4th February, 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 nine months ended 31st December, 2020.

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 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 – Corporate Entity

### The Company
- **30+ YEARS** as a IT Solutions Provider
- **$427+ M REVENUE** 15% 3 Yr. CAGR
- **4000+ TEAM** across US, EU, Asia & ANZ
- **SEI CMMI L5, ITIL & ISO** certified

### Industry Focus
- **CPG, distbn, & MFG** Consumer Goods, Industrial Goods, Wholesale
- **RETAIL** Apparel, Hard Goods, Grocery, Hypermarket
- **TRAVEL** TO, OTA, Airline, Rail, Hotel, Cruise
- **SOFTWARE VENDORS** ERP, SCM, Retail, Travel

### Competencies
- **DIGITAL** Platform engineering, cloud modernization, data analytics and AI
- **Modern APPLICATION LIFECYCLE SOLUTIONS** Devops, rpa, automated validation, cloud management
- **PLATFORM IP** Brick & Click Retail, Rezopia Digital Travel, Modern Distribution
- **TECHNOLOGY INFRASTRUCTURE SOLUTIONS** Software, Cloud, Server & Storage, Systems Integration

### Credentials
- **CUSTOMERS** Global fortune 500 companies sustained relationships over 15 years
- **TECHNOLOGY** Microsoft full stack, MS dynamics, AWS, GCP, Open Source
- **Strategic acquisitions and investments** Ibis, halosys, rezopia, sopris, scalable, gbw
- **FINANCIAL** National Stock Exchange Listed Public Ltd Co

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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 Story – differentiated strategy

• Platformation™
• Long term relationships with clients
• Alliance with Microsoft
• IP led – investment in IP in key industries
• Engineering excellence and investment in advanced technologies
• Track record of running mission critical operations on cloud with own IP
• Talent stability at the top management
• Acquisitions and Competency around MS Tech
• India Domestic Business
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
• CDAT 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™
Platforms - the secret behind the digital economy’s most successful companies

Sonata’s approach to Digitizing business using platforms

PLATFORMATION™
## Approaches to achieve Platformation™

<table>
<thead>
<tr>
<th>Sonata READY</th>
<th>Sonata ACCELERATE</th>
<th>Sonata CUSTOM</th>
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<tbody>
<tr>
<td>• End-to-end, industry-specific digital business platforms</td>
<td>• Deploy popular horizontal platforms adding required functionality</td>
<td>• Engineer custom platforms that deliver unique digital capability and scalability</td>
</tr>
</tbody>
</table>

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

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

**A US-based travel company innovating on membership-based business models, increasing bookings by 200%, and scaling service 6X**
Global Full Stack Microsoft Partner aligned to the Digital Transformation vision

<table>
<thead>
<tr>
<th>25 Years MICROSOFT PARTNER</th>
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<tbody>
<tr>
<td>GISP, ISP, CSP, ISV Dev Centre, SI.</td>
</tr>
<tr>
<td>Country Partner India 2014, 15, 17.</td>
</tr>
<tr>
<td>Global alliance footprint</td>
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</tbody>
</table>

| 15 Gold certified competencies. Skills in Dynamics 365, Power BI, Cortana, Azure, .Net, Mobility |

<table>
<thead>
<tr>
<th>360 Partner Partnership</th>
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<tbody>
<tr>
<td>Product Engineering, Professional support, Delivery, LSP partner for MS, MCS and ISV/SI ecosystems.</td>
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</table>

<table>
<thead>
<tr>
<th>DIGITAL TRANSFORMATION for</th>
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<tbody>
<tr>
<td>Retail, Consumer goods, Distribution, Commodity Trading, Field Service, Travel, ISV</td>
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<table>
<thead>
<tr>
<th>PLATFORM IP ON MS DYNAMICS &amp; AZURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick &amp; Click, Modern Distribution, Commodity Trading, Rezopia, Kartopia, Halosys, Rapid</td>
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<tr>
<th>STRATEGIC ACQUISITIONS</th>
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<tbody>
<tr>
<td>Scalable Data Systems, Sopris Systems &amp; IBIS Inc Investment in Retail 10X</td>
</tr>
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<table>
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<tr>
<th>2500+ TEAM</th>
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<tbody>
<tr>
<td>On Microsoft Technologies with 1200 + on Microsoft Biz Apps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clients ACROSS THE GLOBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA, Europe, Asia, India, Australia, Middle East</td>
</tr>
</tbody>
</table>

| Over 230M+ USD pa revenues to Microsoft across service lines |
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

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**
- Growth from existing clients
- Acquiring new clients
- Strong growth in new clients
- Alliance led growth
- IP led growth
- Platformion™ led growth
- Margin levers on utilization and revenue per person
- High-end service mix
- Digital execution and growth
- Consistent growth in revenues & margins over 8 years

**Domestic Business**
- Strong Customer Retention
- Established Customer Base
- Multi year annuity sales ensure revenue continuity & growth
- Very strong credit and risk management
- Strategic shift towards cloud
- Addition of new strategic business lines for expansion
- Business managed on gross margin growth hence profitability.
Financial Management

• Focus on ROCE and RONW
• Focus on margins
• Focus on Reduction of DSO days
• Focus on strong cash management
• Sound capital allocation
International Business Revenue Growth

Strong growth in revenue from new customer additions added in last 3 years.
Consistent Growth Over Last 8yrs

Consolidated Revenue CAGR - 17%

Consolidated EBITDA CAGR - 37%
International IT services – Revenue by Customers

QoQ revenue growth in all geographies. 
USA 7.1% QoQ growth ; Europe 4.9% QoQ growth ; Rest of World 1.4 % QoQ growth.
Revenue - High end Service Mix and Vertical Mix

Growth from focussed verticals
ISV – 14.4% QoQ growth, Retail(Essential) – 13.5%
Commodity business & service industry – 24.4%

Growth from Digital competencies
Platformation™ and IP Led Revenue

IP led & Platformation™ aligned to growth in competency wise growth
Digital Revenue

Digital Revenue %

Q3 20: 38%
Q4 20: 38%
Q1 21: 54%
Q2 21: 60%
Q3 21: 64%
International Business - Revenue Enablers

Onsite/Offshore Revenue

Utilization & Billability

Revenue Per Billable HC
Human Capital

Overall Head Count

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Delivery</th>
<th>S&amp;M</th>
<th>G&amp;A</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 20</td>
<td>3,746</td>
<td>235</td>
<td>196</td>
<td>4,177</td>
</tr>
<tr>
<td>Q4 20</td>
<td>3,791</td>
<td>235</td>
<td>185</td>
<td>4,211</td>
</tr>
<tr>
<td>Q1 21</td>
<td>3,661</td>
<td>267</td>
<td>183</td>
<td>4,111</td>
</tr>
<tr>
<td>Q2 21</td>
<td>3,450</td>
<td>173</td>
<td>177</td>
<td>3,885</td>
</tr>
<tr>
<td>Q3 21</td>
<td>3,564</td>
<td>177</td>
<td>177</td>
<td>3,997</td>
</tr>
</tbody>
</table>

Headcount by Business Type

<table>
<thead>
<tr>
<th>Quarter</th>
<th>International</th>
<th>Domestic</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 20</td>
<td>4,028</td>
<td>149</td>
<td>4,177</td>
</tr>
<tr>
<td>Q4 20</td>
<td>4,066</td>
<td>145</td>
<td>4,211</td>
</tr>
<tr>
<td>Q1 21</td>
<td>3,966</td>
<td>145</td>
<td>4,111</td>
</tr>
<tr>
<td>Q2 21</td>
<td>3,744</td>
<td>141</td>
<td>3,885</td>
</tr>
<tr>
<td>Q3 21</td>
<td>3,851</td>
<td>146</td>
<td>3,997</td>
</tr>
</tbody>
</table>
Domestic Business - Gross Contribution

- Gross Contribution in INR Cr.
- Gross Contribution %

Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21

29.0 | 30.0 | 32.0 | 36.0 | 33.0 | 30.0 | 30.1 | 38.0

5.5% | 5.2% | 8.0% | 3.9% | 5.4% | 4.4% | 5.8% | 3.4%
Domestic business major revenue contribution from multi year annuity enterprise sales
Steady growth in cloud business
Domestic Business - Gross margin Analysis by customers

Top ~ 90 customers contribute to about 80% of Gross Margin
Strong customer retention - ~ 60% if Gross Margin contributed from customers associated for more than 5 years
Established customer base - ~82% Gross Margin from customers with revenue greater than 1,000 crs
Q3'21 PAT includes Vivaad se Viswas tax provision of INR 15.6 crs in international services & INR 6.2 crs in Domestic business
Strategic Investment

M&A Investment

IP & R&D Investment

S&M Investment

* Annualized numbers for FY’21

Lower S&M cost in FY21 due to reduction in travel cost
International and Domestic ROCE & RONW

Vivad se viswas provisions normalized for calculation of Q3 ‘21 ROCE & RONW
Capital Allocation

Cash Deployment

Capital Allocation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cosmol Pat</th>
<th>Share H Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>13,369</td>
<td>7,361</td>
</tr>
<tr>
<td>16</td>
<td>15,859</td>
<td>9,464</td>
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<tr>
<td>17</td>
<td>15,634</td>
<td>9,464</td>
</tr>
<tr>
<td>18</td>
<td>19,253</td>
<td>11,042</td>
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<tr>
<td>19</td>
<td>24,927</td>
<td>13,408</td>
</tr>
<tr>
<td>20</td>
<td>28,018</td>
<td>21,295</td>
</tr>
<tr>
<td>NM-FY21</td>
<td>21,515</td>
<td>4,206</td>
</tr>
</tbody>
</table>

Judicious usage:

- 3% Capex
- 40% Share holder Pay out
- 47% Acquisision
- 11% Invested
Days Sales Outstanding

Consolidated DSO

International Services DSO

Domestic Services DSO
Thank you