

Investor Presentation

Q1 FY 25



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>279 Active Clients 65 Fortune2000 / Forbes200 Billion \$ Corporations 95% Repeat Business</p>	<p>22.4% RoCE¹ 13.9% RoE</p>
<p>Mission Statement Happiest People Happiest Customers</p> <p>SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>6,599 Happiest Minds across 12 Countries</p> <p>27.7% Gender Diversity 3.9 rating on Glassdoor</p>	<p>Great Place To Work[®]</p> <ul style="list-style-type: none"> • Top 50 India's Best Workplaces™ in IT & IT-BPM for 2023 • Top 50 India's Best Workplaces™ for Building a Culture of Innovation 2023 • Top 50 India's Best Workplaces™ for Women 2023 • Top 50 India's Best Workplaces™ in Health & Wellness 2023 	<p>Industry leading growth in Constant Currency 17.8% y-o-y EBITDA margin 23.9% beating guidance for 17 quarters</p>

Promoter




Ashok Soota




IPO - In September 2020

- Completed 13 years in August 2024
- 770,000 shareholders
- Experienced and diverse board of eight
- Professional management led by the Executive Board



Golden Peacock
Corporate Governance Award 2022
Business Excellence Award 2021





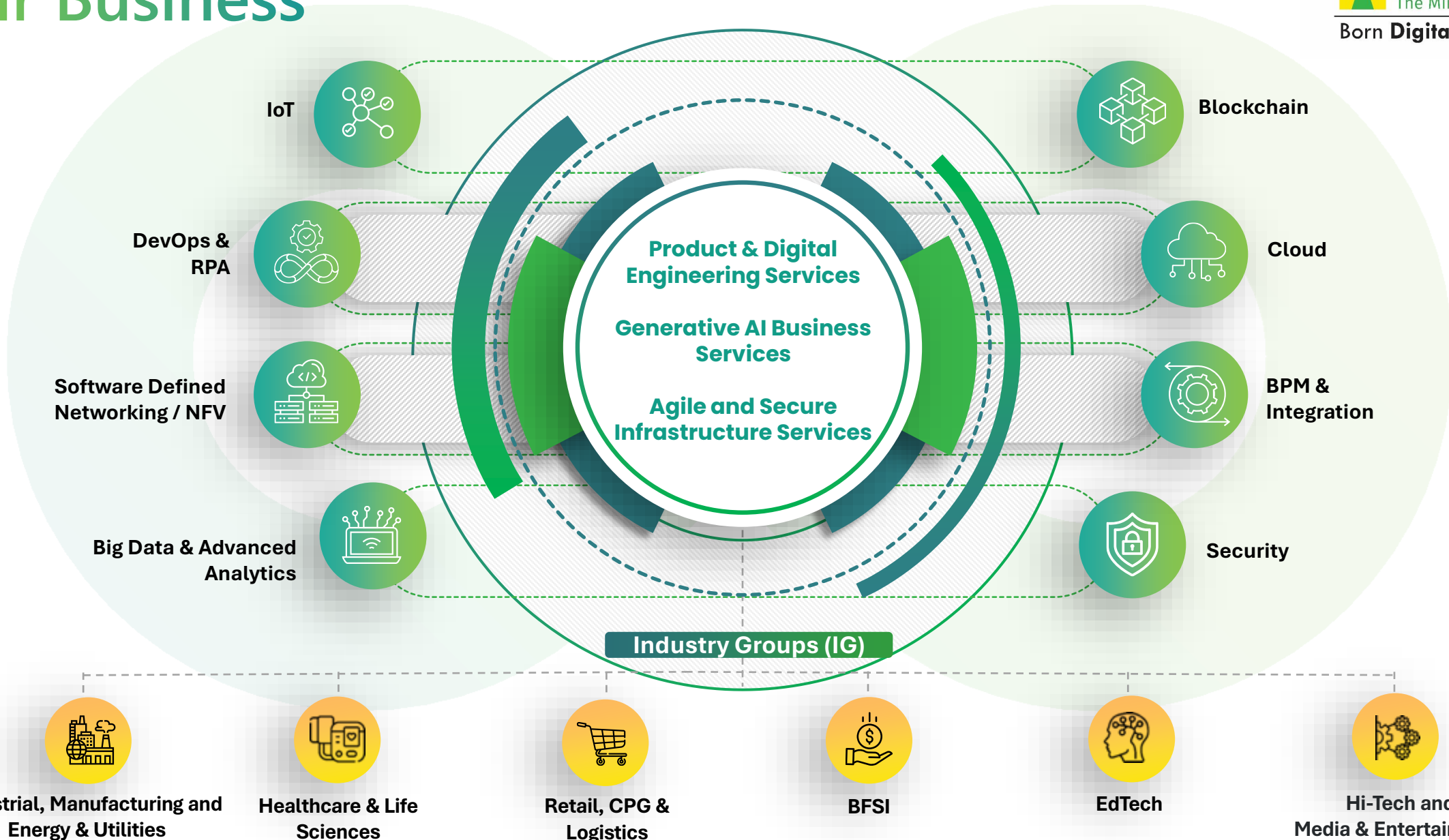
Mission, Vision and Values

Our 2021-31 Vision - DELiGHT

Our SMILES Values



Our Business



Born Digital . Born Agile The Mindful IT Company

CREATING DIGITAL CAPITAL

Business Transformation



Business Insights



Platformize & Modernize



Reimagining Customer Experience



being mindful

In The Moment

doing mindful

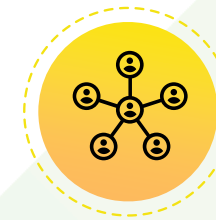
Perceive Immersively

Process Non-judgementally

Perform Empathetically

MINDFULLY AGILE

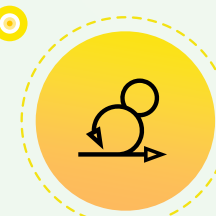
Agile Organization



Agile Business



Agile Delivery



Engineering & Operational Excellence



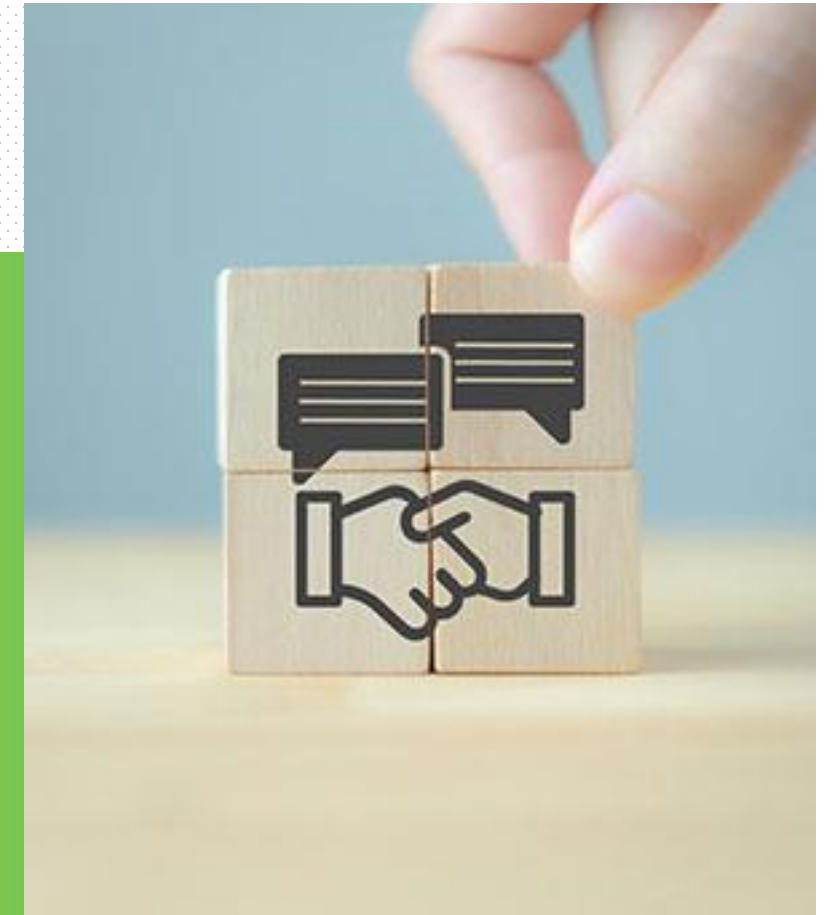
Merger & Acquisitions

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.

Happiest Minds has acquired USA based Azure native digital product engineering company– **Aureus Tech Systems LLC**

The 150 people company headquartered in Denver, Colorado partners with Fortune 500 companies including global Insurance and Re-insurance providers and Healthcare & Life Sciences enterprises in their cloud transformation journeys. Through this acquisition, Happiest Minds strengthens its domain capabilities in Insurance & Re-insurance, Healthcare and Life Sciences verticals. The acquisition strengthens Happiest Minds' presence in USA and gets a new delivery center in Hyderabad, India



Key Project Wins

For a **world's leading beverage maker**, Happiest Minds is enhancing their sales process through a generative AI enabled chat bot for actionable intelligence and decision making



For **one of the largest integrated laboratory system in North America**, Happiest Minds will co-partner to implement and manage the Identity and Access Management solutions on a managed service model

For a **US-based provider of sustainable solutions**, this new win entails Happiest Minds to enhance their data platform and visualization



For the **largest Professional Clearing Member in India**, Happiest Minds has been chosen to provide managed security services and security operations centre(SoC) services

For a **USA based professional board in the healthcare sector**, Happiest Minds is their strategic partner to migrate to a cloud-based CRM solution



For a **leading European on-demand printing and fulfillment company**, Happiest Minds is providing IT Services to support their delivery and operations

For a **USA based professional organization of emergency healthcare providers**, This strategic multi-year cyber security engagement entails Happiest Minds to provide managed security services to prevent, detect, and respond to cyber security incidents



For a **leading American multinational independent investment bank and financial services company**, Happiest Minds has been selected to drive their digital transformation program.

Awards



‘50 Best Firms for Data Scientists to Work For in 2024’ by Analytics India Magazine (AIM)



‘WINNER’ at **CNBC_TV18 India Risk Management Awards 2024’**



‘Best Save Water Initiative of the Year - 2024’ at Global CSR, Sustainability and ESG Awards



Happiest Minds’ **‘Artha’** was awarded **‘ Best Banking-as-a-Service Platform of the Year’** at the 14th Africa Bank 4.0 Summit

Analyst Mentions



Operational and Financial Metrics

Q1 FY 25



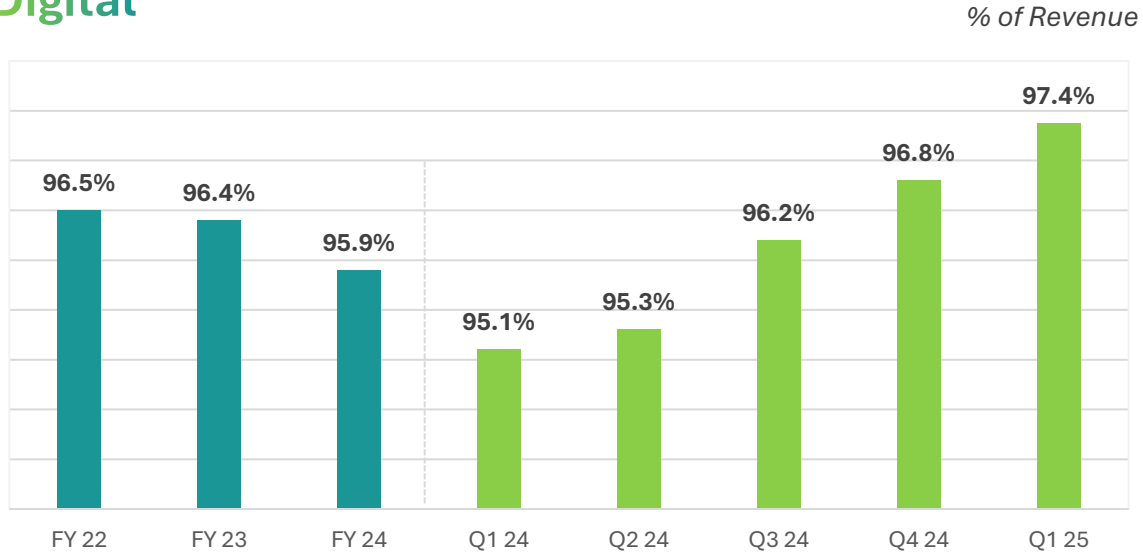
Results Q1 FY 25

All amounts in ₹ Lakhs unless stated otherwise

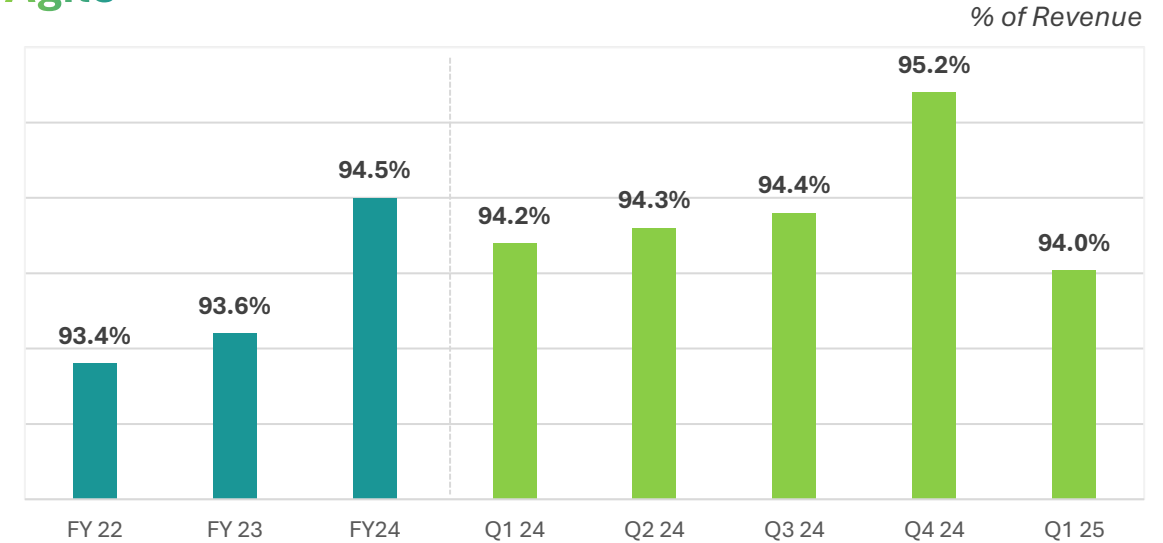
Particulars	Q1 FY25	Q4 FY24	QoQ	Q1 FY24	YoY
Revenues	46,383	41,729	11.2%	39,087	18.7%
<i>Other Income</i>	2,543	2,521		1,366	
Total Income	48,926	44,250	10.6%	40,453	20.9%
EBITDA	11,671	10,822	7.8%	10,299	13.3%
%	23.9%	24.5%		25.5%	
<i>Finance Cost</i>	1,983	1,033		1,007	
<i>Depreciation</i>	914	840		702	
<i>Amortization</i>	1,290	629		723	
<i>Non Recurring Exp/(Inc)</i>	643	(1,295)		-	
Profit Before Tax (PBT)	6,841	9,615	(28.9)%	7,868	(13.1)%
%	14.0%	21.7%		19.4%	
Tax	1,738	2,417		2,035	
%	3.6%	5.5%		5.0%	
Profit After Tax (PAT)	5,103	7,198	(29.1)%	5,833	(12.5)%
%	10.4%	16.3%		14.4%	
Revenues (\$'000)	55,547	50,077	10.9%	47,566	16.8%
Growth in Constant Currency			11.4%		17.8%

Born Digital . Born Agile

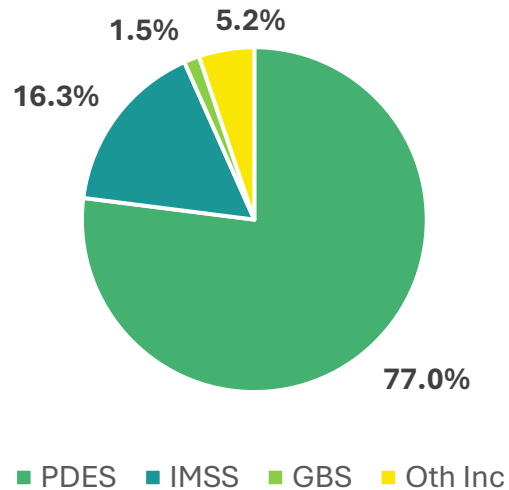
Digital



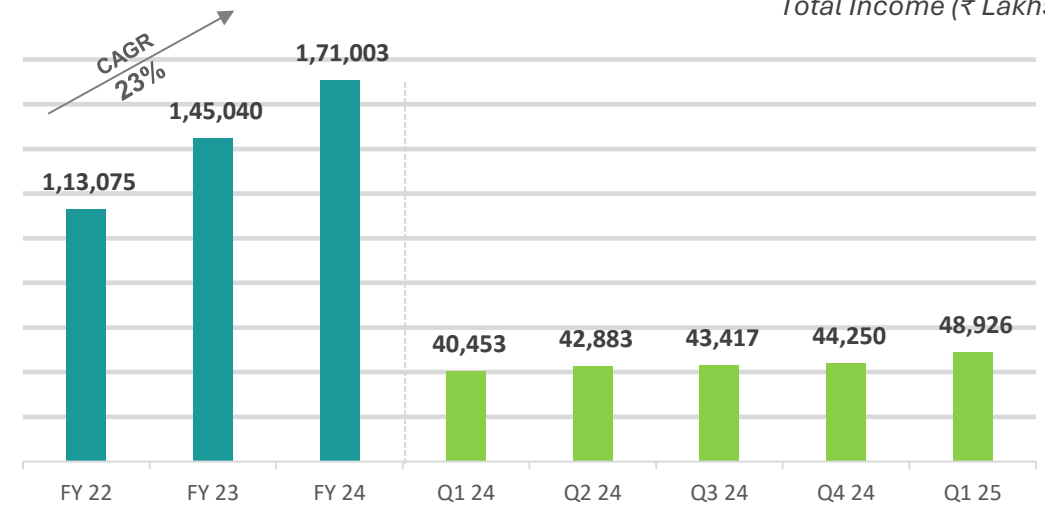
Agile



Revenue by Business Unit



Total Income (₹ Lakhs)

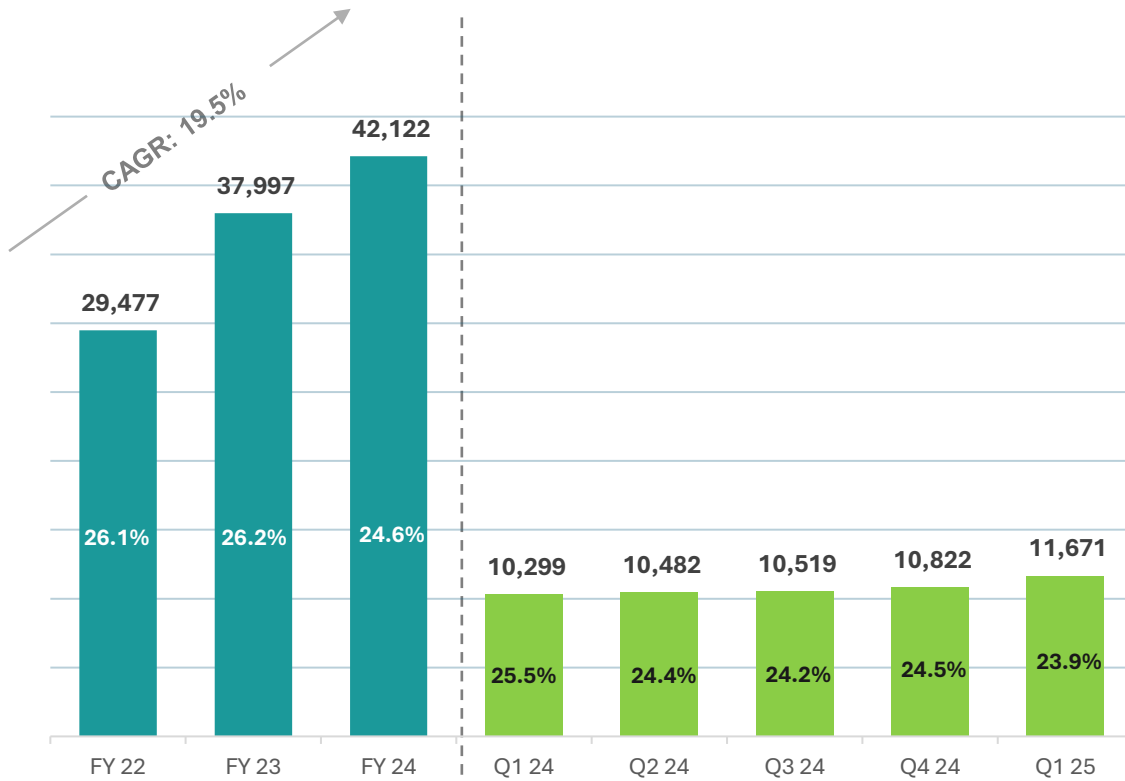


Operational & Financial Metrics

EBITDA

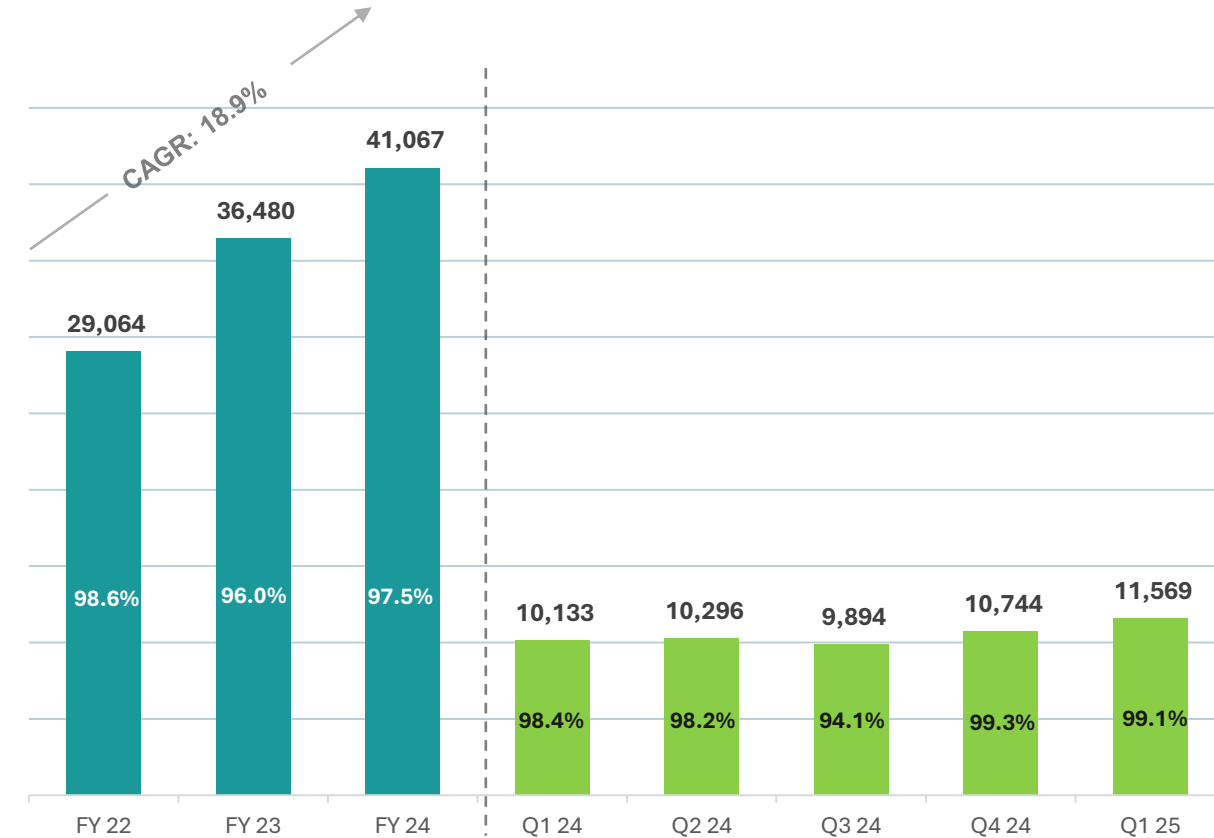
(₹ Lakhs)

Margin



High FCF Conversion

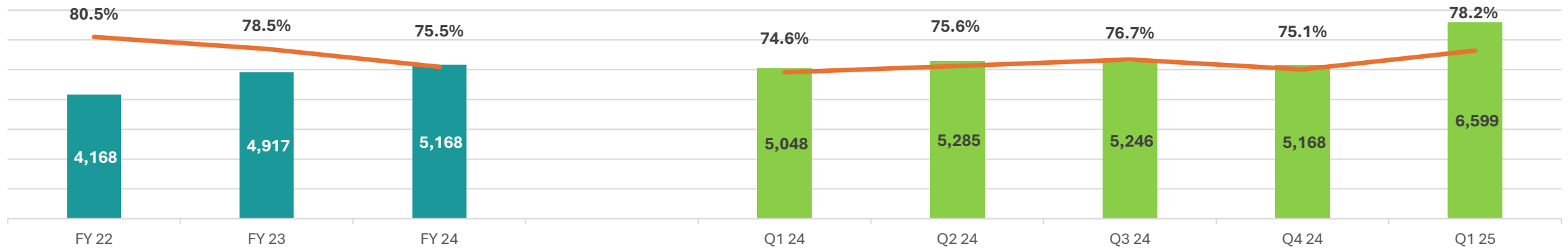
(₹ Lakhs)



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

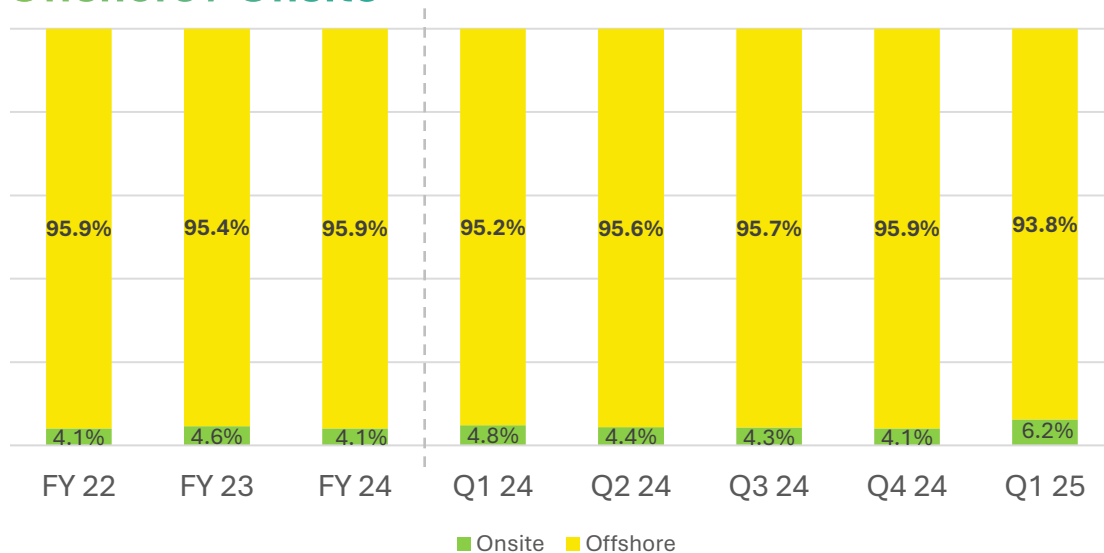
Operational & Financial Metrics

Happiest Minds & Utilization

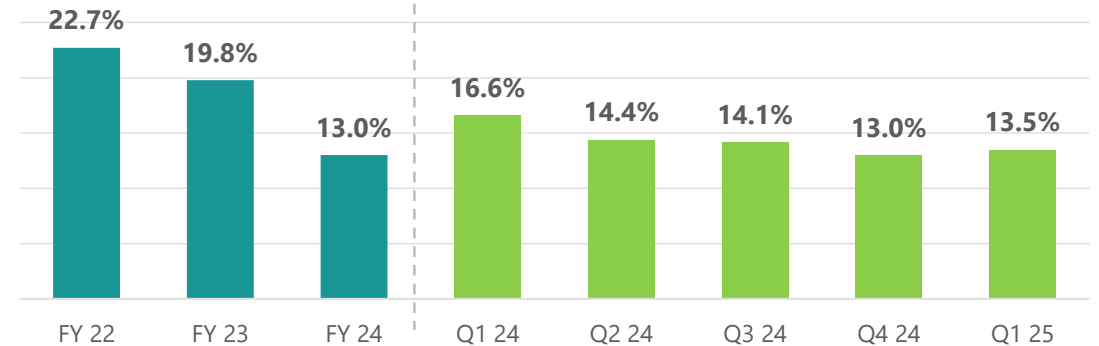


Offshore / Onsite

By Number of Employees



Voluntary Attrition % ¹



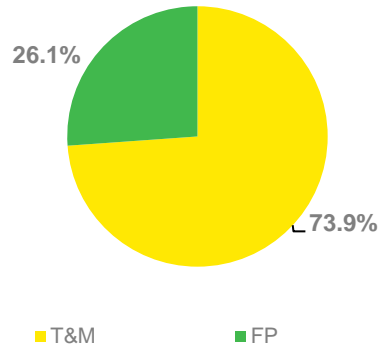
Note 1: Trailing 12 Months

Operational & Financial Metrics

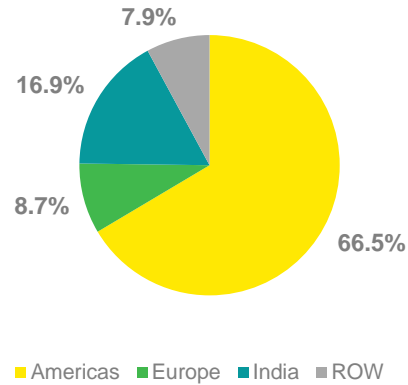
Revenue Model

Q1 25

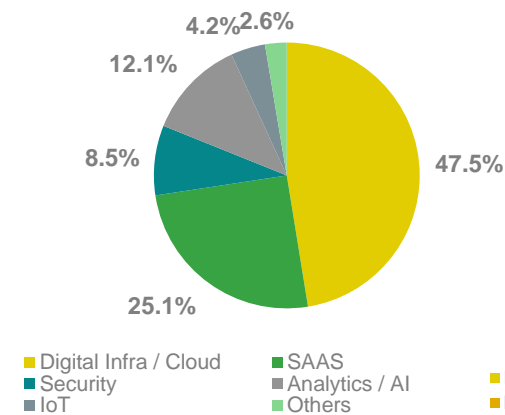
Model



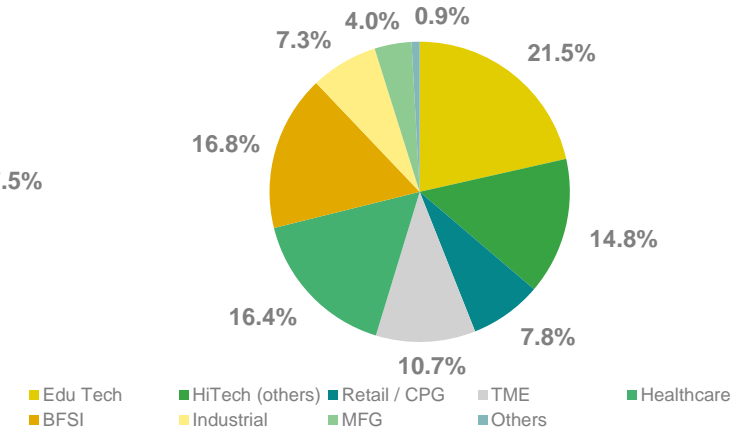
Geography



Digital Revenue

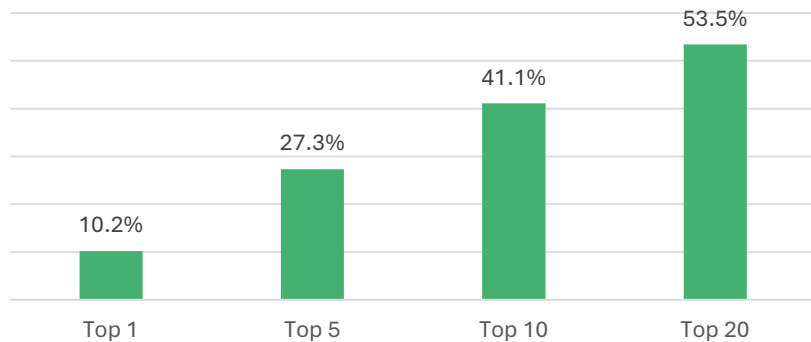


Verticals¹



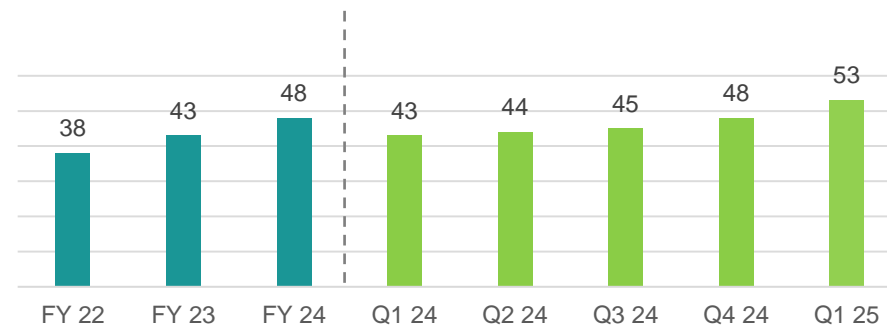
Revenue Concentration³

Q1 25 (% Revenue)



Million \$ Customers²

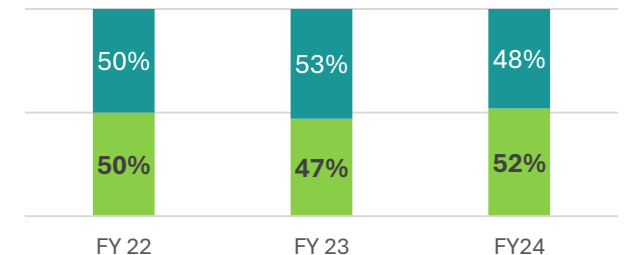
(#)



Tenure of Customer

% revenue from Clients

0-5 yrs > 5 yrs

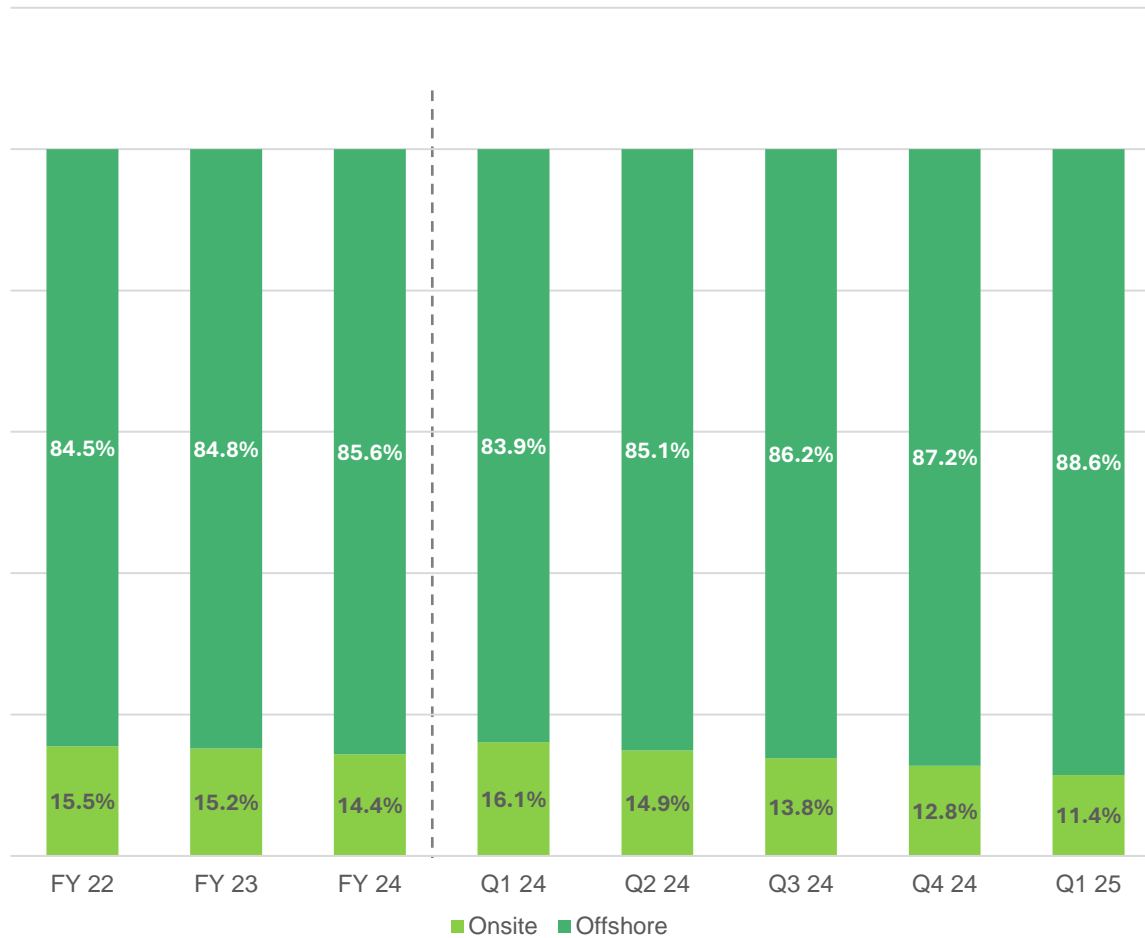


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

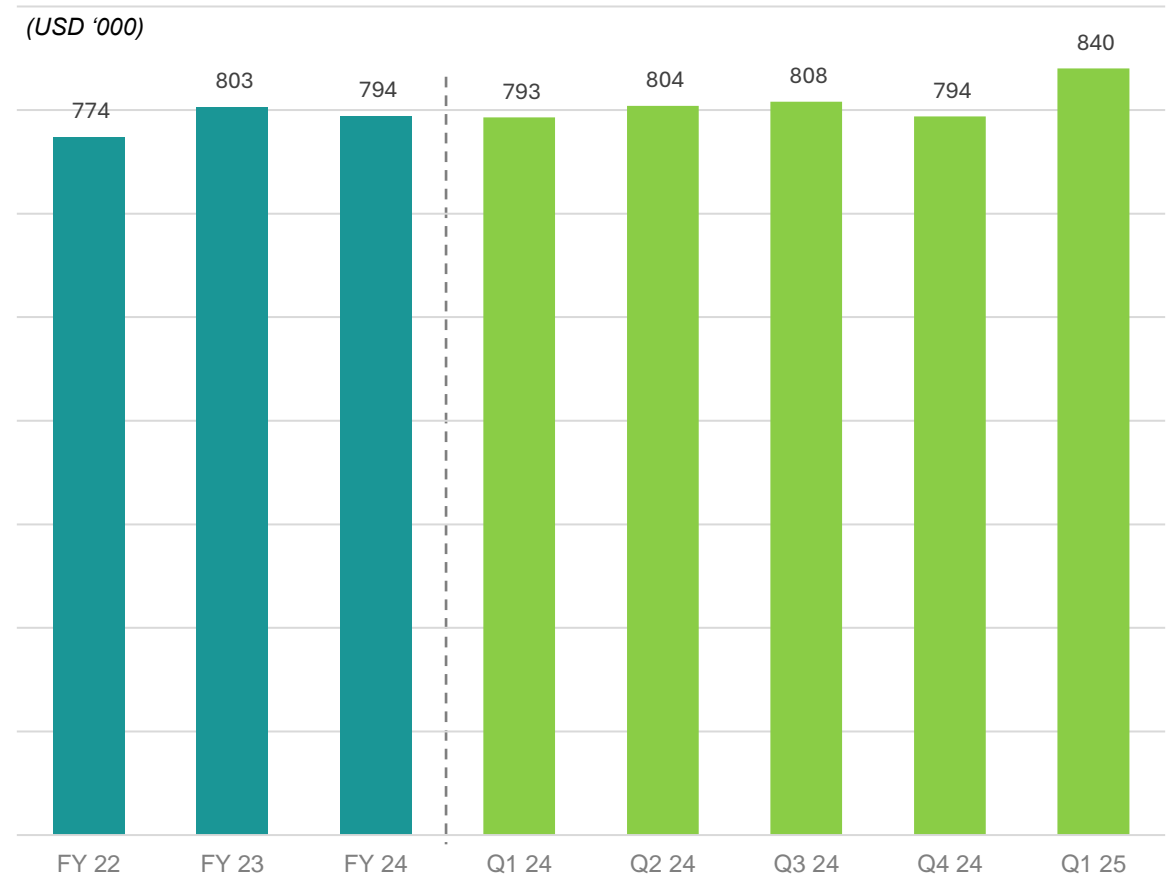
ROW* Includes - ANZ, ME, APAC, Africa & Others

Operational & Financial Metrics

Onsite/Offshore



Average Revenue / Active Customer



Operational & Financial Metrics

	FY 22	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24	FY25 Q1
Verticals								
Edutech	23.2%	23.2%	24.1%	25.0%	24.0%	22.3%	23.9%	21.5%
Hitech	15.8%	16.9%	14.8%	14.2%	14.3%	14.7%	14.5%	14.8%
BFSI	13.2%	12.2%	11.0%	10.3%	10.9%	11.4%	10.9%	16.8%
Travel, Media and Entertainment (TME)	13.2%	12.9%	12.0%	11.6%	11.7%	12.2%	11.9%	10.7%
Healthcare*	-	-	12.9%	13.8%	14.8%	16.1%	14.4%	16.4%
Retail / CPG	10.3%	9.2%	7.1%	7.2%	7.6%	7.8%	7.4%	7.8%
Industrial	6.9%	8.4%	8.2%	7.6%	6.8%	7.4%	7.5%	7.3%
Manufacturing	8.6%	10.3%	5.4%	6.3%	7.4%	6.3%	6.3%	4.0%
Others	8.8%	6.9%	4.4%	4.0%	2.5%	1.6%	3.1%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Digital Service Offerings								
Digital infrastructure / cloud	43.6%	45.8%	44.2%	42.3%	43.3%	41.8%	42.9%	47.5%
SaaS	20.3%	20.7%	22.2%	27.1%	26.8%	26.5%	25.7%	25.1%
Security Solutions	11.9%	12.3%	10.1%	9.3%	9.3%	9.6%	9.6%	8.5%
Analytics / AI	12.1%	12.2%	13.9%	12.9%	12.4%	13.8%	13.3%	12.1%
IoT	8.6%	5.4%	4.6%	3.7%	4.3%	5.0%	4.4%	4.2%
Total	96.5%	96.4%	95.1%	95.3%	96.2%	96.8%	95.9%	97.4%
Automation	25.4%	26.6%	28.3%	29.6%	29.1%	26.9%	28.1%	23.9%

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	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24	FY25 Q1
Revenue by Geo								
USA	66.4%	68.1%	71.9%	71.5%	70.3%	69.0%	70.7%	66.5%
India	14.1%	15.6%	15.5%	15.7%	16.4%	17.7%	16.3%	16.9%
Europe	10.4%	9.7%	8.7%	9.0%	9.0%	9.0%	8.9%	8.7%
ROW	9.0%	6.6%	3.9%	3.8%	4.4%	4.4%	4.1%	7.9%
Million \$ Customers¹								
\$ 20 M +		1	1	1	1	1	1	1
\$ 10 M +	1	-	-	1	1	2	2	2
\$ 5M to \$ 10M	4	6	6	7	7	6	6	9
\$ 3M to \$ 5M	8	6	5	4	4	2	2	2
\$ 1M to \$ 3M	25	30	31	31	32	37	37	44
Total	38	43	43	44	45	48	48	58
Tenure of customers								
0 - 5 Years	50.0%	47.0%	-	-	-	-	52.0%	
> 5 Years	50.0%	53.0%	-	-	-	-	48.0%	
Revenue Mix								
Onsite	15.5%	15.2%	16.1%	14.9%	13.8%	12.8%	14.4%	11.4%
Offshore ²	84.5%	84.8%	83.9%	85.1%	86.2%	87.2%	85.6%	88.6%
Revenue by contracting Model								
Fixed Price	25.1%	25.3%	24.5%	25.1%	27.1%	27.7%	26.1%	26.1%
Time and Material	74.9%	74.7%	75.5%	74.9%	72.9%	72.3%	73.9%	73.9%
# Active Customers	206	237	243	244	245	250	250	279
# Billion \$ Corporation	54	55	57	57	59	61	61	65

Note: 1: Based on quarter revenue annualized 2: Offshore: Revenues from customers served from India; APAC³ and Africa⁴ Geographies has been added from Q1 FY25 after the acquisition of PureSoftware

Operational & Financial Metrics

	FY 22	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24	FY25 Q1
Happiest Minds								
Onsite	172	227	244	231	224	211	211	412
Offshore	3,996	4,690	4,804	5,054	5,022	4,957	4,957	6,187
Onsite %	4.1%	4.6%	4.8%	4.4%	4.3%	4.1%	4.1%	6.2%
Offshore %	95.9%	95.4%	95.2%	95.6%	95.7%	95.9%	95.9%	93.8%
Utilization	80.5%	78.5%	74.6%	75.6%	76.7%	75.1%	75.5%	78.2%
Diversity	26.4%	27.4%	27.6%	28.1%	27.9%	27.7%	27.7%	27.7%
DSO								
Billed	55	54	58	53	57	57	57	58
Unbilled	35	31	31	30	28	29	29	26
Total	90	86	88	83	85	87	87	84
EPS ₹: Diluted	12.55	16.01	4.02	3.90	3.96	4.79	16.73	3.39
Capital Ratios ¹								
RoCE	34.8%	32.8%	33.1%	22.9%	22.9%	22.3%	22.3%	22.3%
RoE	27.3%	27.8%	26.0%	16.9%	16.7%	16.9%	16.9%	13.9%

Note: 1: Capital Return Ratios are YTD Annualized

Operational & Financial Metrics

All figures in ₹ Lakhs

	FY 22		FY 23		FY24 Q1		FY24 Q2		FY 24 Q3		FY24 Q4		FY 24		FY25 Q1	
Revenue by BU																
IMSS	24,168	21.4%	30,694	21.2%	7,516	18.6%	7,381	17.2%	7,299	16.8%	7,551	17.1%	29,746	17.4%	7,992	16.3%
PDES	85,199	75.4%	112,236	77.4%	31,569	78.0%	33,281	77.6%	33,689	77.6%	34,178	77.2%	132,719	77.6%	37,678	77.0%
GBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	713	1.5%
Total Revenue	109,367	96.8%	142,930	98.6%	39,085	96.6%	40,662	94.8%	40,988	94.4%	41,729	94.3%	162,466	95.0%	46,383	94.8%
Other Income	3,708	3.2%	2,110	1.4%	1,368	3.4%	2,221	5.2%	2,429	5.6%	2,521	5.7%	8,537	5.0%	2,543	5.2%
Total Income	113,075	100.0%	145,040	100.0%	40,453	100.0%	42,883	100.0%	43,417	100.0%	44,250	100.0%	171,003	100.0%	48,926	100.0%

IMSS: Infrastructure Management & Security Services. | PDES : Product & Digital Engineering Services. | GBS: Generative AI Business Services

*GBS started its operations from Q1FY25 onwards.

Summary Profit & Loss Statement

All figures in ₹ Lakhs

	FY 22	FY 23	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY 24	FY25 Q1
Income								
Operating revenue	1,09,365	1,42,929	39,087	40,662	40,988	41,729	1,62,466	46,382
Other Income	3,710	2,111	1,366	2,221	2,429	2,521	8,537	2,544
Total income	1,13,075	1,45,040	40,453	42,883	43,417	44,250	1,71,003	48,926
Cost of revenue	64,404	82,827	23,404	24,980	25,213	25,607	99,204	28,614
Gross Margin	44,961	60,101	15,683	15,682	15,775	16,122	63,262	17,768
%	41.1%	42.0%	40.1%	36.6%	38.5%	38.6%	38.9%	38.3%
SG&A	19,193	24,215	6,750	7,421	7,685	7,821	29,677	9,285
%	17.5%	16.9%	17.3%	18.3%	18.7%	18.7%	18.3%	20.0%
EBITDA	29,477	37,997	10,299	10,482	10,519	10,822	42,122	11,671
%	26.1%	26.2%	25.5%	24.4%	24.2%	24.5%	24.6%	23.9%
Depreciation	3,288	4,191	1,424	1,455	1,481	1,469	5,289	2,204
%	3.0%	2.9%	3.6%	3.6%	3.6%	3.5%	3.6%	4.8%
EBIT	26,189	33,806	8,875	9,027	9,038	9,353	36,293	9,466
%	23.2%	23.3%	21.9%	21.1%	20.8%	21.1%	21.2%	20.4%
Finance cost	995	2,186	1,007	1,115	1,072	1,033	4,227	1,982
PBT before exceptional item*	25,194	31,620	7,868	7,912	7,966	8,320	32,066	7,484
%	22.2%	21.7%	19.4%	18.5%	18.3%	18.8%	18.7%	15.3%
Exceptional items*	609	634	-	-	-107	-1,295	-1,402	643
PBT *	24,585	30,986	7,868	7,912	8,073	9,615	33,468	6,841
%	21.7%	21.4%	19.4%	18.5%	18.6%	21.7%	19.6%	14.0%
Current tax	6,310	8,508	2,280	2,237	2,192	2,809	9,518	2,114
Deferred tax	155	-621	-245	-171	-81	-392	-889	-376
Total Tax	6,465	7,887	2,035	2,066	2,111	2,417	8,629	1,738
%	5.7%	5.4%	5.0%	4.8%	4.9%	5.5%	5.0%	3.6%
PAT *	18,120	23,099	5,833	5,846	5,962	7,198	24,839	5,103
%	16.0%	15.9%	14.4%	13.6%	13.7%	16.3%	14.5%	10.4%

*+Exceptional items for FY22 & FY23 refers to Loss on Fair Valuation of Warrant Liability. For Q3FY24 & Q4FY24 is Gain on fair valuation of contingent consideration, For Q1 FY25 is Expense on acquisitions.

Condensed Balance Sheet

All figures in ₹ Lakhs

	31.03.2022	31.03.2023	30.06.2023	31.09.2023	31.12.2023	31.03.2024	30.06.2024
Assets							
Non-current assets							
Property, plant and equipment	78	13,278	13,202	13,386	13,856	13,778	14,062
Goodwill	7,896	13,913	13,901	13,997	14,013	14,032	70,773
Financial & Other assets	11,788	29,594	27,642	35,841	36,903	19,192	65,379
Total non-current assets (A)	19,762	56,785	54,745	63,224	64,772	47,002	1,50,214
Current Assets							
Financial & Other assets							
i. Trade receivable	16,738	21,319	24,534	23,308	25,336	25,444	35,516
ii. Cash & Cash equivalents, Investments & Other financial assets	72,609	81,484	85,516	1,27,619	1,26,953	1,47,540	1,66,203
iii. Other assets	3,392	4,495	5,260	6,184	5,242	4,793	4,430
Total current assets (B)	92,739	1,07,298	1,15,310	1,57,111	1,57,531	1,77,777	2,06,149
Total assets (A + B)	1,12,501	1,64,083	1,70,055	2,20,335	2,22,303	2,24,779	3,56,363
Equity and Liabilities							
Total equity (A)	66,580	83,882	90,395	1,39,403	1,41,465	1,48,024	1,48,268
Non-current liabilities							
Financial liabilities	7,134	18,035	17,483	17,957	16,174	15,416	28,015
Provisions & Deferred tax liability	2,086	4,526	4,577	4,631	4,975	4,641	14,031
Total non-current liabilities (B)	9,220	22,561	22,060	22,588	21,149	20,057	42,046
Current liabilities							
Financial & Contract liabilities							
i. Trade payable	6,072	7,052	8,007	7,804	7,558	7,915	9,844
ii. Others	26,266	45,921	44,595	45,710	47,474	43,839	1,50,036
Provisions & Other current liabilities	4,363	4,667	4,998	4,830	4,656	4,944	6,169
Total current liabilities (C)	36,701	57,640	57,600	58,344	59,688	56,698	1,66,049
Total liabilities (D = B + C)	45,921	80,201	79,660	80,932	80,837	76,755	2,08,095
Total equity and liabilities (A + D)	1,12,501	1,64,083	1,70,055	2,20,335	2,22,303	2,24,779	3,56,363

Certain Balance Sheet Ratios

	Q1 FY25	Q4 FY24	Q1 FY24	FY24
Additional Balance Sheet Ratios				
Debt-Equity ratio	0.90	0.35	0.58	0.35
Debt Service Coverage ratio (DSCR)	7.43	6.39	5.15	5.25
Interest Service Coverage ratio (ISCR)	4.93	9.25	9.29	8.97
Current ratio	1.24	3.14	2.00	3.14
Long-term Debt to Working Capital ratio	0.27	0.09	0.22	0.09
Bad debts to Trade receivable ratio	0.01	0.03	0.00	0.02
Current liability ratio	0.80	0.74	0.72	0.74
Total Debt to total Assets ratio	0.38	0.23	0.31	0.23
Trade Receivable Turnover Ratio	6.09	7.14	6.82	6.95
Operating margin (%)	0.18	0.20	0.23	0.21
Net profit margin (%)	0.11	0.17	0.15	0.15
Net worth as per Section 2(57) of the Companies Act, 2013 (in INR Lakhs)	148,555	148,347	89,449	148,347

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