

Highlights

- ⊗ 4Q22 Consolidated Revenues totaled Ps. 7,175 million, reaffirming a positive growth trend and registering an 11% increase over 4Q21. On a full-year basis, revenues increased 10% to Ps. 27,156 million.
- ⊗ The Corporate Segment revenues posted a 37% growth when compared to 4Q21, reaching Ps. 1,554 million, the highest figure for a quarter ever, highlighting ho1a's 124% growth, as well as MetroCarrier and MCM with increases of 20% and 14%, respectively. On a year-over-year comparison, growth in this segment was 23%.
- ⊗ The Internet Segment registered 304 thousand net additions, an 8% growth compared to 4Q21, while Telephony and Video posted 373 thousand and 136 thousand net adds, up 12% and 4%, respectively.
- ⊗ At the end of 4Q22, Unique Subscribers grew 6% compared to 4Q21, reaching close to 4.4 million, while RGUs rose to more than 11.2 million, an 8% growth in the same comparison. On a sequential basis, 124 thousand new adds of Unique Subscribers and 349 thousand RGUs were registered, the highest figures since 3Q20.
- ⊗ 4Q22 Consolidated EBITDA reached Ps. 3,115 million, while EBITDA from cable operations totaled Ps. 2,957 million, with margins of 43.4% and 46.9%, respectively. In the full-year comparison, Consolidated EBITDA increased 6% and EBITDA from cable operations grew 5%, with margins of 47.0% and 49.1%, respectively.
- ⊗ The Company continues with its expansion project through the investment of Ps. 11,836 million in 2022, which allowed it to add close to two million homes passed and more than 9,500 km of network in this period.

Guadalajara, Jalisco, Mexico, February 23, 2023 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV: MEGA.CPO) announced today its financial results for the fourth quarter of 2022 (4Q22) and full-year 2022. Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise stated. The comparison is made with audited figures for 2021, released on May 3, 2022.

Consolidated Financial and Operational Results

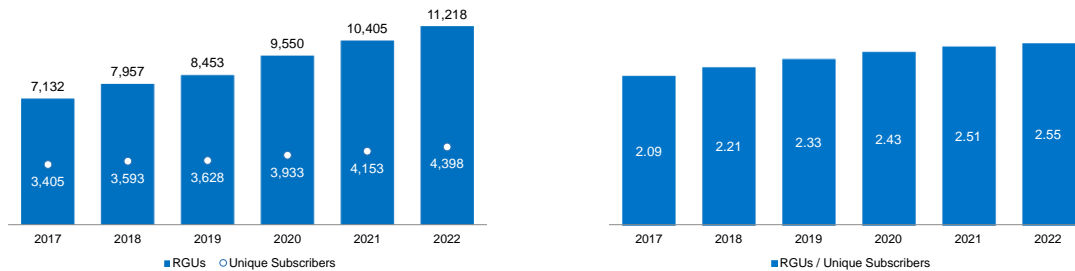
	4Q22	4Q21	% Var
Income	7,175,058	6,473,451	10.8%
Mass Segment Income	5,621,265	5,341,136	5.2%
EBITDA	3,114,903	3,051,460	2.1%
EBITDA Margin	43.4%	47.1%	
Net Profit	557,065	299,285	86.1%
Cash and short-term investments	1,384,036	3,696,307	(62.6%)
Net Debt	12,842,623	4,532,501	183.3%
CAPEX	3,955,443	3,164,227	25.0%
Mkt. Cap (Ps. Millions)	44,566	60,041	(25.8%)
Subscribers			
Unique	4,397,994	4,153,047	5.9%
Internet	4,137,860	3,833,893	7.9%
Video	3,675,615	3,539,822	3.8%
Telephony	3,404,125	3,031,119	12.3%
Mobile services	356,769	428,326	(16.7%)
Total RGUs	11,217,600	10,404,834	7.8%
Other Data			
Home Passed	11,560,218	9,568,600	20.8%
Network Kilometers	76,236	66,674	14.3%
Employees	27,333	23,980	14.0%

General Remarks

Under an environment of high inflation and slower economic growth, Megacable recorded its ninth consecutive quarter with record revenues, supported by a faster pace of subscriber growth in the Mass Segment, including existing territories and the incursion into new cities, which resulted in the highest figure of net additions in the last two years. In the same line, the corporate segment registered a solid performance, highlighting ho1a's contribution to revenue during the period.

Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, the Company registered 4'397,994 unique subscribers, a 5.9% growth compared to 4Q21, or 245 thousand net adds. In the sequential comparison, 124 thousand new subscribers were registered, the highest figure in the last two years. This result is attributed to the successful sales strategy, including the expansion to new cities and a lower churn rate, both on an annual and sequential basis. On the other hand, RGUs reached more than 11.2 million, an increase of 7.8% compared to the same quarter of the previous year, driven by subscriber in the three Mass Segment Services. Revenue generating units per unique subscriber maintained its growth trend to reach 2.55.

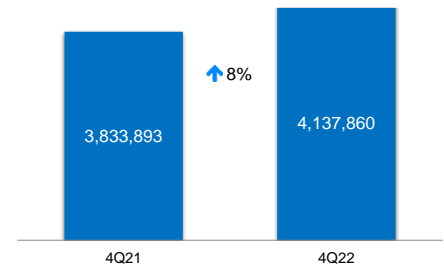


Note: Mobile services subscribers are not included in total RGUs.

Internet Subscribers

At the end of 4Q22, the Internet segment reached 4'137,860 subscribers, an increase of 7.9% or 304 thousand net adds, compared to 4Q21. In this period, the Company registered 125 thousand new subscribers, the highest figure in the last nine quarters, or a growth of 3.1%.

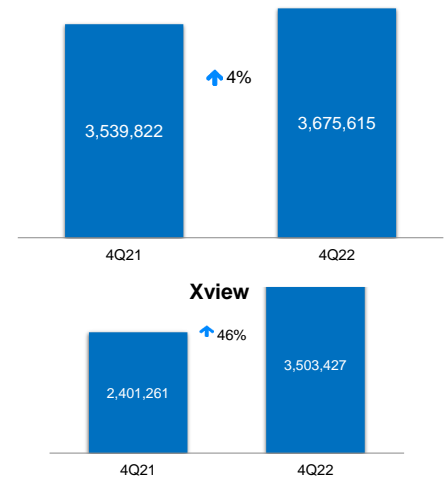
As a result of the investments made by the Company in recent years, at the end of the quarter, 50% of subscribers receive their service through fiber technology, while 54% have speeds of 50 megabytes or more, compared to 18% at the end of 2021. These investments will allow Megacable to continue to improve the quality of its services and meet the needs of the market.



Video Subscribers

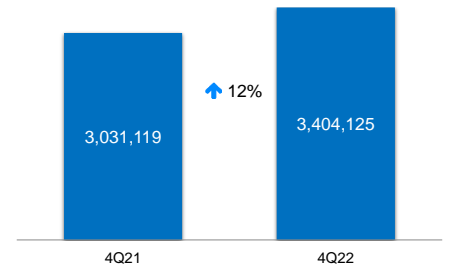
The Video Segment reached 3'675,615 subscribers at the end of 4Q22, an increase of 136 thousand net adds over the 4Q21, equal to a growth of 3.8%. Compared to the previous quarter, the Video Segment's subscribers base grew by 2.3%, equivalent to 83 thousand net adds.

The Xview platform maintained its upward trend and reached 3'503,427 set top boxes (STBs), which represents a 46% growth and more than 1.1 million net additions compared to 4Q21. Sequentially, close to 590 thousand net adds were recorded. In the same line, digital subscribers accounted for 90% of the Company's subscribed base through more than 5.3 million STBs.



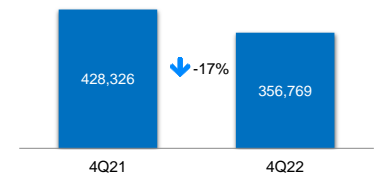
Telephony Subscribers

The Telephony Segment closed the quarter with 3'404,125 subscribers, registering 373 thousand net adds compared to 4Q21, representing an increase of 12.3%. During the quarter, the Company registered 141 thousand new subscribers, an increase of 4.3%. The growth of this service is mainly driven by the Company's bundling strategy.



Mobile Services Subscribers

At the end of the quarter, the Mobile Services Segment reached 356,769 lines. During the period, the Company completed the extraordinary process of disconnecting lines without traffic in the prepaid scheme that it carried out in 2022. At quarter-end, most of the lines correspond to postpaid services, thus supporting the revenue growth of this business unit.



Churn Rate

The churn rate of the three Mass Segment Services decreased, both on an annual and sequential basis, registering the lowest levels in the last two years, mainly due to a seasonality effect, with better collection.

	4Q22	3Q22	4Q21
Internet	1.7%	2.3%	2.0%
Video	1.8%	2.4%	2.2%
Telephony	1.9%	2.5%	2.4%

Revenues

4Q22 total revenues reached Ps. 7,175 million, a record high for the Company in a single quarter, and representing an increase of 10.8% compared to 4Q21. Revenues for the Mass Services Segment grew 5.2%, derived from the larger subscriber base and additional services revenues, as well as the rate increase carried out during the year. During the same comparison, Corporate Segment revenues maintained their double-digit growth trend, increasing 37.2% compared to 4Q21, registering the highest revenue figure in a single quarter ever.

	4Q22	4Q21	%Var	12M22	12M21	%Var
Internet	2,301,316	2,139,616	8%	8,994,848	8,225,288	9%
Video	2,536,846	2,451,178	3%	9,867,238	9,485,693	4%
Telephony	599,370	628,609	-5%	2,461,689	2,349,568	5%
Mobile Service	170,290	106,417	60%	600,056	313,179	92%
Others	13,443	15,315	-12%	51,995	62,611	-17%
Total Mass Market	5,621,265	5,341,136	5%	21,975,826	20,436,339	8%
Corporate	1,553,794	1,132,316	37%	5,179,729	4,197,818	23%
Total	7,175,058	6,473,451	11%	27,155,555	24,634,158	10%

ARPU

ARPU per unique subscriber reached Ps. 419.5, registering a slight decrease compared to 4Q21, derived from the execution of promotional plans in the new territories. On a sequential basis, this indicator grew mainly due to the rate increase carried out during December. As for ARPUs by service, Internet and Video segments remained virtually unchanged from 4Q21 and 3Q22. On the other hand, ARPU for the Mobile Services Segment increased as a result of the disconnecting strategy carried out during the year and the focus on postpaid customers.

	4Q22	4Q21	% Var	3Q22	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	419.5	422.6	-1%	415.4	1%
Internet	188.2	187.6	0%	187.8	0%
Video	232.8	231.7	0%	229.3	2%
Telephony	59.9	69.9	-14%	60.1	0%
Mobile Services	146.1	89.4	63%	121.3	20%

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

Corporate Telecom Segment Revenues

Corporate Telecom Segment revenues increased 38.5% compared to 4Q21. This performance was supported mainly by ho1a's growth of 123.5%, registering the highest revenue figure in the last seven years, due to the reactivation of projects in the public sector. Meanwhile, MetroCarrier and MCM revenues grew 20.2% and 14.3%, respectively. The participation of this segment in the Company's total revenues was 20.3%, compared to 16.3% in 4Q21.

	4Q22	4Q21	%Var	12M22	12M21	%Var
MetroCarrier	686,978	571,676	20%	2,592,401	2,104,156	23%
ho1a	453,146	202,723	124%	1,016,019	707,695	44%
MCM	317,593	277,852	14%	1,205,421	1,062,084	13%
Corporate Telecom	1,457,716	1,052,250	39%	4,813,841	3,873,936	24%
PCTV	96,078	80,065	20%	365,889	323,882	13%
Total	1,553,794	1,132,316	37%	5,179,729	4,197,818	23%

Cost & Expenses

During this quarter, cost of services climbed 21.0% compared to the fourth quarter of 2021, mainly due to the operating growth of ho1a in the Corporate Segment and the Mobile Services in the Mass Segment, as well as costs related to the growth and expansion of the Company. On the other hand, operating expenses increased 16.2%, mainly due to the operating growth of the Company. This affected the growth of EBITDA in the same proportion as revenues. Regarding the Operating Income, it is affected by the increase in depreciation, the result of the strong investments made in previous periods.

EBITDA

4Q22 Consolidated EBITDA reached Ps. 3,115 million, an increase of 2.1% compared to the same period of the previous year, with a consolidated margin of 43.4%. Likewise, adjusted EBITDA from Cable operations maintained its growth trend, amounting to Ps. 2,957 million, up 1.2% compared to 4Q21, with a margin of 46.9%. For the full-year, Consolidated EBITDA growth was 5.7%, with a margin of 47.0%; while EBITDA from cable operations increased 5.4% to reach a margin of 49.1%.

	4Q22	4Q21	%Var	12M22	12M21	%Var
CONSOLIDATED						
Consolidated operating profit	1,445,085	1,665,838	-13%	6,528,801	6,807,218	-4%
Plus consolidated depreciation and amortization	1,669,818	1,385,622	21%	6,240,217	5,273,515	18%
Consolidated EBITDA (1)	3,114,903	3,051,460	2%	12,769,018	12,080,733	6%
Consolidated EBITDA Margin	43.4%	47.1%		47.0%	49.0%	
CABLE OPERATIONS						
MCM, Ho1a and PCTV EBITDA	157,596	130,281	21%	706,195	636,695	11%
Cable Adjusted EBITDA (2)	2,957,307	2,921,179	1%	12,062,823	11,444,039	5%
EBITDA Margin of Cable	46.9%	49.4%		49.1%	50.8%	

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. 561.7 million, mainly comprised of a net interest expense, generated by the increase in debt and resulting from an extraordinary payment of tax contributions corresponding to previous years, coupled with a foreign exchange gain.

	4Q22	4Q21
Net Exchange Profit	(92,530)	(7,829)
Interest Income	46,510	43,604
Interest Expense and other	700,690	282,997
Net Comprehensive Financial Result	(561,650)	(231,565)

Net Income

Net Income for the quarter closed at Ps. 557 million, higher than the audited figure posted in 4Q21. The decrease versus 3Q22 is due to an extraordinary tax payment, corresponding to previous fiscal years, made during this period. Additionally, a higher depreciation was registered derived from the investments carried out in recent years, as well as a higher financial expenses as a result of the increase in debt.

Net Debt

Megacable closed the quarter with a Net Debt of Ps. 12,843 million, which represents an increase, both on an annual and sequential basis. The aforementioned was mainly due to the contracting of additional debt in the period to support the ongoing expansion project, as well as a lower level of available cash. These investments have allowed the Company to continue accelerating its expansion plans, maintaining a healthy level of leverage of 1.01 times net debt/EBITDA.

	4Q22	4Q21	3Q22
Short Term Debt	3,414,728	4,542,489	600,987
One year maturity of long-term bank loans	3,286,113	4,448,789	517,756
Short-term leases	128,615	93,701	83,231
Long-Term Debt	10,811,930	3,686,319	11,141,674
Bank Loans	3,448,524	3,458,069	3,450,797
Accounts Payable	7,000,000	-	7,000,000
Long-term leases	363,407	228,250	690,877
Total Debt	14,226,659	8,228,808	11,742,661
Cash and Short-Term Investments	1,384,036	3,696,307	1,474,193
Net Debt	12,842,623	4,532,501	10,268,468

CAPEX

Megacable invested Ps. 3,955 million during 4Q22, representing 55.1% of revenues for the quarter and 43.6% of revenues for the year. These investments were mainly focused on the execution of the expansion project to new markets, initiating operations in more than 30 new territories by the end of the year and managing to activate more than 9,500 km of additional distribution network, to cover nearly 2 million homes passed. These investments will contribute to subscriber and revenue growth in the coming periods.

Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	3,060	6,121
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 44,566
Closing price (Ps) *		\$ 51.78
Free float		52%
As of December 31, 2022		

* Source: Infosel

4Q22 Earnings Conference Call

Megacable will hold its 4Q22 Earnings Conference Call on Friday, February 24, 2023 at 10:00 am (Mexico City Time) / 11:00 am (New York Time).

To access the call, please dial:

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

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

Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1595249&tp_key=04e330265a

The audio recording of the 4Q22 conference call and prior periods are available at:

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

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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>

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

Statement of Financial Position

As of December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	1,384,036	3,696,307
Accounts receivable from customers and advances to suppliers, net	3,588,629	3,171,671
Recoverable taxes	1,671,501	1,241,856
Inventories	651,936	430,809
Total Current Assets	7,296,102	8,540,643
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	119,155	-
Property, systems and equipment, net	46,236,026	39,017,853
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	456,840	283,826
Other assets	649,561	507,750
Affiliated and associated companies	996,475	916,876
Total Assets	60,132,557	53,645,346
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	3,286,113	4,448,789
Suppliers	4,170,493	5,221,635
Short-term affiliated and associated companies	165,020	135,316
Accounts payable and accrued expenses payable	1,191,205	1,184,610
Short-term leases payable	128,615	93,701
Total Current Liabilities	8,941,445	11,084,050
LONG TERM LIABILITIES		
Bank loans	3,448,524	3,458,069
Labor obligations	231,389	223,391
Accounts payable	7,000,000	-
Deferred taxes	2,707,109	2,372,584
Affiliated and associated companies	592,458	612,514
Accrued Income	658,910	658,910
Long-term leases payable	363,407	228,250
Total Long-Term Liabilities	15,001,797	7,553,719
Total Liabilities	23,943,243	18,637,768
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	31,179,671	30,025,596
Minority Interest	1,487,616	1,460,370
Legal Reserve	494,223	493,808
Total Stockholders' Equity	36,189,314	35,007,578
Total Liabilities & Stockholders' Equity	60,132,557	53,645,346

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

Income Statement

Fourth Quarter 2022 and 2021

	4Q22	4Q21	% Var
Income	\$ 7,175,058	\$ 6,473,451	11%
Cost of Services	2,124,746	1,755,888	21%
Gross Profit	\$ 5,050,312	\$ 4,717,563	7%
Operating and General Expenses	1,935,410	1,666,103	16%
EBITDA	\$ 3,114,903	\$ 3,051,460	2%
Depreciation and amortization	1,669,818	1,385,622	21%
Operating Profit	\$ 1,445,085	\$ 1,665,838	(13%)
Other income (expenses), net	- 29,314	- 404,503	93%
Comprehensive Financing Income, Net	561,650	231,565	143%
Income Before Income Tax and Minority Interest	\$ 854,121	\$ 1,029,770	(17%)
Income Tax	271,962	691,215	(61%)
Net Profit	\$ 582,159	\$ 338,556	72%
Net income attribute to:			
Non-Controlling interest	25,094	39,270	(36%)
Controlling interest	557,065	299,285	86%
	\$ 582,159	\$ 338,556	72%

	12M22	12M21	% Var
Income	\$ 27,155,555	\$ 24,634,158	10%
Cost of Services	7,402,286	6,461,214	15%
Gross Profit	\$ 19,753,269	\$ 18,172,944	9%
Operating and General Expenses	6,984,251	6,092,210	15%
EBITDA	\$ 12,769,018	\$ 12,080,733	6%
Depreciation and amortization	6,240,217	5,273,515	18%
Operating Profit	\$ 6,528,801	\$ 6,807,218	(4%)
Other income (expenses), net	16,675	- 431,140	104%
Comprehensive Financing Income, Net	1,195,535	842,730	42%
Income Before Income Tax and Minority Interest	\$ 5,349,941	\$ 5,533,348	(3%)
Income Tax	1,614,981	1,903,989	(15%)
Net Profit	\$ 3,734,960	\$ 3,629,359	3%
Net income attribute to:			
Non-Controlling interest	168,411	160,751	5%
Controlling interest	3,566,549	3,468,608	3%
	\$ 3,734,960	\$ 3,629,359	3%

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

Income Statement by Segment

Fourth Quarter 2022 and 2021

	4Q22	4Q21	% Var
CABLE OPERATIONS			
Income	\$ 6,308,242	\$ 5,912,812	7%
Cost of Services	1,715,011	1,533,631	12%
Gross Profit	4,593,231	4,379,180	5%
Operating and General Expenses	1,635,924	1,458,001	12%
EBITDA	\$ 2,957,307	\$ 2,921,179	1%
	46.9%	49.4%	
OTHER			
Income	866,816	560,639	55%
MCM	317,593	277,852	14%
HO1A	453,146	202,723	124%
PCTV	96,078	80,065	20%
Cost of Services	409,735	222,257	84%
MCM	45,658	30,363	50%
HO1A	315,943	158,055	100%
PCTV	48,134	33,839	42%
Gross Profit	457,081	338,383	35%
Operating and General Expenses	299,485	208,102	44%
MCM	201,719	116,752	73%
HO1A	55,669	45,870	21%
PCTV	42,097	45,479	(7%)
EBITDA			
MCM	70,216	130,737	(46%)
HO1A	81,533	1,203	NA
PCTV	5,846	747	NA
EBITDA	\$ 157,596	\$ 130,281	21%
	18.2%	23.2%	
TOTAL OPERATION			
Income	7,175,058	6,473,451	11%
Cost of Services	2,124,746	1,755,888	21%
Gross Profit	5,050,312	4,717,563	7%
Operating and General Expenses	1,935,410	1,666,103	16%
EBITDA	\$ 3,114,903	\$ 3,051,460	2%
	43.4%	47.1%	

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

Income Statement by Segment

Accrued as of Fourth Quarter 2022 and 2021

	12M22	12M21	% Var
CABLE OPERATIONS			
Income	\$ 24,568,226	\$ 22,540,496	9%
Cost of Services	6,395,919	5,701,262	12%
Gross Profit	18,172,308	16,839,233	8%
Operating and General Expenses	6,109,484	5,395,195	13%
EBITDA	\$ 12,062,823	\$ 11,444,039	5%
	49.1%	50.8%	
OTHER			
Income	2,587,328	2,093,662	24%
MCM	1,205,421	1,062,084	13%
HO1A	1,016,019	707,695	44%
PCTV	365,889	323,882	13%
Cost of Services	1,006,367	759,952	32%
MCM	154,410	104,678	48%
HO1A	666,417	504,315	32%
PCTV	185,540	150,958	23%
Gross Profit	1,580,962	1,333,710	19%
Operating and General Expenses	874,767	697,015	26%
MCM	551,596	424,722	30%
HO1A	168,413	127,015	33%
PCTV	154,758	145,279	7%
EBITDA			
MCM	499,415	532,684	(6%)
HO1A	181,189	76,365	137%
PCTV	25,591	27,645	(7%)
EBITDA	\$ 706,195	\$ 636,695	11%
	27.3%	30.4%	
TOTAL OPERATION			
Income	27,155,555	24,634,158	10%
Cost of Services	7,402,286	6,461,214	15%
Gross Profit	19,753,269	18,172,944	9%
Operating and General Expenses	6,984,251	6,092,210	15%
EBITDA	\$ 12,769,018	\$ 12,080,733	6%
	47.0%	49.0%	