

SONATA SOFTWARE LIMITED

Dear Shareholders,

Trust you and your loved ones are safe and keeping well.

We are pleased to share with you the quarterly report for Q1 of FY 2023-24.

We are excited to report yet another quarter of Industry-leading growth. Our International services Revenue in USD terms grew 17.5% QoQ. Consolidated PAT for Q1'24 grew 5.5% QoQ. We crossed \$300M annual run rate for International Business in Q1 FY'24. We won our largest-ever multi-year Modernization deal in Europe with a Manufacturing client. Sonata is the only SI launch partner from India for Microsoft's Fabric offering. We recently launched Harmoni.AI – a Responsible-first AI offering for Enterprise scale.

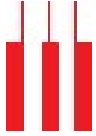
Domestic products division had an outstanding quarter of financial performance. Our Gross Contribution grew by 6.4 % QoQ and 21.8% YoY. Our Q1 PAT grew by 3% QoQ and 26% YoY. To accelerate our business growth further, we have started focusing on large hybrid infrastructure System Integration & Management opportunities

With Best Wishes,

Samir Dhir
Managing Director & CEO

Jagannathan C N
Chief Financial Officer

DIN: 03021413



Quarterly Report to Shareholders – Q1 FY 2023-24

Key Financial Highlights:

Quarter Ended June 30, 2023

International Services:

- Revenue at USD 77.3 million (growth of 17.5% q-o-q / growth of 36.1% y-o-y)
- Revenue at INR 633.8 Crore (growth of 18.8% q-o-q / growth of 45.1% y-o-y)
- Net Profit at INR 79.9 Crore (growth of 6.9% q-o-q / growth of 5.2% y-o-y)

Domestic Business:

- Revenue at INR 1,391.7 Crore (growth of 0.6% q-o-q / growth of 3.6% y-o-y)
- Net Profit at INR 40.2 Crore (growth of 3.1% q-o-q / growth of 26.4% y-o-y)

Consolidated:

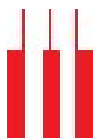
- Revenue at INR 2015.5 Crore (growth of 5.3% q-o-q / growth of 13.3% y-o-y)
- Net Profit at INR 120.1 Crore (growth of 5.5% q-o-q / growth of 11.4% y-o-y)

Other Highlights:

- 400+ active clients as of June 30, 2023
- 10 new clients added during the quarter

People:

- 6,666+ Sonatians as of June 30, 2023



Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q1 FY2024	Q4 FY2023	Q1 FY2023	Q-o-Q	Y-o-Y
Revenue	633.8	533.5	436.8	18.8%	45.1%
EBITDA	150.6	123.4	116.1	22.1%	29.7%
Net Profit	79.9	74.8	76.0	6.9%	5.2%

Key Ratios	Q1 FY2024	Q4 FY2023	Q1 FY2023
Effective Tax Rate (%)	20.2%	24.0%	24.2%
Net Profit Margin (%)	12.3%	14.0%	17.1%

Domestic Business					
(₹ Crore)	Q1 FY2024	Q4 FY2023	Q1 FY2023	Q-o-Q	Y-o-Y
Revenue	1391.7	1383.3	1343.1	0.6%	3.6%
EBITDA	56.4	54.0	44.0	4.3%	28.2%
Net Profit	40.2	39.0	31.8	3.0%	26.4%

Key Ratios	Q1 FY2024	Q4 FY2023	Q1 FY2023
Effective Tax Rate (%)	25.9%	25.2%	26.0%
Net Profit Margin (%)	2.9%	2.8%	2.4%

Consolidated					
(₹ Crore)	Q1 FY2024	Q4 FY2023	Q1 FY2023	Q-o-Q	Y-o-Y
Revenue	2015.5	1913.5	1778.9	5.3%	13.3%
EBITDA	206.4	176.6	159.8	16.9%	29.1%
Net Profit	120.1	113.8	107.8	5.5%	11.4%
Diluted EPS (Rs.)	8.66	8.20	7.78	5.6%	11.3%

Key Ratios	Q1 FY2024	Q4 FY2023	Q1 FY2023
EBITDA Margin (%)	10.1%	9.1%	8.9%
Effective Tax Rate (%)	22.2%	24.4%	24.7%
Net Profit Margin (%)	5.9%	5.9%	6.1%

Note:

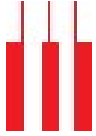
*EPS is not annualized



₹ in lakhs, except per share data

Extract of unaudited consolidated financial results for the quarter ended June 30, 2023

Sl No.	Particulars	Quarter ended		Year ended	
		June 30, 2023 (Unaudited)	March 31, 2023 (Unaudited)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	Revenue from operations	2,01,553	1,91,350	1,77,886	7,44,912
2	Other income	2,813	2,497	1,819	7,082
3	Total income (1 + 2)	2,04,366	1,93,847	1,79,705	7,51,994
4	Expenses				
	(a) Purchase of stock-in-trade (traded goods)	1,34,459	1,34,900	1,42,593	5,48,163
	(b) Changes in inventories of stock-in-trade	1,611	1,173	(10,523)	(2,589)
	(c) Employee benefits expense	32,614	25,679	21,428	93,311
	(d) Finance costs	2,083	717	373	1,854
	(e) Depreciation and amortization expense	3,120	1,892	1,297	5,913
	(f) Other expenses	15,042	14,438	10,224	45,614
	Total expenses	1,88,929	1,78,799	1,65,392	6,92,266
5	Profit before tax (3 - 4)	15,437	15,048	14,313	59,728
6	Tax expense				
	(1) Current tax	3,954	4,435	3,751	16,709
	(2) Deferred tax	(529)	(764)	(214)	(2,171)
	Total tax expense	3,425	3,671	3,537	14,538
7	Profit for the period (5 - 6)	12,012	11,377	10,776	45,190
8	Other comprehensive income				
	1 Items that will not be reclassified to profit/(loss)				
	(a) Remeasurement of the defined benefit plans	211	(547)	(404)	(662)
	(b) Income tax relating to Items that will not be reclassified to profit/(loss)	(49)	134	99	162
	2 Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	(181)	(149)	31	873
	(b) Fair value changes on derivatives designated as cash flow hedge, net	1,122	(51)	(2,134)	(3,539)
	(c) Income tax relating to Items that will be reclassified to profit/(loss)	(220)	43	517	652
	Total	883	(570)	(1,891)	(2,514)
9	Total comprehensive income for the period (7 + 8)	12,895	10,807	8,885	42,676
	Of the total comprehensive income above, total comprehensive income attributable to:				
	Owners of the Company	12,895	10,807	8,885	42,676
	Non - controlling interest	-	-	-	-
		12,895	10,807	8,885	42,676
	Of the total comprehensive income above, profit for the period attributable to:				
	Owners of the Company	12,012	11,377	10,776	45,190
	Non - controlling interest	-	-	-	-
		12,012	11,377	10,776	45,190
	Of the total comprehensive income above, other comprehensive income for the period attributable to:				
	Owners of the Company	883	(570)	(1,891)	(2,514)
	Non - controlling interest	-	-	-	-
		883	(570)	(1,891)	(2,514)
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,387	1,387	1,039	1,387
11	Other equity	1,28,678	1,28,678	1,08,881	1,28,678
12	Earnings per equity share (of ₹ 1/- each)				
	(a) Basic (in ₹)	8.66	8.20	7.78	32.58
	(b) Diluted (in ₹)	8.65	8.20	7.78	32.58



Note: This report is for information purposes. Green Initiative is an effort of the Government of India which aims at reducing paper consumption thereby contributing to a greener environment. In harmony with that we are circulating this over email to shareholders who have updated their e-mail addresses with the Depository Participant.

You are requested to update/intimate the email address (E-mail ID) and any change in the email address with the Depository Participant.

*SONATA SOFTWARE LIMITED
(CIN: L72200MH1994PLC082110)
Registered Office: 208, T V Industrial Estate,
2nd Floor, S K Ahire Marg,
Worli, Mumbai – 400 030*

*Corporate Office: 1/ 4, APS Trust Building,
Bull Temple Road,
N.R. Colony, Bengaluru – 560 004
Tel: 91-80-67781999, Fax: 91-80-2661 0972,
E-mail: investor@sonata-software.com
Website: www.sonata-software.com*