



NXTDIGITAL Limited

AGM Presentation

28th September 2021
Version 2.0



HINDUJA GROUP

Transformed into one of India’s preferred “all-digital” services brands – with a product portfolio including digital cable, satellite via HITS, broadband and content

India's Leading Integrated Platform

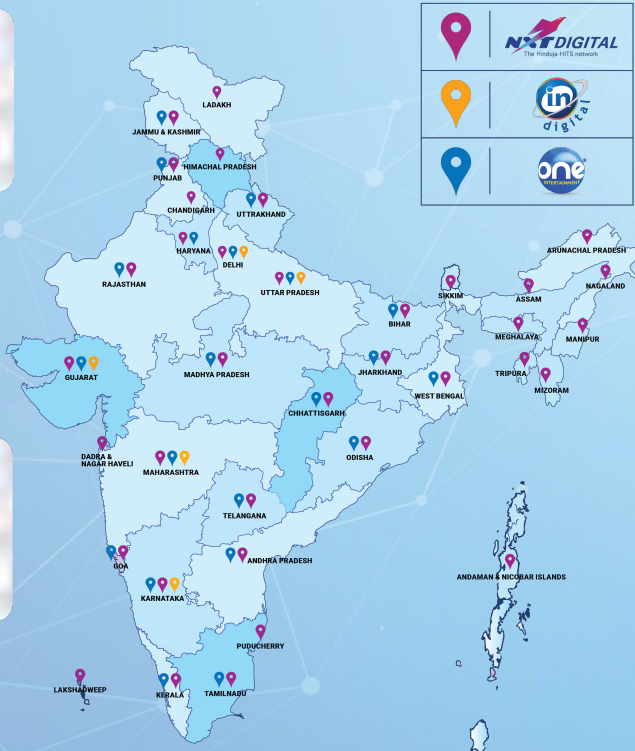
- Premier “integrated” platform offering digital distribution through digital cable, India’s only HITS or Headend-In-The-Sky platform and broadband

Pan-India Subscriber Base

- Has a migrated video subscriber base of over 5mn
- Delivers services to over 4,400 pin codes, including some of the most challenging and rural terrains

Strong broadband business

- One of India’s fastest growing ISPs with a ranking in the top 5 private ISPs in the country
- OneOTT iNtertainment Ltd. delivers broadband services to 750,000+ subscribers



- NXTDIGITAL’s HITS platform is the only platform providing infrastructure sharing
- All licensing and technology is in place for commencing services

Only platform to offer Infrastructure sharing

- Provides digital skilling to over 10,000 Last Mile Owners and their personnel
- Truly supports the Make in India initiative through local sourcing and development of solutions

Working towards the Government's mission

- >60% customers in fast growing segments of semi-urban and rural India, where “digital” is the key
- NXTDIGITAL is poised to now build value on the assets it has developed over the years

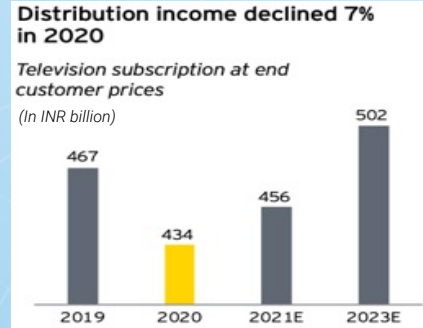
Strong growth drivers

Source of the India map: <https://surveyofindia.gov.in/pages/political-map-of-india>

The year in retrospect...

The media & entertainment sector in India has witnessed a degrowth of 24%; from `1.82 trillion in CY2019 to `1.38 trillion in CY2020

- Domino effect triggered by reduced media spending (advertising), supply chain of content & lockdowns.
- The total M&E sector has fallen by 24% in 2020** with segments such as television (advertising & subscriptions), films and print experiencing major declines.
- Television subscription revenues declined by 7% in 2020**; coupled with a loss of around 2mn Television viewing households.
- The **TV subscription revenue model was impacted due to reverse migration, issues around disposable income and collection challenges.**



Active paid subscriptions reduced by 2 million in 2020

COVID-19 led to a decline in the pay TV universe
(In millions)

| | 2019 | 2020 |
|--------------|------------|------------|
| Cable | 75 | 73 |
| DTH* | 56 | 56 |
| HITS | 2 | 2 |
| Free TV | 38 | 40 |
| Total | 171 | 171 |

Television subscriptions (in million) | Industry discussions, billing reports, TRAI data, EY analysis
*Net of temporarily suspended subscribers

Data Source: EY Report March 2021 - "Playing by new rules India's Media & Entertainment sector reboots in 2020"

- On the other hand, **extended lockdowns accelerated data usage and consumption.** The consumption was across all sub-sectors; from online education & entertainment content to office applications and e-commerce.
- Segments such as digital social media (and apps) and gaming also saw rapid growth in user penetration and engagement levels.

Work from home fuels broadband demand

- Week 1 of the lockdown saw a 30% increase in data traffic.
- Demand for fixed broadband in tier 2-3 cities increased;** existing customers demanded higher speed and more data allocation in their plans

Content consumed

- 30% increase in time spent on education apps and a **265% increase in April 2020 OTT traffic over February 2020**

E-commerce

- Order-volume growth of 17% as of June 2020 compared with February 2020.** Deloitte analysis suggests the intent to purchase online is over 50% across product categories

Deloitte Report on the M&E industry | December 2020

Against the pandemic, your company accelerated its transformation to an “all-digital” services company, redefining business models through innovation and leveraging the product portfolio

- Rolled out a digital work-from-home “solutions bundle” that included television channels, special value-added services and high-speed internet.
- Leveraged the broadband capability of the organization to optimally cater to the surge in demand – the business saw a huge growth of 87% in the customer base on a YoY basis.
- Worked with Broadcasters and Last Mile partners to create innovative content packages to cater to the changing consumer demand – ranging from all-HD content packages to kids’ content to economical infotainment packages.
- Ensured a strong business continuity plan to keep the operations going – delivering uninterrupted services to customers and maintaining a high level of quality of service for television and broadband.
- Driven close to a 100% digital mode of collections on a prepaid basis
- Backed by the unstinting and tireless efforts of all our employees and our Last Mile partners

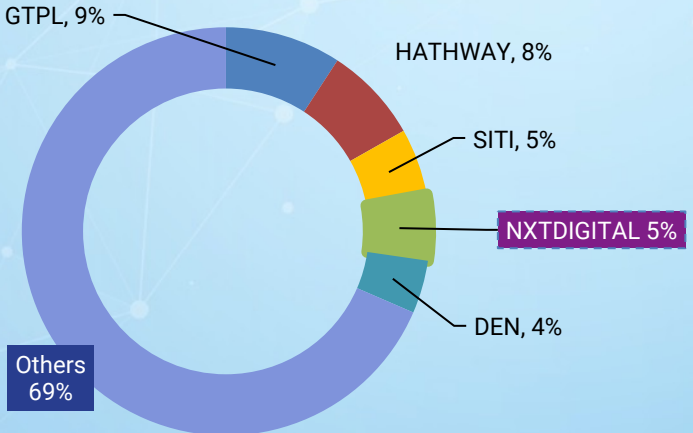


NXTDIGITAL launches PaaS vertical, signs on SITI Networks



Conventional competitors announce industry-first pact for sharing HITS infrastructure under NXT's "Platform-as-a-Service" (PaaS) model

- NXTDIGITAL and SITI Networks Limited, an Essel Group company and one of India's largest Multi-System Operators (MSO) entered a first-ever infrastructure sharing agreement in the MSO space in the country
- NXT, the only platform to secure permission, will earn a service fee for sharing its pan-India satellite delivery infrastructure
- Basis the approval from the Ministry of Information & Broadcasting, NXTDIGITAL's HITS platform has processed and secured permission from all the relevant authorities including the Department of Space/ISRO, Wireless Planning & Coordination Wing of the DOT and the Network Operations coordination Centre of the DOT.
- Market for such PaaS services is estimated at over 60 million customers, connected to around 1,000 MSOs
- Agreements with broadcasters in progress, before commencing operations



Reduce Costs

- Lower cost of connectivity for the MSO due to independence from fibre networks & redundancy links
- Significant improvement in the "cost per subscriber" (CPS) – especially in semi-urban and rural India
- Eliminates technology upgradation for adding services

Service Enhancement

- High quality digital signal from satellite; independent of fibre network issues or adverse weather conditions.
- Better uptime and quality of service
- Potential of greater choice to end customer with NXT's 700+ channels and multiple bouquets - leading to higher ARPUs

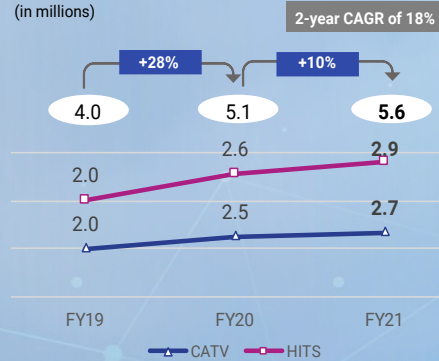
MSO remains independent

- MSO using PaaS or "infrastructure sharing" service of NXTDIGITAL continues to remain completely independent.
- MSO continues to use existing and installed infrastructure/investments in technology and backend systems including customer Set Top Boxes

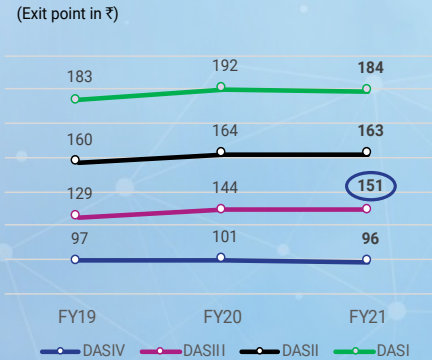
Continuing to focus on KPIs

NXTDIGITAL continued to focus on its transition to an “all-digital services” company – this is indicated in strong KPIs for FY21; against overall degrowth in the M&E sector.

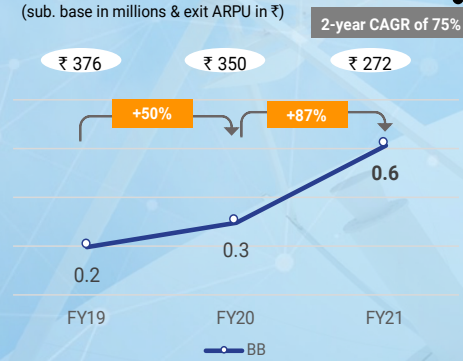
Sub. Base - Digital content delivery



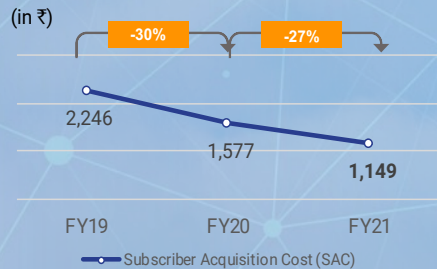
ARPU- Digital content delivery



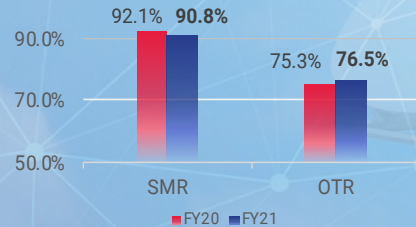
Broadband sub. base & ARPU



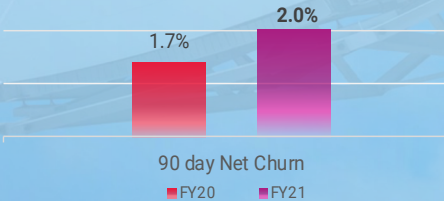
Sub. Acquisition cost : Broadband



Same Month & On-Time Renewal



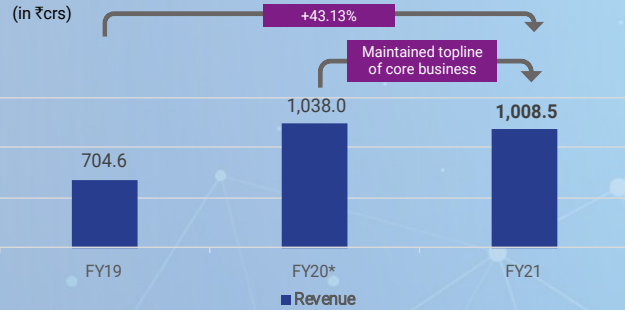
90-day Net Churn



KPIs reflected in robust financial performance

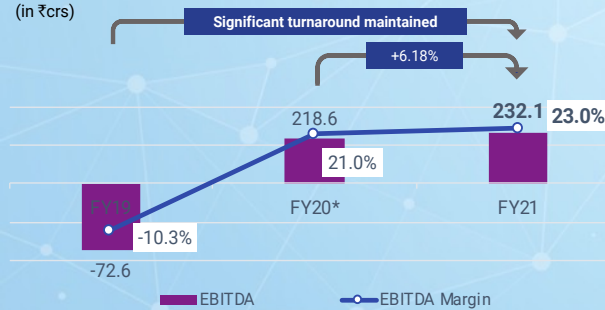
Even against the challenge of the pandemic through FY21, NXTDIGITAL achieved a strong financial performance through innovation and focus on its digital transformation.

Revenue



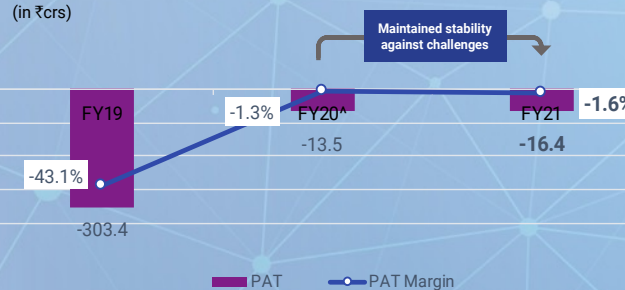
* Excludes one time revenue of Rs 123.12 Cr

EBITDA



* Excludes one time revenue of Rs 123.12 Cr, ** EBITDA excluding one-time installation income

PAT



^ PAT excluding one-time installation income



Extensive media coverage reflects NXT's status in the industry



REVENUE UP
NXT Digital does a financial turnaround in FY 2020

The HKTU-Link TV service provider has registered a healthy jump in revenues and profits.

India's Telecom
NXTDIGITAL said it plans to expand its satellite services in the SWARC bloc and other regions

Researcher's report

Outlook
NXTDIGITAL Q4 profit at Rs 14 cr

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Board of NxtDigital approves rights issue of Rs 300 cr

Yashwanth

NXTDIGITAL Q4 profit at Rs 14 cr

'Foes to friends': NXTDigital ramps up focus on YouTube

Yashwanth

NXTDIGITAL Q4 profit at Rs 14 cr

Business Standard

ONEOTT eyes BOOK subscribers this financial year

ONEOTT INTERENTAINMENT, the broadband subsidiary of Hinduja Group's NXTDIGITAL, aims to grow its subscriber base to 1 lakh this financial year by offering bundled services to cable TV customers of parent company and churning organic 'operational' merger with smaller internet service providers, its CEO said. It crossed 600,000-subscriber mark in FY21, adding over one lakh customer in Q4 alone.

THE ECONOMIC TIMES

Offer Its Platform as a Service

group.com
etbroadband

ring of infrastructure. There are over 100 million cable TV homes, out of which only 30 million are with MSOs. Next50 million are

Strongly believe that India is ripe for satellite broadband due to latent demand for broadband service outside cities: Vynys Fernandes, NXTDIGITAL India

NXT Digital identifies infra sharing as key pillar of growth

Mr. R. Edirivira - Group CTO NCD, recognized as one of the TOP 100 World Leaders in Media, Advertising & Marketing sectors

SPOTLIGHT

NXTDIGITAL BACK IN THE BLACK

BROADCAST & CABLESAT

ONEOTT ENTERTAINMENT eyes subscriber base of up to 8 lakh this year

Net profit of Rs 10.63 crore in the March 2021 quarter

NxtDigital reports consolidated net profit of Rs 10.63 crore in the March 2021 quarter

Business Standard

ONEOTT eyes BOOK subscribers this financial year

ONEOTT INTERENTAINMENT, the broadband subsidiary of Hinduja Group's NXTDIGITAL, aims to grow its subscriber base to 1 lakh this financial year by offering bundled services to cable TV customers of parent company and churning organic 'operational' merger with smaller internet service providers, its CEO said. It crossed 600,000-subscriber mark in FY21, adding over one lakh customer in Q4 alone.

APN

The Results Are In

Results

Results

Rs 259.9 crore consolidated

NXT Digital Q3 consolidated revenue up 10.24% to Rs 259.90 cr

Digitilal net appna badi

Digitilal net appna badi

Wonder Women

Wonder Women

The Economic Times

Hinduja Group's HITS platform signs infrastructure sharing deal with Siti Networks

Business Standard

NxtDigital and Siti Networks sign infrastructure sharing agreement in MSO space

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NxtDigital and Siti Networks sign infrastructure sharing agreement in MSO space

agreement with Siti Networks

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Results

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Outlook

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The NXT parivaar ethos

Industry Recognition

Our senior colleagues and our verticals continued to be recognized by their peers and the industry for their performance and their contributions



In line with our Group's philosophy, the Media group has continued to extend all support to team members & their families; affected by Covid throughout the year, till today

- NXT has continued to ensure that full support has been extended to those affected by Covid as well as to their extended family members.
- Assistance includes monetary support, healthcare support and also employment assistance. Support for hospital admission, hospitalization and access to treatment also provided.
- **NXT has set up a fund basis contributions from staff as well as an equivalent amount from the company to continue to support cases.**
- **A "buddy" system was set up to support affected staff and their families - so as to ensure optimal support, at all times. Leadership teams were encouraged to call all affected team members and family members regularly – especially in hospitalisation or severe cases.**
- **A push for vaccinations is on, country-wide. A core team was set up for out-calling – to support personnel on vaccinations; where cost of vaccinations for employees is borne by the company.**
- 3-day 1st vaccination drive conducted at InCentre, MIDC Mumbai from 7th through 9th June 2021 and similarly a 2nd vaccination drive conducted in September 2021.
 - "Drive" extended to include group companies, associate companies and associates of the company (Last Mile Owners & employees)
 - Drive conducted in conjunction with Hinduja Hospital
 - Total vaccinations done were 937 across Incentre-based companies.
 - Further such drives have been carried out at Delhi and other places as well.



NXT Parivaar...remembering & recognizing



A pan-India virtual Town-hall was held on 30th Jul.'21. A total of 1,000+ employees logged in to the 2-hour event

- The Agenda included...
- Remembering colleagues and family members lost during the last 18 months.
- Thanking 12 retiring colleagues for their invaluable contributions to the group
- Setting the tone for moving to an L2 operational model across the country and encouraging the need for vaccinations
- Felicitating 8 employees under the **Special Category**
- Felicitating 43 employees with the **ABCD Award (Achievement Beyond the Call of Duty)**
- Felicitating our Head of HR with the **“Super Performer” Award for her outstanding contributions during the pandemic**



The future is now...

Defined digital roadmap



Digital Services Company

360° presence across distribution platforms - digital cable, HITS, wireline broadband.

Significant presence in the fastest growing demographics of semi-urban & rural India – with the capability to roll out “digital” products



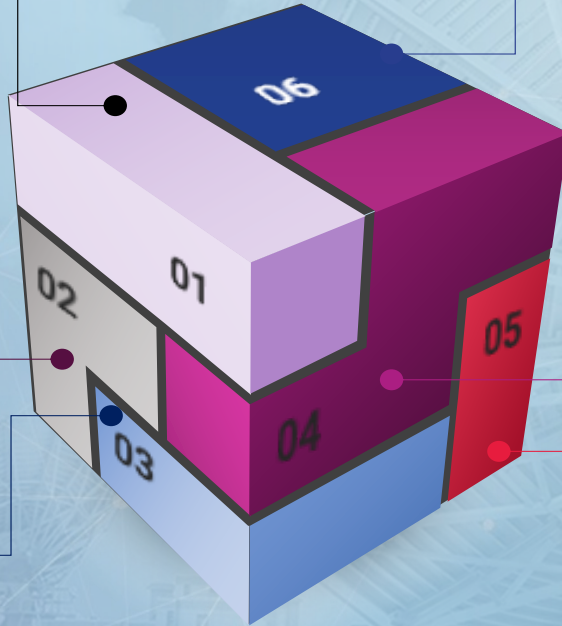
Inherent Growth Strategies

The 100 NXTHUBs will further give impetus to our plan for networking the length and breadth of India – offering customers a complete portfolio of digital services, from video and broadband to e-shopping and content.



Broadband, a key driver

We will continue to leverage our video subscriber base and our quality of service to build our broadband business; combining broadband offerings with digital solutions like OTT.



Infrastructure Sharing

The opportunities for sharing infrastructure with peers and competitors will open up a new revenue stream as well as a collaborative model for the industry to benefit



Government's digital mission

Developing a solutions bundle to support the Governments mission of bringing “digital” to villages. Solutions will range from video, broadband and WiFi to e-learning, e-medicine and e-agriculture



Optimising our network

The digital reach of the organisation with millions of customers across the country, especially in rural markets - will serve as “touch-points” for product and solution companies, ranging from banking and FMCG to shopping and services.

THANK YOU

NXTDIGITAL LIMITED



HINDUJA GROUP