









Investor Presentation & Fact sheet: Q3 FY 21

February 2021

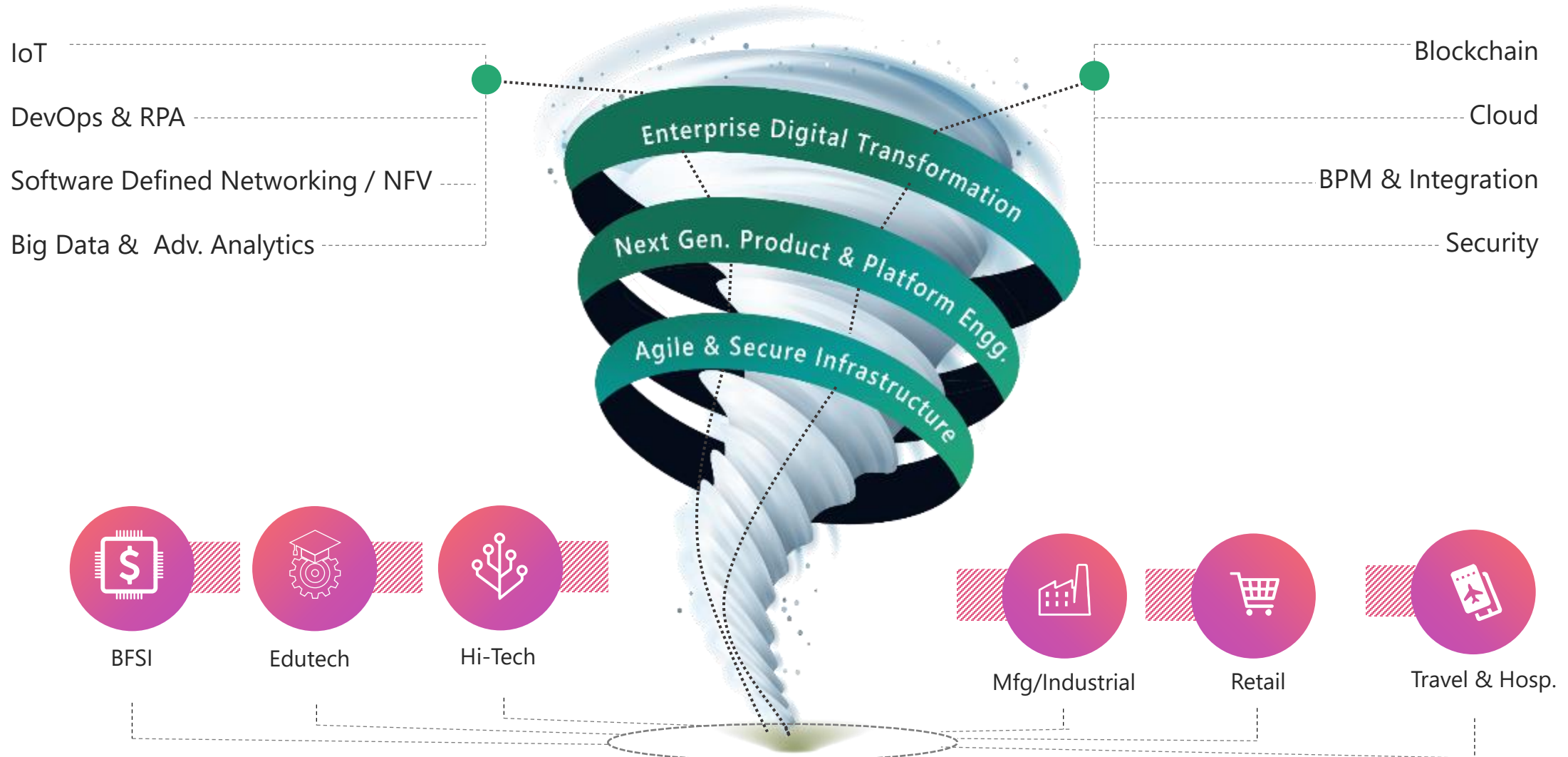
This presentation may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' 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 Generation Digital Transformation, Infrastructure, Security and Product Engineering Services Company

 <p>IPO In September 2020</p> <ul style="list-style-type: none">• 100 % digitally executed IPO• Heavily oversubscribed with healthy listing gains Reflects<ul style="list-style-type: none">• Our growth and profitability• Management Team & Corporate governance	<p>97% Digital</p> <p>‘Born Digital. Born Agile’</p> <p>Mission Statement Happiest People. Happiest Customers</p> <p>SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>93% Agile</p> <p>2,885 Happiest Minds across 7 Countries</p>	<p>155 Active clients</p> <p>38 Fortune2000 / Forbes200 / Billion \$ corporations</p> <p>93% of repeat business ²</p> <p>Great Place To Work</p> <ul style="list-style-type: none">• Ranked #4 - IT Services• Top 50 India's Best Workplaces for Women• Top 100 India's Best Workplaces• Top 75 India's Best Workplaces for IT/IT-BPM	<p>36.2% RoCE¹</p> <p>33.2% RoE</p> <p>4.2 rating on Glassdoor #2 for Indian IT Services</p>
<p>Promoter</p>  <p>Ashok Soota</p>			 <p>Leaders – ER&D Services Leaders - Education</p>	

Our Business



Mission, Vision and Values

Our Values



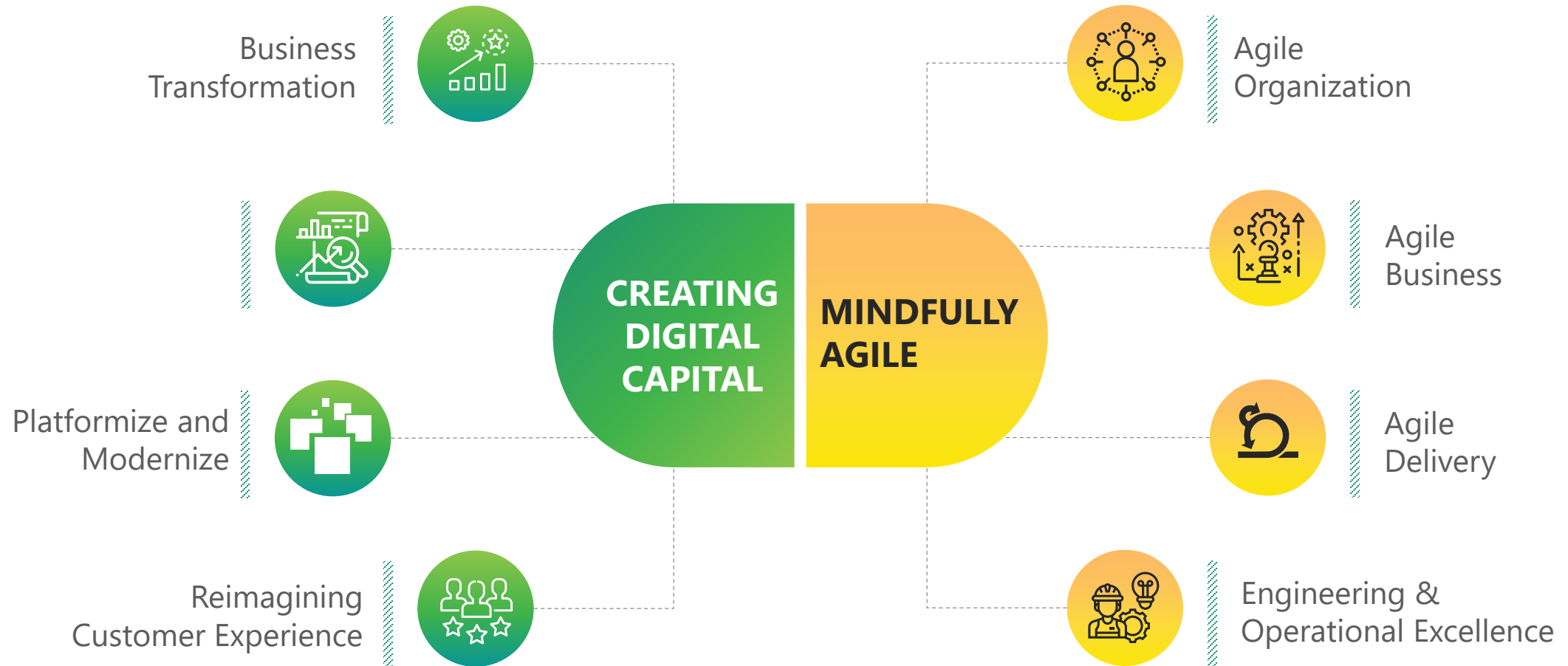
Our 5-year Vision

- 1 Be the **Happiness Evangelists** for each other, our Customers and Society
- 2 Achieve a very successful **IPO** by or before FY23 and in the interim provide a monetization event for investors/team by FY20
- 3 Be known as the company with highest standards of **Corporate Governance**
- 4 Be recognized for **Thought Leadership** in our focused areas of technology and solutions
- 5 Be a leader in **Social Responsibility** initiatives



Happiest Minds is the first Indian IT firm to be
The Mindful IT Company

Born Digital. Born Agile.



Operational and Financial Metrics – Q3 FY21

Results Q3 FY21

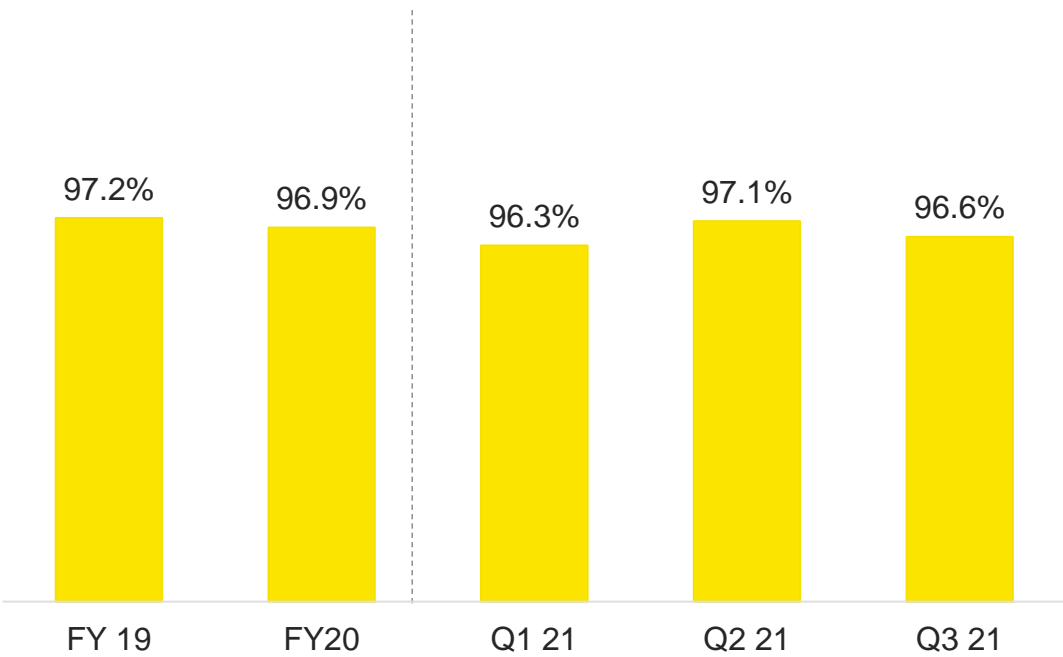
Particulars	Q3 FY 21	Q2 FY 21	QoQ	Q3 FY 20	YoY		9M FY 21	9M FY 20	YoY
Revenue (\$'000)	26,202	24,712	6.0%	24,085	8.8%		74,358	72,735	2.2%
Revenue (₹ lakhs) ¹	20,129	18,791	7.1%	17,557	14.6%		57,433	52,402	9.6%
EBITDA (₹ lakhs)	5,969	4,939	20.9%	2,811	112.3%		15,690	8,749	79.3%
EBITDA %	29.7%	26.3%	337 bps	16.0%	1364 bps		27.3%	16.7%	1062 bps
PAT (₹ lakhs)	4,215	3,408	23.7%	2,138	97.1%		12,641	6,641	90.3%
PAT %	20.9%	18.1%	280 bps	12.2%	876 bps		22.0%	12.7%	934 bps

Note: 1. Total Income

Born Digital. Born Agile.

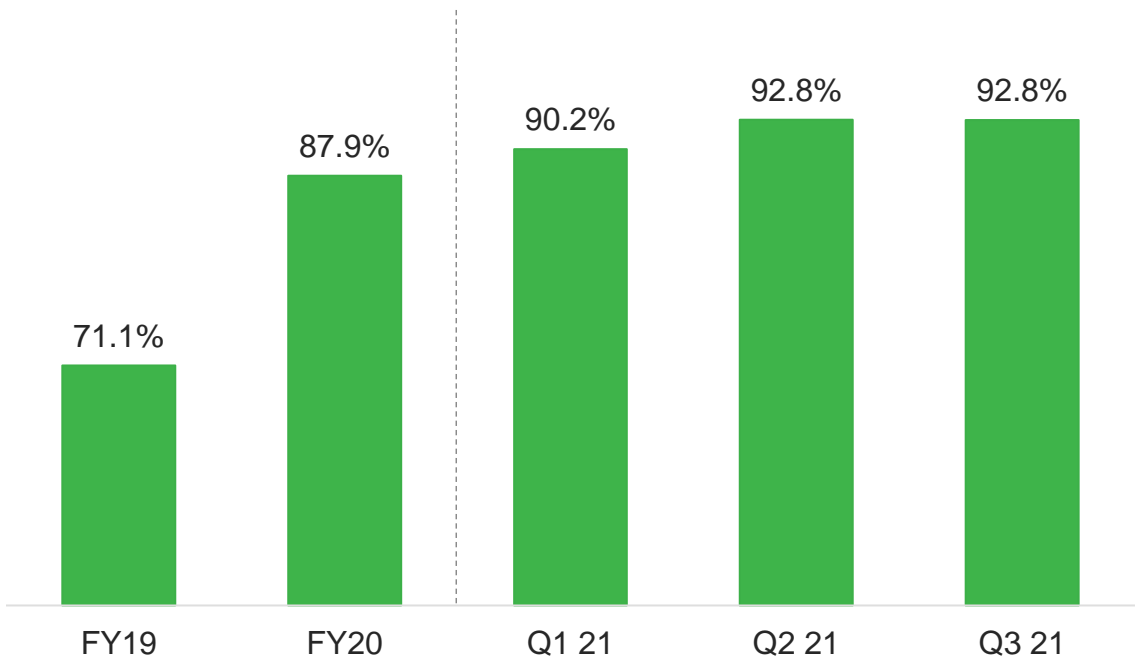
Digital

% of Revenue

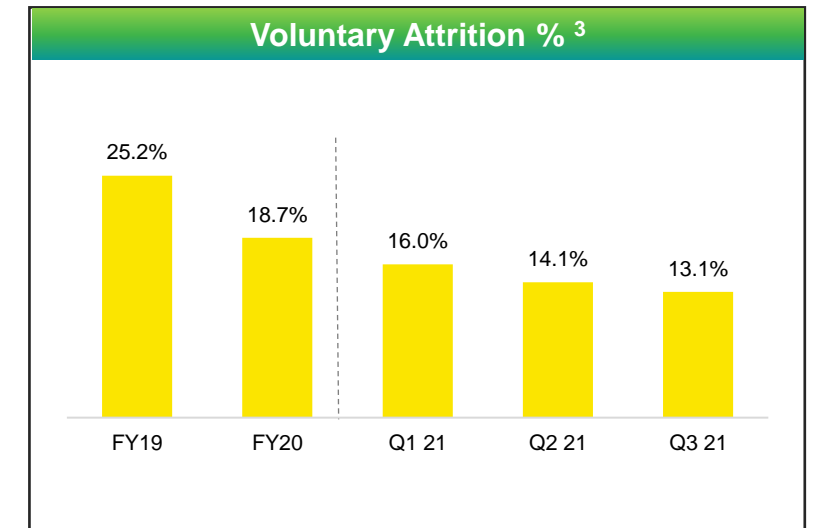
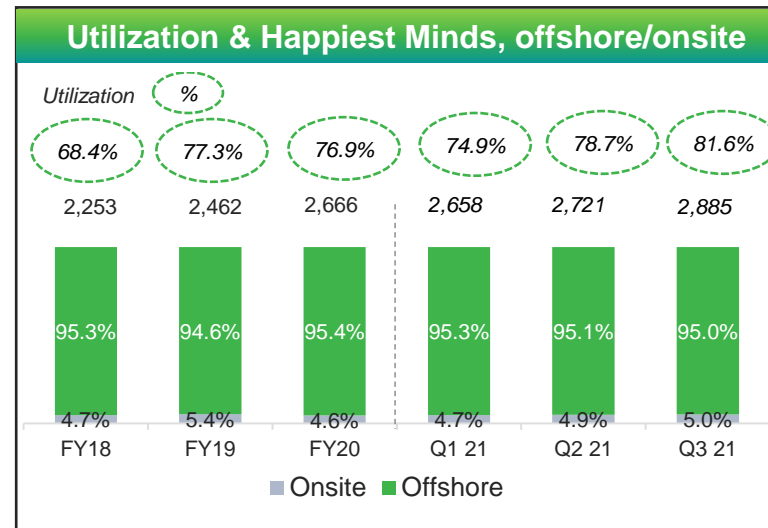
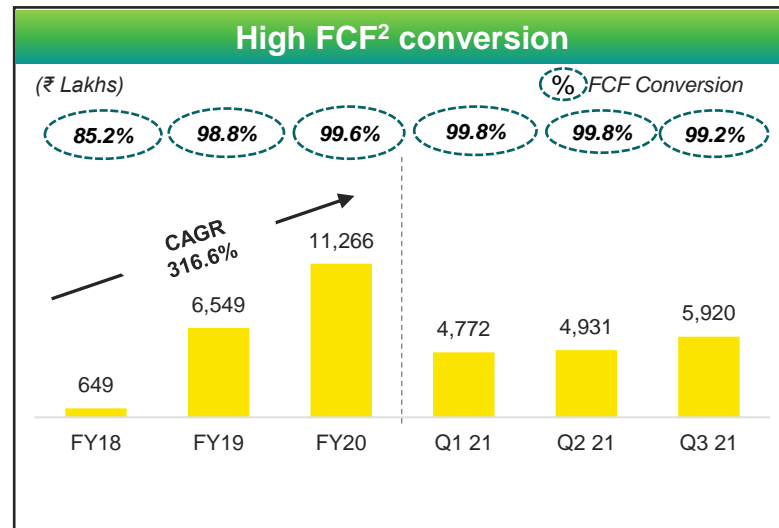
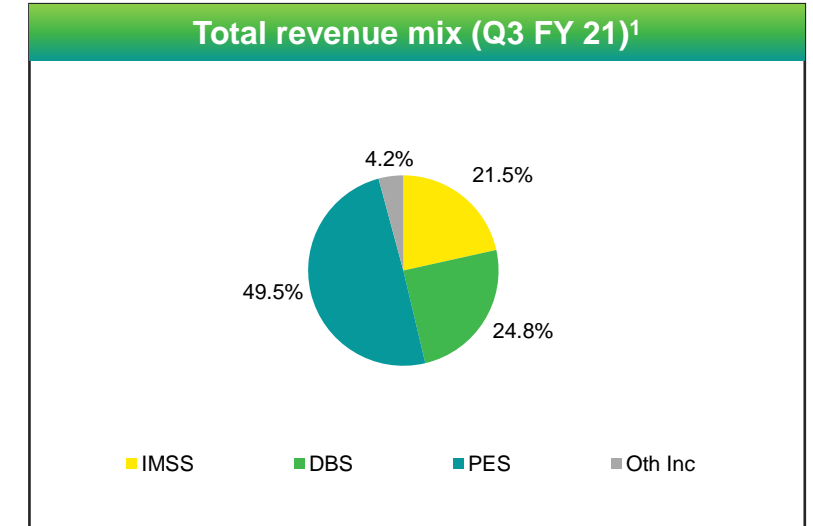
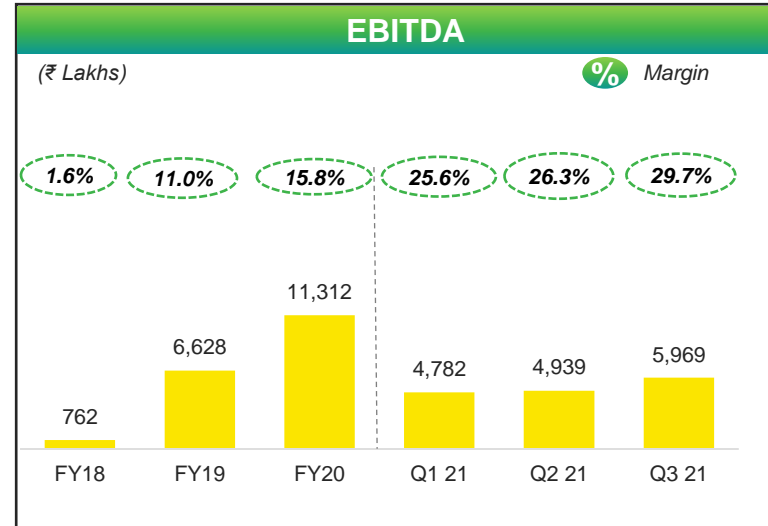
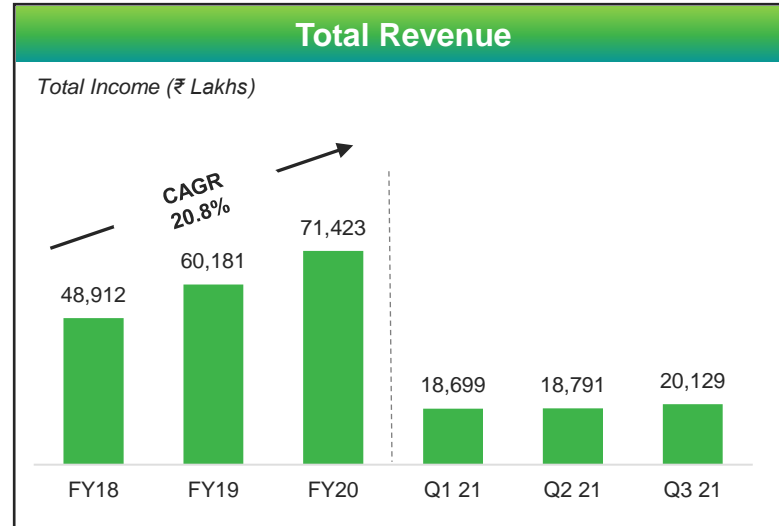


Agile

% of Revenue



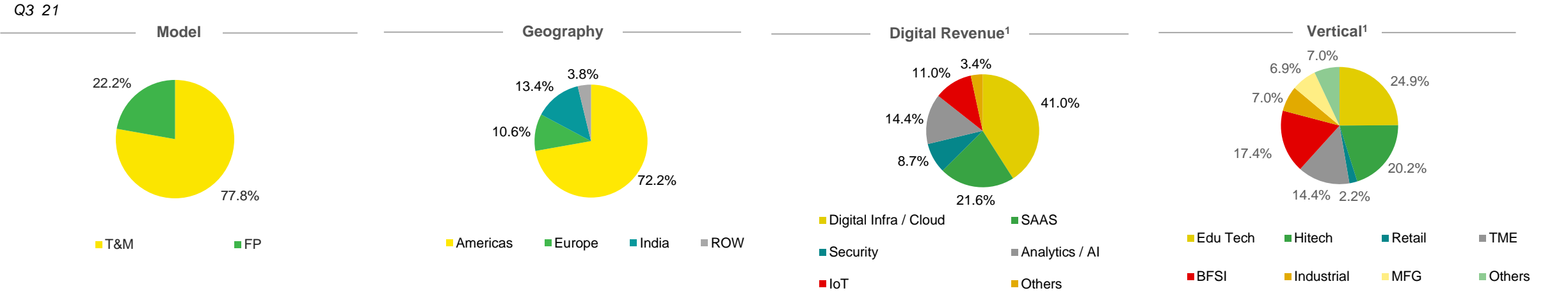
Operational & Financial Metrics



Note: 1. Calculated based on total income split, 2. FCF Conversion = FCF/EBITDA and FCF = EBITDA – Capex. 3. Attrition % for TTM Trailing 12 Months

Operational & Financial Metrics (cont'd.)

Revenue model

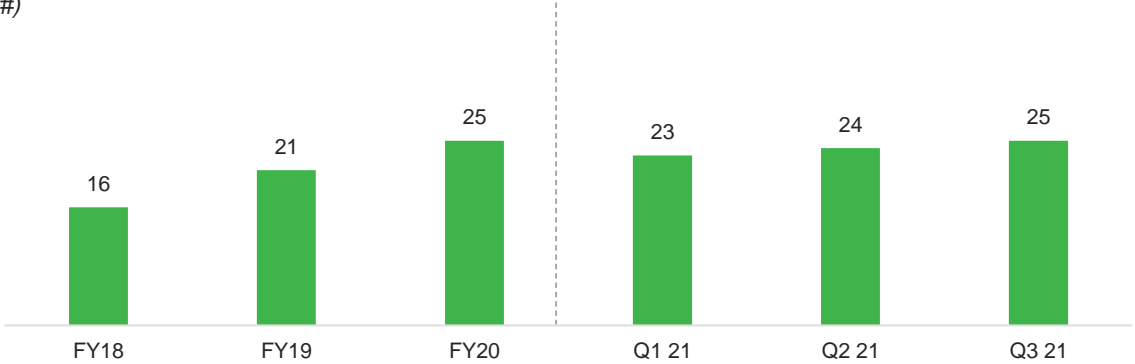
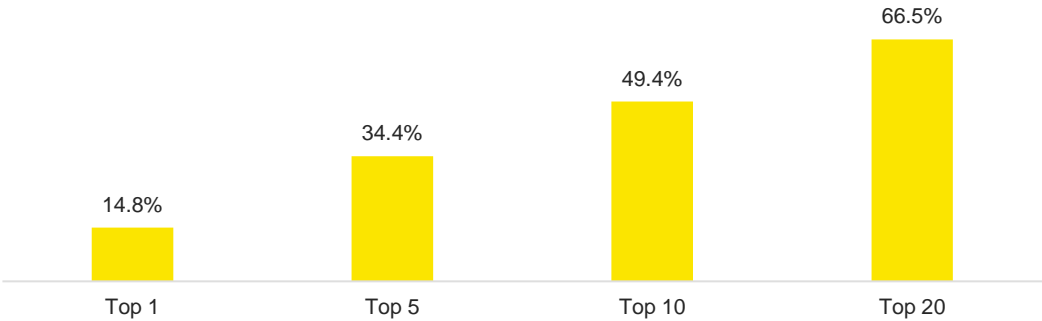


Revenue Concentration³

Million \$ Customers²

(% Revenue)

(#)

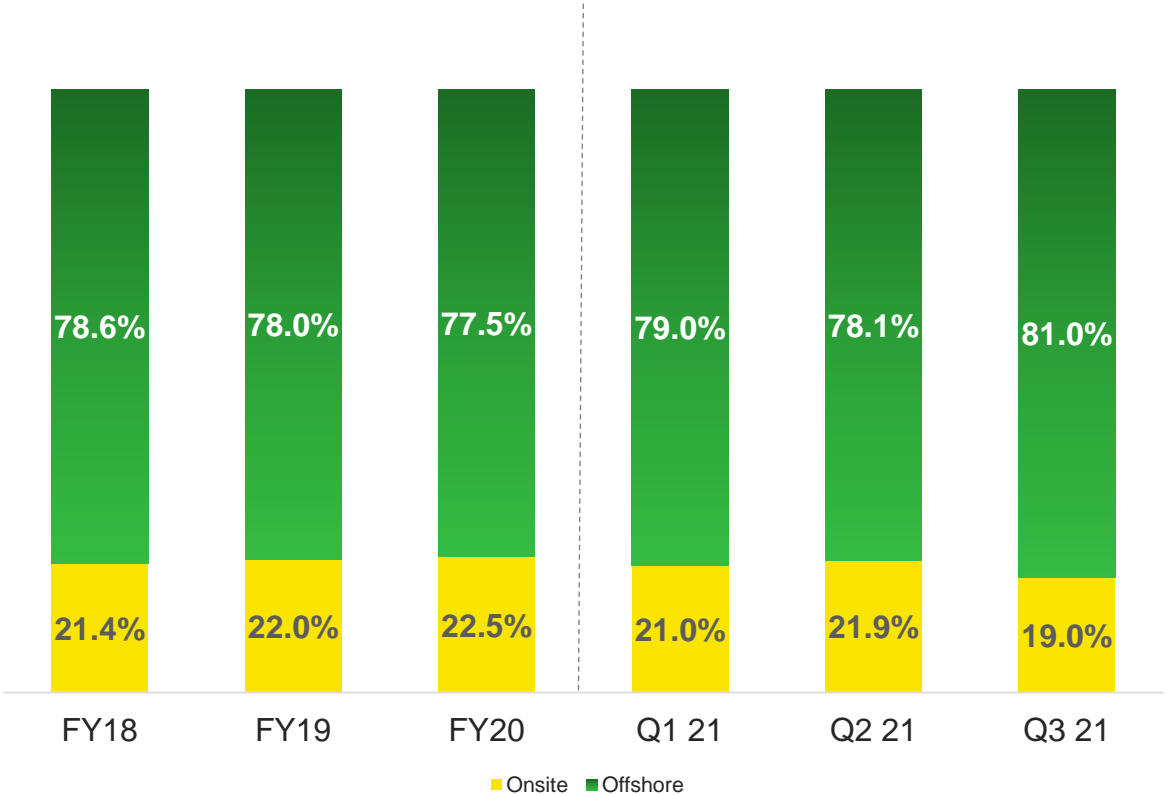


Notes: 1. TME: Travel, Media and Entertainment, 2. Based on quarter revenues on an annualized basis. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics (cont'd.)

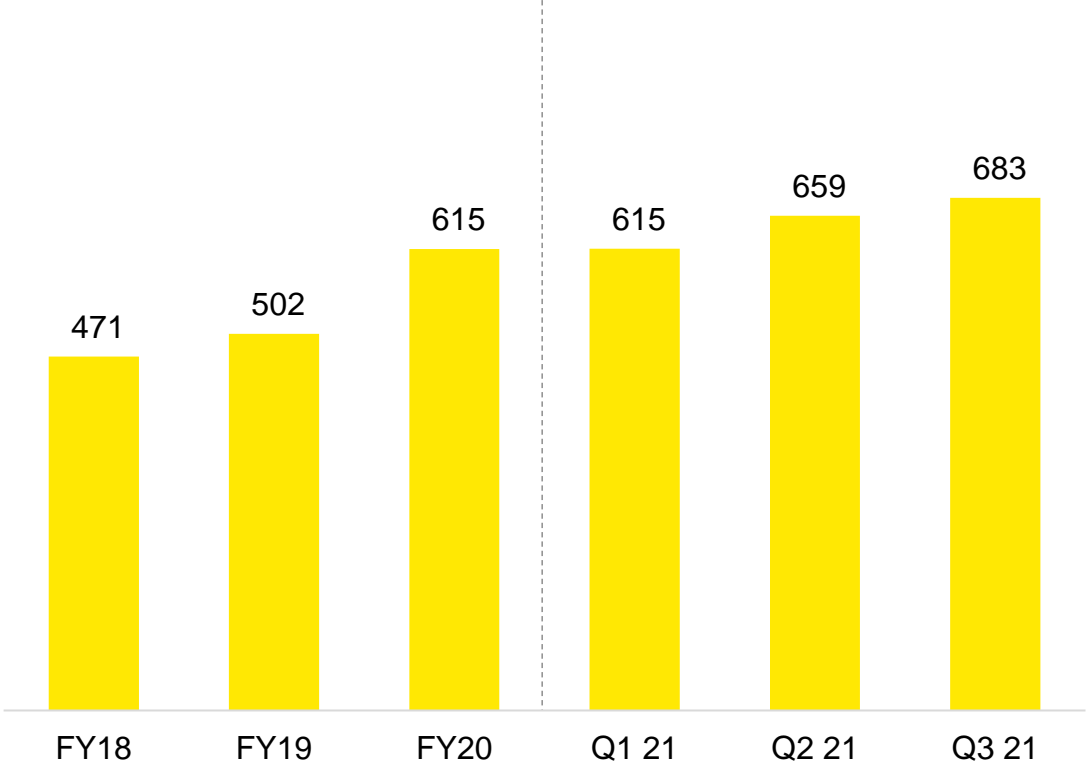
Onsite/Offshore

By Revenue



Avg. annual revenue / active customer

(USD '000)



Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21 Q3	FY21 9M
Customer Industry group							
Edutech	18.0%	21.3%	21.3%	27.0%	27.0%	24.9%	26.3%
Hitech	24.6%	21.0%	21.0%	20.5%	19.5%	20.2%	20.1%
BFSI	17.9%	18.2%	17.5%	17.4%	16.3%	17.4%	17.0%
Entertainment (TME)	11.0%	13.8%	17.1%	12.9%	13.0%	14.4%	13.5%
Retail	7.0%	6.9%	7.5%	5.7%	4.5%	2.2%	4.1%
Industrial	6.2%	8.1%	7.0%	6.4%	6.9%	7.0%	6.8%
Manufacturing	3.2%	3.8%	3.7%	5.6%	6.8%	6.9%	6.5%
Others	12.3%	6.9%	4.9%	4.6%	6.0%	7.0%	5.9%
Digital Service Offerings							
Digital infrastructure/Cloud	-	40.9%	31.2%	43.7%	41.1%	41.0%	41.6%
SaaS	-	28.6%	29.4%	23.6%	24.6%	21.6%	23.4%
Security solutions	-	10.2%	14.9%	7.6%	7.4%	8.7%	7.6%
Analytics/AI	-	9.1%	11.6%	12.1%	13.5%	14.4%	13.4%
IoT	-	8.4%	9.8%	9.3%	10.5%	11.0%	10.9%
Total	-	97.2%	96.9%	96.3%	97.1%	96.6%	96.8%
Automation as a % of total revenue			20.7%	24.2%	24.3%	27.8%	25.5%

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21 Q3	FY21 9M
Location of external customer							
USA	73.5%	75.5%	77.5%	77.3%	77.3%	72.2%	75.5%
India	11.7%	11.9%	11.9%	10.9%	10.9%	13.4%	11.8%
Europe	11.4%	9.5%	7.2%	9.8%	9.2%	10.6%	9.9%
ROW	3.4%	3.1%	3.4%	2.0%	2.6%	3.8%	2.9%
Number of customers based on quarter revenues on an annualized basis (#)							
\$ 10 M +		1	1	1	1	1	1
\$ 5M to \$ 10M	2	2	-	1	-	2	2
\$ 3M to \$ 5M	2	1	9	4	6	5	5
\$ 1M to \$ 3M	12	17	15	17	17	17	17
Total	16	21	25	23	24	25	25
Revenue mix by delivery							
Onsite	21.4%	22.0%	22.5%	21.0%	21.9%	19.0%	20.6%
Offshore ¹	78.6%	78.0%	77.5%	79.0%	78.1%	81.0%	79.3%
Revenue by Contract type							
Fixed Price	18.4%	16.8%	19.0%	18.8%	19.3%	22.2%	20.7%
Time and Material	81.6%	83.2%	81.0%	81.2%	80.7%	77.8%	79.3%
Active customers							
# of active customers	173	163	157	148	152	155	155
Fortune2000 / Forbes200 / Billion \$ corporations							
# of customers			37	36	39	38	38

Note: 1. Offshore: Revenues from customers served from India

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21 9M
Happiest Minds							
Onsite	105	132	123	124	133	145	145
Offshore	2,148	2,330	2,543	2,534	2,588	2,740	2,740
Total	2,253	2,462	2,666	2,658	2,721	2,885	2,885
Happiest Minds by delivery centres							
Onsite	4.7%	5.4%	4.6%	4.7%	4.9%	5.0%	5.0%
Offshore ¹	95.3%	94.6%	95.4%	95.3%	95.1%	95.0%	95.0%
Diversity							
Women Happiest Minds	22.0%	23.0%	24.0%	23.4%	23.3%	24.0%	24.0%
Utilization							
Utilization %	68.4%	77.3%	76.9%	74.9%	78.7%	81.6%	78.5%
Days Sales Outstanding							
Billed	74	80	60	51	51	46	48
Unbilled	6	11	23	32	26	31	32
Total DSO (Days)	80	91	83	83	77	77	80
EPS (₹ Per Share)							
Year / Nine Months			5.36				8.91
Capital Return Ratios %							
Return on Capital Employed (Year / Nine Months)			28.9%				36.2%
Return on Equity (Year / Nine Months)			27.1%				33.2%

Note: 1. Offshore: Revenues from customers served from India

Operational & Financial Metrics (cont'd.)

(All figures in ₹ Lakhs)

(All figures in ₹ Lakhs)	FY18		FY19		FY20		FY21Q1		FY21Q2		FY21Q3		FY21 9M	
Revenue by Business Units														
Infrastructure Management & Security Services	9,862	20.2%	12,943	21.5%	15,361	21.5%	3,641	19.5%	3,959	21.1%	4,334	21.5%	11,934	20.8%
Digital Business Solutions	15,403	31.5%	18,090	30.1%	19,167	26.8%	4,598	24.6%	4,710	25.1%	4,985	24.8%	14,293	24.9%
Product Engineering Services	21,024	43.0%	28,003	46.5%	35,293	49.4%	9,463	50.6%	9,615	51.2%	9,965	49.5%	29,043	50.6%
Total Revenue	46,289	94.6%	59,036	98.1%	69,821	97.8%	17,702	94.7%	18,284	97.3%	19,284	95.8%	55,270	96.2%
Other income	2,623	5.4%	1,145	1.9%	1,602	2.2%	997	5.3%	507	2.7%	845	4.2%	2,163	3.8%
Total income	48,912	100.0%	60,181	100.0%	71,423	100.0%	18,699	100.0%	18,791	100.0%	20,129	100.0%	57,433	100.0%
EBITDA	762	1.6%	6,628	11.0%	11,312	15.8%	4,782	25.6%	4,939	26.3%	5,969	29.7%	15,690	27.3%
PAT	-2,247	-4.6%	1,421	2.4%	7,171	10.0%	5,018	26.8%	3,408	18.1%	4,215	20.9%	12,641	22.0%

Operational & Financial Metrics (cont'd.)

Summary Profit & Loss statement

(All figures in ₹ Lakhs)

	FY18	FY19	FY20	FY21 Q1	FY21 Q2	FY21 Q3	FY21 9M
Income							
Operating revenue	46,289	59,036	69,821	17,702	18,284	19,284	55,270
Other income	2,623	1,145	1,602	997	507	845	2,163
Total income	48,912	60,181	71,423	18,699	18,791	20,129	57,433
Cost of revenue	32,652	36,987	42,927	9,978	10,401	11,155	31,534
Gross margin	13,637	22,049	26,894	7,724	7,884	8,129	23,737
%	29.5%	37.3%	38.5%	43.6%	43.1%	42.2%	42.9%
SG&A cost	15,498	16,566	17,184	3,939	3,452	3,005	10,210
EBITDA	762	6,628	11,312	4,782	4,939	5,969	15,690
%	1.6%	11.0%	15.8%	25.6%	26.3%	29.7%	27.3%
Depreciation	2,075	2,478	2,023	512	512	516	1,540
EBIT	(1,313)	4,150	9,289	4,270	4,427	5,453	14,150
%	-2.7%	6.9%	13.0%	22.8%	23.6%	27.1%	24.6%
Finance cost	995	1,594	802	186	160	126	472
PBT before exceptional items *	(2,308)	2,556	8,487	4,084	4,267	5,327	13,678
%	-4.7%	4.2%	11.9%	21.8%	22.7%	26.5%	23.8%
Exceptional Items *	-	1,258	1,126	-	-	-	-
PBT *	(2,308)	1,298	7,361	4,084	4,267	5,327	13,678
%	-4.7%	2.2%	10.3%	21.8%	22.7%	26.5%	23.8%
Income tax expense	(61)	(123)	190	(934)	859	1,112	1,037
PAT *	(2,247)	1,421	7,171	5,018	3,408	4,215	12,641
%	-4.6%	2.4%	10.0%	26.8%	18.1%	20.9%	22.0%

* PBT before exceptional items, PBT and PAT " for FY18 & FY19 are restated as per IndAs, forming part of our offer documents.

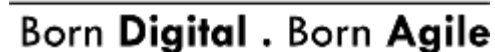
* Exceptional items for FY19 & FY20 refer to Impairment of Goodwill.

Operational & Financial Metrics (cont'd.)

Condensed Balance Sheet

(All figures in ₹ Lakhs)

	31.03.2018	31.03.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Assets						
Non-current Assets						
Property, plant and equipment	264	214	93	77	60	72
Goodwill	2,961	1,736	610	610	611	611
Financial & Other assets	7,685	6,003	5,598	6,266	5,788	5,040
Total non-current assets (A)	10,910	7,953	6,301	6,953	6,459	5,723
Current assets						
Financial & Other assets						
i. Trade receivable	9,437	12,927	11,487	9,851	10,302	9,765
ii. Cash & Cash equivalents, Investments & Other financial assets	16,928	19,610	31,967	39,196	52,387	54,286
iii. Other assets	1,424	862	1,060	1,308	1,721	1,531
Total current assets (B)	27,789	33,399	44,514	50,355	64,410	65,582
Total assets (A + B)	38,699	41,352	50,815	57,308	70,869	71,305
Equity and Liabilities						
Total equity (A)	(10,888)	(6,605)	26,531	31,901	46,380	50,836
Non-current liabilities						
Financial liabilities	5,797	3,814	1,863	1,674	1,518	1,248
Provisions & Deferred tax liability	935	940	1,255	1,508	1,513	1,662
Total non-current liabilities (B)	6,732	4,754	3,118	3,182	3,031	2,910
Current liabilities						
Financial & Contract liabilities						
i. Trade payable	2,498	2,878	3,442	3,600	6,307	3,781
ii. Others	38,866	38,591	15,947	15,907	12,402	10,931
Provisions & Other current liabilities	1,491	1,734	1,777	2,718	2,749	2,847
Total current liabilities (C)	42,855	43,203	21,166	22,225	21,458	17,559
Total liabilities (D = B + C)	49,587	47,957	24,284	25,407	24,489	20,469
Total equity and liabilities (A + D)	38,699	41,352	50,815	57,308	70,869	71,305



investors@happiestminds.com

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