

July 21, 2022

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: Outcome of the Board Meeting held on July 21, 2022

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., July 21, 2022, has approved the unaudited financial statements of the Company (both standalone and consolidated) prepared in accordance with Indian Accounting Standards (IndAS) for the quarter ended as on June 30, 2022.

Ms. Shubha Rao Mayya (DIN: 08193276) Independent Director has been appointed as Chairperson of the CSR Committee. The erstwhile Chairperson Mr. Joseph Anantharaju (DIN: 08859640) will continue as a member of the Committee.

A copy of the said Financial Results, Investor presentation and Press release are enclosed herewith. The Board meeting commenced at 9.45 p.m. and concluded at 10.10 p.m.

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



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

Regd. Office:#53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bangalore 560 068, Karnataka, India

Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300

(Rs. in lakhs)

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2022

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
I. Revenue				
(a) Revenue from contracts with customers	32,892	30,057	24,461	109,365
(b) Other income	382	991	926	3,710
Total revenue	33,274	31,048	25,387	113,075
II. Expenses				
(a) Employee benefits expense	17,834	16,694	13,928	62,000
(b) Finance costs	283	286	164	995
(c) Depreciation and amortisation expense	934	884	723	3,288
(d) Other expenses	6,665	6,196	4,844	21,598
Total expenses	25,716	24,060	19,659	87,881
III. Profit before exceptional items and tax (I-II)	7,558	6,988	5,728	25,194
IV. Exceptional item (Refer note 9)	-	-	(609)	(609)
V. Profit before tax (III-IV)	7,558	6,988	5,119	24,585
VI. Tax expense				
Current tax	2,325	1,737	1,551	6,266
Tax expense for prior periods	-	-	44	44
Deferred tax charge / (credit)	(401)	40	(49)	155
Total Tax expense	1,924	1,777	1,546	6,465
VII. Profit for the period / year (V-VI)	5,634	5,211	3,573	18,120
VIII. Other comprehensive income, net of tax [(loss)/profit]				
(i) Item to be reclassified to profit or loss in subsequent periods / year				
Exchange difference on translating the financial statements of a foreign operation	247	29	160	202
Net movement on effective portion of cash flow hedges [gain/(loss)]	(971)	(405)	(376)	(316)
Income tax effect	244	102	95	80
(ii) Item not to be reclassified to profit or loss in subsequent periods / year				
Re-measurement gains/ (losses) on defined benefit plans	131	26	(60)	(97)
Income tax effect	(33)	(7)	15	24
IX. Total comprehensive income for the period / year (VII-VIII)	5,252	4,956	3,407	18,013
X. Paid-up equity share capital (Rs. 2/- each)				2,854
XI. Other equity				63,726
XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):				
Basic EPS (Rs.)	3.96	3.68	2.51	12.84
Diluted EPS (Rs.)	3.88	3.58	2.45	12.55

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Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2022

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2022 ("Unaudited Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Holding Company" or the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 21, 2022 and have been subject to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Group for quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year upto March 31, 2022 and the unaudited published year-to-date results upto the third quarter ended December 31, 2021 and in respect of comparative financial results for quarter ended June 30, 2021 which were subject to limited review/audit.

3. The unaudited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019.

4. The financial results of the Company on standalone basis is as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
Total revenue (including other income)	31,193	29,724	23,968	107,125
Profit before tax	7,026	8,084	5,018	25,085
Profit for the period / year	5,254	6,221	3,501	18,648
Total comprehensive income for the period / year ended	4,625	5,937	3,175	18,339

5. The Board of Directors of the Company at their meeting held on May 5, 2022 had for the year ended March 31, 2022, recommended the final dividend of Rs.2/- per equity share of face value Rs.2/- each. This recommendation was approved by the Shareholders of the Company at their meeting on June 30, 2022 and subsequently paid on July 5, 2022.

6. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments: Infrastructure Management & Security Services (IMSS), Digital Business Solutions (DBS) and Product Engineering Services (PES).

Segment wise revenue and results are as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
1. Segment revenue				
IMSS	7,355	6,848	5,251	24,168
DBS	9,904	8,762	7,569	32,887
PES	15,633	14,447	11,641	52,310
Total	32,892	30,057	24,461	109,365
2. Segment results				
IMSS	2,097	1,739	1,287	5,917
DBS	3,162	2,261	1,584	8,789
PES	6,867	5,929	4,512	20,693
Total	12,126	9,929	7,383	35,399
Unallocable other income	382	991	926	3,710
Unallocable finance cost	(283)	(286)	(164)	(995)
Unallocable depreciation and amortisation expenses	(934)	(884)	(723)	(3,288)
Other unallocable expenses	(3,733)	(2,762)	(2,303)	(10,241)
Tax (expense) / credit	(1,924)	(1,777)	(1,546)	(6,465)
Profit after tax	5,634	5,211	3,573	18,120

Segment wise assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	As at	
	June 30, 2022	March 31, 2022
	(Unaudited)	(Audited)
1. Segment assets		
IMSS	9,425	7,202
DBS	21,778	19,140
PES	13,881	12,632
Other unallocable assets	76,023	73,527
Total assets	121,107	112,501
2. Segment liabilities		
IMSS	1,710	1,234
DBS	10,324	9,144
PES	1,430	1,884
Other unallocable liabilities	35,732	33,659
Total liabilities	49,196	45,921

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Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2022

7. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these Unaudited Consolidated Financial Results. The Group will continue to closely monitor any material changes to future economic conditions.

8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

9. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over the next 3 years. The contingent consideration was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Group carried out a fair valuation during the quarter ended June 30, 2021 and there was increase in the liability basis increasing expectation of payout. The said increase amounting to Rs 609 lakhs was recognised in the statement of profit and loss and disclosed as 'Exceptional Item'.

10. The above Unaudited Consolidated Financials Results of the Group are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

For and on behalf of the Board

For Happiest Minds Technologies Limited



A handwritten signature in black ink, appearing to read "Venkatraman Narayanan".

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347

Place: Bengaluru, India

Date: July 21, 2022

Happiest Minds Technologies Limited
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(Rs. in lakhs)

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2022

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Refer Note 2)	(Unaudited)	(Audited)
I. Revenue				
(a) Revenue from contracts with customers	30,781	28,682	23,041	103,354
(b) Other income	412	1,042	927	3,771
Total revenue	31,193	29,724	23,968	107,125
II. Expenses				
(a) Employee benefits expense	17,691	16,492	13,728	61,210
(b) Finance costs	237	221	163	830
(c) Depreciation and amortisation expense	710	665	509	2,423
(d) Other expenses	5,529	4,871	3,941	17,577
Total expenses	24,167	22,249	18,341	82,040
III. Profit before exceptional items and tax (I-II)	7,026	7,475	5,627	25,085
IV. Exceptional items (Refer note 8)	-	609	(609)	-
V. Profit before tax (III-IV)	7,026	8,084	5,018	25,085
VI. Tax expense				
Current tax	2,117	1,772	1,493	6,004
Deferred tax charge / (credit)	(345)	91	24	433
Total tax expense	1,772	1,863	1,517	6,437
VII. Profit for the period / year (V-VI)	5,254	6,221	3,501	18,648
VIII. Other comprehensive income, net of tax [(loss)/profit]				
(i) Item to be reclassified to profit or loss in subsequent periods / year				
Net movement on effective portion of cash flow hedges [gain/(loss)]	(971)	(405)	(376)	(316)
Income tax effect	244	102	95	80
(ii) Item not to be reclassified to profit or loss in subsequent periods / year				
Re-measurement gains/ (losses) on defined benefit plans	131	26	(60)	(97)
Income tax effect	(33)	(7)	15	24
IX. Total comprehensive income for the period / year (VII-VIII)	4,625	5,937	3,175	18,339
X. Paid-up equity share capital (Rs. 2/- each)				2,854
XI. Other equity				64,120
XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):				
Basic EPS (Rs.)	3.69	4.38	2.46	13.21
Diluted EPS (Rs.)	3.62	4.28	2.40	12.91

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Notes to Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2022

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2022 ("Unaudited Standalone Financial Results") of Happiest Minds Technologies Limited (formerly known as "Happiest Minds Technologies Private Limited") (the "Company") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 21, 2022 and have been subject to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Company for quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year upto March 31, 2022 and the unaudited published year-to-date results upto the third quarter ended December 31, 2021, and in respect of comparative financial results for quarter ended June 30, 2021 which were subject to limited review/audit.

3. The Unaudited Standalone Financial Results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019.

4. The Board of Directors of the Company at their meeting held on May 5, 2022 had for the year ended March 31, 2022, recommended the final dividend of Rs.2/- per equity share of face value Rs.2/- each. This recommendation was approved by the Shareholders of the Company at their meeting on June 30, 2022 and subsequently paid on July 5, 2022.

5. The Company publishes standalone financial results along with the consolidated financial results. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the unaudited interim consolidated financial results. Accordingly, the segment information is given in the unaudited consolidated financial results of Happiest Minds Technologies Limited and its subsidiary for the quarter ended June 30, 2022.

6. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these Unaudited Standalone Financial Results. The Company will continue to closely monitor any material changes to future economic conditions.

7. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

8. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27,2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 Lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over next 3 years. The contingent consideration was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value, Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss, the Company carried out a fair valuation during the quarter ended June 30, 2021, and there was increase in the liability basis increasing expectation of payout. The said increase amounting to INR 609 lakhs was recognized in the statement of profit and loss disclosed as 'Exceptional Item'.

During the quarter ended March 31, 2022, the Company re-evaluated its primary obligation for pay-outs of the contingent consideration and concluded that the obligation for the pay-out of the contingent consideration was with its subsidiary, Happiest Minds Inc., and the Company's obligation was restricted to ensure that sufficient cash flows were available with Happiest Minds Inc. to meet its obligations. Consequently, the contingent consideration of US \$ 5.89 million (INR 4,305 lakhs) and investment in Happiest Minds Inc. (erstwhile PGC Inc.) of US\$ 5.06 million (INR 3,696 lakhs) was reversed in the standalone balance sheet of the Company. As a result, fair value loss on contingent consideration of INR 609 lakhs recognized as an exceptional item in the quarter ended June 30,2021 was reversed in profit and loss account for quarter ended March 31, 2022.

9. The above Unaudited Standalone Financials Results of the Company are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

For and on behalf of the Board
For Happiest Minds Technologies Limited



Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347

Place: Bengaluru, India
Date: July 21, 2022

Investor Presentation & FACT SHEET: Q1 FY 23

July 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.

About Happiest Minds

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

<p>97% Digital Born Digital</p>	<p>93% Agile Born Agile</p>	<p>211 Active Clients 56 Fortune2000 / Forbes200 Billion \$ Corporations 90% Repeat Business</p>	<p>39.1% RoCE¹ 31.5% RoE</p>
<p>Mission Statement Happiest People Happiest Customers SMILES Values Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p>4,188 Happiest Minds across 7 Countries Gender Diversity 26% 4.4 rating on Glassdoor</p>	<p>Great Place To Work[®]</p> <ul style="list-style-type: none"> #29 India's Best Companies to Work for 2022 #63 Asia's Best Workplaces 2021 50 Best Workplaces for Women 2021 India's Top 15 Best Workplaces in Health & Wellness 2021 Special Recognition for COVID-19 Support 	<p>Industry leading 6.9% q-o-q revenue growth (Constant Currency) in Q1FY23</p>

Promoter



Ashok Soota



IPO - In September 2020

- Completing 11 years in August 2022
- Strong Management Team & Corporate Governance
- 700K+ Investors
- Robust Growth and Profitability



ER&D SERVICES





Winner / Business Excellence 2021





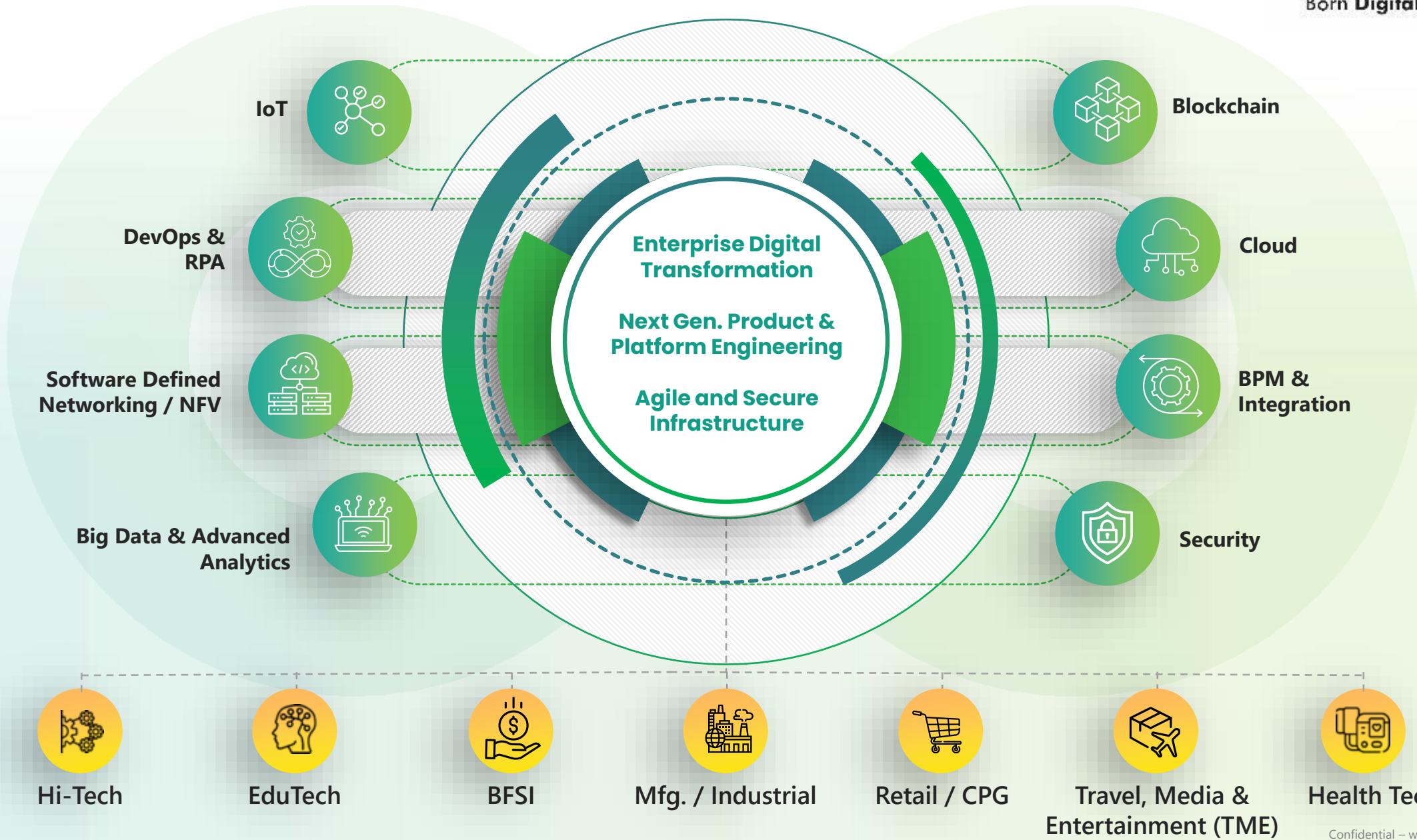
Mission, Vision and Values

Our 2021-31 Vision - DELiGHT

Our SMILES Values



Our Business



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

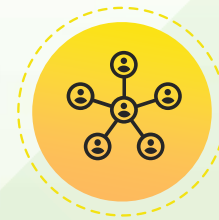
Perceive Immersively

Process Non-judgementally

Perform Empathetically

MINDFULLY AGILE

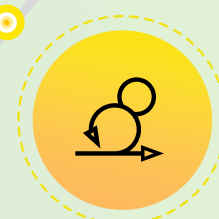
Agile Organization



Agile Business



Agile Delivery



Engineering & Operational Excellence



Q1 Key Project Wins

1

For a large British based construction and Infrastructure company, Happiest Minds is chosen as a digital technology partner to build an IoT and Analytics platform to deliver data led insights for improved operational efficiency, sustained competitive advantage and customer experience

2

For a large bottling company in North America, Happiest Minds is chosen as a trusted advisor for their large-scale implementation of business intelligence transformation engagement to drive better business decisions

3

For a leading Semiconductor company, Happiest Minds is providing engineering services support for their network security product

4

For a reputed animal management solutions company in the ANZ region, Happiest Minds is providing engineering services to improve animal performance and drive better customer experience

5

For a global tech led mobility company, Happiest Minds is advising on running, managing and improving their third-party risk assessment program using next gen digital tools

6

For a non-profit organization in the US, this consulting led engagement entails Happiest Minds to provide discovery, assessment and design services for their infrastructure migration to cloud

Analyst Mentions



'Innovator' in NelsonHall's
Digital Banking Services
NEAT Report



Major Contender in
Everest's Digital Product
Engineering PEAK Matrix

Award Wins



Happiest Minds is ranked 29 in India's Best Companies To Work For 2022

Ashok Soota is conferred with the prestigious CII Quality Ratna Award 2021


Recognized as a **Finalist** for the 2022 Microsoft Power Automate Partner of the Year Award.



Priya Kanduri wins the **'Women in AI'** award at Trescon World AI show, Dubai.

Happiest Minds Technologies' AI/Analytics CoE is a winner at the ET DataCon Awards 2022





Operational and Financial Metrics – Q1 FY23

Results Q1 FY 23

All amounts in ₹ Lakhs unless stated otherwise

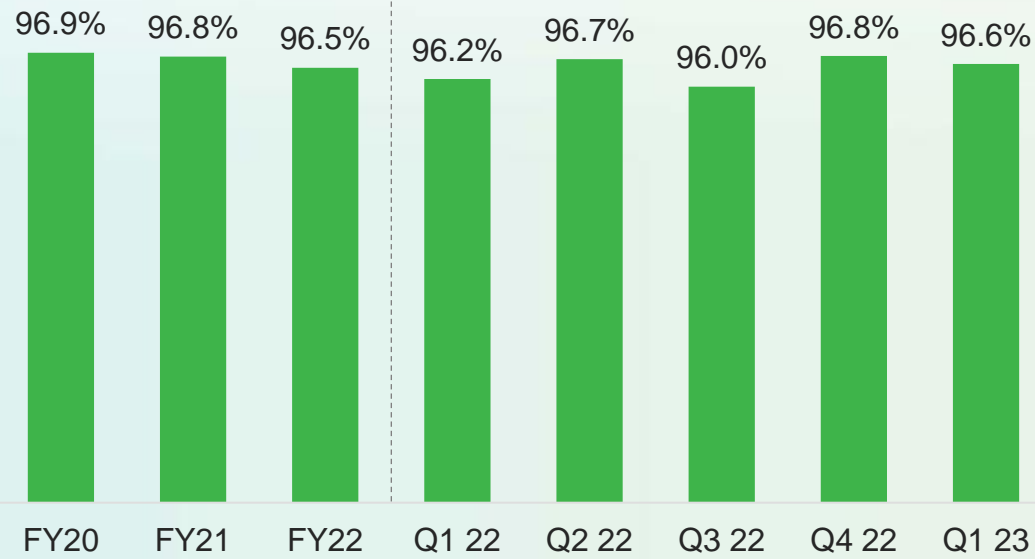
Particulars	Q1 FY 23	Q4 FY 22	QoQ	Q1 FY 22	YoY
Revenues (\$'000)	42,224	39,876	5.9%	33,152	27.4%
Revenues	32,892	30,057	9.4%	24,461	34.5%
Other Income	382	991		926	
Total Income	33,274	31,048	7.2%	25,387	31.1%
EBITDA	8,775	8,158	7.6%	6,615	32.7%
%	26.4%	26.3%		26.1%	
PBT before Exceptional Item	7,558	6,988	8.2%	5,728	31.9%
%	22.7%	22.5%		22.6%	
Exceptional Item*	-	-		(609)	
PBT	7,558	6,988	8.2%	5,119	47.6%
%	22.7%	22.5%		20.2%	
Tax	1,924	1,777	8.3%	1,546	24.5%
%	5.8%	5.7%		6.1%	
PAT	5,634	5,211	8.1%	3,573	57.7%
%	16.9%	16.8%		14.1%	

* Loss on Fair Valuation of Warrant Liability

Born Digital. Born Agile

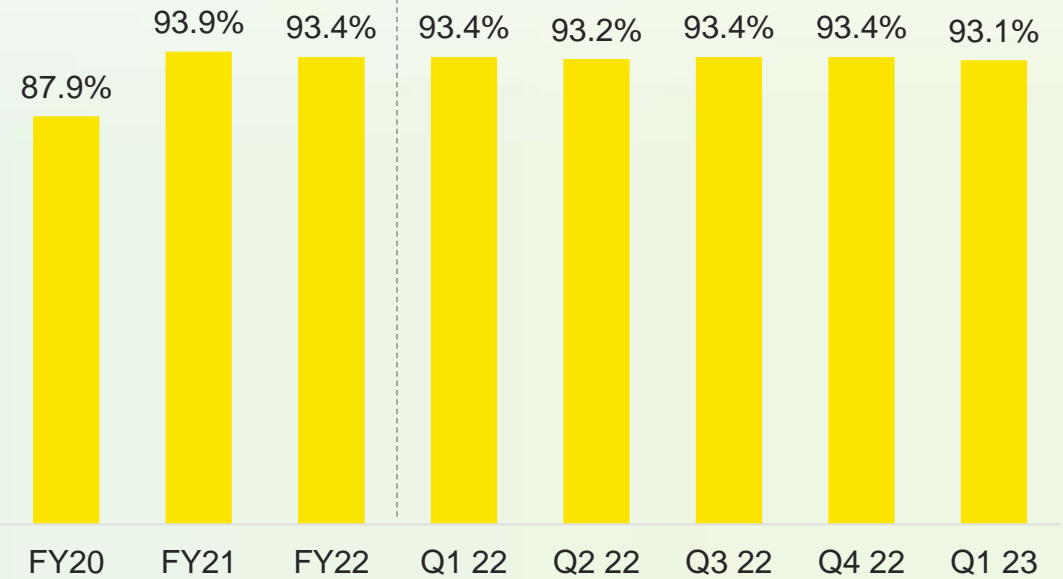
Digital

% of Revenue



Agile

% of Revenue

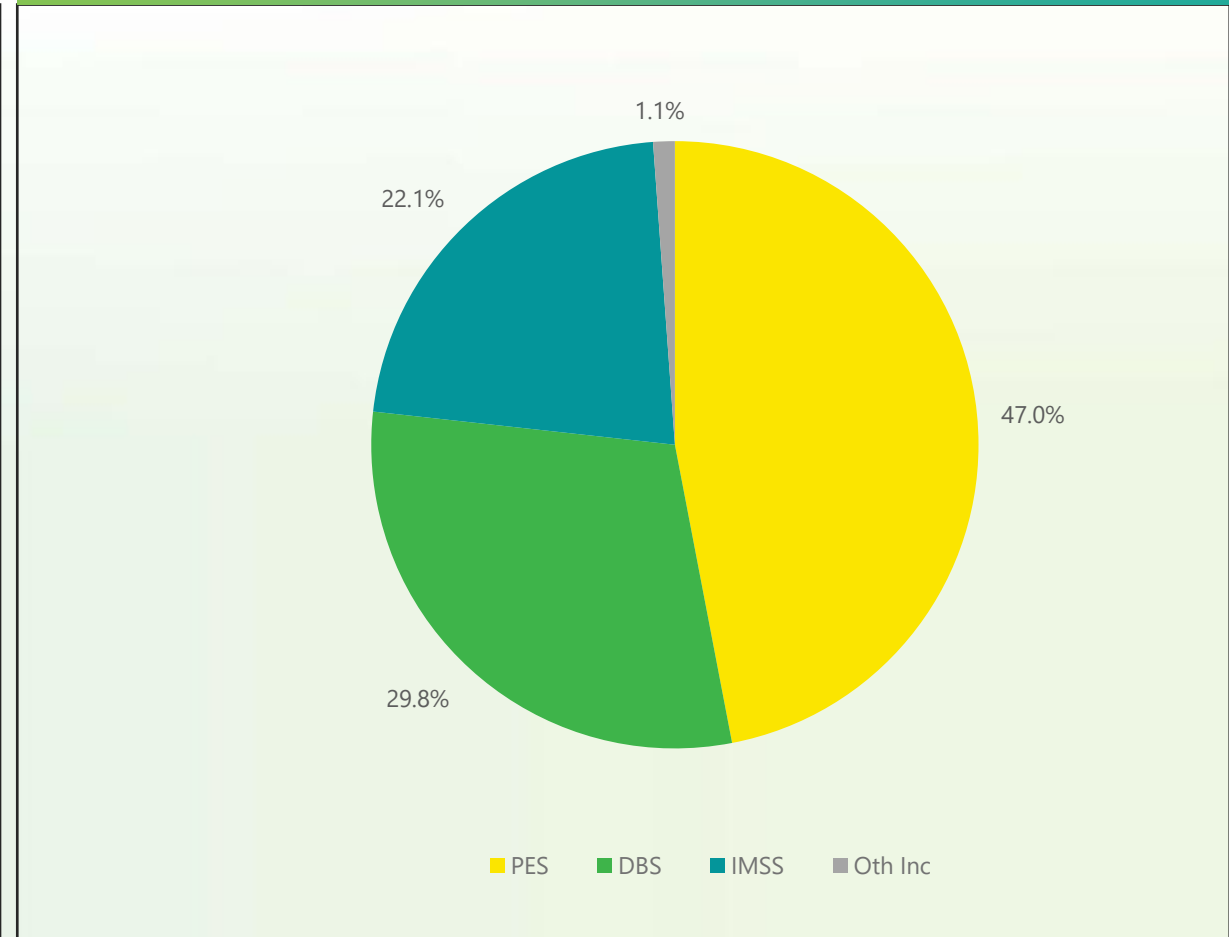


Operational & Financial Metrics

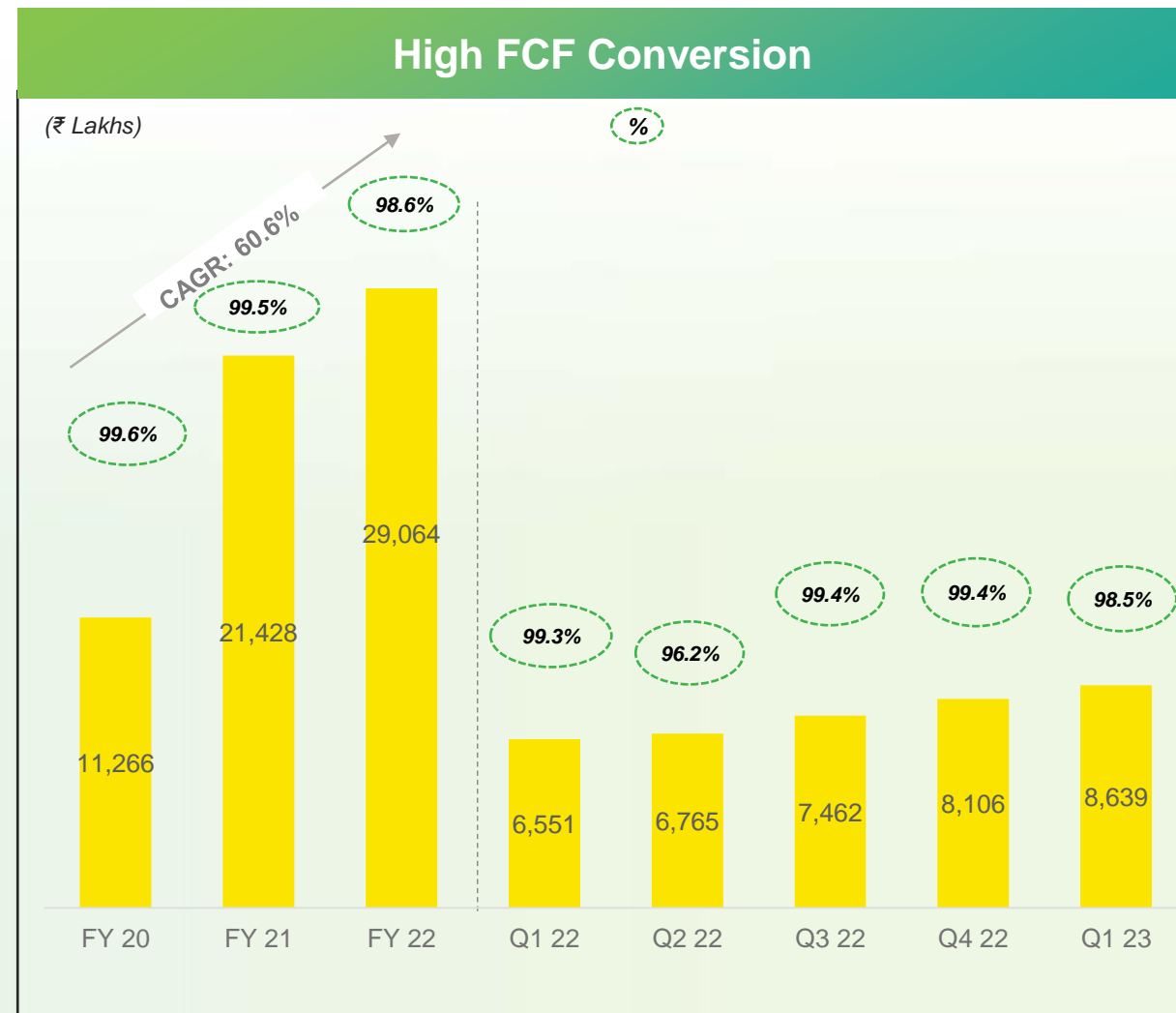
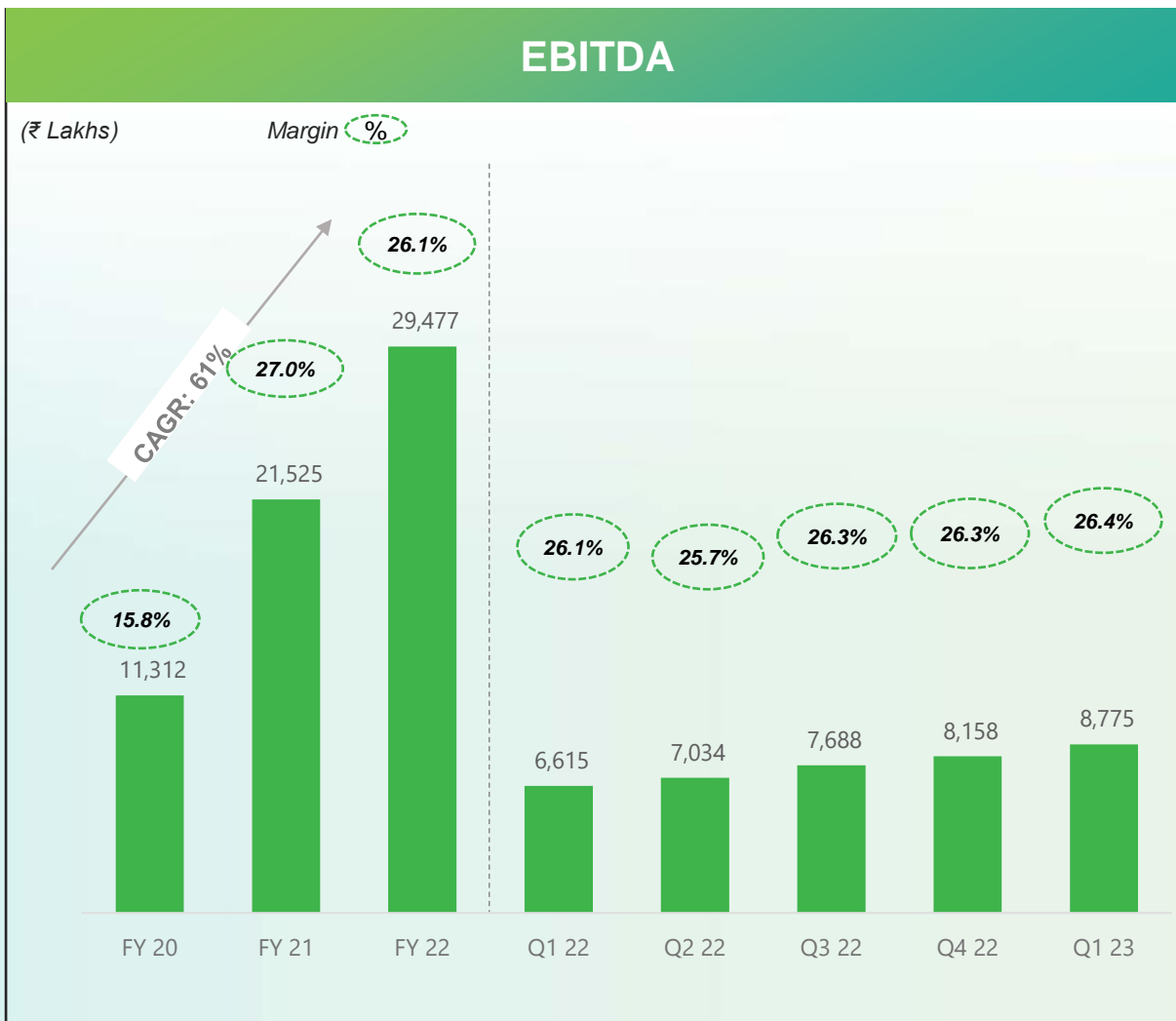
Revenue



Revenue by BU

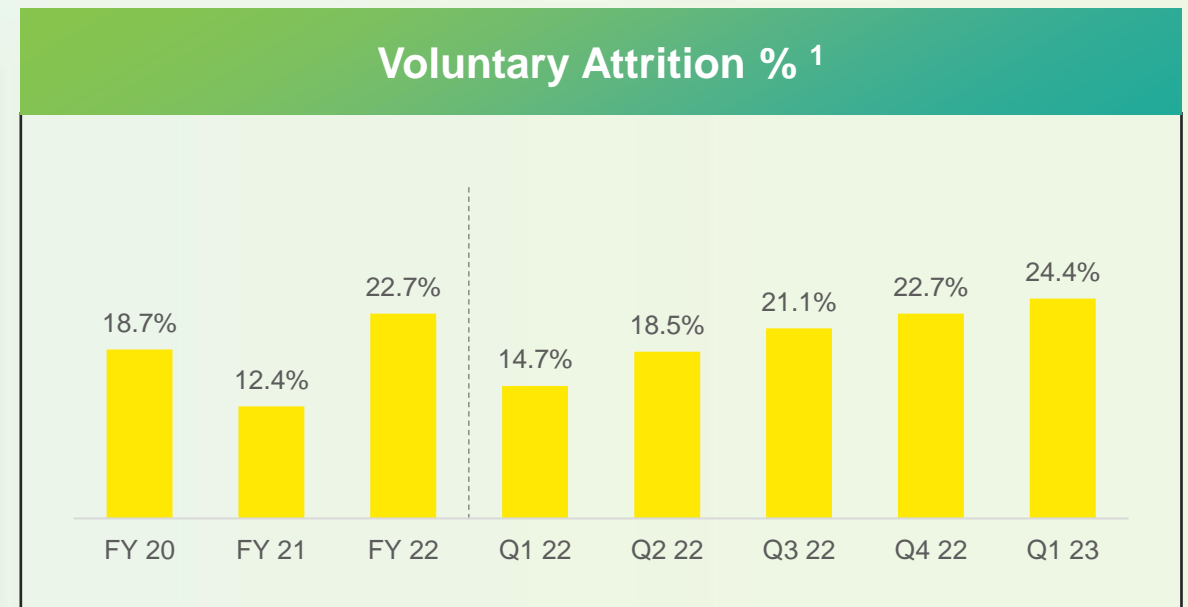
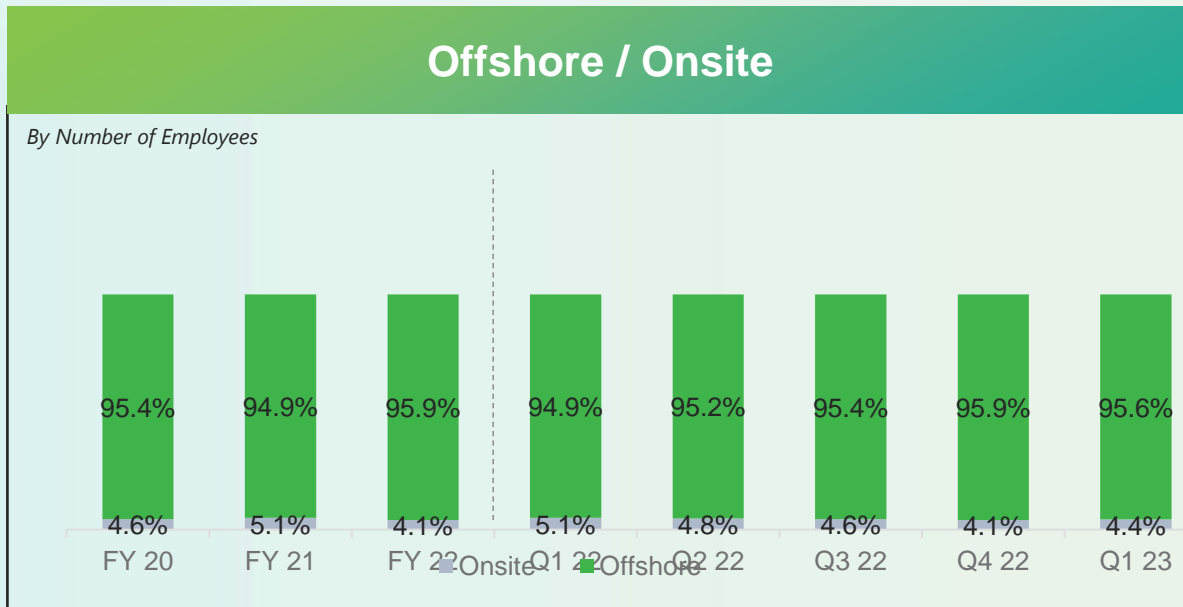
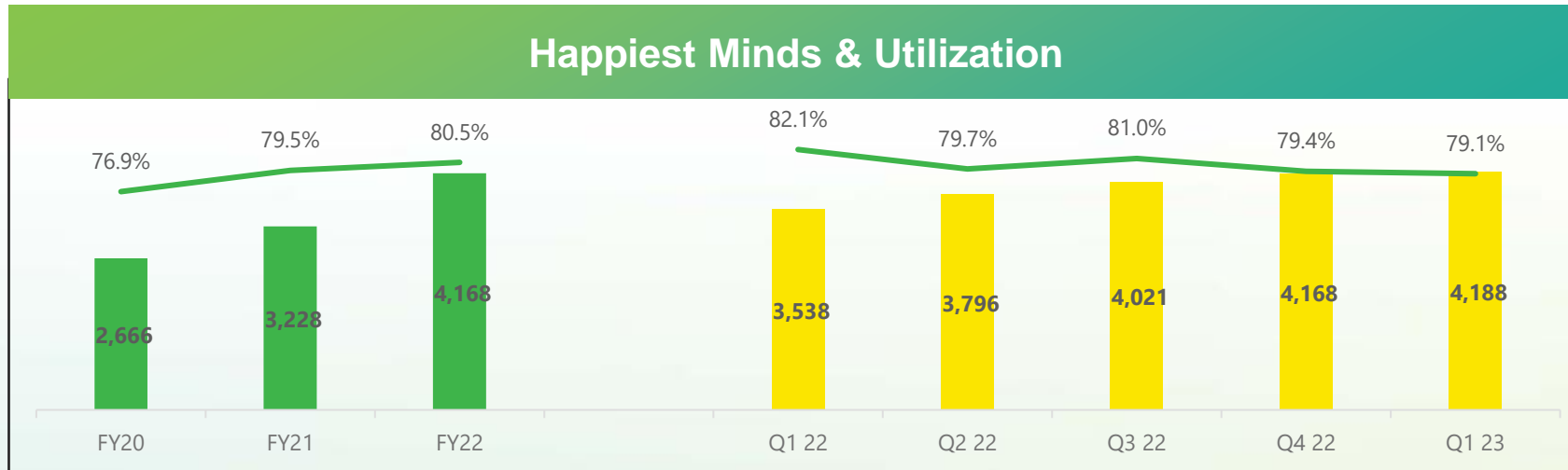


Operational & Financial Metrics



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

Operational & Financial Metrics



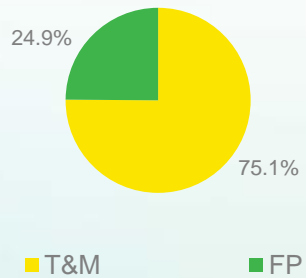
Note 1: Trailing 12 Months

Operational & Financial Metrics

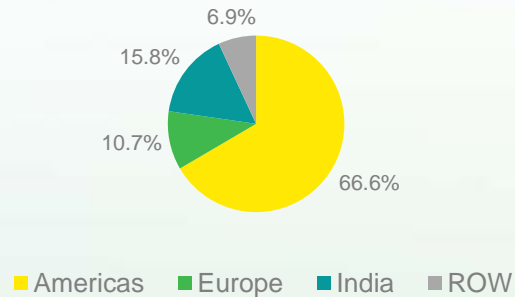
Revenue Model

Q1 23

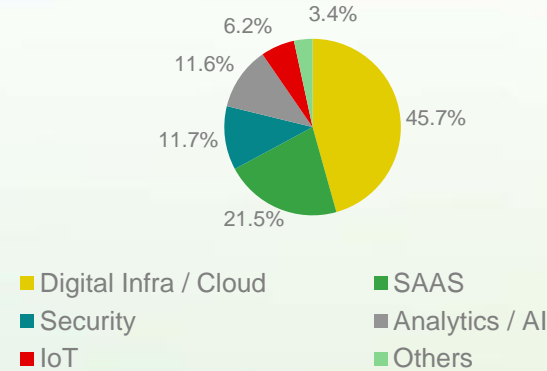
Model



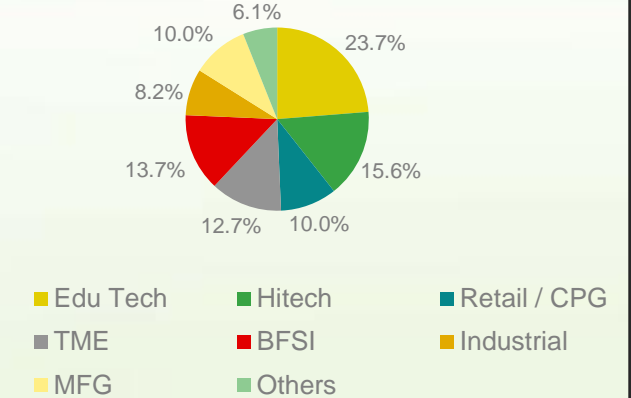
Geography



Digital Revenue¹

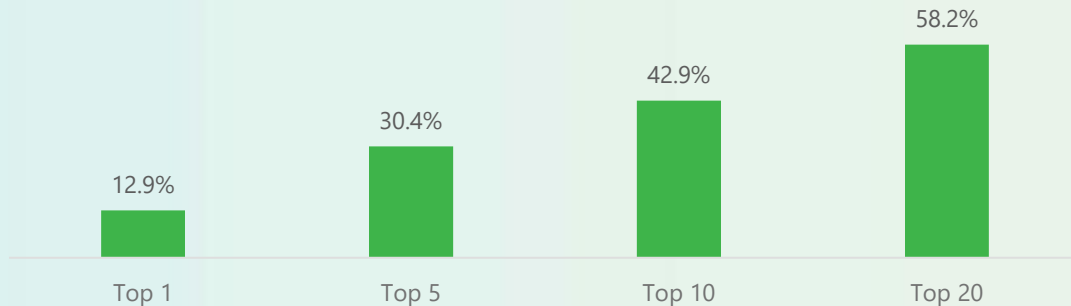


Vertical¹



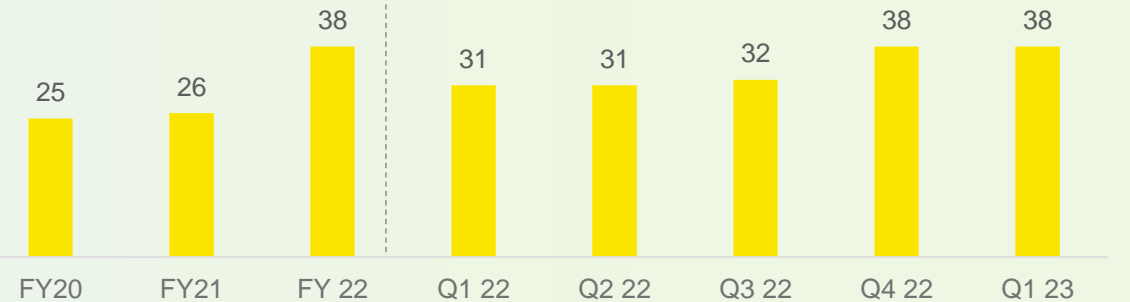
Revenue Concentration³

(% Revenue)



Million \$ Customers²

(#)

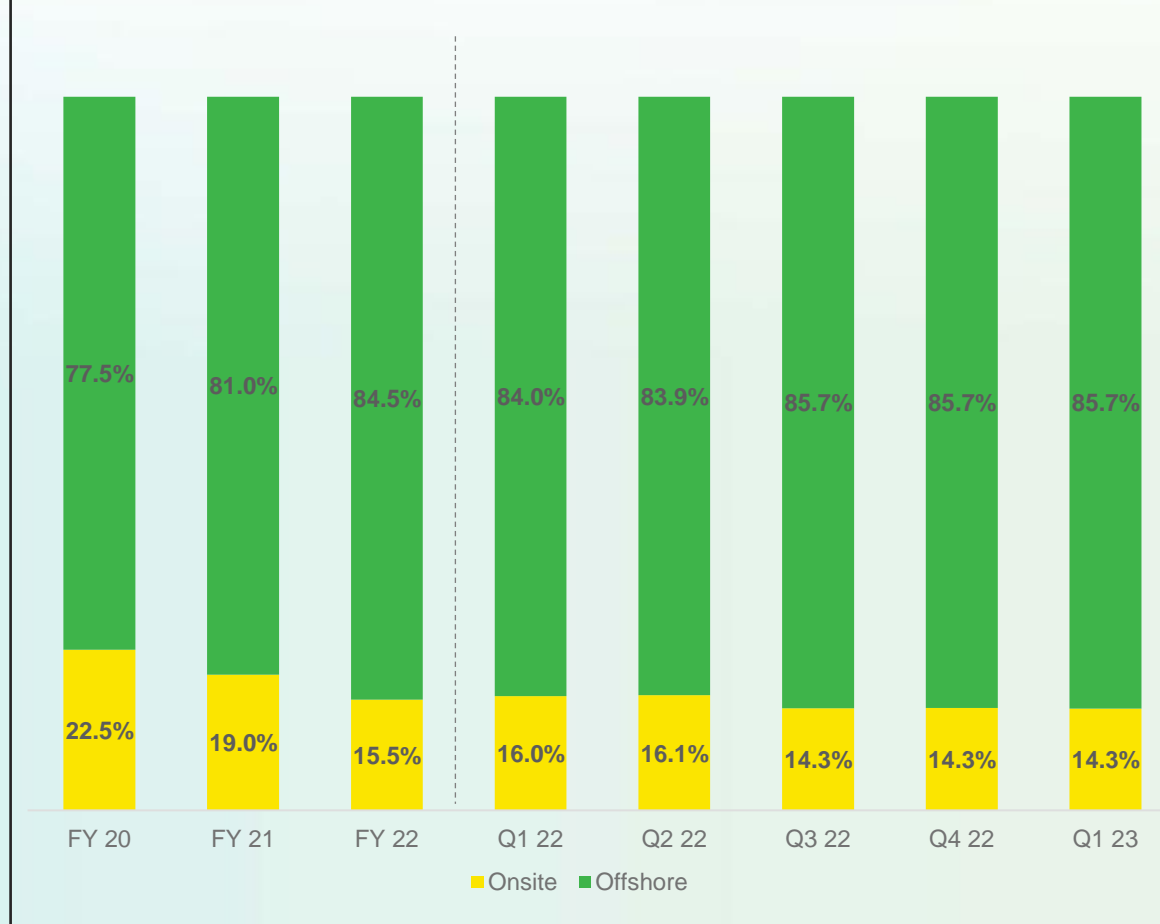


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics

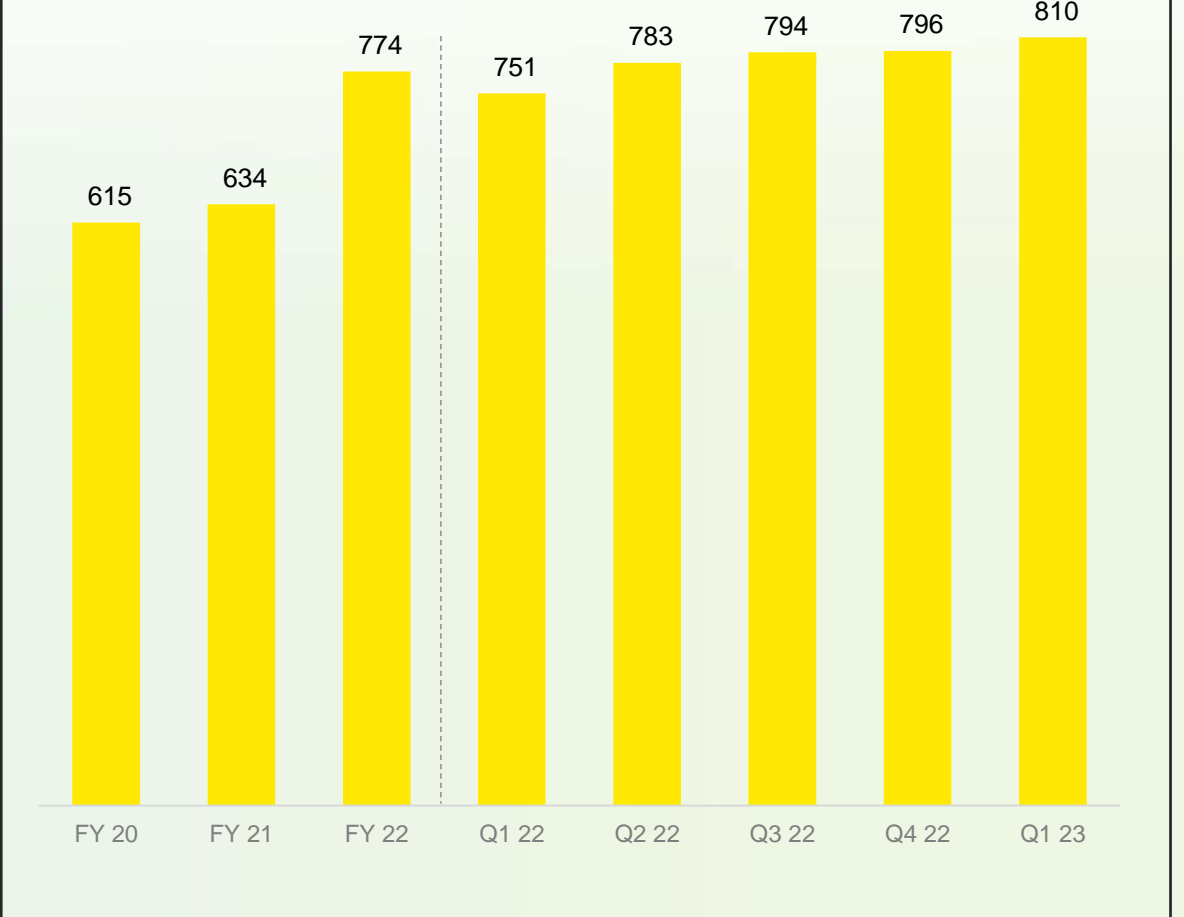
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics

	FY20	FY21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY 22	FY23 Q1
Customer Industry group								
Edutech	21.3%	25.6%	23.4%	23.2%	22.6%	23.6%	23.2%	23.7%
Hitech	21.0%	18.2%	14.2%	13.5%	18.3%	16.7%	15.8%	15.6%
BFSI	17.5%	16.4%	13.4%	13.3%	12.5%	13.7%	13.2%	13.7%
Travel, Media and Entertainment (TME)	17.1%	13.6%	13.9%	13.0%	12.3%	13.7%	13.2%	12.7%
Retail / CPG	7.5%	5.4%	9.6%	10.6%	10.6%	10.1%	10.3%	10.0%
Industrial	7.0%	7.1%	7.1%	6.6%	7.3%	6.6%	6.9%	8.2%
Manufacturing	3.7%	6.6%	6.3%	8.3%	9.4%	10.1%	8.6%	10.0%
Others	4.9%	7.1%	12.0%	11.6%	6.9%	5.4%	8.8%	6.1%
Digital Service Offerings								
Digital infrastructure/Cloud	31.2%	41.6%	42.3%	42.8%	43.6%	45.5%	43.6%	45.7%
SaaS	29.4%	22.7%	20.2%	19.6%	19.6%	21.7%	20.3%	21.5%
Security Solutions	14.9%	8.7%	11.0%	12.2%	12.2%	11.8%	11.9%	11.7%
Analytics/AI	11.6%	13.3%	12.9%	12.5%	11.9%	11.3%	12.1%	11.6%
IoT	9.8%	10.5%	9.9%	9.8%	8.5%	6.6%	8.6%	6.2%
Total	96.9%	96.8%	96.2%	96.7%	96.0%	96.8%	96.5%	96.6%
Automation as a % of total revenue	20.7%	25.2%	23.9%	23.9%	27.1%	26.2%	25.4%	26.0%

Operational & Financial Metrics

	FY20	FY 21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY 22	FY23 Q1
Revenue by Customer Geo								
USA	77.5%	73.4%	67.8%	65.9%	66.6%	65.7%	66.4%	66.6%
India	11.9%	11.8%	12.4%	13.0%	14.6%	16.2%	14.1%	15.8%
Europe	7.2%	10.4%	10.4%	11.1%	9.8%	10.4%	10.4%	10.7%
ROW	3.4%	4.4%	9.4%	10.0%	9.0%	7.8%	9.0%	6.9%
Million \$ Customers¹								
\$ 10 M +	1	1	1	1	1	1	1	2
\$ 5M to \$ 10M	-	3	3	6	4	4	4	4
\$ 3M to \$ 5M	9	6	6	3	4	8	8	7
\$ 1M to \$ 3M	15	16	21	21	23	25	25	25
Total	25	26	31	31	32	38	38	38
Revenue Mix								
Onsite	22.5%	19.0%	16.0%	16.1%	14.3%	14.3%	15.5%	14.3%
Offshore ²	77.5%	81.0%	84.0%	83.9%	85.7%	85.7%	84.5%	85.7%
Revenue by contracting Model								
Fixed Price	19.0%	22.0%	26.0%	24.4%	25.7%	24.5%	25.1%	24.9%
Time and Material	81.0%	78.0%	74.0%	75.6%	74.3%	75.5%	74.9%	75.1%
Active customers								
# of active customers	157	173	180	186	195	206	206	211
Billion \$ corporation								
# of customers	37	46	53	50	53	54	54	56

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

Operational & Financial Metrics

	FY20	FY21	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY22	FY23 Q1
Happiest Minds								
Onsite	123	166	180	182	183	172	172	185
Offshore	2,543	3,062	3,358	3,614	3,838	3,996	3,996	4,003
Total	2,666	3,228	3,538	3,796	4,021	4,168	4,168	4,188
Happiest Minds %								
Onsite	4.6%	5.1%	5.1%	4.8%	4.6%	4.1%	4.1%	4.4%
Offshore	95.4%	94.9%	94.9%	95.2%	95.4%	95.9%	95.9%	95.6%
Utilization								
%	76.9%	79.5%	82.1%	79.7%	81.0%	79.4%	80.5%	79.1%
Diversity								
Women Happiest Minds	24.0%	24.5%	25.2%	26.1%	26.1%	26.4%	26.4%	26.0%
DSO								
Billed	60	57	46	58	61	55	55	58
Unbilled	23	28	36	30	32	35	35	36
Total	83	85	82	88	93	90	90	94
EPS ₹								
Diluted	5.36	11.45	2.45	3.06	3.38	3.58	12.55	3.88
Capital Return Ratios								
RoCE	28.9%	31.2%	30.7%	33.8%	32.9%	45.3%	39.8%	39.1%
RoE	27.1%	29.8%	24.7%	27.5%	28.2%	31.4%	27.3%	31.5%

Operational & Financial Metrics

(All figures in ₹ Lakhs)	FY20		FY21		FY22 Q1		FY22 Q2		FY22 Q3		FY22 Q4		FY22		FY23 Q1	
Revenue by BUs																
IMSS	15,361	21.5%	16,421	20.6%	5,251	20.7%	5,747	21.0%	6,322	21.6%	6,848	22.1%	24,168	21.4%	7,356	22.1%
DBS	19,167	26.8%	21,288	26.7%	7,570	29.8%	8,046	29.4%	8,511	29.1%	8,762	28.2%	32,891	29.1%	9,903	29.8%
PES	35,293	49.4%	39,632	49.7%	11,639	45.8%	12,661	46.2%	13,561	46.4%	14,447	46.5%	52,308	46.3%	15,633	47.0%
Total Revenue	69,821	97.8%	77,341	97.0%	24,460	96.4%	26,453	96.5%	28,394	97.1%	30,057	96.8%	109,367	96.7%	32,892	98.9%
Other income	1,602	2.2%	2,424	3.0%	926	3.6%	959	3.5%	834	2.9%	991	3.2%	3,708	3.3%	382	1.1%
Total income	71,423	100%	79,765	100%	25,387	100%	27,412	100%	29,228	100%	31,048	100%	113,075	100%	33,274	100%

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

Summary Profit & Loss Statement

(All figures in ₹ Lakhs)	FY 20	FY 21	FY 22 Q1	FY 22 Q2	FY 22 Q3	FY 22 Q4	FY 22	FY 23 Q1
Income								
Operating revenue	69,821	77,341	24,461	26,453	28,394	30,057	109,365	32,892
Other income	1,602	2,424	926	959	834	991	3,710	382
Total income	71,423	79,765	25,387	27,412	29,228	31,048	113,075	33,274
Cost of revenue	42,927	44,382	14,661	15,864	16,591	17,289	64,404	18,499
Gross margin	26,894	32,959	9,800	10,589	11,804	12,768	44,961	14,393
%	38.5%	42.6%	40.1%	40.0%	41.6%	42.5%	41.1%	43.8%
SG&A	17,184	13,858	4,129	4,514	4,949	5,601	19,193	6,000
%	24.6%	17.9%	16.9%	17.1%	17.4%	18.6%	17.5%	18.2%
EBITDA	11,312	21,525	6,597	7,034	7,688	8,158	29,477	8,775
%	15.8%	27.0%	26.0%	25.7%	26.3%	26.3%	26.1%	26.4%
Depreciation	2,023	2,274	723	834	847	884	3,288	934
%	2.9%	2.9%	3.0%	3.2%	3.0%	2.9%	3.0%	2.8%
EBIT	9,289	19,251	5,874	6,200	6,841	7,274	26,189	7,841
%	13.0%	24.1%	23.1%	22.6%	23.4%	23.4%	23.2%	23.6%
Finance cost	802	649	146	265	298	286	995	283
PBT before exceptional item*	8,487	18,602	5,728	5,935	6,543	6,988	25,194	7,558
%	11.9%	23.3%	22.6%	21.6%	22.3%	22.4%	22.2%	22.6%
Exceptional Items⁺	1,126	-	609	-	-	-	609	-
PBT *	7,361	18,602	5,119	5,935	6,543	6,988	24,585	7,558
%	10.3%	23.3%	20.2%	21.6%	22.4%	22.5%	21.7%	22.7%
Current tax	190	3,527	1,595	1,512	1,466	1,737	6,310	2,325
Deferred tax	-	(1,171)	(49)	(21)	185	40	155	(401)
Total Tax	190	2,356	1,546	1,491	1,651	1,777	6,465	1,924
%	0.3%	3.0%	6.1%	5.4%	5.6%	5.7%	5.7%	5.8%
PAT *	7,171	16,246	3,573	4,444	4,892	5,211	18,120	5,634
%	10.0%	20.4%	14.1%	16.2%	16.7%	16.8%	16.0%	16.9%

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

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	30.06.2022
Assets							
Non-current Assets							
Property, plant and equipment	93	69	83	86	77	78	89
Goodwill	610	7,644	7,756	7,742	7,772	7,896	8,202
Financial & Other Assets	5,598	10,029	18,033	11,604	20,609	11,788	24,594
Total non-current assets (A)	6,301	17,742	25,872	19,432	28,458	19,762	32,885
Current assets							
Financial assets							
i. Trade receivables	11,487	12,192	12,431	16,064	18,212	16,738	20,937
ii. Cash and cash equivalents, Investments & Other Financial Assets	31,967	60,928	60,476	63,790	59,928	72,609	65,503
iii. Other assets	1,060	1,333	1,117	2,367	2,655	3,392	1,782
Total current assets (B)	44,514	74,453	74,024	82,221	80,795	92,739	88,222
Total assets (A + B)	50,815	92,195	99,896	101,653	109,253	112,501	121,107
Equity and Liabilities							
Total equity (A)	26,531	54,599	58,125	58,498	61,035	66,580	71,907
Non-current liabilities							
Financial liabilities	1,863	7,339	10,775	9,431	12,907	7,134	8,761
Provisions & Deferred tax liability	1,255	2,378	2,325	2,334	2,340	2,086	1,966
Total non-current liabilities (B)	3,118	9,717	13,100	11,765	15,247	9,220	10,727
Current liabilities							
Financial & Contract liabilities							
i. Trade payables	3,442	4,101	4,913	6,670	5,775	6,072	6,967
ii. Other financial liabilities	15,947	20,340	20,090	20,711	23,340	26,266	27,230
Provisions & Other current liabilities	1,777	3,438	3,668	4,009	3,856	4,363	4,276
Total current liabilities (C)	21,166	27,879	28,671	31,390	32,971	36,701	38,473
Total liabilities (D = B + C)	24,284	37,596	41,771	43,155	48,218	45,921	49,200
Total equity and liabilities (A + D)	50,815	92,195	99,896	101,653	109,253	112,501	121,107

PRESS RELEASE

Happiest Minds declares Industry leading sequential growth in constant currency of 6.9%. Raises revenue guidance for FY23 to 25% and to target compounded annual growth of 25% over the next 5 years.

Bengaluru, India, San Jose, California and London, July 21, 2022: Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results for the first quarter ended June 30, 2022 as approved by its Board of Directors.

Financial highlights for Q1FY23 ended June 30, 2022

- Operating Revenues in US\$ stood at \$42.2 million (growth of 5.9 % q-o-q; 27.4% y-o-y)
- Total Income of ₹ 33,274 lakhs (growth of 7.2% q-o-q; 31.1% y-o-y)
- EBITDA of ₹ 8,775 lakhs, 26.4% of Total Income (growth of 7.6% q-o-q; 32.7% y-o-y)
- PAT of ₹ 5,634 lakhs (growth of 8.1% q-o-q; 57.7% y-o-y)
- Free cash flows of ₹ 8,639 lakhs
- EPS (diluted) for the quarter of ₹ 3.88 (growth of 8.4% q-o-q; 58.4% y-o-y)

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q1 FY 23	Q4 FY 22	QoQ	Q1 FY 22	YoY
Revenues (\$'000)	42,224	39,876	5.9%	33,152	27.4%
Revenues	32,892	30,057	9.4%	24,461	34.5%
Other Income	382	991		926	
Total Income	33,274	31,048	7.2%	25,387	31.1%
EBITDA	8,775	8,158	7.6%	6,615	32.7%
%	26.4%	26.3%		26.1%	
PBT before Exceptional Item	7,558	6,988	8.2%	5,728	31.9%
%	22.7%	22.5%		22.6%	
Exceptional Item*	-	-		(609)	
PBT	7,558	6,988	8.2%	5,119	47.6%
%	22.7%	22.5%		20.2%	
Tax	1,924	1,777	8.3%	1,546	24.5%
%	5.8%	5.7%		6.1%	
PAT	5,634	5,211	8.1%	3,573	57.7%
%	16.9%	16.8%		14.1%	

* Loss on Fair Valuation of Warrant Liability

Ashok Soota, Executive Chairman, *"We have started fiscal FY23 showing industry leading performance. Our 10-year vision statement is to be a billion-dollar Company by 2031. In line with this goal, based on the growth we are experiencing and continued demand for digital services, we are increasing our revenue guidance for FY 23 to 25% while targeting to grow at a CAGR of 25% over the next 5 years"*

Venkatraman N, MD & CFO *"I am very happy with our performance for the quarter. While we make changes to our revenue guidance reflecting our confidence on our ability to perform, we continue to hold onto our EBITDA margin guidance of 22% to 24%"*

Joseph Anantharaju, Executive Vice Chairman, *"Our performance continues to lead the industry with results that demonstrate the strategic relevance of our services and our trusted customer and ecosystem partnerships. The results were broad-based over delivery across all markets, services, and industries. The demand for our services remains strong as enterprises continue to tread the path of a multi-year technology upgrade cycle through cloud adoption & migration, data engineering, analytics, and intelligent automation"*

Clients:

- 211 as of June 30, 2022
- 5 additions in the quarter

Our People - Happiest Minds:

- 4,188 Happiest Minds as of June 30, 2022 (net addition for the quarter **20**)
- Trailing 12 months attrition of 24.4%
- Utilization of 79.1%, from 79.4% in last quarter

Key Project Wins:

- For a large British based construction and Infrastructure company, Happiest Minds is chosen as a digital technology partner to build an IoT and Analytics platform to deliver data led insights for improved operational efficiency, sustained competitive advantage and customer experience
- For a large bottling company in North America, Happiest Minds is chosen as a trusted advisor for their large-scale implementation of business intelligence transformation engagement to drive better business decisions
- For a leading Semiconductor company, Happiest Minds is providing engineering services support for their network security product
- For a reputed animal management solutions company in the ANZ region, Happiest Minds is providing engineering services to improve animal performance and drive better customer experience

- For a global tech led mobility company, Happiest Minds is advising on running, managing and improving their third-party risk assessment program using next gen digital tools
- For a non-profit organization in the US, this consulting led engagement entails Happiest Minds to provide discovery, assessment and design services for their infrastructure migration to cloud

Awards:

- Happiest Minds is ranked #29 in India's Best Companies to Work For 2022 by Great Place To Work® Institute
- Happiest Minds is recognized as a Finalist for Microsoft Partner of the Year Awards 2022 in Business Applications Power Automate Category
- Ashok Soota is conferred with the prestigious CII Quality Ratna Award 2021
- Priya Kanduri wins the 'Women in AI' award at Trescon World AI show, Dubai
- Happiest Minds' AI/Analytics CoE is a winner at the ET DataCon Awards 2022

Analyst Mentions:

- Happiest Minds is recognized as an 'Innovator' in NelsonHall's Digital Banking Services NEAT Report
- Happiest Minds is recognized as a 'Major Contender' in Everest's Digital Product Engineering PEAK Matrix

For further details please refer to the Investors presentation hosted on the company website – [Investors section](#)

About Happiest Minds Technologies:

[Happiest Minds Technologies Limited](#) (NSE: HAPPSTMNDS), a Mindful IT Company, enables [digital transformation](#) for enterprises and technology providers by delivering seamless customer experiences, business efficiency and actionable insights. We do this by leveraging a spectrum of disruptive technologies such as: [artificial intelligence](#), [blockchain](#), [cloud](#), [digital process automation](#), [internet of things](#), robotics/drones, [security](#), [virtual/augmented reality](#), etc. Positioned as 'Born Digital . Born Agile', our capabilities span digital solutions, infrastructure, product engineering and security. We deliver these services across industry sectors such as automotive, BFSI, consumer packaged goods, e-commerce, EduTech, engineering R&D, healthcare, hi-tech, manufacturing, retail and travel/transportation/hospitality.

A Great Place to Work-Certified™ company, Happiest Minds is headquartered in Bangalore, India with operations in the U.S., UK, Canada, Australia and Middle East.

Safe harbor

This release 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.

For more information, contact:

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