

## Highlights

- ⦿ 3Q20 Consolidated EBITDA increased 12% compared to 3Q19, to a record-high of Ps. 2,782 million, with a margin of 49.5%, while EBITDA for cable operations amounted to Ps. 2,618 million, up 14% with a margin of 51.1%.
- ⦿ The Internet segment registered an 11% growth, or 347 thousand net adds, compared to 3Q19, surpassing the number of subscribers in the Video segment, which grew 4% or 138 thousand adds during the same period. Telephony registered 438 thousand new subscribers, an increase of 21%.
- ⦿ RGUs and unique subscribers climbed 12% and 6% compared to 3Q19, respectively, totaling 9.4 million and 3.8 million, respectively, to register 2.44 RGUs per unique subscriber.
- ⦿ The Company's revenues amounted to Ps. 5,621 million, which represents a 4% increase over 3Q19, highlighting the mass market with 7% and the business connectivity services MCM and Metrocarrier, with 7% and 3%, respectively.
- ⦿ ARPU per unique subscriber increased 2% compared to 3Q19, reaching Ps. 406.5.
- ⦿ The Mobile Services segment topped 100 thousand subscribers, with 65 thousand adds in the quarter.

Guadalajara, Jalisco, Mexico, October 26, 2020 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV: MEGA.CPO) announced today its financial results for the third quarter of 2020 (3Q20). Figures were prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in thousands of Mexican pesos (Ps.), unless otherwise stated.

## Consolidated Financial and Operational Results

	3Q20	3Q19	% Var
Income	5,621,437	5,405,385	4.0%
EBITDA	2,782,322	2,482,651	12.1%
EBITDA Margin	49.5%	45.9%	
Net Profit	1,070,756	993,929	7.7%
Cash and short-term investments	2,442,237	2,746,969	(11.1%)
Net Debt	4,908,854	4,153,947	18.2%
CAPEX	1,784,376	1,540,499	15.8%
Mkt. Cap (Ps. Millions)	54,765	68,398	(19.9%)
<b>Subscribers</b>			
Unique	3,855,637	3,631,107	6.2%
Internet	3,413,995	3,066,727	11.3%
Video	3,361,472	3,223,620	4.3%
Telephony	2,511,581	2,073,248	21.1%
Mobile services	108,472	-	NA
Total RGUs	9,395,519	8,363,594	12.3%
<b>Other Data</b>			
Home Passed	8,901,747	8,763,529	1.6%
Network Kilometers	62,969	61,759	2.0%
Employees	22,537	21,883	3.0%

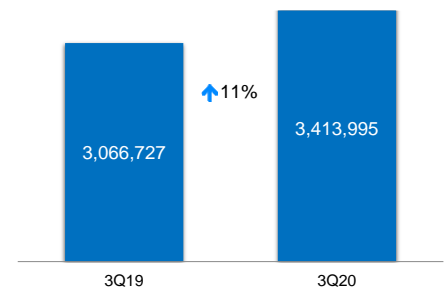
## General Remarks

During the third quarter of the year, the Company continued to observe higher demand for its services in the mass market, as a result of the lockdown measures in place during the period and in addition to the back-to-school season, which were reflected in a higher RGUs growth and a lower churn rate. In the corporate market, a rebound was registered, mainly in MCM and Metrocarrier, derived from the higher demand for the services offered by the Company and the partial reactivation of some industries.

## Internet Subscribers

At the end of 3Q20, the Internet segment reached 3'413,995 subscribers, growing 11.3%, or 347 thousand net adds, compared to 3Q19. During this quarter, 185 thousand new subscribers were registered, an increase of 5.7% compared to 2Q20.

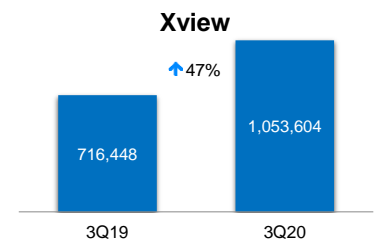
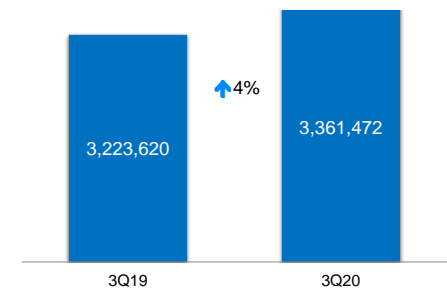
During the quarter, demand for this service remained strong as a result of the lockdown measures still in force. The Company continues to focus on offering quality services with top-notch customer service and on enhancing its bandwidth capacities through state-of-the-art infrastructure.



## Video Subscribers

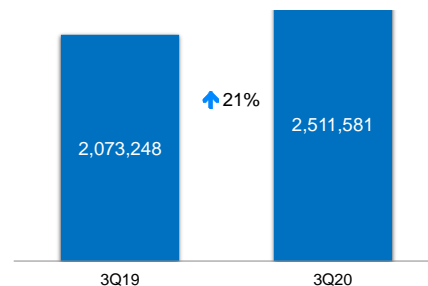
At the end of 3Q20, the Video segment reached 3'361,472 subscribers, registering a 4.3% growth, or 138 thousand net additions, compared to 3Q19; with respect to 2Q20, 100 thousand new subscribers were registered.

Xview posted a 47.1% growth, or 337 thousand net additions, compared to 3Q19, reaching over 1,050 thousand subscribers, whereas compared to last quarter there was a decrease, resulting from aggressive one-time promotions. Similarly, HD service registered 321 thousand net additions compared to 3Q19, to reach more than 1.2 million subscribers. 84% of our subscriber base is digitalized through 5 million set top boxes (STB).



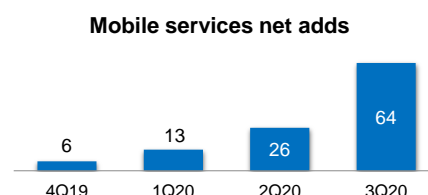
## Telephony Subscribers

The Telephony segment closed the quarter with 2'511,581 subscribers, recording 438 thousand net adds compared to 3Q19, which represents a 21.1% increase. During the period, the Company registered 243 thousand new subscribers, an increase of 10.7% compared to 2Q20. Growth in this segment continues to be driven by the bundling strategy.



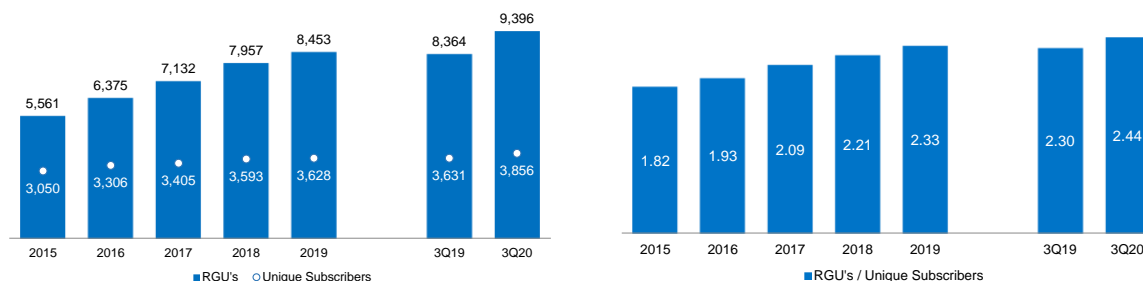
## Mobile Services Subscribers

At the end of the quarter, subscribers of the Mobile Services segment reached 108 thousand, representing 64 thousand net additions during the period. This project continues to focus on strengthening our portfolio and increasing our subscriber retention capacity.



## Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, the Company registered 3'855,637 unique subscribers, a 6.2% growth compared to the third quarter 2019. RGUs reached 9'395,519, an increase of 12.3% compared to the same period last year, driven by a higher number of subscribers in the three mass market services. As a result, RGUs per unique subscriber continued its upward trend, reaching 2.44.



## Churn Rate

The churn rate of the three mass market services decreased both on an annual and sequential basis, as a result of a higher demand, arising from the lockdown measures under which the service becomes essential, coupled with a highly competitive service offer.

	3Q20	3Q19	2Q20
Internet	1.5%	2.8%	1.6%
Video	1.7%	2.9%	1.8%
Telephony	2.1%	3.7%	2.4%

## Revenues

Total revenues for the third quarter reached Ps. 5,621 million, an increase of 4.0% compared to 3Q19. The mass market grew 6.9%, as a result of a higher number of subscribers in all three mass market services and additional service revenues. During the same period, the Corporate segment revenues decreased 8.9%.

	3Q20	3Q19	%Var	9M20	9M19	%Var
Internet	1,816,823	1,664,438	9%	5,304,966	4,910,723	8%
Video	2,309,642	2,243,995	3%	6,922,785	6,663,512	4%
Telephony	467,290	405,999	15%	1,345,635	1,172,069	15%
Others	42,442	20,630	106%	101,804	65,689	55%
<b>Total Mass Market</b>	<b>4,636,197</b>	<b>4,335,061</b>	<b>7%</b>	<b>13,675,190</b>	<b>12,811,993</b>	<b>7%</b>
Corporate	975,360	1,070,324	-9%	2,916,931	3,088,327	-6%
<b>Total excluding non-recurrent</b>	<b>5,611,557</b>	<b>5,405,385</b>	<b>4%</b>	<b>16,592,121</b>	<b>15,900,320</b>	<b>4%</b>
Non-recurrent	9,880	-		9,880	79,408	-88%
<b>Total</b>	<b>5,621,437</b>	<b>5,405,385</b>	<b>4%</b>	<b>16,602,001</b>	<b>15,979,728</b>	<b>4%</b>

## ARPU

ARPU per unique subscriber reached Ps. 406.5, an increase of 2.0% compared to 3Q19. This variation is explained by a focus on triple-play package sales, with a higher number of RGUs per subscriber, combined with the contribution from additional services. Individually, ARPU for all three services decreased in both the annual and sequential comparisons, due to higher net additions registered this quarter with promotional fares.

	3Q20	3Q19	% Var	2Q20	% Var
<b>ARPU (1) (Ps.)</b>					
Unique subscribers of cable	<b>406.5</b>	398.5	2%	405.7	0%
Internet	<b>181.0</b>	181.9	-1%	181.9	-1%
Video	<b>231.6</b>	232.3	0%	233.6	-1%
Telephony	<b>64.3</b>	66.2	-3%	65.0	-1%

Note:

(1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue for the corresponding segment during the period, divided by the average number of subscribers for the corresponding period.

## Corporate Telecom Segment Revenues

Corporate Telecom segment revenues fell 8.9% year-over-year. Higher revenues from the connectivity segment, including MCM and Metrocarrier of 7.4% and 2.7%, respectively, were not enough to offset the decrease in ho1a, mainly in government channel sales. The participation of this segment in the Company's total revenues was 16.1%, compared to 18.3% in 3Q19.

	3Q20	3Q19	%Var	9M20	9M19	%Var
Metrocarrier	477,835	465,083	3%	1,402,319	1,437,721	-2%
HO1A	147,299	266,340	-45%	460,861	627,851	-27%
MCM	278,243	259,178	7%	831,622	785,622	6%
<b>Corporate Telecom</b>	<b>903,377</b>	<b>990,601</b>	<b>-9%</b>	<b>2,694,802</b>	<b>2,851,194</b>	<b>-5%</b>
PCTV	71,983	79,723	-10%	222,129	237,133	-6%
<b>Total</b>	<b>975,360</b>	<b>1,070,324</b>	<b>-9%</b>	<b>2,916,931</b>	<b>3,088,327</b>	<b>-6%</b>

## Cost & Expenses

During the quarter, the Company maintained its policy of efficiency in the service costs and operating expenses structure, achieving a decrease of 1.6% and 4.2%, respectively, compared to the third quarter 2019, lower than the growth in revenues and despite the steady increase in bandwidth capacity to meet market demand.

## EBITDA

3Q20 Consolidated EBITDA reached Ps. 2,782 million, a record-high for the Company, growing 12.1% compared to the same period last year, with a consolidated margin of 49.5%. Similarly, adjusted EBITDA for cable operations was Ps. 2,618 million, a significant increase of 14.4% compared to 3Q19, with a margin of 51.1%.

	3Q20	3Q19	%Var	9M20	9M19	%Var
<b>CONSOLIDATED</b>						
Consolidated operating profit	1,589,391	1,426,346	11%	4,798,515	4,739,076	1%
Plus consolidated depreciation and amortization	1,192,930	1,056,305	13%	3,470,497	2,985,426	16%
<b>Consolidated EBITDA (1)</b>	<b>2,782,322</b>	<b>2,482,651</b>	<b>12%</b>	<b>8,269,013</b>	<b>7,724,502</b>	<b>7%</b>
<b>Consolidated EBITDA Margin</b>	<b>49.5%</b>	<b>45.9%</b>		<b>49.8%</b>	<b>48.3%</b>	
<b>CABLE OPERATIONS</b>						
Non Cable Operations	164,459	195,134	-16%	524,159	538,053	-3%
<b>Cable Adjusted EBITDA (2)</b>	<b>2,617,863</b>	<b>2,287,517</b>	<b>14%</b>	<b>7,744,853</b>	<b>7,186,449</b>	<b>8%</b>
<b>EBITDA Margin of Cable</b>	<b>51.1%</b>	<b>47.7%</b>		<b>51.3%</b>	<b>50.2%</b>	

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing result, non-recurring expenses (income), total income tax, employee profit sharing, interests in affiliated and associated companies, and non-controlling interest.

(2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA.

## Net Income

Net income for the quarter closed at Ps. 1,071 million, which represents a 7.7% growth compared to 3Q19. This growth is mainly due to the above-mentioned reduction in costs and expenses, despite a higher tax rate.

## Net Debt

Megacable closed the quarter with a Net Debt of Ps. 4,909 million, decreasing against 2Q20. This variation is mainly due to a Ps. 550 million amortization of the credit arranged through the financial system. Net Debt increased compared to 3Q19, as a result of the debt subscribed in the first quarter.

	3Q20	3Q19	2Q20
<b>Short Term Debt</b>	<b>722,850</b>	<b>182,719</b>	<b>1,292,779</b>
One year maturity of long-term bank loans	673,251	86,228	1,239,941
Short-term leases	49,600	96,492	52,838
<b>Long-Term Debt</b>	<b>6,628,241</b>	<b>6,718,197</b>	<b>6,670,544</b>
Bank Loans	6,371,678	6,457,319	6,382,924
Accounts Payable	-	3,147	-
Long-term leases	256,563	257,732	287,620
<b>Total Debt</b>	<b>7,351,091</b>	<b>6,900,916</b>	<b>7,963,323</b>
Cash and Short-Term Investments	2,442,237	2,746,969	2,566,421
<b>Net Debt</b>	<b>4,908,854</b>	<b>4,153,947</b>	<b>5,396,902</b>

## Net Comprehensive Financing Result

During the quarter, the Company recorded a net financing expense of Ps. 155.8 million, comprised of Ps. 112.5 million in net interest expense and a Ps. 43.3 million FX loss, derived from the Mexican peso's fluctuations during the period.

	3Q20	3Q19
Net Exchange Loss (Profit)	43,319	(12,064)
Interest Income	33,114	34,743
Interest Expense	145,585	203,006
<b>Net Comprehensive Financial Result</b>	<b>(155,790)</b>	<b>(156,199)</b>

## CAPEX

Megacable invested Ps. 1,784 million during 3Q20, representing 31.7% of revenues for the period. This line begins to reflect the investments coming from the network evolution project, which, according to its execution plan, will be more intensive towards the end of the year.



## Stock Information

<b>Ticker MEGACPO</b>	<b>CPO's</b>	<b>"A" Series</b>
<b>Total Shares (thousands)</b>	<b>853,789</b>	<b>1,721,356</b>
<b>Shares in treasury (thousands)</b>	<b>1,758</b>	<b>3,515</b>
<b>2 "A" Series Shares =</b>		<b>1 CPO</b>
<b>Mkt. Cap (In Ps. millions)</b>		<b>\$ 54,765</b>
<b>Closing price (Ps) *</b>		<b>\$ 63.63</b>
<b>Free float</b>		<b>52%</b>
<b>As of September 30, 2020</b>		

\* Source: Infosei

## 3Q20 Earnings Conference Call

Megacable will hold its 3Q20 Earnings Conference Call on Tuesday, October 27, 2020 at 10:00 am (Mexico City Time) / 12:00 pm (New York Time)

To access the call, please dial:

From within the U.S. 1-877-451-6152

From outside the U.S. 1-201-389-0879

Webcast: <http://public.viaavid.com/index.php?id=141870>

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## Disclaimer

This press release contains forward-looking statements regarding the Company's results and future prospects which are subject to risk and uncertainty. Therefore, these results and statements may differ due to various factors. Moreover, figures in this report may vary due to rounding.

For more information please visit: <http://inversionistas.megacable.com.mx>.

**Megacable Holdings, S.A.B. de C.V.**

Statement of Financial Position

As of September 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and short-term investments	2,442,237	2,746,969
Accounts receivable from customers and advances to suppliers, net	3,668,124	2,241,343
Recoverable taxes	671,839	394,373
Inventories	446,086	554,372
<b>Total Current Assets</b>	<b>7,228,287</b>	<b>5,937,057</b>
<b>NON-CURRENT ASSETS</b>		
Property, systems and equipment, net	32,288,680	29,724,329
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	280,264	332,446
Other assets	1,314,543	1,085,994
Affiliated and associated companies	1,069,003	1,161,962
<b>Total Assets</b>	<b>46,559,174</b>	<b>42,620,187</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
One year maturity of long-term liabilities	673,251	86,228
Suppliers	1,675,282	1,443,821
Short-term affiliated and associated companies	145,146	232,883
Accounts payable and accrued expenses payable	1,359,261	1,242,356
Short-term leases payable	49,600	96,492
<b>Total Current Liabilities</b>	<b>3,902,538</b>	<b>3,101,779</b>
<b>LONG TERM LIABILITIES</b>		
Bank loans	6,371,678	6,457,319
Labor obligations	298,040	249,879
Accounts payable	-	3,147
Deferred taxes	2,105,080	1,848,300
Affiliated and associated companies	735,400	661,561
Long-term leases payable	256,563	257,732
<b>Total Long-Term Liabilities</b>	<b>9,766,761</b>	<b>9,477,937</b>
<b>Total Liabilities</b>	<b>13,669,299</b>	<b>12,579,717</b>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	27,283,923	25,287,302
Minority Interest	1,397,639	1,236,533
Legal Reserve	1,180,508	488,832
<b>Total Stockholders' Equity</b>	<b>32,889,875</b>	<b>30,040,470</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>46,559,174</b>	<b>42,620,187</b>



**Megacable Holdings, S.A.B. de C.V.**

Income Statement

Third Quarter 2020 and 2019

	3Q20	3Q19	% Var
<b>Income</b>	\$ 5,621,437	\$ 5,405,385	4%
Cost of Services	1,447,349	1,470,435	(2%)
<b>Gross Profit</b>	\$ 4,174,088	\$ 3,934,950	6%
Operating and General Expenses	1,391,766	1,452,299	(4%)
<b>EBITDA</b>	\$ 2,782,322	\$ 2,482,651	12%
Depreciation and amortization	1,192,930	1,056,305	13%
<b>Operating Profit</b>	\$ 1,589,391	\$ 1,426,346	11%
Other income (expenses), net	19,611	20,947	(6%)
Comprehensive Financing Income, Net	155,790	156,199	(0%)
<b>Income Before Income Tax and Minority Interest</b>	\$ 1,453,212	\$ 1,291,094	13%
Income Tax	348,932	284,238	23%
<b>Net Profit</b>	\$ 1,104,280	\$ 1,006,856	10%
<b>Net income attribute to:</b>			
Non-Controlling interest	33,523	12,927	159%
Controlling interest	1,070,756	993,929	8%
	\$ 1,104,280	\$ 1,006,856	10%

	9M20	9M19	% Var
<b>Income</b>	\$ 16,602,001	\$ 15,979,728	4%
Cost of Services	4,283,260	4,218,564	2%
<b>Gross Profit</b>	\$ 12,318,741	\$ 11,761,164	5%
Operating and General Expenses	4,049,729	4,036,662	0%
<b>EBITDA</b>	\$ 8,269,013	\$ 7,724,502	7%
Depreciation and amortization	3,470,497	2,985,426	16%
<b>Operating Profit</b>	\$ 4,798,515	\$ 4,739,076	1%
Other income (expenses), net	60,084	25,584	135%
Comprehensive Financing Income, Net	192,308	235,227	(18%)
<b>Income Before Income Tax and Minority Interest</b>	\$ 4,666,291	\$ 4,529,433	3%
Income Tax	1,119,910	996,672	12%
<b>Net Profit</b>	\$ 3,546,382	\$ 3,532,760	0%
<b>Net income attribute to:</b>			
Non-Controlling interest	106,406	83,373	28%
Controlling interest	3,439,975	3,449,387	(0%)
	\$ 3,546,382	\$ 3,532,760	0%

**Megacable Holdings, S.A.B. de C.V.**

Income Statement by Segment

Third Quarter 2020 and 2019

	3Q20	3Q19	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 5,123,913	\$ 4,800,144	7%
Cost of Services	1,279,376	1,237,929	3%
<b>Gross Profit</b>	<b>3,844,537</b>	<b>3,562,215</b>	<b>8%</b>
Operating and General Expenses	1,226,674	1,274,698	(4%)
<b>EBITDA</b>	<b>\$ 2,617,863</b>	<b>\$ 2,287,517</b>	<b>14%</b>
	51.1%	47.7%	
<b>OTHER</b>			
<b>Income</b>	<b>497,525</b>	<b>605,241</b>	<b>(18%)</b>
MCM	278,243	259,178	7%
HO1A	147,299	266,340	(45%)
PCTV	71,983	79,723	(10%)
<b>Cost of Services</b>	<b>167,973</b>	<b>232,506</b>	<b>(28%)</b>
MCM	27,584	24,357	13%
HO1A	93,616	171,613	(45%)
PCTV	46,774	36,536	28%
<b>Gross Profit</b>	<b>329,551</b>	<b>372,735</b>	<b>(12%)</b>
<b>Operating and General Expenses</b>	<b>165,092</b>	<b>177,601</b>	<b>(7%)</b>
MCM	97,750	98,871	(1%)
HO1A	33,207	44,118	(25%)
PCTV	34,135	34,612	(1%)
<b>EBITDA</b>			
MCM	152,909	135,950	12%
HO1A	20,477	50,610	(60%)
PCTV	- 8,926	8,574	NA
<b>EBITDA</b>	<b>\$ 164,459</b>	<b>\$ 195,134</b>	<b>(16%)</b>
	33.1%	32.2%	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>5,621,437</b>	<b>5,405,385</b>	<b>4%</b>
Cost of Services	1,447,349	1,470,435	(2%)
<b>Gross Profit</b>	<b>4,174,088</b>	<b>3,934,950</b>	<b>6%</b>
Operating and General Expenses	1,391,766	1,452,299	(4%)
<b>EBITDA</b>	<b>\$ 2,782,322</b>	<b>\$ 2,482,651</b>	<b>12%</b>
	49.5%	45.9%	

**Megacable Holdings, S.A.B. de C.V.**

Income Statement by Segment

Third Quarter 2020 and 2019

	9M20	9M19	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 15,087,389	\$ 14,329,122	5%
Cost of Services	3,796,739	3,618,162	5%
<b>Gross Profit</b>	<b>11,290,650</b>	<b>10,710,960</b>	<b>5%</b>
Operating and General Expenses	3,545,796	3,524,511	1%
<b>EBITDA</b>	<b>\$ 7,744,853</b>	<b>\$ 7,186,449</b>	<b>8%</b>
	51.3%	50.2%	
<b>OTHER</b>			
<b>Income</b>	<b>1,514,612</b>	<b>1,650,606</b>	<b>(8%)</b>
MCM	831,622	785,622	6%
HO1A	460,861	627,851	(27%)
PCTV	222,129	237,133	(6%)
<b>Cost of Services</b>	<b>486,521</b>	<b>600,402</b>	<b>(19%)</b>
MCM	86,764	82,245	5%
HO1A	265,301	409,419	(35%)
PCTV	134,456	108,737	24%
<b>Gross Profit</b>	<b>1,028,092</b>	<b>1,050,204</b>	<b>(2%)</b>
<b>Operating and General Expenses</b>	<b>503,932</b>	<b>512,151</b>	<b>(2%)</b>
MCM	303,107	287,301	6%
HO1A	100,219	119,381	(16%)
PCTV	100,606	105,469	(5%)
<b>EBITDA</b>			
MCM	441,751	416,075	6%
HO1A	95,341	99,051	(4%)
PCTV	- 12,933	22,927	NA
<b>EBITDA</b>	<b>\$ 524,159</b>	<b>\$ 538,053</b>	<b>(3%)</b>
	34.6%	32.6%	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>16,602,001</b>	<b>15,979,728</b>	<b>4%</b>
Cost of Services	4,283,260	4,218,564	2%
<b>Gross Profit</b>	<b>12,318,741</b>	<b>11,761,164</b>	<b>5%</b>
Operating and General Expenses	4,049,729	4,036,662	0%
<b>EBITDA</b>	<b>\$ 8,269,013</b>	<b>\$ 7,724,502</b>	<b>7%</b>
	49.8%	48.3%	