

6th November, 2024

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Mumbai
Kind Attn: Manager, Listing Department
Stock Code – SONATSOFTW

BSE Limited
P.J. Towers, Dalal Street, Mumbai
Kind Attn: Manager, Listing Department
Stock Code - 532221

Dear Sirs/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 ended 30th September, 2024.

The above said presentation is also made available on the Company's website www.sonata-software.com.

Please take the same on record.

Thanking you,

Yours faithfully,

For **Sonata Software Limited**

Mangal
Krishnarao
Kulkarni

Digitally signed by
Mangal Krishnarao
Kulkarni
Date: 2024.11.06
16:39:10 +05'30'

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

Encl.: As above

Q2 FY'25

Investor Presentation

www.sonata-software.com

WE ARE A
**MODERNIZATION
ENGINEERING
COMPANY**



Sonata At A Glance

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

38 Years

IT solutions provider

Public Listed

(SONATSOFTW)

\$1B+

Revenue

15.10%

10 years CAGR

6900+

Engineers across US, EU,
Asia & ANZ

15+

Different
Nationalities

Delivering Outcome-based Modernization Services



Cloud



AI & Data



Dynamics



Managed Services



Automation



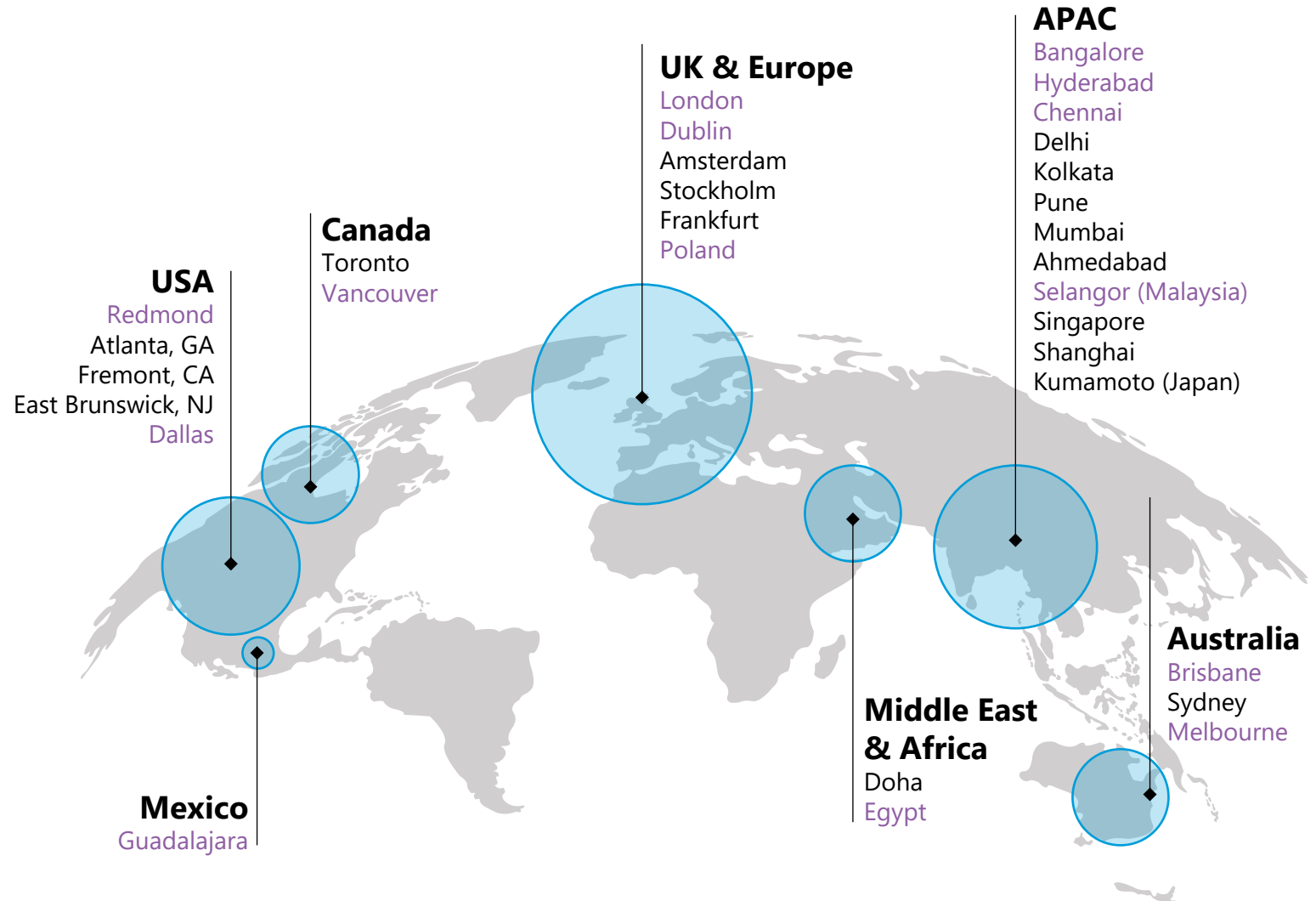
Digital Contact Center

Digital transformation using **Platformation™**

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



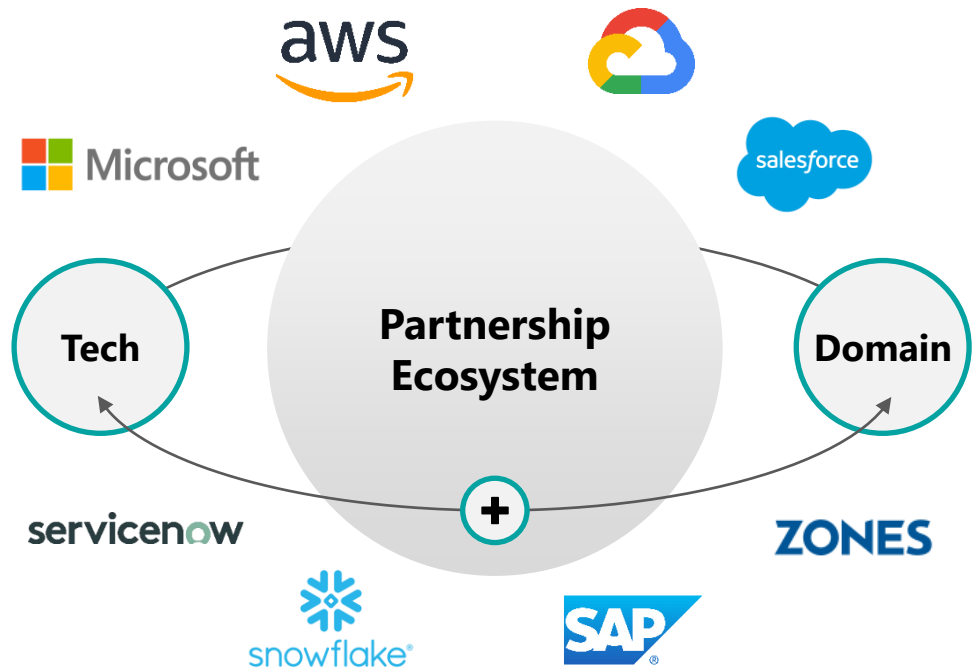
RMD
Retail, Manuf., Travel and Distribution



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 Objective and Goal

Objective:

Be the fastest-growing
Modernization Engineering
company

Goal:

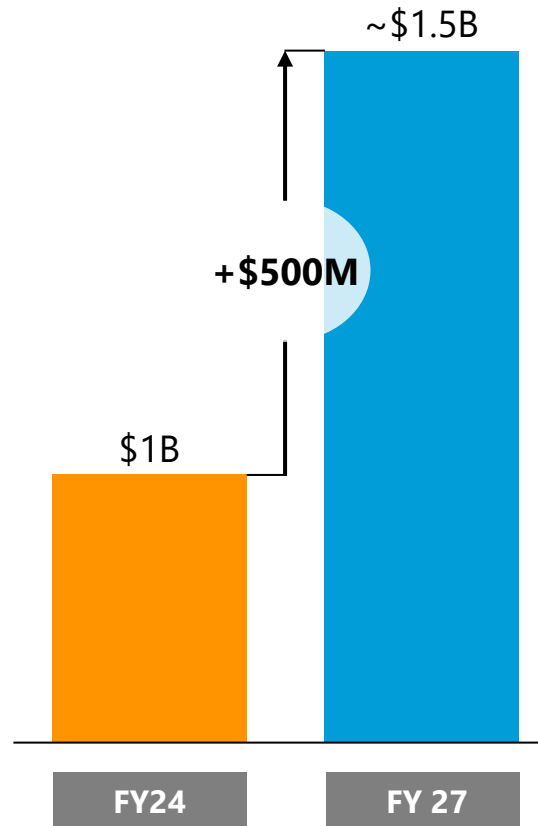
Revenue of \$ 1.5B by FY 27
Intl EBITDA @ low-20's
Domestic GC YoY growth of 12%



Our Performance Vision:

Making progress and adapting to changing times...

Revenue Growth (In \$M)



SCALE – Key Drivers



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**

What's working well for us...



Large Deals

3 Large deals won during Q2FY'25

AI & Fabric

2 significant deal wins

Modernization

Cloud & Data pipeline is 51%

Verticals/Partnerships

MS Sell to, HLS, BFSI, TMT
AWS and MS Sell with

Domestic Business

Steady GC growth

We won 3 Large Deals in Q2

1 Multinational Tech Corporation – US

Consumer Experience
Modernization

2 Top Financial Corp. – US

Data Modernization

3 Personal facilities & Food Safety – US

Cloud Modernization

Healthy Large Deals Pipeline

Large Deals Pipeline

49%

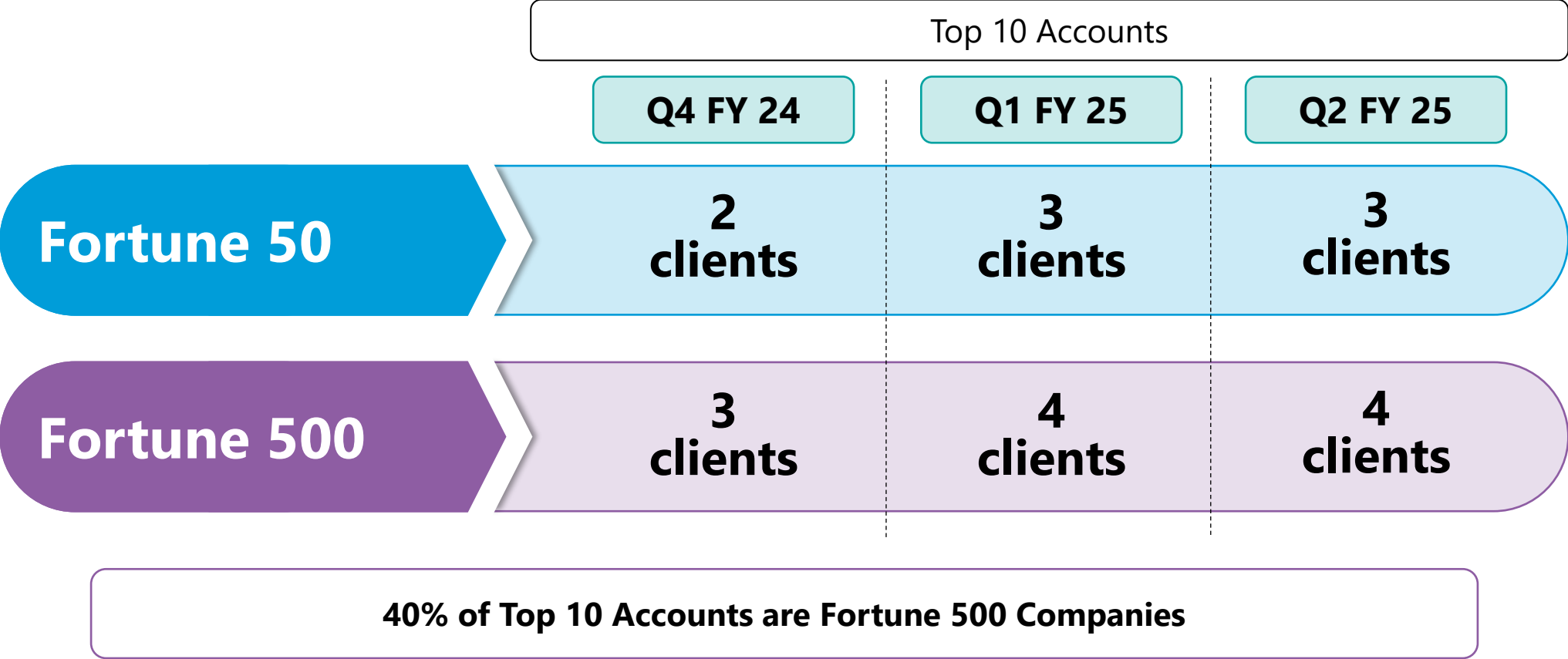
of Active Pipeline
consists of Large
Deals

36%

of Large deals
pipeline are with
Fortune 500 clients

Overall Pipeline has grown 5% QoQ

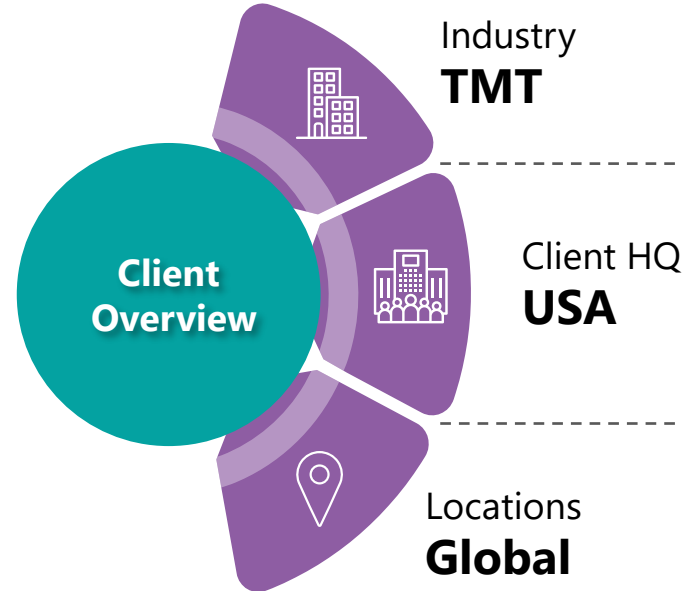
Quality Of Growth – Top Client's Movement



Large Deal Win: Consumer Experience Modernization

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. It delivers platforms that enable seamless communication, collaboration, and business management across various industries. Its solutions support efficiency, scalability, and adaptability, making it a trusted partner for organizations seeking to advance in a fast-evolving digital landscape.



Areas in Scope

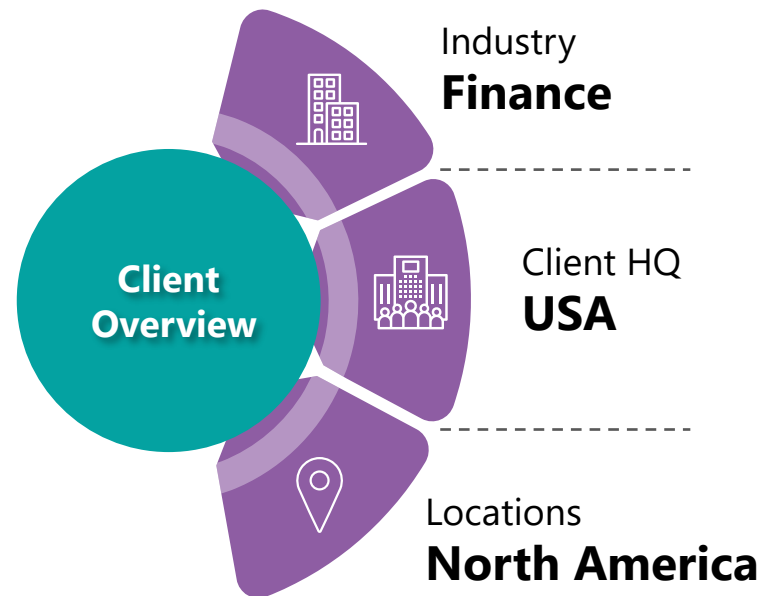
Partner to provide reactive customer experience and support across products

- Customer Experience
- Technical Product Management
- Expanded Delivery Locations
- Continuous Improvement

Large Deal Win: Data Modernization

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. The bank is committed to leading in technology and innovation while maintaining a strong focus on community engagement and client satisfaction.



Areas in Scope

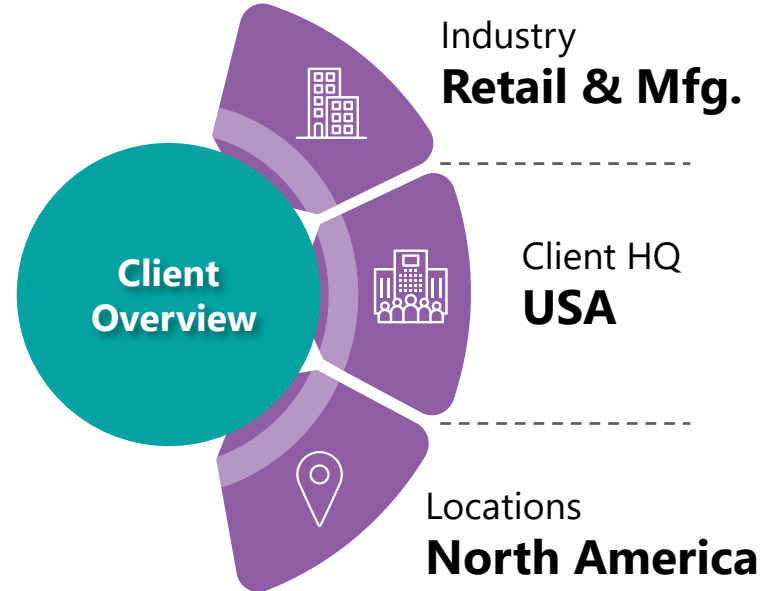
Modernization aligned with several strategic objectives aimed at improving performance, scalability, cost efficiency and scale of the data platforms.

- Data Assessment and Planning
- Schema and Data Migration
- Performance Optimization
- Security and Compliance Setup
- Application and Integration Migration

Large Deal Win: Cloud Modernization

Client Overview

A leader in personal, facility and food safety systems, products that assist restaurants and other food service establishments in complying with FDA and other compliance codes. Food Safety products are served globally through our network of trained food service distributors.

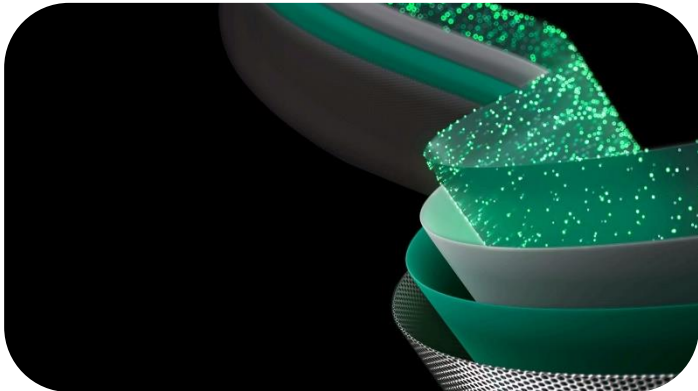


Areas in Scope

Strategic partner for Designing, building, managing and maintaining the Kitchen Automation Platform via a combination of Microsoft, android and iOS technologies

- Cloud based Platform
- Data Transformation

Key bets for the future



Microsoft Fabric

\$91 M pipeline created across 110+ customers

Key Deal win for an ANZ based Retailer



AI & Gen AI

\$67 M Pipeline created across 110+ customers

Key Deal win for an US based HLS client



Joint GTM

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

Continued focus

Verticalization

Focused GTM

Large Deals

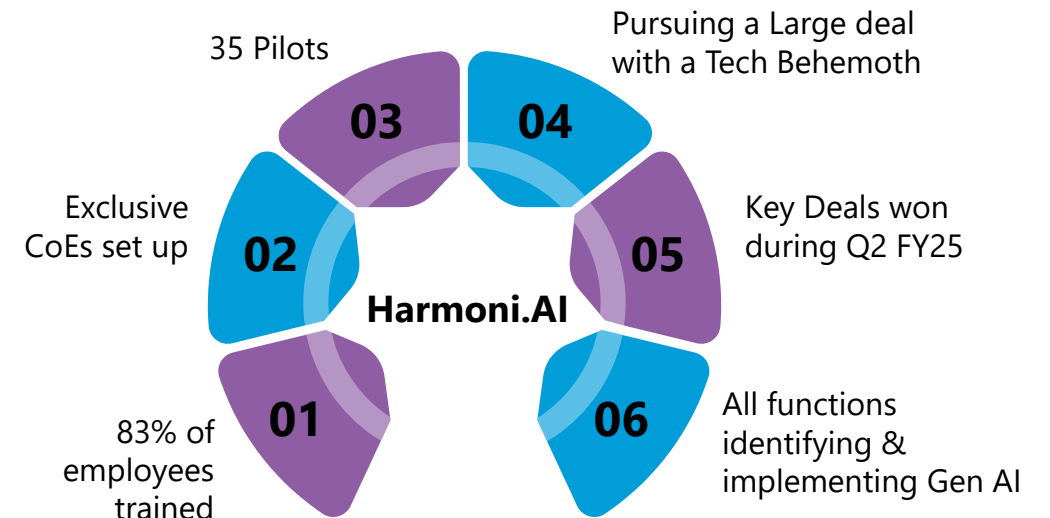
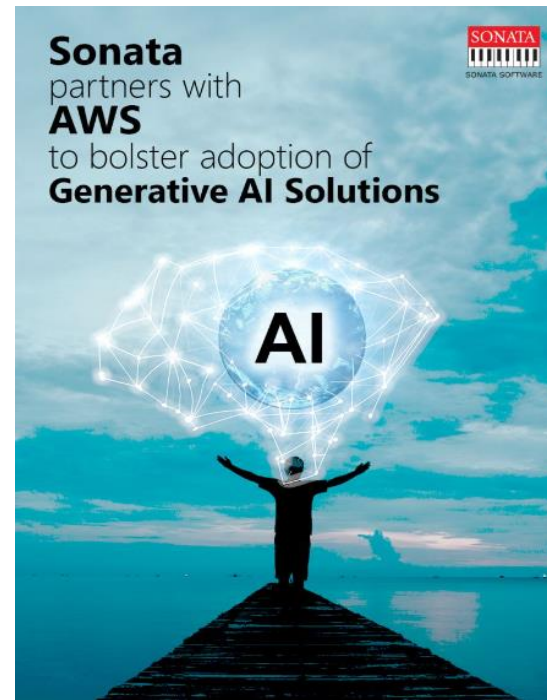
Large accounts

Harmoni.AI

Sonata's Responsible-first AI offering for Enterprise scale

Supersizing growth through AI – Key Executions in progress
























- Client – Fortune 500 Global Manufacturer**
 Modernizing client operations and consumer experience - powered by AI
- Client – US based tech developer for medical trials**
 Building AI platform for clinical trials operations for 3000+global R&D team



Microsoft
Partner council member

AWS
as **Partner**

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 	 Microsoft   snowflake	 Microsoft	 Microsoft	 Microsoft	 Microsoft 
 Google Cloud ORACLE	 Informatica  Google Cloud  databricks	blueprint  IZARA PEACE OF MIND, AS A SERVICE	 	 UiPath™	ORACLE 
NUTANIX  paloalto NETWORKS	 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 - Asure Expert MSP Competencies. 10 Advanced Specialization in Dynamics 365, Data Analytics, Teams, CAF, M365, Asure	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

Partner for RPA Migration 100

Partner for Microsoft Fabric

 Microsoft Solutions Partner
Security

 Microsoft Solutions Partner
Infrastructure Azure

 Microsoft Solutions Partner
Modern Work

 Microsoft Solutions Partner
Digital & App Innovation Azure

 Microsoft Solutions Partner
Data & AI Azure

 Microsoft Solutions Partner
Business Applications

Microsoft

INNER CIRCLE 24 | 25

FOR MICROSOFT BUSINESS APPLICATIONS

 Microsoft Solutions Partner
Security

Cybersecurity Investment Partner (CSI)

 Microsoft Fabric

Dynamic Modernization for Leading IT Solutions

Client Overview	Industry Retail & Manufacturing	Locations > 100 countries	Global Leader in IT Solutions
<div>The Pressure Points</div> <ul style="list-style-type: none">• Need for Standardization & Harmonization of processes across multiple geo locations with Regional complexities such as Localization, Taxes• Need for improved Customer satisfaction and increased Efficiency specifically in warehouse management and order management• Need for better insight into efficiency of business operations, trends, improved decision making	<div>Solutions</div> <ul style="list-style-type: none">• Upgrade, cloudification of legacy systems to Dynamics 365 F&O and CRM• Implementation of Advanced Warehouse management system• Re-platformation of Order Management System, modernization of electronic order processing engine• Modernized BI reporting on Azure• Modernizing with Scalable architecture, leveraging best-in-class platform integration framework	<div>Results</div> <ul style="list-style-type: none">• Enabled -Drive Digital and Automation through seamless information flow• Standardized platform and improved processes across regions and technologies resulting reduction in cost, improved user experience and performance• Flexibility and high throughput in business-critical functions such as supply chain balance automation, order processing to name a few• Advanced business intelligence supported by frequent enterprise data refresh to all geos• System ready to scale with business growth,	

Success Stories (2/2)...

IT Modernization & Transformation for an optimum Global Delivery Model

Client Overview

Industry
Health Care &
Life Sciences

Locations
550 Centres across 36
states in the USA

Premier provider of health care to
vulnerable patients in challenging
clinical environments.

The Pressure Points

- High cost of health care during and post Covid pandemic due to sudden wage increase and shortage of medical staff
- Federal or Government contracts not amenable to corresponding amendments to address the high cost to serve
- High cost of mostly onshore based and onshore run IT
- Need for SLA driven and better governed IT operations in a Managed Service Model
- Lack of adequate automation and modern engineering practices within the IT landscape

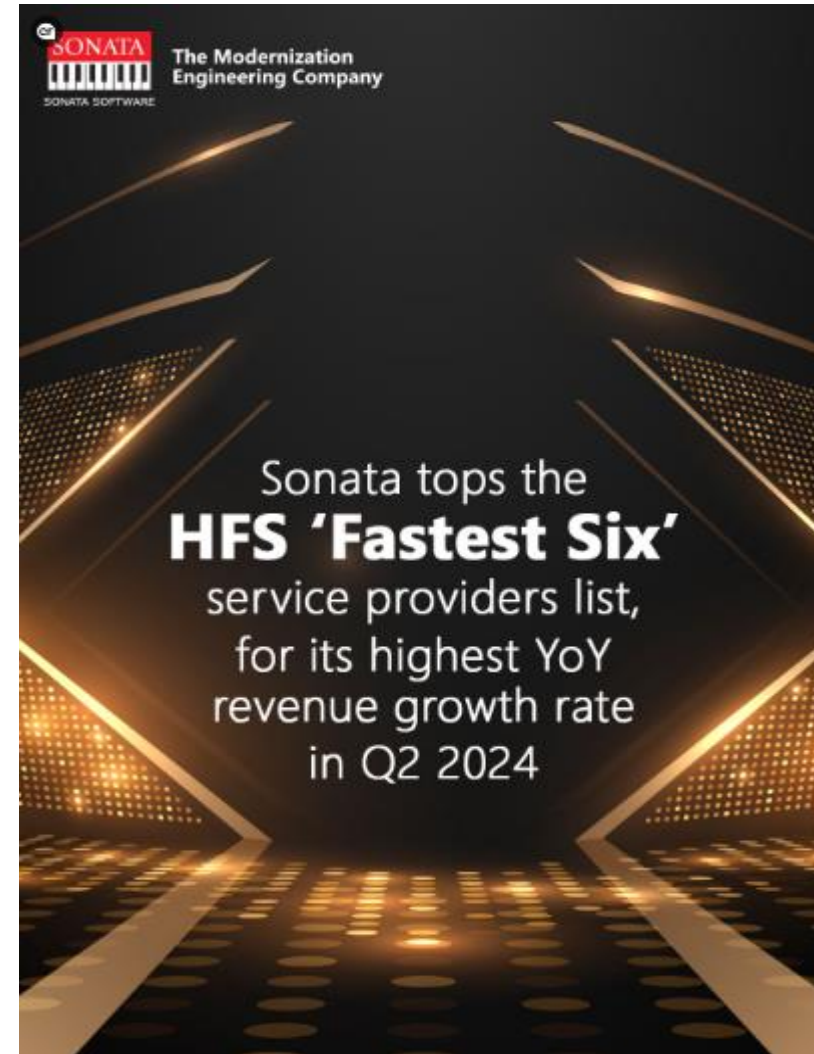
Solutions

- Transition ~80% of the IT landscape to Sonata offshore over 1 year in 3 waves yielding in cost optimization
- Strengthen the IT operations with SLAs/KPIs and better governance
- Streamline ITIL & SDLC processes to improve productivity and enable cross workstream collaboration
- Modern engineering practices through Managed Services Model and adoption of tools & applicable frameworks

Results

- Seamless transition of delivery and operations to offshore even while catering to day-to-day business needs and demands
- Launch of Modern ERMA which is the core proprietary Healthcare platform for business
- Standardized processes and documentation of all SOPs, technical and functional knowledge, protocols, procedures from the SMEs as part of transition

Key Recognition



People – Strength of Sonata





SONATA SOFTWARE

**The Modernization
Engineering Company**

Financial Highlights

Financial Snapshot: International Services Revenue grew 2.3% QoQ, Domestic GC grew 2.5% QoQ

INR Crs

P&L	Consolidated			International Services			Domestic Business		
	Q2'25	Q1'25	QoQ	Q2'25	Q1'25	QoQ	Q2'25	Q1'25	QoQ
Revenue in \$mn.	259.1	303.0	NA	84.6	82.7	2.3%	174.7	222.4	-21.4%
Revenue in INR crs.	2169.8	2527.4	NA	707.9	687.8	2.9%	1461.9	1849.4	-21.0%
GC - Products	70.2	68.5	2.5%	-	-	-	70.2	68.5	2.5%
EBITDA before OI & Fx	177.3	176.2	0.7%	128.9	128.8	0.1%	48.4	47.3	2.2%
EBITDA before OI & Fx %	8.2%	7.0%	1.2%	18.2%	18.7%	-0.5%	3.3%	2.6%	0.8%
EBITDA after fx & OI	196.5	195.0	0.7%	135.5	139.0	-2.5%	61.8	56.6	9.2%
EBITDA after OI & Fx %	9.0%	7.7%	1.3%	19.0%	19.9%	-1.0%	4.2%	3.0%	1.1%
PAT	106.5	105.6	0.8%	62.2	65.1	-4.5%	44.3	40.5	9.5%
Effective Tax Rate	26.2%	25.5%	-	26.7%	25.4%	-	25.5%	25.7%	-
Revenue Mix onsite offshore	-			54:46	51:49	-	-		
EPS Per Share	3.84	3.81	0.8%						
Cash and equivalents*	568.6	736.7	NA						

*Cash and Cash Equivalents reduced QoQ, primarily driven by earnout payments related to Quant and Encore, along with repayments of Bank Loans.

- FY'24 Total Dividend of ₹7.90 per share.

Details of Finance Cost, Depreciation and Other Income

INR Crs

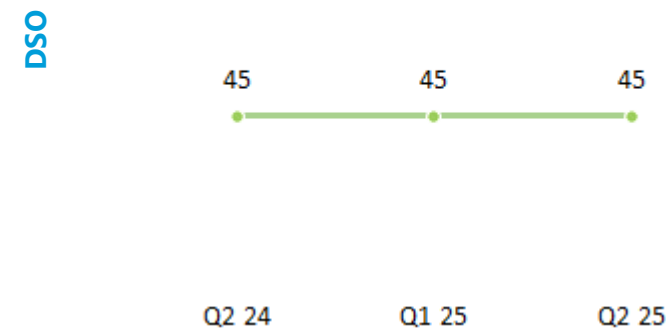
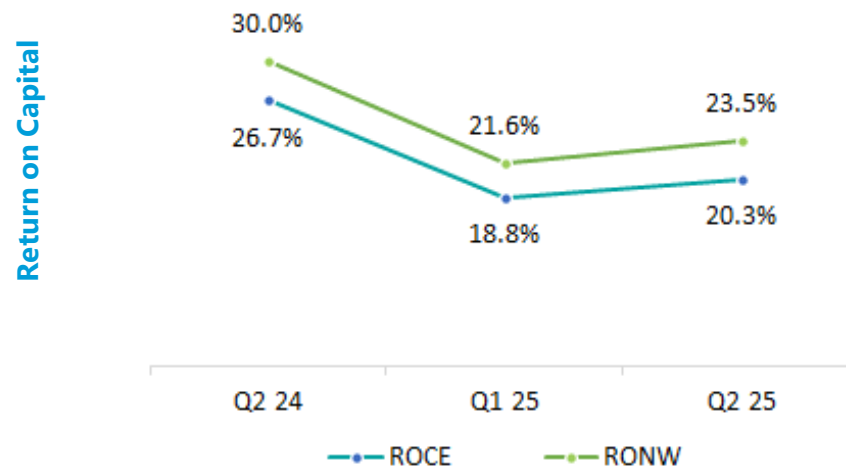
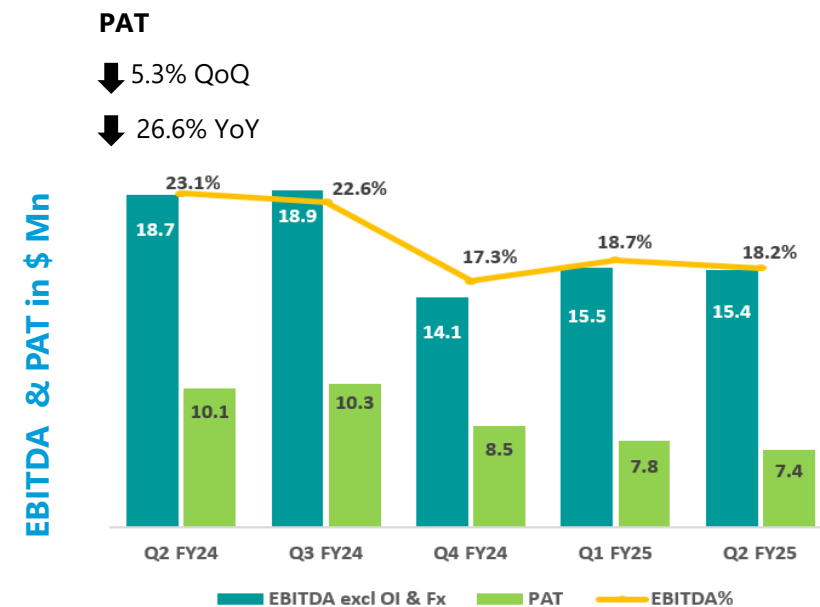
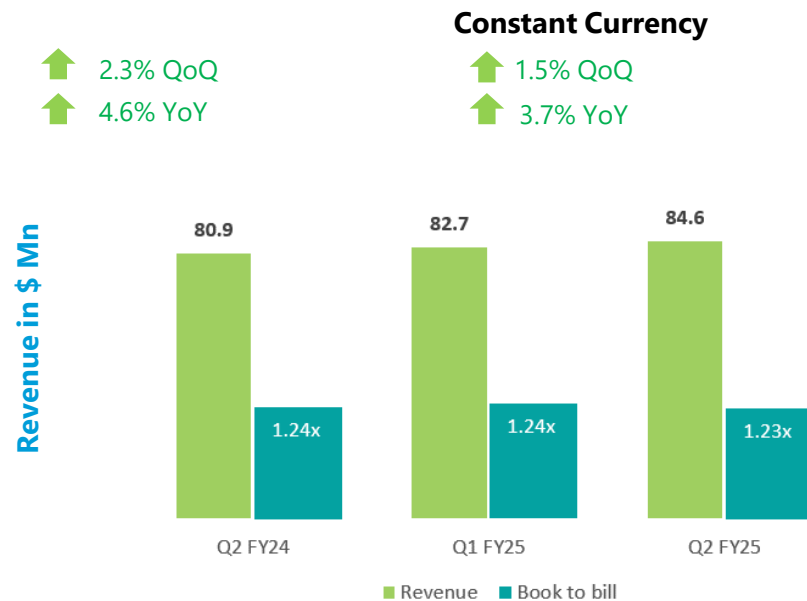
Break up - Finance Cost			
Particulars	Q2'24	Q1'25	Q2'25
Interest on Acquisition loan	7.0	10.8	10.0
Unwinding Interest on deferred consideration	11.1	6.5	6.4
Other Finance Cost	0.9	1.3	1.3
International Services-Total	19.0	18.6	17.7
Domestic Business-Total	1.7	1.4	1.5
Total	20.7	20.0	19.2
Break up of Depreciation in P&L			
Particulars	Q2'24	Q1'25	Q2'25
Depreciation of Fixed Assets and right of use assets	11.6	11.4	11.7
Amortisation of Intangibles	21.3	21.2	20.5
Amortisation of Intangibles - Quant	17.1	17.0	17.3
Earlier acquisitions (Encore, GBW, Sopris & Scalable)	4.2	4.2	3.2
International Services -Total	32.9	32.6	32.1
Domestic Business-Total	0.5	0.7	0.8
Total	33.3	33.3	32.9
Other Income & Fx			
Particulars	Q2'24	Q1'25	Q2'25
International services	10.1	10.2	6.6*
Domestic Business	14.0	9.2	13.4**
Total	24.1	19.5	20.0

- Amortization of Intangible Assets: Changes in Amortization costs QoQ due to fluctuations in foreign exchange rates.
- Other Income: Reduced due to lower investible surplus for the reasons mentioned below, though the avg. yield improved QoQ :
 - Planned earnout payments in International Services and
 - Dividend payment in Domestic Business.

*International Services Other Income includes Interest Income from Income tax refund of INR 1.3 crores.

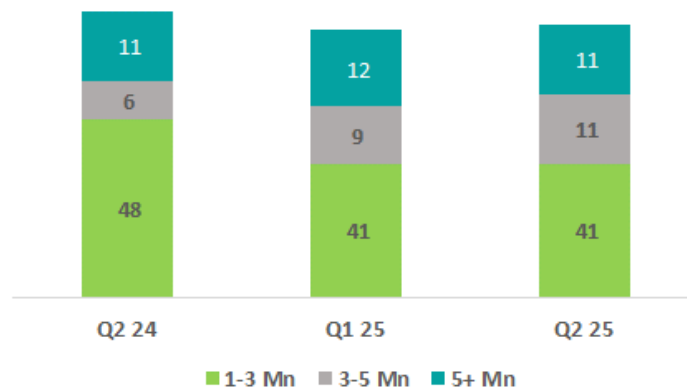
**Domestic Business Other Income includes Interest Income on Income tax refunds of INR 7.2 crores.

Financial Performance of International Services – Q2FY25

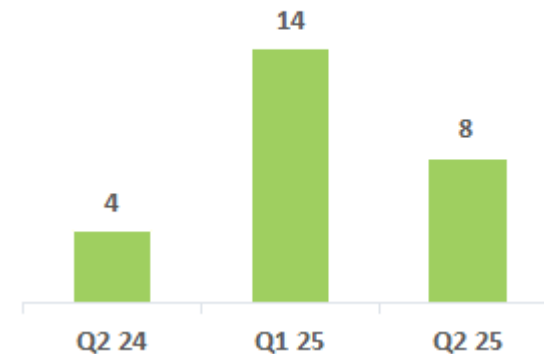


International Services: Revenue Insights

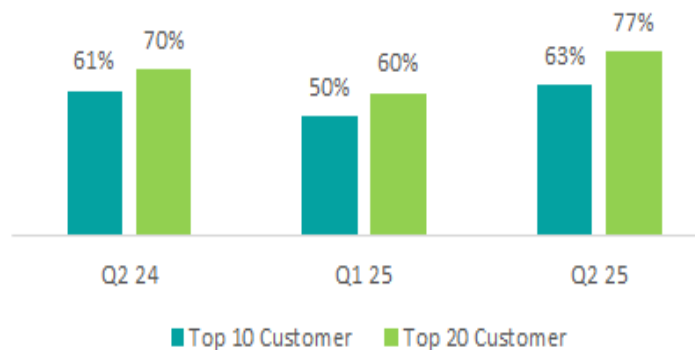
No. of \$ Million Customers



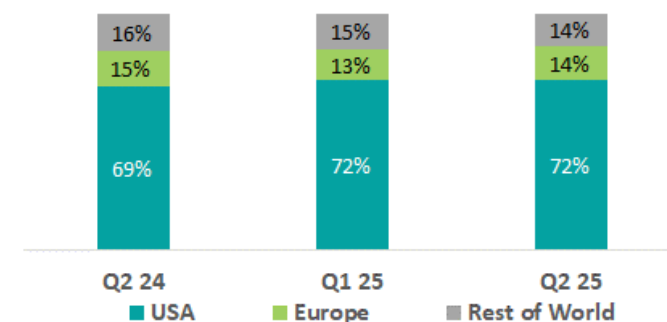
New Customers added



Client Concentration



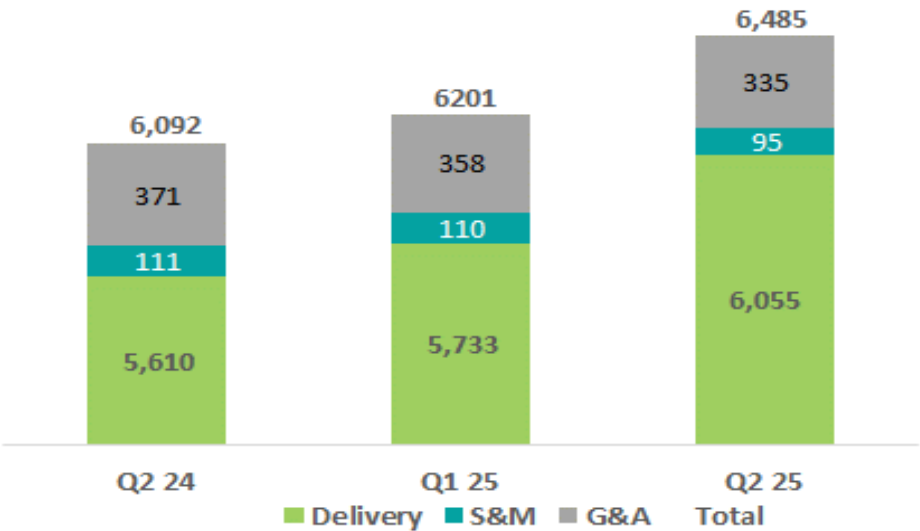
Revenue by Geography



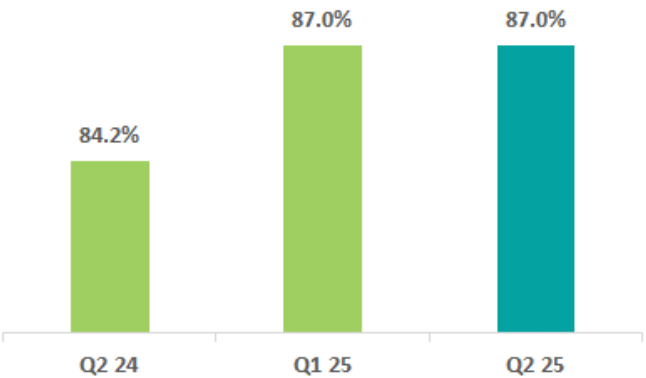
Including Quant

International Services: Operating Parameters

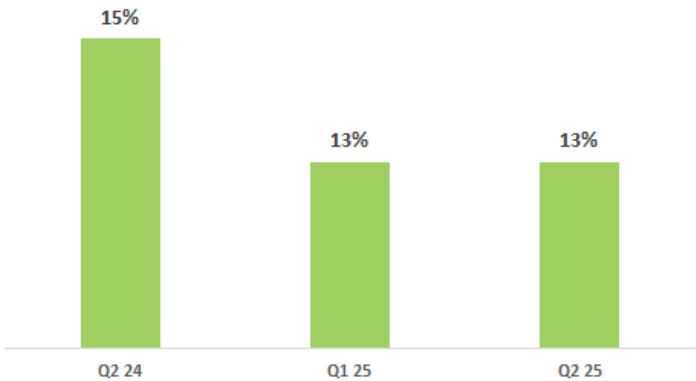
Headcount by Function



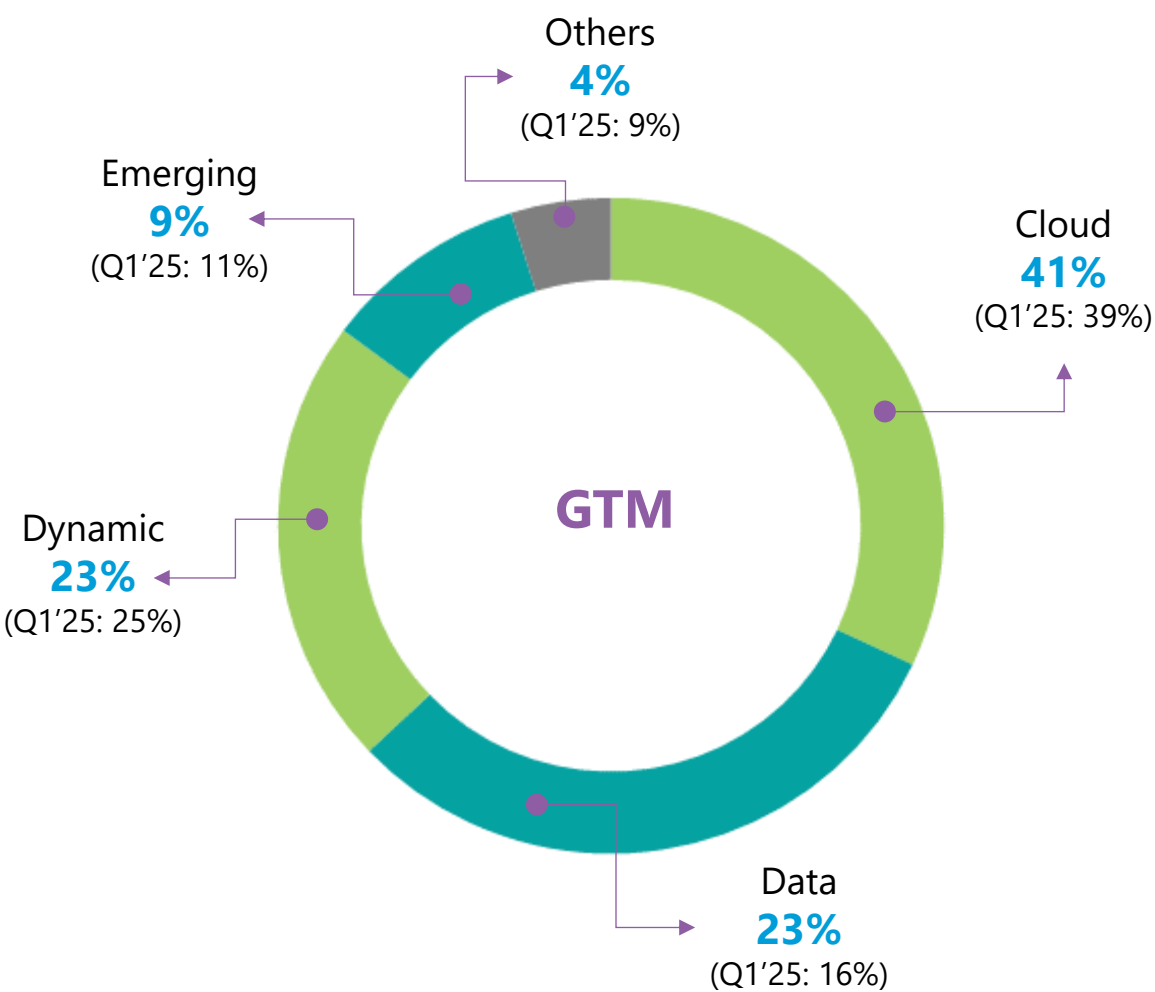
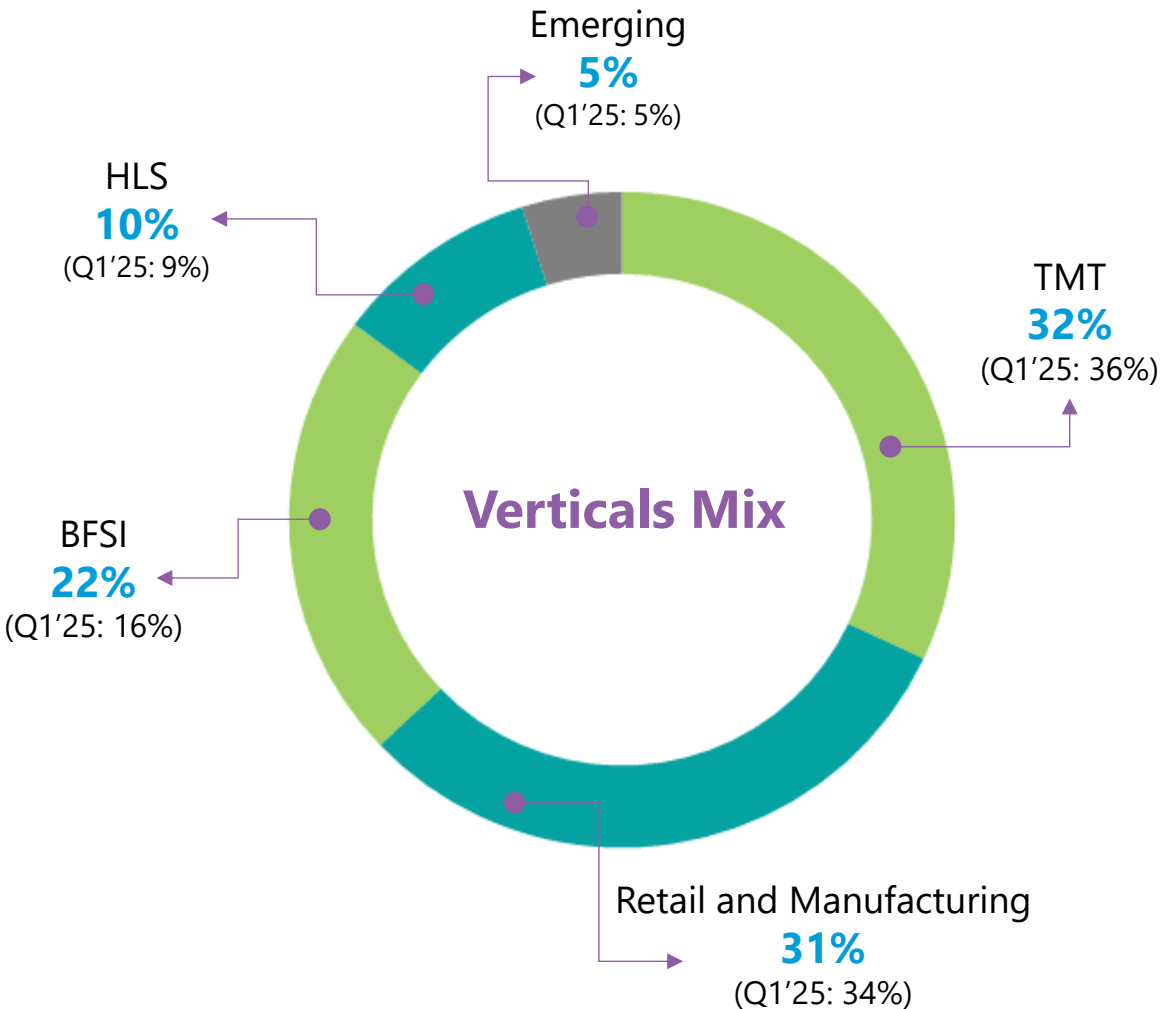
Utilization



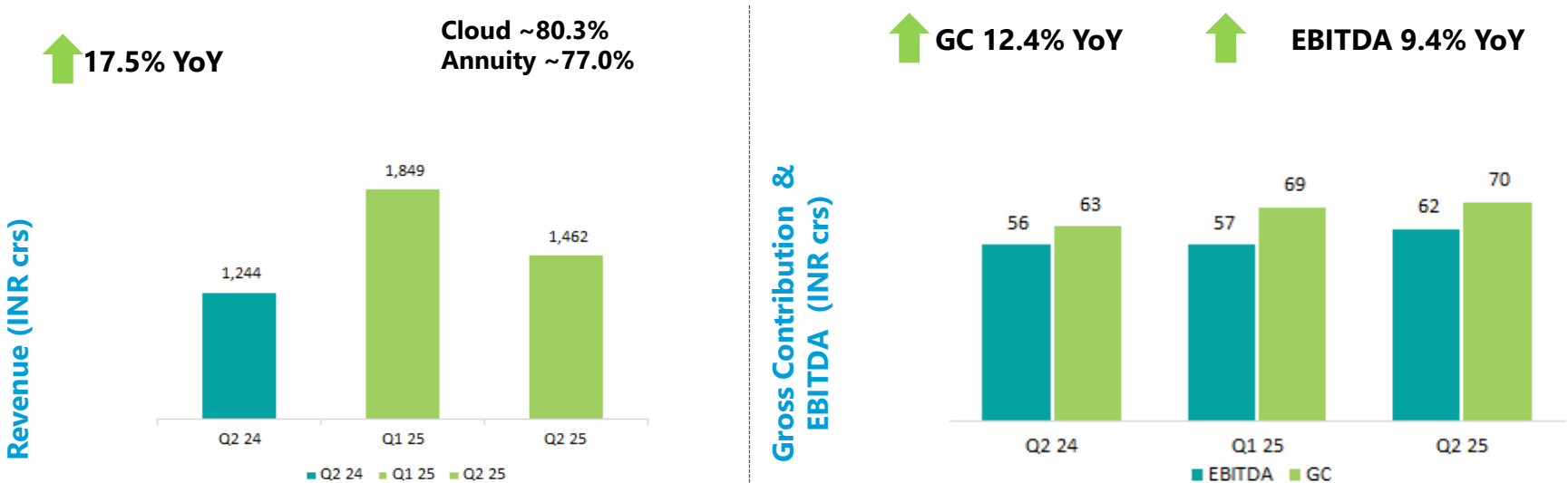
Attrition% (LTM)



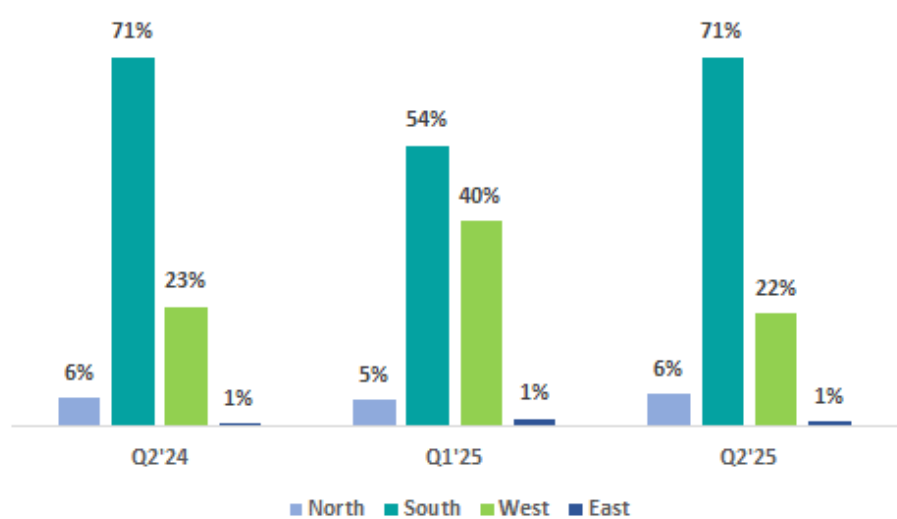
International Services: Q2 FY25 Revenue Composition



Financial Performance of Domestic Business—Q2FY25

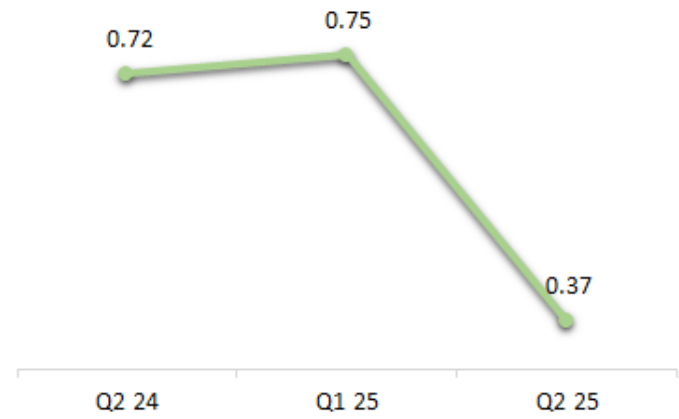


Revenue % by Region

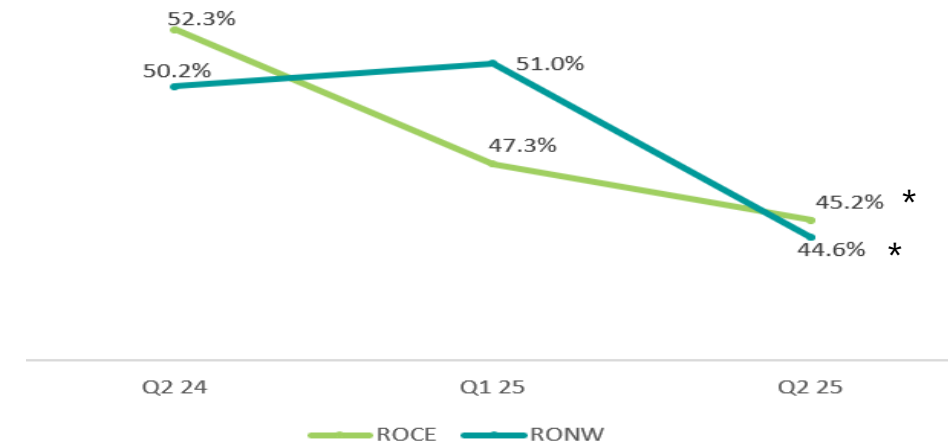


Domestic Business: Delivering consistently strong growth with Industry leading ROCE

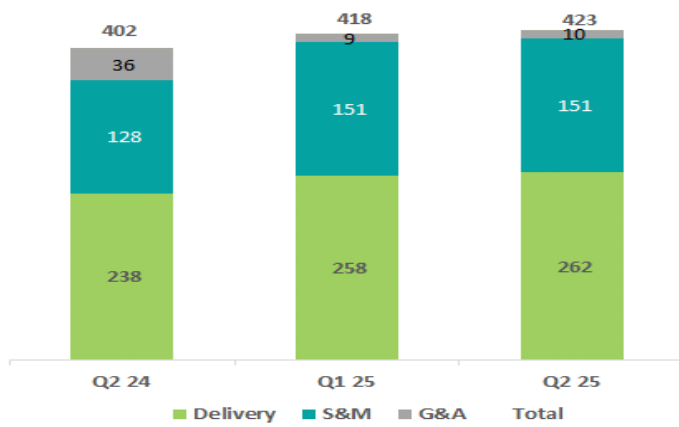
Net working Capital ÷ Gross Contribution



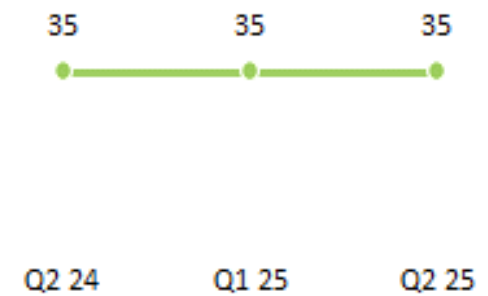
ROCE and RONW



Head Count



DSO



* After normalization of one timer of Dividend payout (As reported ROCE – 78.4% , RONW- 78.6%).

Stock Return of ~100%+ For Our Shareholders#



Total Return to Shareholders

	1 Yr	5 Yrs
Stock Price Return %**	19%	408%
Div Yield	1%	5%

* Till 30th Sept 2024

Market Data

NSE Symbol	SONATSOFTW
Market Cap**	\$ 2.1B

* 1 USD = INR 83.89

** as on 30th Sept 24

From April'22 to Sept'24



THANK YOU

The fastest growing firm in IT Services in the
next 3-4 years

www.sonata-software.com



WE ARE A
**MODERNIZATION
ENGINEERING
COMPANY**

