



Sonata Software - Consolidated Q3 FY 21 EBIDTA at ₹ 114 Crores, QoQ growth of 27%

Bengaluru, February 04, 2021

Sonata Software, a global IT services and technology solutions company, today reported its unaudited financial results for its 3rd quarter ended and nine months ended 31st December 2020.

Description	in ₹ Crores							
	For the Quarter ended					For the nine months ended		
	31-Dec-20	30-Sep-20	31-Dec-19	QoQ	YoY	31-Dec-20	31-Dec-19	YoY
Revenues								
International IT Services	300.9	288.1	329.8	4%	-9%	864.8	946.8	-9%
Domestic- Products & Services	1,099.4	523.5	912.0	110%	21%	2,304.1	1,885.2	22%
Consolidated	1,396.2	803.8	1,236.9	74%	13%	3,152.4	2,814.6	12%
EBITDA								
International IT Services	87.1	70.4	91.6	24%	-5%	222.3	265.5	-16%
Domestic- Products & Services	27.3	19.6	27.0	39%	1%	63.8	71.9	-11%
Consolidated	114.2	89.7	118.3	27%	-3%	285.1	336.0	-15%
PAT before VsVs *								
International IT Services	57.0	43.6	57.8	31%	-1%	138.9	167.3	-17%
Domestic- Products & Services	18.6	13.6	18.1	36%	3%	43.8	47.8	-8%
Consolidated	75.6	57.2	75.9	32%	0%	182.7	215.2	-15%
PAT after VsVs *								
International IT Services	41.4	43.6	57.8	-5%	-28%	123.3	167.3	-26%
Domestic- Products & Services	12.4	13.6	18.1	-9%	-32%	37.6	47.8	-21%
Consolidated	53.8	57.2	75.9	-6%	-29%	160.9	215.2	-25%

* During the quarter provision for income tax settlement under Vivad se Vishwas Scheme (“VsVs”) is made ₹ 15.6 Crores for International IT Services (Sonata Software Limited), ₹ 6.2 Crores for Domestic Products & Services (Sonata Information Technology Limited) and ₹ 21.8 Crores for Consolidation financials. Consequently, contingent liability (based on the original demand as per order) has been reduced by ₹ 33.7 Crores for International IT Services (Sonata Software Limited), ₹ 15.3 Crores for Domestic Products & Services (Sonata Information Technology Limited) and ₹ 49 Crores for Consolidation financials.

Mr. Srikar Reddy, Managing Director & CEO of the Company said-

The results for the quarter reflect all round growth across different segments of the business, growth especially in the digital business resulting in highly profitable growth. This is a clear indication that our overall strategy of building digital enterprises by creating platforms through our unique Platformation™ methodology is more relevant in the current context with greater reliance and investments by enterprises in digitization and automation. We have become a much stronger organization in the quality of clients, relationships, and internal investments, in creating world class competencies aligned to Platformation™ across platform engineering, cloud transformation, data analytics and Microsoft Dynamics. Specifically, we would like to mention the GBW



investment made which is focussed on delivering platform based CX (customer experience) is holding premise and differentiation to our digital offering.

With clear visibility and business opportunity in the immediate future, we are focused now on investing for long term growth, in talent acquisition and transformation, IP and competency development.

The company also announced compensation revision effective January 1st, 2021.

Performance Highlights for the quarter:

- **Consolidated:**

- Revenues at ₹ 1,396 Crores: growth of 74% QoQ and growth of 13% on YoY basis.
- EBITDA at ₹ 114 Crores: growth of 27% QoQ
- Net Profit at ₹ 75.6 Crores (Grossed up for income tax settlement under VsVs ₹ 21.8 Crores); sequential growth 32%
- Cash and equivalents (net of borrowings) approximately ₹ 604 Crores.

- **International IT Services:**

- Revenues at ₹ 300 crores; growth of 4% QoQ;
- Revenue in USD at 41 Million, QoQ revenue growth of 5.0% in USD terms and constant currency growth of 4.5%.
- Growth across all geographies (USA 7.1% , Europe 4.9% , Rest of World 1.4%) .
- EBITDA at ₹ 87 Crores: growth of 24% QoQ;
- Net profit (PAT) at ₹ 57 Crores (Grossed up for income tax settlement under VsVs ₹ 15.6 Crores), QoQ growth of 31%
- Addition of 8 new customers during the quarter.
- Overall strategy of creating digital enterprises by creating platform through our unique Platformation methodology are yielding results.
- Strong growth from digital based competencies like Managed cloud services and Digital Platformation Services (Microsoft & Open source) and focused verticals like ISV, Retail (Essential) and Commodity Business & Service Industry.
- Strong cash and liquidity positions maintained. Improvement in DSO days from 47 days to 36 days.
- Our pipeline continues to be healthy and strong through multiple new digital wins from existing and new customers.

- **Domestic Products & Services:**

- Revenues at ₹ 1,099 crores: growth of 110% QoQ;
- Domestic business revenue driven by multiyear cloud-based annuity deals. More than 60% of revenue from cloud-based deals. Sustained growth ensured through strong customer retention, ~82% of gross margin from customers with turnover (customer's revenue) more than 1,000 Crores and more than 60% of gross margin earned from repetitive customers with more the 5 years of association.
- Domestic business measured on absolute Gross Margin. Gross margin for the Quarter at ₹ 38 crs vs Q2'21 ₹ 30 Crores, QoQ growth of 26%.
- EBITDA at ₹ 27 Crores: growth of 39% QoQ;
- Net profit (PAT) at ₹ 18.6 crores QoQ growth of 36% (Grossed up for income tax settlement under VsVs ₹ 6.2 Crores).
- DSO days improved from 63 days to 57 days.



About Sonata Software

Sonata is a global technology company, that enables successful platform based digital transformation initiatives for enterprises, to create businesses that are connected, open, intelligent and scalable. Sonata's Platformation™ methodology brings together industry expertise, platform technology excellence, design thinking-led innovation and strategic engagement models to deliver sustained long term value to customers. A trusted partner of world leaders in the Retail, Manufacturing & Distribution, Travel and Software industries, Sonata's solution portfolio includes its own digital platform such as Brick & Click Retail Platform©, Modern Distribution Platform©, Rezopia Digital Travel Platform©, RAPID DevOps Platform©, Kartopia E-commerce Platform©, Halosys Mobility Platform©, and Commodity CTRM Platform©, best-in-class capabilities on ISV digital technology platforms such as Microsoft Dynamics 365, Microsoft Azure, SAP Hybris, Cloud Engineering and Managed Services, as well as new digital applications like IoT, Artificial Intelligence, Machine Learning, Robotic Process Automation, Chatbots, Block Chain and Cyber Security. Sonata's people and systems are nurtured to bring together the depth of thought leadership, customer commitment and execution excellence to make a difference to business with technology.

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