

1st November 2018

To:

National Stock Exchange of India Limited (Scrip Code: FSL)

Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (East),
Mumbai - 400 051

BSE Limited (Scrip Code: 532809)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Madam/ Sir,

Sub: Post intimation of Analyst/ Institutional Investor Call

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith a copy of the presentation regarding conference call held with the analysts and investors, on the financial results of the Company for the quarter ended 30th September 2018.

This is for your information and records.

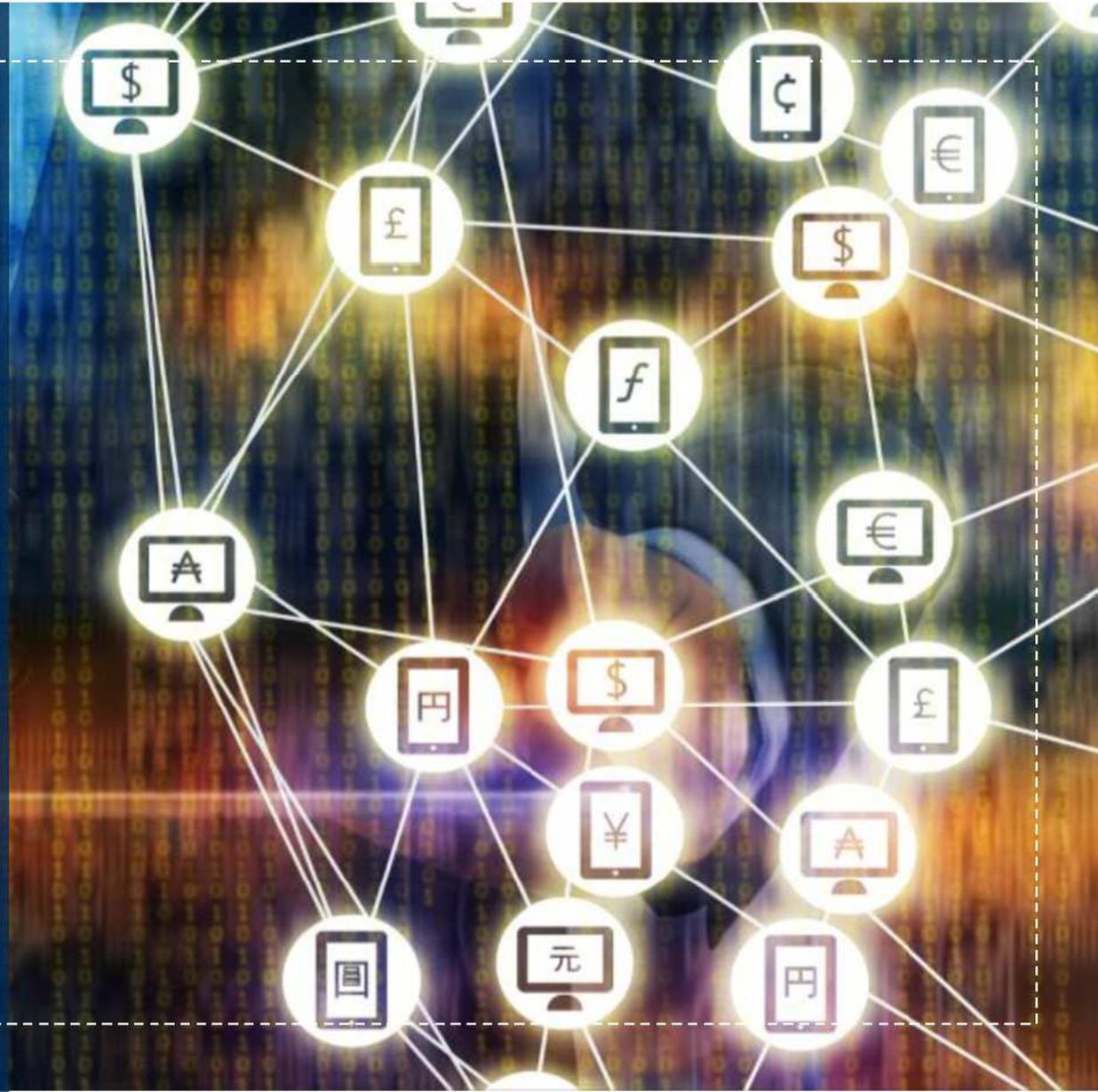
Thanking you,

For **Firstsource Solutions Limited**


Pooja Nambiar
Company Secretary & Compliance Officer

Firstsource Solutions Limited

Q2 FY2019 Earnings Update



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 professional, 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.



01 | Performance Analysis

02 | Business Outlook

Q2 FY2019 Executive Summary

- **Revenues: Q2FY'19 Revenues at ₹ 954.7 crore, Q1FY'19 at ₹ 919.1 crore, Q2FY'18 at ₹ 873.0 crore**
 - Q-o-Q growth of 3.9% in Rupee terms; growth of 1.8% in constant currency
 - Y-o-Y growth of 9.4% in Rupee terms; growth of 3.2% in constant currency
 - Proforma ABU then Y-o-Y growth of 12.2% in Rupee terms; growth of 4.9% on constant currency terms

- **EBITDA: Q2FY'19 EBITDA of ₹ 132.8 crore or 13.9% of Revenues**
 - Q-o-Q higher by ₹ 4.7 crore or 3.7% growth; Margin flat QoQ
 - Y-o-Y higher by ₹ 23.2 crore or 21.1% growth; Margin expansion of 1.3%

- **EBIT: Q2FY'19 Operating EBIT of ₹ 114.4 crore or 12.0% of Revenues**
 - Q-o-Q higher by ₹ 4.3 crore or 3.9% growth; Margin flat QoQ
 - Y-o-Y higher by ₹ 21.0 crore or 22.5% growth; Margin expansion of 1.3%

- **PAT: Q2FY'19 PAT of ₹ 92.8 crore or 9.7% of Revenues**
 - Q-o-Q higher by ₹ 4.2 crore or 4.7% growth; Margin expansion of 0.1%
 - Y-o-Y higher by ₹ 24.1 crore or 35.0% growth; Margin expansion of 1.8%

- **Cash & Cash equivalent as of September 30th, 2018 at ₹ 74.1 crore vs. ₹ 133.3 crore as of June 30th, 2018**
 - Paid maiden dividend of ₹ 124.8 crore in Aug'18

H1 FY2019 Executive Summary

- **Revenues: H1FY'19 Revenues at ₹ 1,873.9 crore, H1FY'18 at ₹ 1,750.7 crore**
 - Y-o-Y growth of 7.0% in Rupee terms; growth of 1.7% in constant currency
 - Proforma ABU then Y-o-Y growth of 11.7% in Rupee terms; growth of 5.3% on constant currency terms

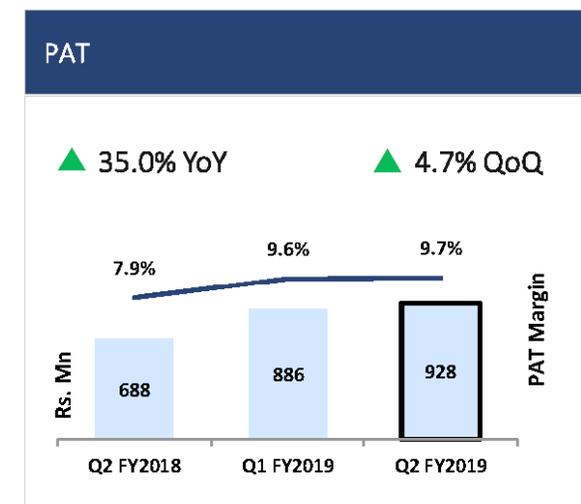
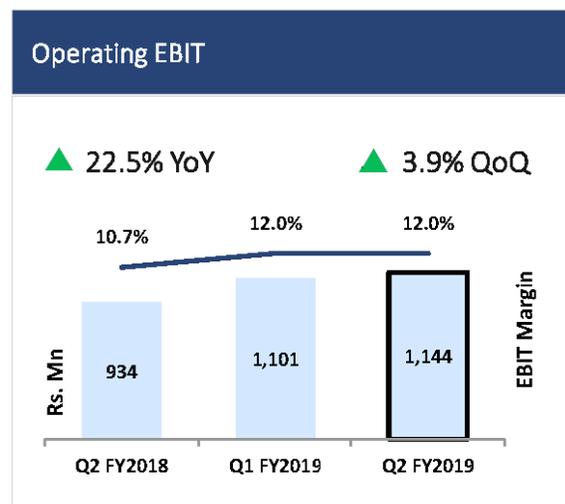
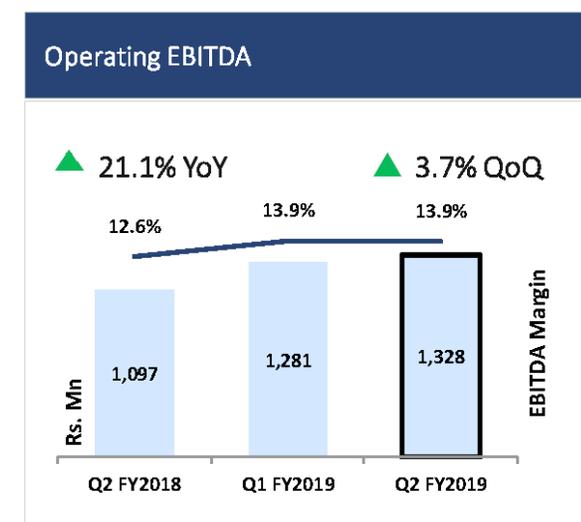
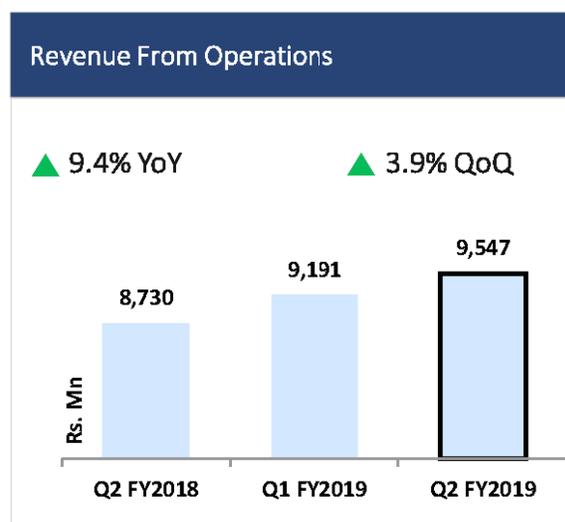
- **EBITDA: H1FY'19 EBITDA of ₹ 260.9 crore or 13.9% of Revenues**
 - Y-o-Y higher by ₹ 50.7 crore or 24.1% growth; Margin expansion of 1.9%

- **EBIT: H1FY'19 Operating EBIT of ₹ 224.6 crore or 12.0% of Revenues**
 - Y-o-Y higher by ₹ 45.8 crore or 25.6% growth; Margin expansion of 1.8%

- **PAT: H1FY'19 PAT of ₹ 181.4 crore or 9.7% of Revenues**
 - Y-o-Y higher by ₹ 47.3 crore or 35.2% growth; Margin expansion of 2.0%

Financial Performance Q2 FY19

(IN INR Million)	Q2 FY 2018	Q1 FY 2019	Q2 FY 2019
Income from services	8,464	9,060	9,442
Other operating Income	266	131	105
Revenue from operations	8,730	9,191	9,547
Personnel and Operating Expense	7,633	7,910	8,219
Operating EBITDA	1,097	1,281	1,328
<i>Operating EBITDA %</i>	<i>12.6%</i>	<i>13.9%</i>	<i>13.9%</i>
Depreciation / amortization	162	180	184
Operating EBIT	934	1,101	1,144
<i>Operating EBIT %</i>	<i>10.7%</i>	<i>12.0%</i>	<i>12.0%</i>
Other Income / (expense)	(16)	10	(8)
Interest Income / (expense), net	(82)	(56)	(52)
PBT	837	1,055	1,084
<i>PBT (% of total income)</i>	<i>9.6%</i>	<i>11.5%</i>	<i>11.4%</i>
Taxes and Minority Interest	149	169	157
PAT	688	886	928
<i>PAT (% of total income)</i>	<i>7.9%</i>	<i>9.6%</i>	<i>9.7%</i>



Other Highlights

Employee and Attrition Details

Headcount:

19,615 employees as on September 30, 2018

- 9,040 employees in India
- 10,575 employees based outside India
- Net addition of 856 employees in Q2 FY19

Attrition Details:

- Onshore (US and Europe) – 54.9% compared to 48.7% in Q1 FY19
- Offshore (India and Philippines) – 44.8% compared to 51.7% in Q1 FY19

Net Debt Position

- Net Debt of \$19.8 million as of September 30, 2018
 - Repaid GBP 6.0 Mn in Q2 FY'19

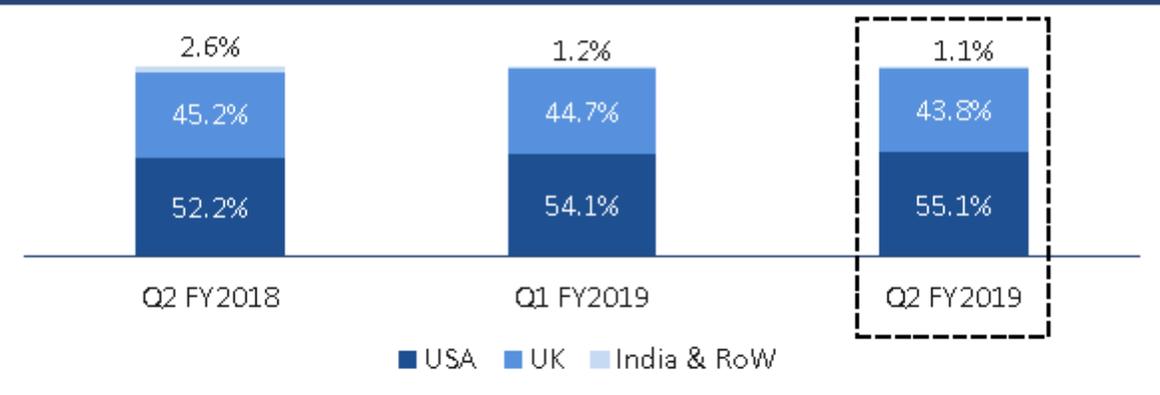
Foreign Exchange Hedges

Outstanding FX hedges at \$84 million for USD and £115 million for GBP

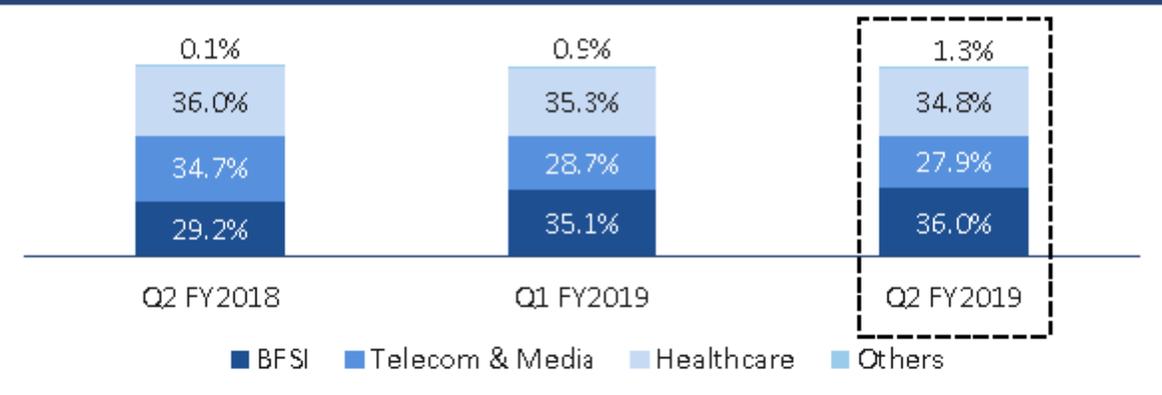
- Next 12 months: 88% coverage for USD at INR 70.3 levels, 85% coverage for GBP at INR 98.4 levels, and 51% coverage for GBP at PHP 71.6 levels
- Next 13 – 24 months: 65% coverage for USD rates at INR 72.6 levels, 90% coverage for GBP at INR 101.2 levels
- Post 24 Months: 89% coverage for GBP at INR 109.7 levels

Q2 FY19 Revenue Snapshot

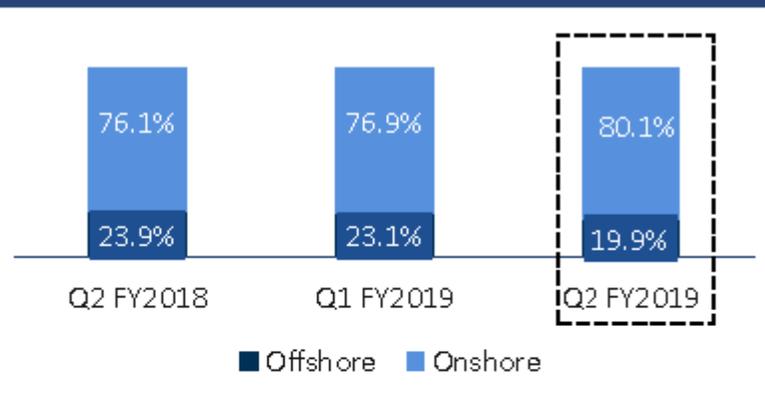
Revenue by Geography



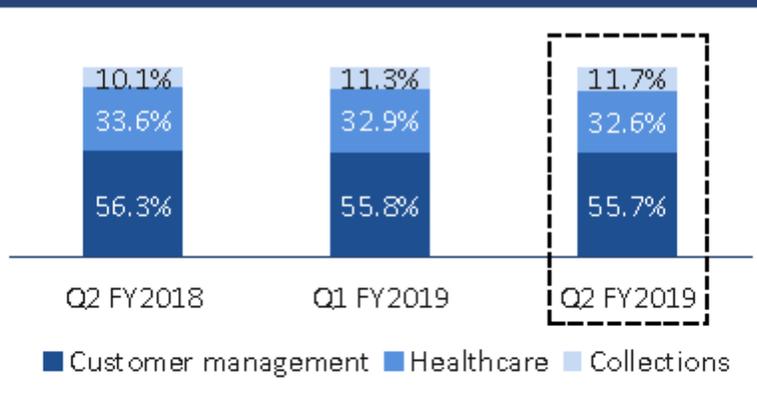
Revenue by Verticals



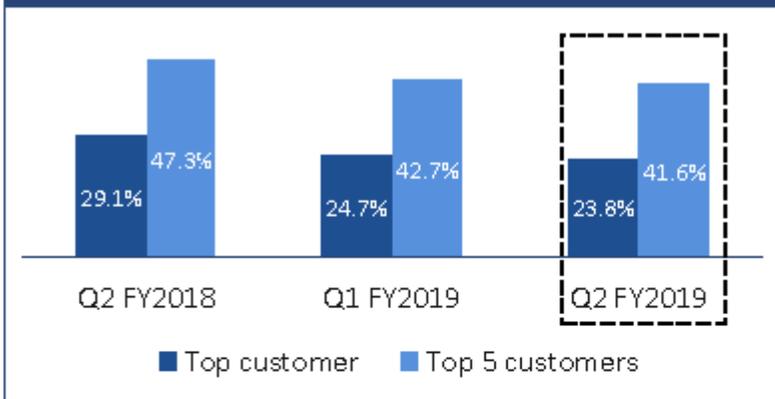
Revenue by Delivery



Revenue by Segment



Top Clients





01 | Performance Analysis

02 | Business Outlook

- Strong operational performance across all Businesses except Healthcare Payer
- Sales momentum in BFSI across US and UK and Healthcare Provider continues to remain strong; Momentum led by Transformation led solutions
 - Almost 40% of the deals won in H1 have components of Digital solutions and will deliver a superior margin profile
 - Revenue acceleration to be evident from Q4FY19; sets us up well for FY20 growth
- Constant Currency Revenue growth proforma the Domestic business to be between 7.0% to 9.0%; no change to the guidance
 - Margins to remain at H1FY19 levels



Helping customers stay ahead of the curve through transformational technologies and capabilities

Firstsource is a leading provider of customised Business Process Management (BPM) services. We specialise in helping customers stay ahead of the curve through transformational solutions in order to reimagine business processes and deliver increased efficiency, deeper insights and superior outcomes.

We are trusted brand custodians and long-term partners to 100+ leading brands with presence in the US, UK, Philippines and India.

Our 'rightshore' delivery model offers solutions covering complete customer lifecycle across Healthcare, Telecommunications & Media and Banking, Financial Services & Insurance verticals.

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