

Happiest Minds Technologies Ltd

ACCUMULATE

Sector: IT Services

10th June, 2026

Key Changes	Target ▼	Rating ●	Earnings ▼	Target	Rs. 396
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	HAPPSTMN:IN	73,983	HAPPSTMNDS	543227	12 Months
				CMP	Rs. 348
				Return	+14%

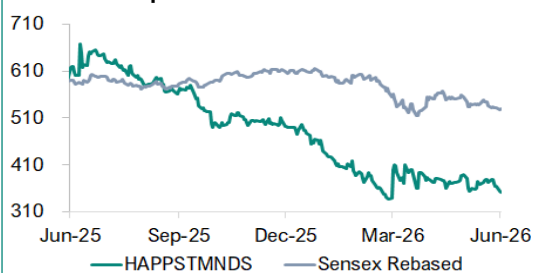
Data as of: 10-Jun-2026, 17:00 hrs

Company Data	
Market Cap (Rs.cr)	5,304
52 Week High — Low (Rs.)	674 - 305
Enterprise Value (Rs. cr)	5,948
Outstanding Shares (cr)	15.2
Free Float (%)	53.9
Dividend Yield (%)	2.8
6m average volume (cr)	0.2
Beta	0.3
Face value (Rs.)	2.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	44.2	44.2	44.2
FII's	5.4	5.9	5.9
MFs/Institutions	10.2	9.6	9.0
Public	36.0	36.8	37.4
Others	4.2	3.5	6.5
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	3.7%	-28.4%	-42.8%
Absolute Sensex	-4.7%	-12.7%	-10.3%
Relative Return	8.5%	-15.7%	-32.4%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	2,315	2,680	3,063
Growth (%)	12.3	15.8	14.3
EBITDA	403	481	562
EBITDA Margin (%)	17.4	18.0	18.4
PAT Adjusted	231	290	354
Growth (%)	17.5	25.6	22.1
Adjusted EPS	15.2	19.1	23.3
Growth (%)	17.5	25.6	22.1
P/E	23.8	18.5	15.2
P/B	3.3	2.9	2.6
EV/EBITDA	14.9	12.2	10.5
ROE (%)	12.6	15.7	17.2
D/E	0.8	0.8	0.8

Improving deal momentum boosts topline

Happiest Minds Technologies Ltd provides digital transformation and technology services to the automotive, banking, financial services and insurance (BFSI), consumer packaged goods, e-commerce, edtech, engineering research and development, hitech, manufacturing, retail, and travel, transportation and hospitality sectors.

- The company's consolidated revenue rose 10.9% YoY in Q4FY26 to Rs. 604cr, supported by steady demand across its business segments, with a further increase offset by right-shifting of a few licence deals and a pause in the engagement with one large hi-tech company.
- The Product and Digital Engineering Services business grew 7.4% YoY to Rs. 476cr, aided by sustained demand for digital engineering and application modernisation programmes.
- Infrastructure Management & Security Services revenue grew 15.0% YoY to Rs. 103cr, driven by continuing traction in managed infrastructure engagements, ramp-up of cloud operations/workplace services, and increased cybersecurity and compliance-led deal activity.
- EBITDA rose 23.5% YoY to Rs. 104cr and EBITDA margin expanded 180bps YoY to 17.2%, on better utilisation, project execution discipline and operating efficiencies.
- Reported profit after tax rose 79.9% YoY to Rs. 61cr, driven by the normalisation of an exceptional item and steady operating performance.

Outlook and Valuation

Happiest Minds's Q4FY26 performance reflected a stable business trajectory, backed by resilient core demand, improving project pipeline visibility and ongoing traction in AI-led opportunities. The management highlighted banking, financial services and insurance (BFSI) and healthcare as key demand anchors, and that edtech showed signs of recovery, with improving traction in previously weak accounts and early adoption of its EduWave platform. The company also continued to strengthen its positioning through a dedicated GenAI business, deeper analytics and automation capabilities, and the rollout of its Enterprise AI platform to support enterprise-scale deployments. The management reiterated an organic growth approach as well, supported by capacity investments and broader adoption of AI productivity tools, alongside continued focus on disciplined execution and utilisation-led efficiencies. Hence, **we retain our ACCUMULATE rating on the stock, with a rolled forward target price of Rs. 396, based on 17x FY28E adjusted EPS.**

Quarterly Financials Consolidated

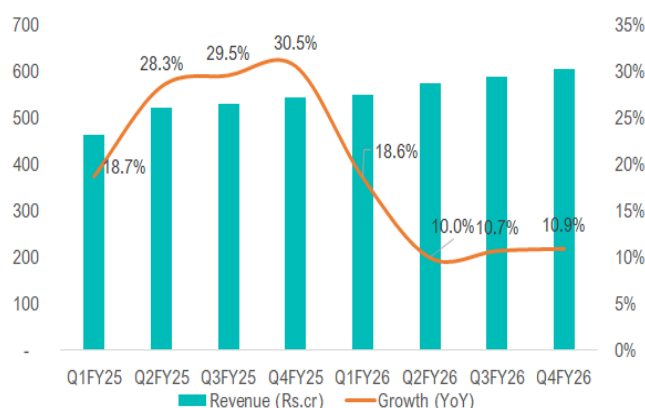
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	604	545	10.9	588	2.8	2,315	2,061	12.3
EBITDA	104	84	23.5	107	-3.3	403	354	13.8
Margin (%)	17.2	15.4	180bps	18.2	-100bps	17.4	17.2	20bps
EBIT	82	61	33.8	85	-3.5	315	266	18.6
PBT	80	50	59.7	54	48.5	284	255	11.3
Rep. PAT	61	34	79.9	40	51.8	213	185	15.1
Adj PAT	58	46	25.1	62	-7.4	231	197	17.5
Adj. EPS (Rs)	3.8	3.0	25.1	4.1	-7.4	15.2	12.9	17.5



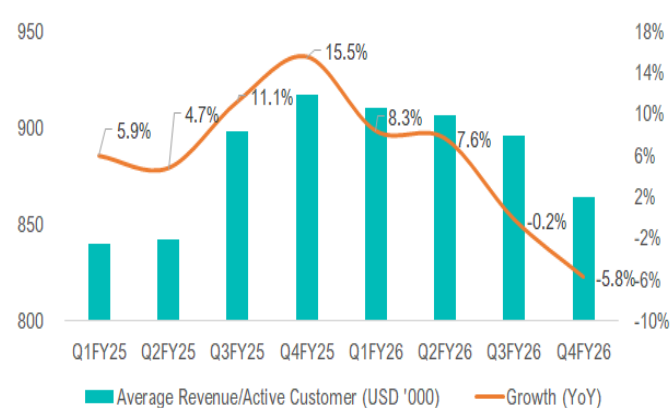
Key concall highlights

- The management reiterated FY27 constant-currency revenue growth guidance of 12.5% (aspirational 15%), and expects operating margin to improve 100–150 bps. The guidance is fully organic, with no acquisition pipeline assumed, and includes the scaling of its dedicated GenAI business unit alongside analytics and automation capabilities.
- The management has targeted 90% AI productivity-tool adoption across engineers/service delivery by FY27 and plans net hiring of ~1,050 focused on GenAI and the analytics/AI centre of excellence.
- The management also cited a three-year \$12–15mn contract to take over applications and infrastructure for a private equity-owned warehouse and logistics solutions company.
- EdTech revenue grew 8.4% QoQ, with the momentum returning in a few previously weak accounts; the management also said that its EduWave platform already has live customers and a healthy prospect pipeline.
- BFSI and healthcare/life sciences led FY26 growth on the back of AI-led transformation and modernisation programmes, whereas retail and travel/media/entertainment posted steady growth, reflecting stable discretionary demand .

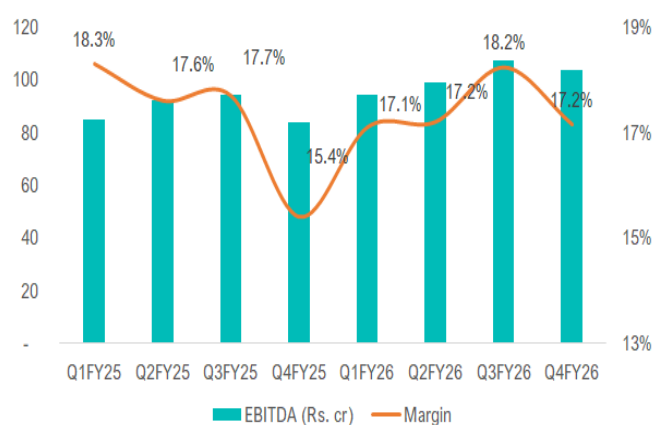
Revenue



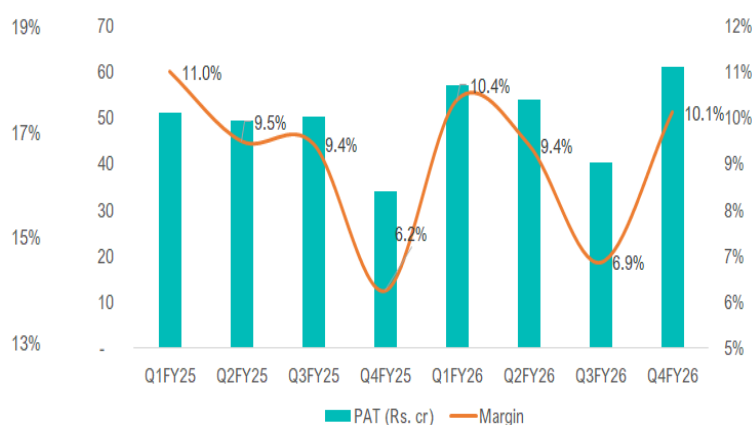
Avg. Revenue / Active Customer



EBITDA



PAT



Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	2,744	-	2,680	3,063	-2.3	-
EBITDA	521	-	481	562	-7.7	-
Margins (%)	19.0	-	18.0	18.4	-100bps	-
Adj. PAT	326	-	290	354	-11.0	-
EPS	21.4	-	19.1	23.3	-10.9	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	1,625	2,061	2,315	2,680	3,063
% change	13.7	26.8	12.3	15.8	14.3
EBITDA	336	354	403	481	562
% change	-6.4	5.5	13.8	19.3	16.8
Depreciation	58	89	88	89	91
EBIT	278	266	315	392	471
Interest	42	99	97	105	110
Other Income	99	89	66	100	112
PBT	335	255	284	387	473
% change	8.0	-23.7	11.3	36.2	22.1
Tax	86	71	72	97	118
Tax Rate (%)	25.8	27.7	25.2	25.0	25.0
Reported PAT	248	185	213	290	354
PAT att. to common shareholder-	248	185	213	290	354
Adj.*	-14	12	19	-	-
Adj. PAT	234	197	231	290	354
% change	-1.2	-16.0	17.5	25.6	22.1
No. of shares (cr)	15.2	15.2	15.2	15.2	15.2
Adj EPS (Rs.)	15.4	12.9	15.2	19.1	23.3
% change	-4.8	-16.0	17.5	25.6	22.1
DPS (Rs.)	3.3	3.5	6.4	8.4	9.5

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	307	273	301	379	446
Non-cash adj.	-57	-25	-1	93	95
Other adjustments	-	-	-	-	-
Changes in W.C	-37	-12	-38	-36	-42
C.F. Operation	213	236	261	436	499
Capital exp.	-10	-11	-7	-61	-71
Change in inv.	-528	-838	-182	-147	-181
Other invest.CF	72	87	67	-105	-110
C.F - Investment	-466	-762	-121	-313	-362
Issue of equity	487	2	-	-	-
Issue/repay debt	40	765	240	100	100
Dividends paid	-86	-86	-94	-128	-145
Other finance.CF	-77	-182	-290	-	-
C.F - Finance	363	499	-144	-28	-45
Chg. in cash	110	-26	-4	95	92
Closing Cash	1,337	1,058	913	1,008	1,100

Balance Sheet

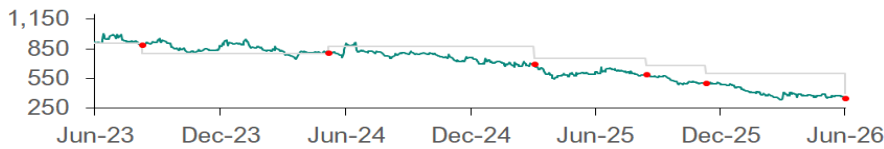
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	1,337	1,058	913	1,008	1,100
Accts. Receivable	254	358	390	441	498
Inventories	-	-	-	-	-
Other Cur. Assets	187	585	773	939	1,143
Investments	-	-	-	1	2
Gross Fixed Assets	206	217	224	285	356
Net Fixed Assets	195	211	195	160	131
CWIP	-	-	-	-	-
Intangible Assets	218	1,001	978	986	994
Def. Tax -Net	16	36	44	45	46
Other Assets	40	111	332	332	332
Total Assets	2,248	3,359	3,625	3,911	4,246
Current Liabilities	229	382	332	347	362
Provisions	33	59	89	98	108
Debt Funds	442	1,161	1,413	1,513	1,613
Other Liabilities	63	182	102	102	102
Equity Capital	30	30	30	30	30
Res. & Surplus	1,450	1,545	1,659	1,822	2,032
Shareholder Funds	1,480	1,575	1,689	1,852	2,062
Minority Interest	-	-	-	-	-
Total Liabilities	2,248	3,359	3,625	3,911	4,246
BVPS	97	103	111	122	135

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	20.7	17.2	17.4	18.0	18.4
EBIT margin (%)	17.1	12.9	13.6	14.6	15.4
Net profit mgn.(%)	15.3	9.0	9.2	10.8	11.6
ROE (%)	16.8	11.7	12.6	15.7	17.2
ROCE (%)	14.4	9.7	10.2	11.6	12.8
W.C & Liquidity					
Receivables (days)	56.4	62.6	60.7	59.2	58.5
Inventory (days)	-	-	-	-	-
Payables (days)	-	-	-	-	-
Current ratio (x)	3.1	1.7	1.5	1.6	1.7
Quick ratio (x)	2.8	1.5	1.3	1.4	1.5
Turnover & Leverage					
Gross asset T.O (x)	8.1	9.8	10.5	10.5	9.6
Total asset T.O (x)	0.8	0.7	0.7	0.7	0.8
Int. covge. ratio (x)	6.6	2.7	3.2	3.7	4.3
Adj. debt/equity (x)	0.3	0.7	0.8	0.8	0.8
Valuation					
EV/Sales (x)	6.4	4.5	2.6	2.2	1.9
EV/EBITDA (x)	31.1	25.9	14.9	12.2	10.5
P/E (x)	48.3	46.1	23.8	18.5	15.2
P/BV (x)	7.7	5.8	3.3	2.9	2.6



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
12-May-23	HOLD	907
17-Aug-23	SELL	800
15-May-24	HOLD	872
11-Mar-25	HOLD	756
22-Aug-25	ACCUMULATE	682
17-Nov-25	ACCUMULATE	599
10-Jun-26	ACCUMULATE	396

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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