

## PRESS RELEASE

Thursday, 13<sup>th</sup> May 2021

### **RIDING AGAINST THE PANDEMIC, NXTDIGITAL POSTS HIGHER NUMBERS FOR QUARTER AND YEAR ENDING MARCH'21. SEES FY'21 EBIDTA GROW BY 6.16% OVER FY'20 WHILST Q4 EBIDTA GROWS BY 167% OVER FY'20.**

- **NXTDIGITAL beats the impact of Covid** on the media & entertainment industry – key drivers include **rolling out a digital work-from-home solutions bundle** comprising video, broadband & value-added services; **leveraging the broadband capability of the organization** to cater to the surge in demand, working with **broadcasters and last mile partners to create innovative content packages** and ensuring a **strong business continuity plan** to keep the operations going.
- **Revenue for the quarter** ending March 31, 2021 **grows by 6.95% over the previous quarter** and **by 22.38% over the corresponding quarter of the previous year.**
- **EBIDTA for the quarter increased by 8.10% over the previous quarter** and **by 167% over the corresponding quarter of the previous year.**
- Company posted a **handsome PAT of Rs 13.66 crores in the quarter** as against Rs 0.32 crores in the previous quarter **and a Loss after tax of Rs (43.43 crores) in the corresponding quarter of the previous year.**
- For the year ending March 31, 2021, the **Company recorded an EBIDTA of Rs 232.08 crores, growing by 6.16% over the previous year.** EBIDTA margins improved to **23.01%** for the year compared to 21.04% in the previous year.
- **Broadband business saw a huge growth of 87% in the customer base;** growing from **0.329mn in FY20 to 0.615mn in FY21**
- Despite the challenges of the year, **to acknowledge the support of the shareholder family** who have stood by the Company, the Board of Directors have **recommended a dividend of Rs 4 per equity share**, subject to shareholders' approval.
- In order to have a **stronger Capital structure which provides a strong basis for future growth investments**, the Board of Directors have **recommended a "Rights Issue"**.

Undaunted by the challenges of the pandemic, NXTDIGITAL Limited, India's only integrated digital platforms company, reaching over 5mn customers through digital cable, satellite via HITS (Headend-In-The-Sky) and broadband, continued on its high performance trajectory, posting a stellar performance during the quarter and year ending March 31, 2021. Whilst the Indian media and entertainment industry faced a degrowth of around 24% in 2020 according to reports, NXTDIGITAL refined its performance further, whilst working to ensure strong business continuity processes with zero compromise on the safety of its personnel and partners across the ecosystem.

#### **FINANCIAL RESULTS**

On a Consolidated basis, the Revenue for the quarter ending March 31, 2021 at Rs 277.96 crores grew by 6.95% over the previous quarter of Rs 259.90 crores and by 22.38% over the corresponding quarter of the previous year. The Earnings Before Interest Depreciation and Taxes (EBIDTA) for the quarter at Rs 67.54 crores was higher by 8.10% over the EBIDTA of the previous quarter of Rs 62.47 crores and a 167% growth over the EBIDTA of the corresponding quarter of the previous year.

During the quarter, the Company posted a handsome Profit After Tax (PAT) of Rs 13.66 crores as against a PAT of Rs 0.32 crores in the previous quarter and a Loss after tax of Rs (43.43 crores) in the corresponding quarter of the previous year.



(Formerly known as Hinduja Ventures Limited)

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For the year ending March 31, 2021, on a Consolidated basis, the Company recorded an EBIDTA of Rs 232.08 crores, growing by 6.16% over the EBIDTA of the previous year of Rs 218.62 crores (excluding one-time revenues of Rs 123.12 crores in the previous year). Consolidated revenue for the year remained consistent at Rs 1,008.5 crores, marginally down from Rs 1,038 crores – due to a reduction in the low-margin non-core trading business. The EBIDTA margins improved to 23.01% for the year compared to 21.04% in the previous year.

#### **Dividend**

Despite the challenges of the year, in order to acknowledge the unstinting support of the shareholder family who have stood by the Company, the Board of Directors of the Company at their meeting held on 13th May 2021 have recommended a dividend of Rs 4 per equity share of face value of Rs 10 each, subject to shareholders' approval.

#### **Rights Issue**

In order to have a stronger capital structure which provides a strong basis for future growth investments; and to bring in a more healthy mix of debt to equity by reducing debt and improving the equity base, the Board of Directors at their meeting held on 13th May, 2021 have approved a "Rights Issue" of 2 Equity shares of face value of Rs 10 each for every 5 Equity shares of face value of Rs 10 each held in the Company at an issue price of Rs 300 per share. This is subject to regulatory and other approvals. The Board has set up a Committee of the Board to inter alia, decide on the record date and other details of the Rights Issue.

#### **PERFORMANCE REVIEW SNAPSHOT FY 2021**

Faced with the challenges of the pandemic, the company accelerated its transformation to an "all-digital" services company, redefining the business models through innovation and leveraging the product portfolio optimally. Some of the drivers included:

- Rolling out a digital work-from-home solutions bundle that included television channels, special value-added services (including educational and other exclusive channels) and high-speed internet delivering speeds up to 1,000Mbps.
- Leveraging 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; growing from 0.329mn in FY20 to 0.615mn in FY21. In fact, NXT's broadband arm, ONEOTT Entertainment Ltd. added over 100,000 customers in the last quarter of FY21 alone.
- Working 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. The efficacy is reflected in ARPUs; in the case of DAS3 markets (where the HITS platform has a significant base), ARPUs grew from Rs 144 in FY20 to Rs 151.
- Ensuring a strong business continuity plan to keep the operations going – delivering uninterrupted customers services and maintaining a high level of quality of service for television and broadband.

Vynsley Fernandes, MD & CEO at NXTDIGITAL Ltd. said *"This performance trains the spotlight on NXTDIGITAL, considering this was easily one of the most challenging years, which saw a significant impact on the media and entertainment industry. The stellar performance can be attributed to the company's focus on uninterrupted customer service during the lockdown and after, innovative products and solutions to combat the myriad of ground challenges, driving close to a 100% digital mode of collections on a prepaid basis and the unstinting and tireless efforts of all our employees and our Last Mile partners - all of whom rose to the occasion, without exception"*.

#### **GROWTH DRIVERS FY 2022**

The company will continue to focus on its transformation to an "all-digital" services company, driving a host of new products and solutions, whilst expanding into newer geographies.

One of the key growth drivers for the future will be its recently launched infrastructure sharing PaaS or Platform-as-a-Service offering. The Ministry of Information and Broadcasting last month permitted the



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HITS platform to share infrastructure with other registered MSOs in the country. This progressive move of the government, akin to the successful model of sharing of mobile towers in the telecom space, will help competing MSOs reduce connectivity costs whilst improving the quality of service to customers. NXT, the only platform in the country which has been granted permission is looking to leverage the opportunity to provide its PaaS platform to MSOs – for which it will earn a fee income.

In line with the approval, the Hinduja Group's HITS platform has signed on SITI Networks Limited, one of India's largest MSOs with a connected customer base of over 8.5 million. SITI will leverage the HITS infrastructure to deliver its signals to its Local Cable Operators, thus providing its services to semi-urban and rural subscribers while also expanding its footprint across the country through satellite.

The potential market for such PaaS or infrastructure sharing services in India is estimated at over 60 million cable TV subscribers; connected to around 1,000 MSOs – largely independent or regional players, who face such cost and quality challenges. NXT is already in discussions with several MSOs, keen to leverage the PaaS solution to control their costs and improve their quality of services.

The company will continue to grow its broadband subscriber base – focusing on leveraging the installed customer base of the digital cable and HITS platforms; whilst simultaneously looking to expand its footprint.

Another key driver will be expanding the current coverage of the HITS platform to at least another 100 towns – through a unique networking model. The company also has plans to roll out new technology solutions and devices including high-end versions of the hybrid Set Top Box that will deliver linear television and streaming services, including OTT through a single device, seamlessly.

NXT continues to drive the government's mission and vision of a “digital India” by facilitating digital services across the length and breadth of India, covering over 1,500 cities and towns; with services extending to the Andaman & Nicobar Islands, Lakshadweep Islands, the far north-eastern reaches of India, through to Kargil, Ladakh and Jammu & Kashmir. It's focus on ensuring appropriate implementation of the “Make In India” and “Skill India” missions has seen a renewed focus in the past year – as the company moved to facilitate Last Mile owners across the country move to a complete model of digital and contactless service and support; including collection of subscription revenue.

#### **About NXTDIGITAL LIMITED ([www.nxtdigital.co.in](http://www.nxtdigital.co.in))**

NXTDIGITAL Limited (NDL) is the flagship media business of the global Hinduja Group. The media and communications company is India's only integrated Digital Delivery Platforms company in the country - delivering services via satellite, digital cable and broadband. With a pan-India presence, NXTDIGITAL delivers television services through a dual delivery platform consisting of the terrestrial fibre route 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 over 750+ channels across 100+ cities and towns whilst the HITS service is available in more than 1,500 cities and towns - with a significant presence in the fastest growing demographics of semi-urban, semi-rural and rural India. The 25 year-old company is well established nationally through a franchisee base of over 9,000+ Local Cable Operators; delivering digital services to millions of customers across the length and breadth of the country. A game-changer in the industry, the HITS platform enables the Company to also function as a managed service provider to Multi-System Operators (MSOs); providing them with an unprecedented choice of channels and a high level of quality of service - at cost effective prices. With its state-of-the-art HITS facility and datacenters, it is the only company that can offer direct-to-network services to any corner of the country. Other than Television services, it's subsidiary ONEOTT Entertainment Limited 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. 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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