



stl.tech

Investor Presentation

Sep.'21



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Company Overview



**Company
overview**

1
Digital network
growth Story

2
STL's
unique proposition

3
Future
growth levers

4
STL
financials

Annexure

We Integrate Digital Networks *for Our Customers*

Customer
Segments



Telcos



Cloud
Companies



Citizen
Networks



Large
Enterprises

End-to-End
Solutions

opticonn
Optical
Networking

acellus
Wireless
Solutions

**Network
System
Integration**

Tech
Capabilities

- Glass Preform
- Optical Fibre
- Optical and Specialty Cables
- Optical Interconnect Kits

- Programmable FTTx
- Virtualised RAN
- RAN Intelligent Controller
- Network Orchestrator

- Digital BSS Platforms
- Network Operations Platforms

- Network Design Services
- Network Integration Services
- Network O&M Services
- Data Centre Network
- Private Enterprise Network

Our company in numbers



\$ 661 Mn.

FY21 Revenue

India (56%), EMEA (37%),
America (4%), China (1%), RoW (2%)

8

Global production facilities

50M fkm optical fibre capacity

2

Software Development Centre

4

Innovation centres

India and UK

System Integration Services

GLOBAL FOOTPRINT



30+

Nationalities

~3,100 Employees



**MANUFACTURING
UNITS**



**SALES
OFFICES**

582

Patents

Across the network
layers

Zero

Waste to Landfill

Shendra, Rakholi,
Dadra

Customers



openreach



Driven by our purpose to transform millions of lives



World's 1st ZWL Certified

135,000+ MT

Waste diverted from landfills and recycled.
800+MT plastics saved



Committed towards UN** Goals

100% Zero Waste to Landfill

50% Reduction in carbon footprint, and 1.15million
m3 of water recycled



Strong internal governance

57% Global Advisory Council

led by transformative technology leaders. 2 of Big 4
statutory & internal auditors



TRANSFORMING LIVES

1.64 mn+ lives impacted

50 ESG awards, 7 global

BIG GOALS: 5 MN BY 2025

- Impacting 5 mn lives
- Undertaking 5 mn plantations
- Replenishing 5 mn cubic meters of water in communities

Digital Network Growth Story



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Q1 FY'22
updates

5

STL
financials

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Acceleration of digital connectivity

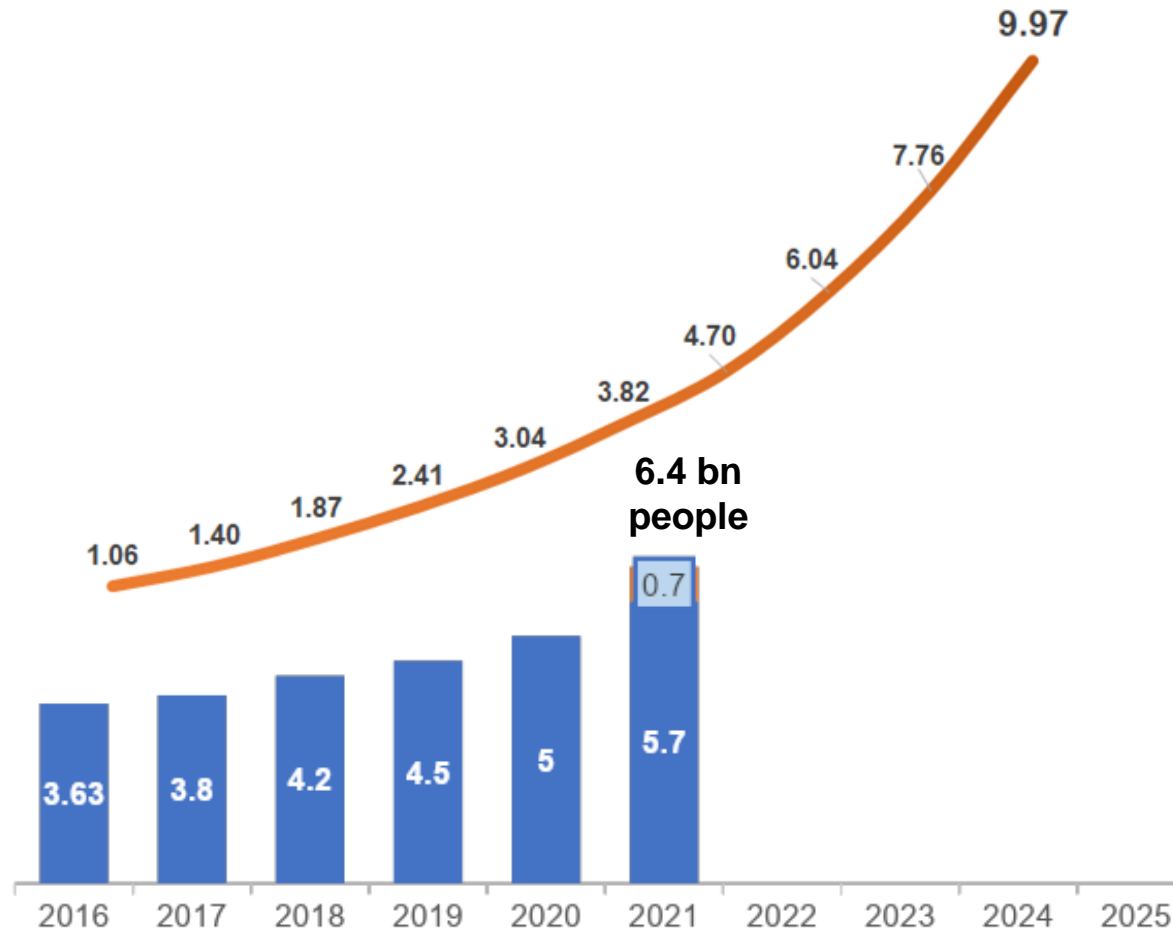


Internet users

In billions of people

Global IP Traffic

in Zettabytes



Source: Cisco for Global IP traffic

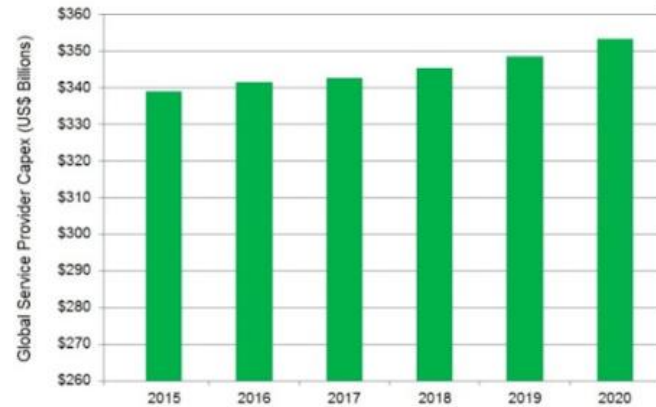
Source : Internet World Stats, for Internet users

- **2.2 mn new users everyday** came online since 2020
 - 3X the adoption rate vs. before
 - In 2015-18, 0.7 mn users came online everyday
- **Global IP traffic will grow 3X** in the next 3-4 years

Increase in Capex, including from new investor groups

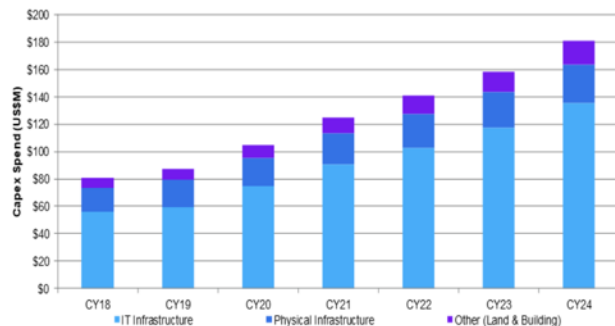
Telcos and Cloud companies are increasing their CapEx

Telcos



Much higher capex in 2021 and beyond

Cloud



amazon Microsoft
announce global
Data centres expansions

Source: Omdia

© 2020 Omdia

Data centre capex forecast by equipment category

New capital is coming from PE funds, Governments and Enterprises

Private Equity



Enterprises



Citizen Networks

- FCC allocated \$9.2 bn RDOF
- UK invests \$6.9 bn
- India lays out \$ 2.4 bn
- US to spend \$65 bn to “future-proof” connectivity

And new technologies becoming mainstream



5G takes center-stage

Fastest technology to reach **400** mn users, **173 5G commercial networks**, **630** kinds of **5G handsets**

FTTx connects many endpoints

Fibre to the x:

- Home
- Enterprise
- Tower
- Curb

O-RAN becomes mainstream

Major operators start **trials or deployments**, including Verizon, Etisalat, DT, Orange, Telefónica, Vodafone, Airtel and more

Industry experts also recognise the shift

- **5G Subscribers base** is expected to hit 4.4 bn. by 2026
- **In Europe, FTTH/B subscribers** is expected to double in next 6 years to 208 mn
- **Analysys Mason** expects 82% of CSPs to support open interfaces/multi-vendor RAN

5G, FTTx and rural connectivity are driving up the fibre demand



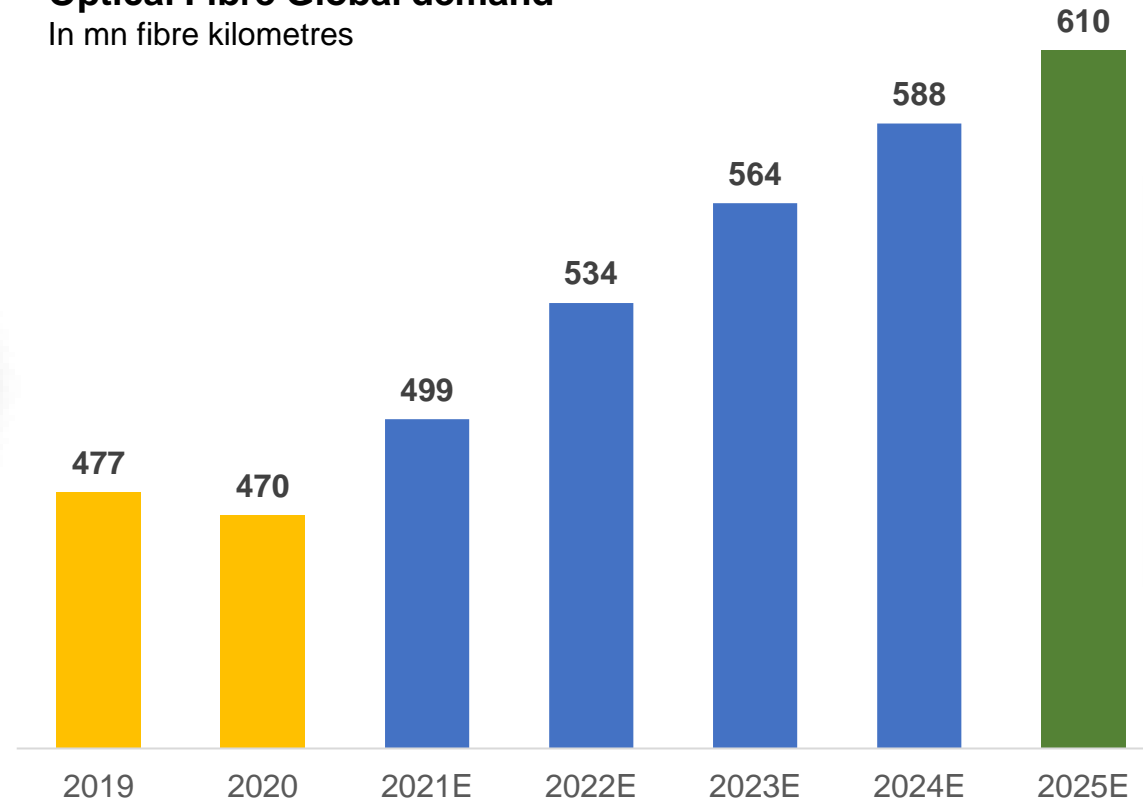
5G

FTTx

Rural
connectivity

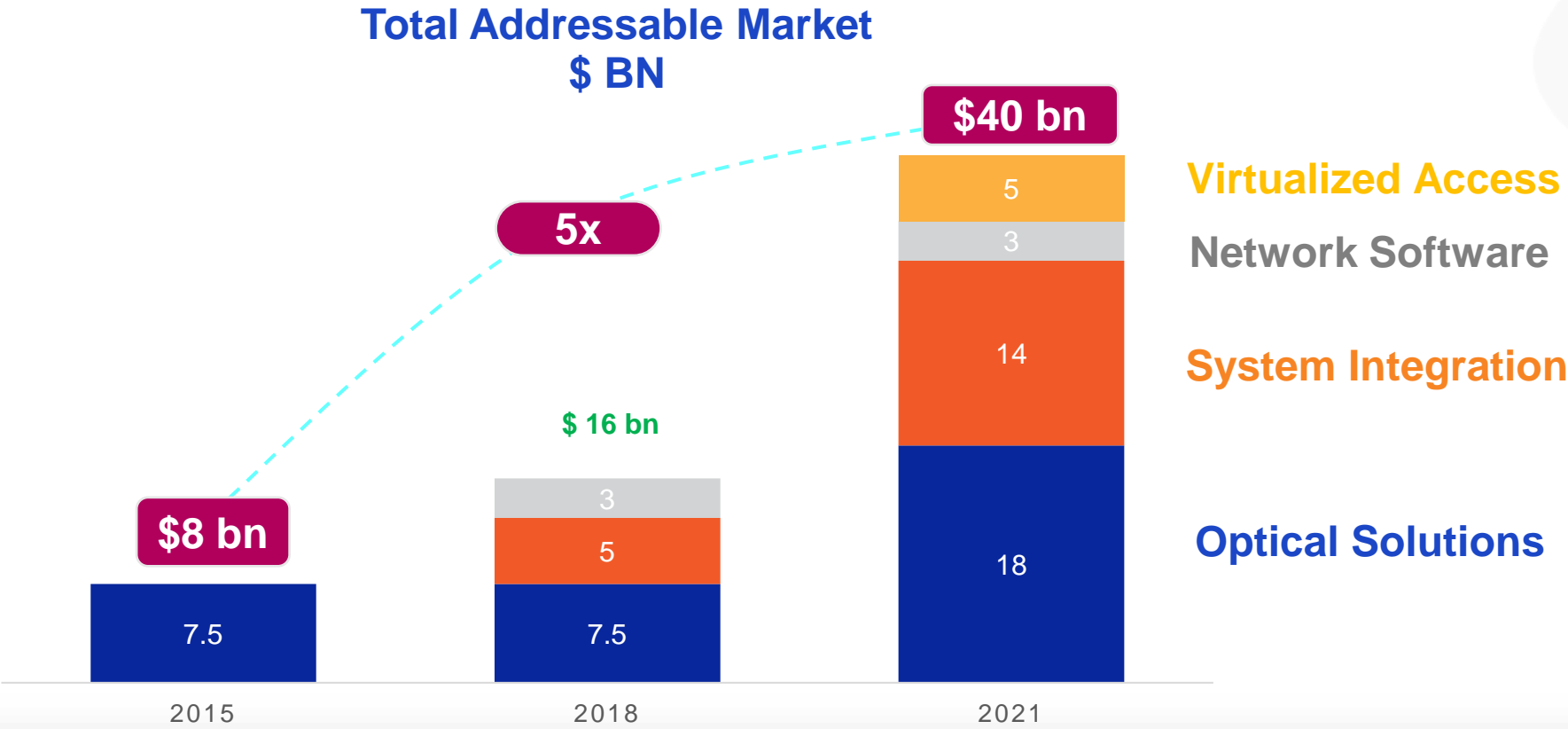
Optical Fibre Global demand

In mn fibre kilometres



A decade-long
digital network
creation cycle
is here!

We are well poised to lead this decade of network creation



5x increase in TAM over the last 5 years
Now focused on increasing market share of the higher TAM

STL's Unique Proposition



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overview

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Digital network
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**STL's
unique proposition**

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25 years of experience in optical connectivity



Optical Fibre



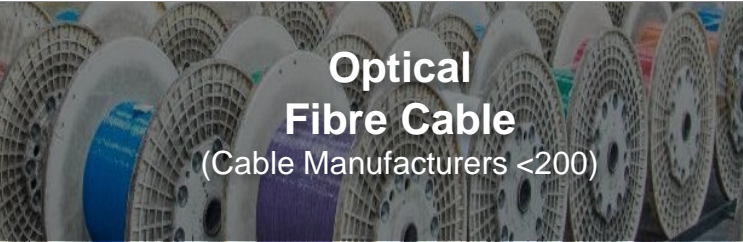
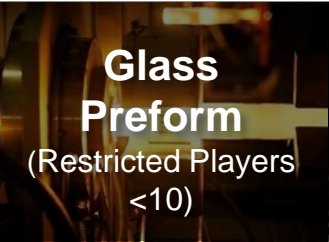
Optical Fibre Cable



Optical Interconnect



pFTTx



STL's unique manufacturing capabilities with complete vertical integration
One of the top 3 integrated fibre producers in the world

8

**GLOBAL
PRODUCTION
FACILITIES***

50 mn

**FKM OPTICAL
FIBRE
CAPACITY**

42 mn*

**FKM OPTICAL
FIBRE CABLE
CAPACITY**

Industry 4.0 standards

Fully automated machinery with robotic operations

Efficient supply chain

Reduced delivery times and SCM cost

*** Plan to reach by 2022**

Large Scale System Integration expertise



Nationwide
NETWORK MODERNISATION
for Indian Navy



LONG HAUL FIBRE NETWORK
for India's largest telco



RURAL CONNECTIVITY
for states under BharatNet



URBAN USE CASES
for smart + safe cities



IN CITY FTTX DEPLOYMENT
for India's telco & UK Gigabit
network



DATA CENTER INTERCONNECT
for top hyperscalers



Ecosystem of Virtualised access technologies & Portfolio of open standards and programmable Solutions



Wi-Fi6 Access Solution

An outdoor Wi-Fi 6 radio unit providing carrier-class connectivity in dense environments



5G Multi-Band Radio

Comprehensive Open RAN (Radio Access Network) radio portfolio with indoor small cell and outdoor Macro radio units



Garuda

O-RAN compliant, highly power efficient indoor 5G small cell solution



pFTTx

An SDN, cloud-native solution that brings programmability to last mile networks



RIC

RAN Intelligent Controller used to optimize the RAN ecosystem using 3rd party xApps/rApps

Delivered

Launched

Launched

Pilot

Development

Smaller Size

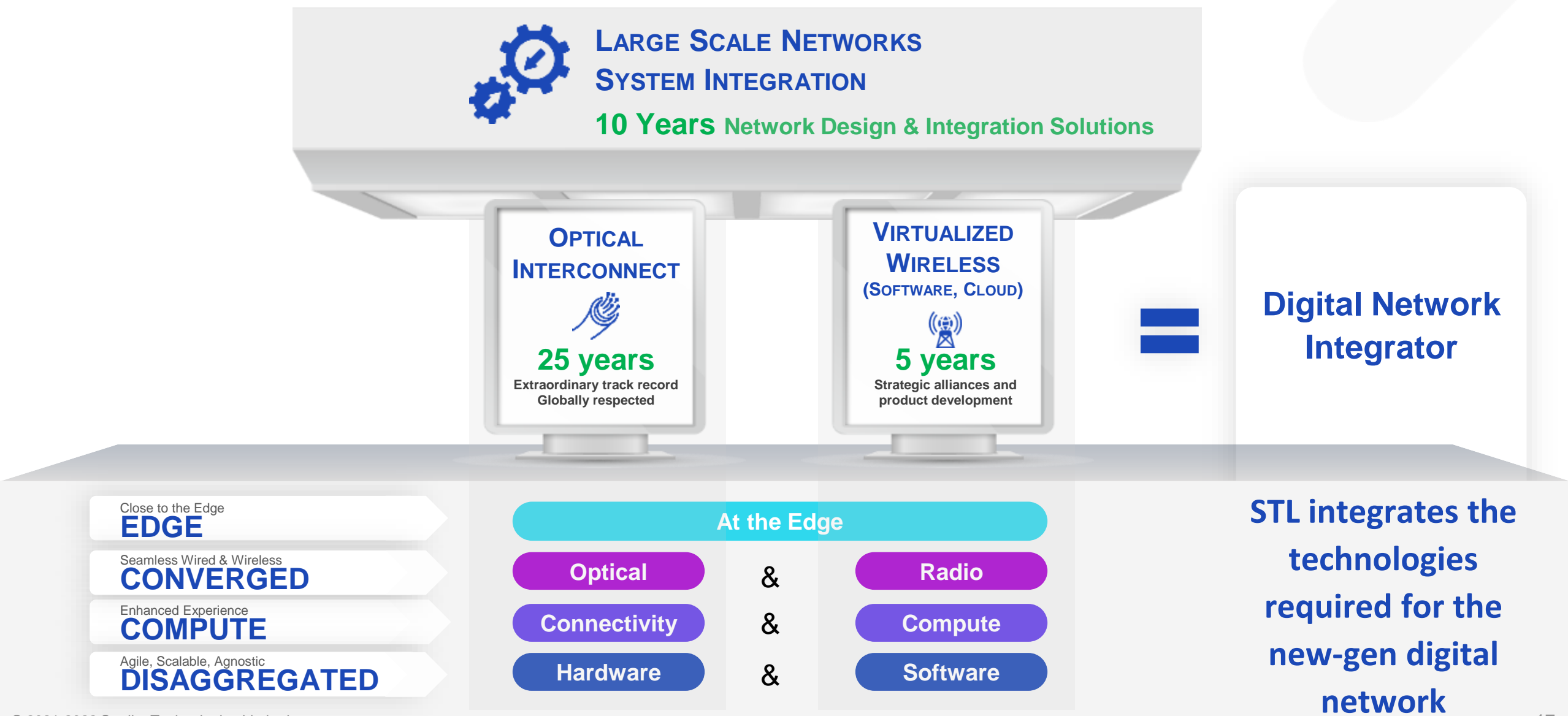
Better Cost

Lower Power

Easier Deployment

Simpler Operations

Put together, an E2E capability to integrate future digital networks



Future Growth Levers



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1
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growth story

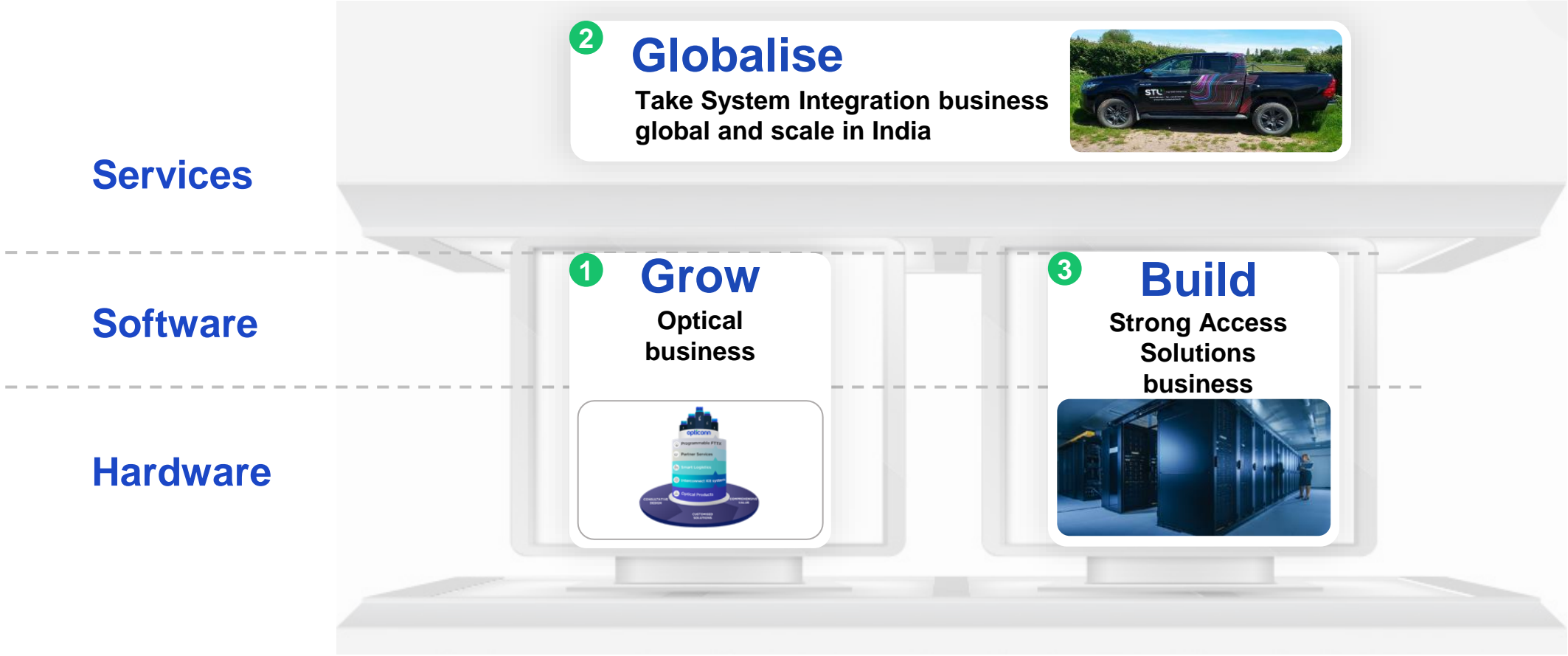
2
STL's
right to win

3
**Future
growth levers**

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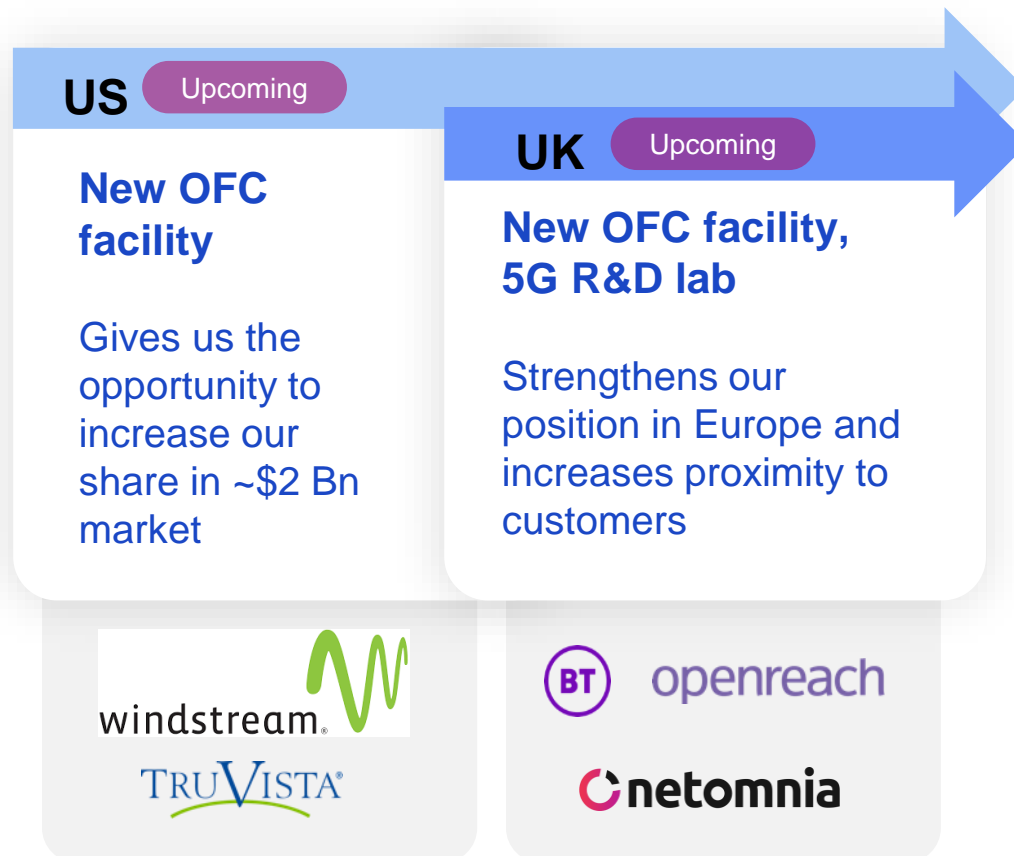
Three focused levers for growth



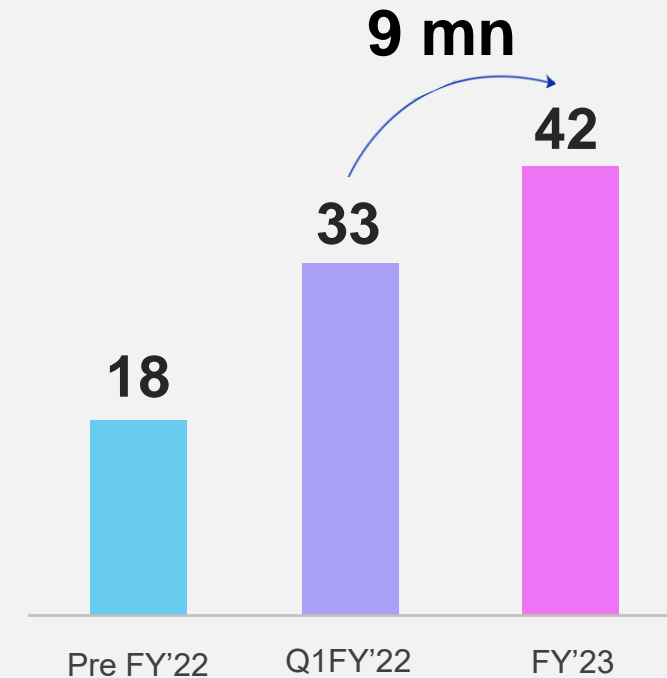
Grow optical business: Expanding optical capacity to 42 mn. fkm.



Solution Centres at global locations with an investment of Rs. 2 bn.



Demand driven expansion (Mn. fKm.)



Grow optical business: Focus on full system solution sale



Opticonn E2E integrated solution



Comprehensive portfolio of optical interconnect



01

Central Office



02

Outside plant



03

Customer Premises

04

Other offerings

Globalise System Integration Business : First order in the UK

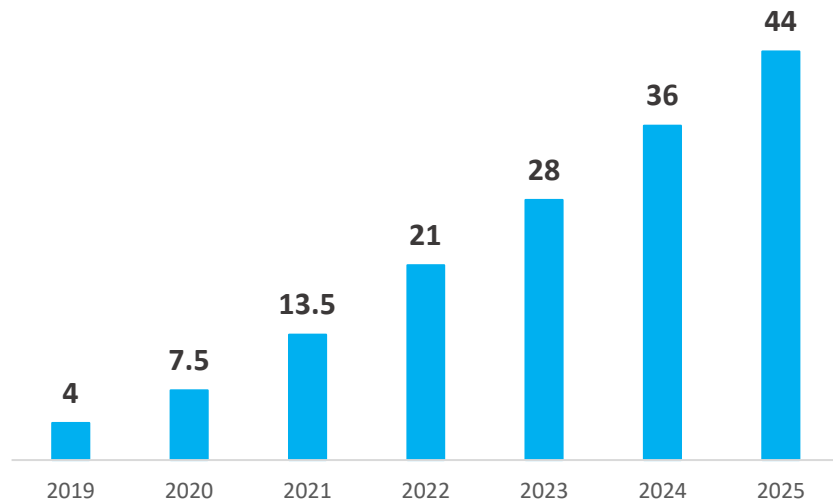


The UK Market is growing

£5Bn *Project gigabit announced*



Planned home passes in UK (Mn)



We are capitalising on it

Our first win



FTTx
mantra

£12M

- Partnership with a leading provider of telecom solutions in the UK
- FTTx mantra to connect homes with broadband in London
- Project expected to be completed in the current fiscal year

Globalise System Integration Business

Acquisition of Clearcomm, a network specialist in UK



Clearcomm - an overview

- Provider of end-to-end optical network integration services to telcos in the UK
- Long-standing relationships with marquee customers and suppliers
- A decade of strong presence

Financial profile and key facts

~£20Mn Revenue (FY20*)	26% 3-Year CAGR
~50 Employees	UK Headquarters

* Financial year ending in November

Rationale for acquisition

STL		Clearcomm
<ul style="list-style-type: none"> • Optical Connectivity and Network Design expertise 	+	<ul style="list-style-type: none"> • End-to-end Network integration in the UK
<ul style="list-style-type: none"> • Data Centre Interconnect Capability 		<ul style="list-style-type: none"> • Fttx Integration Capability
<ul style="list-style-type: none"> • Access to large global customers 		<ul style="list-style-type: none"> • Diversified Vendor base and experienced local team

Deal contours

Enterprise Value	First tranche to be acquired at EV of ~ £15.5 mn, representing 100% of share capital
Structure	80% of share capital to be acquired in first tranche. Balance 20% to be acquired in 2023
Financing	Mix of internal accruals and debt

Solid platform to grow the System Integration business in the UK

Build Strong Access Solution Business



- Deliver best- in-class **Wireless solutions** for the **5G ecosystem**
 - Disrupt the FTTX market with **SDN programmable XGSPON next-gen virtualised solution**
 - Become the **market leader** in the **RAN Intelligent Controller (RIC)** software platform
- Bagged a five year, multi million dollar contract for supply, warranty & maintenance of **5G RAN systems**

STL Financials

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1
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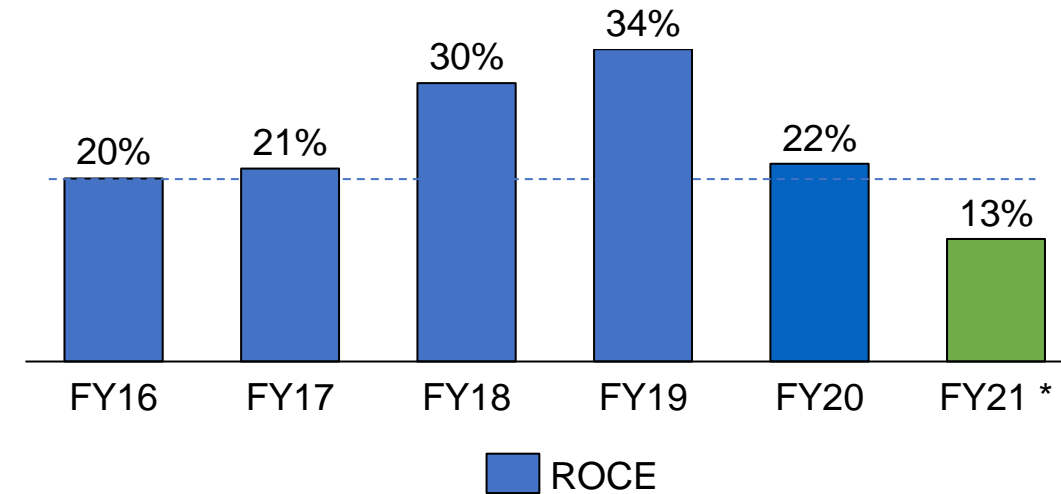
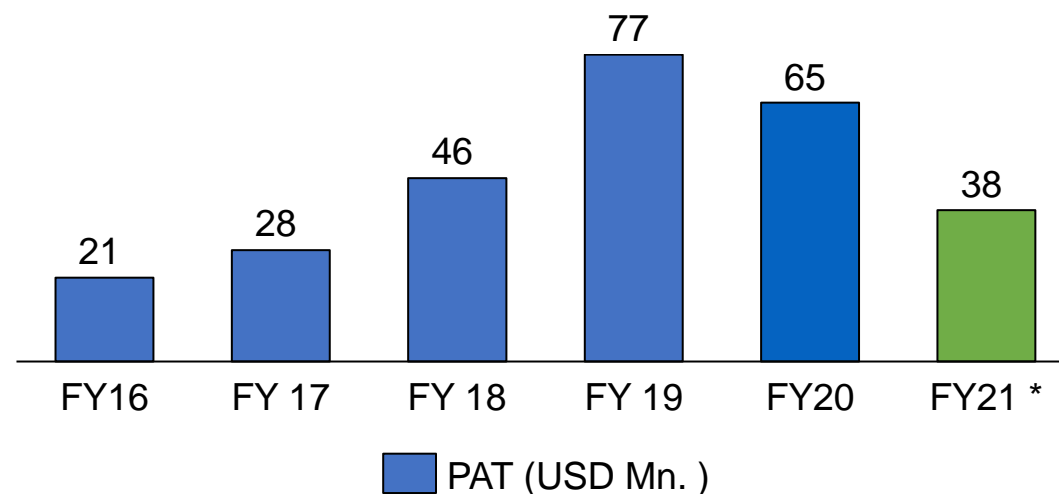
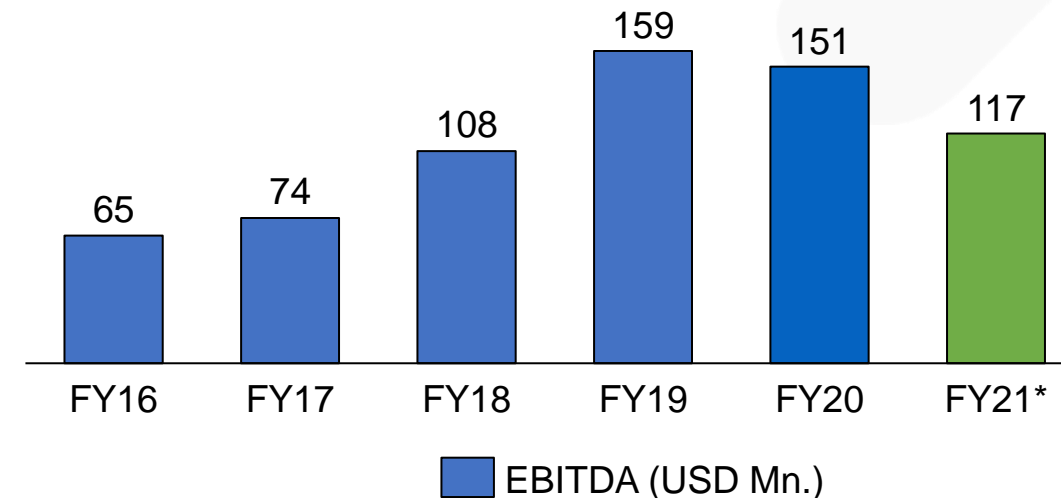
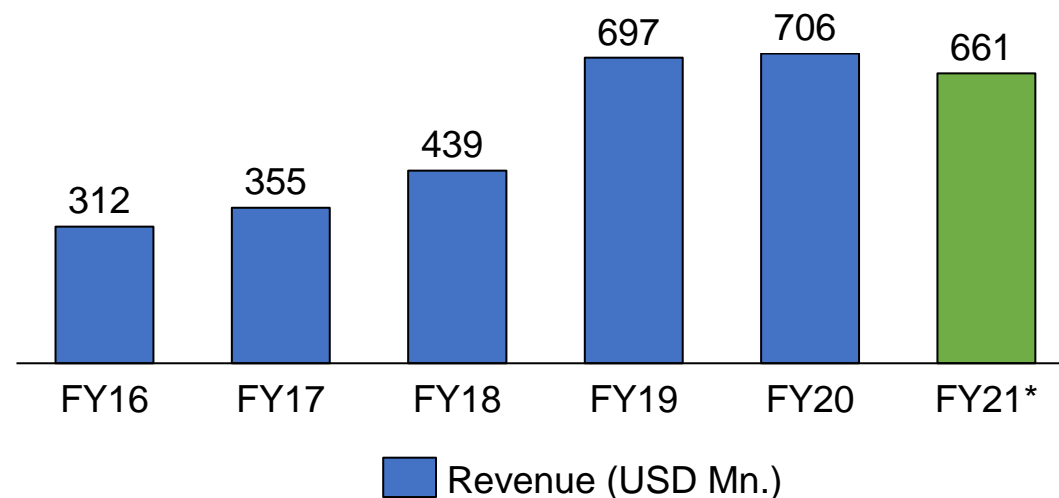
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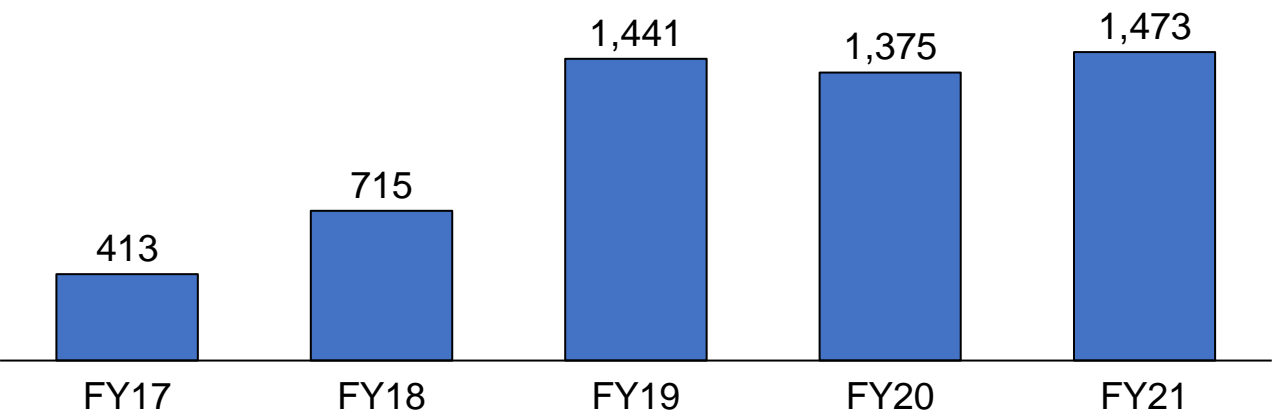
Delivering sustainable value for our shareholders



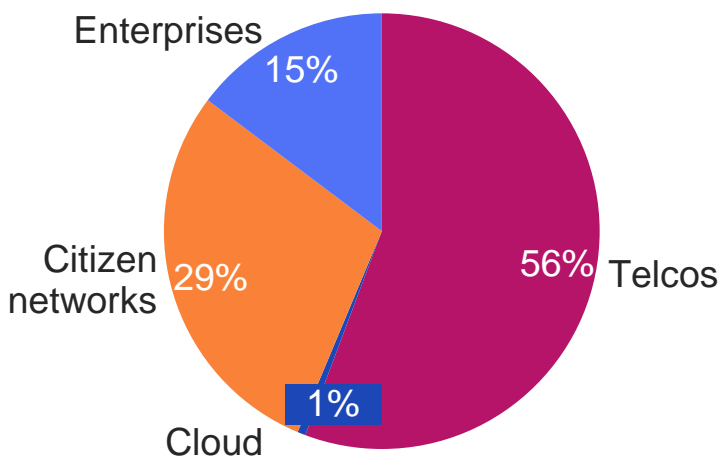
Growing order book over the years



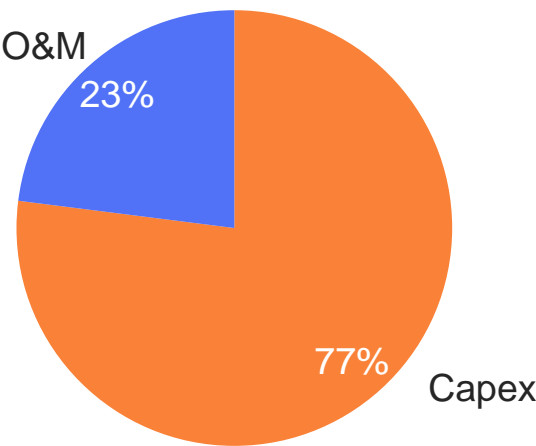
Open Order Book (USD Mn.)



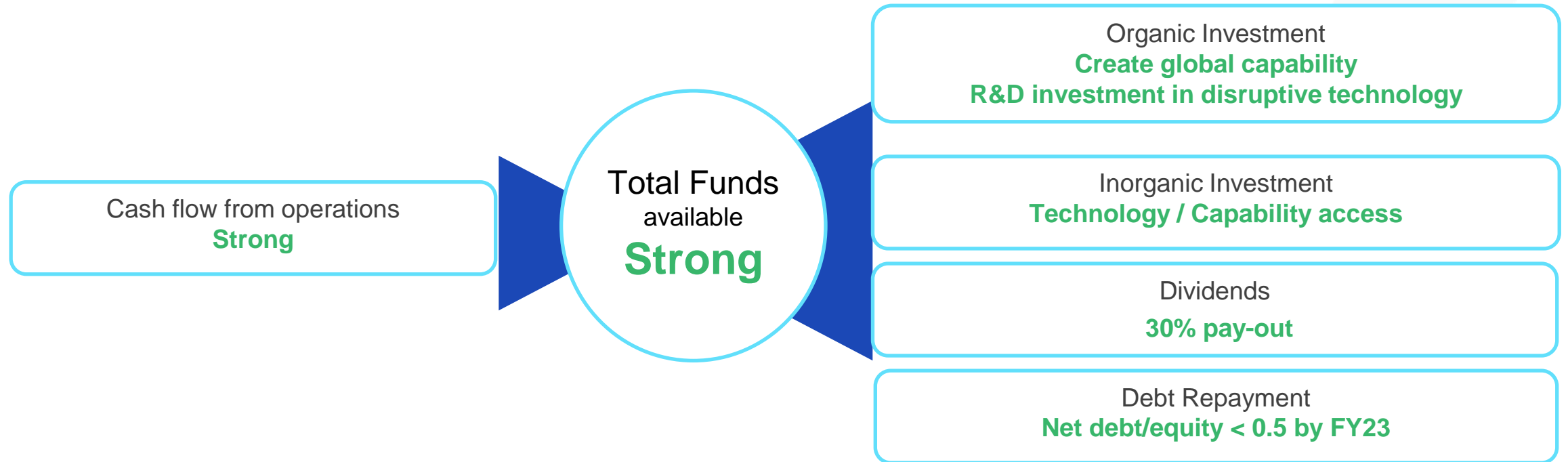
Open Order Book Customer Segment wise



Open Order Book Split



In the next 3 years, we shall transition from **capacity focused investments** to **global capability & R&D investments**

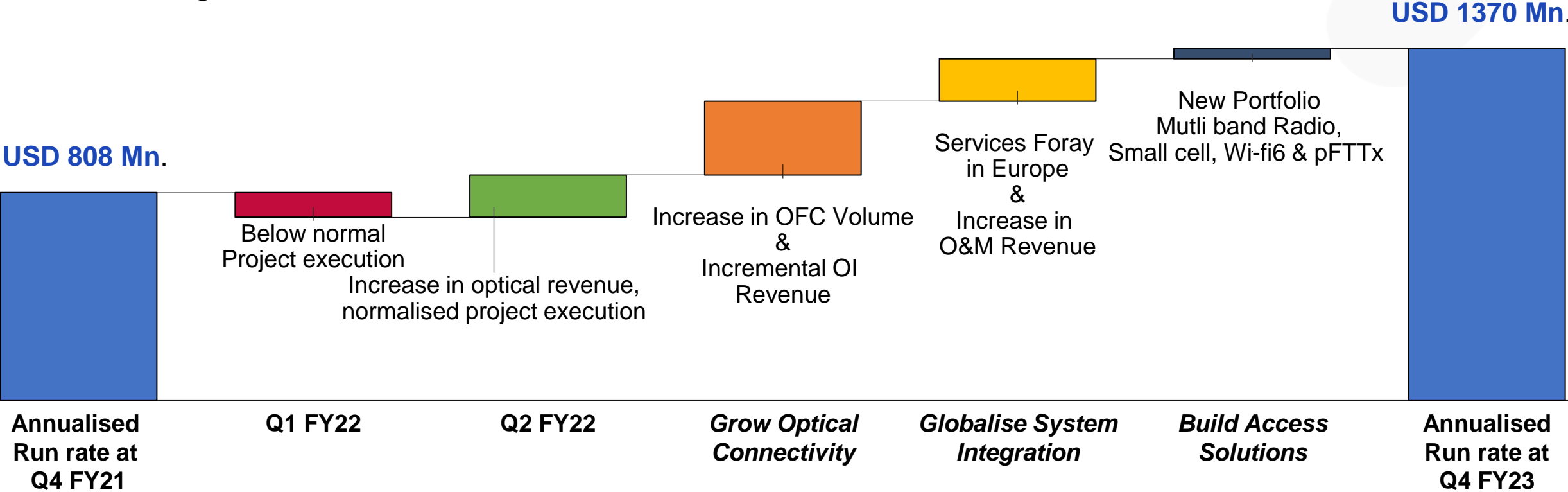


Our target is to reach **Net debt/equity < 0.5** while delivering **RoCE of 20% +** by FY23

Our focused investments shall propel us to reach USD 1370 mn. exit annual run rate by FY23



Revenue Bridge



We plan to reach
USD 1,370 Mn. annualised revenue run rate by Q4 FY23

Committed to deliver our financial targets



Growth

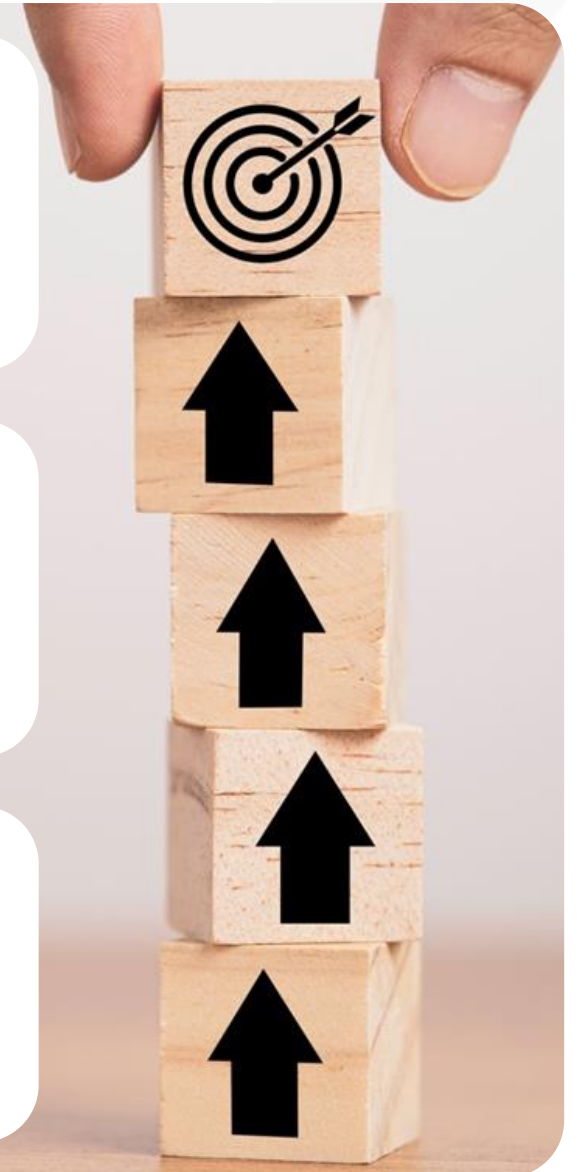
**Revenue run rate : USD 1,370 mn. per annum
by Q4 FY'23**

Capital Structure

Net debt/equity < 0.5 by Q4 FY23

Returns

RoCE >20%



We are in a decade long network creation cycle driven by 5G, FTTx and rural connectivity programs.

In the last 5 years, **our TAM has increased 5x to \$40 bn.**
Now our focus is to **increase our market share** in the \$40 bn. TAM

Our **3 growth levers** of grow optical business, globalise system integration and build access solutions **have started delivering results.**

We are strengthening our foundational **capabilities** of E2E solutions, KAM approach, Ecosystem Investments and top talent & culture **to expand globally.**

We plan to reach **USD 1,370 mn. revenue run rate** by Q4 FY'23
along with **Net debt/equity < 0.5 and RoCE > 20%**



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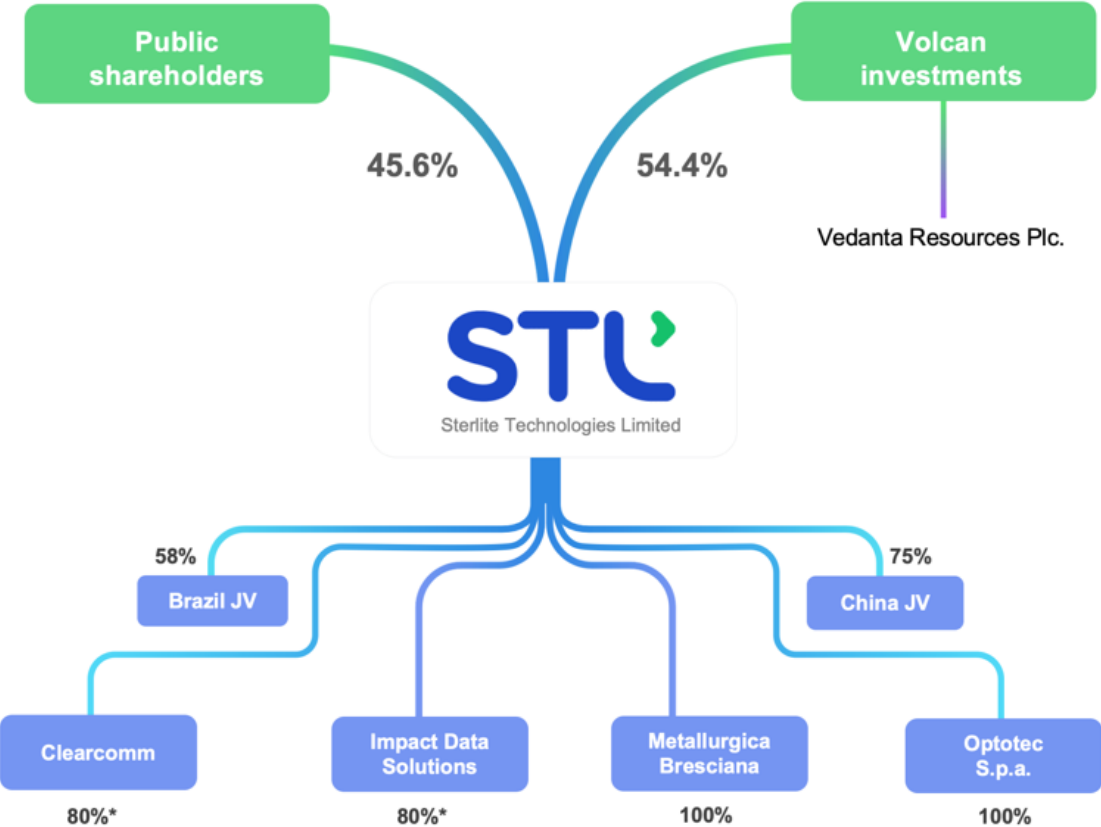
Annexure

Corporate structure and shareholding pattern



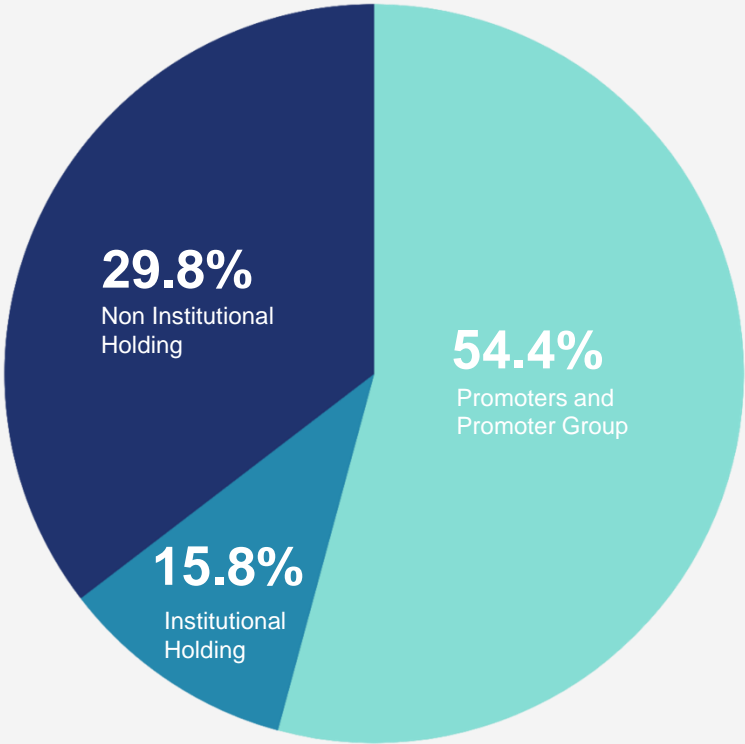
Corporate structure

As on June 30th, 2021
Only Subsidiaries that are material are disclosed



Shareholding pattern

Source: Company information; Karvy Shareholding Services; Data as of June 30th, 2021



With a strong board in place



Independent Directors



Kumud Srinivasan

(Non-Executive & Independent Director)

- VP and Director of Non-Volatile Fab Manufacturing and Automation Systems at Intel Corporation
- Has spent 30 years at Intel in US, leading multiple global functions, prominent ones being R&D for technology manufacturing, industrial automation and IoT for manufacturing facilities
- Served as the President of Intel India from 2012 to 2016



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 a part of the group of individuals that founded Hutchison Max Telecom in 1994



S. Madhavan

(Non-Executive & Independent Director)

- Fellow member of institute of chartered accountants of India
- Holds directorial positions in top listed companies like HCL technologies, ICICI Bank, UFO Moviez and Transport Corporation of India
- Had set up a successful indirect tax practice, which got merged with PWC.
- Held leadership positions for over 14 years at PWC and was instrumental in leading tax practice



B. J Arun

(Non-Executive & Independent Director)

- Founded and led multiple successful ventures in silicon valley including California Digital, a Linux-based HPC leader and Librato, a software company
- Ex CEO of July Systems - a location-based mobile management platform
- Currently the Vice President of Tie Global
- Remains dedicated to fostering entrepreneurship in technology community



beyond tomorrow