

15<sup>th</sup> May, 2023

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex, Mumbai  
Kind Attn: Manager, Listing Department  
Stock Code – SONATSOFTW

BSE Limited  
P.J. Towers, Dalal Street, Mumbai  
Kind Attn: Manager, Listing Department  
Stock Code - 532221

Dear Sir/Madam,

**SUB: INVESTORS' PRESENTATION**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Investors' Presentation for the quarter and year ended 31<sup>st</sup> March, 2023.

The above said presentation is also made available on the Company's website [www.sonata-software.com](http://www.sonata-software.com).

Please take the same on record.

Thanking you,

Yours faithfully,  
For **Sonata Software Limited**



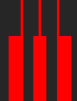
**Mangal Kulkarni**  
**Company Secretary, Compliance Officer and Head Legal**

Encl.: As above

**PLAY  
BIG**

**Investor  
Presentation**

Q4 FY'23



# Sonata At A Glance



We are a Modernization and a Digital Engineering company powered by our unique **PLATFORMATION™** framework.

## The Company

**35 YEARS**

IT Solutions Provider

**\$925+M**

Revenue

**14.3% CAGR**

across 10 years

**Listed (SONATSOFTW)**

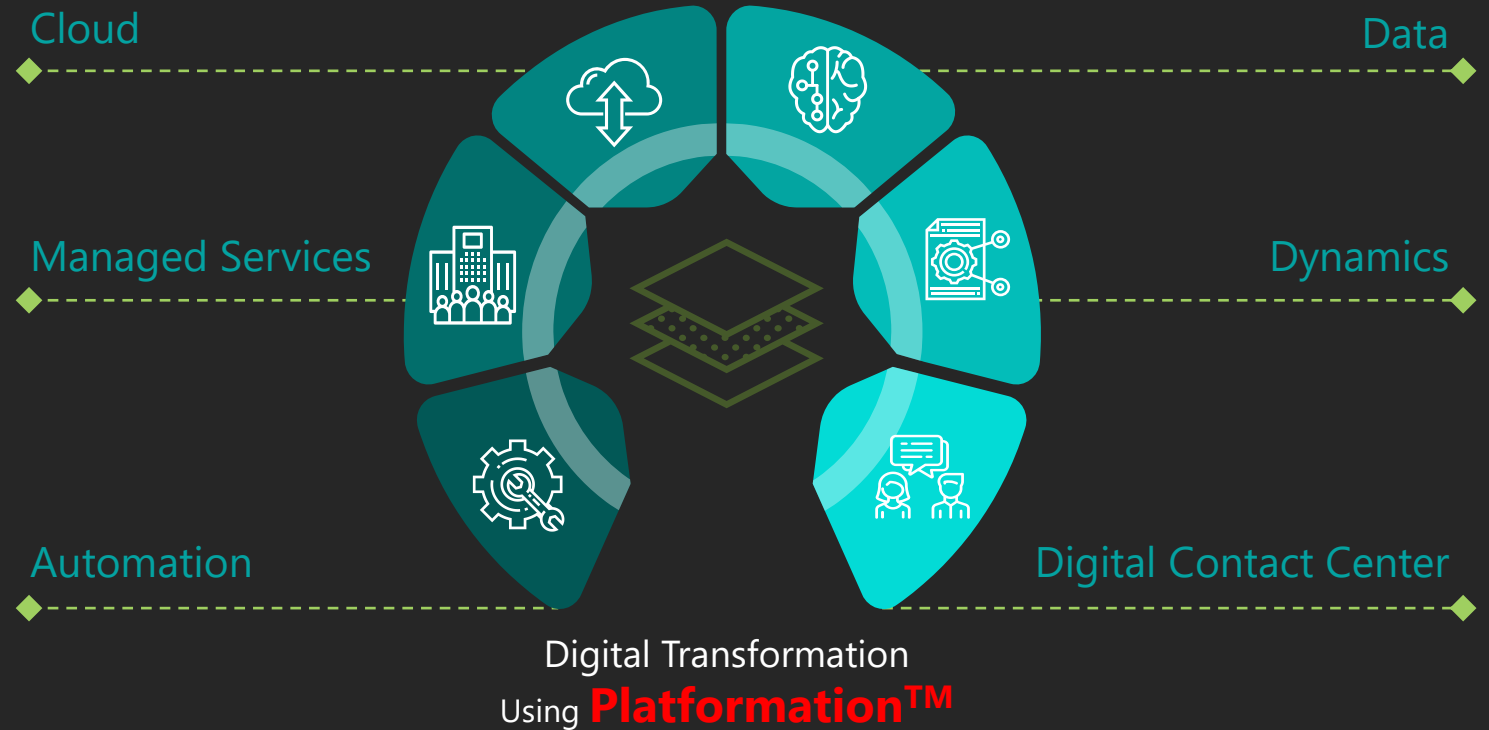
Robust Balance sheet

**6400+ Employees**

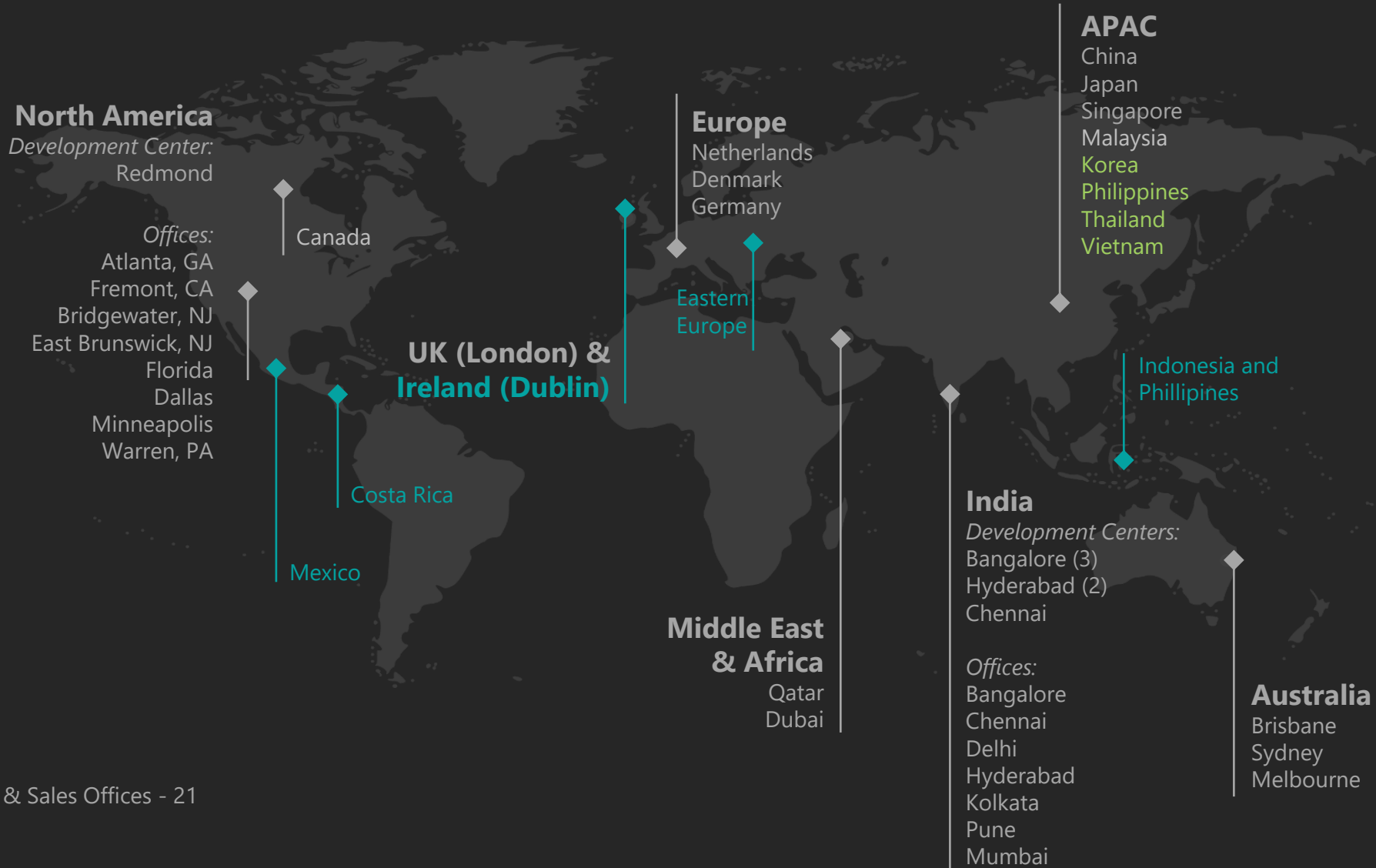
Across US, EU, Asia & ANZ

Powered by *Unified Engineer Program (UEP)*

## Delivering Outcome-based Modernization Services



# Serving Our Global Clients With Right Talent Mix (Global & Local Talent)



- Development Centers & Sales Offices - 21
- Partners - 5
- Global Delivery centers recent/InProgress - 6



## Industries



TMT



Retail, Travel & Mfg.



BFSI



Healthcare and Life Sciences



Emerging

## Ecosystem: Partnerships Tech + Domain



Microsoft



Google Cloud



snowflake

servicenow



metricstream



### Innovative IPs

**LISA Chatbot** (Conversational AI)

**Workbox.io** (Archival)

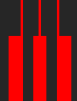
**Lightning Build**



Sustainability Target:  
**Carbon Neutrality by 2030**

10% Reduce Energy consumption in FY 22-23

10% Increase Renewable energy/ REC mix in FY 22-23



# PLAY BIG



# Creating Value For Our Shareholders



## Total Return to Share Holders

	1 Yr	5 Yrs
Stock Price Return %**	36%	318%
Dividend Yield# %	2%	6%

\* Till March 31, 2023

## Market Data

NSE Symbol	SONATSOFTW
Market Cap**	\$ 1.4B

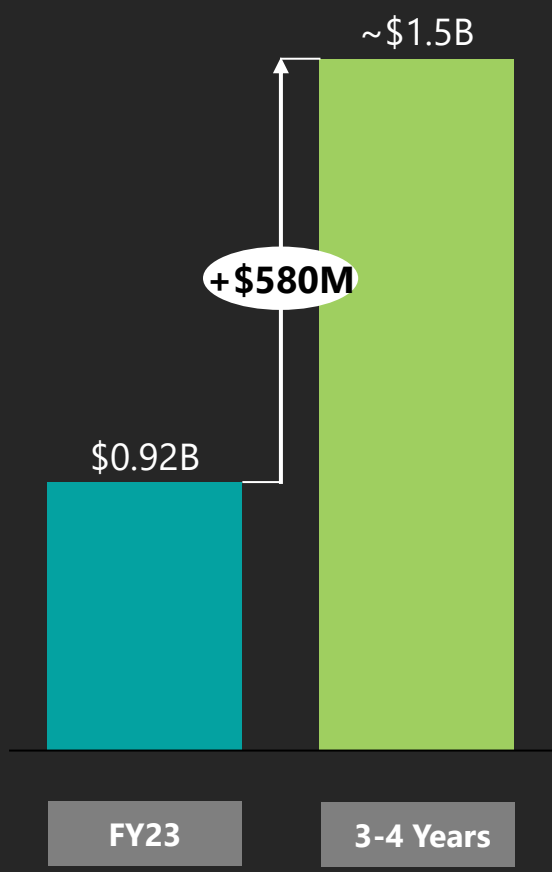
\* 1 USD = INR 82.2

# Annualized

\*\* Market cap as on 31st Mar'23



## Revenue Growth (In \$M)



## SCALE – Key Drivers



### Harvest

Microsoft sell-to; Dynamics  
Sustain SITL momentum  
Retail, Manufacturing, Travel and TMT



### Invest

Invest: Sales, Large deals, BFSI, Healthcare Life Sciences and technical capabilities



### Diversify

**Clients:** Build multiple large accounts.  
**Brand:** Global brand in Modernization





# Our Objective and Goal



## Objective:

Be the fastest-growing Next-gen Digital Engineering firm delivering Modernization outcomes for enterprises

## Goal:

International business Revenue of \$ 0.5B by FY 26 end @ EBITDA of early 20's

# We Have Made Some Big Moves....



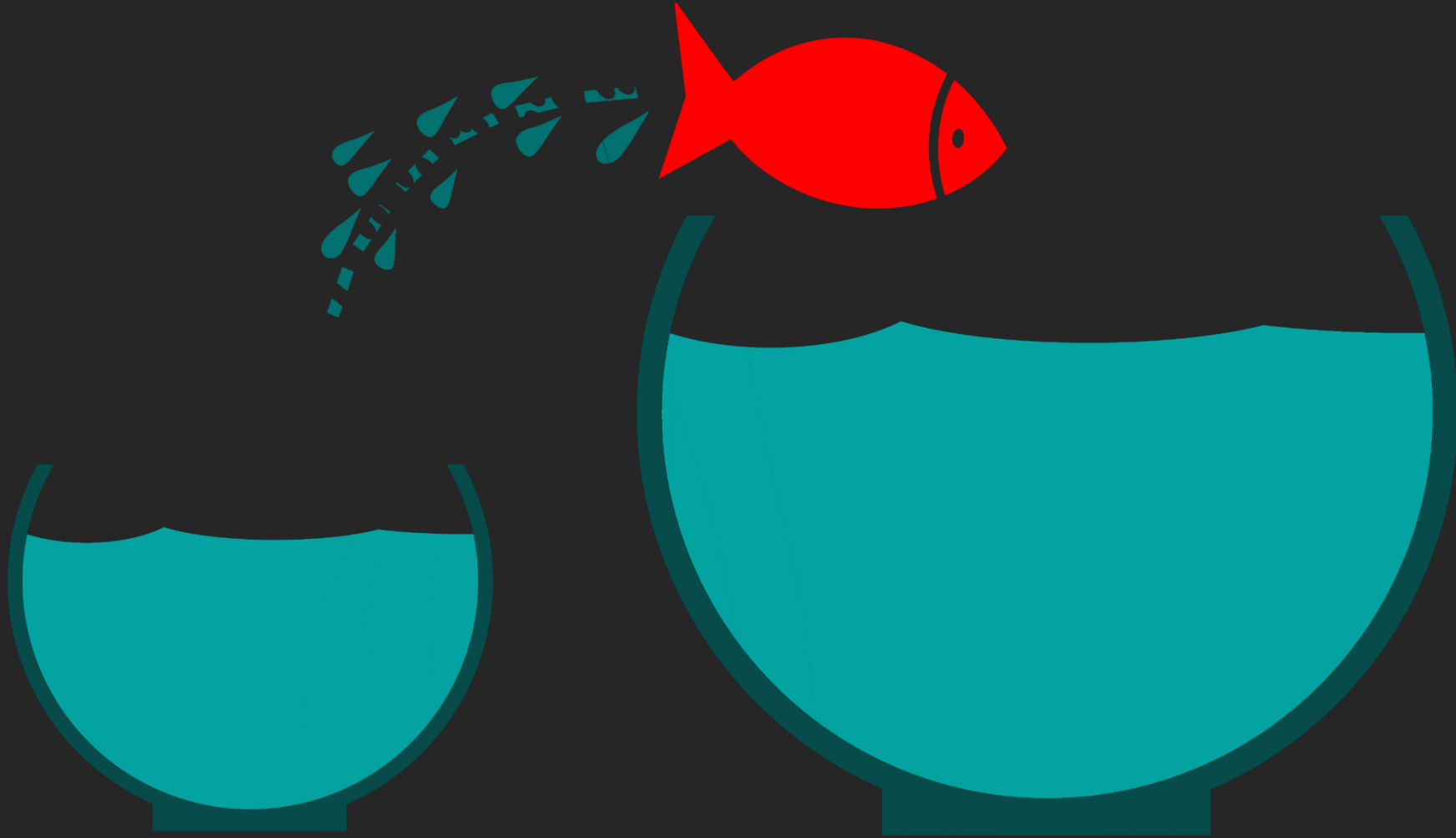
Acquisition  
Quant Systems Inc



Winning  
Large Deals



D&I: Building Diverse  
Global Firm



Quant Systems Inc.

## BFSI & Healthcare

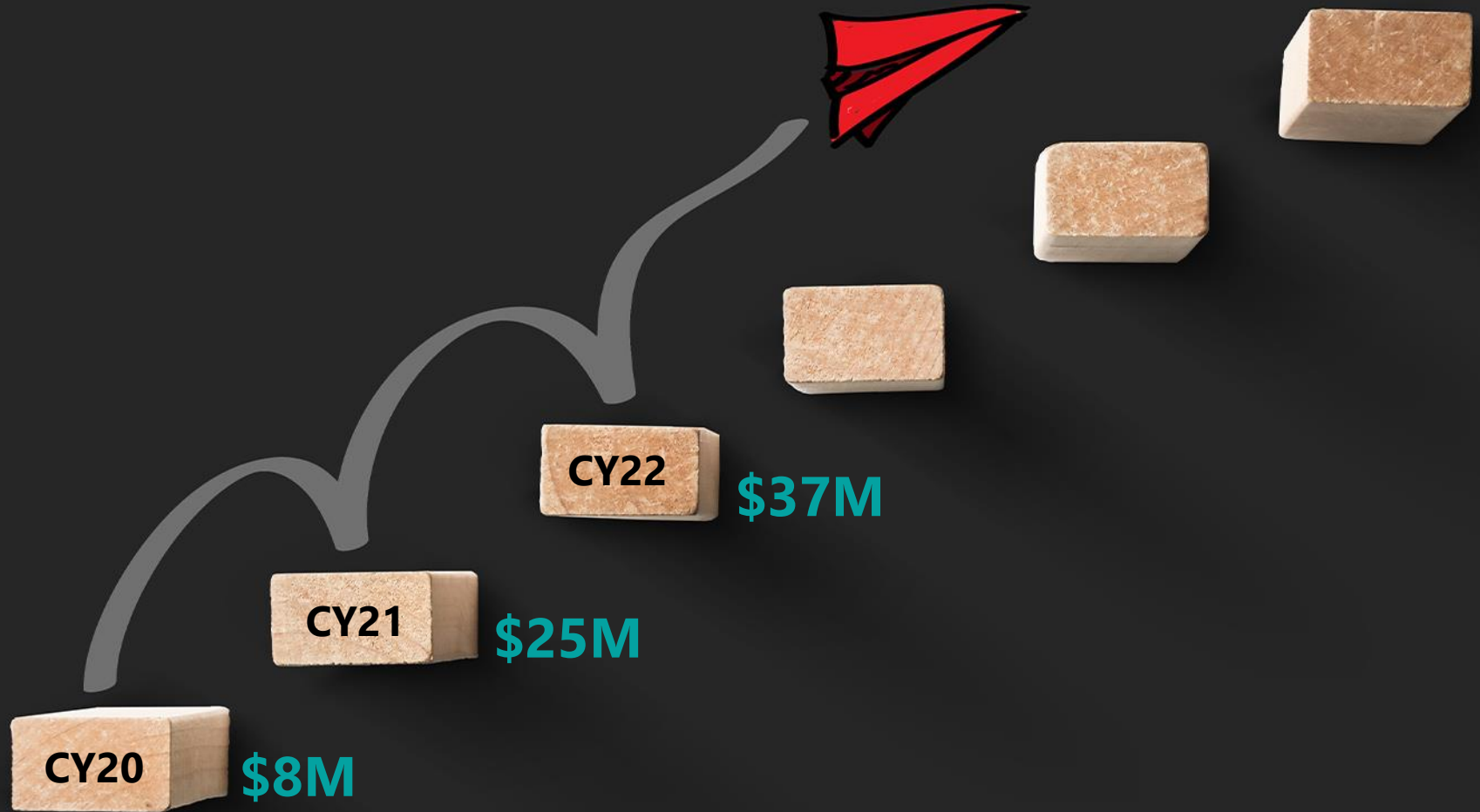
Enterprise Data & Cloud

**\$37M**

Revenue  
35%+ EBITDA

**300+ Engineers**

Across US, India, Mexico, Costa Rica



# \$160M – Over 10 Years - Modernization Deal

## Client Overview

**Industry**  
Retail and Finance

**Revenue**  
\$1.5 B

**Employees**  
2600+

**Business Overview**  
Catalog, eCommerce, Credit, Apparel, and fashion

## The Pressure Points



Legacy Tech Stack



Lack of standardization



Customer Experience



High cost of IT operations

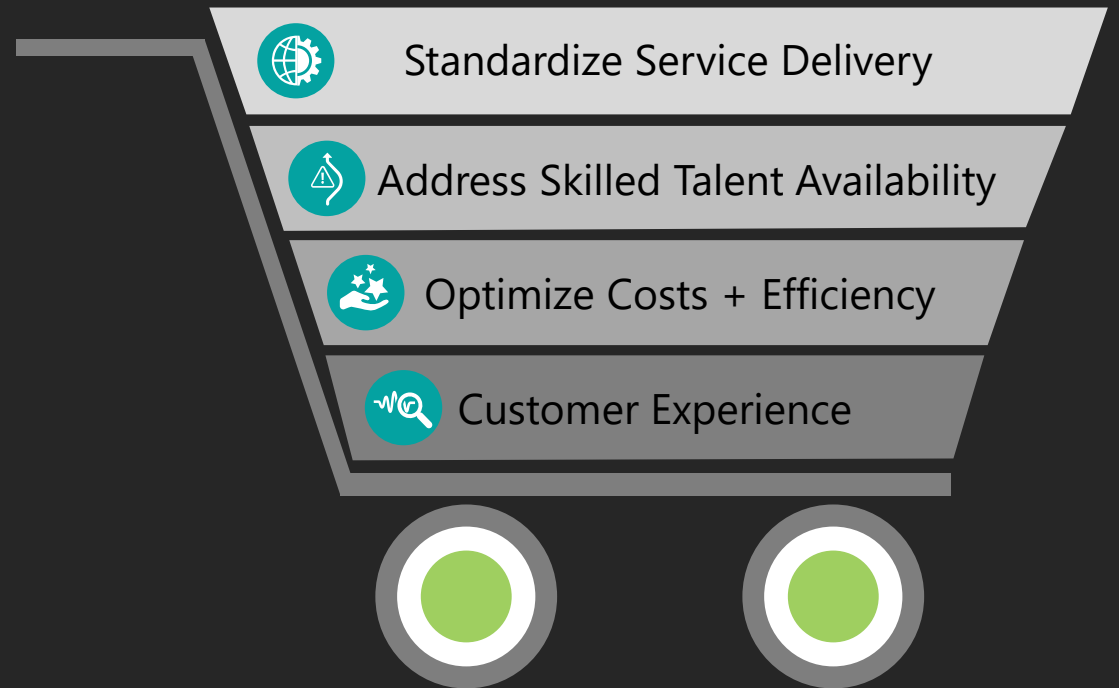


Skilled Talent Availability

## Solutions

- IT enabled Modernization resulting in better Customer Experience
- Automation and Innovation led optimized IT operations
- Seamless people transfer and process transition solution
- Reduction in HW & SW spent on Y-o-Y basis

## The End Goal





Proud Associate Partners Of Mumbai Indians In WPL!

# A Diverse Global Leadership Team Aligned For GROWTH

## D&I Council



**Xinwen Liang**  
China



**Radha Krishnan**  
North America



**Anthony Lange**  
North America



**Sundaralata A**  
India



**Sathish K Nuggu**  
India



**Santos Jha**  
North America



**Naseebunnisa Abdul**  
North America



# PLAY BIG



# Digital Engineering Led Platform Modernization



Sonata's **Modernization Services** helps in creating digital businesses with connected ecosystems to improve Business agility, Experience and Productivity

Modernization			Adoption	Optimization	
Cloud Apps Modernization	Data & Analytics	Microsoft Business Apps	Service Experience Transformation	Hyper Automation	Managed Services
<ul style="list-style-type: none"> <li>Application Modernization and Cloud Native Digital Engineering</li> <li>Cloud Infrastructure Modernization</li> <li>Application Migration to Cloud</li> </ul>	<ul style="list-style-type: none"> <li>Data Platform Modernization</li> <li>Database migration to Cloud</li> <li>Data Strategy and Consulting</li> <li>Data Privacy, Governance and Compliance</li> <li>MDM – Customer, Supplier and Product</li> <li>Advanced Analytics and Adaptive AI</li> </ul>	<ul style="list-style-type: none"> <li>Business Apps Modernization- AX, GP, NAV, CRM, Legacy</li> <li>Industry Transformation – Consulting, IP led Engineering Services</li> <li>App innovation and automation on Power Platform</li> <li>Managed Services and Support</li> </ul>	<ul style="list-style-type: none"> <li>Digital Contact Center</li> <li>Intelligent IOT Driven Field Service</li> <li>Customer Experience Assessment and Measurement</li> <li>Omnichannel Customer Experience</li> <li>Human Centered Design and UX services</li> </ul>	<ul style="list-style-type: none"> <li>Business Process Automation – AI &amp; RPA</li> <li>Multi-Cloud Devops Implementation</li> <li>IT Process Optimization</li> <li>Digital Assurance and Testing Automation</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure and Operations</li> <li>Application Managed Services</li> <li>Microsoft Cloud Support (Expert MSP Partner)</li> </ul>



# Microsoft Relationship – Jointly Driving Customer Success



<p><b>30 Years</b> <b>Microsoft Partnership</b></p>	<p><b>400+ Clients</b> <b>Across The Globe</b> USA, Europe, Asia, India, Australia, Middle East</p>	<p><b>\$350+ Million</b> <b>Per Annum Revenue To Microsoft</b> 21.9% YoY Growth , Cloud Mix 73.4%</p>
<p><b>2500+ Team</b> <b>On Microsoft Technologies</b></p>	<p><b>18 Gold Certified Competencies.</b> <b>10 Advanced Specialization</b> Dynamics 365, Microsoft Azure Expert MSP, Data Analytics, Teams, CAF, M365, Azure</p>	<p><b>Joint Execution</b> Microsoft Fasttrack, Global Delivery, Microsoft Consulting Services</p>
<p><b>Catalyst Led Sales Process</b> Industry Point Of View, Business Value Assessment, Envisioning Workshops, Design Thinking</p>	<p><b>Industry Clouds Go To Market</b> Retail, Sustainability, Manufacturing</p>	<p><b>Industry Digital Transformation</b> Retail, CPG, Manufacturing, Telecom, Healthcare, Hi-tech, BFSI</p>

Competency Name	Status
Application Development	Gold
Application Integration	Gold
Cloud Business Applications	Gold
Cloud Platform	Gold
Cloud Productivity	Gold
Collaboration and Content	Gold
Communications	Gold
Data Analytics	Gold
Data Platform	Gold
Datacenter	Gold
DevOps	Gold
Enterprise Mobility Management	Gold
Enterprise Resource Planning	Gold
Messaging	Gold
Project & Portfolio Management	Gold
Security	Gold
Small & Midmarket Cloud Solutions	Gold
Windows and Devices	Gold

Winner  
**“Technology Partner of the Year - BizApps”**

Winner  
**“Microsoft US Eagle Award 2019-2020”**  
For winning new D365 customers

Member  
2022/2023  
**INNERCIRCLE**  
for Microsoft Business Applications



# Our "People-First" focus

88%\*

say Sonata is a great place to work



## What it means for our people:

1. Career growth: 70% leaders from within
2. Average tenure: Middle managers 9+ years and Senior managers 13+ years
3. Learn new technologies – leading and bleeding edge
4. Diversity and Inclusion
5. Stability and security

\*Internal Survey

## Client Overview

**Industry**  
Technology

**Revenue**  
> \$190 B

**Fortune 25**

**Employees**  
> 220,000

## The Pressure Points

- Accelerate the ability to bring new products and features to the market
- High quality - Right first time in a complex engineering ecosystem

## Solutions

Applying the Large Language Model through OpenAI GPT3 services

- Utilizing a natural language processing (NLP) model to process user inquiries and retrieve answers
- Generating unit test cases and increasing test coverage; hyper automation
- Real-time system monitoring and remediation

## Results

- Reduced response time for inquiries by 50%
- Reduced average resolution time by 75%.

## Client Overview

**Industry**  
Travel & Tourism

**Revenue**  
\$18.53 B

**Fortune 500**

**Line of business**  
6

**Destination**  
160

## The Pressure Points

- Disparate monolithic systems across multiple markets
- Lack of real time pricing and configurable dynamic packaging
- Volatile sales volumes
- Expensive infrastructure and operations cost

## Solutions

- Creation of modernized BI with a cloud-based on-demand warehousing solution
- Development of a data mesh and innovative ML models on AWS for domain-centric services
- Implementation of serverless adapters and intelligent caching for dynamic flight combinations – MACH architecture
- Implementation of a modernized “selling platform” on AWS
- Execution of end-to-end automation with DevSecOps and DataOps

## Results

- Seamless expansion to 3 geo-markets
- Data-driven dynamic package configurations
- Improved business opportunities and ~70M GBP op-ex saving/annum

# Key Recognitions !



**Another Achievement Unlocked**

Sonata is now a Microsoft Cloud Solution Partner.

**SONATA**  
SONATA SOFTWARE

Infrastructure Azure

Digital & App Innovation Azure

Business Applications Azure

Data & AI Azure

Modern Work

Security

Bayer chooses Sonata as a **TOP SI partner** for its new Agri-food Cloud solution.

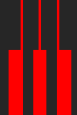
**SONATA**  
SONATA SOFTWARE

**SONATA WINS THE PRESTIGIOUS Golden Peacock Awards 2022**

For Excellence in Corporate Governance  
Second time in a row

**SONATA**  
SONATA SOFTWARE

GOLDEN PEACOCK AWARDS WINNER



1

## High Revenue growth with Industry Leading margins

Focus on high revenue rate realization and high margins business

**EPS : ₹32.6\* / Share**

2

## Strong Cash Position & Balance Sheet

Very strong positive cash generation and cash position

**Liquidity of ~ ₹900+ Crs**

3

## Superlative returns for Shareholders

Industry leading ROCE and ROE & Bonus share issue

**ROCE > 35%**

5

## Sound Capital Allocation

Sound capital allocation

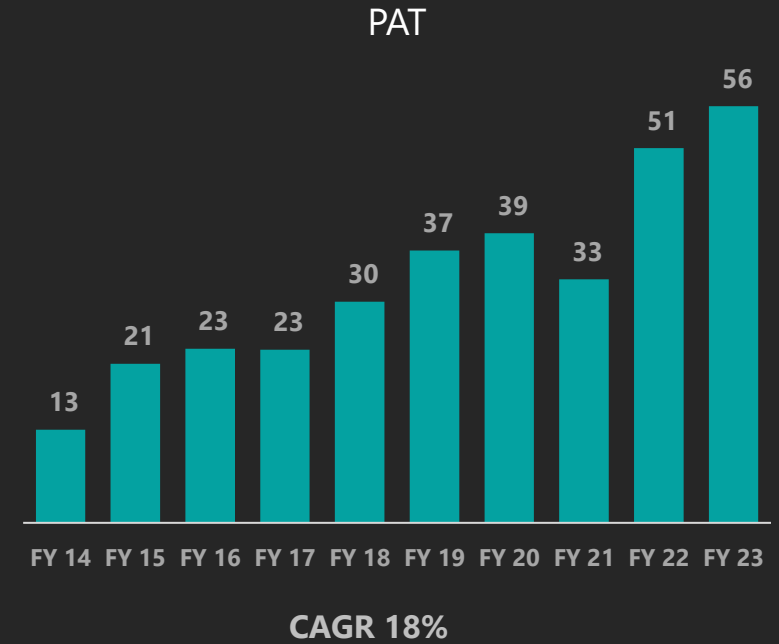
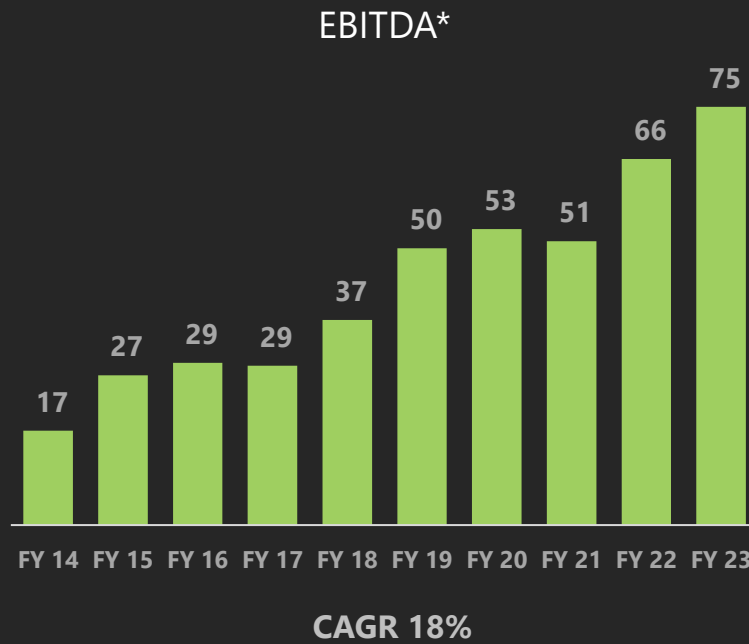
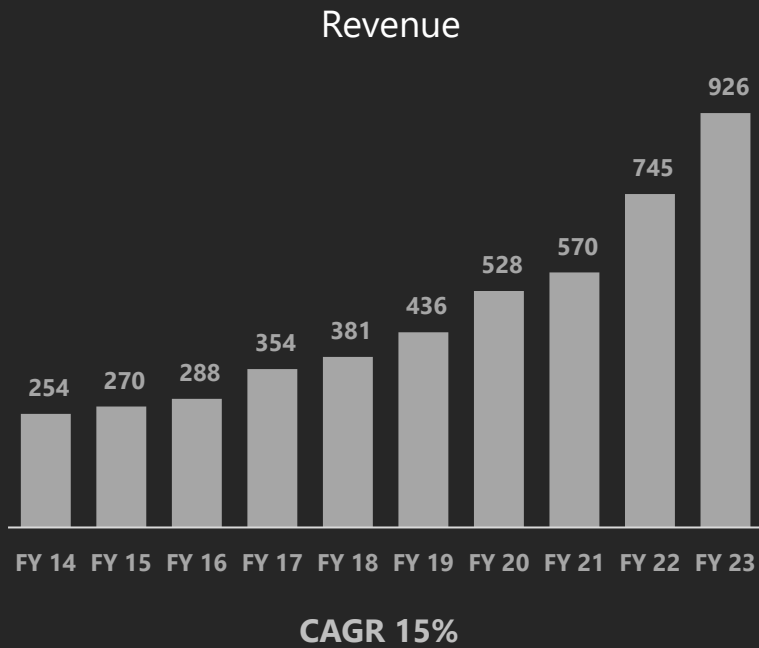
**Dividend : ₹15.75\* / share**

\*Bonus issue 1:3, record date - Sep 10, 2022

# Consistent Growth Over Last 10 years



## Consolidated Revenue & profitability (\$Mn)



Predictable and resilient growth trajectory

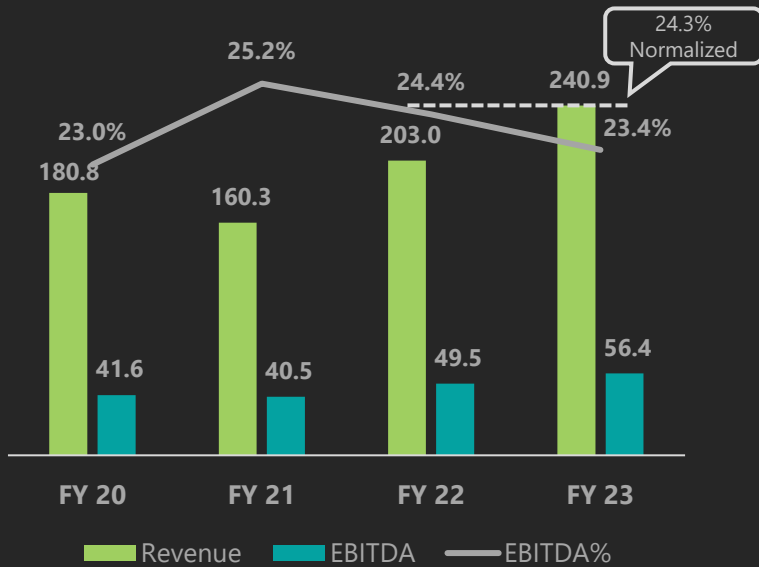
\*Before OI and FX



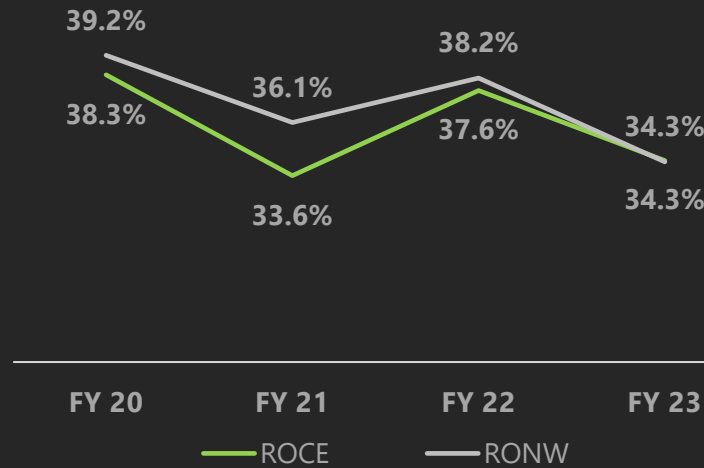
# International Services - A Sustainable, Resilient Recovery After COVID-19



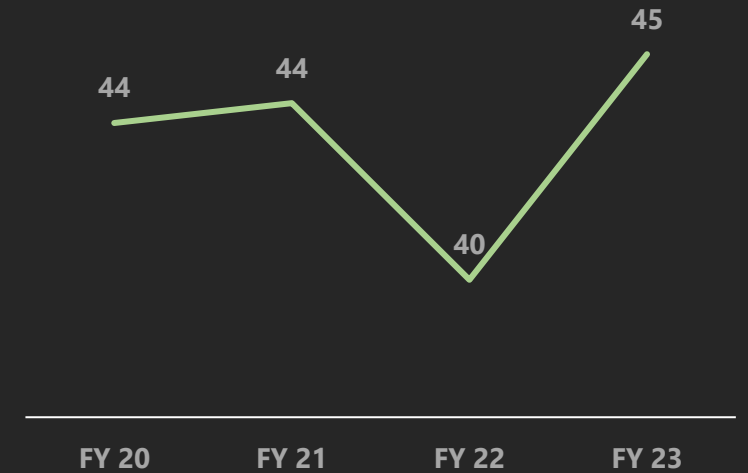
FY 23: YoY Revenue Growth 18.7%



Industry Leading Returns



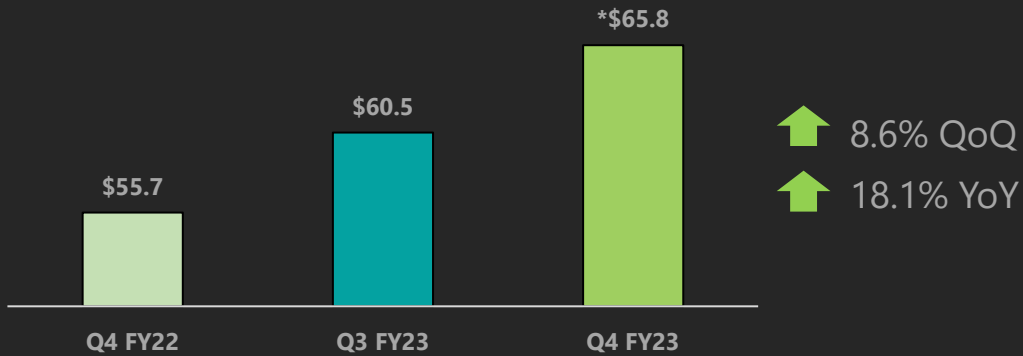
Stable DSO performance < 50



**Accelerated growth and higher quality returns through diversified offerings**

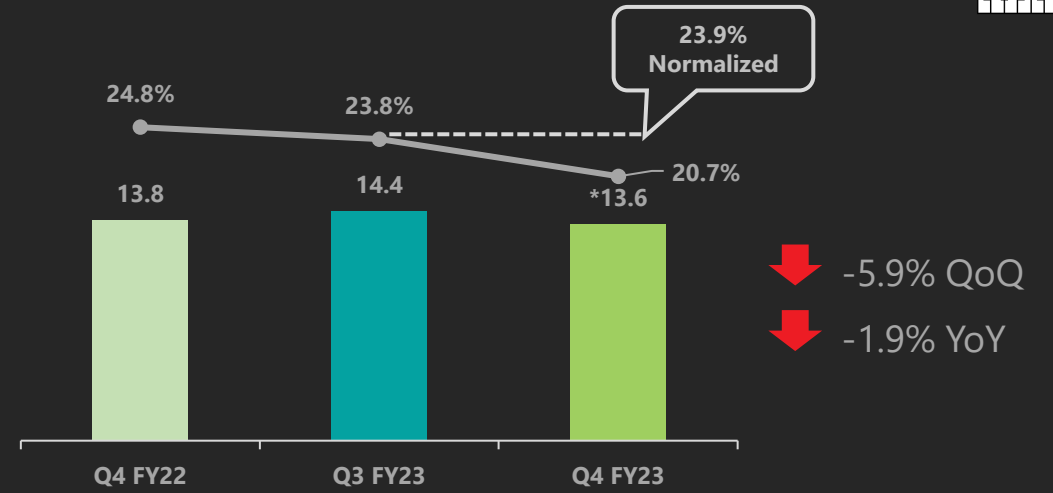


# Financial Performance Of International Services – Q4 FY23



**Revenue in \$ Mn**

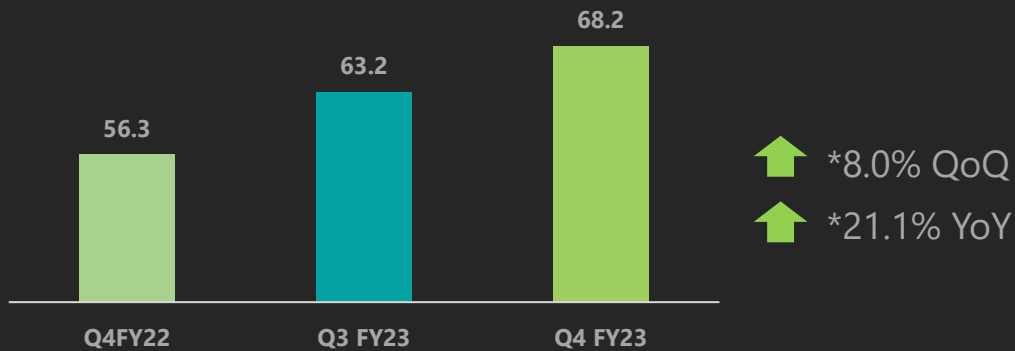
\*Including Quant:



**EBITDA\*\* in \$ Mn**

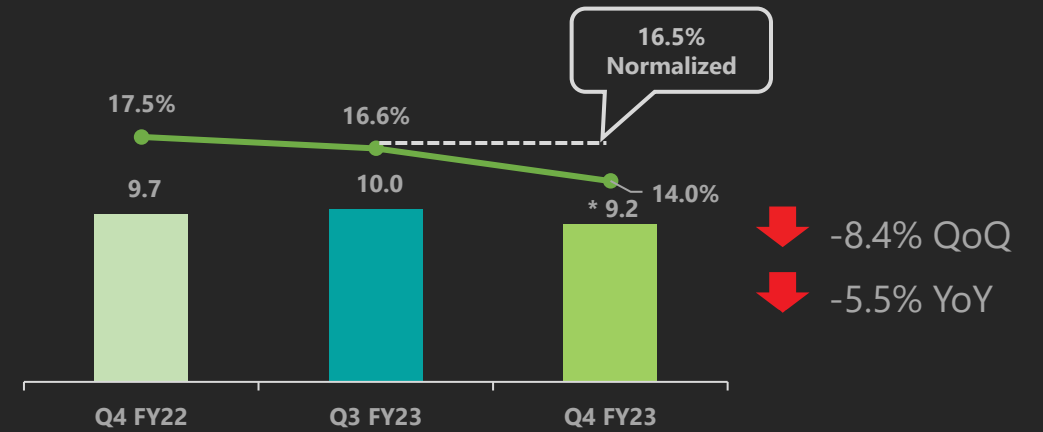
\*Including Quant:

\*\*Before OI and FX



**Constant Currency in \$ Mn**

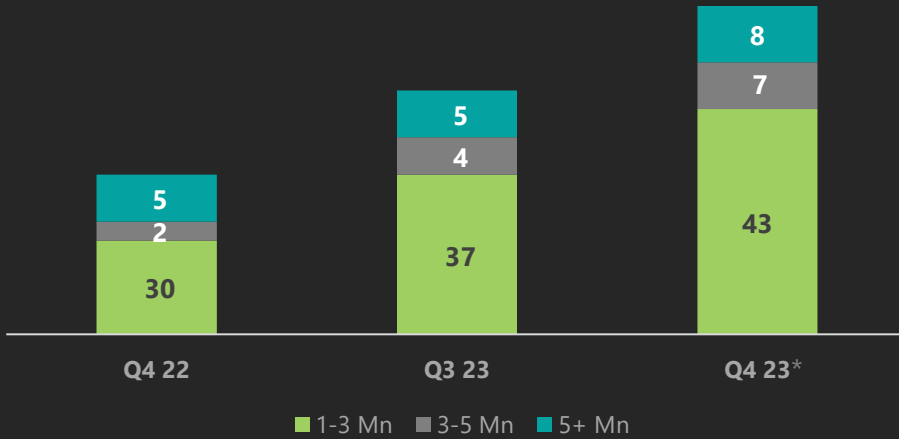
\*Quant: contributes: QoQ – 3.9%, YoY – 4.4%



**PAT in \$ Mn**

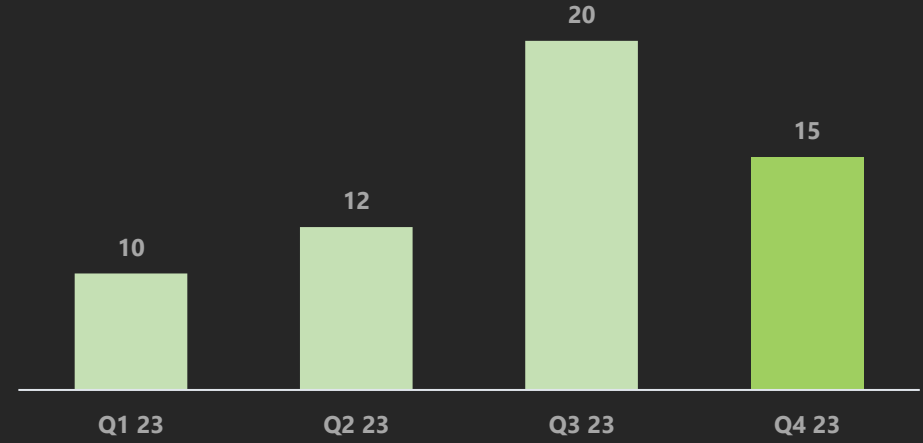
\*Including Quant:

# International Business: Revenue Growth

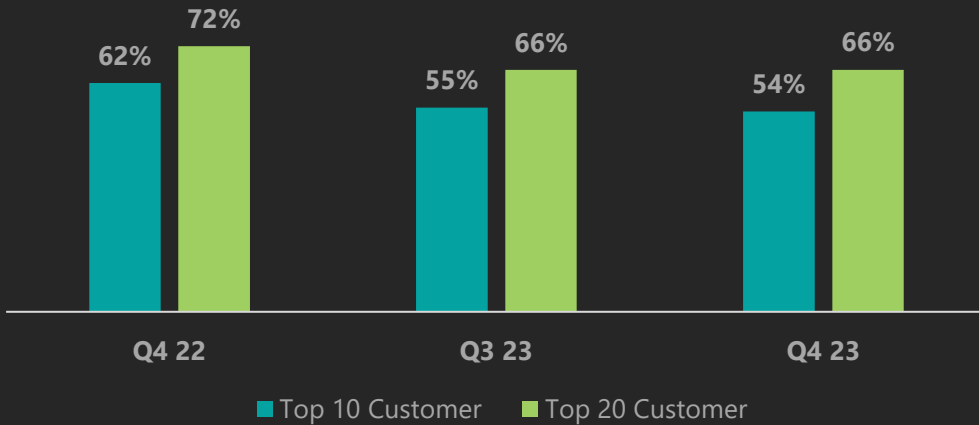


No. of \$ Million Customers

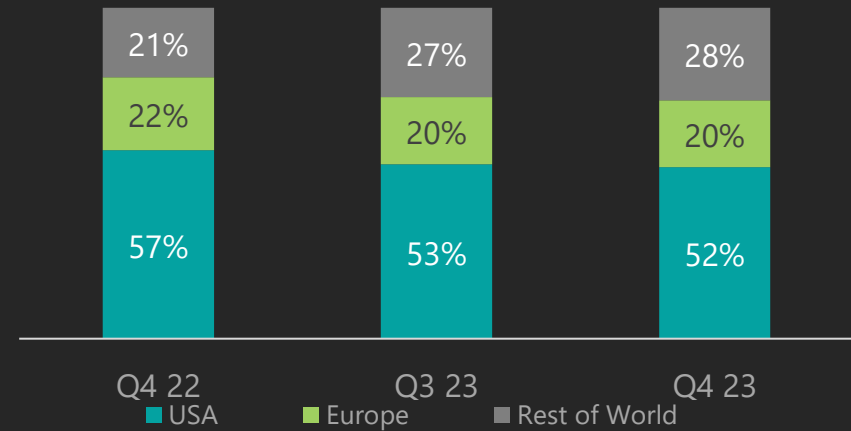
\*Quant:- 4; 3; 2 in each category



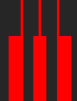
New Customers added



Client Concentration



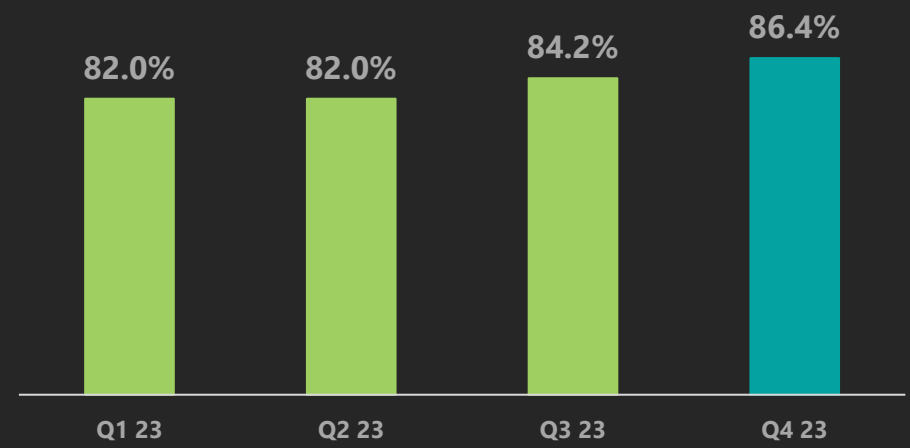
Revenue by Geography



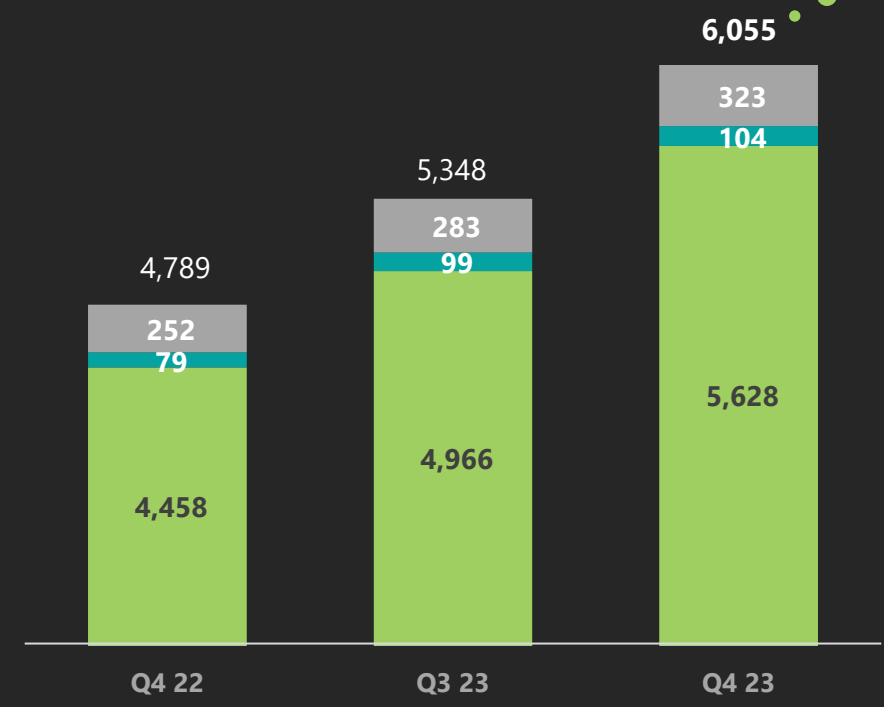
# International Business: Operational Performance



13% QoQ  
26% YoY



Utilization



■ Delivery ■ S&M ■ G&A

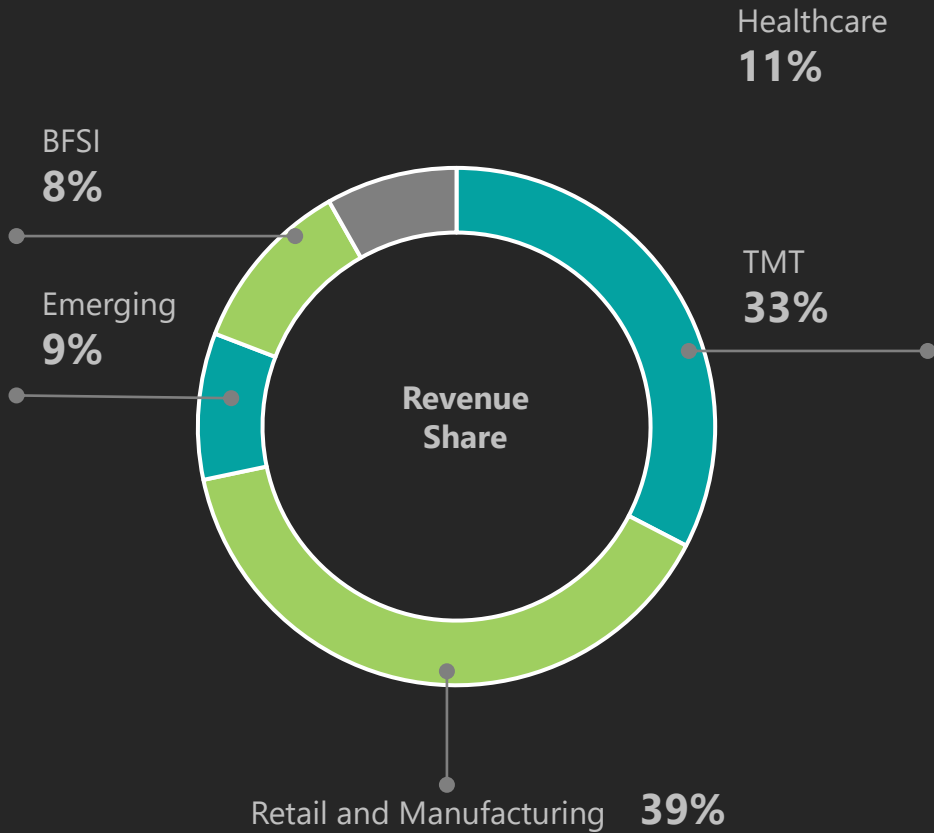
Headcount by Function

Including Quant

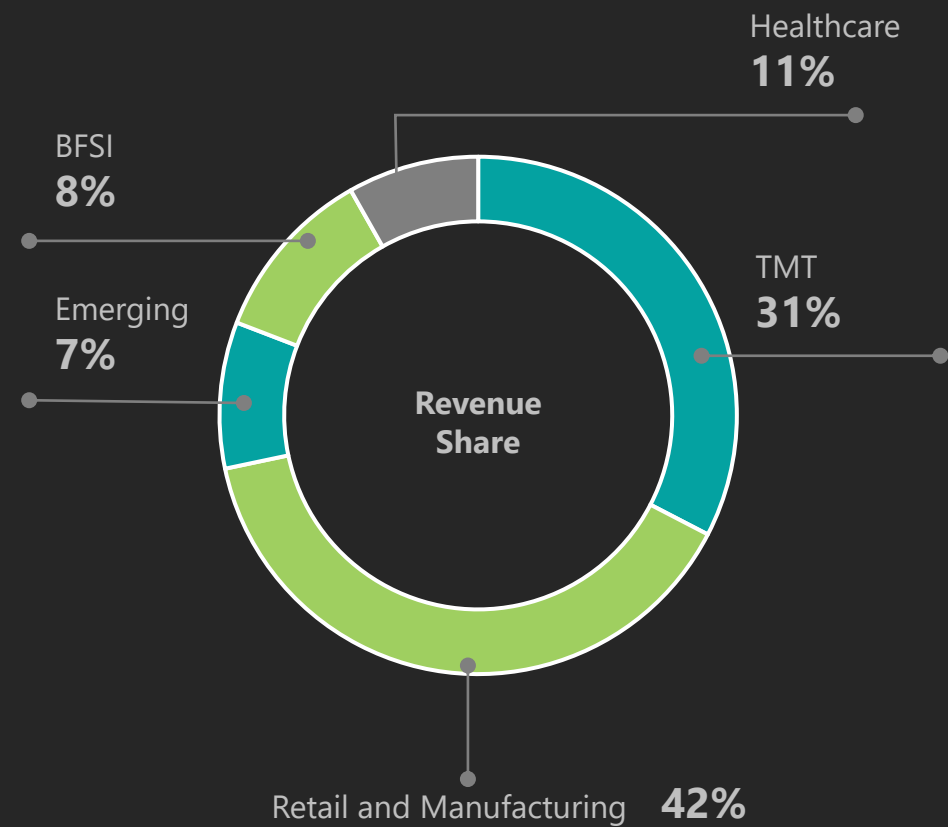


## Revenue by Verticals

FY 23

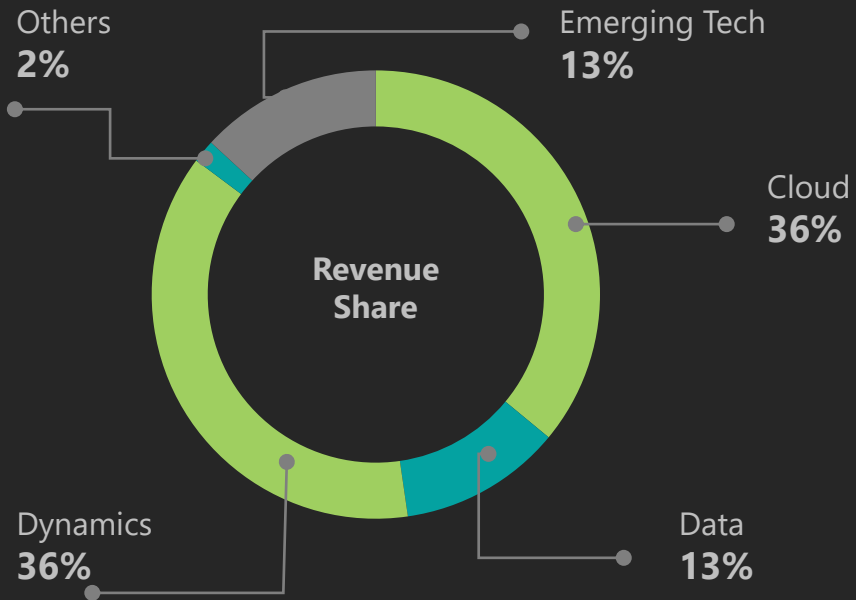


Q4 FY 23

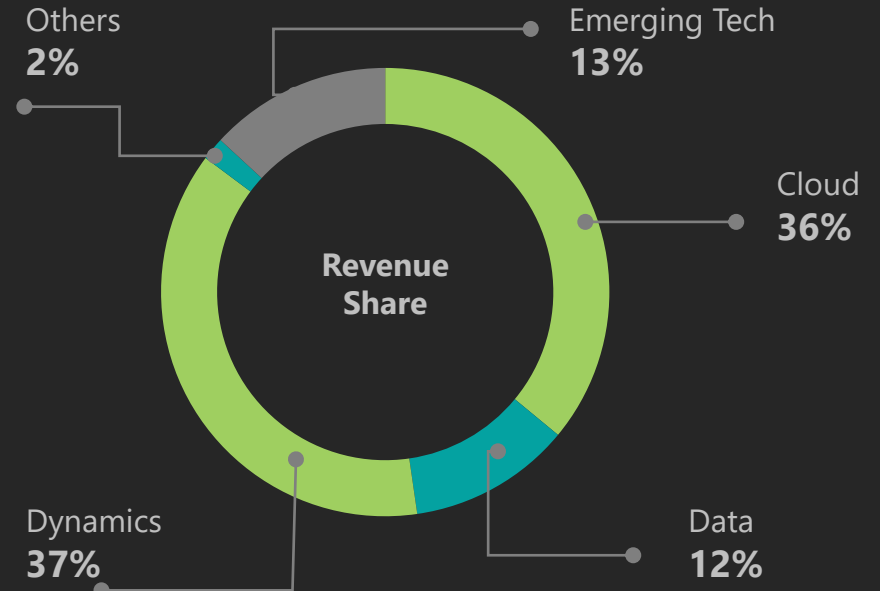


## Revenue by Top GTMs

FY 23



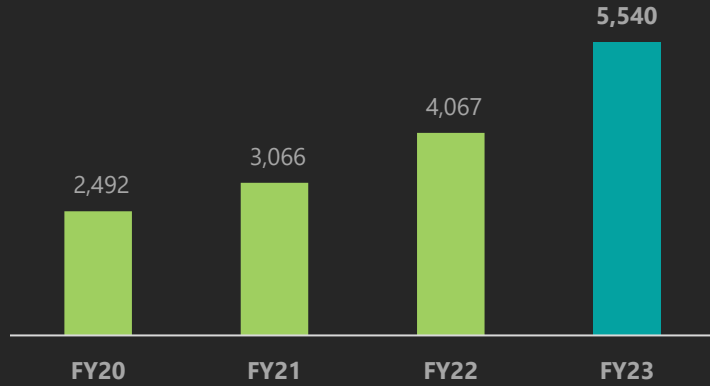
Q4 FY 23



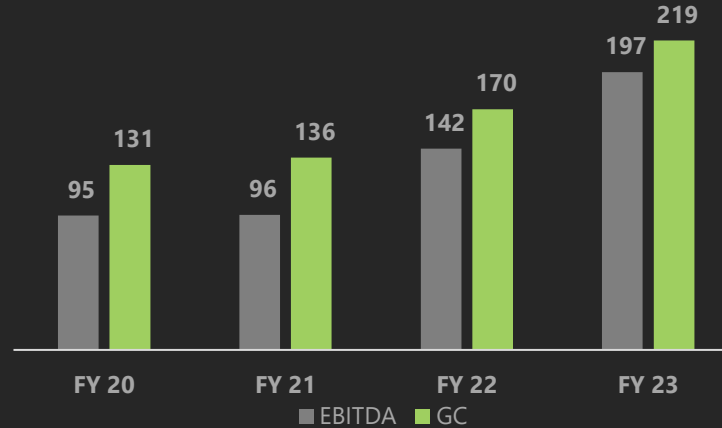
# Domestic Business:- Delivering Consistently Strong Growth With Industry Leading ROCE



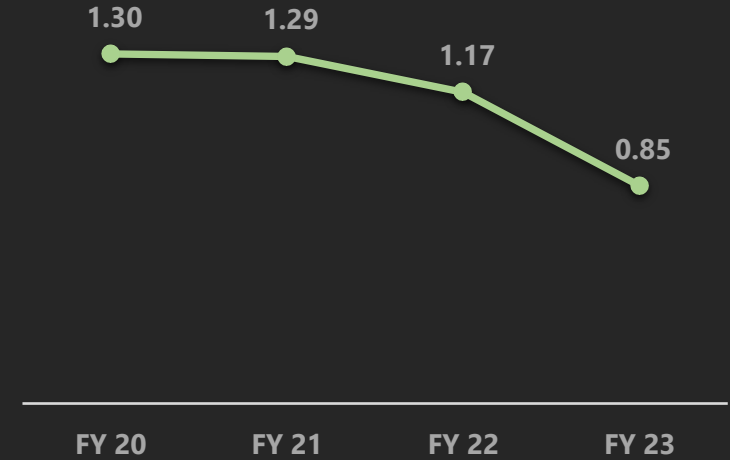
Cloud ~77.5%  
Annuity ~75.8%



Revenue (INR crs) CAGR - 22%

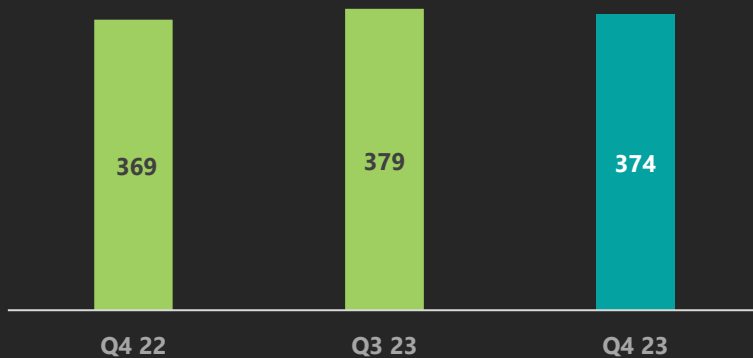


Gross Contribution (INR crs) CAGR- 14%  
EBITDA (INR crs) CAGR- 20%

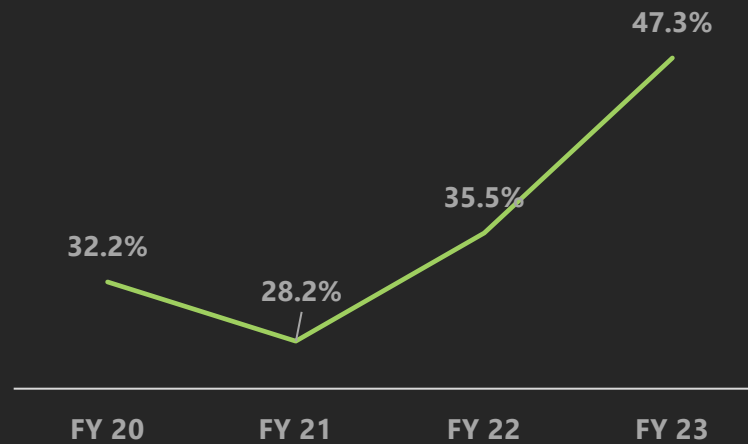


Net working Capital ÷ Gross Contribution

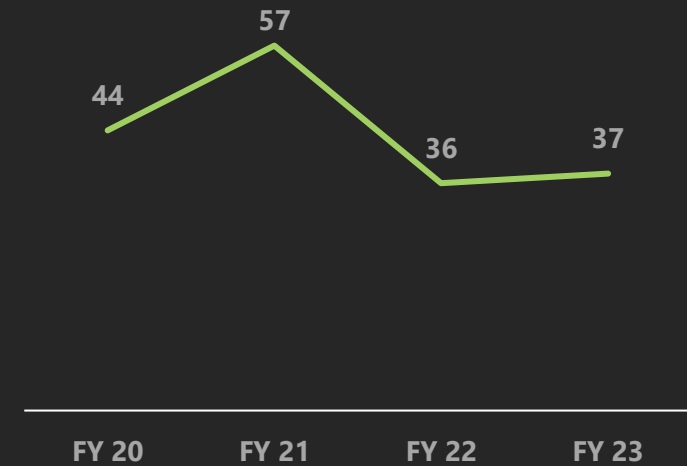
## Head Count

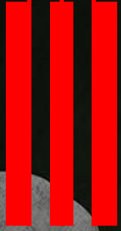


## ROCE



## DSO





# SONATA SOFTWARE

The fastest growing firm in IT Services in the next 3-4 years



# Thank You

# PLAY BIG

