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# Investor Presentation & FACT SHEET: Q4 FY 24

May 2024

# About Happiest Minds

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

<p><b>96% Digital Born Digital</b></p>	<p><b>95% Agile Born Agile</b></p>	<p><b>250 Active Clients</b>  <b>61</b> Fortune2000 / Forbes200          Billion \$ Corporations  <b>90%</b> Repeat Business</p>	<p><b>22.3% RoCE<sup>1</sup></b>  <b>16.9% RoE</b></p>
<p><b>Mission Statement</b>  <b>Happiest People Happiest Customers</b></p> <p><b>SMILES Values</b>          Sharing, Mindful, Integrity, Learning,          Excellence, Social Responsibility</p>	<p><b>5,168 Happiest Minds</b>          across <b>7 Countries</b>  <b>27.7% Gender Diversity</b>  <b>4.0 rating on Glassdoor</b></p>	<p><b>Great Place To Work<sup>®</sup></b></p> <ul style="list-style-type: none"> <li>• <b>Top 50</b> India's Best Workplaces™ in IT &amp; IT-BPM for 2023</li> <li>• <b>Top 50</b> India's Best Workplaces™ for Building a Culture of Innovation 2023</li> <li>• <b>Top 50</b> India's Best Workplaces™ for Women 2023</li> <li>• <b>Top 50</b> India's Best Workplaces™ in Health &amp; Wellness 2023</li> </ul>	<p><b>Growth in Constant Currency 11%</b>  <b>EBITDA margin 24.6%</b></p>

**Promoter**




**Ashok Soota**





**IPO** - In September 2020

- Completed 12 years in August 2023
- Successful QIP Fund raise of ₹500 Cr /US \$61 Mn in July 2023
- Strong Management Team & Corporate Governance
- 750K+ Investors
- Industry leading Growth and Profitability



**Golden Peacock**  
 Corporate Governance Award 2022  
 Business Excellence Award 2021





Note 1 : RoCE / RoE for the year.

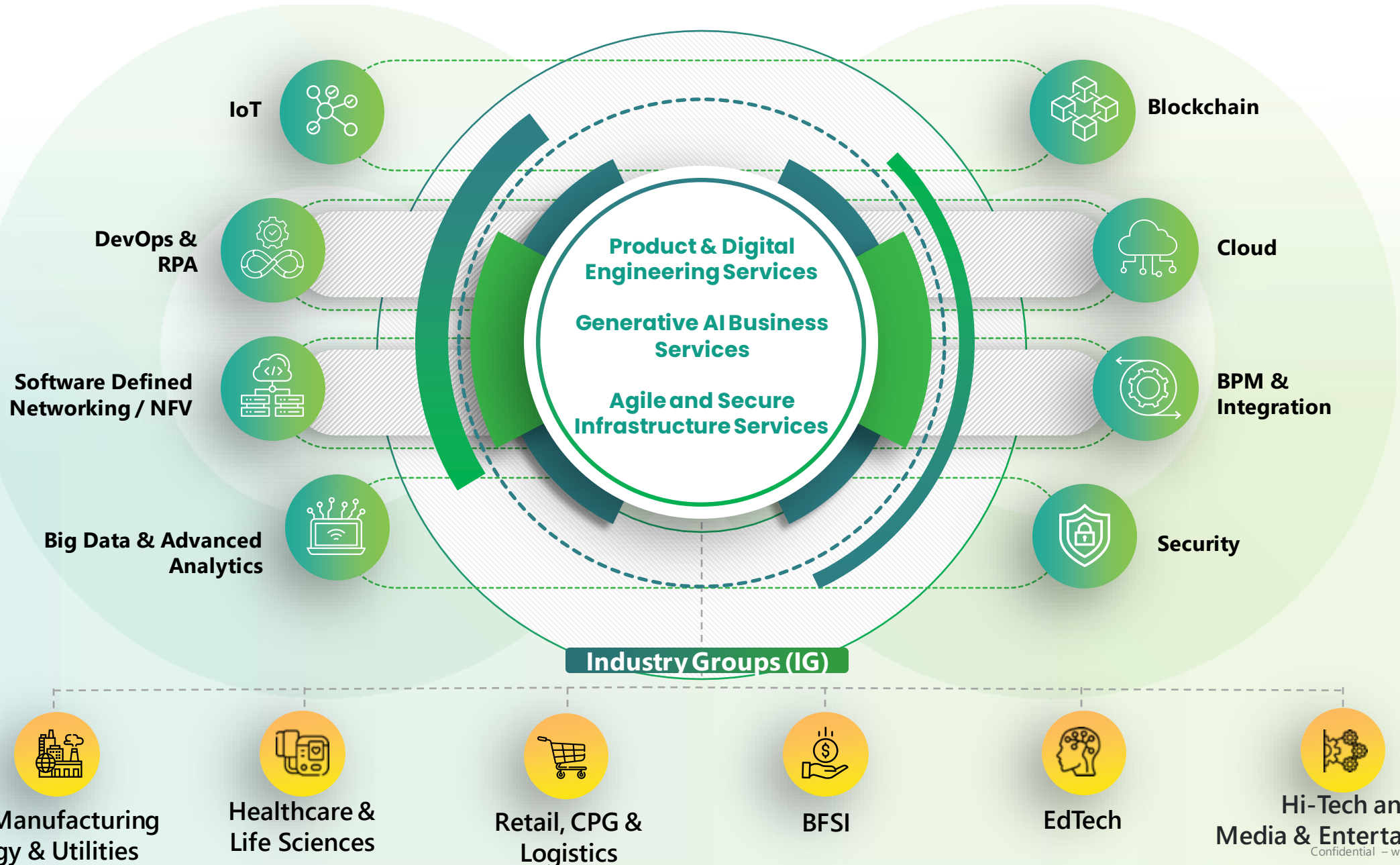
# Mission, Vision and Values

## Our 2021-31 Vision - DELiGHT

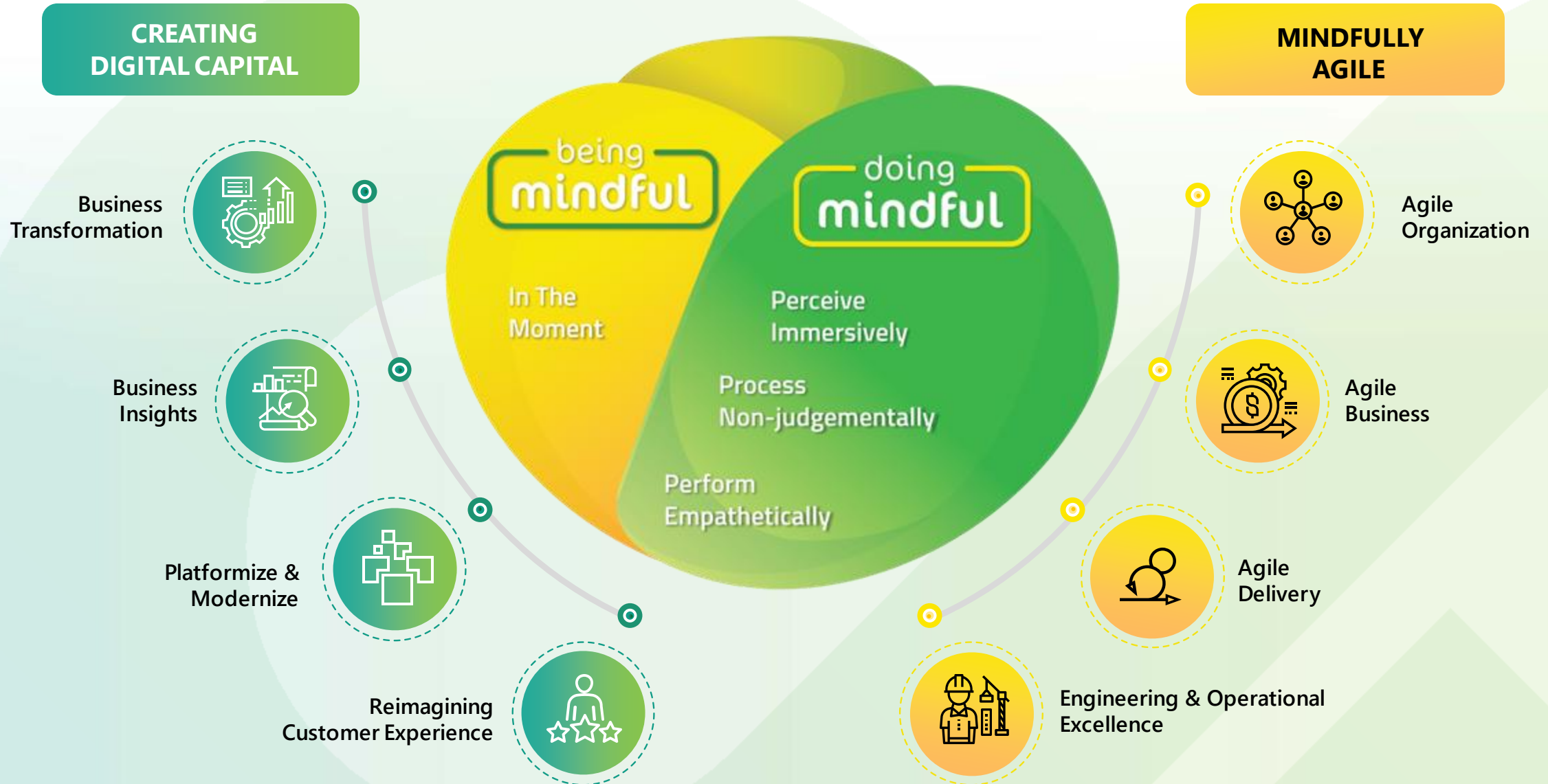
## Our SMILES Values



# Our Business



# Born Digital . Born Agile The Mindful IT Company



# Merger & Acquisitions

1

**Happiest Minds has signed a definitive agreement to acquire 100% equity interest in the Digital Engineering & Transformation company – PureSoftware Technologies Private Limited for a total purchase consideration of ₹ 779 Crores.**

PureSoftware is 1,200 people strong headquartered in Noida and partners with global enterprises across the verticals BFSI, Healthcare & Life Sciences, Retail & Logistics, Gaming & Entertainment. The Company also has an award-winning Banking-as-a-Service Platform "Arttha". In addition to augmenting our presence in USA, UK and India, we will also get a near-shore presence in Mexico and offices in Singapore, Malaysia, and Africa. The acquisition is expected to be completed before May 31, 2024.

2

**Happiest Minds acquired Macmillan Learning India Private Limited to strengthen its EduTech Vertical, for a purchase consideration of ₹ 4.5 Crores.**

Macmillan Learning India Private Limited was a wholly-owned subsidiary of the Macmillan group, USA. The acquisition of the Offshore Development Center (ODC) makes us a strategic partner for the Macmillan group a global leader in the business of learning, education and publishing.

# Key Project Wins

For **Enercon, a leading wind energy technology company**, Happiest Minds was chosen as a strategic partner to build their platform which optimizes wind energy generation



For **MindSculpt Analytics, a Healthcare Solutions Company**, Happiest Minds is building an advanced AI Medical Preventive & Diagnostic solution



For **the professional services arm of a global hyperscaler**, Happiest Minds was chosen to design and configure an end-to-end secure and scalable connected vehicle platform on their cloud platform



For a **South-East Asian Bottling company**, Happiest Minds is engaged in building **GenAI** solutions that allow employees to converse in both local language and English against Enterprise knowledge.



For an **international education services company**, Happiest Minds is helping to build next-generation solution for increased engagement and improved efficiency with students and universities.



For a **global consumer products company (CPG)**, this new win entails Happiest Minds to revamp the User Experience of front facing applications of their Distributed Management Systems.



For the **world's premier entertainment company** and an existing customer, Happiest Minds expanded its presence to provide product engineering services for their Imagineering division.



For a **reputed MedTech company**, this new win entails Happiest Minds to build their asset management platform to provide actionable insights to the field service technicians



# Awards



**'Top 50 India's Best Workplaces™ in Health and Wellness 2023'** by Great Place To Work® Institute



**'Best Tech for Security'** Award at the 3rd Edition of the IDEA Awards



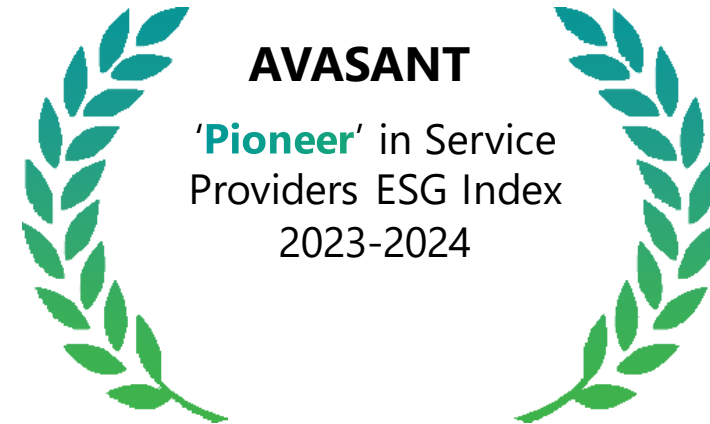
**'Top Firms to Work for in AI & Analytics'**  
**Sridhar Mantha** recognized as **'AI Leader of the Year'** at the 3AI ACME Awards




**'ISOL Corporate Award on Value Based Sustainable Organizations'**



# Analyst Mentions





# Operational and Financial Metrics – Q4 FY24

# Results Q4 FY 24

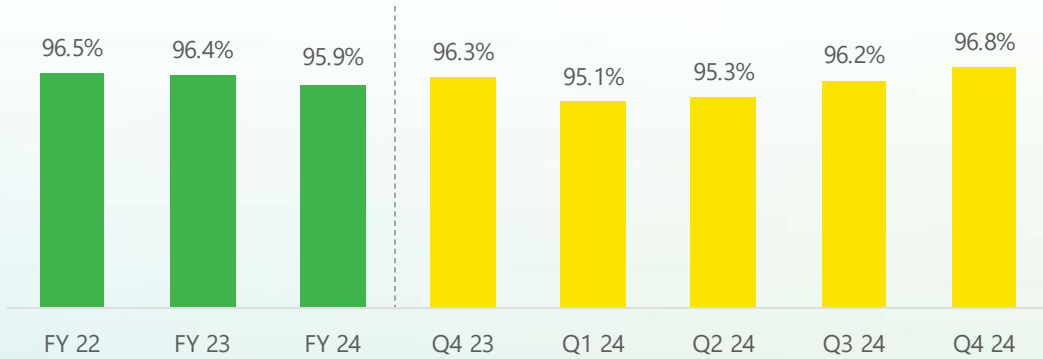
All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q4 FY 24					FY 24		
	Q4 FY 24	Q3 FY 24	QoQ	Q4 FY 23	YoY	FY 24	FY 23	YoY
Revenues	41,729	40,988	1.8%	37,798	10.4%	162,466	142,929	13.7%
Other Income	2,521	2,429	3.8%	845	198.3%	8,537	2,111	304.4%
Total Income	44,250	43,417	1.9%	38,643	14.5%	171,003	145,040	17.9%
EBITDA	10,822	10,519	2.9%	10,062	7.6%	42,122	37,997	10.9%
%	24.5%	24.2%		26.0%		24.6%	26.2%	
PBT	9,615	8,073	19.1%	7,893	21.8%	33,468	30,986	8.0%
%	21.7%	18.6%		20.4%		19.6%	21.4%	
Tax	2,417	2,111		2,127		8,629	7,887	
%	5.5%	4.9%		5.5%		5.0%	5.4%	
PAT	7,198	5,962	20.7%	5,766	24.8%	24,839	23,099	7.5%
%	16.3%	13.7%		14.9%		14.5%	15.9%	
<b>Revenues (\$'000)</b>	<b>50,077</b>	<b>49,366</b>	<b>1.4%</b>	<b>45,918</b>	<b>9.1%</b>	<b>196,130</b>	<b>177,768</b>	<b>10.3%</b>
<b>Growth in Constant Currency</b>			<b>1.4%</b>		<b>9.5%</b>			<b>11.0%</b>

# Born Digital. Born Agile

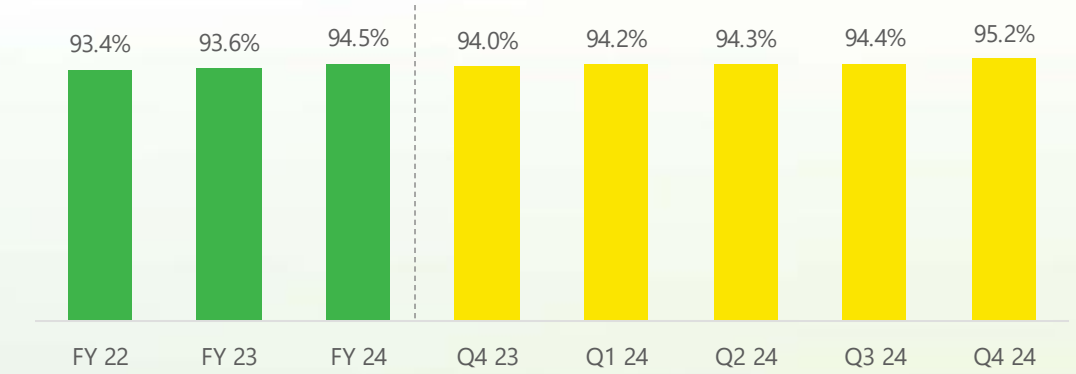
## Digital

% of Revenue



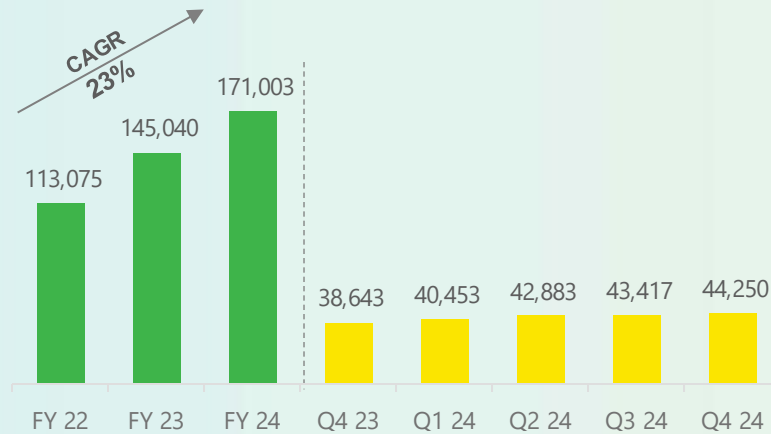
## Agile

% of Revenue

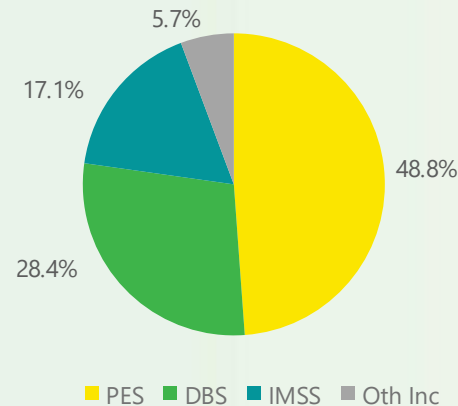


## Revenue

Total Income (₹ Lakhs)

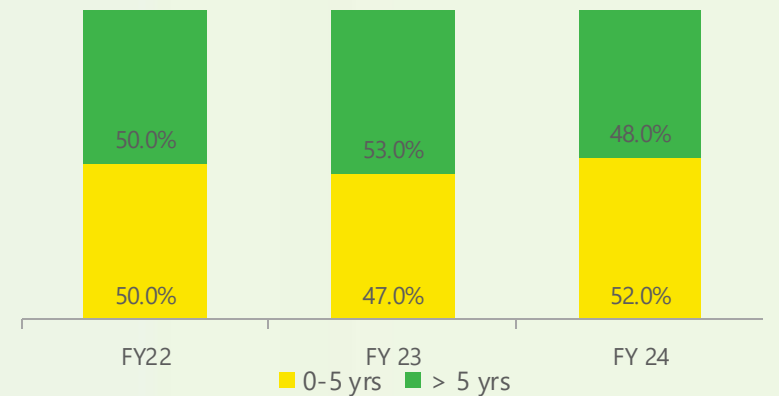


## Revenue by BU



## Tenure of Customer

% revenue from Clients



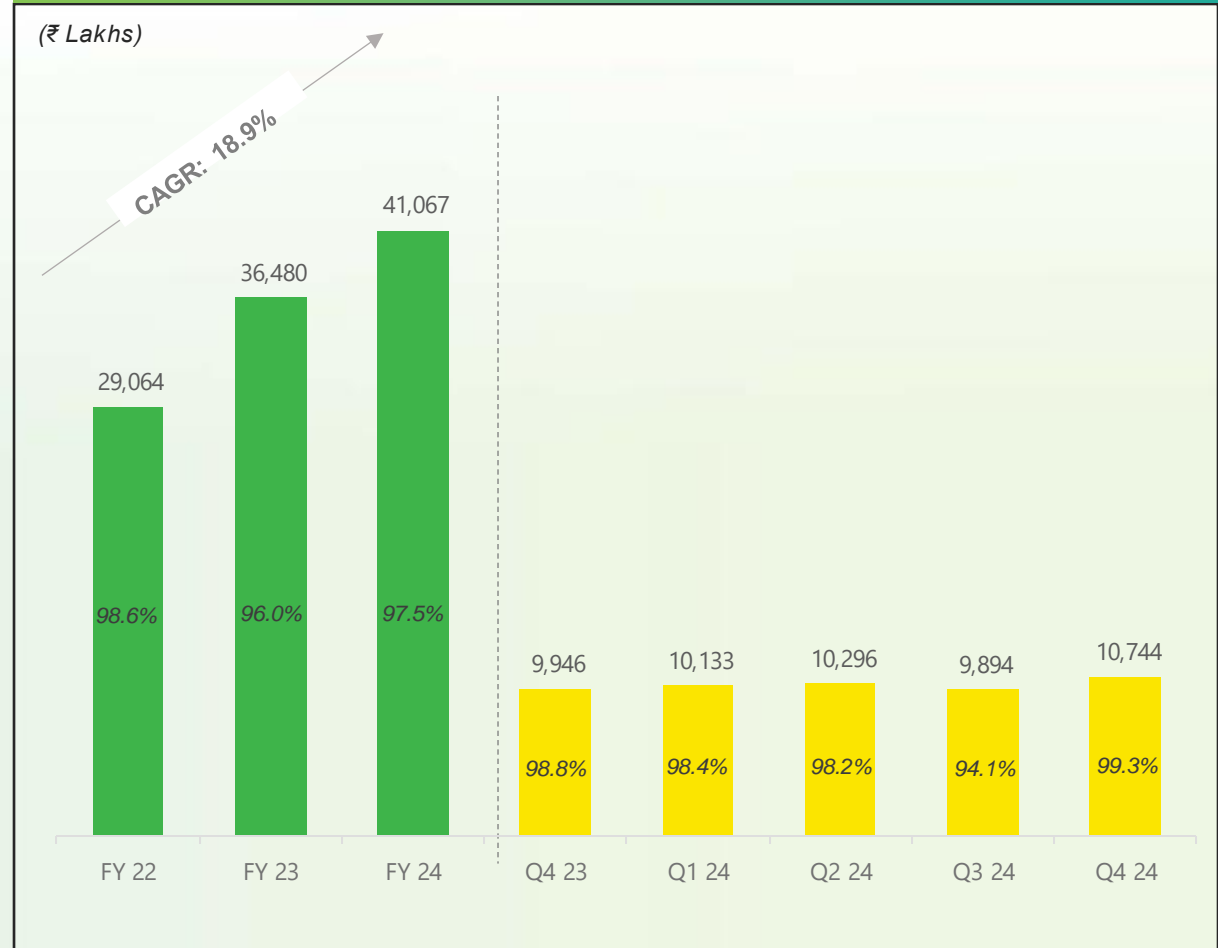
PES : Product Engineering Services; DBS : Digital Business Solutions; IMSS : Infrastructure Management and Security Services

# Operational & Financial Metrics

## EBITDA

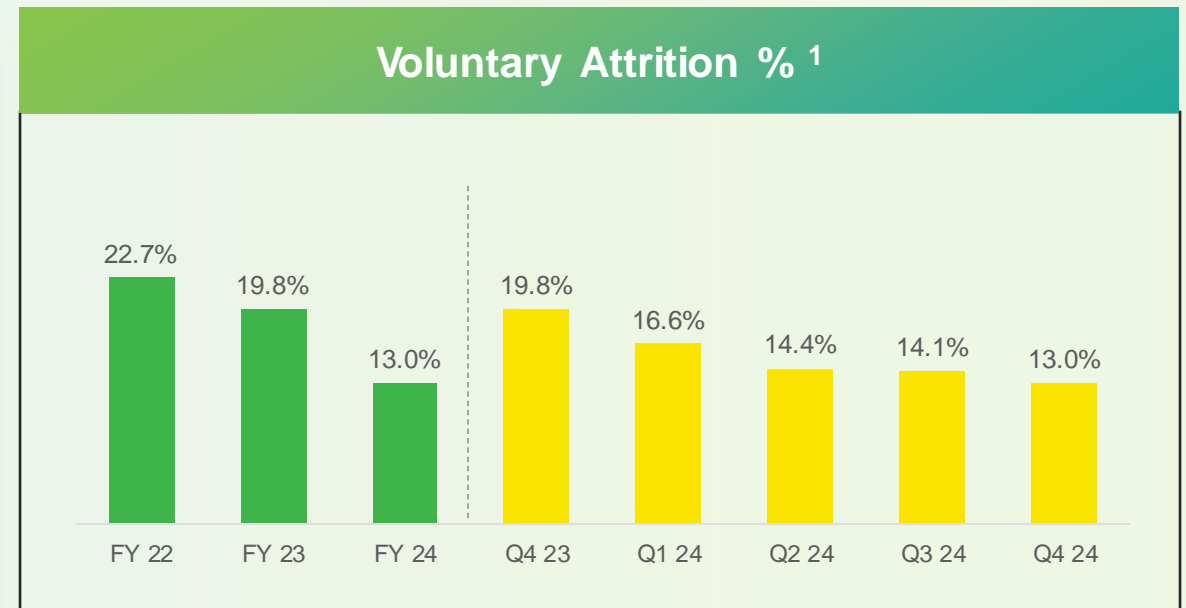
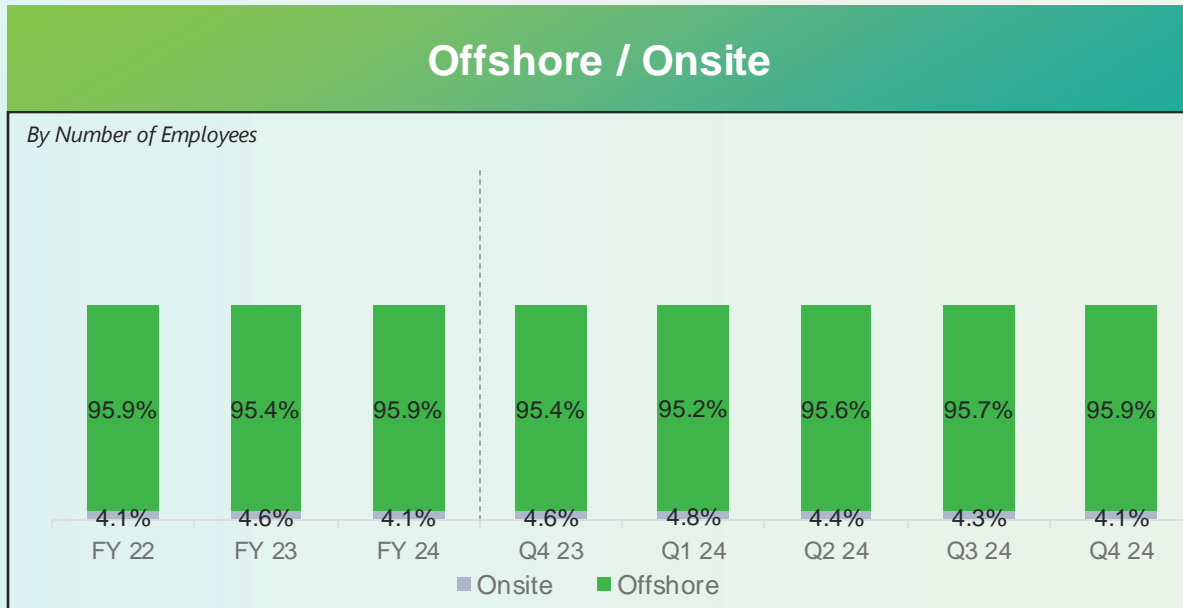
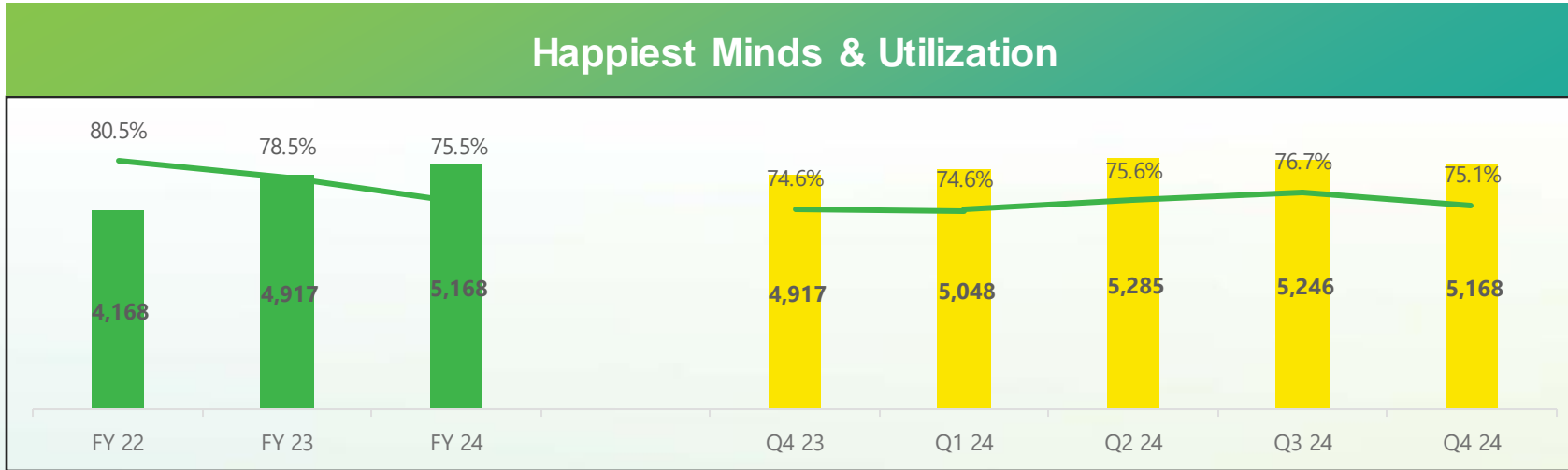


## High FCF Conversion



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

# Operational & Financial Metrics

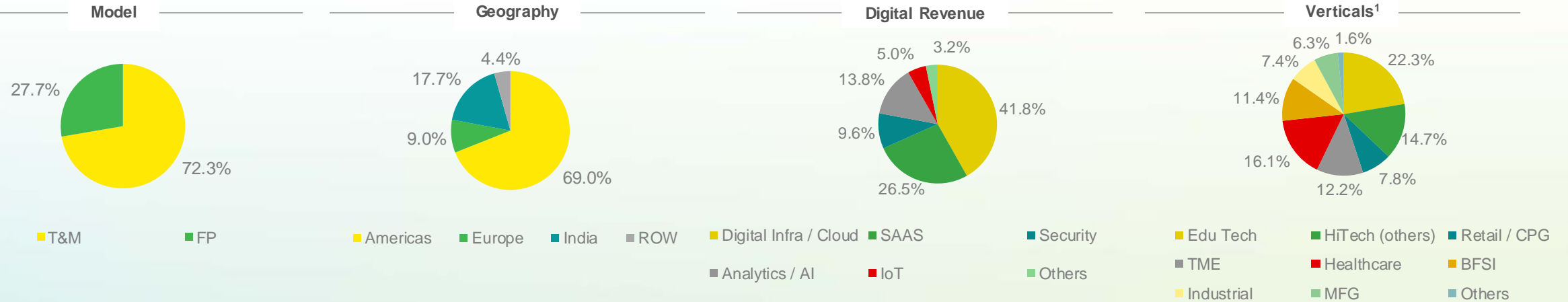


Note 1: Trailing 12 Months

# Operational & Financial Metrics

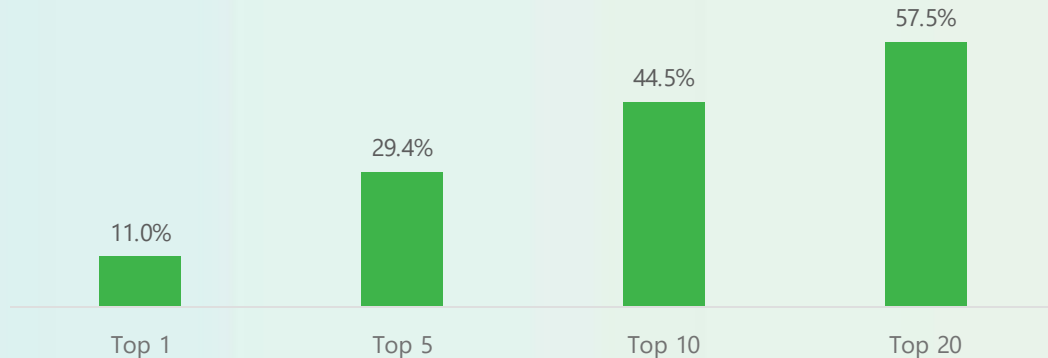
## Revenue Model

Q4 24



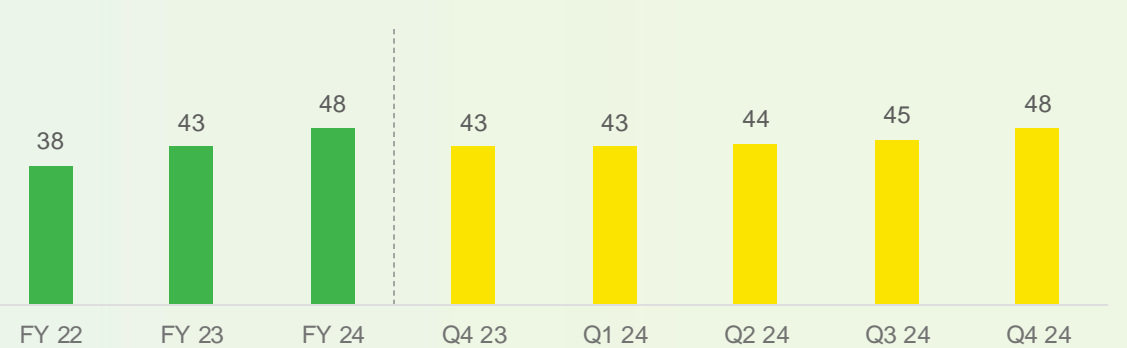
## Revenue Concentration<sup>3</sup>

Q4 24 (% Revenue)



## Million \$ Customers<sup>2</sup>

(#)

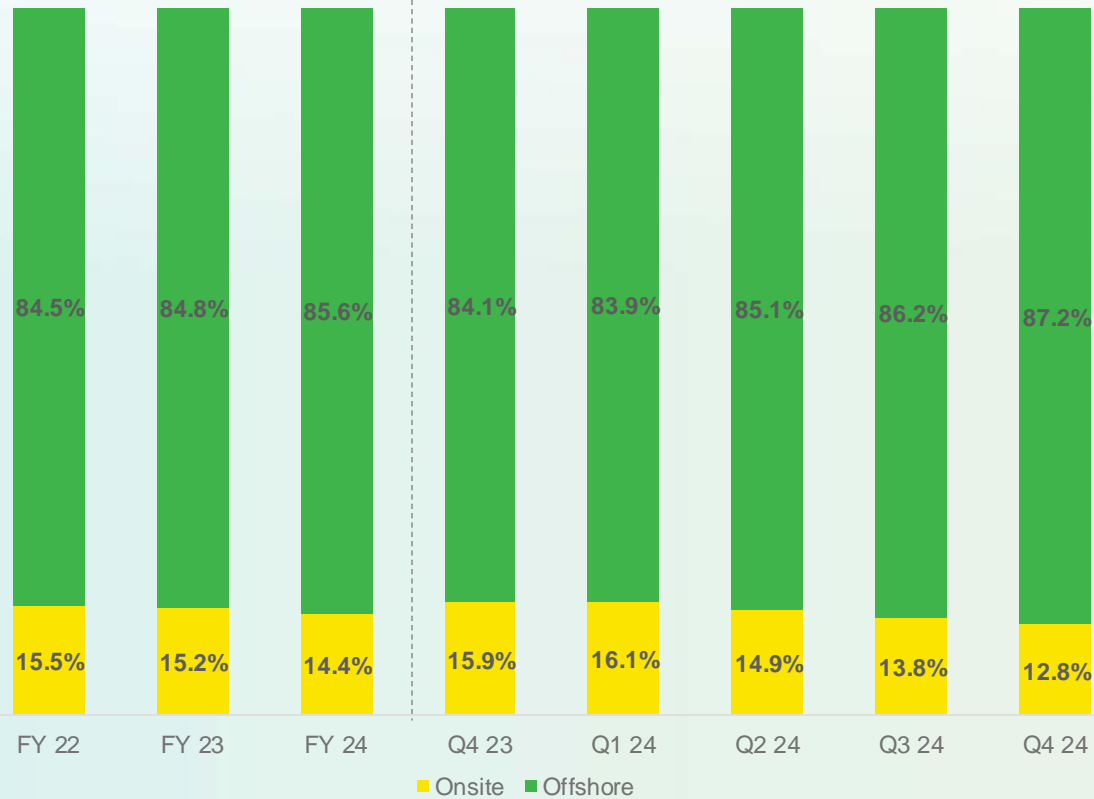


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

# Operational & Financial Metrics

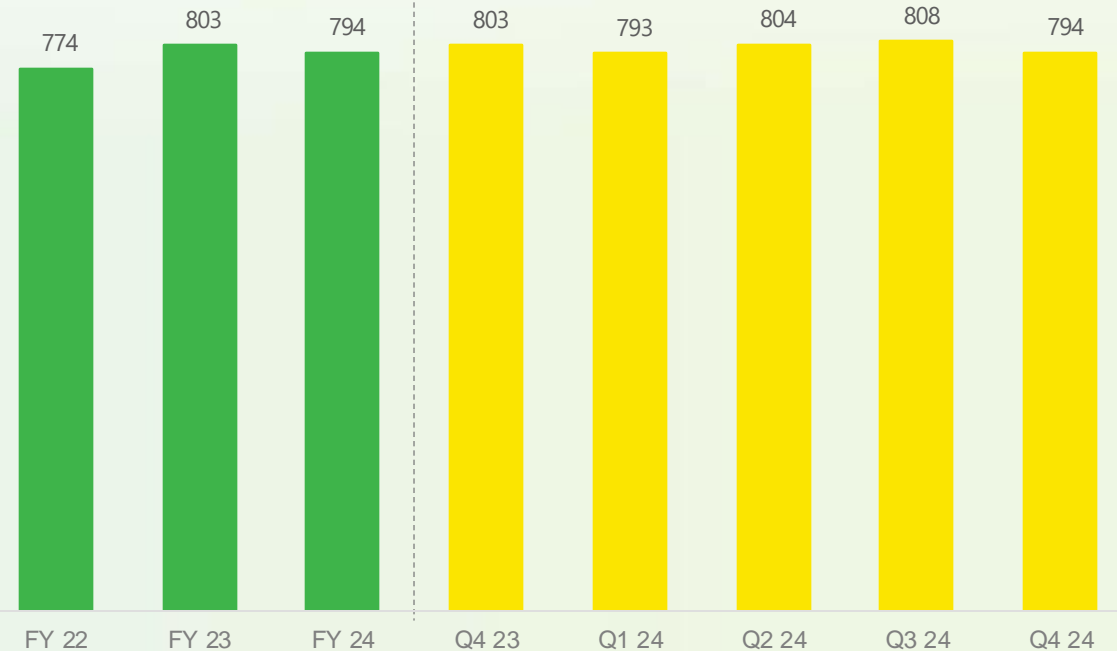
## Onsite/Offshore

By Revenue



## Average Revenue / Active Customer

(USD '000)





# Operational & Financial Metrics

	FY 22	FY23 Q4	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24
<b>Verticals</b>								
Edutech	23.2%	22.2%	23.2%	24.1%	25.0%	24.0%	22.3%	23.9%
Hitech	15.8%	19.5%	16.9%	14.8%	14.2%	14.3%	14.7%	14.5%
BFSI	13.2%	10.8%	12.2%	11.0%	10.3%	10.9%	11.4%	10.9%
Travel, Media and Entertainment (TME)	13.2%	13.2%	12.9%	12.0%	11.6%	11.7%	12.2%	11.9%
Healthcare*	-	-	-	12.9%	13.8%	14.8%	16.1%	14.4%
Retail / CPG	10.3%	7.7%	9.2%	7.1%	7.2%	7.6%	7.8%	7.4%
Industrial	6.9%	8.3%	8.4%	8.2%	7.6%	6.8%	7.4%	7.5%
Manufacturing	8.6%	10.7%	10.3%	5.4%	6.3%	7.4%	6.3%	6.3%
Others	8.8%	7.5%	6.9%	4.4%	4.0%	2.5%	1.6%	3.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Digital Service Offerings</b>								
Digital infrastructure/Cloud	43.6%	46.9%	45.8%	44.2%	42.3%	43.3%	41.8%	42.9%
SaaS	20.3%	20.1%	20.7%	22.2%	27.1%	26.8%	26.5%	25.7%
Security Solutions	11.9%	12.0%	12.3%	10.1%	9.3%	9.3%	9.6%	9.6%
Analytics/AI	12.1%	11.9%	12.2%	13.9%	12.9%	12.4%	13.8%	13.3%
IoT	8.6%	5.4%	5.4%	4.6%	3.7%	4.3%	5.0%	4.4%
<b>Total</b>	<b>96.5%</b>	<b>96.3%</b>	<b>96.4%</b>	<b>95.1%</b>	<b>95.3%</b>	<b>96.2%</b>	<b>96.8%</b>	<b>95.9%</b>
<b>Automation</b>	25.4%	27.3%	26.6%	28.3%	29.6%	29.1%	26.9%	28.1%

Note : All metrics are reported as % of operating revenues:

\*Healthcare carved out as a separate vertical from Q1FY24 onwards. Some customers which were earlier part of HiTech / MFG / Others have been regrouped

# Operational & Financial Metrics

	FY 22	FY23 Q4	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24
<b>Revenue by Geo</b>								
USA	66.4%	70.5%	68.1%	71.9%	71.5%	70.3%	69.0%	70.7%
India	14.1%	15.0%	15.6%	15.5%	15.7%	16.4%	17.7%	16.3%
Europe	10.4%	9.4%	9.7%	8.7%	9.0%	9.0%	9.0%	8.9%
ROW	9.0%	5.1%	6.6%	3.9%	3.8%	4.4%	4.4%	4.1%
<b>Million \$ Customers<sup>1</sup></b>								
\$ 20 M +		1	1	1	1	1	1	1
\$ 10 M +	1	-	-	-	1	1	2	2
\$ 5M to \$ 10M	4	6	6	6	7	7	6	6
\$ 3M to \$ 5M	8	6	6	5	4	4	2	2
\$ 1M to \$ 3M	25	30	30	31	31	32	37	37
<b>Total</b>	<b>38</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>48</b>	<b>48</b>
<b>Tenure of customers</b>								
0 - 5 Years	50.0%	-	47.0%	-	-	-	-	52.0%
> 5 Years	50.0%	-	53.0%	-	-	-	-	48.0%
<b>Revenue Mix</b>								
Onsite	15.5%	15.9%	15.2%	16.1%	14.9%	13.8%	12.8%	14.4%
Offshore <sup>2</sup>	84.5%	84.1%	84.8%	83.9%	85.1%	86.2%	87.2%	85.6%
<b>Revenue by contracting Model</b>								
Fixed Price	25.1%	25.5%	25.3%	24.5%	25.1%	27.1%	27.7%	26.1%
Time and Material	74.9%	74.5%	74.7%	75.5%	74.9%	72.9%	72.3%	73.9%
<b># Active Customers</b>	206	237	237	243	244	245	250	250
<b># Billion \$ Corporation</b>	54	55	55	57	57	59	61	61

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

# Operational & Financial Metrics

	FY22	FY23 Q4	FY23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY24
<b>Happiest Minds</b>								
Onsite	172	227	227	244	231	224	211	211
Offshore	3,996	4,690	4,690	4,804	5,054	5,022	4,957	4,957
Onsite %	4.1%	4.6%	4.6%	4.8%	4.4%	4.3%	4.1%	4.1%
Offshore %	95.9%	95.4%	95.4%	95.2%	95.6%	95.7%	95.9%	95.9%
<b>Utilization</b>	80.5%	74.6%	78.5%	74.6%	75.6%	76.7%	75.1%	75.5%
<b>Diversity</b>	26.4%	27.4%	27.4%	27.6%	28.1%	27.9%	27.7%	27.7%
<b>DSO</b>								
Billed	55	54	54	58	53	57	57	57
Unbilled	35	31	31	31	30	28	29	29
<b>Total</b>	<b>90</b>	<b>86</b>	<b>86</b>	<b>88</b>	<b>83</b>	<b>85</b>	<b>87</b>	<b>87</b>
<b>EPS ₹ : Diluted</b>	12.55	3.98	16.01	4.02	3.90	3.96	4.79	16.73
<b>Capital Ratios<sup>1</sup></b>								
RoCE	34.8%	32.8%	32.8%	33.1%	22.9%	22.9%	22.3%	22.3%
RoE	27.3%	27.8%	27.8%	26.0%	16.9%	16.7%	16.9%	16.9%

Note: 1: Capital Return Ratios are YTD Annualized

# Operational & Financial Metrics

All figures in ₹ Lakhs

	FY22		FY23 Q4		FY23		FY24 Q1		FY24 Q2		FY24 Q3		FY24 Q4		FY24	
<b>Revenue by BU</b>																
IMSS	24,168	21.4%	7,525	19.5%	30,694	21.2%	7,516	18.6%	7,381	17.2%	7,299	16.8%	7,551	17.1%	29,746	17.4%
DBS	32,891	29.1%	11,180	28.9%	43,070	29.7%	11,175	27.6%	11,672	27.2%	12,181	28.1%	12,563	28.4%	47,591	27.8%
PES	52,308	46.3%	19,093	49.4%	69,165	47.7%	20,396	50.4%	21,609	50.4%	21,508	49.5%	21,615	48.8%	85,128	49.8%
<b>Total Revenue</b>	<b>109,367</b>	<b>96.7%</b>	<b>37,798</b>	<b>97.8%</b>	<b>142,929</b>	<b>98.5%</b>	<b>39,087</b>	<b>96.6%</b>	<b>40,662</b>	<b>94.8%</b>	<b>40,988</b>	<b>94.4%</b>	<b>41,729</b>	<b>94.3%</b>	<b>162,466</b>	<b>95.0%</b>
Other income	3,708	3.3%	845	2.2%	2,111	1.5%	1,366	3.4%	2,221	5.2%	2,429	5.6%	2,521	5.7%	8,537	5.0%
<b>Total income</b>	<b>113,075</b>	<b>100.0%</b>	<b>38,643</b>	<b>100.0%</b>	<b>145,040</b>	<b>100.0%</b>	<b>40,453</b>	<b>100.0%</b>	<b>42,883</b>	<b>100.0%</b>	<b>43,417</b>	<b>100.0%</b>	<b>44,250</b>	<b>100.0%</b>	<b>171,003</b>	<b>100.0%</b>

IMSS: Infrastructure Management & Security Services

DBS : Digital Business Services

PES: Product Engineering Services

# Summary Profit & Loss Statement

All figures in ₹ Lakhs

	FY 22	FY 23 Q4	FY 23	FY 24 Q1	FY 24 Q2	FY 24 Q3	FY 24 Q4	FY 24
<b>Income</b>								
Operating revenue	1,09,365	37,798	1,42,929	39,087	40,662	40,988	41,729	1,62,466
Other income	3,710	845	2,111	1,366	2,221	2,429	2,521	8,537
<b>Total income</b>	<b>1,13,075</b>	<b>38,643</b>	<b>1,45,040</b>	<b>40,453</b>	<b>42,883</b>	<b>43,417</b>	<b>44,250</b>	<b>1,71,003</b>
Cost of revenue	64,404	22,342	82,827	23,404	24,980	25,213	25,607	99,204
<b>Gross margin</b>	<b>44,961</b>	<b>15,456</b>	<b>60,101</b>	<b>15,683</b>	<b>15,682</b>	<b>15,775</b>	<b>16,122</b>	<b>63,262</b>
%	41.1%	40.9%	42.0%	40.1%	38.6%	38.5%	38.6%	38.9%
SG&A	19,193	6,239	24,215	6,750	7,421	7,685	7,821	29,677
%	17.5%	16.5%	16.9%	17.3%	18.3%	18.7%	18.7%	18.3%
<b>EBITDA</b>	<b>29,477</b>	<b>10,062</b>	<b>37,997</b>	<b>10,299</b>	<b>10,482</b>	<b>10,519</b>	<b>10,822</b>	<b>42,122</b>
%	26.1%	26.0%	26.2%	25.5%	24.4%	24.2%	24.5%	24.6%
Depreciation	3,288	1,294	4,191	1,424	1,455	1,481	1,469	5,829
%	3.0%	3.4%	2.9%	3.6%	3.6%	3.6%	3.5%	3.6%
<b>EBIT</b>	<b>26,189</b>	<b>8,768</b>	<b>33,806</b>	<b>8,875</b>	<b>9,027</b>	<b>9,038</b>	<b>9,353</b>	<b>36,293</b>
%	23.2%	22.7%	23.3%	21.9%	21.1%	20.8%	21.1%	21.2%
Finance cost	995	875	2,186	1,007	1,115	1,072	1,033	4,227
<b>PBT before exceptional item*</b>	<b>25,194</b>	<b>7,893</b>	<b>31,620</b>	<b>7,868</b>	<b>7,912</b>	<b>7,966</b>	<b>8,320</b>	<b>32,066</b>
%	22.2%	20.4%	21.7%	19.4%	18.5%	18.3%	18.8%	18.7%
<b>Exceptional Items*</b>	609	-	634	-	-	(107)	(1,295)	(1,402)
<b>PBT *</b>	<b>24,585</b>	<b>7,893</b>	<b>30,986</b>	<b>7,868</b>	<b>7,912</b>	<b>8,073</b>	<b>9,615</b>	<b>33,468</b>
%	21.7%	20.4%	21.4%	19.4%	18.5%	18.6%	21.7%	19.6%
Current tax	6,310	2,210	8,508	2,280	2,237	2,192	2,809	9,518
Deferred tax	155	(83)	(621)	(245)	(171)	(81)	(392)	(889)
<b>Total Tax</b>	<b>6,465</b>	<b>2,127</b>	<b>7,887</b>	<b>2,035</b>	<b>2,066</b>	<b>2,111</b>	<b>2,417</b>	<b>8,629</b>
%	5.7%	5.5%	5.4%	5.0%	4.8%	4.9%	5.5%	5.0%
<b>PAT *</b>	<b>18,120</b>	<b>5,766</b>	<b>23,099</b>	<b>5,833</b>	<b>5,846</b>	<b>5,962</b>	<b>7,198</b>	<b>24,839</b>
%	16.0%	14.9%	15.9%	14.4%	13.6%	13.7%	16.3%	14.5%

\*+Exceptional items for FY22 & Q3 FY23 refers to Loss on Fair Valuation of Warrant Liability. For Q3FY24 & Q4FY24 is Gain on fair valuation of contingent consideration

# Condensed Balance Sheet

All figures in ₹ Lakhs

	31.03.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024
<b>Assets</b>							
<b>Non-current Assets</b>							
Property, plant and equipment	78	12,899	13,278	13,202	13,386	13,856	13,778
Goodwill	7,896	8,562	13,913	13,901	13,997	14,013	14,032
Financial & Other assets	11,788	77,536	29,594	27,642	35,841	36,903	19,192
<b>Total non-current assets (A)</b>	<b>19,762</b>	<b>98,997</b>	<b>56,785</b>	<b>54,745</b>	<b>63,224</b>	<b>64,772</b>	<b>47,002</b>
<b>Current assets</b>							
Financial & Other assets							
i. Trade receivable	16,738	23,250	21,319	24,534	23,308	25,336	25,444
ii. Cash & Cash equivalents, Investments & Other financial assets	72,609	17,061	81,484	85,516	1,27,619	1,26,953	1,47,540
iii. Other assets	3,392	2,811	4,495	5,260	6,184	5,242	4,793
<b>Total current assets (B)</b>	<b>92,739</b>	<b>43,122</b>	<b>1,07,298</b>	<b>1,15,310</b>	<b>1,57,111</b>	<b>1,57,531</b>	<b>1,77,777</b>
<b>Total assets (A + B)</b>	<b>1,12,501</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>	<b>2,20,335</b>	<b>2,22,303</b>	<b>2,24,779</b>
<b>Equity and Liabilities</b>							
<b>Total equity (A)</b>	<b>66,580</b>	<b>77,791</b>	<b>83,882</b>	<b>90,395</b>	<b>1,39,403</b>	<b>1,41,465</b>	<b>1,48,024</b>
<b>Non-current liabilities</b>							
Financial liabilities	7,134	18,678	18,035	17,483	17,957	16,174	15,416
Provisions & Deferred tax liability	2,086	2,344	4,526	4,577	4,631	4,975	4,641
<b>Total non-current liabilities (B)</b>	<b>9,220</b>	<b>21,022</b>	<b>22,561</b>	<b>22,060</b>	<b>22,588</b>	<b>21,149</b>	<b>20,057</b>
<b>Current liabilities</b>							
Financial & Contract liabilities							
i. Trade payable	6,072	5,779	7,052	8,007	7,804	7,558	7,915
ii. Others	26,266	33,767	45,921	44,595	45,710	47,474	43,839
Provisions & Other current liabilities	4,363	3,760	4,667	4,998	4,830	4,656	4,944
<b>Total current liabilities (C)</b>	<b>36,701</b>	<b>43,306</b>	<b>57,640</b>	<b>57,600</b>	<b>58,344</b>	<b>59,688</b>	<b>56,698</b>
<b>Total liabilities (D = B + C)</b>	<b>45,921</b>	<b>64,328</b>	<b>80,201</b>	<b>79,660</b>	<b>80,932</b>	<b>80,837</b>	<b>76,755</b>
<b>Total equity and liabilities (A + D)</b>	<b>1,12,501</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>	<b>2,20,335</b>	<b>2,22,303</b>	<b>2,24,779</b>

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