GO DEEPER

Transform business with IT

Investor Presentation
Q2 FY 17

Product Engineering
Enterprise IT Services
Technology Infrastructure

SONATA SOFTWARE

DEPTH MAKES A DIFFERENCE

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 Software – Corporate Structure

Sonata Software Limited				
Reporting Segment	**Legal Entities**	**Geography**	**Nature of Business**	
International IT Services	Sonata Software Ltd	India	• Digital IT solutions & services • Product Engineering Services	• IT Consulting & Outsourcing • Managed IT Services
	Sonata Europe Ltd	UK	• Software Service & Development	
	Sonata Software GmbH	Germany	• IT Program Mgmt. for Travel customers	
	Sonata FZ LLC	Dubai	• Sales & Marketing • Account Management	• IT Program Management
	Sonata Software North America	USA	• Onsite IT Services • Account Management	• IT Program Management • Sales & Marketing
	Sonata Software Qatar	Qatar	• Onsite IT Services • Account Management	• IT Program Management • Sales & Marketing
	Rezopia Inc	USA	• Cloud based PaaS travel IT solutions platforms	
	Halosys	USA	• Unified Enterprise Mobile Enablement platform	
	IBIS Inc	USA	• Supply Chain solutions for Distributors, Manufacturers & Retailers	
Domestic Products & Services	Sonata Information Technology Ltd	India	• Distribution of packaged, Saas & PaaS based software products • Domestic IT Services	• Onsite IT Services • Account Management • IT Program Management

Operating Business Lines

International Services

- Product Engineering & Enterprise IT solutions
- International footprint
- 40% of Co Revenues
- 78% of Co PAT

Technology Infrastructure

- IT Infrastructure Consulting, Licensing & Deployment
- Primary India footprint
- 60% of Co Revenues
- 22% of Co PAT

International IT Services

Industry Footprint

Travel

hybris software AN SAP COMPANY
Most Innovative Partner 2012

rezopia FROM SONATA SOFTWARE

TO | OTA | Corporate | Air | Rail

Strategic Customers

- World leading Tour Operator
- Top NA Corporate Travel Co

Retail & Distribution

Advanced Supply Chain Software™ for Microsoft Dynamics™ AX

Microsoft Dynamics

hybris software AN SAP COMPANY
Most Innovative Partner 2012

Hyper | Grocer | Apparel | CPG | Industrial

Strategic Customers

- World leading Retailer
- Global F&B CPG Leader

ISV

Windows Azure

Java

ERP | SCM | Travel | Retail

Strategic Customers

- Global Software Leader
- Top SMB ERP Co

Business Solutions Footprint

SONATA SOFTWARE

DIGITAL ENGAGEMENT	ENTERPRISE EFFICIENCY	IT COST MANAGEMENT
• Omni-channel Commerce • Analytics & Personalization • CRM, Loyalty • Mobile & Social Business	• ERP • SCM, HR & Finance • BI & Analytics • Mobile & Social Work	• Managed Services & Infrastructure • Cloud & Virtualization • Licensing
Winning the Shift to Digital Commerce *Top travel company*	*Direct Store Distribution Solutions* *Global CPG leader*	*Remote Infrastructure Management* *Top European Retailer*

Microsoft SAP ORACLE

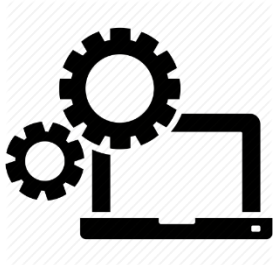
hybris software AN SAP COMPANY | Microsoft Dynamics | appcelerator® | hadoop | Windows Azure

Engineering Solutions Footprint

SONATA SOFTWARE

PRODUCT INNOVATION	PRODUCT ENGINEERING	PROFESSIONAL SERVICES
• Cloud engineering • Mobile engineering • Analytics integration	• Consult, Architect • Develop, QA • Performance Engineering • Globalize and Localization	• Professional Services • Integration, Customization • Sustenance Engineering • Product support

Cloud & Mobile Enabled SaaS Migration
Global SMB ERP ISV



End-to-end engineering services for an ERP
World leading ISV

Premium managed product support
Leading cloud platform

Transformational Partner to Customers

Enabling a World Leader in Travel Retail stay ahead of the digital business shift

Evolution from brick and click to Omni-Channel business

- 20%+ YoY digital sales growth, 50%+ digital revenue

Front Office to Back Office IT systems services

- 300+ team of On-site and Off-shore mix; 30% saving in IT costs, est > 50Mn E p.a.; 50+ core applications transitioned, modernized; >80% Managed Services

10 Year Partnership Milestone

"Sonata is a very important extension of the team and over the years has made a ***significant contribution to our success in serving our customers better than anyone else*** *in our business sector." Director IT*

Transformational Partner to Customers

Partnering launch of a new ERP by a Global Software leader

Engineering Excellence

- Beta One thru to global roll-out stages with ERP & engineering skills
- Vertical solutions partner – industry specific offering of core ERP

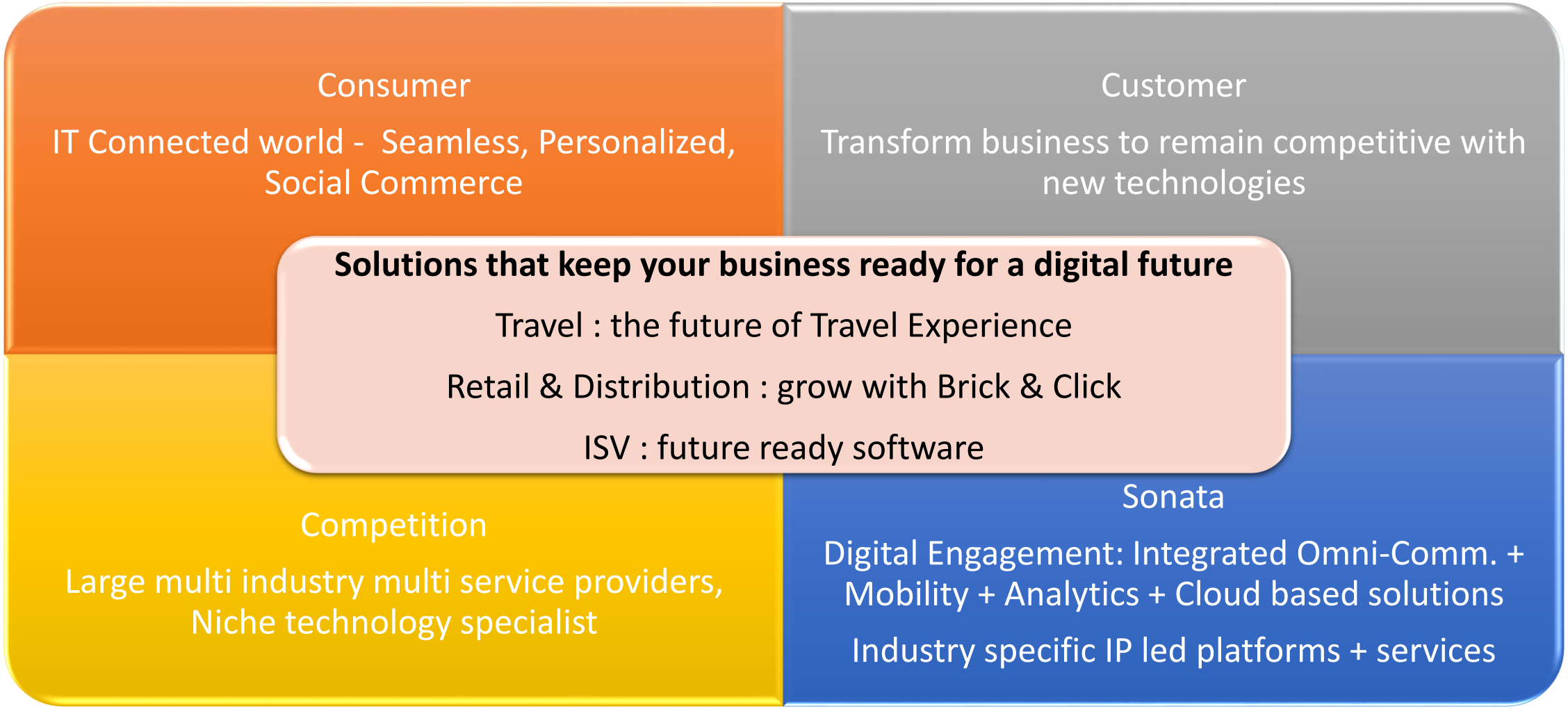
Value Added Services

- Engineering and integration services to partner eco-system globally
- Managed support with SLA adherence improved by over 30% to > 90%
- Go-to-Market partner with marquee Fortune 500 clients wins and project implementations

10 Year Partnership Milestone

*"Sonata has been an **important partner** in our … journey for over a decade. The expertise they bring to the table makes **them a valuable part of the ecosystem..**, its partners and customers who seek to get more out of our enterprise class business solution. This 10 year anniversary is a significant milestone in our relationship with Sonata and we look to newer horizons ahead." VP Engineering*

Way Forward : Platforms + Services for digital business



Turnkey partner for mid size (USD 500M+) customers in Travel, Retail & Distribution, ISV vertical

The Future – Industry specific Platform solutions

Next Gen Travel Experience

Rezopia Travel Experience Platform

- Search & Book across Web, Mobile, Shop & Call Centre channels
- On the fly packaging across Air, Rail, Hotel & ancillary service inventory
- Pre-Built Mobile & Analytics features
- Integration to leading GDS and ERP applications

Omni Channel Retailer

Brick & Click Retailing Platform

- Seamless Personalized Shopping Experience – In Store, Mobile, Online
- Pre-built Customer and Store mobile service Apps
- Pre-built big data Analytics platform
- Integrated to core Retail ERP

Digital Distribution

Modern Distribution Platform

- Advanced Supply Chain Software – built-in functionalities like sales & operations planning, demand planning, revenue management.
- B2B Ecommerce
- Mobile Ordering & Fulfilment Apps
- Core ERP enabled on Microsoft Dynamics

Strategic acquisitions & builds to enable ‘the Future’

rezopia FROM SONATA SOFTWARE

TRAVEL SAAS

Reservation, Distribution, Contracts & Operations on one single Cloud Platform

Unified Enterprise Mobility Platform

halosys

Core features of MADP, MAM, MBaaS & APIs on a single, unified mobile platform

I.B.I.S. Inc.
A Sonata Software Company

Advanced Supply chain Software for Distributors, Manufacturers & Retailers

RETINA *discerning insights*

Big Data ready Retail Analytics Platform

Continuing to build, integrate and acquire platforms across Ecommerce, Analytics & DevOps to complete portfolio for ‘Future Ready’ IP led solutions.

Increasing impact on customer's digital solution needs

Top SMB ERP Company

Cloud & Mobile engineering ERP for SaaS enablement

World Leading Retailer

Engineering Omni Channel retail systems on a new technology stack

Top ANZ Rail Company

Enabling next-gen Rail reservation & ancillary services

Digital Travel Platform in Action

Drives customer service and ancillary revenue of a leading ANZ Rail Operator

SONATA SOFTWARE

Business Need: Upgrade reservations systems across core Rail and ancillary package sales

Solution: Rezopia Travel SAAS customized to next gen reservation systems

- Manage Services, Schedules, Inventory, Fares and Rules
- Multi-channel booking engine – web, call center, stations and agents
- Dynamic shopping cart with ancillaries like hotels, transfers and activities
- Integration to back end SAP ERP for Financial data integration

Business Benefits: Cost effective, quick transition from legacy systems & continuous feature upgrades with releases

Global Service & Delivery Footprint

SONATA SOFTWARE

US
Development Centers – Redmond & Atlanta

UK

Netherlands

Germany

Singapore

Australia

North America

Qatar, UAE

India
Bangalore, Hyderabad

Technology Infrastructure

TIS : Strategic fit to overall Sonata business

- Strategic partnerships with leading technology providers – Microsoft, SAP, Oracle, Appcelerator
- Relationships act an advantage in accessing emerging technology solutions
- 360 degree footprint across Engineering, Implementation, Go to Market in IT value chain in key technologies – e.g. Dynamics AX

Wide portfolio of technology solutions

with leading and emerging partners

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PORTFOLIO OF WORLD-CLASS ALLIANCES

360 DEGREE CORPORATE FOOTPRINT

PE | PDS Implement | GTM

End to End Capability on Technology Needs

IN-HOUSE SOLUTION CENTRE OF EXCELLENCE

Expert Deployment Team | Customer POC | Best Practices Templates

NEW TECHNOLOGY ADOPTION

SMAC| Platforms| Appliances

Cloud, MoovWeb, Exadata

EXPERTISE | RELIABILITY | SPEED

in accessing technology solutions

Keeping business prepared to compete…

with up to date technology infrastructure

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CORE IT INFRASTRUCTURE

- OS, Servers, Cloud & Virtualization
- Security, Identity & Access
- Infrastructure Management, Optimization & Support

EMPLOYEE PRODUCTIVITY

- Communication & Collaboration
- Work Tools & Applications
- Onboarding & Support

BUSINESS APPLICATIONS

- E. Comm, Digital Marketing, CRM, BI, Mobility, ERP, SCM
- IT Appliances
- Consulting & Support

Core Enterprise Infrastructure migration to Cloud for cost optimization

Leading Brewery Company

Patient care enhancement thru collaborative work tools for doctors

Leading Hospital Chain

Enhanced business responsiveness thru next gen IT Appliances

Leading Bank

Financials

Result Snapshot – Q2 FY 17

INR Crores

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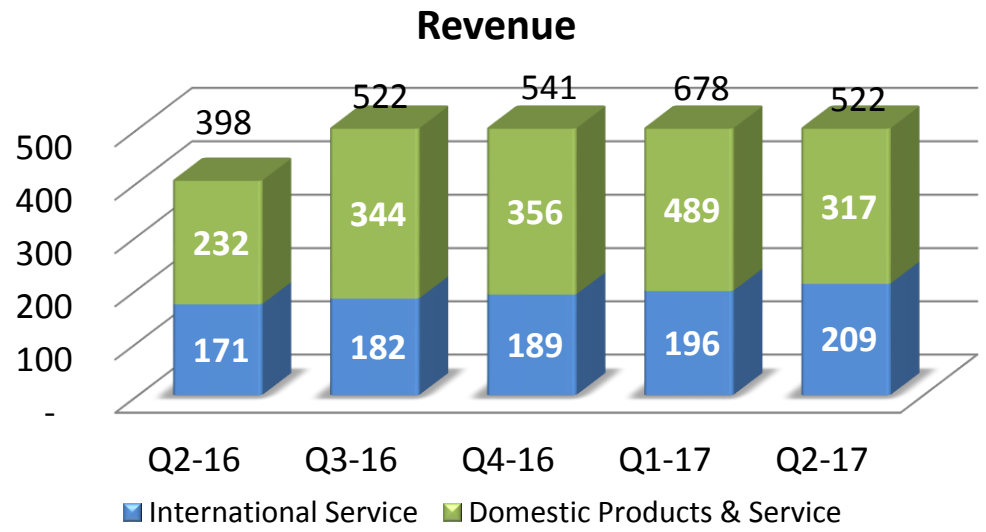
Description	*For the Quarter ended*					*For the half year ended*		
	30-Sep-16	*30-Jun-16*	*30-Sep-15*	*QoQ*	*YoY*	*30-Sep-16*	*30-Sep-15*	*YoY*
Revenues								
International IT Services	209.1	195.7	170.7	7%	23%	404.9	336.3	20%
Domestic- Products & Services	317.4	489.3	231.6	-35%	37%	806.7	550.7	46%
Consolidated	522.5	677.8	398.4	-23%	31%	1,200.2	877.6	37%
EBITDA								
International IT Services	45.5	44.0	46.1	3%	-1%	89.4	87.5	2%
Domestic- Products & Services *	14.2	15.3	14.2	-7%	0%	29.5	28.6	3%
Consolidated *	59.0	58.5	59.6	1%	-1%	117.4	114.5	3%
PAT								
International IT Services	29.6	28.0	31.0	6%	-4%	57.6	60.8	-5%
Domestic- Products & Services	8.2	8.8	8.4	-7%	-2%	17.0	16.7	2%
Consolidated	37.8	36.8	39.3	3%	-4%	74.6	77.5	-4%

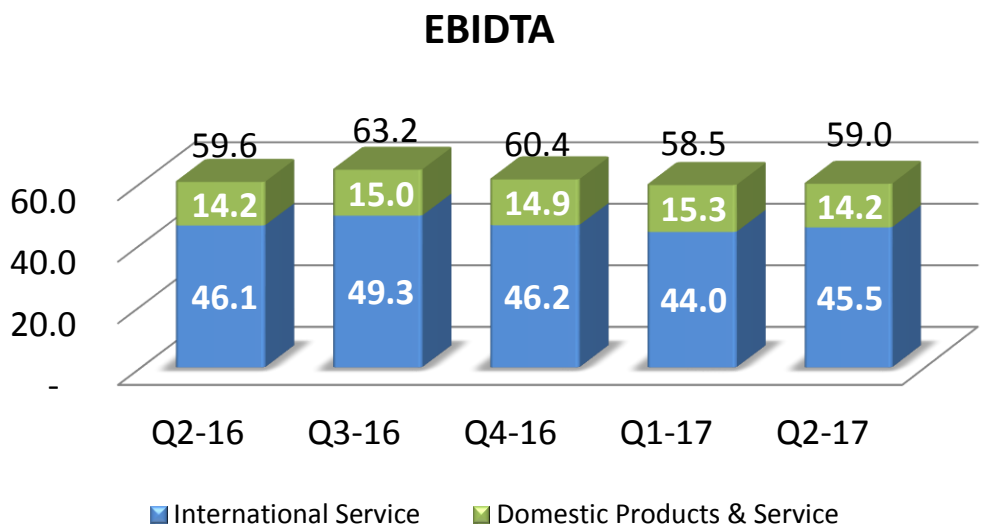
** Includes "exceptional Item" Interest income received on Income-Tax refund of `2.09 crores in Q1 of FY2016-17 (of which Domestic relates to `1.11 crore and balance `0.97 crore relates to International).*

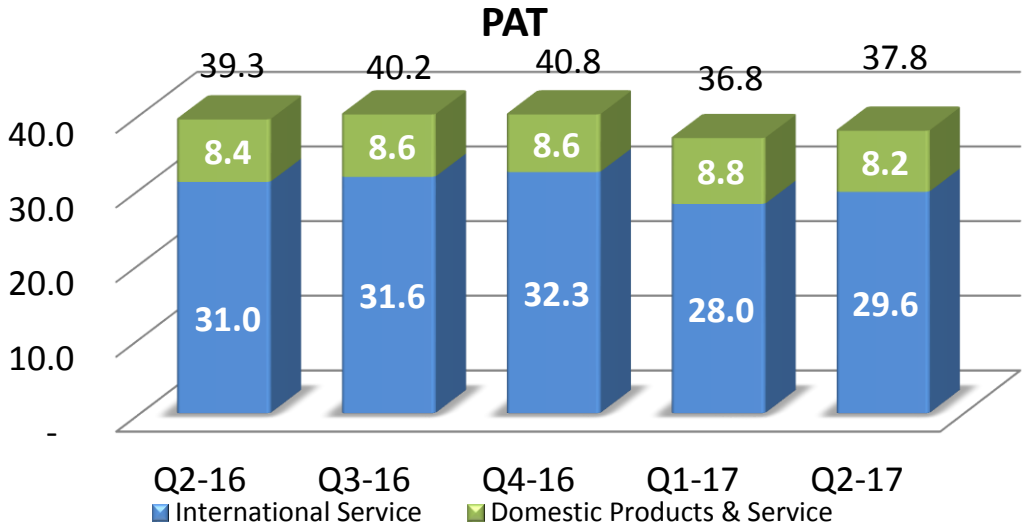
Consolidated - by Quarter

INR Crores

SONATA SOFTWARE



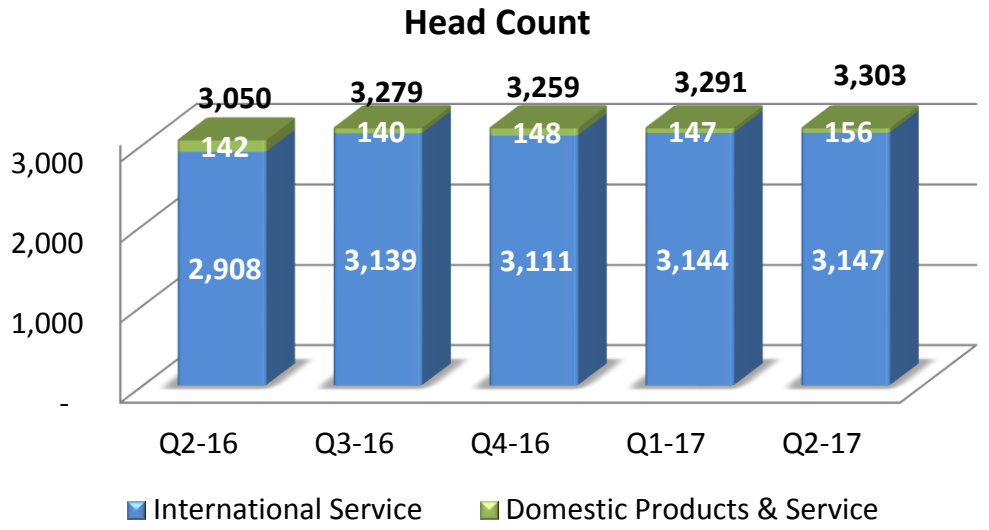


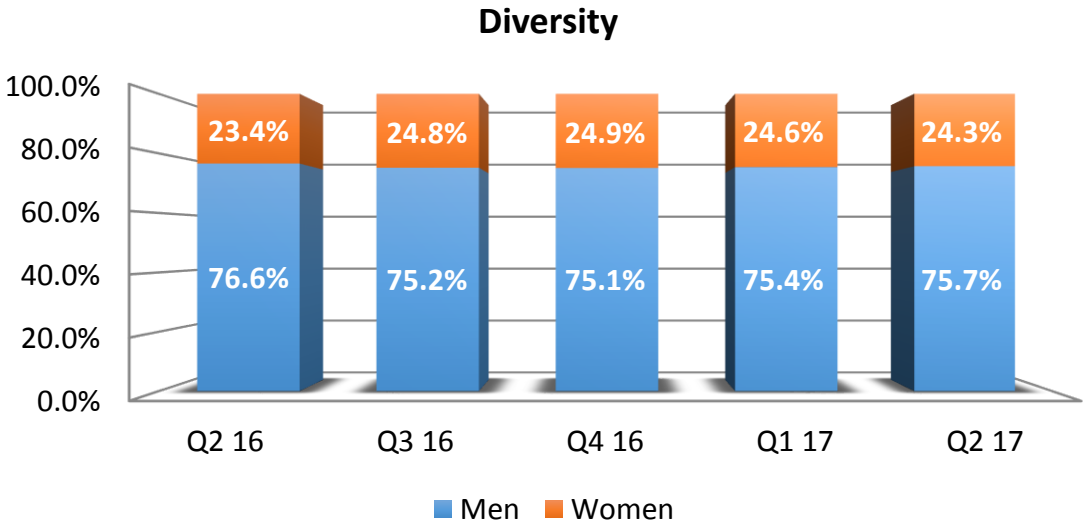


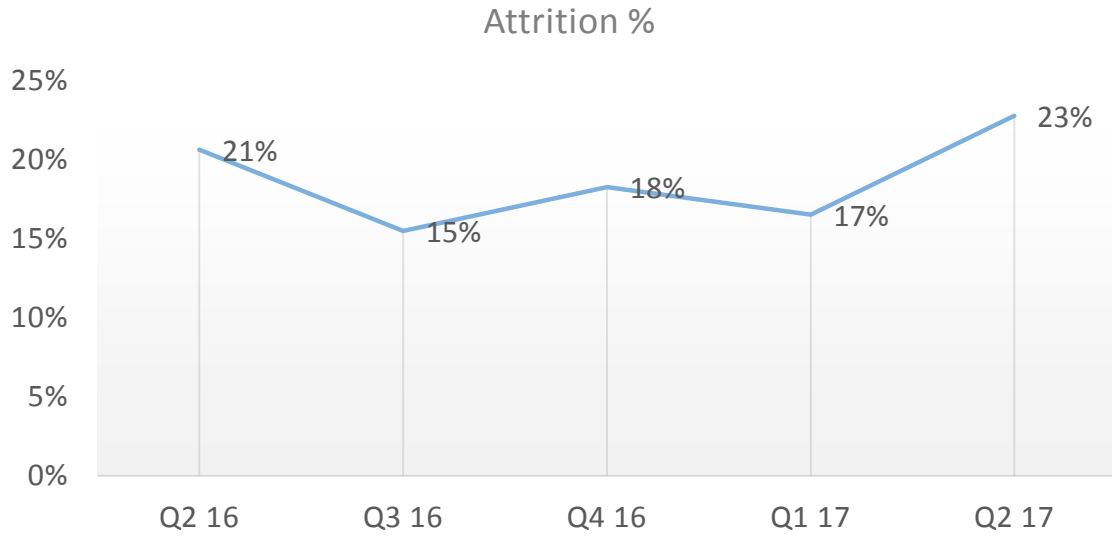
	QoQ	YoY
Revenue	-23%	31%
EBIDTA	1%	-1%
PAT	3%	-4%

Note : Q1-16 ,Q2-16 & Q1-17 EBITDA and PAT includes exceptional income of Interest on IT Refund

Headcount


Head Count
3,050
3,279
3,259
3,291
3,303
142
140
148
147
156
2,908
3,139
3,111
3,144
3,147
3,000
2,000
1,000
-
Q2-16
Q3-16
Q4-16
Q1-17
Q2-17
International Service
Domestic Products & Service


Diversity
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
23.4%
24.8%
24.9%
24.6%
24.3%
76.6%
75.2%
75.1%
75.4%
75.7%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Men
Women


Attrition %
25%
20%
15%
10%
5%
0%
21%
15%
18%
17%
23%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17

International IT services – by Quarter

INR Crores

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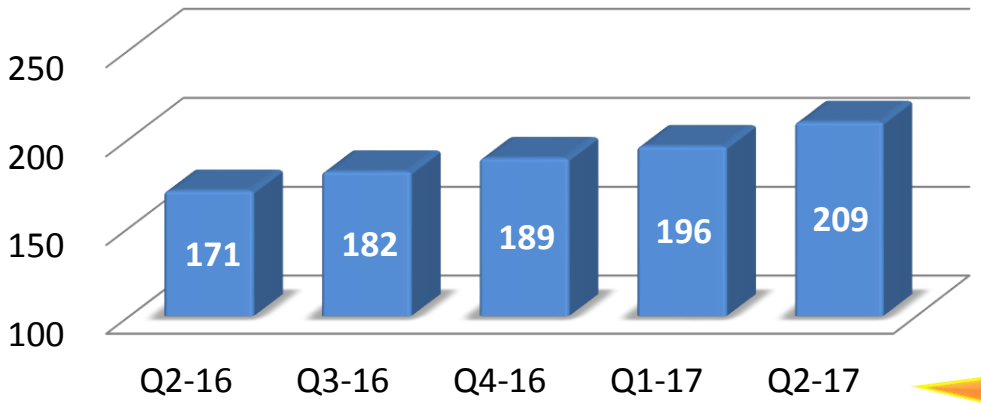
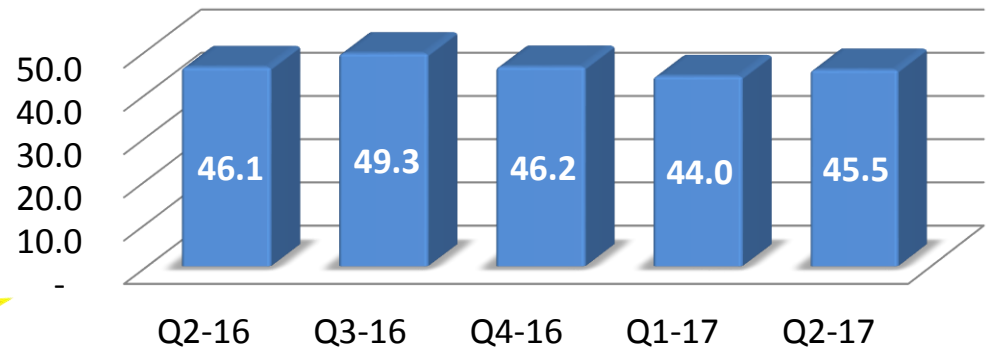
Revenue

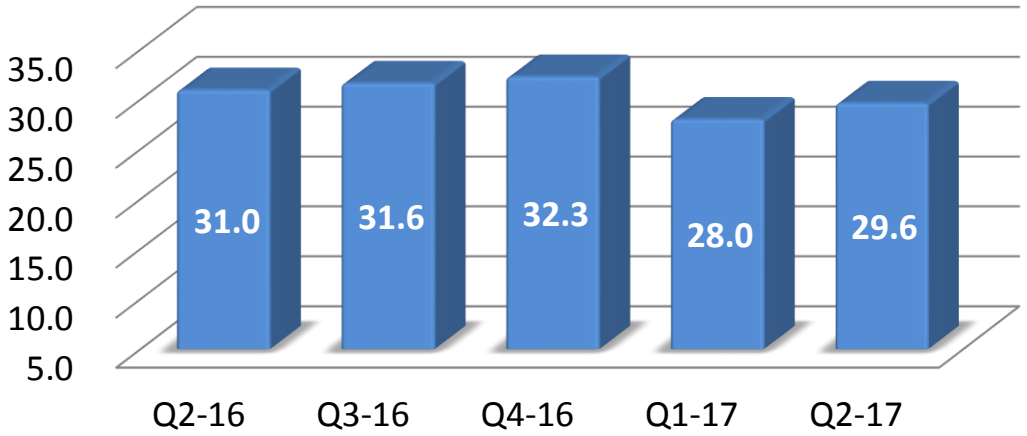


EBIDTA



Record Revenue

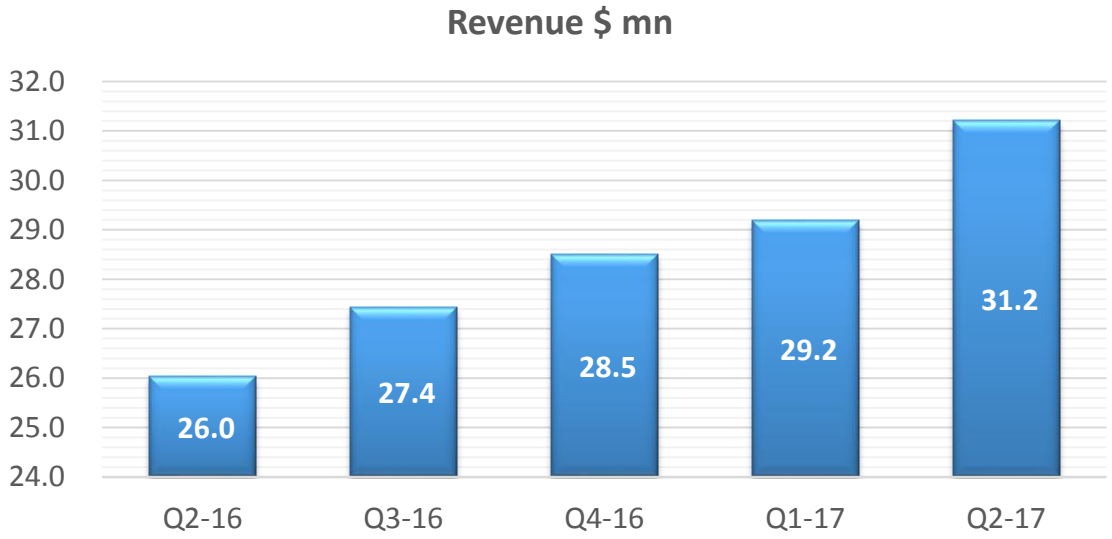
PAT

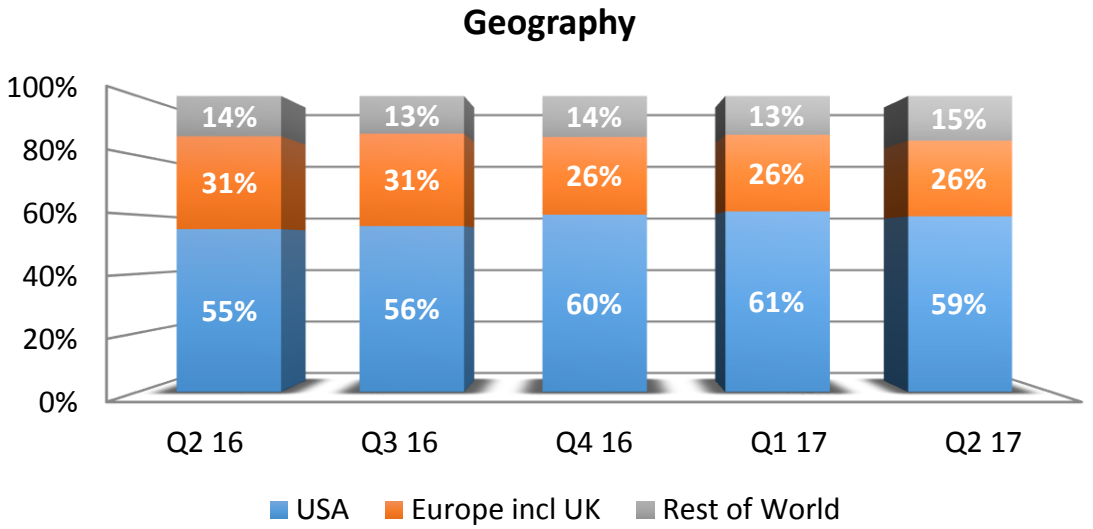


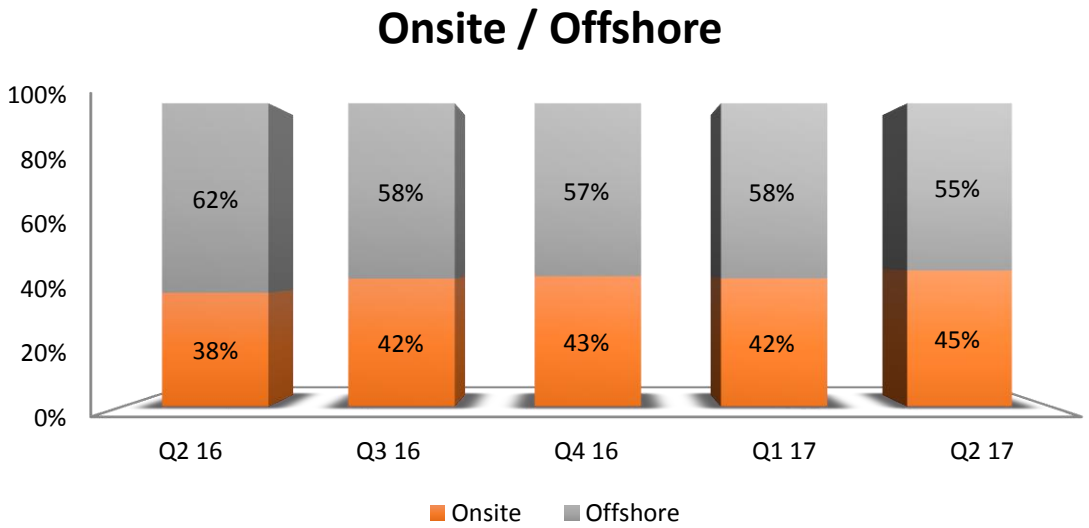
	QoQ	YoY
Revenue	7%	23%
EBIDTA	3%	-1%
PAT	6%	-4%

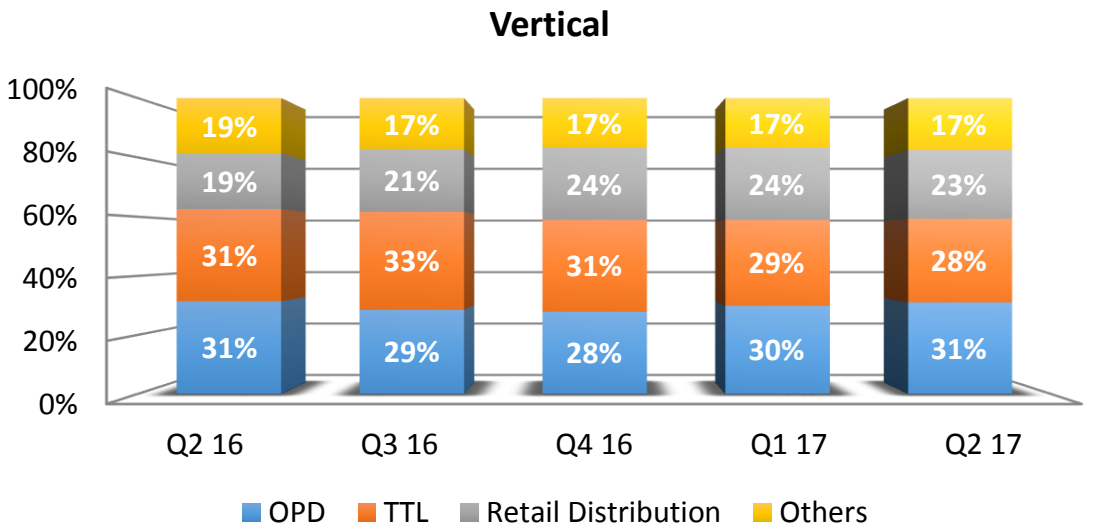
Note : Q1-17 EBITDA and PAT includes exceptional income of Interest on IT Refund

Revenue Mix

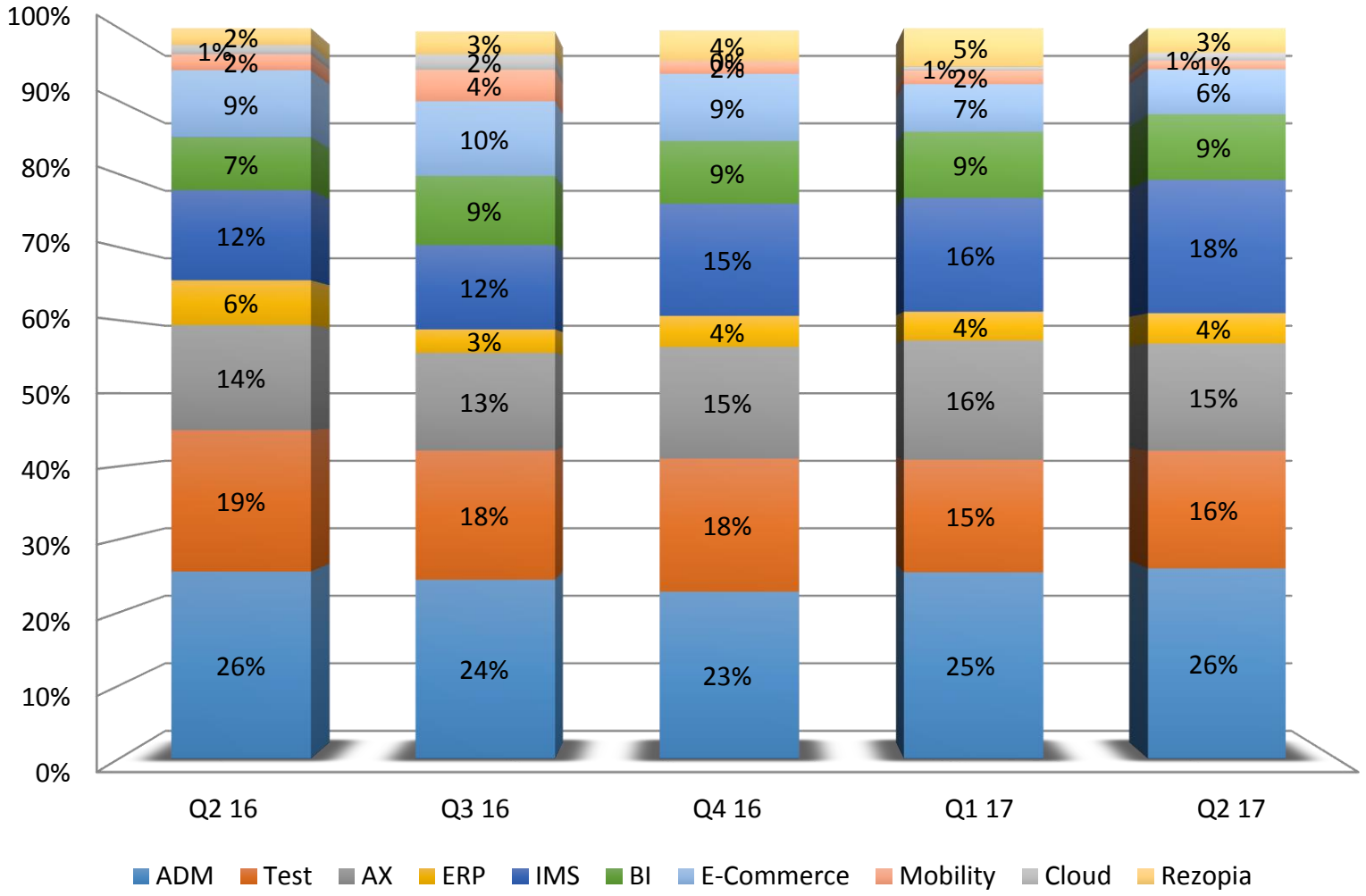

Revenue $ mn
32.0
31.0
30.0
29.0
28.0
27.0
26.0
25.0
24.0
26.0
27.4
28.5
29.2
31.2
Q2-16
Q3-16
Q4-16
Q1-17
Q2-17


Geography
100%
80%
60%
40%
20%
0%
14%
31%
55%
13%
31%
56%
14%
26%
60%
13%
26%
61%
15%
26%
59%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
USA
Europe incl UK
Rest of World


Onsite / Offshore
100%
80%
60%
40%
20%
0%
62%
38%
58%
42%
57%
43%
58%
42%
55%
45%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Onsite
Offshore


Vertical
100%
80%
60%
40%
20%
0%
19%
19%
31%
31%
17%
21%
33%
29%
17%
24%
31%
28%
17%
24%
29%
30%
17%
23%
28%
31%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
OPD
TTL
Retail Distribution
Others

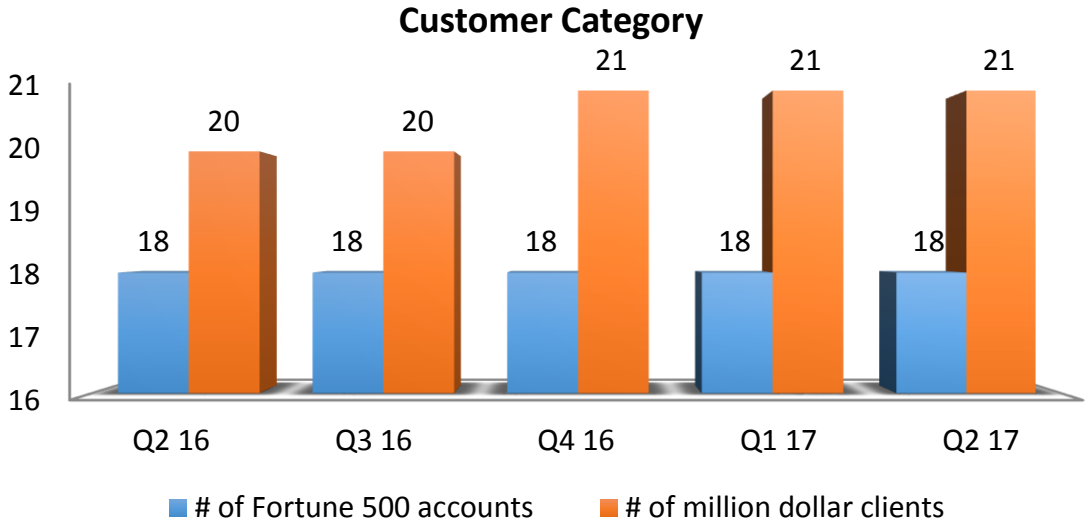
Revenues by Competency

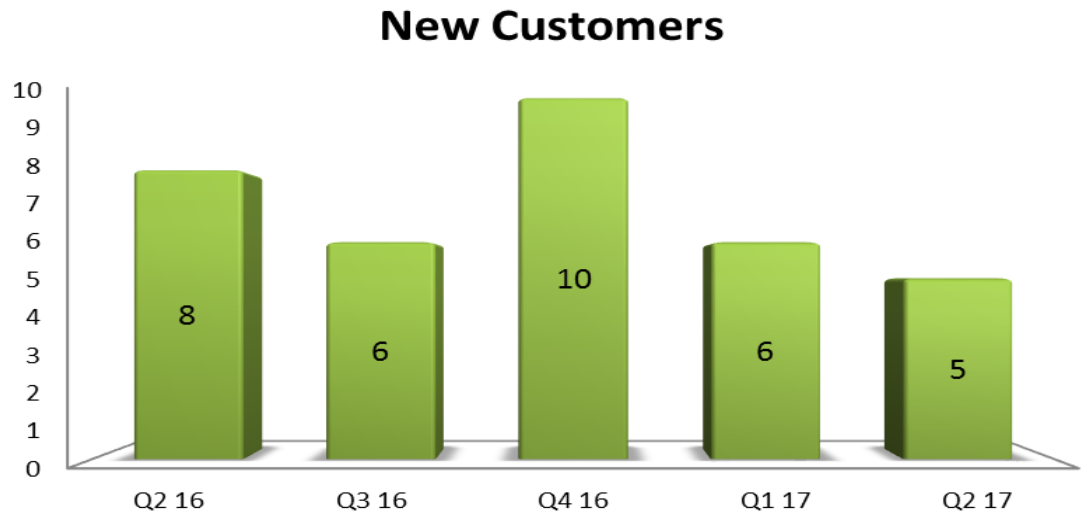


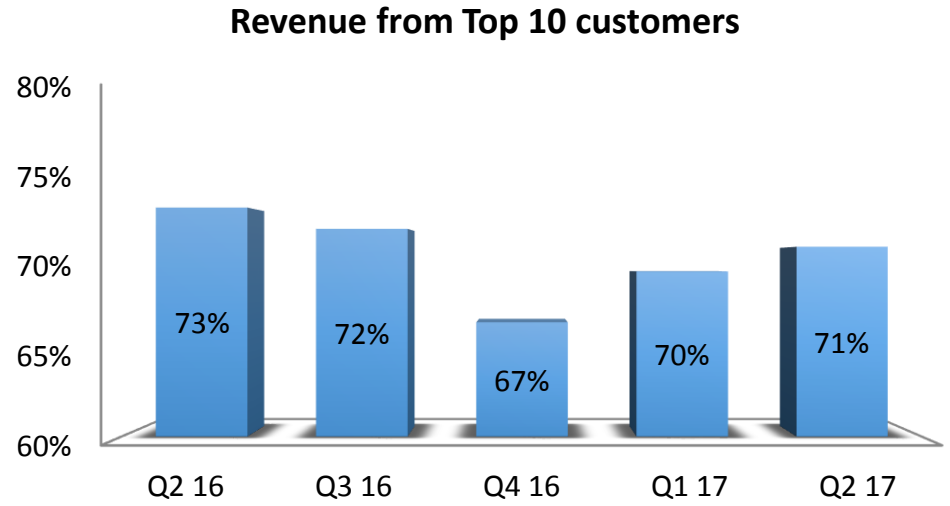
Note:-

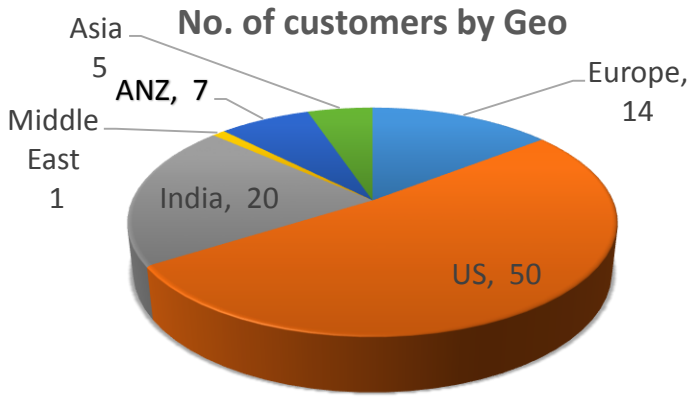
1. Digital components includes revenue from BI, E-commerce, Mobility, Cloud, Rezopia

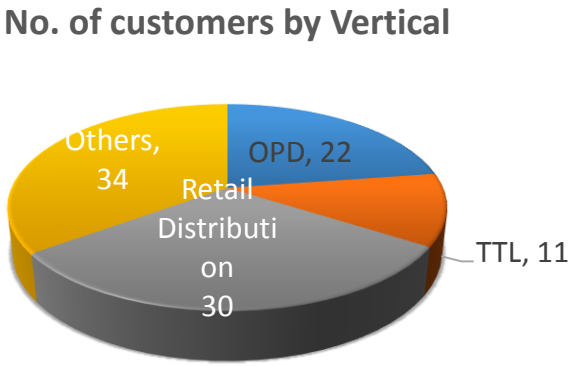
Revenue by Customers









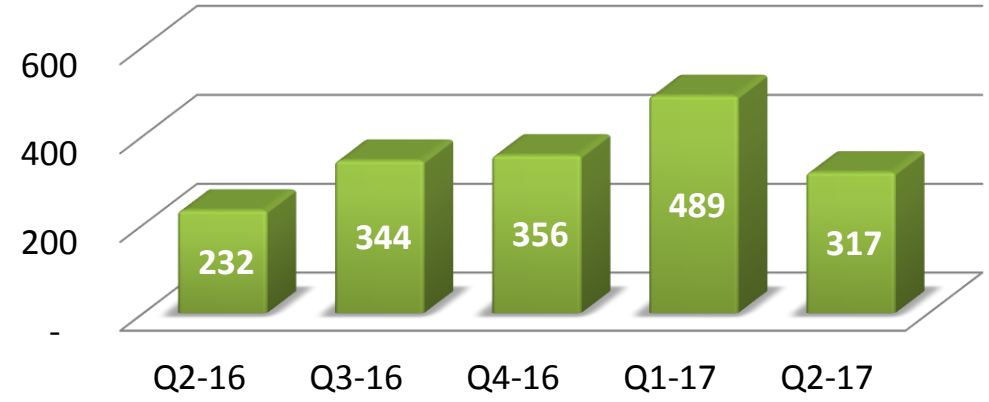


Domestic Product & Services – by Quarter

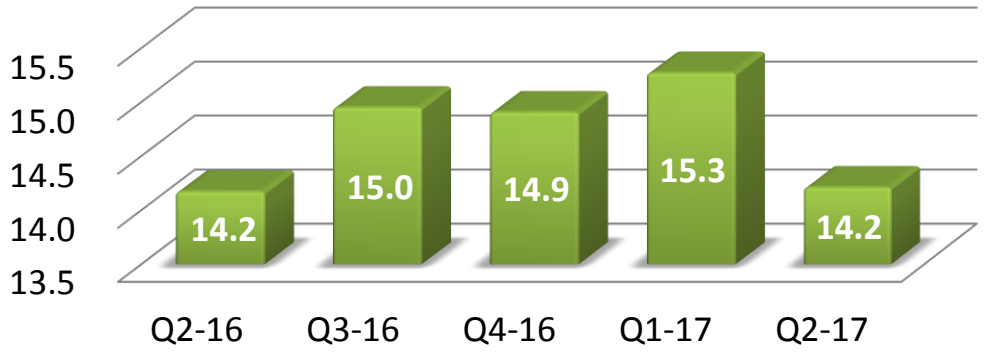
INR Crores

SONATA SOFTWARE

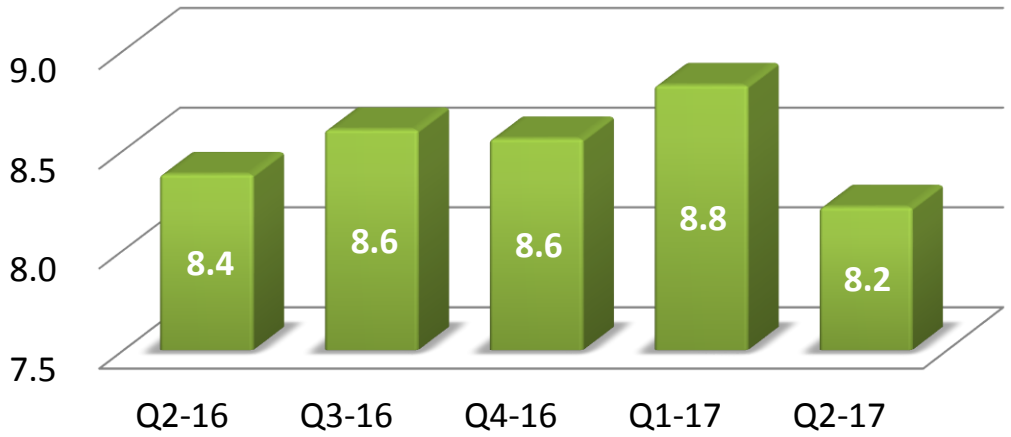
Revenue



EBIDTA



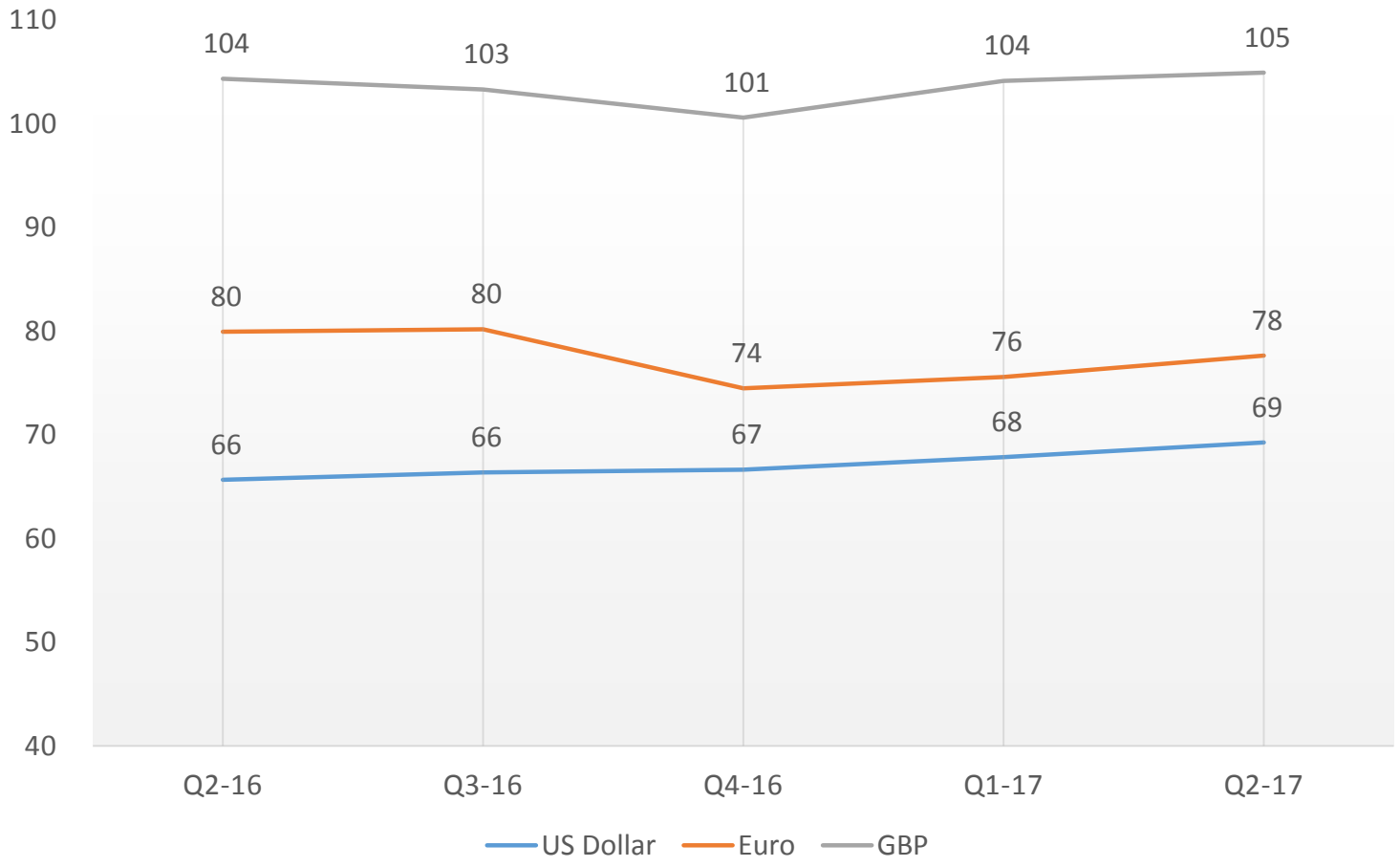
PAT



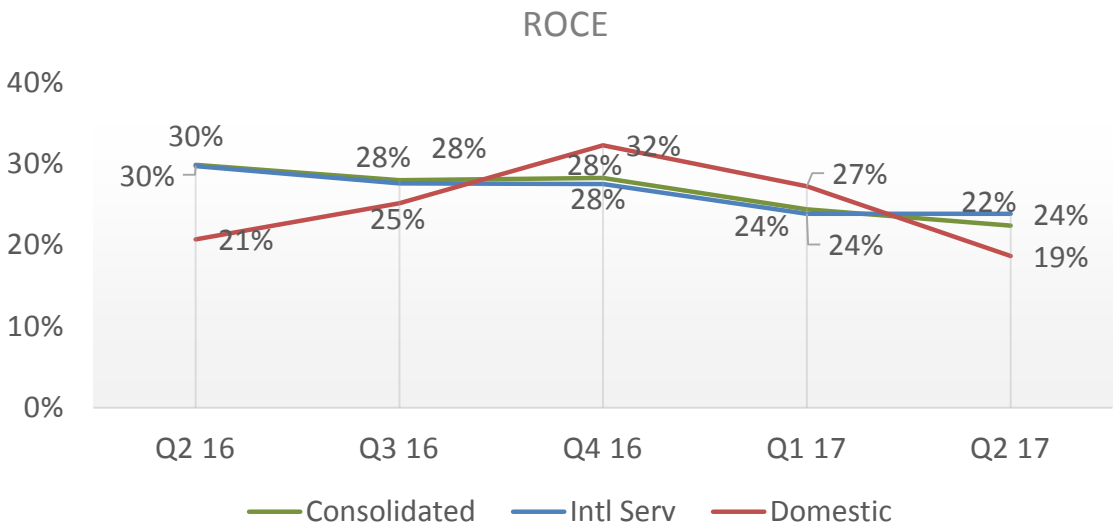
	QoQ	YoY
Revenue	-35%	37%
EBIDTA	-7%	0%
PAT	-7%	-2%

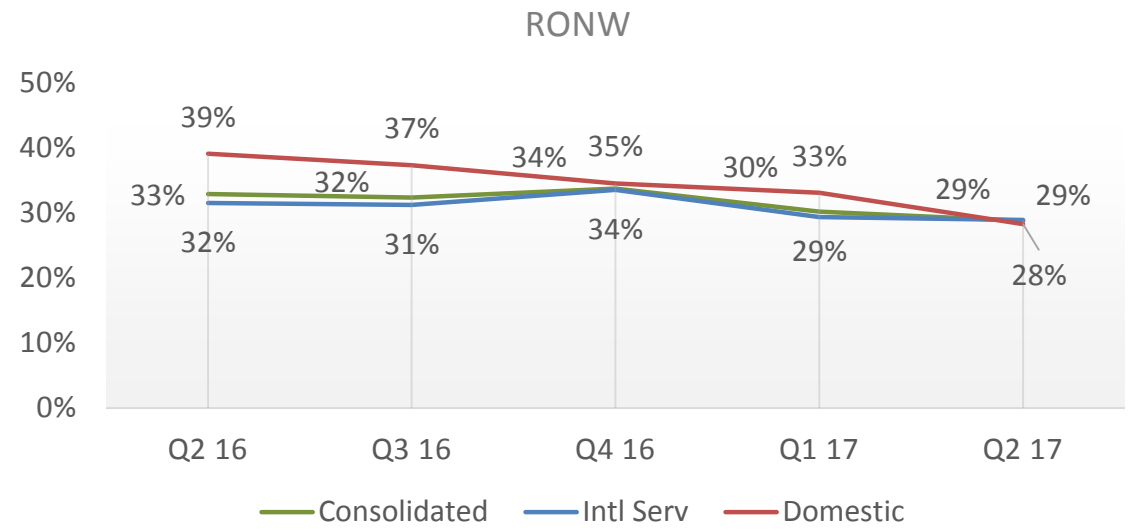
Note : Q1-16, Q2-16 & Q1-17 EBITDA and PAT includes exceptional income of Interest on IT Refund

Rupee Realization



ROCE & RONW


ROCE
40%
30%
20%
10%
0%
30%
30%
28%
28%
28%
28%
32%
27%
24%
24%
22%
24%
21%
25%
24%
19%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Consolidated
Intl Serv
Domestic


RONW
50%
40%
30%
20%
10%
0%
39%
37%
34%
35%
30%
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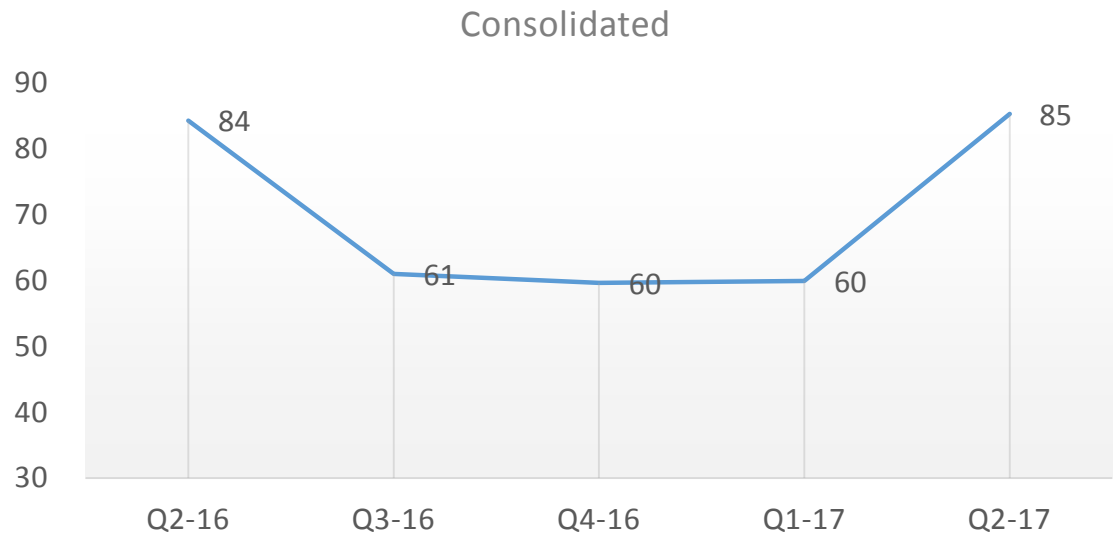
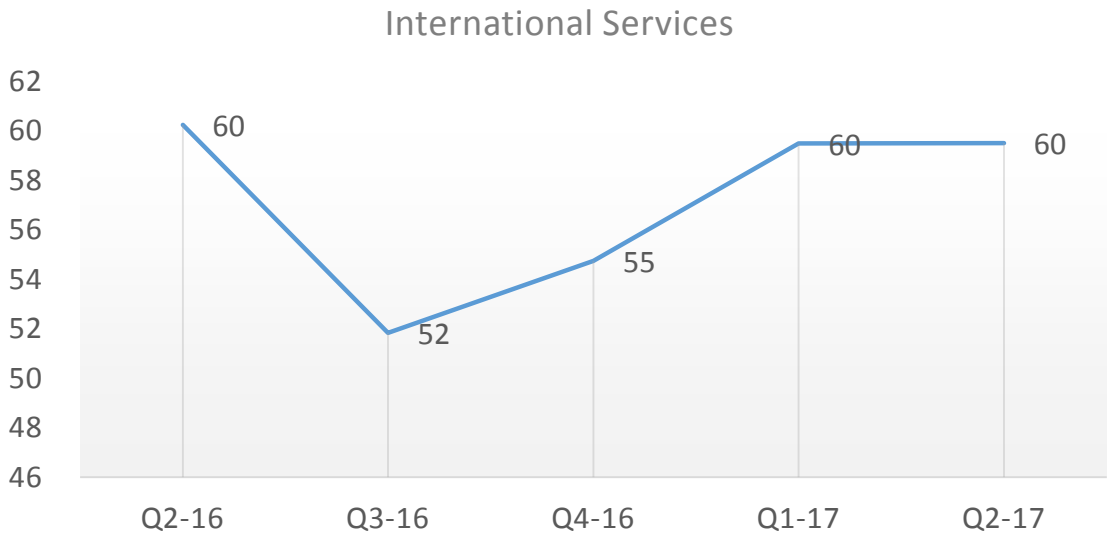
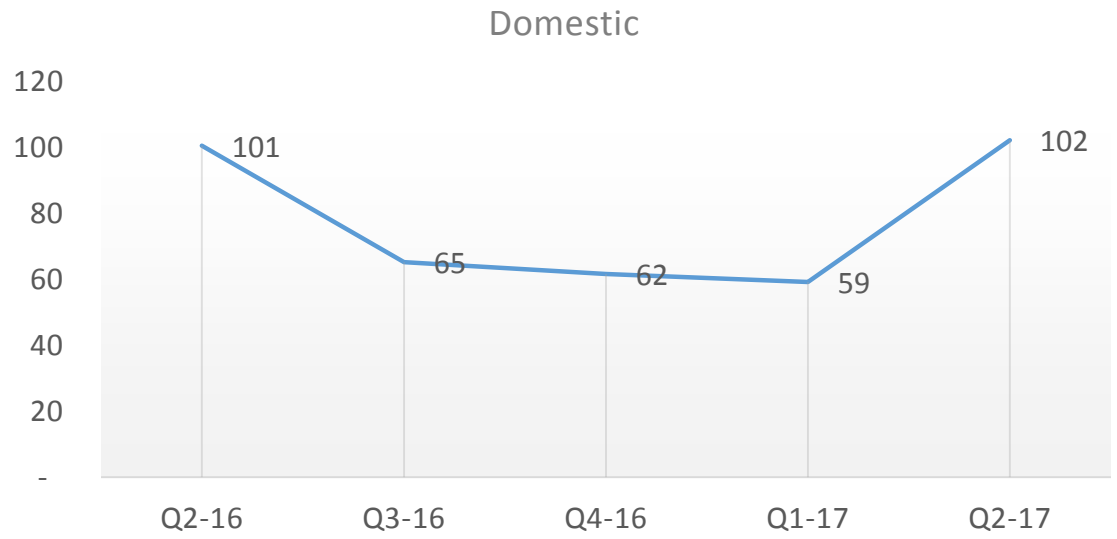
29%
28%
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Consolidated
Intl Serv
Domestic

Day Sales Outstanding







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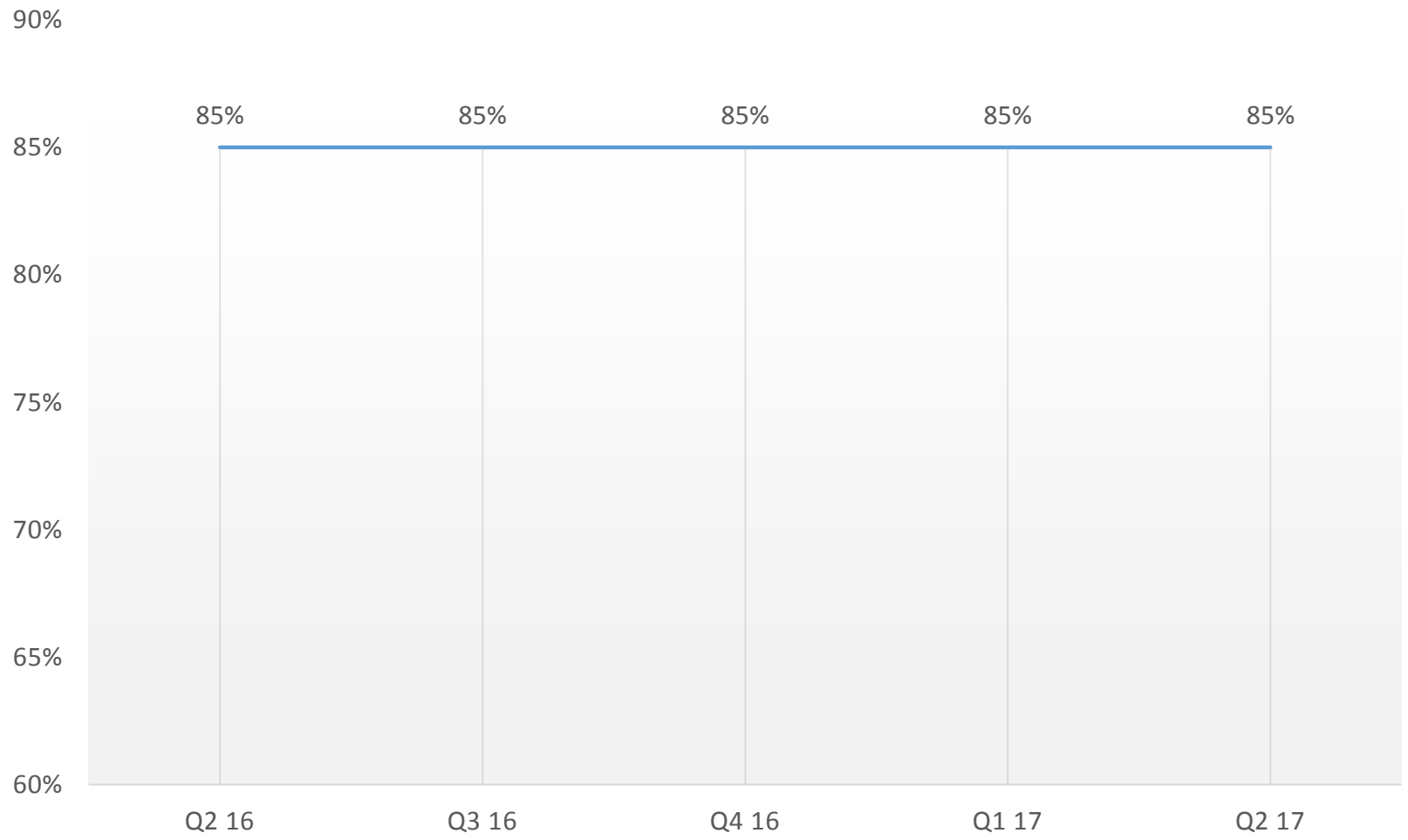

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