

Firstsource Solutions Reports Second Quarter Fiscal 2025 Results

Strong revenue growth; QoQ stable operating margin; Three large deal wins

FY25 constant currency revenue growth guidance raised to 19.5-20.5%

Mumbai, India | October 28, 2024: [Firstsource Solutions Limited](#) (NSE:FSL, BSE:532809), a leading global provider of specialist domain-led Business Process Services (BPS) and an RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter and half year ended September 30, 2024, according to IndAS.

Financial highlights for quarter ended September 30, 2024

- Revenues at ₹ 19,254 million (US\$ 230 million), up 25% YoY
- EBIT at ₹ 2,081 million or 10.8*% of revenues, up 27.3% YoY; Normalised EBIT margin at 11.1%
- Profit After Tax (PAT) at ₹ 1,382 million or 7.2% of revenues, up 9.3% YoY
- Diluted Earnings Per Share (EPS) of ₹ 1.96

*Includes one-time charges

Financial highlights for half year ended September 30, 2024

- Revenues at ₹ 37,165 million (US\$ 445 million), up 21.1% YoY
- EBIT at ₹ 4,051 million or 10.9*% of revenues, up 18.3% YoY; Normalised EBIT margin at 11.0%
- Profit After Tax (PAT) at ₹ 2,735 million or 7.4% of revenues, up 8.3% YoY
- Diluted Earnings Per Share (EPS) of ₹ 3.88

*Includes one-time charges

Dr. Sanjiv Goenka, Chairman - RPSG Group and Firstsource Solutions, commented, "Our performance this quarter is demonstrative of our ability to leverage a challenging market with a strong strategy, deeply rooted in domain expertise, investment in cutting-edge technology solutions, and robust people policies. This consistent growth, driven by strategic deal wins, and sound growth investments reflects our commitment to delivering excellence for clients and shareholders, alike. By continuously innovating to address market needs and being present where clients need us, we are confident of our ability to deliver continued value, as is reinforced in our industry recognitions and the market response."

Key Business Highlights:

- Firstsource continued to demonstrate strong growth in Q2 despite a prevailing degrowth market, with three strategically significant deals, consistent with previous quarters, and the addition of **13 new logos** across businesses. Integrating deep domain expertise with innovative automation and AI they won:
 - A large multi-tower deal with one of **Australia's largest telecommunications companies**
 - A five-year enterprise-wide transformation deal with one of the **top five mortgage companies** in the US
 - Expanded service offerings in claims processing for a **leading healthcare insurance company** in the US
 - A new large deal with a **cooperative financial institution** in the UK for retail services
- We made significant strides across our verticals in Q2. In **BFS**, we expanded market segments and services, including our AI-driven digital collections platform and a new domain-specific language model for the mortgage process. **Healthcare** added five new provider logos, progressed with QBSS integration under Firstsource Provider Services, and secured joint deals with our enhanced RCM offerings. In **Communications, Media, and Technology**, we secured a major multi-tower deal, expanded marquee client engagements, and onboarded a fast-growing U.S. online marketplace.
- Aligned with our growth strategy, we **acquired Ascensos**, a leading UK-headquartered customer experience outsourcing partner for retail and eCommerce businesses. This acquisition strengthens our nearshore capabilities including South Africa, multi-lingual offerings as well as expanding our opportunities to the thriving retail sector.
- At the end of Q2, we had 32,898 employees. **Attrition improved to 31%**, driven by the success of our employee value-focused initiatives to improve retention and satisfaction.
- Highlighting our commitment to building a sustainable business, we released our **ESG Report for FY 2023-24**, alongside our **first TCFD report** – marking a milestone in transparent governance and accountability.
- Recognitions:
 - Named a **'Leader' by Everest Group** in **Healthcare BPaaS Solutions** and **Lending Services Operations**
 - Recognized as a **'Major Contender' and 'Star Performer' by Everest Group** for **Revenue Cycle Management Operations**
 - Certified a **Great Place To Work®** across **India, the Philippines, the UK, and the US**, a testament of our enabling, inclusive, and high-trust culture

FY25 outlook:

For FY25, we now expect our revenue to grow in the range of 19.5% to 20.5% in constant currency terms compared to 11.5-13.5% previously. This includes about 5% contribution from Ascensos over seven months in FY25. For operating margins, we expect our normalized FY25 EBIT margin, excluding one-time charges related to the acquisitions, to be in the 11-11.5% range.

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About Firstsource

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL:IN), is a specialized global business process services partner, providing transformational solutions and services spanning the customer lifecycle across Healthcare, Banking and Financial Services, Communications, Media and Technology, and other diverse industries. With an established presence in the US, the UK, India, Mexico, Australia, South Africa, and the Philippines, we make it happen for our clients, solving their biggest challenges with hyper-focused, domain-centered teams and cutting-edge tech, data, and analytics. Our real-world practitioners work collaboratively to deliver future-focused outcomes. (www.firstsource.com)

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