

Highlights

- ⊙ 1Q22 Consolidated Revenues reached Ps. 6,562 million, a record figure for a single quarter and an increase of 10% compared to 1Q21.
- ⊙ 1Q22 Consolidated EBITDA was Ps. 3,228 million, up 8% increase over 1Q21, with a margin of 49.2%; on the other hand, EBITDA from cable operations totaled Ps. 3,060 million, an 8% increase and a margin of 50.8%.
- ⊙ The Corporate Segment revenues recorded a 16% growth compared to 1Q21, it's the best increase in the last 2 years, highlighting MetroCarrier and Ho1a, with increases of 20% and 18%, respectively.
- ⊙ At the end of 1Q22, RGUs grew 8% compared to 1Q21, reaching more than 10.5 million, while Unique Subscribers reached close to 4.2 million, an increase of 5% in the same period.
- ⊙ The Internet Segment registered 303 thousand net adds, an 8% growth compared to 1Q21, while Telephony and Video posted 362 thousand and 106 thousand net adds, up 13% and 3%, respectively.

Guadalajara, Jalisco, Mexico, April 28, 2022 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the first quarter of 2022 (1Q22). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise stated.

Consolidated Financial and Operational Results

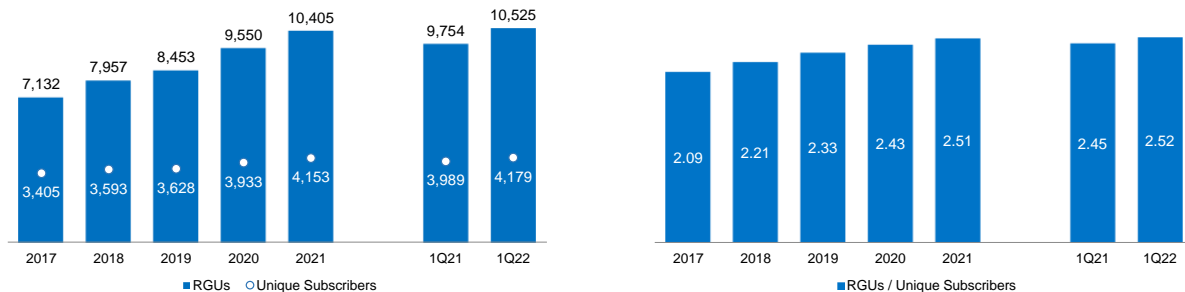
	1Q22	1Q21	% Var
Income	6,562,426	5,951,979	10.3%
Mass Segment Income	5,423,363	4,960,613	9.3%
EBITDA	3,228,488	3,002,979	7.5%
EBITDA Margin	49.2%	50.5%	
Net Profit	1,169,916	1,102,552	6.1%
Cash and short-term investments	3,138,629	4,834,390	(35.1%)
Net Debt	4,834,068	2,717,059	77.9%
CAPEX	2,340,150	1,875,705	24.8%
Mkt. Cap (Ps. Millions)	51,580	63,036	(18.2%)
Subscribers			
Unique	4,178,869	3,989,126	4.8%
Internet	3,893,297	3,589,974	8.4%
Video	3,541,998	3,436,267	3.1%
Telephony	3,089,216	2,727,477	13.3%
Mobile services	432,477	209,418	106.5%
Total RGUs	10,524,511	9,753,717	7.9%
Other Data			
Home Passed	9,686,305	9,007,223	7.5%
Network Kilometers	67,145	63,702	5.4%
Employees	24,520	23,306	5.2%

General Remarks

The Company maintained subscriber growth for the three mass segment services, while recording the highest revenue growth in the corporate segment since 2019. This resulted in a double-digit revenue growth with a Consolidated EBITDA margin above 49%, which remained the highest in the industry.

Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, the Company recorded 4'178,869 unique subscribers, a 4.8% growth compared to 1Q21, equal to 190 thousand net adds. On the other hand, RGUs totaled more than 10.5 million, an increase of 7.9% compared to the same quarter of the previous year, driven by subscriber growth in the three mass segment services. Revenue generating units per unique subscriber maintained its upward trend to reach 2.52.

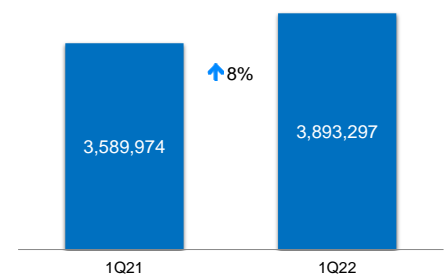


Note: Mobile services subscribers are not included in total RGUs.

Internet Subscribers

At the end of 1Q22, the Internet segment reached 3'893,297 subscribers, an increase of 8.4%, equal to 303 thousand net adds compared to 1Q21. In this quarter, the Company registered 59 thousand new subscribers, an increase of 1.5% compared to 4Q21.

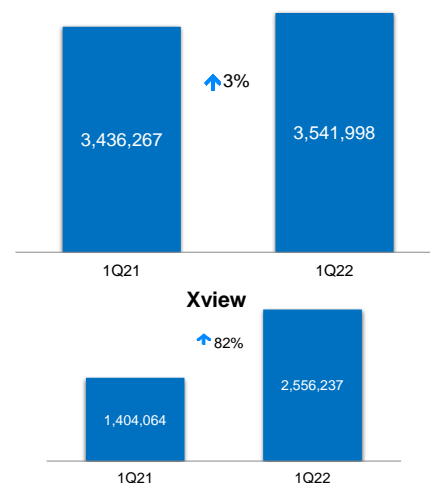
The infrastructure investments made in previous periods, aimed at increasing the Company's network capacity, allowed for a significant increase in Internet package speeds for all Megacable's subscribers during the quarter.



Video Subscribers

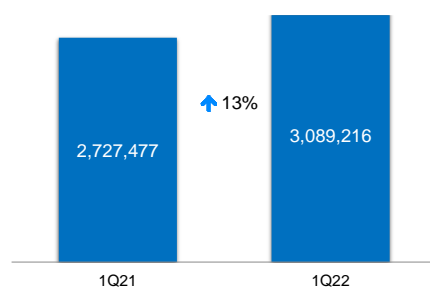
The Video segment reached 3'541,998 subscribers at the end of 1Q22, an increase of 106 thousand net adds, equal to 3.1% over 1Q21. Video subscribers remained in the same levels as in 4Q21.

The Xview+ platform continues its positive trend and reached 2'556,237 set top boxes (STBs), an increase of 82.1% and more than 1.1 million net adds when compared to 1Q21. On a sequential basis, the Company recorded 155 thousand net adds. Digital subscribers accounted for 87% of the Company's subscriber base through more than 5 million STBs.



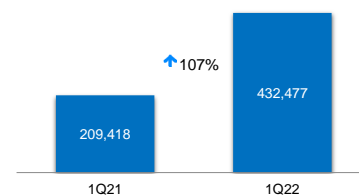
Telephony Subscribers

The Telephony segment closed the quarter with 3'089,216 subscribers, 362 thousand net adds compared to 1Q21, an increase of 13.3%. During the quarter, the Company posted 58 thousand new subscribers, an increase of 1.9% compared to 4Q21. The growth of this service has been driven mainly by Company's package offer.



Mobile Services Subscribers

At the end of the quarter, the Company reached 432 thousand subscribers in the Mobile Services segment, which represented 4 thousand net adds compared to 4Q21. In this period, a change in the subscribers recognition policy for this segment was made; if the previous methodology had been used, 74 thousand net adds would have been recognized in 1Q22.



Churn Rate

The churn rates for the three mass segment services remained practically at the same levels as in the previous quarter, in the annual comparison, it registered a slight increase. Nevertheless, it's relevant to highlight that churn rates remained below pre-pandemic levels, supporting the Company's subscriber growth.

	1Q22	4Q21	1Q21	4Q19
Internet	2.1%	2.0%	1.7%	2.3%
Video	2.3%	2.2%	1.9%	2.4%
Telephony	2.5%	2.4%	2.2%	3.1%

Revenues

1Q22 total revenues reached Ps. 6,562 million, representing a record high for a single quarter and an increase of 10.3% compared to 1Q21. Revenues for the Mass Services segment increased 9.3%, driven by a higher number of subscribers and additional service revenues. During the period, Corporate segment revenues maintained their double-digit growth trend, increasing 15% compared to 1Q21.

	1Q22	1Q21	%Var
Internet	2,191,023	1,983,195	10%
Video	2,430,510	2,349,492	3%
Telephony	654,343	552,235	18%
Mobile Service	134,337	60,058	124%
Others	13,150	15,633	-16%
Total Mass Market	5,423,363	4,960,613	9%
Corporate	1,139,063	991,365	15%
Total	6,562,426	5,951,979	10%

ARPU

ARPU per unique subscriber attained Ps. 422.4, growing 2.7% compared to the first quarter of 2021. The last, due to the focus on the marketing of triple play packages, rate increases and the contribution of additional services such as Xview platforms, while in the sequential comparison it practically remained flat. Regarding ARPUs by service, increases were recorded in the Internet and Telephony services when compared to 4Q21 and 1Q21, while Video remained practically unchanged. The ARPU of mobile services presented a significant increase derived from the change in the policy before mentioned.

	1Q22	1Q21	% Var	4Q21	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	422.4	411.4	3%	422.6	0%
Internet	188.4	185.5	2%	187.6	0%
Video	229.0	228.5	0%	231.7	-1%
Telephony	71.1	68.3	4%	69.9	2%
Mobile Services	108.6	100.0	9%	89.4	22%

Note:

- (1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue for the corresponding segment during the period, divided by the average number of subscribers for the corresponding period.
- (2) Beginning this quarter, Mobile Services revenue is not included in the ARPU per unique subscriber calculation.

Corporate Telecom Segment Revenues

Corporate Telecom segment revenues grew 16.4% compared to the first quarter of 2021. This performance was supported by growth of 20.1% growth in MetroCarrier, driven by higher revenues in connectivity services, and 18.2% in Ho1a, reflecting a more dynamic corporate segment. Additionally, MCM maintained its positive trend and recorded its best growth in the last year and a half. The participation of this segment in the Company's total revenues was 16.2%, compared to 15.3% in 1Q21.

	1Q22	1Q21	%Var
Metrocarrier	598,692	498,316	20%
HO1A	185,177	156,612	18%
MCM	276,296	255,649	8%
Corporate Telecom	1,060,165	910,578	16%
PCTV	78,898	80,788	-2%
Total	1,139,063	991,365	15%

Cost & Expenses

During the quarter, cost of services increased 12.0% compared to the first quarter of 2021, mainly due to the larger operations in ho1a in the Corporate market and in the mobile services business in the Mass market. On the other hand, operating expenses increased 14.2%, primarily due to the growth of mass segment operations per the new territories.

EBITDA

1Q22 Consolidated EBITDA was Ps. 3,228 million, an increase of 7.5% compared to the same period of the previous year, with a consolidated margin of 49.2%. Likewise, adjusted EBITDA from Cable operations maintained its upward trend, reaching Ps. 3,060 million, 7.9% higher compared to 1Q21, with a margin of 50.8%.

	1Q22	1Q21	
Consolidated operating profit	1,788,769	1,741,040	3%
Consolidated depreciation and amortization	1,439,719	1,261,939	14%
Consolidated EBITDA ⁽¹⁾	3,228,488	3,002,979	8%
Consolidated EBITDA Margin	49.2%	50.5%	
MCM, Ho1a and PCTV EBITDA	\$ 168,478	\$ 166,044	1%
Cable Adjusted EBITDA ⁽²⁾	3,060,010	2,836,935	8%
EBITDA Margin of Cable	50.8%	52.0%	0%

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing result, non-recurring expenses (income), total income tax, employee profit sharing, interests in affiliated and associated companies, and non-controlling interest.

(2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA.

Net Comprehensive Financing Result

During the quarter, the Company recorded a net financing expense of Ps. 88.0 million, mainly comprised of net interest expense of Ps. 133.3 million, and a foreign exchange gain of Ps. 45.3 million.

	1Q22	1Q21
Net Exchange Profit	45,269	75
Interest Income	44,008	41,680
Interest Expense	177,315	238,657
Net Comprehensive Financial Result	(88,038)	(196,903)

Net Income

Net Income for the quarter closed at Ps. 1,170 million, an increase of 6.1% compared to 1Q21. This performance fell short EBITDA's growth due to the higher depreciation from investments, which was partially offset by a favorable comparison in the net comprehensive financial result.

Net Debt

Megacable ended the quarter with a Net Debt of Ps. 4,834 million, which represents a higher leverage level when compared to 1Q21 and 4Q21, reflecting a lower cash balance, mainly due to the payments to suppliers. The Company is working on the refinancing strategy for short-term maturities.

	1Q22	1Q21	4Q21
Short Term Debt	4,268,774	972,382	4,560,470
One year maturity of long-term bank loans	4,184,480	866,389	4,448,789
Short-term leases	84,295	105,993	111,681
Long-Term Debt	3,703,923	6,579,068	3,812,533
Bank Loans	3,456,703	6,357,507	3,458,069
Long-term leases	247,220	221,561	354,464
Total Debt	7,972,697	7,551,450	8,373,002
Cash and Short-Term Investments	3,138,629	4,834,390	3,703,435
Net Debt	4,834,068	2,717,059	4,669,568

CAPEX

Megacable invested Ps. 2,340 million during 1Q22, which represents 35.7% of the Company's revenues for the quarter. During this period, the Company continued to focus on the execution of its network evolution project and the entry into new markets. These investments will contribute to subscribers and revenues growth in the coming periods.

Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	3,202	6,403
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 51,580
Closing price (Ps) *		\$ 59.93
Free float		51%
As of March 31, 2022		

* Source: Infosei

1Q22 Earnings Conference Call

Megacable will hold its 1Q22 Earnings Conference Call on Friday, April 29, 2022 at 10:00 am (Mexico City Time) / 11:00 am (New York Time).

To access the call, please dial:

From within the U.S. 1-877-451-6152

From outside the U.S. 1-201-389-0879

Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1543915&tp_key=a09467e0c3

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Disclaimer

This press release contains forward-looking statements regarding the Company's results and future prospects, which are subject to risk and uncertainty. Therefore, these results and statements may differ due to various factors. Moreover, figures in this report may vary due to rounding.

For more information, please visit: <https://inversionistas.megacable.com.mx/en/index.php>

Megacable Holdings, S.A.B. de C.V.

Statement of Financial Position

As of March 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	3,138,629	4,834,390
Accounts receivable from customers and advances to suppliers, net	3,202,309	3,604,244
Recoverable taxes	1,277,754	745,562
Inventories	494,113	400,531
Total Current Assets	8,112,805	9,584,728
NON-CURRENT ASSETS		
Property, systems and equipment, net	40,141,409	33,965,024
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	280,410	293,926
Other assets	453,778	1,182,836
Affiliated and associated companies	1,007,884	929,406
Total Assets	54,374,683	50,334,317
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	4,184,480	866,389
Suppliers	4,708,162	3,141,505
Short-term affiliated and associated companies	122,874	13,196
Accounts payable and accrued expenses payable	1,290,840	1,802,105
Short-term leases payable	84,295	105,993
Total Current Liabilities	10,390,651	5,929,187
LONG TERM LIABILITIES		
Bank loans	3,456,703	6,357,507
Labor obligations	240,755	216,661
Deferred taxes	2,536,134	1,859,701
Affiliated and associated companies	612,514	729,085
Accrued Income	658,910	-
Long-term leases payable	247,220	221,561
Total Long-Term Liabilities	7,752,236	9,384,515
Total Liabilities	18,142,888	15,313,701
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	31,195,835	30,074,249
Minority Interest	1,514,348	1,424,754
Legal Reserve	493,808	493,808
Total Stockholders' Equity	36,231,795	35,020,615
Total Liabilities & Stockholders' Equity	54,374,683	50,334,317

Megacable Holdings, S.A.B. de C.V.

Income Statement

First Quarter 2022 and 2021

	1Q22	1Q21	% Var
Income	\$ 6,562,426	\$ 5,951,979	10%
Cost of Services	1,706,801	1,524,504	12%
Gross Profit	\$ 4,855,625	\$ 4,427,475	10%
Operating and General Expenses	1,627,137	1,424,496	14%
EBITDA	\$ 3,228,488	\$ 3,002,979	8%
Depreciation and amortization	1,439,719	1,261,939	14%
Operating Profit	\$ 1,788,769	\$ 1,741,040	3%
Other income (expenses), net	- 24,164	11,952	NA
Comprehensive Financing Income, Net	88,038	196,903	(55%)
Income Before Income Tax and Minority Interest	\$ 1,676,567	\$ 1,556,089	8%
Income Tax	452,673	421,708	7%
Net Profit	\$ 1,223,894	\$ 1,134,381	8%
Net income attribute to:			
Non-Controlling interest	53,978	31,830	70%
Controlling interest	1,169,916	1,102,552	6%
	\$ 1,223,894	\$ 1,134,381	8%

Megacable Holdings, S.A.B. de C.V.

Income Statement by Segment

First Quarter 2022 and 2021

	1Q22	1Q21	% Var
CABLE OPERATIONS			
Income	\$ 6,022,055	\$ 5,458,930	10%
Cost of Services	1,509,244	1,364,645	11%
Gross Profit	4,512,811	4,094,284	10%
Operating and General Expenses	1,452,802	1,257,350	16%
EBITDA	\$ 3,060,010	\$ 2,836,935	8%
	50.8%	52.0%	
OTHER			
Income	540,371	493,049	10%
MCM	276,296	255,649	8%
HO1A	185,177	156,612	18%
PCTV	78,898	80,788	(2%)
Cost of Services	197,558	159,858	24%
MCM	28,195	24,601	15%
HO1A	130,394	94,276	38%
PCTV	38,968	40,981	(5%)
Gross Profit	342,813	333,191	3%
Operating and General Expenses	174,335	167,146	4%
MCM	105,391	100,946	4%
HO1A	36,066	34,872	3%
PCTV	32,878	31,328	5%
EBITDA			
MCM	142,710	130,102	10%
HO1A	18,717	27,464	(32%)
PCTV	7,052	8,478	(17%)
EBITDA	\$ 168,478	\$ 166,044	1%
	31.2%	33.7%	
TOTAL OPERATION			
Income	6,562,426	5,951,979	10%
Cost of Services	1,706,801	1,524,504	12%
Gross Profit	4,855,625	4,427,475	10%
Operating and General Expenses	1,627,137	1,424,496	14%
EBITDA	\$ 3,228,488	\$ 3,002,979	8%
	49.2%	50.5%	