



## **TV AZTECA ANNOUNCES SALES OF Ps.2,915 MILLION AND EBITDA OF Ps.678 MILLION IN THE FIRST QUARTER OF 2022**

**Mexico City, May 2, 2022**—TV Azteca, S.A.B. de C.V. (BMV: AZTECACPO Latibex: XTZA), one of the two largest producers of Spanish-language television programming in the world, today announced financial results for the first quarter 2022.

"Despite the positive performance of revenue in the quarter, the company's net sales are still below levels prior to the health contingency due to Covid-19," commented Rafael Rodríguez, CEO of TV Azteca. "In this context, in the coming months we will seek to boost the production and acquisition of content, the investment in maintenance and equipment and hiring human resources, suspended during the health contingency, and which are necessary to overcome the great challenges for the year and offer the most competitive programming to audiences, in order to strengthen the revenue generation and preserve the operational and financial viability of the company."

"Regarding our balance sheet, TV Azteca continues with the constructive dialogue with the holders of the notes denominated in foreign currency, which began the previous year, to allow the reorganization of its debt, in line with the context and situation of the company, and has the firm conviction that favorable agreements can be reached in the near future for all parties and for the development of Mexican television," added Mr. Rodríguez.

### **First quarter results**

Net sales for the period were Ps.2,915 million, 14% above the Ps.2,563 million for the same quarter of the previous year. Total costs and expenses increased 13% to Ps.2,237 million, from Ps.1,978 million in the previous year.

As a result, TV Azteca reported EBITDA of Ps.678 million, compared to Ps.584 million a year ago. The company generated operating income of Ps.480 million, from a profit of Ps.417 million the previous year.

TV Azteca recorded net income of Ps.285 million, compared to a net loss of Ps.281 million in the same period of 2021.

	1Q 2021	1Q 2022	Change	
			Ps.	%
<b>Net sales</b>	\$2,563	<b>\$2,915</b>	<b>\$352</b>	<b>14%</b>
<b>EBITDA</b>	\$584	<b>\$678</b>	<b>\$94</b>	<b>16%</b>
<b>Operating result</b>	\$417	<b>\$480</b>	<b>\$63</b>	<b>15%</b>
<b>Net result</b>	\$(281)	<b>\$285</b>	<b>\$566</b>	----
<b>Net result per CPO</b>	\$(0.09)	<b>\$0.10</b>	<b>\$0.19</b>	----

Figures in millions of pesos.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

The number of CPOs outstanding as of March 31, 2022 was 2,986 million, unchanged from the previous year.

### **Net sales**

The company's advertising sales in Mexico grew 14%, to Ps.2,867 million, from Ps.2,513 million a year earlier.

The sum of revenues from TV Azteca Guatemala and TV Azteca Honduras, as well as the company's content sales outside of Mexico, was Ps.48 million, compared to Ps.50 million the previous year.

### **Costs and SG&A Expenses**

Total costs and expenses increased 13% in the quarter as a result of a 14% growth in production, programming and transmission costs — to Ps.2,061 million, from Ps.1,804 million a year ago — together with a 1% increase in selling and administrative expenses, to Ps.176 million, compared to Ps.174 million in the previous year.

The increase in costs — consistent with the growth in income — reflects the production of content and the acquisition of exhibition rights required by the company's different platforms in the period.

The increase in selling and administrative expenses is the result of higher personnel, fees and travel expenses, partially offset by a reduction in operating expenses and services.

## **EBITDA and net results**

The company's EBITDA was Ps.678 million, compared to Ps.584 million in the same period of the previous year. TV Azteca reported operating income of Ps.480 million, from Ps.417 million a year ago.

The main variations below EBITDA were as follows:

Reduction of Ps.103 million in other financial expenses that reflects expenses related to the cancellation of foreign exchange hedges and interest on the company's cost-bearing debt a year ago.

Foreign exchange gain of Ps.229 million, compared to a foreign exchange loss of Ps.209 million in the same quarter of 2021 as a result of a dollar net liability monetary position, together with the appreciation of the exchange rate of the peso against the dollar this period, compared to depreciation the previous year.

Reduction of Ps.99 million in the balance of discontinued operations, due to losses related to the discontinued operation of *Azteca Comunicaciones Perú* this quarter, compared to profit from the operations of the company a year ago.

TV Azteca recorded a net income of Ps.285 million in the quarter, from a net loss of Ps.281 million the previous year.

## **Balance Sheet**

As of March 31, 2022, TV Azteca's debt with cost was Ps.12,432 million, compared to Ps.12,548 million from the previous year.

The balance of cash and cash equivalents at the end of the quarter was Ps.949 million, compared to Ps.1,671 million a year ago. The company's net debt as of March 31, 2022 was Ps.11,483 million, from Ps.10,877 million the previous year.

The restricted cash balance — which reflects the amount to cover payments for content exhibition rights and other short-term obligations of the company — was Ps.1,655 million, compared to Ps.246 million a year ago.

## **About TV Azteca**

TV Azteca is one of the two largest producers of Spanish-language television programming in the world, operating four television networks in Mexico: Azteca uno, Azteca 7, adn40 and a+, through more than 300 owned and operated stations across the country. The company also owns TV Azteca Digital, operator of several of the most visited digital platforms and social networks in Mexico.

TV Azteca is a Grupo Salinas company ([www.gruposalinas.com](http://www.gruposalinas.com)), a group of dynamic, fast growing, and technologically advanced companies focused on creating: economic value through market innovation and goods and services that improve standards of living; social value to improve community wellbeing; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas ([www.ricardosalinas.com](http://www.ricardosalinas.com)), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. These companies include TV Azteca ([www.TVazteca.com](http://www.TVazteca.com); [www.irtvazteca.com](http://www.irtvazteca.com)), Grupo Elektra ([www.grupoelektra.com.mx](http://www.grupoelektra.com.mx)), Banco Azteca ([www.bancoazteca.com.mx](http://www.bancoazteca.com.mx)), Purpose Financial ([havepurpose.com](http://havepurpose.com)), Afore Azteca ([www.aforeazteca.com.mx](http://www.aforeazteca.com.mx)), Seguros Azteca ([www.segurosazteca.com.mx](http://www.segurosazteca.com.mx)), Punto Casa de Bolsa ([www.puntocasadebolsa.mx](http://www.puntocasadebolsa.mx)), Totalplay ([irtotalplay.mx](http://irtotalplay.mx); [www.totalplay.com.mx](http://www.totalplay.com.mx)) and Totalplay Empresarial ([totalplayempresarial.com.mx](http://totalplayempresarial.com.mx)). TV Azteca and Grupo Elektra trade shares on the Mexican Stock Market and in Spains' Latibex market. Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values and strategies for achieving rapid growth, superior results and world-class performance.

*Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect TV Azteca and its subsidiaries are presented in documents sent to the securities authorities.*

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**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED RESULTS OF OPERATIONS**  
(Millions of Mexican pesos of March 31 of 2021 and 2022 )

	<u>First Quarter of :</u>					
	<u>2021</u>		<u>2022</u>		<u>Change</u>	
<b>Net revenue</b>	<b>Ps 2,563</b>	<b>100%</b>	<b>Ps 2,915</b>	<b>100%</b>	<b>Ps 352</b>	<b>14%</b>
Programming, production and transmission costs	1,804	70%	2,061	71%	257	14%
Selling and administrative expenses	174	7%	176	6%	1	1%
Total costs and expenses	1,978	77%	2,237	77%	258	13%
<b>EBITDA</b>	<b>584</b>	<b>23%</b>	<b>678</b>	<b>23%</b>	<b>94</b>	<b>16%</b>
Depreciation and amortization	156		174		17	
Other expense -Net	11		24		13	
<b>Operating profit</b>	<b>417</b>	<b>16%</b>	<b>480</b>	<b>16%</b>	<b>63</b>	<b>15%</b>
Equity in income from affiliates	25		57		32	
Comprehensive financing result:						
Interest expense	(275)		(281)		(6)	
Other financing expense	(186)		(83)		103	
Interest income	17		40		23	
Exchange loss -Net	(209)		229		439	
	(652)		(94)		558	
<b>Income before the following provision</b>	<b>(210)</b>	<b>-8%</b>	<b>443</b>	<b>15%</b>	<b>653</b>	
Provision for income tax	(92)		(79)		12	
<b>(Loss) Profit from continuing operations</b>	<b>(302)</b>		<b>363</b>		<b>665</b>	
Profit (loss) from discontinued operations	21		(78)		(99)	
<b>Net income</b>	<b>Ps (281)</b>		<b>Ps 285</b>		<b>Ps 566</b>	
<b>Non-controlling share in net profit</b>	<b>Ps 0</b>		<b>Ps -</b>		<b>Ps (0)</b>	
<b>Controlling share in net profit</b>	<b>Ps (281)</b>	<b>-11%</b>	<b>Ps 285</b>	<b>10%</b>	<b>Ps 566</b>	

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Millions of Mexican pesos of March 31 of 2021 and 2022)

	At March 31			
	2021	2022		
<b>Current assets:</b>			<b>Change</b>	
Cash and cash equivalents	Ps 1,671	Ps 949	Ps (722)	
Restricted Cash	246	1,655	1,409	
Accounts receivable	3,413	4,185	772	
Other current assets	2,646	2,995	349	
<b>Total current assets</b>	<b>7,976</b>	<b>9,784</b>	<b>1,808</b>	<b>23%</b>
Accounts receivable	28	225	197	
Exhibition rights	2,005	2,249	244	
Property, plant and equipment-Net	3,114	2,812	(302)	
Television concessions-Net	9,452	9,399	(53)	
Other assets	797	847	50	
Deferred income tax asset	1,970	1,640	(330)	
<b>Total long term assets</b>	<b>17,366</b>	<b>17,172</b>	<b>(194)</b>	<b>-1%</b>
<b>Total assets</b>	<b>Ps 25,342</b>	<b>Ps 26,956</b>	<b>Ps 1,614</b>	<b>6%</b>
<b>Current liabilities:</b>				
Short-term debt	Ps 4	Ps 10,729	Ps 10,725	
Other current liabilities	5,902	7,477	1,575	
<b>Total current liabilities</b>	<b>5,906</b>	<b>18,206</b>	<b>12,300</b>	
<b>Long-term debt:</b>				
Securities Certificates	2,771	-	(2,771)	
Long-term debt	9,773	1,703	(8,070)	
<b>Total long-term debt</b>	<b>12,544</b>	<b>1,703</b>	<b>(10,841)</b>	<b>-86%</b>
<b>Other long term liabilities:</b>				
Advertising advances	4,571	4,065	(506)	
Deferred income tax	572	543	(29)	
Other long term liabilities	709	447	(262)	
<b>Total other long-term liabilities</b>	<b>5,852</b>	<b>5,055</b>	<b>(797)</b>	<b>-14%</b>
<b>Total liabilities</b>	<b>24,302</b>	<b>24,964</b>	<b>662</b>	<b>3%</b>
<b>Total stockholders' equity</b>	<b>1,040</b>	<b>1,992</b>	<b>952</b>	<b>92%</b>
<b>Total liabilities and equity</b>	<b>Ps 25,342</b>	<b>Ps 26,956</b>	<b>Ps 1,614</b>	<b>6%</b>

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Millions of Mexican pesos of March 31 of 2021 and 2022 )

	<u>Period ended March 31,</u>	
	<u>2021</u>	<u>2022</u>
Operating activities:		
Income before taxes on earnings	Ps (210)	Ps 443
Charges to income not affecting resource	607	161
<b>Cash flow generated before taxes to income</b>	<b><u>397</u></b>	<b><u>604</u></b>
Accounts receivable and related parties	(548)	(529)
Inventories and performance rights	106	(1,245)
Accounts payable, accrued expenses and taxes on earnings	(218)	(667)
<b>Net cash flow from operating activities</b>	<b><u>(263)</u></b>	<b><u>(1,837)</u></b>
<b>Investing activities:</b>		
Acquisitions of property and equipment, intangibles and others	-	20
<b>Net cash flows from investing activities</b>	<b><u>-</u></b>	<b><u>20</u></b>
<b>Financing activities:</b>		
Repayment of borrowings, net	(1,212)	(1)
Interest paid	(145)	(166)
Others	(29)	(24)
<b>Net cash flows from financing activities</b>	<b><u>(1,386)</u></b>	<b><u>(191)</u></b>
Increase in cash and cash equivalents	(1,649)	(2,008)
Cash and cash equivalents at beginning of year	3,566	4,612
<b>Cash and cash equivalents at end of year</b>	<b><u>Ps 1,917</u></b>	<b><u>Ps 2,604</u></b>