to 2,000 employees, reflecting the strength of our orderbook, and our concerted effort toward employee engagement has resulted in a double-digit reduction in attrition in the quarter. I am also pleased to report Firstsource debuted in the Dow Jones Sustainability Index with a ranking in the top 96th percentile and score of 62. Moving forward, the unwavering commitment remains on continuing to rebuild the business for long term resilience and durability.”

Key Business Highlights:

Q3 FY24 witnessed a robust business performance, recording the highest deal wins in three years, a total of 10 new logos across verticals, and key additions to the leadership team. We are seeing strong client interest for our revamped go-to-market strategy and increased engagement, especially to structure larger transformational programs.

- In BFS, we continued to see demand across all segments of the mortgage market including Origination, Servicing, Reverse Mortgage, and adjacent Real Estate sectors. Our proposition to bring technology interventions, like advanced automation and Gen AI is attracting positive customer interest. In Collections, our focus is on geographic expansion and diversification beyond financial services. Q3 progress includes expanding services with a large client, going live with a European bank, and adding 3 new clients.

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- In Healthcare, our strategic focus yielded 2 large deals in Q3 and added 5 new logos in the portfolio. Notable is a deal with a US healthcare services provider for Health Risk Assessment services. In the Provider segment, our emphasis is on improving profitability through offshoring, expanding service offerings, and leveraging the current wave of technology-enabled disruption to gain share in the RCM market.
- We are focused on our three core segments for CMT - growing B2C support, building B2B presence, and investing in capabilities for born-digital/new-age segments. We are encouraged by progress and traction in pipeline conversions. In Q3, we expanded in the University and EdTech space by adding 1 new logo in Europe. We are also working with leading consumer tech companies in training their AI tools leveraging our AI Ops framework. In Telecom, we witnessed multiple wins in our key clients both in North America and Europe.
- In our Diverse portfolio, we continue to see strong demand in the energy market, even as we make fresh inroads in our existing large client in this vertical, adding 1 new logo.
- Making solid progress on GenAI, we expanded our use-case library to 130 cases, completing 35 POCs, with one entering production in Q3. Our focus is on prebuilt co-pilots, offering 7 plug & play modules and 5+ co-pilots on our FirstsenseAI platform.
- Recognitions:
 - Dow Jones Sustainability Index: Debuted ranking in top 96th percentile and score of 62
 - India CSR Awards: Women Empowerment and Gender Equality Award for Digital Transformation for Rural Women Artisans project
 - North East Contact Centre Awards: Outsource Contact Centre of the Year and Best Sales Team
 - Customer Experience Awards, UK: Bronze for Best Learning and Development – Large Company
 - Welsh Contact Centre Forum: Silver for Outsourcer of the Year

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)

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