



Sonata Software

Investor Presentation

Q4'22



Sonata - A Snapshot



The Company

36 YEARS
as a IT Solutions
Provider

\$740+ M REVENUE
23% 3 Yr. CAGR

5100+ TEAM
across US, Canada,
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

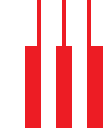
CUSTOMERS
Global Top 5 – Leisure
Travel Co, Grocery Retailer,
F&B CPG Co, Software Co

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



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



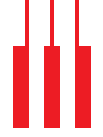
For the Employee

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

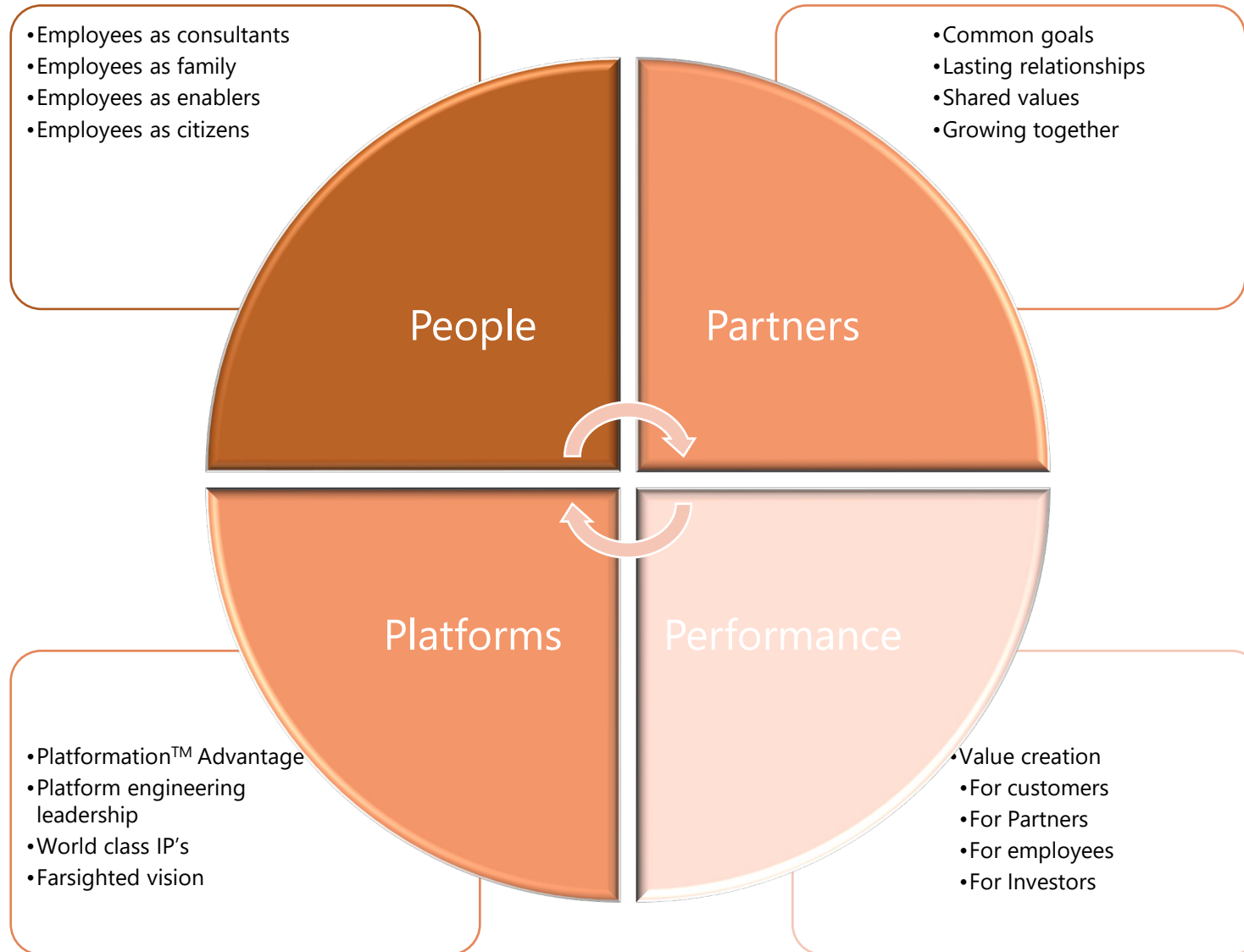


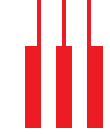
For the Community

CSR initiatives to support IT needs of
projects with Social impact



Sonata – In 4 'P's



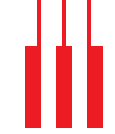


Vertical Focus

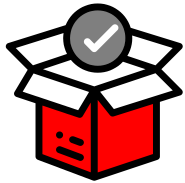
- Retail, travel, Distribution & CPG, ISV, Commodity Trading, and Services Industry – Field Services
- IP – Brick and Click, Modern Distribution, Agri Business, Rezopia, Service Industry, GBW
- Platform led Digital Transformation
- Track record

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

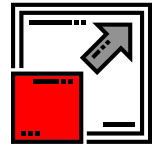
- Sonata's structured process for Platformation comprises the following :
 - Digital Business Process Library & Identification
 - Customer Digital Agenda led based approach
 - Platform Maturity Assessment (Separate Business & Technology maturity assessment)
 - Marchitecture™ aligned to CDAT
 - Platform 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



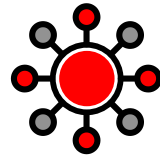
Platforms - the secret behind the digital economy's most successful companies



OPEN



SCALABLE



CONNECTED



INTELLIGENT

Sonata's approach to Digitizing business using platforms

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

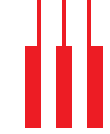
- Deploy popular horizontal platforms adding required functionality

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



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

30 Years

MICROSOFT PARTNER

GISV, ISP, CSP, ISV Dev Centre, SI.
Country Partner India 2014, 15, 17.
Global alliance footprint

**18 Gold certified & 8
Advanced specializations**
Skills in Dynamics 365, Azure,
Power BI, Cortana, .Net,
Mobility

360° Partnership

Product Engineering,
Professional support, Delivery,
LSP partner for MS, MCS and
ISV/SI ecosystems.

**INDUSTRY
DIGITAL TRANSFORMATION
for**

Retail, Consumer goods,
Distribution, Agri Products,
Field Service, Travel, ISV

**PLATFORM IP
ON MS DYNAMICS & AZURE**

Brick & Click, Modern
Distribution, Commodity
Trading, Rezopia,
Kartopia, Halosys, Rapid

**STRATEGIC
ACQUISITIONS**

Scalable Data Systems, Sopris
Systems, Encore Systems, GBW,
& IBIS Inc

2500+ TEAM

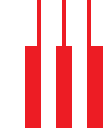
On Microsoft Technologies
with
1200 + on Microsoft Biz Apps

Clients

ACROSS THE GLOBE
USA, Europe, Asia, India,
Australia, Middle East

Recognition and Awards

Inner Circle member 2021-22,
Partner of the Year, India for
BizApps 2021-22

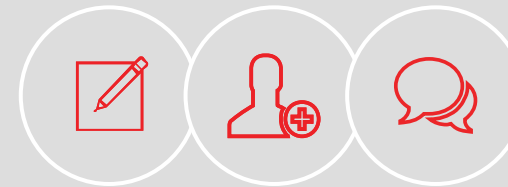


Delivering value through our innovative engagement models



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**



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

“ 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

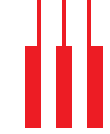


International Services

- 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

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

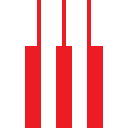
Focus on high revenue rate realization and high margins business

Focus on Reduction of DSO days

Very strong positive cash generation and cash position

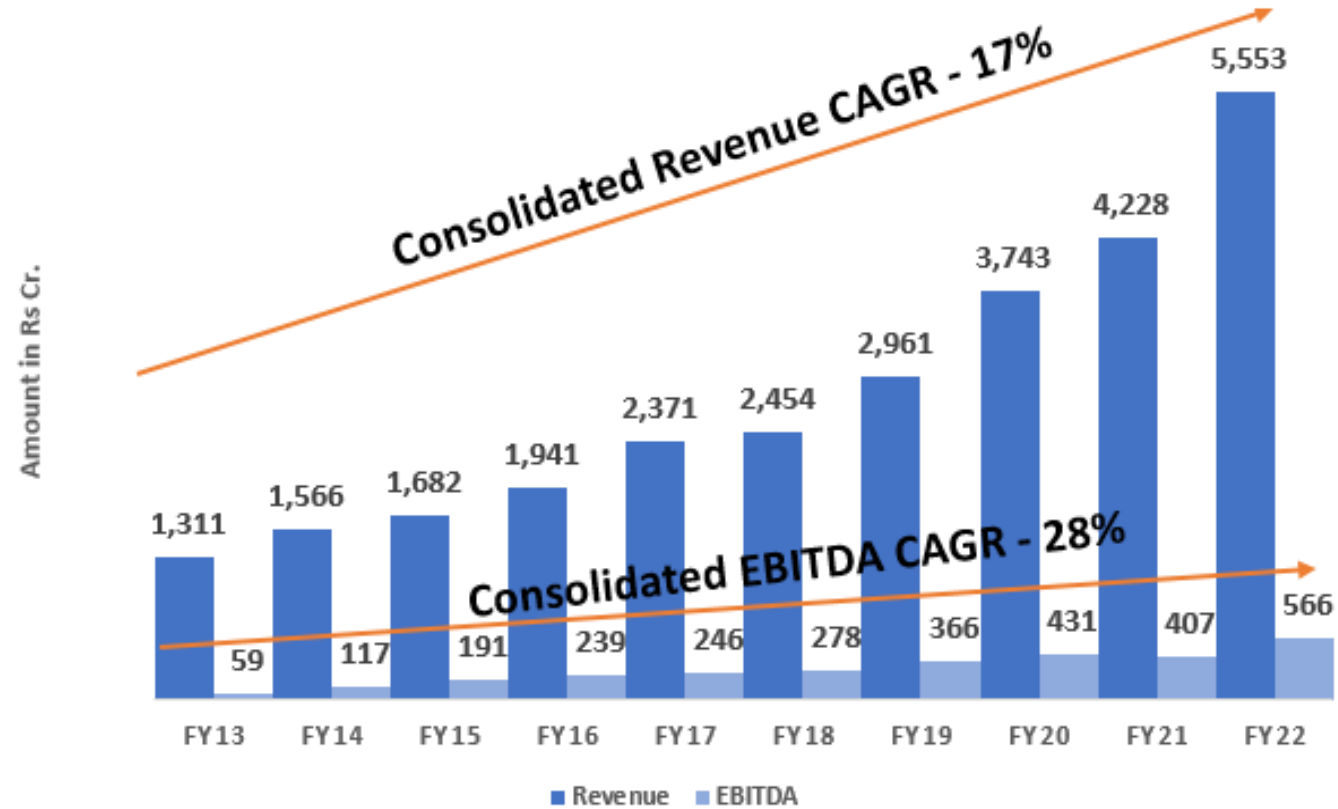
Industry leading ROCE and ROE

Sound capital allocation



Consistent Growth Over Last 10 years

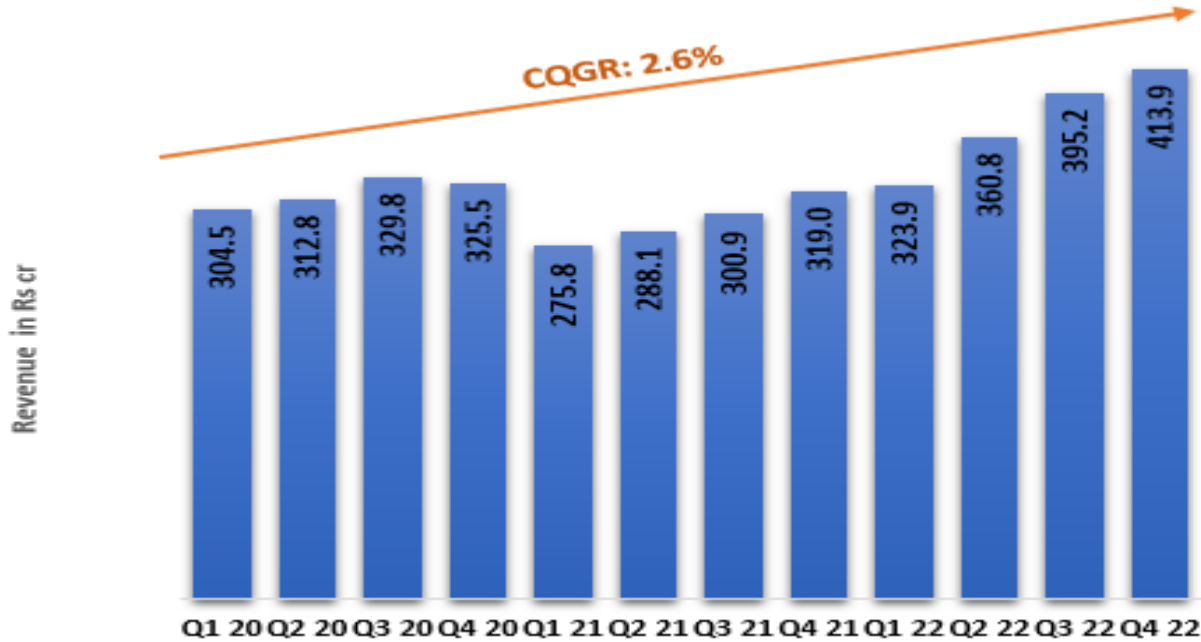
Consolidated Revenue & *EBITDA



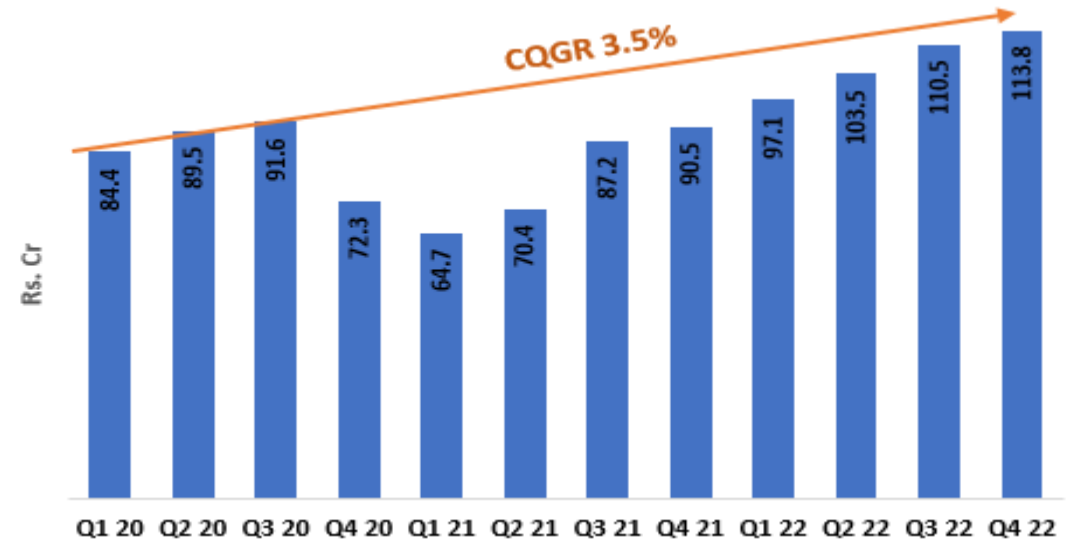
*Consolidated EBITDA for FY22 is adjusted for one off item of INR 22.9 cr which pertains to gain associated with write-off of Earn out provision.

International Services Revenue & EBITDA trend for last 12 Quarters

Revenue (in crs)



EBITDA (in crs)

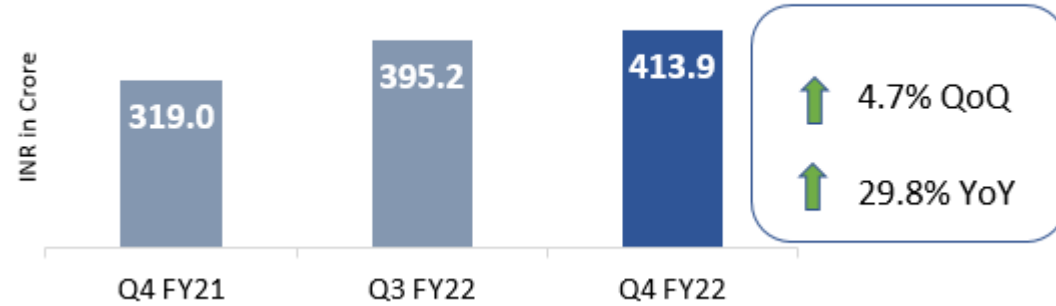


EBITDA for Q4' 22 is adjusted for one off item of INR 22.9 cr which pertains to gain associated with write-off of Sopris Earn out provision.

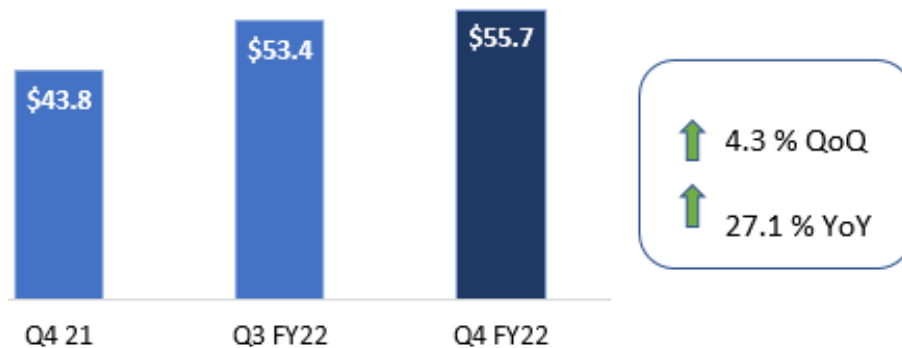
Adjusted EBITDA % (excluding one-off item, other-income and FX) for FY22 was at 24.4% and for Q4'22 was at 24.8%.

Financial Performance of International Services – Q4 FY22

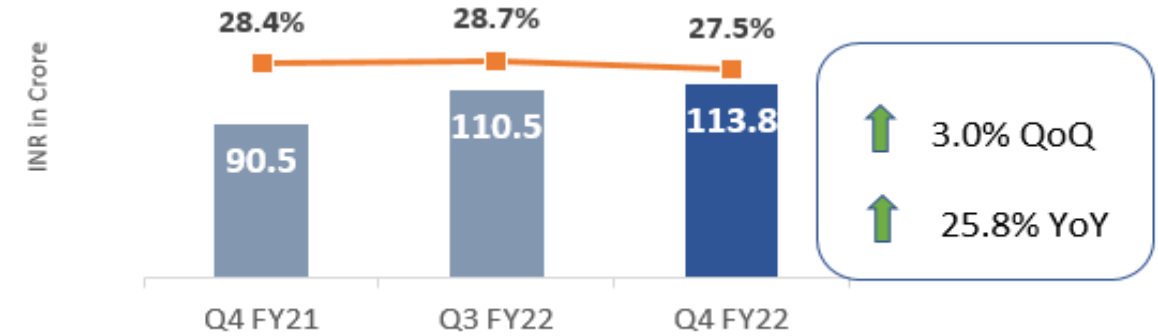
Revenue in INR. Cr



Revenue in \$ Mn

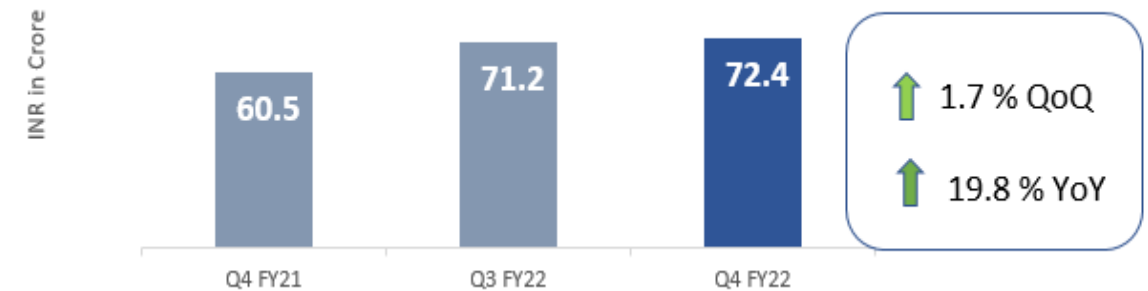


*EBITDA



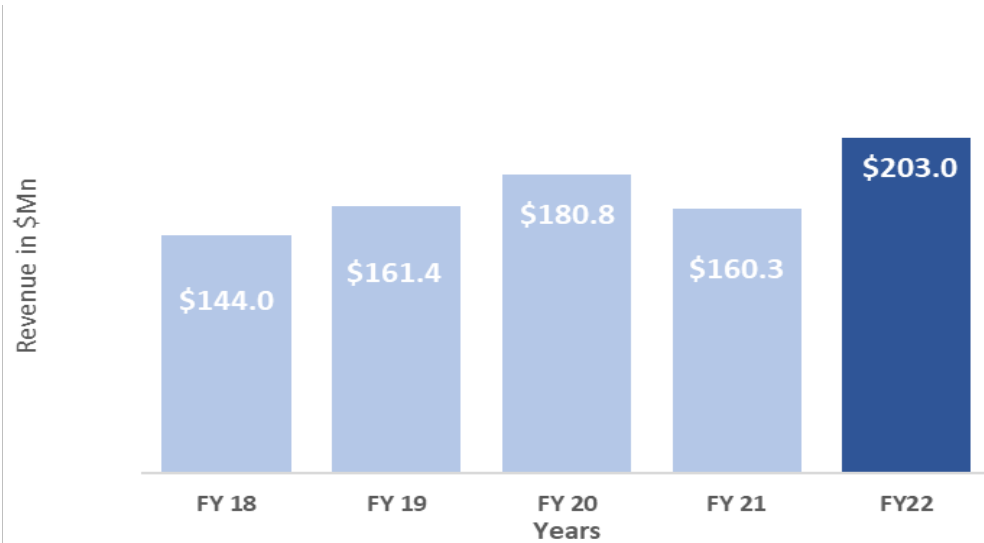
*EBITDA for Q4' 22 is adjusted for one off item of INR 22.9 cr which pertains to gain associated with write-off of Earn out provision.

PAT

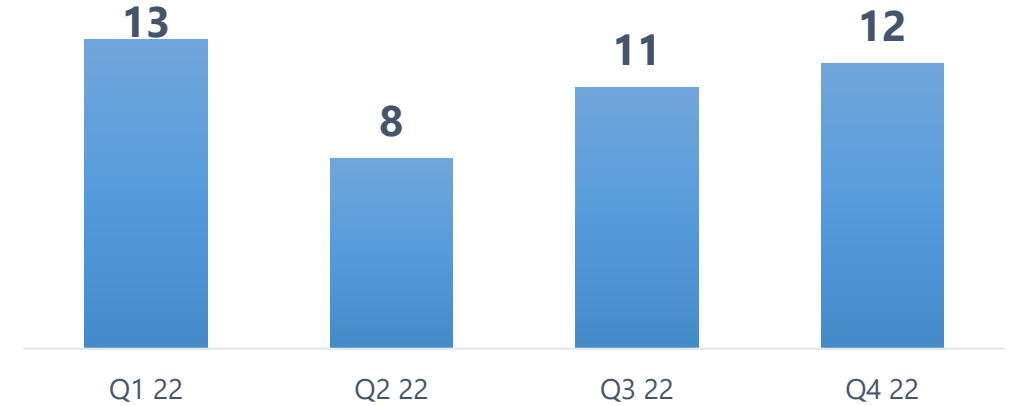


International Business Revenue Growth

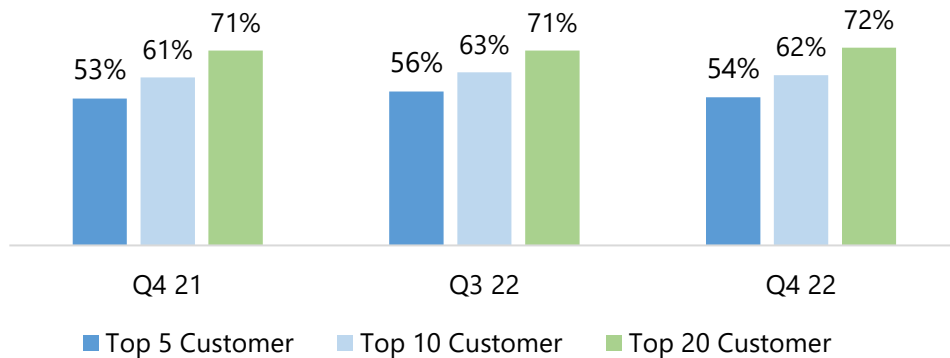
Revenue in \$Million



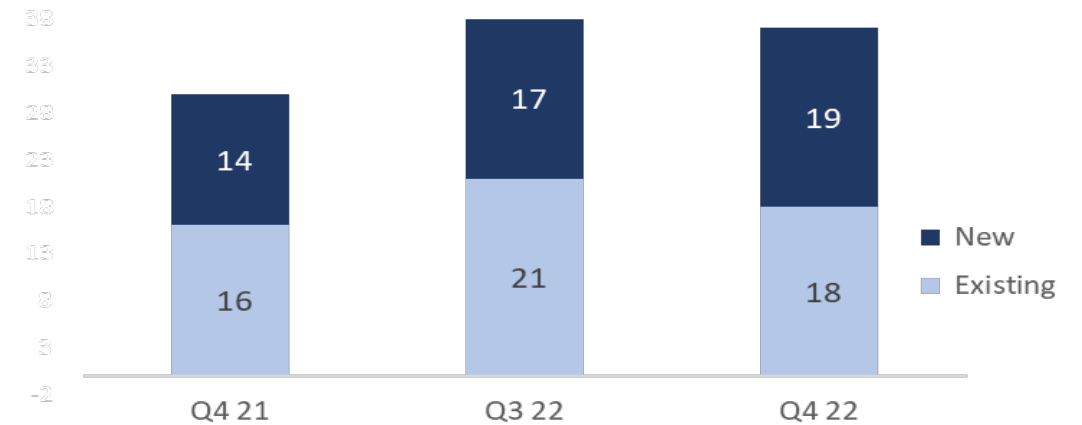
New Customer added



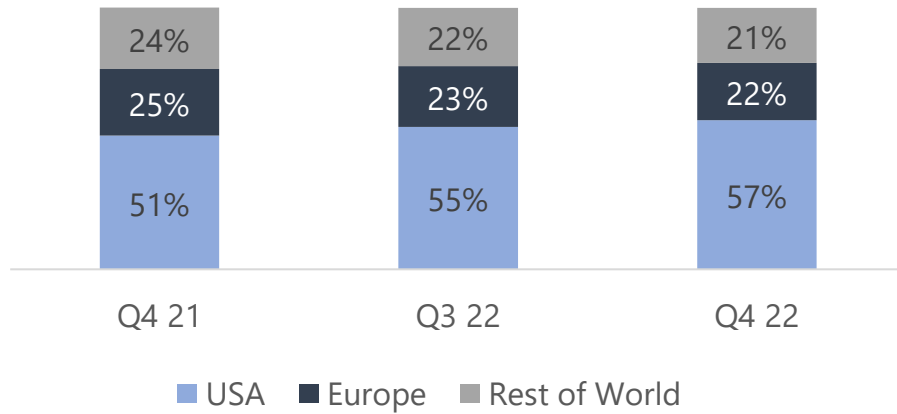
Client Concentration



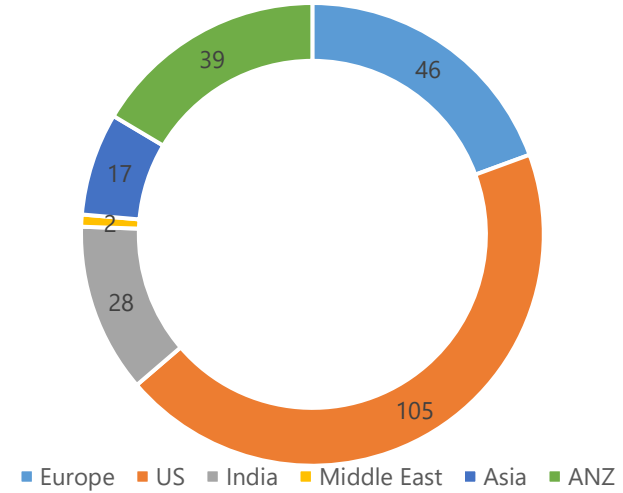
No. of \$Million Customers



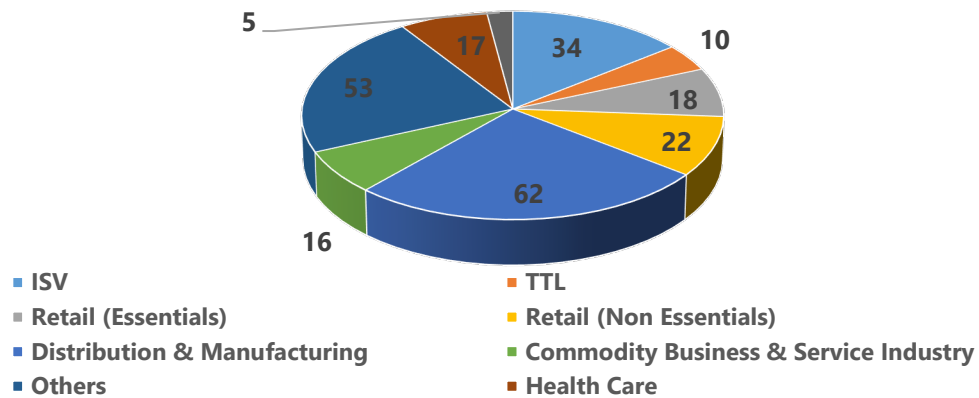
Revenue by Geography



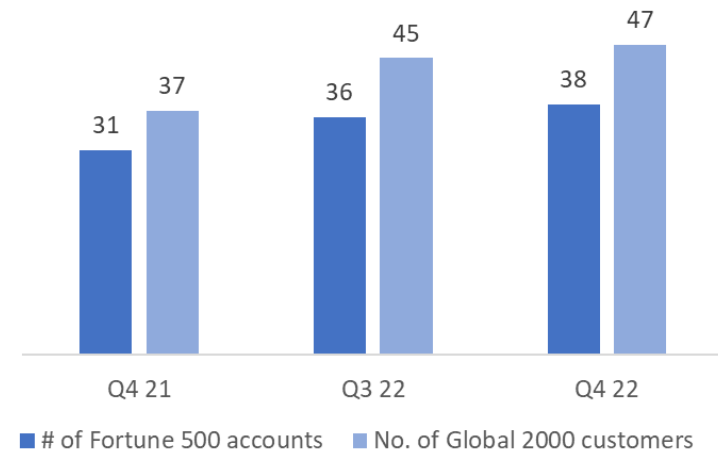
No. of Customers by Geo



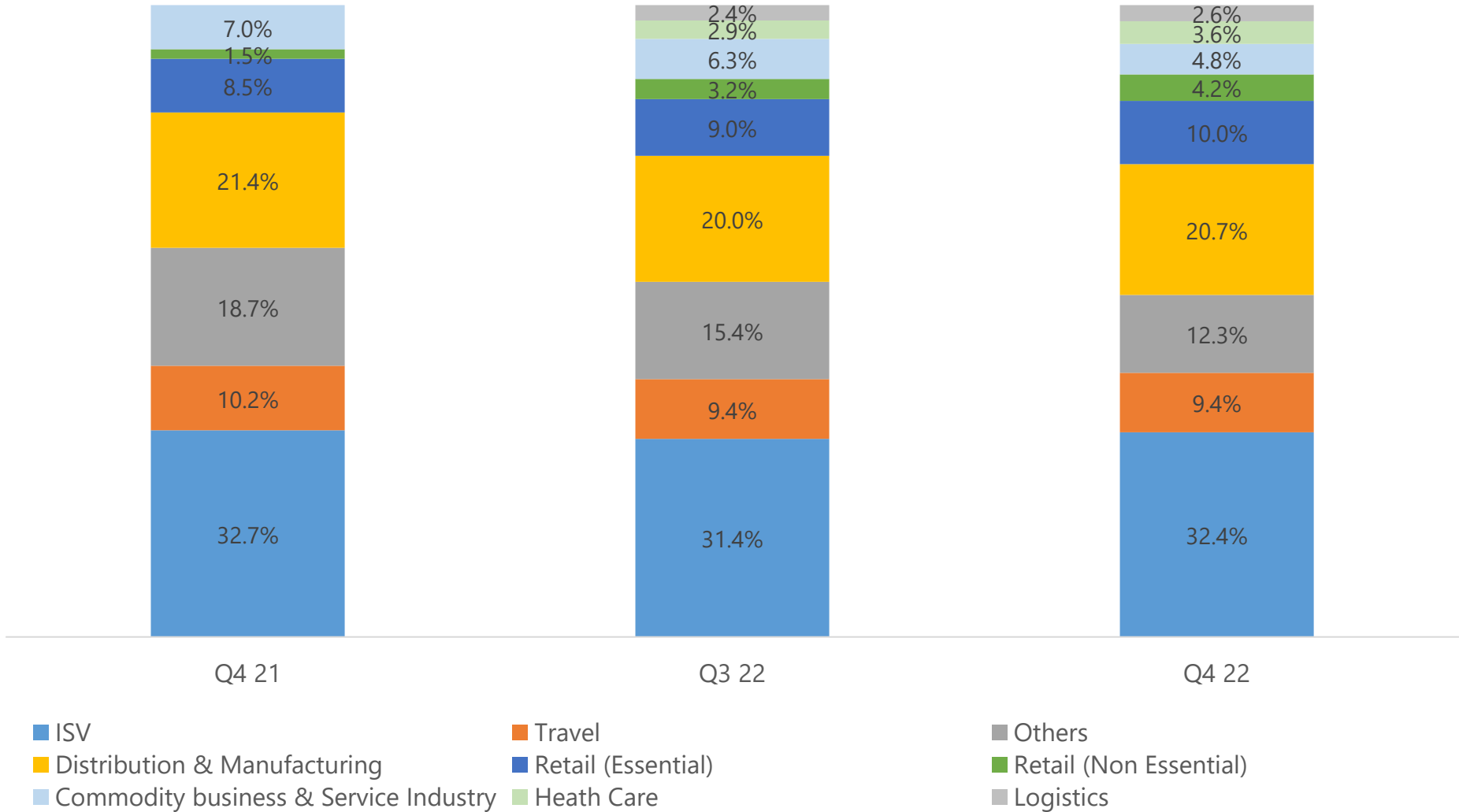
No. of Customers by industry



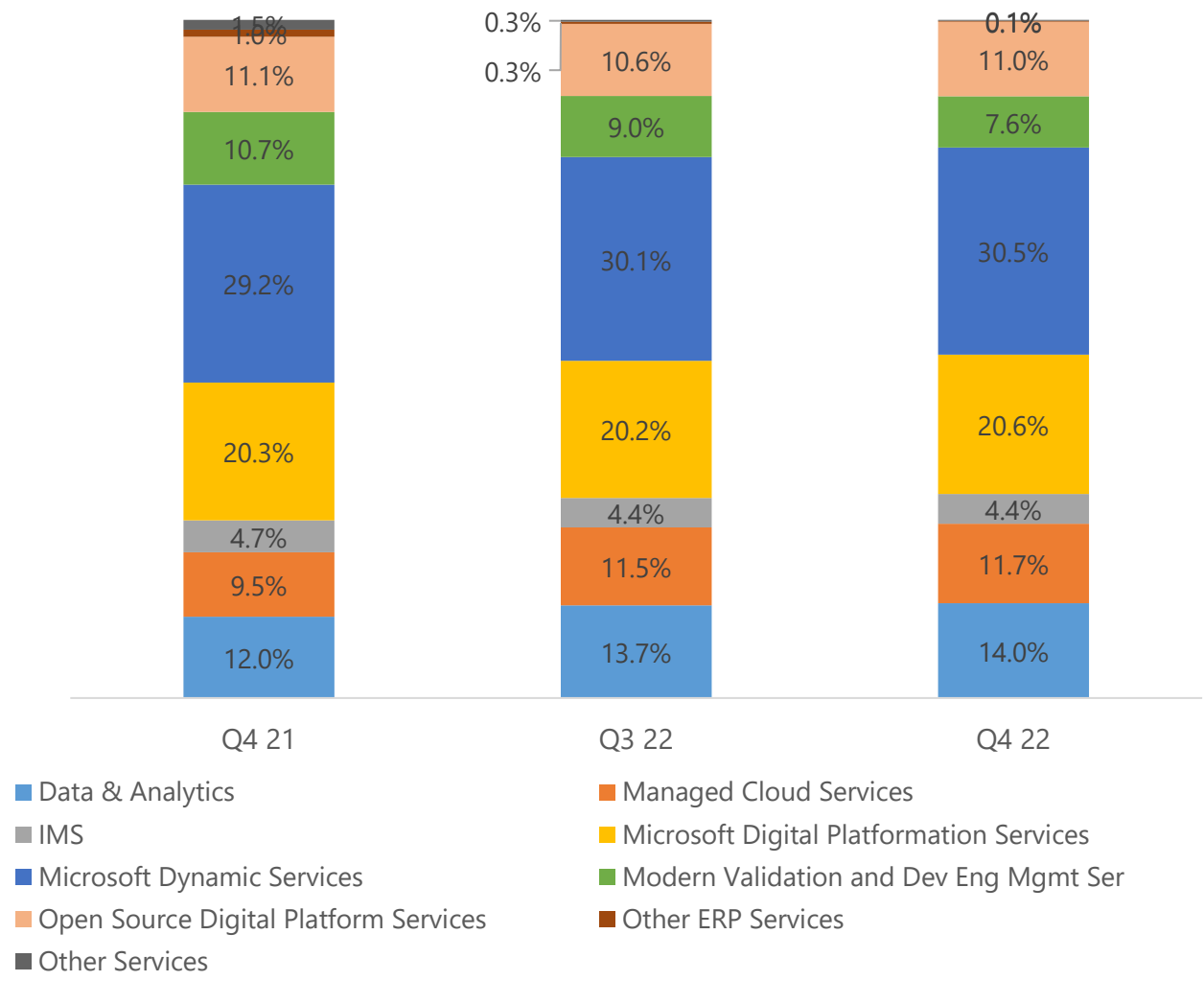
Customer Category



Revenue by Vertical Mix

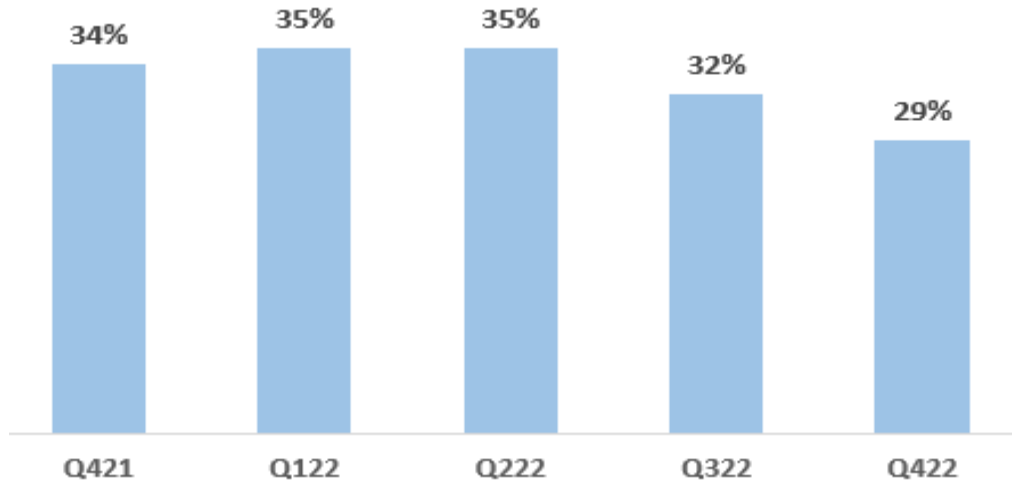


Revenue by high end Service Mix

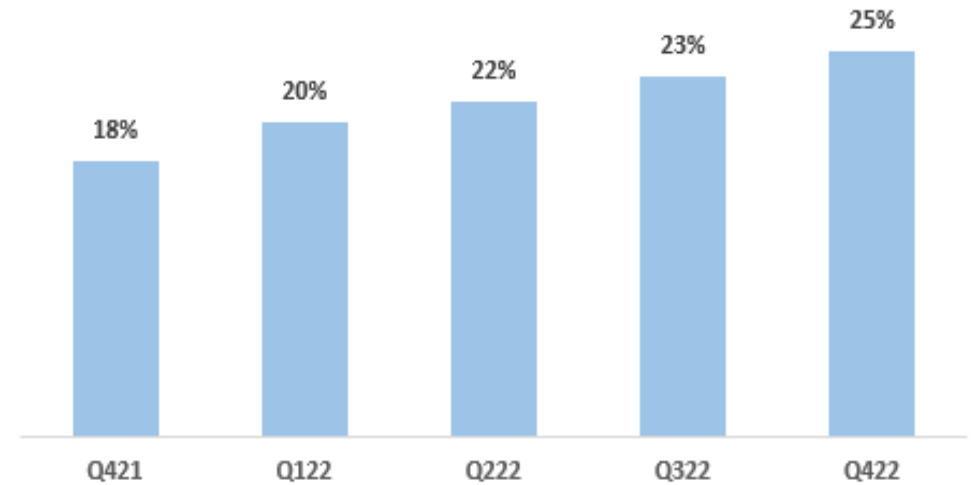


Service Mix	QoQ Trend				
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Data & Analytics	7.1%	10.9%	12.0%	12.0%	6.7%
Managed Cloud Services	12.3%	3.4%	22.9%	16.1%	6.0%
IMS	1.8%	-2.8%	11.1%	4.5%	5.5%
Microsoft Digital Platformation Services	9.1%	2.5%	9.5%	7.9%	6.3%
Microsoft Dynamic Services	11.1%	1.9%	11.5%	10.4%	5.8%
Modern Validation and Dev Eng Mgmt Ser	-2.3%	-6.8%	11.8%	-1.8%	-12.3%
Open Source Digital Platform Services	12.2%	6.1%	4.4%	5.5%	7.8%
Other ERP Services	-37.9%	-18.8%	-16.7%	-46.0%	-57.1%
Other Services	-19.1%	-52.0%	-5.0%	-46.0%	-48.5%

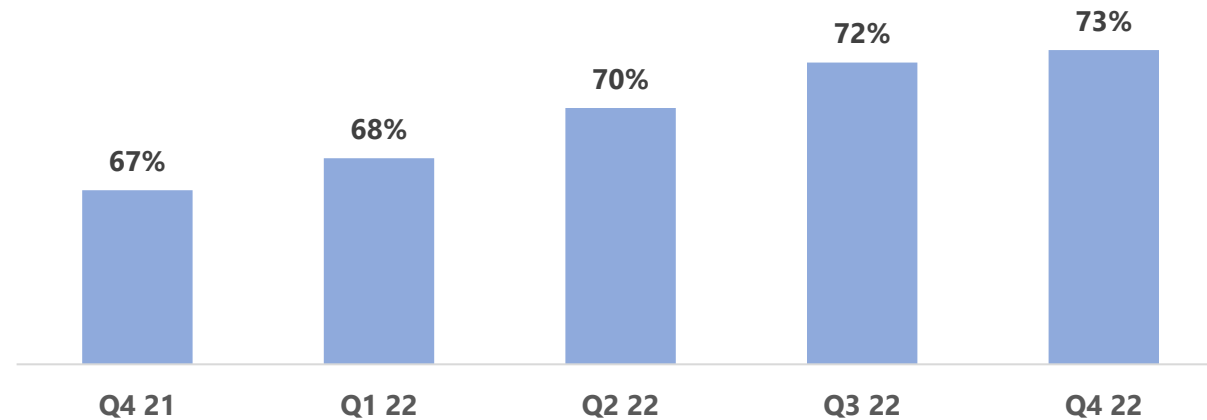
IP Led Revenue %



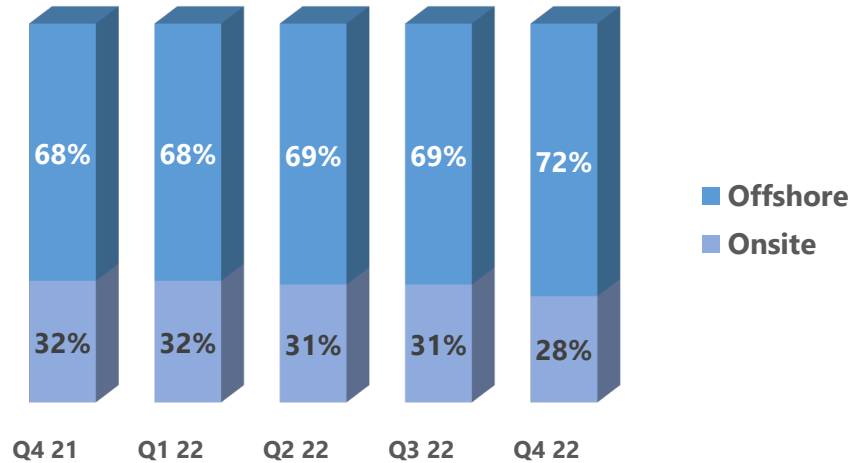
Platformation™ Revenue %



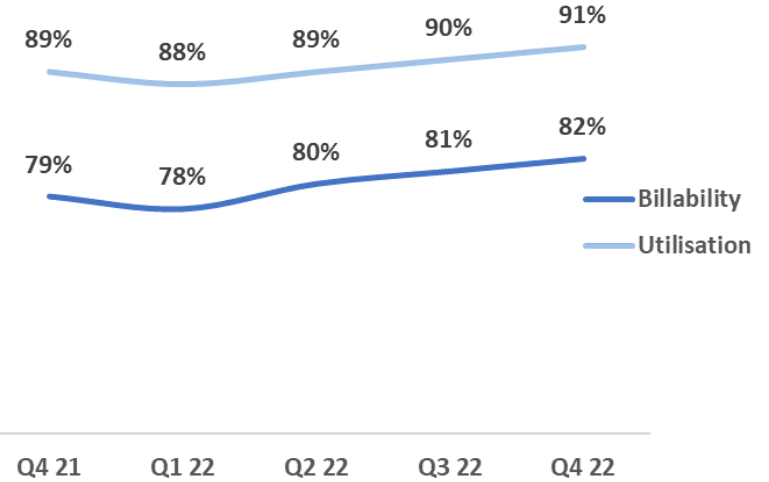
Digital Revenue %



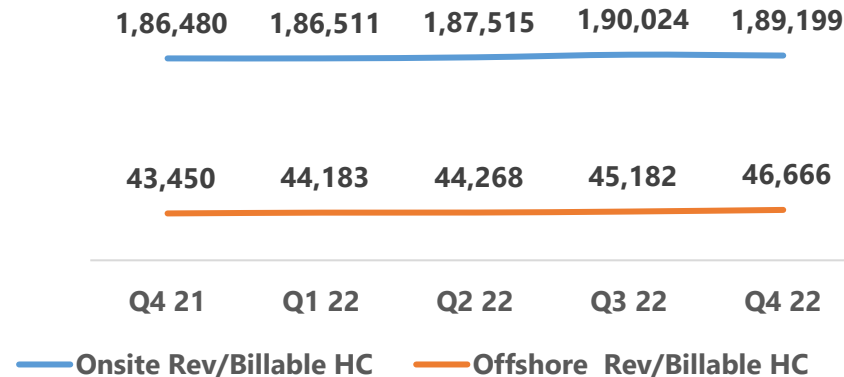
Revenue by Onsite / Offshore Mix

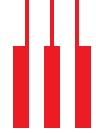


Utilization & Billability



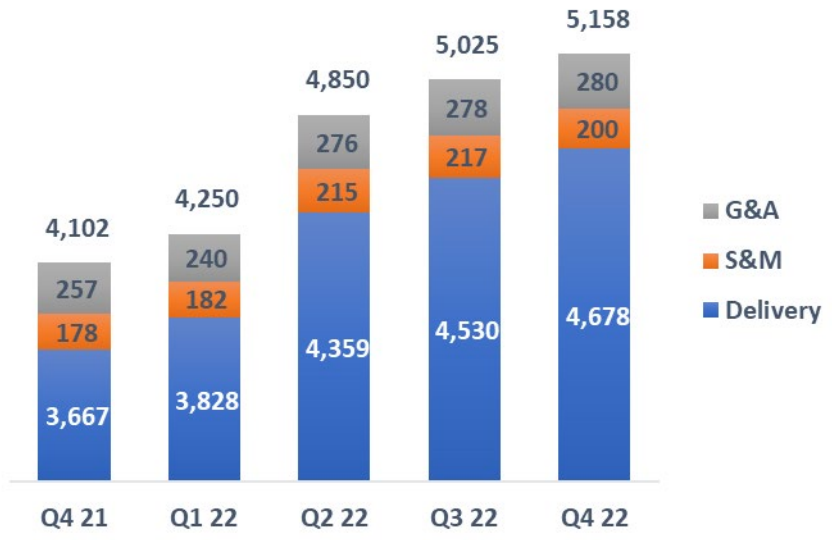
Revenue per Billable HC



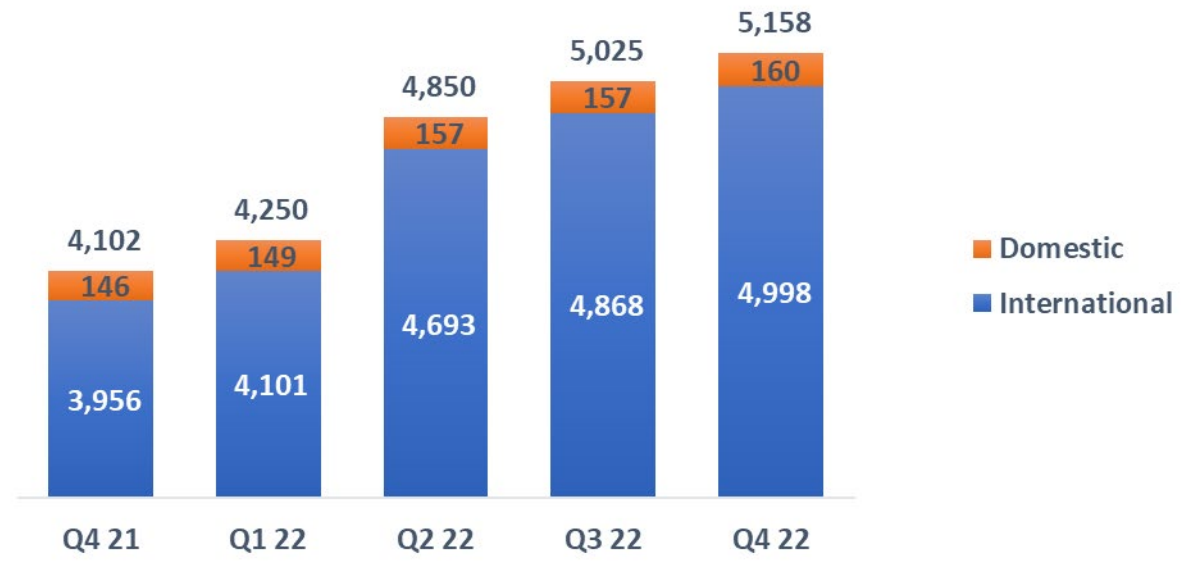


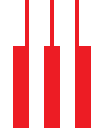
Human Capital

Overall Headcount



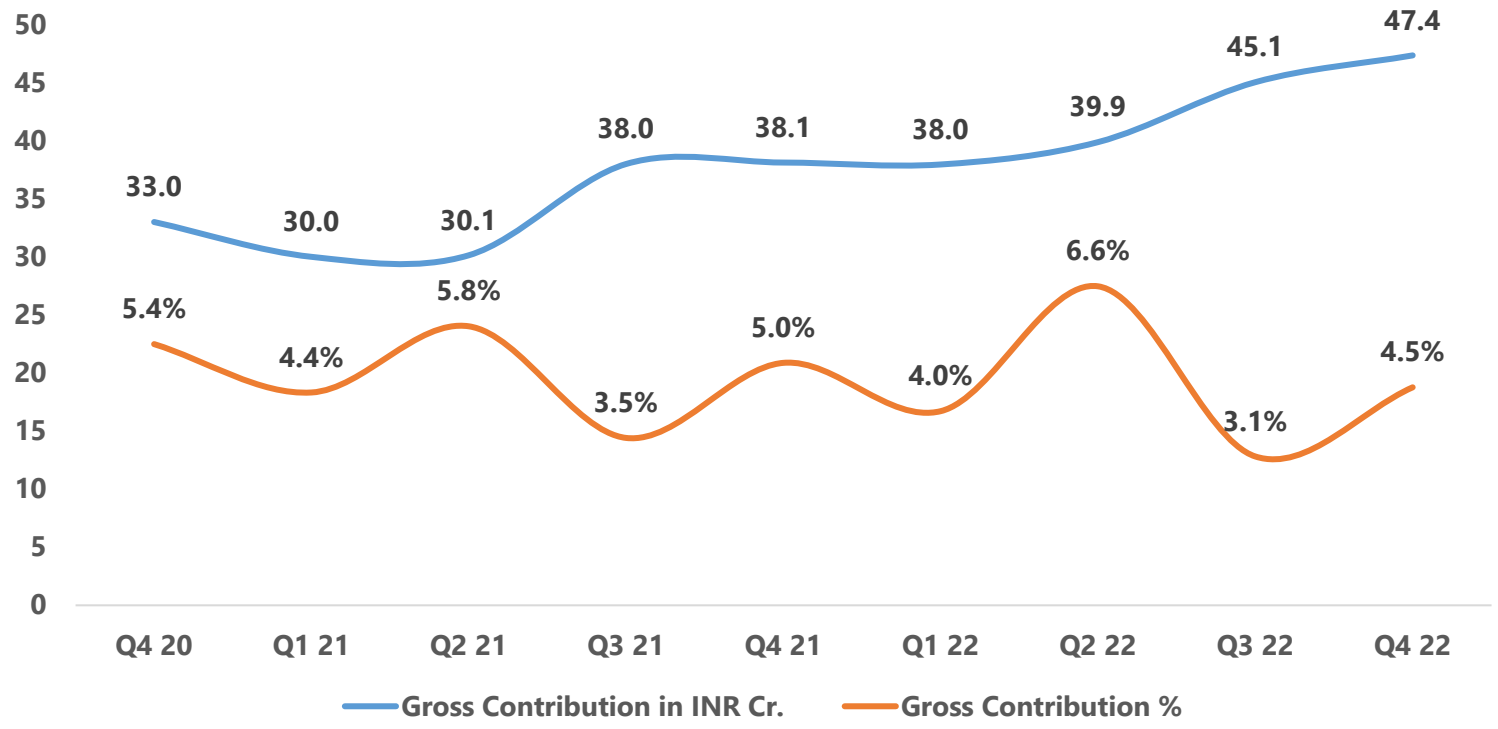
Headcount by Business Type





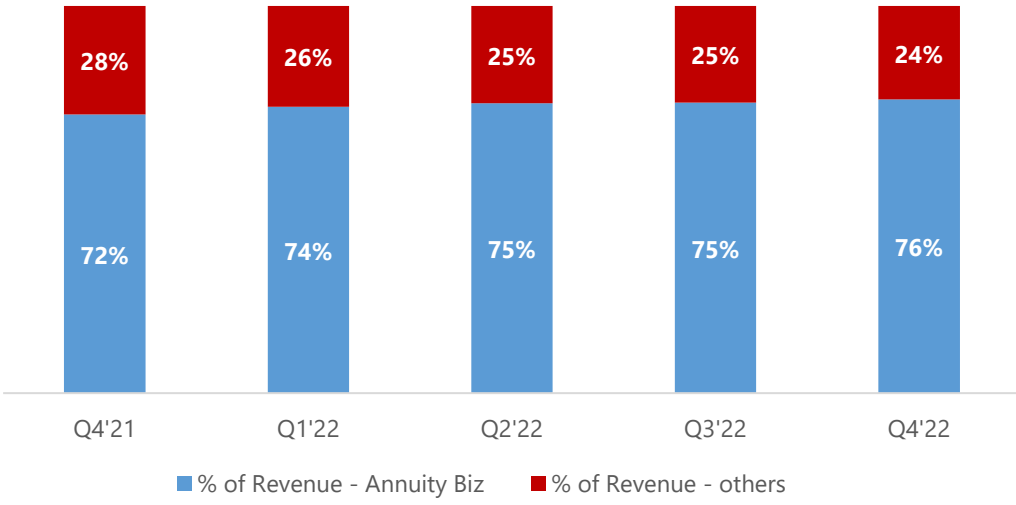
Domestic Business – Gross Contribution

Domestic Business – Gross Contribution

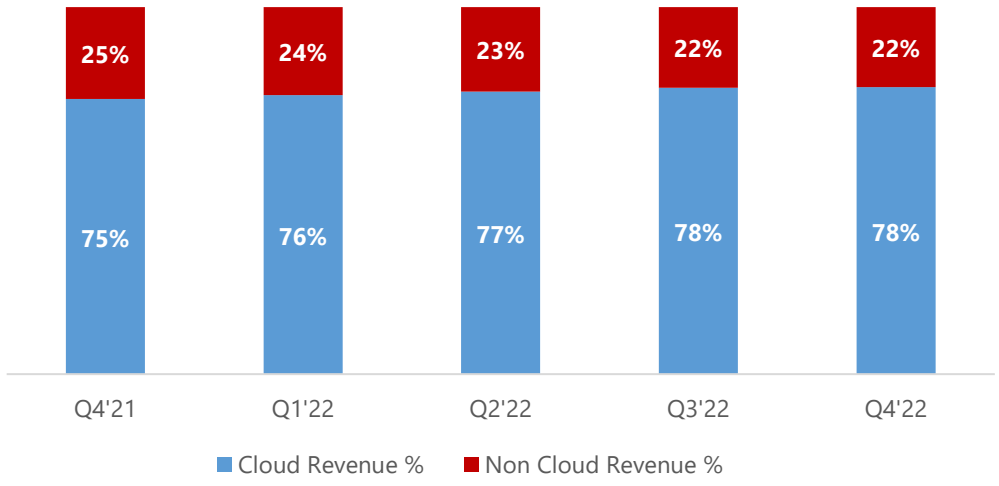


Domestic Business - Revenue

Domestic Revenue (Annuity/Others)



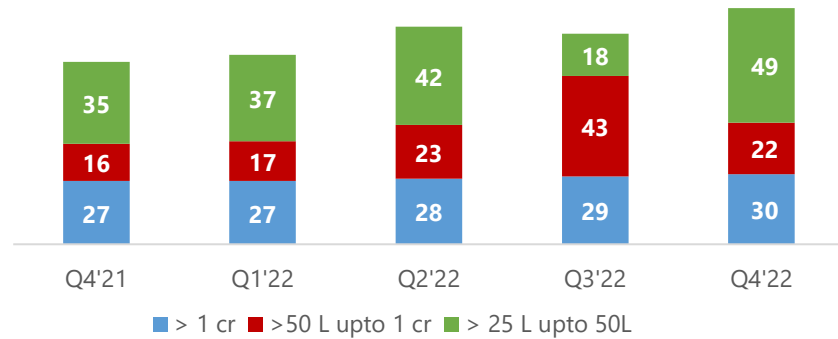
Domestic Revenue (Cloud/Non Cloud)



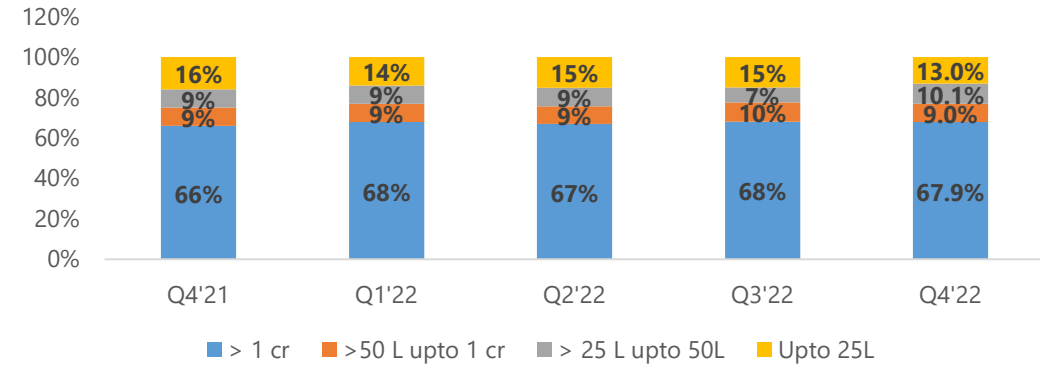
Domestic business major revenue contribution from multi year annuity enterprise sales

Domestic Business - Gross margin Analysis by customers

Domestic Customer Count



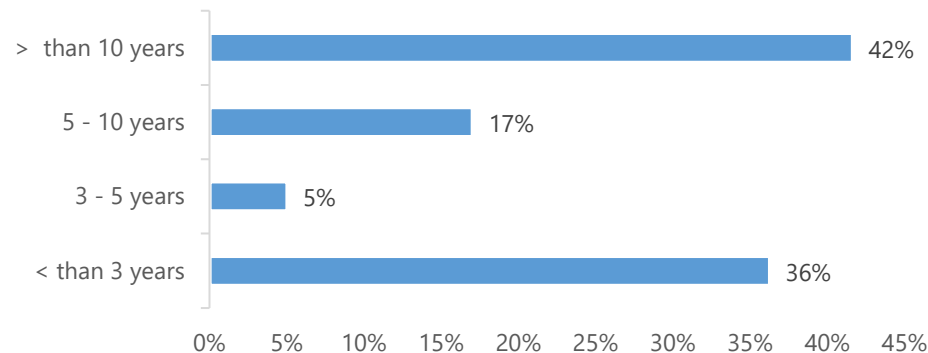
Domestic Customer by GC %



Calculated based on annualized GC

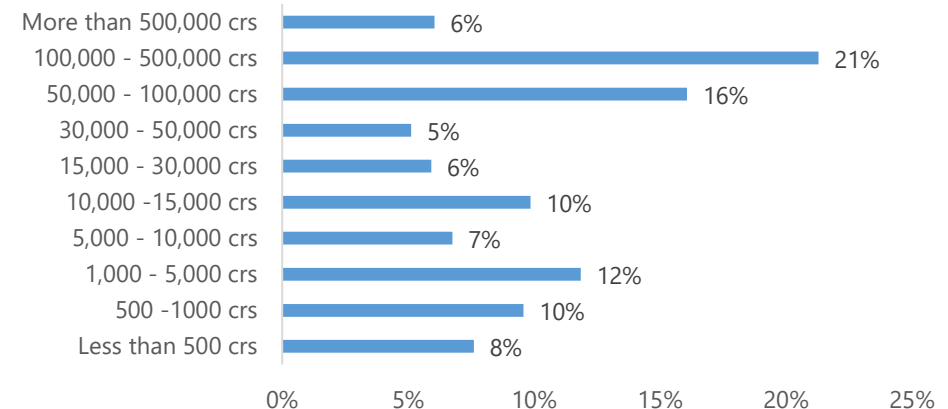
Gross Margin Analysis

in terms of number of years of Association



Gross Margin Analysis

in terms of Customer's revenue

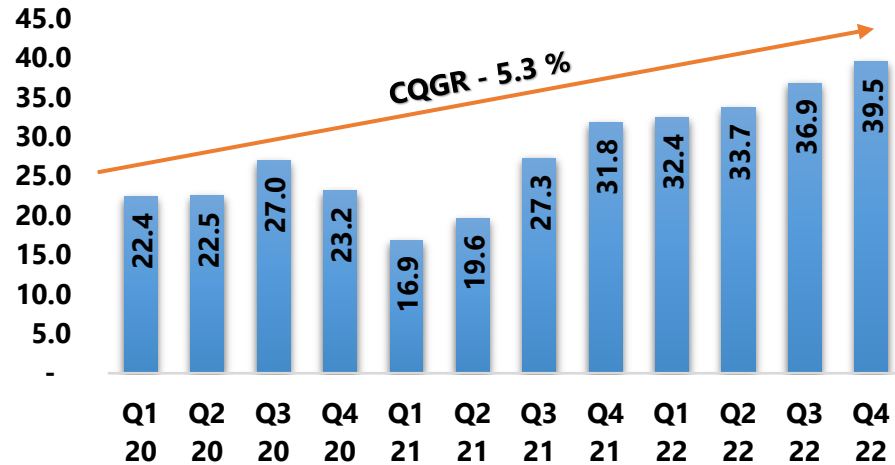


Top ~ 58 customers contribute to about 80% of Gross Margin
 Strong customer retention - ~ 59% if Gross Margin contributed from customers associated for more than 5 years
 Established customer base - ~83% Gross Margin from customers with revenue greater than 1,000 crs

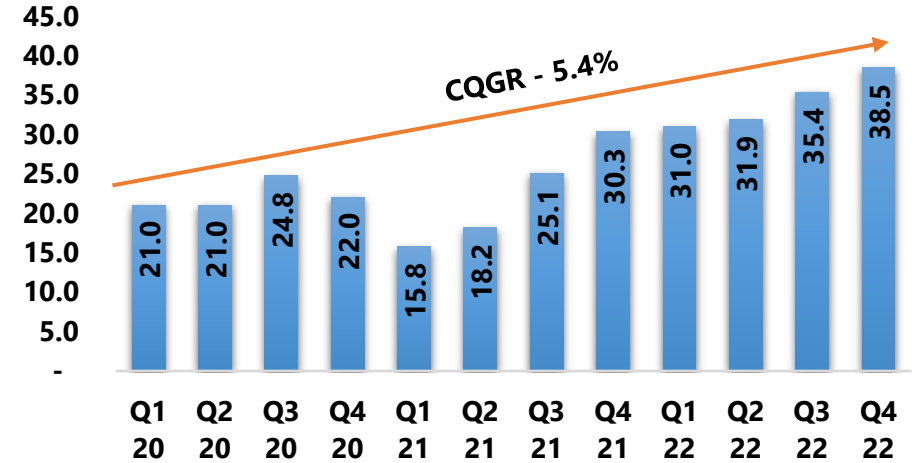
EBITDA, PBT and PAT – Last 12 Quarters

Domestic Business

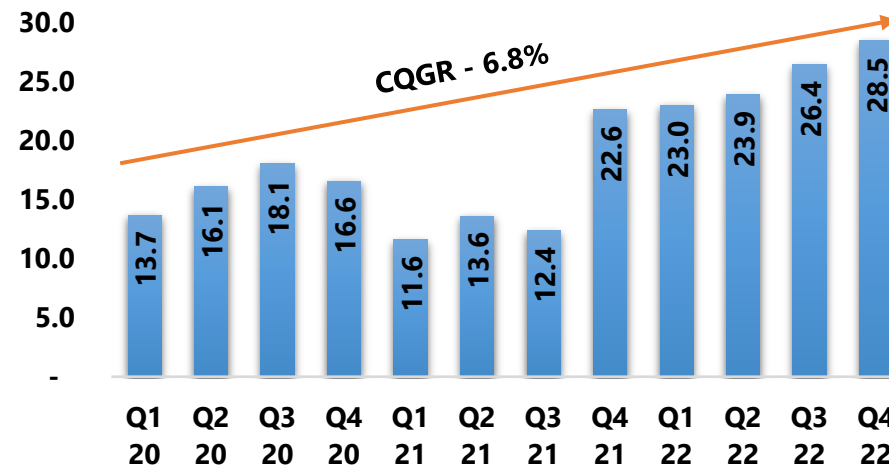
Domestic Business EBITDA



Domestic Business PBT

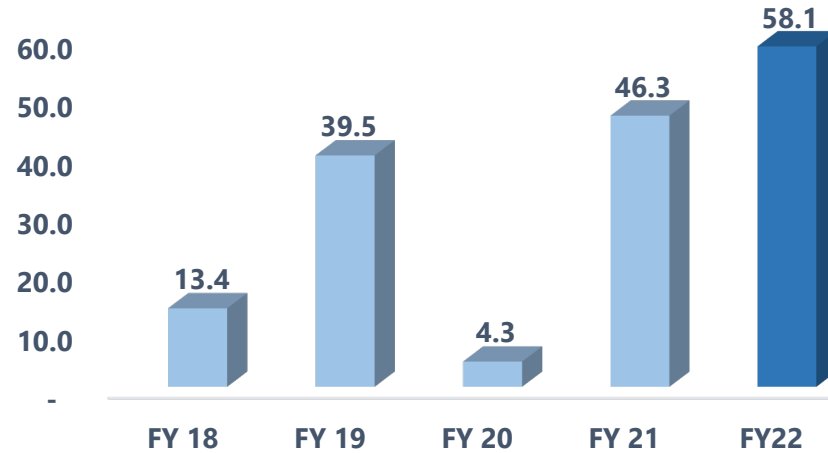


Domestic Business PAT

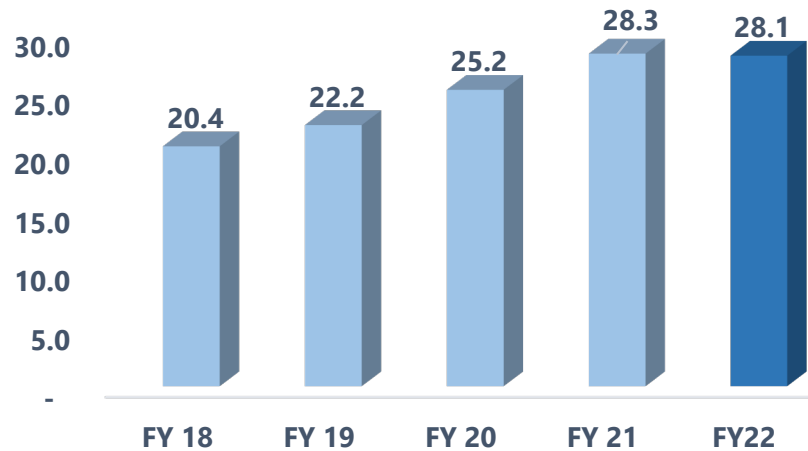


Strategic Investment (In crs)

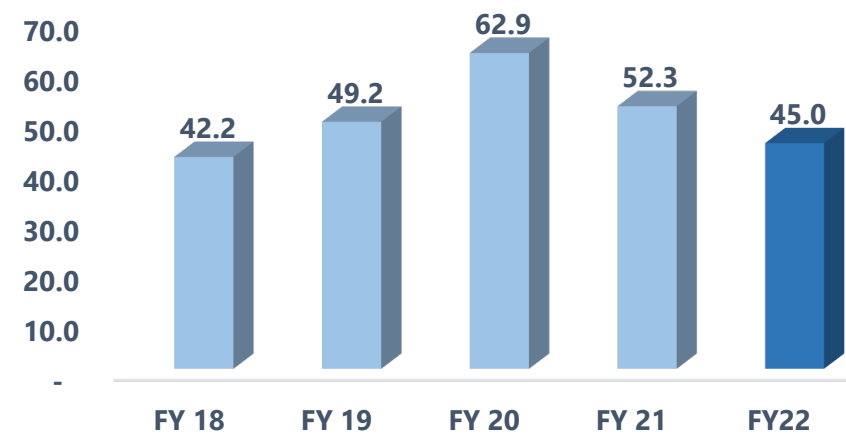
M&A Investment



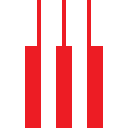
IP & R&D Investment



S&M Investment

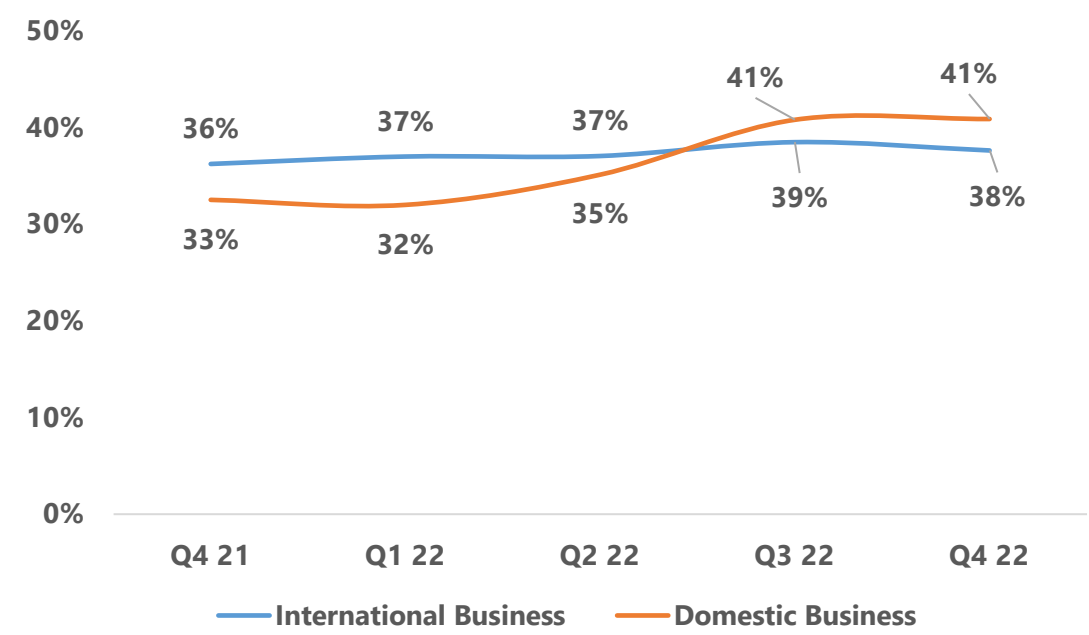


Lower S&M cost in FY22 due to reduction in travel cost

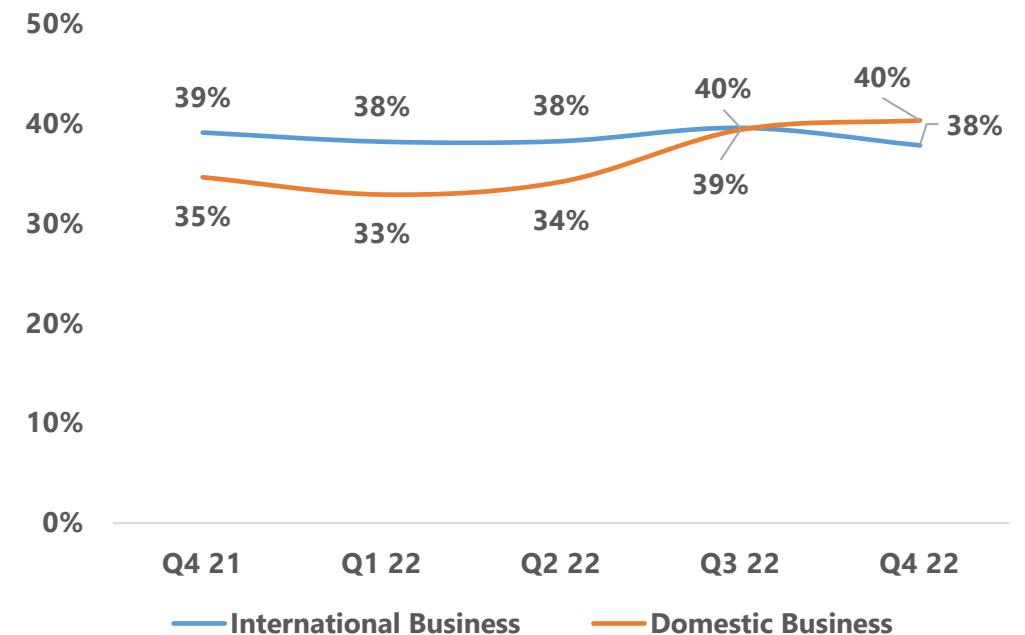


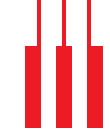
International and Domestic ROCE & RONW

ROCE



RONW

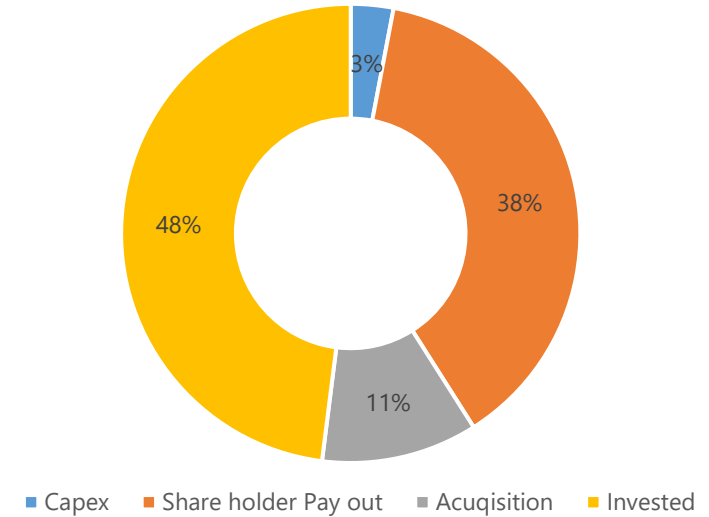
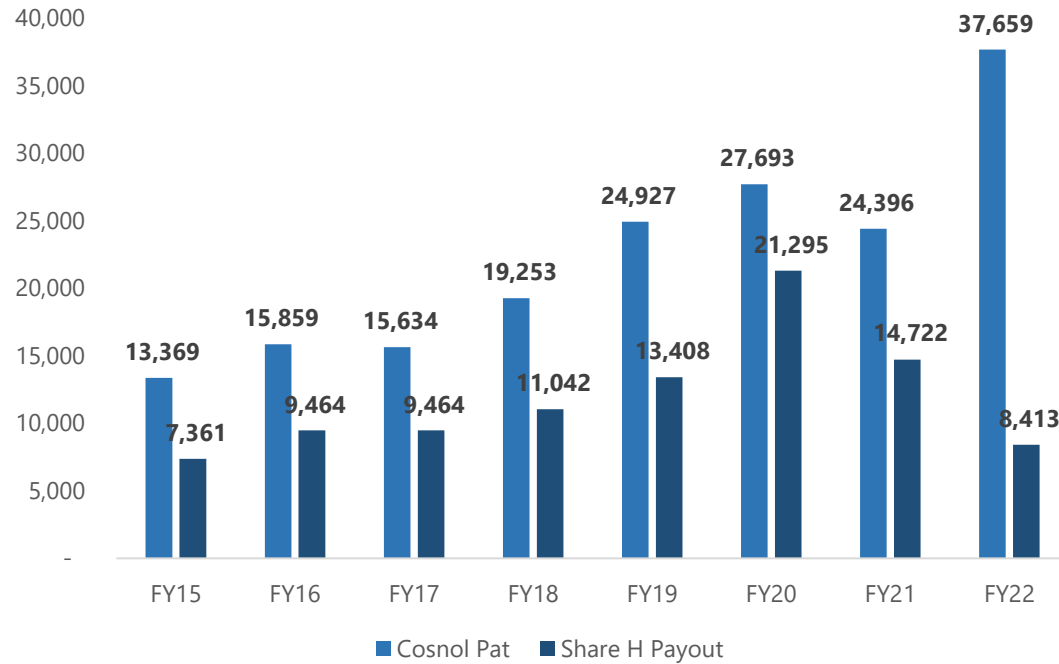


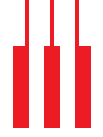


To be verified

Capital Allocation (INR Lakhs)

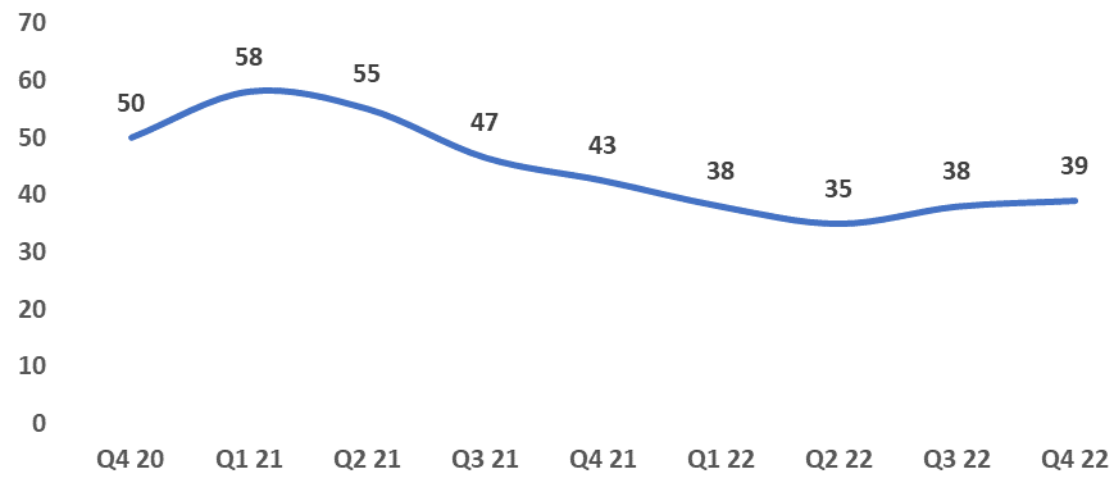
Cash Deployment



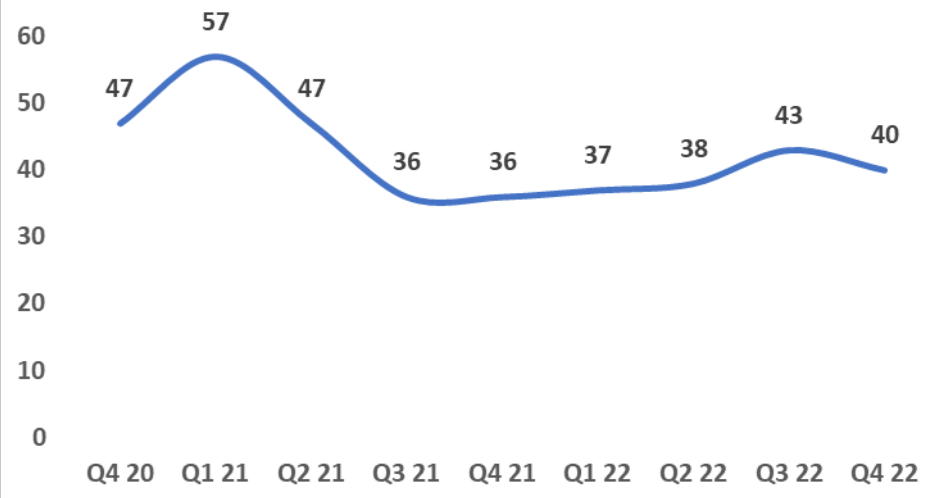


Days Sales Outstanding

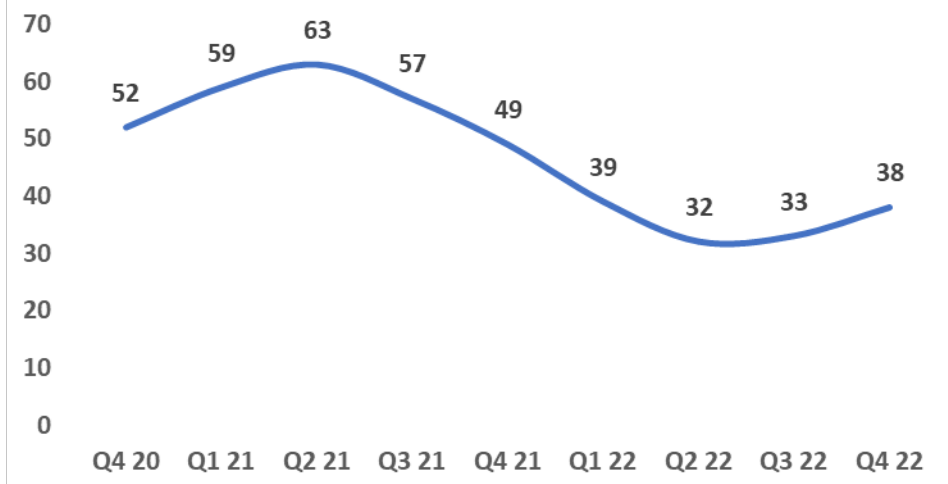
Consolidated DSO



International Services DSO



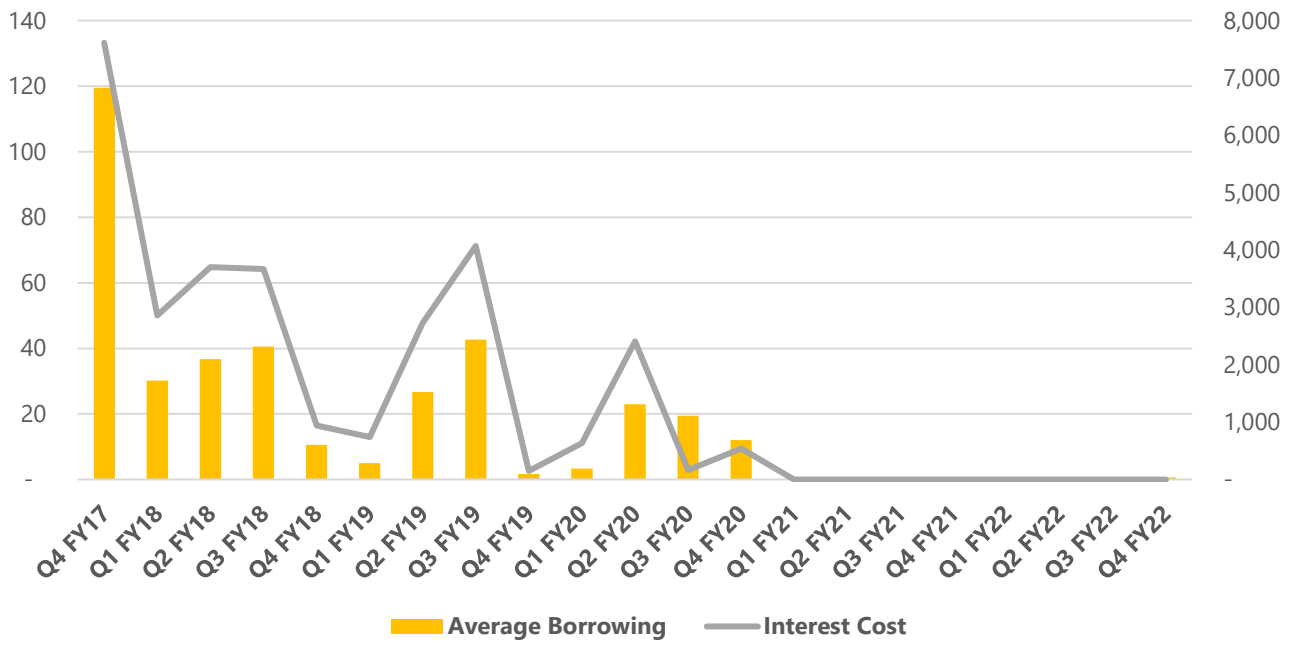
Domestic Services DSO



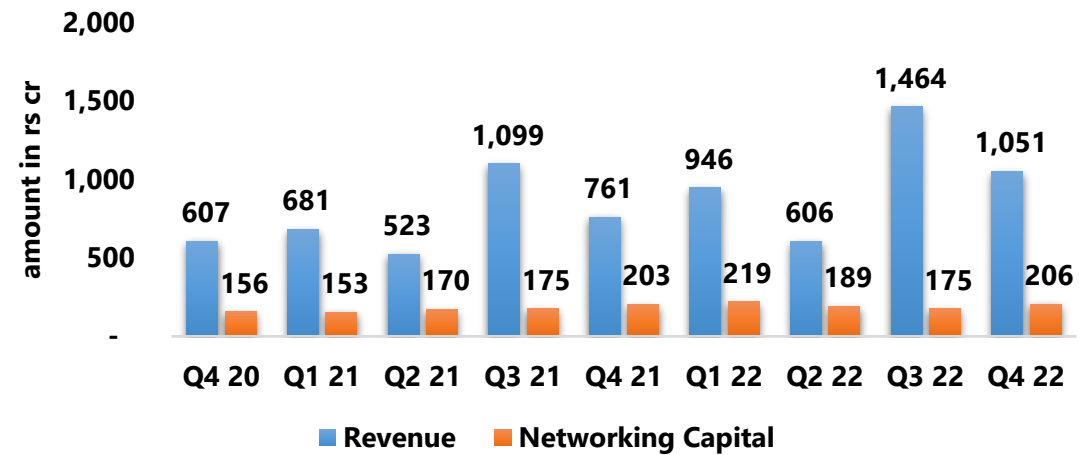


Credit Management – Domestic Business

Average Borrowings & Interest Cost



Domestic Business





Thank you

