

2nd November 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 Wednesday, 2nd November, 2022 at 19.30 Hours IST with the analysts and investors, on the financial results of the Company for the quarter and half year ended 30th September 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 08887 | Web: www.firstsource.com

(CIN: L64202MH2001PLC134147)

A photograph of three business professionals in a meeting room. They are standing in front of a large wall of digital displays showing various financial charts and graphs. The man in the foreground is pointing at the screens, while the woman and another man behind him look on attentively. The scene is dimly lit, with the primary light source being the screens themselves.

Q2 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 September 30, 2022



REVENUES

₹ 14,882 Million
(US\$ 187 Million)

YoY growth of 4.2%
Constant Currency growth of 1.8%



OPERATING MARGIN

₹ 1,254 Million
(Margin 8.4%)

YoY degrowth of 30.0%



PROFIT AFTER TAX

₹ 1,294 Million
(Margin 8.7%)

YoY degrowth of 4.2%



EARNINGS PER SHARE (Diluted)

₹ 1.84
per share

Q2FY'22 at ₹ 1.96 per share on reported basis

For Q2FY23, PAT includes Other Income of ₹ 579 Mn relating to the fair value of the liability for contingent considerations. These liabilities are expected to be settled in Q3 / Q4 of FY23.

Summary of Performance for the Half year ended September 30, 2022



REVENUES

₹ 29,606 Million
(US\$ 378 Million)

YoY growth of 1.6%
Constant Currency degrowth of 0.5%



OPERATING MARGIN

₹ 2,425 Million
(Margin 8.2%)

YoY degrowth of 32.5%



PROFIT AFTER TAX

₹ 2,145 Million
(Margin 7.2%)

YoY degrowth of 20.4%



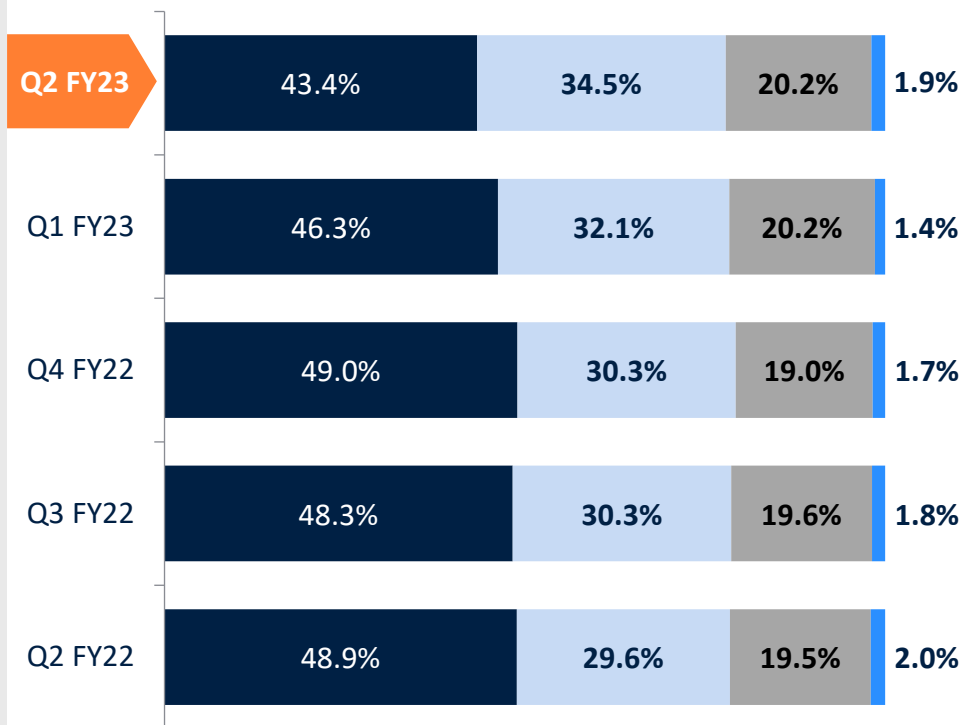
EARNINGS PER SHARE (Diluted)

₹ 3.05
per share

H1FY'22 at ₹ 3.82 per share

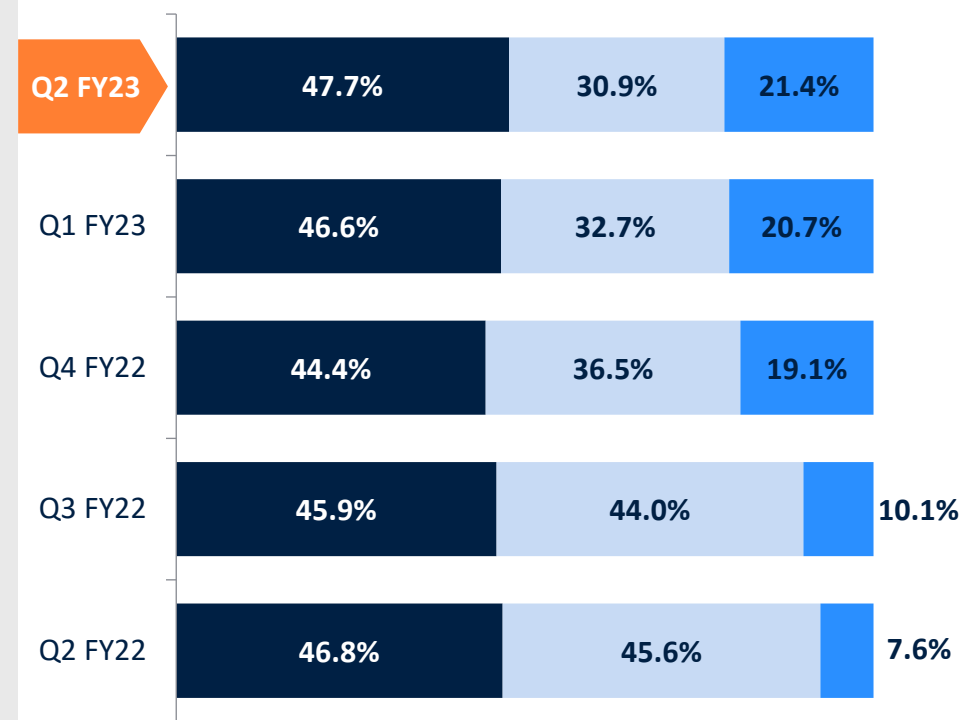
For H1FY23, PAT includes Other Income of ₹ 658 Mn relating to the fair value of the liability for contingent considerations. These liabilities are expected to be settled in Q3 / Q4 of FY23.

REVENUE SPLIT BY VERTICALS



Banking & Financial Services Healthcare
 Communication, Media & Tech Diverse Industries

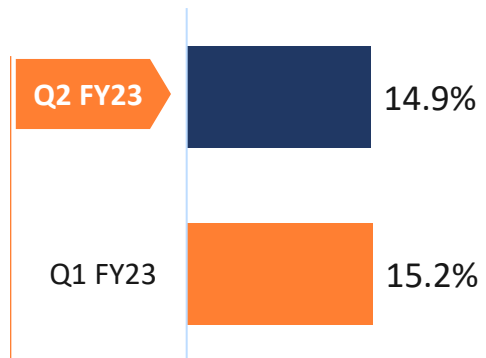
REVENUE SPLIT BY SERVICE LINES



Digitally Empowered Contact Centre Intelligent Back Office
 Platforms, Automation & Analytics

Client Concentration

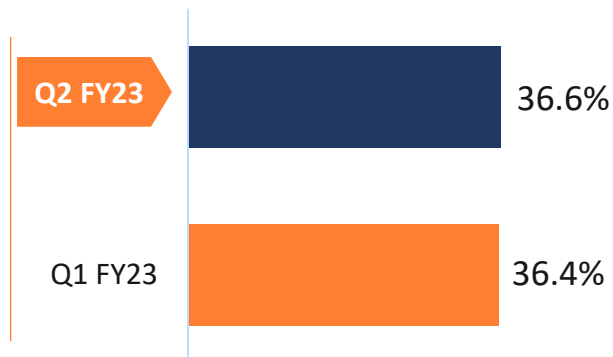
Top Client



20.8 years

Total Tenure

Top 5 Clients



16.4 years

Average Tenure



5 of Top 15
Mortgage servicers in the US



2 of Top 6
Retail banks in the UK



5 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 5
Telecom and broadcasting companies in the US



Annexure

Financial Performance (Quarterly)

In ₹ million	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022	Q1 FY 2023	Q2 FY 2023
Income from services	11,783	13,510	14,496	14,780	14,182	14,456	15,239	14,524	14,735
Other operating Income	94	142	132	68	104	182	201	199	147
Revenue from operations	11,877	13,652	14,628	14,848	14,286	14,638	15,439	14,724	14,882
Revenue from operations (USD Mn)	\$ 160	\$ 185	\$ 200	\$ 201	\$ 193	\$ 195	\$ 206	\$ 191	\$ 187
<i>QoQ Growth % - Constant Currency</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>0.2%</i>
<i>YoY Growth % - Constant Currency</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>	<i>1.8%</i>
Personnel Expense	7,985	9,503	10,057	10,219	9,728	9,676	9,845	9,597	9,527
Operating Expense	2,016	2,046	2,229	2,246	2,171	2,583	3,146	3,316	3,438
Operating EBITDA	1,876	2,103	2,342	2,383	2,388	2,379	2,448	1,810	1,917
<i>Operating EBITDA %</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>	<i>12.9%</i>
Depreciation / amortization	519	513	534	584	597	617	697	639	663
Operating Margin	1,358	1,590	1,809	1,800	1,791	1,762	1,751	1,171	1,254
<i>Operating Margin %</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>	<i>8.4%</i>
Other Income / (expense)	16	7	(29)	(10)	0	(5)	(15)	54	482
Interest Income / (expense), net	(119)	(122)	(127)	(136)	(148)	(143)	(177)	(177)	(187)
Profit Before Taxes and exceptional item	1,254	1,476	1,652	1,654	1,644	1,614	1,560	1,048	1,549
<i>Profit Before Taxes and exceptional item %</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>	<i>10.4%</i>
Exceptional Item	-	-	(1,099)	-	-	-	-	-	-
Profit Before Taxes	1,254	1,476	553	1,654	1,644	1,614	1,560	1,048	1,549
<i>Profit Before Taxes %</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>	<i>10.4%</i>
Taxes and Minority Interest	201	265	87	309	293	259	236	197	255
Profit After Tax	1,053	1,210	467*	1,345	1,350	1,355	1,324	851	1,294
<i>Profit After Tax %</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>	<i>8.7%</i>
Diluted EPS (₹ /Share)	1.50	1.72	0.66	1.91	1.96	1.92	1.88	1.21	1.84

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 2017	FY 2018	FY 2019	FY 2020	FY2021	FY2022	H1 FY2023
Income from services	34,569	34,315	37,867	40,502	50,327	58,657	29,260
Other operating Income	987	1,038	396	484	453	554	346
Revenue from operations	35,556	35,352	38,263	40,986	50,780	59,212	29,606
Revenue from operations (USD Mn)	\$ 530	\$ 548	\$ 548	\$ 578	\$ 685	\$ 795	\$ 378
<i>YoY Growth % - Constant Currency</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>	<i>-0.5%</i>
Personnel Expense	23,834	23,955	25,573	27,735	34,672	39,468	19,124
Operating Expense	7,342	6,809	7,336	6,962	8,065	10,145	6,755
Operating EBITDA	4,380	4,589	5,355	6,289	8,042	9,599	3,727
<i>Operating EBITDA %</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>	<i>12.6%</i>
Depreciation / amortization	590	659	744	1,852	2,064	2,494	1,302
Operating Margin	3,790	3,930	4,610	4,437	5,979	7,105	2,425
<i>Operating Margin %</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>	<i>8.2%</i>
Other Income / (expense)	(21)	(11)	(26)	17	(13)	(30)	535
Interest Income / (expense), net	(400)	(338)	(225)	(512)	(496)	(604)	(363)
Profit Before Taxes and exceptional item	3,369	3,580	4,359	3,942	5,469	6,471	2,597
<i>Profit Before Taxes and exceptional item %</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>	<i>8.8%</i>
Exceptional Item	-	-	-	-	(1,151)	-	-
Profit Before Taxes	3,369	3,580	4,359	3,942	4,318	6,471	2,597
<i>Profit Before Taxes %</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>	<i>8.8%</i>
Taxes and Minority Interest	569	315	581	545	702	1,097	452
Profit After Tax	2,800	3,265	3,778	3,397	3,617*	5,374	2,145
<i>Profit After Tax %</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>	<i>7.2%</i>
Diluted EPS (₹ /Share)	4.08	4.73	5.45	4.89	5.13	7.62	3.05

Note: Numbers have rounding off impact

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

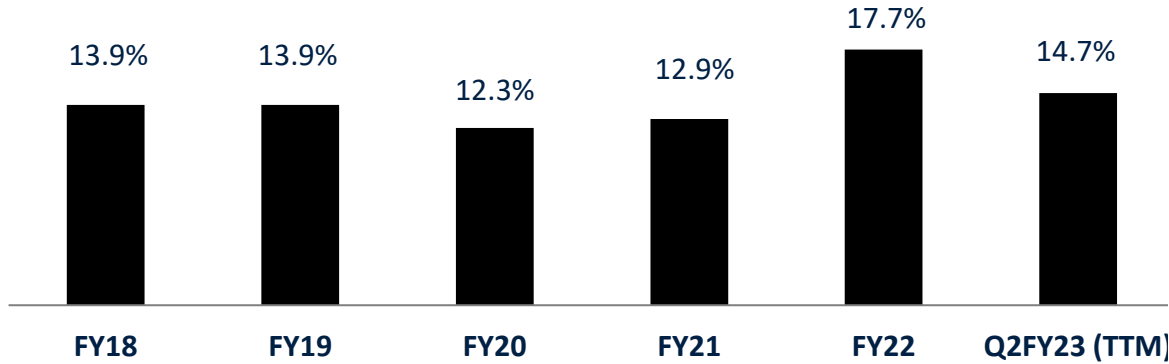
Balance Sheet and Cash Flow Statement

In ₹ million	As at 30-Sept-22	As at 31-Mar-22
Equity And Liabilities		
Share Capital	6,970	6,970
Reserves & Surplus	25,910	23,360
Non- Controlling Interest	3	4
Borrowings	8,527	10,097
Other Non - Current Liabilities	7,231	8,672
Current liabilities	8,227	7,986
Total	56,868	57,087
Assets		
Goodwill on Consolidation	29,159	27,208
Fixed Assets	9,060	10,258
Cash and Cash Equivalents	1,440	898
Current Investments	1,032	1,185
Trade Receivables (Billed + Unbilled)	8,931	9,605
Non - Current Assets	5,288	5,409
Current Assets	1,958	2,523
Total	56,868	57,087

In ₹ million	Quarter ended 30-Sept-22	Six Months ended 30-Sep-22
Cash Flow from Operating Activities		
Operating Margin	1,254	2,425
Adjustment: Non-Cash and Other Income / (Expense)	227	221
<i>Operating Cash before Working Capital</i>	<i>1,482</i>	<i>2,646</i>
Add: Working Capital Changes	911	1,246
Less: Income Taxes Paid	(265)	(355)
Net cash generated from operating activities (A)	2,128	3,537
Cash Flow from Investing Activities		
Capital Expenditure (net)	(100)	(270)
Proceeds from current investments	(492)	176
Net cash used from Investing activities (B)	(592)	(94)
Cash Flow from Financing Activities		
Net decrease in Borrowings	(740)	(1,570)
Net Interest Paid	(197)	(389)
Payment of lease liabilities	(379)	(771)
Purchase of treasury shares	(189)	(173)
Net cash used in Financing activities (C)	(1,505)	(2,904)
Net increase in cash and cash equivalents	32	539
Cash and cash equivalents at the beginning of the period	1,407	898
Foreign exchange gain on translating Cash and cash equivalents	2	3
Closing Cash and Cash Equivalents (incl other balances with bank)	1,440	1,440
Cash and Cash Equivalents including Investments	2,472	2,472

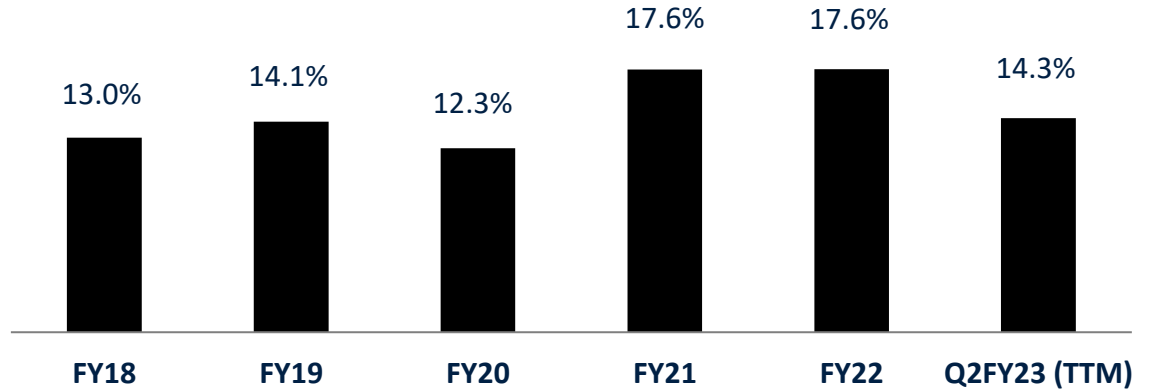
Key Performance Indicators

Return on Equity

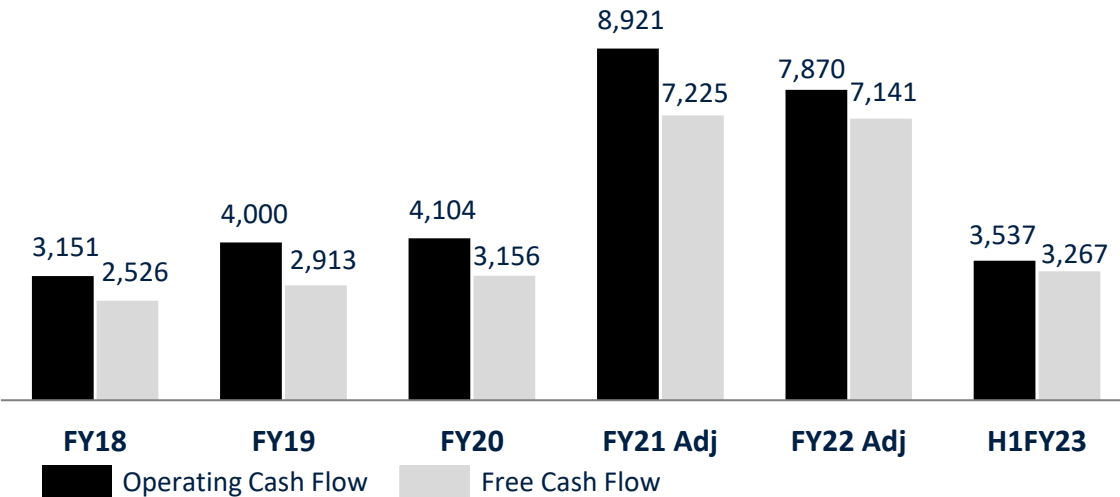


Note: FY21 ROE will be 16.1% excluding for exceptional item

Return on Capital Employed

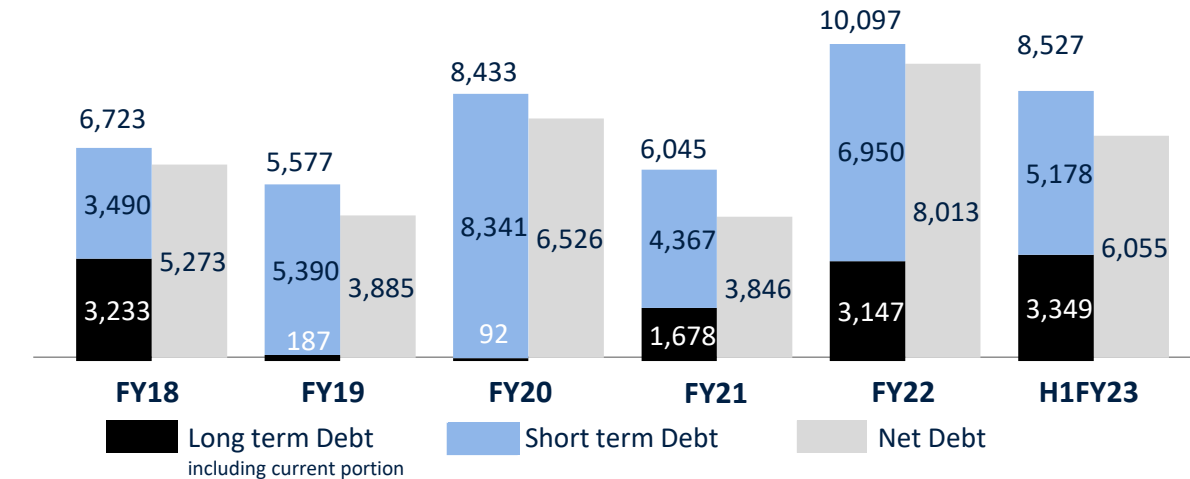


Cash Flow (in ₹ million)



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

Debt Position (in ₹ million)



Operating Metrics

	Particulars	Q2 FY2021	Q3 FY2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022	Q1 FY2023	Q2 FY2023
Revenue by Vertical	Banking & Financial Services	51.9%	52.0%	52.2%	51.7%	48.9%	48.3%	49.0%	46.3%	43.4%
	Healthcare	27.1%	25.3%	24.8%	26.7%	29.6%	30.3%	30.3%	32.1%	34.5%
	Communications Media & Tech	18.8%	20.5%	20.8%	19.6%	19.5%	19.6%	19.0%	20.2%	20.2%
	Diverse Industries	2.2%	2.2%	2.2%	2.0%	2.0%	1.8%	1.7%	1.4%	1.9%
Revenue by Service Lines	Digitally Empowered Contact Centre	49.1%	48.9%	47.2%	46.3%	46.8%	45.9%	44.4%	46.6%	47.7%
	Intelligent Back Office	42.9%	44.8%	47.9%	47.6%	45.6%	44.0%	36.5%	32.7%	30.9%
	Platforms, Automation & Analytics	8.0%	6.3%	4.9%	6.1%	7.6%	10.1%	19.1%	20.7%	21.4%
Revenue by Geography	US	68.1%	67.1%	67.4%	67.6%	68.4%	69.8%	70.7%	68.4%	67.2%
	UK	30.6%	31.5%	31.5%	31.1%	30.1%	28.5%	27.5%	30.1%	31.3%
	Rest of World	1.3%	1.4%	1.1%	1.3%	1.5%	1.7%	1.8%	1.5%	1.5%
Revenue by Delivery	Offshore	27.0%	29.8%	30.6%	29.3%	31.0%	30.8%	27.0%	27.4%	25.9%
	Onshore	73.0%	70.2%	69.4%	70.7%	69.0%	69.2%	73.0%	72.6%	74.1%
Top Clients Revenue	Top client %	16.2%	17.5%	17.5%	16.3%	15.8%	15.2%	14.8%	15.2%	14.9%
	Top 5 client %	40.4%	41.4%	42.3%	42.0%	41.2%	37.6%	35.9%	36.4%	36.6%
Other Metrics	Total employees (end of period)	23,960	26,618	28,004	27,916	27,835	27,398	26,557	25,234	23,932
	• Employees in India	13,536	15,381	16,289	16,677	16,976	16,826	16,045	14,769	13,431
	• Employees outside India	10,424	11,237	11,715	11,239	10,859	10,572	10,512	10,465	10,501
	Net Addition	2,129	2,658	1,386	(88)	(81)	(437)	(841)	(1,323)	(1,302)
	Offshore Attrition (180 days+)	26.3%	28.8%	28.6%	29.2%	36.2%	45.2%	45.9%	43.8%	45.7%
	Onshore Attrition (180 days+)	47.3%	34.6%	40.0%	54.8%	68.8%	59.5%	50.2%	56.9%	52.0%

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 \$90.0 million for USD and £38.7 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£30.7	₹ 104.7 /£	\$ 75.0	₹ 81.7 /\$
12-24 Months	£8.0	₹ 94.2 /£	\$ 15.0	₹ 81.8 /\$

Prior Period Reports

(Hyperlinks)

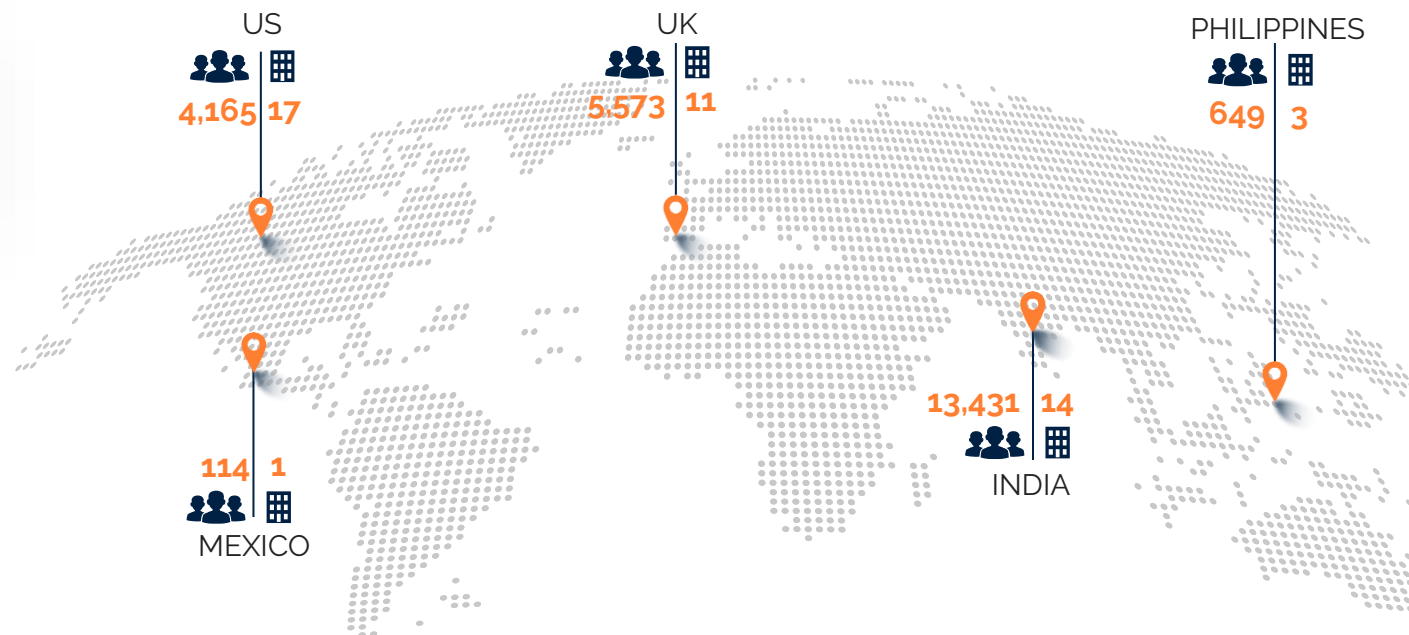
ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE				
FY2022					FY2023	Q1	Q2			FY2023	Q1	Q2			FY2023	Q1	Q2		
FY2021					FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4	FY2022	Q1	Q2	Q3	Q4
FY2020					FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2019					FY2020	Q1	Q2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

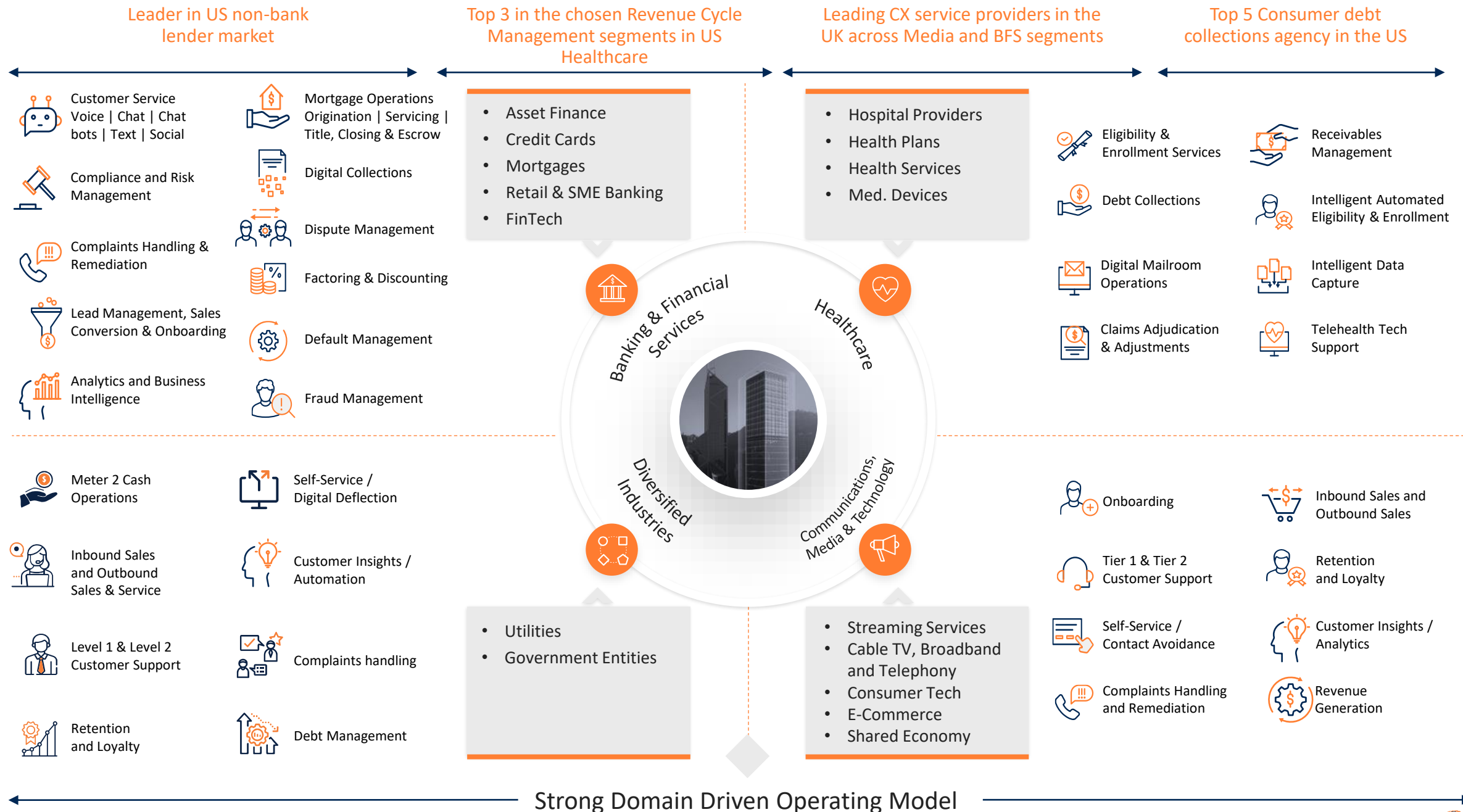
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- Established in **2001**
- Revenues of **₹ 59.0 Billion**
(approximately \$795 Million) in FY2022
- 23,932 Firstsourcers**
across US, UK, Mexico, India and Philippines
- Leaders in chosen segments**
across Banking & Financial Services, Healthcare,
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



Part of RP-Sanjiv Goenka Group

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



Combined Revenues of \$4.14 Billion in FY2022



Select Recognition



A Leader in the ISG Provider Lens™ Contact Center – Customer Experience



Leader in NelsonHall's NEAT Mortgage and Loan Services 2022 report for the Overall Market Segment.



Mortgage Professional America's Top Mortgage Employer 2022

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



Sameer Ahluwalia

Banking & Financial
Services



Shuchika Sahay

Human Resources



Sundara Sukavanam

Digital Services



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