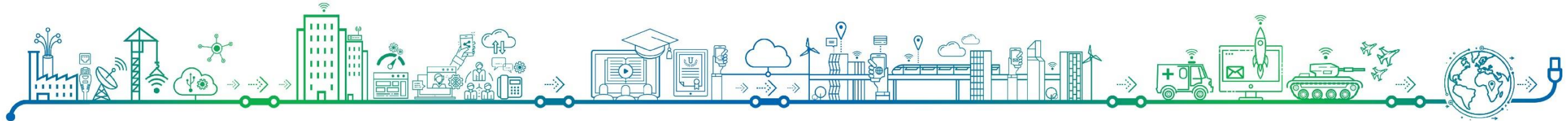




# Earnings Call Presentation

## July 19, 2017



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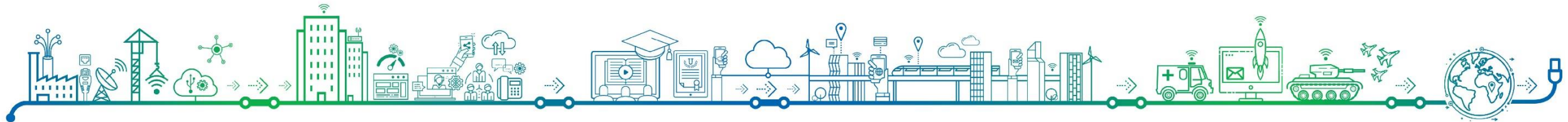
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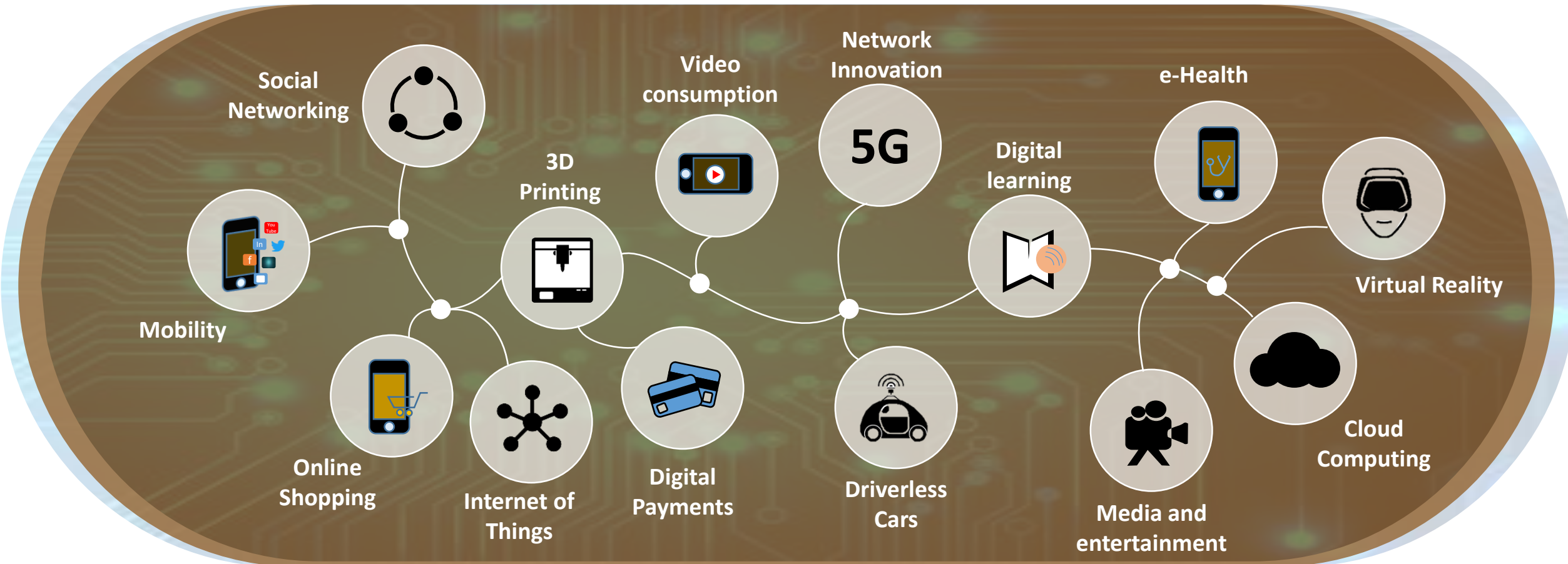
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# Industry Outlook



# Data explosion being driven by expanded ecosystem

Evolving technologies, consumption patterns and policy shifts are all coming together to create a vastly expanded ecosystem which will drive a quantum leap in data volumes



# Data Consumption in India set to explode



## Devices

- Better and more affordable devices are increasing penetration
- Smart phones to exceed feature phones in 4 years



## Internet Access

- Improved availability of reliable high speed internet at affordable rates



## Improved Interfacing

- Health, e-learning, entertainment, e-payments, shopping coming online
- Growth in quantity and quality of online content

## Projected 2020

**650 (1.7x)**

No. of users (TRAI)

**7-10 GB**

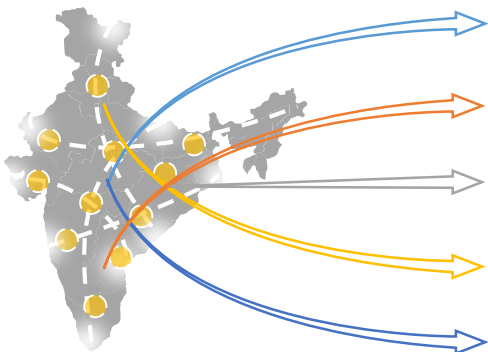
Average data consumption per user/month (BCG)

**~550mn**

4G Smartphones in India (IDC)

**Expected to result in 10-14x increase in total data consumption**

## Digital India Trend



**Aadhaar based authentication**

**Banking & Payments**

**National Broadband Infrastructure creation**

**Digital Ecosystem Creation**

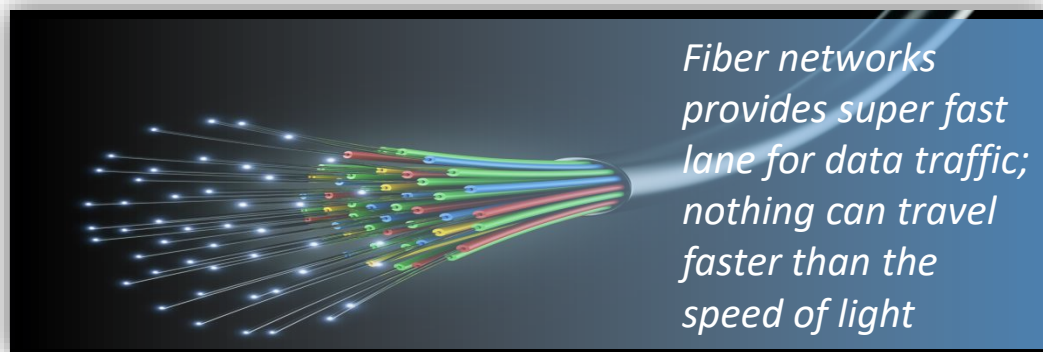
**India Digital Stack**

# Fiber is at the core of tomorrow's network

Optical fiber is the only medium with the bandwidth to accommodate increased data traffic

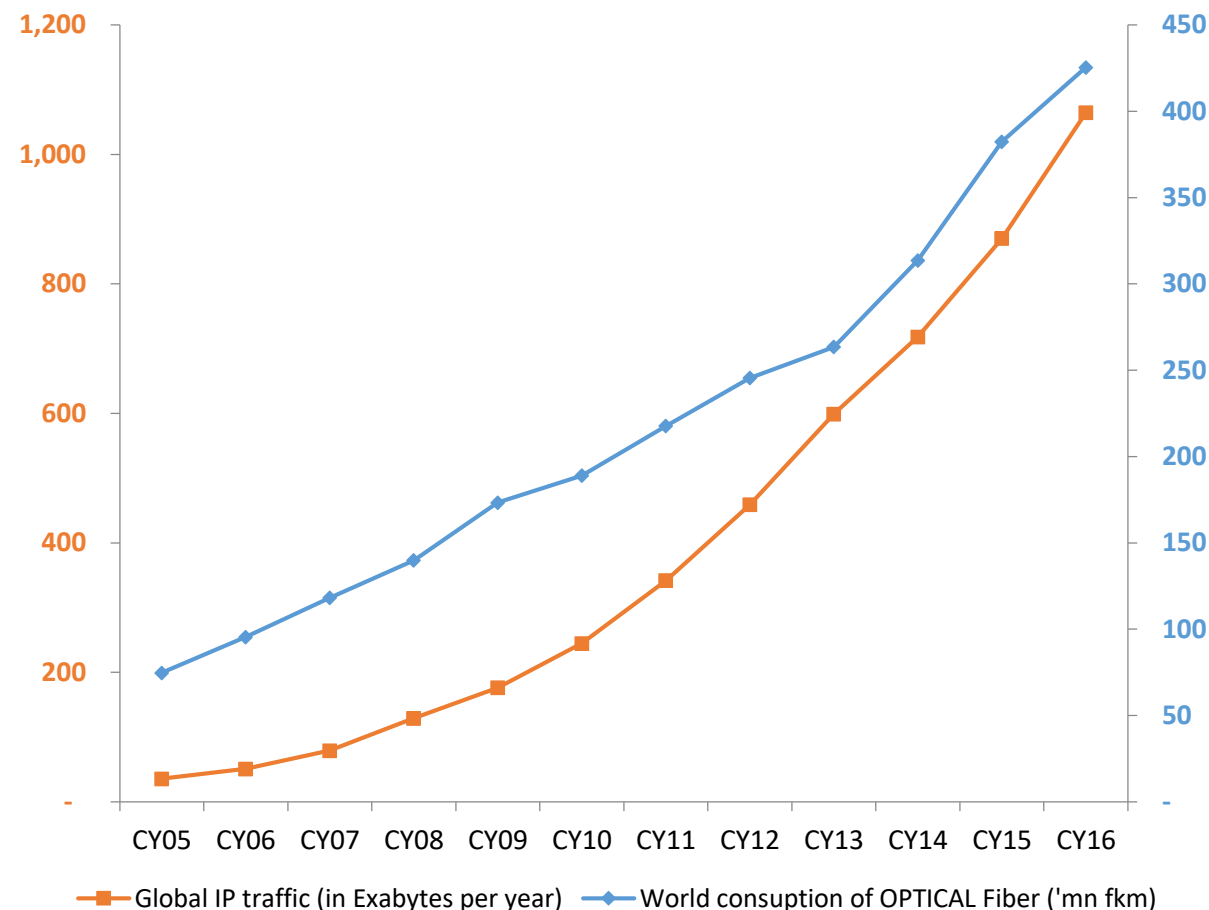
## Fiberized Infrastructure key to sustainable future

- Densification of 4G, deeper penetration of FTTx and advent of 5G to further bolster the demand for fiber
- Fiber is critical for wireless technology as it enables high-capacity backhaul and future proofing the network



- Fiber is ahead on parameters of speed, security, bandwidth and reliability
- Fiber is ranked as the most important backhaul and transport technology for 5G

Global IP Traffic driving fiber demand





# Globally Fiber Demand is Increasing Consistently

- Heavy investments on 5G in 2020-2030 ~ \$400 bn
- Upcoming Projects for FTTH and Ultra-Broadband Applications (Fiber-based)



China

- 'Digital India' mission by PM
- Smart Cities driving Fiber demand
- Rural Broadband Connectivity- BharatNet
- OTT Players- Google Wi-Fi Railway Station, Facebook's Express Wi-Fi, Free Basics, Internet Saathi



India

- First-ever official demonstration of 5G at Olympics - South Korea will pump 1.6 trillion won (US\$1.49 billion) through 2020 with local firms to build the fifth-generation network (5G) in the country



South Korea

Globally Fiber Demand is Increasing

*Historically 80% of Global Fiber demand is driven by these 5 countries*



US






- Fiber as Backhaul for 5G Networks - \$130-\$150 bn Fiber investment required in the next 5-7 years
- Increased focus of OTT players – Google Fiber
- Verizon's contracts with Prysmian and Corning - total US\$1.35 billion over 3 years



Japan

- Japanese cell cos to invest USD 46bn into delivering nationwide 5G coverage in 2023
- The first live 5G networks are expected to come on stream in parts of Tokyo and other select areas ahead of the 2020 Tokyo Olympics and Paralympics

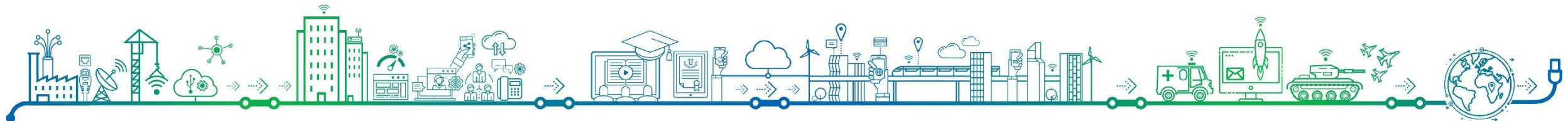
# 5G Requires Deep Fiber

|        | Latency   | Throughput  | Connections   | Mobility  | Network Architecture   |
|--------|---|---|---|---|--|
| 5G     | <b>1 ms</b><br>E2E Latency<br> | <b>10Gps</b><br>Per Connection<br> | <b>10,000k</b><br>Connections Per Sq. Km<br> | <b>500km/h</b><br>High Speed Railway<br> | <b>LINP</b><br>Ability Required<br> |
| Gap    | 30x~ 50x  | 100x  | 100x  | 1.5x  | NFV/SDN  |
| 4G/LTE | 30 ~ 50 ms  | 100 Mbps  | 10k   | 350km/h   | Inflexible   |

- 5G push will require denser fiber; we believe that the OSP fiber infrastructure may on an average end less than a mile (5000ft) from its subscribers
- 5G distance limitations: 1000ft and below for termination points:-will require fiber coverage much more dense than currently offered



# Our Strategic Positioning



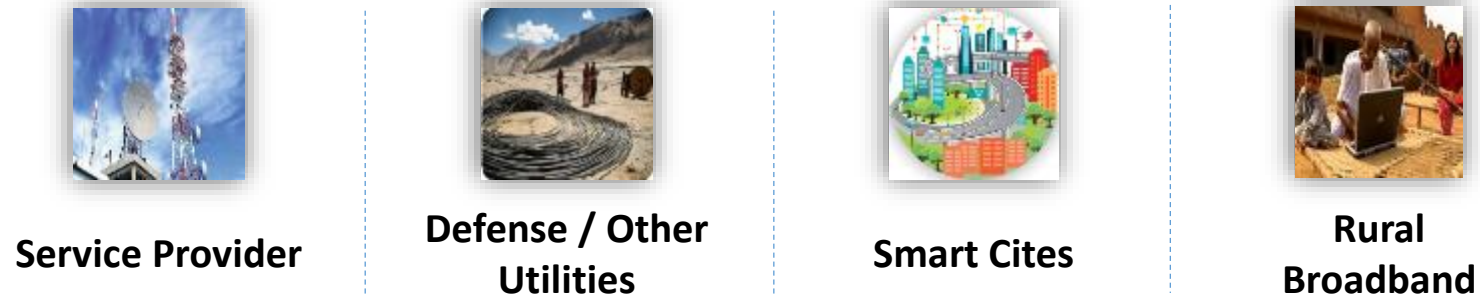
# Focused on the Connectivity Opportunity

## Global Trends



Next Generation Digital Network Creation Opportunity

## Diverse Customer Base



Across wide spectrum of customer base

## Comprehensive Offerings

Design

+

Build

+

Manage

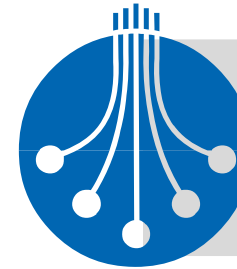
Products, Solutions, Services & Software : Integrated Solutions for Digital Networks

# Uniquely Positioned with silicon to software capability

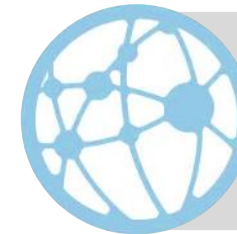
*Equipped with a one of its kind Silicon-to-Software capability, which is unparalleled globally..*



**Only global company to have Smarter Network Solutions encompassing Products, Services and Software**



**OPTICAL  
COMMUNICATION  
PRODUCTS**



**NETWORK & SYSTEM  
INTEGRATION**

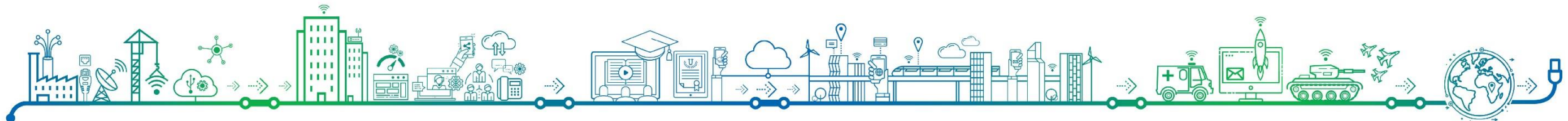


**SOFTWARE &  
SERVICES**

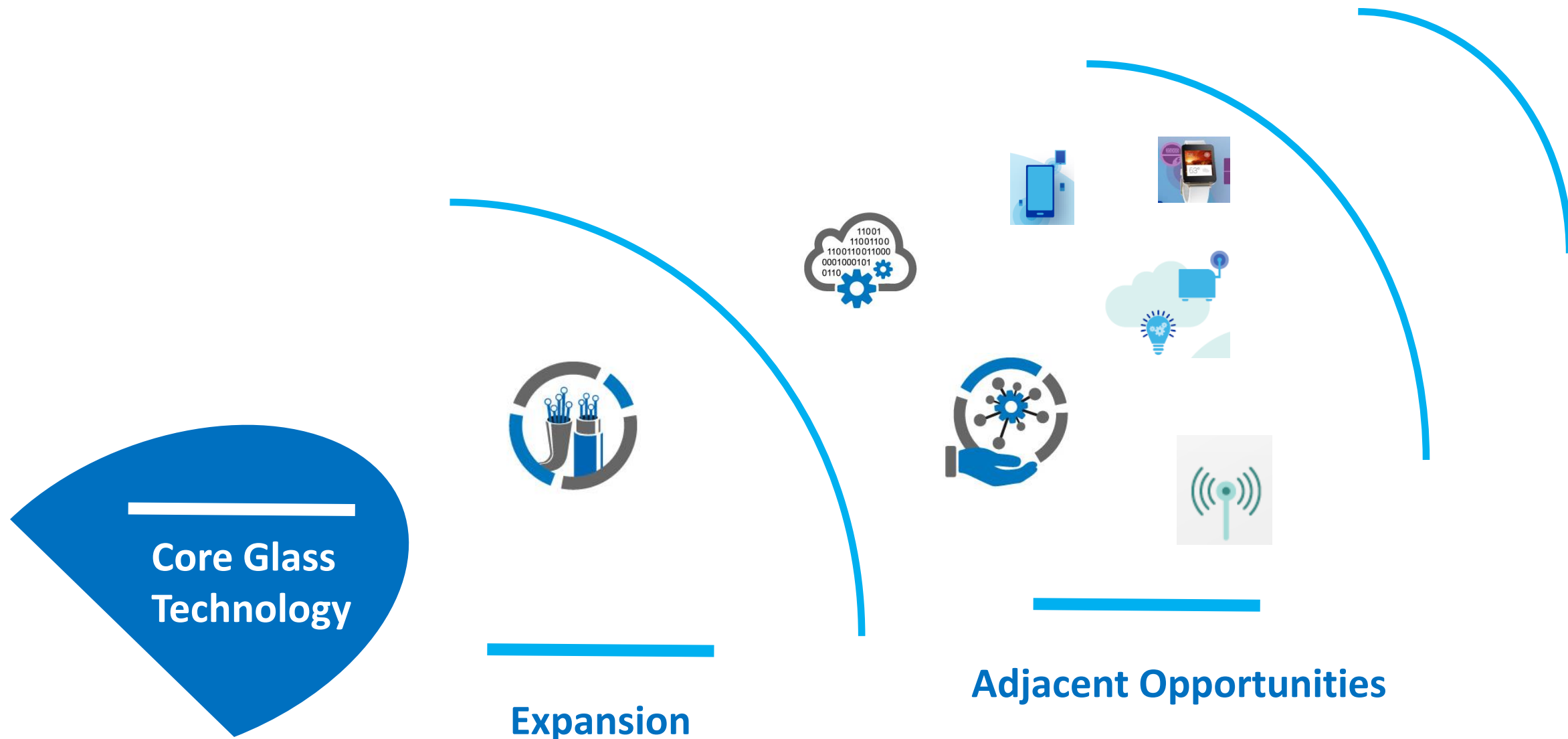
**Design,  
Build and  
Manage  
Digital  
Networks**

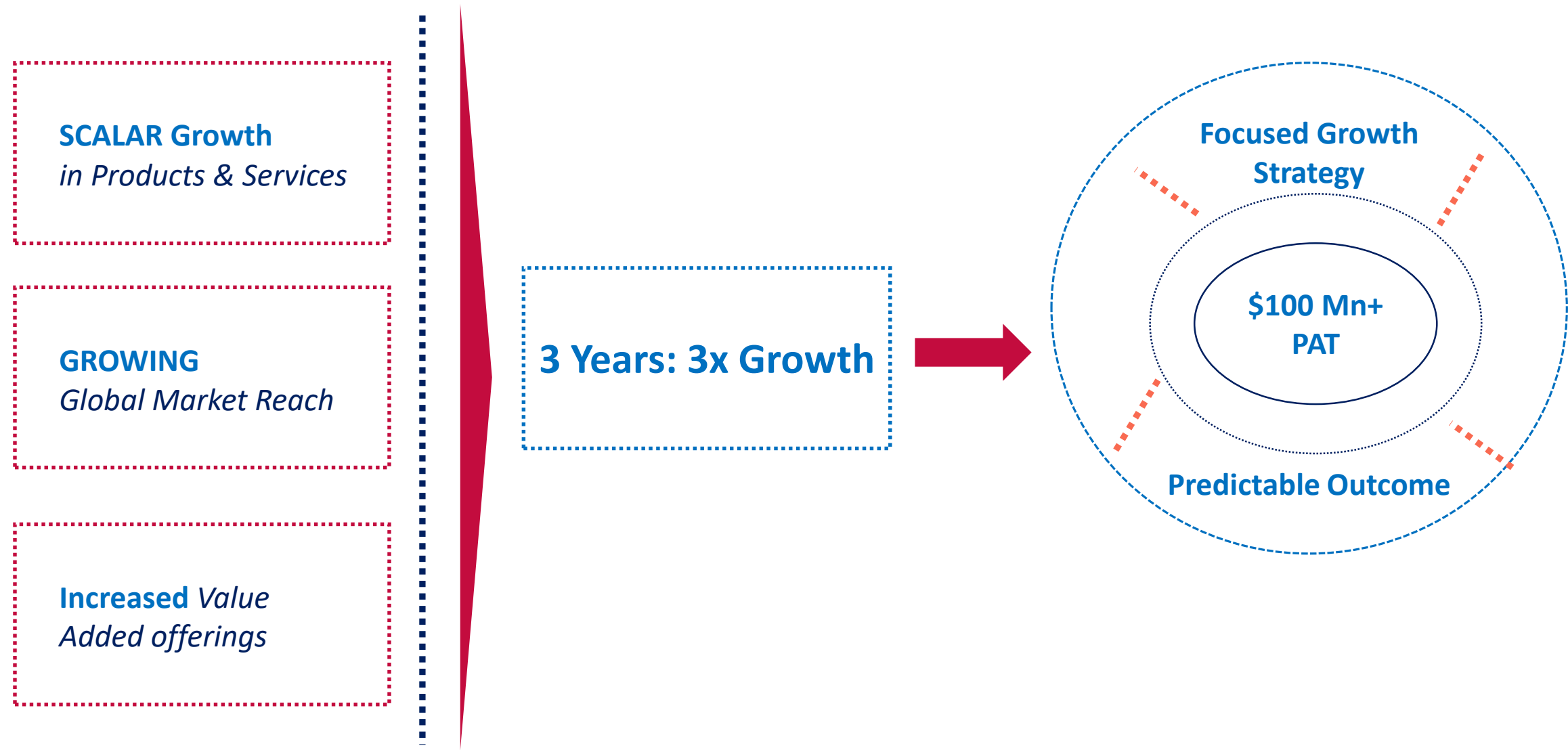
**Sterlite Tech: Transforming Everyday Living by Delivering Smarter Networks**

# Strategic Direction



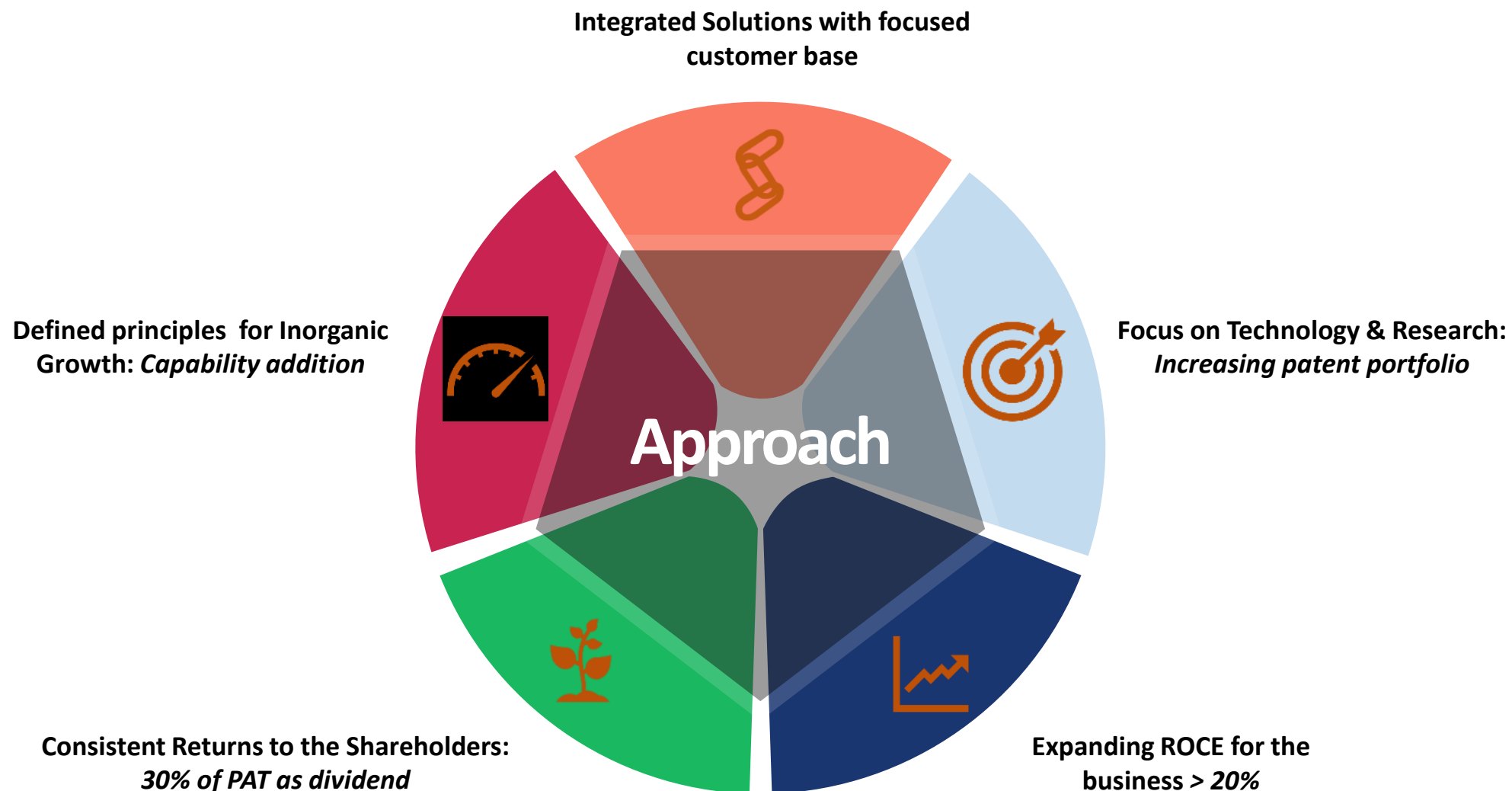
# Building on Fiber strength—grow into new opportunities





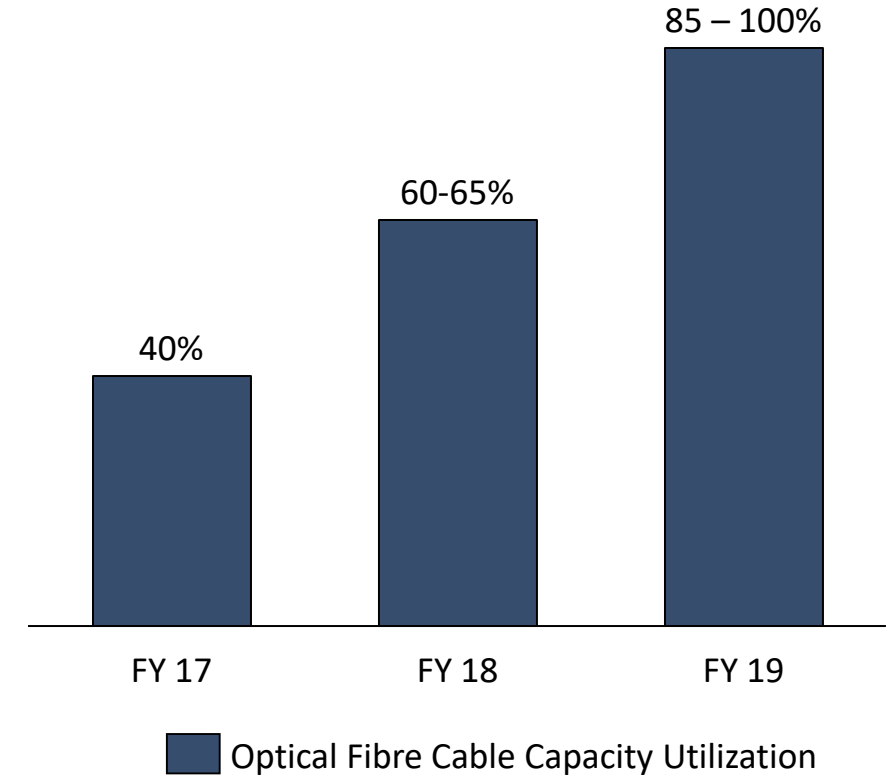
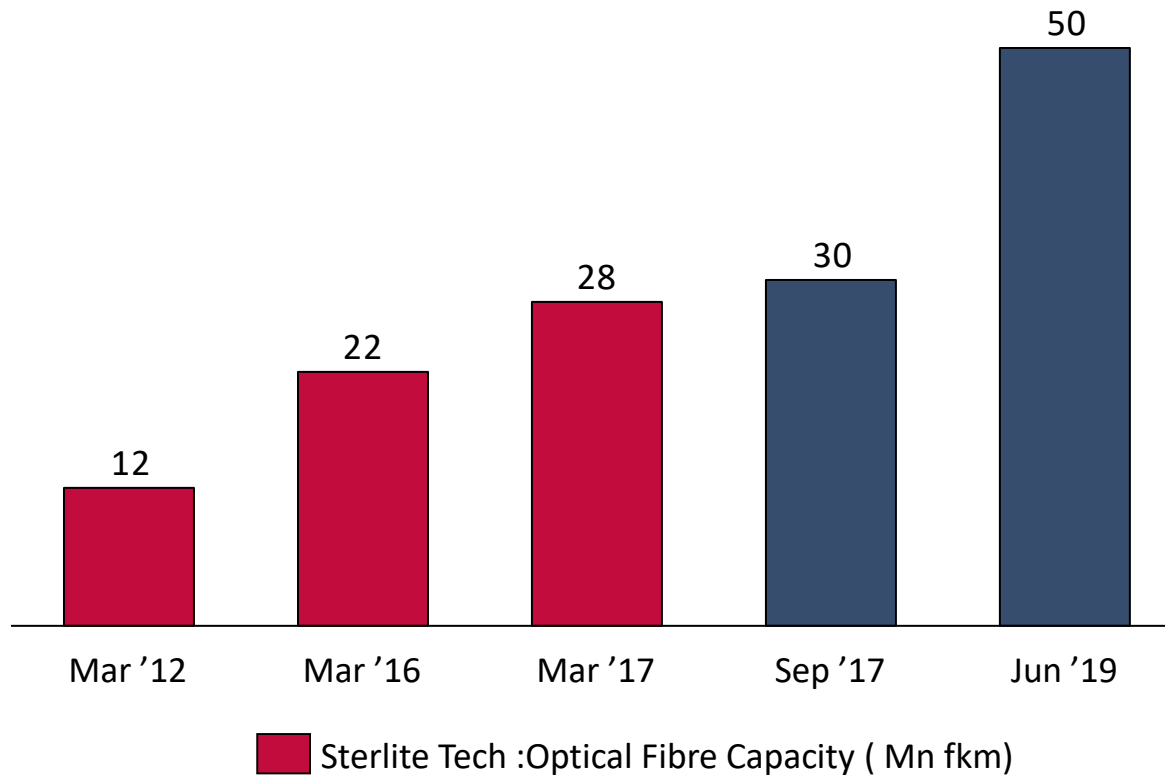


# Balanced Approach to drive Shareholders Value

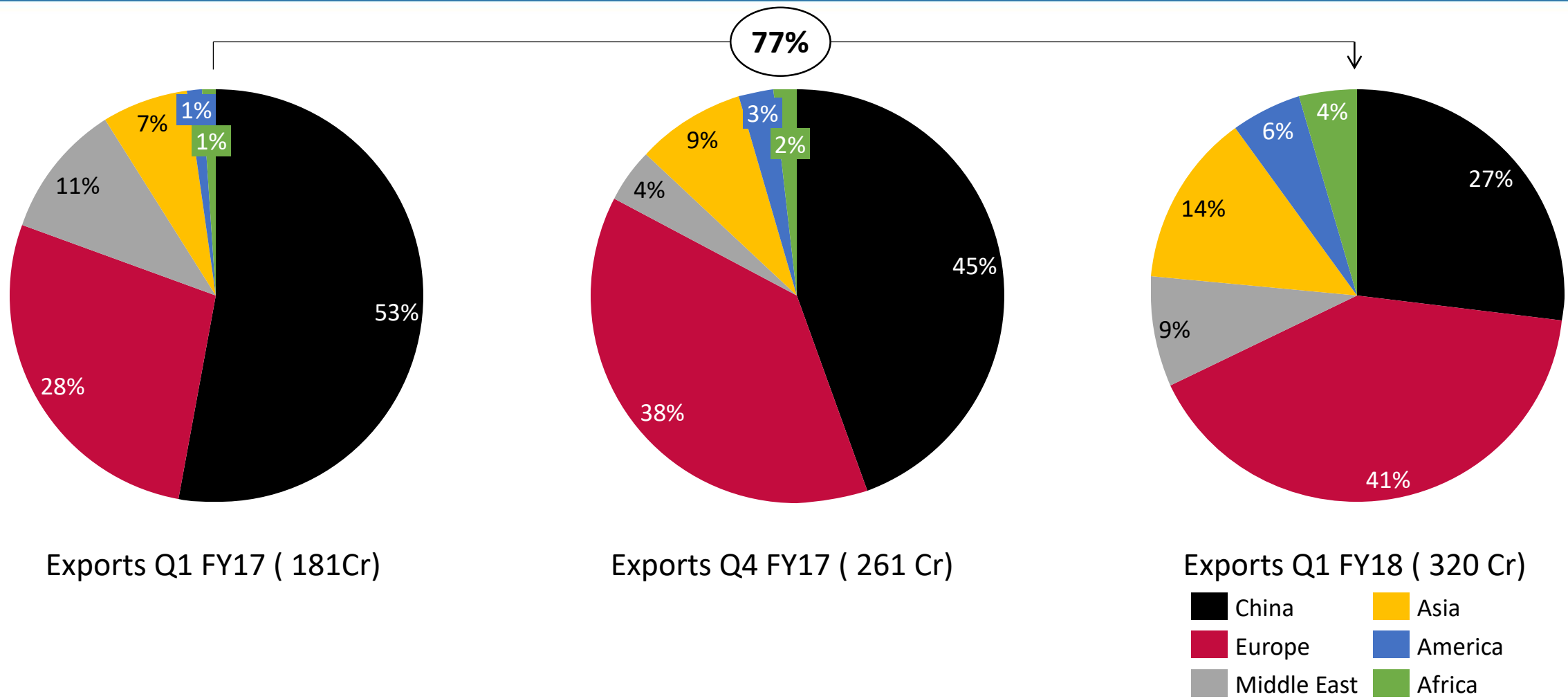


## Scaling our business platform



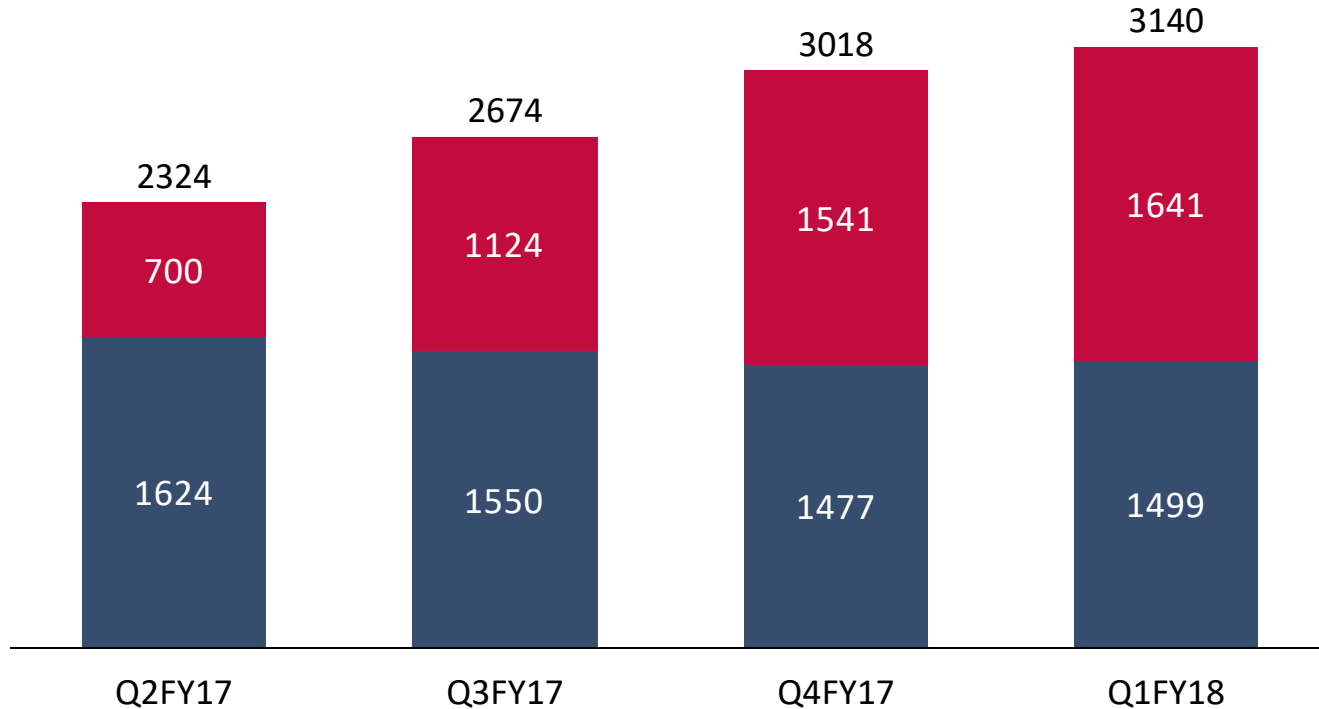


- Expanding our Optical Fiber capacity to 50 Mn fkm at a green field facility
- Capacity is expected to come live by Jun '19 with Capex investment of ~ \$170 Mn in phased manner
- Cabling Capacity Mix to evolve to value add portfolio and see higher utilization of capacity going forward

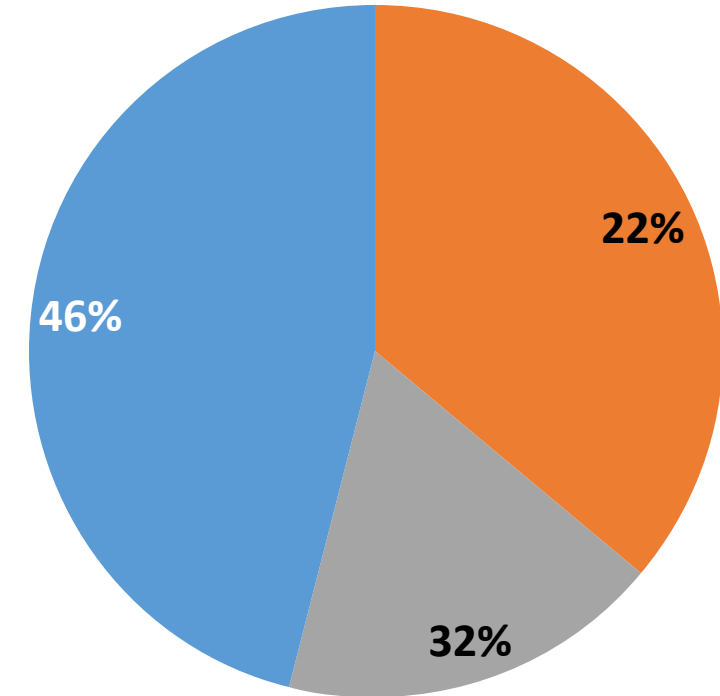


43% of Revenue from Exports in Q1 FY18 Vs 30% in Q1 FY17

# Long Term Customer Engagement to Drive Predictability



■ Product Order Book  
■ Services & Software: Order Book



Q1FY18 Order Book Mix

■ India Private Telco's  
■ International Markets  
■ Government

- Predictable Revenue Profile with growing order book
- Fiber capacities booked more than 1 year forward
- Customer segment diversification to reduce business risk

# Business Updates





# Q1 FY18: Key Developments at a glance



## Won Kakinada Smart City Project

- Kakinada Smart City Corporation selected Sterlite Tech as its implementation partner to deliver various Smart City related ICT solutions



- Sterlite Tech won the CIIAWARD for Customer Obsession 2016, amongst other accolades



- Sterlite Tech commercially launched smarter technologies – FTTX Smarter Network Kit, Indicium Lite Cable, Atlas Lite Cable and Olympus Lite Cable, globally
- With the grant of US patents, current patent portfolio at 155

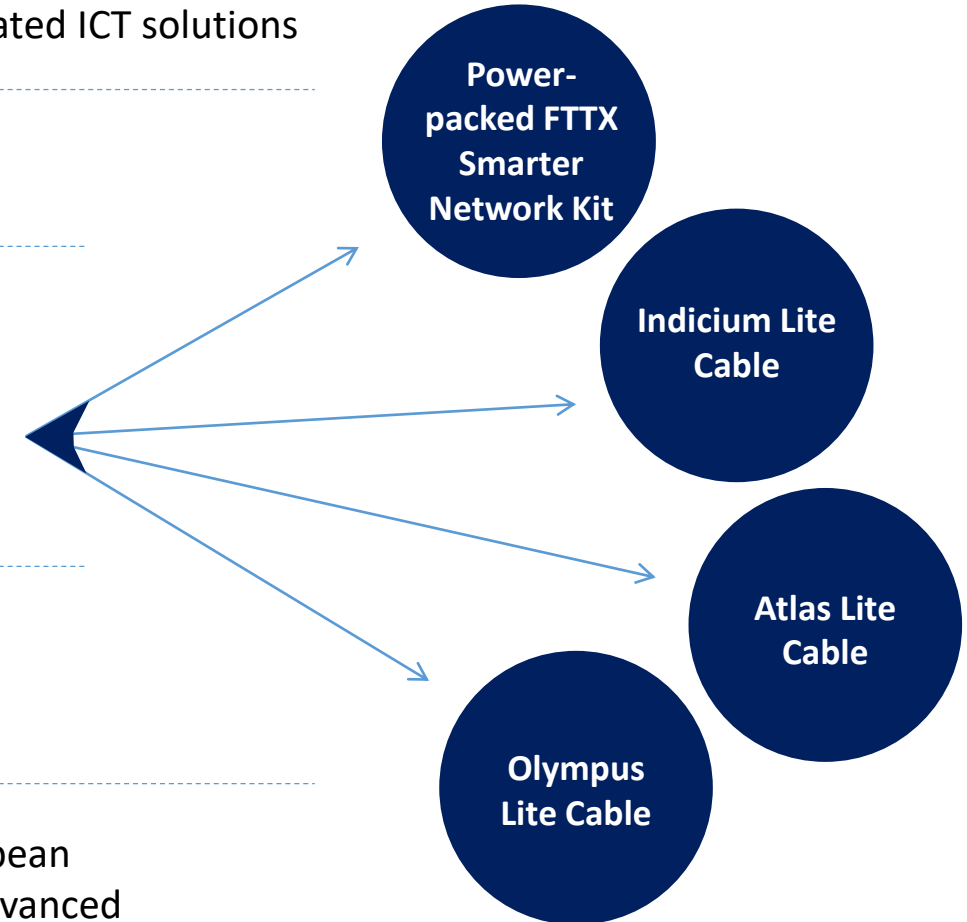


## Sterlite Tech strengthens Global Leadership Team

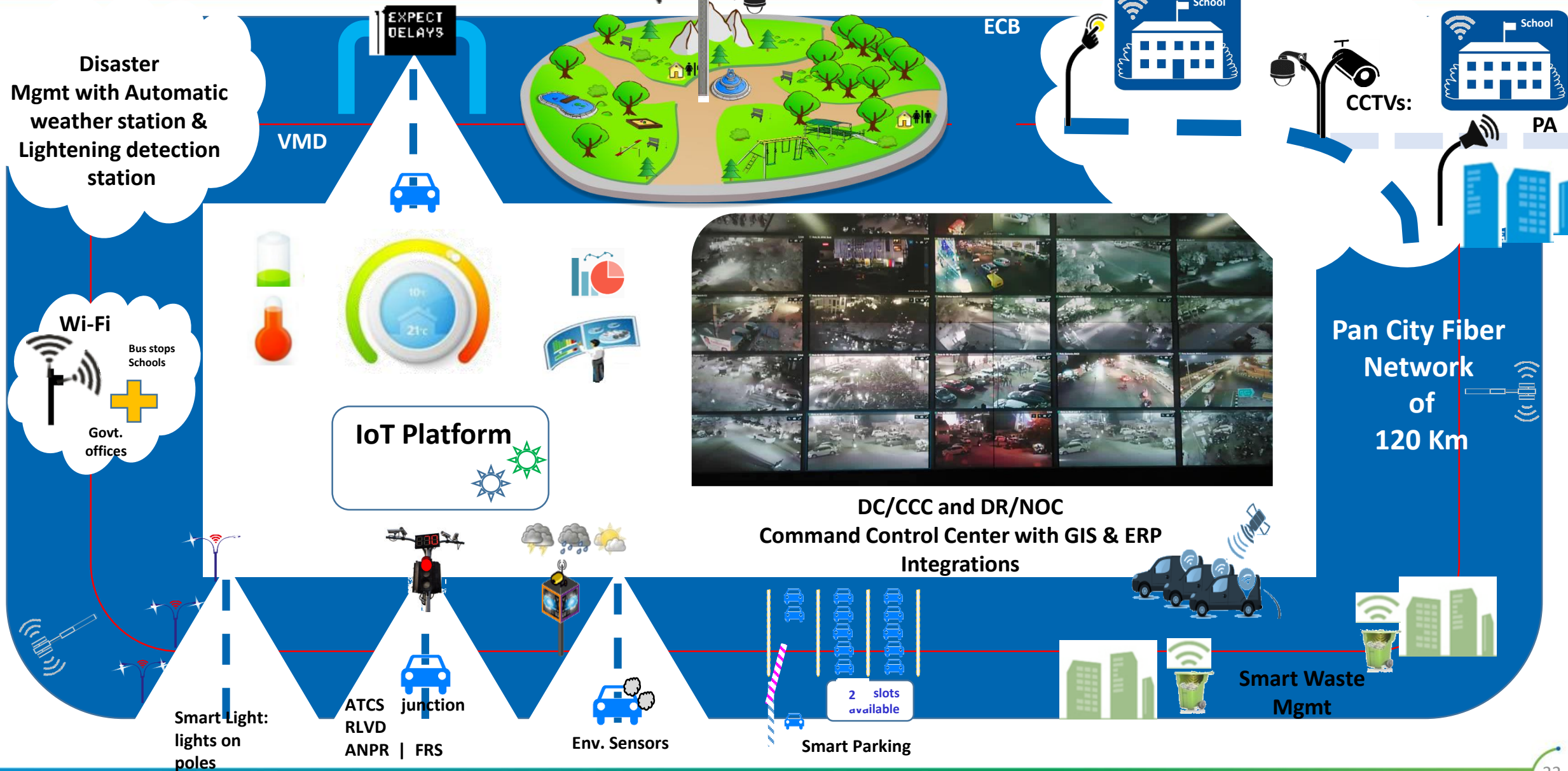
- Appoints Steve Bullock in North America & Richard Eichhorn in EMEA



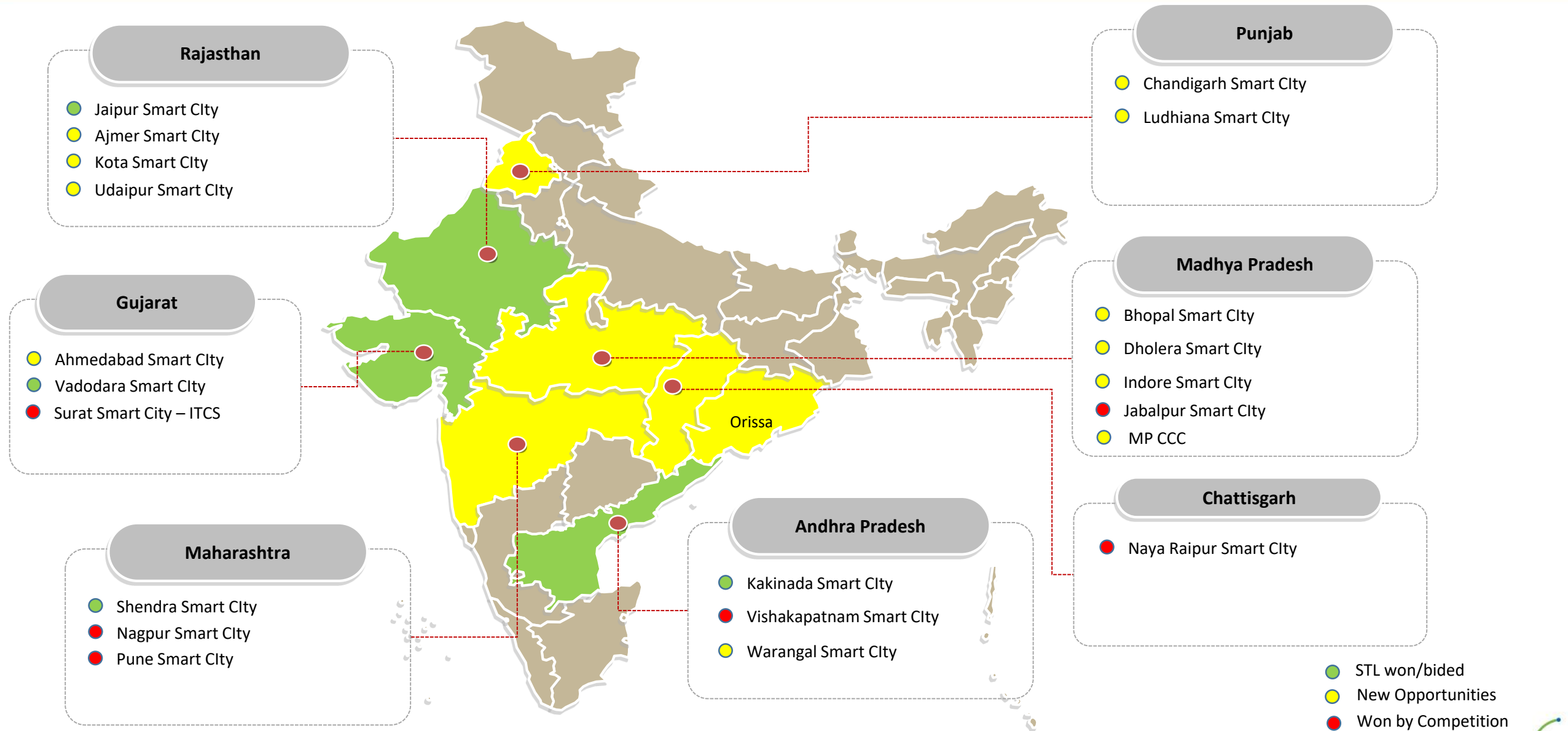
- Sterlite Tech won new opportunities in African and European markets with a Tier 1 operator for FTTH cables and an advanced fiber product, respectively



# Kakinada Smart City Win



# Our Smart City Pipeline



# Human Capital Addition to deliver Fast-track Growth



Steve is responsible for CSP's in North American Market for Sterlite's offerings

Steve brings 25 years of experience in Telecom & Tech, he was associated with global companies such as IBM, TE, General Instrument, Motorola and Google



Sanjeev joined as Chief Delivery and Technology Officer, SI Business

Sanjeev brings multiyear of Telecom expertise, he was associated with Bharti Airtel, Tata Teleservices, Reliance Infocomm, DoT & TCS



Richard is responsible to strengthen Europe, Middle East and Africa Market

Richard brings 28 years of experience in ICT, and has been associated with Reichle & De-Massari AG, Nexans, Anixter and Alcatel Connect



Anshoo joined as Strategic Advisor for software offerings

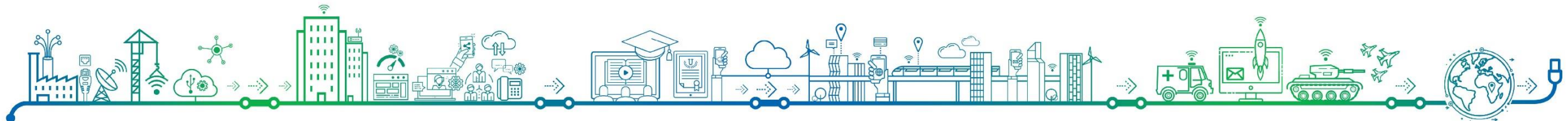
Anshoo has been President & MD of Amdocs. He has also held leadership roles at EDS/Mphasis and Sabre Inc.



Nischal joined as Chief Transformation Officer

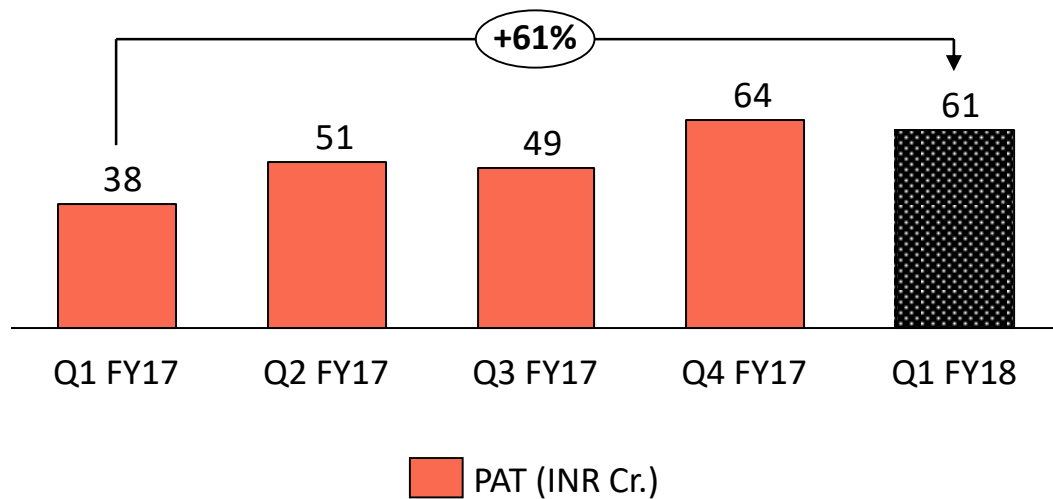
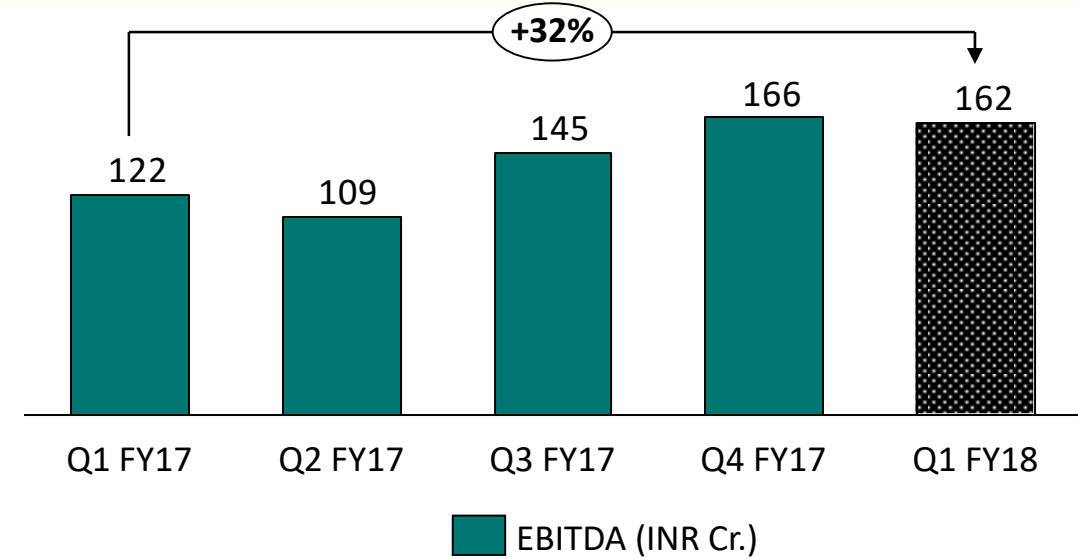
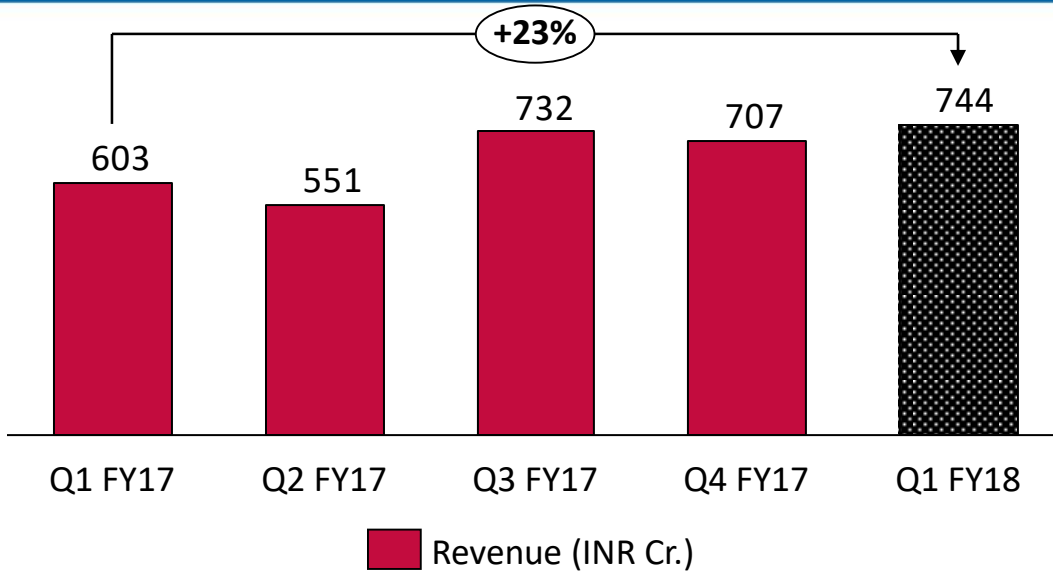
Nischal joined from Flipkart, he was associated with Maruti Suzuki and with global tech companies HP, IBM, Fujitsu, Lenovo

# Financial Highlights





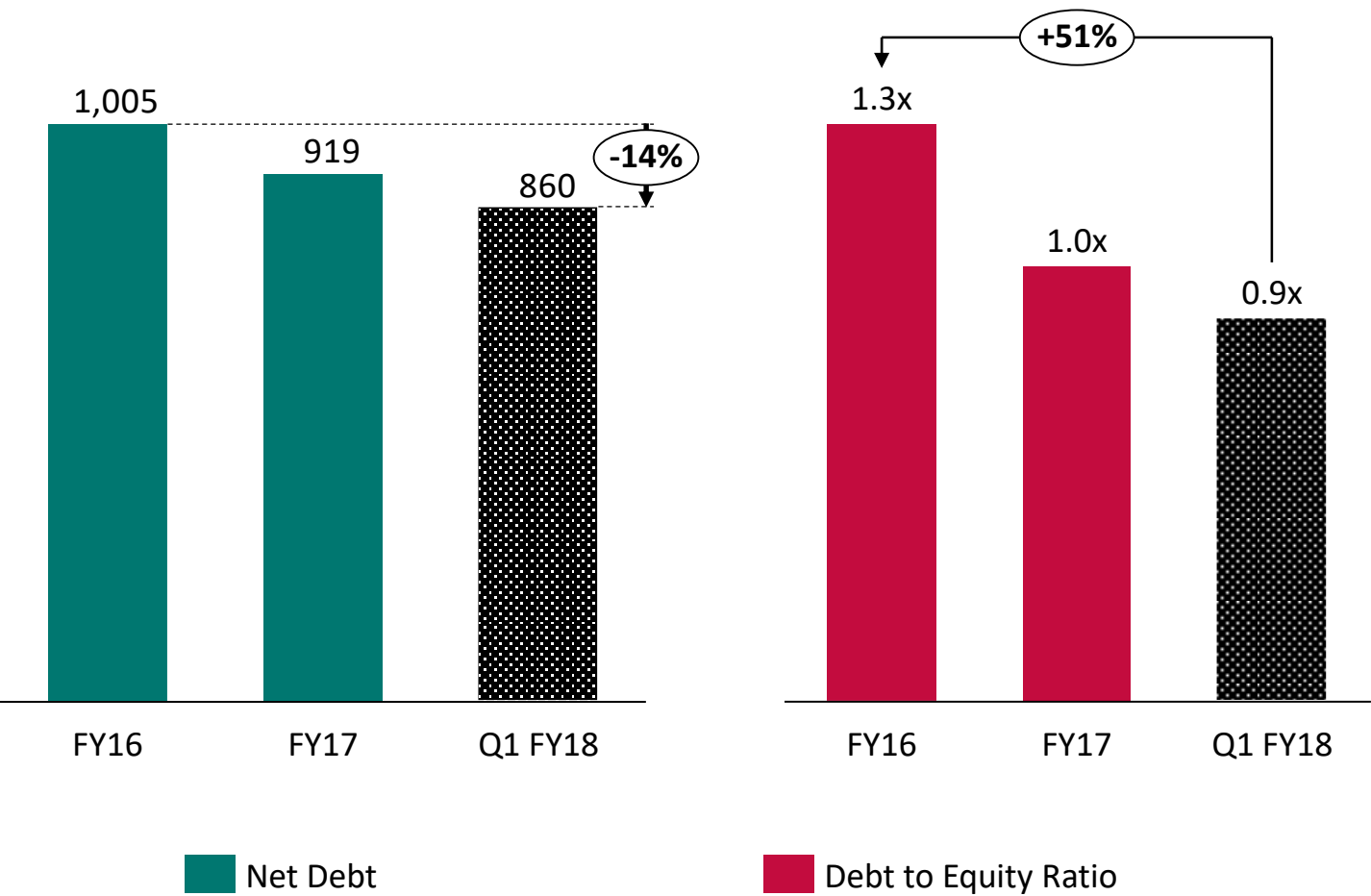
# Quarterly Financial Performance



- Company registered sales growth of 23% on YoY basis
- EBITDA grew by 32% on YoY basis, driven by growth in product volume with project execution progressing firmly on QoQ basis
- 61% PAT growth on YoY basis

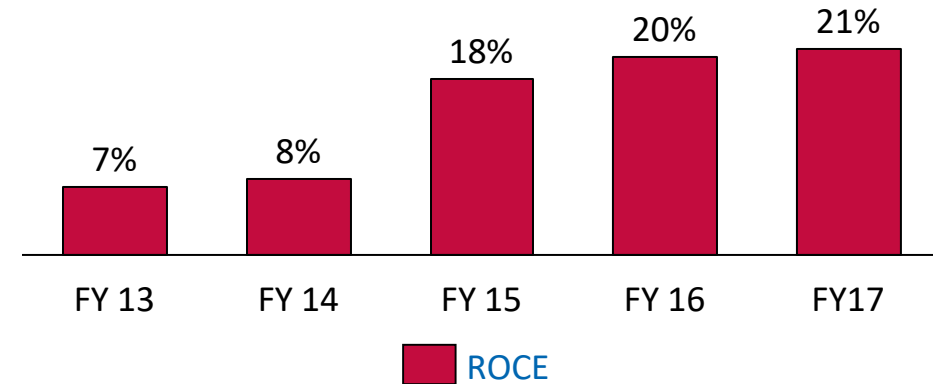
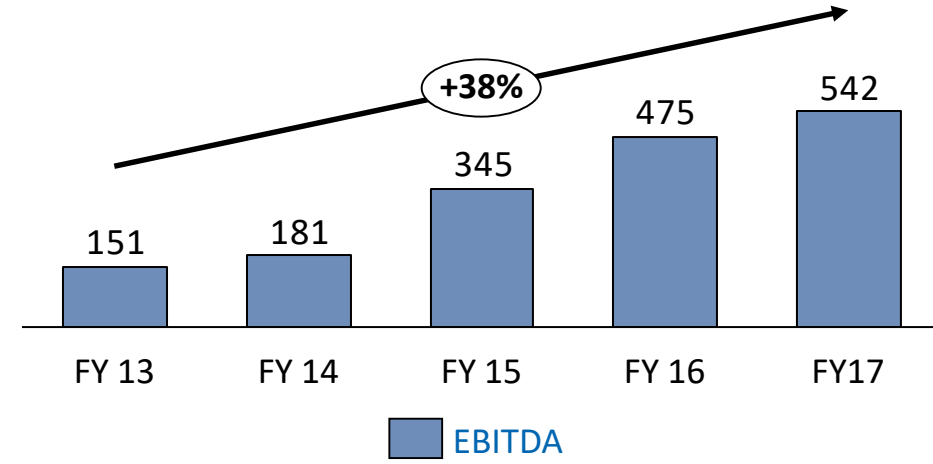
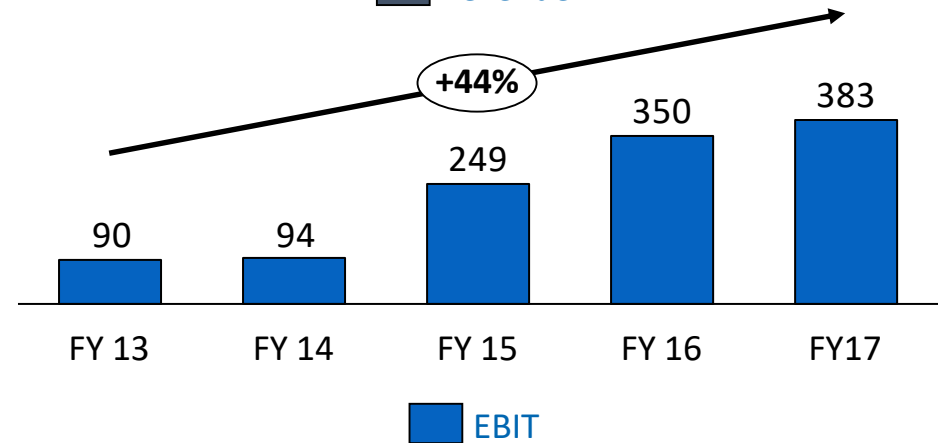
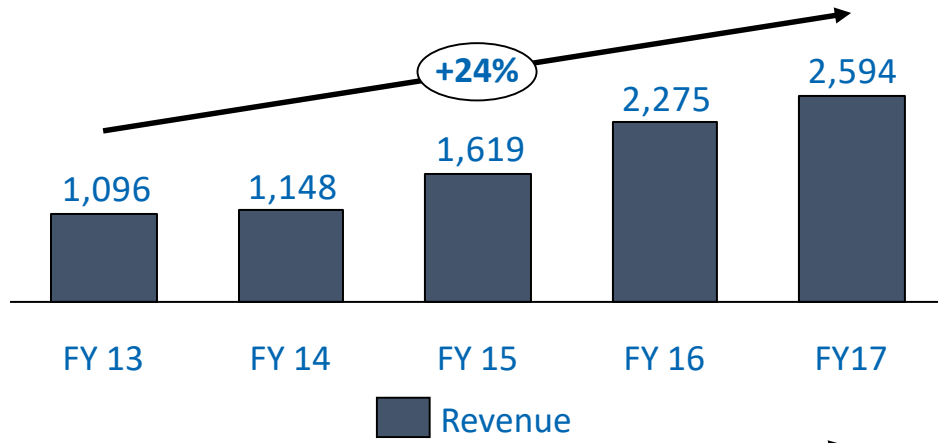


| P&L (INR Cr)                  | FY16       | FY17       | Q1 FY18    |
|-------------------------------|------------|------------|------------|
| Revenue                       | 2,275      | 2,594      | 744        |
| EBIDTA                        | 475        | 542        | 162        |
| <i>EBITDA %</i>               | <i>21%</i> | <i>21%</i> | <i>22%</i> |
| Depreciation                  | 125        | 159        | 41         |
| EBIT                          | 350        | 383        | 121        |
| <i>EBIT %</i>                 | <i>15%</i> | <i>15%</i> | <i>16%</i> |
| Interest                      | 119        | 123        | 27         |
| PBT                           | 231        | 260        | 94         |
| Tax                           | 65         | 40         | 26         |
| PAT (After Minority interest) | 154        | 201        | 61         |
| ROCE                          | 20%        | 21%        | 26%        |



| Cash flow                 |  | Q1 FY 18 |
|---------------------------|--|----------|
| Cash Profit ( After Tax ) |  | 110      |
| Operating Cash Flow       |  | 116      |
| Capex                     |  | (57)     |
| Net Cash flow             |  | 59       |

# 5 Year Journey – Telecom Business



- Stronger growth in EBITDA CAGR growth at 38%
- ROCE for the business stands at 21% for FY17

Thank You

