



SONATA SOFTWARE LIMITED



19th October, 2021

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai
Kind Attn: Manager, Listing Department
Email Id: neaps@nse.co.in
Stock Code - SONATSOFTW

BSE Limited
P.J. Towers, Dalal Street
Mumbai
Kind Attn: Manager, Listing Department
Email Id: listing.centre@bseindia.com
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 half year ended 30th September, 2021.

The above said presentation is also made available on the Company's website www.sonata-software.com.

Kindly 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

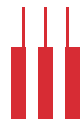


Sonata Software

Investor Presentation

Q2 2022





Sonata - A Snapshot



The Company

34 YEARS
as a IT Solutions
Provider

\$550+ M REVENUE
14% 3 Yr. CAGR

4200+ TEAM
across US, EU, Asia,
ANZ, Japan,
Malaysia, and China

**SEI CMMI L5, ITIL
& ISO certified**



Industry Focus

CPG & MFG
Consumer
Goods, Industrial
Goods,
Wholesale

RETAIL
Apparel, Hard
Goods, Grocery,
Hypermarket

TRAVEL
TO, OTA,
Airline, Rail,
Hotel, Cruise

SERVICES
Energy & Utilities,
Oil & Gas, Specialty
Contractors &
Professional Services

**AGRI &
COMMODITY**
Agri manufacturers
& commodity
Traders

**SOFTWARE
VENDORS**
ERP, SCM,
Retail, Travel



Competencies

DIGITAL
Omni-channel, Mobility &
IoT, Analytics, Cloud

**APPLICATION LIFECYCLE
SOLUTIONS**
ADM, Testing, IMS
Managed Services

PLATFORM IP
Brick & Click Retail,
Rezopia Digital Travel,
Modern Distribution

**TECHNOLOGY
INFRASTRUCTURE
SOLUTIONS**
Software, Cloud, Server &
Storage, Systems Integration



Credentials

CUSTOMERS
Global Top 5 – Leisure
Travel Co, Grocery Retailer,
F&B CPG Co, Software Co

TECHNOLOGY
Microsoft, SAP, Oracle,
Open Source, IBM

**Strategic acquisitions
and investments**
Microsoft – Inner Circle,
SAP Pinnacle Award,
Microsoft Country Partner
of Year India

FINANCIAL
National Stock Exchange
Listed Public Ltd Co

A Global IT Solutions Organization, with focused Industry Verticals, versatile Portfolio of Services covering wide range of Technologies and delivering value through our unique Platformation™ approach



Sonata Vision



A world class firm that is a benchmark for Catalyzing Business Transformation for our Clients, Fulfilling Employee Aspirations & Caring for our wider Community

through Depth of:
Thought Leadership
Customer Centricity
Execution Excellence



For the Customers

IT Partner of choice for transformation thru deeper industry, technology & customer focus



For the Employee

A fun & fearless environment where the potential & passion for work flourishes

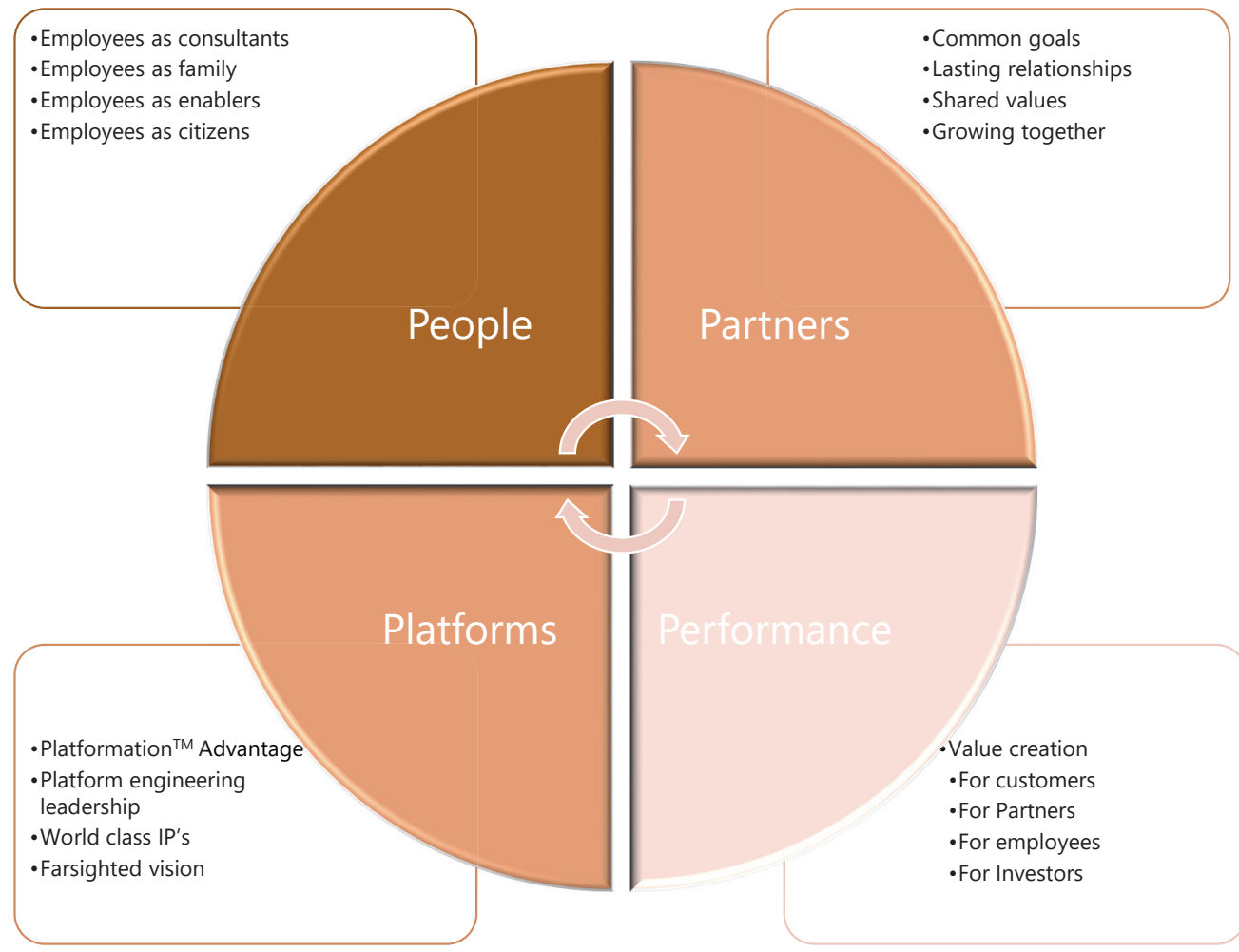


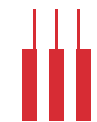
For the Community

CSR initiatives to support IT needs of projects with Social impact



Sonata – In 4 'P's





Vertical Focus

- Retail, travel, Distribution & CPG, ISV, Commodity Trading, and Services Industry – Field Services
- IP – Brick and Click, Modern Distribution, Agri Business, Rezopia, Service Industry, GBW
- Platform led Digital Transformation
- Track record



What is different about Platformation™ as a tool for Digital Transformation

- Sonata's structured process for Platformation comprises the following :
 - Digital Business Process Library & Identification
 - Customer Digital Agenda led based approach
 - Platform Maturity Assessment (Separate Business & Technology maturity assessment)
 - Marchitecture™ aligned to CDAT
 - Platform Characteristic Requirements (With a 16 point Framework)
 - Technology Architecture to achieve the Platform Characteristics
 - Cloud Engineering (Cloud Native Development)
 - Data Platformation Methodology (Structured Assessment of Data Infrastructure & Platform)
 - Accelerated Platform Engineering (Solution Accelerators)
 - IPs aligned to Platformation™
- 4 Years of Proven Success, Only methodology that remains relevant in an ever-evolving landscape for a company looking at digital transformation



Platformation™



Platforms - the secret behind the digital economy's most successful companies



OPEN



SCALABLE



CONNECTED



INTELLIGENT

Sonata's approach to Digitizing business using platforms

PLATFORMATION™



Approaches to achieve Platformation™

Sonata READY

- End-to-end, industry-specific digital business platforms

Omni channel reservation system for a large Australian rail network built on a travel platform ensuring seamless booking experience

Sonata ACCELERATE

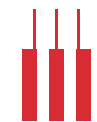
- Deploy popular horizontal platforms adding required functionality

Versatile retail store and e-Commerce integration for a US fashion brand ensuring scalable, omnichannel shopping experiences

Sonata CUSTOM

- Engineer custom platforms that deliver unique digital capability and scalability

A US-based travel company innovating on membership-based business models, increasing bookings by 200%, and scaling service 6X

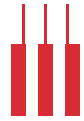


Engineering Excellence



Focused approach

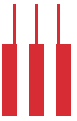
- Industry Specialization
 - Retail, travel, distribution & CPG, ISV, Commodity Trading, and Services Industry – Field Services
- Expertise through IP's
 - Brick and Click, Modern Distribution, Agri Business, Rezopia, Service Industry, GBW
- Proprietary & proven approach to Digital Transformation
 - Platform led across Data, Cloud, Modern Technologies, Mobility, Digital Assurance, Devops



Global Full Stack Microsoft Partner aligned to the Digital Transformation vision



<p>30 Years MICROSOFT PARTNER GISV, ISP, CSP, ISV Dev Centre, SI. Country Partner India 2014, 15, 17. Global alliance footprint</p>	<p>18 Gold certified & 8 Advanced specializations Skills in Dynamics 365, Azure, Power BI, Cortana, .Net, Mobility</p>	<p>360° Partnership Product Engineering, Professional support, Delivery, LSP partner for MS, MCS and ISV/SI ecosystems.</p>
<p>INDUSTRY DIGITAL TRANSFORMATION for Retail, Consumer goods, Distribution, Agri Products, Field Service, Travel, ISV</p>	<p>PLATFORM IP ON MS DYNAMICS & AZURE Brick & Click, Modern Distribution, Commodity Trading, Rezopia, Kartopia, Halosys, Rapid</p>	<p>STRATEGIC ACQUISITIONS Scalable Data Systems, Sopris Systems, Encore Systems, GBW, & IBIS Inc</p>
<p>2500+ TEAM On Microsoft Technologies with 1200 + on Microsoft Biz Apps</p>	<p>Clients ACROSS THE GLOBE USA, Europe, Asia, India, Australia, Middle East</p>	<p>Recognition and Awards Inner Circle member 2021-22, Partner of the Year, India for BizApps 2021-22</p>

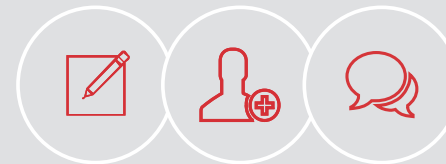


Delivering value through our **innovative engagement models**



Customer-Specific Center of Excellence

- Governance
- Leadership role
- Strategic metrics



- Value Co-creation
- SLAs and outcomes
- Co-investment in IP

TECHNOLOGY | SKILLS | ASSETS | PROCESSES

Charter ▶ Domain Knowledge | Technical Knowledge | Knowledge Management | Innovation | Process & Capability | Reusability

Commercial Models: Project-based | Outsourced | Output-based
Build-Operate-Transfer | Turnkey-managed | Joint Venture

With a team nurtured to **make a difference**



Deeper roles	Regular exposure to newer technologies, evolving business scenarios, and building cross-functional expertise
Customer impact	Continuous exposure to clients to assess business impact of solutions delivered
Freedom to contribute	Our flexible working style encourages ideation within broad boundaries
Growth	Early identification, mentoring, and nurturing of talent for growth by senior leaders

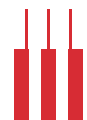
“ We need to take a pause and appreciate the drive and determination we have seen from every player on what is a complex effort and delivery. We commend you all for your effort...keep up the good work! ”

Director – Platform Systems, US Travel Leader



Financials





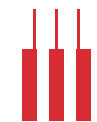
Strong Execution

International Services

- Platformation™, IP & Alliance led growth
- Stronger & Deeper revenue mining from existing customers
- Strong Pipeline and Acquiring new clients
- Strong sales hunting leading to acquiring of new clients
- Margin levers -platformation driven execution, onsite and offshore mix, utilization and revenue per person
- High-end digital services
- Consistent quarter on quarter growth in topline and bottom line over last 10 years.

Domestic Business

- Very large deals, Consistent absolute gross margin growth
- Strong Customer Retention
- Consistent growth in Market share
- Established Customer Base
- Strategic shift towards cloud
- Addition of new strategic business lines for expansion
- Multi year annuity license sales
- Time tested risk and credit management
- Consistent growth of absolute profitability, positive cash flow with zero increase in working capital investment
- Globally leading ROCE and ROE



Financial Management

Focus on high revenue rate realization and high margins business

Focus on Reduction of DSO days

Very strong positive cash generation and cash position

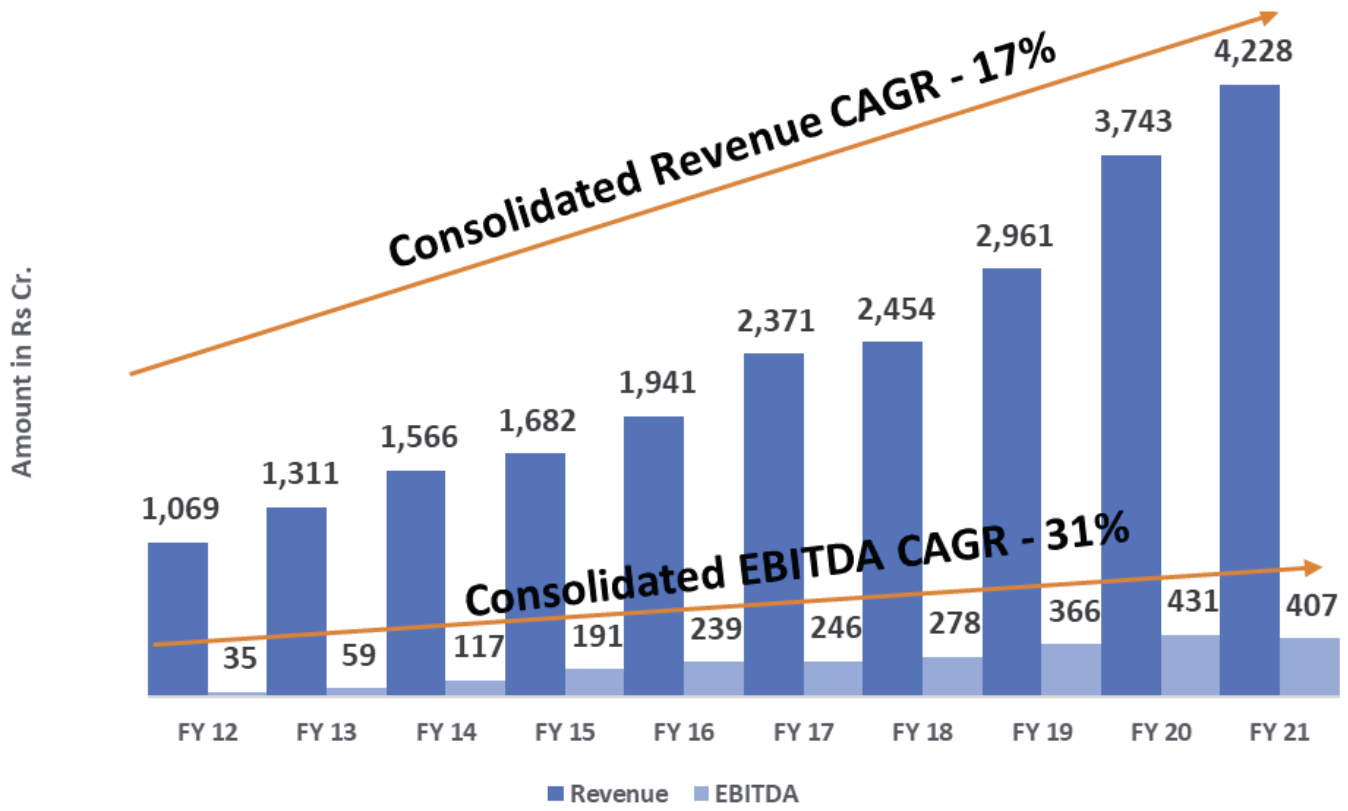
Industry leading ROCE and ROE

Sound capital allocation



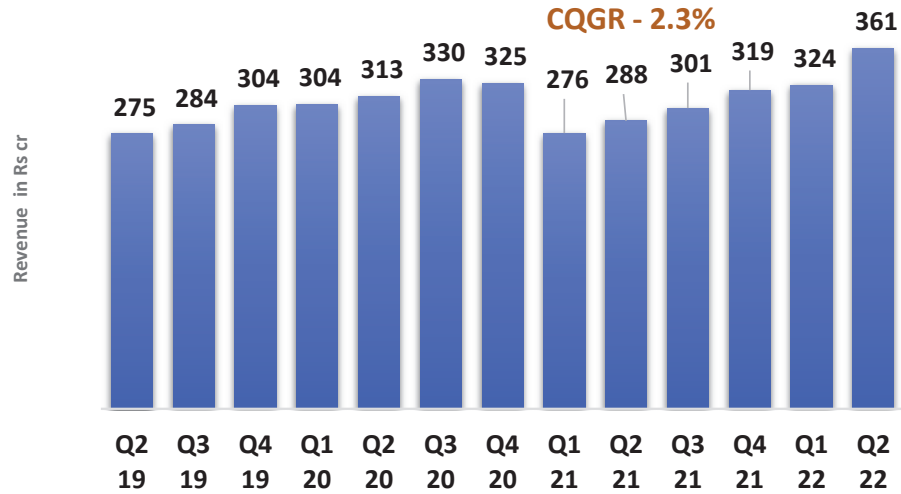
Consistent Growth Over Last 10 years

Consolidated Revenue & EBITDA

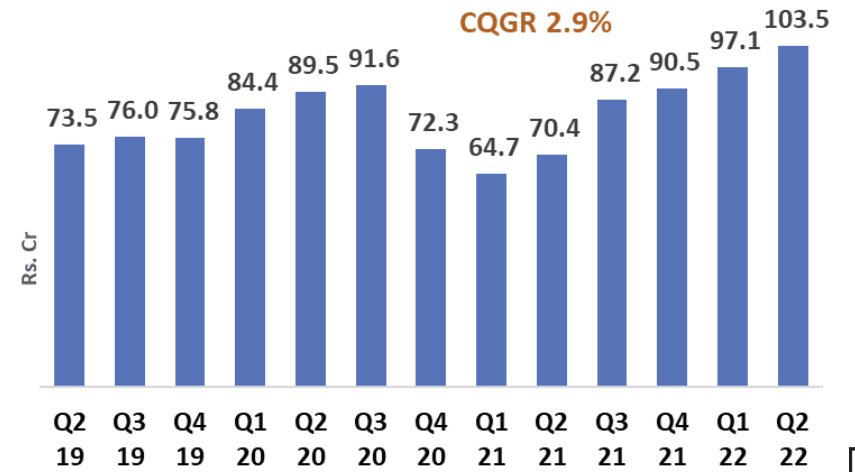


International Services Revenue & EBITDA trend for last 12 Quarters

Revenue (Rs. Cr)



EBITDA (Rs. Cr)

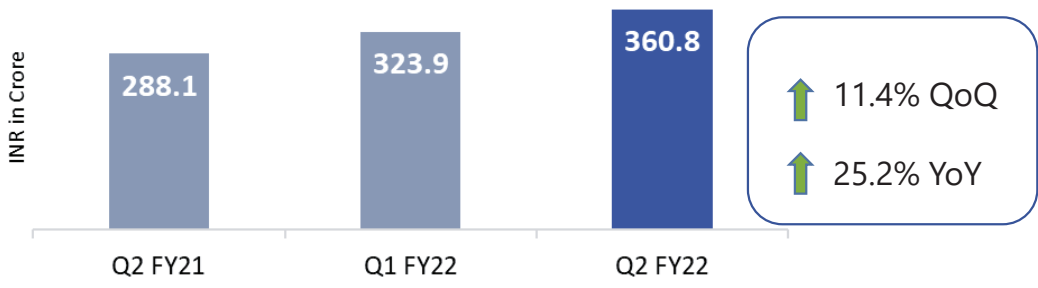




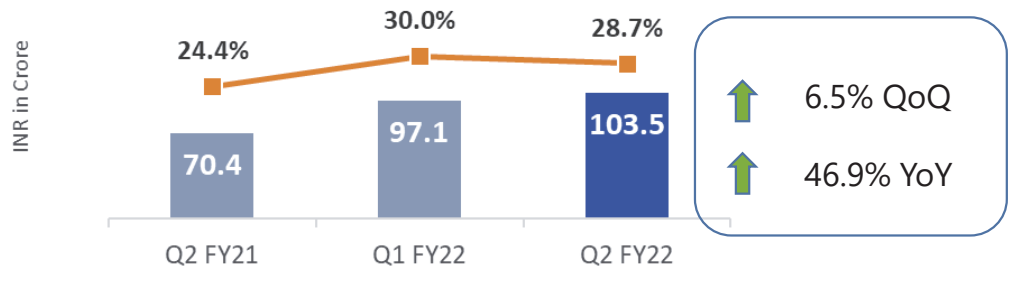
Financial Performance of International Services – Q2 FY22



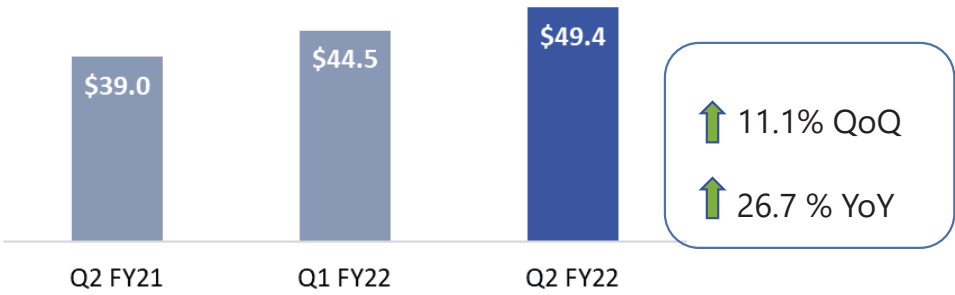
Revenue in INR. Cr



EBITDA

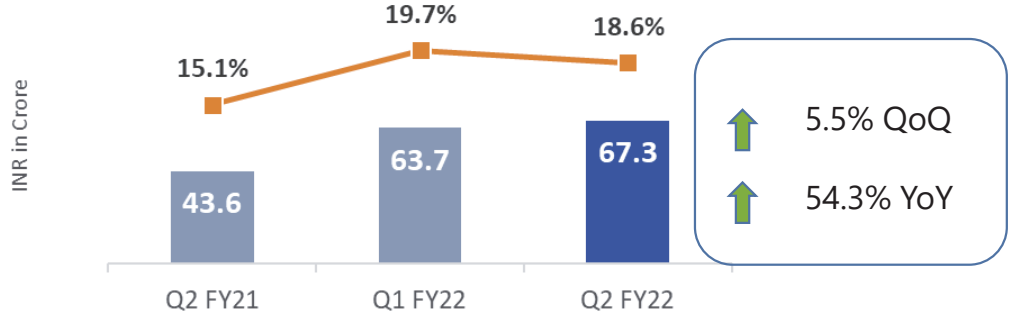


Revenue in \$ Mn



Excluding Encore QoQ – 5% and YoY -19.7%

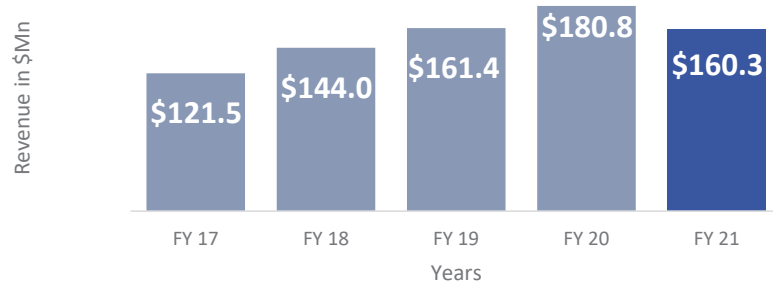
PAT



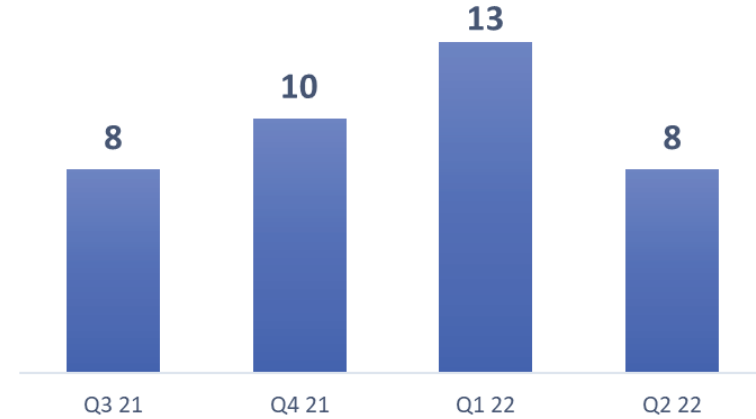
International Business Revenue Growth



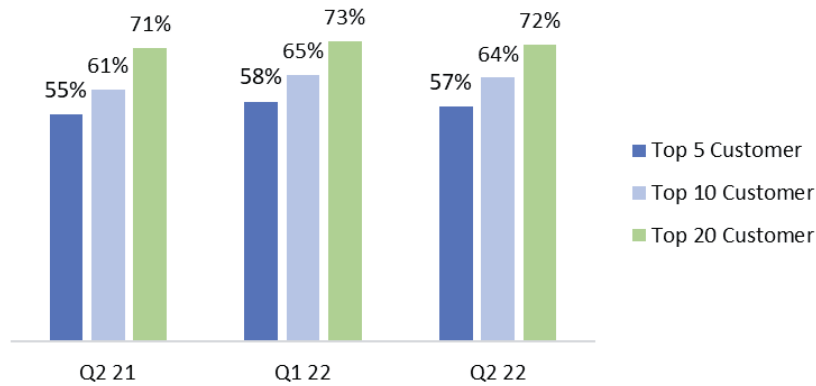
Revenue in \$Million



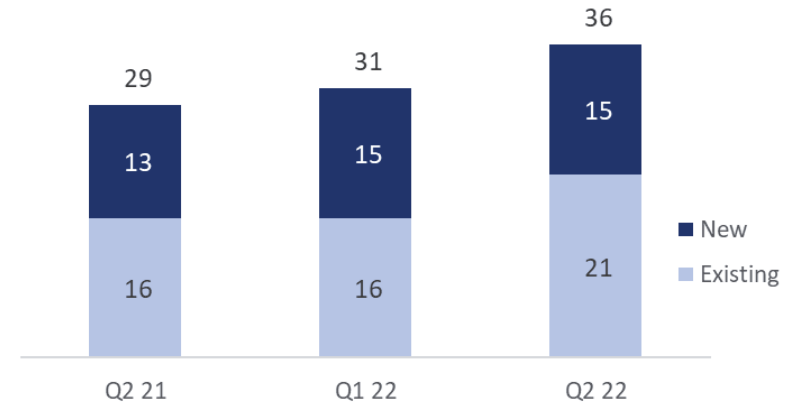
New Customer added



Client Concentration



No. of \$Million Customers

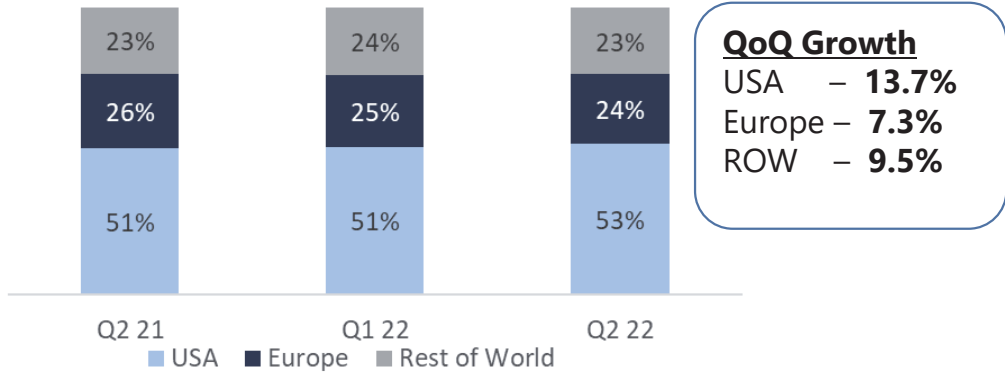


5 \$Mn Customers added from newly acquired company "Encore"

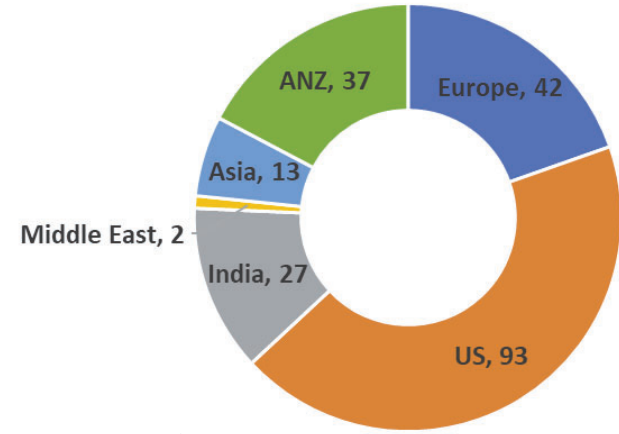
Operational Performance – Q2 FY22



Revenue by Geography

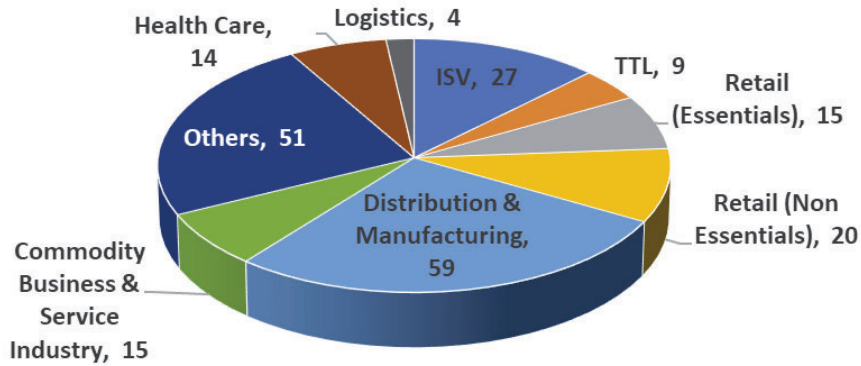


No. of Customers by Geo

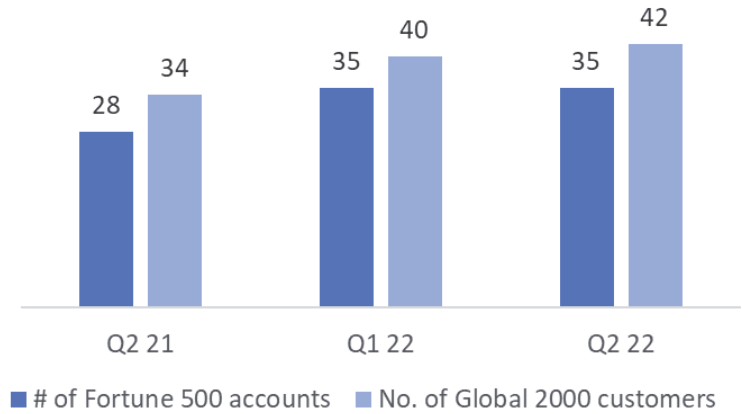


Includes customers from Encore

No. of Customers by industry

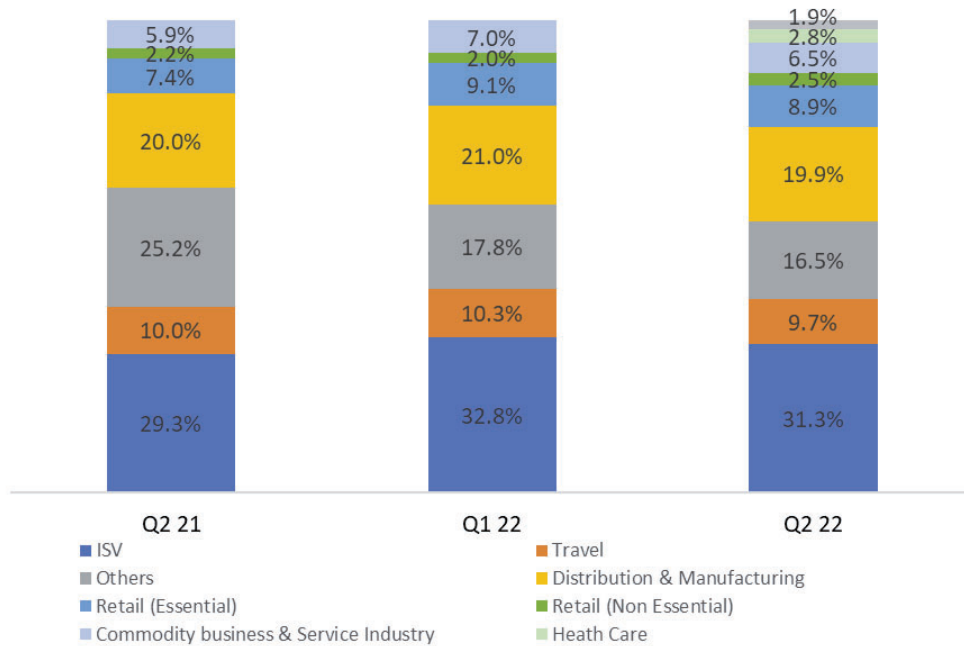


Customer Category



■ # of Fortune 500 accounts ■ No. of Global 2000 customers

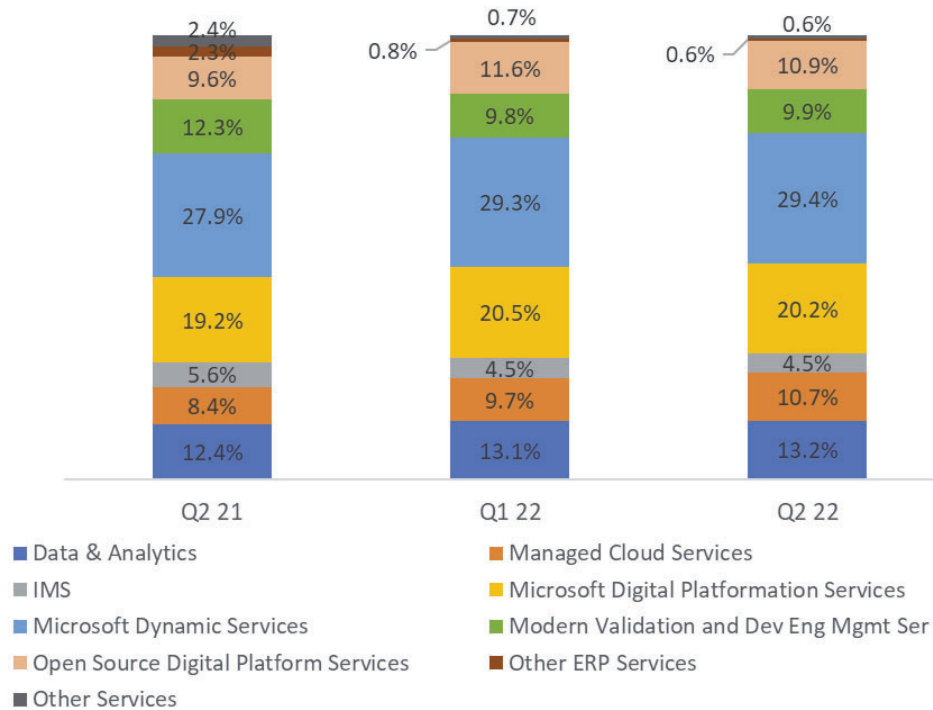
Revenue by Vertical Mix



Vertical	QoQ Trend				
	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Commodity business & Service Industry	-13.5%	24.3%	7.1%	1.1%	3.6%
Distribution & Manufacturing	-2.3%	7.6%	11.8%	-0.5%	5.3%
ISV	-4.6%	14.7%	9.2%	1.9%	5.9%
Others	10.6%	-11.5%	-5.7%	-3.5%	3.2%
Retail (Essential)	62.4%	13.7%	13.7%	8.7%	8.7%
Retail (Non Essential)	-34.5%	-39.6%	24.7%	35.4%	38.9%
Travel	-60.1%	5.2%	9.1%	2.9%	4.2%

QoQ Growth from focussed verticals
 ISV – 5.9% , Retail(Essential) – 8.7%
 Distribution and Manufacturing – 5.3%
 Commodity business & service industry – 3.6%

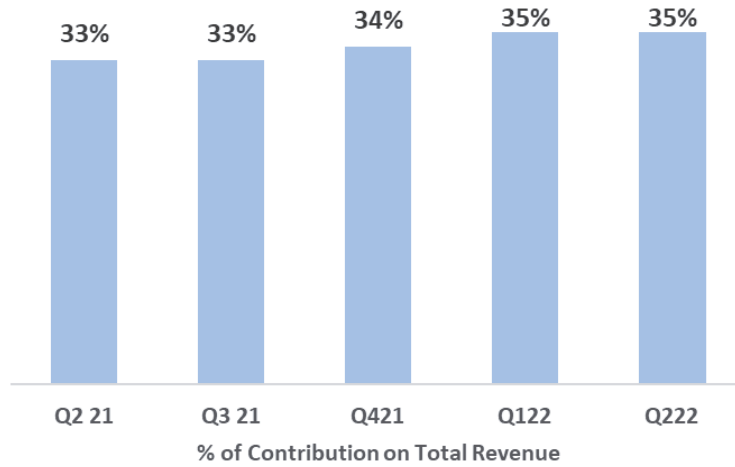
Revenue by high end Service Mix



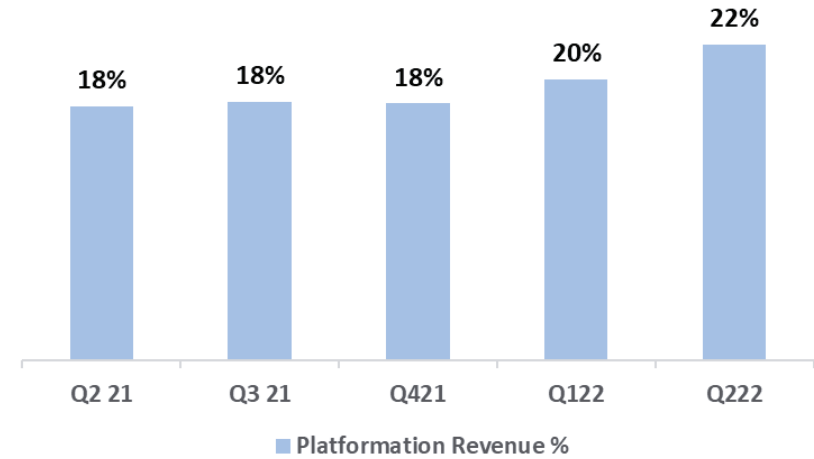
Service Mix	QoQ Trend				
	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Data & Analytics	18.6%	1.7%	7.1%	10.9%	12.0%
Managed Cloud Services	8.4%	13.1%	12.3%	3.4%	22.9%
IMS	8.2%	-7.3%	1.8%	-2.8%	11.1%
Microsoft Digital Platformation Services	5.9%	9.1%	9.1%	2.5%	9.5%
Microsoft Dynamic Services	-12.2%	5.8%	11.1%	1.9%	11.5%
Modern Validation and Dev Eng Mgmt Ser	43.4%	0.5%	-2.3%	-6.8%	11.8%
Open Source Digital Platform Services	41.7%	15.7%	12.2%	6.1%	4.4%
Other ERP Services	-21.6%	-20.0%	-37.9%	-18.8%	-16.7%
Other Services	15.0%	-15.3%	-19.1%	-52.0%	-5.0%

QoQ Growth from Digital based competencies
 Managed cloud services – 22.9%
 MSFT Digital Platformation services 9.5%
 Open source Digital platform services – 4.4%

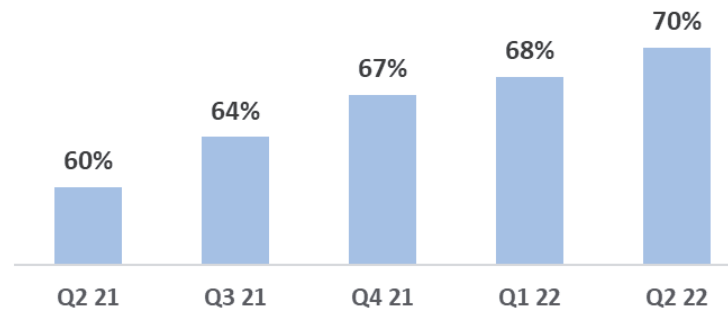
IP Led Revenue %



Platformation™ Revenue %



Digital Revenue %

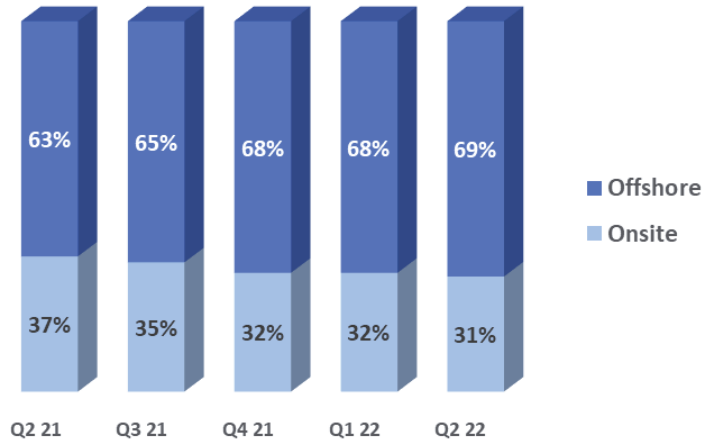


IP led & Platformation aligned to growth in competency wise growth

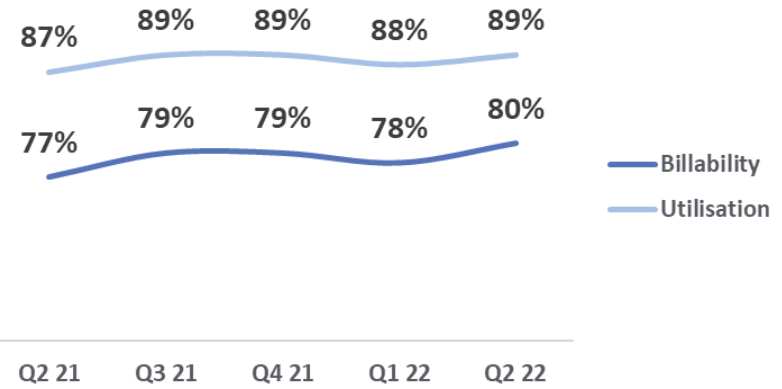


International Business - Revenue Enablers

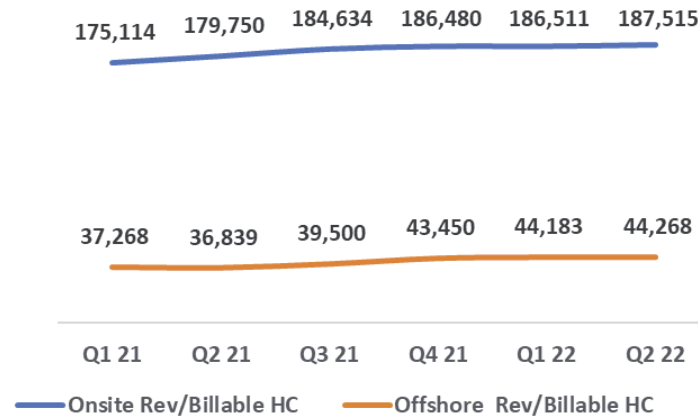
Revenue by Onsite / Offshore Mix



Utilization & Billability



Revenue per Billable HC



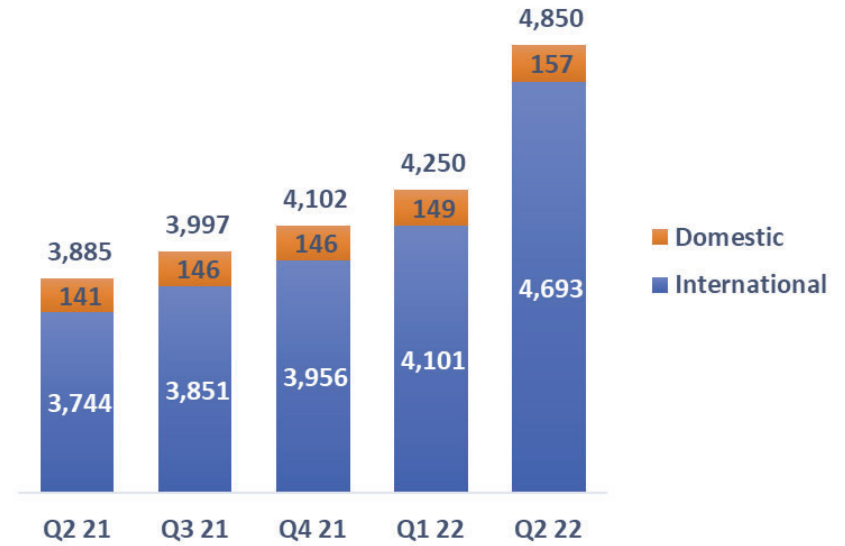
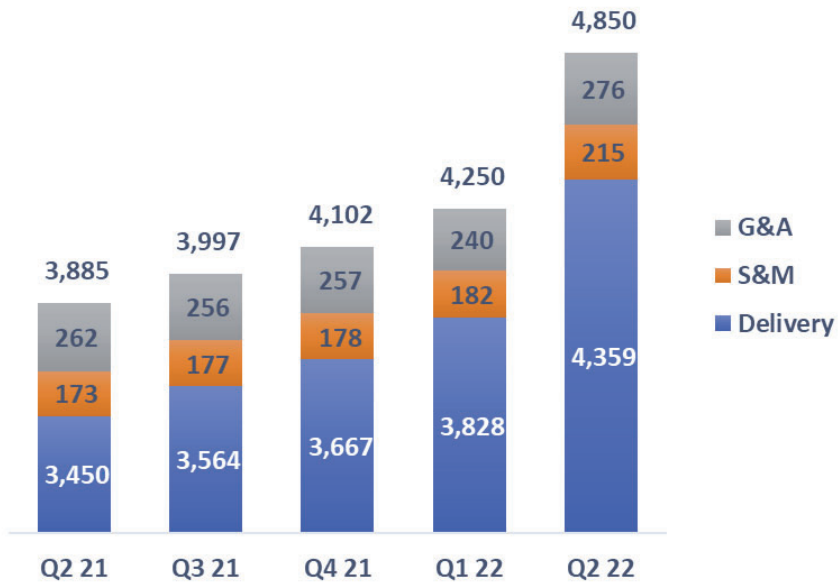


Human Capital



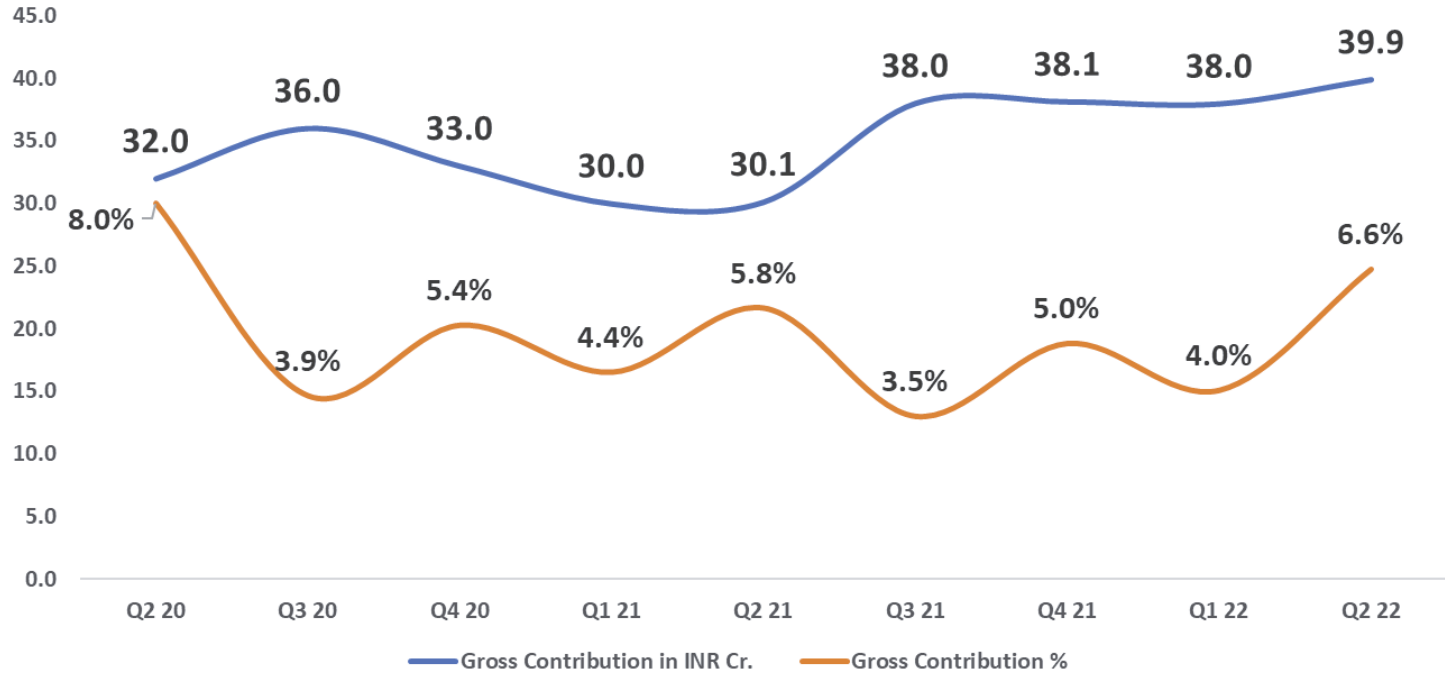
Overall Headcount

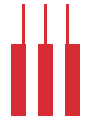
Headcount by Business Type



Note: Includes Encore Software services Headcount of 287 (Delivery – 257, S&M-4, G&A -26)

Domestic Business – Gross Contribution



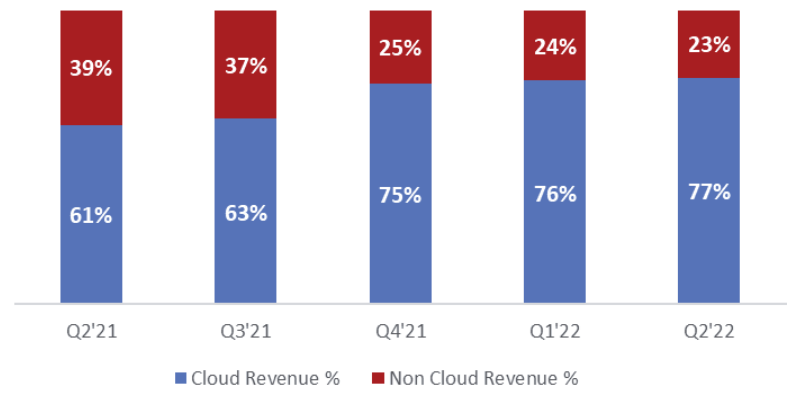
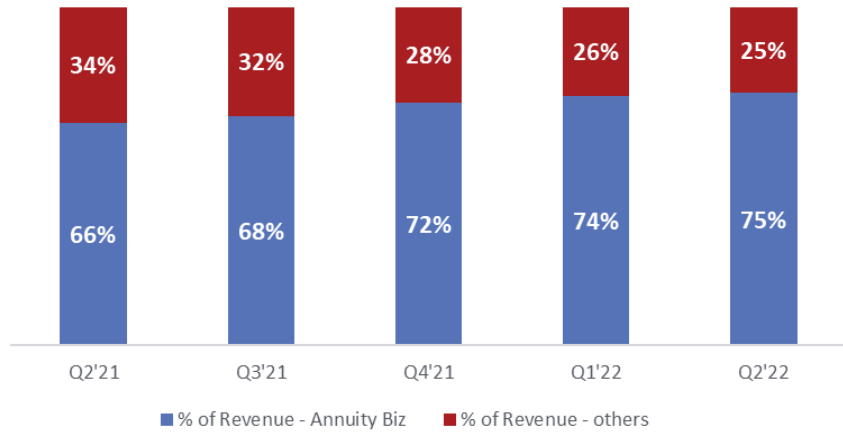


Domestic Business - Revenue



Domestic Revenue (Annuity/Others)

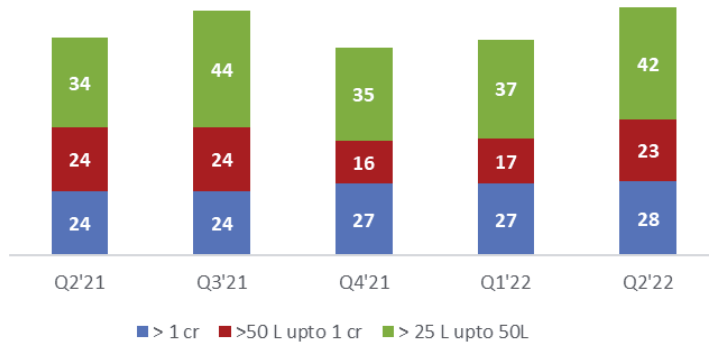
Domestic Revenue (Cloud/Non Cloud)



Domestic business major revenue contribution from multi year annuity enterprise sales

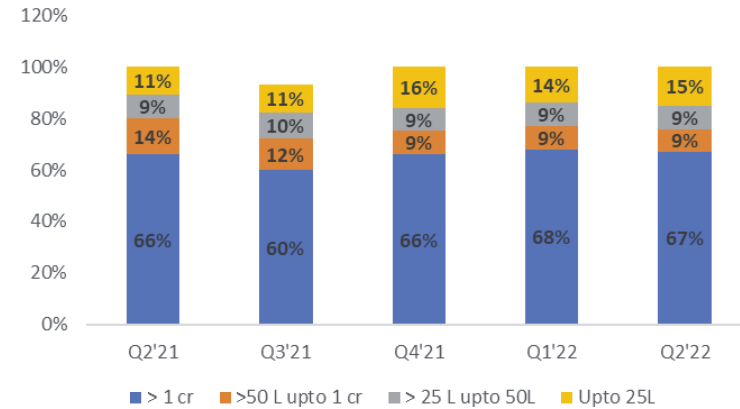
Domestic Business - Gross margin Analysis by customers

Domestic Customer Count



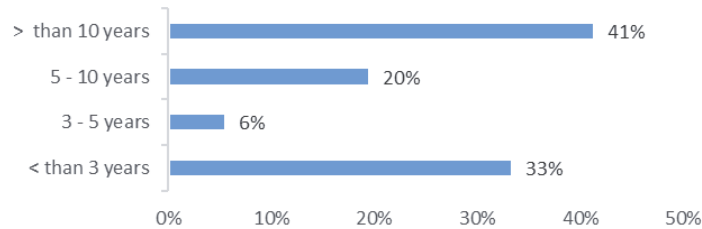
Calculated based on annualized GC

Domestic Customer by GC %

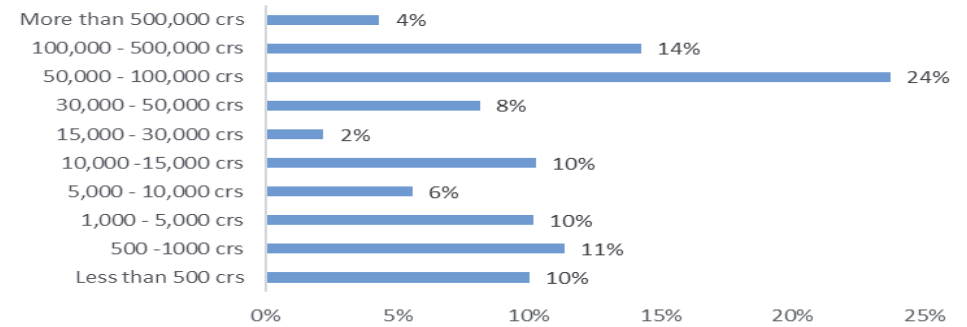


Gross Margin Analysis

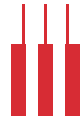
in terms of number of years of Association



in terms of Customer's revenue

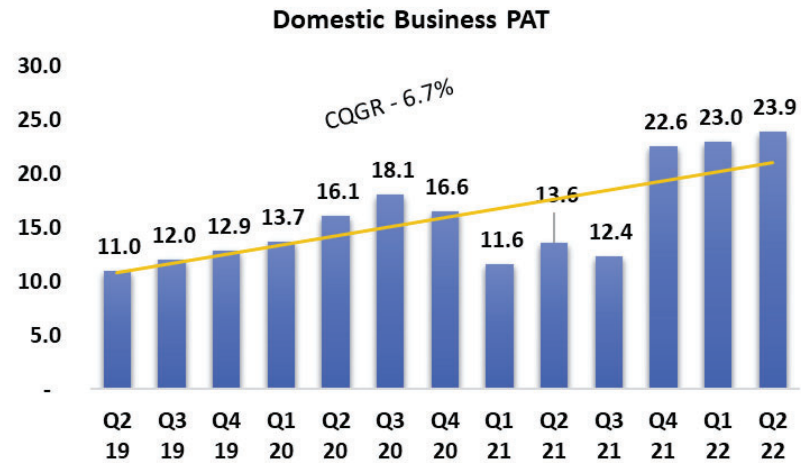
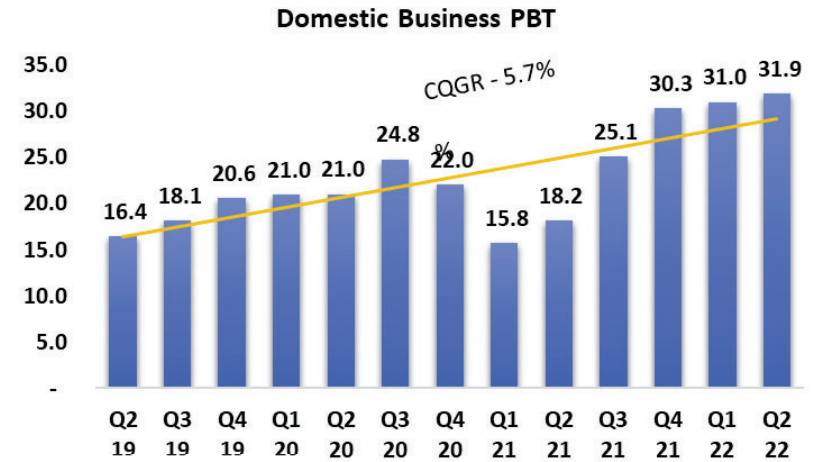
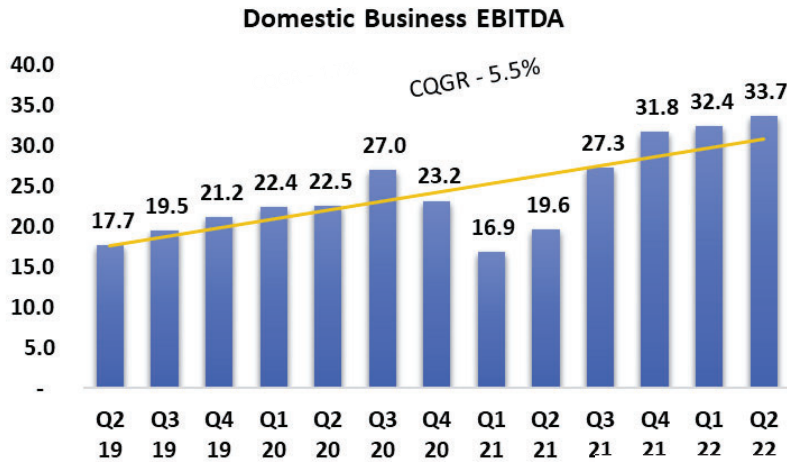


Top ~ 93 customers contribute to about 80% of Gross Margin
 Strong customer retention - ~ 67% if Gross Margin contributed from customers associated for more than 5 years
 Established customer base - ~79% Gross Margin from customers with revenue greater than 1,000 crs



EBITDA, PBT and PAT – last 12 Quarters

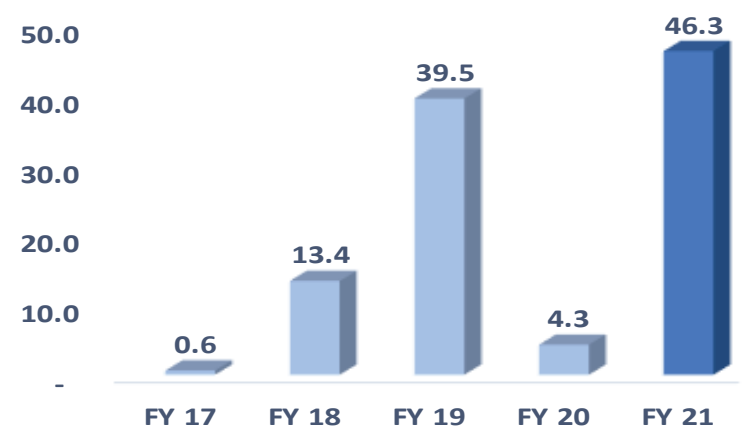
Domestic Business



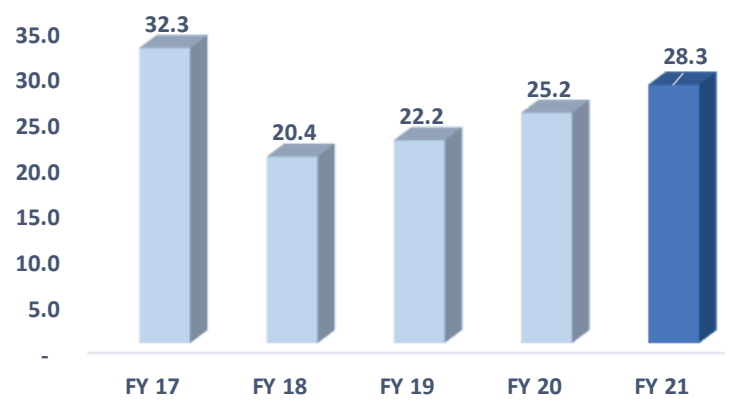


Strategic Investment

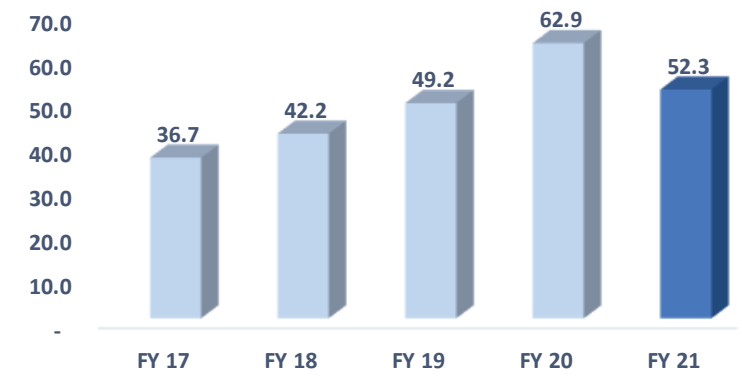
M&A Investment



IP & R&D Investment



S&M Investment



Lower S&M cost in FY21 due to reduction in travel cost

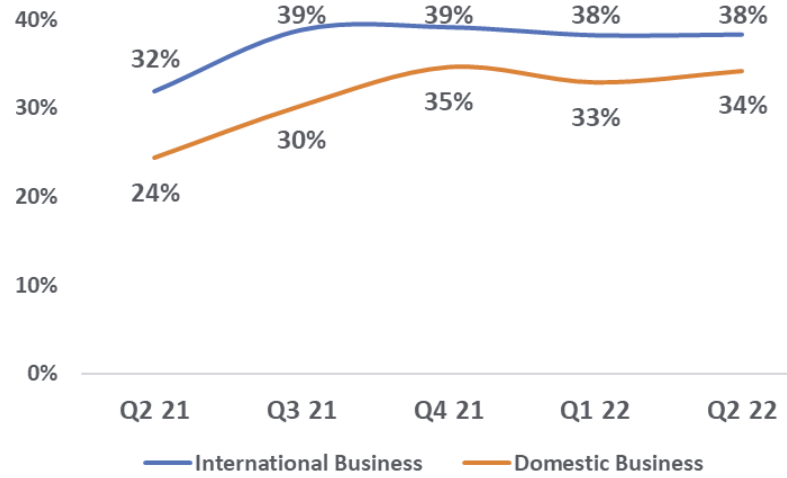
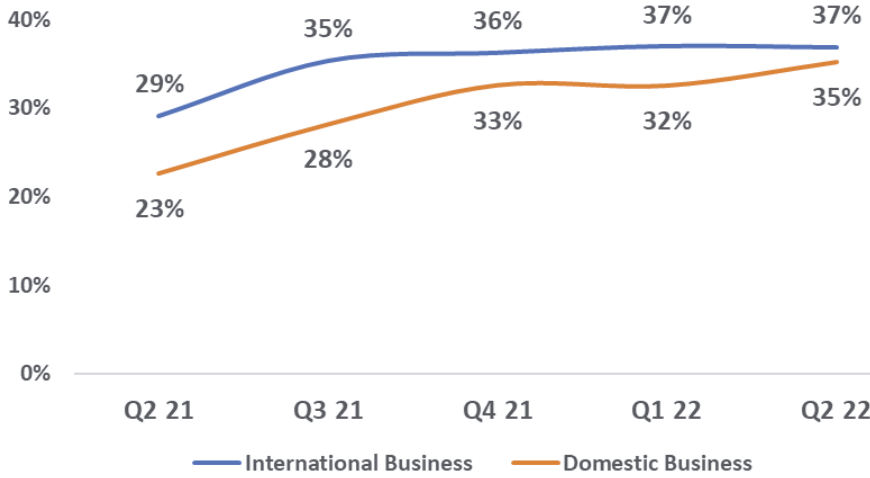


International and Domestic ROCE & RONW

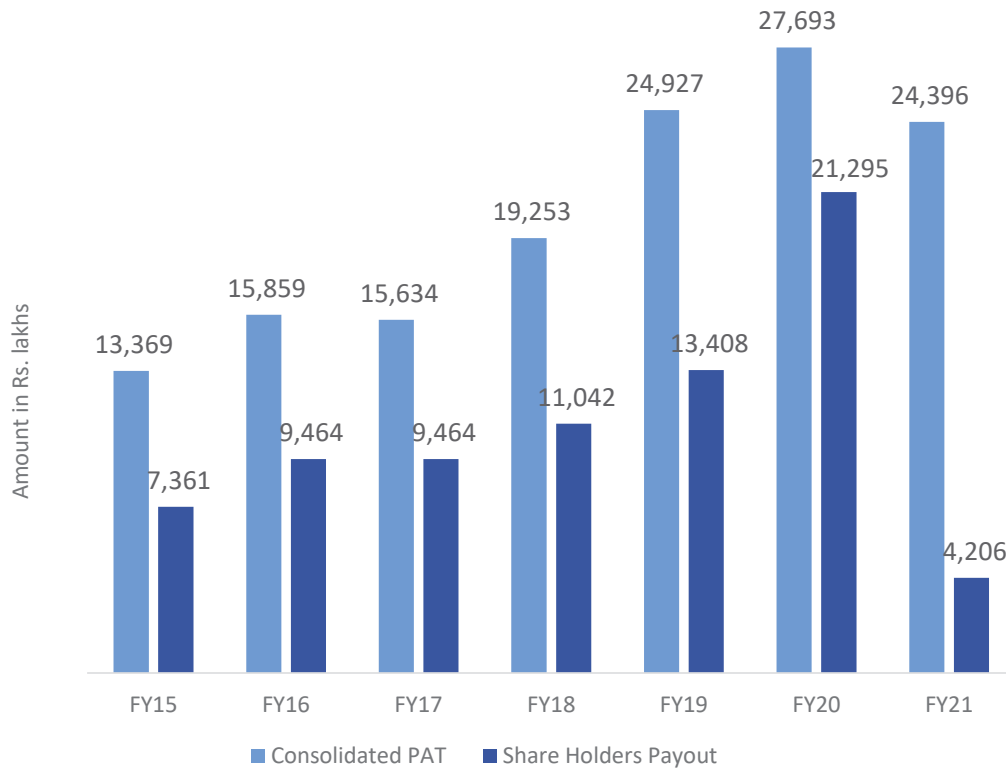


ROCE

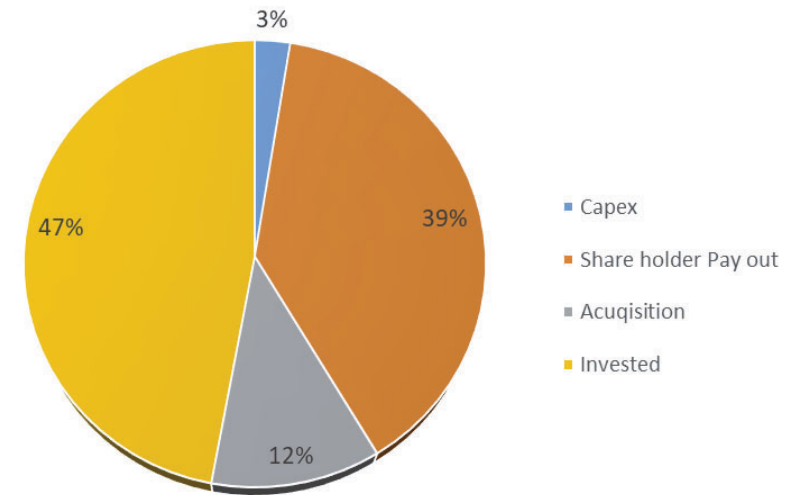
RONW



Capital Allocation



Cash Deployment

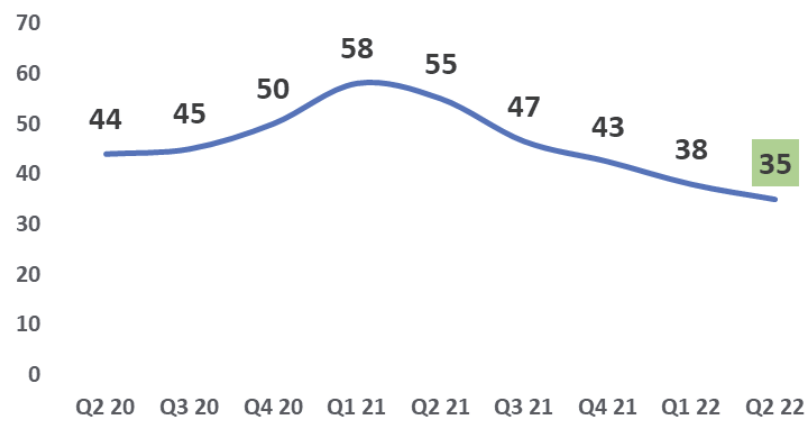




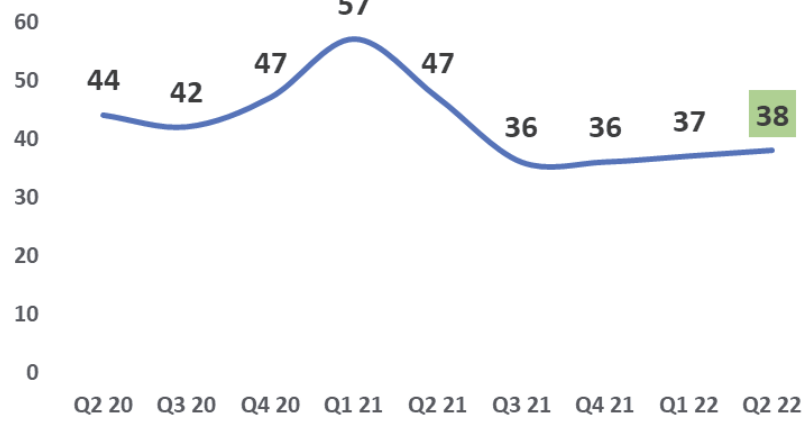
Days Sales Outstanding



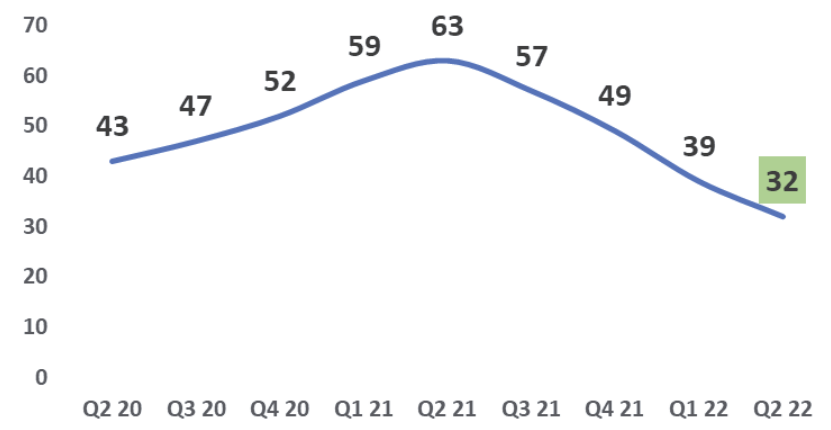
Consolidated DSO



International Services DSO



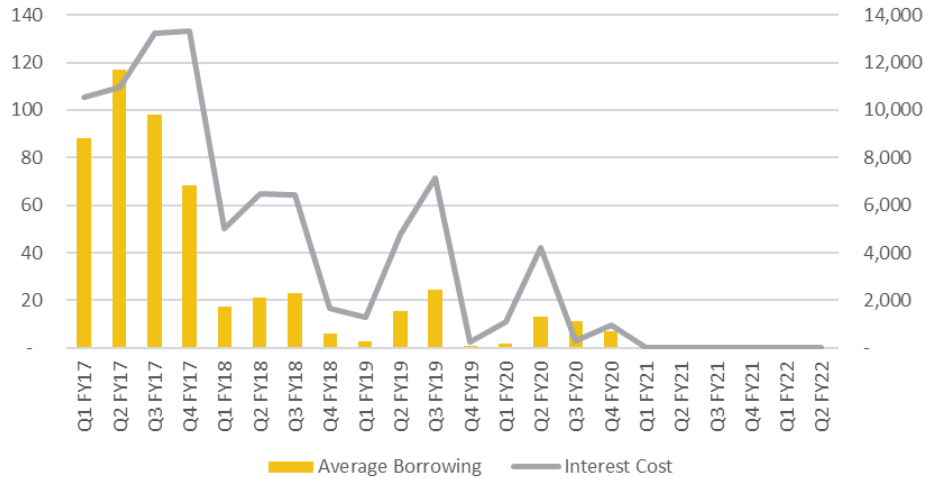
Domestic Services DSO



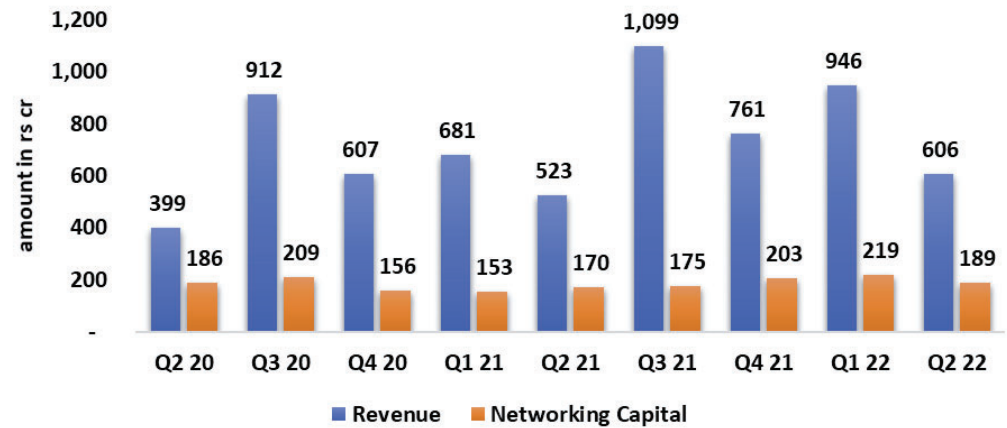


Credit Management – Domestic Business

Average Borrowings & Interest Cost



Domestic Business





Thank you

