



# NXTDIGITAL Limited

## Investor Presentation

### Performance Review

### Q1 FY2021-22

16<sup>th</sup> Aug 2021  
Version 1.0



HINDUJA GROUP



## Anurag Thakur Gets Information And Broadcasting, Sports Ministry

Kiren Rijju, Hardeep Singh Puri, Parshottam Rupala, G Kishan Reddy, Mansukh Mandaviya are the other promoted ministers.

## Ashwini Vaishnav takes charge as Railway, IT minister: Ex- IAS officer and IITian brings wealth of corporate experience

Vaishnav has an MBA and M Tech and is an alumni of the IIT Kanpur and Wharton School of the University of Pennsylvania



## V Raghunandan appointed as new Secretary of TRAI

His predecessor Sunil Kumar Gupta will now oversee LSAs as Senior Deputy Director-General in DoT



## Bombay HC upholds TRAI's NTO 2.0 barring second proviso of twin conditions

The broadcasters had prayed for striking down the amended tariff order and regulations since they violate Article 14, Article 19(1)(a) and Article 19(1)(g)

The HC has upheld the NTO 2.0 barring the second proviso of the twin conditions which states that the a-la-carte rates of each pay channel (MRP), forming part of a bouquet, shall in no case exceed three times the average rate of a pay channel of the bouquet of which such pay channel is a part.



## IBF moves SC against Bombay HC verdict on NTO 2.0

## After IBF, more broadcasters file petitions against Bombay HC order on NTO 2.0 in SC

Star-Disney India and SPNI have filed petitions challenging Bombay HC order in the New Tariff Order matter on Wednesday. ZEEL & Viacom18 are expected to move the apex court today



## Rise of television continues in India

### Synopsis

As per the latest report, urban markets now have 9.1 crore TV households, up from 8.78 crore in 2018, while rural markets have 11.92 crore TV households, compared to 10.89 crore two years back.



The good old **television** continues to be amongst the most aspirational household items in the country with 21.02 crore homes in **India** now having at least one TV set, up from 19.7 crore at the end of 2018.

However, there is still a large headroom to grow as India currently estimated to

have 30 crore households covering over 130 crore people, said Broadcast Audience Research Council India (**BARC India**).



AUGUST 11, 2021

## AGR case: Vodafone Idea files review petition in Supreme Court, calls for correction of 'arithmetic errors'



## Supreme Court refuses to stay High Court ruling on TV tariffs

### Synopsis

The court directed the petitioners to file short synopsis with all the important documents and listed the matter for August 18. However, the broadcasters will now have to announce the pricing of their channels and bouquets in compliance with NTO 2.0 by August 12, as the Bombay HC had only given them six weeks' time to implement the changes.



Jul 23, 2021,

## AGR case HIGHLIGHTS: Supreme Court dismisses applications of telecom majors alleging errors in calculation of dues; Vodafone Idea slips



## US' Viasat seeks approval to switch on satellite broadband services

"We have filed applications with the Indian government and relevant agencies, seeking authority to use two of our Ka-band ViaSat-3 satellites – currently under construction – to serve India, and we look forward to the opening of the Indian market to these advanced broadband connectivity solutions," a Viasat spokesperson said in a written response to ET's queries.

Kalyan Parbat • ETTelecom • Updated: June 14, 2021, 07:59 IST

## Tremendous potential for proliferation of public Wi-Fi hotspots in India: Trai Chief

"There is a tremendous opportunity in India for the proliferation of public Wi-Fi hotspots. PM WANI (PM Wi-Fi Access Network Interface) can result in rapid scale-up of the internet in rural areas, which will be transformative given the low level of penetration (there) compared to urban areas," he said while speaking at a virtual event organised by industry body Broadband India Forum (BIF).

PTI • Updated: June 19, 2021, 12:15 IST



## BharatNet, India's public broadband network, expansion project will now be open to private players

■ ROUNAK JAIN | JUN 30, 2021, 16:34 IST



# NXTDIGITAL | MARKETING+ INITIATIVES



# Q1 Marketing Initiatives : Video Business



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DURATION	MRP (including taxes)	LCO PRICE (including taxes)	LCO SHARE (including taxes)	LCO DISCOUNT
3 MONTHS	₹1,397.42	₹498.75	₹898.67	5%
6 MONTHS	₹2,794.83	₹976.50	₹1,818.33	7%
12 MONTHS	₹5,589.66	₹1,911.00	₹3,678.66	9%

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DURATION	MRP (including taxes)	LCO PRICE (including taxes)	LCO SHARE (including taxes)	LCO DISCOUNT
3 MONTHS	₹1,021.29	₹421.95	₹599.34	3%
6 MONTHS	₹2,042.58	₹826.50	₹1,216.08	5%
12 MONTHS	₹4,085.16	₹1,618.20	₹2,466.96	7%

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DURATION	MRP (including taxes)	LCO PRICE (including taxes)	LCO SHARE (including taxes)	LCO DISCOUNT
3 MONTHS	₹1,109.79	₹509.25	₹600.54	3%
6 MONTHS	₹2,219.58	₹997.50	₹1,222.08	5%
12 MONTHS	₹4,439.16	₹1,953.00	₹2,486.16	7%

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DURATION	MRP (including taxes)	LCO PRICE (including taxes)	LCO SHARE (including taxes)	LCO DISCOUNT
3 MONTHS	₹1,054.57	₹424.86	₹629.71	3%
6 MONTHS	₹2,109.13	₹832.20	₹1,276.93	5%
12 MONTHS	₹4,218.26	₹1,629.36	₹2,588.90	7%

**NXTDIGITAL**

**EURO 2020 PORTUGAL VS GERMANY**

WATCH CRISTIANO RONALDO VS THOMAS MÜLLER LIVE IN ACTION!

**NXTDIGITAL**

**BRAZIL'S WIN CALLS FOR SOME SAMBA MOVES!**

**BRAZIL 3 - 0 VENEZUELA**

**COPA AMERICA**

**NXTDIGITAL**

**EURO 2020**

EUROPE'S BIGGEST FOOTBALL CARNIVAL!

11<sup>TH</sup> JUNE - 11<sup>TH</sup> JULY 2021

WATCH IT LIVE ON

SONY TEN 2 ENGLISH	SONY TEN 3 HINDI	SONY SIX ENGLISH
SONY TEN 2 HD ENGLISH	SONY TEN 3 HD HINDI	SONY SIX HD ENGLISH

**NXTDIGITAL**

**COPA AMERICA**

10 TEAMS, 28 MATCHES, ONLY ONE CHAMPION

14<sup>TH</sup> JUNE - 11<sup>TH</sup> JULY 2021

GROUP A	GROUP B
BRAZIL	ARGENTINA
VENEZUELA	URUGUAY
PERU	PARAGUAY
COLUMBIA	CHILE
ECUADOR	BOLIVIA

**NXTDIGITAL**

**THE CHAMPIONSHIPS, WIMBLEDON**

28<sup>TH</sup> JUN - 11<sup>TH</sup> JULY, 2021

THE MOST PRESTIGIOUS TENNIS GRAND SLAM IS BACK!

WATCH IT LIVE ON

STAR SELECT 1	STAR SELECT 2
STAR SELECT 1 HD	STAR SELECT 2 HD

**NXTDIGITAL**

**WORLD TEST CHAMPIONSHIP FINAL**

THE BIGGEST TEST CRICKET BATTLE!

INDIA VS NEW ZEALAND

18<sup>TH</sup> - 22<sup>ND</sup> JUNE 2021

WATCH IT LIVE ON

STAR SELECT 1	STAR SELECT 2	STAR SELECT 1 HD	STAR SELECT 2 HD
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**NXTDIGITAL**

ONE GRAND SLAM AWAY FROM GREATNESS

**NOVAK DJOKOVIC**

19 GRAND SLAMS

WATCH IT LIVE WITH NXTDIGITAL-HITS ON

STAR SELECT 1	STAR SELECT 2
STAR SELECT 1 HD	STAR SELECT 2 HD

**NXTDIGITAL**

# Q1 Marketing Initiatives : Data Business






# Q1 Recognition

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

6<sup>TH</sup> EDITION  
**FUTURE WOMAN LEADER AWARDS 2021**

PROUDLY PRESENTED TO

**WINNER**

Woman Achiever Award-  
Excellence in Media & Entertainment

**Vaishali Thakur**  
NXTDIGITAL Limited

**WINNER**

Achiever in Tech Leadership Award-  
Media & Entertainment

**Ru Ediriwira**  
NXTDIGITAL Limited

**ONEOTT iNTERTAINMENT Indian Achievers' Award for Business Leadership**  
*presented to*

**Yugal Kishore Sharma**  
CEO

# HR UPDATE

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

- 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 has been set up for out-calling – to support personnel on vaccinations; where cost of vaccinations for employees is borne by the company.**
- 3-day vaccination drive conducted at InCentre, MIDC Mumbai from 7<sup>th</sup> through 9<sup>th</sup> June 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 Parivar Town Hall

A pan-India virtual Town-hall was held on 30<sup>th</sup> 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**



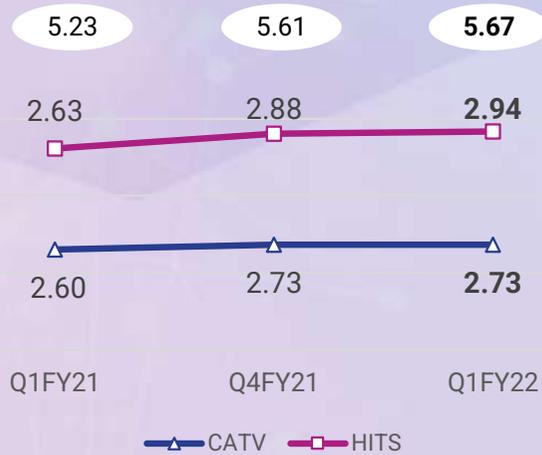
# Q1FY22 BUSINESS PERFORMANCE & KPIs

# Q1FY22 : KPI management in a challenging quarter

The second wave was extremely severe, deferring several key business initiatives. Whilst the video business held ground, the data business continued to grow on demand

## Sub. Base - Digital content delivery

(in millions)



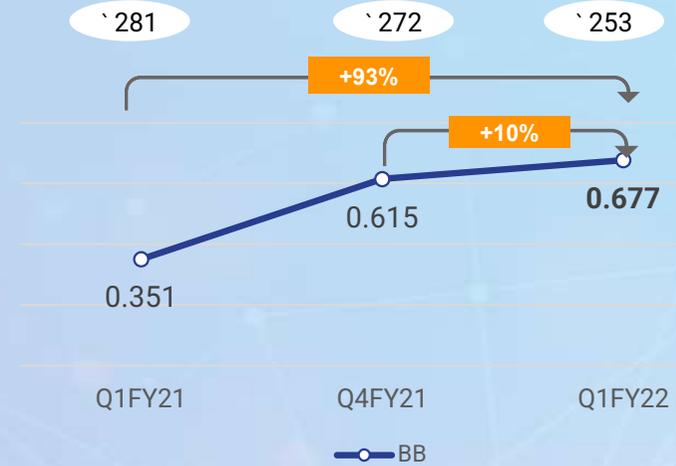
## ARPU- Digital content delivery

(Exit point in `)

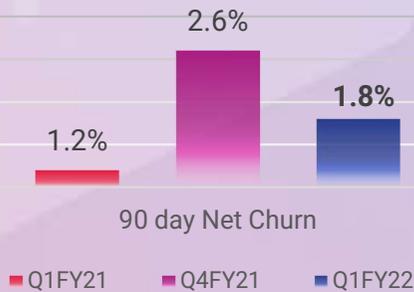


## Broadband sub. base & ARPU

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



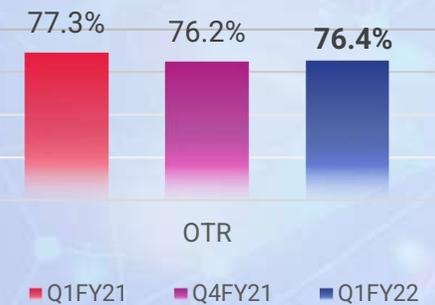
## 90-day Net Churn



## Same Month Renewal



## On-Time Renewal

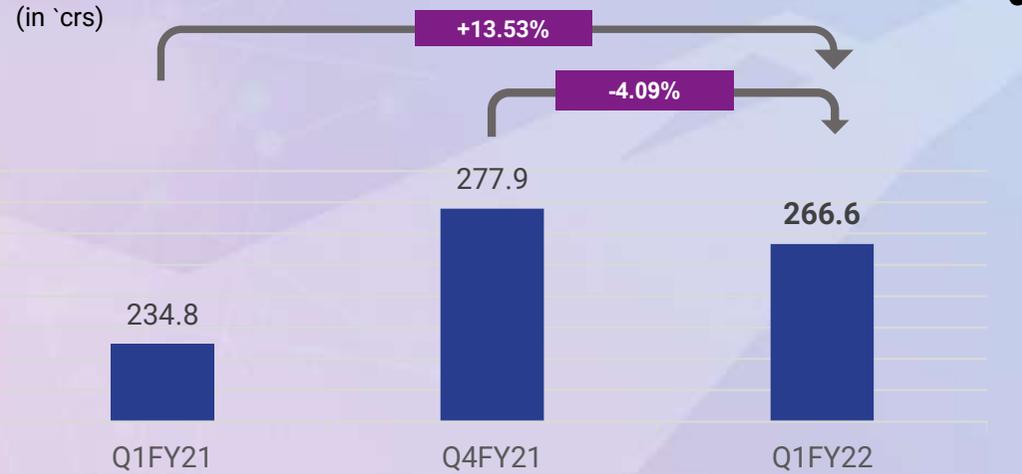


The KPIs continue to reflect the company's emerging focus on building a sustainable model

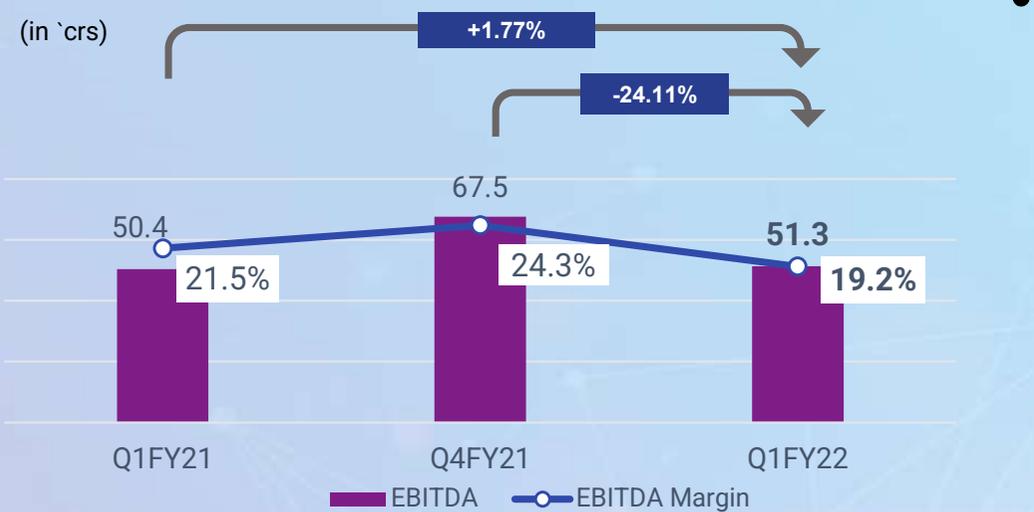
# Q1FY22 Financial performance

Against the challenge of the second wave, all business verticals contributed to revenue sustainability and a stable EBITDA

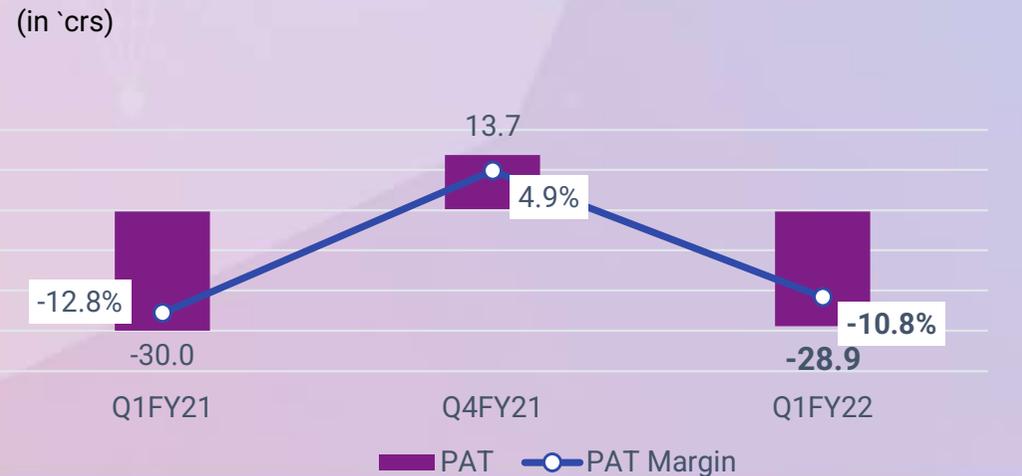
## Revenue



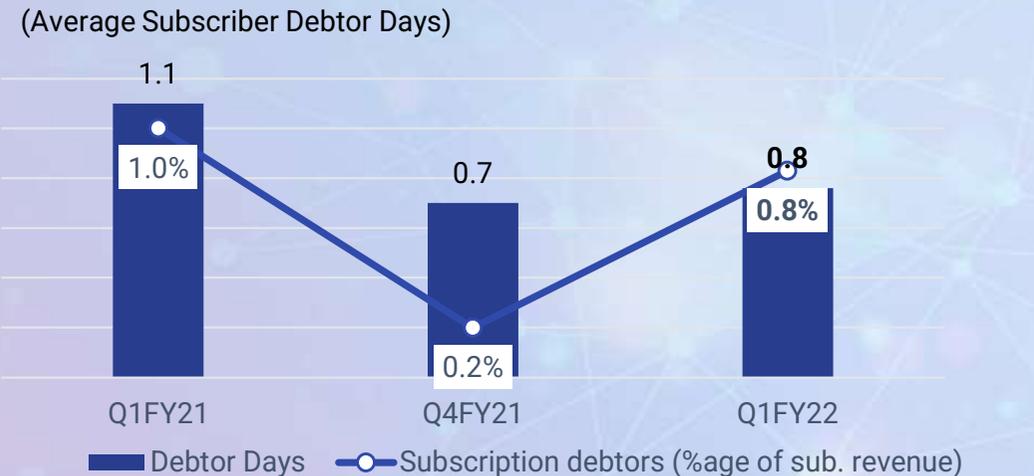
## EBITDA



## PAT



## Subscriber Debtor Days



## Q2FY22 – Unlocking growth opportunities as the lockdowns ease

## Q2 : Unlocking Opportunities

As lockdown lifts across the country, NXTDIGITAL is focusing on 4 business verticals to augment its growth in Q2 and Q3

### 1 INFRASTRUCTURE SHARING

- All necessary processes in place. **Special software solution developed** to manage the model effectively and securely.
- Virtual demonstrations of the Platform-as-a-Service (PaaS) made to all concerned government authorities and key broadcasting companies – who have **appreciated the model and its objectives of helping Multi System Operators optimize their costs of connectivity**.
- **Multiple pilot sites set up for anchor partner**, Siti Networks Limited, one of India's biggest Multi System Operator (MSO) to go "live".

### 2 ROLL-OUT OF 100 NXTHUB SERVICE

- The initiative envisages **expanding the company's coverage to at least another 100 towns** – through a unique networking model of setting up **advanced digital "owned and operated"** NXTHUBs.
- Each NXTHUB is equipped with the latest technology comprising **an ADDS or Advanced Digital Distribution system – to distribute video signals received via satellite and broadband** to Last Mile Owners (LMOs) and their customers.
- The model **eliminates the need for LMOs to invest in related headend technology** whilst having access to these points of presence across the country.

### 3 CO-OPERATIVE MODEL

- NXTDIGITAL has rolled out its **"cooperative facilitation model"** helping small Last Mile Owners, especially in under-served markets, **to come together to share cost of digital services**.
- The model includes **supporting these cooperatives with necessary technology as well as expertise** to set up their networks and **augment their incomes** through developing and distributing "localized" content etc.
- Cooperative model **kicked off in Manipur in July'21** and will expand to other such markets

### 4 INTEGRATED DIGITAL SERVICES

- Continuing focus on broadband – to **expand into Tier 2 and Tier 3 towns**; whilst providing high levels of quality of service, to ensure stickiness. Optimizing the video base to **ensure maximum proliferation at low entry cost**.
- Leveraging NXTDIGITAL & Hinduja Group products and solutions to **offer "integrated" digital services** – ranging from video and broadband to CCTV and other digital solutions.
- Proof of Concept in progress.

## Q1 Performance Summary & the road ahead...



NXTDIGITAL has continued to leverage innovation and strategy to combat the challenges of the second wave – posting strong results for the quarter ending 30th June 2021. It also has a defined roadmap for continuing growth.

- On a consolidated basis, the **Company's revenues grew by 13.5% in the first quarter of the current financial year 2021-22** against the same period in the previous year.
- EBIDTA was at Rs 51.3 crores** in the first quarter of the current financial year as against Rs 50.4 crores for the same period in the previous year.
- The **Profit/(Loss) after tax during the first quarter of the current year improved to Rs (28.9) Crores from Rs (30.0) Crores** during the same period in the previous year.
- The **broadband business continued to grow, touching 677,000 subscribers - registering a 93% growth** over Q1 of FY21.
- Regards the Rights Issue, the **Company has filed the Draft Letter of Offer with SEBI and the Stock exchanges on 2nd August 2021**.
- NXT has **signed up several prestigious contracts in both, the video and broadband segments of its business**, which projects got delayed due to the second wave. These are temporary blips which the Company expects to overcome once the above projects and its infrastructure sharing business start going on-stream in the second and third quarters.
- There are **four focus areas for growth** commencing Q2. These include **Infrastructure Sharing, Roll-out of the 100 NXTHUBs, facilitating the co-operative business model** and a transition from vanilla solutions to offering **"integrated" digital services**.



# Annexures

## Consolidated Income Statement (Quarterly)

Particulars	Q1FY22 (`cr)	Q4FY21 (`cr)	QoQ growth (%)	Q1FY21 (`cr)	YoY growth (%)
<b>Revenue:</b>					
<b>Total revenue</b>	266.59	277.97	-4.1	234.82	13.5
<b>Expenses:</b>					
Operating costs	137.73	131.09	5.1	116.64	18.1
People costs	19.63	19.16	2.5	20.09	-2.3
Other costs	57.98	60.18	-3.7	47.72	21.5
<b>Total expenses</b>	<b>215.34</b>	<b>210.43</b>	<b>2.3</b>	<b>184.46</b>	<b>16.7</b>
<b>EBIDTA</b>	<b>51.26</b>	<b>67.54</b>	<b>-24.1</b>	<b>50.36</b>	<b>1.7</b>
Depreciation	54.40	46.39		49.03	
Interest	35.32	33.29		36.16	
Extra-ordinary income					
<b>Profit before tax</b>	<b>-38.46</b>	<b>-12.14</b>		<b>-34.83</b>	
Taxation	-9.59	-25.80		-4.82	
<b>Profit after tax</b>	<b>-28.87</b>	<b>13.66</b>		<b>-30.01</b>	

# NXTDIGITAL LIMITED



HINDUJA GROUP