

24<sup>th</sup> January, 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 nine months ended 31<sup>st</sup> December, 2022.

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



Sonata Software

# Investor Presentation

Q3 FY'23

**Platformation™**  
Makes the Difference

[www.sonata-software.com](http://www.sonata-software.com)



# 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

**\$850+M**

Revenue

**18% CAGR**

across 10 years

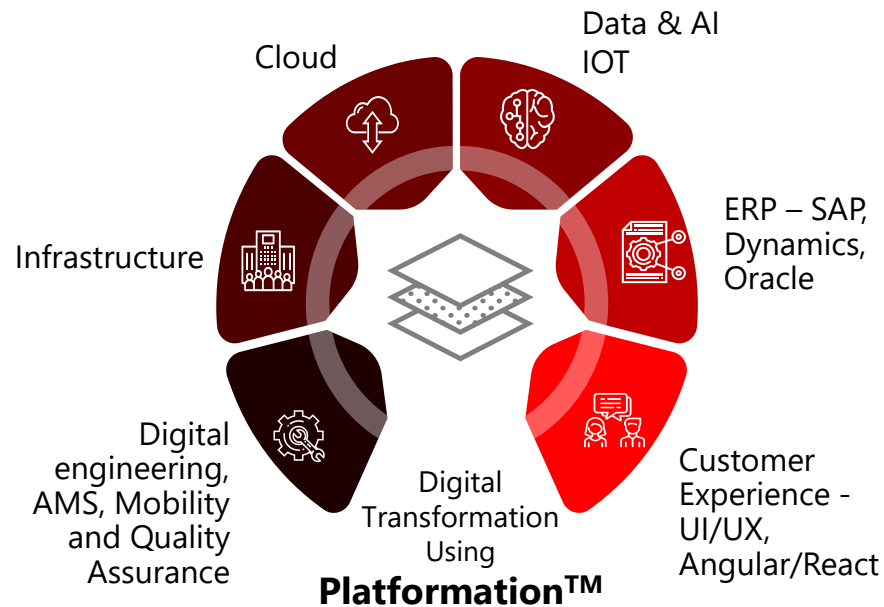
**Public Listed  
(SONATSOFTW)**

Debt-free; Robust Balance sheet

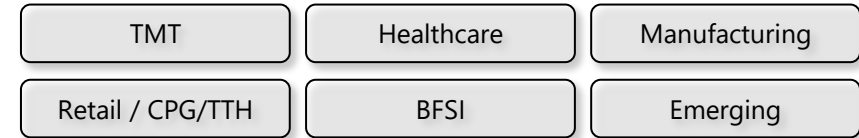
**5700+ Employees**

Across US, EU, Asia & ANZ  
Powered by *Unified Engineer Program (UEP)*

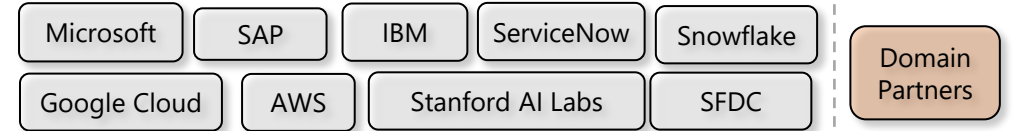
## Delivering Outcome based Modernization Services



## Industries



## Ecosystem: Partnerships Tech + Domain



## Innovation: IP & Accelerators

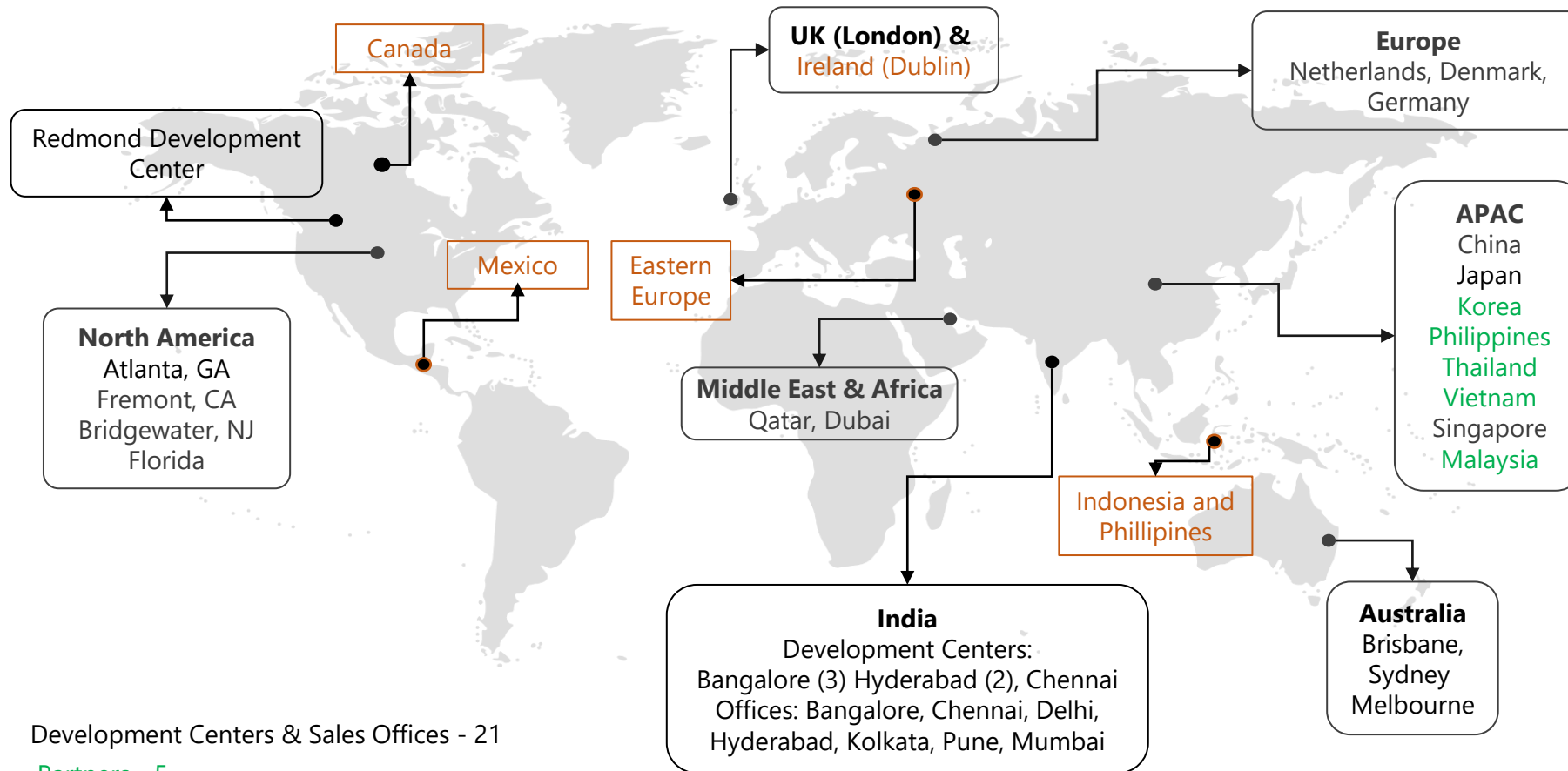


## Sustainability Target - Carbon Neutrality by 2030

- 10% Reduce Energy consumption in FY 22-23
- 10% Increase Renewable energy/REC mix in FY 22-23.

## Notable Sustainability initiatives

# Serving our Global Clients with Right Talent Mix (Global & Local Talent)



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



# Performance vision for Sonata



## SCALE – Key Drivers



### Harvest

Microsoft sell-to; Dynamics  
Sustain SITL momentum



### Invest

**SSL** : Invest –

- » New verticals, 6 geos, Sales and functions, Large Deals and Large Accounts
- » Build Partnership beyond Microsoft - AWS, Snowflakes, SFDC, ServiceNow

**SITL** : Build e2e accounts, focus on Cloud & Data in the geo



### Inorganic growth

Continuously evaluate acquisition opportunities with (scale) accounts



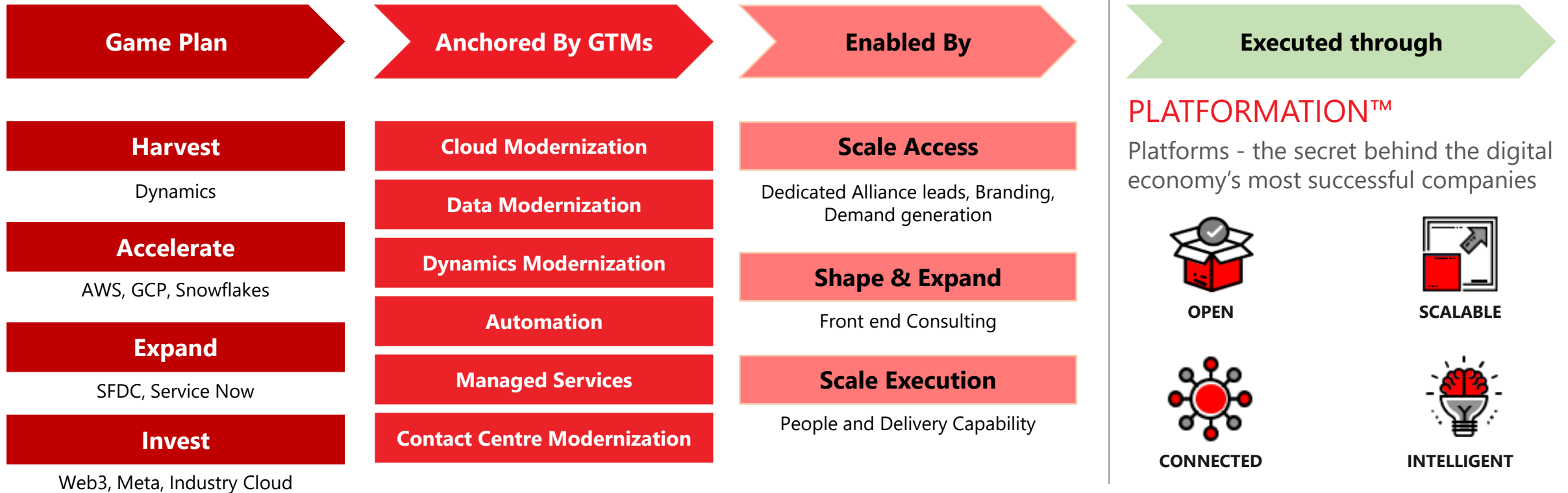
### Diversify

**Clients**: Focus on portfolio diversification. Build multiple large accounts.  
**Brand**: Global brand in Modernization

# Sonata's approach to Modernization

Sonata's **Modernization Services** helps in creating digital businesses with connected ecosystem to realize business agility, scalability, and improved efficiencies **with our unique Platformation approach**.

## Domain-Led Modernization ♦ Technology Modernization



# Performance vision for Sonata – Plan for 4 years



## Strategy

### Grow Verticals

- Harvest - TMT, Manufacturing, Retail/TTH
- Invest - Healthcare, BFSI

### Large: Accounts & Deal

- Invest -
  - Central Hunting team, specialist skills, hunters in accounts to open new LOB's, global delivery centers, new account specific capabilities.
  - NBD Deal Origination (Rainmakers) and Deal Desk
- Harvest Existing accounts to generate Large Deal Pipeline

### Grow Markets

- Harvest in US- West, UK, India and Australia
- Invest: US-East, Nordics

### Brand

- Engage a premier partner for building out our Brand
- Invest with Analysts - move up on the Quadrants
- Invest in identified campus / country specific plans to Influence applications campus and lateral hires through brand building and social media

### Grow Solutions & Partnerships

- Build and acquire:
  - Top horizontal GTMs : Cloud Modernization, Data Modernization, Managed Cloud, Automation
  - Top 6 partners: MS (harvest), AWS, SDFC, Snowflake, ServiceNow/Google

### Talent

Invest to build talent, capabilities and culture required for winning in a global market and deliver sustainable growth for all

# Outcome based Modernization Services

## Business Architecture Consulting – E2E Service Design

## Platform Technology Architecture and Validation

## Digital Realization services

### Digital Engineering Services

- Mobility
- Big Data & Analytics
- AI/ML
- Omni Channel Commerce
- Automation
- Data structure and Algos
- Digital Assurance
- Internet of Things (IoT)
- Web 3.0

### Cloud Services

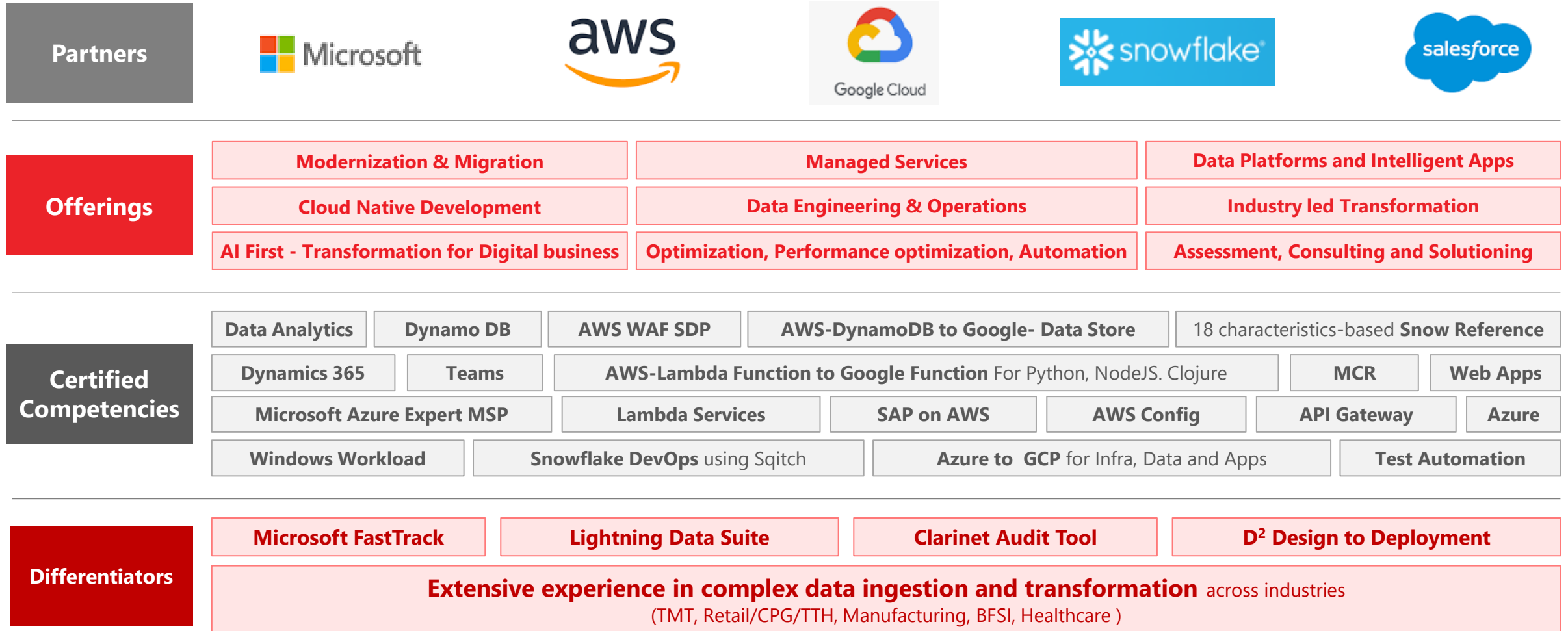
- Infrastructure Services
- Network & Security
- IT Infrastructure Modernization
- Business Productivity & Collaboration
- Cloud Provisioning, Onboarding
- Cloud Management
- Enterprise Service Desk

### Managed Services

- Application Management
  - Building Custom applications
  - Application management
  - Cloud Engineering
- ERP Implementation & Roll Outs
  - SAP, Oracle and Dynamics
- Managed Services



# Strategic Partnerships –Microsoft, AWS, GCP, Snowflakes, SFDC



# Microsoft Relationship – Jointly driving Customer Success

<p><b>30</b> Years <b>MICROSOFT PARTNER</b></p>	<p><b>400+</b> Clients <b>ACROSS THE GLOBE</b> USA, Europe, Asia, India, Australia, Middle East</p>	<p><b>\$350+</b> <b>million/annum</b> <b>REVENUE TO MICROSOFT</b> 21.9% YoY Growth , Cloud Mix 73.4%</p>
<p><b>2500+</b> <b>TEAM</b> On Microsoft Technologies</p>	<p><b>18</b> Gold <b>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</b> <b>SALES PROCESS</b> Industry Point of View, Business Value assessment, Envisioning Workshops, Design Thinking</p>	<p><b>INDUSTRY CLOUDS</b> <b>GO TO MARKET</b> Retail, Sustainability, Manufacturing</p>	<p><b>INDUSTRY</b> <b>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 and Portfolio Management	Gold
Security	Gold
Small and Midmarket Cloud Solutions	Gold
Windows and Devices	Gold



# Life of a Sonatian – a home away from home!

## Vision & Values aligned to individual purpose

Customer & People success, Innovation, Winning teams, Growth mindset, Diversity & Inclusiveness, Social citizenship

### Constant upskilling & training

~10% of workforce upskilled through cross-training

~60% covered through Unified Certification Programs

### Diverse & Inclusive workplace

Employees of more than 17 nationalities thriving and contributing to our success



### Robust Employee Engagement & listening systems

>80% score on Sonatian Experience; leading to lower attrition

### Career Growth

>70% of leadership (SM) grown from within

Avg. tenure: Senior management ~13 yrs and middle management ~9 yrs

# Success Stories (1/3)...Flight to the Future

The client, Europe's largest multinational leisure, travel, and tourism company, operates over 150 aircraft, 16 cruise ships, and 381 hotels. With a market capitalization of €10B, the company sought to expand rapidly in multiple new geographies. It needed a partner who could help it modernize and develop high scalability capabilities.

<b>Client Overview</b>	<b>Industry</b> Travel and Tourism	<b>Revenue</b> \$18.53 B	<b>Customers</b> >20M	<b>Lines of business</b> 6	<b>Destinations</b> 180
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## The Pressure Points



Disparate monolithic systems across multiple markets



Lack of real-time pricing & configurable dynamic packaging



Volatile sales volumes



High infrastructure and operations costs



Traditional methods of margin/pricing calculations

## 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
- Implementation of a modernized "selling platform" on AWS
- Execution of end-to-end automation with DevSecOps and DataOps
- Seamless business records (> 1B) processing for recommendations

## Results

- **6861** Peak day bookings
- **+35%** Increase in search performance
- **+10%** Increase in page load performance
- **+100%** Infrastructure availability
- **-41** Reduction in customer complaints
- **+15%** Increase in traffic volumes

# Success Stories (2/3)...House In Order

Founded in 2008, the California-based client is a financial services company that specializes in the origination, acquisition, and servicing of mortgage loans. The company operates through two primary business segments: loan production and loan servicing

## Client Overview

**Industry**  
Banking and Financial Services

**Revenue**  
\$3.7 B

**Assets**  
\$31.6 B

**Employees**  
6,400

## The Pressure Points



Redundant and inaccurate data



Inability to handle data volumes



Slow processing



High maintenance costs



Poor scalability

## Solutions

- Modernized data infrastructure on AWS
- Data marts for department specific needs
- Templated pipeline solution for data governance
- Master Data Management to improve data quality
- Scalable report processing model
- Granular, access level security

## Results

- **30%** Reduction in TCO
- **99%** SLA support
- **100%** In-sprint automation

# Success Stories (3/3)...In Good Health

This American healthcare multinational started off in the late 19th century, making surgical supplies and household products. This Fortune 500 company is organized into three business segments: Consumer Health, Pharmaceutical and Medical Devices. As one of the largest healthcare companies, in the world, it spends a significant amount of money on research and development - \$ 14.7 billion in FY 2021 alone.

<b>Client Overview</b>	<b>Industry</b> Healthcare	<b>Presence in countries</b> 260+ operating companies across 60+ countries	<b>Group Revenue</b> ¥661 B	<b>Employees</b> 14,000	<b>Manufacturing units</b> 100+
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## The Pressure Points



The client was using over 800 applications across multiple geographies, which made it difficult to manage and maintain.



These applications included several mission-critical ones, meaning that any downtime or issues with them could greatly impact the business operations



The client faced challenges in maintaining consistency and quality across the multiple applications and geographies.



The client also faced challenges in managing and automating the testing and deployment processes for the multiple applications

## Solutions

- Functional testing
- Platform testing
- Server Management Tool Upgrade
- Data Migration
- Application Retirement

## Results

- Annual cost savings of over **\$2 M**
- **700+** Projects in delivering 4800+ Scripts
- **70+** Servers managed
- **4** Major upgrades with 0 downtime
- **800+** Applications tested
- **70%** Improvements in response time and scalability

# Key Deal Wins in FY 23

We have added new clients across different industries – TMT, BFSI, Mfg, and Retail. We will continue to focus on Enterprise clients to accelerate our growth across the markets we operate.

## Deal Win #1

### **Client:**

An Organization with revenue > 1.5B improves road safety for motorists. Headquartered in Brisbane it serves approximately 1.75 million members.

### **Problem:**

Customer runs their core systems on legacy platforms limiting their ability to scale and provide enhanced member experience and does not allow customer to meet their compliance requirements

### **Solution:**

We are building a single platform of the future solution to modernize & transform the core business application suite, creating an Omnichannel and connected organization with a customer 360-degree view. We will bring our expertise & skills CRM, Azure, AWS and Data to deliver the required outcomes for this client.

## Deal Win #2

### **Client:**

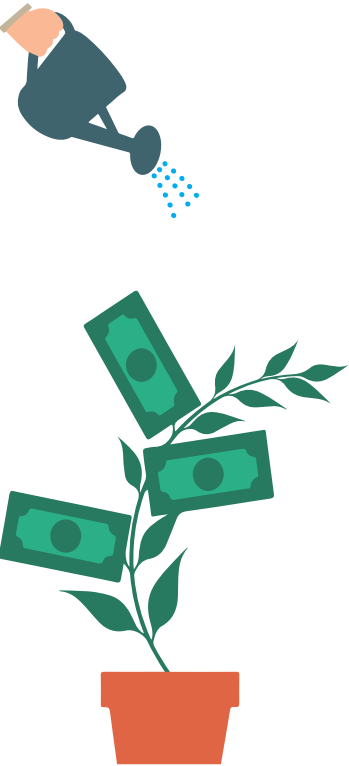
One of the largest electric utilities companies in the USA with operating revenue of \$14.9B and over 13K+ employee. Customer delivers power to 15 million people in 50,000 square-miles across central, coastal and Southern California.

### **Problem:**

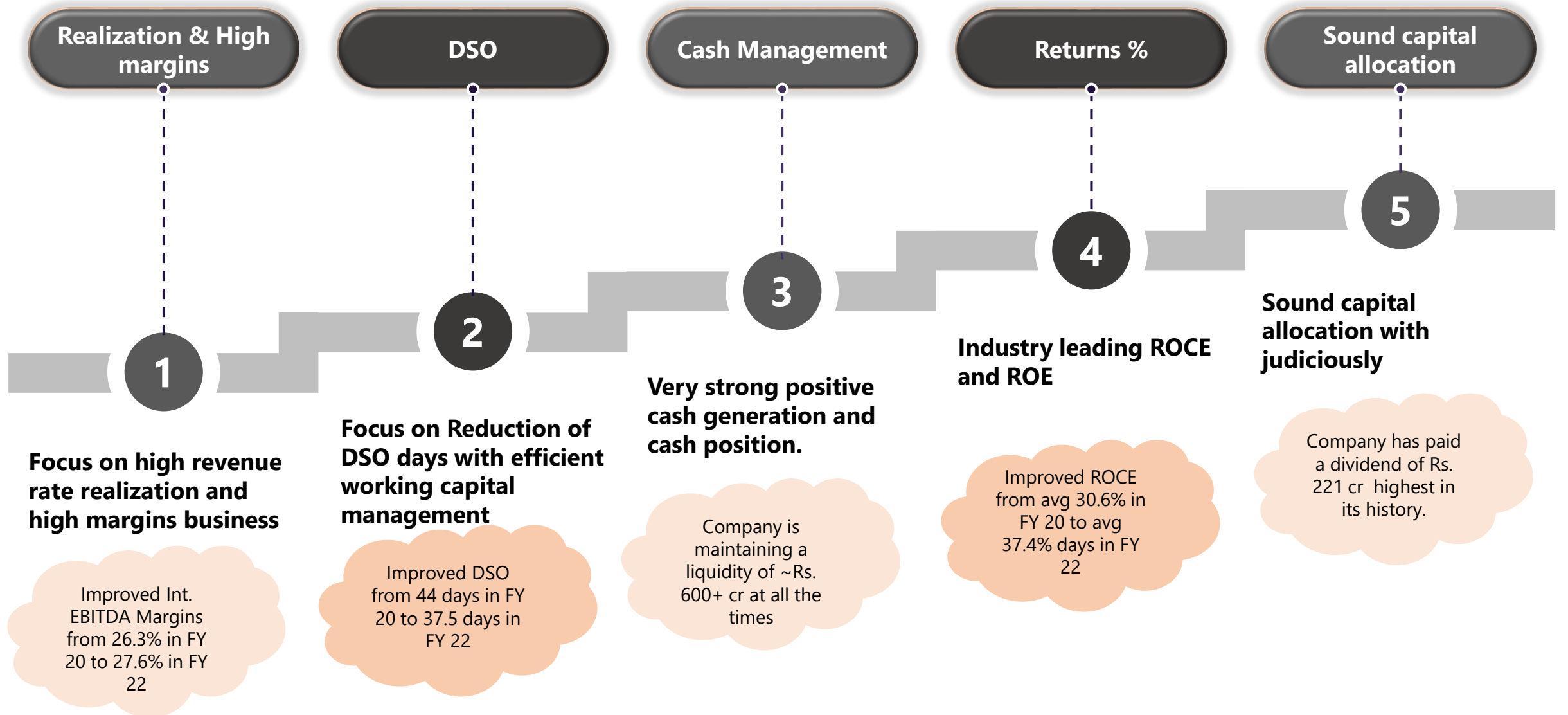
Customer needs to provide "criticality of continuity" for the delivery of field service management and wanted to automate mobile workforce management and improve service optimization/scheduling.

### **Solution:**

Sonata proposed a solution to design, develop, and implement a new platform aided with strong relationship with tech partner throughout the evaluation process that helped to win the deal. We will help transform SCE's servicing model and improve field force productivity immensely.



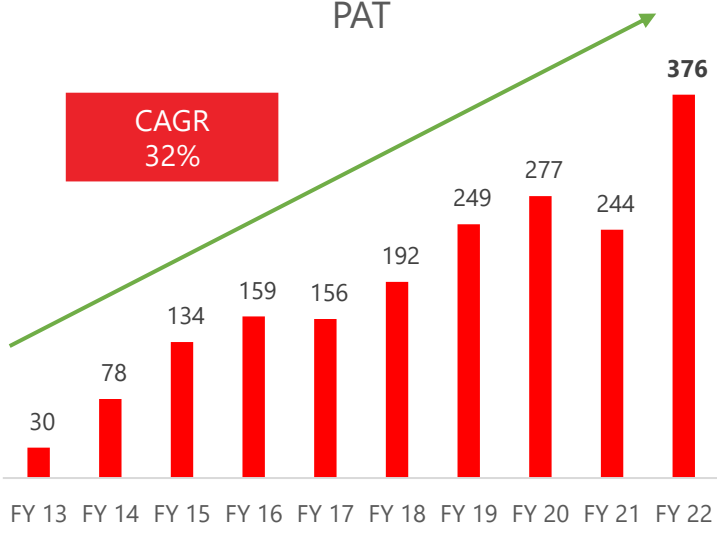
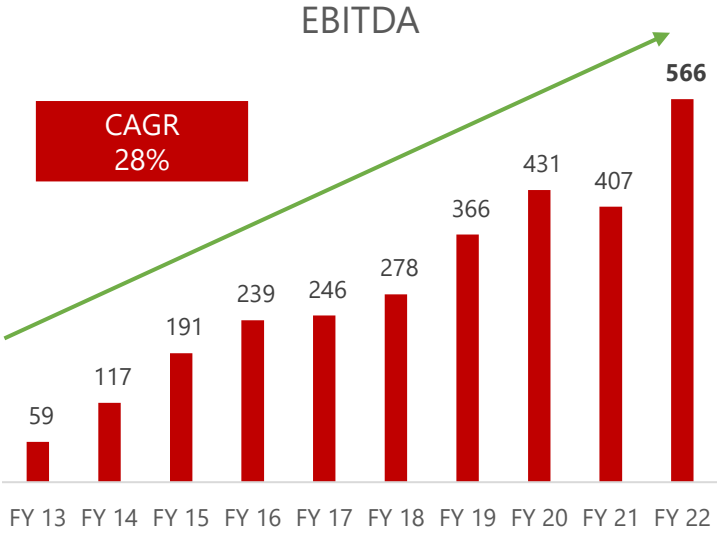
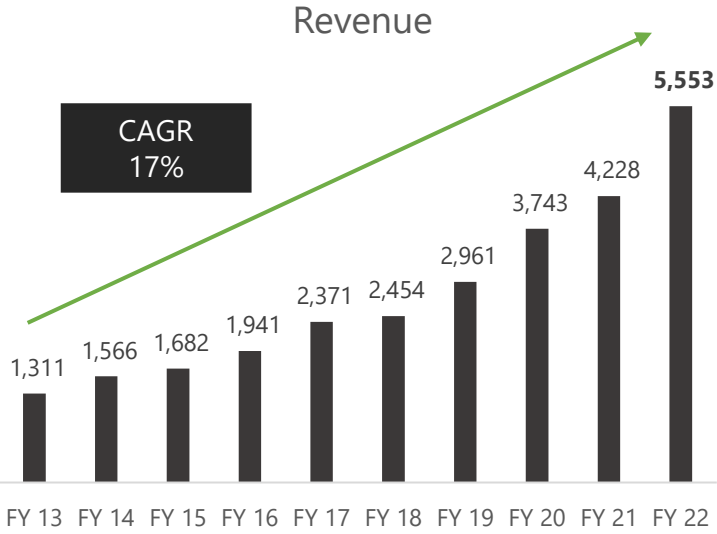
# Financial Management





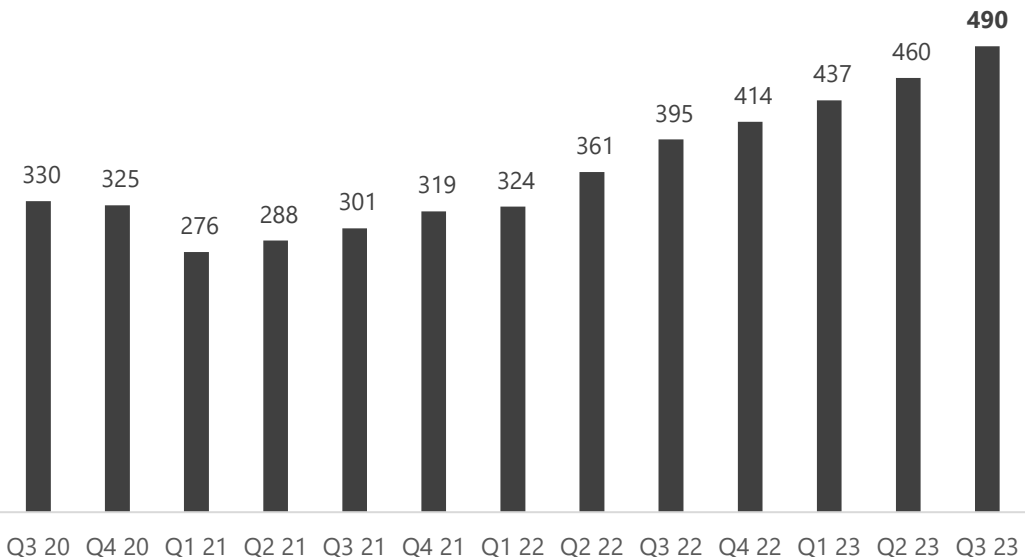
# Consistent Growth Over Last 10 years

## Consolidated Revenue & EBITDA

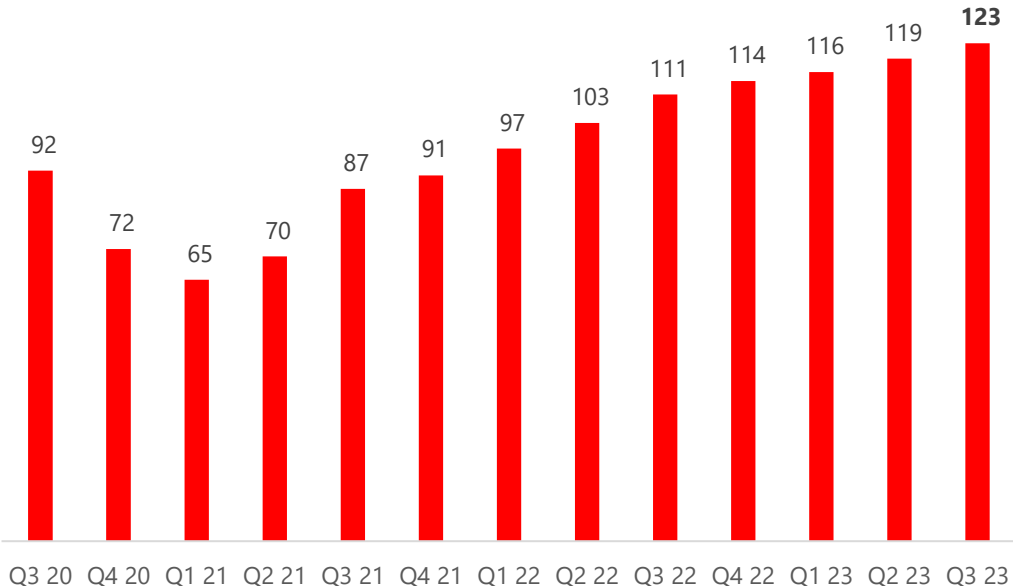


# International Services Revenue & EBITDA trend for last 12 Quarters

**Revenue (in Crs)**

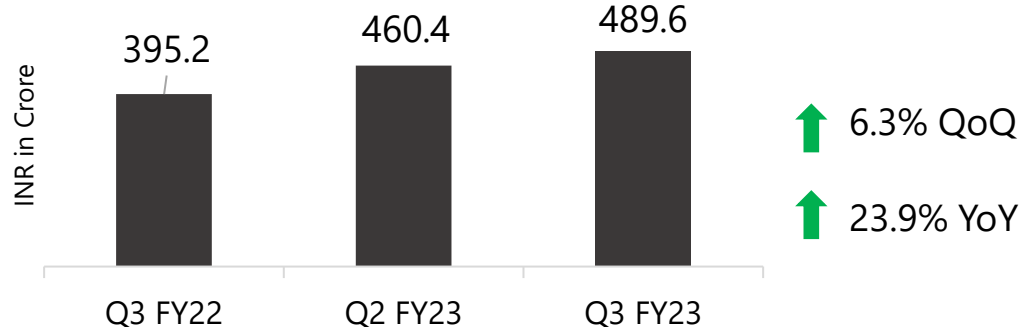


**EBITDA (in Crs)**

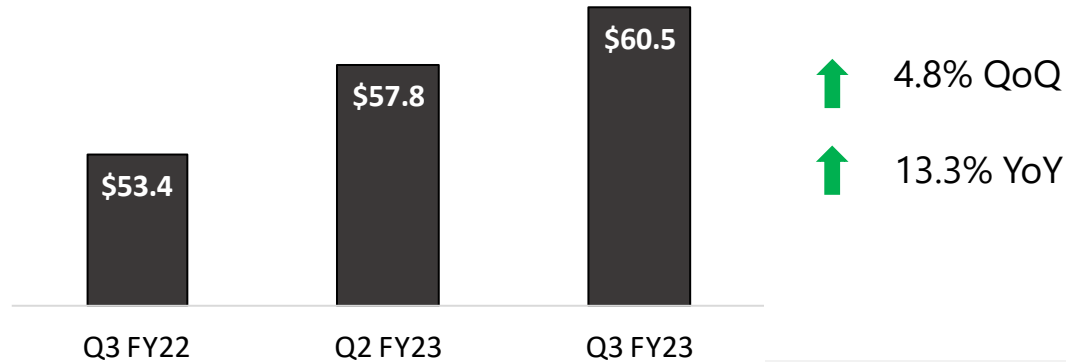


# Financial Performance of International Services – Q3 FY23

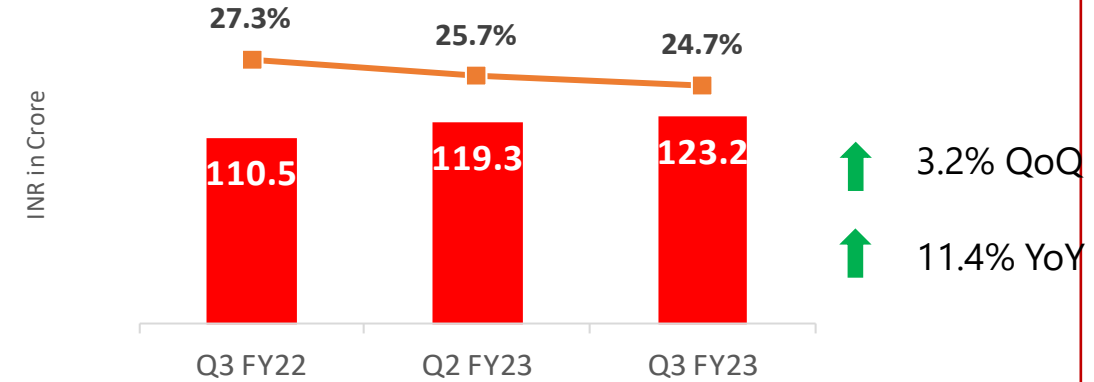
## Revenue in INR. Cr



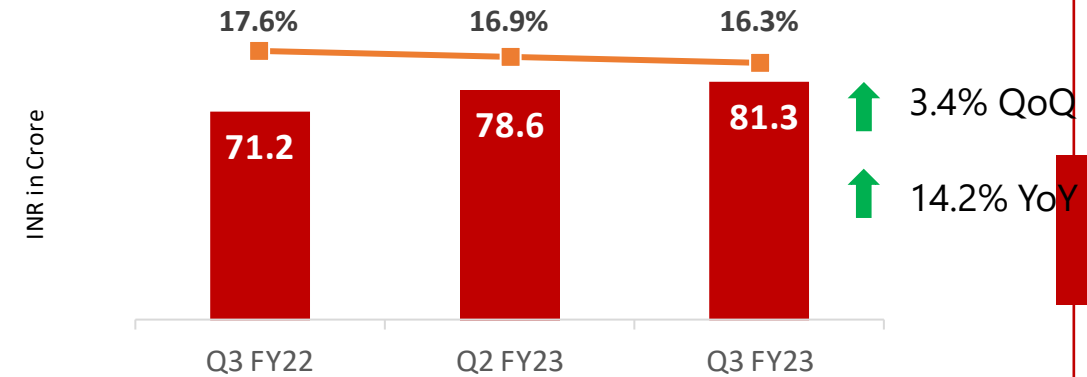
## Revenue in \$ Mn



## EBITDA

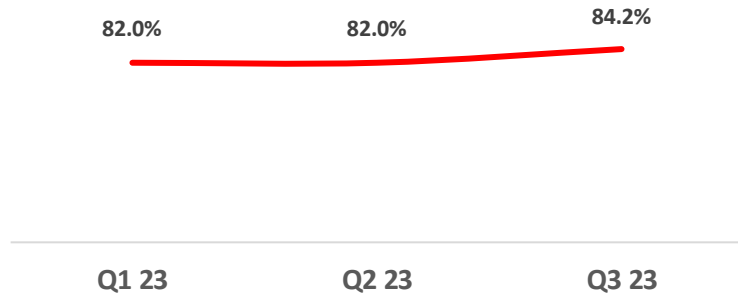


## PAT

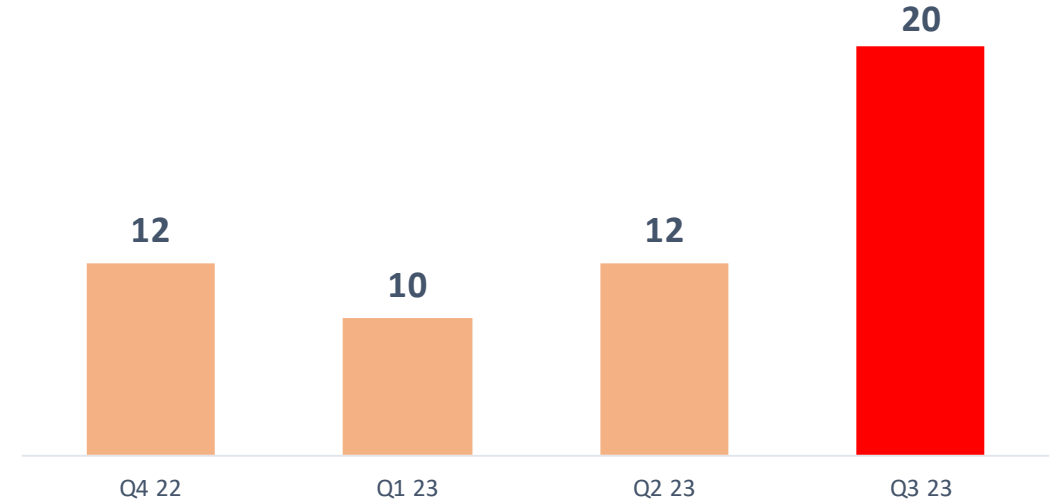


# International Business Revenue Growth

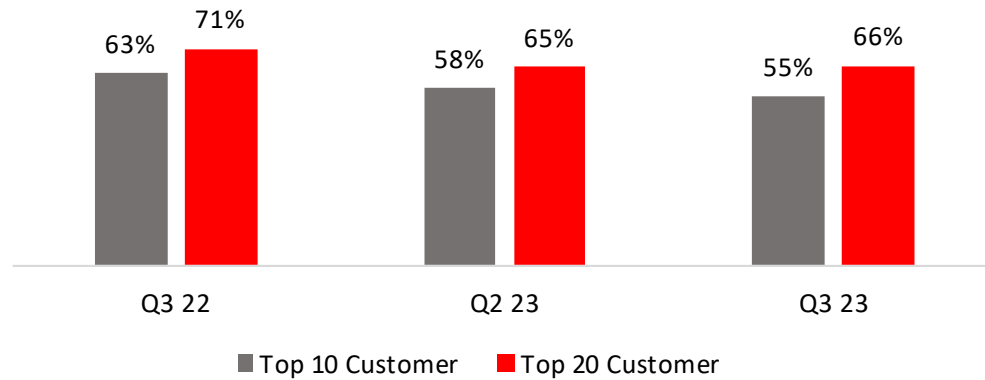
## Utilization



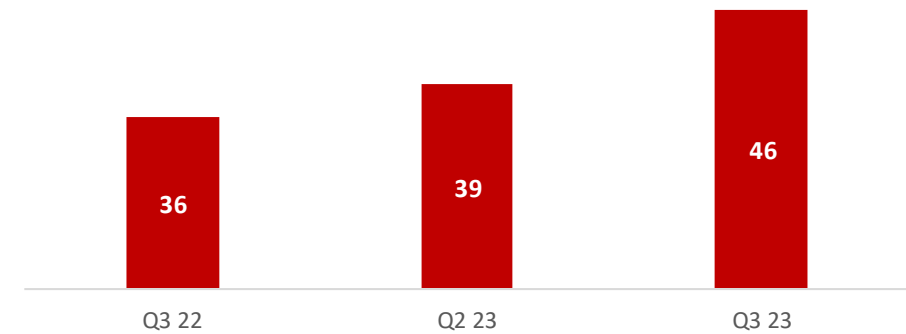
## New Customers added



## Client Concentration

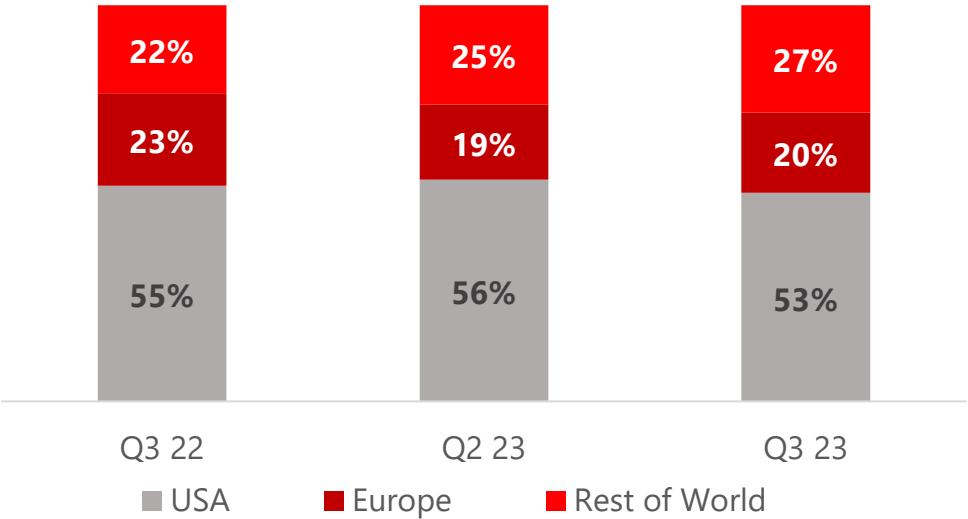


## No. of \$ Million Customers

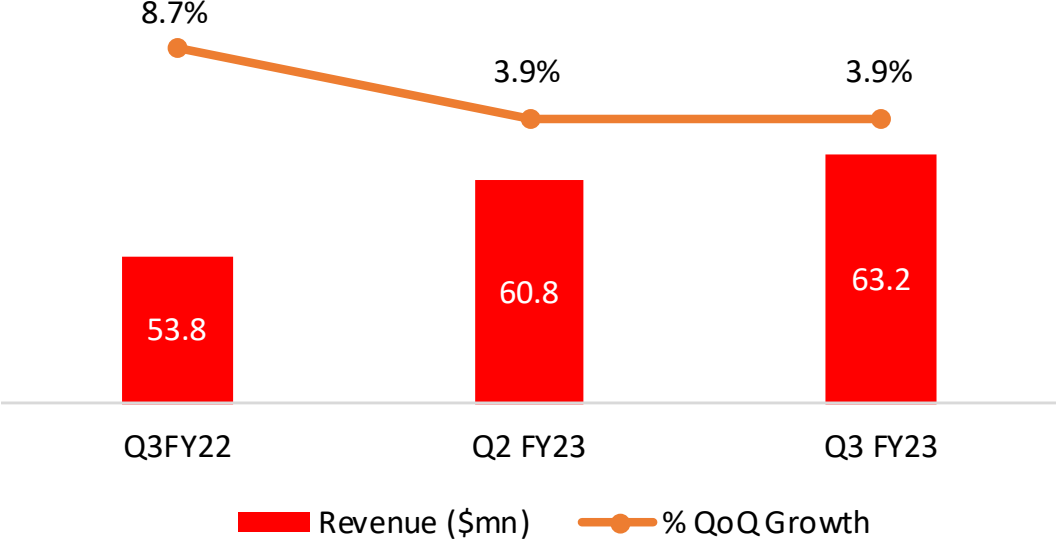


# Operational Performance

## Revenue by Geography



## Constant Currency

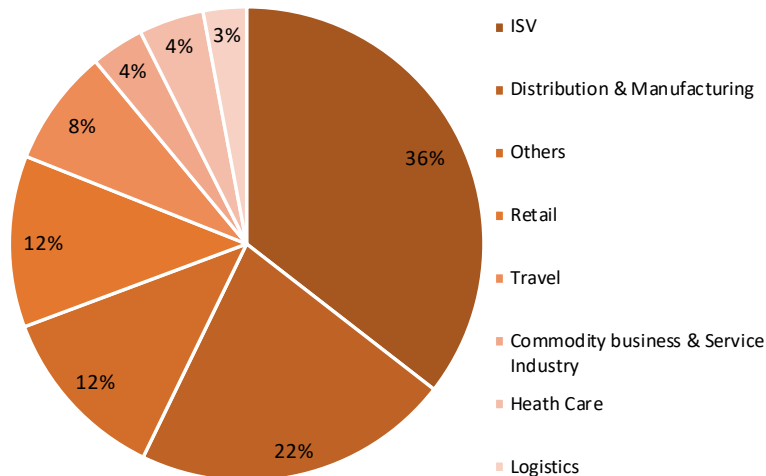


# Vertical Mix Q3 FY 23

## Revenue Share - 3Q FY23 – Current Classification

Industry Vertical	% Revenue in Q3 FY 23
ISV	36%
Distribution & Manufacturing	22%
Others	12%
Retail	12%
Travel	8%
Commodity business & Service Industry	4%
Heath Care	4%
Logistics	3%
Total	100%

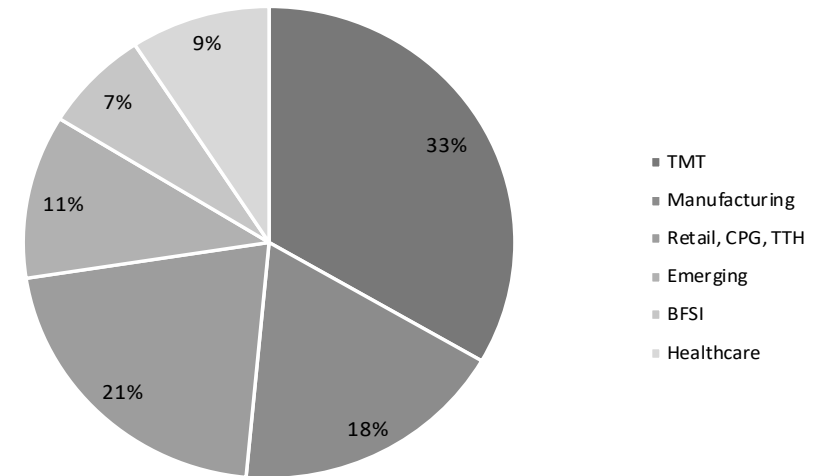
% Revenue in Q3 FY 23



## Revenue Share - 3Q FY23 – New Classification

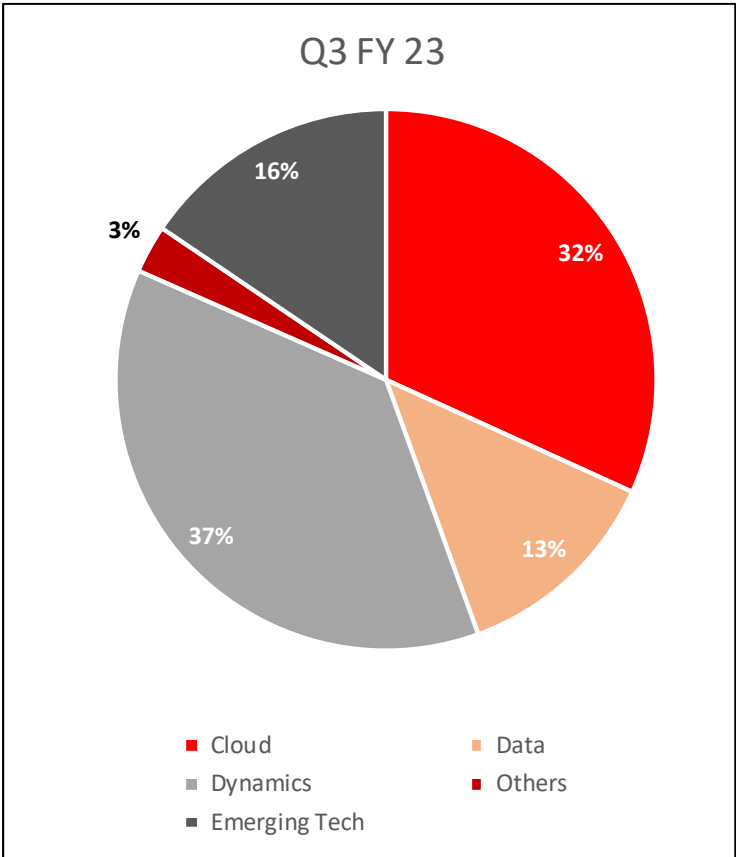
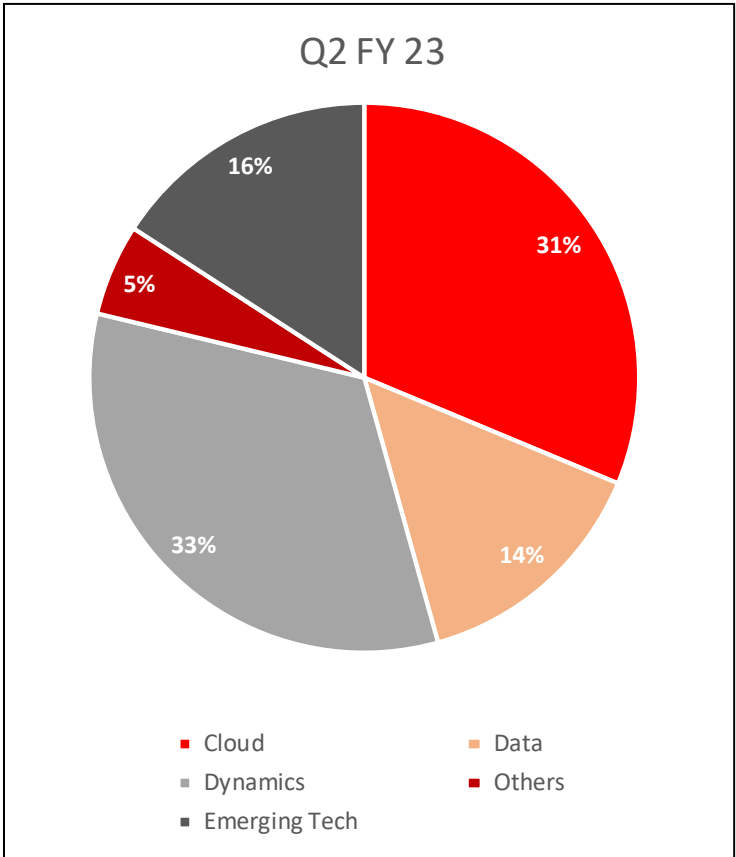
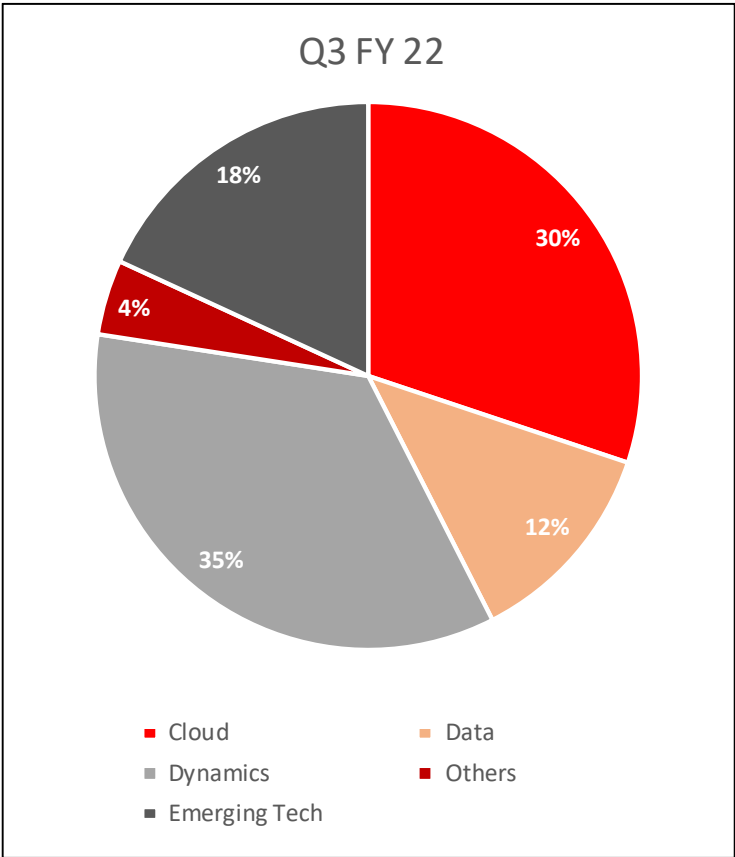
Industry Vertical	% Revenue in 3Q FY 23
TMT	33%
Manufacturing	18%
Retail, CPG, TTH	21%
Emerging	11%
BFSI	7%
Healthcare	9%
Total	100%

% Revenue in 3Q FY 23



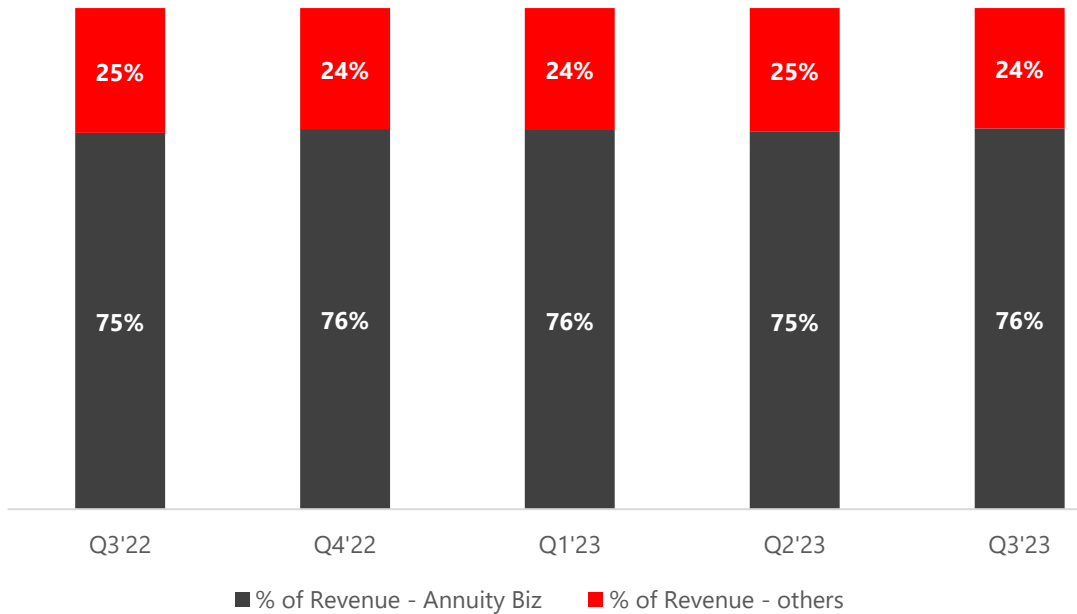
# Solutions Mix

## Revenue by Top GTMs

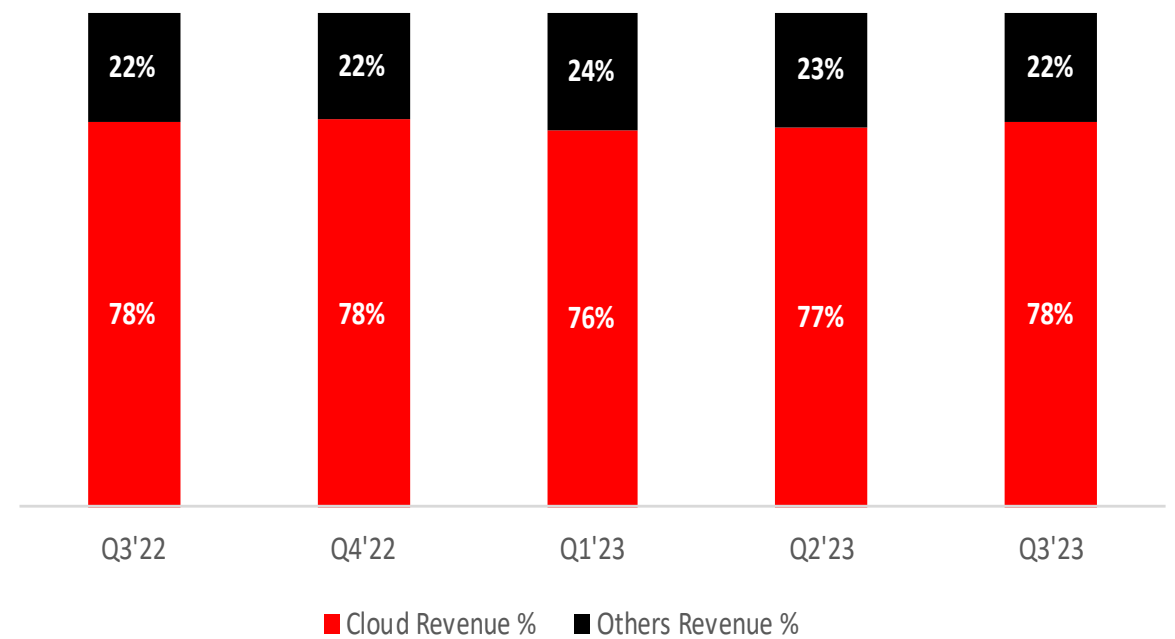


# Domestic Business - Revenue

## Domestic Revenue (Annuity/Others)



## Domestic Revenue (Cloud/Others)



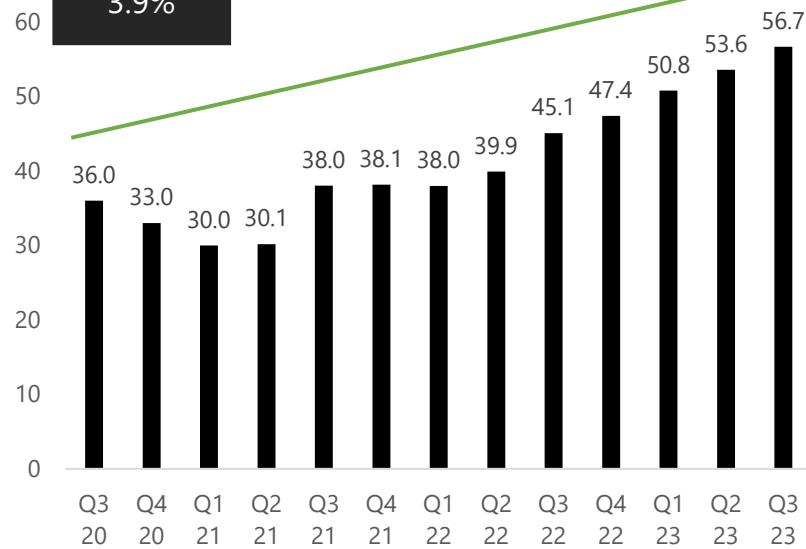
Domestic business major revenue contribution from multi year annuity enterprise sale



# Domestic Business:– Last 12 Quarters (In Crs)

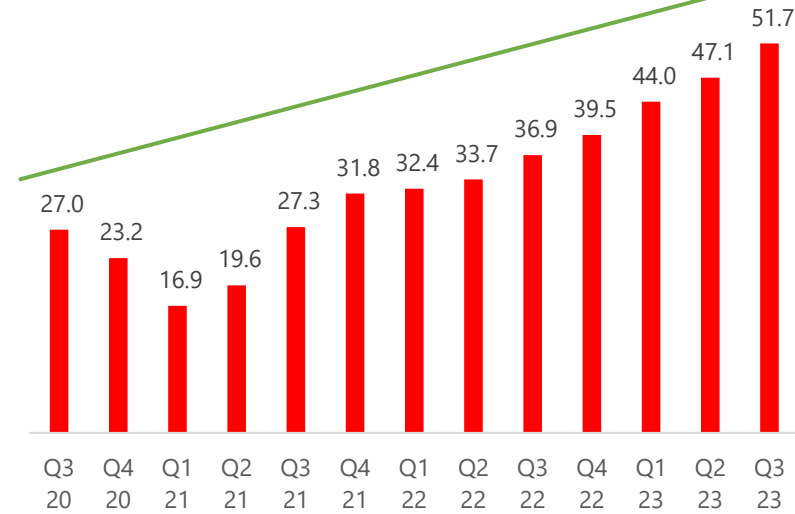
CQGR  
3.9%

## Gross Contribution



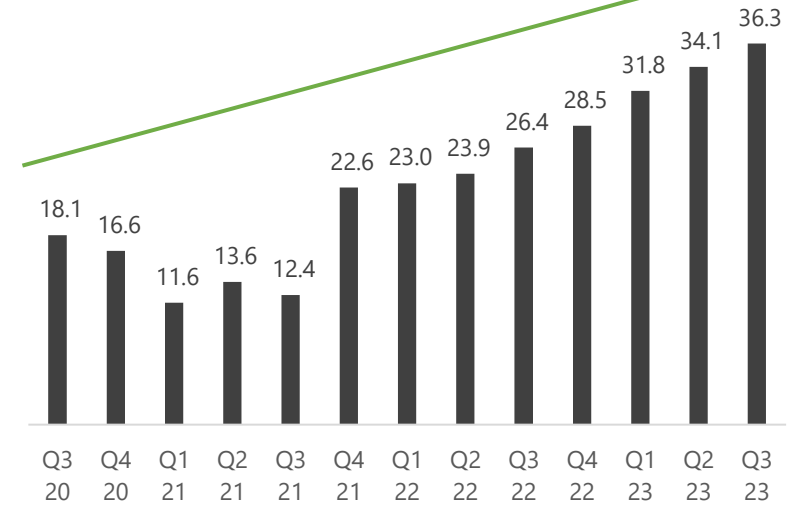
CQGR  
5.6%

## EBITDA



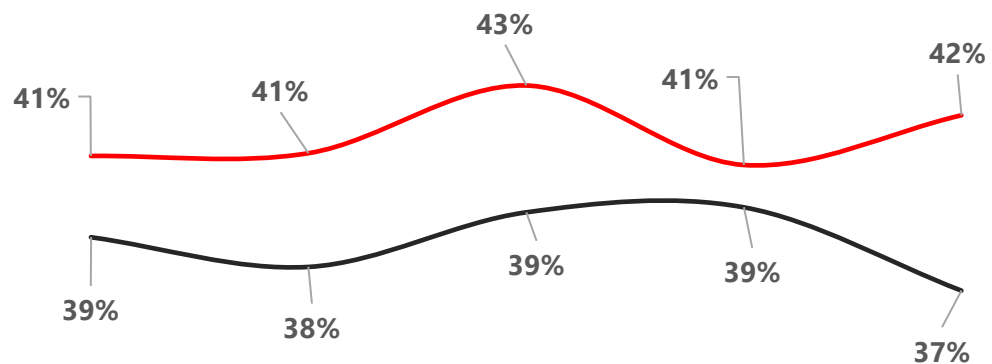
CQGR  
6.0%

## PAT



# International and Domestic ROCE & RONW

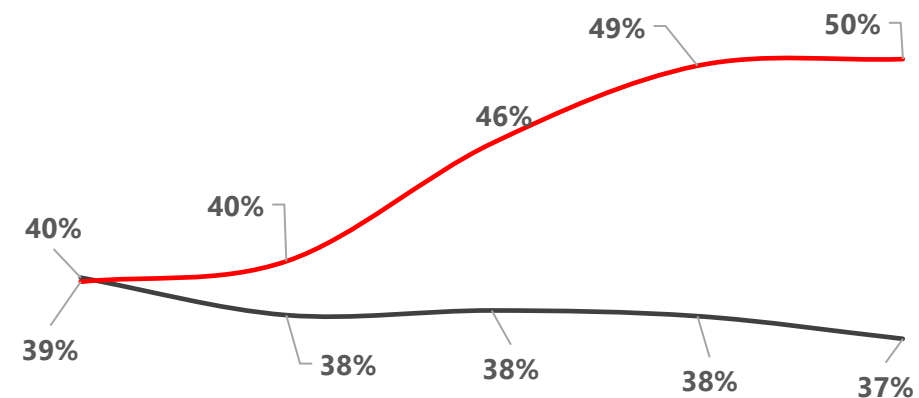
## ROCE



Q3 22      Q4 22      Q1 23      Q2 23      Q3 23

— International Business      — Domestic Business

## RONW



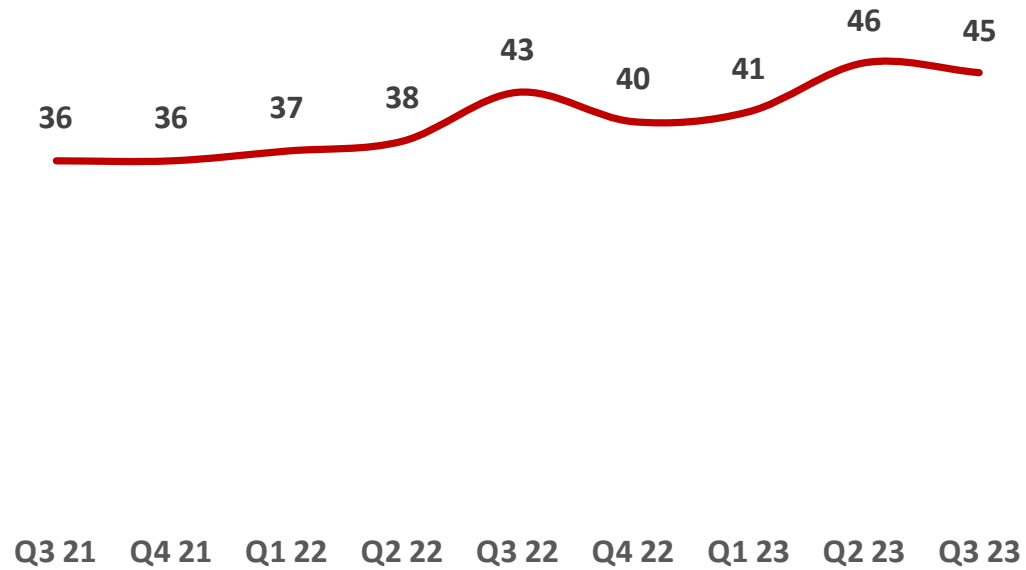
Q3 22      Q4 22      Q1 23      Q2 23      Q3 23

— International Business      — Domestic Business

# Days Sales Outstanding

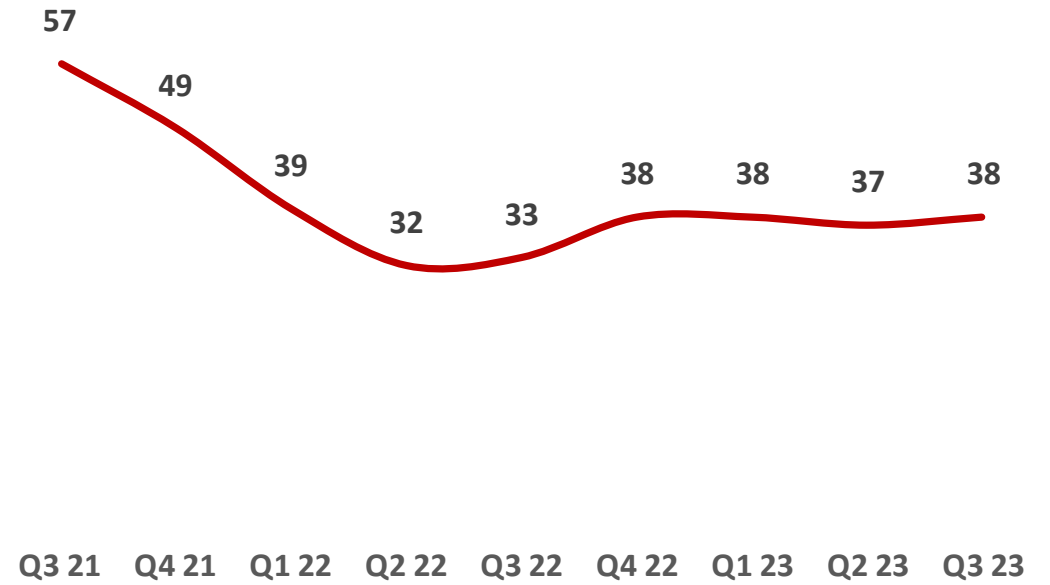
## International Business

### International Services DSO

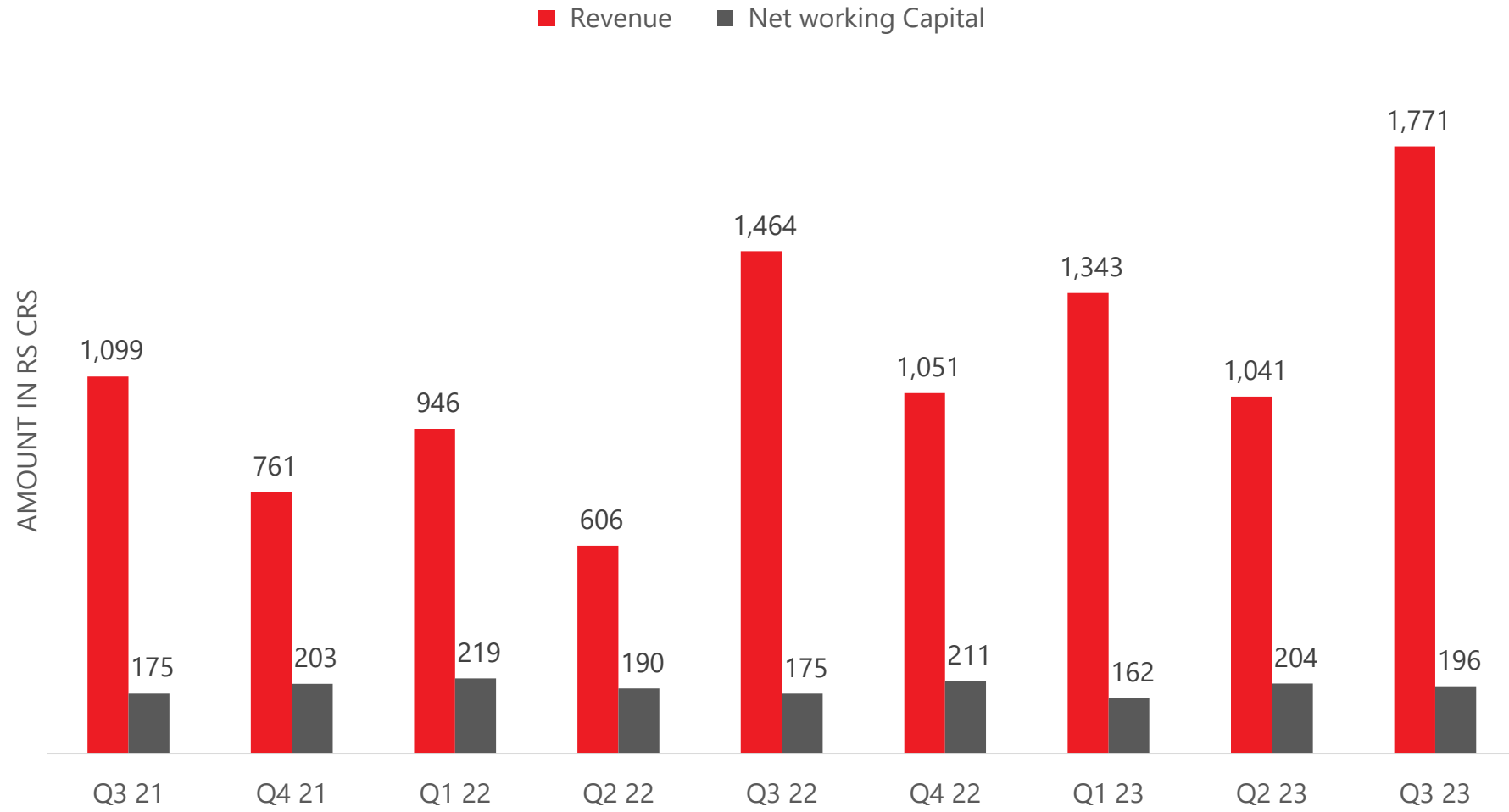


## Domestic Business

### Domestic Services DSO



# Credit Management – Domestic Business



# THANK YOU



SONATA SOFTWARE

**Platformation™**

Makes the Difference

[www.sonata-software.com](http://www.sonata-software.com)

