

Investor Presentation & Fact sheet: Q3 FY 22

January 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.

Happiest Minds

Next Generation Digital Transformation, Infrastructure, Security and Product Engineering Services Company

 **IPO**
In September 2020

- Completed 10 years of existence in August 2021
- Strong Management Team & Corporate Governance
- 6.2+ Lakh Investors
- Robust Growth and Profitability

Promoter



Ashok Soota

96%
Digital

'Born Digital. Born Agile'

Mission Statement
Happiest People
Happiest Customers

SMILES Values
Sharing, Mindful, Integrity,
Learning, Excellence, Social
Responsibility

93%
Agile

**4,021 Happiest
Minds**

across **7 Countries**
Diversity 26.1%

195
Active clients

53 Fortune2000 / Forbes200 /
Billion \$ corporations
82% of repeat business

Great Place To Work

- Ranked **#21** – India's Best Companies to work for 2021
- Ranked **#63** Asia's Best Workplaces 2021
- India's Top **25** Best Workplaces in IT & IT-BPM 2021
- India's Top **50** Best Workplaces for Women 2021

32.9%
RoCE¹

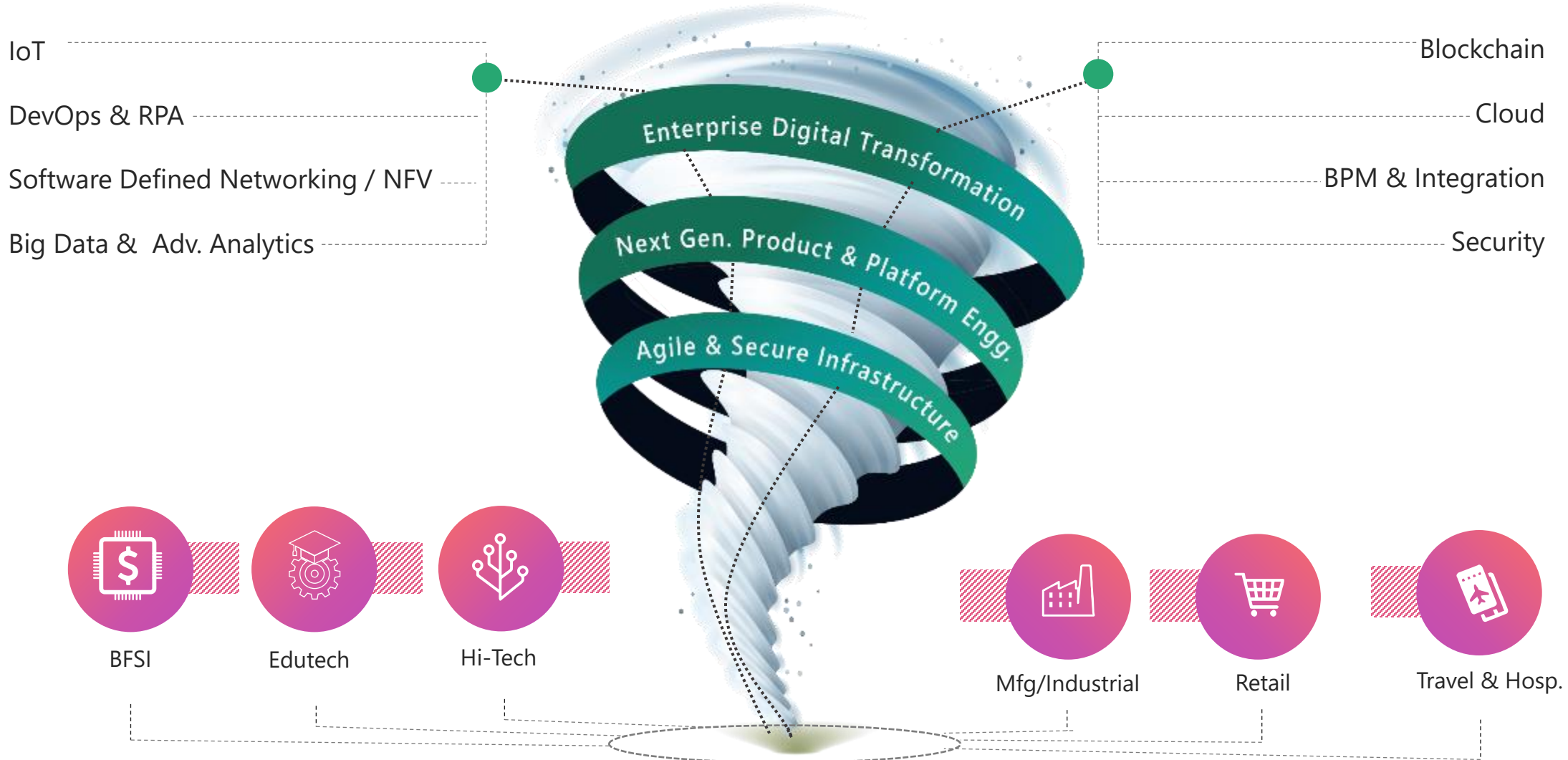
28.2%
RoE

4.4
rating
on **Glassdoor**



Top 25
India's Best
Workplaces™
in IT & IT-BPM
2021





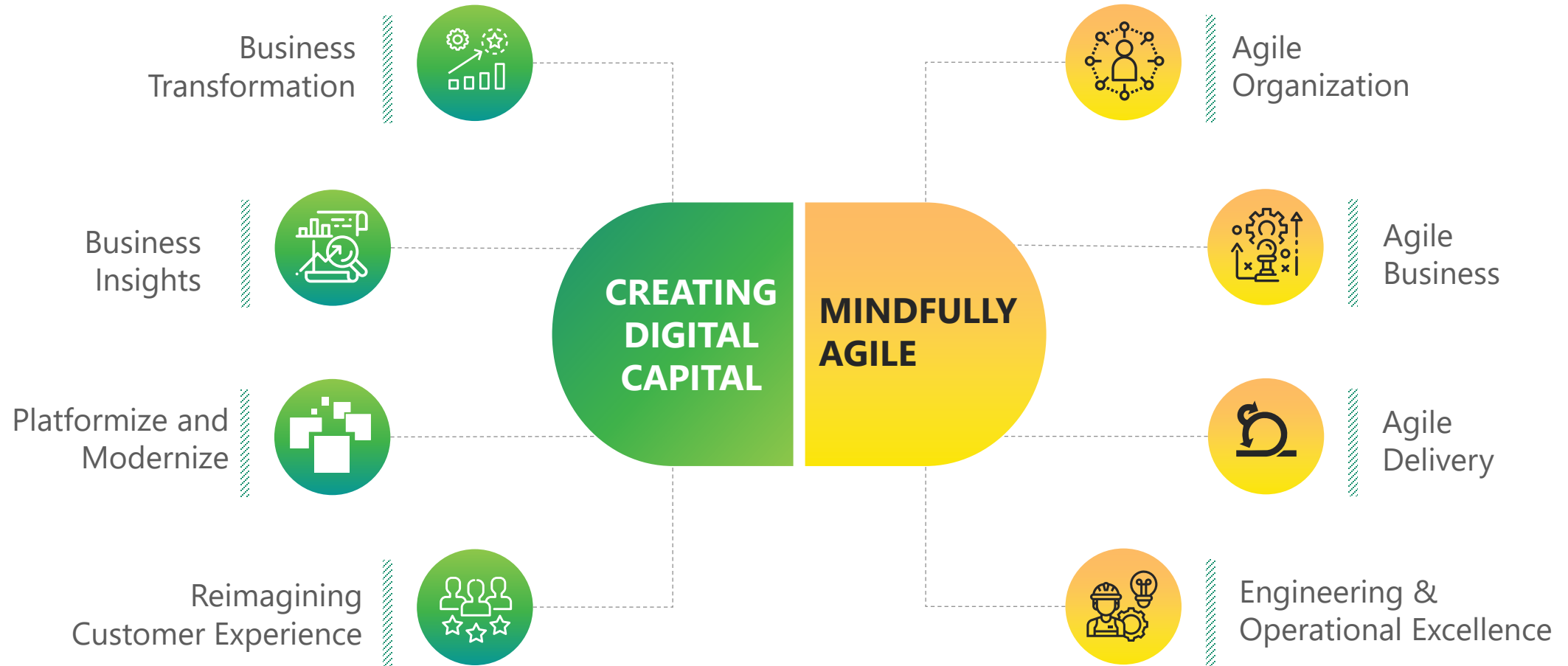
Mission, Vision & Values

Our 2021-31 Vision - DELIGHT

Our SMILES Values



Born Digital. Born Agile.



Q3 Key Project Wins

For a global telecoms provider with operations in 200+ countries, Happiest Minds has won a multi-year, multi-million-dollar managed service contract to partner on their transformational and operational excellence journey



For a global EduTech SaaS company, Happiest Minds has won a multi-year, multi-million dollar deal to provide End to End Infrastructure and Security Services by leveraging Microsoft Azure



For one of the world's largest Transportation Mobility-as-a-Service Company, Happiest minds has been chosen to help them on their Governance, Risk and Compliance (GRC) security services



For a global enterprise SaaS company offering cloud-based directory as a service platform, Happiest Minds was chosen as their engineering partner



For a portfolio company of a large private equity firm, Happiest Minds is managing data quality and governance for its master data management (MDM) application hosted on Pimcore platform



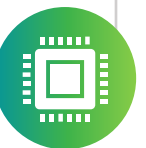
For a global bank in business over 100 years, Happiest Minds is partnering with them in their automation journey



For a global energy management technology company that manufactures software-driven solar energy solutions, Happiest Minds was chosen to develop the next generation, software-controlled Power Controller



For the US subsidiary of a multinational electronics corporation, Happiest Minds was chosen as their analytics and DevOps partner



Analyst Mentions

NASSCOM®

**Cloud Casestudy
Compendium**

Happiest Minds' Digital Content Monetization (DCM) solution was featured in **NASSCOM Cloud Case study Compendium**



Happiest Minds is recognized in Zinnov Zones as a

**Leader for
Enterprise
Software**

**Leader for
ER&D (Small &
Medium Service
Providers)**

**Niche-
Established
for AI
Engineering**

**Niche-
Established
for IoT
Services**

Award Wins



Top 25
India's Best
Workplaces™
in IT & IT-BPM
2021

Happiest Minds is ranked among **India's Top 25 Best Workplaces in IT & IT-BPM 2021** by Great Place to Work® Institute



Happiest Minds wins Platinum and Gold Awards for its 2021 Annual Report from League of American Communication Professionals (LACP) - Annual Report is ranked **#24 globally and #1 in India**



Happiest Minds is recognized as a **GOLD partner of the Intel Network Builders Winners' Circle**



Priya Kanduri, Vice President & CTO - IMSS received the **Women in Tech award** at the 19th Edition of Asia Pacific HRM Congress & Awards



Preeti Menon, Senior Vice President & Global Delivery Head – PES is recognized among the **Top 20 Female Cloud Leaders in 2021** by The Sociable.



Kiran Veigas, General Manager – Corporate Marketing & Communications was awarded **DMA Trailblazer Rising Star CMO 2021** award at the BrandMaster Award Nite.

Operational and Financial Metrics – Q3 FY22

Results Q3 FY 22

All amounts in ₹ Lakhs unless stated otherwise

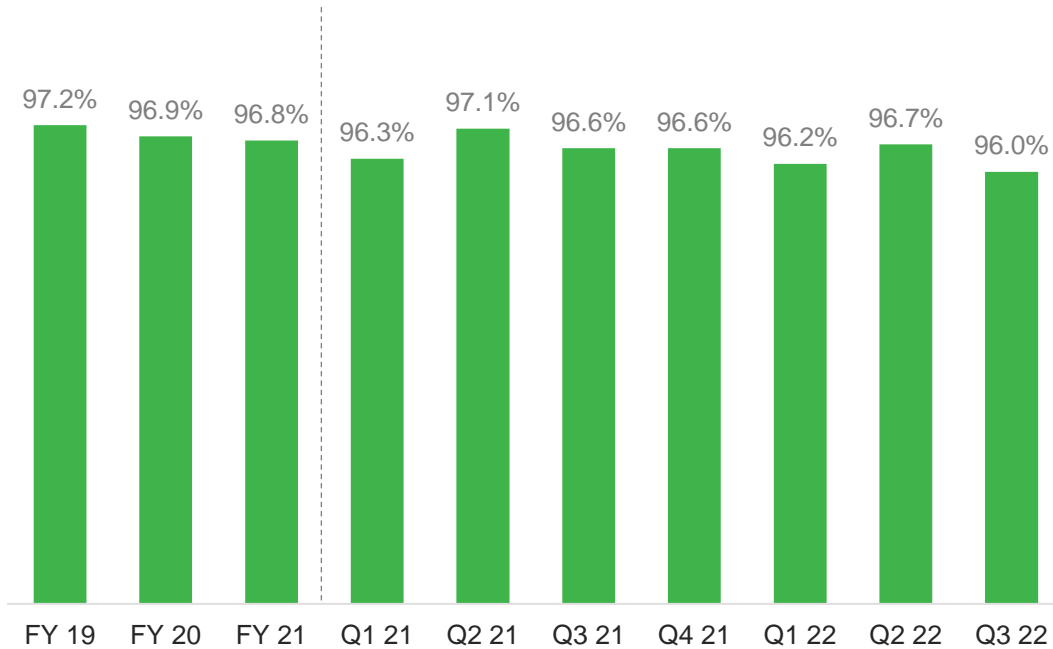
Particulars	Q3 FY 22	Q2 FY 22	QoQ	Q3 FY 21	YoY	9M FY 22	9M FY 21	YoY
Revenues (\$'000)	37,796	35,809	5.5%	26,202	44.2%	106,758	74,358	43.6%
Revenues	28,394	26,453	7.3%	19,284	47.2%	79,308	55,270	43.5%
Other Income	834	959	(13.0)%	845	(1.3)%	2,719	2,163	25.7%
Total Income	29,228	27,412	6.6%	20,129	45.2%	82,027	57,433	42.8%
EBITDA	7,631	7,012	8.8%	5,969	27.8%	21,258	15,690	35.5%
%	26.1%	25.6%		29.7%		25.9%	27.3%	
PBT before Exceptional Item	6,543	5,935	10.2%	5,327	22.8%	18,206	13,678	33.1%
%	22.4%	21.7%		26.5%		22.2%	23.8%	
Exceptional Item*	-	-		-		(609)	-	
PBT	6,543	5,935	10.2%	5,327	22.8%	17,597	13,678	28.7%
%	22.4%	21.7%		26.5%		21.5%	23.8%	
Tax	1,651	1,491	10.7%	1,112	48.5%	4,688	1,037	352.1%
%	5.6%	5.4%		5.5%		5.7%	1.8%	
PAT	4,892	4,444	10.1%	4,215	16.1%	12,909	12,641	2.1%
%	16.7%	16.2%		20.9%		15.7%	22.0%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile.

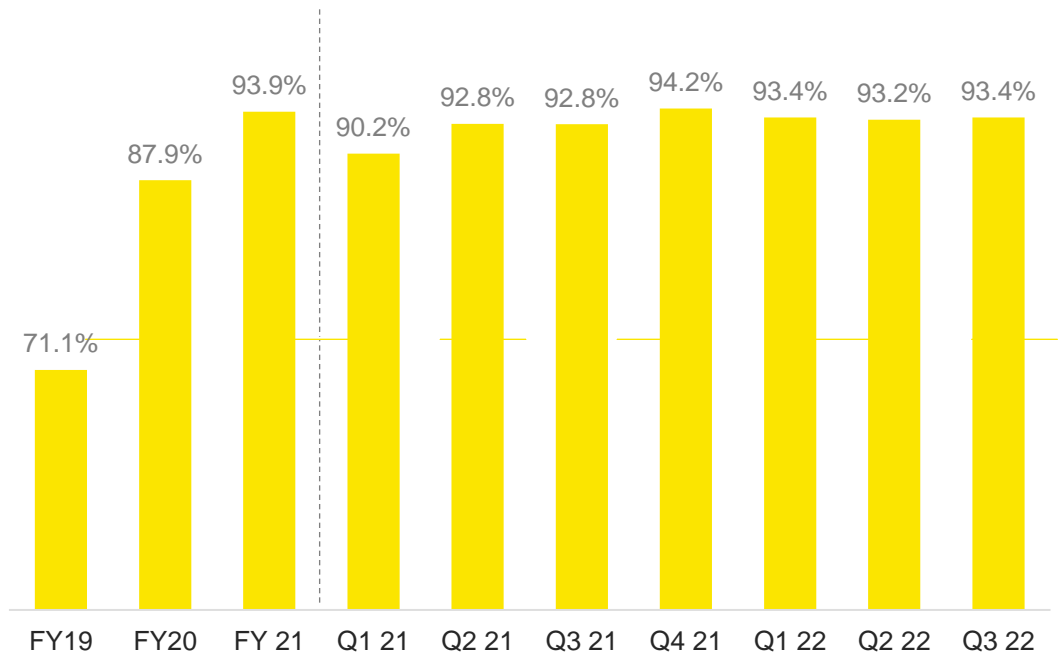
Digital

% of Revenue



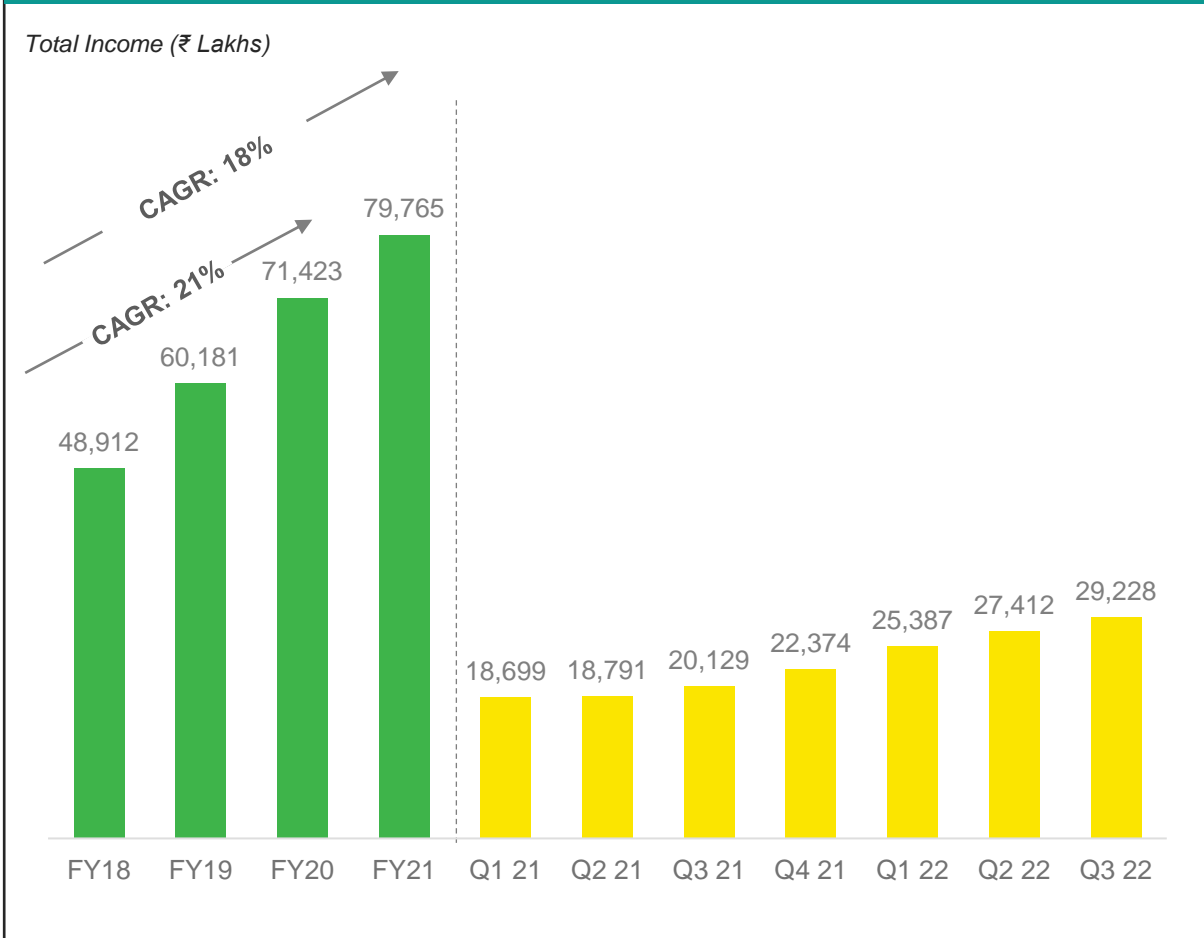
Agile

% of Revenue

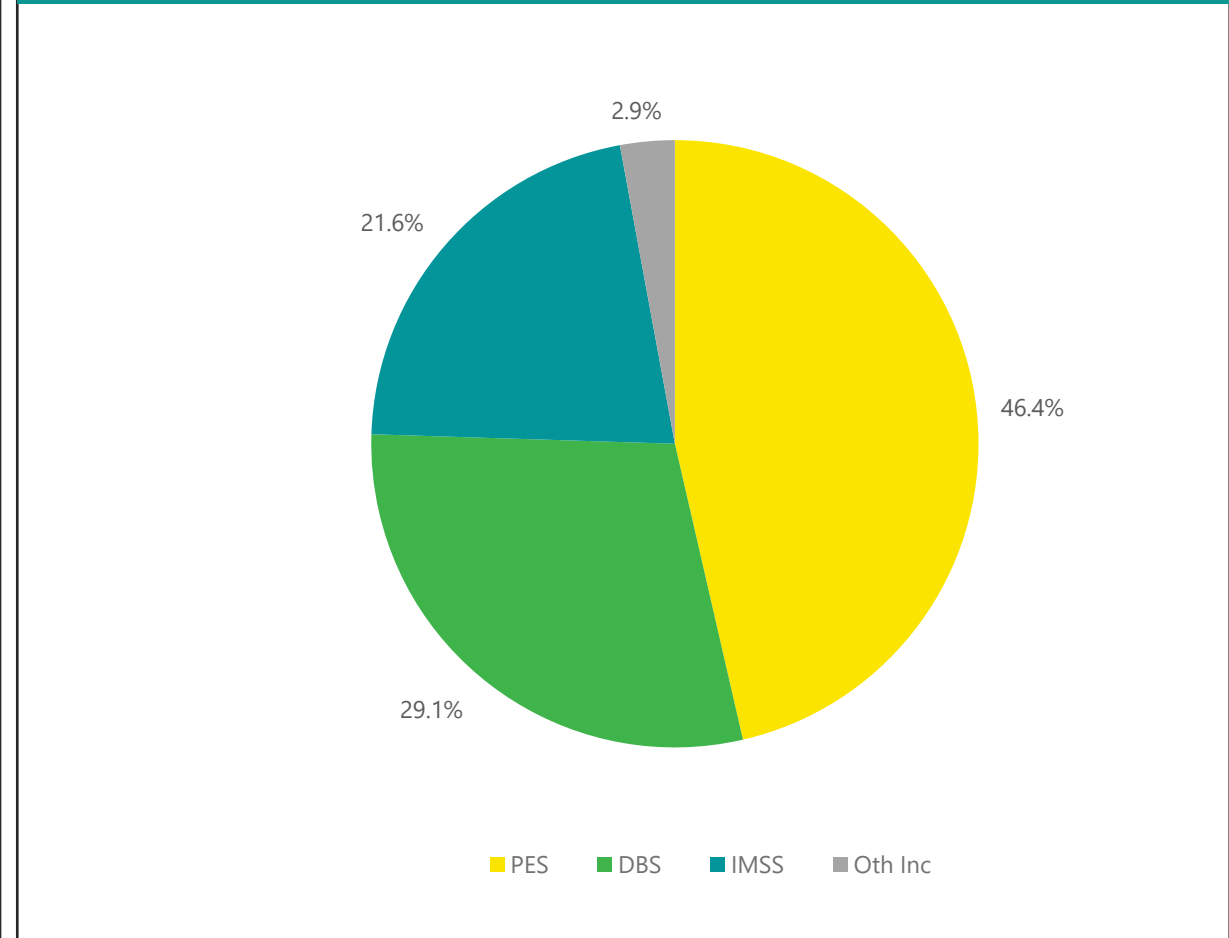


Operational & Financial Metrics

Revenue - Growth

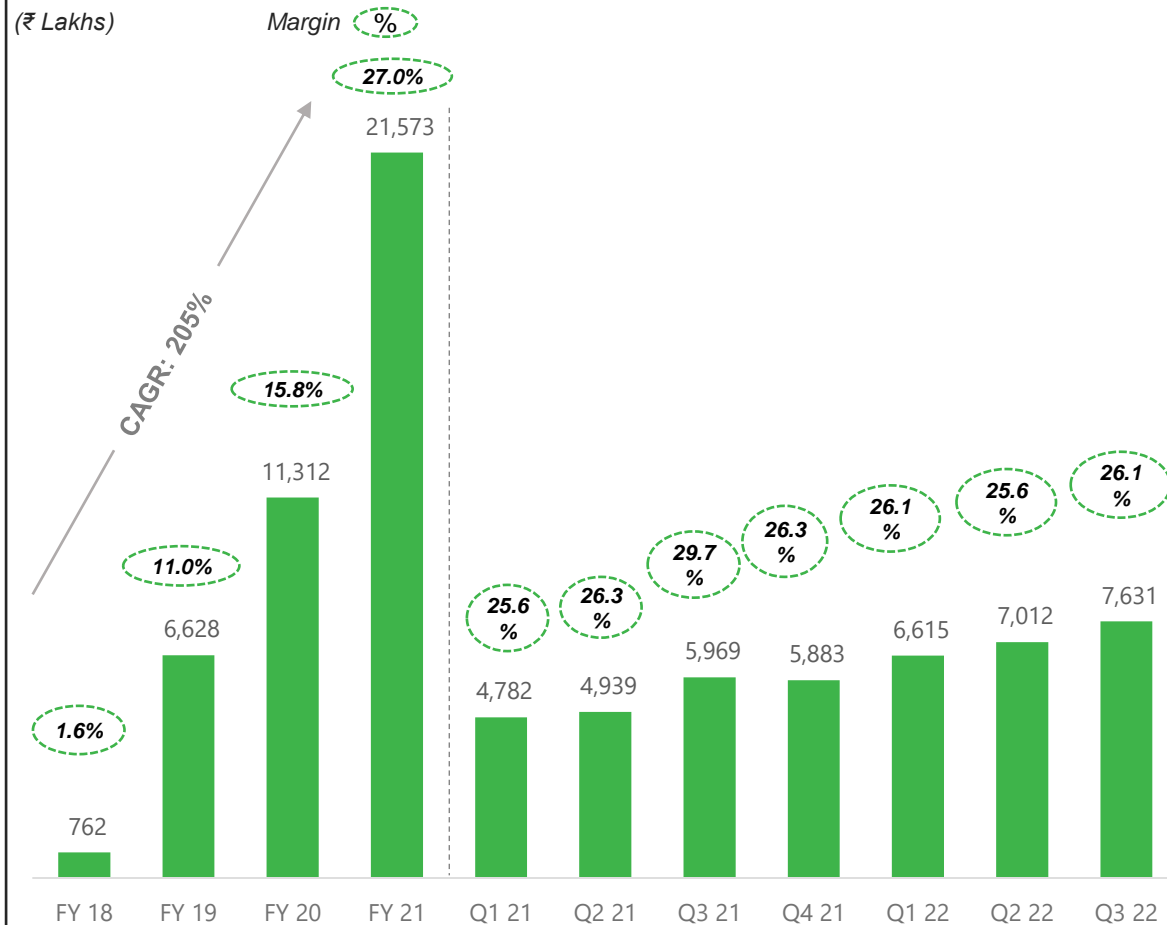


Revenue Share

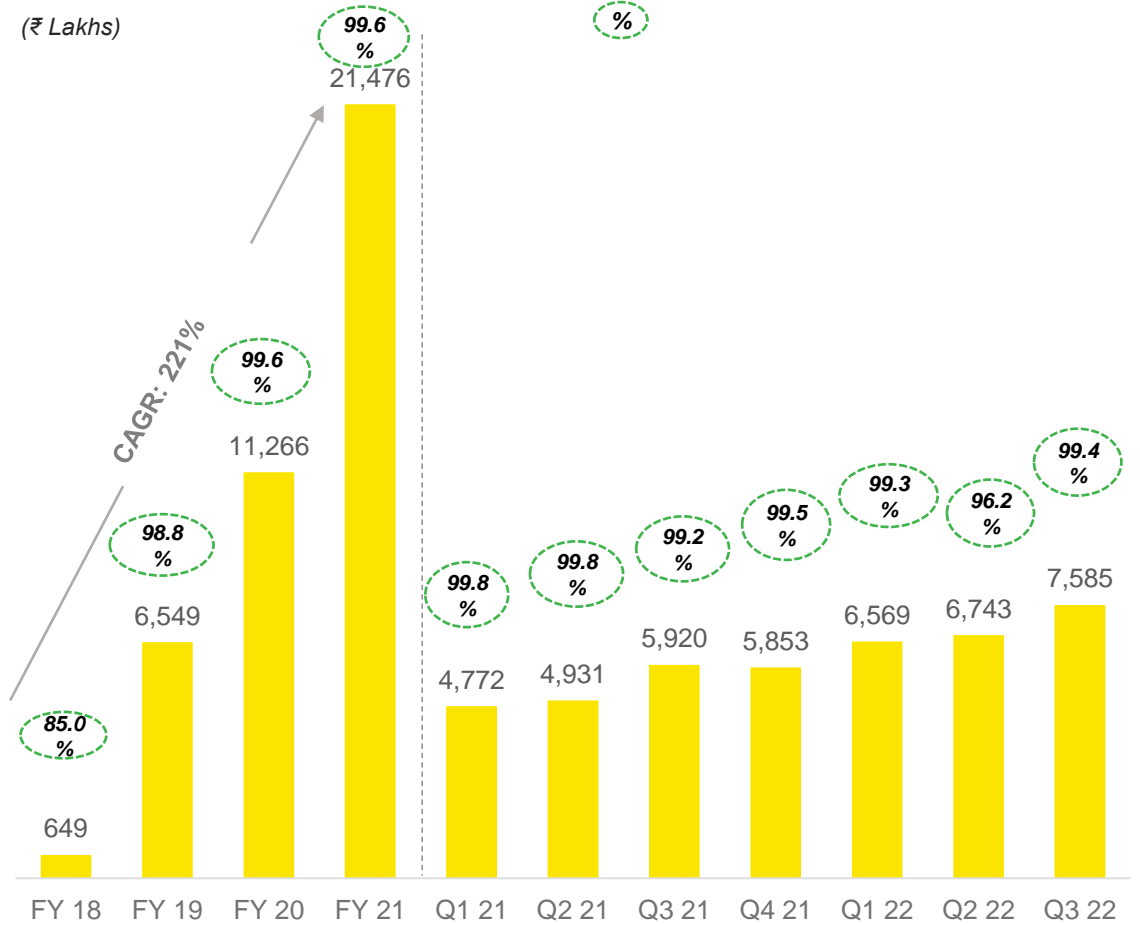


Operational & Financial Metrics

EBITDA

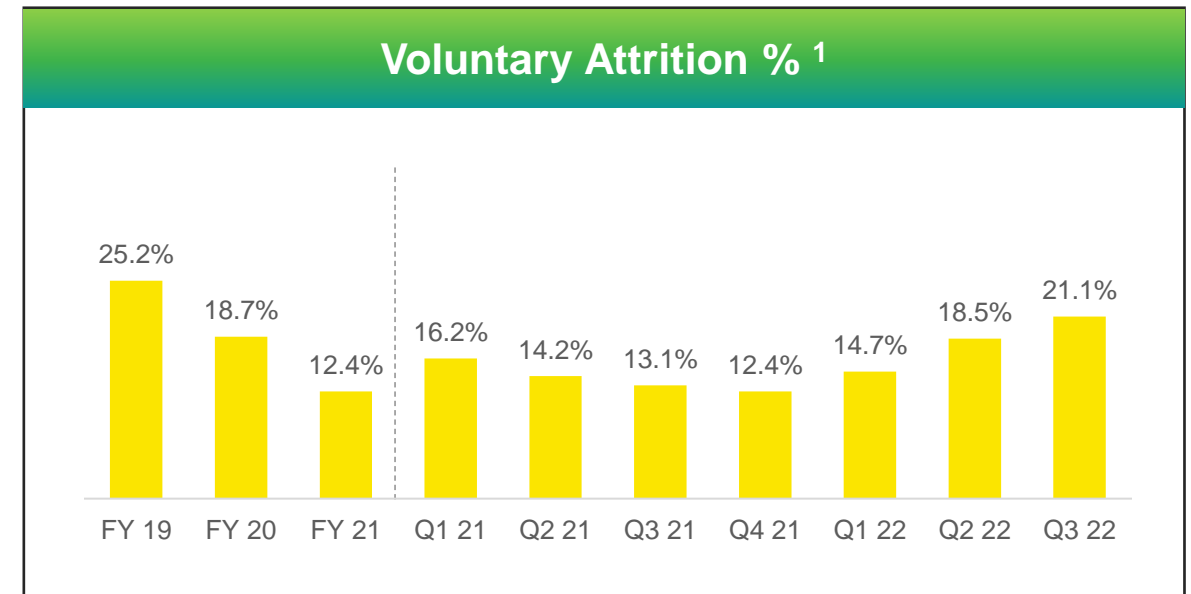
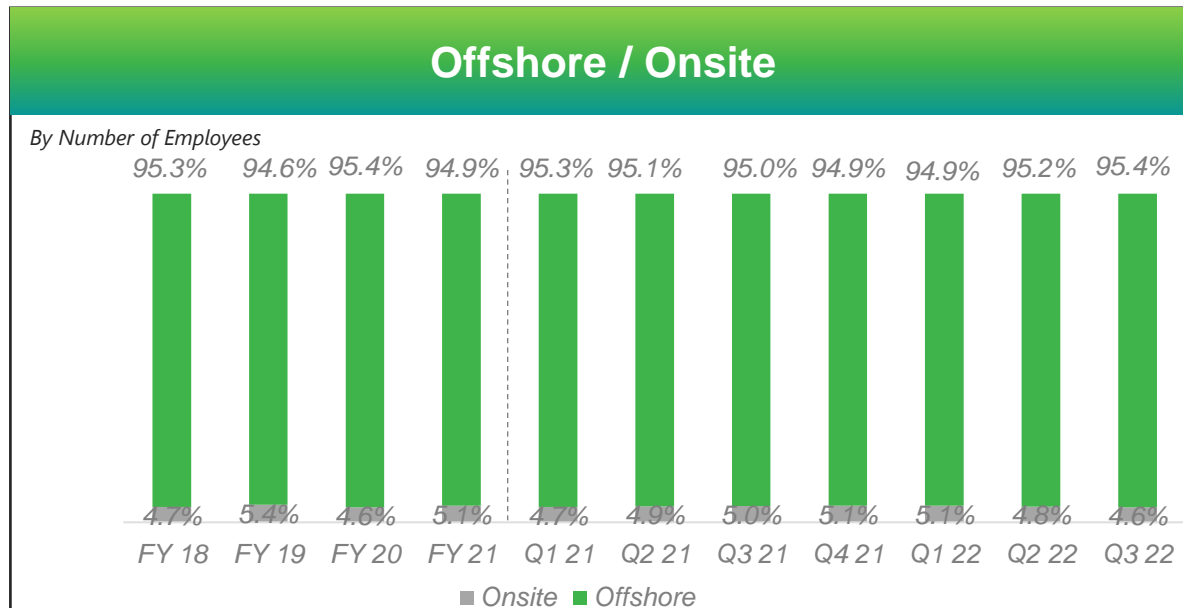
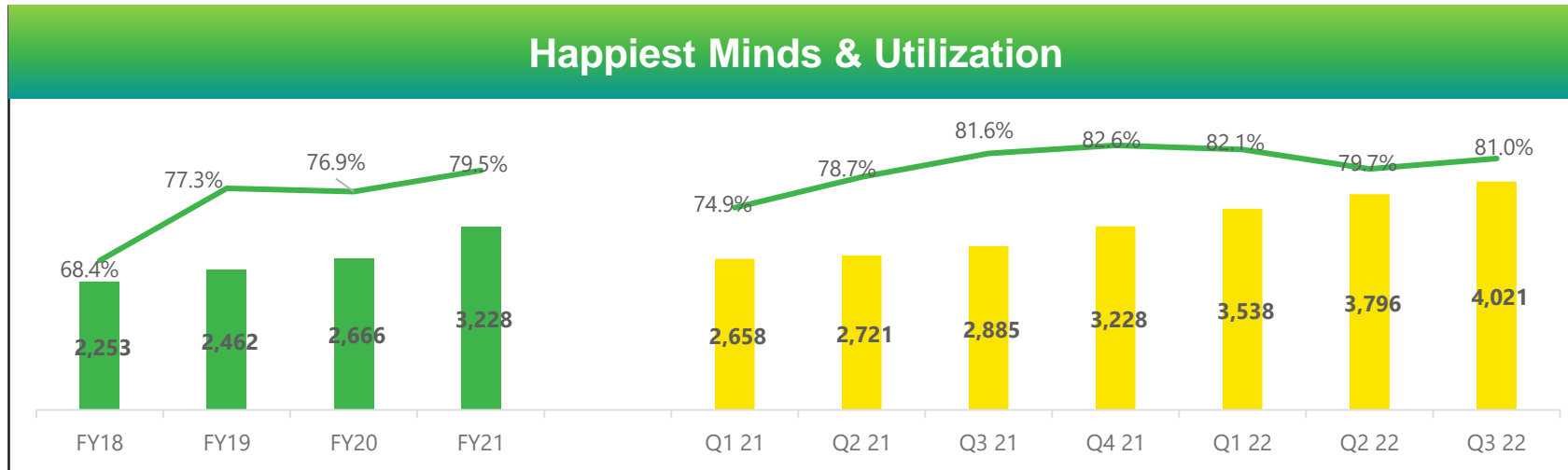


High FCF¹ conversion



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

Operational & Financial Metrics

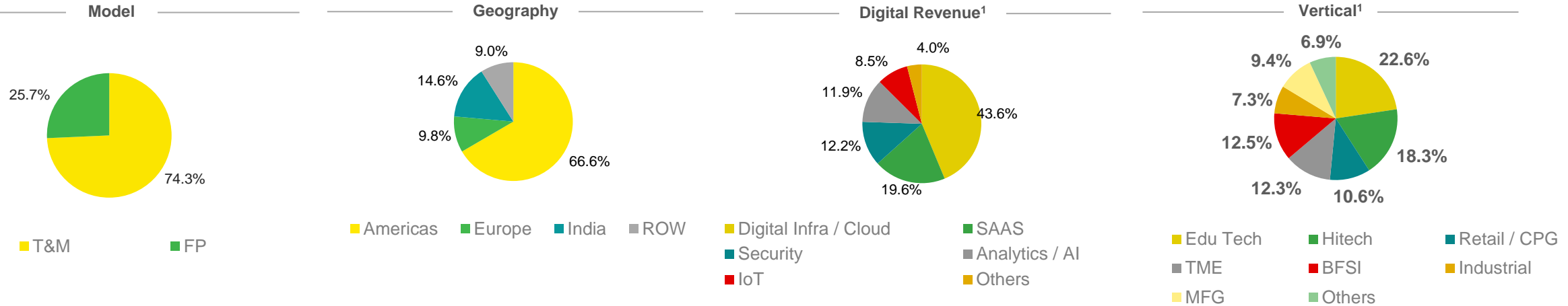


Note 1: Trailing 12 Months

Operational & Financial Metrics

Revenue Model

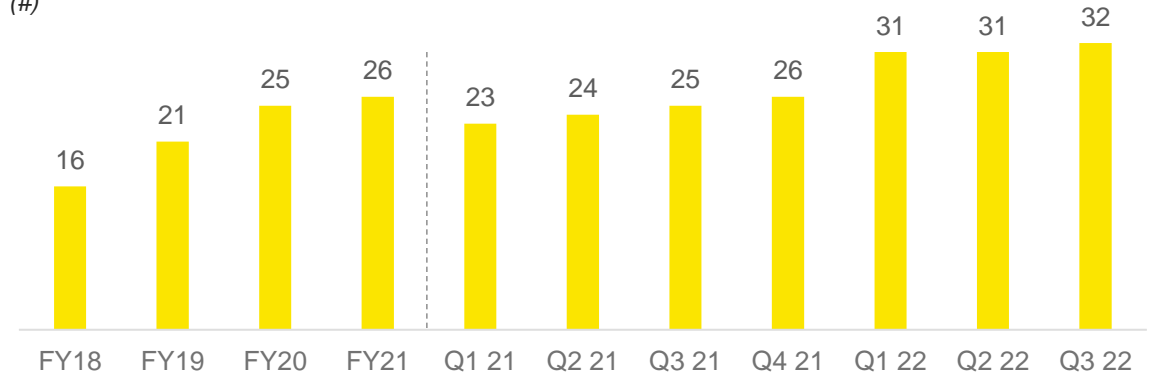
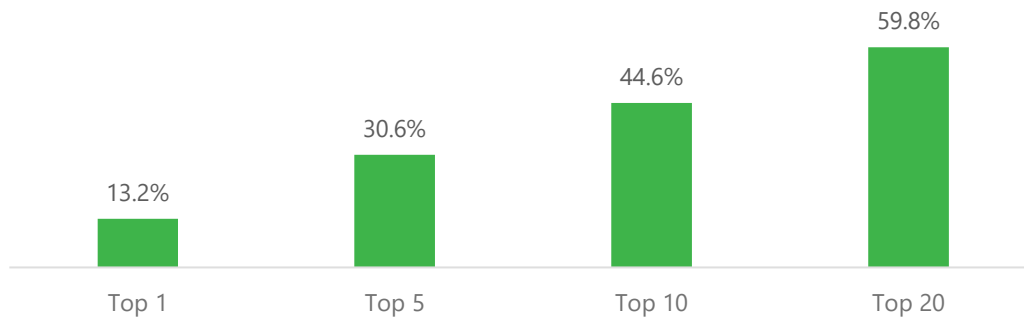
Q3 22



Revenue Concentration YTD³ | Million \$ Customers²

(% Revenue)

(#)

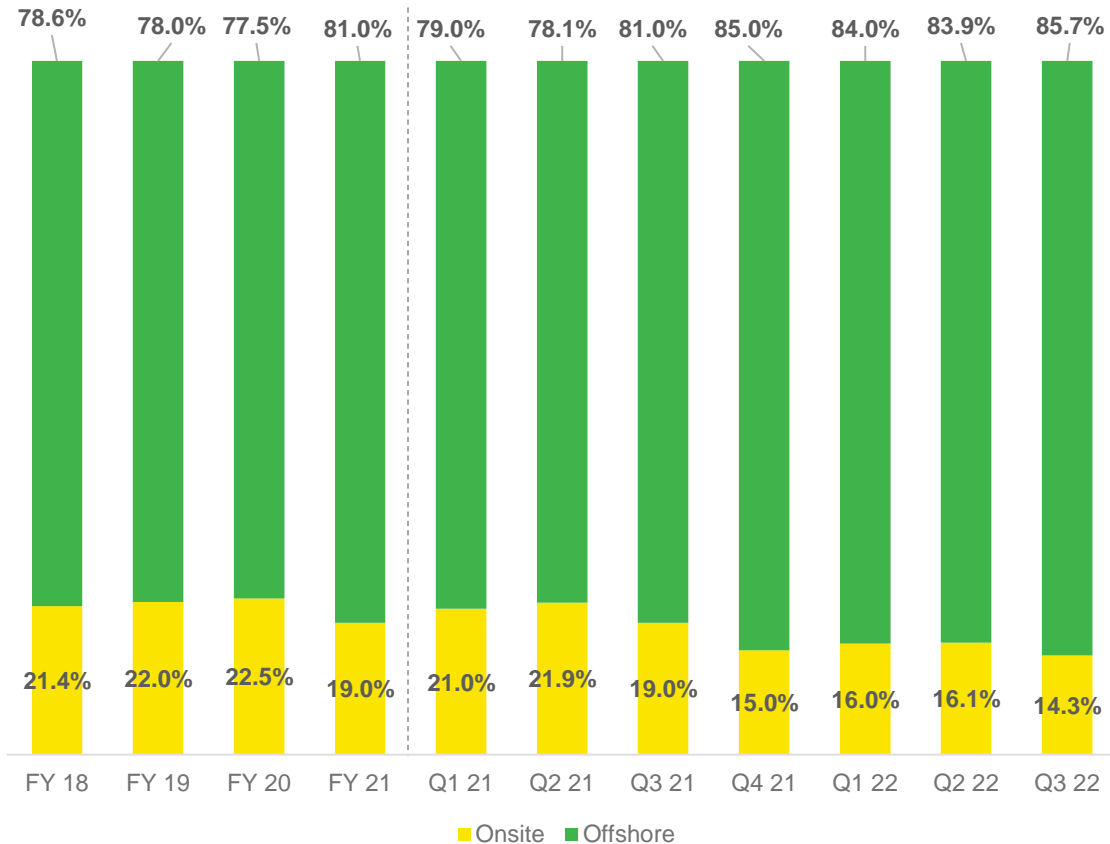


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics

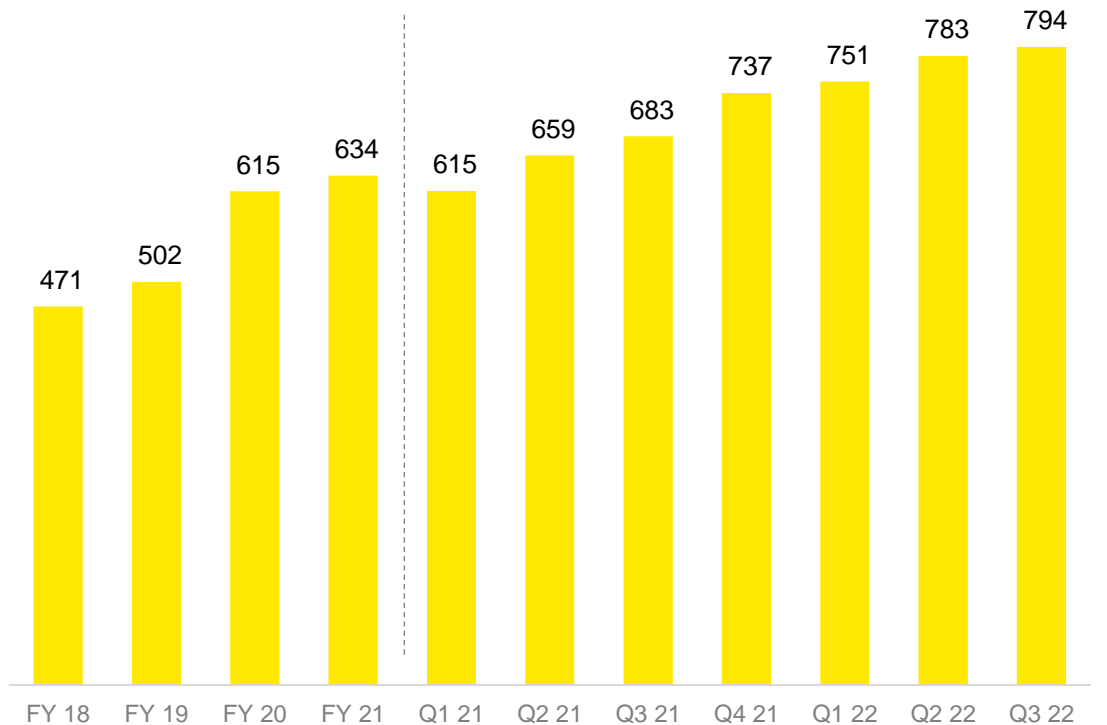
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3
Customer Industry group											
Edutech	18.0%	21.3%	21.3%	27.0%	27.0%	24.9%	24.1%	25.6%	23.4%	23.2%	22.6%
Hitech	24.6%	21.0%	21.0%	20.5%	19.5%	20.2%	13.5%	18.2%	14.2%	13.5%	18.3%
BFSI	17.9%	18.2%	17.5%	17.4%	16.3%	17.4%	14.8%	16.4%	13.4%	13.3%	12.5%
Travel, Media and Entertainment (TME)	11.0%	13.8%	17.1%	12.9%	13.0%	14.4%	14.0%	13.6%	13.9%	13.0%	12.3%
Retail / CPG	7.0%	6.9%	7.5%	5.7%	4.5%	2.2%	8.6%	5.4%	9.6%	10.6%	10.6%
Industrial	6.2%	8.1%	7.0%	6.4%	6.9%	7.0%	7.7%	7.1%	7.1%	6.6%	7.3%
Manufacturing	3.2%	3.8%	3.7%	5.7%	6.8%	6.9%	7.1%	6.6%	6.3%	8.3%	9.4%
Others	12.3%	6.9%	4.9%	4.6%	6.0%	7.0%	10.2%	7.1%	12.0%	11.6%	6.9%
Digital Service Offerings											
Digital infrastructure/Cloud	-	40.9%	31.2%	43.7%	41.1%	41.0%	44.2%	41.6%	42.3%	42.8%	43.6%
SaaS	-	28.6%	29.4%	23.6%	24.6%	21.6%	20.9%	22.7%	20.2%	19.6%	19.6%
Security Solutions	-	10.2%	14.9%	7.6%	7.4%	8.7%	9.1%	8.7%	11.0%	12.2%	12.2%
Analytics/AI	-	9.1%	11.6%	12.1%	13.5%	14.4%	12.9%	13.3%	12.9%	12.5%	11.9%
IoT	-	8.4%	9.8%	9.3%	10.5%	11.0%	9.5%	10.5%	9.9%	9.8%	8.5%
Total	-	97.2%	96.9%	96.3%	97.1%	96.6%	96.6%	96.8%	96.2%	96.7%	96.0%
Automation as a % of total revenue			20.7%	24.2%	24.3%	27.8%	24.4%	25.2%	23.9%	23.9%	27.1%

Operational & Financial Metrics

	FY18	FY19	FY20	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY 21	FY22 Q1	FY22 Q2	FY22 Q3
Revenue by Customer Geo											
USA	73.5%	75.5%	77.5%	77.3%	77.3%	72.2%	68.4%	73.4%	67.8%	65.9%	66.6%
India	11.7%	11.9%	11.9%	10.9%	10.9%	13.4%	11.7%	11.8%	12.4%	13.0%	14.6%
Europe	11.4%	9.5%	7.2%	9.8%	9.2%	10.6%	11.6%	10.4%	10.4%	11.1%	9.8%
ROW	3.4%	3.1%	3.4%	2.0%	2.6%	3.8%	8.4%	4.4%	9.4%	10.0%	9.0%
Million \$ Customers¹											
\$ 10 M +		1	1	1	1	1	1	1	1	1	1
\$ 5M to \$ 10M	2	2	-	1	-	2	3	3	3	6	4
\$ 3M to \$ 5M	2	1	9	4	6	5	6	6	6	3	4
\$ 1M to \$ 3M	12	17	15	17	17	17	16	16	21	21	23
Total	16	21	25	23	24	25	26	26	31	31	32
Revenue Mix											
Onsite	21.4%	22.0%	22.5%	21.0%	21.9%	19.0%	15.0%	19.0%	16.0%	16.1%	14.3%
Offshore ²	78.6%	78.0%	77.5%	79.0%	78.1%	81.0%	85.0%	81.0%	84.0%	83.9%	85.7%
Revenue by contracting Model											
Fixed Price	18.4%	16.8%	19.0%	18.8%	19.3%	22.2%	26.0%	22.0%	26.0%	24.4%	25.7%
Time and Material	81.6%	83.2%	81.0%	81.2%	80.7%	77.8%	74.0%	78.0%	74.0%	75.6%	74.3%
Active customers											
# of active customers	173	163	157	148	152	155	173	173	180	186	195
Billion \$ corporation											
# of customers			37	36	39	38	46	46	53	50	53

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

Operational & Financial Metrics

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3
Happiest Minds											
Onsite	105	132	123	124	133	145	166	166	180	182	183
Offshore	2,148	2,330	2,543	2,534	2,588	2,740	3,062	3,062	3,358	3,614	3,838
Total	2,253	2,462	2,666	2,658	2,721	2,885	3,228	3,228	3,538	3,796	4,021
Happiest Minds %											
Onsite	4.7%	5.4%	4.6%	4.7%	4.9%	5.0%	5.1%	5.1%	5.1%	4.8%	4.6%
Offshore	95.3%	94.6%	95.4%	95.3%	95.1%	95.0%	94.9%	94.9%	94.9%	95.2%	95.4%
Utilization											
%	68.4%	77.3%	76.9%	74.9%	78.7%	81.6%	82.6%	79.5%	82.1%	79.7%	81.0%
Diversity											
Women Happiest Minds	22.0%	23.0%	24.0%	23.4%	23.3%	24.0%	24.5%	24.5%	25.2%	26.1%	26.1%
DSO											
Billed	74	80	60	51	51	46	50	57	46	58	61
Unbilled	6	11	23	32	26	31	24	28	36	30	32
Total	80	91	83	83	77	77	75	85	82	88	93
EPS ₹											
Diluted	-	-	5.36	3.72	2.42	2.89	2.48	11.45	2.45	3.06	3.38
Capital Return Ratios											
RoCE			28.9%	50.9%	37.0%	41.9%	33.3%	31.2%	30.7%	33.8%	32.9%
RoE			27.1%	62.9%	29.4%	33.2%	26.4%	29.8%	24.7%	27.5%	28.2%

Operational & Financial Metrics

(All figures in ₹ Lakhs)

	FY18		FY19		FY20		FY21Q1		FY21Q2		FY21Q3		FY21Q4		FY21		FY22Q1		FY22Q2		FY22Q3	
Revenue by BUs																						
IMSS	9,862	20.2%	12,943	21.5%	15,361	21.5%	3,641	19.5%	3,959	21.1%	4,334	21.5%	4,487	20.1%	16,421	20.6%	5,251	20.7%	5,747	21.0%	6,322	21.6%
DBS	15,403	31.5%	18,090	30.1%	19,167	26.8%	4,598	24.6%	4,710	25.1%	4,985	24.8%	6,995	31.3%	21,288	26.7%	7,570	29.8%	8,046	29.4%	8,511	29.1%
PES	21,024	43.0%	28,003	46.5%	35,293	49.4%	9,463	50.6%	9,615	51.2%	9,965	49.5%	10,589	47.3%	39,632	49.7%	11,639	45.8%	12,661	46.2%	13,561	46.4%
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%	22,071	98.6%	77,341	97.0%	24,460	96.4%	26,453	96.5%	28,394	97.1%
Other income	2,623	5.4%	1,145	1.9%	1,602	2.2%	997	5.3%	507	2.7%	845	4.2%	303	1.4%	2,424	3.0%	926	3.6%	959	3.5%	834	2.9%
Total income	48,912	100%	60,181	100%	71,423	100%	18,699	100%	18,791	100%	20,129	100%	22,374	100%	79,765	100%	25,387	100%	27,412	100.0%	29,228	100.0%

IMSS: Infrastructure Management & Security Services

DBS : Digital Business Services

PES: Product Engineering Services

Operational & Financial Metrics

Summary Profit & Loss statement

(All figures in ₹ Lakhs)

	FY 18	FY 19	FY 20	FY 21 Q1	FY 21 Q2	FY 21 Q3	FY 21 Q4	FY 21	FY 22 Q1	FY 22 Q2	FY 22 Q3
Income											
Operating revenue	46,289	59,036	69,821	17,702	18,284	19,284	22,071	77,341	24,461	26,453	28,394
Other income	2,623	1,145	1,602	997	507	845	303	2,424	926	959	834
Total income	48,912	60,181	71,423	18,699	18,791	20,129	22,374	79,765	25,387	27,412	29,228
Cost of revenue	32,652	36,987	42,927	9,978	10,401	11,155	12,849	44,382	14,661	15,864	16,591
Gross margin	13,637	22,049	26,894	7,724	7,884	8,129	9,222	32,959	9,800	10,589	11,804
%	29.5%	37.3%	38.5%	43.6%	43.1%	42.2%	41.8%	42.6%	40.1%	40.0%	41.6%
SG&A	15,498	16,566	17,184	3,939	3,452	3,005	3,642	13,810	4,111	4,536	5,006
%	33.5%	28.1%	24.6%	22.3%	18.9%	15.6%	16.5%	17.9%	16.8%	17.1%	17.6%
EBITDA	762	6,628	11,312	4,782	4,939	5,969	5,883	21,573	6,615	7,012	7,631
%	1.6%	11.0%	15.8%	25.6%	26.3%	29.7%	26.3%	27.0%	26.1%	25.6%	26.1%
Depreciation	2,075	2,478	2,023	512	512	516	734	2,274	723	834	847
%	4.5%	4.2%	2.9%	2.9%	2.8%	2.7%	3.3%	2.9%	3.0%	3.2%	3.0%
EBIT	(1,313)	4,150	9,289	4,270	4,427	5,453	5,149	19,299	5,892	6,178	6,784
%	-2.7%	6.9%	13.0%	22.8%	23.6%	27.1%	23.0%	24.2%	23.2%	22.5%	23.2%
Finance cost	995	1,594	802	186	160	126	225	697	164	243	241
PBT before exceptional items/adjustments *	(2,308)	2,556	8,487	4,084	4,267	5,327	4,924	18,602	5,728	5,935	6,543
%	-4.7%	4.2%	11.9%	21.8%	22.7%	26.5%	22.0%	23.3%	22.6%	21.6%	22.4%
Exceptional Items +	-	1,258	1,126	-	-	-	-	-	609	-	-
PBT *	(2,308)	1,298	7,361	4,084	4,267	5,327	4,924	18,602	5,119	5,935	6,543
%	-4.7%	2.2%	10.3%	21.8%	22.7%	26.5%	22.0%	23.3%	20.2%	21.6%	22.4%
Current tax	-	-	190	851	682	1,105	889	3,527	1,595	1,512	1,466
Deferred tax	(61)	(123)	-	(1,785)	177	7	430	(1,171)	(49)	(21)	185
Total Tax	(61)	(123)	190	(934)	859	1,112	1,319	2,356	1,546	1,491	1,651
%	-0.1%	-0.2%	0.3%	-5.0%	4.6%	5.5%	5.9%	3.0%	6.1%	5.4%	5.6%
PAT *	(2,247)	1,421	7,171	5,018	3,408	4,215	3,605	16,246	3,573	4,444	4,892
%	-4.6%	2.4%	10.0%	26.8%	18.1%	20.9%	16.1%	20.4%	14.1%	16.2%	16.7%

* "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, for FY22 Q1 refers to Loss on Fair Valuation of Warrant Liability

Operational & Financial Metrics

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	31.03.2021	30.06.2021	30.09.2021	31.12.2021
Assets										
Non-current Assets										
Property, plant and equipment	264	214	93	77	60	72	69	83	86	77
Goodwill	2,961	1,736	610	610	611	611	7,644	7,756	7,742	7,772
Financial & Other assets	7,685	6,003	5,598	6,266	5,788	5,040	10,029	18,033	11,604	20,609
Total non-current assets (A)	10,910	7,953	6,301	6,953	6,459	5,723	17,742	25,872	19,432	28,458
Current assets										
Financial & Other assets										
i. Trade receivable	9,437	12,927	11,487	9,851	10,302	9,765	12,192	12,431	16,064	18,212
ii. Cash & Cash equivalents, Investments & Other financial assets	16,928	19,610	31,967	39,196	52,387	54,286	60,928	60,476	63,790	59,928
iii. Other assets	1,424	862	1,060	1,308	1,721	1,531	1,333	1,117	2,367	2,655
Total current assets (B)	27,789	33,399	44,514	50,355	64,410	65,582	74,453	74,024	82,221	80,795
Total assets (A + B)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653	109,253
Equity and Liabilities										
Total equity (A)	(10,888)	(6,605)	26,531	31,901	46,380	50,836	54,599	58,125	58,498	61,035
Non-current liabilities										
Financial liabilities	5,797	3,814	1,863	1,674	1,518	1,248	7,339	10,775	9,431	12,907
Provisions & Deferred tax liability	935	940	1,255	1,508	1,513	1,662	2,378	2,325	2,334	2,340
Total non-current liabilities (B)	6,732	4,754	3,118	3,182	3,031	2,910	9,717	13,100	11,765	15,247
Current liabilities										
Financial & Contract liabilities										
i. Trade payable	2,498	2,878	3,442	3,600	6,307	3,781	4,101	4,913	6,670	5,775
ii. Others	38,866	38,591	15,947	15,907	12,402	10,931	20,340	20,090	20,711	23,340
Provisions & Other current liabilities	1,491	1,734	1,777	2,718	2,749	2,847	3,438	3,668	4,009	3,856
Total current liabilities (C)	42,855	43,203	21,166	22,225	21,458	17,559	27,879	28,671	31,390	32,971
Total liabilities (D = B + C)	49,587	47,957	24,284	25,407	24,489	20,469	37,596	41,771	43,155	48,218
Total equity and liabilities (A + D)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653	109,253

