

# **NXTDIGITAL Limited**

**Investor Presentation** 

Performance Review Q1 FY2021-22

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









# State-of-Play | Environment Update



## NDTV

# Anurag Thakur Gets Information And Broadcasting, Sports Ministry

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

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

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

# Firstpost.

### 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

# THE ECONOMIC TIMES | Industry

FTPrime

### 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 <u>television</u> continues to be amongst the most aspirational household items in the country with 21.02 crore homes in <u>India</u> 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).

# moneycontrol

AUGUST 11, 2021

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

# THE ECONOMIC TIMES

**DETPrim** 

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

# BUSINESS INSIDER

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**





एक्टि एक्टरों ,से किरिया एकि शास करन • সৰ ইলেকটিক ইক্টপ্তমন্ত আনচান কৰে বাধন

তাপনার সেবালৈ যেনে, লাগাঁপ , গাঁওয়ার বাঞ্চ সম্পূর্ণ ভাবে চার্ট্র করে রান্ত্রন
 তালেটিন লাইচ ও চর চার্ট্র করে রান্ত্রন

 विशुष्ट् विश्ववीवत व्यान । उपयोग्त विश्वीत वद इय त्यात शात , जोई यत्यो शतिवादन शानीय व्यान সংগ্ৰহ কৰে বাপুন

এয়াৰ কবিশালৰ যেন মঠিক ভাৰে সনিবিধী আংগায় ইনদলৈৰ খাক

মধ্যা নিয়ের কাছে একটি ঘার্ট এইচ বিট রাপুন আকরি অবস্থা মোকাবিশা করার কাল.
 ঝঢ় চলা কাশীন বাইরে একদম বেরকেন না

আনর সর্বা। অপনার সুরক্ষা নিয়ে সম্রাতন। সাকরনে থাকরেন, সাতর্ক থাকরেন।

য়েকোনো সহযোগিতার অন্য কল করুন : টোল চি টেক হের ভেন্ধ নগর : 1800 2100 300 तेषा: +91- 98303 22212 (Charge



NE DIGITAL





















# **Q1 Marketing Initiatives : Video Business**





















# **Q1 Marketing Initiatives : Data Business**













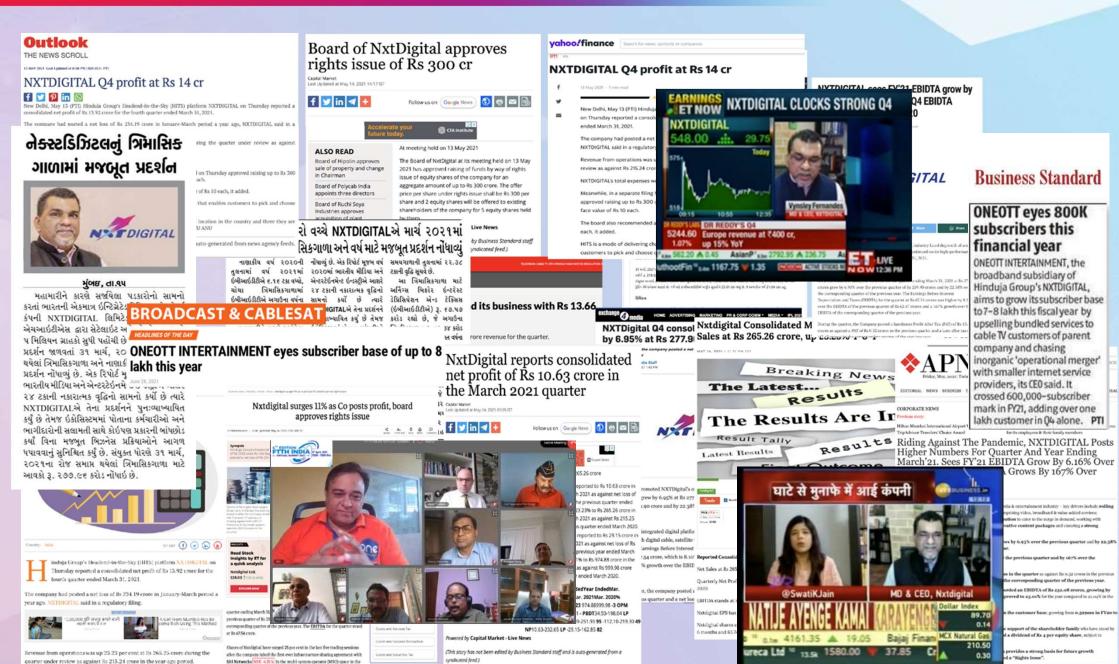






# Q1 Press Coverage





# **Q1** Recognition



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













# HR UPDATE



### NXT Parivaar.....



# 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









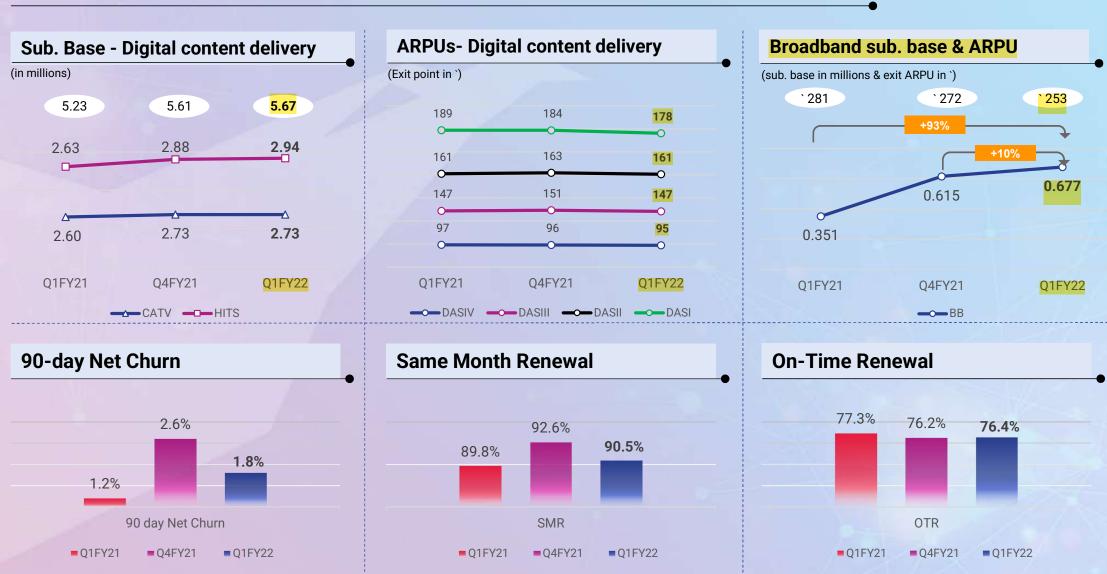
# Q1FY22 BUSINESS PERFORMANCE & KPIs



# 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



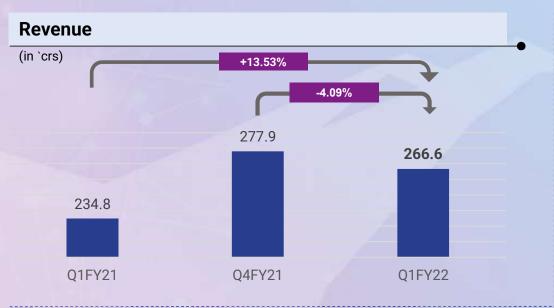
The KPIs continue to reflect the company's emerging focus on building a sustainable model

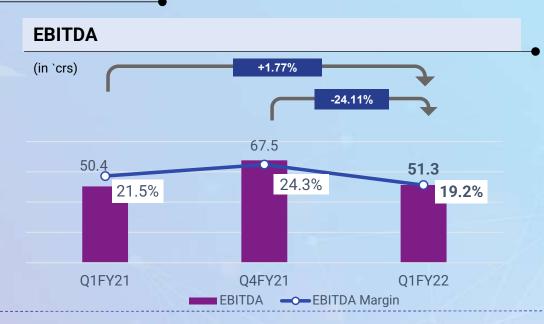


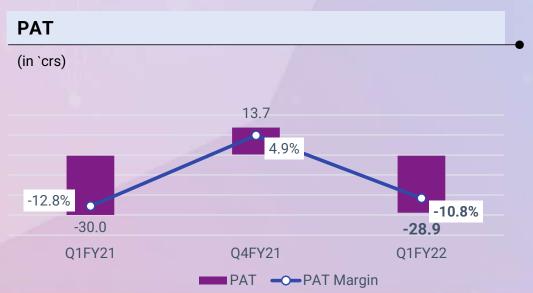
# Q1FY22 Financial performance

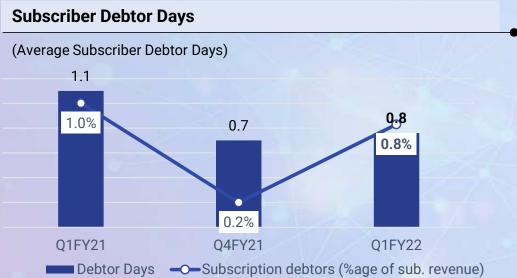


Against the challenge of the second wave, all business verticals contributed to revenue sustainability and a stable EBITDA











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".

### 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

# 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.

# 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 cooperative 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 (%)
Revenue:					
Total revenue	266.59	277.97	-4.1	234.82	13.5
Expenses:					
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
Total expenses	215.34	210.43	2.3	184.46	16.7
EBIDTA	51.26	67.54	-24.1	50.36	1.7
Depreciation	54.40	46.39		49.03	
Interest	35.32	33.29		36.16	
Extra-ordinary income					
Profit before tax	-38.46	-12.14		-34.83	
Taxation	-9.59	-25.80		-4.82	
Profit after tax	-28.87	13.66		-30.01	

# NXTDIGITAL LIMITED







