



# LA TELEVISIÓN DEL FUTURO COMIENZA AQUÍ



adn40

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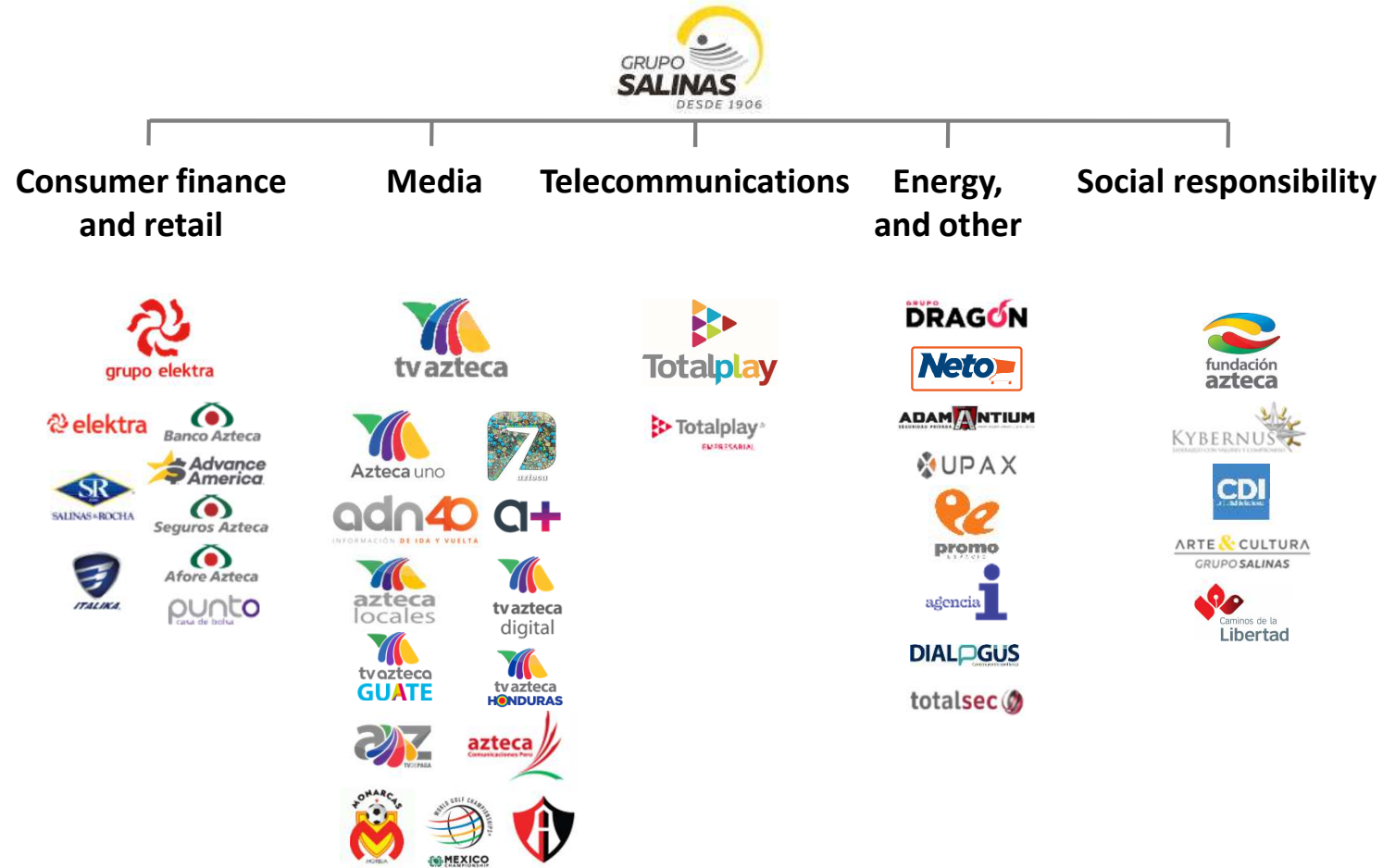


May 2019

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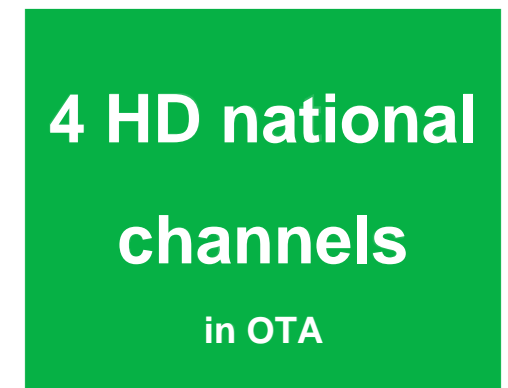
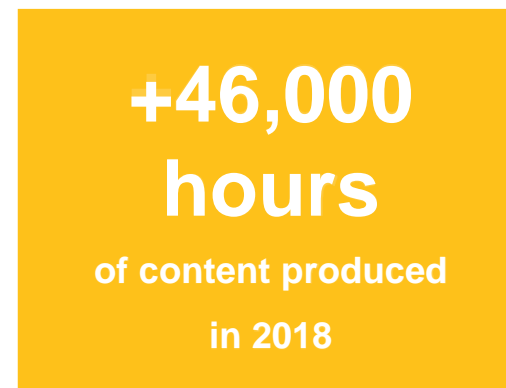
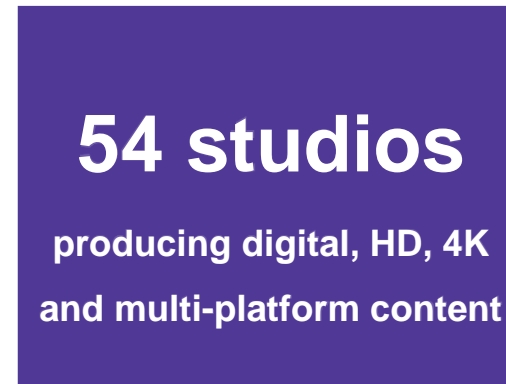
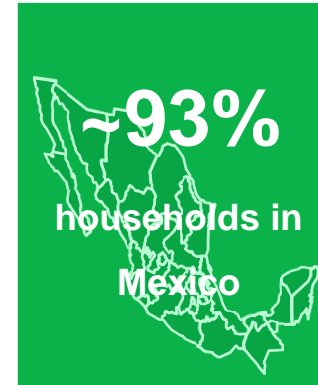
*The Notes (as defined herein) may not be publicly offered or traded in Mexico unless the same are offered or traded pursuant to the provisions of Article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores) and regulations issued thereunder.*

*The information contained herein is solely the responsibility of the Company and has not been reviewed or authorized by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) (the “CNBV”). The terms of the offering will be notified to the CNBV for information purposes only which will not constitute a certification as to the investment quality of the Notes or the solvency of the Company.*



- ❑ More than 104,000 direct employees
- ❑ Presence in Mexico, USA, Colombia, Guatemala, Honduras, El Salvador, Panama and Peru

- ❑ **Mexico's second largest TV broadcaster**
  - ❑ 93 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)





- ❑ Thrilling live content
- ❑ Productions, co-productions and entertainment programs that are realistic and speak the language of their audience



- ❑ Innovative and high quality content that includes premium fiction series and sports, among others
- ❑ Focused on contemporary families to make them think, have fun and act

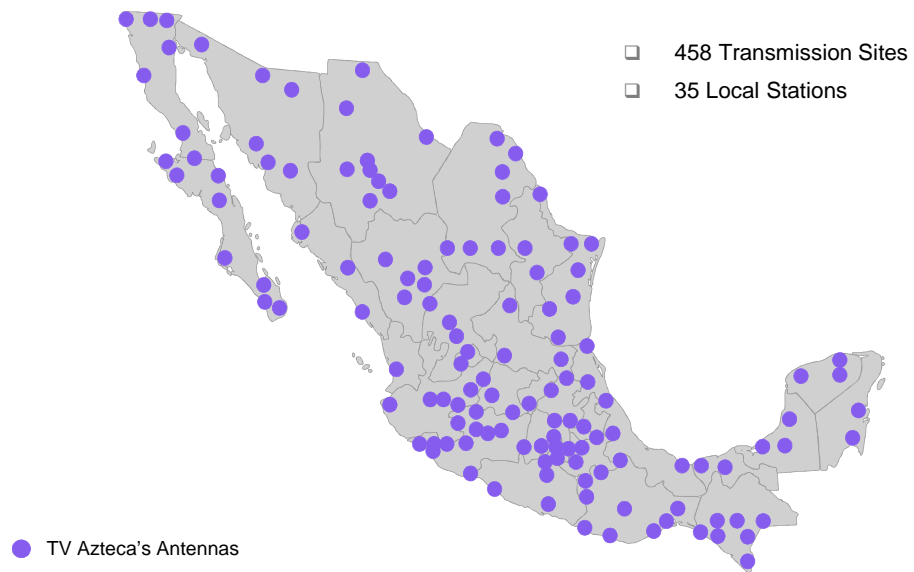


- ❑ The only news and opinion channel in Mexican broadcast television
- ❑ Dynamic visual style, interaction and conversation with audiences
- ❑ Using the latest technology in studios



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

**One-of-a kind 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 (37% share in the Mexican national OTA television market in LTM19)
- ❑ Renewal of the concessions of Azteca uno, Azteca 7 and and40 for 20 years more as of January 1, 2022

## Focus 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, 12% lower in comparison to December 31, 2015
- ❑ Prepaid its credit of US\$92 million, due in 2020, with American Tower Corporation
- ❑ Lower foreign currency exposure: From 100% at the end of 2015, to 57% as of March 2019
- ❑ Foreign exchange and interest rate coverage
- ❑ Improved maturity profile

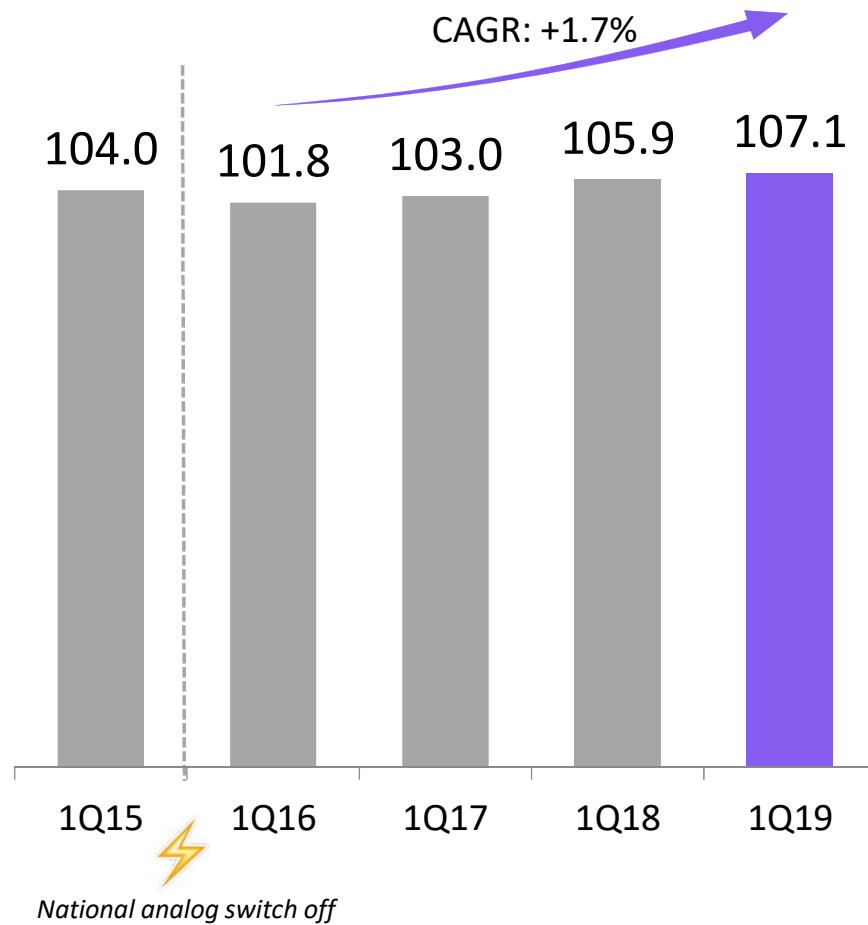
## Divestiture from nonstrategic assets

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

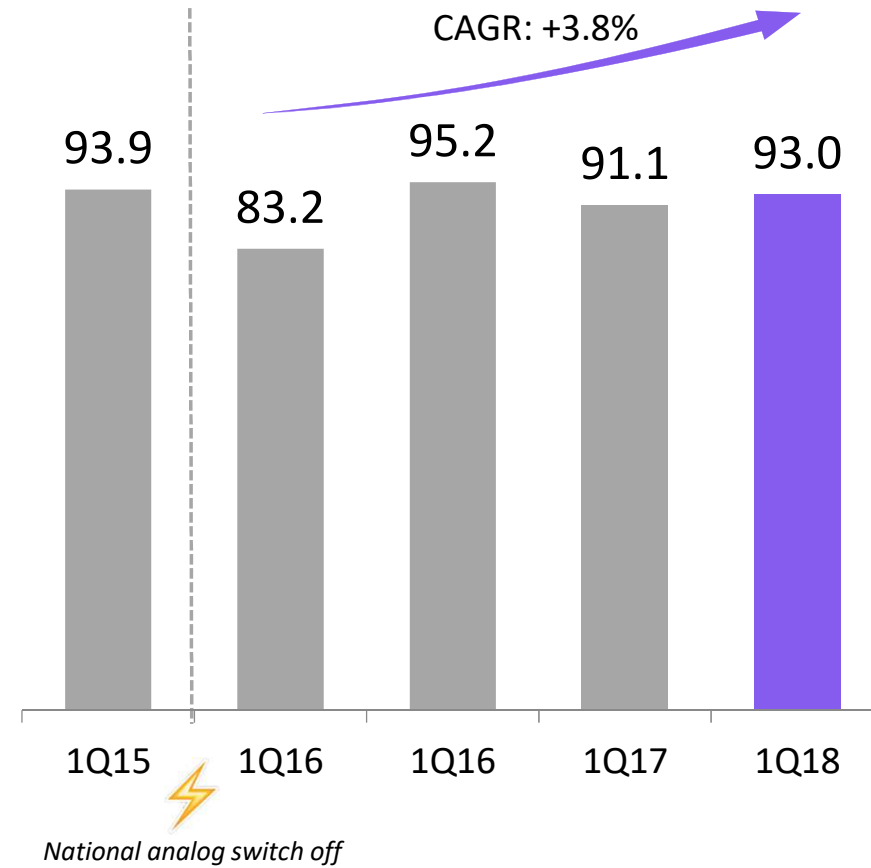
# Rising OTA TV viewership

Millions of people monthly

**Mexico's Total Viewership**



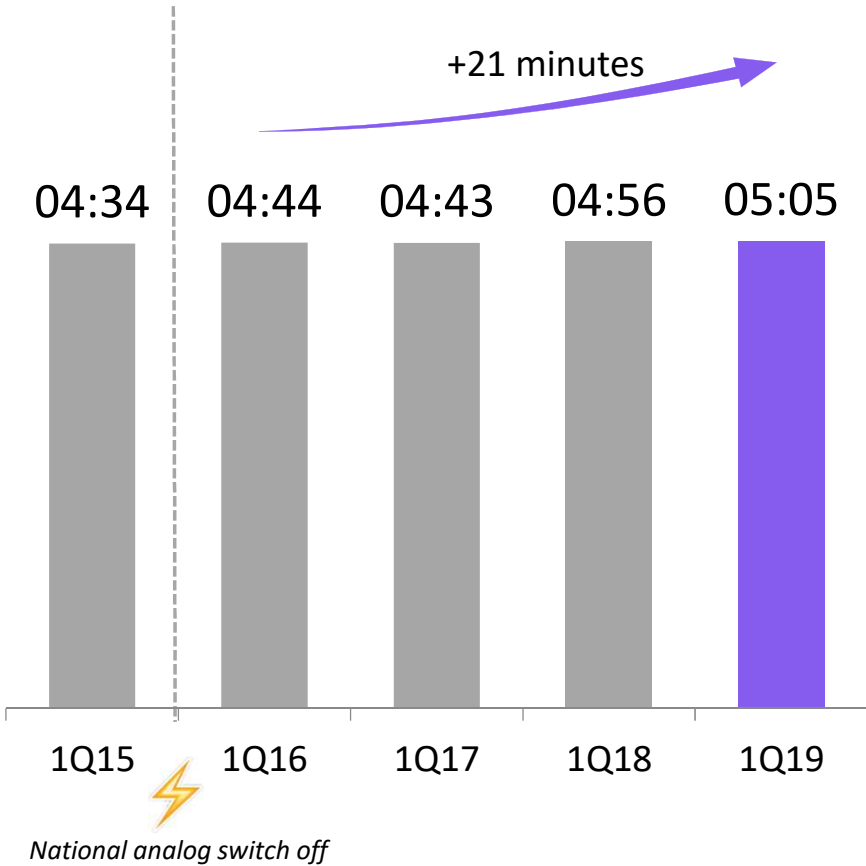
**TV Azteca's Total Viewership**



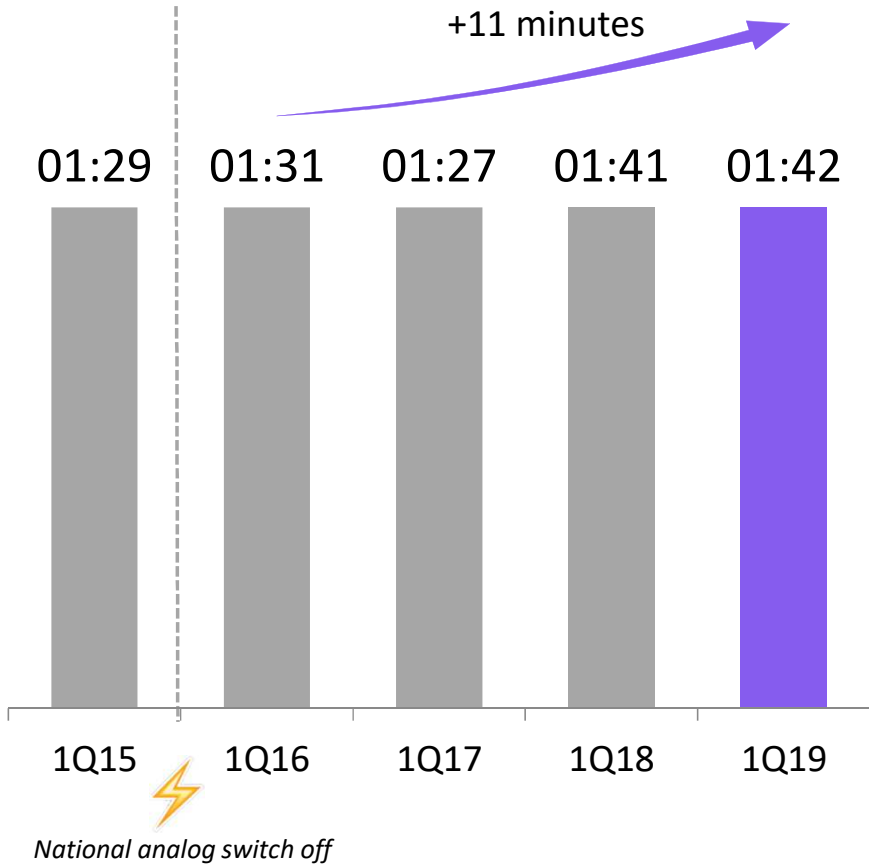
# Time spent watching OTA TV is also increasing

Daily Hours per household

## Mexico



## TV Azteca

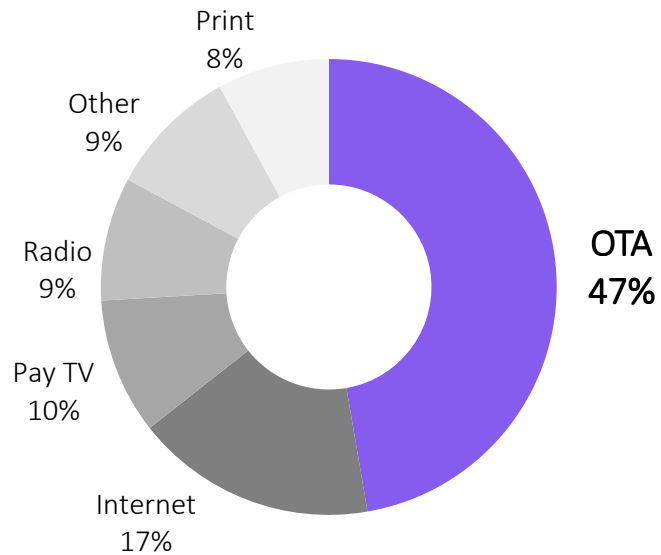




# OTA TV advertising market continues to grow

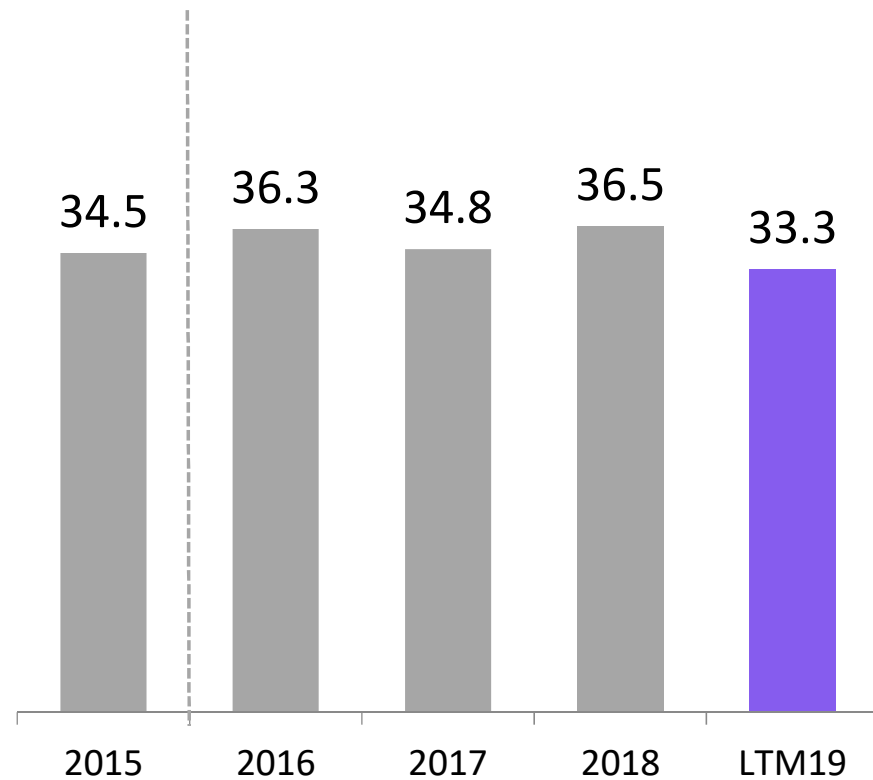
Ps. Billion

**2018e Total Media Advertising in Mexico**



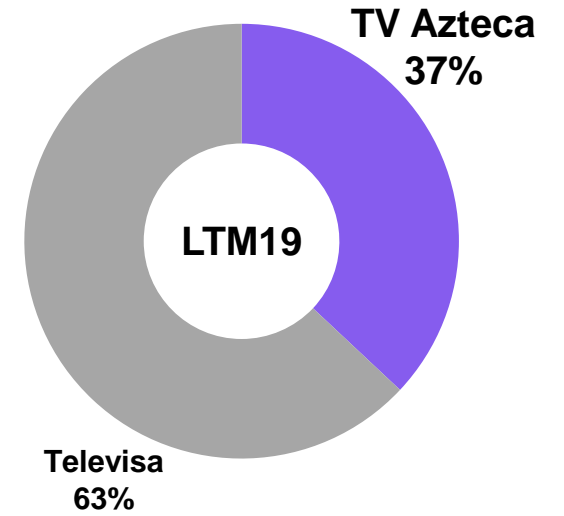
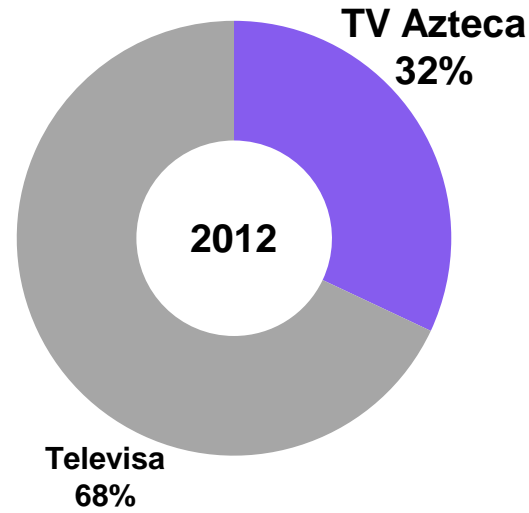
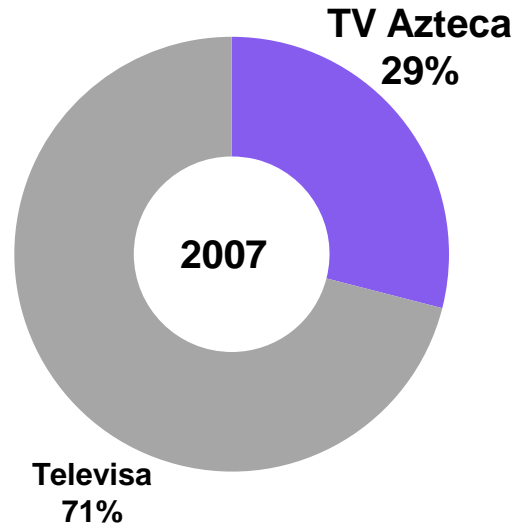
- ❑ Advertising spend in Mexico is ~**Ps\$ 78 Bn** or **0.40%** of Mexican GDP
- ❑ In the US, it represents **1.1% of US GDP**

**National Advertising Market of Two Main Broadcasters**

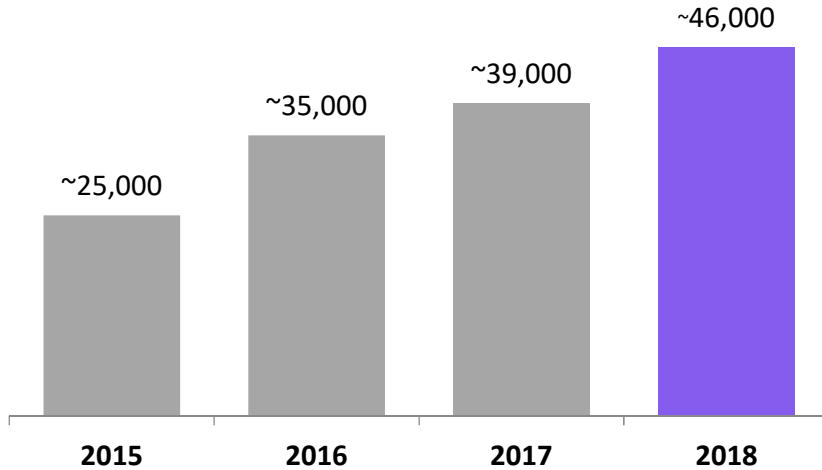


# Gaining market share from main competitor

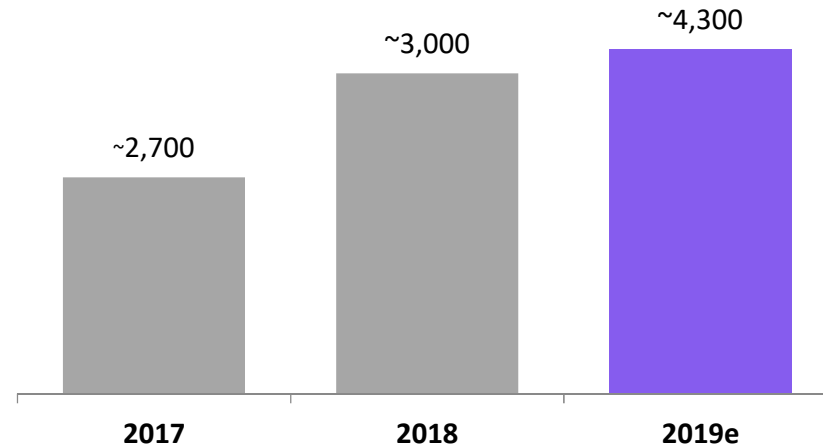
*OTA National Television Market Share in Mexico*



*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*

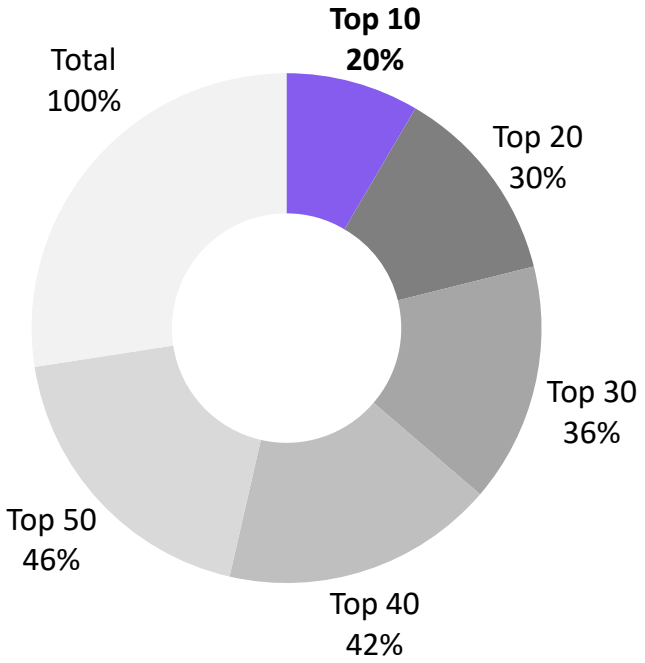


# Broad programming with premium innovative content

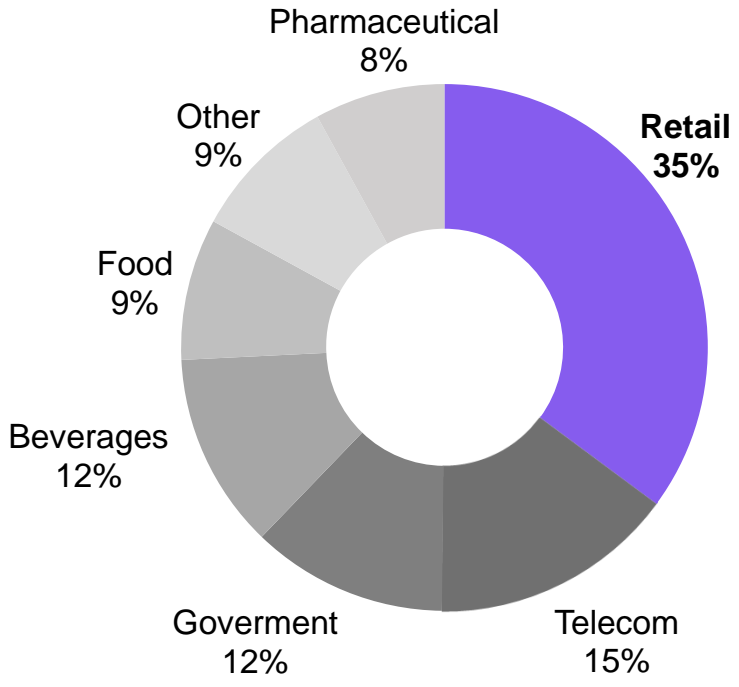


# Driving diverse, high-quality client base

**Share of Sales by Client (LTM19)**



**Share of Sales by Industry (LTM19)**



- ❑ 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

## Recent clients



## Recent digital clients

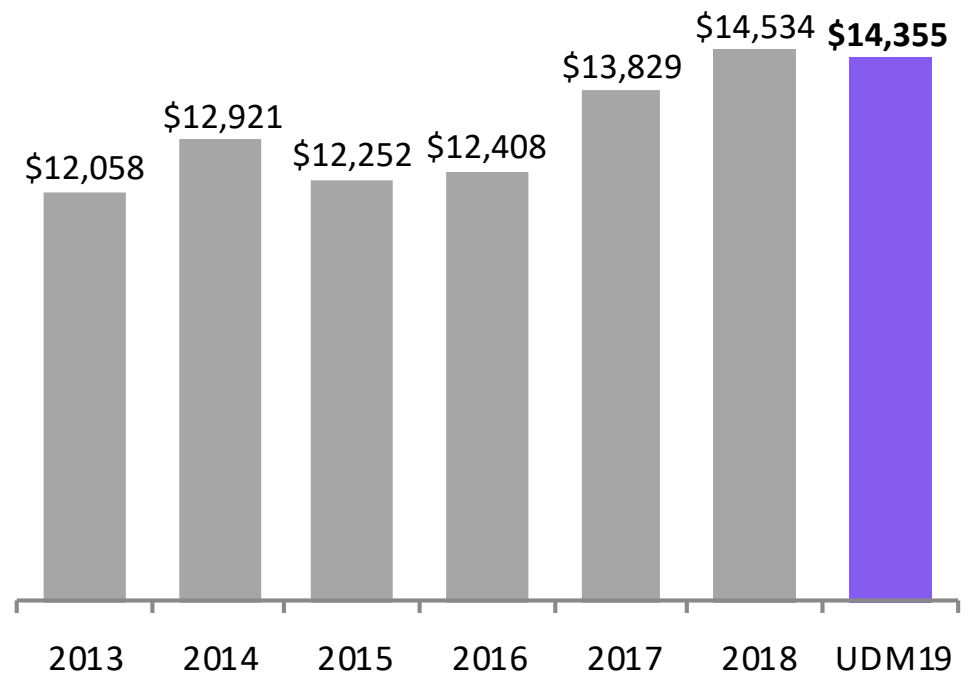


- ❑ Multi-platform marketing strategy is already fully integrated
- ❑ The websites Azteca uno, Azteca 7, adn40, a+, Azteca Deportes and Azteca Noticias are completely redesigned
- ❑ The digital team develops second screen experiences, exclusive coverages before and after major sporting and entertainment events, original content, reality shows, reports, postings, etc.

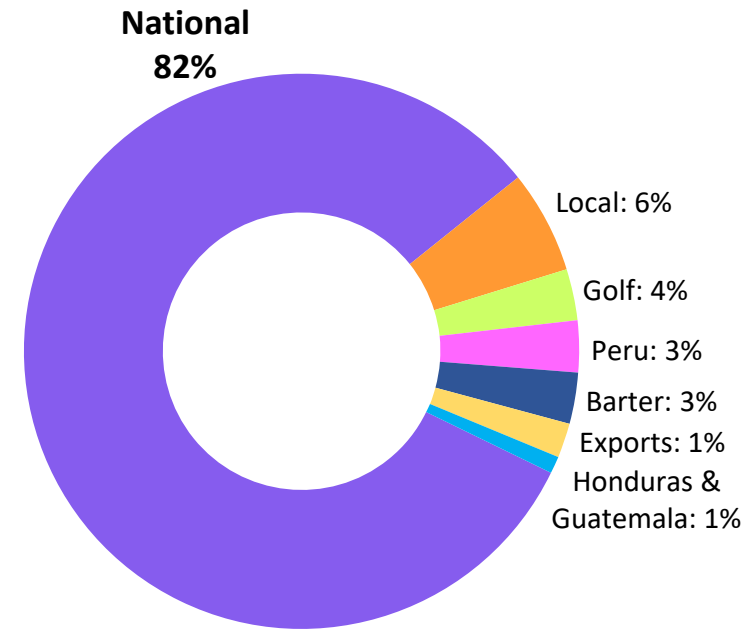


Ps. Million

## Net Sales

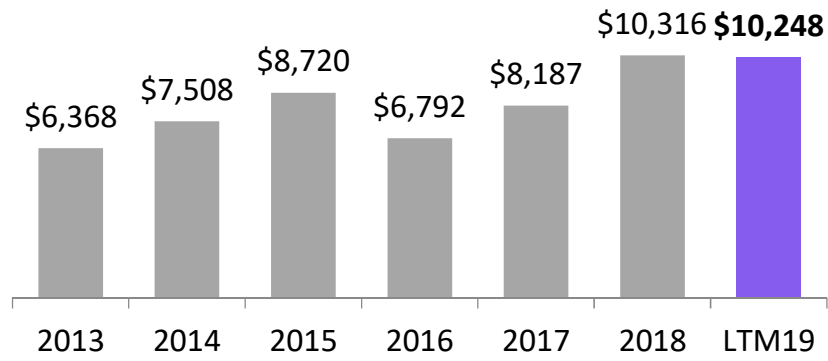


## Sales Breakdown

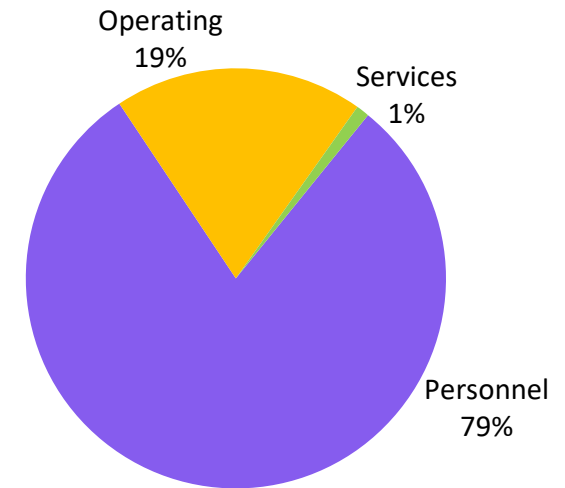
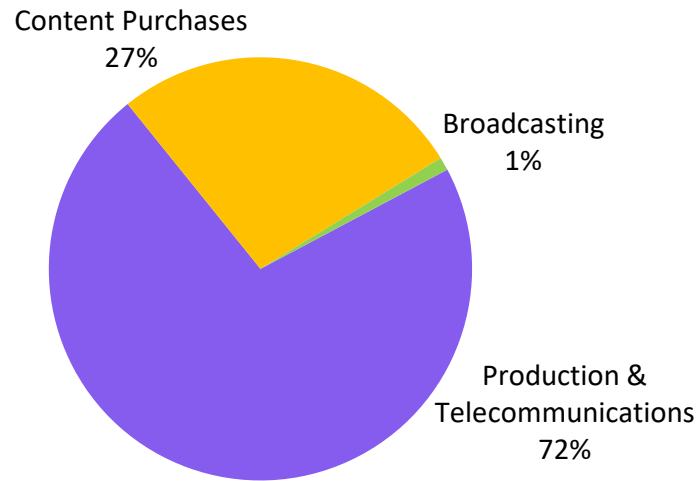
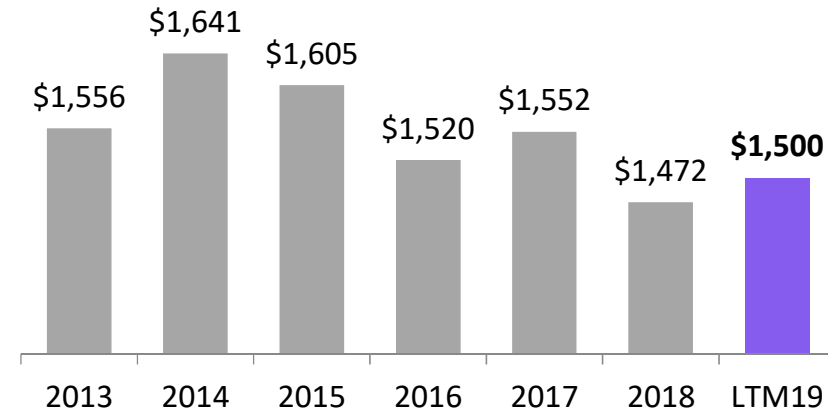




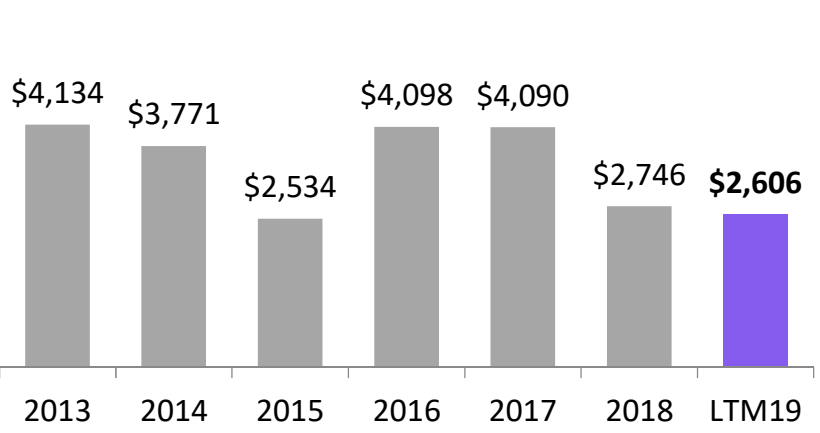
## Costs & Breakdown



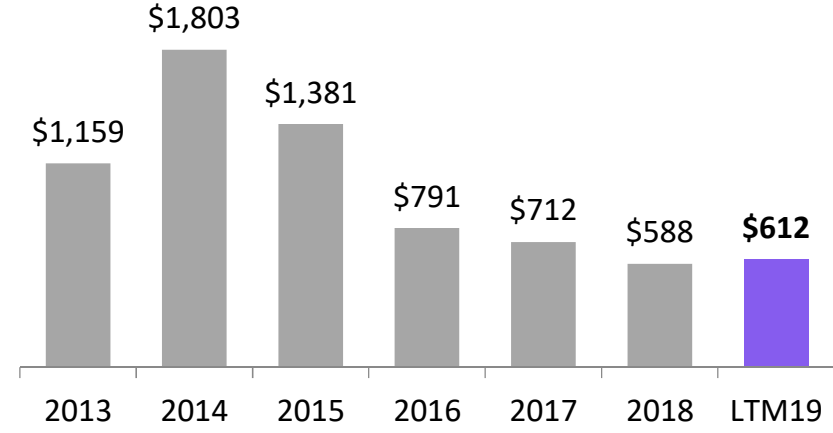
## SG&A Expenses & Breakdown



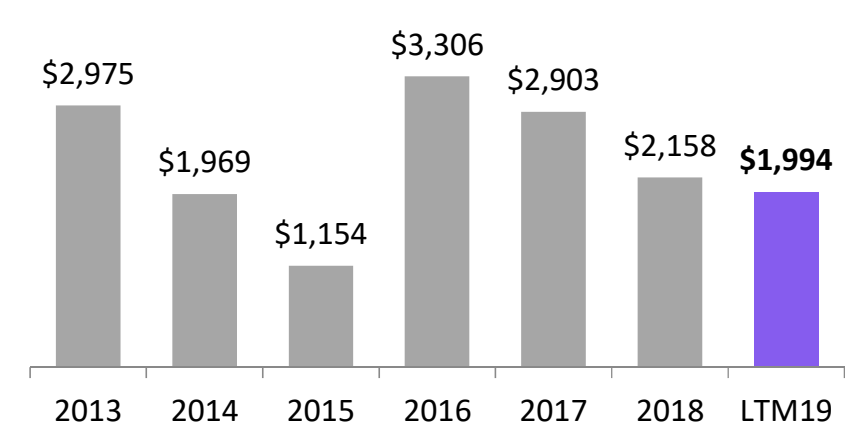
## EBITDA



## CAPEX



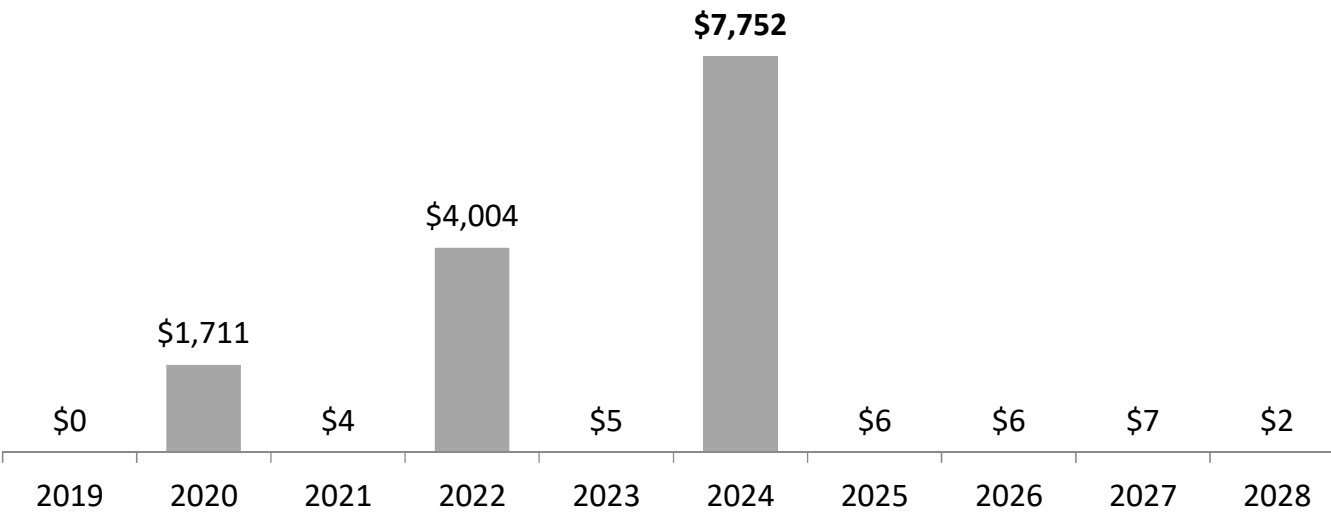
## Cashflow<sup>1</sup>



1. Cashflow = EBITDA – CAPEX (excludes intangibles)

# Debt profile and structure

Ps. Million



	Amount	Rate	Due date
Senior Notes US\$400 <sup>1*</sup>	\$7,752	8.25%	09/08/2024
CEBURES <sup>2</sup>	\$4,000	TIIIE+2.9%	20/09/2022
Banco Azteca	\$1,709	TIIIE+2%	09/03/2020
Private	\$36	10.50%	04/05/2028

**Social**

- ❑ Joined the **United Nations Global Compact**
- ❑ Recognized for the first time as a **Socially Responsible Company**
- ❑ Human Capital of **+6,100 employees**, diversified by gender, age, origin, etc.
- ❑ **Juguetón**: delivered **more than 16.8 million toys** throughout Mexico
- ❑ Together with Grupo Salinas, contributed to the **reconstruction of 525 houses** affected by the 2017 earthquakes in Chiapas, State of Mexico, Oaxaca, Morelos and Puebla. In addition, **40,600 garments were delivered** to those affected in Mexico City, Oaxaca, Veracruz, Guerrero, Hidalgo and Morelos
- ❑ Through the community program *"A Quien Corresponda"*, **more than Ps.15 million** were distributed in donations to different social and medical campaigns



**Enviromental**

- ❑ **28% of the energy** consumed comes from **renewable sources**
- ❑ **Un Nuevo Bosque:** More than **23,000 volunteers** planted **425,000 trees** on **448 hectares** in 2018



**Corporate Governance**

- ❑ Integration of a **new independent team** with proven experience in its different areas. Among them, all the reconfiguration of the content area, programming, digital, etc.



- Increase proportion of live entertainment shows
- Innovative, inspirational and high quality formats, closer to the audience
- Productions, co-productions and strategic alliances to improve offer and the cost structure
- Increasing solid balance sheet
- Focus on free cash flow
- Creating long-term value



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adn40

Q+



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