



Q3 FY2022 Earnings Update



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 professionals, 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.



Summary of Performance for the Quarter ended 31st December 2021



REVENUES

₹ 14,638 Million
(US\$ 195.4 Million)

YoY growth of 7.2%
Constant Currency growth of 4.9%



OPERATING MARGIN

₹ 1,762 Million
(Margin 12.0%)

YoY Margin expansion of 39 bps



PROFIT AFTER TAX

₹ 1,355 Million
(Margin 9.3%)

YoY Margin expansion of 39 bps



EARNINGS PER SHARE (Diluted)

₹ 1.92
per share

Q3FY'21 at ₹ 1.72 per share

Summary of Performance for the Nine Months ended 31st December 2021



REVENUES

₹ 43,772 Million
(US\$ 589.7 Million)

YoY growth of 21.1%
Constant Currency growth of 19.5%



OPERATING MARGIN

₹ 5,353 Million
(Margin 12.2%)

YoY Margin expansion of 84 bps



PROFIT AFTER TAX

₹ 4,050 Million
(Margin 9.3%)

YoY Margin expansion of 54 bps

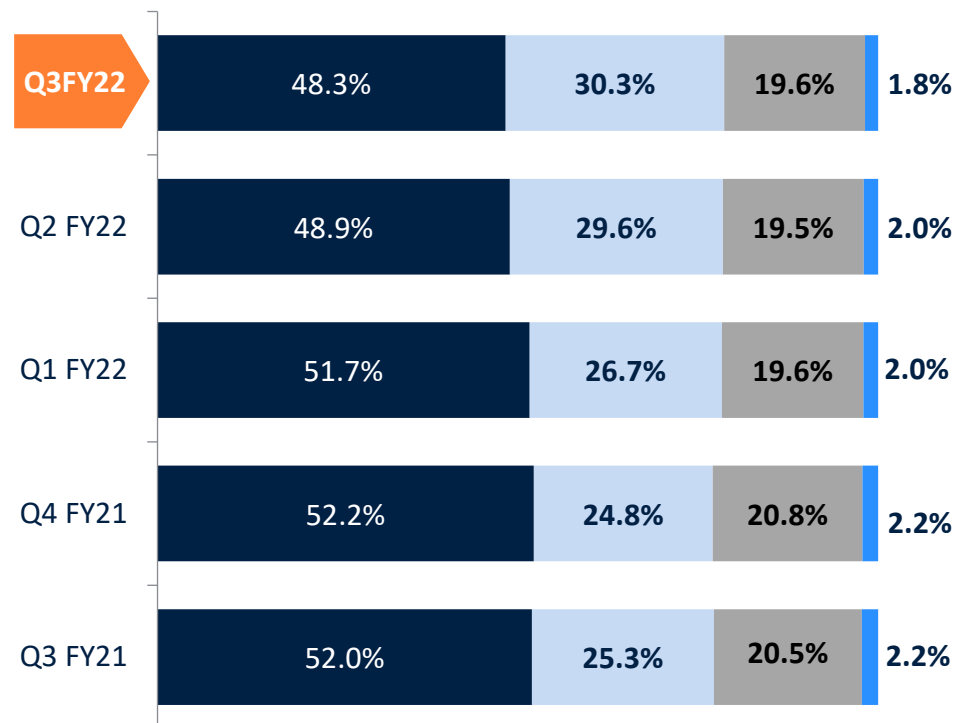


EARNINGS PER SHARE (Diluted)

₹ 5.74
per share

9MFY'21 at ₹ 4.48 per share

REVENUE SPLIT BY VERTICALS



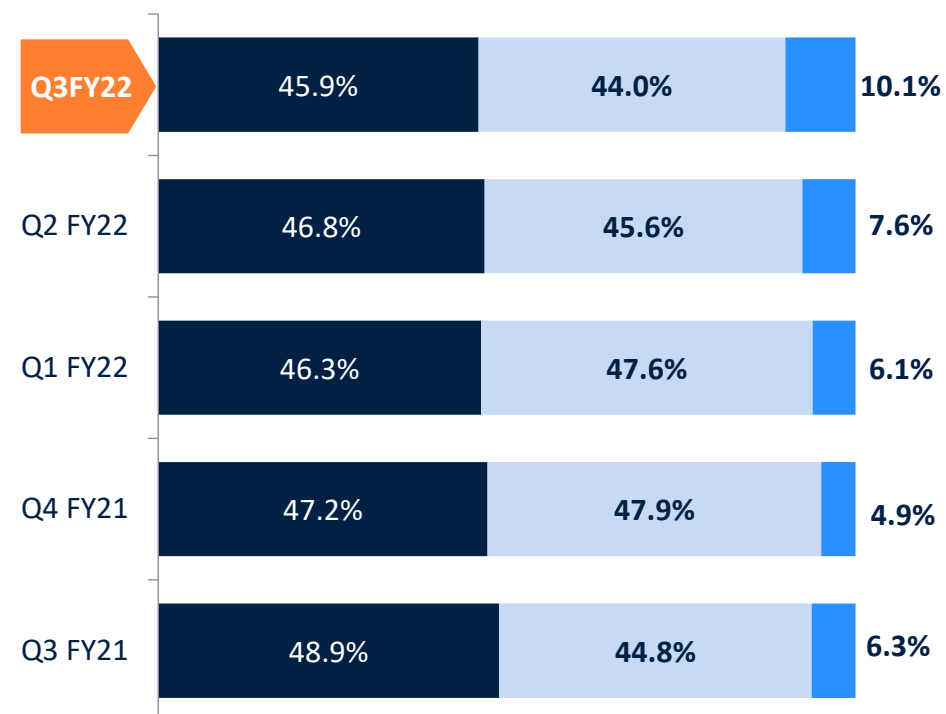
Banking & Financial Services

Healthcare

Communication, Media & Tech

Diverse Industries

REVENUE SPLIT BY SERVICE LINES



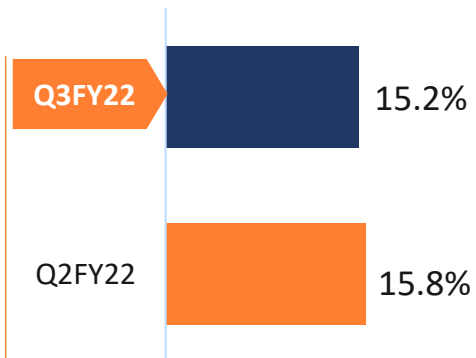
Digitally Empowered Contact Centre

Intelligent Back Office

Platforms, Automation & Analytics

Client Concentration

Top Client



20.0 years

Total Tenure

Top 5 Clients



15.9 years

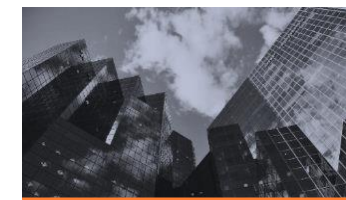
Average Tenure



4 of Top 15
Mortgage servicers in
the US



2 of Top 6
Retail banks in the UK



6 of Top 15
Mortgage Lenders in
the US



1,000+
Hospitals in the US



7 of Top 10
Health insurance/ managed
care companies in the US



1 of Top 3
Utility companies in the
UK



4 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 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022
Income from services	10,446	10,673	10,537	11,783	13,510	14,496	14,780	14,182	14,456
Other operating Income	89	132	85	94	142	132	68	104	182
Revenue from operations	10,535	10,804	10,622	11,877	13,652	14,628	14,848	14,286	14,638
Revenue from operations (USD Mn)	\$ 148	\$ 149	\$ 141	\$ 160	\$ 185	\$ 200	\$ 201	\$ 193	\$ 195
<i>QoQ Growth % - Constant Currency</i>	<i>4.7%</i>	<i>0.6%</i>	<i>-4.3%</i>	<i>12.2%</i>	<i>14.6%</i>	<i>7.0%</i>	<i>0.5%</i>	<i>-4.0%</i>	<i>1.4%</i>
<i>YoY Growth % - Constant Currency</i>	<i>8.3%</i>	<i>8.2%</i>	<i>1.6%</i>	<i>13.1%</i>	<i>23.8%</i>	<i>31.7%</i>	<i>38.5%</i>	<i>18.5%</i>	<i>4.9%</i>
Personnel Expense	7,053	7,350	7,128	7,985	9,503	10,057	10,219	9,728	9,676
Operating Expense	1,816	1,813	1,826	2,016	2,046	2,229	2,246	2,171	2,583
Operating EBITDA	1,666	1,641	1,668	1,876	2,103	2,342	2,383	2,388	2,379
<i>Operating EBITDA %</i>	<i>15.8%</i>	<i>15.2%</i>	<i>15.7%</i>	<i>15.8%</i>	<i>15.4%</i>	<i>16.0%</i>	<i>16.1%</i>	<i>16.7%</i>	<i>16.3%</i>
Depreciation / amortization	484	474	498	519	513	534	584	597	617
Operating Margin	1,182	1,168	1,170	1,358	1,590	1,809	1,800	1,791	1,762
<i>Operating Margin %</i>	<i>11.2%</i>	<i>10.8%</i>	<i>11.0%</i>	<i>11.4%</i>	<i>11.6%</i>	<i>12.4%</i>	<i>12.1%</i>	<i>12.5%</i>	<i>12.0%</i>
Other Income / (expense)	2	(16)	(7)	16	7	(29)	(10)	0	(5)
Interest Income / (expense), net	(148)	(121)	(128)	(119)	(122)	(127)	(136)	(148)	(143)
Profit Before Taxes and exceptional item	1,036	1,031	1,035	1,254	1,476	1,652	1,654	1,644	1,614
<i>Profit Before Taxes and exceptional item %</i>	<i>9.8%</i>	<i>9.5%</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.8%</i>	<i>11.3%</i>	<i>11.1%</i>	<i>11.5%</i>	<i>11.0%</i>
Exceptional Item	-	-	-	-	-	(1,099)	-	-	-
Profit Before Taxes	1,036	1,031	1,035	1,254	1,476	553	1,654	1,644	1,614
<i>Profit Before Taxes %</i>	<i>9.8%</i>	<i>9.5%</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.8%</i>	<i>3.8%</i>	<i>11.1%</i>	<i>11.5%</i>	<i>11.0%</i>
Taxes and Minority Interest	140	115	148	201	265	87	309	293	259
Profit After Tax	895	916	887	1,053	1,210	467*	1,345	1,350	1,355
<i>Profit After Tax %</i>	<i>8.5%</i>	<i>8.5%</i>	<i>8.3%</i>	<i>8.9%</i>	<i>8.9%</i>	<i>3.2%</i>	<i>9.1%</i>	<i>9.5%</i>	<i>9.3%</i>
Diluted EPS (₹ /Share)	1.29	1.31	1.27	1.50	1.72	0.66	1.91	1.96	1.92

* For Q4 FY21, PAT excluding the exceptional charge is INR 1,309 Mn or 8.9%

Financial Performance (Yearly)

In ₹ million	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY2021	9MFY22
Income from services	31,617	34,569	34,315	37,867	40,502	50,327	43,419
Other operating Income	556	987	1,038	396	484	453	354
Revenue from operations	32,173	35,556	35,352	38,263	40,986	50,780	43,772
Revenue from operations (USD Mn)	\$ 491	\$ 530	\$ 548	\$ 548	\$ 578	\$ 685	\$ 590
<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>17.9%</i>	<i>19.5%</i>
Personnel Expense	21,727	23,834	23,955	25,573	27,735	34,672	29,623
Operating Expense	6,545	7,342	6,809	7,336	6,962	8,065	6,999
Operating EBITDA	3,901	4,380	4,589	5,355	6,289	8,042	7,150
<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>15.8%</i>	<i>16.3%</i>
Depreciation / amortization	609	590	659	744	1,852	2064	1,797
Operating Margin	3,292	3,790	3,930	4,610	4,437	5,979	5,353
<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>11.8%</i>	<i>12.2%</i>
Other Income / (expense)	77	(21)	(11)	(26)	17	(13)	(15)
Interest Income / (expense), net	(507)	(400)	(338)	(225)	(512)	(496)	(428)
Profit Before Taxes and exceptional item	2,862	3,369	3,580	4,359	3,942	5,469	4,911
<i>Profit Before Taxes and exceptional item %</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.1%</i>	<i>11.4%</i>	<i>9.6%</i>	<i>10.8%</i>	<i>11.2%</i>
Exceptional Item	-	-	-	-	-	(1,151)	-
Profit Before Taxes	2,862	3,369	3,580	4,359	3,942	4,318	4,911
<i>Profit Before Taxes %</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.1%</i>	<i>11.4%</i>	<i>9.6%</i>	<i>8.5%</i>	<i>11.2%</i>
Taxes and Minority Interest	257	569	315	581	545	702	861
Profit After Tax	2,605	2,800	3,265	3,778	3,397	3,617*	4,050
<i>Profit After Tax %</i>	<i>8.1%</i>	<i>7.9%</i>	<i>9.2%</i>	<i>9.9%</i>	<i>8.3%</i>	<i>7.1%</i>	<i>9.3%</i>
Diluted EPS (₹ /Share)	3.72	4.08	4.73	5.45	4.89	5.13	5.74

* For FY2021, PAT excluding the exceptional charge is INR 4,499 Mn or 8.9%

Addition of Q1, Q2 & Q3 EPS nos will not add up to 9MFY22 EPS due to change in no. of shares

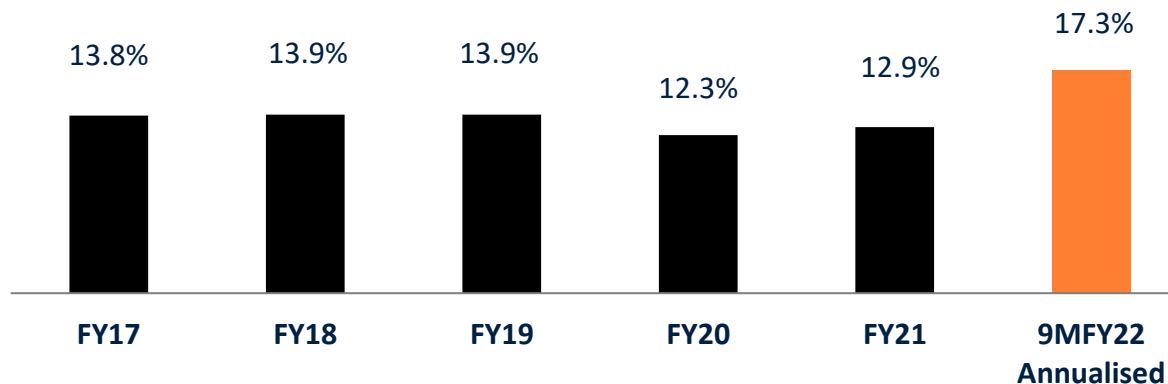
Balance Sheet and Cash Flow Statement

In ₹ million	As at 31-Dec-21	As at 31-Mar-21
Equity And Liabilities		
Share Capital	6,970	6,961
Reserves & Surplus	24,185	21,032
Non - Controlling Interest	5	5
Borrowings	7,780	6,045
Other Non - Current Liabilities	8,428	5,438
Current liabilities	7,837	8,816
Total	55,205	48,297
Goodwill on Consolidation	27,181	21,948
Fixed Assets	8,912	8,028
Cash and Cash Equivalents	1,401	1,373
Current Investments	498	826
Trade Receivables (Billed + Unbilled)	9,117	8,431
Non - Current Assets	5,793	6,008
Current Assets	2,303	1,683
Total	55,205	48,297

In ₹ million	Quarter ended 31-Dec-21	Nine Months ended 31-Dec-21
Cash Flow from Operating Activities		
EBIT	1,762	5,353
Adjustment: Non-Cash and Other Income / (Expense)	645	2,018
<i>Operating Cash before Working Capital</i>	<i>2,407</i>	<i>7,371</i>
Add: Working Capital Changes	999	(730)
Less: Income Taxes Paid	(163)	(724)
Net cash generated from operating activities (A)	3,243	5,917
Cash Flow from Investing Activities		
Capital Expenditure	(184)	(465)
Proceeds from current investments	457	352
Payment towards acquisition of business	(5,067)	(5,067)
Proceeds from redemption of debentures	0	2
Net cash used in Investing activities (B)	(4,795)	(5,178)
Cash Flow from Financing Activities		
Net increase/ (decrease) in Borrowings	2,204	1,715
Purchase of Non-controlling Interest in a subsidiary	0	(887)
Net Interest Paid	(136)	(438)
Payment of lease liabilities	(305)	(813)
Purchase of treasury shares	(44)	(350)
Proceeds from issuance of equity shares and share application money	0	37
Net cash used in Financing activities (C)	1,719	(736)
Net increase / (decrease) in cash and cash equivalents	168	3
Cash and cash equivalents at the beginning of the period	1,230	1,373
Earmarked balances with banks	(0)	20
Foreign exchange (gain) on translating Cash and cash equivalents	3	4
Closing Cash and Cash Equivalents	1,401	1,401
Cash and Cash Equivalents including Investments	1,898	1,898

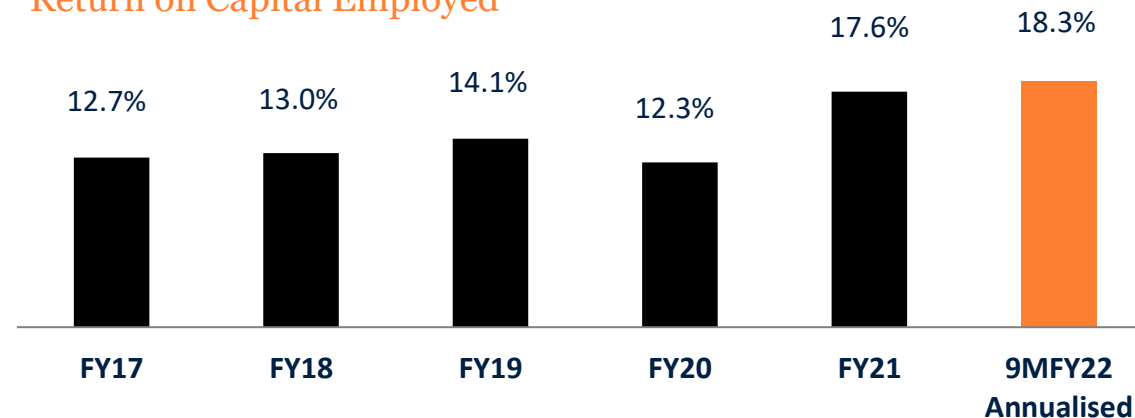
Key Performance Indicators

Return on Equity

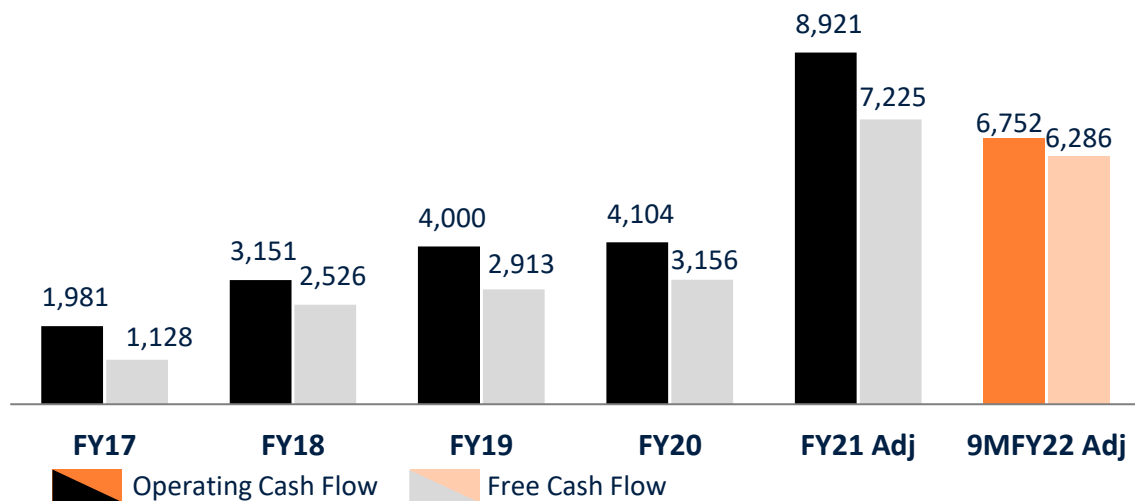


Note: FY21 ROE will be 16.1% excluding for exceptional item

Return on Capital Employed

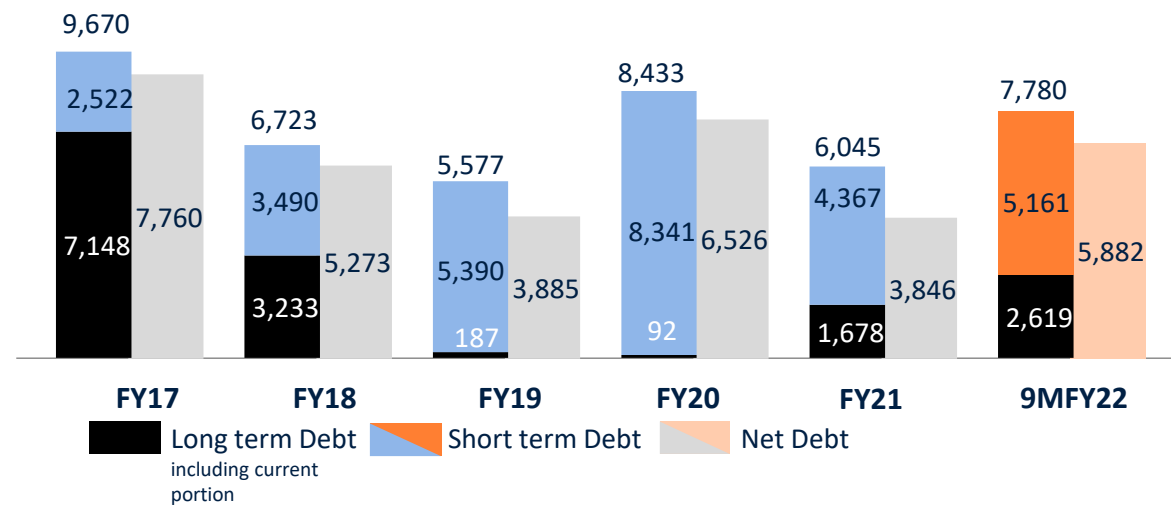


Cash Flow



Note: FY21 and Q1 FY22 OCF and FCF adjusted for advance received from customers

Debt Position



Operating Metrics

	Particulars	Q3 FY 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022
Revenue by Vertical	Banking & Financial Services	42.9%	42.8%	51.2%	51.9%	52.0%	52.2%	51.7%	48.9%	48.3%
	Healthcare	32.4%	31.3%	29.9%	27.1%	25.3%	24.8%	26.7%	29.6%	30.3%
	Communications Media & Tech	21.9%	22.9%	16.2%	18.8%	20.5%	20.8%	19.6%	19.5%	19.6%
	Diverse Industries	2.8%	3.0%	2.7%	2.2%	2.2%	2.2%	2.0%	2.0%	1.8%
Revenue by Service Lines	Digitally Empowered Contact Centre	49.8%	51.2%	47.8%	49.1%	48.9%	47.2%	46.3%	46.8%	45.9%
	Intelligent Back Office	45.0%	42.5%	44.2%	42.9%	44.8%	47.9%	47.6%	45.6%	44.0%
	Platforms, Automation & Analytics	5.2%	6.3%	8.0%	8.0%	6.3%	4.9%	6.1%	7.6%	10.1%
Revenue by Geography	US	63.3%	63.2%	69.1%	68.1%	67.1%	67.4%	67.6%	68.4%	69.8%
	UK	35.3%	35.3%	29.7%	30.6%	31.5%	31.5%	31.1%	30.1%	28.5%
	Rest of World	1.4%	1.5%	1.2%	1.3%	1.4%	1.1%	1.3%	1.5%	1.7%
Revenue by Delivery	Offshore	25.2%	25.6%	24.8%	27.0%	29.8%	30.6%	29.3%	31.0%	30.8%
	Onshore	74.8%	74.4%	75.2%	73.0%	70.2%	69.4%	70.7%	69.0%	69.2%
Top Clients Revenue	Top client %	19.5%	20.3%	13.7%	16.2%	17.5%	17.5%	16.3%	15.8%	15.2%
	Top 5 client %	42.1%	42.2%	39.9%	40.4%	41.4%	42.3%	42.0%	41.2%	37.6%
Other Metrics	Total employees (end of period)	20,482	21,203	21,831	23,960	26,618	28,004	27,916	27,835	27,398
	• Employees in India	10,982	11,450	11,684	13,536	15,381	16,289	16,677	16,976	16,826
	• Employees outside India	9,500	9,753	10,147	10,424	11,237	11,715	11,239	10,859	10,572
	Net Addition	481	721	628	2,129	2,658	1,386	(88)	(81)	(437)
	Offshore Attrition*	36.0%	33.5%	15.1%	26.3%	28.8%	28.6%	29.2%	36.2%	45.2%
	Onshore Attrition*	45.8%	41.9%	30.2%	47.3%	34.6%	40.0%	54.8%	68.8%	59.5%

*Post 180 days attrition - Quarter annualized

Forex Hedges

Outstanding FX hedges at \$68.0 million for USD and £43.3 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£34.8	Rs 112.9 /£	\$ 53.0	Rs 77.8 /\$
13-24 Months	£8.5	Rs 112.6 /£	\$ 15.0	Rs 79.8 /\$

Prior Period Reports

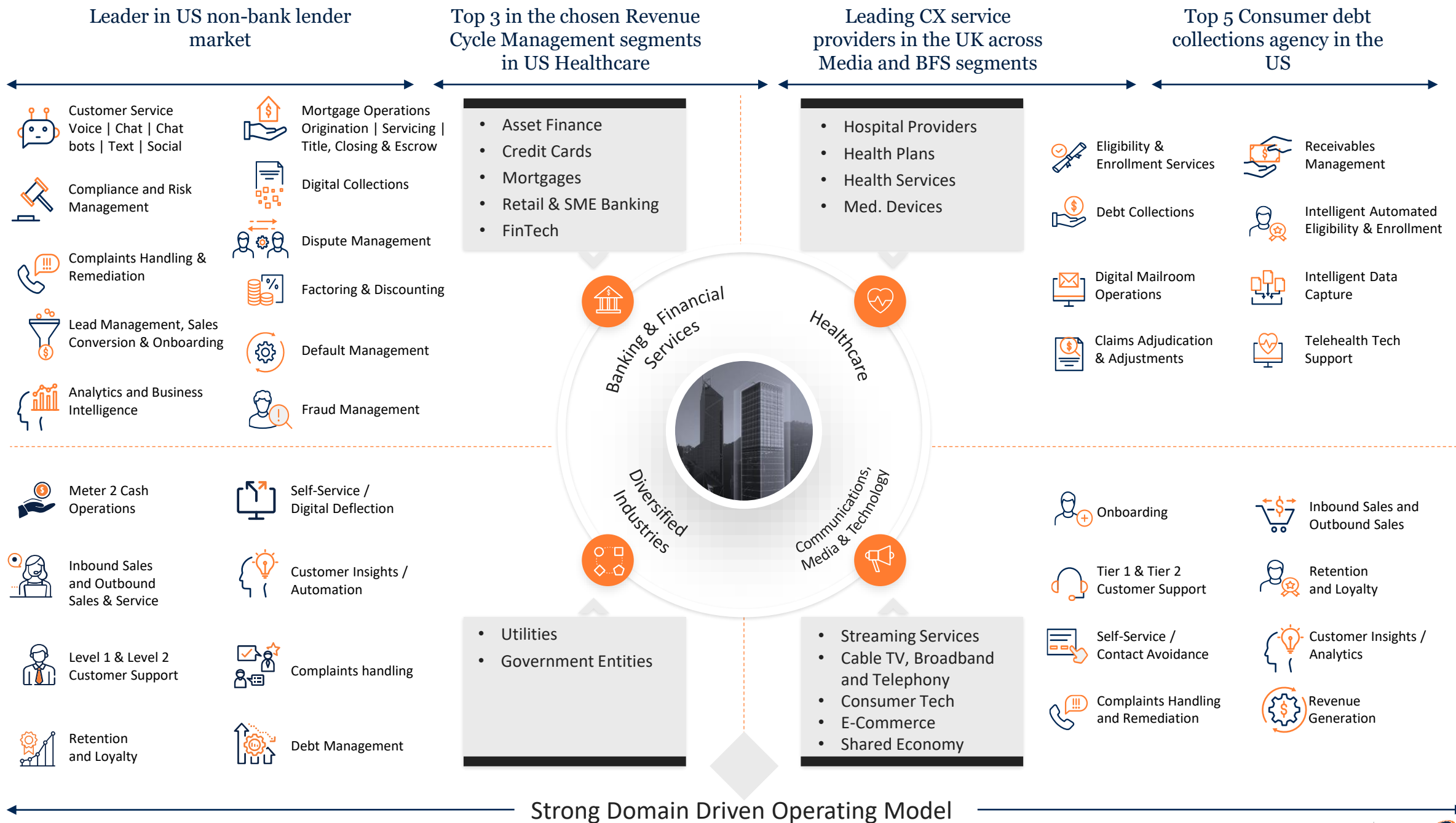
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ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE				
FY2021					FY2022	Q1	Q2	Q3		FY2022	Q1	Q2	Q3		FY2022	Q1	Q2	Q3	
FY2020					FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2019					FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4
FY2018					FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4
					FY2018	Q1	Q2	Q3	Q4	FY2018	Q1	Q2	Q3	Q4	FY2018	Q1	Q2	Q3	Q4

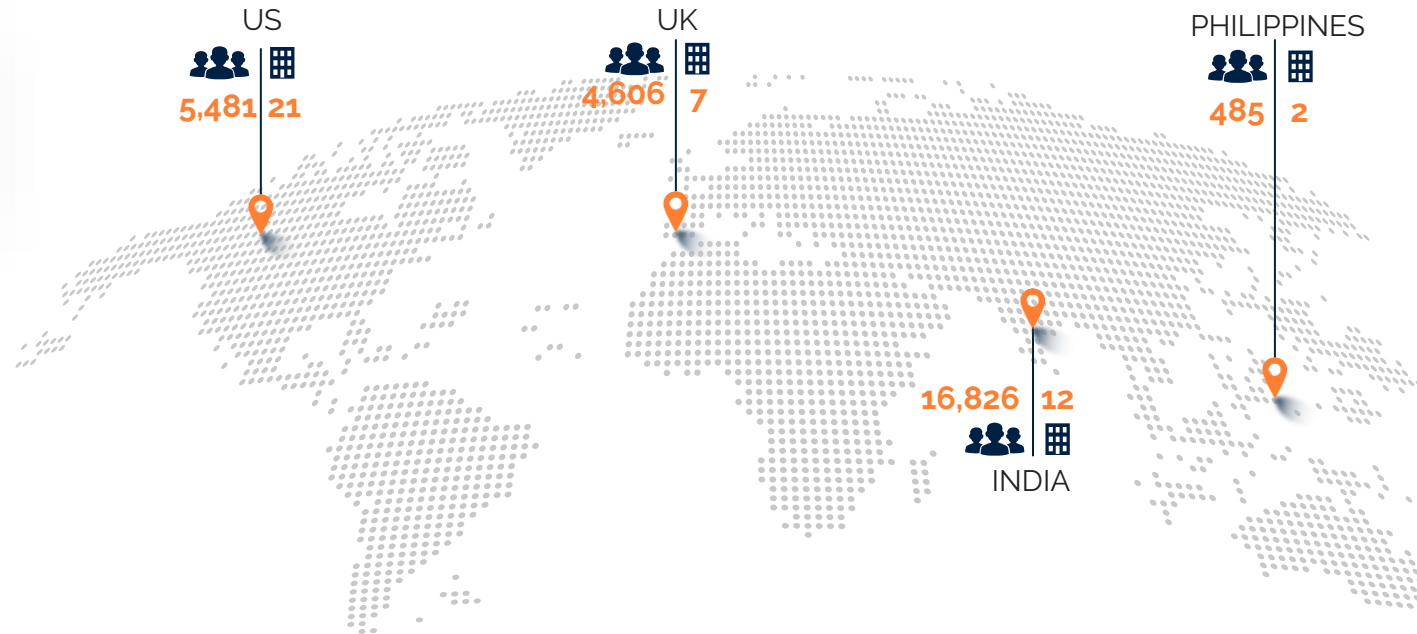
FACT SHEET					TRANSCRIPTS					SHAREHOLDING PATTERN				
FY2022	Q1	Q2	Q3		FY2022	Q1	Q2	Q3		FY2022	Q1	Q2	Q3	
FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4
FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4
FY2018	Q1	Q2	Q3	Q4	FY2018	Q1	Q2	Q3	Q4					

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(approximately \$685 Million) in FY2021
- **27,398 Firstsourcers**
across US, UK, India and Philippines
- **Leaders in chosen segments**
across Banking & Financial Services, Healthcare,
Communications, Media & Technology and Diversified Industries
- **Domain driven BPM services company**
Leveraging a 'Digital First, Digital Now' approach to solve key customer problems
- **150+ 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



Power



Carbon Black



Consumer & Retail



Media & Entertainment



Education & Infrastructure



IT-Enabled Services



Sports



Combined
Revenues of
\$3.6 Billion in
FY2021



Select Awards



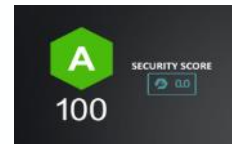
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Firstsource **re-accredited** with the Investors In People (IIP) Gold standard for its UK operations



NelsonHall

Positioned as a **'Leader'** in NEAT Evaluation for 'Overall Mortgage & Loan Services' and 'Support for New Digital Business Models'
Positioned as a **'Leader'** in its 'Intelligent Automation in Banking NEAT 2021' report



"A-100" by SecurityScorecard™

Rated 'A-100' by SecurityScorecard™ - a testament to our **robust security posture** across technology platforms, cloud solutions and applications, and our **best practices-based security protocols**



Everest Group

Ranked as top Business Process Services (BPS) provider in **'BPS Top 50™'** report.

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ISG

Leader in ISG Provider Lens™ quadrant report for **Contact Centre – Customer Experience Services** for Europe

Industry Associations



Corporate Management

Senior Leadership



Vipul Khanna

MD & Chief Executive Officer



Dinesh Jain

Finance



Prashanth Nandella

Operations



Randall Shafer

Healthcare
Provider



Venkatgiri Vandali

Healthcare &
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Deb Biswas

Communications,
Media & Technology



Arjun Mitra

Collections



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