

18th May, 2026

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: TRANSCRIPT OF ANALYSTS/INVESTORS CALL
REF: REGULATION 46(2)(OA) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015

Further to our disclosures dated 4th May, 2026 and 11th May, 2026, please find enclosed Transcript of Analyst/Investor call of the Company held on 11th May, 2026. The same is also made available on the website of the Company at <https://www.sonata-software.com/about-us/investor-relations>.

We request you to kindly take the same on record.

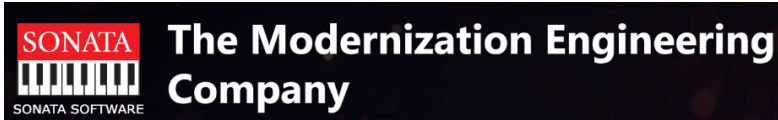
Thanking you,

Yours faithfully,

For Sonata Software Limited

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

Encl.: As above



“Sonata Software Limited
Analyst & Investor Conference Call for Q4 FY 2026”

May 11, 2026

MANAGEMENT: MR. SRIKAR REDDY – EXECUTIVE VICE CHAIRMAN
MR. RAJSEKHAR DATTA ROY – CHIEF EXECUTIVE OFFICER – INTERNATIONAL SERVICES
MR. SUJIT MOHANTY – CHIEF EXECUTIVE OFFICER – DOMESTIC BUSINESS
MR. JAGANNATHAN CN – CHIEF FINANCIAL OFFICER
MS. SHILPA KOLHATKAR – DEPUTY CHIEF FINANCIAL OFFICER

Moderator: Hello, everyone. My name is Inba, and I will be moderating today's session. Welcome to the Sonata Software Limited's Analyst and Investor Conference call for Q4 and FY2026 ended March 31, 2026.

We have with us today on the call Mr. Srikar Reddy, Executive Vice Chairman of the company, Mr. Rajsekhar Datta Roy, CEO of International Services, Mr. Sujit Mohanty, CEO of Domestic Business, and Mr. Jagannathan CN, Chief Financial Officer. We also have our extended leadership team on the call.

Please know that there will be an opportunity for all the participants to ask questions after the management's opening remarks. Please note that this call is being recorded. During the call, please note that the management may make certain forward-looking statements that involve risks, assumptions and are based on information currently available to the management. Sonata does not undertake any obligation to update any such forward-looking statements that may be made in course of this call. We advise participants to exercise discretion while making any investment decisions.

We will begin with the opening remarks from the Executive Vice Chairman, followed by a business overview and financial highlights. After that, we will open the floor for questions. With that, I hand over the call to Mr. Srikar Reddy for his opening remarks. Over to you Sir!

Srikar Reddy: Good evening, everybody, and thanks for attending the call, and welcome to the analyst call. Before you hear from the management team on the financial performance and their view of the future outlook and the plans, we felt that is important from Board's perspective to share our views on the leadership transition. Since Samir Dhir expressed his inability to extend his contract beyond the current contract period, the Board had to take a call on the succession.

As you know, the Board has appointed Rajsekhar Datta Roy as the CEO with the main focus on the international business, the reasons are many, Raj has been with the company for greater than 30 years, he understands the culture and the DNA of the Company, focused on customers, employees, and investment in new technologies. Raj has also held multiple roles in the organization, including business development, as the Chief Technology Officer, and as the Chief Delivery Officer. He has also been a primary architect of Sonata's AI strategy built on the Harmoni concept. As the tech world is adopting itself to the new paradigm shift to the AI space, we believe Raj is the right leader to lead the Company into the new world of AI. The Board is extremely confident on his leadership and the rest of the leadership of the Company to take it to the next level in terms of transforming the Company and adopting the new strategies aimed on AI. The Board is also fully supportive of the management and will continue to assist, help, and guide the management wherever required. Thank you for your

continued support. I will now hand over the mic to the management to make their presentations. Thank you all again.

Jagannathan CN:

Thank you, Srikar. Good morning, good afternoon, and good evening, everyone. I will provide the key updates on Q4 2026 and the FY2026 business and financial performance. Starting with international business, during the Q4, we benefited from few growth drivers. We clocked AI-led order book of \$16.9 million in Q4 2026 and for the whole year it was \$49 million of order book, AI-led order book and now contributed to around 18% of overall order book. AI-led pipeline is \$280 million as on Q4 2026.

We are actively pursuing AI opportunities across 100 plus clients, helping them unlock the value through operational efficiency gain, time to market through enhanced velocity and customer experience and transformation of business model.

We secured two large deals in Q4 FY2026 of total. For FY2026, we had total of eight large deals, with a major global Fintech company as a part of program, Sonata will execute their modernization of core banking platform and AI led-implementation to unify their user's experience, enable better institutional customer experience and faster outcomes for their clients.

With Sonata, the software holding company backed by a PE Firm focused on acquiring and scaling founder owned vertical B2B SaaS companies, this is a multi-year managed services cloud support contract across Java. We added seven new customers in Q4 2026.

In FY2026, total 23 new customers have been added. Top 10 clients contributed revenue share of 54%. Number of clients greater than 5 million run rate stood at 12 in Q4 2026. Number of clients greater than 3 million to 5 million revenue stood at 9 in Q4 2026, up by one number from Q3 2026. Q4 2026 order book stood at \$95 million, with book-to-bill ratio of 1.16x.

We remain confident that our investment verticals, healthcare, HLS, and Banking Financial services, together, these two verticals now contribute 30% of our total revenue in Q4 2026. Total headcount stood at 6283 in Q4 2026 against 6404 in Q3 2026, with attrition of 11%. 90% of workforce is AI trained. On-site and offshore revenue mix stood at 32% to 68% in Q4 2026 against Q3 of 37% to 63%.

Utilization reported as this quarter is 91.8% in Q4 compared to 90% in Q3 2026.

Let us now walk through our financial performance for Q4 and FY2026 for international services. In Q4 2026, USD revenue stood at Rs.82.4 million, flattish quarter-on-quarter. In

constant currency terms, it represents a growth of 0.6 % quarter-on-quarter. Rupee revenue stood at Rs.779.2 Crores, growth of 5.5% quarter-on-quarter. EBITDA before other income and forex for Q4 FY2026 improved to 20.2% up 70 basis points from 19.5% in Q3 2026. This EBITDA accretion is primarily driven by operational improvements across delivery reflecting better delivery efficiency and cost optimization. Utilization improved to 91.8% up from 90% in Q3 2026.

As informed previously, our utilization and headcount levels were driven by sustainable productivity improvement and operational efficiency in delivery enabled by AI adoption, differentiated AI solution, agentic implementation across projects. Our offshore revenue mix improved to 68% from 63% in Q3 2026. We also benefited from pyramid optimization and price increases. Forex fluctuation was beneficial in quarter-on-quarter, and all these levers were partially offset by higher AI led CSP bundle deal cost. EBITDA after other income and forex for Q4 2026 stood at Rs.183.8 Crores, growth of 25.2% quarter-on-quarter and 50.9% year-on-year. In Q4 2026, PAT stood at Rs.84.2 Crores, growth of 40.6% quarter-on-quarter and 35% year-on-year.

Reported ROCE and RONW for the quarter stood at 24.5% and 30.3% respectively. International services DSO for Q4 2026 reported at 64 days against 71 days in Q3 2026. In FY2026 our international services dollar revenue stood at \$328.4 million, a degrowth of 2.1% year-on-year. The Rupee revenue stood at Rs.2,948 Crores, growth of 4.2% year-on-year. EBITDA before other income and forex for FY2026 stood at 18.4%, 1.4% accretion compared to 17% in FY2025. EBITDA after other income and forex for FY2026 stood at Rs.607.7 Crores, growth of 18% year-on-year. FY2026 the PAT stood at Rs.292.7 Crores, growth of 18.7% year-on-year.

Now let me provide an update on domestic business. Despite headwinds from one large client renewal this year due to direct MS relationship, we continue to make a good progress in financial performance. Revenue for Q4 2026 stood at Rs.1759.2 Crores. This may reflect a degrowth of 25% Q-o-Q and 8.3% year-on-year growth. Gross contribution for Q4 2026 stood at Rs.75.3 Crores, degrowth of 1% quarter-on-quarter and degrowth of 3.9% year-on-year. PAT for Q4 2026 stood at Rs.46.3 Crores, growth of 3.9% quarter-on-quarter and growth of 2.5% year-on-year.

DSO for Q4 2026 is 47 days compared to 42 days in Q3 2026. Reported ROCE and RONW for the quarter stood at 43.5% and 39% respectively. Domestic business, revenue for FY2026 stood at Rs.7772.1 Crores, growth of 5.9% year-on-year. Gross contribution for FY2026 stood at Rs.288.7 Crores, degrowth of 3.5% year-on-year. PAT for FY2026 stood at Rs.171.7 Crores, degrowth of 3.6% year-on-year.

Update on the consolidated business now. For the quarterly update, consolidated revenue for Q4 2026 stood at Rs.2536.2 Crores, degrowth of 17.7% quarter-on-quarter and degrowth of 3.1% year-on-year. PAT for Q4 2026 stood at Rs.130.5 Crores, growth of 25% Q-o-Q and 21.4% year-on-year. Reported ROCE and RONW for the quarter stood at 28.1% and 32.5% respectively. Consolidated revenue for FY2026 stood at Rs.10,701.2 Crores with growth of 5.4% year-on-year. PAT for FY2026 stood at Rs.464.4 Crores in FY2026 compared to Rs.424.7 Crores in FY2025. Consolidated EPS reported for FY2026 stood at 16.74 per share against last year 15.3 per share. We have recommended a final dividend of 4.15 per share.

Update on cash flow. Cash generation remains strong during the year with a closing cash balance of Rs.606 Crores and a net cash position positive of Rs.31 Crores, a significant improvement from Q3 FY2026.

To conclude, in a difficult year characterized by macroeconomic challenges and client ramp down, Sonata displayed a resilient performance by growing PAT 18.7% year-on-year for International and 9.3% for consolidated business for FY2026.

We also were able to win and ramp up few large deals during the year, which gave us some tailwinds as we enter the new financial year. Our Q4 2026 performance continued to reflect disciplined execution and continued progress across our strategic priorities. The benefits from AI-led productivity initiatives are becoming increasingly visible across delivery and enterprise operations concerning our confidence in driving sustainable efficiency over a long-term period. Our endeavor will be to maintain EBITDA at a similar level.

While the macro environment continues to remain dynamic and client decision cycles remain elongated, we are encouraged by momentum in our pipeline, especially around digital and AI-led transformative initiative. We remain cautiously optimistic and expect gradual improvement and growth over the medium term. I now hand over to Raj for his commentary on international business.

Rajsekhar Datta Roy: Thank you Jagan and thank you everyone for joining us today. It is an absolute honor to address you for the first time as a Chief Executive Officer of this Company focusing largely on the international business. Having spent three decades here at Sonata and have worked in various roles from business development, technology, delivery, and recently as a Chief Technology Officer and Chief Delivery Officer, I fairly understand the business, the clients, the employees, and the culture very well and I think it provides a unique opportunity for all of us to build on the foundation that has already been laid and what the opportunity is presented in front of us.

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I think we proudly inherited Company with very strong customer relationships, depth of engineering, operational discipline, which has been at core, our culture with people and how we operate and these strengths will remain central as we move forward and will also continue to guide us as we go to the next phase of growth. At the same time, I think it is important to also appreciate the context in which we are operating.

One, I think, is technology shift that we are seeing with AI and the various opportunities as well as the headwinds it presents and I think that is an interesting area and we will talk more as we go along.

Second is the macroeconomic environment and the uncertainty that it presents but one thing is for sure is that AI is now on top of the agenda of every enterprise and how they are trying to utilize to leverage in each of their business context. Our point of view is that all organizations will reimagine how they operate, how they use technology with AI and the need to adapt and evolve will be faster than before. The speed will go up in the midterm in terms of the velocity, what we call the enterprise velocity, and that will lead to demand, especially where organizations move from system of record intelligence to system of autonomous action. This presents multiple opportunities for Sonata, and I think we are well positioned today because of a few things that I want to mention.

- Number one, I think is our strategic and long-term relationship with clients, which we intend to strengthen partner, we are working with many of them already on their AI initiatives, and I think that will only benefit us going forward.
- Number two is our mix of business. I think predominantly we have a larger part of engineering versus managed services, and we see the need for engineering and the speed that it needs from delivering value to the customer and driving more demand in that space.

Third is our size. That gives us a unique position to have more headroom to grow even in this situation. We also have invested over the last year or more on building capabilities, I think our people have largely been certified about 90%. We have built differentiated capability with Harmoni.AI and AgentBridge and that shows in the pipeline increase that we have in the AI-led opportunities. We also have a strong partnership ecosystem. Microsoft, of course and AWS and others and that also gives us confidence that we are well positioned.

Going forward, I think there are value pools where I think we can be very well positioned and one is to how to reimagine the business processes in the context of AI. Second is the legacy modernization and how do we modernize legacy applications and platforms. Also around SaaS, around environments that is going to unlock value for our clients and how do you transform our delivery into an AI-led delivery?

We have made progress on that already, and I think we can accelerate that much faster and of course, the responsible first AI services that are needed more and more as people adopt AI. So these are important value pools that Sonata can distinctly operate in.

Going forward, I think we will strengthen this further and you will see us looking at new ecosystem partnerships and in focusing on certain verticals and subsegments and at the intersection of subsegments and the partnership will have a very differentiated potent capability to take to the market and that will be a focus as we build on this.

We will continue to invest on our capabilities, workforce readiness, ecosystem partnerships to enable this and my focus lies is that in the understanding of where the market is headed and remain confident on how we can proactively position the Company to get best of the opportunities that lies ahead of us.

My immediate focus is to first ensure continuity and that we continue to be deeply focused on our short term priorities, strengthen further our client relationships, accelerate the delivery transformation to be AI led, and build a roadmap for the AI capabilities and not the last, but one of the most important is to continue to drive our operational improvement momentum that we have built in recent times. I thank you very much for your continued trust and partnership, and look forward to the next chapter together positively. Thank you.

Moderator: Sir may we open the lines for questions now?

Shilpa Kolhatkar: Shilpa here Inba. Mr. Sujith is going to take a few minutes to talk about domestic business. Post that we can open the line, please. Go ahead Sujit!

Sujit Mohanty: Thanks everybody for joining this call. Our domestic product business continues to demonstrate resilience and relevance in a dynamic market environment. You know, despite facing the headwind due to one of our OEM partners starting direct billing with some selected large customers, we continue to make good progress in our business.

Revenue for Q4 FY2026 stood at Rs.1759 Crores. Gross contribution is at Rs.75.3 Crores and PAT for Q4 FY2026 stood at Rs.46.3 Crores, which is a growth of 3.9% quarter-on-quarter. We are making steady progress across the strategic pillars, which you have spoken before.

We are expanding our market coverage and we are having a sharper focus on the SMC and corporate segment. We have grown this business around 27% year-on-year. We have broadened our partnership with other hyperscalers and OEM partners. We are executing multiple GTMs with each of these hyperscalers. We are also expanding our business related to tools and platform offering from OEM partners other than the hyperscalers. We are also

focusing on large hybrid system integration deals that integrate physical server storage and other ISP infrastructure, including IT security with leading cloud platforms. These strategic bets are core to building a more diversified, resilient, and future ready business for us.

In accordance with the current interest for the use of artificial intelligence in most of the enterprises, along with our OEM partners, their AI tools and platform offerings, we are working with most of our customers in their AI initiative. We are setting up their AI infrastructure, implementing and helping them in using the AI tools and working with them in building the AI user cases and POCs. Over the first few quarters, we have remained focused on strengthening the quality of our economics, deepening strategic customer relationship, and building scalable cloud-led managed services capabilities.

Overall, we remain confident in the direction of the domestic business. Our focus is not only on the growth, but on building a diversified, scalable, and future ready business with sustainable value creation for customers, shareholders, employees, and partners. With this, let me hand over to the moderator for question and answer session. Thank you.

Moderator:

Thank you very much, Sir. Ladies and gentlemen, we will now move to the Q&A segment. To ensure we provide space for as many participants as possible, we request you to limit yourselves to two questions per turn. For participants connected on Zoom, please click on the raise hand icon located at the bottom toolbar on your screen. When called upon, you will receive a prompt to unmute. For participants connected via telephone call, to join the queue, please press star nine on your telephone keypad. When it is your turn, you will be prompted to unmute by pressing star 6. Please state your name and Company name before asking your questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We will take the first question from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta:

Yes, thanks for the opportunity. A couple of questions. Just first want to get sense about the tweaking in the strategy planned in IITS business. Can you help us understand what would be the focus area of investment, partly you covered in your prepared remark, but if you can elaborate further in terms of vertical and subvertical where you I think indicated some of the subvertical kind of strategy, so vertical and subvertical where we intend to make investment and how one should look at it from medium term perspective and if you can touch upon also M&A in that part, how M&A fit into overall growth strategy. Second question is about the overall IIT's growth performance perspective, I think last four quarter largely remained flat is between 0% to 1% kind of growth rate. How one should look growth trajectory there? Earlier the growth was impacted for a couple of client specific issues as well as RMD vertical kind of challenges, can you provide some update on some of the challenges how we expect it

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to play out and last question is about the overall if I look let us say last four quarters there is a significant movement across vertical and GTM or service line so there is a sharp volatility kind of thing can you provide broad sense on near term demand trend and any specific headwind across this vertical and GTM which we report and which vertical likely to lead the growth? Thank you.

Jagannathan CN: Raj will you take the call?

Rajsekhar Datta Roy: Yes. Thank you, Jagan and let me give you a quick commentary, I think, on where we are thinking. You will appreciate that it is about, I think, 15 days since I have just taken over, but I will give you a preliminary direction on where we are looking at. I think we will continue to have the verticals that we have. So we will have continuity on the verticals. What we will do is will sharpen focus on particular areas of the vertical where we are strong and where we see the demand growing. I think that is what it is. The exact specificity of which areas are something that we will formulate in the next couple of months and then we will provide you an update in detail about that. Number two is on investments that you have worked. I think we will expand on building our offerings and capability, both in terms of go-to-market capabilities that we have that we will invest in, aligned to this strategy of subverticals. We will look at new partnerships as we go forward, while it might take some time to fructify, but new partnerships and third is how do we build on differentiated capabilities in delivering with AI. I think there are three large buckets that we are looking on going forward, but as I said we will provide more specific thing in a couple of months from now. The second thing was around growth. I think we continue to maintain resilience in the short term and have the current momentum continuing for now. As we move forward and as we move forward and make some of these changes, we will come back and update you on further. The good part of this is that we see a healthy pipeline on AI-led opportunities that is coming up and our focus will be that how to quickly convert them and convert them into revenues, but despite the macroeconomic and general challenges that we face with clients in terms of decision making and stuff. The third point that you mentioned is about how we look at what is driving, which verticals are going to drive. I think we still see growth being driven by our technology. BFSI and HLS in the short term as we try and see how to bring back RMD into the growth path. Thank you.

Jagannathan CN: So to add to Raj's update on the business, on the M&A front, we are looking for, in case there is an opportunity come for us with a good prospect in the particularly new technology area, we may evaluate for it, but at present, we do not have any plan specifically to grow the business through the M&A leverage. We will wait for a couple of more quarters, and in the medium term, we may open up this further.

Dipesh Mehta: Thank you. I have a couple of more. I will come up in follow-up. Thank you.

Moderator: Thank you. We will take our next question from Amit Chandra of HDFC Securities. Please go ahead.

Amit Chandra: Sir thanks for the opportunity. So my first question is in the continuation of what the earlier participant asked. So last year, last few quarters, there were few client-specific issues, specifically in the retail, also in healthcare and largely in the BFSI vertical that we are facing that impacted the growth. For the full year, FY2026, BFSI was the vertical which had the maximum damage and we have seen some stability there. So, if you can elaborate more on how we are planning to scale up the BFSI and also you mentioned about the sub verticals within BFSI. So, which subverticals are we focusing and we also had some tail winds in the BFSI vertical. So, how to look at the growth coming back in the BFSI and is it also coming from existing clients or we are hunting for new clients in the vertical?

Rajsekhar Datta Roy: I think three questions, Amit, that we had. Yes, I think we had issues in the past with some of the verticals, RMD, BFSI that you mentioned, some client specific issues. I think we are largely behind us today on those issues and we need to build it, but that said, I think BFSI is still under pressure and we need to be clear that there might be further pressures in existing clients for contraction, if any, but not very significant as we see. The second thing is on your subvertical focus like I mentioned that we will work on this further we have a view today, but we want to validate that and then we will come back and provide you those inputs as we get build further clarity amongst ourselves. The number three is, I think, on how do we see growth. So I think in the short term, looking at all the decision making cycles and what we have, I think we will continue to mend in a similar growth trajectory in the short term as we build for future. I think the new wins are in a very interesting financial services space, largely in payments area and that remains an interesting opportunity for us because we are helping them modernize some of their core system in providing a unified client experience and that definitely will be something that will help us consolidate in the payment space. So that is the quick summary.

Amit Chandra: Sir we have seen TMT coming back in this quarter and obviously it has been the strength of Sonata. How are we seeing this spending from the topline there? if you can give some picture in the sense that, how do you see spending coming back there or the AI led benefits that, all the pass through is now behind or we can see, some increased spends or some increased engagement with the top client in the TMT vertical?

Rajsekhar Datta Roy: I think, interesting question, Amit, on the top client in the TMT vertical. Yes, I think we see a little bit of upturn now from them and I think we should look at it on that client, but as with some of these clients I think it changes and there are some recent developments. So we need to watch out how much of that is sustainable. We are watching this very, very carefully that whatever we are seeing, the upturn is actually sustainable. Number two is we are trying to

pivot to areas where the spends are going up versus the spends which were getting cannibalized so as to speak and I think that is working out but we still need to see as you might know, that some of these things, their financial year and our funds is shortly coming up and we need to see what this means and is this sustainable, so we are watching this out carefully, but we have a slight upturn.

Amit Chandra: The last question is on the margins obviously we have been able to scale up the margins that we have talked about earlier and in terms of utilization we are operating at the max utilization like levels so now that we have reached the margins that we desire to so can we expect some increased investments in the business for growth or we are planning to keep the margins at this level unless we have the clarity for growth and what is the medium term margins that we are likely to operate in?

Jagannathan CN: I will take this call. Amit, the margins, we are evaluating the options for the investment. We will continue to do investment because the growth, particularly the transformation to AI will continue to happen for us and which has had very good traction. If you see the order book levels have become 18% of our total order book. We have progressed very well. We will continue to invest on this. Our efficiencies and utilization have reached the best possible place where it can be. We will continue to invest. We will continue to monitor. We will, for the short run, we will have a similar kind of margin. So we will see based on the requirements for the future growth, we will definitely be open for investments and for the growth to come in future.

Amit Chandra: Thank you and all the best.

Moderator: Thank you. Before we take our next question, we would like to remind participants to ask a question, you may click on the raise hand icon or if you connected via telephone call, you may press star 9. We will take our next question from Praveen Kumar from Equitas Capital Advisors. Please go ahead.

Praveen Kumar: Thanks for the opportunity. I had a couple of questions. The first one was on the disclosure on the large deal pipeline. If I compare the current quarters number at 11 to the previous quarters, which used to be in the 28 to 32 kind of a range, that seems to be a sharp drop off in the large deals pipeline on the international business, so can you throw some light on what is happening there? Why the sharp drop off? and is there any specific issue that you would like to call out here? That is the first question. Thank you.

Shilpa Kolhatkar: So if you look at the large deal pipeline, it continues to be strong. I think the overall trajectory has not changed. The reason pipeline would have come down is because we have announced two large deals this quarter, if you have seen one of the prepared commentaries. So that is the

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reason in the short run there will be a drop there, but overall pipeline momentum and the count of large deals, as you can see on that investor deck, continues to be strong. Thank you.

Praveen Kumar: Sorry, I am confused a little bit because in the previous quarters, the number used to be around 28, 32 or in that range, right, now, even if I account for a couple of deals converting the deal, the large deal pipeline, which have disclosed the numbers, if I add up that is 11. So that is quite a sharp drop off, right? So I am not 100% clear on what you are implying.

Jagannathan CN: No, this is just to add a flavor to it. It is not a particular point of time what is the open large deals we are just reflecting on this? The number from this time, March 31 to now, it is already still being done. During the year-end time, you would have converted many of the deals into a large deals and then subsequently it is getting added more and more on this. It is just a point of time it does not reflect anything on a pipeline now overall.

Praveen Kumar: I understood. Second question was on the domestic business. So we understand the challenges that are there from the large, large client going direct, etc., so how do we see that panning out and when do we see the domestic business returning to growth on a gross contribution basis and on a beta basis?

Sujit Mohanty: So hi, Praveen. This is Sujit. So you could have seen last financial year, we started with this little bit of headwind, where we lost one of our largest customer, but you could have seen over the last four quarters, we have almost covered up the whole loss and as we stand today, we believe that during this fiscal year we should be back to our growth trajectory. Thank you.

Praveen Kumar: I understand. Thanks for the clarification.

Moderator: Thank you. We would like to remind our participants, if you wish to ask a question, you may click on the raise hand icon again. Participants connected via telephone call, may please enter star and nine. We will wait for a moment while the question queue assembles. We take the next question from Bharat Gulati from Dalal & Broacha. Please go ahead. Mr. Gulati, could you please unmute your microphone and ask your question?

Bharat Gulati: Thank you for the opportunity. Just a couple of questions from my side. So firstly, just wanted to understand on the margin trajectory on the international business. In the short term, you said it would be stable, so do we expect these utilization levels to sustain at this 91.8% to 92% range or just trying to understand what is going to drive this constant margin trajectory?

Jagannathan CN: So we have guided that will be in a similar kind of a margin. With respect to utilization, depending on the business requirements, utilization may come down a little bit because we have reached the best possible situation for us in the utilization frame, but going forward also,

if the operational improvements because of the adoption of AI and agentic AI will continue to help us to maintain the margins in the business trajectory what is coming in. Our onsite offshore mix is also one of the best at present situation. So we will be able to maintain the similar margin over a period of time. In case it requires additional investment for the growth we are open for it.

Bharat Gulati:

Got it and just on the domestic business, just wanted to add on to the last participant's question. Just wanted a clarification on, are we keeping our outlook intact to get growth that we historically had in that segment of our business and how do we look at our existing business in that segment given that direct competition has come in and how are customers panning out?

Sujit Mohanty:

On the direct competition from the OEM partners, I think, see, as a policy, they have not given anything in writing but as per our understanding, we do not see that we will be losing any further of our large customers that is point number one. Point number two, even if now some customers are going to be directly billed, because they are not in the top 20 to 30 list, materially it will not impact that much, if at all it happens. But as I said, as for our understanding of the current situation, our understanding, though we have Microsoft India talking about their future policies, we do not see any further hit in the coming quarters. In fact, in the recent past, there are two to three customers who were in discussion regarding direct billing, but we worked with Microsoft and customers, and jointly we made sure that those customers finally signed through in a partner route through us. So this is where we start. So from a direct billing point of view, we are not expecting to lose much. I hope I have answered your question.

Bharat Gulati:

How do we see growth? I mean new customers. How do we see that addition and how do we see just on the growth front? Do we see that historical growth come back or will there be a slight impact to growth going forward?

Sujit Mohanty:

No I think in one or two quarter we will be back to our old growth rate and see during this old four quarters it is not that we are not winning other customers are not adding business, it is just the fact that such a large customers were with us almost for 15 to 16 years. We had built up a huge business. You know the impact was such high that we took a few quarters to cover it up and I just mentioned a few minutes back, we have almost covered it up. So we are hopeful and we are very confident that this financial year, we will be back to our business. Thank you.

Bharat Gulati:

Fair enough Sir. Thank you.

Moderator: Thank you. Our next question is a follow up from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Thanks for the opportunity. Just want to understand the domestic business. Earlier we indicated about one client impact in last November and another client in H2O of FY2027 are we indicating that another client hit which was supposed to happen is unlikely to play out now and that gives us confidence about growth on sustainable basis from here on and second question on the margin, how one should look that business because when we indicated earlier about expansion to new client as well as new partnership usually it starts at either break even or loss, so which could have a ramification or margin trajectory. So if you can address both of these questions? Thank you.

Sujit Mohanty: Thanks Deepak. So as I just mentioned for the previous question, we are not anticipating to lose any further customers to direct bidding that is, just to answer your first part of the question. Now, coming to the growth and, the future business. So, we will continue to have our GTMs, we will continue to have our existing customers, we have our plan to get new customers. So, the future business will be as usual and we do not expect any further hit? Is there anything?

Dipesh Mehta: So margin I was more interested because the new business may come at lower margin that was the expectation.

Sujit Mohanty: From the margin point of view in our business when you go for very large deals as you said very rightly that when you enter to the contract there is a chance that you work or you operate at a very, very low margin or almost nil margin, but that is built into our business plan and we have a mix of existing customers, what we call the farming, and then we have a plan every year for new auditions, which you go for the hunting. We have a mix of these two businesses and, the earning of low margin for the new business, which comes from new acquisition and complete accounts, that is already built into the business. So when we say that we are going to have a regular growth during this financial year that has already been taken into account and the second point is that also we keep changing our business nature in terms of, from a pureplay resale to get into a little bit of system integration, multi-cloud management. So this is how the business is also changing and these are the requirements from the customers as they are also becoming much more experienced in operating under multi cloud situation. So multi cloud management, security management, all these become a part of additional services, which we have already started providing. So because of all these things, we are very confident that the margin situation from the market, we can handle it.

Jagannathan CN: Dipesh, just to add a point to that, what it is highlighting is this is not changing the business model substantially what it was last year to current year. This is the situation for us for a long

period of time, and we know how to handle it over a period of time and the entry level margin may not reflect the sustained margin for the business. Later, we add services, we add other components of it, and keep expanding on and mine the account much, much deeper. So in this business, the current situation exists in the past and this exists in the current situation also.

Dipesh Mehta:

Understand and last question is about the IITs just want to get sense on the dynamics part that business remain relatively weak through the year and the same on data part, so if you can provide on the revenue by GTM what we disclosed. Debtor it was expected it to be very strong growth kind of thing but somehow it remained under pressure so if you can give some perspective on data and dynamics these two GTM? Thank you.

Rajsekhar Datta Roy:

Thank you, Dipesh and I think two questions. I think dynamics growth remains very, very important to us and we continue to be in the top level partnership with Microsoft and as we go forward, we will further strengthen our dynamics go-to-market as AI business solution, and so that remains our key focus as a part of the go forward strategy. We have interesting pipeline which has come up with dynamics with AI recently, and we are looking forward to convert them to get some tailwind as we move forward. As far as data goes, it has largely been contributed by the BFSI, one particular client ramp down, and a little bit by the RMD client ramp down, but thereafter, I think we are building good market with data. I think one of the things with AI, the opportunity is that what the data for AI, and we are creating a data product for AI as a data source, and that will help drive further momentum as we go forward, but that also remains a focus.

Moderator:

Thank you. We now move to our next question. That is a follow-up from Praveen Kumar of Equitas Capital Advisors. Please go ahead.

Praveen Kumar:

Thanks for the opportunity again. I had a quick follow-up on the international business. I think over the last several quarters, the management has called out lengthening deal decision cycles and broader macro and today, again, Raj in his commentary has called it out. So just wanted to understand that, given that Sonata has had a significant AI focus and significant AI readiness over a period of time, and given the modest size of the business, what are the hindrances in terms of getting more traction in this, even in this kind of an environment, if you could throw some light on that? Thank you.

Rajsekhar Datta Roy:

I think, all the three points, AI definitely presents an opportunity at our size and I called it out when we made the initial commentary. The decision making cycles is, I think, for clients largely on AI has been on to take the larger plunges rather than experimentation. We are seeing green shoots of that coming up, especially in the engineering space, but yet I think the decision making continues to be elongated, not so much by technology or what it can do, but

the macro environment in which the client is. I think that is the inhibiting factor. With that said, we will continue to further strengthen our capability because at the end of this, I think AI will demand, will grow up in the medium term and Sonata will be more ready in its focus areas to address that growth opportunities.

Moderator: Thank you. The next question is from Ashis Dash of Mirae Asset Securities India. Please go ahead.

Ashis Dash: Thank you for the opportunity. I would like to understand your thoughts around FY2027 growth outlook. So in the previous call, basically, we highlighted that in TMT vertical, the non-engineering segment continues to face the budget pressure and also, we saw in FY2026, BFSI declined significantly and basically the companies in IT services space basically talking about there is spending remains healthy in the BFSI side, so I would like to understand the outlook of BFSI and TMT as well as the overall growth outlook for FY2027?

Rajsekhar Datta Roy: So I think on the BFSI, it was largely affected by one large client ramp down and that showed rather than the BFSI in other customers continued to be in similar trajectory. Two parts there is of the answer. One part of the answer, I think the recent deal win, in the BFSI should further help us grow in BFSI and we are also seeing some client ramp ups, especially as they modernize their application landscape with AI. I think that is a positive, but we also notice that some large clients have the economic situation is also leading to some contraction, so, we are watchful about it, but I think there is a slight tailwind because of the ramp ups and the new wind that we have that is on BFSI. As far as TMT goes, yes, I think we are seeing an increased traction in TMT, but I think we need to see how much sustainable it is as we grow and that is what we watch out for continuously, that it needs to be sustainable growth and so that it can be seen to continue as we grow forward. Largely, I think we see TMT, HLS, and BFSI still driving our goal as overall growth in FY2027 as well as RMD continues to recover.

Ashis Dash: Thank you so much for answering my question. Thank you.

Moderator: Thank you. Our next question is from Sushovan Nayak of Anand Rathi. Sir, could you please unmute your connection and ask your question? Mr. Sushovan Nayak, you may enter star six and unmute your mic. Mr. Nayak, could you please unmute your microphone?

Sushovan Nayak: Just two bookkeeping questions. One is on the capex, right? I think there is almost a 70% increase in the absolute value of the capex. Any particular reason on what is exactly there and what do we expect as a steady state? That is one and on the IT services business, the margins also, I think they have gone up 20%. What do we expect to be the steady state? Do you expect some improvements over and above this? I think these are the two questions. Thank you.

Jagannathan CN: I will take this question. Both the capex is because we had to launch a new facility in Chennai for one large BFSI customer this is like a one-time activity, so hence there is an increase on the capex for the current quarter. However, this will not continue, and we do not have any plans of growing any other facility at present. So if there are any updates, we will come back to you. This is a very smaller facility kind of a situation. Earlier quarter, we did not have anything. We have optimized the facilities also as possible earlier. The next one is on a margin. Our endeavor is to maintain the EBITDA at the similar levels. We will continue to strive for it. However, if there is an opportunity for growth and that requires an investment, we are very much open for that.

Sushovan Nayak: Sir, can we take the first half capex annualized as the fair number for the capex going forward? Is that fair?

Jagannathan CN: Yes, we can share that separately. Not expected. It will be in the similar levels of previous year. Overall year, not for the one quarter. One quarter into four is not a number whole year financially.

Sushovan Nayak: Sure. Thanks.

Moderator: Thank you. That was the last question for today. I turn the call back to Mr. Jagannathan CN for closing comments.

Jagannathan CN: Thanks for that. In a difficult year characterized by macroeconomic challenges and client ramp down, Sonata displays a resilient performance by growing PAT by 18.7% year-on-year for international business and 9.3% on consolidated business level. We also were able to win and ramp up large, very few large deals during the year which gave us some tailwind as we enter the new financial year.

Our Q4 2026 performance continues to reflect the disciplined execution and continued progress across our strategic priorities. The benefit from our AI-led productivity initiatives are becoming increasingly visible, and across delivery and enterprise operations, strengthening our confidence in driving sustainable efficiency over long term career. Our endeavor is to maintain the EBITDA at similar level, while macroeconomic environments continue to remain dynamic and client decision cycles remain elongated.

We are encouraged by the momentum in our pipeline, especially around digital and AI-led transformation initiative. We remain cautiously optimistic, expect gradual improvement and growth over a medium term. Thank you all for joining for the call. Once again, thanks for all the support and continued confidence in Sonata Software. Thank you.

Sonata Software Limited

May 11, 2026

Moderator:

Thank you very much Sir. Ladies and gentlemen, on behalf of the leadership team, I would like to thank you for your time and for your continued interest in Sonata Software. Should you have any follow up queries that were not addressed, please feel free to reach out to the investor relations team at investor@sonata-software.com. You may now click on leave button to exit the meeting. Thank you for your participation. Good bye.