

Firstsource Solutions reports third quarter Fiscal 2018 results with increased revenues and improved profit margins

Revenues of Rs 8,872 million

EBIT of Rs 990 million

PAT of Rs 995 million

Kolkata, February 07, 2018: Firstsource Solutions Limited (NSE:FSL, BSE:532809), a global provider of customised Business Process Management (BPM) services and a RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter ended December 2017 according to Ind AS.

Highlights for the Quarter ended December 31, 2017:

- Revenues at Rs 8,872 million, 0.2% Y-o-Y and 2.4% in CC; 1.6% Q-o-Q and 0.6% in CC
- EBIT at Rs 990 million or 11.2% of revenues, 8.0% Y-o-Y; 5.9% Q-o-Q
- PAT at Rs 995 million or 11.2% of revenues, 42.2 Y-o-Y; 44.8% Q-o-Q; Includes one-time deferred tax credit of Rs 240 million due to reduction in US federal tax rate from 34% to 21%
- By Geography: Firstsource derived 54.0% revenues from the US, 45.0% from the UK and 1.0% from Rest of World, including India.
- By Vertical: Firstsource derived 37.4% revenues from Healthcare, 33.3% from Telecom & Media and 29.3% from BFSI.
- By Segment: Firstsource derived 54.5% revenues from Customer Management, 35.5% from Healthcare and 10.0% from Collections.
- Employee strength was 19,226 as of December 31, 2017, addition of 32 employees in the quarter.
- Q3 annualized attrition (post 180 days):
 - Offshore (India and Philippines) – 39.8% compared to 38.8% in Q2 FY18
 - Onshore (US and Europe) – 39.4% compared to 53.0% in Q2 FY18

Sanjiv Goenka, Chairman, RP-Sanjiv Goenka Group and Firstsource Solutions said, “Our strategic call to exit from the domestic segment last quarter has started showing improvements in our profit margins. In the quarters ahead, we will continue on the growth trajectory, focusing on improving our financial performance and shareholder’s value. As always, we will work on aggressively building our clientele in the segments and markets we operate in.”

Business Highlights for the Quarter ended December 31, 2017:

Business Wins:

- Won additional contracts in the quarter for the Customer Management, Healthcare, Mortgage and Collections business with existing and new clients.
- Amongst other contracts won this quarter in Healthcare, notable one is the Eligibility Contract won from one of the largest Health Systems in North America where the customer partnered with Firstsource on a successful concept of automating the Eligibility Services process and subsequently chose Firstsource to be one of the preferred partners to deliver the services for their directly owned and managed hospitals.

Debt repayment: Firstsource Group USA, wholly owned subsidiary of Firstsource Solutions successfully made the quarterly principal repayment of USD 11.25 million on its outstanding debt on December 31, 2017.

Awards & Recognitions:

- Recognised as a 'Major Contender' in Everest Group's Mortgage BPS Service Provider Landscape with Services PEAK Matrix™ Assessment 2017. The positioning recognises Firstsource's focus on excellence and delivery, and highlights the company's commitment to providing a smart and collaborative partnership for clients.
- Healthcare Provider and Payer businesses were also recognised as 'Major Contender' in Everest Group's Service Provider Landscape PEAK Matrix™ Assessment 2017. The positioning recognises the investments and strides made in the digital arena, especially with RPA deployment for Payer and automation solutions for Provider services.
- Won 3 awards at the European Contact Centre and Customer Service Awards (ECCCSA's) 2017: Gold in Medium Contact Centre of the Year, Silver in Outsourcing Partnership of the Year for work done with Sky and Silver in Outsourced Contact Centre of the Year for work done out of the Middlesbrough office in the UK. The awards recognise the team's commitment to understanding and responding to customer needs and delivering great customer experiences.
- Awarded the 'BPO Contract of the Year' at the Global Sourcing Association (GSA) Awards 2017, in recognition of the on-going work with Sky. This win recognises Firstsource's long-term partnership with Sky and the success achieved by creating a joint operational management structure, transparent culture and the innovative use of technology and approach to customer experience.

- Won the prestigious ‘Customer Service Excellence Award’ at the NASSCOM BPM Strategy Summit 2017. This award in the ‘Return on Investment (ROI)’ category recognises Firstsource’s focus on providing agile solutions across channels and creating immense ROI for its client.
- Won two awards at the UK Customer Experience Awards 2017: Gold in the Large Contact Centre category in partnership with Sky and CX Professional of the Year for Kathryn Chivers, VP - Sales Operations, UK. The wins celebrate Firstsource’s work in Cardiff office in the UK to deliver top quality customer experiences.

About Firstsource:

Firstsource Solutions Limited, a RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), is a leading global provider of customised Business Process Management (BPM) services to the Healthcare, Telecom & Media and Banking & Financial Services industries. The company’s clients include Fortune 500 and FTSE 100 companies. Firstsource has a “rightshore” delivery model with operations in the US, the UK, India and the Philippines.

(www.firstsource.com)

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