Earnings Presentation: Q4 & FY17

April 27, 2017

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Hyper Connected world

Global Trends

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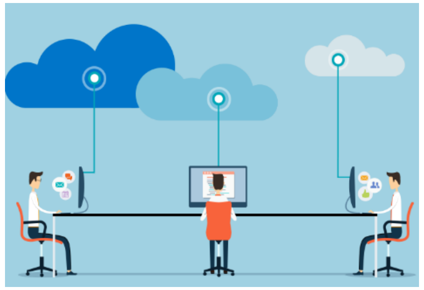
Industrial trends



Cloud Computing

M2M

Artificial Intelligence

Consumer trends

Wearable Tech

Smart Homes

Driverless Car

8K UHD Video Streaming

All New Technologies driving Hyper-Connected Data Networks

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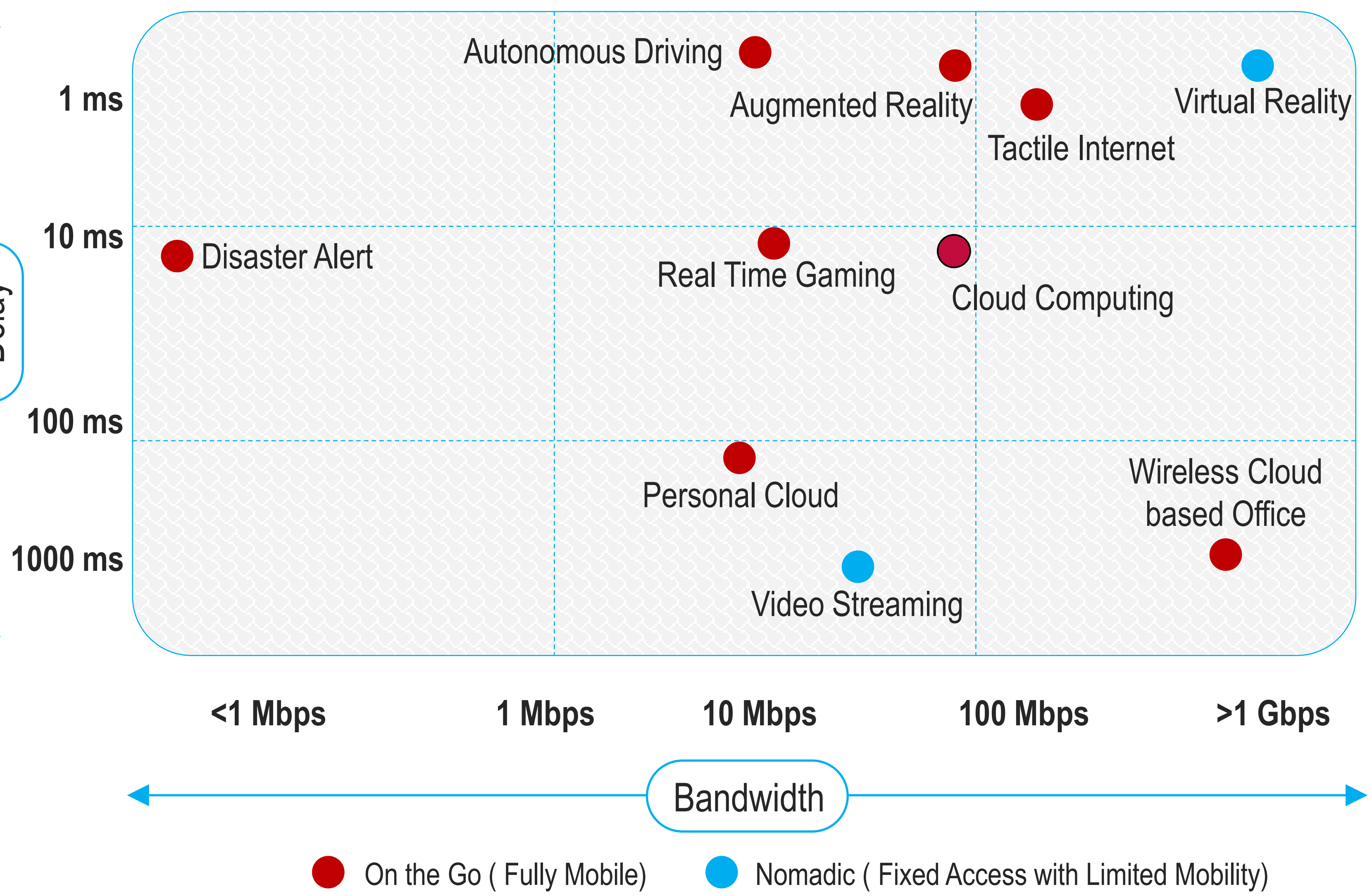
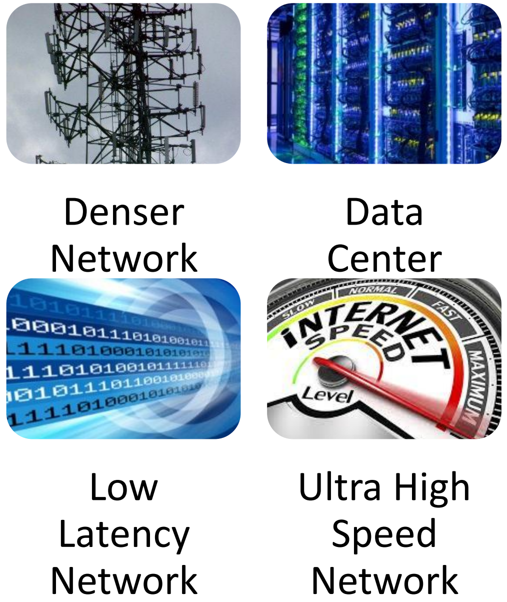
ULTRA LOW LATENCY

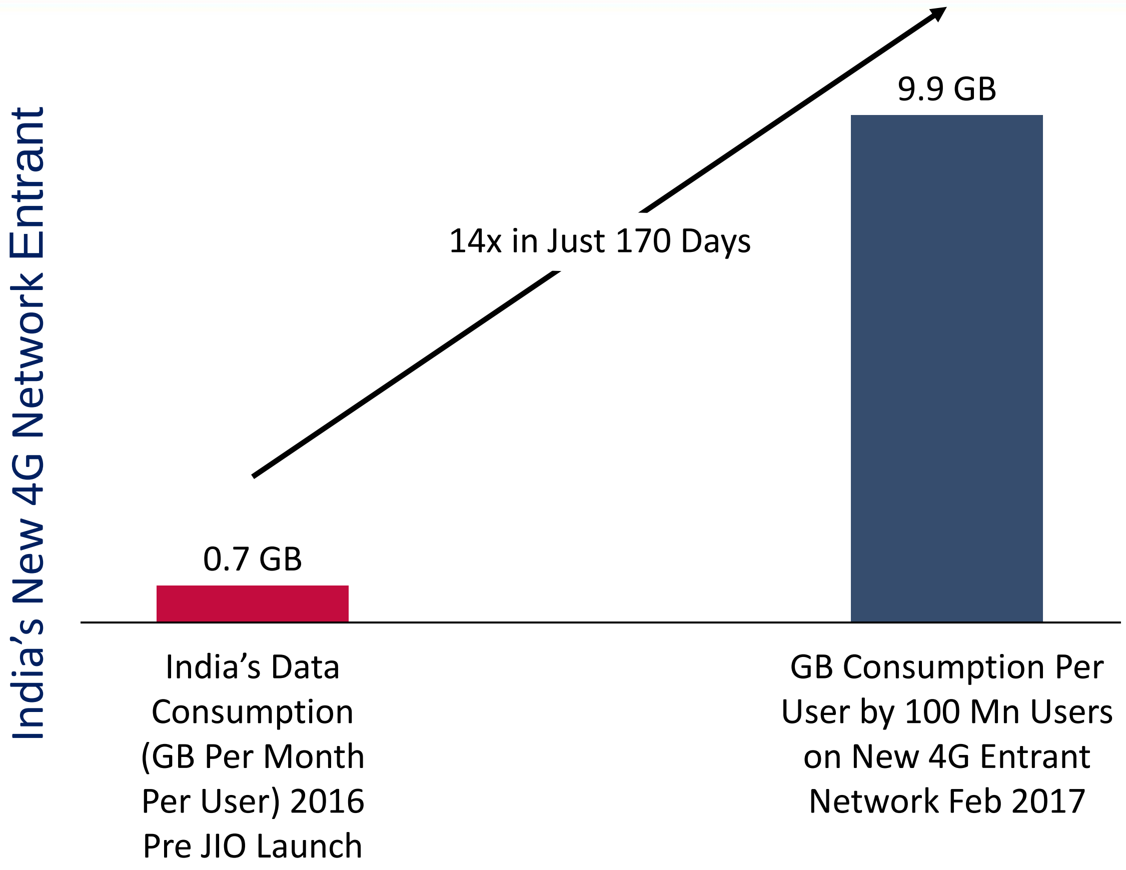


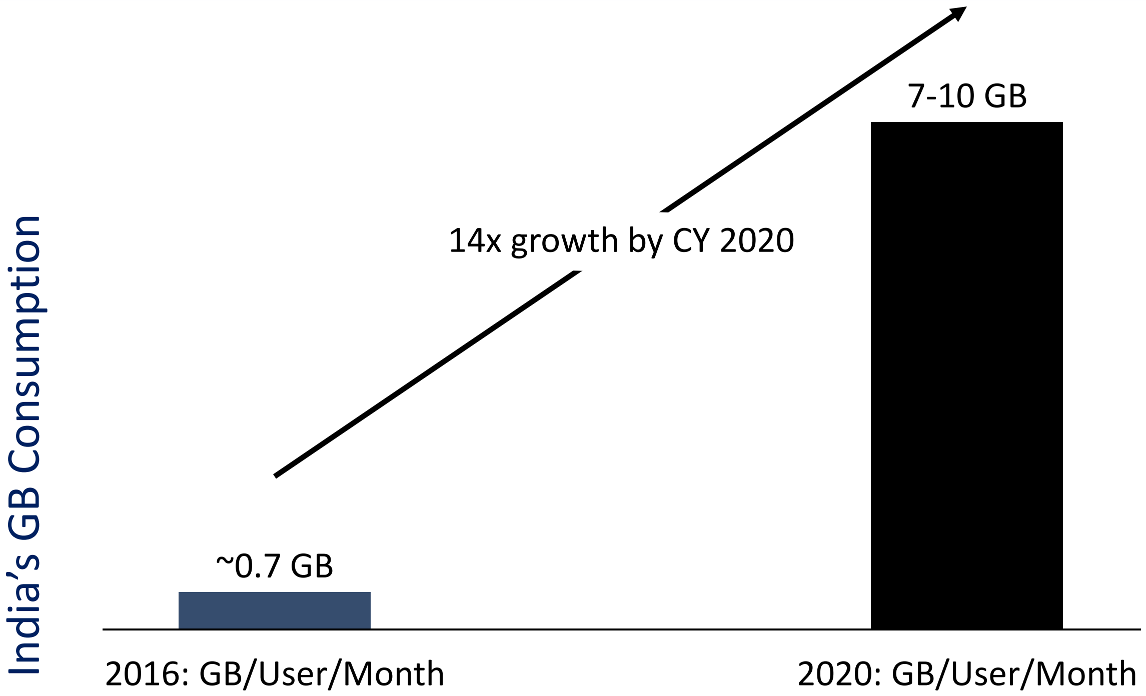


HYPER CONNECTIVITY

Source: GSMA, Company estimates

Exponential Data Growth on Data Networks





- Technology Lifecycle is shortening: lifetime of 4G may be the shortest (compared to 2G and 3G)
- Data consumption to grow exponentially driven by the app eco-system; Network upgrades required to add capacity

Source: BCG,PQ Media, TRAI BCG Analysis

Fiber at the Core of Networks

Supply Dynamics for the Hyper-Connected World

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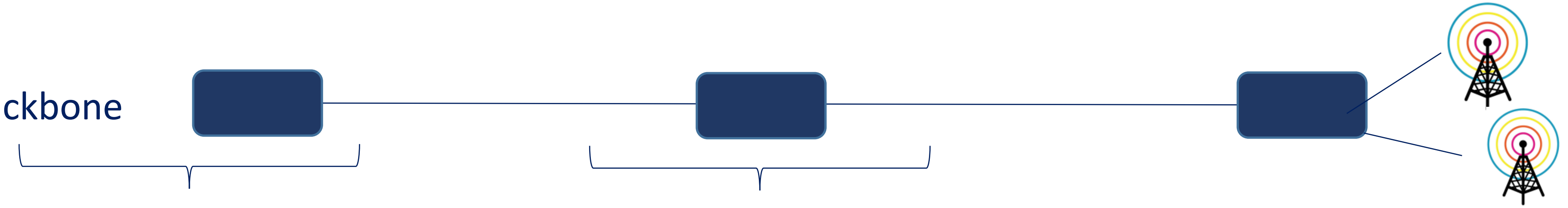
Supply Dynamics

Spectrum × Technology × No. of Sites = Mbps

$$\frac{\text{MHz}}{\text{Sector}} \times \frac{\text{Bits}}{\text{hertz}} \times \frac{\text{3 sectors}}{\text{site}} \times \text{No. of Sites} \times \text{\% of Sites at capacity during peak hour} = \frac{\text{GB}}{\text{Day}}$$

Backbone



Wireless last mile getting smaller as networks become denser

Ultra High capacity :
Fiber – Yes
Microwave – No

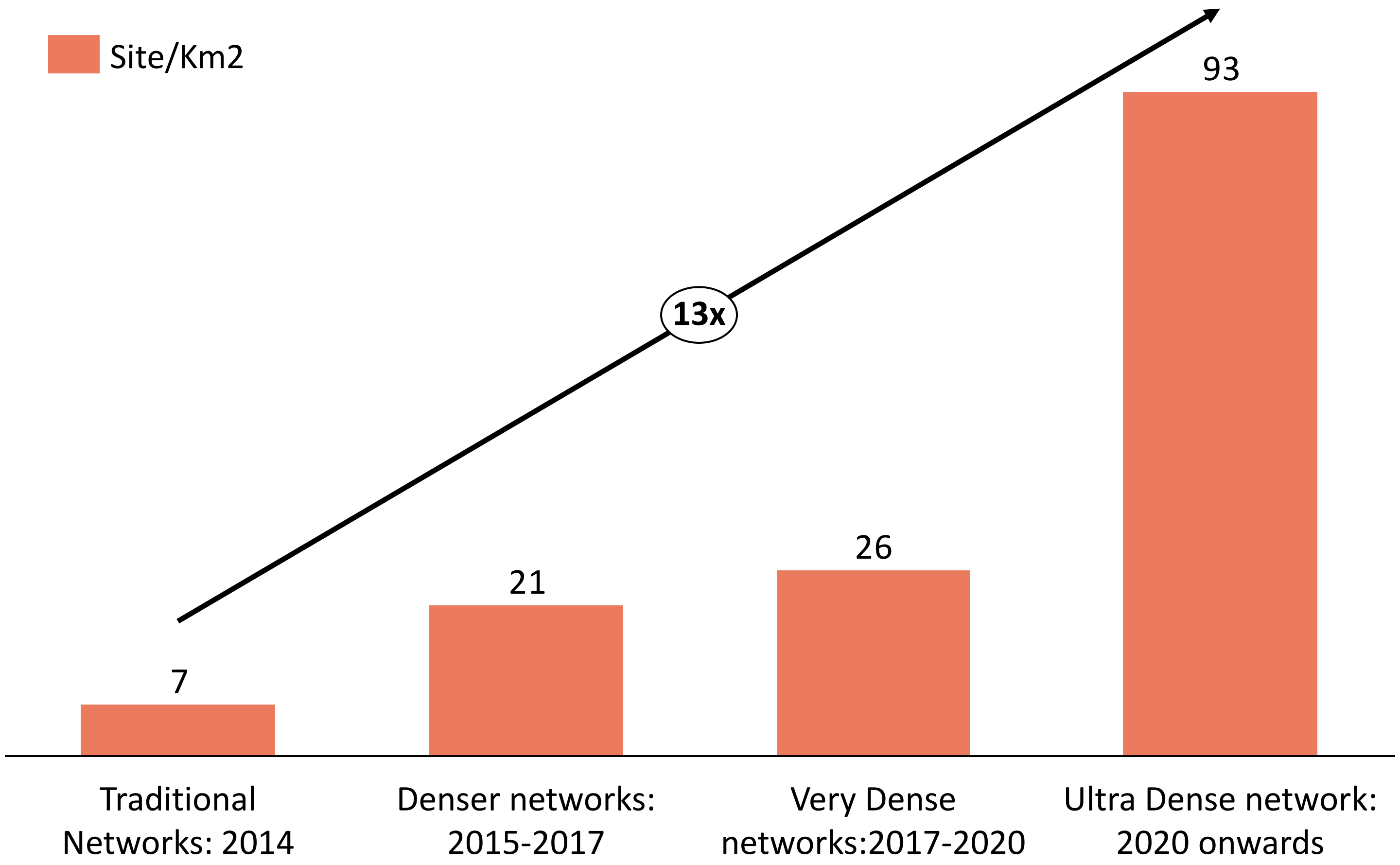
High to Medium capacity:
Fiber – Yes
Microwave – No

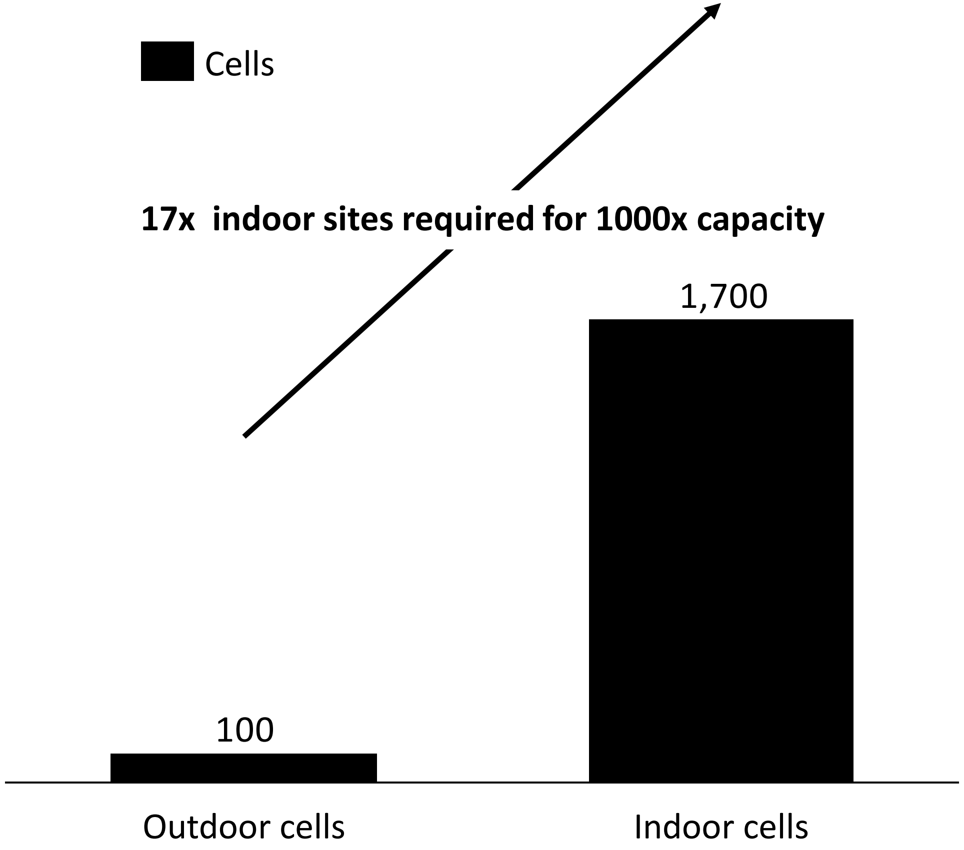
Medium to Low capacity :
Fiber – Yes : 4G/5G
Microwave – May be for 3G/2G

- Fiber networks provides super fast lane for data traffic; nothing can travel faster than the speed of light

Source: Citi Research, FCC, Company estimates

Networks are Getting Increasingly Denser





- Increasing cellular site density will need to be supported by fiber

Source: Nokia Ultra Dense Network White paper: Assuming 10 percent of the raffic during busy hour in a dense city with up to 100,000 users/km2,

Global IP Traffic driving fiber demand

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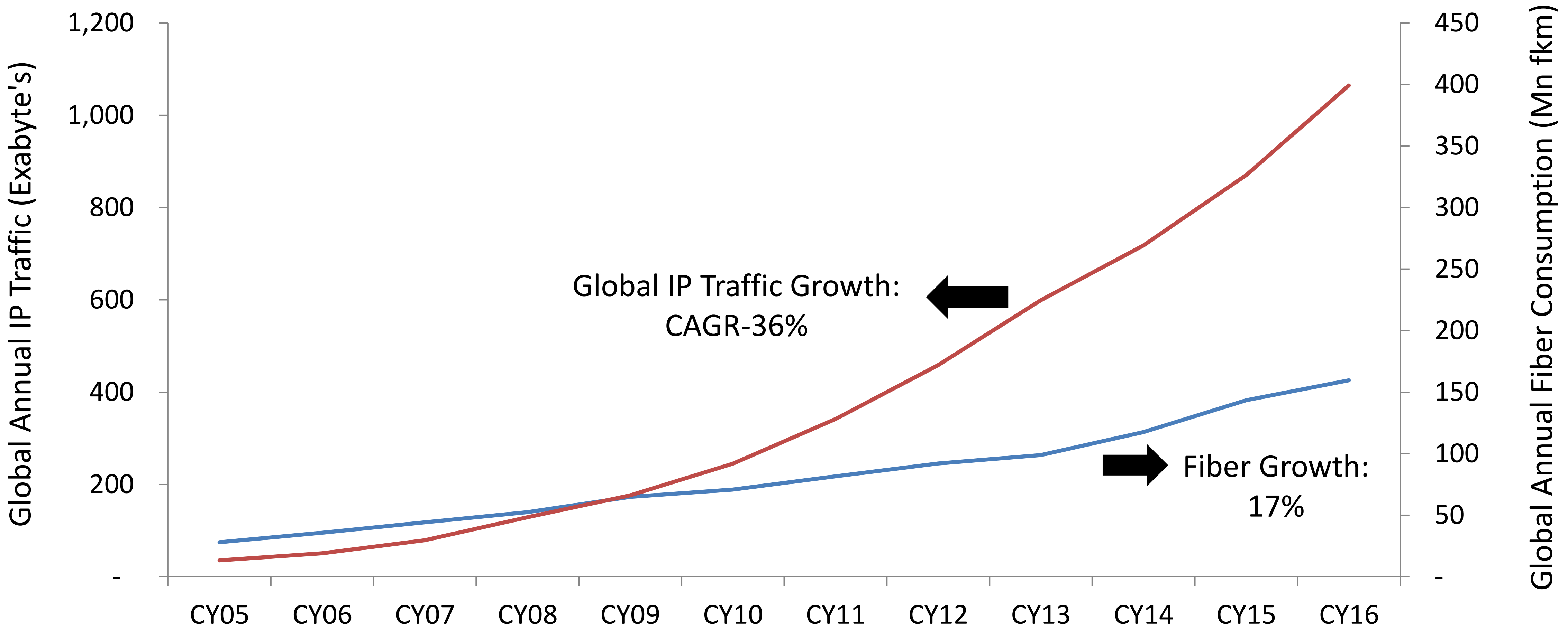
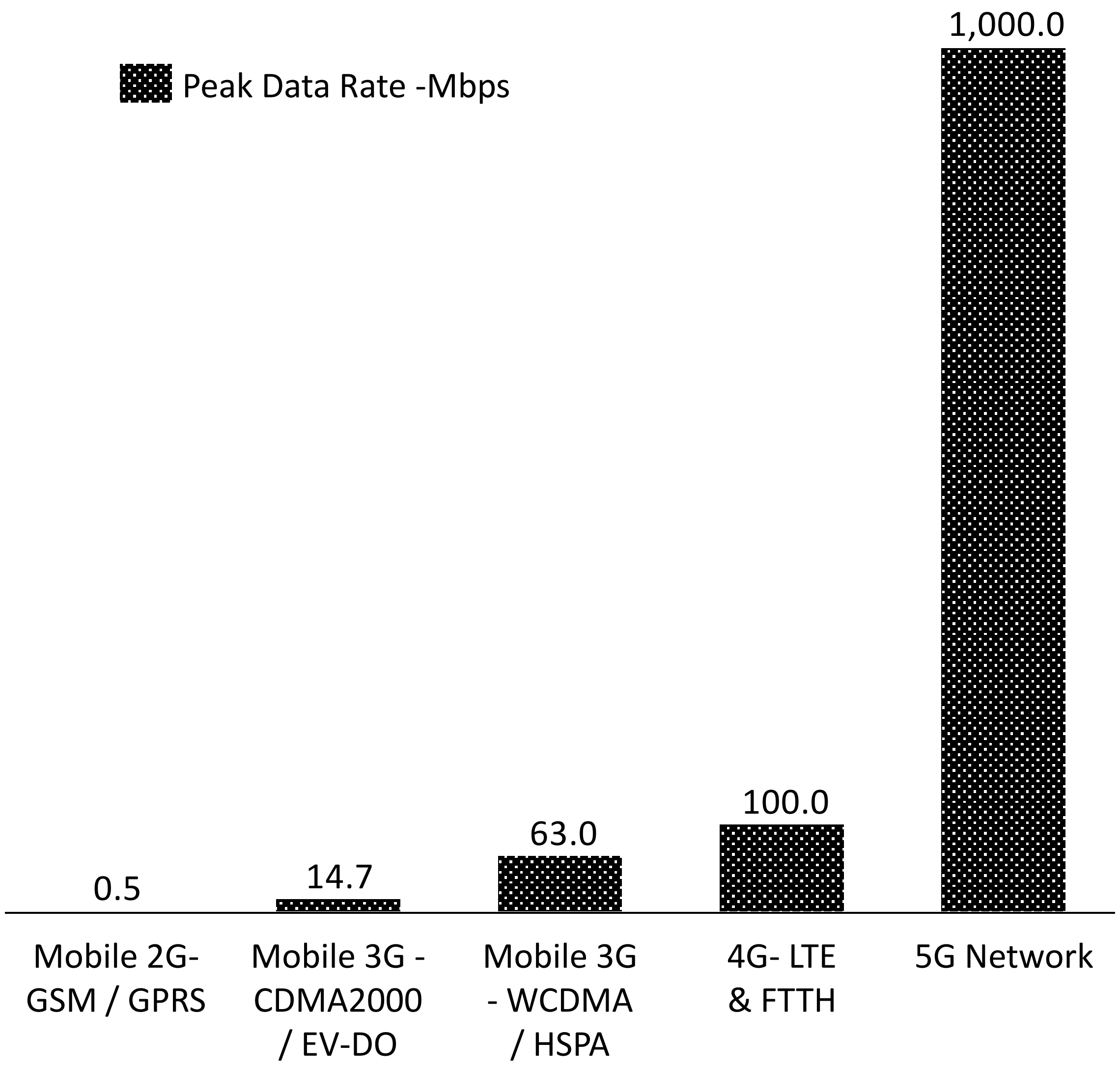
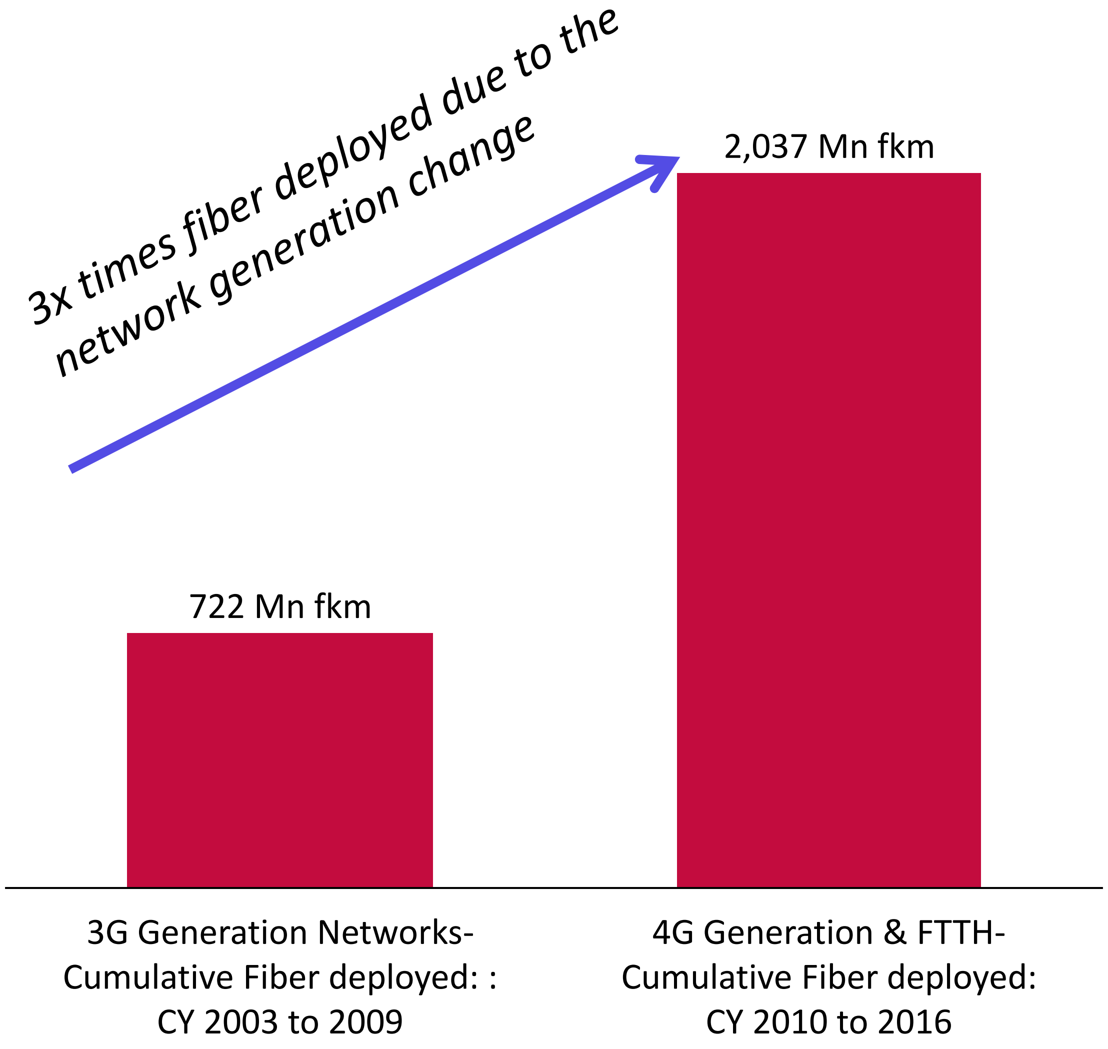


- Global data consumption is directly proportional to the Fiber growth

Source: Cisco & CRU

5G to drive new demand for fiber

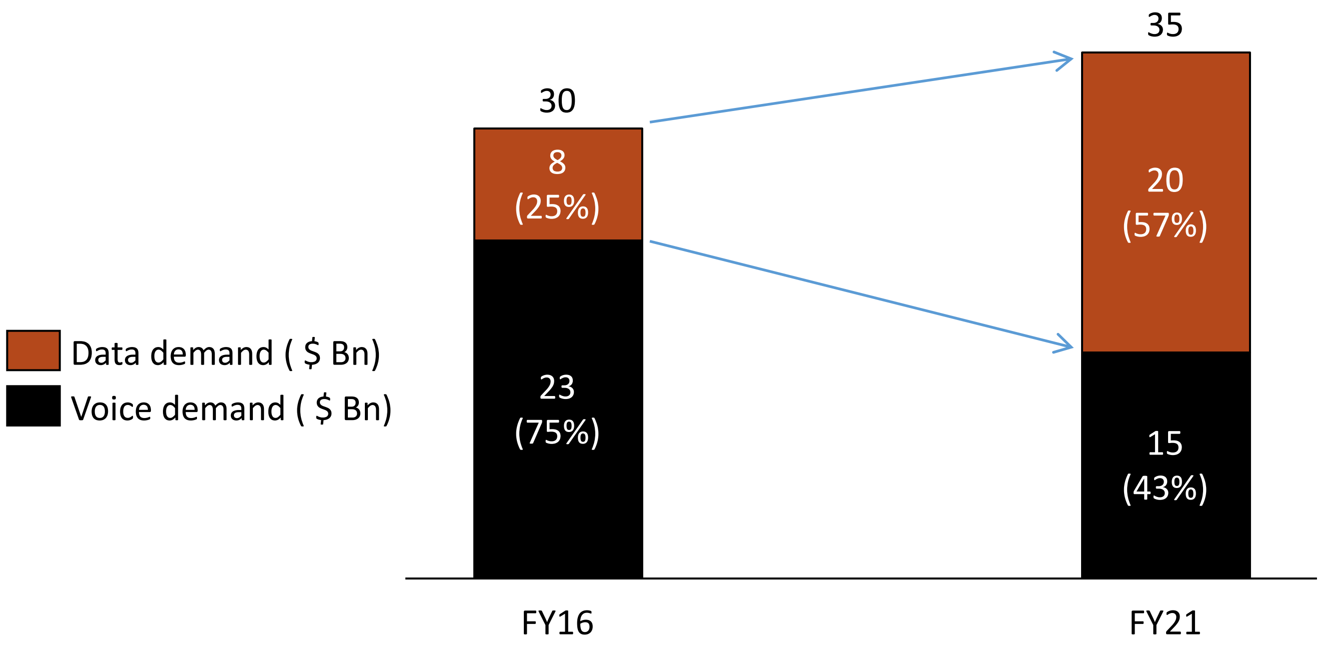




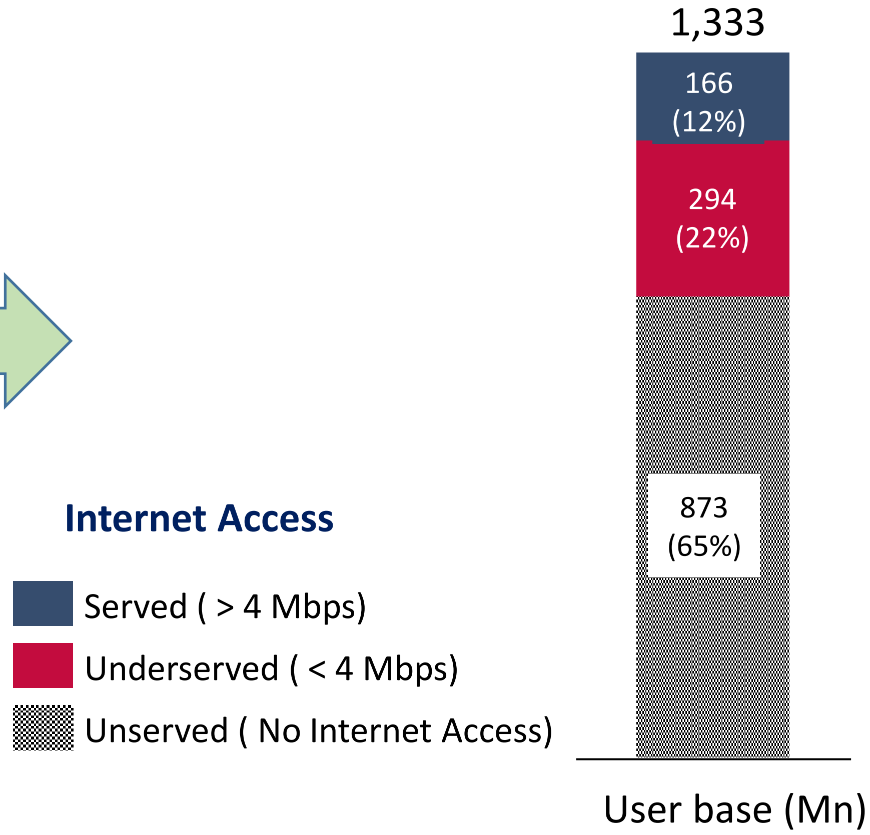
Source: Qualcomm, CRU & Company estimates

India on the Inflexion Curve

India is at the point of data inflexion



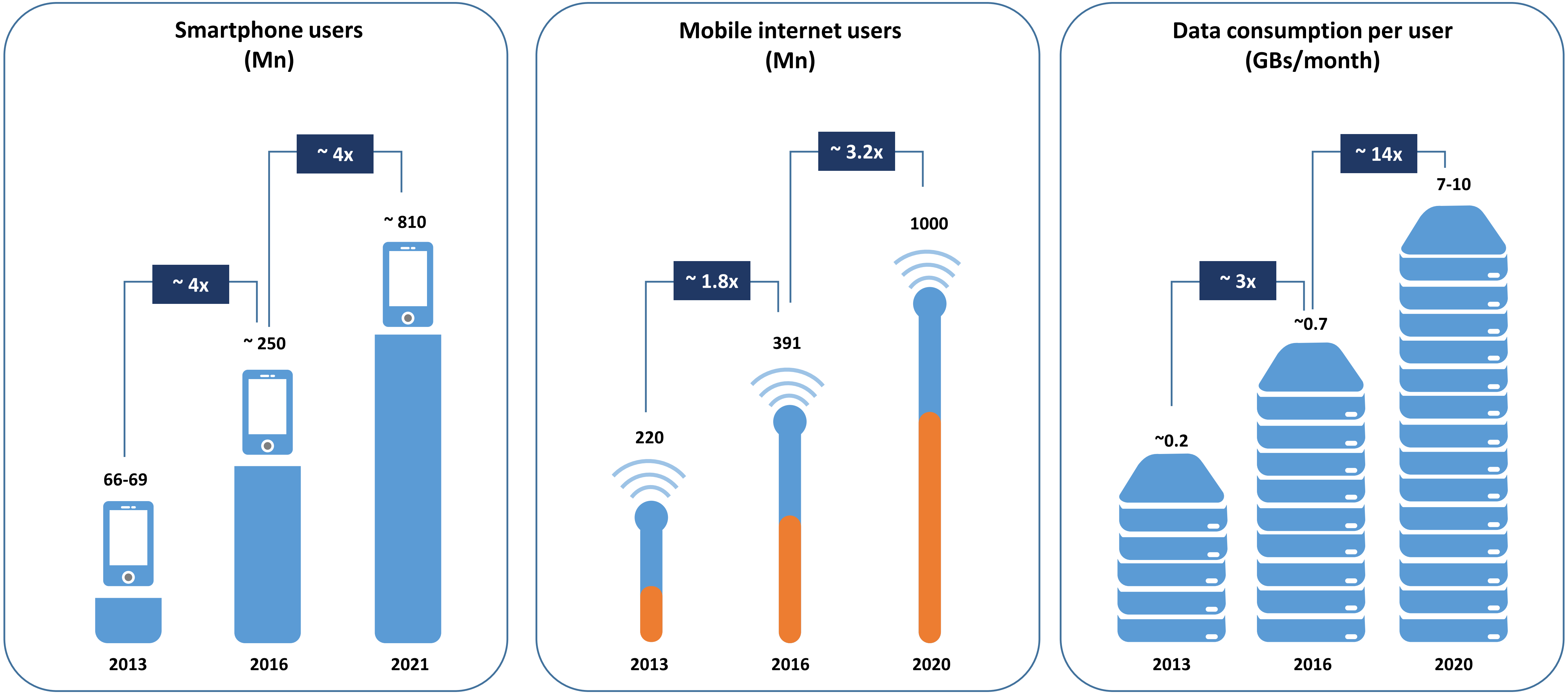
Share of Data in the total India market size to increase drastically in the next 5 years



➢ Increasing data consumption coupled with telco consolidation to lead to creation of next generation data networks

Source: Goldman Sachs Estimates for FY21 Market Size ; Company Estimates for Voice and Data breakup, user data till Mar'17

Data Consumption set to explode



Mobile broadband internet users

Sources: *Ericsson, BCG, GSMA and Live Mint report*

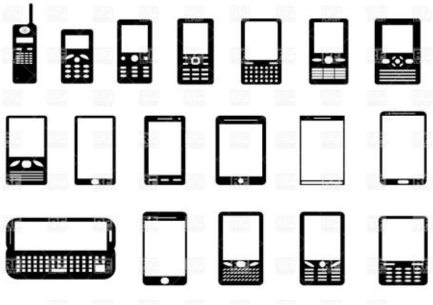
Digital India Trend

Aadhaar

largest and most successful IT project ever undertaken in the world

Banking Adoption

Within three years more than 270 million bank accounts were opened and $10bn in deposited



National Broadband Infrastructure creation:

Bharat Net-Connecting 250K village clusters with high speed internet

Digital Ecosystem Creation: Payment banks, UPI, Citizen centric services

India Digital Stack:

Presence-less, Cashless and Paperless

- Several Billion dollars of Government investment to go in creation of the digital Infrastructure eco-system in the country

Sterlite Tech: Uniquely Positioned

Focused on the Connectivity Opportunity

Global Trends

NETFLIX HBO NOW hulu amazon instant video

Video consumption

paytm MobiKwik freecharge

Digital Lifestyle

IoT, Cloud, AI

4G 5G

Denser 4G & 5G network

Next Generation Digital Network Creation Opportunity

Diverse Customer Base

Service Provider

Defense / Other Utilities

Smart Cites

Rural Broadband

Across wide spectrum of customer base

Comprehensive Offerings

Design + Build + Manage

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

Focus on Integrated offerings for each customer

	Pre-Sale	Execution	Post - Execution
	Design	Build	Manage
Products	✓	✓	
Services	✓	✓	✓
Software	✓	✓	✓


Service Providers


Smart Cities


Rural Broadband

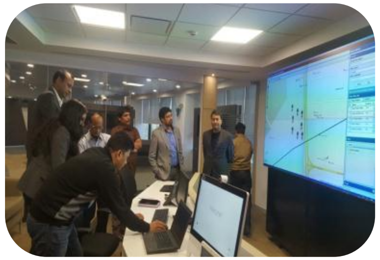

Defense/ Utilities

Solution Matrix


Fiber and Cable systems for FTTx, Long distance, Metro and Access

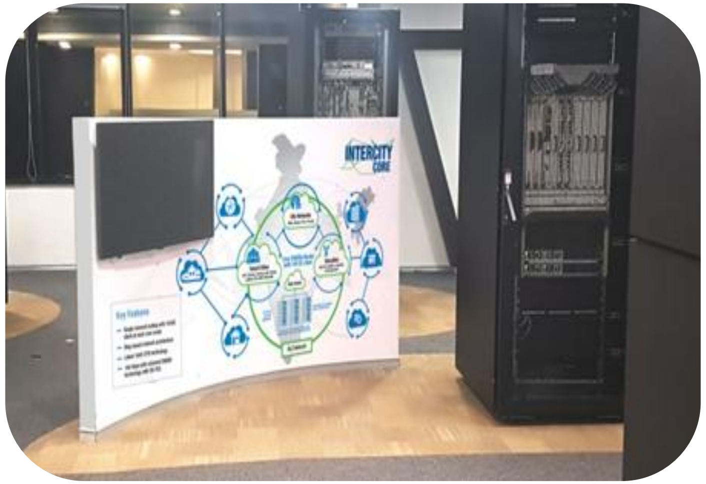

Access Solutions: FTTx, IBS, DAS, Smart Cities Suites


Design Fiber Network: Rollout & Management


End to end System Integration

With Technology at the Core of Our Offerings

Center of Excellence, Aurangabad



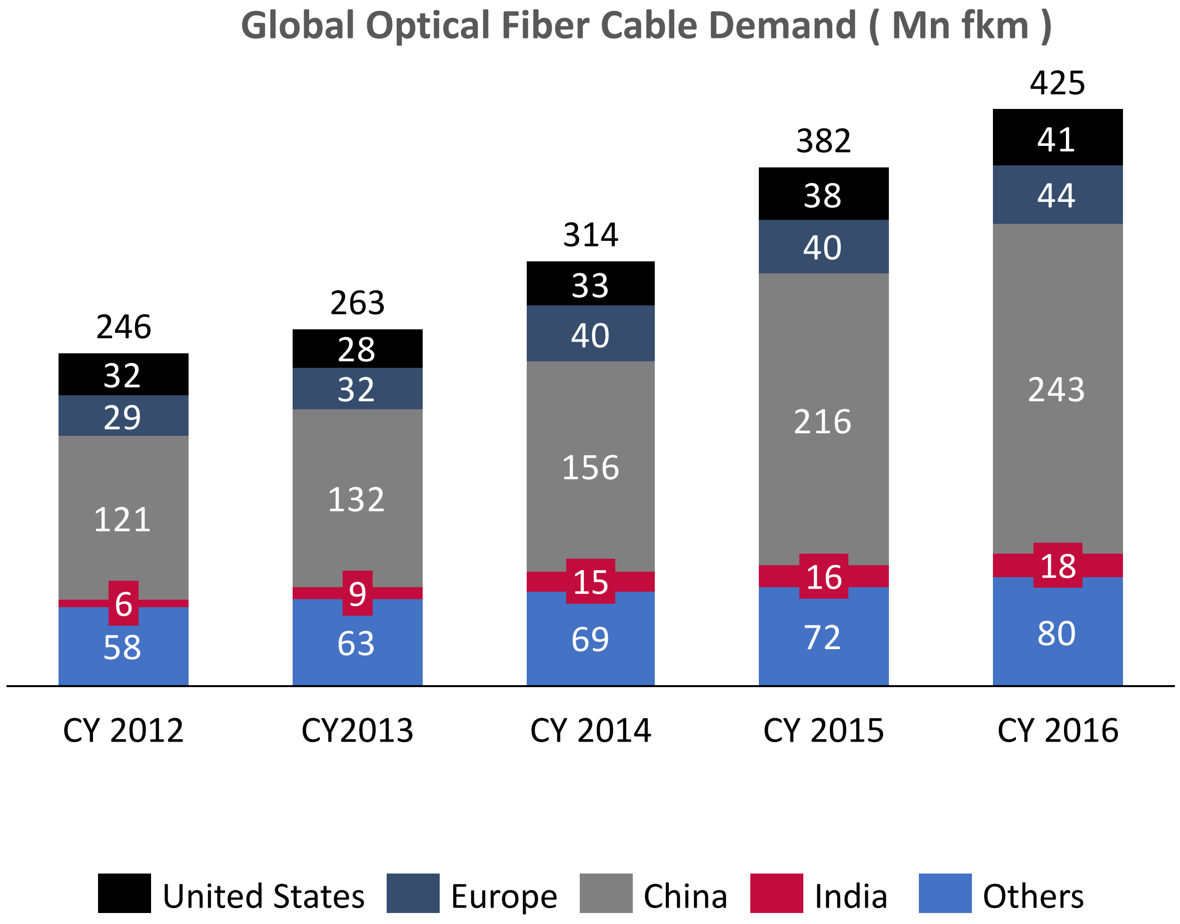
Center for Smarter Networks, Gurgaon

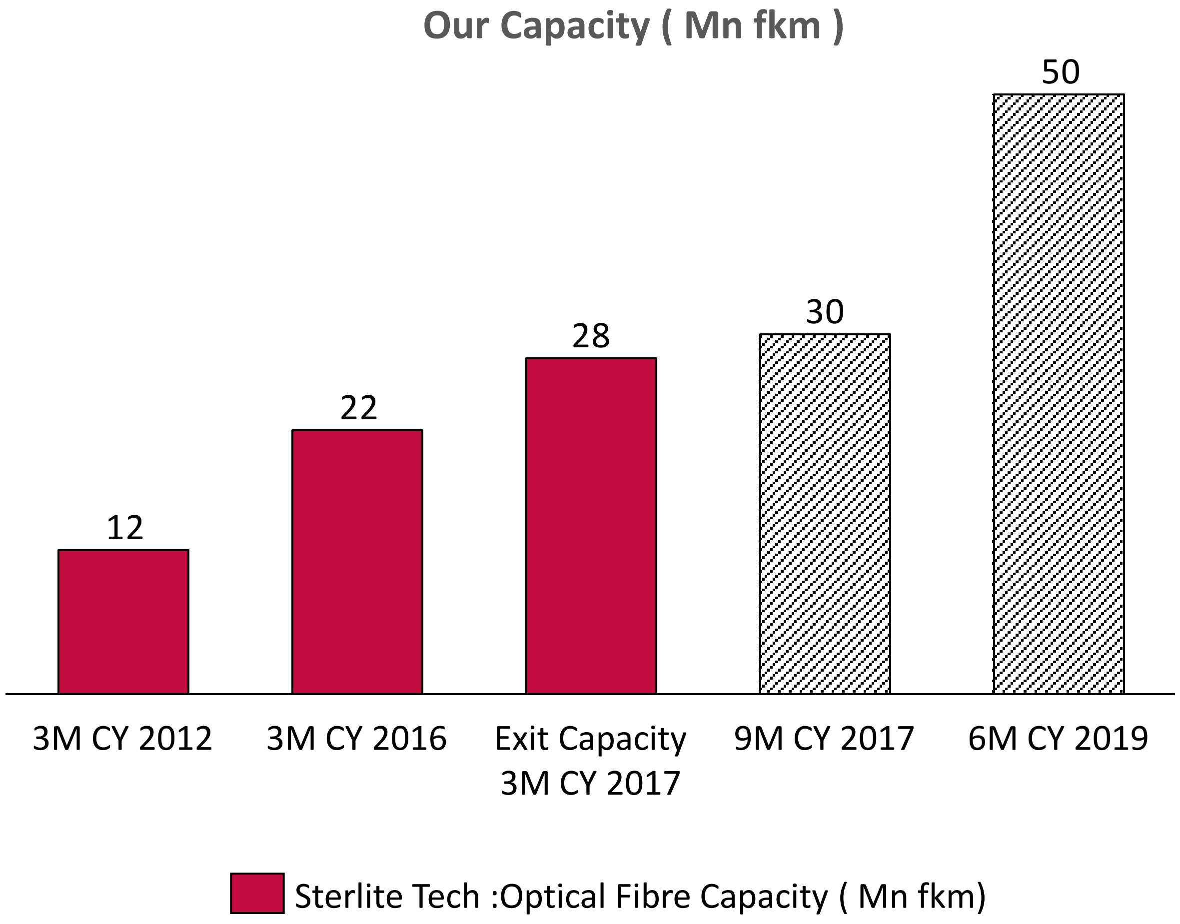
Sterlite Academy

- State of art research focused on material science and Glass composition for advanced fiber optics
- Strong Patent portfolio of 146 patents across geographies
- Building advance technologies Fiber systems for next generation networks: 5G, Pre-connected Solutions for FTTx, IBS/DAS/ Wifi kits
- Sterlite Academy : Sterlite Certified Fiber Installers trained for advanced fiber deployment rollout
- Partnership with academia and global research institutions

Way forward

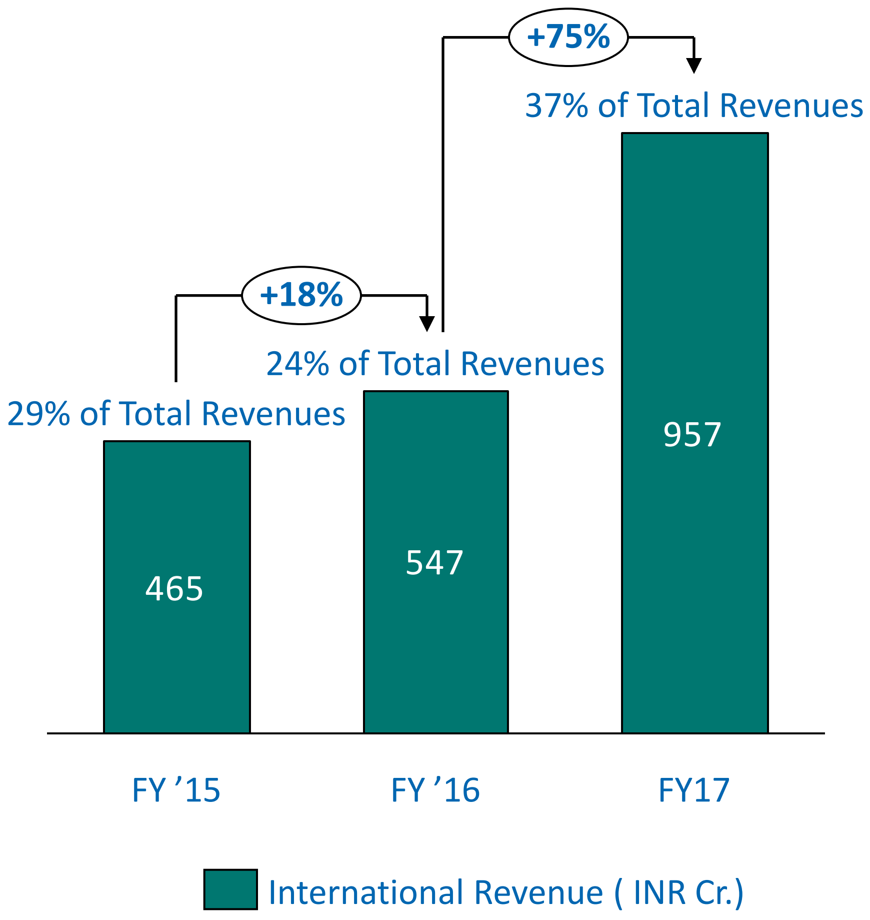
Global Scale to drive growth for products

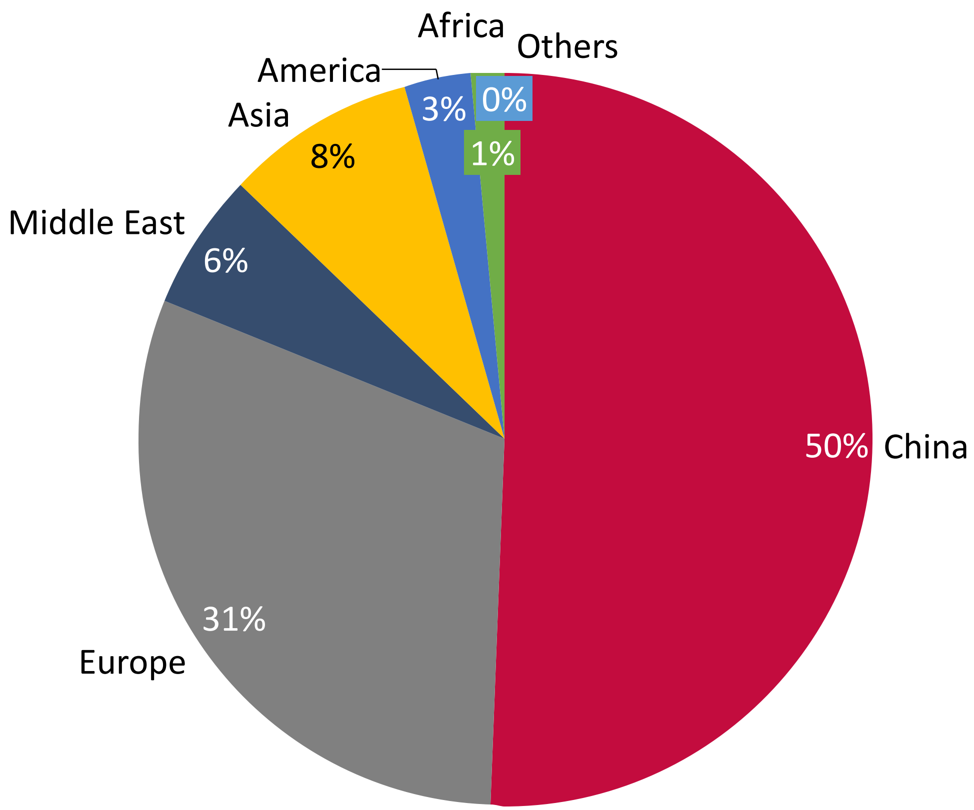




- Expand our Optical Fiber capacity to 50 Mn fkm on the backdrop of growing global demand and our increasing reach
- Capacity is expected to come live by Mid CY'19 with our new greenfield plant

Increasing global reach adding new geographies

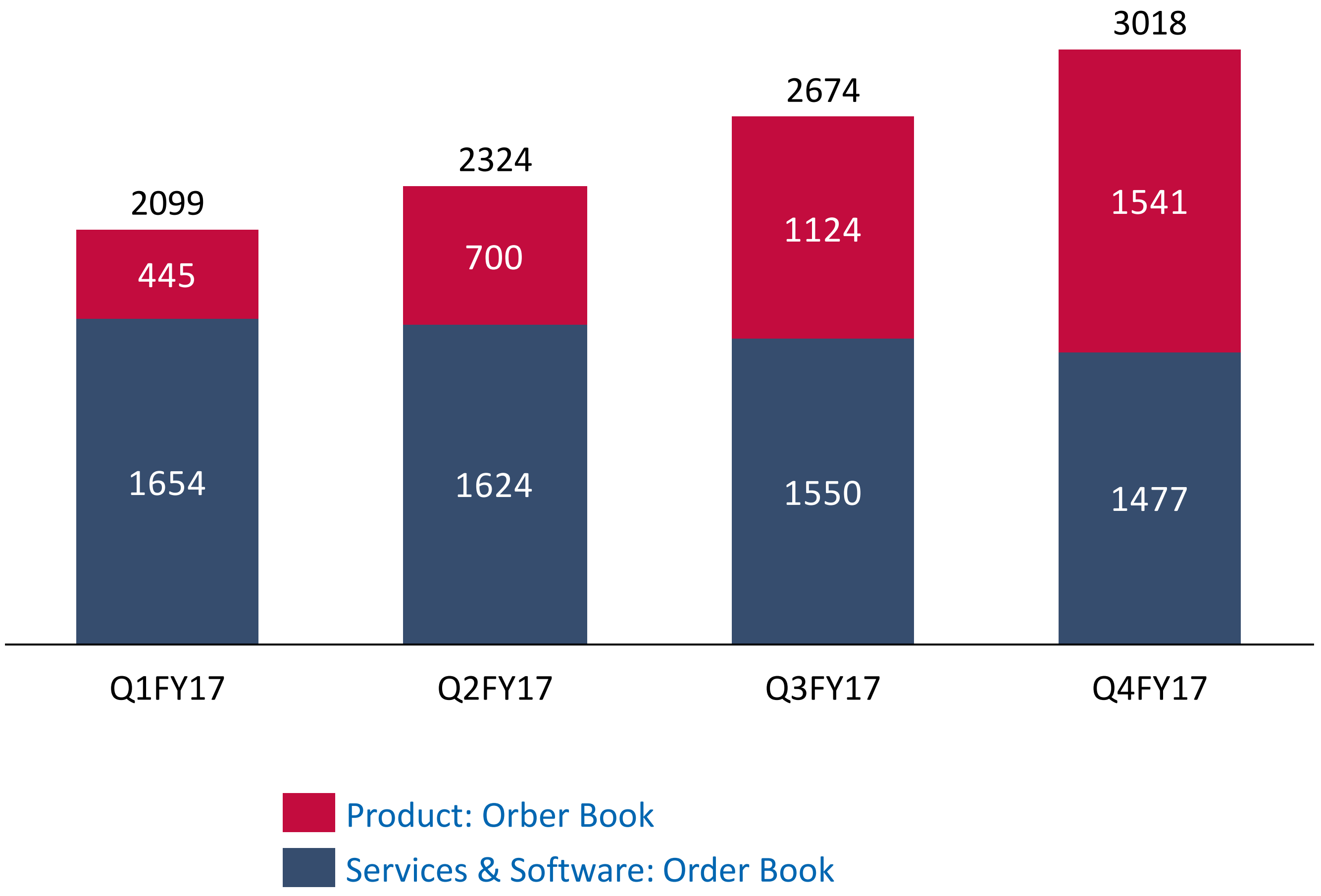


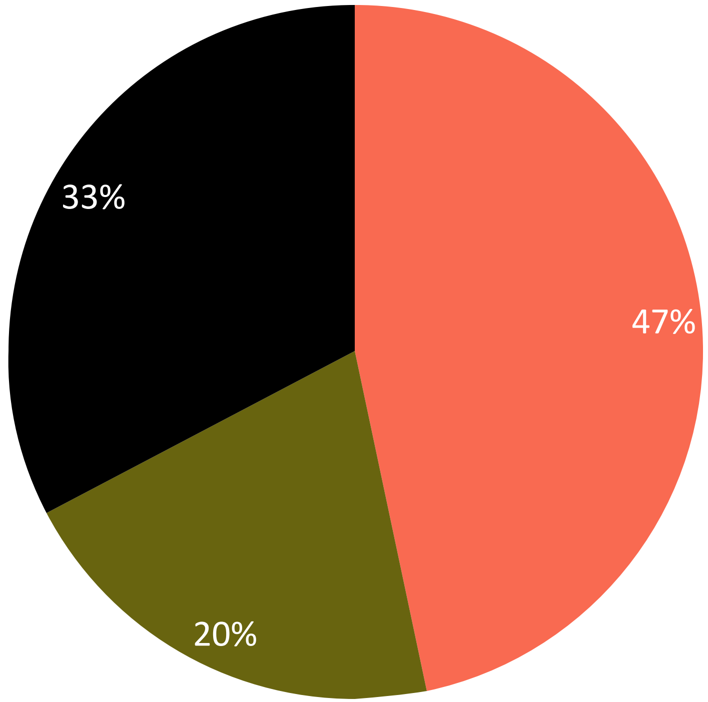


FY17 Geographical split in revenues from International Market

- Revenue contribution from International markets was 37% for Q4FY17

Long Term Customer Engagement to Drive Predictability





Q4FY17 Order Book Mix

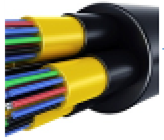
- Predictable Revenue Profile with growing order book
- Customer segment diversification to reduce business risk

Values in INR Cr.

Notable Achievements of FY 17

FY17:Business Highlights at a glance

Accelerated capacity expansion of 30 Mn fkm by Mid of 2017. Next phase of expansion to 50 Mn fkm by Mid 2019



Selected as one of the two global Fiber cable supplier to a large global Telco capturing over 65% of its market share

Gandhinagar Municipal Corporation (GMC) announced the launch of its new citizen-centric Smart City.

Sterlite completed end to end: Design, Build and Manage Smart City infrastructure for Gandhinagar project

First commercial sales of Smarter FTTH Passive Solution to one of India's top telecom operator. Proposition includes fastest installation in MDU with stated performance delivery system

Sterlite Tech has commercially launched a retractable cable with specialized design, which will be a game changer solution for FTTH customers

Successful rollout of 4G/LTE services by leading Malaysian operator on Sterlite's software Platform

Sterlite Tech improved its position from Niche to Visionary in Gartner Magic Quadrant for Integrated Revenue and Customer Management for CSPs

CRISIL upgrades Sterlite Tech's long-term rating outlook to CRISIL AA-/Positive

Launched OFC application lab, India's first research and training Centre for Passive Infrastructure

Awards and Accolades

1

Won the **'Broadband Infrastructure Leader Award'** at the Telecom Leadership Forum

2

Sterlite Tech recognized as Asia's Best Telecom Vendor under the Category **'BSS Innovation Award'** in Telecom Asia's Readers Choice and Innovation Awards 2016

3

Sterlite Tech featured among **'100 Best Companies to work for Women in India'** instituted by AVTAR & Working Mother

4

Bagged two **Frost & Sullivan India Manufacturing Excellence Awards 2016**

5

Silvassa-based optical fiber cable manufacturing plant won **'Par Excellence Award'**

6

Sandip Das, Member - Advisory Board, bestowed with **'Lifetime Achievement Award'**

7

Sterlite Tech wins Amity Global Business School CSR Award and Lokmat Corporate Excellence Award for **Best CSR Practices**

8

Sterlite Tech wins Aegis Graham Bell Award for **"Innovation in Telecom Infra'**

Q4 FY17 Consolidated Financial Update

All financial Numbers reported are as per Indian Accounting Standard (Ind-AS)

Quarterly Financial Performance

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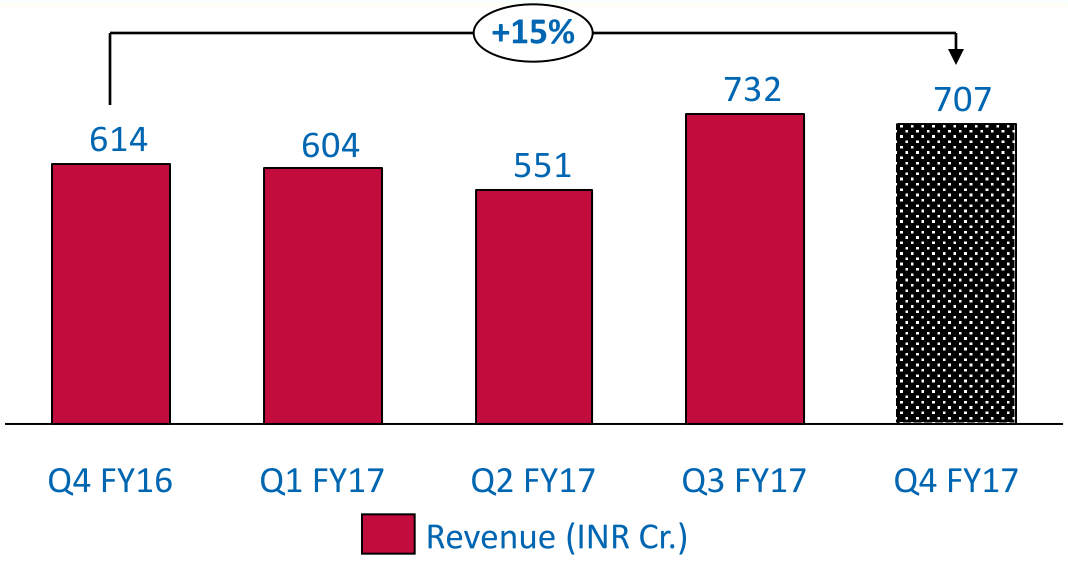
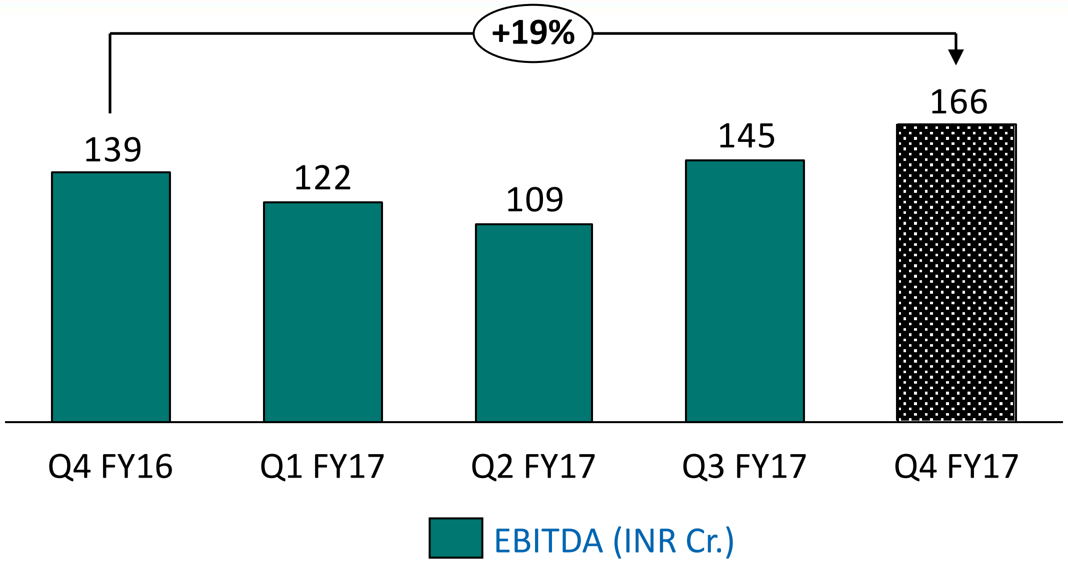
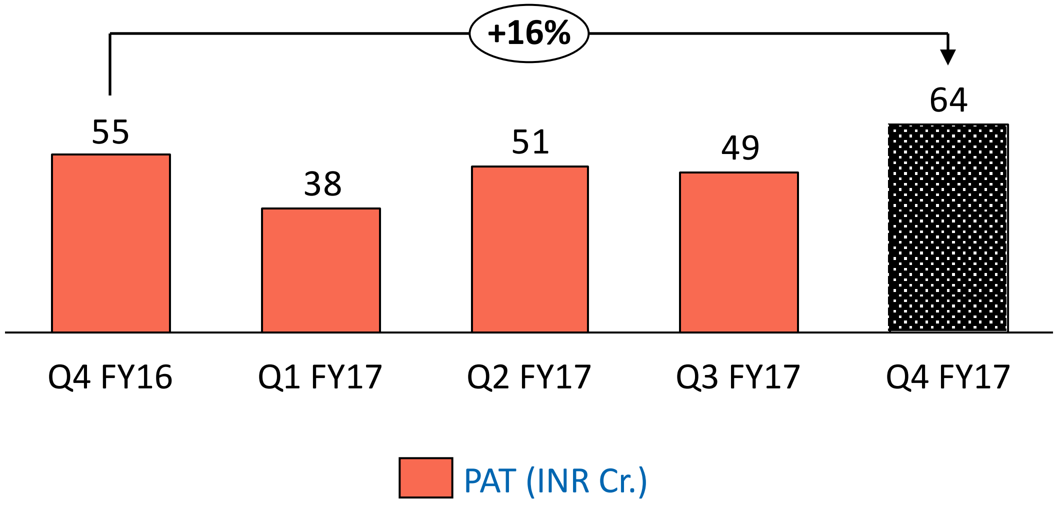






- Company registered sales growth of 15% on YoY basis
- EBITDA grew by 19% on YoY basis, driven by growth in product volume with project execution progressing firmly on QoQ basis
- Highest ever EBITDA recorded in any quarter
- 16% PAT growth on YoY basis

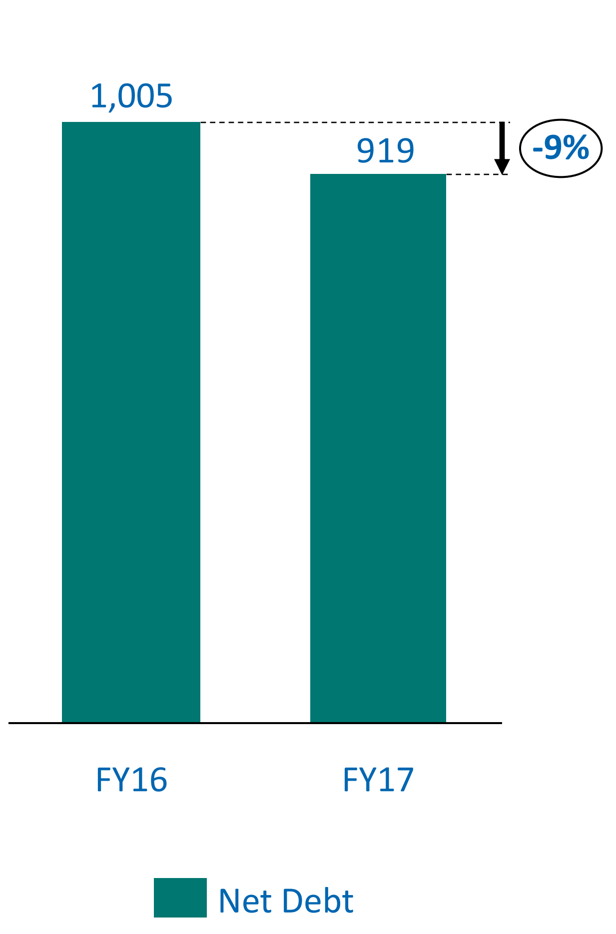
Financial Performance: P&L, BS

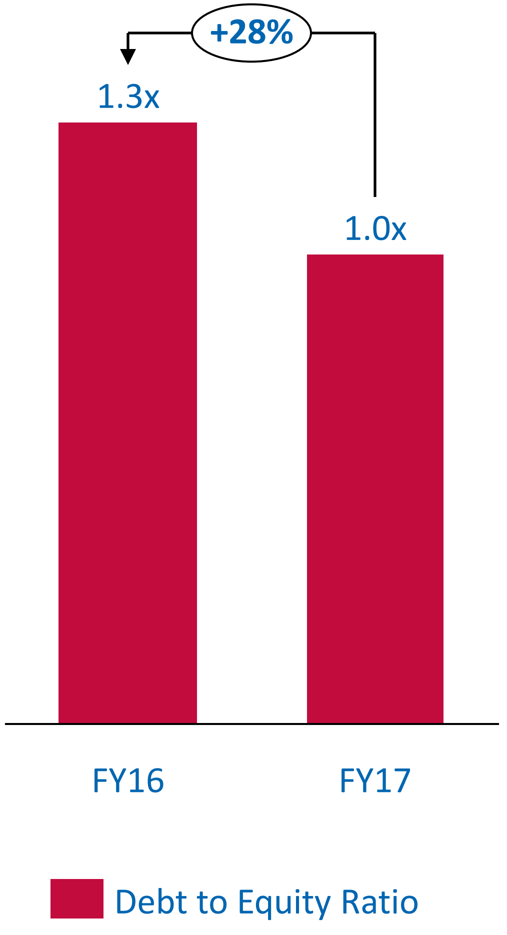
P&L	FY16	FY17
Revenue	2,275	2,594
EBIDTA	475	542
EBITDA %	*21%*	*21%*
Depreciation	125	159
EBIT	350	383
EBIT %	*15%*	*15%*
Interest	119	123
PBT	231	260
Tax	65	40
PAT (After Minority interest)	154	201

Balance sheet	FY16	FY17
Net Worth	786	925
Net Debt	1,005	919
Total	**1,791**	**1,844**
Fixed Assets	1,170	1,238
Net Working Capital	621	606
Total	**1,791**	**1,844**
Return on Equity (Post Tax)	20%	23%

Values in INR Cr.

Financial Performance: Cash Flow

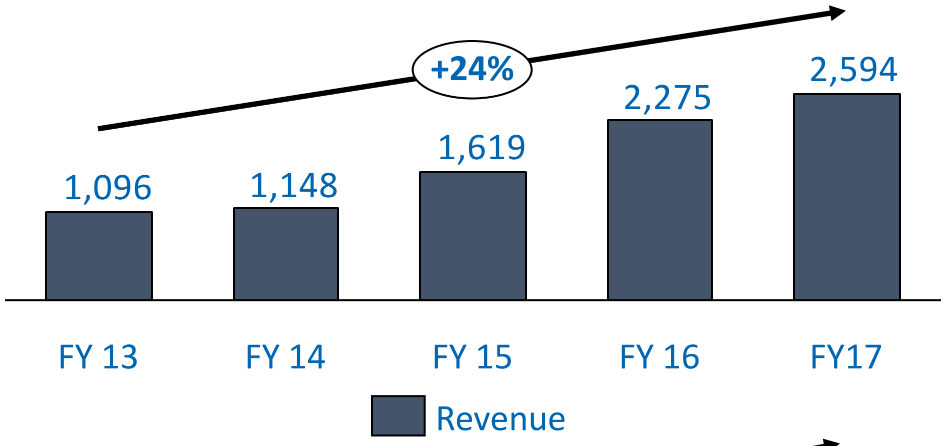


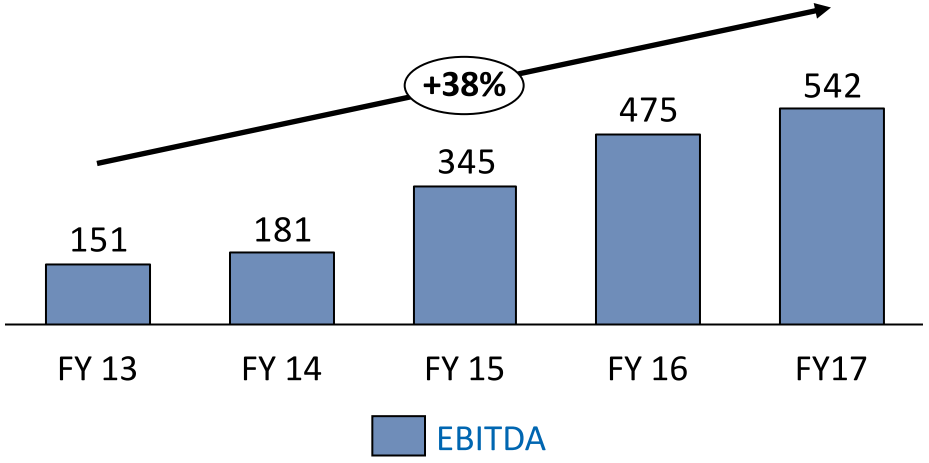


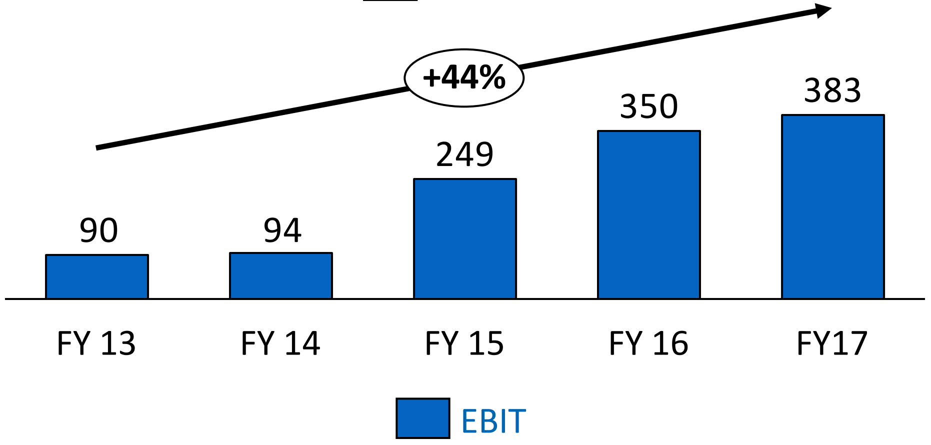
Cash flow	FY17
Cash Profit (After Tax)	379
Operating Cash Flow	371
Capex	**213**
Free Cash Flow	**158**
Dividend	**72**
Net Cash flow	**86**

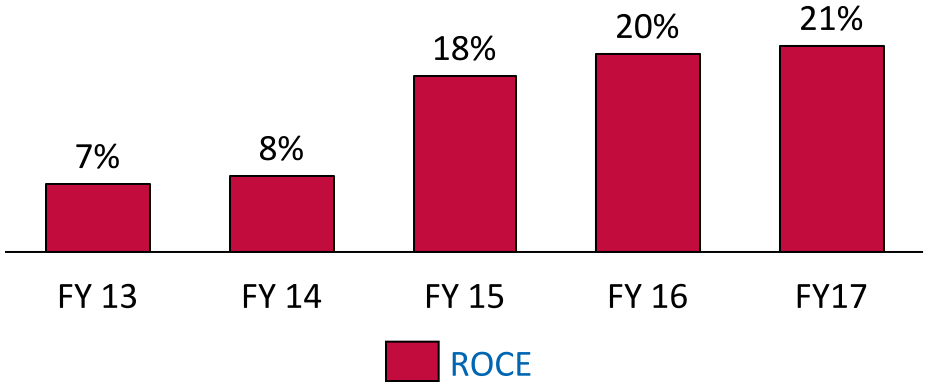
Values in INR Cr.

5 Year Performance









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

Values in INR Cr.

Strategic Direction

Strategic Direction

A Integrated Solutions with focused customer base

B Focus on Technology & Research: *Increasing patent portfolio*

C Expanding ROCE for the business > *20%*

D Defined principles for Inorganic Growth: *Capability addition*

E Consistent Returns to the Shareholders: *30% of PAT as dividend*

Thank You