

Investor Presentation & Fact sheet: Q4 FY 22

May 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
- 700K + Investors
- Robust Growth and Profitability

Promoter



Ashok Soota

97%
Digital

'Born Digital. Born Agile'

Mission Statement
Happiest People
Happiest Customers

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

93%
Agile

**4,168 Happiest
Minds**

across 7 Countries
Diversity 26.4%

206
Active clients

54 Fortune2000 / Forbes200 /
Billion \$ corporations
85% of repeat business

39.8%
RoCE¹
27.3%
RoE

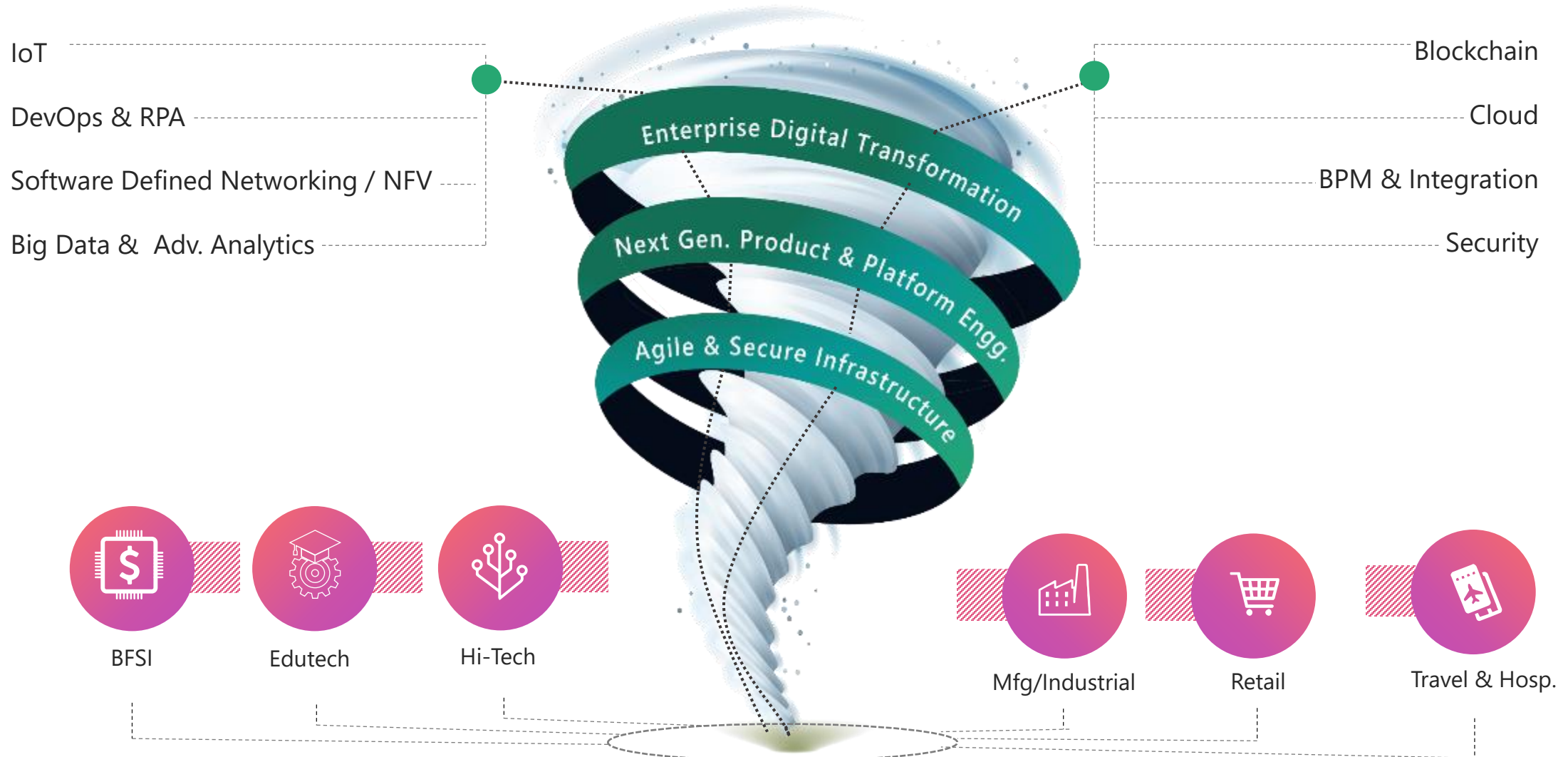
Great Place To Work

- Ranked **#21** – India's Best Companies to work for 2021
- Ranked **#63** Asia's Best Workplaces 2021
- India's Top **50** Best Workplaces for Women 2021
- India's Top **15** Best Workplaces in Health & Wellness 2021

4.4
rating
on **Glassdoor**



*All logos are properties of their respective owners Note 1 : ROCE / ROE is for full year FY 22



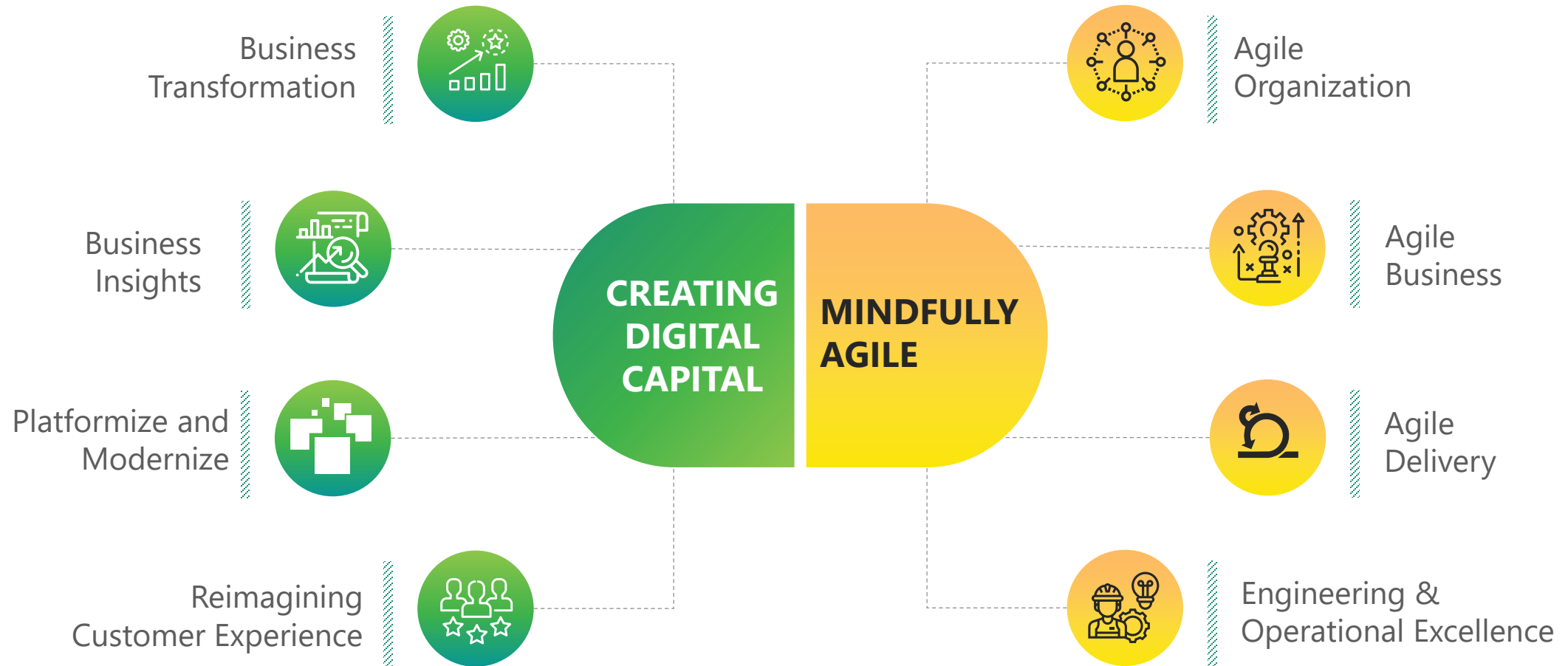
Mission, Vision & Values

Our 2021-31 Vision - DELiGHT

Our SMILES Values



Born Digital. Born Agile.



Q4 Key Project Wins

For an EU multinational manufacturing company, Happiest Minds has taken ownership of building their Test Automation Framework & DevOps projects

For a large US fashion retailer, Happiest Minds was chosen as their application security services partner

For a Fortune 100 American multinational technology conglomerate, Happiest Minds was awarded the project for data center automation.

For one of the largest passenger vehicle manufacturers in India, Happiest Minds was selected as the partner of choice for their digital initiatives

For a US supply chain company, Happiest Minds was chosen as their Digital partner for their Product Development work

For a leading digital housing solution provider in Nordics, Happiest Minds was chosen as their Digital partner for building its cloud-native customer journey platform

Analyst Mentions

Happiest Minds is
recognized as a 'Major
Contender' in
**Everest Group PEAK
Matrix for Digital
Engineering**



Happiest Minds is featured
in NASSCOM's report on
**India Cybersecurity
Industry Services &
Product Growth Story**

Award Wins



Happiest Minds is ranked among **India's Top 15 Best Workplaces in Health and Wellness 2021** by Great Place to Work® Institute.

Received special recognition for supporting employees and their families during COVID-19 crisis.



Ashok Soota is among **India's 100 Great People Managers 2021** by Great Manager Institute®

Operational and Financial Metrics – Q4 & FY22

Results Q4 & FY 22

All amounts in ₹ Lakhs unless stated otherwise

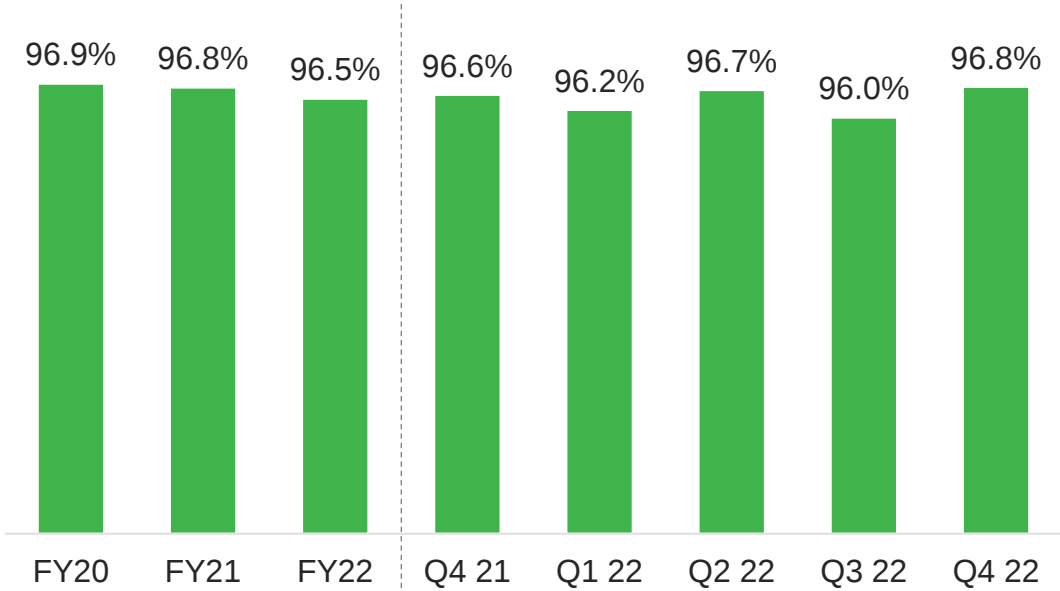
Particulars	Q4 FY 22	Q3 FY 22	QoQ	Q4 FY 21	YoY	FY 22	FY 21	YoY
Revenues (\$'000)	39,876	37,796	5.5%	30,235	31.9%	146,634	104,592	40.2%
Revenues	30,057	28,394	5.9%	22,071	36.2%	109,365	77,341	41.4%
Other Income	991	834	18.8%	303	226.6%	3,710	2,424	53.0%
Total Income	31,048	29,228	6.2%	22,374	38.8%	113,075	79,765	41.8%
EBITDA	8,158	7,688	6.1%	5,867	39.0%	29,477	21,525	36.9%
%	26.3%	26.3%		26.2%		26.1%	27.0%	
PBT before Exceptional Item	6,988	6,543	6.8%	4,924	41.9%	25,194	18,602	35.4%
%	22.5%	22.4%		22.0%		22.3%	23.3%	
Exceptional Item*	-	-		-		(609)	-	
PBT	6,988	6,543	6.8%	4,924	41.9%	24,585	18,602	32.2%
%	22.5%	22.4%		22.0%		21.7%	23.3%	
Tax	1,777	1,651	7.6%	1,319	34.7%	6,465	2,356	174.4%
%	5.7%	5.6%		5.9%		5.7%	3.0%	
PAT	5,211	4,892	6.5%	3,605	44.5%	18,120	16,246	11.5%
%	16.8%	16.7%		16.1%		16.0%	20.4%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile.

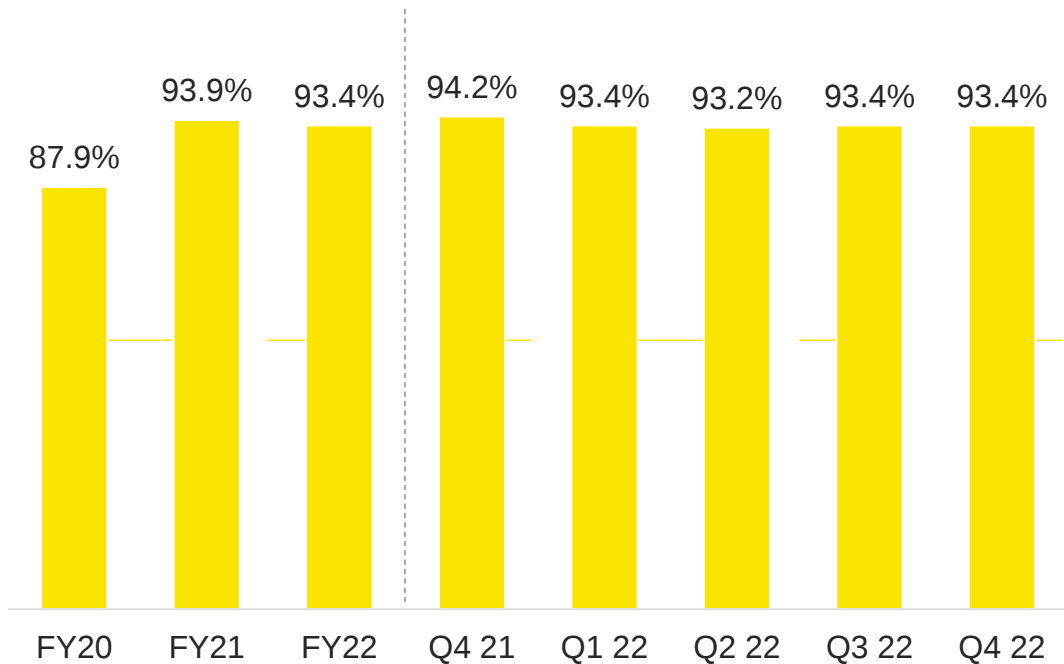
Digital

% of Revenue



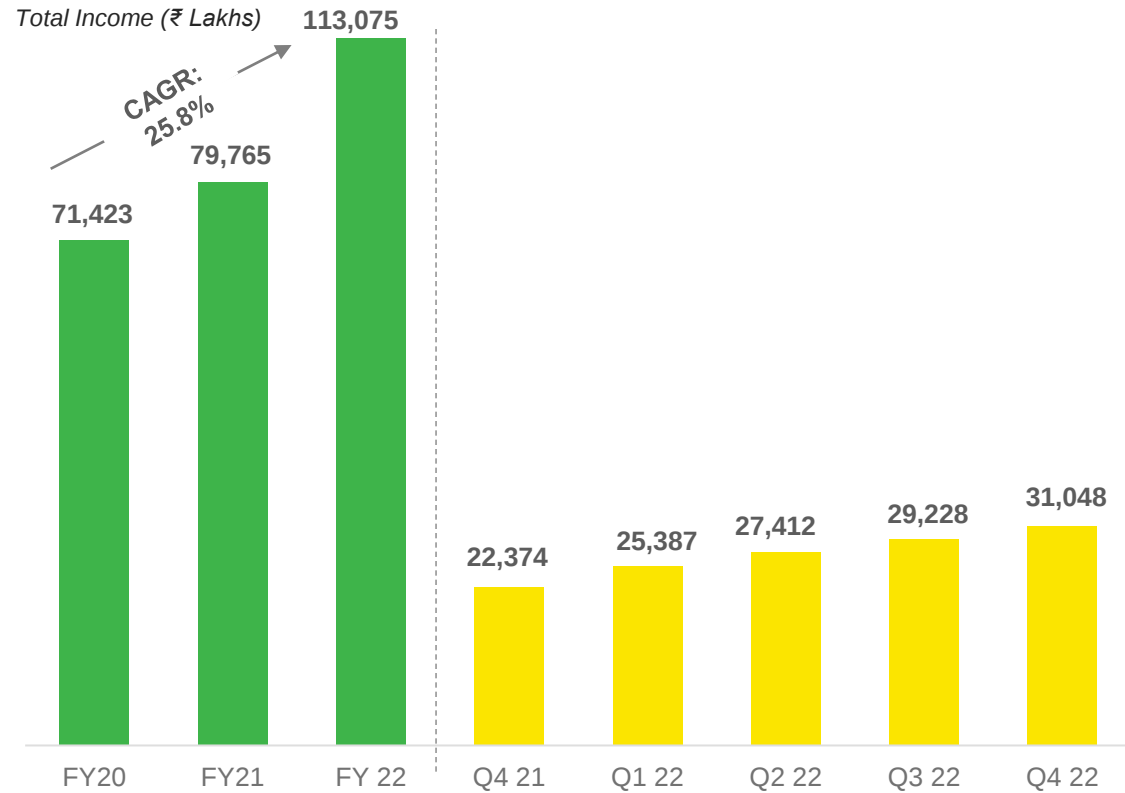
Agile

% of Revenue

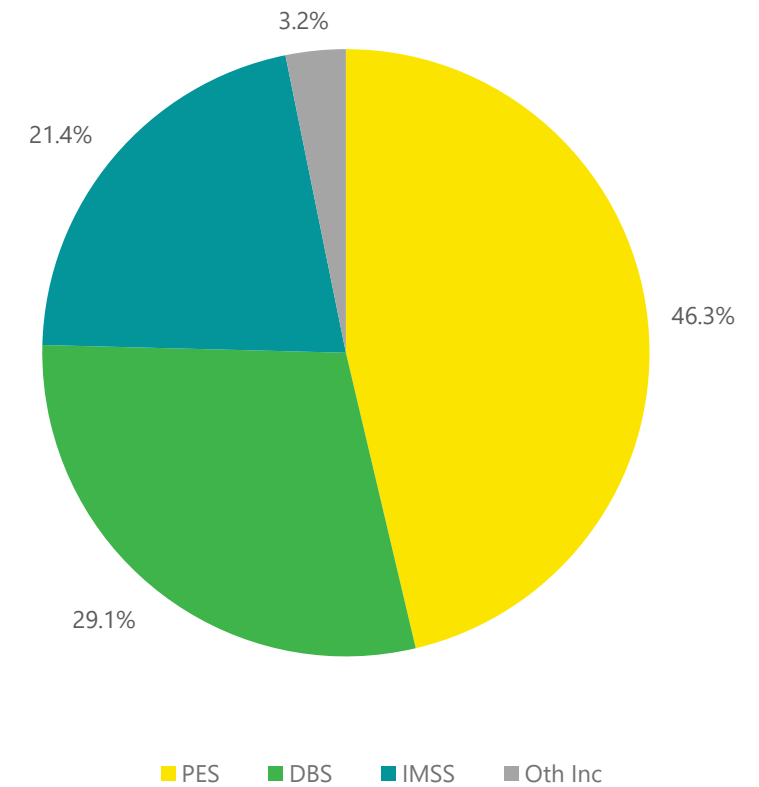


Operational & Financial Metrics

Revenue

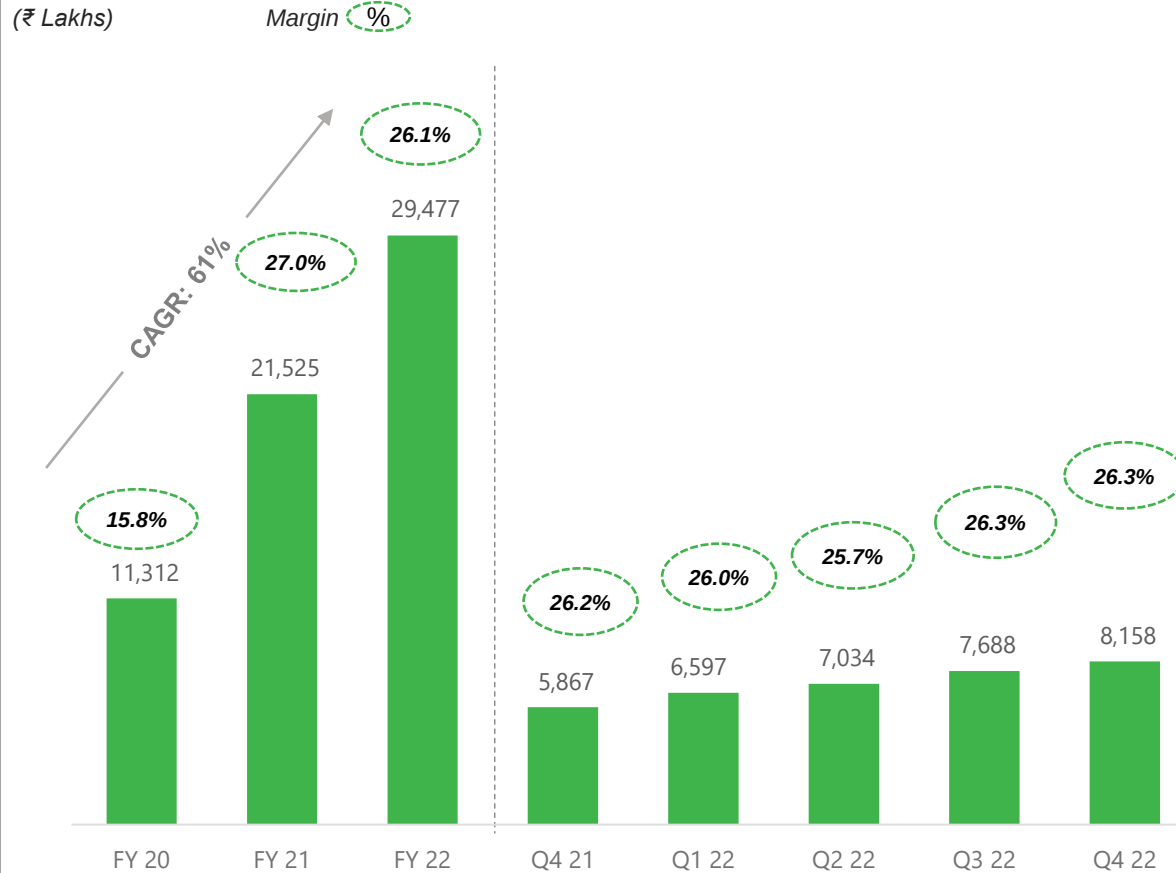


Revenue by BU

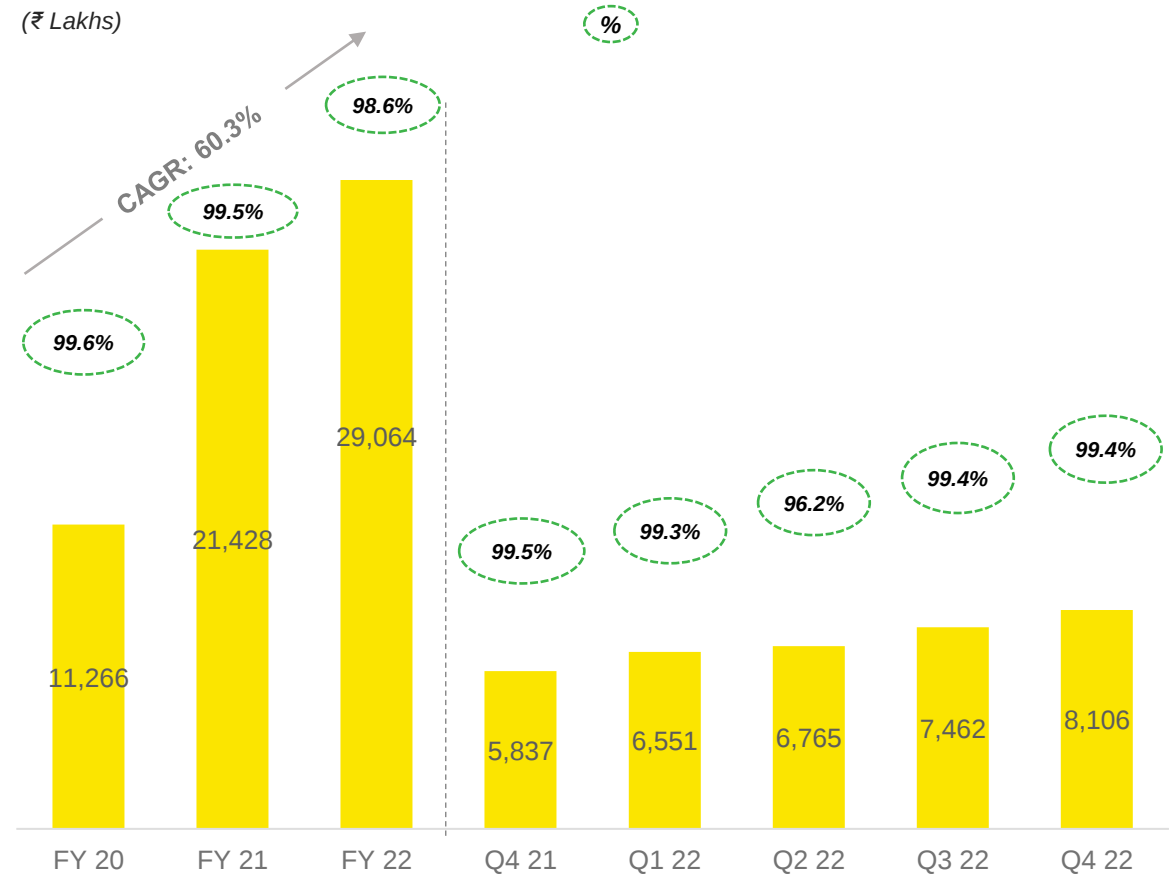


Operational & Financial Metrics

EBITDA

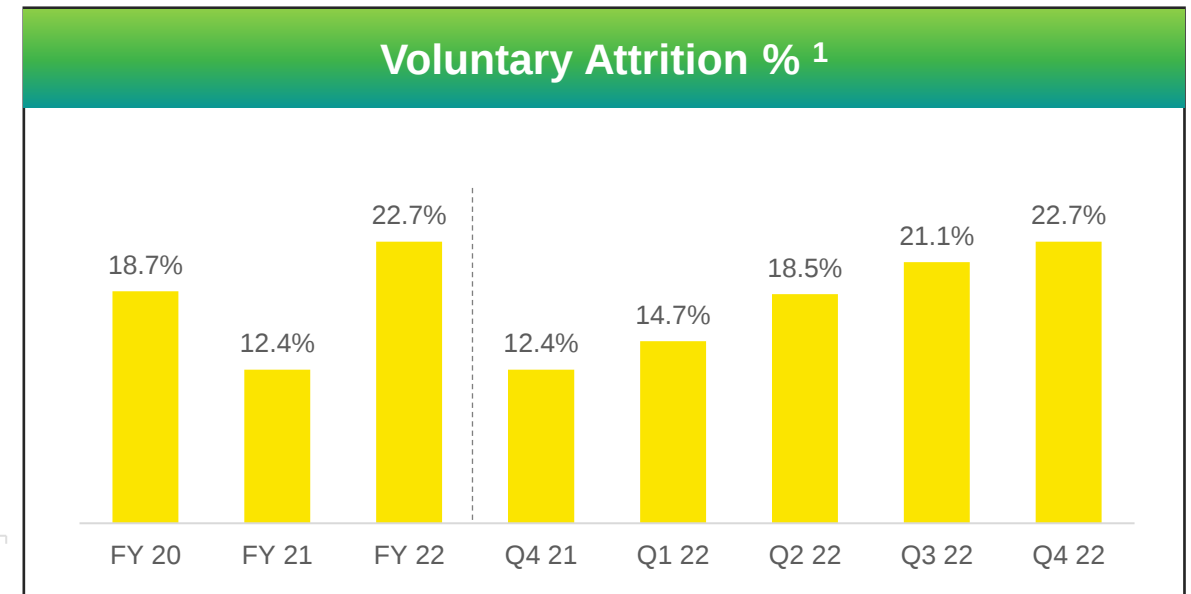
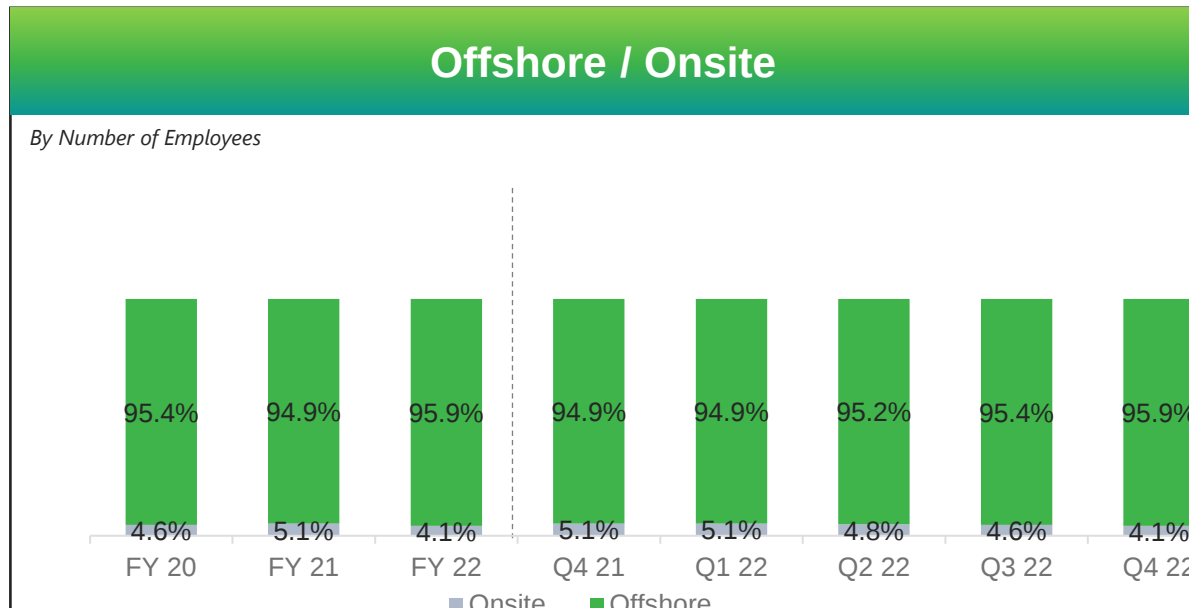
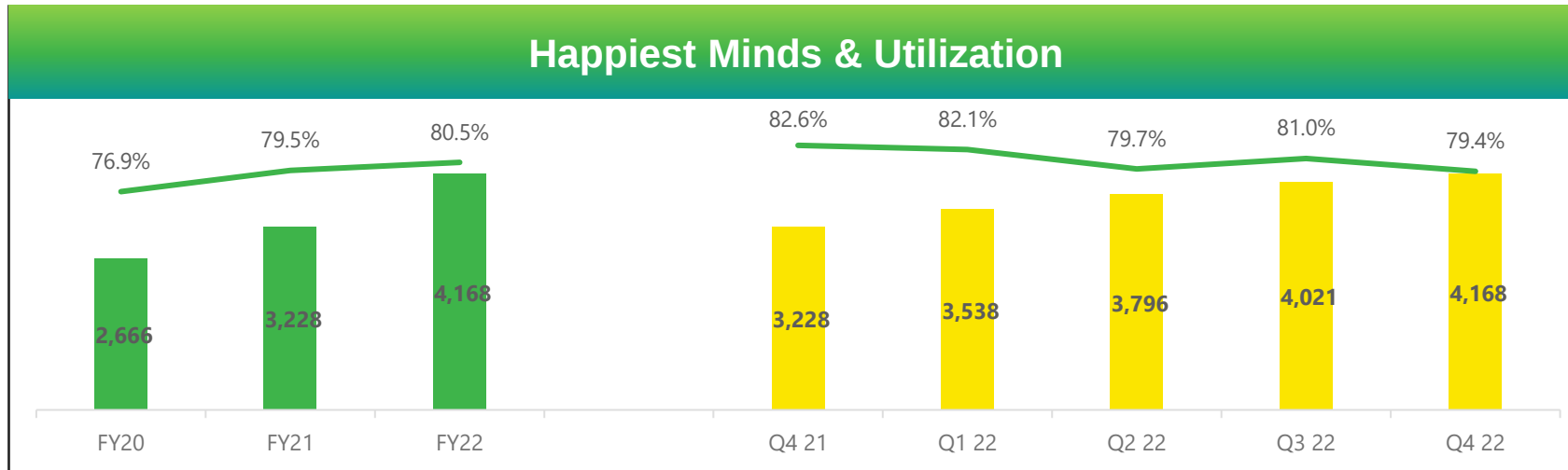


High FCF¹ conversion



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

Operational & Financial Metrics



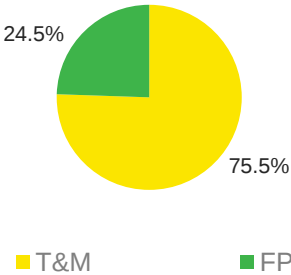
Note 1: Trailing 12 Months

Operational & Financial Metrics

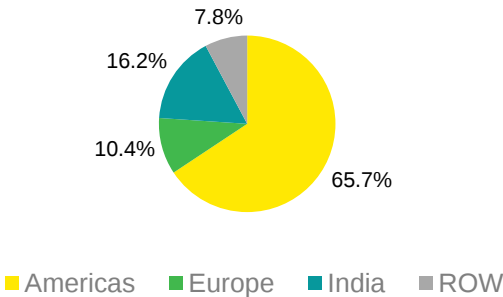
Revenue Model

Q4 22

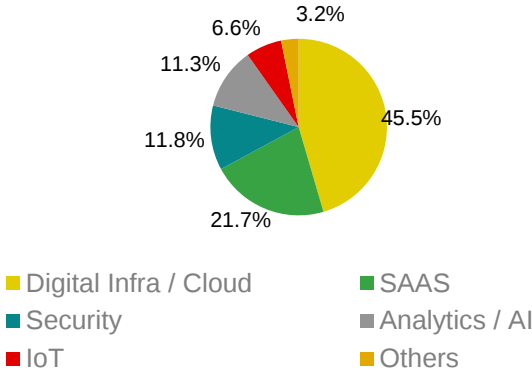
Model



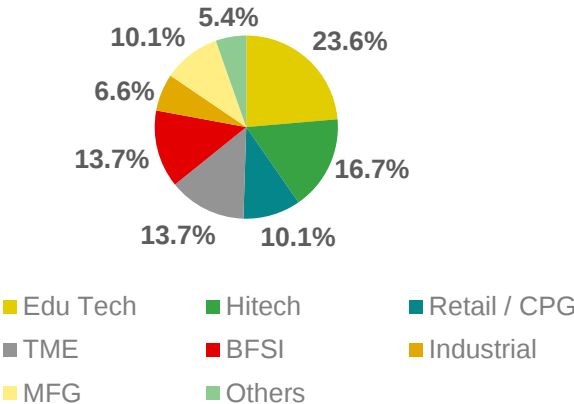
Geography



Digital Revenue¹

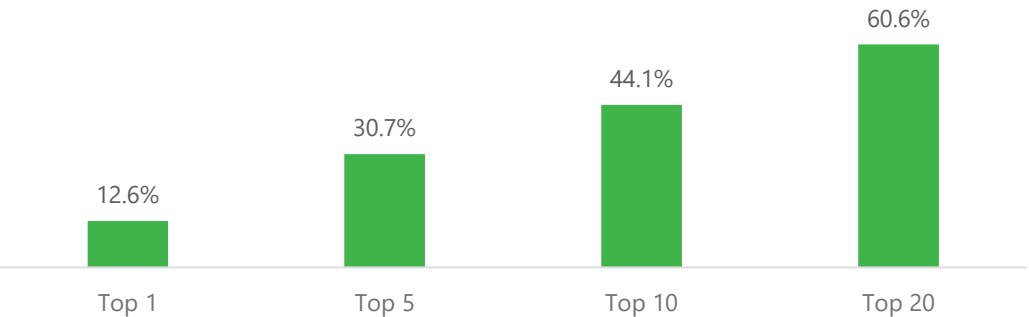


Vertical¹



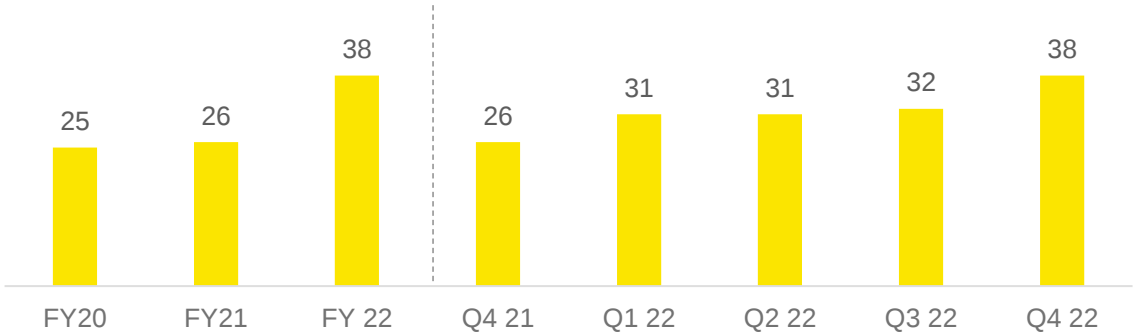
Revenue Concentration

(% Revenue)



Million \$ Customers²

(#)

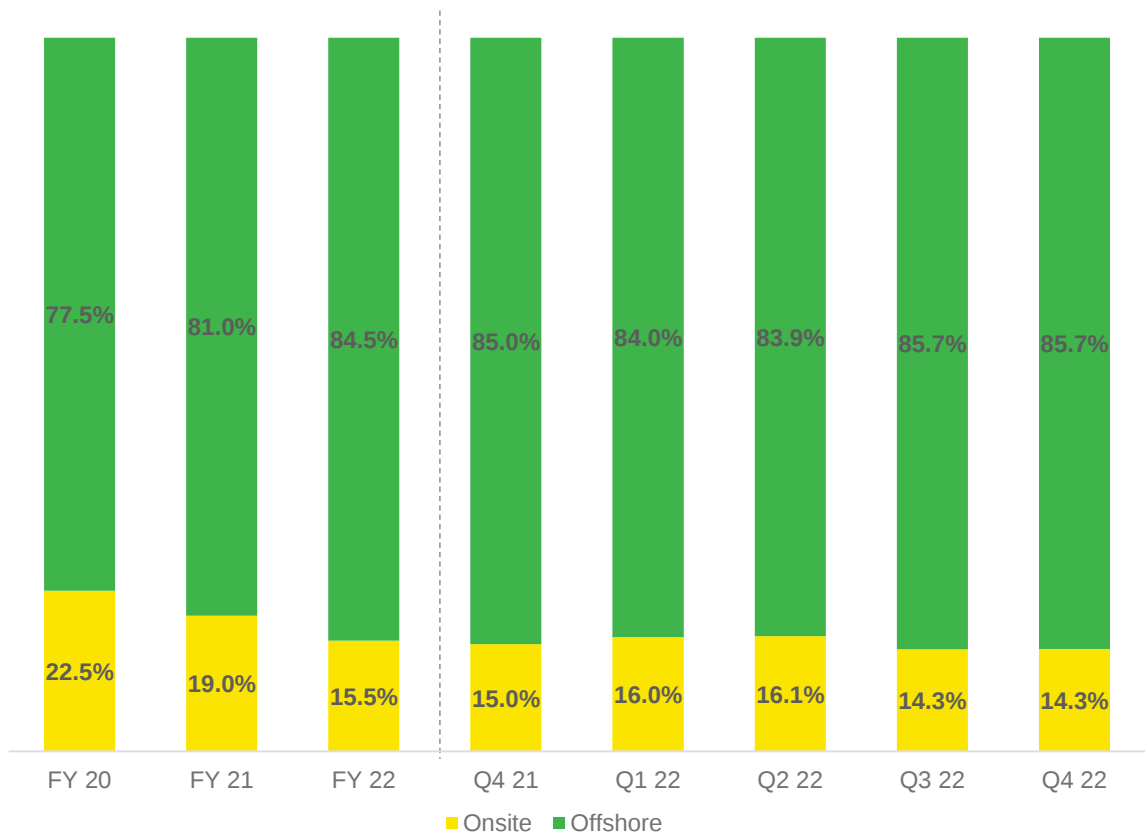


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics

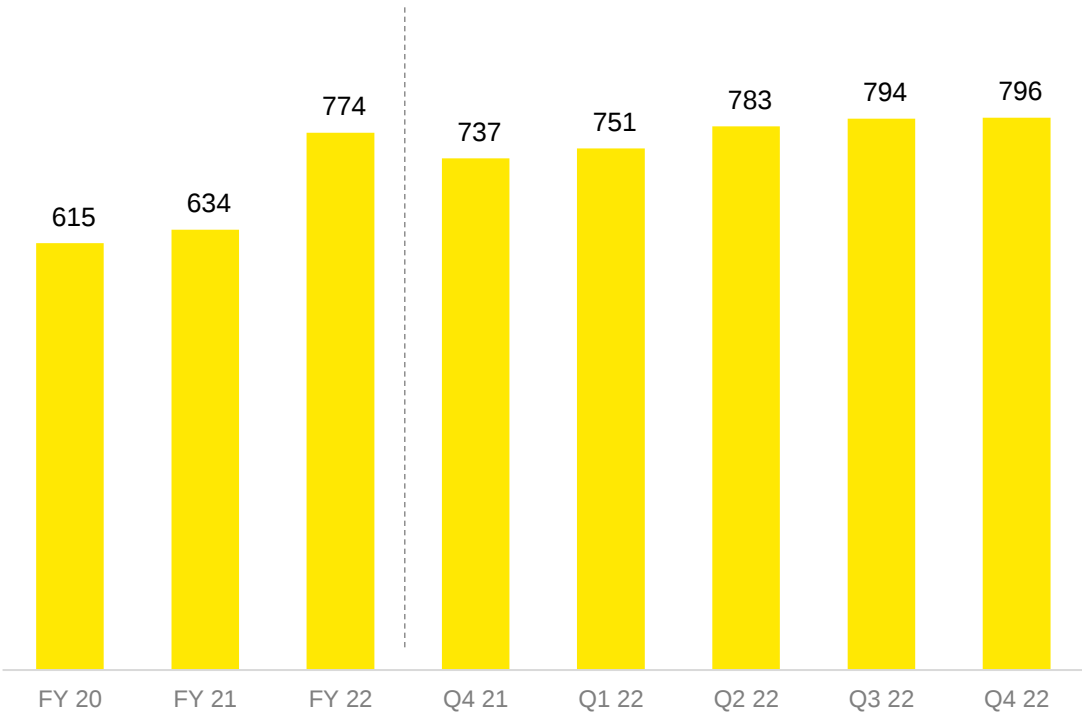
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY20	FY21	FY 22	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4
Customer Industry group								
Edutech	21.3%	25.6%	23.2%	24.1%	23.4%	23.2%	22.6%	23.6%
Hitech	21.0%	18.2%	15.8%	13.5%	14.2%	13.5%	18.3%	16.7%
BFSI	17.5%	16.4%	13.2%	14.8%	13.4%	13.3%	12.5%	13.7%
Travel, Media and Entertainment (TME)	17.1%	13.6%	13.2%	14.0%	13.9%	13.0%	12.3%	13.7%
Retail / CPG	7.5%	5.4%	10.3%	8.6%	9.6%	10.6%	10.6%	10.1%
Industrial	7.0%	7.1%	6.9%	7.7%	7.1%	6.6%	7.3%	6.6%
Manufacturing	3.7%	6.6%	8.6%	7.1%	6.3%	8.3%	9.4%	10.1%
Others	4.9%	7.1%	8.8%	10.2%	12.0%	11.6%	6.9%	5.4%
Digital Service Offerings								
Digital infrastructure/Cloud	31.2%	41.6%	43.6%	44.2%	42.3%	42.8%	43.6%	45.5%
SaaS	29.4%	22.7%	20.3%	20.9%	20.2%	19.6%	19.6%	21.7%
Security Solutions	14.9%	8.7%	11.9%	9.1%	11.0%	12.2%	12.2%	11.8%
Analytics/AI	11.6%	13.3%	12.1%	12.9%	12.9%	12.5%	11.9%	11.3%
IoT	9.8%	10.5%	8.6%	9.5%	9.9%	9.8%	8.5%	6.6%
Total	96.9%	96.8%	96.5%	96.6%	96.2%	96.7%	96.0%	96.8%
Automation as a % of total revenue	20.7%	25.2%	25.4%	24.4%	23.9%	23.9%	27.1%	26.2%

Operational & Financial Metrics

	FY20	FY 21	FY 22	FY21 Q4	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4
Revenue by Customer Geo								
USA	77.5%	73.4%	66.4%	68.4%	67.8%	65.9%	66.6%	65.7%
India	11.9%	11.8%	14.1%	11.7%	12.4%	13.0%	14.6%	16.2%
Europe	7.2%	10.4%	10.4%	11.6%	10.4%	11.1%	9.8%	10.4%
ROW	3.4%	4.4%	9.0%	8.4%	9.4%	10.0%	9.0%	7.8%
Million \$ Customers¹								
\$ 10 M +	1	1	1	1	1	1	1	1
\$ 5M to \$ 10M	-	3	4	3	3	6	4	4
\$ 3M to \$ 5M	9	6	8	6	6	3	4	8
\$ 1M to \$ 3M	15	16	25	16	21	21	23	25
Total	25	26	38	26	31	31	32	38
Revenue Mix								
Onsite	22.5%	19.0%	15.5%	15.0%	16.0%	16.1%	14.3%	14.3%
Offshore ²	77.5%	81.0%	84.5%	85.0%	84.0%	83.9%	85.7%	85.7%
Revenue by contracting Model								
Fixed Price	19.0%	22.0%	25.1%	26.0%	26.0%	24.4%	25.7%	24.5%
Time and Material	81.0%	78.0%	74.9%	74.0%	74.0%	75.6%	74.3%	75.5%
Active customers								
# of active customers	157	173	206	173	180	186	195	206
Billion \$ corporation								
# of customers	37	46	54	46	53	50	53	54

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

Operational & Financial Metrics

	FY20	FY21	FY22	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4
Happiest Minds								
Onsite	123	166	172	166	180	182	183	172
Offshore	2,543	3,062	3,996	3,062	3,358	3,614	3,838	3,996
Total	2,666	3,228	4,168	3,228	3,538	3,796	4,021	4,168
Happiest Minds %								
Onsite	4.6%	5.1%	4.1%	5.1%	5.1%	4.8%	4.6%	4.1%
Offshore	95.4%	94.9%	95.9%	94.9%	94.9%	95.2%	95.4%	95.9%
Utilization								
%	76.9%	79.5%	80.5%	82.6%	82.1%	79.7%	81.0%	79.4%
Diversity								
Women Happiest Minds	24.0%	24.5%	26.4%	24.5%	25.2%	26.1%	26.1%	26.4%
DSO								
Billed	60	57	55	50	46	58	61	55
Unbilled	23	28	35	24	36	30	32	35
Total	83	85	90	75	82	88	93	90
EPS ₹								
Diluted	5.36	11.45	12.55	2.48	2.45	3.06	3.38	3.58
Capital Return Ratios								
RoCE	28.9%	31.2%	39.8%	33.3%	30.7%	33.8%	32.9%	45.3%
RoE	27.1%	29.8%	27.3%	26.4%	24.7%	27.5%	28.2%	31.4%

Operational & Financial Metrics

(All figures in ₹ Lakhs)

	FY20		FY21		FY22		FY21Q4		FY22Q1		FY22Q2		FY22Q3		FY22Q4	
(All figures in ₹ Lakhs)																
Revenue by BUs																
IMSS	15,361	21.5%	16,421	20.6%	24,168	21.4%	4,487	20.1%	5,251	20.7%	5,747	21.0%	6,322	21.6%	6,848	22.1%
DBS	19,167	26.8%	21,288	26.7%	32,891	29.1%	6,995	31.3%	7,570	29.8%	8,046	29.4%	8,511	29.1%	8,762	28.2%
PES	35,293	49.4%	39,632	49.7%	52,308	46.3%	10,589	47.3%	11,639	45.8%	12,661	46.2%	13,561	46.4%	14,447	46.5%
Total Revenue	69,821	97.8%	77,341	97.0%	109,367	96.7%	22,071	98.6%	24,460	96.4%	26,453	96.5%	28,394	97.1%	30,057	96.8%
Other income	1,602	2.2%	2,424	3.0%	3,708	3.3%	303	1.4%	926	3.6%	959	3.5%	834	2.9%	991	3.2%
Total income	71,423	100%	79,765	100%	113,075	100%	22,374	100%	25,387	100%	27,412	100%	29,228	100%	31,048	100%

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 20	FY 21	FY 22	FY 21 Q4	FY 22 Q1	FY 22 Q2	FY 22 Q3	FY 22 Q4
Income								
Operating revenue	69,821	77,341	109,365	22,071	24,461	26,453	28,394	30,057
Other income	1,602	2,424	3,710	303	926	959	834	991
Total income	71,423	79,765	113,075	22,374	25,387	27,412	29,228	31,048
Cost of revenue	42,927	44,382	64,404	12,849	14,661	15,864	16,591	17,289
Gross margin	26,894	32,959	44,961	9,222	9,800	10,589	11,804	12,768
%	38.5%	42.6%	41.1%	41.8%	40.1%	40.0%	41.6%	42.5%
SG&A	17,184	13,858	19,193	3,658	4,129	4,514	4,949	5,601
%	24.6%	17.9%	17.5%	16.6%	16.9%	17.1%	17.4%	18.6%
EBITDA	11,312	21,525	29,477	5,867	6,597	7,034	7,688	8,158
%	15.8%	27.0%	26.1%	26.2%	26.0%	25.7%	26.3%	26.3%
Depreciation	2,023	2,274	3,288	734	723	834	847	884
%	2.9%	2.9%	3.0%	3.3%	3.0%	3.2%	3.0%	2.9%
EBIT	9,289	19,251	26,189	5,133	5,874	6,200	6,841	7,274
%	13.0%	24.1%	23.2%	22.9%	23.1%	22.6%	23.4%	23.4%
Finance cost	802	649	995	209	146	265	298	286
PBT before exceptional item*	8,487	18,602	25,194	4,924	5,728	5,935	6,543	6,988
%	11.9%	23.3%	22.2%	22.0%	22.6%	21.6%	22.3%	22.4%
Exceptional Items⁺	1,126	-	609	-	609	-	-	-
PBT *	7,361	18,602	24,585	4,924	5,119	5,935	6,543	6,988
%	10.3%	23.3%	21.7%	22.0%	20.2%	21.6%	22.4%	22.5%
Current tax	190	3,527	6,310	889	1,595	1,512	1,466	1,737
Deferred tax	-	(1,171)	155	430	(49)	(21)	185	40
Total Tax	190	2,356	6,465	1,319	1,546	1,491	1,651	1,777
%	0.3%	3.0%	5.7%	5.9%	6.1%	5.4%	5.6%	5.7%
PAT *	7,171	16,246	18,120	3,605	3,573	4,444	4,892	5,211
%	10.0%	20.4%	16.0%	16.1%	14.1%	16.2%	16.7%	16.8%

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

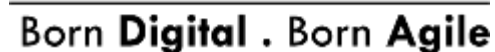
+ Exceptional items for FY19 & FY20 refer to Impairment of Goodwill, for FY22 Q1 refers to Loss on Fair Valuation of Warrant Liability

Operational & Financial Metrics

Condensed Balance Sheet

(All figures in ₹ Lakhs)

	31.03.2020	31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022
Assets						
Non-current Assets						
Property, plant and equipment	93	69	83	86	77	78
Goodwill	610	7,644	7,756	7,742	7,772	7,896
Financial & Other assets	5,598	10,029	18,033	11,604	20,609	11,788
Total non-current assets (A)	6,301	17,742	25,872	19,432	28,458	19,762
Current assets						
Financial & Other assets						
i. Trade receivable	11,487	12,192	12,431	16,064	18,212	16,738
ii. Cash & Cash equivalents, Investments & Other financial assets	31,967	60,928	60,476	63,790	59,928	72,609
iii. Other assets	1,060	1,333	1,117	2,367	2,655	3,392
Total current assets (B)	44,514	74,453	74,024	82,221	80,795	92,739
Total assets (A + B)	50,815	92,195	99,896	101,653	109,253	112,501
Equity and Liabilities						
Total equity (A)	26,531	54,599	58,125	58,498	61,035	66,580
Non-current liabilities						
Financial liabilities	1,863	7,339	10,775	9,431	12,907	7,134
Provisions & Deferred tax liability	1,255	2,378	2,325	2,334	2,340	2,086
Total non-current liabilities (B)	3,118	9,717	13,100	11,765	15,247	9,220
Current liabilities						
Financial & Contract liabilities						
i. Trade payable	3,442	4,101	4,913	6,670	5,775	6,072
ii. Others	15,947	20,340	20,090	20,711	23,340	26,266
Provisions & Other current liabilities	1,777	3,438	3,668	4,009	3,856	4,363
Total current liabilities (C)	21,166	27,879	28,671	31,390	32,971	36,701
Total liabilities (D = B + C)	24,284	37,596	41,771	43,155	48,218	45,921
Total equity and liabilities (A + D)	50,815	92,195	99,896	101,653	109,253	112,501



investors@happiestminds.com

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