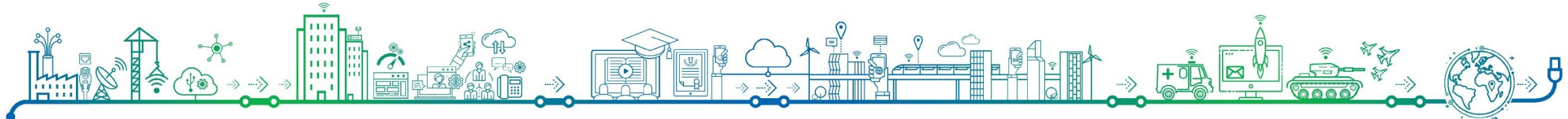




# Q3 FY18 Earnings Presentation

Jan 17, 2018



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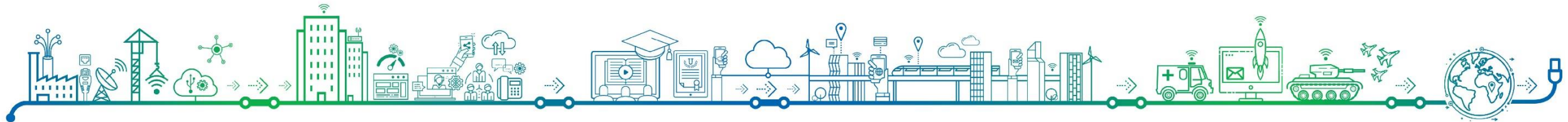
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# Industry Trends and Outlook



# Data Consumption Trends – Roadmap to 2021



**58%**

of the Population will be using the Internet

*up from 44% in 2016*



**61 GB**

of the traffic per month, per user

*up from 24 GB in 2016*



**3.5**

networked devices and connection per person

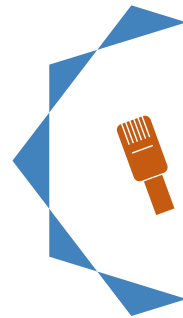
*up from 2.3 in 2016*



**80%**

of all Internet traffic will be video

*up from 67% in 2016*



**53 Mbps**

average broadband speed

*up from 28 Mbps in 2016*

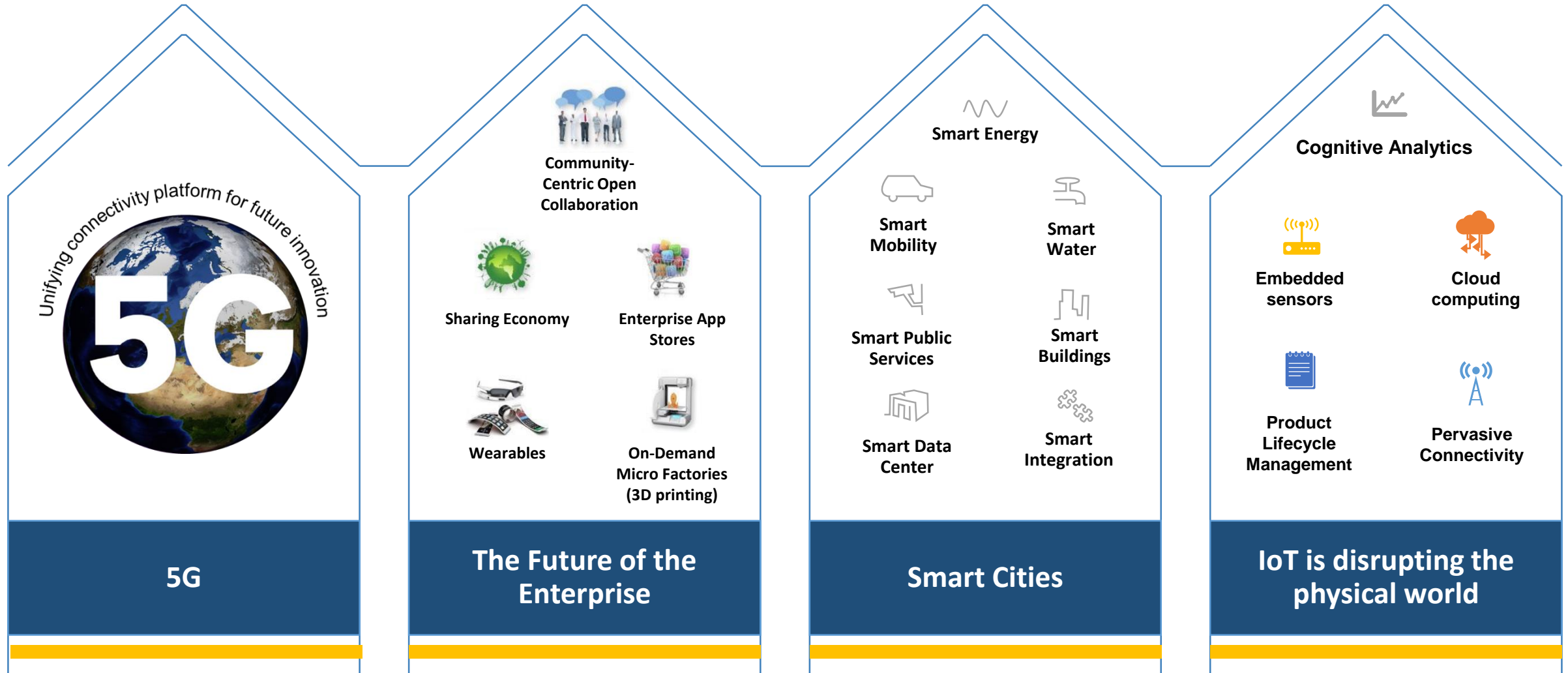


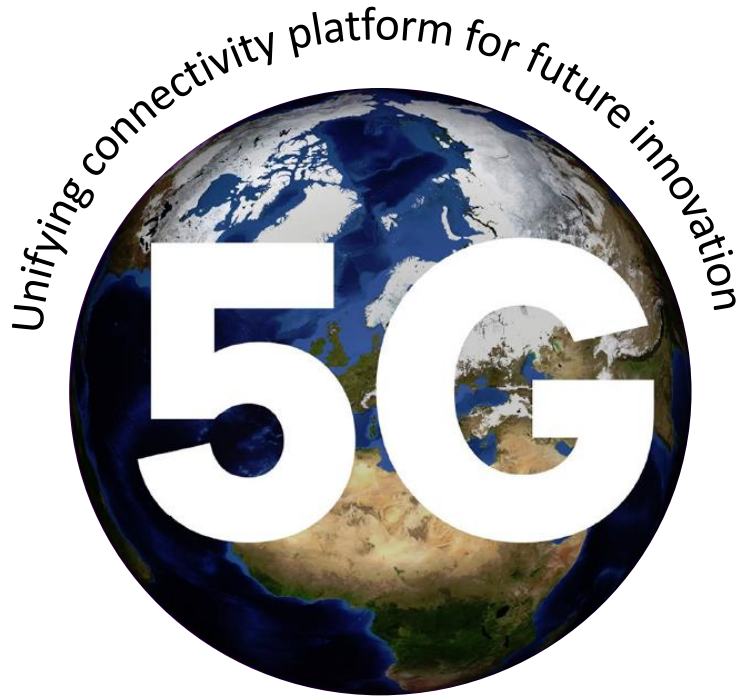
**20 Mbps**

average mobile Speed

*up from 7 Mbps in 2016*

# Platforms Driving Data Consumption Trends





## \$12 Trillion

Estimated value of 5G-related goods and services

## 22 Million

Jobs worldwide across the 5G value chain

### Enhanced mobile broadband

Extreme speed and  
capacity

### Mission- critical services

Secure, reliable,  
and responsive

### Massive Internet of Things

Extreme density,  
low power & low  
cost

# Growth Driver 2: The Future of the Enterprise

## New Models of Work



**Community-Centric  
Open Collaboration**



**Non-Hierarchical  
Organizations**



**Borderless Dynamic  
Workforce**



**Sharing Economy**

## The Evolution of Apps at Work



**Enterprise App  
Stores**



**Unified Information  
Streams Apps + Data  
Dashboards**



**Quantified Enterprise**



**Contextual  
Applications**

## New Devices



**Wearables**



**Internet of Things**



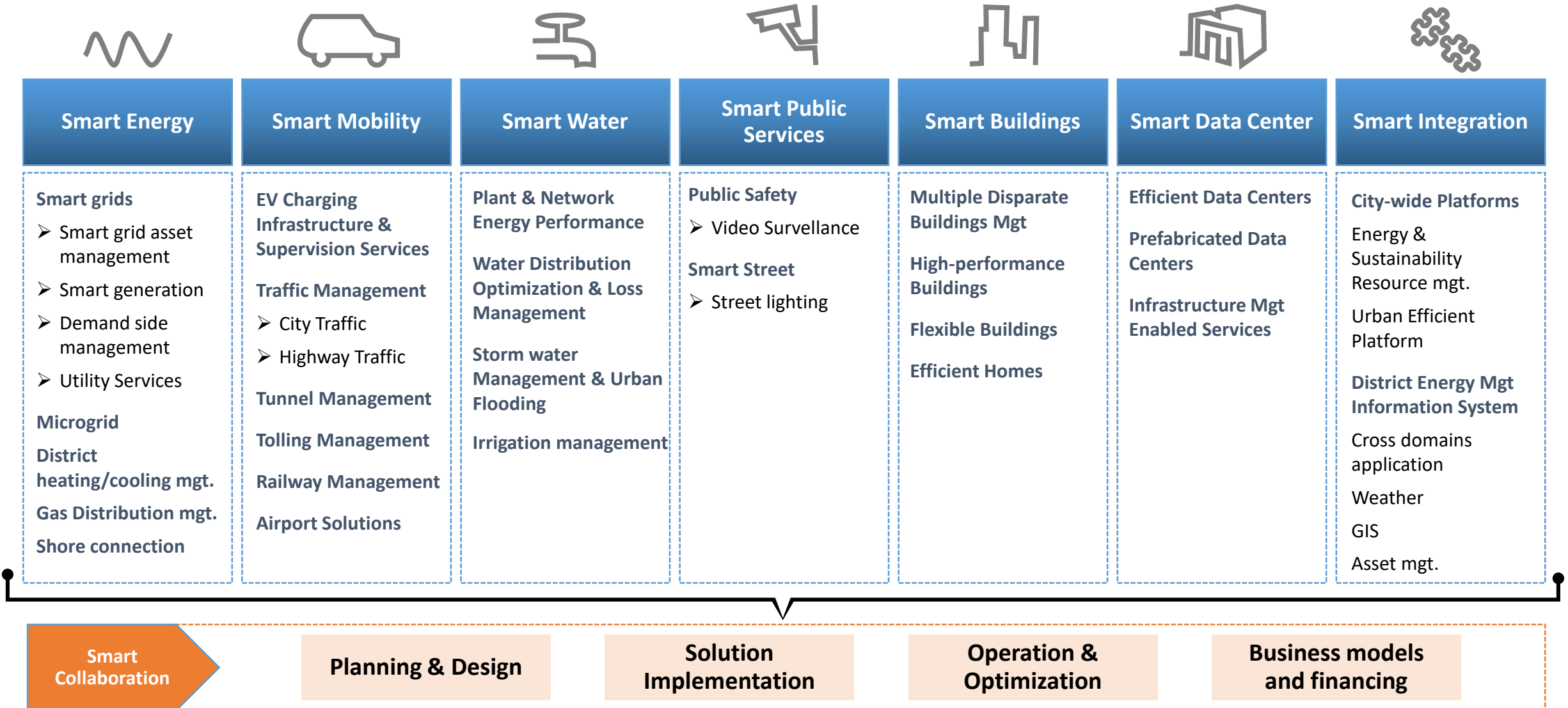
**On-Demand Micro  
Factories (3D printing)**



**Workplace Robots**

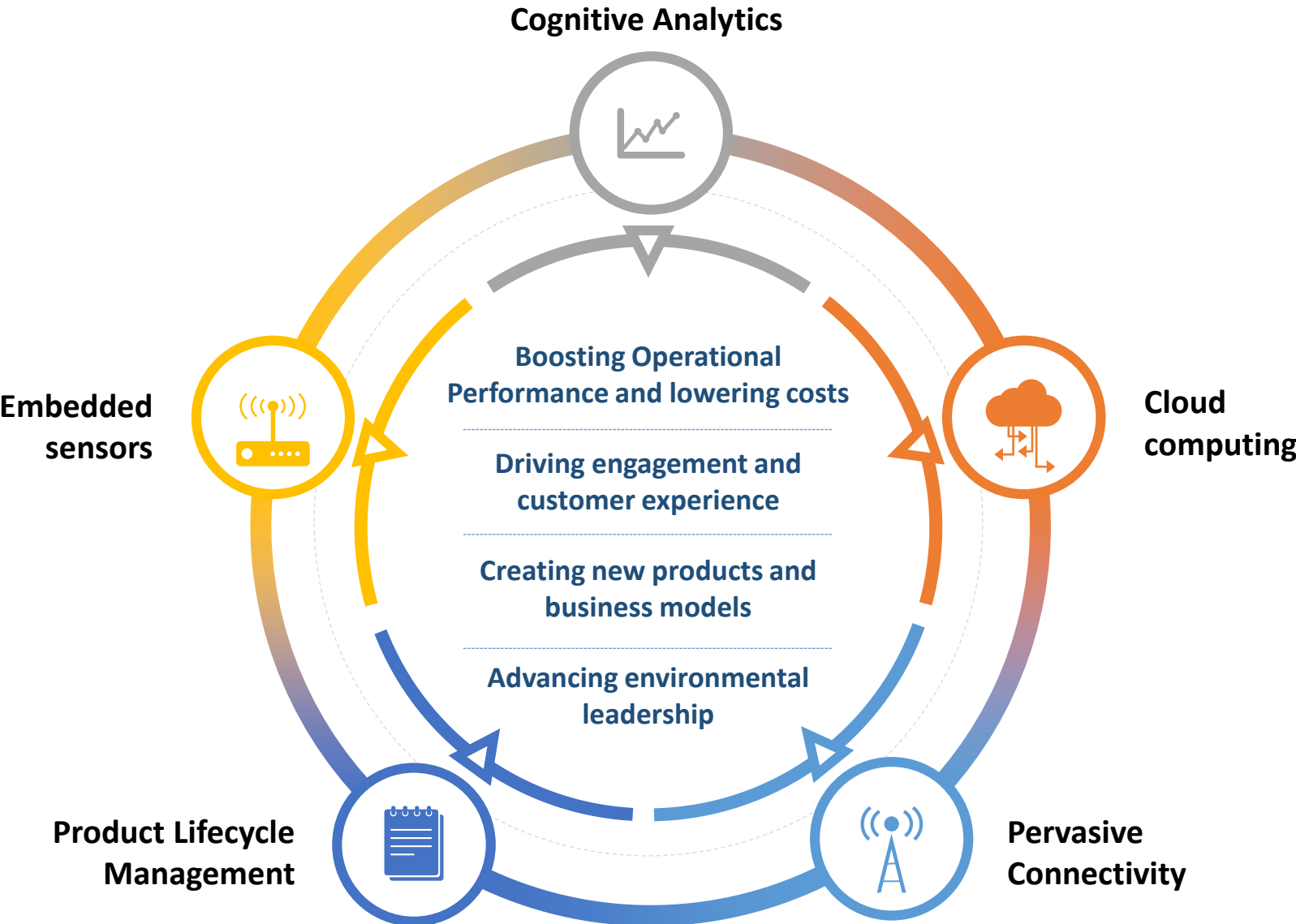


# Growth Driver 3: Smart Cities

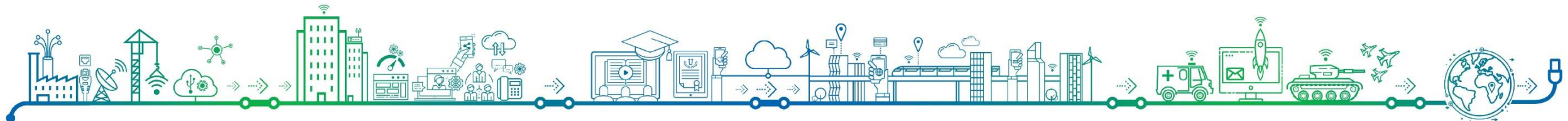




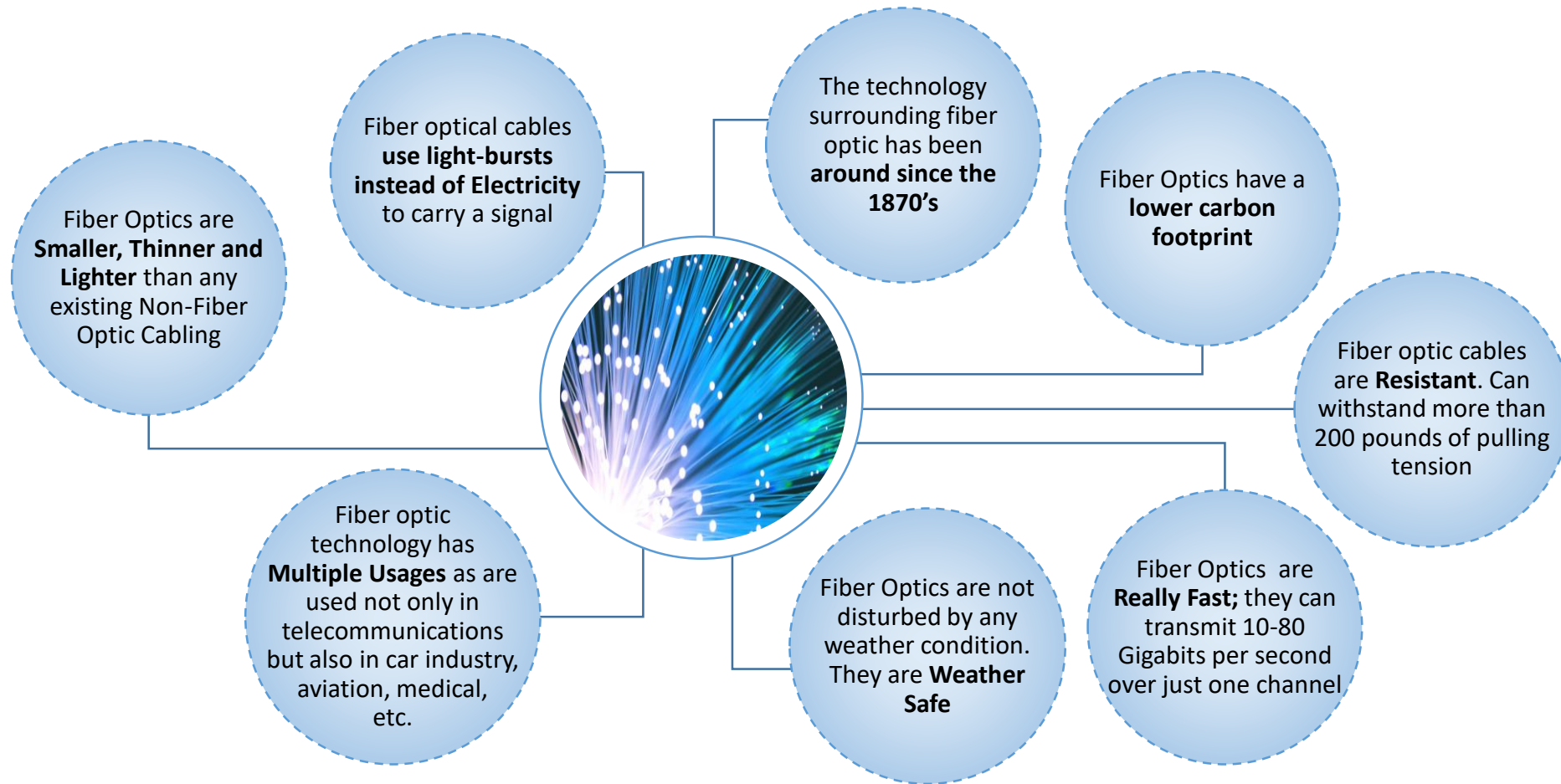
# Growth Driver 4: IoT is disrupting the physical world



# Optical Fiber – Bedrock of digital integration



# Optical Fiber is the most preferred medium for data transmission

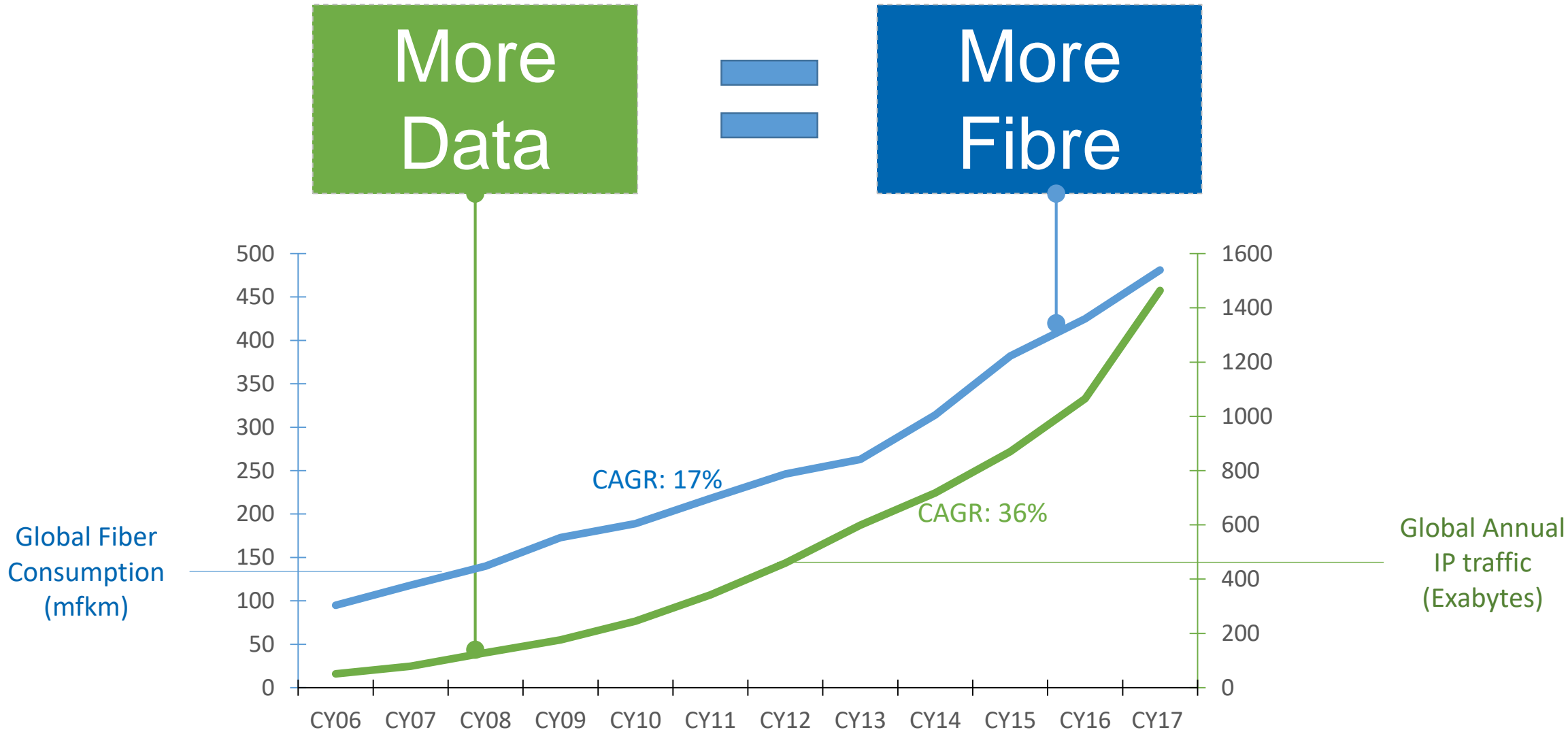


## Advantages of optical fiber

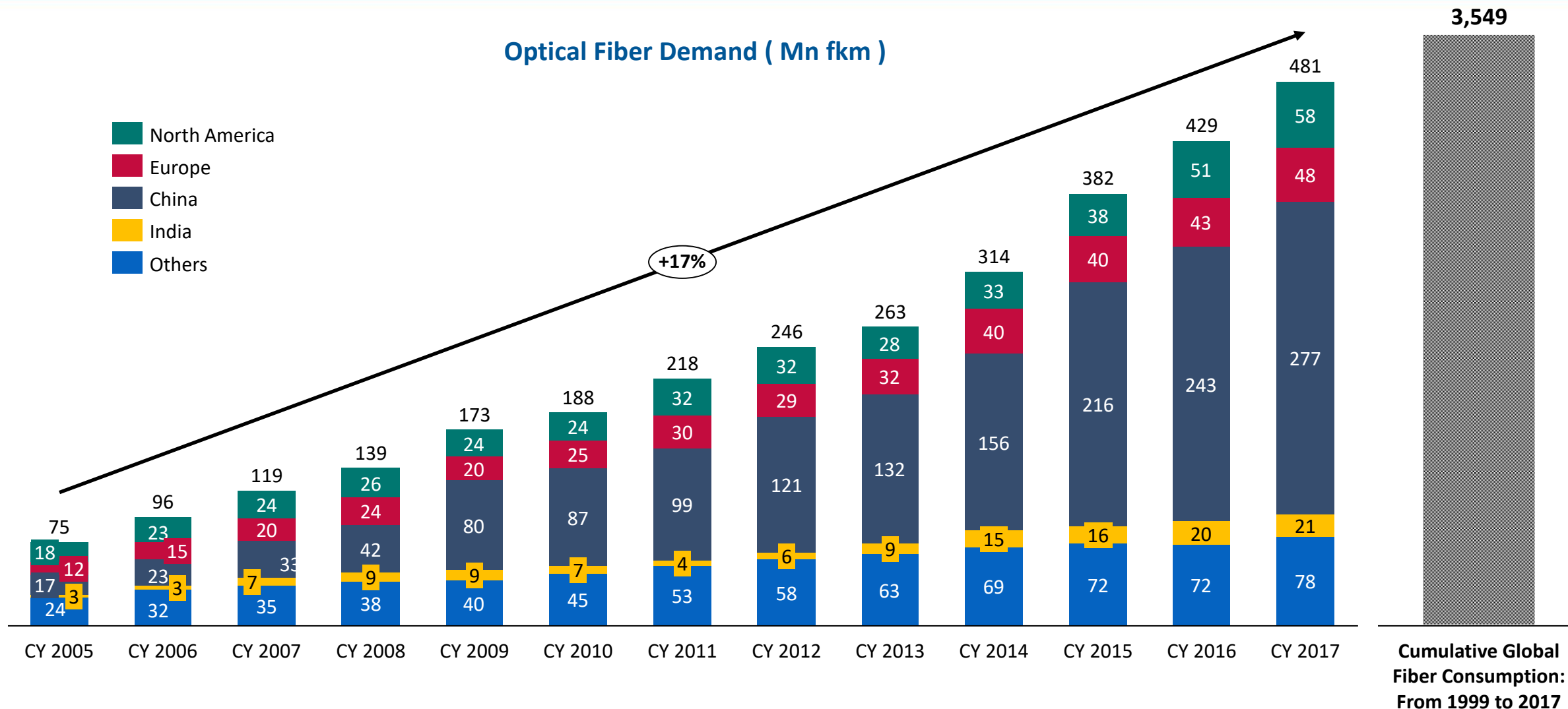
- 1) Greater bandwidth and speed
- 2) Longer distances
- 3) Better security
- 4) Immunity and reliability
- 5) Lighter design
- 6) Lower costs

- The speed and the bandwidth of fiber optic internet give faster access to your data and applications in the cloud
- Optical fiber carries a considerable amount of data over long distances at the speed of light and secures the information that is to be transmitted

# Growth in data consumption is closely linked with growth in Optical Fibre consumption



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



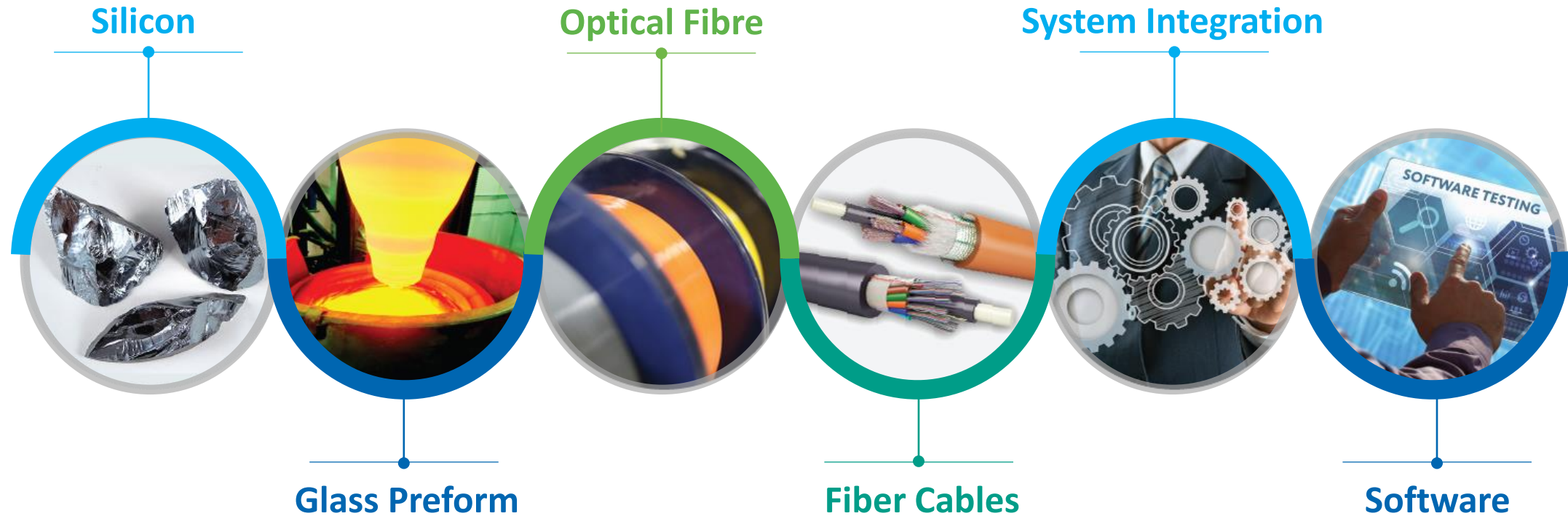
- Continuous growth of data driven by network evolution and changing consumption pattern reflecting strong demand for Fiber
- Globally ~3.5bn kilometre cumulative fiber already deployed in the networks; replacement lifecycles building in

# Our Strategic Positioning





# Uniquely Positioned to Deliver Smarter Networks



**SILICON**  
**To SOFTWARE**

The only company in the world to have  
**integrated silicon to software capability**



Translating to Industry Best Margin Profile



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

## Future Network Stack

Digital Customer  
Management

System of  
Engagement

Marketing

System of Records

Data Management

Network Management

Service Management

Core Network: Transmission Engineering

Radio Access Network: Topology Design

Passive: Fiber Network Design - Products and Solutions

Software &  
Solutions Layer

Network Layer

Physical Layer

# With Technology at the Core of Our Offerings

Among top global companies in terms of capacity

Wide portfolio of products - differentiated and innovative

Evolution into end to end Optical Communication Solutions Provider

Well Positioned to drive growth

Proven Management Team

Value Creation for all Stakeholders

## With Technology at the Core of Our Offerings



**Center of Excellence,  
Aurangabad**



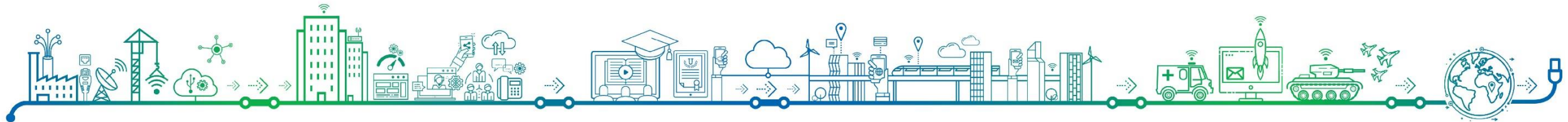
**Center for Smarter  
Networks, Gurgaon**



**Sterlite Tech  
Academy**

- 8 of the global top 10 telecom operators use Sterlite's innovative solutions
- Sterlite's number of countries clientele - ~ 100
- Strong Patent portfolio of 169 patents across geographies
- Today, over 40% of all data in India travels on Sterlite Tech's fiber
- Sterlite's fiber enabled smarter broadband networks are in some of the world's toughest terrains, including in Iceland and in the Amazonian rain forests.

## Business Updates: Q3FY18



# Q3 Business Highlights at a glance



- The Company's optical fibre capacity expansion to 50 million in Aurangabad received MSIPS approval from the Ministry of Electronics & IT, and was accorded Ultra Mega Project status as per Government of Maharashtra's Industrial Promotion Incentive Scheme



- Recorded highest ever Order Book (Rs. 4,573 Cr), a 71% Y-o-Y growth – driven by strong demand in International markets



- Current patent count increased to 169. We have a consistent strong focus on innovation for next-generation telecom network technologies



- Sterlite Tech Academy won order from Jharkhand Skill Development Mission to train 2,000 youth as Smarter Optical Fibre Technicians
- The China JV was recognised by the Chinese Government as "Excellent Science and Technology Expert of Haimen" and incentivised for high-skilled talent by Jiangsu Province

# Awards & Recognitions



WBA 'Best Connected City' Global Award



Telecom Leadership Forum Awards



STL is Visionary in GMQ



Golden Peacock Award



Visionary Company in Gartner Magic Quadrant for Integrated Revenue and Customer Management , 2017



Telecom Asia Readers' Choice Award for BSS Innovation of the Year 2017



WBA 'Best Connected City' Global Award



Golden Peacock Award for Excellence in Corporate Governance

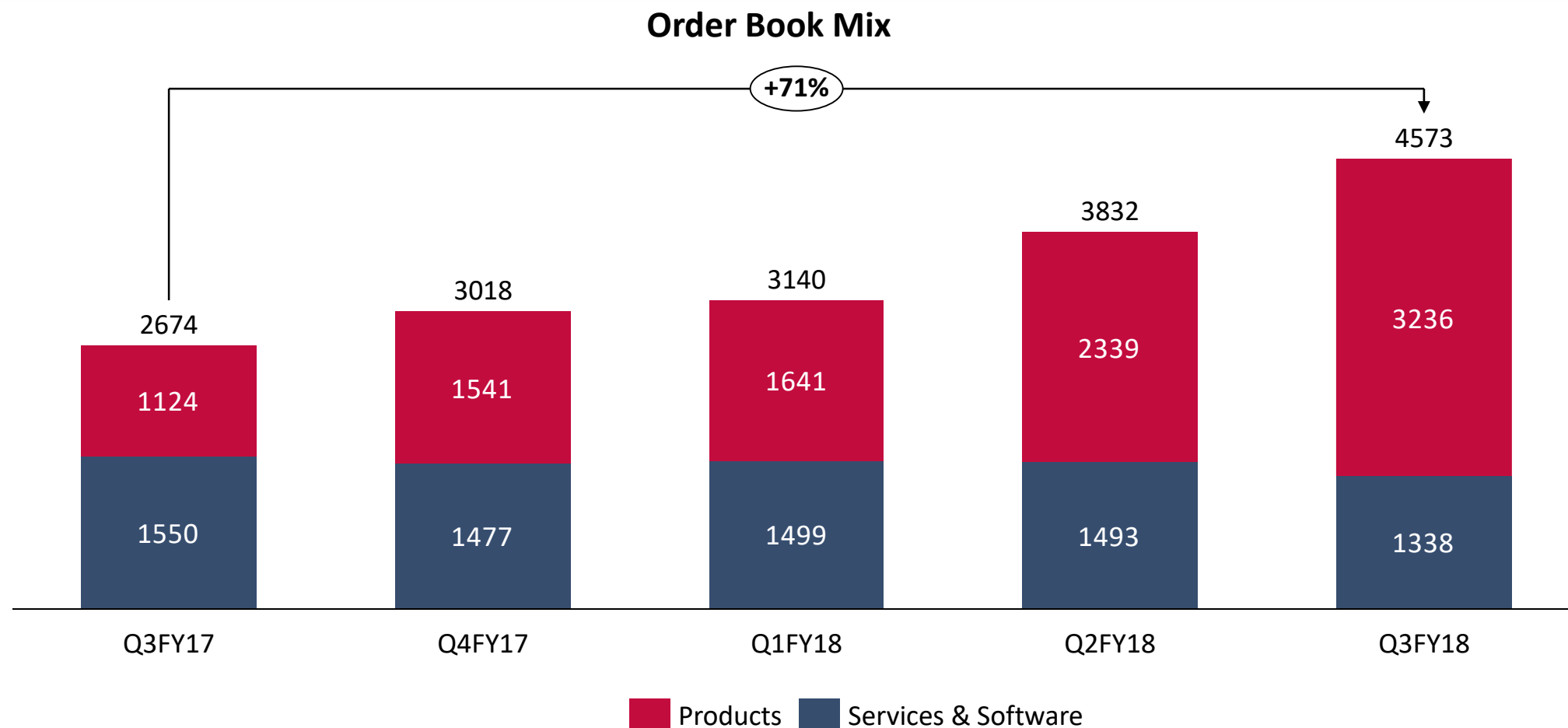


The Bombay Chamber of Commerce Civic Award "for high-impact CSR work"



Bagged CII-ITC Sustainability Award 2017 for "Excellence in CSR" – Dec 3, 2017

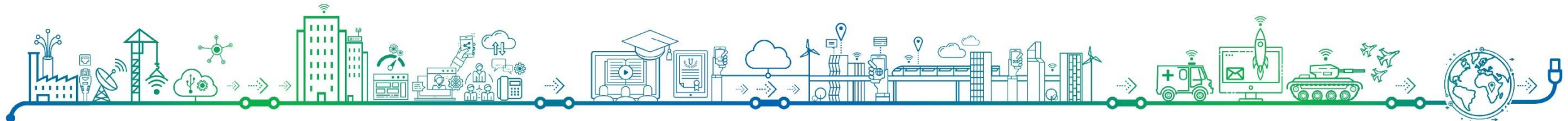
# Strong sales outlook riding on substantially built order book



- Increasing Order book reflects predictable outlook for the company

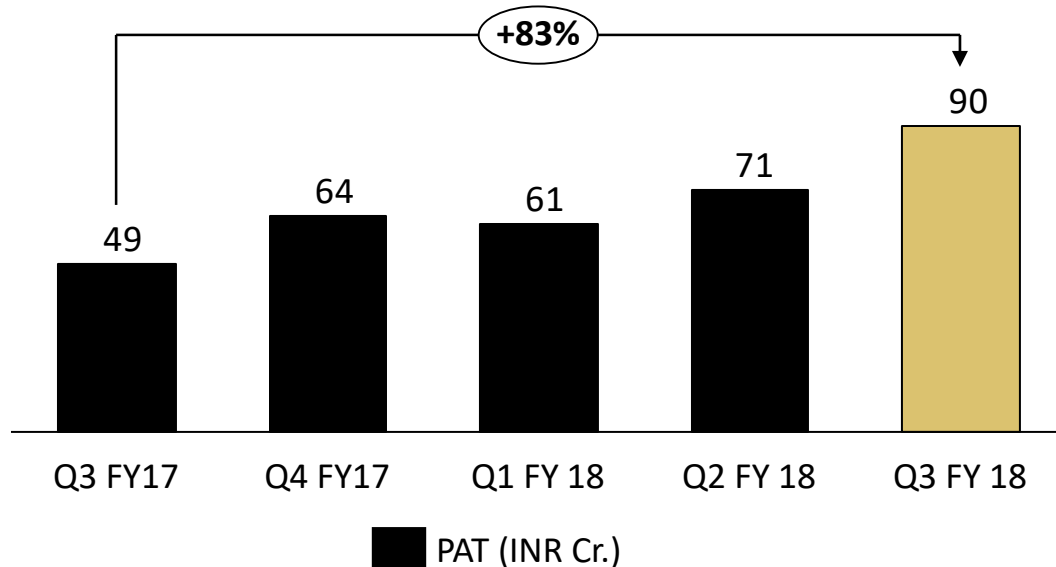
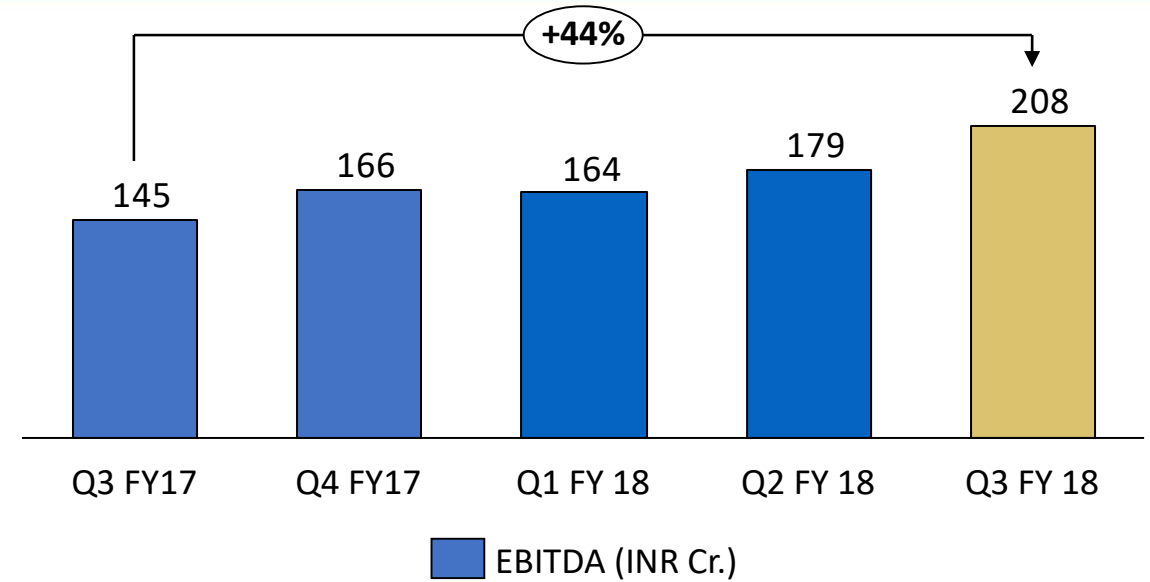
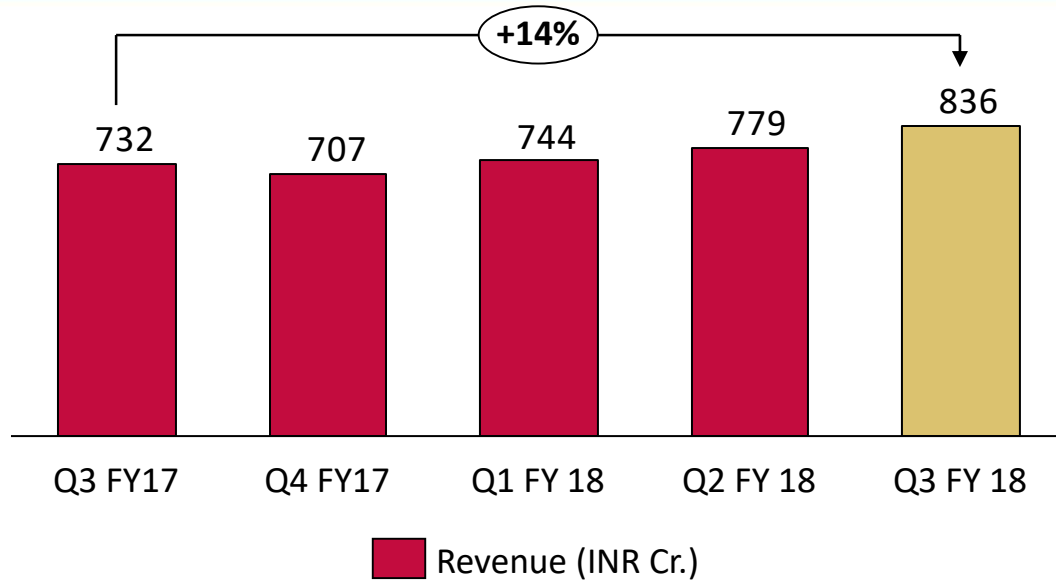


# Financial Performance: Q3FY18





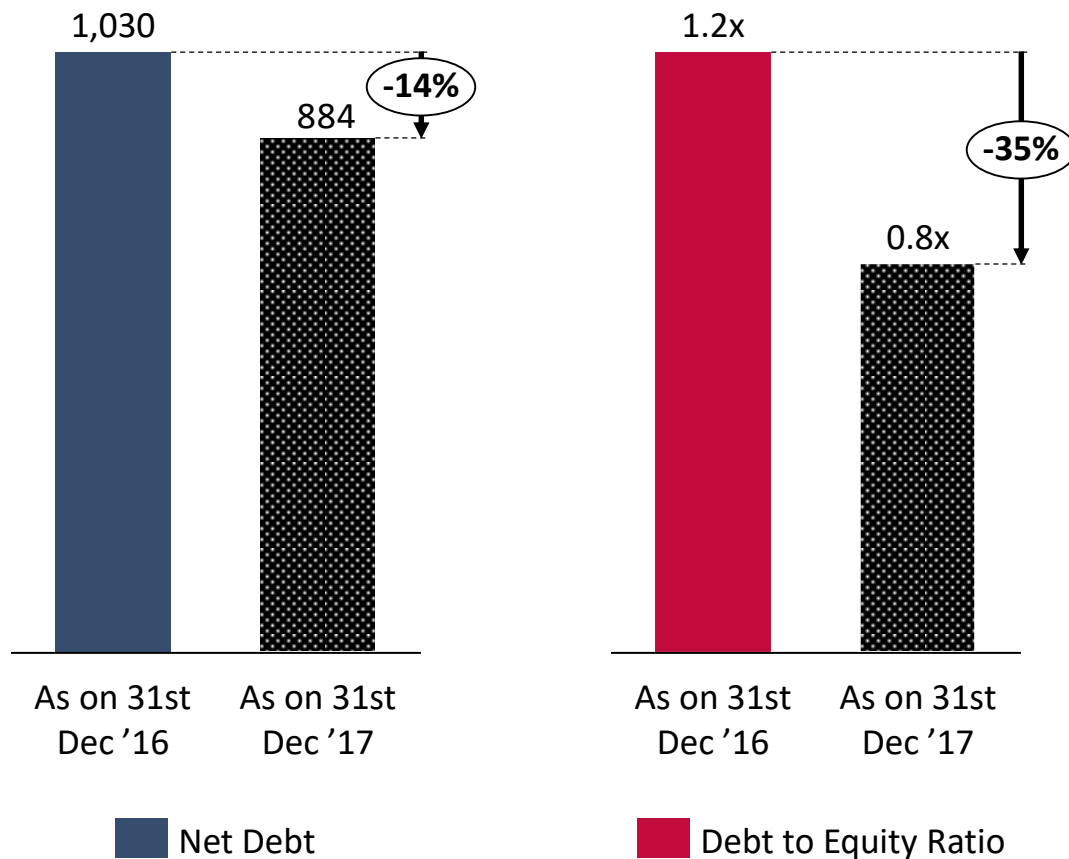
# Quarterly Financial Performance



- Highest ever EBITDA of more than 200 Cr
- 83% YoY growth in bottom line
- Strong QoQ and YoY growth in Revenue, EBITDA and PAT

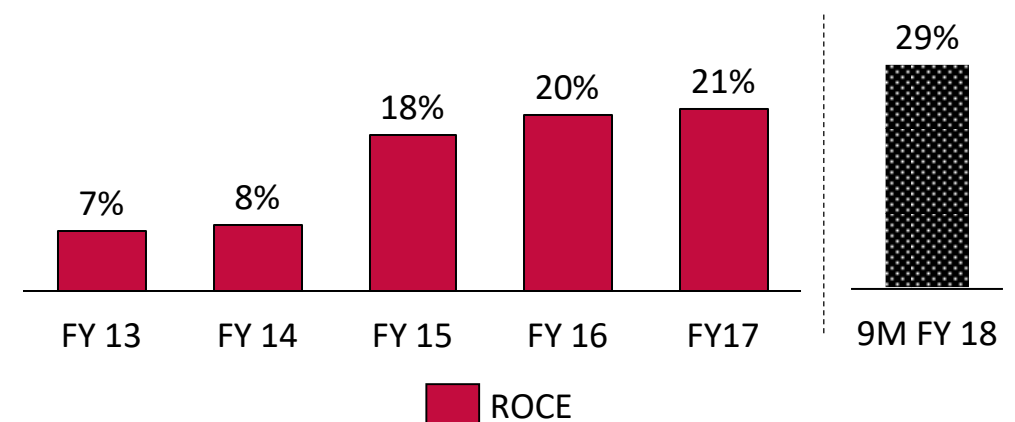
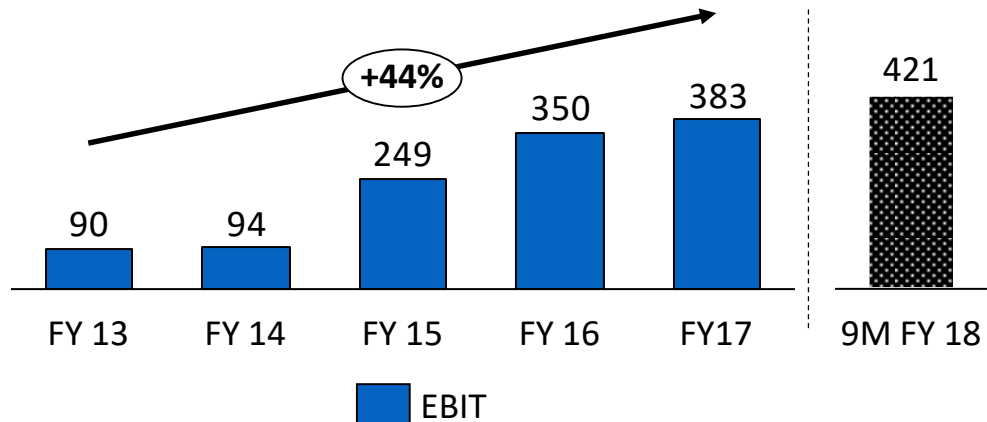
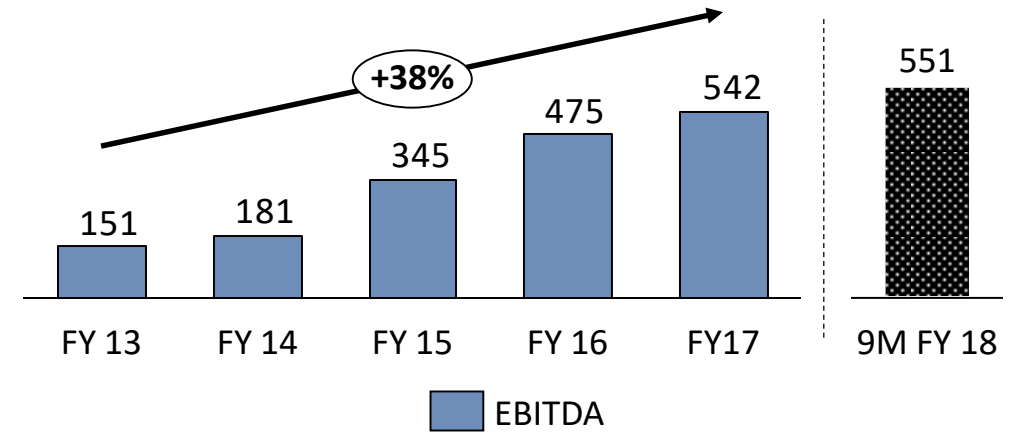
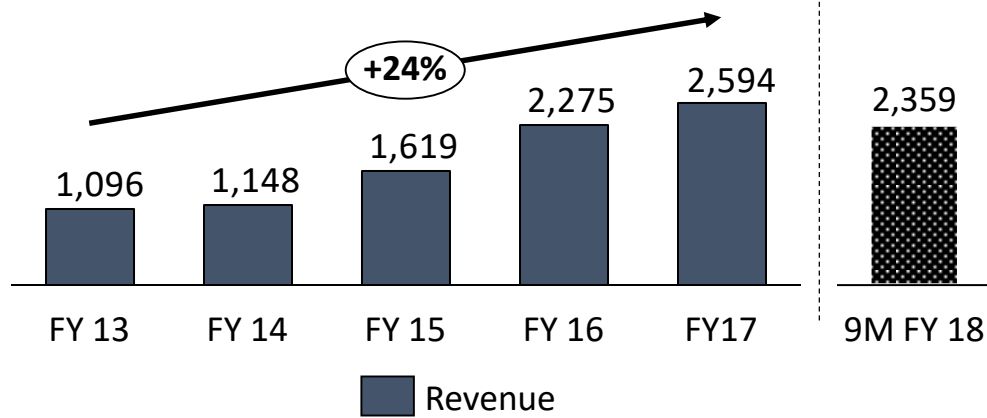
*Note: In accordance with the requirements of Ind AS, revenue for the quarter ended September 2017 is net of Goods and Services Tax ('GST'). However, revenues for all the previous quarters are inclusive of excise duty*

P&L (INR Cr)	FY17	9M FY17	9M FY18
Revenue	2,594	1,886	2,359
EBIDTA	542	377	551
<i>EBITDA %</i>	<i>21%</i>	<i>20%</i>	<i>23%</i>
Depreciation	159	115	130
EBIT	383	262	421
<i>EBIT %</i>	<i>15%</i>	<i>14%</i>	<i>18%</i>
Interest	123	99	79
PBT	260	164	343
Tax	40	12	97
Net Income <i>(After Minority Interest)</i>	201	138	222
<i>ROCE %</i>	<i>21%</i>	<i>19%</i>	<i>29%</i>



Cash flow	9M FY18
Cash Profit ( After Tax )	375
Operating Cash Flow	365
Capex	285
Net Cash flow	80

# Demonstrated Historical Performance



- Stronger growth in EBITDA CAGR growth at 38%
- ROCE for the business stands at 29% for 9M FY18

## EDUCATION



172,000 students covered since inception and 89958 during FY 2017-19

480 schools covered in 2017-18



Classes **3 to 7** and **10** covered by the program

## WOMEN EMPOWERMENT

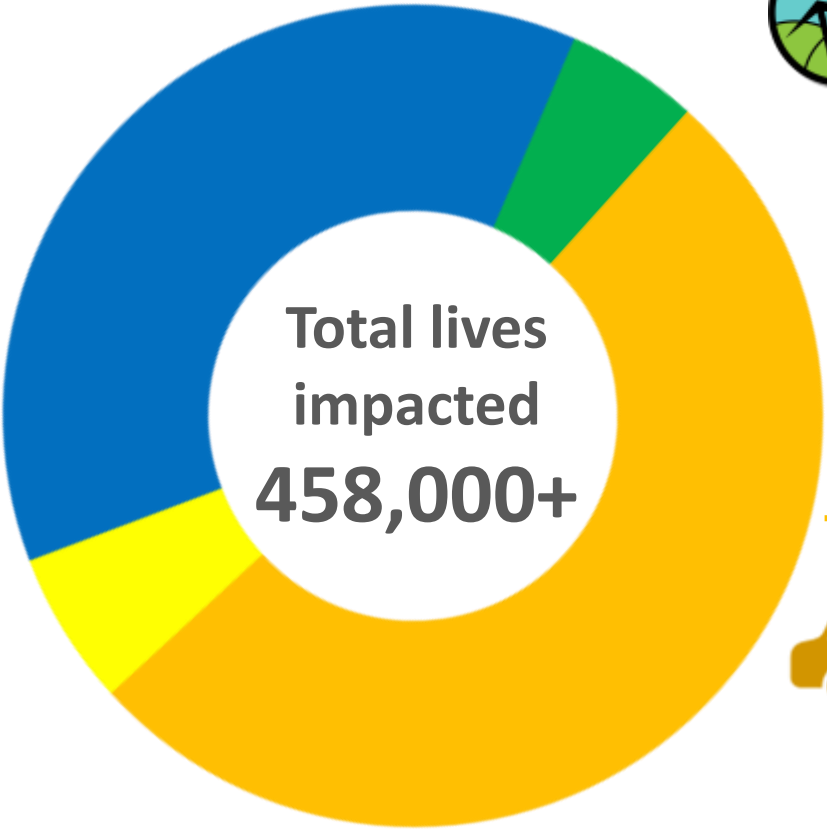


218 women trained at the institute in FY 2017-18 and a total of 539 till date

93 villages covered till date



28,000 villagers indirectly impacted



## ENVIRONMENT



409 farmers impacted through Phase II of Project Jaldoot and a total of 867 since 2016

94188 cu. m of water conserved in 2017 and a total of 738,188 m3



8 check dams in 5 villages redeveloped in 2017

## HEALTH



Covered almost 200,000 patients since inception

9332 patients attended to in FY 2017-18



Thank You

