



December 2018



The following information contains or may be deemed to contain, “forward-looking statements”. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of the issuer may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. TV Azteca, S.A.B. de C.V. (“Azteca” or the “Company”) undertakes no obligation to update or revise any forward-looking statements.



- ✓ 90,000 direct employees
- ✓ Presence in Mexico, USA, Guatemala, Honduras, El Salvador, Panama and Peru

TV Azteca at a Glance

- ❑ **Mexico's second largest TV broadcaster**
 - ❑ 92 million viewers per month in Mexico
- ❑ **One of the largest two producers of Spanish language television content in the world**
 - ❑ Content has been sold in over 100 countries
 - ❑ Broadcasts in Mexico, Guatemala, Honduras
 - ❑ Listed in the Mexican Stock Exchange (BMV) and in Spain (Latibex) and has issued listed debt internationally since 1997



<p>~93% households in Mexico</p>	<p>25 years broadcasting TV</p>	<p>36% OTA national market share</p>
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<p>54 studios producing digital, HD, 4K and multi- platform content</p>	<p>Amongst the most recognized brands in Mexico</p>
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<p>+39,000 hours of content produced in 2017</p>	<p>4 HD national channels in OTA</p>
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- ❑ Thrilling live content
- ❑ Productions, co-productions and entertainment programs that are realistic and speak the language of their audience



- (1) ❑ Focused on contemporary families to make them think, have fun and act
- ❑ Content includes fiction, series and sports, among others

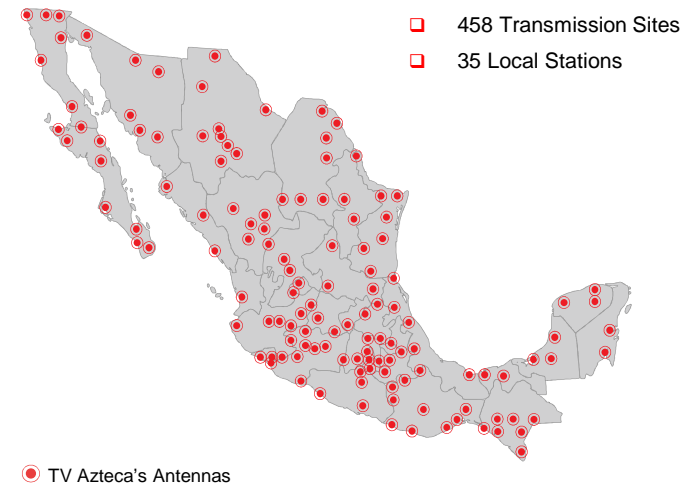


- ❑ The only news and opinion channel in Mexican broadcast television
- ❑ Dynamic visual style, interaction and conversation with audiences
- ❑ Using the latest technology in studios



- ❑ Generate greater local business opportunities through regionalization and community social service
- ❑ Have a differentiated offer to compete with local media

One-of-a-kind Transmission Technology



Notes
 1. HD national channels
 2. Broadcasting channels

Strong Market Position with Strategies for Improved Momentum

Solid Underlying Business

- ❑ Content broadcast OTA television is the most efficient media to tap mass market
- ❑ Improved market share (36% share in the Mexican national OTA television market as of LTM 3Q18)
- ❑ Renewal of the concessions of Azteca uno, Azteca 7 and and40 for 20 years more as of January 1, 2022

Refocus on TV Azteca's Core Business

- ❑ Focus on TV Azteca's core capabilities to continue growing profitability in Mexico
- ❑ Innovative, high-quality live entertainment content closer to the viewer
- ❑ New forms of production including internal, co-productions, partnerships and independent production
- ❑ Well positioned to benefit from Internet growth through diverse platform offerings

Strengthening Capital Structure

- ❑ Continued debt reduction, 18% lower in comparison to September 30, 2017
- ❑ Prepaid its credit of US\$92 million, due in 2020, with American Tower Corporation
- ❑ Lower foreign currency exposure: From 73% a year ago, to 57% as of September 30, 2018
- ❑ Lower interest expenses, and foreign exchange and interest rate coverage
- ❑ Improved maturity profile

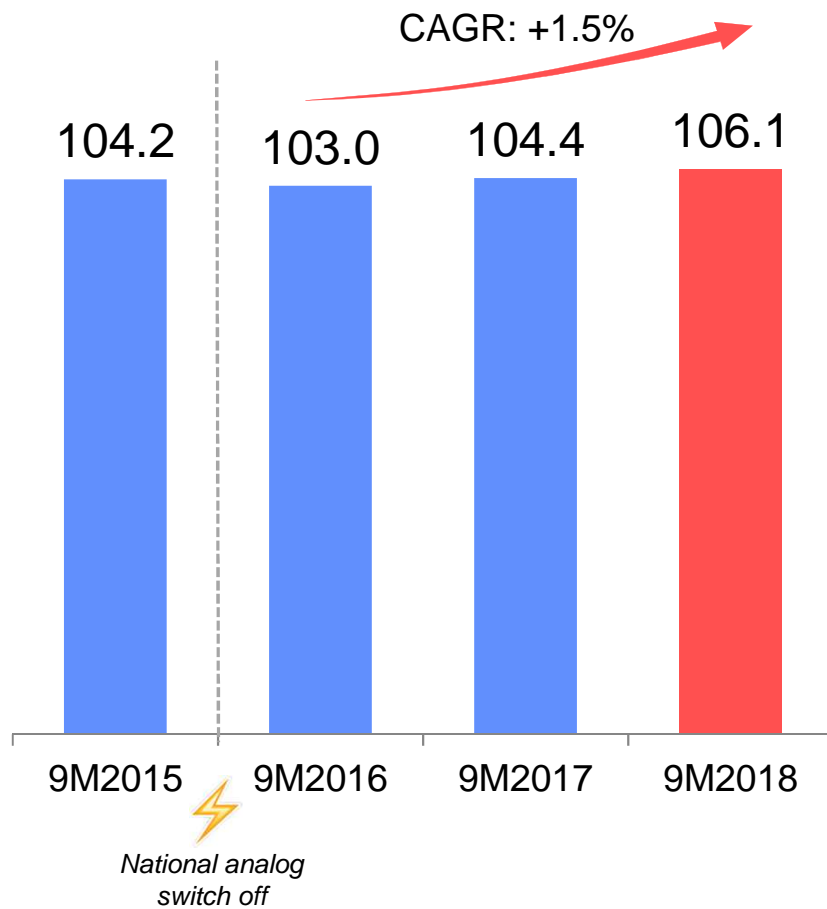
Divestiture from Non-Core Assets

- ❑ Sale of Azteca America to HC2 Network Inc.
- ❑ Analyzing strategy of Peru fiber optic operations

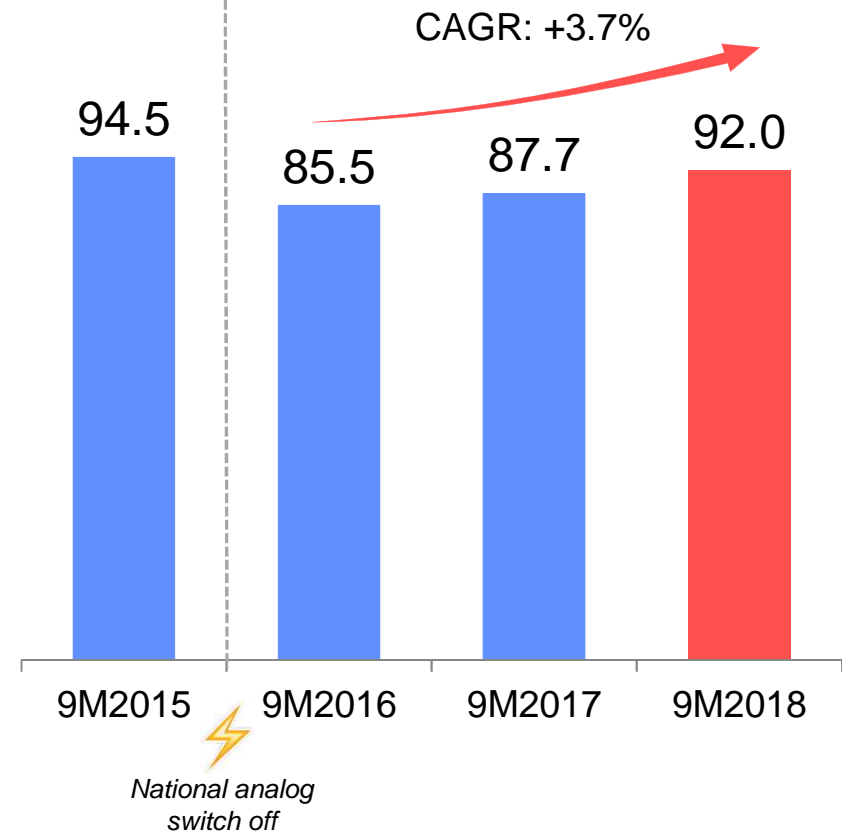
Rising OTA TV Viewership

Millions of people

Mexico's Total Viewership



TV Azteca's Total Viewership



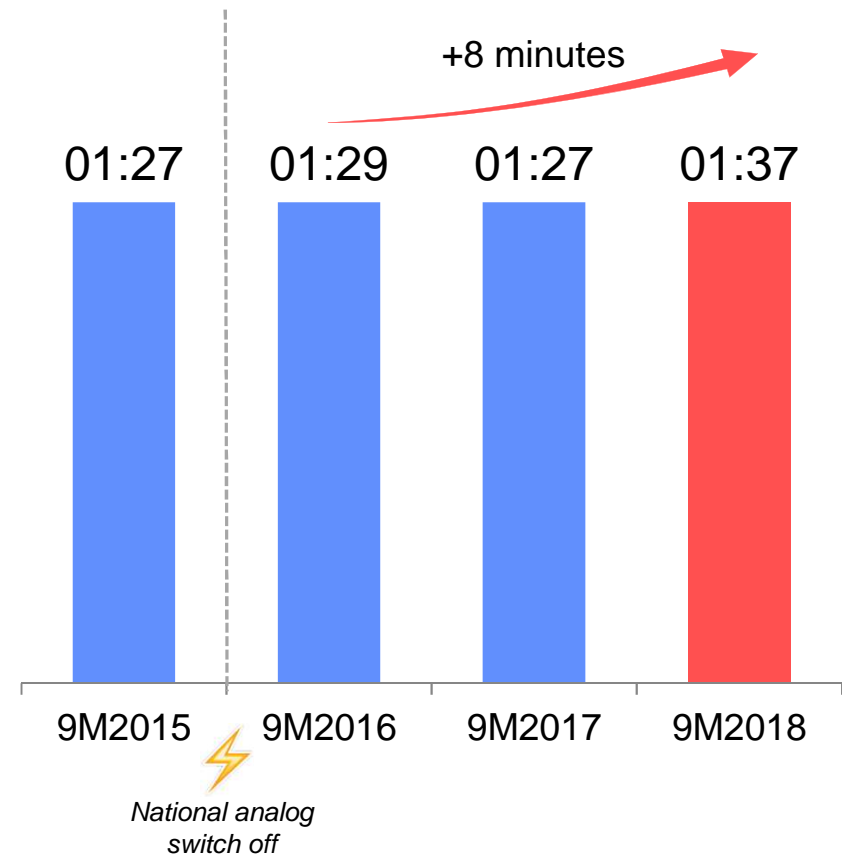
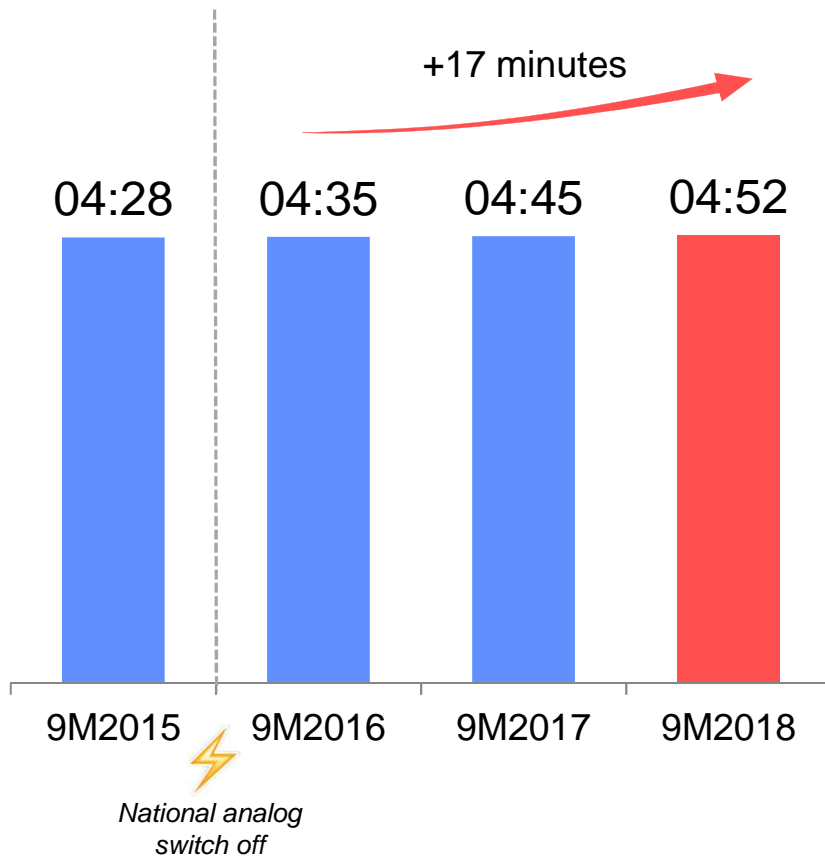


Time Spent Watching OTA TV is Also Increasing

Daily Hours

Mexico

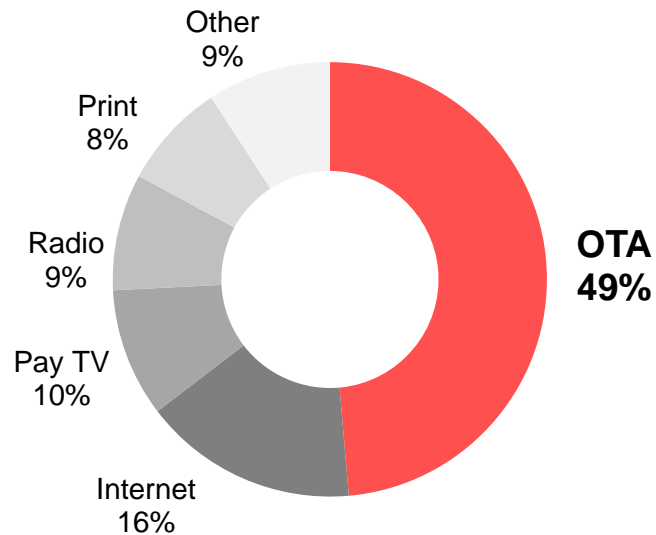
TV Azteca



OTA TV Advertising Market Continues to Grow

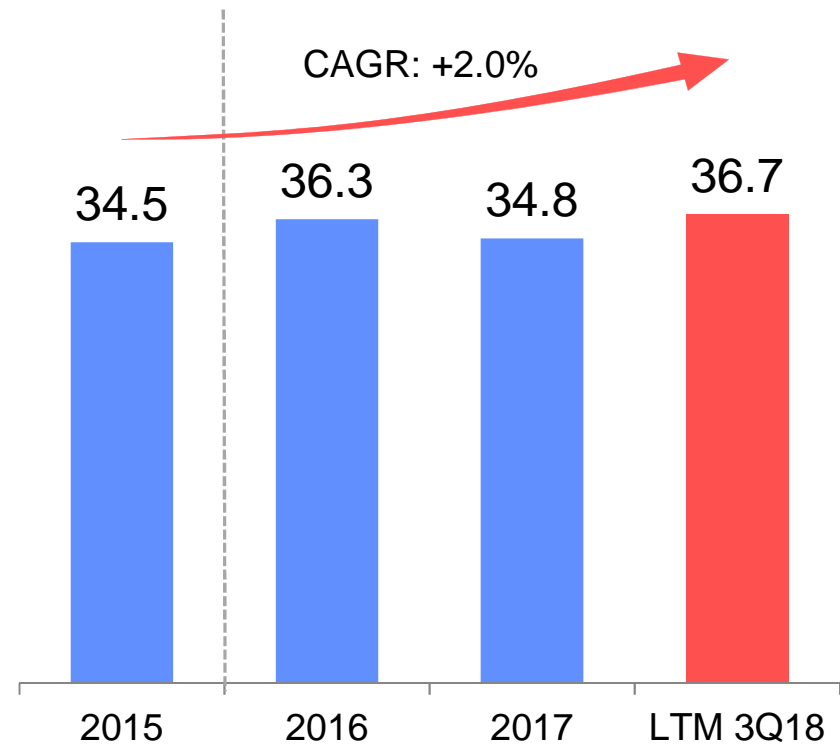
Ps. Billion

2018e Total Media Advertising in Mexico



- ❑ Advertising spend in Mexico is ~**Ps\$ 80 Bn** or **0.40%** of Mexican GDP
- ❑ In the US, it represents **1.03%** of **US GDP**

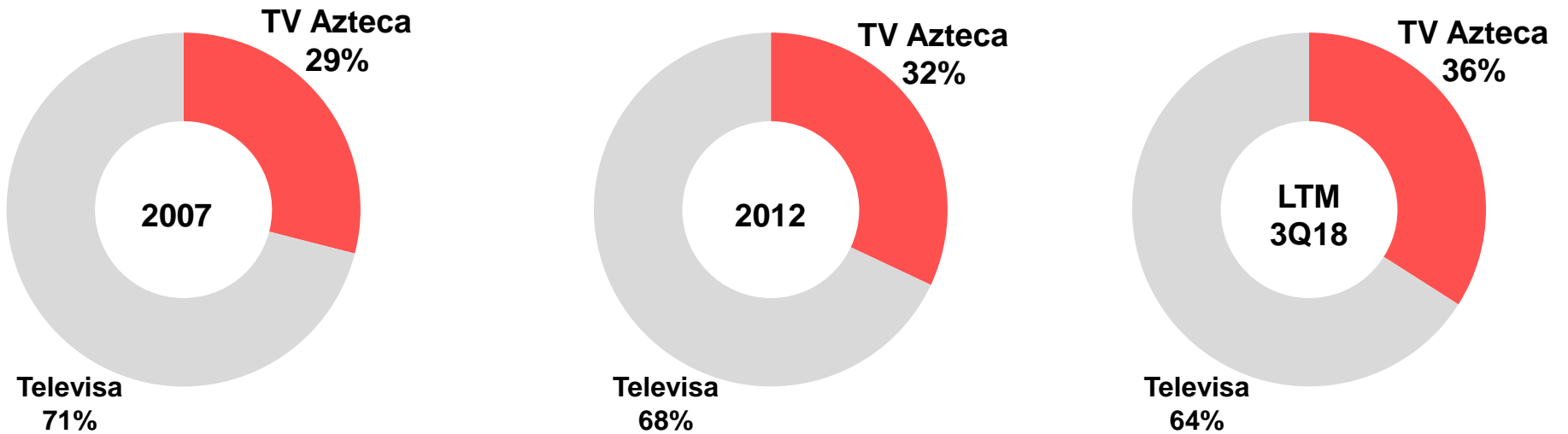
OTA National Advertising Market of Public Companies*



Source: Company data, The Competitive Intelligence Unit, Zenith the ROI Agency (September 2016)
 * Figures of Televisa and TV Azteca as of September 30, 2018

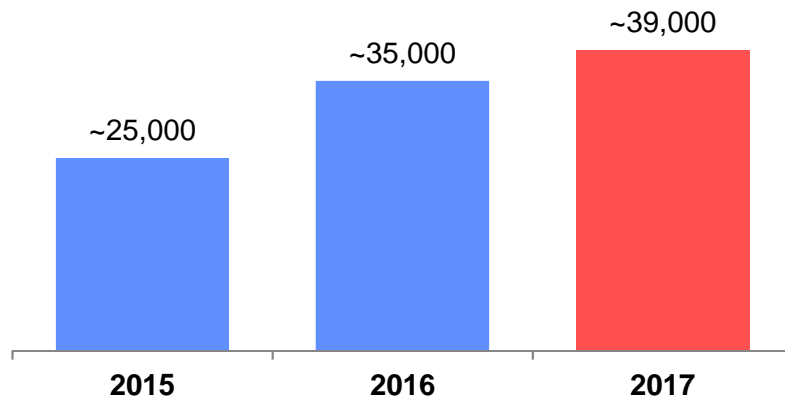
Gaining Market Share From Main Competitor

OTA National Television Market Share in Mexico

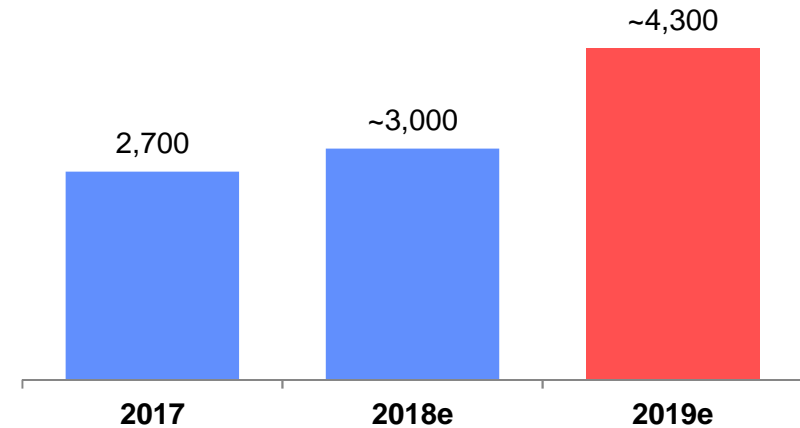


Upcoming Programs and Shows That Have Proven To Be Successful in the Past

Internally produced hours of content



Production of live entertainment hours



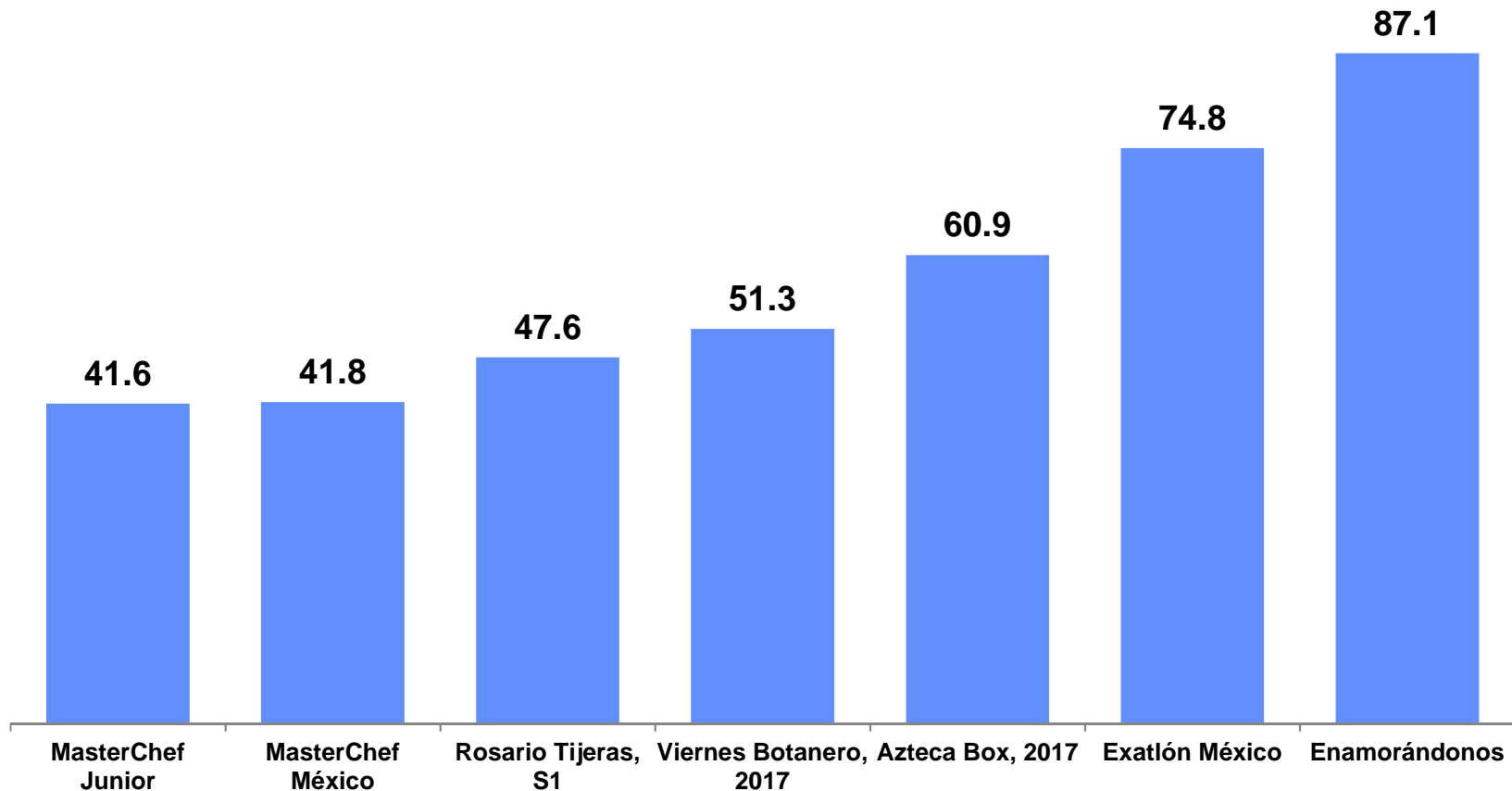
Complementing its Programming with Co-productions, Alliances and Globally Recognized Brands & TV Shows. Creating High-Quality and Inspirational Formats Closer to the Audience



Broad Programming with Premium Innovative Content

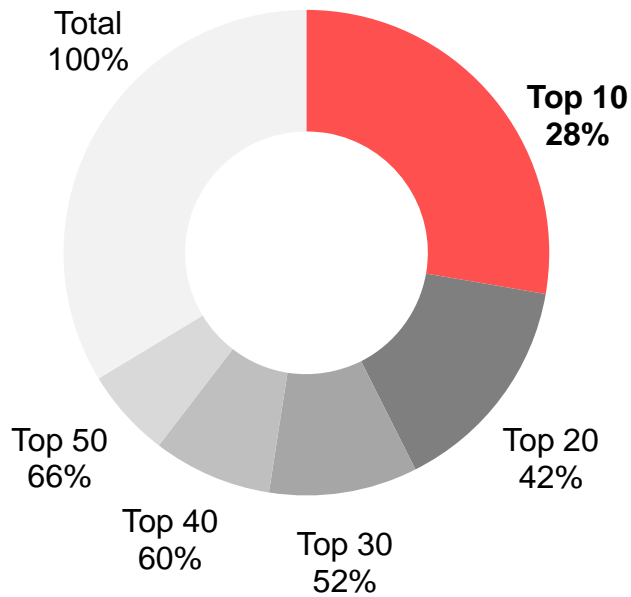
Total Viewership by Program

Millions of people

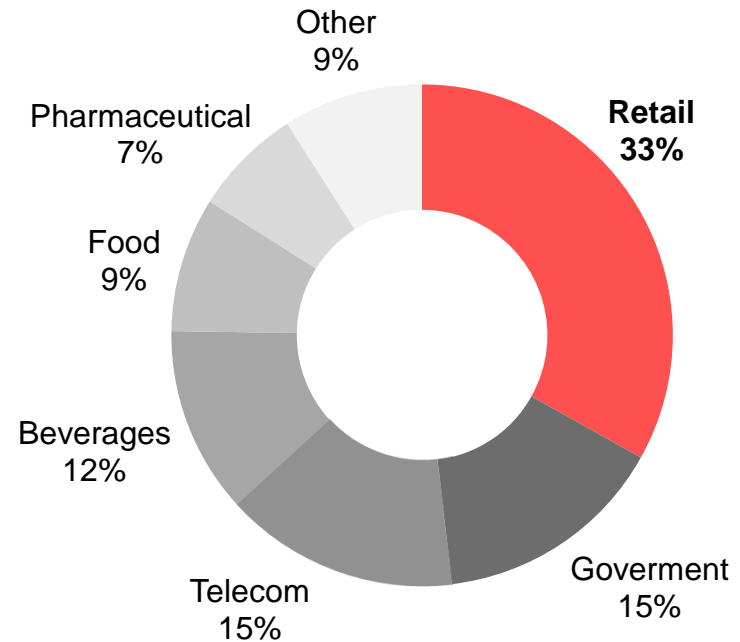


Driving Diverse, High-Quality Client Base

Share of Sales by Client (9M2018)



Share of Sales by Industry (9M2018)



- ❑ Well diversified client base by economic sector
- ❑ **Over 450 national clients and more than 3,500 local advertisers**

New Clients Reaching the Mass Market through TV Azteca

New



New Online

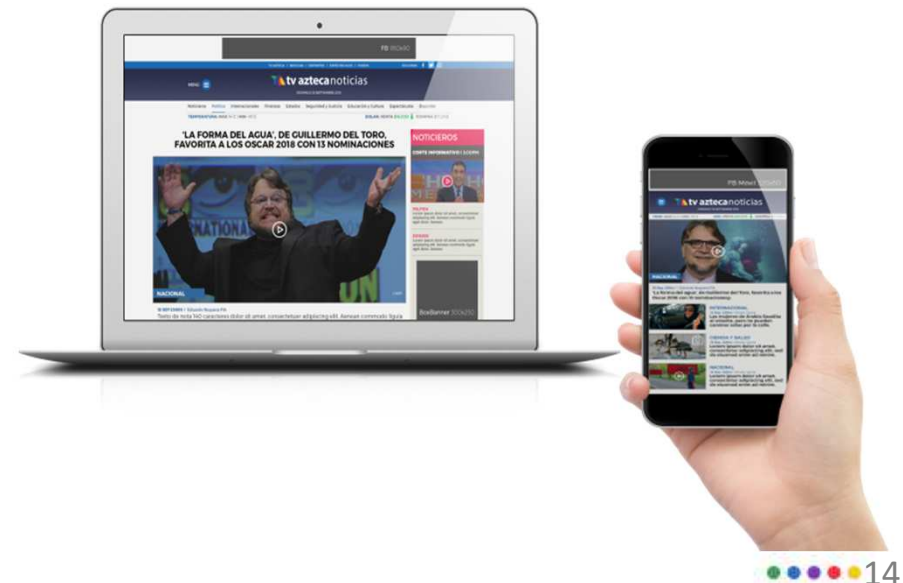


What has been done?

- ✓ **New management team** with experience in multiplatform content and new technologies from most relevant media companies
- ✓ Collaboration and **integration with OTA TV** in production, programming and sales (one contact with customers)
- ✓ Diversification of revenue for a wider audience and distribution on all platforms
- ✓ We went from 13 to six apps that help focus traffic and communication more efficiently
- ✓ Apps and updated websites for Azteca Deportes (2.8 million downloads and **+687%** unique visitors) and Azteca Noticias (839K downloads and **+337%** unique visitors)
- ✓ First digital realities shows: *Venga La Alegría* & *Benito Molina*
- ✓ First multiplatform and interactive program: *La Academia* 2018

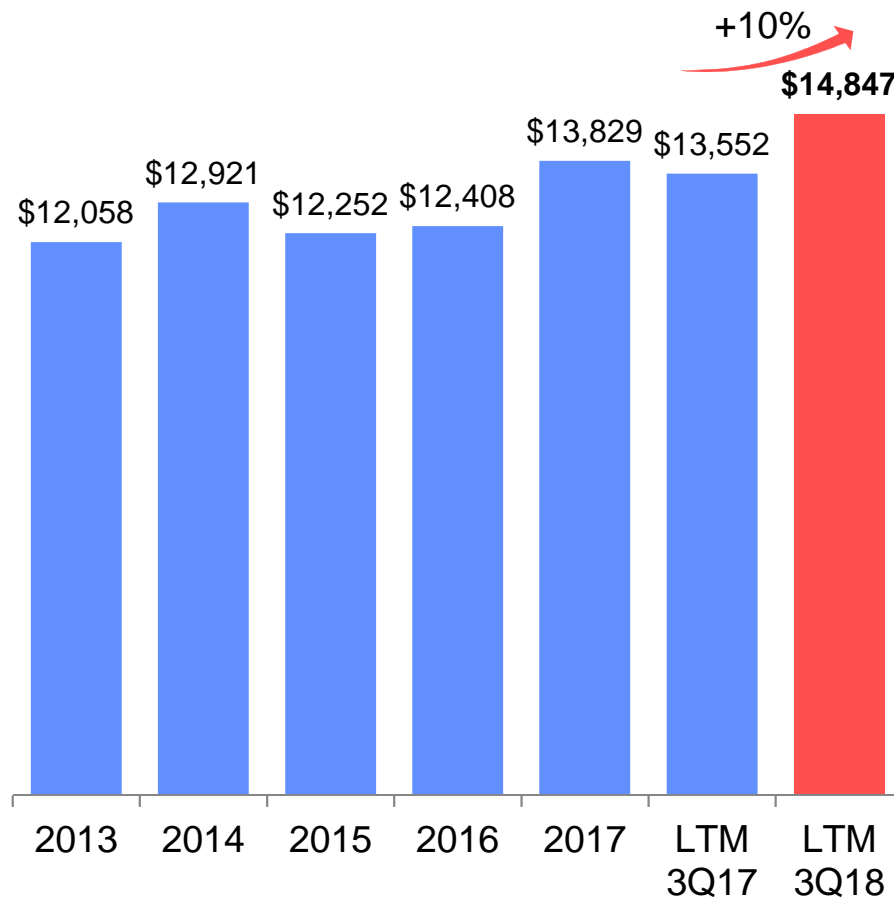
What is next?

- ✓ Launch of new internet sites and apps for TV Azteca.com, Azteca uno and Azteca 7
- ✓ Generation of databases for audience segmentation, usage habits and marketing
- ✓ Application of multiplatform and interactive programs, as we did with *La Academia*

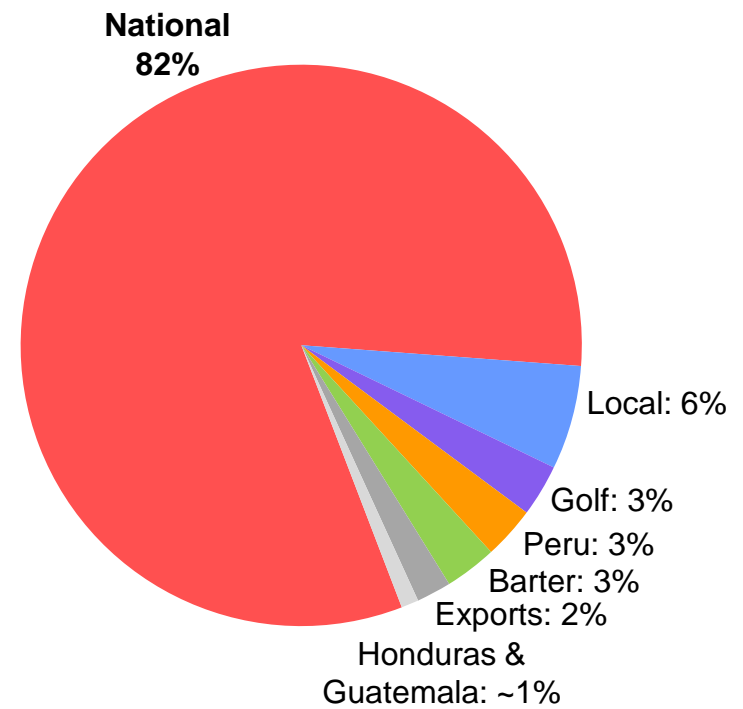


Ps. millions

Net Sales

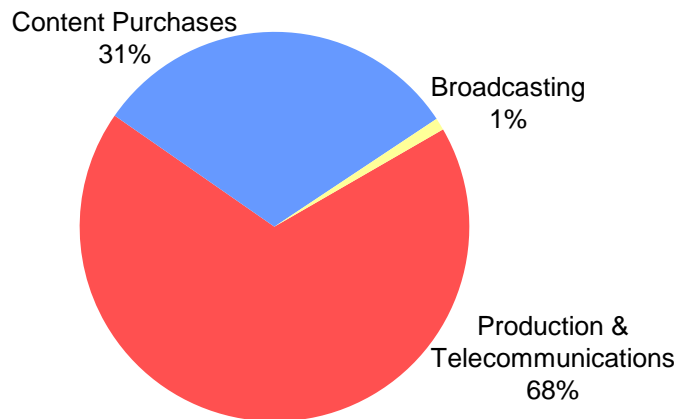
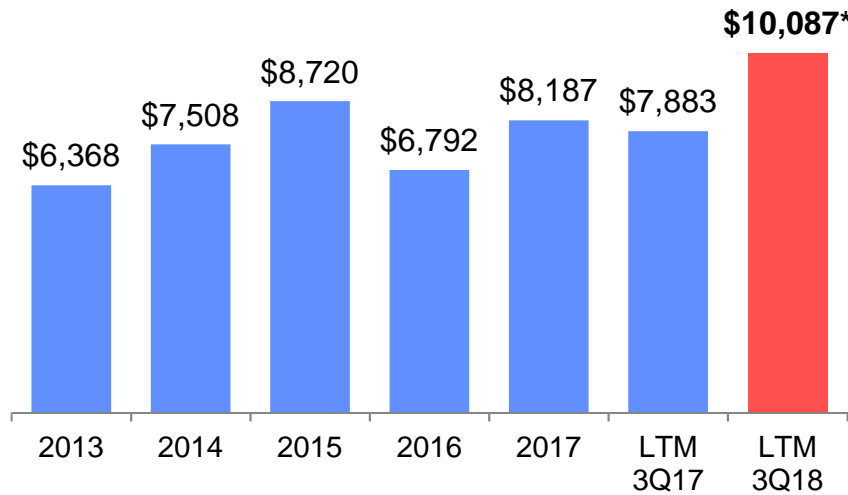


Sales Breakdown



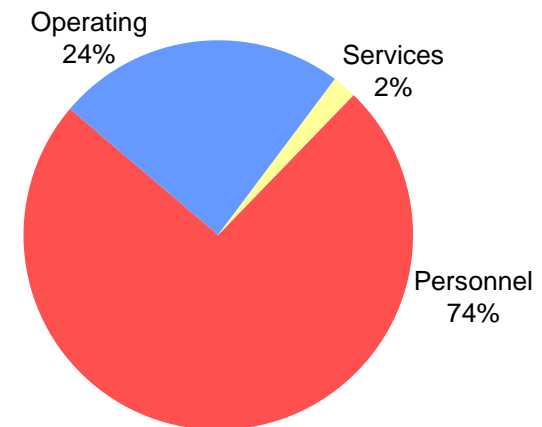
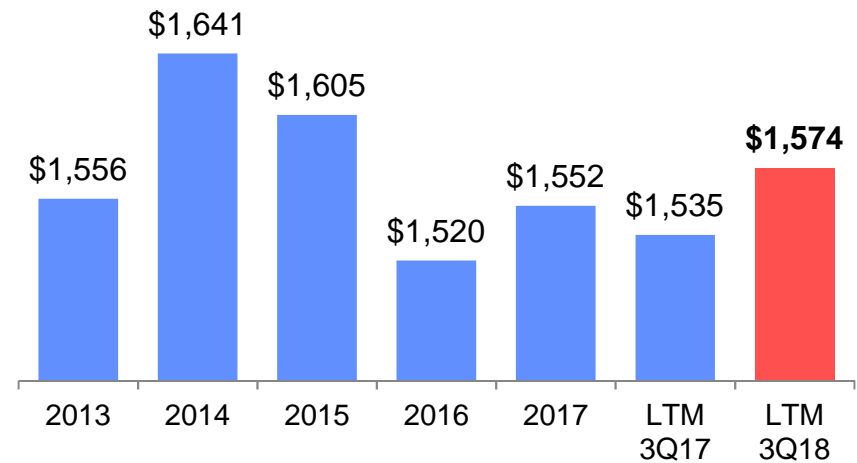
Ps. million

Costs & Breakdown



Ps. 10,087 million

SG&A Expenses & Breakdown

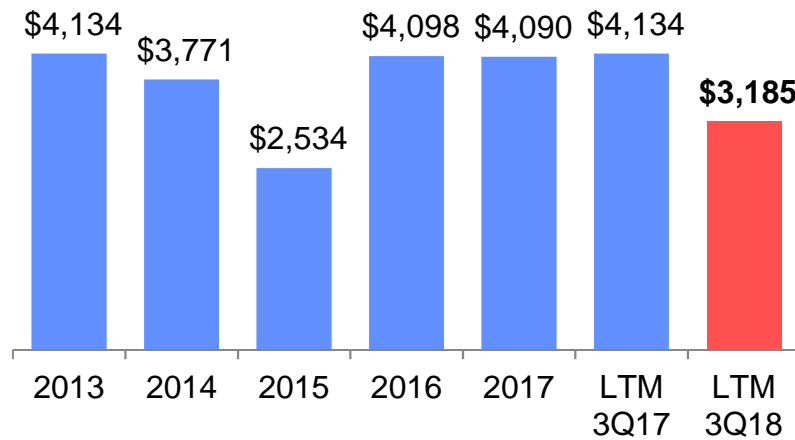


Ps. 1,574 million

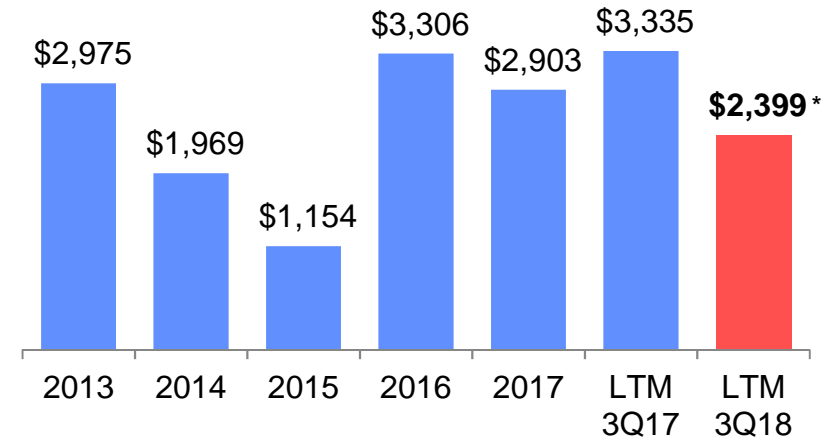
* Part of 2Q18 and 3Q18 Costs were related to exhibition rights from the World Cup games and associated content production

Ps. million

EBITDA



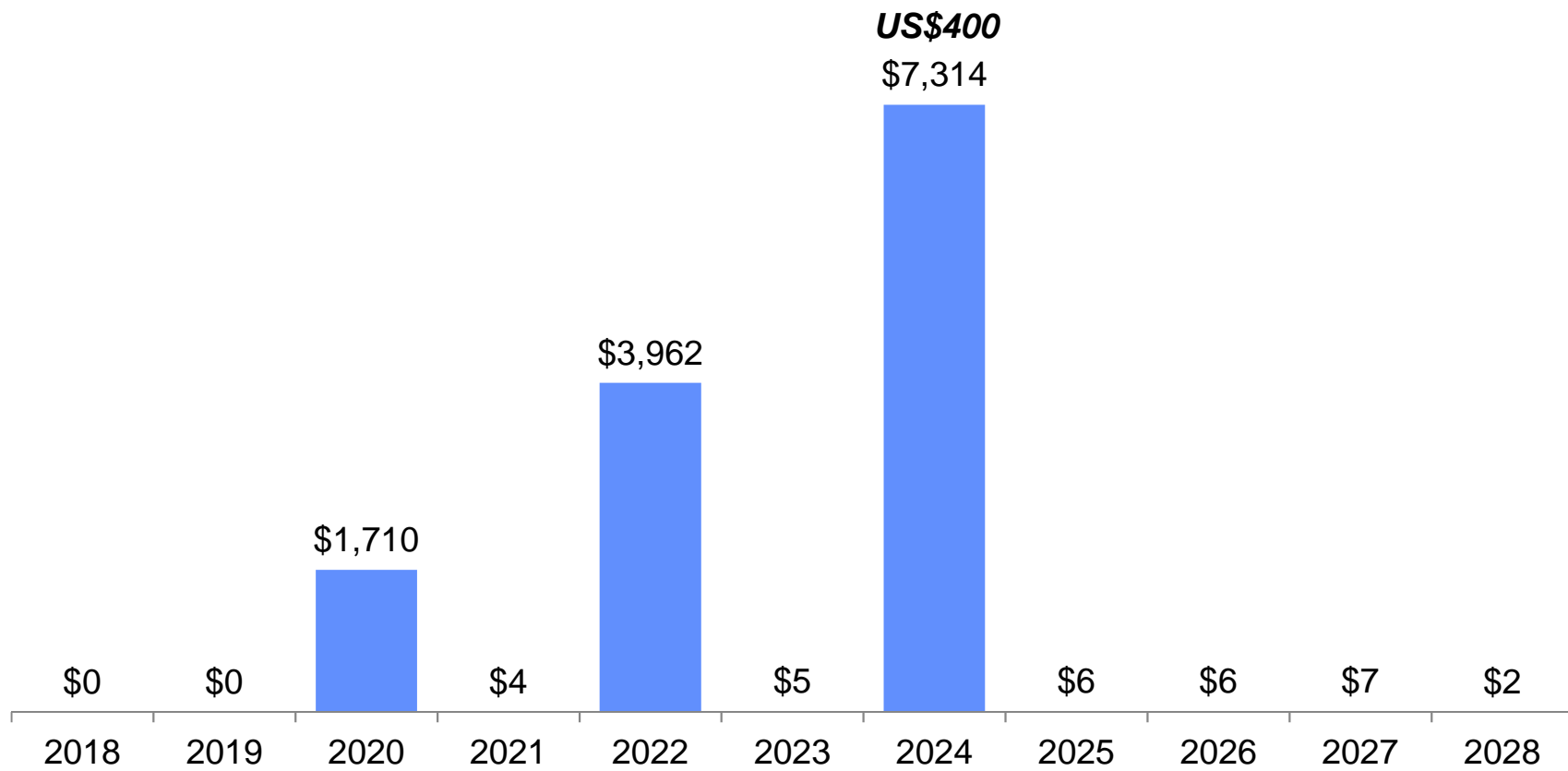
Cash Flow ¹



1. Cash Flow = EBITDA – Capex

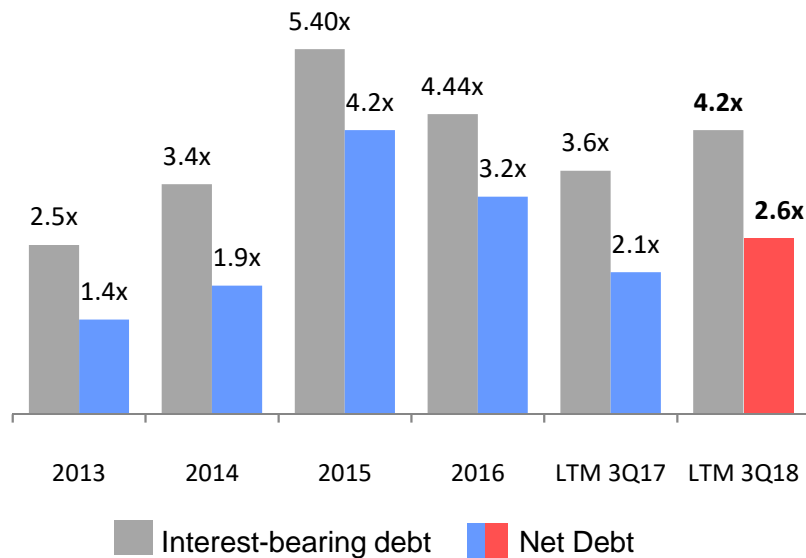
* Capex excludes Ps.475 m of intangible assets (non-cash item)

Ps. million



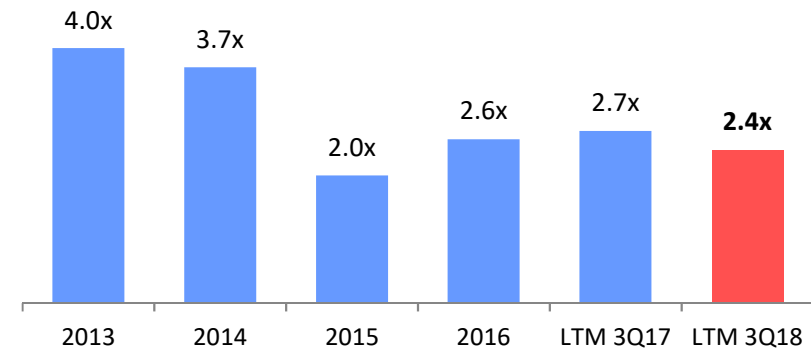
Ps. million

Debt ⁽¹⁾ / EBITDA



FX:	\$13.08	\$14.74	\$17.25	\$20.62	\$18.16	\$18.72
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EBITDA / Interest Expense



FX:	\$13.08	\$14.74	\$17.25	\$20.62	\$18.16	\$18.72
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	Sept 30, 2017	Sept 30, 2018
Cash and cash equivalents	\$6,119	\$4,897
Interest-bearing debt	\$16,270	\$13,016
Debt excluding ATC loan	\$14,604	\$13,016

(1) Excludes ATC loan due in 2069

- ✓ **Increased** share of **live entertainment** shows
- ✓ Innovative, inspirational and high quality formats, **closer to the audience**
- ✓ Productions, co-productions and strategic **alliances to improve offer**
- ✓ Use of new processes that make a **more efficient use of resources** in each production
- ✓ **Focus** on **free cash flow**
- ✓ Creating **long-term value**



- ✓ Received the “**Socially Responsible Company**” designation for the first time
- ✓ Employs **6,100 people** approximately
- ✓ **Delivered** across Mexico more than **16.8 million toys** on “The Day of Three Wiseman” (January 6, 2017)
- ✓ Joined the **disaster relief tasks** led by Grupo Salinas which thought public donations helped in the **reconstruction of 525 houses** in Chiapas, Estado de México, Oaxaca, Morelos y Puebla, and delivered **40,600 pieces of clothing** to those affected in Ciudad de México, Estado de México, Oaxaca, Veracruz, Guerrero, Hidalgo and Morelos
- ✓ Through the community TV program “*A Quien Corresponda*”, **distributed** more than **Ps.15 millions in donations** to different **social and medical campaigns**
- ✓ During the 18th edition of the **reforestation** program “*Un Nuevo Bosque*”, more than **23,000 volunteers planted 425,000 trees**, equivalent to **448 hectares**
- ✓ In 2017, **28% of the energy consumed** by TV Azteca derives **from renewable sources**



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