

October 17, 2023

Listing Compliance & Legal Regulatory
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
Stock Code: 543227,974728,974820 &975101

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

Dear Sir/Madam,

Sub: Earnings Presentation on the financial results of Q2 for FY'24

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 and half year ended September 30, 2023 that will be circulated to the Investors/ Analysts for the Earnings Call scheduled on October 18, 2023, at 09:00 hours (IST).

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 24

October 2023

About Happiest Minds

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

<p>95% Digital Born Digital</p>	<p>94% Agile Born Agile</p>	<p>244 Active Clients 57 Fortune2000 / Forbes200 Billion \$ Corporations 88% Repeat Business</p>	<p>22.9% RoCE¹ 16.9% RoE</p>
<p>Mission Statement Happiest People Happiest Customers SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>5,285 Happiest Minds across 7 Countries 28.1% Gender Diversity 4.2 rating on Glassdoor</p>	<p>Great Place To Work[®]</p> <ul style="list-style-type: none"> • Top 10 India's Best Workplaces™ in Health & Wellness 2022 • Top 50 India's Best Workplaces™ for Women 2023 • Top 50 India's Best Workplaces™ for Building a Culture of Innovation 2023 • Top 100 India's Best Companies to Work for 2023 	<p>Revenue Growth in CC* 3.6% q-o-q 11.6% y-o-y EBITDA margin 24.4%</p>

Promoter



Ashok Soota

 **IPO** - In September 2020

- Completed 12 years in August 2023
- Successful QIP Fund raise of ₹500 Cr /US \$61 Mn in July 2023
- Strong Management Team & Corporate Governance
- 750K+ Investors
- Robust Growth and Profitability

**Great
Place
To
Work[®]**

Gold
**Microsoft
Partner**



Digital Case Study Awards 2022

Media and Entertainment

North America



*Constant Currency

Note 1 : RoCE / RoE is six-month annualized. Sequential drop due to capital raise(QIP)

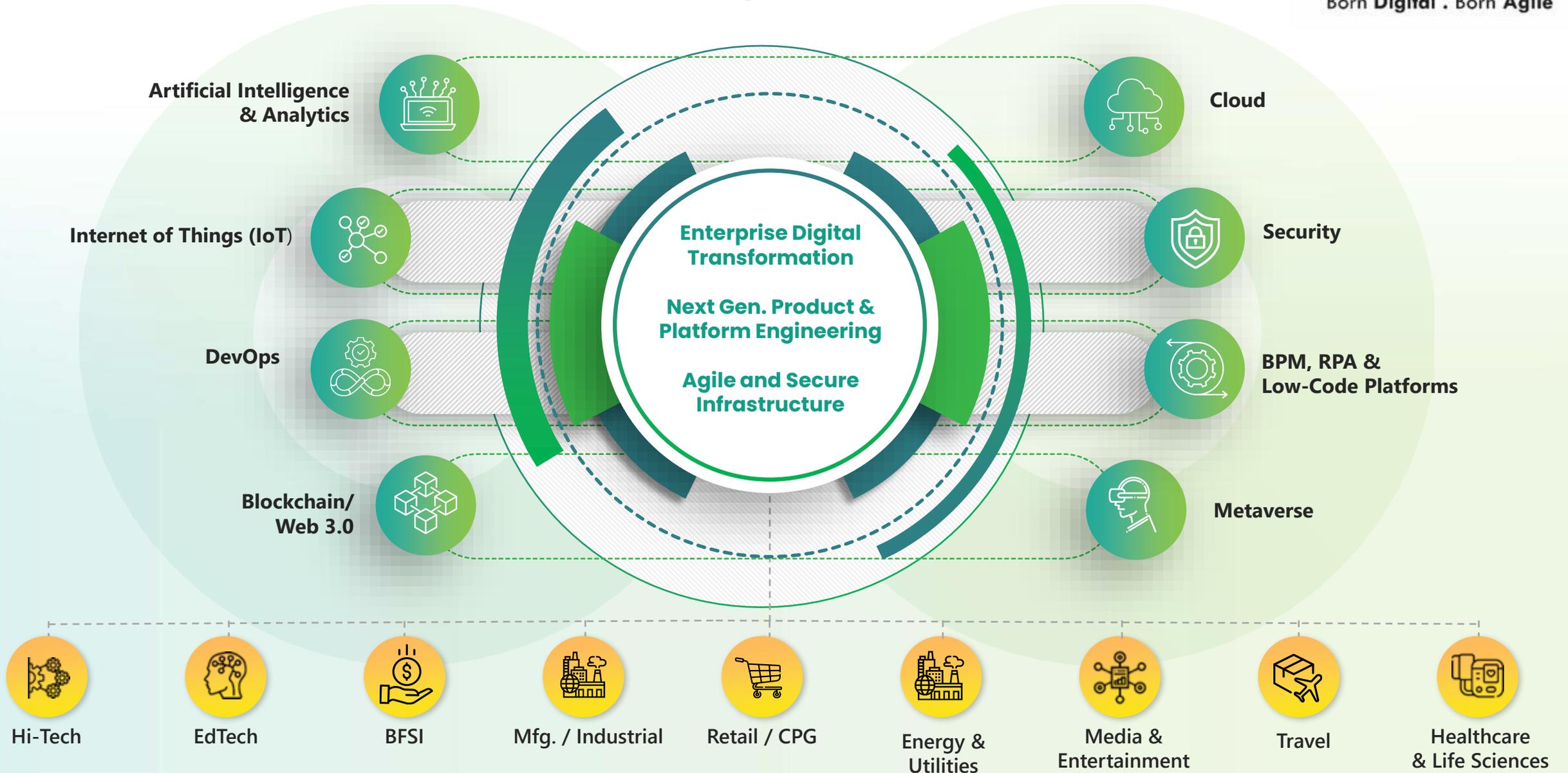
Mission, Vision and Values

Our 2021-31 Vision - DELiGHT

Our SMILES Values



Focus on Disruptive Technologies



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

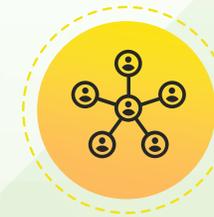
Perceive Immersively

Process Non-judgementally

Perform Empathetically

MINDFULLY AGILE

Agile Organization



Agile Business



Agile Delivery



Engineering & Operational Excellence



Key Project Wins

For a **large and global online retailer and hyperscaler**, Happiest Minds was chosen to design interactive user interfaces and to provide automation services for their IoT division



For a **global fabless semiconductor company** specializing in 5G and cellular networks, Happiest Minds was chosen to provide ASIC Design & Verification services



For a **large utilities company** in the United States, this new win entails Happiest Minds to be a key partner for providing data engineering and governance services



For a **multibillion-dollar enterprise in the energy distribution sector**, Happiest Minds was chosen to transform their document management systems for automated retention, intelligent search and faster retrieval next generation digital platforms



For an **industrial internet platforms provider** specializing in AI, IoT, and big data technologies, this new win entails Happiest Minds to build their data platform for their farm-to-table process



For a **US based networking services company**, Happiest Minds was chosen to transform their service delivery platform to drive user experience and end user outcomes



For a **leading warehouse club operator** in the United States, Happiest Minds is engaged in providing security assessment services which includes threat modelling and application security



For a **large Australian consumer durables retailer**, Happiest Minds is engaged in providing business intelligence and data visualization services



For a **large ANZ based retail property group**, Happiest Minds is engaged in delivering performance testing & vulnerability assessment



For a **Southeast Asian Bottling company**, Happiest Minds is engaged in setting up their automation Center of Excellence leveraging Microsoft Power Platform



Awards & Analyst Mentions



Top 50 India's Best Workplaces for Women™ 2023



'Cybersecurity Champion of the Year' at 100 CISO Forum – Summit & Awards 2023, Dubai



'IBM THINK Partner Excellence Award (Top Partner)' Trailblazers of 2023



Happiest Minds' work for DoubleVerify has been recognized by ISG as Standout in the 2022 Digital Case Study Awards

ANALYST MENTIONS





Operational and Financial Metrics – Q2 FY24

Results Q2 FY 24

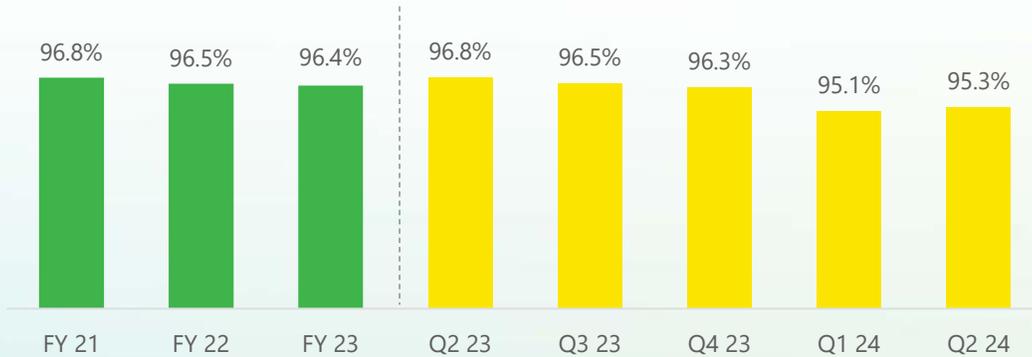
All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q2 FY 24	Q1 FY 24	QoQ	Q2 FY 23	YoY	HY 24	HY 23	YoY
Revenues	40,662	39,087	4.0%	35,551	14.4%	79,749	68,443	16.5%
Other Income	2,221	1,366	-	382	-	3,587	486	-
Total Income	42,883	40,453	6.0%	35,933	19.3%	83,336	68,929	20.9%
EBITDA	10,482	10,299	1.8%	9,434	11.1%	20,781	18,209	14.1%
%	24.4%	25.5%		26.3%		24.9%	26.4%	
PBT	7,912	7,868	0.6%	8,011	(1.2)%	15,780	15,569	1.4%
%	18.5%	19.4%		22.3%		18.9%	22.6%	
Tax	2,066	2,035	-	2,070	-	4,101	3,994	-
%	4.8%	5.0%		5.8%		4.9%	5.8%	
PAT	5,846	5,833	0.2%	5,941	(1.6)%	11,679	11,575	0.9%
%	13.6%	14.4%		16.5%		14.0%	16.8%	
Revenues (\$'000)	49,121	47,566	3.3%	44,347	10.8%	96,687	86,571	11.7%
Growth in Constant Currency		-	3.6%	-	11.6%	-	-	12.7%

Born Digital. Born Agile

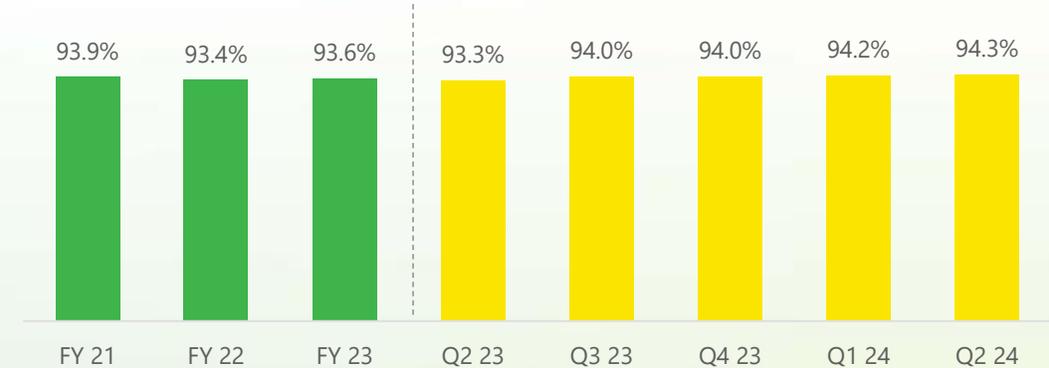
Digital

% of Revenue



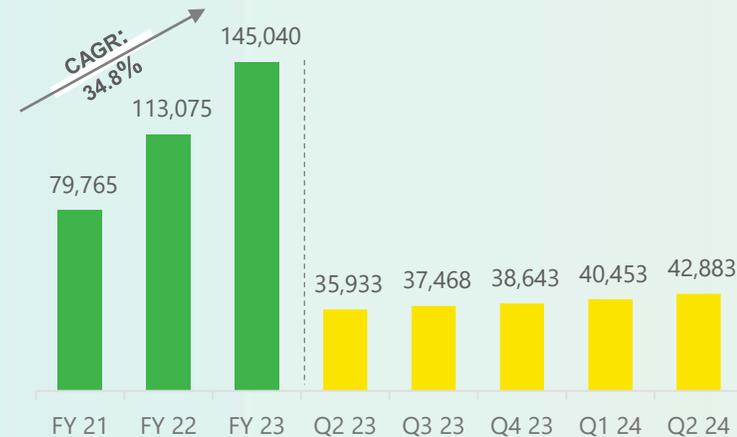
Agile

% of Revenue

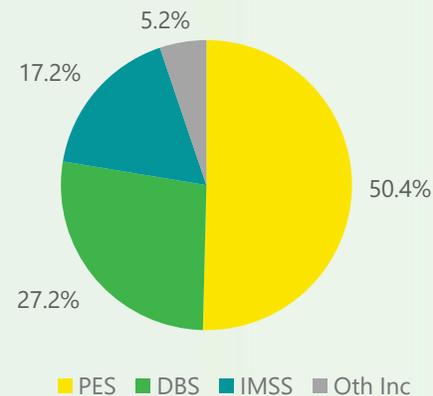


Revenue

Total Income (₹ Lakhs)



Revenue by BU



Tenure of Customer

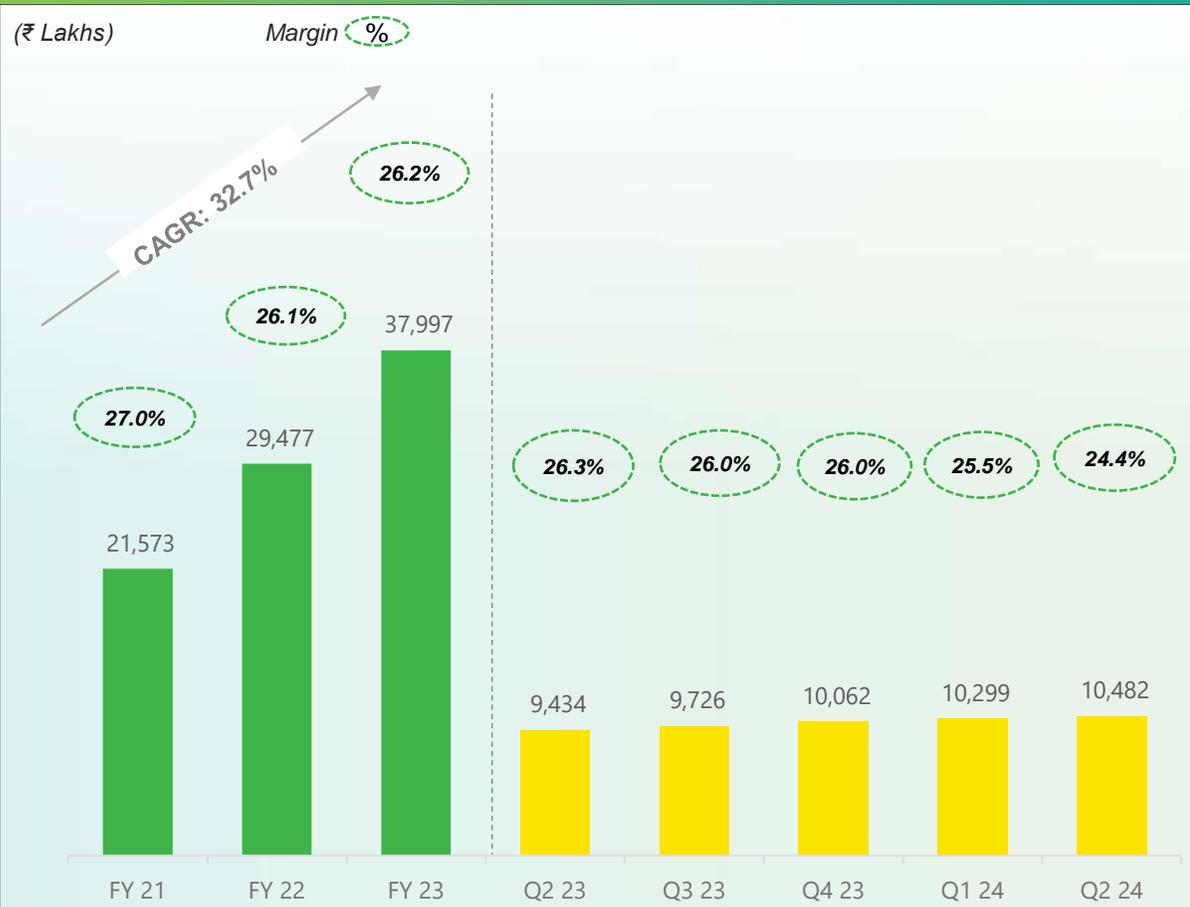
% revenue from Clients



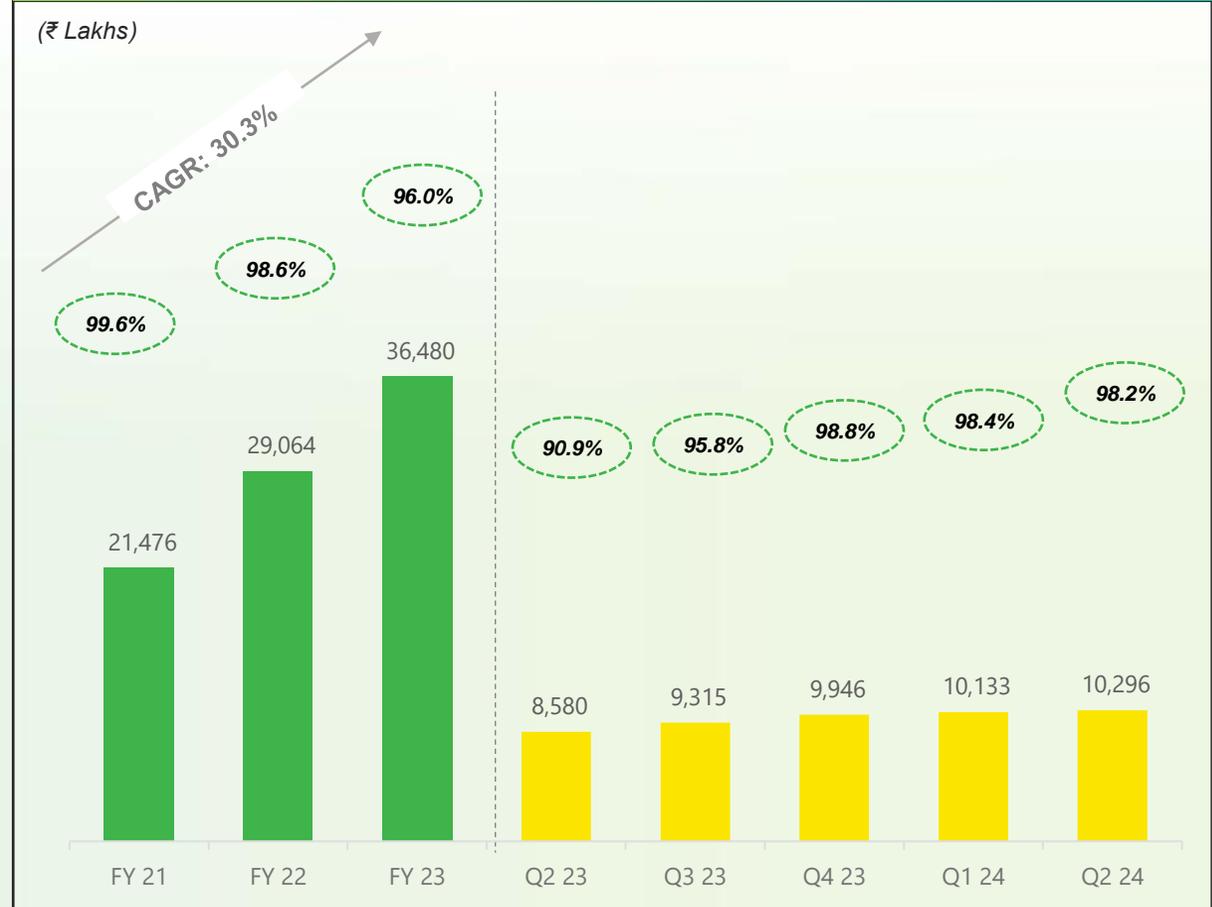
PES : Product Engineering Services; DBS : Digital Business Solutions; IMSS : Infrastructure Management and Security Services

Operational & Financial Metrics

EBITDA

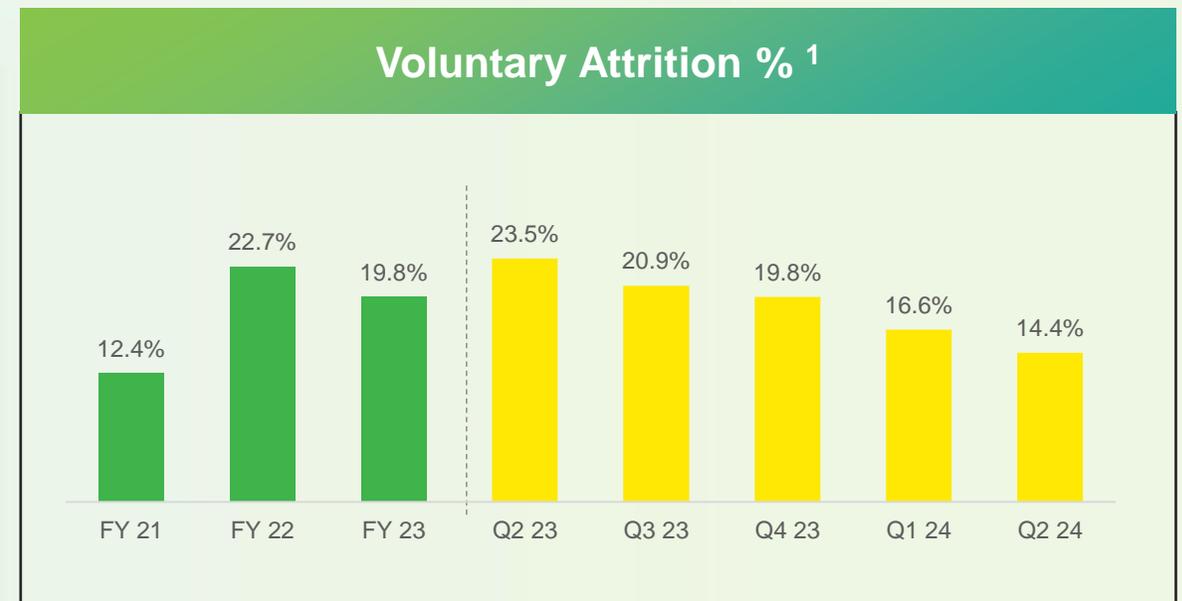
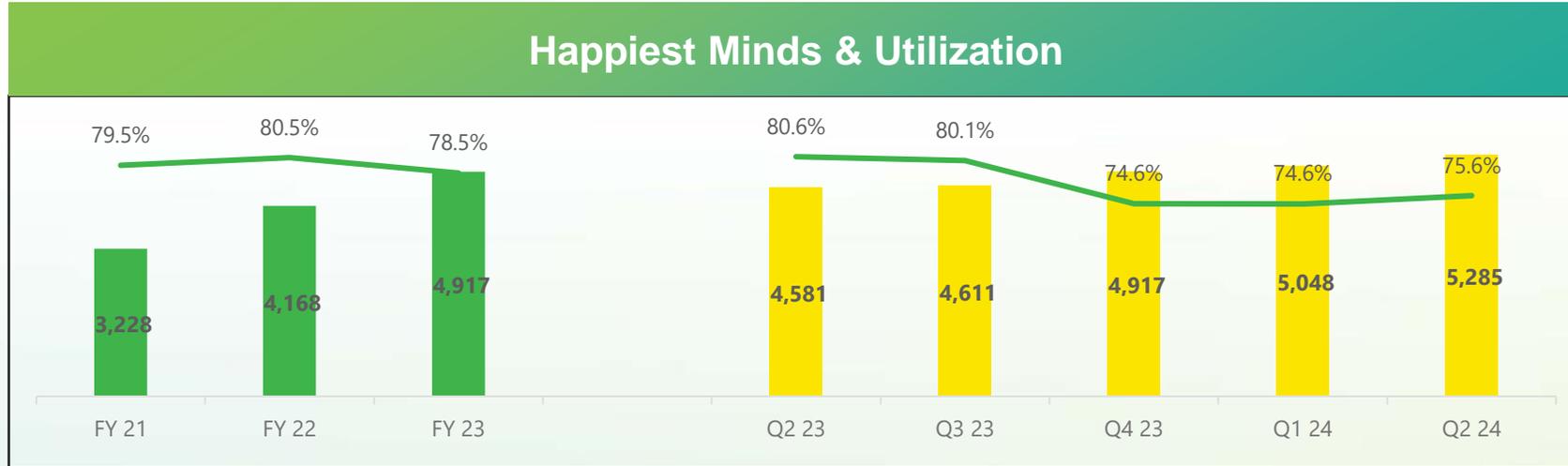


High FCF Conversion



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

Operational & Financial Metrics



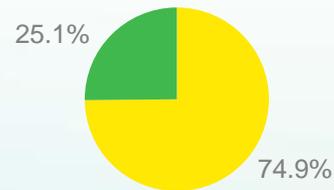
Note 1: Trailing 12 Months

Operational & Financial Metrics

Revenue Model

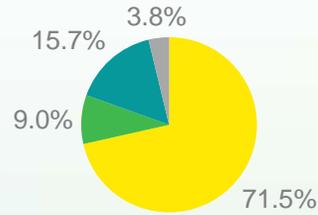
Q2 24

Model



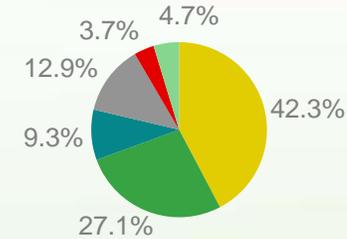
T&M FP

Geography



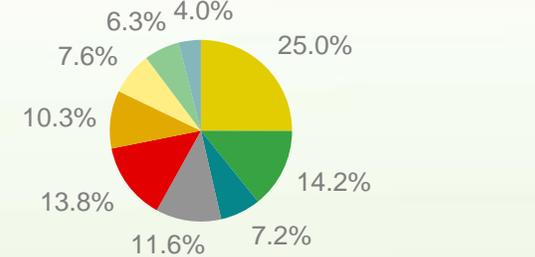
Americas Europe India ROW

Digital Revenue¹



Digital Infra / Cloud SAAS Security Analytics / AI IoT

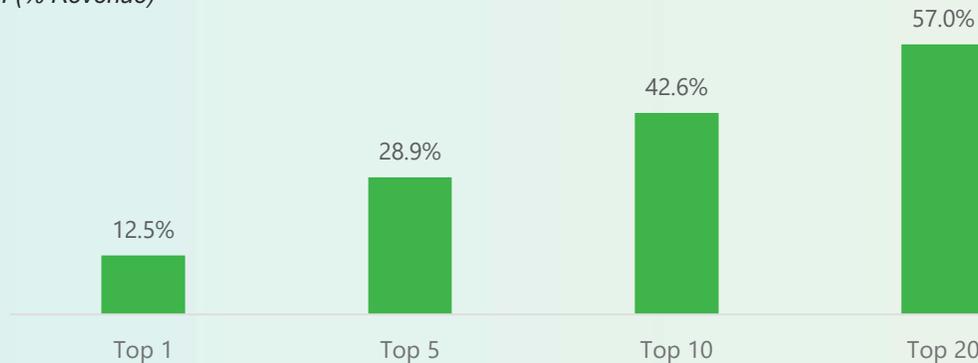
Vertical¹



Edu Tech HiTech (others) Retail / CPG TME Healthcare BFSI Industrial MFG

Revenue Concentration³

Q2 24 (% Revenue)



Million \$ Customers²

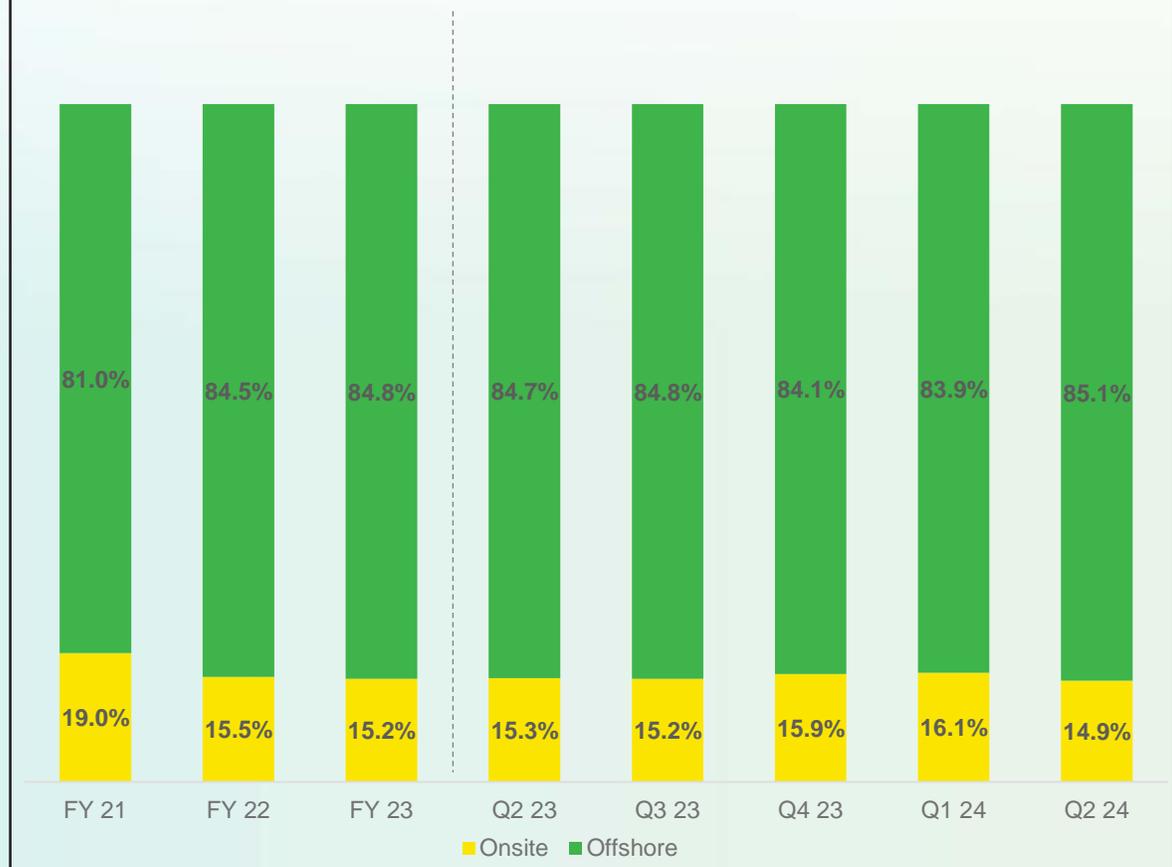
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Operational & Financial Metrics

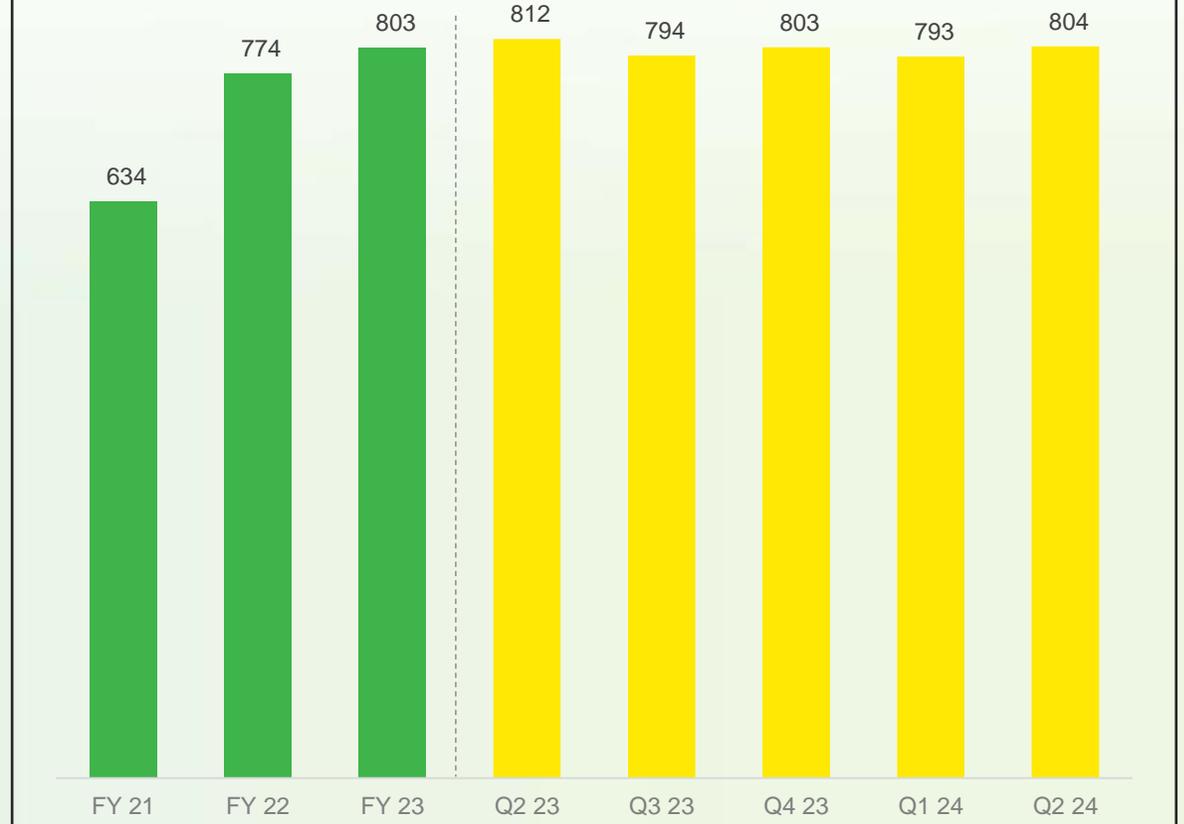
Onsite/Offshore

By Revenue



Average Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY21	FY 22	FY23 Q2	FY23 Q3	FY23 Q4	FY 23	FY24 Q1	FY24 Q2
Customer Industry group								
Edutech	25.6%	23.2%	23.8%	23.2%	22.2%	23.2%	24.1%	25.0%
Hitech	18.2%	15.8%	16.6%	15.7%	19.5%	16.9%	14.8%	14.2%
BFSI	16.4%	13.2%	14.2%	10.3%	10.8%	12.2%	11.0%	10.3%
Travel, Media and Entertainment (TME)	13.6%	13.2%	12.5%	13.1%	13.2%	12.9%	12.0%	11.6%
Healthcare*	-	-	-	-	-	-	12.9%	13.8%
Retail / CPG	5.4%	10.3%	8.9%	10.4%	7.7%	9.2%	7.1%	7.2%
Industrial	7.1%	6.9%	7.7%	9.2%	8.3%	8.4%	8.2%	7.6%
Manufacturing	6.6%	8.6%	10.4%	10.0%	10.7%	10.3%	5.4%	6.3%
Others	7.1%	8.8%	5.8%	8.2%	7.5%	6.9%	4.4%	4.0%
Total	100.0%							
Digital Service Offerings								
Digital infrastructure/Cloud	41.6%	43.6%	45.4%	45.4%	46.9%	45.8%	44.2%	42.3%
SaaS	22.7%	20.3%	21.3%	20.1%	20.1%	20.7%	22.2%	27.1%
Security Solutions	8.7%	11.9%	12.3%	13.4%	12.0%	12.3%	10.1%	9.3%
Analytics/AI	13.3%	12.1%	12.8%	12.5%	11.9%	12.2%	13.9%	12.9%
IoT	10.5%	8.6%	5.1%	5.2%	5.4%	5.4%	4.6%	3.7%
Total	96.8%	96.5%	96.8%	96.5%	96.3%	96.4%	95.1%	95.3%
Automation	25.2%	25.4%	25.4%	27.7%	27.3%	26.6%	28.3%	29.6%

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 21	FY 22	FY23 Q2	FY23 Q3	FY23 Q4	FY 23	FY24 Q1	FY24 Q2
Revenue by Geo								
USA	73.4%	66.4%	67.9%	67.5%	70.5%	68.1%	71.9%	71.5%
India	11.8%	14.1%	16.1%	15.4%	15.0%	15.6%	15.5%	15.7%
Europe	10.4%	10.4%	9.3%	9.4%	9.4%	9.7%	8.7%	9.0%
ROW	4.4%	9.0%	6.7%	7.7%	5.1%	6.6%	3.9%	3.8%
Million \$ Customers¹								
\$ 20 M +			1	1	1	1	1	1
\$ 10 M +	1	1	1	1	-	-	-	1
\$ 5M to \$ 10M	3	4	4	4	6	6	6	7
\$ 3M to \$ 5M	6	8	7	7	6	6	5	4
\$ 1M to \$ 3M	16	25	27	27	30	30	31	31
Total	26	38	40	40	43	43	43	44
Tenure of customers								
0 - 5 Years	53.0%	50.0%	-	-	-	47.0%	-	-
> 5 Years	47.0%	50.0%	-	-	-	53.0%	-	-
Revenue Mix								
Onsite	19.0%	15.5%	15.3%	15.2%	15.9%	15.2%	16.1%	14.9%
Offshore ²	81.0%	84.5%	84.7%	84.8%	84.1%	84.8%	83.9%	85.1%
Revenue by contracting Model								
Fixed Price	21.7%	25.1%	24.4%	26.4%	25.5%	25.3%	24.5%	25.1%
Time and Material	78.3%	74.9%	75.6%	73.6%	74.5%	74.7%	75.5%	74.9%
# Active Customers	173	206	226	230	237	237	243	244
# Billion \$ Corporation	46	54	54	55	55	55	57	57

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

Operational & Financial Metrics

	FY21	FY22	FY23 Q2	FY23 Q3	FY23 Q4	FY23	FY24 Q1	FY24 Q2
Happiest Minds								
Onsite	166	172	210	228	227	227	244	231
Offshore	3,062	3,996	4,371	4,383	4,690	4,690	4,804	5,054
Onsite %	5.1%	4.1%	4.6%	4.9%	4.6%	4.6%	4.8%	4.4%
Offshore %	94.9%	95.9%	95.4%	95.1%	95.4%	95.4%	95.2%	95.6%
Utilization	79.5%	80.5%	80.6%	80.1%	74.6%	78.5%	74.6%	75.6%
Diversity	24.5%	26.4%	27.6%	27.7%	27.4%	27.4%	27.6%	28.1%
DSO								
Billed	57	55	60	60	54	54	58	53
Unbilled	28	35	31	29	31	31	31	30
Total	85	90	91	90	86	86	88	83
EPS ₹ : Diluted	11.45	12.55	4.09	3.98	3.98	16.01	4.02	3.90
Capital Ratios¹								
RoCE	31.2%	34.8%	35.2%	34.9%	32.8%	32.8%	33.1%	22.9%
RoE	29.8%	27.3%	31.3%	29.4%	27.8%	27.8%	26.0%	16.9%

Note: 1: Capital Return Ratios are YTD Annualized, Sequential drop in FY24 Q2 due to capital raise(QIP)

Operational & Financial Metrics

All figures in ₹ Lakhs

	FY21		FY22		FY23 Q2		FY23 Q3		FY23 Q4		FY23		FY24 Q1		FY24 Q2	
Revenue by BU																
IMSS	16,421	20.6%	24,168	21.4%	7,902	22.0%	7,912	21.1%	7,525	19.5%	30,694	21.2%	7,516	18.6%	7,381	17.2%
DBS	21,288	26.7%	32,891	29.1%	10,722	29.8%	11,266	30.1%	11,180	28.9%	43,070	29.7%	11,175	27.6%	11,672	27.2%
PES	39,632	49.7%	52,308	46.3%	16,927	47.1%	17,511	46.7%	19,093	49.4%	69,165	47.7%	20,396	50.4%	21,609	50.4%
Total Revenue	77,341	97.0%	109,367	96.7%	35,551	98.9%	36,688	97.9%	37,798	97.8%	142,929	98.5%	39,087	96.6%	40,662	94.8%
Other income	2,424	3.0%	3,708	3.3%	382	1.1%	780	2.1%	845	2.2%	2,111	1.5%	1,366	3.4%	2,221	5.2%
Total income	79,765	100%	113,075	100%	35,933	100%	37,468	100%	38,643	100%	145,040	100%	40,453	100%	42,883	100%

IMSS: Infrastructure Management & Security Services
DBS : Digital Business Services
PES: Product Engineering Services

Summary Profit & Loss Statement

	FY 21	FY 22	FY 23 Q2	FY 23 Q3	FY 23 Q4	FY 23	FY 24 Q1	FY 24 Q2
Income								
Operating revenue	77,341	1,09,365	35,551	36,688	37,798	1,42,929	39,087	40,662
Other income	2,424	3,710	382	780	845	2,111	1,366	2,221
Total income	79,765	1,13,075	35,933	37,468	38,643	1,45,040	40,453	42,883
Cost of revenue	44,382	64,404	20,592	21,394	22,342	82,827	23,404	24,980
Gross margin	32,959	44,961	14,959	15,294	15,456	60,101	15,683	15,682
%	42.6%	41.1%	42.1%	41.7%	40.9%	42.0%	40.1%	38.6%
SG&A	13,810	19,193	5,907	6,348	6,239	24,215	6,750	7,421
%	17.9%	17.5%	16.6%	17.3%	16.5%	16.9%	17.3%	18.3%
EBITDA	21,573	29,477	9,434	9,726	10,062	37,997	10,299	10,482
%	27.0%	26.1%	26.3%	26.0%	26.0%	26.2%	25.5%	24.4%
Depreciation	2,274	3,288	971	992	1,294	4,191	1,424	1,455
%	2.9%	3.0%	2.7%	2.7%	3.4%	2.9%	3.6%	3.6%
EBIT	19,299	26,189	8,463	8,734	8,768	33,806	8,875	9,027
%	24.2%	23.2%	23.6%	23.3%	22.7%	23.3%	21.9%	21.1%
Finance cost	697	995	452	576	875	2,186	1,007	1,115
PBT before exceptional item*	18,602	25,194	8,011	8,158	7,893	31,620	7,868	7,912
%	23.3%	22.2%	22.3%	21.8%	20.4%	21.7%	19.4%	18.5%
Exceptional Items⁺	-	609	-	634	-	634	-	-
PBT *	18,602	24,585	8,011	7,524	7,893	30,986	7,868	7,912
%	23.3%	21.7%	22.3%	20.1%	20.4%	21.4%	19.4%	18.5%
Current tax	3,527	6,310	1,638	2,335	2,210	8,508	2,280	2,237
Deferred tax	(1,171)	155	432	(569)	(83)	(621)	(245)	(171)
Total Tax	2,356	6,465	2,070	1,766	2,127	7,887	2,035	2,066
%	3.0%	5.7%	5.8%	4.7%	5.5%	5.4%	5.0%	4.8%
PAT *	16,246	18,120	5,941	5,758	5,766	23,099	5,833	5,846
%	20.4%	16.0%	16.5%	15.4%	14.9%	15.9%	14.4%	13.6%

* Exceptional items for FY22 & Q3 FY23 refers to Loss on Fair Valuation of Warrant Liability

Condensed Balance Sheet

	31.03.2021	31.03.2022	30.09.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023
Assets							
Non-current Assets							
Property, plant and equipment	69	78	12,894	12,899	13,278	13,202	13,386
Goodwill	7,644	7,896	8,430	8,562	13,913	13,901	13,997
Financial & Other assets	10,029	11,788	34,347	77,536	29,594	27,642	35,841
Total non-current assets (A)	17,742	19,762	55,671	98,997	56,785	54,745	63,224
Current assets							
Financial & Other assets							
i. Trade receivable	12,192	16,738	22,408	23,250	21,319	24,534	23,308
ii. Cash & Cash equivalents, Investments & Other financial assets	60,928	72,609	55,746	17,061	81,484	85,516	1,27,619
iii. Other assets	1,333	3,392	3,420	2,811	4,495	5,260	6,184
Total current assets (B)	74,453	92,739	81,574	43,122	1,07,298	1,15,310	1,57,111
Total assets (A + B)	92,195	1,12,501	1,37,245	1,42,119	1,64,083	1,70,055	2,20,335
Equity and Liabilities							
Total equity (A)	54,599	66,580	74,591	77,791	83,882	90,395	1,39,403
Non-current liabilities							
Financial liabilities	7,339	7,134	18,759	18,678	18,035	17,483	17,957
Provisions & Deferred tax liability	2,378	2,086	2,205	2,344	4,526	4,577	4,631
Total non-current liabilities (B)	9,717	9,220	20,964	21,022	22,561	22,060	22,588
Current liabilities							
Financial & Contract liabilities							
i. Trade payable	4,101	6,072	6,907	5,779	7,052	8,007	7,804
ii. Others	20,340	26,266	30,697	33,767	45,921	44,595	45,710
Provisions & Other current liabilities	3,438	4,363	4,086	3,760	4,667	4,998	4,830
Total current liabilities (C)	27,879	36,701	41,690	43,306	57,640	57,600	58,344
Total liabilities (D = B + C)	37,596	45,921	62,654	64,328	80,201	79,660	80,932
Total equity and liabilities (A + D)	92,195	1,12,501	1,37,245	1,42,119	1,64,083	1,70,055	2,20,335

Global Presence



Headquarters – Bengaluru

- India | USA & Canada | Europe & UK | UAE | Australia

