

February 04, 2025

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: HAPPSTMNDS

Dear Sir/Madam,

Sub: Press Release on the financial results of Q3 for FY'25

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 and nine months ended December 31, 2024.

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 growth accelerates to 29.5% y-o-y reporting revenues of ₹ 531 Crores on the back of strong deal closures

EBITDA grows 11.1% to ₹ 117 Crores

Bengaluru, Seattle and London, February 4, 2025: 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 Third quarter ended December 31, 2024, as approved by its Board of Directors.

Ashok Soota, Executive Chairman, said, "Happiest Minds has reported another quarter of strong deal momentum and performance with a revenue growth of 28.2% y-o-y in constant currency and we are set to report our best performance since IPO in absolute terms.

We launched four transformational initiatives this year which included the acquisitions of Puresoftware and Aureus. The success of the same is evident from our YoY growth. The other three initiatives will accelerate our organic growth in the year ahead. These initiatives are the creation of the GenAI Business Unit, Verticalization into six Industry groups and induction of our Chief Growth Officer.

At our Generative AI Business Services (GBS), we are collaborating with our clients to explore opportunities for leveraging generative AI to enhance business value, efficiency, and productivity. Our goal is to integrate generative AI features into their products, services and provide them with a competitive advantage. The adoption of this promising technology has picked up speed with our customers embarking into enterprise-wide adoption. Apart from projects already delivered, we have about 15 projects in a proof-of-concept stage which will lead to significant orders/projects in the next fiscal.

All our transformational initiatives will also ensure superior performance ahead."

Key Financial highlights

Quarter ended December 31, 2024

- Revenue in constant currency grew 0.8% q-o-q and 28.2% y-o-y
- Operating Revenues in US \$ stood at \$62.7 million growing 0.5% q-o-q and 27.0% y-o-y
- Total Income of ₹ 55,376 lakhs growing 0.9% q-o-q and 27.5% y-o-y
- EBITDA of ₹ 11,686 lakhs, 21.1% of Total Income (decline of 1.6% q-o-q and growth of 11.1% y-o-y)
- PAT of ₹ 5,010 lakhs 9.0% of Total Income (growth of 1.2% and decline of 16.0% y-o-y*)
- Free cash flows of ₹ 11,180 Lakhs and EPS (diluted) at ₹ 3.33

Nine months ended December 31, 2024

- Revenue in constant currency grew 24.8% y-o-y
- Operating Revenues in US \$ stood at \$180.7 million growing 23.7% y-o-y
- Total Income of ₹ 159,170 lakhs growing 25.6% y-o-y
- EBITDA of ₹ 35,240 lakhs, 22.1% of Total Income (growth of 12.6% y-o-y)
- PAT of ₹ 15,065 lakhs 9.5% of Total Income (decline of 14.6% y-o-y*)
- Free cash flows of ₹ 34,361 Lakhs and EPS (diluted) at ₹ 10.01

**Decline primarily due to acquisition related non-cash charge and financing costs*

All amounts in ₹ Lakhs unless stated otherwise.

Particulars	Q3 FY25	Q2 FY25	QoQ	Q3 FY24	YoY	9M FY25	9M FY24	YoY
Revenues (\$'000)	62,719	62,385	0.5%	49,366	27.0%	180,651	146,053	23.7%
Growth in CC			0.8%		28.2%			24.8%
Revenues	53,081	52,164	1.8%	40,988	29.5%	151,627	120,737	25.6%
<i>Other Income</i>	2,296	2,703		2,429		7,543	6,016	
Total Income	55,376	54,867	0.9%	43,417	27.5%	159,170	126,753	25.6%
EBITDA	11,686	11,882	(1.6)%	10,519	11.1%	35,240	31,300	12.6%
%	21.1%	21.7%		24.2%		22.1%	24.7%	
Operating Margin¹	9,264	9,352	(0.9)%	8,232	12.5%	27,812	25,654	8.4%
%	17.5%	17.9%		20.1%		18.3%	21.2%	
<i>Finance Cost</i>	2,442	2,551		1,014		6,733	3,012	
<i>Depreciation</i>	1,172	1,154		871		3,512	2,872	
Profit before Non Cash/Exceptional	8,073	8,178	(1.3)%	8,634	(6.5)%	24,995	25,415	(1.7)%
%	14.6%	14.9%		19.9%		15.7%	20.1%	
<i>Amortization/Unwinding Interest²</i>	1,178	1,406		668		3,845	1,668	
<i>Exceptional Item</i>	-	-		107		(643)	107	
PBT	6,894	6,771	1.8%	8,073	(14.6)%	20,508	23,854	(14.0)%
%	12.5%	12.3%		18.6%		12.9%	18.8%	
Tax	1,884	1,820		2,111		5,443	6,211	
%	3.4%	3.3%		4.9%		3.4%	4.9%	
PAT	5,010	4,951	1.2%	5,962	(16.0)%	15,065	17,643	(14.6)%
%	9.0%	9.0%		13.7%		9.5%	13.9%	

Note 1 – Operating Margin – EBITDA excluding other income

Note 2 - Amortization and unwinding interest are non cash items from the acquisition

Venkatraman Narayanan, MD & CFO, said, “We continue to deliver revenue growth, operating and EBIDTA margins despite investments in our start-up business unit of Generative Business Services. Profits before tax does show the impact of non-cash and other charges emanating due to acquisitions. Our focus is to cover for these through benefits of consolidated operations and growth. Cash Earnings Per Share a metric that reflects health of the business has shown a growth about 12.6% year over year”

Joseph Anantharaju, Executive Vice Chairman, said, “The results reflect our continued ability to execute and deliver high-quality digital capabilities to our customers. During the quarter, Happiest Minds accelerated its net new growth opportunities while increasing the number of large customers. Our acquisitions are allowing us to diversify our revenue base across geos and verticals while leveraging synergies to accelerate growth.”

Clients:

- 278 as of December 31, 2024
- 7 additions in the quarter

Our People - Happiest Minds:

- 6,630 Happiest Minds as of December 31, 2024
- Trailing 12-month attrition of 15.3% (14.4% in the previous quarter)
- Utilization of 78%, from 76.3% in last quarter

Key wins:

- For a **global technology & service major**, Happiest Minds is partnering to implement core banking technology to streamline operations and enhance client satisfaction, for the mortgage

division of a large multinational banking and financial services company.

- For a **US logistics tech provider**, Happiest Minds is driving their digital transformation agenda and building intelligent conversational dashboards using Gen AI.
- For an **American multinational financial services company**, Happiest Minds is transforming their Enterprise Content Management Systems.
- For a **US Healthtech company**, Happiest Minds is providing Infrastructure Management Services.
- For a **global EV Original Equipment Manufacturer(OEM)**, Happiest Minds was chosen as one of the key partners to build their data platform.
- For a **global MedTech company**, Happiest Minds is leveraging Microsoft Power Platform to build their engineering platform.
- For a **Middle East based global bank**, Happiest Minds is providing Risk and Governance consulting services.
- For an **India-based global payments solution company**, Happiest Minds was chosen to co-develop multiple mission-critical applications.

Award Wins:

- Happiest Minds is recognized among **2024 Avtar & Seramount Best Companies for Women in India in IT and Exemplar of Inclusion in the Most Inclusive Companies Index**
- Happiest Minds is recognized among **Top 100 India's Best Workplaces™ for IT & IT-BPM 2024** by Great Place To Work®
- Happiest Minds' Integrated Annual Report 2024 is ranked #42 globally, wins **Gold and Silver Awards at the LACP 2024 Spotlight Awards**

Analyst Mentions:

- Happiest Minds is '**Major Contender**' in Everest PEAK Matrix for Microsoft Azure Services
- Happiest Minds is '**Major Contender**' in Everest PEAK Matrix for AWS Services
- Happiest Minds is '**Major Contender**' in Everest Group in the Digital Workplace Services PEAK Matrix® Assessment 2024: Mid-market Enterprises

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: HAPSTMNDS), 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.

For more information, contact:

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