

Earnings Presentation

Earnings Call Q4 & FY25

16th May 2025

Safe Harbour



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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 FY26



1

Strategic Priorities for FY26

2

Focus on gaining
market share in
Optical business

3

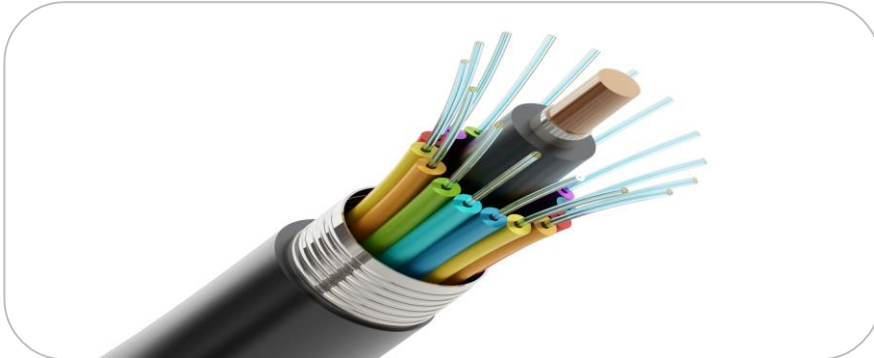
Focus on
growth in STL
Digital

4

Robust
Financials

Grow

Optical Networking



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

Build

STL Digital



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

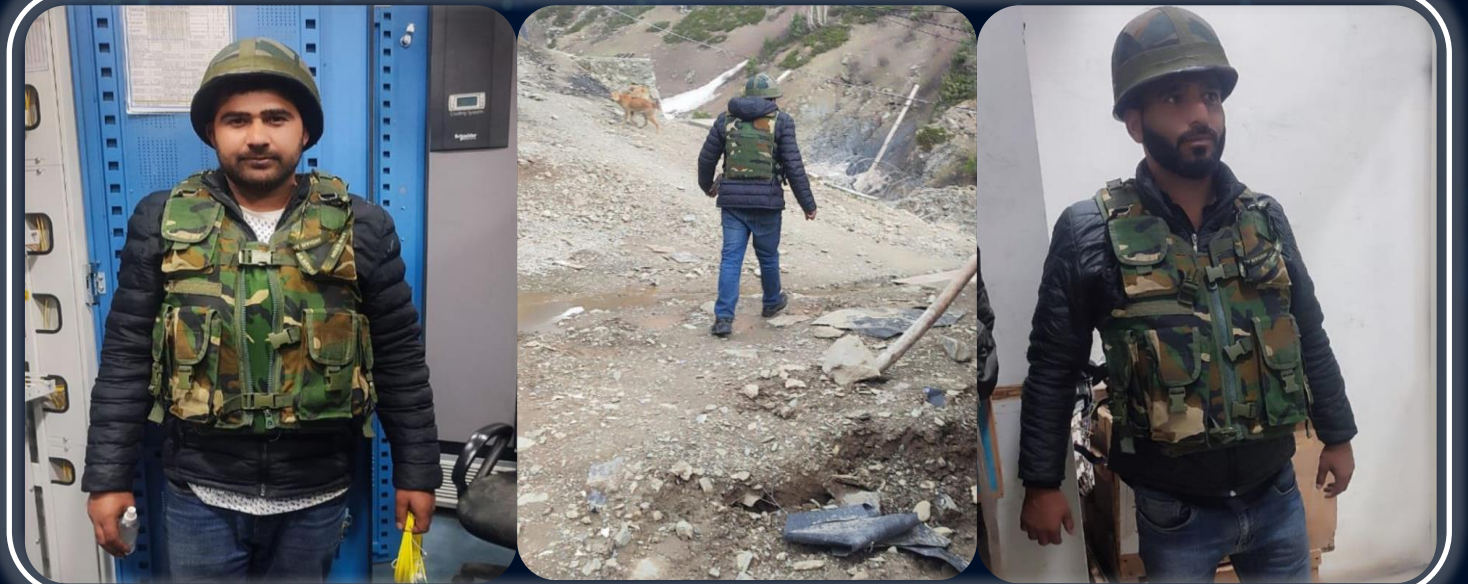
An ode to Nation Building

During the recent strife, our team stepped up to a responsibility far greater than routine operations

From frontline technicians to backend engineers, every member played a critical role in ensuring uninterrupted network connectivity on the frontline across regions — even under the most challenging conditions!

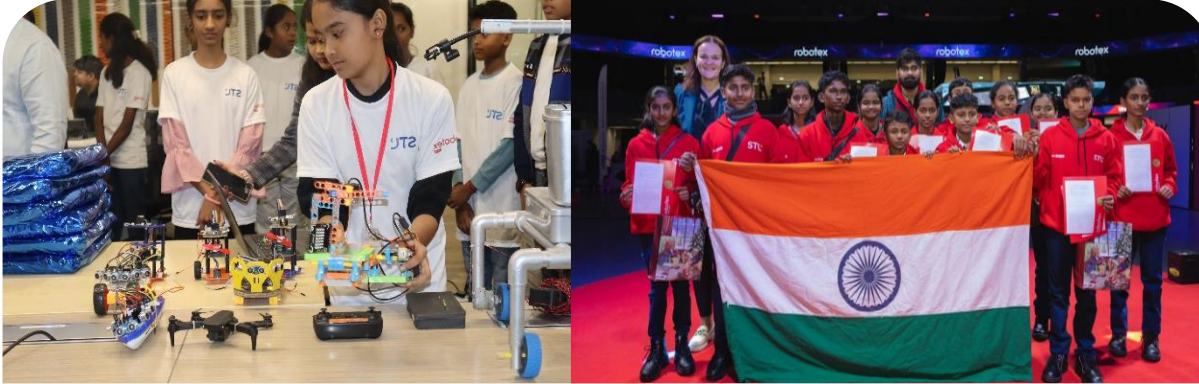


Our STL-ers stepped up to the occasion and repaired the fibre communication network of the Army in J&K!



To every single colleague involved — thank you for showing what professionalism, resilience, and service truly mean. You make us all proud!

Transforming lives through social responsibility initiatives



RoboEdge: Empowering students with NextGen skills & focus on Robotics.
Covered 11 schools and benefitted 6,000 students



Jeewan Jyoti: Empowering underprivileged women by training them in vocational skills. Benefitted 5,800+ women.



4523 kWp Solar Panels Installed across plants to reduce **Carbon Footprint** | **Afforestation and water replenishment** efforts with 53 villages creating 100 water structures, **replenishing 2.69 Mn m3 of water** in Maharashtra. **Planting & maintaining 4+ Lakh saplings.**



Swasthya 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 – Q4FY25)

37,000+ tCO₂e

Reduced through energy efficiency initiatives
(FY21 – Q4FY25)

960,000+ m³

of water recycled (FY19 – Q4FY25)

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 – Q4FY25)

2.75 mn+

Lives benefitted through STL's healthcare programmes
(FY19 – Q4FY25)

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 – FY25)**

**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



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Robust
Financials

Three investments cycles coinciding



Multi-year network build cycle

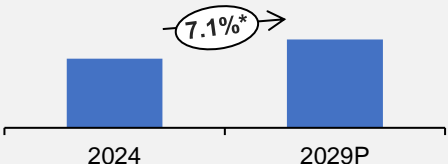
FTTx

Data Centers

5G

Global

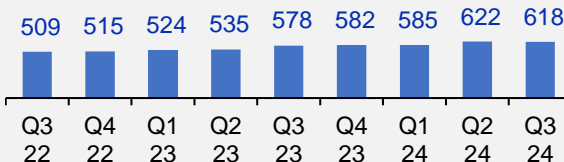
Global FTTx deployments



26%

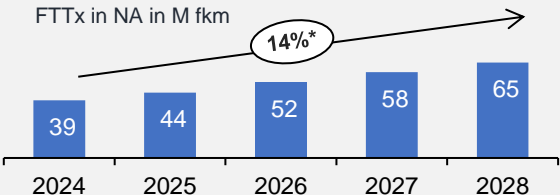
Global optical cable demand growth for data centres in next 5-year

Rise in no of Global 5G Operators



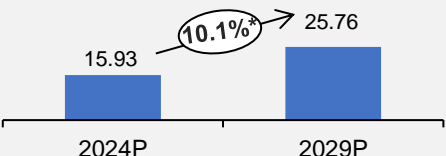
North America

FTTx in NA in M fkm



>100 Mn US homes await FTTH

Data Centre Market K MW



Data Centre market at \$139 Bn by 2028

6.3 Bn: Global 5G subscriptions by 2030, making up 67% of total mobile subscriptions

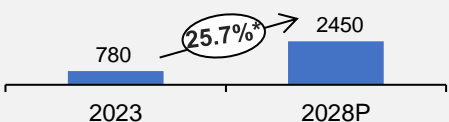
80%: Share of total mobile data traffic expected to be carried by 5G by 2030

3.6 Bn: Projected 5G Standalone (SA) subscriptions globally by 2030

www.ericsson.com

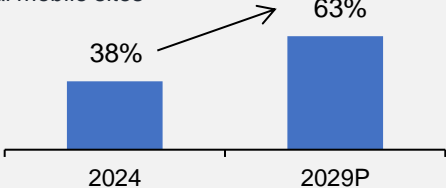
India

Installed Data Centre Capacity (MW)



>INR 65,000 Cr investments till FY28 (CRISIL)

Blended average fiberized Mobile Sites of total mobile sites



Source: Analysys Mason, 2024

Supported by:

- DCs giving rise to **long haul fibre** deployments for inter DC connectivity
- Big Tech network capex to exceed **\$100B** (2024–30), rising to 5–10% of total capex (vs. 4–5% historically)

Government programs

- India's **\$2.5B** BharatNet Phase 3 outlay—a **238% YoY jump**—set to boost rural broadband and drive growth for telecom and cable players
- USA Govt Funding of **~\$97 bn** for broadband infra (BEAD program \$42.5 Bn)



US\$11-15 Billion

Annual Revenue Potential

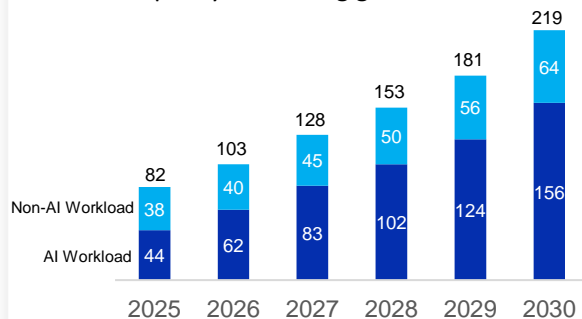


Key Players: RJio & Bharti Airtel
5G FWA & FTTH with bundled
broadband & Pay-TV

AI revolution and Data Centre expansion presenting unprecedented opportunity **STL**

Opportunity

Estimated global data centre capacity demand, gigawatts



~\$7T capital outlay projected for data centers by 2030

Global Datacentre Demand could be **>3.5x** 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
21%
this quarter

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

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

Global demand poised for modest rebound in 2025, long term outlook remains stable



Reflections

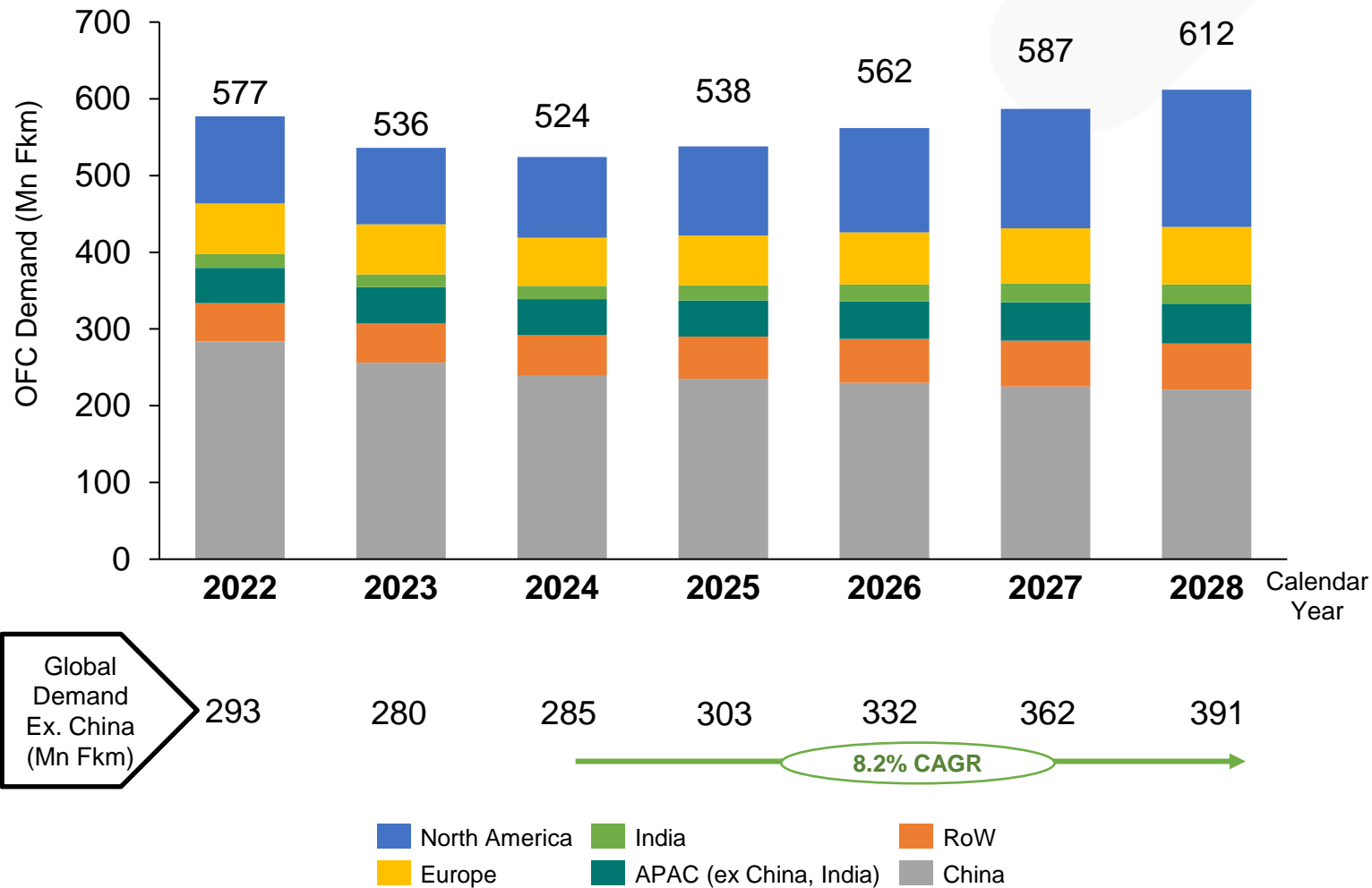
As per CRU;

- 2025 shows promising signs, with global consumption projected to grow 2.7% YoY after two years of decline.
- Recovery in 2025 is driven by rising US activity, India's BharatNet Phase III, a booming global data centre market, and scattered growth pockets worldwide.

Future Outlook

As per CRU;

- World demand ex-China expected to grow by ~8.2% in mid term.
- North America is set to lead in 2025, fuelled by private investment and BEAD activity. CRU projects record 116M F-Km consumption, with strong AI and data centre demand driving growth despite political uncertainties.



STL's focus markets *North America* expected to lead demand growth, with 2025 YoY demand expected to rise 10.1%

Fiber is the backbone of all digital infrastructure

5G, FTTH, AI-DC all bank on the DNA that is optical fiber



“Where we have fiber, we win!”

AT&T continues to ramp towards their objective of reaching **50 million-plus total locations with fiber by 2029** through a combination of organic build, Gigapower and other commercial open access agreements. : **April 23, 2025**



An increase of ~44,400 R kms of fibre in FY 25!

Airtel continues to invest in their network in terms of capacity and new geographical coverage along with significant investment in **data centres, home broadband** and other lines of business. : **May 13, 2025**



“We’re going to have a path to get to 40 million homes of fiber!”

Verizon's \$20 billion play for Frontier Communications is a clear indicator that the company is pressing forward with a plan to expand its **fiber footprint** : **April 21, 2025**



“Infrastructure for the era of AI!”

Hollow Core fibre technology will ensure Azure can better serve its customers by allowing us to continue to grow and expand our global infrastructure, while also creating a higher capacity, more resilient and overall faster network to meet the growing demands of **Cloud and AI services** : **March 20, 2025**



Tim Höttges argued that the build-out of mobile communications and optical fiber in Germany should be of “overriding public interest.”

In the US, Höttges sees opportunities for further growth through the acquisition of the **fiber-optic companies** Metronet and Lumos in partnership with investors. The target in the U.S. is for a good **12 to 15 million fiber-optic households by 2030**. : **April 9, 2025**



“We saw AI-based capacity spike coming”

Bill Long, Zayo's chief product officer mentioned that in the past, Zayo's average long-haul order ranged from 8 to 12 fibers. All of that changed 12-18 months ago, when customers started requesting counts from 144 all the way to 432 fibers.: **Feb 3, 2025**



Technology update



'First in the World / India'

India's First Quantum-Secured Network – Breakthrough with Multi-Core Fibre
Green Hydrogen - Pioneering Sustainability in the Optical Industry
160 micron fibre – World's Slimmest Optical Fibre



BABA compliant optical products
from Lug-off plant

New Product Launches

OFC:

- **IBR Portfolio** extended to higher fibre count

Optical Connectivity:

- **NanODC** compact closure up to 24F Splice capacity added.
- **OptoFit** Pre connectorized drop solution co developed with European customer.

Copper Cable :

Secured CPR certificates and customer approvals for SIGNAL Copper cables (TRACK CIRCUIT) from large Railway cos in Italy

Awards and accolades

- Recognized by **TEPC (Bharat Telecom 2025)** in the category '**Telecom Products (Hardware & Software) – Large Enterprises**' for driving global exports through Make-in-India innovation.
- ET Telecom Award for **Impactful IoT Solution of the Year - Sensron** (FoS)
- **OFC Rakholi, SCB & OC Dadra** facilities has been recommended for **Social Compliance Recertification (SA 8000:2014)** by the certification body Intertek.
- Exceed Occupational **Health & Safety Platinum Award 2024**



IP Portfolio

740 patents (filed and granted)
76 new patents filed in FY'25

Building Next-gen capability

- **Hollow-Core Fibre (HCF):** Pioneering low-latency, low-loss communications for future networks.
- **AI-Fibre Optic Sensing (Sensron)** solution sees expanding commercial adoption

Government Recognition

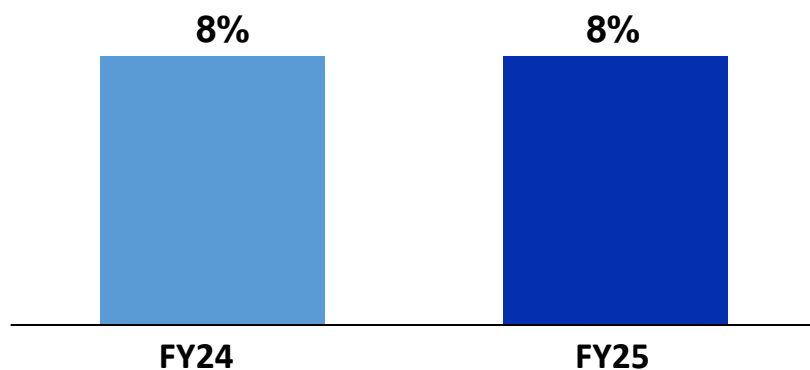
"STL's AI-led Data Centre portfolio is a significant innovation for the AI ecosystem and will also strengthen India's data centre capabilities."

-Shri Jyotiraditya Scindia,
Indian Telecom Minister.

Market share and optical connectivity attach rate



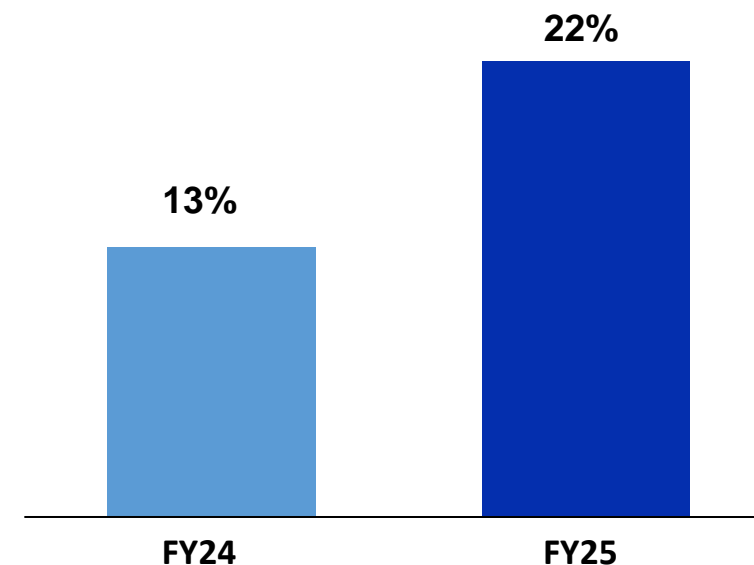
Global (ex-China) OFC market share



Market Share = STL Sales Volume / Total Market Demand

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

Optical connectivity attach rate



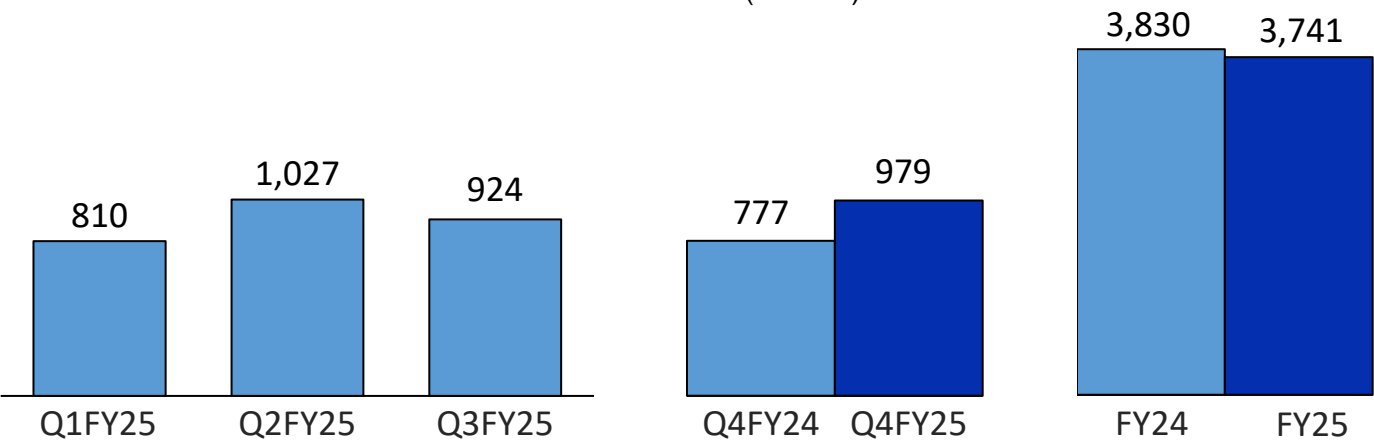
Attach rate = Optical connectivity revenue / OFC revenue

★ Significant YoY Expansion in Attach Rate

Optical Networking Business financial highlights



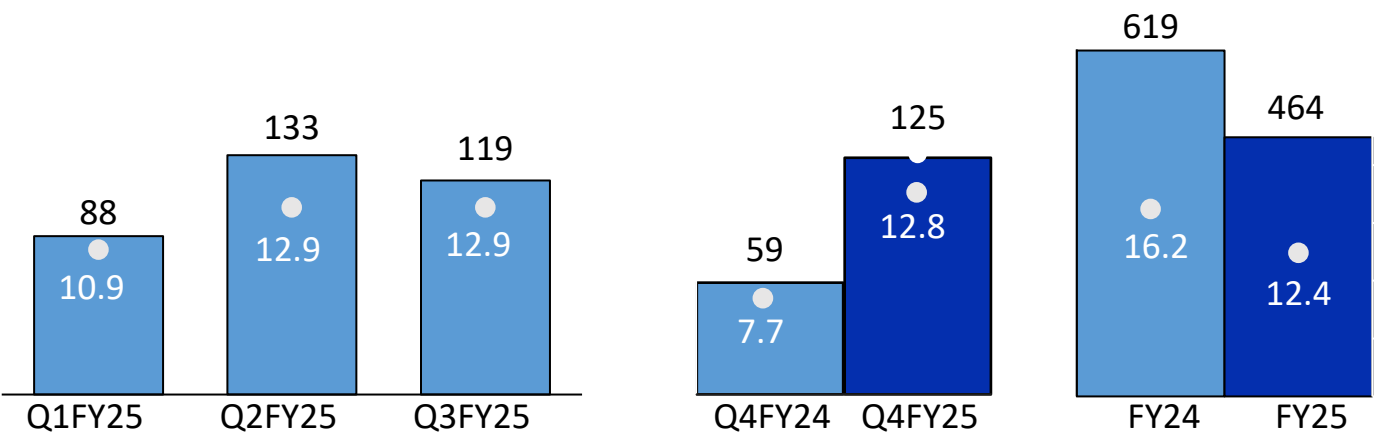
Revenue* (INR Cr.)



Q4 FY25 revenue at INR 979 Cr.

- Improved volumes and revenues on YoY basis

EBITDA* (INR Cr.) EBITDA %



Q4 FY25 EBITDA margin at 12.8%

- Improved EBITDA margins on YoY basis

Well positioned to grow the Optical Business by building global AI Digital Infrastructure



1 Local capacities: Completed capacity expansions, positioned closer to focused markets and well placed to win in the market - **seeing good traction in the North American market**



2 Cost structure: Actions taken are starting to show positive effects and we continue to **focus on** both the 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 end-to-end customized products and solutions – **continue scaling the Optical connectivity business**



5 Trade tailwinds: US-China tariff dynamics opening new opportunities for India-sourced manufacturing – **well-positioned to capture incremental demand**

Focus on growth in STL Digital



1

Strategic
Priorities for
FY26

2

Focus on gaining market
share in Optical business

3

**Focus on
growth in STL
Digital**

4

Robust
Financials

Continued growth momentum in STL Digital



Identity



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

Service offerings

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

Industry vertical

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

Customers

26

Global customers



Team



1185
Consultants



18%
Women

Financials

Open Order Book 31st Mar'25 **INR. 451 Cr**

FY25 Revenue **INR. 290 Cr**

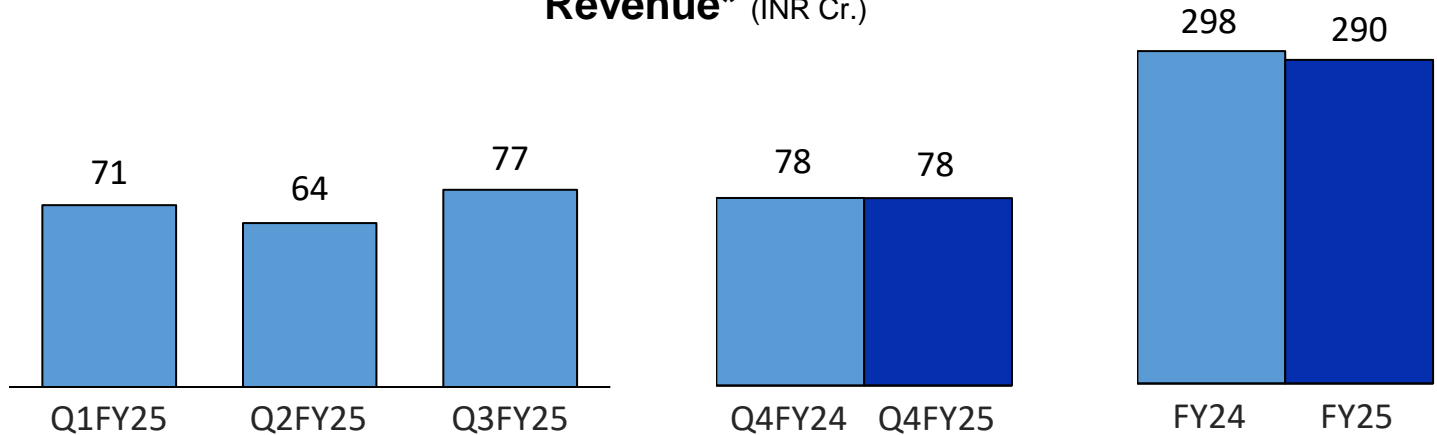
- **Strong deal momentum** with repeat wins from global clients across manufacturing, healthcare, technology, and telecom sectors
- **Led Vedanta's Digital Transformation** with RISE with SAP for 8 Companies, Serving 15,000+ Users Globally.
- **Diversified project wins** across engineering, enterprise apps, and support services reflect strong customer confidence
- **Strong partnership ecosystem.** 40+ Active technology partners

Well poised to grow with robust order book and right team

Digital business financial highlights



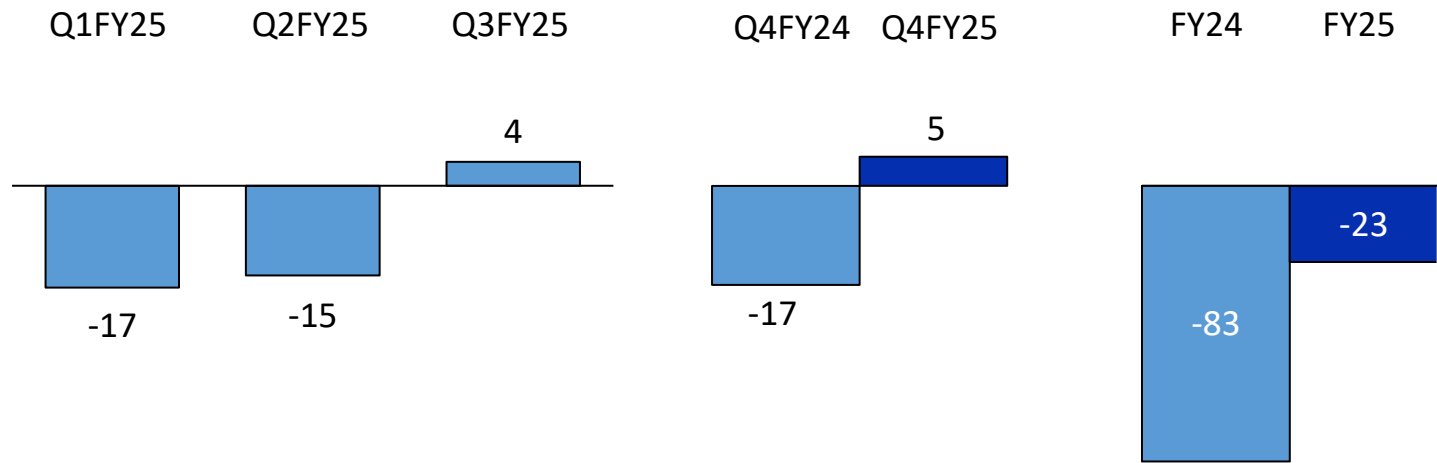
Revenue* (INR Cr.)



Q4 FY25 Revenue at INR 78 Cr.

- Revenues stable q-o-q basis

EBITDA*(INR Cr.)



Q4 FY25 EBITDA at INR 5 Cr.

- Sustained profitable growth, delivering consecutive EBITDA-positive quarters



Ajay Jhanjhari

CFO- Optical Networking Business

Ajay is Chartered Accountant and has a rich experience of nearly 15 years bring a deep expertise in the areas of fundraising, capital allocation, merger & acquisition, treasury management, and Business partnering.

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 joined STL as a Management Trainee and has held various leadership positions within the company before becoming CFO for Optical Networking Business last year.

Focus on maintaining operating profitability & reducing debt



1

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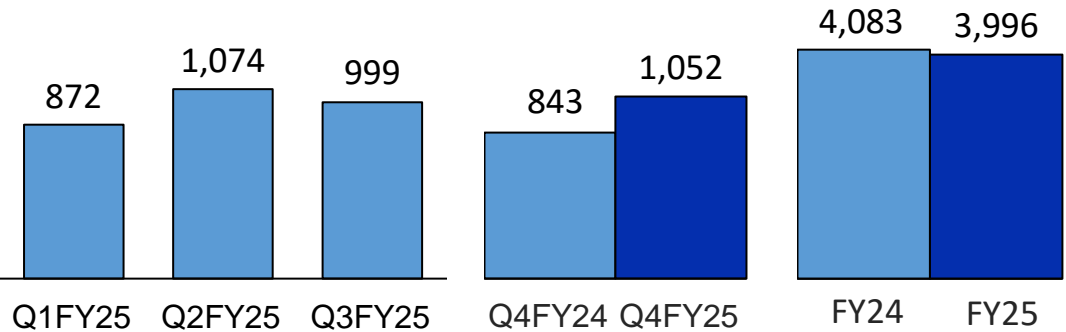
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Focus on growth in
STL Digital

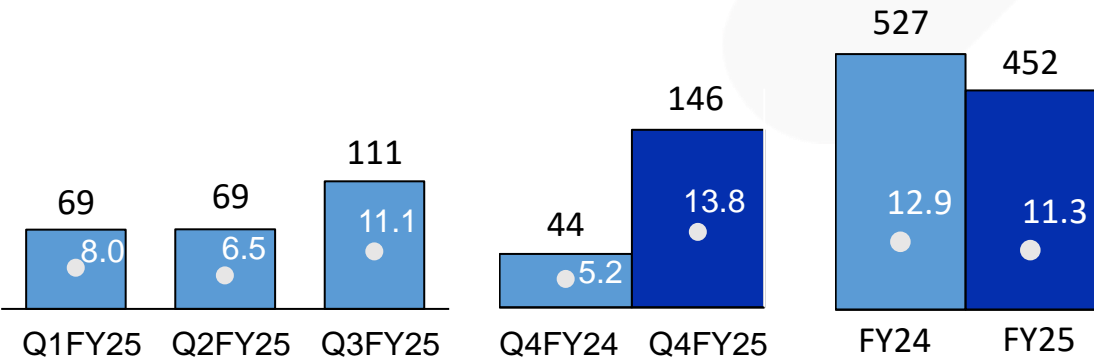
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**Robust
Financials**

STL financial highlights

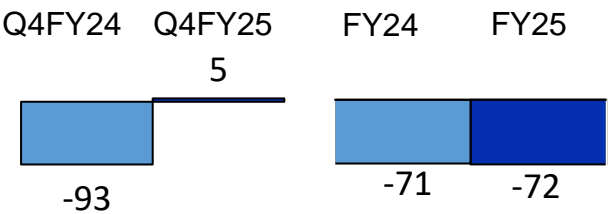


Revenue* (INR Cr.)

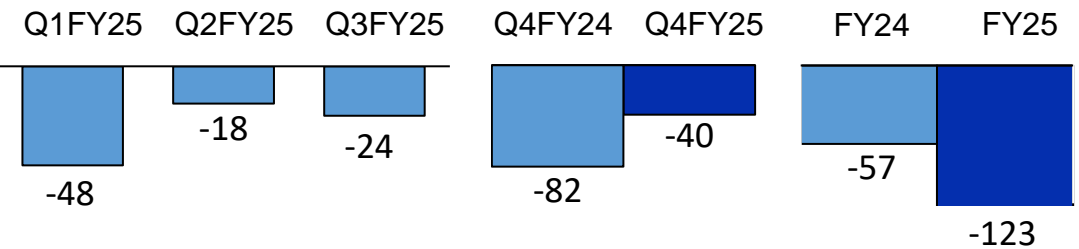


EBITDA* (INR Cr.) ● EBITDA %

PAT (INR Cr.) (From Continued Operations)



PAT (INR Cr.) (Including Discontinued Operations)



Q4 FY25 Revenue INR 1,052 Cr; FY25 INR 3,996 crores

25% YoY growth in Q4 FY25

Q4 FY25 EBITDA margin at 13.8%; FY25 11.3%

232% YoY growth in Q4 FY25

Q4 FY25 PAT at INR 5 Cr ; FY25 INR -72 cr

PAT from continued operations turns positive

Diversified revenue mix

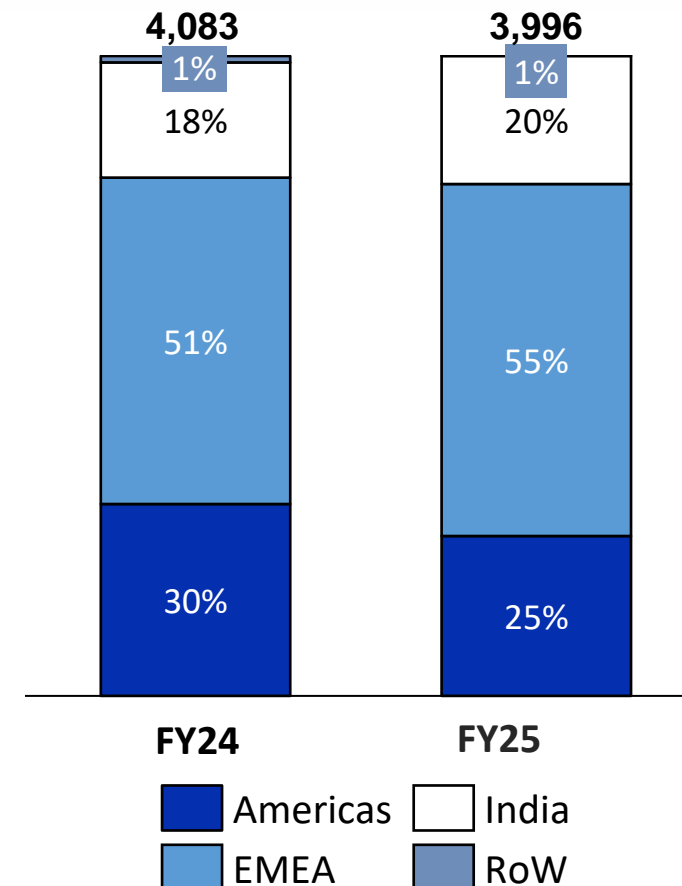


Large order wins in Q4 FY25

- Secured **re-entry** with a key US customer for **high fiber count OFC solutions**, marking a strong comeback after a year.
- Won orders from a leading **OSP in the Americas** for both **OFC and Optical Interconnect**, driving regional traction.
- Closed a **technology outsourcing deal** with a prominent Indian industrial conglomerate under STL Digital.
- Continued strong engagement with a **top networking player in India**, resulting in repeat orders for connectivity solutions.

Geographical distribution

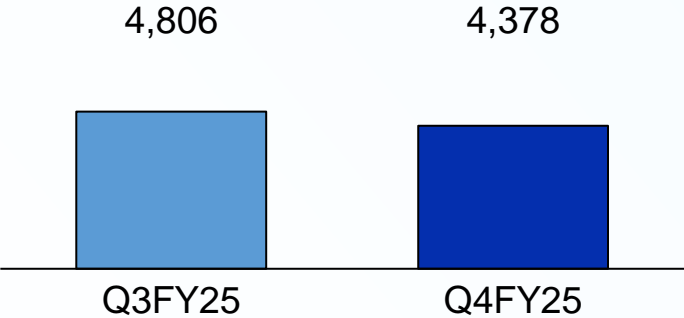
Revenues* (INR Cr.)



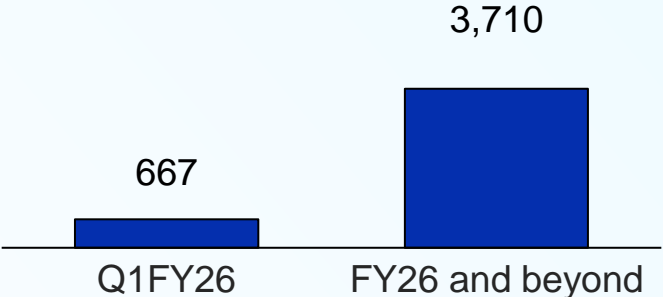
Order Book Highlights



Open order book (INR Cr.)



Order book spread (INR Cr.)



Consolidated Financials: Abridged Version

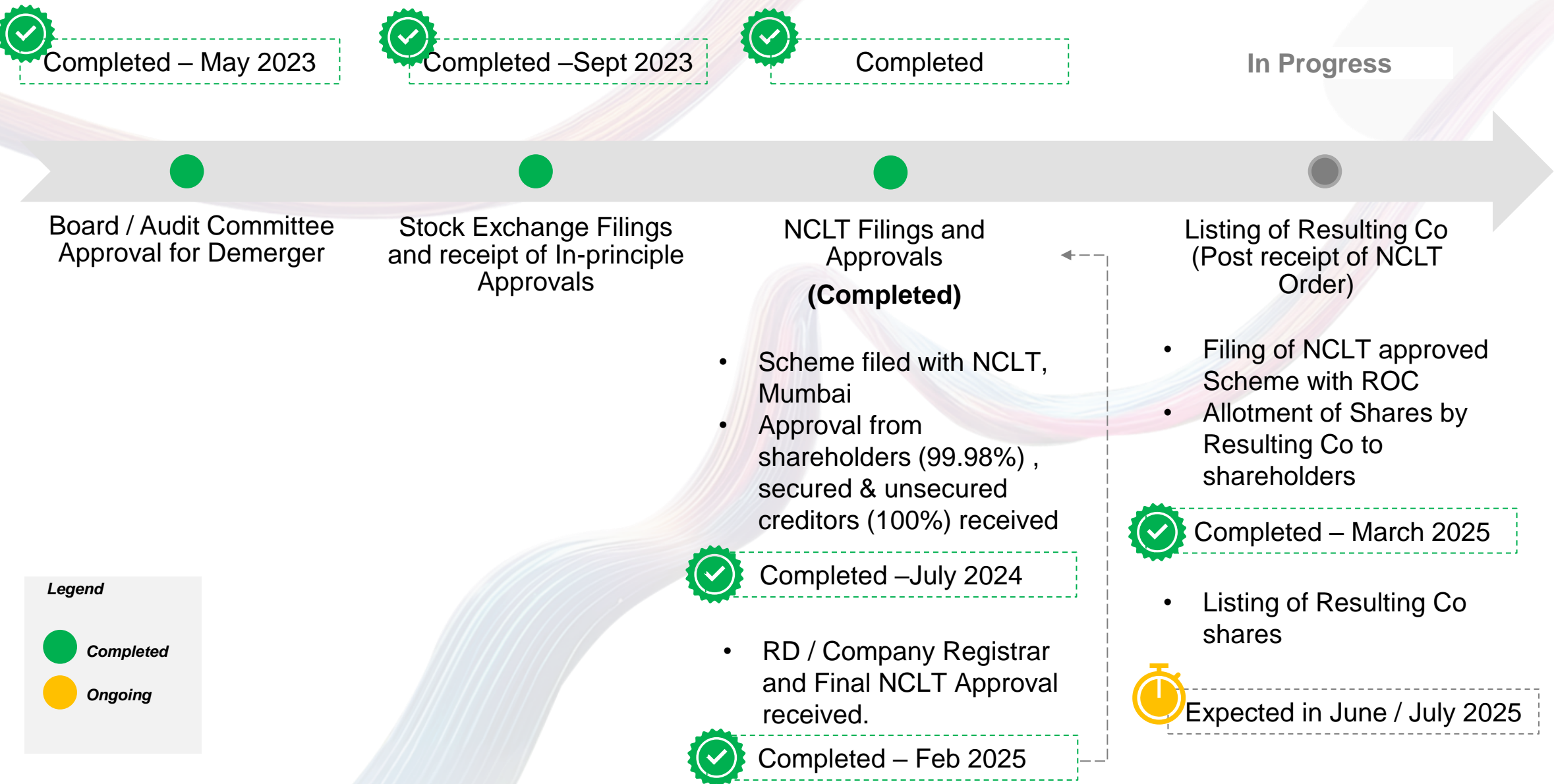


P&L (INR Cr.)	Q4FY24	Q3 FY25	Q4 FY25	FY24	FY25
Revenue*	843	999	1,052	4,083	3,996
EBITDA*	44	111	146	527	452
EBITDA %	5.2%	11.1%	13.9%	12.9%	11.3%
Depreciation	81	80	79	314	316
EBIT*	-37	31	67	213	136
Finance Costs	71	58	65	293	241
Exceptional Items	0	0	0	0	0
PBT* (Before share of Associates and JV)	-108	-27	2	-80	-105
Tax	-15	-12	-3	-5	-33
Net Profit* (After minority Interest & share of JV)	-93	-15	5	-71	-72
Profit (loss) from discontinued operations	11	-9	-45	14	-51
Net Profit	-82	-24	-40	-57	-123

Key Updates

- Net Debt stands at 1,350 Cr at FY25
- Debt to Equity ratio stands at 0.68 at FY25

Global Services demerger status: Completed; Listing Expected in Q1 FY26



Demerger Success: STL Networks



01

Strategic Separation Completed



STL demerged its Global Services Business into **STL Networks** (effective March 31st, 2025), aligning with its **portfolio simplification and growth strategy**.

02

New Brand Identity



'**Invenia**': The demerged entity now operates under the brand Invenia, with a focused vision on delivering **large-scale, digital infrastructure-led ecosystems**.

03

Leadership



Mr. Pankaj Malik has been appointed CEO of STL Networks, bringing leadership strength and execution experience to drive the next phase of growth.

04

Listing Status




STL Networks shares are scheduled for listing on stock exchanges in **June / July 2025**, with shareholders receiving **1:1 share entitlement** based on holdings as of **April 24, 2025**.

Transformation starts here

Everything you need to manage your cloud seamlessly

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Summary focus areas



Optical Business

- Drive **technology and cost leadership** to be in ‘**Global Top 3**’
- Increase sales in **focused markets**
- Increase **optical connectivity** growth and attach rate
- Rapidly building **data centre product portfolio**
- Play a crucial role of a **connectivity company** in **building global Digital Infrastructure**

Digital Business

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

Lets answer your queries!



beyond tomorrow