

The STL logo is positioned in the top left corner. It features the letters 'STL' in a white, bold, sans-serif font. A small green leaf-like icon is placed to the right of the 'L'.

stl.tech

Investor Presentation

May'23



Certain words and statements in this communication concerning Sterlite Technologies Limited (“the Company”) and its prospects, and other statements relating to the Company’s expected financial position, business strategy, the future development of the Company’s operations and the general economy in India & global markets, are forward looking statements.

Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, changes in government policies or regulations of India and, in particular, changes relating to the administration of the Company’s industry, and changes in general economic, business and credit conditions in India.

The information contained in this presentation is only current as of its date and has not been independently verified. No express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes.

Persons should consult their own financial or tax adviser if in doubt about the treatment of the transaction for themselves

These materials are confidential, are being given solely for your information and for your use, and may not be copied, reproduced or redistributed to any other person in any manner. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions

Company Overview



**Company
Overview**

1
Optical
Networking

2
Global
Services

3
STL
Digital

4
STL
financials

Annexure

We Integrate Digital Networks **STL** for Our Customers

Core Business

Customer Segments



Telcos



Cloud Companies



Citizen Networks



Large Enterprises

Business Units

Unique Capabilities

Financial Performance



Optical Networking Business

- Glass Preform
- Optical Fibre
- Optical and Specialty Cables
- Optical Connectivity

FY23 Revenue : Rs. 5,439 Cr.



Global Services Business

- Network Modernisation
- Fibre Roll out
- Managed Services
- Data Centre Solutions

FY23 Revenue : Rs. 1,511 Cr.



STL Digital Business

- Cloud & Cyber Security
- Data Analytics & AI
- Enterprise SaaS Services
- Product Engineering

FY23 Revenue : Rs. 70 Cr.



INR 6,925 Cr.

FY23 – Revenue*
YoY growth - 27%



Americas Rev. share - 38%
EMEA Rev. share - 35%
India Rev. share - 25%



13.4%

FY23 - EBITDA margin*
YoY growth – 29%



Consistent dividend at 30% payout
(FY23 : 50¹%, FY 22 : 25¹%)

Committed to Net-Zero Emissions by 2030



ENVIRONMENTALLY SUSTAINABLE

Zero Waste to Landfill Certified¹
Zero Liquid Discharge Certified

225,000+ MT

Waste diverted from landfills (FY19 – FY23)

23,000+ tCO₂e

Reduced through energy efficiency initiatives
(FY21 - FY23)

675,000+ m3

of water recycled (FY19 – FY23)

SOCIALLY RESPONSIBLE

Committed to the UN SDGs²

16

Aligned with 15 of the 17 SDGs

815,000+

Lives benefitted through STL's ed-tech & women
empowerment programmes (FY19 - FY 23)

2.20 mn.+

Lives benefitted through STL's healthcare programmes
(FY19 - FY23)

GOVERNED WITH CARE

Strong Internal Governance

Two of the Big Four

as statutory & internal auditors

Executive and Management committees in place

90+ ESG awards won
(FY20 – FY23)

STL has committed to **Science Based Target Initiatives**

Source : ESG report for which independent assurance has been provided by DQS (Statement in FY 21 Annual report)

¹ Certified by Intertek, a U.S. Quality Assurance provider

² Cumulative till FY 21, SDG – Sustainable Development Goals

Delivered on outlined strategic priorities in FY23



Achieved
**Profitable growth in
Optical Networking**



+ 46%
YoY Revenue
growth



> 20%
EBITDA Margin
from Q2 onwards



12% Mkt share
gained ~3% global
ex-China market share

Crossed
**Strategic milestones in
Optical Networking**



US
Added greenfield
OFC Capacity



Record Order book
Won multi year OFC
orders



Technology
Launched industry
leading - Multiverse &
180 micron fibre

Pivoted **Services Business**
Seeded **Digital Business**



Services Business
Focus on private
customer segment



Digital Business
Seeded with more than
900 consultants

Exited
**Sub scale
businesses**



IDS
Divested at
GBP 14 mn.
consideration



Telecom software
Divested at
USD 15 mn.
consideration



Wireless Business
Exited from
from Q4 FY23
onwards

Increased disclosures with consistent delivery



FY23 Revised Guidance

- Revenue Growth : 20% to 25% on full year basis
- EBITDA : To reach 15% by Q4 FY23
- Net Debt : < INR 3,200 Cr. by Q4 FY23

FY23 Actuals

- Revenue Growth : 27% on full year basis
- EBITDA : 15% in Q4 FY23
- Net Debt : INR 3,121 Cr. as of Q4 FY23

Started **Segment reporting** of ONB, GSB and Digital & Technology businesses

Strategic priorities for FY24



01

Grow

Optical Networking Business



- Increase OFC market share and optical connectivity attach rate
- Optimise raw material & fixed cost

02

Consolidate

Global Services Business



- Focus on India private
- Build capability for value added services
- Achieve profitability in UK

03

Build

Digital Business



- Consciously invest in building technology and capability

Optical Networking Business



1

Company
Overview

**Optical
Networking**

2

Global
Services

3

STL
Digital

4

STL
financials

Annexure

Industry Outlook - Private investment growth moderates, public investment remains strong



Telcos

- Global Telco spend in telecom equipment set to **grow 1% in 2023** despite the decline in overall capex
- Telcos to invest **\$500 Bn.** in 5G from 2022 to 2025
- AT&T Capex in 2023 is consistent with 2022 at **\$24 Bn**
- RJIO cash Capex in **FY23** at **INR 336 Bn.** vs **INR 288 Bn. in FY22**

Data centres

- Data centre capex grew by 15% to **\$241 bn. in 2022**
- Data centre capex to grow by **single digit in 2023**
- ICRA predicts **six fold increase in capacity** in India in next 6 years. **5,000 MW** of capacity to be added
- Data centre investments in India expected to surpass **\$20 Bn.** by 2025

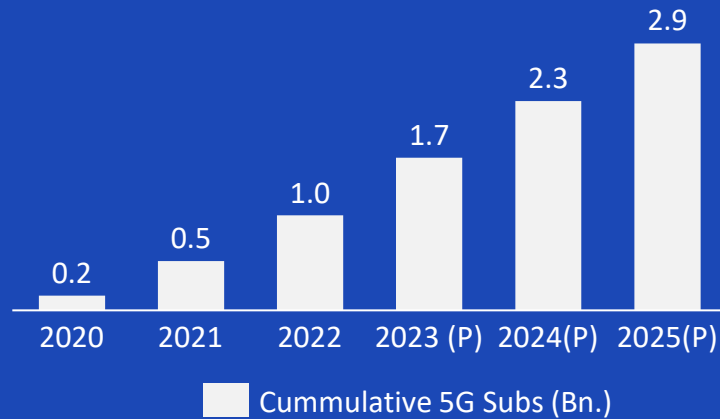
Citizen Networks

- US investing **\$97 bn.** in broadband through RDOF, BEAD (**\$42.5bn.**), Mid mile program, etc
- Europe investing big. UK, **\$8 Bn.** in project Gigabit. Germany, **\$14 Bn.** in BVMI. France, **\$24 Bn.** in Tres haut Debit. Austria, **\$2 Bn.** in Symmetric Gigabit and Egypt **\$32 Bn.** in fibre networks
- Indian Govt. planning **Bharat net phase 3** to connect all villages

Capex for Telcos & Data centre likely to hit \$647 bn. in 2027 from \$536 bn. currently

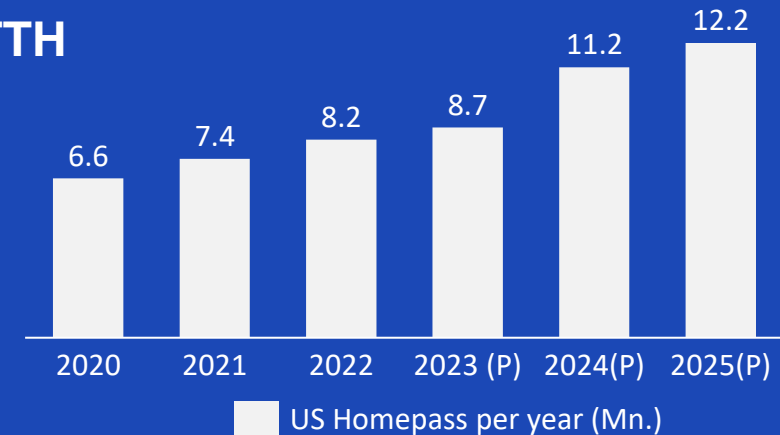
Industry Outlook - 5G & FTTH deployments remain strong, 6G & FTTR will emerge in the future

5G



- 235 service providers have launched commercial 5G services globally with 35 standalone 5G networks
- Approx 1Bn. 5G subscriptions as of Dec 2022, expected to reach to 5 Bn. by 2028
- 2.34 Mn. 5G base stations in China, to reach 2.9 Mn. by end of 2023
- Multiple countries started to develop 6G, which aims at substantially higher speeds & lower latency than 5G

FTTH



- US plans increase home pass every year for the next few years
- UK and Germany also plan to increase home pass in 2023 as compared to 2022
- Chinese telcos have launched Fibre to the room (FTTR) services. In FTTR, the fibre cable network extends to every room in the home, so every room and corner will have gigabit network speed

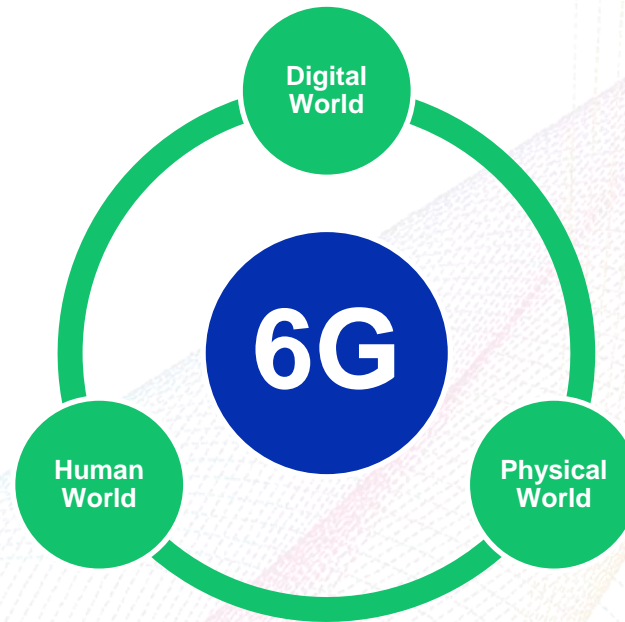
Industry Outlook - First commercial 6G network to be available by 2030

USE CASES

- Precision Healthcare
- Smart Agriculture
- Digital Twins
- Cobots & Robot Navigation

KPI's

- Minimize TCO
- High data rates (>100 GBPS)
- Low latency (sub millisecond)
- Improved energy efficiency
- High connection density



CURRENT PROGRESS

- 2019 FCC, US opened THz for trials
- 2020 China launched first 6G Satellite
- 2021 South Korea published R&D plan
- 2023 India launches Bharat 6G project

FIBRE BACKBONE

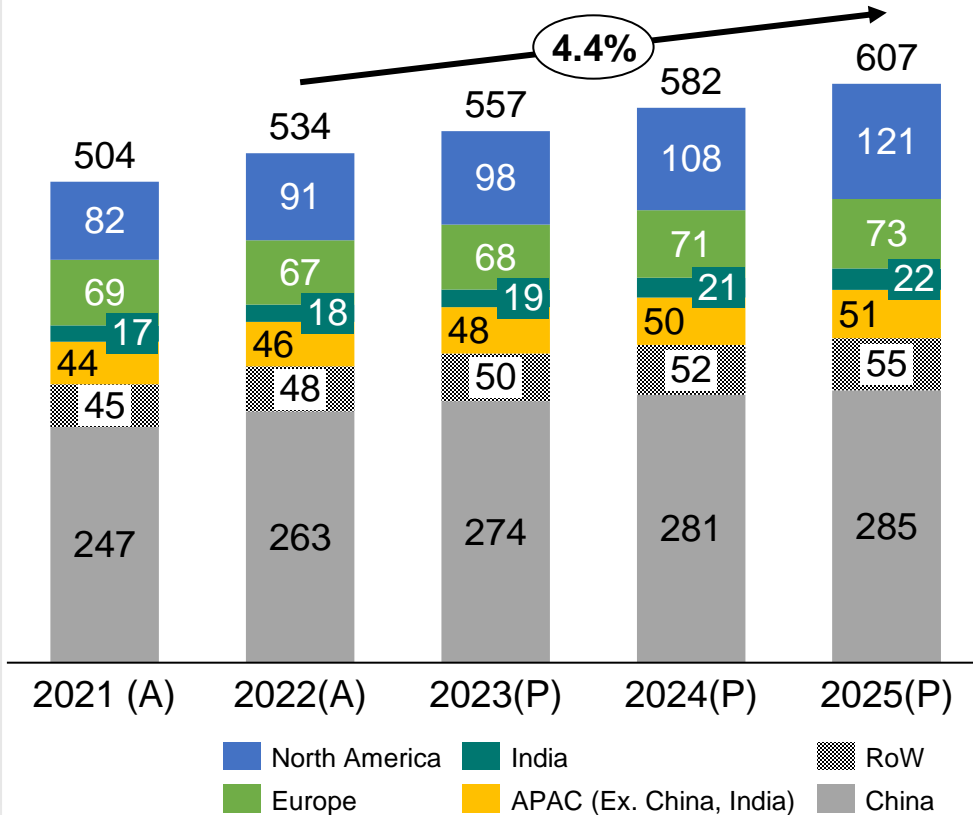
- For 6G mobile operators will need to use higher frequencies and deploy more wireless nodes. All of these nodes will be connected to fibre

China to introduce early 6G applications by 2025
First commercial 6G network would be available by 2030

Industry Outlook - Medium term outlook remains healthy



OFC Demand region wise (Mn Fkm)



Regional Commentary

- In North America, inventory build ups in Q4 2022 may delay growth as some carriers will draw down their inventories first before new ordering starts again. The other constraint in North America is shortage of trained labor & therefore need for connectorized solutions
- In Europe, Germany and UK continue the robust FTTH deployments
- Indian market has grown in 2022 however significant impact shall come from Bharat net projects
- There is a delay in the China mobile tender

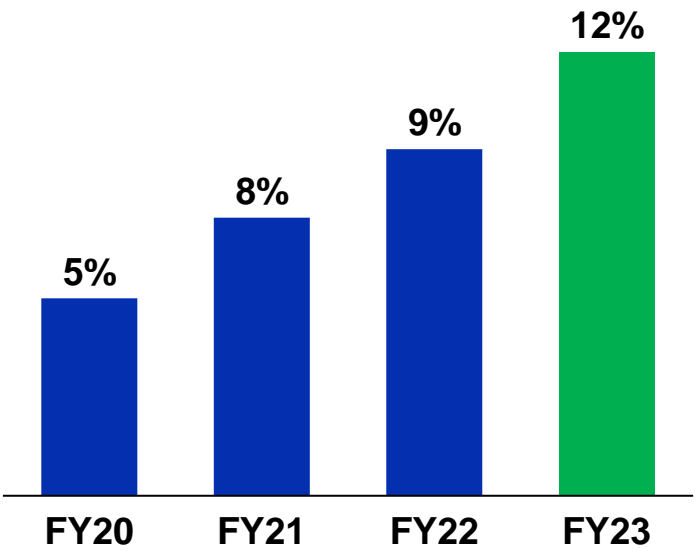
Region	CAGR 2022-25
North America	11%
Europe	3%
India	8%

STL shall focus on North America, Europe & Indian markets

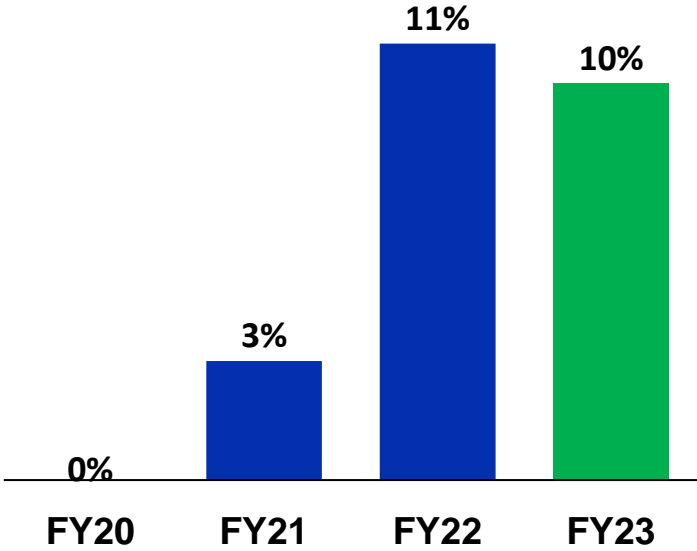
STL gaining global OFC market share and increasing optical connectivity attach rate



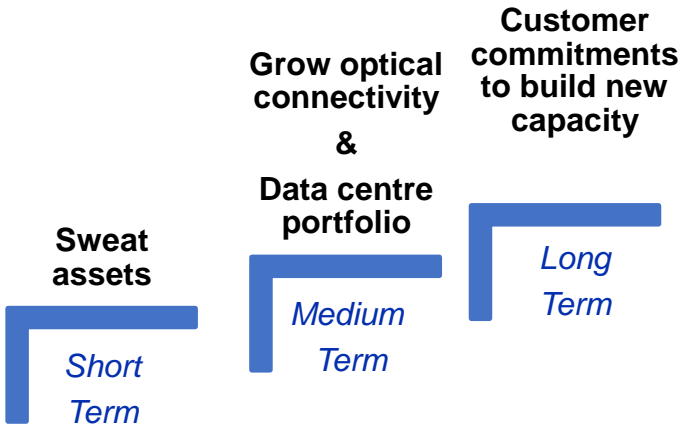
Global ex-China OFC Market share



Optical connectivity attach rate



Optical Networking Growth levers



Focus on long term contracts with top-tier customers

Market Share = STL Sales Volume / Total Market Demand
Total Market Demand - CRU
STL Sales Volume - Company Data

Attach rate = optical connectivity revenue/ OFC revenue

STL has Industry leading products with global customer base



Key Products

Advanced Optical Fibre
(Ex: Bend insensitive, Multicore)



Purpose engineered Optical Fibre Cables
(Ex: IBR, Armored, Micromodule)



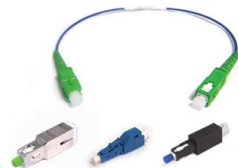
Optical Connectivity Central Office



Optical Connectivity Outside Plant



Optical Connectivity Access Network



Optical Connectivity Customer Premises



Key customers

8+
Years of relationship

Top 2 Telcos - India

UK's leading Telecom operator

Digital infrastructure provider, Africa

2 - 8
Years of relationship

State telecom operator in Middle East

Leading telecom operator in Italy

Wholesale fiber operator - Italy

Recent Wins
Q2 FY23

North American Broadband Player

Leading Telecom operator - UK

Vocus Group, Australia

Continues to launch new products



Multiverse

India's first **multicore fibre** for 4x capacity for 5G networks and Fibre to the x networks



Slimmest fibre & cable

Developed **slimmest fibre and cable** with 180 micron optical fibre & 288 fibres packed in 6.5 mm cable

R&D investments leading to 650* patents till Q4 FY23

STL has fully vertically integrated world class manufacturing



Optical Fibre (OF)



Shendra,
Aurangabad, India



Waluj,
Aurangabad, India



Jiangsu Sterlite
Tongguang Fibre Co.
Limited, Haimen-City, China



Rakholi, Silvassa
India



Metallurgica
Bresciana, Italy



Sterlite Conduspar
Parana, Brazil



South Carolina,
LugOff, USA



Dadra & Nagar
Haveli, India



Optotec
Milan, Italy

Optical Fibre Cable (OFC) + Specialty Cable (SCB)

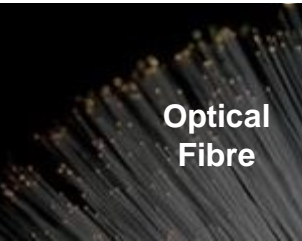
Optical Connectivity



Pure
Silicon



Glass
Preform



Optical
Fibre



Optical
Fibre Cable



Optical
Connectivity



Shield from Supply Chain vulnerability



Wide Product Portfolio



Control over Quality



Cost Leadership

9

GLOBAL
PRODUCTION
FACILITIES

Vertically Integrated

Industry 4.0 standards

Fully automated machinery with robotic operations

Efficient supply chain

Reduced delivery times and Supply Chain Management cost

Continues to scale capacity utilisation in new facilities



Optical Fibre Facility, China



Optical Fibre Cable Facility, USA



Commercial production starts at US OFC facility in Q1 FY24

STL has a strong pipeline of new products in the optical connectivity



Strong new product pipeline for entry in

New markets & New customer segments

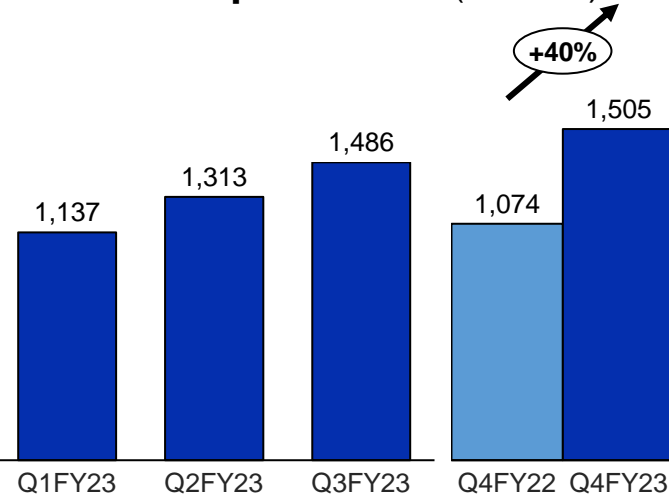
Hardened Connectivity **Outside Plant Equipment** **Customer Premises Equipment**

New products commercialisation shall lead to **step jump in attach rate**

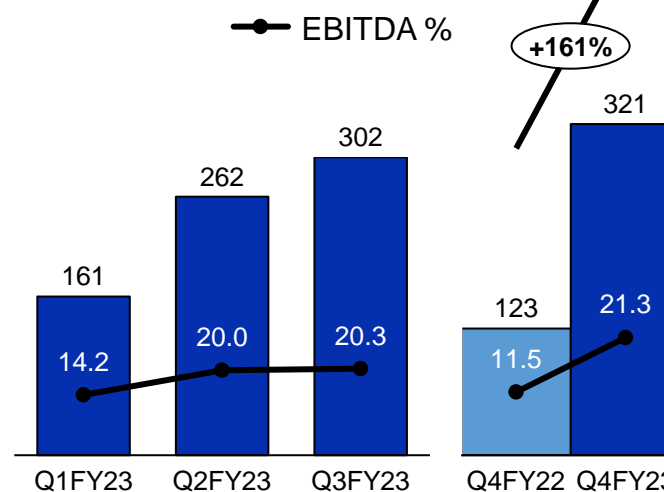
Grew 46% YoY in FY23



Revenue from continued Operations* (INR Cr.)



EBITDA from continued operations* (INR Cr.)

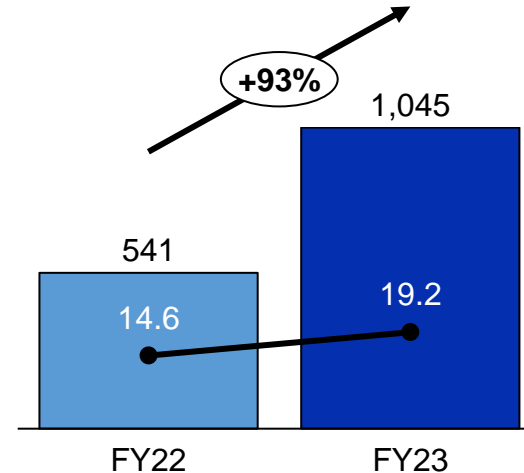
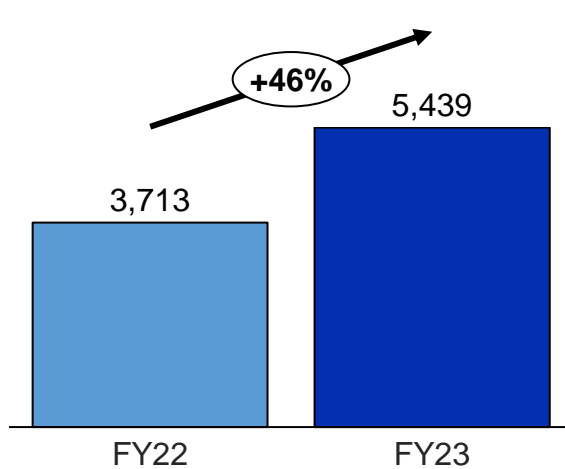


Q4 FY23 Revenue up 40% YoY

- OFC volume up
- Improved OFC realization

Q4 FY23 EBITDA up 161% YoY

- Product mix shift towards higher margin products
- Reduction in logistics cost



FY23 Revenue up 46%

- OFC volume up
- Improved OFC realization

FY23 EBITDA up 93%

- Product mix shift towards higher margin products
- Increase in optical connectivity
- Operating leverage benefit played out

Global Services Business



1

Company
Overview

2

**Global
Services**

3

STL
Digital

4

STL
financials

Annexure

Industry Outlook - 5G deployments in India have picked up pace



5G deployments have picked up pace

- **Airtel launched 5G services in more than 3000 cities / towns;**
Plan to cover India by March 2024
- **Jio launched 5G services in more than 2300 cities / towns;**
To cover India by end of 2023
- Indian 5G subs have reached more than 50 mn.

Telco fibre deployment going strong

- **Telcos are expected to deploy approx. 200,000 cable kms.**
across National long-distance network, Access network and FTTH roll out in next 18- 24 months
- **Telcos expected to spend approx. \$1.5 bn. to \$2.5 bn. for fibre roll out** for next 2 to 3 years

With 5G deployments in India, Telcos continue to strengthen optical fibre networks

STL has large scale project execution capability in India & UK



Network Modernization

Design, integrate & deploy end to end modern networks



Fibre Roll out

Design & deployment of long haul & FttH fiber networks



Network Operations and Maintenance

Network management and maintenance with standard SLA's

India - Public

NETWORK MODERNISATION Indian Defense

Connecting ~27K Network elements,
8.8KRKM deployed in harsh terrains



RURAL CONNECTIVITY
for states under BharatNet – 25K+ kms
deployed across ~7,000+ locations



India - Private

LONG HAUL FIBRE NETWORK
for India's leading telco – 14,500+ kms deployed
across 10 circles



UK

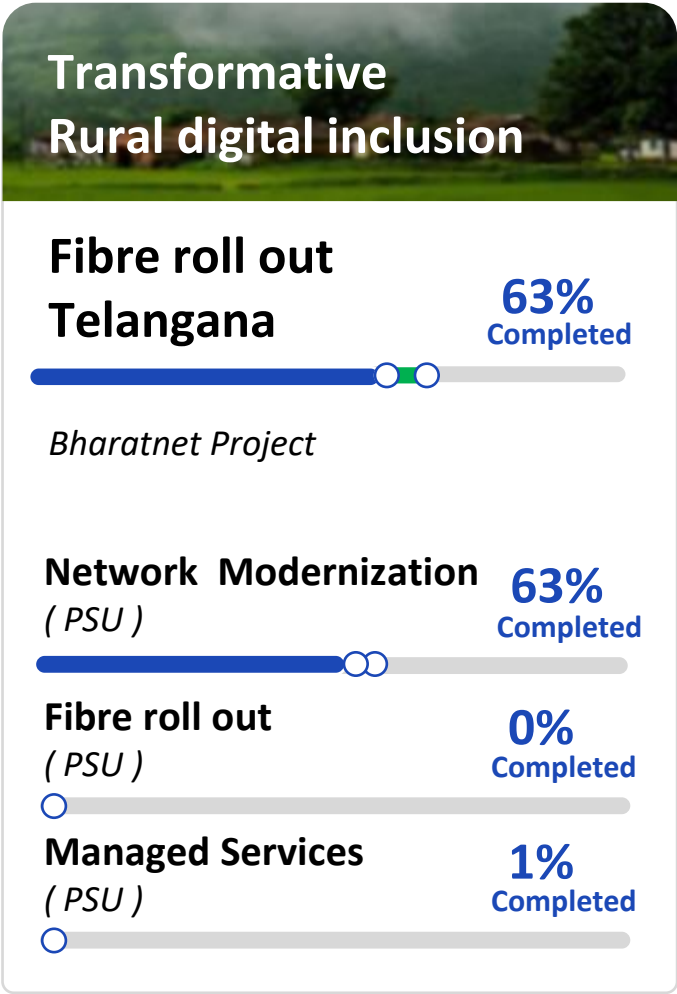
FTTX DEPLOYMENT -
for Gigabit connectivity in UK cities



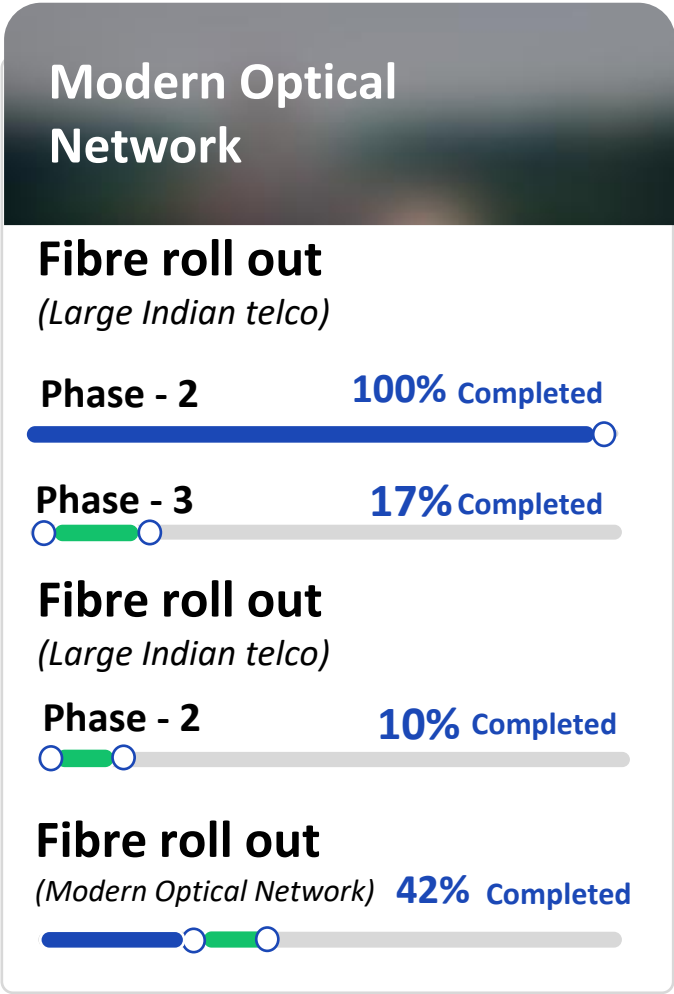
Our project execution is on track



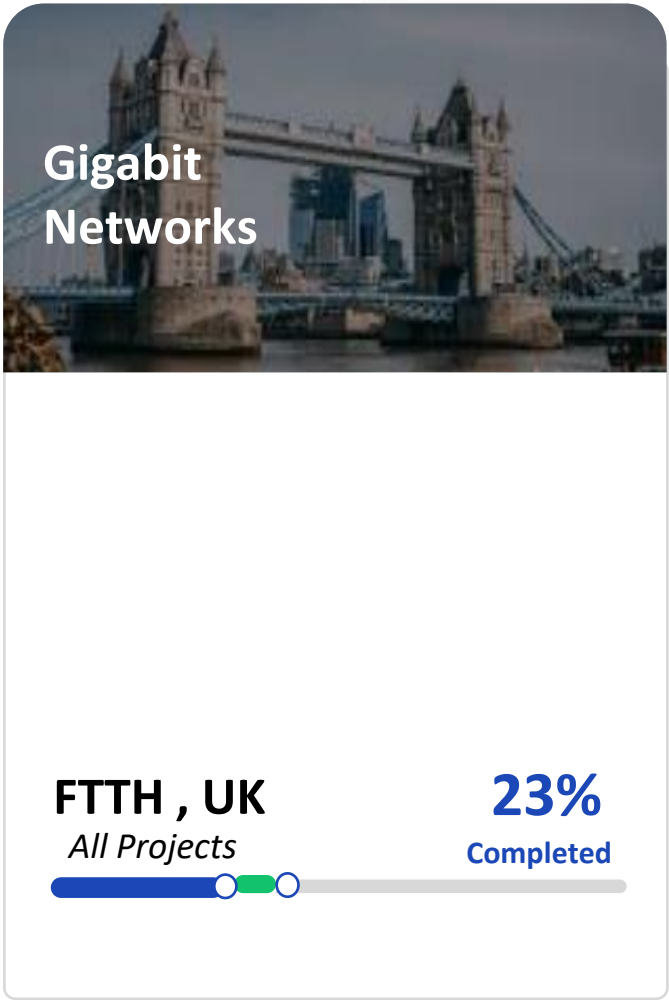
India - Public



India - Private



UK



Achieved operational break even in March'23 in UK operations



UK revenue up & operating losses down on QoQ

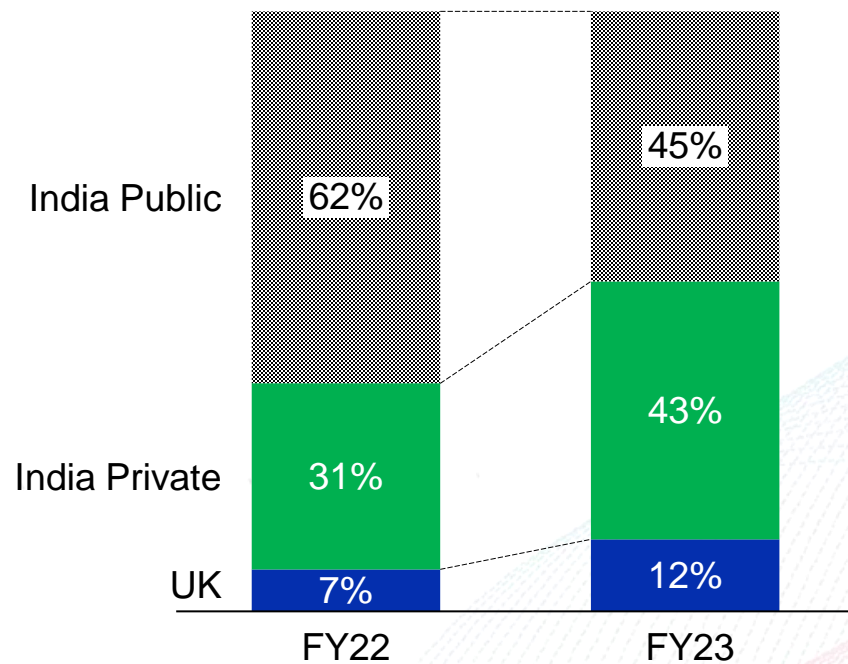
- **STL UK has achieved operational break even in the month of Mar'23**
- Q4 FY23 revenue has gone up and operating losses have come down on QoQ basis
- Sales engine is focused on increasing share of wallet from existing customers
- **Delivery engine continues to improve** as our efforts to send trained engineers from India has started to pay off

Aiming to be **profitable from H1 FY24** in UK operations

Pivot towards better margin projects with low net fund involvement



Global Services Revenue Split



Target profitable projects with low fund involvement

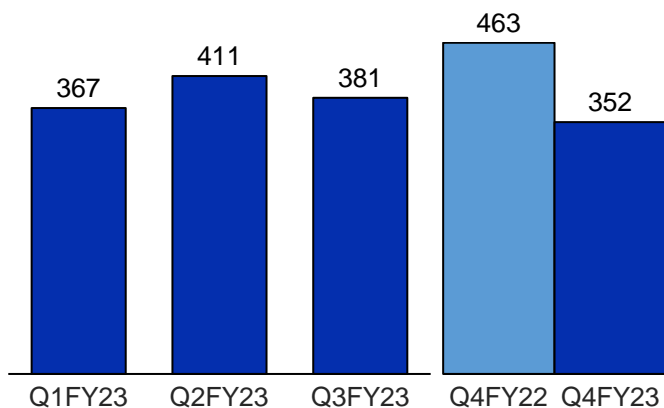
- **Partnering with leading telcos in India** to deploy 5G networks. STL is one of the preferred partner for Airtel in India
- **India private revenue share has gone up** from 31% to 43% in FY23 as compared to FY22
- **Building capabilities towards value-added services** & pivot the business further towards better margin profile projects
- Global Services India has received **CMMI level 5 certification**

Target to reduce absolute **Net Fund Involvement** by the end of FY24

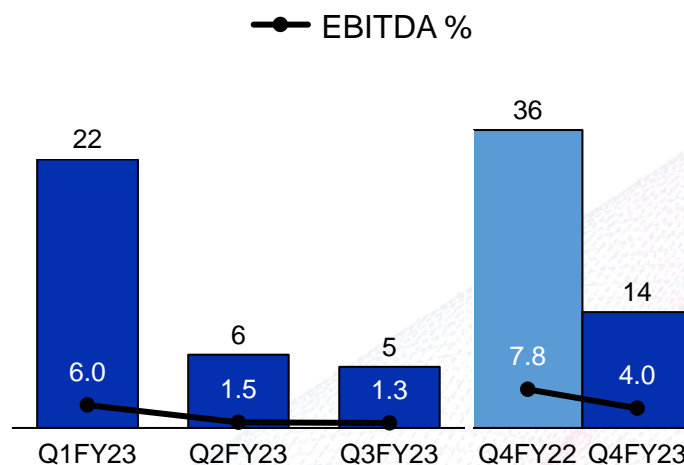
Consolidating in Global Services



Revenue from continued Operations* (INR Cr.)



EBITDA from continued operations* (INR Cr.)

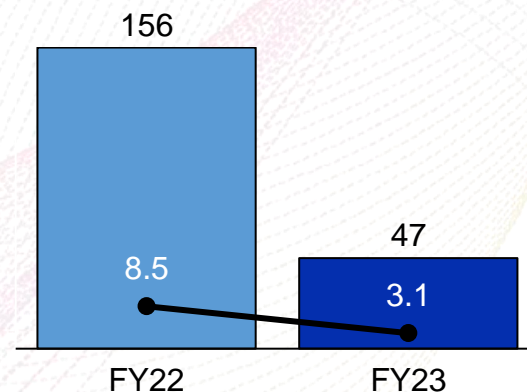
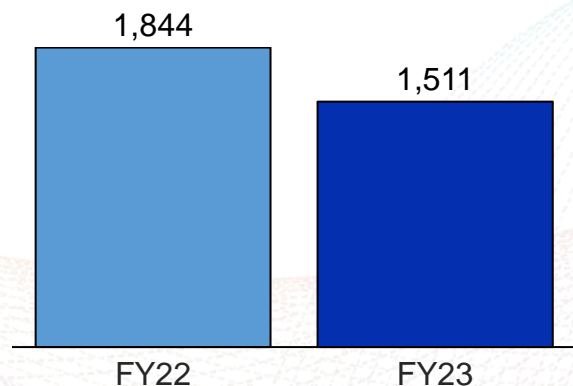


Q4 FY23 Revenue at INR 352 Cr.

- Consciously selective order intake & execution

Q4 FY23 EBITDA at INR 14 Cr.

- Improving profitability from UK operations



FY23 Revenue at INR 1,511 Cr.

- Consciously selective order intake & execution

FY23 EBITDA at INR 47 Cr.

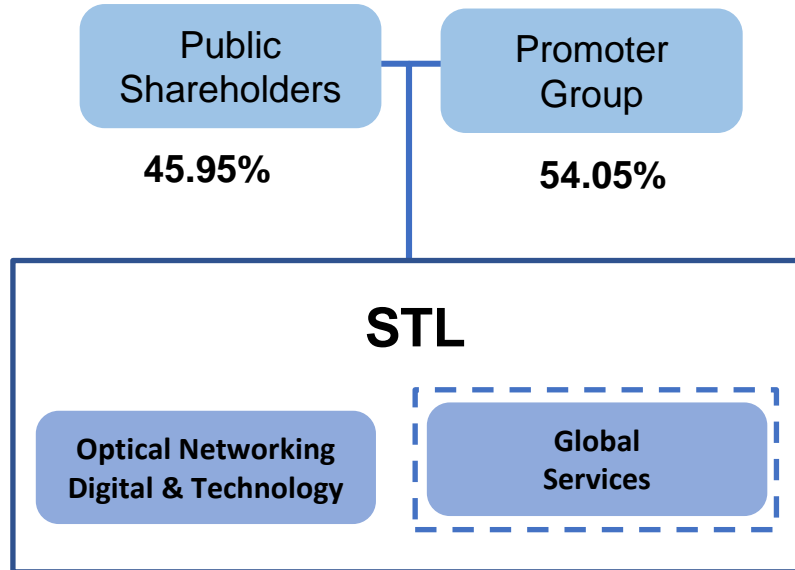
- Prioritizing cash flows in Indian market
- UK business dragged profitability

Proposed scheme to demerge Global Services business

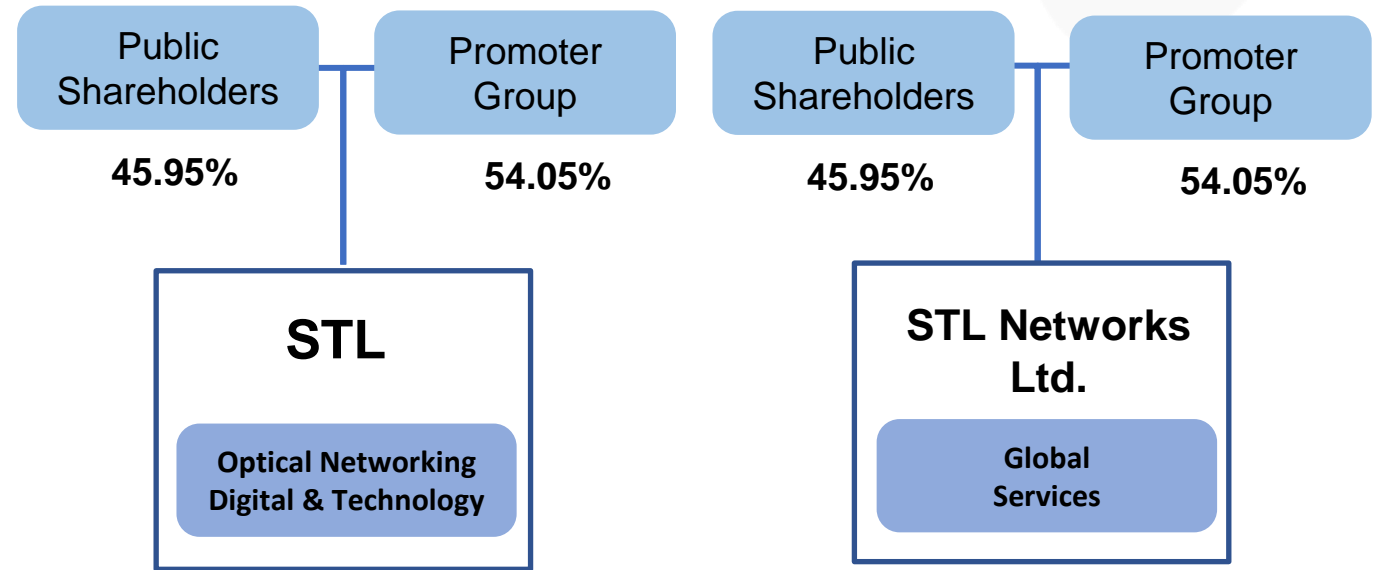


Current Structure

Shareholding as on March 31st, 2023

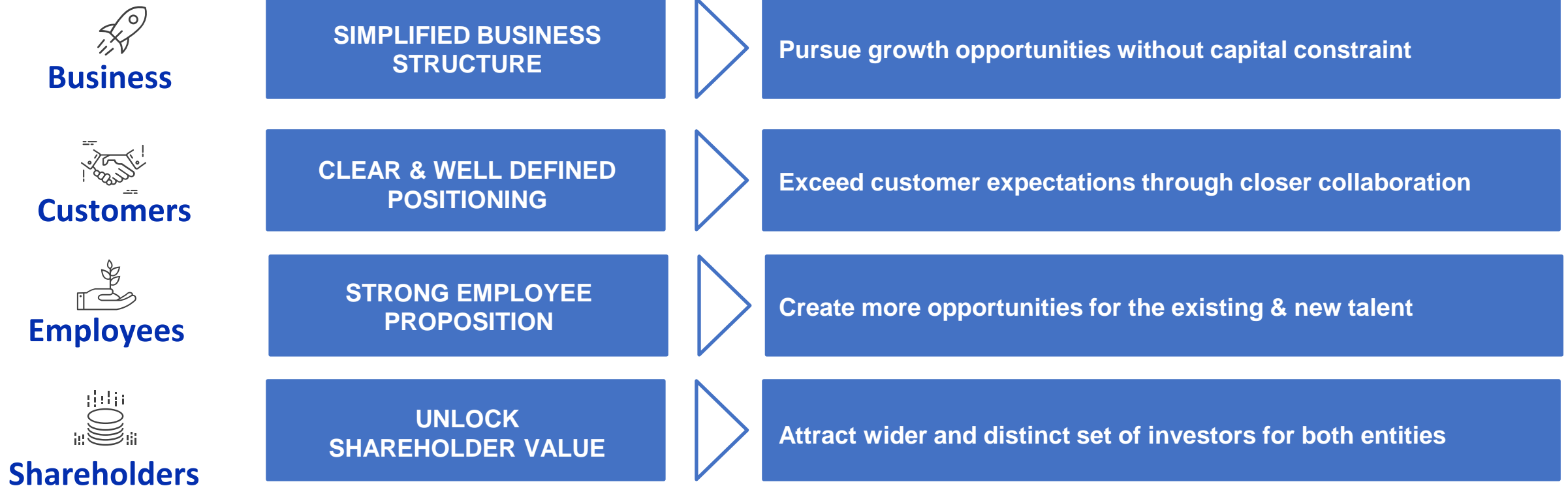


Proposed Structure



- Global Services Business to be demerged to “STL Networks Limited” on a going concern basis
- Demerger to be taken as a scheme of arrangement U/s 230-232 of companies Act 2013, under supervision of NCLT
- Pursuant to Demerger, STL Networks Limited shareholding will mirror STL and its shares will be publicly listed
- The demerger is intended to meet the requisite conditions under the IT Act to be tax neutral

Rationale for Demerger



STL Digital Business



Company
Overview

1
Optical
Networking

2
Global
Services

3
**STL
Digital**

4
STL
financials

Annexure

Entry in IT Services Industry



Industry Tailwinds

- Global IT spending to exceed \$4 trillion in 2023, growth of single digit over 2022
- Businesses across industries are **accelerating their digital transformation journey**. Focus on new areas like Data Analytics & AI, Cloud & Cyber Security provide an opportunity for new players to enter the industry



STL Capabilities

- Through our **ability to attract the talent**, we onboarded experienced leadership to explore the full potential of the business
- Built a core team of Industry thought leaders along with domain experts and technology experts
- Our growth is driven by our **Agility** & our **ability to provide differentiated customer experience** to our clients

Business Snapshot



900+

Consultants

Identity



- Delivery Centre in Bangalore
- Offices in India, US & UK

Service Offerings

- Cloud & Cyber Security
- Data Analytics & AI
- Enterprise SaaS Services
- Product Engineering

Industry Vertical

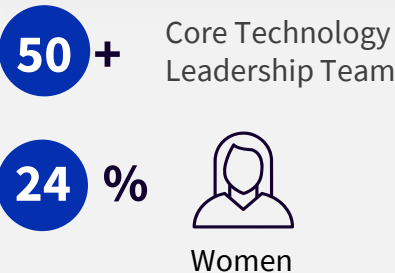
- Technology
- Life Sciences, Healthcare & Manufacturing
- Communication, Media & Services
- Consumer
- Energy, Resources & Utilities

Customers



Global Customers

People

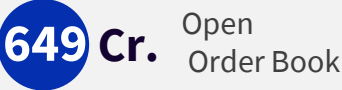


Core Technology Leadership Team



Women

Financials



Differentiators



Domain & Technology



Leadership Strength



Agile and Nimble Organization



Ecosystem Alliances and Investments

Years of Experience in multi-industry domain

Strong domain

experience in multiple industry verticals with proven business outcomes for Customers

Core leadership team with 200+ person years experience

Experienced leadership team with Strong customer connects & CXO relationships

Seasoned teams

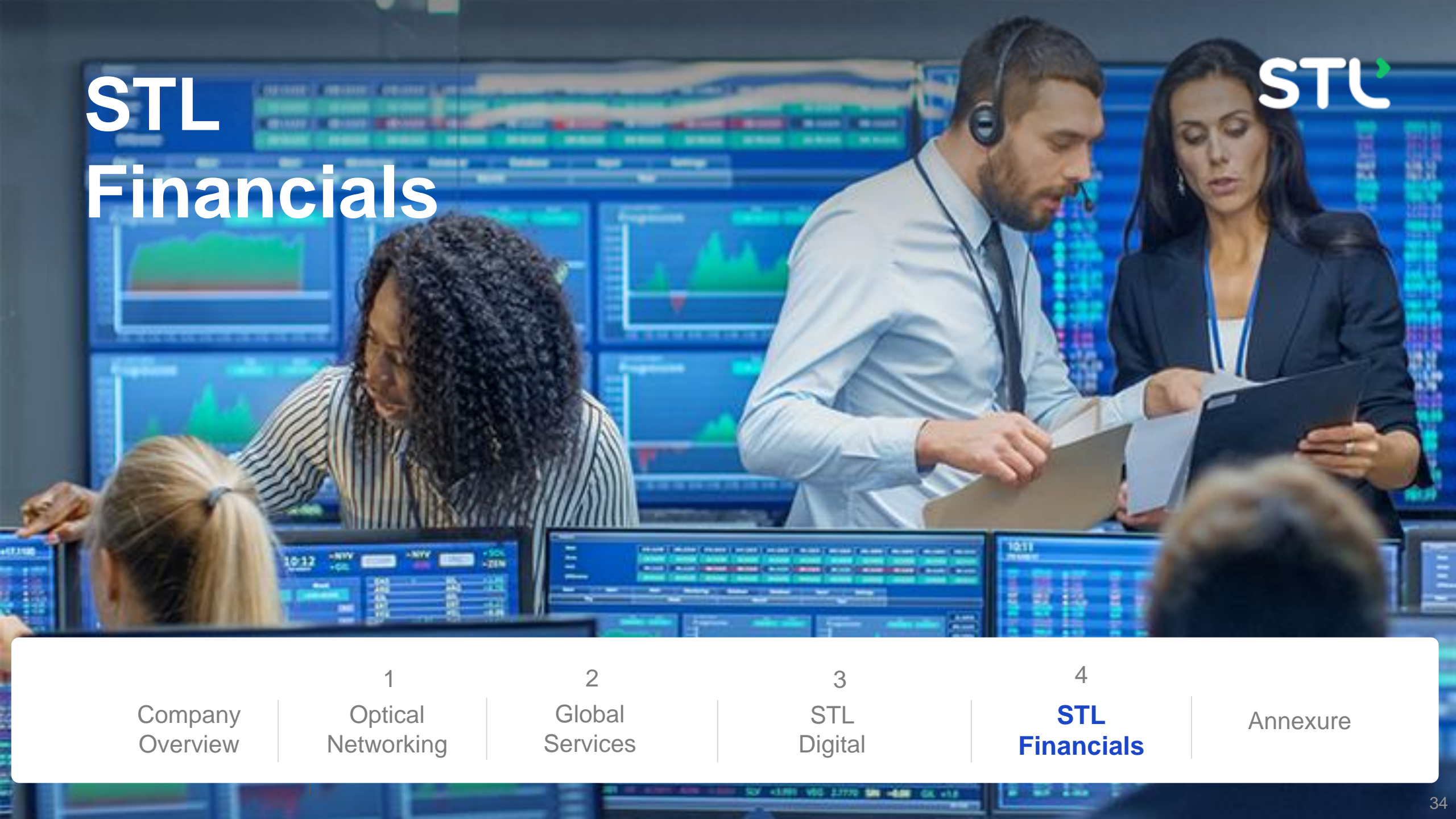
Strong Technology & Engineering team, **advanced capability & certified in Cloud, Data, SaaS & Cyber Security** supported by world class team on Delivery, Quality Assurance & Compliance

Strategic investments & developing partner ecosystems

Solutions aligning with independent software vendor partners, investments and new innovations

STL Financials

STL



1

Company
Overview

2

Optical
Networking

3

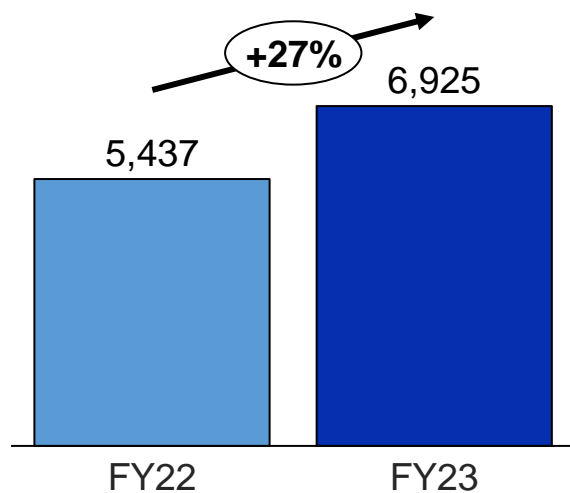
STL
Digital

4

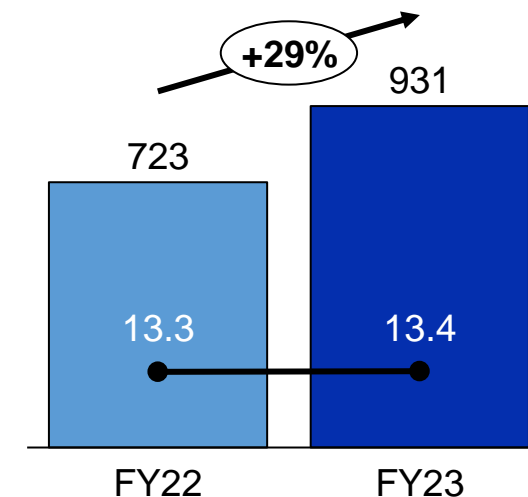
**STL
Financials**

Annexure

FY23 Revenue and EBITDA up by 27% & 29% YoY respectively

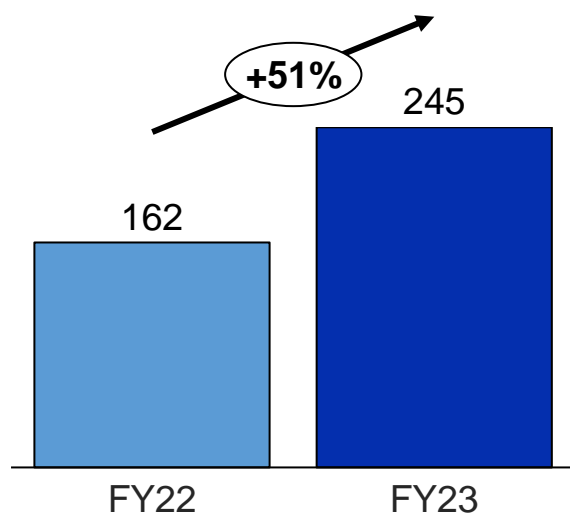


■ Revenue from continued operations * (INR Cr.)



● EBITDA %

■ EBITDA from continued operations* (INR Cr.)



■ PAT from continued operations * (INR Cr.)

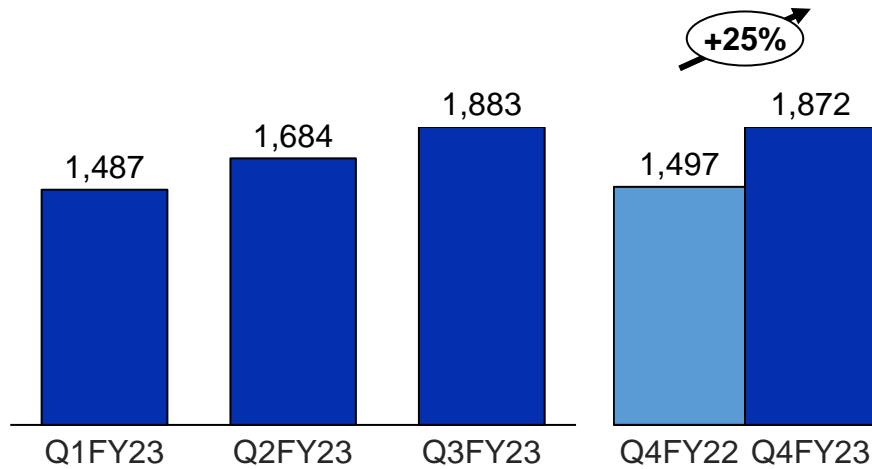
Revenue from cont. operations grew by 27% YoY

- Strong optical revenue growth

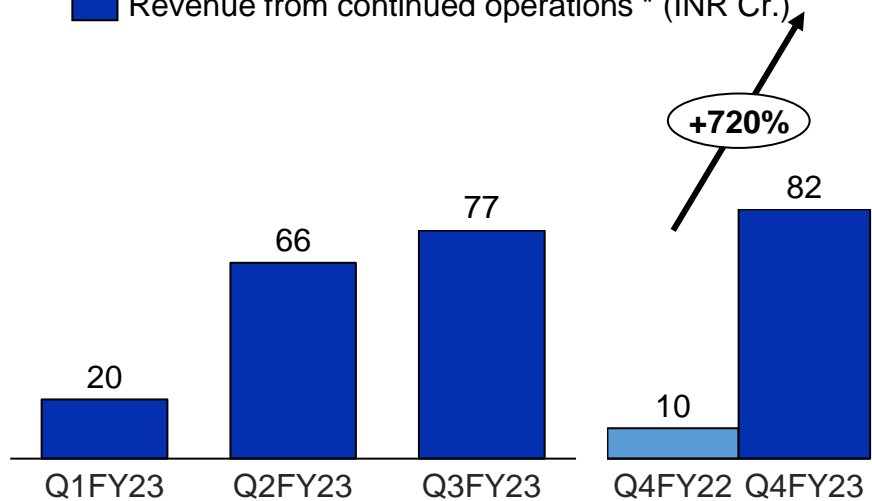
EBITDA from cont. operations up by 29% YoY

- Margin strengthening in optical business

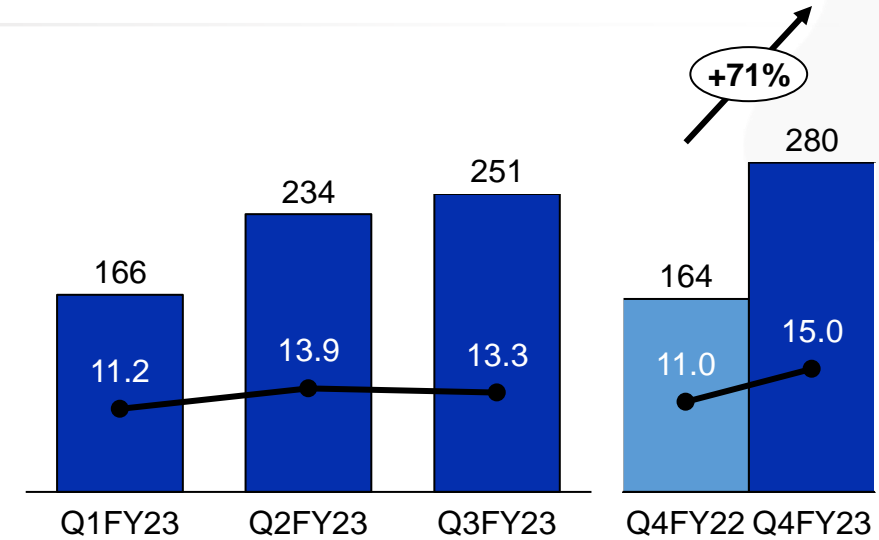
Q4 FY23 Revenue and EBITDA up by 25% & 71% YoY respectively



Revenue from continued operations * (INR Cr.)



PAT from continued operations * (INR Cr.)



EBITDA %

EBITDA from continued operations* (INR Cr.)

Revenue from cont. operations grew by 25% YoY

- Strong optical revenue growth

EBITDA from cont. operations up by 71% YoY

- Margin strengthening in optical business

Revenue mix is moving to segments and geographies of choice

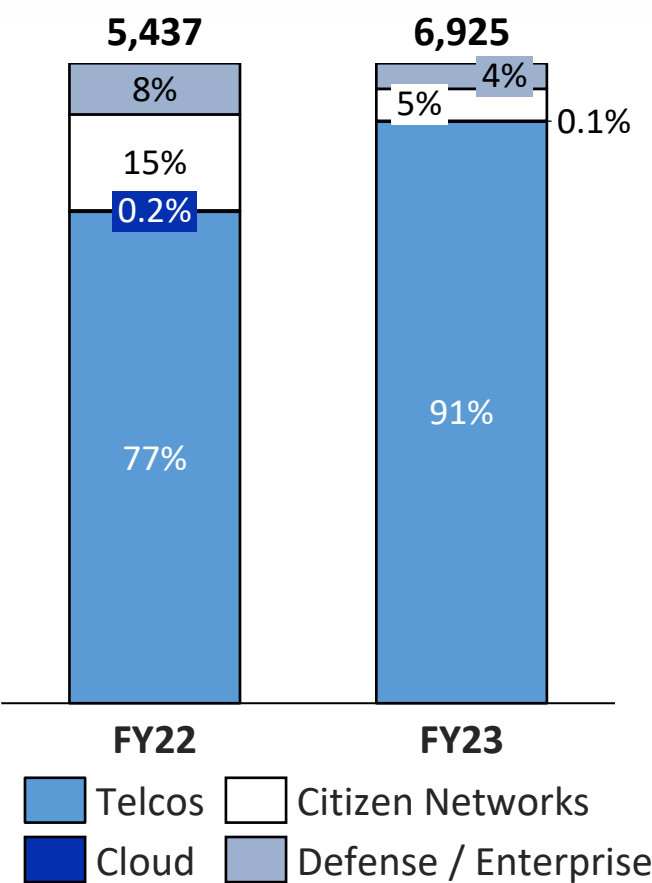


Key Order Wins Q4 FY23

- **Long distance & Intracity fibre roll out** for one of the leading Indian Telco
- **Long distance fibre roll out** along with **optical fibre cables and optical connectivity solutions** for one of the leading Indian Telco
- **Multi million-dollar orders with a European telecom player** for optical fibre cable
- **Multi million-dollar orders** for optical fibre cable from **North America**
- **Multi million-dollar orders** for optical fibre cable & Optical connectivity from **APAC**

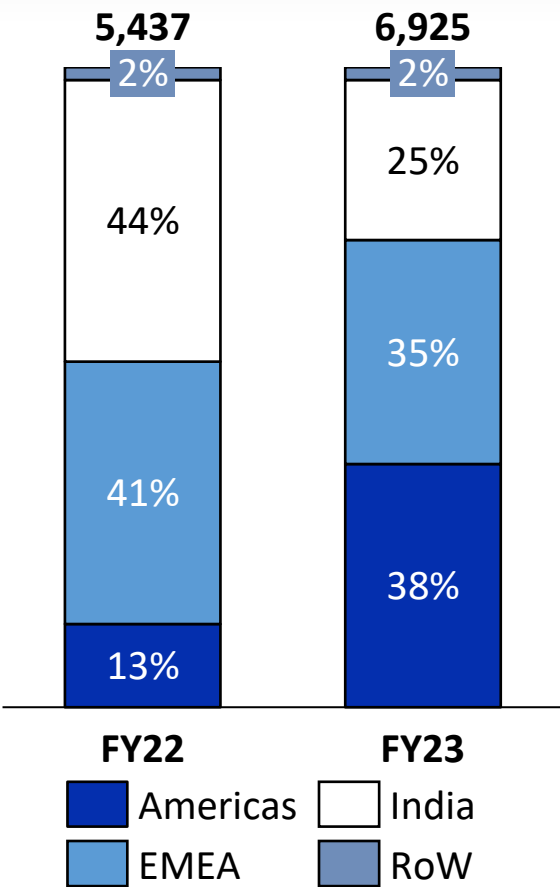
Customer Segments

Revenues from continued operations
(INR Cr.)

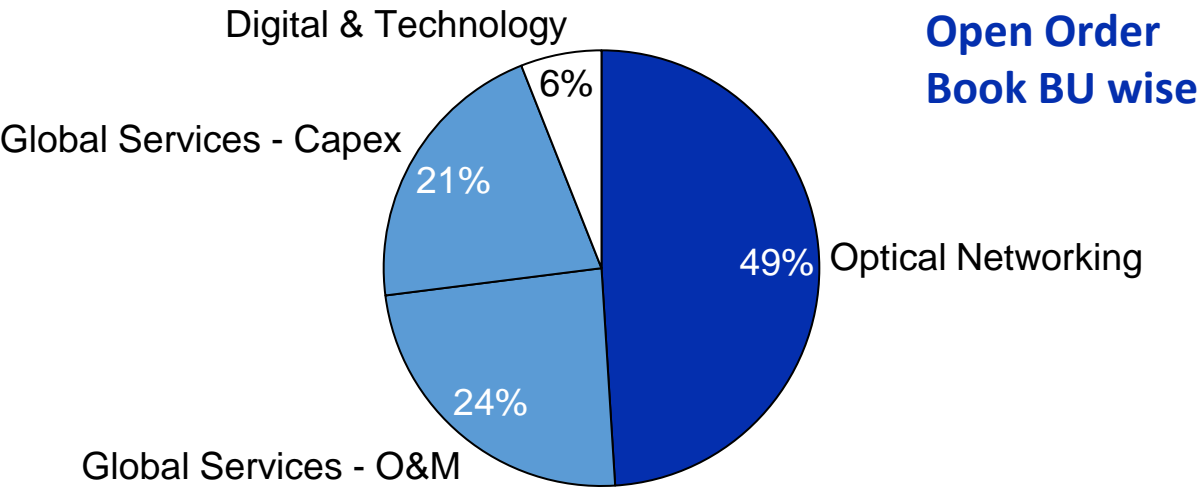
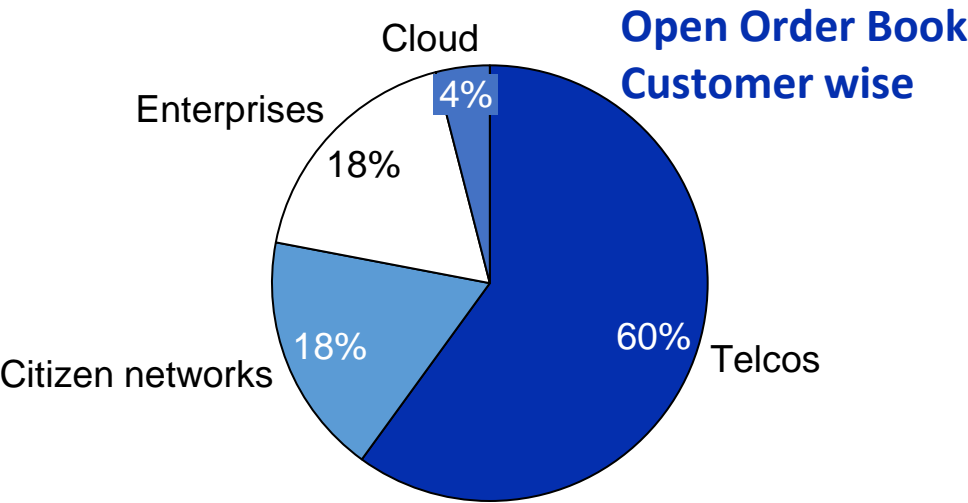
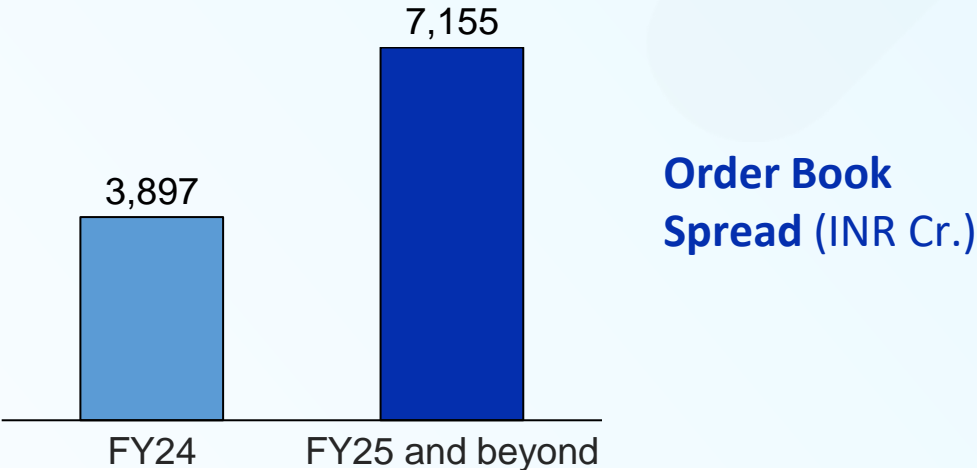
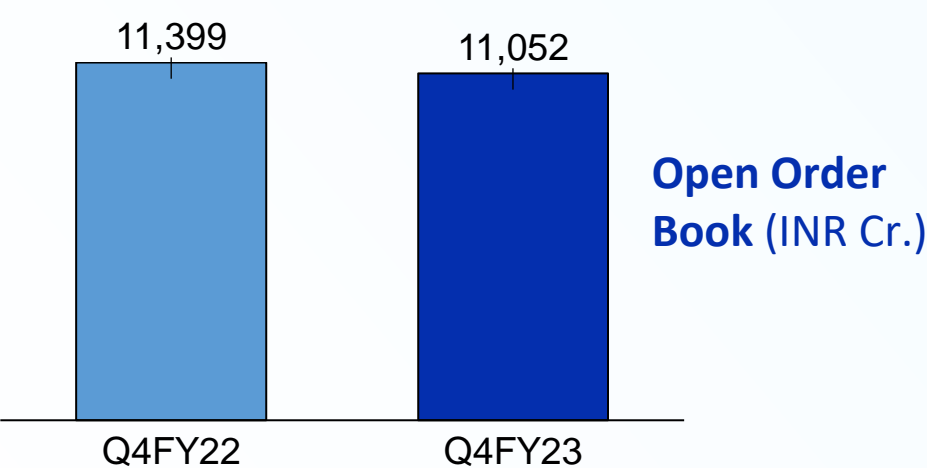


Geographical Distribution

Revenues from continued operations
(INR Cr.)



Stable order book to execute in FY24



Consolidated Financials: Abridged Version



P&L (INR Cr.)	Q4 FY22	Q4 FY23		FY22	FY23
Revenue	1,497	1,872		5,437	6,925
EBITDA	164	280		723	931
EBITDA %	11.0%	15.0%		13.3%	13.4%
Depreciation	87	78		308	309
EBIT	78	202		415	622
Interest	68	89		238	311
PBT from continued operations* (Before share of Associates and JV)	9	113		178	311
Exceptional Items	0	0		16	0
Tax	0	34		52	84
Net Profit from continued operations * (After minority Interest & share of JV)	10	82		162	245
Profit (loss) from discontinued operations	(32)	(17)		(102)	(104)
Net Profit	(22)	65		60	141

Balance Sheet (INR Cr.)	FY22	H1 FY23	FY23
Net Worth (incl. minority Interest)	2,047	2,006	2,095
Net Debt	2,782	3,239	3,121
Total	4,829	5,245	5,215
Fixed Assets	3,034	3,085	3,006
Goodwill	270	200	225
Net Working Capital	1,525	1,959	1,985
Total	4,829	5,245	5,215

Summary : Financial Priorities FY24; To revisit periodically



**Revenue
Growth Rate**

10 ~ 12%



**Net
Debt/EBITDA**

Move to less than 2.5x



Summary



Profitable growth in Optical business: Continue to gain market share in optical fibre cable in our focus markets & Increase optical connectivity attach rate. Continue to optimise cost simultaneously

Consolidation towards strategic segments in Global services: Focus on India Private, Move towards value added services with better margin profile & low fund involvement

Build world class digital businesses: Consciously invest to grow digital business on QoQ basis. Increase utilisation simultaneously to move towards profitability

Generate Free cash to reduce net Debt: Target to generate free cash & reduce net debt to EBITDA to less than 2.5

Annexure

STL



1

Company
Overview

2

Optical
Networking

3

STL
Digital

4

STL
Financials

Annexure

With a strong board in place



ANIL AGARWAL
Non-Executive Chairman



PRAVIN AGARWAL
Vice Chairman And Whole-
Time Director



ANKIT AGARWAL
Managing Director and
Whole Time Director



SANDIP DAS
Non-Executive And
Independent Director



KUMUD SRINIVASAN
Non-Executive And
Independent Director



B.J. ARUN
Independent Non-Executive
Director



S. MADHAVAN
Independent Non-Executive
Director

Key Management



Pravin Agarwal
Vice Chairman & Whole time Director



Ankit Agarwal
Managing Director & Whole time Director



Paul Atkinson
CEO, Optical Network Business



Praveen Cherian
CEO, Global Services Business



Raman Venkatraman
CEO, STL Digital



Tushar Shroff
Chief Financial Officer



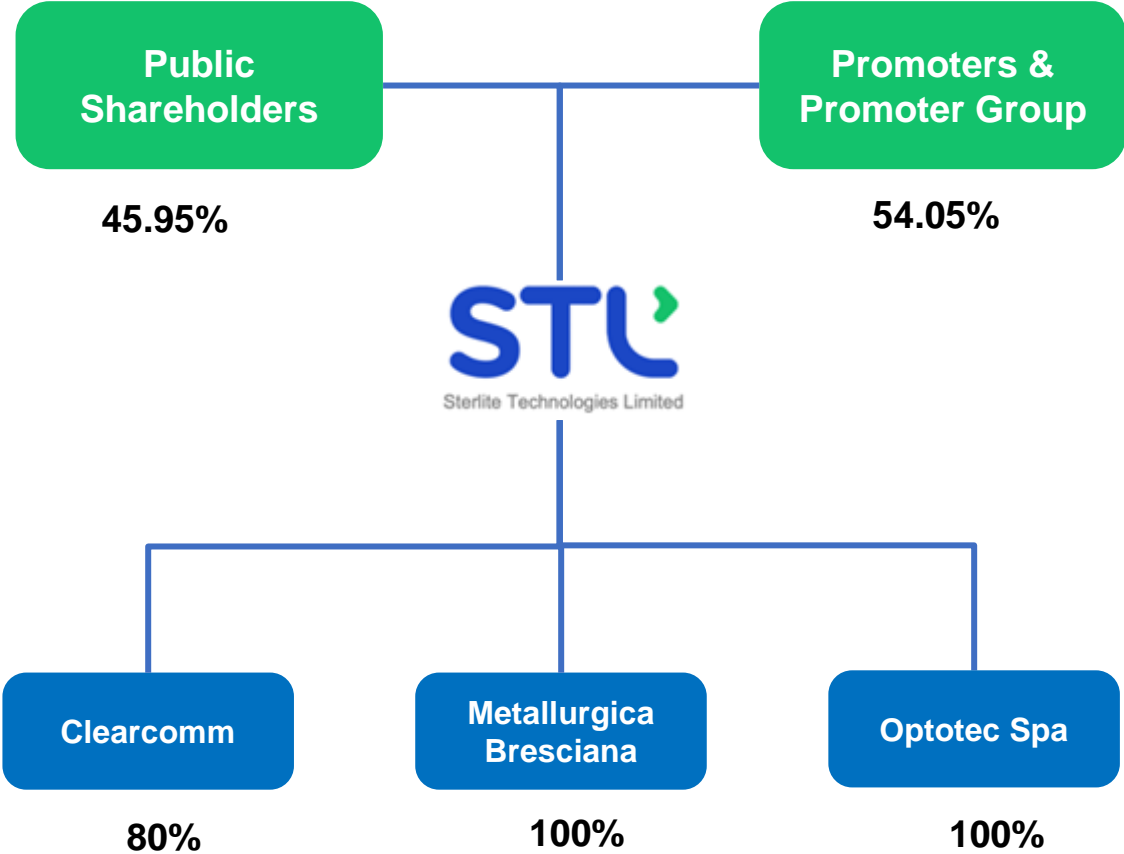
Amit Deshpande
Company Secretary

Corporate structure and shareholding pattern



Corporate structure

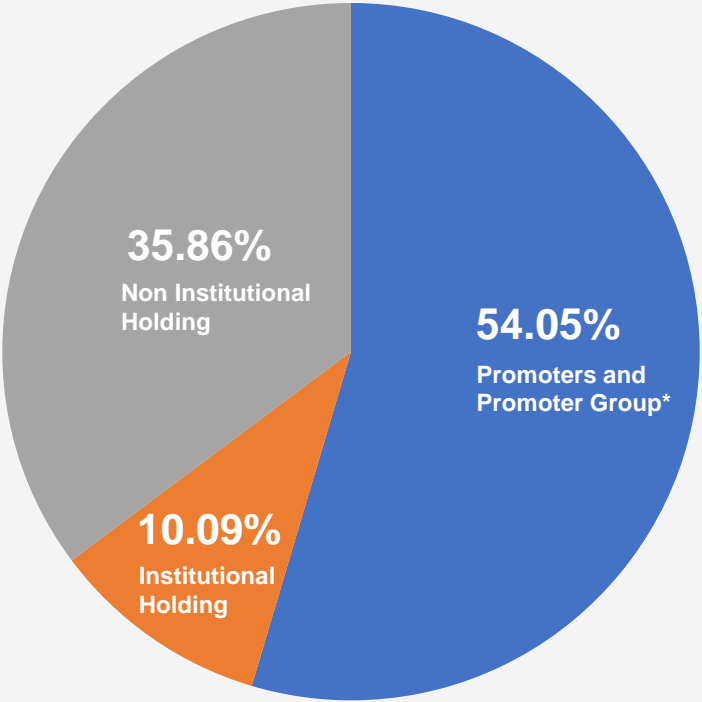
As on Mar 31st, 2023



Key Acquisitions

Shareholding pattern

As on Mar 31st, 2023



STL in Numbers



INR 6,925 Cr.

FY23 Revenue

Americas (38%),
Europe (35%), India (25%), RoW(2%)

Customers in
100+ countries

9
Global production facilities

4
Innovation Centres

Global Services
CoE's in India and UK

GLOBAL FOOTPRINT



- SOFTWARE DEVELOPMENT CENTRES
- MANUFACTURING UNITS
- SALES OFFICES

650*
PATENTS
as on end of FY23

Zero
WASTE TO LANDFILL

Great place to work, BCG, Gartner
Recognized by the best



beyond tomorrow