



Q4 FY18 Earnings Call April 25, 2018



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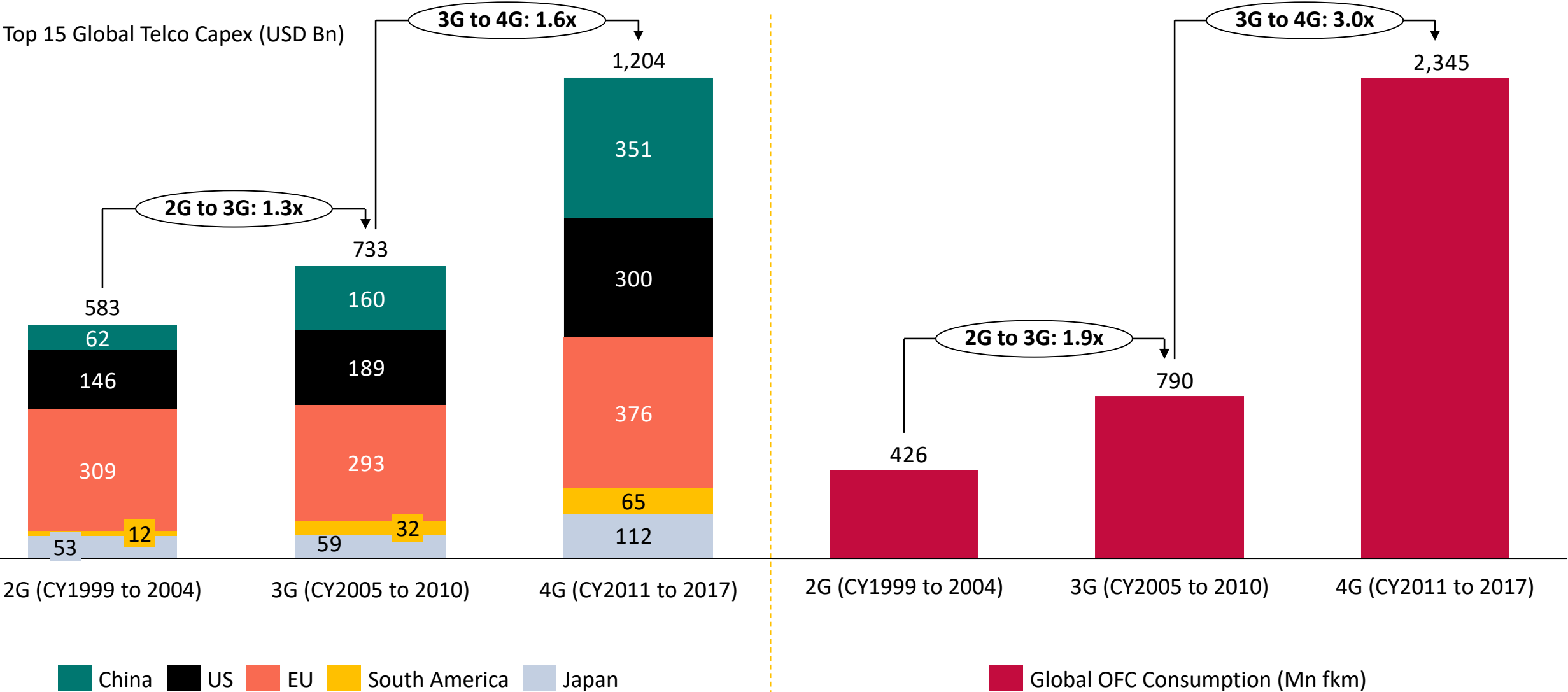
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Industry Landscape



Capex and Fiber Consumption Cycle: Network Gen Evolution



5G will be the Centre of Heterogeneous Networks

5G Era Goals

5G capabilities compared to existing LTE

Boundless Connectivity for all

1

Network economics and innovations

2

5G

5

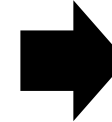
4

3

Enhanced broadband

Massive IoT & critical communications

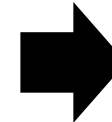
10x Lower Latency



<1 ms

- New radio design
- Distributed architecture

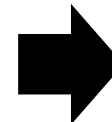
10x Lower IoT Power



<10 μ Wh / tx

- Protocol optimization
- Non-orthogonal uplink

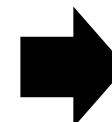
5x energy efficient



<2 kWh/TB

- Lean carrier
- Wideband carrier

3x spectral efficiency



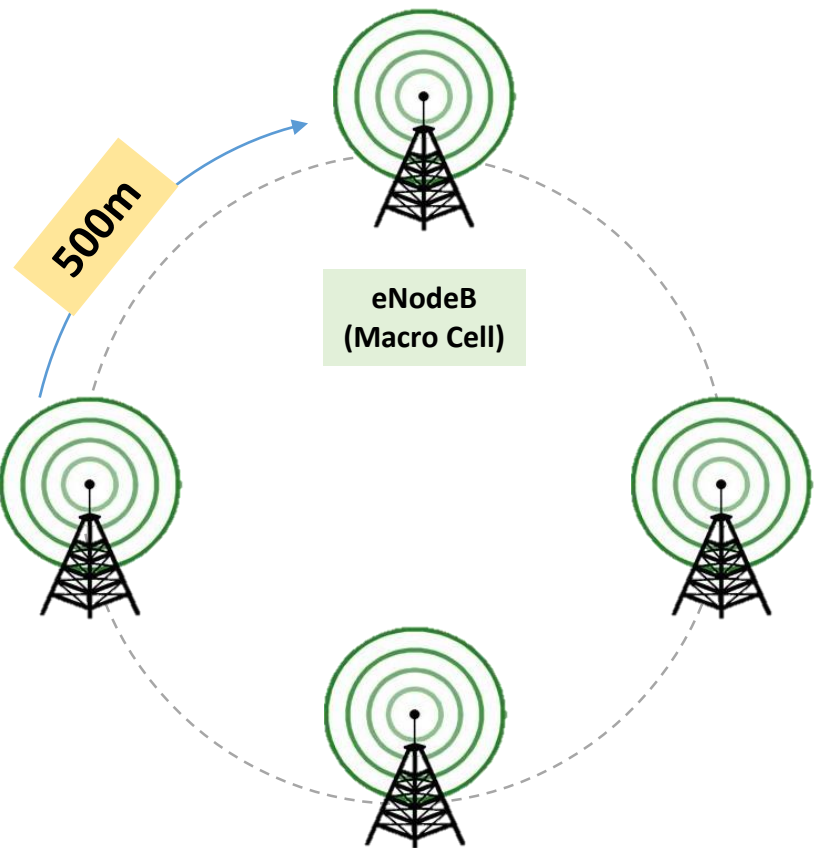
>10 bps/cell/Hz

- Massive MIMO, lean design, interference cancellation

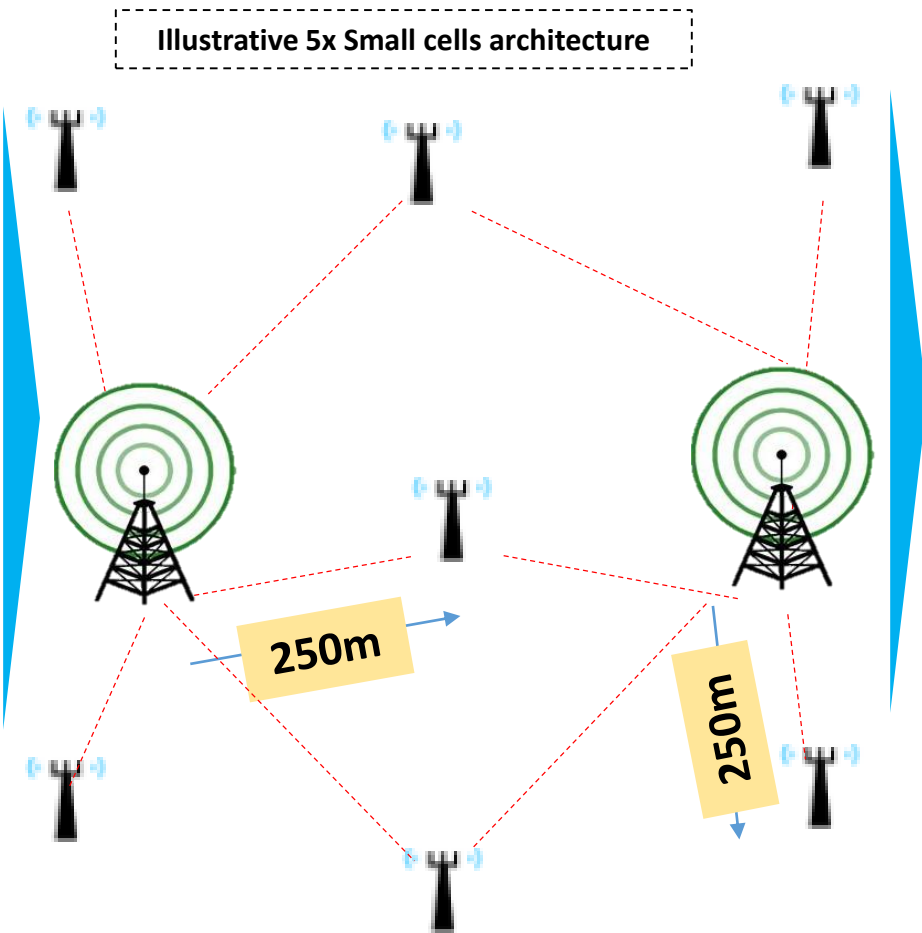
5G networks will provide an enhanced broadband experience of up to 1 Gbps and <1 ms, and provide the platform for cloud and artificial intelligence based services

Fiber: key component of 5G Infrastructure

4G Infrastructure



5G Infrastructure



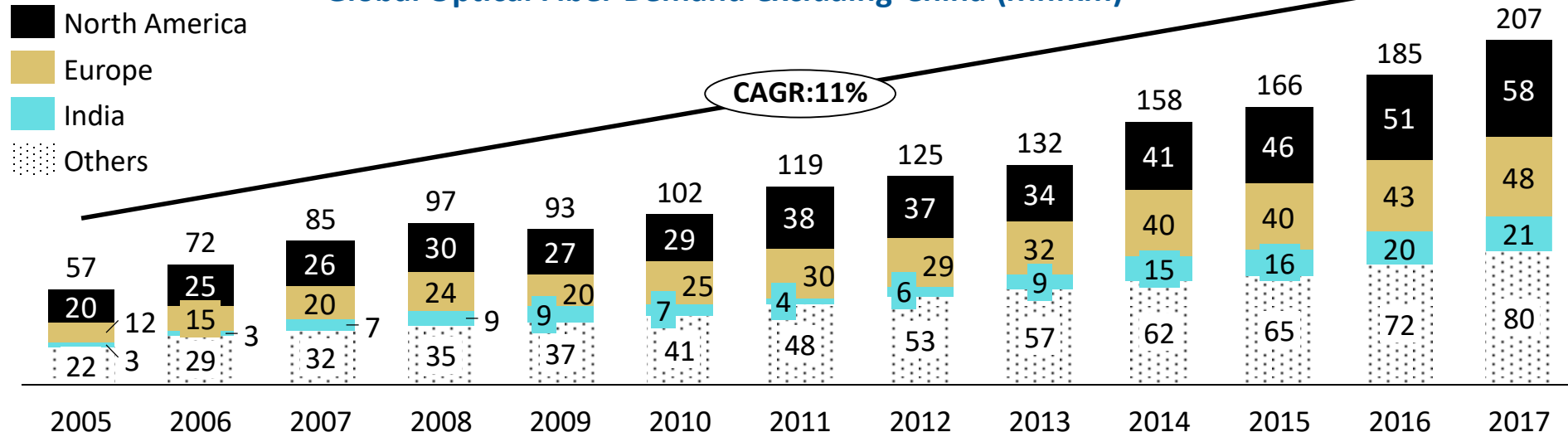
5G Densification	Minimum (25 Mbps per User)	Base (50 Mbps per User)
No. of Small Cells for 5G compared to 4G Macro Sites	5x	10x

Legend

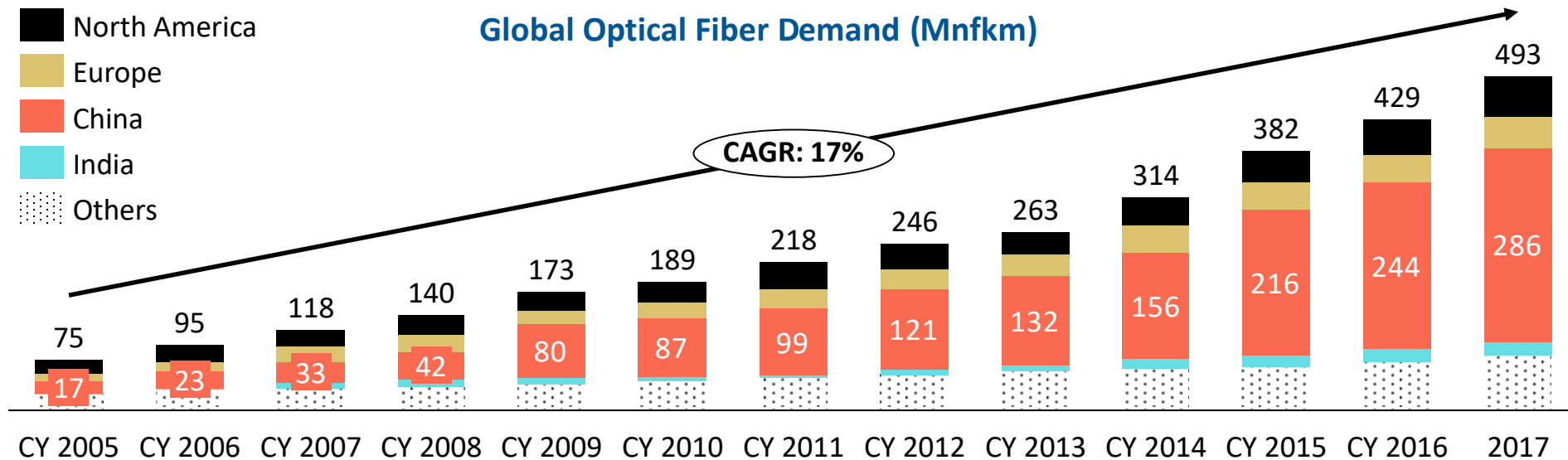
-  Macro Cell
-  Micro Cell
-  4G Fibre
-  5G Fibre

Evolution in Global demand for Optical Fiber

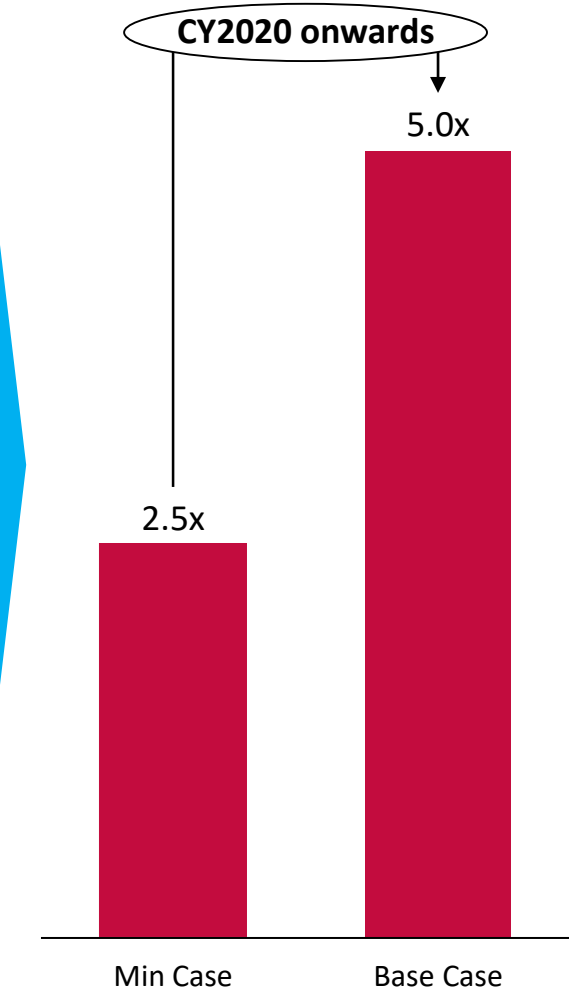
Global Optical Fiber Demand excluding-China (Mnfm)



Global Optical Fiber Demand (Mnfm)



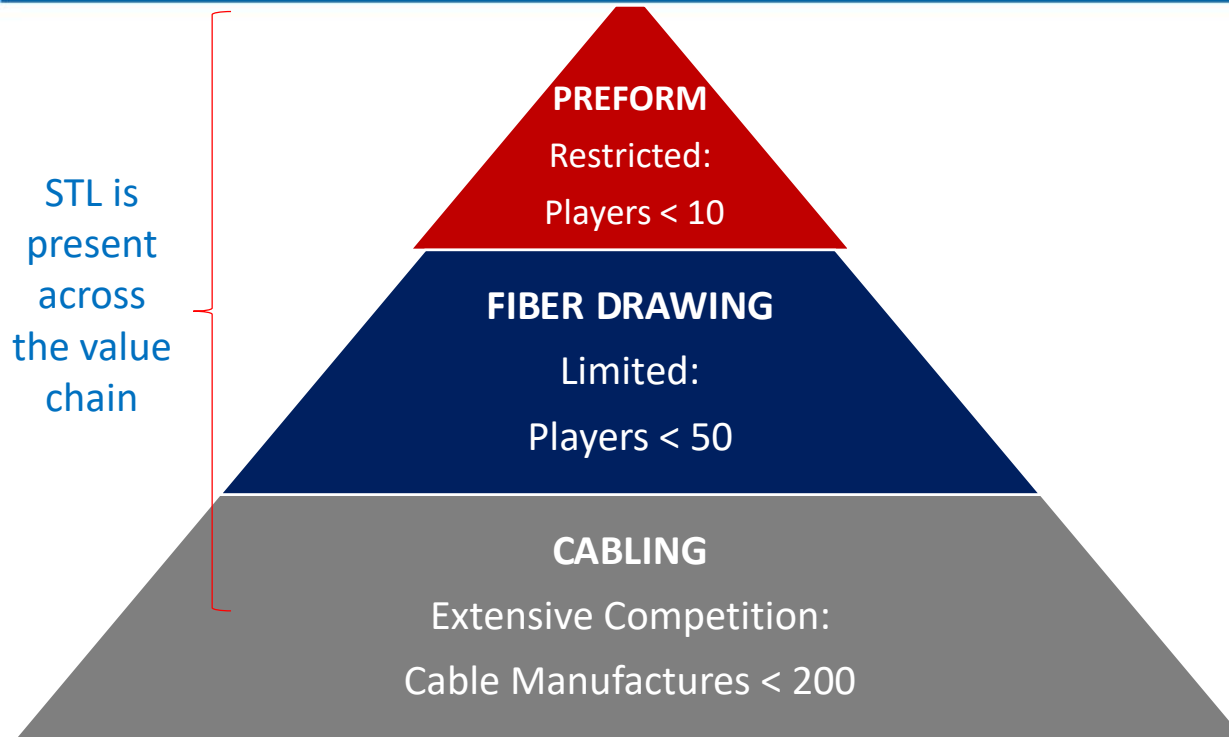
5G Estimated fiber demand Vs 4G



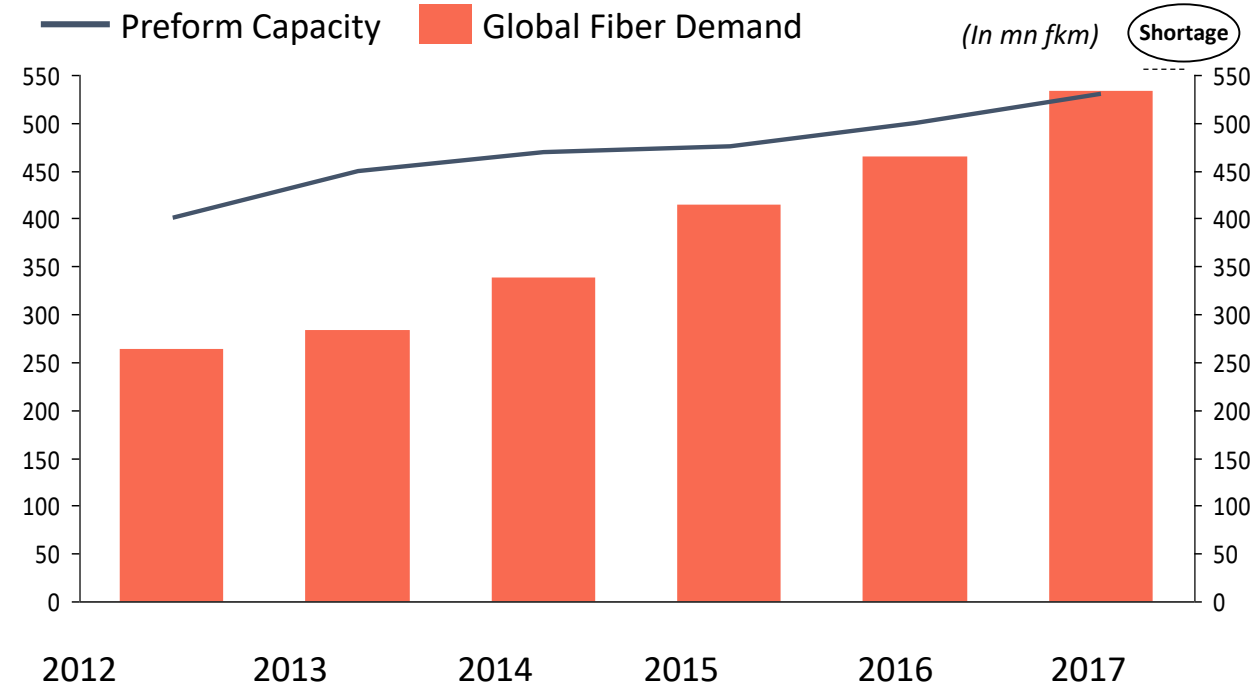
Our Unique Positioning



Decoding: Global Fiber Value Chain

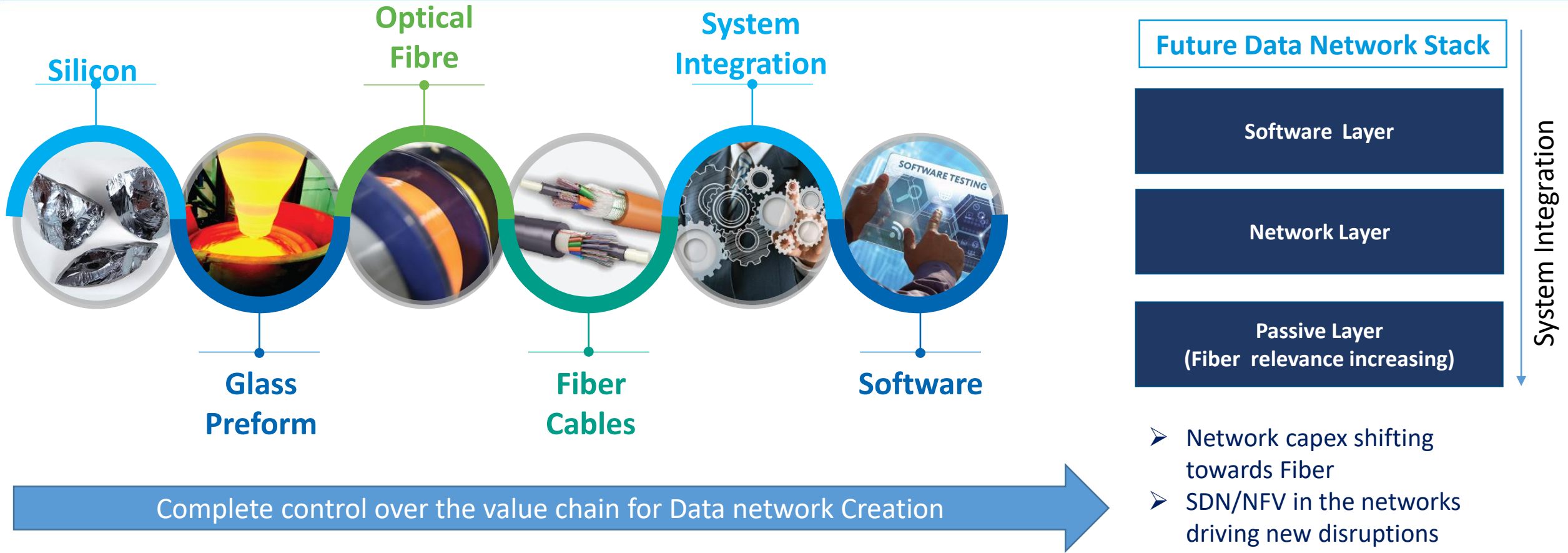


- Sterlite amongst the global few integrated players, with an end to end control over the fiber manufacturing value chain
- Global capacities, with lean cost structures, translating to Industry best margin profile
- Amongst the global few, STL is most backward integrated in fiber manufacturing value chain



- Due to structural changes in the Network Topology for 5G networks, fiber is in high demand
- We expect global demand – supply mismatch to remain elevated in CY 2018

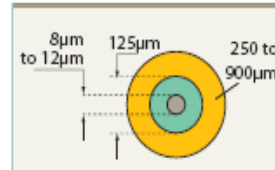
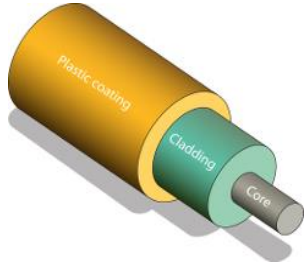
End to End Capability to Deliver future Data Network Needs



- ✓ Only company in the world to have the integrated Silicon to Software capability, critical for tomorrow's data networks
- ✓ Well positioned to integrate all elements of future data network stack through our System Integration capability

With Technology at the Core of Our Offerings

Optical Fiber is a very specialized Technology Product



Highly interdisciplinary technologies



Center of Excellence, Aurangabad

- Glass Science
- Chemical Engineering
- Fluid Mechanics
- Large scale Automation
- Precision Measurements
- Wave Optics
- High Temp processing ~ 2000 C

- 8 of the global top 10 telecom operators use Sterlite's innovative solutions
- 189 Patents on processes and new products
- Sterlite's fiber enabled smarter broadband networks are in some of the world's toughest terrains, including in Iceland and in the Amazonian rain forests

Network Design at the Core of our System Integration Capabilities



Center for Smarter Networks, Gurgaon



Sterlite Tech Academy

- One of its kind Network Lab for design of data networks
- Building an secure intrusion proof optical network of 10000 km in one of the world's toughest terrain
- Successfully deployed India's first live Smart city in Gandhinagar

Business Highlights





Execution Update- Products

- Accelerated expansion of greenfield fiber capacity in Aurangabad, with Phase-1 coming on board by end of CY 18
- OFC capacity utilization reached north of 70% in FY 18



Customer Engagement

- Long term service agreement with a major UK based operator and partners in Europe to help Europe achieve Europe's Gigabit society goals
- Order book at all-time high



Execution Update- Services

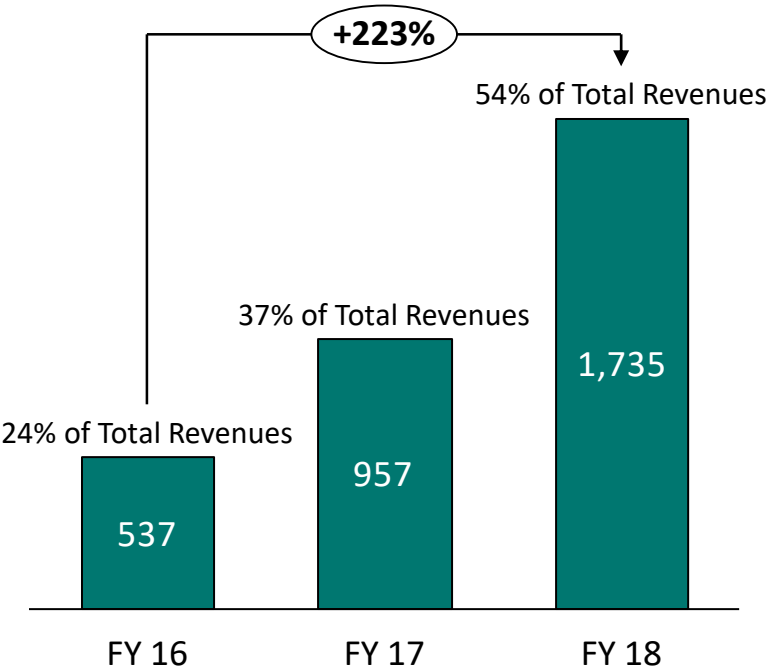
- Won a Rs 3500-crore Advance Purchase Order to design, build and manage the Indian Navy's communications network
- The Company continued its focus on BharatNet and Smart Cities. Kakinada Smart City Project nearing completion



Execution Update- Software

- Won end-to-end OSS/BSS deal with India's leading MSO offering cable television and broadband services to 8 million households
- Won the Enterprise Wi-Fi deal with one of the leading operators in India allowing the operator to expand Wi-Fi service offerings

Growing International Presence with Tier-1 CSP's

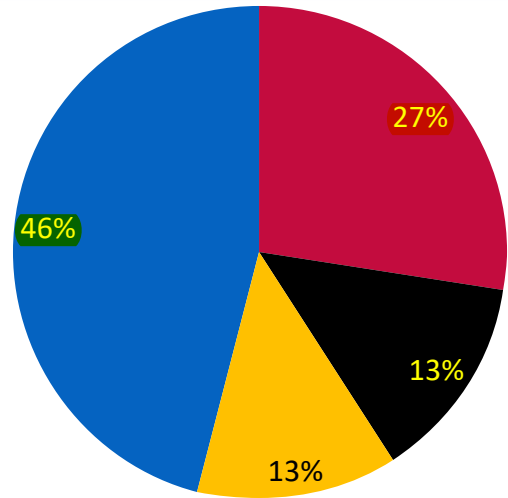


Revenue from exports (INR Cr.)

- Deepening European market presence with new additions of long term strategic customers & strong growth in all the aligned sales geographies
- Balanced geo mix with equal contribution from exports and domestic markets

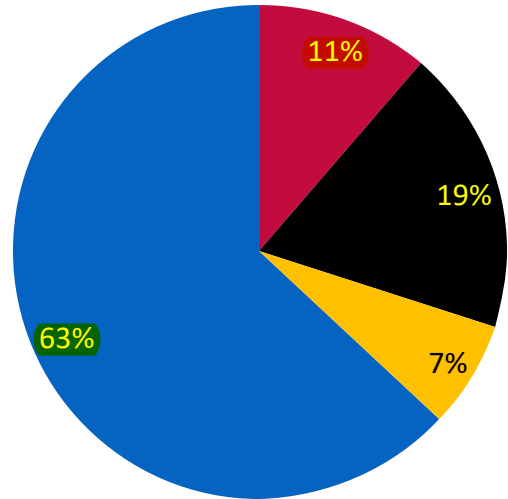
Global Revenue Mix

FY18



Sterlite's fiber reaches more than 100+ countries

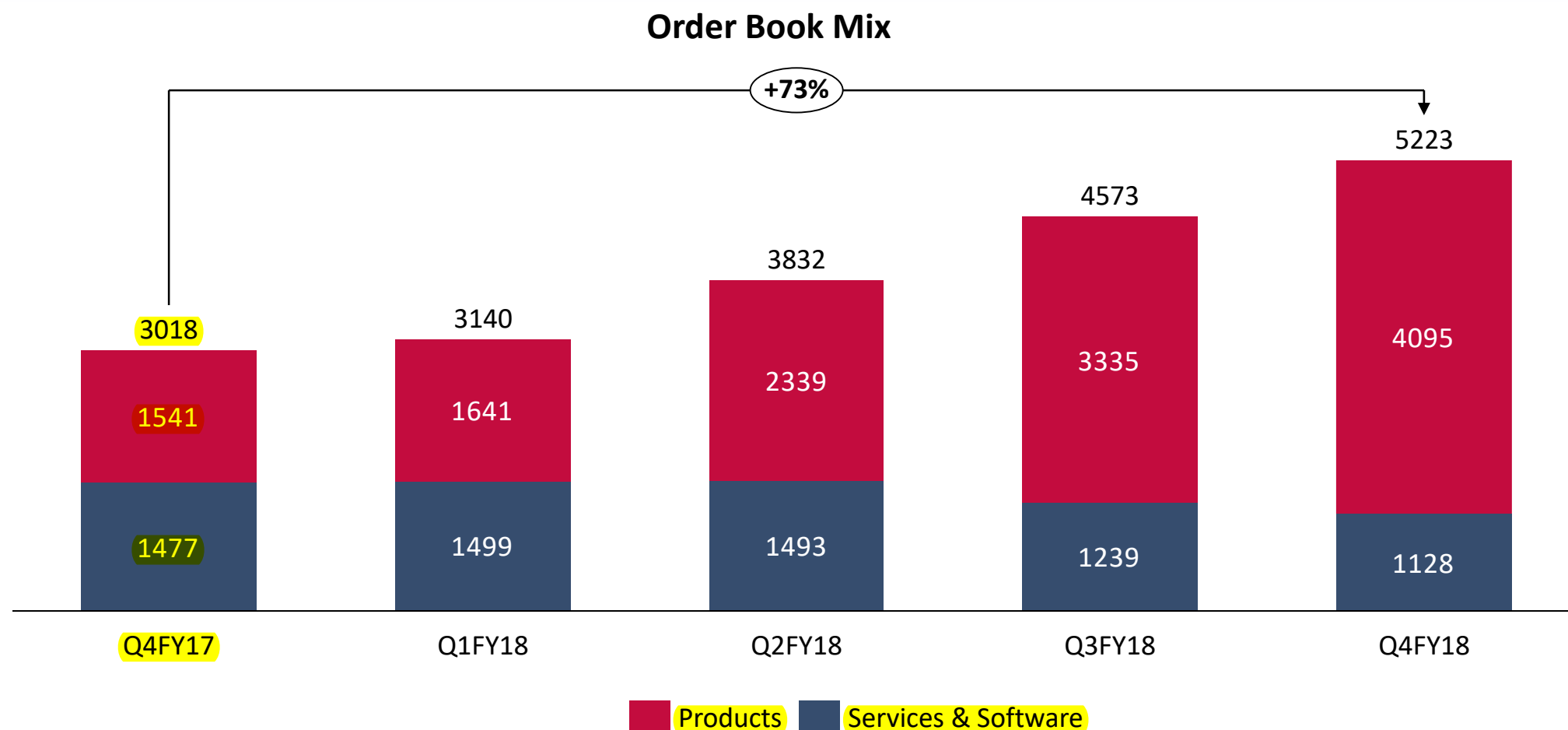
FY17



India Europe China RoW

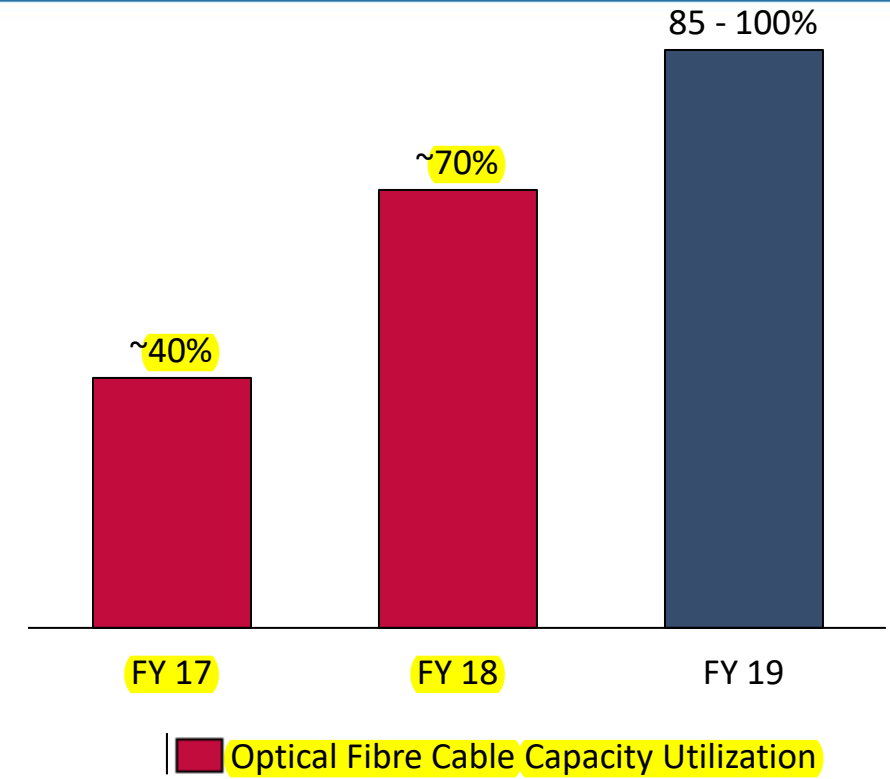
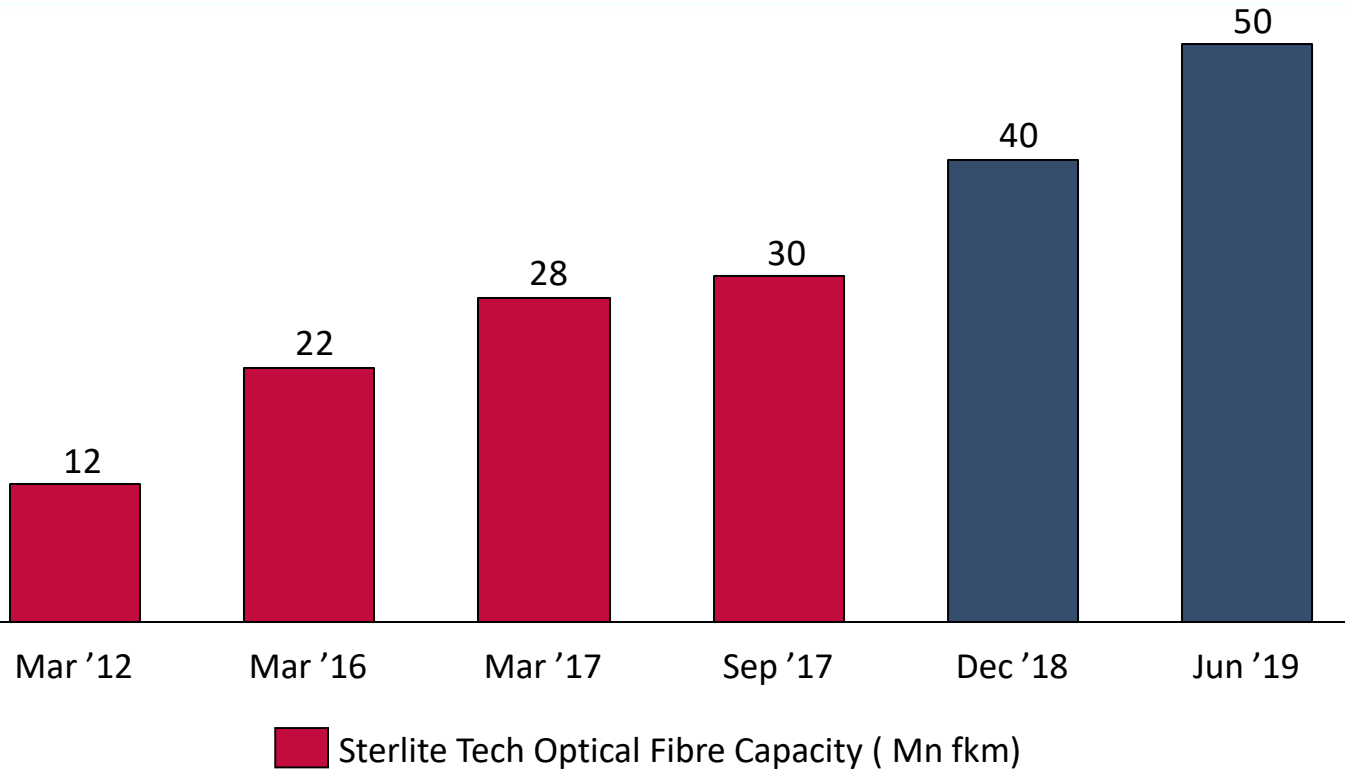
*Rest-of-the-World majorly constitutes of Americas and MEA

Strong sales outlook riding on growing order book



- Start FY 19 with all time high order book of Rs. 5,223 cr (reflecting ~1.6x of the FY 18 revenues)
- Over 73% YoY increase in open order book

Accelerating the capacity expansion and utilization

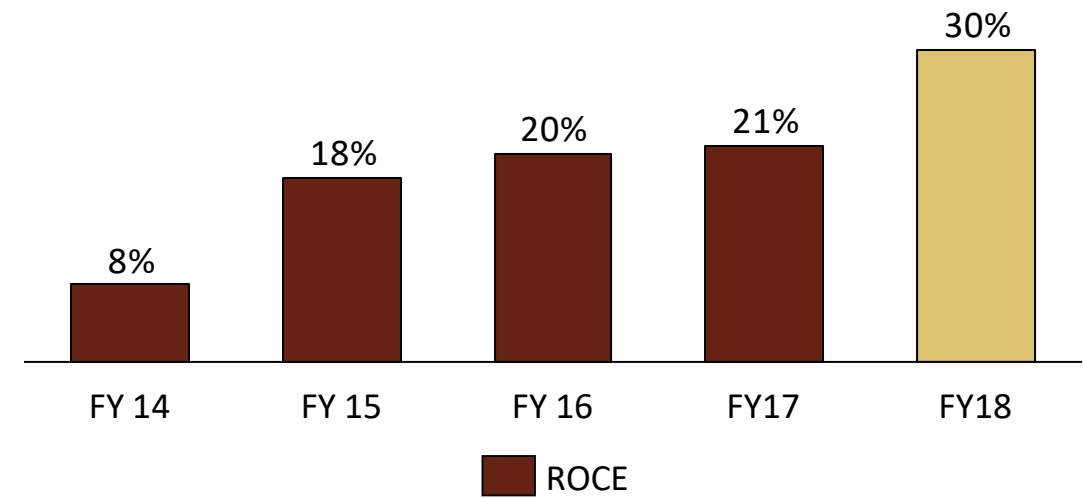
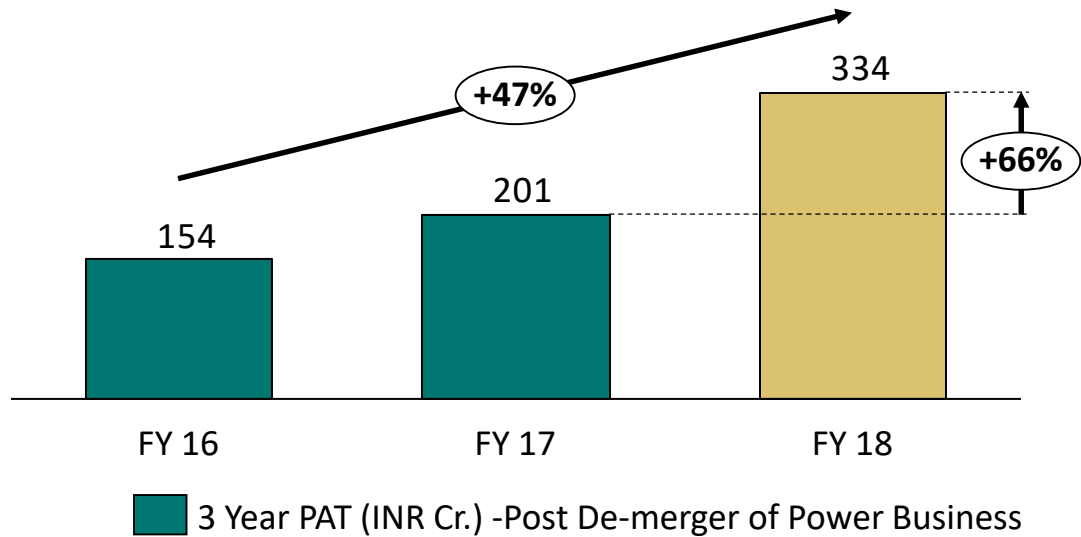
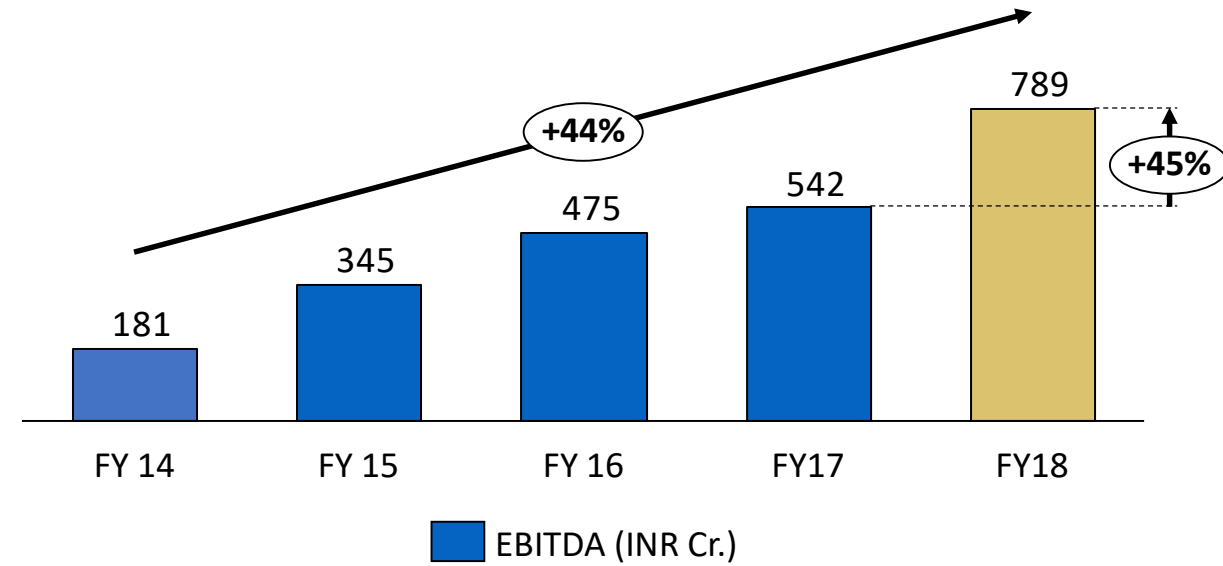
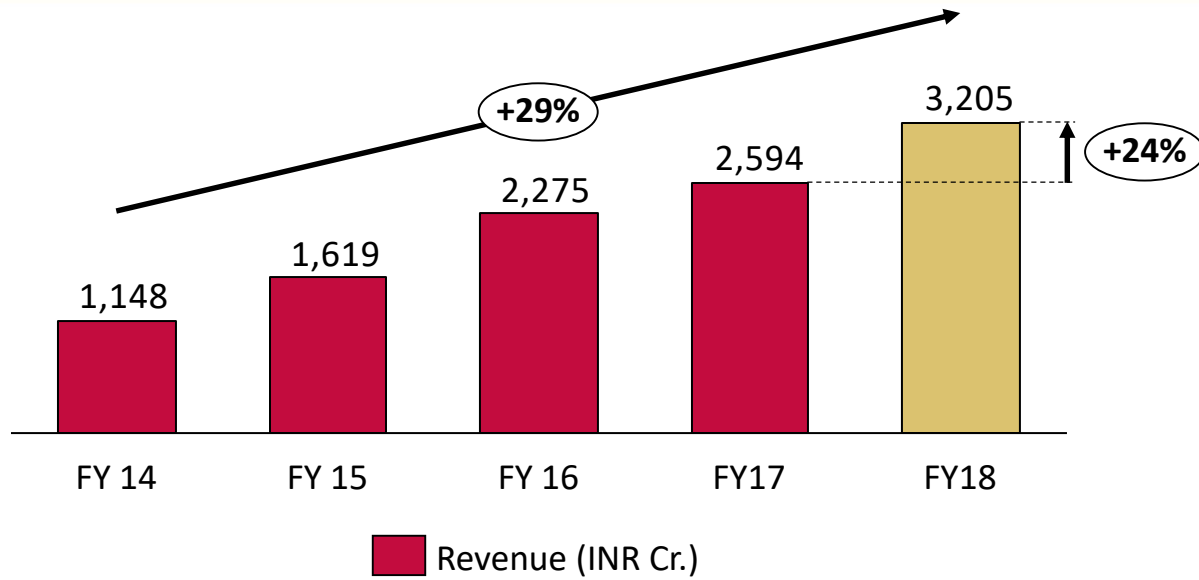


- Integrated plant project progressing well to achieve phased capacity ramp-up (CY 18 exit capacity- 40 Mn fkm, June '19 – full capacity of 50 mn fkm)
- FY 18 cabling volumes reflecting a strong upward trend, utilization levels to reach ~ 85-100% by FY19

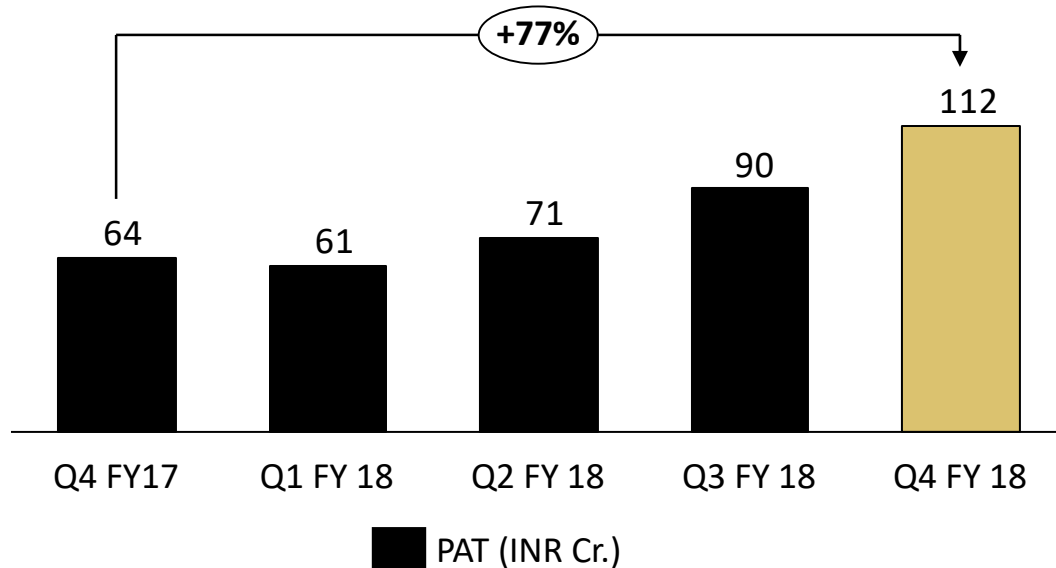
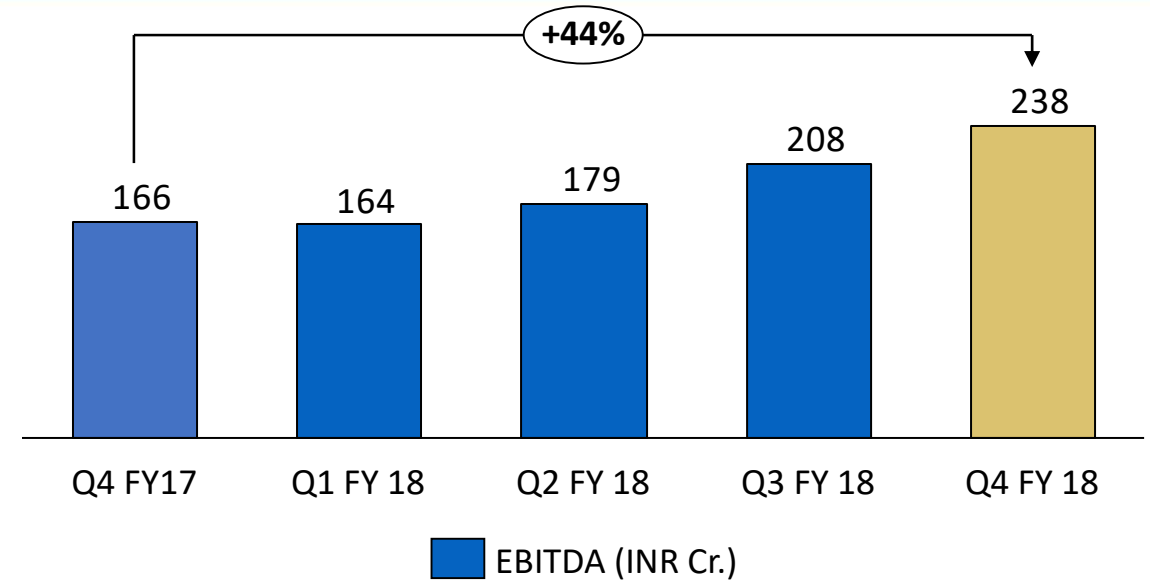
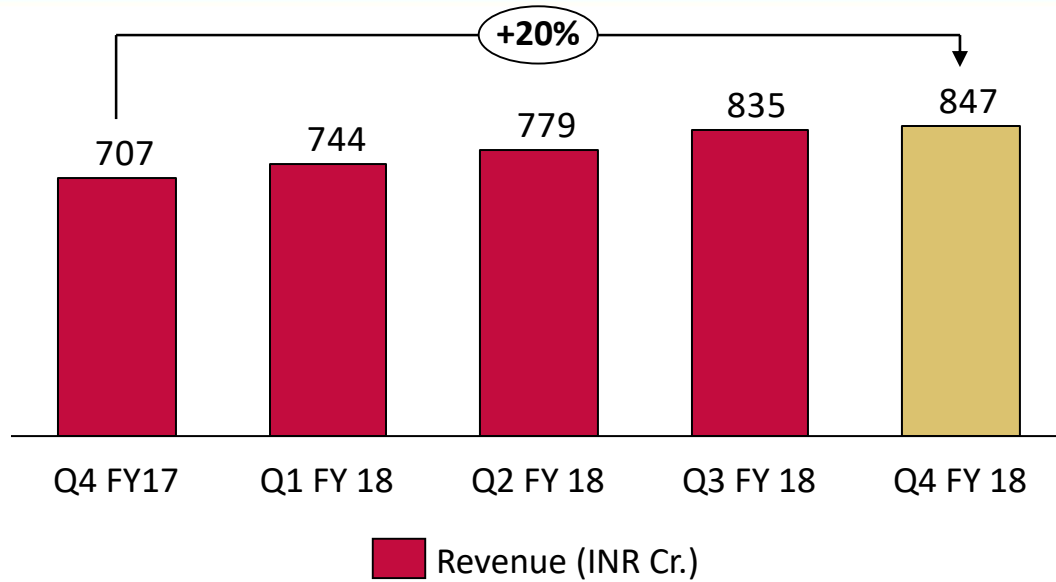
Financial Performance



Demonstrated Value Compounding

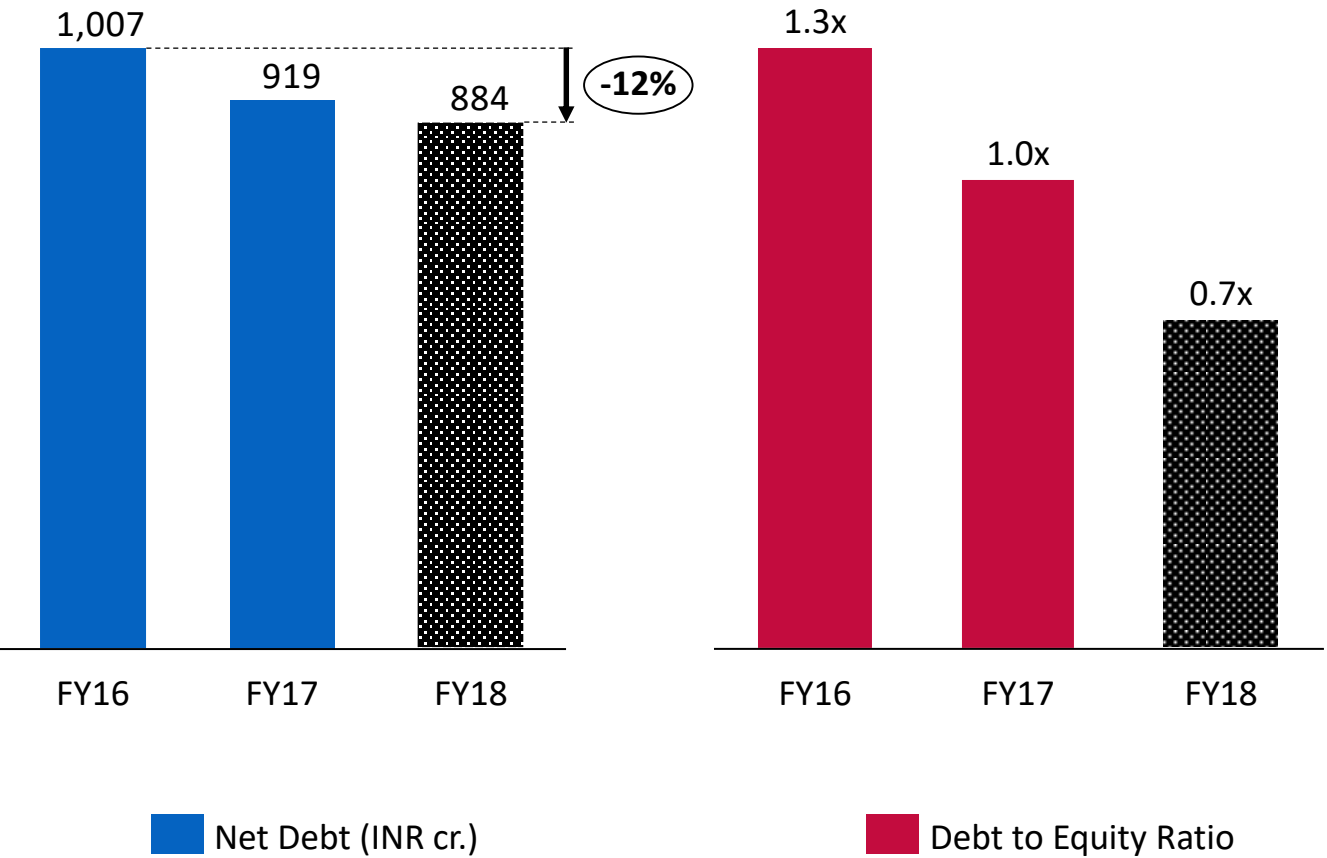


Demonstrated growth on QoQ basis



- Highest ever PAT of 112 cr in Q4,FY18 (77% y-o-y growth)
- On course to achieve \$100 Mn PAT (Net Income), strategic plan by FY20

Strong Balance Sheet Supported by Healthy Cash generation



Cash flow (Cr.)	FY18
Cash Profit (After Tax)	552
Operating Cash Flow	604
Capex	525
Net Cash flow	79

Financial Performance: Income Statement & Balance Sheet

P&L (Cr.)	FY17	FY18
Revenue	2,594	3,205
EBIDTA	542	789
<i>EBITDA %</i>	<i>21%</i>	<i>25%</i>
Depreciation	159	182
EBIT	383	606
<i>EBIT %</i>	<i>15%</i>	<i>19%</i>
Interest	123	104
PBT	260	503
Tax	40	133
Net Income (After Minority Interest)	201	334
<i>ROCE %</i>	<i>21%</i>	<i>30%</i>

Balance sheet (Cr.)	As on 31 st Mar, 2017	As on 31 st Mar, 2018
Net Worth	925	1,257
Net Debt	919	884
Total	1,844	2,141
Fixed Assets	1,238	1,586
Net Working Capital	606	555
Total	1,844	2,141

Levers of ex Growth

A

*Multiplier of Global
Fiber Demand
Led by 5G*

B

*Latent India Demand
for Product and
Services*

C

*Strong Execution;
Capability & Market
Access Drivers*

*Simplified Business
Model
with predictable
Outcome
& ex
Growth*

Thank You

