

12th May 2021

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: Post intimation of Analyst/ Institutional Investor Call

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith a copy of the presentation regarding conference call held with the analysts and investors, on the financial results of the Company for the quarter and financial year ended 31st March 2021.

This is for your information and record.

Thanking you,

For **Firstsource Solutions Limited**

Pooja Nambiar
Company Secretary & Compliance Officer

Encl.: A/a

FIRSTSOURCE SOLUTIONS LTD.,

Paradigm B, 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai - 400 064. India.
Tel: +91 22 6666 0888 | Fax: +91 22 6666 0887 | Web: www.firstsource.com



Q4 FY2021 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.





STRONG ALL-ROUND PERFORMANCE

- Constant currency revenue growth of 17.9% YoY in FY21 and 31.7% YoY in Q4
- Sales momentum remains strong. We added 11 new clients this quarter and 54 in FY21

BUSINESS MOMENTUM IS STRONG

- Strong demand environment across existing and new client relationships
- Volume recovery seen in Healthcare in March

FY2022 GROWTH ESTIMATES

- Revenue expected to grow between 15-18% in constant currency
- Operating Margin expected to be in range of 11.8-12.3%

Summary of Performance During the Quarter



REVENUES

₹ 14,628 Million
(US\$ 199.9 Million)

YoY growth of 35.4%
Constant Currency growth of 31.7%



OPERATING MARGIN

₹ 1,809 Million
(Margin 12.4%)

YoY Margin expansion of 156 bps



PROFIT AFTER TAX*

(Excluding the exceptional charge)

₹ 1,309 Million
(Margin 8.9%)

YoY Margin expansion of 47 bps
Reported PAT of ₹ 467 Mn or 3.2%



EARNINGS PER SHARE

(Diluted)

₹ 0.66
per share

Q4FY'20 at ₹ 1.31 per share

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

Summary of Performance For FY2021



REVENUES

₹ 50,780 Million
(US\$ 685.2 Million)

YoY growth of 23.9%
Constant Currency growth of 17.9%



OPERATING MARGIN

₹ 5,979 Million
(Margin 11.8%)

YoY Margin expansion of 95 bps



PROFIT AFTER TAX*

(Excluding the exceptional charge)

₹ 4,499 Million
(Margin 8.9%)

YoY Margin expansion of 57 bps
Reported PAT of ₹ 3,617 Mn or 7.1%



EARNINGS PER SHARE

(DILUTED)

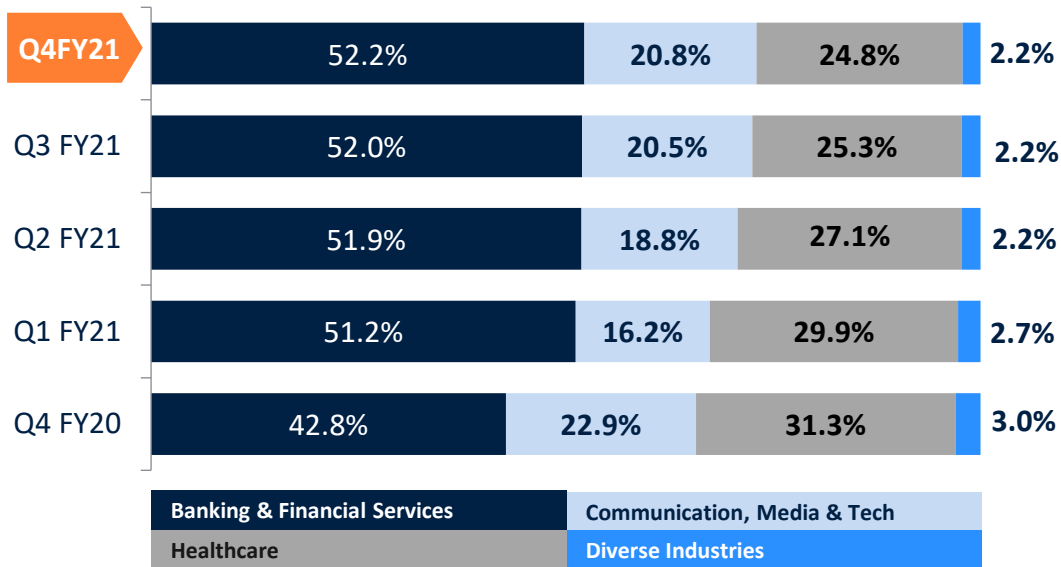
₹ 5.13
per share

FY'20 at ₹ 4.89 per share

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

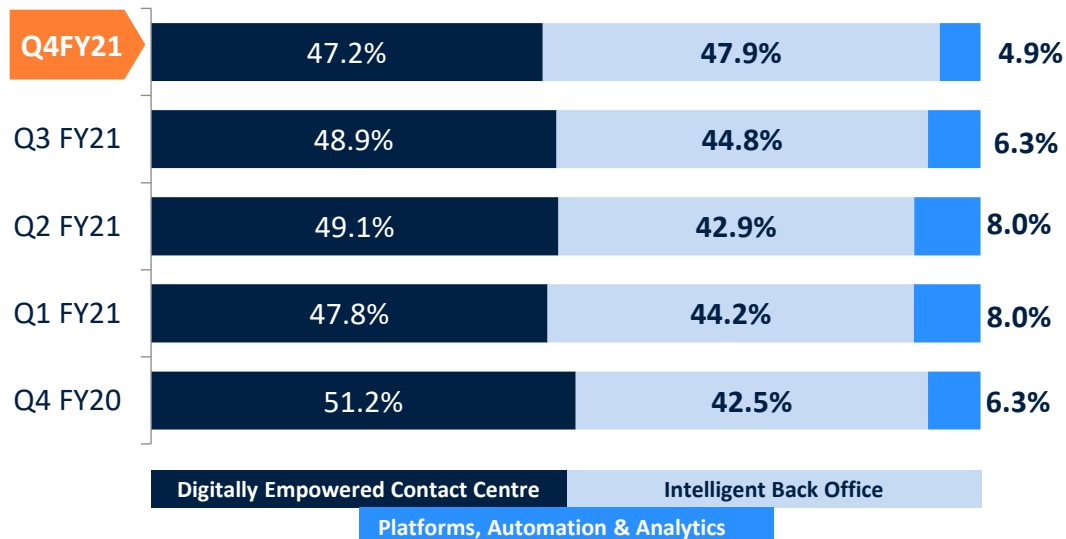
Revenue Splits

VERTICALS



- Robust growth momentum in BFS
- Top client growth and new business ramps driving growth in CMT
- Healthcare volumes remained low, starting to pick up in March. New offerings and new wins driving growth
- Diverse Industries is flat

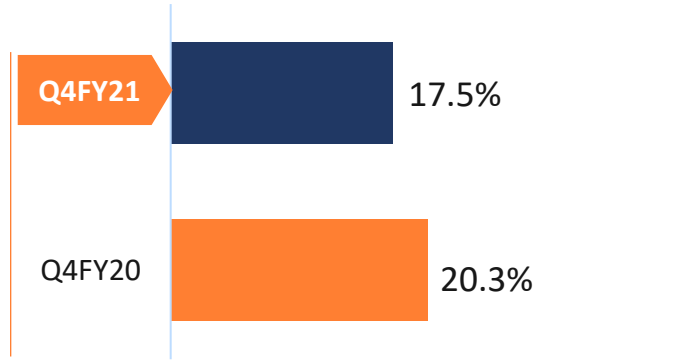
SERVICE LINES



- Digitally Empowered Contact Centre growth attributed to strong volume growth and new wins
- Growth in Intelligent Back-office driven by growth in Mortgage and Healthcare
- Platform based services growing steadily, decline from a completion of a short-term engagement

Client Concentration

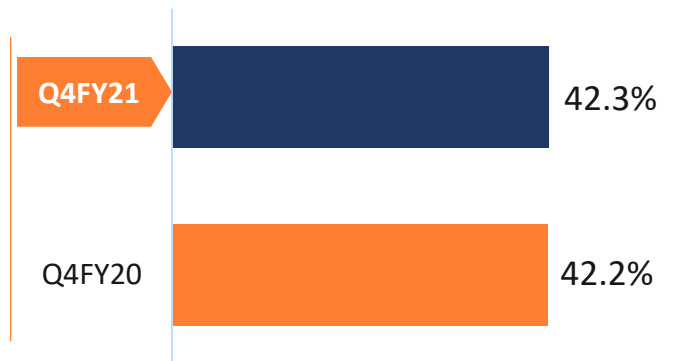
Top Client



19.2 years

Total Tenure

Top 5 Clients



14.4 years

Average Tenure



5 of Top 15
Mortgage servicers in the US



3 of Top 6
Retail banks in the UK



5 of Top 15
Lenders in the US



1,000+
Hospitals in the US



6 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	Q4 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021
Income from services	9,642	9,669	9,715	10,446	10,673	10,537	11,783	13,510	14,496
Other operating Income	30	129	134	89	132	85	94	142	132
Revenue from operations	9,672	9,798	9,849	10,535	10,804	10,622	11,877	13,652	14,628
Revenue from operations (USD Mn)	\$ 137	\$ 141	\$ 140	\$ 148	\$ 149	\$ 141	\$ 160	\$ 185	\$ 200
<i>QoQ Growth % - Constant Currency</i>	<i>0.7%</i>	<i>2.0%</i>	<i>1.1%</i>	<i>4.7%</i>	<i>0.6%</i>	<i>-4.3%</i>	<i>12.2%</i>	<i>14.6%</i>	<i>7.0%</i>
<i>YoY Growth % - Constant Currency</i>	<i>3.8%</i>	<i>5.2%</i>	<i>4.5%</i>	<i>8.3%</i>	<i>8.2%</i>	<i>1.6%</i>	<i>13.1%</i>	<i>23.8%</i>	<i>31.7%</i>
Personnel Expense	6,344	6,611	6,722	7,053	7,350	7,128	7,985	9,503	10,057
Operating Expense	1,943	1,530	1,803	1,816	1,813	1,826	2,016	2,046	2,229
Operating EBITDA	1,384	1,657	1,325	1,666	1,641	1,668	1,876	2,103	2,342
<i>Operating EBITDA %</i>	<i>14.3%</i>	<i>16.9%</i>	<i>13.4%</i>	<i>15.8%</i>	<i>15.2%</i>	<i>15.7%</i>	<i>15.8%</i>	<i>15.4%</i>	<i>16.0%</i>
Depreciation / amortization	190	439	455	484	474	498	519	513	534
Operating Margin	1,195	1,217	870	1,182	1,168	1,170	1,358	1,590	1,809
<i>Operating Margin %</i>	<i>12.4%</i>	<i>12.4%</i>	<i>8.8%</i>	<i>11.2%</i>	<i>10.8%</i>	<i>11.0%</i>	<i>11.4%</i>	<i>11.6%</i>	<i>12.4%</i>
Other Income / (expense)	(25)	(34)	65	2	(16)	(7)	16	7	(29)
Interest Income / (expense), net	(57)	(115)	(129)	(148)	(121)	(128)	(119)	(122)	(127)
Profit Before Taxes and exceptional item	1,112	1,069	806	1,036	1,031	1,035	1,254	1,476	1,652
<i>Profit Before Taxes and exceptional item %</i>	<i>11.5%</i>	<i>10.9%</i>	<i>8.2%</i>	<i>9.8%</i>	<i>9.5%</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.8%</i>	<i>11.3%</i>
Exceptional Item	-	-	-	-	-	-	-	-	(1,099)
Profit Before Taxes	1,112	1,069	806	1,036	1,031	1,035	1,254	1,476	553
<i>Profit Before Taxes %</i>	<i>11.5%</i>	<i>10.9%</i>	<i>8.2%</i>	<i>9.8%</i>	<i>9.5%</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.8%</i>	<i>3.8%</i>
Taxes and Minority Interest	130	157	132	140	115	148	201	265	87
Profit After Tax	982	912	674	895	916	887	1,053	1,210	467*
<i>Profit After Tax %</i>	<i>10.2%</i>	<i>9.3%</i>	<i>6.8%</i>	<i>8.5%</i>	<i>8.5%</i>	<i>8.3%</i>	<i>8.9%</i>	<i>8.9%</i>	<i>3.2%</i>
Diluted EPS (₹ /Share)	1.42	1.32	0.97	1.29	1.31	1.27	1.50	1.72	0.66

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

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

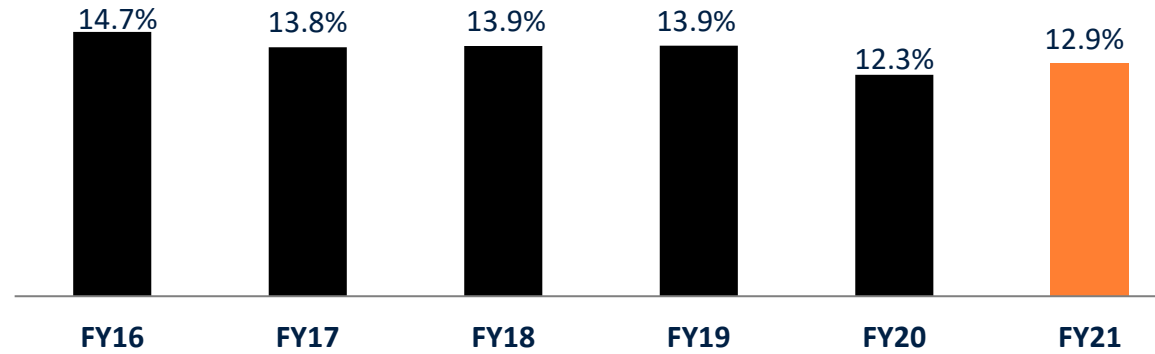
Balance Sheet and Cash Flow Statement

In ₹ million	As at 31-Mar-21	As at 31-Mar-20
Equity And Liabilities		
Share Capital	6,961	6,938
Reserves & Surplus	21,032	20,716
Non - Controlling Interest	5	6
Borrowings	6,045	8,433
Other Non - Current Liabilities	5,438	4,874
Current liabilities	8,816	4,903
Total	48,297	45,871
Assets		
Goodwill on Consolidation	21,948	22,324
Fixed Assets	8,028	6,385
Cash and Cash Equivalents	1,373	1,907
Current Investments	826	0
Trade Receivables (Billed + Unbilled)	8,431	7,540
Non - Current Assets	6,008	6,119
Current Assets	1,683	1,596
Total	48,297	45,871

In ₹ million	Quarter ended 31-Mar-21	Full Year ended 31-Mar-21
Cash Flow from Operating Activities		
Operating Margin	1,809	5,979
Adj: Non Cash and Other Income / (Expense)	(288)	1,580
Operating Cash before Working Capital	1,521	7,558
Add: Net advance received from customers	0	835
Add: Working Capital Changes	199	2,061
Less: Income Taxes Paid	(213)	(698)
Net Cash generated from Operating Activities	1,506	9,756
Cash Flow from Investing Activities		
Capital Expenditure	(598)	(1,696)
(Investments)/ Proceeds from Current Investments	13	(793)
Acquisition of Patient Matters LLC	(0)	(950)
Earmarked Balances with Banks (Escrow)	(43)	(57)
Net Cash used in Investing Activities	(628)	(3,496)
Cash Flow from Financing Activities		
Net Increase / (Decrease) in Borrowings	707	(2,672)
Net Interest Paid (as per Ind AS 116)	(133)	(514)
Payment of Lease Liabilities	(265)	(1,092)
Increase in Shareholder's Funds	25	82
Purchase of treasury shares (Employee Stock Option Trust)	(54)	(653)
Dividend Paid	(2,038)	(2,038)
Net Cash used in Financing Activities	(1,758)	(6,887)
Net Increase / (Decrease) in Cash and Cash Equivalents	(880)	(627)
Opening Cash and Cash Equivalents	2,189	1,907
Earmarked Balances with Banks	43	57
Foreign Exchange (Gain) on Translating Cash and Cash Equivalents	22	36
Closing Cash and Cash Equivalents	1,373	1,373
Cash and Cash Equivalents Including Current Investments	2,199	2,199

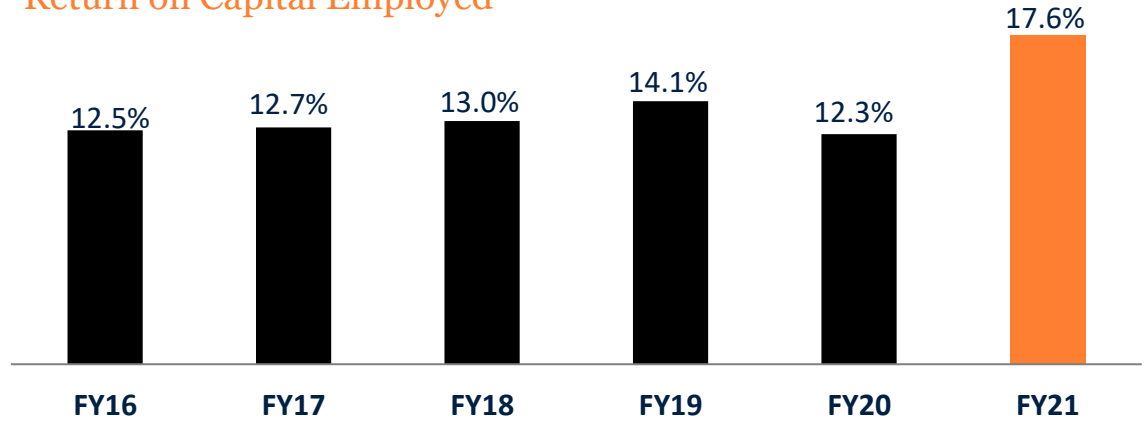
Key Performance Indicators

Return on Equity

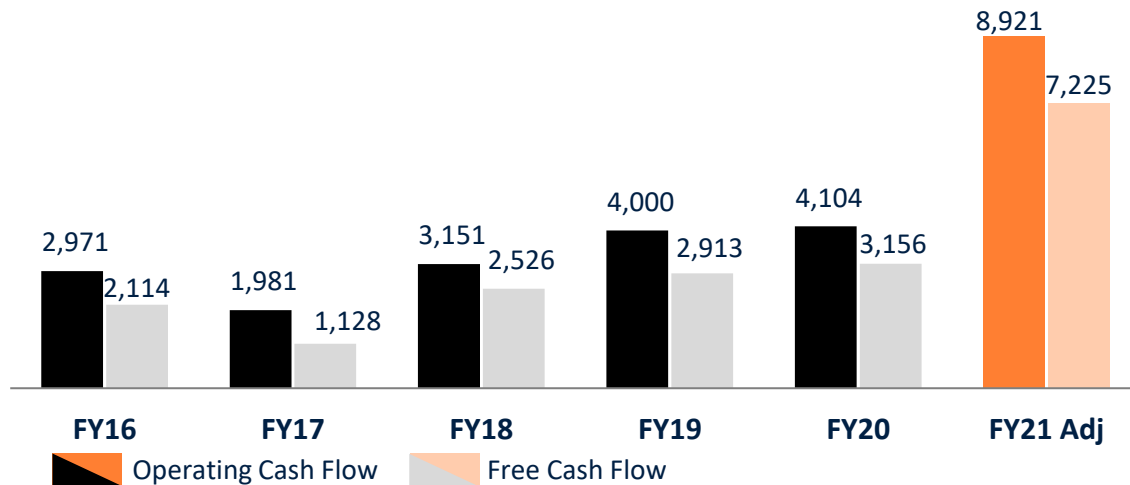


Note: FY21 ROE will be 16.1% excluding for exceptional item

Return on Capital Employed

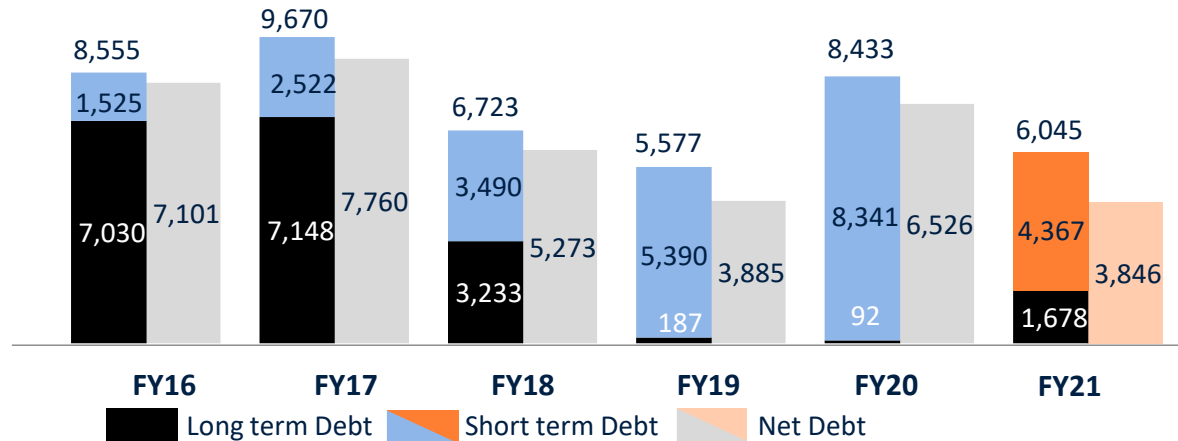


Cash Flow



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

Debt Position



Operating Metrics

	Particulars	Q4 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021
Revenue by Vertical	Banking & Financial Services	36.1%	35.6%	40.4%	42.9%	42.8%	51.2%	51.9%	52.0%	52.2%
	Communications Media & Tech	27.5%	27.2%	22.0%	21.9%	22.9%	16.2%	18.8%	20.5%	20.8%
	Healthcare	33.2%	33.5%	34.5%	32.4%	31.3%	29.9%	27.1%	25.3%	24.8%
	Diverse Industries	3.2%	3.7%	3.1%	2.8%	3.0%	2.7%	2.2%	2.2%	2.2%
Revenue by Service Lines	Digitally Empowered Contact Centre		55.2%	51.6%	49.8%	51.2%	47.8%	49.1%	48.9%	47.2%
	Intelligent Back Office		39.6%	42.8%	45.0%	42.5%	44.2%	42.9%	44.8%	47.9%
	Platforms, Automation & Analytics		5.2%	5.6%	5.2%	6.3%	8.0%	8.0%	6.3%	4.9%
Revenue by Geography	US	55.3%	57.0%	61.6%	63.3%	63.2%	69.1%	68.1%	67.1%	67.4%
	UK	43.6%	41.6%	36.9%	35.3%	35.3%	29.7%	30.6%	31.5%	31.5%
	Rest of World	1.1%	1.4%	1.5%	1.4%	1.5%	1.2%	1.3%	1.4%	1.1%
Revenue by Delivery	Offshore	18.5%	22.5%	22.8%	25.2%	25.6%	24.8%	27.0%	29.8%	30.6%
	Onshore	81.5%	77.5%	77.2%	74.8%	74.4%	75.2%	73.0%	70.2%	69.4%
Top Clients Revenue	Top client %	24.6%	24.9%	19.8%	19.5%	20.3%	13.7%	16.2%	17.5%	17.5%
	Top 5 client %	42.3%	41.2%	39.5%	42.1%	42.2%	39.9%	40.4%	41.4%	42.3%
Other Metrics	Total employees (end of period)	18,712	18,550	20,001	20,482	21,203	21,831	23,960	26,618	28,004
	• Employees in India	8,968	9,305	10,493	10,982	11,450	11,684	13,536	15,381	16,289
	• Employees outside India	9,744	9,245	9,508	9,500	9,753	10,147	10,424	11,237	11,715
	Net Addition	117	(162)	1,451	481	721	628	2,129	2,658	1,386
	Offshore Attrition*	41.5%	45.3%	40.0%	36.0%	33.5%	15.1%	26.3%	28.8%	28.6%
	Onshore Attrition*	42.9%	46.8%	54.6%	45.8%	41.9%	30.2%	47.3%	34.6%	40.0%

*Post 180 days attrition - Quarter annualized

Forex Hedges

Outstanding FX hedges at \$89.6 million for USD and £63.8 million for GBP

	GBP-INR		USD INR	
Period	Hedged	Average Rate	Hedged	Average Rate
0-12 Months	£ 34.0	Rs 105.2 /£	\$ 89.6	Rs 76.7 /\$
13-24 Months	£ 29.8	Rs 115.2 /£		

Prior Period Reports

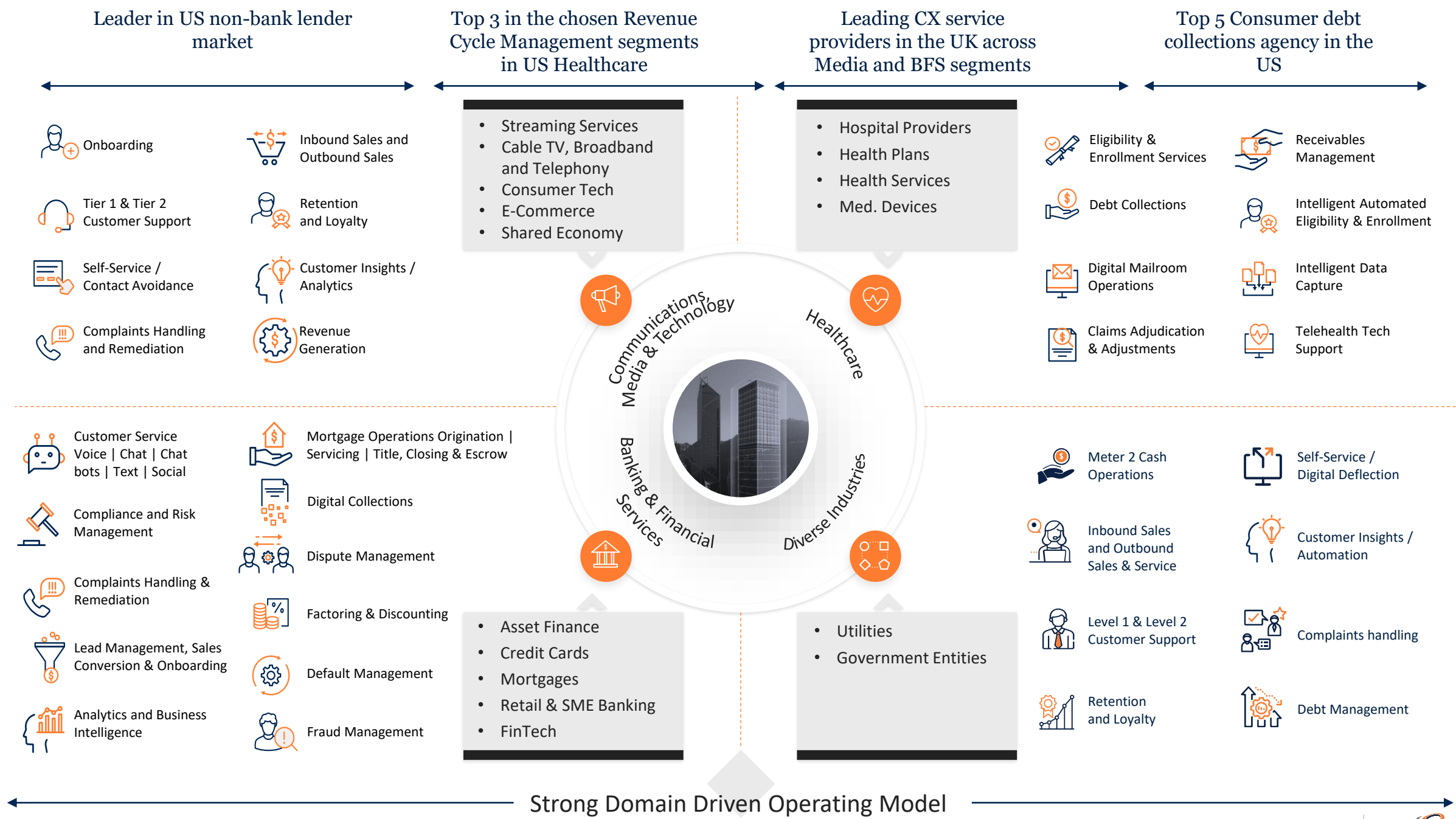
(Hyperlinks)

ANNUAL REPORT					PUBLISHED RESULTS					INVESTOR PRESENTATIONS					PRESS RELEASE				
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

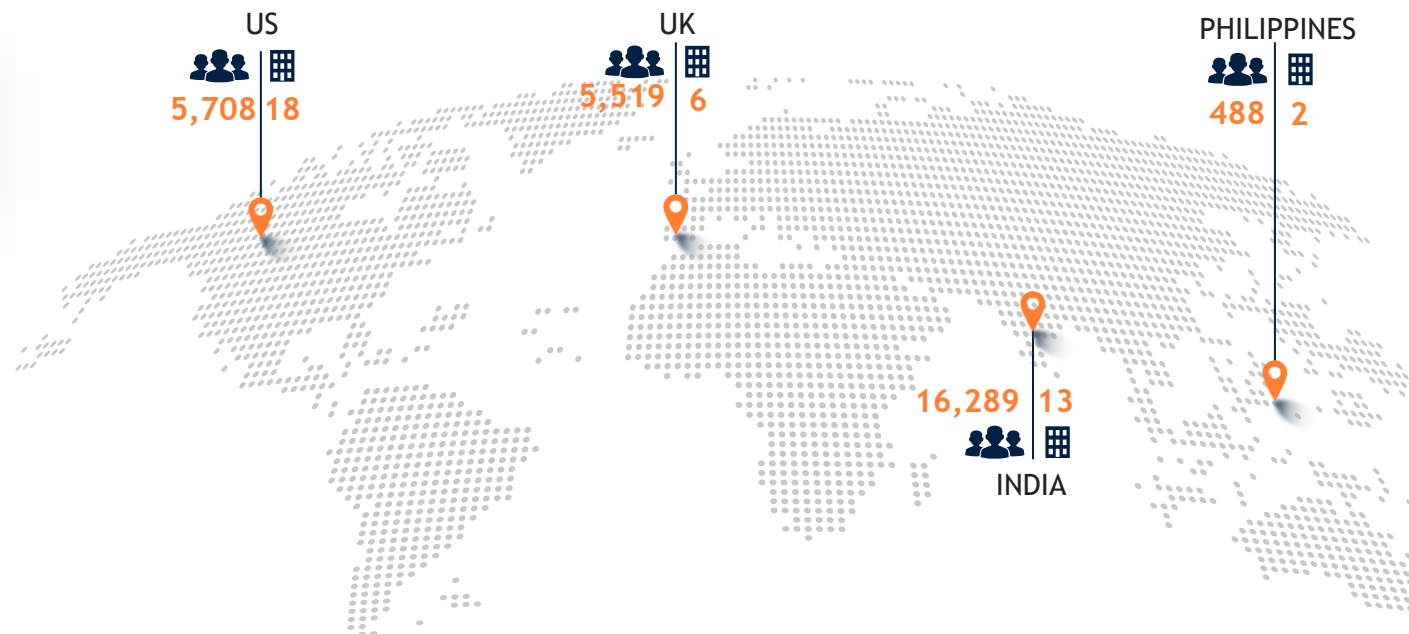
FACT SHEET					TRANSCRIPTS					SHAREHOLDING PATTERN				
FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3	Q4
FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4	FY2020	Q1	Q2	Q3	Q4
FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4
FY2018	Q1	Q2	Q3	Q4	FY2018	Q1	Q2	Q3	Q4	FY2019	Q1	Q2	Q3	Q4

[Click Here](#)

To subscribe for future updates



About Us



- Established in **2001**
- Revenues of **INR 51.0 Billion**
(approximately \$685 Million) in FY2021
- 28,004 Firstsourcers**
across US, UK, India and Philippines
- Leaders in chosen segments**
across Banking & Financial Services, Healthcare, Communications, Media & Technology
- Domain driven BPM services company**
Leveraging a 'Digital First, Digital Now' approach to solve key customer problems
- 100+ 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 \$3.8 Billion in FY2020



Select Awards



International Customer Experience Awards

2020: Firstsource, jointly with a client, won Silver Award for Best Customer Experience Strategy



Contact Centre Network Northern Ireland Awards

2020: Best Homeworking Programme for Derry Center

2019: Outsourced Contact Centre of the Year award with our client

2018: Won in the Support Team of the Year category



Welsh Contact Centre Awards

2020: Contact Centre Manager of the Year

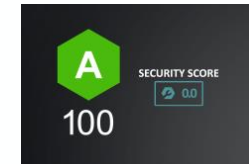
2019: Gold for People Engagement

2018: Gold for Outsourced Contact Centre of the Year and People Engagement



NelsonHall

Positioned as a 'Leader' in NelsonHall's NEAT Evaluation both for 'Overall Mortgage & Loan Services' as well as 'Support for New Digital Business Models'



"A-100" by SecurityScorecard™

2021: 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.

Industry Associations



Corporate Management

Senior Leadership



Vipul Khanna

—
MD and
Chief Executive Officer



Dinesh Jain

—
Finance



Prashant Nandella

—
Operations



Randall Shafer

—
Healthcare
Provider



Venkatgiri Vandali

—
Health Plans &
Healthcare Services



Deb Biswas

—
Communications,
Media & Technology



Siddharth Parashar

—
Europe Business



Arjun Mitra

—
Collections



Steven Schachter

—
Mortgage



Shuchika Sahay

—
Human Resources



Sundara Sukavanam

—
Digital Services



Rajlakshmi Raghavan

—
Marketing, Branding &
Corporate Communications

Helping customers *stay ahead of the curve* through transformational technologies and capabilities

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company, is a leading provider of transformational solutions and services spanning the customer lifecycle across Healthcare, Banking and Financial Services, Communications, Media and Technology and other industries.

Our 'Digital First, Digital Now' approach helps organizations reinvent operations and reimagine business models, enabling them to deliver moments that matter and build competitive advantage.

With an established presence in the US, the UK, India and the Philippines, we act as a trusted growth partner for over 100 leading global brands, including several Fortune 500 and FTSE 100 companies.

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