



Enabling a decade of digital network creation

Earnings Call Q3 FY'21

20th Jan. 2021

stl.tech

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



Dr. Anand Agarwal

Group CEO and Whole Time director

2020 - Digital networks inflection point



1

**2020 – Digital networks
inflection point**

2

**Strategy for the next
decade of network
creation**

3

**Financial results getting
better**

4

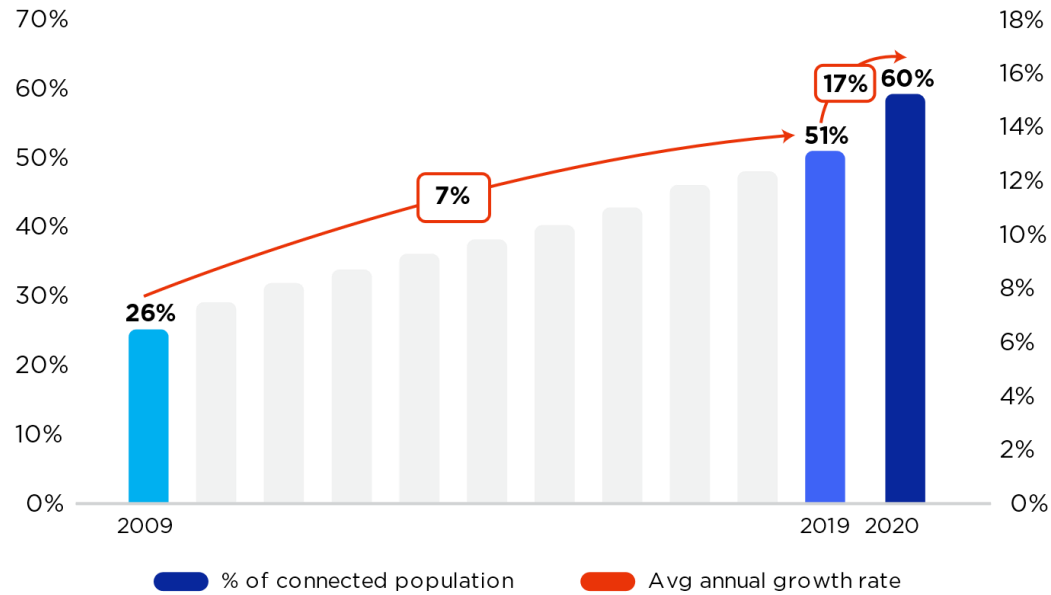
Q&A

2020 – A year of inflection for digital networks

a

User growth accelerated significantly

~2Mn users added daily in 2020



Figures from Statista

b

Network creators decided to invest disproportionately

Multi bn. \$ commitments, urgency

amazon

to invest **\$2.8 bn** to develop data centre infrastructure in Telangana, India.

FC Federal Communications Commission

allocates **\$9.2 bn**. In reverse auction for rural digital opportunity fund

EQT | **proximus**

enter JV & pick up 50.1% stake in FTTH program

Telefonica | **Allianz**

to create a JV worth **€5 bn** for FTTH rollouts

Q3'FY21 figures

A decade long* digital network creation cycle is here

* accelerated by the new normal

2020 – New technologies entered mainstream

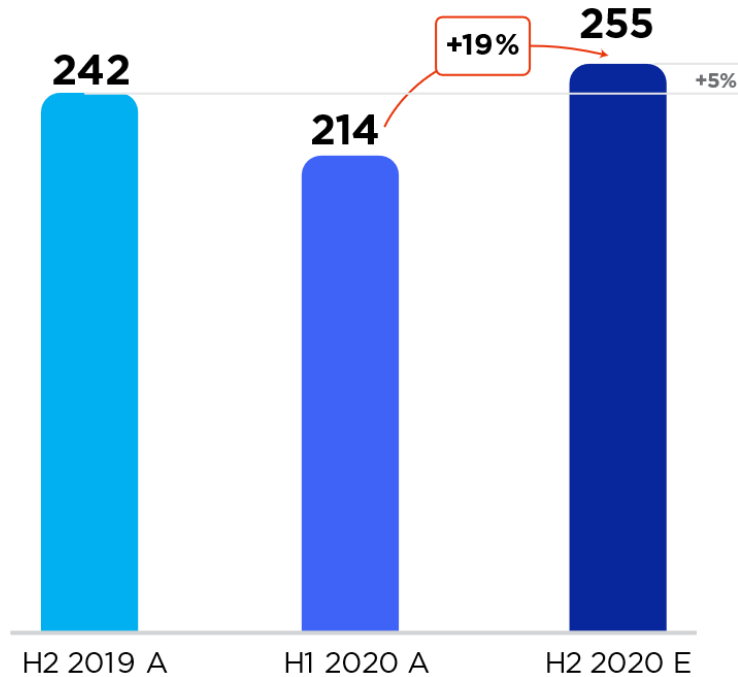
C Network architectures evolved rapidly Global deployments

		5G	FTTH	O-RAN
SCALE	<i>4-5X Internet Mobile traffic</i> more digital lanes	<ul style="list-style-type: none">• 113 operators launched 5G in 48 countries• 229 Mn 5G connections 4X faster adoption rate• As per GSA, 303 5G commercially available as of Nov. 2020• China: 1.7 mn. base stations by 2021	<ul style="list-style-type: none">• Europe 1 mn+ home passes/ year by BT, CityFibre, TIM, Open Fibre, DGF and more• Aggressive 5Y plans: Germany, Italy and UK• India: RJIO & Airtel plan for 75 mn & 40 Mn home passes	<ul style="list-style-type: none">• Airtel announced vRAN software across its 4G network• Telefonica started ORAN deployment• ORAN trials: DT, Vodafone Idea, MTN & STC.
REACH	<i>Millions of new users</i> more digital kilometres			
QUALITY	<i>4-5X Mobile Data speeds</i> superior speeds, response (copper + wireless → fibre)			

2020 - Optical demand revived

Optical fiber demand buoyed by investments in digital infrastructure

Units: Mn. fkm



H2 2020 estimated growth at 5% YoY, 2021 growth estimated at 7% YoY



N. America

Continued growth in deployments specially from tier 2 /3 carriers



CHINA

YoY increase in volumes & increase in 5G base station deployments



EUROPE

Buoyant FTTH demand, slightly slowed down by the second COVID wave



INDIA

Expected revival in 2021 on back of FTTH deployments & demand from Bharatnet

2020 - 4 technology confluences got established



Close to the Edge
EDGE

At the Edge

By 2025, **75%** of enterprise-generated data will be created and processed at the edge – as against **10 %** in 2018

Gartner

Seamless Wired & Wireless
CONVERGED

Optical

&

Radio

The extra investment needed to make **FTTH network ready for 5G** (even for high density cells) is only 1% to 7%



Enhanced Experience
COMPUTE

Connectivity

&

Compute

Micro data center market will leap from **\$3 Bn** in 2018 to nearly **\$15 Bn** by 2025

Global Market Insights
Insights to innovation.

Agile, Scalable, Agnostic
DISAGGREGATED

Hardware

&

Software

Dish plans to cover **70% of the US population** by June 2023 with its standalone Open RAN-based 5G network

dish

2020 – STL predicted and prepared for these tech confluences



**LARGE SCALE NETWORKS
SYSTEM INTEGRATION**

10 Years Network Design & Integration Solutions

**OPTICAL
INTERCONNECT**



25 years

Extraordinary track record
Globally respected

**VIRTUALIZED
WIRELESS
(SOFTWARE, CLOUD)**



5 years

Strategic alliances and
product development



**Digital Network
Integrator**

Close to the Edge
EDGE

Seamless Wired & Wireless
CONVERGED

Enhanced Experience
COMPUTE

Agile, Scalable, Agnostic
DISAGGREGATED

At the Edge

Optical

&

Radio

Connectivity

&

Compute

Hardware

&

Software

**STL can integrate
all these
technologies**

Strategy for the next decade of network creation



1

**2020 – Digital networks
inflection point**

2

**Strategy for the next
decade of network
creation**

3

**Financial results getting
better**

4

Q&A

STL is ready for the next decade of network creation with five strategic pillars



Technology-led E2E Solutions

Increasing market
share by integrated
technology



Ecosystem Alliances and Investments

Increase Addressable
Capex through
strategic
investments



Large – Scale Complex Integration

Developing better
integration practices



Key Accounts Management

Target 21 KAMs
globally



Top Talent and Culture

Drive good returns
to our stakeholders
/community

Our flagship optical connectivity portfolio is now complete



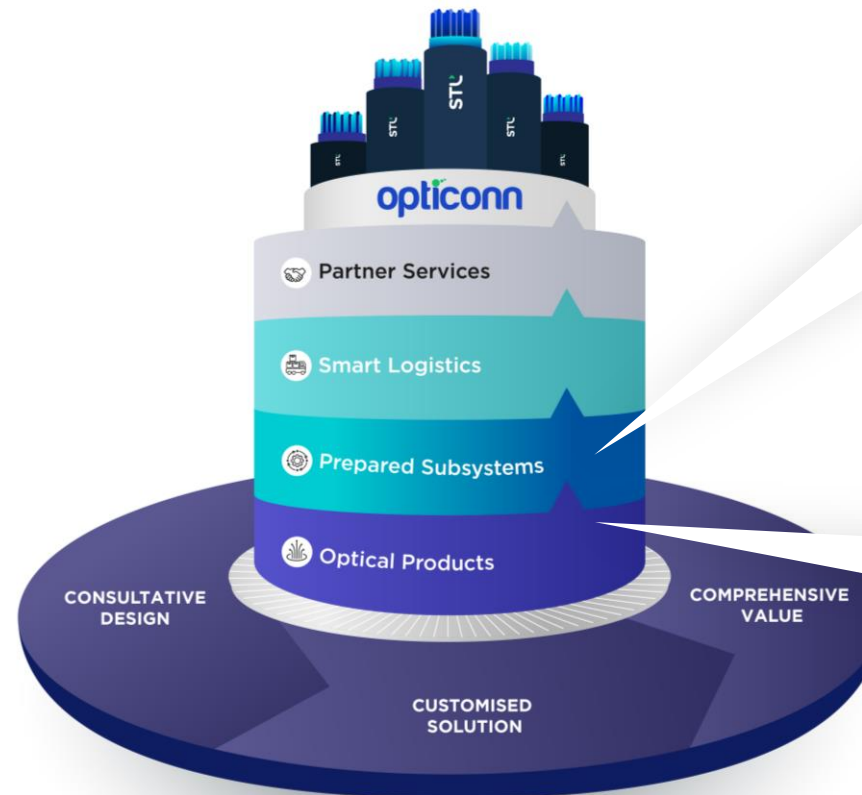
Tech-led solutions



E2E integrated optical solutions

- **STELLAR FIBRE** - World's leading bend insensitive optical fibre
- **CELESTA CABLE** - Ultra high density cable, rated better than the best
- **Prepared Subsystems KITS** - Underground & aerial optical interconnect kits

opticonn



OPTOTECH
OPTICAL TECHNOLOGIES

Comes aboard



We have made tech-enhancements to improve our integration and delivery solutions significantly



STL LEAD 360° 2.0

Tech-led solutions 



Included drone aerial survey

AR VR based digital training

Robotic process automation

High-speed trenching machinery

Integrated remote field management



Everything Survey

Academy Training

Design Led Planning

Lean Agile Approvals

360° Robust Operations

LEAD 360° 2.0

360°

E

A

D

L

360°

We have launched a range of commercially viable wireless solutions

Tech-led solutions



5G Multi-Band Radio

Comprehensive Open RAN (Radio Access Network) solution spanning across Radio Unit (RU), Centralized Unit (CU) and Distributed Unit (DU)



Garuda

An O-RAN compliant, indoor small cell solution



Wi-Fi6 Access Solution

An integrated solution that leverages Wi-Fi 6 technology to provide carrier-class connectivity in dense environment



Optotec acquisition is complete – enhancing Opticonn Portfolio and Go-to-market



**Ecosystem,
Investments**



Founded in 1992 and headquartered in Italy, Optotec provides a complete range of Optical Interconnect products for telecommunications and FTTH networks

>50% Market Share
In Italy

Tier-1 Customer Approvals
Across Europe

€ ~ 20+ Mn.
Revenue

17-19%
Operating Margin

EPS +ve
From First Year

~ 29 Mn.
Deal Consideration*

1 Compelling Value Proposition
to Customers with Opticonn solution

2 Large addressable market
at \$8 to \$10 bn


3 Wide ranging portfolio of OI products
from central office to customer premises

4 Solid Springboard
for Combined Product Offering across the Globe

Strong, end to end optical portfolio is backed by strong investments in capacity expansion

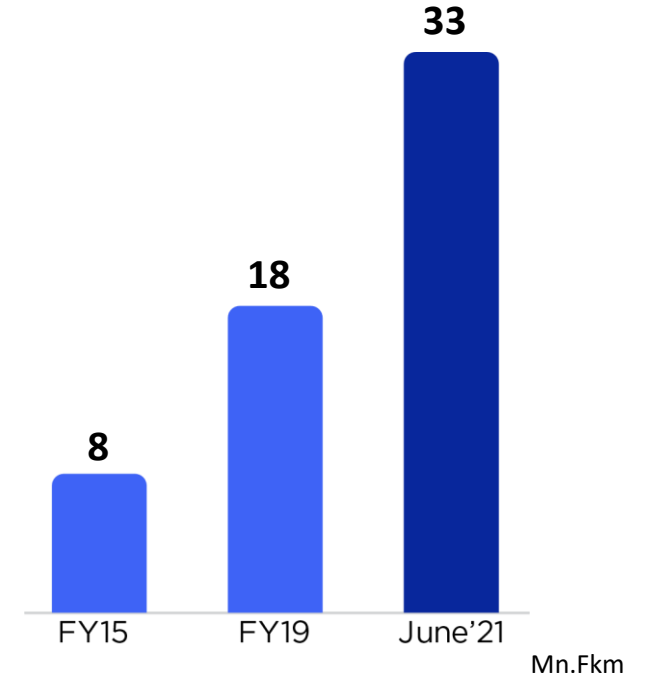


OFC capacity expansion to 33 mn

Ecosystem, Investments 

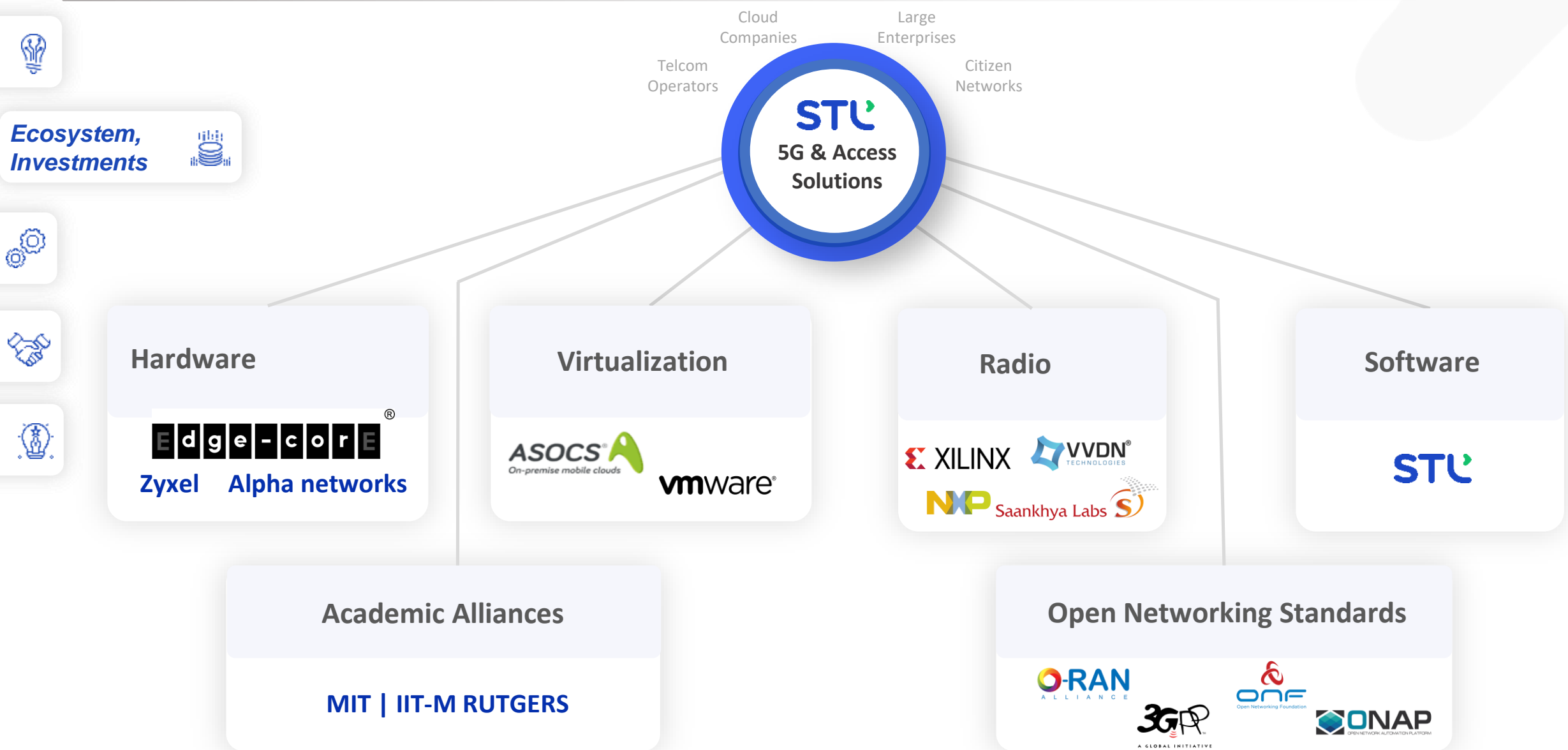


Optical fibre cable capacity



OFC expansion project is on track vis-à-vis timeline & budgeted cost

We are building a global ecosystem for 5G access solutions



Ecosystem, Investments



Our large scale system integration engine is running on full throttle



Large-scale integration



Network Modernisation

Project Varun
(Indian Navy Project):

87%
Completed

Transformative digital inclusion

Bharatnet Projects

Mahanet (A)

92%
Completed

Mahanet (B)

34%
Completed

Futuristic SDN ready state wide network

Bharatnet Projects

T-Fibre (A)

18%
Completed

T-Fibre (B)

13%
Completed

Largest exabyte Network

FTTH
(Large Indian telco)

2%
Complete

Modern Optical Network

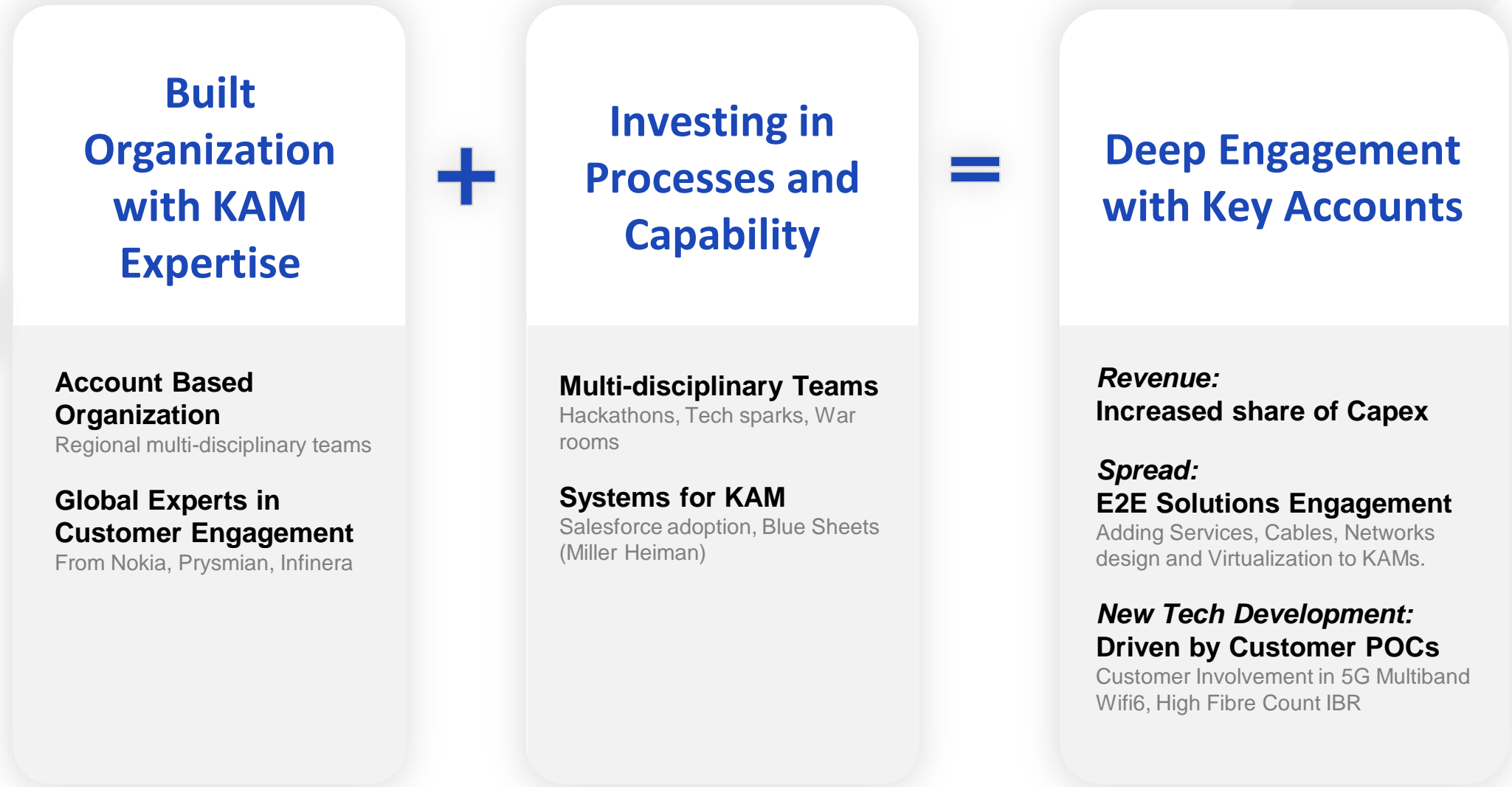
Fiber roll out
(Large Indian telco)

21%
Completed

We are driving deep customer engagement with a focus on 21 key accounts



Key accounts management 



We are getting top global talent to drive strategic outcomes



Key Account



Sandeep Girotra

**Global Sales Head
STL**

25 years of experience building Key Accounts and driving 10x growth at Nokia

Technology



Srinivasan Jagadeesan

Head, Wireless Product Development

30+ years of experience in new product development & systems engineering

Policy



Anjan Das

Chief Policy Advocacy Officer

More than 3 decades of experience in strengthening India innovation ecosystem. Worked as Executive Director at CII

UK Services



Keith Rowley

Chief Delivery Officer, Network Services, UK

20+ years of experience in communications Industry driving strategic initiatives and transformation programs

Software



Saikat Mitra

Chief Operating Officer, Network Software

24 years of experience in telecom industry leading companies with special focus on technology innovation & customer engagement

Top talent



New additions to our board of directors



Top talent



Independent Non-Executive Directors



BJ Arun

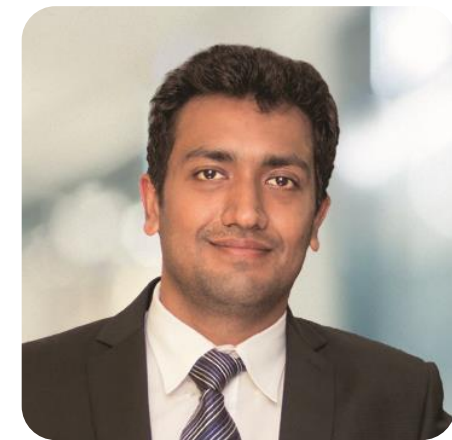
*Vice Chairman, TiE, Silicon Valley
Serial Entrepreneur in the
technology space*



S Madhavan

*Independent Director at HCL
Technologies, ICICI Bank Ltd
UFO Moviez, Transport Corporation
of India*

Whole-time Director



Ankit Agarwal

CEO – Connectivity Business, STL

Mr. Pratik Agarwal will step down from the board

Our five pillar strategy has setup a growth platform



Tech-led solutions



Ecosystem, Investments



Large-scale integration



Key accounts management

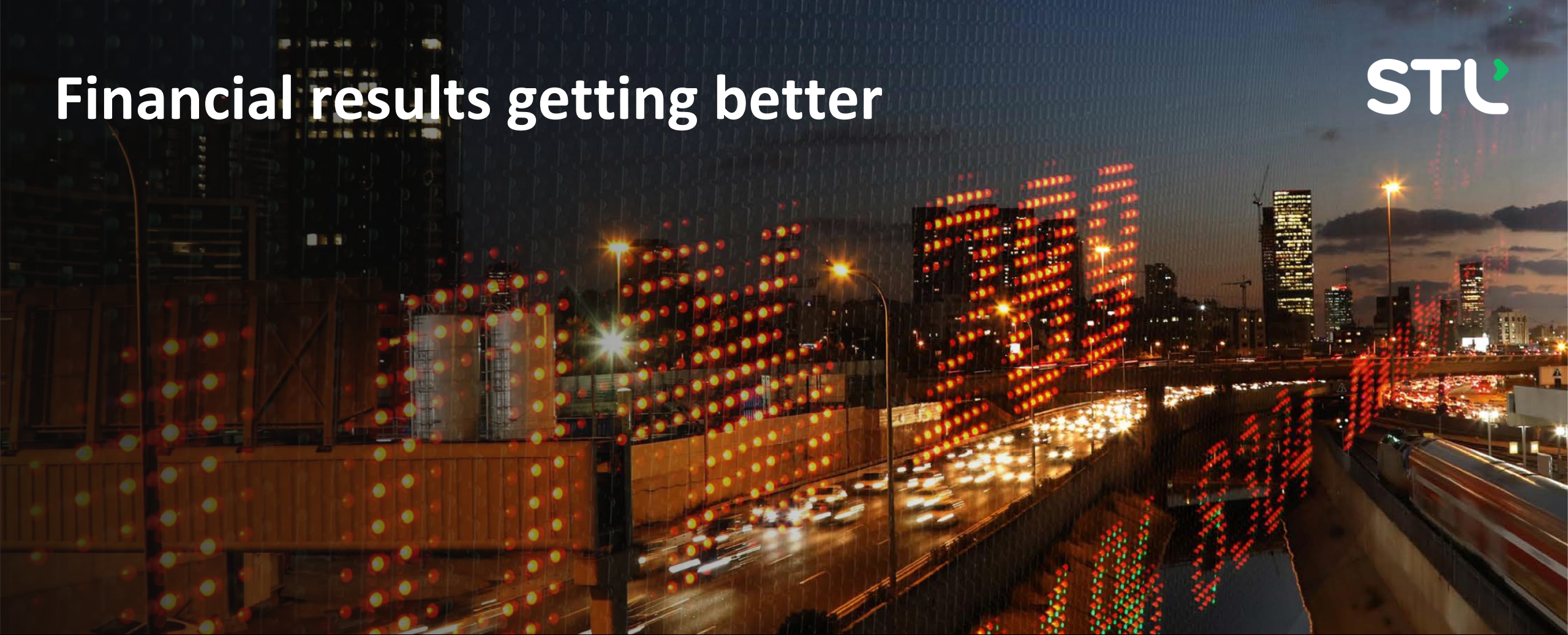


Top talent



- 2020 brought in a decade of network creation
- New networks will be Converged, Virtualized, Open Compute-enabled at the Edge
- STL has build disruptive technology solutions and delivery capability for the new network
- We are investing in capacity for optical solutions and building new technology for access solutions
- With Key accounts, we are driving solutions based revenue and growth across global markets

Financial results getting better



1

2020 – Digital networks
inflection point

2

Strategy for the next
decade of network
creation

3

Financial results getting
better

4

Q&A



Mihir Modi

Chief Financial Officer

Our participation funnel is growing



Key Opportunities



**LARGE EUROPEAN
TELCO**

FTTH ROLLOUT



**LARGE EUROPEAN
TELCO**

OPTICONN



**LARGE INDIAN
TELCO**

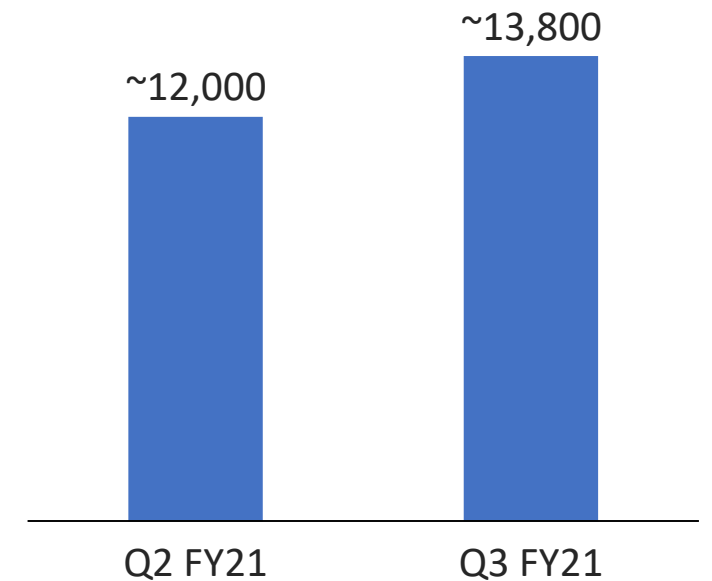
ACCESS SOLUTIONS



**CITIZEN
NETWORKS**

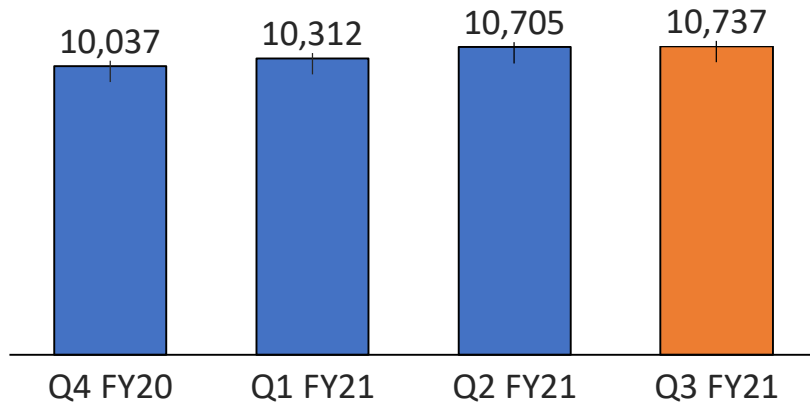
FIBER ROLLOUT

Open Participation Funnel (Rs. Cr.)

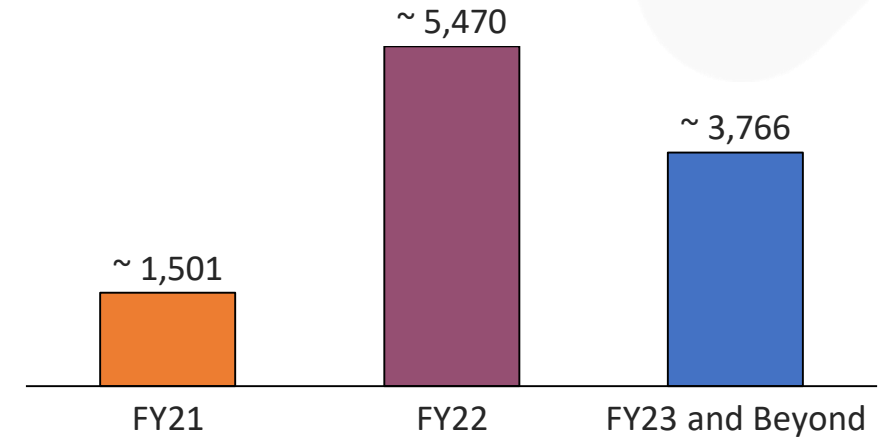


Translating into healthy order book

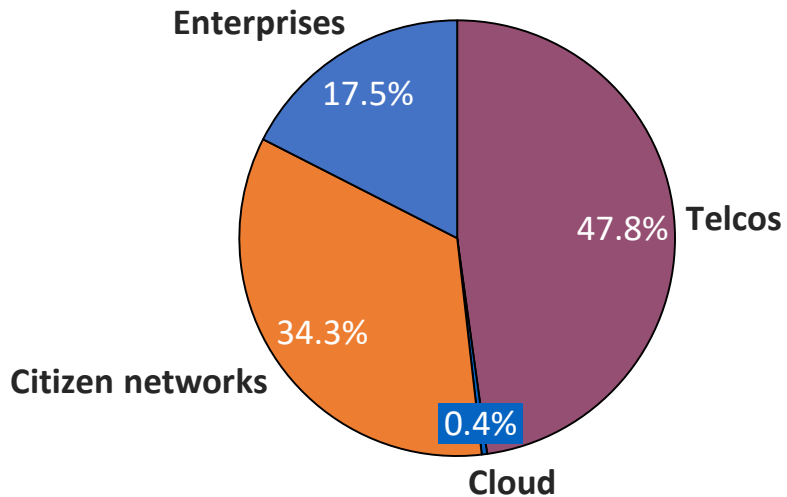
Open Order Book (Rs. Cr.)



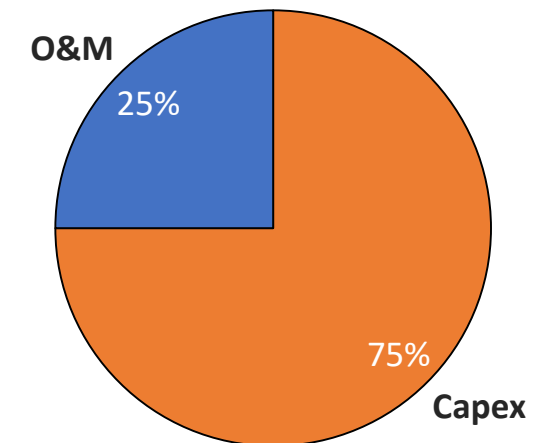
Order Book Spread (Rs. Cr.)



Open Order Book Customer Segment wise



Open Order Book Split



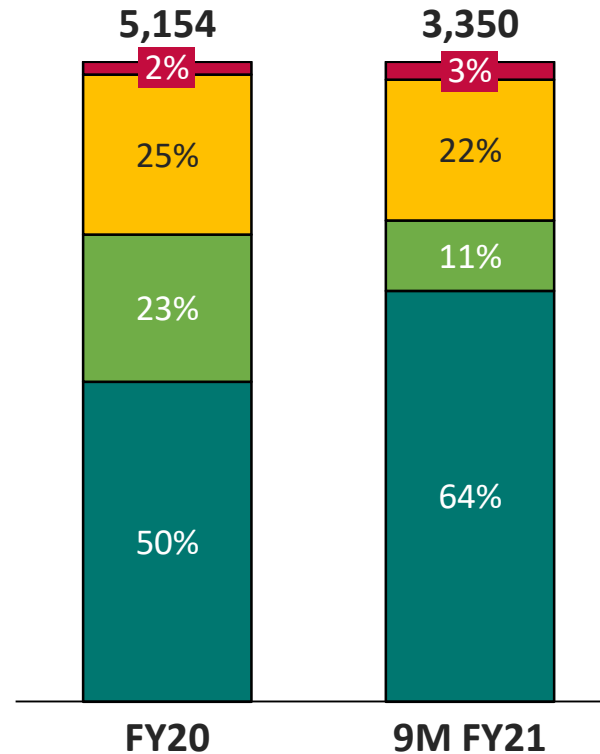
Revenue mix is balanced across customers and geographies



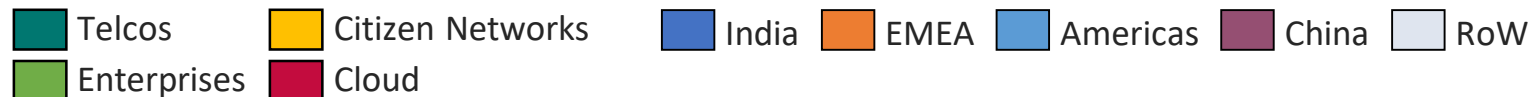
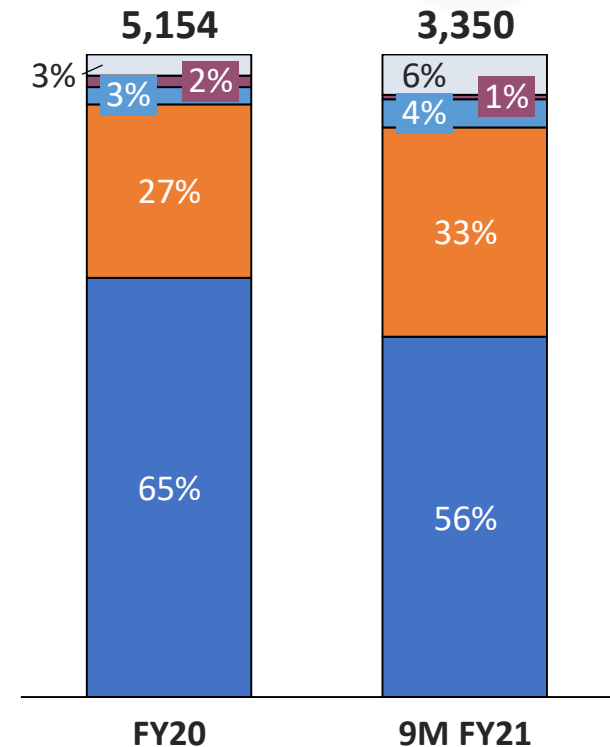
Key Order Wins Q3 FY21

- A five year, multi million dollar contract for supply, warranty & maintenance of **5G RAN systems**
- **Opticonn solution** for a leading **telecom player in Europe**
- **IBR cable** (6912 fibers) for a leading **hyperscale** company.

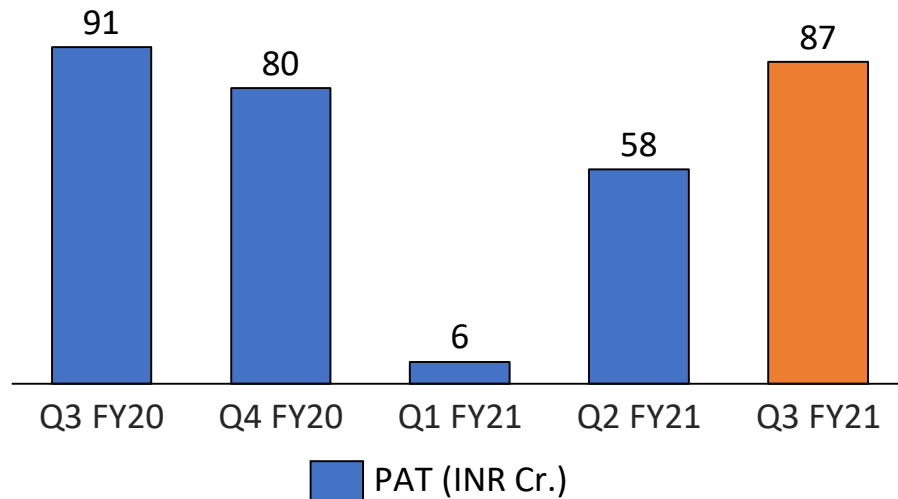
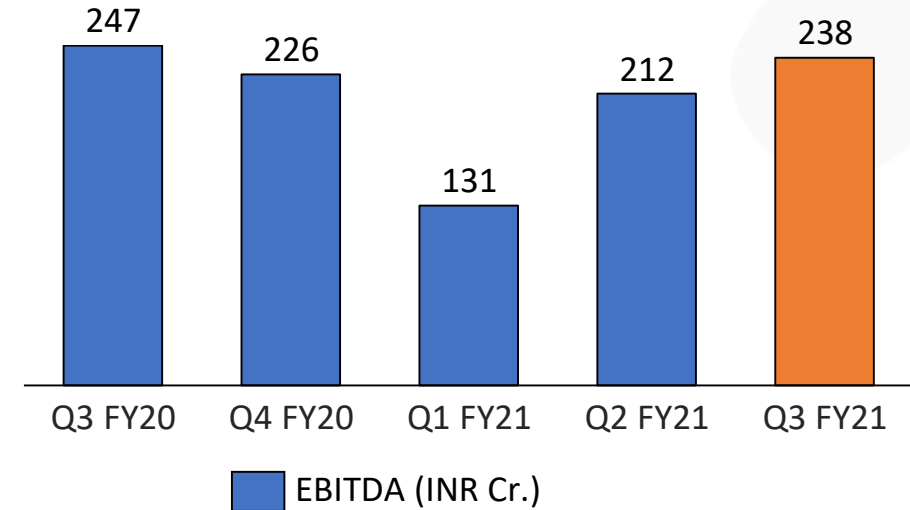
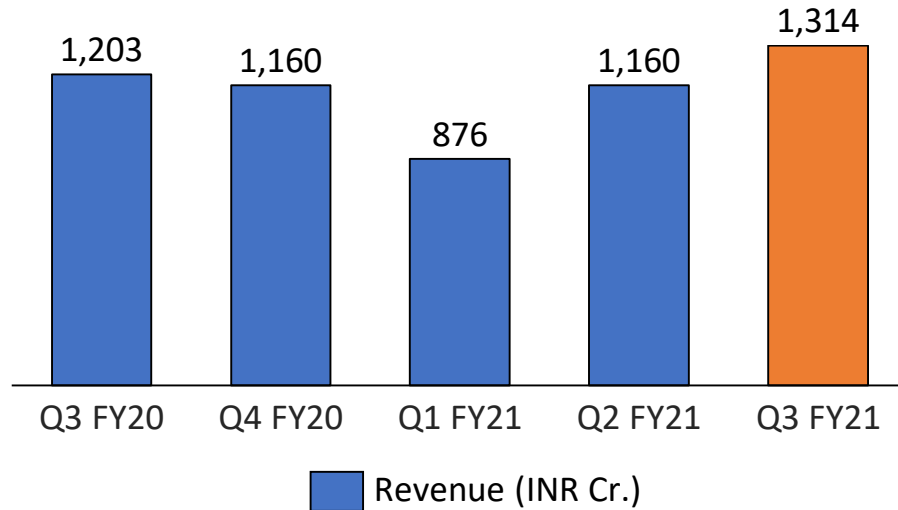
Customer Segments Revenues (Rs. Cr.)



Geographical Distribution Revenues (Rs. Cr.)



We have grown our revenues on QoQ by 13% and YoY by 9%



- **Capacity utilizations are at all time high** and will see further improvement going forward
- **Execution on the ground** for services also **continues to improve** on Q-o-Q basis
- Inline with earlier expectation, we maintain that we shall **continue to grow in Q4** on Q-o-Q basis and **H2FY21 shall be better than H2 FY20**

Financials: Abridged Version



P&L (INR Cr.)	Q1 FY21	Q2 FY21	Q3 FY21	Growth Q-o-Q (%)
Revenue	876	1,160	1,314	13%
EBIDTA	131	212	238	12%
<i>EBITDA %</i>	15%	18%	18%	
Depreciation	74	82	68	
EBIT	57	130	169	30%
Interest	50	50	50	
Exceptional Item	-			
PBT	7	80	120	
Tax	4	24	33	
Net Income (After Minority Interest)	6	58	87	48%

STL is penetrating new frontiers while riding on Industry tailwinds



- An unprecedented decade of digital network creation has started. STL has unique capabilities to be a leading digital network integrator
- We have expanded our addressable market by adding capabilities in optical interconnect & access solutions and are seeing early successes
- Buoyed by the investments in the digital networks, the OFC Industry volumes in H2 2020 have grown by 5% YoY. STL volumes have grown faster than the industry and recorded an all time high. We are on track to increase OFC capacity to 33 mn. by June 2021
- While our plant utilizations are at all time high & our services execution speed has improved QoQ basis, we expect the growth momentum to continue in Q4 FY21

1

**2020 – Digital networks
inflection point**

2

**Strategy for the next
decade of network
creation**

3

**Financial results getting
better**

4

Q&A



beyond tomorrow