Earnings Call Presentation

Oct 16, 2017

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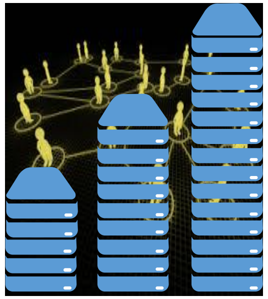
Industry Trends and Outlook

The Zettabyte Era: A Reality Now

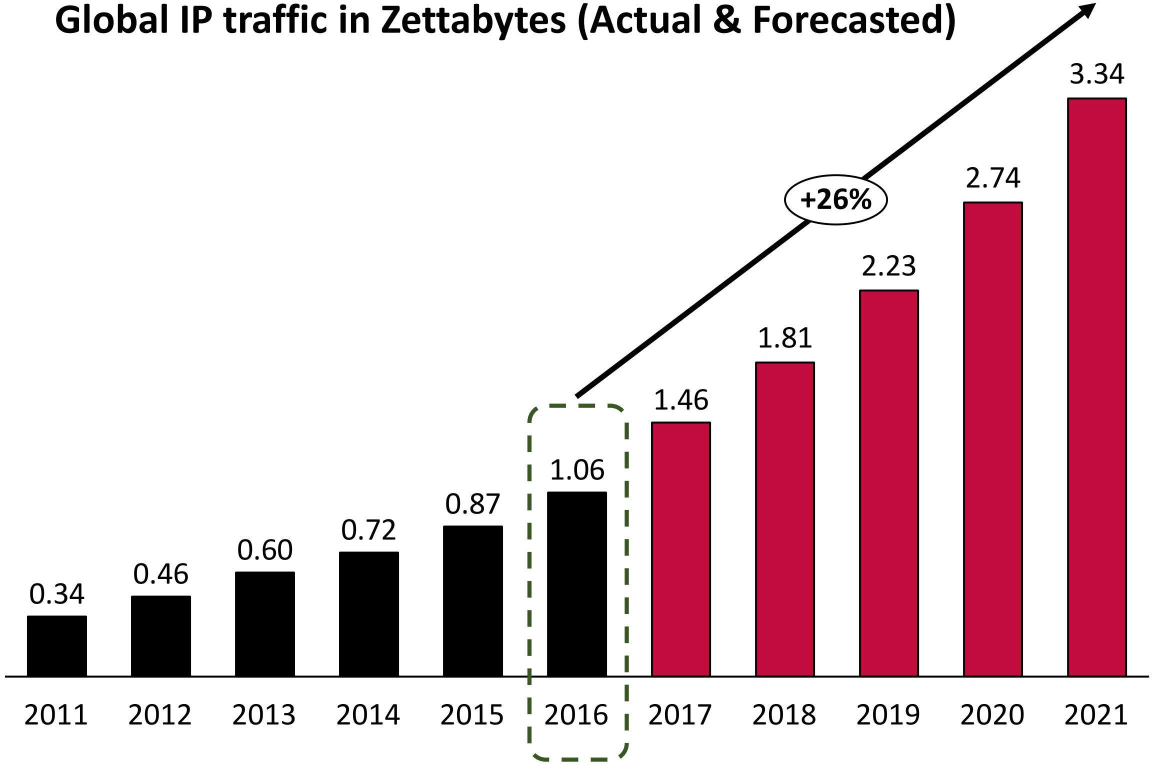
Perpetual Growth in Demand for Data & Demand Drivers

Data growth driving new-age tech trends & growth in connected devices



Rise in new-age tech trends and connected devices driving data growth

Global IP traffic in Zettabytes (Actual & Forecasted)



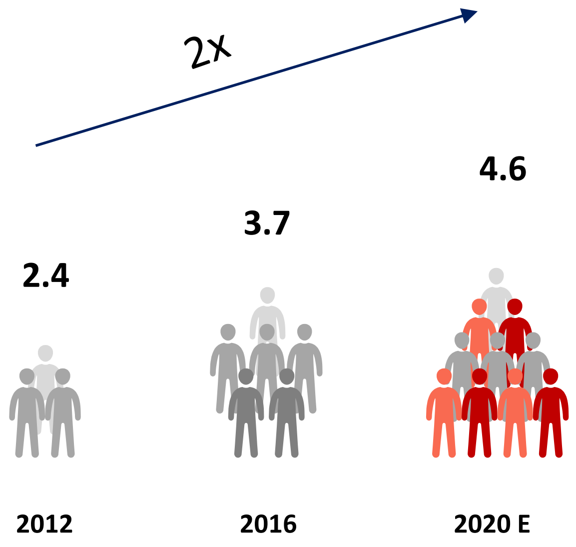
- The world officially saw annual **global IP traffic crossing 1ZB (10^{21} bytes) in CY 2016**

1ZB = 1000 billion GB, or 1 billion Tera-byte, or 1 million Peta-byte, or 1000 Exa-byte

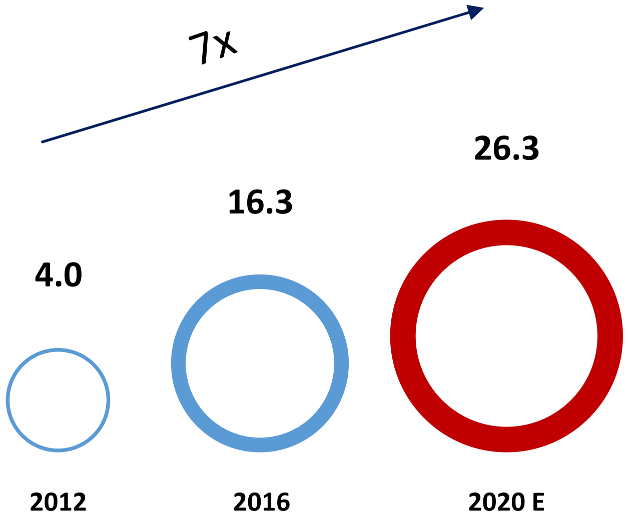
Sources: *Ericsson, BCG, and Cisco's reports*

Exponential Growth in Data Consumption to Continue

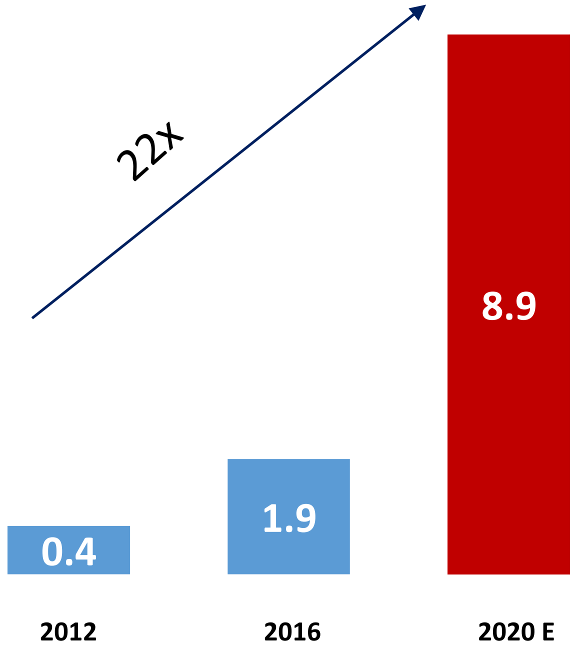
Internet Users (Bn)



Device Installed Base (Bn)



Average Data per Consumer (GB/month)

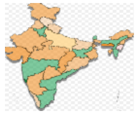


Sources: www.internetworldstats.com, statista ; Cisco, Gemalto ; BGR, Cisco, "The Zettabyte Era-Trends and Analysis", July 2016

Fiber – Most Suited Media for Data Transmission

2G Era:

Fiber deployed between major cities

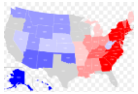


3G Era:

Fiber connecting most cities towns & sub-urban areas

4G & FTTx Era:

Fiber connectivity between Towers

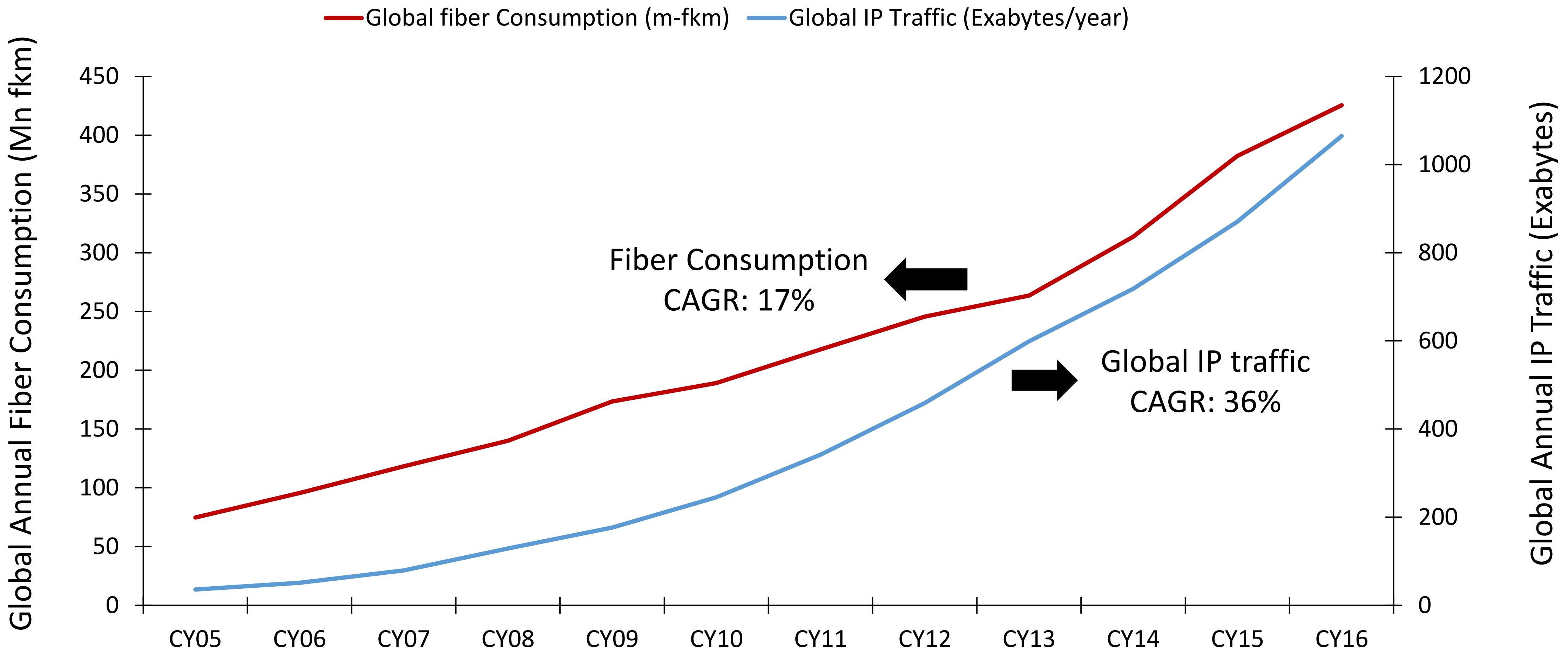


5G & FTTH Era:

Fiber to small cells, buildings & homes

- Fiber Network is deployed across the Network Generation and are getting deployed by Conventional Telco’s, CSP/DSP’s and new class of OTT & Content Players

Fiber Consumption Directly Proportional to Data Growth



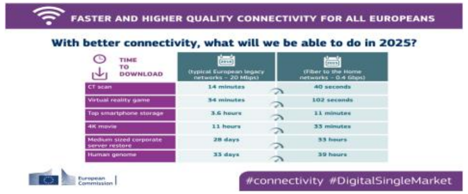
- Statistically, there is a strong correlation between Historical Data consumption and Optical Fiber consumption

Interesting New Developments Across the Globe

Verizon entered in long term contracts with global fiber manufacturers Corning ($1 bn deal) & Prysmian ($300 m deal)

At&T announced its 5G evolution plans for beyond 2017. To reach at least 12.5 m locations with 100% fiber network

Microsoft, Facebook and Telxius completed the highest-capacity subsea cable across the Atlantic ocean



TIME TO DOWNLOAD	(typical European legacy networks – 20 Mbps)	(Fiber to the Home networks – 0.4 Gbps)
CT scan	14 minutes	40 seconds
Virtual reality game	34 minutes	102 seconds
Top smartphone storage	3.6 hours	11 minutes
4K movie	11 hours	33 minutes
Medium sized corporate server restore	28 days	33 hours
Human genome	33 days	39 hours

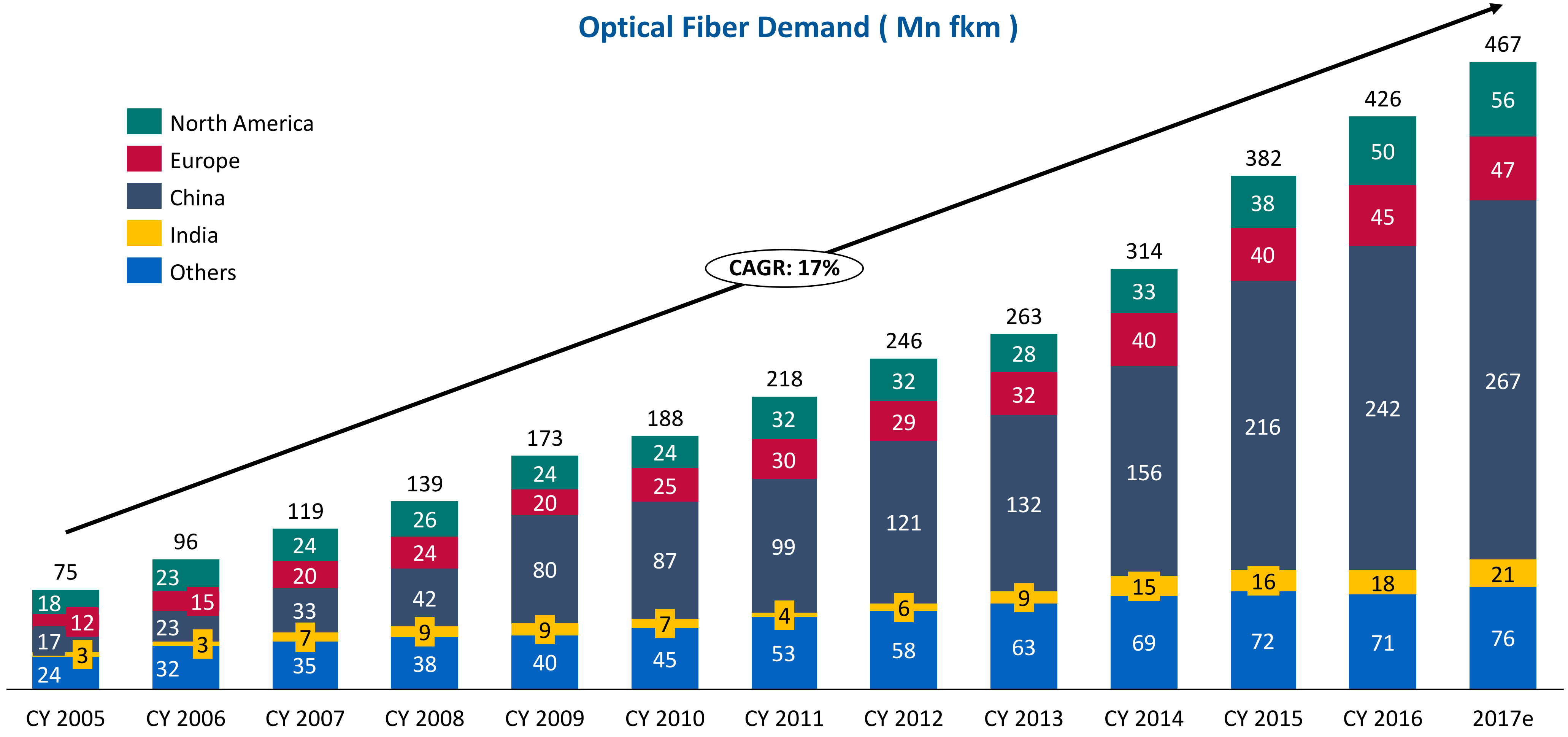
Germany investing 100 bn € into national gigabit internet network: Common EU broadband targets for 2025

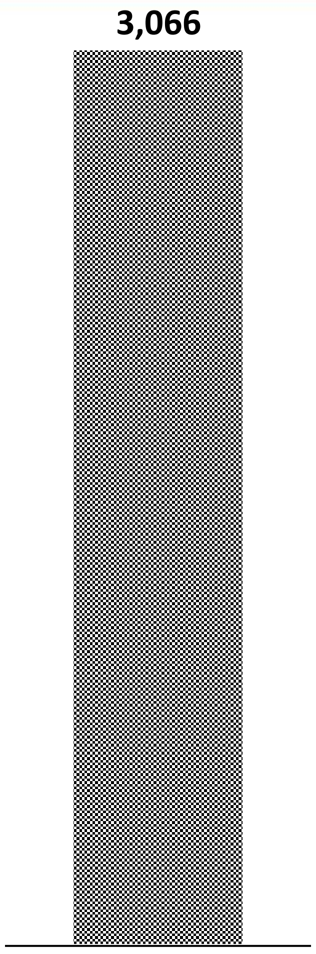
NBN Australia created a three year roll-out plan to provide broadband to entire Australia with Fiber

Airtel, BCS & Facebook to build shared Fiber backhaul connectivity in Africa to expand data capacity

Sources: *FastCompany, TechCrunch*

Global Demand for Optical Fiber Continues to Reflect Strong Annual Growth





Cumulative Global Fiber Consumption: From 1999 to 2016

- Continuous growth of data driven by network evolution and changing consumption pattern reflecting strong demand for Fiber
- Globally >3bn kilometre cumulative fiber already deployed in the networks; replacement lifecycles building in

Source: CRU Data

A World's Only & Most Integrated Company Manufacturing Optical Fiber from Silicon Ore in a Single Facility

Silicon Ore

Glass Preform

Fiber Drawing

Optical Fiber

Optical Fiber Cable

Translating to Industry Best Margin Profile

Sterlite Tech - Differentiated Play: Silicon-to-Software Offerings

Sterlite Tech
www.sterlitetech.com

B End to End Capability to Design, Build & Manage Data Networks for Telcos, Smart Cities, Rural Broadband & Defence

Future Network Stack

Software & Solutions Layer

- **System of Engagement**
  - Digital Customer Management
  - Marketing
- **System of Records**
- Data Management | Network Management | Service Management

Network Layer

- **Core Network: Transmission Engineering**
- **Radio Access Network: Topology Design**

Physical Layer

- **Passive: Fiber Network Design - Products and Solutions**

Business Updates: Q2FY18

Q2 Business Highlights at a glance

- Launched innovative high-speed 5G ready network solution, FlashFWD at IMC. Has highest fiber density in most compact cable packaging

- Overall open order book value increased from Rs. 3,140 Cr (at the end of Q1) to Rs. 3,832 Cr. Open order book to be further strengthened during Q3

- Patent count increased to 162. As an organization our core strength is Engineering and Technology. We believe in enabling our customers to solve problems better with our Patented Technology, Products and Solutions

- Won large-scale order from a leading telco to enable roll-out of FTTH networks
- Developed world's first 'citizen-safe' aerial cable to support rural broadband deployment in UK
- Bagged an order to enable Africa's leading global operator with Wi-Fi SMP & VoIP solutions

Awards and Accolades

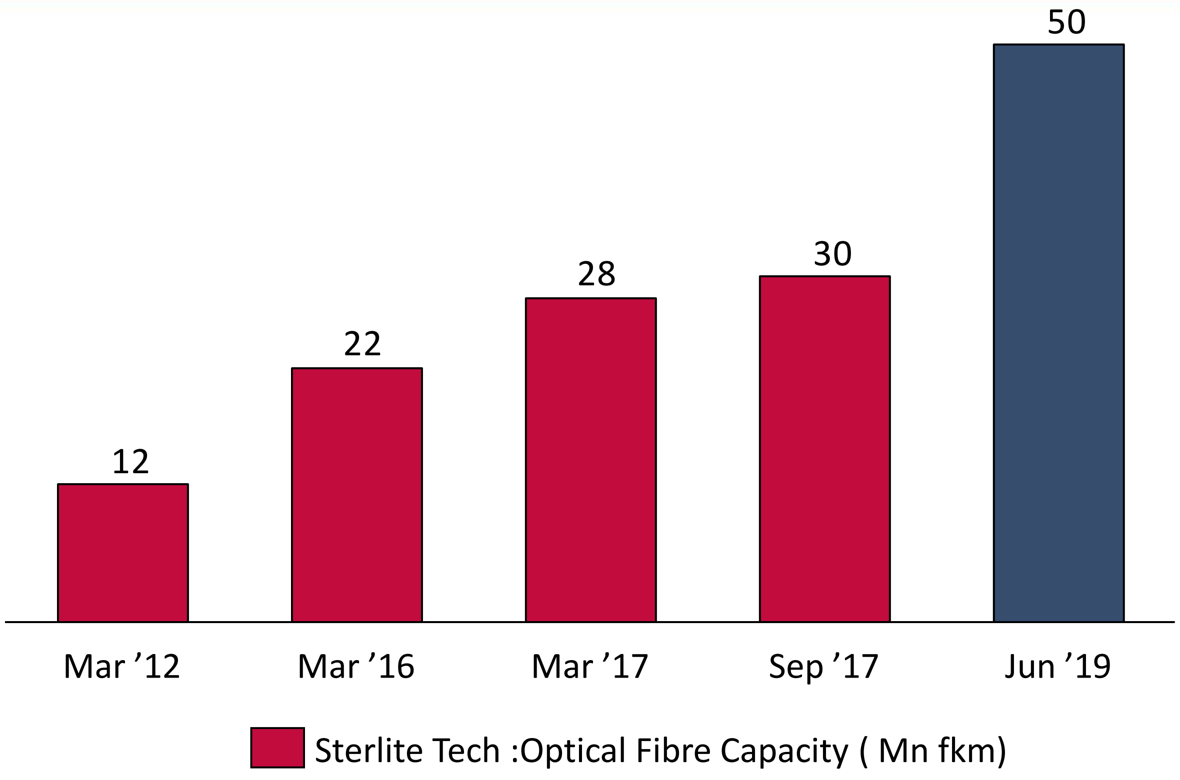
Honoured with the Golden Peacock Award for **“Excellence in Corporate Governance - 2017”**

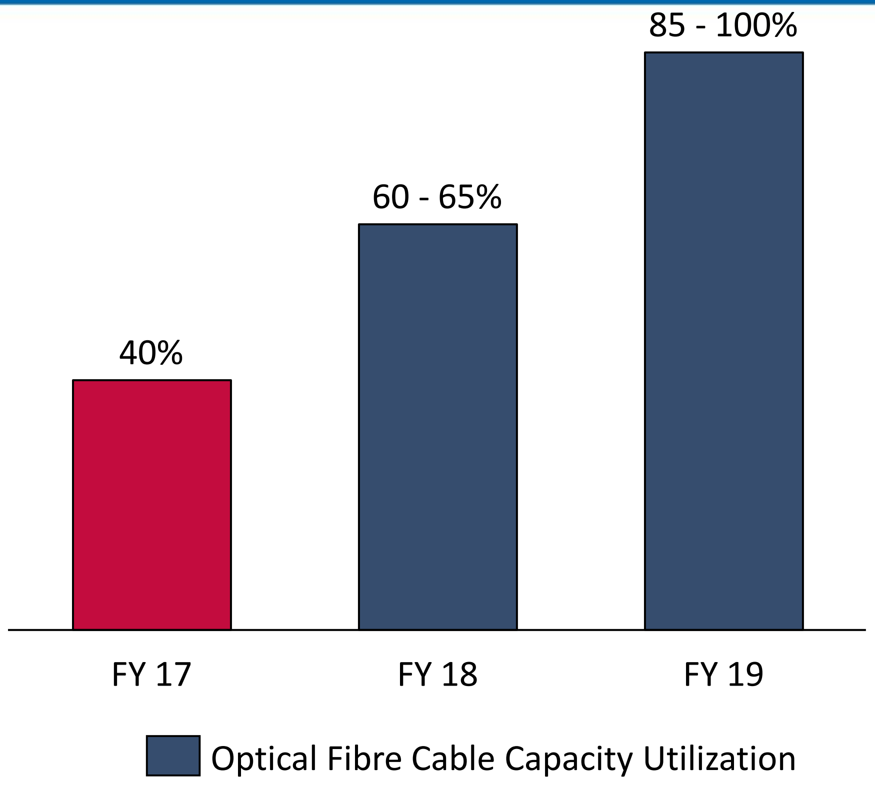
Won the **TelecomLead OSS/BSS Company** award at the TelecomLead Awards 2017

The CPO Forum India & Awards 2017 for **‘Recognizing Procurement Excellence’ -** Winner in ‘Excellence in Risk Mitigation' Category

Jeewan Jyoti initiative won the **“CSR Project of the Year”** title under the Women Empowerment category at the CSR Excellence Awards.

Scaling Product Business





- Achieved 30 Mnfkm in OF Volume in Q2FY18, as per plan
- New plant is located in Aurangabad, Maharashtra (India)
- Integrated plant project progressing well to achieve phased capacity ramp-up (Mid CY 18 partial capacity & we expect full capacity to come live by June 2019)
- Cabling volumes reflecting an upward trend from demand perspective

Scaling Services & Software Business

2015

- 100 Smart Cities Mission launched by the Govt. of India

2016

- Govt. announces **list of first 20 smart cities**
- Sterlite Technologies bags its **1st Smart city order from Gandhinagar** in March**.** Successfully completed the entire project in December
- 2nd Smart city order win with **'Jaipur Smart City Phase – II'** Project.
- Govt announces **list of second 27 smart cities**
- 3rd Smart city order win with **Ahmedabad Smart City's project:**-Janmarg Ltd

2017

- Sterlite completed Jaipur smart city project
- Govt announced **list of third 30 smart cities**
- Sterlite wins **Kakinada Smart City order**
- **Kakinada** project under execution

Smart city orders are becoming larger in size and scope with integrated offerings

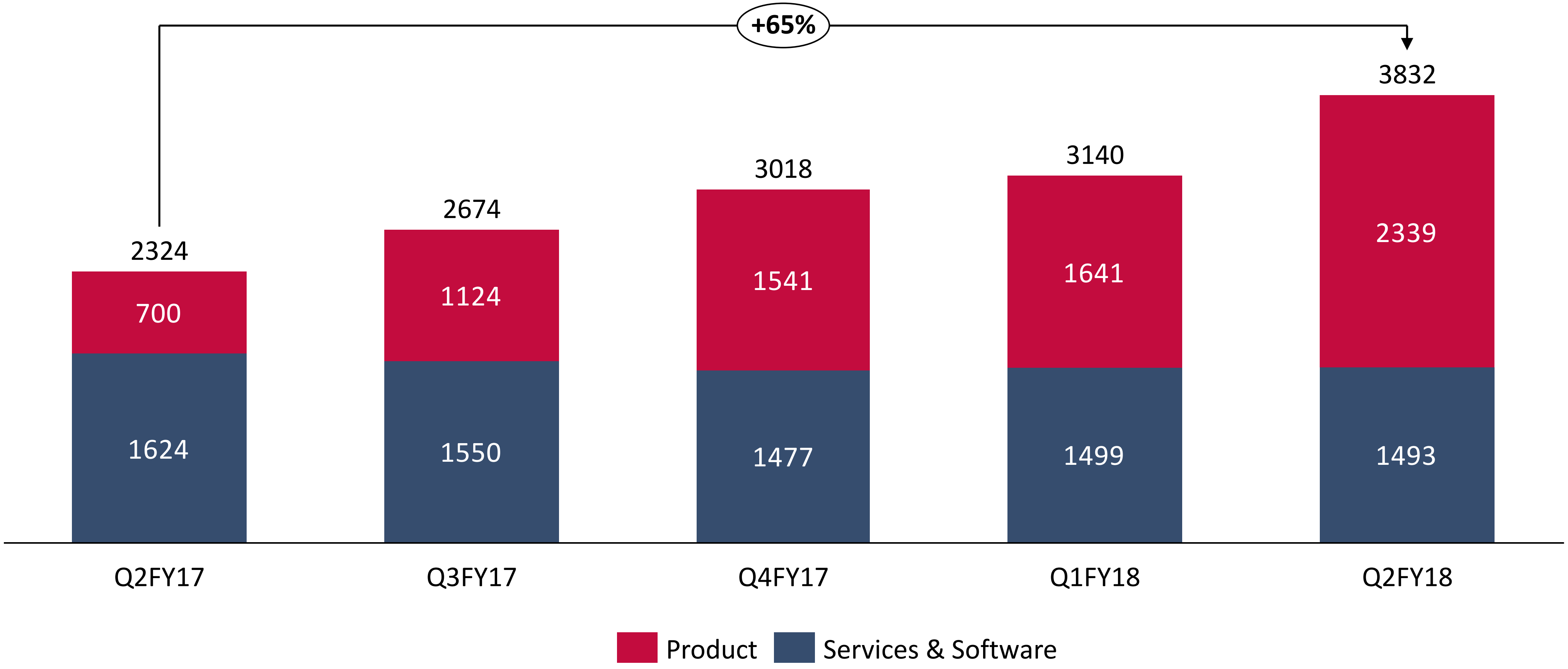
Silicon to Software and Server Capabilities will be executed in upcoming Smart Cities Projects; Ex. Kakinada Smart City Project

Network Solutions

- Integrated Design, Build and Management of Secure Network for Indian Army, reflecting capabilities in Designing and Rollout of Network in Toughest Part of India
- Scaling offering to Private Telcos: executing POC in MP

Long Term Customer Engagement to Drive Predictability

Order Book Mix

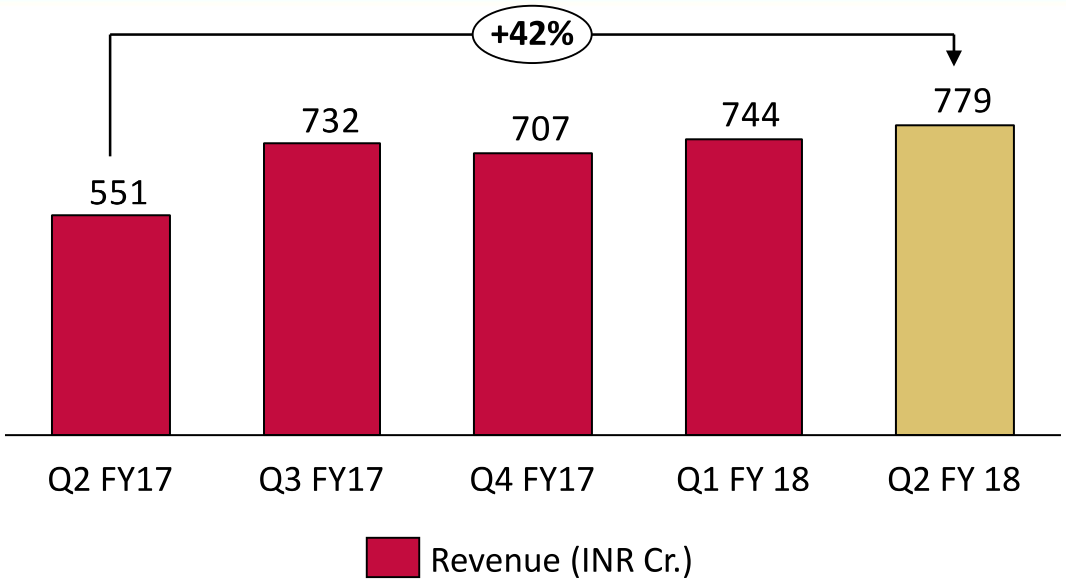


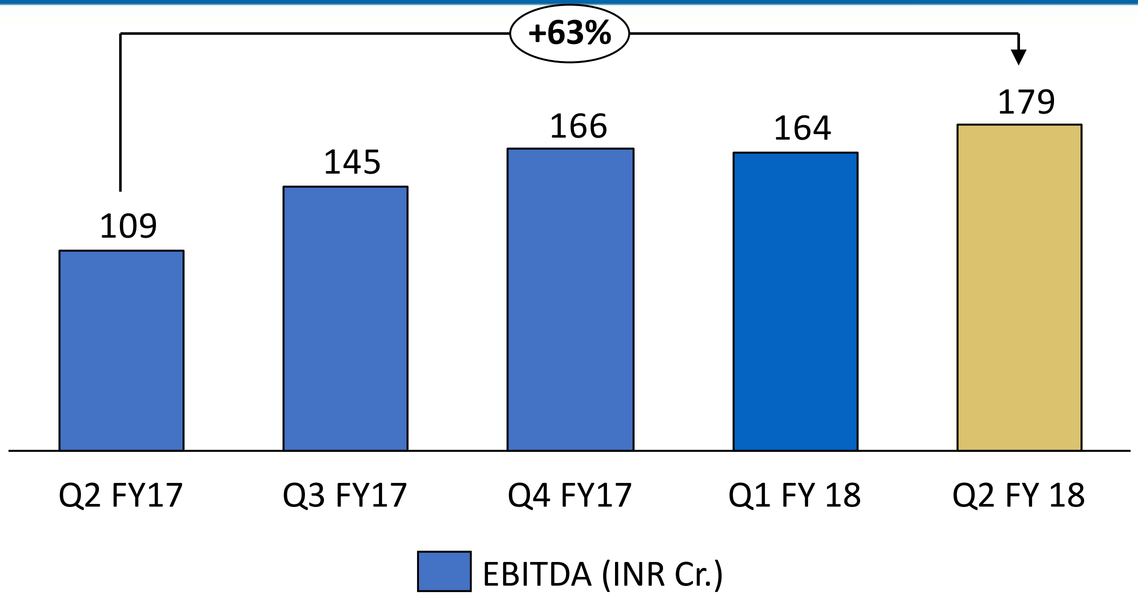
- Increasing Order book reflects predicable sale outlook for the company

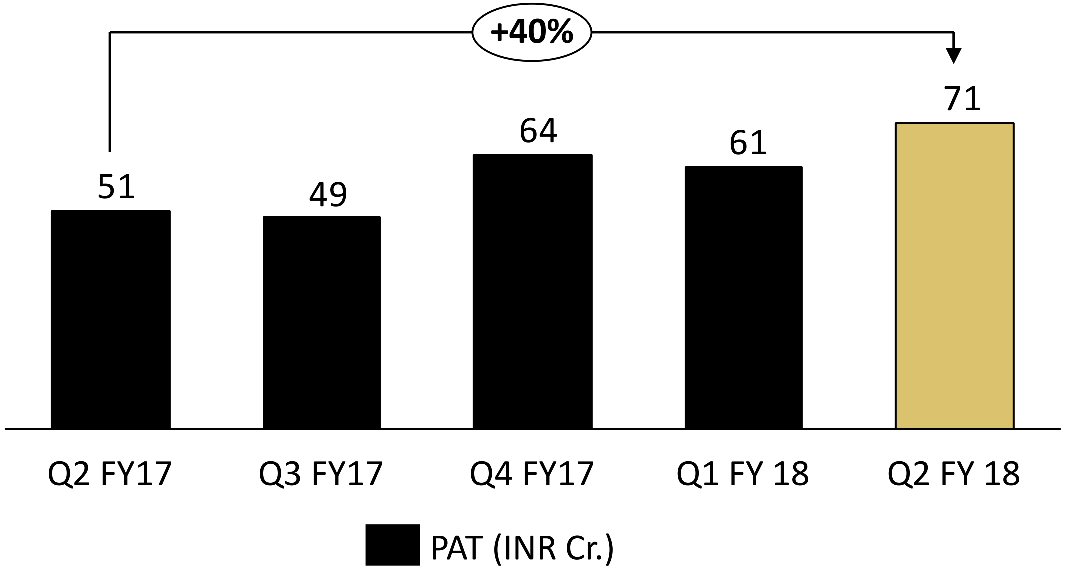
Numbers are in Ind-As, Values in INR Cr.

Financial Updates: Q2FY18

Quarterly Financial Performance







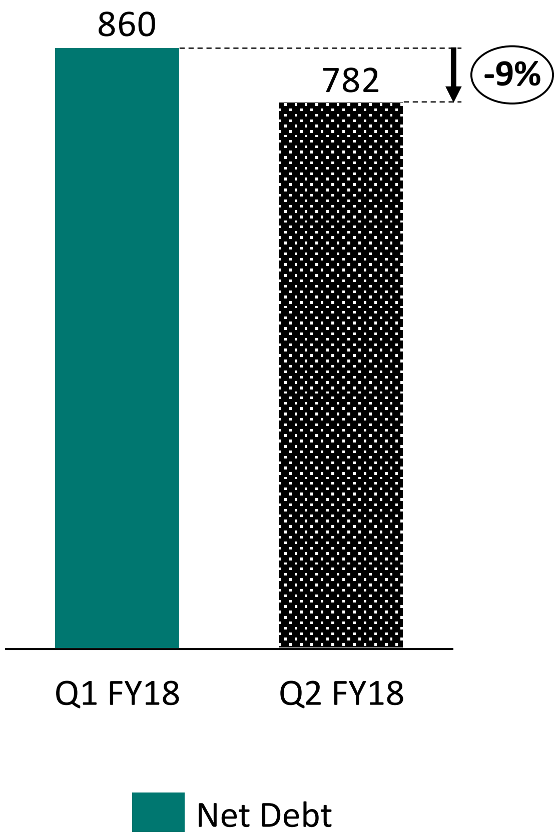
- Registered sales growth of 42% on YoY basis
- Strong growth in EBITDA and Net Income, reflecting scalar and predictable bottom-line for the company

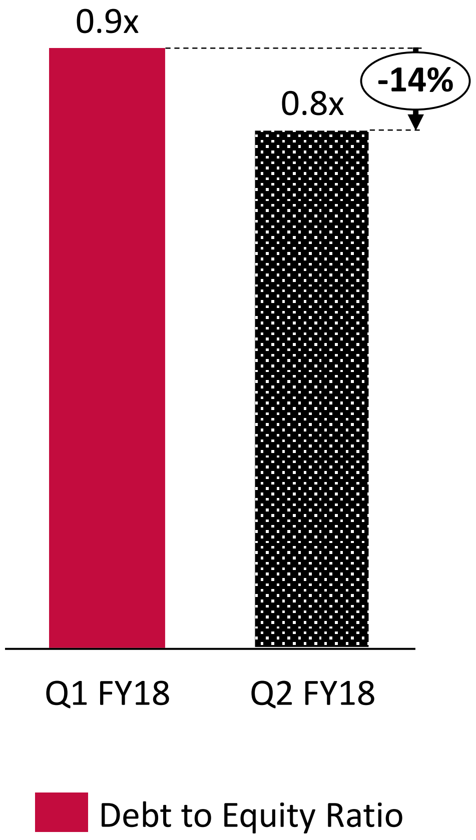
Note: In accordance with the requirements of Ind AS, revenue for the quarter ended September 2017 is net of Goods and Services Tax ('GST'). However, revenues for all the previous quarters are inclusive of excise duty

Financial Performance

P&L (INR Cr)	FY17	Q1 FY18	Q2 FY18
Revenue	2,594	744	779
EBIDTA	542	164	179
EBITDA %	*21%*	*22%*	*23%*
Depreciation	159	41	44
EBIT	383	123	135
EBIT %	*15%*	*17%*	*17%*
Interest	123	29	24
PBT	260	94	111
Tax	40	26	33
Net Income *(After Minority Interest)*	201	61	71

Financial Performance





Cash flow	Q2 FY18
Cash Profit (After Tax)	122
Operating Cash Flow	173
Capex	60
Net Cash flow	**78**

Values in INR Cr.

Strategic Direction

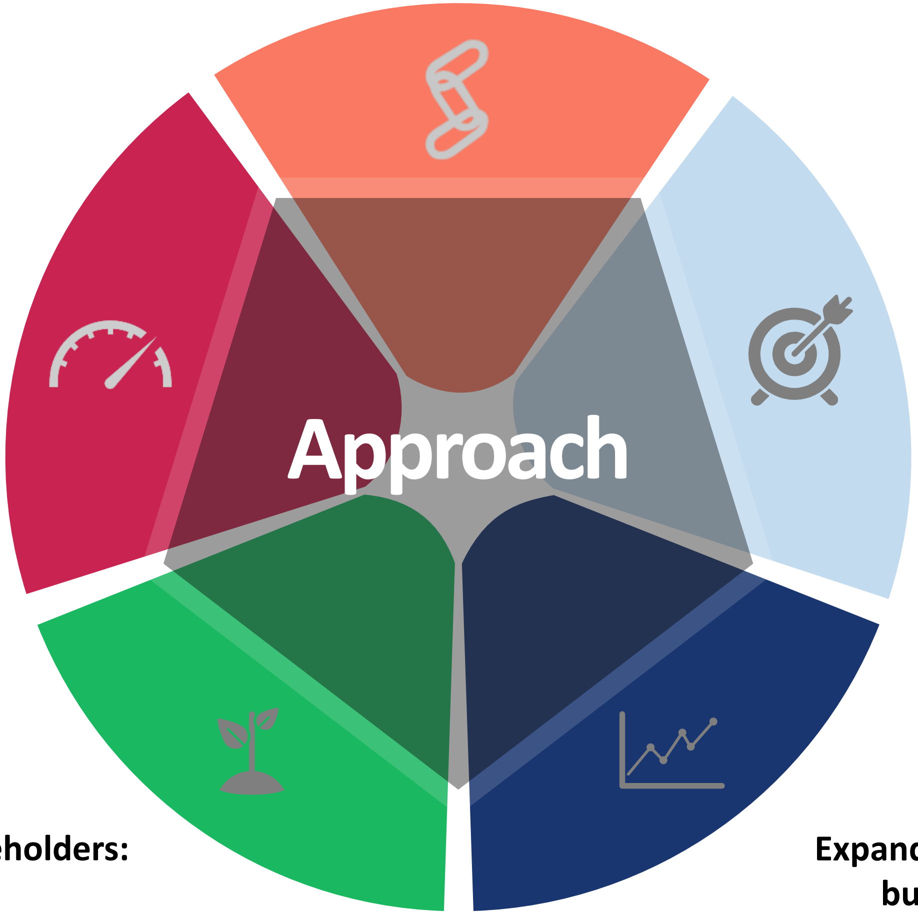
Balanced Approach to drive Shareholders Value

Sterlite Tech
www.sterlitetech.com

Integrated Solutions with focused customer base

Defined principles for Inorganic Growth: *Capability addition*

Focus on Technology & Research: *Increasing patent portfolio*



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

Expanding ROCE for the business > *20%*

Focusing on Triple Bottom-line - *Lives Impacted*

Sterlite Tech
www.sterlitetech.com

238,384
by Health initiatives

148,452
by Education initiatives

35,000
by Water Conservation initiatives

4,000
by Sanitation initiatives

1,500
by Child Welfare initiatives

1,171
by Women Empowerment initiatives

Strong Corporate Governance: New Addition to the Board

Sterlite Tech

www.sterlitetech.com

Independent members in Board of Directors

A. R. Narayanaswamy
(Non-Executive & Independent Director)
- Chartered Accountant & Management Consultant with over 35 years of industry experience
- Member of The Institute of Chartered Accountants of India
- Provides consulting services in accounting, financial management and information technology across several industry verticals

Arun Todarwal
(Non-Executive & Independent Director)
- Partner of Todarwal & Todarwal, a Mumbai based firm of Chartered Accountants
- Member of The Institute of Chartered Accountants of India
- Has rich and varied experience spanning over three decades in management consultancy, finance and audit

Avaantika Kakkar
(Non-Executive & Independent Director)
- Corporate and commercial lawyer
- Currently Partner and Co-head of the Competition/Anti-trust law practice of Khaitan & Co.
- Has significant experience with structured finance, foreign direct investment in real estate, private equity and on-market & off market acquisition transactions and joint ventures

New addition to Board of Directors

Sandip Das
(Non-Executive & Independent Director)
- One of Asia's most respected telecommunications professionals and an acclaimed Chief Executive
- Ex-MD of Reliance Jio, Group-CEO, Maxis Communications and Hutchison Essar Telecom (now Vodafone), India
- One of the founding members of private telephony in India and was part of the group of individuals that founded Hutchison Max Telecom in 1994

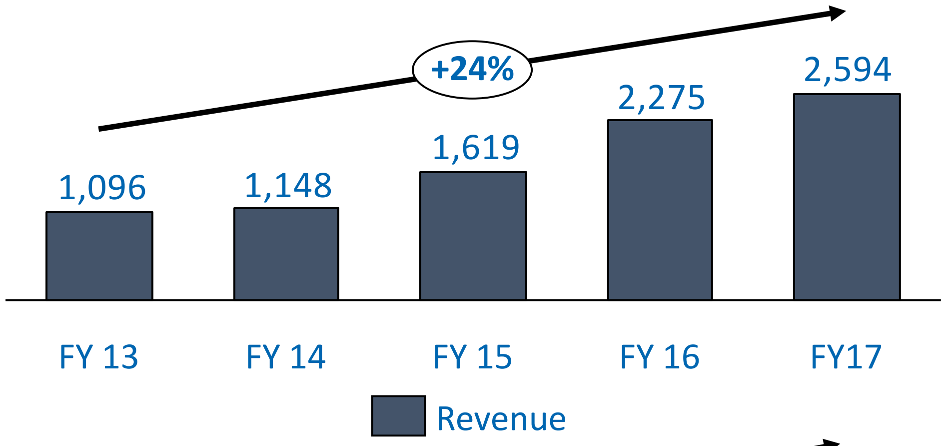
Roadmap for 3 Years: 3x Growth

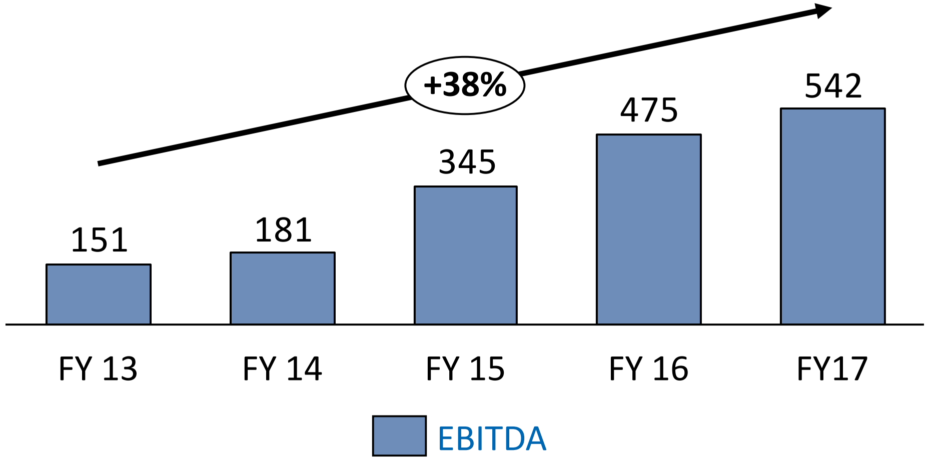
Platforms	*Drivers*
Glass/Pre-Form Technology: Optical Fiber business	*Scale, Value added products*
Application Engineering: Optical Fiber Cable business	*Scale, Value added products, New Geo's*
Network Services & Software: Solutions business	*Execution Excellence*

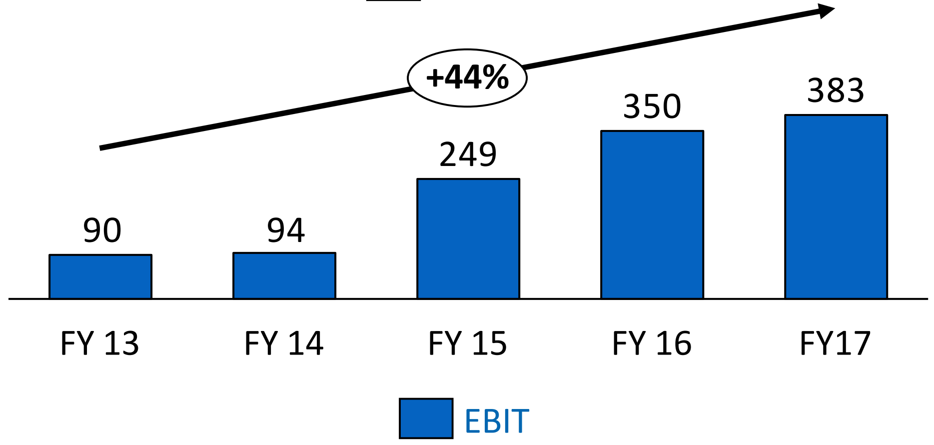
Predictable Outcome

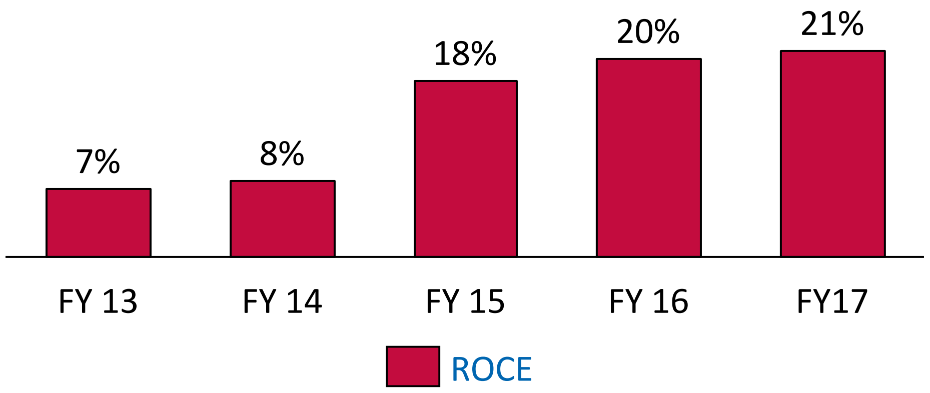
3x Growth in Net Income (100 Mn $ by FY20)

Demonstrated Historical Performance









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

Values in INR Cr.

Sterlite Tech

Thank You