



stl.tech

Investor Presentation

Feb.'22



Safe Harbour



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Company Overview



**Company
overview**

1
Strong Industry
tailwinds

2
STL's
unique proposition

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

opticonn

Optical
Connectivity

accellus

Wireless
Connectivity

FTTx
mantra
One Solution. Countless Opportunities

FTTx Integration
Network

netmode with LEAD 360

Network Modernisation
+ Fibre Deployment

End-to-End
Solutions

Business
Units



Optical
Networking
Business



Wireless
Solution
Business



Software
Business



Global
Business
Services

Unique
Capabilities

- Glass Preform
- Optical Fibre
- Optical and Specialty Cables
- Optical Interconnect Kits
- Programmable FTTx

- Virtualised RAN
- RAN Intelligent Controller
- Network Orchestrator
- Wi-Fi 6

- Digital BSS Platforms
- Network Operations Platforms
- Digital Application Development Services

- Network Design Services
- Network Integration Services
- Network O&M Services
- Data Centre Network
- Private Enterprise Network

Our company in numbers



Rs. 41.72 bn.

9M FY22 Revenue

India (45%), EMEA (41%),
America (12%), RoW (2%)

8

Global production facilities

50M fkm optical fibre capacity

2

Software Development Centre

4

Innovation centres

India and UK

Global Business Services



678

Patents

Across the network
layers

Zero

Waste to Landfill

Shendra, Rakholi,
Dadra

Customers



Recognition by market influencers



Gartner

Gartner

- Recognized as one the main representative suppliers with Peer review rating of 4.3 out of 5.
- Recognized as top 5G RAN Vendor
- Recognized as leading 5G Small Cell Vendor
- Recognised in Gartner Market Guide OSS/BSS
- Recognized as key enabler in Gartner Digital Marketplace report



Boston Consulting Group (BCG)

- Named as one of Top Tech Challengers in BCG Tech Challengers Report 2020



STL Partners

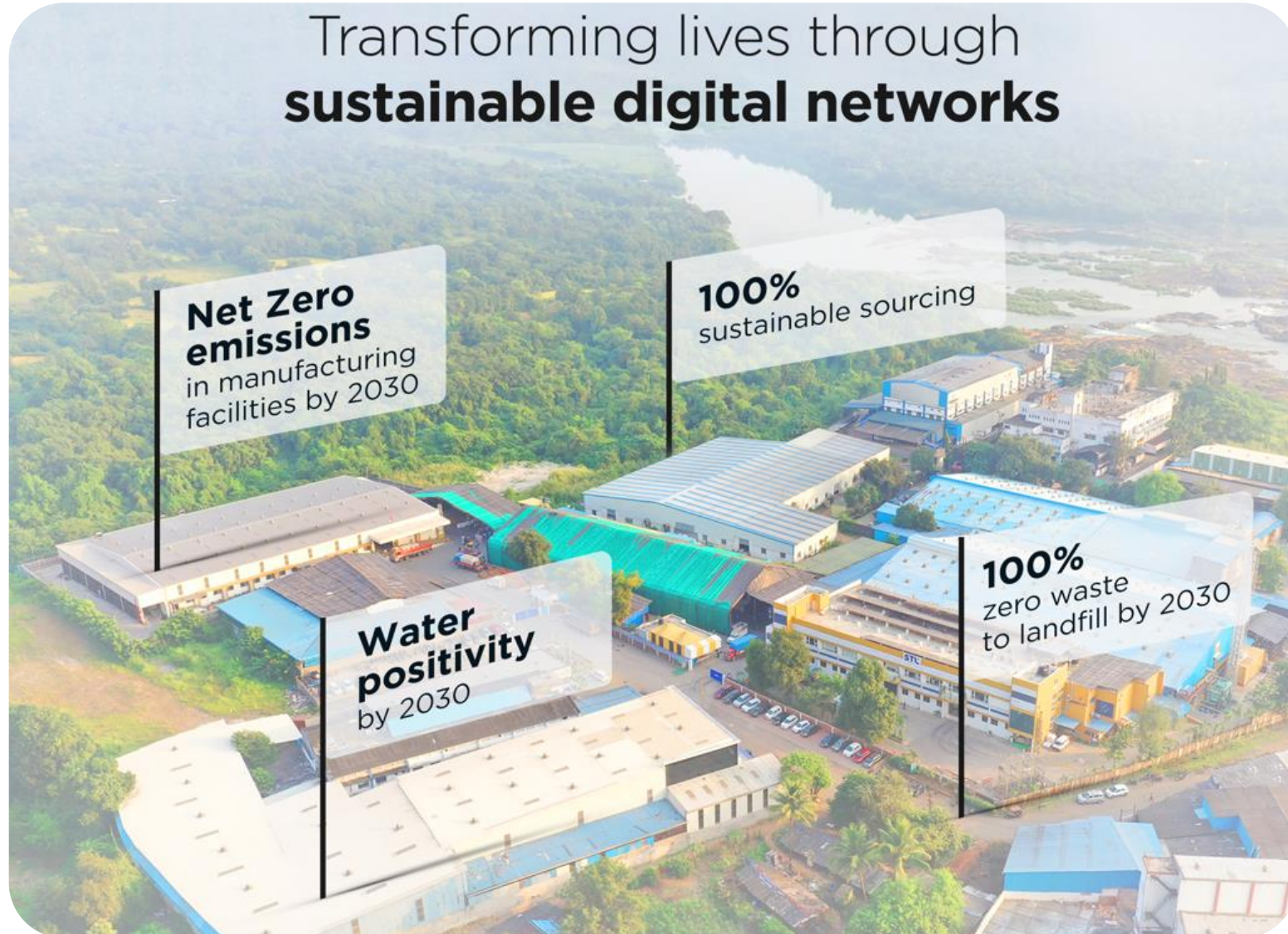
- Featured in the 2021: 'Top 60 Edge Computing Companies'
- Top 10 RAN vendors to watch out for in 2021 by STL partners



Indian Institute of Management Ahmedabad (IIM-A)

- STL is now in an IIMA case study. From cable manufacturing to end-to-end solution provider.

Industry leading commitment to Net-Zero Emissions by 2030



Driven by our purpose to transform millions of lives



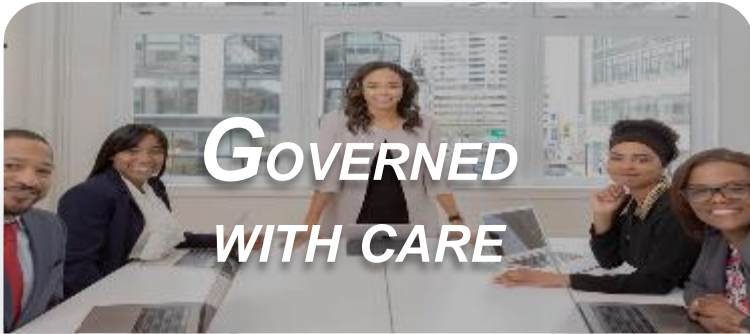
World's 1st ZWL Certified

139,000+ MT
Waste diverted from landfills and recycled
7,500+ tCO₂e
Reduced through in-plant initiatives



Committed towards UN** Goals

800+ MT
Plastic saved through innovative packaging
2.40+ million m³
of water recycled



Strong internal governance

Two of the Big Four
as statutory & internal auditors
Executive and Management committees in place



BIG GOALS: 5 MN. BY 2025

2.0+ mn. lives impacted
70 ESG awards, 15 global

- Impacting 5 Mn. lives
- Undertaking 5 Mn. plantations
- Replenishing 5 Mn. m³ of water in communities

Strong Industry Tailwinds



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Industry poised for rapid growth



01



Strong Tailwinds of Massive Investment Cycle

Network creators and
Government / Federal funds
investing heavily in digital
infrastructure

02



Tech becoming Mainstream

5G, FTTx and ORAN
technologies growing at
a rapid pace

03



Optical Demand on growth trajectory

Sustainable demand for
optical networking

04



Massive fibre deployment globally

Fibre deployment wave
across globe. In India,
Telco capex revival to
enable 5G

* x in the FTTx stands for Home/Building/Premises/DC or Node (Curb, Small Cell, Antenna, etc.)

Network creators & Governments investing heavily in digital infrastructure

STC

ENHANCED SPENDING BY NETWORK CREATORS



Multiyear fibre inks connectivity deals with Frontier communications for **25 states**



Deutsche Telekom targets **2 Mn** new FTTH connections in 2022.



Telcos to nearly double fibre footprint by 2027, connect **82 Mn** US homes



Telefonica Germany to invest **EUR 4 bn** to connect 50% people with 5G



Meta to allocate **\$31.5 Bn** to capex in 2022



Indian DC Investments expected to touch **\$4.6 Bn** per annum by 2025

INCREASE IN GOVERNMENT INCENTIVES & FEDERAL SPENDING



Italian government launches **€4 Bn** investment scheme for fibre and 5G



FCC launches **\$14.2 Bn** Affordable Connectivity Program, along with the new Federal Stimulus

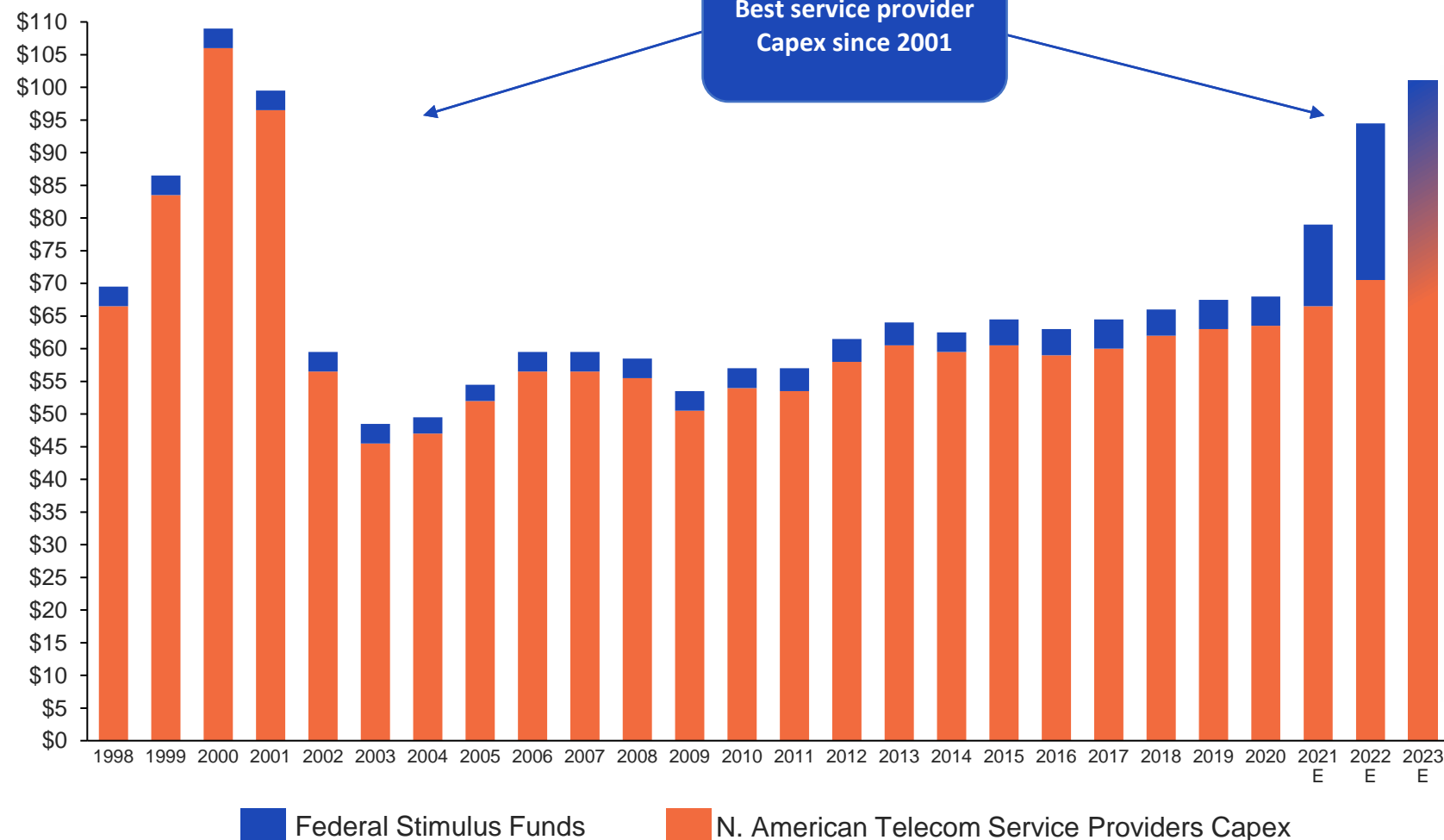


Rwandan govt borrows **USD 100 Mn** from Asian Infrastructure Development Bank for digital acceleration

Network creators & Governments investing heavily in digital infrastructure

Large funding stimulus for broadband programs in the US

\$Bn. Spend



- Rising competitive intensity among broadband and wireless operators
- USD 100 billion in Federal Stimulus over 5-7 years; RDOF, ARPA, and IIJA

RDOF: Rural Digital Opportunity Fund
ARPA: American Rescue Plan Act
IIJA: Infrastructure and Jobs Act

Source : Jefferies Equity Research, Telecom Operator Financials

5G becoming the fastest growing technology

- Global 5G revenue to exceed \$600 Bn by 2026
- 5G Deployments to reach 2.6 Bn by 2026
- 5G to generate 77% of global operator revenue by 2026
- Number of 5G base stations in China set to grow from 1.4mn to 3.7mn by 2025

FTTx & Enterprise Networking growing massively in Europe, US, India

- Italy's Open Fiber plans € 11 Bn investment in new 10-yr strategy
- Altice USA reveals \$1.8 Bn Capex for FTTH
- FTTH/B to be 94.8% of the total fixed broadband revenue in APAC by 2026
- Deutsche Telekom secures €900M for rural fibre JV in Germany

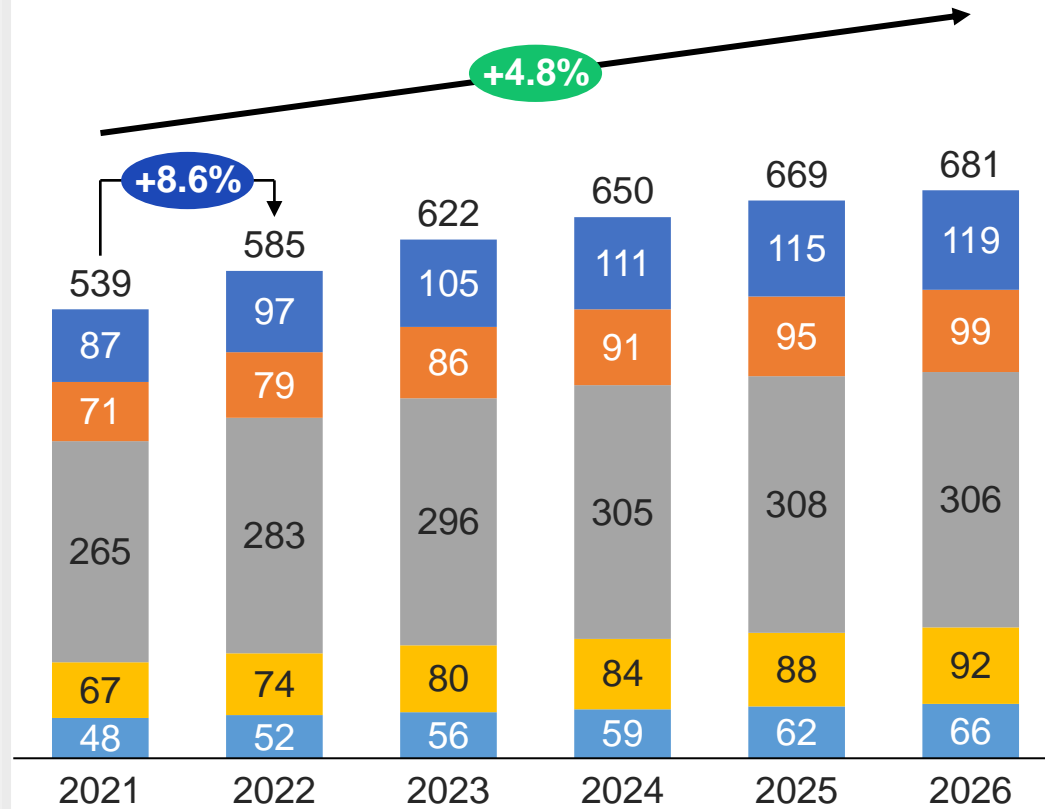
ORAN commitments rising

- Five Middle East operators sign MoU to support Open RAN deployment
- Germany announces \$344 million fund for O-RAN projects
- UK Govt. announced O-RAN acceleration programs
- Airtel commits to O-RAN by supporting a number of innovative partners

The decade long digital network creation cycle is here!

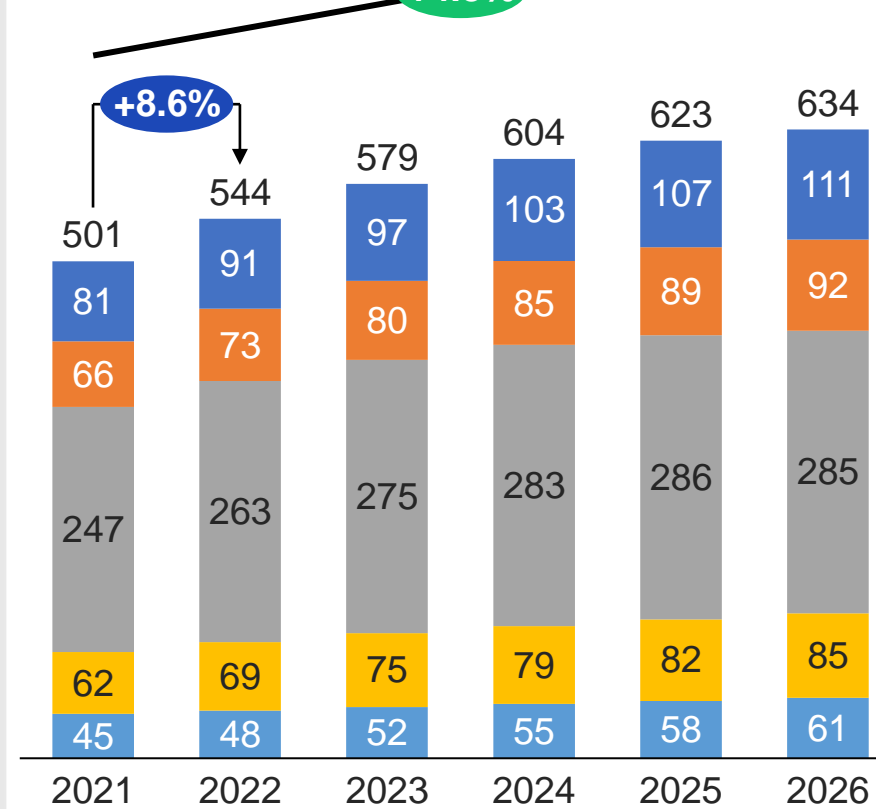
Sustained demand for optical fibre

OF Demand region wise



*Cable converted into bare fiber by a factor of 1.075

OFC Demand region wise



CAGR

North America +6.5%

Europe +6.8%

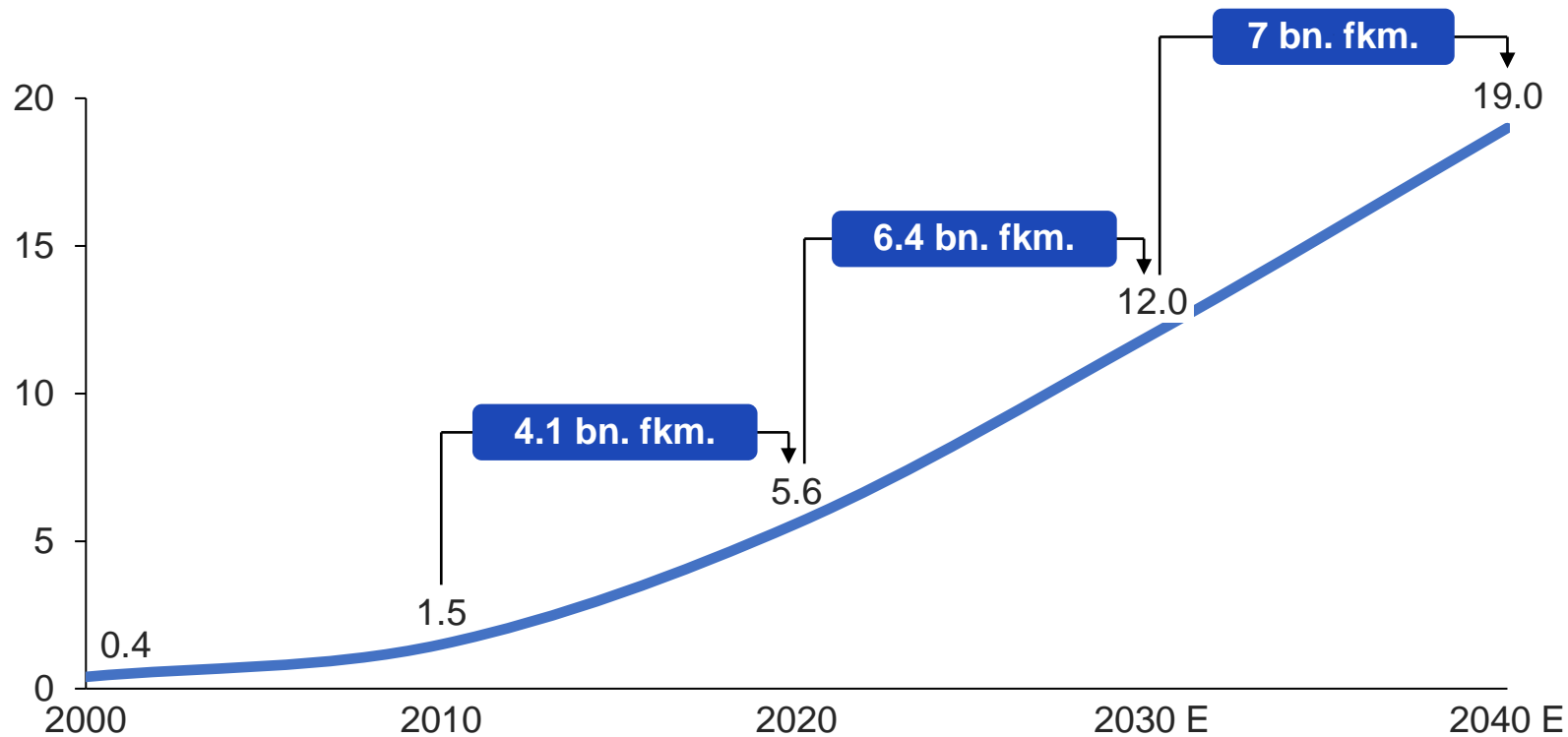
China +2.9%

Non-China A-P +6.5%

Emerging Markets +6.3%

Current decade to see a much higher fibre demand

Cumulative Fibre Count (Bn. fkm.)



- 2020-30 is the best possible decade for fibre demand
- 5G alone will require c. 5 bn. fkm. fibre
- Globally 65% homes yet to be connected with FTTx

Massive fibre deployment planned across the globe



India - Public

- Govt approves **Bharat Net under PPP model** for 360,000 villages
- **Rs. 200 bn. as viability gap funding.** Private partner to bring an equity investment
- Tender participation expected by Q4 FY22



India - Private

- Increase in ARPU's and profitability for Indian Telcos
- Increase in profits leading to **capex revival**, to enable 5G & strengthen 4G & FTTx
- Telcos expected to deploy more than **200,000 cable kms in FY23**



Global

- **North America** : Rural broadband and telecom capex driving fibre deployment.
- **Europe**: Full fibre homes to double to 200 Mn by 2026
- **UK** : Hyperoptic targeting 3 Mn homes by 2024, Community fibre & Netomnia targeting 1 Mn each by 2023

We are clearly in a multi-year network build cycle across the globe



Multi-year digital network build cycle

1

Large investments for 5G globally

2

Increase in FTTx penetration

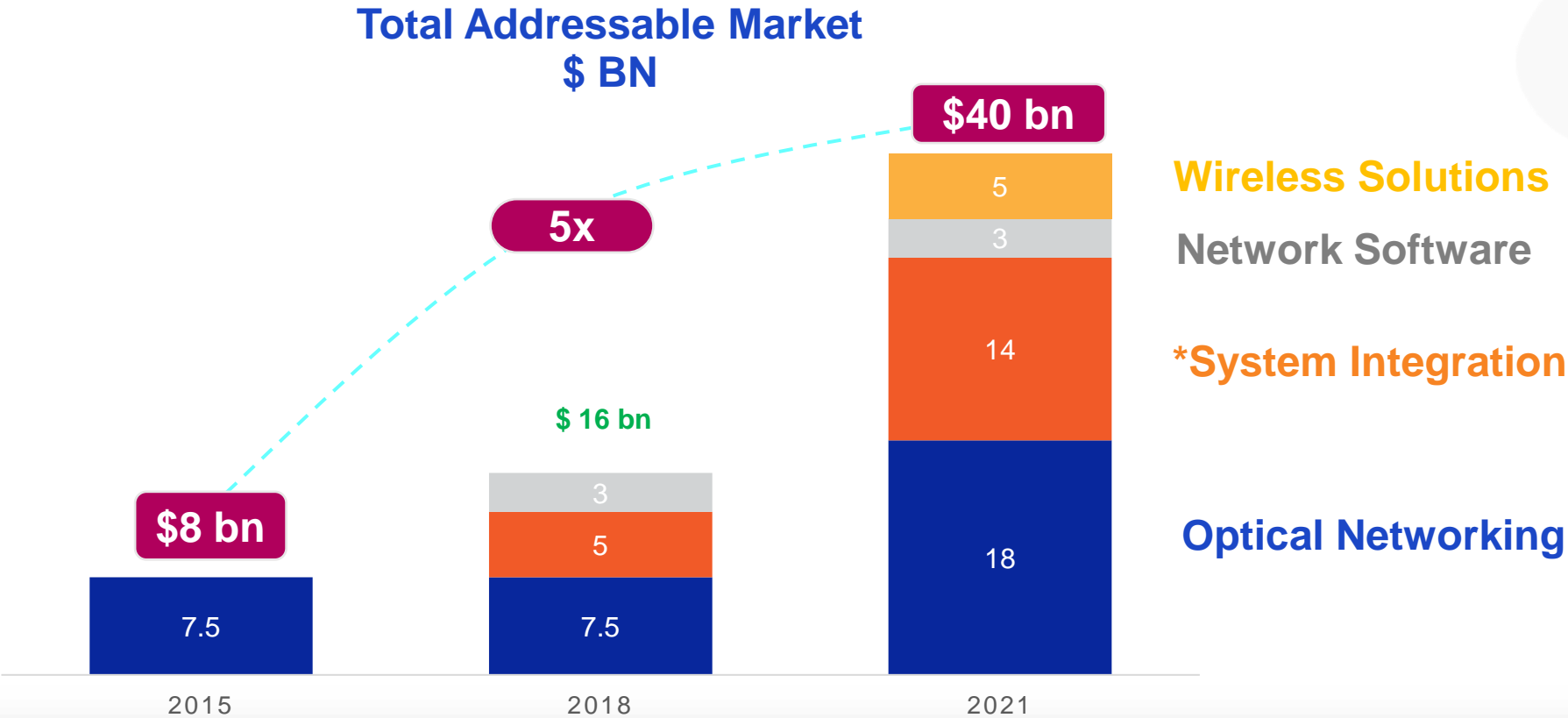
3

Network modernisation by Governments globally

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

Covers spend across all areas : OFC , Fiber deployment, O-RAN, programmable networks (pFTTx) and digital transformation of enterprises

And we are well poised to lead this decade of network creation



5x increase in TAM over the last 5 years
Now focused on increasing market share of the higher TAM

* Addressed by our Global Business Services

Sources: CRU, BCG, Technavio, Grand view research, IHS markit, Omdia, STL estimates

STL's Unique Proposition



1

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**STL's
unique proposition**

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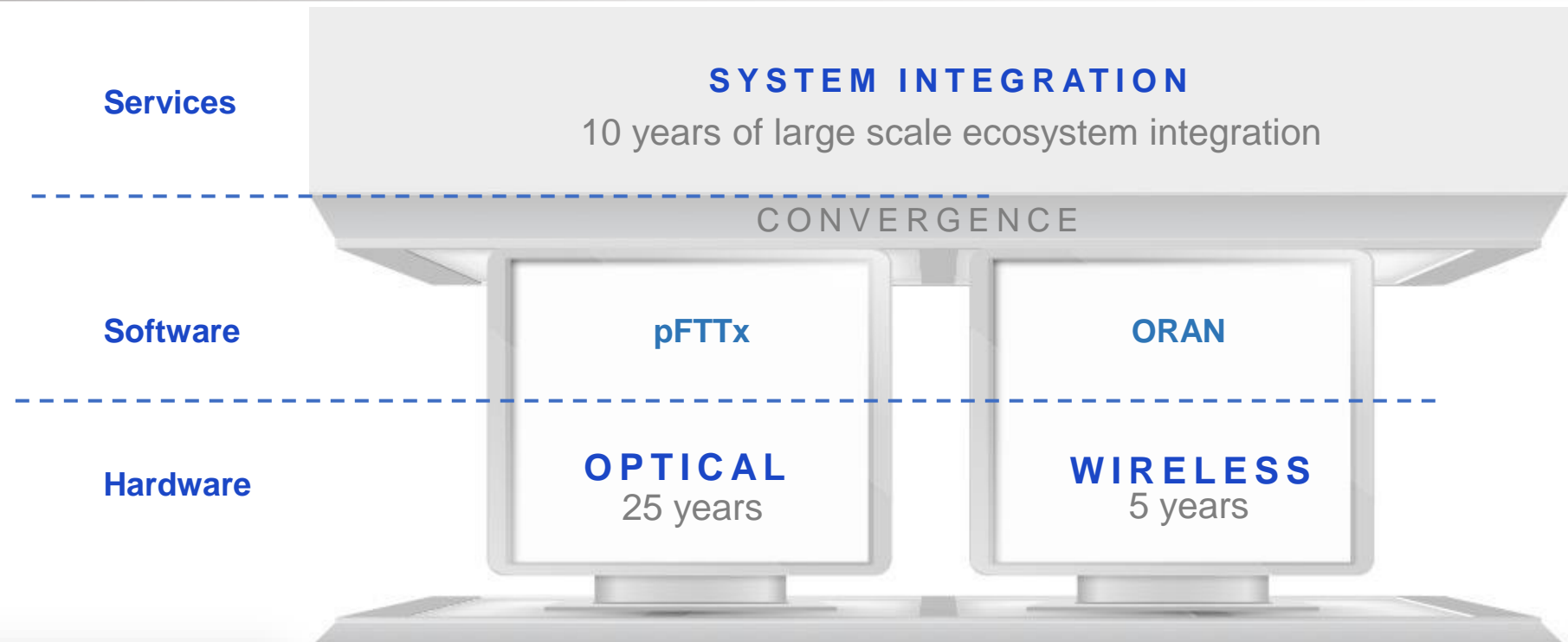
Future
growth levers

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STL
financials

Annexure

An end to end capability to integrate future digital networks



EDGE

CONVERGED

COMPUTE

DISAGGREGATED

At the Edge

Optical

&

Radio

Connectivity

&

Compute

Hardware

&

Software

**Converged
Digital
Network at
the Access**

India - Public

**NETWORK MODERNISATION
for Indian Navy**



**RURAL CONNECTIVITY
for states under BharatNet**



India - Private

**LONG HAUL FIBRE NETWORK
for India's largest telco**



Global

**IN CITY FTTX DEPLOYMENT
for UK Gigabit network**



**DATA CENTER INTERCONNECT
for hyperscalers**



25 years of experience in optical networking solutions

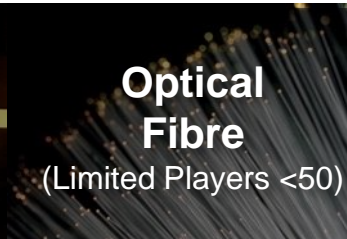
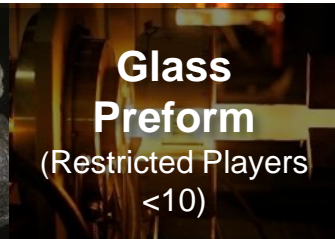


Optical Fibre

Optical Fibre Cable

Optical Interconnect

pFTTx



STL's unique manufacturing capabilities with complete vertical integration
One of the top 3 integrated fibre producers in the world

8

**GLOBAL
PRODUCTION
FACILITIES***

50 mn

**FKM OPTICAL
FIBRE
CAPACITY**

42 mn*

**FKM OPTICAL
FIBRE CABLE
CAPACITY**

Industry 4.0 standards

Fully automated machinery with robotic operations

Efficient supply chain

Reduced delivery times and SCM cost

*** Plan to reach by Q2 FY23**

Cutting edge programmable wireless solutions



Open standards and programmable solutions



5G Multi-Band Radio

Comprehensive Open RAN (Radio Access Network) radio portfolio with indoor small cell and outdoor Macro radio units



Garuda

O-RAN compliant, highly power efficient indoor 5G small cell solution



Wi-Fi 6 Access Solution

An outdoor Wi-Fi 6 radio unit providing carrier-class connectivity in dense environments



pFTTx

An SDN, cloud-native solution that brings programmability to last mile networks



RIC

RAN Intelligent Controller used to optimize the RAN ecosystem using 3rd party xApps/rApps

Smaller Size



Better Cost



Lower Power



Easier Deployment



Simpler Operations



Future Growth Levers



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Three focused levers for growth



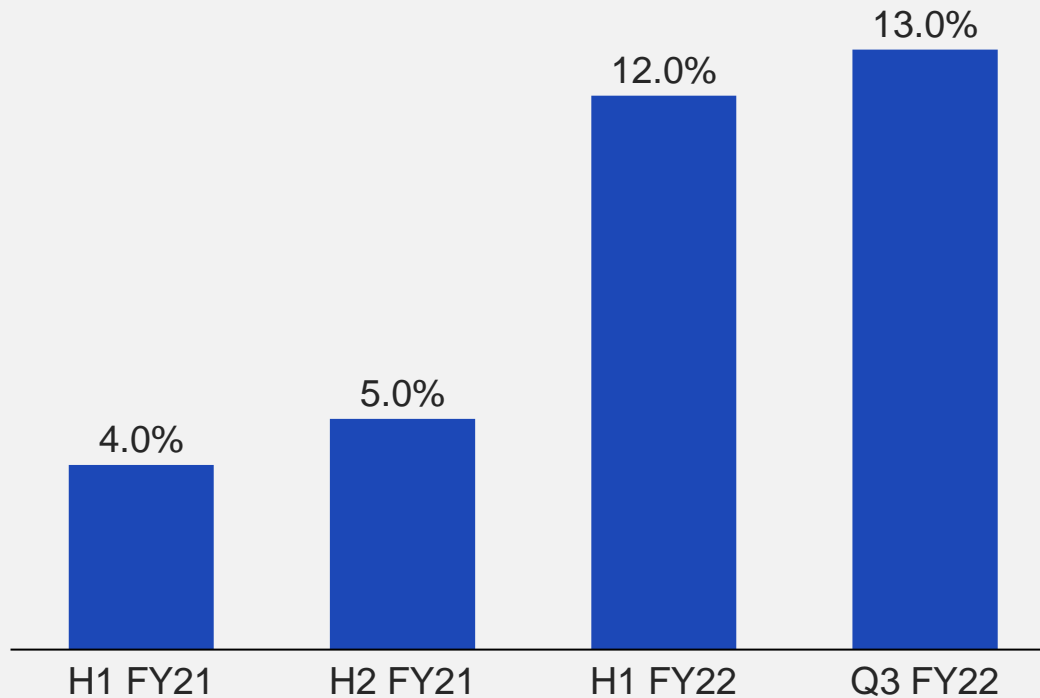
1

Grow Optical Networking Business

Step jump in America with large order wins



North American Revenue Share in STL Revenue



- Secured large orders worth **Rs. 3.0 bn.** in the North American market in Q3 FY22
- Investing in OFC capacity in South Carolina; To commence operations by Q2 FY23

Strongly positioned to further increase North American revenue

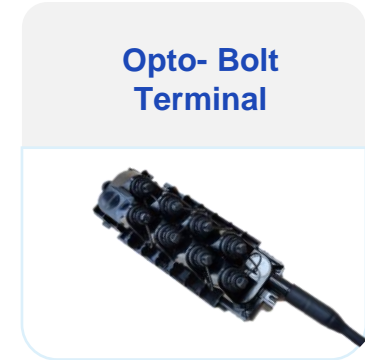
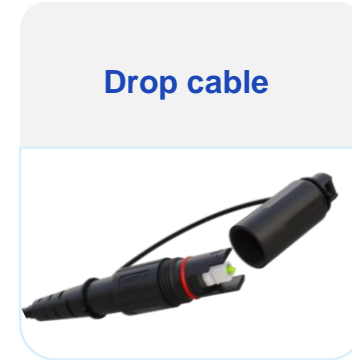
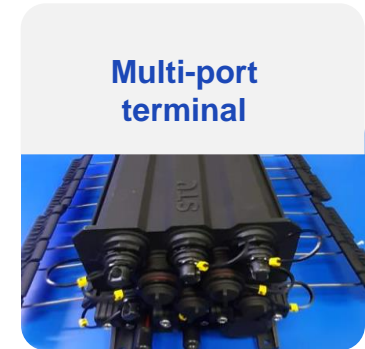
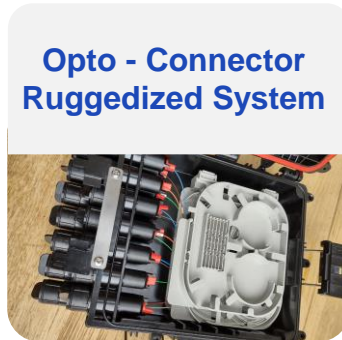
1

Grow Optical Networking Business

Significant wins for optical interconnect business in Europe



Optical Interconnect and OFC Products



New Orders **validate** our strategy of **opticonn**

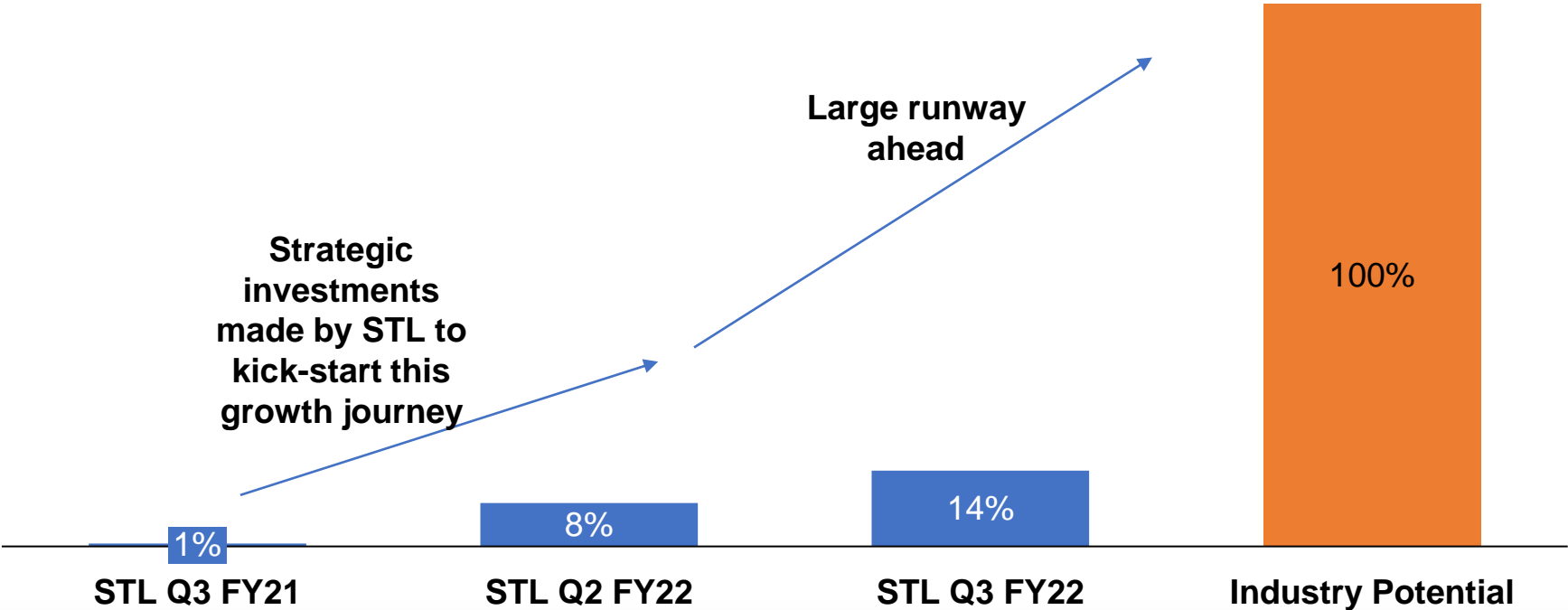
1

Grow Optical Networking Business

OI attach rate continues to grow, large runway ahead



Optical Industry OI attach rate – STL and Industry view



STL has a large runway to increase the attach rate from ~14% to 100%

2

Globalise System Integration Business

Continued growth in attractive customer segments



~6X revenue growth in the last 5 years



Globalise System Integration

Ramping up talent and execution in UK



- Clearcomm integration completed
- Utilizing Combined team strength of more than **150+ employees & 20+ partners**
- Resource augmentation with ~**50** trained telecom engineers from India

UK revenue contribution to reach 25% of Global Business Services in the medium term

Build Wireless Solutions

Big strides on 5G product development ; Secured Pilot orders

Product Development on track



Programmable FTTx

Announced General Availability

- 100 patents as of Q3'FY22
- Announced GA for pFTTx and Garuda
- Targeting GA for Macro Radio units & RAN Intelligent Controller (RIC) in FY23



Garuda

Announced General Availability

Deep customer engagements across geographies

- Multiple early stage engagements across the world
- Secured pilot order for Garuda for 5G networks
- Building Telco Cloud Software, Radio hardware & software capability
- Specialised engineering talent of 300 +

In medium term, aiming to generate 3-5% of revenue

4 global business builders driving scale



Paul Atkinson
CEO, Optical Networking
Business

20+ years Prysmian, 2 years IXOM

Led **\$3.2 Bn** org, **14** factories at Prysmian
15% revenue growth despite adverse industry tailwinds at IXOM

Manufacturing excellence across full supply chain

Deep connects with **tier 1 customers and policymakers** in UK, Europe and Australia

*Win in the **optical interconnect** space across **Europe and US** for key applications like **FTTx and Data centres** by leveraging **integrated solutions and deep customer relationships***



Praveen Cherian
CEO, Global Business
Services

26+ years IBM

Delivered **\$600 Mn** services revenue. Built **7000** strong delivery organisation

Delivered highest ever NPS of **80**

Well connected with **private enterprises** across verticals in **India and South Asia**

*Create a leading services organization for **private enterprises** in **India and UK** by focusing on **technology-led integration capabilities***



Raman Venkatraman
CEO, Software Business

27+ years TCS

Led **\$1 Bn+** industry verticals with specific focus on Hitech services and with **20000** strong global delivery organisation

Built **industry partnership** ecosystems for Cloud, SaaS, Data & Cybersecurity

Deep Connect with **Enterprise Customers**, Technology Providers and OEMs across **US, UK & Europe**

*Setup and scale Engineering & **SaaS based offerings** for industry verticals like Technology & Manufacturing & Media across **US, Europe and India** through capability builds and talent transformation'*



Chris Rice
CEO, Wireless Solutions
Business

25+ years AT&T

Led SDN conversion DevOps of **\$1 Bn+** network assets. Ran a team **10000+**

Expertise in intellectual property sales

Deep relationships In Telco, Cloud, open source communities, wireless associations, US semiconductor ecosystem

*Build a leadership position in **open source solutions** for fibre and 5G wireless amongst global telcos, by nurturing strategic partnerships and IP-led innovation*

STL Financials

Company
overview

1
Strong Industry
tailwinds

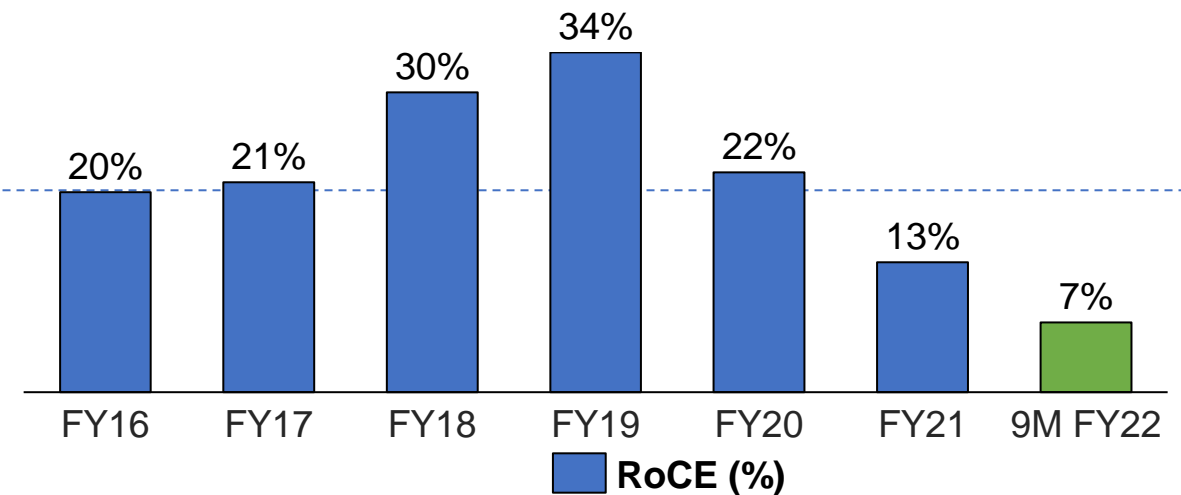
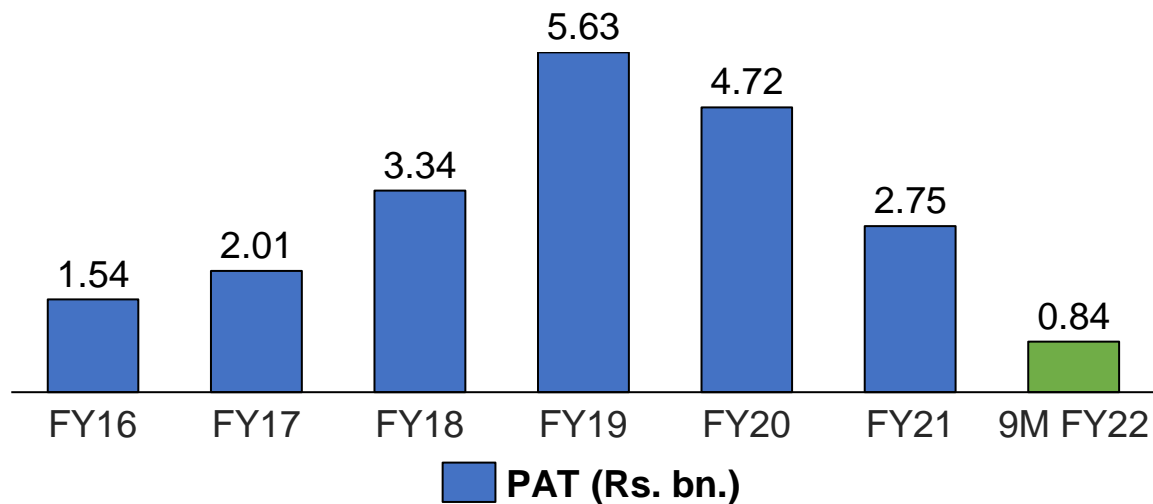
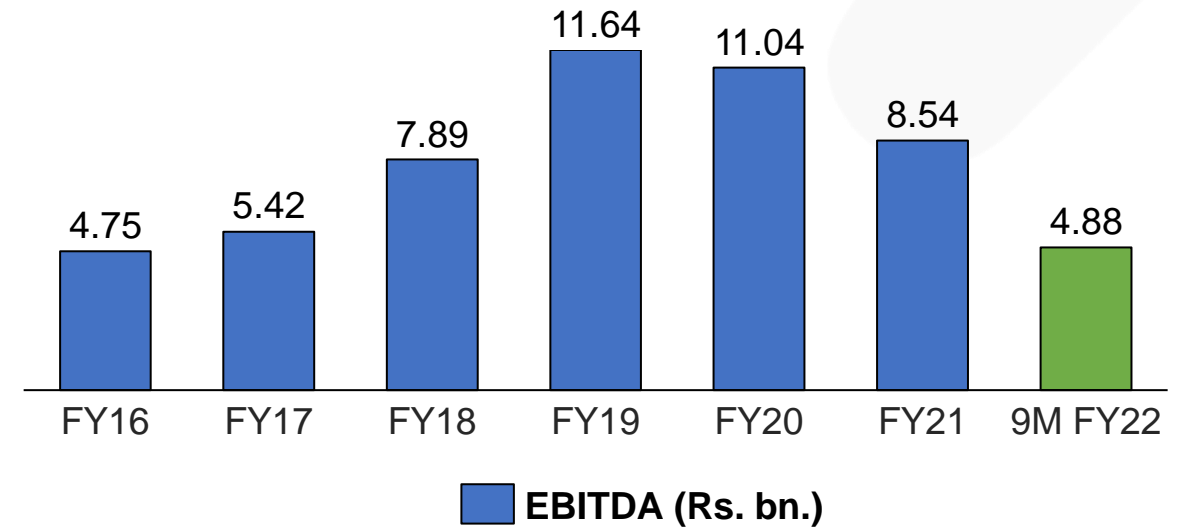
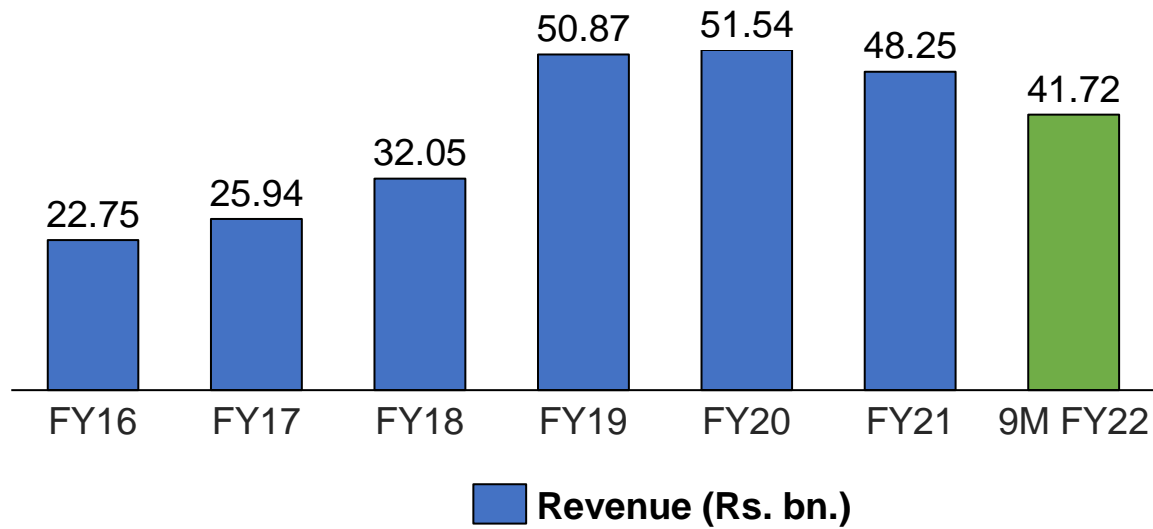
2
STL's
unique proposition

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Future
growth levers

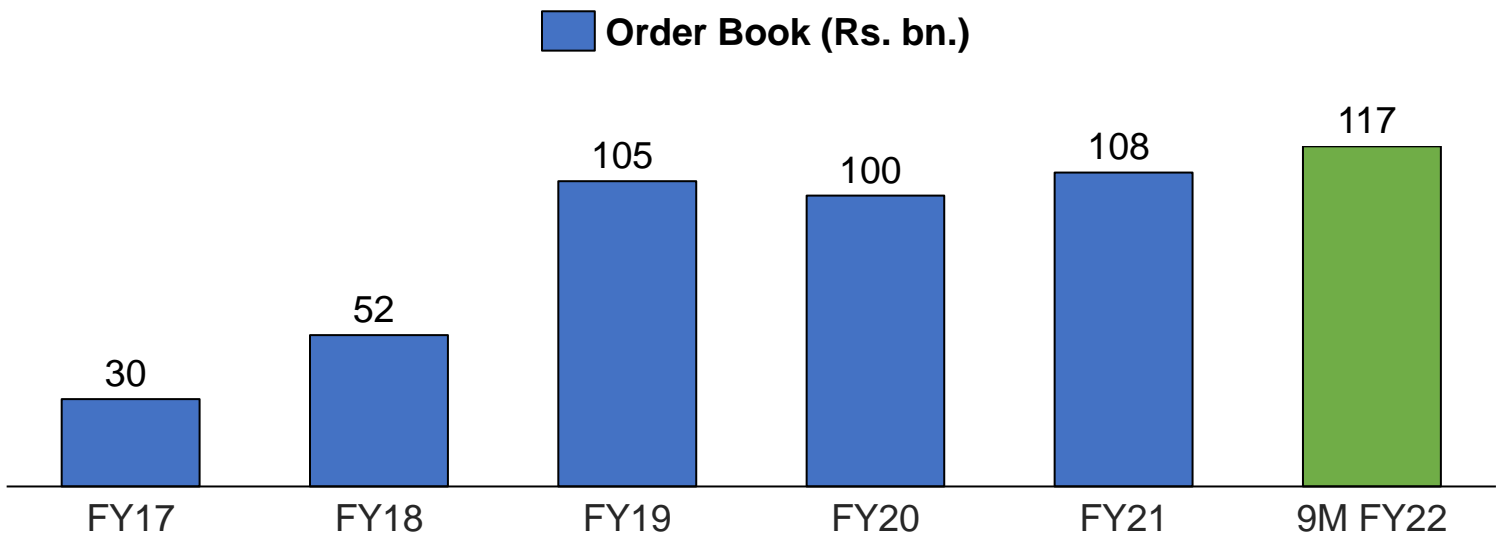
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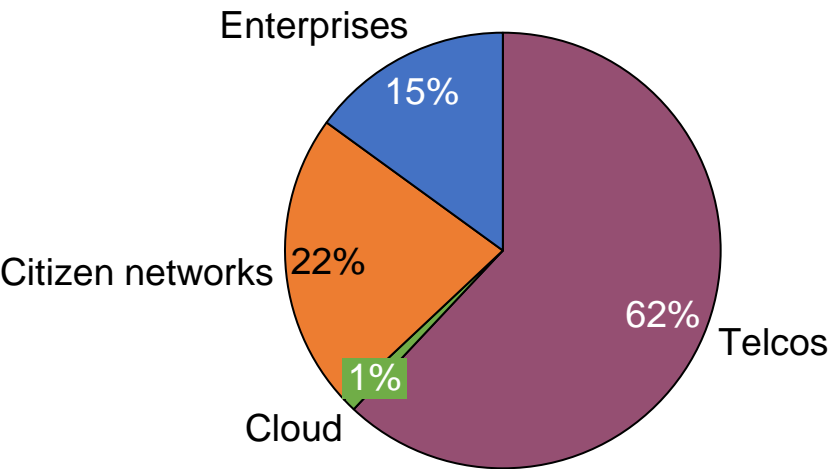
Delivering sustainable value for our shareholders



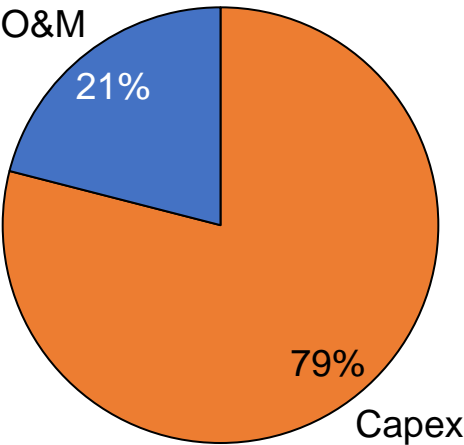
Growing order book over the years



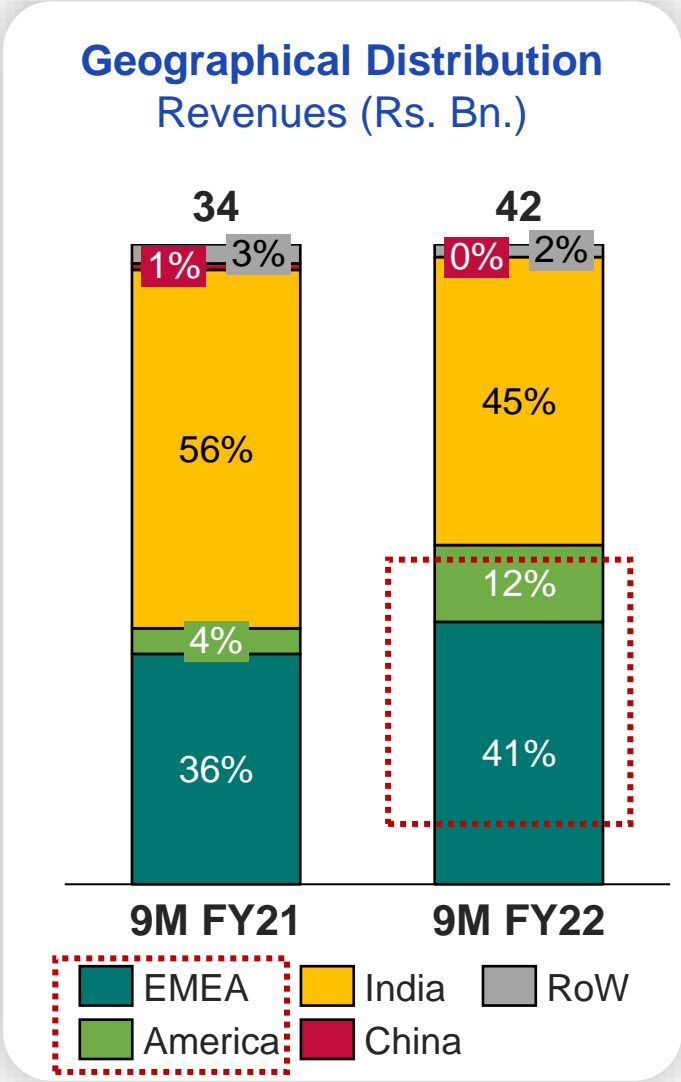
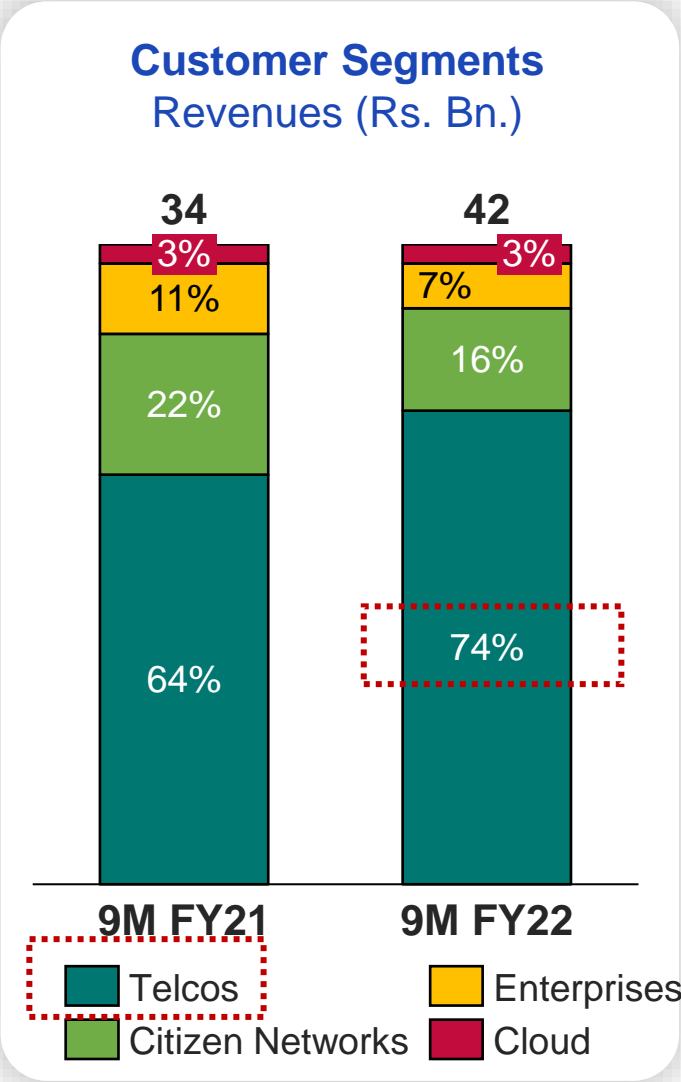
Open Order Book Customer Segment wise



Open Order Book Split



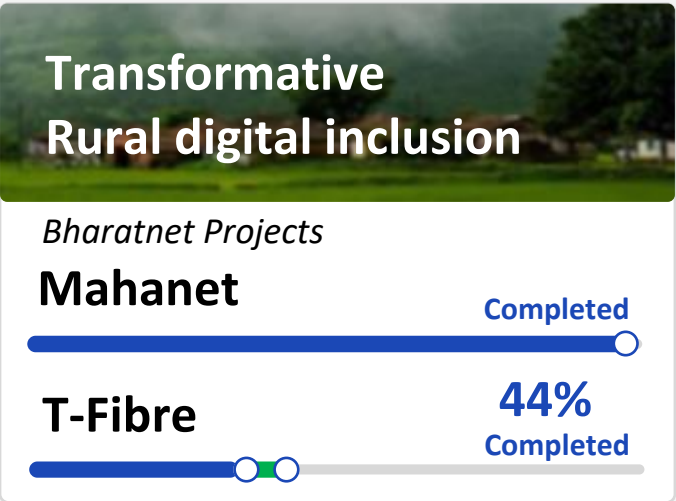
Revenue mix is moving to segments and geographies of choice



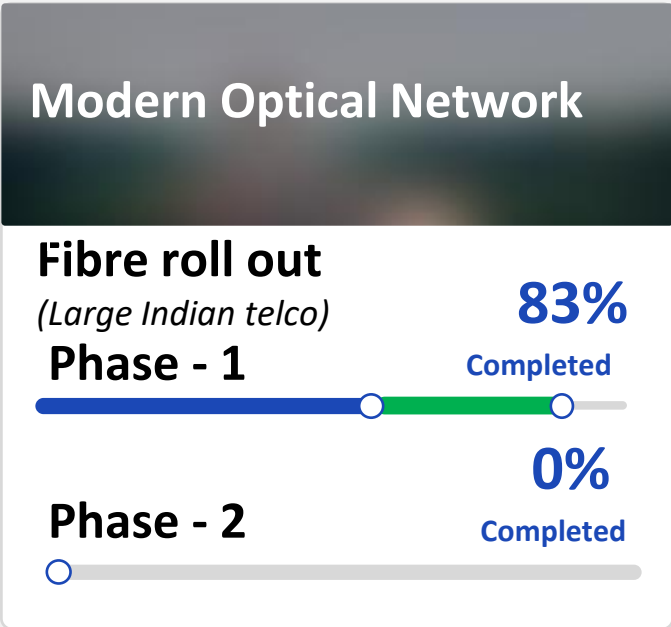
Project execution is robust



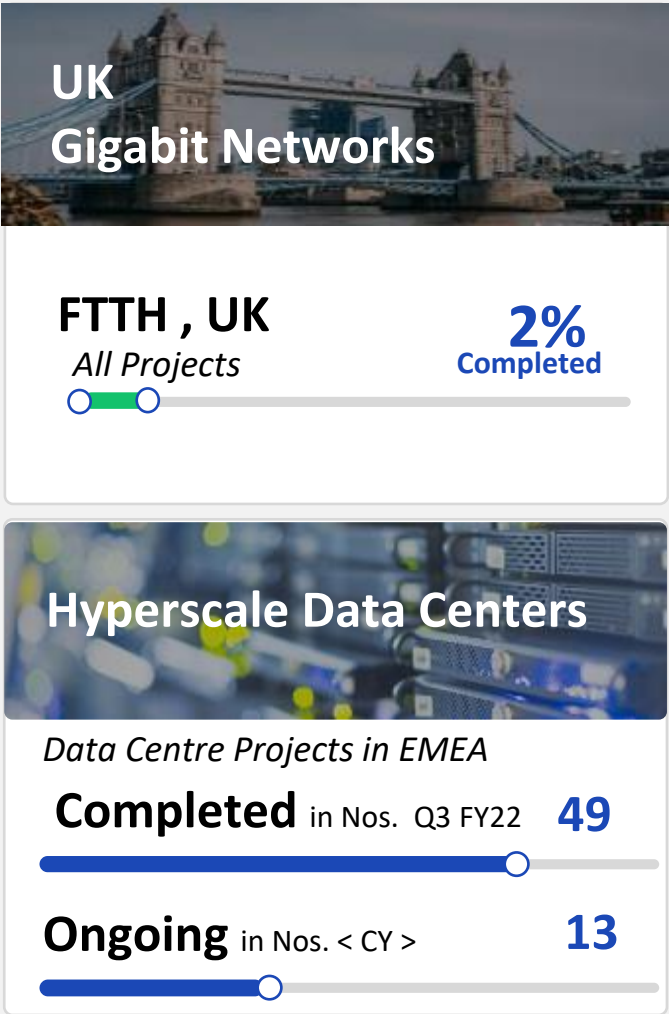
India - Public



India - Private



Global



Financials: Abridged Version



P&L (INR bn.)	Q1 FY22	Q2 FY22	Q3 FY22		9M FY22	9M FY21
Revenue	13.09	15.08	13.56		41.72	33.50
EBIDTA	2.55	2.69	(0.35)		4.88	5.81
<i>EBITDA %</i>	18%	18%	-3%		11%	17%
Depreciation	0.70	0.74	0.90		2.34	2.24
EBIT	1.69	1.95	(1.25)		2.38	3.57
Interest	0.49	0.57	0.66		1.72	1.50
PBT	1.35	1.38	(1.92)		0.82	2.07
Tax	0.38	0.36	(0.48)		0.26	0.61
Net Income after minority interest	1.16	1.06	(1.37)		0.84	1.46

We are committed to deliver our financial targets



Growth

Revenue Run rate : Rs. 100 Bn. per annum by Q4 FY23

Capital Structure

Net debt/equity < 0.5 by Q4 FY23

Returns

RoCE >20%



Our **growth strategy is delivering results**. We have **turbocharged the strategy execution** with the **new leadership at the helm**

In the optical networking business, In OFC, we continue to strengthen our presence in the US market and in Optical interconnect, we continue to win large orders, particularly from Europe

In Global business services, We are ramping up project execution capabilities in the UK and are preparing for an upcoming massive fibre roll out wave across globe

In the wireless solutions business, we announced general availability for our 5G small cell and pFTTx products. Our 5G Macro Radio unit and RIC shall also be ready for GA in FY23

We shall **strengthen our QoQ growth from Q4 FY22** onwards. We are committed to our FY23 financial targets



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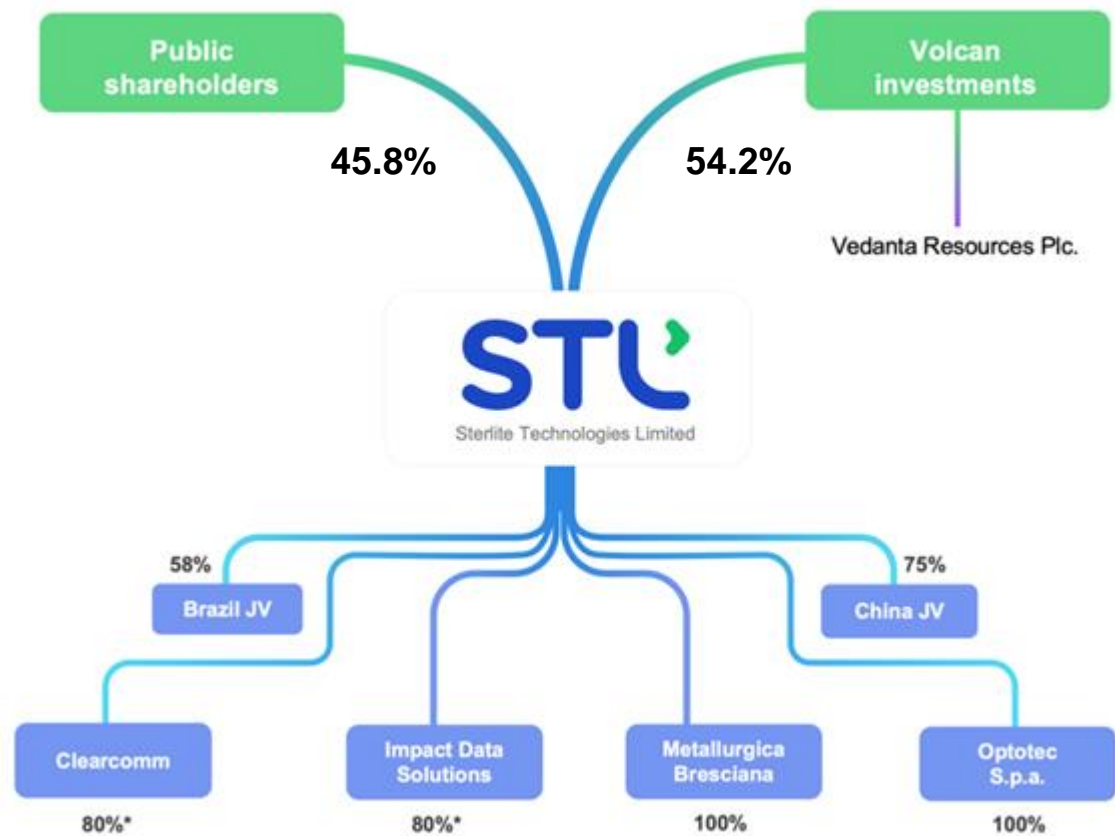
Annexure

Corporate structure and shareholding pattern



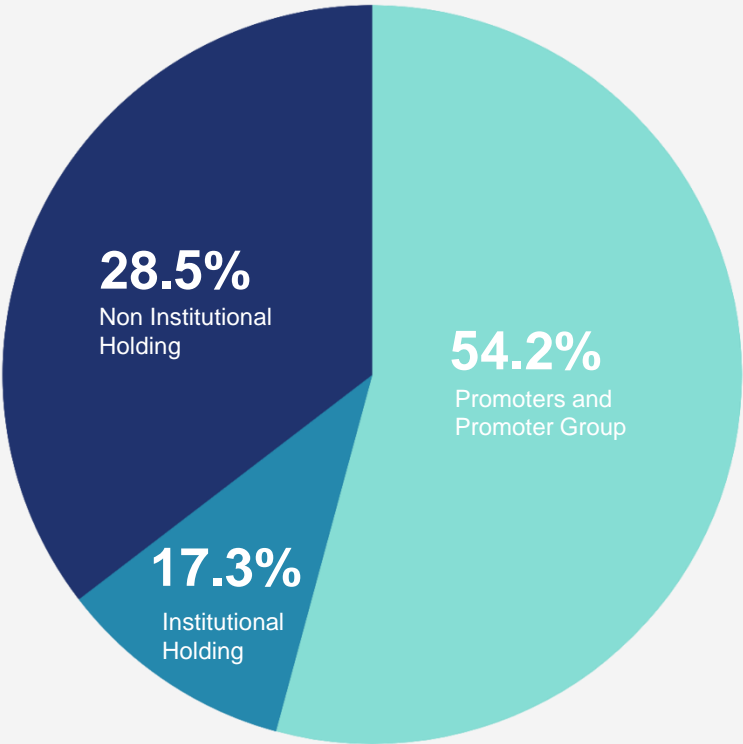
Corporate structure

As on Sep 30th, 2021
Only Subsidiaries that are material are disclosed



Shareholding pattern

Source: Company information; Karvy Shareholding Services; Data as of Dec 31st, 2021



Independent Directors



Kumud Srinivasan

(Non-Executive & Independent Director)

- VP and Director of Non-Volatile Fab Manufacturing and Automation Systems at Intel Corporation
- Has spent 30 years at Intel in US, leading multiple global functions, prominent ones being R&D for technology manufacturing, industrial automation and IoT for manufacturing facilities
- Served as the President of Intel India from 2012 to 2016



Sandip Das

(Non-Executive & Independent Director)

- One of Asia's most respected telecommunications professionals and an acclaimed Chief Executive
- Ex-MD of Reliance Jio, Group-CEO, Maxis Communications and Hutchison Essar Telecom (now Vodafone), India
- One of the founding members of private telephony in India and a part of the group of individuals that founded Hutchison Max Telecom in 1994



S. Madhavan

(Non-Executive & Independent Director)

- Fellow member of institute of chartered accountants of India
- Holds directorial positions in top listed companies like HCL technologies, ICICI Bank, UFO Moviez and Transport Corporation of India
- Had set up a successful indirect tax practice, which got merged with PWC.
- Held leadership positions for over 14 years at PWC and was instrumental in leading tax practice



B. J Arun

(Non-Executive & Independent Director)

- Founded and led multiple successful ventures in silicon valley including California Digital, a Linux-based HPC leader and Librato, a software company
- Ex CEO of July Systems - a location-based mobile management platform
- Currently the Vice President of Tie Global
- Remains dedicated to fostering entrepreneurship in technology community

Global team and global operations

The background of the slide is a collage of six images showing various aspects of STU's operations. Top left: Two workers in blue uniforms and masks assemble components on a table. Top center: A worker in a black STU polo shirt works at a station with a 'UV Lamp Panel' sign. Top right: A rack filled with many spools of wire in various colors. Middle left: A worker in a blue uniform works at a desk with a computer monitor. Middle right: A worker in a blue uniform works at a desk with a computer monitor. Bottom: A wide shot of a factory floor with several workers at assembly stations.

**3100 +
Employees**

**30+
Nationalities**

**Offices in
16 +**

Serving

Countries

**Customers in
100+ countries**



beyond tomorrow