

Press Release

Firstsource Solutions reports Fiscal 2018 results with improved profit margins and recommends a maiden dividend of 15%

Revenues of Rs 35,352 million

EBITDA of Rs. 4,589 million

EBIT of Rs 3,930 million

PAT of Rs 3,265 million

EBITDA and PAT margins expanded by 66 bps and 136 bps respectively during the year

Kolkata, May 7, 2018: Firstsource Solutions Limited (NSE:FSL, BSE:532809), a global provider of customised Business Process Management (BPM) services and a RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter and the fiscal year ended March 2018 according to Ind AS.

Financial Highlights for Year Ended March 2018:

- Revenues at Rs. 35,352 million; Constant currency growth of 2.8% YoY (Normalising for the Domestic business divestment, growth of 7.1% YoY)
- EBITDA at Rs. 4,589 million or 13.0% of revenues, 4.8% YoY (Normalising for the Domestic business divestment, growth of 8.9% YoY)
- EBIT at Rs. 3,930 million or 11.1% of revenues, 3.7% YoY (Normalising for the Domestic business divestment, growth of 7.5% YoY)
- PAT at Rs. 3,265 million or 9.2% of revenues, 16.6% YoY (Normalising for the Domestic business divestment, growth of 22.2% YoY)
- Employee strength of 18,703 as of March 31, 2018
- Board recommended a maiden dividend of 15% (Rs 1.50 per share)

Mr. Sanjiv Goenka, Chairman, RP-Sanjiv Goenka Group and Firstsource Solutions said, "I am pleased to share that we closed FY2018 on a high note. During the year we have practically deleveraged the company on the back of improved cash flow generation and financial strength. Declaring a maiden dividend is a major milestone for the company. We are constantly being recognized by both our customers and industry analysts for the transformative work we are delivering for our clients. I am optimistic that such industry-wide recognition, will go a long way in deepening our engagement with existing clients while we continue to grow business with the addition of marquee logos."

Highlights for the Quarter Ended March 31, 2018:

- Revenues at Rs. 8,973 million; Constant currency growth of 0.5% YoY, flat QoQ; (Normalising for the domestic business divestment, constant currency growth of 6.7% YoY)
- EBITDA at Rs. 1,325 million or 14.8% of revenues, 33.8% YoY; 14.1% QoQ (Normalising for the Domestic business divestment, growth of 40.6% YoY)
- EBIT at Rs. 1,153 million or 12.8% of revenues, 31.0% YoY; 16.5% QoQ (Normalising for the Domestic business divestment, growth of 36.5% YoY)
- PAT at Rs. 928 million or 10.3% of revenues
 - Growth of 23.0% QoQ on normalised PAT; (6.7%) QoQ on reported PAT
 - Growth of 42.0% YoY (Normalising for the Domestic business divestment, growth of 50.1% YoY)

Business Wins: Won additional contracts in the quarter for the Customer Management, Healthcare, Mortgage and Collections business with existing and new clients.

Debt Repayment: Successfully made the last principal repayment of USD 11.25 million of the USD 135 million Term Loan and USD 11.0 million for ECB, repaying USD 20 million ECB ahead of schedule in March 2018.

Awards & Recognitions:

- Triple awards at the Welsh Contact Centre (WCC) Awards 2018 in the UK: Gold in 'Outsourced Contact Centre of the Year'; Gold in 'People Engagement' for the Cardiff HR teams and Individual award in the 'Trainer of the Year' categories. The awards recognise the teams' commitment to delivering great customer experiences and making Firstsource an employer of choice.
- Won the award for 'Best Personal Entertainment and Telecoms' at the prestigious UK Complaint Handling (UKCH) Awards 2018. The award recognises the company's partnership with giffgaff, the community-run network which delivered record breaking results for the telecoms company in a highly competitive marketplace.
- Won multiple awards at the North East Contact Centre Awards 2017: Gold in the 'Contact Centre of the Year (under 250 seats)' category. This award recognises the Firstsource Middlesbrough team's commitment to understanding and responding to customer needs and delivering great customer experiences. Silver for the Middlesbrough HR team in the 'Recruitment Champion' category, for its commitment to making Firstsource an Employer of choice, while delivering value to clients and contributing to Firstsource's overall business performance. Individual awards in the categories of 'Inspirational Leader 2017' and the 'Customer Experience Champion of the Year'.

Additional Highlights for FY2017-18:

Awards & Recognitions:

- Won 3 awards at the European Contact Centre and Customer Service Awards (ECCCSA's) 2017: Gold in 'Medium Contact Centre of the Year', Silver in 'Outsourcing Partnership of the Year' for work done with Sky and Silver in 'Outsourced Contact Centre of the Year' for work done out of the Middlesbrough office in the UK. The awards recognise the team's commitment to understanding and responding to customer needs and delivering great customer experiences.
- Awarded the 'BPO Contract of the Year' at the Global Sourcing Association (GSA) Awards 2017, in recognition of the on-going work with Sky. This win recognises Firstsource's long-term partnership with Sky and the success achieved by creating a joint operational management structure, transparent culture and the innovative use of technology and approach to customer experience.
- Won two awards at the UK Customer Experience Awards 2017: Gold in the 'Large Contact Centre' category in partnership with Sky and 'CX Professional of the Year' for Kathryn Chivers, VP – Sales Operations, UK. The wins celebrate Firstsource's work in Cardiff office in the UK to deliver top quality customer experiences.
- Won the prestigious 'Customer Service Excellence Award' at the NASSCOM BPM Strategy Summit 2017. This award in the 'Return on Investment (ROI)' category recognises Firstsource's focus on providing agile solutions across channels and creating immense ROI for its client.

Analyst Recognitions

- Recognised as a 'Major Contender' in Everest Group's Mortgage BPS Service Provider Landscape with Services PEAK Matrix™ Assessment 2017. The positioning recognises Firstsource's focus on excellence and delivery, and highlights the company's commitment to providing a smart and collaborative partnership for clients.
- Healthcare Provider and Payer businesses were also recognised as 'Major Contender' in Everest Group's Service Provider Landscape PEAK Matrix™ Assessment 2017. The positioning recognises the investments and strides made in the digital arena, especially with RPA deployment for Payer and automation solutions for Provider services.
- Firstsource has been recognised as a 'Major Contender' in Everest Group's Contact Centre Outsourcing (CCO) PEAK Matrix™ Assessment 2017. This positioning recognises Firstsource's focus on excellence and delivery while highlighting the organisation's commitment to building smart and collaborative partnership with clients.
- Firstsource recognised as a 'Major Contender' in Banking BPO–Service Provider Landscape by Everest Group's PEAK Matrix™ Assessment 2017. This recognition acknowledges the organisation's focus on excellence and celebrates its' capabilities to consistently enhance customer experience.
- Firstsource ranked as a 'Leader' in the Telecoms market by NelsonHall in one of their industry reports. The ranking as 'Leader' significantly improves the organisation's performance from a 'High Achiever' in the past.

Industry Recognitions

- Firstsource is the first BPM company in the UK to achieve the ‘Gold’ standard by ‘Investors in People (IIP)’. The standard defines what it takes to lead, support and manage people for sustained success. The organisation is now in the top 7% of businesses in the UK, which falls under this Gold accreditation.
- Firstsource recognised as a ‘Leader’ in the International Association of Outsourcing Professionals’ (IAOP) Global Outsourcing 100 List for 2017. In addition, it has also been named a ‘Superstar of the Global Outsourcing 100’, because of its’ exceptional performance and high scores achieved during the IAOP evaluation.

About Firstsource:

Firstsource Solutions Limited, a RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), is a leading global provider of customised Business Process Management (BPM) services to the Healthcare, Telecom & Media and Banking & Financial Services industries. The company’s clients include Fortune 500 and FTSE 100 companies. Firstsource has a ‘Right-shore’ delivery model with operations in the US, the UK, India and the Philippines.

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