



Q1 FY2023 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 June 30, 2022



REVENUES

₹ 14,724 Million
(US\$ 191 Million)

YoY degrowth of 0.8%
Constant Currency degrowth of 2.7%



OPERATING MARGIN

₹ 1,171 Million
(Margin 8.0%)

YoY degrowth of 34.9%



PROFIT AFTER TAX

₹ 851 Million
(Margin 5.8%)

YoY degrowth of 36.7%

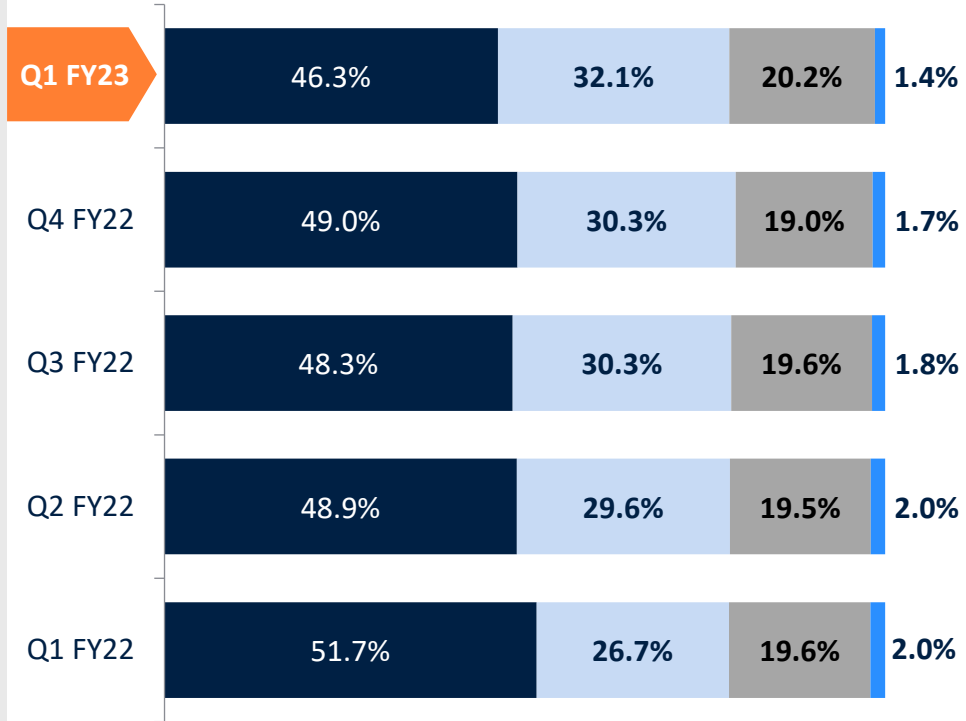


EARNINGS PER SHARE (Diluted)

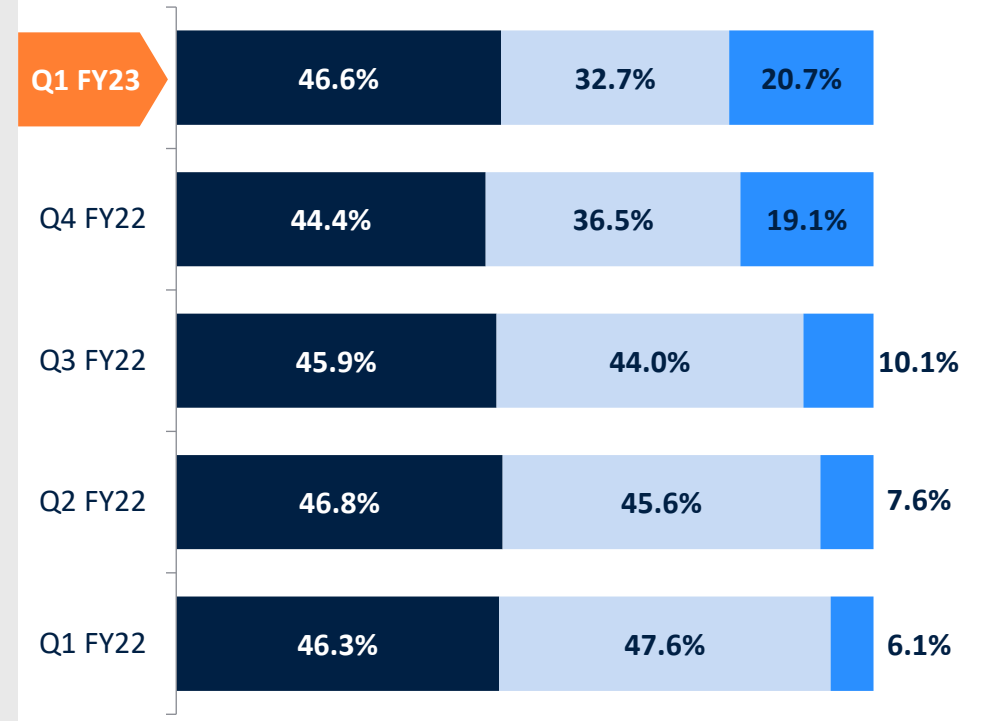
₹ 1.21
per share

Q1FY'22 at ₹ 1.91 per share on reported basis

REVENUE SPLIT BY VERTICALS

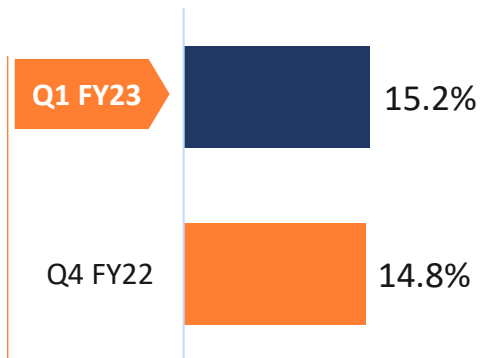


REVENUE SPLIT BY SERVICE LINES



Client Concentration

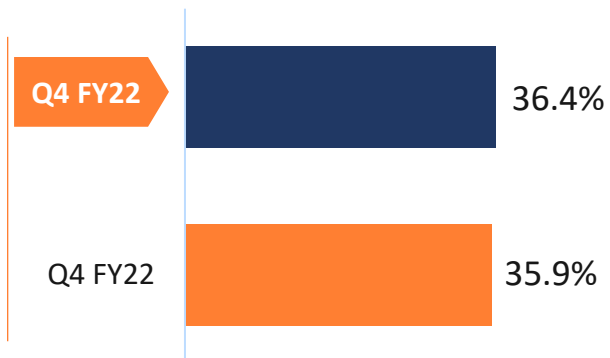
Top Client



20.5 years

Total Tenure

Top 5 Clients



18.3 years

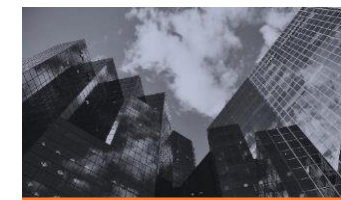
Average Tenure



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



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	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022	Q1 FY 2023
Income from services	10,537	11,783	13,510	14,496	14,780	14,182	14,456	15,239	14,524
Other operating Income	85	94	142	132	68	104	182	201	199
Revenue from operations	10,622	11,877	13,652	14,628	14,848	14,286	14,638	15,439	14,724
Revenue from operations (USD Mn)	\$ 141	\$ 160	\$ 185	\$ 200	\$ 201	\$ 193	\$ 195	\$ 206	\$ 191
<i>QoQ Growth % - Constant Currency</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>5.2%</i>	<i>-5.1%</i>
<i>YoY Growth % - Constant Currency</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>	<i>3.1%</i>	<i>-2.7%</i>
Personnel Expense	7,128	7,985	9,503	10,057	10,219	9,728	9,676	9,845	9,597
Operating Expense	1,826	2,016	2,046	2,229	2,246	2,171	2,583	3,146	3,316
Operating EBITDA	1,668	1,876	2,103	2,342	2,383	2,388	2,379	2,448	1,810
<i>Operating EBITDA %</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>	<i>15.9%</i>	<i>12.3%</i>
Depreciation / amortization	498	519	513	534	584	597	617	697	639
Operating Margin	1,170	1,358	1,590	1,809	1,800	1,791	1,762	1,751	1,171
<i>Operating Margin %</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>	<i>11.3%</i>	<i>8.0%</i>
Other Income / (expense)	(7)	16	7	(29)	(10)	0	(5)	(15)	54
Interest Income / (expense), net	(128)	(119)	(122)	(127)	(136)	(148)	(143)	(177)	(177)
Profit Before Taxes and exceptional item	1,035	1,254	1,476	1,652	1,654	1,644	1,614	1,560	1,048
<i>Profit Before Taxes and exceptional item %</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>	<i>10.1%</i>	<i>7.1%</i>
Exceptional Item	-	-	-	(1,099)	-	-	-	-	-
Profit Before Taxes	1,035	1,254	1,476	553	1,654	1,644	1,614	1,560	1,048
<i>Profit Before Taxes %</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>	<i>10.1%</i>	<i>7.1%</i>
Taxes and Minority Interest	148	201	265	87	309	293	259	236	197
Profit After Tax	887	1,053	1,210	467*	1,345	1,350	1,355	1,324	851
<i>Profit After Tax %</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>	<i>8.6%</i>	<i>5.8%</i>
Diluted EPS (₹ /Share)	1.27	1.50	1.72	0.66	1.91	1.96	1.92	1.88	1.21

Note: Numbers have rounding off impact

* 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	FY2022
Income from services	31,617	34,569	34,315	37,867	40,502	50,327	58,657
Other operating Income	556	987	1,038	396	484	453	554
Revenue from operations	32,173	35,556	35,352	38,263	40,986	50,780	59,212
Revenue from operations (USD Mn)	\$ 491	\$ 530	\$ 548	\$ 548	\$ 578	\$ 685	\$ 795
<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>14.6%</i>
Personnel Expense	21,727	23,834	23,955	25,573	27,735	34,672	39,468
Operating Expense	6,545	7,342	6,809	7,336	6,962	8,065	10,145
Operating EBITDA	3,901	4,380	4,589	5,355	6,289	8,042	9,599
<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>16.2%</i>
Depreciation / amortization	609	590	659	744	1,852	2064	2,494
Operating Margin	3,292	3,790	3,930	4,610	4,437	5,979	7,105
<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>12.0%</i>
Other Income / (expense)	77	(21)	(11)	(26)	17	(13)	(30)
Interest Income / (expense), net	(507)	(400)	(338)	(225)	(512)	(496)	(604)
Profit Before Taxes and exceptional item	2,862	3,369	3,580	4,359	3,942	5,469	6,471
<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>10.9%</i>
Exceptional Item	-	-	-	-	-	(1,151)	-
Profit Before Taxes	2,862	3,369	3,580	4,359	3,942	4,318	6,471
<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>10.9%</i>
Taxes and Minority Interest	257	569	315	581	545	702	1,097
Profit After Tax	2,605	2,800	3,265	3,778	3,397	3,617*	5,374
<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>9.1%</i>
Diluted EPS (₹ /Share)	3.72	4.08	4.73	5.45	4.89	5.13	7.62

Note: Numbers have rounding off impact

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

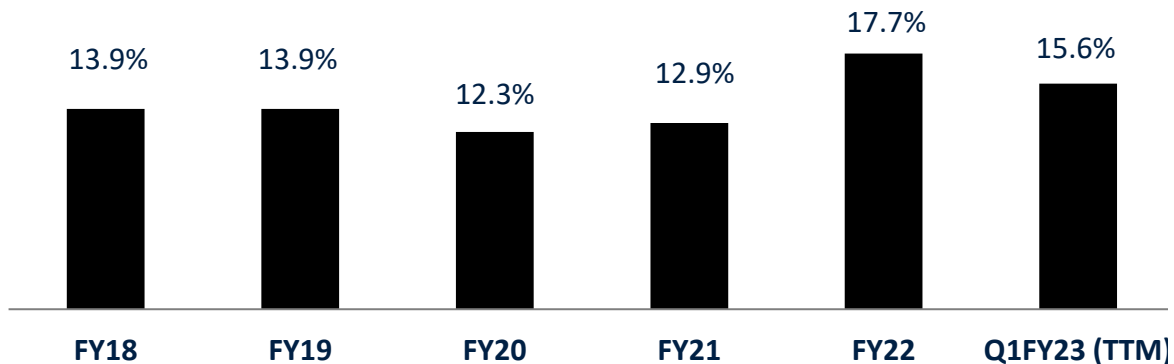
Balance Sheet and Cash Flow Statement

In ₹ million	As at 30-Jun-22	As at 31-Mar-22
Equity And Liabilities		
Share Capital	6,970	6,970
Reserves & Surplus	24,236	23,360
Non- Controlling Interest	3	4
Borrowings	9,267	10,097
Other Non - Current Liabilities	7,471	8,672
Current liabilities	9,112	7,986
Total	57,059	57,087
Assets		
Goodwill on Consolidation	28,325	27,208
Fixed Assets	9,753	10,258
Cash and Cash Equivalents	1,407	898
Current Investments	528	1,185
Trade Receivables (Billed + Unbilled)	9,505	9,605
Non - Current Assets	5,349	5,409
Current Assets	2,193	2,523
Total	57,059	57,087

In ₹ million	Quarter ended 30-Jun-22
Cash Flow from Operating Activities	
Operating Margin	1,171
Adjustment: Non-Cash and Other Income / (Expense)	(6)
<i>Operating Cash before Working Capital</i>	<i>1,164</i>
Add: Working Capital Changes	335
Less: Income Taxes Paid	(90)
Net cash generated from operating activities (A)	1,408
Cash Flow from Investing Activities	
Capital Expenditure (net)	(170)
Proceeds from current investments	667
Net cash generated from Investing activities (B)	498
Cash Flow from Financing Activities	
Net decrease in Borrowings	(829)
Net Interest Paid	(192)
Payment of lease liabilities	(392)
Proceeds from share application money under ESOP plan	15
Net cash used in Financing activities (C)	(1,399)
Net increase in cash and cash equivalents	507
Cash and cash equivalents at the beginning of the period	898
Foreign exchange gain on translating Cash and cash equivalents	1
Closing Cash and Cash Equivalents (incl other balances with bank)	1,407
Cash and Cash Equivalents including Investments	1,935

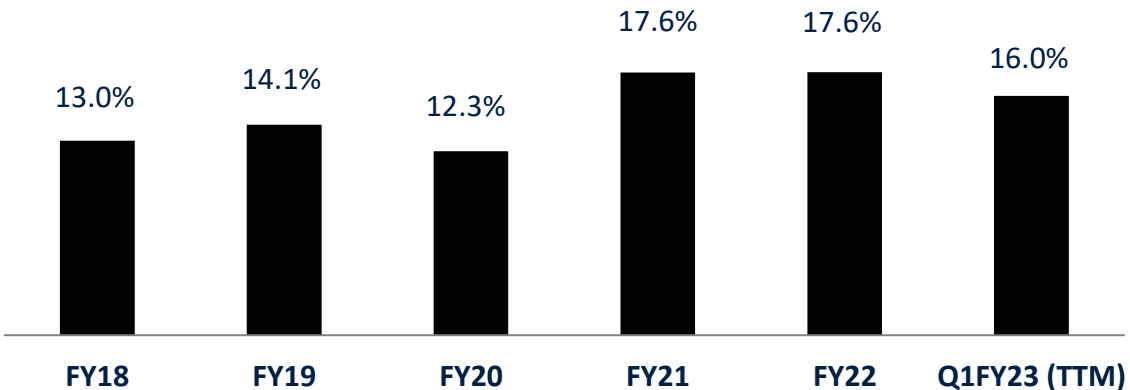
Key Performance Indicators

Return on Equity

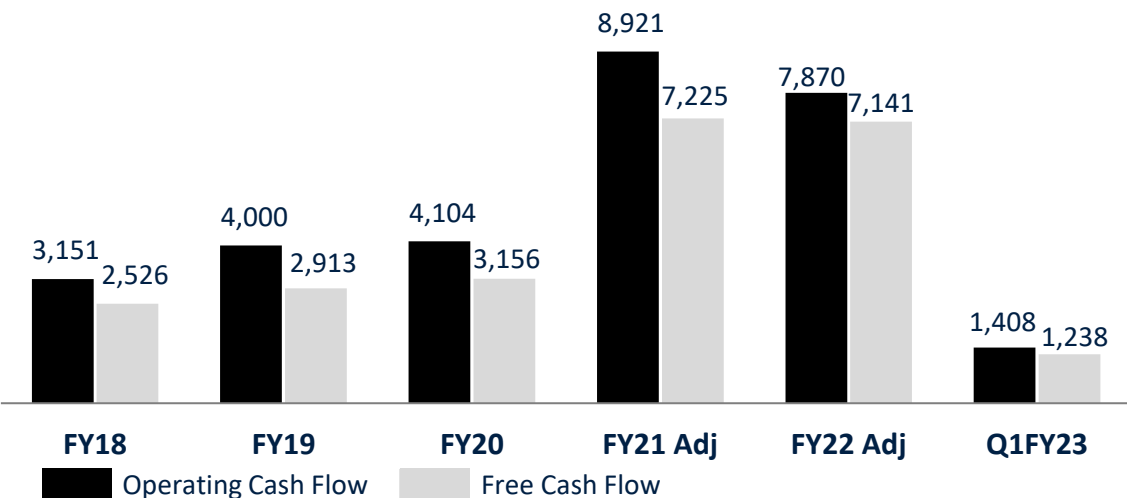


Note: FY21 ROE will be 16.1% excluding for exceptional item

Return on Capital Employed

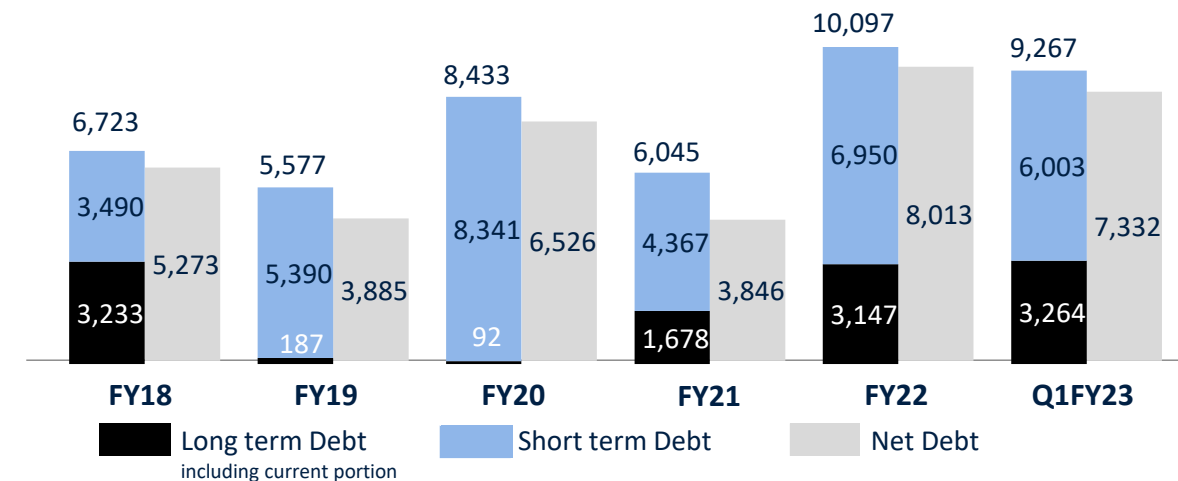


Cash Flow



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

Debt Position



Operating Metrics

	Particulars	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022	Q1 FY23
Revenue by Vertical	Banking & Financial Services	51.2%	51.9%	52.0%	52.2%	51.7%	48.9%	48.3%	49.0%	46.3%
	Healthcare	29.9%	27.1%	25.3%	24.8%	26.7%	29.6%	30.3%	30.3%	32.1%
	Communications Media & Tech	16.2%	18.8%	20.5%	20.8%	19.6%	19.5%	19.6%	19.0%	20.2%
	Diverse Industries	2.7%	2.2%	2.2%	2.2%	2.0%	2.0%	1.8%	1.7%	1.4%
Revenue by Service Lines	Digitally Empowered Contact Centre	47.8%	49.1%	48.9%	47.2%	46.3%	46.8%	45.9%	44.4%	46.6%
	Intelligent Back Office	44.2%	42.9%	44.8%	47.9%	47.6%	45.6%	44.0%	36.5%	32.7%
	Platforms, Automation & Analytics	8.0%	8.0%	6.3%	4.9%	6.1%	7.6%	10.1%	19.1%	20.7%
Revenue by Geography	US	69.1%	68.1%	67.1%	67.4%	67.6%	68.4%	69.8%	70.7%	68.4%
	UK	29.7%	30.6%	31.5%	31.5%	31.1%	30.1%	28.5%	27.5%	30.1%
	Rest of World	1.2%	1.3%	1.4%	1.1%	1.3%	1.5%	1.7%	1.8%	1.5%
Revenue by Delivery	Offshore	24.8%	27.0%	29.8%	30.6%	29.3%	31.0%	30.8%	27.0%	27.4%
	Onshore	75.2%	73.0%	70.2%	69.4%	70.7%	69.0%	69.2%	73.0%	72.6%
Top Clients Revenue	Top client %	13.7%	16.2%	17.5%	17.5%	16.3%	15.8%	15.2%	14.8%	15.2%
	Top 5 client %	39.9%	40.4%	41.4%	42.3%	42.0%	41.2%	37.6%	35.9%	36.4%
Other Metrics	Total employees (end of period)	21,831	23,960	26,618	28,004	27,916	27,835	27,398	26,557	25,234
	• Employees in India	11,684	13,536	15,381	16,289	16,677	16,976	16,826	16,045	14,769
	• Employees outside India	10,147	10,424	11,237	11,715	11,239	10,859	10,572	10,512	10,465
	Net Addition	628	2,129	2,658	1,386	(88)	(81)	(437)	(841)	(1,323)
	Offshore Attrition (180 days+)	15.1%	26.3%	28.8%	28.6%	29.2%	36.2%	45.2%	45.9%	43.8%
	Onshore Attrition (180 days+)	30.2%	47.3%	34.6%	40.0%	54.8%	68.8%	59.5%	50.2%	56.9%

Attrition data for Onshore and Offshore till FY2022 was depicted on a quarterly annualized basis. Effective Q1FY23 it will be depicted on a Trailing Twelve Months (TTM) basis

Forex Hedges

Outstanding FX hedges at \$52.5 million for USD and £25.9 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£ 25.9	₹ 114.4 /£	\$ 52.5	₹ 79.1 /\$

Prior Period Reports

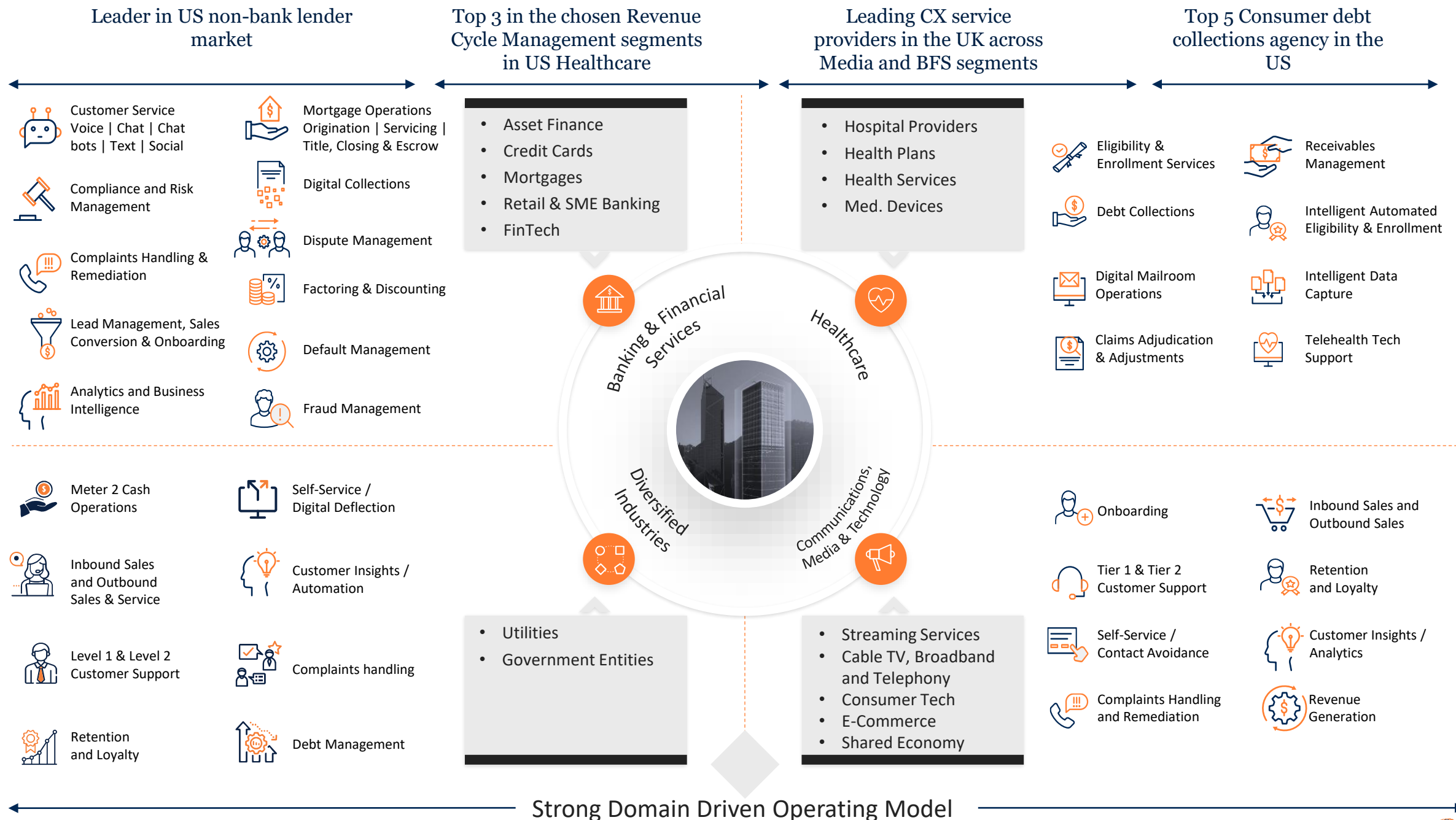
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ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE						
FY2022					FY2023	Q1					FY2023	Q1					FY2023	Q1			
FY2021					FY2022	Q1	Q2	Q3	Q4		FY2022	Q1	Q2	Q3	Q4		FY2022	Q1	Q2	Q3	Q4
FY2020					FY2021	Q1	Q2	Q3	Q4		FY2021	Q1	Q2	Q3	Q4		FY2021	Q1	Q2	Q3	Q4
FY2019					FY2020	Q1	Q2	Q3	Q4		FY2020	Q1	Q2	Q3	Q4		FY2020	Q1	Q2	Q3	Q4
					FY2019	Q1	Q2	Q3	Q4		FY2019	Q1	Q2	Q3	Q4		FY2019	Q1	Q2	Q3	Q4

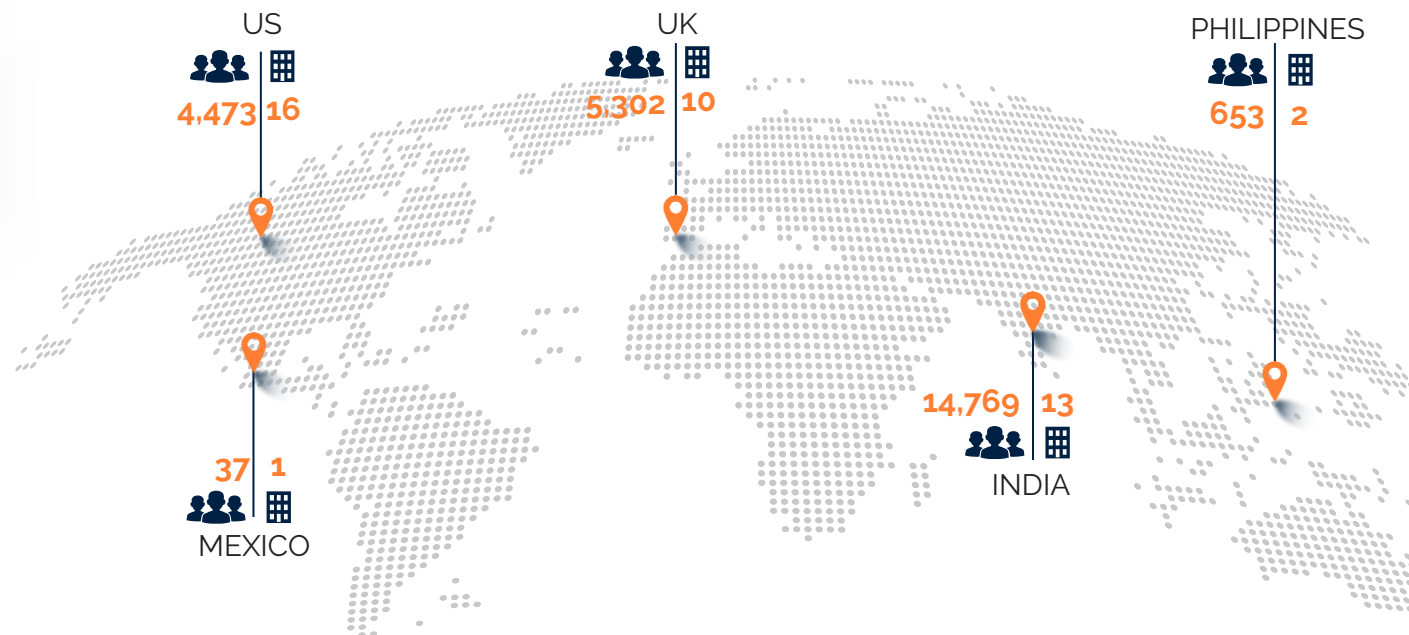
FACT SHEET					TRANSCRIPTS					SHAREHOLDING PATTERN				
FY2023	Q1				FY2023	Q1				FY2023	Q1			
FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4
FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4
FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4

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About Us



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- Revenues of **INR 59.0 Billion**
(approximately \$795 Million) in FY2022
- 25,234 Firstsourcers**
across US, UK, Mexico, 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

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-  Power
-  Consumer & Retail
-  Education & Infrastructure
-  Sports
-  Carbon Black
-  Media & Entertainment
-  IT-Enabled Services

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Growing Legacies

Combined Revenues of \$4.14 Billion in FY2022



Select Awards



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Firstsource was also placed as **Top 10 Service Providers** by Growth by the industry research firm.



ISG

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



- Everest Group BPS Top 50™



- SILVER in the Most Effective Distributed Workforce category



- Customers at the Heart of Everything™ Gold Winner
- Customer Driven Business Change and Transformation, GOLD Winner
- Best Customer Service, GOLD Winner



- Business Services Project of the Year

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 &
Lifesciences



Rajiv Malhotra

Europe Business



Arjun Mitra

Collections



Steven Schachter

Mortgage



Shuchika Sahay

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