

Highlights

- ⊙ In 3Q24, the Company registered 180 thousand new unique subscribers, marking the highest figure for a quarter in the last eight years. This represents an increase of 11.7% or 561 thousand net additions compared to 3Q23
- ⊙ The Internet and Telephony Segments added during this quarter 182 thousand and 227 thousand new subscribers, respectively, while the Video Segment recorded a slight decrease. Year-to-date, the Internet and Telephony Segments added 581 thousand and 686 thousand subscribers, respectively.
- ⊙ During this period, Mass Segment revenues reached Ps. 6,827 million, representing an annual growth of 10.4%. In the same period, total revenues for the quarter reached Ps. 8,216 million, a record figure for a quarter, growing 9.7% compared to 3Q23.
- ⊙ Consolidated EBITDA for 3Q24 grew by 8.2% year-over-year, reaching Ps. 3,579 million with a margin of 43.6%. Likewise, EBITDA from Cable Operations increased by 9.2%, amounting to Ps. 3,429 million. EBITDA margin for organic territories reached 47.9% for the first nine months of 2024.
- ⊙ CAPEX during this period saw a significant reduction compared to 3Q23, registering Ps. 2,755 million, which represents 33.5% of revenues for the quarter.
- ⊙ This quarter, the Company surpassed 100 thousand kilometers of network and recorded 17 million homes passed, in line with the objectives of the Expansion Project initiated in 2022.
- ⊙ The leverage ratio for the quarter showed a sequential decrease to 1.54 times, remaining one of the lowest in the market and in line with the Company's slower investment pace.

Guadalajara, Jalisco, Mexico, October 24, 2024 - 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 2024 (3Q24). 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

	3Q24	3Q23	% Var
Income	8,215,877	7,490,731	9.7%
Mass Segment Income	6,827,026	6,183,126	10.4%
EBITDA	3,578,777	3,306,249	8.2%
EBITDA Margin	43.6%	44.1%	
Net Profit	500,256	531,323	(5.8%)
Cash and short-term investments	4,243,421	1,755,839	141.7%
Net Debt	21,950,694	18,911,532	16.1%
CAPEX	2,754,819	3,793,646	(27.4%)
Market Cap (Ps. Millions)	35,133	33,016	6.4%
Subscribers			
Unique	5,357,954	4,797,399	11.7%
Internet	5,145,447	4,564,604	12.7%
Video	3,856,636	3,888,886	(0.8%)
Telephony	4,591,968	3,906,433	17.5%
Mobile services	512,563	414,238	23.7%
Total RGUs	13,594,051	12,359,923	10.0%
Other Data			
Home Passed	16,998,135	14,552,598	16.8%
Network Kilometers	100,166	90,503	10.7%
Employees	34,335	31,445	9.2%

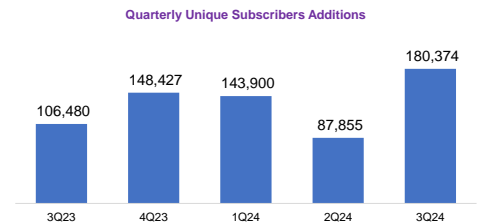


General Remarks

During this quarter, the Company reaffirmed the success of its Network Evolution and Expansion projects, reaching a coverage of nearly 17 million homes passed. Also, the subscribers figure continues to increase, driving both revenues and profits growth, resulting in higher profitability and cash generation, therefore, creating value for the Company. Additionally, the reduced pace of investments, has contributed to a lower leverage ratio for this period, which remains one of the lowest in the industry.

Unique Subscribers and Revenue Generating Units (RGUs)

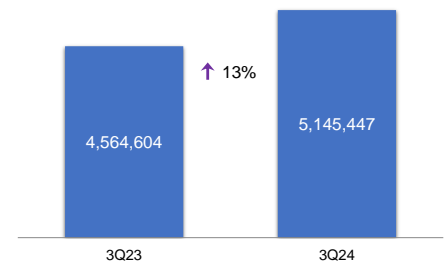
By the end of the third quarter, the Company recorded 5'357,954 unique subscribers, an 11.7% increase compared to 3Q23, representing 561 thousand net additions. Sequentially, 180 thousand new unique subscribers were added this quarter, the highest figure in eight years, sustaining growth in both expansion territories and organic areas. Meanwhile, RGUs reached 13.6 million, reflecting a 10.0% year-over-year increase, driven by continued growth in the Mass Segment. The RGU per unique subscriber stood at 2.54.



Internet Subscribers

At the close of the quarter, the Internet Segment surpassed five million subscribers, reaching 5'145,447, a 12.7% increase or 581 thousand net additions compared to 3Q23. During this period, 182 thousand new subscribers were added, marking a quarterly record since the announcement of the Expansion Project.

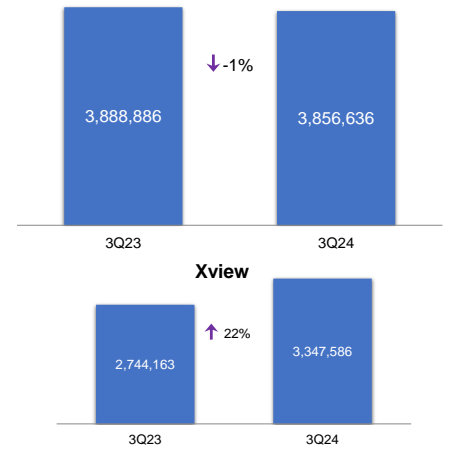
By the end of the period, 73% of subscribers were receiving their service through fiber technology, up from 59% in 3Q23, as part of the Company's strategy to offer high-quality service with higher bandwidths through state of the art technology.



Video Subscribers

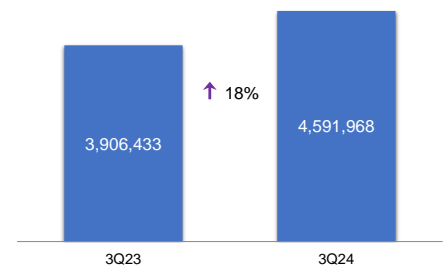
The Video Segment reached 3'856,636 subscribers at the close of 3Q24, with 3'347,586 of these subscribers having access to Xview. This represents a 22.0% growth and an addition of over 603 thousand net users to the platform compared to 3Q23.

Additionally, by the end of the quarter, 887 thousand subscriptions to digital apps were recorded, reflecting a 25.6% growth compared to the same period in the previous year.



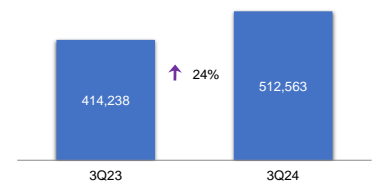
Telephony Subscribers

The Telephony Segment closed 3Q24 with 4'591,968 subscribers, registering 686 thousand net additions compared to 3Q23, a 17.5% increase. During this quarter, 227 thousand new subscribers were added, marking a 5.2% increase. The growth in this segment is attributed to the Company's service bundling strategy.



Mobile Services Subscribers

At the end of the quarter, the Mobile Service Segment reached 512,563 lines, with 98 thousand new users added year-over-year and 44 thousand added during this period. This marks the highest quarterly growth in the last two years, maintaining a focus on postpaid services.



Churn Rate

The churn rates for the Mass Segment Services decreased compared to 2Q24. On an annual basis, the Internet Segment's churn rate remained below the previous period, while the Video and Telephony Segments saw slight increases, attributed to the normalization of disconnections observed early in 2Q24 following upward price adjustments.

	3Q24	2Q24	3Q23
Internet	2.0%	2.1%	2.1%
Video	2.4%	2.6%	2.3%
Telephony	2.3%	2.3%	2.2%



Revenue

Total revenues for the third quarter continued their positive trend, reaching a record Ps. 8,216 million, a 9.7% increase compared to 3Q23. This solid growth was primarily driven by a 10.4% increase in the Mass Segment, supported by a higher number of subscribers and greater contributions from new territories. During the same period, revenues from the Corporate Segment increased by 6.8%.

	3Q24	3Q23	%Var	9M24	9M23	%Var
Total Mass Market	6,827,026	6,190,495	10%	20,093,838	18,030,082	11%
Corporate	1,388,851	1,300,237	7%	4,242,354	3,986,530	6%
Total	8,215,877	7,490,731	10%	24,336,192	22,016,612	11%

ARPU

The ARPU per unique subscriber stood at Ps. 418.9, remaining nearly unchanged compared to 3Q23, with a slight sequential decrease. This was due to the significant increase in subscribers, offset by entry-level promotional rates and a higher share of two-service bundles.

	3Q24	3Q23	% Var	2Q24	% Var
ARPU (1) (Ps.)					
Unique subscriber (2)	418.9	418.7	0%	421.9	-1%

Notes:

- (1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue for the corresponding service during the period, divided by the average number of subscribers for the same period.
- (2) Mobile Services revenues are not included in the ARPU per unique subscriber calculation.

Corporate Telecom Segment Revenues

Corporate Telecom Segment revenues grew by 7.3% compared to 3Q23, mainly driven by the performance of ho1a and solid growth from MetroCarrier. The segment accounted for 15.8% of the Company's total revenues, compared to 16.1% in 3Q23.

	3Q24	3Q23	%Var	9M24	9M23	%Var
MetroCarrier	763,400	717,052	6%	2,276,888	2,111,435	8%
ho1a	219,896	161,053	37%	805,113	628,383	28%
MCM	311,092	327,976	-5%	884,185	967,382	-9%
Corporate Telecom	1,294,389	1,206,081	7%	3,966,186	3,707,200	7%
PCTV	94,462	94,156	0%	276,168	279,331	-1%
Total	1,388,851	1,300,237	7%	4,242,354	3,986,530	6%

Costs & Expenses

During this quarter, the costs of services increased by 6.6%, which was below revenues growth, while operating expenses rose by 15.3% compared to 3Q23. This increase was mainly due to higher labor costs resulting from wage adjustments and workforce tied to Network Evolution and Expansion Projects. Sequentially, costs decreased by 0.7%, while expenses increased by 5.6%. Operating Income declined in both year-over-year and sequential comparisons, primarily due to higher depreciation expenses, which stemmed from investments made in previous periods.

EBITDA

Compared to the same quarter in the previous year, consolidated EBITDA and EBITDA from Cable Operations increased by 8.2% and 9.2%, respectively, reaching Ps. 3,579 million and Ps. 3,429 million. This growth was driven by the Company's expansion into new territories, achieving margins of 43.6% and 45.2%, respectively. On a sequential basis, both indicators remained practically unchanged.

	3Q24	3Q23	%Var	9M24	9M23	%Var
Consolidated operating profit	1,429,302	1,462,742	-2%	4,685,129	4,572,608	2%
Consolidated depreciation and amortization	2,149,475	1,843,506	17%	6,179,783	5,289,709	17%
Consolidated EBITDA (1)	3,578,777	3,306,249	8%	10,864,912	9,862,317	10%
Consolidated EBITDA Margin	43.6%	44.1%		44.6%	44.8%	
MCM, Ho1a and PCTV EBITDA	149,775	166,573	-10%	515,261	544,429	-5%
Cable Adjusted EBITDA (2)	3,429,002	3,139,676	9%	10,349,651	9,317,888	11%
EBITDA Margin of Cable	45.2%	45.5%		46.3%	46.3%	

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. 693 million, primarily due to net interest expenses resulting from increased debt compared to 3Q23, as well as foreign exchange loss driven by currency fluctuations during the quarter.

	3Q24	3Q23
Net Exchange Loss	71,458	133,471
Interest Income	119,320	78,293
Interest Expense	741,244	598,764
Net Comprehensive Financial Cost	693,382	653,941

Net Income

Net income for the quarter totaled Ps. 500 million, a decrease compared to both 3Q24 and 2Q24. This decline was primarily driven by higher depreciation charges related to investments in Expansion and Network Evolution Projects, as well as increased financial expenses due to higher debt levels compared to 3Q23.

Net Debt

Net debt for the quarter stood at Ps. 21,951 million, an increase compared to 3Q23, but a decrease from 2Q24. The year-over-year increase was due to the issuance of sustainability-labeled local notes in March. The leverage ratio decreased compared to 2Q24, standing at 1.54 times, aligning with the Company's projections.

	3Q24	3Q23	2Q24
Short Term Debt	1,687,715	4,722,979	6,709,919
One year maturity of long-term bank loans	1,462,330	4,647,560	6,473,285
Short-term leases	225,386	75,419	236,634
Long-Term Debt	24,506,400	15,944,392	19,902,617
Bank Loans	12,828,788	8,276,859	8,326,859
Accounts Payable	10,944,861	7,000,000	10,944,861
Long-term leases	732,751	667,533	630,897
Total Debt	26,194,115	20,667,371	26,612,536
Cash and Short-Term Investments	4,243,421	1,755,839	4,600,065
Net Debt	21,950,694	18,911,532	22,012,471

CAPEX

The Company invested Ps. 2,755 million during 3Q24, representing 33.5% of revenues for the period. This is consistent with the expected slowdown in the investment cycle for the year. The additional kilometers and homes passed during the quarter reflect the deceleration in the execution of the Expansion Project.

Stock Information

Ticker MEGACPO	CPOs	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	2,178	4,355
<i>2 "A" Series Shares = 1 CPO</i>		
Mkt. Cap (In Ps. millions)		\$ 35,133
Closing price (Ps.) *		\$ 40.82
Free float		54%
As of September 30, 2024		

* Source: Refinitiv

3Q24 Earnings Conference Call

Megacable will hold its 3Q24 Earnings Conference Call on Friday, October 25, 2024, at 10:00 am (Mexico City Time) / 12:00 pm (New York Time).

To access the call, please register using the following link:

https://us02web.zoom.us/webinar/register/WN_qsWpPbTaRYy0yMP2gQluqQ

The audio recording of the 3Q24 conference call and prior periods is available at:

<https://inversionistas.megacable.com.mx/en/home>

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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: <https://inversionistas.megacable.com.mx/en/home>

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

Statement of Financial Position

As of September 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	4,243,421	1,755,839
Accounts receivable from customers and advances to suppliers, net	3,348,439	3,797,616
Recoverable taxes	1,514,266	1,429,270
Inventories	596,757	831,228
Total Current Assets	9,702,884	7,813,954
NON-CURRENT ASSETS		
Accounts receivable from customers and other long-term, net	509,327	303,645
Property, systems and equipment, net	55,083,059	51,688,034
Goodwill, net	4,366,058	4,366,058
Intangible assets by right-of-use assets	904,386	693,009
Other assets	1,346,026	869,797
Affiliated and associated companies	1,254,249	1,158,353
Total Assets	73,165,988	66,892,850
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	1,462,330	4,647,560
Suppliers	4,202,668	4,542,725
Short-term affiliated and associated companies	84,931	213,731
Accounts payable and accrued expenses payable	1,952,686	1,755,768
Short-term leases payable	225,386	75,419
Total Current Liabilities	7,928,000	11,235,203
LONG TERM LIABILITIES		
Bank loans	12,828,788	8,276,859
Labor obligations	424,251	325,492
Accounts payable	10,944,861	7,000,000
Deferred taxes	3,957,342	2,988,768
Affiliated and associated companies	559,124	592,458
Accrued Income	586,550	619,739
Long-term leases payable	732,751	667,533
Total Long-Term Liabilities	30,033,667	20,470,849
Total Liabilities	37,961,667	31,706,051
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	30,886,864	30,825,397
Minority Interest	976,526	835,458
Legal Reserve	313,127	498,139
Total Stockholders' Equity	35,204,322	35,186,799
Total Liabilities & Stockholders' Equity	73,165,988	66,892,850



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

Income Statement

Third Quarter 2024 and 2023

	3Q24	3Q23	% Var
Income	\$ 8,215,877	\$ 7,490,731	10%
Cost of Services	2,314,495	2,170,628	7%
Gross Profit	\$ 5,901,382	\$ 5,320,103	11%
Operating and General Expenses	2,322,605	2,013,854	15%
EBITDA	\$ 3,578,777	\$ 3,306,249	8%
Depreciation and amortization	2,149,475	1,843,506	17%
Operating Profit	\$ 1,429,302	\$ 1,462,742	(2%)
Other income (expenses), net	50,102	19,397	158%
Comprehensive Financing Income, Net	693,382	653,941	6%
Income Before Income Tax and Minority Interest	\$ 786,022	\$ 828,198	(5%)
Income Tax	227,578	248,460	(8%)
Net Profit	\$ 558,444	\$ 579,739	(4%)
Net income attribute to:			
Non-Controlling interest	58,188	48,416	20%
Controlling interest	500,256	531,323	(6%)
	\$ 558,444	\$ 579,739	(4%)

	9M24	9M23	% Var
Income	\$ 24,336,192	\$ 22,016,612	11%
Cost of Services	6,816,115	6,370,001	7%
Gross Profit	\$ 17,520,077	\$ 15,646,612	12%
Operating and General Expenses	6,655,165	5,784,295	15%
EBITDA	\$ 10,864,912	\$ 9,862,317	10%
Depreciation and amortization	6,179,783	5,289,709	17%
Operating Profit	\$ 4,685,129	\$ 4,572,608	2%
Other income (expenses), net	80,076	126,843	(37%)
Comprehensive Financing Income, Net	1,900,912	1,345,861	41%
Income Before Income Tax and Minority Interest	\$ 2,864,293	\$ 3,353,590	(15%)
Income Tax	851,058	1,006,077	(15%)
Net Profit	\$ 2,013,235	\$ 2,347,513	(14%)
Net income attribute to:			
Non-Controlling interest	140,370	151,772	(8%)
Controlling interest	1,872,865	2,195,741	(15%)
	\$ 2,013,235	\$ 2,347,513	(14%)

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

Income Statement by Segment

Third Quarter 2024 and 2023

	3Q24	3Q23	% Var
CABLE OPERATIONS			
Income	\$ 7,590,426	\$ 6,907,546	10%
Cost of Services	2,082,972	1,971,401	6%
Gross Profit	5,507,454	4,936,145	12%
Operating and General Expenses	2,078,452	1,796,469	16%
EBITDA	\$ 3,429,002	\$ 3,139,676	9%
	45.2%	45.5%	
OTHER			
Income	625,451	583,185	7%
MCM	311,092	327,976	(5%)
HO1A	219,896	161,053	37%
PCTV	94,462	94,156	0%
Cost of Services	231,522	199,227	16%
MCM	54,301	66,529	(18%)
HO1A	119,041	77,131	54%
PCTV	58,181	55,566	5%
Gross Profit	393,928	383,958	3%
Operating and General Expenses	244,153	217,386	12%
MCM	115,966	136,965	(15%)
HO1A	83,769	48,037	74%
PCTV	44,418	32,383	37%
EBITDA			
MCM	140,825	124,482	13%
HO1A	17,086	35,884	(52%)
PCTV	- 8,137	6,206	NA
EBITDA	\$ 149,775	\$ 166,573	(10%)
	23.9%	28.6%	
TOTAL OPERATION			
Income	8,215,877	7,490,731	10%
Cost of Services	2,314,495	2,170,628	7%
Gross Profit	5,901,382	5,320,103	11%
Operating and General Expenses	2,322,605	2,013,854	15%
EBITDA	\$ 3,578,777	\$ 3,306,249	8%
	43.6%	44.1%	

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

Income Statement by Segment

Accrued as of Third Quarter 2024 and 2023

	9M24	9M23	% Var
CABLE OPERATIONS			
Income	\$ 22,370,726	\$ 20,141,517	11%
Cost of Services	6,054,417	5,693,439	6%
Gross Profit	16,316,309	14,448,078	13%
Operating and General Expenses	5,966,658	5,130,190	16%
EBITDA	\$ 10,349,651	\$ 9,317,888	11%
	46.3%	46.3%	
OTHER			
Income	1,965,466	1,875,096	5%
MCM	884,185	967,382	(9%)
HO1A	805,113	628,383	28%
PCTV	276,168	279,331	(1%)
Cost of Services	761,698	676,562	13%
MCM	142,720	158,268	(10%)
HO1A	444,098	353,936	25%
PCTV	174,880	164,357	6%
Gross Profit	1,203,768	1,198,534	0%
Operating and General Expenses	688,507	654,105	5%
MCM	340,848	408,343	(17%)
HO1A	226,821	144,449	57%
PCTV	120,837	101,313	19%
EBITDA			
MCM	400,616	400,771	(0%)
HO1A	134,194	129,998	3%
PCTV	- 19,550	13,660	NA
EBITDA	\$ 515,261	\$ 544,429	(5%)
	26.2%	29.0%	
TOTAL OPERATION			
Income	24,336,192	22,016,612	11%
Cost of Services	6,816,115	6,370,001	7%
Gross Profit	17,520,077	15,646,612	12%
Operating and General Expenses	6,655,165	5,784,295	15%
EBITDA	\$ 10,864,912	\$ 9,862,317	10%
	44.6%	44.8%	