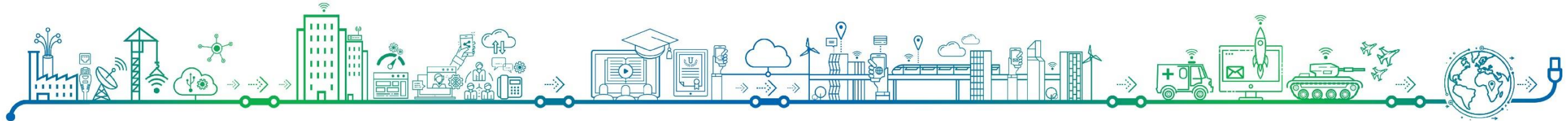




# Earnings Call Presentation

Oct 16, 2017



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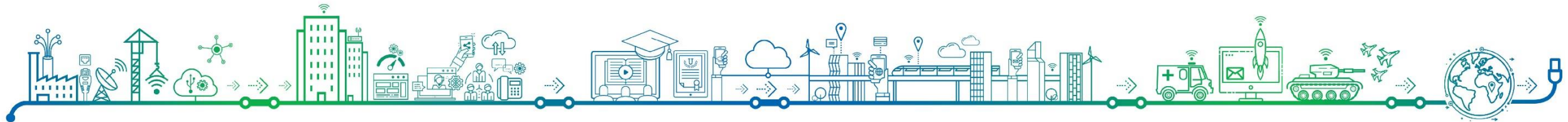
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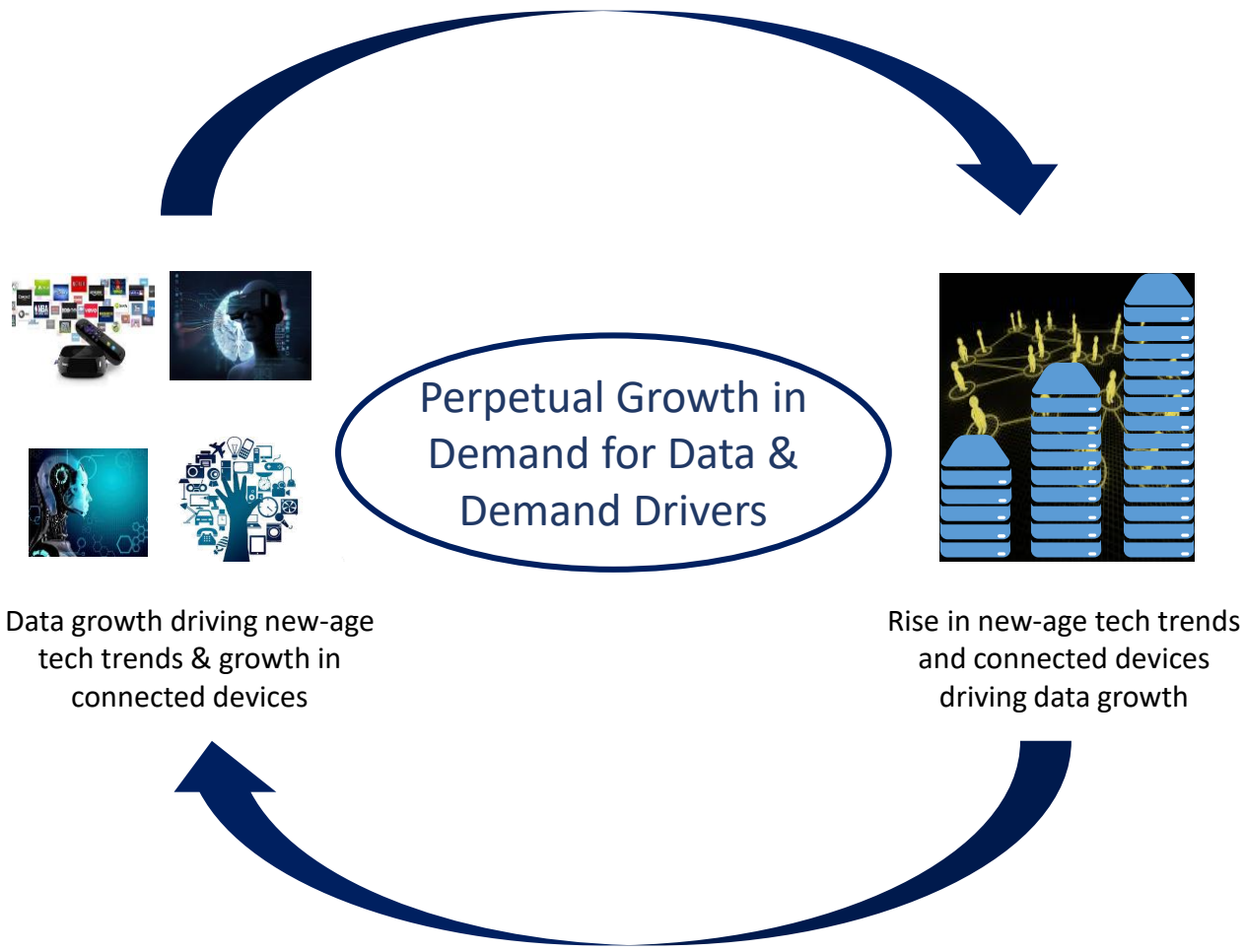
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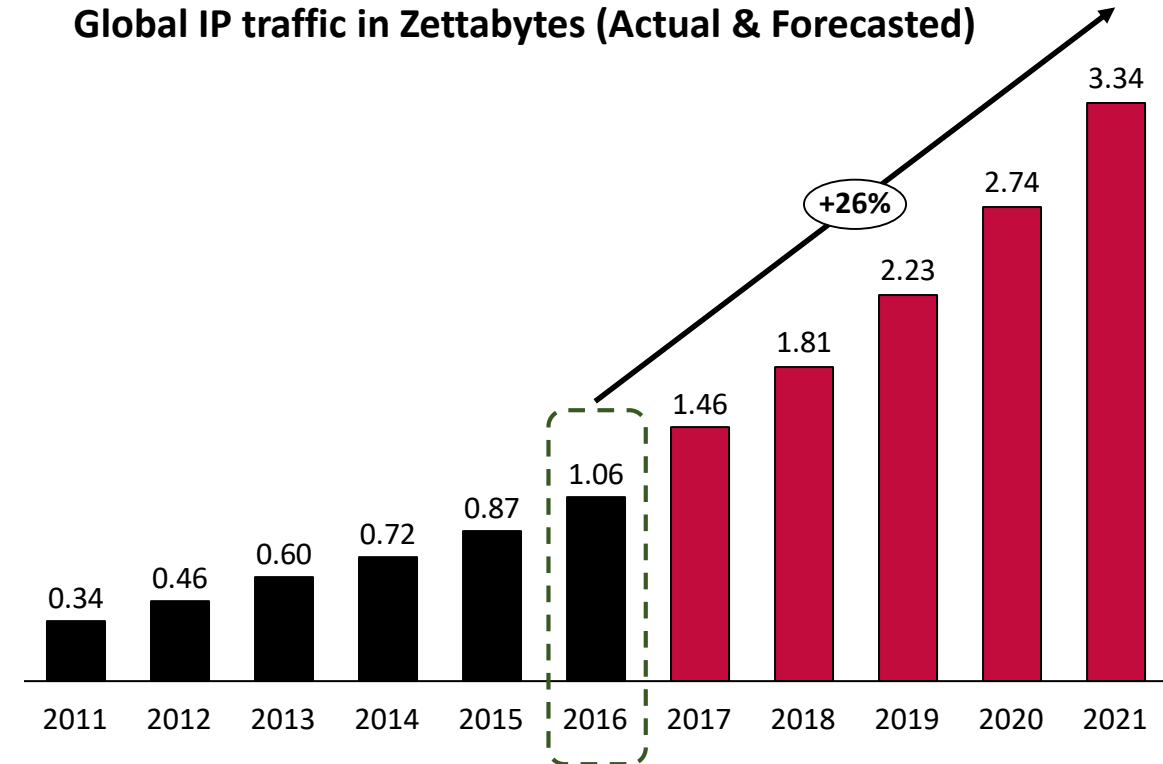
# Industry Trends and Outlook



# The Zettabyte Era: A Reality Now



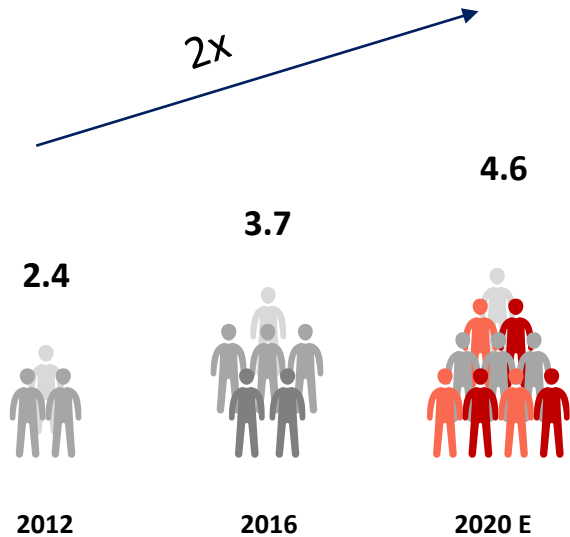
Global IP traffic in Zettabytes (Actual & Forecasted)



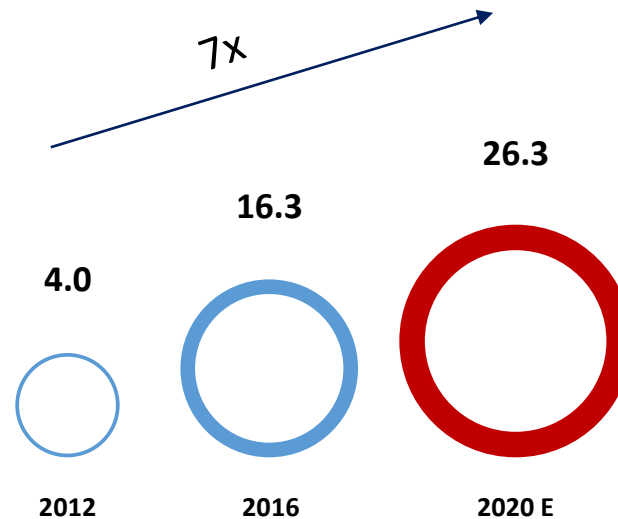
- The world officially saw annual **global IP traffic crossing 1ZB ( $10^{21}$  bytes) in CY 2016**

# Exponential Growth in Data Consumption to Continue

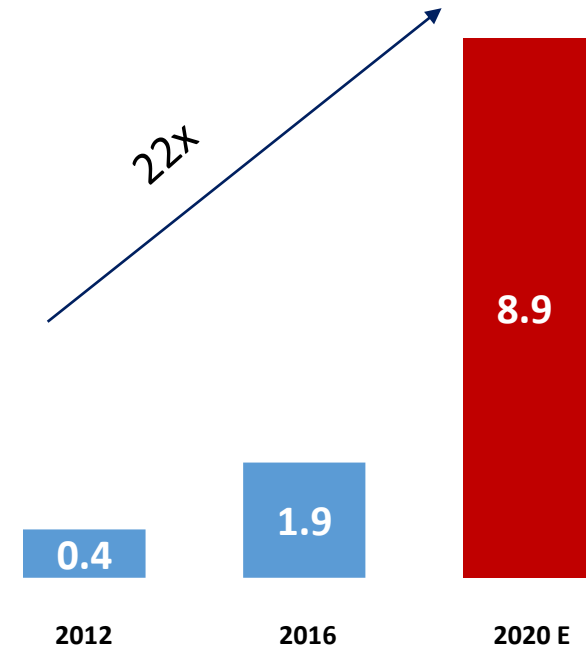
## Internet Users (Bn)



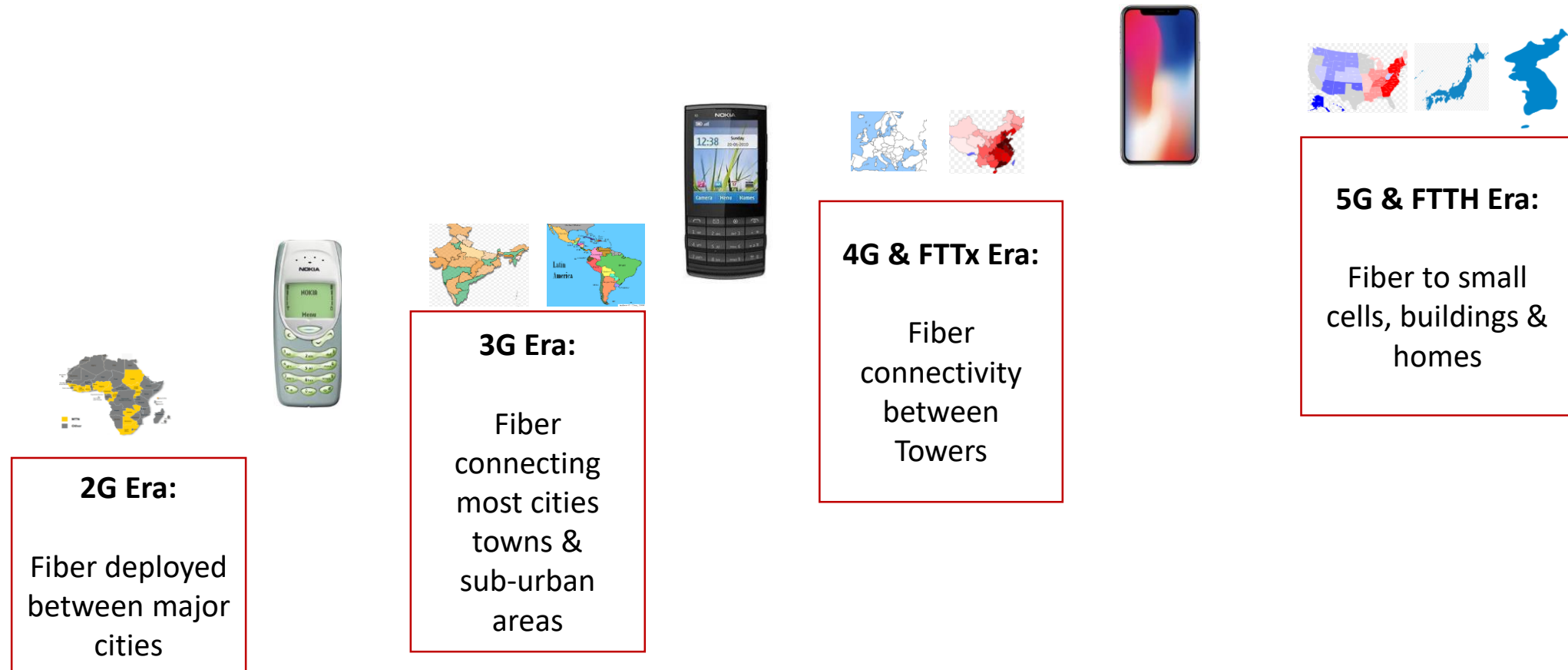
## Device Installed Base (Bn)



## Average Data per Consumer (GB/month)

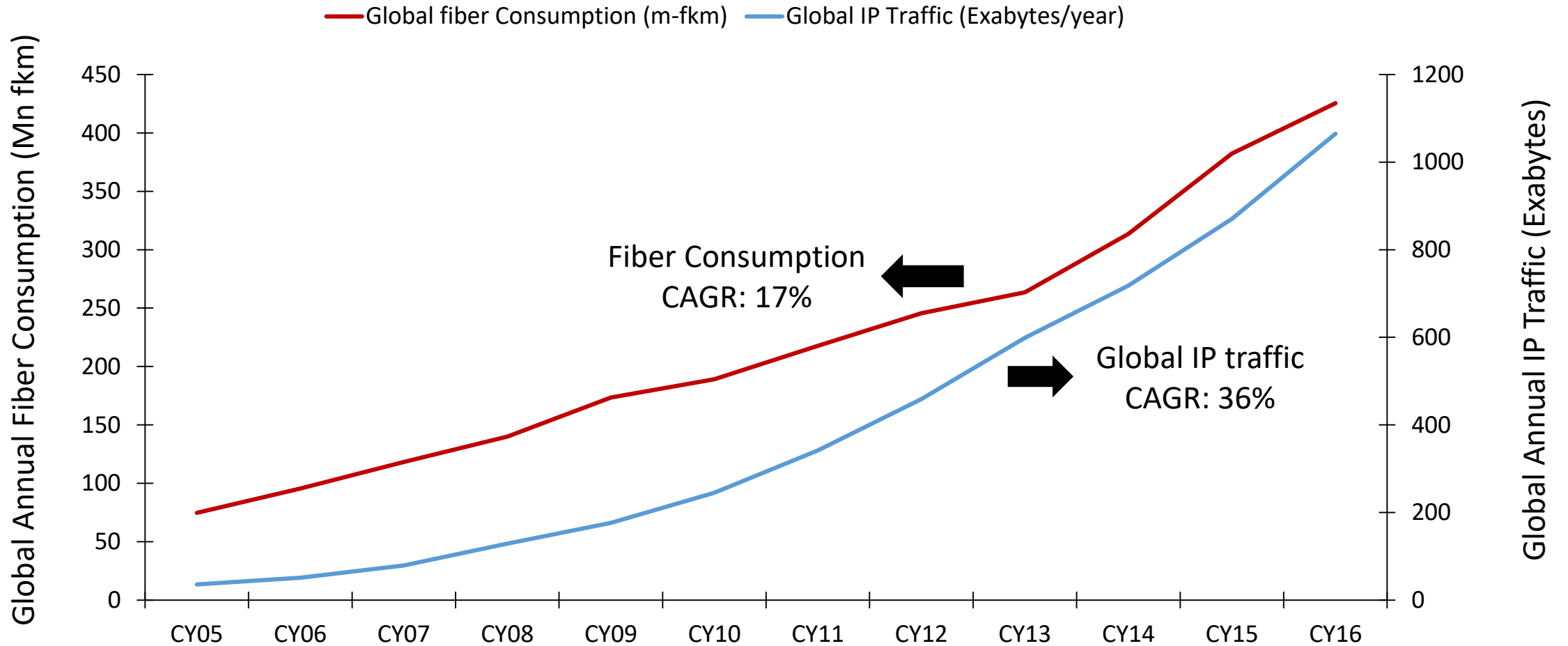


# Fiber – Most Suited Media for Data Transmission



- 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



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



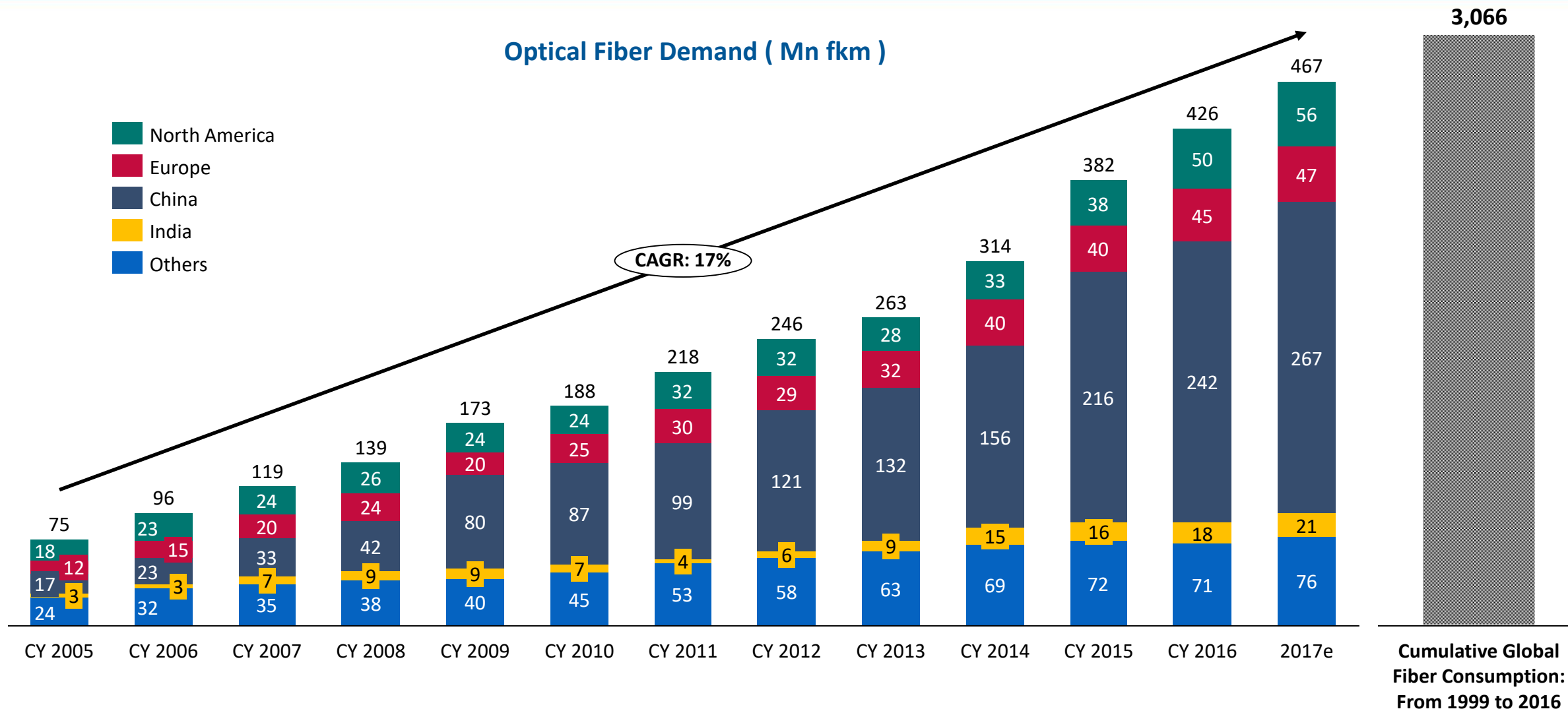
**NBN Australia** created a three year roll-out plan to provide broadband to entire Australia with Fiber



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



# Global Demand for Optical Fiber Continues to Reflect Strong Annual Growth



- 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

A

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



Silicon Ore

Glass Preform

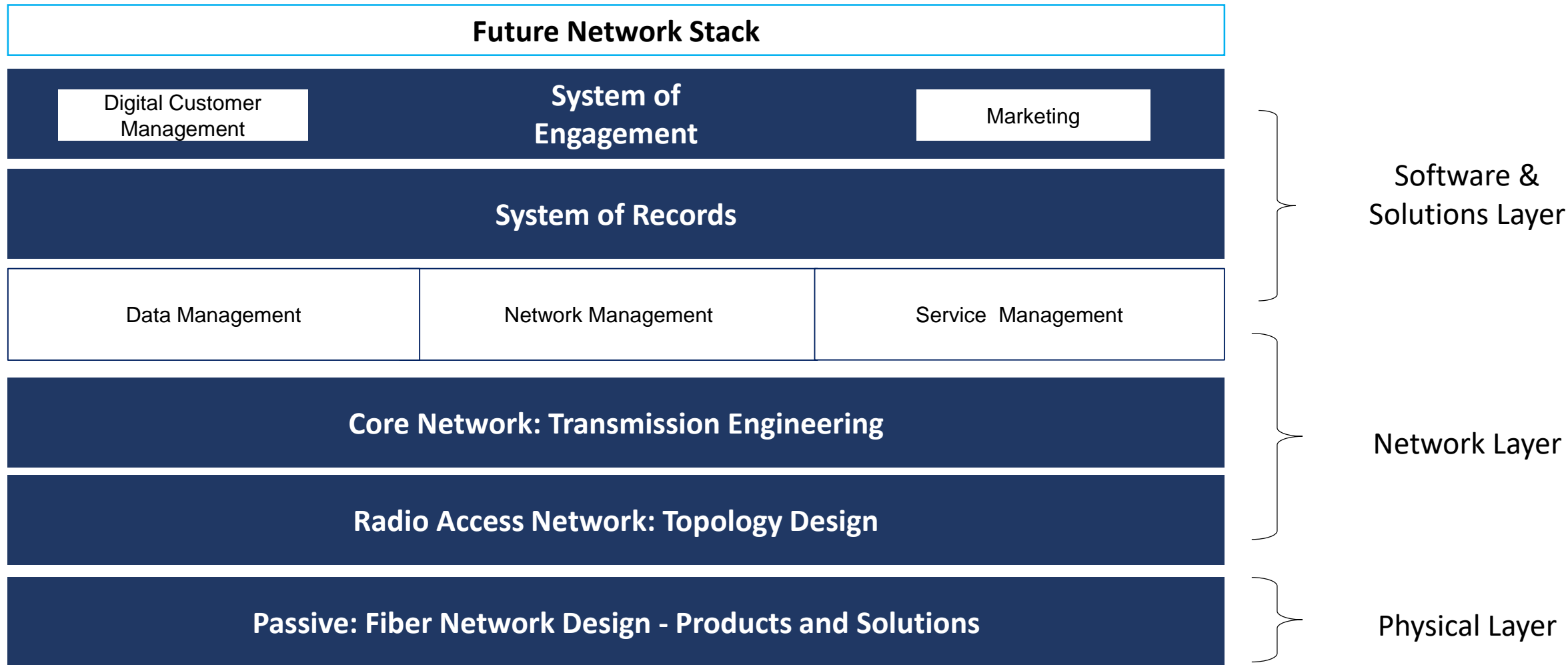
Fiber Drawing

Optical Fiber

Optical Fiber Cable

**Translating to Industry Best Margin Profile**

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



## 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”**



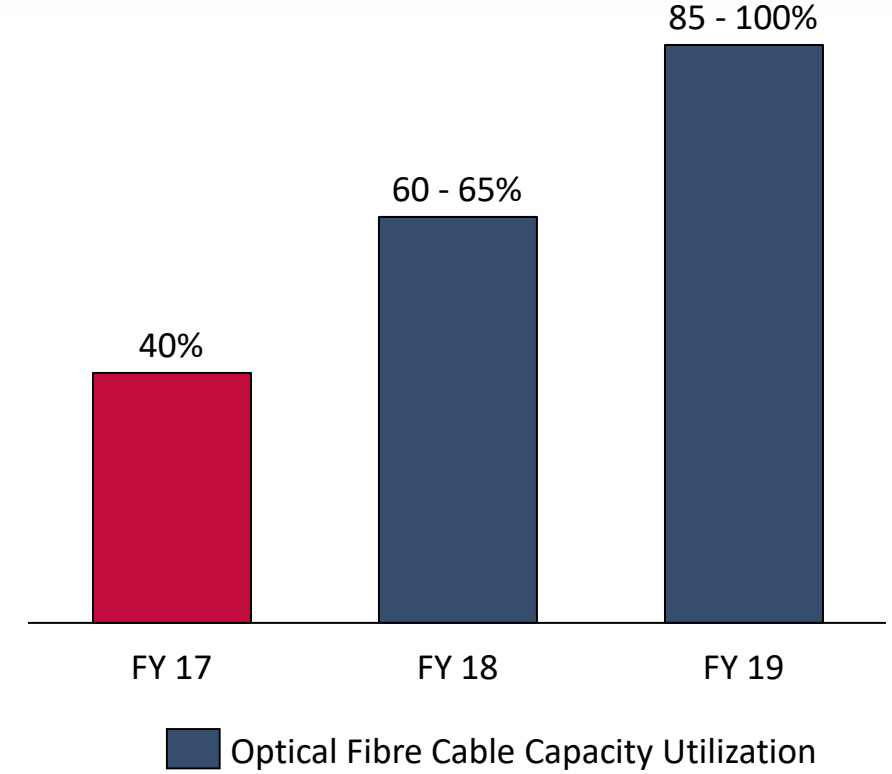
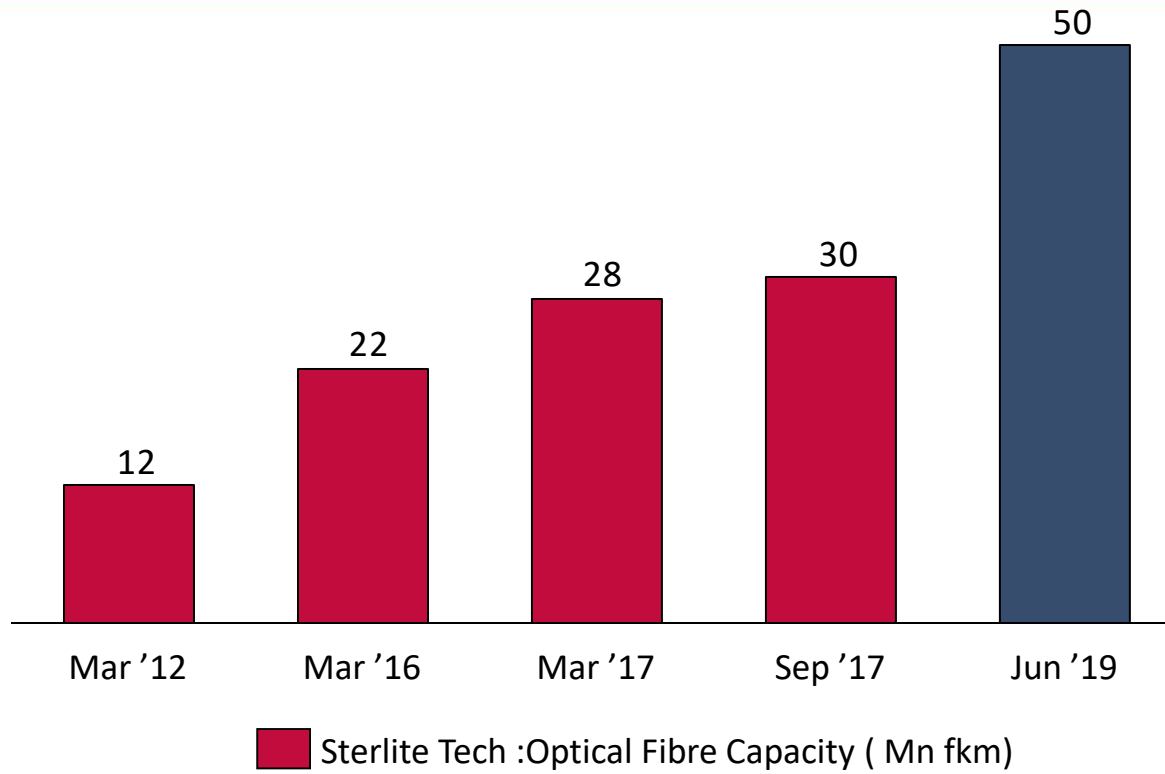
Won the **TelecomLead OSS/BSS Company** award at the TelecomLead Awards 2017



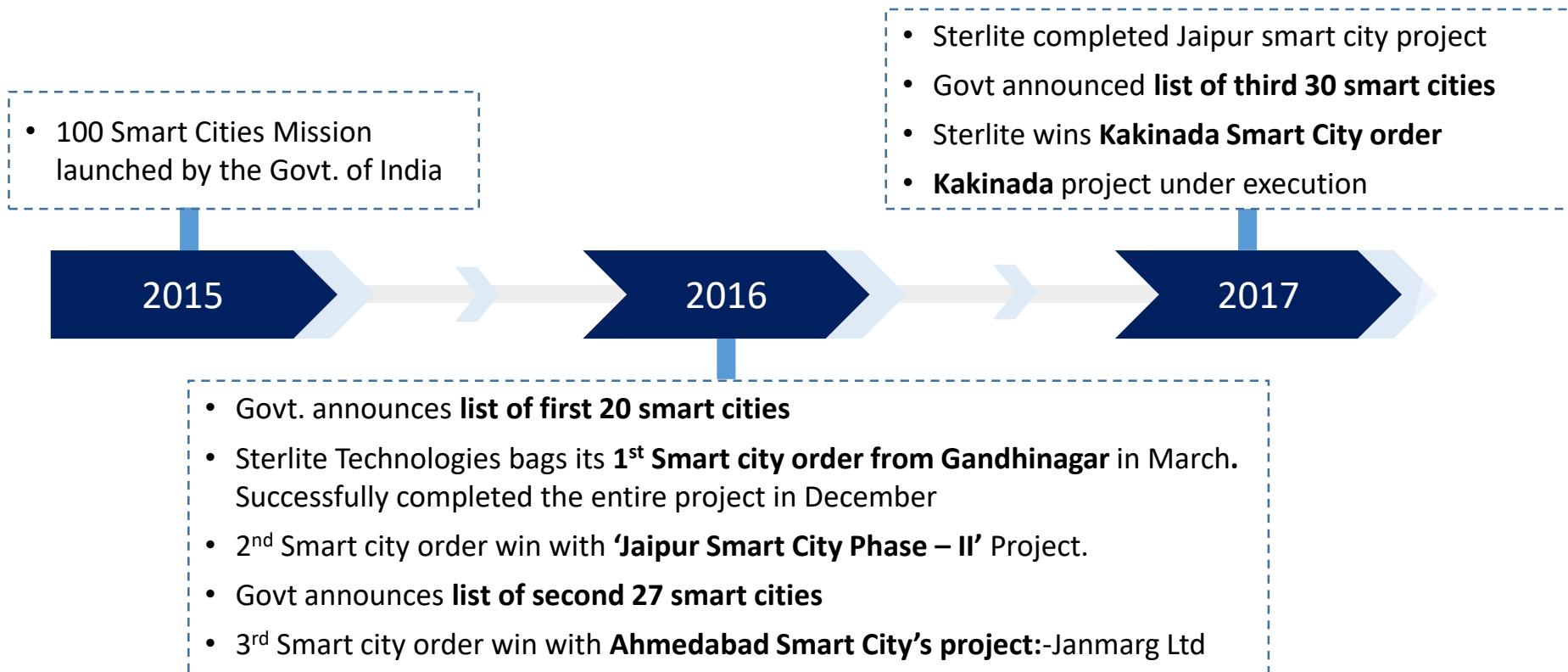
The CPO Forum India & Awards 2017 for **‘Recognizing Procurement Excellence’** - Winner in ‘Excellence in Risk Mitigation’ Category



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



- Achieved 30 Mn fkm 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



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

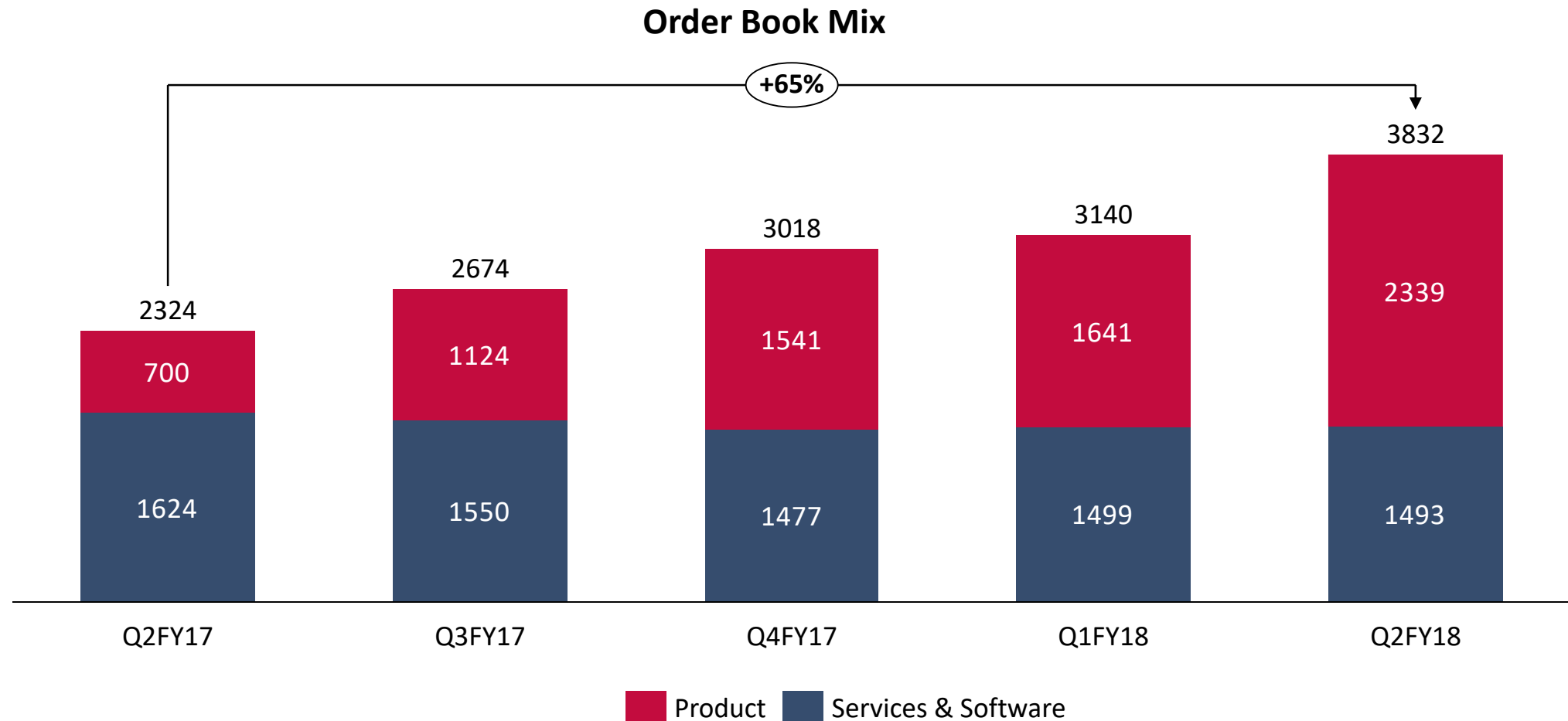
Silicon to Software and Server Capabilities will be executed in upcoming Smart Cities Projects; Ex. Kakinada Smart City Project

## 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

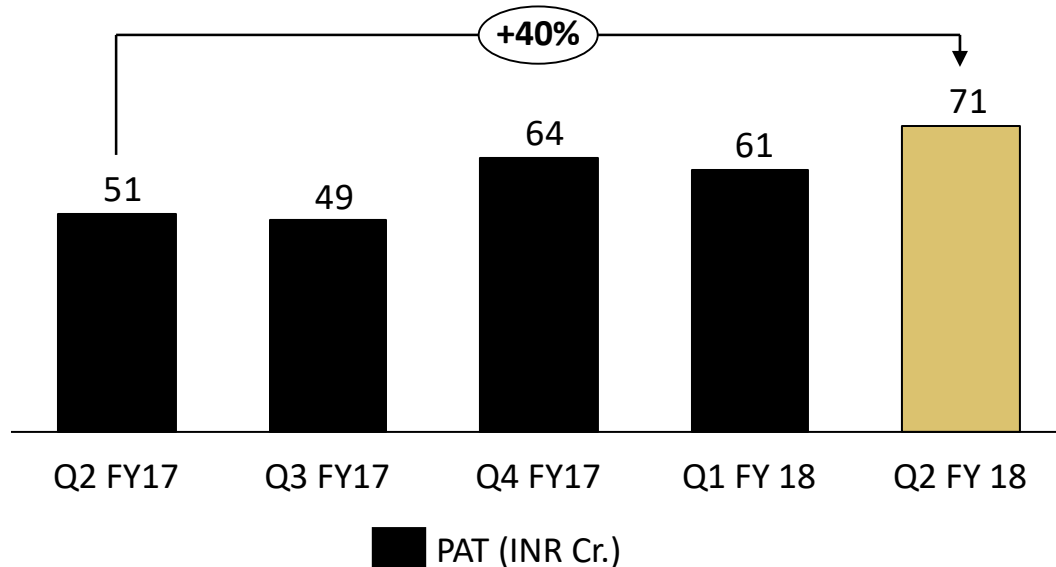
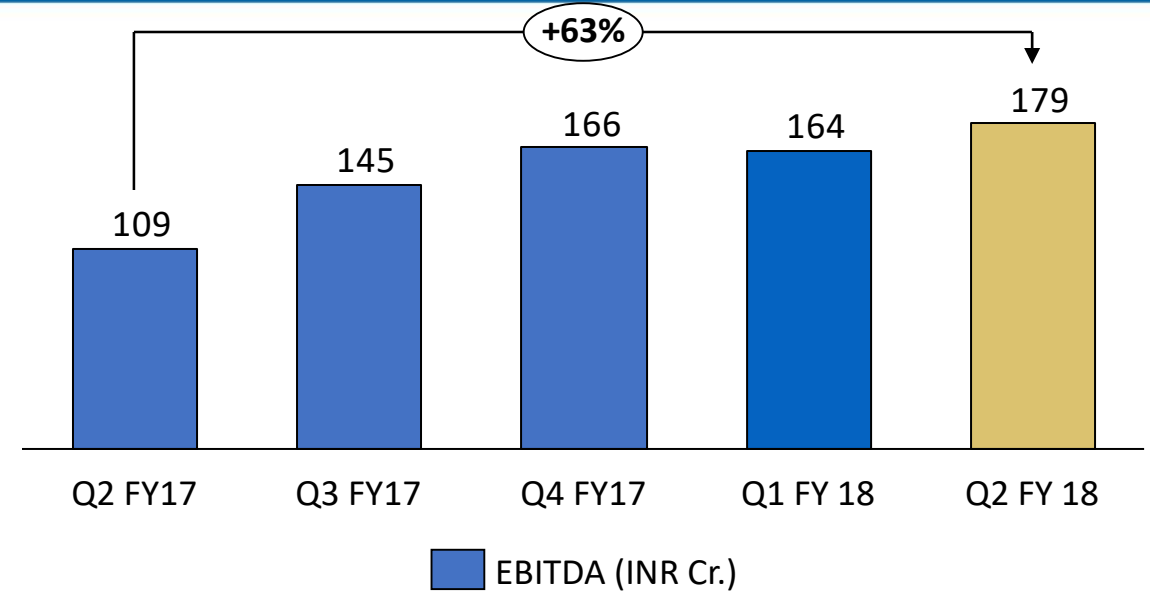
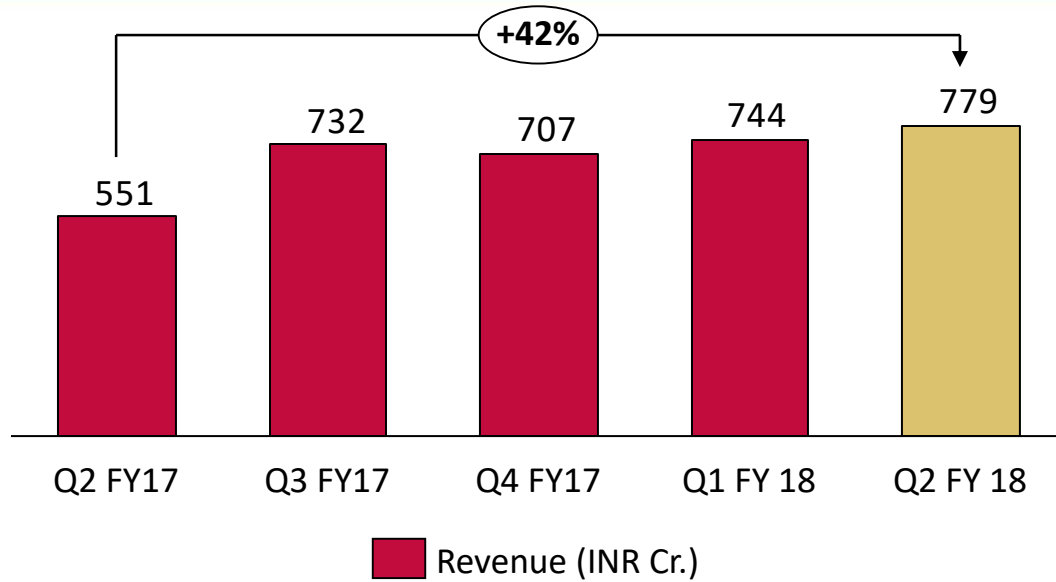


- Increasing Order book reflects predicable sale outlook for the company

## Financial Updates: Q2FY18



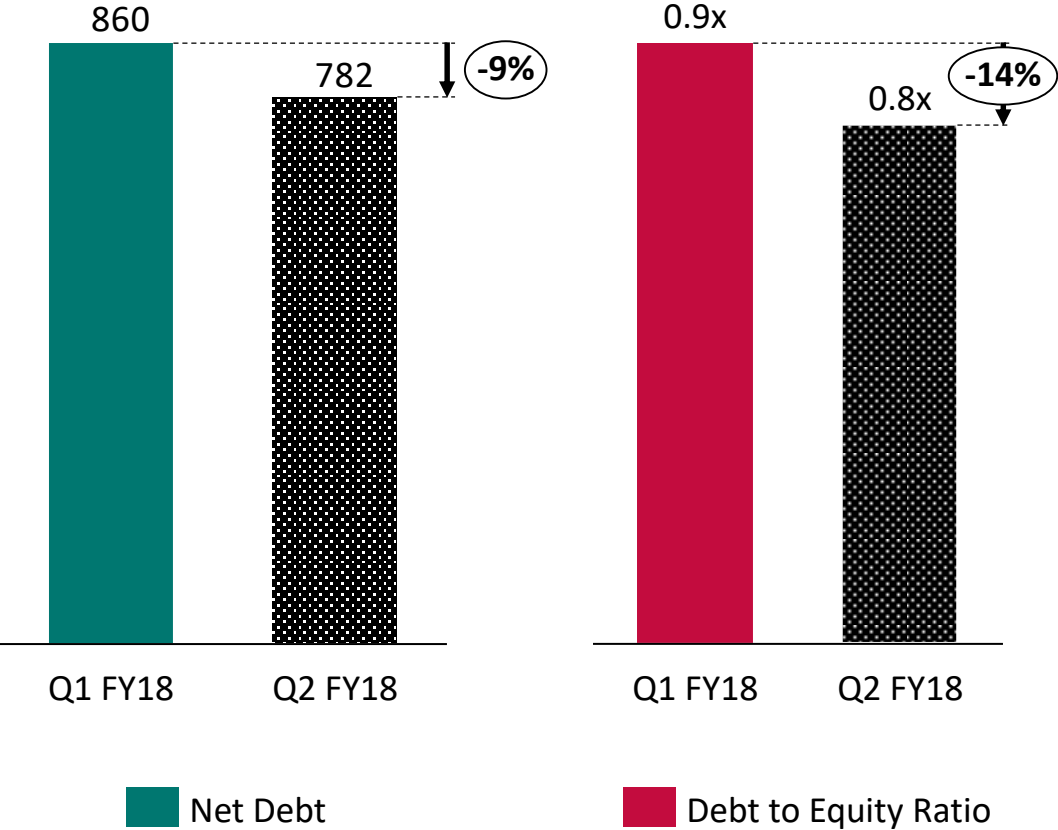
# Quarterly Financial Performance



- 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*

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



Cash flow

Q2 FY18

Cash Profit ( After Tax )

122

Operating Cash Flow

173

Capex

60

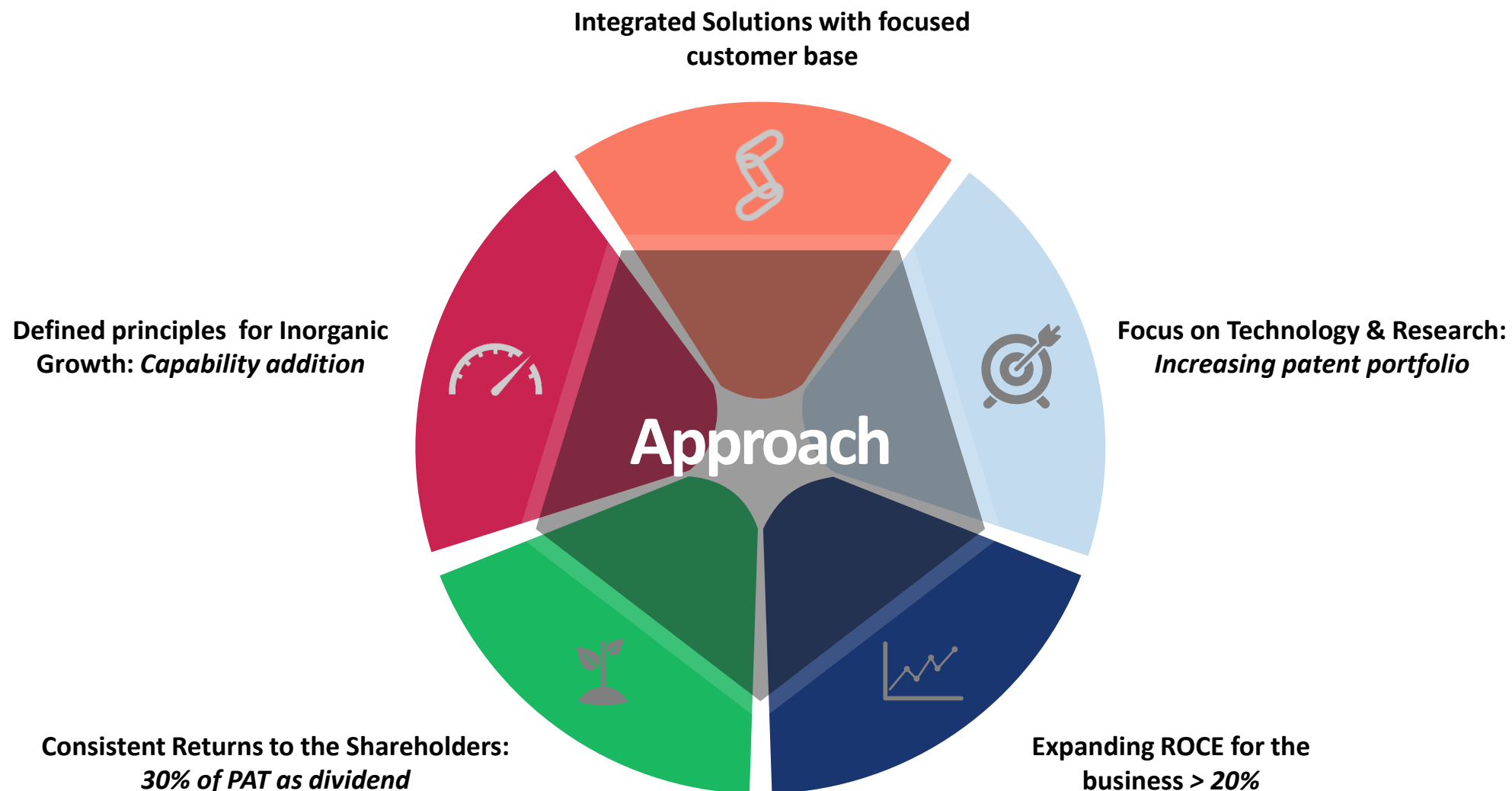
Net Cash flow

78

# Strategic Direction



# Balanced Approach to drive Shareholders Value



# Focusing on Triple Bottom-line - *Lives Impacted*



**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

## 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

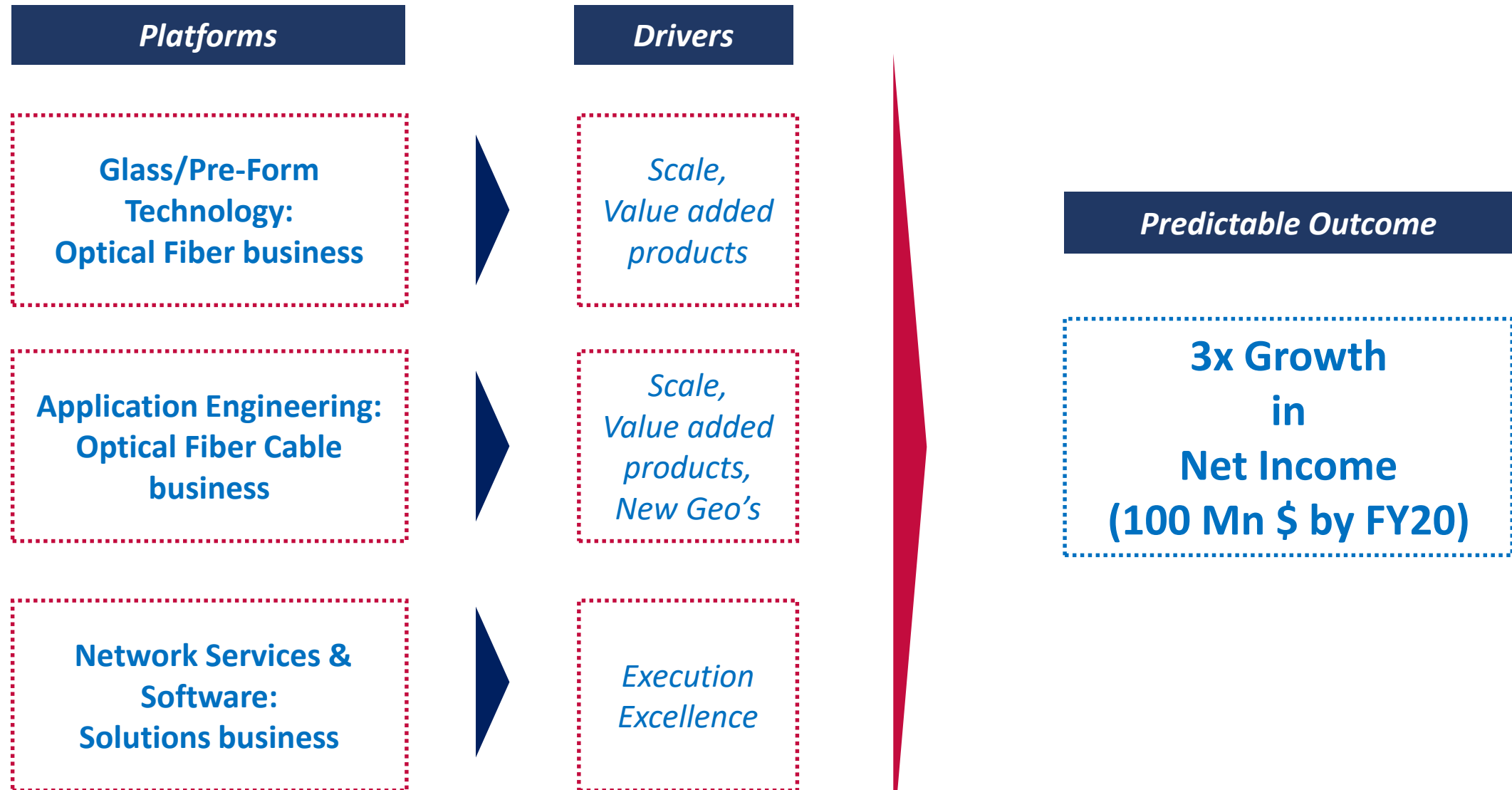


### **Sandip Das**

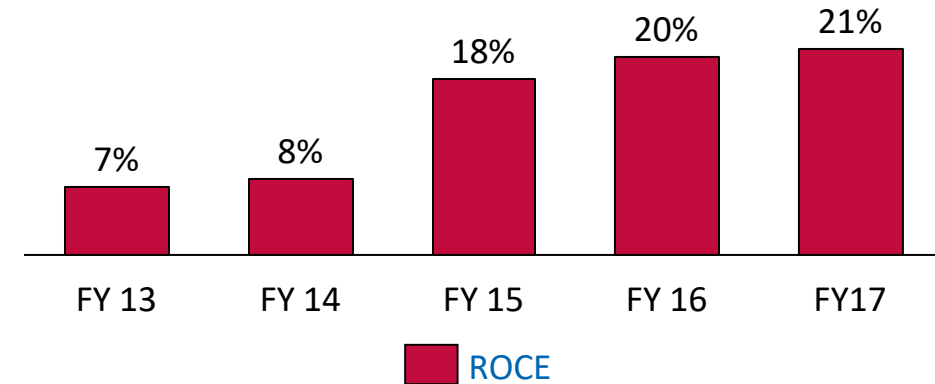
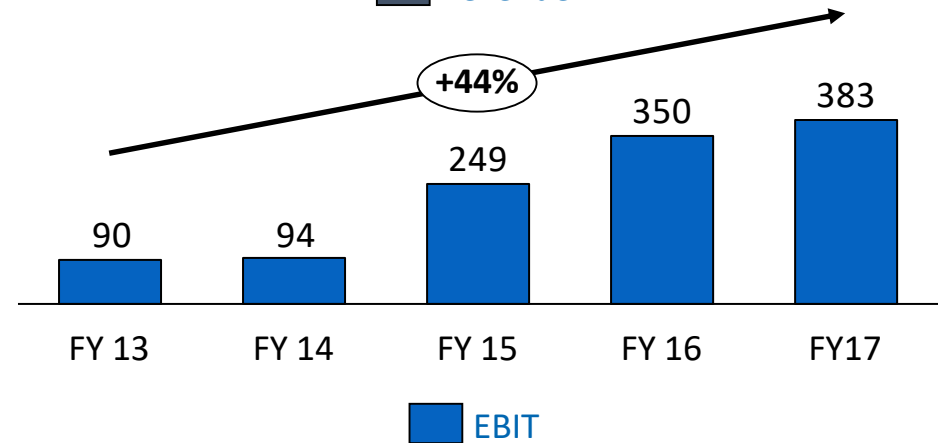
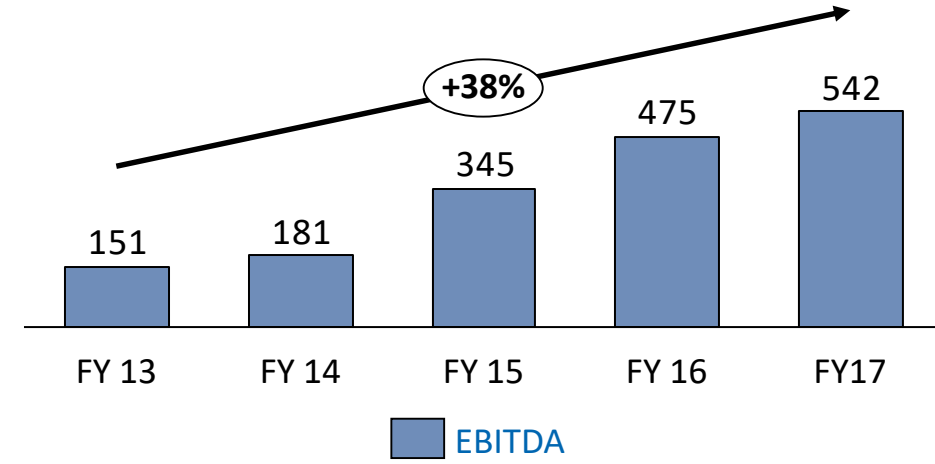
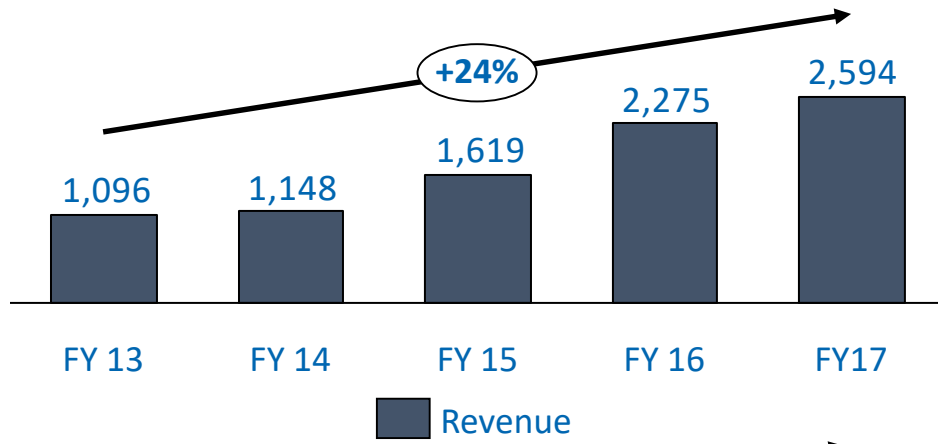
*(Non-Executive & Independent Director)*

- 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



# Demonstrated Historical Performance



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

Thank You

