

Highlights

- ⊙ At the end of this quarter, the Company surpassed 5 million Unique Subscribers, achieving 144 thousand net additions compared to 4Q23. This represents an increase of 12.1% or 550 thousand net additions compared to 1Q23, marking the highest growth in the Company's history.
- ⊙ In the same line, the Internet and Telephony segments added 151 thousand and 173 thousand new subscribers, respectively, during this quarter. The Video segment saw a growth of 15 thousand subscribers. On an annual basis, the Telephony and Video segments added 677 thousand and 167 thousand subscribers, respectively, while the Internet segment recorded an increase of 588 thousand new subscribers, the highest for any first quarter to date.
- ⊙ Consolidated EBITDA for 1Q24 increased by 12.6% compared to 1Q23, reaching Ps. 3,681 million, and a record figure for the Company. The EBITDA margin stood at 46.1%.
- ⊙ Total revenues for the quarter amounted to Ps. 7,985 million, marking an 11.6% increase. Within the same period, the Mass Segment revenues reached a record Ps. 6,582 million, reflecting a year-over-year growth of 13.1%.
- ⊙ CAPEX for the quarter showed a significant reduction on a sequential basis, accounting for 29.5% of the quarter's revenues. This decrease was reflected in the reduced number of homes passed and kilometers built during the period.
- ⊙ The Company successfully issued its first sustainability-labeled local notes, raising Ps. 3,945 million. The leverage ratio decreased to 1.41x from 4Q23.

Guadalajara, Jalisco, Mexico, April 25, 2024 - 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 2024 (1Q24). 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

	1Q24	1Q23	% Var
Income	7,984,603	7,152,188	11.6%
Mass Segment Income	6,581,611	5,818,856	13.1%
EBITDA	3,680,604	3,268,695	12.6%
EBITDA Margin	46.1%	45.7%	
Net Profit	801,279	796,614	0.6%
Cash and short-term investments	6,234,970	1,647,567	NA
Net Debt	19,352,038	14,371,525	34.7%
CAPEX	2,354,237	2,234,840	5.3%
Mkt. Cap (Ps. Millions)	39,781	39,514	0.7%
Subscribers			
Unique	5,089,725	4,540,132	12.1%
Internet	4,872,882	4,285,165	13.7%
Video	3,928,939	3,761,912	4.4%
Telephony	4,255,172	3,578,587	18.9%
Mobile services	461,069	376,854	22.3%
Total RGUs	13,056,993	11,625,664	12.3%
Other Data			
Home Passed	15,951,418	12,487,578	27.7%
Network Kilometers	95,627	81,212	17.7%
Employees	31,993	29,057	10.1%

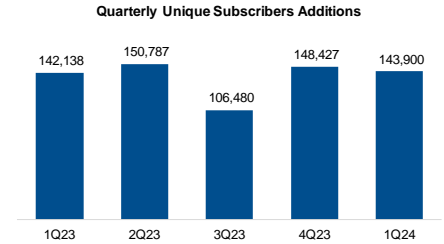


General Remarks

During this quarter, the Mass Segment recorded net additions in line with the Company’s expectations, reflecting increased market penetration in expansion territories. This contributed to significant revenue growth, with the Mass Segment achieving a record figure for the quarter. Additionally, improved margins in the expansion territories led to the highest EBITDA growth since the announcement of this project. Despite extraordinary investments and additional debt incurred during the period, the leverage ratio decreased sequentially, maintaining reasonable levels. In line with the expectations, CAPEX as a percentage of revenue slowed both year-over-year and sequentially, aligning with the deceleration of the expansion project.

Unique Subscribers and Revenue Generating Units (RGUs)

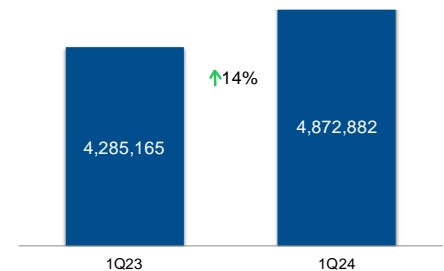
By the end of the first quarter, the Company registered 5’089,725 unique subscribers, a growth of 12.1% compared to 1Q23, representing 550 thousand net additions. Sequentially, 144 thousand new unique subscribers were added this quarter, consistent with the projected growth from the expansion project. Additionally, RGUs surpassed 13 million, marking an increase of 12.3% compared to the same quarter last year, driven by steady subscriber growth in the Mass Segment. The RGU per unique subscriber ratio remained stable at 2.57.



Internet Subscribers

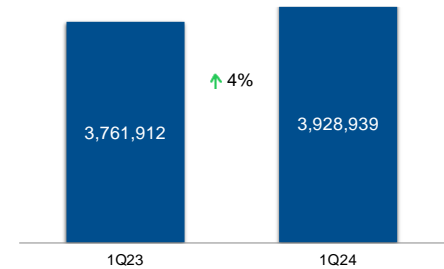
By the end of 1Q24, the Internet segment reached 4’872,882 subscribers, reflecting a growth of 13.7% or 588 thousand net additions compared to 1Q23. During this period, 151 thousand new subscribers were added, aligning with the Company’s estimates for the year.

By the end of the period, fiber technology was utilized by 67% of subscribers, up from 52% in 1Q23. This increase reflects the substantial investments in network expansion and technology evolution projects made in recent quarters.

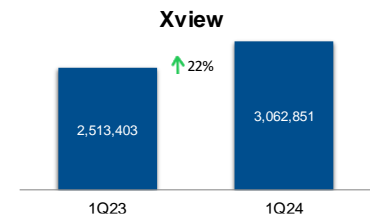


Video Subscribers

The Video segment continues to grow, reaching 3'928,939 subscribers by the end of 1Q24, registering 167 thousand net adds, an increase of 4.4% compared to 1Q23, and a quarter-over-quarter increase of 15 thousand net adds.

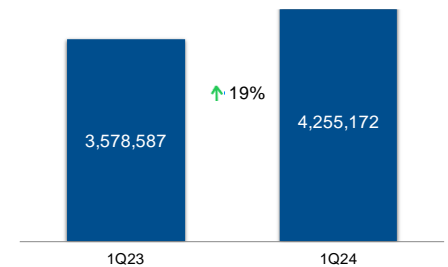


The Xview platform continues its upward trend, surpassing 3 million subscribers to reach 3'062,851, representing a growth of 21.9% with over 549 thousand net adds compared to 1Q23. Sequentially, 154 thousand new users were registered.



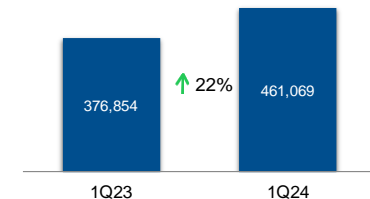
Telephony Subscribers

The Telephony segment concluded with 4'255,172 subscribers, registering 677 thousand net adds compared to 1Q23, representing an increase of 18.9%. During this quarter, 173 thousand new subscribers were gained, an increase of 4.2%. The growth of this service is primarily driven by the Company's bundling strategy.



Mobile Services Subscribers

At the end of the quarter, the Mobile Services segment reached 461,069 lines, adding 84 thousand new users year-over-year and 28 thousand quarter-over-quarter. The latter marks the highest growth since 4Q21, maintaining a solid growth trend. Concurrently, the Company continues to focus on post-paid services.



Churn Rate

The churn rates in the Mass Segment Services remained virtually the same as in 4Q23 and 1Q23. This stability is a result of the Company's focus on acquiring quality subscribers and retaining them in new territories after the promotional period.

	1Q24	4Q23	1Q23
Internet	1.8%	1.8%	1.9%
Video	2.1%	2.2%	2.0%
Telephony	2.1%	2.0%	2.1%



Revenues

1Q24 total revenues reached Ps. 7,985 million, an increase of 11.6% compared to 1Q23, setting a new record for the Company. In the same period comparison, the Mass Segment showed solid growth, registering a 13.1% increase, driven by a higher number of subscribers, increased contributions from new territories, and revenue from supplementary services. Revenues from the Corporate Segment grew by 5.2%.

	1Q24	1Q23	%Var
Internet	2,880,363	2,399,133	20%
Video	2,808,295	2,614,116	7%
Telephony	694,895	623,811	11%
Mobile Service	189,934	169,880	12%
Others	8,124	11,916	-32%
Total Mass Market	6,581,611	5,818,856	13%
Corporate	1,402,992	1,333,331	5%
Total	7,984,603	7,152,188	12%

ARPU

ARPU per unique subscriber was Ps. 421.7, remaining stable compared to 1Q23, but showing a slight decrease from 4Q23 due to seasonality. Annually, ARPUs for Internet and Video services stood out, showing increases of 5.0% and 1.9%, respectively. Sequentially, the ARPUs for the Mass Segment Services remained practically unchanged.

	1Q24	1Q23	% Var	4Q23	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	421.7	420.4	0%	426.3	-1%
Internet	198.7	189.3	5%	197.6	1%
Video	238.5	233.9	2%	240.7	-1%
Telephony	55.1	59.2	-7%	54.9	0%
Mobile Services	140.9	152.1	-7%	153.4	-8%

Notes:

- (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 same period.
- (2) Mobile Services revenues are not included in the ARPU per unique subscriber calculation.

Corporate Telecom Segment Revenues

Corporate Telecom Segment revenues recorded a growth of 5.9% compared to 1Q23. Sequentially, revenues remained flat. This performance was primarily driven by the exceptional contributions from ho1a, stemming from non-recurring revenues, and a solid performance by MetroCarrier. This segment contributed 16.5% to the Company's total revenues, compared to 17.4% in 1Q23.

	1Q24	1Q23	%Var
MetroCarrier	748,682	697,597	7%
ho1a	282,790	229,301	23%
MCM	283,904	315,112	-10%
Corporate Telecom	1,315,376	1,242,010	6%
PCTV	87,616	91,322	-4%
Total	1,402,992	1,333,331	5%



Costs & Expenses

During this quarter, the costs of services increased by 8.1%, which was outpaced by revenue growth, while operating expenses rose by 13.7% compared to 1Q23, primarily due to rising labor costs. Sequentially, the costs of services decreased by 4.2% and operating expenses remained stable. Operating Income surged by 17.4% compared to 1Q23, marking the strongest growth in the past five years, and also recorded an 8.7% increase over 4Q23. This growth is primarily attributed to enhanced revenue generation and improved cost efficiency stemming from the ongoing expansion project.

EBITDA

Consolidated EBITDA and EBITDA from Cable Operations increased by 12.6% and 12.4%, respectively, compared to the same quarter last year, marking the highest increases since 2Q18. These improvements were driven by the Company's operational growth, achieving margins of 46.1% and 47.3%, respectively. On a sequential basis, both metrics maintained their upward trend, with consolidated EBITDA reaching Ps. 3,681 million and EBITDA from Cable Operations totaling Ps. 3,467 million.

	1Q24	1Q23	%Var
Consolidated operating profit	1,682,868	1,433,994	17%
Consolidated depreciation and amortization	1,997,736	1,834,701	9%
Consolidated EBITDA (1)	3,680,604	3,268,695	13%
Consolidated EBITDA Margin	46.1%	45.7%	
MCM, Ho1a and PCTV EBITDA	213,842	184,042	16%
Cable Adjusted EBITDA (2)	3,466,763	3,084,652	12%
EBITDA Margin of Cable	47.3%	47.3%	

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. 538.8 million, largely due to net interest charges stemming from increased debt levels in recent periods, coupled with reduced net foreign exchange gains.

	1Q24	1Q23
Net Exchange Profit	14,578	83,801
Interest Income	77,955	69,644
Interest Expense	631,323	392,508
Net Comprehensive Financial Cost	538,789	239,063



Net Income

Net Income for the quarter closed at Ps. 801 million, a slight decrease compared to 1Q23, and 23.7% increase over 4Q23. Although significant, this increase was more modest compared to EBITDA growth, largely due to heightened financial expenses.

Net Debt

Megacable ended the quarter with a Net Debt of Ps. 19,352 million. This represents an increase from 1Q23 but shows a reduction when compared sequentially. The issuance of Ps. 3,945 million in new sustainability-labeled local notes will support ongoing financing for network expansion and evolution projects. As of the end of 1Q24, the Company's leverage, measured as net debt to EBITDA, stood at 1.4 times, within the target range set by the Company and among the lowest in the industry.

	1Q24	1Q23	4Q23
Short Term Debt	5,677,002	4,844,212	5,661,317
One year maturity of long-term bank loans	5,460,485	4,741,541	5,593,405
Short-term leases	216,518	102,671	67,912
Long-Term Debt	19,910,006	11,174,881	16,134,772
Bank Loans	8,326,859	3,446,973	8,276,859
Accounts Payable	10,944,861	7,000,000	7,000,000
Long-term leases	638,286	727,908	857,913
Total Debt	25,587,009	16,019,093	21,796,089
Cash and Short-Term Investments	6,234,970	1,647,567	1,578,318
Net Debt	19,352,038	14,371,525	20,217,771

CAPEX

Megacable invested Ps. 2,354 million in 1Q24, accounting for 29.5% of the period's revenues. This investment aligns with the projected slowdown in the capital expenditure cycle. Despite a continuing expansion effort, the required number of kilometers and homes passed decreased significantly compared to previous periods.

Outstanding Developments

On March 22, Megacable successfully issued long-term sustainability-labeled local notes valued at Ps. 3,945 million. This issuance received a 'AAA(mex)' and HR AAA rating from Fitch Ratings and HR Ratings, respectively. Additionally, it secured a Second Opinion with an "Excellent" rating from Sustainable Fitch.



Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	2,178	4,355
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 39,781
Closing price (Ps.) *		\$ 46.22
Free float		53%
As of March 31, 2024		

* Source: Refinitiv

1Q24 Earnings Conference Call

Megacable will hold its 1Q24 Earnings Conference Call on Friday, April 26, 2024, at 10:00 am (Mexico City Time) / 12:00 pm (New York Time).

To access the call, please register using the following link:

https://us02web.zoom.us/webinar/register/WN_Rr8BmI5ZRXS7psrzlkoJAA

The audio recording of the 1Q24 conference call and prior periods is available at:

<https://inversionistas.megacable.com.mx/en/home>

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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/home>



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

Statement of Financial Position
As of March 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	6,234,970	1,647,567
Accounts receivable from customers and advances to suppliers, net	3,590,563	3,871,621
Recoverable taxes	1,156,286	1,651,109
Inventories	691,831	756,435
Total Current Assets	11,673,650	7,926,732
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	509,327	183,622
Property, systems and equipment, net	53,509,953	47,603,332
Goodwill, net	4,366,058	4,378,397
Intangible assets by right-of-use assets	795,029	768,238
Other assets	1,126,405	608,377
Affiliated and associated companies	1,274,860	1,070,706
Total Assets	73,255,281	62,539,405
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	5,460,485	4,741,541
Suppliers	4,023,698	3,984,867
Short-term affiliated and associated companies	163,672	124,172
Accounts payable and accrued expenses payable	1,711,039	1,005,950
Short-term leases payable	216,518	102,671
Total Current Liabilities	11,575,412	9,959,201
LONG TERM LIABILITIES		
Bank loans	8,326,859	3,446,973
Labor obligations	408,518	302,259
Accounts payable	10,944,861	7,000,000
Deferred taxes	3,394,466	2,797,162
Affiliated and associated companies	672,374	592,458
Accrued Income	622,723	685,575
Long-term leases payable	638,286	727,908
Total Long-Term Liabilities	25,008,087	15,552,335
Total Liabilities	36,583,499	25,511,537
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	32,279,894	31,968,734
Minority Interest	864,684	1,537,107
Legal Reserve	499,400	494,223
Total Stockholders' Equity	36,671,782	37,027,868
Total Liabilities & Stockholders' Equity	73,255,281	62,539,405



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

Income Statement

First Quarter 2024 and 2023

	1Q24	1Q23	% Var
Income	\$ 7,984,603	\$ 7,152,188	12%
Cost of Services	2,171,706	2,008,852	8%
Gross Profit	\$ 5,812,898	\$ 5,143,336	13%
Operating and General Expenses	2,132,293	1,874,641	14%
EBITDA	\$ 3,680,604	\$ 3,268,695	13%
Depreciation and amortization	1,997,736	1,834,701	9%
Operating Profit	\$ 1,682,868	\$ 1,433,994	17%
Other income (expenses), net	20,238	13,796	47%
Comprehensive Financing Income, Net	538,789	239,063	125%
Income Before Income Tax and Minority Interest	\$ 1,164,317	\$ 1,208,726	(4%)
Income Tax	349,295	362,618	(4%)
Net Profit	\$ 815,022	\$ 846,108	(4%)
Net income attribute to:			
Non-Controlling interest	13,743	49,494	(72%)
Controlling interest	801,279	796,614	1%
	\$ 815,022	\$ 846,108	(4%)



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

Income Statement by Segment
First Quarter 2024 and 2023

	1Q24	1Q23	% Var
CABLE OPERATIONS			
Income	\$ 7,330,293	\$ 6,516,453	12%
Cost of Services	1,943,110	1,774,699	9%
Gross Profit	5,387,183	4,741,754	14%
Operating and General Expenses	1,920,420	1,657,102	16%
EBITDA	\$ 3,466,763	\$ 3,084,652	12%
	47.3%	47.3%	
OTHER			
Income	654,310	635,735	3%
MCM	283,904	315,112	(10%)
HO1A	282,790	229,301	23%
PCTV	87,616	91,322	(4%)
Cost of Services	228,595	234,153	(2%)
MCM	46,645	41,595	12%
HO1A	128,044	138,402	(7%)
PCTV	53,906	54,156	(0%)
Gross Profit	425,715	401,582	6%
Operating and General Expenses	211,873	217,539	(3%)
MCM	112,887	136,244	(17%)
HO1A	62,428	46,876	33%
PCTV	36,558	34,419	6%
EBITDA			
MCM	124,372	137,272	(9%)
HO1A	92,318	44,024	110%
PCTV	- 2,848	2,747	NA
EBITDA	\$ 213,842	\$ 184,042	16%
	32.7%	28.9%	
TOTAL OPERATION			
Income	7,984,603	7,152,188	12%
Cost of Services	2,171,706	2,008,852	8%
Gross Profit	5,812,898	5,143,336	13%
Operating and General Expenses	2,132,293	1,874,641	14%
EBITDA	\$ 3,680,604	\$ 3,268,695	13%
	46.1%	45.7%	

