

November 08, 2016

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 Schedule of Analysts/ Institutional Investors Meeting

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to be made at the conference arranged by Spark Investor on 08th November 2016 at Grand Hyatt Kalina, Mumbai

Thanking you,

For Firstsource Solutions Limited



Authorised Signatory

Firstsource Overview

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Overview



Fast Facts



Founded
December 2001



Employees
24,900+



Revenues 2015-16
\$492 million

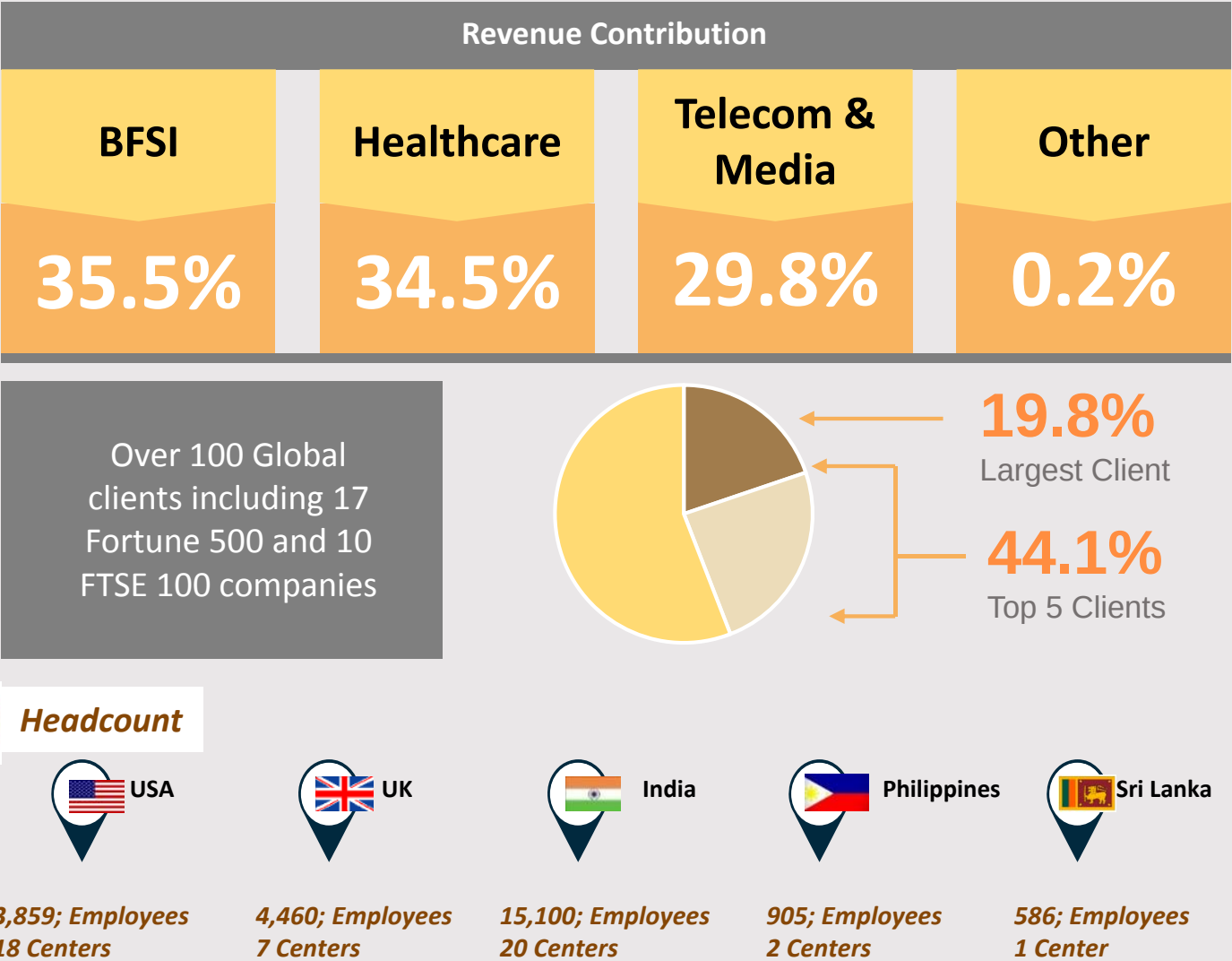


Delivery Centres
48



Countries
5

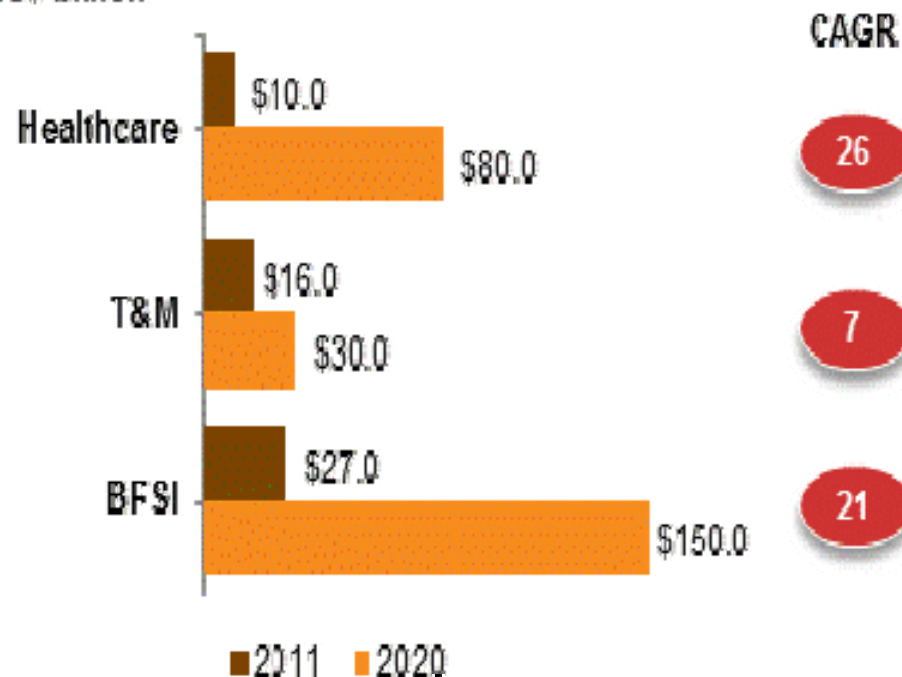
Client Breakdown



Market Opportunity and Business Structure

Total Addressable Market Globally

US\$ billion



Customer Management

Collections

Transaction Processing

Delivery Geos

Healthcare		BFSI	T&M
Payer	Provider		
✓		✓	✓
	✓	✓	✓
✓	✓	✓	✓
US/India	US	US/India/UK/Philippines	UK/India/Philippines/Sri Lanka

Our client base includes 17 Fortune 500 and 10 FTSE 100 companies.

- **Healthcare:** 5 of the top 10 Health insurance / managed care companies in the US and over 650+ hospitals in the US
- **Telecom & Media:** 1 of the top 3 mobile service providers in the U.K., largest pay TV operator in the U.K., largest telecommunication company in the U.K., largest pay TV operator in Australia, 2 of the Top 5 mobile service providers in India, 2 of the top 10 U.S. telecom company, 3 of the world's largest trade publishers, largest entertainment company in U.S.
- **BFSI:** 6 of the top 10 U.S. credit card issuers, leading Irish Bank, largest credit card issuers in the UK, largest bank and mortgage lender in the U.K., One of the Top 3 motor issuers in the U.K, India's leading private life insurer

Market Trends and Opportunities

Healthcare Provider Market Trends

- Circa 20M Americans covered under ACA till date
- Increased focus on quality and improved health outcomes as reimbursement and payment become predicated on outcomes
- Shift from fee for service medical care to value based healthcare progressing at varied speed in different states
- Providers are increasing their scale through consolidation, by engaging in horizontal integration to better collaborate, prioritize programs, consolidate services and cut costs. Care is gradually shifting towards prevention and from hospitals to homes and work leveraging technology

Healthcare Payer Market Trends

- Health reform driven shift in payer business model to B2C leading to consolidation
- Health insurance exchange (HIX) creates new IT-BPM opportunities
- HIXs makes it imperative on payers to focus on member experience, compete on value rather than price
- Affordable Care Act's mandatory Medical Loss Ratio (MLR) threshold could drive cost-saving initiatives through outsourcing G&A cost for Payers
- Social & mobile technology development will drive Payer usage of persuasive behavioral economics techniques

BFSI Market Trends

- Financial Institutions continue to be under strict compliance and liquidity regulations.
- Strained revenue growth, low interest rates and rise of digital consumers has compelled BFSI industry to rethink their business model, and focus on increasing profitability and customer experience
- Regulatory changes in UK in savings account & pensions providing opportunities for managed services
- Complaints management services gaining traction for Firstsource in the UK and ROI market for different products, i.e. credit cards, savings accounts, mortgages etc.
- Collection business is slowly stabilizing on the backdrop of economic recovery in the US, liquidation rates showing signs of improvement

Mortgage Market Trends

- Mortgage BPM stands out as the largest sub-market within the banking BPM space
- Originations accounted for a higher share of the market in terms of revenue, however, servicing is also growing at a faster pace
- Buyers looking towards service providers to deliver more than just cost savings

Telecom Market Trends

- Companies with a superior product and excellent service garnering disproportionate share of the market
- Clients rationalizing their outsourcing partners to a smaller number of strategic partners with flexible global delivery networks
- Suppliers who have domain expertise in all sub segments (Mobile, fixed line, broadband and DTH) and understand the underlying business dynamics / complexities are well positioned
- Use of multiple capabilities with social media, customer contact strategies in the communications vertical is expected to increase by largest percentage point for full integration with other contact channels
- Consumer Insights is the new norm, using a blend of structured data analytics and social media forum analysis
- Investing to deploy an effective Omni-channel framework reduces the overall cost to serve, increasing NPS, reducing churn is priority for telecom and media organisations

BFSI Capability



Customer Acquisition	Account Servicing				Collections Management	Retention				
Sales, Account setup and Activation	Customer Service	Billing	Complaints Management	Collections and Recoveries	Saves and Retention					
• Activation calling • Application processing • Welcome calling • Up selling • Risk assessment • Rules-based underwriting • Premium calculation • Policy issuance	• Account maintenance • Query management • Interactive services (email/web chat) • Web and technical support • Up / cross selling	• Billing inquiries • Correspondence (Email) • Claims administration • Claims management	• Disputes & complaint resolution • PPI (Payment Protection Insurance) • OFT (Office of Fair Trade) • CRU (Compensation Recovery Unit) level 2 complaints	• Early stage collections • Late stage collections • Recoveries • Post charge off	• Loyalty / retention programs • Customer / Account retention • Product retention					
Channel Competence				Product Expertise						
Phone	Email	Webchat	Social	Surveys	Mobile	Retail Banking	Insurance	Payments & Cash Mgmt.	Commercial Banking	Remediation
										
Delivery Locations						Value Add Services				
 USA	 UK	 India	 Philippines			 The Complete Remediation Solution	 A Human touch to the web experience		 Debt Recovery with Enhanced Customer Experience	
						 Actionable Insights from Customer Interactions		 Productivity Redefined	 Enhancing Efficiency and Experience	

Our Mortgage Offerings, Through the Recent Acquisition



	Origination	Servicing	Quality & Risk
Business Process Management	• End-to-End Fulfillment • Component Processing or Component Fulfillment	• Component Servicing • Default Servicing	• Correspondent Pre-Purchase Reviews • QA/QC Services Across the Mortgage Value Chain
Vendor Services	• Valuation (Appraisal, Evaluations) • Title and Closing	• Component Servicing • Default Servicing	
Technology Solutions	 firstCustomer Intelligence™ Actionable Insights from Customer Interactions  firstChat™ A human touch to the web experience  firstSmartomation™ Enhancing Efficiency and Experience  nanobi analytics		
 Consulting and Professional Services 			

The acquisition of ISGN BPO complements FSL capability through

- **Market, Geography and Service line expansion**
 - Entry into the US BFSI market – was limited to only Collections
 - High entry barriers; inorganic entry the preferred route – ISGN's safe licenses in all 50 states, and settlement licenses in 37 states; not available with BPO competitors
 - Strong origination client base and revenues – to be capitalized upon
- **Onshore/Offshore ratio**
 - Favorable Onshore/ Offshore mix with c750 FTEs in India
- **Driving operational efficiency through Analytics, Business and Digital Transformation**
 - Automation to drive significant transformation
 - Opportunity to reengineer the operations
- **Cross sell opportunity from existing capability set**
 - Presents opportunity to cross-sell Collection services to Mortgage clients and vice-versa
 - Potential to sell other CM services into clients, esp banks; Recent CM wins in US to help strengthen the case with first cross sells opportunity already won

Telecom Capability



Customer Acquisition	Provisioning	Account Servicing			Retention
Sales and Marketing	Order Fulfillment	Service and Support	Billing and Revenue Assurance	Receivables and Collections Management	Saves and Retention
• Pre-Sales - Query Handling - Database creation - Traffic generation - Product Information • Direct Sales - Customer Education - Order taking/ reservations - Telesales - Payment Processing • Sales Force Support - Lead generation - Appointment setting	• Account administration and management • Order management and Provisioning • Porting support	• Customer Service - Escalation management - Welcome Calling • Multi-level technical support - Installation/ Setup support - High tech queries - Troubleshooting - Expert Level - Service Desk Support • Value Growth - Up-selling/ Cross-selling - Research and Consulting	• Billing inquiries • Account updates and consolidation • Fraud Monitoring	• Credit limit / expiration • Inbound internal handoff calls • High usage management • Early stage • Mid Stage • Late stage	• Dispute resolution • Increasing customer awareness for chosen plan • Increase tolling • Contract renewal / reactivations • Data capture / data mining • Loyalty / retention programs • Customer profiling and plan analysis • Customer profitability analysis – cost to save

Geo  **Delivery Model** Right Shore

Markets B-2-B, B-2-C

Agent Model On-site Agent, Universal Agent, Home Agents

Segments Broadband / High Speed Internet (ISP) | Wireless / Mobile | Cable and Satellite TV (Pay TV) | Network Providers | Wire line / Fixed

Value Additions Business Assessment | Process Excellence | Optimization | Six Sigma Consulting | Voice and Data Analytics | Process Mapping and Feasibility Assessment

Innovations

firstCustomer Intelligence™
Actionable Insights from Customer Interactions

firstChat™
A human touch to the web experience

firstSmartomation™
Enhancing Efficiency and Experience

firstWorkforce Optimization™
Productivity Redefined

firstResolve
The Complete Remediation Solution

firstCollect
Debt Recovery with Enhanced Customer Experience

Healthcare Payer BPM

End to End Customer Life Cycle Management



Healthcare & Claims Payer	Mail Room	Transaction Processing	Claims Processing/ Adjudication	Member and Provider data Management	Member / Provider Services	Compliance
- Insurance Companies - Third Party Administrators - Managed Care Organizations	- Inbound - Scanning, verifying, indexing, digital conversion - Outbound - EOB processing - Printing/mailling (ID cards, correspondence, policies, etc)	- Proprietary OCR Technology on an integrated workflow platform - Rules engine - Integrated data base validations - Customized output (ANSI837, NSF)	- Claim auditing - Claim adjustments, re-pricing - Secondary claim processing - Bundling, dup analysis - Backlog reductions	- Enrollment - Eligibility Verification - Premium Reconciliation - Obtain, verify and input provider information, such as names, tax IDs, addresses, NPIs, etc.	- Correspondence - Physician validation - Inbound/outbound customer service - Provider overpayment collection	- Regulatory documentation - Appeals & grievances management - Fraud & abuse

Services offered through different channels: Data, E-mail, Fax, Correspondence

Digital Solutions

first ChatTM

A Human touch to the web experience

first Customer IntelligenceTM

Actionable Insights from Customer Interactions

first WF SuiteTM

Productivity Redefined

first SmartomationTM

Enhancing Efficiency and Experience

first Consult

first ResolveTM

The Complete Remediation Solution

Healthcare Provider

Hospitals | Physician Groups



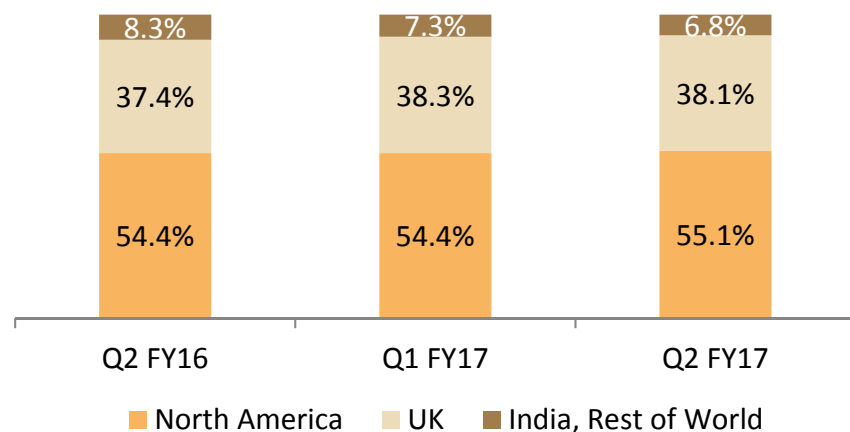
Patient services	Eligibility service	Receivables management	Collection services
• Patient contact and registration • Insurance verification and certification • Patient visit management • Enrollments	• Medicaid review and management • Assisting patients with Medicaid coverage • Charity assistance • Handling all aspects of providing charity assistance • Self pay conversion to available options under HIE • MedAssist Advantage Plan (MAP) • Innovative hospital credit card in conjunction with Care Payment	• Ongoing and clean-up projects for all payer classes • Initial billing, follow –up and denials management • Self-Pay “Early-Out” cash acceleration • Management of patient interaction to ensure maximum recovery • Management of provider enrollment and billing for Out-of-Primary-State medic aid receivables • Credit balance resolution • Full Business Office Outsourcing	• Custom telephone collection campaign • Small balance collections • Skip-tracing services • Cash acceleration services • Attorney services

Digital Solutions

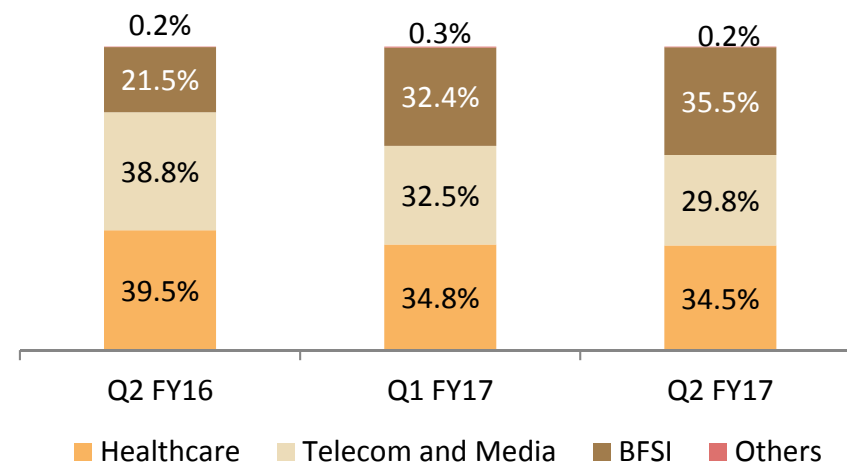


Revenue Distribution – Q2 FY2017

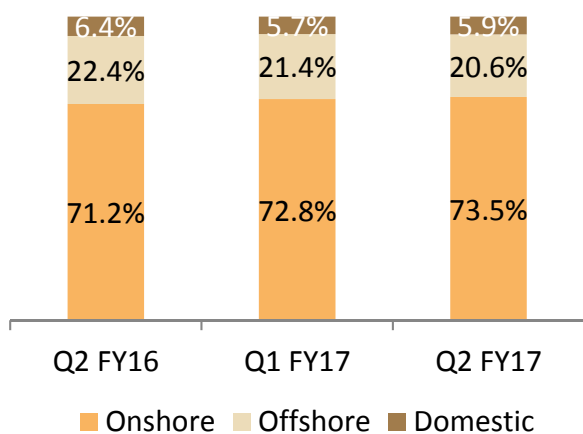
Revenue By Geography



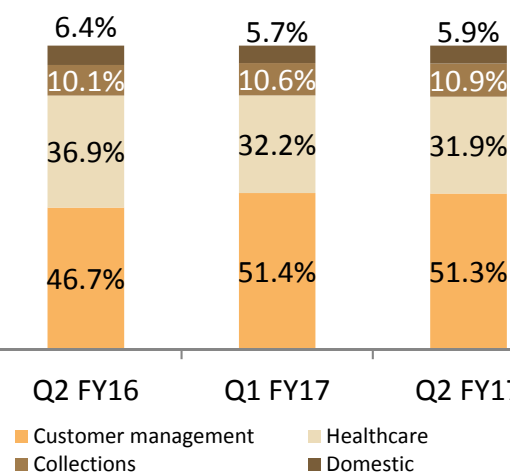
Revenue By Verticals



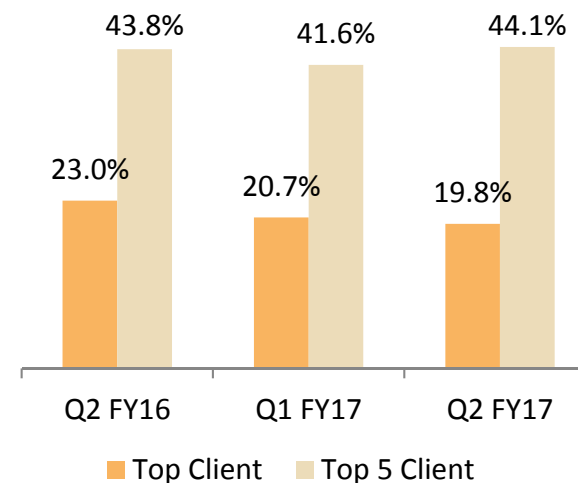
Revenue By Delivery



Revenue By Segment



Revenue By Client Concentration



Financial Performance



(IN INR Million)	FY2014	FY2015	FY2016
Income from services	31,270	30,034	31,617
Other operating Income	(211)	313	556
Revenue from operations	31,059	30,347	32,173
Personnel and Operating Expense	27,438	26,539	28,269
Operating EBITDA	3,621	3,808	3,904
<i>Operating EBITDA %</i>	<i>11.7%</i>	<i>12.5%</i>	<i>12.1%</i>
Depreciation / amortization	757	722	662
Operating EBIT	2,864	3,086	3,242
<i>Operating EBIT %</i>	<i>9.2%</i>	<i>10.2%</i>	<i>10.1%</i>
Other Income / (expense)	(8)	11	73
Interest Income / (expense), net	(824)	(656)	(506)
PBT	2,033	2,440	2,809
<i>PBT (% of total income)</i>	<i>6.5%</i>	<i>8.0%</i>	<i>8.7%</i>
Taxes and Minority Interest	103	97	257
PAT	1,930	2,343	2,552
<i>PAT (% of total income)</i>	<i>6.2%</i>	<i>7.7%</i>	<i>7.9%</i>

(IN INR Million)	Q2 FY 2016	Q1 FY 2017	Q2 FY 2017
Income from services	7,746	8,753	8,572
Other operating Income	132	183	271
Revenue from operations	7,878	8,935	8,844
Personnel and Operating Expense	6,943	7,743	7,718
Operating EBITDA	935	1,192	1,126
<i>Operating EBITDA %</i>	<i>11.9%</i>	<i>13.3%</i>	<i>12.7%</i>
Depreciation / amortization	183	163	160
Operating EBIT	752	1,029	965
<i>Operating EBIT %</i>	<i>9.5%</i>	<i>11.5%</i>	<i>10.9%</i>
Other Income / (expense)	4	13	(2)
Interest Income / (expense), net	(125)	(126)	(103)
PBT	631	916	861
<i>PBT (% of total income)</i>	<i>8.0%</i>	<i>10.3%</i>	<i>9.7%</i>
Taxes and Minority Interest	44	183	148
PAT	587	734	713
<i>PAT (% of total income)</i>	<i>7.4%</i>	<i>8.2%</i>	<i>8.1%</i>

Financial Summary (2/2)



Balance Sheet as on 30th September, 2016

Rs. million	September 2016
Equity And Liabilities	
Share Capital	6,757
Reserves & Surplus	12,470
Minority Interest	20
Long-term borrowings	3,339
Other non-current liabilities	305
Current liabilities	10,913
Total	33,804
Assets	
Goodwill on consolidation	19,726
Fixed assets	1,463
Other non-current assets	5,561
Current investments	563
Cash and cash equivalents	657
Other current assets	5,833
Total	33,804

Net Debt Status

- **Gross Debt as on September 30th, 2016 stands at \$102 Mn**
- **Cash and cash equivalents of Rs. 1,220 million as of September 30th, 2016**
- **Net Long Term Debt = \$84 Mn**
- **Currently repaying the \$135 Mn term loan and \$19.5 Mn ECB**
 - Repayment of \$11.25 Mn per quarter
 - Majority of ECB repayment between FY17 and FY19
- **Interest cost at approx. 4%**
- **Outstanding FX hedges at \$50 million for USD and £62 million for GBP**
 - **Next 12 months:** 59% coverage for USD at INR 70.6 levels, 82% coverage for GBP at INR 109.7 levels, 25% coverage for GBP at PHP 68.6 levels
 - **Next 12 – 24 months:** 39% coverage for USD rates at INR 73.8 levels and 65% coverage for GBP at INR 107.9 levels
 - **Next 24 – 36 months:** 30% coverage for GBP at INR 102.6 levels

Business Outlook

- Brexit impact adverse on currency. Positive to BPM outsourcing especially in the Banking sector
- Following the selection as a preferred partner to Sky, transition of services from the other partner has commenced. 1st transition of 257 people was effective from Sept 1, 2016 and the 2nd transition of circa. 900 to 1000 people would be effected on Mar 1, 2017
- ISGN BPO business performance continues to be robust and better than plan
- Continues to maintain our growth and margin guidance for the year
- Debt repayment continues as per plan



THANK YOU

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a global provider of customised BPO (Business Process Outsourcing) services to the Banking & Financial Services, Insurance, Telecom, Media & Publishing and Healthcare sectors. Its clients include FTSE 100, Fortune 500 and Nifty 50 companies. Firstsource has a “rightshore” delivery model with operations in India, Ireland, US, UK, Philippines and Sri Lanka. (www.firstsource.com)