

PRESS RELEASE: Happiest Minds revenue growth accelerates: 17.8% YoY in constant currency; and set to report its best performance since its IPO.

EBITDA grows YoY by 13.3% to ₹ 117 Crores

Bengaluru, Seattle and London, August 12, 2024: Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', a digital transformation and IT solutions company, today announced its consolidated results for the first quarter ended June 30, 2024, as approved by its Board of Directors.

Ashok Soota, Executive Chairman, said, "Happiest Minds has begun the new fiscal year by setting the foundation for the best performance since our IPO. Establishment of Gen AI business services, BU reorganization with industry groups into profit centers, and two excellent acquisitions have set us on a path of accelerated growth, which will be further manifested in successive quarters."

Key Financial highlights

- Revenue in constant currency grew 11.4% q-o-q and 17.8% y-o-y
- Operating Revenues in US \$ stood at \$55.5 million growing 10.9% q-o-q and 16.8% y-o-y
- Total Income of ₹ 48,926 lakhs growing 10.6% q-o-q and 20.9% y-o-y
- EBITDA of ₹ 11,671 lakhs, 23.9% of Total Income (growth of 7.8% q-o-q and 13.3% y-o-y)
- PAT of ₹ 5,103 lakhs 10.4% of Total Income (decline of 29.1% q-o-q and 12.5% y-o-y)*
- Free cash flows of ₹ 11,569 Lakhs and EPS (diluted) at ₹ 3.39

*Decline primarily due to non-recurring expense in the current quarter vs a large exception write-back in the previous period, also increased amortization and financing costs arising from recent acquisitions

All amounts in ₹ Lakhs unless stated otherwise.

Particulars	Q1 FY25	Q4 FY24	QoQ	Q1 FY24	YoY
Revenues	46,383	41,729	11.2%	39,087	18.7%
Other Income	2,543	2,521		1,366	
Total Income	48,926	44,250	10.6%	40,453	20.9%
EBITDA	11,671	10,822	7.8%	10,299	13.3%
%	23.9%	24.5%		25.5%	
Finance Cost	1,983	1,033		1,007	
Depreciation	914	840		702	
Amortization	1,290	629		723	
Non Recurring Exp/(Inc)	643	(1,295)		-	
Profit Before Tax (PBT)	6,841	9,615	(28.9)%	7,868	(13.1)%
%	14.0%	21.7%		19.4%	
Tax	1,738	2,417		2,035	
%	3.6%	5.5%		5.0%	
Profit After Tax (PAT)	5,103	7,198	(29.1)%	5,833	(12.5)%
%	10.4%	16.3%		14.4%	
Revenues (\$'000)	55,547	50,077	10.9%	47,566	16.8%
Growth in Constant Currency			11.4%		17.8%

Venkatraman Narayanan, MD & CFO, said *"The quarter was eventful, and our results for the same include that of our two acquisitions: of PureSoftware and Aureus. The former's results have been consolidated from May 22, and that of the latter from May 24th. Our revenues in constant currency grew year over year by 17.8% while EBITDA grew by 13.3%. Variation in PBT and PAT are primarily on account of non-recurring expenses in the current quarter versus a large exceptional write-back in the previous, and increased amortization and financing costs arising from acquisitions."*

Joseph Anantharaju, Executive Vice Chairman, said, *"Our sustained growth reflects our resilience and agility to adapt to market conditions quickly. We remain laser-focused on our client's needs and are set to leverage our Industry Groups and recent acquisitions to deliver on our client's strategic imperatives. The newly created Generative AI Business Services (GBS) is also helping us create transformative solutions that are helping customers to further extend their digital journeys."*

Clients:

- 279 as of June 30, 2024
- 41 additions in the quarter

Our People - Happiest Minds:

- 6,599 Happiest Minds as of June 30, 2024
- Trailing 12-month attrition of 13.5% (13.0% in the previous quarter)
- Utilization of 78.2%, from 75.1% in last quarter

Key wins

- For **world's leading beverage maker**, Happiest Minds is enhancing their sales process through an generative AI enabled chat bot for actionable intelligence and decision making.
- For **US based provider of sustainable solutions**, this new win entails Happiest Minds to enhance their data platform and visualization.
- For **US based professional body in the healthcare sector**, Happiest Minds is their strategic partner to migrate to a cloud-based CRM solution.
- For **US based professional organization of emergency healthcare providers**, this strategic multi-year cyber security engagement entails Happiest Minds to provide managed security services to prevent, detect, and respond to cyber security incidents.
- For **one of the largest integrated laboratory system in North America**, Happiest Minds will co-partner to implement and manage the Identity and Access Management solutions on a managed service model.
- For **the largest Professional Clearing Member in India**, Happiest Minds has been chosen to provide managed security services and security operations centre (SOC) services.
- For a **leading European on-demand printing and fulfilment company**, Happiest Minds is providing IT Services to support their delivery and operations.
- For a **leading American multinational investment bank and financial services company**, Happiest Minds has been selected to drive their digital transformation program.

Awards

- Happiest Minds is recognized among '**50 Best Firms for Data Scientists to Work For in 2024**' by Analytics India Magazine (AIM)
- Happiest Minds was selected as a **WINNER** at '**CNBC-TV18 India Risk Management Awards 2024**'
- Happiest Minds was awarded '**Best Save Water Initiative of the Year – 2024**' at Global CSR, Sustainability and ESG Awards
- Happiest Minds' **Arttha** solution was awarded '**Best Banking-as-a-Service Platform of the Year**' at the 14th Africa Bank 4.0 Summit

Analyst Mentions

- Happiest Minds is '**Product Challenger**' for Design & Development, Platform & App Services and Integrated CX-UX – ISG
- Happiest Minds is '**Cybersecurity - Solutions and Services 2024**' - ISG Provider Lens™ Study - Australia, U.K., U.S. for market standing
- Happiest Minds is '**Innovators**' and '**High Achievers**' - NelsonHall's End-to-End Cloud Infrastructure Management Services 2024
- Happiest Minds is in '**Execution Zone**' in Generative AI Services for Intelligent Automation (IA) - Mid Tier Service Providers 2024 - Zinnov Zones

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 Product & Digital Engineering Services (PDES), Generative AI Business Services (GBS) and Infrastructure Management & Security Services (IMSS). We deliver these services across industry groups: Banking, Financial Services & Insurance (BFSI), EdTech, Healthcare & Life Sciences, Hi-Tech and Media & Entertainment, Industrial, Manufacturing, Energy & Utilities, and Retail, CPG & Logistics. The company has been recognized for its excellence in Corporate Governance practices by Golden Peacock and ICSI. A Great Place to Work Certified™ company, Happiest Minds is headquartered in Bengaluru, India with operations in the U.S., UK, Canada, Australia, and the 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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