

Earnings Presentation

Earnings Call Q1FY26

25th July 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 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

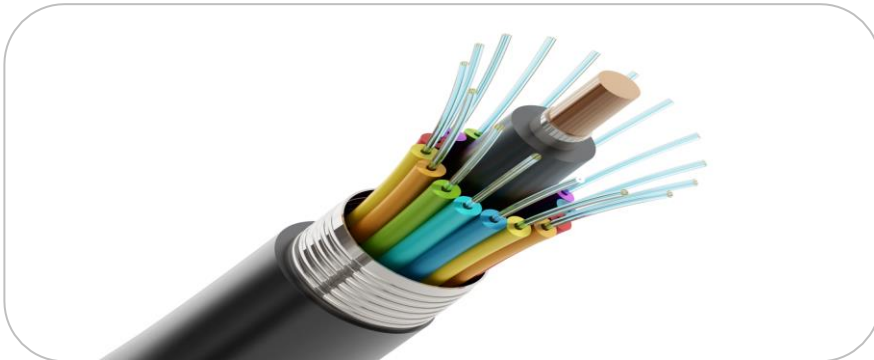
Focus on profitable
growth in STL
Digital

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

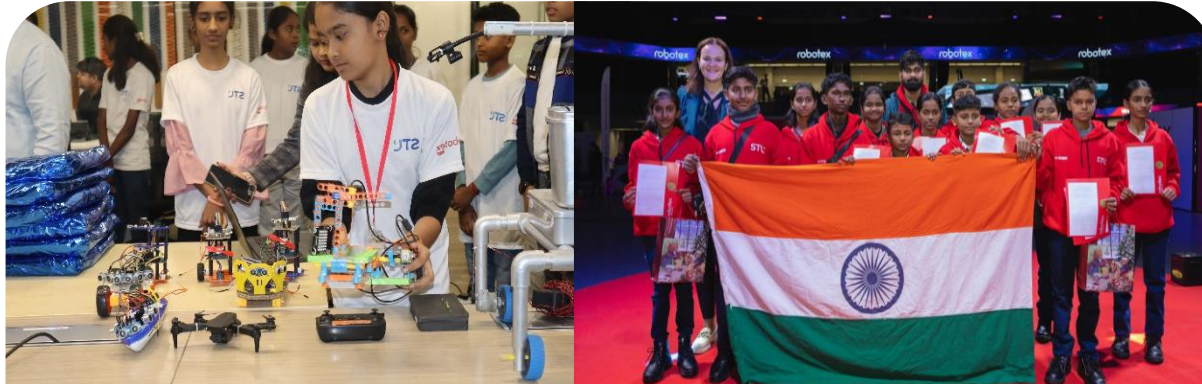
Build

STL Digital



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

Transforming lives through social responsibility initiatives



RoboEdge: Empowering students with NextGen skills & focus on Robotics.
Covered 11 schools and benefitted 8,000 students



Jeewan Jyoti: Empowering underprivileged women by training them in vocational skills. Benefitted 6,000+ 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

270,000+ MT

Waste diverted from landfills (FY19 – Q1FY26)

39,000+ tCO₂e

Reduced through energy efficiency initiatives
(FY21 – Q1FY26)

10,00,000+ m3

of water recycled (FY19 – Q1FY26)

36.04%

Procurement (by value) done locally (FY25)

**Collaborated with Hygenco for
supply of Green Hydrogen**

SOCIALLY RESPONSIBLE

Committed to the UN SDGs¹

16

Aligned with 16 of the 17 SDGs

912,000+

Lives benefitted through STL's ed-tech & women
empowerment programmes (FY19 – Q1FY26)

2.75 mn+

Lives benefitted through STL's healthcare programmes
(FY19 – Q1FY26)

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 – Q1FY26)**

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

* MSCI - Morgan Stanley Capital International

Source : ¹ Cumulative till Q1FY26, SDG – Sustainable Development Goals

Optical Business; STL's focus on gaining market share



1

Strategic
Priorities for
FY26

2

**Focus on gaining
market share in
Optical business**

3

Focus on
profitable growth
in STL Digital

4

Robust
Financials

Three investments cycles coinciding



Multi-year network build cycle

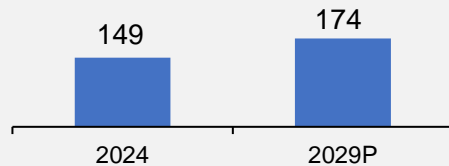
FTTx

Data Centres

5G

Global

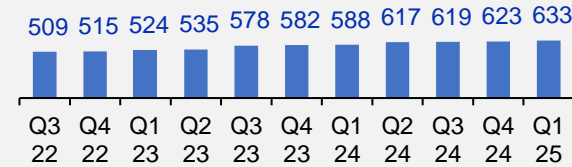
Global FTTx deployments – OFC mtkm



21%

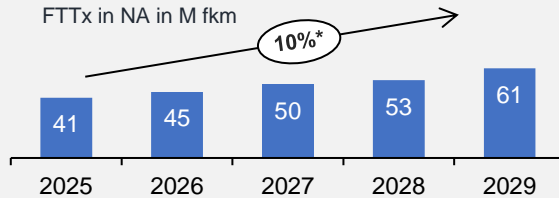
CAGR in global optical cable demand for data centres (2024–2029), as per CRU

Rise in no of Global 5G Operators



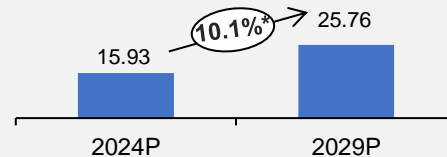
North America

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



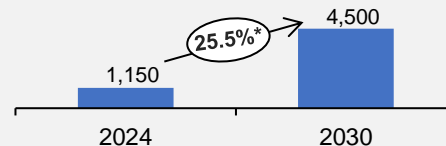
US\$11-15 Billion

Annual Revenue Potential



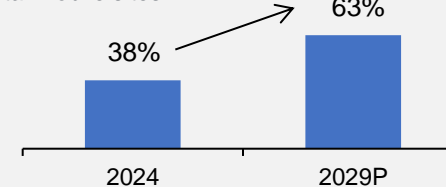
Key Players: RJio & Bharti Airtel 5G FWA & FTTH with bundled broadband & Pay-TV

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)

Fiber remains the backbone of all digital infrastructure

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



“Best broadband technology available today –fiber.”

After reaching over 30 Million Fiber Locations ahead of schedule, AT&T has reiterated its goal of reaching approximately 60 million fiber locations by end of 2030.



“Fiber networks represent the core of AI critical infrastructure”

The power of Fiber architectures has become like water in our infrastructure, moving down and upstream carrying gigabytes of data for thousands of applications across media, IoT, logistics, retail, automotive, and mobile



“Frontier’s assets are a catalyst for fiber expansion and broadband growth!”

“Our fiber build is tracking ahead of plan, and we’re positioned to deliver 650,000 incremental passings this year,” said Hans Vestberg, CEO of Verizon



Fiber Demand Surges as AI, Hyperscalers Drive Bandwidth Boom!

Metro fiber demand and long-haul fiber demand are expected to continue to grow by an average of ~20% and ~35%, respectively, year-over-year over the next five years, fueled by AI and digital transformation



BT has ramped up its full fibre rollout plans after hitting record build and connection highs!

BT has now upped its FY26 build target by 20% to 5 million, keeping it on course to hit 25 million premises passed by the end of 2026.



Cloud hyperscalers aren't taking chances on network capacity!

Players like Lumen outlined plans to spend as much as \$4.3 billion on capex in 2025, up from \$3.2 billion in 2024, it’s CFO Chris Stansbury said the extra \$1 billion or so will primarily go toward execution of the \$8.5 billion worth of public cloud deals it has signed with hyperscale partners.

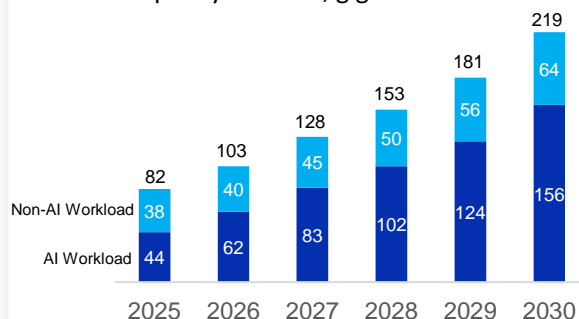


AI revolution and data centre expansion presenting unprecedented opportunity



Opportunity

Estimated global data centre capacity demand, gigawatts



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

Global Datacentre Demand could be **>3.5x** by 2030

70% of Demand for AI-specific infrastructure by 2030

India DC Capacity 1,150 MW to 4,500 MW (2024–2030)

Fibre explosion in DC



AI-Driven Fibre Demand



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



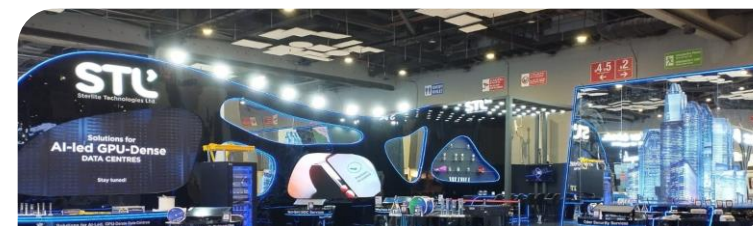
70% higher fiber density in AI data centres than traditional ones

Investment in Fibre

\$2 billion capex for data centre 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

23%

this quarter

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

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

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



Reflections

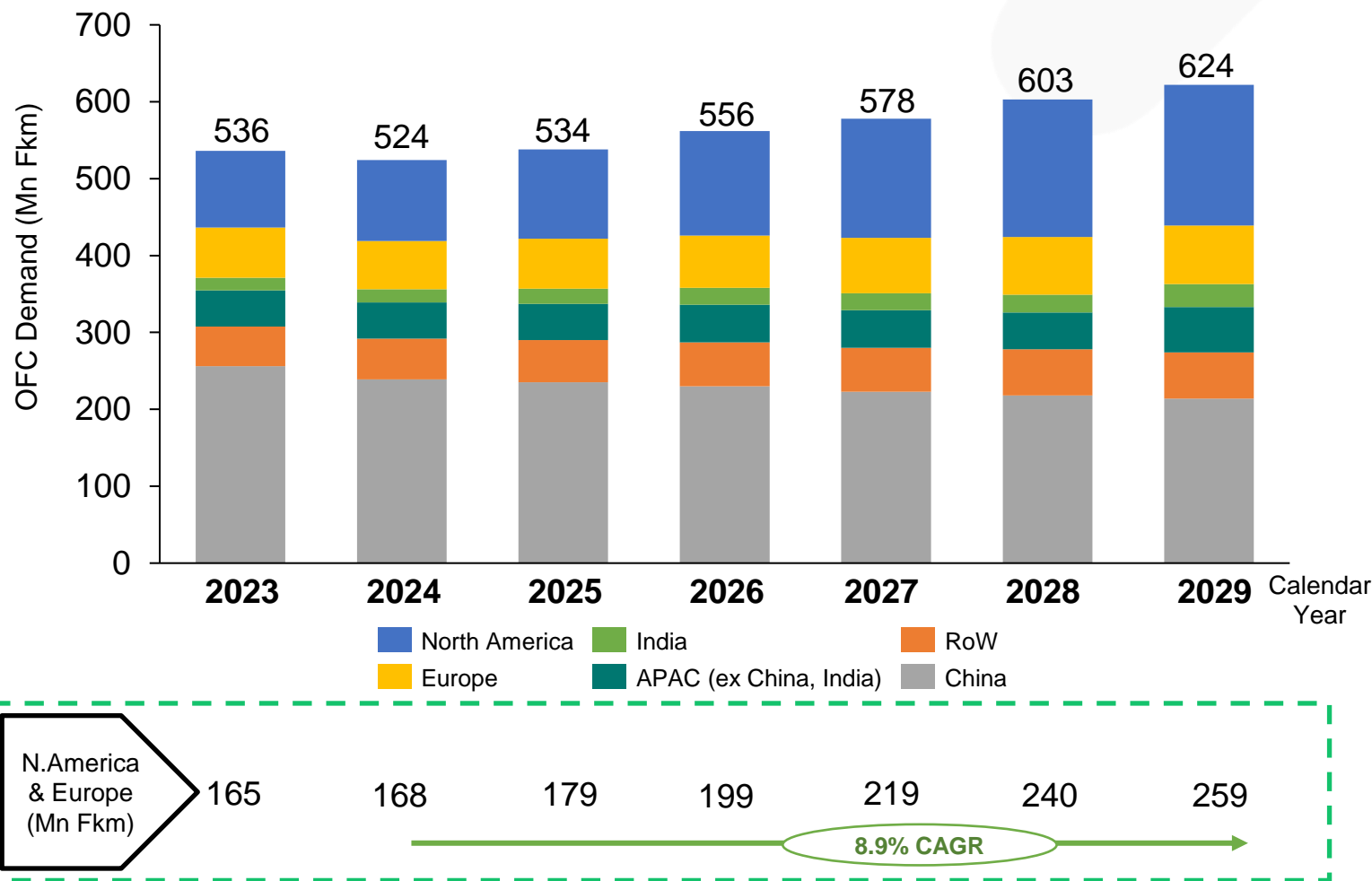
As per CRU;

- Global optical cable demand is expected to return to growth in 2025, rising 1.9% YoY after two years of decline.
- This recovery is primarily driven by robust demand in North America and Europe, fueled by significant investments in FTTx rollouts and the rapid expansion of data centers.

Future Outlook

As per CRU;

- World demand ex-China is on a positive trajectory, with strong mid-term growth expected.
- North America leads this trend, supported by FTTH rollouts and AI-led data centre investments.
- Select Southeast Asian markets and parts of Europe also show encouraging potential.



STL's focus markets *North America expected to lead demand growth, with CRU projecting a 11.6% CAGR through 2029.*

China mobile tender announced

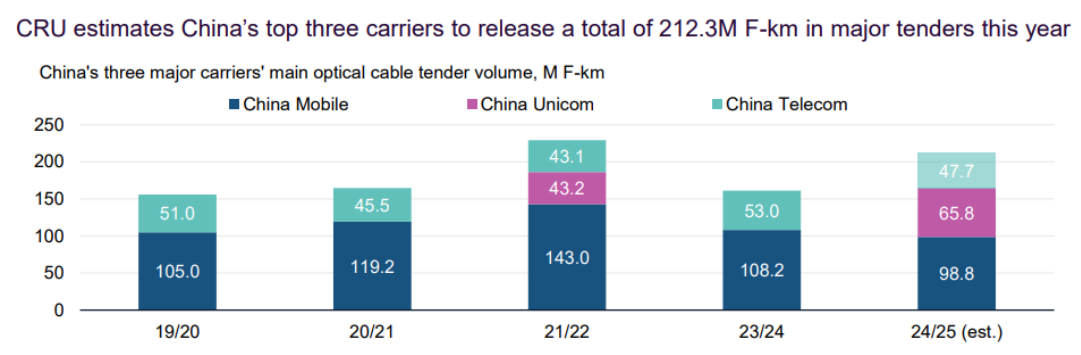


Stronger-than-Expected China Demand

China Mobile Tender: 98.8M F-km (vs CRU estimate of 80–85M F-km)

China Unicom Tender (recently closed): 68.5M F-km

Indicates continued aggressive fibre rollout in China



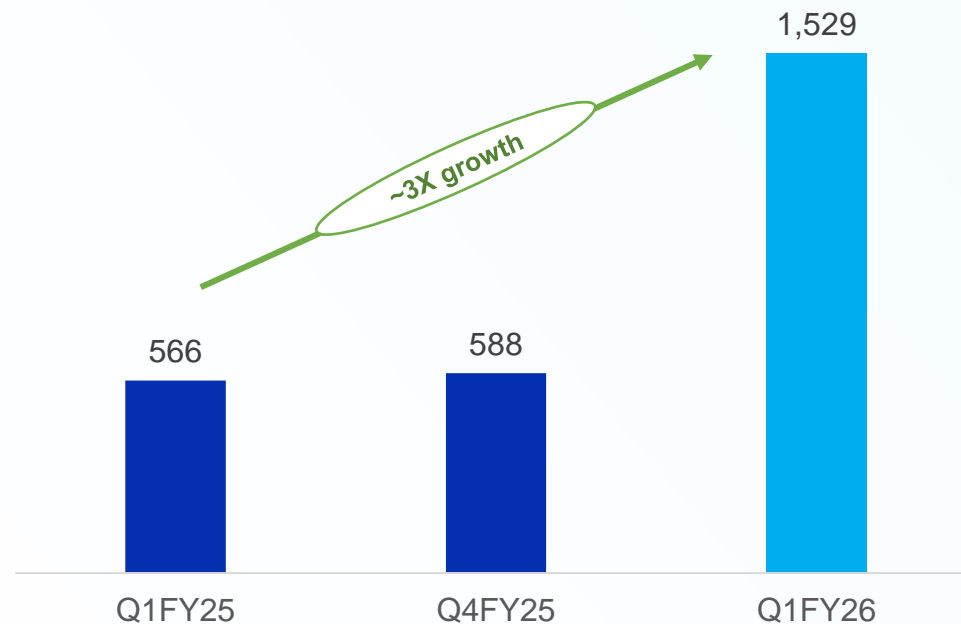
Key Takeaways

- Price correction already factored in; **reduced downside risk** from China pricing
- Tender volumes validates STL's global demand visibility
- **Short-term pricing stability**, aiding planning and margins
- STL remains geographically diversified, less exposed to direct price competition in China, but **global pricing signals matter**

STL capturing the most from market recovery – strong order intake



Order Intake (INR Cr.)



Key Strategic Wins

- **Multi-Year Commitment:** Signed a 3-year Long-Term Supply Agreement (LTSA) with a leading European telecom operator
- **Strong Momentum in North America:** Secured significant order inflows from top-tier North American telecom operators

Technology update



Key Developments This Quarter

DC portfolio - Launched STL's next-gen Data Centre portfolio to address high-performance, AI-ready infrastructure needs.

Multicore fibre launch - Introduced India's first Multicore Fibre, enabling ultra-high-capacity, space-efficient networks for the future.



BABA compliant optical products
from Lug-off plant

IP Portfolio

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

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**



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

'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

STL's newly launched DC portfolio: powering AI-enabled data centres



Comprehensive Solution Suite

- Fiber and copper cabling for data centres, campuses, and smart buildings.
- Pre-terminated multi-fiber systems with LC/MPO connectors for rapid deployment.
- Celesta™ high-density IBR technology ensures low-latency and scalable deployments.

Built for AI & Hyperscale Demands

- Engineered to handle the high density, low latency, and sustainability requirements of modern AI workloads.
- Fully compliant with global standards (ANSI/TIA-942, ISO 11801) for assured performance.

Future-Ready Manufacturing Platform

Backed by over 30 years of optical leadership, STL's products are manufactured and tested in-house, ensuring future-ready designs and a 25-year performance warranty.

Strategic GTM Partnership

Exclusive distribution through 'Tech Data India,' a TD SYNEX subsidiary, providing market reach across 70+ Indian cities and facilitating STL's expansion through robust supply chain and financing.

"The future of data centres lies in architectures that balance scale, speed, and sustainability,"

— Rahul Puri, CEO, Optical Networking Business, STL



Multi-Core Fibre: Innovation for Quantum-Safe, Multi-Terabit Networks



Secure More. Transmit More

Multi-Core Fibre for Quantum-Safe Networks

- **Multi-Core Fibre (MCF)** contains multiple independent data cores within a single optical fibre strand.
- Enables **4x–7x higher data capacity** compared to standard single-core fibre.
- Maintains the **same physical size**, resulting in **space efficiency**.
- Reduces **deployment and infrastructure costs**.
- Ideal for **AI-driven data centres, long-haul 5G networks, and high-performance interconnects**.

Proof of Capability



India's First QKD over MCF

- STL + C-DOT: quantum + high-speed data on same fibre
- 100 km real-world transmission
- Validates security, isolation, and performance

[Press Release](#)



India's First MCF Testbed

- 5+ km live testbed @ IIT Madras
- Underground + aerial deployment
- Open for R&D – STL as ecosystem enabler

[Press Release](#)

***First globally to deploy MCF in both aerial & underground networks.
Now leading global standards in MCF design and testing.***

Applications



Data Centres



Banking & Financial Systems



Government & Defense

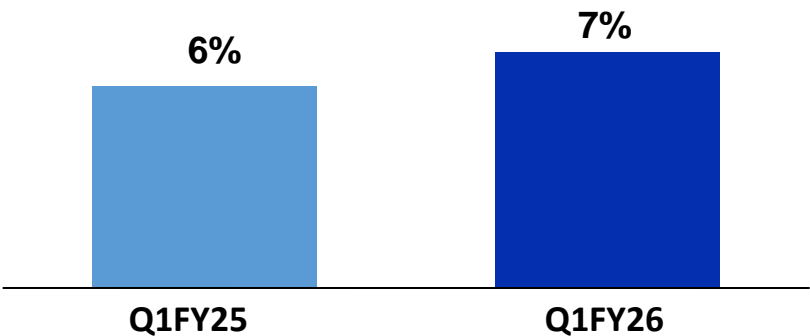


Telecom Operators

Market share and optical connectivity attach rate



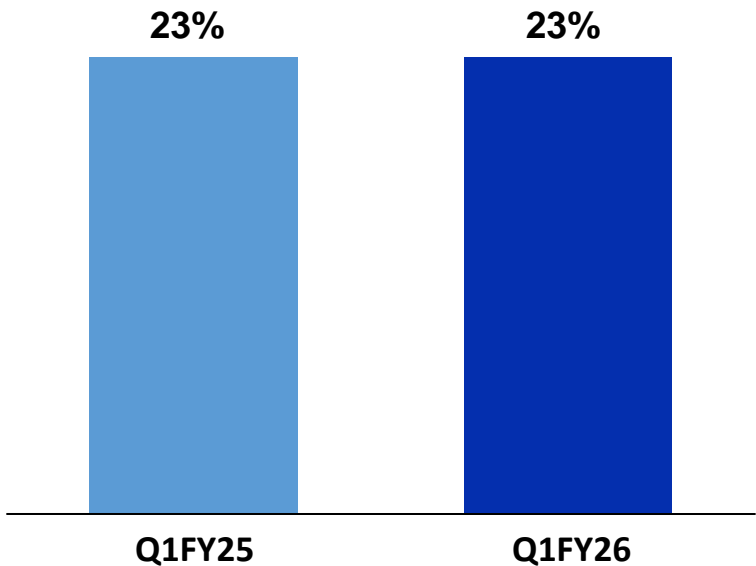
Global (ex-China) OFC market share



Market Share = STL Sales Volume / Total Market Demand

Stable OFC market share.
Focus on growing the market share

Optical connectivity attach rate



Attach rate = Optical connectivity revenue / OFC revenue

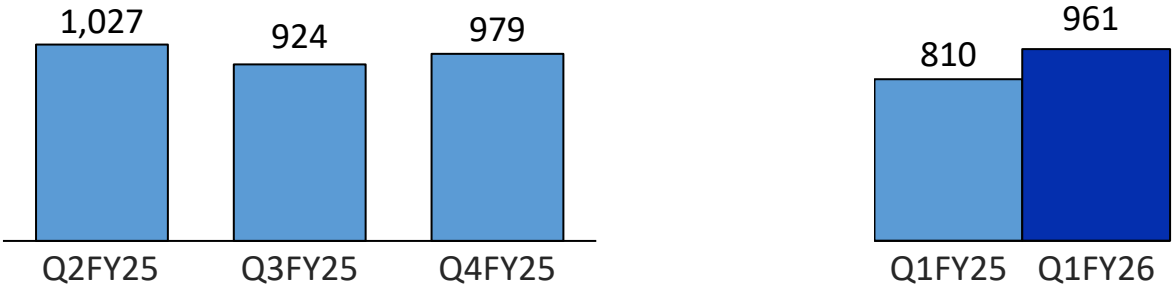


Continued Strength in Attach Rate

Optical Networking Business financial highlights



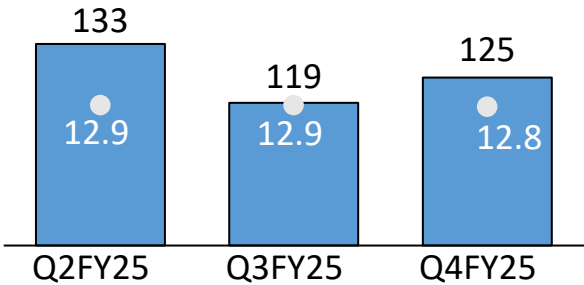
Revenue* (INR Cr.)



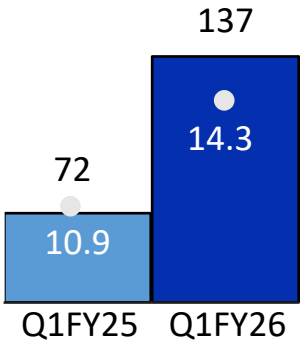
Q1 FY26 revenue at INR 961 Cr.

- Improved volumes and revenues on YoY basis

EBITDA* (INR Cr.)



EBITDA %



Q1 FY26 EBITDA margin at 14.3%

- Improved EBITDA margins on YoY basis

Well positioned to grow the Optical Networking Business



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 profitable growth in STL Digital	4	Robust Financials
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Continued growth momentum in STL Digital



Global Presence



- Delivery Centres in Bangalore, Ahmedabad & Kolkata
- 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

30

Global customers



Team



1134
Consultants



22%
Women

Financials

Open Order Book 1st Jul 25 **INR. 313 Cr**

FY26 Q1- Revenue **INR. 64 Cr**

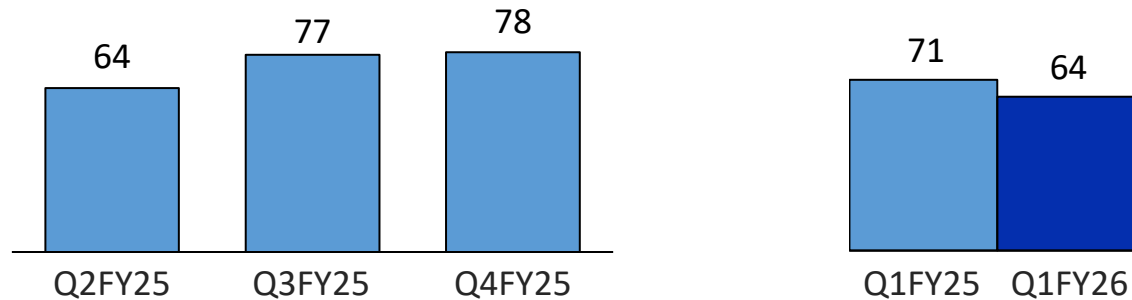
- We added **4 new Marquee logos** in Q1, making our customer count to 30
- We have signed **Multimillion and multiyear contracts with 2 leading private healthcare services providers in the Middle east** in Digital Marketing and MarTech
- **Significant Customer deliveries** across engineering, enterprise apps, and support services reflect strong customer confidence
- **Solution building & fostering Innovation.** Strong focus on solution building and capability in Cybersecurity and AI

Well poised to grow with strong focus on Customer Centricity and Innovation

Digital business financial highlights

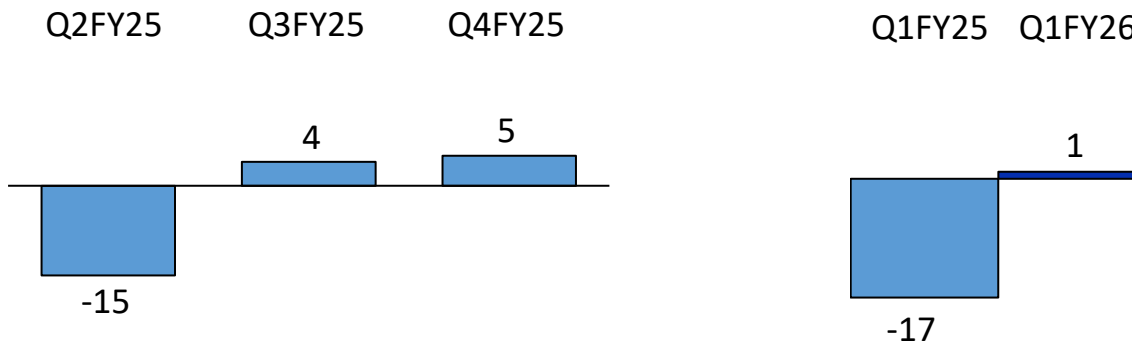


Revenue* (INR Cr.)



Q1 FY26 Revenue at INR 64 Cr.

EBITDA* (INR Cr.)



Q1 FY26 EBITDA at INR 1 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

Strategic
Priorities for
FY26

2

Focus on gaining market
share in Optical business

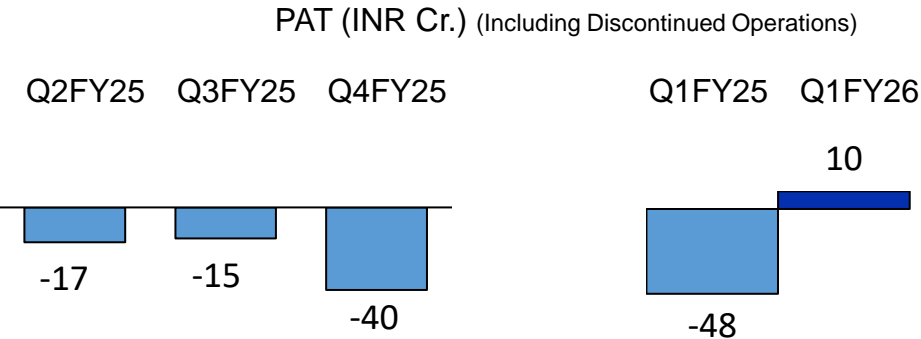
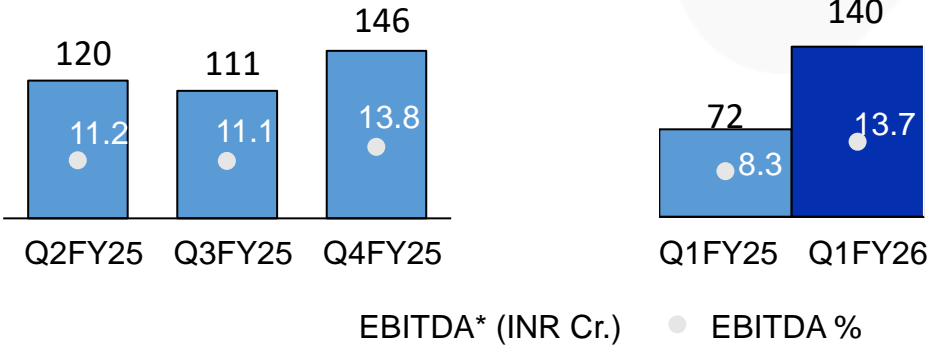
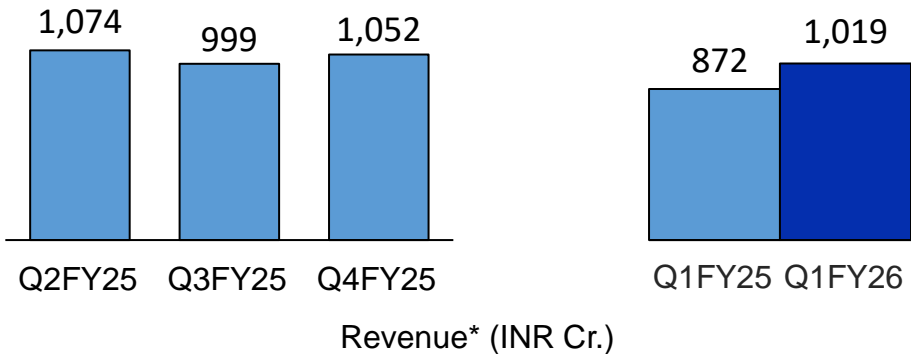
3

Focus on profitable
growth in STL Digital

4

**Robust
Financials**

STL financial highlights



Q1 FY26 Revenue INR 1,019 Cr;

Reflecting 17% YoY Growth

Q1 FY26 EBITDA margin at 13.7%

Significant improvement YoY

Q1 FY26 PAT at INR 10 Cr

PAT turns positive

Diversified revenue mix

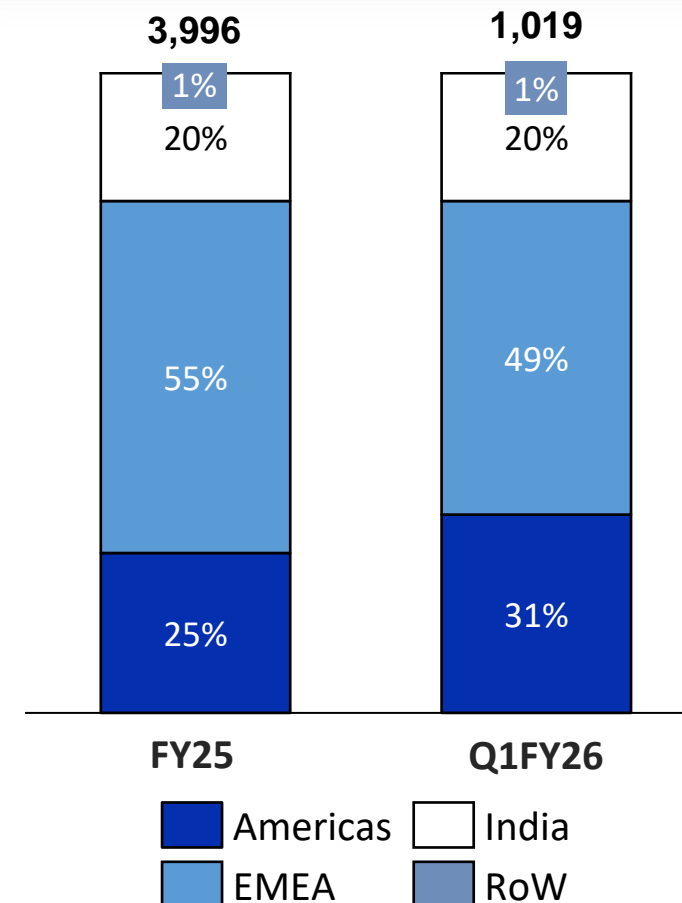


Large order wins in Q1 FY26

- Signed a 3-year Long-Term Supply Agreement (LTSA) of IBR cables with a leading European telecom operator
- Witnessed strong order inflows in ONB top-tier North American telecom operators
- Secured multi-million, multi-year contracts in Digital with two leading private healthcare providers in the Middle East for Digital Marketing and MarTech services
- Executed key project deliveries across engineering, enterprise applications, and support services, reflecting strong customer confidence

Geographical distribution

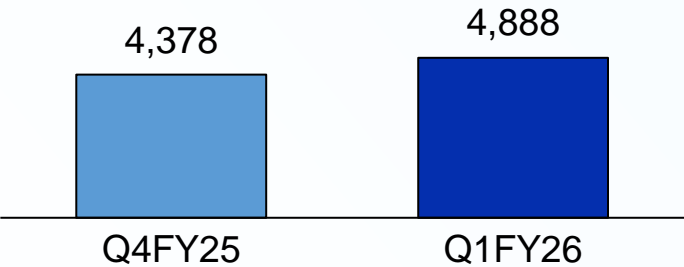
Revenues* (INR Cr.)



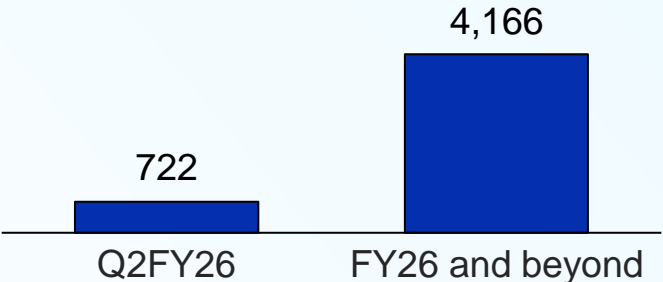
Order book highlights



Open order book (INR Cr.)



Order book spread (INR Cr.)



Consolidated financials: Abridged version

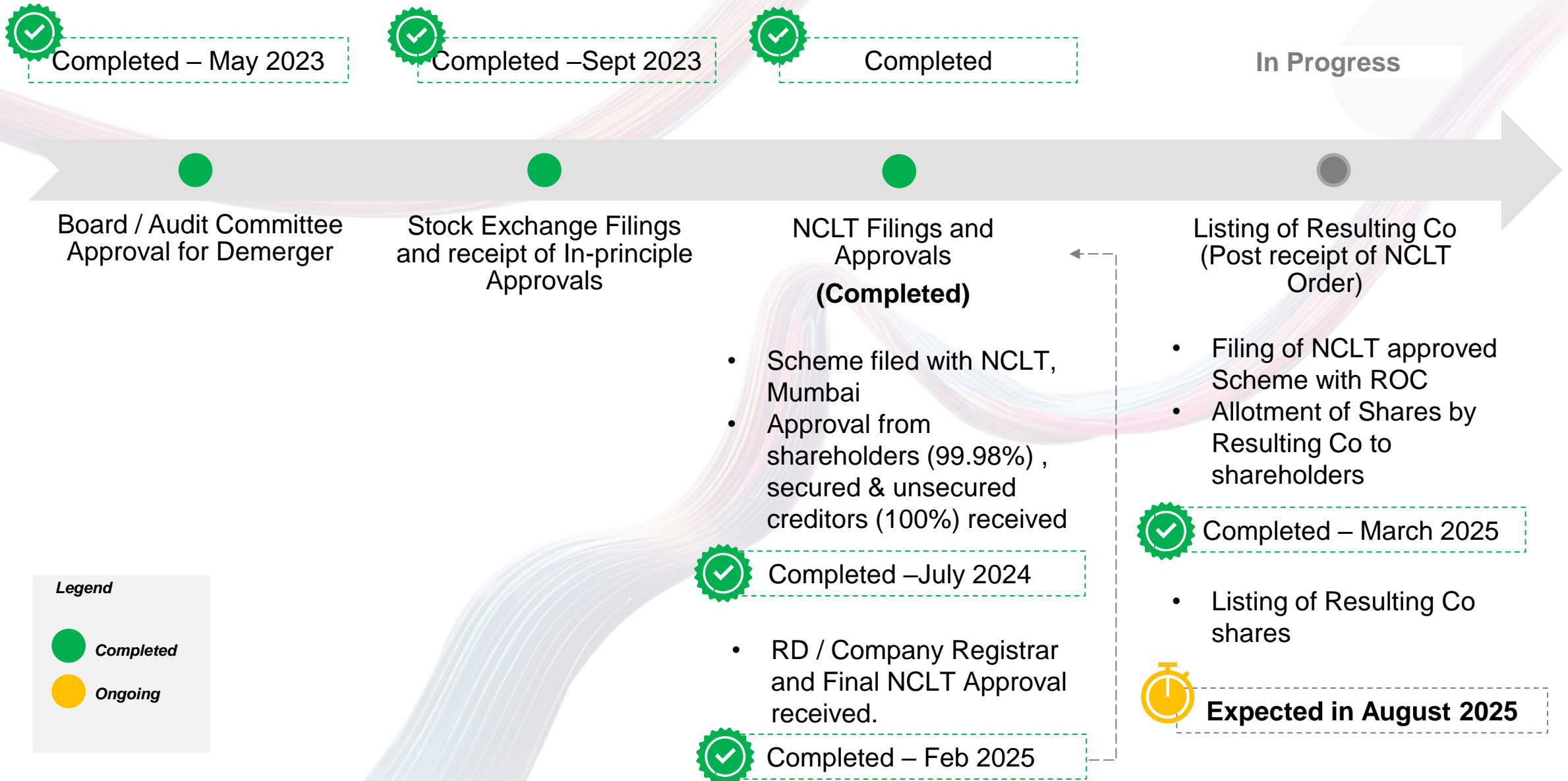


P&L (INR Cr.)	Q4 FY25	Q1 FY25	Q1 FY26
Revenue*	1,052	872	1,019
EBITDA*	146	72	140
<i>EBITDA %</i>	13.9%	8.3%	13.7%
Depreciation	79	78	77
EBIT*	67	-6	63
Finance Costs	65	56	50
Exceptional Items	0	0	0
PBT* (Before share of Associates and JV)	2	-62	13
Tax	-3	-14	3
Net Profit* (After minority Interest & share of JV)	5	-48	10
Profit (loss) from discontinued operations	-45	0	-0
Net Profit	-40	-48	10

Key Updates

- Net Debt stands at 1,300 Cr at Q1FY26
- Net Debt to Equity ratio stands at 0.64 at Q1FY26
- Net Debt to EBITDA stands at 2.3x at Q1FY26

Global Services demerger status: Completed; Listing expected in Q2 FY26



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 growing **data centre business**

Digital Business

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

Lets answer your queries!



beyond tomorrow