



31st July 2020, Mumbai

Press Release

NXTDIGITAL announces impressive results for FY20 – records profit of Rs. 110.05cr against a loss of Rs. 303.43cr in the previous year

- **65% growth in consolidated revenue; stands at Rs. 1,162.10cr against Rs. 704.62cr in FY19.**
- **Significant turnaround across all metrics; EBIDTA at Rs. 218.01cr for FY20 against a loss of Rs. 72.61cr in FY19.**
- **Recommends dividend of 50% of the face value of Rs. 10 of each equity share.**
- **Turnaround attributed to the impressive performance of its media business carried out through its significant subsidiary – IndusInd Media & Communications Ltd. (“IMCL”), which has recorded profits consistently over the last four quarters.**

NXTDIGITAL today announced the results for the year ending 31st March 2020. The company clocked a significant turnaround across all financial and business parameters – driven by the robust performance of its media business through IMCL, its media subsidiary.

Financial Performance

On a consolidated basis, **revenues grew by 65% over FY19, from Rs. 704.62cr to Rs. 1,162.10cr**; its Operating EBIDTA **grew significantly to Rs. 218.01cr against a loss of Rs. 72.61cr in the previous fiscal**. NXTDIGITAL also saw an impressive **turnaround in its PAT at Rs. 110.05cr; up from a loss of Rs. 303.43cr in FY19**.

The Board of Directors today **recommended a dividend of 50%** of the Rs. 10 face value of each Equity Share, which works out to **Rs. 5 per share**.

The **main growth driver has been the performance of its media business through IMCL**, which is one of India’s premier integrated digital platforms – delivering services over digital cable and satellite as well as broadband. The media business has now **recorded profits consistently for the last four quarters** on the back of a robust business performance.

Performance Drivers

The digital platforms company with a subscriber base of over five million; reaches over 1,500 towns across the country through digital cable and India’s only Headend-In-The-Sky (“HITS”) platform. The satellite-based HITS technology supports Local Cable Operators (LCOs) and their customers across India, including remote connected regions like Ladakh, Kargil, the far north-



(formerly known as Hinduja Ventures Limited)

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east and the Andaman, Nicobar & Lakshadweep Islands. The technology, using C-band is not affected by rain or adverse weather and customers in these areas continue to enjoy digital services, uninterrupted.

The Company has continued to focus on key drivers through FY20. Some of the drivers include...

- Continuing to focus on the fastest growing segments of semi-urban and rural India. Over 60% of the company's subscriber base is in these markets – which continue to see increasing pay TV penetration as well as growing ARPU.
- Growing ARPU through value added services and differentiated products in the cities. Launching innovative products like layering Cable TV with Broadband and Value-Added Services, coupled with 24X7 services on ground.
- Successfully implementing the new regulatory framework, set out by the TRAI (Telecom Regulatory Authority of India) in early 2019. The visionary framework which brought in much needed transparency to the pay TV ecosystem and enhanced subscriber choice has buoyed the business model and set out a clearly defined level playing field for the industry.
- Maintaining pre-paid collections at nearly 100%, whilst ensuring low churn through a focused E&R (engagement & retention) model – for subscribers and franchisees.
- Leveraging its leadership position in technology, whilst improving cost efficiencies. Recently moved to 32APSK technology, that improves satellite throughput by over 30%.
- Working closely with its 9,000+ franchisees to remain focused on the subscriber through continuous enhancement of the quality of service and viewership experience.

NXTDIGITAL continues to remain committed to its digital platforms business and furthering the governments mission of “Digital India”, “Skill India” and “Make in India”. Whilst it has expanded its objectives to bring digitalization to remote areas; it continues to propagate the “Make in India” mission by developing solutions indigenously.

This is manifested through well planned strategies like working to develop Set Top Boxes locally and thereby stimulate the India manufacturing industry, initiating “digital” online training for LCOs, establishing a robust digital payment collection platform; and a proactive Business Continuity Plan (BCP) rolled out to ensure top class services even amidst major cyclones and the Covid-19 pandemic that impacted the entire country.

Commenting on the performance, Mr. Vynsley Fernandes, Chief Executive Officer, IMCL reiterated that “This kind of outstanding performance consistently over the last 4 quarters speaks volumes on our commitment towards our subscribers through strong value creation. We firmly stand committed to further our endeavour of creating an integrated platform for digital services, offering Cable TV, Satellite, Broadband and other digital media, all under one roof. Building an effective framework along with our product bundling strategy has been crucial for our business turnaround in FY20. With close to a 100% prepaid base and a substantial presence in Phase 3 and 4 markets, IMCL expects to continue on its digital growth path.”

Vision for Growth

The company plans to expand its Managed Services model significantly. The company has already signed on large Multi-System Operators to provide these delivery services; which will take its



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total serviced customer base to over 10 million. Additionally, the company is looking to tap into the cable TV market serviced by smaller and independent MSOs; and which is estimated at over 69 million today. Effectively, the model is to support these smaller MSOs and Local Cable Operators, several of whom are unable to sustain their businesses due to increasing costs of connectivity and technology obsolescence.

A similar model is being defined to help its existing franchisees become multi-product and multi-service providers; offering customers a whole range of services from FMCG products to digital and financial solutions. This will help its franchisees not only sustain their businesses, but diversify and grow their earnings portfolio, across the country.

The company remains focused on delivering integrated services to customers, bundling television with broadband services from its subsidiary ONEOTT iNTERTAINMENT Ltd., which has a presence in over 40 cities.

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

NXTDIGITAL Limited operations and investment span three segments namely Media & Communication, Real Estate and Treasury & Investment. The Company's principal business investments are in Media and Communications through its stake in IndusInd Media & Communications Limited which is the only integrated media company in the country covering satellite, digital cable and Broadband. The media services have a pan India Presence, and services India's complete socio-economic strata.

IndusInd Media & Communications Limited ("**IMCL**") was established in 1995 by the Hinduja Group, which recognized the vast opportunity and growth that lay ahead in the Television Broadcasting Industry. This visionary move has resulted in IMCL being among the Top 5 largest multi-system operators today.

IMCL is the only Company in the country distributing TV signals through a dual delivery platform consisting of the traditional terrestrial fibre route and India's only Headend-In-The-Sky (HITS) satellite platform, under the brand names **INDIGITAL** and **NXTDIGITAL** respectively. Through these platforms, IMCL caters to over 5 million subscribers across the country in more than 1,500 cities and towns through over 9,000 Cable Operators.

ONEOTT iNTERTAINMENT Ltd. ("**OIL**"), a subsidiary of IMCL provides hi-speed broadband and internet services across 40 cities in India; delivering speeds up to 1000Mbps. OIL is considered one of India's fastest growing ISPs and winner of several awards for innovation & excellence.

About HINDUJA GROUP

The Hinduja Group is one of India's premier diversified and transnational conglomerates. Employing nearly 150,000 employees, with presence across 38 countries it has multi-billion-dollar revenues. The Group was founded over a hundred years ago by Shri P.D. Hinduja whose credo was "My duty is to work so that I can give."



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The Group owns businesses in Automotive, Information Technology, Media, Entertainment & Communications, Banking & Finance Services, Infrastructure Project Development, Cyber Security, Oil and Specialty Chemicals, Power, Real Estate, Trading and Healthcare. The group also supports charitable and philanthropic activities across the world through the Hinduja Foundation.

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