# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Highlights**

- Consolidated EBITDA reached Ps. 2,767 million in 1Q20, a record figure for the Company, an 8% growth compared to 1Q19; with a consolidated margin of 50.1%. EBITDA for the cable operations reached Ps. 2,590 million with a margin of 51.7%.
- O Consolidated Revenues rose 7% compared to 1Q19, reaching Ps. 5,520 million, with an 8% growth in the mass market.
- O ARPU per unique subscriber increased 7% to Ps. 416.9 compared to 1Q19, continuing its positive upward trend.
- The Internet segment reached 193 thousand net adds, up 7% compared to 1Q19, while Telephony and Video reached 280 thousand and 37 thousand new subscribers, up 15% and 1%, respectively.
- Unique subscribers rose by 2%; while RGUs grew by 6%, compared to 1Q19, reaching 3.7 million and 8.6 million, respectively. RGUs per unique subscriber reached 2.34.

Guadalajara, Jalisco, Mexico, April 23, 2020 - 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 2020 (1Q20). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise indicated.

### **Consolidated Financial and Operational Results**

	1Q20	1Q19	% Var
Income	5,520,089	5,150,290	7.2%
EBITDA	2,766,637	2,550,413	8.5%
EBITDA Margin	50.1%	49.5%	
Net Profit	1,320,403	1,180,808	11.8%
Cash and short-term investments	4,675,071	3,849,588	21.4%
Net Debt	3,720,032	340,350	NA
CAPEX	1,246,042	1,385,016	(10.0%)
Mkt. Cap (Ps. Millions)	55,841	77,521	(28.0%)
Subscribers			
Unique	3,661,760	3,585,891	2.1%
Internet	3,146,381	2,953,639	6.5%
Video	3,233,503	3,196,828	1.1%
Telephony	2,186,501	1,906,589	14.7%
Total RGUs	8,566,385	8,057,056	6.3%
Other Data			
Home Passed	8,853,785	8,586,621	3.1%
Network Kilometers	62,293	60,334	3.2%
Employees	21,221	20,677	2.6%

For more information please visit: <u>http://inversionistas.megacable.com.mx</u> Investor Relations Contact: Alan Esaú Gallegos López, IRO Tel. + (5233) 3750 0042 ext. 61091 <u>investor.relations@megacable.com.mx</u>

# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

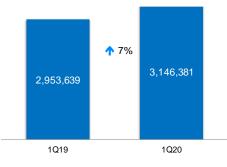
### Mass Market

During 1Q20, the Company registered a higher demand for its mass market services, resulting in an increase of net additions during the month of March, mainly due to the Company's successful product and commercialization strategies, as well due to the temporary quarantine measures.

### **Internet Subscribers**

During 1Q20, the Internet segment reached 3'146,381 subscribers, representing 6.5% growth or 193 thousand net adds, compared to 1Q19. The Company registered 49 thousand new subscribers, a 1.6% increase, when compared to 4Q19.

Due to the environment generated by the health crisis, the Company is committed to provide a reliable and high-quality service. The evolution of our network allows us to offer high bandwidth capacity services, which along with our focus on customer service, positioned us as the best alternative on the market.



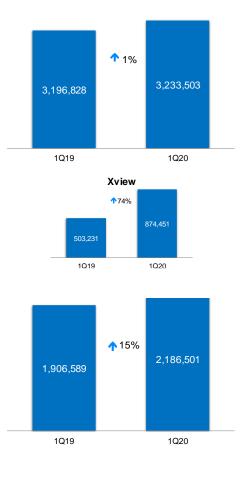
## Video Subscribers

At the close of 1Q20, the Video segment reached 3'233,503 subscribers, a 1.1% increase, or 37 thousand net adds compared to 1Q19. When compared to 4Q19, there were 9 thousand net adds recorded.

Xview registered 874 thousand net adds in 1Q20, reaching 47 thousand net adds, an increase of 5.7% compared to 4Q19. Likewise, during the quarter, the Company registered 57 thousand net adds of the HD service, up 5.6% reaching more than one million subscribers. 84% of total subscriptions is digitalized, through 4.9 million set-top boxes (STB).

### **Telephony Subscribers**

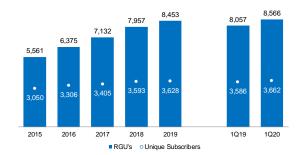
The Telephony segment reached 2'186,501 subscribers, representing 280 thousand net adds, or 14.7% growth, compared to 1Q19. During the quarter, 56 thousand new subscribers were registered, an increase of 2.6% compared to 4Q19. This result was mainly driven by the Company's successful bundling strategy.

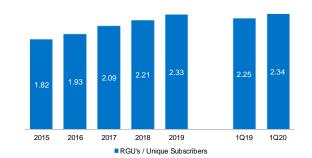


#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Unique Subscribers and Revenue Generating Units (RGUs)**

At the close of 1Q20, unique subscribers rose to 3'661,760, a 2.1% growth compared to 1Q19. RGUs reached 8'566,385, up 6.3% compared to 1Q19. This was mainly due to the subscriber growth experienced throughout the Company's three mass market segments. As a result of the aforementioned, RGUs per unique subscriber reached 2.34, continuing its upward trend.





# **Churn Rate**

The churn rate for the three services of the mass market declined year-over-year and when compared to 4Q19, mainly as a result of the strategies implemented to retained subscribers during the quarter, in addition to the effect due the quarantine measures, resulting in a greater number of subscribers remaining with the service.

	1Q20	1Q19	4Q19
Internet	1.9%	2.7%	2.3%
Video	2.1%	2.8%	2.4%
Telephony	2.6%	3.9%	3.1%

## Revenues

Total 1Q20 revenues reached Ps. 5,520 million, a 7.2% increase compared to 1Q19. The mass market grew by 8.3%, mainly as a result of greater revenues within the three services of the mass market, as well as revenues from additional services and the acquisition of subscribers during the second quarter of 2018. During the same period, revenues for the corporate segment grew by 2.2%.

	1Q20	1Q19	%Var
Internet	1,742,273	1,612,901	8%
Video	2,336,431	2,190,401	7%
Telephony	441,437	372,793	18%
Others	31,068	25,986	20%
Total Mass Market	4,551,210	4,202,079	8%
Corporate	968,879	948,210	2%
Total	5,520,089	5,150,290	7%

# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

# **ARPU**

ARPU per unique subscriber reached Ps. 416.9, which represented 6.8% growth compared to 1Q19. The aforementioned was driven by the Company's sales strategy of triple-play packages with a higher number of RGUs per subscriber, coupled to price increases and the contribution of additional services. Individually, ARPU for the three segments increased compared to 1Q19, Video by 5.8% Internet by 2.3%, and Telephony by 2.4%.

	1Q20	1Q19	% Var	4Q19	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	416.9	390.3	7%	410.3	2%
Internet	186.2	182.0	2%	185.0	1%
Video	241.8	228.6	6%	237.4	2%
Telephony	68.1	66.5	2%	67.5	1%

Notes:

(1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue per each segment for the period, divided by the average number of subscribers for the corresponding period.

# **Corporate Telecom Segment Revenues**

Corporate Telecom segment revenues increased by 2.4% compared to 1Q19, mainly due to a decline in the sales of ho1a to the government, which were not offset by the revenues from infrastructure and connectivity, in addition to the cancellation of the Metrocarrier and the SCT contract. The contribution of this segment to the Company's total revenues was 16.2%, compared to 16.9% in 1Q19.

	1Q20	1Q19	%Var
Metrocarrier	459,305	439,941	4%
HO1A	164,781	166,086	-1%
MCM	269,344	266,766	1%
Telecom Corporate	893,431	872,793	2%
PCTV	75,449	75,417	0%
Total	968,879	948,210	2%

## **Costs & Expenses**

During the quarter, service and operating expenses increased only by 6.2% and 5.6%, respectively, below revenue growth. This result was mainly due to the strategies designed to improve the structure of costs and expenses.

# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

## **EBITDA**

Consolidated EBITDA reached Ps. 2,767 million in 1Q20, which represented an 8.5% increase compared to 1Q19; with a consolidated margin of 50.1%. Likewise, adjusted EBITDA for the cable operations reached Ps. 2,590 million, a 9.4% growth compared to 1Q19, with a margin of 51.7%.

	1Q20	1Q19	%Var
CONSOLIDATED			
Consolidated operating profit	1,649,588	1,595,477	3%
Plus consolidated depreciation and amortization	1,117,049	954,936	17%
Consolidated EBITDA (1)	2,766,637	2,550,413	8%
Consolidated EBITDA Margin	50.1%	49.5%	
CABLE OPERATIONS			
Non Cable Operations	176,765	183,492	-4%
Cable Adjusted EBITDA (2)	2,589,872	2,366,921	<b>9%</b>
EBITDA Margin of Cable	51.7%	51.0%	

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing income, other net income, non-recurring expenses (income) total income tax, workers profit sharing, equity in income of associated companies and minority interest. (2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA

# **Net Income**

Net income for the quarter reached Ps. 1,320 million, representing an 11.8% growth, compared to 1Q19. This result was mainly due to an FX profit derived from the depreciation of the peso versus U.S. dollar.

## **Net Debt**

At the close of 1Q20, Megacable's Net Debt was Ps. 3,720 million, a decline compared to 4Q19, mainly due to higher available cash levels. During the quarter, the Company contracted additional debt through the financial system for Ps. 1.3 billion. In an annual basis, the decline was due to the debt re-financing that took place in June of 2019.

	1Q20	1Q19	4Q19
Short Term Debt	1,712,259	3,854,059	250,781
One year maturity of long-term bank loans	1,613,699	3,775,111	82,661
Short-term leases	98,560	78,948	168,121
Long-Term Debt	6,682,844	335,879	6,754,783
Bank Loans	6,415,880	83,795	6,427,847
Accounts Payable	-	2,269	5,417
Long-tem leases	266,963	249,815	321,519
Total Debt	8,395,103	4,189,938	7,005,565
Cash and Short-Term Investments	4,675,071	3,849,588	2,205,826
Net Debt	3,720,032	340,350	4,799,739

# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Net Comprehensive Financing Result**

The Company reported a net financing result of Ps. 135.5 million during 1Q20, comprised of Ps. 63.3 million in net interest paid and a FX gain of Ps.199.0 million, derived from the peso depreciation during the quarter.

	1Q20	1Q19
Net Exchange (Profit) Loss	(198,817)	8,345
Interest Income	51,189	85,390
Interest Expense	114,513	103,184
Net Comprehensive Financial Result	135,493	(26,138)

# CAPEX

Megacable invested Ps. 1,246 million during 1Q20, representing 22.6% of the quarter's revenues. The lower level of investments, compared to our forecast, was mainly due to the GPON project, which is still in the design phase, and as such is not yet reflected in CAPEX.

## **Stock Information**

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Outstanding shares (thousands)	411,940	829,891
Shares in treasury (thousands)	1,488	2,975
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 55,841
Closing price (Ps) *		\$ 64.88
Free float		51%
As of March 31, 2020		
* Source: Infosel		

### **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.

### **Conference Call**

Megacable will hold its 1Q20 Earnings Conference Call on Friday, April 24, 2020 at 10:00 am (Central Time) / 11:00am (Eastern Time). To access the call, please dial:

from within the U.S. 1-877-830-2576 from outside the U.S. 1-785-424-1726 Conference ID Number: MEGA



# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Balance Sheet**

ASSETS CURRENT ASSETS20202019ASSETS CURRENT ASSETSCash and short-term investments4,675,0713,849,588Accounts receivable from customers and other, net2,176,2391,929,570Recoverable taxes7622,767300,227Inventories9,248,0616,731,459NON-CURRENT ASSETS9,248,0616,731,459Property, systems and equipment, net30,970,98327,531,455Goodwill, net4,378,3974,378,397Intable assets by right-of-use assets341,392328,763Other assets341,392328,763Other assets341,392328,763Itable assets by right-of-use assets341,392328,763Other assets341,39232,775,114Total Assets440,866,477LIABILITIES44,028,68840,866,477CURRENT LIABILITIES1,904,2631,422,166Short-term affiliated and associated companies1,904,2631,422,166Short-term affiliated and associated companies1,904,2631,426,166Short-term affiliated and associated companies2,147,2027,912,343LONG TERM LIABILITIES522,269Deferred taxes1,921,5371,926,309Accounts payable266,9632,449,856Labor obligations28,335235,738Accounts payable266,9632,449,856Labor obligations26,9322,449,856,30Accounts payable266,9632,449,856,30Accounts		as of Mar	ch 31
CURRENT ASSETS4,675,0713,849,588Cash and short-term investments4,675,0713,849,588Accounts receivable from customers and other, net2,176,2391,929,570Recoverable taxes782,767300,227Inventories1,613,984652,073Total Current Assets9,248,0616,731,459NON-CURRENT ASSETS9,248,0616,731,459Property, systems and equipment, net30,970,98327,531,455Goodwill, net4,378,3974,378,3974,378,397Intable assets by right-of-use assets341,392326,763Other assets341,392326,763302,270Intable assets by right-of-use assets341,392326,763Other assets341,392326,763341,392Affiliated and associated companies1,197,5841,245,554Total Assets47,028,68840,866,477ULABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIESShort-term affiliated and associated companies1,904,263Accounts payable and accrued expenses payable1,218,663Short-term lasses payable5,147,202Total Current Liabilities5,147,202Short-term Liabilities2,88,335LONG TERM LIABILTIES9,628,116Bank loans6,415,880Labor obligations2,88,335Accounts payable-Deferred taxes1,921,537Long-term Liabilities1,47,75,318Total Long-Term Liabilities1,47,75,318Total Long-Term Liabilities1,		2020	2019
Cash and short-term investments         4,675,071         3,849,588           Accounts receivable from customers and other, net         2,176,239         1,929,570           Recoverable taxes         762,767         300,227           Inventories         1,613,984         652,073           Total Current Assets         9,246,061         6,731,459           NON-CURRENT ASSETS         9,246,061         6,731,455           Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         4,378,397         4,378,397         4,378,397           Intabile assets by right-of-use assets         341,392         328,763           Other assets         341,392         328,763           Total Assets         4,972,868         40,866,477           LIABILITIES         1,97,584         1,245,554           CURRENT LIABILITIES         1,613,669         3,775,111           Suppliers         1,814,663         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         5,147,202         7,912,343           Cond Curren Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         28,660	ASSETS		
Cash and short-term investments         4,675,071         3,849,588           Accounts receivable from customers and other, net         2,176,239         1,929,570           Recoverable taxes         762,767         300,227           Inventories         1,613,984         652,073           Total Current Assets         9,246,061         6,731,459           NON-CURRENT ASSETS         9,246,061         6,731,455           Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         4,378,397         4,378,397         4,378,397           Intabile assets by right-of-use assets         341,392         328,763           Other assets         341,392         328,763           Total Assets         4,972,868         40,866,477           LIABILITIES         1,97,584         1,245,554           CURRENT LIABILITIES         1,613,669         3,775,111           Suppliers         1,814,663         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         5,147,202         7,912,343           Cond Curren Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         28,660	CURRENT ASSETS		
Accounts receivable from customers and other, net         2,176,239         1,929,570           Recoverable taxes         782,767         300,227           Inventories         1,613,984         652,073           Total Current Assets         9,248,061         6,731,459           NON-CURRENT ASSETS         30,970,983         27,531,455           Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         4,378,397         4,378,397           Intabile assets by right-of-use assets         341,392         328,763           Other assets         341,392         328,763           Other assets         47,028,688         40,866,477           LIABILITIES AND STOCKHOLDERS' EQUITY         CURRENT LIABILITIES         -           One year maturity of long-term liabilities         1,613,699         3,775,111           Suppliers         1,904,263         1,482,166           Short-term afiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         98,560         78,448           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         -         2,269           Bank loans         6,415,880		4 675 071	3 849 588
Recoverable taxes         782,767         300,227           Inventories         1,613,984         652,073           Total Current Assets         9,248,061         6,731,459           NON-CURRENT ASSETS         -         -           Property, systems and equipment, net         30,970,983         27,531,459           Goodwill, net         4,378,397         4,378,397         4,378,397           Intable assets by right-of-use assets         392,270         650,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         40,866,477         -           LIABILITIES AND STOCKHOLDERS' EQUITY         -         -           CURRENT LIABILITIES         1,613,699         3,775,111           Suppliers         1,904,263         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         98,560         78,948           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         28,835         25,738           Bank loans         6,415,880         83,795           Labor obligations         266,963         249,815           A			
Inventories         1,613,984         652,073           Total Current Assets         9,248,061         6,731,459           NON-CURRENT ASSETS         30,970,983         27,531,455           Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         1,4378,397         4,378,397           Intabile assets by right-of-use assets         341,392         328,763           Other assets         892,270         650,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES         Current Liabilities         1,613,699         3,775,111           Suppliers         1,904,263         1,422,156         1,422,156           Current Liabilities         1,218,663         2,160,802         1,452,166           Short-term affiliated and associated companies         3,12,017         415,316         1,218,663         2,848           Total Current Liabilities         1,218,650         78,948         7,942,343         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269         2,269			
NON-CURRENT ASSETS30,970,98327,531,455Property, systems and equipment, net30,970,98327,531,455Goodwill, net4,378,3973,28,763Intabile assets by right-of-use assets382,270650,849Affiliated and associated companies1,197,5841,245,554Total Assets47,028,68840,866,477LIABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIESOne year maturity of long-term liabilities1,613,6993,775,111Short-term affiliated and associated companies312,017415,316Accounts payable and accrued expenses payable1,218,6632,160,802Short-term Liabilities5,147,2027,912,343LONG TERM LIABILITIES851Bank loans6,415,88083,7952,253,738Long TERM LIABILITIES9,928,6332,35,7382,25,738Long-term Liabilities2,26,3091,924,5311,926,309Affiliated and associated companies1,924,530661,561Long-term Liabilities2,263,9352,35,7382,25,738Accounts payable9,924,5413,159,48824,965,630Total Long-Term Liabilities9,10,244910,244910,244Total Liabilities1,4775,31811,071,831STOCKHOLDERS' EQUITY2,117,5602,132,8311,334,205Capital Stock9,10,244910,244910,244Net Premium on the placement of shares2,173,5602,1312,381Legal Reserve492,412488,8321,312,381<	Inventories		
Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         4,378,397         4,378,397         4,378,397           Intabile assets by right-of-use assets         382,270         660,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES         1,613,689         3,775,111           Supprises         1,613,689         3,775,111           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term falliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term falliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         888,335         235,738           Bank loans         6,415,880         83,795           Labor obligations         6,2415,316         3,159,488	Total Current Assets	9,248,061	6,731,459
Property, systems and equipment, net         30,970,983         27,531,455           Goodwill, net         4,378,397         4,378,397         4,378,397           Intabile assets by right-of-use assets         382,270         660,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES         1,613,689         3,775,111           Supprises         1,613,689         3,775,111           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term falliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term falliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         888,335         235,738           Bank loans         6,415,880         83,795           Labor obligations         6,2415,316         3,159,488	NON-CURRENT ASSETS		
Goodwill, net         4,378,397         4,378,397           Intabile assets by right-of-use assets         341,392         328,763           Other assets         382,270         660,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES AND STOCKHOLDERS' EQUITY         CURRENT LIABILITIES         1,613,699         3,775,111           Suppliers         1,904,263         1,422,166         2,160,802           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         98,560         78,948           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         88,335         235,738           Bank loans         6,415,880         83,795           Labor obligations         6,415,880         83,795           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         735,400         661,561           Long-term Liabilities         14,775,318         11,071,831           Total Long-Term Liabilities         9,6		30 970 983	27 531 455
Intabile assets by right-of-use assets         341,392         328,763           Other assets         892,270         660,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES         1,613,699         3,775,111           One year maturity of long-term liabilities         1,613,699         3,775,111           Suppliers         1,904,263         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term leases payable         5,147,202         7,912,343           LONG TERM LIABILITIES         98,560         78,948           Data loans         6,415,880         83,795           Labor obligations         288,335         2235,733           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         266,963         249,815           Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         910,244			
Other assets         892,270         650,849           Affiliated and associated companies         1,197,584         1,245,554           Total Assets         47,028,688         40,866,477           LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES         1,613,699         3,775,111           Suppliers         1,904,263         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term leases payable         5,147,202         7,912,343           LONG TERM LIABILITIES         88,335         2235,738           Bank loans         6,415,880         83,795           Labor obligations         288,335         2235,738           Accounts payable         1,921,537         1,926,309           Affiliated and associated companies         755,400         661,561           Long-term Liabilities         9,628,116         3,159,488           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         910,244         910,244           Yotal Labilities         910,244         910,244           Vet Premium on the placement of shares         2,117,560         2			
Affiliated and associated companies1,197,5841,245,554Total Assets47,028,68840,866,477LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES1,613,6993,775,111Suppliers1,904,2631,482,166Short-term affiliated and associated companies Accounts payable and accrued expenses payable312,017415,316Accounts payable and accrued expenses payable98,56078,948Total Current Liabilities5,147,2027,912,343LONG TERM LIABILITIES Bank loans6,415,88083,795Labor obligations288,335235,738Accounts payable-2,269Deferred taxes1,921,5371,926,309Affiliated and associated companies735,400661,561Long-term leases payable266,963249,815Total Long-Term Liabilities14,775,31811,071,831STOCKHOLDERS' EQUITY Capital Stock910,244910,244Net Premium on the placement of shares Retained Eamings27,398,94824,965,630Minorty Interest Legal Reserve492,2412488,832Total Stockholders' Equity29,794,647			
LiABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES			
CURRENT LIABILITIESIOne year maturity of long-term liabilities1,613,6993,775,111Suppliers1,904,2631,482,166Short-term affiliated and associated companies312,017415,316Accounts payable and accrued expenses payable1,218,6632,160,802Short-term leases payable98,56078,948Total Current Liabilities5,147,2027,912,343LONG TERM LIABILITIES578,948Bank loans6,415,88083,795Labor obligations288,335235,738Accounts payable-2,269Deferred taxes1,921,5371,926,309Affiliated and associated companies735,400661,561Long-term leases payable266,963249,815Total Long-Term Liabilities9,628,1163,159,488Total Liabilities14,775,31811,071,831STOCKHOLDERS' EQUITY910,244910,244Net armings2,7,398,9482,49,65,630Minority Interest1,334,2051,312,381Legal Reserve492,412488,832Total Stockholders' Equity32,253,37029,794,647	Total Assets	47,028,688	40,866,477
CURRENT LIABILITIESIOne year maturity of long-term liabilities1,613,6993,775,111Suppliers1,904,2631,482,166Short-term affiliated and associated companies312,017415,316Accounts payable and accrued expenses payable1,218,6632,160,802Short-term leases payable98,56078,948Total Current Liabilities5,147,2027,912,343LONG TERM LIABILITIES578,948Bank loans6,415,88083,795Labor obligations288,335235,738Accounts payable-2,269Deferred taxes1,921,5371,926,309Affiliated and associated companies735,400661,561Long-term leases payable266,963249,815Total Long-Term Liabilities9,628,1163,159,488Total Liabilities14,775,31811,071,831STOCKHOLDERS' EQUITY910,244910,244Net armings2,7,398,9482,49,65,630Minority Interest1,334,2051,312,381Legal Reserve492,412488,832Total Stockholders' Equity32,253,37029,794,647	LIABILITIES AND STOCKHOLDERS' FOULTY		
One year maturity of long-term liabilities         1,613,699         3,775,111           Suppliers         1,904,263         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term leases payable         98,560         78,948           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         8         83,795           Bank loans         6,415,880         83,795           Labor obligations         288,335         235,738           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         735,400         66,615,611           Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         11,071,831         11,071,831           STOCKHOLDERS' EQUITY         910,244         910,244           Net Premium on the placement of shares         2,133,342,05         1,312,381           Legal Reserve         492,412         488,832			
Suppliers         1,904,263         1,482,166           Short-term affiliated and associated companies         312,017         415,316           Accounts payable and accrued expenses payable         1,218,663         2,160,802           Short-term leases payable         98,560         78,948           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         6,415,880         83,795           Labor obligations         288,335         235,738           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         735,400         661,561           Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY         910,244         910,244           Net Premium on the placement of shares         2,7,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647		1 613 600	3 775 111
Short-term affiliated and associated companies       312,017       415,316         Accounts payable and accrued expenses payable       1,218,663       2,160,802         Short-term leases payable       98,560       78,948         Total Current Liabilities       5,147,202       7,912,343         LONG TERM LIABILITIES       6,415,880       83,795         Bank loans       6,415,880       83,795         Labor obligations       288,335       225,738         Accounts payable       -       2,269         Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       735,400       661,561         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       9,628,116       3,159,488         Total Liabilities       910,244       910,244         Net Premium on the placement of shares       2,117,560       2,117,560         Retained Earnings       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832         Total Stockholders' Equity       32,253,370       29,794,647 </td <td></td> <td></td> <td></td>			
Accounts payable and accrued expenses payable       1,218,663       2,160,802         Short-term leases payable       98,560       78,948         Total Current Liabilities       5,147,202       7,912,343         LONG TERM LIABILITIES       6,415,880       83,795         Bank loans       6,415,880       83,795         Labor obligations       288,335       228,738         Accounts payable       -       2,269         Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       266,963       249,815         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       14,775,318       11,071,831         STOCKHOLDERS' EQUITY       910,244       910,244         Capital Stock       910,244       910,244         Net Premium on the placement of shares       2,117,560       2,117,560         Retained Earnings       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832         Total Stockholders' Equity       32,253,370       29,794,647			· · · ·
Short-term leases payable         98,560         78,948           Total Current Liabilities         5,147,202         7,912,343           LONG TERM LIABILITIES         6         83,795           Bank loans         6,415,880         83,795           Labor obligations         288,335         2255,738           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY         9         2,117,560         2,117,560           Retained Earnings         27,338,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
LONG TERM LIABILITIES           Bank loans         6,415,880         83,795           Labor obligations         288,335         235,738           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         735,400         661,561           Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY             Capital Stock         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
LONG TERM LIABILITIES         6,415,880         83,795           Bank loans         6,415,880         83,795           Labor obligations         288,335         235,738           Accounts payable         -         2,269           Deferred taxes         1,921,537         1,926,309           Affiliated and associated companies         266,963         249,815           Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647	Total Current Liabilities	5,147,202	7,912,343
Bank loans       6,415,880       83,795         Labor obligations       288,335       235,738         Accounts payable       -       2,269         Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       735,400       661,561         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       14,775,318       11,071,831         STOCKHOLDERS' EQUITY       910,244       910,244         Capital Stock       910,244       910,244         Net Premium on the placement of shares       2,117,560       2,117,560         Retained Earnings       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832         Total Stockholders' Equity       32,253,370       29,794,647			
Labor obligations       288,335       235,738         Accounts payable       -       2,269         Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       735,400       661,561         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       14,775,318       11,071,831         STOCKHOLDERS' EQUITY       -       -         Capital Stock       910,244       910,244         Net Premium on the placement of shares       2,117,560       2,117,560         Retained Eamings       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832		6 415 880	83 705
Accounts payable       -       2,269         Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       735,400       661,561         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       9,628,116       3,159,488         STOCKHOLDERS' EQUITY       14,775,318       11,071,831         Capital Stock       910,244       910,244         Net Premium on the placement of shares       2,117,560       2,117,560         Retained Earnings       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832         Total Stockholders' Equity       32,253,370       29,794,647			
Deferred taxes       1,921,537       1,926,309         Affiliated and associated companies       266,963       249,815         Long-term leases payable       266,963       249,815         Total Long-Term Liabilities       9,628,116       3,159,488         Total Liabilities       14,775,318       11,071,831         STOCKHOLDERS' EQUITY       910,244       910,244         Capital Stock       910,244       910,244         Net Premium on the placement of shares       27,398,948       24,965,630         Minority Interest       1,334,205       1,312,381         Legal Reserve       492,412       488,832         Total Stockholders' Equity       32,253,370       29,794,647		-	
Affiliated and associated companies Long-term leases payable735,400661,561266,963249,815Total Long-Term Liabilities9,628,1163,159,488Total Liabilities14,775,31811,071,831STOCKHOLDERS' EQUITY Capital Stock910,244910,244Net Premium on the placement of shares Retained Earnings Minority Interest Legal Reserve27,398,94824,965,630Total Stockholders' Equity32,253,37029,794,647		1 921 537	
Long-term leases payable         266,963         249,815           Total Long-Term Liabilities         9,628,116         3,159,488           Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY Capital Stock         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         32,253,370         29,794,647			
Total Liabilities         14,775,318         11,071,831           STOCKHOLDERS' EQUITY Capital Stock         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
STOCKHOLDERS' EQUITY         910,244         910,244           Capital Stock         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647	Total Long-Term Liabilities	9,628,116	3,159,488
STOCKHOLDERS' EQUITY         910,244 <td>Total Liabilities</td> <td>14,775,318</td> <td>11,071,831</td>	Total Liabilities	14,775,318	11,071,831
Capital Stock         910,244         910,244           Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647	STOCKHOLDERS' FOULTY		
Net Premium on the placement of shares         2,117,560         2,117,560           Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647		910 244	910 244
Retained Earnings         27,398,948         24,965,630           Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
Minority Interest         1,334,205         1,312,381           Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
Legal Reserve         492,412         488,832           Total Stockholders' Equity         32,253,370         29,794,647			
Total Liabilities & Stockholders' Equity     47,028,688     40,866,477	Total Stockholders' Equity	32,253,370	29,794,647
	Total Liabilities & Stockholders' Equity	47,028,688	40,866,477



#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Income Statement**

		1Q20	1Q19	% Var
Income	\$	5,520,089	\$ 5,150,290	7%
Cost of Services		1,416,607	1,334,177	6%
Gross Profit	\$	4,103,481	\$ 3,816,113	8%
Operating and General Expenses		1,336,845	1,265,700	6%
EBITDA	\$	2,766,637	\$ 2,550,413	8%
Depreciation and amortization		1,117,049	954,936	17%
Operating Profit	\$	1,649,588	\$ 1,595,477	3%
Other income (expenses), net		8,761	1,639	NA
Comprehensive Financing Income, Net	-	135,493	26,138	NA
Income Before Income Tax and Minority Interest	\$	1,793,842	\$ 1,570,978	14%
Income Tax		430,467	345,616	25%
Net Profit	\$	1,363,376	\$ 1,225,362	11%
Net income attribute to:				
Non-Controlling interest		42,973	44,554	(4%)
Controlling interest		1,320,403	1,180,808	12%
	\$	1,363,376	\$ 1,225,362	11%

# **GRUPO MEGACABLE HOLDINGS**

#### **RESULTS FOR THE FIRST QUARTER 2020**

# **Income Statement per Segment**

	1Q20	1Q19	% Var
CABLE OPERATIONS			
Income	\$ 5,010,515	\$ 4,642,021	8%
Cost of Services	1,249,964	1,169,313	7%
Gross Profit	3,760,551	3,472,708	8%
Operating and General Expenses	1,170,679	1,105,787	6%
EBITDA	\$ 2,589,872	\$ 2,366,921	9%
	51.7%	51.0%	
OTHER			
Income	509,574	508,269	0%
MCM	269,344	266,766	1%
HO1A	164,781	166,086	(1%)
PCTV	75,449	75,417	0%
Cost of Services	166,643	164,864	1%
MCM	28,075	28,773	(2%)
HO1A	96,805	98,140	(1%)
PCTV	41,763	37,951	10%
Gross Profit	342,931	343,405	(0%)
Operating and General Expenses	166,166	159,913	4%
MCM	100,902	93,612	8%
HO1A	33,038	33,127	(0%)
PCTV	32,226	33,174	(3%)
EBITDA			
MCM	140,367	144,381	(3%)
HO1A	34,938	34,820	0%
PCTV	1,460	4,292	(66%)
EBITDA	\$ 176,765	\$ 183,492	(4%)
	34.7%	36.1%	
TOTAL OPERATION			
Income	5,520,089	5,150,290	7%
Cost of Services	1,416,607	1,334,177	6%
Gross Profit	4,103,481	3,816,113	8%
Operating and General Expenses	1,336,845	1,265,700	6%
EBITDA	\$ 2,766,637	\$ 2,550,413	8%
	50.1%	49.5%	