

Highlights

- ⊗ In this period, Mass Segment revenues reached Ps. 7,194 million, a record figure for a quarter, representing a 9.3% increase compared to 1Q24. In the same period, total revenues for the quarter reached Ps. 8,607 million, growing 7.8%.
- ⊗ During this quarter, the Internet and Telephony Segments added 100 thousand and 84 thousand new subscribers, respectively, while the Video Segment recorded a slight decrease. In the same line, 93 thousand net additions of unique subscribers were recorded in this period, reaching a total of 524 thousand on a year-over-year basis, representing a 10.3% increase.
- ⊗ EBITDA for 1Q25 increased 8.2% compared to 1Q24, reaching Ps. 3,984 million, a record figure for a quarter, with a margin of 46.3%.
- ⊗ CAPEX amounted to Ps. 2,308 million in this period, representing 26.8% of revenues for the quarter.
- ⊗ This quarter's results already reflect the integration of ho1a, MCM, and MetroCarrier from the Corporate Telecom segment into the Company MCM Business Tech-Co.

Guadalajara, Jalisco, Mexico, April 24, 2025 - 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 2025 (1Q25). 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

	1Q25	1Q24	% Var
Income	8,607,095	7,984,603	7.8%
Mass Segment Income	7,193,594	6,581,611	9.3%
EBITDA	3,983,661	3,680,604	8.2%
EBITDA Margin	46.3%	46.1%	
Net Profit	723,295	801,279	(9.7%)
Cash and short-term investments	4,589,975	6,234,970	(26.4%)
Net Debt	21,075,919	19,352,038	8.9%
CAPEX	2,308,045	2,354,237	(2.0%)
Market Cap (Ps. Millions)	36,966	39,781	(7.1%)
Subscribers			
Unique	5,613,431	5,089,725	10.3%
Internet	5,412,101	4,872,882	11.1%
Video	3,828,295	3,928,939	(2.6%)
Telephony	4,850,700	4,255,172	14.0%
Mobile services	575,930	461,069	24.9%
Total RGUs	14,091,096	13,056,993	7.9%
Other Data			
Home Passed	17,571,869	15,951,418	10.2%
Network Kilometers	102,420	95,627	7.1%
Employees	32,720	31,993	2.3%

General Remarks

During this quarter we continued with the subscriber additions trend observed in previous periods, within the Company's expected ranges. While the integration of the Corporate Telecom segment is expected to yield benefits, revenues were temporarily affected by market conditions and seasonality. These factors contributed to sustained growth in both revenues and EBITDA, with margin expansion on both an annual and sequential basis, supporting the growth of net income when compared to 4Q24. As penetration continues to consolidate across expansion territories, the Company is well-positioned for sustained cash generation in the coming periods.

Unique Subscribers and Revenue Generating Units (RGUs)

By the end of the first quarter, the Company reached 5,613,431 unique subscribers, a 10.3% increase compared to 1Q24, representing 524 thousand net additions. Sequentially, 93 thousand new unique subscribers were added this quarter, maintaining the growth trend in both expansion territories and organic regions, although at a slightly slower pace due to the price increase implemented during the quarter. Meanwhile, RGUs were close to 14.1 million, a 7.9% increase compared to the same quarter of the previous year, driven by continued growth of subscribers in the Mass Segment. The RGU per unique subscriber stood at 2.51.

Internet Subscribers

At the close of the quarter, the Internet segment reached 5,412,101 subscribers, an 11.1% growth or 539 thousand net additions compared to 1Q24. During this period, 100 thousand new subscribers were recorded, in line with the Company's expectations, primarily driven by the Expansion Project.

By the end of the period, 77% of subscribers receive their service through fiber technology, up from 67% in 1Q24. This is in line with the goal of becoming a full-fiber Company, offering a high-quality service with higher bandwidths.

Video Subscribers

The Video segment reached 3,828,295 subscribers at the end of 1Q25, reflecting a decrease both year-over-year and sequential basis. Moreover, 3,521,180 subscribers have access to Xview. This represented a 15.0% growth and a net addition of over 458 thousand users to this platform, compared to 1Q24.

Additionally, at the end of the quarter, 1.097 million subscriptions to apps were recorded, which represents a growth of 33.6%, or 276 thousand net additions, compared to the same period of the previous year.



Telephony Subscribers

The Telephony segment closed 1Q25 with 4,850,700 subscribers, registering 596 thousand net additions compared to 1Q24, which represent a 14.0% increase. During this quarter, 84 thousand new subscribers were added, a 1.8% increase in the sequential comparison. The growth in this segment is attributed to the Company's service bundling strategy.

Mobile Services Subscribers

At the end of the quarter, the Mobile Services Segment reached 575,930 lines, with 115 thousand new users added year-over-year and 22 thousand added in this period, continuing with the growth trend observed since 1Q23, maintaining the focus on postpaid services.

Churn Rate

The churn rates for all three Mass Segment services increased compared to 4Q24, mainly due to the price adjustment implemented in January, which affected the quarterly average.

	1Q25	4Q24	1Q24
Internet	2.1%	1.7%	1.8%
Video	2.5%	2.1%	2.1%
Telephony	2.5%	1.9%	2.1%

Revenue

Total revenues for the first quarter maintained their positive trend, registering once again a record figure for the Company, reaching Ps. 8,607 million¹, representing a 7.8% increase compared to 1Q24. This growth was mainly driven by a 9.3% increase in the Mass Segment, maintaining a solid growth trend, supported by a higher number of subscribers and the consolidation of new territories with a higher contribution. During the same period, revenues from the Corporate Segment remained practically at the same levels.

	1Q25	1Q24	%Var
Mass	7,193,594	6,581,611	9%
Corporate	1,413,501	1,402,992	1%
Total	8,607,095	7,984,603	8%

¹ Includes Ps. 220.2 million from mobile services in 1Q25.

ARPU

The ARPU per unique subscriber stood at Ps. 417.5, remaining practically at the same levels compared to 1Q24 and 4Q24. This was mainly due to the decline in video subscribers as a proportion of unique subscribers, despite the increase in rates and commercial strategies focused on increasing revenues.

	1Q25	1Q24	% Var	4Q24	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	417.5	421.7	-1%	421.6	-1%

Notes:

- (1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue for the corresponding service 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 remained flat compared to 1Q24. This was mainly due to a lower contribution from special projects, while the connectivity segment continued to register growth. This segment accounted for 15.3% of the Company's total revenues, compared to 16.5% in 1Q24.

	1Q25	1Q24	%Var
Corporate Telecom	1,314,012	1,315,376	0%
PCTV	99,489	87,616	14%
Total	1,413,501	1,402,992	1%

Costs & Expenses

During the quarter, the costs of services increased by 4.7%, which was below revenues growth, while operating expenses rose 10.2%, both compared to 1Q24. This was mainly due to higher labor costs resulting from wage and commission adjustments. Sequentially, costs & expenses decreased 2.6% and 2.3%, respectively. Operating Income remained at the same level compared to 1Q24, as a result of higher depreciation, which stemmed from investments made in previous periods. However, in the sequential comparison, it increased 13.6%.

EBITDA

Compared to the same quarter in the previous year, EBITDA increased 8.2% reaching Ps. 3,984 million, record figure for a quarter, with a margin of 46.3%. This growth was driven by the Company's larger scale. On a sequential basis, a growth of 5.8% was recorded.

	1Q25	1Q24	%Var
Operating Profit	1,689,050	1,682,868	0%
Depreciation and amortization	2,294,611	1,997,736	15%
EBITDA (1)	3,983,661	3,680,604	8%
EBITDA Margin	46.3%	46.1%	

Notes:

(1) 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.

Net Comprehensive Financing Result

During the quarter, the Company recorded a net financing expense of Ps. 610 million, the lowest amount in the last four quarters, primarily due to net interest expenses resulting from increased debt compared to 1Q24, as well as a foreign exchange loss driven by currency fluctuations during the quarter.

	1Q25	1Q24
Net Exchange Loss (Profit)	18,680	(14,578)
Interest Income	102,619	77,955
Interest Expense	694,238	631,323
Net Comprehensive Financial Cost	610,298	538,789

Net Income

Net Income for the quarter totaled Ps. 723 million, which represents a decrease compared to 1Q24 and a 38.1% increase compared to 4Q24. This was mainly due to a higher depreciation, in line with investments in the Expansion and Network Evolution projects of previous years, an unfavorable foreign exchange result, and an increase in financial expenses derived from higher debt compared to 1Q24. The Company continues to generate positive cash flow, regardless of business projects.

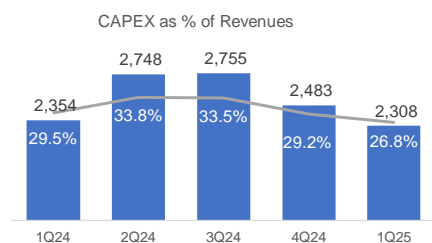
Net Debt

Net Debt for the quarter stood at Ps. 21,076 million, increasing compared to 1Q24 and decreasing compared to 4Q24, while Total Debt remained practically unchanged compared to 1Q24. The year-over-year increase of the Net Debt is mainly explained by the lower cash available. The leverage ratio decreased compared to 4Q24 to 1.41 times, in line with the Company's expectations.

	1Q25	1Q24	4Q24
Short Term Debt	1,208,159	5,677,002	1,677,466
One year maturity of long-term bank loans	1,008,234	5,460,485	1,452,171
Short-term leases	199,925	216,518	225,294
Long-Term Debt	24,457,734	19,910,006	24,510,944
Bank Loans	12,834,573	8,326,859	12,831,680
Accounts Payable	10,944,861	10,944,861	10,944,861
Long-term leases	678,301	638,286	734,403
Total Debt	25,665,893	25,587,009	26,188,410
Cash and Short-Term Investments	4,589,975	6,234,970	4,227,504
Net Debt	21,075,919	19,352,038	21,960,906

CAPEX

The Company invested Ps. 2,308 million during 1Q25, representing 26.8% of revenues for the period, in line with the expected slowdown in the investment cycle for the year. The additional kilometers and homes passed recorded in this quarter reflect the deceleration in the execution of the Expansion Project.



Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	2,178	4,355
<i>2 "A" Series Shares = 1 CPO</i>		
Mkt. Cap (In Ps. millions)		\$ 36,966
Closing price (Ps.) *		\$ 42.95
Free float		54%
As of March 31, 2025		

* Source: Refinitiv

1Q25 Earnings Conference Call

Megacable will host its 1Q25 earnings videoconference on Friday, April 25, 2025, at 10:00 am (Mexico City time) / 12:00 pm (New York Time).

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

https://us02web.zoom.us/webinar/register/WN_qTw4TDeRSuutE3TC-04nJg

The audio recording of the 1Q25 earnings videoconference and prior periods is available at:

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

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Disclaimer

This document 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, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	4,589,975	6,234,970
Accounts receivable from customers and advances to suppliers, net	3,487,371	3,590,563
Recoverable taxes	1,687,448	1,156,286
Inventories	618,453	691,831
Total Current Assets	10,383,247	11,673,650
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	-	509,327
Property, systems and equipment, net	55,687,984	53,509,953
Goodwill, net	4,366,058	4,366,058
Intangible assets by right-of-use assets	792,222	795,029
Other assets	1,443,048	1,126,405
Affiliated and associated companies	1,368,276	1,274,860
Total Assets	74,040,836	73,255,281
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	1,008,234	5,460,485
Suppliers	4,134,313	4,023,698
Short-term affiliated and associated companies	125,718	163,672
Accounts payable and accrued expenses payable	1,653,965	1,711,039
Short-term leases payable	199,925	216,518
Total Current Liabilities	7,122,155	11,575,412
LONG TERM LIABILITIES		
Bank loans	12,834,573	8,326,859
Labor obligations	437,278	408,518
Accounts payable	10,944,861	10,944,861
Deferred taxes	4,171,809	3,394,466
Affiliated and associated companies	861,107	672,374
Accrued Income	558,135	622,723
Long-term leases payable	678,301	638,286
Total Long-Term Liabilities	30,486,062	25,008,087
Total Liabilities	37,608,217	36,583,499
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	31,777,394	32,279,894
Minority Interest	1,068,733	864,684
Legal Reserve	558,686	499,400
Total Stockholders' Equity	36,432,618	36,671,782
Total Liabilities & Stockholders' Equity	74,040,836	73,255,281

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

Income Statement

First Quarter 2025 and 2024

	1Q25	1Q24	% Var
Income	\$ 8,607,095	\$ 7,984,603	8%
Cost of Services	2,273,168	2,171,706	5%
Gross Profit	\$ 6,333,927	\$ 5,812,898	9%
Operating and General Expenses	2,350,266	2,132,293	10%
EBITDA	\$ 3,983,661	\$ 3,680,604	8%
Depreciation and amortization	2,294,611	1,997,736	15%
Operating Profit	\$ 1,689,050	\$ 1,682,868	0%
Other income (expenses), net	29,184	20,238	44%
Comprehensive Financing Income, Net	610,298	538,789	13%
Income Before Income Tax and Minority Interest	\$ 1,107,936	\$ 1,164,317	(5%)
Income Tax	332,138	349,295	(5%)
Net Profit	\$ 775,798	\$ 815,022	(5%)
Net income attribute to:			
Non-Controlling interest	52,503	13,743	NA
Controlling interest	723,295	801,279	(10%)
	\$ 775,798	\$ 815,022	(5%)