![Sonata Software logo](SONATA SOFTWARE)

Sonata Software

Investor Presentation

Q3 FY'23

Platformation™
Makes the Difference

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
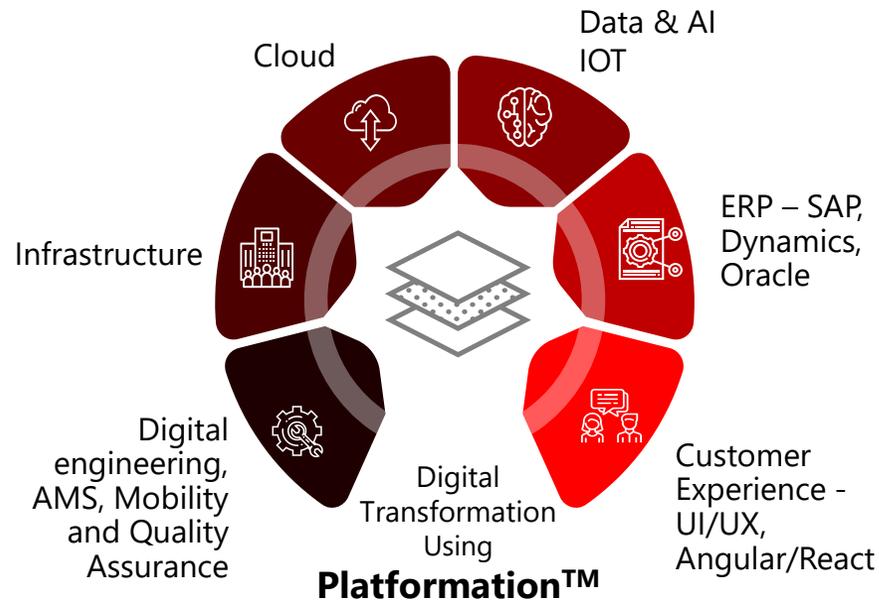
$850+M
Revenue
18% CAGR
across 10 years

Public Listed (SONATSOFTW)
Debt-free; Robust Balance sheet

5700+ Employees
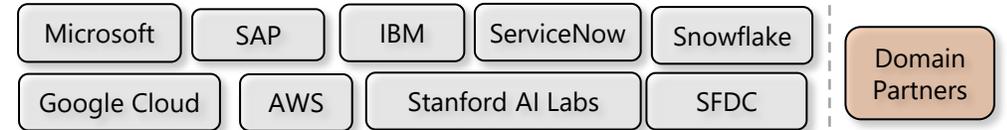Across US, EU, Asia & ANZ
Powered by *Unified Engineer Program (UEP)*

Delivering Outcome based Modernization Services

- Cloud
- Data & AI IOT
- ERP – SAP, Dynamics, Oracle
- Customer Experience - UI/UX, Angular/React
- Digital Transformation Using **Platformation™**
- Digital engineering, AMS, Mobility and Quality Assurance
- Infrastructure

Industries

TMT	Healthcare	Manufacturing
Retail / CPG/TTH	BFSI	Emerging

Ecosystem: Partnerships Tech + Domain

Microsoft	SAP	IBM	ServiceNow	Snowflake	Domain Partners
Google Cloud	AWS	Stanford AI Labs	SFDC		

Innovation: IP & Accelerators

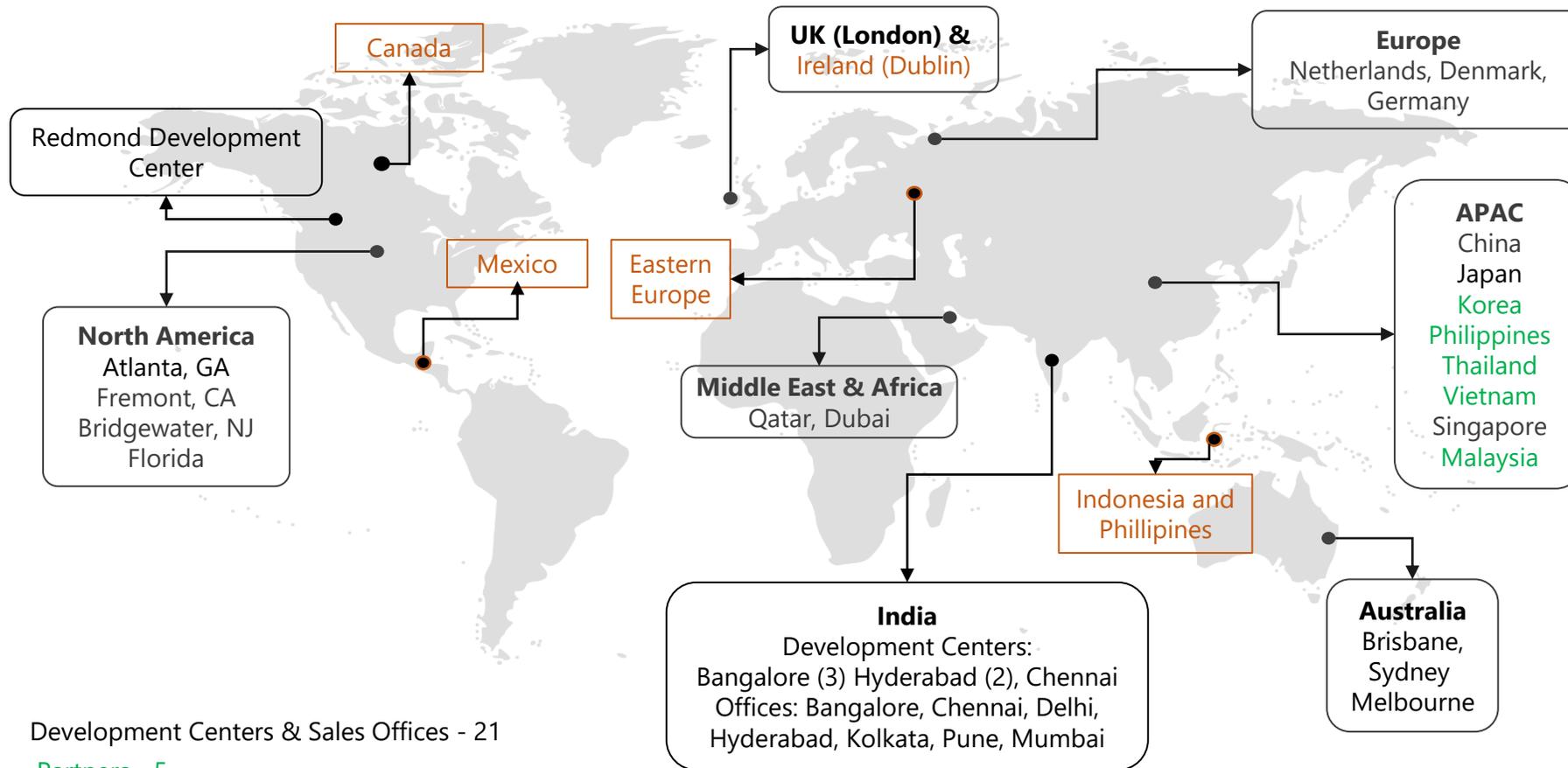| LightiningBuild	StoreEz	KODO CX

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

SONATA

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

Canada

UK (London) &
Ireland (Dublin)

Europe
Netherlands, Denmark,
Germany

Redmond Development
Center

Mexico

Eastern
Europe

APAC
China
Japan
Korea
Philippines
Thailand
Vietnam
Singapore
Malaysia

North America
Atlanta, GA
Fremont, CA
Bridgewater, NJ
Florida

Middle East & Africa
Qatar, Dubai

Indonesia and
Phillipines

India
Development Centers:
Bangalore (3) Hyderabad (2), Chennai
Offices: Bangalore, Chennai, Delhi,
Hyderabad, Kolkata, Pune, Mumbai

Australia
Brisbane,
Sydney
Melbourne

SONATA SOFTWARE
WINS
Golden Peacock Awards
for Corporate Governance 2021

Sonata Software Limited declared winner of the prestigious 'Golden Peacock Award for Excellence in Corporate Governance' for 2021 & 2022

● 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

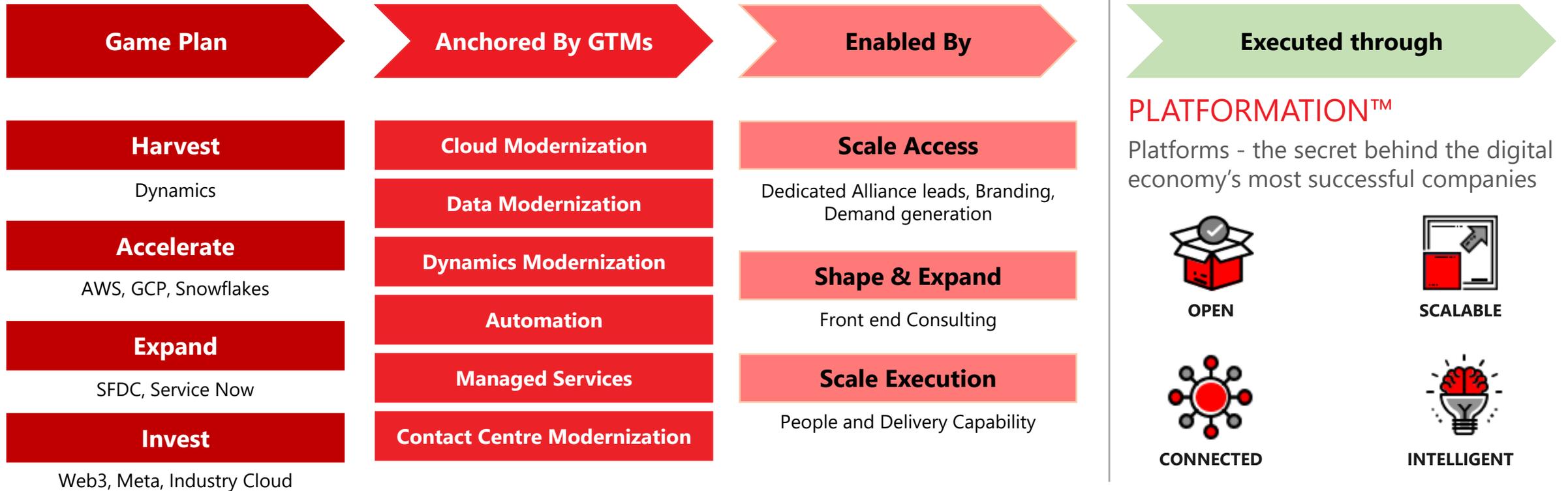Continuously evaluate acquisition opportunities with (scale) accounts

---

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

Game Plan	Anchored By GTMs	Enabled By	Executed through
Harvest Dynamics	**Cloud Modernization**	**Scale Access** Dedicated Alliance leads, Branding, Demand generation	**PLATFORMATION™** Platforms - the secret behind the digital economy's most successful companies
Accelerate AWS, GCP, Snowflakes	**Data Modernization**		
	Dynamics Modernization	**Shape & Expand** Front end Consulting	
Expand SFDC, Service Now	**Automation**		
	Managed Services	**Scale Execution** People and Delivery Capability	
Invest Web3, Meta, Industry Cloud	**Contact Centre Modernization**		

OPEN

SCALABLE

CONNECTED

INTELLIGENT

SONATA

Performance vision for Sonata – Plan for 4 years

Strategy

Grow Verticals

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

Grow Markets

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

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

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

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

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
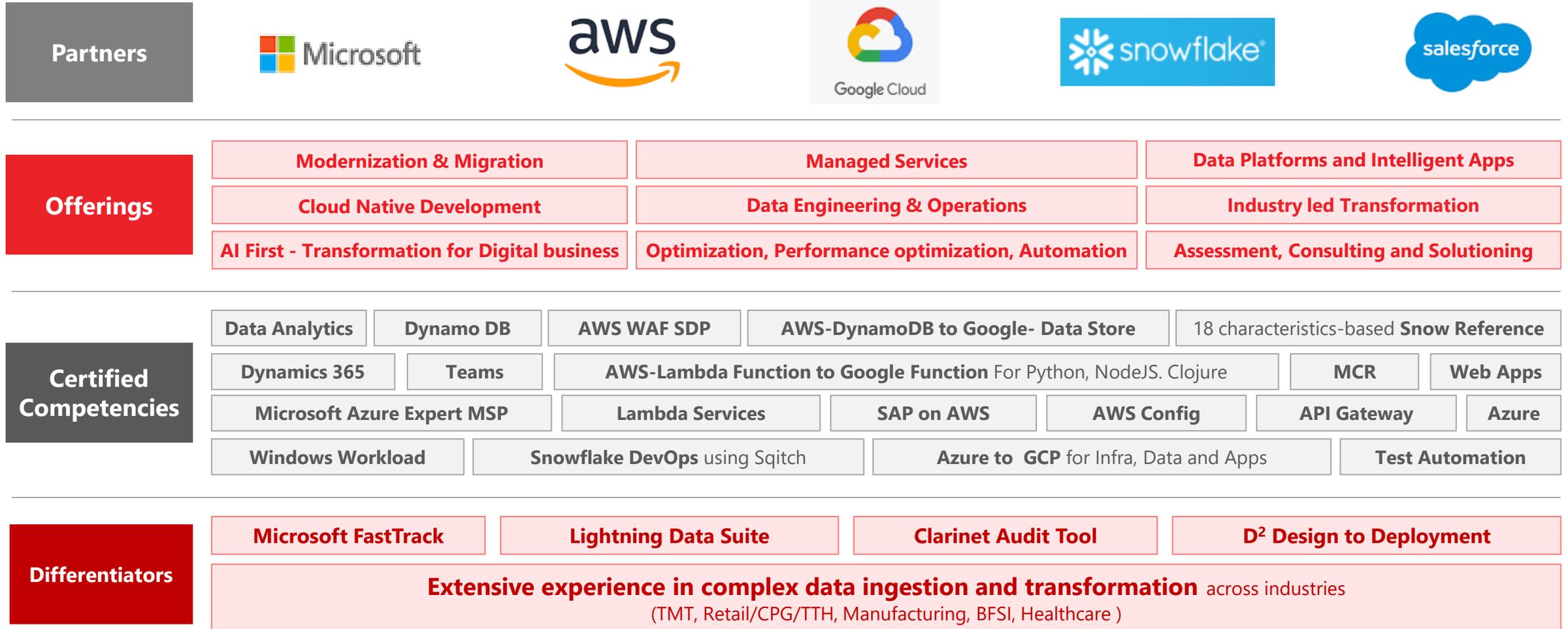- Internet of Things (IoT)
- Web 3.0

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

SONATA

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

Partners	Microsoft	aws	Google Cloud	snowflake	salesforce

Offerings

Modernization & Migration	Managed Services	Data Platforms and Intelligent Apps
Cloud Native Development	Data Engineering & Operations	Industry led Transformation
AI First - Transformation for Digital business	Optimization, Performance optimization, Automation	Assessment, Consulting and Solutioning

Certified Competencies

Data Analytics	Dynamo DB	AWS WAF SDP	AWS-DynamoDB to Google- Data Store	18 characteristics-based **Snow Reference**
Dynamics 365	Teams	AWS-Lambda Function to Google Function For Python, NodeJS. Clojure		MCR	Web Apps
Microsoft Azure Expert MSP	Lambda Services	SAP on AWS	AWS Config	API Gateway	Azure
Windows Workload	Snowflake DevOps using Sqitch	Azure to GCP for Infra, Data and Apps	Test Automation

Differentiators

Microsoft FastTrack	Lightning Data Suite	Clarinet Audit Tool	D² Design to Deployment

Extensive experience in complex data ingestion and transformation across industries
(TMT, Retail/CPG/TTH, Manufacturing, BFSI, Healthcare)

SONATA

Microsoft Relationship – Jointly driving Customer Success

30 Years **MICROSOFT PARTNER**	**400+** Clients **ACROSS THE GLOBE** USA, Europe, Asia, India, Australia, Middle East	**$350+** **million/annum** **REVENUE TO MICROSOFT** 21.9% YoY Growth , Cloud Mix 73.4**%**
2500+ **TEAM** On Microsoft Technologies	**18** Gold **CERTIFIED COMPETENCIES** **10 ADVANCED SPECIALIZATION** Dynamics 365, Microsoft Azure Expert MSP, Data Analytics, Teams, CAF, M365, Azure	**JOINT EXECUTION** Microsoft FastTrack, Global Delivery, Microsoft Consulting Services
CATALYST LED **SALES PROCESS** Industry Point of View, Business Value assessment, Envisioning Workshops, Design Thinking	**INDUSTRY CLOUDS** **GO TO MARKET** Retail, Sustainability, Manufacturing	**INDUSTRY** **DIGITAL TRANSFORMATION** Retail, CPG, Manufacturing, Telecom, Healthcare, Hi-Tech, BFSI

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

Winner "Technology Partner of the Year – BizApps" India Area Award 2021

Member 2021/2022 INNERCIRCLE for Microsoft Business Applications

Sonata wins Prestigious Microsoft US Eagle Award 2019-2020
This award is a recognition of our hard work, dedication and focus for winning new Dynamics 365 customers

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

Robust Employee Engagement & listening systems

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

Diverse & Inclusive workplace

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

Career Growth

>70% of leadership (SM) grown from within

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

SONATA

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.

Client Overview	**Industry** Travel and Tourism	**Revenue** $18.53 B	**Customers** >20M	**Lines of business** 6	**Destinations** 180

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

SONATA

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.

Client Overview	**Industry** Healthcare	**Presence in countries** 260+ operating companies across 60+ countries	**Group Revenue** ¥661 B	**Employees** 14,000	**Manufacturing units** 100+

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

SONATA

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.
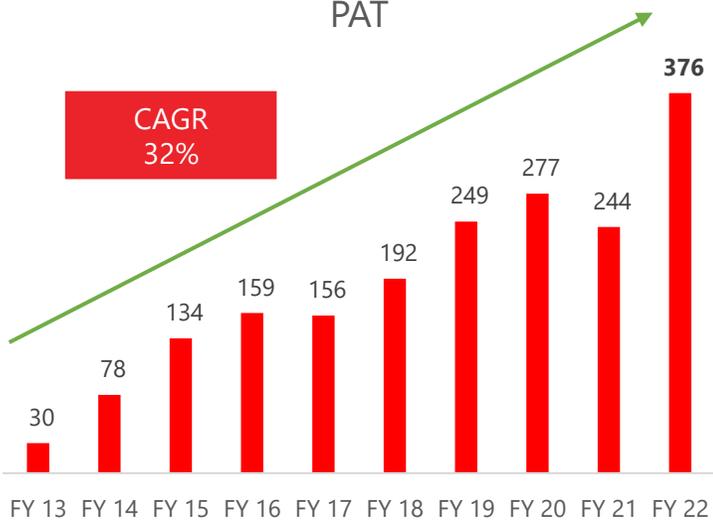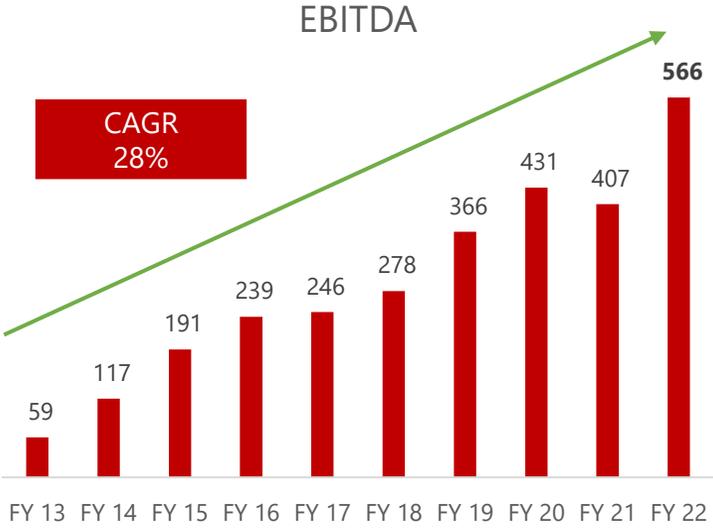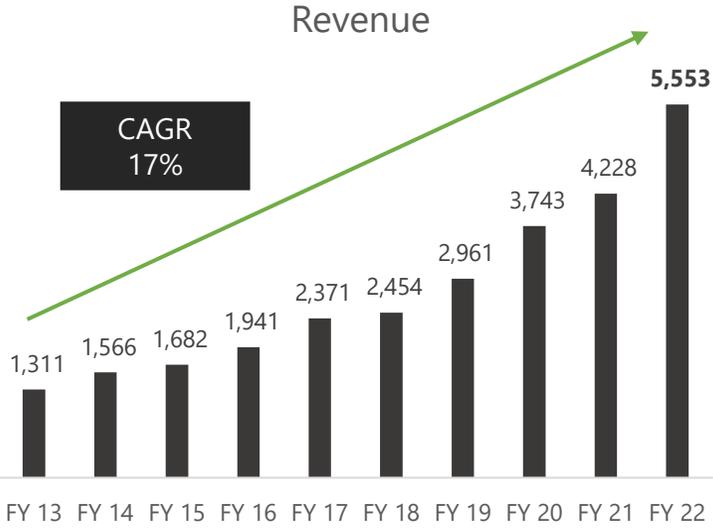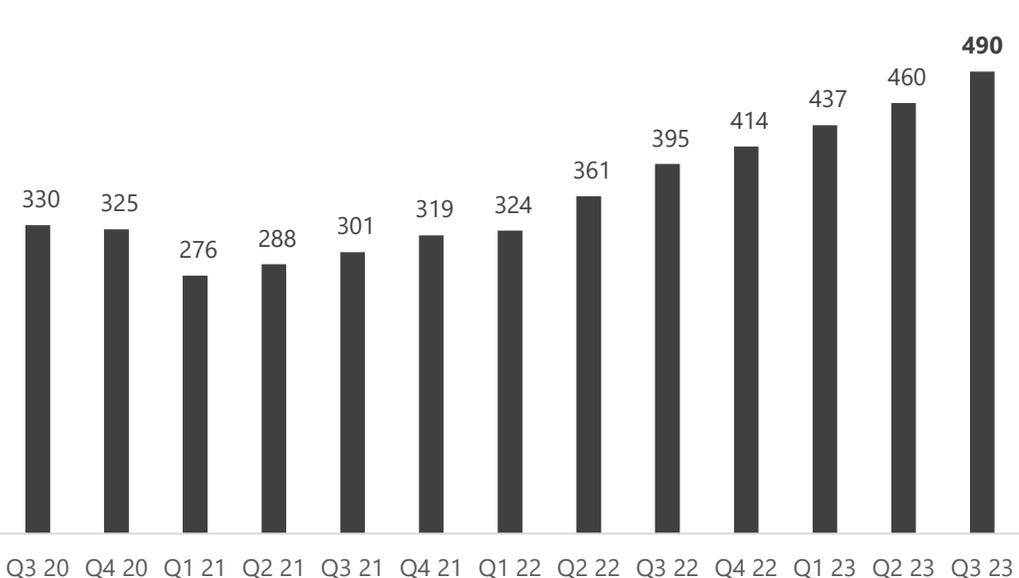
Financial Management

Realization & High margins

DSO

Cash Management

Returns %

Sound capital allocation

1

Focus on high revenue rate realization and high margins business

Improved Int. EBITDA Margins from 26.3% in FY 20 to 27.6% in FY 22

2

Focus on Reduction of DSO days with efficient working capital management

Improved DSO from 44 days in FY 20 to 37.5 days in FY 22

3

Very strong positive cash generation and cash position.

Company is maintaining a liquidity of ~Rs. 600+ cr at all the times

4

Industry leading ROCE and ROE

Improved ROCE from avg 30.6% in FY 20 to avg 37.4% days in FY 22

5

Sound capital allocation with judiciously

Company has paid a dividend of Rs. 221 cr highest in its history.

SONATA

Consistent Growth Over Last 10 years

Consolidated Revenue & EBITDA

Revenue

CAGR 17%

FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
1,311	1,566	1,682	1,941	2,371	2,454	2,961	3,743	4,228	5,553

EBITDA

CAGR 28%

FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
59	117	191	239	246	278	366	431	407	566

PAT

CAGR 32%

FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
30	78	134	159	156	192	249	277	244	376

SONATA

International Services Revenue & EBITDA trend for last 12 Quarters

Revenue (in Crs)

EBITDA (in Crs)

SONATA
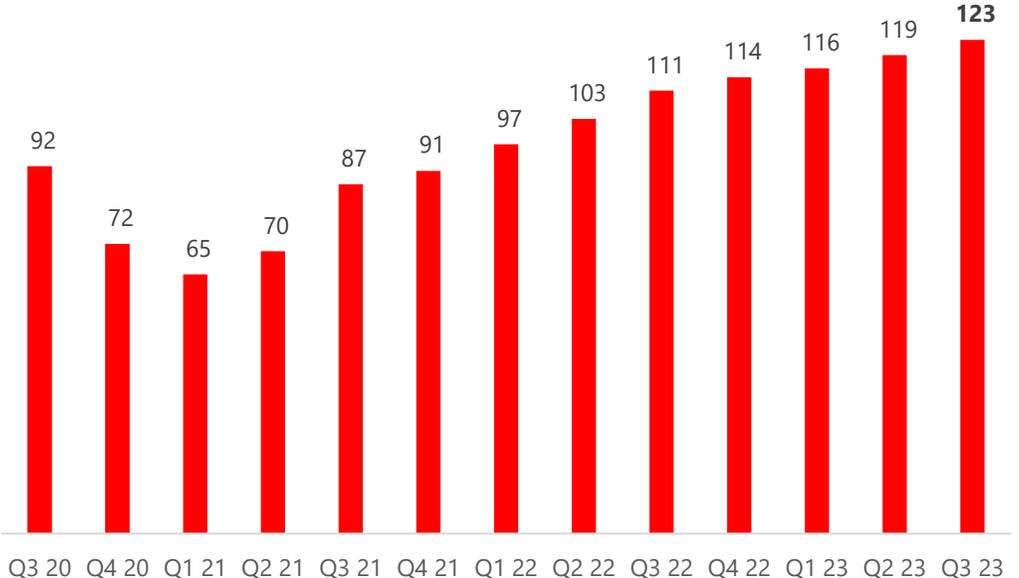
Financial Performance of International Services – Q3 FY23

Revenue in INR. Cr

INR in Crore

Q3 FY22	Q2 FY23	Q3 FY23
395.2	460.4	489.6

⬆ 6.3% QoQ

⬆ 23.9% YoY

EBITDA

INR in Crore

27.3%   25.7%   24.7%

Q3 FY22	Q2 FY23	Q3 FY23
110.5	119.3	123.2

⬆ 3.2% QoQ

⬆ 11.4% YoY

Revenue in $ Mn

Q3 FY22	Q2 FY23	Q3 FY23
$53.4	$57.8	$60.5

⬆ 4.8% QoQ

⬆ 13.3% YoY

PAT

INR in Crore

17.6%   16.9%   16.3%

Q3 FY22	Q2 FY23	Q3 FY23
71.2	78.6	81.3

⬆ 3.4% QoQ

⬆ 14.2% YoY

SONATA
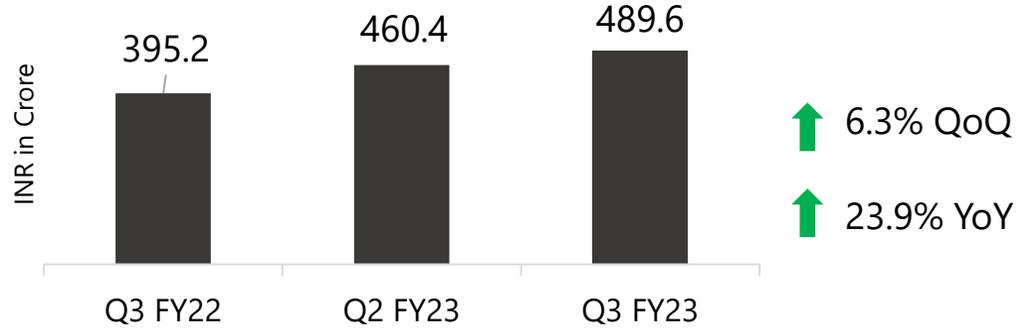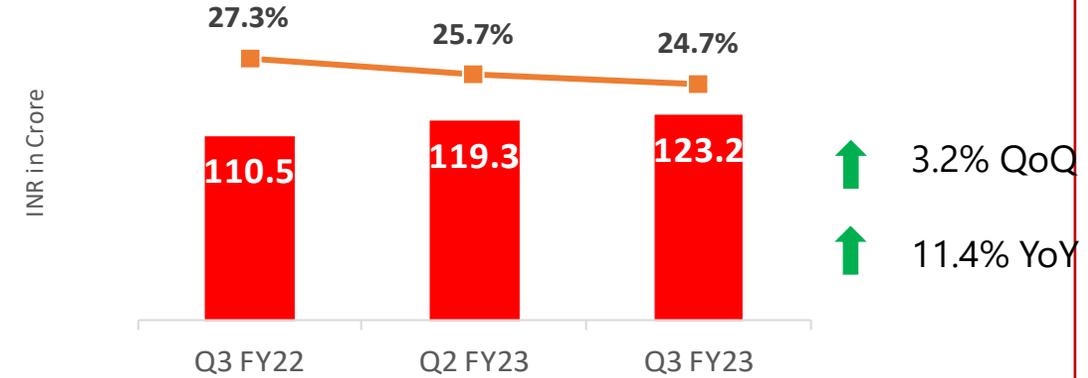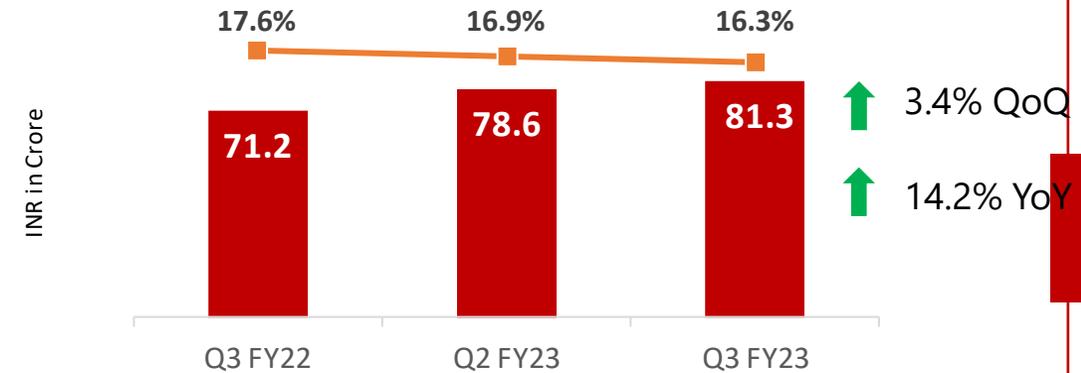
International Business Revenue Growth

Utilization

82.0%	82.0%	84.2%
Q1 23	Q2 23	Q3 23

New Customers added

Q4 22	Q1 23	Q2 23	Q3 23
12	10	12	20

Client Concentration

	Q3 22	Q2 23	Q3 23
Top 10 Customer	63%	58%	55%
Top 20 Customer	71%	65%	66%

■ Top 10 Customer ■ Top 20 Customer

No. of $ Million Customers

Q3 22	Q2 23	Q3 23
36	39	46

SONATA
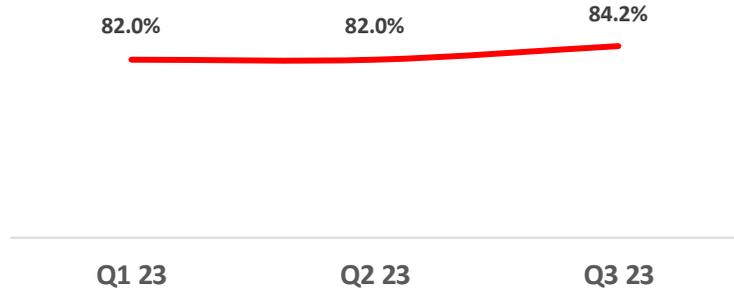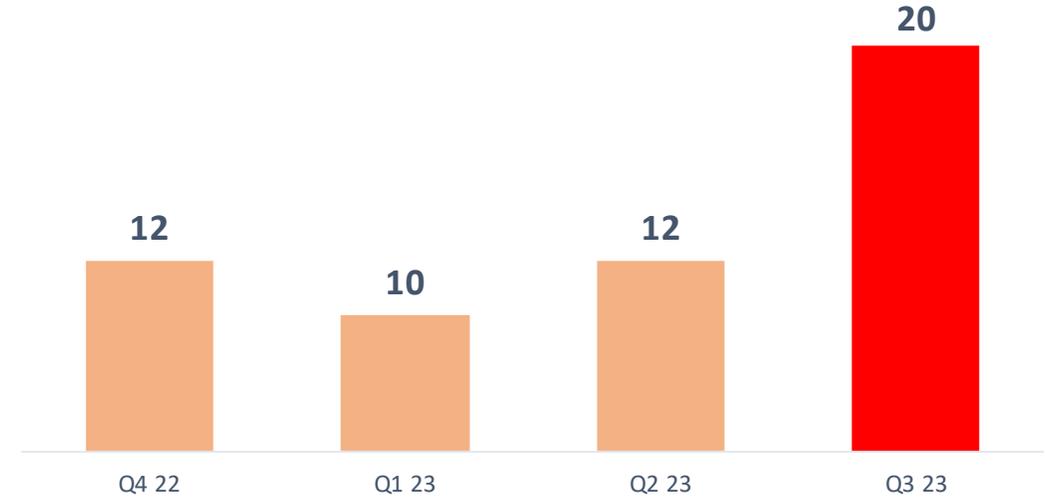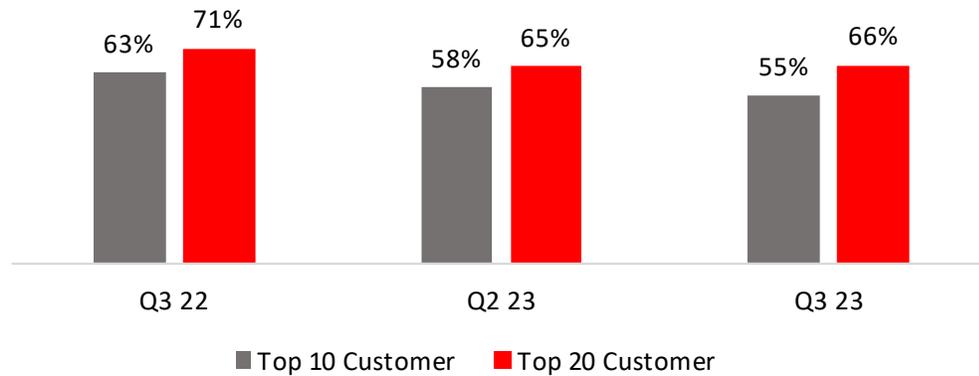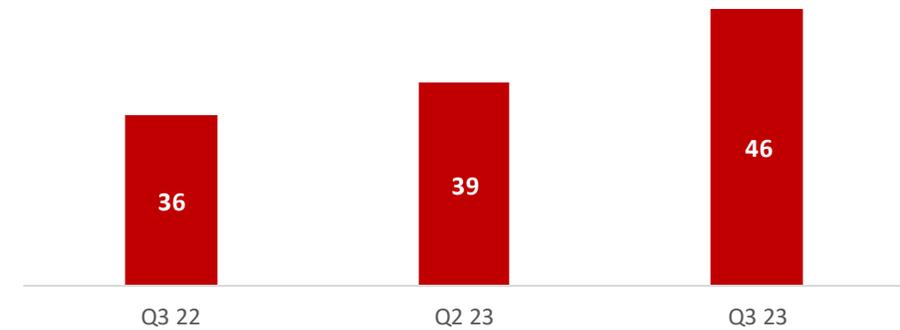
Operational Performance

Revenue by Geography

	Q3 22	Q2 23	Q3 23
Rest of World	22%	25%	27%
Europe	23%	19%	20%
USA	55%	56%	53%

Legend: ■ USA ■ Europe ■ Rest of World

Constant Currency

	Q3FY22	Q2 FY23	Q3 FY23
Revenue ($mn)	53.8	60.8	63.2
% QoQ Growth	8.7%	3.9%	3.9%

Legend: ■ Revenue ($mn) —●— % QoQ Growth

SONATA
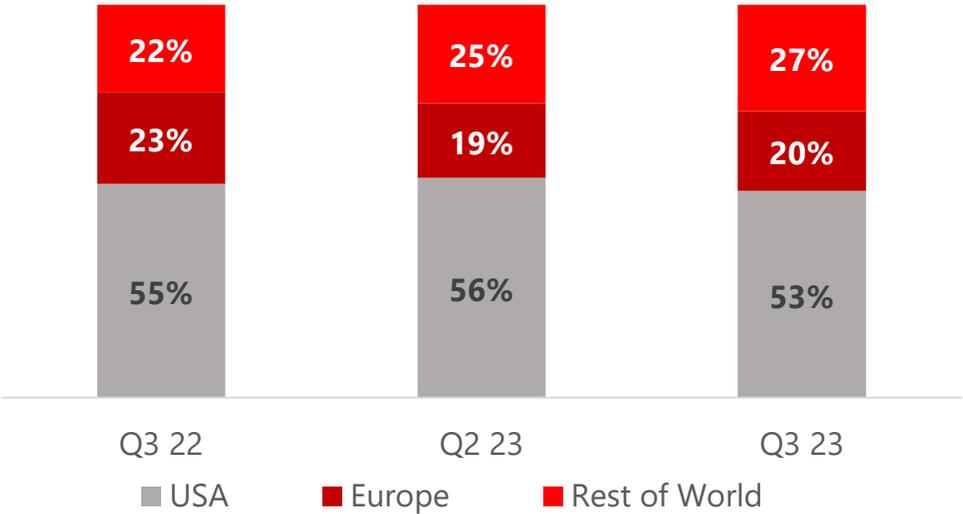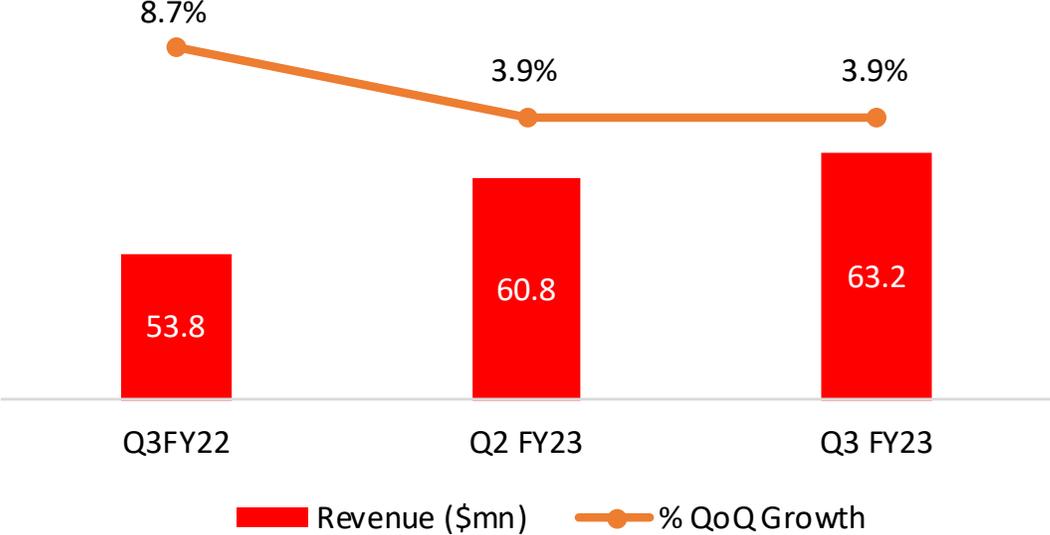
Vertical Mix Q3 FY 23

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 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 Q3 FY 23

- ISV
- Distribution & Manufacturing
- Others
- Retail
- Travel
- Commodity business & Service Industry
- Heath Care
- Logistics

% Revenue in 3Q FY 23

- TMT
- Manufacturing
- Retail, CPG, TTH
- Emerging
- BFSI
- Healthcare

SONATA
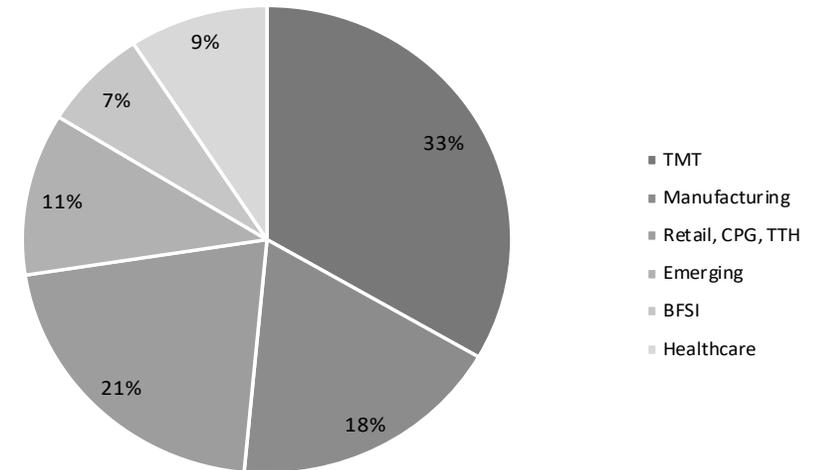
Solutions Mix

Revenue by Top GTMs
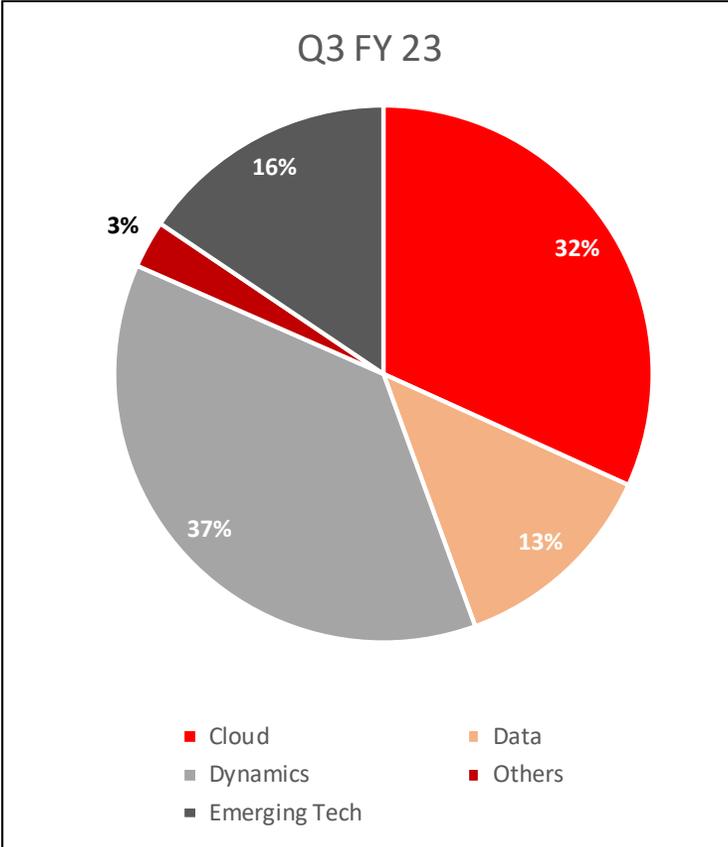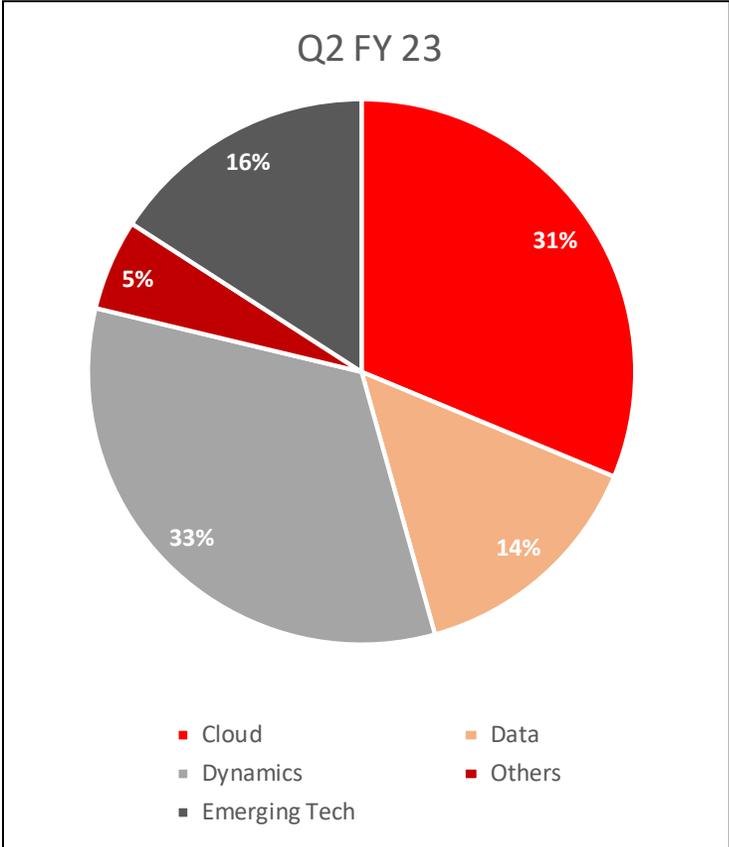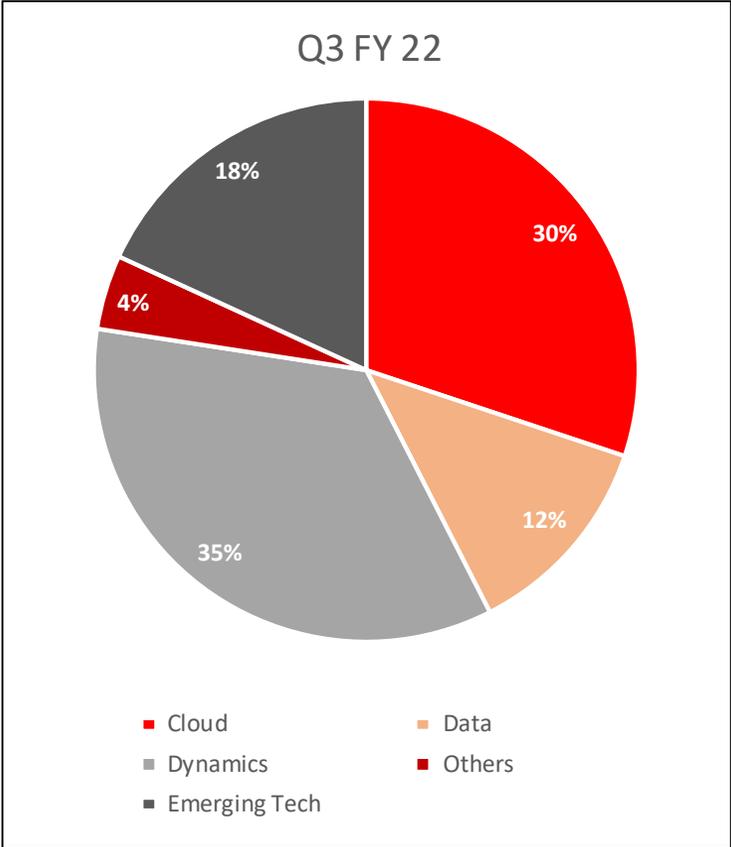
Domestic Business - Revenue

Domestic Revenue (Annuity/Others)

	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
% of Revenue - others	25%	24%	24%	25%	24%
% of Revenue - Annuity Biz	75%	76%	76%	75%	76%
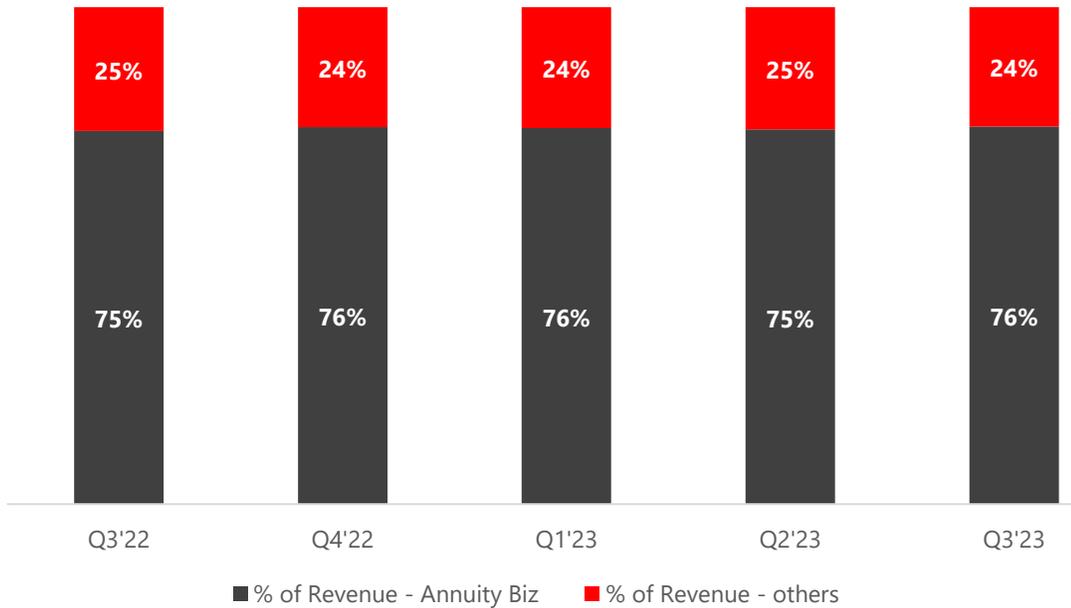
Domestic Revenue (Cloud/Others)

	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Others Revenue %	22%	22%	24%	23%	22%
Cloud Revenue %	78%	78%	76%	77%	78%
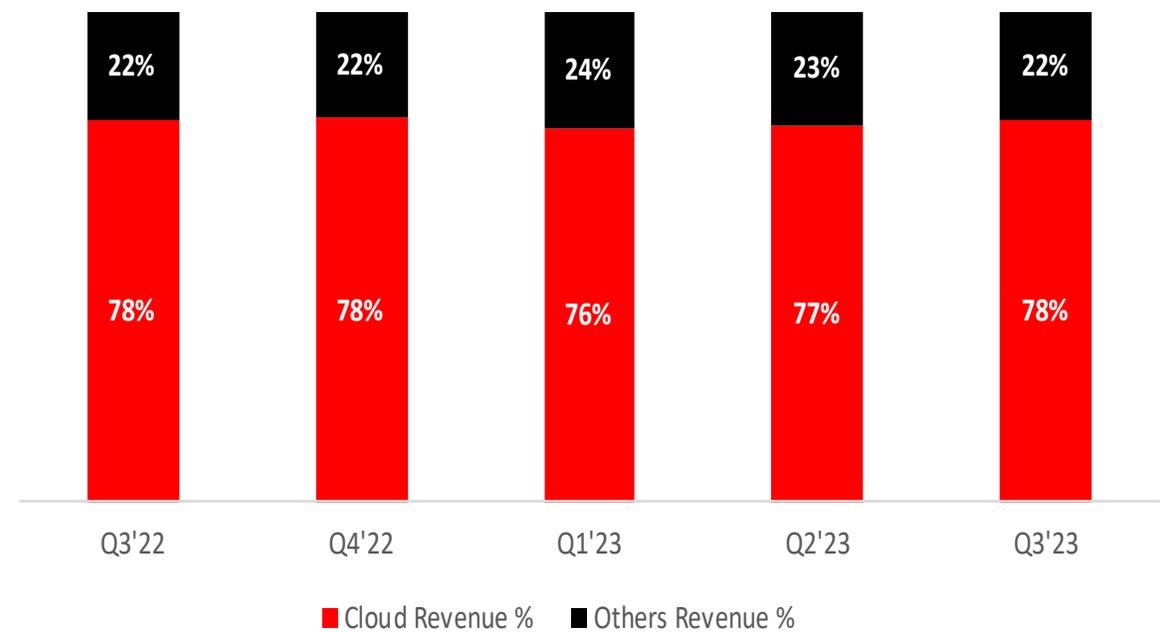
Domestic business major revenue contribution from multi year annuity enterprise sale

SONATA

Domestic Business:– Last 12 Quarters (In Crs)
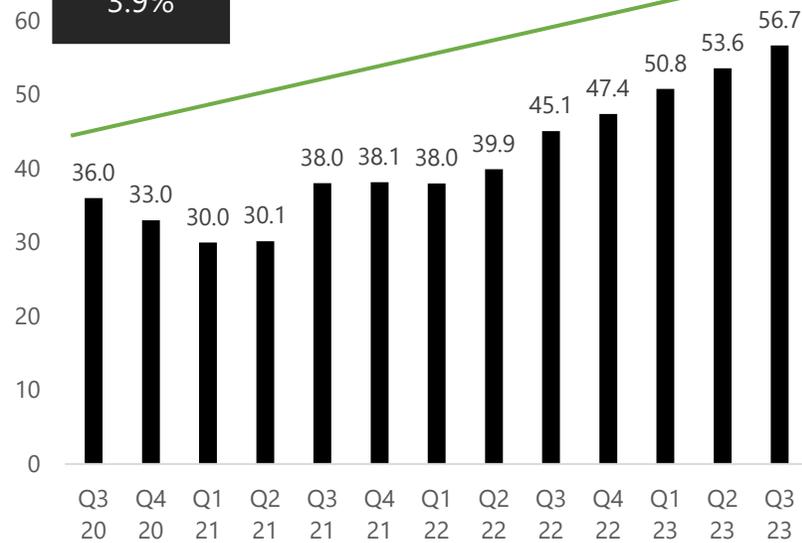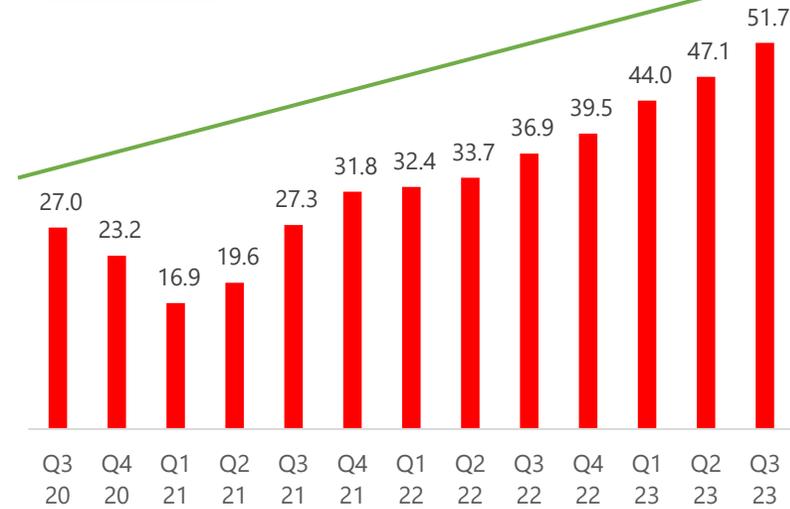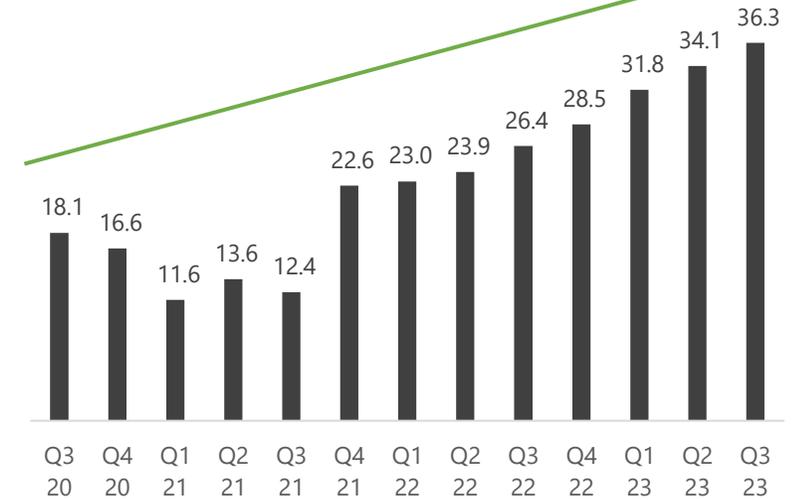
International and Domestic ROCE & RONW

ROCE
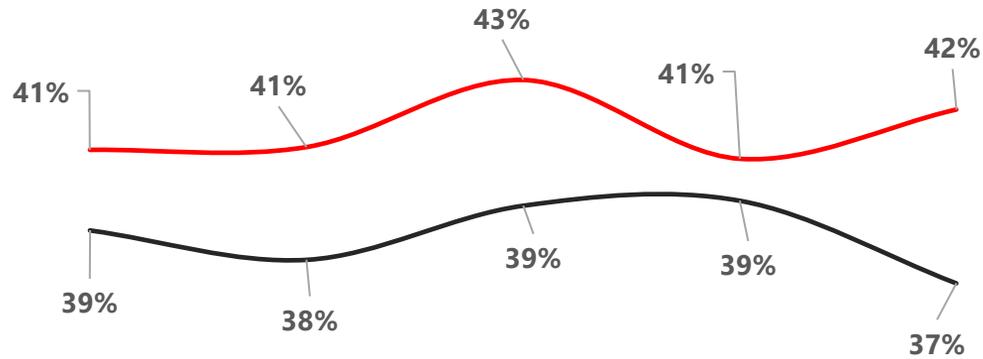
International Business — 39%, 38%, 39%, 39%, 37%
Domestic Business — 41%, 41%, 43%, 41%, 42%

Q3 22 · Q4 22 · Q1 23 · Q2 23 · Q3 23

— International Business   — Domestic Business

RONW

International Business — 40%/39%, 38%, 38%, 38%, 37%
Domestic Business — 40%, 40%, 46%, 49%, 50%

Q3 22 · Q4 22 · Q1 23 · Q2 23 · Q3 23

— International Business   — Domestic Business

SONATA
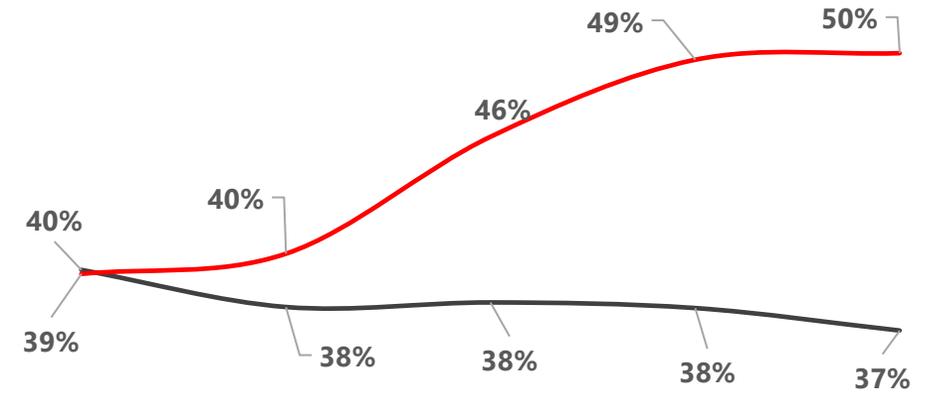
Days Sales Outstanding

International Business

Domestic Business

International Services DSO

36 36 37 38 43 40 41 46 45

Q3 21   Q4 21   Q1 22   Q2 22   Q3 22   Q4 22   Q1 23   Q2 23   Q3 23

Domestic Services DSO

57 49 39 32 33 38 38 37 38

Q3 21   Q4 21   Q1 22   Q2 22   Q3 22   Q4 22   Q1 23   Q2 23   Q3 23
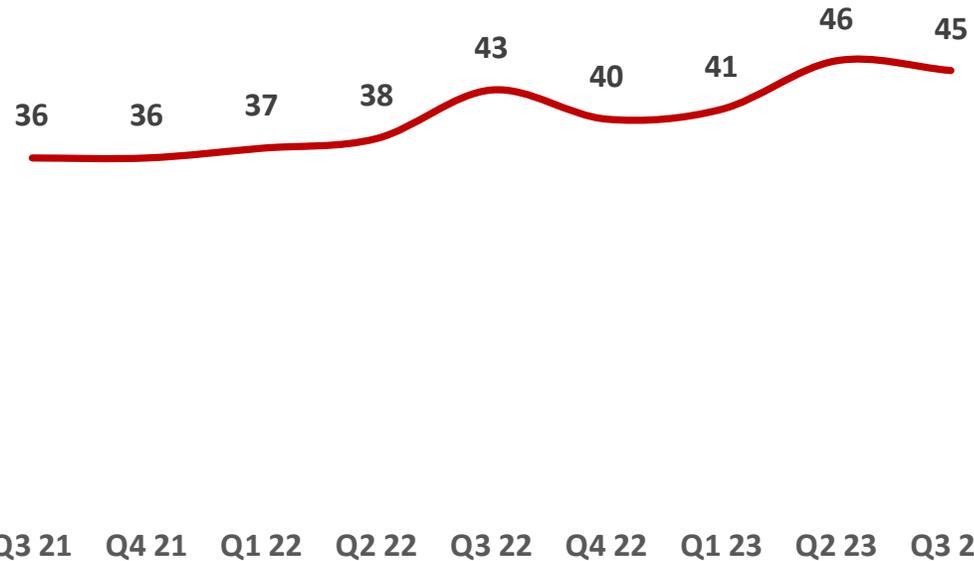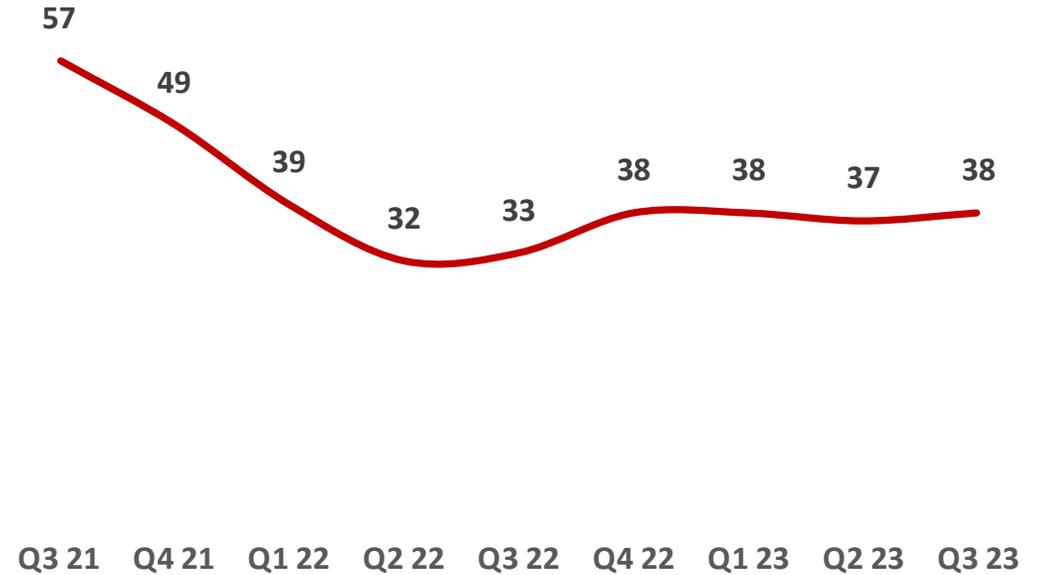
SONATA

Credit Management – Domestic Business

© Sonata Software Ltd, 2023. Confidential.
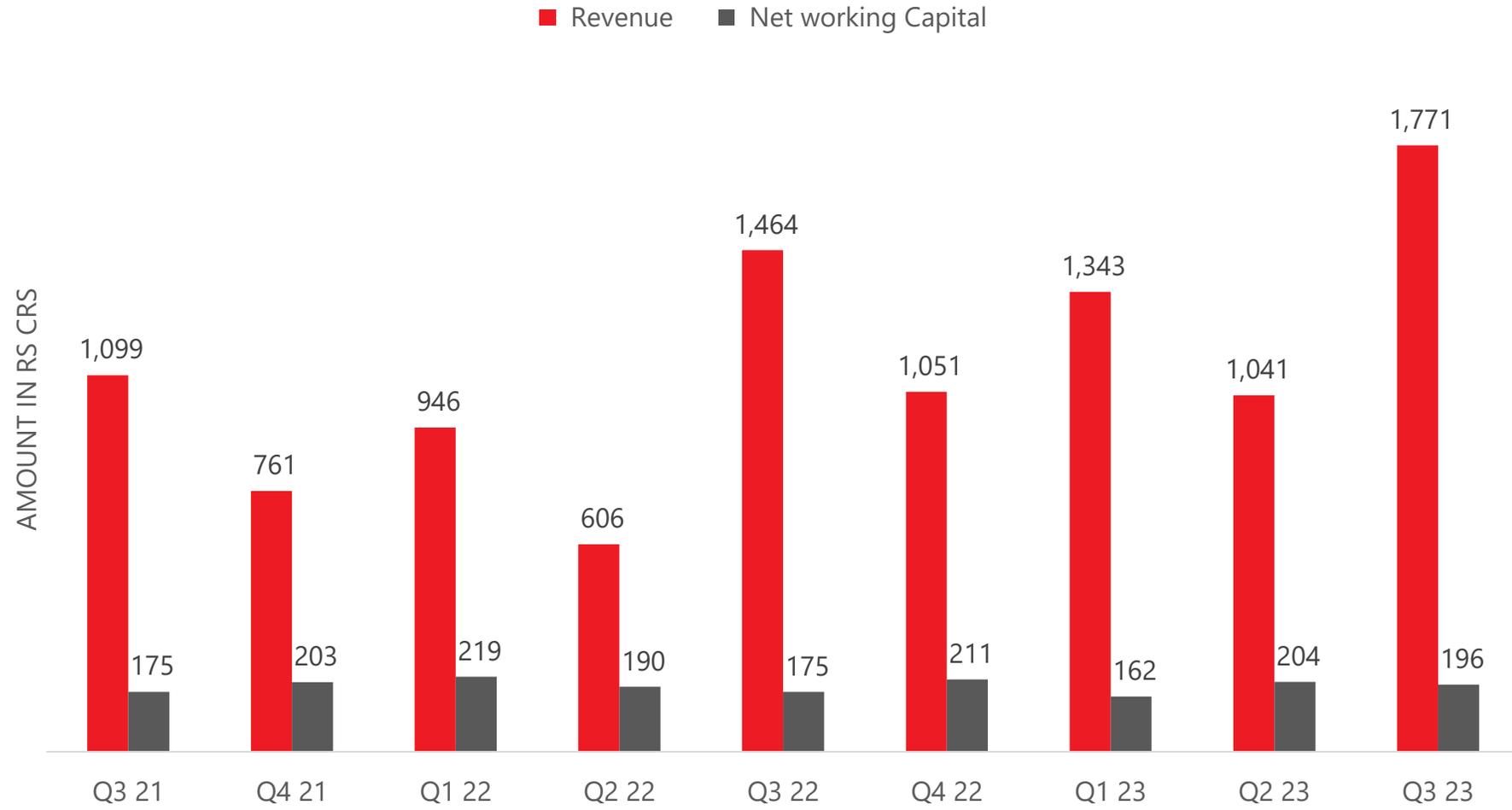
THANK YOU

SONATA

SONATA SOFTWARE

Platformation™

Makes the Difference

www.sonata-software.com