

Q1 FY'26

INVESTOR PRESENTATION

www.sonata-software.com



Sonata: A modernization engineering firm...

Transform Enterprises

From:
**80-20
run-change**

To:
**80-20
change-run**



Delivering Value

Digital Experience Platforms, AI/Data Platforms &
Continuous Modernization

Decision makers

Mid-caps:
**Business Heads /
CXO's to transform
their firm**

Large caps:
**CIO looking for
AGILE partners**

Sonata At A Glance

We are a Modernization and a
Digital Engineering company
powered by our unique
PLATFORM™
framework.

39 Years

IT solutions provider

Public Listed

(SONATSOFTW)

\$1.2B+

Revenue

15.4%

10 years CAGR

6850+

Engineers across US, EU,
Asia & ANZ

15+

Different
Nationalities

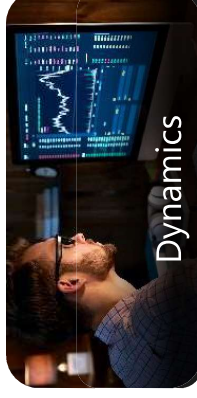
Delivering Outcome-based Modernization Services



Cloud



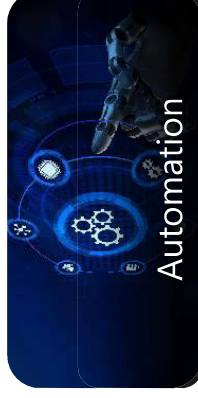
AI & Data



Dynamics



Managed Services



Automation



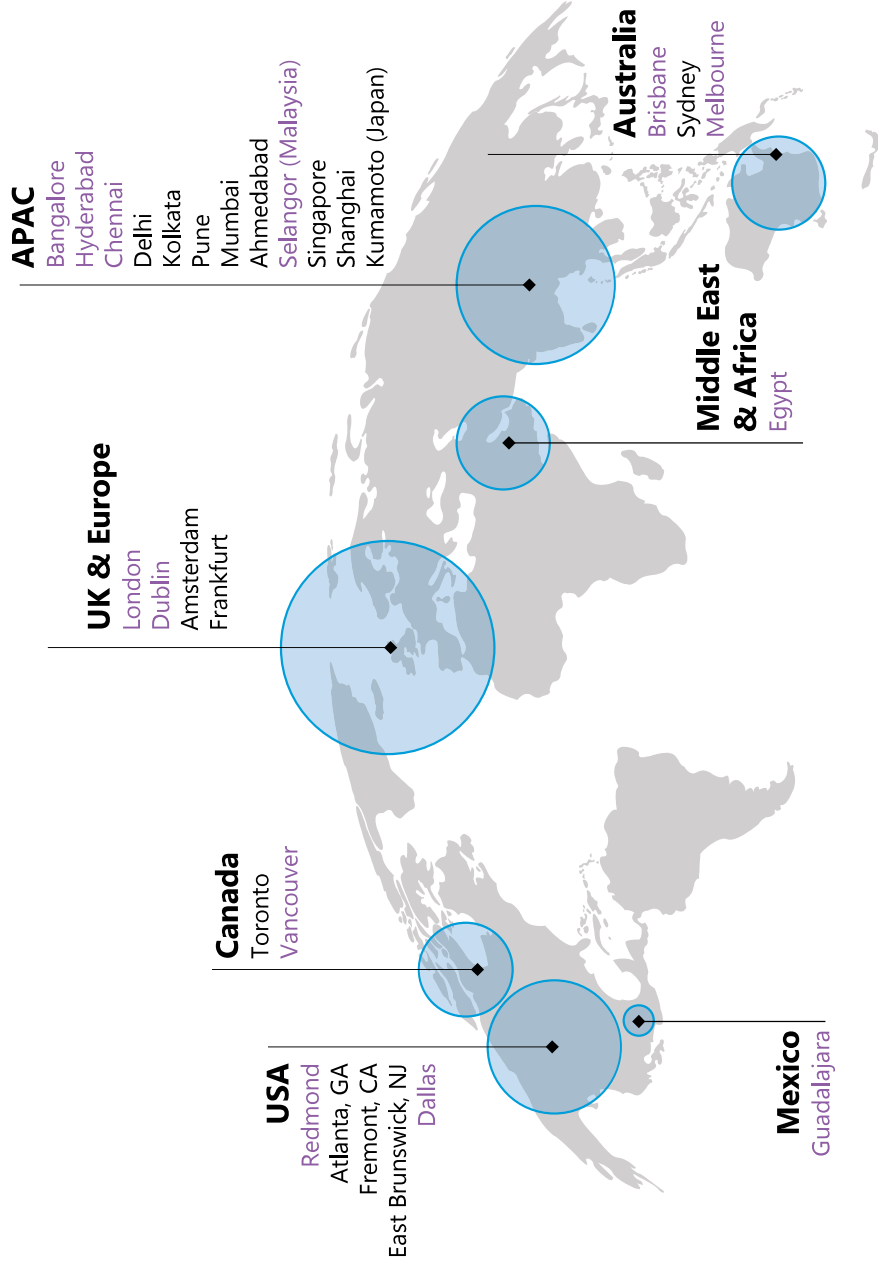
Digital Contact Center

Digital transformation using **Platform™**

Serving Our Global Clients with Right Talent Mix

(Global & Local Talent)

- Global Delivery Center & Sales Office
- Sales Office



Key Verticals, Partners, IPs

Industries



TMT
Technology, Media and
Telecom



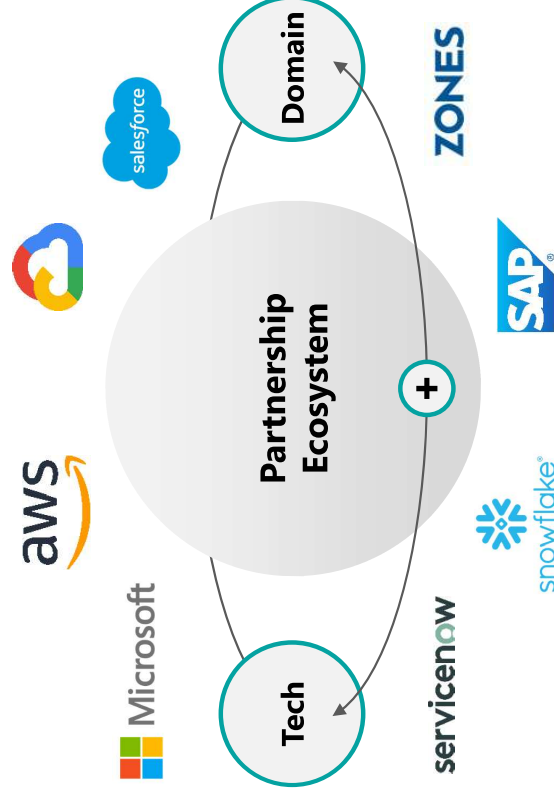
RMD
Retail, Manuf., Travel and
Distribution



BFSI
Banking, Financial Services
and Insurance



HLS
Healthcare and
Life Sciences



Innovation: IPs

LISA Chatbot
(Conversational AI)

Workbox.io
(Archival)

Lightning Build

Sustainability Target: **Net Zero Emission by 2050**

Single Use Plastic Free
certified

100% Tier 1 suppliers on ESG
compliant and trained

UNGC Signatory

SbTi Commitment
by FY26

Our Performance Vision and aspiration for Sonata

Vision

SCALE – Key Drivers



**A
top-quartile
growth firm**

**Enabling client's
modernization
outcomes
and
empowering
Sonatians to succeed.**



Harvest

Microsoft sell-to; Dynamics
Sustain SITL momentum
Retail, Manufacturing,
Travel and TMT



Invest

Sales, Large deals,
BFSI, Healthcare Life
Sciences and technical
capabilities (AI)



Diversify

Clients:

**Build multiple
large accounts**

Brand:

**Global brand in
Modernization**

...evolving from Sonata Software to Sonata.AI

What's Working Well for Us...



Large Deals and Accounts

Steady increase in Large Deals

Between FY22 and to date – we have closed 'NET NEW' 23 deals with TCV of \$456M



Top 3 deals wins in past few qtrs.:

\$73M – TMT client
Cloud Modernization

\$56M – Healthcare client
Cloud & Infra Operations

\$7M – Tech client
Platform Engineering

30 large deals in the pipeline – these deals take 4-6 quarters of pursuit (on average)

We Won Three Large Deals in Q1

Large Deals

01

Technology Corporation – US

Technology Outsourcing

02

Multinational Financial Corporation – US

Cloud and Data Transformation

03

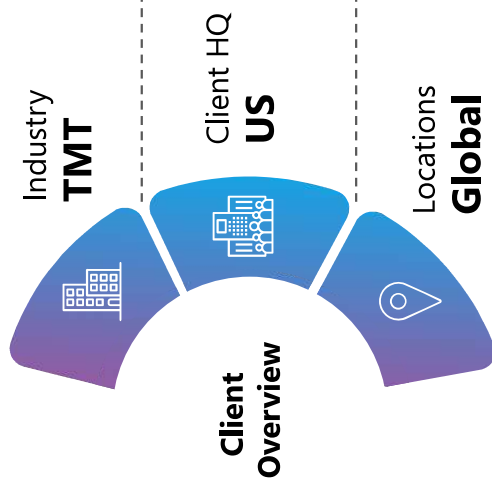
Financial Mortgage Corporation – US

Cloud and Data Transformation

Large Deal Win: AI driven Customer Experience and Support

Client Overview

A global technology leader, this company offers a broad range of software and cloud services that support digital transformation for businesses and individuals. Widely recognized for its innovative approach, it delivers platforms that enable seamless communication, collaboration, and business management across various industries.



Areas in Scope

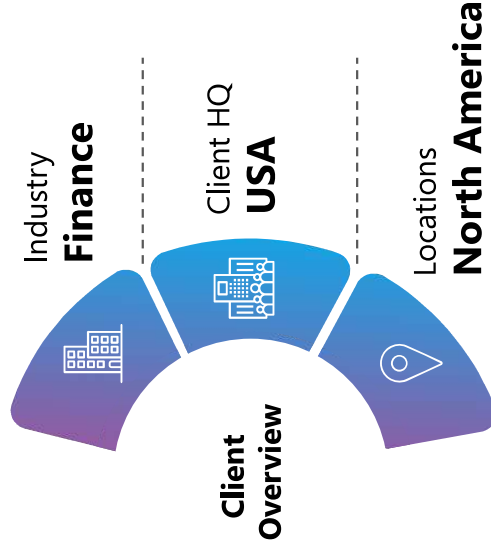
Partner to provide proactive and reactive customer experience and support across products and programs

- Proactive technical product support
- Reactive technical product support
- Program management and operational support
- Global and multilingual support

Large Deal Win: Data Platform(s) Support and Core Application Development

Client Overview

Customer is one of the largest commercial bank in the US by assets.
Customer offers a broad range of services including retail and commercial banking, asset management, and insurance..



Areas in Scope

Consolidated Data Platforms Support and
Core Applications Development & QA Testing

- Data Platform(s) Support
- Data Platform(s) Optimization

Healthy Large Deals Pipeline

Large Deals Pipeline

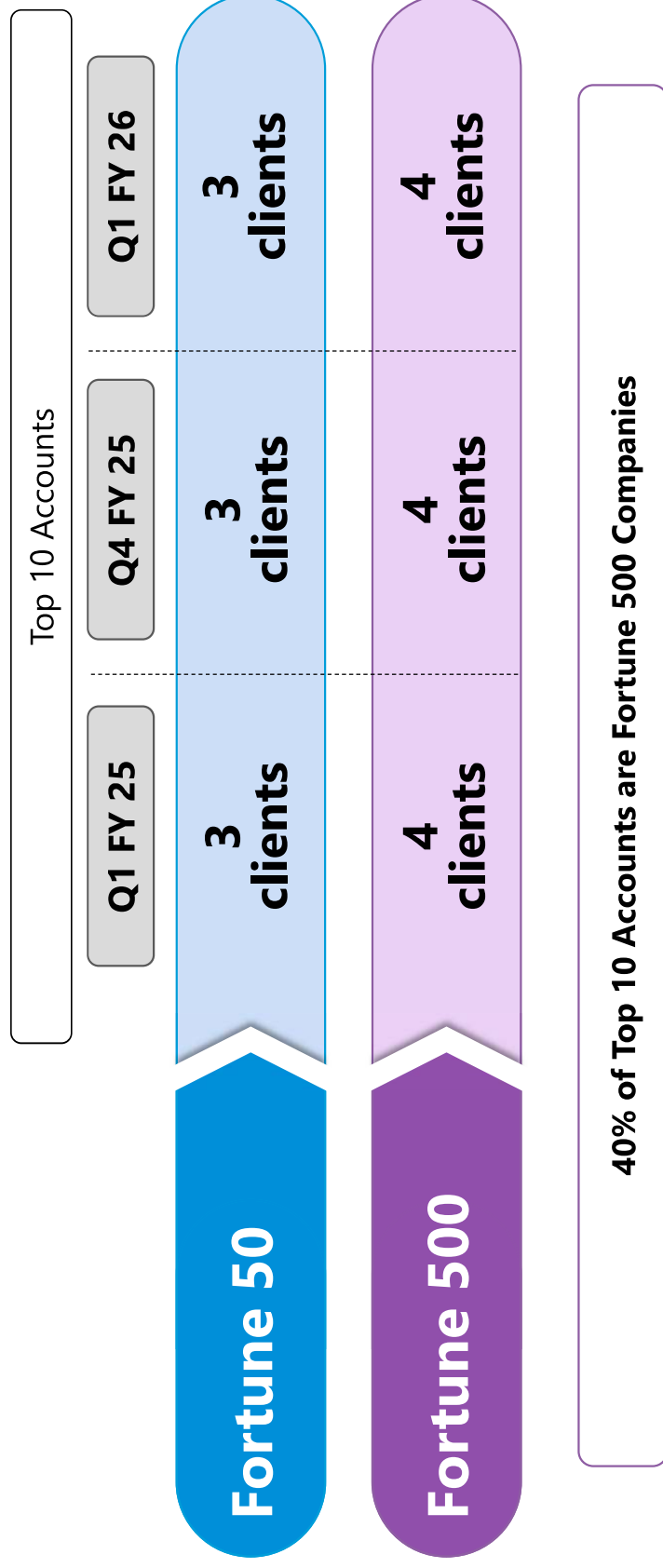
48% of Active Pipeline
consists of Large
Deals

of Large deals
pipeline are with
Fortune 500 clients

Large Deals in the pipeline

BFSI	TMT	RMD	HLS
10	9	6	5

Quality of Growth – Top Client's Movement



Sonata Launches AgentBridge



Sonata Software is One of the First Mid-Tier Organization to Launch Enterprise-Grade Agentic AI Workflow

Advantage

Strategic edge in demonstrating tangible enterprise use cases powered by AI agents.

Embedded within Sonata's Harmoni.AI framework, AgentBridge supports a modular "Agent-as-a-Service" model, enabling rapid adoption, governance and ROI-driven transformation.

AI Partnerships

NEW PARTNERSHIP

Sonata Software +
Wharton AI &
Analytics Initiative

Shaping how the world works with AI.



**The Modernization
Engineering Company**



AI & Analytics

Sonata Software
collaborates with
IISc's FSID
to Power AI-Driven
Scientific Research and
Champion Adoption of
Responsible-first
AI Approach

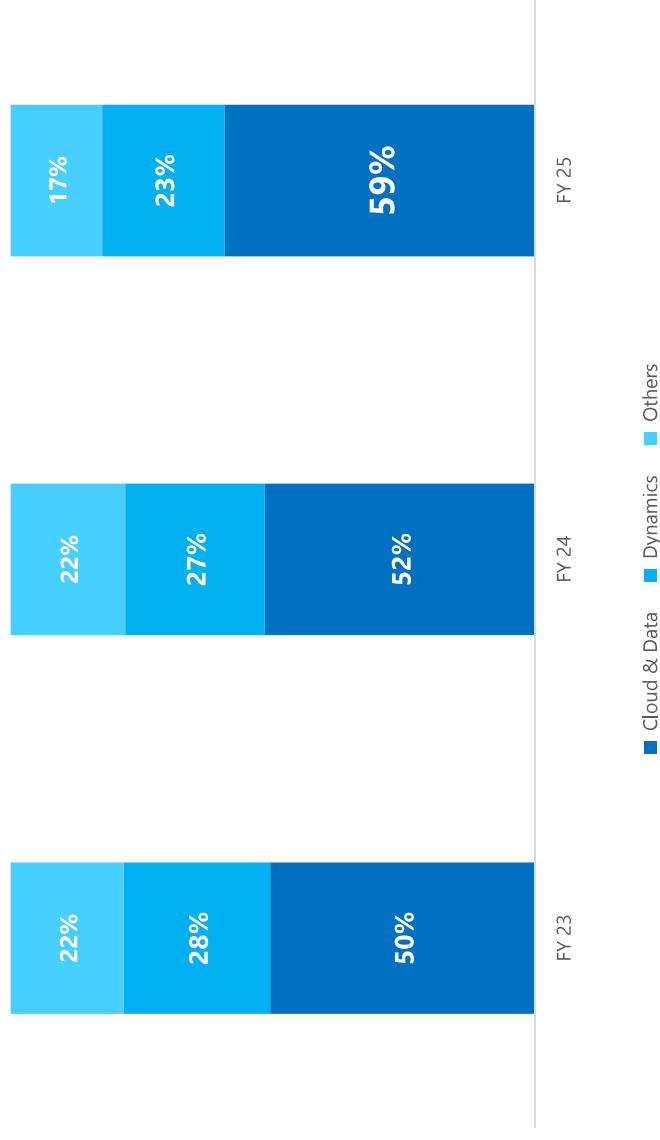
Sonata Software
The Modernization
Engineering Company

A stylized, glowing blue and orange face composed of circuitry and data points, set against a dark background with bokeh light effects.

Modernization Success...

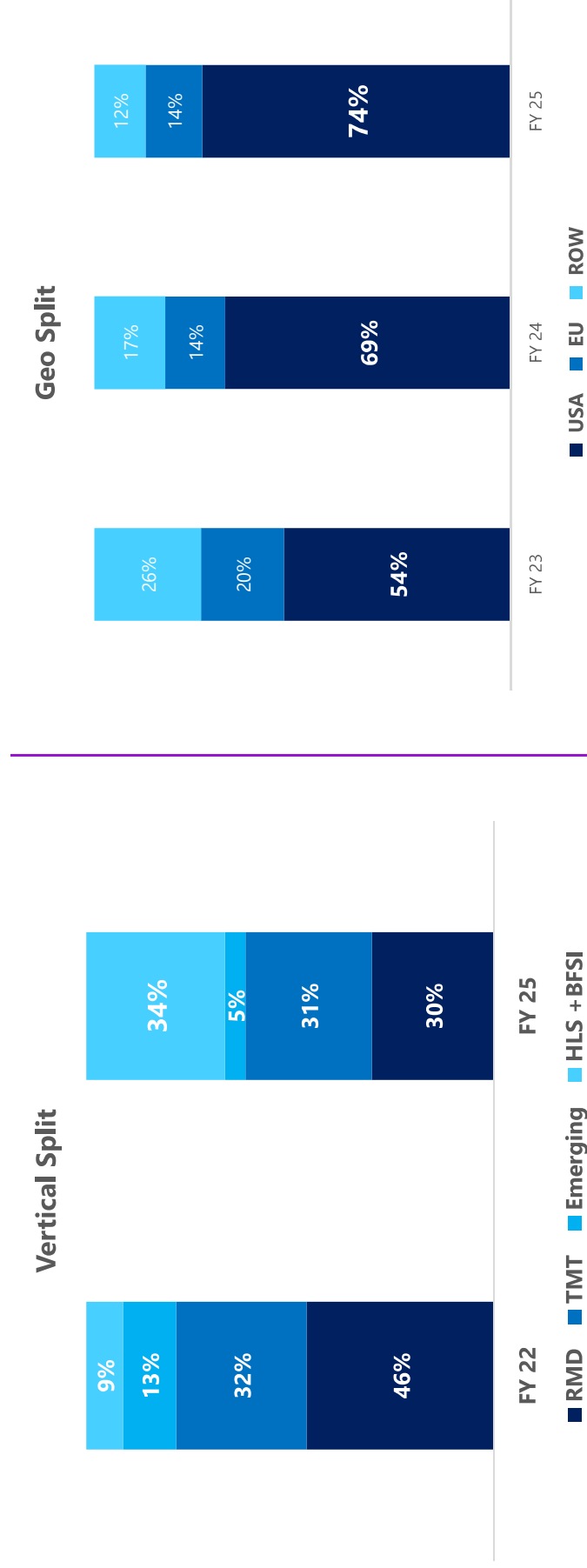
Our big bets on Cloud & Data has scaled...

In last 3 years Cloud & Data (as a % of revenue) have scaled up from **50%** to **59%**.



Verticals & Geos Scale up ...

HLS + BFSI continue to scale (9% to 34%).
TMT is witnessing a resurgence; US scales steadily



Key Bets for The Future....



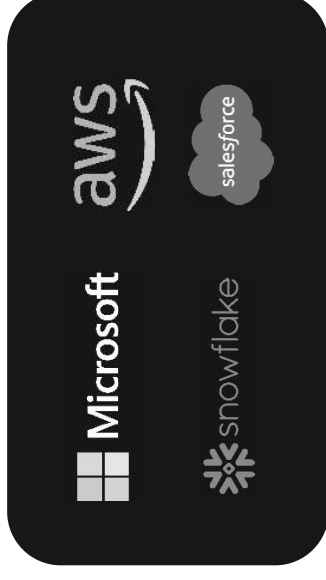
Microsoft Fabric

\$39 M pipeline created;
Won key deals
Official Microsoft Fabric Featured Partner



AI

\$46 M Pipeline created;
Order Book of \$8.2M



Joint GTM

MS GTM funding
AWS – Rescale Program
VMWare -> Cloud Migration
Compete deals

Continued focus

Verticalization

Focused GTM

Large Deals

Large accounts

Our GTM's are Aligned with Our Partners and Our Investment Focus...

Cloud Apps Modernization	Data & Analytics	Microsoft Business Apps	Service Experience Transformation	Hyper Automation	Managed Services
Microsoft aws	Microsoft aws snowflake	Microsoft	Microsoft	Microsoft	Microsoft aws
Google Cloud ORACLE	Informatica Google Cloud databricks	blueprint IZARA PEACE OF MIND AS A SERVICE	SAP salesforce	UiPath	ORACLE IBM
NUTANIX paloalto	Profisee Qlik PKWARE	MSFT Market Place Partners	ORACLE servicenow		servicenow

Microsoft-Sonata Partnership: 30+ Years of Jointly Driving Customer Success

Sonata named again in Inner Circle for Microsoft Business Application 2024-25

AI/Gen-AI Industry Partnership	400+ Clients Across The Globe USA, Europe, Asia, India, Australia, Middle East	\$650+ Million Per Annum Revenue To Microsoft
3500+ Team On Microsoft Technologies	Microsoft Cloud Solution Partner - Azure Expert MSP Competencies. 10 Advanced Specialization in Dynamics 365, 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 Healthcare, Retail, Sustainability, Manufacturing	Industry Digital Transformation Retail, CPG, Manufacturing, Telecom, Healthcare, Hi-tech, BFSI



Unified, scalable, and intelligent data analytics platform through Microsoft Fabric implementation

Client Overview

Industry
Manufacturing

Locations
Serving 100+ countries from 19 international offices

A UK based global leading fragrance house

The Pressure Points	Solutions	Results
- Higher overall costs and justification on return from technology investment. - Slower decisions due to lack of timely insights - Fragmented user experience and lack of unified view of data - High dependency on IT team for reports and limited automations. - Business opportunities and Growth was limited.	- Built unified, scalable, and intelligent data analytics platform through Microsoft Fabric implementation - Integrates data from Dynamics 365 F&O and on-premises sources into a centralized lakehouse using the Medallion architecture. - Support for advanced analytics and Power BI reporting. - Enablement self-service analytics, AI co-pilot, and natural language processing.	- Real-time dashboard with high-level insights into key business metrics, enabling faster and informed decision-making for executives. 30% reduction in data silos, 40% faster insights, and a 50% decrease in IT report requests. - Improved Predictive accuracy for sales forecasting by 25%, 20% gain in operational efficiency supported by Industry-specific data models and dimensional modelling

IT Modernization & Transformation for optimum Global Trade and Distribution

Client Overview

Industry Energy

Locations Operations in 10 different countries in APAC

A leading Pan-Asian renewable energy company

The Pressure Points

- High dependency on SMEs and manual oversight
- Legacy application based on outdated Dynamics AX 2009 with limited automation
- Need for SLA driven and better governed IT operations in a Managed Service Model
- Data was managed in various excel sheets and distributed across multiple legacy applications
- No uniformity in the workflows within the organization

Solutions

- Cloudification of legacy system (AX2009) to Dynamics 365 Finance & Operations.
- Streamlined trading operations for the organization through a centralized platform for trade execution, position monitoring, and risk management
- Modernization with scalable architecture through core global template and region-specific customization and localization

Results

- Optimized business process through standardization & transformation
- Growth and business value across the enterprise via optimal standardization
- Implement the best practices in a solution to meet client's Finance and Trading requirements and future business expansion needs
- A Scalable and robust system to support business growth

Modernization of Engineering Processes and Systems for Core Product development

Client Overview

Industry
TMT

Locations
Operations in North America, Europe, and Asia-Pacific

A leading American technology company specializing in HCM

The Pressure Points

- Manual, inconsistent deployments across various environments such as DEV, QA, UAT & PROD
- Frequent version mismatches and rollback scenarios
- High dependency on SMEs and manual oversight

Solutions

- Introduced end-to-end automated deployments with environment-aware logic
- Built modular playbooks for install, upgrade, and rollback
- Integrated GitHub CI/CD with GCP Secrets & centralized logging
- Enabled secure, scalable, and traceable releases with rollback support

Results

- Faster time to market with 60%+ reduction in deployment time
- Consistent & reliable rollouts with version traceability.
- Improved release confidence with faster recovery from failures
- Reduced SME dependency and minimized manual errors
- Scalable framework to onboard future modules with ease.

Modernization of Add-in for Core Product aligning to latest standards, better user experience, and cross-platform compatibility

Client Overview

Industry
TMT

Locations
Across 5 countries

A global insurance technology company providing cloud software

The Pressure Points

- Legacy COM-based Outlook add-in was no longer supported by Microsoft, leading to compatibility issues.
- Add-in failed to function consistently across Outlook Desktop and Web platforms.
- Manual email download and upload process was time-consuming and inefficient.

Solutions

- Replaced the legacy COM-based add-in with a modern, React-based Outlook add-in by integrated key actions within Outlook for improved productivity.
- Ensured cross-platform compatibility (Desktop + OWA) for seamless user experience.
- Embedded functionality enabled direct email and attachment submission to the EPIC application, removal of manual steps.

Results

- Future-proof solution aligned with Microsoft's latest add-in standards.
- Unified experience across platforms, improving user adoption.
- Increased efficiency by saving time and eliminating manual processes.
- Enhanced productivity with smoother communication and task handling.
- Simplified daily workflows through direct integration with the EPIC application.

Key Recognition



Key Milestone – Unveiled new facility





**The Modernization
Engineering Company**

SONATA SOFTWARE

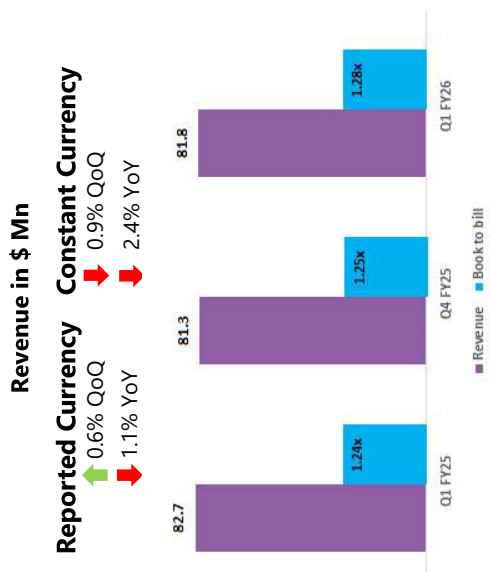
FINANCIAL HIGHLIGHTS

Sonata consolidated PAT grew 1.7% QoQ. International IT services revenue grew 0.6% QoQ

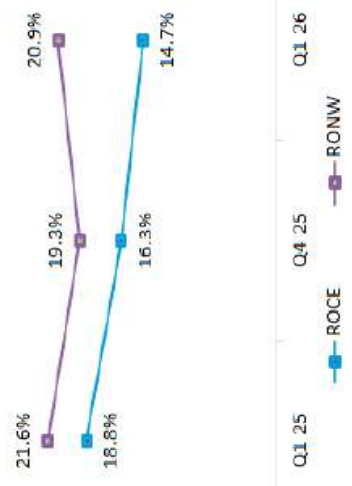
INR Crs.

P&L	Consolidated			International Services			Domestic Business		
	Q1'26	Q4'25	QoQ	Q1'26	Q4'25	QoQ	Q1'26	Q4'25	QoQ
Revenue in \$mn.	346.5	302.2	-	81.8	81.3	0.6%	265.8	221.5	20.0%
Revenue in INR crs.	2965.2	2617.2	-	699.9	702.3	-0.3%	2274.7	1918.2	18.6%
GC - Products	-	-	-	-	-	-	68.5	78.4	-12.6%
EBITDA before fx & OI	159.6	172.7	-7.6%	115.9	115.7	0.2%	44.0	56.5	-22.1%
EBITDA before fx & OI %	5.4%	6.6%	-1.2%	16.6%	16.5%	0.1%	1.9%	2.9%	-1.0%
EBITDA after fx & OI	183.8	183.9	0.0%	131.0	121.8	7.5%	54.0	63.0	-14.2%
EBITDA after fx & OI %	6.2%	7.0%	-0.8%	18.4%	17.1%	1.3%	2.4%	3.3%	-0.9%
PAT	109.3	107.5	1.7%	70.7	62.3	13.5%	38.6	45.3	-14.8%
PAT %	3.7%	4.1%	-0.4%	9.9%	8.8%	1.2%	1.7%	2.3%	-0.7%
Effective Tax Rate	28.4%	28.7%	-	30.1%	30.9%	-	25.6%	25.4%	-
Revenue Mix onsite offshore	-	-	-	47:53	51:49	-	-	-	-
EPS Per Share	3.94	3.87	1.8%						
Cash and equivalents	600.1	706.9	-						

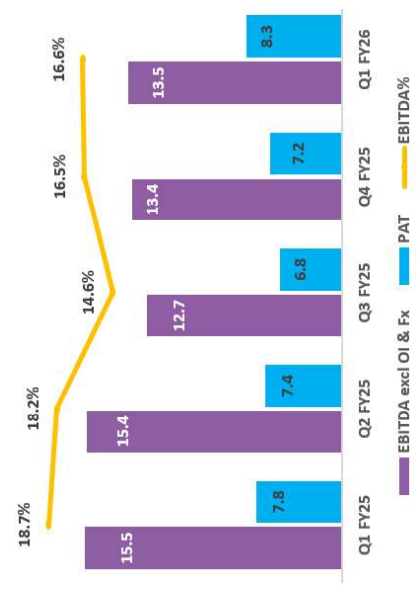
Financial Performance of International Services – Q1FY25



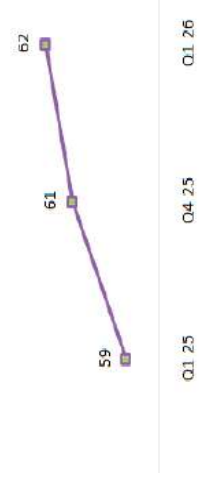
Return on Capital



EBITDA & PAT in \$ Mn



DSO

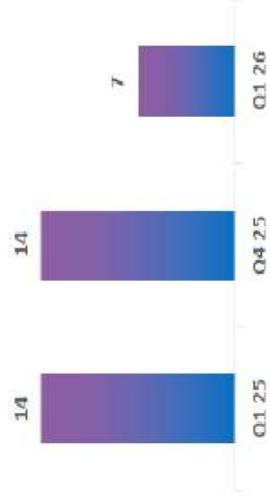


International Services: Revenue Insights

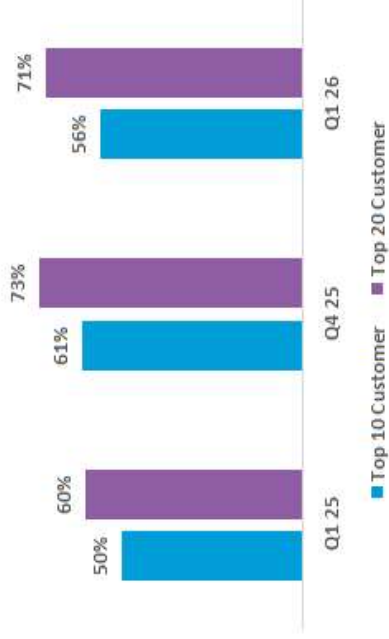
Client Metrics



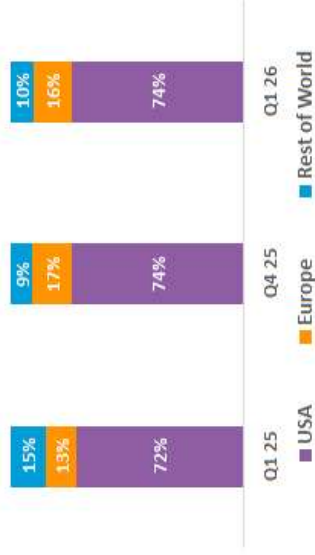
New Customers added



Client Contribution to Revenue

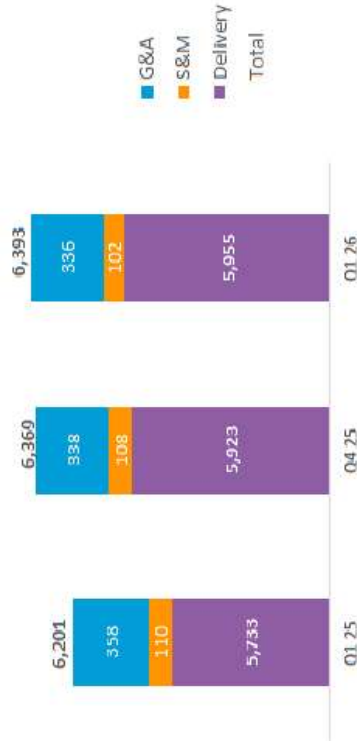


Revenue by Geography

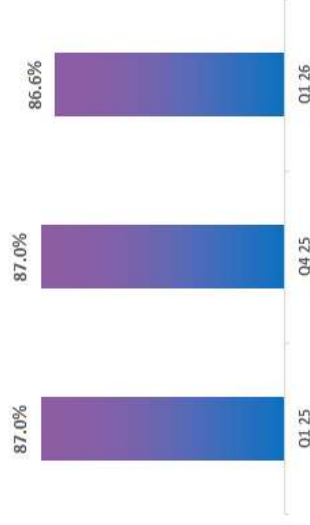


International Services: Operating Parameters

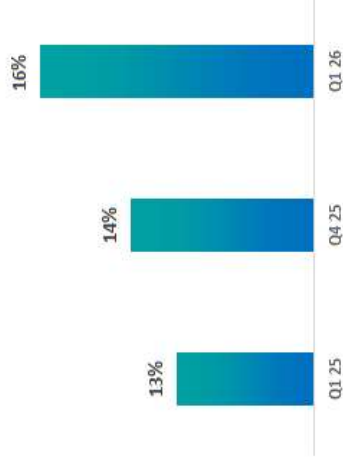
Headcount by Function



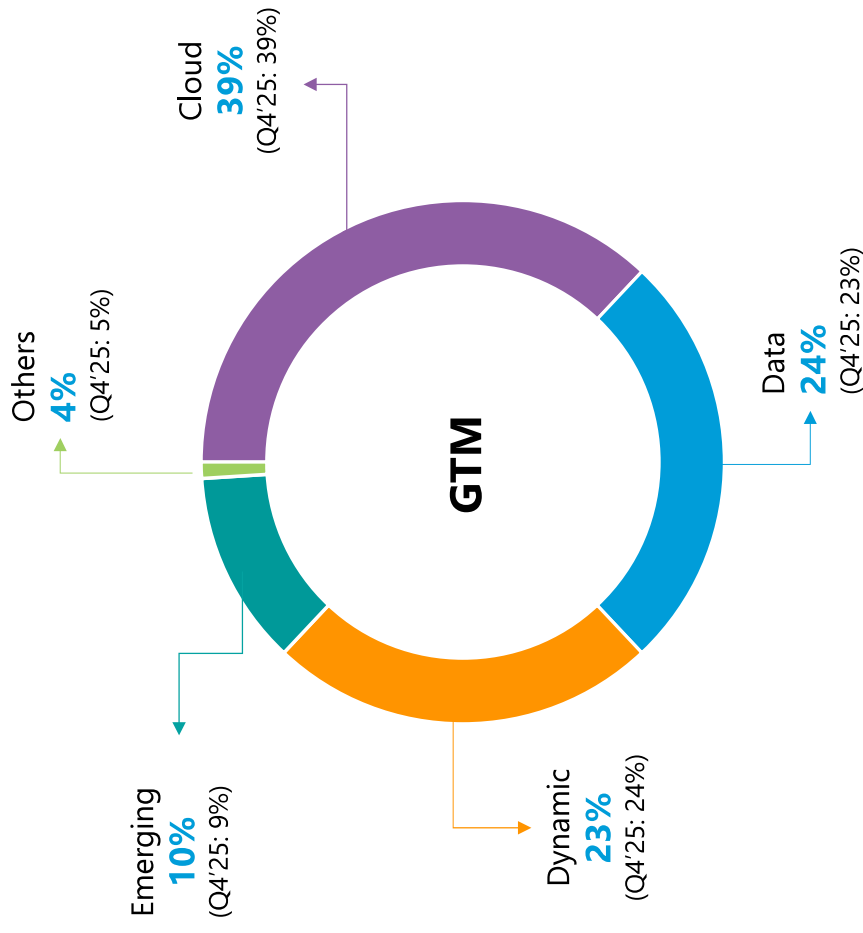
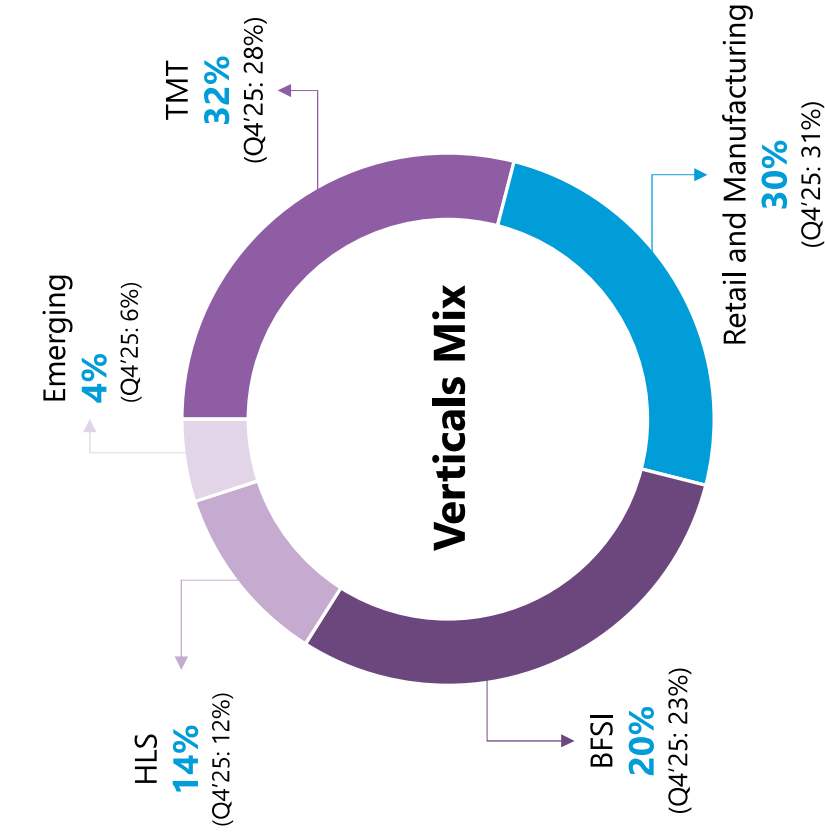
Utilization



Attrition% (LTM)



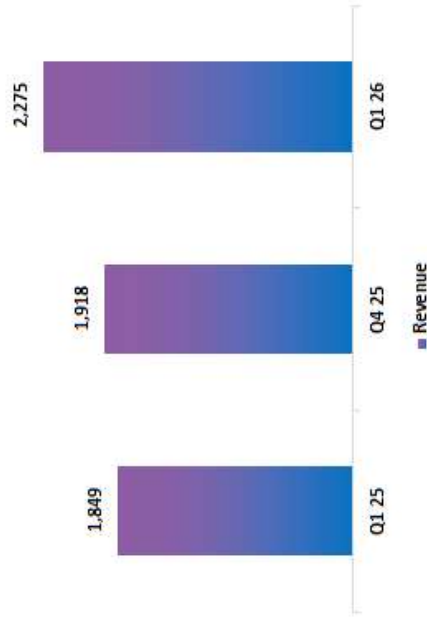
International Services: Q1'26 Revenue Composition



Domestic Business: Financial Performance Q1 FY26

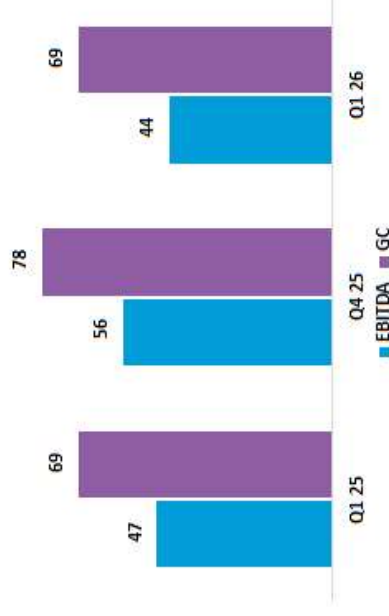
Revenue (INR crs)

↑ 18.6% QoQ Cloud ~88.0%
Annuity ~12.0%



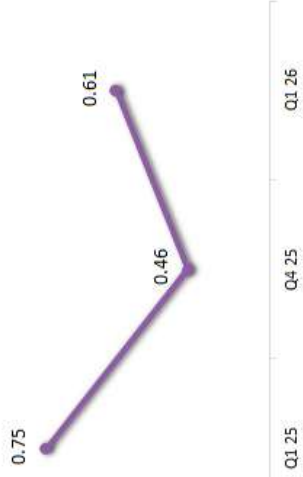
Gross Contribution & EBITDA (INR crs)

↓ GC 12.6% QoQ ↓ EBITDA 22.1% QoQ

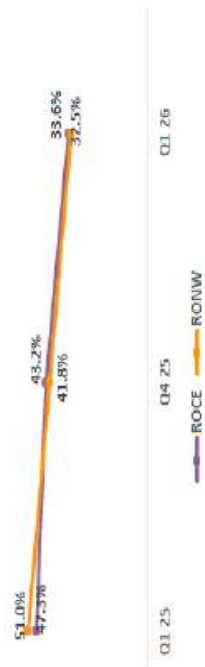


Domestic Business: Additional Insight Q1 FY26

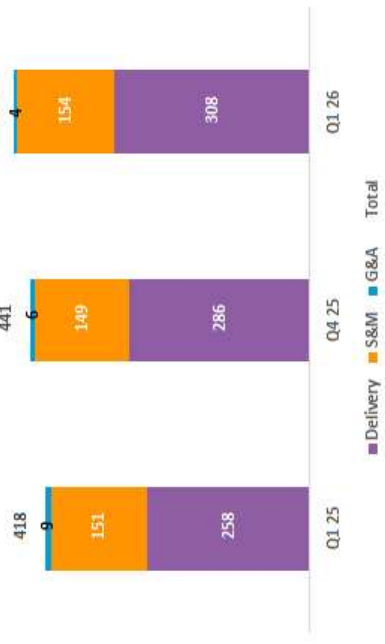
Net working Capital ÷ Gross Contribution



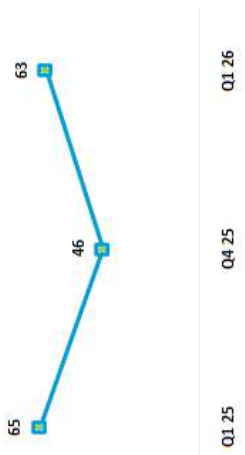
ROCE and RONW



Head Count



DSO



Annexure

Details of Finance Cost, Depreciation and Other Income

Particulars	Q1'26	Q4'25	Q1'25
Interest on Acquisition loan	10.9	7.3	10.8
Unwinding Interest on deferred consideration	-10.0	-	6.5
Other Finance Cost	2.9	1.2	1.3
International Services-Total	3.8	8.5	18.6
Domestic Business-Total	1.3	1.6	1.4
Total	5.1	10.1	20.0
Break up of Depreciation in P&L			
Particulars	Q1'26	Q4'25	Q1'25
Depreciation of Fixed Assets and right of use assets	14.0	10.4	11.4
Amortisation of Intangibles	11.2	11.8	21.2
Amortisation of Intangibles - Quant	9.1	9.7	17.0
Earlier acquisitions (Encore, GBW, Sopris & Scalable)	2.1	2.1	4.2
International Services -Total	25.2	22.2	32.6
Domestic Business-Total	0.9	0.8	0.7
Total	26.1	23.0	33.3
Other Income & Fx			
Particulars	Q1'26	Q4'25	Q1'25
International services	15.1	6.1	10.2
Domestic Business	10.0	6.5	9.2
Total	25.1	12.6	19.5

- Interest on Acquisition loan increased due to an additional loan acquired during the quarter for Quant SPA payment.
- Unwinding of interest is reduced due to discounting of deferred payment after entering into an amended SPA with Quant.
- Depreciation costs rose due to new office facilities in Hyderabad.
- Other income & Fx saw an uptick, primarily driven by higher foreign exchange gains during the quarter and return on Investment.

THANK YOU

www.sonata-software.com



WE ARE A
**MODERNIZATION
ENGINEERING
COMPANY**

