

25<sup>th</sup> October, 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 Sirs/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 half year ended 30<sup>th</sup> September, 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**

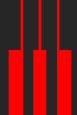
Encl.: As above

# PLAY BIG



## Investor Presentation

Q2 FY'24



# Sonata at a glance



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

## The Company

**38 YEARS**

IT Solutions Provider

**\$990M+**

Revenue

**15.4% CAGR**

across 10 years

**Listed (SONATSOFTW)**

Market Cap \$ 1.8B

**~6500 Employees**

Across US, EU, Asia & ANZ.

17 different nationalities

## Delivering Outcome-based Modernization Services

Cloud



AI & Data



Managed Services



Dynamics



Automation



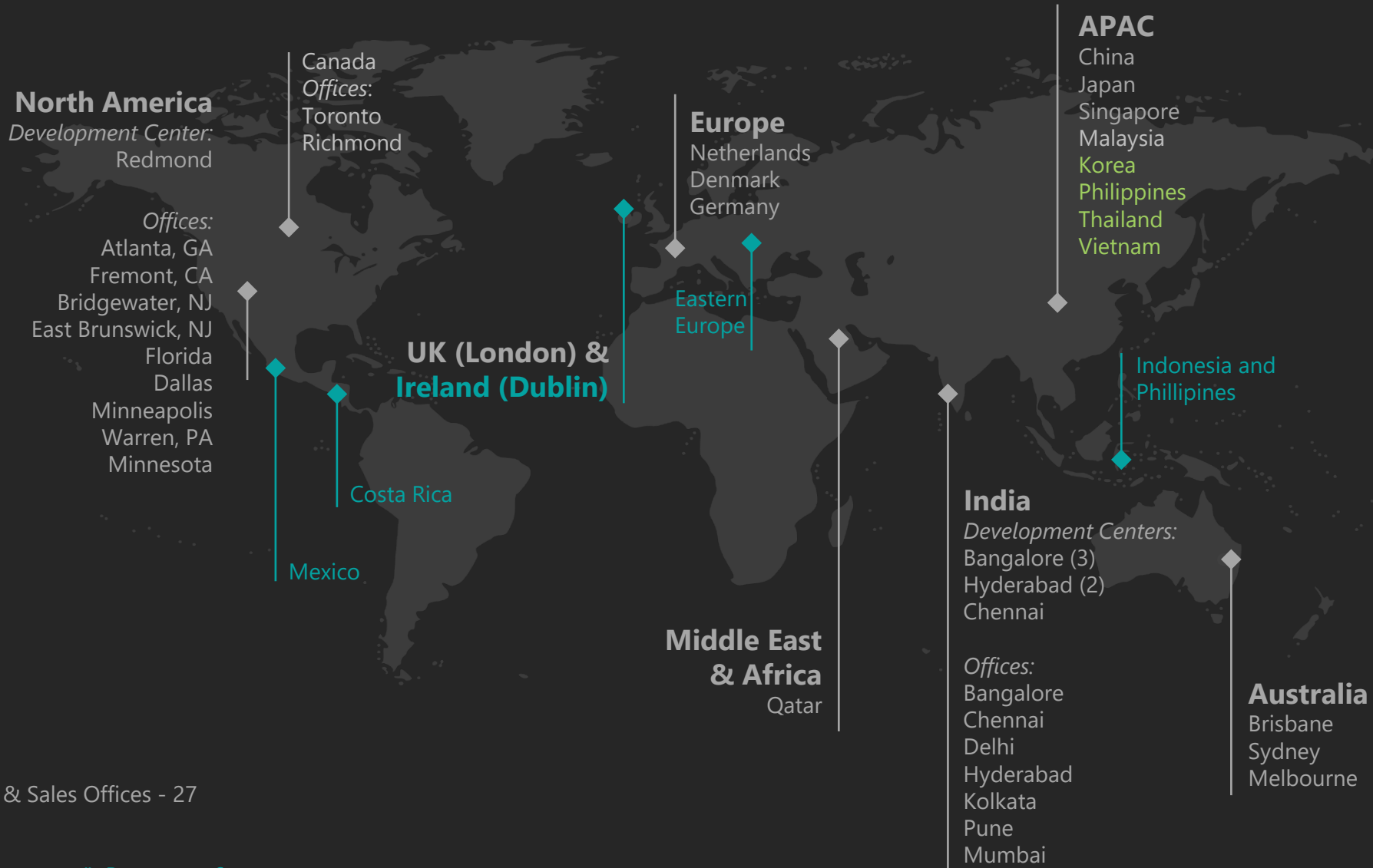
Digital Contact Center



Digital Transformation  
Using **Platformation™**



# Serving our Global clients with right Talent mix (Global & Local Talent)



- Development Centers & Sales Offices - 27
- Partners - 4
- Global Delivery centers recent/InProgress - 6



## Industries



**TMT:** Technology, Media and Telecom



**RMD:** Retail, Manuf., Travel and Distribution



**BFSI:** Banking, Financial Services and Insurance

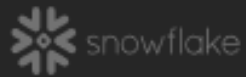


**HLS:** Healthcare and Life Sciences



Emerging

## Ecosystem: Partnerships Tech + Domain



## Innovative IPs

**LISA Chatbot**  
(Conversational AI)

**Workbox.io**  
(Archival)

**Lightning Build**



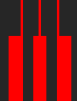
Sustainability Target:  
**Carbon Neutrality**  
by 2030

Single Use Plastic Free certified by  
FY 24

Aim for 100% Tier 1 suppliers on  
ESG compliance and training by  
FY 24

UNGC Signatory by FY2024

SbTi Commitment by FY4



# PLAY BIG





**Objective:**

**Be the fastest-growing Modernization Engineering company**

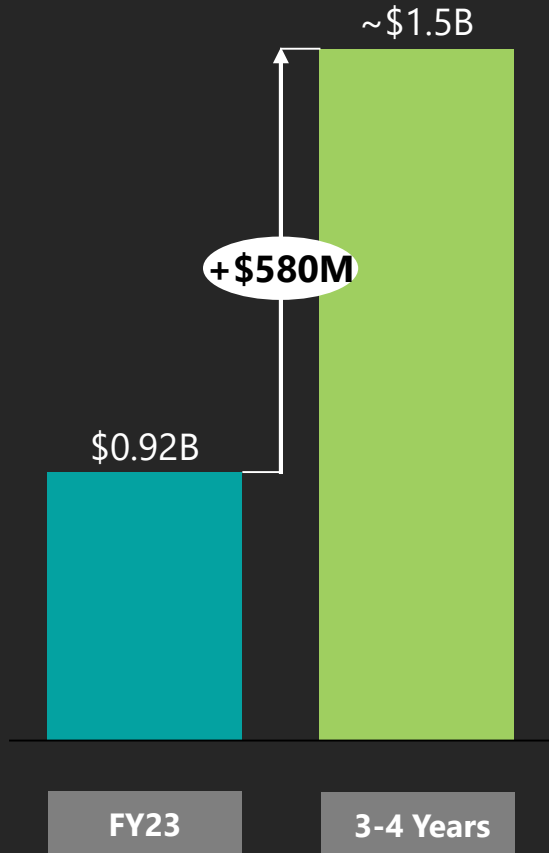
**Goal:**

**Revenue of \$ 1.5B by FY 26 end.  
Intl EBITDA @ low-20's**

# Our Performance Vision: Making progress and adapting to changing times...



## Revenue Growth (In \$M)



## SCALE – Key Drivers



### Harvest

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



### Invest

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



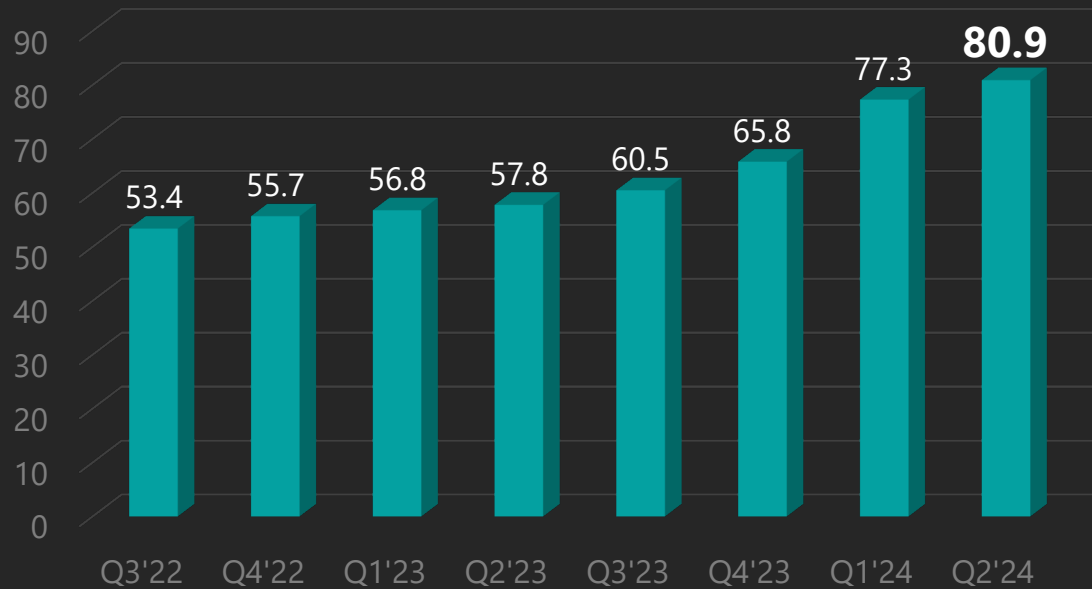
### Diversify

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

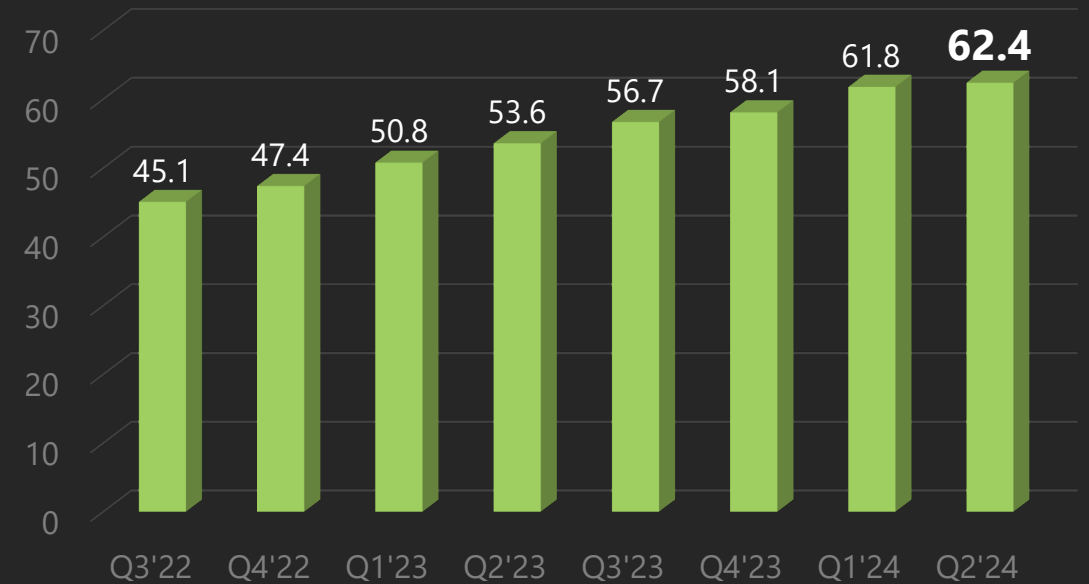


In Q2 we crossed  
**\$80M**  
right after crossing \$75M in Q1

Intl. Services Rev. \$M



SITL GC INR Crs



# Stock Return of **100%+** For Our Shareholders over the past one year



Total Return to Share Holders		
	1 Yr	5 Yrs
Stock Price Return %**	105%	382%
Div Yield	2%	8%

\* Till Sep 29, 2023

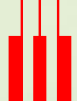
Market Data	
NSE Symbol	SONATSOFTW
Market Cap**	\$ 1.8B

\* 1 USD = INR 83.04

# Annualized

\*\* as on 29<sup>th</sup> Sep 23





# What's working well for us...



## Large Deals

10 Large deals won YTD

## Quant M&A

Integrated with Sonata systems

## Modernization

Cloud & Data pipeline is 38%

## Verticals / Partnerships

Retail/Mfg., BFSI, HLS, TMT) and (MS, AWS)

## SITL

Steady GC growth

Large Deals: 35 large deals under pursuit. **38%** of Large deals pipeline are with Fortune500 clients

60% of Top 10 Accounts are Fortune 2000 Companies vis-à-vis 30% in previous year

## Key Large Deal Wins

### Client - Premier 3<sup>rd</sup> party logistics

\$12.6M over 3 Years

Logistics application hosted on Azure

### Client - Communication & Managed Network

\$6.5M over 7 years

Business Services: F&O, Implementation of D365

### Client - Outsourced industrial Steel service

\$5.7M over 6 years

Build Next Gen Trading platform

## Large Deals in the pipeline

RMD = 11 deals

TMT = 7 deals

BFSI = 7 deals

HLS = 6 deals

Emerging = 4 deals

# Quality of growth – Top 10 clients movement



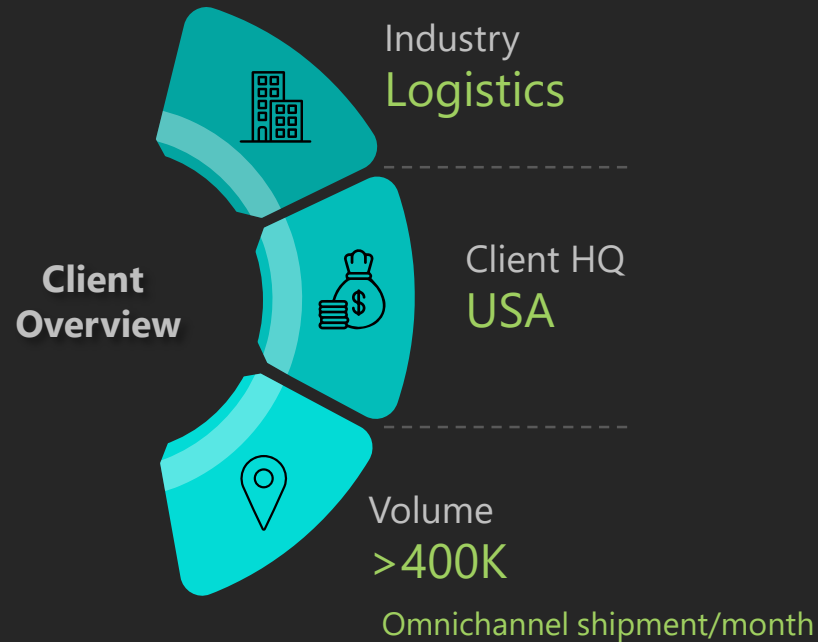
	Q1 FY 23	Q2 FY 24	Logos in Pipeline
Fortune 50	2 clients	4 clients	5 clients
Fortune 500	3 clients	5 clients	10 clients



# Large Deal Win - Logistics application hosted on Azure (\$12.6 M)

## Client Overview

Premier Third-Party Logistics company that provides creative supply chain solutions with an asset-lite transportation and distribution services



## Areas in Scope

IT Services to build and maintain Creative Logistics Solutions and Strategic IT service Partner

- ◆ Transportation, Distribution & Warehousing
- ◆ Data Analytics, Architecture, Engineering and DBA
- ◆ Infrastructure and Network Operations
- ◆ Integration and EDI
- ◆ Application Development & Maintenance

## Client Overview

Client provides high-bandwidth connectivity and global managed network services including managed ICT, cyber security, and UCaaS solutions, to a range of blue-chip customers inclusive of Hyperscalers, telecommunications operators, new media providers and enterprises throughout the world.

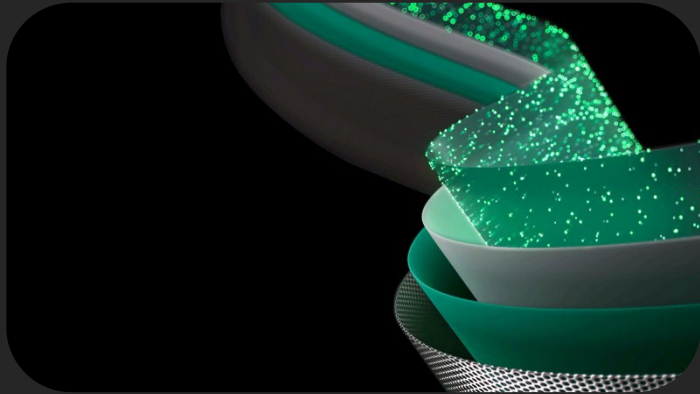


## Areas in Scope

Gen AI, Cloud and Connected Data led Finance Transformation. Sonata shall run the finance operations for next 5 years and transfer of 42 employees from Client to Sonata,

- ◆ Finance Transformation
- ◆ ERP Modernisation
- ◆ Data Platform
- ◆ Integrated Billing Platform
- ◆ Cloud, AI, RPA

# Key bets for the future ....



## Microsoft Fabric

Pipeline created across 70+ customers



## AI & Gen AI

Harmony.AI launched; Pipeline created across 50+ customers



## Joint GTM

MS GTM funding- first tranche received; AWS – Rescale Program

### Continued focus

Verticalization

Focused GTM

Large Deals

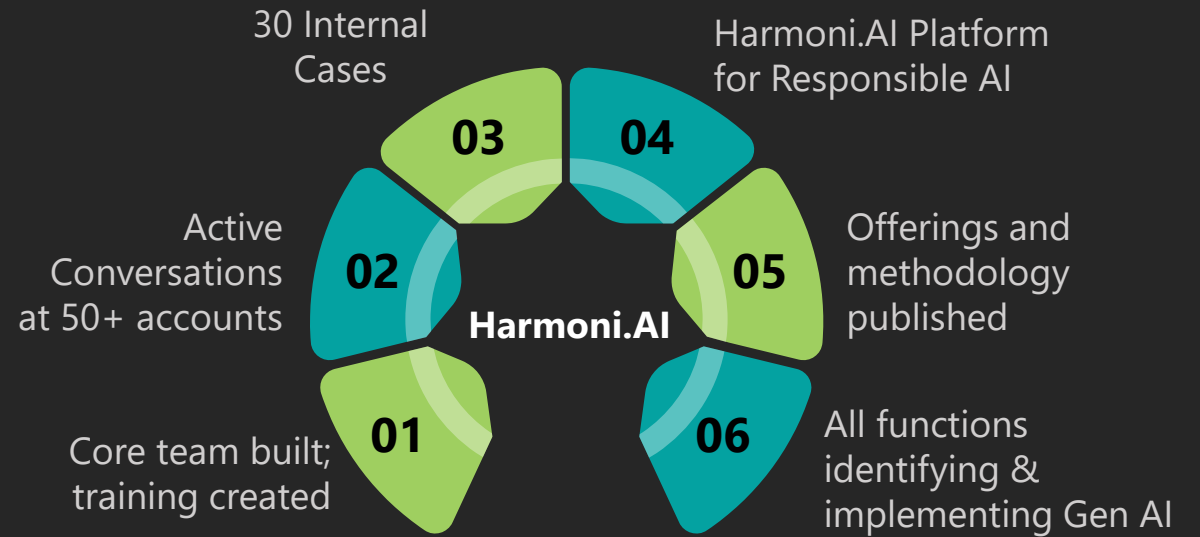
Mega accounts



# Sonata's Responsible-first AI offering for Enterprise scale – Harmoni.AI



Geared towards building an AI first culture



**Blackbelt club**

**35% of talent**  
GenAI trained team  
members

# Our GTM's are aligned with our Partners and our investment focus...

Cloud Apps Modernization	Data & Analytics	Microsoft Business Apps	Service Experience Transformation	Hyper Automation	Managed Services
Microsoft aws	Microsoft aws snowflake	Microsoft	Microsoft	Microsoft	Microsoft aws
	Tamr PKWARE	IZARA <small>PEACE OF MIND, AS A SERVICE</small>	SAP salesforce	UiPath™	servicenow
Google Cloud CORESTACK®	Google Cloud next PATHWAY BigID Qlik Q	<div style="border: 1px solid gray; padding: 5px; text-align: center;">MSFT Market Place Partners</div>	servicenow		

# Microsoft-Sonata Partnership: 30+ Years of jointly driving Customer Success



Sonata named again in Inner Circle for Microsoft Business Application 2023-24

<p><b>AI/Gen-AI</b> Industry Partnership</p>	<p><b>400+ Clients</b> Across The Globe USA, Europe, Asia, India, Australia, Middle East</p>	<p><b>\$650+ Million</b> Per Annum Revenue To Microsoft</p>
<p><b>2500+ Team</b> On Microsoft Technologies</p>	<p><b>Microsoft Cloud Solution Partner - Azure Expert MSP</b> Competencies. <b>10 Advanced Specialisation in</b> Dynamics 365, 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> Healthcare, Retail, Sustainability, Manufacturing</p>	<p><b>Industry Digital Transformation</b> Retail, CPG, Manufacturing, Telecom, Healthcare, Hi-tech, BFSI</p>

Partner for RPA Migration 100      Partner for Microsoft Fabric

2023/2024  
**INNERCIRCLE**  
for Microsoft Business Applications



# Success Stories (1/2)...Unified Digital Solution for Business Process Transformation



## Client Overview

**Industry**  
Manufacturing

**Employees**  
> 6000

Leading Sustainable Belting Solution Company

## The Pressure Points

- Standardization and optimization of core manufacturing processes
- Need more transparency
- Continuity risks - in the scattered IT landscape
- Digital innovation - growth and mergers and acquisitions.

## Solutions

- Unified and efficient digital solution with implementation of D365 F&O
- Automated highly complex 1 Dimension Cut production process
- Development of Dynamic Bill of Material calculation to address the configurable order

## Results

- Optimized inventory & consumption - better yields and reduced scraps
- Achieved Business process standardization & optimization
- Improvement in average response time to customer queries on pricing, discounts, shipping schedules

## Client Overview

**Industry**  
Telecom

**Employees**  
> 1600

Leading secure global network services provider

## The Pressure Points

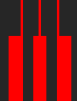
- Manual FinOps processes - high costs and insufficient access
- Lack of Integration between upstream / downstream systems. Inventory accuracy issues
- Manual Revenue assurance process
- Most reports from the system are not in a "ready to consume" state

## Solutions

- Devised strategic roadmap to modernization process.
- Integration of all applications - complete automation to enable Single source of Truth
- Modernizing current legacy platform and processes by upgrading to the latest Dynamics platform.

## Results

- Automation and reducing cycle time from days to hours
- Near Real time reporting and NextGen predictive analytics reporting
- Democratization and Self-Service Reporting Capability
- Seamless Integration across the Ecosystem with enhanced Data security & compliance



# Key Recognition




# WAY TO GO!

Sonata Recognized in Everest Group's **Cloud Services PEAK Matrix™** for North America 2023




## WE DID IT AGAIN

Microsoft  
2023/2024  
**INNERCIRCLE**  
*for Microsoft Business Applications*



Sonata wins **iNFHRA Awards** for Sustainability





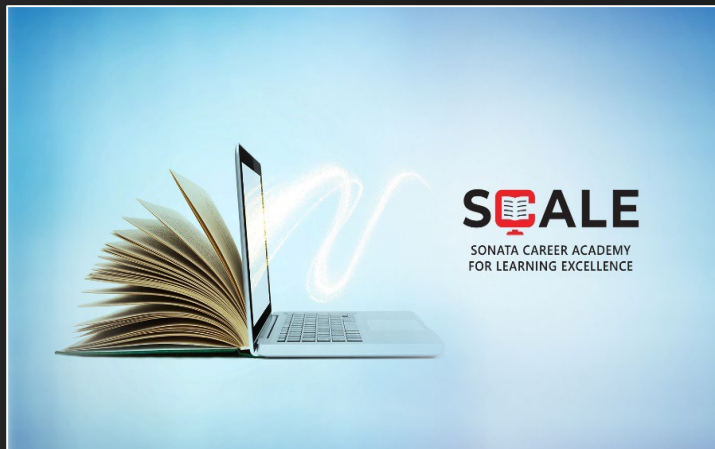
**SONATA**  
SONATA SOFTWARE

Sonata Software Receives  
**PRESTIGIOUS ECOVADIS**  
ESG Rating Assessor

**BRONZE**  
**2023 ecovadis**  
Sustainability Rating

For Our Overall ESG Performance In  
FY23





1

## High Revenue growth with Industry Leading margins

Focus on high revenue rate realization and high margins business

**EPS : ₹34.30\* / Share**

2

## Strong Cash Position & Balance Sheet

Very strong positive cash generation and cash position

**Cash and equivalents ₹690+ Crs**

3

## Superlative returns for Shareholders

Industry leading ROCE and ROE & Bonus share issue

**ROCE : 33.8%\***

4

## Sound Capital Allocation

Sound capital allocation

**FY24 Interim Dividend : ₹7 / share**

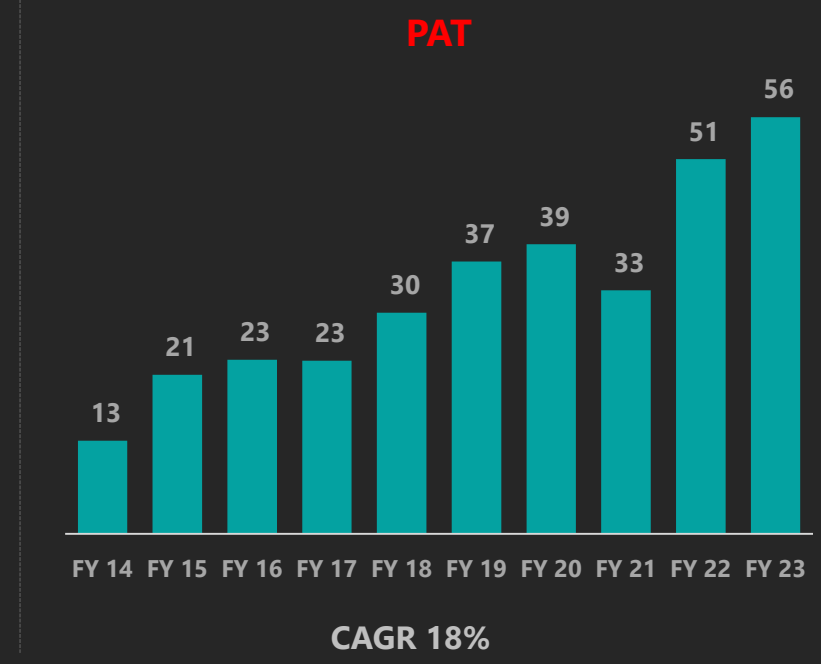
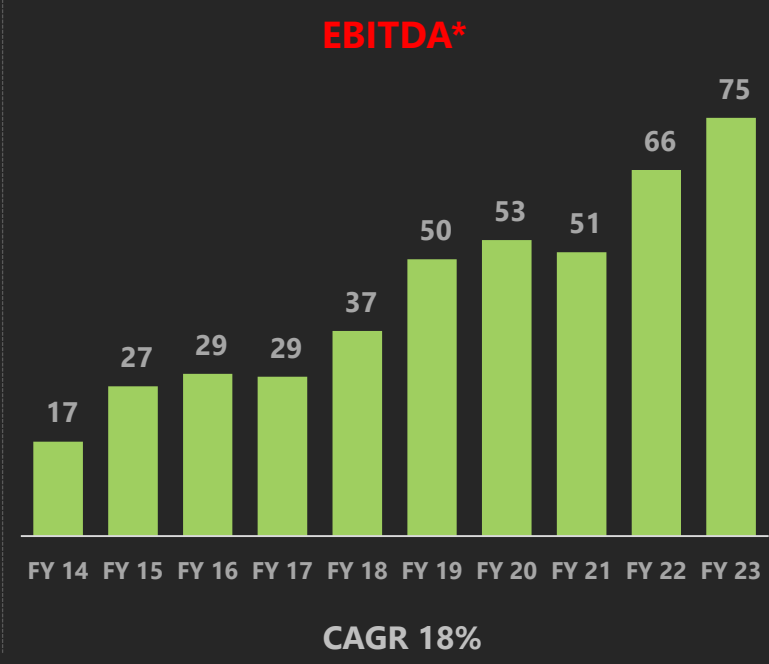
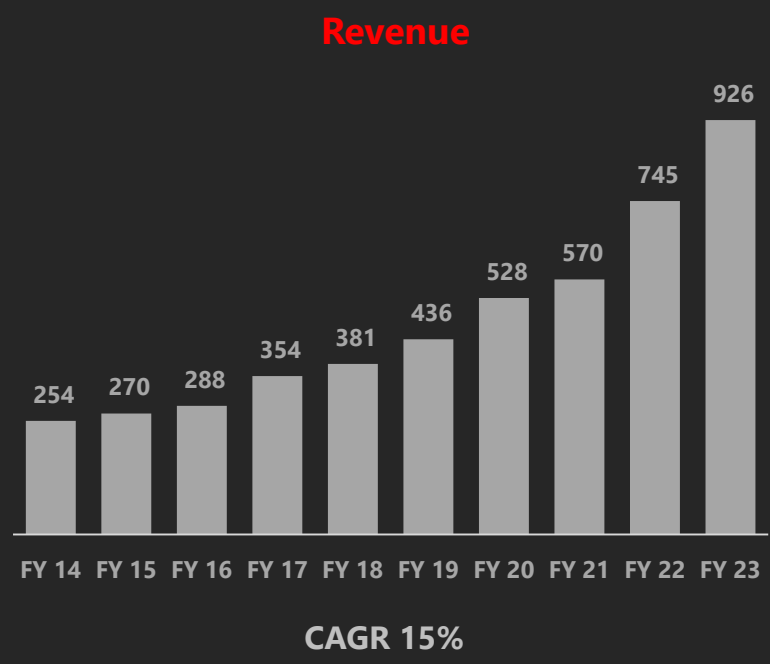
\*Trailing 12 months



# Consistent Growth Over Last 10 years



## Consolidated Revenue & profitability (\$Mn)



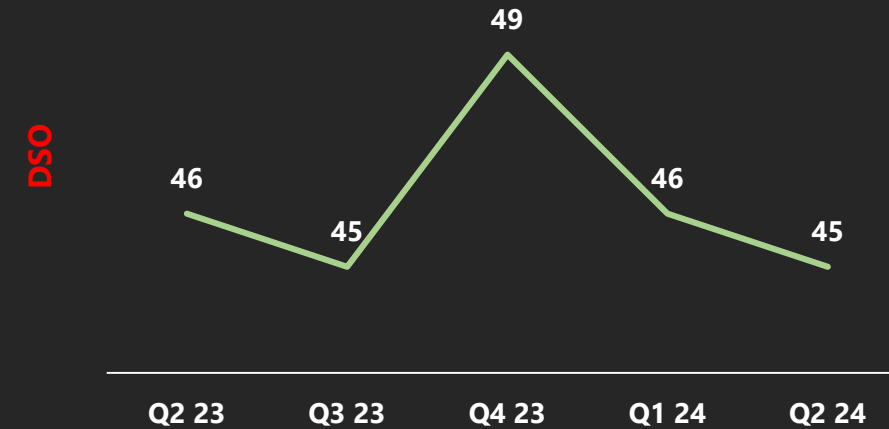
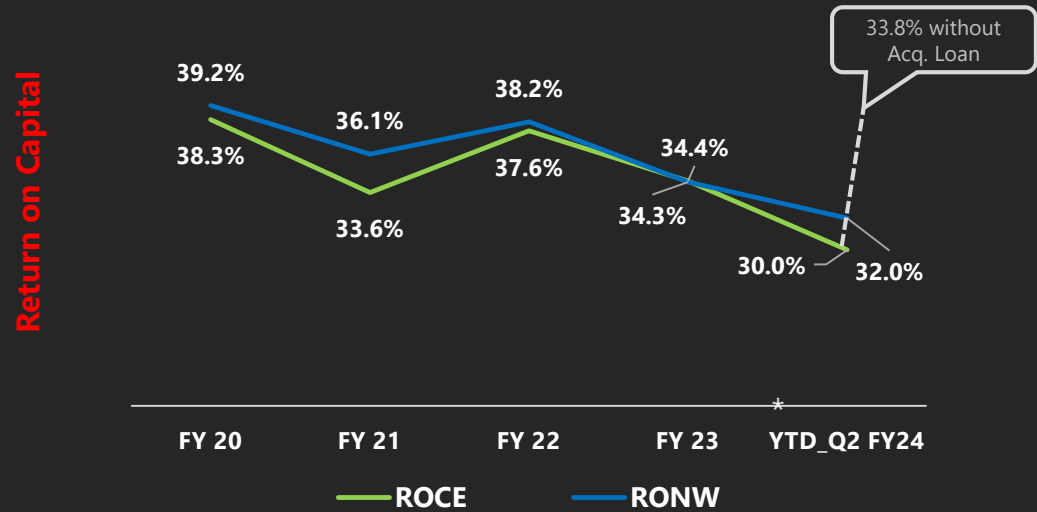
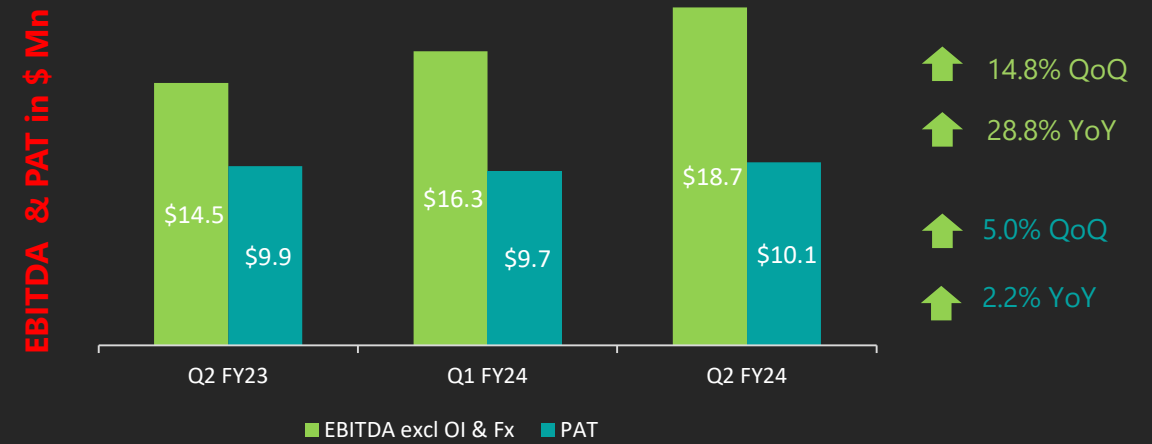
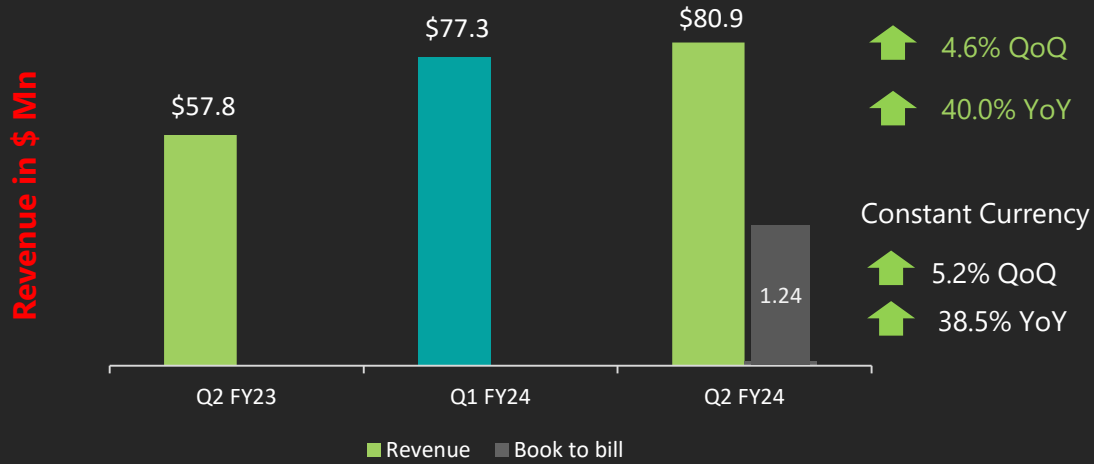
Predictable and resilient growth trajectory

\*Before OI and FX



# Financial Performance Of International Services – Q2 FY24

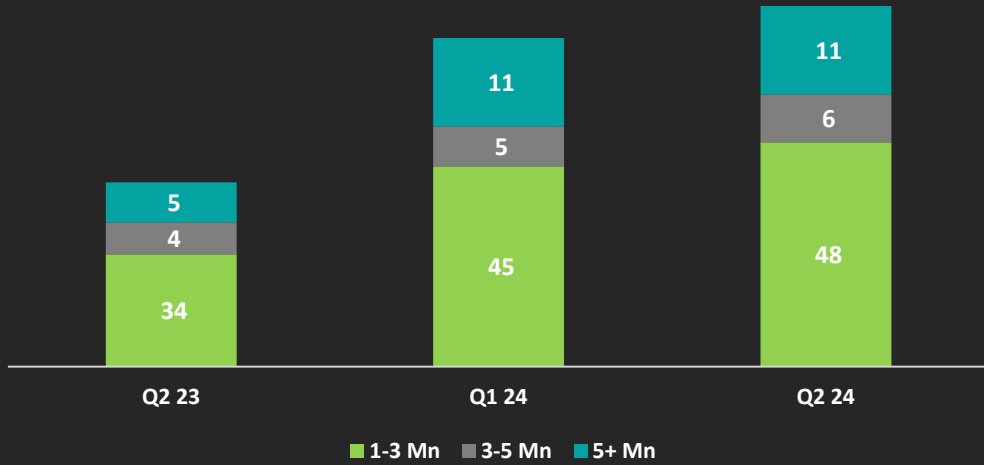
Industry leading QoQ growth in Revenue and EBIDTA; Process improvements result in Collection rigour



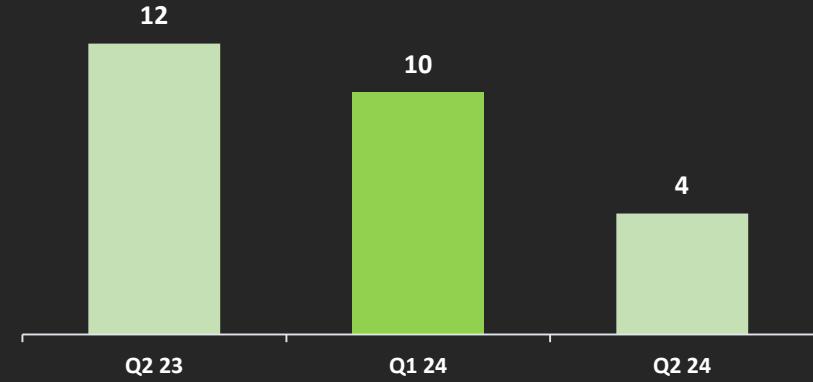
\* Trailing 12 months

# International Business: Revenue Drivers

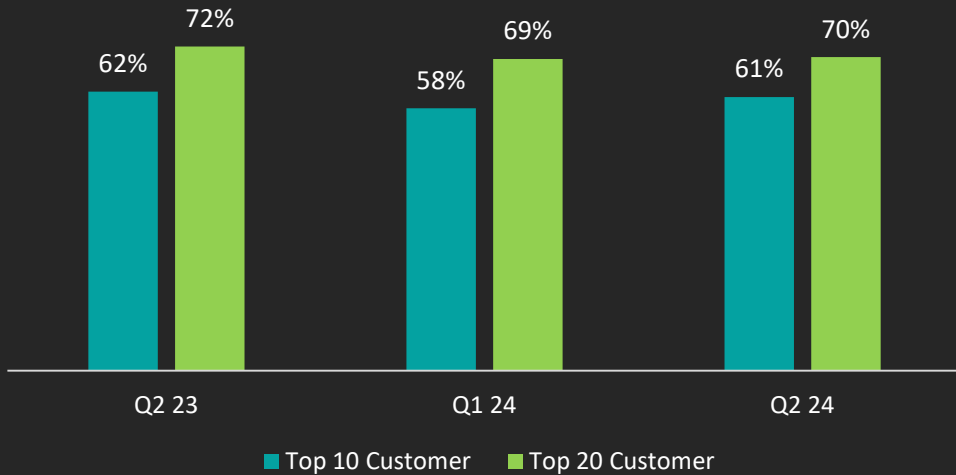
No. of \$ Million Customers



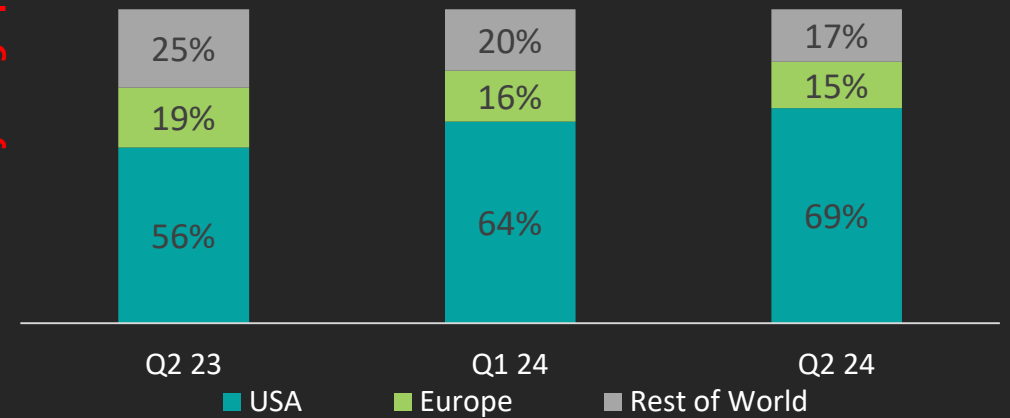
New Customers added



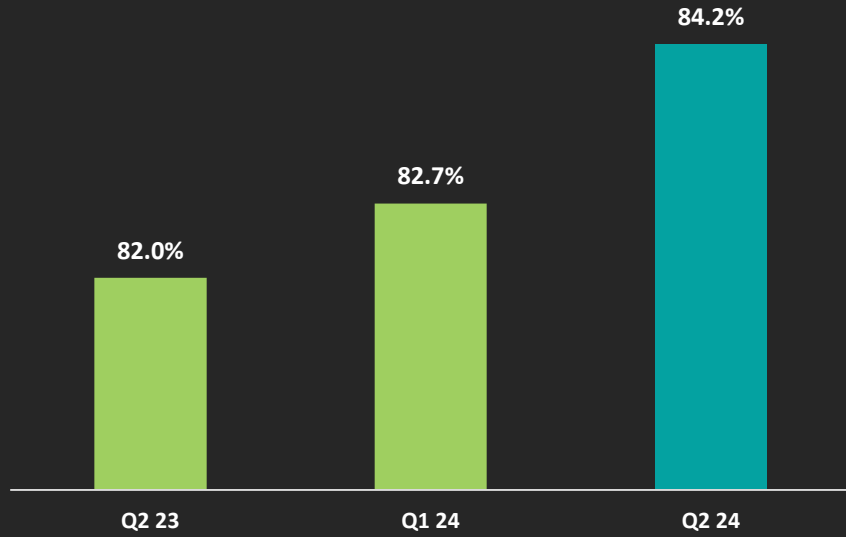
Client Concentration



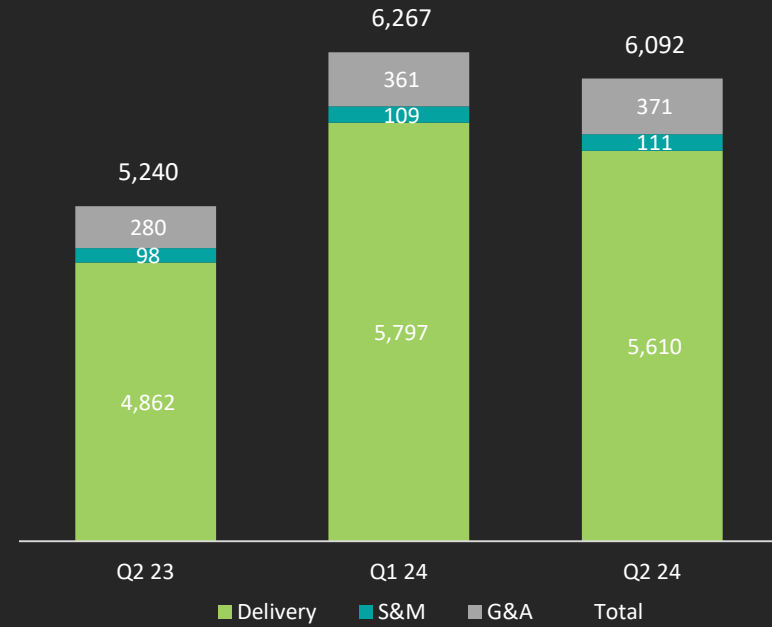
Revenue by Geography



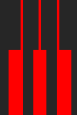
## Utilization



## Headcount by Function



Continued strong utilization

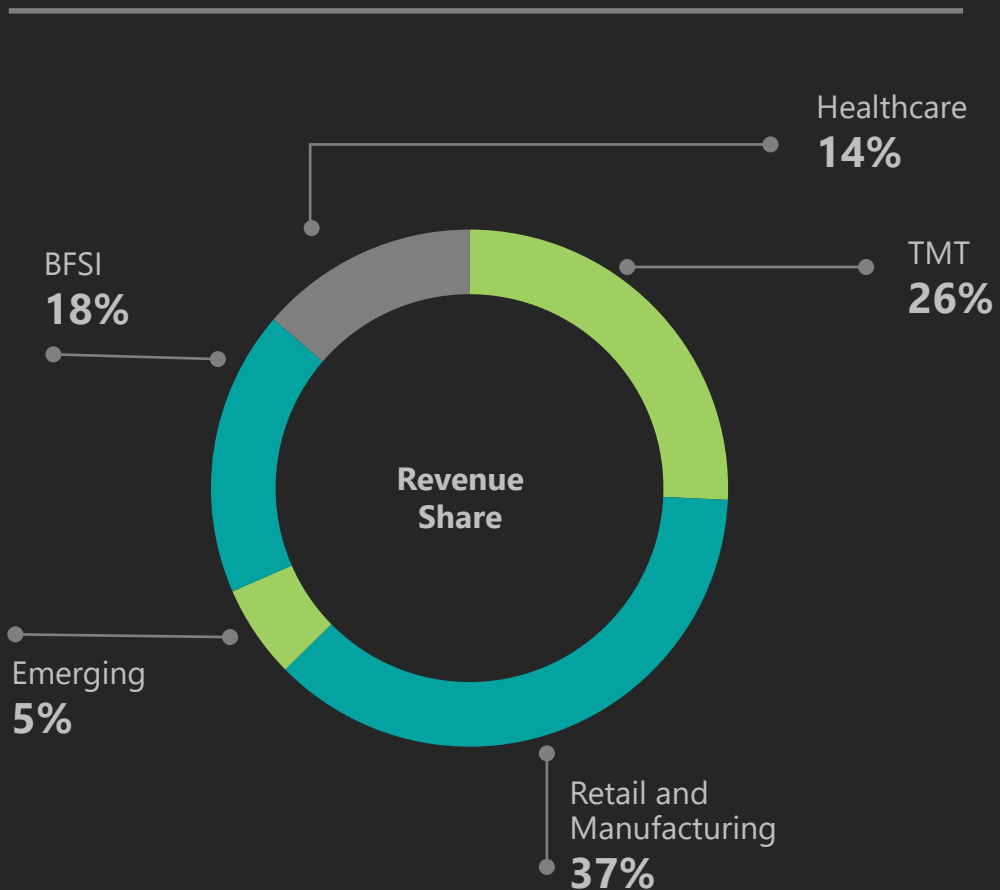


# International Business: Revenue by Verticals Mix

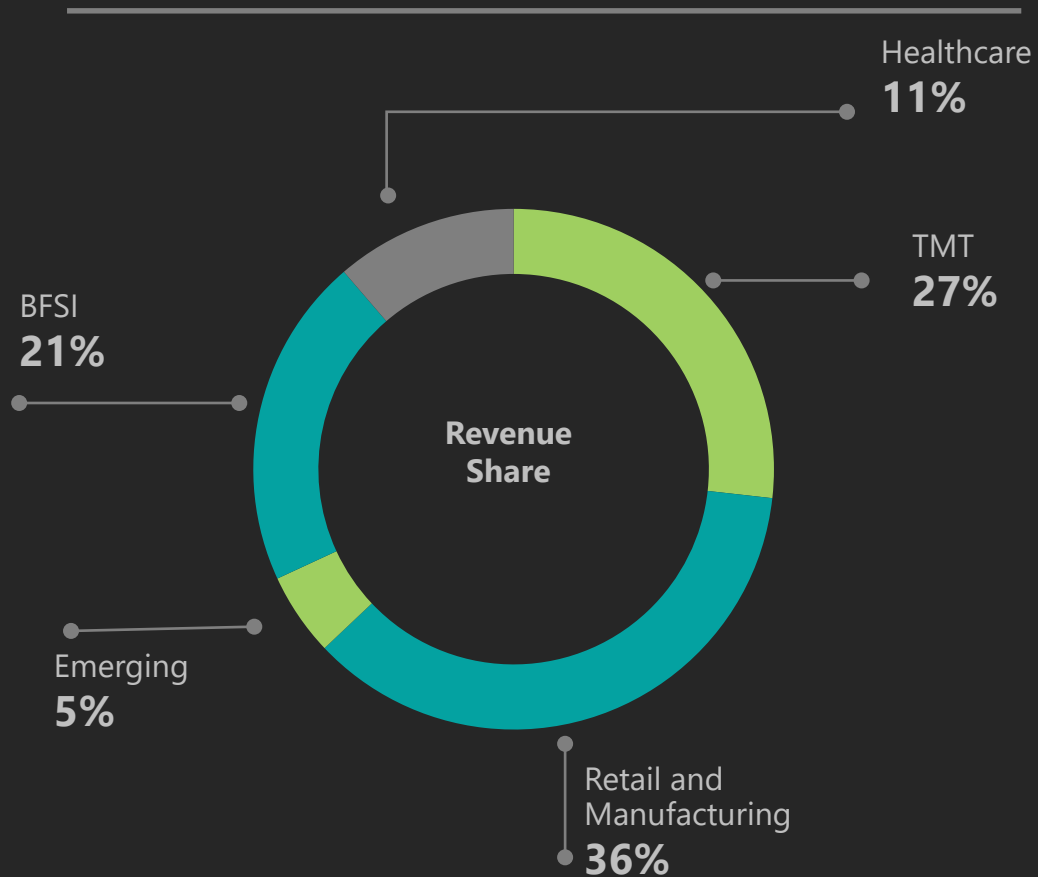


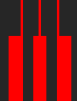
Verticals : BFSI & HLS in investment phase; 4.7% QoQ growth

### Q1 FY24



### Q2 FY 24

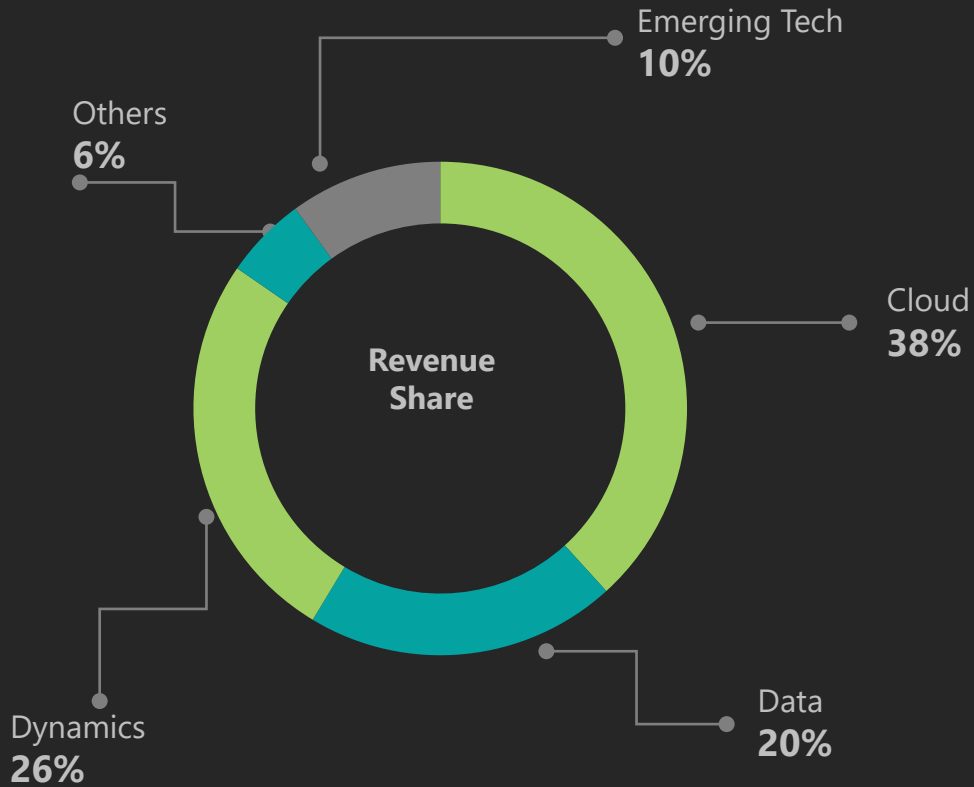




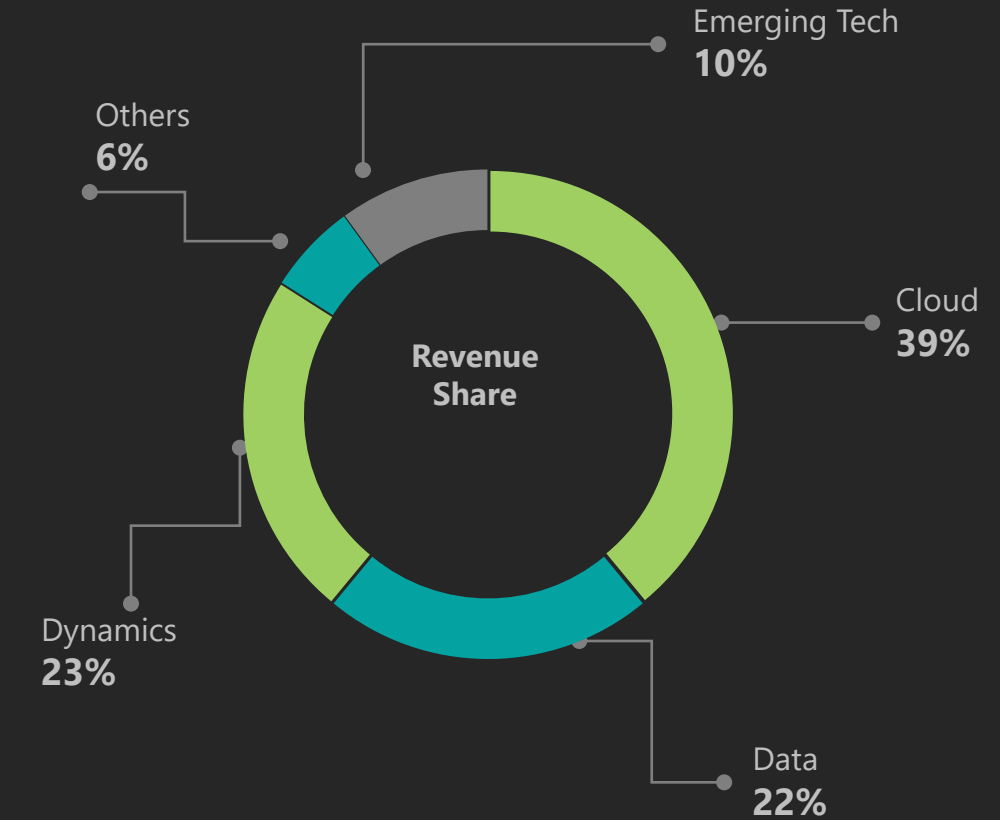
# International Business: Revenue by Top GTMs

Cloud and Data continuous to be more than 50%

### Q1 FY 24



### Q2 FY 24



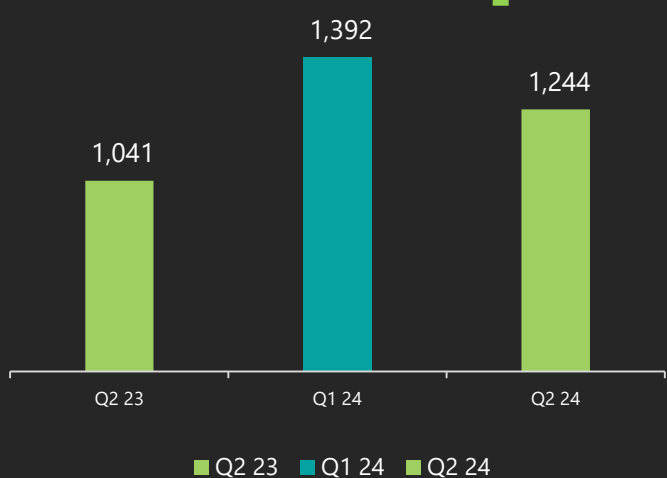
# Domestic Business:- Delivering Consistently Strong Growth With Industry Leading ROCE



Cloud ~78.9%  
Annuity ~75.9%

↑ 19.5% YoY

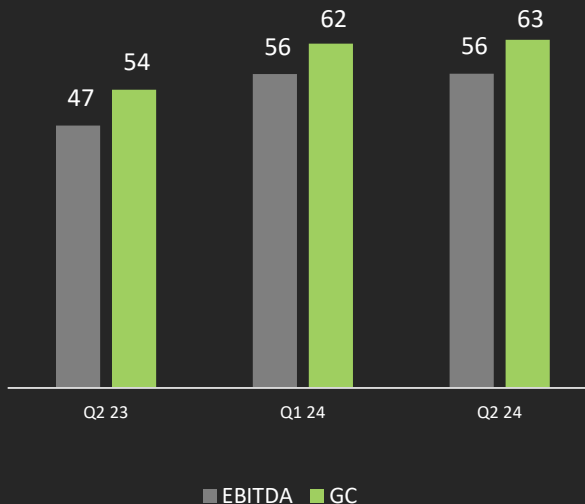
Revenue (INR crs)



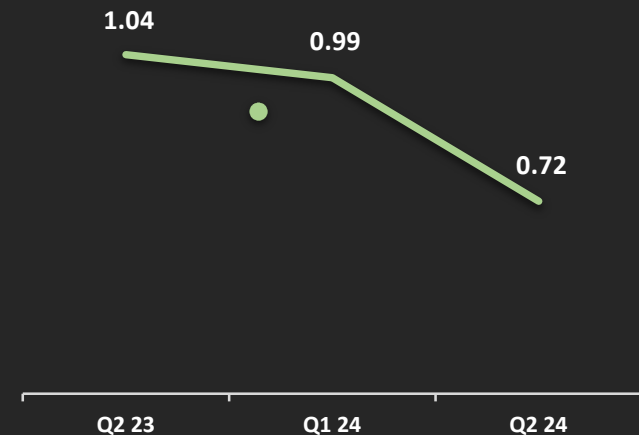
↑ EBITDA 19.7% YoY

↑ GC 16.7% YoY

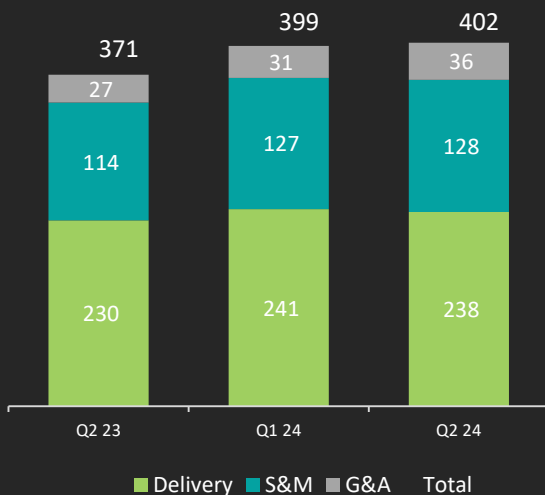
Gross Contribution & EBITDA (INR crs)



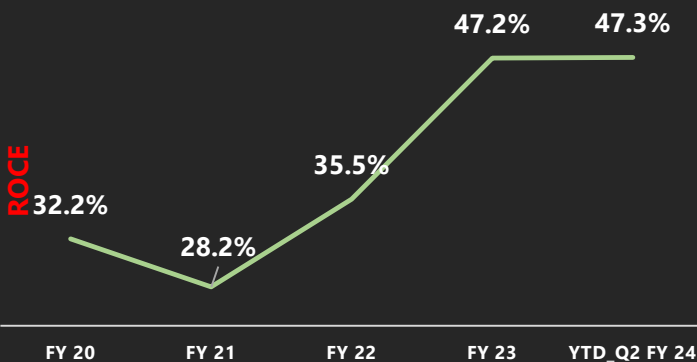
Net working Capital ÷ Gross Contribution



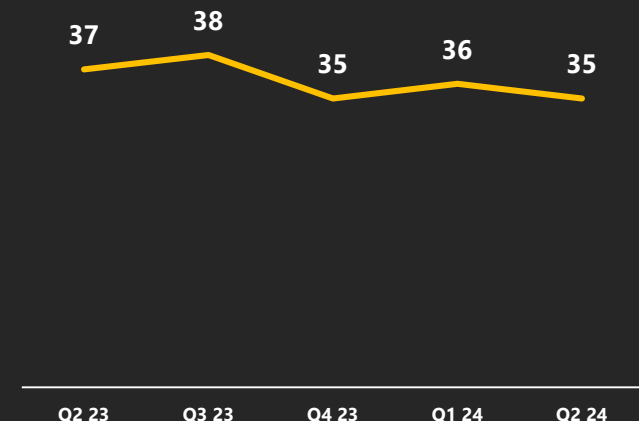
Head Count



ROCE



DSO





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

**Thank You**

**PLAY  
BIG**

