



NXTDIGITAL Limited

Performance Update & Vision

30th September 2020
Version 1.0



HINDUJA GROUP

NXTDIGITAL: India's premier integrated digital distribution platform



Delivering services through multiple avenues

Digital Content Delivery

25-year legacy of delivering digital content services via HITS and Cable TV as a Multi Systems Operator (MSO)

700+ TV services across India through HITS

730+ TV services in 100+ key cities through Cable TV

Total Subscriber base of > 5.23mn on HITS and CATV

Managed Services

Only platform to offer Managed Services to other MSOs and LCOs nationwide

>5.16 mn subscribers under executed managed services contracts – onboarding commenced

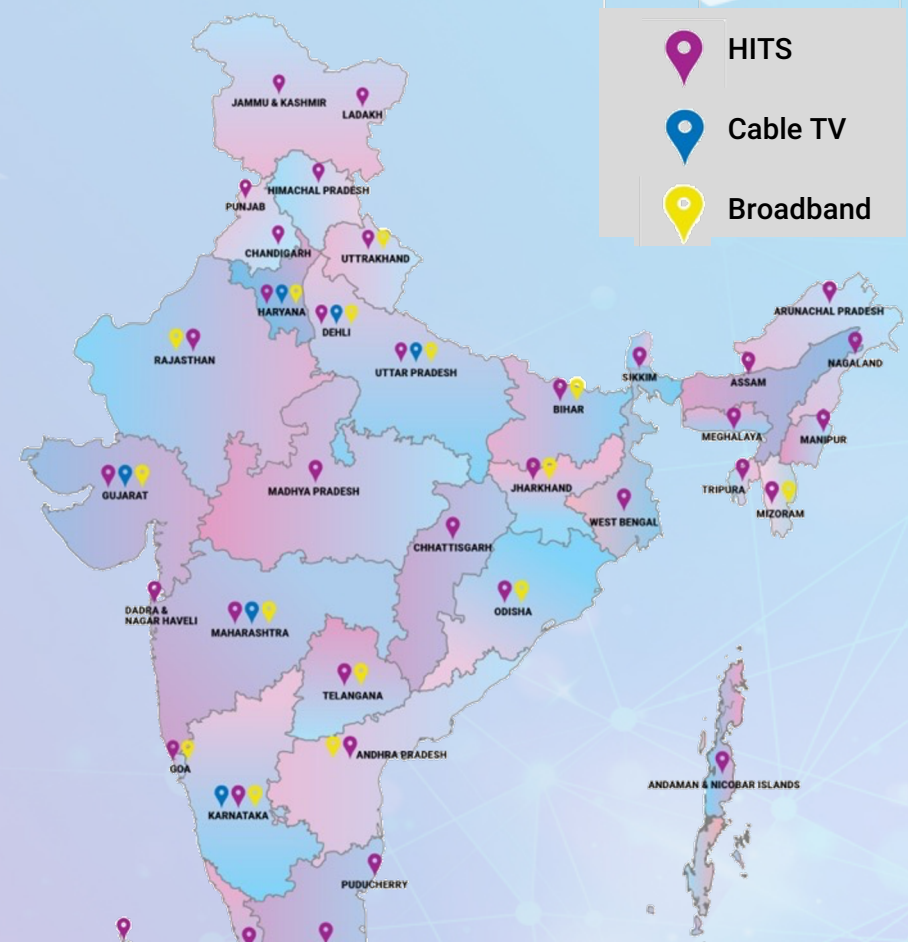
E2E technology Infrastructure provided to MSO customers leveraging HITS

Broadband Services

>5,000 kms of Underground & Overhead optical fibre networks delivering high speed internet and FTTH

Broadband subscriber base of >350,000 users

~70,000 Buildings Ready for Installation



>60% subscribers from fast growing segments of semi-urban and rural India

Presence in over 1,500 cities and towns across India with >30,000 feet-on-street



Sustainable and growth-oriented business model in play

Only Multi-System Operator in the country with a **"pre-paid" base of over 99.5%**

Only dual service with a **HITS platform** in Asia

Delivering **maximum number of TV channels** across cable & satellite

Delivering services pan-India to over 1,500 locations **> 50% districts**

Network of **over 9,000 franchisees** across the country

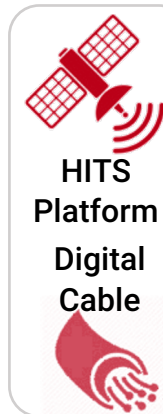
Sophisticated broadcasting centre in Noida & data centre in Mumbai

85% of LCOs collecting from customers **through digital means**

>70% of subscriber base of 5.23mn estimated to use **digital payment**

Focus on KPIs like On-Time & Same-Month Renewal, churn etc.

Digital Content Delivery



Managed Services



Leveraging same infrastructure

Broadband Services



High cross-selling potential

Only platform to offer **"Managed Services"** to other MSOs & LCOs, pan-India

Existing contracts for **~5.16mn customers** pending execution

No additional technology or capacity required for subscriber addition

Will help regional and independent **MSOs sustain and grow**

Leverage **existing CATV customers** for increasing subscriber base

~70,000 buildings ready for installation

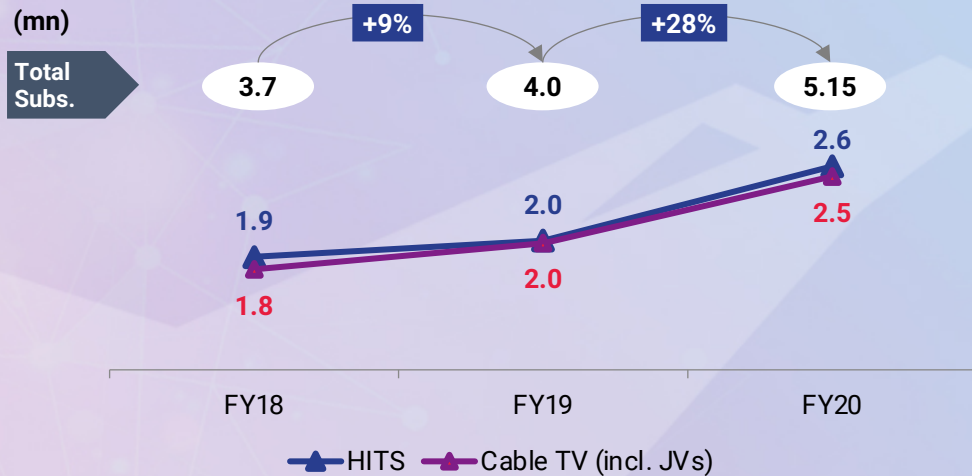
>350,000 subscribers and a steady growing base under the flagship **One GigaFiber**

Well laid out business model with sizeable addressable market and high operational leverage

Strong operating metrics leading to robust financial turnaround in FY20 (1/2)

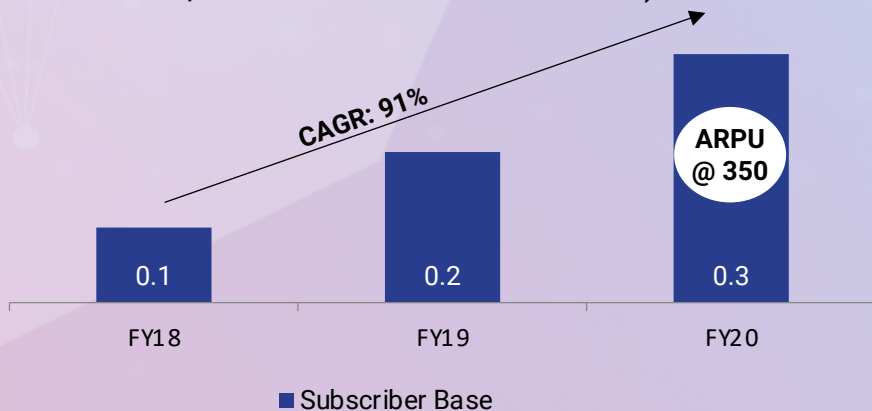


Subscriber Base – Digital Content Delivery

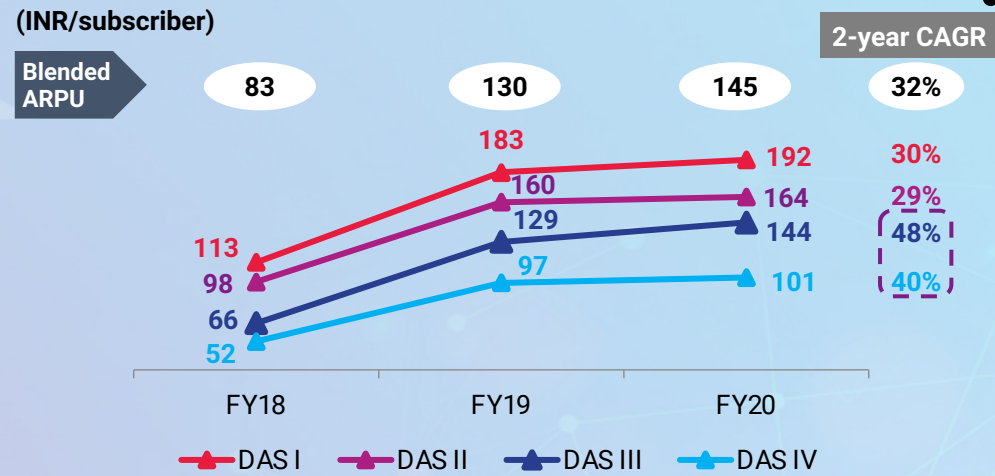


Broadband Services

(Subscriber base in mn; Blended exit ARPU in INR/Subscriber)

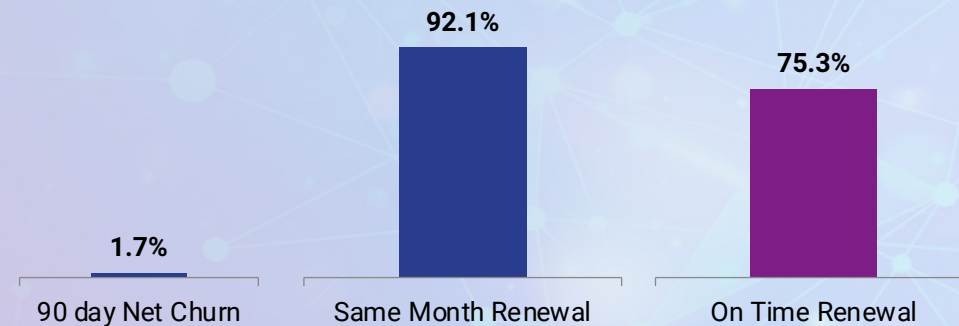


Exit ARPU – Digital Content Delivery



Key Subscriber Metrics

(Exit point data – FY20, %)



Focused on key performance indices to set the tone for a turnaround



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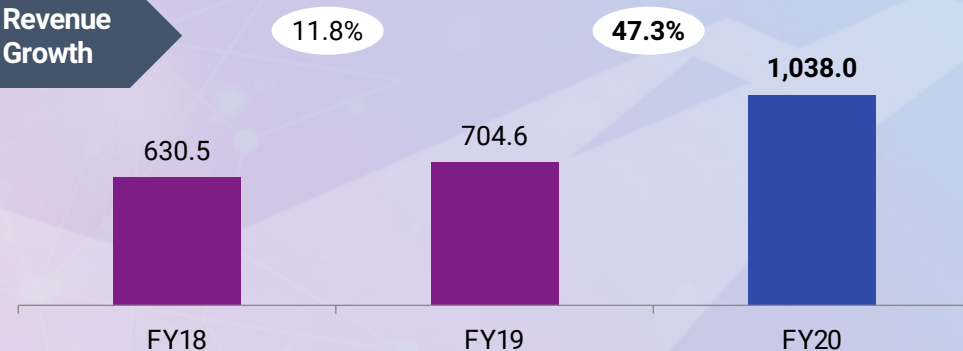
Strong operating metrics leading to robust financial turnaround in FY20 (2/2)



Operating Revenue

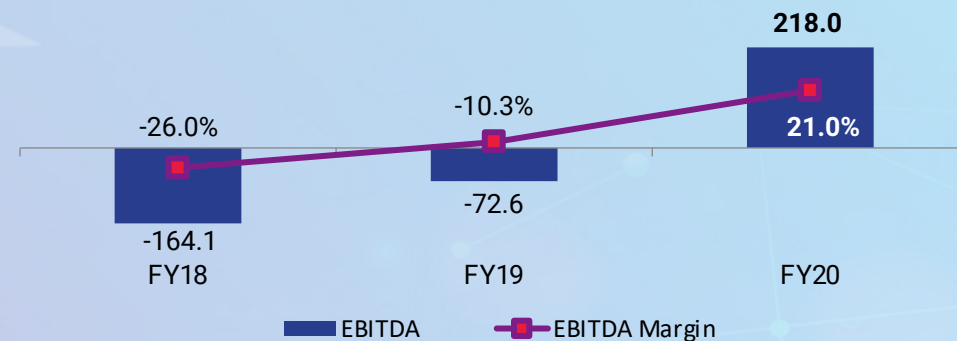
(INR Cr)

Revenue Growth



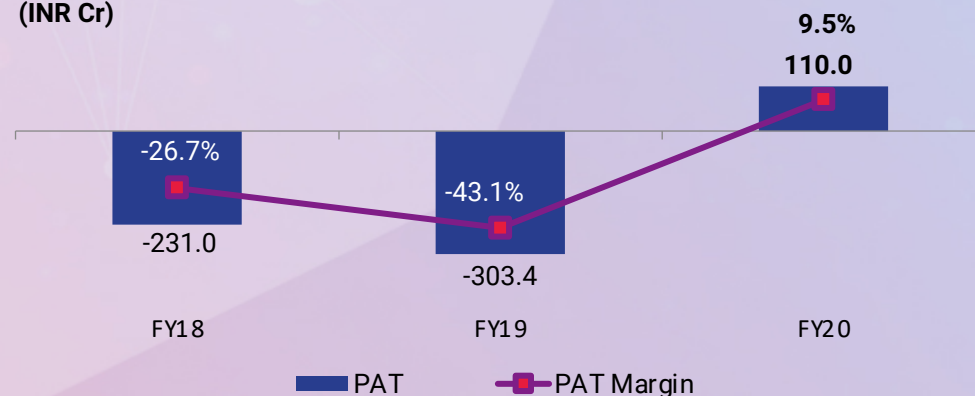
EBITDA

(INR Cr)



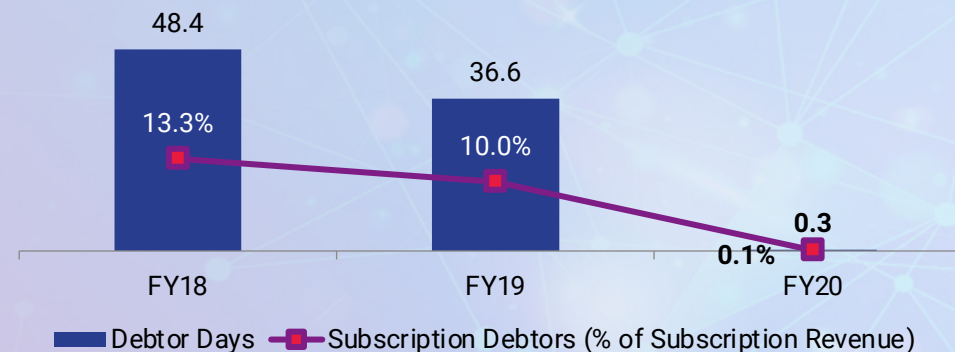
PAT

(INR Cr)



Subscriber Debtor Days

(Average Subscriber Debtor Days)



Successfully managed to turnaround the business through key sustainable initiatives and the stimulus of NTO 1.0



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The Indian Media & Entertainment (M&E) industry has been impacted significantly by the Covid-19 pandemic in Q1

THE ECONOMIC TIMES

Media, entertainment sector revenue could take 16 pc hit in FY21: Crisil

"The ongoing economic slowdown, made worse by the COVID-19 pandemic, is set to cull Indian media and [entertainment industry](#)'s revenue by 16 per cent - or Rs 25,000 crore - to Rs 1.3 lakh crore this fiscal," it said.



The industry would take a hit of around 18 per cent in revenue from advertisement that accounts for nearly 45 per cent of total income, while the subscription earning that

contributes 55 per cent will be relatively resilient with a likely decline of 14 per cent, Crisil said in a report.

moneycontrol

Be a Pro

All work, no pay: Cable TV industry struggles to keep head above water

The sector has been working against the tide to keep locked down citizens well-informed and well-entertained during the pandemic. With payment collections down 84 percent and consumers turning more value-conscious, the industry is fighting a tough battle.

Even as cable operators keep their masts flying high, however, their coffers have been running dry. The report states collections are down 84 percent and the sale of new set-top boxes has fallen 75 percent. That's hardly surprising.

With the country under lockdown, collections have suffered as housing societies ban outside members, including Local Cable Operator (LCO) agents, from entering their premises. Even with the introduction of digital modes of payment, only 50 percent payment is being received month on

FINANCIAL EXPRESS
Read to Lead

77% of cable TV operators expect a decline in revenue in 2020-2021: INTIN Study

Post lockdown, the study reveals, 77% multiple system operators (MSOs) expect a decline in revenue in 2020-2021. Out of this, 32% of MSO expect the drop to be greater than 25%.

Operators expect a decrease in revenues due to reduction in ARPU as subscribers will try to go to cheaper packs. In order to halt this, broadcasters-cable operators should together/alone launch "targeted consumer offers" using trackable technology.

According to the report, 41% of operators reported that their subscribers deleted channels from packages while 46% operators saw no change. Out of this, demand for news

THE ECONOMIC TIMES

Tata Sky to switch off channels to cut monthly bills for 7 million subscribers

ThePrint
ThePrint Logo

Not just AXN & Dilli Aaj Tak, 40 more channels could shut down, TV industry fears

ET
BRANDEQUITY.com
From The Economic Times

Coronavirus impact: Events, entertainment industry says Covid-19 hit 60 million livelihoods

BUSINESS INSIDER
INDIA

Home > Business > News > Cable TV Operators' Revenue Hit During Lockdown

Cable TV operators' revenue hit during lockdown

Business Today
Tuesday, September 1, 2020 | Updated 18:37 IST

Coronavirus crisis: Why television industry is bleeding despite record consumption

Against the challenges, NXTDIGITAL has continued to grow its business through innovative strategies whilst ensuring safety of all staff, franchisees & subscribers

1

Accelerated “digital payment” adoption for subscribers

Focused on helping franchisees (Local Cable Operators or LCOs) go “digital” i.e. **collecting subscription through on-line methods.**

Partnered with EASEBUZZ (a digital payments mechanism) **even before lock-down to support “contactless” subscription renewals between subscribers and franchisees.** The service facilitates payments through Netbanking, Credit & Debit Cards, Google Pay, PayTM, UPI and other wallet mechanisms.

Conducted online workshops for LCOs across India - to **educate/support transitioning to digital collections.**

Current LCO “digital payment from customer” **base is ~85%** and estimates indicate **collection through digital media @ >70% of subscriber base.**

Focused on converting **Direct Point** customers to contactless renewals. **Digital payments now >95%.**

Engaged LAZYPAY to **support customers seeking short-term credit** for renewals

2

Content Innovation & Credit-risk mitigation

Innovation in packaging to mitigate demands for “post-paid” and/or “credit periods”; whilst **ensuring customer access to quality content at low costs**

Launched lo-risk credit-based “Vishesh Manoranjan Pack” and free “Infopack”

Developed “discounted” **Long Duration Recharge** offers for popular packs

Dear INDIGITAL partners,
In light of the government's decision to extend the nation wide lockdown, we are happy to announce the extension of our super hit Vishesh Manoranjan Pack!

VISHESH MANORANJAN PACK

PAY ONLY ₹ 39/- AND ENJOY UP TO 425 CHANNELS

Activate now. Payment deadline has been extended to 5th May 2020

THE PACKAGE INCLUDES:

- Up to 30 NXT VAS channels • STAR UTSAV • SONY PAL
- ZEE ANMOL • COLORS RISHTY • BBC • CBEBIES
- STAR MOVIES • HUNGAMA • FREE TO AIR (FTA) channels

As we enter the next phase of the lockdown, please **DO NOT DISCONNECT** subscribers for non-payments. Instead please provide them with our **INFOPACK**, available at **ZERO COST**, which has the Doordarshan channels.

For further details please contact your local INDIGITAL executive or visit our portal.

Dear INDIGITAL partners,
Now, subscribe to **SUPER ENTERTAINMENT DHAMAKA PACK** for 3 MONTHS and avail our **SPECIAL PRICE** offer!

SUPER ENTERTAINMENT DHAMAKA PACK

LANGUAGE	CURRENT LCO PORTAL PRICE PER MONTH	NEW DISCOUNTED LCO PORTAL PRICE FOR 3 MONTHS	EFFECTIVE NEW LCO PORTAL PRICE PER MONTH
MARATHI	₹ 221.52	₹ 598.09	₹ 199.36
HINDI	₹ 224.71	₹ 606.69	₹ 202.23
GUJARATI	₹ 225.50	₹ 608.84	₹ 202.95
KANNADA	₹ 224.71	₹ 606.71	₹ 202.24

Note: The prices mentioned in the above table includes the Foundation Pack and GST

LIMITED PERIOD OFFER! SUBSCRIBE NOW!

Please **DO NOT DISCONNECT** subscribers for non-payments. Instead, please provide them with our **INFOPACK**, available at **ZERO COST**, which has the Doordarshan channels.

For further details please contact your local INDIGITAL executive or visit our portal.

3

Implementation of a “Business Continuity Plan”

Ensured **implementation of “Business Continuity Plan” framework** across all functions and hierarchies

Implemented L3 processes to keep the **technical facilities and technical functions operational 24x7**

Re-assigned resources to LCO & customer-facing functions

Set up field & function reporting & monitoring to **ensure minimal complacency** – as well as take corrective action/measures.

Developing **contactless technical support** to **ensure safety of stakeholders**

State-of-Play Q1FY21 | NXTDIGITAL Limited



NXTDIGITAL rolled out a slew of initiatives for both, franchisees (LCOs) and subscribers – to add value during the challenges of the lockdown

COLLECT SUBSCRIPTION AMOUNT USING EASEBUZZ AND ENJOY ATTRACTIVE CASHBACK!!

Do not worry about the lockdown period. Continue using Easebuzz to collect payments, directly into your account through just a SMS link.

COLLECTION TIME PERIOD (through Easebuzz)	CASHBACK OFFER
APRIL 25 th TO MAY 31 st	₹ 5 per subscriber
JUNE 1 st TO JUNE 30 th	₹ 4 per subscriber
JULY 1 st TO JULY 31 st	₹ 3 per subscriber

Subscribers can make online payment through Net Banking, Credit/Debit Card, UPI/BHIM, Paytm, Google Pay etc.

FOR FURTHER DETAILS PLEASE CALL, INDIGITAL: 1860-212-0406 AND NXTDIGITAL: 1860-212-0406. EMAIL: IC-CARE@NXTDIGITAL.IN

Is your site monsoon ready?

We have enclosed a **Monsoon Readiness Guide** to update you about preventive maintenance before the monsoon.

For any query/explanation/details contact your local INDIGITAL executive

OR, WHATSAPP: +91 73045 74082
OR, EMAIL: techhelpdesk@nxtdigital.in

Stay monsoon ready. The time to take precautions is now!

Dear INDIGITAL Partners, As the monsoon arrives, it is important that you start preparing your Point of Distribution for its safety during this season. Hence we have put together a checklist for you and your site to be monsoon ready!

PREVENTIVE MAINTENANCE GUIDELINES BEFORE MONSOON

- Make sure that the amplifiers and nodes installed are enclosed and the equipment is protected from any water seepage, either from the roof or from the floor.
- Use waterproof seal or insulation tape on all input and output cable connectors for all the amplifiers and nodes installed in an open space.
- Periodic maintenance of connectors is required to ensure no water/rain is built-up which can adversely affect signal. Use WD 40 or similar anti-rust agent spray to easily keep connectors, screws, nuts and bolts in rust free condition on the nodes. Ensure all fused connectors are replaced.

Please contact your local INDIGITAL executive for further details

NXT UDAAN FIRST EDITION

New Launches
Key Business Developments
LCO Corner
Innovations

About NXTUDAAN

Inside the Issue Page No.

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Editor: Pooja Purohit
Editorial team: Shikha de Souza, Alpana Rameshwar, Divya Murthy

BRINGING HOME THE BEST OF EDUCATIONAL CHANNELS FOR YOUR KIDS!

Your kids can learn a lot more in a fun and engaging way through our 3 new channels, at **ZERO COST, AVAILABLE NOW!**

- KISHORE MANCH:** A 24 x 7 education channel of NCERT for classes IX - XI students
- PANINI:** A channel for Indian Culture and Heritage, Science & Technology, Music & Painting, Economics & Business studies
- SHARDA:** An education channel which provides courses for Sr. Secondary level, class 11th & 12th

STAY HOME, STAY SAFE AND MAKE SURE EDUCATION FOR YOUR KIDS CONTINUES.

RAMADAN SPECIAL PACK

चैनल का नाम	चैनल नं.	चैनल का नाम	चैनल नं.
इब्राहिम टीवी	119	टीवी इरु	418
जी सलाम	417	टीवी कारीम	347
आमली सहरा	986	4 टीवी मयूज	419
चैनल तिम	422	मुस्लिम मयूज	858
मयूज 1.0 इरु	416	लक्की टीवी	994
अल जलील	778		

कीमत : ₹16.95 (टैक्स अतिरिक्त), 23 मई 2020 तक मान्य.

Ramadan Kareem

अधिक जानकारी के लिए, कृपया हमें यहाँ कॉल करें: 1860-212-0400

RECHARGE NOW. PAY LATER!
Only with LazyPay at 0% interest.

PAY FOR YOUR INDIGITAL SUBSCRIPTION WITH EASE:

- Recharge on INDIGITAL with just an OTP
- Pay later at 0% interest
- Clear your dues on LazyPay once every 15 days
- Applicable only for INDIGITAL direct subscribers

ENJOY UPTO 31

AMAZING INDIGITAL VAS CHANNELS!

EXPERIENCE A WIDE VARIETY OF **WHOLESALE ENTERTAINMENT** FOR THE ENTIRE FAMILY WITH INDIGITAL VAS CHANNELS

Stay notified. Stay safe. Protect yourself and your family from COVID-19.

DOWNLOAD NOW **AAROGYA SETU APP**

- Get information about the places with high number of cases in your vicinity
- Get latest updates and precautionary measures required to stay protected.
- Get alerted if you have unknowingly come in contact with an infected person.
- Get instructions on how to isolate yourself in case you develop symptoms.

AVAILABLE ON App Store & Google Play

#NXTDIGITALCARES



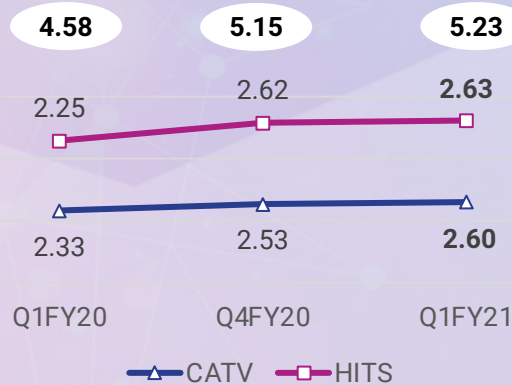
HINDUJA GROUP

Q1 strategy reflected in strong KPIs

The Q1 focus on retention through the initiatives have helped in ring-fencing key metrics like control of churn and maintaining On-Time Renewals

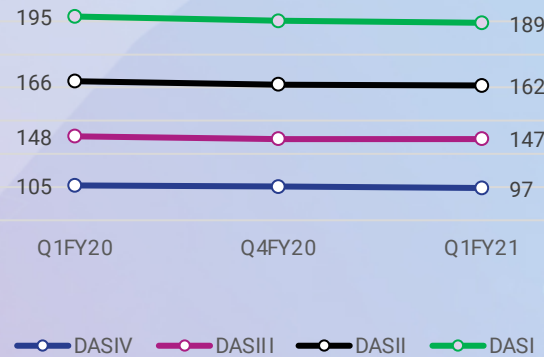
Sub. Base - Digital content delivery

(in millions)



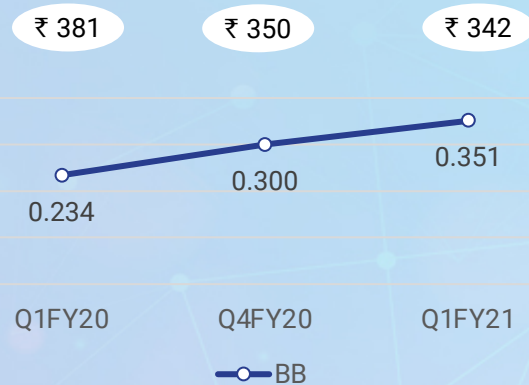
ARPU's- Digital content delivery

(Exit point in ₹)



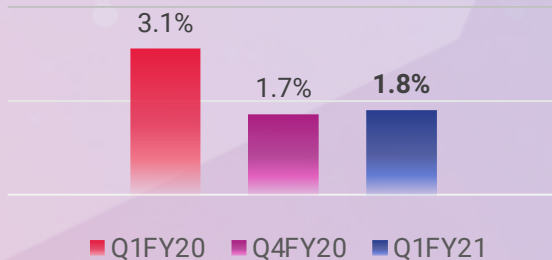
Broadband sub. Base & ARPU

(sub. base in millions & exit ARPU in ₹)



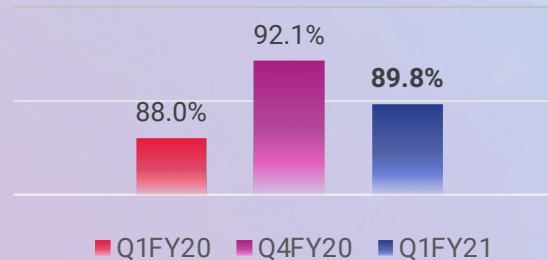
90-day Net Churn

(Exit point data)



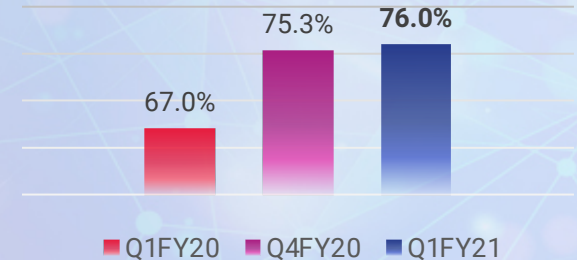
Same Month Renewal

(Exit point data)



On-Time Renewal

(Exit point data)



All key metrics have continued to remain stable or grow through a Covid-impacted quarter

Maintaining a robust performance in Q1

The KPI performance is reflected in another strong quarterly fiscal performance, with a continuing growth in top-line and EBITDA

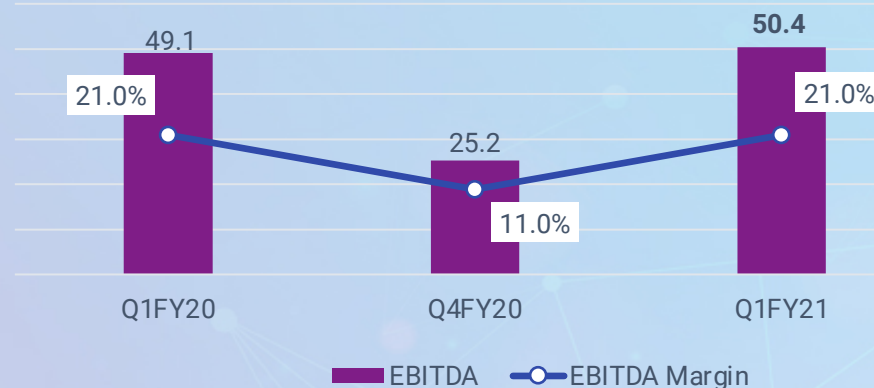
Operating Revenue

(in ₹crs)



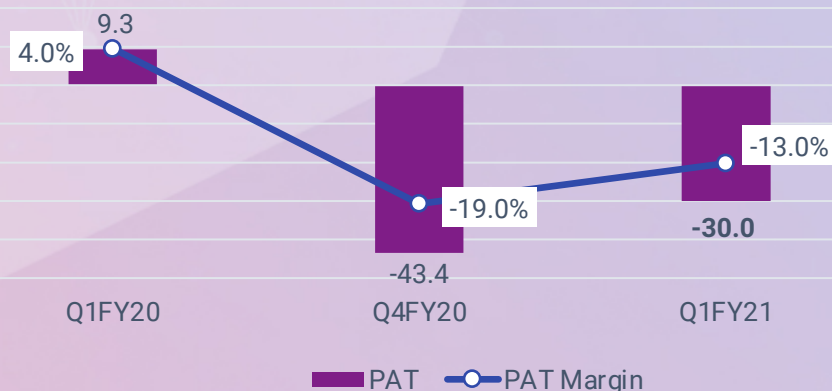
EBITDA

(in ₹crs)



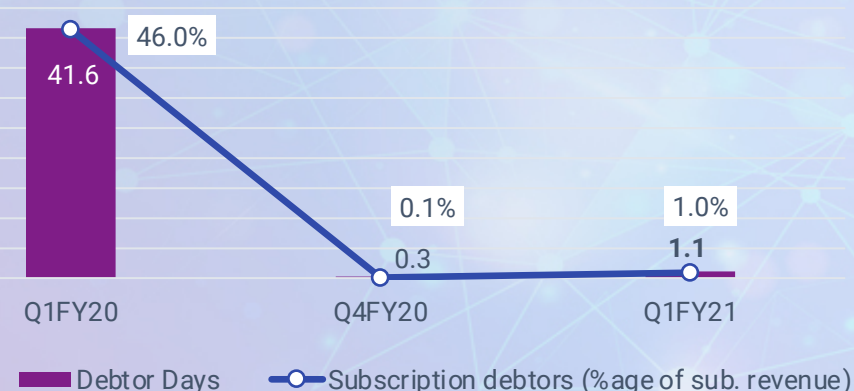
PAT

(in ₹crs)



Subscriber Debtor Days

(Average Subscriber Debtor Days)



Strategy & Outlook | Q2+Q3



NXTDIGITAL is looking to launch new products and solutions to leverage the onset of the festival season and help customers derive maximum value.

The “**NXTGO**” solution is an innovative device that can be plugged into an OTT STB or an Android-based television and provide immediate access to “live” television channels - securely.

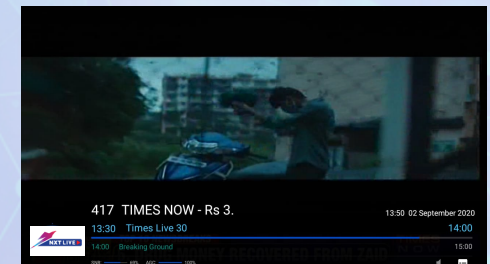
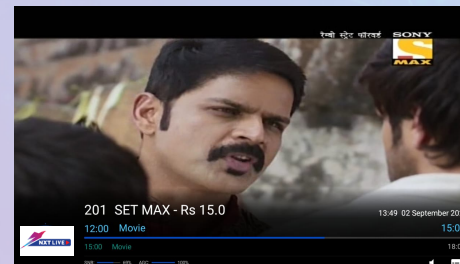
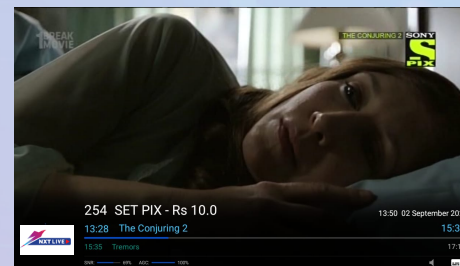
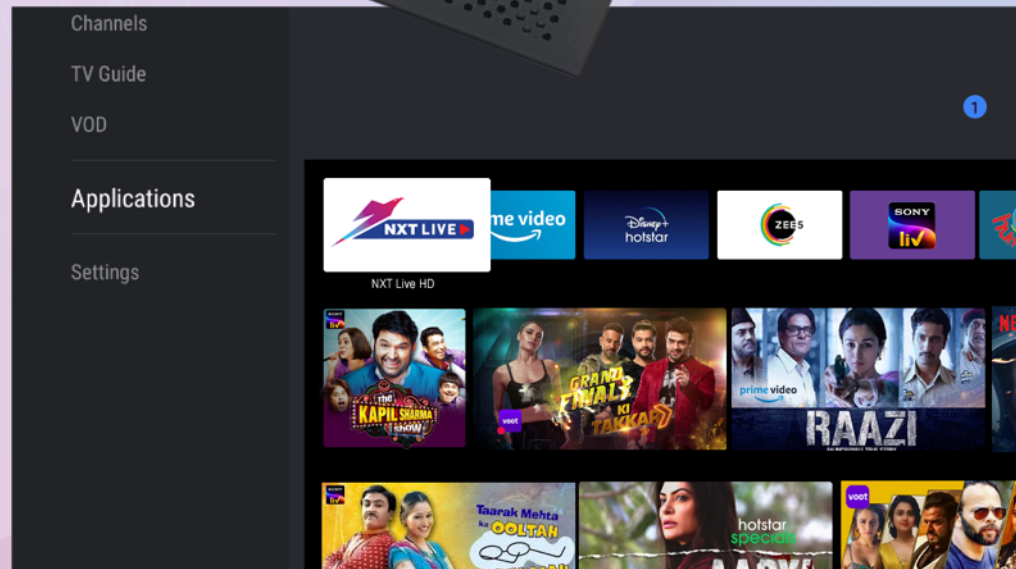


USB powered pay TV dongle to convert an OTT box into Android+DVBc Hybrid STB

USB powered pay TV dongle to convert an Android-based TV into a hybrid TV, able to access “live” TV channels

Customers can select “live” TV packages and access OTT content, seamlessly

The “**NXTLIVE**” app gives instant access to the entire bouquet of TV channels offered by NXTDIGITAL!

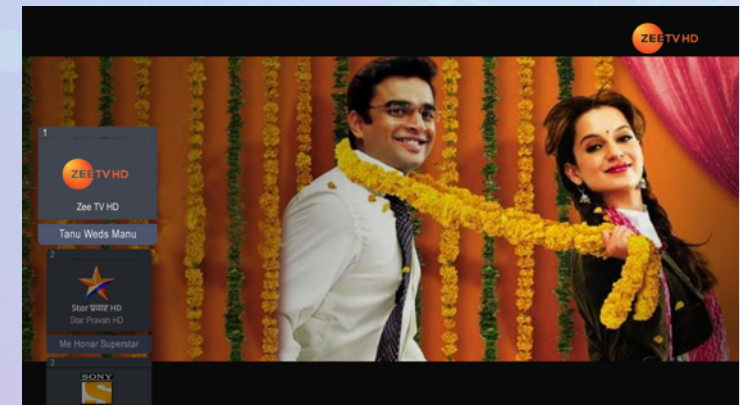
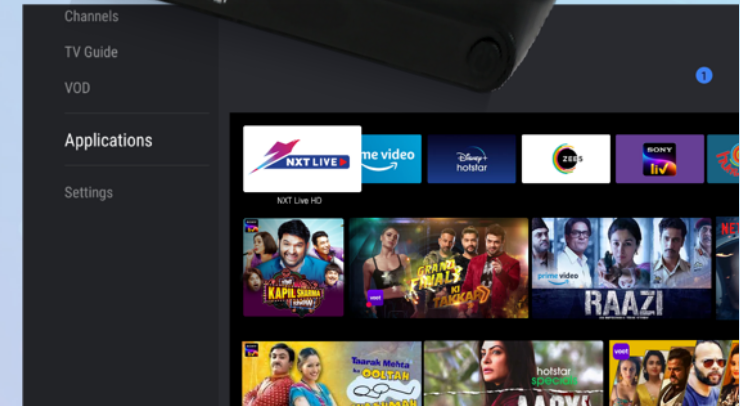
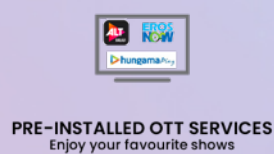
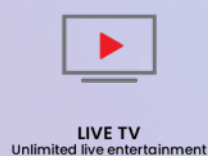


User interface design & graphics/visuals are for illustrative purposes only. Brand names “NXTGO” and “NXTLIVE” are working titles and may be subject to modification.

Turn any TV into a “smart connected” TV with the advanced “**NXTCONNECT**” hybrid Set Top Box!

The “**NXTCONNECT**” STB is a **single device** for accessing “live” television channels, OTT content, social and other apps, games & much more.

NXTCONNECT is a next-generation device serving as a “**central home media hub**”; and provides a high level of sophistication and interactivity for information and entertainment.



User interface design & graphics/visuals are for illustrative purposes only. Brand names “NXTCONNECT” and “NXTLIVE” are working titles and may be subject to modification.

“M-SAATHI”....A Cloud-based mobile app to allow customers to gain easy access to local services in their community, managed by NXTDIGITAL franchisees.

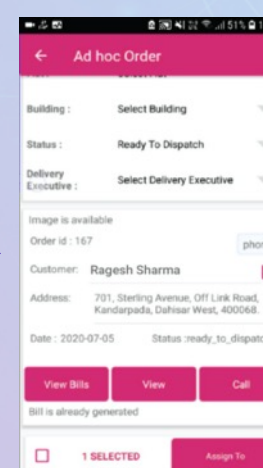
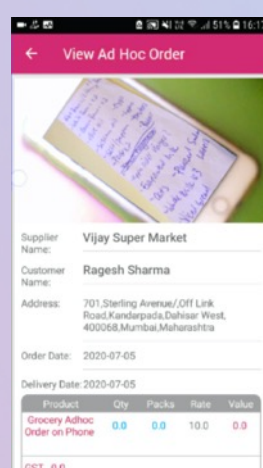
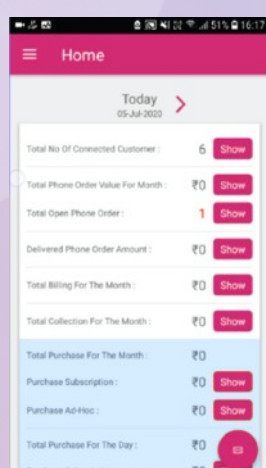
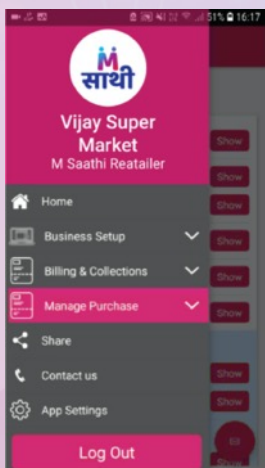
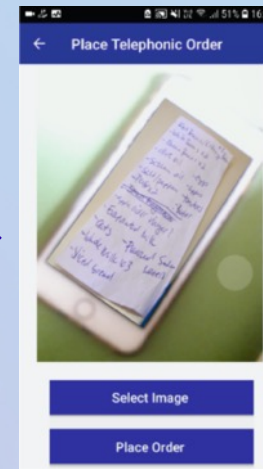
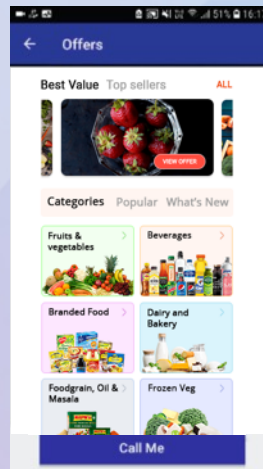
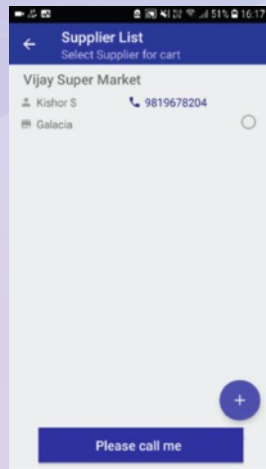
The solution is designed to provide a **new revenue stream for our thousands of franchisees (LCOs)** across India - in line with our Hinduja Group principle of establishing **“partnership for growth”**.

The proposition is to jointly create a **“Neighborhood Marketplace”** enabled by mobile app so that a consumer can access local merchants

The objective is to build a strong ecosystem of local merchants around the LCO – connecting merchants to consumers, seamlessly.

Service will also be used by franchisee for **“contactless”** collection of cable TV or broadband subscriptions; and upselling new products and solutions.

User interface design & graphics/visuals are for illustrative purposes only. Brand names “M-SAATHI” and “NXTLIVE” are working titles and may be subject to modification.



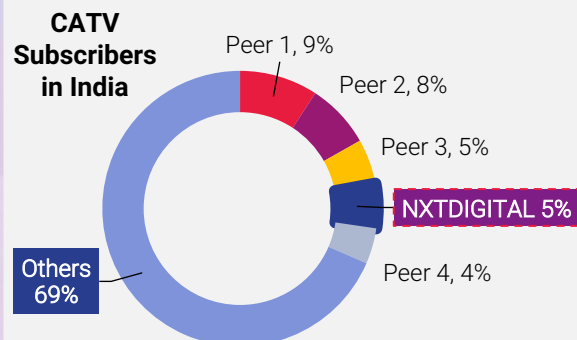
Strategy & Outlook | Vision



Future growth drivers firmly in place

1

Managed Services & Acquisitions



Potential to **offer services to peers** and **emerge as a significant player** basis the unique technology deployed

Fragmented CATV market with **69% of the ~100mn CATV base comprising smaller MSOs** – ranging in size from 50,000 to 250,000; and in exceptional cases up to 1mn

Several MSOs looking to either reduce operating expenses as well as stay relevant in the new digital era; or exit the business

NXTDIGITAL can look to expand its serviced base from >10mn to around 30% of this base, either through managed services or acquisitions; **taking its total serviced subscribers to >30mn**

2

The Digital Boutique



NXTDIGITAL has all the elements for a **pan-India E2E digital play and beyond...**

Captive reach (via CATV & HITS), broadband & FTTH (via OIL) and content (via INE). Further extensive **reach to over 50mn touch points** through group companies

In the emerging digital play, NXT will look to **offering integrated digital solutions** to its own subscribers as well as those of managed services customers.

Services would include home surveillance, telemedicine and learning – **focusing on the emerging semi-urban, semi-rural & rural markets**

Helping its E2E ecosystem grow by **developing franchisees** into not just digital solutions providers but also **marketing channels** for group and other company products; **ranging from FMCG to financial products**

3

Satellite Media Services



NXTDIGITAL is **poised to optimize satellite services** – basis its national **network of franchisees** and its inherent **expertise of delivering services via satellite**

Can **deliver broadband to lo/no broadband penetrated markets**; leveraging NXT's network of over **1,600 points-of-presence** and **~30,000 Feet-on-Street**

Can **deliver OTT caching services** for OTT platforms to the edge of networks – **reducing dependencies on expensive CDNs** – especially in markets outside of Tier I cities.

Can **extend this to providing low-cost OTT** over satellite to these yet-to-be-tapped markets, ensuring retention and ARPU growth.

NXTDIGITAL can also look to **expand its service base across its satellite footprint, covering SAARC countries**, subject to regulations



Digital Services Company

360° presence across distribution platforms - digital cable, HITS, wireline broadband to own 5.2mn+ subscribers.

Significant presence in the fastest growing demographics of semi-urban & rural India



Defined "inherent" growth strategies

Opportunities for "bundled" products and cross-selling services to existing base

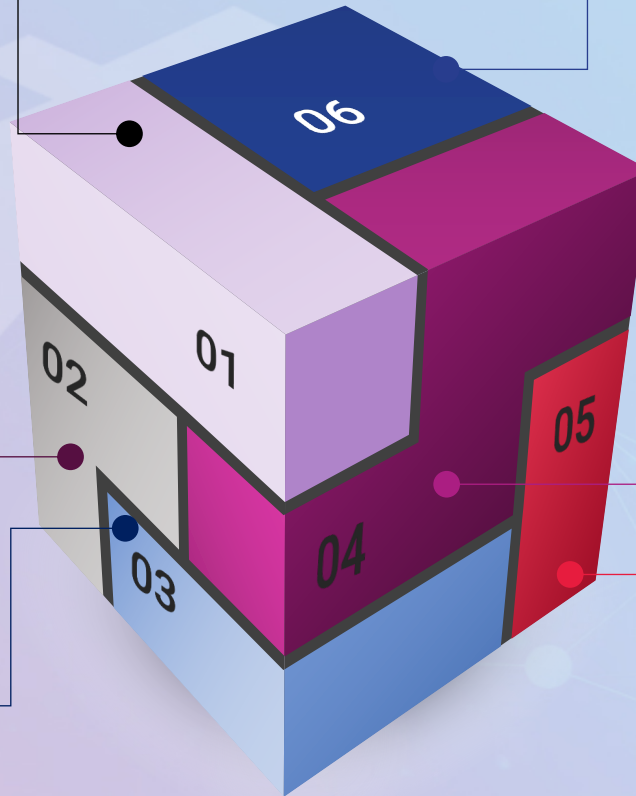
Grow ARPUs through upselling and leveraging the FTA to HD lifecycle



Managed Services Growth Driver

Contracted for ~5.16mn; onboarding in progress.

Market potential includes existing peers as well as regional & independent MSOs who comprise 69mn TV HHs



Emerging technology opportunities

Optimise infrastructure and LCO network to launch services like broadband, OTT and CDN over satellite.



Expansion Possibilities

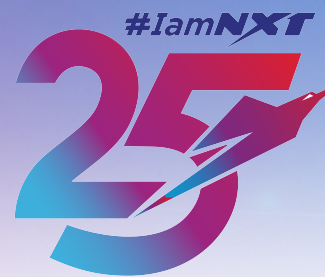
Capability to expand to new markets by offering HITS services in Africa, Bangladesh and other parts of Asia, subject to regulations



Leverage the pan-India network

Grow the E2E ecosystem by developing loyal franchisees into marketing channels for products

Optimise the >30,000 feet-on-street and >1,600 PoPs



NXTDIGITAL LIMITED



HINDUJA GROUP