

Highlights

- ⊗ During this period, Mass Segment revenues reached Ps. 6,685 million, an annual increase of 11.0%. Likewise, total revenues for the quarter set a record Ps. 8,136 million, growing 10.3% compared to 2Q23.
- ⊗ Consolidated EBITDA for 2Q24 increased by 9.7% year-to-year to Ps. 3,606 million, achieving a margin of 44.3%. Similarly, EBITDA from Cable Operations grew 11.6% to reach Ps. 3,454 million.
- ⊗ This period saw a reduction in CAPEX compared to 2Q23, representing 33.8% of revenues, primarily due to fewer number of homes passed and kilometers constructed in this period.
- ⊗ By the end of the quarter, the Company reached 5.2 million unique subscribers, registering 88 thousand net additions compared to 1Q24. Year-over-year, this represents an increase of 10.4% or 487 thousand net additions.
- ⊗ Similarly, Internet and Telephony Segments added 91 thousand and 110 thousand new subscribers, respectively, during the quarter, while Video recorded a decrease. On an annual basis, the Internet and Telephony Segments notably added 515 thousand and 603 thousand subscribers, respectively, while Video registered 23 thousand net additions.
- ⊗ The net leverage ratio stood at 1.57 times, in line with the Company's expectations and marking the peak of this indicator. This metric is expected to decrease in the coming periods due to lower investment levels.
- ⊗ During the quarter, Ps. 2,651 million in dividends were distributed, maintaining the Company among the issuers offering one of the highest dividend yields in the market.

Guadalajara, Jalisco, Mexico, July 25, 2024 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV: MEGA.CPO) announced today its financial results for the second quarter of 2024 (2Q24). 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

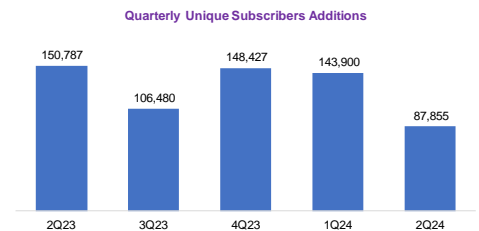
	2Q24	2Q23	% Var
Income	8,135,712	7,373,694	10.3%
Mass Segment Income	6,685,201	6,020,731	11.0%
EBITDA	3,605,530	3,287,374	9.7%
EBITDA Margin	44.3%	44.6%	
Net Profit	571,329	867,804	(34.2%)
Cash and short-term investments	4,600,065	1,213,741	NA
Net Debt	22,012,471	18,345,265	20.0%
CAPEX	2,747,836	2,930,455	(6.2%)
Market Cap (Ps. Millions)	39,574	33,980	16.5%
Subscribers			
Unique	5,177,580	4,690,919	10.4%
Internet	4,963,647	4,448,477	11.6%
Video	3,868,928	3,845,844	0.6%
Telephony	4,365,385	3,762,866	16.0%
Mobile services	468,685	390,788	19.9%
Total RGUs	13,197,960	12,057,187	9.5%
Other Data			
Home Passed	16,508,645	13,450,700	22.7%
Network Kilometers	98,068	86,222	13.7%
Employees	31,654	30,455	3.9%

General Remarks

During this period, the Company continued its positive trend, achieving double-digit revenue growth compared to 2Q23, along with a solid addition of subscribers. EBITDA also maintained its growth rate in the same comparison. This performance, coupled with a lower level of CAPEX as percentage of revenues, attributable to a slowdown in the pace of construction, is steering the Company towards sustained cash generation. Nevertheless, challenges such as price increases, the holiday season, and a less favorable economic environment contributed to an increased churn rate at the beginning of the quarter, resulting in a sequential decline in subscriber growth.

Unique Subscribers and Revenue Generating Units (RGUs)

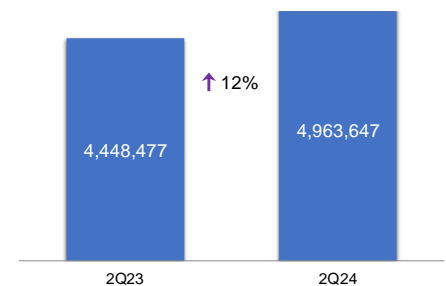
At the close of the second quarter, the Company recorded 5'177,580 unique subscribers, a growth of 10.4% compared to 2Q23, representing 487 thousand net additions. Sequentially, 88 thousand new unique subscribers were added this quarter, continuing the growth trend driven by the expansion project. Additionally, RGUs reached 13.2 million, an increase of 9.5% compared to the same quarter last year, primarily due to the steady growth of subscribers in the Mass Segment. The RGU per unique subscriber stood at 2.55.



Internet Subscribers

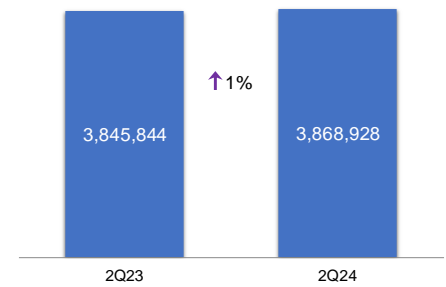
By the end of the quarter, the Internet Segment reached 4'963,647 subscribers, marking an 11.6% increase, or 515 thousand net additions, compared to 2Q23. During this period, 91 thousand new subscribers were added, maintaining the growth trend in both legacy and new territories.

By the end of the period, 71% of subscribers were receiving their service via fiber technology, up from 55% in 2Q23. This significant increase is the result of the Company's strategy to migrate to the latest technology and offer a highly competitive service.

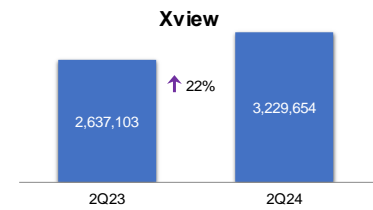


Video Subscribers

The Video Segment closed 2Q24 with 3'868,928 subscribers, marking an increase of 23 thousand net additions compared to 2Q23. However, there was a loss of 60 thousand subscribers compared to the previous quarter, in line with current market trends.

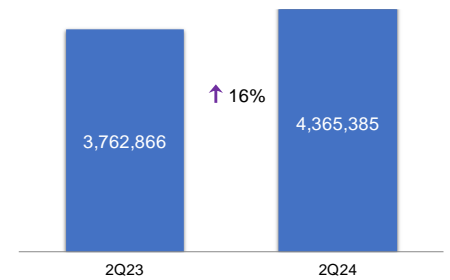


The Xview platform continues its upward trend, reaching 3'229,654 subscribers, a growth of 22.5% with over 592 thousand net additions compared to 2Q23. Sequentially, 167 thousand new users were added.



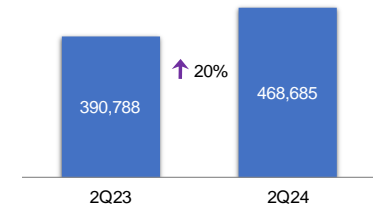
Telephony Subscribers

The Telephony Segment ended 2Q24 with 4'365,385 subscribers, registering 603 thousand net additions compared to 2Q23, which represents an increase of 16.0%. During this quarter, 110 thousand new subscribers were added, an increase of 2.6%. The growth in this segment is primarily attributed to the bundling of the Company's offerings.



Mobile Services Subscribers

At the end of the quarter, Mobile Service Segment reached 468,685 lines, adding 78 thousand new users year-over-year and 8 thousand quarter-over-quarter, maintaining a growth trend. Additionally, the Company remains focused on postpaid services.



Churn Rate

The churn rate for the Mass Segment Services recorded an increase compared to 2Q23 and 1Q24. This rise was due to the price adjustment made in March and the holiday season, which increased disconnections in April; however, these normalized in the following months.

	2Q24	2Q23	2Q23
Internet	2.1%	1.8%	1.9%
Video	2.6%	2.1%	2.0%
Telephony	2.3%	2.1%	2.0%

Revenues

Total revenues for the second quarter continued their upward trend, setting a record for the Company at Ps. 8,136 million, representing a 10.3% increase compared to 2Q23. Notably, the Mass Segment posted an 11.0% year-over-year increase, driven by a higher number of subscribers and greater contributions from new territories. Revenues from the Corporate Segment increased by 7.2% year-over-year.

	2Q24	2Q23	%Var	6M24	6M23	%Var
Internet	2,986,028	2,528,111	18%	5,866,391	4,927,244	19%
Video	2,778,330	2,660,191	4%	5,586,626	5,274,307	6%
Telephony	713,932	643,741	11%	1,408,827	1,267,553	11%
Mobile Service	200,068	177,592	13%	390,003	347,472	12%
Others	6,842	11,096	-38%	14,966	23,012	-35%
Total Mass Market	6,685,201	6,020,731	11%	13,266,812	11,839,588	12%
Corporate	1,450,511	1,352,962	7%	2,853,503	2,686,294	6%
Total	8,135,712	7,373,694	10%	16,120,315	14,525,881	11%

ARPU

ARPU per unique subscriber was Ps. 421.9, remaining virtually unchanged compared to 1Q24 and 2Q23. On an annual basis, ARPUs for Internet and Video Segments stood out with increases of 5.5% and 2.8%, respectively. In a sequential comparison, Internet and Mobile Services Segments grew by 2.1% and 2.4%, respectively.

	2Q24	2Q23	% Var	1Q24	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	421.9	420.8	0%	421.7	0%
Internet	202.9	192.3	5%	198.7	2%
Video	239.2	232.7	3%	238.5	0%
Telephony	55.3	58.1	-5%	55.1	0%
Mobile Services	144.3	153.2	-6%	140.9	2%

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 grew by 7.7% compared to 2Q23, and increased by 3.1% on a sequential basis. This growth was mainly driven by the performance of ho1a and solid growth from MetroCarrier. This segment accounted for 16.7% of the Company's total revenues, compared to 17.1% in 2Q23.

	2Q24	2Q23	%Var	6M24	6M23	%Var
MetroCarrier	764,806	696,786	10%	1,513,488	1,394,383	9%
ho1a	302,427	238,029	27%	585,217	467,331	25%
MCM	289,188	324,294	-11%	573,092	639,405	-10%
Corporate Telecom	1,356,421	1,259,109	8%	2,671,797	2,501,119	7%
PCTV	94,090	93,853	0%	181,706	185,175	-2%
Total	1,450,511	1,352,962	7%	2,853,503	2,686,294	6%

Costs & Expenses

During this quarter, the costs of services increased by 6.4%, which was below the revenue growth rate, while operating expenses rose by 16.1%, both compared to 2Q23. The increase was largely attributed to higher labor costs and updated expenses in the Corporate Segment. On a sequential basis, costs increased by 7.3% and expenses by 3.2%. In both comparisons, Operating Income recorded a decrease, primarily due to elevated depreciation charges stemming from substantial investments in prior periods.

EBITDA

Compared to the same quarter last year, both consolidated EBITDA and EBITDA from Cable Operations increased by 9.7% and 11.6%, respectively. This growth was fueled by the expansion of the Company's operations into new territories, achieving margins of 44.3% and 46.4%, respectively. On a sequential basis, consolidated EBITDA and EBITDA from Cable Operations maintained their upward trend, reaching Ps. 3,606 million and Ps. 3,454 million, respectively.

	2Q24	2Q23	%Var	6M24	6M23	%Var
Consolidated operating profit	1,572,959	1,675,872	-6%	3,255,827	3,109,866	5%
Consolidated depreciation and amortization	2,032,572	1,611,501	26%	4,030,308	3,446,203	17%
Consolidated EBITDA (1)	3,605,530	3,287,374	10%	7,286,135	6,556,068	11%
Consolidated EBITDA Margin	44.3%	44.6%		45.2%	45.1%	
MCM, Ho1a and PCTV EBITDA	151,644	193,814	-22%	365,486	377,857	-3%
Cable Adjusted EBITDA (2)	3,453,886	3,093,559	12%	6,920,649	6,178,212	12%
EBITDA Margin of Cable	46.4%	46.1%		46.8%	46.7%	

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. 669 million, primarily composed of net interest expenses linked to recent increases in debt, as well as a foreign exchange loss, reflecting the exchange rate levels fluctuations during the quarter.

	2Q24	2Q23
Net Exchange (Loss) Profit	(120,445)	19,855
Interest Income	177,887	98,003
Interest Expense	726,183	570,715
Net Comprehensive Financial Cost	668,742	452,857

Net Income

Net income for the quarter closed at Ps. 571 million, a decrease from both 2Q23 and 1Q24. This decline was mainly due to higher depreciation charges, related to investments in the expansion and network evolution projects, coupled with increased financial expenses from the issuance of sustainability-labeled local notes in March.

Net Debt

Net debt for the quarter stood at Ps. 22,012 million, showing an increase compared to 2Q23 and 1Q24. This rise was driven by a reduced cash balance following the dividend payment made in May. It is important to note that during this period, the Company reached its peak leverage ratio of 1.57 times, which remains within its target range and is among the lowest in the industry.

	2Q24	2Q23	1Q24
Short Term Debt	6,709,919	1,658,343	5,677,002
One year maturity of long-term bank loans	6,473,285	1,577,233	5,460,485
Short-term leases	236,634	81,110	216,518
Long-Term Debt	19,902,617	17,900,663	19,910,006
Bank Loans	8,326,859	10,064,623	8,326,859
Accounts Payable	10,944,861	7,000,000	10,944,861
Long-term leases	630,897	836,040	638,286
Total Debt	26,612,536	19,559,006	25,587,009
Cash and Short-Term Investments	4,600,065	1,213,741	6,234,970
Net Debt	22,012,471	18,345,265	19,352,038

CAPEX

The Company invested Ps. 2,748 million during 2Q24, accounting for 33.8% of the revenues for the period, aligning with the expected slowdown in the investment cycle for the year. The reduced number of new kilometers and homes passed during the quarter reflects a deceleration in the execution of the expansion project.

Stock Information

Ticker MEGA.CPO	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)		\$ 39,781
Closing price (Ps.) *		\$ 46.22
Free float		54%
As of June 30, 2024		

* Source: Refinitiv

2Q24 Earnings Conference Call

Megacable will hold its 2Q24 Earnings Conference Call on Friday, July 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_AqijSwWoR9WXbLMUpa0CPQ

The audio recording of the 2Q24 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 June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	4,600,065	1,213,741
Accounts receivable from customers and advances to suppliers, net	3,401,045	4,061,741
Recoverable taxes	1,469,242	1,634,281
Inventories	639,910	878,038
Total Current Assets	10,110,261	7,787,801
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	509,327	252,113
Property, systems and equipment, net	54,464,875	49,754,798
Goodwill, net	4,366,058	4,378,397
Intangible assets by right-of-use assets	807,235	861,282
Other assets	1,215,800	727,052
Affiliated and associated companies	1,243,563	1,107,373
Total Assets	72,717,120	64,868,816
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	6,473,285	1,577,233
Suppliers	4,042,988	4,423,544
Short-term affiliated and associated companies	81,318	109,878
Accounts payable and accrued expenses payable	1,924,612	947,999
Short-term leases payable	236,634	81,110
Total Current Liabilities	12,758,837	7,139,765
LONG TERM LIABILITIES		
Bank loans	8,326,859	10,064,623
Labor obligations	412,677	313,274
Accounts payable	10,944,861	7,000,000
Deferred taxes	3,788,023	2,991,565
Affiliated and associated companies	609,660	592,458
Accrued Income	584,643	685,575
Long-term leases payable	630,897	836,040
Total Long-Term Liabilities	25,297,620	22,483,535
Total Liabilities	38,056,457	29,623,300
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	30,200,335	30,285,015
Minority Interest	933,124	1,434,558
Legal Reserve	499,400	498,139
Total Stockholders' Equity	34,660,663	35,245,516
Total Liabilities & Stockholders' Equity	72,717,120	64,868,816



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

Income Statement

Second Quarter 2024 and 2023

	2Q24	2Q23	% Var
Income	\$ 8,135,712	\$ 7,373,694	10%
Cost of Services	2,329,915	2,190,521	6%
Gross Profit	\$ 5,805,797	\$ 5,183,173	12%
Operating and General Expenses	2,200,266	1,895,799	16%
EBITDA	\$ 3,605,530	\$ 3,287,374	10%
Depreciation and amortization	2,032,572	1,611,501	26%
Operating Profit	\$ 1,572,959	\$ 1,675,872	(6%)
Other income (expenses), net	9,737	93,650	(90%)
Comprehensive Financing Income, Net	668,742	452,857	48%
Income Before Income Tax and Minority Interest	\$ 913,954	\$ 1,316,665	(31%)
Income Tax	274,186	395,000	(31%)
Net Profit	\$ 639,768	\$ 921,666	(31%)
Net income attribute to:			
Non-Controlling interest	68,439	53,862	27%
Controlling interest	571,329	867,804	(34%)
	\$ 639,768	\$ 921,666	(31%)
	6M24	6M23	% Var
Income	\$ 16,120,315	\$ 14,525,881	11%
Cost of Services	4,501,621	4,199,373	7%
Gross Profit	\$ 11,618,694	\$ 10,326,509	13%
Operating and General Expenses	4,332,560	3,770,440	15%
EBITDA	\$ 7,286,135	\$ 6,556,068	11%
Depreciation and amortization	4,030,308	3,446,203	17%
Operating Profit	\$ 3,255,827	\$ 3,109,866	5%
Other income (expenses), net	29,974	107,446	(72%)
Comprehensive Financing Income, Net	1,207,530	691,920	75%
Income Before Income Tax and Minority Interest	\$ 2,078,271	\$ 2,525,392	(18%)
Income Tax	623,480	757,618	(18%)
Net Profit	\$ 1,454,790	\$ 1,767,774	(18%)
Net income attribute to:			
Non-Controlling interest	82,182	103,356	(20%)
Controlling interest	1,372,608	1,664,418	(18%)
	\$ 1,454,790	\$ 1,767,774	(18%)

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

Income Statement by Segment

Second Quarter 2024 and 2023

	2Q24	2Q23	% Var
CABLE OPERATIONS			
Income	\$ 7,450,007	\$ 6,717,518	11%
Cost of Services	2,028,335	1,947,339	4%
Gross Profit	5,421,672	4,770,178	14%
Operating and General Expenses	1,967,786	1,676,619	17%
EBITDA	\$ 3,453,886	\$ 3,093,559	12%
	46.4%	46.1%	
OTHER			
Income	685,705	656,176	5%
MCM	289,188	324,294	(11%)
HO1A	302,427	238,029	27%
PCTV	94,090	93,853	0%
Cost of Services	301,580	243,182	24%
MCM	41,774	50,144	(17%)
HO1A	197,013	138,403	42%
PCTV	62,793	54,635	15%
Gross Profit	384,125	412,994	(7%)
Operating and General Expenses	232,480	219,180	6%
MCM	111,995	135,133	(17%)
HO1A	80,624	49,536	63%
PCTV	39,861	34,511	16%
EBITDA			
MCM	135,419	139,017	(3%)
HO1A	24,790	50,090	(51%)
PCTV	- 8,565	4,707	NA
EBITDA	\$ 151,644	\$ 193,814	(22%)
	22.1%	29.5%	
TOTAL OPERATION			
Income	8,135,712	7,373,694	10%
Cost of Services	2,329,915	2,190,521	6%
Gross Profit	5,805,797	5,183,173	12%
Operating and General Expenses	2,200,266	1,895,799	16%
EBITDA	\$ 3,605,530	\$ 3,287,374	10%
	44.3%	44.6%	

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

Income Statement by Segment

Accrued as of Second Quarter 2024 and 2023

	6M24	6M23	% Var
CABLE OPERATIONS			
Income	\$ 14,780,300	\$ 13,233,971	12%
Cost of Services	3,971,445	3,722,038	7%
Gross Profit	10,808,855	9,511,933	14%
Operating and General Expenses	3,888,206	3,333,721	17%
EBITDA	\$ 6,920,649	\$ 6,178,212	12%
	46.8%	46.7%	
OTHER			
Income	1,340,015	1,291,911	4%
MCM	573,092	639,405	(10%)
HO1A	585,217	467,331	25%
PCTV	181,706	185,175	(2%)
Cost of Services	530,176	477,335	11%
MCM	88,419	91,739	(4%)
HO1A	325,057	276,805	17%
PCTV	116,700	108,791	7%
Gross Profit	809,839	814,576	(1%)
Operating and General Expenses	444,353	436,719	2%
MCM	224,882	271,378	(17%)
HO1A	143,052	96,411	48%
PCTV	76,419	68,930	11%
EBITDA			
MCM	259,791	276,289	(6%)
HO1A	117,108	94,114	24%
PCTV	- 11,413	7,454	NA
EBITDA	\$ 365,486	\$ 377,857	(3%)
	27.3%	29.2%	
TOTAL OPERATION			
Income	16,120,315	14,525,881	11%
Cost of Services	4,501,621	4,199,373	7%
Gross Profit	11,618,694	10,326,509	13%
Operating and General Expenses	4,332,560	3,770,440	15%
EBITDA	\$ 7,286,135	\$ 6,556,068	11%
	45.2%	45.1%	