



# Earnings Presentation: Q1 FY17

July 25, 2016



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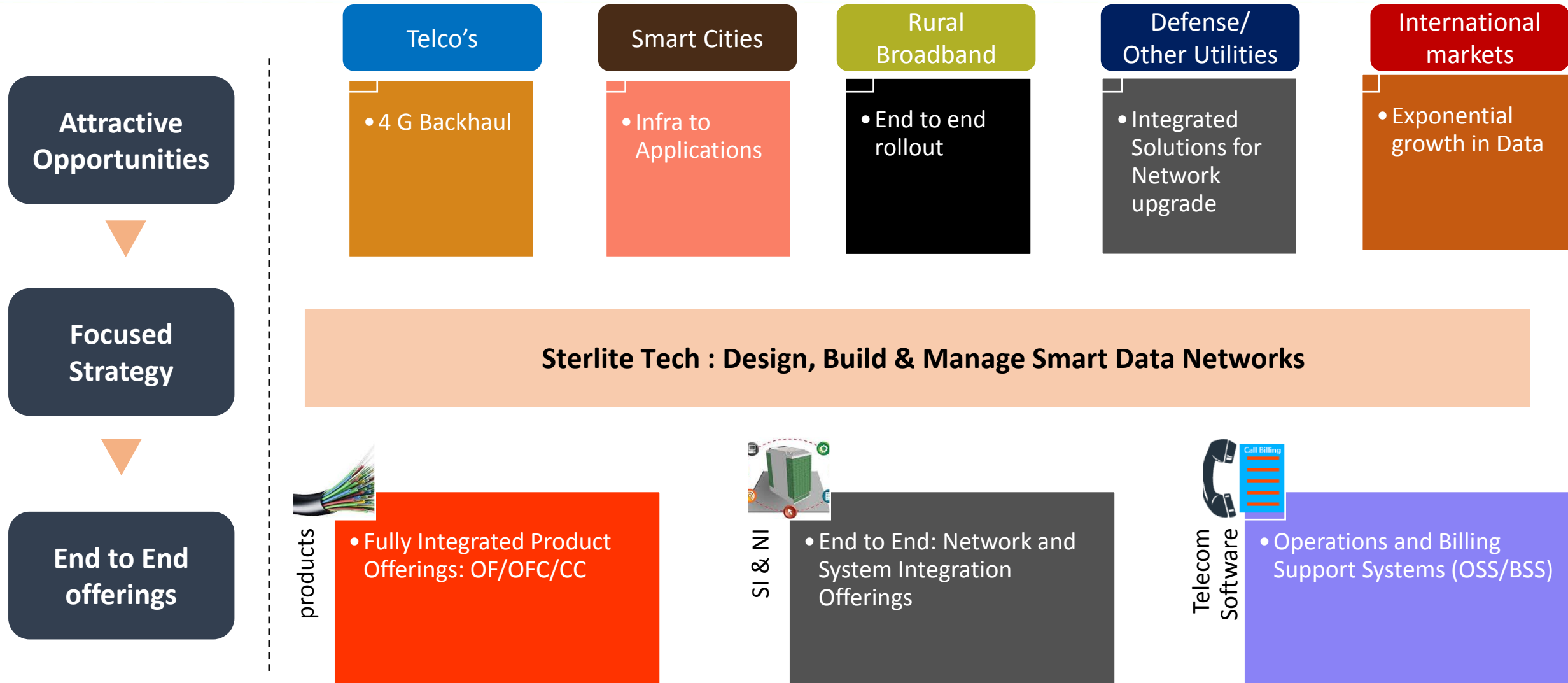
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# Company Overview



# Sterlite Tech: Focused on Data Networks



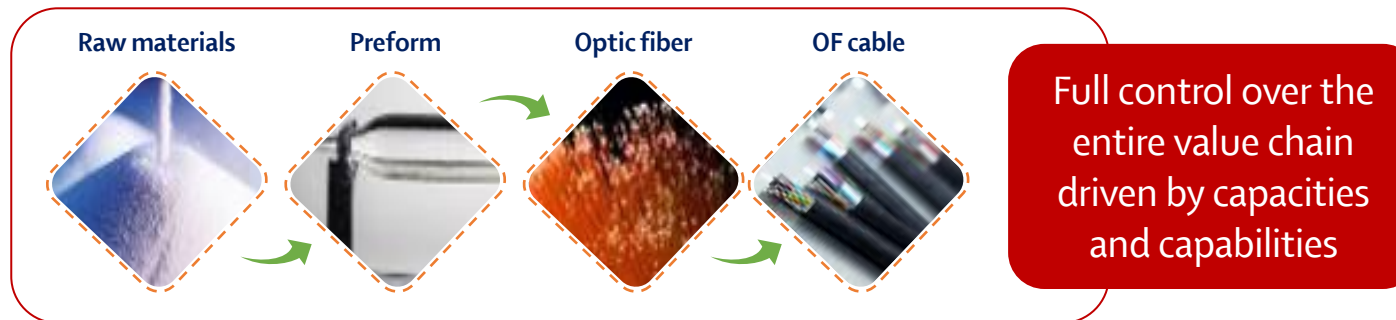


# What Sterlite Tech offers

## CUTTING EDGE OPTICAL COMMUNICATION PRODUCTS...

Specialty Fibre Products    Intrusion Proof Cables  
Bend Insensitive Optical Fibre    Customized Cables For Varied Applications

## ...MADE POSSIBLE BY FULL CONTROL OVER THE VALUE CHAIN



## SERVICES & SOFTWARE



SYSTEM INTEGRATION

- Design, Build & Manage Data Networks
- Specialized team with FTTH experience
- Network engineering, Roll out and O&M

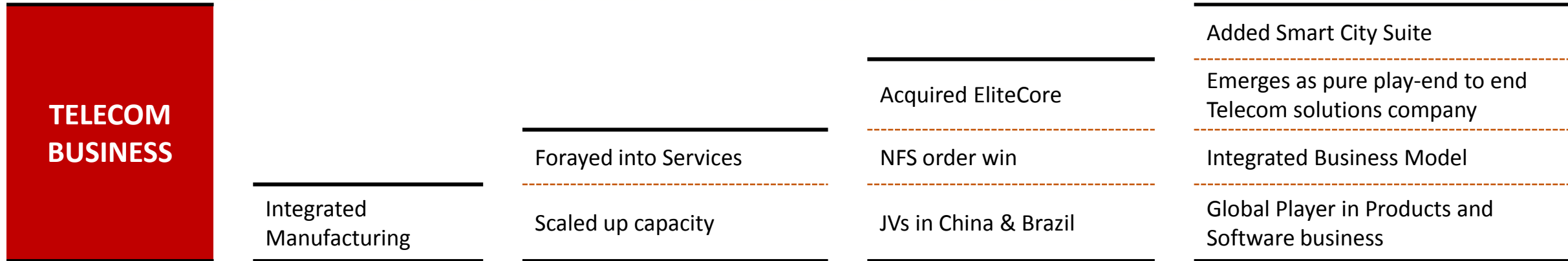


SOFTWARE & SERVICES

- OSS / BSS software solutions
- Managed Services

End to End Integrated solutions

# Sterlite Tech – Progressive Transformation



Reshaping the company while leveraging on strong foundation and core competencies



## Leadership position

- Businesses characterized by leading market position
- Strong global & domestic customer relationships



## Management Expertise

- Domain expertise and technological competence
- Proven track record
- Consistency, growth, transformation



## Fully integrated operations

- Global state-of-the-art production: Reliable and globally compliant
- Globally competitive platform - Cutting edge technology with focus on R&D and engineering



## Performance Culture

- Innovative thinking and rapid execution
- Ownership driven
- Seeking pragmatic and sustainable solutions

# Opportunity Landscape





# Opportunity landscape



World optical cable installations in H1 2016 exceeded 200 million fibre-km



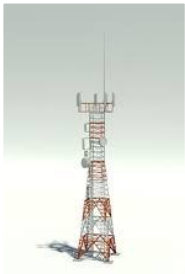
Global IP traffic will increase with a CAGR of 53% from 2015 to 2020



Network operators in China installed 12% more fibre in H1 2016 than in H1 2015



Data Penetration in India to drive investments of ~70 Bn USD in digital infrastructure in next 7-10 years

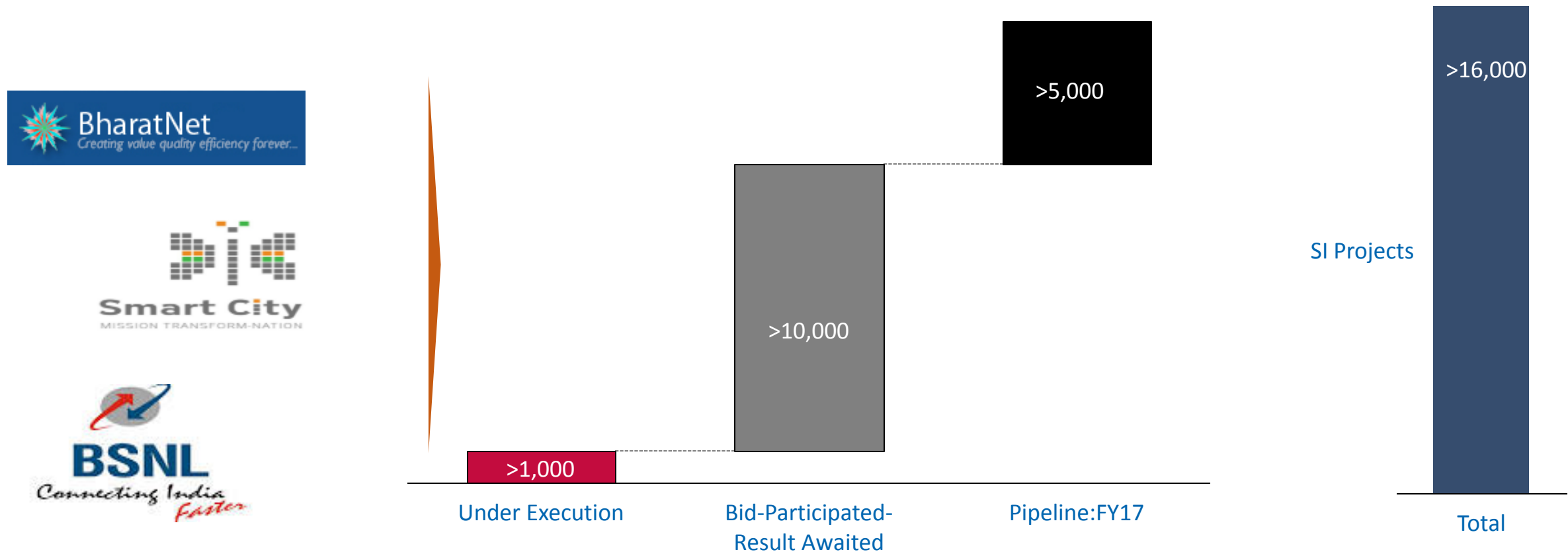


India's remains highly under fiberized with tower fiberisation at ~15% levels



Increased Fiber investment by Telco's –such as Airtel, Idea, Vodafone to scale Fiber network

# System integration opportunities FY'17



➤ India market envisaged to provide continued large SI opportunities of similar size in next 3-4 years

# Key business highlights

## Products

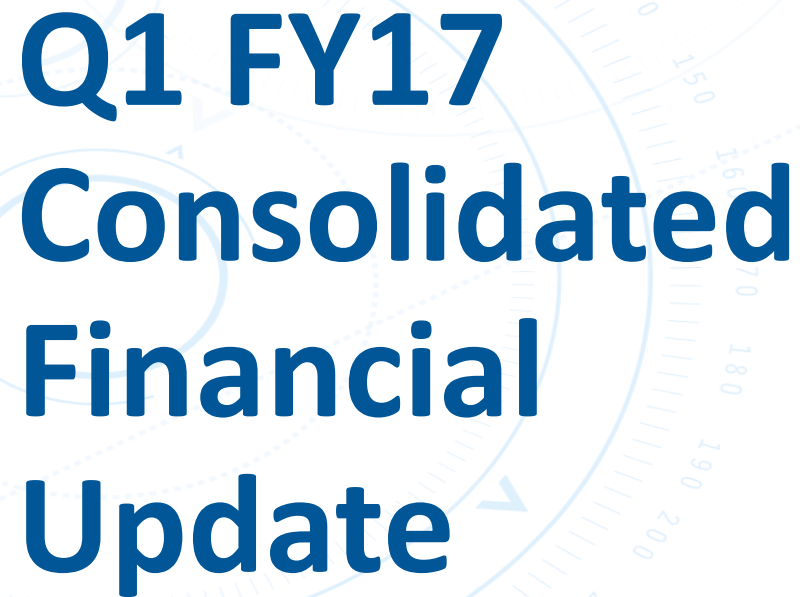
- Fiber capacity to be ramped up to **25 Mn by mid of FY17**
- Accelerating **30 Mn Capacity expansion** (to mid of next year) in anticipation of global demand
- Major inroad into a **Tier-1 operator globally** to add to our global footprint
- Cable uptake to start happening from H2 of this year

## Services/ Software

- Launched **Smart Network initiative** aimed towards increasing life of fiber infrastructure in country
- **Sterlite Academy** launched for certified Smart Network professionals for fiber deployment
- Strong focus on NFS execution. **Gandhinagar & Jaipur smart city** projects close to completion
- Successful rollout of 4G/LTE services by leading Malaysian operator on **Elitecore platform**

## Others

- Appointed as the Board of Directors of **FTTH council APAC**
- Member of **Open compute and Telecom Infra** Projects driven by next generation operators
- Launched **OFC application lab**, India first research and training Centre for Passive Infrastructure
- Increased Gender diversity & Global Internship Program



# Q1 FY17 Consolidated Financial Update

**Q1FY17 & Q1FY16 consolidated financial numbers are in Ind AS, while previous quarter consolidated financial numbers are in Indian GAAP**

***From Q2FY17 onwards all historical consolidated Financial performance will be reflected in Ind AS***



# Financial highlights

## Performance

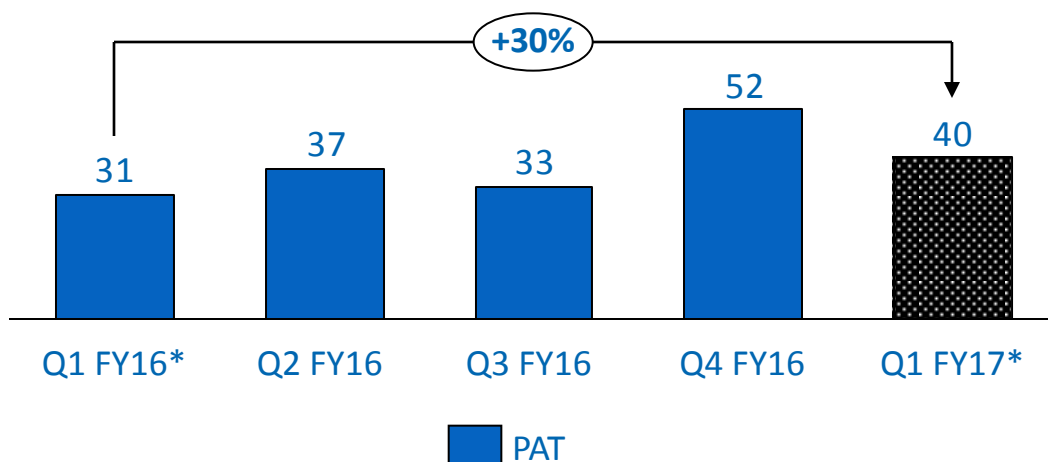
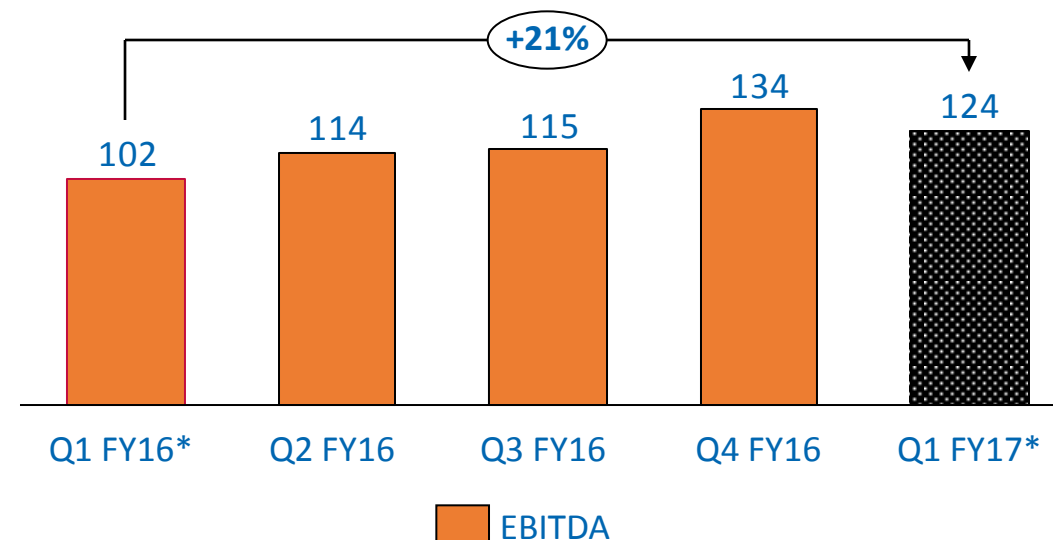
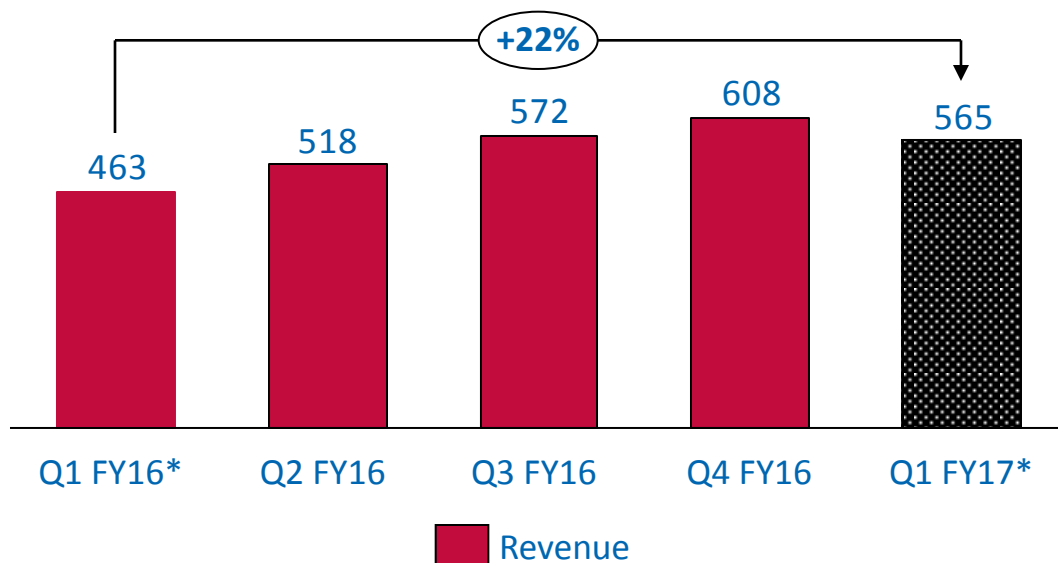
- Revenue Growth remains strong at 22% on a YoY basis
- EBITDA growth at 21% on YoY basis
- Service & software business accounted for ~25% revenues in Q1FY17
- ROCE of the business stands at 19% with Net Debt of Rs 1,039 crores

## Strategic & Operational progress

- Record date for Demerger concludes, STL now trading as a pure play telecom focused business
- **Current Order book stands at Rs 2,100 Cr** with long term orders and LTSA's on product business
- OF Capacity expansion continues with debottlenecking initiatives and optimum capex involvement



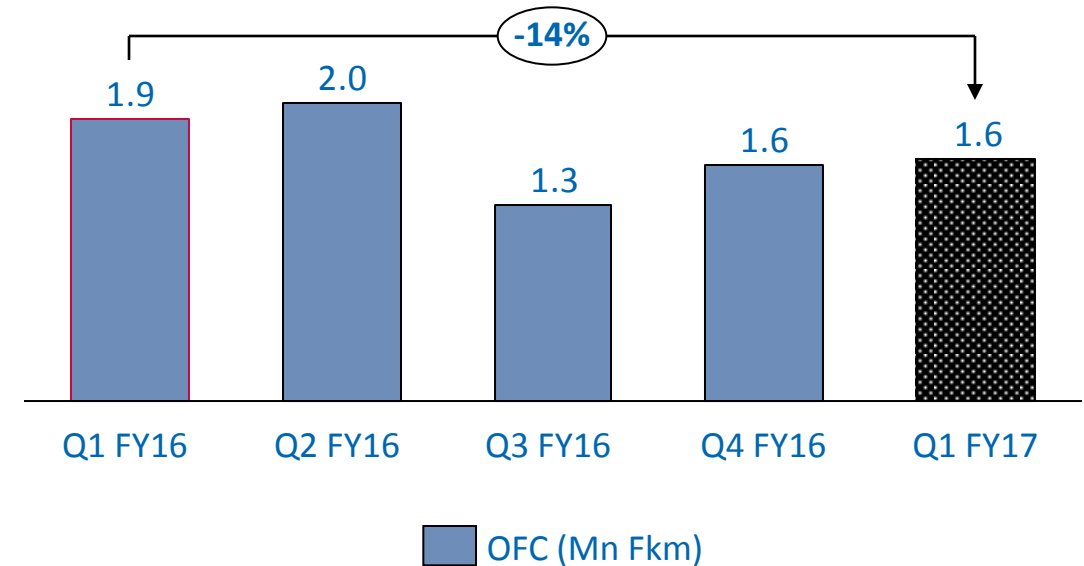
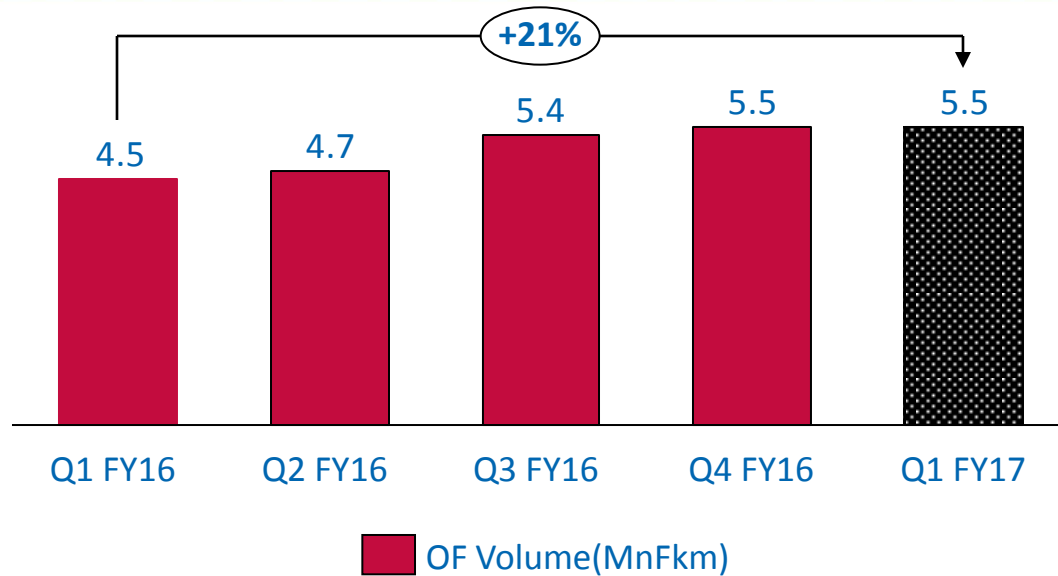
# Quarterly financial performance – Consolidated Telecom business



- Revenue profile reflect 22% growth on YoY basis
- EBITDA grew by 21% on YoY basis
- Net profit of 40Cr (post minority interest) for Q1FY 17 (30% YoY growth)

Notes: \* numbers are in Ind AS & Values are in INR Cr.

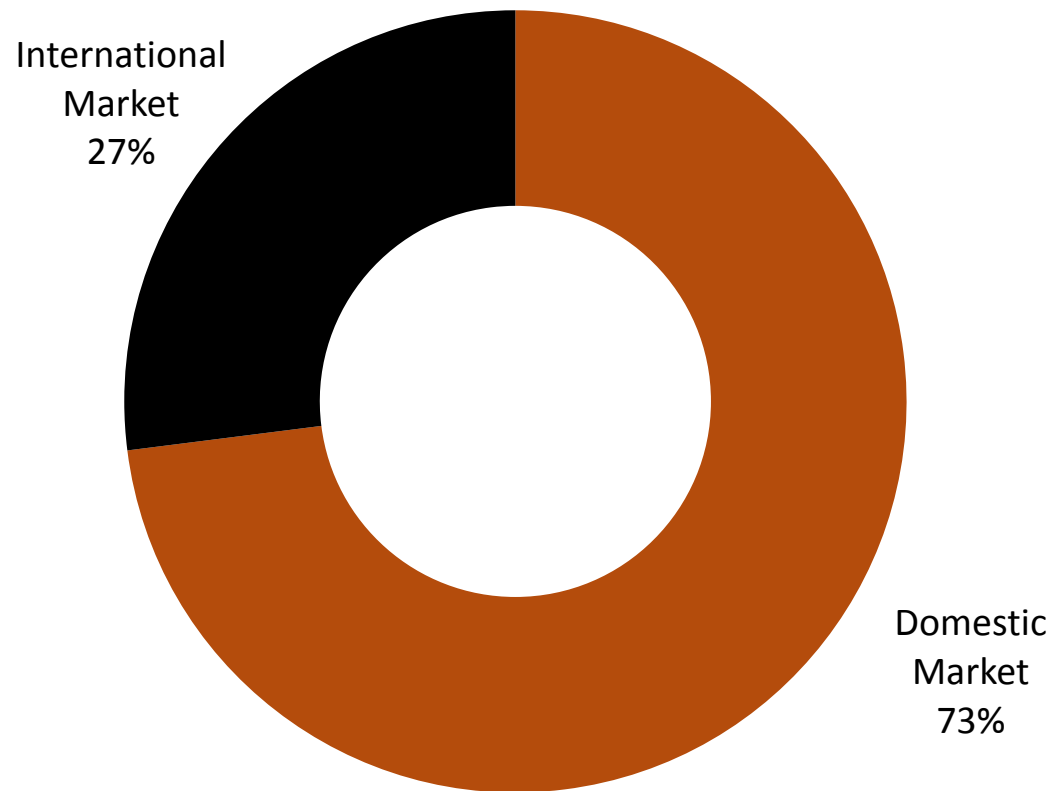
# Quarterly financial performance : Products



- Quarterly volumes for OF have consistently crossed the 5.5 million mark for the last 2 quarters- annualized rate of 22 Mn fkm
- OF capacity ramp -up to 25 Mn FKM by mid of FY 17 through debottlenecking initiatives-accelerated expansion
- Capacity of 30 Mn OF volumes by mid of the next financial year
- OFC volume expected ramp up in H2 through increased demand in India and acquisition of new customers globally

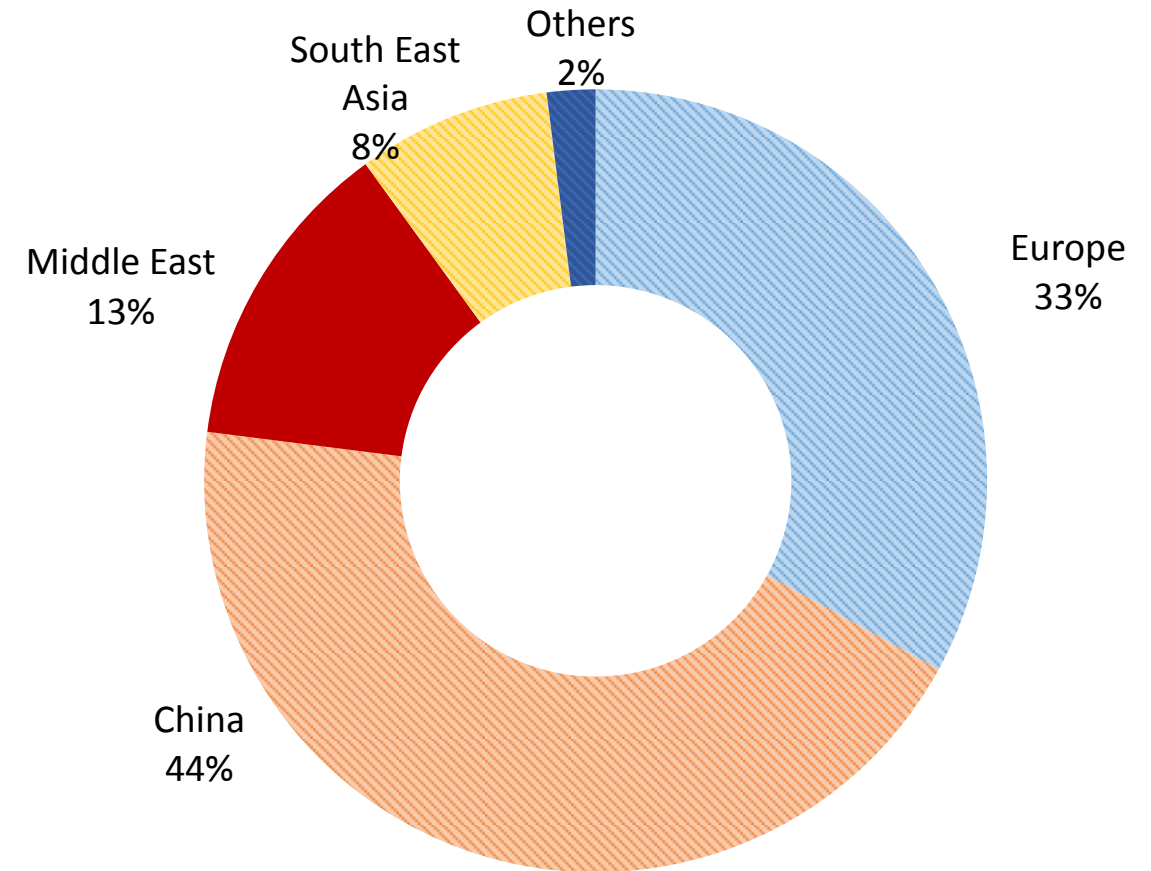
# Quarterly Consolidated Revenue profile – Telecom business

**Sterlite Tech -Revenue Profile**



Revenues from International Market :27%

**International Market Revenue Profile**

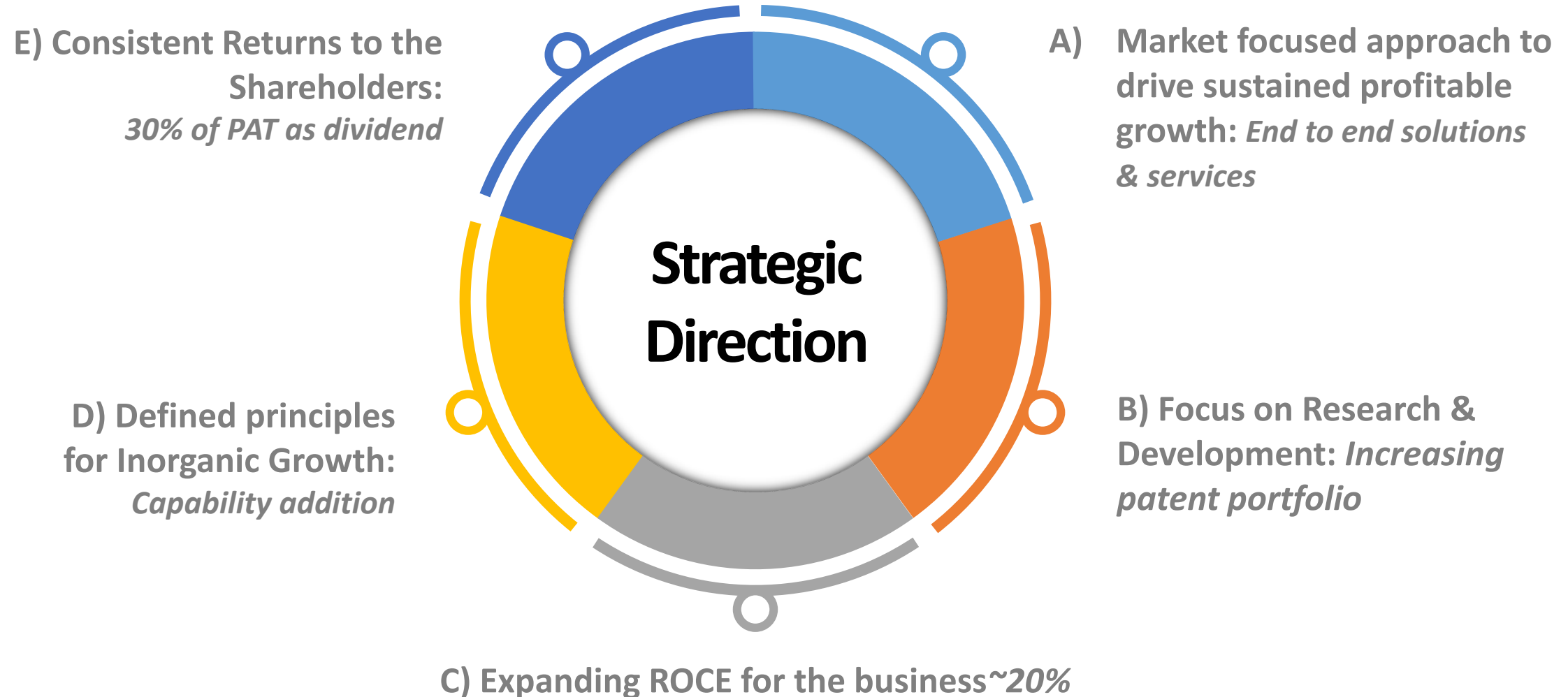


China & Europe are our key International markets

# Strategic Direction



# Strategic Direction

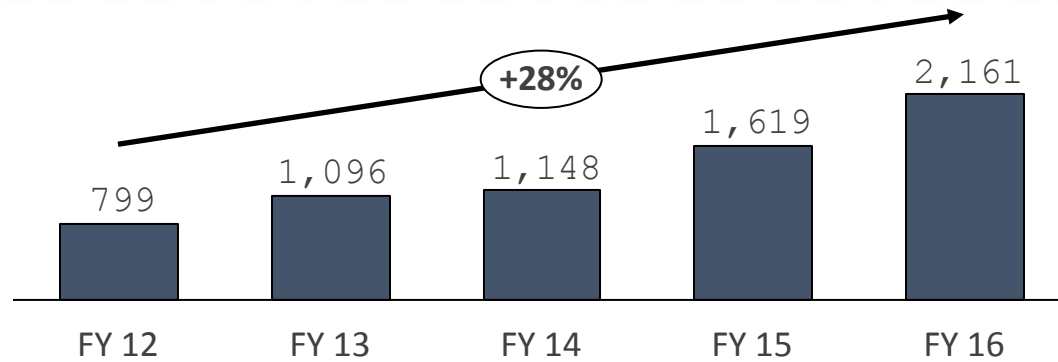




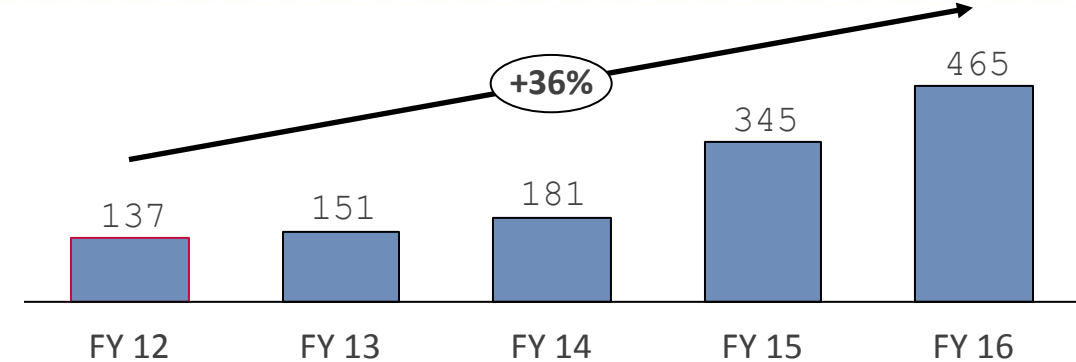
# Appendix



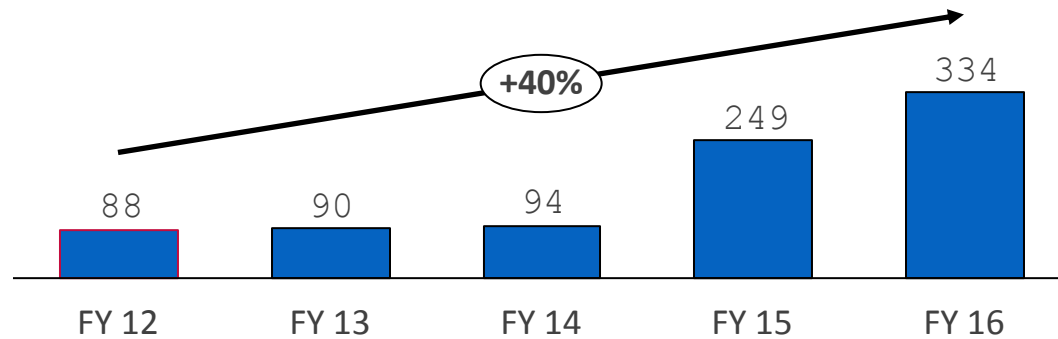
# 5 year journey - Telecom business : Consolidated P&L



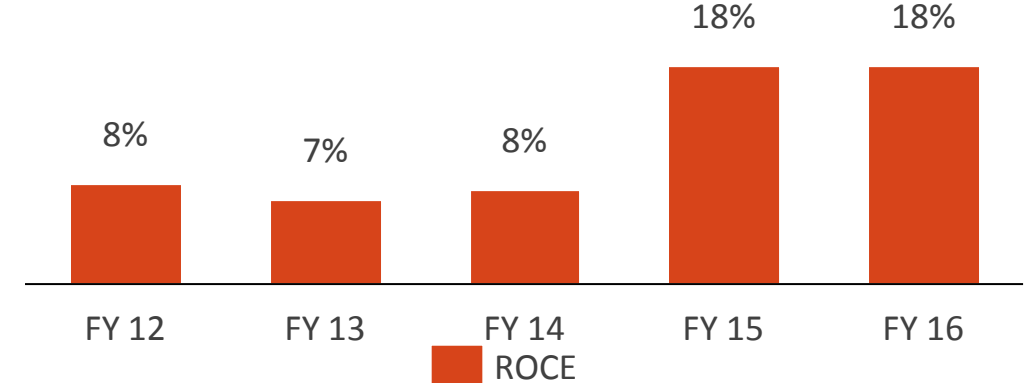
Revenue



EBITDA



EBIT



ROCE

- Continued growth in Revenue, last 4 Year CAGR growth at 28%
- Stronger growth in EBITDA, last 4 Year CAGR growth at 36%
- Expanding ROCE with expanding margin for the business

# Consolidated Financials: Q1FY16 Vs Q1FY17

P&L (Rs. Cr.)	Q1 FY16 Ind AS	Q1 FY17 Ind AS
Revenue	463	565
EBIDTA	102	124
<i>EBITDA %</i>	<i>22%</i>	<i>22%</i>
Depreciation	24	35
EBIT	78	89
<i>EBIT %</i>	<i>17%</i>	<i>16%</i>
Interest	28	32
PBT	50	57
Tax	19	13
PAT (After minority Interest)	31	40

Thank You

