



## Q3 FY2021 EARNINGS UPDATE

# Partnering with World's Leading Brands

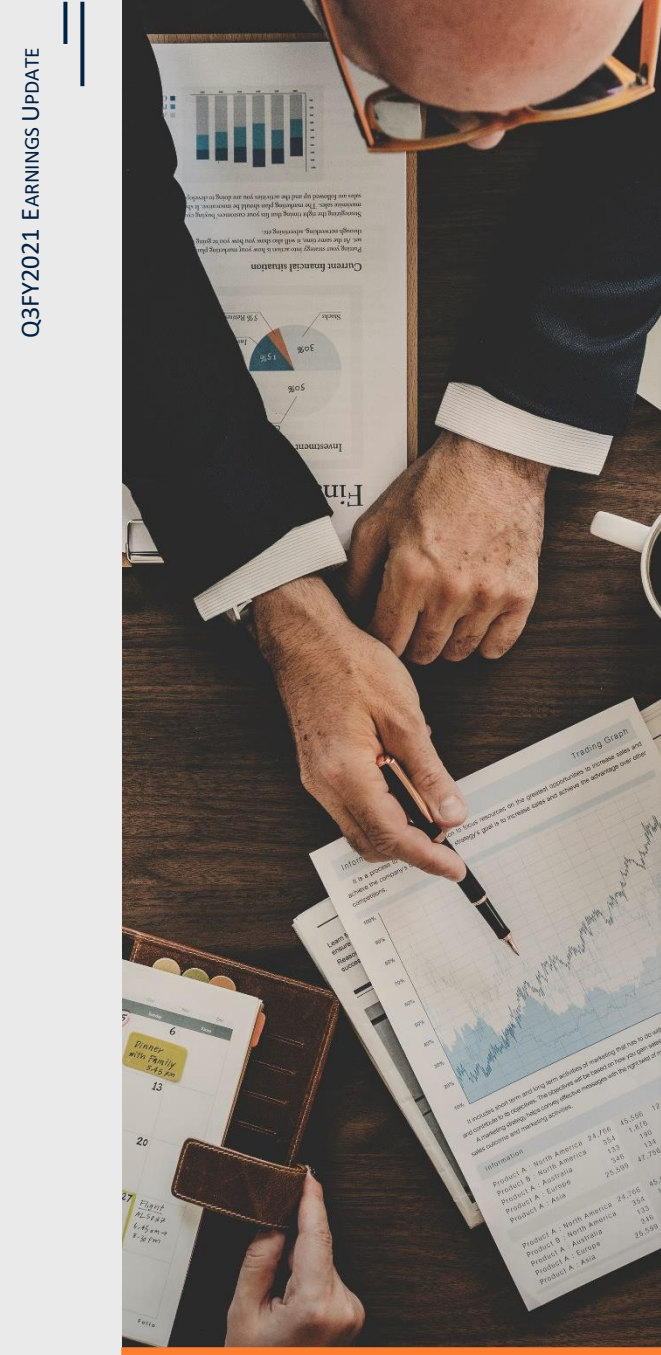




# Disclaimer

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.





## STRONG ALL-ROUND PERFORMANCE

- Revenue growth of 23.8% in constant currency YoY in Q3
- Sales momentum remains strong. We added 18 new clients this quarter, taking the tally to 43 new clients in this fiscal so far

## BUSINESS MOMENTUM IS STRONG

- Strong demand environment
- Ramp of recent wins coupled with volume recovery driving growth in CMT
- BFS trending strong; continued momentum in mortgage and volume growth in our UK market
- Volumes remain subdued in healthcare; new wins partly offsetting impact. PatientMatters integration underway

## FY2021 GROWTH ESTIMATES REVISED

- Revenue expected to grow between 16-17% in constant currency
- Operating Margin expected to be in range of 11.25-11.50%

# Summary of Performance During the Quarter



## REVENUES

**₹ 13,652 Million**  
**(US\$ 184.8 Million)**

YoY growth of 29.6%  
Constant Currency growth of 23.8%



## OPERATING MARGIN

**₹ 1,590 Million**  
**(Margin 11.6%)**

YoY Margin expansion of 43 bps



## PROFIT AFTER TAX

**₹ 1,210 Million**  
**(Margin 8.9%)**

YoY Margin expansion of 37 bps



## EARNINGS PER SHARE (DILUTED)

**₹ 1.72**  
**per share**

Q3FY'20 at ₹ 1.29 per share

# Summary of Performance For the Nine Months



## REVENUES

**₹ 36,151 Million**  
**(US\$ 485.4 Million)**

YoY growth of 19.8%  
Constant Currency growth of 13.1%



## OPERATING MARGIN

**₹ 4,118 Million**  
**(Margin 11.4%)**

YoY Margin expansion of 56 bps



## PROFIT AFTER TAX

**₹ 3,150 Million**  
**(Margin 8.7%)**

YoY Margin expansion 49 bps



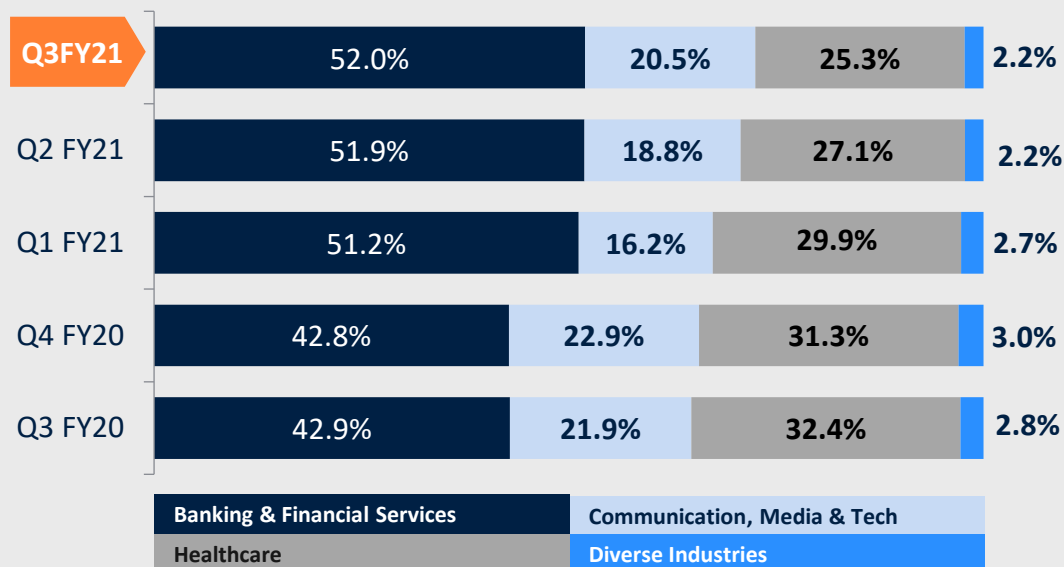
## EARNINGS PER SHARE (DILUTED)

**₹ 4.48**  
**per share**

9MFY'20 at ₹ 3.57 per share

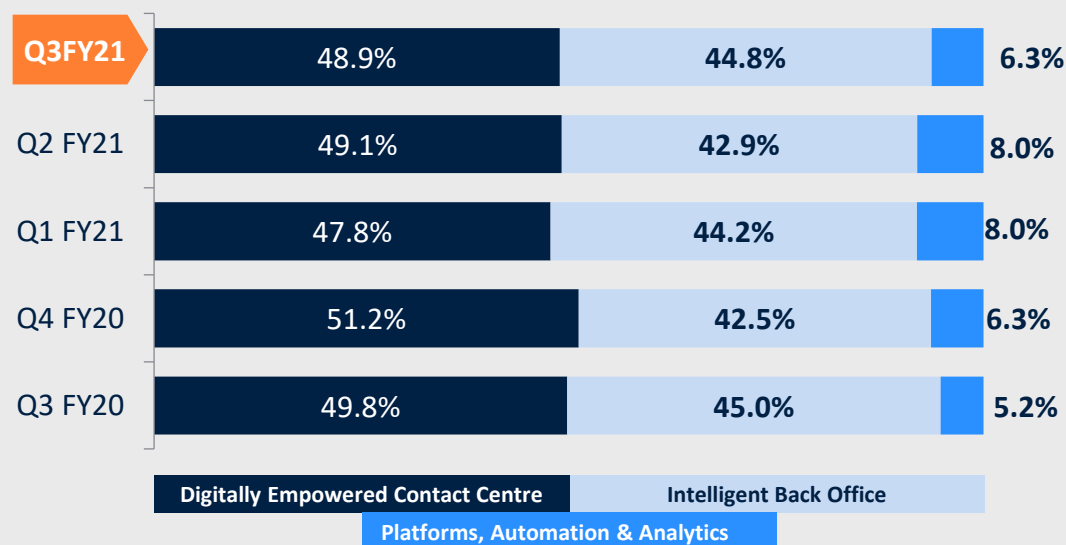
# Revenue Splits

## VERTICALS



- Growth momentum continues in BFS
- Volume recovery coupled with new ramps driving growth in CMT
- Volume compressions owing to COVID19 partially offset by new deal wins and strong pipeline in Healthcare
- Diverse Industries remains stable

## SERVICE LINES



- Digitally Empowered Contact Centre growth attributed to volume recovery across key clients
- Growth in Intelligent Back-office driven by broad based growth across business
- Steady progress on Platform based services with new wins



# Client Concentration

Top Client

Q3FY21

17.5%

Q3FY20

19.5%

19.0 years

Total Tenure

Top 5 Clients

Q3FY21

41.4%

Q3FY20

42.1%

14.3 years

Average Tenure



5 of Top 10

Mortgage servicers  
in the US



3 of Top 6

Retail banks in the UK



4 of Top 10

Lenders in the US



950+

Hospitals in the US



5 of Top 10

Health insurance/ managed  
care companies in the US



1 of Top 3

Utility companies  
in the UK



5 of Top 10

Credit card issuers  
in the US



1 of Top 2

Broadcasting and media  
companies in the UK



2 of Top 6

Telecom and broadcasting  
companies in the US



## Annexure



# Financial Performance (Quarterly)

In ₹ million	Q3 FY 2019	Q4 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021
Income from services	9,723	9,642	9,669	9,715	10,446	10,673	10,537	11,783	13,510
Other operating Income	129	30	129	134	89	132	85	94	142
<b>Revenue from operations</b>	<b>9,852</b>	<b>9,672</b>	<b>9,798</b>	<b>9,849</b>	<b>10,535</b>	<b>10,804</b>	<b>10,622</b>	<b>11,877</b>	<b>13,652</b>
<b>Revenue from operations (USD Mn)</b>	<b>\$ 137</b>	<b>\$ 137</b>	<b>\$ 141</b>	<b>\$ 140</b>	<b>\$ 148</b>	<b>\$ 149</b>	<b>\$ 141</b>	<b>\$ 160</b>	<b>\$ 185</b>
<i>QoQ Growth % - Constant Currency</i>	<i>0.9%</i>	<i>0.7%</i>	<i>2.0%</i>	<i>1.1%</i>	<i>4.7%</i>	<i>0.6%</i>	<i>-4.3%</i>	<i>12.2%</i>	<i>14.6%</i>
<i>YoY Growth % - Constant Currency</i>	<i>3.5%</i>	<i>3.8%</i>	<i>5.2%</i>	<i>4.5%</i>	<i>8.3%</i>	<i>8.2%</i>	<i>1.6%</i>	<i>13.1%</i>	<i>23.8%</i>
Personnel Expense	6,565	6,344	6,611	6,722	7,053	7,350	7,128	7,985	9,503
Operating Expense	1,927	1,943	1,530	1,803	1,816	1,813	1,826	2,016	2,046
Operating EBITDA	1,361	1,384	1,657	1,325	1,666	1,641	1,668	1,876	2,103
<i>Operating EBITDA %</i>	<i>13.8%</i>	<i>14.3%</i>	<i>16.9%</i>	<i>13.4%</i>	<i>15.8%</i>	<i>15.2%</i>	<i>15.7%</i>	<i>15.8%</i>	<i>15.4%</i>
Depreciation / amortization	191	190	439	455	484	474	498	519	513
<b>Operating Margin</b>	<b>1,170</b>	<b>1,195</b>	<b>1,217</b>	<b>870</b>	<b>1,182</b>	<b>1,168</b>	<b>1,170</b>	<b>1,358</b>	<b>1,590</b>
<i>Operating Margin %</i>	<i>11.9%</i>	<i>12.4%</i>	<i>12.4%</i>	<i>8.8%</i>	<i>11.2%</i>	<i>10.8%</i>	<i>11.0%</i>	<i>11.4%</i>	<i>11.6%</i>
Other Income / (expense)	(3)	(25)	(34)	65	2	(16)	(7)	16	7
Interest Income / (expense), net	(60)	(57)	(115)	(129)	(148)	(121)	(128)	(119)	(122)
PBT	1,107	1,112	1,069	806	1,036	1,031	1,035	1,254	1,476
<i>PBT %</i>	<i>11.2%</i>	<i>11.5%</i>	<i>10.9%</i>	<i>8.2%</i>	<i>9.8%</i>	<i>9.5%</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.8%</i>
Taxes and Minority Interest	126	130	157	132	140	115	148	201	265
<b>PAT</b>	<b>981</b>	<b>982</b>	<b>912</b>	<b>674</b>	<b>895</b>	<b>916</b>	<b>887</b>	<b>1,053</b>	<b>1,210</b>
<i>PAT %</i>	<i>10.0%</i>	<i>10.2%</i>	<i>9.3%</i>	<i>6.8%</i>	<i>8.5%</i>	<i>8.5%</i>	<i>8.3%</i>	<i>8.9%</i>	<i>8.9%</i>
Diluted EPS (₹ /Share)	1.41	1.42	1.32	0.97	1.29	1.31	1.27	1.50	1.72

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

# Financial Performance (Yearly)

In ₹ million	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	9M FY2021
Income from services	31,617	34,569	34,315	37,867	40,502	35,831
Other operating Income	556	987	1,038	396	484	321
<b>Revenue from operations</b>	<b>32,173</b>	<b>35,556</b>	<b>35,352</b>	<b>38,263</b>	<b>40,986</b>	<b>36,151</b>
<b>Revenue from operations (USD Mn)</b>	<b>\$ 491</b>	<b>\$ 530</b>	<b>\$ 548</b>	<b>\$ 548</b>	<b>\$ 578</b>	<b>\$ 485</b>
<i>YoY Growth % - Constant Currency</i>	<i>2.0%</i>	<i>12.9%</i>	<i>2.8%</i>	<i>2.0%</i>	<i>6.6%</i>	<i>13.1%</i>
Personnel Expense	21,727	23,834	23,955	25,573	27,735	24,616
Operating Expense	6,545	7,342	6,809	7,336	6,962	5,888
Operating EBITDA	3,901	4,380	4,589	5,355	6,289	5,648
<i>Operating EBITDA %</i>	<i>12.1%</i>	<i>12.3%</i>	<i>13.0%</i>	<i>14.0%</i>	<i>15.3%</i>	<i>15.6%</i>
Depreciation / amortization	609	590	659	744	1,852	1,530
<b>Operating Margin</b>	<b>3,292</b>	<b>3,790</b>	<b>3,930</b>	<b>4,610</b>	<b>4,437</b>	<b>4,118</b>
<i>Operating Margin %</i>	<i>10.2%</i>	<i>10.7%</i>	<i>11.1%</i>	<i>12.0%</i>	<i>10.8%</i>	<i>11.4%</i>
Other Income / (expense)	77	(21)	(11)	(26)	17	16
Interest Income / (expense), net	(507)	(400)	(338)	(225)	(512)	(369)
PBT	2,862	3,369	3,580	4,359	3,942	3,765
<i>PBT %</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.1%</i>	<i>11.4%</i>	<i>9.6%</i>	<i>10.4%</i>
Taxes and Minority Interest	257	569	315	581	545	615
<b>PAT</b>	<b>2,605</b>	<b>2,800</b>	<b>3,265</b>	<b>3,778</b>	<b>3,397</b>	<b>3,150</b>
<i>PAT %</i>	<i>8.1%</i>	<i>7.9%</i>	<i>9.2%</i>	<i>9.9%</i>	<i>8.3%</i>	<i>8.7%</i>
Diluted EPS (₹ /Share)	3.72	4.08	4.73	5.45	4.89	4.48

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

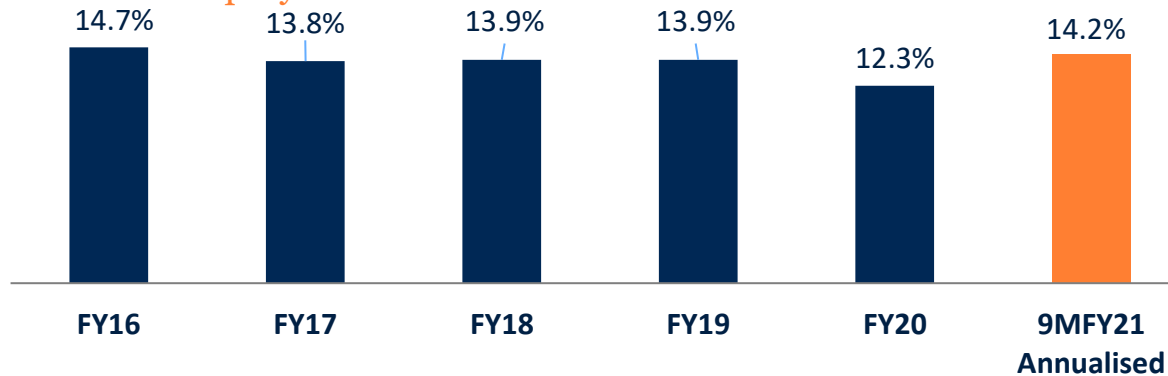
# Balance Sheet and Cash Flow Statement

₹ million	As at 31-Dec-20	As at 31-Mar-20
<b>Equity And Liabilities</b>		
Share Capital	6,956	6,938
Reserves & Surplus	22,630	20,716
Non - Controlling Interest	6	6
Borrowings	5,054	8,433
Other Non - Current Liabilities	5,957	4,874
Current liabilities	7,903	4,903
<b>Total</b>	<b>48,506</b>	<b>45,871</b>
<b>Assets</b>		
Goodwill on Consolidation	22,418	22,324
Fixed Assets	7,445	6,385
Cash and Cash Equivalents	2,189	1,907
Current Investments	824	0
Trade Receivables (Billed + Unbilled)	7,790	7,540
Non - Current Assets	6,150	6,119
Current Assets	1,689	1,596
<b>Total</b>	<b>48,506</b>	<b>45,871</b>

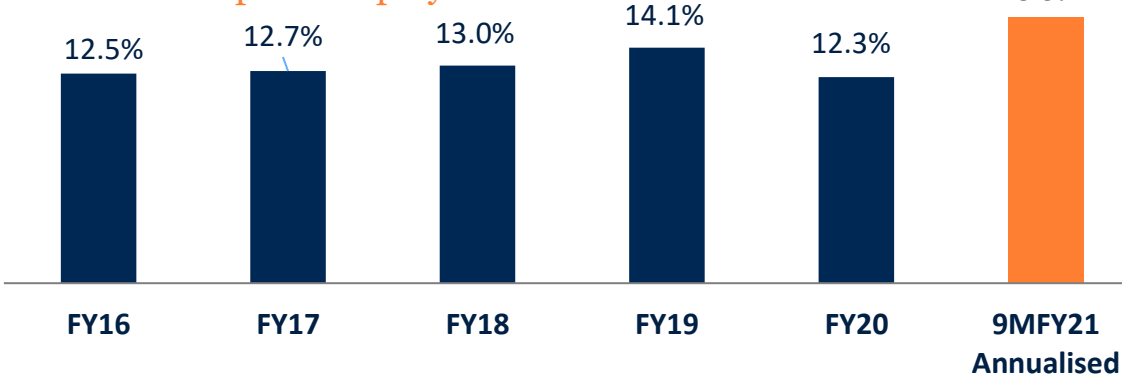
₹ million	Quarter ended 31-Dec-20	Nine Months ended 31-Dec-20
<b>Cash Flow from Operating Activities</b>		
Operating Margin	1,590	4,118
Adj: Non Cash and Other Income / (Expense)	499	1,920
Operating Cash before Working Capital	2,089	6,038
Add: Advance received from customers	1,797	1,797
Add: Working Capital Changes	198	900
Less: Income Taxes Paid	(198)	(485)
<b>Net Cash generated from Operating Activities</b>	<b>3,886</b>	<b>8,250</b>
<b>Cash Flow from Investing Activities</b>		
Capital Expenditure	(636)	(1,098)
(Investments)/ Proceeds from Current Investments	(112)	(806)
Acquisition of Patient Matters LLC	(950)	(950)
Earmarked Balances with Banks (Dividend Escrow)	0	(15)
<b>Net Cash used in Investing Activities</b>	<b>(1,699)</b>	<b>(2,868)</b>
<b>Cash Flow from Financing Activities</b>		
Net Increase / (Decrease) in Borrowings	(1,016)	(3,379)
Net Interest Paid (as per Ind AS 116)	(121)	(381)
Payment of Lease Liabilities	(266)	(827)
Increase in Shareholder's Funds	27	57
Purchase of treasury shares (Employee Stock Option Trust)	(90)	(599)
<b>Net Cash used in Financing Activities</b>	<b>(1,466)</b>	<b>(5,129)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>722</b>	<b>252</b>
Opening Cash and Cash Equivalents	1,453	1,907
Earmarked Balances with Banks	(0)	15
Foreign Exchange (Gain) on Translating Cash and Cash Equivalents	13	14
<b>Closing Cash and Cash Equivalents</b>	<b>2,189</b>	<b>2,189</b>
<b>Cash and Cash Equivalents Including Current Investments</b>	<b>3,013</b>	<b>3,013</b>

# Key Performance Indicators

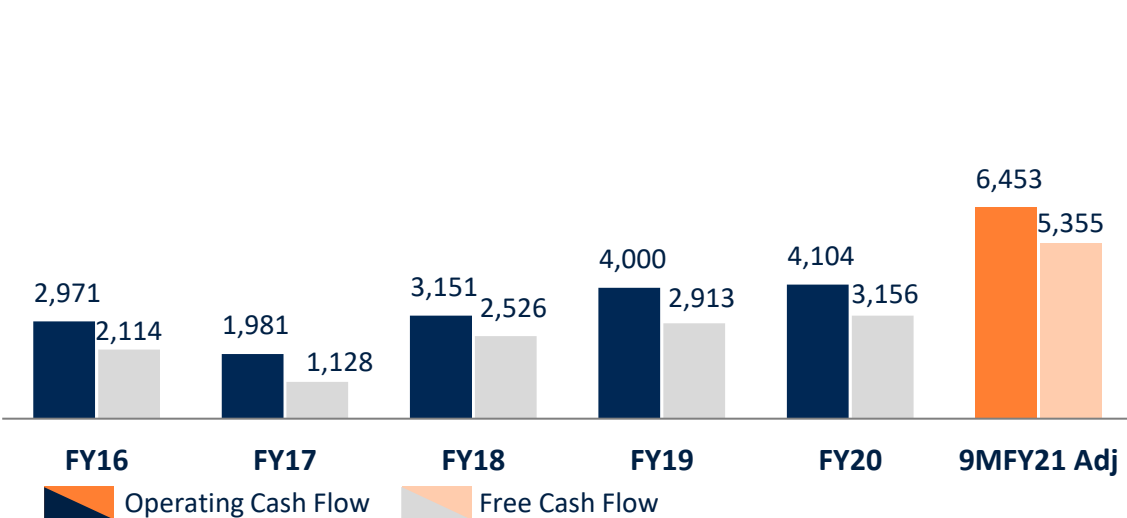
## Return on Equity



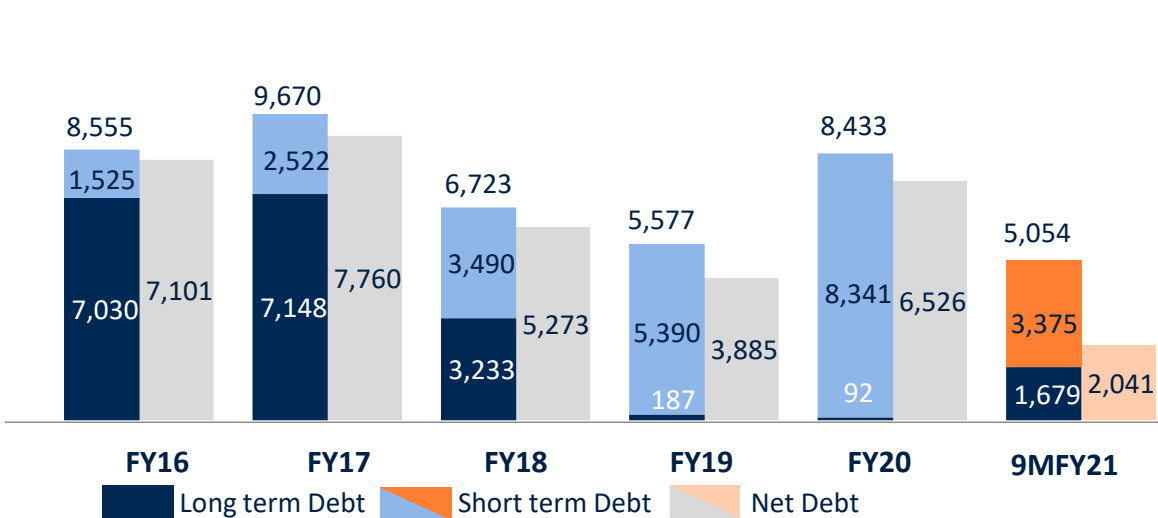
## Return on Capital Employed



## Cash Flow



## Debt Position



Note: 9MFY21 OCF and FCF adjusted for advance received from customers



# Operating Metrics

	Particulars	Q3 FY 2019	Q4 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021
Revenue by Vertical	Banking & Financial Services	34.6%	36.1%	35.6%	40.4%	42.9%	42.8%	51.2%	51.9%	52.0%
	Communications Media & Tech	28.5%	27.5%	27.2%	22.0%	21.9%	22.9%	16.2%	18.8%	20.5%
	Healthcare	34.1%	33.2%	33.5%	34.5%	32.4%	31.3%	29.9%	27.1%	25.3%
	Diverse Industries	2.8%	3.2%	3.7%	3.1%	2.8%	3.0%	2.7%	2.2%	2.2%
Revenue by Service Lines	Digitally Empowered Contact Centre			55.2%	51.6%	49.8%	51.2%	47.8%	49.1%	48.9%
	Intelligent Back Office			39.6%	42.8%	45.0%	42.5%	44.2%	42.9%	44.8%
	Platforms, Automation & Analytics			5.2%	5.6%	5.2%	6.3%	8.0%	8.0%	6.3%
Revenue by Geography	US	55.2%	55.3%	57.0%	61.6%	63.3%	63.2%	69.1%	68.1%	67.1%
	UK	43.8%	43.6%	41.6%	36.9%	35.3%	35.3%	29.7%	30.6%	31.5%
	Rest of World	1.0%	1.1%	1.4%	1.5%	1.4%	1.5%	1.2%	1.3%	1.4%
Revenue by Delivery	Offshore	18.1%	18.5%	22.5%	22.8%	25.2%	25.6%	24.8%	27.0%	29.8%
	Onshore	81.9%	81.5%	77.5%	77.2%	74.8%	74.4%	75.2%	73.0%	70.2%
Top Clients Revenue	Top client %	24.9%	24.6%	24.9%	19.8%	19.5%	20.3%	13.7%	16.2%	17.5%
	Top 5 client %	41.2%	42.3%	41.2%	39.5%	42.1%	42.2%	39.9%	40.4%	41.4%
Other Metrics	Total employees (end of period)	18,595	18,712	18,550	20,001	20,482	21,203	21,831	23,960	26,618
	• Employees in India	8,621	8,968	9,305	10,493	10,982	11,450	11,684	13,536	15,381
	• Employees outside India	9,974	9,744	9,245	9,508	9,500	9,753	10,147	10,424	11,237
	Net Addition	226	117	(162)	1,451	481	721	628	2,129	2,658
	Offshore Attrition*	39.3%	41.5%	45.3%	40.0%	36.0%	33.5%	15.1%	26.3%	28.8%
	Onshore Attrition*	45.8%	42.9%	46.8%	54.6%	45.8%	41.9%	30.2%	47.3%	34.6%

\*Post 180 days attrition - Quarter annualized

# Forex Hedges

Outstanding FX hedges at \$90.5 million for USD and £63.0 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£ 34.71	Rs 103.31 /£	\$ 76.72	Rs 76.33 /\$
13-24 Months	£ 24.60	Rs 114.15 /£	\$ 13.80	Rs 77.93 /\$
More than 24 Months	£ 3.70	Rs 119.83 /£		

# Prior Period Reports

(Hyperlinks)

ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE				
<a href="#">FY2020</a>					<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>		<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>		<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	
					<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>
					<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>
<a href="#">FY2018</a>					<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>

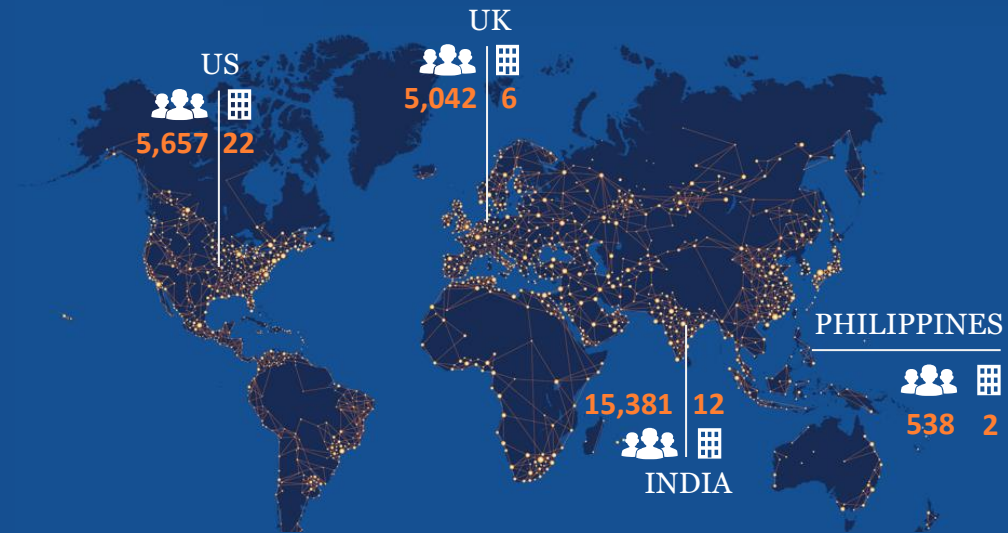
  

FACT SHEET					TRANSCRIPTS					SHAREHOLDING PATTERN				
<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>		<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>		<b>FY2021</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	
<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2020</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>
<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2019</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>
<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>	<b>FY2018</b>	<a href="#">Q1</a>	<a href="#">Q2</a>	<a href="#">Q3</a>	<a href="#">Q4</a>

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# About Us



Our Global Footprint

- Established in **2001**
- Revenues of **INR 41.0 Billion**  
(approximately \$578 Million) in FY2020
- **26,618 firstsourcers**  
across US, UK, India and Philippines
- **Leaders in chosen segments**  
across Banking & Financial Services, Healthcare,  
Communications, Media & Tech
- **100+ global clients including**  
17 Fortune 500 companies and 9 FTSE 100 companies
- **Publicly Traded on Indian Stock Exchanges**

NSE: FSL    BSE: 532809    Reuters: FISO.BO    Bloomberg: FSOL@IN



# Part of RP-Sanjiv Goenka Group Since 2012



Power & Natural Resources



Carbon Black



Retail & FMCG



Media & Entertainment



Infrastructure



IT & ITeS



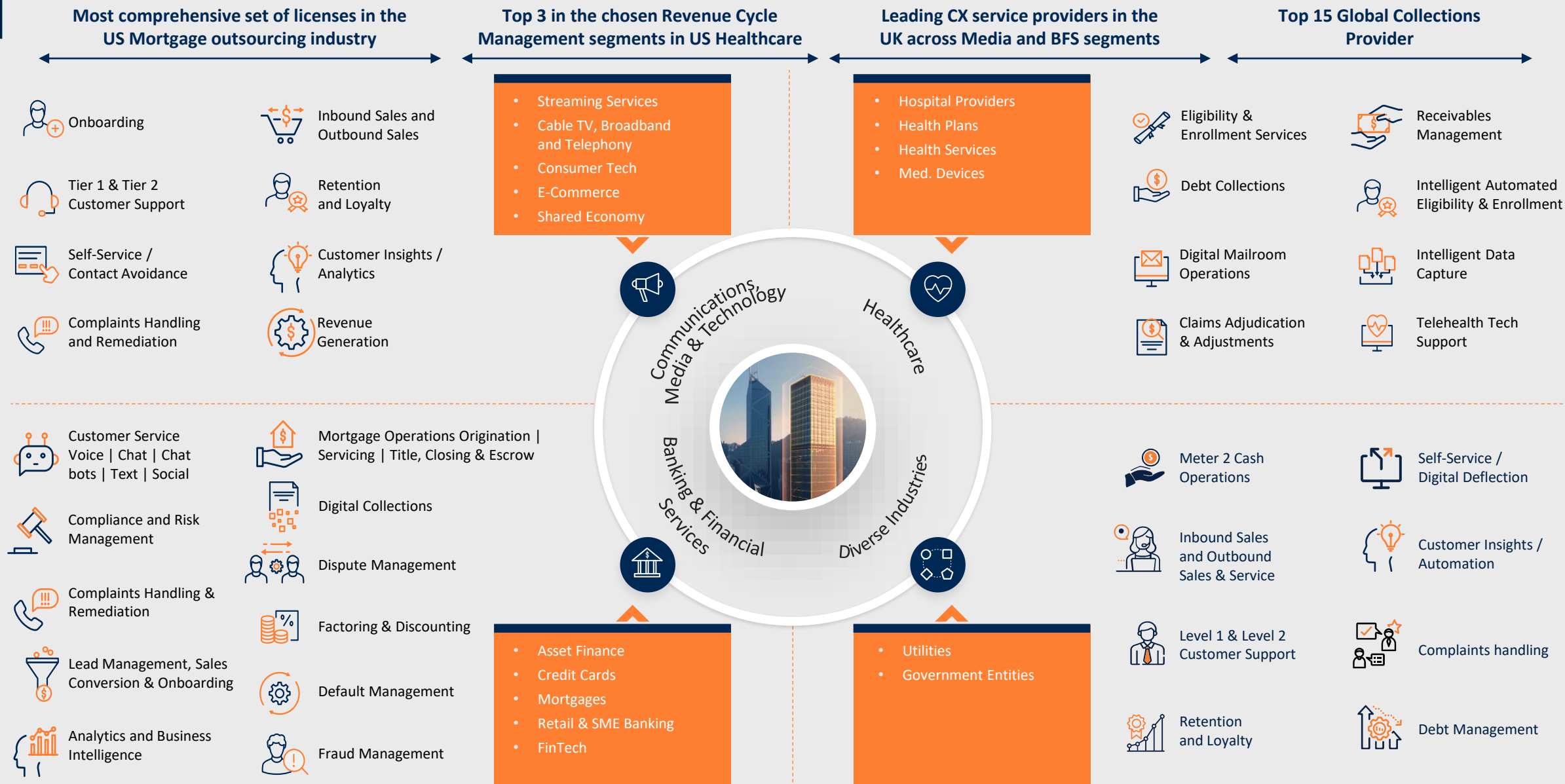
Education & Sports



RP - Sanjiv Goenka Group  
Growing Legacies

Combined Revenues of  
\$3.8 Billion in  
FY2020





**Strong Domain Driven Operating Model**  
**30%+ Revenues linked to Outcomes Delivered | 73%+ Onshore Delivery**

# Select Awards



## Top Patient Engagement Solutions Provider

**2019:** Healthcare Provider business awarded 2020 Top Patient Engagement Solutions Provider by Healthcare Tech Outlook



## International Customer Experience Awards

**2020:** Firstsource, jointly with a client, won Silver Award for Best Customer Experience Strategy



## Contact Centre Network Northern Ireland Awards

**2020:** Best Homeworking Programme for Derry Center

**2019:** Outsourced Contact Centre of the Year award with our client

**2018:** Won in the Support Team of the Year category



## Welsh Contact Centre Awards

**2020:** Contact Centre Manager of the Year

**2019:** Gold for People Engagement

**2018:** Gold for Outsourced Contact Centre of the Year and People Engagement



## NelsonHall

Positioned as a 'Leader' in NelsonHall's NEAT Evaluation both for 'Overall Mortgage & Loan Services' as well as 'Support for New Digital Business Models'

# Industry Associations



# Corporate Management – Senior Leadership



Vipul Khanna

MD and  
Chief Executive Officer



Dinesh Jain

Finance



Prashant Nandella

Operations



Randall Shafer

Healthcare  
Provider



Venkatgiri Vandali

Health Plans &  
Healthcare Services



Deb Biswas

Communications,  
Media & Technology



Siddharth Parashar

Europe Business



Arjun Mitra

Collections



Steven Schachter

Mortgage



Soma Pandey

Human Resources



Sundara Sukavanam

Digital Services



Rajlakshmi Raghavan

Marketing & Corporate  
Communications



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

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company, is a leading provider of transformational solutions and services spanning the customer lifecycle across Healthcare, Banking and Financial Services, Communications, Media and Technology and other industries.

Our 'Digital First, Digital Now' approach helps organizations reinvent operations and reimagine business models, enabling them to deliver moments that matter and build competitive advantage.

With an established presence in the US, the UK, India and the Philippines, we act as a trusted growth partner for over 100 leading global brands, including several Fortune 500 and FTSE 100 companies.

[www.firstsource.com](http://www.firstsource.com)

