

PRESS RELEASE

Happiest Minds records industry leading Q4FY22 sequential revenue growth of 6.2%; full year FY22 growth at 41.8%

EBITDA for FY22 grows 36.9% to ₹295 crores, generating free cash flows of ₹291 Crores.

Proposes final dividend of ₹2.00 per share

Bengaluru, India, San Jose, California and London, May 5, 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 fourth quarter and year ended March 31, 2022 as approved by its Board of Directors.

Financial highlights for Q4FY22 ended March 31, 2022

- Operating Revenues in US\$ terms stood at \$39.9 million (growth of 5.5% q-o-q; 31.9% y-o-y)
- Total Income of ₹ 31,048 lakhs (growth of 6.2% q-o-q; 38.8% y-o-y)
- EBITDA of ₹ 8,158 lakhs, 26.3% of Total Income (growth of 6.1% q-o-q; 39.0% y-o-y)
- PAT of ₹ 5,211 lakhs (growth of 6.5% q-o-q; 44.5% y-o-y)
- Free cash flows of ₹ 8,106 lakhs
- EPS (diluted) for the quarter of ₹ 3.58 (growth of 5.9% q-o-q; 44.4% y-o-y)

FY22 year ended March 31, 2022

- Operating Revenues in US\$ terms stood at \$146.6 million (growth of 40.2% y-o-y)
- Total Income of ₹ 113,075 lakhs (growth 41.8% y-o-y)
- EBITDA of ₹ 29,477 lakhs, 26.1% of Total Income (growth of 36.9% y-o-y)
- PAT of ₹ 18,120 lakhs (growth of 11.5% y-o-y)
- Free cash flows of ₹ 29,064 lakhs
- EPS (diluted) for the year ₹ 12.55 (growth of 9.6% y-o-y)
- RoCE & RoE of 39.8% and 27.3% for the year respectively

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q4 FY 22	Q3 FY 22	QoQ	Q4 FY 21	YoY	FY 22	FY 21	YoY
Revenues (\$'000)	39,876	37,796	5.5%	30,235	31.9%	146,634	104,592	40.2%
Revenues	30,057	28,394	5.9%	22,071	36.2%	109,367	77,341	41.4%
Other Income	991	834	18.8%	303	226.6%	3,710	2,424	53.0%
Total Income	31,048	29,228	6.2%	22,374	38.8%	113,075	79,765	41.8%
EBITDA	8,158	7,688	6.1%	5,867	39.0%	29,477	21,525	36.9%
%	26.3%	26.3%		26.2%		26.1%	27.0%	
PBT before Exceptional Item	6,988	6,543	6.8%	4,924	41.9%	25,194	18,602	35.4%
%	22.5%	22.4%		22.0%		22.3%	23.3%	
Exceptional Item*	-	-		-		(609)	-	
PBT	6,988	6,543	6.8%	4,924	41.9%	24,585	18,602	32.2%
%	22.5%	22.4%		22.0%		21.7%	23.3%	
Tax	1,777	1,651	7.6%	1,319	34.7%	6,465	2,356	174.4%
%	5.7%	5.6%		5.9%		5.7%	3.0%	
PAT	5,211	4,892	6.5%	3,605	44.5%	18,120	16,246	11.5%
%	16.8%	16.7%		16.1%		16.0%	20.4%	

* Loss on Fair Valuation of Warrant Liability

Ashok Soota, Executive Chairman, *"With a growth of 40.9% in constant currency, we have delivered industry-leading growth with a superior margin profile. The performance validates our efforts over the years to scrupulously stitch a culture of innovation, collaboration and being mindful to the needs of our customers and stakeholders"*

Venkatraman N, MD & CFO *"I am very happy with our financial results while remaining cautiously optimistic of the future. Focus will be on maintaining growth, both organic and in-organic while not taking our eyes off profitability, cash flows and leverage."*

Joseph Anantharaju, Executive Vice Chairman, Happiest Minds Technologies, *"The rapid adoption of digital technologies is forcing companies cutting across industries to innovate rapidly and take advantage of newer technologies and paradigms to significantly enhance customer experience. Our deep expertise in the building blocks of Digital such as IoT, AI, Cloud, and RPA, along with next-gen technologies such as Blockchain, AR/VR, and Robotics has made us a strategic partner of choice to many of these companies, leading to robust demand and deep long-lasting relationships."*

Clients:

- 206 as of March 31, 2022
- 11 additions in the quarter

Our People - Happiest Minds:

- 4,168 Happiest Minds as of March 31, 2022 (net addition for the quarter **147**, For full year **940**)
- Trailing 12 months attrition of 22.7%
- Utilization of 79.4%, from 81.0% in last quarter

Key Project Wins:

- For an EU multinational manufacturing company, Happiest Minds has taken ownership of building their Test Automation Framework & DevOps projects
- For a large US fashion retailer, Happiest Minds was chosen as their application security services partner
- For a Fortune 100 American multinational technology conglomerate, Happiest Minds was awarded the project for data center automation
- For one of the largest passenger vehicle manufacturers in India, Happiest Minds was selected as the partner of choice for their digital initiatives
- For a US supply chain company, Happiest Minds was chosen as their Digital partner for their Product Development work
- For a leading digital housing solution provider in Nordics, Happiest Minds was chosen as their Digital partner for building its cloud-native customer journey platform

Analyst Mentions:

- Recognized as a 'Major Contender' in Everest Group PEAK Matrix for Digital Engineering
- Featured in NASSCOM's report on India Cybersecurity Industry Services & Product Growth Story

Awards:

- Ranked among India's Top 15 Best Workplaces in Health and Wellness 2021 by Great Place to Work® Institute. Happiest Minds also received a special recognition for supporting employees and their families during COVID-19 crisis
- Ashok Soota is among India's 100 Great People Managers 2021 by Great Manager Institute®

Announcements:

- The Board of Directors of the Company at their meeting held on May 5, 2022 has recommended a final dividend of ₹2 per equity share of face value ₹ 2/- for the financial year 2021-22 subject to shareholder approval

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.

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