



4th February 2020

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 31st December 2019.

This is for your information and record.

Thanking you,

For **Firstsource Solutions Limited**

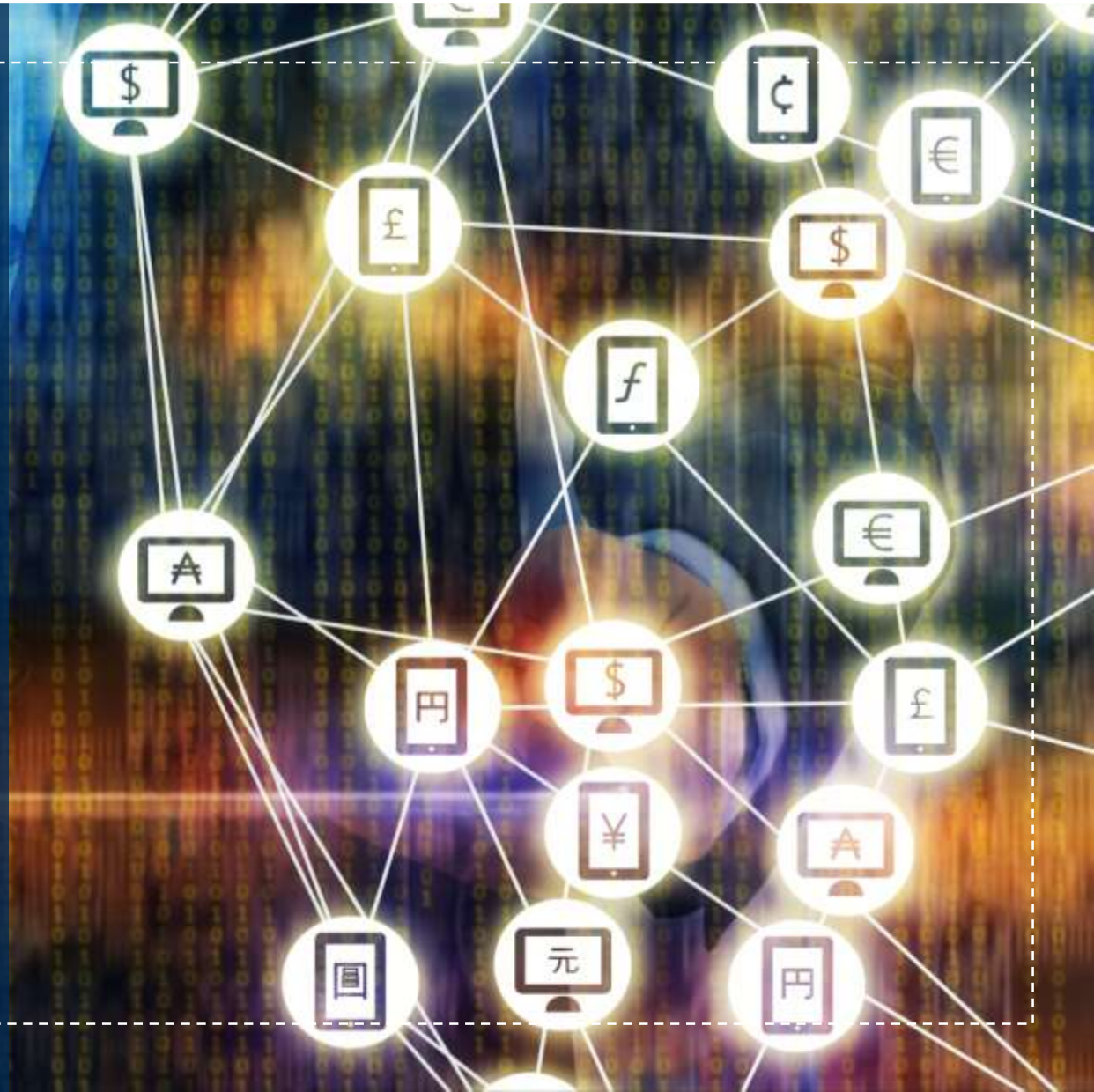

Pooja Nambiar
Company Secretary & Compliance Officer
Encl.: A/a

FIRSTSOURCE SOLUTIONS LTD.,

Paradigm B, 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai - 400 064. India.
Tel: +91 22 6666 0888 | Fax: +91 22 6666 0887 | Web: www.firstsource.com

Firstsource Solutions Limited

Q3 FY2020 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.

Q3 FY2020 Executive Summary

Revenues



₹ 10,535 Million

QoQ growth of 7.0% (CC 4.7%)
YoY growth of 6.9% (CC 8.3%)

Operating Margin



₹ 1,182 Million (Margin 11.2%)

QoQ Margin expansion of 240 bps
YoY Margin contraction of 70 bps

Profit After Tax



₹ 895 Million (Margin 8.5%)

QoQ Margin expansion 170 bps
YoY Margin contraction 150 bps

Earnings Per Share (Diluted)



₹ 1.29 per share

Q2FY'20 at ₹ 0.97 per share
Q3FY'19 at ₹ 1.41 per share

Note: Operating Margin implies EBIT (Earnings Before Interest and Taxes)

Financial Performance Q3 and 9M FY2020



In ₹ million	Q3 FY 2020	Q2 FY 2020	Q3 FY 2019
Income from services	10,446	9,715	9,723
Other operating Income	89	134	129
Revenue from operations	10,535	9,849	9,852
Personnel and Operating Expense	8,868	8,525	8,491
Operating EBITDA	1,666	1,325	1,361
<i>Operating EBITDA %</i>	<i>15.8%</i>	<i>13.4%</i>	<i>13.8%</i>
Depreciation / amortization	484	455	191
Operating Margin	1,182	870	1,170
<i>Operating Margin %</i>	<i>11.2%</i>	<i>8.8%</i>	<i>11.9%</i>
Other Income / (expense)	2	65	(3)
Interest Income / (expense), net	(75)	(58)	(60)
Interest Expense, IND AS 116	(73)	(71)	0
PBT	1,036	806	1,107
<i>PBT (% of total income)</i>	<i>9.8%</i>	<i>8.2%</i>	<i>11.2%</i>
Taxes and Minority Interest	140	132	126
PAT	895	674	981
<i>PAT (% of total income)</i>	<i>8.5%</i>	<i>6.8%</i>	<i>10.0%</i>

In ₹ million	9M FY 2020	9M FY 2019
Income from services	29,829	28,225
Other operating Income	352	366
Revenue from operations	30,182	28,591
Personnel and Operating Expense	25,534	24,620
Operating EBITDA	4,648	3,971
<i>Operating EBITDA %</i>	<i>15.4%</i>	<i>13.9%</i>
Depreciation / amortization	1,378	555
Operating Margin	3,269	3,416
<i>Operating Margin %</i>	<i>10.8%</i>	<i>11.9%</i>
Other Income / (expense)	33	(1)
Interest Income / (expense), net	(181)	(168)
Interest Expense, IND AS 116	(211)	0
PBT	2,911	3,247
<i>PBT (% of total income)</i>	<i>9.6%</i>	<i>11.4%</i>
Taxes and Minority Interest	430	451
PAT	2,481	2,795
<i>PAT (% of total income)</i>	<i>8.2%</i>	<i>9.8%</i>

Note: Operating Margin implies EBIT (Earnings Before Interest and Taxes)

Employee and Attrition Details

Headcount:

20,482 employees as on December 31, 2019

- 10,982 employees in India
- 9,500 employees based outside India
- Net addition of 481 employees in Q3 FY20

Attrition Details:

- Onshore (US and Europe) – 46% compared to 55% in Q2 FY20
- Offshore (India and Philippines) – 36% compared to 40% in Q2 FY20

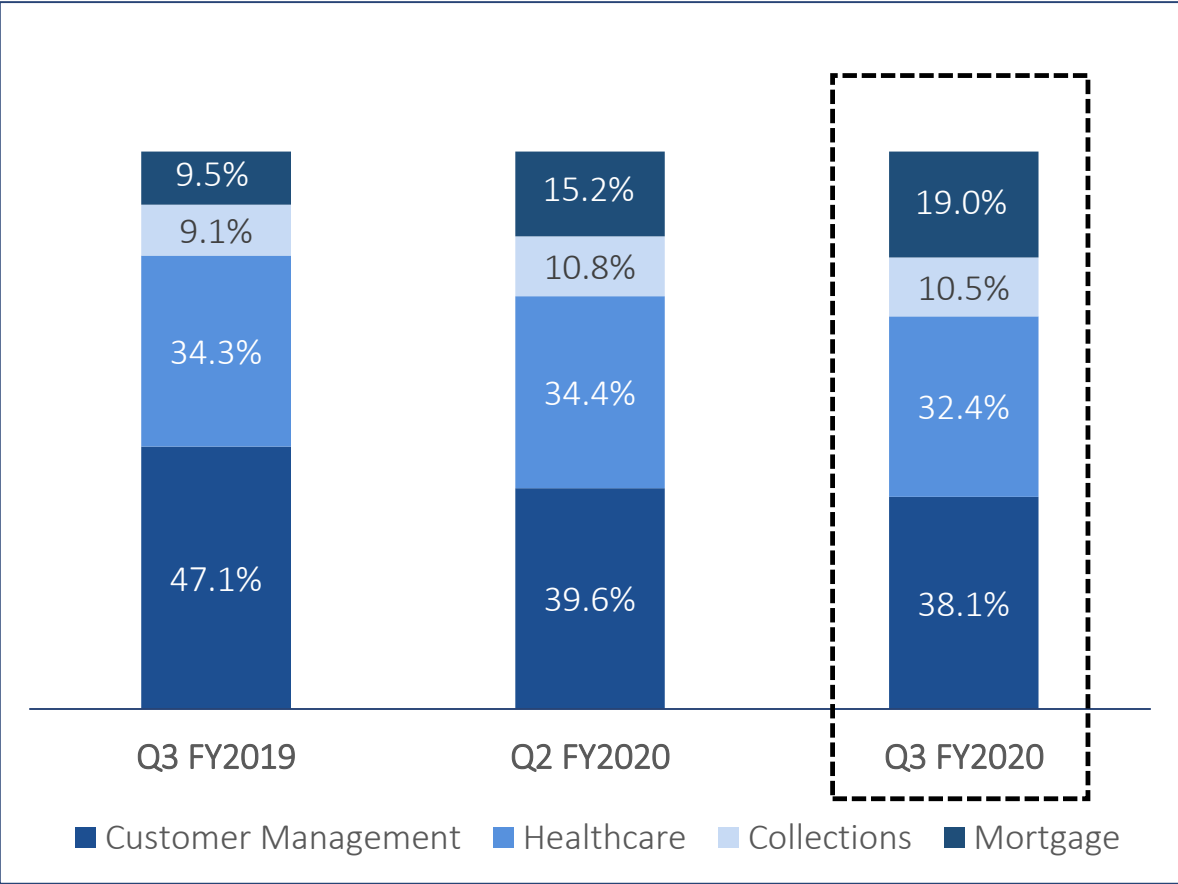
Foreign Exchange Hedges

Outstanding FX hedges at \$36 million for USD and £83 million for GBP

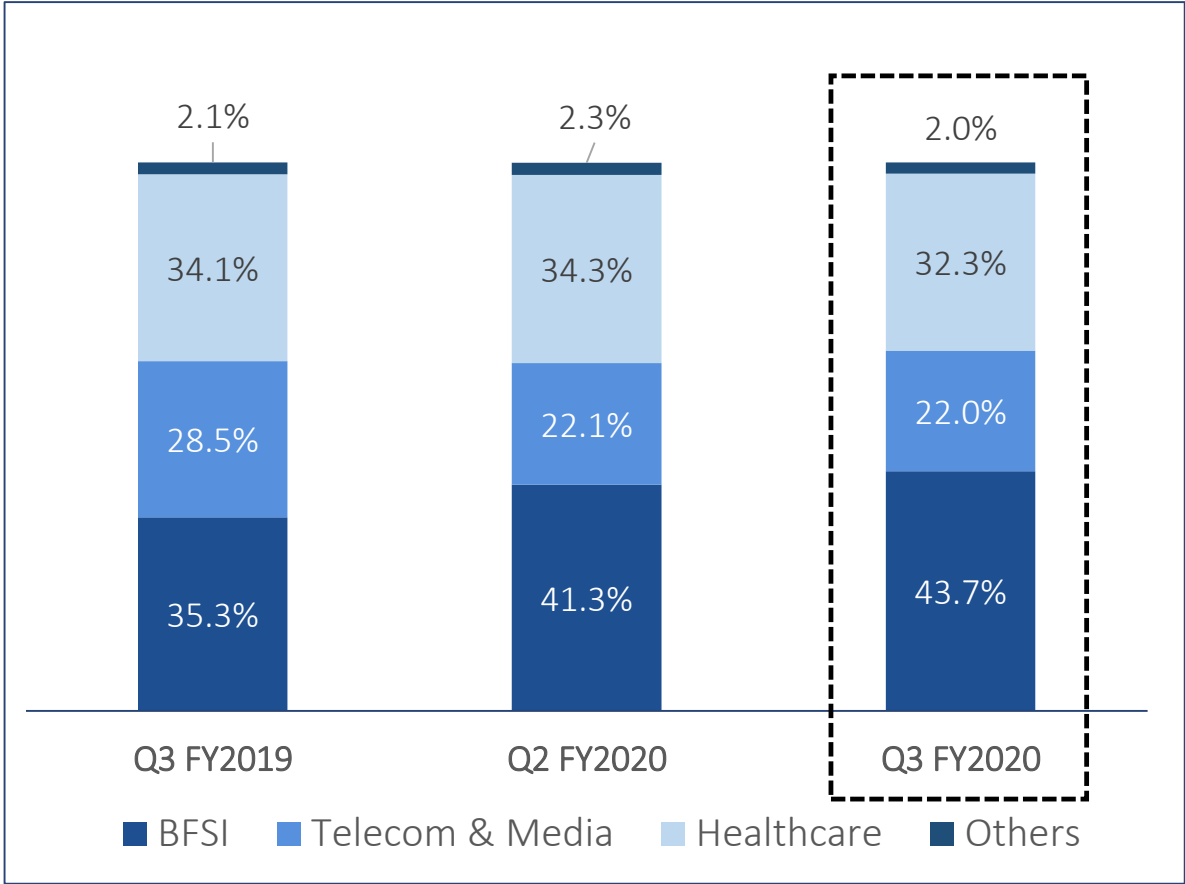
- Next 12 months: 60% coverage for USD at INR 73.6 levels, 90% coverage for GBP at INR 101.9 levels, 65% coverage for USD at PHP 52.7 levels and 40% coverage for GBP at 67.6 levels
- Next 13 – 24 months: 83% coverage for GBP at INR 103.5 levels
- Post 24 Months: 88% coverage for GBP at INR 115.5 levels

Q3 FY20 Revenue Snapshot (1/2)

Revenue by Segments

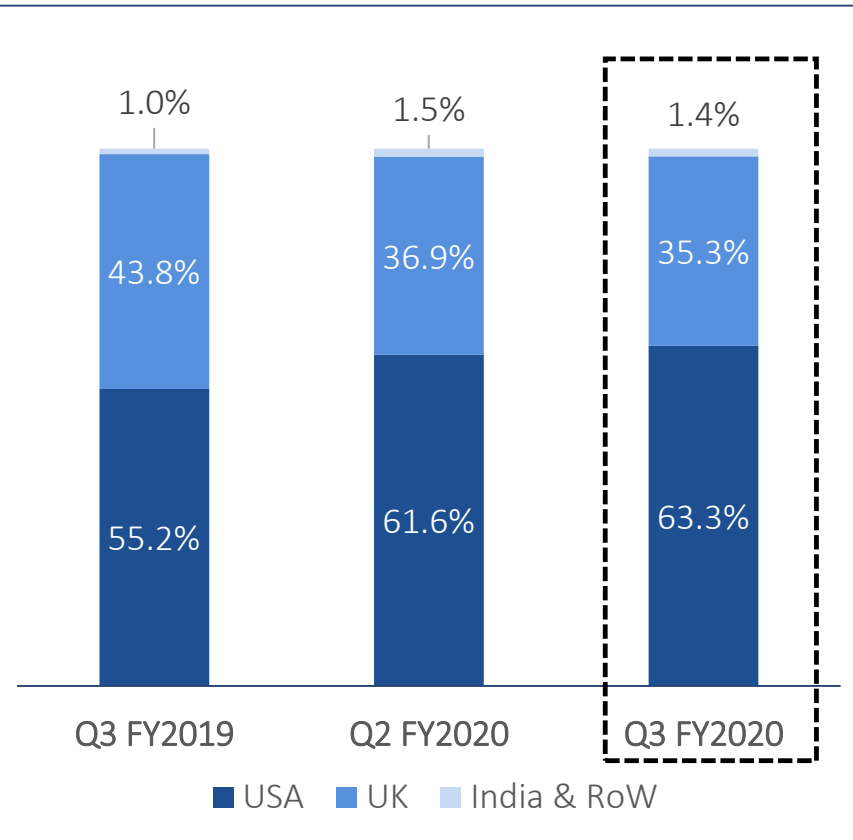


Revenue by Verticals

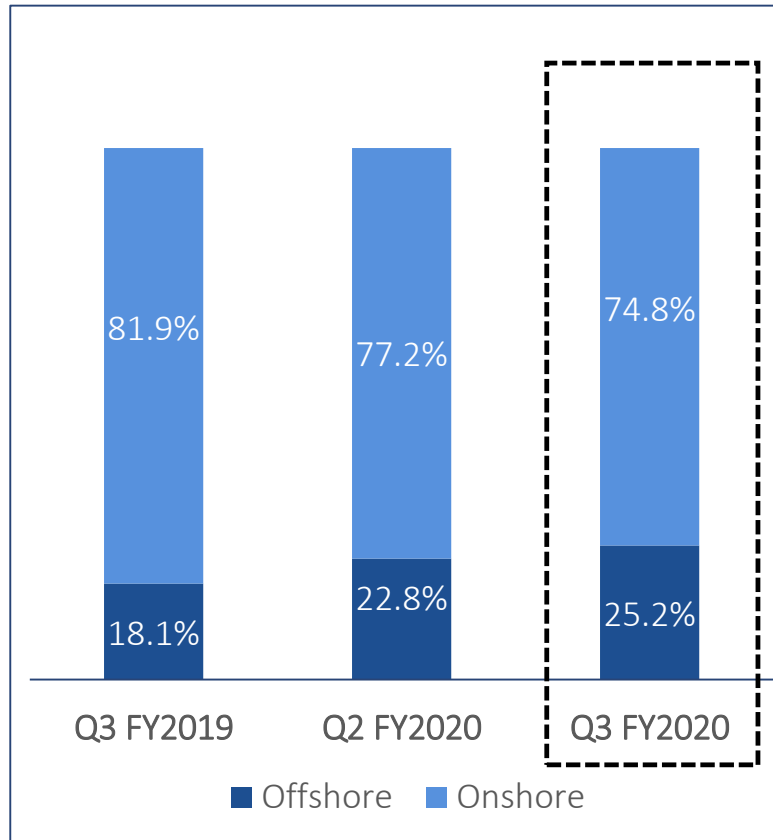


Q3 FY20 Revenue Snapshot (2/2)

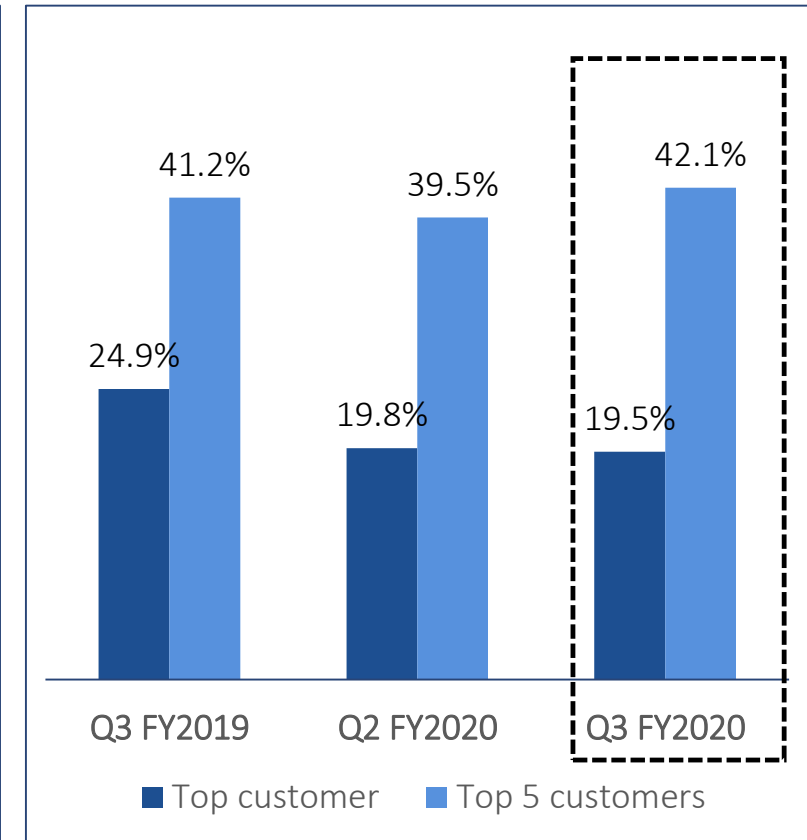
Revenue by Geography



Revenue by Delivery



Client Concentration



- Deal activity strong; 3 new logos added in Mortgage and 2 in Healthcare Provider
- BFSI, Healthcare Provider and Utilities continue to scale well; momentum likely to continue through FY2021
- Digital is our key focus; several strategic investments in play
 - Chief Digital Officer on-board; To focus on building Intelligent Automation and Analytics practices and help scale our Digital offerings
 - Digital Collections continues to gain momentum, including early interest from FinTechs
 - Adapted Digital Collections for Healthcare Receivables Management business
- Revenues growth for FY20 likely to be around 7.5-8.5% in constant currency with Operating Margins of 11.0% to 11.2%



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.

www.firstsource.com