



SONATA SOFTWARE LIMITED

4<sup>th</sup> 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](mailto: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](mailto: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 31<sup>st</sup> December, 2020.

The above said presentation is also made available on the Company's website [www.sonata-software.com](http://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**

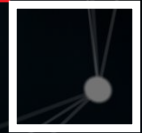
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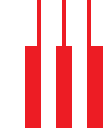


Sonata Software

# Investor Presentation

Q3 2021





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



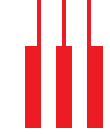
## **For the Community**

CSR initiatives to support IT needs  
of projects with Social impact

# Sonata – Corporate Entity

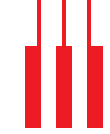
<b>The Company</b>	<b>30+ YEARS</b> as a IT Solutions Provider	<b>\$427+ M REVENUE</b> 15% 3 Yr. CAGR	<b>4000+ TEAM</b> across US, EU, Asia & ANZ	<b>SEI CMMI L5, ITIL &amp; ISO</b> certified
<b>Industry Focus</b>	<b>CPG , distbn,&amp; MFG</b> Consumer Goods, Industrial Goods, Wholesale	<b>RETAIL</b> Apparel, Hard Goods, Grocery, Hypermarket	<b>TRAVEL</b> TO, OTA, Airline, Rail, Hotel, Cruise	<b>SOFTWARE VENDORS</b> ERP, SCM, Retail, Travel
<b>Competencies</b>	<b>DIGITAL</b> Platform engineering, cloud modernization, data analytics and ai,	<b>Modern APPLICATION LIFECYCLE SOLUTIONS</b> Devops, rpa, automated validation ,cloud management	<b>PLATFORM IP</b> Brick & Click Retail, Rezopia Digital Travel, Modern Distribution	<b>TECHNOLOGY INFRASTRUCTURE SOLUTIONS</b> Software, Cloud, Server & Storage, Systems Integration
<b>Credentials</b>	<b>CUSTOMERS</b> Global fortune 500 companies sustained relationships over 15 years	<b>TECHNOLOGY</b> Microsoft full stack,MS dynamics , AWS,GCP Open Source,	<b>Strategic acquisitions and investments</b> Ibis, halosys, rezopia, sopris, scalable, gbw	<b>FINANCIAL</b> 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**



# 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



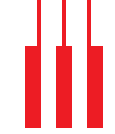
# Vertical Focus

- 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

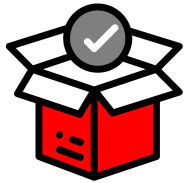


# What is different about Platformation™ as a tool for Digital Transformation

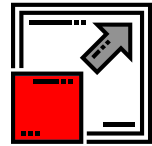
- Sonata's structured process for Platformation comprises the following :
- Digital Business Process Library & Identification
- CDAT based approach
- Platform Maturity Assessment ( Separate Business & Technology maturity assessment )
- Marchitecture™ aligned to CDAT
- Platform Characteristic Requirements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



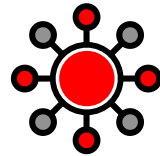
## Platforms - the secret behind the digital economy's most successful companies



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

# Global Full Stack Microsoft Partner aligned to the Digital Transformation vision

**25 Years**

**MICROSOFT PARTNER**

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

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

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

**DIGITAL TRANSFORMATION for**

Retail, Consumer goods, Distribution, Commodity Trading, 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 & IBIS Inc  
Investment in Retail 10X

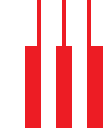
**2500+ TEAM**

On Microsoft Technologies with 1200 + on Microsoft Biz Apps

**Clients**

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

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

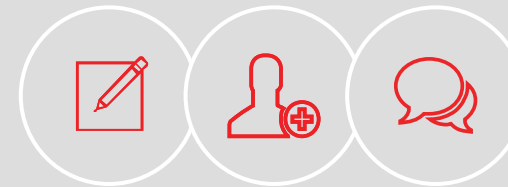


# Delivering value through our **innovative engagement models**



## 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**



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

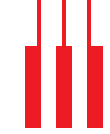
“ We need to take a pause and appreciate the drive and determination we have seen from every player on what is a complex effort and delivery. We commend you all for your effort...keep up the good work! ”

Director – Platform Systems, US Travel Leader



# Financials





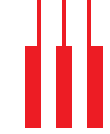
# Strong Execution

## International Services

- Growth from existing clients
- Acquiring new clients
- Strong growth in new clients
- Alliance led growth
- IP led growth
- Platformation™ 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

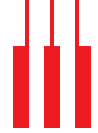
- Strong Customer Retention
- Established Customer Base
- Multi year annuity sales ensure revenue continuity & growth
- Very strong credit and risk management
- Strategic shift towards cloud .
- Addition of new strategic business lines for expansion
- Business managed on gross margin growth hence profitability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



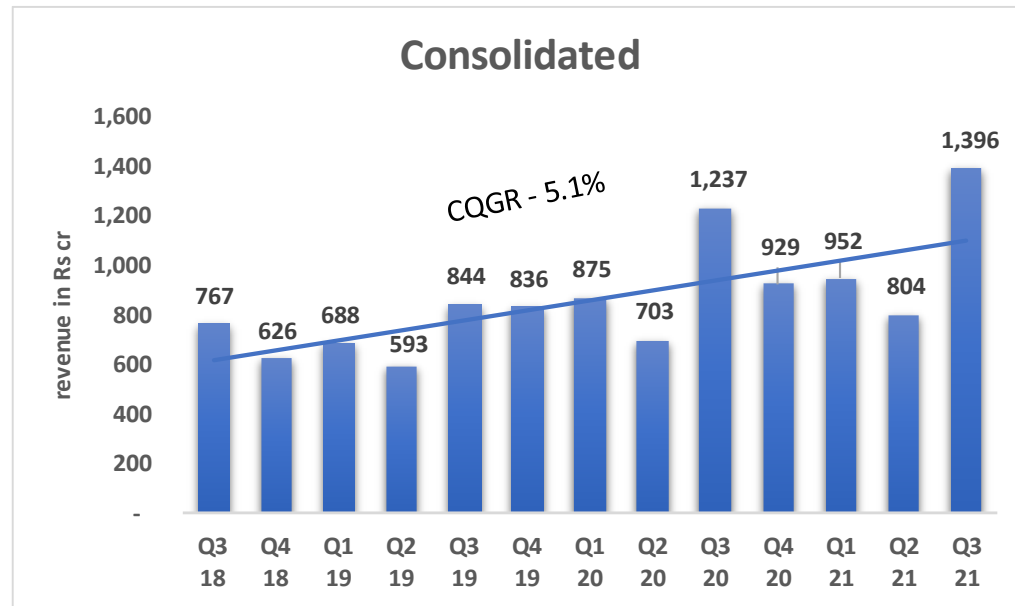
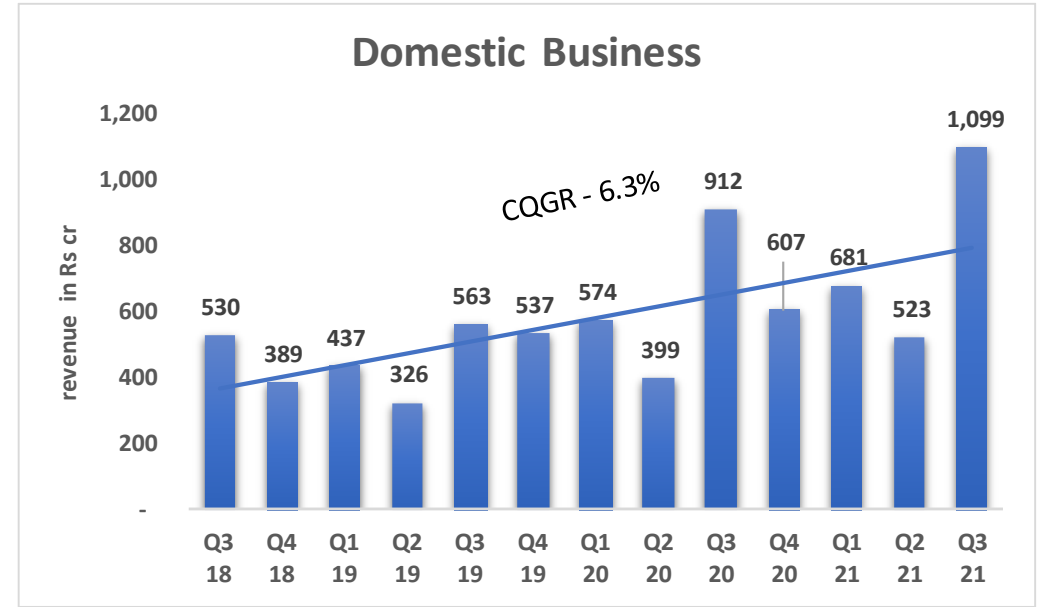
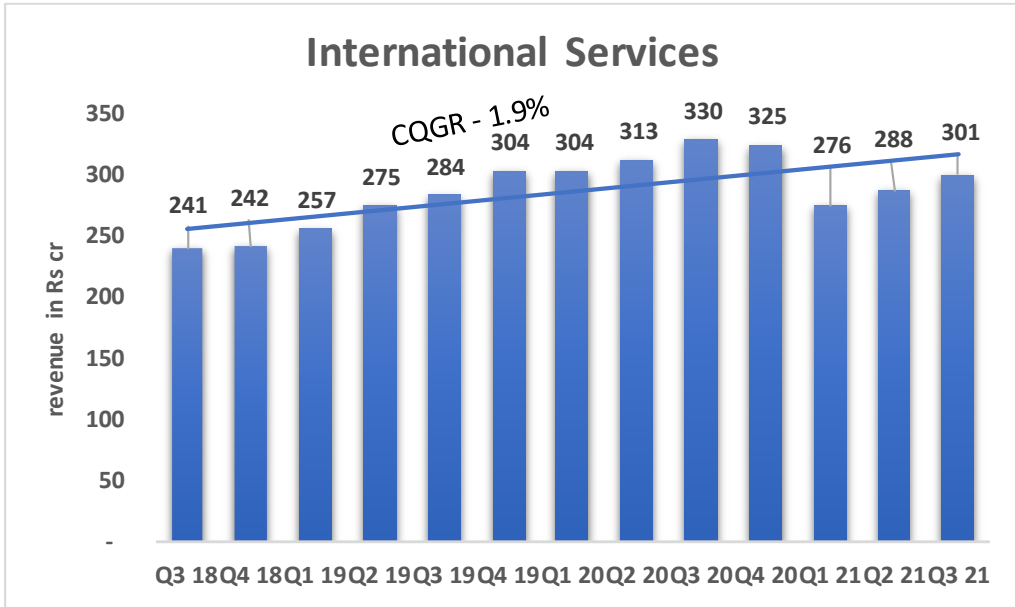
# Financial Management

- Focus on ROCE and RONW
- Focus on margins
- Focus on Reduction of DSO days
- Focus on strong cash management
- Sound capital allocation

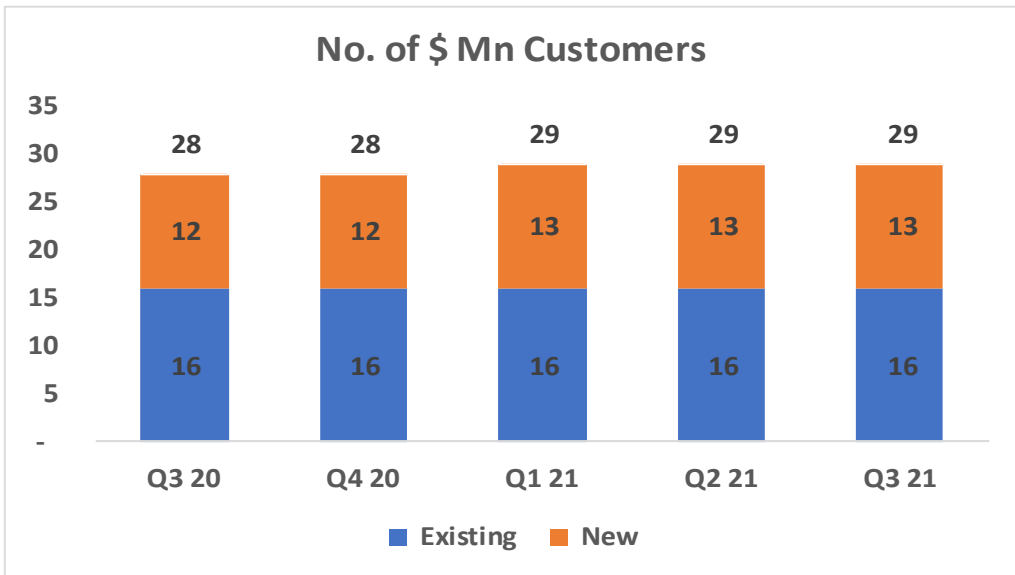
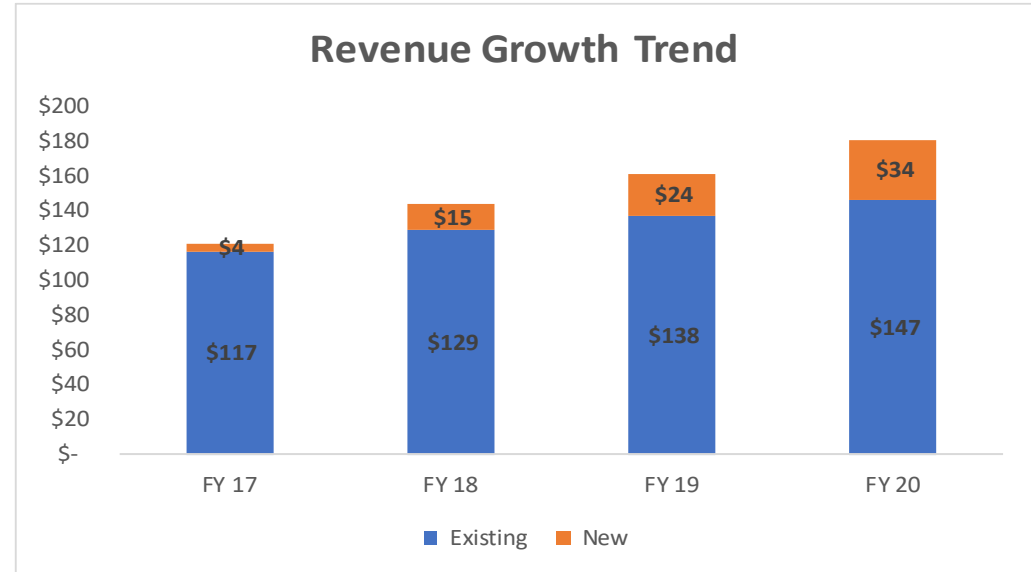
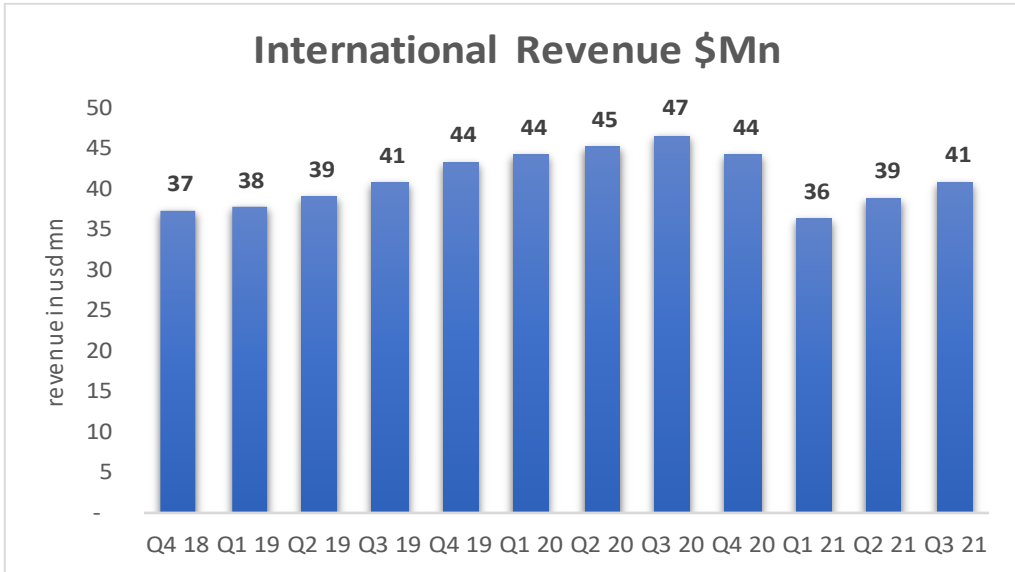




# Revenue – last 12 Quarters

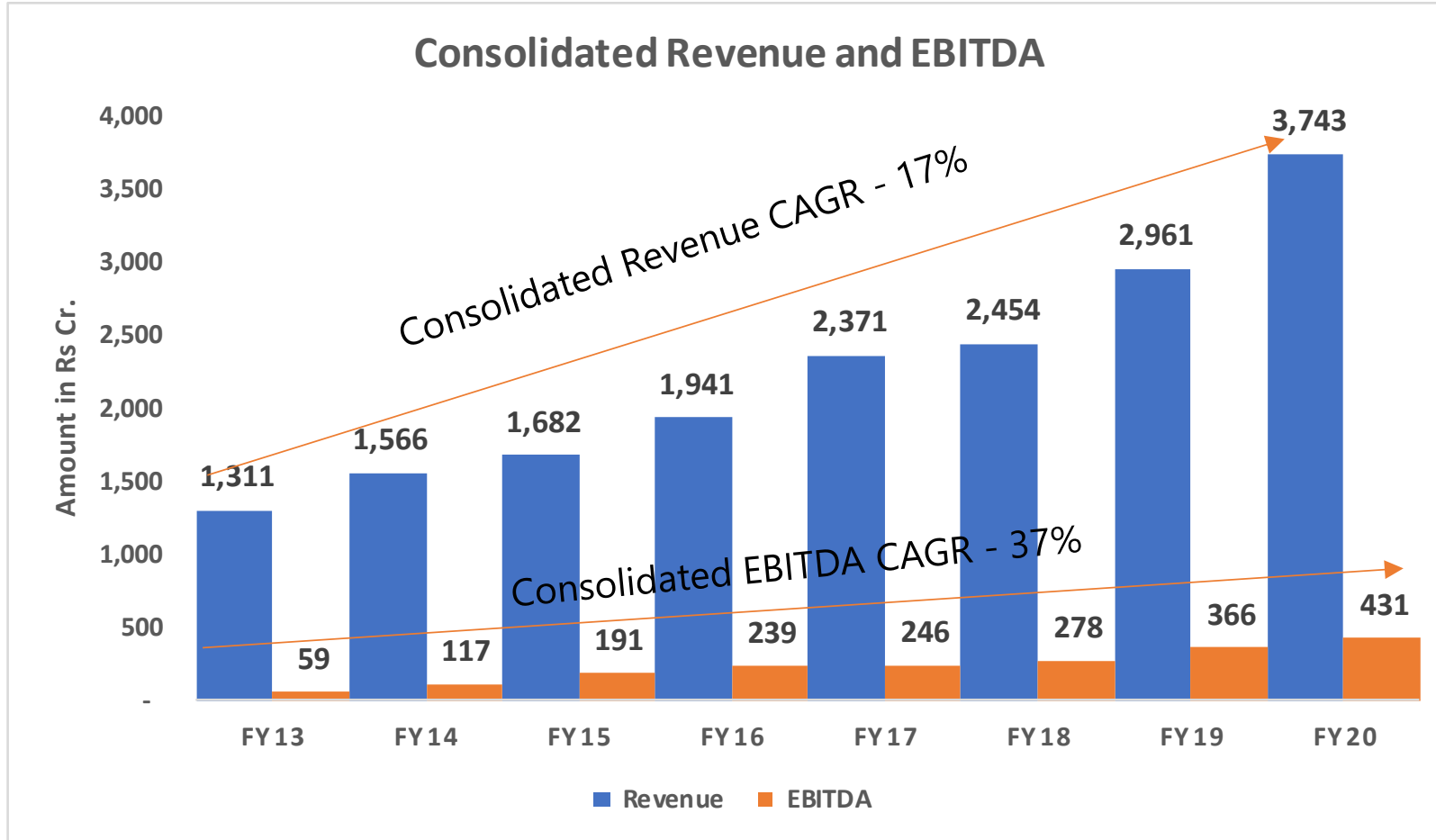


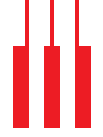
# International Business Revenue Growth



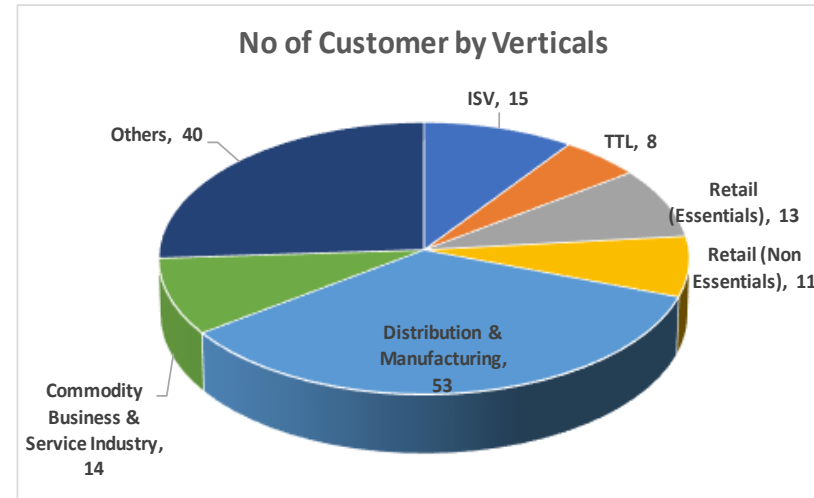
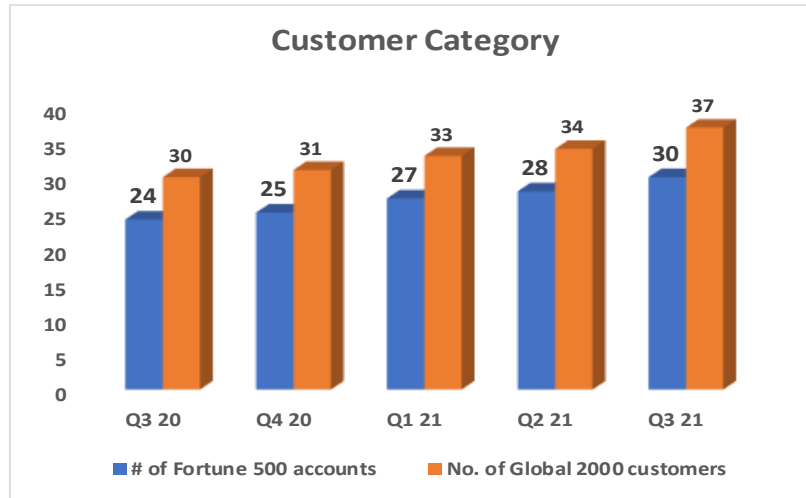
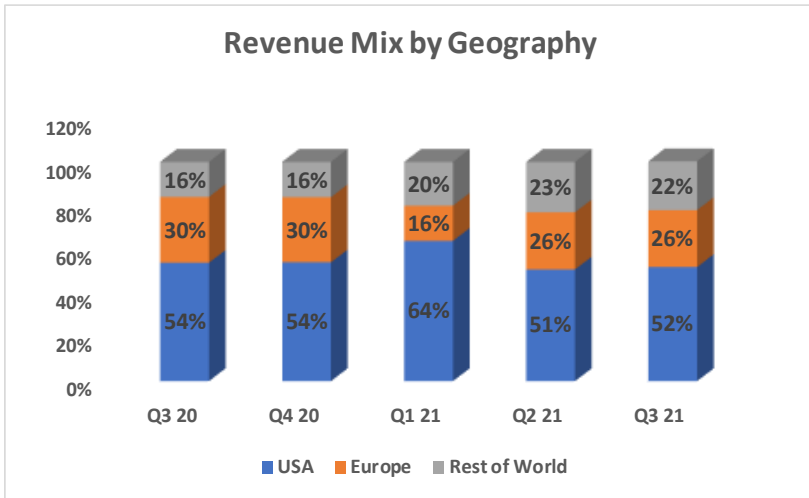
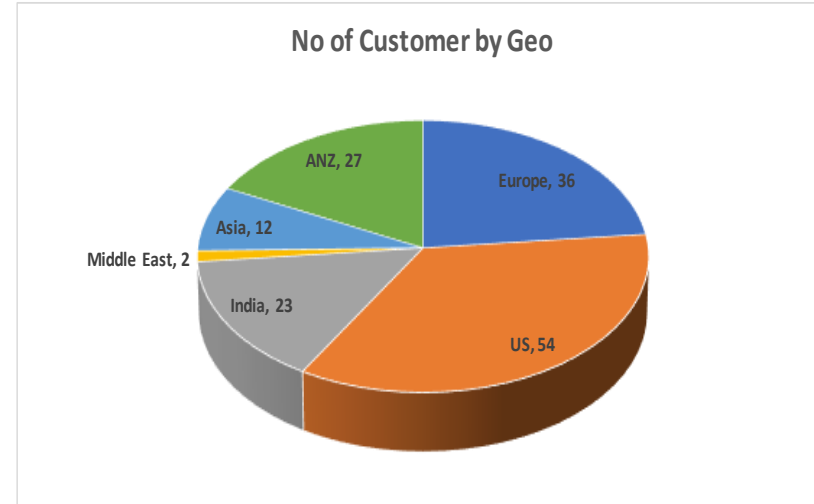
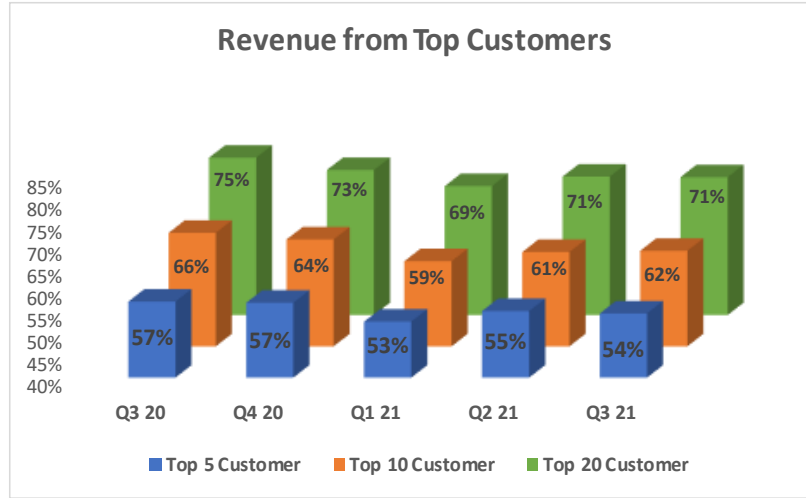
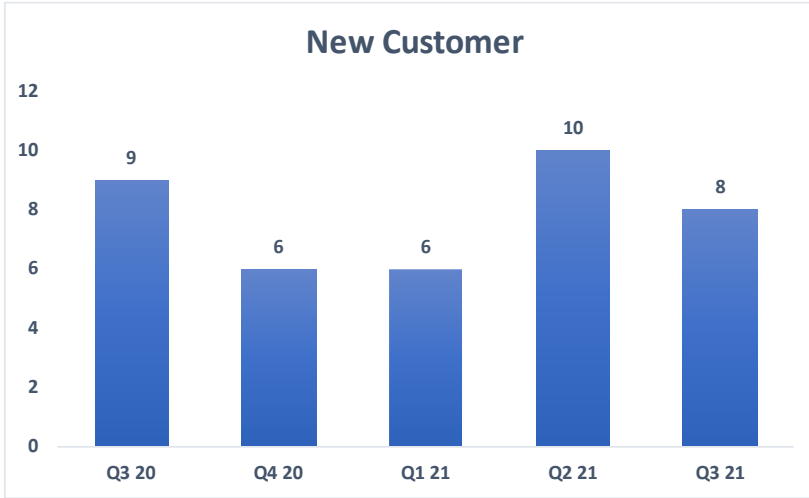
Strong growth in revenue from new customer additions added in last 3 years

# Consistent Growth Over Last 8yrs



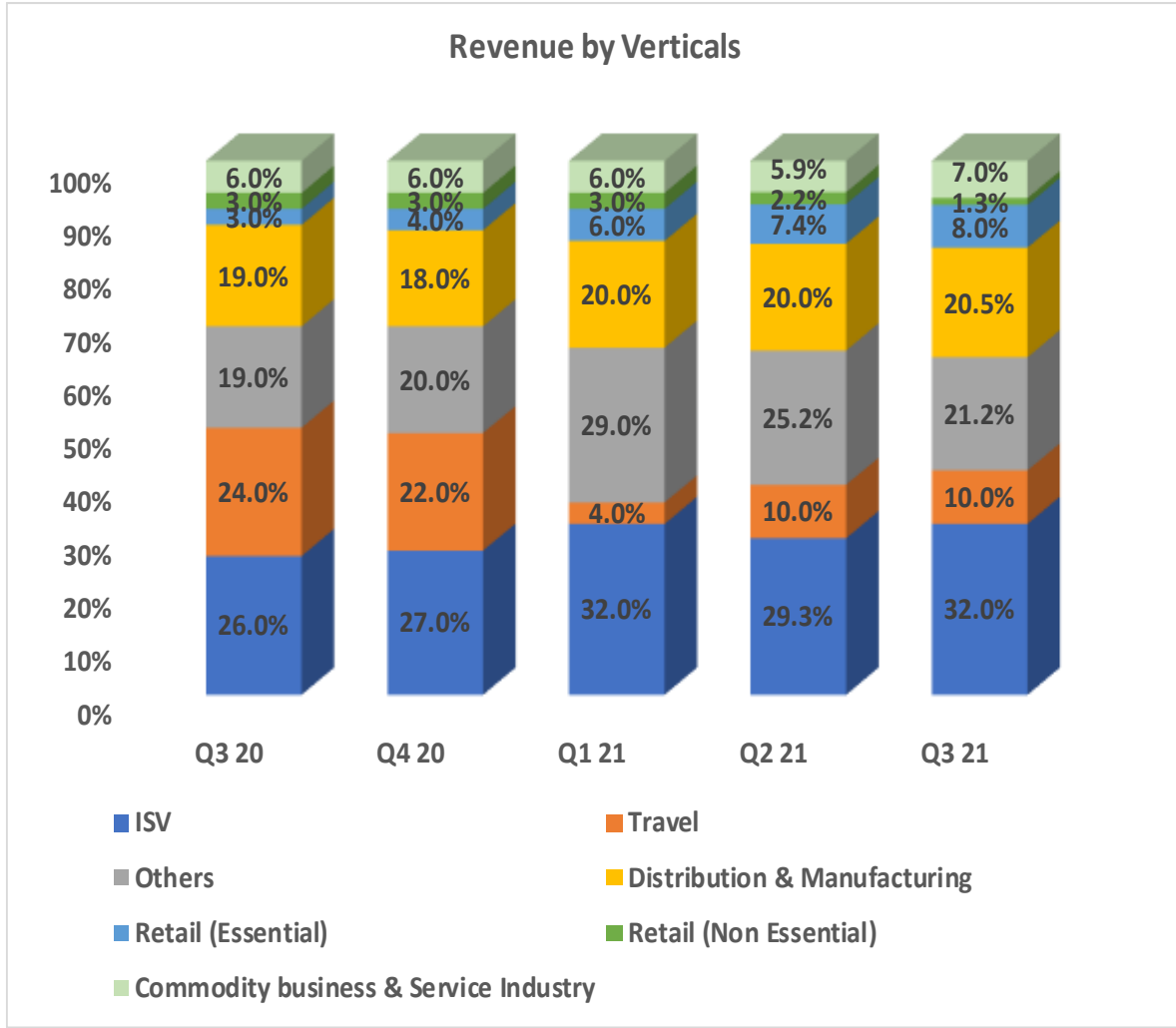


# International IT services – Revenue by Customers

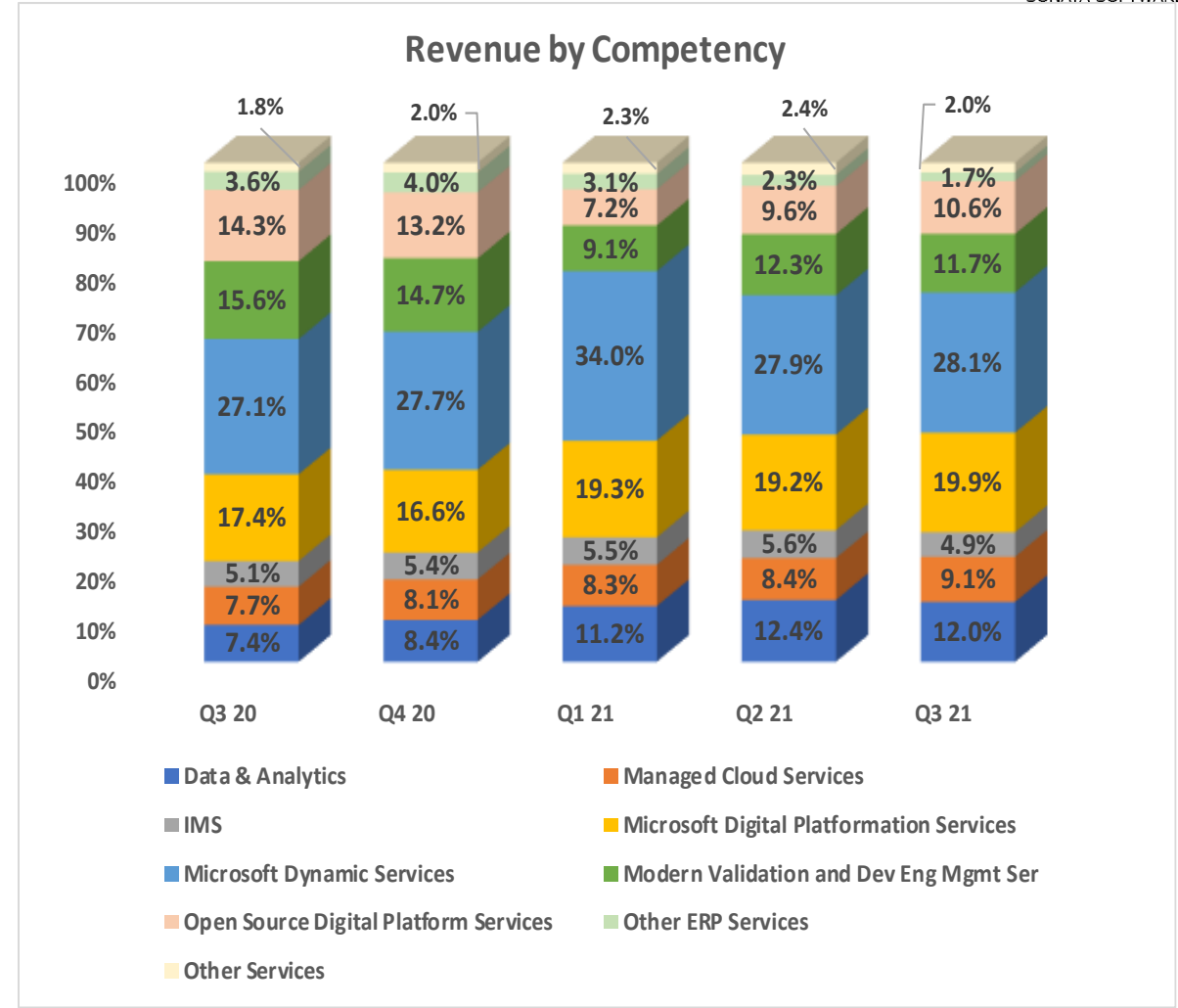


QoQ revenue growth in all geographies.  
 USA 7.1% QoQ growth ; Europe 4.9% QoQ growth ; Rest of World 1.4 % QoQ growth.

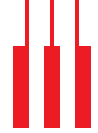
# Revenue - High end Service Mix and Vertical Mix



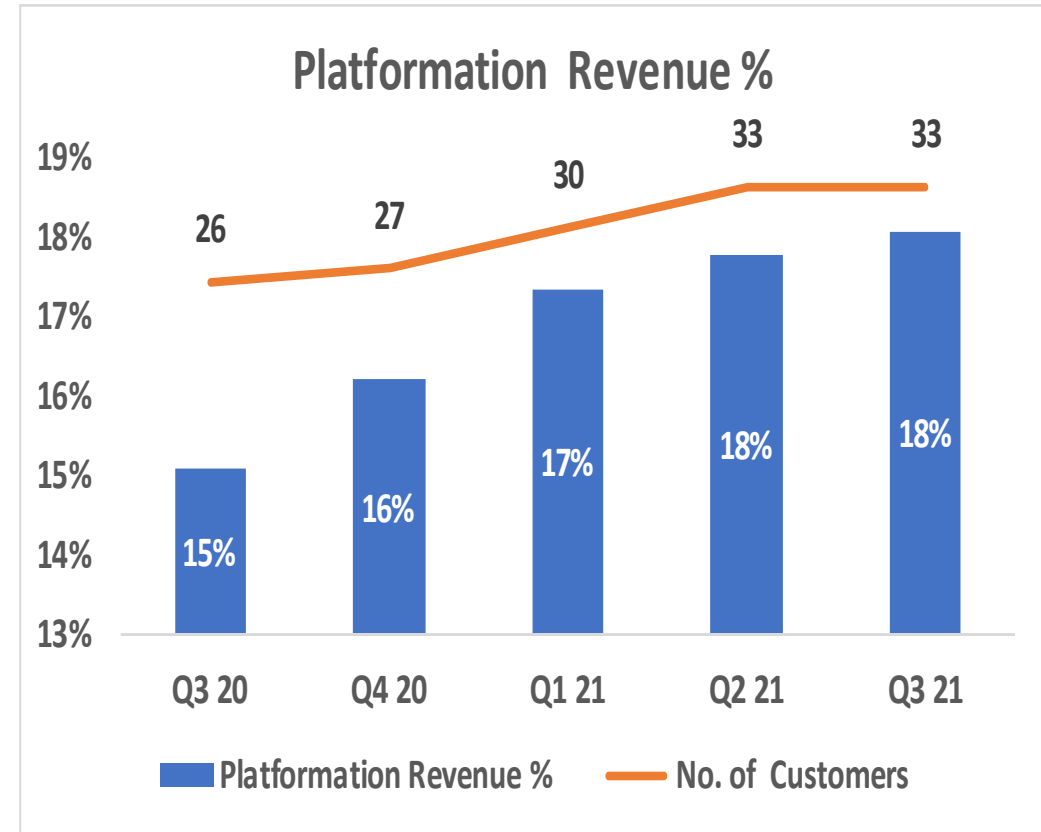
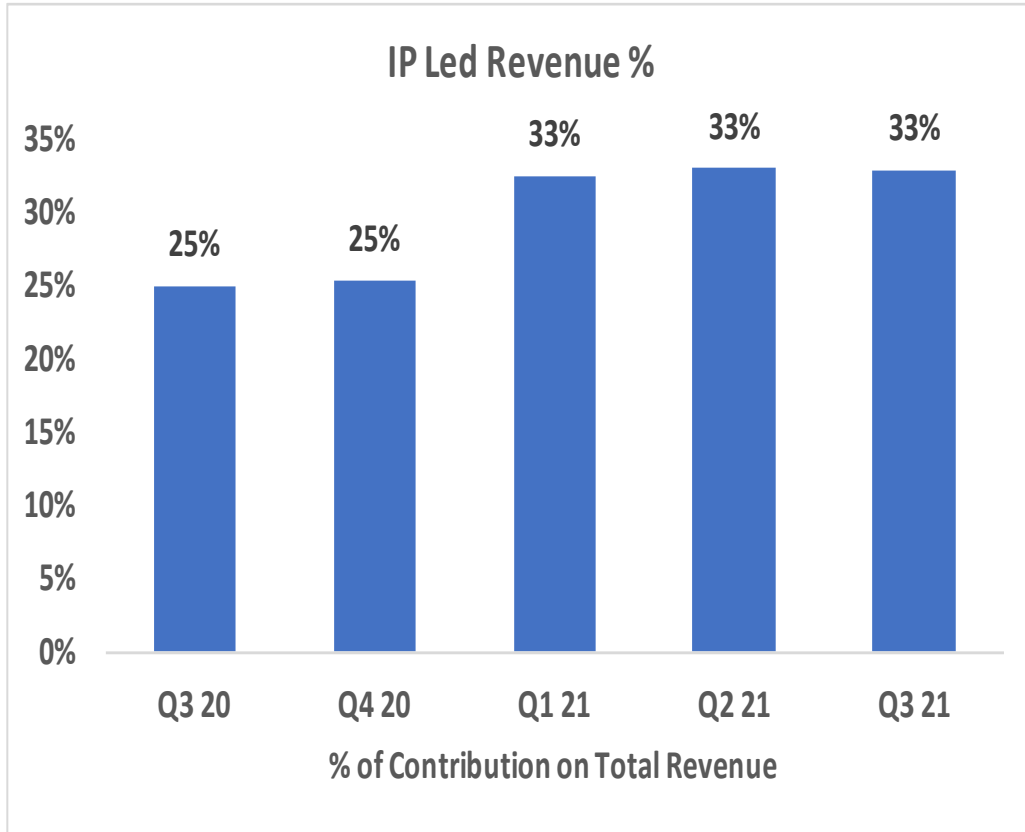
Growth from focussed verticals  
 ISV – 14.4% QoQ growth , Retail(Essential) – 13.5%  
 Commodity business & service industry – 24.4%



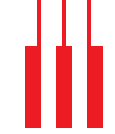
Growth from Digital competencies



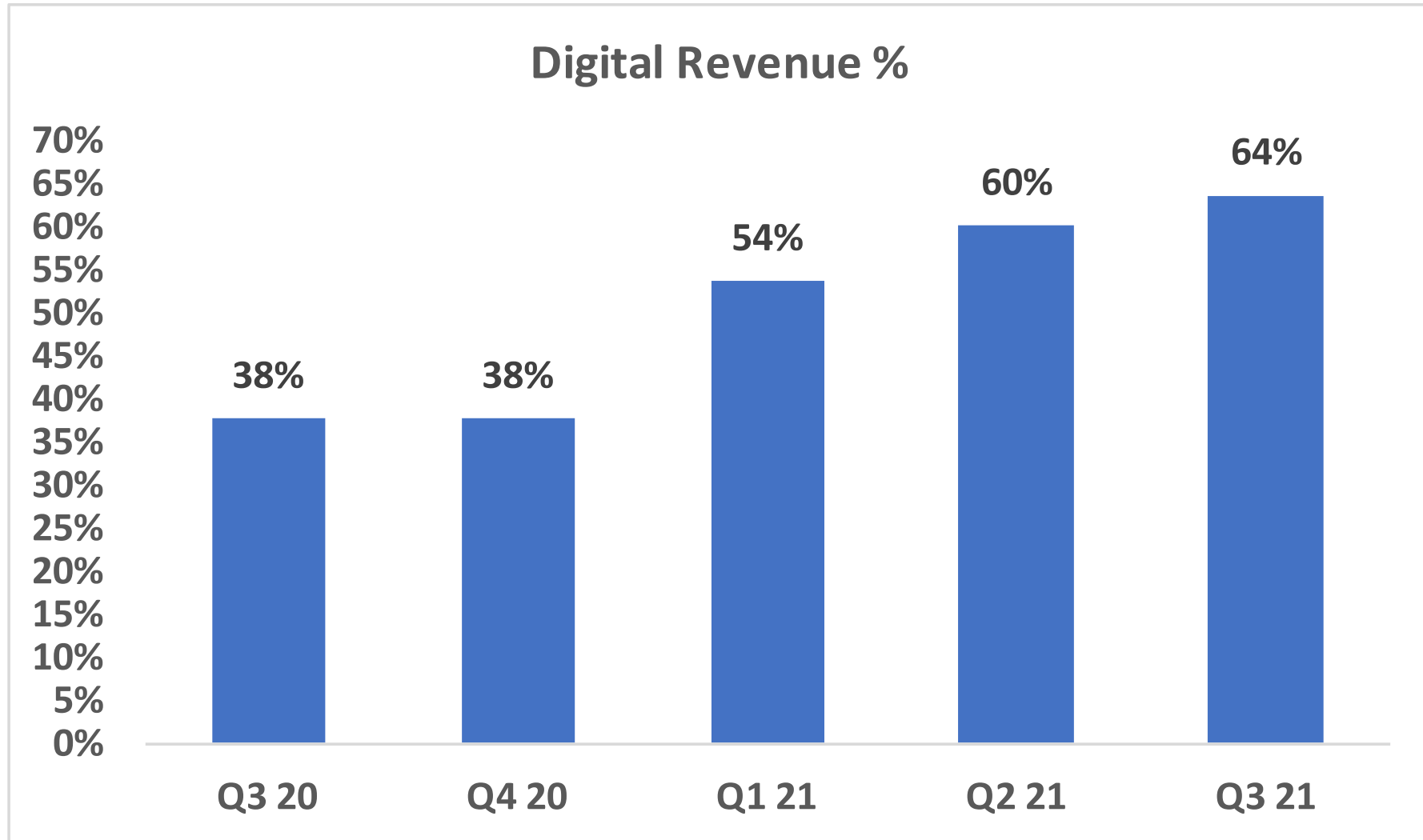
# Platformation™ and IP Led Revenue



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

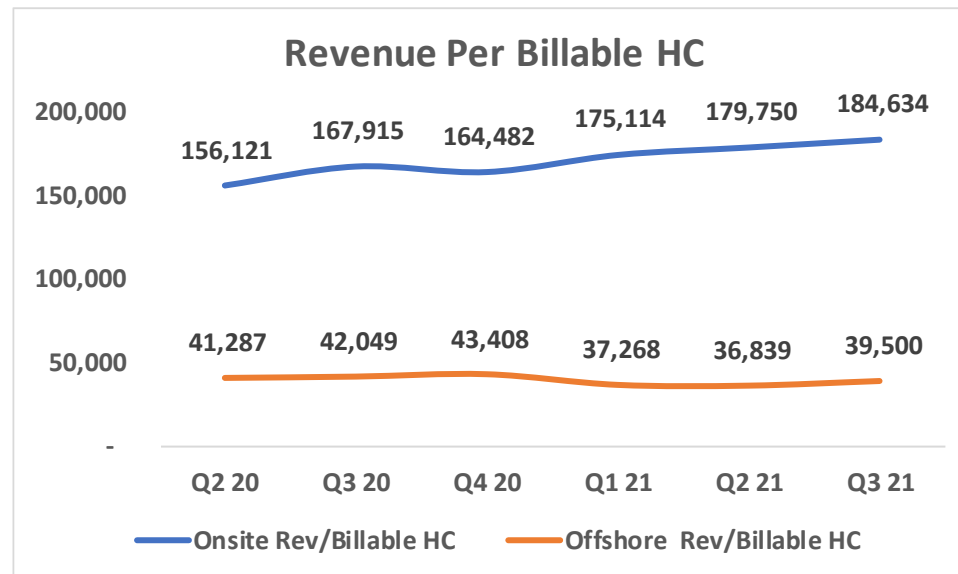
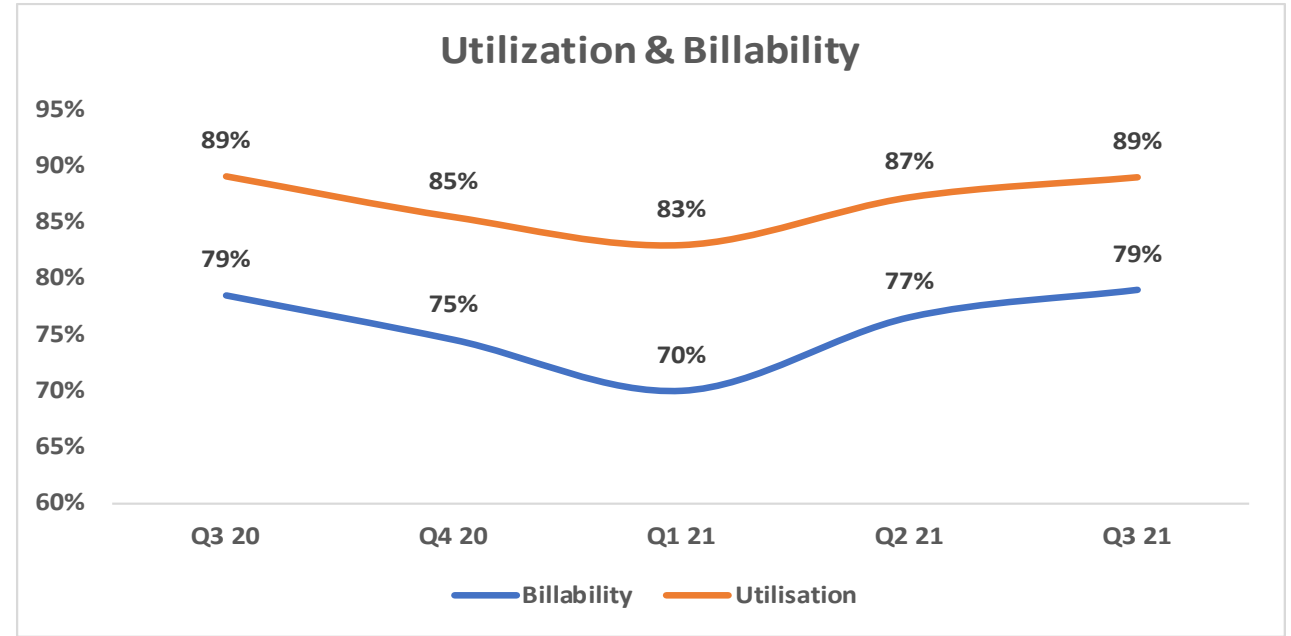
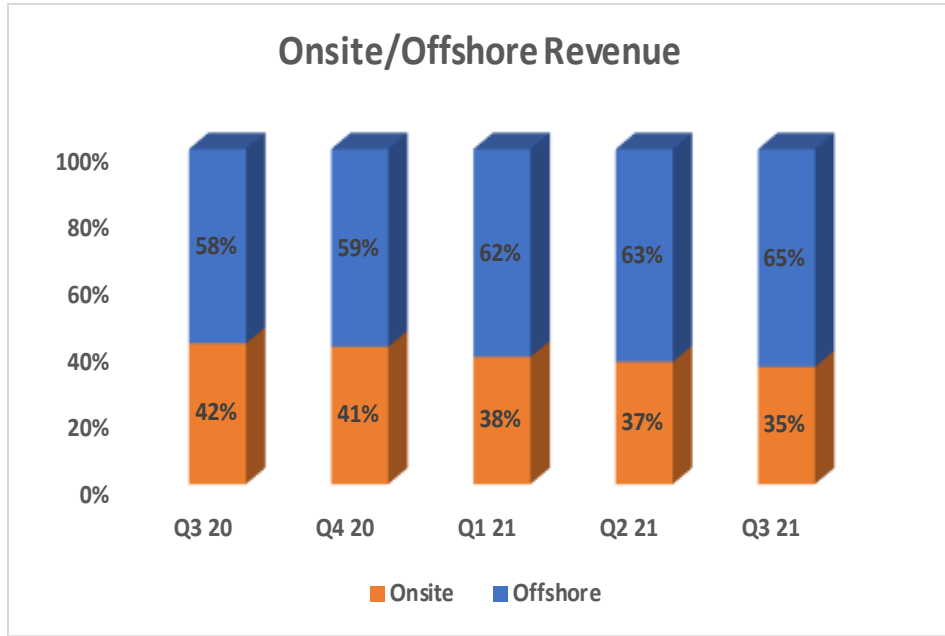


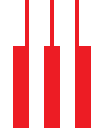
# Digital Revenue



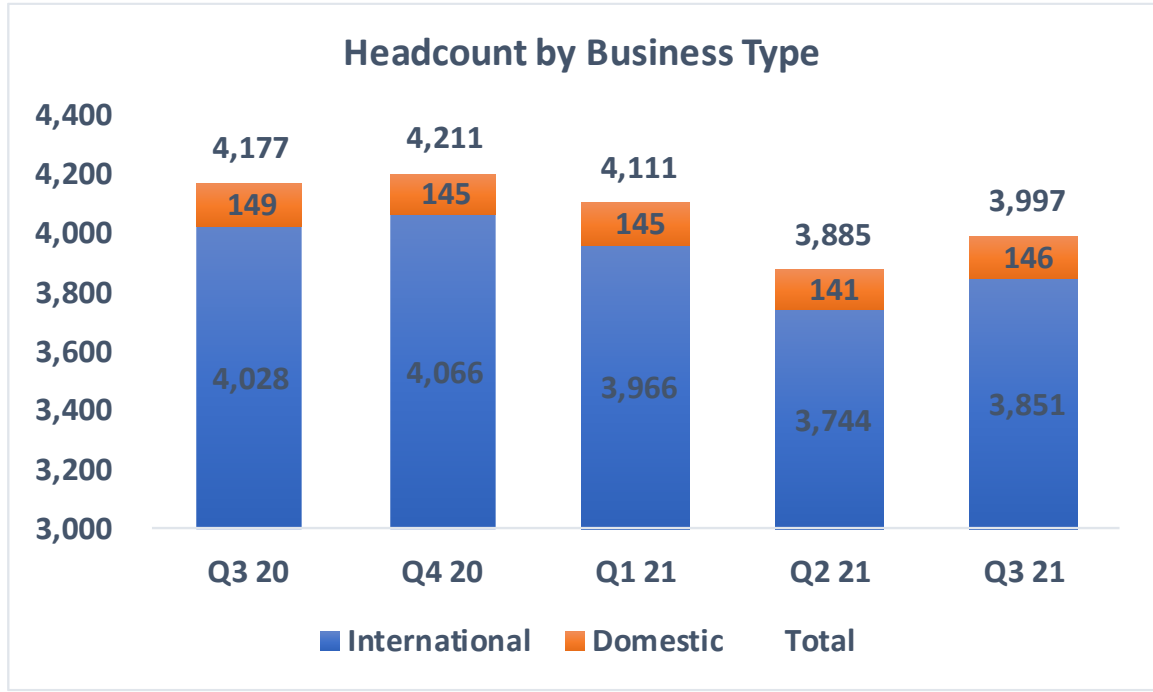
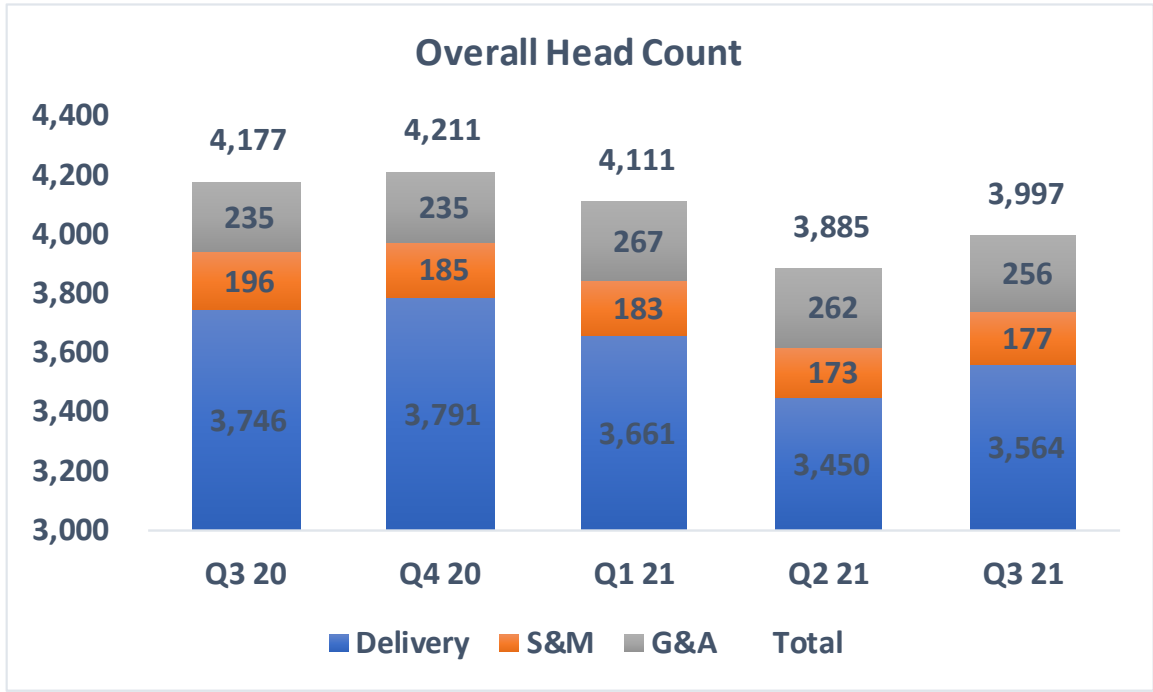


# International Business - Revenue Enablers



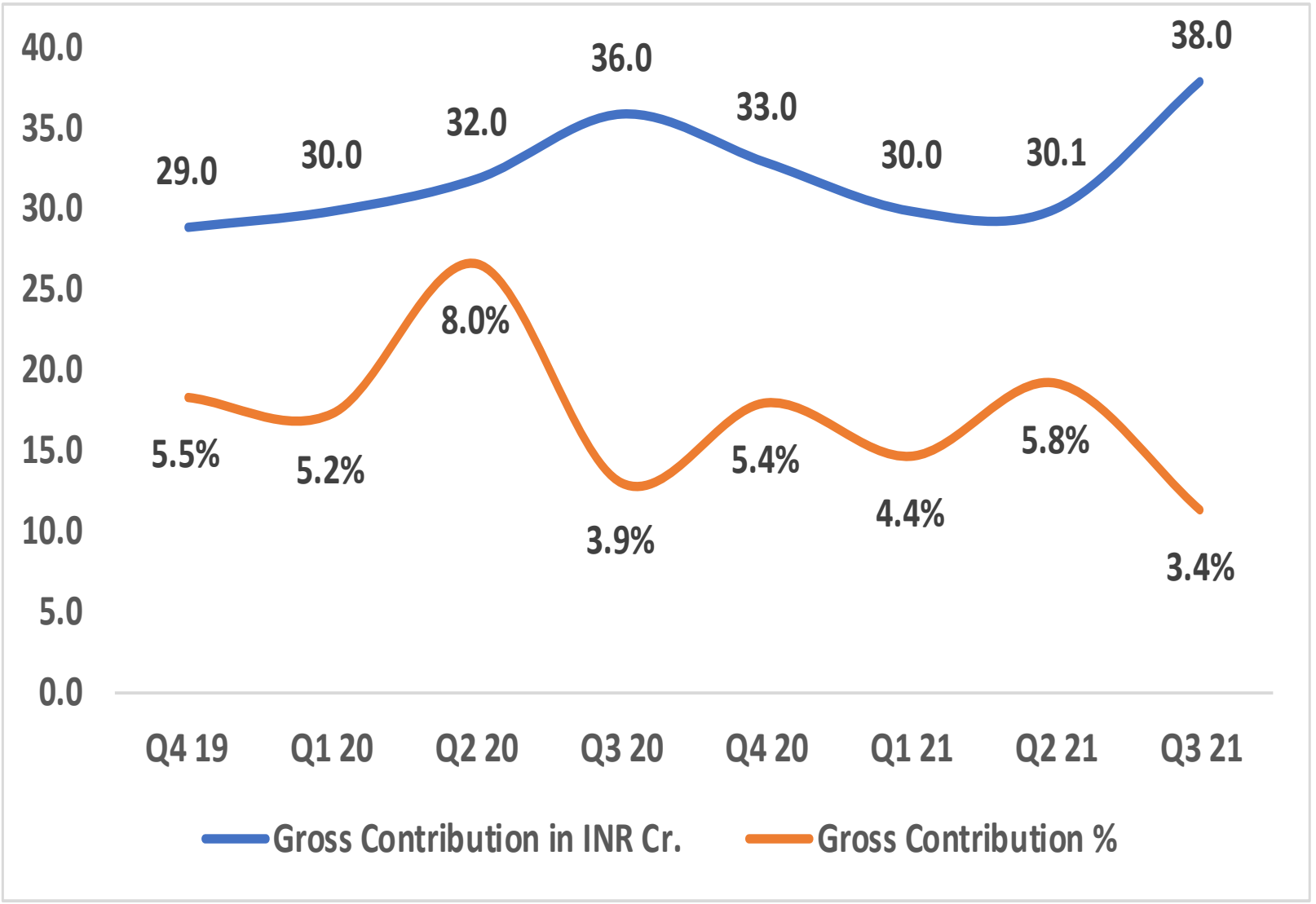


# Human Capital

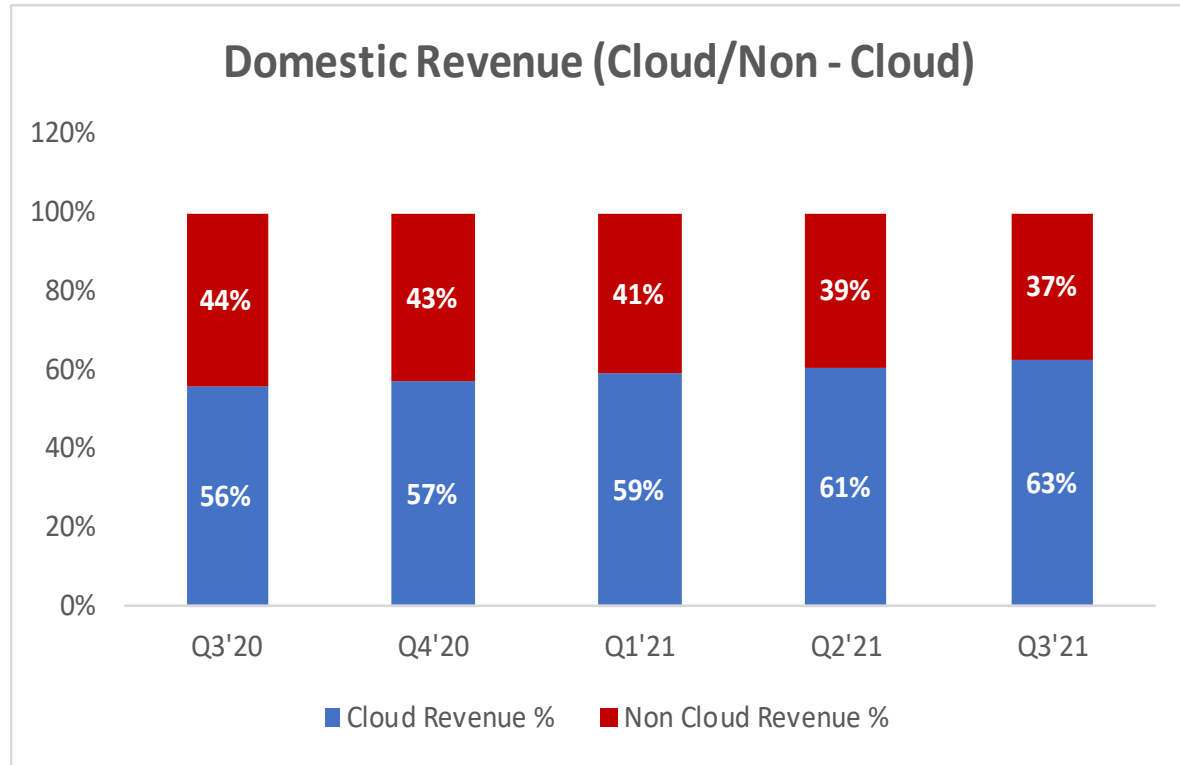
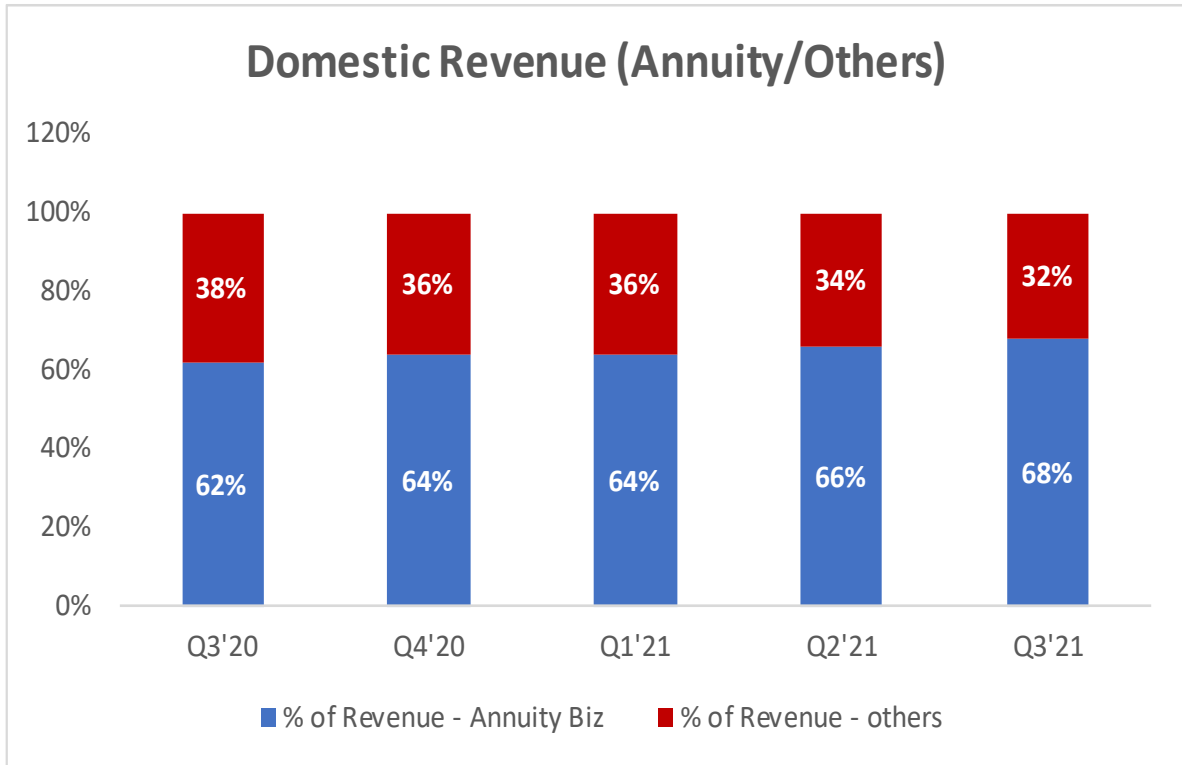




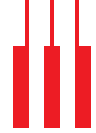
# Domestic Business - Gross Contribution



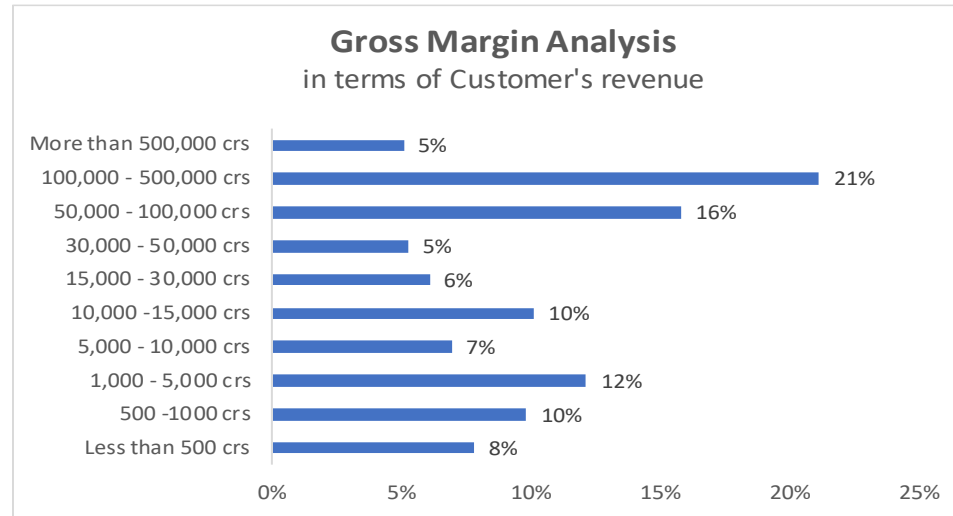
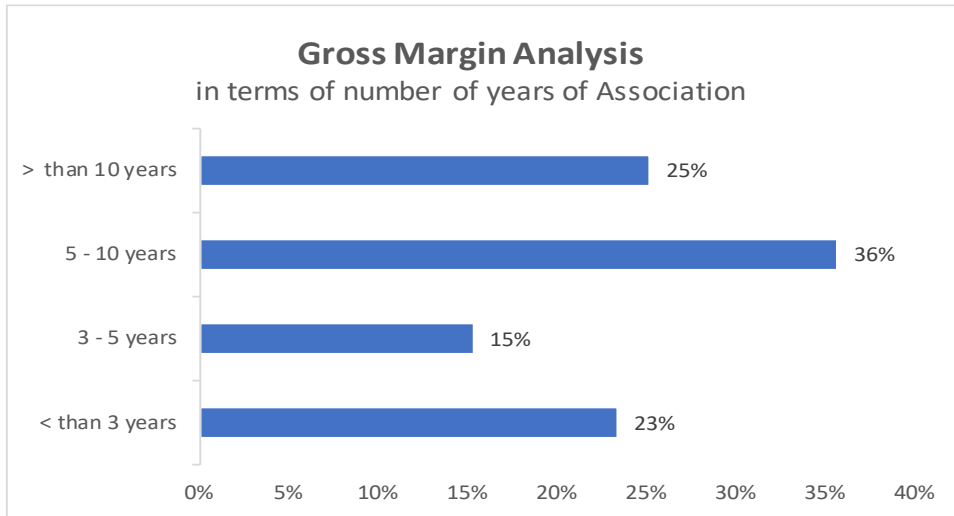
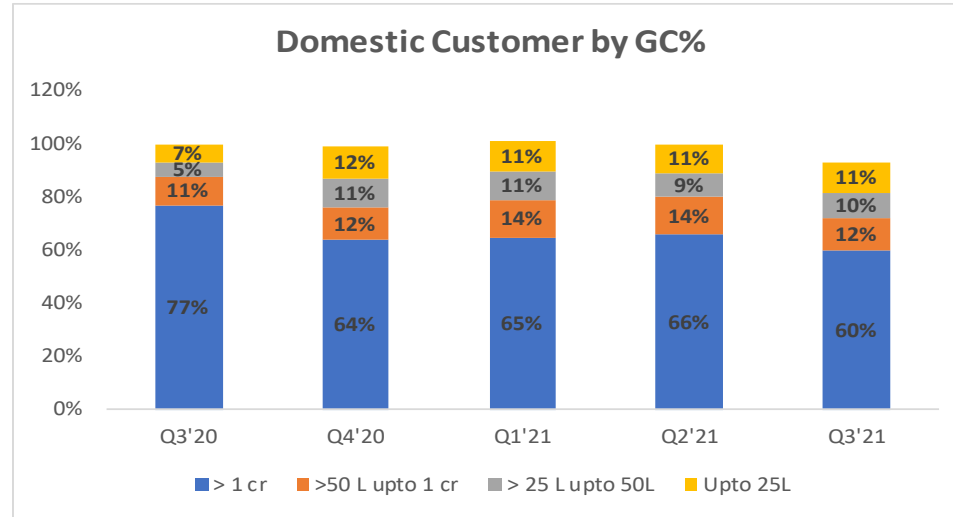
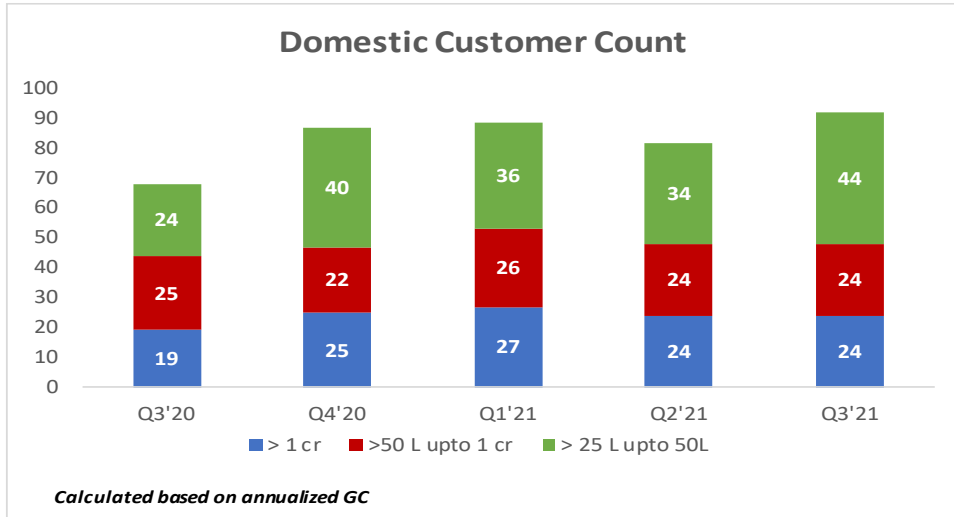
# Domestic Business - Revenue



Domestic business major revenue contribution from multi year annuity enterprise sales  
Steady growth in cloud business



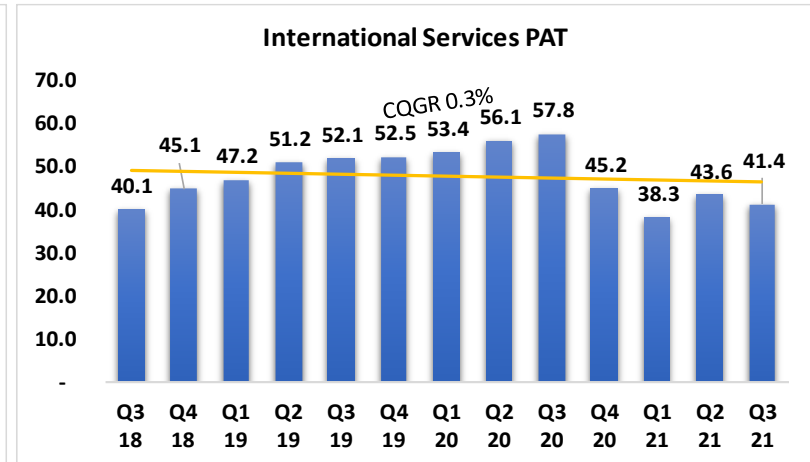
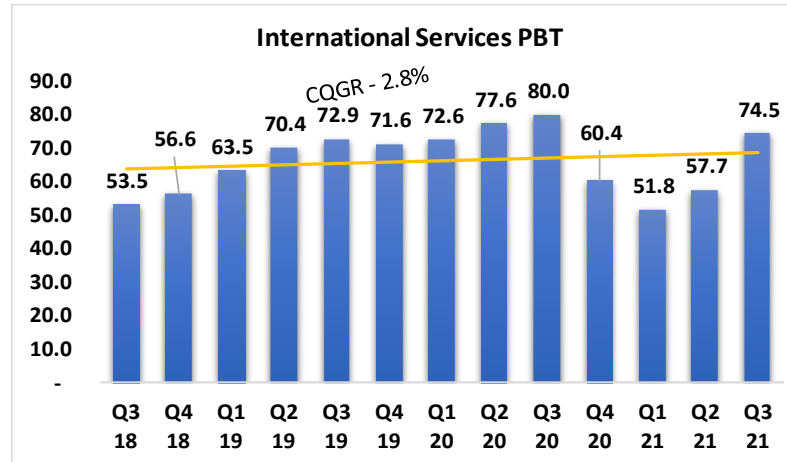
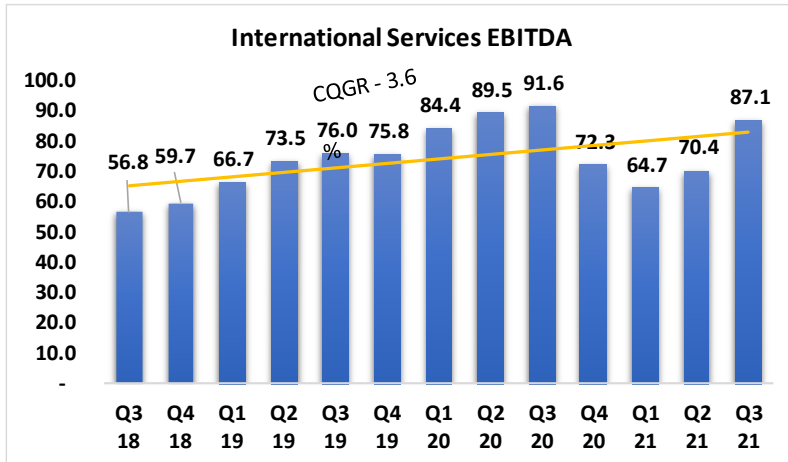
# Domestic Business - Gross margin Analysis by customers



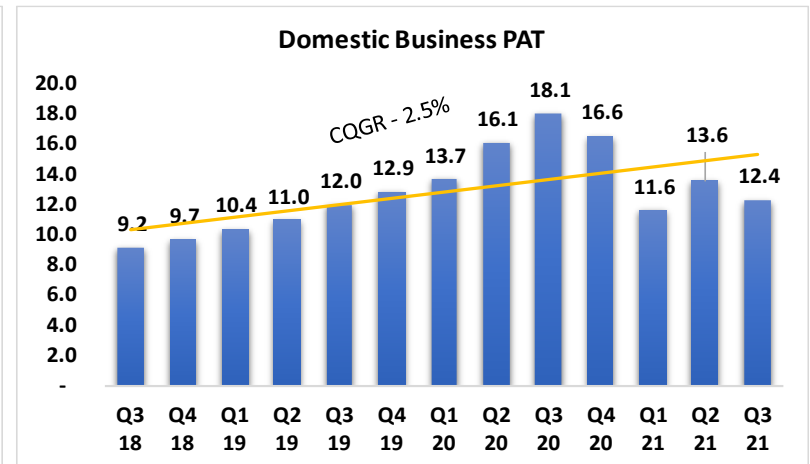
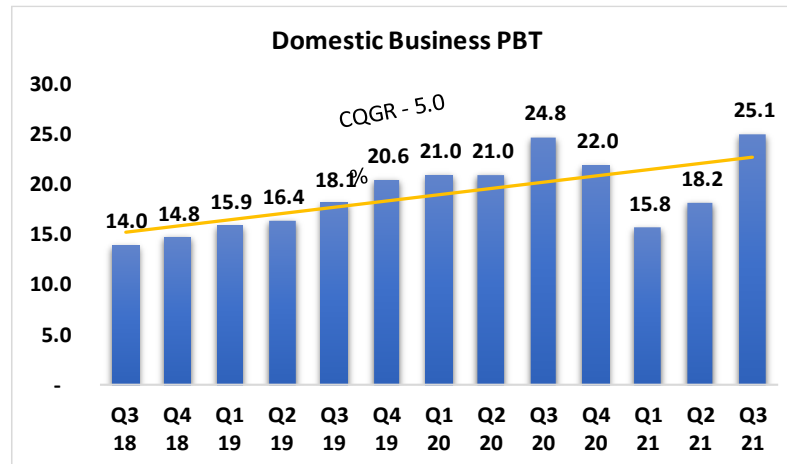
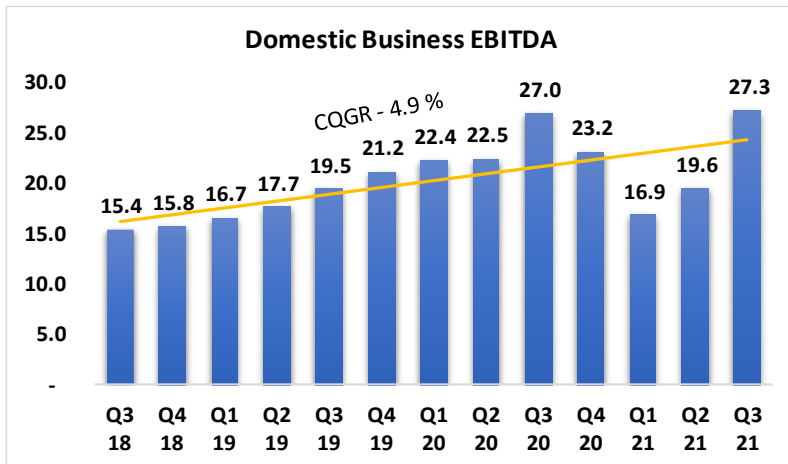
Top ~ 90 customers contribute to about 80% of Gross Margin  
 Strong customer retention - ~ 60% if Gross Margin contributed from customers associated for more than 5 years  
 Established customer base - ~82% Gross Margin from customers with revenue greater than 1,000 crs

# EBITDA, PBT and PAT – last 12 Quarters

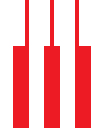
## International Services



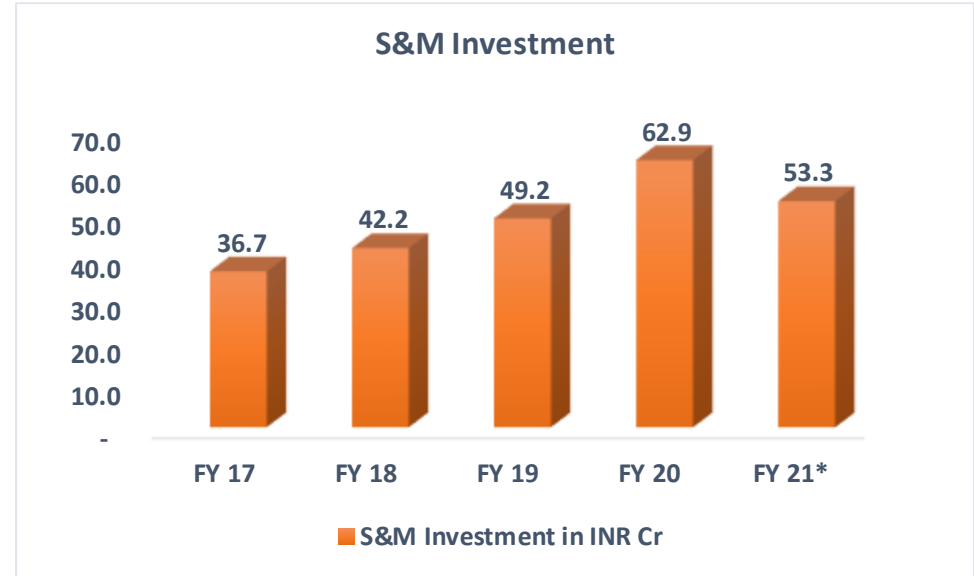
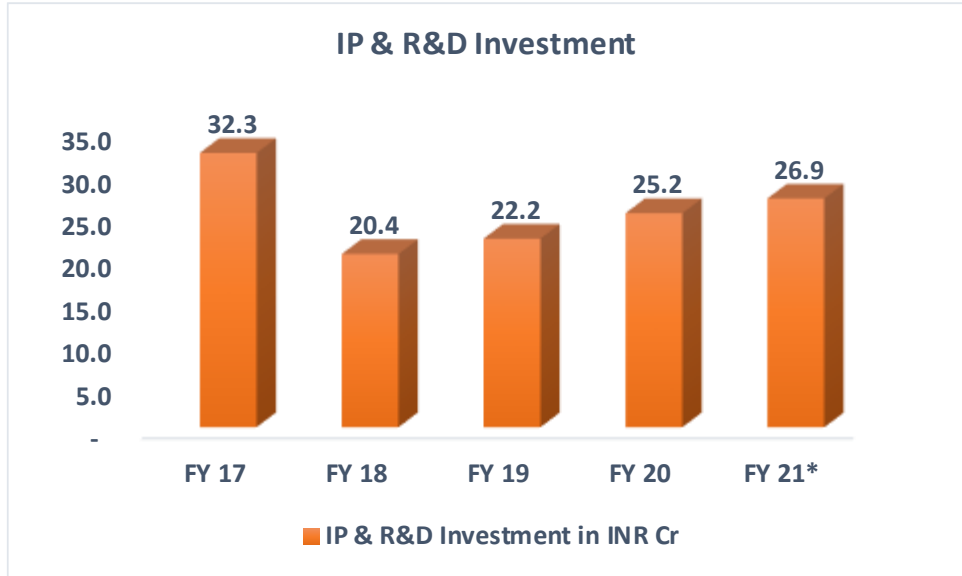
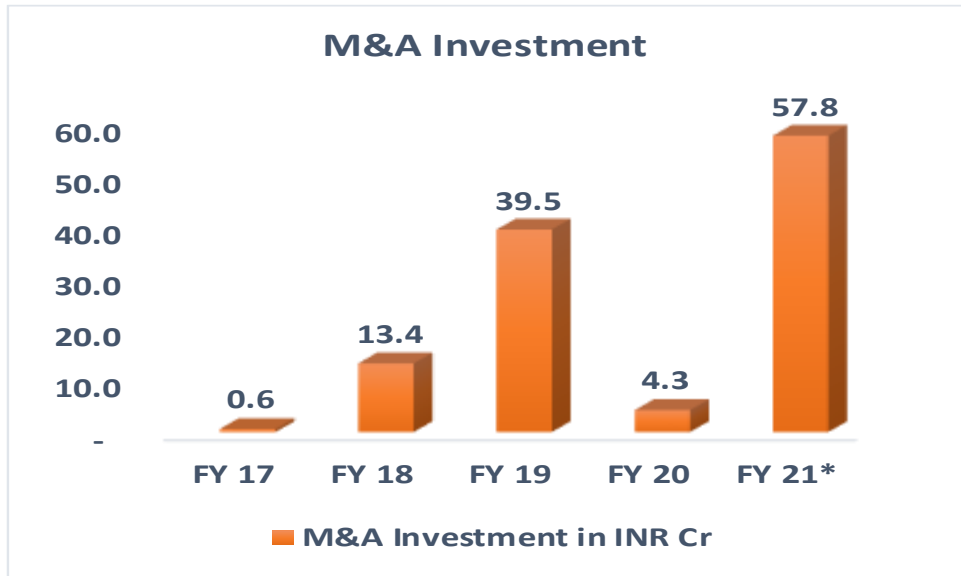
## Domestic Business



Q3'21 PAT includes Vivaad se Viswas tax provision of INR 15.6 crs in international services & INR 6.2 crs in Domestic business



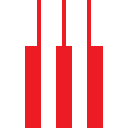
# Strategic Investment



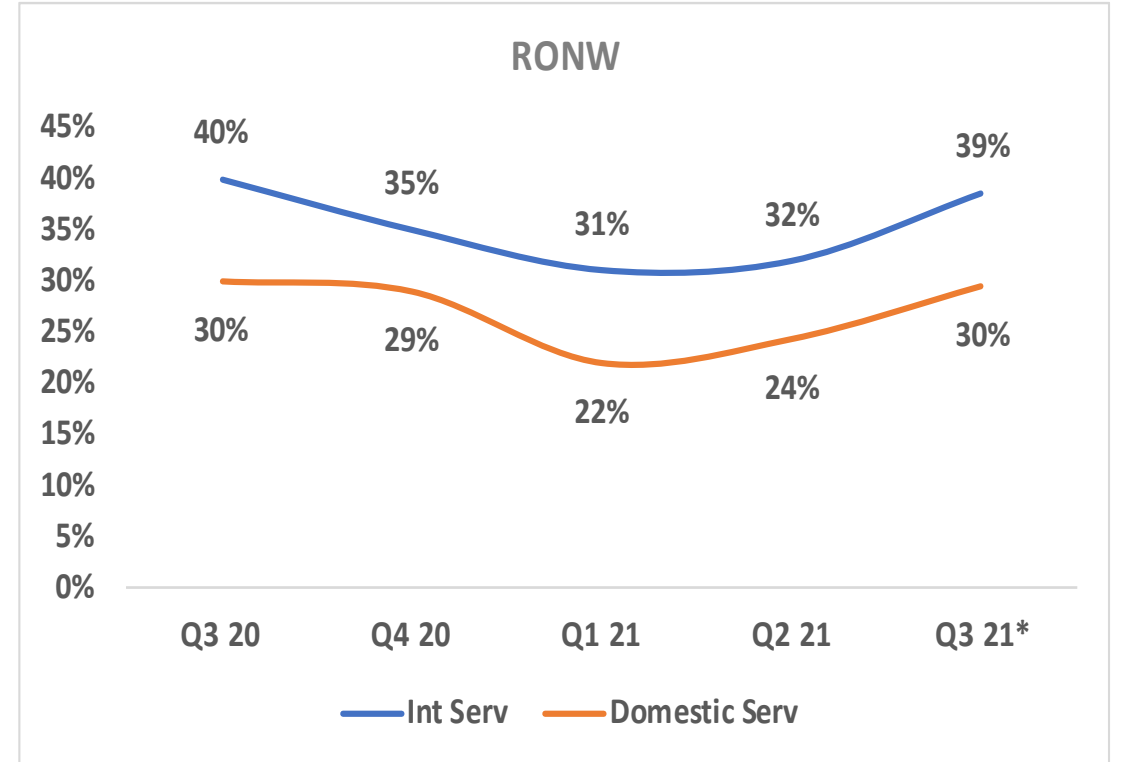
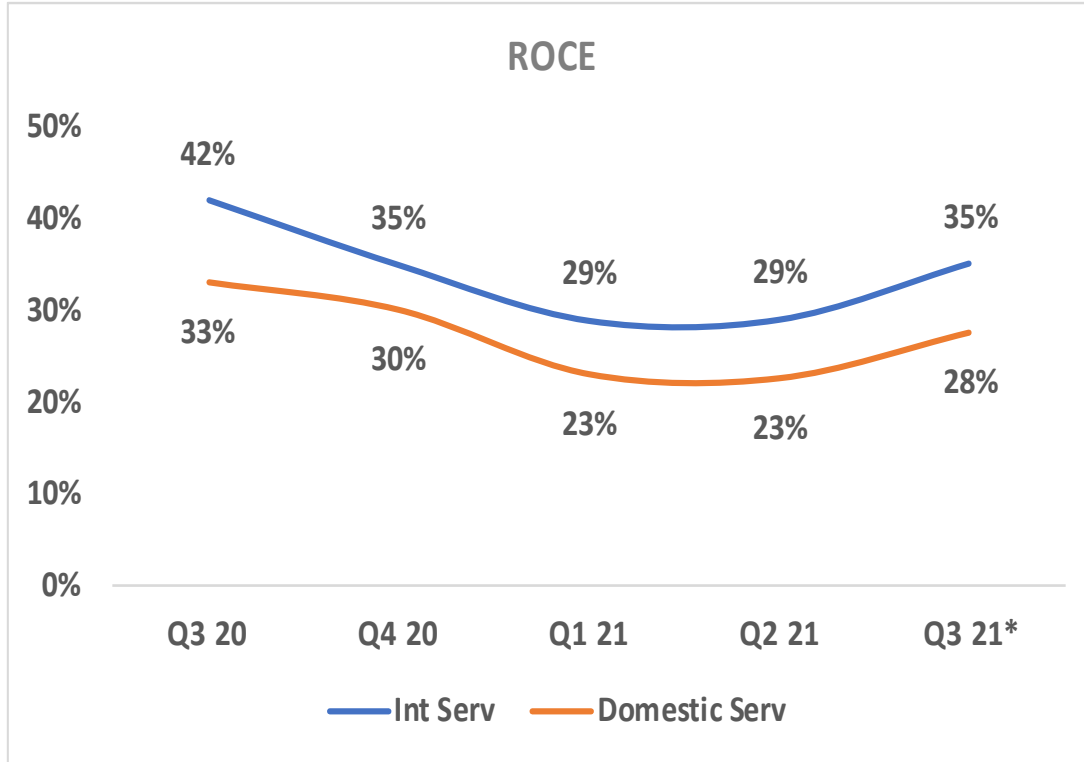
\* Annualized numbers for FY'21

Lower S&M cost in FY21 due to reduction in travel cost

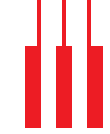




# International and Domestic ROCE & RONW

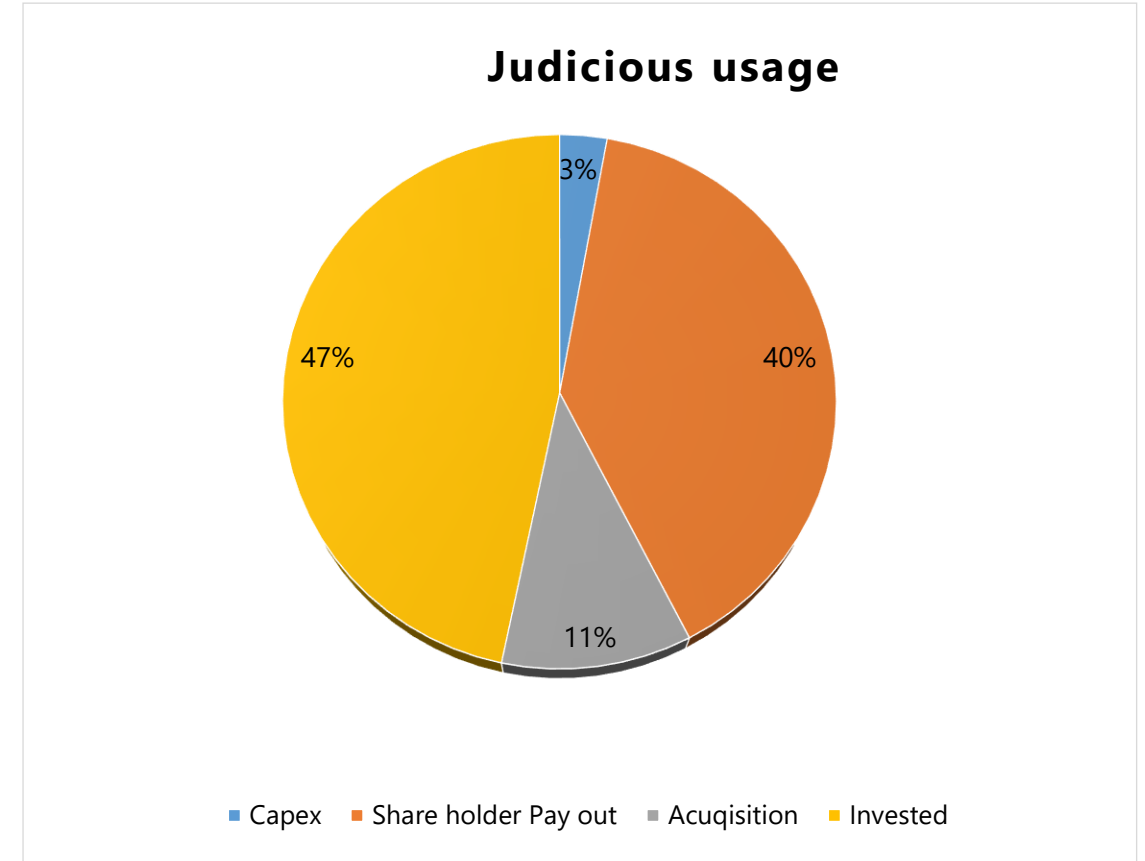
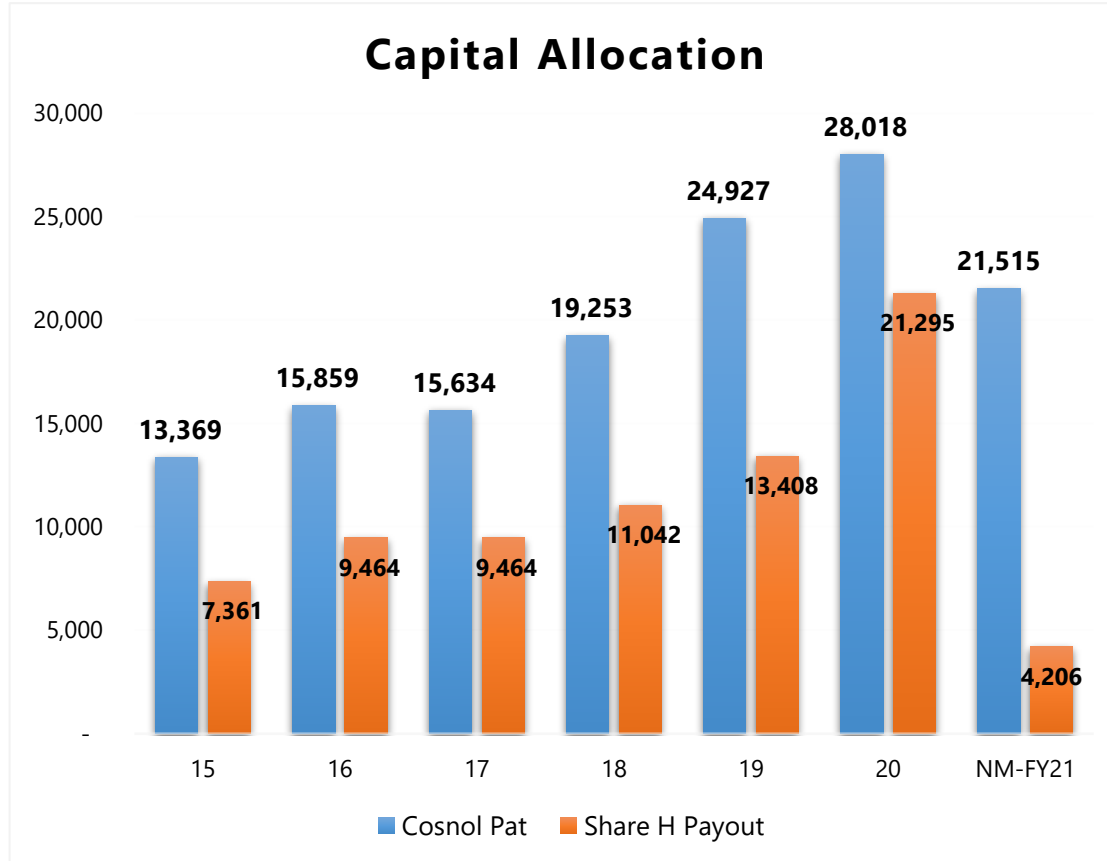


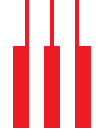
Vivad se viswas provisions normalized for calculation of Q3 '21 ROCE & RONW



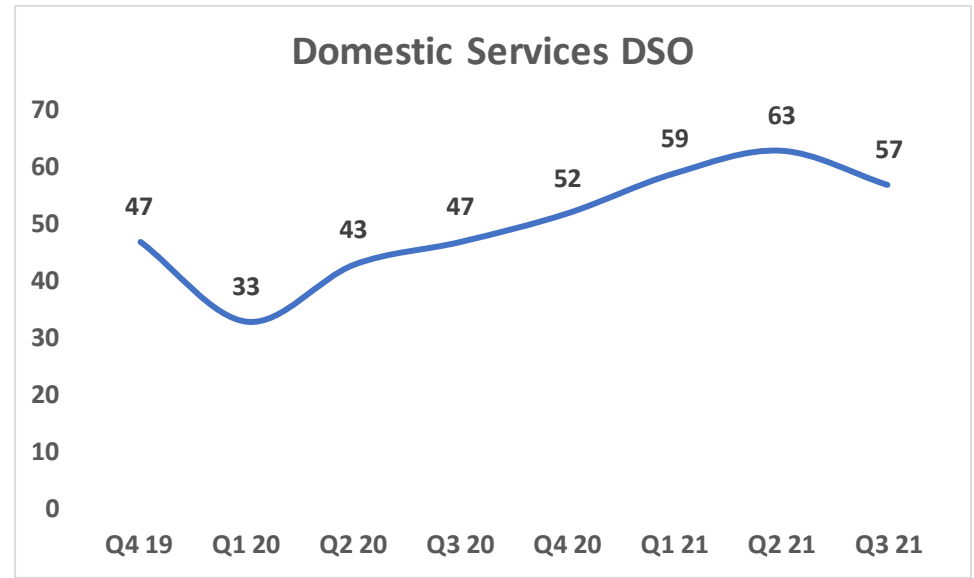
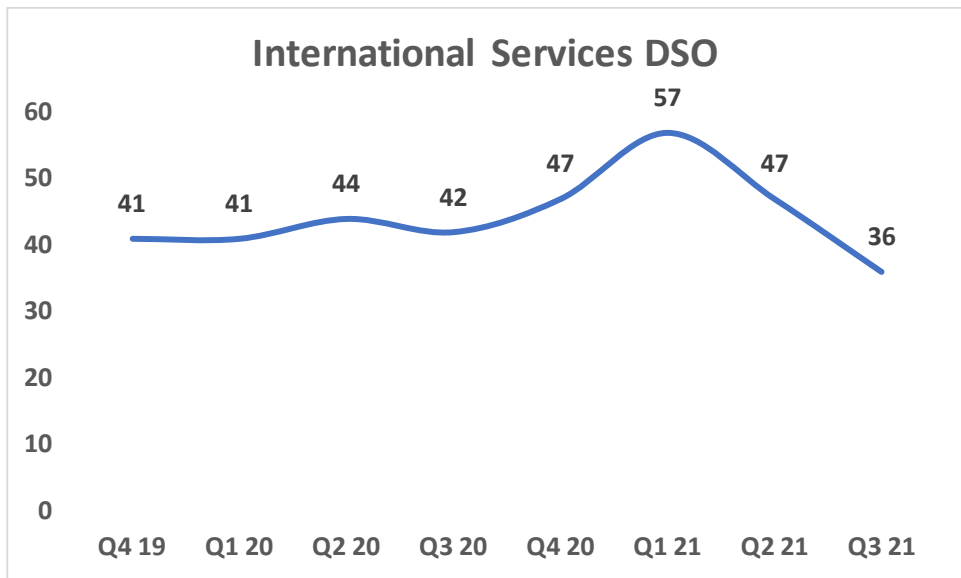
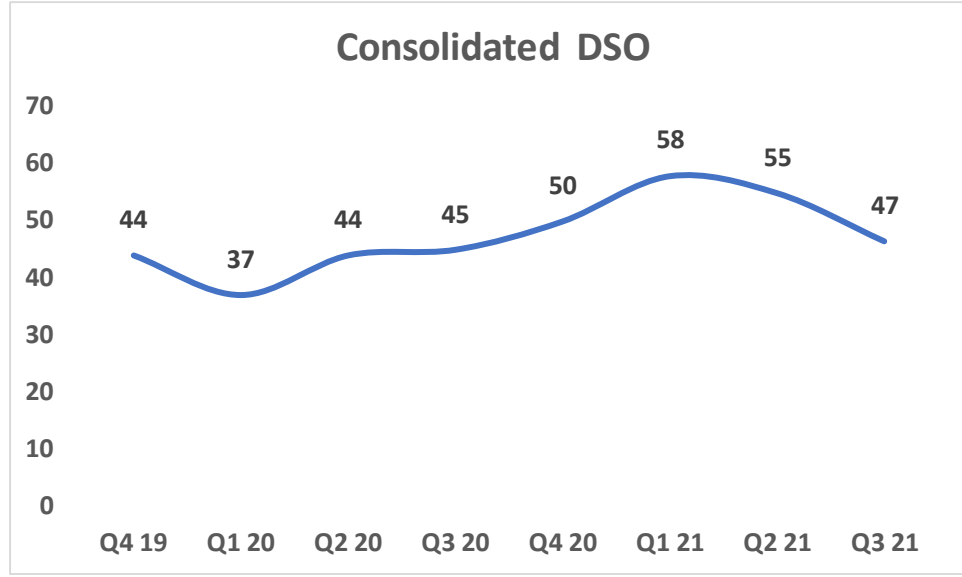
# Capital Allocation

# Cash Deployment



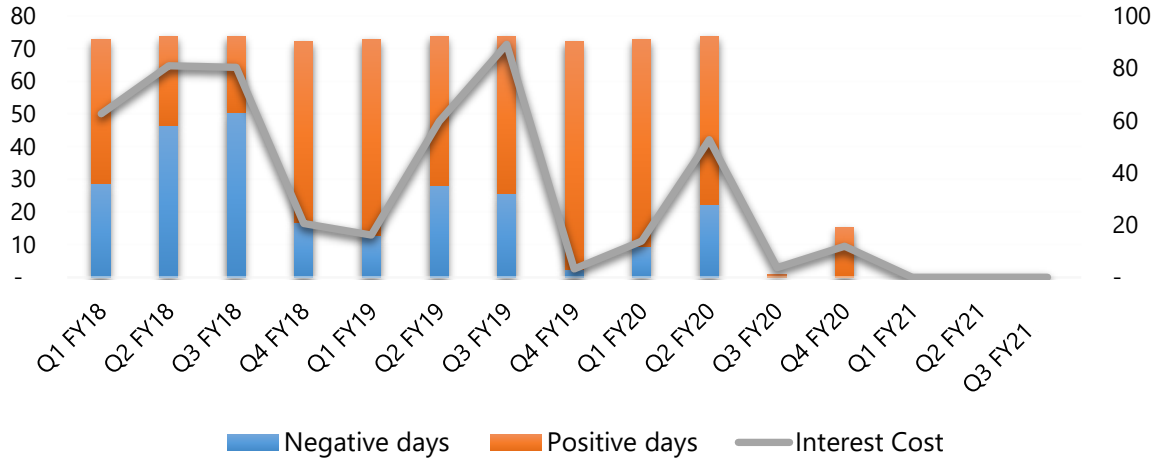


# Days Sales Outstanding

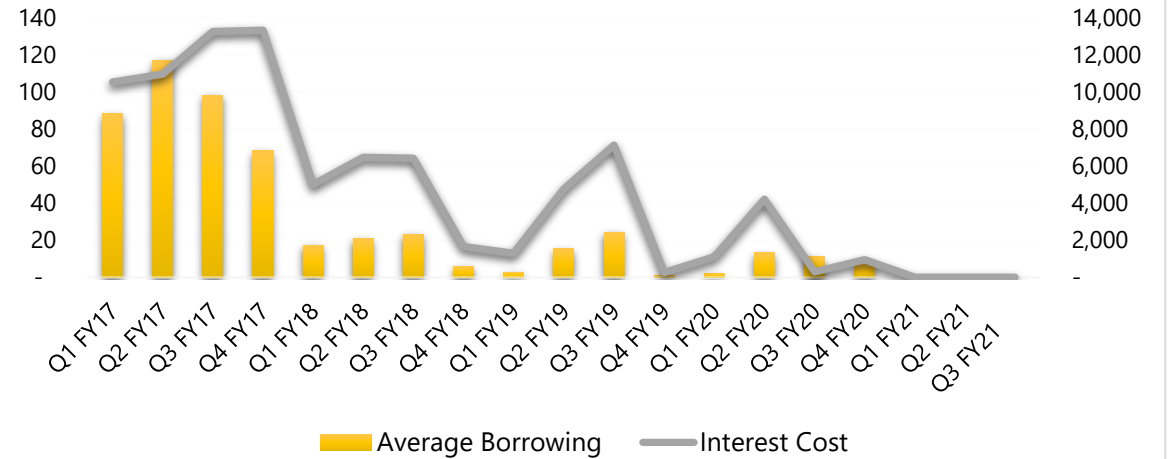


# Cash conversion & Credit Management – Domestic Business

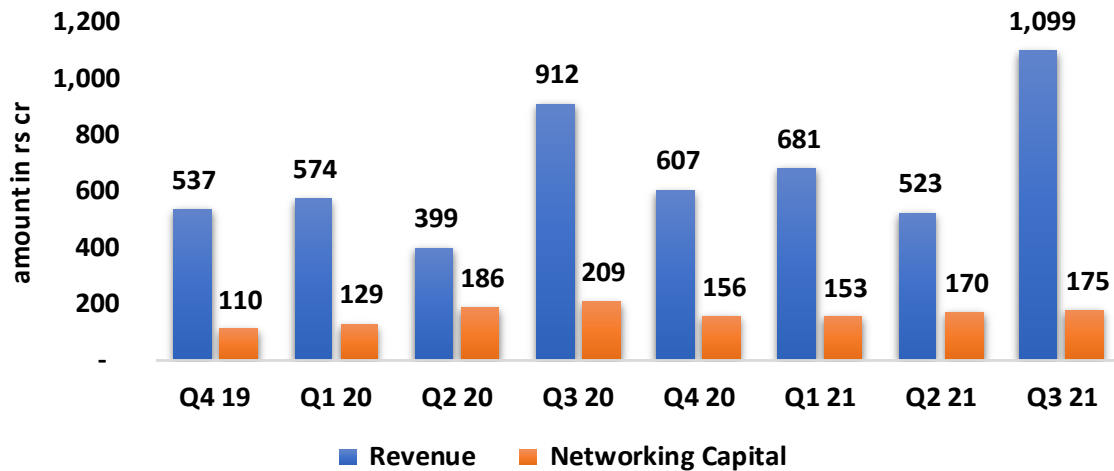
### Cash conversion positive trends



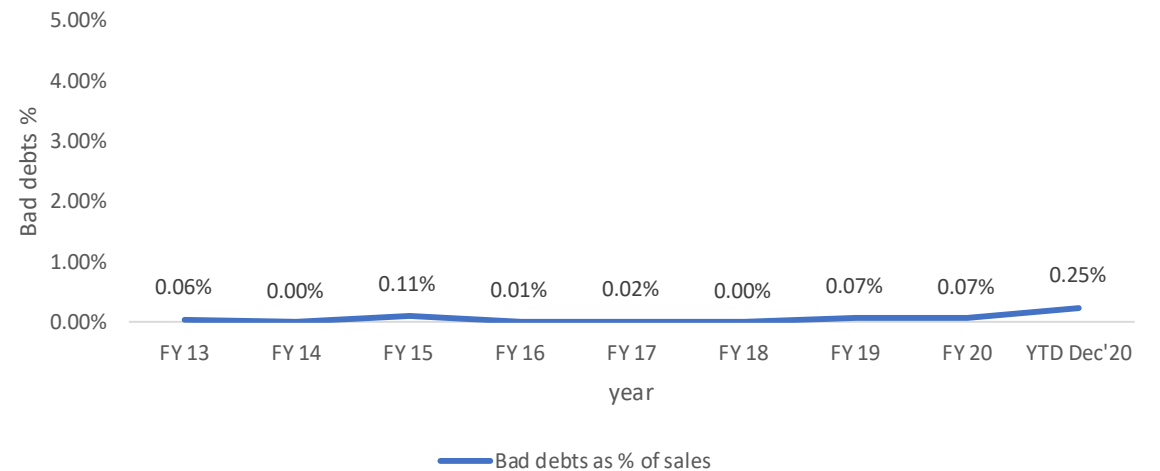
### Avg Borrowing & Int Cost



### Domestic



### Bad Debts as a % of sales





Thank you

