

Earnings Call– Q3' FY19

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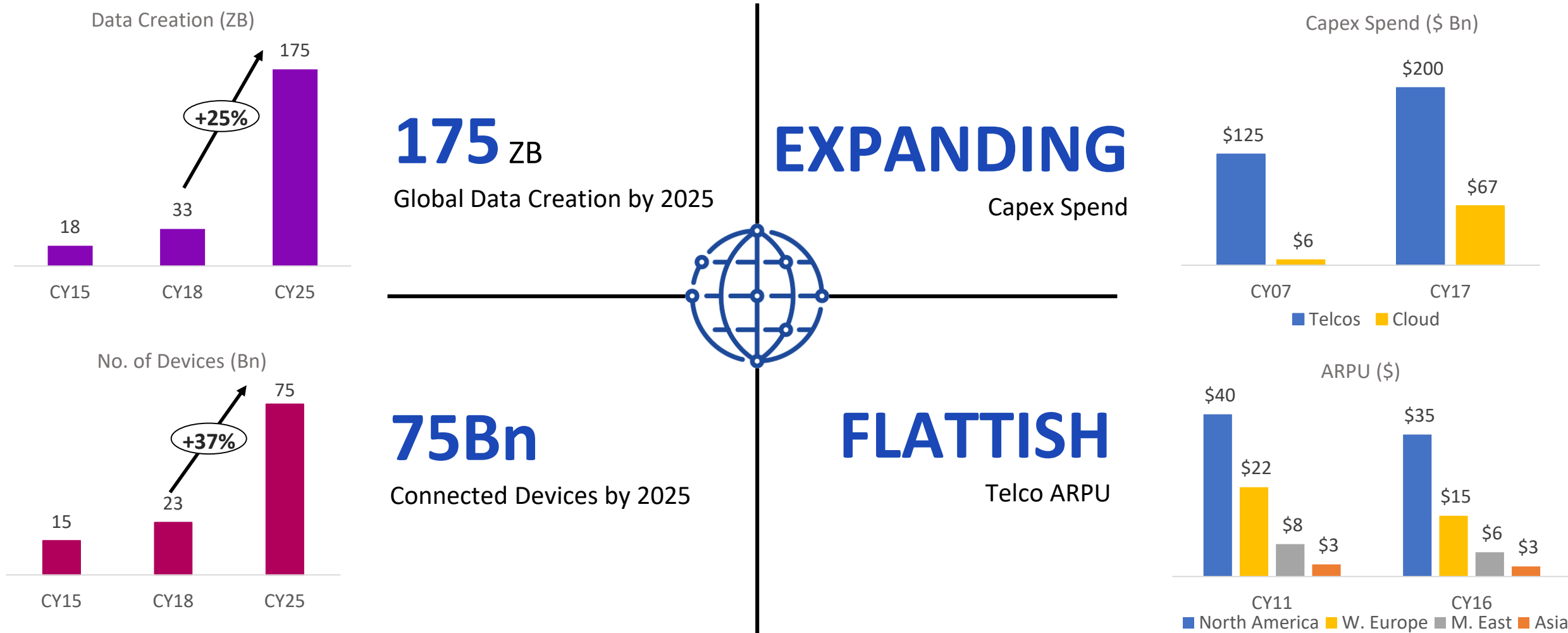
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Anand Agarwal
CEO

The Industry is Ripe for a Disruptive Change



Sterlite Tech is Shifting Orbits to Ride on this Change



Increased end point
consumption of data

Data is the new
Commodity

*7x growth in 5 years
(CY15-CY20)**



Change in Network
Architecture

Building network
infrastructures to match the
humungous data need

*Dense Network with deep
fiberization, Open source and
Edge computing*


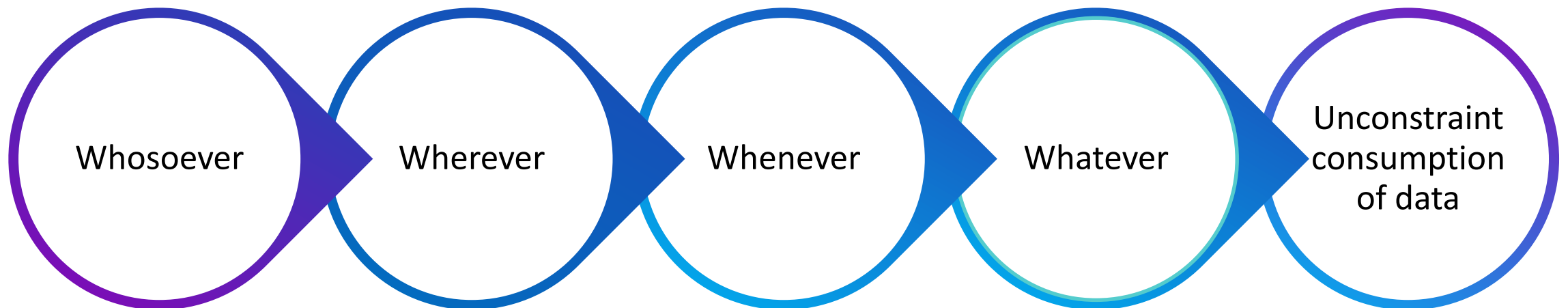


**STL uniquely placed
to leverage these
opportunities**


Riding on the
opportunity to create
sustainable value

*Expanded TAM, Tech Focus
riding on the disruption*


Driven by Increased End Point Data Consumption




Man




Machine




Enterprise



Home, Work









Driving across Highway



Bullet Train: 325 km/h

Peak hour traffic growing at a CAGR of 37%

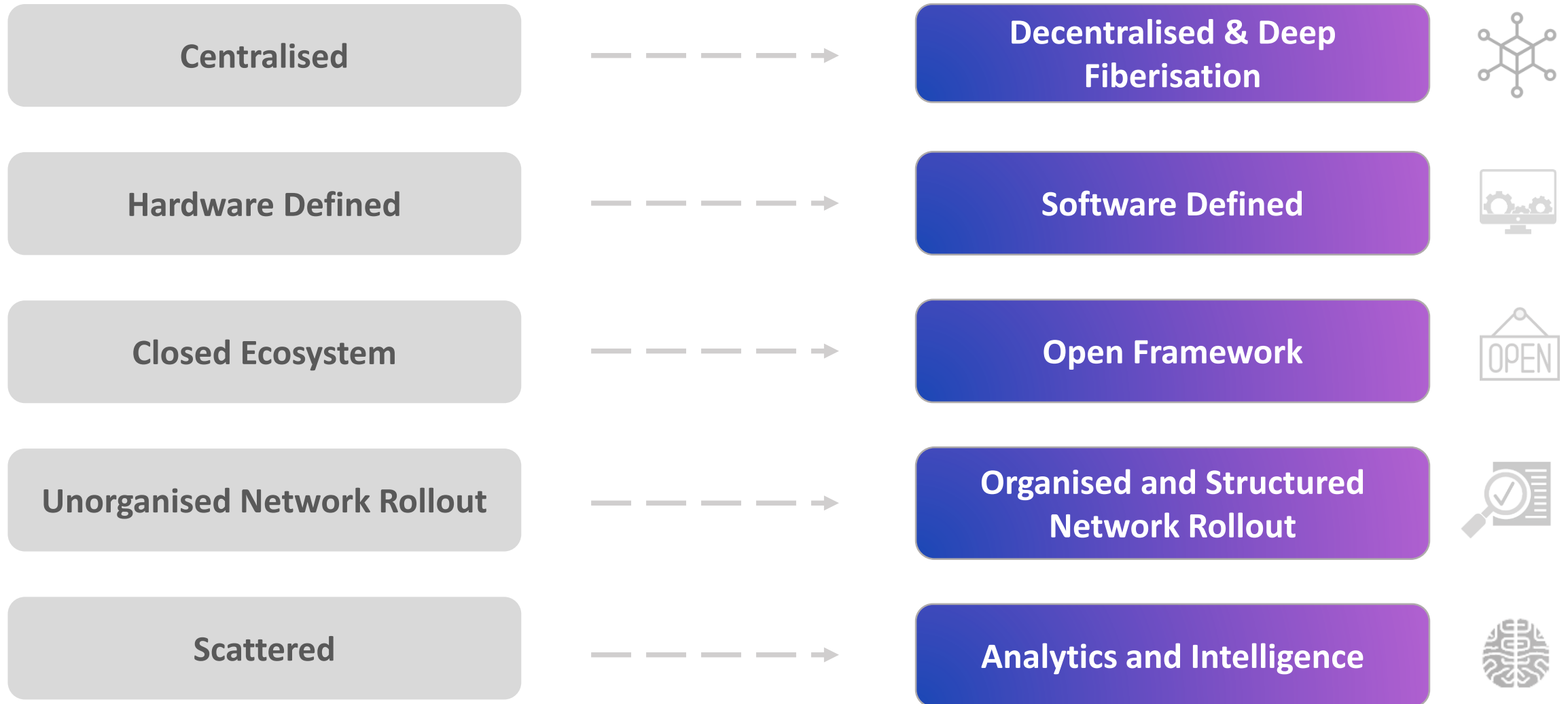


Consumer Industry



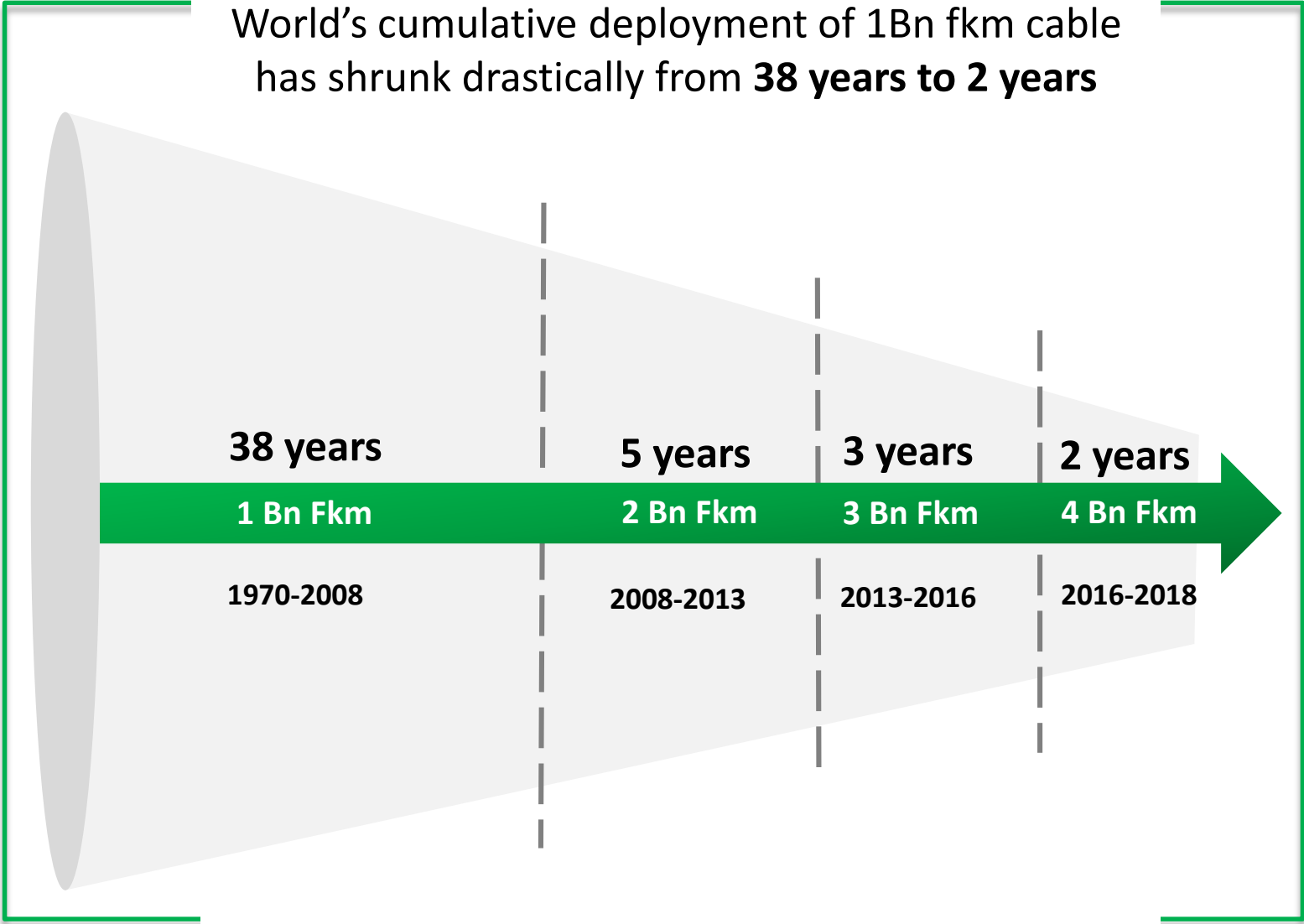
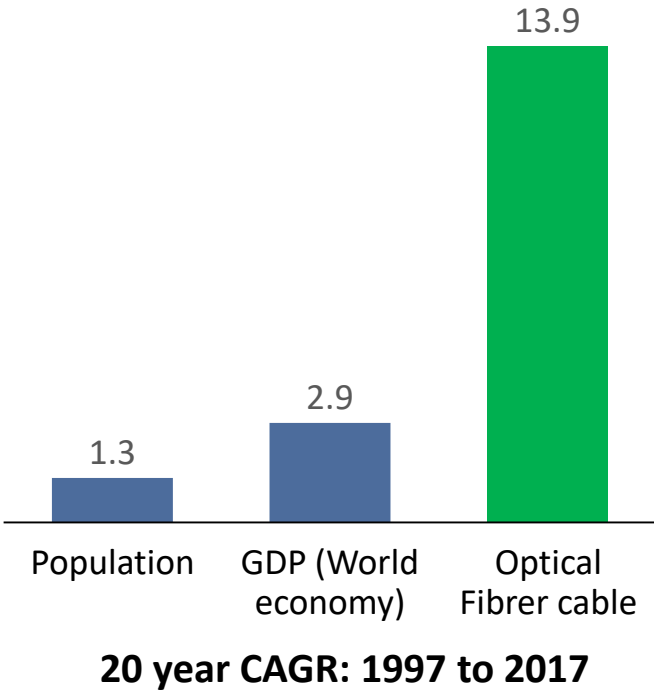
All industries

Coupled with Change in Network Architecture



And an Underlying layer of Strong Growth in Fiber Consumption

Optical Fiber Cable deployment has outpaced the growth of world economy by ~5x



Creating Tremendous Growth Opportunity For Us



2010-2014
Telecom Products

₹ 1,148 Cr
2014 Revenue*



2014-2019
Design-Build-Manage Networks

₹ 3,205 Cr
2018 Revenue**

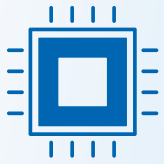


2019-2024
Global Data Network Solutions

Opportunity

* Telecom Revenue for year ending March 31, 2014

** For year ending March 31, 2018



Software



Server



Fiber

**Participate in data
network creation Capex**

**Offer Application
Centric Solutions**

**Leverage Strong
position in Core
Optical Products
business**

**Capitalize
on disruption**
Through new age
network software
products

**Integrated
Network Design
and Build
Services**

CUSTOMER SEGMENTS



**COMMUNICATION
SERVICE PROVIDERS**



**INTERNET CONTENT
PROVIDERS**



CITIZEN NETWORKS



DEFENCE

ENABLERS



**Technology at
the Core**



**Global Supply
chain**



Talent



**Customer
Engagement**

NETWORK LAYERS

**Software & Solutions
Layer**

Network layer

Passive layer

OFFERINGS

Unified Data Network Solutions



TELECOM SOFTWARE



**SYSTEM INTEGRATION
SERVICES**

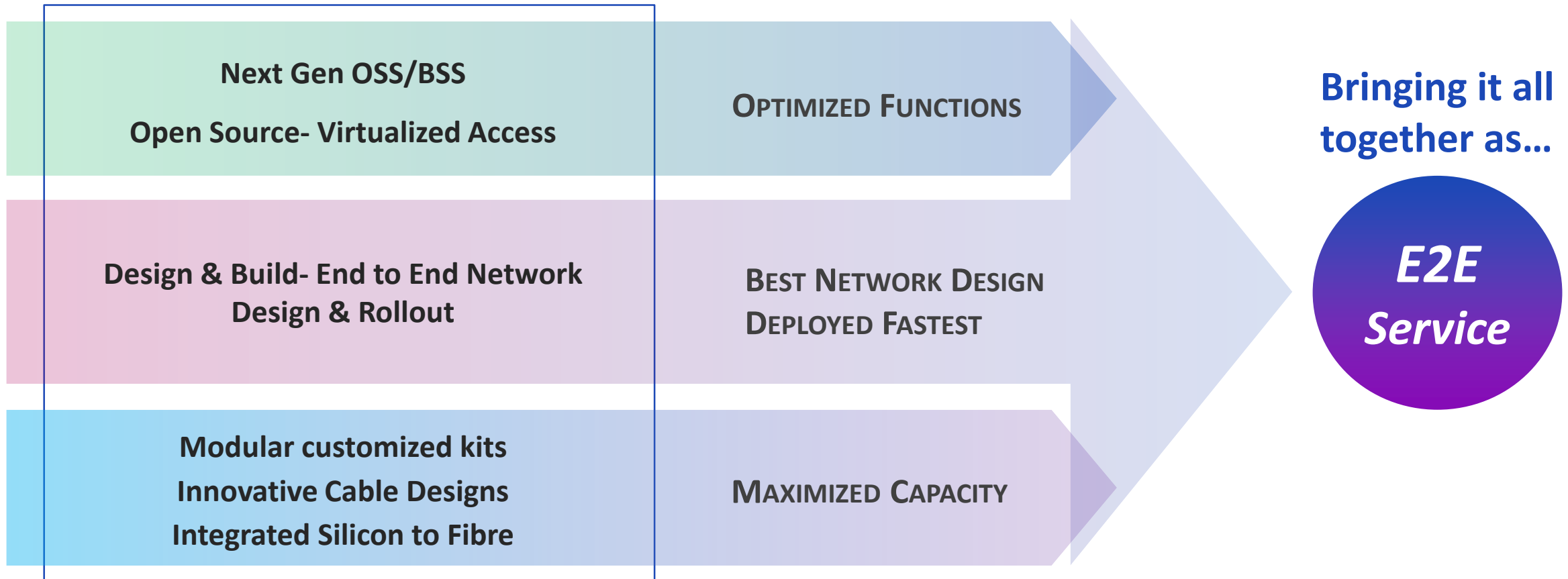


OPTICAL PRODUCTS

Bringing together the Offerings to be an unparalleled choice of end-to-end Data Network Solution Provider



An integrated Best in class Network ...



Unique Company in the World to Provide End To End Data Network Solutions

Built on the Foundation of 4 Pillars



1

**Deep
Customer
Engagement**

**Communication
Service
Providers**

**Internet
Content
Providers**

**Citizen
Networks**

Defence

2

**Strong
Technology
Platforms**

Across Products | Network Services | Software

3

**Best in Class
Talent**

4

**Global
Delivery &
Supply Chain**

8 Manufacturing Facilities Globally | 2 Software Delivery Centers

Backed by Strong Technology Platforms



3

Innovation
Centres

**Centre of Excellence,
Aurangabad**

Core research on optical fibre for
high-speed connectivity

2

Software
Delivery
Centres

**Centre for Smarter
Networks, Gurgaon**

Technology and applied research on
smarter networks of the future

NPD Revenue : >20%

234

Patents
Globally

**Speciality Products
Experience Labs**

Experience Lab for Structured Cabling
Solutions

Academia



Forums

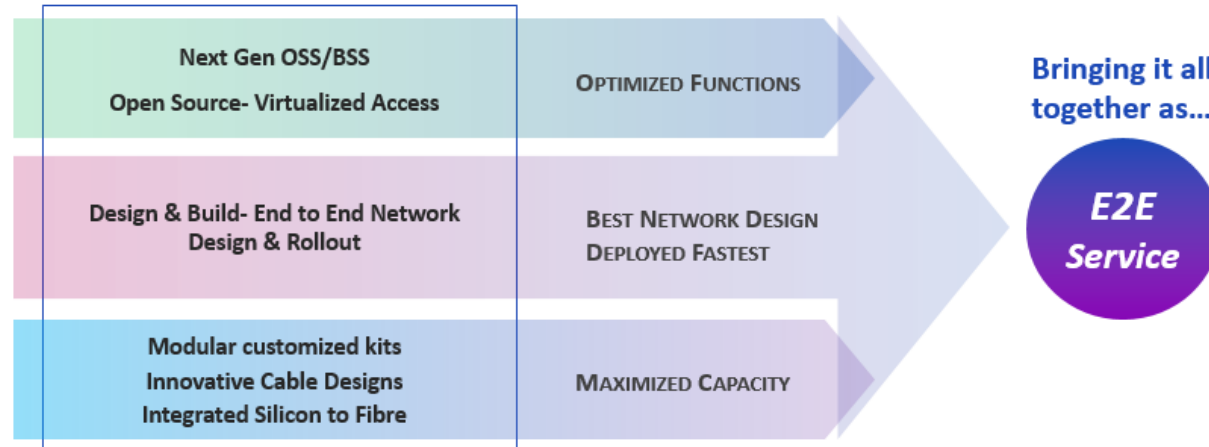


Power of One

Bringing Together the Offerings to Create End to End Data Network Solutions



An integrated Best in class Network ...



Only company in the world to provide end to end data network solutions

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Telecom Software



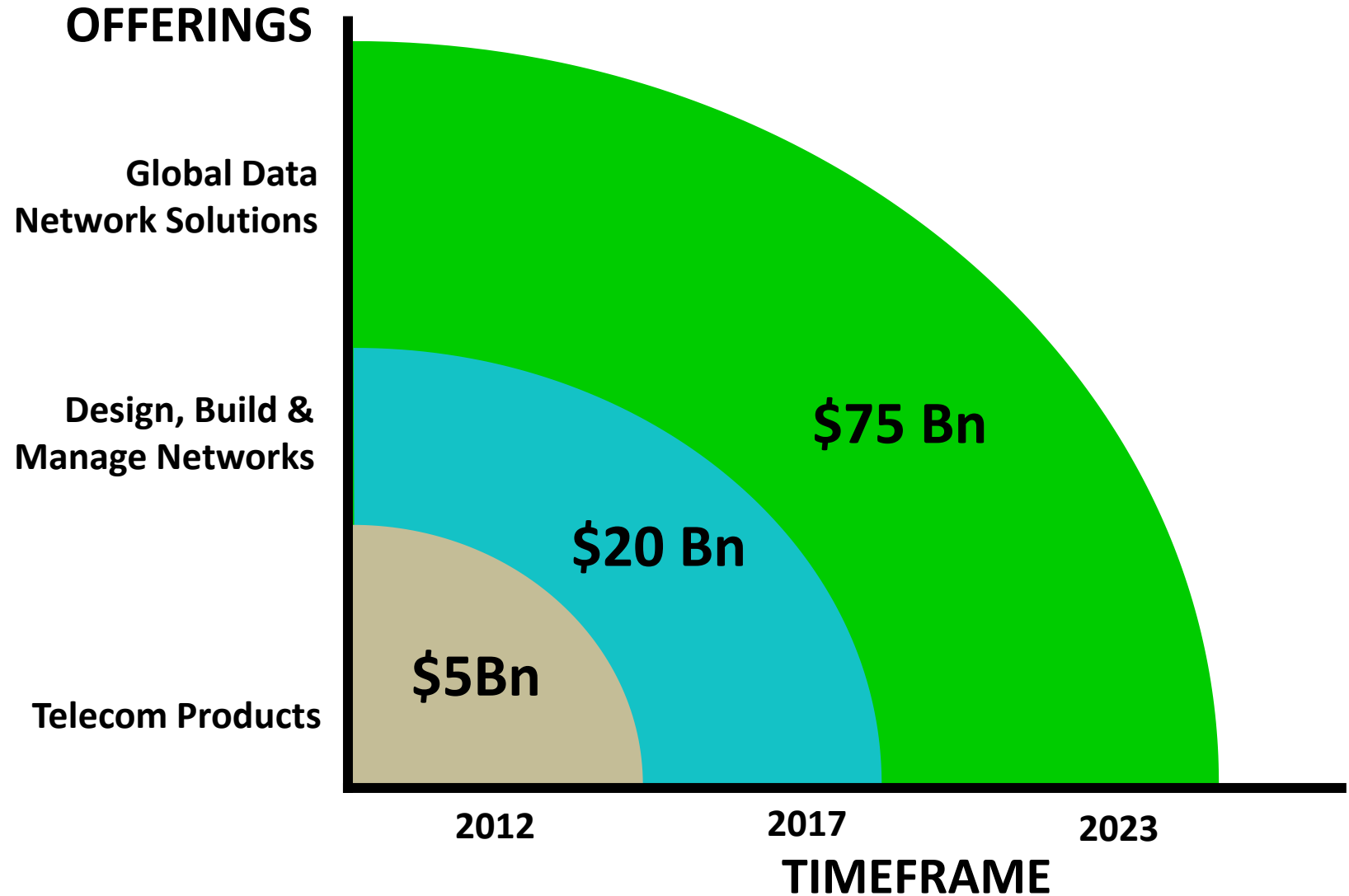
System Integration Services



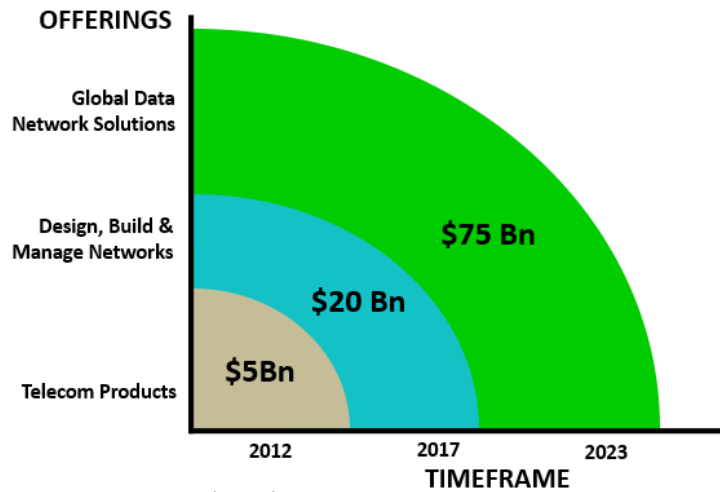
Optical Products

Leading to Increasing Addressable Market and Customer Relevance


**Expanding
Addressable
Market**



*Graph not to scale
Source : Industry Estimates and Company Analysis*



1

Passive Layer

- New product development
- Geographic Expansion
- Bouquet of adjacent products

3

Software Layer

- Next Gen OSS/BSS
- Open Source - Virtualised Access
- Programmable Networks
- New Customer Acquisition

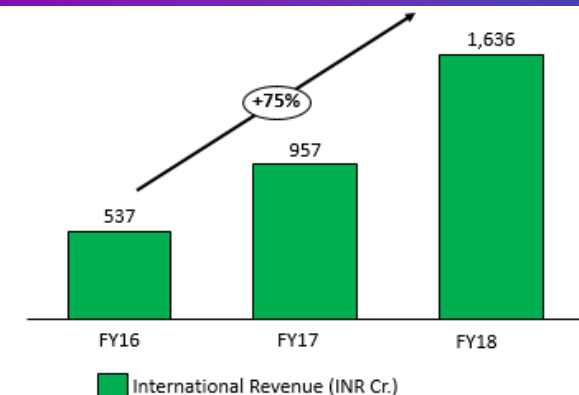
2

Network Layer

- FTTx
- Citizen Centric
- Small Cell Solutions
- Data Centers

4

Global Reach





₹ 1,335Cr

Revenue

60% Y-o-Y increase



₹ 304 Cr

EBITDA

46% Y-o-Y increase



₹ 146 Cr

PAT

62% Y-o-Y increase



31%

ROCE

Customer Engagement

- New wins with Tier-1 customers in Europe further penetrating our presence with ~ 50% Y-o-Y growth in European Sales
- Industry first Fiber to the Point solution FTTx Mantra for delivering highly agile & scalable fibre to home last mile connectivity

Technology

- Launched speciality Products Experience Lab in Silvassa to focus on physical layer of connectivity architecture
- Partnership with Red Hat to develop open and agile solutions that help accelerate telco's digital transformation
- Increased patent count to 234

Global Delivery and Execution Engine

- Strengthened manufacturing core with 50 mn fkm fiber expansion and 33 mn fkm cable expansion well on track
- Initiated the execution of Navy Project

New State of the Art Manufacturing Centre In Aurangabad



Integrated Manufacturing

- Fully integrated from silicon to fiber



Infrastructure

- World class clean room infrastructure
- Manufacturing systems aligned to Industry 4.0



Efficiency

- Total Gas Management
- Energy efficient Pollution Abatement Systems



Technology

- Best in class IT & OT infrastructure
- Fully automated machines with robotic operations

Customer Engagement

- Unified solution approach
- New Tier -1 customer relationships
- Long term engagement cycle

Technology

- New Product Revenue > 20%
- 234 patents
- 3 Innovation Centers

Talent

- Strong CTO Organisation and hiring across all Offerings
- 48% of workforce are Tech Graduates
- 27% of workforce are Post Graduates

Delivery and Supply Chain

- Capacity expansion from 30 mnfkm to 50 mnfkm on track
- New point of presence in Europe through Acquisition of Metallurgica
- Cabling expansion to 33mnfkm announced in Sep 2018



Anupam Jindal
CFO

Growth

- Profitable Organic Growth
- EPS accretive strategic acquisitions
- Commitment to R&D and Talent

Earnings

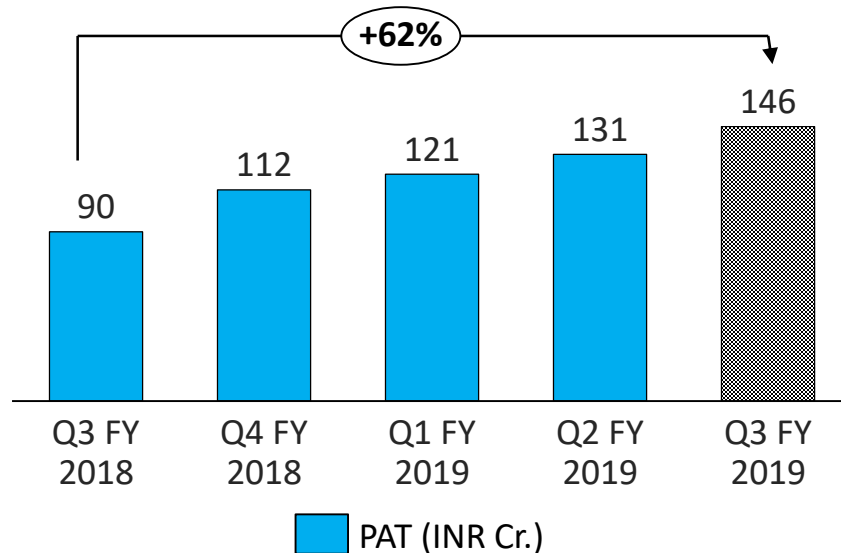
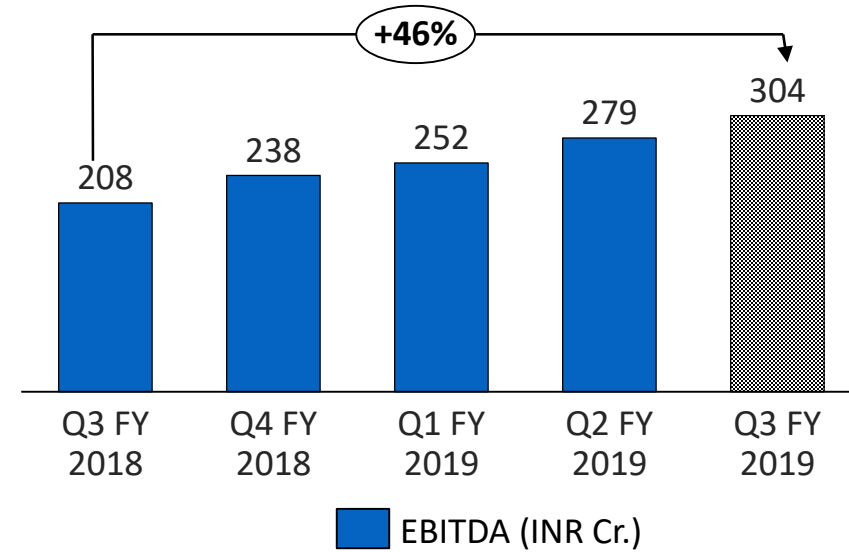
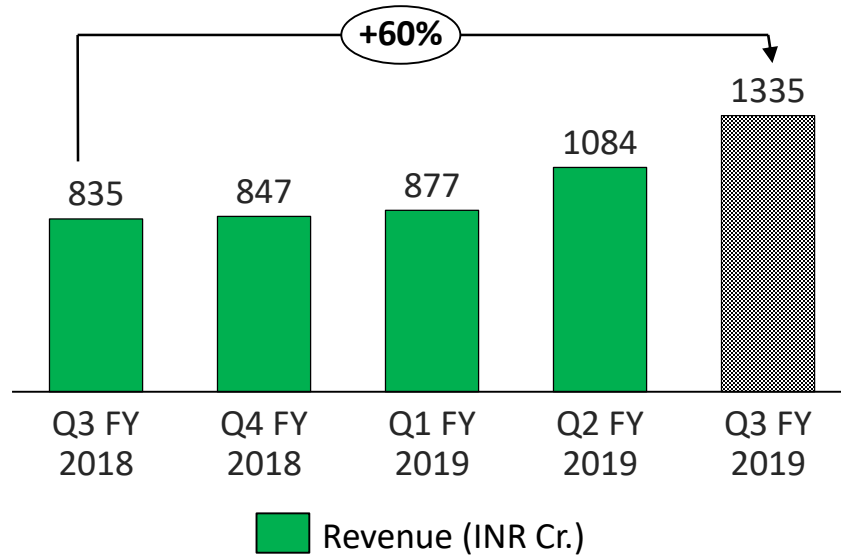
- Drive sustainable EPS growth
- Attain earning objectives across economic cycles
- ROCE > 25%

Capital Allocation

- Deploy Free Cash flow strategically
- Sound Leverage and Working Capital Ratio
- Consistent Corporate Actions and returns to shareholders

Strong Corporate Governance

Demonstrated Growth on Q-o-Q basis



- Highest ever Revenue of 1,335 Cr (60% y-o-y growth)
- Highest ever EBITDA of 304 Cr (46% y-o-y growth)
- Highest ever PAT of 146 Cr (62% y-o-y growth)

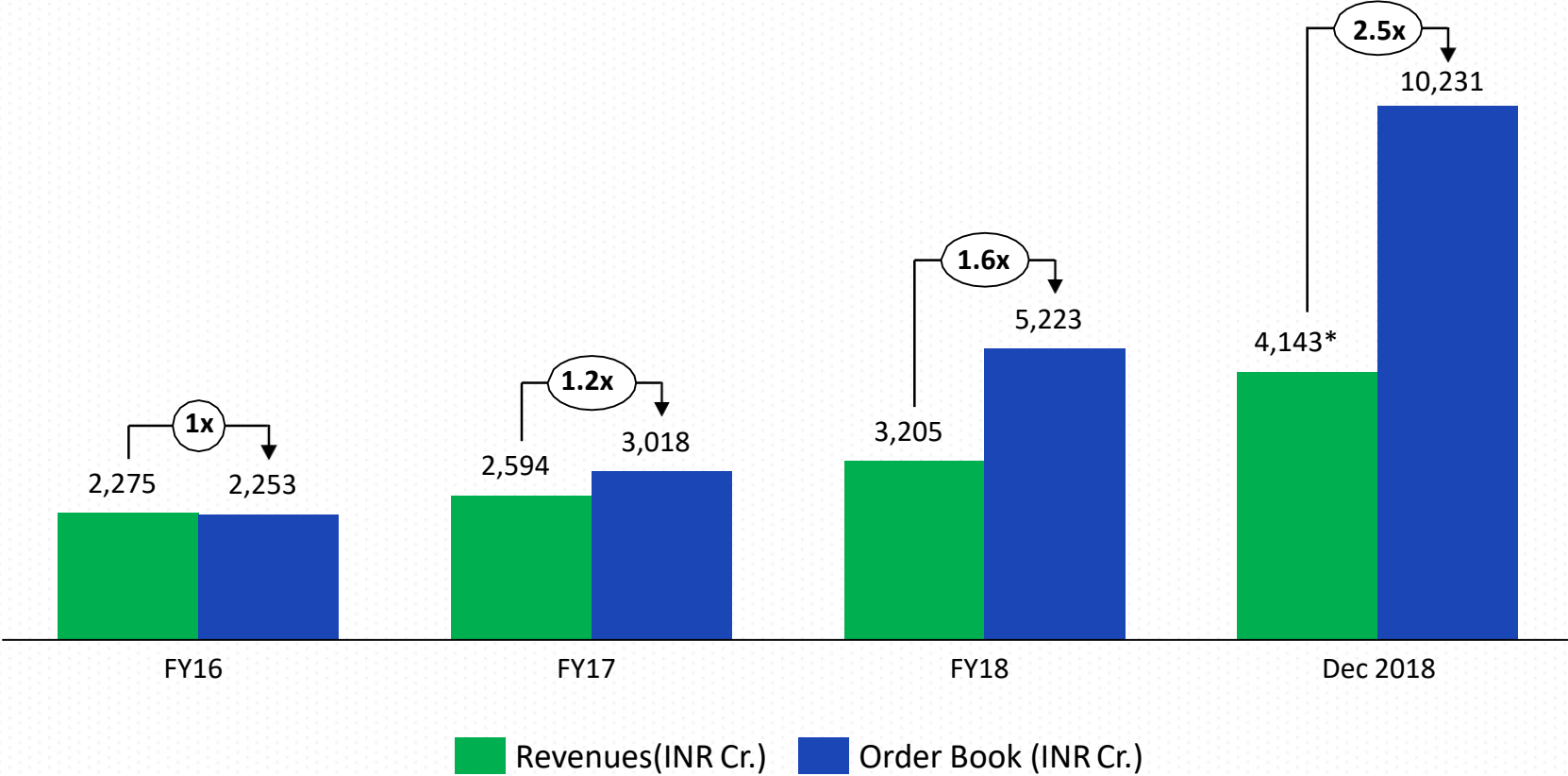
Financial Performance



P&L (INR Cr.)	FY18	9M FY18	9M FY19	Q3 FY19
Revenue	3,205	2,359	3,296	1,335
EBIDTA	789	551	836	304
EBITDA %	25%	23%	25%	23%
Depreciation	182	130	145	51
EBIT	606	421	691	253
EBIT %	19%	18%	21%	19%
Interest	104	79	75	27
PBT	503	343	616	226
Tax	133	97	196	76
Net Income (After Minority Interest)	334	222	398	146
ROCE %	30%	28%	34%	31%

- *9M FY 19 performance surpassed the full year FY18 performance*
- *9M PAT growth of 79%*
- *Consistent ROCE > 25%*

With Strong Future Outlook



Order Book at an all time high of Rs. 10,231 Crore



Thank You