

October 27, 2021

Listing Compliance & Legal Regulatory
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
Stock Code: 543227

Listing & Compliance
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra East, Mumbai 400 051
Stock Code: HAPPSTMNDS

Dear Sir/Madam,

Sub: Earnings Presentation on the financial results of Q2 for FY'22

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Earnings Presentation of the financial results of the Company for the quarter ended September 30, 2021 that will be circulated to the Investors/ Analysts for the Earnings Call scheduled on October 28, 2021.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Happiest Minds Technologies Limited**



Praveen Kumar Darshankar
Company Secretary & Compliance Officer
Membership No. F6706



Investor Presentation & Fact sheet: Q2 FY 22

October 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.

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
- 560,000 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

3,796 Happiest Minds

across **7 Countries**
Diversity 26.1%

186
Active clients

50 Fortune2000 / Forbes200 / Billion \$ corporations

87% 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

33.8%
RoCE¹

27.5%
RoE

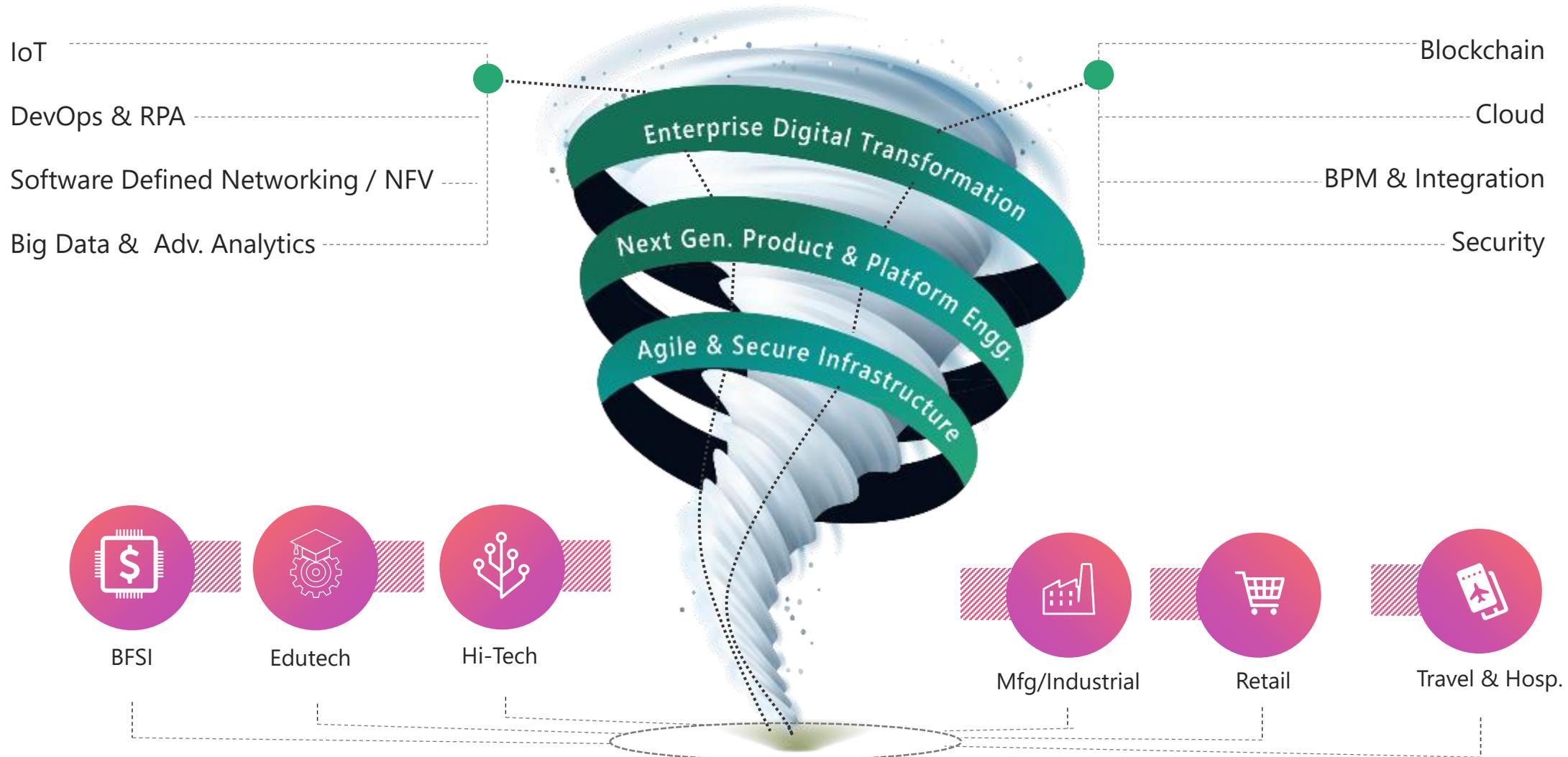
4.3
rating

on **Glassdoor**

#2 for Indian IT Services



2021 IBM Geography Excellence Award for APAC



Mission, Vision & Values

Our Values

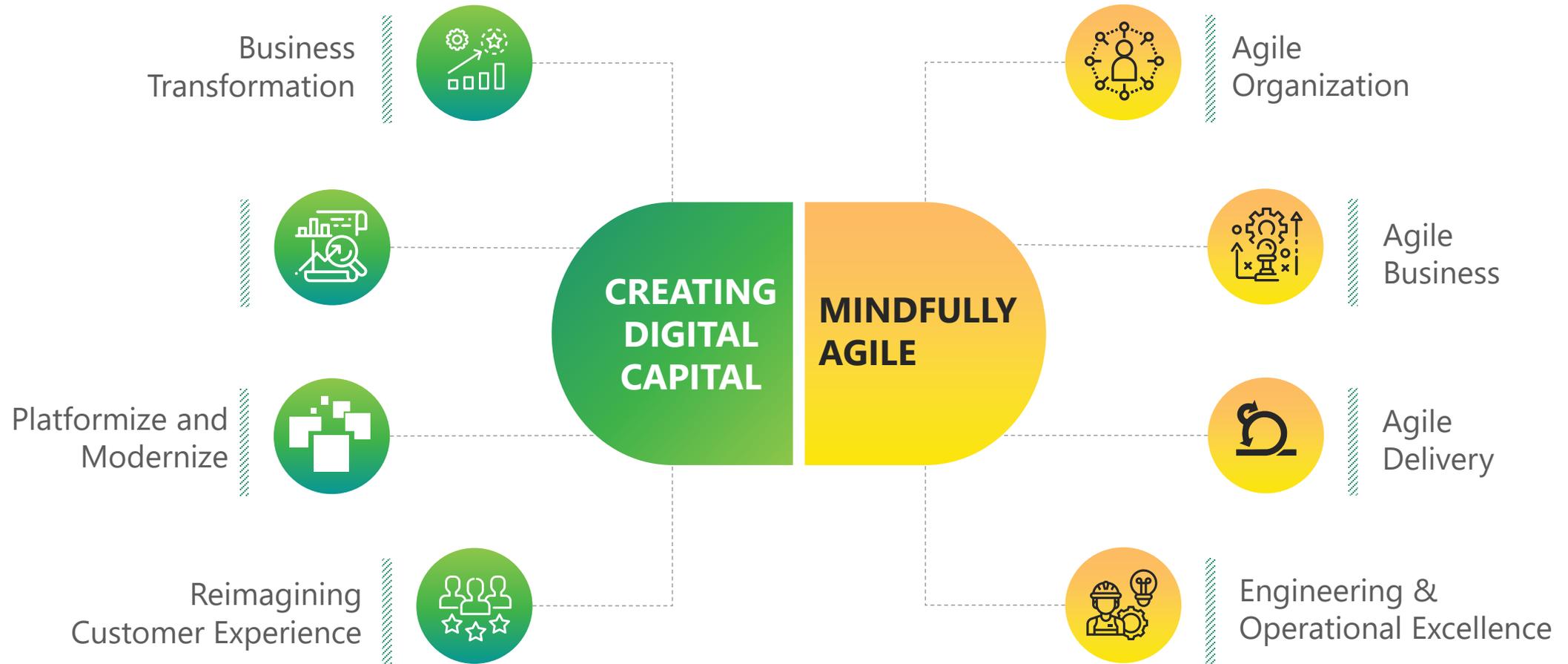


Happiest Minds is the first Indian IT firm to be
The Mindful IT Company

Our 2021-2031 Vision

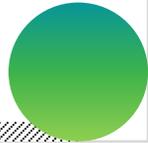
- 1 Design Happiest Minds for **Perpetuity**
- 2 **Accelerate** Profitable Growth
- 3 Build & Sustain a **World Class Team**
- 4 Be the **Ambassador of Happiness**
- 5 Be Recognized for **Thought Leadership** in our focus areas of Technology & Solutions
- 6 Be known for our **ESG** standards

Born Digital. Born Agile.

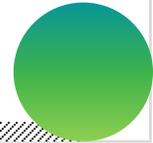


Key Project Wins

With a **Fortune 100** Healthcare provider, Happiest Minds has signed a large multi-year Managed Security Service Provider deal



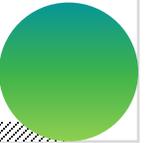
For a **multi-billion-dollar supply chain industry leader**, Happiest Minds is helping them build their new SaaS based product



For a publicly traded **global leader in Information Security company**, Happiest Minds is building an offshore center to take end-to-end ownership for new features development alongside their Engineering team



For **one of the world's largest brokers of fine and decorative art, jewelry and collectibles**, Happiest Minds was chosen to transform their Financial Services lending processes



For a **large US retailer**, Happiest Minds is managing its infrastructure services and cloud platform



For a **Fortune 100 Health insurance company**, Happiest Minds is managing their Cloud Security



For a **global supplier of mechanical and electrical drive systems**, Happiest Minds is building a digital platform to enable their exponential revenue growth and excellent customer service



For a **global supplier of mechanical and electrical drive systems**, Happiest Minds is building a digital platform to enable their exponential revenue growth and excellent customer service



AWARDS



Ranked Among **India's Top 50 Best Workplaces For Women 2021** by Great Place to Work® Institute



Asiamoney Asia's Outstanding Companies Poll 2021

- Most Outstanding Company in India under Small / Mid-Caps category
- Most Outstanding IPO in India

Operational and Financial Metrics – Q2 FY22

Results Q2 FY 22

All amounts in ₹ Lakhs unless stated otherwise

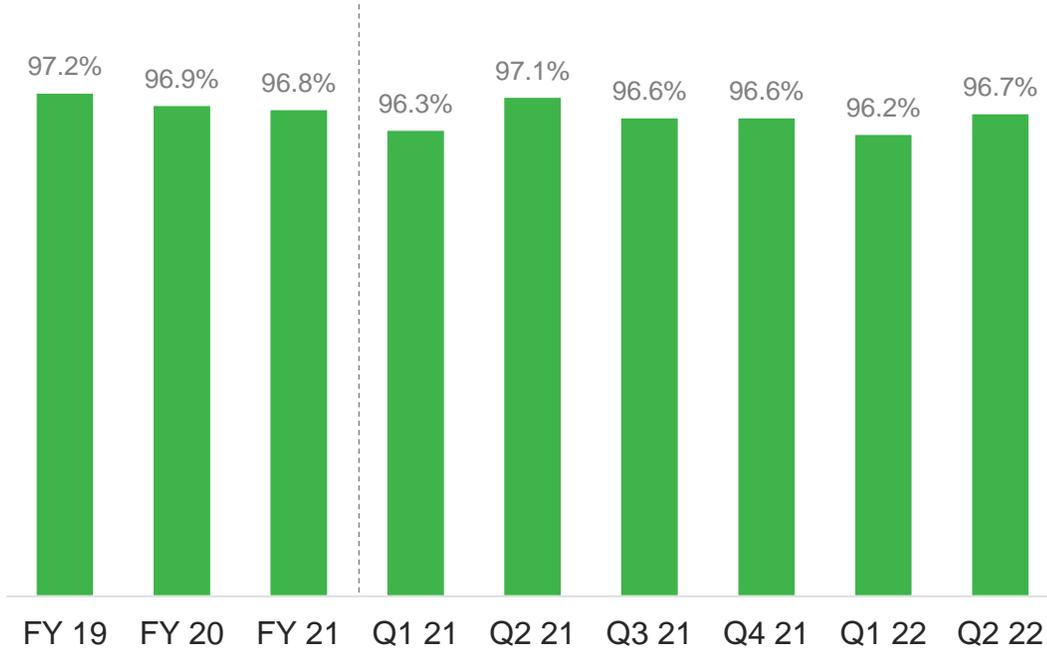
Particulars	Q2 FY 22	Q1 FY 22	QoQ	Q2 FY 21	YoY	H1 FY 22	H1 FY21	YoY
Revenues (\$'000)	35,809	33,152	8.0%	24,712	44.9%	68,961	48,156	43.2%
Revenues	26,453	24,461	8.1%	18,284	44.7%	50,914	35,986	41.5%
Other Income	959	926	3.6%	507	89.2%	1,885	1,504	25.3%
Total Income	27,412	25,387	8.0%	18,791	45.9%	52,799	37,490	40.8%
EBITDA	7,012	6,615	6.0%	4,939	42.0%	13,627	9,721	40.2%
%	25.6%	26.1%		26.3%		25.8%	25.9%	
PBT before Exceptional Item	5,935	5,728	3.6%	4,267	39.1%	11,663	8,351	39.7%
%	21.7%	22.6%		22.7%		22.1%	22.3%	
Exceptional Item*	-	(609)		-		(609)	-	
PBT	5,935	5,119	15.9%	4,267	39.1%	11,054	8,351	32.4%
%	21.7%	20.2%		22.7%		20.9%	22.3%	
Tax	1,491	1,546	(3.6)%	859	73.6%	3,037	(75)	
%	5.4%	6.1%		4.6%		5.8%		
PAT	4,444	3,573	24.4%	3,408	30.4%	8,017	8,426	(4.9)%
%	16.2%	14.1%		18.1%		15.2%	22.5%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile.

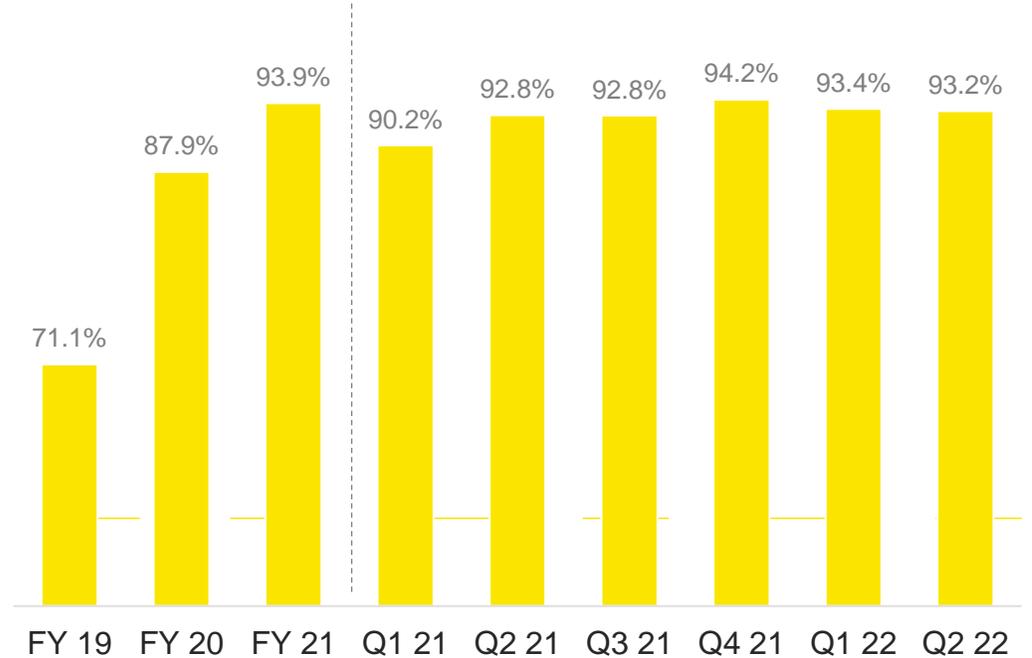
Digital

% of Revenue



Agile

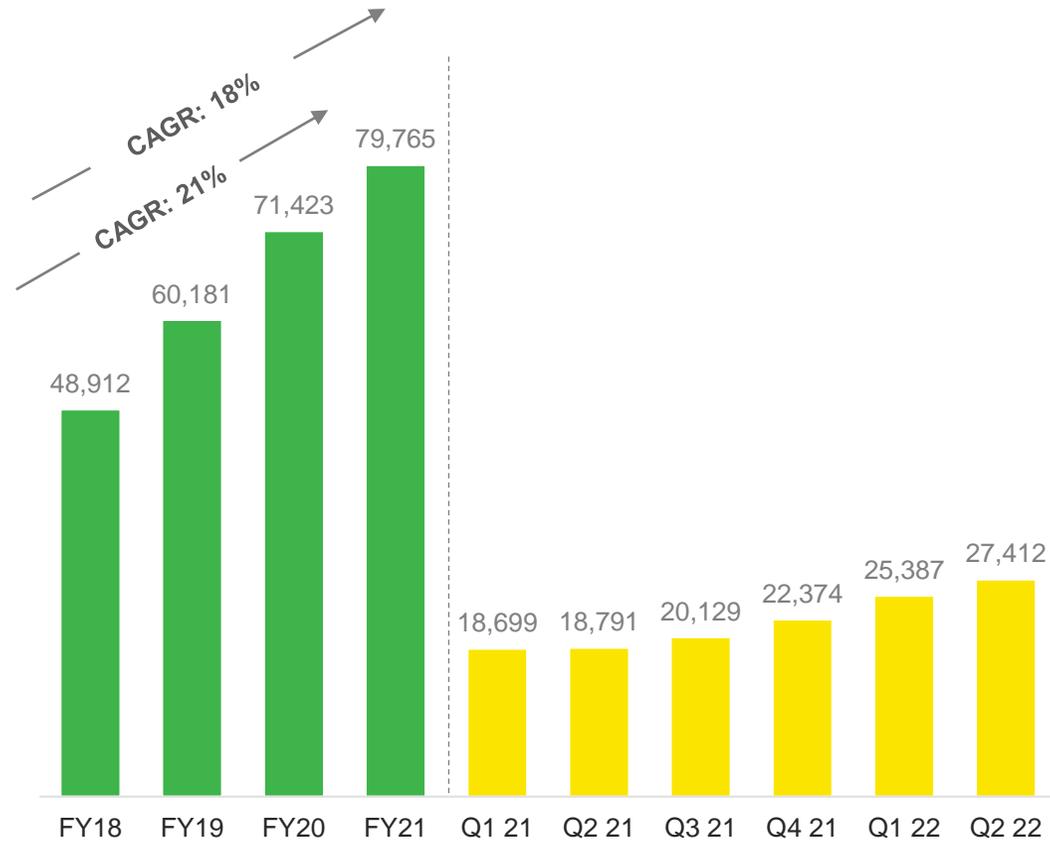
% of Revenue



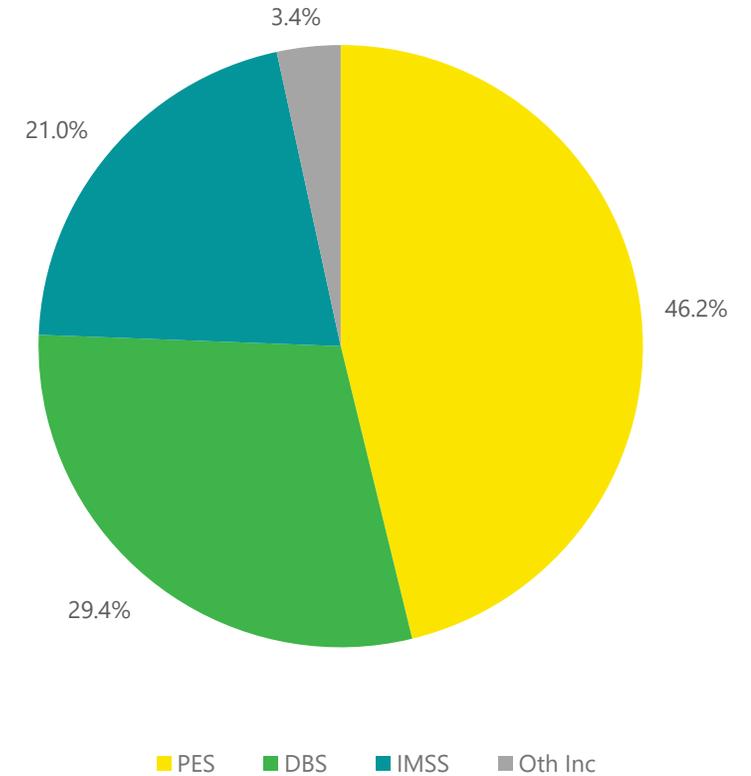
Operational & Financial Metrics

Revenue - Growth

Total Income (₹ Lakhs)

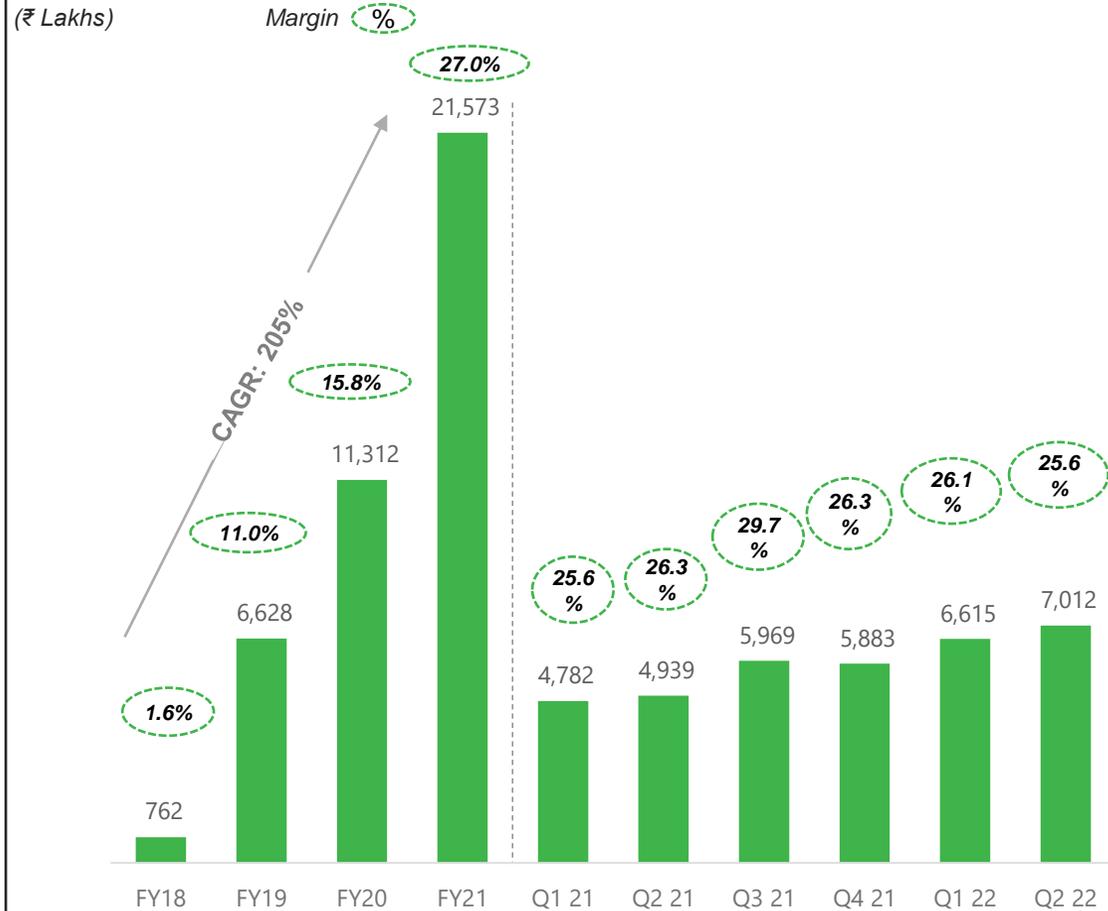


Revenue Share

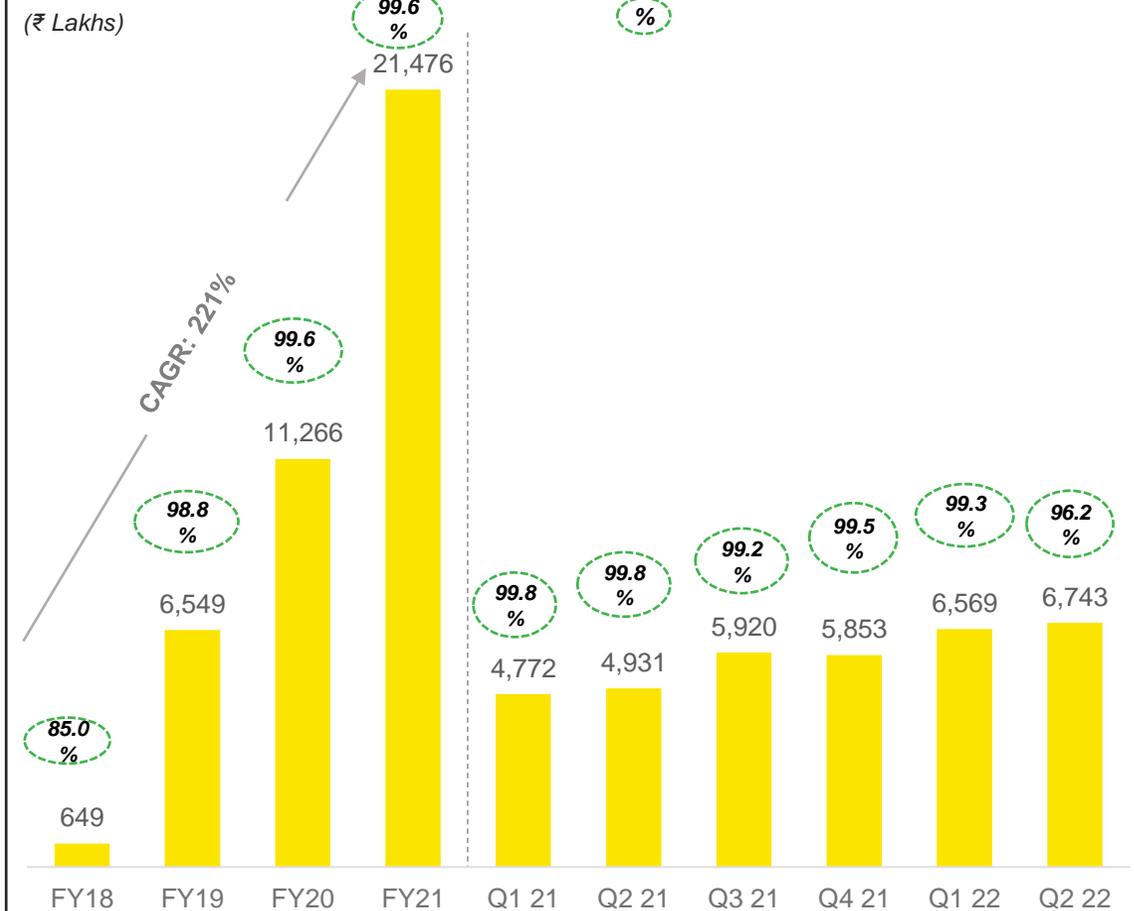


Operational & Financial Metrics (cont'd.)

EBITDA

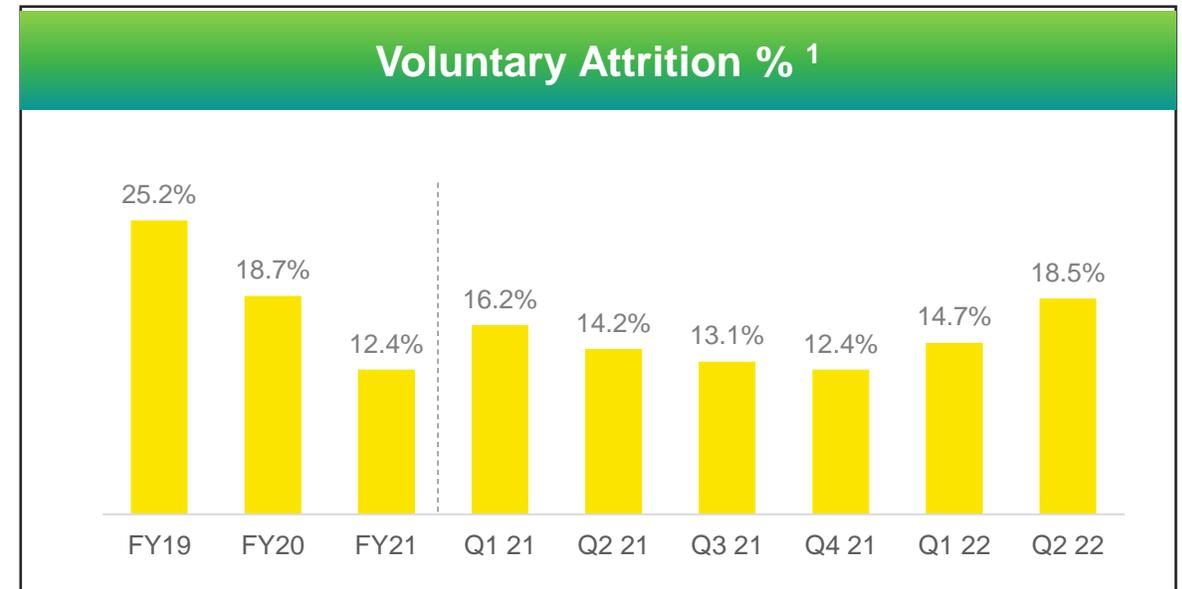
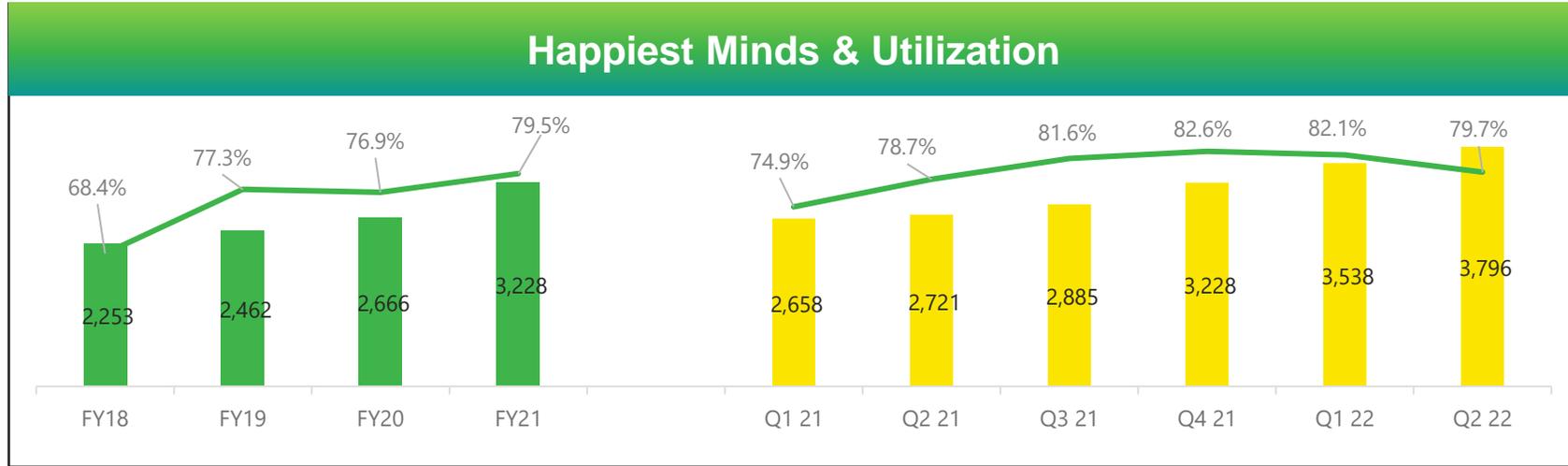


High FCF¹ conversion



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

Operational & Financial Metrics (cont'd.)

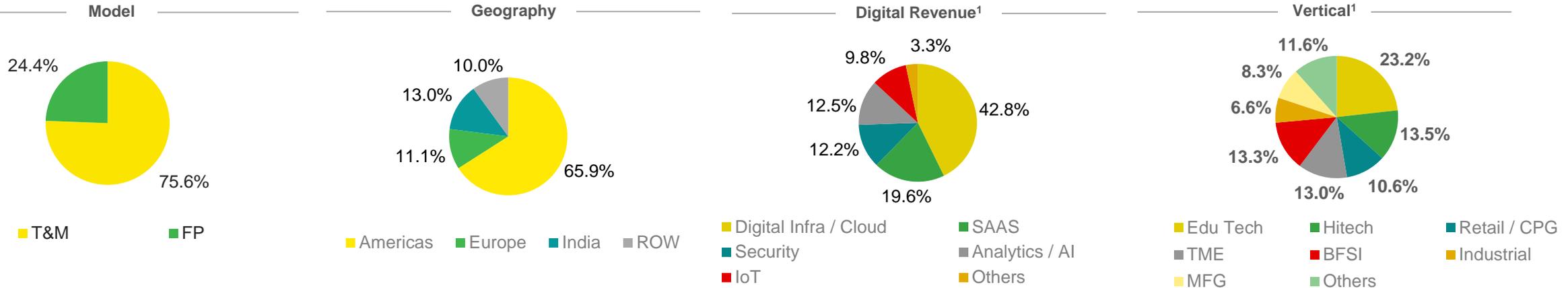


Note 1: Trailing 12 Months

Operational & Financial Metrics (cont'd.)

Revenue Model

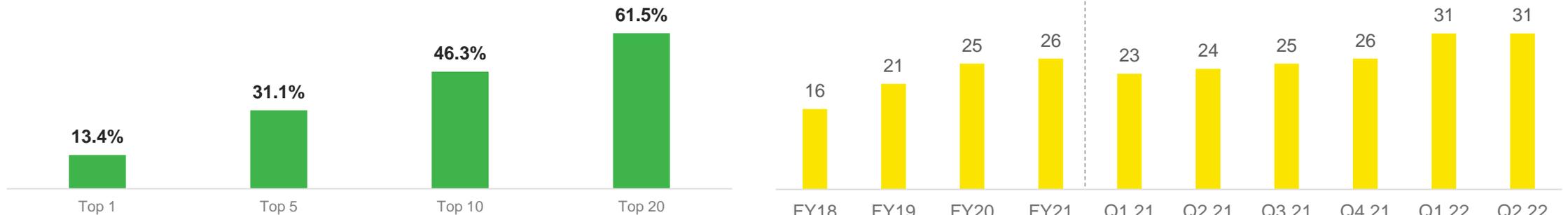
Q2 22



Revenue Concentration³ | Million \$ Customers²

(% Revenue)

(#)

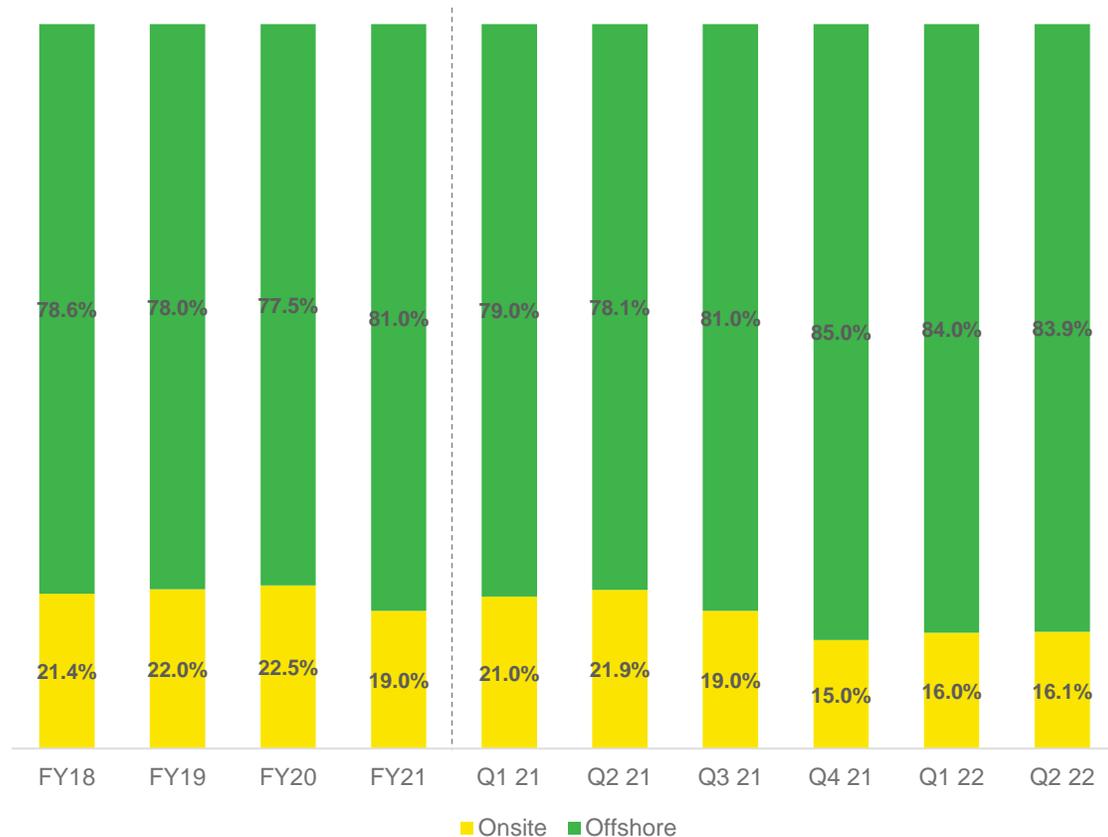


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics (cont'd.)

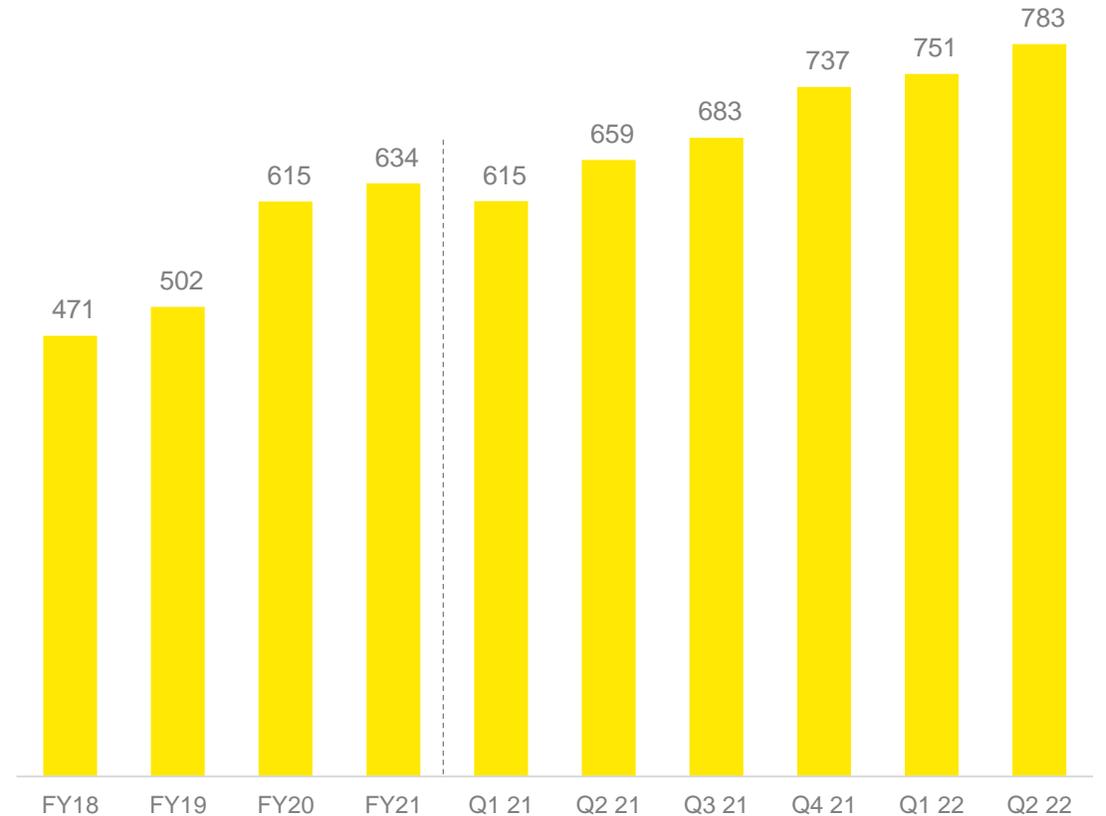
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics (cont'd.)

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

Operational & Financial Metrics (cont'd.)

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

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2
Happiest Minds										
Onsite	105	132	123	124	133	145	166	166	180	182
Offshore	2,148	2,330	2,543	2,534	2,588	2,740	3,062	3,062	3,358	3,614
Total	2,253	2,462	2,666	2,658	2,721	2,885	3,228	3,228	3,538	3,796
Happiest Minds by delivery centres										
Onsite	4.7%	5.4%	4.6%	4.7%	4.9%	5.0%	5.1%	5.1%	5.1%	4.8%
Offshore	95.3%	94.6%	95.4%	95.3%	95.1%	95.0%	94.9%	94.9%	94.9%	95.2%
Utilization										
Utilization %	68.4%	77.3%	76.9%	74.9%	78.7%	81.6%	82.6%	79.5%	82.1%	79.7%
Diversity										
Women Happiest Minds	22.0%	23.0%	24.0%	23.4%	23.3%	24.0%	24.5%	24.5%	25.2%	26.1%
Days Sales Outstanding										
Billed	74	80	60	51	51	46	50	57	46	58
Unbilled	6	11	23	32	26	31	24	28	36	30
Total DSO	80	91	83	83	77	77	75	85	82	88
EPS ₹										
Diluted	-	-	5.36	3.72	2.42	2.94	2.48	11.45	2.45	3.06
Capital Return Ratios %										
RoCE			28.9%	50.9%	37.0%	41.9%	33.3%	31.2%	30.7%	33.8%
RoE			27.1%	62.9%	29.4%	33.2%	26.4%	29.8%	24.7%	27.5%

Operational & Financial Metrics (cont'd.)

(All figures in ₹ Lakhs)

	FY18		FY19		FY20		FY21Q1		FY21Q2		FY21Q3		FY21Q4		FY21		FY22Q1		FY22Q2	
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%	5,747	21.0%
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%	8,046	29.4%
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%	12,661	46.2%
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%
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%
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%

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	FY 22 Q2
Income										
Operating revenue	46,289	59,036	69,821	17,702	18,284	19,284	22,071	77,341	24,461	26,453
Other income	2,623	1,145	1,602	997	507	845	303	2,424	926	959
Total income	48,912	60,181	71,423	18,699	18,791	20,129	22,374	79,765	25,387	27,412
Cost of revenue	32,652	36,987	42,927	9,978	10,401	11,155	12,849	44,382	14,661	15,864
Gross margin	13,637	22,049	26,894	7,724	7,884	8,129	9,222	32,959	9,800	10,589
%	29.5%	37.3%	38.5%	43.6%	43.1%	42.2%	41.8%	42.6%	40.1%	40.0%
SG&A	15,498	16,566	17,184	3,939	3,452	3,005	3,642	13,810	4,111	4,536
EBITDA	762	6,628	11,312	4,782	4,939	5,969	5,883	21,573	6,615	7,012
%	1.6%	11.0%	15.8%	25.6%	26.3%	29.7%	26.3%	27.0%	26.1%	25.6%
Depreciation	2,075	2,478	2,023	512	512	516	734	2,274	723	834
EBIT	(1,313)	4,150	9,289	4,270	4,427	5,453	5,149	19,299	5,892	6,178
%	-2.7%	6.9%	13.0%	22.8%	23.6%	27.1%	23.0%	24.2%	23.2%	22.5%
Finance cost	995	1,594	802	186	160	126	225	697	164	243
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
%	-4.7%	4.2%	11.9%	21.8%	22.7%	26.5%	22.0%	23.3%	22.6%	21.6%
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	5,935
%	-4.7%	2.2%	10.3%	21.8%	22.7%	26.5%	22.0%	23.3%	20.2%	21.6%
Current tax	-	-	190	851	682	1,105	889	3,527	1,595	1,512
Deferred tax	(61)	(123)	-	(1,785)	177	7	430	(1,171)	(49)	(21)
PAT *	(2,247)	1,421	7,171	5,018	3,408	4,215	3,605	16,246	3,573	4,444
%	-4.6%	2.4%	10.0%	26.8%	18.1%	20.9%	16.1%	20.4%	14.1%	16.2%

* FY18 & FY19 are restated as per IndAs, forming part of our offer documents.

+ Exceptional items for FY19 & FY20 relate to Impairment of Goodwill, for FY22 Q1 refers to Loss on Fair Valuation of 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	30.09.2021
Assets									
Non-current Assets									
Property, plant and equipment	264	214	93	77	60	72	69	83	86
Goodwill	2,961	1,736	610	610	611	611	7,644	7,756	7,742
Financial & Other assets	7,685	6,003	5,598	6,266	5,788	5,040	10,029	18,033	11,604
Total non-current assets (A)	10,910	7,953	6,301	6,953	6,459	5,723	17,742	25,872	19,432
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
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
iii. Other assets	1,424	862	1,060	1,308	1,721	1,531	1,333	1,117	2,367
Total current assets (B)	27,789	33,399	44,514	50,355	64,410	65,582	74,453	74,024	82,221
Total assets (A + B)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653
Equity and Liabilities									
Total equity (A)	(10,888)	(6,605)	26,531	31,901	46,380	50,836	54,599	58,125	58,498
Non-current liabilities									
Financial liabilities	5,797	3,814	1,863	1,674	1,518	1,248	7,339	10,775	9,431
Provisions & Deferred tax liability	935	940	1,255	1,508	1,513	1,662	2,378	2,325	2,334
Total non-current liabilities (B)	6,732	4,754	3,118	3,182	3,031	2,910	9,717	13,100	11,765
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
ii. Others	38,866	38,591	15,947	15,907	12,402	10,931	20,340	20,090	20,711
Provisions & Other current liabilities	1,491	1,734	1,777	2,718	2,749	2,847	3,438	3,668	4,009
Total current liabilities (C)	42,855	43,203	21,166	22,225	21,458	17,559	27,879	28,671	31,390
Total liabilities (D = B + C)	49,587	47,957	24,284	25,407	24,489	20,469	37,596	41,771	43,155
Total equity and liabilities (A + D)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653

