

PRESS RELEASE

Thursday, 12th February 2022

NXTDIGITAL LIMITED CONTINUES ON ITS GROWTH PATH IN FY22. REVENUES GROW BY 12.84% FOR THE 9-MONTH PERIOD OVER LAST FISCAL; MAINTAINS ROBUST EBIDTA AS CONNECTED CUSTOMER BASE INCREASES.

- India's premier integrated digital platforms company NXTDIGITAL Limited, the media vertical of the Hinduja Group, with a presence in digital cable, satellite (HITS), broadband, content syndication and tele-shopping announced its results for the 9-month period ending 31st December 2021 and Q3 of FY22.
- Consolidated revenue for the nine months grows by 12.84% to Rs 807.6 crores, up from Rs 715.7¹ crores for the corresponding period of the previous year.
- Company continues to maintain a robust EBIDTA for the 9-month period at Rs 155.8 crores, up 4.01% against Rs 149.8¹ in the last fiscal.
- Ends Q3 with a 10.9% year-on-year growth in EBIDTA at Rs 52.92 crores. Grows by 2.48% over Q2 of this fiscal – after allowing for AGR payment of Rs 3 crores.
- Repays debt of Rs 260 crores in line with the objects of the "Rights Issue".
- Completes land sale in January 2022 for a consideration of Rs 69.30 crores, reducing debt further by this amount. Debt-to-equity ratio now stands at a healthy 1.5, down from over 4 at the start of the fiscal.
- Board reiterates in-principle approval for transfer of the Media & Entertainment business to Hinduja Global Solutions Limited to fuel the next phase of growth; subject to regulatory and other approvals. Independent valuers appointed to carry out the valuation exercise including the share exchange ratio.

9-MONTH OF FY22 & Q3FY22 PERFORMANCE

On a Consolidated basis, NXTDIGITAL Limited's (NDL) total revenue grew to Rs 807.6 crores during the nine months ended December 31, 2021, as against Rs 715.7¹ crores, clocking an impressive growth of 12.84%. During the same period, the Earnings Before Interest Depreciation and Taxes (EBIDTA) on a consolidated basis was Rs 155.8 crores as against an EBIDTA of Rs 149.8¹ crores during the corresponding period of the previous year, at a growth of 4.01%.

For the quarter ended 31st December 2022, on a consolidated basis the Company recorded a total revenue of Rs 264.2 crores as against a total revenue of Rs 245.1¹ crores during the corresponding quarter of the previous year and Rs 276.8 crores in the immediately preceding quarter. For the same period, on a consolidated basis the company recorded an EBIDTA of Rs 52.9 crores as against Rs 47.8¹ crores for the corresponding quarter of the previous year and Rs 51.6 crores in the immediately preceding quarter.

The Company's subscription revenues both for digital video and data businesses continue to be completely prepaid thereby generating healthy cash flows.

RIGHTS ISSUE & RELATED BUSINESS

The Board acknowledged the confidence reposed by the shareholders in the company, its management and its vision – reflected in the success of the Rights Issue which was subscribed 1.91 times the issue

¹ excluding one-time installation income of Rs 14.8 crores in the third quarter of the previous year



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size of Rs 288.61 crores. As of 31st December, debt of Rs 260 crores has been repaid in line with the objects of the Rights Issue. The Board also acknowledged the completion of the land sale in January 2022 for a consideration of Rs 69.30 crores, well within the timeline set forth by the Board for completion.

With the successful completion of these two activities that were announced at the start of his fiscal, the company has reduced its debt-to-equity ratio from over 4 at the start of this fiscal to a healthy 1.5.

VISION FOR NXTDIGITAL

The Board took note of the progress on the acquisition of the digital and media businesses by Hinduja Global Solutions Limited (HGSL) which is subject to all statutory or regulatory approvals and approval of the shareholders. The move will fuel the expansion plans of NDL in the digital space, as it looks to harness analytics and automation to grow its digital portfolio across video, broadband, OTT and WIFI services. The Company has appointed independent valuers to carry out the valuation exercise and will submit a detailed report including the share exchange ratio once ready.

NDL reiterates its commitment to ensuring shareholder value creation; reflecting its long-standing commitment to minority shareholders and the critical role they have played in facilitating NDL as an “incubator” to spawn significant digital platforms. In accordance with this philosophy, post the proposed acquisition; the company will review and assess proposals received, to define new business verticals for the future that will be moulded on the same lines, defining a robust roadmap for growth.

KEY BUSINESS DRIVERS FOR GROWTH IN Q3

The definitive growth, both in revenue and EBIDTA, is on the back of various digital initiatives taken by the Company to provide an end-to-end digital user experience for its customers – covering digital video, broadband and OTT services; the success of which is reflected in the growth of its subscriber base across its digital platforms.

Fueled by the digital user experience model, the company launched a slew of key initiatives in Q3. First off the blocks was its owned-and-operated NXTHUB, a hi-tech plug-and-play model for its franchisees – giving their customers instant access to digital services including digital video, OTT and broadband. It continued to push its broadband penetration into new markets, expanding its subscriber base as clarity on the AGR accelerated the push for wired broadband nationally. NXTDIGITAL also launched the first “combo” product – delighting its customers with a product that offers up to 700 digital television channels + up to 300,000 hours of OTT content from leading international, national and regional OTT platforms + broadband, with speeds up to 1,000Mbps – all through a single product offering.

Says Vynsley Fernandes, Managing Director & CEO of **NXTDIGITAL** Limited “Our Q3 strategy hinged on leveraging our unique technology, national footprint and our digital product portfolio to adapt to changing customer preferences vis-à-vis consumption of digital services. Whether our broadband push, our roll-out of NXTHUBs nationally or the launch of the first “combo” product covering digital TV, OTT and broadband – our focus was on giving our customers a unique digital user experience.”.

GROWTH DRIVERS IN Q4

NXTDIGITAL has already rolled out 66 NXTHUBs across the country, each with the advanced technological capability of offering customers digital television, broadband and OTT. The focus will remain on not just rolling out more NXTHUBs but also increasing the product capability that could extend shortly to WIFI and other e-services. Broadband will remain a key driver for growth, as it continues to proliferate into NXTDIGITAL markets offering currently digital television only. The “combo” product offering nationally and operationalisation of its infrastructure sharing platform further drive growth as the media group continues on its path of digital transformation.



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About NXTDIGITAL LIMITED (www.nxtdigital.co.in)

NXTDIGITAL Limited (NDL) is the media vertical of the global Hinduja Group. The media and communications company is India's premier integrated Digital Delivery Platforms Company - delivering services via satellite, digital cable and broadband. With a pan-India reach, **NXTDIGITAL** delivers television services through a dual delivery platform consisting of digital cable and the country's only **Headend-In-The-Sky (HITS) satellite platform**, under the brand names **INDigital** and **NXTDIGITAL** respectively. The Company's Digital Cable television platform delivers **700+ channels across 100+ cities and towns** whilst the HITS service is available in more in over **1500 cities and towns covering more than 4500 Pin Codes** with a significant presence in the fastest-growing demographics of semi-urban, semi-rural and rural India. The company is well established nationally through a franchisee base of nearly **10,000 Last Mile Owners**; delivering digital services to millions of customers across the length and breadth of the country.

A game-changer in the industry, the HITS platform also provides infrastructure sharing services to **Multi-System Operators (MSOs)**; providing them with a highly cost-effective way to deliver their services via satellite at a significantly improved level of quality of service. With its state-of-the-art HITS facility and data centres, it is the only company that can offer direct-to-network services to any corner of the country. The Company has also launched a network of over 60 owned-and-operated **NXTHUBs**, each with the capability to deliver up to 650 TV services, broadband and OTT as also emerging solutions like WiFi.

Other than Television services, its subsidiary **ONEOTT Intertainment Limited** is one of India's top 5 private Internet Service Providers and has a strong presence in Broadband and Internet services in **40+ cities**. Its services under the brand "**ONE Broadband**" provide converged services of Video, Data and Voice to consumers by delivering high-speed internet and services across multiple cities in India. With "ONE Gigafiber", the broadband company also provides FTTH (Fibre to the Home) services for consumers - providing speeds up to 1,000Mbps.

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