

# Firstsource Solutions Limited



## Profit and Loss account summary (consolidated figures)

(As per Indian Accounting Standards)

In INR million, except per share data

Particulars	Quarter ended		Growth % in Q3 FY19 over Q3 FY18	Quarter ended	Growth % in Q3 FY19 over Q2 FY19
	December 31, 2018	December 31, 2017		September 30, 2018	
<b>INCOME</b>					
Income from services	9,723.13	8,631.41	12.6%	9,442.00	3.0%
Other Operating Income	129.29	240.97	-46.3%	105.40	22.7%
<b>REVENUES FROM OPERATIONS</b>	<b>9,852.42</b>	<b>8,872.38</b>	<b>11.0%</b>	<b>9,547.40</b>	<b>3.2%</b>
<b>EXPENDITURE</b>					
Operating expenses	1,926.65	1,666.42	15.6%	1,765.60	9.1%
Personnel expenses	6,564.72	6,044.63	8.6%	6,453.48	1.7%
	8,491.37	7,711.05	10.1%	8,219.08	3.3%
<b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b>	<b>1,361.05</b>	<b>1,161.33</b>	<b>17.2%</b>	<b>1,328.32</b>	<b>2.5%</b>
Operating EBITDA %	13.8%	13.1%		13.9%	
Depreciation / amortization	190.79	171.74	11.1%	184.03	3.7%
<b>OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)</b>	<b>1,170.26</b>	<b>989.59</b>	<b>18.2%</b>	<b>1,144.29</b>	<b>2.3%</b>
Operating EBIT %	11.9%	11.2%		12.0%	
Interest Income / (expense), net	(60.47)	(90.00)	-32.8%	(51.57)	17.3%
Other Income / (expense)	(2.86)	12.25	-	(8.33)	-
<b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>	<b>1,106.93</b>	<b>911.84</b>	<b>21.4%</b>	<b>1,084.39</b>	<b>2.1%</b>
PBT (% of Total Income)	11.2%	10.3%		11.4%	
Taxes	125.66	(83.71)	-	156.45	-
<b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	<b>981.27</b>	<b>995.55</b>	<b>-1.4%</b>	<b>927.94</b>	<b>5.7%</b>
Minority Interest	(0.01)	0.08	-	(0.09)	-
<b>PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>	<b>981.28</b>	<b>995.47</b>	<b>-1.4%</b>	<b>928.03</b>	<b>5.7%</b>
PAT (% of Total Income)	10.0%	11.2%		9.7%	
<b>EARNINGS PER SHARE</b> (Equity shares of par value ` 10/ each)					
Basic	1.42	1.46		1.35	
Diluted	1.41	1.45		1.33	

# Firstsource Solutions Limited



**Profit and Loss account**  
(consolidated figures)

(As per Indian Accounting Standards)

In INR million, except per share data

Particulars	9M Ended		Growth
	December 31, 2018	December 31, 2017	%
<b>INCOME</b>			
Income from services	28,224.92	25,601.81	10.2%
Other Operating Income	366.03	777.72	-52.9%
<b>REVENUES FROM OPERATIONS</b>	<b>28,590.95</b>	<b>26,379.53</b>	<b>8.4%</b>
<b>EXPENDITURE</b>			
Operating expenses	5,392.13	5,187.69	3.9%
Personnel expenses	19,228.32	17,927.66	7.3%
	24,620.45	23,115.35	6.5%
<b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b>	<b>3,970.50</b>	<b>3,264.18</b>	<b>21.6%</b>
<b>Operating EBITDA %</b>	<b>13.9%</b>	<b>12.4%</b>	
Depreciation / amortization	554.69	486.90	13.9%
<b>OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)</b>	<b>3,415.81</b>	<b>2,777.28</b>	<b>23.0%</b>
<b>Operating EBIT %</b>	<b>11.9%</b>	<b>10.5%</b>	
Interest Income / (expense), net	(167.95)	(254.93)	-34.1%
Other Income / (expense)	(1.09)	19.66	-105.5%
<b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>	<b>3,246.77</b>	<b>2,542.01</b>	<b>27.7%</b>
<b>PBT (% of Total Income)</b>	<b>11.4%</b>	<b>9.6%</b>	
Taxes	451.45	204.91	120.3%
<b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	<b>2,795.32</b>	<b>2,337.10</b>	<b>19.6%</b>
Minority Interest	(0.11)	0.16	-
<b>PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>	<b>2,795.43</b>	<b>2,336.94</b>	<b>19.6%</b>
<b>PAT (% of Total Income)</b>	<b>9.8%</b>	<b>8.9%</b>	
<b>EARNINGS PER SHARE</b> (Equity shares of par value ` 10/ each)			
Basic	4.06	3.42	
Diluted	4.02	3.40	

**Balance sheet**  
(consolidated figures)

(As per Indian Accounting Standards)

In INR million

Particulars	As on	
	December 31, 2018	September 30, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill on consolidation	20,629.44	21,410.34
Fixed assets	1,688.33	1,609.81
Investments	121.74	122.08
Other financial assets	659.80	327.06
Income Tax Assets	698.45	689.32
Deferred Tax Assets	2,209.53	2,320.11
Other non-current assets	2,097.03	2,261.12
	<b>28,104.32</b>	<b>28,739.84</b>
<b>Current Assets</b>		
Current investments	700.00	80.00
Trade receivables	4,019.22	4,402.06
Cash and cash equivalents	297.74	660.89
Other Financial Assets	2,005.55	1,837.01
Other current assets	842.37	753.68
	<b>7,864.88</b>	<b>7,733.64</b>
	<b>35,969.20</b>	<b>36,473.48</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's funds</b>		
Share capital	6,908.52	6,903.64
Reserve and surplus	19,279.87	18,116.31
	<b>26,188.39</b>	<b>25,019.95</b>
Minority interest	5.64	12.34
<b>Non-current liabilities</b>		
Long-term borrowings	69.57	95.93
Deferred Tax Liability	400.70	354.90
Other Financial Liability	-	472.83
Provision for Employee Benefits	61.70	65.74
	<b>531.97</b>	<b>989.40</b>
<b>Current liabilities</b>		
Short-term borrowings	6,194.24	6,475.56
Trade payables	1,125.45	1,144.13
Other Financial Liabilities	1,124.86	1,969.41
Other Current Liability	345.24	431.76
Provision for Employee Benefits	303.56	300.01
Provision for Tax	149.85	130.92
	<b>9,243.20</b>	<b>10,451.79</b>
	<b>35,969.20</b>	<b>36,473.48</b>

# Firstsource Solutions Limited



## Cash Flow Statement (consolidated figures)

In INR million

Particulars	Quarter ended December 31, 2018
<b>Sources</b>	
Net Cash accruals / (losses)	1,378.38
Increase in Short Term Borrowings	1,100.11
<b>Total Sources</b>	<b>2,478.49</b>
<b>Uses</b>	
Net Working Capital	821.60
Taxes paid	127.25
Capital Expenditure	212.27
Repayment of Borrowings	979.66
Interest Expense	69.88
<b>Total Uses</b>	<b>2,210.66</b>
Surplus / (Deficit)	267.83
Effect of exchange rate on translation of subsidiaries	(10.98)
Opening Cash and Cash Equivalents	740.89
Closing Cash and Cash Equivalents	997.74

**OPERATING METRICS**

Revenue by Industry					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
BFSI	35.3%	29.3%	36.0%	29.2%	31.8%
Telecom & Media	28.5%	33.3%	27.9%	33.9%	32.2%
Healthcare	34.1%	37.4%	34.8%	36.8%	35.8%
Others	2.1%	0.0%	1.3%	0.1%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Geography					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
USA	55.2%	54.0%	55.1%	53.6%	55.3%
UK	43.8%	45.0%	43.8%	43.6%	38.0%
India	1.0%	1.0%	1.1%	2.8%	5.8%
Rest of world*	0.0%	0.0%	0.0%	0.0%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Rest of world (RoW) primarily includes Europe (excluding UK), Australia and Sri Lanka

Revenue by Delivery location					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
Offshore	18.1%	22.9%	19.9%	24.1%	27.1%
Onshore	81.9%	77.1%	80.1%	75.9%	72.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Business Segment					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
Customer management	56.6%	54.5%	55.7%	55.0%	55.8%
Healthcare	31.8%	35.5%	32.6%	34.5%	33.0%
Collections	11.6%	10.0%	11.7%	10.5%	11.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Client Concentration					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
Client contribution to revenues					
Top customer	24.9%	29.2%	23.8%	28.3%	22.0%
Top 5 customers	41.2%	47.5%	41.6%	46.3%	43.0%

Employee and Seats Metrics					
	Quarter Ended			Year Ended	
	Dec 31, 2018	Dec 31, 2017	Sep 30, 2018	Mar 31, 2018	Mar 31, 2017
Total employees (end of period)	18,595	19,226	18,369	18,703	25,871
Net Addition	226	32	(390)	(7,168)	1,985
Employees in India	8,621	8,850	8,583	8,809	15,446
Employees outside India	9,974	10,376	9,786	9,894	10,425
Number of seats	16,449	17,294	16,617	16,679	22,880
Seat fill factor	78%	79%	71%	79%	79%

Attrition Snapshot			
		Post 180 days attrition - Quarter annualized	
		Q3 FY19	Q2 FY19
Offshore (India and Philippines)		39.3%	44.8%
Onshore (US and Europe)		45.8%	54.9%

Other Metrics		
	Quarter ended	
	Dec 31, 2018	Sep 30, 2018
Capital Expenditure (In INR million)	212.3	155.3