



**TV AZTECA ANNOUNCES GROWTH OF 18% IN EBITDA,
TO Ps.353 MILLION IN 2Q19**

—Agile and competitive formats, together with strategies that drive efficiencies in content production, generated superior operating results—

Mexico City, July 23, 2019—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 second quarter of 2019.

“We have proposed an intense process of transformation of TV Azteca to lay the foundations of the television of the future, and this strategy begins to generate tangible results. In face of an industry in the process of change, we have innovated, modifying the traditional television. Today, we are privileging live programs and consolidating our noticeable leadership in news and sports,” commented Benjamín Salinas, CEO of TV Azteca. “This has resulted in a more agile and efficient company that has managed to soundly increase EBITDA and operating profit.”

Second quarter results

Net revenue for the period was Ps.2,767 million, 29% lower than the Ps.3,876 million for the same quarter of last year. Total costs and expenses were Ps.2,415 million, 32% less compared to Ps.3,577 million for the previous year.

As a result, TV Azteca reported EBITDA of Ps.353 million, 18% above Ps.299 million a year ago. The EBITDA margin for the quarter was 13%, five percentage points higher than previous year. Operating income was Ps.85 million, in comparison with Ps.38 million for the previous year.

The company registered a net income of Ps.112 million, compared to a net loss of Ps.1,150 million for the same period of 2018.

	2Q 2018	2Q 2019	Change	
			Ps.	%
Net sales	\$3,876	\$2,767	\$(1,108)	-29%
EBITDA	\$299	\$353	\$53	18%
Operating income	\$38	\$85	\$47	126%
Net result	\$(1,150)	\$112	\$1,262	----
Net result CPO	\$(0.39)	\$0.04	\$0.43	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2018 was 2,986 million and as of June 30, 2019 was 2,987 million.

Net sales

Advertising sales in Mexico decreased 29%, to Ps.2,604 million, from Ps.3,650 million the previous year, as a result of lower government demand for advertising space in the media market this quarter, as well a skewed comparison to sales related to the transmission of the World Cup in Russia last year.

During the period, content sales to other countries were Ps.27 million in comparison with Ps.76 million in the previous year. Revenue for the quarter resulted mainly from the commercialization of the shows *Siempre tuya Acapulco*, *Vivir a Destiempo* and *Las Bravo*, as well as the sale of TV Azteca content to pay TV channels around the rest of the world.

Revenue from TV Azteca Guatemala and TV Azteca Honduras was Ps.39 million, in comparison with Ps.55 million of the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.97 million, in comparison with Ps.95 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 32% in the quarter as a result of a 36% reduction in production, programming, transmission and telecommunications services costs down to Ps.2,068 million, from Ps.3,236 million a year ago. This is in conjunction with a 2% increase in sales and administrative expenses, to Ps.347 million, compared to Ps.341 million in the previous year.

The reduction in production costs results from licensing fees and costs related to the transmission of World Cup matches in Russia a year ago, as well as strategies to strengthen efficiency in content generation this quarter.

The costs of Azteca Comunicaciones Perú were Ps.71 million, from Ps.120 million a year ago. The lower costs are derived from transmission infrastructure rent reduction, operations efficiencies and lower advisory fees.

The increase in expenses at TV Azteca reflects higher operating expenses, partially offset by lower personnel and services expenses this quarter.

EBITDA and net result

EBITDA of the company was Ps.353 million, 18% higher from Ps.299 million for the same period of the prior year. Operating profit was Ps.85 million, in comparison to Ps.38 million a year ago.

The most significant variations below EBITDA were the following:

Foreign exchange gain of Ps.55 million this quarter compared to a Ps.615 million loss in foreign exchange a year ago, as a result of the company's net monetary liability position in dollars, together with the exchange rate appreciation this quarter, compared with depreciation a year ago.

Tax provision benefit of Ps.298 million this period, compared to a Ps.238 million charge the previous year. The benefit this quarter is derived from the partial release of the deferred tax asset reserve, based on the analysis of the recovery of the company's tax losses, which includes the financial and fiscal estimate of future results.

TV Azteca registered a net income of Ps.112 million for the quarter, compared to a net loss of Ps.1,150 million for the same period a year ago.

Cash Flow

During the period that ended on June 30, 2019, TV Azteca generated cash flow from operations of Ps.1,228 million, in comparison to Ps.321 million of the previous year.

Once the flows of investment and financing activities were included, the generation of cash and cash equivalents of the company was Ps.338 million in the period, which contributed to strengthening TV Azteca's balance sheet.

Debt

As of June 30, 2019, TV Azteca's outstanding debt was Ps.13,238 million, in comparison to Ps.12,386 million in the previous year.

The cash and cash equivalents balance at the end of the quarter totalled Ps.2,040 million, from Ps.3,858 million a year ago. The reduction resulted from the payment made for the renewal of TV Azteca's television channel concessions in the fourth quarter of 2018, for Ps.3,940 million as was previously detailed; this was partially offset by the generation of cash in the period.

Net debt of the company as of June 30, 2019 was Ps.11,198 million, in comparison to Ps.8,528 million in the previous year.

Six months results

Net sales for the first six months of 2019 were Ps.6,015 million, 18% lower than the Ps.7,303 million for the same period of 2018, as a result of lower advertising investment by the federal government this period, as well as revenues that were related to the Soccer World Cup one year ago.

Total costs and expenses were Ps.5,281 million, a 19% reduction from Ps.6,483 million for the same period of the previous year, as a result of strategies that boost content production efficiencies and the absence of costs related to the transmission of the Soccer World Cup in Russia during this period last year.

TV Azteca reported EBITDA of Ps.734 million, compared to Ps.820 million for the first half of last year. EBITDA margin for the first half of 2019 was 12%. Operating profit was Ps.196 million, from Ps.254 million a year ago. The company reported a net loss of Ps.275 million, compared to a net loss of Ps.977 million for the same period of 2018.

	6M 2018	6M 2019	Change	
			Ps.	%
Net Sales	\$7,303	\$6,015	\$(1,288)	-18%
EBITDA	\$820	\$734	\$(86)	-11%
Operating profit	\$254	\$196	\$(58)	-23%
Net result	\$(977)	\$(275)	\$702	72%
Net result per CPO	\$(0.33)	\$(0.09)	\$0.24	72%

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2018 was 2,986 million and as of June 30, 2019 was 2,987 million.

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 operates TV Azteca Digital, the operator of several Mexico's most visited websites and social media platforms.

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), Advance America (www.advanceamerica.net), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (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 June 30 of 2018 and 2019)

	Second Quarter of :						Change
	2018		2019				
Net revenue	Ps 3,876	100%	Ps 2,767	100%	Ps (1,108)		-29%
Programming, production and transmission costs	3,236	83%	2,068	75%	(1,168)		-36%
Selling and administrative expenses	341	9%	347	13%	6		2%
Total costs and expenses	<u>3,577</u>	92%	<u>2,415</u>	87%	<u>(1,162)</u>		-32%
EBITDA	299	8%	353	13%	53		18%
Depreciation and amortization	183		192		9		
Other expense -Net	78		75		(3)		
Operating profit	38	1%	85	3%	47		126%
Equity in income from affiliates	(10)		(3)		6		
Comprehensive financing result:							
Interest expense	(337)		(341)		(4)		
Other financing expense	(22)		(13)		9		
Interest income	34		30		(4)		
Exchange loss -Net	(615)		55		670		
	<u>(940)</u>		<u>(269)</u>		<u>671</u>		
Income before the following provision	(912)	-24%	(187)	-7%	725		80%
Provision for income tax	(238)		298		537		
Net income	Ps (1,150)		Ps 112		Ps 1,262		
Non-controlling share in net profit	Ps (0)		Ps 0		Ps 0		
Controlling share in net profit	Ps (1,150)	-30%	Ps 111	4%	Ps 1,261		

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of June 30 of 2018 and 2019)

	Period ended June 30,				Change	
	2018		2019			
Net revenue	Ps 7,303	100%	Ps 6,015	100%	Ps (1,288)	-18%
Programming, production and transmission costs	5,836	80%	4,601	76%	(1,236)	-21%
Selling and administrative expenses	647	9%	681	11%	34	5%
Total costs and expenses	6,483	89%	5,281	88%	(1,202)	-19%
EBITDA	820	11%	734	12%	(86)	-11%
Depreciation and amortization	373		388		14	
Other expense -Net	193		150		(43)	
Operating profit	254	3%	196	3%	(58)	-23%
Equity in income from affiliates	(7)		(0)		7	
Comprehensive financing result:						
Interest expense	(671)		(677)		(7)	
Other financing expense	(87)		(70)		17	
Interest income	68		58		(10)	
Exchange Gain -Net	(34)		146		180	
	(724)		(543)		181	
Income before the following provision	(477)	-7%	(347)	-6%	130	27%
Provision for income tax	(500)		72		572	
Net income	Ps (977)		Ps (275)		Ps 702	
Non-controlling share in net profit	Ps (1)		Ps 0		Ps 1	
Controlling share in net profit	Ps (976)	-13%	Ps (275)	-5%	Ps 701	72%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of JUNE 30 of 2018 and 2019)

	At June 30			
	2018	2019		
			<u>Change</u>	
Current assets:				
Cash and cash equivalents	Ps 3,858	Ps 2,040	Ps (1,818)	
Accounts receivable	5,411	4,250	(1,161)	
Other current assets	4,914	3,943	(971)	
Total current assets	14,183	10,233	(3,950)	-28%
Accounts receivable	93	28	(65)	
Exhibition rights	2,176	2,570	394	
Property, plant and equipment-Net	3,631	3,845	214	
Television concessions-Net	5,489	9,445	3,956	
Other assets	1,762	1,743	(19)	
Deferred income tax asset	1,123	1,087	(36)	
Total long term assets	14,274	18,718	4,444	31%
Total assets	Ps 28,457	Ps 28,951	Ps 494	2%
Current liabilities:				
Short-term debt	Ps -	Ps 1,708	Ps 1,708	
Other current liabilities	5,880	4,935	(945)	
Total current liabilities	5,880	6,643	763	13%
Long-term debt:				
Securities Certificates	3,955	3,975	20	
Long-term debt	8,431	7,555	(876)	
Total long-term debt	12,386	11,530	(856)	-7%
Other long term liabilities:				
Advertising advances	4,775	6,848	2,073	
American Tower Corporation (due 2069)	1,807	-	(1,807)	
Deferred income tax	324	721	397	
Other long term liabilities	214	477	263	
Total other long-term liabilities	7,120	8,046	926	13%
Total liabilities	25,386	26,219	833	3%
Total stockholders' equity	3,071	2,732	(339)	-11%
Total liabilities and equity	Ps 28,457	Ps 28,951	Ps 494	2%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos of June 30 of 2018 and 2019)

	Period ended June 30,	
	2018	2019
Operating activities:		
Cash flow generated before taxes to income	Ps 533	Ps 639
Accounts receivable and advertising advances	(355)	1,216
Inventories and performance rights	187	(118)
Accounts payable, accrued expenses and taxes on earnings	(43)	(510)
Net cash flow from operating activities	321	1,228
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(257)	(205)
Investments accounted for using the equity method and other	-	(11)
Net sale of Azteca America assets	830	-
Net cash flows from investing activities	572	(216)
Financing activities:		
Proceeds from borrowings	741	-
Interest paid	(544)	(656)
Others	(16)	(19)
Net cash flows from financing activities	181	(674)
Increase in cash and cash equivalents	1,075	338
Cash and cash equivalents at beginning of year	2,783	1,702
Cash and cash equivalents at end of year	Ps 3,858	Ps 2,040