

## Highlights

- ⊙ **ARPU per unique subscriber continued its upward trend reaching Ps. 398.5, an increase of 5% compared to 3Q18, representing record levels.**
- ⊙ **Consolidated Revenues rose 11% in 3Q19, while consolidated EBITDA for 3Q19 reached Ps. 2,483 million, up 7% compared to 3Q18; with a consolidated margin of 46%.**
- ⊙ **The Corporate Telecom segment, reached significant 32% growth compared to 3Q18, mainly supported by 85% revenue growth at ho1a and 29% growth at Metrocarrier.**
- ⊙ **At the end of the quarter, RGUs rose by 7% to over Ps. 8.3 million, compared to 3Q18; while unique subscribers reached more than 3.6 million.**
- ⊙ **During the quarter, the Company carried out its debt refinancing for Ps. 6,475 million through bank loans, reaching a ratio of Net-Debt-to-EBITDA of 0.43x at the close of the quarter.**

Guadalajara, Jalisco, Mexico, October 24, 2019 - 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 2019 (3Q19). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise indicated.

## Consolidated Financial Results

	3Q19	3Q18	% Var
Income	5,405,385	4,850,966	11.4%
EBITDA	2,482,651	2,317,739	7.1%
EBITDA Margin	45.9%	47.8%	
Net Profit	993,929	1,110,286	(10.5%)
Cash and short-term investments	2,746,969	3,256,330	(15.6%)
Net Debt	4,153,947	687,473	NA
CAPEX	1,540,499	1,443,027	6.8%
Mkt. Cap (Ps. Millions)	68,398	82,866	(17.5%)
<b>Subscribers</b>			
Unique	3,631,107	3,569,731	1.7%
Video	3,223,620	3,179,430	1.4%
Internet	3,066,727	2,893,787	6.0%
Telephony	2,073,248	1,737,817	19.3%
<b>Other Data</b>			
Home Passed	8,763,529	8,362,085	4.8%
Network Kilometers	61,759	58,340	5.9%
Employees	21,883	19,923	9.8%

For more information please visit: <http://inversionistas.megacable.com.mx>  
 Investor Relations Contact:  
 Alan Esaú Gallegos López, IRO  
 Tel. + (5233) 3750 0042 ext. 61091  
[investor.relations@megacable.com.mx](mailto:investor.relations@megacable.com.mx)

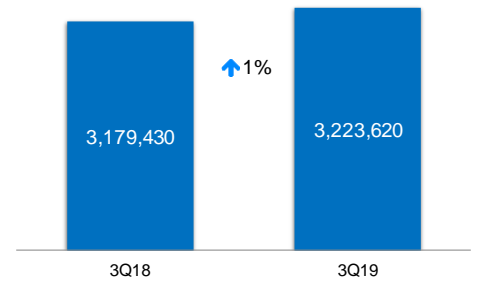
## Mass Market

During the quarter, the Company registered subscriber growth throughout the three massive market segments, reaching 3'623,107 unique subscribers, despite an economic environment that has not indicated a recovery and lack of growth in the telecommunications markets.

## Video Subscribers

At the close of 3Q19, the Video segment reached 3'223,620 subscribers, a 1.4% increase, or 44 thousand net adds compared to 3Q18. When compared to 2Q19, subscribers for this segment grew by 6 thousand net adds.

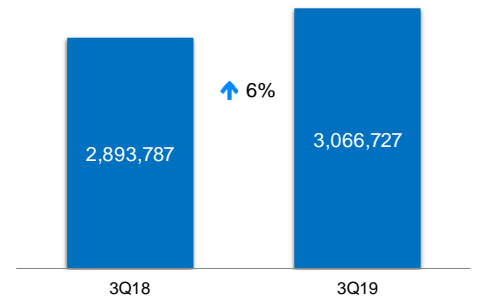
At the close of September 2019, Xview increased by 95 thousand net adds, reaching 716 thousand subscribers, an increase of 15.3% compared to 2Q19. The objective continues to be making the platform available to all subscribers. As such, the Company continues to experience outstanding usage levels and customer satisfaction. During the quarter, the Company registered 109 thousand net adds with HD service, reaching 911 thousand. 83% of total subscriptions is digitalized, through 4.8 million set-top boxes (STB).



## Internet Subscribers

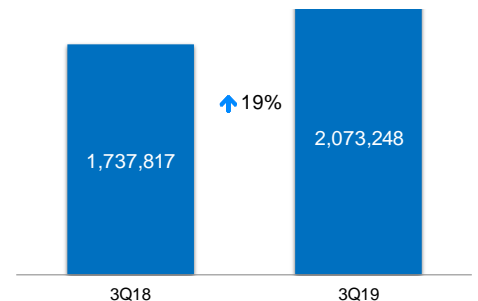
During 3Q19, the Internet segment reached 3'066,727 subscribers, representing 6.0% growth or 173 thousand net adds, compared to 3Q18. Compared to 2Q19, the Company registered a 1.4% increase, or 44 thousand net adds.

Megacable continues to offer the most competitive option by offering a reliable service with faster speed levels. Our network has evolved in line with demand for superior bandwidth capabilities, as such continuously increasing the speeds we offer in our packages.



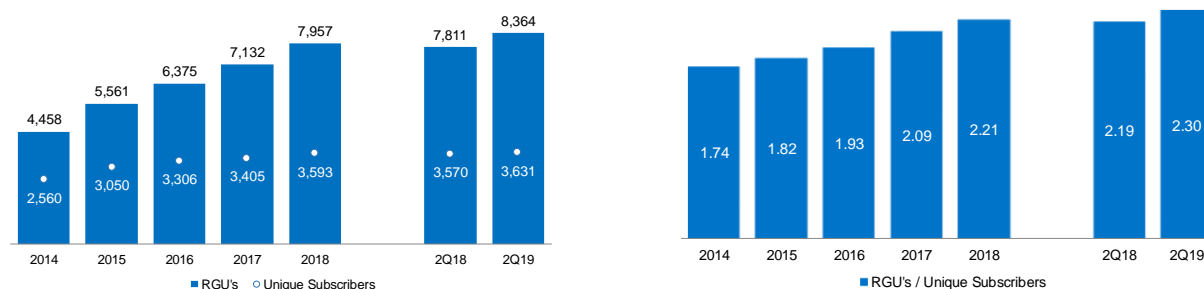
## Telephony Subscribers

At the close of 3Q19, the Telephony segment reached 2'073,248 subscribers, representing a 19.3% growth, or 335 thousand net adds compared to 3Q18. This segment increased by 4.3% or 85 thousand new subscribers in 3Q19 compared to 2Q19. This result was mainly driven by the Company's successful bundling strategy.



## Unique Subscribers and Revenue Generating Units (RGUs)

At the close of 3Q19, unique subscribers rose to 3'623,107, while RGUs reached 8,363,594, up 7.1% compared to 3Q18. This was mainly due to the subscriber growth experienced throughout the Company's three mass market segments. As a result of the aforementioned, RGUs per unique subscriber reached 2.30, continuing its upward trend.



## Churn Rate

The Video and Internet segment churn rate increased 20 basis points compared to 3Q18, mainly as a result of the economic deceleration observed since 3Q18 and that has continued until the present period. Telephony declined 20 basis points with respect to 3Q18, benefited of commercial strategies implemented for the subscriber to maintain the service.

	3Q19	3Q18	2Q19
Video	2.9%	2.7%	2.7%
Internet	2.8%	2.6%	2.6%
Telephony	3.7%	3.9%	3.9%

## Revenues

Total 3Q19 revenues reached Ps. 5,405 million, an 11.4% increase compared to 3Q18. The mass market grew by 7.7%, mainly as a result of RGU growth, revenues from additional services and the acquisition of subscribers carried out in 2Q19. Revenues for the corporate segment grew by 29.6%.

	3Q19	3Q18	%Var	9M19	9M18	%Var
Video	2,243,995	2,039,791	10%	6,663,512	6,046,313	10%
Internet	1,664,438	1,530,142	9%	4,910,723	4,507,297	9%
Telephony	405,999	431,346	-6%	1,172,069	1,235,524	-5%
Others	20,630	24,048	-14%	65,689	68,107	-4%
<b>Total Mass Market</b>	<b>4,335,061</b>	<b>4,025,327</b>	<b>8%</b>	<b>12,811,993</b>	<b>11,857,241</b>	<b>8%</b>
Corporate	1,070,324	825,640	30%	3,088,327	2,521,348	22%
<b>Total excluding non-recurrent</b>	<b>5,405,385</b>	<b>4,850,966</b>	<b>11%</b>	<b>15,900,320</b>	<b>14,378,589</b>	<b>11%</b>
Non-recurrent	-	-		79,408	99,315	-20%
<b>Total</b>	<b>5,405,385</b>	<b>4,850,966</b>	<b>11%</b>	<b>15,979,728</b>	<b>14,477,904</b>	<b>10%</b>

## ARPU

ARPU per unique subscriber reached Ps. 398.5, which represented 5.5% growth compared to 3Q18. The aforementioned was due to a greater number of RGUs per subscriber, driven by a strategy of focusing on triple-play packages, coupled to the contribution of additional services. Moreover, ARPU for the Video segment increased by 8.2% and Internet by 2.1%, while Telephony declined compared to 3Q18, mainly due to changes in revenue distribution, which primarily affected this service.

	3Q19	3Q18	% Var	2Q19	% Var
<b>ARPU (1) (Ps.)</b>					
Unique subscribers of cable	<b>398.5</b>	377.8	5%	396.5	1%
Video	<b>232.3</b>	214.7	8%	232.6	0%
Internet	<b>181.9</b>	178.2	2%	182.7	0%
Telephony	<b>66.2</b>	84.7	-22%	67.6	-2%

Notes:

- (1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue per each segment for the period, divided by the average number of subscribers for the corresponding period.
- (2) Telephony ARPU declined due to changes in revenue distribution, which mainly affected this service; as such the Company seeks to more accurately reflect these operations going forward.

## Corporate Telecom Segment Revenues

Corporate Telecom segment revenues increased by 32.3% compared to 3Q18, representing 18.3% of Megacable's total revenues, versus 15.4% in 3Q18. During the quarter, ho1a experienced significant growth of 85% derived from additional contracts signed during the quarter, while Metrocarrier reached 29% revenue growth and MCM by 6% compared to 3Q18.

	3Q19	3Q18	%Var	9M19	9M18	%Var
Metrocarrier	465,083	361,607	29%	1,437,721	1,159,925	24%
HO1A	266,340	143,583	85%	627,851	436,210	44%
MCM	259,178	243,545	6%	785,622	709,829	11%
<b>Telecom Corporate</b>	<b>990,601</b>	<b>748,735</b>	<b>32%</b>	<b>2,851,194</b>	<b>2,305,964</b>	<b>24%</b>
PCTV	79,723	76,904	4%	237,133	215,384	10%
<b>Total</b>	<b>1,070,324</b>	<b>825,640</b>	<b>30%</b>	<b>3,088,327</b>	<b>2,521,348</b>	<b>22%</b>

## Costs & Expenses

During the quarter, service expenses increased by 14.2%, mainly derived from Ho1a in the Corporate segment, as result of a greater component of equipment sales, driven by revenue growth, while in the mass segment expenses remained in line with revenue growth.

Operating expenses rose by 16.7%, as a result of the initiatives implemented for the maintenance of the subscriber base in the mass segment, and a greater workforce required to support Corporate segment growth.

## EBITDA

Consolidated EBITDA reached Ps. 2,483 million in 3Q19, which represented a 7.1% increase compared to 3Q18; with a consolidated margin of 45.9%. Likewise, adjusted EBITDA for the cable operations for 3Q19 reached Ps. 2,288 million, or 4.5% growth, compared to 3Q18, with a margin of 47.7%.

	3Q19	3Q18	%Var	9M19	9M18	%Var
<b>CONSOLIDATED</b>						
Consolidated operating profit	1,426,346	1,517,437	-6%	4,739,076	4,794,784	-1%
Plus consolidated depreciation and amortization	1,056,305	800,302	32%	2,985,426	2,370,458	26%
<b>Consolidated EBITDA (1)</b>	<b>2,482,651</b>	<b>2,317,739</b>	<b>7%</b>	<b>7,724,502</b>	<b>7,165,242</b>	<b>8%</b>
<b>Consolidated EBITDA Margin</b>	<b>45.9%</b>	<b>47.8%</b>		<b>48.3%</b>	<b>49.5%</b>	
<b>CABLE OPERATIONS</b>						
Non Cable Operations	195,134	129,113	51%	538,053	384,269	40%
Cable Adjusted EBITDA (2)	<b>2,287,517</b>	<b>2,188,626</b>	<b>5%</b>	<b>7,186,449</b>	<b>6,780,972</b>	<b>6%</b>
<b>EBITDA Margin of Cable</b>	<b>47.7%</b>	<b>49.9%</b>		<b>50.2%</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 income, other net income, non-recurring expenses (income) total income tax, workers profit sharing, equity in income of associated companies and minority 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 reached Ps. 994 million, a decline compared to 3Q18. This result, was due to higher depreciation as a result of the investments made in previous years, a higher net comprehensive financial result and the effect of IFRS 16.

## Net Debt

At the close of 3Q19, Megacable's Net Debt was Ps. 4,153 million, a decrease compared to 2Q19. During the quarter, Megacable successfully concluded the refinancing of its debt for a total of Ps. 6,475 million at competitive interest rates.

	3Q19	3Q18	2Q19
<b>Short Term Debt</b>	<b>182,719</b>	<b>3,791,083</b>	<b>6,713,906</b>
One year maturity of long-term bank loans	86,228	3,791,083	6,654,391
Short-term leases	96,492	-	59,515
<b>Long-Term Debt</b>	<b>6,718,197</b>	<b>152,720</b>	<b>391,819</b>
Bank Loans	6,457,319	148,172	66,404
Accounts Payable	3,147	4,548	2,269
Long-term leases	257,732	-	323,146
<b>Total Debt</b>	<b>6,900,916</b>	<b>3,943,803</b>	<b>7,105,725</b>
Cash and Short-Term Investments	2,746,969	3,256,330	2,567,674
<b>Net Debt</b>	<b>4,153,947</b>	<b>687,473</b>	<b>4,538,050</b>

## Net Comprehensive Financing Result

The Company reported a net financing result of Ps. 156.2 million during 3Q19, comprised of Ps. 168.3 million in net interest paid and a net exchange gain of Ps. 12.1 million.

	3Q19	3Q18
Net Exchange (Profit) Loss	(12,064)	29,185
Interest Income	34,743	84,179
Interest Expense	203,006	101,516
<b>Net Comprehensive Financial Result</b>	<b>(156,199)</b>	<b>(46,522)</b>

## CAPEX

Megacable invested Ps. 1,540 million during 3Q19, CAPEX for 9M19 reached Ps. 4,538 million, which represented 28.4% of accumulated annual revenues. Investments during the quarter were mainly allocated towards the construction of new network kilometers, increasing network capacity, as well as the purchase of subscriber equipment and special projects.

## Stock Information

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Outstanding shares (thousands)	411,940	829,891
Shares in treasury (thousands)	1,099	2,198
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 68,398
Closing price (Ps) *		\$ 79.47
Free float		51%
As of September 30th, 2019		

\* Source: Infosel

## 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.

## Conference Call

Megacable will hold its 3Q19 Earnings Conference Call on Friday, October 25, 2019 at 10:00 am (Central Time) / 11:00pm (Eastern Time).

To access the call, please dial:

from within the U.S. 1-877-830-2576

from outside the U.S. 1-785-424-1726

Conference ID Number: MEGA

## Balance Sheet

	as of September 30	
	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and short-term investments	2,746,969	3,256,330
Accounts receivable from customers and other, net	2,241,343	1,750,577
Recoverable taxes	394,373	220,571
Inventories	554,372	348,789
<b>Total Current Assets</b>	<b>5,937,057</b>	<b>5,576,266</b>
<b>NON-CURRENT ASSETS</b>		
Investment in shares of associated companies	451,515	311,777
Accounts receivable from customers and other long-term, net	-	115,206
Property, systems and equipment, net	29,724,329	26,191,866
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	161,902	1,210
Intangible assets by right-of-use assets	332,446	-
Other assets	472,577	346,556
Affiliated and associated companies	1,161,962	1,055,873
<b>Total Assets</b>	<b>42,620,187</b>	<b>37,977,151</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
One year maturity of long-term liabilities	86,228	3,791,083
Suppliers	1,443,821	1,475,535
Short-term affiliated and associated companies	232,883	192,179
Accounts payable and accrued expenses payable	1,242,356	2,084,444
Short-term leases payable	96,492	-
<b>Total Current Liabilities</b>	<b>3,101,779</b>	<b>7,543,240</b>
<b>LONG TERM LIABILITIES</b>		
Bank loans	6,457,319	148,172
Labor obligations	249,879	217,647
Accounts payable	3,147	4,548
Deferred taxes	1,848,300	1,932,022
Affiliated and associated companies	661,561	661,561
Long-term leases payable	257,732	-
<b>Total Long-Term Liabilities</b>	<b>9,477,937</b>	<b>2,963,951</b>
<b>Total Liabilities</b>	<b>12,579,717</b>	<b>10,507,191</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	25,287,302	23,159,957
Minority Interest	1,236,533	793,367
Legal Reserve	488,832	488,832
<b>Total Stockholders' Equity</b>	<b>30,040,470</b>	<b>27,469,960</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>42,620,187</b>	<b>37,977,151</b>

## Income Statement

	3Q19	3Q18	% Var
<b>Income</b>	<b>\$ 5,405,385</b>	<b>\$ 4,850,966</b>	<b>11%</b>
Cost of Services	1,470,435	1,287,954	14%
<b>Gross Profit</b>	<b>\$ 3,934,950</b>	<b>\$ 3,563,012</b>	<b>10%</b>
Operating and General Expenses	1,452,299	1,245,274	17%
<b>EBITDA</b>	<b>\$ 2,482,651</b>	<b>\$ 2,317,739</b>	<b>7%</b>
Depreciation and amortization	1,056,305	800,302	32%
<b>Operating Profit</b>	<b>\$ 1,426,346</b>	<b>\$ 1,517,437</b>	<b>(6%)</b>
Other income (expenses), net	20,947	10,623	97%
Comprehensive Financing Income, Net	156,199	46,522	NA
<b>Income Before Income Tax and Minority Interest</b>	<b>\$ 1,291,094</b>	<b>\$ 1,481,538</b>	<b>(13%)</b>
Income Tax	284,238	331,650	(14%)
<b>Net Profit</b>	<b>\$ 1,006,856</b>	<b>\$ 1,149,887</b>	<b>(12%)</b>
<b>Net income attribute to:</b>			
Non-Controlling interest	12,927	39,601	(67%)
Controlling interest	993,929	1,110,286	(10%)
	<b>\$ 1,006,856</b>	<b>\$ 1,149,887</b>	<b>(12%)</b>

	9M19	9M18	% Var
<b>Income</b>	<b>\$ 15,979,728</b>	<b>\$ 14,477,904</b>	<b>10%</b>
Cost of Services	4,218,564	3,653,890	15%
<b>Gross Profit</b>	<b>\$ 11,761,164</b>	<b>\$ 10,824,014</b>	<b>9%</b>
Operating and General Expenses	4,036,662	3,658,772	10%
<b>EBITDA</b>	<b>\$ 7,724,502</b>	<b>\$ 7,165,242</b>	<b>8%</b>
Depreciation and amortization	2,985,426	2,370,458	26%
<b>Operating Profit</b>	<b>\$ 4,739,076</b>	<b>\$ 4,794,784</b>	<b>(1%)</b>
Other income (expenses), net	25,584	30,247	(15%)
Comprehensive Financing Income, Net	235,227	73,289	NA
<b>Income Before Income Tax and Minority Interest</b>	<b>\$ 4,529,433</b>	<b>\$ 4,751,743</b>	<b>(5%)</b>
Income Tax	996,672	1,045,383	(5%)
<b>Net Profit</b>	<b>\$ 3,532,760</b>	<b>\$ 3,706,360</b>	<b>(5%)</b>
<b>Net income attribute to:</b>			
Non-Controlling interest	83,373	122,245	(32%)
Controlling interest	3,449,387	3,584,115	(4%)
	<b>\$ 3,532,760</b>	<b>\$ 3,706,360</b>	<b>(5%)</b>



## Income Statement per Segment

	3Q19	3Q18	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 4,800,144	\$ 4,386,934	9%
Cost of Services	1,237,929	1,128,070	10%
<b>Gross Profit</b>	<b>3,562,215</b>	<b>3,258,864</b>	9%
Operating and General Expenses	1,274,698	1,070,238	19%
<b>EBITDA</b>	<b>\$ 2,287,517</b>	<b>\$ 2,188,626</b>	5%
	47.7%	49.9%	
<b>OTHER</b>			
<b>Income</b>	<b>605,241</b>	<b>464,033</b>	30%
MCM	259,178	243,545	6%
HO1A	266,340	143,583	85%
PCTV	79,723	76,904	4%
<b>Cost of Services</b>	<b>232,506</b>	<b>159,884</b>	45%
MCM	24,357	29,847	(18%)
HO1A	171,613	100,079	71%
PCTV	36,536	29,958	22%
<b>Gross Profit</b>	<b>372,735</b>	<b>304,148</b>	23%
<b>Operating and General Expenses</b>	<b>177,601</b>	<b>175,036</b>	1%
MCM	98,871	108,619	(9%)
HO1A	44,118	32,229	37%
PCTV	34,612	34,188	1%
<b>EBITDA</b>			
MCM	135,950	105,079	29%
HO1A	50,610	11,276	NA
PCTV	8,574	12,758	(33%)
<b>EBITDA</b>	<b>\$ 195,134</b>	<b>\$ 129,113</b>	51%
	32%	28%	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>5,405,385</b>	<b>4,850,966</b>	11%
Cost of Services	1,470,435	1,287,954	14%
<b>Gross Profit</b>	<b>3,934,950</b>	<b>3,563,012</b>	10%
Operating and General Expenses	1,452,299	1,245,274	17%
<b>EBITDA</b>	<b>\$ 2,482,651</b>	<b>\$ 2,317,739</b>	7%
	45.9%	47.8%	

	9M19	9M18	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 14,329,122	\$ 13,116,481	9%
Cost of Services	3,618,162	3,192,933	13%
<b>Gross Profit</b>	<b>10,710,960</b>	<b>9,923,548</b>	<b>8%</b>
Operating and General Expenses	3,524,511	3,142,576	12%
<b>EBITDA</b>	<b>\$ 7,186,449</b>	<b>\$ 6,780,972</b>	<b>6%</b>
	<b>50.2%</b>	<b>51.7%</b>	
<b>OTHER</b>			
<b>Income</b>	<b>1,650,606</b>	<b>1,361,423</b>	<b>21%</b>
MCM	785,622	709,829	11%
HO1A	627,851	436,210	44%
PCTV	237,133	215,384	10%
<b>Cost of Services</b>	<b>600,402</b>	<b>460,957</b>	<b>30%</b>
MCM	82,245	82,661	(1%)
HO1A	409,419	290,281	41%
PCTV	108,737	88,016	24%
<b>Gross Profit</b>	<b>1,050,204</b>	<b>900,465</b>	<b>17%</b>
<b>Operating and General Expenses</b>	<b>512,151</b>	<b>516,196</b>	<b>(1%)</b>
MCM	287,301	320,543	(10%)
HO1A	119,381	88,181	35%
PCTV	105,469	107,472	(2%)
<b>EBITDA</b>			
MCM	416,075	306,625	36%
HO1A	99,051	57,748	72%
PCTV	22,927	19,896	15%
<b>EBITDA</b>	<b>\$ 538,053</b>	<b>\$ 384,269</b>	<b>40%</b>
	<b>33%</b>	<b>28%</b>	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>15,979,728</b>	<b>14,477,904</b>	<b>10%</b>
Cost of Services	4,218,564	3,653,890	15%
<b>Gross Profit</b>	<b>11,761,164</b>	<b>10,824,014</b>	<b>9%</b>
Operating and General Expenses	4,036,662	3,658,772	10%
<b>EBITDA</b>	<b>\$ 7,724,502</b>	<b>\$ 7,165,242</b>	<b>8%</b>
	<b>48.3%</b>	<b>49.5%</b>	