

The background of the slide is a composite image. The top half shows a night cityscape with several tall, illuminated skyscrapers. A drone is flying in the dark sky above the buildings. The bottom half of the image features vibrant, multi-colored light trails (red, orange, yellow, green, blue, purple) that appear to be flowing or swirling, creating a sense of motion and energy.

Earnings Presentation

Earnings Call Q3 FY'25

17th January 2025

Safe Harbour



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

Ankit Agarwal

Managing Director



A believer in purpose-led organizations, Ankit has been leading STL's growth journey as it transforms billions of lives by connecting the world. He holds sustainability very close to his heart and is leading the company's ambitious Net-Zero by 2030 target, from the front.

Ankit is extremely passionate about improvement in health, education and the environment through digital inclusion. Recognized as a 40 under 40 leader, Ankit is a strong supporter of young and entrepreneurial talent. He is a fitness enthusiast, an athlete, and a long-distance runner and encourages his teams to work towards solid all-round growth at work and in life.

Strategic Priorities for FY25



1

**Strategic
Priorities
for FY25**

2

Focus on gaining market share in Optical business

3

Focus on Profitable order wins in Global Services

4

Focus on growth in STL Digital

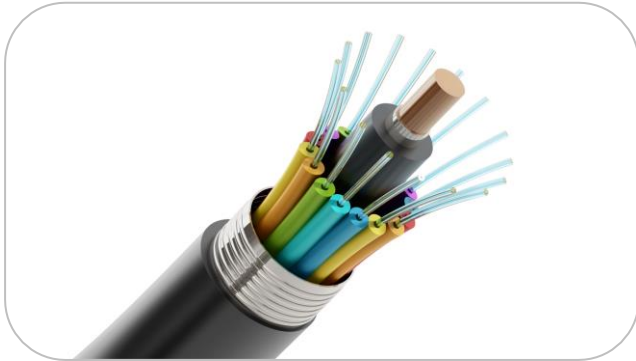
5

Robust Financials

01

Grow

Optical Networking



- Increase OFC market share and optical connectivity attach rate
- Rapidly building data centre product portfolio
- Drive technology & cost leadership

02

Consolidate

Global Services



- Build capability for value added services
- Focus on project mix to improve profitability
- Demerge Services Business

03

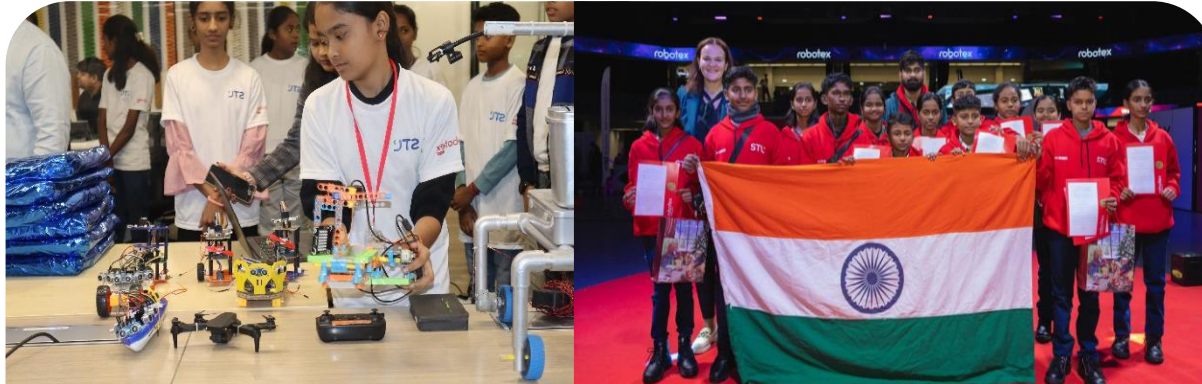
Build

STL Digital



- Consciously invest in building technology and domain capability
- Focus on profitable growth

Transforming lives through social responsibility initiatives



RoboEdge: Empowering students with NextGen skills & focus on Robotics. Covered 11+ schools and benefitted 5,000+ students



Jeewan Jyoti: Empowering underprivileged women by training them in vocational skills. Benefitted 5,100+ women.



4523 kWp Solar Panels Installed across plants to reduce **Carbon Footprint** | **Afforestation and water replenishment** efforts with 26 Gram panchayats creating 95 water structures, **replenishing 2.69 Mn m3 of water** in Maharashtra. **Planting & maintaining >4 Lakh saplings.**



Swashthya Suraksha: Hybrid healthcare programs across Aurangabad, Gadchiroli, and Nandurbar districts, **impacted >26 Lakh lives.**

Committed to net-zero emissions by 2030

MSCI * ESG rating at A



ENVIRONMENTALLY SUSTAINABLE

Eco-labelled products

260,000+ MT

Waste diverted from landfills (FY19 – Q3FY25)

35,000+ tCO₂e

Reduced through energy efficiency initiatives (FY21 – Q3FY25)

930,000+ m³

of water recycled (FY19 – Q3FY25)

43.6%

Procurement (by value) done locally (FY24)

Collaborated with Hygenco for supply of Green Hydrogen



SOCIALLY RESPONSIBLE

Committed to the UN SDGs¹

16

Aligned with 16 of the 17 SDGs

910,000+

Lives benefitted through STL's ed-tech & women empowerment programmes (FY19 – Q3FY25)

2.75 mn.+

Lives benefitted through STL's healthcare programmes (FY19 – Q3FY25)

4,523 kWp

Solar panels installed; reducing carbon footprint



GOVERNED WITH CARE

Strong internal governance

Two of the Big Four

as statutory & internal auditors

Executive and Management committees in place

100+ ESG awards won (FY19 – FY24)

STL becomes world's first optical manufacturer to be zero liquid discharge certified & zero waste to landfill certified

* MSCI - Morgan Stanley Capital International

Optical Business; STL's focus on gaining market share



1 Strategic Priorities for FY25

2 Focus on gaining market share in Optical business

3 Focus on Profitable order wins in Global Services

4 Focus on growth in STL Digital

5 Robust Financials

Near-term demand softness, robust growth in medium to long term



Reflections

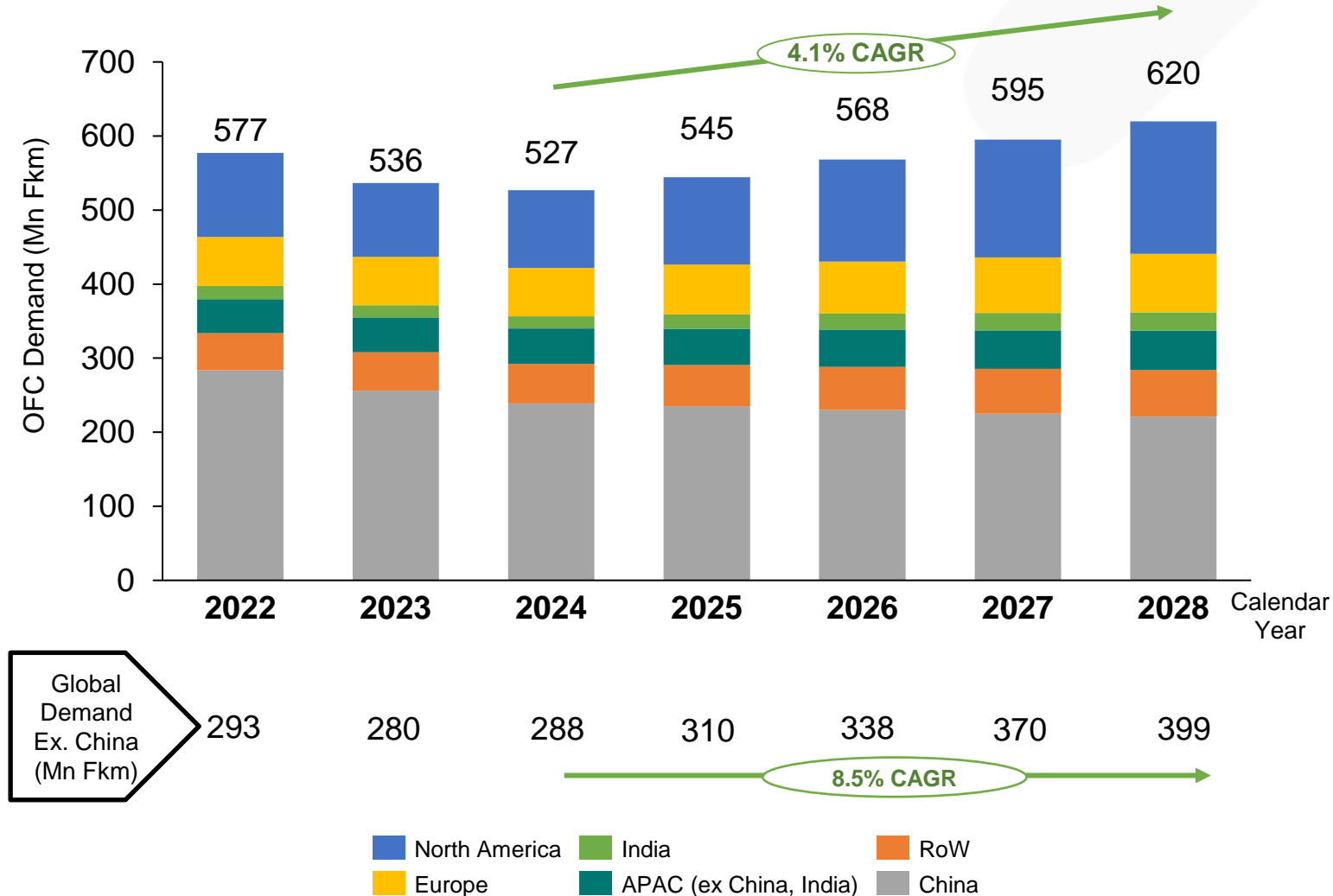
As per CRU;

- 2024 volumes are expected to hit the lowest point in last four years.
- China demand contracted, however Global demand ex-China suggested growth of **2.9%** in 2024.
- Data center demand emerging as a key growth driver.

Future Outlook

As per CRU;

- World demand ex-China expected to grow by **~8.5%** in mid term.
- North America demand expected to grow **~11.9%** in 2025 and **~14.2%** in mid term, driven by the BEAD program and sustained data center growth.
- Inventory digestion and sustained deployments to lead steady improvement in market conditions

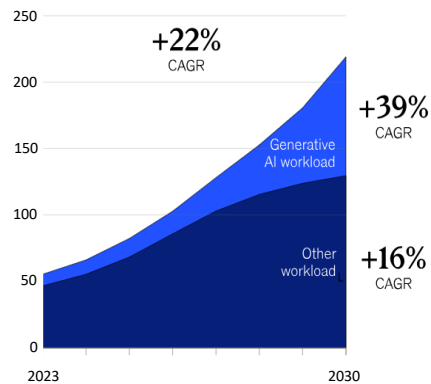


STL's focus markets *North America expected to lead demand growth*

AI revolution and Data Centre expansion presenting unprecedented opportunity

Opportunity

Estimated global data centre capacity demand, gigawatts



Global Datacentre Demand could be **>3x** by 2030

70% of Demand for AI-specific infrastructure by 2030

India DC Capacity 950 MW to 1,800 MW (2024–2026)

Fibre explosion in DC



AI-Driven Fibre Demand



36x more fiber required for GPU-dense vs. CPU racks

70% higher fiber density in AI data centers than traditional ones



Investment in Fibre

\$2 billion capex for data center fibre over a decade

STL's AI-DC Portfolio

Make in India for the World



End to end portfolio for DCs

Right fit for GPU-Dense, High bandwidth, low latency DC requirements

AI-Optimised : Scalable and future ready

Enterprise and Data Centre

Achieved **22%** this quarter

Progressing steadily towards achieving **significant** revenues from **Data Centre and Enterprise suit of products** in medium term

*Source- JLL, Mckinsey, Bharatnet.in, Press Releases, STL Analysis

Three investments cycles coinciding

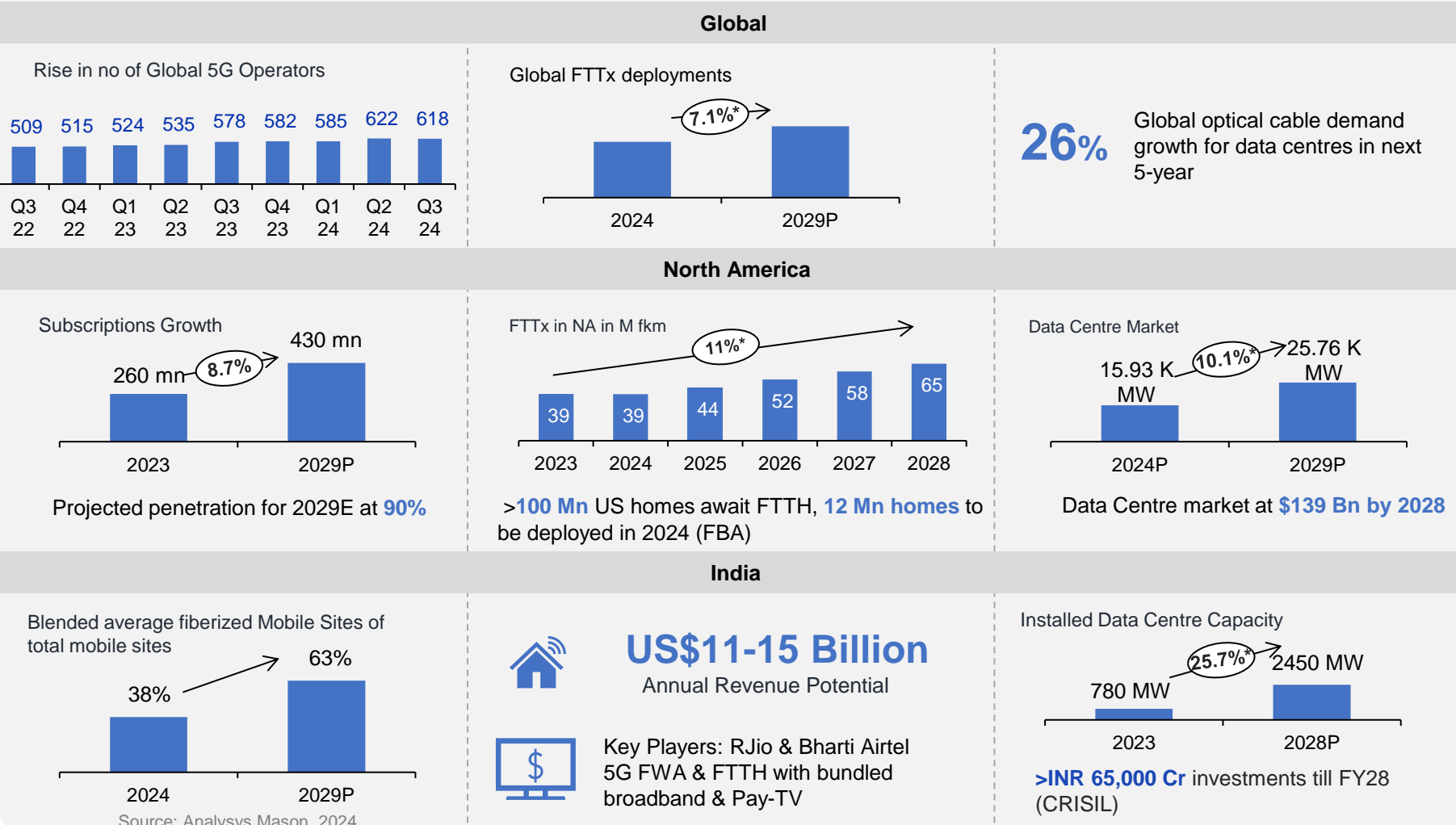


Multi-year network build cycle

5G

FTTx

Data Centres



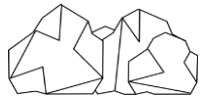
Supported by:

- At least **14** European countries **switching from copper to fibre**
- Rising telecom Capex. Global Top 10 Telecom Operators' Capex up **2.9% YoY**, driven by high speed 5G and broadband investments

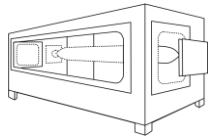
Government programs

- USA Govt Funding of **~\$97 bn** for broadband infra (BEAD program \$42.5 Bn)
- BharatNet Phase 3 Program winners announced

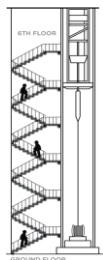
Hi-Tech manufacturing and Next Gen products



PUREST GRADE SILICON



ULTRA PURE GLASS
PREFORM



STATE OF THE ART
OPTICAL FIBRE DRAWING

'First in the World / India'



160 micron fibre – World's Slimmest Optical Fibre
Multiverse / MCF – Game-Changing Multicore Fibre Innovation
Eco-labelled Certified - Sustainability at Its Core
Green Hydrogen - Pioneering Sustainability in the Optical Industry



IP Portfolio



740 patents (filed and granted)
10 new patents filed in Q3, FY25

Awarded third time in a row!



**BABA/BEAD compliant
optical products**



**First commercial success for newly launched
AI – Fibre Optic Sensing solution**



**STL enabling India's
Fixed wireless access (FWA) progress**

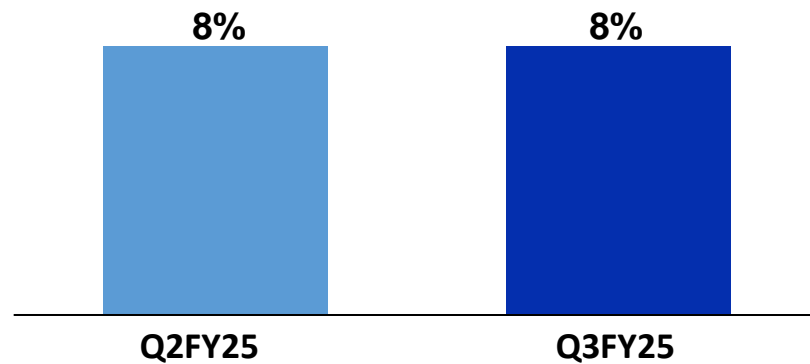


"STL's AI-led Data Centre portfolio is a significant innovation for the AI ecosystem and will also strengthen India's data centre capabilities." Shri Jyotiraditya Scindia, Indian Telecom Minister.

Market share and optical connectivity attach rate



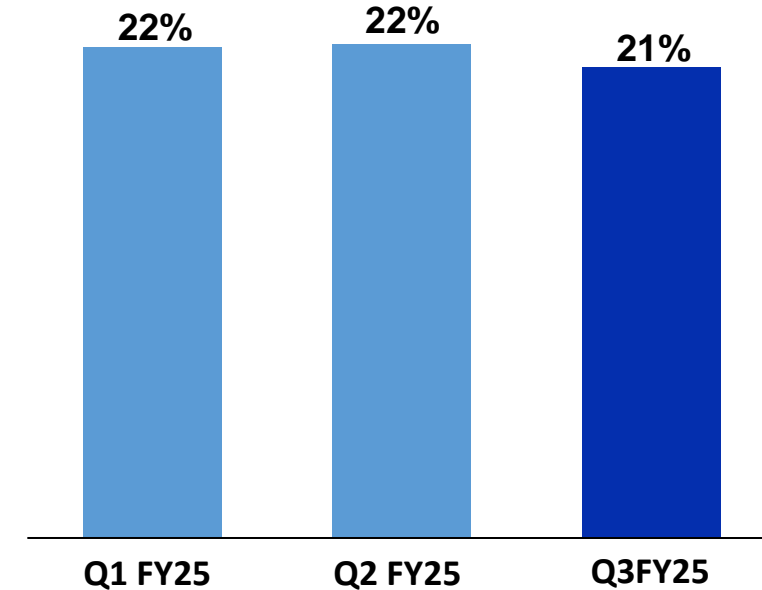
Global (ex-China) OFC market share



Market Share = STL Sales Volume / Total Market Demand

Stable OFC market share on q-o-q basis.
Focus on re-gaining the market share

Optical connectivity attach rate



Attach rate = Optical connectivity revenue / OFC revenue

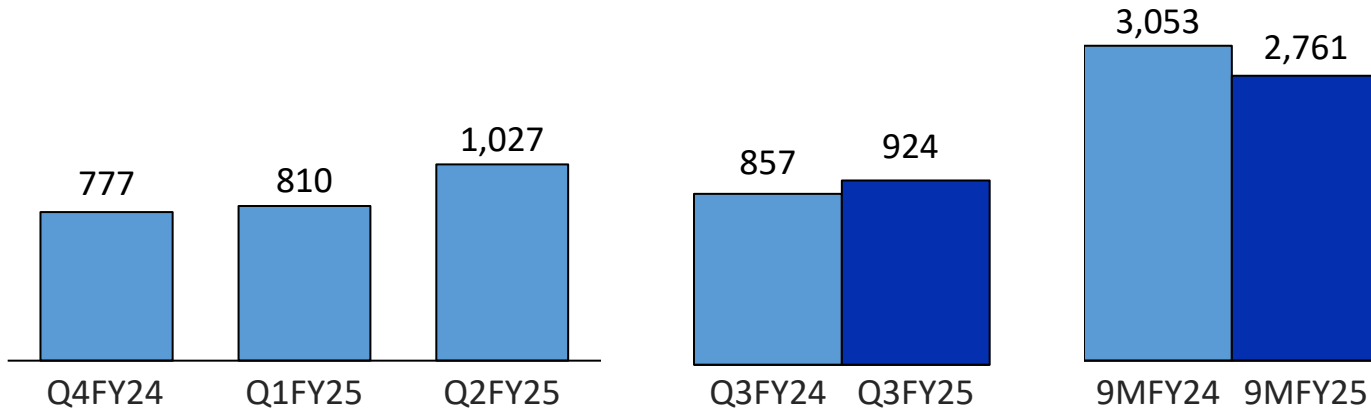


Successive quarters of higher attach rate

Optical Networking Business financial highlights



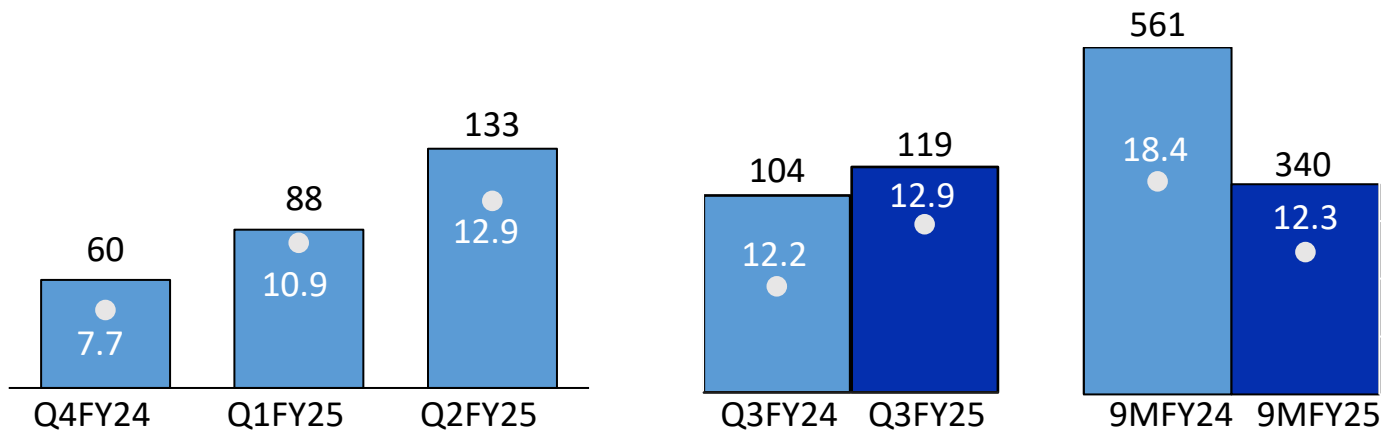
Revenue* (INR Cr.)



Q3 FY25 revenue at INR 924 Cr.

- Improved volumes and revenues on y-o-y basis

EBITDA* (INR Cr.) ● EBITDA %



Q3 FY25 EBITDA margin at 12.9%

- Improved EBITDA margins on y-o-y basis

Well positioned to grow the Optical Business



1 Local capacities: Completed capacity expansions, positioned closer to focused markets and well placed to win in the market



2 Cost structure: Continue to optimize cost structure both in terms of variable & fixed costs

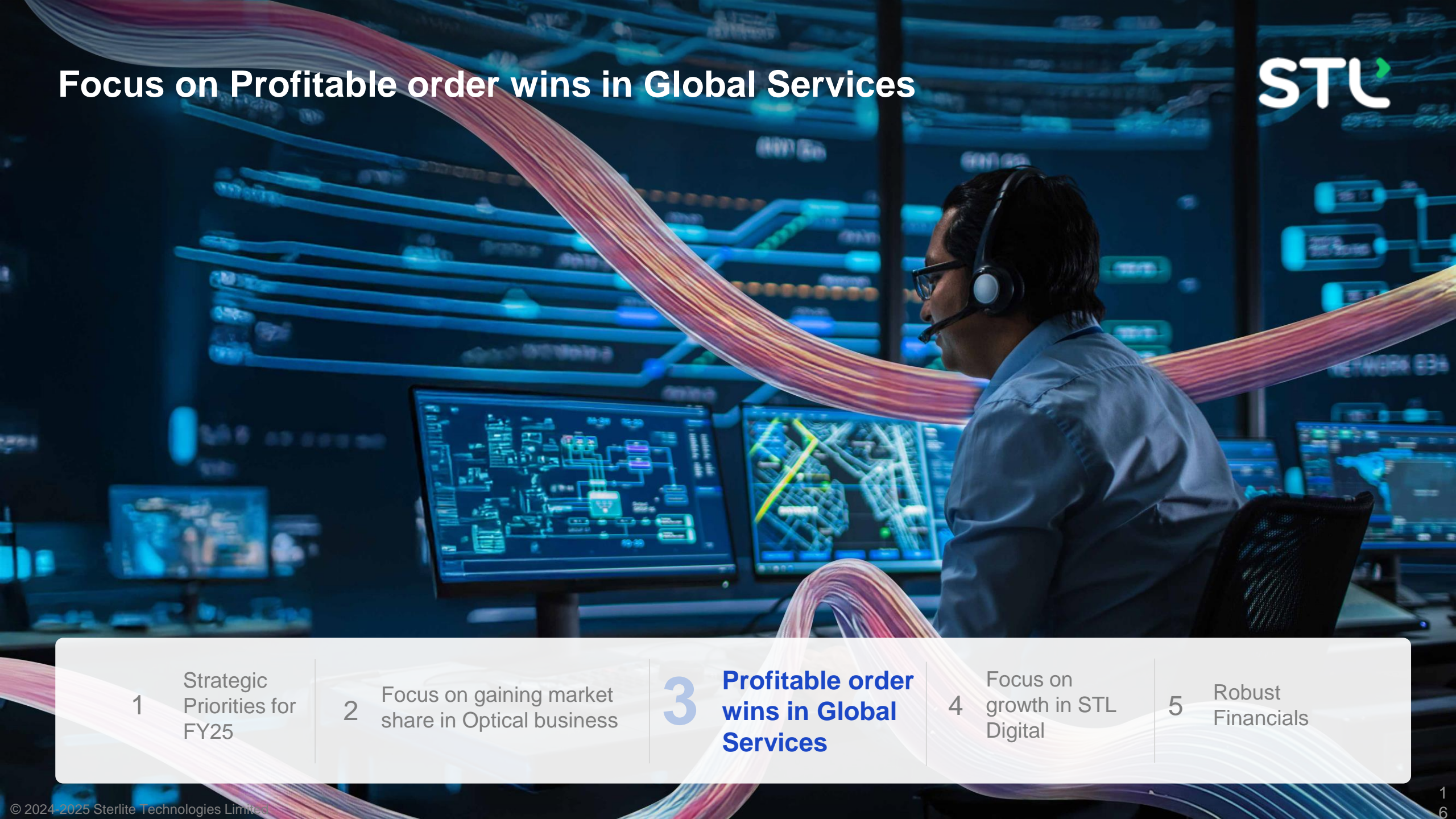


3 Product development & innovation: 740 patents¹ with continued focus on product innovation creating category first products. Focus on data centre product portfolio



4 Customer focus: Co-developing customized products, diversified customers across geographies & customer segment

Focus on Profitable order wins in Global Services



1

Strategic
Priorities for
FY25

2

Focus on gaining market
share in Optical business

3

**Profitable order
wins in Global
Services**

4

Focus on
growth in STL
Digital

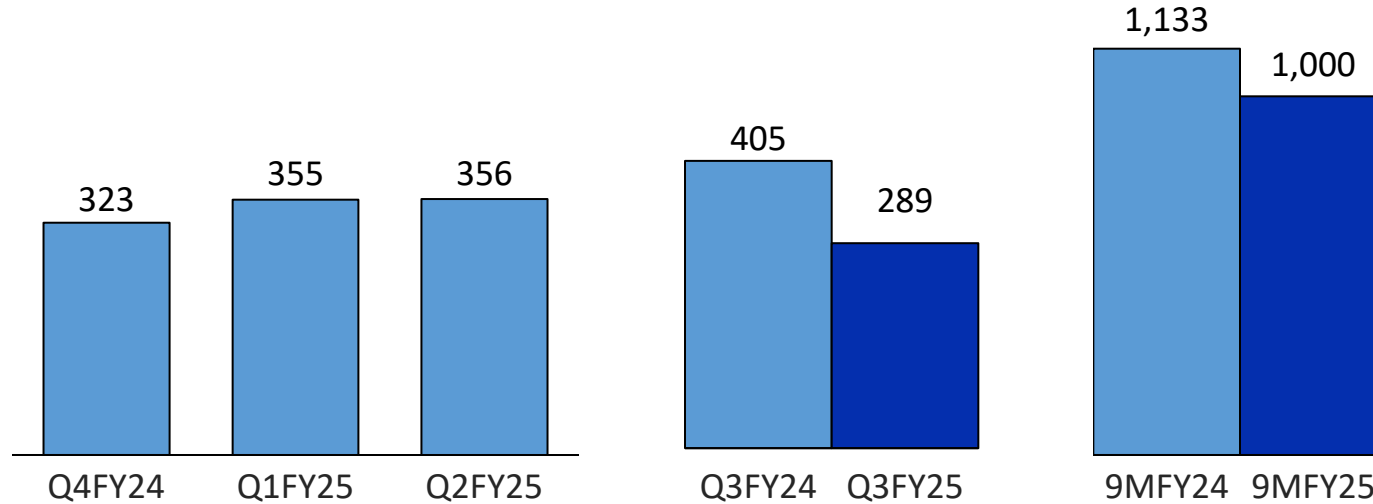
5

Robust
Financials

Global Services Business financial highlights



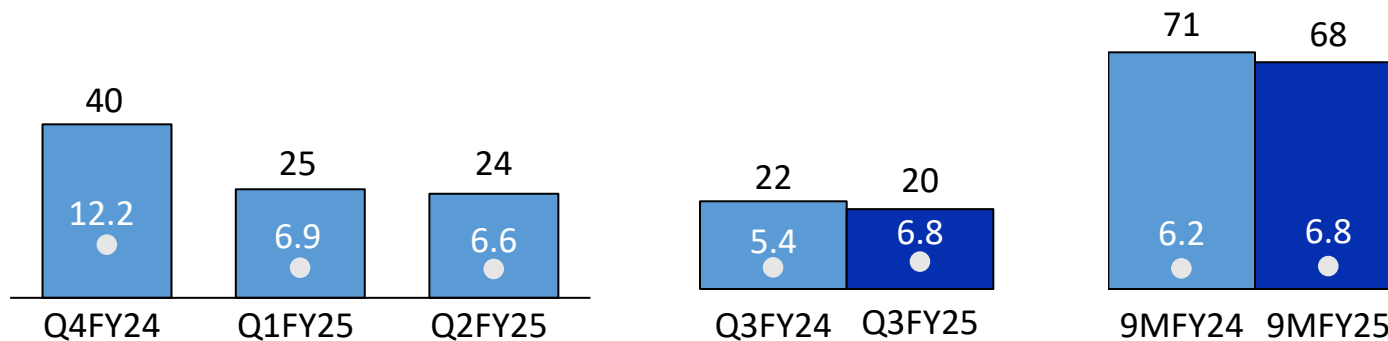
Revenue* (INR Cr.)



Q3 FY25 revenue at INR 289 Cr.

- Continued focus on selective order intake

EBITDA* (INR Cr.) ● EBITDA %



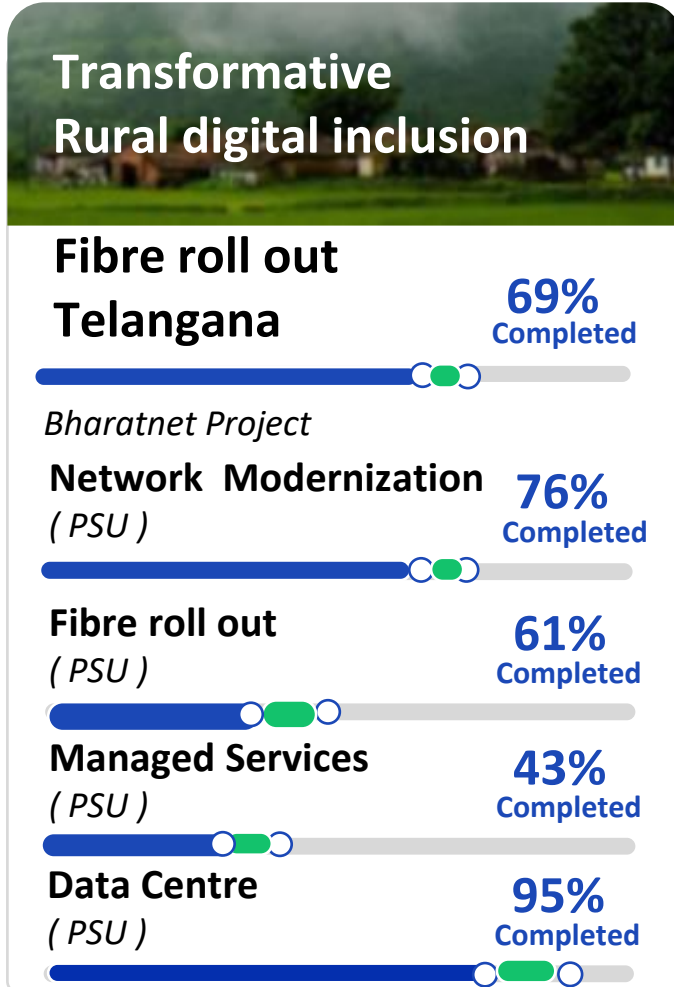
Q3 FY25 EBITDA at INR 20 Cr.

- Strong execution focus leading to improved EBITDA margins on q-o-q and y-o-y basis

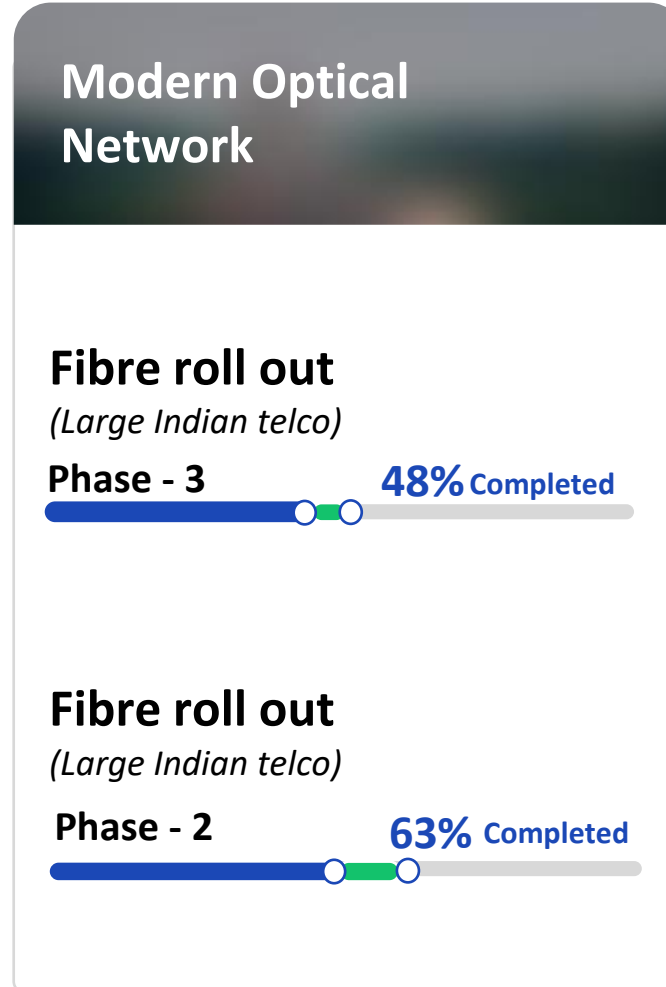
Project execution on track



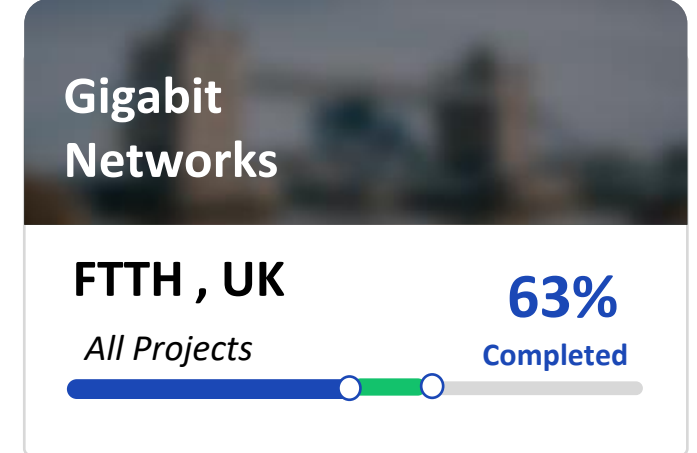
India - Public



India - Private



UK



★ Secured **INR. 2,600 Cr** BharatNet Project in Jammu & Kashmir

Well positioned to tap Large Opportunities from:

- BharatNet Phase III
- NHA1 nationwide fibre network

Progress till previous Qtr. Progress in current Qtr.

Focus on growth in STL Digital



1 Strategic Priorities for FY25

2 Focus on gaining market share in Optical business

3 Focus on Profitable order wins in Global Services

4 Focus on growth in STL Digital

5 Robust Financials

Continued growth momentum in STL Digital



Identity



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

Service offerings

- Enterprise saas services
- Product engineering
- Cloud & cyber security
- Data analytics & AI

Industry vertical

- Technology
- Life sciences & healthcare
- Manufacturing
- Energy, resources & utilities

Customers

26

Global customers



Team



950+ Consultants



22% Women

Financials

Open Order Book **INR. 451 Cr**
31st Dec'24

FY24 Revenue **INR. 298 Cr**

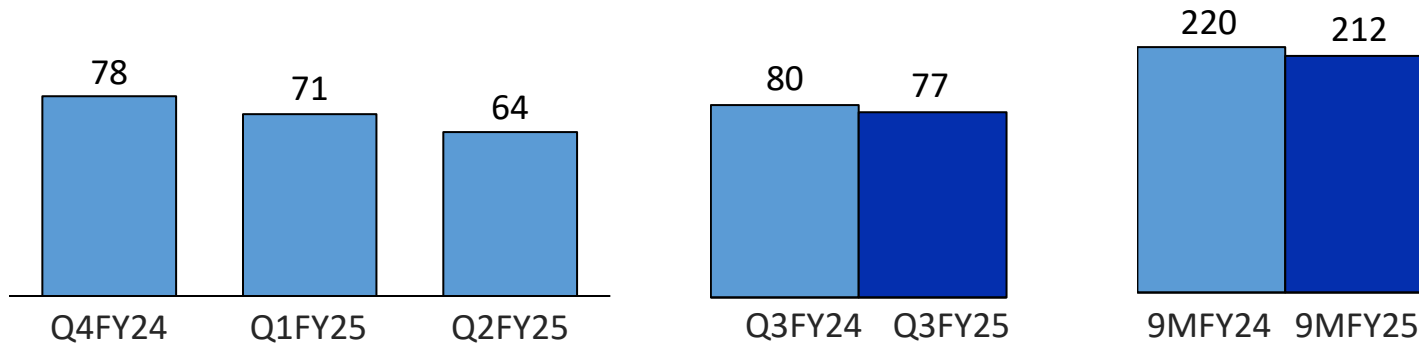
- **Robust deal flow**, across geographies from marquee customers during Q3FY25
- **New customer acquisitions continue**
- **Led Vedanta's Digital Transformation** with RISE with SAP for 8 Companies, Serving 15,000+ Users Globally.
- **Strong partnership ecosystem.**
40+ Active technology partners

Well poised to grow with robust order book and right team

Digital business financial highlights



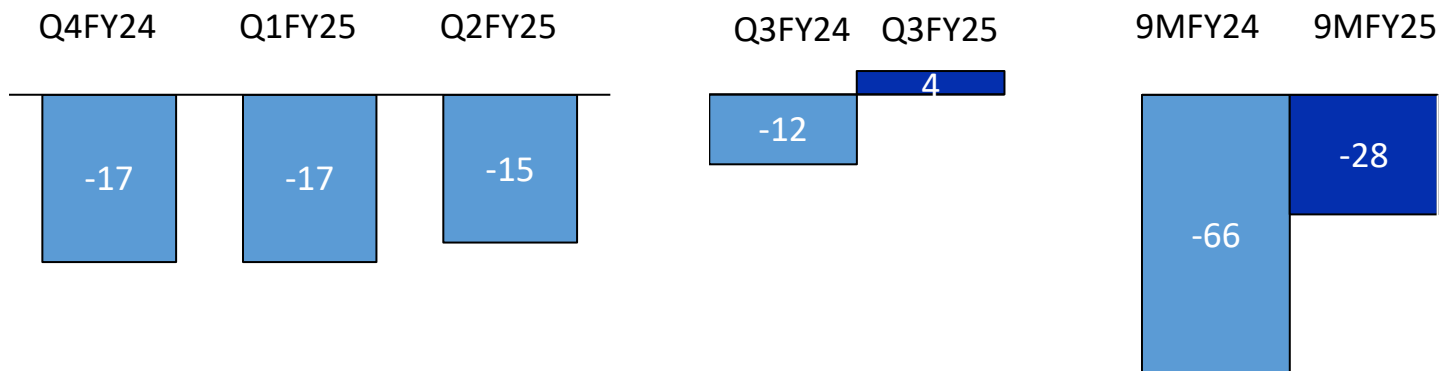
Revenue* (INR Cr.)



Q3 FY25 Revenue at INR 77 Cr.

- Revenues improved on q-o-q basis

EBITDA*(INR Cr.)



Q3 FY25 EBITDA at INR 4 Cr.

- Focus on profitable growth leading to first **EBITDA positive quarter**

Tushar Shroff

Group CFO



Tushar has a rich experience of nearly three decades and is highly focused on building resilient and value-creating organizations. Tushar has deep expertise in the areas of fundraising, capital structuring, merger & acquisition, treasury management, taxation, financial accounting and planning, Investor Relations, and Business partnering. He has served as the Finance committee member of GCCI (Gujarat Chamber of Commerce & Industry).

As the Chief Financial Officer at STL, his vision is to bolster the company's strategy to deliver consistent shareholder value and profitable growth.

He holds the cause of all-round development and well-being of specially-abled children, close to his heart and actively dedicates his time and energy towards this.

Focus on maintaining operating profitability & reducing debt



1 Strategic Priorities for FY25

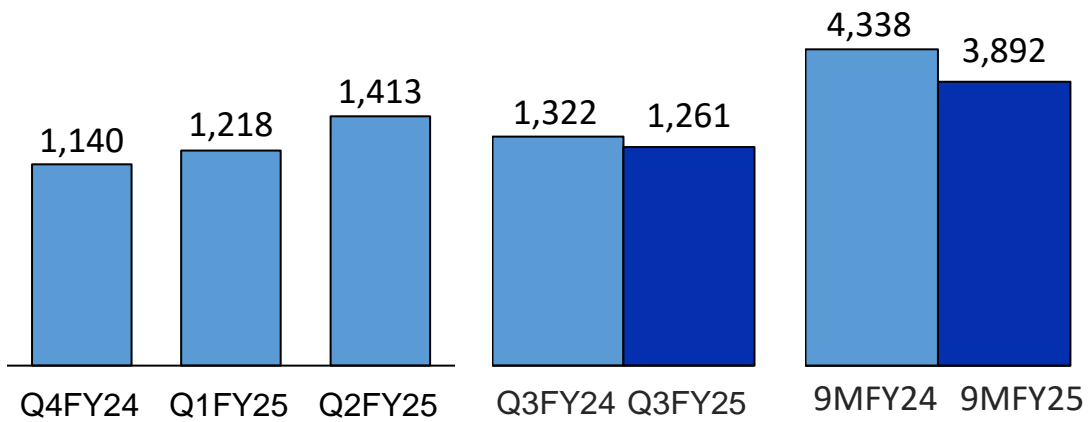
2 Focus on gaining market share in Optical business

3 Profitable order wins in Global Services

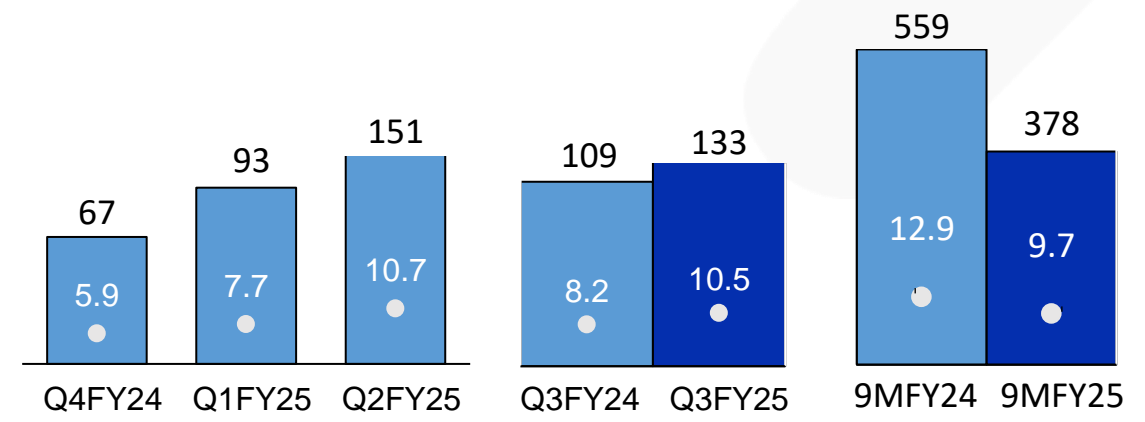
4 Focus on growth in STL Digital

5 Robust Financials

STL financial highlights

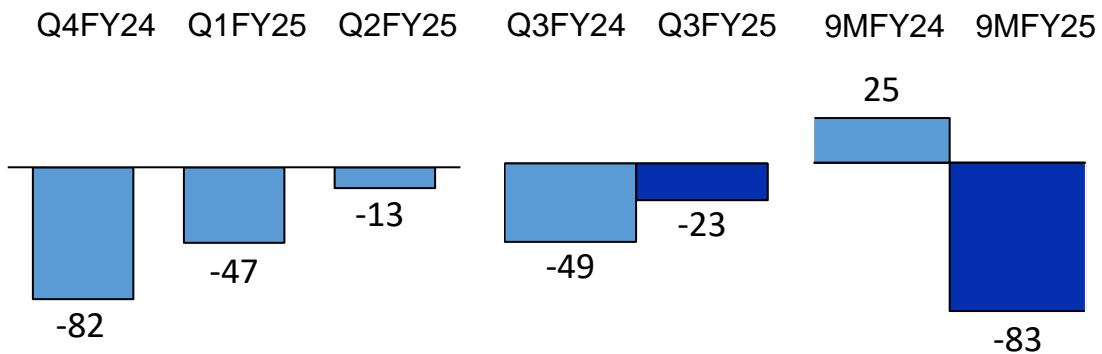


Revenue* (INR Cr.)



EBITDA* (INR Cr.) ● EBITDA %

PAT* (INR Cr.)



Q3 FY25 Revenue INR 1,261 Cr; YTD INR 3,892 crores

- Lower OFC volumes on q-o-q basis

Q3 FY25 EBITDA margin at 10.5%; YTD 9.7%

- Moderate impact on margins due to lower OFC volumes

Q3 FY25 PAT loss at INR 23 Cr ; YTD INR 83 crores

- Quarterly losses narrowing on y-o-y basis

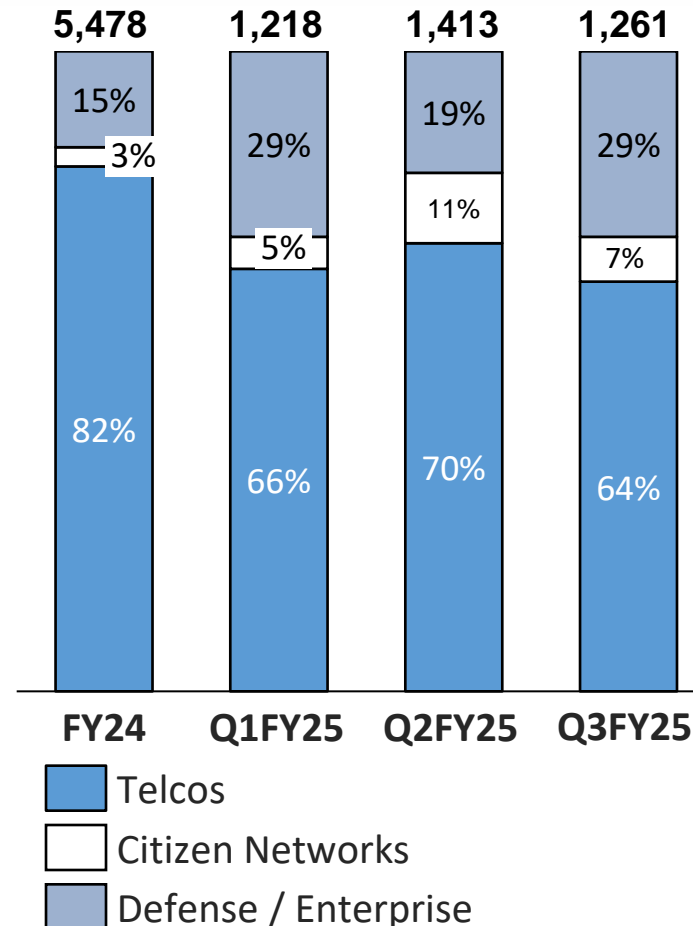
Diversified revenue mix



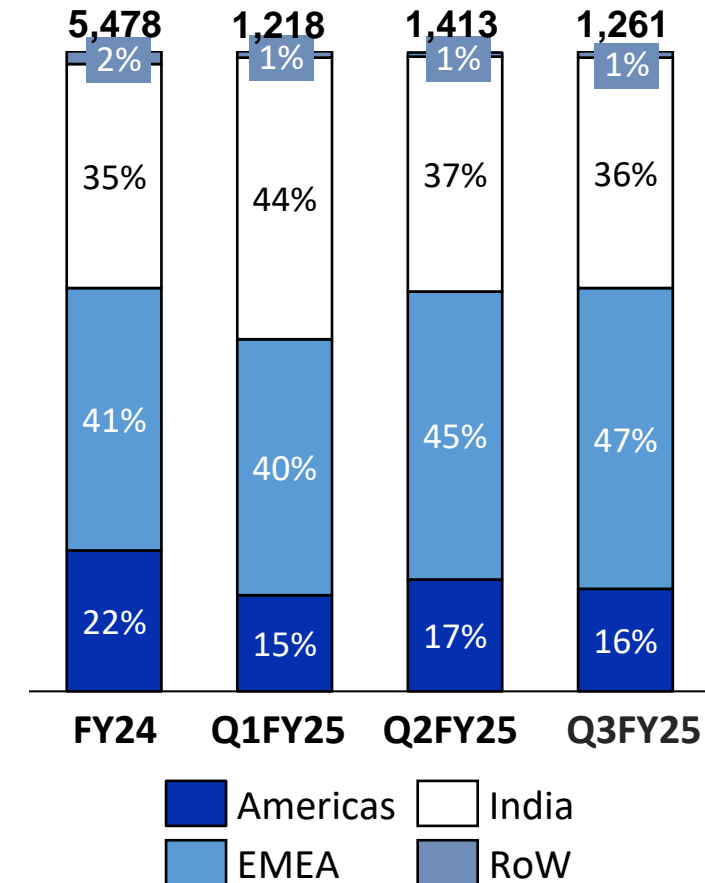
Large order wins in Q3 FY25

- Secured large long term contract from a **leading American customer** for OFC supply
- Signed **Long-term agreement** with a leading **UK telecom operator** for connectivity and fiber solutions.
- Digital** secured large long term outsourcing deal with an **Industry behemoth** for specialized deployments
- Secured large deals with **Italian distributors**, targeting the **railways sector** for connectivity products.
- Value-added fiber supply contract with a **leading French customer**

Customer segment split Revenues* (INR Cr.)



Geographical distribution Revenues* (INR Cr.)

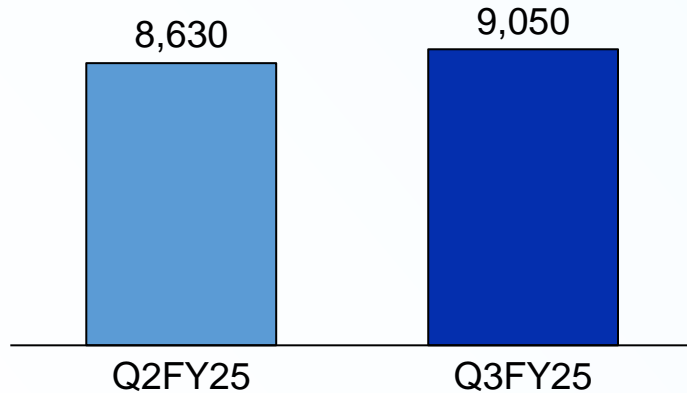


* from continued operations

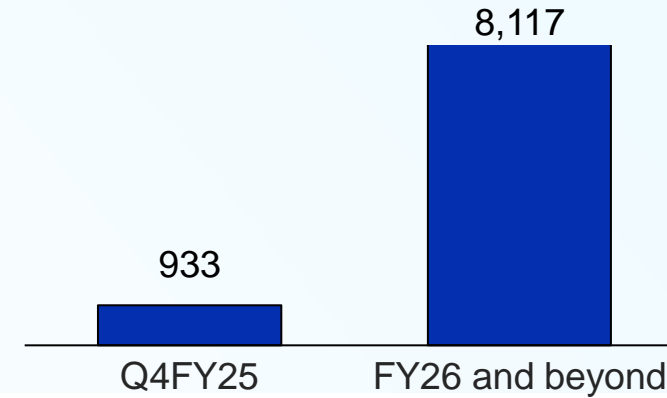
Order Book Highlights



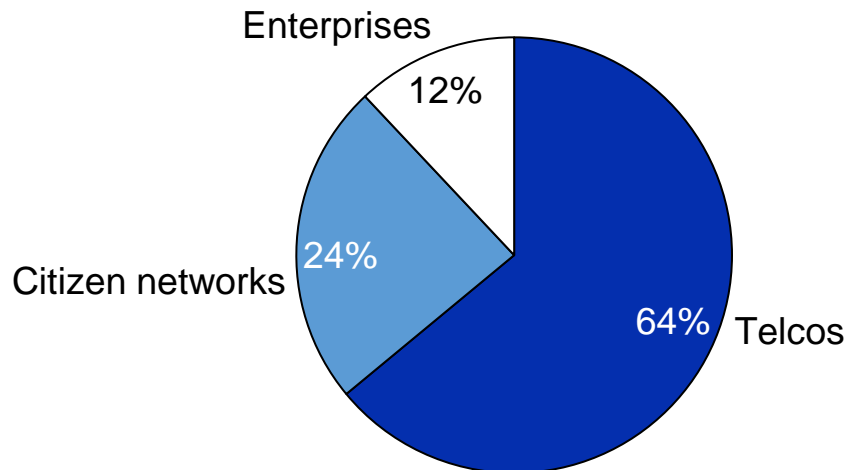
Open order book (INR Cr.)



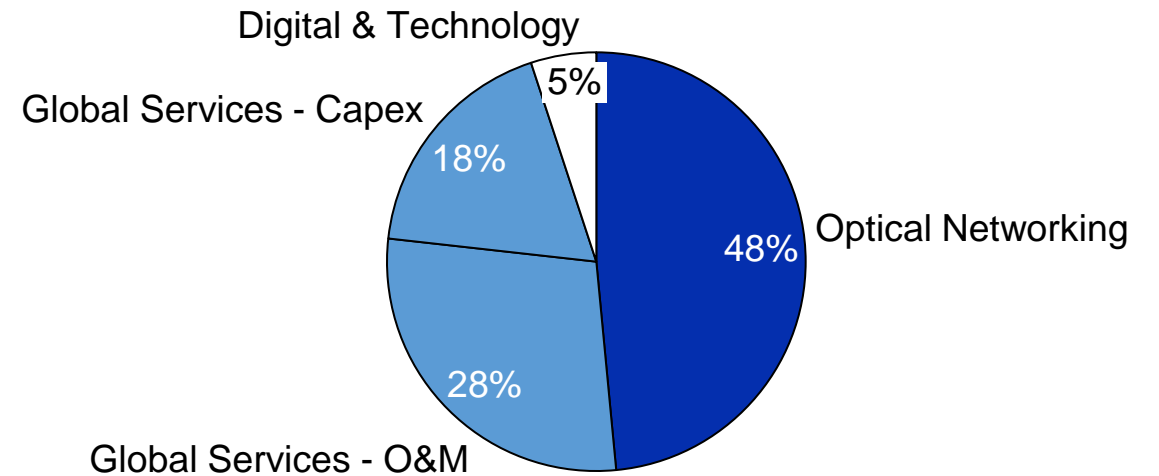
Order book spread (INR Cr.)



Customer wise open order book



Open order book BU wise



Consolidated Financials: Abridged Version

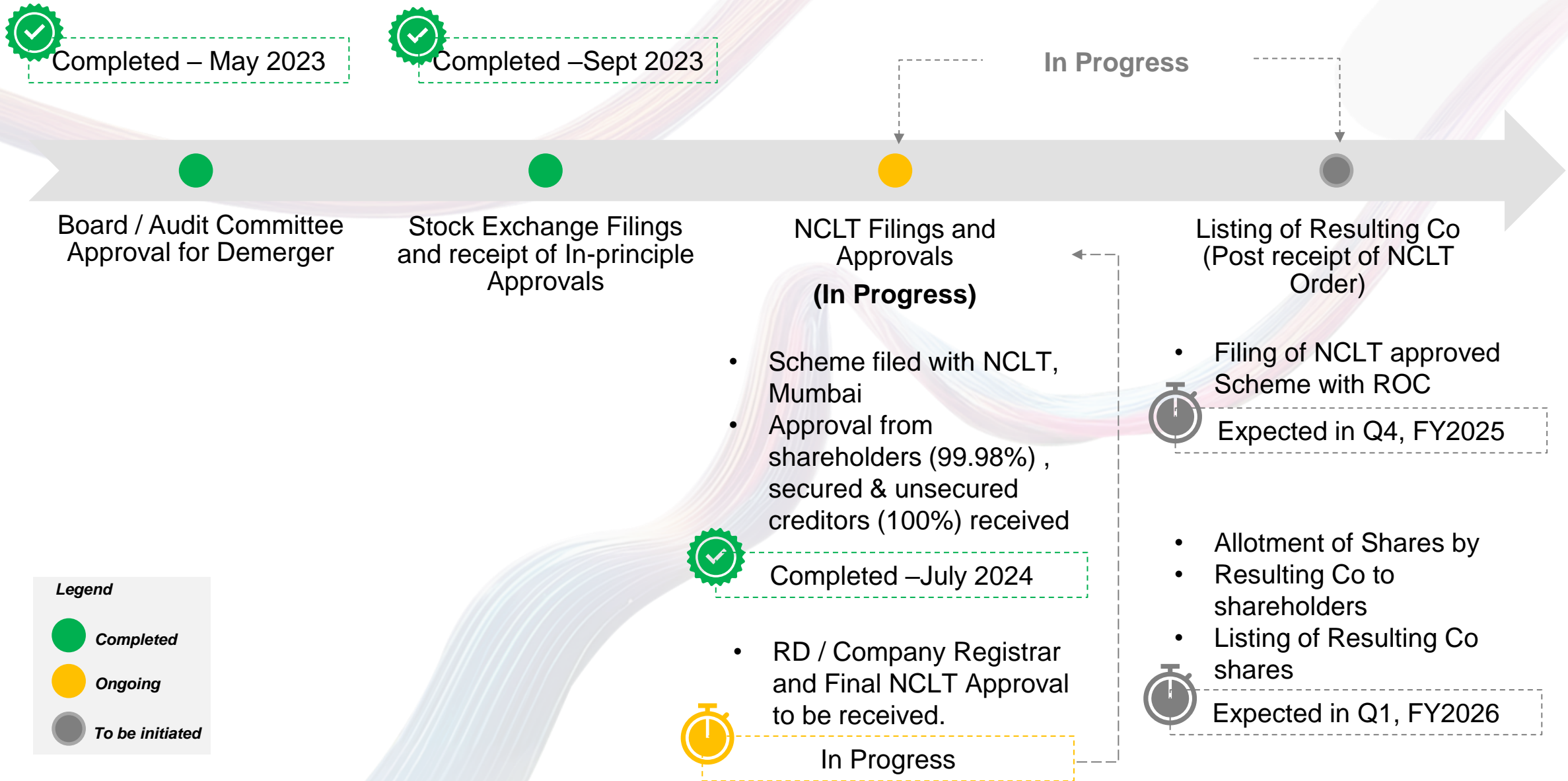


P&L (INR Cr.)	Q3FY24	Q2 FY25	Q3 FY25	9M FY24	9M FY25
Revenue*	1,322	1,413	1,261	4,338	3,892
EBITDA*	109	151	133	559	378
EBITDA %	8.2%	10.7%	10.5%	12.9%	9.7%
Depreciation	84	83	84	250	249
EBIT*	25	68	49	309	129
Finance Costs	94	84	83	281	238
Exceptional Items	0	0	0	0	0
PBT* (Before share of Associates and JV)	-69	-16	-34	28	-109
Tax	-17	-3	-11	14	-27
Net Profit* (After minority Interest & share of JV)	-49	-13	-23	25	-83
Profit (loss) from discontinued operations	-8	-1	-1	6	-2
Net Profit	-57	-14	-24	30	-84

Key Updates

- Net Debt stands at 2,195 Cr at 9MFY25
- Debt to Equity ratio stands at 0.75 at 9MFY25

Global Services demerger status



Summary focus areas



Optical Business

- Drive **technology and cost leadership** to be in '**Global Top 3**'
- Increase sales in **focused markets** to fill the short-term volume gap
- Increase **optical connectivity** growth and attach rate
- Rapidly building **data center product portfolio**

Services Business

- Continued focus on select projects intake to **improve profitability** and **optimise net fund involvement**
- Completing **demerger by Q1 FY26**

Digital Business

- Continue to **grow revenue** with **focus on profitability**

A large, out-of-focus audience of people sitting in rows, with many of their hands raised in the air, suggesting an interactive session or a Q&A period. The image has a blue color overlay.

Lets answer your queries!



beyond tomorrow