
Investor Presentation & FACT SHEET: Q3 FY 23


January 2023

About Happiest Minds


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

<p>97% Digital Born Digital</p>	<p>94% Agile Born Agile</p>	<p>230 Active Clients 55 Fortune2000 / Forbes200 Billion \$ Corporations 92% Repeat Business</p>	<p>34.9% RoCE¹ 29.4% RoE</p>
<p>Mission Statement Happiest People Happiest Customers</p> <p>SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>4,611 Happiest Minds across 7 Countries Gender Diversity 28% 4.4 rating on Glassdoor</p>	<p>Great Place To Work[®]</p> <ul style="list-style-type: none"> Top 25 India's Best Workplaces in IT & IT-BPM 2022 #29 India's Best Companies to Work for 2022 #68 Asia's Best Workplaces 2022 Top 50 Best Workplaces for Women 2022 	<p>Constant Currency Revenue growth of 26% YTD (FY23 Guidance : 25%) 26.3% EBITDA (FY23 Guidance : 22%-24%)</p>

Promoter




Ashok Soota




IPO - In September 2020

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




ER&D SERVICES






'Best Governed Company'
in Medium Category



Winner of Corporate Governance 2022





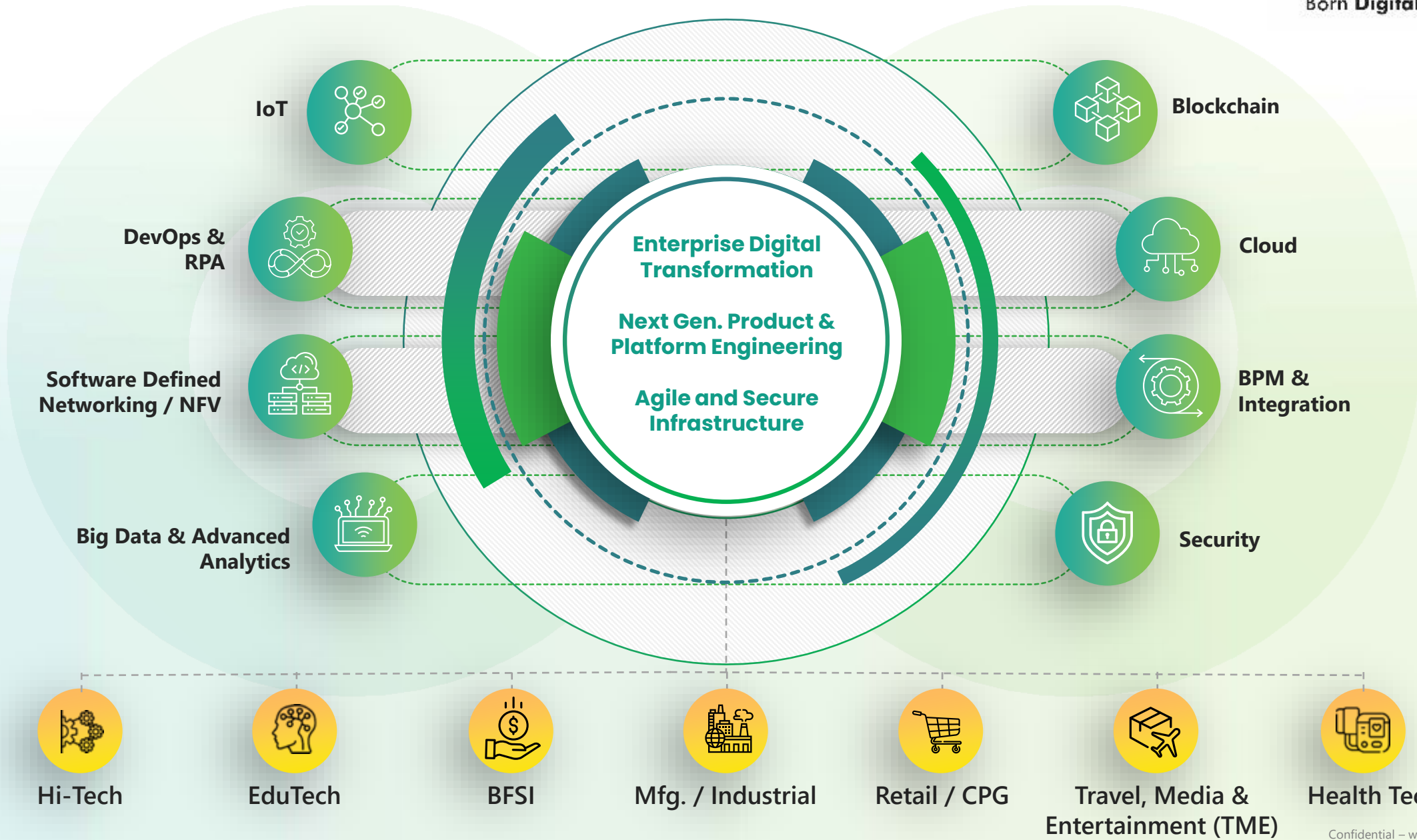
Mission, Vision and Values

Our 2021-31 Vision - DELiGHT

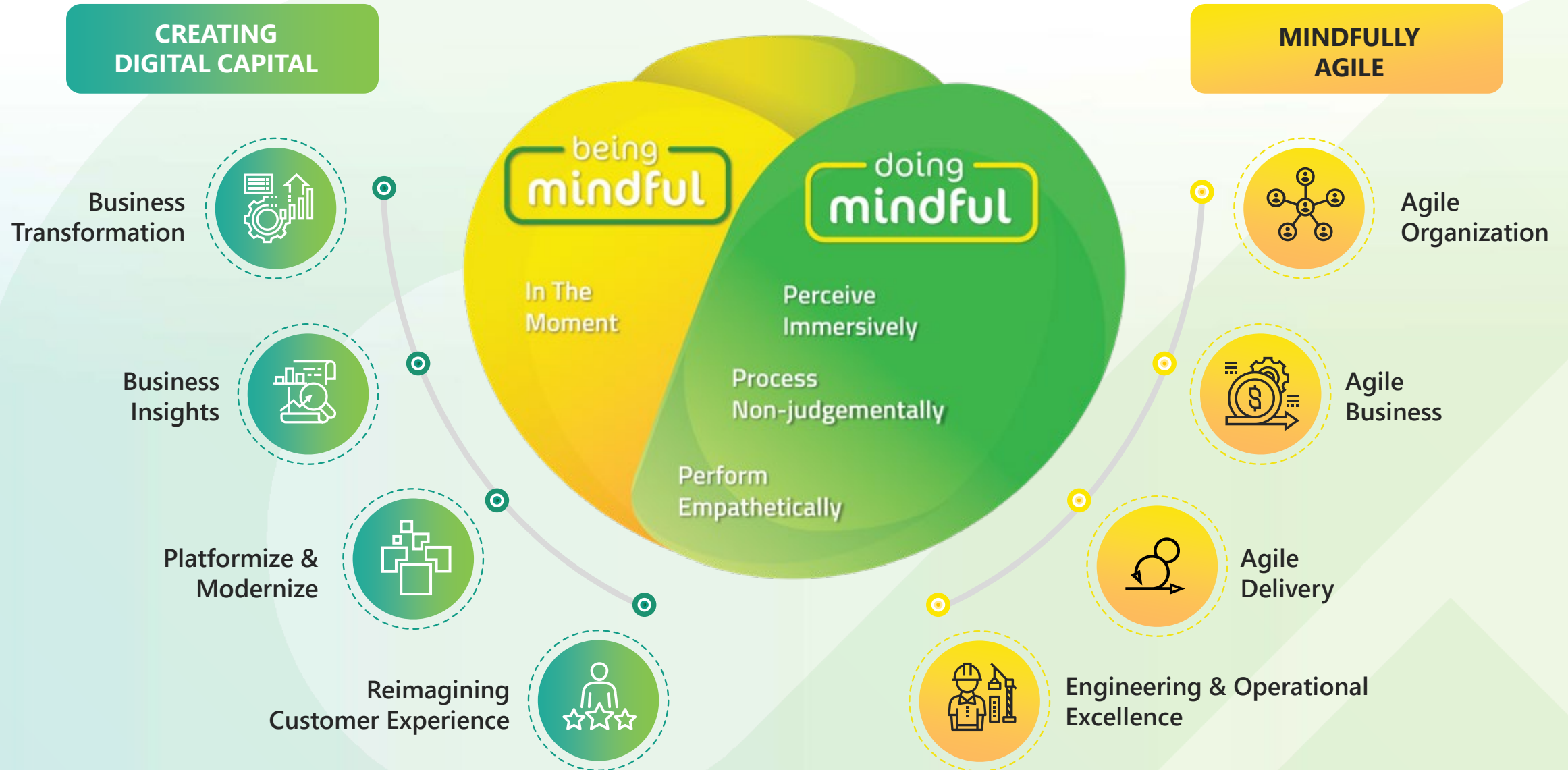
Our SMILES Values



Our Business



Born Digital . Born Agile ∞ The Mindful IT Company



Key Project Wins

For one of the **largest bottlers of beverage brands in America**, Happiest Minds was chosen to establish Microsoft Power Platform COE for them



For a **US-based workforce development company**, Happiest Minds was selected to build their next-generation mentorship platform



For a **global leader in the design and manufacturing of advanced analytical, test and measurement instrumentation**, Happiest Minds was selected as a partner for front-end development and automation



For a **leading US labor and employment law firm**, Happiest Minds is helping them automate their processes with Microsoft Power Platform



For a **large consulting company in the US**, Happiest Minds is providing managed database services



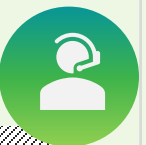
For a **Danish bank**, Happiest Minds is digitally transforming their trading platform using Low-Code No-Code (LCNC) platform.



For a **major telecom operator in the Middle East**, Happiest Minds is providing Security Assessment services



For a **multi-national BPO and consultancy company headquartered in Europe**, Happiest Minds is providing cloud, security and network management services



Analyst Mentions



Awards



Happiest Minds has won GOLD for its 2022 Integrated Annual Report at the **League of American Communication Professionals (LACP) Spotlight Awards 2022**



Happiest Minds is recognized among **'India's Top 25 Best Workplaces™ in IT & IT-BPM 2022'** by Great Place To Work® Institute



Priya Kanduri conferred **'Outstanding Leadership Award'** at Internet 2.0 Conference, Dubai



Happiest Minds has won CULT.fit **'India's Fittest Disruptors 2022 Award'**



Sushilkumar Nahar recognized as a **'Game Changer'** at the **CIO100 Awards 2022**

Happiest Minds wins multiple awards at the **ICSI National Awards 2022**




**'Best Governed Company' in
Medium Category**



**CS Praveen Kumar Darshankar
presented the
'Governance Professional of
the Year'**



**Ashok Soota conferred
'ICSI Lifetime
Achievement Award
for Excellence in
Corporate Governance'**



Operational and Financial Metrics – Q3 FY23

Results Q3 FY 23

All amounts in ₹ Lakhs unless stated otherwise

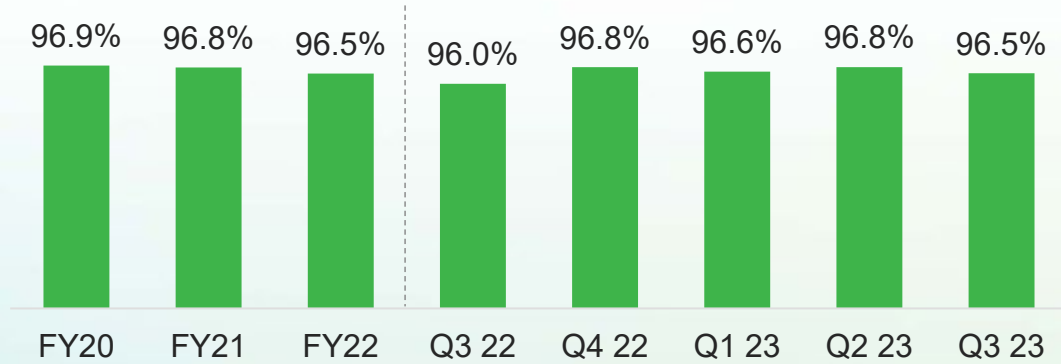
Particulars	Q3 FY 23	Q2 FY 23	QoQ	Q3 FY 22	YoY	9M FY23	9M FY22	YoY
Revenues (\$'000)	45,279	44,347	2.1%	37,796	19.8%	131,850	106,758	23.5%
Constant Currency Growth	-	-	2.8%	-	22.6%	-	-	26.0%
Revenues	36,688	35,551	3.2%	28,394	29.2%	105,131	79,308	32.6%
Other Income	780	382	-	834	-	1,266	2,719	-
Total Income	37,468	35,933	4.3%	29,228	28.2%	106,397	82,027	29.7%
EBITDA	9,726	9,434	3.1%	7,688	26.5%	27,935	21,258	31.4%
%	26.0%	26.3%		26.3%		26.3%	25.9%	
PBT before Exceptional Item	8,158	8,011	1.8%	6,543	24.7%	23,727	18,206	30.3%
%	21.8%	22.3%		22.4%		22.3%	22.2%	
Exceptional Item*	(634)	-		-		(634)	(609)	
PBT	7,524	8,011	(6.1)%	6,543	15.0%	23,093	17,597	31.2%
%	20.1%	22.3%		22.4%		21.7%	21.5%	
Tax	1,766	2,070	-	1,651	-	5,760	4,688	-
%	4.7%	5.8%		5.6%		5.4%	5.7%	
PAT	5,758	5,941	(3.1)%	4,892	17.7%	17,333	12,909	34.3%
%	15.4%	16.5%		16.7%		16.3%	15.7%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile

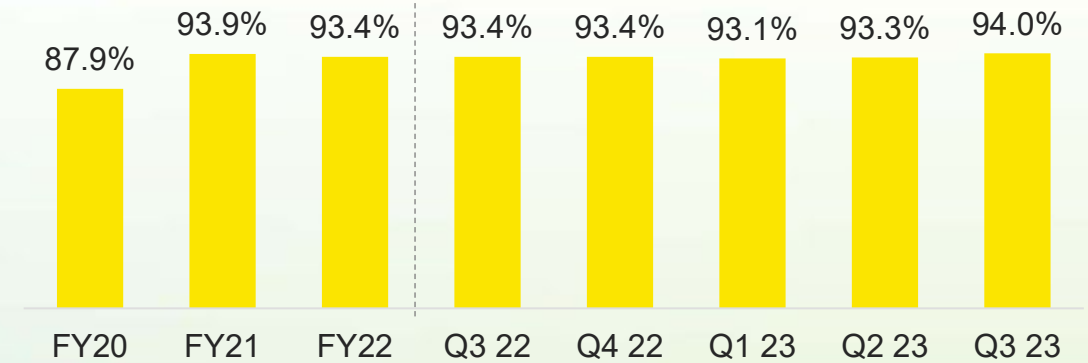
Digital

% of Revenue



Agile

% of Revenue

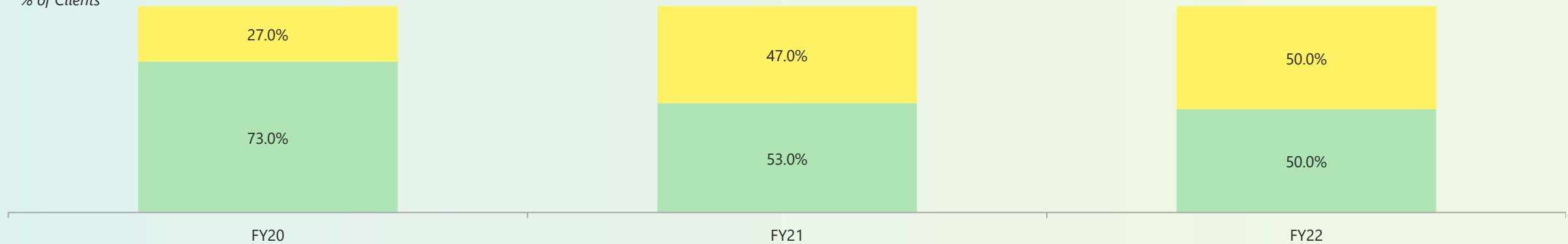


Split by Client Relationships

% of Clients

■ > 5 yrs

■ 0-5 yrs

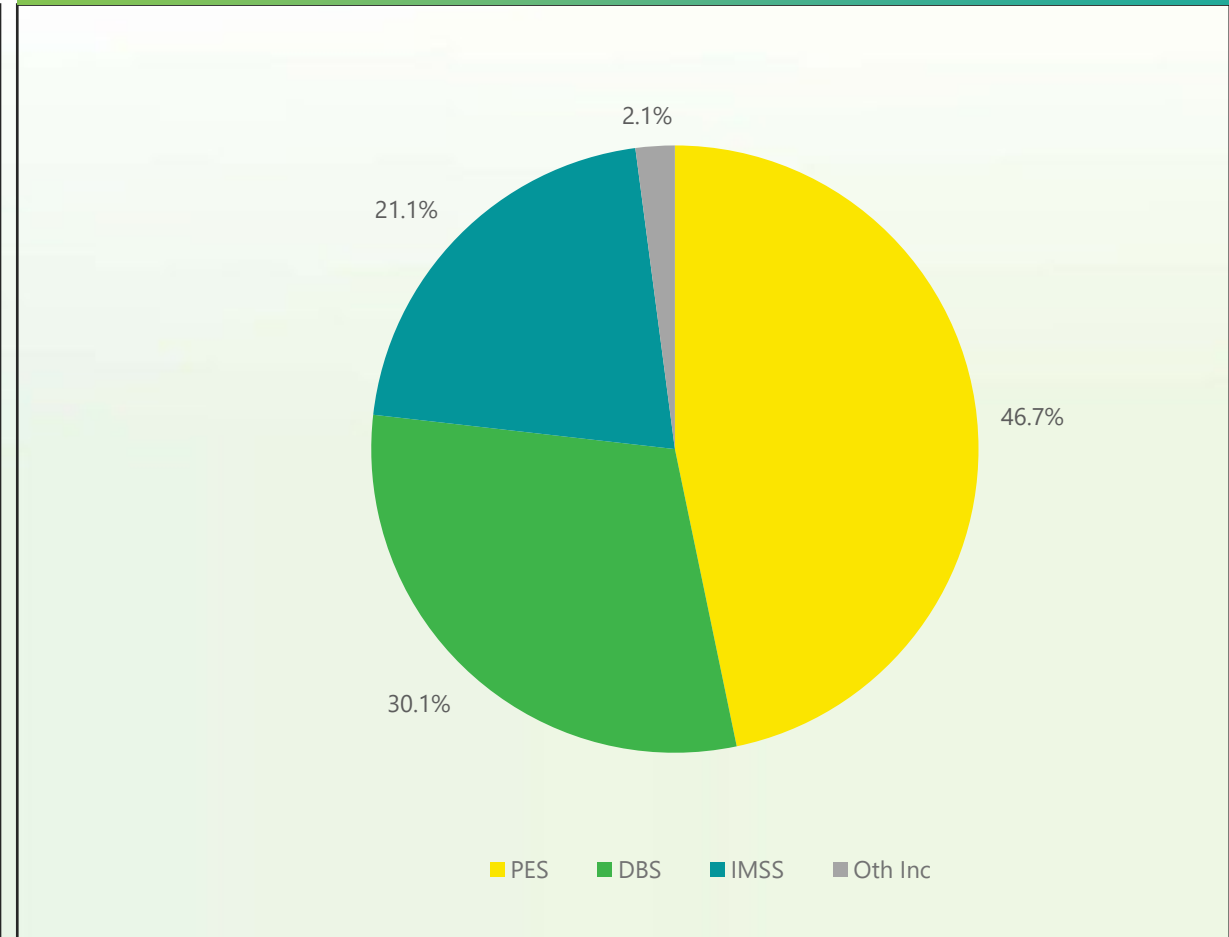


Operational & Financial Metrics

Revenue



Revenue by BU



Operational & Financial Metrics

EBITDA

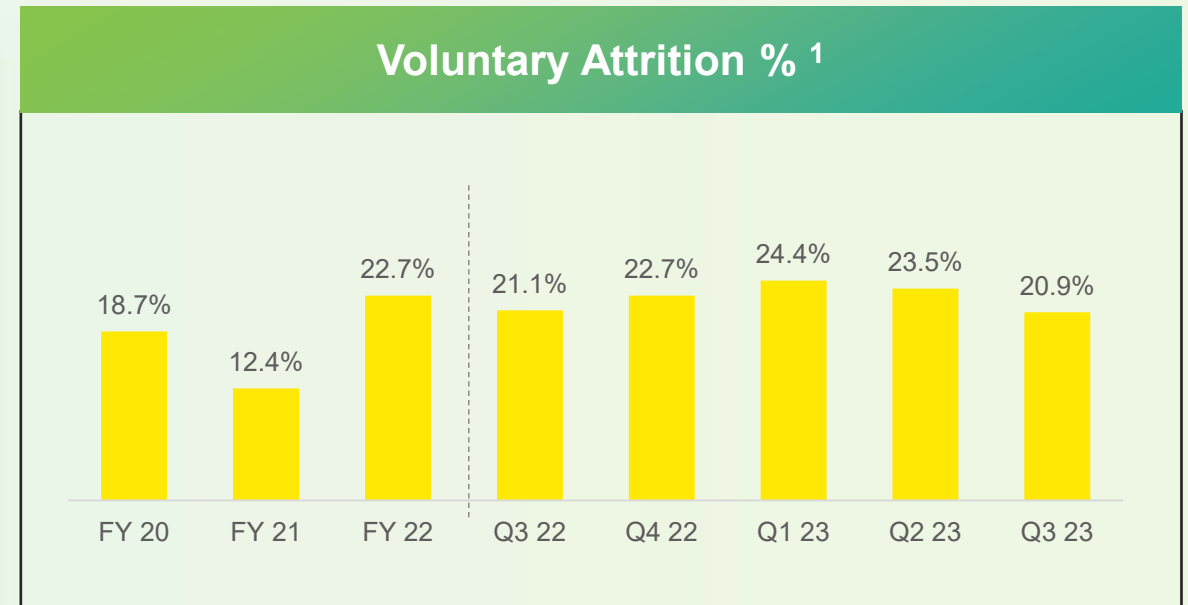
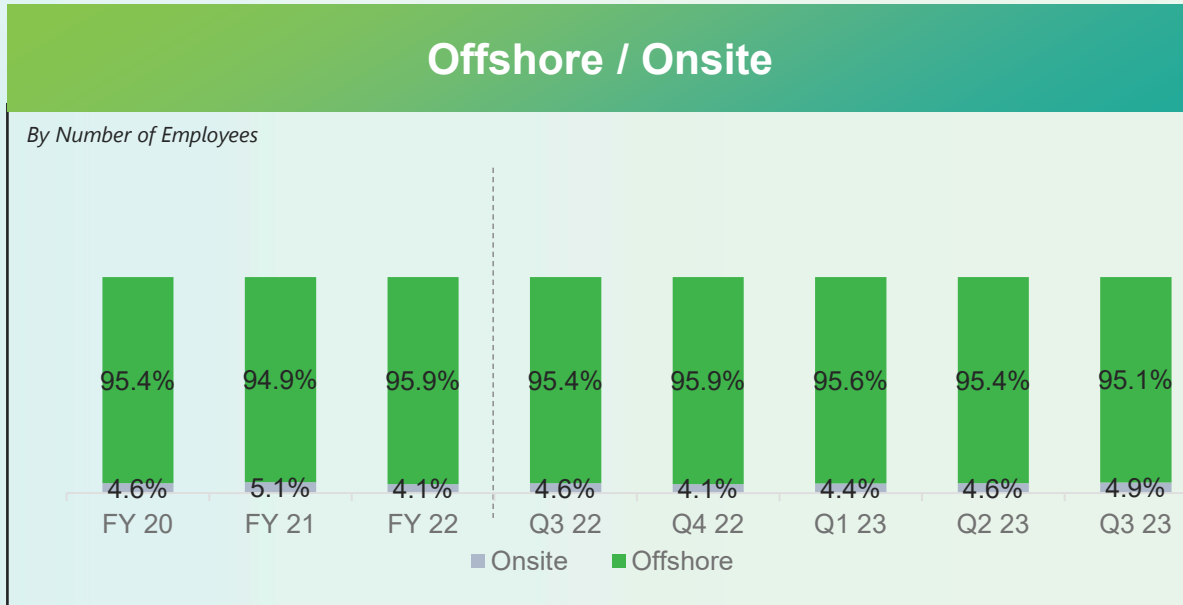
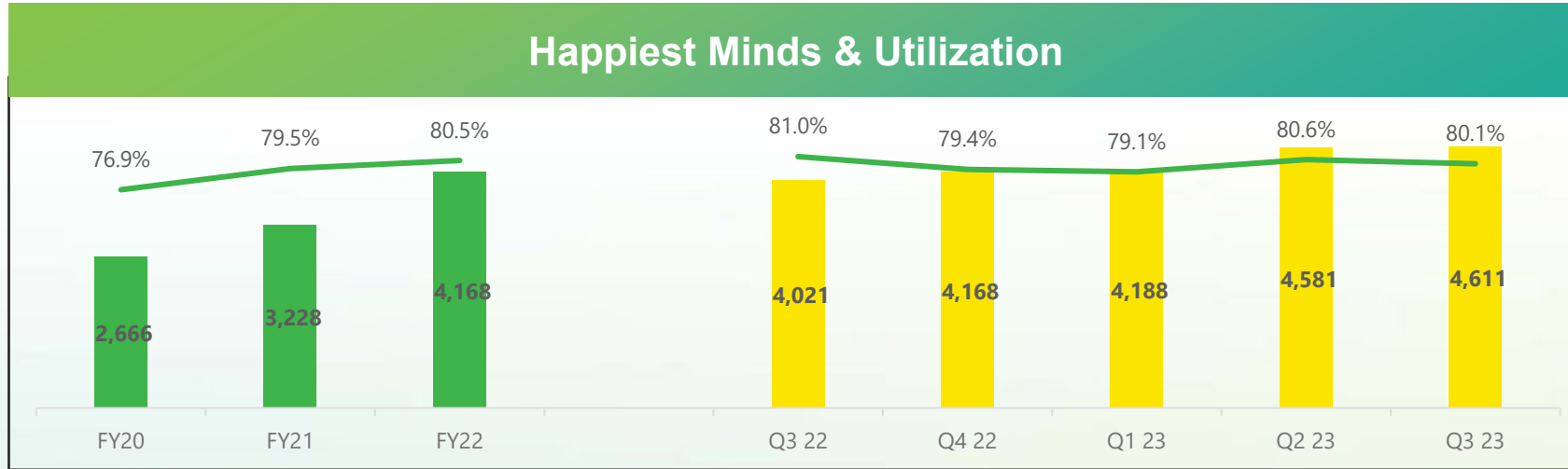


High FCF Conversion



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

Operational & Financial Metrics



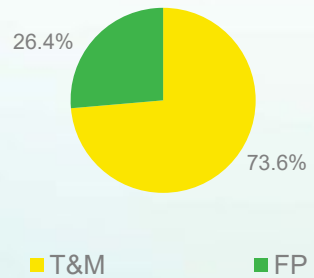
Note 1: Trailing 12 Months

Operational & Financial Metrics

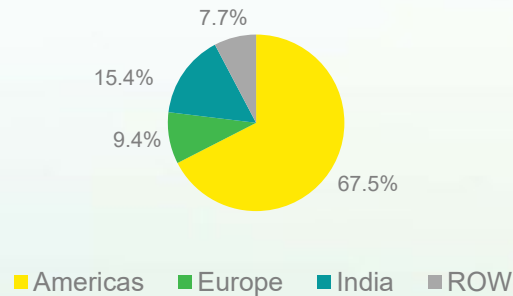
Revenue Model

Q3 23

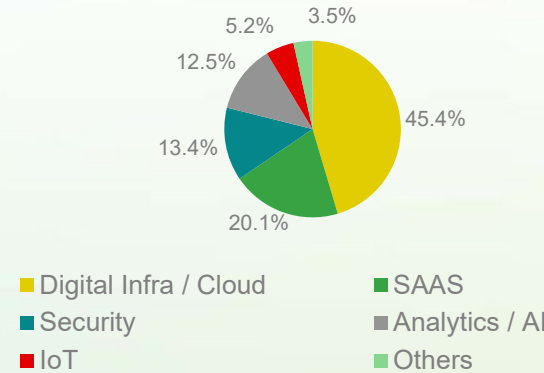
Model



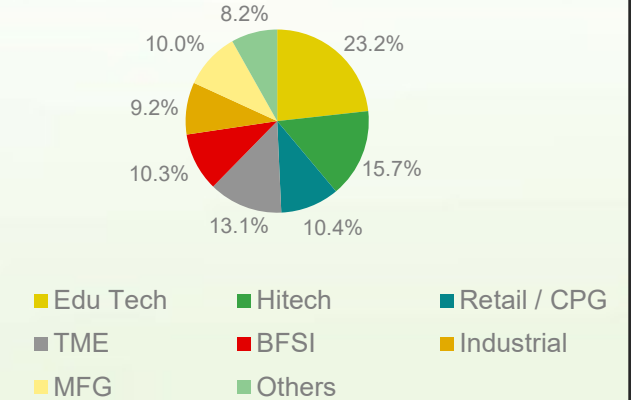
Geography



Digital Revenue¹

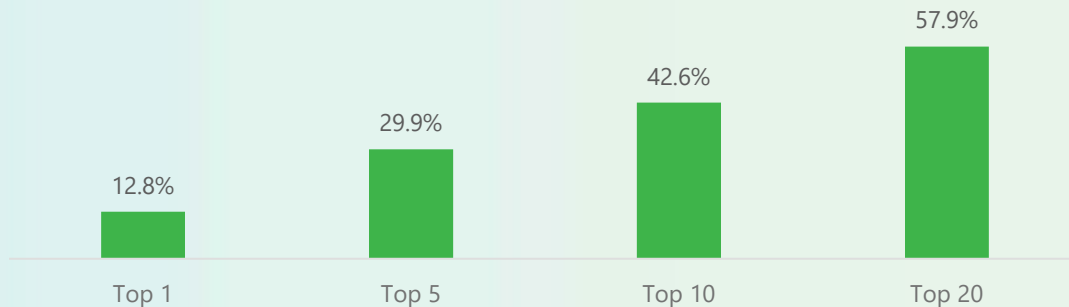


Vertical¹



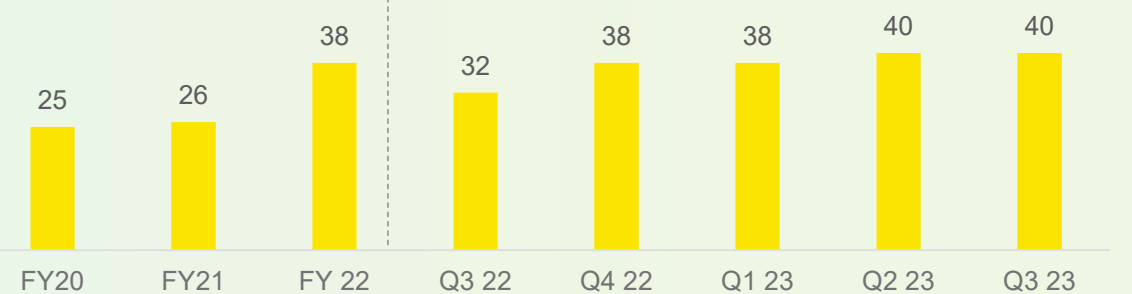
Revenue Concentration³

(% Revenue)



Million \$ Customers²

(#)

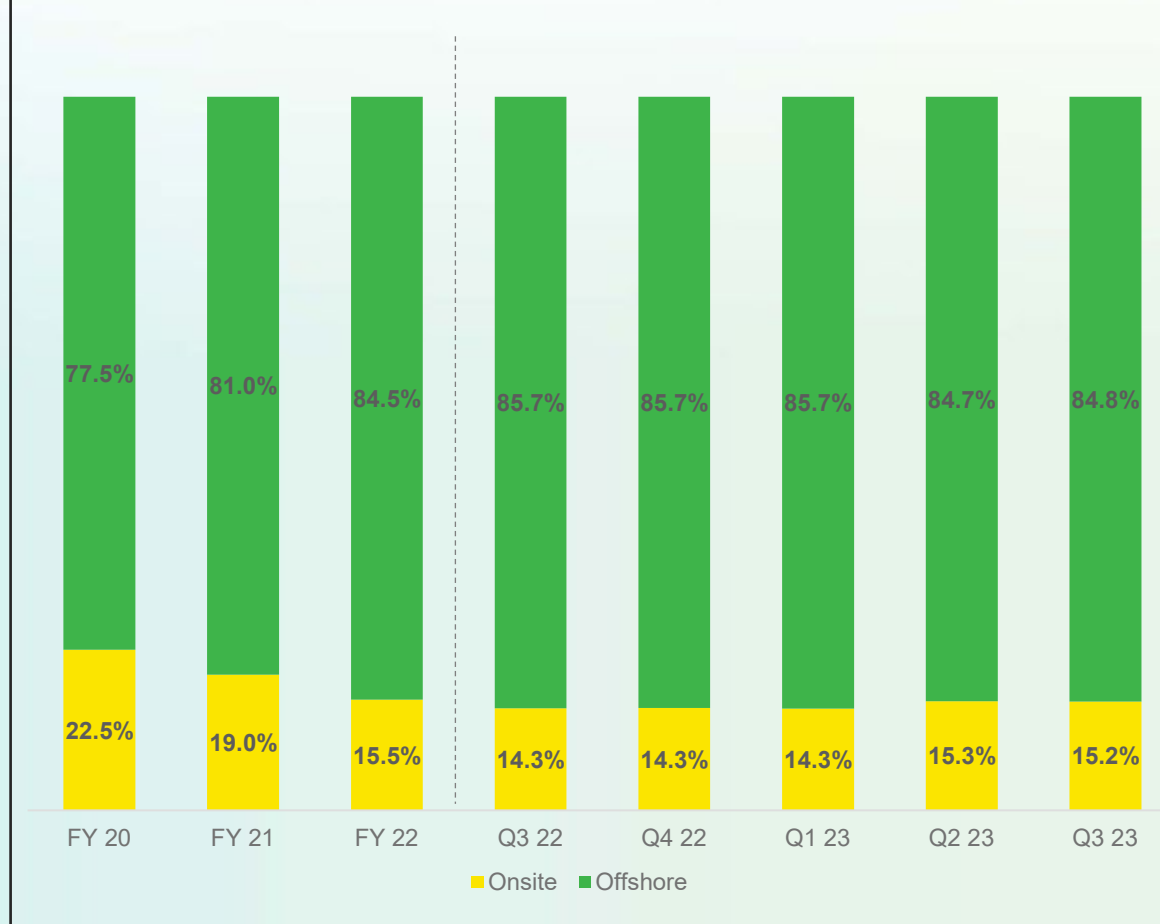


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics

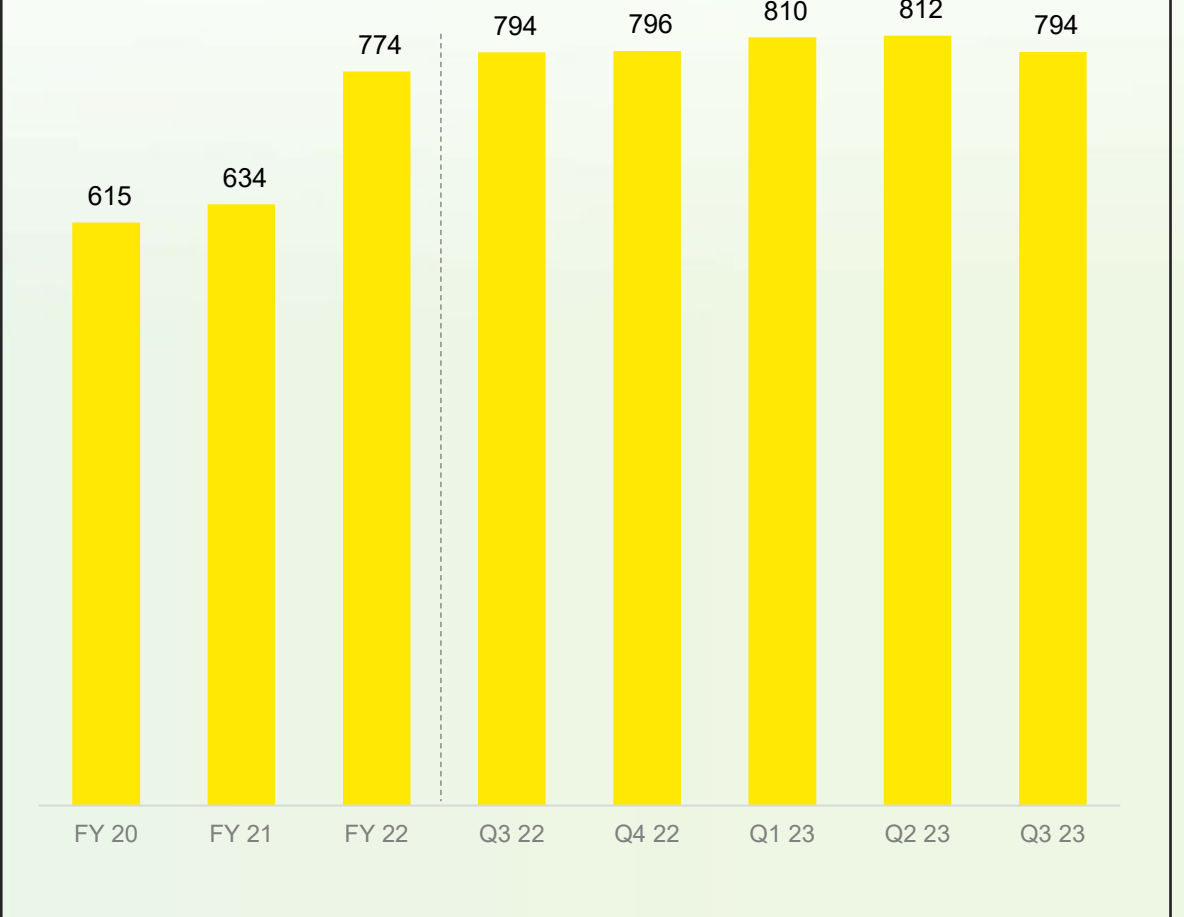
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY20	FY21	FY22 Q3	FY22 Q4	FY 22	FY23 Q1	FY23 Q2	FY23 Q3
Customer Industry group								
Edutech	21.3%	25.6%	22.6%	23.6%	23.2%	23.7%	23.8%	23.2%
Hitech	21.0%	18.2%	18.3%	16.7%	15.8%	15.6%	16.6%	15.7%
BFSI	17.5%	16.4%	12.5%	13.7%	13.2%	13.7%	14.2%	10.3%
Travel, Media and Entertainment (TME)	17.1%	13.6%	12.3%	13.7%	13.2%	12.7%	12.5%	13.1%
Retail / CPG	7.5%	5.4%	10.6%	10.1%	10.3%	10.0%	8.9%	10.4%
Industrial	7.0%	7.1%	7.3%	6.6%	6.9%	8.2%	7.7%	9.2%
Manufacturing	3.7%	6.6%	9.4%	10.1%	8.6%	10.0%	10.4%	10.0%
Others	4.9%	7.1%	6.9%	5.4%	8.8%	6.1%	5.8%	8.2%
Digital Service Offerings								
Digital infrastructure/Cloud	31.2%	41.6%	43.6%	45.5%	43.6%	45.7%	45.4%	45.4%
SaaS	29.4%	22.7%	19.6%	21.7%	20.3%	21.5%	21.3%	20.1%
Security Solutions	14.9%	8.7%	12.2%	11.8%	11.9%	11.7%	12.3%	13.4%
Analytics/AI	11.6%	13.3%	11.9%	11.3%	12.1%	11.6%	12.8%	12.5%
IoT	9.8%	10.5%	8.5%	6.6%	8.6%	6.2%	5.1%	5.2%
Total	96.9%	96.8%	96.0%	96.8%	96.5%	96.6%	96.8%	96.5%
Automation as a % of total revenue								
	20.7%	25.2%	27.1%	26.2%	25.4%	26.0%	25.4%	27.7%

Operational & Financial Metrics

	FY20	FY 21	FY22 Q3	FY22 Q4	FY 22	FY23 Q1	FY23 Q2	FY23 Q3
Revenue by Customer Geo								
USA	77.6%	73.4%	66.6%	65.7%	66.4%	66.6%	67.9%	67.5%
India	11.9%	11.8%	14.6%	16.2%	14.1%	15.8%	16.1%	15.4%
Europe	7.1%	10.4%	9.8%	10.4%	10.4%	10.7%	9.3%	9.4%
ROW	3.4%	4.4%	9.0%	7.8%	9.0%	6.9%	6.7%	7.7%
Million \$ Customers¹								
\$ 10 M +	1	1	1	1	1	2	2	2
\$ 5M to \$ 10M	-	3	4	4	4	4	4	4
\$ 3M to \$ 5M	9	6	4	8	8	7	7	7
\$ 1M to \$ 3M	15	16	23	25	25	25	27	27
Total	25	26	32	38	38	38	40	40
Tenure								
0 - 5 Years	73.0%	53.0%	-	-	50.0%	-	-	-
> 5 Years	27.0%	47.0%	-	-	50.0%	-	-	-
Revenue Mix								
Onsite	22.5%	19.0%	14.3%	14.3%	15.5%	14.3%	15.3%	15.2%
Offshore ²	77.5%	81.0%	85.7%	85.7%	84.5%	85.7%	84.7%	84.8%
Revenue by contracting Model								
Fixed Price	19.0%	21.7%	25.7%	24.5%	25.1%	24.9%	24.4%	26.4%
Time and Material	81.0%	78.3%	74.3%	75.5%	74.9%	75.1%	75.6%	73.6%
Active customers								
# of active customers	157	173	195	206	206	211	226	230
Billion \$ corporation								
# of customers	37	46	53	54	54	56	54	55

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

Operational & Financial Metrics

	FY20	FY21	FY22 Q3	FY22 Q4	FY22	FY23 Q1	FY23 Q2	FY23 Q3
Happiest Minds								
Onsite	123	166	183	172	172	185	210	228
Offshore	2,543	3,062	3,838	3,996	3,996	4,003	4,371	4,383
Total	2,666	3,228	4,021	4,168	4,168	4,188	4,581	4,611
Happiest Minds %								
Onsite	4.6%	5.1%	4.6%	4.1%	4.1%	4.4%	4.6%	4.9%
Offshore	95.4%	94.9%	95.4%	95.9%	95.9%	95.6%	95.4%	95.1%
Utilization								
%	76.9%	79.5%	81.0%	79.4%	80.5%	79.1%	80.6%	80.1%
Diversity								
Women Happiest Minds	24.0%	24.5%	26.1%	26.4%	26.4%	26.0%	27.6%	27.7%
DSO								
Billed	60	57	61	55	55	58	60	60
Unbilled	23	28	32	35	35	36	31	29
Total	83	85	93	90	90	94	91	90
EPS ₹								
Diluted	5.36	11.45	3.38	3.58	12.55	3.88	4.09	3.98
Capital Return Ratios¹								
RoCE	28.9%	31.2%	32.9%	34.8%	34.8%	39.1%	35.2%	34.9%
RoE	27.1%	29.8%	28.2%	27.3%	27.3%	31.5%	31.3%	29.4%

Note: 1: Capital Return Ratios are YTD Annualized

Operational & Financial Metrics

(All figures in ₹ Lakhs)

	FY20		FY21		FY22 Q3		FY22 Q4		FY22		FY23 Q1		FY23 Q2		FY23 Q3	
Revenue by BUs																
IMSS	15,361	21.5%	16,421	20.6%	6,322	21.6%	6,848	22.1%	24,168	21.4%	7,356	22.3%	7,902	22.0%	7,912	21.1%
DBS	19,167	26.8%	21,288	26.7%	8,511	29.1%	8,762	28.2%	32,891	29.1%	9,903	30.0%	10,722	29.8%	11,266	30.1%
PES	35,293	49.4%	39,632	49.7%	13,561	46.4%	14,447	46.5%	52,308	46.3%	15,633	47.4%	16,927	47.1%	17,511	46.7%
Total Revenue	69,821	97.8%	77,341	97.0%	28,394	97.1%	30,057	96.8%	109,367	96.7%	32,892	99.7%	35,551	98.9%	36,688	97.9%
Other income	1,602	2.2%	2,424	3.0%	834	2.9%	991	3.2%	3,708	3.3%	104	0.3%	382	1.1%	780	2.1%
Total income	71,423	100%	79,765	100%	29,228	100%	31,048	100%	113,075	100%	32,996	100%	35,933	100%	37,468	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 Q3	FY 22 Q4	FY 22	FY 23 Q1	FY 23 Q2	FY 23 Q3
Income								
Operating revenue	69,821	77,341	28,394	30,057	109,365	32,892	35,551	36,688
Other income	1,602	2,424	834	991	3,710	104	382	780
Total income	71,423	79,765	29,228	31,048	113,075	32,996	35,933	37,468
Cost of revenue	42,927	44,382	16,591	17,289	64,404	18,499	20,592	21,394
Gross margin	26,894	32,959	11,804	12,768	44,961	14,393	14,959	15,294
%	38.5%	42.6%	41.6%	42.5%	41.1%	43.8%	42.1%	41.7%
SG&A	17,184	13,810	4,949	5,601	19,193	5,722	5,907	6,348
%	24.6%	17.9%	17.4%	18.6%	17.5%	17.4%	16.6%	17.3%
EBITDA	11,312	21,573	7,688	8,158	29,477	8,775	9,434	9,726
%	15.8%	27.0%	26.3%	26.3%	26.1%	26.6%	26.3%	26.0%
Depreciation	2,023	2,274	847	884	3,288	934	971	992
%	2.9%	2.9%	3.0%	2.9%	3.0%	2.8%	2.7%	2.7%
EBIT	9,289	19,299	6,841	7,274	26,189	7,841	8,463	8,734
%	13.0%	24.2%	23.4%	23.4%	23.2%	23.8%	23.6%	23.3%
Finance cost	802	697	298	286	995	283	452	576
PBT before exceptional item*	8,487	18,602	6,543	6,988	25,194	7,558	8,011	8,158
%	11.9%	23.3%	22.3%	22.4%	22.2%	22.9%	22.3%	21.8%
Exceptional Items⁺	1,126	-	-	-	609	-	-	634
PBT *	7,361	18,602	6,543	6,988	24,585	7,558	8,011	7,524
%	10.3%	23.3%	22.4%	22.5%	21.7%	22.9%	22.3%	20.1%
Current tax	190	3,527	1,466	1,737	6,310	2,325	1,638	2,335
Deferred tax	-	(1,171)	185	40	155	(401)	432	(569)
Total Tax	190	2,356	1,651	1,777	6,465	1,924	2,070	1,766
%	0.3%	3.0%	5.6%	5.7%	5.7%	5.8%	5.8%	4.7%
PAT *	7,171	16,246	4,892	5,211	18,120	5,634	5,941	5,758
%	10.0%	20.4%	16.7%	16.8%	16.0%	17.1%	16.5%	15.4%

* Exceptional items for FY20 refer to Impairment of Goodwill, for FY22 & Q3 FY23 refers to Loss on Fair Valuation of Warrant Liability

Condensed Balance Sheet

(All figures in ₹ Lakhs)

	31.03.2020	31.03.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022	30.09.2022	31.12.2022
Assets								
Non-current Assets								
Property, plant and equipment	93	69	86	77	78	89	12,894	12,899
Goodwill	610	7,644	7,742	7,772	7,896	8,202	8,430	8,562
Financial & Other assets	5,598	10,029	11,604	20,609	11,788	24,594	34,347	77,536
Total non-current assets (A)	6,301	17,742	19,432	28,458	19,762	32,885	55,671	98,997
Current assets								
Financial & Other assets								
i. Trade receivable	11,487	12,192	16,064	18,212	16,738	20,937	22,408	23,250
ii. Cash & Cash equivalents, Investments & Other financial assets	31,967	60,928	63,790	59,928	72,609	65,503	55,746	17,061
iii. Other assets	1,060	1,333	2,367	2,655	3,392	1,782	3,420	2,811
Total current assets (B)	44,514	74,453	82,221	80,795	92,739	88,222	81,574	43,122
Total assets (A + B)	50,815	92,195	101,653	109,253	112,501	121,107	137,245	142,119
Equity and Liabilities								
Total equity (A)	26,531	54,599	58,498	61,035	66,580	71,907	74,591	77,791
Non-current liabilities								
Financial liabilities	1,863	7,339	9,431	12,907	7,134	8,761	18,759	18,678
Provisions & Deferred tax liability	1,255	2,378	2,334	2,340	2,086	1,966	2,205	2,344
Total non-current liabilities (B)	3,118	9,717	11,765	15,247	9,220	10,727	20,964	21,022
Current liabilities								
Financial & Contract liabilities								
i. Trade payable	3,442	4,101	6,670	5,775	6,072	6,967	6,907	5,779
ii. Others	15,947	20,340	20,711	23,340	26,266	27,230	30,697	33,767
Provisions & Other current liabilities	1,777	3,438	4,009	3,856	4,363	4,276	4,086	3,760
Total current liabilities (C)	21,166	27,879	31,390	32,971	36,701	38,473	41,690	43,306
Total liabilities (D = B + C)	24,284	37,596	43,155	48,218	45,921	49,200	62,654	64,328
Total equity and liabilities (A + D)	50,815	92,195	101,653	109,253	112,501	121,107	137,245	142,119

