
Investor Presentation & FACT SHEET: Q1 FY 23

July 2022

This presentation may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' purchasing decisions, and impact our ability to provide services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations could also be negatively impacted by a range of external factors not within our control including those due to the pandemic. We do not undertake to update any of our forward-looking statements that may be made from time to time by us or on our behalf.

About Happiest Minds

Next-Gen Digital Transformation, Infrastructure, Security and Product Engineering Services Company

<p>97% Digital Born Digital</p>	<p>93% Agile Born Agile</p>	<p>211 Active Clients 56 Fortune2000 / Forbes200 Billion \$ Corporations 90% Repeat Business</p>	<p>39.1% RoCE¹ 31.5% RoE</p>
<p>Mission Statement Happiest People Happiest Customers SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>4,188 Happiest Minds across 7 Countries Gender Diversity 26% 4.4 rating on Glassdoor</p>	<p>Great Place To Work[®]</p> <ul style="list-style-type: none"> #29 India's Best Companies to Work for 2022 #63 Asia's Best Workplaces 2021 50 Best Workplaces for Women 2021 India's Top 15 Best Workplaces in Health & Wellness 2021 Special Recognition for COVID-19 Support 	<p>Industry leading 6.9% q-o-q revenue growth (Constant Currency) in Q1FY23</p>

Promoter



Ashok Soota



IPO - In September 2020

- Completing 11 years in August 2022
- Strong Management Team & Corporate Governance
- 700K+ Investors
- Robust Growth and Profitability



ER&D SERVICES





Winner / Business Excellence 2021





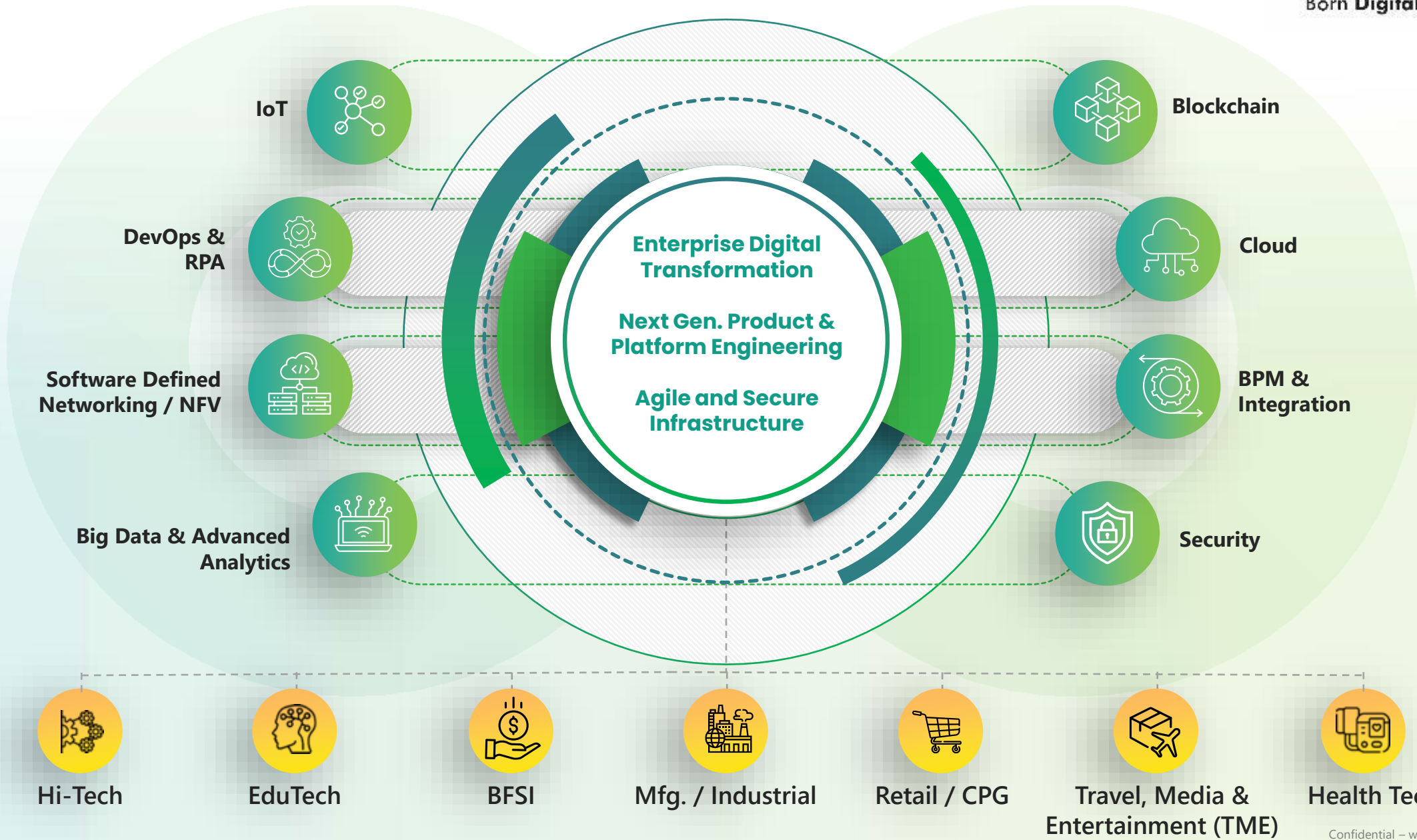
Mission, Vision and Values

Our 2021-31 Vision - DELiGHT

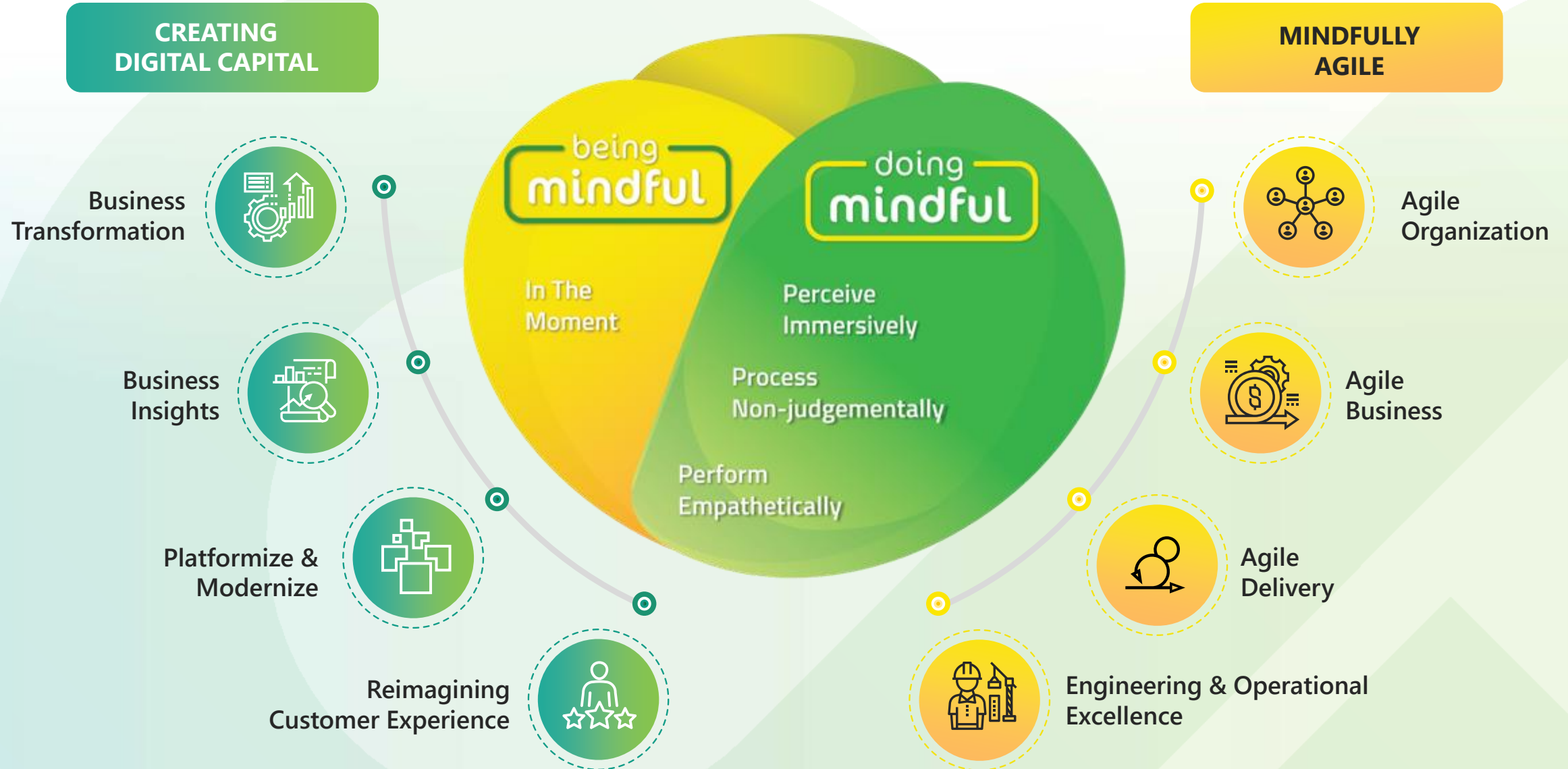
Our SMILES Values



Our Business



Born Digital . Born Agile . The Mindful IT Company



Q1 Key Project Wins

1

For a large British based construction and Infrastructure company, Happiest Minds is chosen as a digital technology partner to build an IoT and Analytics platform to deliver data led insights for improved operational efficiency, sustained competitive advantage and customer experience

2

For a large bottling company in North America, Happiest Minds is chosen as a trusted advisor for their large-scale implementation of business intelligence transformation engagement to drive better business decisions

3

For a leading Semiconductor company, Happiest Minds is providing engineering services support for their network security product

4

For a reputed animal management solutions company in the ANZ region, Happiest Minds is providing engineering services to improve animal performance and drive better customer experience

5

For a global tech led mobility company, Happiest Minds is advising on running, managing and improving their third-party risk assessment program using next gen digital tools

6

For a non-profit organization in the US, this consulting led engagement entails Happiest Minds to provide discovery, assessment and design services for their infrastructure migration to cloud

Analyst Mentions



'Innovator' in NelsonHall's
Digital Banking Services
NEAT Report



Major Contender in
Everest's Digital Product
Engineering PEAK Matrix

Award Wins



Happiest Minds is ranked 29 in India's Best Companies To Work For 2022

Ashok Soota is conferred with the prestigious CII Quality Ratna Award 2021


Recognized as a **Finalist** for the 2022 Microsoft Power Automate Partner of the Year Award.



Priya Kanduri wins the **'Women in AI'** award at Trescon World AI show, Dubai.

Happiest Minds Technologies' AI/Analytics CoE is a winner at the ET DataCon Awards 2022





Operational and Financial Metrics – Q1 FY23

Results Q1 FY 23

All amounts in ₹ Lakhs unless stated otherwise

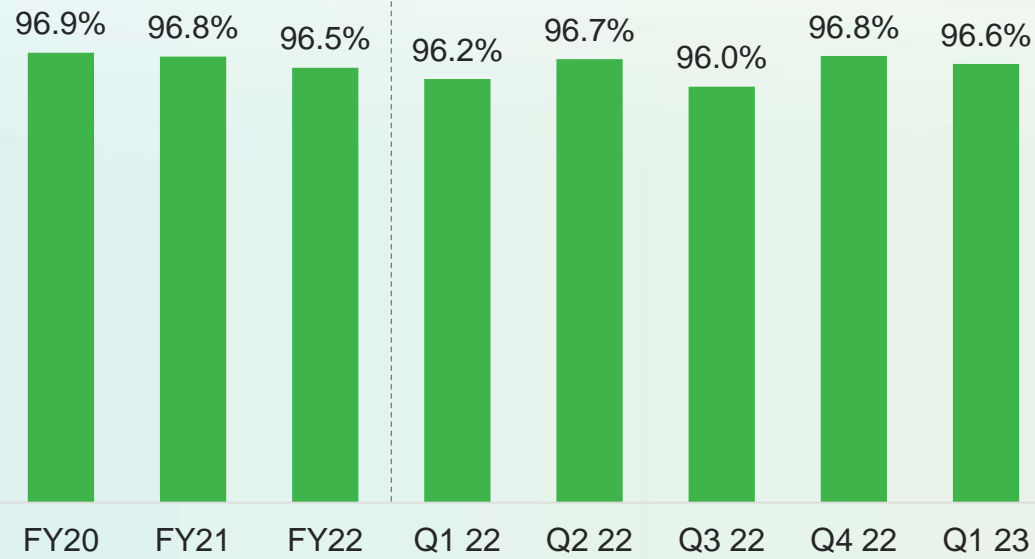
Particulars	Q1 FY 23	Q4 FY 22	QoQ	Q1 FY 22	YoY
Revenues (\$'000)	42,224	39,876	5.9%	33,152	27.4%
Revenues	32,892	30,057	9.4%	24,461	34.5%
Other Income	382	991		926	
Total Income	33,274	31,048	7.2%	25,387	31.1%
EBITDA	8,775	8,158	7.6%	6,615	32.7%
%	26.4%	26.3%		26.1%	
PBT before Exceptional Item	7,558	6,988	8.2%	5,728	31.9%
%	22.7%	22.5%		22.6%	
Exceptional Item*	-	-		(609)	
PBT	7,558	6,988	8.2%	5,119	47.6%
%	22.7%	22.5%		20.2%	
Tax	1,924	1,777	8.3%	1,546	24.5%
%	5.8%	5.7%		6.1%	
PAT	5,634	5,211	8.1%	3,573	57.7%
%	16.9%	16.8%		14.1%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile

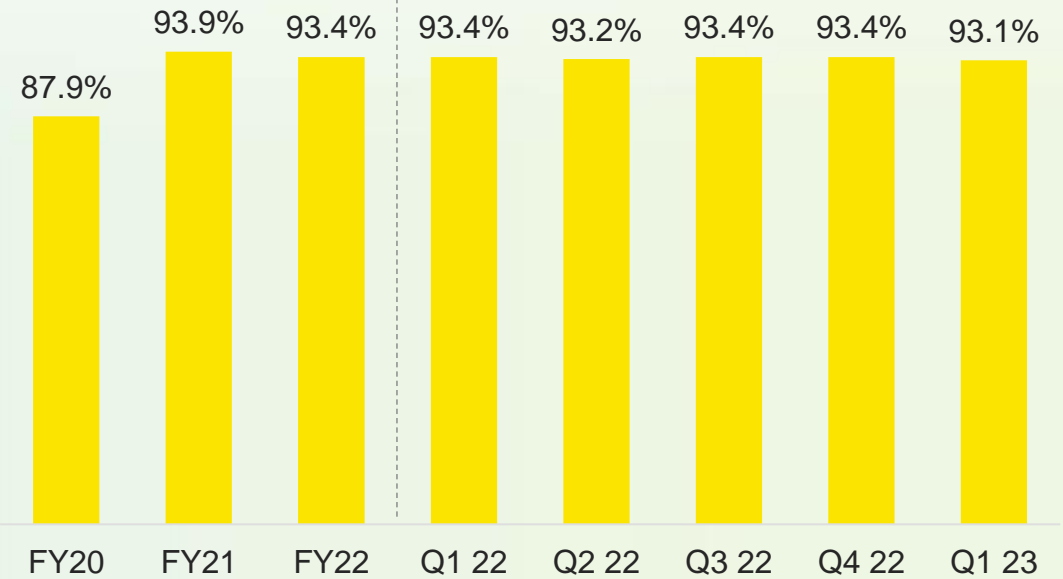
Digital

% of Revenue



Agile

% of Revenue

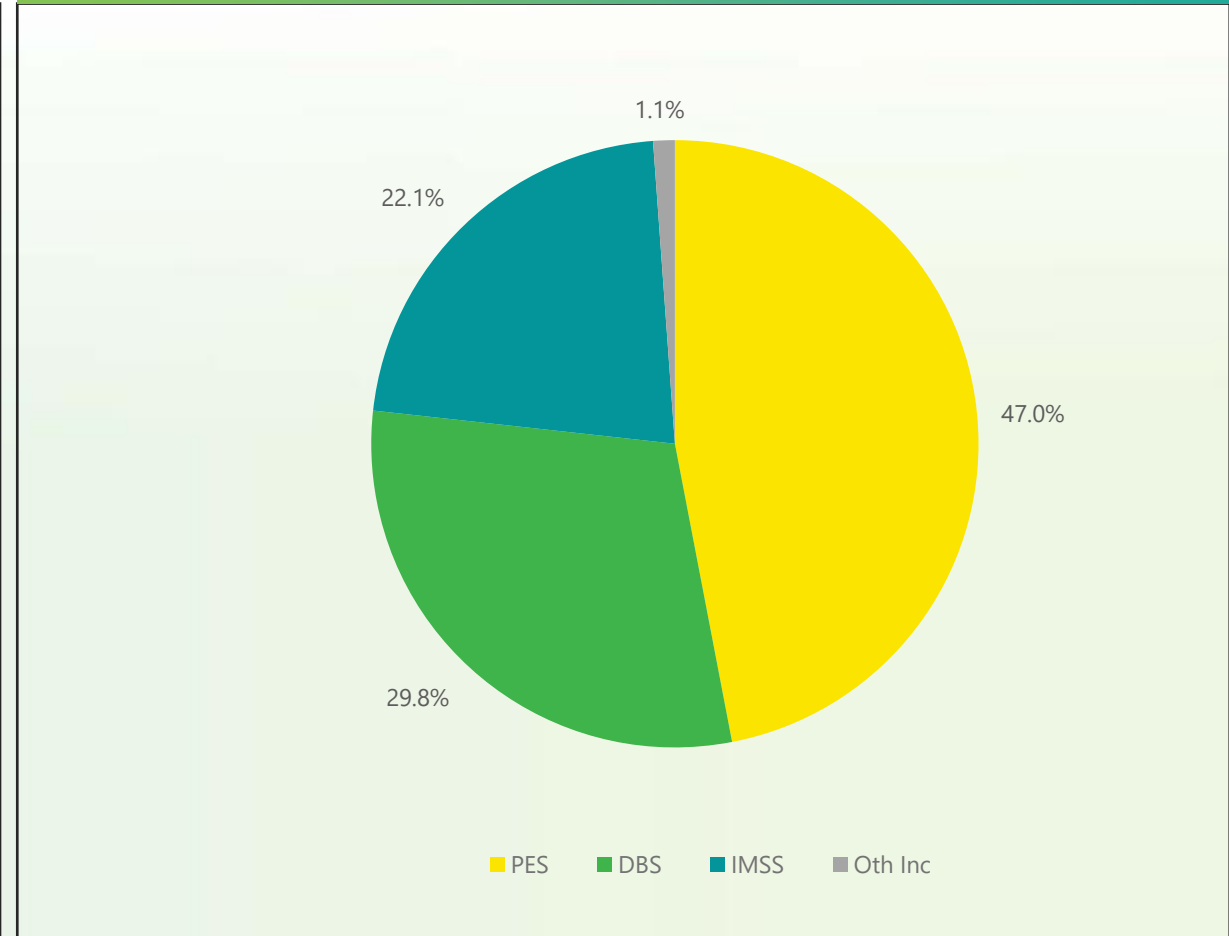


Operational & Financial Metrics

Revenue

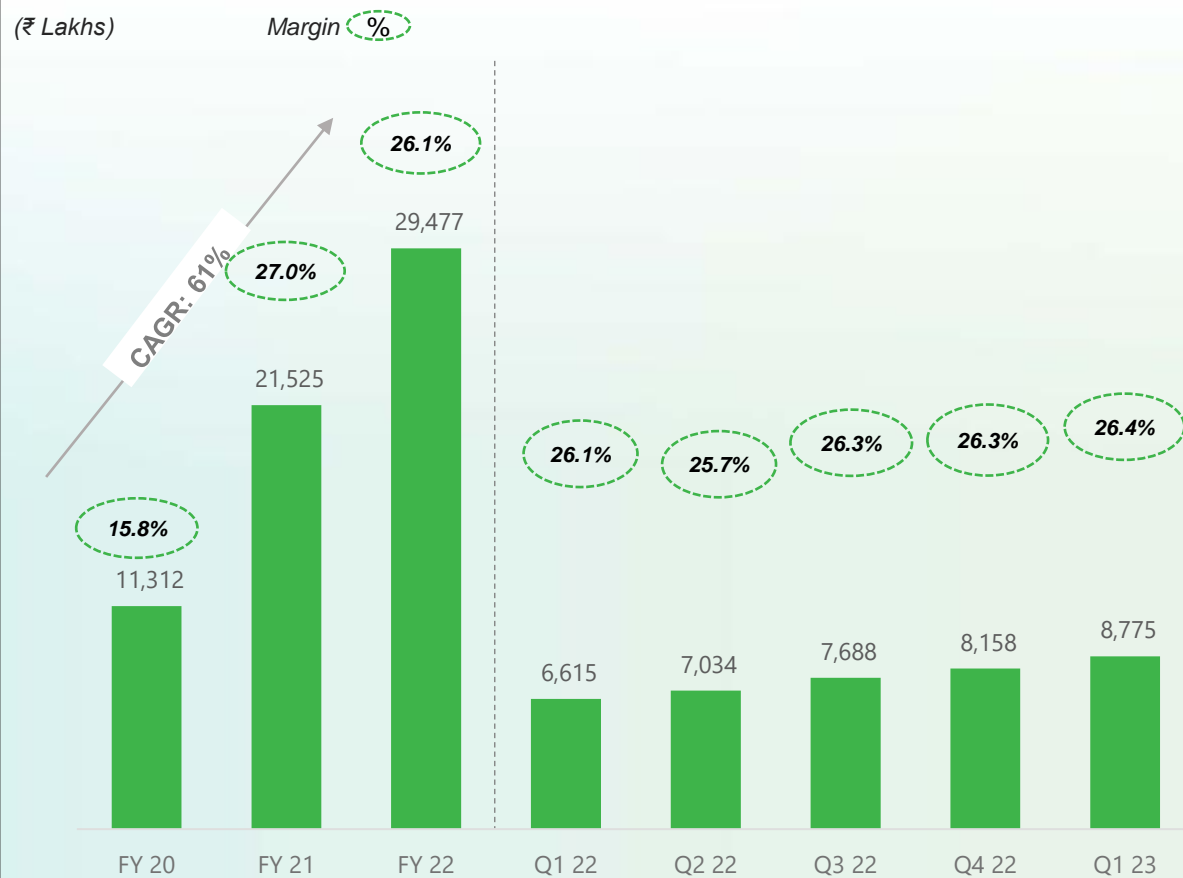


Revenue by BU



Operational & Financial Metrics

EBITDA

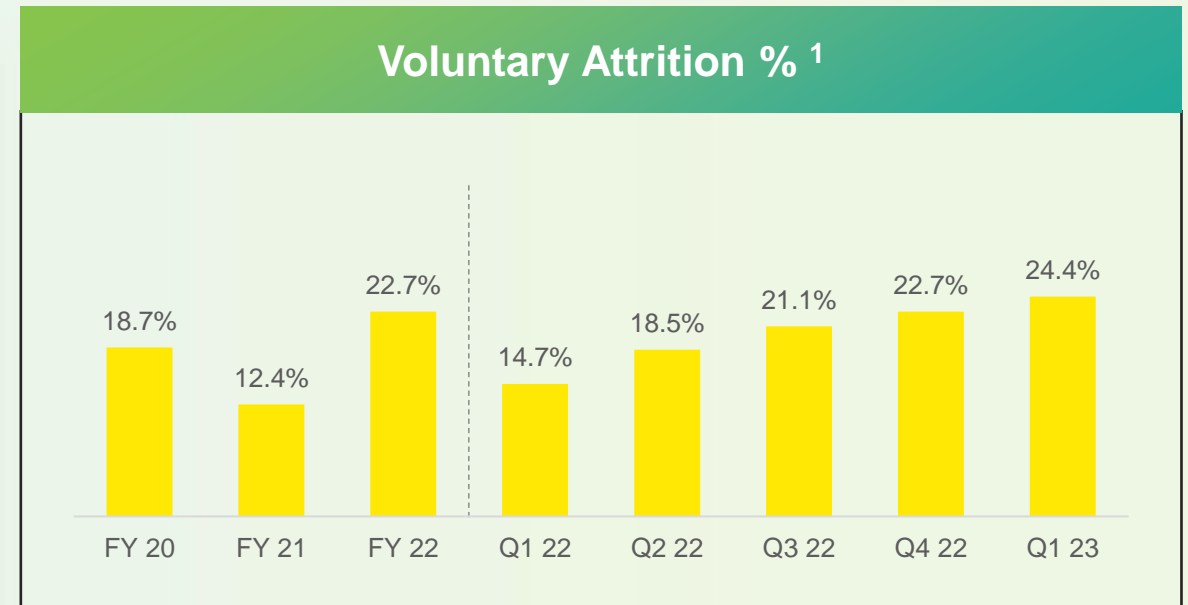
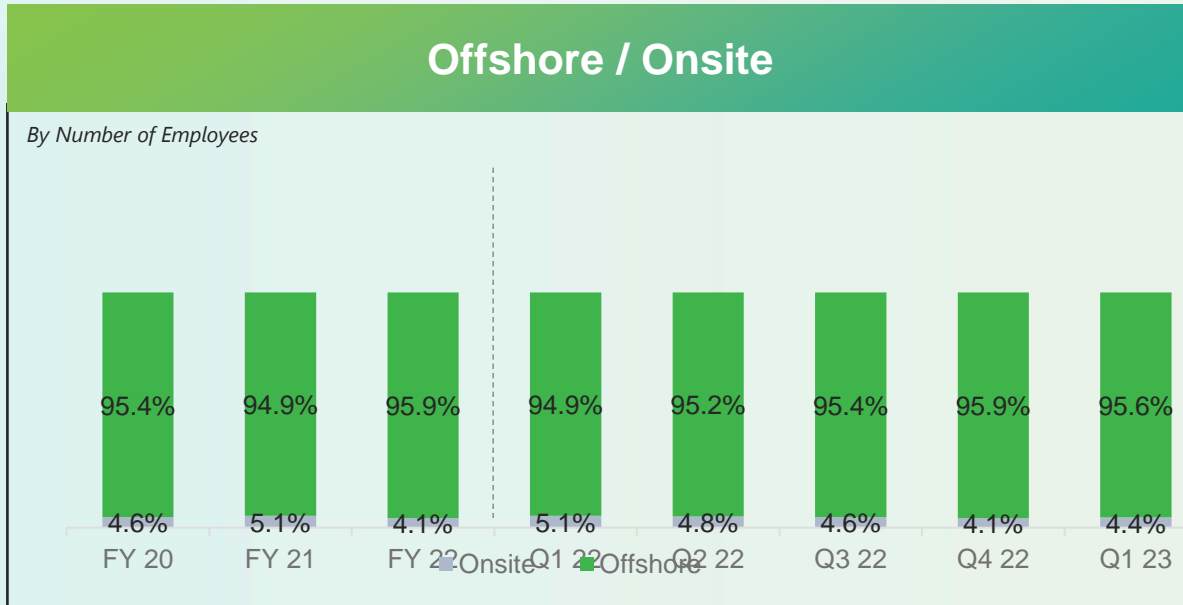
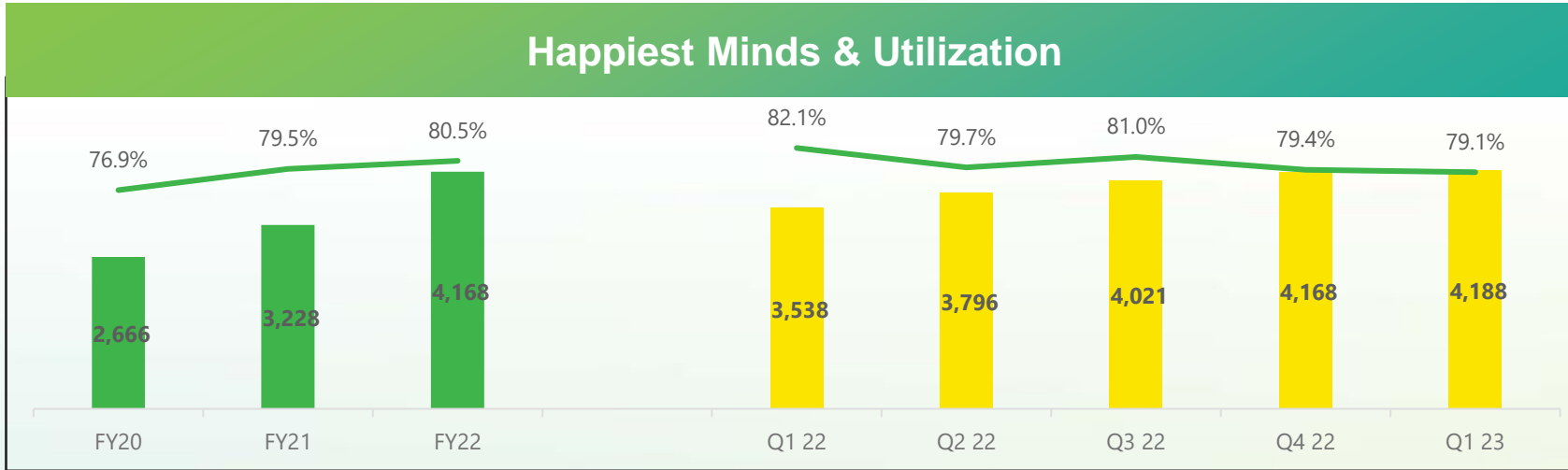


High FCF Conversion



Note: 1. FCF = Free Cash Flow Conversion = FCF/EBITDA and FCF = EBITDA – Capex. (Non-GAAP Measure)

Operational & Financial Metrics



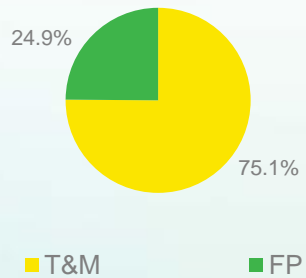
Note 1: Trailing 12 Months

Operational & Financial Metrics

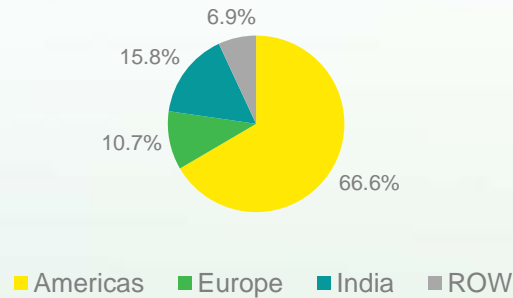
Revenue Model

Q1 23

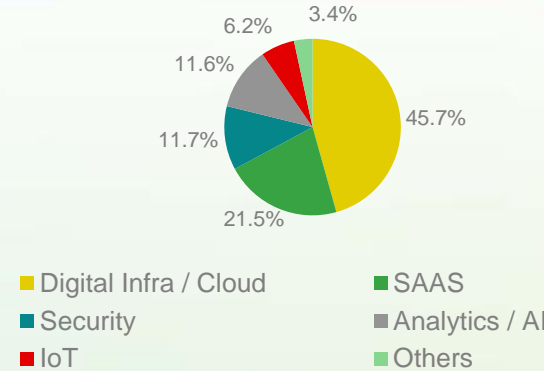
Model



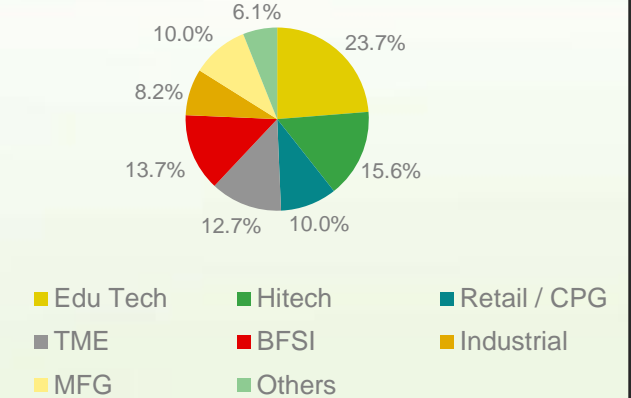
Geography



Digital Revenue¹

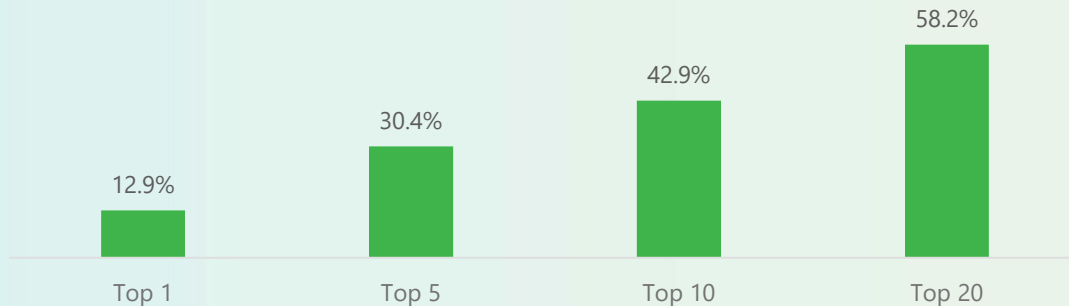


Vertical¹



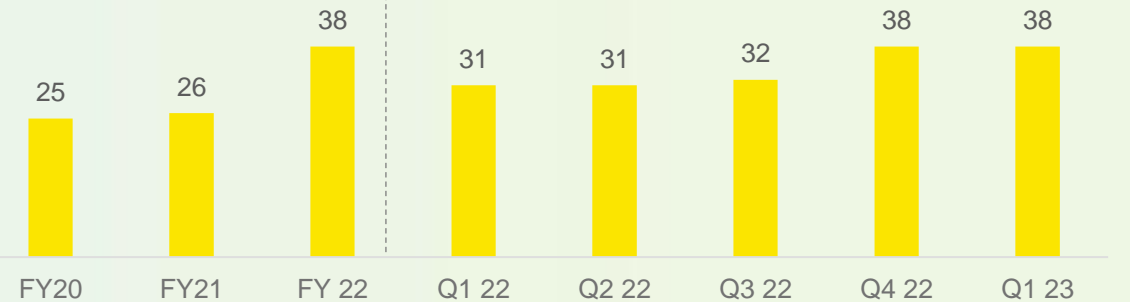
Revenue Concentration³

(% Revenue)



Million \$ Customers²

(#)

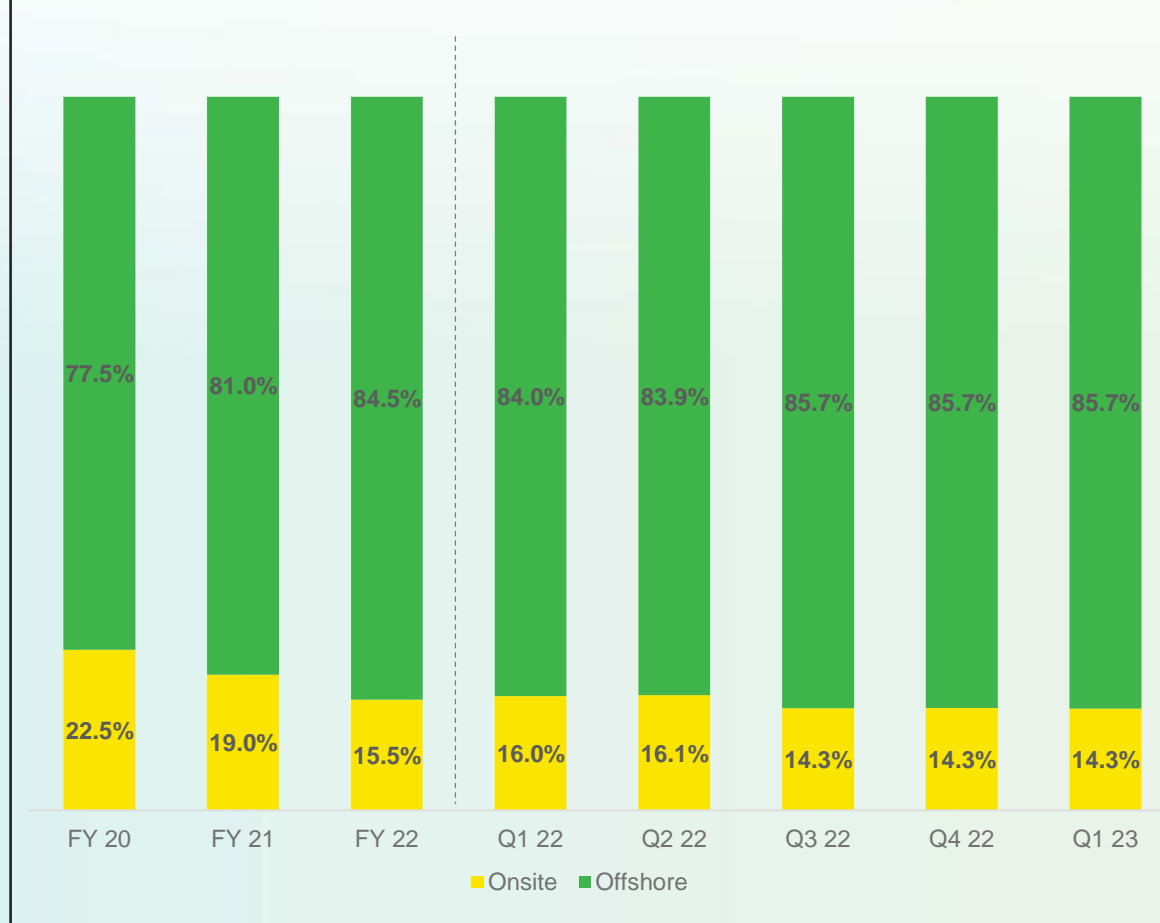


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics

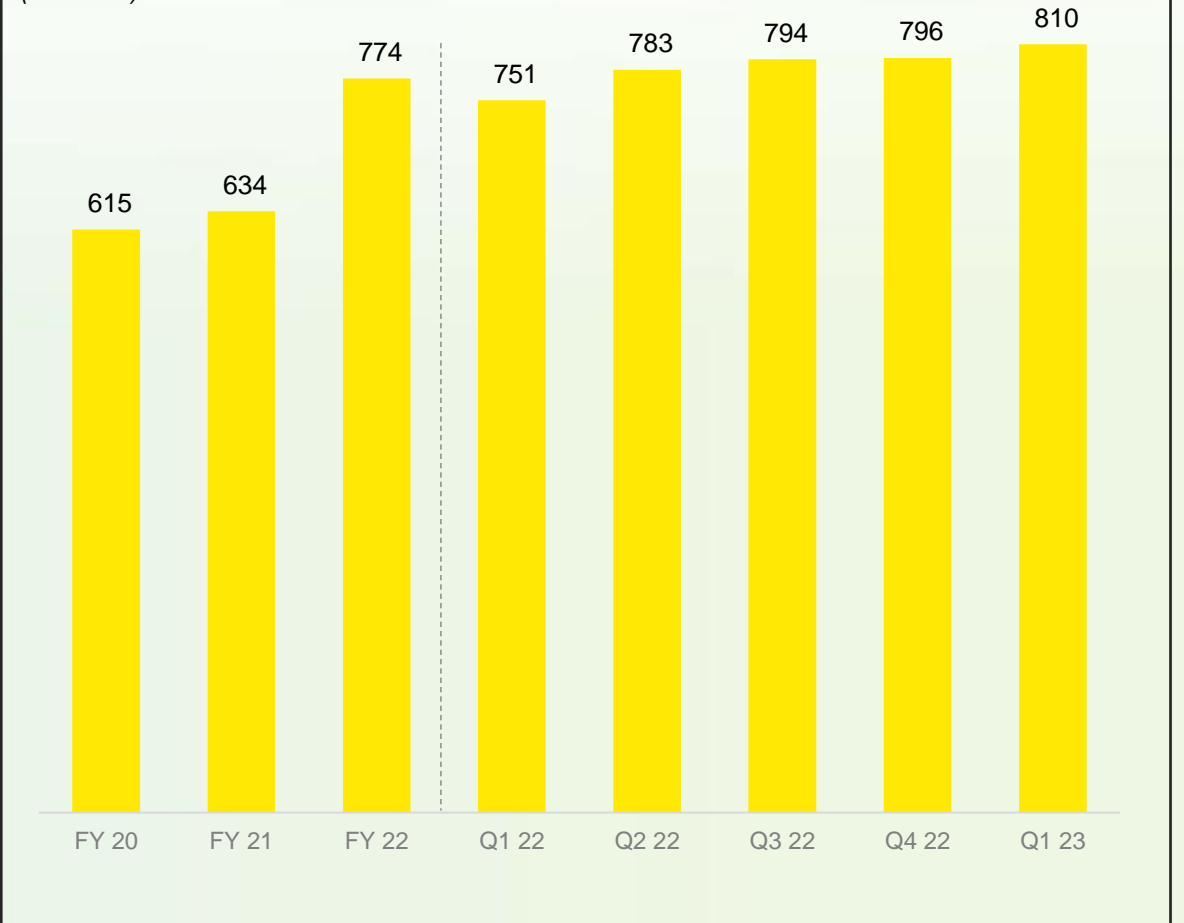
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY20	FY21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY 22	FY23 Q1
Customer Industry group								
Edutech	21.3%	25.6%	23.4%	23.2%	22.6%	23.6%	23.2%	23.7%
Hitech	21.0%	18.2%	14.2%	13.5%	18.3%	16.7%	15.8%	15.6%
BFSI	17.5%	16.4%	13.4%	13.3%	12.5%	13.7%	13.2%	13.7%
Travel, Media and Entertainment (TME)	17.1%	13.6%	13.9%	13.0%	12.3%	13.7%	13.2%	12.7%
Retail / CPG	7.5%	5.4%	9.6%	10.6%	10.6%	10.1%	10.3%	10.0%
Industrial	7.0%	7.1%	7.1%	6.6%	7.3%	6.6%	6.9%	8.2%
Manufacturing	3.7%	6.6%	6.3%	8.3%	9.4%	10.1%	8.6%	10.0%
Others	4.9%	7.1%	12.0%	11.6%	6.9%	5.4%	8.8%	6.1%
Digital Service Offerings								
Digital infrastructure/Cloud	31.2%	41.6%	42.3%	42.8%	43.6%	45.5%	43.6%	45.7%
SaaS	29.4%	22.7%	20.2%	19.6%	19.6%	21.7%	20.3%	21.5%
Security Solutions	14.9%	8.7%	11.0%	12.2%	12.2%	11.8%	11.9%	11.7%
Analytics/AI	11.6%	13.3%	12.9%	12.5%	11.9%	11.3%	12.1%	11.6%
IoT	9.8%	10.5%	9.9%	9.8%	8.5%	6.6%	8.6%	6.2%
Total	96.9%	96.8%	96.2%	96.7%	96.0%	96.8%	96.5%	96.6%
Automation as a % of total revenue	20.7%	25.2%	23.9%	23.9%	27.1%	26.2%	25.4%	26.0%

Operational & Financial Metrics

	FY20	FY 21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY 22	FY23 Q1
Revenue by Customer Geo								
USA	77.5%	73.4%	67.8%	65.9%	66.6%	65.7%	66.4%	66.6%
India	11.9%	11.8%	12.4%	13.0%	14.6%	16.2%	14.1%	15.8%
Europe	7.2%	10.4%	10.4%	11.1%	9.8%	10.4%	10.4%	10.7%
ROW	3.4%	4.4%	9.4%	10.0%	9.0%	7.8%	9.0%	6.9%
Million \$ Customers¹								
\$ 10 M +	1	1	1	1	1	1	1	2
\$ 5M to \$ 10M	-	3	3	6	4	4	4	4
\$ 3M to \$ 5M	9	6	6	3	4	8	8	7
\$ 1M to \$ 3M	15	16	21	21	23	25	25	25
Total	25	26	31	31	32	38	38	38
Revenue Mix								
Onsite	22.5%	19.0%	16.0%	16.1%	14.3%	14.3%	15.5%	14.3%
Offshore ²	77.5%	81.0%	84.0%	83.9%	85.7%	85.7%	84.5%	85.7%
Revenue by contracting Model								
Fixed Price	19.0%	22.0%	26.0%	24.4%	25.7%	24.5%	25.1%	24.9%
Time and Material	81.0%	78.0%	74.0%	75.6%	74.3%	75.5%	74.9%	75.1%
Active customers								
# of active customers	157	173	180	186	195	206	206	211
Billion \$ corporation								
# of customers	37	46	53	50	53	54	54	56

Note: 1: Based on quarter revenue annualized 2: Offshore: Revenues from customers served from India;

Operational & Financial Metrics

	FY20	FY21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY22	FY23 Q1
Happiest Minds								
Onsite	123	166	180	182	183	172	172	185
Offshore	2,543	3,062	3,358	3,614	3,838	3,996	3,996	4,003
Total	2,666	3,228	3,538	3,796	4,021	4,168	4,168	4,188
Happiest Minds %								
Onsite	4.6%	5.1%	5.1%	4.8%	4.6%	4.1%	4.1%	4.4%
Offshore	95.4%	94.9%	94.9%	95.2%	95.4%	95.9%	95.9%	95.6%
Utilization								
%	76.9%	79.5%	82.1%	79.7%	81.0%	79.4%	80.5%	79.1%
Diversity								
Women Happiest Minds	24.0%	24.5%	25.2%	26.1%	26.1%	26.4%	26.4%	26.0%
DSO								
Billed	60	57	46	58	61	55	55	58
Unbilled	23	28	36	30	32	35	35	36
Total	83	85	82	88	93	90	90	94
EPS ₹								
Diluted	5.36	11.45	2.45	3.06	3.38	3.58	12.55	3.88
Capital Return Ratios								
RoCE	28.9%	31.2%	30.7%	33.8%	32.9%	45.3%	39.8%	39.1%
RoE	27.1%	29.8%	24.7%	27.5%	28.2%	31.4%	27.3%	31.5%

Operational & Financial Metrics

(All figures in ₹ Lakhs)	FY20		FY21		FY22 Q1		FY22 Q2		FY22 Q3		FY22 Q4		FY22		FY23 Q1	
Revenue by BUs																
IMSS	15,361	21.5%	16,421	20.6%	5,251	20.7%	5,747	21.0%	6,322	21.6%	6,848	22.1%	24,168	21.4%	7,356	22.1%
DBS	19,167	26.8%	21,288	26.7%	7,570	29.8%	8,046	29.4%	8,511	29.1%	8,762	28.2%	32,891	29.1%	9,903	29.8%
PES	35,293	49.4%	39,632	49.7%	11,639	45.8%	12,661	46.2%	13,561	46.4%	14,447	46.5%	52,308	46.3%	15,633	47.0%
Total Revenue	69,821	97.8%	77,341	97.0%	24,460	96.4%	26,453	96.5%	28,394	97.1%	30,057	96.8%	109,367	96.7%	32,892	98.9%
Other income	1,602	2.2%	2,424	3.0%	926	3.6%	959	3.5%	834	2.9%	991	3.2%	3,708	3.3%	382	1.1%
Total income	71,423	100%	79,765	100%	25,387	100%	27,412	100%	29,228	100%	31,048	100%	113,075	100%	33,274	100%

IMSS: Infrastructure Management & Security Services
DBS : Digital Business Services
PES: Product Engineering Services

Summary Profit & Loss Statement

(All figures in ₹ Lakhs)	FY 20	FY 21	FY 22 Q1	FY 22 Q2	FY 22 Q3	FY 22 Q4	FY 22	FY 23 Q1
Income								
Operating revenue	69,821	77,341	24,461	26,453	28,394	30,057	109,365	32,892
Other income	1,602	2,424	926	959	834	991	3,710	382
Total income	71,423	79,765	25,387	27,412	29,228	31,048	113,075	33,274
Cost of revenue	42,927	44,382	14,661	15,864	16,591	17,289	64,404	18,499
Gross margin	26,894	32,959	9,800	10,589	11,804	12,768	44,961	14,393
%	38.5%	42.6%	40.1%	40.0%	41.6%	42.5%	41.1%	43.8%
SG&A	17,184	13,858	4,129	4,514	4,949	5,601	19,193	6,000
%	24.6%	17.9%	16.9%	17.1%	17.4%	18.6%	17.5%	18.2%
EBITDA	11,312	21,525	6,597	7,034	7,688	8,158	29,477	8,775
%	15.8%	27.0%	26.0%	25.7%	26.3%	26.3%	26.1%	26.4%
Depreciation	2,023	2,274	723	834	847	884	3,288	934
%	2.9%	2.9%	3.0%	3.2%	3.0%	2.9%	3.0%	2.8%
EBIT	9,289	19,251	5,874	6,200	6,841	7,274	26,189	7,841
%	13.0%	24.1%	23.1%	22.6%	23.4%	23.4%	23.2%	23.6%
Finance cost	802	649	146	265	298	286	995	283
PBT before exceptional item*	8,487	18,602	5,728	5,935	6,543	6,988	25,194	7,558
%	11.9%	23.3%	22.6%	21.6%	22.3%	22.4%	22.2%	22.6%
Exceptional Items⁺	1,126	-	609	-	-	-	609	-
PBT *	7,361	18,602	5,119	5,935	6,543	6,988	24,585	7,558
%	10.3%	23.3%	20.2%	21.6%	22.4%	22.5%	21.7%	22.7%
Current tax	190	3,527	1,595	1,512	1,466	1,737	6,310	2,325
Deferred tax	-	(1,171)	(49)	(21)	185	40	155	(401)
Total Tax	190	2,356	1,546	1,491	1,651	1,777	6,465	1,924
%	0.3%	3.0%	6.1%	5.4%	5.6%	5.7%	5.7%	5.8%
PAT *	7,171	16,246	3,573	4,444	4,892	5,211	18,120	5,634
%	10.0%	20.4%	14.1%	16.2%	16.7%	16.8%	16.0%	16.9%

* Exceptional items for FY20 refer to Impairment of Goodwill, for FY22 Q1 refers to Loss on Fair Valuation of Warrant Liability

Condensed Balance Sheet

(All figures in ₹ Lakhs)

	31.03.2020	31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022
Assets							
Non-current Assets							
Property, plant and equipment	93	69	83	86	77	78	89
Goodwill	610	7,644	7,756	7,742	7,772	7,896	8,202
Financial & Other Assets	5,598	10,029	18,033	11,604	20,609	11,788	24,594
Total non-current assets (A)	6,301	17,742	25,872	19,432	28,458	19,762	32,885
Current assets							
Financial assets							
i. Trade receivables	11,487	12,192	12,431	16,064	18,212	16,738	20,937
ii. Cash and cash equivalents, Investments & Other Financial Assets	31,967	60,928	60,476	63,790	59,928	72,609	65,503
iii. Other assets	1,060	1,333	1,117	2,367	2,655	3,392	1,782
Total current assets (B)	44,514	74,453	74,024	82,221	80,795	92,739	88,222
Total assets (A + B)	50,815	92,195	99,896	101,653	109,253	112,501	121,107
Equity and Liabilities							
Total equity (A)	26,531	54,599	58,125	58,498	61,035	66,580	71,907
Non-current liabilities							
Financial liabilities	1,863	7,339	10,775	9,431	12,907	7,134	8,761
Provisions & Deferred tax liability	1,255	2,378	2,325	2,334	2,340	2,086	1,966
Total non-current liabilities (B)	3,118	9,717	13,100	11,765	15,247	9,220	10,727
Current liabilities							
Financial & Contract liabilities							
i. Trade payables	3,442	4,101	4,913	6,670	5,775	6,072	6,967
ii. Other financial liabilities	15,947	20,340	20,090	20,711	23,340	26,266	27,230
Provisions & Other current liabilities	1,777	3,438	3,668	4,009	3,856	4,363	4,276
Total current liabilities (C)	21,166	27,879	28,671	31,390	32,971	36,701	38,473
Total liabilities (D = B + C)	24,284	37,596	41,771	43,155	48,218	45,921	49,200
Total equity and liabilities (A + D)	50,815	92,195	99,896	101,653	109,253	112,501	121,107

