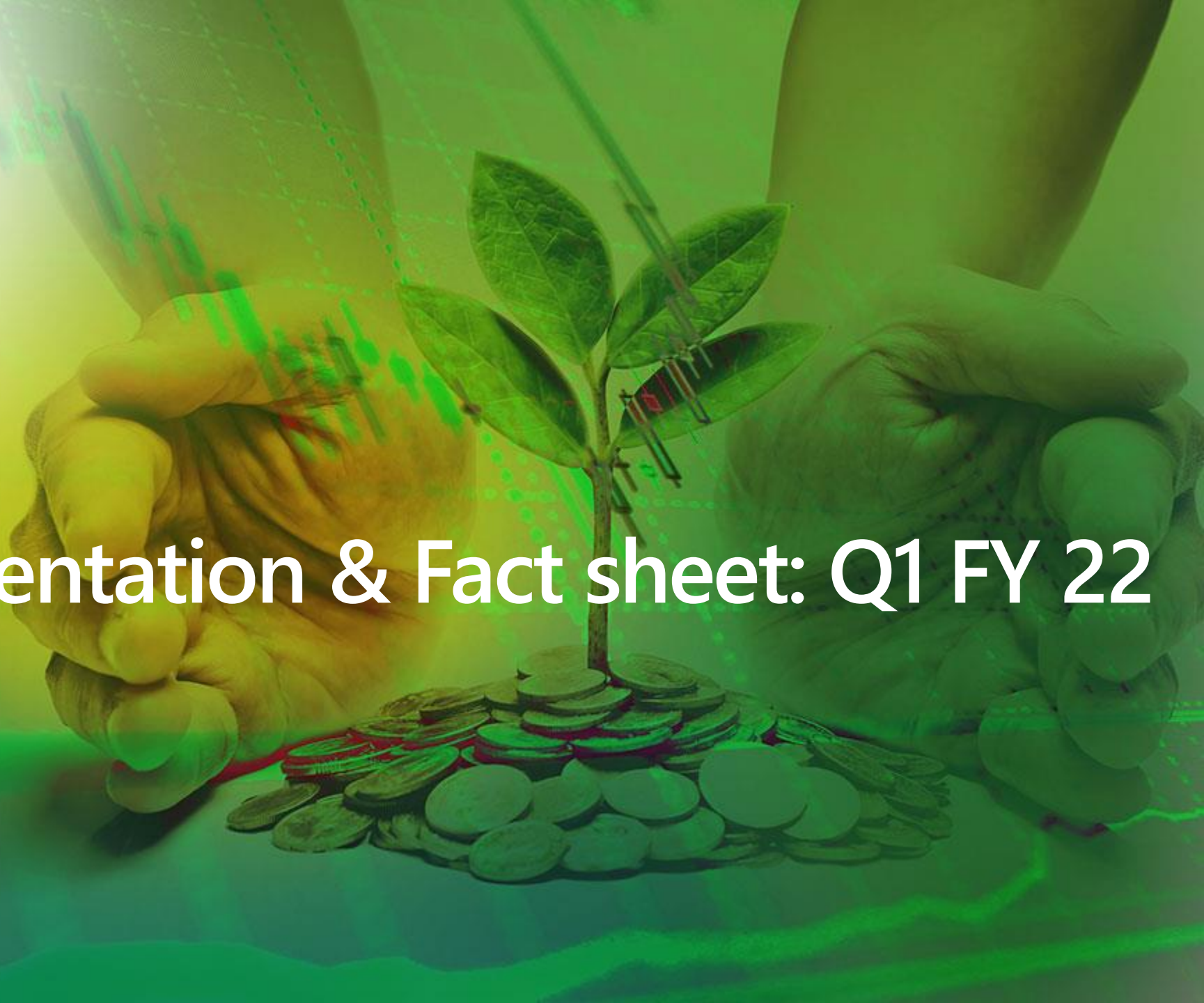


Investor Presentation & Fact sheet: Q1 FY 22

July 2021



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.

About Happiest Minds

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



IPO

In September 2020

- Completing 10 years of existence in August 2021
- Strong Management Team & Corporate governance
- 325,000 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

**3,538 Happiest
Minds**

across 7 Countries
Diversity 25.2%

180
Active clients

53 Fortune2000 / Forbes200 /
Billion \$ corporations
90% of repeat business

Great Place To Work

- Ranked **#21** – India's Best Companies to work for 2021
- Ranked **#63** Asia's Best Workplaces 2021
- Top **50** Companies for Data Scientists to Work for 2021

30.7%
RoCE¹

24.7%
RoE

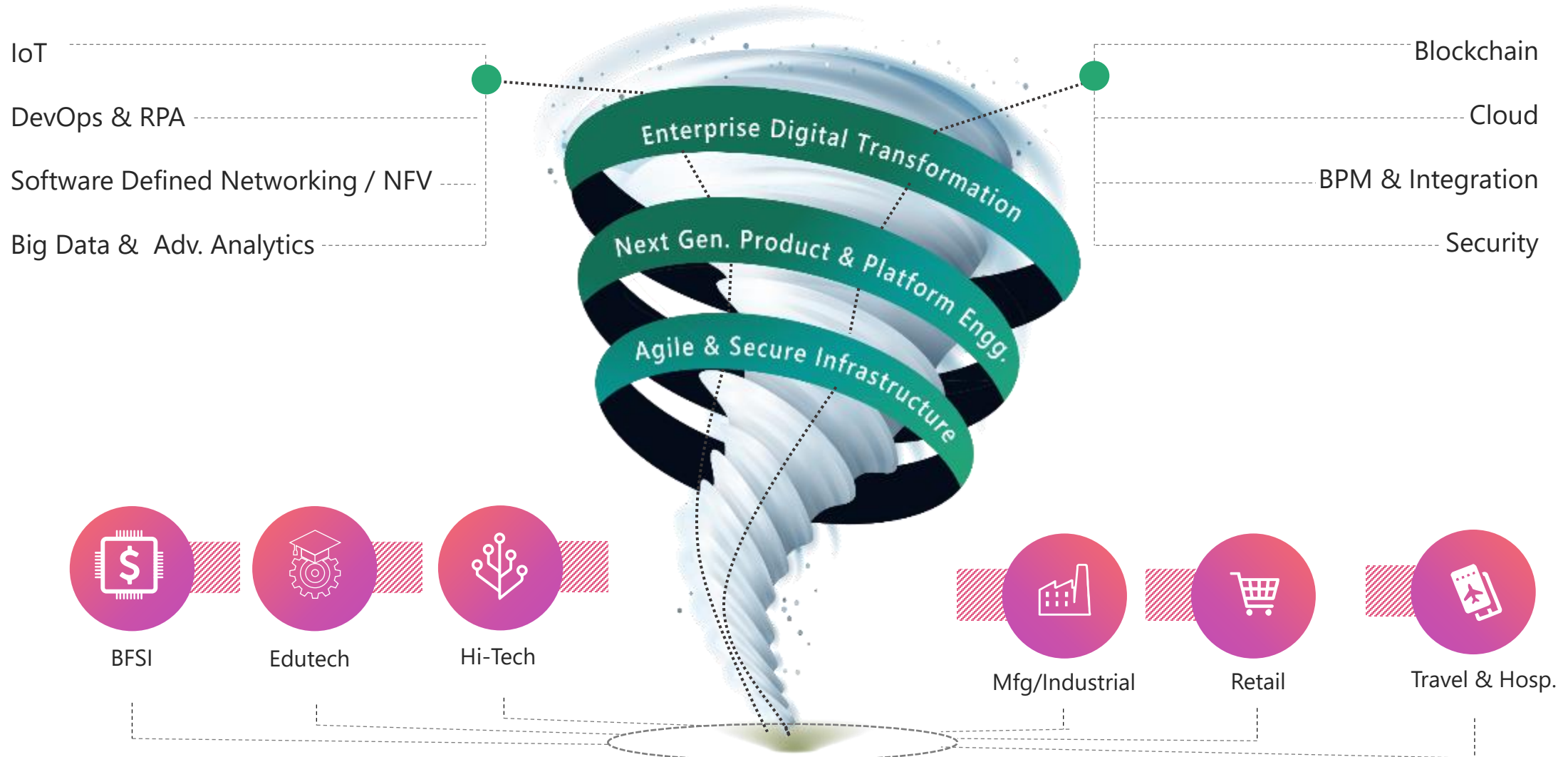
4.3
rating

on **Glassdoor**
#2 for Indian IT Services



**2021 IBM Geography
Excellence Award for APAC**

Our Business



Mission, Vision and Values

Our Values



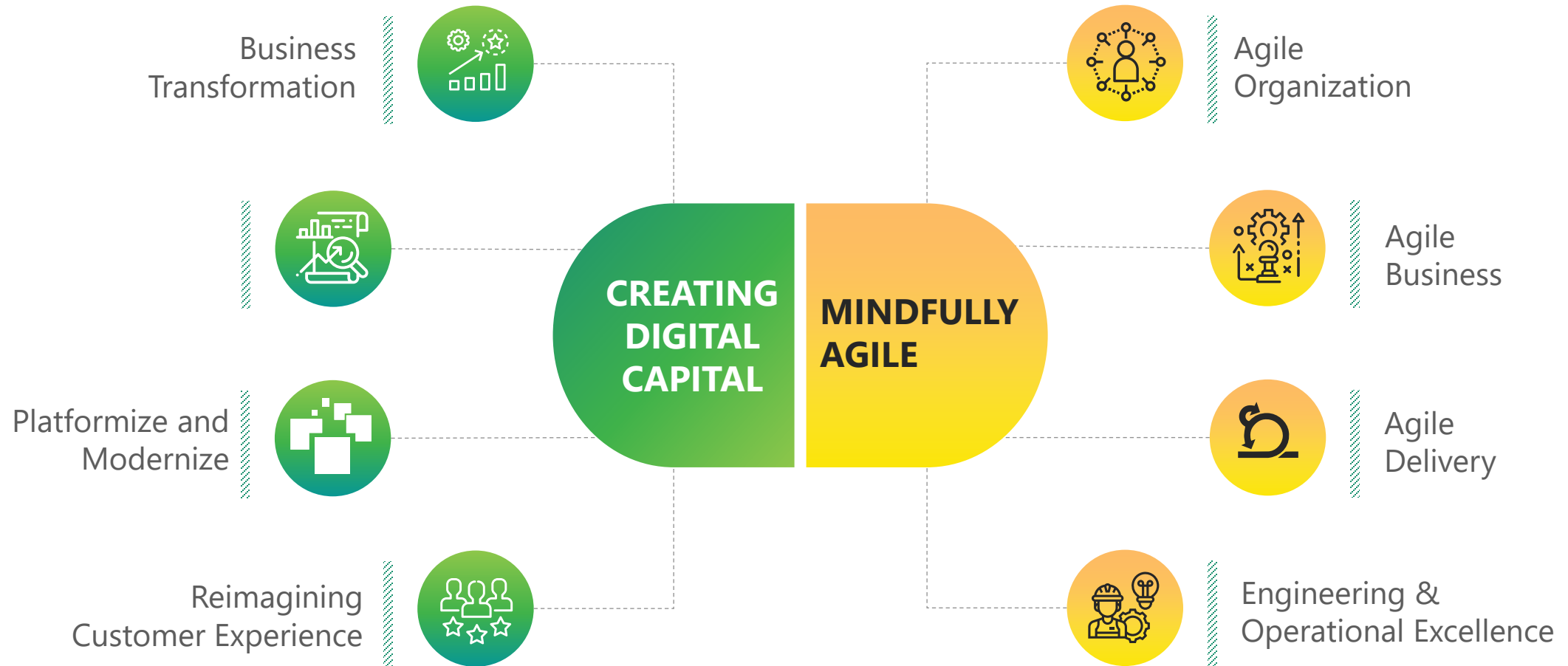
Our 5-year Vision

- 1 Be the **Happiness Evangelists** for each other, our Customers and Society
- 2 Achieve a very successful **IPO**
- 3 Be known as the company with highest standards of **Corporate Governance**
- 4 Be recognized for **Thought Leadership** in our focused areas of technology and solutions
- 5 Be a leader in **Social Responsibility** initiatives



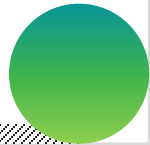
Happiest Minds is the first Indian IT firm to be
The Mindful IT Company

Born Digital. Born Agile.

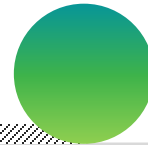


Key Project Wins

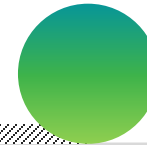
For a **multinational company**, Happiest Minds was chosen as a partner to accelerate their Digital roadmap



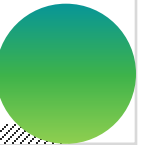
For the **software business group of a Fortune 500 company**, Happiest Minds was chosen as a partner to consult on the API strategy for their on-prem and cloud products



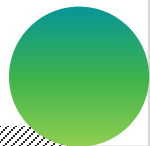
For a **leading US electric vehicle infrastructure company**, Happiest Minds was chosen as a partner once again to build a real-time scalable Edge Analytics Solution for Asset Monitoring and Monetization.



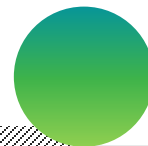
For a **large US leasing company**, Happiest Minds was chosen to upgrade their cloud-based leasing and origination services



For a **large US based Telecom supplier**, Happiest Minds has been chosen as a partner for their Cloud Security programs



For a **leading European GameTech company**, Happiest Minds has been chosen to build & deliver the Automation framework and services



For a **leading Australian retailer**, Happiest Minds was chosen as a partner for security incident response automation



Awards



Ranked 63rd on
the Best Workplaces in
Asia™ 2021 list



Ranked 21 in India's
Best Companies To Work
For 2021



**2021 IBM Geography
Excellence Award** for APAC
Best in Class - Build on IBM
Cloud Partner



Analytics India Magazine
Top 50 Companies for Data
Scientists to Work For - 2021



**Times Ascent – World HRD
Congress Global HR
Excellence Awards 2021**

**Won ISG Digital Case
Study Awards for the
4th consecutive year**

Two case studies recognized
as Standout Case Studies

Operational and Financial Metrics – Q1 FY22

Results Q1 FY 22

All amounts in ₹ Lakhs unless stated otherwise

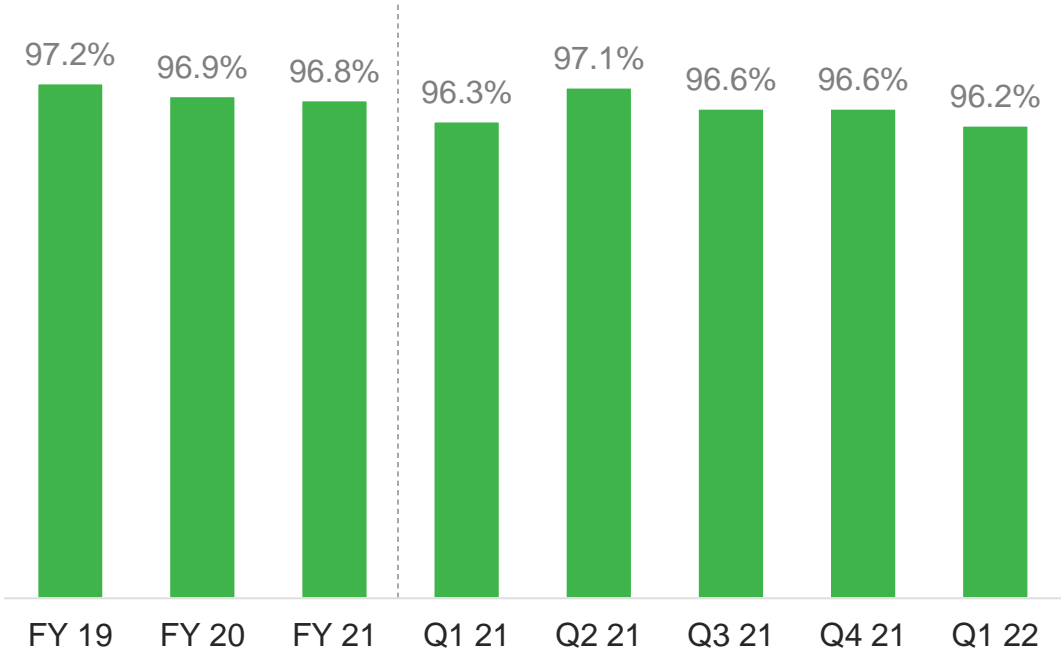
Particulars	Q1 FY 22	Q4 FY 21	QoQ	Q1 FY 21	YoY
Revenues (\$'000)	33,152	30,235	9.6%	23,444	41.4%
Revenues	24,461	22,071	10.8%	17,702	38.2%
Other Income	926	303	205.6%	997	(7.1)%
Total Income	25,387	22,374	13.5%	18,699	35.8%
EBITDA	6,615	5,883	12.4%	4,782	38.3%
%	26.1%	26.3%		25.6%	
PBT before Exceptional Item	5,728	4,924	16.3%	4,084	40.3%
%	22.6%	22.0%		21.8%	
Exceptional Item*	(609)	-		-	
PBT	5,119	4,924	4.0%	4,084	25.3%
%	20.2%	22.0%		21.8%	
Tax	1,546	1,319	17.2%	(934)	(265.5)%
%	6.1%	5.9%		(5.0)%	
PAT	3,573	3,605	(0.9)%	5,018	(28.8)%
%	14.1%	16.1%		26.8%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile.

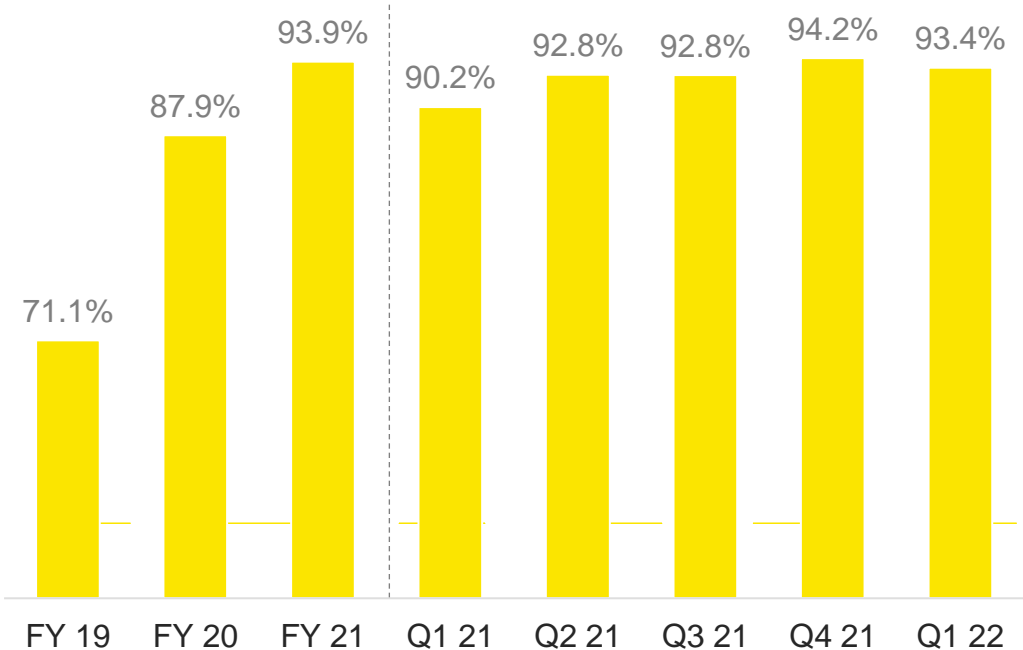
Digital

% of Revenue

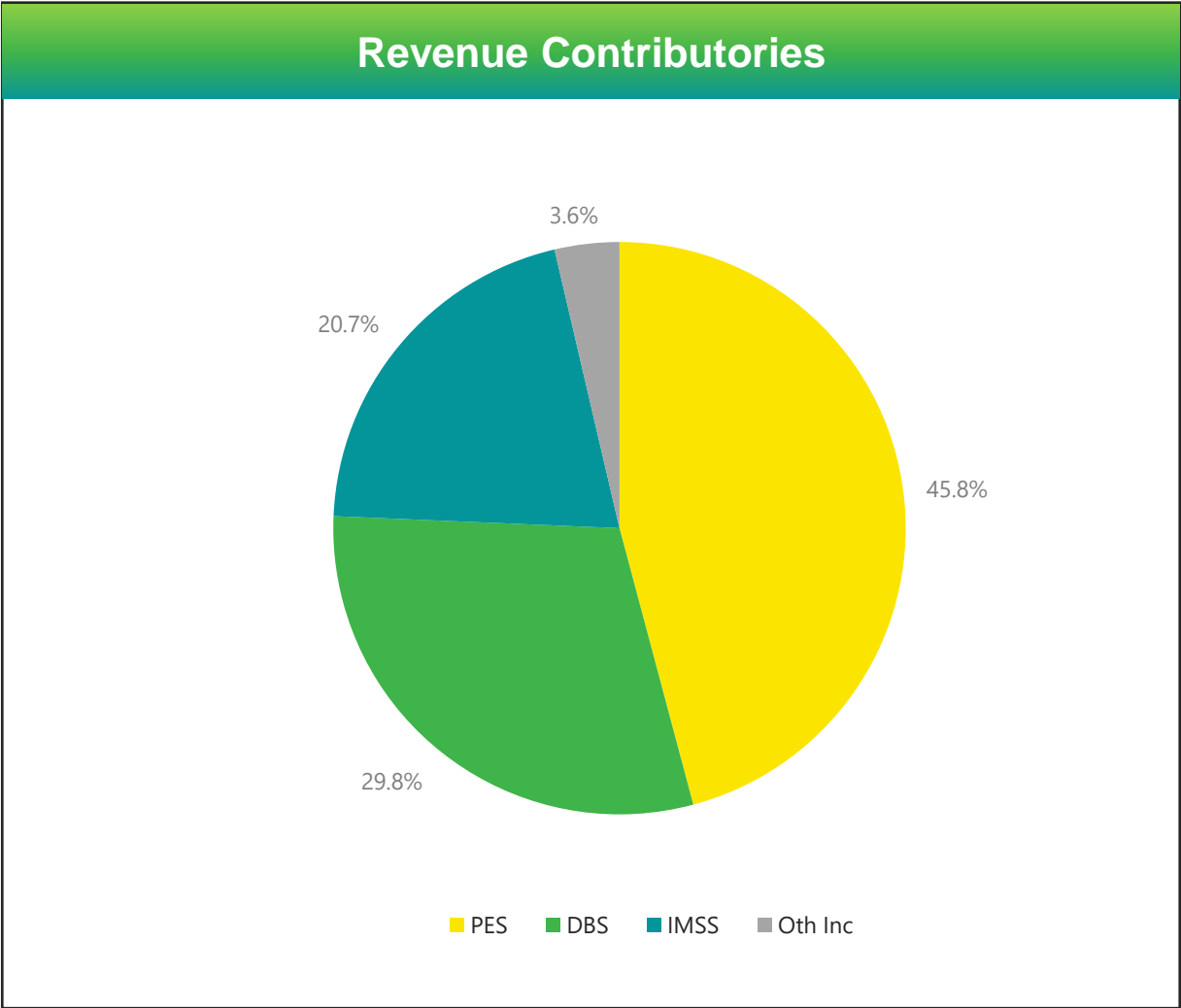
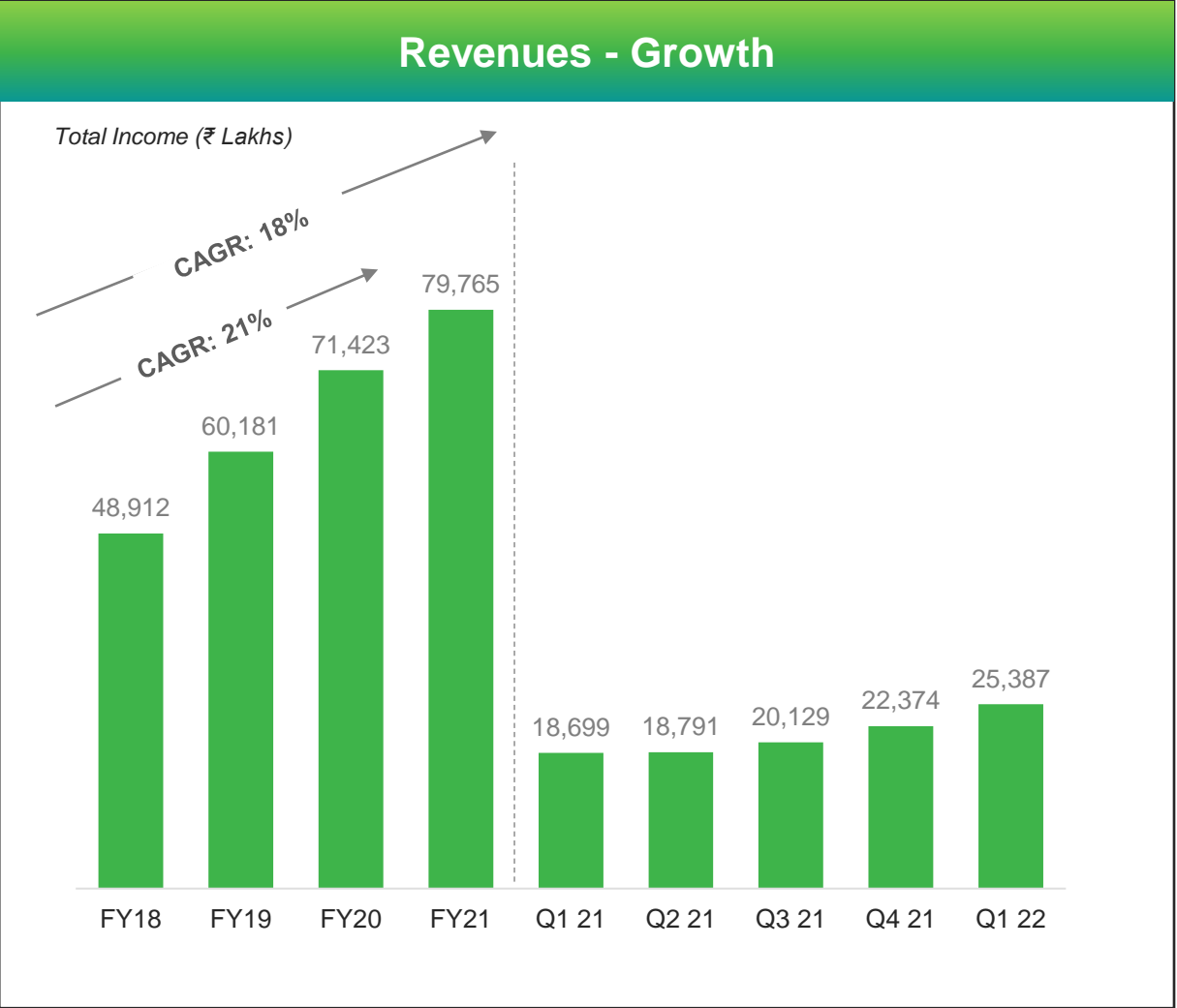


Agile

% of Revenue

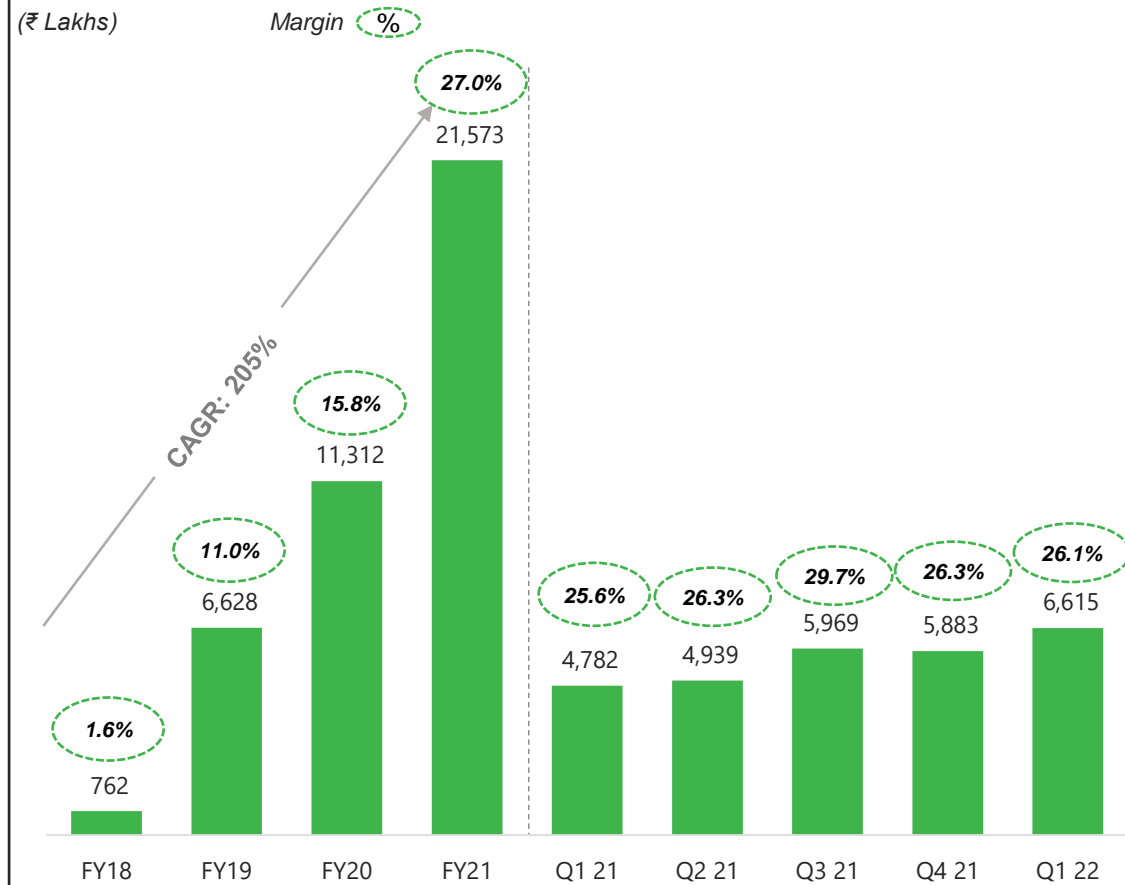


Operational & Financial Metrics

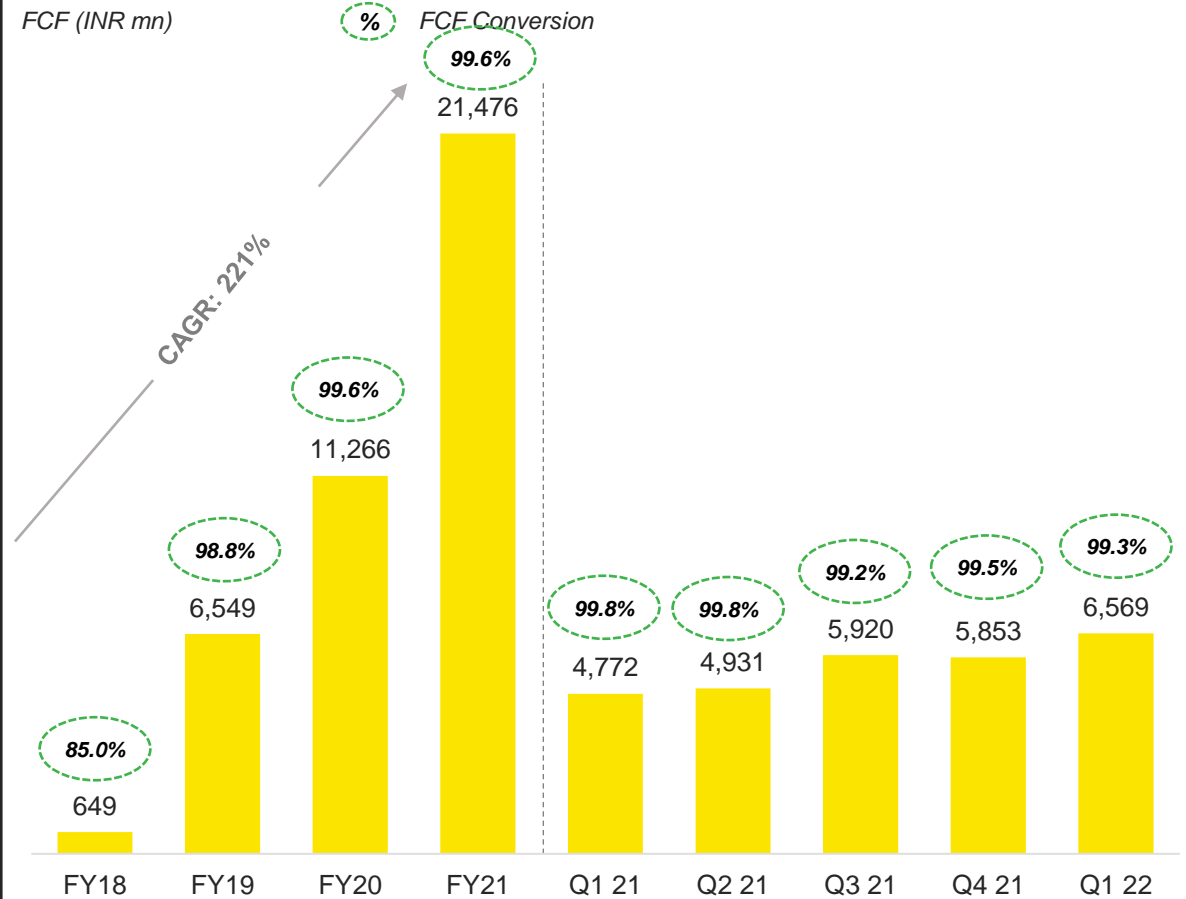


Operational & Financial Metrics (cont'd.)

EBITDA

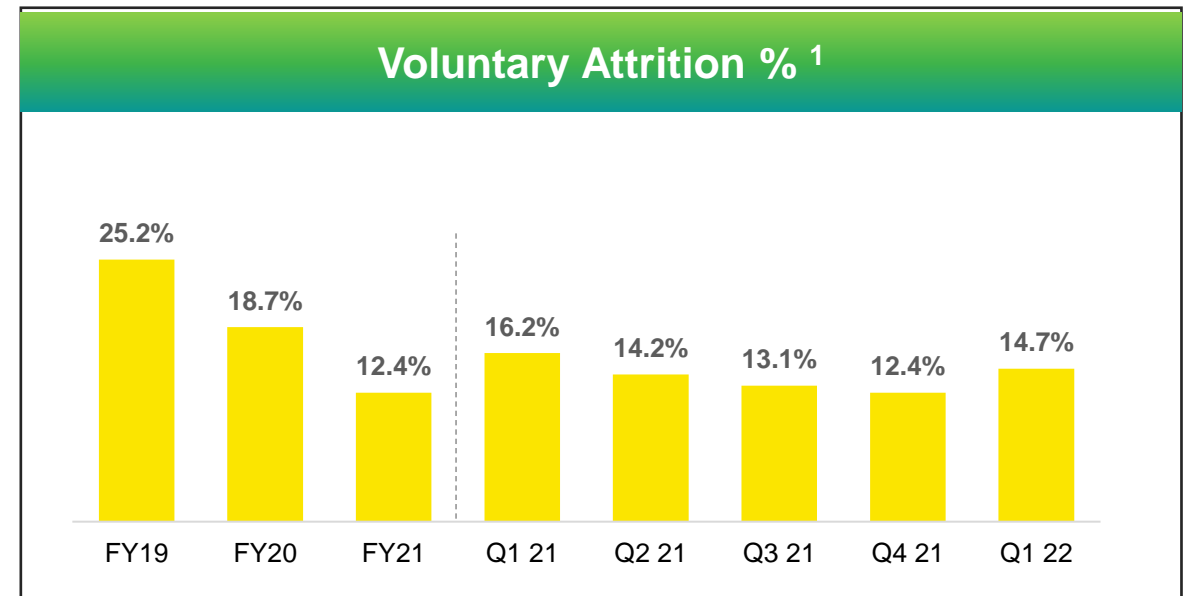
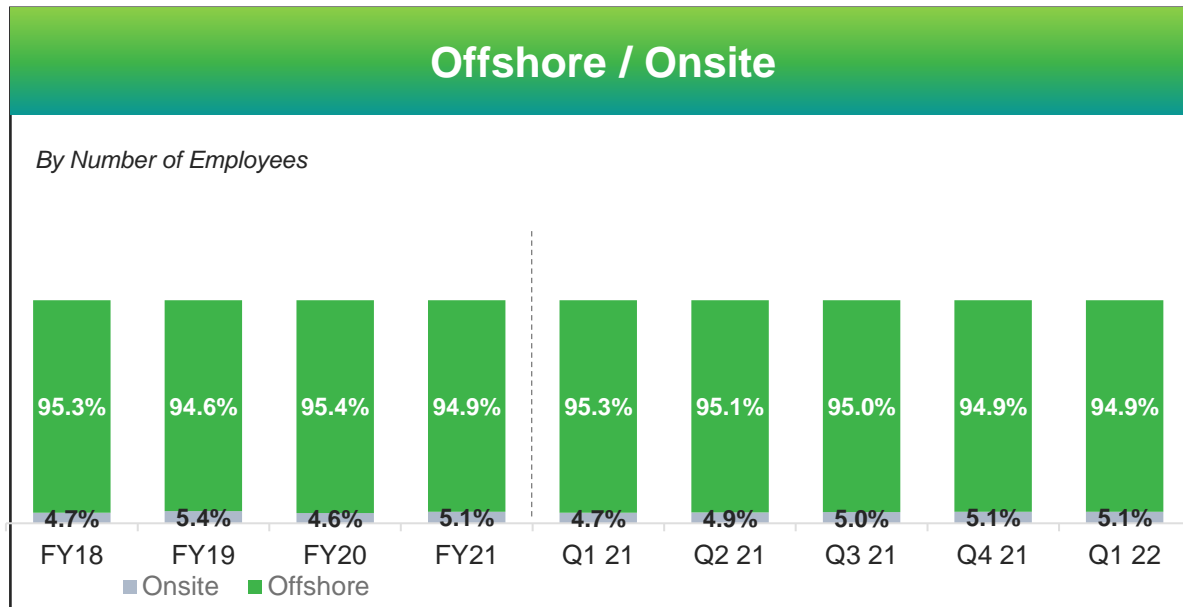
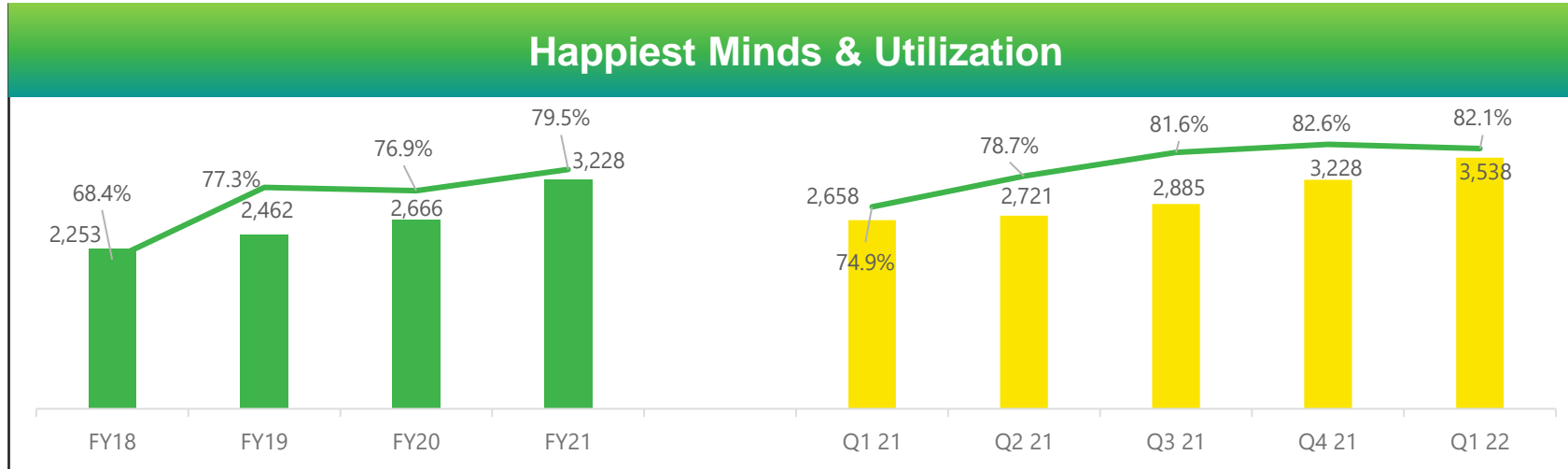


High FCF¹ conversion



Note: 1. FCF Conversion = FCF/EBITDA and FCF = EBITDA – Capex

Consistent growth in headcount and Efficient Delivery



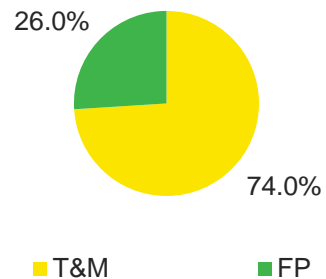
Note: 1. Attrition % : Trailing 12 Months

Operational & Financial Metrics (cont'd.)

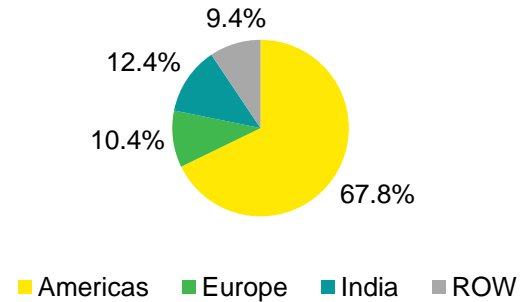
Revenue model

Q1 22

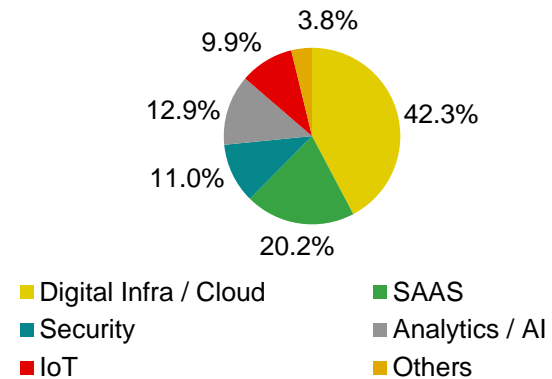
Model



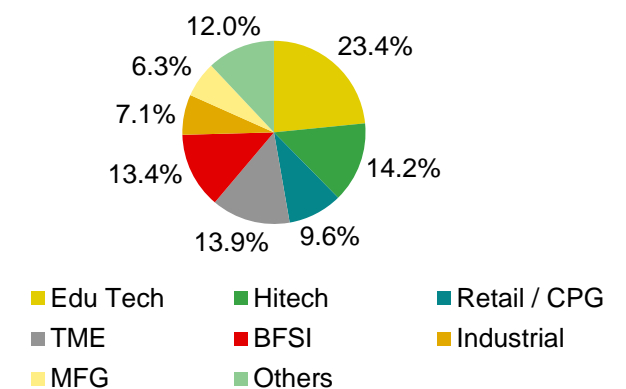
Geography



Digital Revenue¹

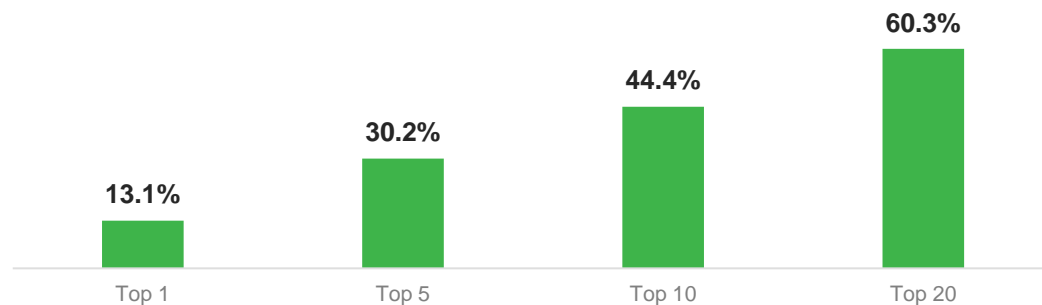


Vertical¹



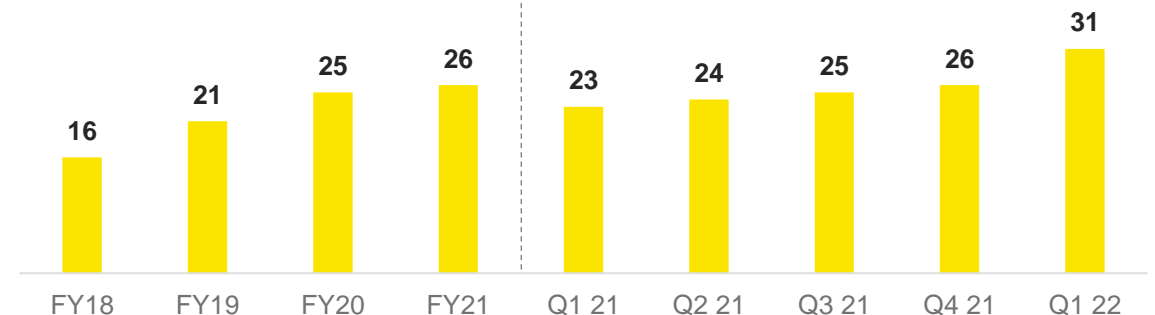
Revenue Concentration³

(% Revenue)



Million \$ Customers²

(#)



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

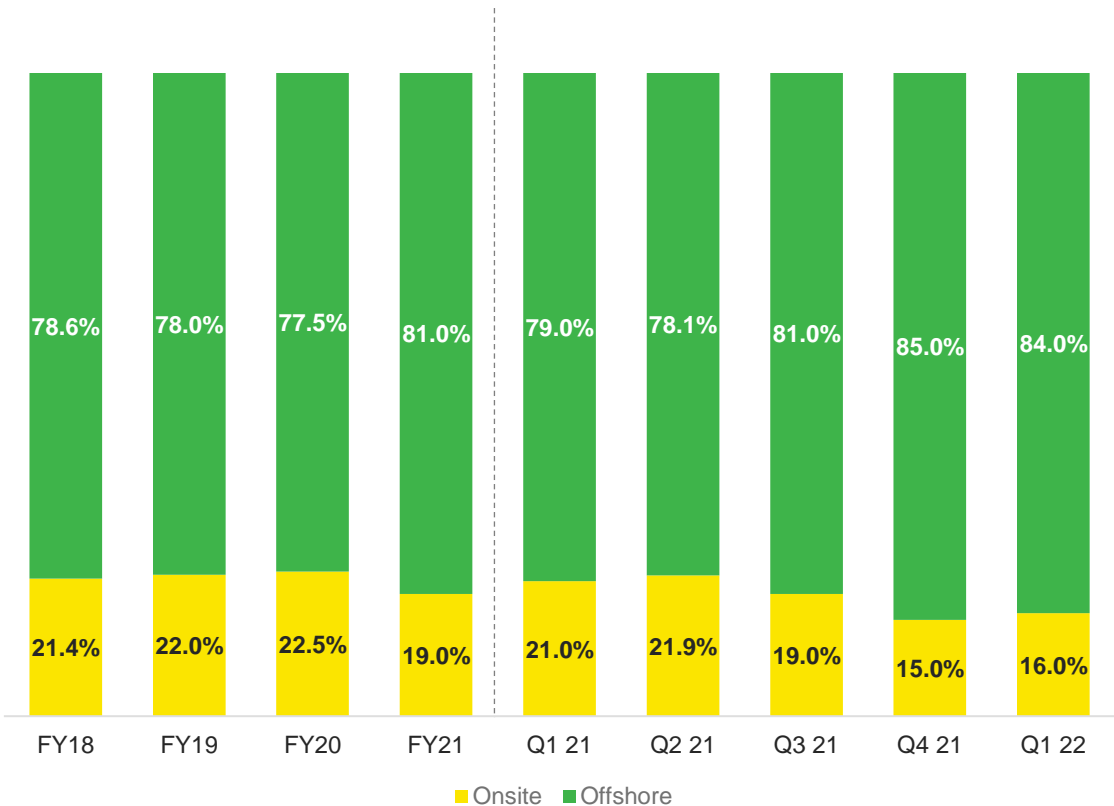
\$ 1M Customers

www.happiestminds.com

Operational & Financial Metrics (cont'd.)

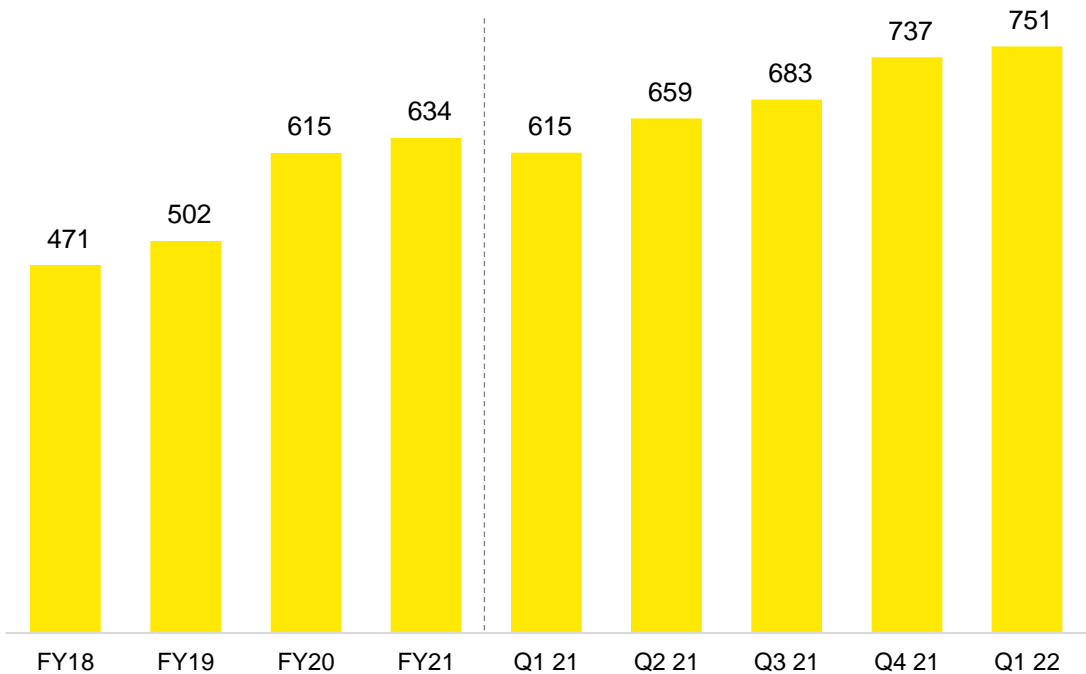
Onsite/Offshore

By Revenue



Avg. annual revenue / active customer

(USD '000)



Operational & Financial Metrics (cont'd.)

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

Operational & Financial Metrics (cont'd.)

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

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

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1
Happiest Minds									
Onsite	105	132	123	124	133	145	166	166	180
Offshore	2,148	2,330	2,543	2,534	2,588	2,740	3,062	3,062	3,358
Total	2,253	2,462	2,666	2,658	2,721	2,885	3,228	3,228	3,538
Happiest Minds by delivery centres									
Onsite	4.7%	5.4%	4.6%	4.7%	4.9%	5.0%	5.1%	5.1%	5.1%
Offshore	95.3%	94.6%	95.4%	95.3%	95.1%	95.0%	94.9%	94.9%	94.9%
Utilization									
Utilization %	68.4%	77.3%	76.9%	74.9%	78.7%	81.6%	82.6%	79.5%	82.1%
Diversity									
Women Happiest Minds	22.0%	23.0%	24.0%	23.4%	23.3%	24.0%	24.5%	24.5%	25.2%
Days Sales Outstanding									
Billed	74	80	60	51	51	46	50	57	46
Unbilled	6	11	23	32	26	31	24	28	36
Total DSO (Days)	80	91	83	83	77	77	75	85	82
EPS (₹ Per Share)									
Diluted			5.36	3.72	2.42	2.94	2.48	11.45	2.45
Capital Return Ratios %									
Return on Capital Employed			28.9%	50.9%	37.0%	41.9%	33.3%	31.2%	30.7%
RoCE									
Return on Equity RoE			27.1%	62.9%	29.4%	33.2%	26.4%	29.8%	24.7%

Operational & Financial Metrics (cont'd.)

(All figures in ₹ Lakhs)

(All figures in ₹ Lakhs)	FY18		FY19		FY20		FY21Q1		FY21Q2		FY21Q3		FY21Q4		FY21		FY22Q1	
Revenue by Business Units																		
Infrastructure Management & Security Services	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%
Digital Business Services	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%
Product Engineering Services	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%
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%
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%
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%

Operational & Financial Metrics (cont'd.)

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
Income									
Operating revenue	46,289	59,036	69,821	17,702	18,284	19,284	22,071	77,341	24,461
Other income	2,623	1,145	1,602	997	507	845	303	2,424	926
Total income	48,912	60,181	71,423	18,699	18,791	20,129	22,374	79,765	25,387
Cost of revenue	32,652	36,987	42,927	9,978	10,401	11,155	12,849	44,382	14,661
Gross margin	13,637	22,049	26,894	7,724	7,884	8,129	9,222	32,959	9,800
%	29.5%	37.3%	38.5%	43.6%	43.1%	42.2%	41.8%	42.6%	40.1%
SG&A	15,498	16,566	17,184	3,939	3,452	3,005	3,642	13,810	4,111
EBITDA	762	6,628	11,312	4,782	4,939	5,969	5,883	21,573	6,615
%	1.6%	11.0%	15.8%	25.6%	26.3%	29.7%	26.3%	27.0%	26.1%
Depreciation	2,075	2,478	2,023	512	512	516	734	2,274	723
EBIT	(1,313)	4,150	9,289	4,270	4,427	5,453	5,149	19,299	5,892
%	-2.7%	6.9%	13.0%	22.8%	23.6%	27.1%	23.0%	24.2%	23.2%
Finance cost	995	1,594	802	186	160	126	225	697	164
PBT before exceptional items*	(2,308)	2,556	8,487	4,084	4,267	5,327	4,924	18,602	5,728
%	-4.7%	4.2%	11.9%	21.8%	22.7%	26.5%	22.0%	23.3%	22.6%
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
%	-4.7%	2.2%	10.3%	21.8%	22.7%	26.5%	22.0%	23.3%	20.2%
Current tax	-	-	190	851	682	1,105	889	3,527	1,595
Deferred tax	(61)	(123)	-	(1,785)	177	7	430	(1,171)	(49)
PAT *	(2,247)	1,421	7,171	5,018	3,408	4,215	3,605	16,246	3,573
%	-4.6%	2.4%	10.0%	26.8%	18.1%	20.9%	16.1%	20.4%	14.1%

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

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

Operational & Financial Metrics (cont'd.)

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