

Highlights

- ⊗ Revenues for the quarter reached Ps. 6,145 million, a record figure for a single quarter and an increase of 9% compared to 3Q20, with a 10% growth in the mass segment for the same period.
- ⊗ Consolidated EBITDA for 3Q21 reached Ps. 3,016 million, up 8% compared to 3Q20 with a margin of 49.1%, while EBITDA from cable operations increased 9% to Ps. 2,848 million with a margin of 50.6%.
- ⊗ Unique subscribers reached 4.1 million, up 6% compared to 3Q20, while RGUs surpassed the 10 million mark for the first time, increasing 10% with 2.49 RGUs per unique subscriber at the end of the quarter.
- ⊗ The three mass segment services continued to grow, with Video recording 59 thousand net adds compared to the previous quarter, while Internet and Telephony recorded 105 thousand and 129 thousand, respectively. Compared to 3Q20, Video, Internet and Telephony subscribers grew 5%, 10% and 17%, respectively.
- ⊗ The corporate segment continues its upward trend and recorded revenue growth on both annual basis, with a 7% increase, and sequential basis, with Ho1a and MetroCarrier posting increases of 13% and 9%, respectively, compared to 3Q20.

Guadalajara, Jalisco, Mexico, October 26, 2021 - 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 2021 (3Q21). 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

	3Q21	3Q20	% Var
Income	6,144,926	5,621,437	9.3%
Mass Segment Income	5,101,372	4,636,197	10.0%
EBITDA	3,015,624	2,782,322	8.4%
EBITDA Margin	49.1%	49.5%	
Net Profit	927,431	1,070,756	(13.4%)
Cash and short-term investments	2,743,248	2,442,237	12.3%
Net Debt	4,282,955	4,908,854	(12.8%)
CAPEX	2,393,648	1,784,376	34.1%
Mkt. Cap (Ps. Millions)	54,309	54,765	(0.8%)
Subscribers			
Unique	4,100,768	3,855,637	6.4%
Internet	3,752,912	3,413,995	9.9%
Video	3,516,194	3,361,472	4.6%
Telephony	2,934,540	2,511,581	16.8%
Mobile services	345,750	108,472	NA
Total RGUs	10,203,646	9,287,047	9.9%
Other Data			
Home Passed	9,292,126	8,901,747	4.4%
Network Kilometers	65,198	62,969	3.5%
Employees	23,950	22,537	6.3%

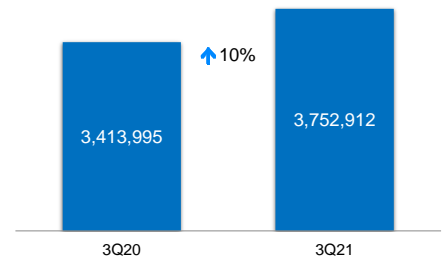
General Remarks

During the third quarter of the year, the Company stepped up the pace of growth in net additions of mass segment services, achieving figures above the last three periods, while the churn rate remains unchanged and below pre-pandemic levels, which is reflected in the growth of both revenues and EBITDA. In the Corporate Telecom segment, Ho1a and MetroCarrier continue to report revenue growth due to a more dynamic market, driven by the surge in private and government investments.

Internet Subscribers

At the end of 3Q21, the Internet segment reached 3'752,912 subscribers, an increase of 9.9%, or 339 thousand net adds, compared to 3Q20. In this quarter, the Company registered 105 thousand new subscribers, an increase of 2.9% compared to 2Q21.

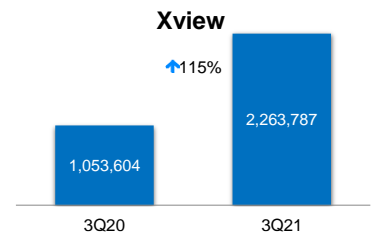
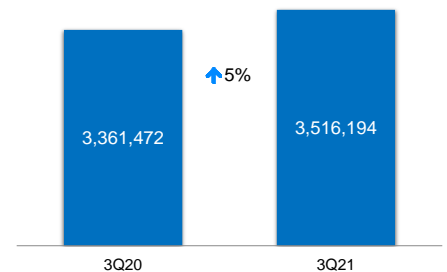
The Company continues with the migration process of part of its subscriber base to FTTH technology, and the increase of bandwidth capacity in HFC territories. Both processes are focused on improving the customer's internet experience and delivering the broadband that the market will demand in the coming years.



Video Subscribers

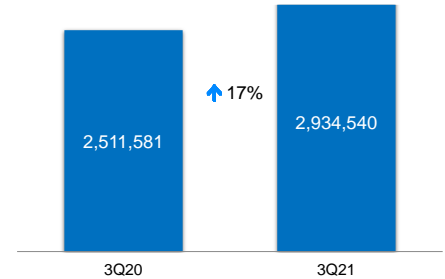
The Video segment continued its growth trend, reaching 3'516,194 subscribers at the end of 3Q21, an increase of 155 thousand net additions, or 4.6%, compared to 3Q20; 59 thousand new subscribers were added compared to 2Q21.

The Xview+ platform continues its upward trend and recorded a growth of 114.9%, or more than 1.2 million net adds, compared to 3Q20, to reach almost 2.3 million set top boxes (STBs), while 203 thousand net adds were recorded compared to last quarter. Digital subscribers account for 84% of the Company's subscriber base through 5 million STBs.



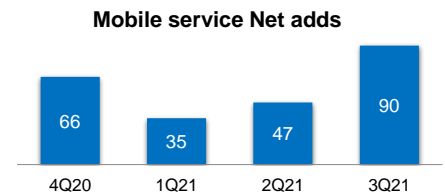
Telephony Subscribers

The Telephony segment ended with 2'934,540 subscribers, registering 423 thousand net adds compared to 3Q20, an increase of 16.8%. During the quarter, 129 thousand new subscribers were registered, an increase of 4.6% compared to 2Q21. The growth of this service is mainly driven by the Company's bundling strategy.



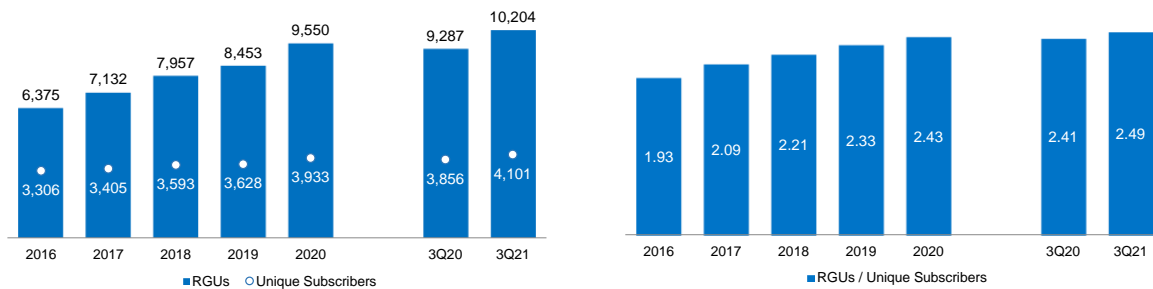
Mobile Services Subscribers

At the end of the quarter, the Company reached 346 thousand subscribers in its Mobile Services segment, representing 90 thousand net adds versus 2Q21.



Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, unique subscribers totaled 4'100,768, up 6.4% compared to 3Q20, equivalent to 245 thousand adds. On the other hand, RGUs surpassed 10.2 million, an increase of 9.9% compared to the same quarter last year, as subscriber additions continued in the three mass segment services. Revenue generating units per unique subscriber maintained an upward trend, to reach 2.49.



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

Churn Rate

The churn rate remained below pre-pandemic levels, supporting the Company's subscriber growth, while remaining practically unchanged on a sequential basis.

	3Q21	2Q21	3Q20	3Q19
Internet	2.0%	2.0%	1.5%	2.8%
Video	2.3%	2.2%	1.7%	2.9%
Telephony	2.5%	2.5%	2.1%	3.7%

Revenues

Total revenues for the third quarter reached Ps. 6,145 million, a record high figure for the Company in a single quarter and an increase of 9.3% compared to 3Q20. The mass segment grew 10.0%, driven by a higher number of unique subscribers and rate increases. In the same comparison, revenues from the Business segment grew 7.0%.

	3Q21	3Q20	%Var	9M21	9M20	%Var
Internet	2,068,421	1,816,823	14%	6,085,671	5,304,966	15%
Video	2,346,349	2,309,642	2%	7,034,516	6,922,785	2%
Telephony	592,197	467,290	27%	1,720,959	1,345,635	28%
Mobile Service	79,218	23,190	NA	206,762	38,133	NA
Others	15,187	19,252	-21%	47,296	63,671	-26%
Total Mass Market	5,101,372	4,636,197	10%	15,095,204	13,675,190	10%
Corporate	1,043,554	975,361	7%	3,065,502	2,916,931	5%
Total excluding non-recurrent	6,144,926	5,611,557	10%	18,160,706	16,592,121	9%
Non-recurrent	-	9,880		-	9,880	-100%
Total	6,144,926	5,621,437	9%	18,160,706	16,602,001	9%

ARPU

ARPU per unique subscriber reached Ps. 411.5, improving against 3Q20, due to a focused sale of triple play packages with a higher number of RGUs per subscriber; while remaining unchanged on a sequential basis. In the breakdown, Internet and Telephony ARPU grew year-over-year, while Video decreased due to a mix of packages with lower contribution, given additional discounts.

	3Q21	3Q20	% Var	2Q21	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	411.5	404.5	2%	412.8	0%
Internet	185.7	181.0	3%	187.0	-1%
Video	223.9	231.6	-3%	226.1	-1%
Telephony	68.4	64.3	6%	69.2	-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.
- (2) Mobile Services revenue is not included in the ARPU per unique subscriber calculation.

Corporate Telecom Segment Revenues

Corporate Telecom segment revenues increased 7.0% compared to 3Q20. This variation was driven by the performance of MetroCarrier, which recorded higher revenues from corporate connectivity services and a strong recovery in the hospitality segment; and by Ho1a, which benefited from the recovery in both the government and corporate segments. On the other hand, MCM continued to recover on a sequential basis. The participation of this segment in the Company's total revenues was 15.6%, compared to 16.1% in 3Q20.

	3Q21	3Q20	%Var	9M21	9M20	%Var
Metrocarrier	523,120	477,836	9%	1,532,480	1,402,319	9%
HO1A	166,933	147,299	13%	504,973	460,861	10%
MCM	269,585	278,243	-3%	784,233	831,622	-6%
Corporate Telecom	959,638	903,378	6%	2,821,685	2,694,802	5%
PCTV	83,916	71,983	17%	243,817	222,129	10%
Total	1,043,554	975,361	7%	3,065,502	2,916,931	5%

Cost & Expenses

During the quarter, service costs increased 10.4% compared to 3Q20, in the mass segment mainly due to the growth in the mobile services business, and in the corporate segment due to a larger operation in Ho1a. On the other hand, operating expenses increased 10.1%, mainly in the mass segment due to a higher subscriber growth.

EBITDA

3Q21 Consolidated EBITDA reached Ps. 3,016 million, 8.4% higher than the same period last year, with a consolidated margin of 49.1%. Likewise, adjusted EBITDA from cable operations reached Ps. 2,848 million, an increase of 8.8% compared to 3Q20 and a margin of 50.6%. Year-to-date, Consolidated EBITDA growth was 9.2%, with a margin of 49.7%, while EBITDA from cable operations increased 10.0% and reached a 51.3% margin.

	3Q21	3Q20	%Var	9M21	9M20	%Var
CONSOLIDATED						
Consolidated operating profit	1,591,048	1,589,391	0%	5,075,005	4,798,515	6%
Plus consolidated depreciation and amortization	1,424,576	1,192,930	19%	3,954,268	3,470,497	14%
Consolidated EBITDA (1)	3,015,624	2,782,322	8%	9,029,273	8,269,013	9%
Consolidated EBITDA Margin	49.1%	49.5%		49.7%	49.8%	
CABLE OPERATIONS						
MCM, Ho1a and PCTV EBITDA	167,804	164,459	2%	506,414	524,159	-3%
Cable Adjusted EBITDA (2)	2,847,819	2,617,863	9%	8,522,860	7,744,853	10%
EBITDA Margin of Cable	50.6%	51.1%		51.3%	51.3%	

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. 285.1 million, mainly comprised of Ps. 225.4 million in net interest expense, while the foreign exchange loss was Ps. 59.7 million.

	3Q21	3Q20
Net Exchange Loss	59,698	43,319
Interest Income	50,422	33,114
Interest Expense	275,775	145,585
Net Comprehensive Financial Result	(285,051)	(155,790)

Net Income

Net Income for the quarter closed at Ps. 927 million, which represents a decrease compared to 3Q20. This is mainly due to a higher depreciation charge related to recent investments and the recognition of an impairment loss on the Company's interest in Altán Redes, coupled with the less favorable comprehensive financing result, and a higher tax rate.

Net Debt

At the end of the quarter, Megacable's Net Debt totaled Ps. 4,283 million, which represents a lower leverage level versus the same period of 2020, derived from the Company's steady cash flow generation. On a sequential basis, leverage levels posted a slight increase due to a lower cash balance.

	3Q21	3Q20	2Q21
Short Term Debt	3,286,188	722,850	666,599
One year maturity of long-term bank loans	3,164,535	673,251	561,481
Short-term leases	121,652	49,600	105,118
Long-Term Debt	3,740,015	6,628,241	6,612,527
Bank Loans	3,455,442	6,371,678	6,359,954
Long-term leases	284,573	256,563	252,572
Total Debt	7,026,203	7,351,091	7,279,126
Cash and Short-Term Investments	2,743,248	2,442,237	3,265,079
Net Debt	4,282,955	4,908,854	4,014,046

CAPEX

Megacable invested Ps. 2,394 million during 3Q21, representing 39.0% of revenues for the period. Investments during the period were mainly focused on pushing forward the network evolution project, coupled with the organic expansion of the footprint and subscriber's equipment.

Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	3,279	6,558
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 54,309
Closing price (Ps) *		\$ 63.10
Free float		51%
As of September 30, 2021		
* Source: Infosel		

3Q21 Earnings Conference Call

Megacable will hold its 3Q21 Earnings Conference Call on Wednesday, October 27, 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: https://viaid.webcasts.com/starthere.jsp?ei=1505025&tp_key=f102e30b43

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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, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	2,743,248	2,442,237
Accounts receivable from customers and advances to suppliers, net	3,438,185	3,668,124
Recoverable taxes	1,162,423	671,839
Inventories	444,888	446,086
Total Current Assets	7,788,744	7,228,287
NON-CURRENT ASSETS		
Property, systems and equipment, net	36,304,934	32,288,680
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	269,337	280,264
Other assets	1,098,961	1,314,543
Affiliated and associated companies	943,835	1,069,003
Total Assets	50,784,208	46,559,174
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	3,164,535	673,251
Suppliers	3,989,322	1,675,282
Short-term affiliated and associated companies	99,578	145,146
Accounts payable and accrued expenses payable	2,078,528	1,359,261
Short-term leases payable	121,652	49,600
Total Current Liabilities	9,453,615	3,902,538
LONG TERM LIABILITIES		
Bank loans	3,455,442	6,371,678
Labor obligations	225,348	298,040
Deferred taxes	2,058,815	2,105,080
Affiliated and associated companies	612,514	735,400
Long-term leases payable	284,573	256,563
Total Long-Term Liabilities	6,636,692	9,766,761
Total Liabilities	16,090,307	13,669,299
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	28,462,515	27,283,923
Minority Interest	1,421,293	1,397,639
Legal Reserve	1,782,288	1,180,508
Total Stockholders' Equity	34,693,901	32,889,875
Total Liabilities & Stockholders' Equity	50,784,208	46,559,174

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

Income Statement

Third Quarter 2021 and 2020

	3Q21	3Q20	% Var
Income	\$ 6,144,926	\$ 5,621,437	9%
Cost of Services	1,597,367	1,447,349	10%
Gross Profit	\$ 4,547,559	\$ 4,174,088	9%
Operating and General Expenses	1,531,935	1,391,766	10%
EBITDA	\$ 3,015,624	\$ 2,782,322	8%
Depreciation and amortization	1,424,576	1,192,930	19%
Operating Profit	\$ 1,591,048	\$ 1,589,391	0%
Other income (expenses), net	11,618	19,611	(41%)
Comprehensive Financing Income, Net	285,051	155,790	83%
Income Before Income Tax and Minority Interest	\$ 1,317,615	\$ 1,453,212	(9%)
Income Tax	353,564	348,932	1%
Net Profit	\$ 964,052	\$ 1,104,280	(13%)
Net income attribute to:			
Non-Controlling interest	36,621	33,523	9%
Controlling interest	927,431	1,070,756	(13%)
	\$ 964,052	\$ 1,104,280	(13%)

	9M21	9M20	% Var
Income	\$ 18,160,706	\$ 16,602,001	9%
Cost of Services	4,705,326	4,283,260	10%
Gross Profit	\$ 13,455,380	\$ 12,318,741	9%
Operating and General Expenses	4,426,107	4,049,729	9%
EBITDA	\$ 9,029,273	\$ 8,269,013	9%
Depreciation and amortization	3,954,268	3,470,497	14%
Operating Profit	\$ 5,075,005	\$ 4,798,515	6%
Other income (expenses), net	39,737	60,084	(34%)
Comprehensive Financing Income, Net	611,165	192,308	NA
Income Before Income Tax and Minority Interest	\$ 4,503,577	\$ 4,666,291	(3%)
Income Tax	1,212,774	1,119,910	8%
Net Profit	\$ 3,290,803	\$ 3,546,382	(7%)
Net income attribute to:			
Non-Controlling interest	121,481	106,406	14%
Controlling interest	3,169,322	3,439,975	(8%)
	\$ 3,290,803	\$ 3,546,382	(7%)

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

Income Statement by Segment

Third Quarter 2021 and 2020

	3Q21	3Q20	% Var
CABLE OPERATIONS			
Income	\$ 5,624,492	\$ 5,123,913	10%
Cost of Services	1,410,523	1,279,376	10%
Gross Profit	4,213,968	3,844,537	10%
Operating and General Expenses	1,366,149	1,226,674	11%
EBITDA	\$ 2,847,819	\$ 2,617,863	9%
	50.6%	51.1%	
OTHER			
Income	520,434	497,525	5%
MCM	269,585	278,243	(3%)
HO1A	166,933	147,299	13%
PCTV	83,916	71,983	17%
Cost of Services	186,844	167,973	11%
MCM	26,174	27,584	(5%)
HO1A	122,648	93,616	31%
PCTV	38,022	46,774	(19%)
Gross Profit	333,590	329,551	1%
Operating and General Expenses	165,786	165,092	0%
MCM	107,583	97,750	10%
HO1A	22,611	33,207	(32%)
PCTV	35,592	34,135	4%
EBITDA			
MCM	135,828	152,909	(11%)
HO1A	21,674	20,477	6%
PCTV	10,303	8,926	NA
EBITDA	\$ 167,804	\$ 164,459	2%
	32.2%	33.1%	
TOTAL OPERATION			
Income	6,144,926	5,621,437	9%
Cost of Services	1,597,367	1,447,349	10%
Gross Profit	4,547,559	4,174,088	9%
Operating and General Expenses	1,531,935	1,391,766	10%
EBITDA	\$ 3,015,624	\$ 2,782,322	8%
	49.1%	49.5%	

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

Income Statement by Segment

Accrued as of Third Quarter 2021 and 2020

	9M21	9M20	% Var
CABLE OPERATIONS			
Income	\$ 16,627,684	\$ 15,087,389	10%
Cost of Services	4,167,631	3,796,739	10%
Gross Profit	12,460,053	11,290,650	10%
Operating and General Expenses	3,937,193	3,545,796	11%
EBITDA	\$ 8,522,860	\$ 7,744,853	10%
	51.3%	51.3%	
OTHER			
Income	1,533,023	1,514,612	1%
MCM	784,233	831,622	(6%)
HO1A	504,973	460,861	10%
PCTV	243,817	222,129	10%
Cost of Services	537,695	486,521	11%
MCM	74,316	86,764	(14%)
HO1A	346,260	265,301	31%
PCTV	117,120	134,456	(13%)
Gross Profit	995,327	1,028,092	(3%)
Operating and General Expenses	488,914	503,932	(3%)
MCM	307,969	303,107	2%
HO1A	81,145	100,219	(19%)
PCTV	99,799	100,606	(1%)
EBITDA			
MCM	401,947	441,751	(9%)
HO1A	77,568	95,341	(19%)
PCTV	26,898	12,933	NA
EBITDA	\$ 506,414	\$ 524,159	(3%)
	33.0%	34.6%	
TOTAL OPERATION			
Income	18,160,706	16,602,001	9%
Cost of Services	4,705,326	4,283,260	10%
Gross Profit	13,455,380	12,318,741	9%
Operating and General Expenses	4,426,107	4,049,729	9%
EBITDA	\$ 9,029,273	\$ 8,269,013	9%
	49.7%	49.8%	