

Sterlite Technologies Limited

Q1 FY16 – Earnings call - 23 July 2015

Disclaimer



Certain words and statements in this communication concerning Sterlite Technologies Limited ("the Company") and its prospects, and other statements relating to the Company's expected financial position, business strategy, the future development of the Company's operations and the general economy in India & global markets, are forward looking statements.

Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, changes in government policies or regulations of India and, in particular, changes relating to the administration of the Company's industry, and changes in general economic, business and credit conditions in India.

The information contained in this presentation is only current as of its date and has not been independently verified. No express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes.

Persons should consult their own financial or tax adviser if in doubt about the treatment of the transaction for themselves

These materials are confidential, are being given solely for your information and for your use, and may not be copied, reproduced or redistributed to any other person in any manner. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions

Telecom business

Value proposition for the telecom business



Best-in-class operations



State of the art fully integrated facilities



Optical Fiber

- 2 plants at Aurangabad
- Capacity to expand to 22 m Fkm by debottlenecking



Optic fiber cables

- Cabling facility at Silvassa
- Existing capacity of 8 m Fkm being doubled linked to clear revenue visibility



Structured Data Cables

- Facility at Dadra & Nagar Haveli
- Steady state capacity with minimal maintenance capex

- Strategic JVs in China & Brazil
- Expanded manufacturing base out of India
- Access to key global markets

Full control over the entire value chain: Cost optimization, Superior margins & better quality



Raw materials

- Silica & Power
- Certain natural gases



Preform

- Integrated Core rod + cladding



Optic fiber

- 16m fkm drawing India and 4m fkm in China



OF cable

- End product deployed



Solutions

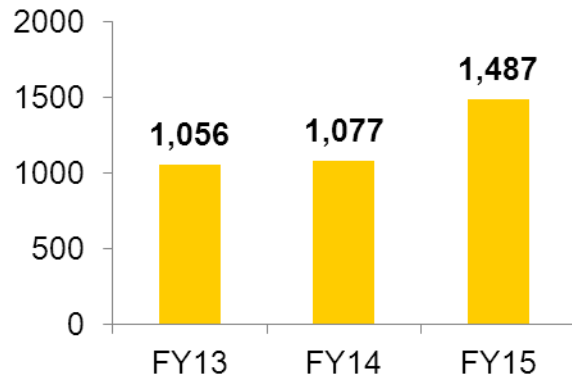
- High speed broadband networks

Strong Financial Performance, Robust Outlook

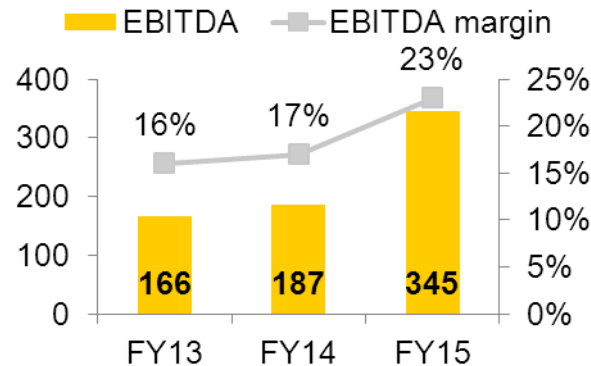


Changing business mix reflected in EBITDA performance

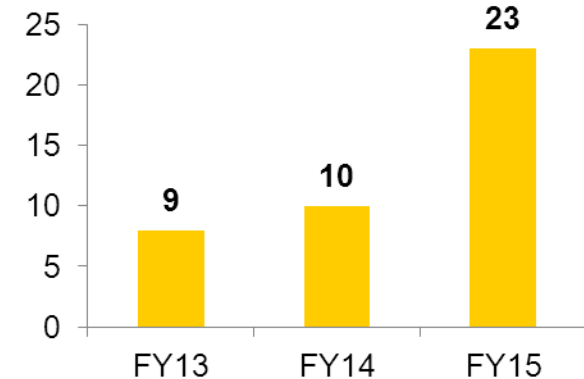
Net Revenue (Rs. Cr)



EBITDA (Rs. Cr) & EBITDA Margin

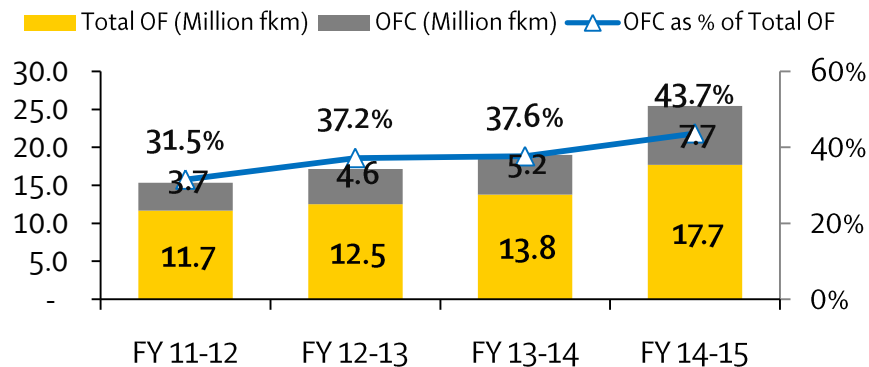


ROCE (%)

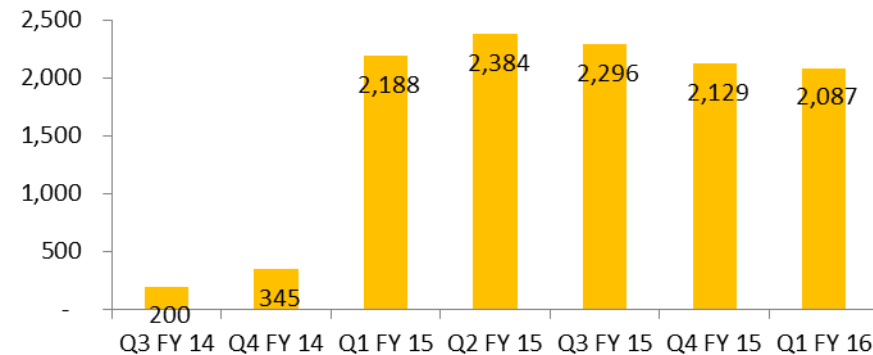


Leveraging the opportunity created by the changes in the macro environment

Volumes (m fiber km)

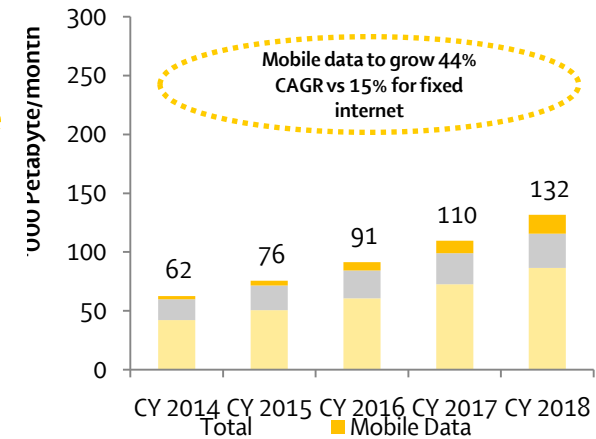
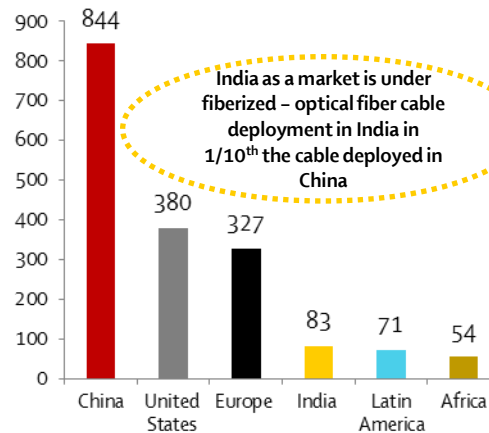
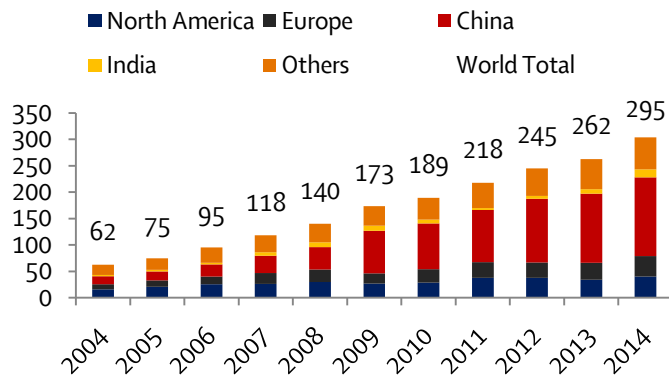


Order Book (Rs Cr)



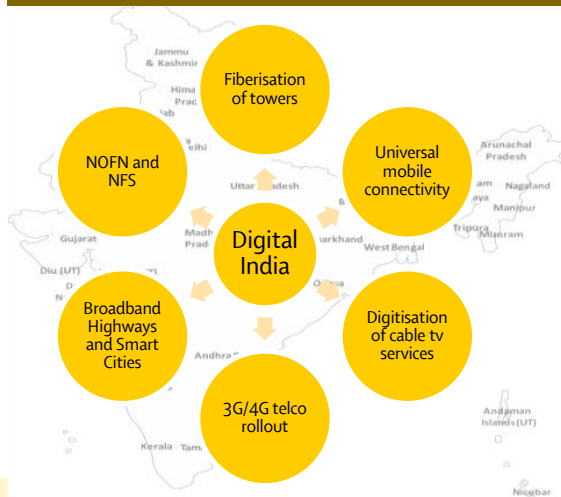
Forefront of emerging data opportunity

Data consumption continues to grow fiber demand



To become an End-to-End Service Provider: Margin play at multiple levels; Safeguarding demand

Fundamental shifts are changing the data paradigm



National Optic Fibre Network

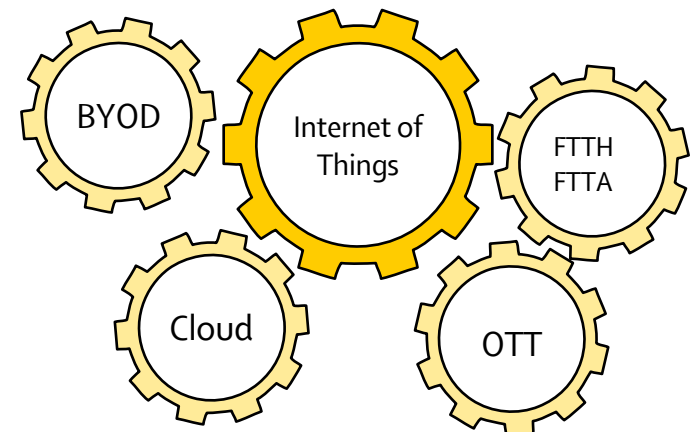
- Secured largest share within the country for cable supply

Network for Spectrum (NFS)

- Turnkey deployment of network in J&K worth Rs. 16,500 mn and supply of cable worth Rs. 3,000 mn to other participants - 3 out of 7 zones run on Sterlite Cables

Private Telco rollout

- Ongoing supply of OFC to RelianceJio, Bharti Airtel and other Indian operators



Leader in developing broadband solutions for converged communication networks



**Be Partner of choice
for Global Telcos**

**Drive profitable
growth and strong
return on capital
metrics**

**Offer full range of
products and solutions –
complete system
integration**

**Undertake selective
value accretive
M&A opportunities**

**Continuous investment
in innovation and
research & development
to strengthen offering**

**Enter high value product
segments – focus on high
value engineered
products**

Power business

Our offerings across the power business



Products

- Full range conductors from ACSR to high performance conductors
- HV and EHV cables from voltage grade of 6.6 kV to 220 kV
- Optical Ground Wire (OPGW) that leverage core expertise in power conductors & fiber optic cables

Solutions

- Engineering T&D networks & re-conductoring solutions
- Enhancing current carrying capacity
- End-to-end project management
- Engineering, Integration, Roll out and O&M

Infrastructure

- Largest private sector independent power transmission company in India
- 6 Projects in Portfolio
- \$1.3 bn capital commitment
- 5000 Km transmission lines & 3 substations across 12 states

Key Customers

- Central and Private sector power utilities
- State Electricity Boards
- EPC contractors

Key metrics (FY 15)

- Capacity : 160,000 MT
- Volume of conductor sold : 77,996 MT
- Consolidated revenue of Rs. 14,730 mn
- EBITDA of Rs. 362 mn

Full control over the entire value chain



Raw materials

- Aluminium
- Other alloys



Products

- HV and EHV product line



Engineering

- Heli stringing and live line re-conductoring



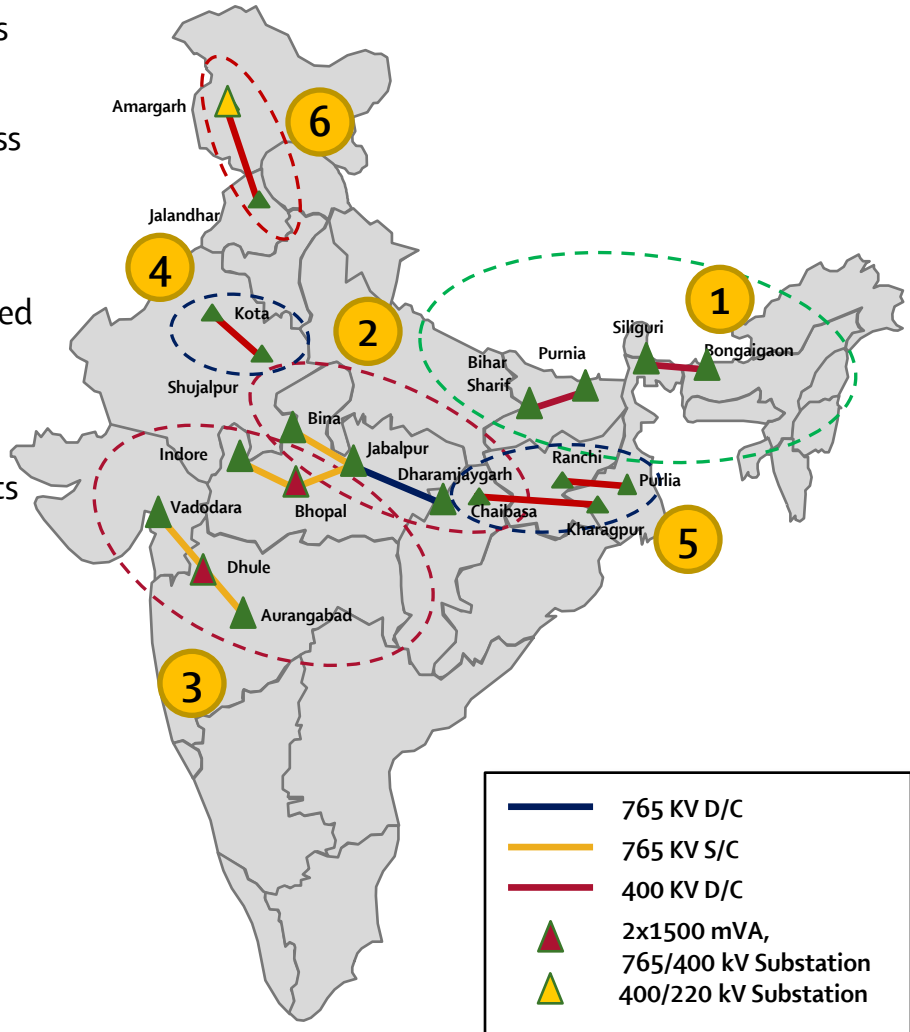
Power Grids

- Inter State Transmission networks

Connecting key generating and load centers



- Build-Own-Operate-Maintain (BOOM) Model with 6 Projects in Portfolio
 - 5000 Km circuit transmission lines & 3 substations across 11 states
 - Estimated capital expenditure of Rs 80,000 mn
 - One project fully commissioned, all 6 to be commissioned by FY20
- One of the lowest risk profiles as compared to other segments within the Infrastructure segment
 - Fixed annuity model (35 years) with high quality of receivables that is not dependent on power flow
 - Perpetual assets with minimum maintenance capex
 - Assets have opportunity for additional revenue generation
- SCPE has invested Rs. 5 bn as an equity investment - the first foreign investment into India's power transmission sector



Note: Map is representative of project locations and transmission lines not to scale

Leader in developing transmission infrastructure



**Be partner of choice
for power utilities**

**Drive profitable
growth and strong
return on capital
metrics**

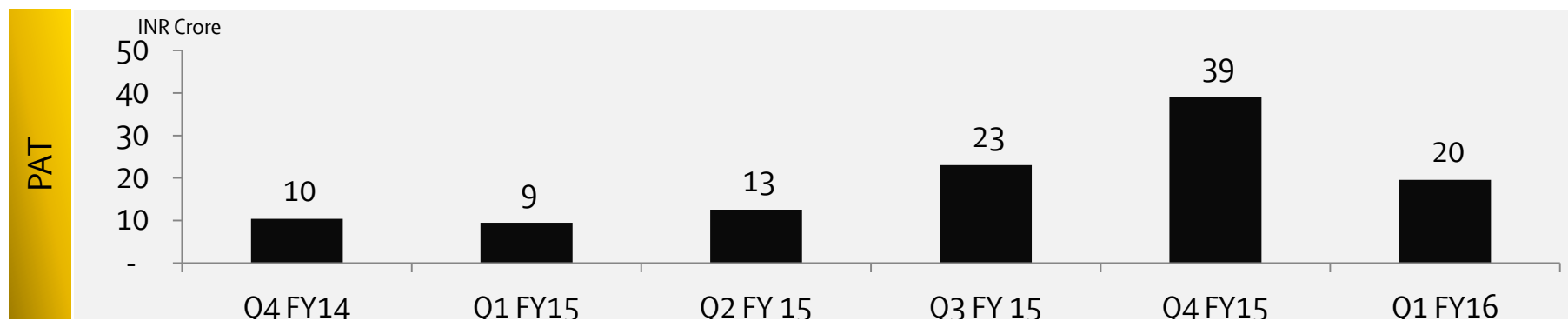
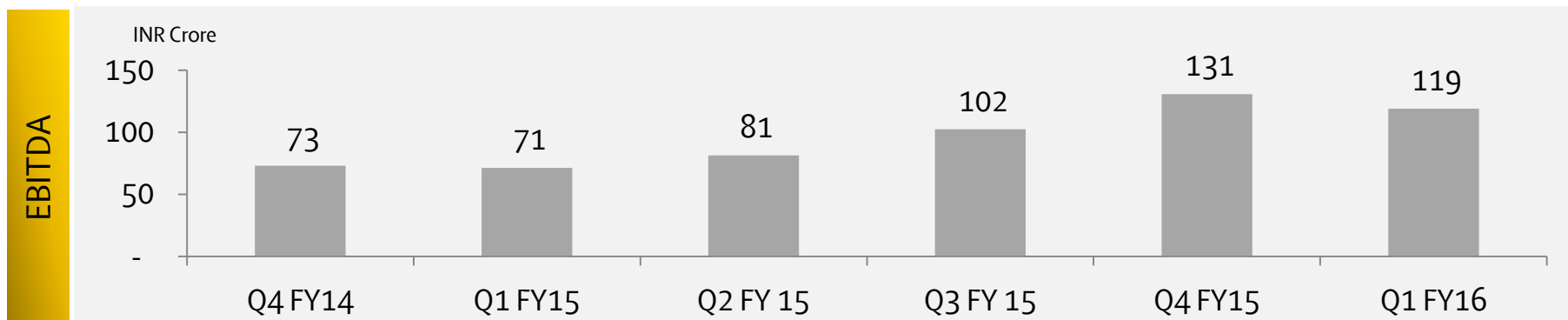
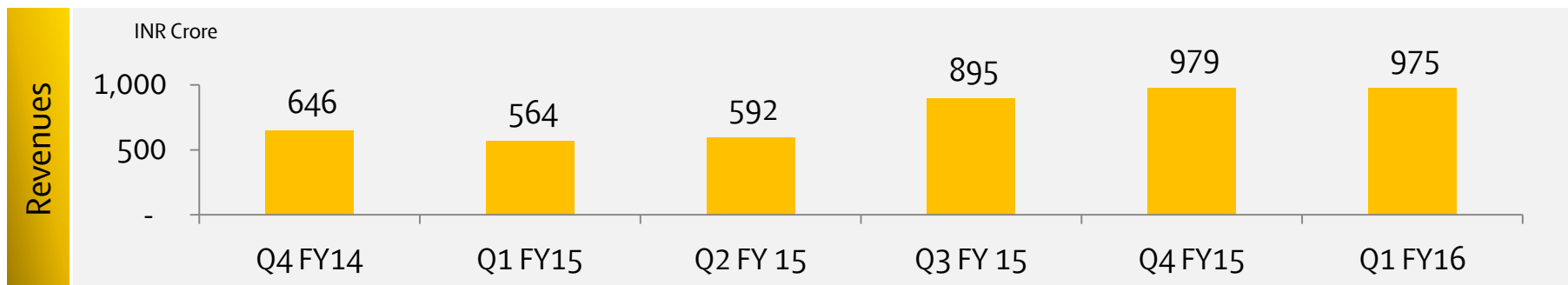
**Offer full range of
products and solutions –
complete system
integration**

**Continuous rotation of
equity capital invested in
the transmission grid
projects**

**Enter high value product
segments – focus on high
value engineered
products**

Update on financials

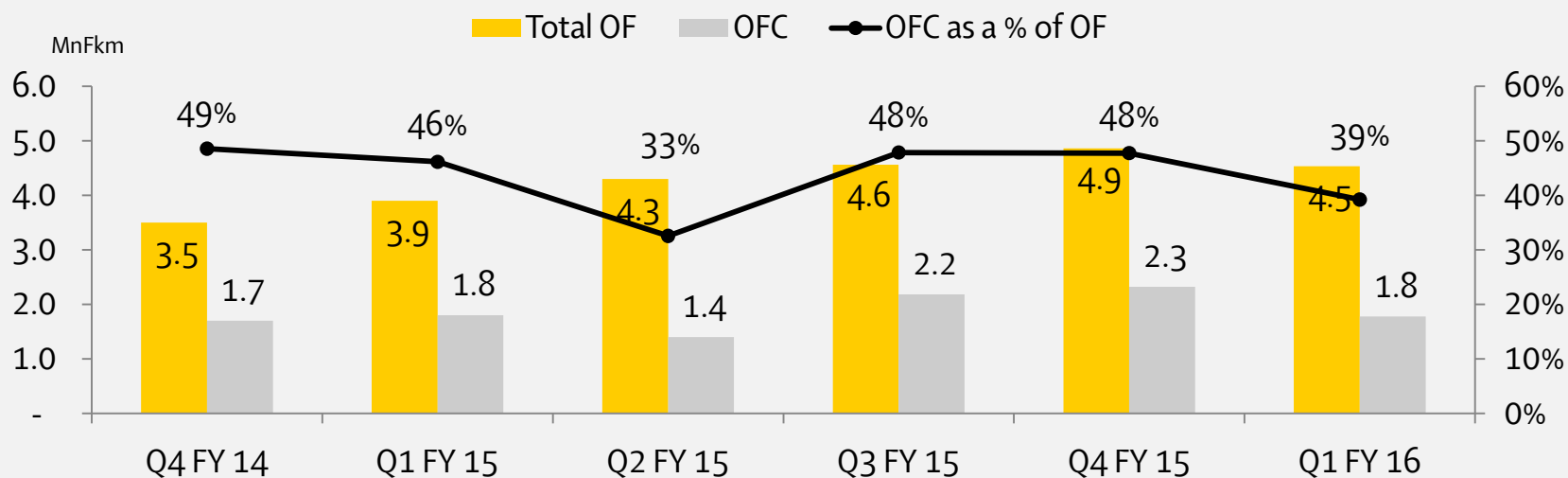
Quarterly standalone financials



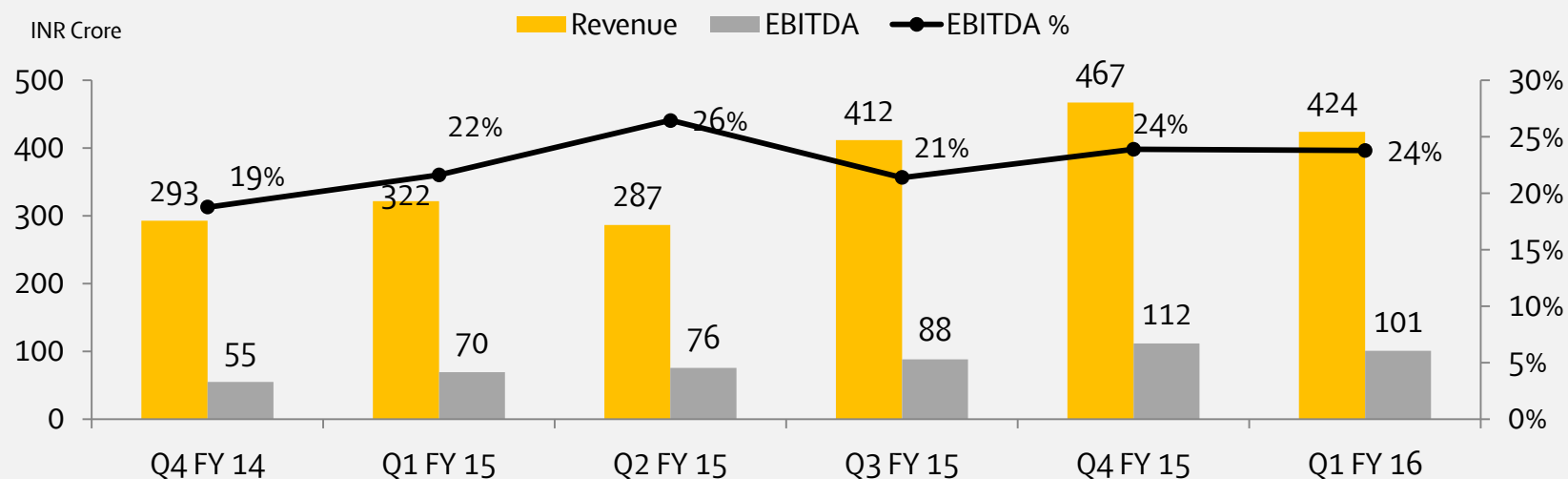
Telecom products and solutions



Quarterly Volume



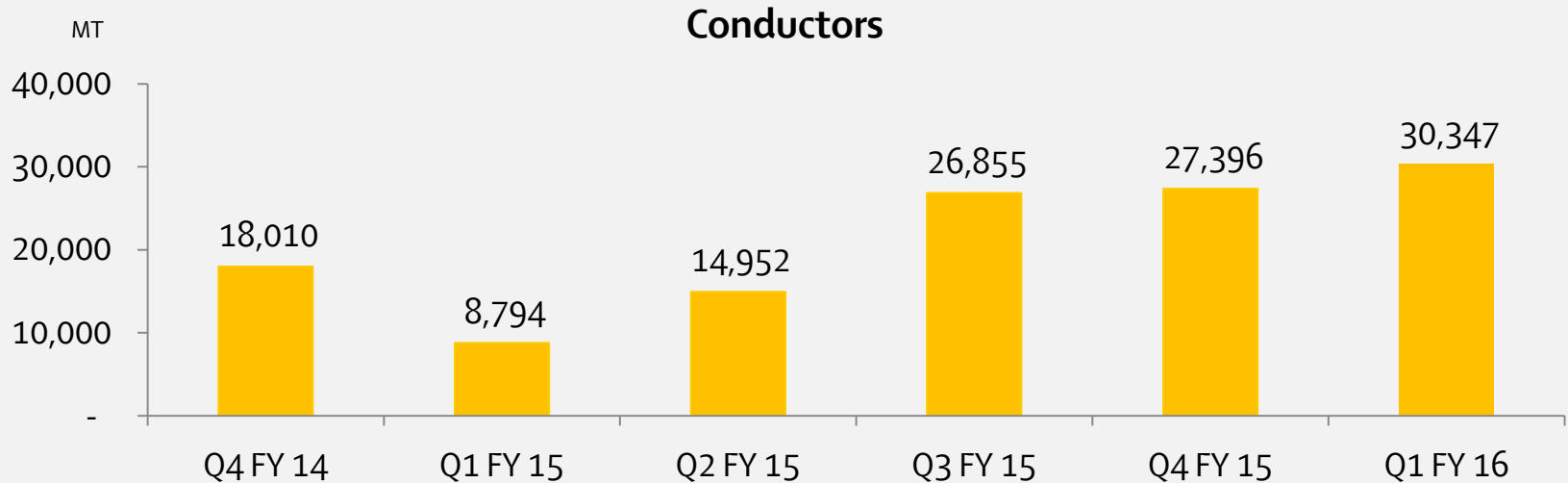
Quarterly Financials



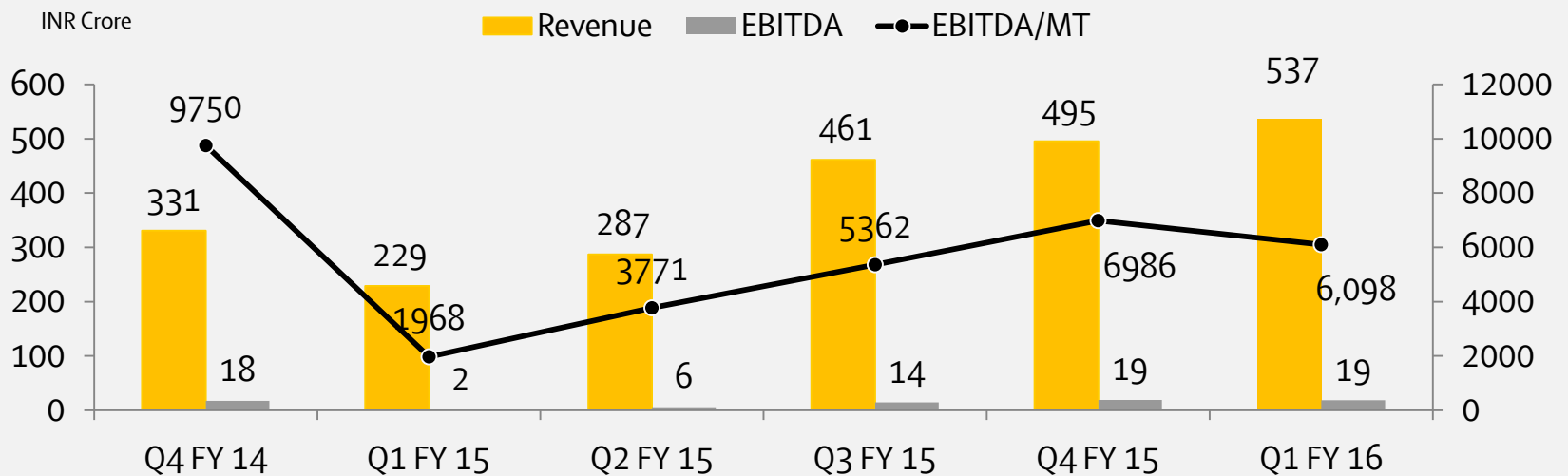
Power products and solutions



Quarterly Volume



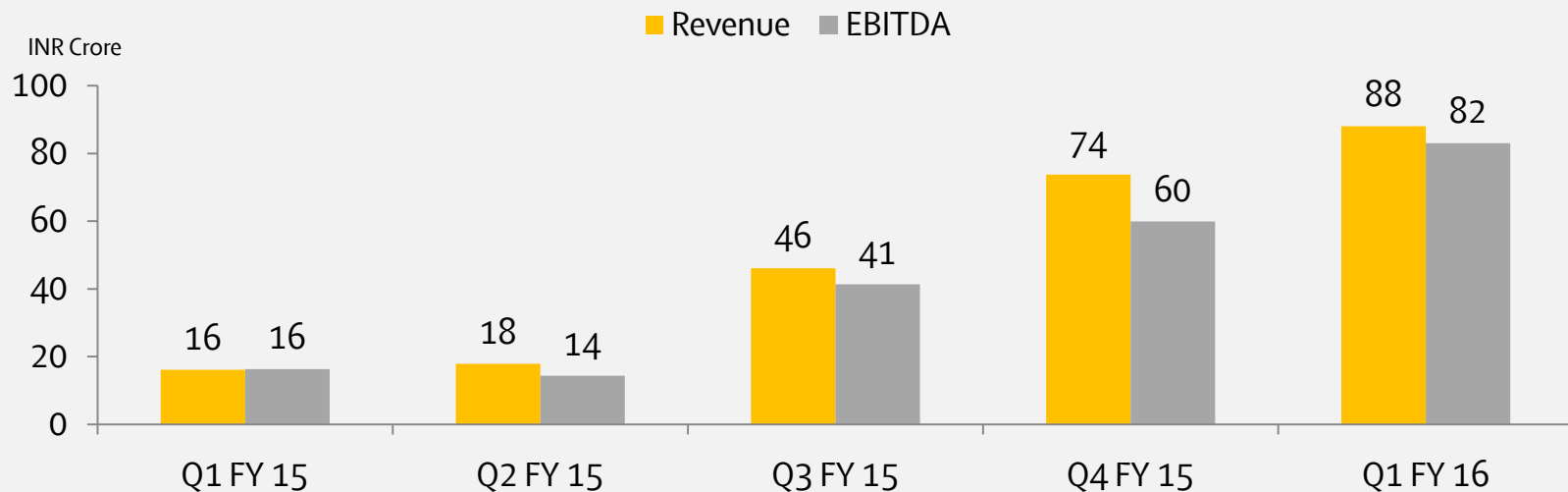
Quarterly Financials



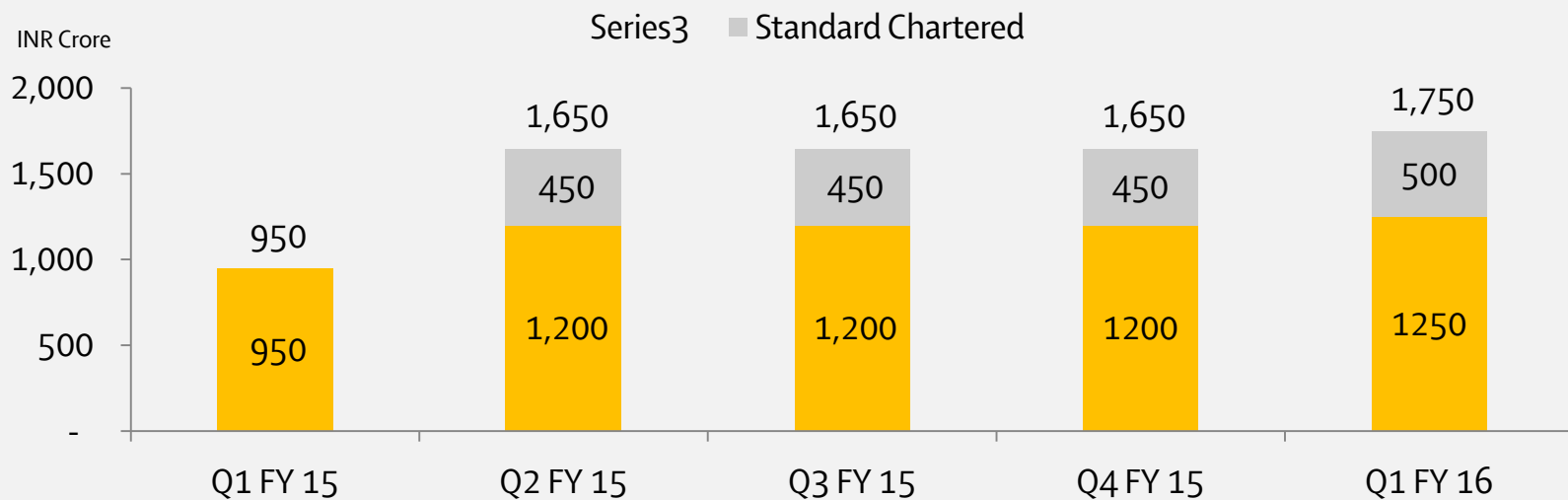
Power Transmission Grid



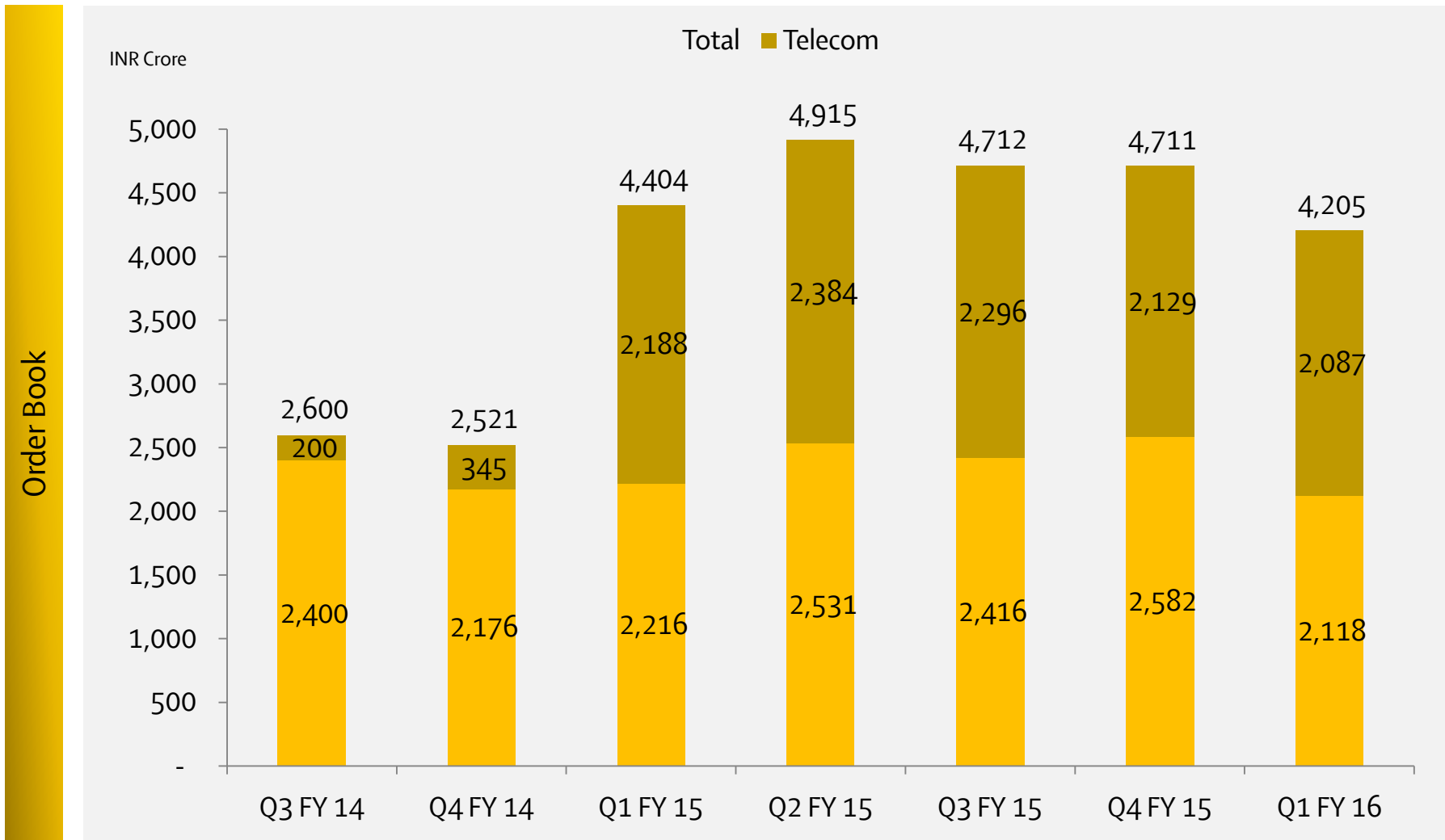
Quarterly Financials



Equity Investment in Grid



Order Book trends



Proforma financials on account of demerger



All values in INR Crores

Consolidated	FY 2014-15 (Carved out)		
	Tel	Power	Total
Revenue	1,619	1,478	3,097
EBIDTA	345	167	512
EBIDTA Margin	21%	11%	17%
Depreciation	96	89	185
Interest	75	252	327
Cash Profit	270	(84)	185
Tax	55	(52)	4
PAT *	118	(121)	(4)
EPS (diluted)	2.97	(3.06)	(0.09)

Consolidated	Q1 FY 2016 (Carved out)		
	Tel	Power	Total
Revenue	462	522	985
EBIDTA	102	96	198
EBIDTA Margin	22%	18%	20%
Depreciation	26	39	65
Interest	24	115	139
Cash Profit	78	(19)	59
Tax	20	(2)	18
PAT *	32	(55)	(23)
EPS (diluted)	0.80	(1.37)	(0.57)

*Note : PAT and EPS does not include minority interest

Thank you