

INVESTOR PRESENTATION

October 2024


firstsource



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 BPS market 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.

Established in **2001**
Public listing in 2007



Specialized BPS partner

Hyper-focused, domain-centric teams with cutting-edge tech, data, and analytics



200+ global clients# including
19 Fortune 500 companies and 3 FTSE 100 companies



32,898* Firstsourcers

Across US, UK, India, Philippines, South Africa, Australia, Mexico, Romania, Trinidad & Turkey



Part of RP-Sanjiv Goenka Group
Since 2012



Leaders in chosen segments

Banking & Financial Services, Healthcare, Communications, Media & Technology and Diversified Industries



Deep partnerships with clients
Average tenure of top 5 clients is over 20 years



Revenues of **INR 63.4 Billion**
(US\$765 Million) in FY2024



#For clients with trailing 12-months revenue over US\$0.25mn
*As on 30th September 2024

Part of RP-Sanjiv Goenka Group

Group turnover of
~US\$4.4 Bn*

EBITDA of
~US\$855 Mn*



Asset base of
>US\$7.3 Bn*

Over
1.1 Million Shareholders

One of India's **new-age and fastest growing** Conglomerates

Strong workforce of **50,000+** employees, belonging to different nationalities

Presence in **50+** countries

100+ offices worldwide



Committed to powering millions of Indian homes and businesses with reliable electricity through its **generation and distribution services**



A global player and a national leader with portfolio of **Carbon Black & Specialty Chemicals**



Domain driven BPM services company leveraging a **'Digital First, Digital Now'** approach to solve key customer problems for 200+ global clients



Diversified and innovative media company, with music catalogue that spans the gamut from the **first recorded Indian songs to the latest hits** and a strong video play, spread across making Films, TV serials, OTT series and short video content catering to the youth



Nature's Basket is India's **finest gourmet retailer** with international food products
Spencer is an experience led **multi-format retailer** with varied assortments



Too Yumm is a **rapidly growing snack brand**, captivating consumers with its **flavorful and better-for-you snacking**
Playing in the **Personal care** category with brands like Naturali and Within Beauty



Inspiring communities, unite fans, set new benchmarks, foster championship culture, contribute to the **development & growth of sports culture globally**



Step into a world of unparalleled luxury. Quest, the first of its kind in Eastern India, curates **premium experiences that elevate your lifestyle**



India's **largest** producer of rubber & South India's second largest cultivator of tea



Global media organization dedicated to helping its readers succeed big in business through best-in-class storytelling

* All figures as on FY24

We work with the leading global enterprises...



Banking & Financial Services

- Asset Finance
- Credit Cards
- Mortgages
- Retail & SME Banking
- FinTech



Communications Media & Technology

- Streaming Services, Cable TV
- Broadband & Telephony
- Consumer Tech
- Ed Tech
- E-Commerce



Healthcare

- Hospital Providers
- Physician Groups
- Health Plans
- Healthcare Services
- Medical Devices



Diversified Industries

- Utilities
- Government Entities
- Retail and e-commerce

4 of Top 15

Mortgage Servicers in the US

5 of Top 15

Mortgage Lenders in the US

6 of Top 10

Credit card issuers in the US

3 of Top 6

Retail Banks in the UK

1,000+

Hospitals in the US

11 of Top 15

Health insurance/managed care providers 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

3 of Top 5

Consumer-tech companies in the US

2 of Top 4

Utility companies in the UK

And are market leaders in our solution offerings



Customer Experience (CX)

- Omnichannel engagement
- Active user personalization
- Intelligent automation
- Virtual Copilot



Consulting

- Technology solutions
- CX strategy and design
- Process optimization
- Metrics & measurement



Domain-led Platforms/Solutions (DP&S)

- Sympraxis – Digital intake operations
- Firstsource Healthcare Cloud – Revenue cycle management



Collections

- White-labeled digital collections
- First-party & third-party collections
- Legal collections
- Compliance & risk management



Data & Analytics (D&A)

- Data annotation and labeling
- Predictive analytics
- Managed services
- AI-enabled services



Trust & Safety (T&S)

- Audit of policies/queue structures
- Workflow optimization
- Real-time content monitoring
- Predictive analytics



Market Leader
Healthcare Payer BPaaS Solutions
Peak Matrix Assessment | 2024



Major Contender
Star Performer
RCM Operations
Peak Matrix Assessment | 2024



Market Leader
Lending Services Operations
Peak Matrix Assessment | 2024



Featured among 'The Booming 15'
(Companies with revenue <US\$1Bn)
ISG Index | 3Q24



Horizon 2
Customer Experience Services
HFS Horizons | 2024



Horizon 1
HCP Service Providers
HFS Horizons | 2024



Leader
Cost Optimization & Revenue
Generation Capability
NEAT Vendor Analysis | 2024

Our strategic priorities...



That are showing results

Our recent strategic deal wins



Won a large deal from a **leading telecom player in Australia & New Zealand**, a new logo, and first major win for our newly launched ANZ operations



Won a large deal from a **Fortune500 managed health care companies in the US**, one of our existing clients, for member services and end-to-end claims processing services



Won deal from a **leading online marketplace**, a new logo for us, for customer experience services



Won additional business from **one of the top 5 healthcare insurance companies in the US** for claims processing services



Selected by a **large cooperative financial institution** in the UK for services in the areas of financial crime, compliance, operations and customer service solutions

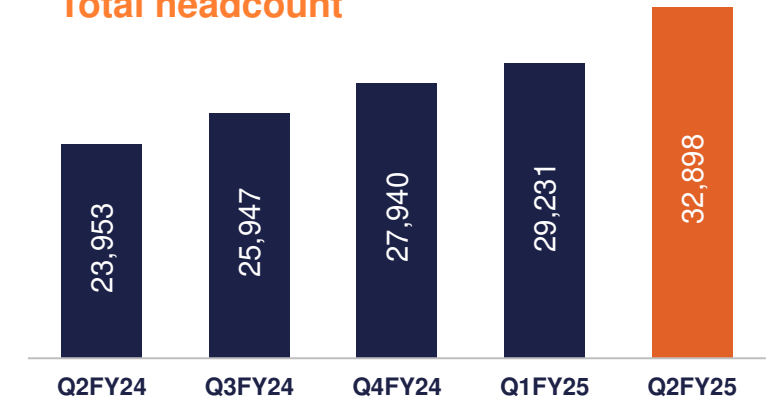


Strengthened relationship with **one of the top 5 mortgage companies in the US** with a 5-year deal to support their enterprise-wide transformation initiative

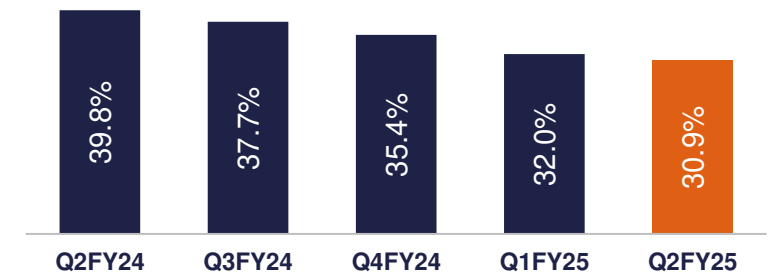


Large deal from a **premier SaaS platform provider for the Freight Industry in North America**, a new logo for us, for providing customer service and back-office operations

Total headcount



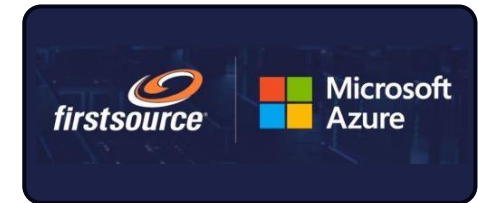
Attrition*



*For employees in employment for more than 180 days; excludes Ascensos

With relAI, we are building capabilities to address the AI opportunity

- * Launched **Firstsource relAI** is a suite of AI led platforms, solutions and digital services to drive digital transformation for our clients in a responsible and ethical manner
- * Strengthening the suite by leveraging our partner ecosystem across niche startups to hyperscalers to drive co-creation and joint go-to-market efforts
- * Strategic investment in building a specialized large language model for the US mortgage market, leveraging our domain expertise to create a seamless digital process and significantly reduce cycle times
- * Infused our digital collection platform with the power of generative AI to enable empathetic, persona-based communication, significantly improving collection efficiency
- * Added AI capabilities to our HealthTech platform for improved efficiency on claims documentation
- * Leveraging AI for Operational Impact: **AI Coach** - our in-house agent training program – has improved speed to competency by 25%; 100% of internal technology team is AI enabled



We are socially conscious

Firstsource Solutions Limited
Professional Services

Sustainability Yearbook Member

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 62/100
Score date: February 7, 2024
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. Position and scores are industry specific and reflect exclusion screening criteria. Learn more at <https://www.spglobal.com/esg/csa/yearbook/methodology/>

S&P Global Sustainable 1

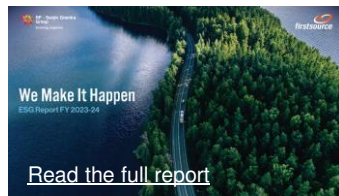
Firstsource Solutions Limited
Professional Services

S&P Global CSA Score 2023
A key component of the S&P Global ESG Score

62 / 100

As of January 29, 2024.
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. Company scores can be compared to their peers in the same industry. Learn more at [spglobal.com/topscores](https://www.spglobal.com/esg/csa)

S&P Global Sustainable 1



Firstsource ranked in the top 96th percentile on the Dow Jones Sustainability Index

Published our **FY24 ESG** report

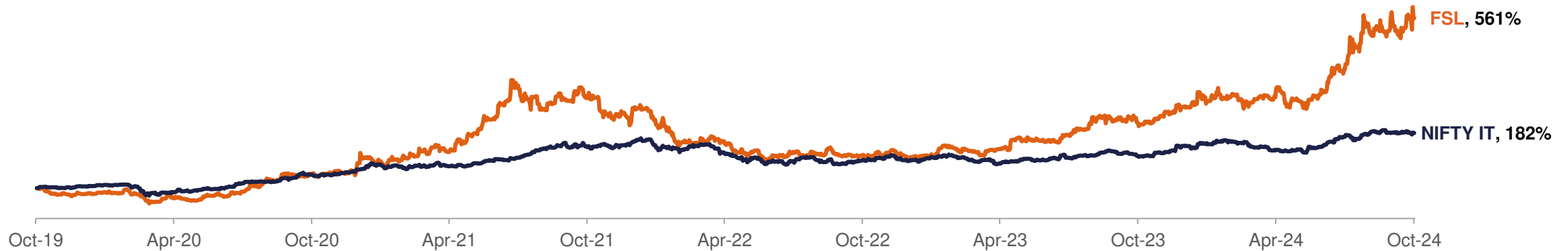
Published **Our 1st Task Force on Climate-related Financial Disclosures** report for FY24

<p>Environment</p>	<p>~15.42% Renewable energy mix</p>	<p>All UK Offices are supplied with renewable energy</p>	<p>100% Waste disposed to waste handler</p>	<p>68.97% Reduction in Scope 1 emission vs. FY23</p>	<p>100% Beverage vending machines in UK are plastic free</p>
<p>Social</p>	<p>~44.41% of the total workforce comprise of women</p>	<p>Level 3 Disability Confident Leader in the UK</p>	<p>15,507 CSR – Hours of Volunteering</p>	<p>INR 11 Mn Spent directly through our CSR Initiatives</p>	<p>75% New suppliers screened on E&S KPI</p>
<p>Governance</p>	<p>54.5% of the Board are Independent Directors</p>	<p>18.2% of Independent Directors are Women</p>	<p>53.6% Promoter shareholding</p>	<p>Zero Fines and penalties related to unethical business practices</p>	<p>Zero Cases of insider trading</p>

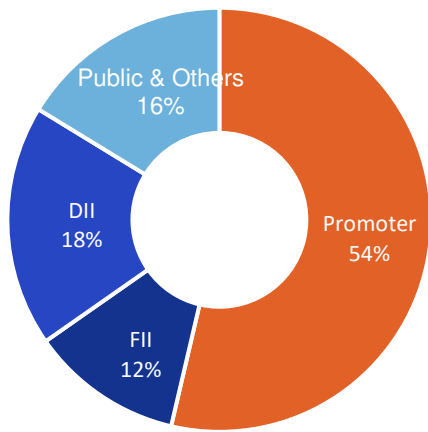
And focused on shareholder value creation

5 Years Stock Performance

NSE: **FSL** | BSE: **532809** | Reuters: **FISO.BO** | Bloomberg: **FSOL:IN**
 Market Capitalisation: **US\$2.8bn** | Average daily trading volume: **US\$ 22.1mn**



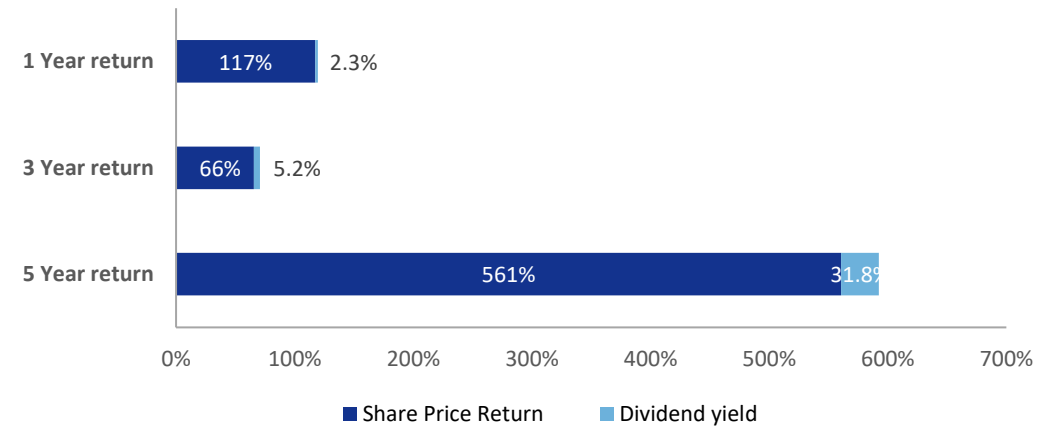
Shareholding Pattern*



Key institutional shareholders

- HDFC Mutual Fund
- Tata Mutual Fund
- Vanguard Group
- SBI Mutual Fund
- BlackRock
- Dimensional Fund
- Steinberg India
- Whiteoak
- AllianceBernstein
- Axis MF

Total Shareholder Return



*As on 30th September, 2024

All stock price data based on closing prices as of 25th October, 2024; Average daily trading volume is average for the last six months

Our Leadership Team



Ritesh Idnani
—
MD & CEO



Dinesh Jain
—
Chief Financial Officer



Sohith Brahmawar
—
Chief Operating Officer



Aftab Javed
—
Chief Human Resources
Officer



Aniket Maindarker
—
Chief Marketing Officer



Hasit Trivedi
—
Chief Digital & AI Officer



Vivek Sharma
—
Head – CMT, BFS
and Emerging Geos



Venkatgiri Vandali
—
Head – Healthcare &
Lifesciences



Rajiv Malhotra
—
Head – Europe, Middle
East & Africa



Arjun Mitra
—
Head – Collections



Ashish Chawla
—
Head – CX and Consulting



Sundara Sukavanam
—
Head – Enterprise
Transformation Office

In summary...

We see potential to grow at an accelerated pace over the medium term...

- Discontinuities caused by macro and technology shifts are creating market opportunities
- Our 'market positioning' gives us an advantage

...Helped by our unique differentiators...

- Roster of long-standing relationships with quality clients with large spend
- Recognized market leadership in our chosen domains

...And driven by the OneFirstsource playbook...

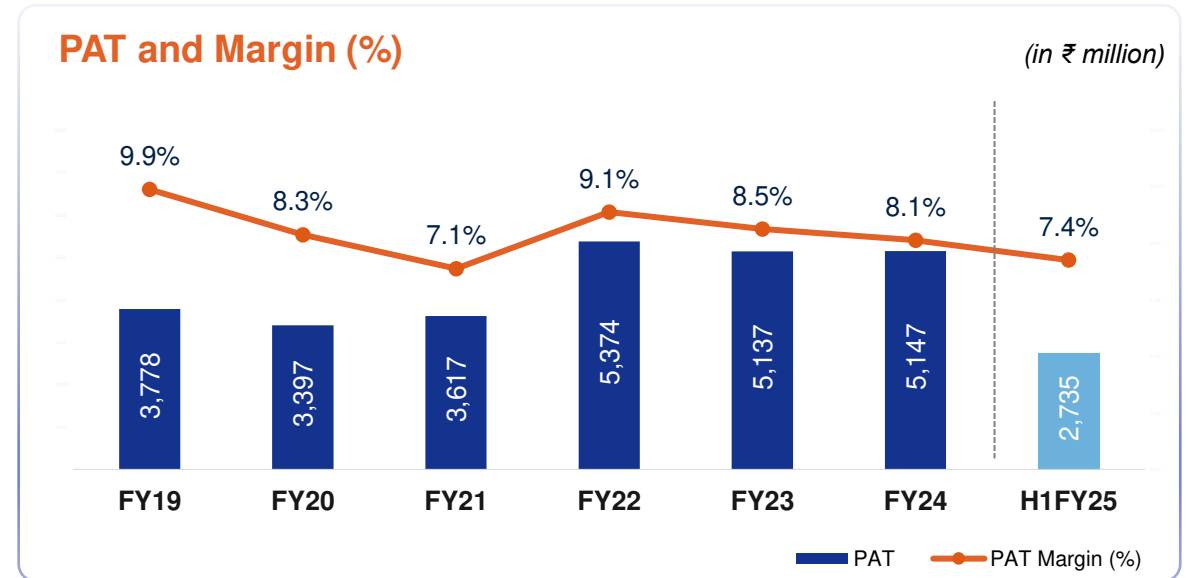
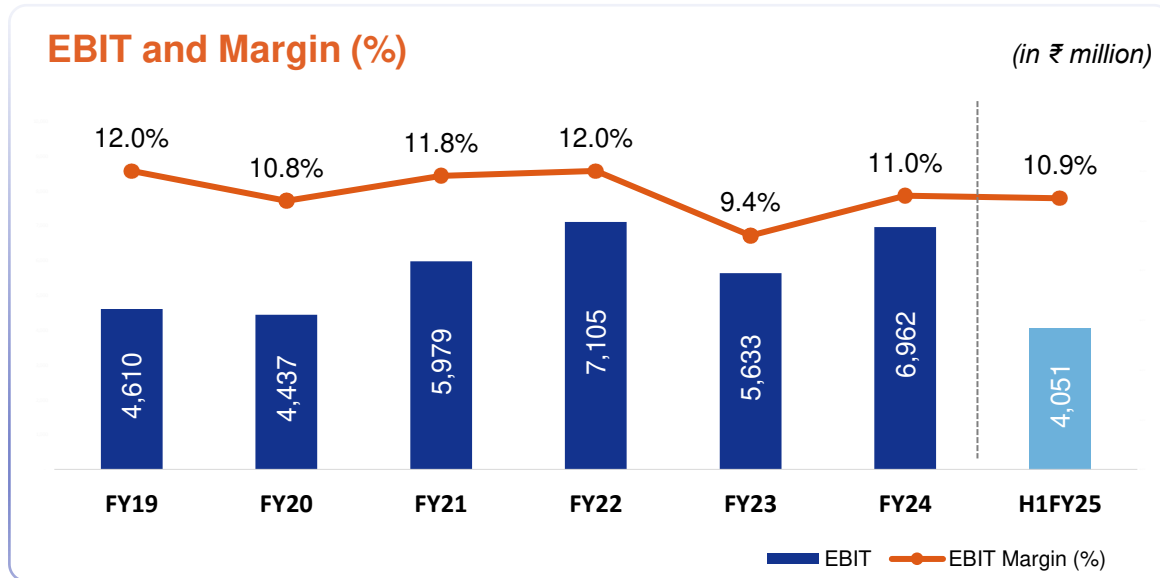
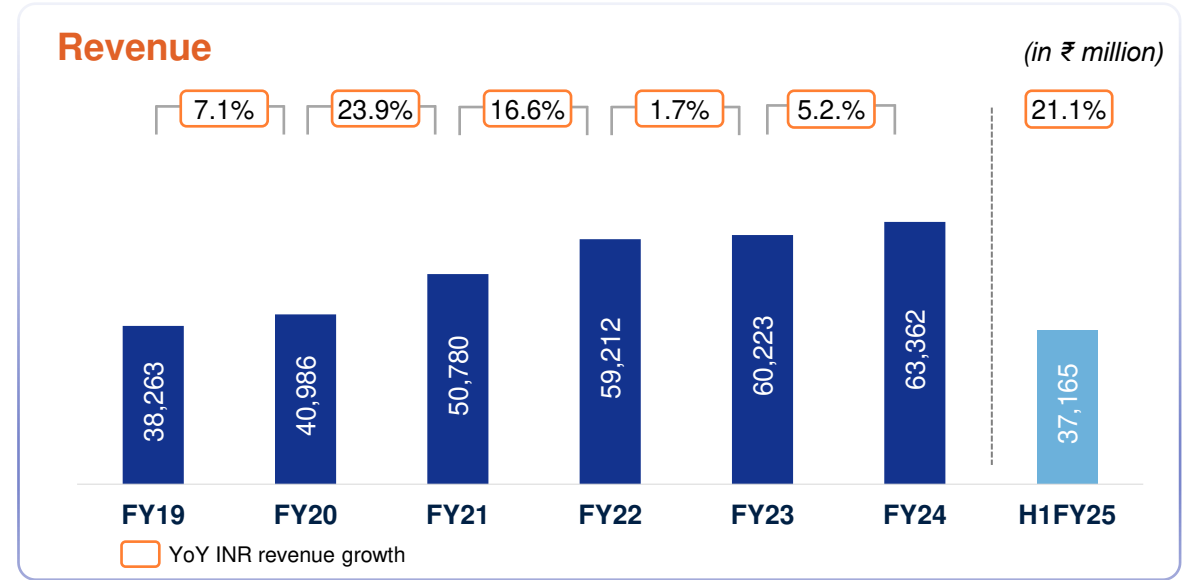
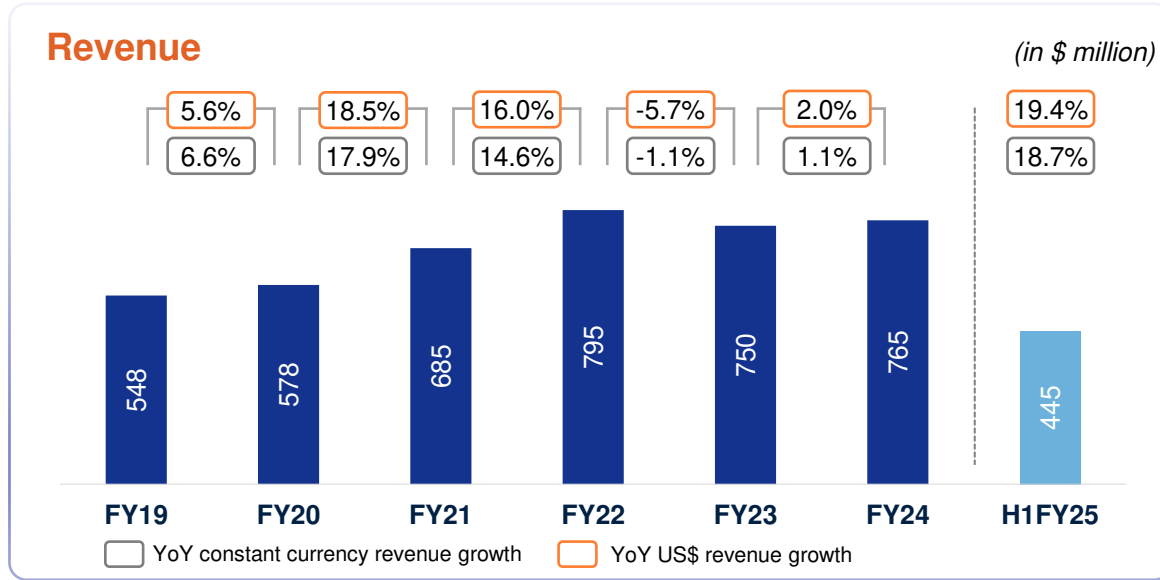
- Focus on account mining and expanding capabilities
- Steady upward movement in client numbers across revenue buckets
- Speed-to-market, clear accountability and improved market visibility are key imperatives

...Even as we remain focused on execution in the near term

- Three large deal wins in each of Q1 and Q2 of FY25
- Robust Q2FY25 exit deal pipeline

Factsheet

Financial performance snapshot | H1FY25

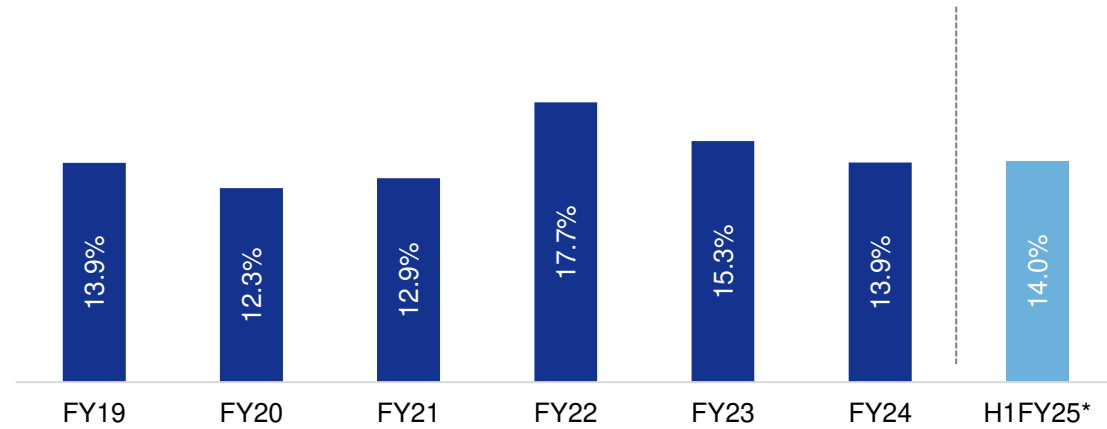


Note: FY24 EBIT margin was 11.1%, adjusted for one-time charges related to leadership changes in Q2FY24

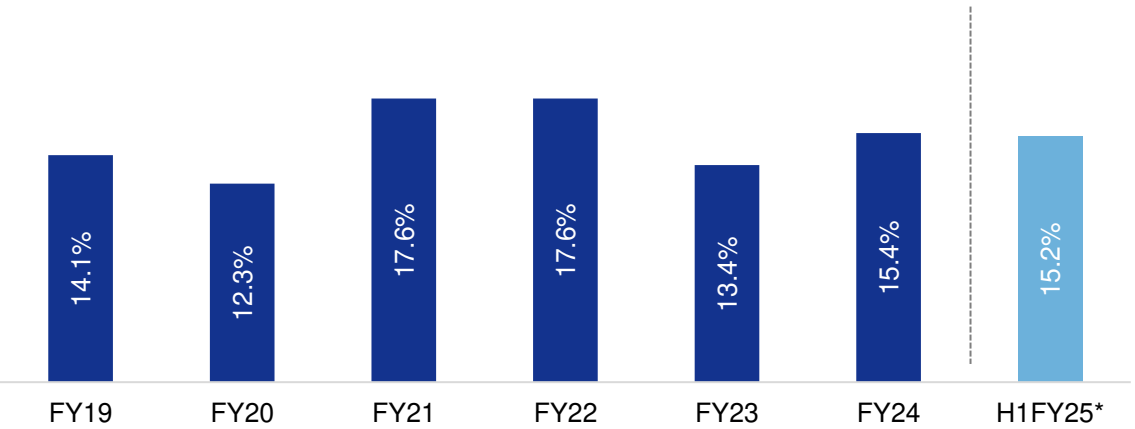
Note: FY21 PAT was ₹ 4,499m excluding exceptional items

Key performance indicators | H1FY25

Return on Equity (%)

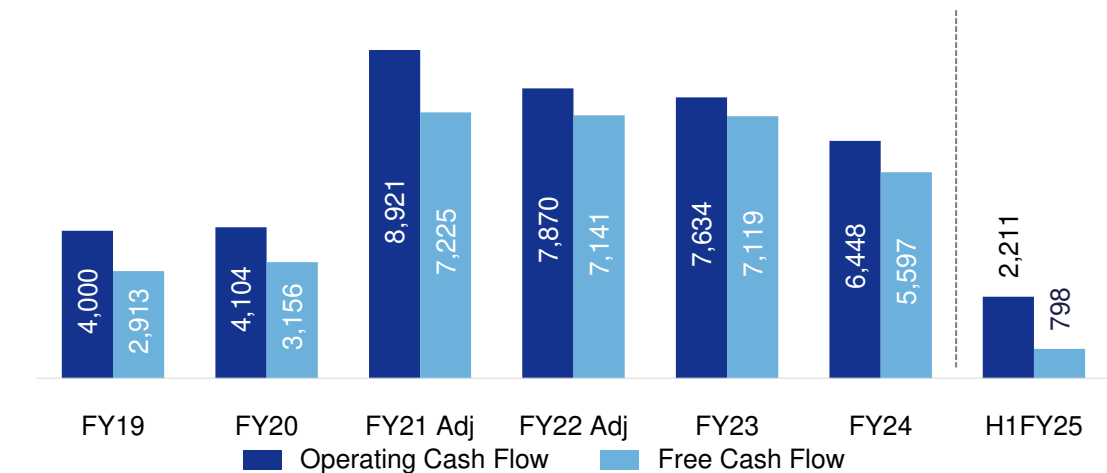


Return on Capital Employed (%)



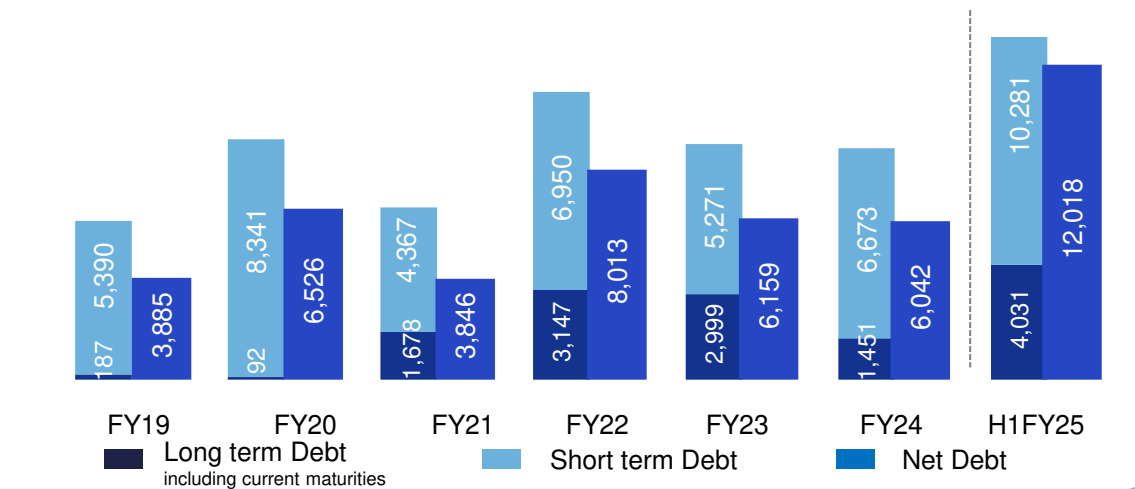
Cash Flow

(in ₹ million)



Debt Position

(in ₹ million)



*Annualised



REVENUE

₹ 19,254 Million
(US\$ 230 Million)

YoY growth of 25.0%
YoY constant currency growth of 22.7%
QoQ constant currency growth of 6.9%



EBIT

₹ 2,081 Million
(Margin 10.8%*)

YoY growth of 27.3%
YoY margin expansion of 20bps
QoQ margin contraction of 20bps
(including one-time charges)



PROFIT AFTER TAX

₹ 1,382 Million
(Margin 7.2%)

YoY growth of 9.3%
YoY margin contraction of 100bps
QoQ margin contraction of 40bps



EARNINGS PER SHARE

(Diluted)

₹ 1.96
per share

Q1FY25 at ₹ 1.92 per share
Q2FY24 at ₹ 1.80 per share

* Q2FY24 EBIT margin is 11.1% normalized for one-time charges



REVENUE

₹ 37,165 Million
(US\$ 445 Million)

YoY growth of 21.1%
YoY constant currency growth of 18.7%



EBIT

₹ 4,051 Million
(Margin 10.9%*)

YoY growth of 18.3%
YoY margin contraction of 30bps
(including one-time charges)



PROFIT AFTER TAX

₹ 2,735 Million
(Margin 7.4%)

YoY growth of 8.3%
YoY margin contraction of 80bps



EARNINGS PER SHARE

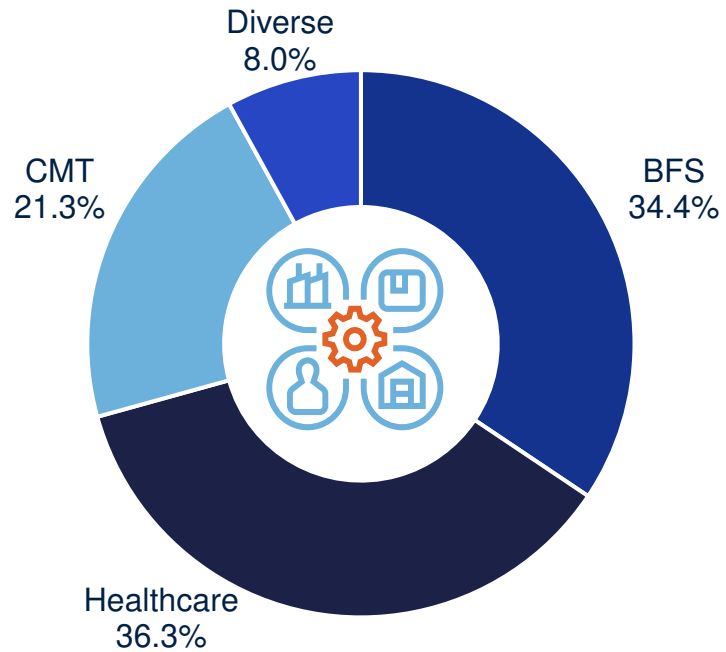
(Diluted)

₹ 3.88
per share

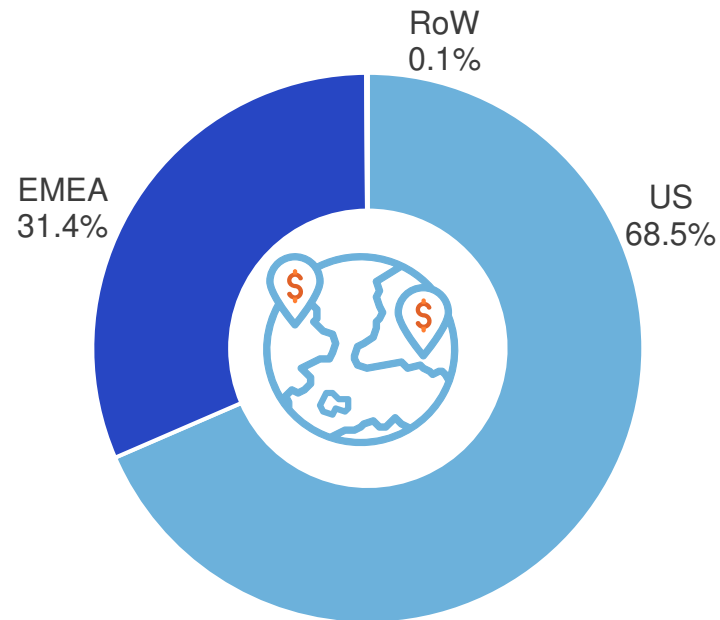
H1FY24 at ₹ 3.60 per share
TTM at ₹ 7.62 per share

* H1FY25 EBIT margin is 11.0% normalized for one-time charges

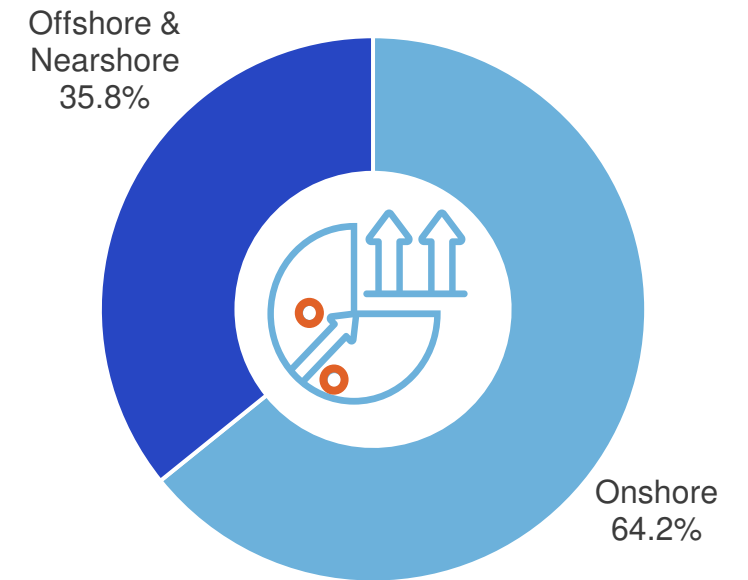
By verticals



By geography



By delivery location



Cons. IndAS financials | Profit & Loss Statement

In ₹ million	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	QoQ	YoY
Income from services	15,267	15,417	15,948	16,693	63,325	17,839	19,326	8.3%	25.4%
Other operating income	25	(17)	18	12	37	72	(72)	-	-
Revenue from operations	15,292	15,400	15,966	16,705	63,362	17,911	19,254	7.5%	25.0%
Revenue from operations (USD Mn)	\$ 186	\$ 186	\$ 192	\$ 201	\$ 765	\$ 215	\$230	7.1%	23.4%
<i>QoQ Growth % - constant currency</i>	<i>(3.0%)</i>	<i>(0.1%)</i>	<i>3.4%</i>	<i>4.2%</i>	-	<i>6.5%</i>	<i>6.9%</i>	-	-
<i>YoY Growth % - constant currency</i>	<i>(1.6%)</i>	<i>(1.9%)</i>	<i>2.8%</i>	<i>4.5%</i>	<i>1.1%</i>	<i>14.8%</i>	<i>22.7%</i>	-	-
Manpower expenses	9,239	9,402	9,895	10,558	39,093	11,268	12,104	7.4%	28.7%
Operating expenses	3,652	3,710*	3,700	3,643	14,705	3,944	4,277*	8.4%	15.3%
EBITDA	2,402	2,288	2,371	2,503	9,564	2,699	2,873	6.4%	25.6%
EBITDA margin	15.7%	14.9%	14.9%	15.0%	15.1%	15.1%	14.9%	-20bp	-
Depreciation & amortization	613	654	663	673	2,602	729	792	8.7%	21.1%
EBIT	1,789	1,634*	1,709	1,830	6,962	1,970	2,081*	5.6%	27.3%
EBIT margin	11.7%	10.6%	10.7%	11.0%	11.0%	11.0%	10.8%	-20bp	20bp
Other income / (expense)	6	153 [#]	134 [#]	3	296	(11)	(40)	-	-
Interest expense, net	(243)	(244)	(235)	(240)	(962)	(287)	(330)	15.2%	35.5%
Profit before taxes	1,553	1,543	1,608	1,593	6,296	1,673	1,710	2.3%	10.8%
Taxes and minority interest	293	278	321	258	1,150	320	328	2.5%	18.1%
Profit after tax	1,260	1,265	1,287	1,335	5,147	1,353	1,382	2.2%	9.3%
<i>Net margin</i>	<i>8.2%</i>	<i>8.2%</i>	<i>8.1%</i>	<i>8.0%</i>	<i>8.1%</i>	<i>7.6%</i>	<i>7.2%</i>	<i>-40bp</i>	<i>-100bp</i>
Diluted EPS (₹/share)	1.80	1.80	1.84	1.90	7.34	1.92	1.96	2.1%	8.9%

[#]including other income on account of changes in the fair value of the liabilities for purchase of non-controlling interest and contingent considerations

*include one-time charges

In ₹ million	As on 31-Mar-24	As on 30-Sep-24
Assets		
Non-current assets		
Fixed assets	2,461	4,646
Right-of-use assets	6,355	7,057
Goodwill on consolidation	29,885	36,136
Investment in associates	0	0
Financial assets		
Investments	115	115
Other financial assets	825	847
Deferred tax assets	2,921	2,852
Income tax assets (net)	809	821
Other non-current assets	2,086	2,214
Total non-current assets	45,457	54,687
Current assets		
Financial assets		
Current investments	300	235
Trade receivables	11,608	14,702
Cash and cash equivalents	1,748	2,024
Other balances with bank	137	135
Other financial assets	94	83
Other current assets	1,486	2,121
Total current assets	15,374	19,300
Total assets	60,830	73,987

In ₹ million	As on 31-Mar-24	As on 30-Sep-24
Equity and liabilities		
Shareholder's Funds		
Equity share capital	6,970	6,970
Reserve and surplus	30,034	32,015
Non-controlling interest	4	4
Total Equity	37,008	38,989
Non-current liabilities		
Financial liabilities		
Long-term borrowings	42	3,404
Lease liabilities	5,714	6,312
Other financial liabilities	0	1,713
Provisions	188	255
Deferred tax liabilities	1,470	1,524
Total non-current liabilities	7,414	13,207
Current liabilities		
Financial Liabilities		
Short-term and other borrowings	8,081	10,907
Trade payables	3,056	3,395
Lease liabilities	1,496	1,896
Other financial liabilities	2,047	3,559
Other current liabilities	1,057	1,282
Provisions	467	614
Provision for tax (net)	205	137
Total current liabilities	16,409	21,790
Total liabilities	60,830	73,987

Cons. IndAS financials | Cash Flow Statement

In ₹ million	6 Month ended Sep 30, 2023	6 Month ended Sep 30, 2024
Cash flow from operating activities		
Net profit before taxation and non controlling interest	3,096	3,383
Depreciation and amortization	1,266	1,520
Finance costs (for borrowing & lease liabilities)	514	659
Adjustment: Non-cash expense / (other income)	(264)	469
Add: Working capital changes	(2,759)	(3,220)
Less: Income taxes paid	(296)	(601)
Net cash generated from / (used in) operating activities (A)	1,558	2,211
Cash flow from investing activities		
Capital expenditure, net	(296)	(1,413)
Interest income received	1	5
(Increase)/decrease in current investments	(687)	190
Acquisition of business	0	(5,018)
Earmarked balances with banks	7	4
Net cash generated from / (used in) investing activities (B)	(975)	(6,232)
Cash Flow from financing activities		
Net change in borrowings	555	6,188
Net interest paid	(571)	(764)
Payment of lease liabilities	(668)	(755)
Purchase of treasury shares, net	25	(152)
Purchase of non controlling interest in subsidiary	(583)	(225)
Net cash generated from / (used in) financing activities (C)	(1,242)	4,292
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(659)	271
Cash and cash equivalents at the beginning of the period	1,515	1,748
Foreign exchange (loss) / gain on translating cash and cash equivalents	6	5
Closing cash and cash equivalents	862	2,024
Current investments	1,276	235
Short term fixed deposits	33	36
Cash and cash equivalents including investments	2,171	2,294

Operating Metrics | Q2FY25



		Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Revenue by Vertical	Banking & Financial Services	43.4%	41.8%	40.3%	40.8%	40.8%	38.3%	37.3%	36.4%	34.4%
	Healthcare	34.5%	34.2%	33.2%	32.6%	32.7%	33.5%	32.9%	35.7%	36.3%
	Communications, Media & Tech	20.2%	21.6%	22.3%	21.8%	21.2%	22.5%	23.6%	22.3%	21.3%
	Diverse Industries	1.9%	2.4%	4.2%	4.8%	5.3%	5.7%	6.2%	5.6%	8.0%
Revenue by Geography	North America	67.2%	64.9%	63.3%	63.5%	65.1%	65.4%	65.0%	68.2%	68.5%
	Europe, Middle East, and Africa	31.3%	34.1%	36.3%	36.4%	34.8%	34.5%	34.9%	31.8%	31.4%
	Rest of World	1.5%	1.0%	0.4%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
Revenue by Delivery	Offshore & Nearshore	25.9%	25.1%	24.6%	25.6%	26.7%	30.3%	31.4%	35.0%	35.8%
	Onshore	74.1%	74.9%	75.4%	74.4%	73.3%	69.7%	68.6%	65.0%	64.2%
New Logos[#]	New logos added (during the quarter)	25	12	9	10	12	10	8	10	13
Client Concentration	Top 5 clients (share of total revenues)	36.6%	38.5%	37.4%	37.2%	35.0%	35.8%	36.7%	34.6%	32.5%
	Top 10 clients (share of total revenues)	50.6%	53.6%	53.6%	52.7%	51.3%	52.0%	52.6%	51.5%	48.6%
Client Distribution[#]	US\$ 1m+ clients (nos.)	99	100	99	98	101	104	103	100	105
	US\$ 5m+ clients (nos.)	29	29	28	24	24	25	25	25	26
	US\$ 10m+ clients (nos.)	17	15	11	14	13	13	13	13	13
	US\$ 20m+ clients (nos.)	9	7	7	9	8	8	8	9	11
	US\$ 50m+ clients (nos.)	1	1	2	2	2	2	2	2	2
Revenue by Currency	USD	65.4%	63.3%	62.2%	63.2%	65.0%	64.9%	64.8%	67.9%	68.2%
	GBP	32.6%	35.5%	37.0%	36.3%	34.3%	34.4%	34.4%	31.4%	30.9%
	Others	2.1%	1.1%	0.9%	0.5%	0.7%	0.7%	0.8%	0.7%	0.9%
Employee Metrics	Total employees (period-end)	23,932	23,627	23,018	22,384	23,953	25,947	27,940	29,231	32,898
	Net addition	(1,302)	(305)	(609)	(634)	1,569	1,994	1,993	1,291	3,667
	Attrition* (TTM)	48.1%	45.5%	43.3%	41.7%	39.8%	37.7%	35.4%	32.0%	30.9%

* For employees in employment for more than 180 days and excludes Ascensos | # Excludes Ascensos

19.5-20.5%
constant currency
revenue growth
(Earlier: 11.5-13.5%)



11-11.5%
EBIT margin
(Earlier: 11-12%)

THANK YOU

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