

July 28, 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: HAPSTMNDS

Dear Sir/Madam,

**Sub: Press Release on the financial results of Q1 for FY'22**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Press Release on the financial results of the Company for the quarter ended June 30, 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**



## PRESS RELEASE

**Happiest Minds' starts FY 22 with a strong quarter.**

**Reports US\$ QoQ & YoY revenue growth of 9.6% & 41.4%**

**Revenues at ₹ 254 Crores and Profit Before Tax at ₹ 51 Crores**

**Bengaluru, India, San Jose, California and London, July 28, 2021:** Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results today for the first quarter ended June 30, 2021 as approved by its Board of Directors.

*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 (₹ lakhs)	3,573	3,605	(0.9)%	5,018	(28.8)%
%	14.1%	16.1%		26.8%	

\* Loss on Fair Valuation of Warrant Liability

**Joseph Anantharaju, Executive Vice Chairman, Happiest Minds Technologies** said, "With our positioning in the market as a go to digital partner and the demand environment remaining buoyant, we have been able to record a good performance in this quarter. Our net headcount addition was strong as we onboarded 310 Happiest Minds, which reflects our ability to attract and retain good talent with our compelling people engagement programs".

**Venkatraman N, MD & CFO, Happiest Minds Technologies** talking on the financials said, "We have begun the fiscal on a solid footing with good growth and performance. Our operations and delivery remain resilient in the face of supply side pressures and the pandemic situation. Our financials this quarter has an exceptional expense on account of fair valuation of warrant liability in our balance sheet. The original liability represented the probable future payout obligation basis growth and profitability of PGS Inc. Fair valuation of the original liability basis performance of the acquired asset, and changes, either debit or credit, must be routed through the P&L. Basis increasing probability of payout on account of performance, we have fair revalued the liability leading to an exceptional expense of ₹ 6.1 Crores.

Our improving profitability means higher effective income-tax. Compared to the same quarter previous year wherein we had a significant tax credit by accounting for 'deferred tax asset', this quarter we have a full charge or expenses in line with our profits.

Separately, I am happy to state that we have been able to settle an earlier reported employee discrimination suit in the US leading to a credit to our P&L of ₹ 2 Crores".

### **Financial highlights for the Quarter ended June 30, 2021**

- Operating Revenues in US\$ terms stood at \$33.2 million (growth of 9.6% q-o-q ; 41.4% y-o-y)
- Total Income of ₹ 25,387 lakhs (growth of 13.5% q-o-q ; 35.8% y-o-y)
- EBITDA of ₹ 6,615 lakhs, 26.1% of Total Income (growth of 12.4 % q-o-q ; 38.3% y-o-y)
- PAT of ₹ 3,573 lakhs (decline of 0.9 % q-o-q; 28.8% y-o-y)
- Free cash flows of ₹ 6,569 lakhs for the quarter,
- EPS (diluted) for the quarter of ₹ 2.45 (decline 1.2% q-o-q; 34.1% y-o-y )
- RoCE & RoE (quarterly annualized) of 30.7% and 24.7%

### **Our Business:**

**Ram Mohan, Member of the Executive Board, Happiest Minds Technologies** said, "Enterprises are rapidly scaling up their digital infrastructure through their Core Transformation, Everything-on-Cloud and Cloud Migration initiatives. Our quarterly results validate the commitment to our clients as we help them build and create seamless digital experiences across multiple channels."

### **Clients:**

- 180 as of June 30, 2021
- 18 additions in the quarter

### **Our People - Happiest Minds:**

- 3,538 Happiest Minds as of June 30, 2021 (net addition for the quarter **310**)
- Trailing 12 months attrition of 14.7%
- Utilization of 82.1%, from 82.6% in Q4 FY21

### **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:**

- Winner of "Golden Peacock Business Excellence Award" for the year 2021
- Happiest Minds is among India's Top 25 Best Companies to Work for in 2021 by Great Place to Work® Institute
- Happiest Minds is among Asia's Best Workplaces 2021 by Great Place to Work® Institute
- Analytics India Magazine: Top 50
- Happiest Minds is ranked among Top 50 Companies for Data Scientists to Work For -2021 by Analytics India Magazine
- Happiest Minds wins Times Ascent - World HRD Congress Global HR Excellence Awards 2021
- Happiest Minds Technologies Wins 2021 IBM Geography Excellence Award for APAC Best in Class - Build on IBM Cloud Partner
- Happiest Minds' two case studies recognized with 2021 ISG Digital Case Study Awards™

**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, 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.

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