

5th May 2022

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: Intimation of Analyst/ Institutional Investor Call

We are enclosing herewith a copy of the presentation regarding conference call to be held on Thursday, 5th May, 2022 at 19.30 Hours IST with the analysts and investors, on the financial results of the Company for the quarter and financial year ended 31st March 2022.

This is for your information and record.

Thanking you,

For **Firstsource Solutions Limited**

Pooja Nambiar
Company Secretary

Encl.: A/a

Firstsource Solutions Ltd.

5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064 India.

Tel: +91 (22) 6666 0888 | Fax: +91 (22) 6666 0887 | Web: www.firstsource.com

(CIN: L64202MH2001PLC134147)



Q4 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 March 2022



REVENUES

₹ 15,439 Million
(US\$ 205.5 Million)

YoY growth of 5.5%
Constant Currency growth of 3.1%



OPERATING MARGIN

₹ 1,751 Million
(Margin 11.3%)

YoY Margin contraction of 102 bps



PROFIT AFTER TAX

₹ 1,324 Million
(Margin 8.6%)

YoY normalized Margin contraction of 37 bps



EARNINGS PER SHARE (Diluted)

₹ 1.88
per share

Q4FY'21 at ₹ 0.66 per share on reported basis

* Exceptional charge of ₹ 1,099 Mn was taken during Q4FY21 towards increase in value of options granted in our mortgage business to a strategic partner

Summary of Performance for the Full year ended 31st March 2022



REVENUES

₹ 59,212 Million
(US\$ 795.2 Million)

YoY growth of 16.6%
Constant Currency growth of 14.6%



OPERATING MARGIN

₹ 7,105 Million
(Margin 12.0%)

YoY Margin expansion of 23 bps



PROFIT AFTER TAX

₹ 5,374 Million
(Margin 9.1%)

YoY normalized Margin expansion of 22 bps



EARNINGS PER SHARE (Diluted)

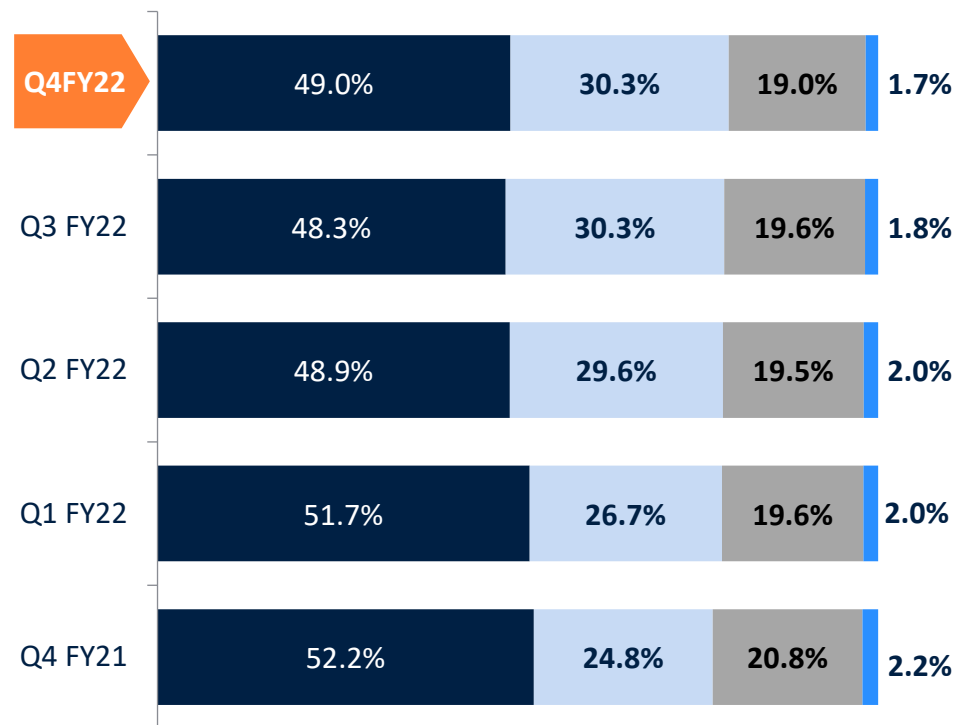
₹ 7.62
per share

FY21 at ₹ 5.13 per share on reported basis

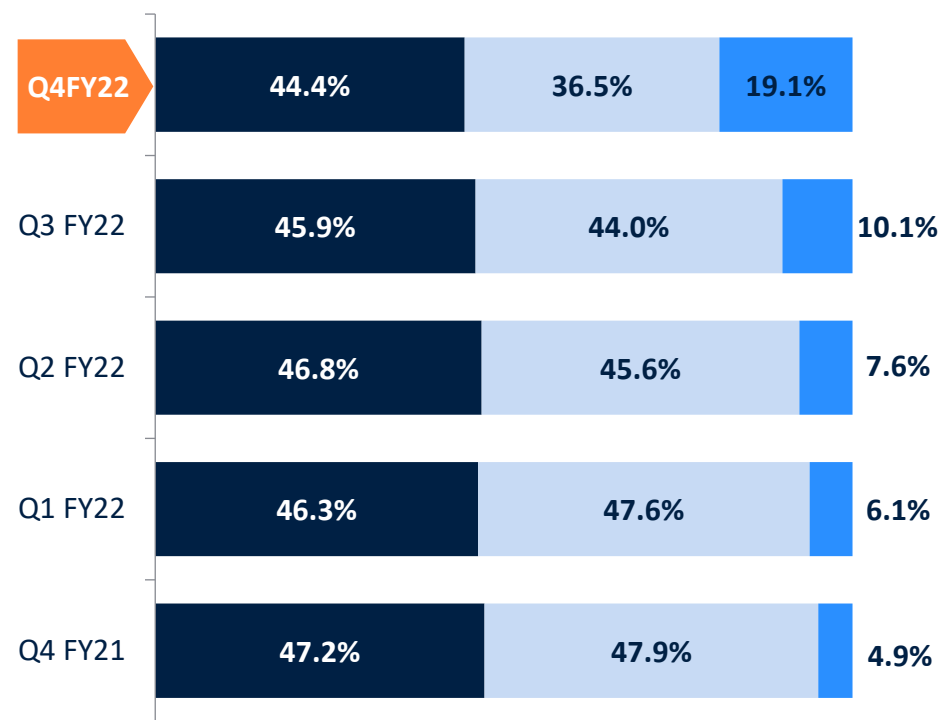
* Exceptional charge of ₹ 1,151 Mn taken during FY21 towards increase in value of options granted in our mortgage business to a strategic partner

Addition of Q1, Q2 & Q3 EPS nos will not add up to FY22 EPS due to change in no. of shares

REVENUE SPLIT BY VERTICALS

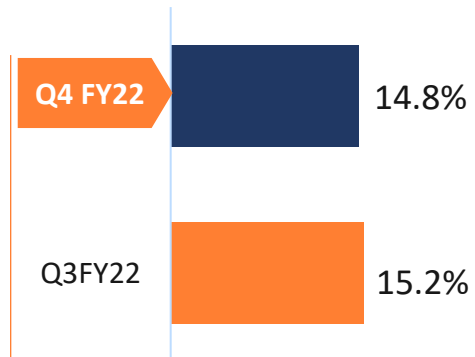


REVENUE SPLIT BY SERVICE LINES



Client Concentration

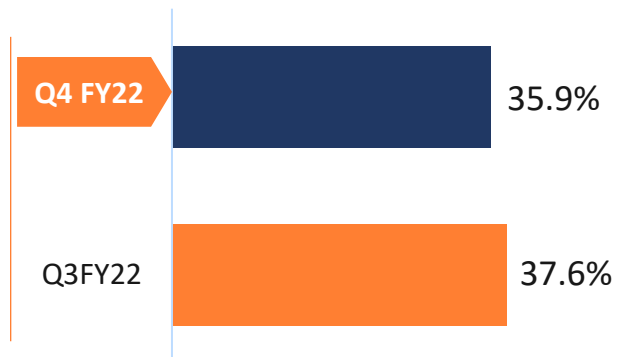
Top Client



20.3 years

Total Tenure

Top 5 Clients



16.8 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



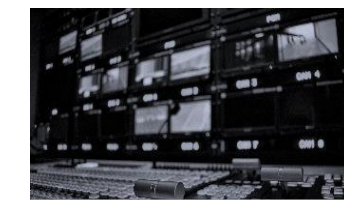
7 of Top 10
Health insurance/ managed care companies in the US



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

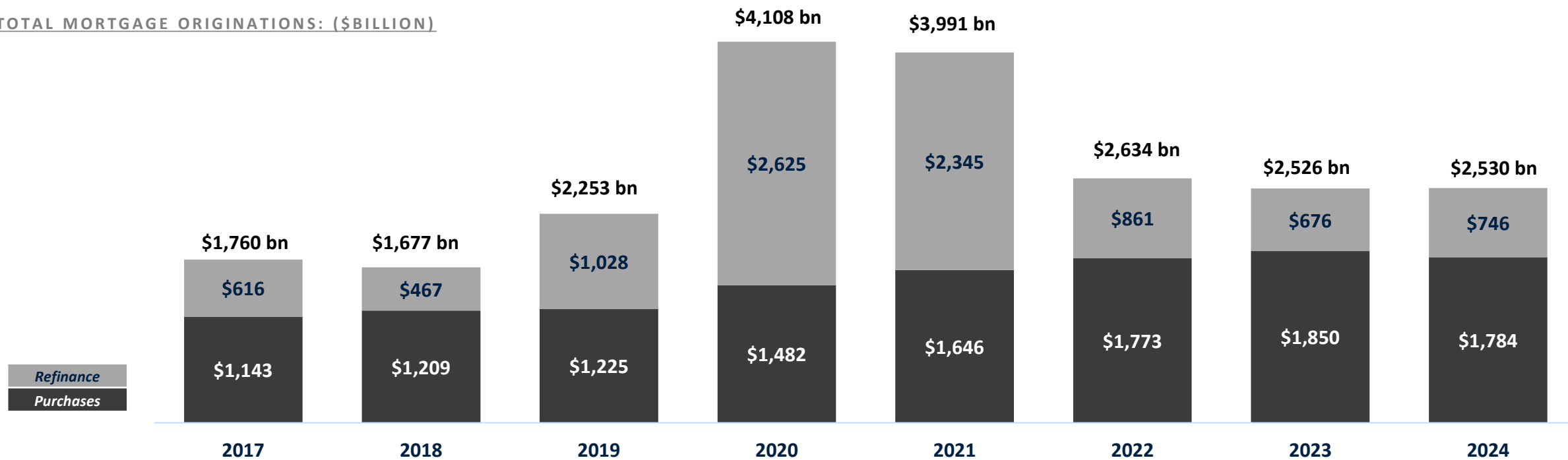


2 of Top 6
Telecom and broadcasting companies in the US

Context Setting: Mortgage Industry trends and impact on our business (1/2)

- Mortgage Originations market correcting sharply due to change in macro-environment
- Refinance volumes expected to drop by almost 63% from \$2.3 Tn in CY2021 to \$861 Bn in CY2022
- Overall Originations market expected to stabilize around \$2.5 Tn; led by resilient Purchase market and normalized Refinance activity

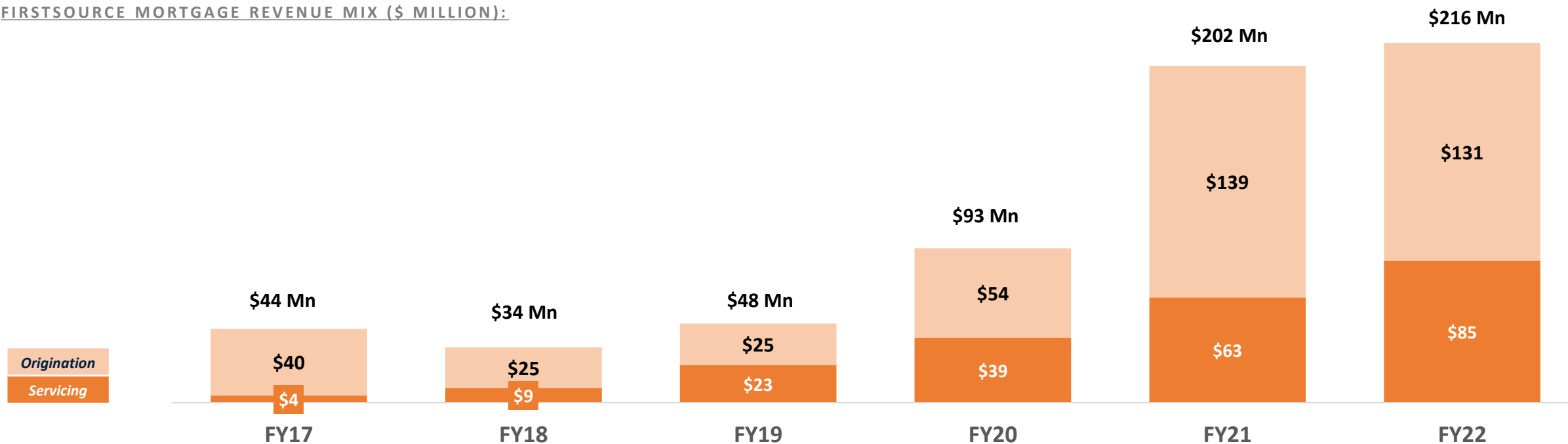
TOTAL MORTGAGE ORIGINATIONS: (\$BILLION)



Context Setting: Mortgage Industry trends and impact on our business (2/2)

- Firstsource Mortgage Revenues grew strongly from \$48 Mn in FY2019 to \$216 Mn in FY2022
- In tandem with the market movement and contractions in Originations volume, FSL's Revenue to be impacted in FY2023
- Successfully scaled Mortgage Servicing business to build a steady and sustainable growth segment

FIRSTSOURCE MORTGAGE REVENUE MIX (\$ MILLION):





Annexure

Financial Performance (Quarterly)

In ₹ million	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022
Income from services	10,673	10,537	11,783	13,510	14,496	14,780	14,182	14,456	15,239
Other operating Income	132	85	94	142	132	68	104	182	201
Revenue from operations	10,804	10,622	11,877	13,652	14,628	14,848	14,286	14,638	15,439
Revenue from operations (USD Mn)	\$ 149	\$ 141	\$ 160	\$ 185	\$ 200	\$ 201	\$ 193	\$ 195	\$ 206
<i>QoQ Growth % - Constant Currency</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>5.2%</i>
<i>YoY Growth % - Constant Currency</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>	<i>3.1%</i>
Personnel Expense	7,350	7,128	7,985	9,503	10,057	10,219	9,728	9,676	9,845
Operating Expense	1,813	1,826	2,016	2,046	2,229	2,246	2,171	2,583	3,146
Operating EBITDA	1,641	1,668	1,876	2,103	2,342	2,383	2,388	2,379	2,448
<i>Operating EBITDA %</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>	<i>15.9%</i>
Depreciation / amortization	474	498	519	513	534	584	597	617	697
Operating Margin	1,168	1,170	1,358	1,590	1,809	1,800	1,791	1,762	1,751
<i>Operating Margin %</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>	<i>11.3%</i>
Other Income / (expense)	(16)	(7)	16	7	(29)	(10)	0	(5)	(15)
Interest Income / (expense), net	(121)	(128)	(119)	(122)	(127)	(136)	(148)	(143)	(177)
Profit Before Taxes and exceptional item	1,031	1,035	1,254	1,476	1,652	1,654	1,644	1,614	1,560
<i>Profit Before Taxes and exceptional item %</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>	<i>10.1%</i>
Exceptional Item	-	-	-	-	(1,099)	-	-	-	-
Profit Before Taxes	1,031	1,035	1,254	1,476	553	1,654	1,644	1,614	1,560
<i>Profit Before Taxes %</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>	<i>10.1%</i>
Taxes and Minority Interest	115	148	201	265	87	309	293	259	236
Profit After Tax	916	887	1,053	1,210	467*	1,345	1,350	1,355	1,324
<i>Profit After Tax %</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>	<i>8.6%</i>
Diluted EPS (₹ /Share)	1.31	1.27	1.50	1.72	0.66	1.91	1.96	1.92	1.88

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

* 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

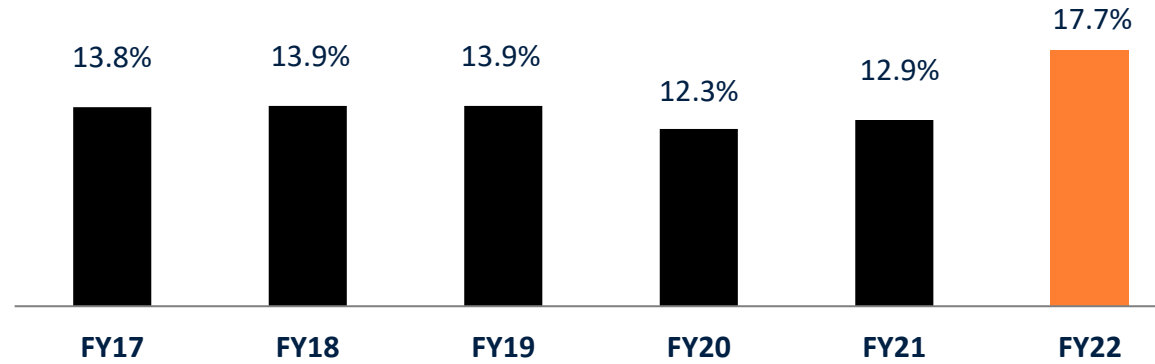
Balance Sheet and Cash Flow Statement

In ₹ million	As at 31-Mar-22	As at 31-Mar-21
Equity And Liabilities		
Share Capital	6,970	6,961
Reserves & Surplus	23,360	21,032
Non- Controlling Interest	4	5
Borrowings	10,097	6,045
Other Non - Current Liabilities	8,672	5,438
Current liabilities	7,986	8,816
Total	57,087	48,297
Assets		
Goodwill on Consolidation	27,208	21,948
Fixed Assets	10,258	8,028
Cash and Cash Equivalents	898	1,373
Current Investments	1,185	826
Trade Receivables (Billed + Unbilled)	9,605	8,431
Non - Current Assets	5,409	6,008
Current Assets	2,523	1,683
Total	57,087	48,297

In ₹ million	Quarter ended 31-Mar-22	Full year ended 31-Mar-22
Cash Flow from Operating Activities		
EBIT	1,751	7,105
Adjustment: Non-Cash and Other Income / (Expense)	743	2,760
<i>Operating Cash before Working Capital</i>	2,494	9,865
Add: Working Capital Changes	(1,155)	(1,884)
Less: Income Taxes Paid	(221)	(945)
Net cash generated from operating activities (A)	1,119	7,036
Cash Flow from Investing Activities		
Capital Expenditure	(264)	(729)
Proceeds from current investments	(677)	(325)
Payment towards acquisition of business	-	(5,067)
Earmarked balances with banks	(13)	(13)
Proceeds from redemption of debentures	-	2
Capital advance refund	186	186
Net cash used in Investing activities (B)	(767)	(5,946)
Cash Flow from Financing Activities		
Net increase in Borrowings	2,189	3,905
Purchase of Non-controlling Interest in a subsidiary	-	(887)
Net Interest Paid	(142)	(580)
Payment of lease liabilities	(357)	(1,170)
Purchase of treasury shares	(150)	(500)
Proceeds from issuance of equity shares and share application money	-	37
Dividend Paid	(2,384)	(2,384)
Net cash used in Financing activities (C)	(844)	(1,580)
Net decrease in cash and cash equivalents	(493)	(490)
Cash and cash equivalents at the beginning of the period	1,343	1,316
Earmarked balances with banks	50	70
Foreign exchange (gain) on translating Cash and cash equivalents	(2)	2
Closing Cash and Cash Equivalents	898	898
Cash and Cash Equivalents including Investments	2,084	2,084

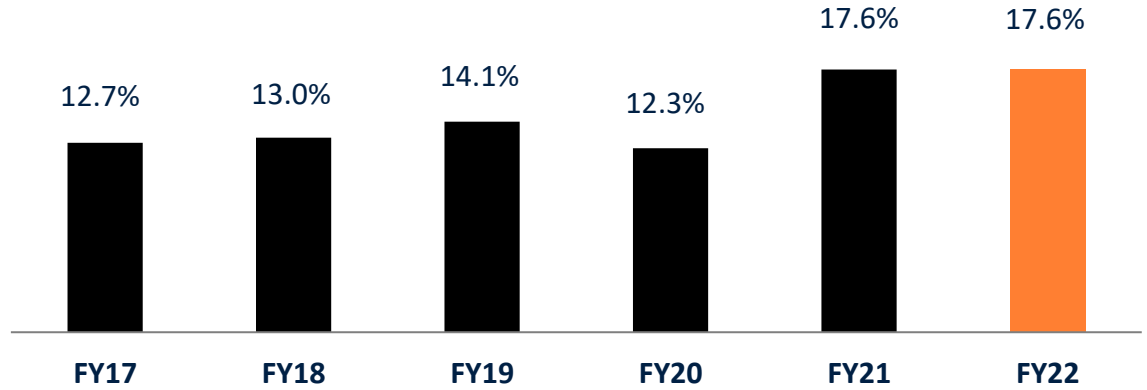
Key Performance Indicators

Return on Equity

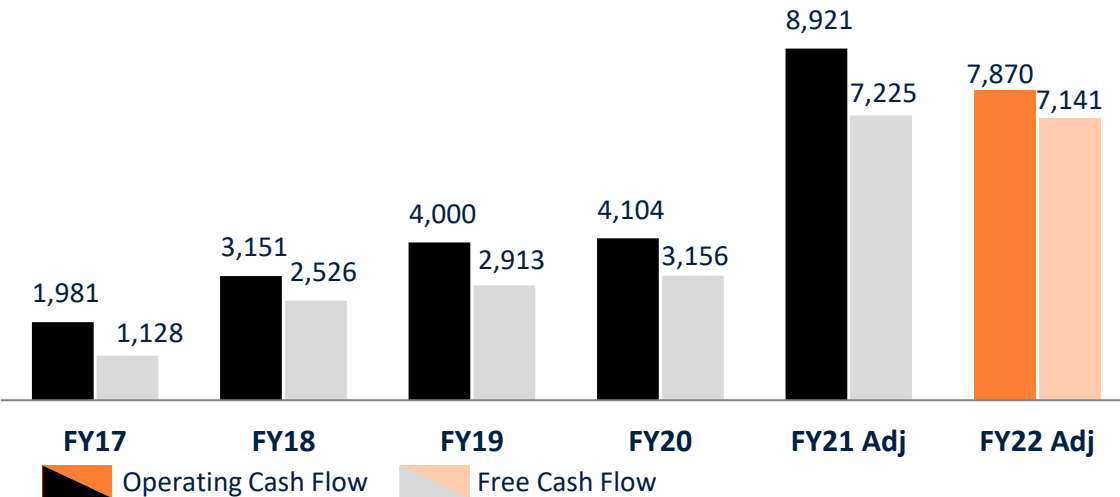


Note: FY21 ROE will be 16.1% excluding for exceptional item

Return on Capital Employed

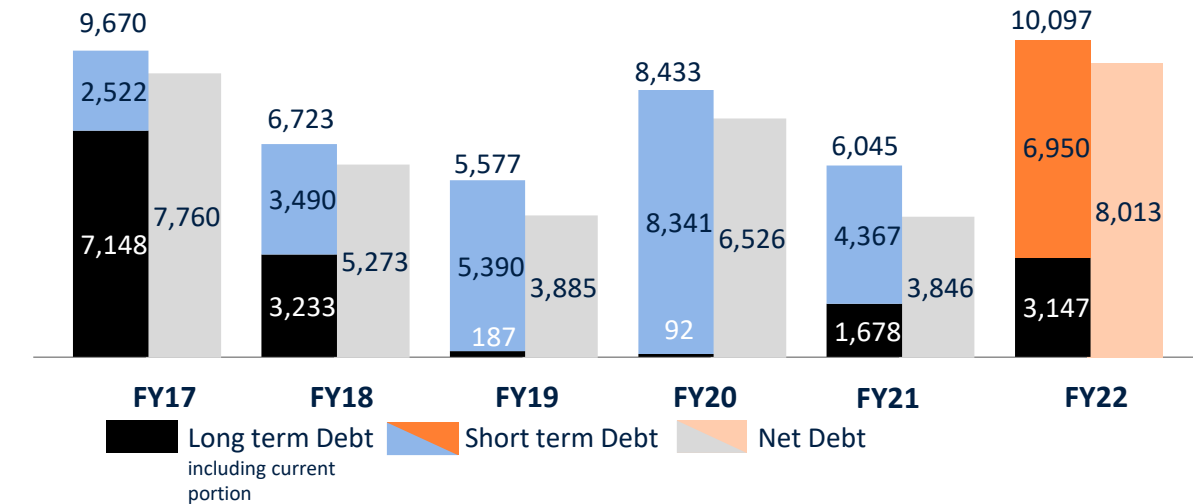


Cash Flow



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

Debt Position



Operating Metrics

	Particulars	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022
Revenue by Vertical	Banking & Financial Services	42.8%	51.2%	51.9%	52.0%	52.2%	51.7%	48.9%	48.3%	49.0%
	Healthcare	31.3%	29.9%	27.1%	25.3%	24.8%	26.7%	29.6%	30.3%	30.3%
	Communications Media & Tech	22.9%	16.2%	18.8%	20.5%	20.8%	19.6%	19.5%	19.6%	19.0%
	Diverse Industries	3.0%	2.7%	2.2%	2.2%	2.2%	2.0%	2.0%	1.8%	1.7%
Revenue by Service Lines	Digitally Empowered Contact Centre	51.2%	47.8%	49.1%	48.9%	47.2%	46.3%	46.8%	45.9%	44.4%
	Intelligent Back Office	42.5%	44.2%	42.9%	44.8%	47.9%	47.6%	45.6%	44.0%	36.5%
	Platforms, Automation & Analytics	6.3%	8.0%	8.0%	6.3%	4.9%	6.1%	7.6%	10.1%	19.1%
Revenue by Geography	US	63.2%	69.1%	68.1%	67.1%	67.4%	67.6%	68.4%	69.8%	70.7%
	UK	35.3%	29.7%	30.6%	31.5%	31.5%	31.1%	30.1%	28.5%	27.5%
	Rest of World	1.5%	1.2%	1.3%	1.4%	1.1%	1.3%	1.5%	1.7%	1.8%
Revenue by Delivery	Offshore	25.6%	24.8%	27.0%	29.8%	30.6%	29.3%	31.0%	30.8%	18.9%
	Onshore	74.4%	75.2%	73.0%	70.2%	69.4%	70.7%	69.0%	69.2%	81.1%
Top Clients Revenue	Top client %	20.3%	13.7%	16.2%	17.5%	17.5%	16.3%	15.8%	15.2%	14.8%
	Top 5 client %	42.2%	39.9%	40.4%	41.4%	42.3%	42.0%	41.2%	37.6%	35.9%
Other Metrics	Total employees (end of period)	21,203	21,831	23,960	26,618	28,004	27,916	27,835	27,398	26,557
	• Employees in India	11,450	11,684	13,536	15,381	16,289	16,677	16,976	16,826	16,045
	• Employees outside India	9,753	10,147	10,424	11,237	11,715	11,239	10,859	10,572	10,512
	Net Addition	721	628	2,129	2,658	1,386	(88)	(81)	(437)	(841)
	Offshore Attrition*	33.5%	15.1%	26.3%	28.8%	28.6%	29.2%	36.2%	45.2%	45.9%
	Onshore Attrition*	41.9%	30.2%	47.3%	34.6%	40.0%	54.8%	68.8%	59.5%	50.2%

*Post 180 days attrition - Quarter annualized

Forex Hedges

Outstanding FX hedges at \$52.5 million for USD and £34.6 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£34.6	Rs 114.0 /£	\$ 52.5	Rs 79.0 /\$

Prior Period Reports

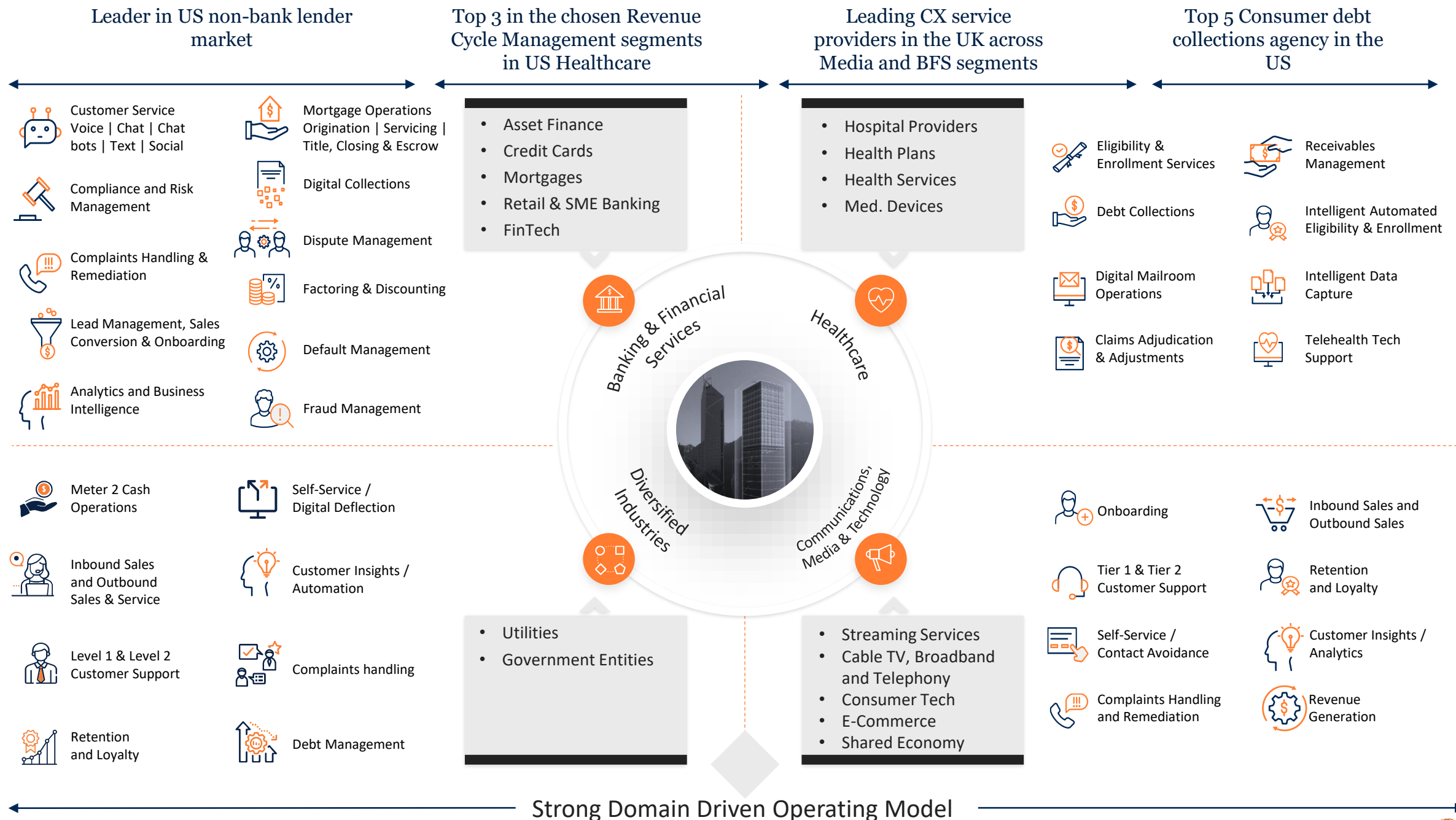
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ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE				
FY2021					FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4
FY2020					FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2019					FY2020	Q1	Q2	Q3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

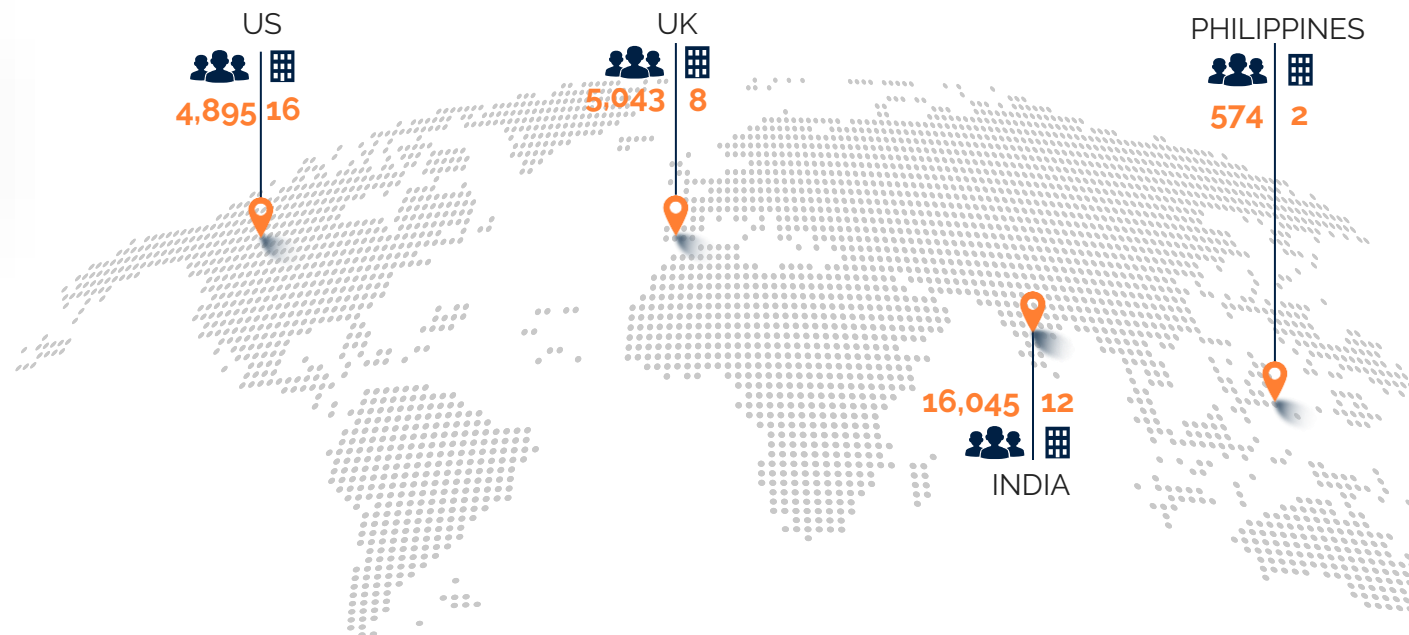
FACT SHEET					TRANSCRIPTS					SHAREHOLDING PATTERN				
FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4
FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4
FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4
FY2018	Q1	Q2	Q3	Q4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

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To subscribe for future updates



About Us



- Established in **2001**
- Revenues of **INR 59.0 Billion**
(approximately \$795 Million) in FY2022
- **26,557 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



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Investors in People

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

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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
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SECURITY SCORE

"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®

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Ranked as top Business Process Services (BPS) provider in **'BPS Top 50™'** report.
Firstsource was also placed as **Top 10 Service Providers** by Growth by the industry research firm.

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MD & Chief Executive Officer



Dinesh Jain

Finance



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Deb Biswas

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