

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

STL

stl.tech

Investor Presentation

August'22



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

Company Overview

STL

**Company
Overview**

1
Our
Businesses

2
Industry
updates

3
Future
growth levers

4
STL
financials

Annexure

We Integrate Digital Networks for Our Customers



Core Business

Customer Segments



Telcos



Cloud Companies



Citizen Networks



Large Enterprises

Offerings

Optical Connectivity

FTTx Integration Network

Network Modernisation + Fibre Deployment

Wireless Connectivity

Business Units



Optical Networking Business

- Glass Preform
- Optical Fibre (OF)
- Optical and Specialty Cables
- Optical Interconnect Kits (OI)



Global Services

- Network system Integration
- Wireline system Integration
- Data center solutions
- Wireless system Integration



Software Business

- Digital BSS Platforms
- Network Operations Platforms
- 5G Monetization



Access Solution Business

- Programmable FTTx
- 5G small cells
- 5G Macro Radios
- RAN Intelligent Controller
- Wi-Fi 6 Access Solution

Unique Capabilities

Financial Performance



₹ 1,575 Cr
Revenue
Q1 FY23



6%
Revenue CAGR
FY20-22



16%
(FY20-22) Avg EBITDA
margin



Consistent dividends
(FY 21 – 100¹%, FY20 – 175¹%)

Market Dynamics

CY 20 was hit by Covid-19*

- 2020 represented a period of weakened demand, price declines and squeezed margins
- Early 2021, bare fiber prices bottomed out and have since recovered

CY 21 marks the beginning of recovery and robust growth*

- Robust forecast (7% CAGR CY 21-24) for global cable demand
- We are entering a decade long investment cycle across the major cable demand drivers of 5G, FTTx and Data Centres

Driven by our purpose to transform lives

Committed to Net-Zero Emissions by 2030



Zero Waste to Landfill Certified¹

175,000+ MT

Waste diverted from landfills (FY18-22)

15,000+ tCO₂e

Reduced through energy efficiency initiatives
(FY21 – Q1 FY23)

500,000+ m³

of water recycled (FY19- Q1 FY23)

56%

Procurement (by value) done locally (FY 21)



Committed to the UN SDGs²

15

Aligned with 15 of the 17 SDGs

700,000+

Lives benefitted through STL's ed-tech & women
empowerment programmes (FY19 – Q1 FY 23)

2 mn.+

Lives benefitted through STL's healthcare programmes
(FY19 – Q1 FY23)



Strong Internal Governance

Two of the Big Four

as statutory & internal auditors

Executive and Management committees in place

71 ESG awards won (FY20 – Q1 FY23)

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

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

² Cumulative till FY 21, SDG – Sustainable Development Goals

Our Businesses

STL

STL

1

Company
Overview

**Our
Businesses**

2

Industry
updates

3

Future
growth levers

4

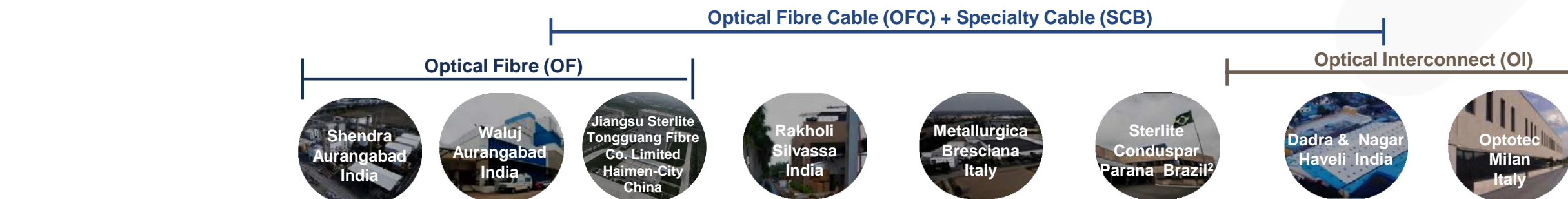
STL
financials

Annexure

Integrated business model for Optical Networking Business



End-to-end solutions with offerings across the value chain



Vertically Integrated



Shield from Supply Chain vulnerability



Wide Product Portfolio



Control over Quality



Cost Leadership

8

**GLOBAL
PRODUCTION
FACILITIES***

50 Mfkm¹

**OPERATIONAL
OPTICAL FIBRE
CAPACITY**

42[#] Mfkm

**OPTICAL
FIBRE CABLE
CAPACITY**

Industry 4.0 standards

Fully automated machinery with robotic operations

Efficient supply chain

Reduced delivery times and Supply Chain Management cost

* Includes only fiber & cable manufacturing facilities.

*This includes upcoming facility in US and excludes China

[#]36 mn as of Q1 FY 23 with a plan to expand to 42 mn. fkm (incremental capacity through US green field expansion)

¹ We have 13 mn FKM capacity in China, where STL has entered in an agreement to buy balance 25% shareholding from the JV partner to make it a fully owned foreign entity. The transaction is expected to close by Q3 FY23 and the plant is expected to restart in Q3 FY23.

² Plant in Brazil is through a 50:50 joint venture with Condispar Condutores Eletricos Limitada

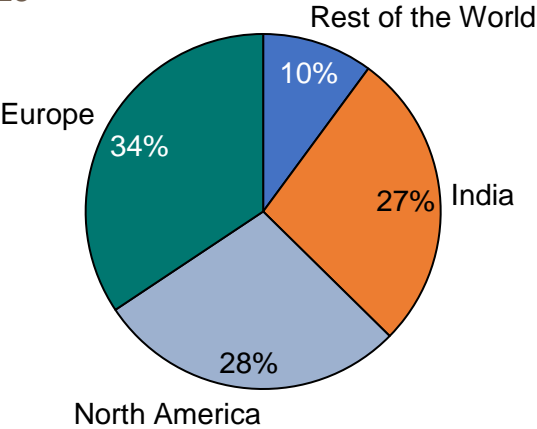


Diversified customer base with deep engagements

High stickiness with management identified key customers contributing to 47% of total revenue¹

Total Revenue split by region

Q1 FY-23



Deeply Entrenched Relationship

- Partnering US based communications service providers
- Helping build-out UK’s fiber connectivity with telcos and network creators. Supporting Italy’s broadband plans
- Partnering with leading Indian telco for pan India network rollout

Key customers

8+
Years of relationship

2 - 8
Years of relationship

Recent Wins

Top 2 Telcos - India

UK’s leading Telecom operator

Digital infrastructure provider, Africa

State telecom operator in Middle East

Leading telecom operator in Italy

Wholesale fiber operator - Italy

netomnia

Prominent hyper scale data center




Fiber operator - UK

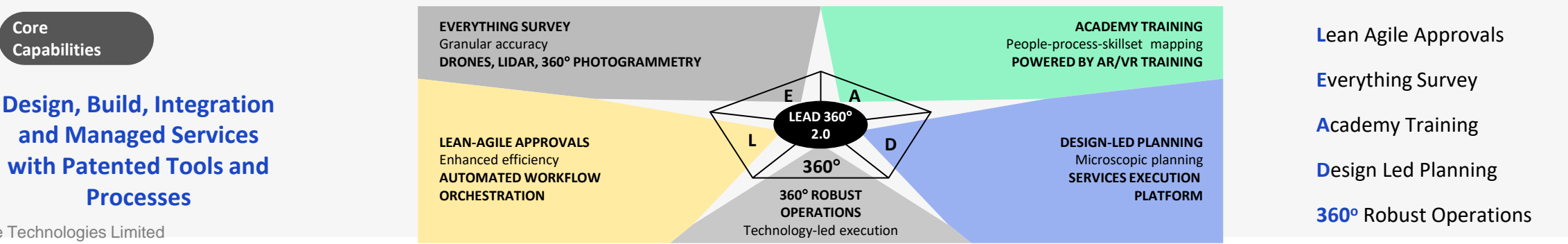
Communications service provider - US

¹As of FY22



Our offerings – Global Services Business

Offerings	Network System Integration	Wireline System Integration	Data Center Solution
			
	End to end Network modernization	Fiber Deployment	Data Centre Solutions
Description	<p>E2E hyper converged network integration solution that comprises</p> <ul style="list-style-type: none">▪ Building networks connecting users to the data processing layer at the data center▪ Maintaining security at all the layers▪ Monitoring and managing the entire network	<p>We provide end to end services, Including network design, Optical connectivity products, fiber roll out services , programmable Networks & software solutions</p> <p>We also offer seamless, large-scale fiber design, rollout and deployment for long-haul core networks and hyper scale networks integrating key tenets of LEAD 360°</p>	<p>Data center design, build, networking and power</p> <ul style="list-style-type: none">▪ Fully tailored colocation solutions for transforming white spaces into functional & optimal data centers



Large Scale System Integration expertise



India - Public

NETWORK MODERNISATION Indian Defense

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



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



India - Private

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



Global

FTTX DEPLOYMENT - for Gigabit connectivity in UK cities



DATA CENTER – Colocation connectivity buildout services in Europe



Access solutions



Open standards and programmable solutions

5G Open RAN ecosystem

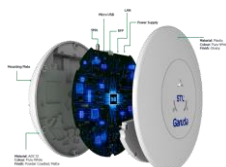
1  **Open Networking-based Wireless solutions (Radio)**

2  **Smart and agile RAN Intelligent controller (RIC) platform**

3  **Open SDN¹ programmable & virtualized solution (pFTTx)**

Indoor Small Cell (Garuda)

Open Radio Access Network (RAN) compliant, highly power efficient indoor 5G small cell solution



Open RAN 5G Macro Radio (Firebird)

A portfolio of outdoor macro Outdoor-Radio Units available in different bands



WiFi6 (Swan)

Outdoor WiFi6 Radio Unit providing carrier-class connectivity



RAN Intelligent Controller (RIC)

A controller / platform used to optimize the RAN ecosystem through applications



Programmable FTTx

3  **Open SDN¹ programmable & virtualized solution (pFTTx)**

Programmable FTTx

A cloud-native solution that brings programmability to last mile networks



Industry Updates



Company
Overview

1
Our
Businesses

2
**Industry
updates**

3
Future
growth levers

4
STL
financials

Annexure

The digital infrastructure industry is growing at a rapid pace



01



Massive investments in network build

Network creators investing heavily in digital infrastructure and deployment of fibre networks (esp. in US & Europe)

02



Tech becoming mainstream

5G, FTTx technologies and edge datacentres growing at a rapid pace

03



Optical demand on a growth trajectory

Sustainable demand for Optical networking

Strong Tailwinds of Massive Investment Cycle

Network creators and Governments plan to invest heavily in digital infrastructure



ENHANCED SPENDING & DEPLOYMENT BY NETWORK CREATORS

USA

AT&T Capex set to rise from **\$16.5 Bn to \$20 Bn** in 2022

US to pass 9M households per year with fiber over the coming three years and reach **87 mn fiber connected homes**

Europe

- **Openreach** plans to reach **25 Mn.** homes by 2026
- **Netomnia** plans **1 Mn.** homes pass by 2023
- **Hyperoptic** targets **3 Mn.** homes by 2024
- **CityFiber** on track to reach **8 Mn.** homes across UK by 2025
- **Open Fiber** targets to reach **24 Mn.** homes by 2031

India

- **Bharti Airtel** plans to invest **\$15.0 Bn capex** through 4 subsidiaries
- **Bharti Airtel** aiming for **40 Mn. home broadband** customers by 2025

Data Centers

Meta allocates **\$31.5 Bn capex in 2022**

Hyperscale capex in the last 4 quarters, increases by **25% to over \$ 150 bn.**

US CAPEX SURGE

\$275 Bn.

Investment by Telcos, Cable MSO's, Internet content providers along with Govt. stimulus in 2022

INCREASE IN GOVERNMENT INCENTIVES & FEDERAL SPENDING

US



Aims to invest **\$65 Bn. in broadband as a part of Infrastructure Bill**

UK



Project Gigabit **£5 Bn. for 85% broadband connectivity by 2025**

India



Bharat Net program being **extended to 360,000 villages**



5G becoming the fastest growing technology

- 5G Investments : expected to be **\$500 Bn.** from 2022 to 2025
- 5G subscriptions: **660 Mn.** as of 2021 and expected to reach to **4.4 Bn.** by 2027
- 5G base stations in China: **1.43 Mn.** as of 2021 and expected to reach to **3.65 Mn.** by 2025



FTTx growing massively in Europe, US, India

- **\$125 Bn.** earmarked for FTTH deployments in the North America for next 5 years
- UK's BT Openreach plans to spend **£15 Bn.** over the next 5-6 years
- Italy's Open Fiber plans **\$11 Bn.** investment in new 10-yr strategy

Datacentres

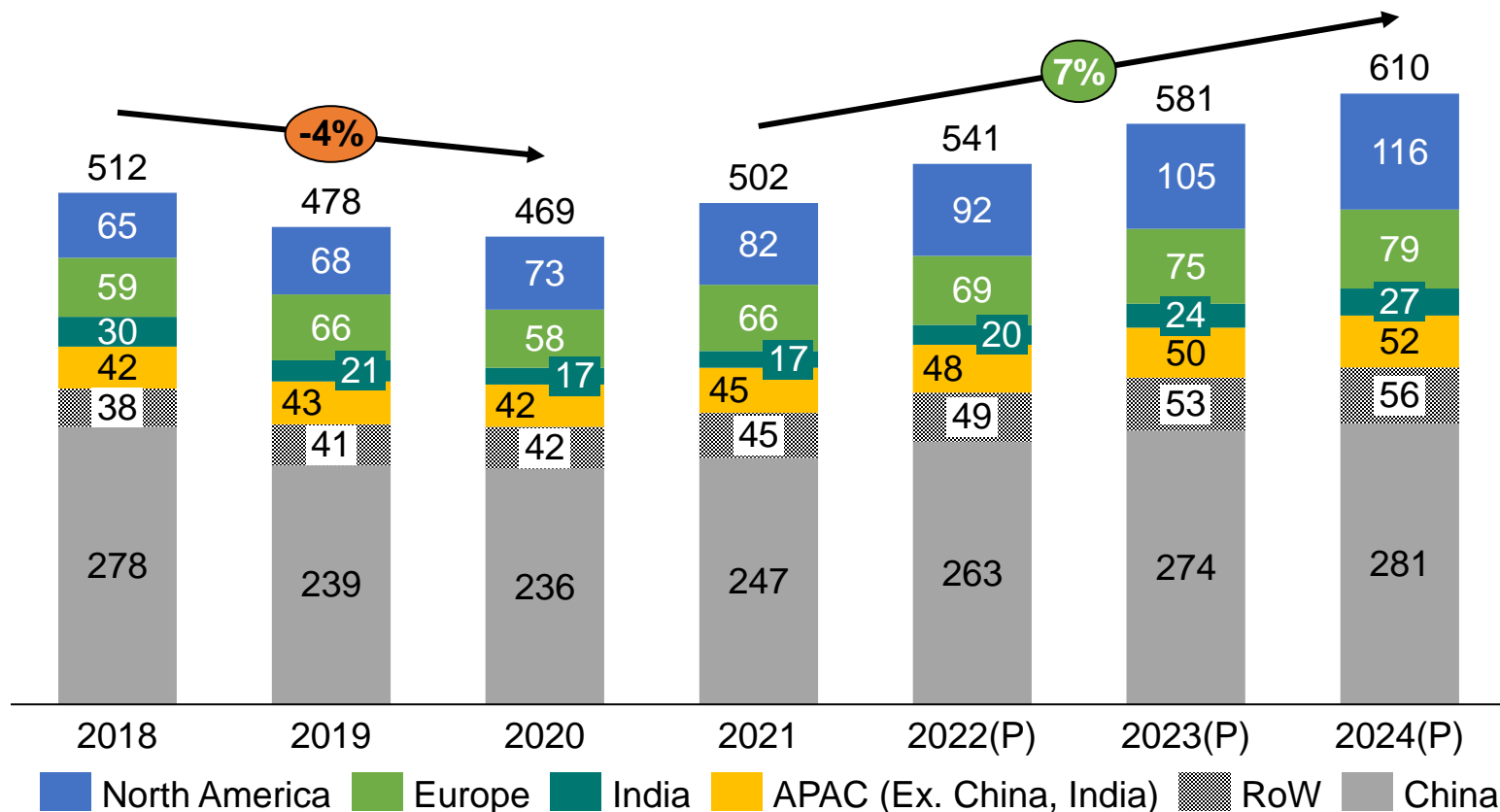
Increasing CAPEX by data centers

- Data center CAPEX to **grow by 10% CAGR** over the next five years, to **\$350 Bn.** by 2026
- Google plans to invest **\$9.5 Bn.** in building offices and data centers in the US in 2022
- **1,200 Hyper scale data centers** by 2026; 314 DC currently in pipeline

03 Leading to sustainable growth in global OFC volumes

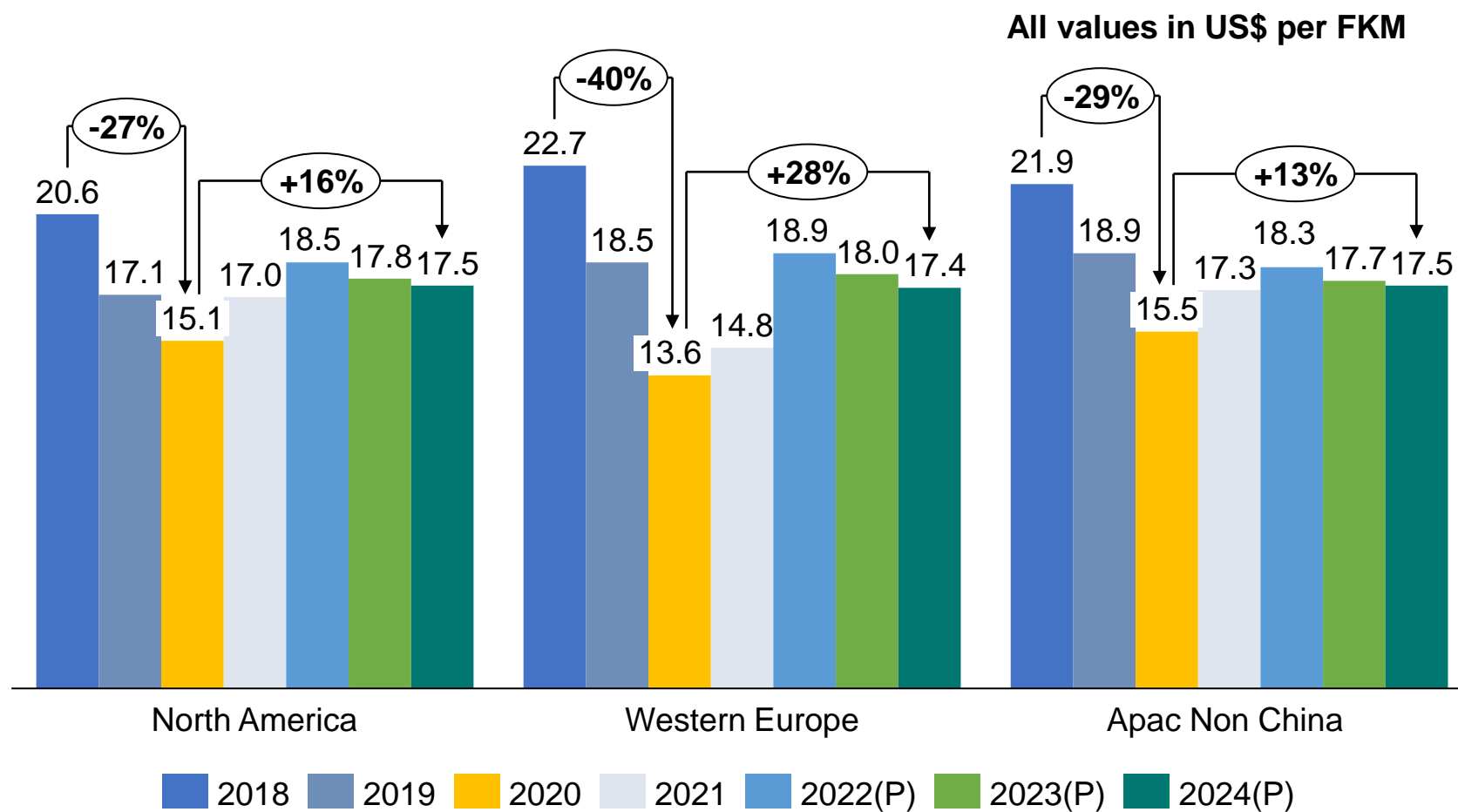


OFC Demand region wise (Mn Fkm)



Region	CAGR 2021-24
North America	12%
Europe	6%
India	16%
APAC (Ex. China & India)	5%
RoW	7%
China	4%

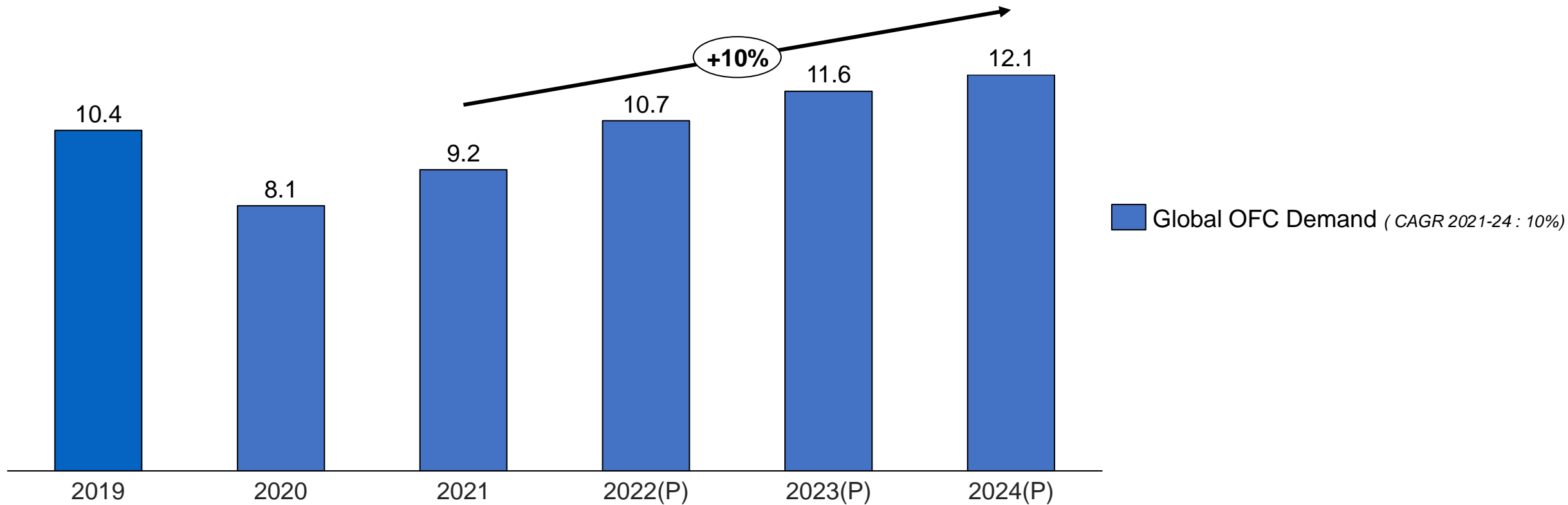
STL focus markets **North America & Europe are high potential and fast growing**



Note: indicative cable prices based on applications within the feeder/local segment

Region	Growth 2020-24
North America	16%
Western Europe	28%
APAC (Ex. China)	13%

Global OFC Demand (\$ Bn.)



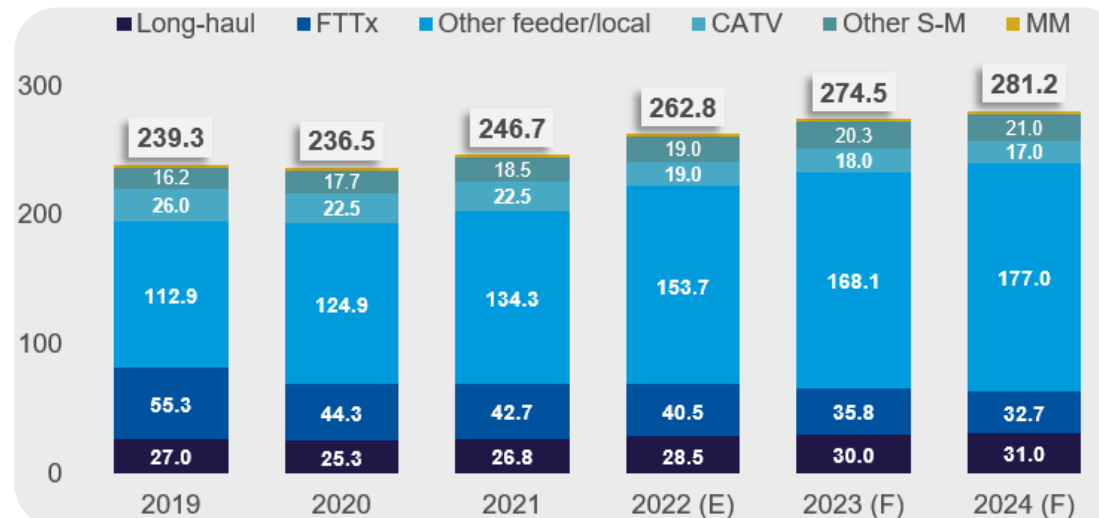
Demand

- China Carriers combined loose tube tender volumes in 2021-22 reached 235 mn. fkm, which is 17% increase than 2020-21
- 5G continues to drive fibre demand. China is expected to reach 900 mn. 5G users by 2025
- FTTH build to be fiber intensive in connecting rural localities

Supply

- As per CRU, most major fibre and cable suppliers are running at high utilizations for operational capacity in both fibre and cables
- Trade barriers including anti dumping duties posed by EU and US is leading Chinese players to focus away from these markets.
- Growing Protectionism leading to local manufacturing. E.g. IIJA in US requires 55% domestic sourced material

Chinese cable demand by Application segment



We are in a decade long investment cycle



Multi-year network build cycle

1

5G

Increased demand of fibre due to cell densification

2

FTTx

Increase in FTTx penetration & network modernisation by governments leading to increase in fibre demand

3

Hyperscalers

Increased demand of fibre due to capex increase, particularly for edge datacentres

3 investments cycles are coinciding
(7 - 10 years timeframe)

Future Growth Levers

	1	2	3	4	
Company Overview	Our Businesses	Industry updates	Future growth levers	STL financials	Annexure

Two Focussed Growth Levers



1

Scale Optical Business



- Scale global OFC **market share**
- Increase market share in the **US**
- Increase **OI attach rate**

2

Globalise Services Business



- Focus on **strategic segments** in India
- Globalise services with **UK** as the base by leveraging existing capability & customer relationships

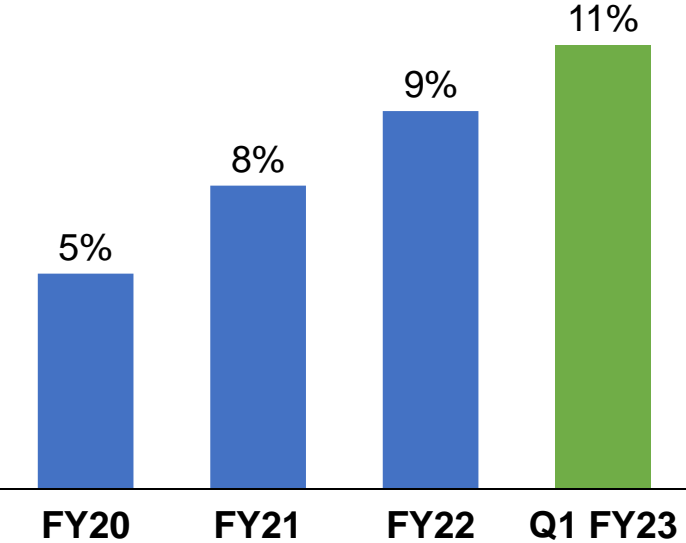
Focus on strategic growth opportunities through a prudent capital allocation framework

1

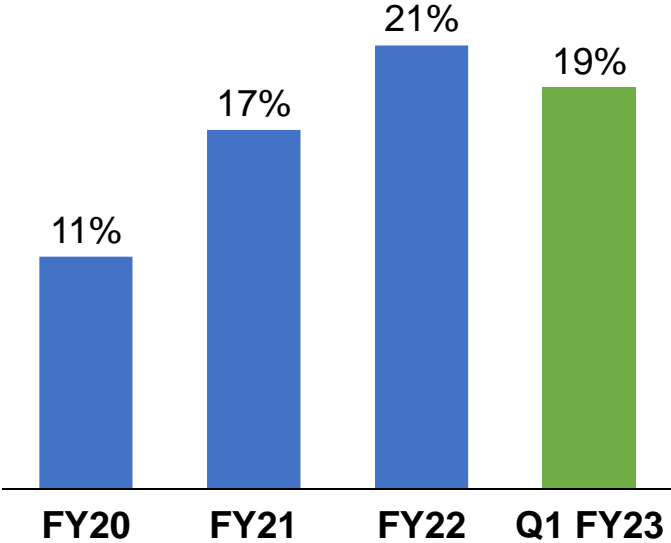
Grow Optical Business
Increase Global OFC Market Share in all focus markets



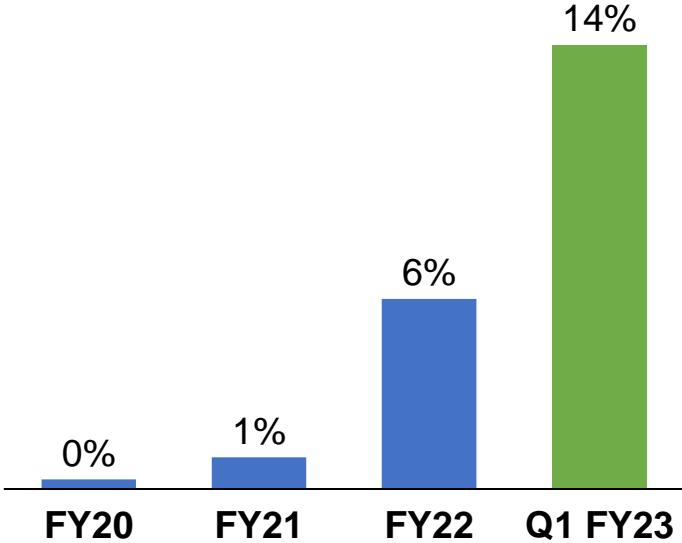
Global ex-China OFC
Market share



Europe OFC Market
share



North America
OFC Market share



Gaining market share in all focus markets

Market Share = STL Sales Volume in the region / Total Market Demand in the region

¹ – CRU

² – Company Data

1

Grow Optical Business
Established foothold in the US



FY20

Entry in US Market

FY21-22

Added new Customers

45 customers till Q1 FY23

FY23 onwards

Partnering top tier telcos
&

Local manufacturing

Secured
multi - million dollar,
multi - year contract
with
North American Telco



US manufacturing expected to *start* in Q3 FY23

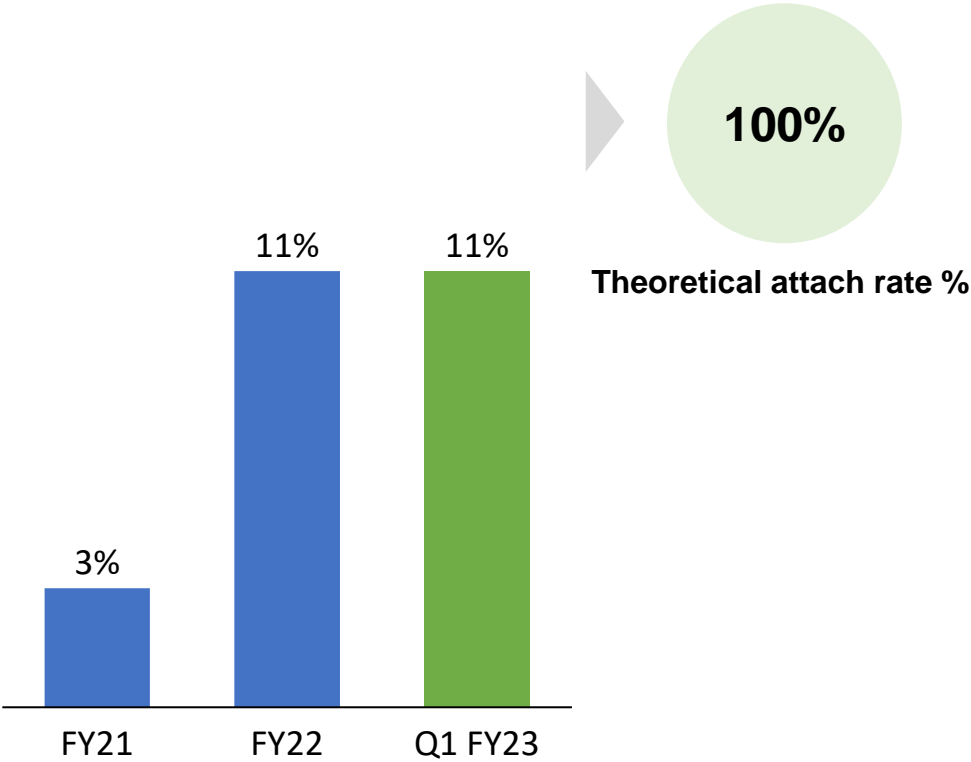
1

Grow Optical Business

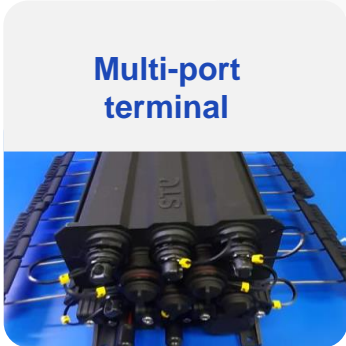
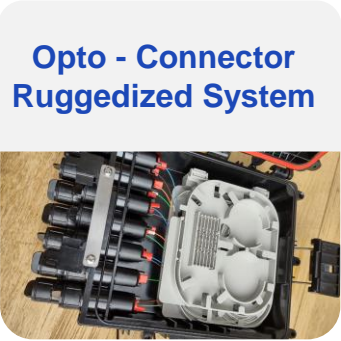
Increase Optical interconnect attach rate %



Optical Interconnect attach rate



Optical Interconnect Product Portfolio



Focus on **growing attach rate** to increase customer wallet share

SCALE GLOBAL MARKETS



- Integrated Clearcomm to complement network deployment capability and expand UK market access
- Robust global resourcing model (through STL Academy)
- Fully integrated solution and delivery engine (focusing on digitization & Automation)

CORE INDIA MARKET



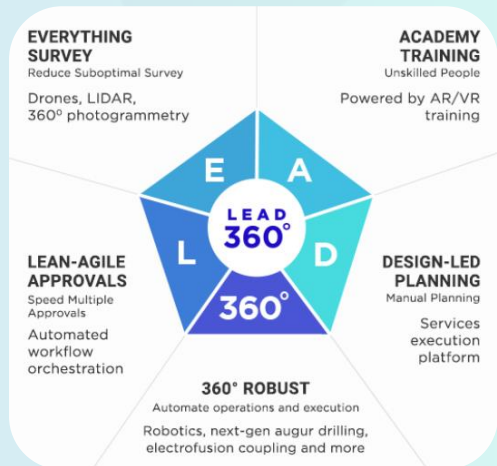
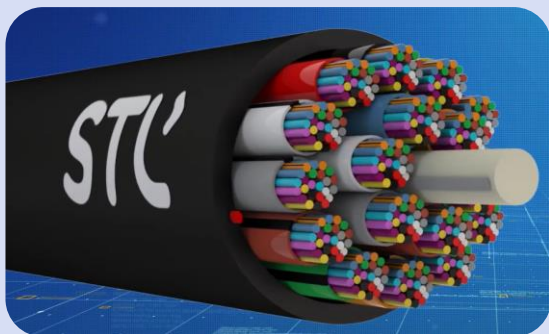
- Expand opportunity pipeline arising from 5G deployment. Increase wallet share of Telco CAPEX spend
- Continued tapping into robust public spending under Bharatnet program
- Continued focus on digital network build-outs



Continue to establish **competitive advantage** by training engineers at **STL academy** and keeping talent pool deployment ready for UK

2

Globalise Services Business Providing end to end solution to Netomnia



**Backward Compatible Bend
Insensitive Fibre**

**World's slimmest 432 F
Next Gen Micro cable**

**Drop Cable & Opto-bolt Terminal
Optical Interconnect Kits**

**FTTH
Network Design & Deployment**



**2x faster deployment
10x scale**



Bringing it all together as end to end solution

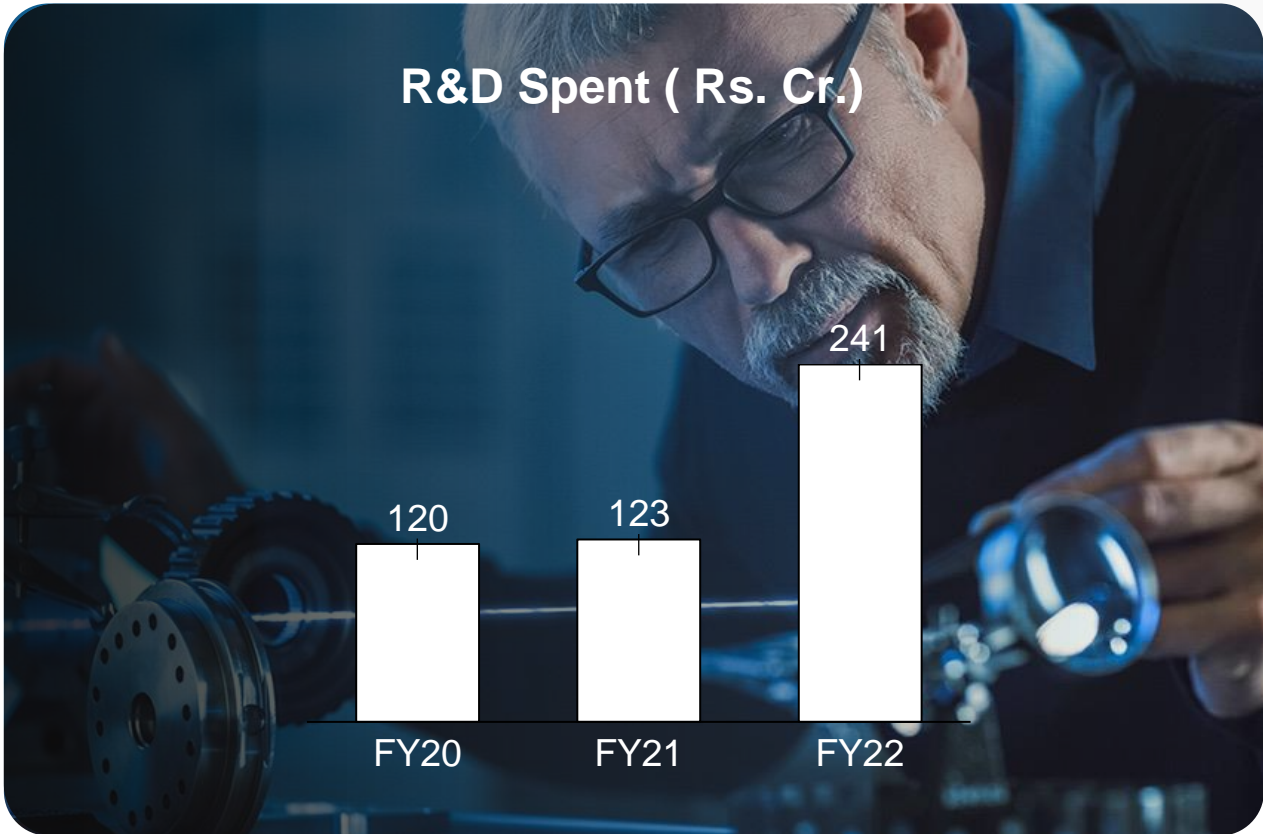


**35% cost saving
50% manpower saving**

Consistent investment in R&D



742¹ Patents
As on end of Q1 FY23



R&D spent at Rs. 53 Cr. in Q1 FY23

Developing next gen world class products for the last mile access solutions



STL at
MWC 2022

SHOWCASED
5G Solutions

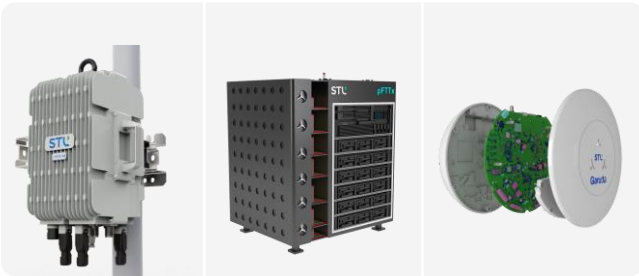


R&D driven
Products

Radio Hardware	pFTTx	RIC
-------------------	-------	-----

8*

Product SKU's / versions launched



Traction with global
Customers

Telcos & Alternative Network Providers	Private Enterprises
---	------------------------

5#+

Orders, PoC's, and engagement

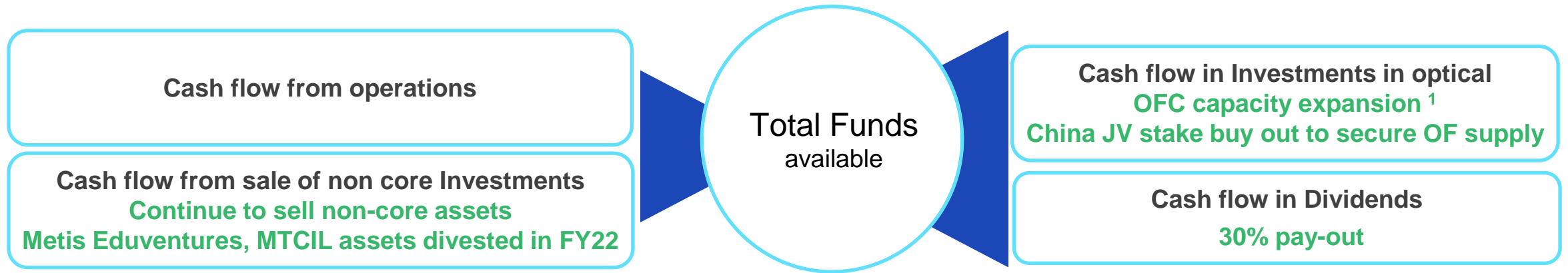
 **netomnia**

Focus on **customer acquisition** in FY23

Exploring **Strategic partnerships** to invest in the business

- 7 SKUs of Radio, 1 of pFTTx
- # – As on date

Focus on strategic growth opportunities through a prudent capital allocation framework



- *Allocate our capital expenditure towards our OFC capacity expansion, particularly in US*
- *Continue to divest non core assets*
- *Post timely allocation of capex investments, optimize debt & capital structure*

¹ – Ongoing investments include setting up US facility and other brown field expansions

Strong demand and pricing outlook for Optical Fibre Cable : Multi-year network build cycle in full swing. The global OFC volume & pricing expected to grow in 2022

Aiming for global leadership in Optical Business: Look to achieve strong market share gains in North America and Europe, increase attach rate in optical Interconnect

Focussing on Strategic segments in Global Services: Look to ramp up execution in UK; Build profitable order book in strategic segments in India

Focus on strategic growth opportunities through prudent capital allocation framework: Allocating most capital to optical business ; Divesting non-core assets

STL Financials

STL

Company
Overview

1
Our
Businesses

2
Industry
updates

3
Future
growth levers

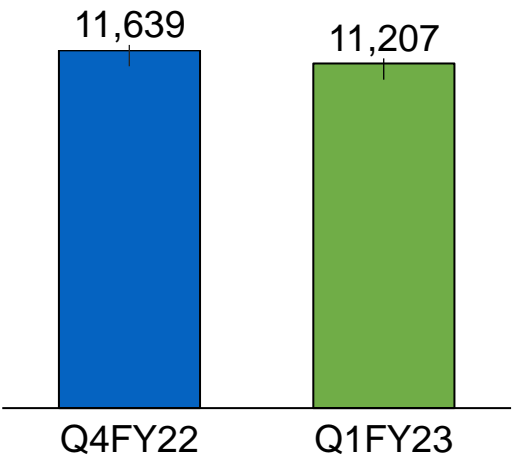
4
**STL
financials**

Annexure

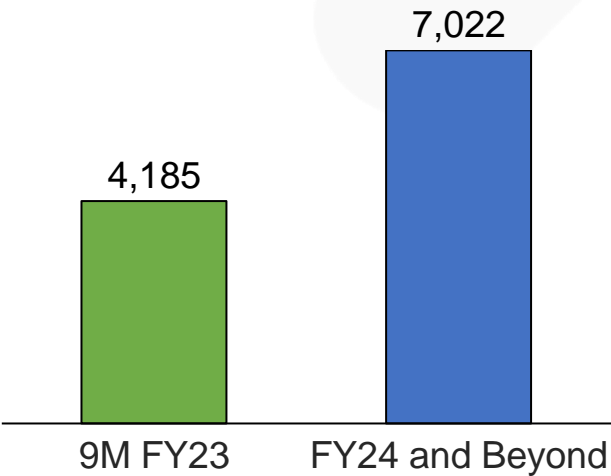
Our order book is stable



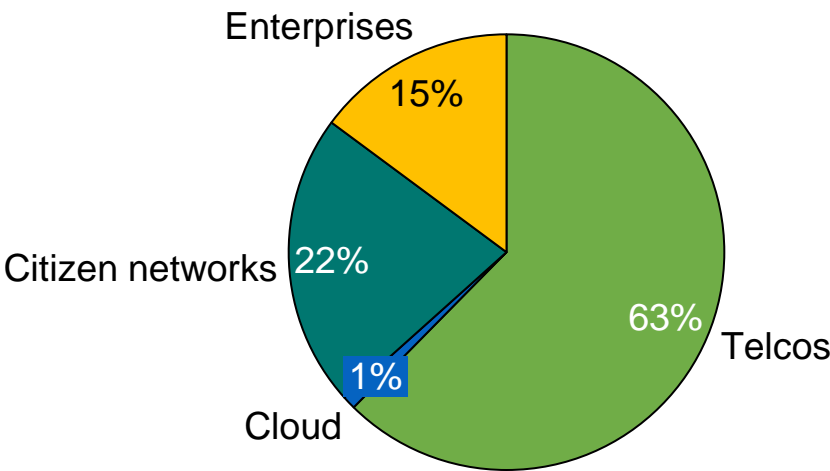
Open Order Book (Rs. Cr.)



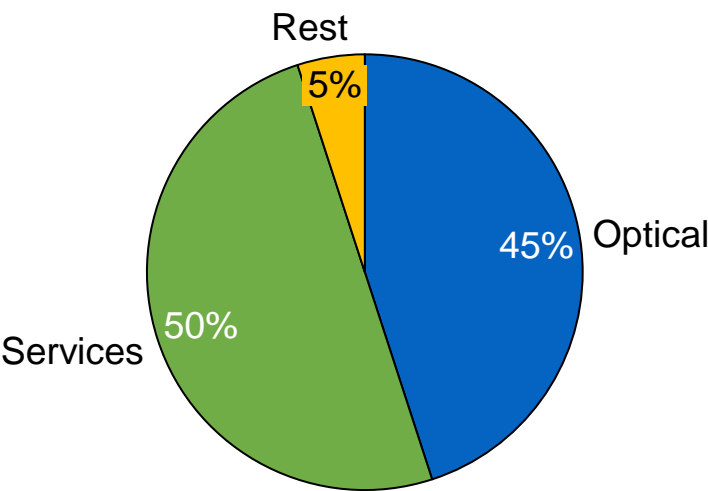
Order Book Spread (Rs. Cr.)



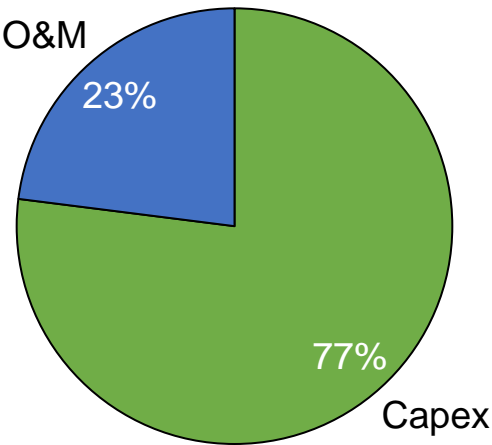
Open Order Book Customer wise



Open Order Book BU wise



Open Order Book Capex vs Opex



Note : Short closed Rs. 1,615 Cr. of open order book in Q1 FY23

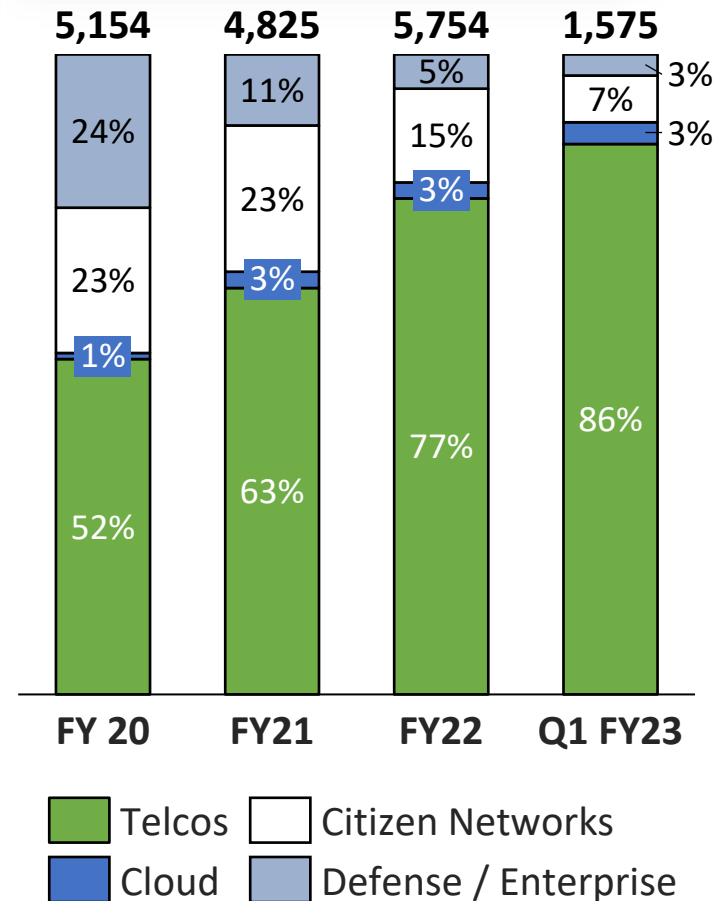
Revenue mix is moving to segments and geographies of choice



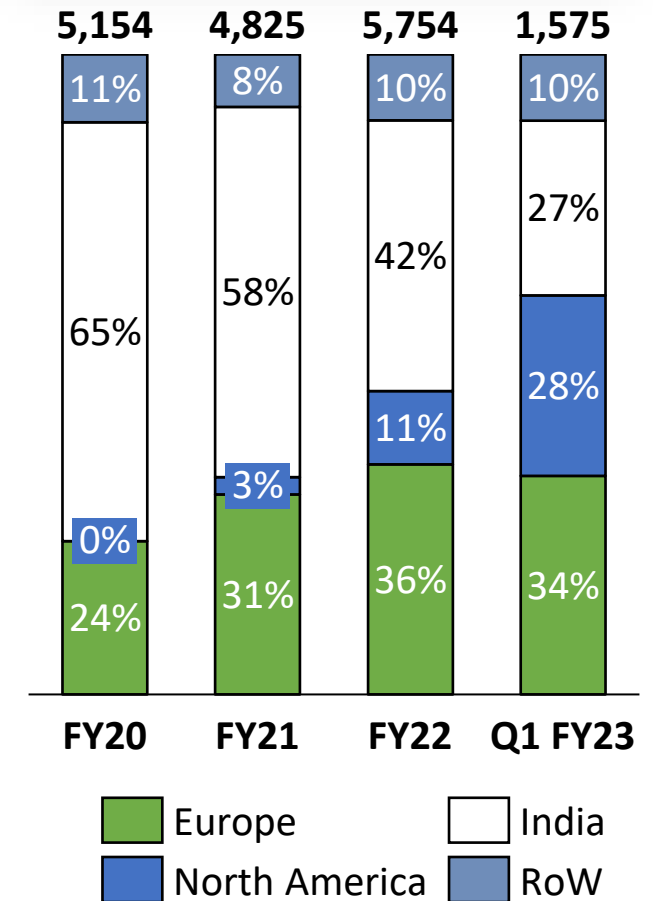
Key Order Wins Q1 FY23

- **Multi million dollar, multi year contract with a North American telco** for optical fibre cable
- New orders for optical fibre cable in **North American market** from distributor partner
- Optical fibre cable & Optical Interconnect contract with **a European telco**
- Enabling **Netomnia** to fiberize multiple cities with ultra fast broadband in UK
- Fibre roll out for a **leading Indian telco**

Customer Segments Revenues (Rs. Cr.)



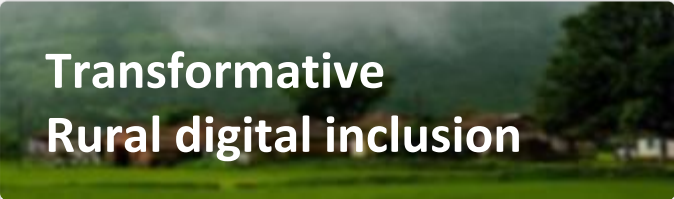
Geographical Distribution Revenues (Rs. Cr.)



Project Execution is on track



India - Public



Transformative
Rural digital inclusion

Bharatnet Project in

Telangana

54%
Completed



Network Modernisation

PSU

52%
Completed



India - Private



Modern Optical Network

Fibre roll out

(Large Indian telco)

Phase - 1

100% Completed



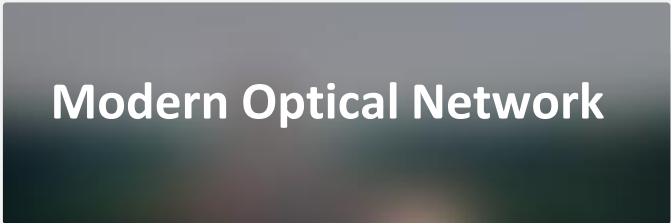
Phase - 2

5% Completed



Phase - 3

0% Completed



Modern Optical Network

Fibre Roll out

5% Completed



Global, UK



Gigabit Networks

FTTH , UK

All Projects

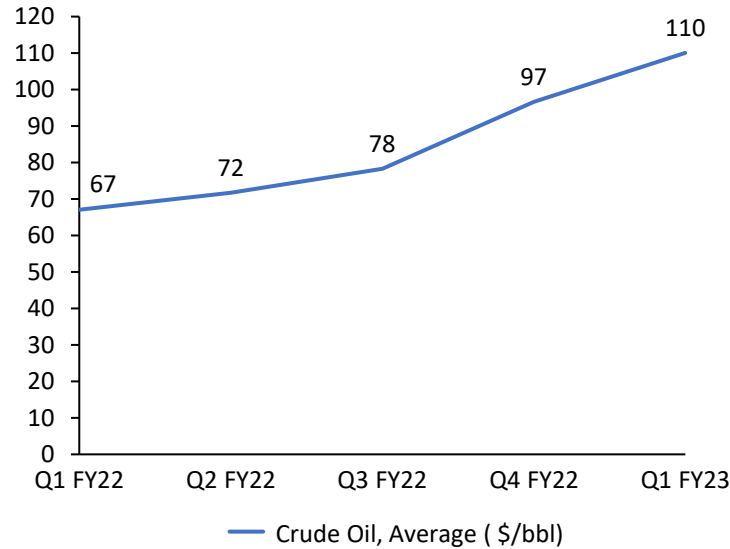
5%
Completed



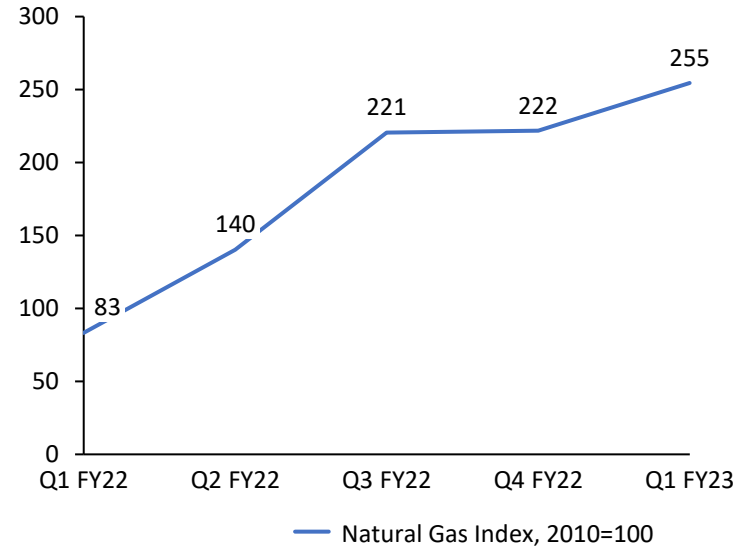
Q1 FY23 saw inflation headwinds continue in major raw materials, However logistics cost has started to ease;



Crude Oil

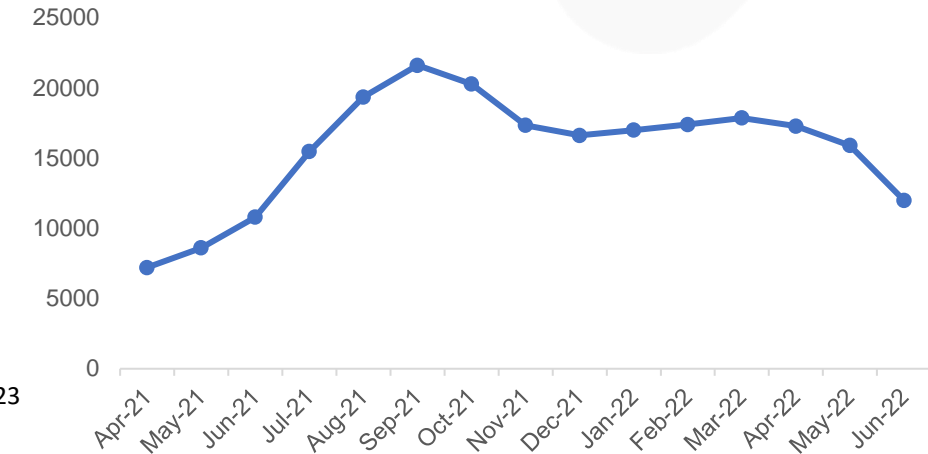


Natural Gas



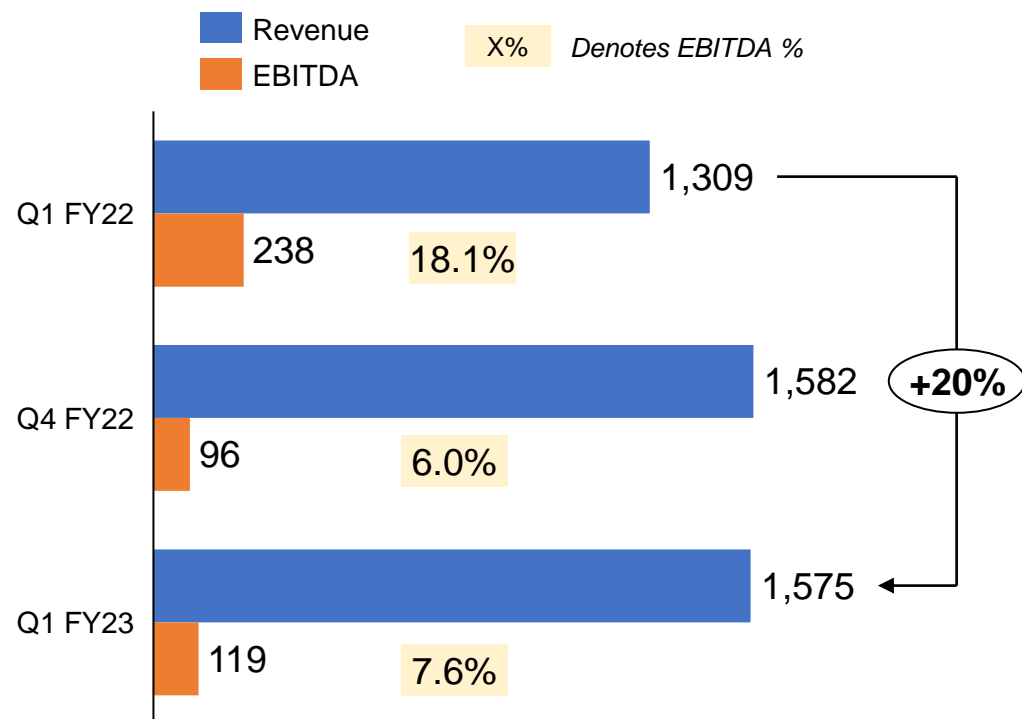
Freightos Index USD per container

China/ East Asia to North American East coast



- Raw material prices particularly polymer prices linked to crude oil have strengthened in Q1 FY23
- Gas (LNG and Helium) prices have also exhibited increases. Helium gas prices have increased sharply in recent quarters due to production problems at major US and Russian suppliers.
- Logistics cost have started to come down towards the end of Q1 FY23

Revenue grows 20 % y-o-y in Q1 FY23; Operating margins improve QoQ



All figs in INR Cr

Note: Q4 FY22 EBITDA excludes one time gain of Rs. 25.57 Cr. On sale of MTCIL to compare operational profitability

Q1 FY23 Revenue Split

	Optical	Services	Digital & Access
Revenue	Rs. 1,137 Cr. 72%	Rs. 419 Cr. 27%	Rs. 41 Cr. 3%

Note : Q1 FY23 Capacity Utilisation for OFC at 88%, calculated on production volume & OFC capacity at approx. 36 mn. fkm.

Growth Drivers < 20% YoY>

- OFC volume growth
- Realization increase due to mix change
- Increase in UK services revenue

Margin improvement drivers < 160 bps QoQ >

- Revenue Mix shift towards Optical business
- Revenue Mix shift towards North America
- Increase in OI Margins

Consolidated Financials: Abridged Version



P&L (Rs. Cr.)	FY20	FY21	FY22	Q1 FY23
Revenue	5,154	4,825	5,754	1,575
EBITDA	1,104	854	594	119
EBITDA %	21%	18%	10%	8%
Depreciation	290	285	329	82
EBIT	813	568	265	37
Interest	221	203	241	69
Exceptional Gain/(loss)	(51)	-	16	
PBT (Before share of Associates and JV)	542	365	40	(32)
Tax	109	111	14	(8)
Net Profit¹ (After minority Interest)	434	275	60	(20)

Balance Sheet (Rs. Cr.)	FY20	FY21	FY22
<i>Net Worth</i> (including minority interest)	2,023	2,085	2,042
<i>Net Debt²</i>	1,970	2,410	2,782
Total	3,993	4,495	4,824
<i>Fixed Assets³</i>	2,502	2,664	2,935
<i>Goodwill</i>	122	292	296
<i>Net Working Capital</i>	1,369	1,539	1,593
Total	3,993	4,495	4,824

¹ Profit for the year attributable to owners of the Parent (including share of net Profit of Associate & Joint venture) and Profit (loss) from Discontinued operations

² Net debt = Gross borrowing (-) cash and cash equivalents (-) current investments

³ (PPE + CWIP + Intangibles - Capex creditors - lease liability - redemption liability + advance for FA) and Investment in JV & Associate's.



Company
Overview

1
Our
Businesses

2
Industry
updates

3
Future
growth levers

4
STL
financials

Annexure

With a strong board in place



ANIL AGARWAL
Non-Executive Chairman



PRAVIN AGARWAL
Vice Chairman And Whole-
Time Director



ANKIT AGARWAL
Managing Director and
Whole Time Director



SANDIP DAS
Non-Executive And
Independent Director



KUMUD SRINIVASAN
Non-Executive And
Independent Director



B.J. ARUN
Independent Non-Executive
Director



S. MADHAVAN
Independent Non-Executive
Director

Key Management People



Pravin Agarwal
Vice Chairman & Whole time Director



Ankit Agarwal
Managing Director & Whole time Director



Mihir Modi
Chief Financial Officer



Paul Atkinson
CEO, Connectivity Solutions Business



Praveen Cherian
CEO, Global Services Business



Chris Rice
CEO, Access Solutions



Raman Venkatraman
CEO, STL Digital



KS Rao
Chief Corporate Officer



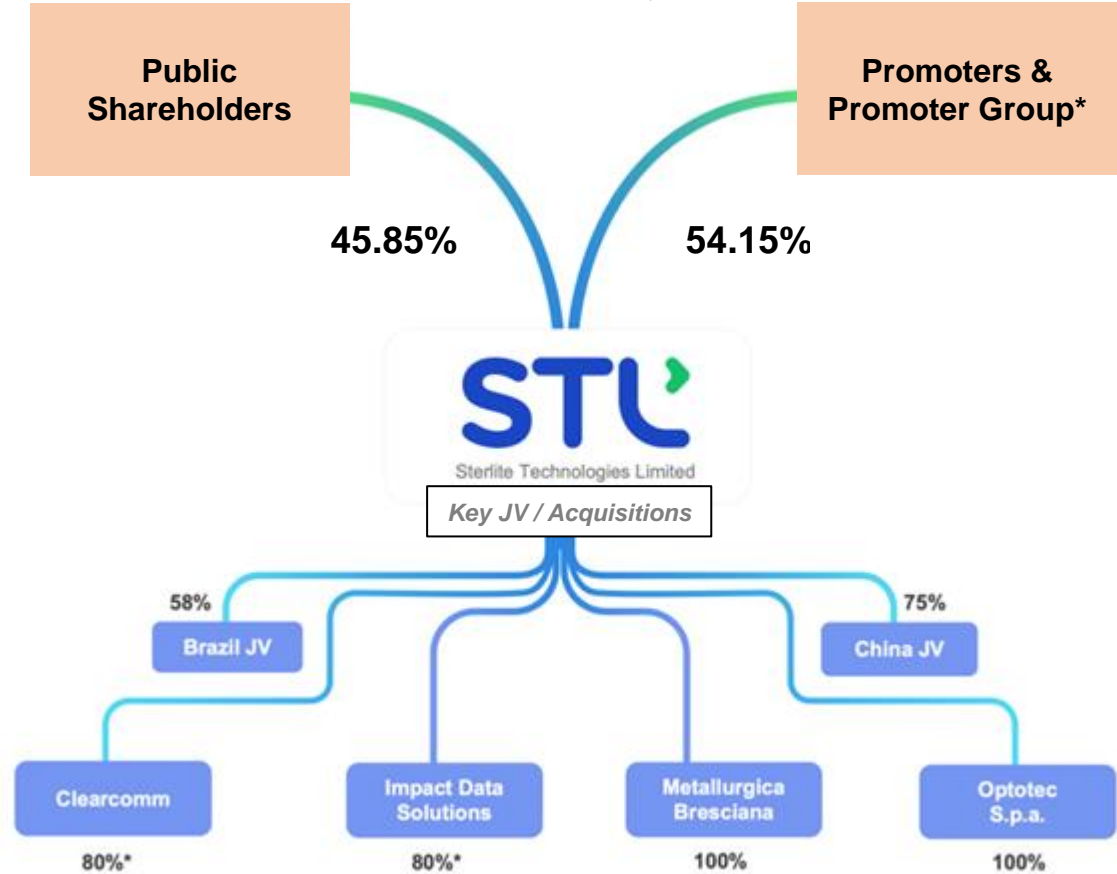
Amit Deshpande
Company Secretary

Corporate structure and shareholding pattern



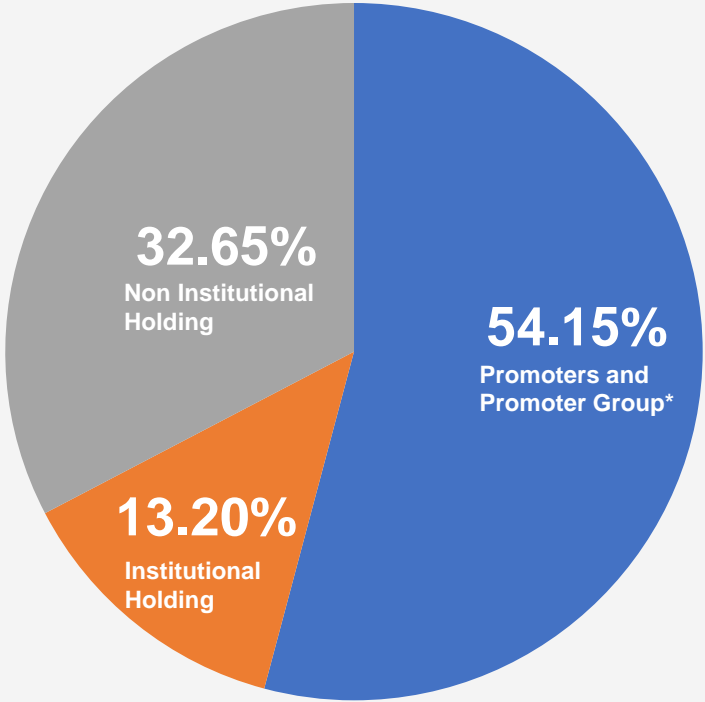
Corporate structure

As on Jun 30th, 2022



Shareholding pattern

As on Jun 30th, 2022



Global team and global operations (as on Mar 31, 2022)

The background of the slide is a collage of various images showing the company's operations. It includes workers in blue uniforms and masks assembling components on a production line, a worker operating a machine with large spools of material, a worker at a computer workstation, and various industrial equipment and components.

**3100 +
Employees**

**Serving
Customers in
65+ countries**

**Offices in
9**

Countries



beyond tomorrow