

Highlights

- ⊙ 2Q21 Consolidated Revenues reached Ps. 6,064 million, a record high for a single quarter and representing an 11% increase over 2Q20, underscoring the 12% growth in the mass segment for the same period.
- ⊙ 2Q21 Consolidated EBITDA totaled Ps. 3,011 million, up 11% compared to 2Q20 with a margin of 49.6%, while EBITDA from cable operations increased 12% to Ps. 2,838 million with a margin of 51.2%.
- ⊙ Unique subscribers surpassed the 4 million mark, growing 8% versus 2Q20, while RGUs increased 13% to 9.9 million, reaching 2.46 RGUs per unique subscriber at the end of the quarter.
- ⊙ During the quarter, the Video segment continued to grow and recorded 21 thousand net adds when compared to 1Q21, while Internet and Telephony reached 58 thousand and 78 thousand, respectively. Compared to 2Q20, Video, Internet and Telephony subscribers rose 6%, 13% and 24%, respectively.
- ⊙ Revenues in the corporate segment increased 6% year-over-year, exceeding Ps. 1 billion, with Ho1a and MetroCarrier posting increases of 22% and 10%, respectively.

Guadalajara, Jalisco, Mexico, July 22, 2021 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the second quarter of 2021 (2Q21). 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

	2Q21	2Q20	% Var
Income	6,063,802	5,460,475	11.0%
Mass Segment Income	5,033,219	4,487,784	12.2%
EBITDA	3,010,671	2,720,054	10.7%
EBITDA Margin	49.6%	49.8%	
Net Profit	1,139,340	1,048,816	8.6%
Cash and short-term investments	3,265,079	2,566,421	27.2%
Net Debt	4,014,046	5,396,902	(25.6%)
CAPEX	2,032,895	1,337,038	52.0%
Mkt. Cap (Ps. Millions)	60,712	57,898	4.9%
Subscribers			
Unique	4,021,418	3,707,167	8.5%
Internet	3,647,990	3,229,368	13.0%
Video	3,457,531	3,261,357	6.0%
Telephony	2,805,865	2,268,140	23.7%
Mobile services	256,145	43,995	NA
Total RGUs	9,911,385	8,758,864	13.2%
Other Data			
Home Passed	9,097,131	8,876,321	2.5%
Network Kilometers	64,264	62,927	2.1%
Employees	23,186	21,102	9.9%

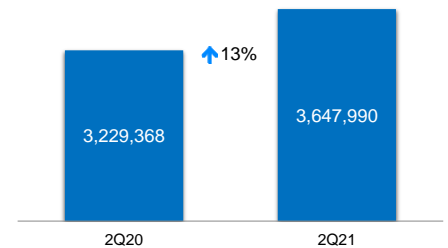
General Remarks

During the second quarter of the year, once again, all three services in the mass segment delivered growth, highlighting the positive evolution in video subscribers and the growing usage of our Xview+ platform. This was driven by aggressive marketing campaigns and a churn rate that remained below pre-pandemic levels. In the Corporate Telecom segment, MetroCarrier and Ho1a posted growth in a sequential and annual basis, due to higher sales in the business market.

Internet Subscribers

At the end of 2Q21, the Internet segment reached 3'647,990 subscribers, an increase of 13.0%, or 419 thousand net adds, over 2Q20. In this quarter, the Company registered 58 thousand new subscribers, up 1.6% compared to 1Q21.

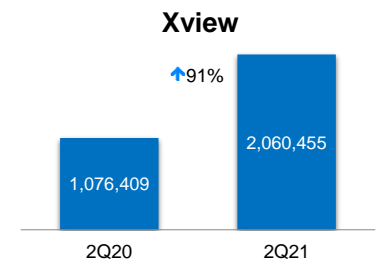
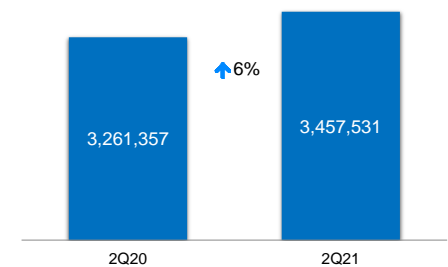
The Company continues to invest in infrastructure to meet higher bandwidth demand, in line with new consumption trends. At the end of the quarter approximately 60% of the subscribers are receiving speeds of 30 megabytes or higher, or service through fiber, compared to 35% at the end of the same period last year.



Video Subscribers

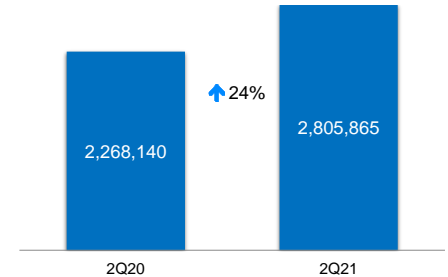
The Video segment maintained its growth trend, reaching 3'457,531 subscribers at the end of 2Q21, an increase of 196 thousand net additions, or 6.0%, compared to 2Q20. On a sequential basis, 21 thousand new subscribers were added.

Xview+ subscribers recorded its strongest quarter since its launch, achieving a growth of 91.4% in net adds year-over-year (equal to 984 thousand subscribers), to reach more than 2 million subscribers, while 656 thousand net adds were recorded versus last quarter. At quarter end, 84% of our subscriber base has been digitalized by means of 5 million set top boxes (STB).



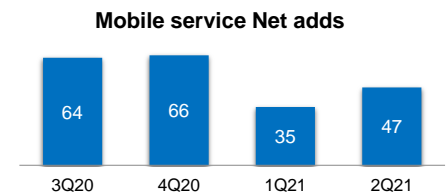
Telephony Subscribers

The Telephony segment ended the quarter with 2'805,865 subscribers, registering 538 thousand net additions compared to 2Q20, up 23.7%. During the period, the Company recorded 78 thousand new subscribers, an increase of 2.9% against the first quarter of 2021. The growth in this segment is mainly driven by the Company's bundling strategy.



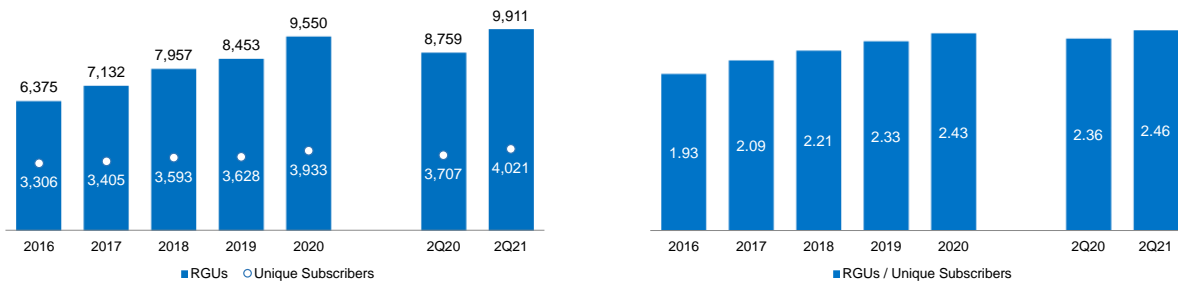
Mobile Services Subscribers

At the end of the quarter, the Company reached 256 thousand subscribers in its Mobile Services segment, representing 47 thousand net adds compared to the previous quarter.



Unique Subscribers and Revenue Generating Units (RGUs)

At the end of the quarter, unique subscribers totaled 4'021,418, a year-over-year growth of 8.5%. On the other hand, RGUs increased 13.2% compared to 2Q20, as subscriber additions remained strong in all three services of the mass segment, reaching 9'911,385. Revenue generating units per unique subscriber maintained an upward trend, to reach 2.46.



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

Churn Rate

The churn rate remained below pre-pandemic levels, reflecting the Company's growth in subscribers, despite the slight increase over the previous quarter.

	2Q21	1Q21	2Q20	2Q19
Internet	2.0%	1.7%	1.6%	2.6%
Video	2.2%	1.9%	1.8%	2.7%
Telephony	2.5%	2.2%	2.4%	3.9%

Revenues

2Q21 total revenues reached Ps. 6,064 million, a record high for the Company, 11.0% higher versus 2Q20. The mass segment grew 12.2% following a higher number of unique subscribers and rate increases. During the same period, revenues from the Business segment rose 6.0%, as shown below.

	2Q21	2Q20	%Var	6M21	6M20	%Var
Internet	2,034,055	1,745,870	17%	4,017,251	3,488,143	15%
Video	2,338,674	2,276,712	3%	4,688,167	4,613,143	2%
Telephony	576,527	436,908	32%	1,128,762	878,344	29%
Mobile Service	67,486	8,371	NA	127,544	14,943	NA
Others	16,476	19,923	-17%	32,109	44,419	-28%
Total Mass Market	5,033,219	4,487,784	12%	9,993,832	9,038,993	11%
Corporate	1,030,583	972,691	6%	2,021,948	1,941,571	4%
Total	6,063,802	5,460,475	11%	12,015,780	10,980,564	9%

ARPU

ARPU per unique subscriber reached Ps. 412.8, improving when compared to the 1Q21, thanks to a focused marketing of triple play packages with a higher number of RGUs per subscriber. In the breakdown, Internet and Telephony ARPU improved against the 1Q21 and 2Q20, while Video decreased as a result of the sales strategy centered on triple play packages with higher discounts.

	2Q21	2Q20	% Var	1Q21	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable (2)	412.8	404.9	2%	411.4	0%
Internet	187.0	181.9	3%	185.5	1%
Video	226.1	233.6	-3%	228.5	-1%
Telephony	69.2	65.0	6%	68.3	1%

Nota:

- (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

2Q21 Corporate Telecom segment revenues increased 6.0% over 2Q20. This variation was driven by the performance of MetroCarrier, which recorded its strongest quarter since 2Q19, supported by higher corporate connectivity revenues; and of Ho1a, with figures well above those of previous quarters, following the return of private investment. This is complemented by MCM's sequential growth. The participation of this segment in the Company's total revenues was 15.7%, compared to 16.4% in 2Q20.

	2Q21	2Q20	%Var	6M21	6M20	%Var
Metrocarrier	511,044	465,178	10%	1,009,360	924,483	9%
HO1A	181,428	148,780	22%	338,040	313,561	8%
MCM	258,999	284,035	-9%	514,648	553,380	-7%
Corporate Telecom	951,470	897,994	6%	1,862,048	1,791,424	4%
PCTV	79,113	74,698	6%	159,901	150,146	6%
Total	1,030,583	972,691	6%	2,021,948	1,941,571	4%

Cost & Expenses

During the period, service costs rose 11.6% compared to the second quarter of 2020, mainly due to a stronger operation at Ho1a in the corporate segment, and the growth of the mobile services business in the mass segment. On the other hand, operating expenses climbed 11.2%, mainly due to higher general expenses from the mass segment.

EBITDA

2Q21 Consolidated EBITDA totaled Ps. 3,011 million, 10.7% higher than the same period last year, with a consolidated margin of 49.6%. Likewise, adjusted EBITDA from cable operations reached Ps. 2,838 million, up 11.9% over 2Q20, with a margin of 51.2%.

	2Q21	2Q20	%Var	6M21	6M20	%Var
CONSOLIDATED						
Consolidated operating profit	1,742,917	1,559,536	12%	3,483,957	3,209,124	9%
Plus consolidated depreciation and amortization	1,267,753	1,160,518	9%	2,529,692	2,277,567	11%
Consolidated EBITDA (1)	3,010,671	2,720,054	11%	6,013,650	5,486,691	10%
Consolidated EBITDA Margin	49.6%	49.8%		50.0%	50.0%	
CABLE OPERATIONS						
Non Cable Operations	172,565	182,936	-6%	338,609	359,701	-6%
Cable Adjusted EBITDA (2)	2,838,106	2,537,119	12%	5,675,040	5,126,991	11%
EBITDA Margin of Cable	51.2%	51.2%		51.6%	51.5%	

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. 129.2 million, mainly comprised of Ps. 129.6 million in net interest expense, while the foreign exchange result remained virtually nil.

	2Q21	2Q20
Net Exchange (Profit) Loss	(409)	63,040
Interest Income	55,424	17,764
Interest Expense	185,045	126,735
Net Comprehensive Financial Result	(129,212)	(172,011)

Net Income

Net Income for the quarter closed at Ps. 1,139 million, an increase of 8.6% compared to 2Q20. This variation is mainly due to a more favorable comprehensive financing cost, despite the higher tax rate.

Net Debt

At the end of the quarter, Megacable's Net Debt totaled Ps. 4,014 million, increasing on a sequential basis, mainly due to lower cash balance following the Ps. 2,200 million dividend paid during the period. On a year-over-year basis, leverage levels decreased as a result of a stronger cash flow generation.

	2Q21	2Q20	1Q21
Short Term Debt	666,599	1,292,779	972,382
One year maturity of long-term bank loans	561,481	1,239,941	866,389
Short-term leases	105,118	52,838	105,993
Long-Term Debt	6,612,527	6,670,544	6,579,068
Bank Loans	6,359,954	6,382,924	6,357,507
Long-term leases	252,572	287,620	221,561
Total Debt	7,279,126	7,963,323	7,551,450
Cash and Short-Term Investments	3,265,079	2,566,421	4,834,390
Net Debt	4,014,046	5,396,902	2,717,059

CAPEX

Megacable invested Ps. 2,032 million during 2Q21, representing 33.5% 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	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	1,090	2,180
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 60,712
Closing price (Ps) *		\$ 70.54
Free float		51%
As of June 30, 2021		

* Source: Infotel

2Q21 Earnings Conference Call

Megacable will hold its 2Q21 Earnings Conference Call on Friday, July 23, 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=145612>

Investor Relations:

Alan Esaú Gallegos López

Investor Relations Manager

Phone: + (5233) 3750 0042 ext. 61091

investor.relations@megacable.com.mx

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 June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	3,265,079	2,566,421
Accounts receivable from customers and advances to suppliers, net	3,729,790	3,637,629
Recoverable taxes	867,337	865,234
Inventories	444,833	779,398
Total Current Assets	8,307,039	7,848,682
NON-CURRENT ASSETS		
Property, systems and equipment, net	35,325,647	31,451,582
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	259,280	316,201
Other assets	1,168,552	865,009
Affiliated and associated companies	934,225	1,138,901
Total Assets	50,373,139	45,998,772
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	561,481	1,239,941
Suppliers	4,050,303	1,553,391
Short-term affiliated and associated companies	3,645	275,725
Accounts payable and accrued expenses payable	2,046,901	1,394,323
Short-term leases payable	105,118	52,838
Total Current Liabilities	6,767,448	4,516,217
LONG TERM LIABILITIES		
Bank loans	6,359,954	6,382,924
Labor obligations	215,580	293,700
Deferred taxes	2,063,582	1,980,185
Affiliated and associated companies	729,085	735,400
Long-term leases payable	252,572	287,620
Total Long-Term Liabilities	9,620,773	9,679,828
Total Liabilities	16,388,221	14,196,045
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	28,985,522	26,230,299
Minority Interest	1,477,784	1,364,116
Legal Reserve	493,808	1,180,508
Total Stockholders' Equity	33,984,919	31,802,727
Total Liabilities & Stockholders' Equity	50,373,139	45,998,772

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

Income Statement

Second Quarter 2021 and 2020

	2Q21	2Q20	% Var
Income	\$ 6,063,802	\$ 5,460,475	11%
Cost of Services	1,583,455	1,419,303	12%
Gross Profit	\$ 4,480,347	\$ 4,041,172	11%
Operating and General Expenses	1,469,676	1,321,118	11%
EBITDA	\$ 3,010,671	\$ 2,720,054	11%
Depreciation and amortization	1,267,753	1,160,518	9%
Operating Profit	\$ 1,742,917	\$ 1,559,536	12%
Other income (expenses), net	16,167	31,712	(49%)
Comprehensive Financing Income, Net	129,212	172,011	(25%)
Income Before Income Tax and Minority Interest	\$ 1,629,873	\$ 1,419,238	15%
Income Tax	437,502	340,512	28%
Net Profit	\$ 1,192,370	\$ 1,078,726	11%
Net income attribute to:			
Non-Controlling interest	53,030	29,910	77%
Controlling interest	1,139,340	1,048,816	9%
	\$ 1,192,370	\$ 1,078,726	11%

	6M21	6M20	% Var
Income	\$ 12,015,780	\$ 10,980,564	9%
Cost of Services	3,107,959	2,835,910	10%
Gross Profit	\$ 8,907,822	\$ 8,144,653	9%
Operating and General Expenses	2,894,172	2,657,962	9%
EBITDA	\$ 6,013,650	\$ 5,486,691	10%
Depreciation and amortization	2,529,692	2,277,567	11%
Operating Profit	\$ 3,483,957	\$ 3,209,124	9%
Other income (expenses), net	28,119	40,473	(31%)
Comprehensive Financing Income, Net	326,114	36,518	NA
Income Before Income Tax and Minority Interest	\$ 3,185,962	\$ 3,213,080	(1%)
Income Tax	859,211	770,978	11%
Net Profit	\$ 2,326,751	\$ 2,442,102	(5%)
Net income attribute to:			
Non-Controlling interest	84,860	72,883	16%
Controlling interest	2,241,891	2,369,219	(5%)
	\$ 2,326,751	\$ 2,442,102	(5%)

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

Income Statement by Segment

Second Quarter 2021 and 2020

	2Q21	2Q20	% Var
CABLE OPERATIONS			
Income	\$ 5,544,262	\$ 4,952,961	12%
Cost of Services	1,392,462	1,267,399	10%
Gross Profit	4,151,800	3,685,562	13%
Operating and General Expenses	1,313,694	1,148,444	14%
EBITDA	\$ 2,838,106	\$ 2,537,119	12%
	51.2%	51.2%	
OTHER			
Income	519,540	507,513	2%
MCM	258,999	284,035	(9%)
HO1A	181,428	148,780	22%
PCTV	79,113	74,698	6%
Cost of Services	190,993	151,904	26%
MCM	23,541	31,104	(24%)
HO1A	129,336	74,880	73%
PCTV	38,116	45,919	(17%)
Gross Profit	328,546	355,610	(8%)
Operating and General Expenses	155,981	172,674	(10%)
MCM	99,440	104,455	(5%)
HO1A	23,661	33,974	(30%)
PCTV	32,880	34,245	(4%)
EBITDA			
MCM	136,017	148,476	(8%)
HO1A	28,430	39,926	(29%)
PCTV	8,117	5,466	NA
EBITDA	\$ 172,565	\$ 182,936	(6%)
	33.2%	36.0%	
TOTAL OPERATION			
Income	6,063,802	5,460,475	11%
Cost of Services	1,583,455	1,419,303	12%
Gross Profit	4,480,347	4,041,172	11%
Operating and General Expenses	1,469,676	1,321,118	11%
EBITDA	\$ 3,010,671	\$ 2,720,054	11%
	49.6%	49.8%	

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

Income Statement by Segment

Accrued as of Second Quarter 2021 and 2020

	6M21	6M20	% Var
CABLE OPERATIONS			
Income	\$ 11,003,192	\$ 9,963,476	10%
Cost of Services	2,757,107	2,517,363	10%
Gross Profit	8,246,084	7,446,113	11%
Operating and General Expenses	2,571,044	2,319,122	11%
EBITDA	\$ 5,675,040	\$ 5,126,991	11%
	51.6%	51.5%	
OTHER			
Income	1,012,589	1,017,088	(0%)
MCM	514,648	553,380	(7%)
HO1A	338,040	313,561	8%
PCTV	159,901	150,146	6%
Cost of Services	350,851	318,547	10%
MCM	48,142	59,180	(19%)
HO1A	223,612	171,685	30%
PCTV	79,098	87,682	(10%)
Gross Profit	661,737	698,540	(5%)
Operating and General Expenses	323,128	338,840	(5%)
MCM	200,386	205,357	(2%)
HO1A	58,534	67,012	(13%)
PCTV	64,208	66,471	(3%)
EBITDA			
MCM	266,120	288,843	(8%)
HO1A	55,894	74,864	(25%)
PCTV	16,595	4,006	NA
EBITDA	\$ 338,609	\$ 359,701	(6%)
	33.4%	35.4%	
TOTAL OPERATION			
Income	12,015,780	10,980,564	9%
Cost of Services	3,107,959	2,835,910	10%
Gross Profit	8,907,822	8,144,653	9%
Operating and General Expenses	2,894,172	2,657,962	9%
EBITDA	\$ 6,013,650	\$ 5,486,691	10%
	50.0%	50.0%	