

PRESS RELEASE

Happiest Minds continues growth momentum; revenues grow 6.0% sequentially in dollar terms. EBITDA margin rises to 29.7%

Bengaluru, India, San Jose, California and London, February 10, 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 third quarter ended December 31, 2020 as approved by its Board of Directors.

Particulars	Q3 FY 21	Q2 FY 21	QoQ	Q3 FY 20	YoY	9M FY 21	9M FY 20	YoY
Revenue (\$'000)	26,202	24,712	6.0%	24,085	8.8%	74,358	72,735	2.2%
Revenue (₹ lakhs)	20,129	18,791	7.1%	17,557	14.6%	57,433	52,402	9.6%
EBITDA (₹ lakhs)	5,969	4,939	20.9%	2,811	112.3%	15,690	8,749	79.3%
EBITDA %	29.7%	26.3%	337 bps	16.0%	1364 bps	27.3%	16.7%	1062 bps
PAT (₹ lakhs)	4,215	3,408	23.7%	2,138	97.1%	12,641	6,641	90.3%
PAT %	20.9%	18.1%	280 bps	12.2%	876 bps	22.0%	12.7%	934 bps

Joseph Anantharaju, Exec. Vice Chairman and CEO – Product Engineering Services, Happiest Minds

Technologies said, "We have a strong deal pipeline on the back of increasing market demand and are thankful to all our customers for the trust they have reposed in us. Our people are our key strength and they continue to play a critical role in our growth and ensuring customer delight".

Venkatraman Narayanan, Managing Director & CFO, Happiest Minds Technologies said, "We are indeed happy to deliver another successful quarter showing good growth in revenue and profits. Revenues in US dollar terms grew YoY by 8.8% and QoQ by 6.0% while our profits after tax have grown YoY by 97.1% and QoQ by 23.7%. We continue to maintain and improve on key capital return ratios which are key to increasing our shareholder and stakeholder value".

Financial highlights:

Quarter ended December 31, 2020

- Operating Revenues stood at \$26.2 million (growth of 6.0% q-o-q ; 8.8% y-o-y)
- Total Income stood at ₹ 20,129 lakhs (growth of 7.1% q-o-q ; 14.6% y-o-y)
- EBITDA stood at ₹ 5,969 lakhs, 29.7% of Total Income (growth of 20.9 % q-o-q ; 112.3% y-o-y)
- PAT at ₹ 4,215 lakhs (growth of 23.7 % q-o-q; 97.1% y-o-y)
- Diluted EPS for 9 months stood at ₹ 8.95
- Free cash flows of ₹ 5,920 lakhs for the quarter
- RoCE & RoE (annualized) for the nine months stood at 36.2% and 33.2% respectively

Others:

Clients:

- 155 as of December 31, 2020;
- 6 additions during the quarter

Our People - Happiest Minds:

- 2,885 Happiest Minds as of December 31, 2020 (net addition during the quarter of 164);
- Trailing 12 months attrition of 13.1%
- Utilization of 81.6%, up from 78.7% in Q2 FY21.

Key Project Wins:

- For a US Fortune 500 Engineering Giant on an Industry 4.0 transformation, Happiest Minds leveraged virtual voice assistants to converse and retrieve asset monitoring and performance metrics of various IoT devices at customer sites
- For US K12 EduTech company, Happiest Minds is leveraging augmented reality to enrich curriculum contents and provide new age learning experience to students; also providing engineering services to enhance their adaptive remediation platform.
- For an APAC based sports-tech startup, Happiest Minds was selected to build a sensor-enabled device that captures player movements, analyze, and provide insights for better performance
- For a retail-tech company in ANZ, Happiest Minds has been chosen to implement automated service desk for its order orchestration platform which is used by leading retailers of the world
- For a global leader in construction and infrastructure services and monitoring company in Europe, this multi-year deal entails Happiest Minds to provide end-to-end cloud based IoT, Edge Digital Platform for asset monitoring and tracking performance for infrastructure assets globally including laying the foundations for Automation, Analytics & Digital Twins
- For a large professional services company in Europe, this multi-year deal entails Happiest Minds to deliver a 'customized to process' service desk chat-bot commercially 'as-a-Service' which reduces human intervention and becoming the primary channel for user assistance

Awards:

- Recognized by Intel's Winners' Circle Program as a Solution Plus partner for contributing towards the acceleration of 5G and virtual network transformation
- Awarded 'Diversity & Inclusion Company of the Year by Women Leadership Forum of Asia. Also recognized for best D&I Awareness Campaign and best D&I Talent Management Practice
- Awarded Jalarushi Puraskar by Bangalore's Water Authority for implementing environment friendly initiatives towards water conservation.

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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