



“Sterlite Technologies Limited
Q4 FY26 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Sterlite Technologies Limited Q4 FY26 Earnings Conference Call. Before we proceed with the call, let me remind you that the discussion may contain forward-looking statements that may involve known and unknown risks, uncertainties and other factors. It must be viewed in conjunction with our business risks that could cause future results, performance or achievements to differ significantly from what is expressed or implied in such forward-looking statements.

Please note that we have uploaded the results and earnings call presentation on STL's website and the same is available on the exchange. In case, you have not received the same, you can write to us, and we'll be happy to send the same to you. To take us through the results and answer your questions today, we have the senior management of Sterlite Technologies Limited, represented by Mr. Ankit Agarwal, the Managing Director; and Mr. Ajay Jhanjhari, Chief Financial Officer.

We will start the call with a brief overview of the quarter gone past and then conduct the Q&A session. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I will now hand over the call to Mr. Ankit. Thank you, and over to you, sir.

Ankit Agarwal: Yes. Good day, everyone, and thank you for joining STL's Q4 and FY26 earnings call. I'll begin by highlighting the key takeaways from our Investor Presentation, and then Ajay will walk you through the financials.

STL is a global leader in digital connectivity infrastructure, serving telcos, data centers, citizen networks and large enterprises. Our portfolio spans fiber to fiber optic cables, specialty cables and connectivity products. We are India's No. 1 end-to-end optical manufacturer with over 8% global optical fiber cable market outside of China. And with more than 30-plus years of leadership, close to almost 800 patents and 10+ zero waste manufacturing facilities worldwide. STL is truly leading the next wave of global digital infrastructure.

At STL, we are amongst very few companies in the world that have mastered the journey from Glass to Gigabit. It starts with the purest grade of silicon, which we transform through advanced processes like silicon tetrachloride formation, chemical vapor deposition and high-precision sintering to create

ultra-pure glass preforms, which is truly the backbone of optical fiber around the world.

From there, we draw the highest-grade fiber, design high-density cables and develop reliable connectivity products that power data centers and telecom networks around the world. This full-stack integration right from raw material to network deployment gives STL a unique edge in quality, cost efficiency and innovation across the connectivity value chain.

This deep integration enables us to engineer next-generation fiber cable and connectivity solutions that are redefining global connectivity. Our end-to-end innovation from material science to smart optical systems, help global network builders create faster, denser and more reliable networks for the AI era.

As we look forward to FY27, our priorities are defined. We are focused on expanding our OFC market share while meaningfully increasing connectivity attach rates across deployments. At the same time, we aim to scale the contribution from our enterprise and data center segments, underpinned by continued technology leadership and a relentless focus on cost optimization.

Moving on, we will now speak about the industry tailwinds and the growing market opportunity. We are at the intersection of three powerful multi-year investment cycles. FTTx, data centers and 5G, are creating a strong structural tailwind for the optical infrastructure. FTTx is accelerating globally with deployments rising from 151 million fiber kilometers in 2025, going up to 170 million fiber kilometers by 2030.

Just in the U.S. alone, over 100 million homes will be served by fiber 2030, supported by large government projects like BEAD and BharatNet in India. Data centers are simply the fastest-growing driver for fiber demand. CRU projects that 40% of global growth in optical cable demand from data centers in 2026 alone, driven by hyperscale expansion and AI workloads. North America installed DC capacity is expected to more than double from 60 gigawatts in 2025 to almost 115 gigawatts by 2030.

Hyperscalers DC capex is expected to increase to a whopping \$762 billion. 5G is scaling rapidly with 6.4 billion subscriptions expected to grow by 2030 and carrying 80% of all mobile traffic. This requires massive fiber backhaul, fronthaul and network densification across the board. Together, these three cycles are creating a structural multiyear demand tailwind for fiber and

connectivity, positioning STL at the center of next global digital infrastructure buildout.

Next, we show how global telecom and big tech giants are aligned in backing optical fiber as a base of digital future across 5G broadband data centers and AI infrastructure. The takeaway is very simple: Fiber remains at the backbone of all the digital infrastructure.

Moving on to Slide 7 shows how the AI revolution and rapid data center expansion are creating once-in-a-generation opportunity for optical connectivity. As per sources by 2030, nearly 70% of data center demand will be AI-led, driving a sharp increase in capex and infrastructure intensity.

GPU architectures are rapidly shifting from 400-gig to 800-gig and all the way to 1.6-Terabit, speeds where copper reaches this bandwidth threshold and fiber becomes essential. Simultaneously, AI workloads are creating dense fiber interconnections, exponentially increasing fiber per rack and every new data center adds multiplies this demand. This is not just a matter of scale. It's a step change in fiber intensity.

With our Neuralis end-to-end AI-DC portfolio, STL is uniquely positioned to capture this multiyear structural growth opportunity. We will cover Neuralis in more detail in the upcoming slides.

I'll now address India's data center movement. India data center expansion is emerging as one of the most compelling structural tailwinds of optical fiber, and we are uniquely positioned to capture it. You would have read recently in news about the tremendous updates in Vizag as well.

Installed capacity is set to grow to 5x from 1.4 gigawatts in 2025 to 8 gigawatts by 2030. What makes this cycle particularly powerful is the breadth of commitment that hyperscalers like Google and Microsoft are deploying tens of billions of dollars. Indian conglomerates like Adani and Reliance are anchoring gigawatt campuses, and even domestic majors like TCS are laying out long-term capacity plans.

This is a diversified and resilient demand base. A supportive policy environment, state incentives, power availability and benefits and tax holidays extending 2047 is further derisking and accelerating the build-out. Every dollar of data center capex has a direct multiplier of fiber intensity across DCI, metro and long-haul networks with optical cable demand projected to grow at 11%

CAGR through 2030. This is not a cyclical uptick. It is a durable high visibility growth opportunity playing out right here in our home market in India.

According to CRU, global optical cable demand growth for 2026 has been upgraded to about 6.8% year-on-year, following stabilization in 2025, led by mainly the North America's data center build-out and improved execution in China. Importantly, demand is now consistently outpacing domestic supply in North America, keeping the lead times tight.

Looking ahead, North America is set to be the main growth engine powered by AI-led data centers, DCI builds and the continued FTTH expansion. CRU expects it to deliver the strongest regional CAGR of 15% all the way to 2030.

Overall, this points to sustained multi-up cycle in fiber demand with North America and APAC ex-China, both core STL focused market driver growth. We are also seeing positive momentum in India, Southeast Asia and parts of Europe, which are closely aligned with our stated strategy.

We are successfully seizing new market opportunities, a trend that is clearly visible in our record order book intake this year. In FY26, order inflows more than doubled to INR 7,687 crores, up 109% year-on-year as compared to INR 3,672 crores in FY25.

This momentum has been driven by a series of strategic wins, including large-scale data-center projects, predominantly in North America and long-term orders, which were secured from Tier 1 telecom operators in India. Importantly, our order book today is well diversified with a healthy mix of order intakes from all customer segments and product categories across regions.

Our innovation, as we have always stated, continues to be a key differentiator for STL. And this quarter, we made strong progress across next-generation optical and data-center technologies. The launch of India's first Hollow Core Fiber (HCF) cable marks a defining milestone in STL's innovation journey and reinforces our leadership in AI-ready digital infrastructure. This breakthrough enables ultra-low latency and high bandwidth connectivity critical for hyperscalers and next-generation data centers.

As for current data, the Hollow Core Fiber is expected to reduce the latency between 35% to 40% in the network, which will be a huge breakthrough. As some of you may have seen, STL launched Neuralis, our flagship AI-Era data

center connectivity portfolio in the U.S. at Data Center World 2026. I will cover about that in detail in the next slide.

Our innovation engine is backed by deep IP portfolio of over 780 patents with 21 new filings this quarter and has been recognized through multiple global awards. Overall, these advancements reinforce our position as a technology leader, building future-ready capabilities that align closely with AI cloud and high-performance network demands.

Slide 17 presents our latest launch of Neuralis, which is our purpose-built portfolio for the AI-Era of data centers. It addresses two mission-critical needs, AI Whitespace connectivity and high-speed DCI, where fiber density, speed and simplicity matter the most. With pre-terminated fiber trunks, high-density arrays, Celesta IBR cable scaling up to close to 7,000 fibers and intelligent enclosures, Neuralis enables faster deployment and massive GPU clustering.

Leveraging STL's full integration from glass preform to pre-terminate assemblies, Neuralis reduces deployment complexity and accelerates time to service, which is critical for data centers. Supported by local manufacturing in South Carolina, this launch strengthens our position within U.S. hyperscalers as well as the upcoming neo cloud providers.

Slide 18 highlights STL leadership in Multi-Core Fiber, key enabled for quantum-safe as well as multi-terabit networks. Multi-Core Fiber allows between 4x to 7x higher capacity within the same physical footprint, improving space efficiency while lowering deployment infrastructure costs, making it ideal for AI-driven data center, long-haul 5G networks, and high-performance interconnects.

We have shown strong capability, enabling India's first quantum key distribution over multi-core, completing live 100-kilometer testing and becoming the first globally to deploy MCF in both aerial and underground networks, further validated by our latest successful trials with Colt, a leading operator in the U.K. Overall, this positions STL as the forefront of quantum-safe next-generation optical networks with strong relevance for global hyperscalers and carriers.

As a continuation from our previous call, we have made successful progress on our two next-generation fiber platforms, 654E as well as Hollow Core Fiber, both designed to address the rapidly evolving requirements of modern connectivity network. Since then, 654E has been successfully launched and

also secured our first commercial order, validating strong customer interest with a 30% lower signal loss, larger core, which will enable higher power ultra capacity DWDM DCI applications.

In parallel, we have launched India's first Hollow Core Fiber, as I mentioned, cable with a true step change technology with light travel through an air-filled core delivering 30% to 47% lower latency with supporting bandwidth from 800-gig to 106-Terabit and beyond. Together, these platforms significantly strengthen STL's leadership in high-performance optical networks and position us to be a select group of global players shaping the future of fast, low latency AI infrastructure.

On market position and attach rate trends, our global ex-China OFC market share remained stable at around 8% in FY26, demonstrating resilient execution in a challenging environment marked by U.S. tariff impacts and germanium constraints that we spoke about earlier.

We remain focused on steadily building our share over time. In optical connectivity, attach rates moderated to 15% from FY26 from 22% in FY25. This was primarily driven by product mix and project timing, along with sharp acceleration of the OFC revenues, leading to a higher base.

The moderation is temporary and the long-term opportunity of connectivity remains very strong. Our connectivity is expanding, and we are increasingly focusing on selling integrated solutions rather than stand-alone products. Taken together, this shows that our core OFC business is stable, while there is a clear runway to drive higher value through attaching long growth over the medium term. I will now hand over to Ajay to take you through the financials.

Ajay Jhanjhari:

Thank you, Ankit, and thanks, everyone, for joining us today. I'll take you through the key financial highlights for Q4 and FY26. STL delivered a strong Q4 finish and solid full year performance. Q4 FY26 revenue stood at INR 1,441 crores, reflecting strong 37% year-on-year growth momentum. EBITDA margins expanded to 15.1%, supported by scale benefits and better product mix.

For the full year, revenue increased to INR 4,745 crores, with EBITDA rising to INR 628 crores, a 39% year-on-year growth with margin improving to 13.2%. PAT also turned positive in Q4 and for the full year, reflecting improved profitability and execution. Overall, the performance reflects our focus on disciplined growth, margin expansion and stronger bottom line outcomes.

As you can see in Slide 25, despite a challenging external environment, we have delivered consistent operational margin expansion over the last six quarters. Operational EBITDA improved to 15.1% in Q4 FY26, driven by higher utilization, a stronger product mix and operating leverage.

While U.S. tariff headwinds have meaningfully moderated from peak levels, adding margins, we are seeing new near-term cost pressures from geopolitical disruption driven by war in West Asia, particularly impacting helium and polymer inputs. Despite these headwinds, our structural margin profile continues to expand in line with our guidance of 20% at reported level by end of the current fiscal.

On segment side, Telecom and Citizen Networks remains the core contributors, while enterprise and data centers moderated to 19% in FY26, primarily due to decline in our copper business because of higher LME prices.

Looking ahead, with accelerating AI data center investments and pipeline visibility, we expect the Enterprise and Data Center segment to scale up to 30% of revenues in the current fiscal. From a geographic standpoint, our revenue mix continues to diversify. North America share increased from 25% in FY25 to 39% in FY26, while Europe remains a significant contributor at 40%. This balanced regional footprint reduces concentration risk and positions us well to capture growth across key global markets.

Moving to the order book. We have seen strong momentum this fiscal. Our open order book stood at INR 7,309 crores in FY26, up 67% from INR 4,378 crores in FY25, reflecting healthy order inflows and strong market confidence. Of this, INR 1,468 crores are slated for execution in Q1 FY27, while the remaining order is scheduled for execution over Q2 FY27 and beyond. This robust order pipeline provides strong revenue visibility and reinforces our growth outlook for the year.

On Slide 28, we have shared abridged snapshot of our reported numbers for your reference. Net debt stands at INR 1,128 crores with debt to equity of 0.5x and net debt to EBITDA at 1.3x, comfortably below our earlier target of 2x with a revised ambition of moving below 1.2x.

Turning to our IT services business, STL Digital for FY26. Digital revenue closed at INR 284 crores compared to INR 290 crores last year, while EBITDA improved meaningfully to INR 3 crores, reversing a loss position in FY25. This demonstrates our clear focus on sustained profitable growth rather than scale

at any cost. In Q4, we added a new U.K.-based health care client expanding our footprint in data engineering, analytics and product services. With nine new customer logos added in FY26, our total customer base now stands at 35.

With this now, I hand it over back to Ankit for updates on our social responsibility initiatives and closing remarks.

Ankit Agarwal:

Thank you, Ajay. STL CSR initiatives continue to create a strong measure impact across health care and education. This is all aligned with our philosophy that we must give back to society in which we operate. Our flagship health care program, Swashthya Suraksha won the Best Rural Healthcare Initiative for the year 2025 at the Indian Social Impact Awards recognizing its sustained contribution to rural and tribal health care.

And the education, the RoboEdge program received the Best Education Support Initiative of the year 2025 at the Indian CSR Awards for advancing STEM learning and innovation. RoboEdge students also excelled globally at the International Robotex Championship 2025, winning multiple podium positions. Nine students representing India showcasing talent teamwork and innovation, reflecting India's commitment, STL's commitment to build a stronger future-ready society.

At STL, sustainability is simply central to our purpose. We are proud to hold 'Synesgy A rating' and are committed to achieving net zero emissions by 2030. Our strategy is built on three pillars. Environmental sustainability. Since FY19, we have diverted 282,000 metric ton of waste, recycled almost 11 million cubic meters of water and reduced over 440,000 tons of carbon through energy efficiency. Over 36% of our procurement is local, and we partnered with Hygenco's advance green hydrogen successfully.

Social responsibility. Aligned with the 16 UN SDGs, we have positively impacted 920,000 plus lives through education, women empowerment and health care, alongside installing 4,500 kilowatts of solar capacity. Strong governance. With 2 big 4 auditors and robust governance committees, we have earned 100-plus ESG awards since FY19. Notably, STL is the world's first optic fiber manufacturer certified with Zero Liquid Discharge and Zero Waste-to-Landfill, setting a true industry benchmark.

Let me close now with our focus areas. Our goal is driving technology and cost leadership, growing its market, in focus markets, increasing connectivity attach rates and rapidly scaling the revenue contribution from our data center

business. This strengthens STL as a clear enabler of global digital infrastructure.

With this, I will close my opening remarks and hand over to the operator to open the floor for questions. Thank you.

Moderator: The first question is from the line of Aniruddha Pandhare from Param Capital.

Aniruddha Pandhare: Can you give us some indication on the current utilization levels and any sort of guidance going forward?

Ankit Agarwal: I would not comment on specific utilization, but broadly, it's improved slightly. As I said, we have called it out. We continue to have constraints with some of our raw materials. And we do expect those constraints to reduce quarter-on-quarter as I have been stating. So it is more of the same.

Aniruddha Pandhare: Okay. And I mean, an extension of that question probably since you mentioned raw materials. Any update on the germanium or helium? We had seen significant, I believe, cost inflation there as well?

Ankit Agarwal: So the costs continue to be quite high or very high. But as I said, more importantly for us is getting the availability itself. And that is something that continues to be a challenge, but we do expect it to improve quarter-on-quarter.

Aniruddha Pandhare: So how, I mean, is there a number sort of how far ahead do we have the sort of the stocks, maybe is it two quarters, three quarters, four quarters?

Ankit Agarwal: Yes. I mean we, as I said, we have some amount of volume for the rest of the year. It's about optimizing and getting more so that we can further utilize our factories. So there is some good amount of base we have, and we are continuing to try to get more.

Moderator: The next question is from the line of Aman Saiffee from Stallion Asset.

Aman Saiffee: I just wanted to understand on the recent QIP approval. Is this purely enabling resolution to maintain capital raising flexibility or is there any funding requirement already identified? And also on the context on the recent capital infusion from the parent level, how should we think about the incremental capital needs for Sterlite Tech?

Ajay Jhanjhari: So I will answer in two parts. The first one on the fundraising. So this has always been an enabling resolution which we take year-on-year basis. So this year also, this needs to be considered as an enabling. Right now, there are

certain capex plans which we are having. We do expect that in near-term we will focus on our technology leadership and upgrading our asset base to support high-value data center portfolio offerings, which can have an approximate investment of INR 500 crores.

Aman Saifee: And sir, my second question would be the kind of tailwind we have been hearing on the data center. How should we look at our growth numbers since our order book itself has gone up significantly this quarter? So growth rates and probably the margin guidance, if you can provide for next year?

Ankit Agarwal: Actually, we do not provide this kind of guidance. As we have been sharing, we are very focused on both the data center segment and the telecom segment. As Ajay said, we are looking at a capex of about INR 500 crores. So as you can appreciate, that is happening on the back of our understanding and visibility of the market and the opportunities. So broadly, I would say that we continue to remain excited about the opportunities, and we are focused on capturing more and more share of this market.

Moderator: The next question is from the line of Nikhil from Nuvama.

Nikhil: Ankit, I have one question for you and one for Ajay. So Ankit, basically, I need some color if you can provide the strong order book this quarter, was it volume driven purely or you have seen improvement in realization? As well as if you can quantify contribution from data center within this, if possible?

Ankit Agarwal: Nikhil, I cannot give you color. I will have to be black and white. But in seriousness, the data center contribution. So we do not break that out. I think we have called out broadly the data center and enterprise. As you can see the absolute number is growing and we did have slightly lower copper sales. So overall, it is in the right direction. And I think as we have discussed and we have shared on these calls, we continue to work on securing long-term contracts and relationships, both with telecom operators as well as data centers. So that is moving in the right direction.

Nikhil: Second for Ajay. Ajay, I think you have commented two incremental points. But it is, I think you upfronted the guidance of reaching 30% from enterprise data center compared to earlier guidance of 12 to 18 months. And second, you also, I guess, if I heard you correctly, you mentioned that by end of this year, Q4, you will achieve 20% in EBITDA margin. So just wanted to understand the lever for the margin and what changed in what quarter which gives you confidence of upfronting this guidance?

- Ajay Jhanjhari:** So, these are interlinked, Nikhil, if you see in proportion to our increase in the data center revenue, we are going to witness a good jump in the margins as well. In all our assumptions, we have kept the tariff at the current rate. That is something which we will have to adopt going forward. But right now, if we achieve that 30% rate, which looks like if we do the right execution, we can reach there. So we do target to have it by the end of Q4, the margins which I have mentioned.
- Moderator:** The next question is from the line of Rahil Dasani from MAPL.
- Rahil Dasani:** A few basic questions to begin with. What is our IBR capacity as of date? And what are our plans to increase it, if any?
- Ankit Agarwal:** Sorry, Rahil, we do not disclose capacity.
- Rahil Dasani:** Got it. Okay. Would you be able to share how much of our total preform requirement do we buy from outside as of date? And how much will this increase to as and when we start utilizing optimum capacity of 80%, 85%?
- Ankit Agarwal:** Sorry, Rahil, we do not disclose any of these things.
- Rahil Dasani:** Got it. Okay. So maybe what we can try is on the hyperscaler side, why is the hyperscaler and DC sales volumes not picking up as much for us, while our global as well as local peers are scaling up very well and shifting majority capacities to reach demand? Are we seeing any product quality issues, especially with the 1,728 and 3,456 fiber count and hence, we are not getting approved by the hyperscalers?
- Ankit Agarwal:** Rahil, I do not know what to say. None of these things exist, what you mentioned. We are very well placed with the data center and telco business, and I think we have grown quite a lot.
- Moderator:** The next question is from the line of Saurabh Jain from Sunidhi Securities.
- Saurabh Jain:** My first question is leading Q4, OFC prices have witnessed a very sharp increase, particularly from late December or early January, so how has been the trend in the realizations off-late across standard OFC and high frequency data centers cables? How is the difference in sizes and what's the delta in margins playing out likely? And how are we going to evolve the mix in our favour?

Ankit Agarwal: Thank you. I was kind of reiterate what we have been saying through previous calls. We do not play in the spot market and we do not sell in the spot market. We are very, very focused on long-term contracts with our select customers globally, particularly in Europe and U.S. and in India. So that is how we look at it. Of course, at any point, if, for example, raw materials or freight or anything is going up and down or tariff, then those are conversations we have with our customers, and we look to see how we can adjust those things.

I am aware that the fiber optic prices have increased particularly in China and in some other places. But we are not selling for many of these applications or to these spot opportunities. At a macro level, I would say that, yes, the margin profile of selling to the data centers is better. And these are very, very advanced and patented products that we create. And more and more of what we sell to this market will be an end-to-end solution, thereby improving our profitability going forward.

Saurabh Jain: Also, if you can talk about the pipeline and conversion pipeline of large hyperscalers deal, are we moving towards any multiyear capacity reservation agreements like our global peers, what we heard yesterday on the conference call, Corning mentioned after Meta they have signed with two more such similar size and similar tenure deals. So can we expect something like that? Are we in talks with any of these hyperscalers?

Ankit Agarwal: Yes. I mean I won't comment on any specific names or what our competition has done. We continue to remain very focused and quite excited about securing long-term contracts, both with telecom operators as well as data center companies. We are making good progress, both in terms of our conversations as well as in terms of our product portfolio and readiness. So yes, I would broadly say we are quite well placed. And accordingly, as we make progress, we are happy to share that with you.

Moderator: The next question is from the line of Akshat Mehta from Seven Rivers Holding.

Akshat Mehta: My first question is on the margin, sir. So given that this quarter has seen impact of the U.S. tariffs coming down, how should we look at margins going forward when the full impact of the U.S. tariff coming from 50% to 15% will come? Should it be similar or should be probably higher?

Ajay Jhanjhari: So the last quarter, at least in Q4, there was a slight impact only because of the reduction in tariffs because we need to sell goods in advance to our subsidiaries and all. Going forward, in Q1, there will be a positive impact on

account of tariffs, while our revenue is expected to increase further from U.S. operations. But there is one more counterpart to it, which is the cost, which is increasing significantly due to this war issue. So broadly, there will be an improvement in the overall margin profile, but that won't be similar to what we are reflecting here, like it will have some impact of the cost increase as well.

Akshat Mehta: Okay. Should it be at similar levels to what is in Q4?

Ajay Jhanjhari: It should be, while I cannot give any guidance on that, but it should be on an improving stage from Q4.

Akshat Mehta: So I just wanted to double check on the thing that you said that you do not really sell in the spot market. So what is kind of stopping us from diverting a few million kilometers of capacity to sell in the spot market, except for on a principal basis or on a value basis to take advantage of this opportunity?

Ankit Agarwal: I mean, look, I think, we have been in this business for 30 years. I have been in this business 16 years. And I think our learnings from that is that what you want to really make sure and go out of the way is that you are having a large portion of your business, catering to the right kind of customers who are building and co-developing with you in terms of products, and it is truly a long-term partnership. So that's the philosophy we have chosen.

And it requires a certain amount of discipline because it's easy to get excited about some of these spot prices. But we have chosen that path of discipline, focus on R&D and creating long-term value. That's the reason.

Moderator: The next question is from the line of Pushkar Jain from Mili Capital.

Pushkar Jain: Sir, we were actually looking at the PPT of OmniCure so they had some exclusive tie-up with for germanium. So is that, is their entire capacity enough for us or we need more? And is the supply started for the same?

Ankit Agarwal: Sorry, I think for confidential reasons, we cannot share where we stand on this or our suppliers. It is an important raw material like helium and some others, and we continue to take strategic actions.

Pushkar Jain: Okay. And post this capex, can you at least tell what will be our capacity for OFC?

Ankit Agarwal: Sorry, we are not going to be disclosing capacities going forward.

Moderator: The next question is from the line of Balasubramanian from Arianth Capital.

Balasubramanian: Congratulations for a good set of numbers. Sir, my first question on the data center side, I think we are launching advanced products like Neuralis, hollow core fiber, G654, I think many products are under pipeline. But if you look at on the international market, big players are taking billion orders, especially for data center and generative AI and enterprise side. So I am trying to understand whether is there any active pipeline or RFQ we have, even these data center hyperscaler customers, they are willing to fund and they are willing to risk sharing agreements?

They are more aggressive on building data centers, especially for our AI side. So I am trying to understand whether our products like how we are getting orders, whether we have a pipeline of \$1 billion orders, especially long-term, maybe 3-5 years time frame? If you could share your thought process on the industry levers and how our products fit into the market.

Ankit Agarwal: Thank you. I think broadly, I would say that we have done some good work. I am very proud of our team in terms of the product portfolio we have created. Neuralis is truly cutting edge what we have launched, and it is truly a great solution that we believe will serve the data center world. I think we are well placed, I think, in terms of our portfolio, in terms of the work that we have done.

And we do have some good customers. We are working well with them in terms of looking at their long-term requirements. And as we continue to make progress and as we continue to grow with them, we will continue to update you.

Moderator: The next question is from the line of Sunny Gosar from MK Ventures.

Sunny Gosar: Congratulations on a good set of numbers. My question is on the optical interconnect segment. So we have seen some, in my understanding, some stagnation in the revenue in FY26. But if we have to say, look at the next two to three years, how should we look at this segment in terms of the growth trajectory? And earlier, we used to look at 50% attach rates. So how are we thinking about that now going forward?

Ankit Agarwal: Yes. Thank you, Sunny. And look, I think structurally, yes, the attach rate percentage-wise has come down. But I think it is largely a timing and mix-related factors. There is no change in structural demand. I think we have been working hard on this for a few years now building our product portfolio. We have also been working closely with customers to co-develop it for them. So I do see this that at least on an absolute basis, the revenue should continue to increase over time.

There are also certain connectivity products that are required for the data center segment, which we are evaluating and looking at. So I think combined both of these, what are the attach rates required for the home portfolio, home connectivity as well as data center connectivity, I do see this growing year-on-year going forward.

Sunny Gosar: And the rate of change will be visible in the near-term or this will take some time in terms of starting to reflect on the revenue growth?

Ankit Agarwal: I'll say broadly over the year, you will see the growth. It's tough to kind of predict the timing because of the approval process and cycle. But we are making progress quarter-on-quarter for sure.

Sunny Gosar: Sure. And my second question is more on the medium-term outlook. So historically, we have seen cyclical play a role in the optic fiber demand. So based on our past learnings across cycles, like how are we looking to reduce or rationalize that risk of cyclical? And how successful have we been in terms of getting some longer tenure contracts, better visibility over, say, two to three years?

While we see that the near-term demand remains robust, but assuming that there is some slowdown or some cyclical in the demand, how are we looking to kind of reduce that risk per se?

Ankit Agarwal: Yes. I think both, I would cover it in three ways. Like one, I think at a principal level, we do strongly believe that these are kind of multiple tailwinds in parallel. You've got 5G, 6G coming up in a couple of years, then you have got fiber-to-the-home. You have got rural massive connectivity that will happen with BEAD, BharatNet and everything else. Then you have got optic fiber for drone applications, which I think are currently in a couple of places, but could spread further. And then you have got this kind of multifold growth because of the data center side.

So at some level, we do believe that these are tailwinds over a longer period of time, number one. And it is not just the telco up and down cycle that we are dealing with. So that gives us some level of confidence. But I think to your point, I think it's back to what I have been sharing so far is that we are very, very focused on the longer-term contracts rather than playing in the spot market or trying to make a quick buck. And we do expect that we will make good progress on this quarter-on-quarter.

- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, firstly, pertaining to this Prysmian cables litigation, what is the last we have heard on the same? And any date that we have for the litigation or at what stage are we? And sir, secondly, in continuation to the tariff part, we have also seen that the U.S. government has been asked to reverse the amount which they have collected as tariff. And I think so we have paid tariff on the sales that we have done to the U.S., the geography of U.S. So where are we in terms of these two aspects?
- Ankit Agarwal:** Yes. Thank you. So I think on the legal matter, we had filed our appeal in September 2025. So that's where it is, that's progressing. As I said, we continue to believe we have a very strong case. And we do hope for a favorable outcome in that matter.
- And I think in terms of the tariff rebate, you are right, there is a process that's got kickstarted in the U.S. for repayment of tariff to the importer on record. And to that extent, we will follow that process, but we cannot give a clear timeline right now of when and how much of those refunds will come. We can probably update you in the next earnings call.
- Saket Kapoor:** But sir, what amount we have paid as tariff is there with you so that you can share. Whatever is the refund that will happen in due course, but you can share the amount at least how much we have paid as tariff. I think the 6% to 7% of EBITDA was negative because of this, if I remember correctly, in the last quarter or the before quarter when the tariffs were at 50%?
- Ankit Agarwal:** I think broadly, it will be north of INR 100 crores.
- Saket Kapoor:** Sir, in case the judgment comes, do we have any other option to appeal higher? Or what would be the process going ahead with the Prysmian part, I think so that's a huge liability of \$100 million. So, what would be the next step?
- Ankit Agarwal:** Yes, there's, in fact, two more steps. One, currently, this is in a bench of three judges. You can then appeal to ask for all the judges to be present and to again evaluate the matter. If again, after that, then again, we can appeal to the Supreme Court. So there are two more stages so-called after this.
- Moderator:** The next question is from the line of Tej Patel from Niveshaay.
- Tej Patel:** Congrats on a good set of numbers. Bringing back to the earlier participant's question, I know we have been in discussion with the hyperscalers since along

and you are making good progress, right? But given our capabilities, and I am just trying to understand there should be some progress made, right? And I just wanted to understand what could be the timelines where we can look to close this let's say, orders or deals or any LOIs with the hyperscalers because almost like three to four months, we are into discussion and then we have, I mean, let's say, domestic peers, global players getting those orders. So just wanted to understand what are the timelines on these orders? Are we facing any problems on that side?

Ankit Agarwal: No, as I said, at least I do not think we are facing any orders. We are continuing to expand our product portfolio that can serve this market. And we have got good feedback from our customers. We continue to get orders from them. And we are, as I said, we are making good progress with the hyperscalers in terms of what could a longer-term partnership be. So that is the conversation that is going on.

Tej Patel: Okay. And sir, are we at least in the testing mode of our products with the hyperscalers?

Ankit Agarwal: So I think we already shared last quarter, we are actively now supplying into this market.

Tej Patel: Got it. And sir, I think we were upgrading our line to the IBR for higher fiber count. Is the capex on track? I think it was supposed to get live by June 2026, right?

Ankit Agarwal: We do not comment about specific product lines, etc. So I would not be able to comment on that.

Moderator: With this, we conclude our call. I would now like to hand the conference over to the management for closing comments.

Ankit Agarwal: Thank you, everyone, for taking your time to hear us out. We remain excited and motivated to drive this business forward and to unlock its full potential. Through our efforts, we see a tremendous opportunity to connect the unconnected across the world and especially here in India. We truly believe STL is well positioned to play a pivotal role in building the digital infrastructure of the future and of our country.

We are happy to take any questions of yours. For any queries or qualifications, you can reach out to our Investor Relations team, Ajay and I will both be



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available. Once again, thank you for your time and your continued support. Jai Hind.

Moderator: Thank you very much. On behalf of Sterlite Technologies Limited, that concludes this conference. Thank you all for joining us today. And you may now disconnect your lines.

(This document has been edited to improve readability)