

## Highlights

- ⊗ 1Q21 Consolidated EBITDA margin reached 50.5%, representing a record Ps. 3,003 million, up 9% compared to 1Q20, while EBITDA from cable operations totaled Ps. 2,837 million with a margin of 52.0%.
- ⊗ The Internet segment recorded 444 thousand net adds, a 14% growth compared to 1Q20, while Telephony and Video reached 541 thousand and 203 thousand net adds, up 25% and 6%, respectively.
- ⊗ 1Q21 Consolidated Revenues reached Ps. 5,952 million, an increase of 8% compared to 1Q20, highlighting the 9% growth achieved by the mass market in the same period.
- ⊗ Unique subscribers reached almost 4 million, up 9% compared to 1Q20, while RGUs increased 14% to 9.7 million, reaching 2.45 RGUs per unique subscriber at the end of the quarter.
- ⊗ Driven by the steady cash generation, the Company's net debt reached Ps. 2,717 million, decreasing both year-over-year and sequentially.
- ⊗ ARPU per unique subscriber for the quarter reached Ps. 411.4, an increase of 2% on a sequential basis.

Guadalajara, Jalisco, Mexico, April 29, 2021 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the first quarter of 2021 (1Q21). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise stated.

## Consolidated Financial and Operational Results

	1Q21	1Q20	% Var
Income	5,951,979	5,520,089	7.8%
Mass Segment Income	4,960,613	4,551,210	9.0%
EBITDA	3,002,979	2,766,637	8.5%
EBITDA Margin	50.5%	50.1%	
Net Profit	1,102,552	1,320,403	(16.5%)
Cash and short-term investments	4,834,390	4,675,071	3.4%
Net Debt	2,717,059	3,720,032	(27.0%)
CAPEX	1,875,705	1,246,042	50.5%
Mkt. Cap (Ps. Millions)	63,036	55,841	12.9%
<b>Subscribers</b>			
Unique	3,989,126	3,661,760	8.9%
Internet	3,589,974	3,146,381	14.1%
Video	3,436,267	3,233,503	6.3%
Telephony	2,727,477	2,186,501	24.7%
Mobile services	209,418	18,287	NA
Total RGUs	9,753,717	8,566,385	13.9%
<b>Other Data</b>			
Home Passed	9,007,223	8,853,785	1.7%
Network Kilometers	63,702	62,293	2.3%
Employees	23,306	21,221	9.8%

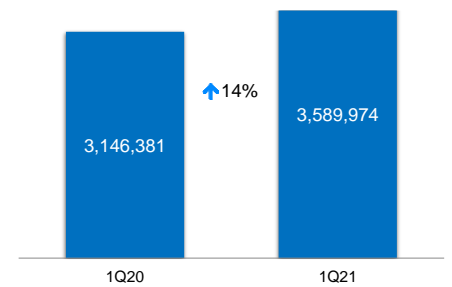
## General Remarks

During the first quarter of the year, the uptrend in subscribers continued for the three mass market services, given their essential nature, while the churn rate remained practically unchanged. Regarding the corporate segment, MetroCarrier continued recovering, mainly in connectivity services, achieving both annual and sequential growth.

## Internet Subscribers

At the end of 1Q21, the Internet segment reached 3'589,974 subscribers, an increase of 14.1%, or 444 thousand net adds, compared to 1Q20. In this quarter, the Company registered 80 thousand new subscribers, an increase of 2.3% compared to 4Q20.

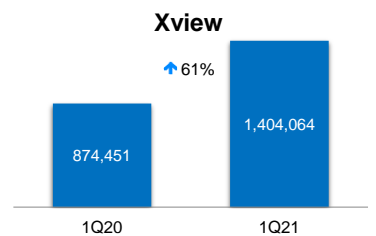
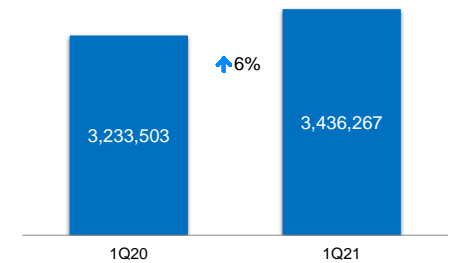
The Company upholds its commitment to offer a reliable service in the face of the current backdrop. New consumption trends are reflected in the 25% increase in the average broadband speed delivered to subscribers relative to pre-pandemic levels.



## Video Subscribers

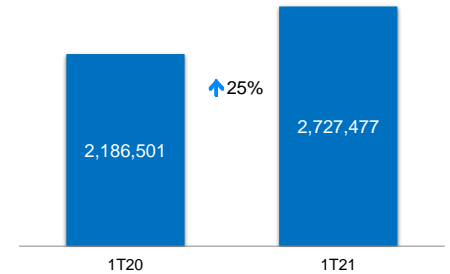
The Video segment continued growing, reaching 3'436,267 subscribers at the end of 1Q21, an increase of 203 thousand net adds, or 6.3%, compared to 1Q20. On the sequential comparison, 24 thousand new subscribers were added.

Xview posted a growth of 60.6%, or 530 thousand net additions, compared to 1Q20, reaching over 1.4 million subscribers in 1Q21, while 247 thousand net additions were recorded compared to last quarter. 84% of our subscriber base is digitalized by means of 5 million set top boxes (STBs).



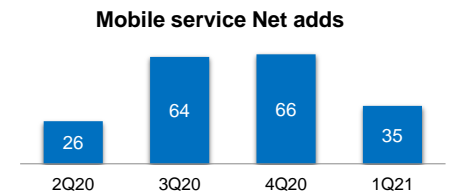
## Telephony Subscribers

The Telephony segment closed the quarter with 2'727,477 subscribers, registering 541 thousand net additions compared to 1Q20, up 24.7%. During the period, the Company recorded 101 thousand new subscribers, an increase of 3.8% compared to 4Q20. The growth in this segment is primarily driven by the Company's bundling strategy.



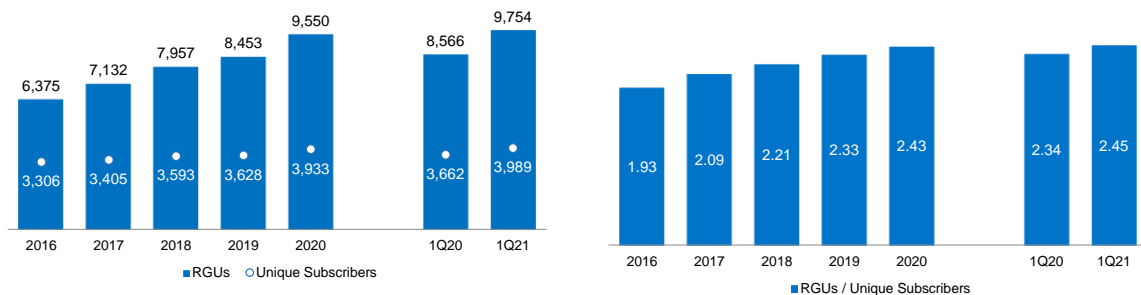
## Mobile Services Subscribers

At the end of the quarter, Megacable reached 209 thousand subscribers in its Mobile Services segment, representing 35 thousand net adds during the period.



## Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, unique subscribers totaled 3'989,126, up 8.9% compared to the first quarter of 2020. On the other hand, RGUs increased by 13.9% over the same quarter last year, as subscriber additions remained strong in the three mass market services, reaching 9'753,717. Revenue generating units per unique subscriber maintained their upward trend to reach 2.45.



Note: Mobile Services subscribers are not included in total RGUs.

## Churn Rate

The churn rate for the three mass market services remained below 1Q20 levels, prior to the beginning of the pandemic, mainly due to the strong demand observed in the period. On a sequential basis, the churn rate remained practically unchanged.

	1Q21	1Q20	4Q20
Internet	1.7%	1.9%	1.6%
Video	1.9%	2.1%	1.7%
Telephony	2.2%	2.6%	2.1%

## Revenues

1Q21 total revenues reached a record Ps. 5,952 million, up 7.8% compared to 1Q20. The mass market grew 9.0%, driven by a higher number of subscribers and additional service revenues. During the same period, the Corporate segment picked up its growth trend and increased 2.3% compared to 1Q20.

	1Q21	1Q20	%Var
Internet	1,983,195	1,742,273	14%
Video	2,349,492	2,336,431	1%
Telephony	552,235	441,437	25%
Mobile Service	60,058	6,572	NA
Others	15,633	24,497	-36%
<b>Total Mass Market</b>	<b>4,960,613</b>	<b>4,551,210</b>	<b>9%</b>
Corporate	991,365	968,879	2%
<b>Total</b>	<b>5,951,979</b>	<b>5,520,089</b>	<b>8%</b>

## ARPU

ARPU per unique subscriber was Ps. 411.4, showing a sequential growth, as a result of a focus on the marketing of triple play packages with a higher number of RGUs per subscriber. In the year-over-year comparison, this metric decreased due to the aggressive promotions necessary to support subscriber growth. Individually, Internet and Telephony ARPU increased against the previous quarter, while Video remained relatively stable.

	1Q21	1Q20	% Var	4Q20	% Var
<b>ARPU (1) (Ps.)</b>					
Unique subscribers of cable (2)	<b>411.4</b>	416.3	-1%	405.2	2%
Internet	<b>185.5</b>	186.2	0%	182.1	2%
Video	<b>228.5</b>	241.8	-5%	229.0	0%
Telephony	<b>68.3</b>	68.1	0%	64.4	6%

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.
- (2) Beginning this quarter, Mobile Services revenue is not included in the ARPU per unique subscriber calculation.

## Corporate Telecom Segment Revenues

1Q21 Corporate Telecom segment revenues increased 1.9% compared to the first quarter of 2020. This performance was mainly driven by MetroCarrier, which grew both year-over-year and sequentially, due to higher revenues in the connectivity segment, mainly in the business and lodging markets. On the other hand, Ho1a and MCM remained stable, as investment was deferred. The participation of this segment in the Company's total revenues was 15.2%, compared to 16.2% in 1Q20.

	1Q21	1Q20	%Var
Metrocarrier	498,316	459,305	8%
HO1A	156,612	164,781	-5%
MCM	255,649	269,344	-5%
<b>Corporate Telecom</b>	<b>910,578</b>	<b>893,431</b>	<b>2%</b>
PCTV	80,788	75,449	7%
<b>Total</b>	<b>991,365</b>	<b>968,879</b>	<b>2%</b>

## Cost & Expenses

In the quarter, service costs increased 7.6% year-over-year, primarily due to a higher number of subscribers and the growth achieved at the mobile segment, while the corporate segment showed a decrease resulting from the lower operation at Ho1a. On the other hand, operating expenses increased only 6.6%, trailing revenue growth.

## EBITDA

1Q21 consolidated EBITDA reached Ps. 3,003 million, up 8.5% versus the same period last year, with a consolidated margin of 50.5%. Likewise, adjusted EBITDA from cable operations reached Ps. 2,837 million, an increase of 9.5% compared to 1Q20, with a margin of 52.0%.

	1Q21	1Q20	%Var
<b>CONSOLIDATED</b>			
Consolidated operating profit	1,741,040	1,649,588	6%
Plus consolidated depreciation and amortization	1,261,939	1,117,049	13%
<b>Consolidated EBITDA (1)</b>	<b>3,002,979</b>	<b>2,766,637</b>	<b>9%</b>
<b>Consolidated EBITDA Margin</b>	<b>50.5%</b>	<b>50.1%</b>	
<b>CABLE OPERATIONS</b>			
Non Cable Operations	166,044	176,765	-6%
Cable Adjusted EBITDA (2)	<b>2,836,935</b>	<b>2,589,872</b>	<b>10%</b>
<b>EBITDA Margin of Cable</b>	<b>52.0%</b>	<b>51.7%</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 Comprehensive Financing Result

During the quarter, the Company recorded a net financing expense of Ps. 196.9 million, mainly comprised of net interest expense, while the foreign exchange result was practically nil.

	1Q21	1Q20
Net Exchange Loss	75	198,817
Interest Income	41,680	51,189
Interest Expense	238,657	114,513
<b>Net Comprehensive Financial Result</b>	<b>(196,903)</b>	<b>135,493</b>

## Net Income

Net Income for the quarter closed at Ps. 1,103 million, a decrease of 16.5% compared to 1Q20. This decrease is largely explained by a hard comparison in the comprehensive financing cost, derived from the foreign exchange gain recorded in 1Q20.

## Net Debt

At the end of the quarter, Megacable's Net Debt amounted to Ps. 2,717 million, decreasing both on a year-over-year and sequential basis. These variations are primarily attributed to the cash flow generated in the period, which covered immediate maturities.

	1Q21	1Q20	4Q20
<b>Short Term Debt</b>	<b>972,382</b>	<b>1,712,259</b>	<b>1,282,832</b>
One year maturity of long-term bank loans	866,389	1,613,699	1,166,854
Short-term leases	105,993	98,560	115,978
<b>Long-Term Debt</b>	<b>6,579,068</b>	<b>6,682,844</b>	<b>6,546,860</b>
Bank Loans	6,357,507	6,415,880	6,358,954
Long-term leases	221,561	266,963	187,906
<b>Total Debt</b>	<b>7,551,450</b>	<b>8,395,103</b>	<b>7,829,691</b>
Cash and Short-Term Investments	4,834,390	4,675,071	4,257,931
<b>Net Debt</b>	<b>2,717,059</b>	<b>3,720,032</b>	<b>3,571,760</b>

## CAPEX

Megacable invested Ps. 1,876 million during 1Q21, representing 31.5% of revenues for the period. Investments during the quarter were mostly focused on continuing the execution of the network evolution project, which is under construction as of the date of this earnings release.

## Stock Information

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	523	1,045
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 63,036
Closing price (Ps) *		\$ 73.24
Free float		52%
As of March 31, 2021		
* Source: Infotel		

## 1Q21 Earnings Conference Call

Megacable will hold its 1Q21 Earnings Conference Call on Friday, April 30, 2021 at 10:00 am (Mexico City Time) / 11:00 am (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.viavid.com/index.php?id=144435>

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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 March 31, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and short-term investments	4,834,390	4,675,071
Accounts receivable from customers and advances to suppliers, net	3,604,244	2,176,239
Recoverable taxes	745,562	782,767
Inventories	400,531	1,613,984
<b>Total Current Assets</b>	<b>9,584,728</b>	<b>9,248,061</b>
<b>NON-CURRENT ASSETS</b>		
Property, systems and equipment, net	33,965,024	30,970,983
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	293,926	341,392
Other assets	1,182,836	892,270
Affiliated and associated companies	929,406	1,197,584
<b>Total Assets</b>	<b>50,334,317</b>	<b>47,028,688</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
One year maturity of long-term liabilities	866,389	1,613,699
Suppliers	3,141,505	1,904,263
Short-term affiliated and associated companies	13,196	312,017
Accounts payable and accrued expenses payable	1,802,105	1,218,663
Short-term leases payable	105,993	98,560
<b>Total Current Liabilities</b>	<b>5,929,187</b>	<b>5,147,202</b>
<b>LONG TERM LIABILITIES</b>		
Bank loans	6,357,507	6,415,880
Labor obligations	216,661	288,335
Deferred taxes	1,859,701	1,921,537
Affiliated and associated companies	729,085	735,400
Long-term leases payable	221,561	266,963
<b>Total Long-Term Liabilities</b>	<b>9,384,515</b>	<b>9,628,116</b>
<b>Total Liabilities</b>	<b>15,313,701</b>	<b>14,775,318</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	30,074,249	27,398,948
Minority Interest	1,424,754	1,334,205
Legal Reserve	493,808	492,412
<b>Total Stockholders' Equity</b>	<b>35,020,615</b>	<b>32,253,370</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>50,334,317</b>	<b>47,028,688</b>



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

Income Statement

First Quarter 2021 and 2020

	1Q21	1Q20	% Var
<b>Income</b>	\$ 5,951,979	\$ 5,520,089	8%
Cost of Services	1,524,504	1,416,607	8%
<b>Gross Profit</b>	\$ 4,427,475	\$ 4,103,481	8%
Operating and General Expenses	1,424,496	1,336,845	7%
<b>EBITDA</b>	\$ 3,002,979	\$ 2,766,637	9%
Depreciation and amortization	1,261,939	1,117,049	13%
<b>Operating Profit</b>	\$ 1,741,040	\$ 1,649,588	6%
Other income (expenses), net	11,952	8,761	36%
Comprehensive Financing Income, Net	196,903	- 135,493	NA
<b>Income Before Income Tax and Minority Interest</b>	\$ 1,556,089	\$ 1,793,842	(13%)
Income Tax	421,708	430,467	(2%)
<b>Net Profit</b>	\$ 1,134,381	\$ 1,363,376	(17%)
<b>Net income attribute to:</b>			
Non-Controlling interest	31,830	42,973	(26%)
Controlling interest	1,102,552	1,320,403	(16%)
	\$ 1,134,381	\$ 1,363,376	(17%)

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

Income Statement by Segment

First Quarter 2021 and 2020

	1Q21	1Q20	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 5,458,930	\$ 5,010,515	9%
Cost of Services	1,364,645	1,249,964	9%
<b>Gross Profit</b>	<b>4,094,284</b>	<b>3,760,551</b>	<b>9%</b>
Operating and General Expenses	1,257,350	1,170,679	7%
<b>EBITDA</b>	<b>\$ 2,836,935</b>	<b>\$ 2,589,872</b>	<b>10%</b>
	52.0%	51.7%	
<b>OTHER</b>			
<b>Income</b>	<b>493,049</b>	<b>509,574</b>	<b>(3%)</b>
MCM	255,649	269,344	(5%)
HO1A	156,612	164,781	(5%)
PCTV	80,788	75,449	7%
<b>Cost of Services</b>	<b>159,858</b>	<b>166,643</b>	<b>(4%)</b>
MCM	24,601	28,075	(12%)
HO1A	94,276	96,805	(3%)
PCTV	40,981	41,763	(2%)
<b>Gross Profit</b>	<b>333,191</b>	<b>342,931</b>	<b>(3%)</b>
<b>Operating and General Expenses</b>	<b>167,146</b>	<b>166,166</b>	<b>1%</b>
MCM	100,946	100,902	0%
HO1A	34,872	33,038	6%
PCTV	31,328	32,226	(3%)
<b>EBITDA</b>			
MCM	130,102	140,367	(7%)
HO1A	27,464	34,938	(21%)
PCTV	8,478	1,460	NA
<b>EBITDA</b>	<b>\$ 166,044</b>	<b>\$ 176,765</b>	<b>(6%)</b>
	33.7%	34.7%	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>5,951,979</b>	<b>5,520,089</b>	<b>8%</b>
Cost of Services	1,524,504	1,416,607	8%
<b>Gross Profit</b>	<b>4,427,475</b>	<b>4,103,481</b>	<b>8%</b>
Operating and General Expenses	1,424,496	1,336,845	7%
<b>EBITDA</b>	<b>\$ 3,002,979</b>	<b>\$ 2,766,637</b>	<b>9%</b>
	50.5%	50.1%	