



**Sonata Software: International Services delivered Industry leading Dollar revenue growth; up 3.5% QoQ (38.3% YoY). Domestic business delivered strong Gross contribution growth of 14.2% QoQ (25.8% YoY) in INR.**

**Bengaluru, February 01, 2024**

[Sonata Software](#) [NSE: SONATSOFTW, BSE: 532221], a leader in Modernization Engineering, today reported its unaudited financial results for its 3<sup>rd</sup> quarter ended December 31, 2023.

Description	in ₹ Crores							
	For the Quarter ended					For the nine months ended		
	31-Dec-23	30-Sep-23	31-Dec-22	QoQ	YoY	31-Dec-23	31-Dec-22	YoY
<b>Revenues</b>								
International IT Services	696.8	670.0	489.6	4%	42%	2,000.6	1,386.8	44%
Domestic- Products & Services	1,800.3	1,244.0	1,773.6	45%	2%	4,436.0	4,156.9	7%
Consolidated	2,493.4	1,912.6	2,260.8	30%	10%	6,421.5	5,535.6	16%
<b>EBITDA</b>								
International IT Services	168.5	165.0	123.2	2%	37%	484.1	358.6	35%
Domestic- Products & Services	59.2	56.4	51.7	5%	14%	172.1	142.8	21%
Consolidated	227.2	220.5	172.8	3%	31%	654.2	498.4	31%
<b>PAT after exceptional item<sup>^</sup></b>								
International IT Services	(88.8)	83.7	81.3	-	-	74.9	235.9	-
Domestic- Products & Services	42.6	40.5	36.3	5%	17%	123.3	102.2	21%
Consolidated	(46.2)	124.2	117.6	-	-	198.1	338.1	-
<b>PAT before exceptional item<sup>^</sup></b>								
International IT Services	85.9	83.7	81.3	3%	6%	249.5	235.9	6%
Domestic- Products & Services	42.6	40.5	36.3	5%	17%	123.3	102.2	21%
Consolidated	128.5	124.2	117.6	3%	9%	372.8	338.1	10%

<sup>^</sup> Sonata Software North America Inc., (SSNA) a wholly owned subsidiary of Sonata Software Limited, acquired 100% stake in the Quant systems inc., (Quant) on March 10, 2023 for a purchase consideration of USD 159 mn (INR 130,348 Lakhs) (net of working capital) including cash consideration of USD 70.70 mn (INR 57,960 Lakhs) and USD 88.30 mn (INR 72,388 Lakhs) of contingent consideration payable over 2 years. The Company has re-measured the fair value of the contingent consideration payable to be USD 105.42 mn (INR 87,719 Lakhs), thereby an increase of USD 17.12 mn (INR 14,244 Lakhs). Similarly, the Company has re-measured the fair value of the contingent consideration payable with respect to an earlier acquisition, which has resulted in the change in fair value by USD 3.87 mn (INR 3,222 Lakhs). The above changes in fair value of contingent consideration payable amounting to USD 20.99 mn (INR 17,466 Lakhs) are owing to better financial performance of the acquired entities and are recorded in the Statement of Profit and Loss. The Management has disclosed the above changes in fair value as an 'exceptional item', considering the significance of the amount and its non-recurring nature.

Speaking on the quarterly results **Mr. Samir Dhir, MD & CEO** of the Company said, “We are proud and excited to deliver yet another quarter of Industry-leading growth, despite the macro geo-political issues, economic challenges, and slowdown in tech-spending. Our International services Revenue in USD terms grew **3.5% QoQ** and Domestic Gross contribution grew by **14.2% QoQ**. We are delighted to be adjudged



“**Best Governed Company 2023**” at ICSI national awards for excellence in corporate governance and certified as “**Most preferred Workplace 2023-24**” by Marksmen Daily.”

Speaking on the results **Mr. Sujit Mohanty, MD & CEO** of Sonata Information Technology Limited said,

"We had one of our best quarter's performances delivered in our Domestic Business during the quarter. Our Gross Contribution grew by **14.2 % QoQ** and **25.8 % YoY**. Our Q3 PAT grew by **17.4% YoY**. We had fruitful engagements with our existing customers through targeted GTMs which helped us expand our business from our existing customer base."

#### **Performance Highlights for the quarter:**

- **Consolidated:**

- Revenues at ₹ 2,493.4 crores; QoQ growth of 30%
- EBITDA at ₹ 227.2 crores; QoQ growth of 3%
- PAT before exceptional item stood at ₹ 128.5 Crores; QoQ growth of 3%.
- Net Cash and equivalents of approximately ₹ 228 Crores (net of borrowings).

- **International IT Services:**

- Revenues at ₹ 696.8 crores; QoQ growth of 4%
- Revenue in USD at 83.7 Million, QoQ revenue growth of 3.5% & YoY 38.3% in USD terms,
- EBITDA at ₹ 168.5 crores; QoQ growth of 2%
- PAT before exceptional items stood at ₹ 85.9 Crores, QoQ growth of 3%.
- DSO at 45 days (Q2'24: 45 days)
- 13 New Customer added during the quarter
- Overall strategy of delivering outcome-based Modernization services using our Domain-Led and technology-based Modernization anchored by GTMs executed through Platformation™.
- Strong growth from digital based competencies like Managed cloud services and Digital Platformation™ Services (Microsoft & Open source) and focused verticals like TMT, Healthcare & Life Sciences, Manufacturing, Retail / CPG/ TTH, BFSI and Emerging.
- Our pipeline continues to be healthy and strong through multiple new digital wins from existing and new customers.

- **Domestic Products & Services:**

- Revenues at ₹ 1,800.3 crores; QoQ growth of 45%
- Gross contribution at ₹ 71.3 Crs grew by 25.8% YoY.
- EBITDA at ₹ 59.2 crores; QoQ growth of 5%
- PAT at ₹ 42.6 crores; QoQ growth of 5%
- DSO at 36 days (Q2'24: 35 days)



## About Sonata Software

Sonata Software is a leading Modernization Engineering company, powered by its unique Platformation™ framework that brings together industry expertise, platform technology excellence, design innovation and strategic engagement models to deliver sustained value to customers. We partner with Fortune 500 clients to help them reimagine their business processes as part of modernization programs. As part of this phase, we drive business enablement sessions, consulting, and business processes to be aligned with best-in-class industry-specific practices. Our outcome-based Modernization Services include Cloud, Data, Dynamics, Managed Services, Automation and Digital Contact Center. We offer services and solutions around newer technologies like Generative AI, MS Fabric, and other modernization platforms. Sonata has a strong global presence in key regions including US, UK, Europe, APAC, and ANZ. We are a trusted partner of world leading companies in TMT, Retail & CPG. Manufacturing, BFSI and HLS space. Our partner ecosystem boasts of strong relationships with Microsoft, AWS, Salesforce, Snowflake, Google, and Industry partners and is critical to the value we create with our clients.

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