

11th November 2020, Mumbai

Press Release

NXTDIGITAL posts strong quarterly results - continues its growth story

- **Company posted a handsome Earnings before Interest, Depreciation and Taxes (EBIDTA) of Rs. 51.7 crores for the second quarter of the current year - a growth of 15.8% on a year-on-year basis and 2.7% on a sequential quarter basis.**
- **Operating EBIDTA margins improved significantly from 17.2% in Q2 of the previous year to 21.9% in the current Quarter.**
- **On a half yearly basis, the Company posted an EBIDTA of Rs 102.1 crores, a growth of 8.7% over the corresponding period of the previous year, excluding one time exceptional revenue in the previous year.**
- **The Profit after tax was at break-even levels for the current quarter as compared to a loss after taxation of Rs 30 crores in the previous quarter.**
- **On the back of key initiatives, the digital video distribution and data business continued to grow, despite the serious negative sentiments of the Covid pandemic.**
- **Government of India, Ministry of Information & Broadcasting Order notifying sharing of HITS infrastructure with other MSOs to give a boost to the company's Managed Services business.**
- **Board designates Vynsley Fernandes as "Media Group Chief Executive Officer", with oversight of all media businesses of the group, including Cable TV, HITS and Broadband.**

FINANCIAL PERFORMANCE

NXTDIGITAL today announced its results for the second quarter and the the first half of the current financial year – a period that continued to see significant impact of the COVID pandemic on the media and entertainment industry.

On a consolidated basis, while revenues remained stable despite the impact of the pandemic, the Company posted a **year-on-year EBITDA growth of 15.8% at Rs. 50.7 crores for the quarter;** which is **also a 2.7% growth over the previous quarter.**

For the **half year, the Company posted an EBIDTA of Rs. 102.1 crores, a growth of 8.7%** over the corresponding period of the previous year.

Despite the impact of the pandemic, the company, by laying greater focus on operational efficiency rather than pure revenue growth at the cost of profitability; was able to **improve EBIDTA margins to 21.7% for the half year, compared to 19.2% in the corresponding period of the previous year.**



(Formerly known as Hinduja Ventures Limited)

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The Company today stated that the company has not only been able to maintain its subscriber base **but grow its video and data businesses**, in spite of the serious negative sentiments of the pandemic. The Company has maintained its collection efficiency of over 99.5% under its prepaid collection model.

The Board at its meeting today has **designated Mr. Vynsley Fernandes as “Media Group Chief Executive Officer”** of NXTDIGITAL Limited with oversight of all the media businesses of the group encompassing **Cable TV, HITS and Broadband**. He will be responsible for leading the overall business and operations of the group as it continues to expand across the media spectrum.

HITS INFRASTRUCTURE SHARING - BOOST FROM GOVERNMENT

The unique **Managed Services model of NXTDIGITAL on its HITS or Headend-In-The-Sky platform has just received a boost from the Government**. In its order of 6th November '20, the **Ministry of Information & Broadcasting has notified and defined the sharing of HITS infrastructure with other Multi-System Operators (MSOs) across the country**. The potential for infrastructure sharing or managed services stands at over 69 million cable TV households today – comprising smaller independent and regional MSOs. It may be noted that **NXTDIGITAL is the only HITS platform in the country today**.

PERFORMANCE DRIVERS

NXTDIGITAL continued its strategy of **enhancing customer outreach, launching innovative solutions and strengthening cross-selling** in the quarter. Some key initiatives included...

- Driving **cross-selling of digital video, broadband and Value-Added Services** to customers in key markets. The business continued to focus on the value model – offering innovative “bundled” products and packages in diverse geographies.
- Focusing on enhancing Key Performance Indices like **“Same Month Renewal” which grew from 89.8% in Q1 to 91.3% in Q2; and controlling 90-day net churn below 2%**. (Q2 exit point data is 1.8%)
- Focusing on **growing the broadband base through strategic alliances and cross selling** – resulting in the **base growing by 16.2% in Q2 over Q1**; reaching >400,000 subscribers.
- Launching **Innovative customer engagement programmes** like “Ganpati Bappa Morya” and “Durgotsav” - facilitating subscribers to enjoy festivals from the safety and comfort of their homes.
- Partnering the **launch of “Classroom TV”** a unique and TV learning channel – focused on regular education for 8th, 9th & 10th class students. The objective is to **make learning affordable for all** – pegged at an annual subscription of just Rs.999.

Commenting on the Q2 performance, Vynsley Fernandes, Chief Executive Officer, NXTDIGITAL Ltd. said *“The focus in Q2 was to lay greater emphasis on operational efficiency, rather than pure revenue growth at the cost of profitability. Our strategy was to continue enhancing customer engagement whilst rolling out innovative solutions and driving cross-selling relentlessly. The result is manifested in our key performance indices – where not only has our EBIDTA grown both year-on-year and quarter-on-quarter; but has also seen growth in margins.”*



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VISION FOR GROWTH

NXTDIGITAL continues to **focus on consolidating and growing its serviced subscriber base, expected to cross 10 million**; including onboarding of more than 5 million of managed services customers. This vertical has received a fillip from the Government's recent order on infrastructure sharing on HITS. It will also continue to drive **cross-selling of digital video, broadband and Value-Added Services** whilst offering innovative "bundled" products and packages in diverse geographies.

NXTDIGITAL will also roll out its "NXTCONNECT" device, a next-generation solution, which is a single device for customers to access "live" television channels, OTT content, social and other apps, games & much more, to commemorate the festival season. The **launch will be coupled with the rollout of "NXTGO"**, an innovative dongle-type device that can be plugged into an OTT Set Top Box (STB) or an Android-based television and provide immediate access to "live" television channels - securely.

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

NXTDIGITAL Limited (NDL) is a leading digital Media & Communications company; and the only integrated Digital Delivery Platform in the country covering satellite, digital cable and Broadband. NXTDIGITAL is the only company in the country distributing TV signals through a dual delivery platform consisting of the traditional terrestrial fiber route and India's only Headend-In-The-Sky (HITS) satellite platform, under the brand names **INDIGITAL** and **NXTDIGITAL** respectively. Through these platforms, NXTDIGITAL caters to millions of subscribers across the country in more than 1,500 cities and towns through over 9,000 Cable Operators.

A true game-changer in the industry, the HITS platform enables the company to also function as a managed service provider to MSOs providing them with an unprecedented choice of channels. With its state-of-the-art HITS facility, it is the only company that can offer direct-to-operator services to any corner of the country.

Other than Television services, it's subsidiary ONEOTT Intertainment Limited (OIL) has a strong presence in Broadband and Internet services in 40 cities. It's services under the brand "ONE Broadband" provides converged services of Video, Data and Voice to consumers by delivering high-speed internet and services across multiple cities in India. ONE Broadband leverages Nokia's GPON technology to provide 1,000Mbps broadband and connections to home users. 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."

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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