

Highlights

- ⊗ During the quarter, an acceleration in the growth of Unique Subscribers was recorded, reaching 148 thousand net additions compared to 3Q23, concluding with 4.9 million. Compared to 4Q22, there was an increase of 12.5% or 548 thousand net additions, the highest figure in the Company's history.
- ⊗ In the same line, Internet and Telephony segments added 157 thousand and 176 thousand new subscribers during the quarter, while Video grew 25 thousand. On a full-year basis, Internet, Telephony and Video segments added 584 thousand, 678 thousand and 238 thousand subscribers, respectively, registering record figures for the period.
- ⊗ Consolidated EBITDA and EBITDA from cable operations for 4Q23 posted a record growth of 12.3% compared to 4Q22, reaching Ps. 3,458 million and Ps. 3,295 million, with margins of 44.0% and 46.0%, respectively.
- ⊗ The Mass Segment Services revenues registered record figure in this period, reaching Ps. 6,437 million, an annual growth of 14.5%. In the same comparison, the consolidated revenues for 4Q23 reached Ps. 7,854 million, increasing 9.5%, maintaining its upward trend.
- ⊗ ARPU per Unique Subscriber for 4Q23 registered an increase of 1.6% year-over-year to Ps. 426.3. Sequentially, an increase of 1.8% was recorded, the highest in the last two years.
- ⊗ In this period, the Company added over 885 thousand of homes passed and activated 3,162 new kilometers of network, reaching totals of 15.4 million and 93.7 thousand, respectively.

Guadalajara, Jalisco, Mexico, February 15, 2024 - 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 2023 (4Q23). 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 2022, presented on May 2, 2023.

Consolidated Financial and Operational Results

	4Q23	4Q22	% Var
Income	7,853,927	7,175,189	9.5%
Mass Segment Income	6,437,473	5,621,265	14.5%
EBITDA	3,457,676	3,080,261	12.3%
EBITDA Margin	44.0%	42.9%	
Net Profit	647,921	575,290	12.6%
Cash and short-term investments	1,578,318	1,384,360	14.0%
Net Debt	20,217,771	13,168,173	53.5%
CAPEX	3,989,526	3,955,443	0.9%
Mkt. Cap (Ps. Millions)	32,637	44,566	(26.8%)
Subscribers			
Unique	4,945,826	4,397,994	12.5%
Internet	4,721,552	4,137,860	14.1%
Video	3,914,090	3,675,615	6.5%
Telephony	4,082,055	3,404,125	19.9%
Mobile services	433,388	356,769	21.5%
Total RGUs	12,717,697	11,217,600	13.4%
Other Data			
Home Passed	15,437,907	11,560,218	33.5%
Network Kilometers	93,665	76,236	22.9%
Employees	31,338	27,333	14.7%

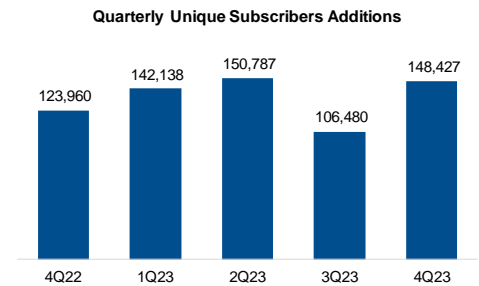


General Remarks

During this quarter, the Company continued with its expansion plan, reaching 15.4 million of homes passed and achieving the highest growth in unique subscribers and Internet subscribers since the project was announced. The above, together with the strengthening of ARPU and the decrease in the churn rate, drove the highest annual revenue growth in the Mass Segment since 2Q18, resulting in the highest increase in EBITDA since June 2018. Considering the extraordinary investments made during the period, the leverage ratio remains at reasonable levels and below the industry.

Unique Subscribers and Revenue Generating Units (RGUs)

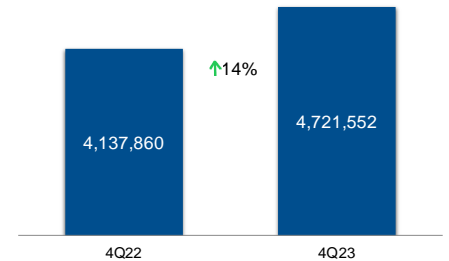
At the end of the fourth quarter, the Company registered 4'945,826 unique subscribers, up 12.5% compared to 4Q22, which represented 548 thousand net adds. Sequentially, the period saw the addition of 148 thousand new unique subscribers, in line with the growth expected with the Expansion project. On the other hand, RGUs exceeded 12.7 million with an increase of 13.4% compared to the same quarter of the previous year, driven by the constant growth of subscribers in the Mass Segment services. The RGU per unique subscriber reached 2.57.



Internet Subscribers

At the end of 4Q23, the Internet segment reached 4'721,552 subscribers, a 14.1% increase or 584 thousand net adds compared to 4Q22. This quarter alone registered 157 thousand new subscribers, marking the sixth consecutive quarter of growth surpassing one hundred thousand net additions.

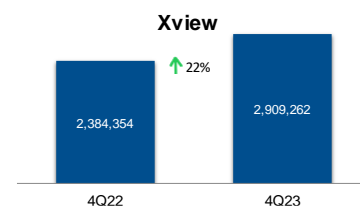
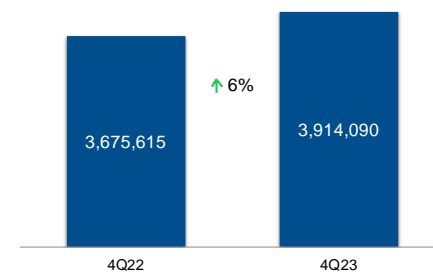
By the end of the period, fiber technology serviced 63% of subscribers, compared to 50% in 4Q22. This is the result of the network evolution project and the expansion project.



Video Subscribers

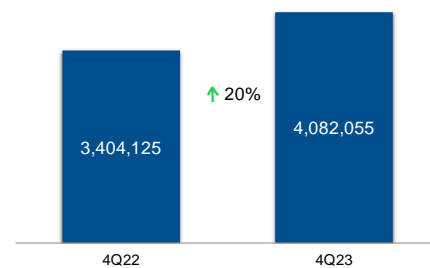
The Video segment continues to grow, reaching 3'914,090 subscribers at the end of 4Q23, registering 238 thousand net adds, marking a 6.5% growth compared to 4Q22 and an increase of 25 thousand net adds quarter-over-quarter.

The Xview platform continues its upward trend, reaching 2'909,262 subscribers, a 22.0% growth and over 525 thousand net adds year-over-year. Sequentially, the platform recorded 165 thousand additions.



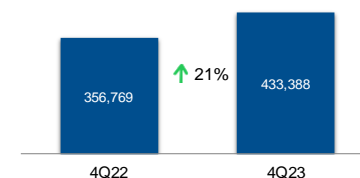
Telephony Subscribers

The Telephony segment ended the quarter with 4'082,055 subscribers, a leap of 678 thousand net adds compared to 4Q22, representing an increase of 19.9%. This quarter contributed to 176 thousand new subscribers to the segment, up 4.5%. This service's growth is primarily attributed to the Company's effective bundling strategy.



Mobile Services Subscribers

The Mobile Services segment closed the quarter with 433,388 lines, adding 19 thousand new users in this period, maintaining a positive trajectory for the fourth successive quarter, after the line disconnection process carried out in 2022. The Company remains focused on post-paid services, with a better contribution to this business unit's ARPU.



Churn Rate

The Mass Segment Services' churn rate experienced a recovery compared to 3Q23. This is the result of the Company's focus on obtaining quality subscribers and the seasonality effect. In the annual comparison, Internet and Telephony segments remained at practically the same levels, while Video register a slight increase.

	4Q23	3Q23	4Q22
Internet	1.8%	2.1%	1.7%
Video	2.2%	2.3%	1.8%
Telephony	2.0%	2.2%	1.9%



Revenues

4Q23 total revenues reached Ps. 7,854 million, an increase of 9.5%, from 4Q22. In the same comparative, the Mass Segment posted a 14.5% climb, the highest since September 2018. This growth was driven by an increased number of subscribers, mainly due to the contribution of the new territories, as well as revenues from supplementary services. Meanwhile, revenues from the Corporate Segment recorded a decrease of 8.8%, mainly due to an adverse comparative effect.

	4Q23	4Q22	%Var	12M23	12M22	%Var
Internet	2,757,789	2,301,316	20%	10,316,756	8,994,848	15%
Video	2,810,941	2,536,846	11%	10,791,852	9,867,238	9%
Telephony	659,867	599,370	10%	2,571,517	2,461,689	4%
Mobile Service	197,111	170,290	16%	734,410	600,056	22%
Others	11,765	13,443	-12%	53,021	51,995	2%
Total Mass Market	6,437,473	5,621,265	15%	24,467,556	21,975,826	11%
Corporate	1,416,454	1,553,925	-9%	5,402,984	5,179,860	4%
Total	7,853,927	7,175,189	9%	29,870,540	27,155,686	10%

Note: Others include Non-recurring.

ARPU

ARPU per unique subscriber was Ps. 426.3, recording the highest annual growth since September 2022. Likewise, ARPU showed a recovery compared to 3Q23. This is the result of the price increases carried out in this period and the adjustment of promotional rates in new territories. ARPUs for Internet and Mobile Services stood out for their 5% increase compared to 4Q22, while in the sequential comparison, the highest growth was in Video with 4%.

	4Q23	4Q22	% Var	3Q23	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	426.3	419.5	2%	418.7	2%
Internet	197.6	188.2	5%	193.4	2%
Video	240.7	232.8	3%	232.4	4%
Telephony	54.9	59.9	-8%	55.5	-1%
Mobile Services	153.4	146.1	5%	156.0	-2%

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

Corporate Telecom Segment Revenues

Corporate Telecom Segment revenues decreased in comparison to 4Q22, derived from an adverse comparative effect in ho1a, due to special projects in 2022. However, in the sequential revenue comparison, the best quarter of the year was recorded. This segment contributed 16.9% to the Company's total revenues, compared to 20.3% in 4Q22.

	4Q23	4Q22	%Var	12M23	12M22	%Var
MetroCarrier	730,464	686,978	6%	2,841,899	2,592,401	10%
ho1a	301,281	453,146	-34%	929,665	1,016,019	-8%
MCM	296,003	317,593	-7%	1,263,385	1,205,421	5%
Corporate Telecom	1,327,749	1,457,716	-9%	5,034,949	4,813,841	5%
PCTV	88,705	96,209	-8%	368,036	366,020	1%
Total	1,416,454	1,553,925	-9%	5,402,984	5,179,860	4%



Cost & Expenses

During this quarter, the costs of services increase only 6.6% compared to 4Q22, while operating expenses climbed 8.1%. Sequentially, costs and expenses increased 4.4% and 5.8%, respectively. Operating Income grew 8.2% compared to 4Q22 and 5.8% against 3Q23. This is derived from the Company's operating efficiency in the territories where it started operations, which is reflected in a positive EBITDA margin.

EBITDA

In the annual comparison, both consolidated EBITDA and EBITDA from Cable Operations increased 12.3%, due to the growth of the Company's operations, recording margins of 44.0% and 46.0%, respectively. Sequentially, consolidated EBITDA and EBITDA from Cable Operations, continued their growth trend, reaching Ps. 3,458 million and Ps. 3,295 million, respectively.

	4Q23	4Q22	%Var	12M23	12M22	%Var
Consolidated operating profit	1,548,170	1,430,649	8%	6,120,779	6,514,365	-6%
Consolidated depreciation and amortization	1,909,506	1,649,612	16%	7,199,215	6,220,012	16%
Consolidated EBITDA (1)	3,457,676	3,080,261	12%	13,319,993	12,734,376	5%
Consolidated EBITDA Margin	44.0%	42.9%		44.6%	46.9%	
MCM, Ho1a and PCTV EBITDA	162,374	145,360	12%	706,803	693,960	2%
Cable Adjusted EBITDA (2)	3,295,302	2,934,900	12%	12,613,190	12,040,417	5%
EBITDA Margin of Cable	46.0%	46.5%		46.2%	49.0%	

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. 588.5 million, mainly composed of net interest expenses arising from higher debt; but below the levels registered in 4Q22, for extraordinary financial expenses for that period, as well as a net foreign exchange loss.

	4Q23	4Q22
Net Exchange (Loss) Profit	(8,291)	92,541
Interest Income	53,204	58,478
Interest Expense	633,372	776,123
Net Comprehensive Financial Result	(588,459)	(625,105)



Net Income

Net Income for the quarter closed at Ps. 648 million, an increase of 12.6% compared to 4Q22, in line with the growth recorded by EBITDA in this period.

Net Debt

Megacable ended the quarter with a Net Debt of Ps. 20,218 million, an increase in both year-over-year and sequential comparisons. This rise largely stems from the engagement of additional debt in this quarter, a strategic move that has enabled the Company to accelerate investments in its expansion plan and network evolution project. As of the end of December 2023, the Company's leverage level was 1.5 times net debt/EBITDA, remaining within the range expected by the Company and standing as one of the lowest in the industry.

	4Q23	4Q22	3Q23
Short Term Debt	5,661,317	3,406,943	4,722,979
One year maturity of long-term bank loans	5,593,405	3,286,113	4,647,560
Short-term leases	67,912	120,830	75,419
Long-Term Debt	16,134,772	11,145,591	15,944,392
Bank Loans	8,276,859	3,448,524	8,276,859
Accounts Payable	7,000,000	7,000,000	7,000,000
Long-term leases	857,913	697,067	667,533
Total Debt	21,796,089	14,552,534	20,667,371
Cash and Short-Term Investments	1,578,318	1,384,360	1,755,839
Net Debt	20,217,771	13,168,173	18,911,532

CAPEX

During 4Q23, Megacable's investments reached Ps. 3,990 million, amounting to Ps. 12,948 million by the end of 2023, representing 43.3% of the revenues recorded in 2023. This amount is the result of extraordinary investments made by the Company, which allowed it to exceed the initial construction targets planned for 2023, bringing it closer to meeting its objective of duplicating its infrastructure.



Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	2,178	4,355
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 32,637
Closing price (Ps.) *		\$ 37.92
Free float		53%
As of December 31, 2023		

* Source: Refinitiv

4Q23 Earnings Conference Call

Megacable will hold its 4Q23 Earnings Conference Call on Friday, February 16, 2024 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://viavid.webcasts.com/starthere.jsp?ei=1655577&tp_key=745639926e

The audio recording of the 4Q23 conference call and prior periods is 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, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	1,578,318	1,384,360
Accounts receivable from customers and advances to suppliers, net	3,207,071	3,717,745
Recoverable taxes	1,721,887	1,714,652
Inventories	773,829	652,581
Total Current Assets	7,281,104	7,469,338
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	303,645	119,155
Property, systems and equipment, net	53,407,135	46,397,833
Goodwill, net	4,366,058	4,378,397
Intangible assets by right-of-use assets	880,745	758,058
Other assets	1,003,663	489,031
Affiliated and associated companies	1,162,900	996,475
Total Assets	68,405,251	60,608,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	5,593,405	3,286,113
Suppliers	3,827,727	4,166,996
Short-term affiliated and associated companies	205,863	165,020
Accounts payable and accrued expenses payable	1,531,945	1,318,654
Short-term leases payable	67,912	120,830
Total Current Liabilities	11,226,851	9,057,613
LONG TERM LIABILITIES		
Bank loans	8,276,859	3,448,524
Labor obligations	343,974	299,308
Accounts payable	7,000,000	7,000,000
Deferred taxes	3,480,647	2,645,982
Affiliated and associated companies	693,385	592,458
Accrued Income	618,817	685,575
Long-term leases payable	857,913	697,067
Total Long-Term Liabilities	21,271,595	15,368,913
Total Liabilities	32,498,447	24,426,526
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	31,502,780	31,172,119
Minority Interest	876,820	1,487,616
Legal Reserve	499,400	494,223
Total Stockholders' Equity	35,906,804	36,181,762
Total Liabilities & Stockholders' Equity	68,405,251	60,608,289



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

Income Statement

Fourth Quarter 2023 and 2022

	4Q23	4Q22	% Var
Income	\$ 7,853,927	\$ 7,175,189	9%
Cost of Services	2,266,567	2,125,292	7%
Gross Profit	\$ 5,587,361	\$ 5,049,898	11%
Operating and General Expenses	2,129,684	1,969,637	8%
EBITDA	\$ 3,457,676	\$ 3,080,261	12%
Depreciation and amortization	1,909,506	1,649,612	16%
Operating Profit	\$ 1,548,170	\$ 1,430,649	8%
Other income (expenses), net	24,978	-\$ 29,812	184%
Comprehensive Financing Income, Net	588,459	625,105	(6%)
Income Before Income Tax and Minority Interest	\$ 984,689	\$ 775,732	27%
Income Tax	295,407	175,348	68%
Net Profit	\$ 689,283	\$ 600,385	15%
Net income attribute to:			
Non-Controlling interest	41,361	25,094	65%
Controlling interest	647,921	575,290	13%
	\$ 689,283	\$ 600,385	15%

	12M23	12M22	% Var
Income	\$ 29,870,540	\$ 27,155,686	10%
Cost of Services	8,636,568	7,402,831	17%
Gross Profit	\$ 21,233,972	\$ 19,752,855	7%
Operating and General Expenses	7,913,979	7,018,479	13%
EBITDA	\$ 13,319,993	\$ 12,734,376	5%
Depreciation and amortization	7,199,215	6,220,012	16%
Operating Profit	\$ 6,120,779	\$ 6,514,365	(6%)
Other income (expenses), net	151,821	16,178	NA
Comprehensive Financing Income, Net	1,934,320	1,258,990	54%
Income Before Income Tax and Minority Interest	\$ 4,338,279	\$ 5,271,552	(18%)
Income Tax	1,301,484	1,518,367	(14%)
Net Profit	\$ 3,036,796	\$ 3,753,186	(19%)
Net income attribute to:			
Non-Controlling interest	193,133	168,411	15%
Controlling interest	2,843,662	3,584,775	(21%)
	\$ 3,036,796	\$ 3,753,186	(19%)



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

Income Statement by Segment

Fourth Quarter 2023 and 2022

	4Q23	4Q22	% Var
CABLE OPERATIONS			
Income	\$ 7,167,938	\$ 6,308,242	14%
Cost of Services	2,016,792	1,715,051	18%
Gross Profit	5,151,146	4,593,191	12%
Operating and General Expenses	1,855,843	1,658,291	12%
EBITDA	\$ 3,295,302	\$ 2,934,900	12%
	46.0%	46.5%	
OTHER			
Income	685,990	866,947	(21%)
MCM	296,003	317,593	(7%)
HO1A	301,281	453,146	(34%)
PCTV	88,705	96,209	(8%)
Cost of Services	249,775	410,241	(39%)
MCM	48,497	46,158	5%
HO1A	147,221	315,942	(53%)
PCTV	54,057	48,140	12%
Gross Profit	436,215	456,707	(4%)
Operating and General Expenses	273,841	311,346	(12%)
MCM	144,911	199,727	(27%)
HO1A	83,240	59,151	41%
PCTV	45,690	52,468	(13%)
EBITDA			
MCM	102,596	71,707	43%
HO1A	70,820	78,053	(9%)
PCTV	- 11,042	- 4,399	NA
EBITDA	\$ 162,374	\$ 145,360	12%
	23.7%	16.8%	
TOTAL OPERATION			
Income	7,853,927	7,175,189	9%
Cost of Services	2,266,567	2,125,292	7%
Gross Profit	5,587,361	5,049,898	11%
Operating and General Expenses	2,129,684	1,969,637	8%
EBITDA	\$ 3,457,676	\$ 3,080,261	12%
	44.0%	42.9%	

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

Income Statement by Segment

Accrued as of Fourth Quarter 2023 and 2022

	12M23	12M22	% Var
CABLE OPERATIONS			
Income	\$ 27,309,455	\$ 24,568,226	11%
Cost of Services	7,710,231	6,395,959	21%
Gross Profit	19,599,224	18,172,268	8%
Operating and General Expenses	6,986,033	6,131,851	14%
EBITDA	\$ 12,613,190	\$ 12,040,417	5%
	46.2%	49.0%	
OTHER			
Income	2,561,085	2,587,459	(1%)
MCM	1,263,385	1,205,421	5%
HO1A	929,665	1,016,019	(8%)
PCTV	368,036	366,020	1%
Cost of Services	926,337	1,006,872	(8%)
MCM	206,765	154,910	33%
HO1A	501,157	666,416	(25%)
PCTV	218,414	185,546	18%
Gross Profit	1,634,749	1,580,587	3%
Operating and General Expenses	927,945	886,628	5%
MCM	553,254	549,605	1%
HO1A	227,689	171,895	32%
PCTV	147,003	165,128	(11%)
EBITDA			
MCM	503,366	500,906	0%
HO1A	200,819	177,708	13%
PCTV	2,618	15,345	(83%)
EBITDA	\$ 706,803	\$ 693,960	2%
	27.6%	26.8%	
TOTAL OPERATION			
Income	29,870,540	27,155,686	10%
Cost of Services	8,636,568	7,402,831	17%
Gross Profit	21,233,972	19,752,855	7%
Operating and General Expenses	7,913,979	7,018,479	13%
EBITDA	\$ 13,319,993	\$ 12,734,376	5%
	44.6%	46.9%	

