



TV AZTECA ANNOUNCES NET REVENUE OF Ps.2,669 MILLION AND EBITDA OF Ps.610 MILLION IN THE FIRST QUARTER OF 2021

Mexico City, April 27, 2021—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 2021.

"Innovative, solid quality content, together with a low comparison base with respect to the previous year's revenue, resulted in an 8% sales growth in the period," commented Rafael Rodríguez, CEO of TV Azteca.

"In spite of this, the company's revenue is well below levels prior to the health contingency, thus we strengthened strategies that foster the company's operational viability, by means of strict content production budgeting — with extraordinary costs reductions — and higher efficiencies in every business segment this period," he added.

First quarter results

Net revenue for the period was Ps.2,669 million, 8% higher than Ps.2,462 million for the same quarter of last year. Total costs and expenses decreased 25% to Ps.2,059 million, from Ps.2,734 million for the previous year.

As a result, the company reported EBITDA of Ps.610 million, compared to negative EBITDA of Ps.273 million a year ago. TV Azteca reported operating income of Ps.436 million, from an operating loss of Ps.537 million in the previous year.

The company recorded a net loss of Ps.281 million, compared to a net loss of Ps.2,776 million in the same period of 2020.

	1Q 2020	1Q 2021	Change Ps.	%
Net sales	\$2,462	\$2,669	\$207	8%
EBITDA	\$(273)	\$610	\$883	----
Operating income	\$(537)	\$436	\$972	----
Net result	\$(2,776)	\$(281)	\$2,495	90%
Net result per CPO	\$(0.93)	\$(0.09)	\$0.84	90%

Figures in millions of pesos.

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

The number of CPOs outstanding as of March 31, 2020 was 2,984 million and as of March 31, 2021 was 2,986 million.

Net sales

Advertising sales for the company in Mexico increased 8% to Ps.2,513 million, from Ps.2,326 million the previous year, as a result of higher demand for advertising spaces, in the context of economic performance indicators recovery compared to the previous year.

The sum of revenue of TV Azteca Guatemala and TV Azteca Honduras, as well as the company's content sales outside of Mexico, was Ps.50 million, compared to Ps.34 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.106 million from Ps.102 million a year ago. The revenue resulted from telecommunications services and reimbursements from the Peruvian government for maintenance and operation of the fiber optic network.

Costs and SG&A Expenses

Total costs and expenses decreased 25% in the quarter as a result of a 25% reduction in production, programming and transmission and telecommunications services costs — to Ps.1,885 million, from Ps.2,505 million a year ago —together with a 24% reduction in selling and administrative expenses, to Ps.174 million, compared to Ps.229 million from the previous year.

The reduction in costs this period is related to strict budgets in the generation of content — which preserve the operational viability of the company — while maintaining the superior quality of the programming.

The costs of Azteca Comunicaciones Perú were Ps.80 million, from Ps.97 million a year ago. The reduction is mainly due to lower costs for the maintenance of the transmission infrastructure.

The reduction in selling and administrative expenses reflects the strengthening of firm strategies to boost operating efficiency, which translated into lower operating expenses, travel and fees, partially offset by higher personnel and service expenses this quarter.

EBITDA and net results

The company's EBITDA was Ps.610 million, compared to a negative EBITDA of Ps.273 million in the same period of the previous year. TV Azteca reported operating income of Ps.436 million, from an operating loss of Ps.537 million a year ago.

Significant variations below EBITDA were the following:

An increase of Ps.102 million in other financial expenses, derived from expenses related to the cancellation of exchange rate and interests hedges on the company's debt with cost.

A reduction of Ps.1,513 million in foreign exchange loss, as a result of net liability monetary position in dollars, together with a lower depreciation of the exchange rate of the peso this quarter compared to the previous year.

TV Azteca recorded a net loss of Ps.281 million in the quarter, from a net loss of Ps.2,776 million a year ago.

Balance Sheet

As of March 31, 2021, TV Azteca's debt was Ps.12,548 million, compared to Ps.14,954 million from the previous year.

In March, the company announced that it repurchased and canceled Ps.1,211 million of its Certificados Bursátiles with a principal of Ps.4,000 million and maturity in 2022, as a consequence of the purchase of Certificates in the secondary market.

The cash and cash equivalents balance at the end of the quarter was Ps.1,917 million, compared to Ps.1,516 million a year ago. The company's net debt as of March 31, 2021 was Ps.10,631 million, from Ps.13,438 million the previous year.

The company's cash balance can be relative high within the first months of the year, due to incoming resources from the signing of advertising advances from clients in the period, and that are essential to face cash uses related to the company's operation in subsequent months.

"During the quarter, we maximized the efficiency in the use of resources and were able to design strict cost and expense controls — which respond to the challenges of the current environment — to boost cash generation and preserve the operational and financial viability of TV Azteca, which allows to continue bringing superior quality content on broadcast television and digital media to the audience," concluded Mr. Rodríguez.

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), 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), 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; www.irtvazteca.com), Grupo Elektra (www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Purpose Financial (havepurpose.com), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (irtotalplay.mx; www.totalplay.com.mx) and Totalplay Empresarial (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 2020 and 2021)

	First Quarter of :						
	2020			2021			Change
	Ps			Ps			
Net revenue	2,462	100%		2,669	100%	207	8%
Programming, production and transmission costs	2,505	102%		1,885	71%	(621)	-25%
Selling and administrative expenses	229	9%		174	7%	(55)	-24%
Total costs and expenses	2,734	111%		2,059	77%	(676)	-25%
EBITDA	(273)	-11%		610	23%	883	
Depreciation and amortization	181			164		(17)	
Other expense -Net	83			11		(73)	
Operating profit	(537)	-22%		436	16%	972	
Equity in income from affiliates	54			25		(30)	
Comprehensive financing result:							
Interest expense	(338)			(279)		59	
Other financing expense	(90)			(192)		(102)	
Interest income	24			17		(7)	
Exchange loss -Net	(1,710)			(196)		1,513	
	(2,114)			(650)		1,464	
Income before the following provision	(2,596)	-105%		(190)	-7%	2,407	93%
Provision for income tax	(180)			(92)		89	
Net income	(2,776)			(281)		2,495	
Non-controlling share in net profit	(0)			0		0	
Controlling share in net profit	(2,776)	-113%		(281)	-11%	2,495	90%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of March 31 of 2020 and 2021)

	At March 31			
	2020	2021	Change	
Current assets:				
Cash and cash equivalents	Ps 1,516	Ps 1,917	Ps 401	
Accounts receivable	4,508	3,413	(1,095)	
Other current assets	3,137	2,647	(490)	
Total current assets	9,161	7,977	(1,184)	-13%
Accounts receivable	22	-	(22)	
Exhibition rights	2,403	2,005	(398)	
Property, plant and equipment-Net	3,671	3,114	(557)	
Television concessions-Net	9,462	9,452	(10)	
Other assets	1,884	825	(1,059)	
Deferred income tax asset	2,201	1,970	(231)	
Total long term assets	19,643	17,366	(2,277)	-12%
Total assets	Ps 28,804	Ps 25,343	Ps (3,461)	-12%
Current liabilities:				
Short-term debt	Ps 174	Ps 4	Ps (170)	
Other current liabilities	5,613	6,167	554	
Total current liabilities	5,787	6,171	384	7%
Long-term debt:				
Securities Certificates	3,973	2,771	(1,202)	
Long-term debt	10,807	9,773	(1,034)	
Total long-term debt	14,780	12,544	(2,236)	-15%
Other long term liabilities:				
Advertising advances	5,927	4,572	(1,355)	
Deferred income tax	496	572	76	
Other long term liabilities	590	444	(146)	
Total other long-term liabilities	7,013	5,588	(1,425)	-20%
Total liabilities	27,580	24,303	(3,277)	-12%
Total stockholders' equity	1,224	1,040	(184)	-15%
Total liabilities and equity	Ps 28,804	Ps 25,343	Ps (3,461)	-12%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos of March 31 of 2020 and 2021)

	Period ended March 31,	
	2020	2021
Operating activities:		
Income before taxes on earnings	Ps (2,596)	Ps (190)
Charges to income not affecting resource	2,044	619
Cash flow generated before taxes to income	(552)	429
Accounts receivable and related parties	(62)	(547)
Inventories and performance rights	480	106
Accounts payable, accrued expenses and taxes on earnings	(44)	(251)
Net cash flow from operating activities	(178)	(263)
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(92)	(0)
Investment in associates	(4)	-
Net cash flows from investing activities	(96)	(0)
Financing activities:		
Repayment of borrowings, net	(1,708)	(1,212)
Proceeds from borrowings	1,708	-
Interest paid	(499)	(145)
Others	4	(29)
Net cash flows from financing activities	(495)	(1,385)
Increase in cash and cash equivalents	(768)	(1,649)
Cash and cash equivalents at beginning of year	2,284	3,566
Cash and cash equivalents at end of year	Ps 1,516	Ps 1,917