

Earnings Call– Q2' FY19

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Exponential growth in data consumption to continue

CY15 **1 ZB/yr**



CY 20

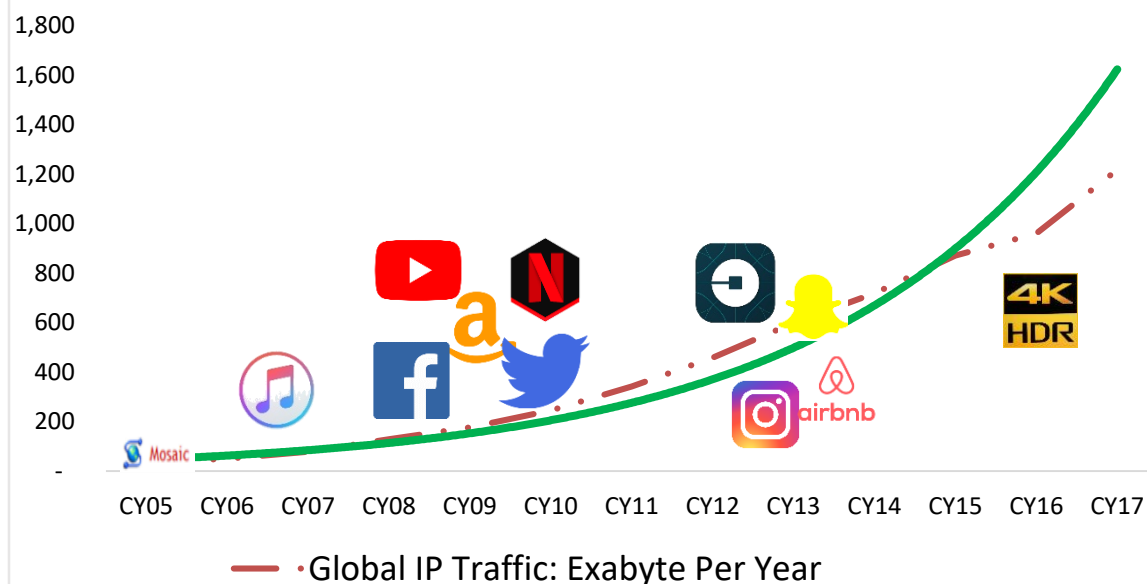
2.6 ZB/yr

Consumer led data consumption driven by 8K Videos, Cloud and User generated content

4.3 ZB/yr

Enterprise led data consumption driven by connected theme and automation

Consumer led



Enterprise led

Connected everything



Contextual automated experience



Driving capex convergence of digital & network firms

Use Cases:



Enablers:



Network Parameters:

>10 Gbps speed
<1 ms of latency!

Mobile & Fixed Data Network e.g: 5G, FTTH

National broadband, Defence Network

Data Centres and Fibre Networks



\$ 200bn



\$ 30bn



\$ 60bn

Telcos Capex

Infra build co. Capex

Internet co. Capex

verizon✓

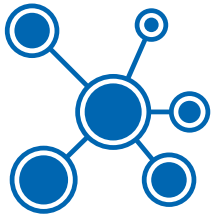


Alphabet

facebook

The new digital network build out will be based on 4 key trends

Network Densification



Access layer end points will multiply due to 5G, FTTH and IoT

Deep Fiberization



Fiber intensive network needed to support latency and capacity requirements for key use cases like 5G, enterprise traffic

Open Source



Network software is increasingly becoming open source, leading to more programmable and intelligent networks

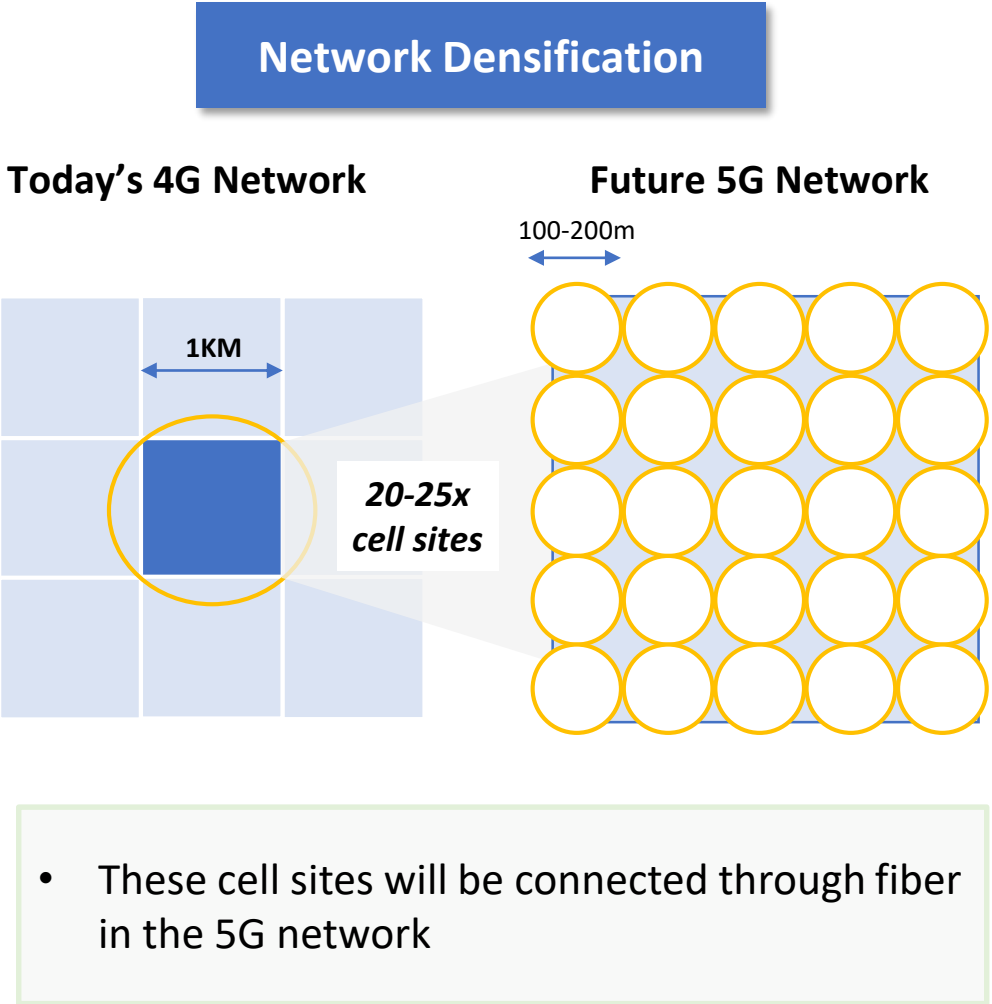
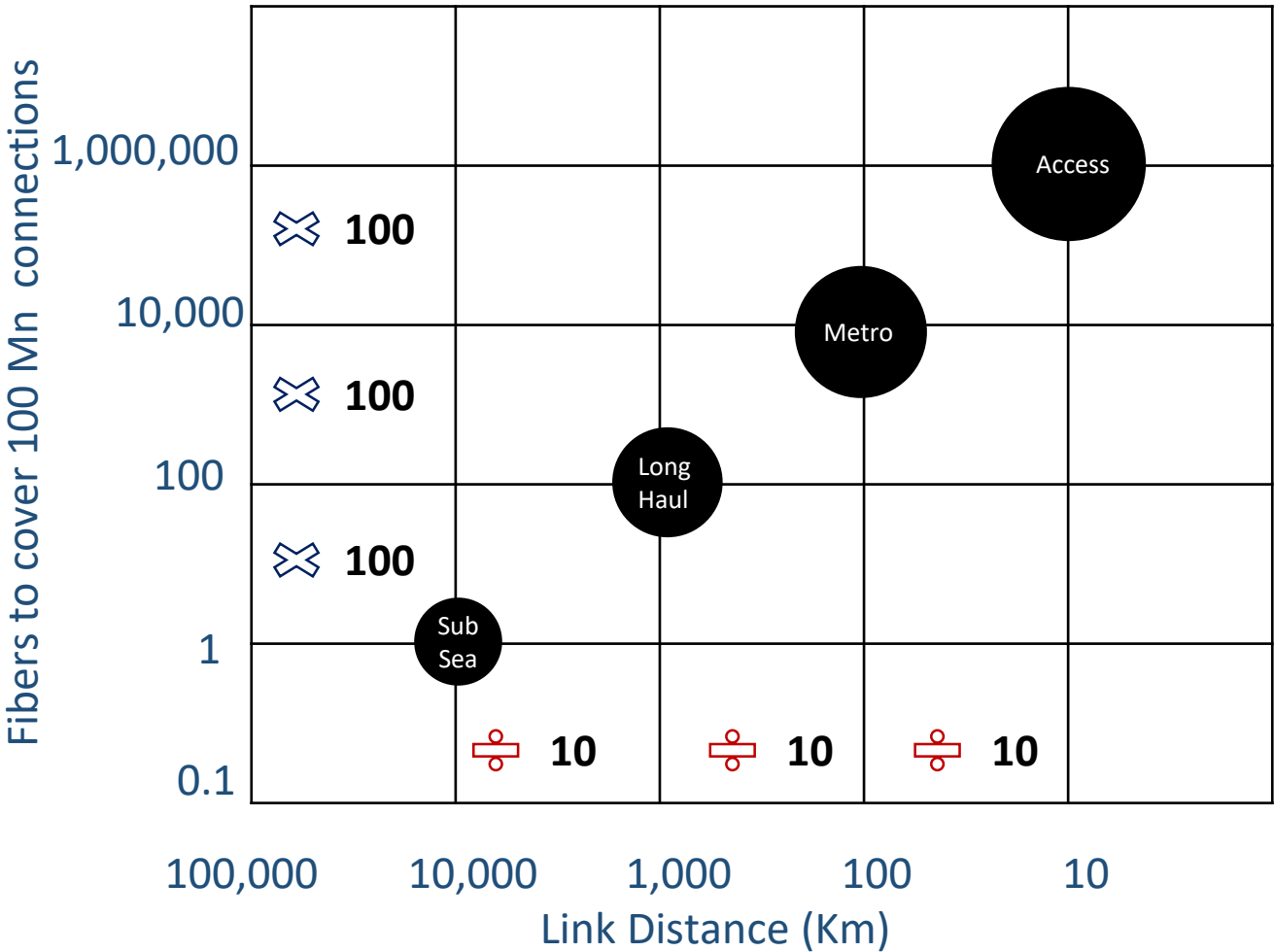
Compute and Storage at the Edge



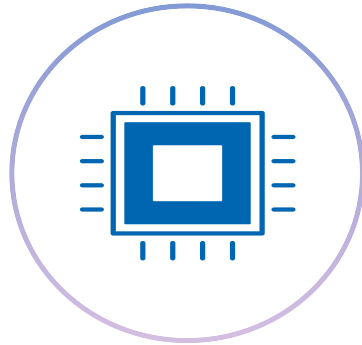
New network architecture will have data centre at the edge to support low latency applications

With fiber reaching closer to the end consumer

Reduction in average fiber link by 10x, drives a 100x increase in fibers required to support the network



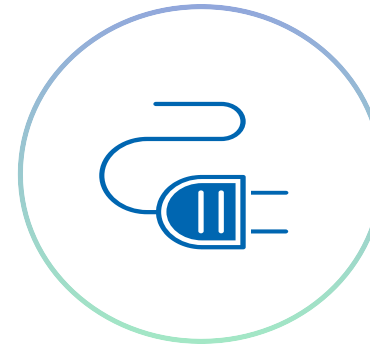
Presenting opportunities for STL towards creation of tomorrow's networks



Software Vendor neutral & Software Defined



Server Commodity and Virtualized Hardware



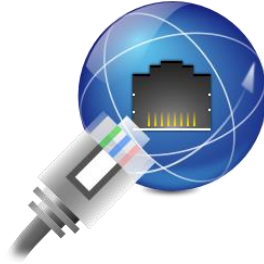
Fiber Fiber dominant

**Future data networks –
open, fiber dominated and
software defined**

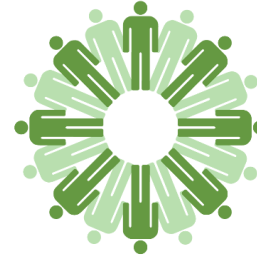
CUSTOMER SEGMENTS



CSPs



ICPs/OTT



CITIZEN NETWORKS



DEFENCE

COMPETITIVE ADVANTAGE

Amongst the global few data network focused company

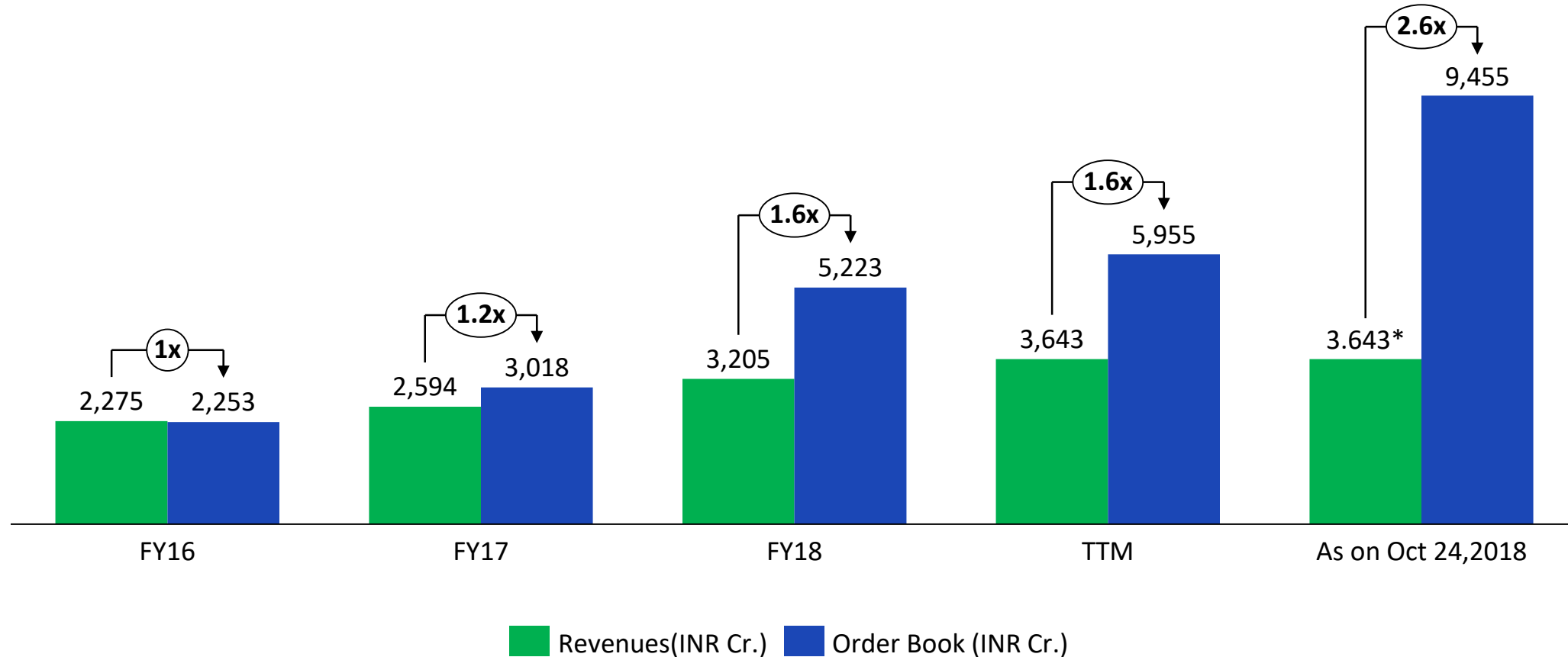
Most Vertically integrated with end to end capabilities for data network creation

Sound operating metrics and business fundamentals

Expanding addressable market in the \$300 Bn capex pool

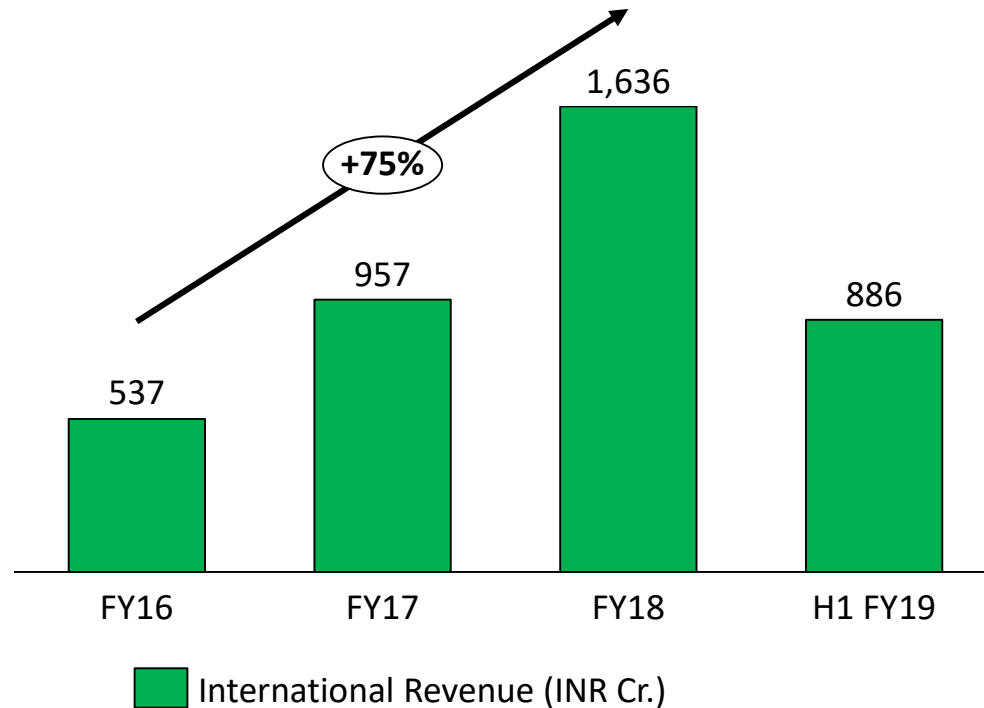
- The core business to drive sustained growth for the company, with increasing fiber relevance in data networks
- Potential for multiplier growth with company's addressable pie increasing exponentially with new solutions and customer set

With highest ever visibility for future growth



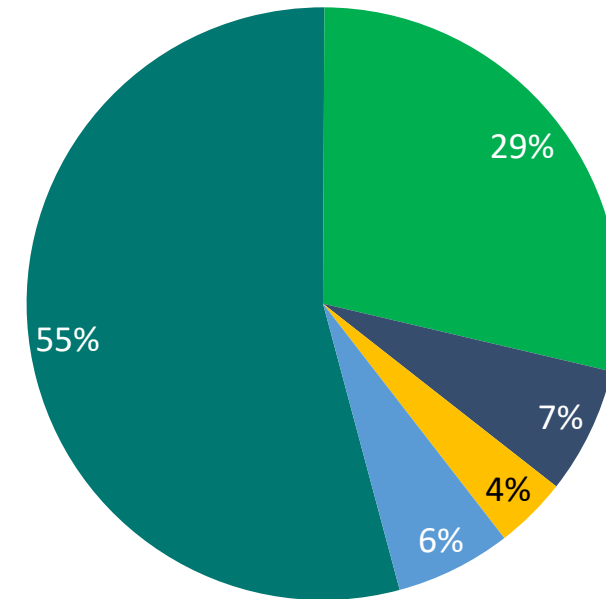
- Order book at an all time high of INR 9455 cr as of 24th of Oct, 2018
- Highest ever future visibility of 2.6 times order book to Revenue .

Revenue from exports:



- Revenue from International Markets reflecting 75% growth on a CAGR basis

Geographic Mix of Revenues (H1'FY19):

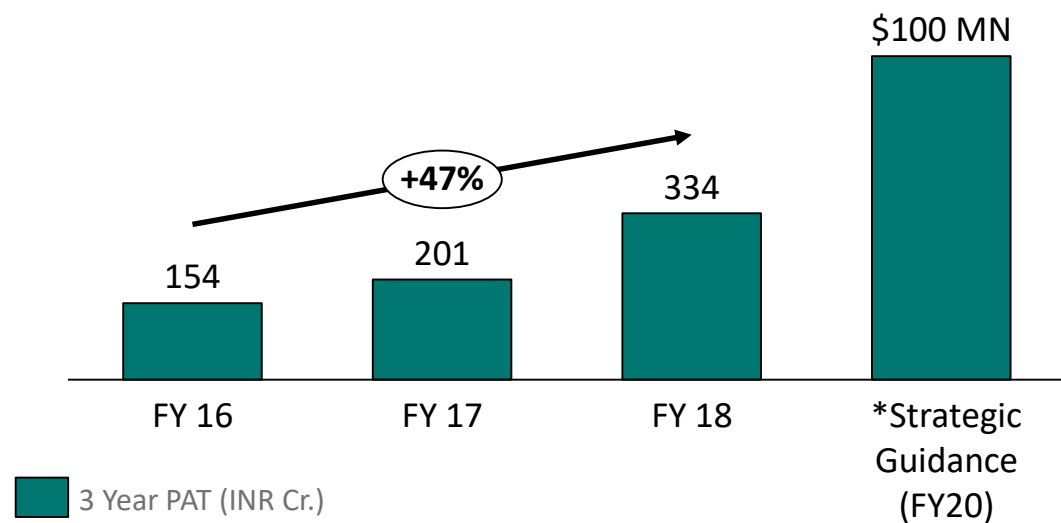
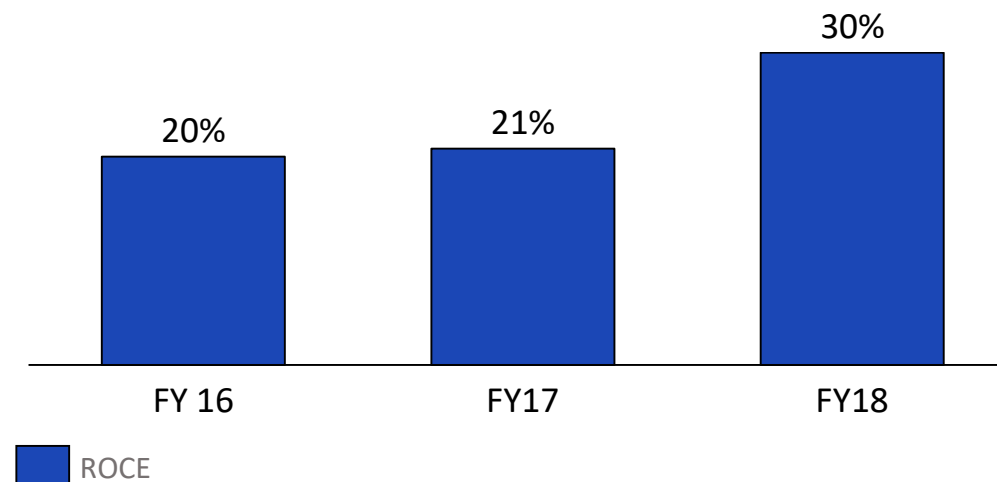
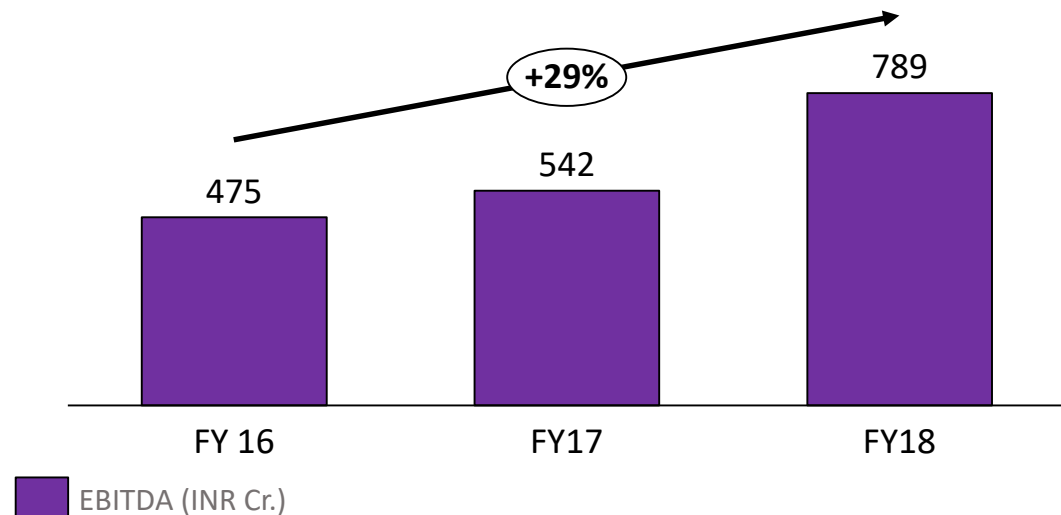


■ India ■ Europe ■ China ■ Middle East ■ Others


- Increasing stronghold in Europe synergized with the acquisition of Metallurgica

- Increasing global market share through the end to end capabilities & new customer wins

Driven by shareholder value creation



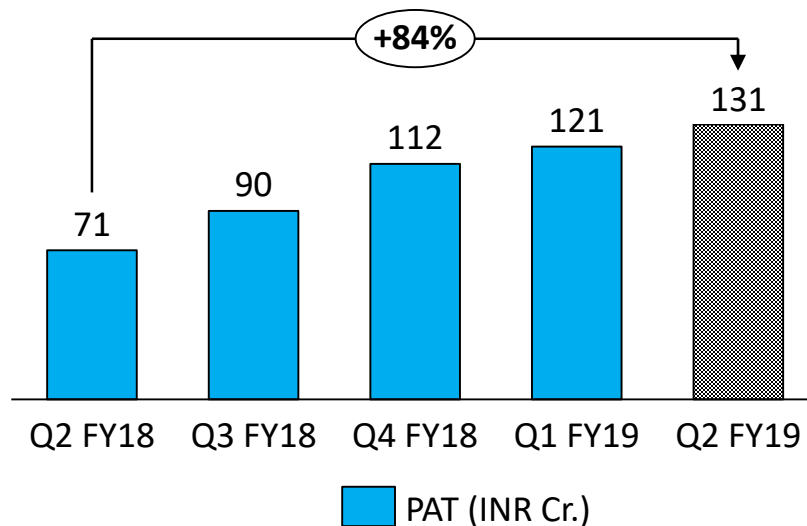
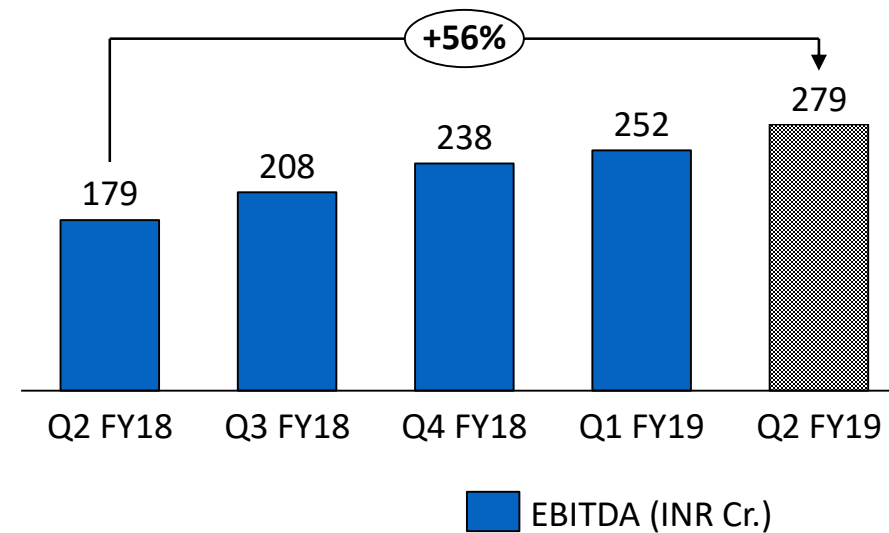
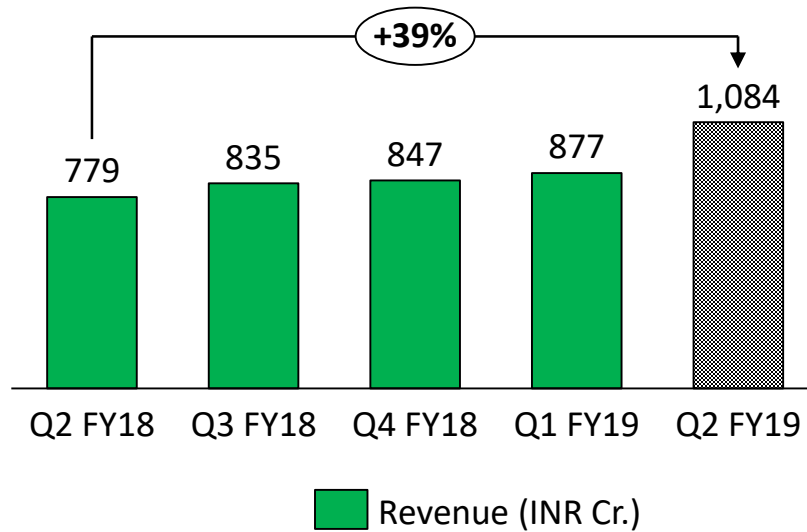
Doubling our PAT every 2 years



Q2' FY19 Highlights



Demonstrated Growth on QoQ basis



- Revenue crosses 1000 Cr mark (39% y-o-y growth)
- Highest ever PAT of 131 Cr (84% y-o-y growth)
- Highest ever EBITDA of 279 Cr (56% y-o-y growth)

Note: The consolidated financials are inclusive of the performance of Metallurgica since the date of closure

Financial Performance

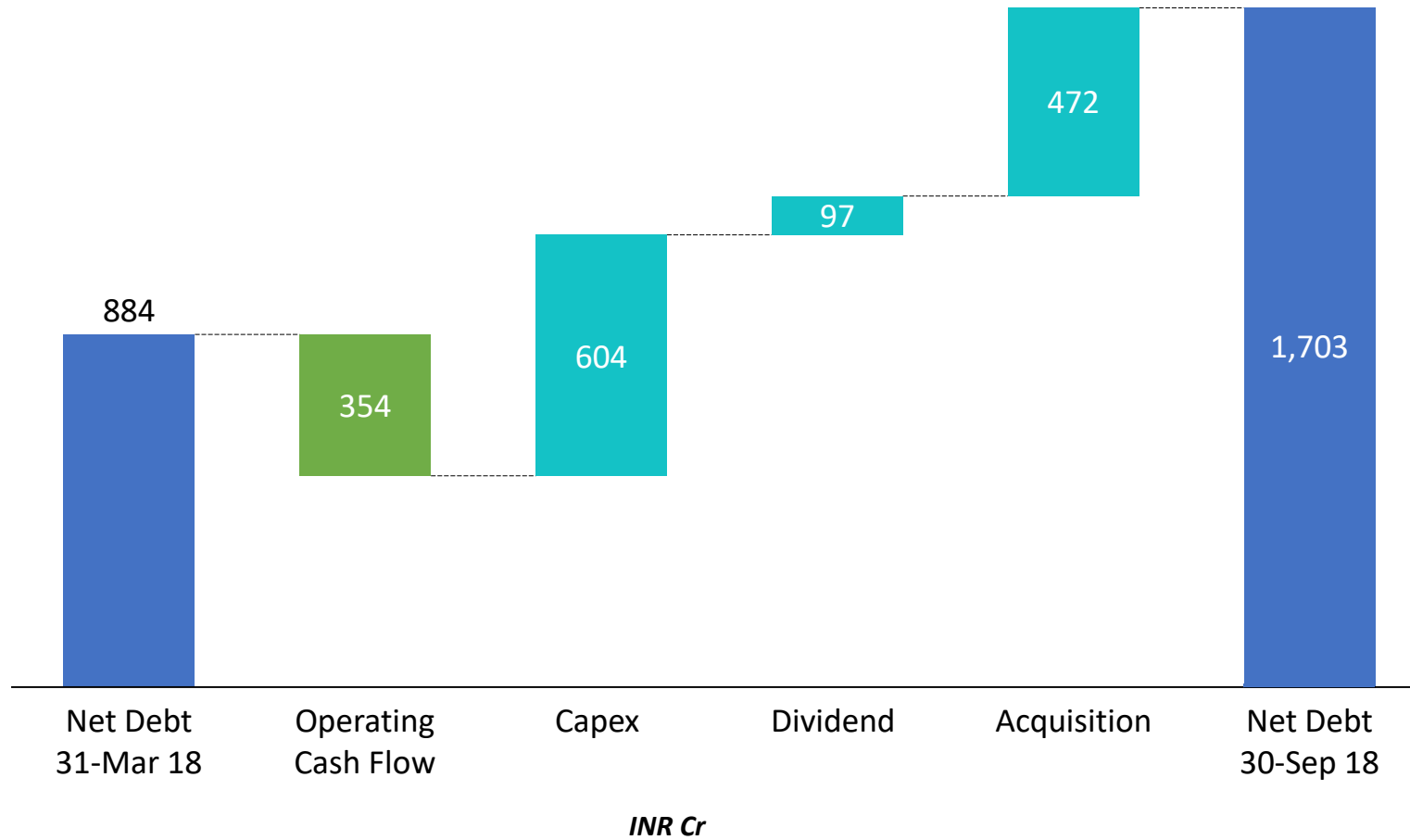


P&L (INR Cr.)	FY18	Q1 FY19	Q2FY19
Revenue	3,205	877	1,084
EBIDTA	789	252	279
EBITDA %	25%	29%	26%
Depreciation	182	45	49
EBIT	606	207	230
EBIT %	19%	24%	21%
Interest	104	23	24
PBT	503	184	206
Tax	133	55	65
Net Income (After Minority Interest)	334	121	131
ROCE %	30%	36%	33%

Balance Sheet (INR Cr.)	FY18	Q2FY19
Net Worth	1,257	1,398
Net Debt	884	1,703
Total	2,141	3,102
Net Fixed Assets	1,512	2,133
Good will	74	184
Net Working Capital	555	784
Total	2,141	3,102

Note: The consolidated financials are inclusive of the performance of Metallurgica since the date of closure

Debt Profile and Cash flow



- ✓ The business continues to generate strong operational cash flow
- ✓ The increase in debt is on account of organic & inorganic investments done for future growth
- ✓ The benefits of these investments will start getting visible from FY20 onwards



Customer Wins

- Signed a multi-year agreement for the supply of Optical Fibre Cable with couple of major Telecom Operators in Europe
- Continued commitments towards Digital India and BharatNet with orders of further supply to Indian telecom and Government projects



Manufacturing Platforms

- Established Sterlite Tech's manufacturing footprint in Europe with acquisition of Metallurgica
- Doubling of Optical Fiber Cable capacity to come fully on board by June 2020



Technological Superiority

- Showcasing deep commitment to technology initiatives, Sterlite Tech took its global patent portfolio to 217

