

Highlights

- ⊗ During 4Q20, Consolidated EBITDA margin recorded a three percentage points expansion when compared to 4Q19 to 47.9%, while on an annual basis, a growth of one percentage point was recorded reach 49.4%
- ⊗ Consolidated EBITDA for the 4Q20 reached Ps. 2,767 million, increasing 9% compared to 4Q19, while EBITDA for the full year stood at Ps. 11,036 million, with a growth rate of 8%.
- ⊗ The Internet segment registered 413 thousand net adds, or a 13% growth, compared to 4Q19, while the Telephony and Video segments recorded 496 thousand and 188 thousand net adds, or increases of 23% and 6%, respectively, thus boosting a 13% climb in RGUs.
- ⊗ Quarterly revenues amounted to Ps. 5,781 million, a 3% growth with respect to 4Q19, whilst revenue on annual basis increased 4% to reach Ps. 22,383 million, highlighting in both periods, the 7% growth in mass market.
- ⊗ The corporate telecom segment continues with its recovery process, accumulating four quarters in a row recording sequential increases, and outstanding the 19% hike in MetroCarrier's quarterly revenue, compared to 4Q19.
- ⊗ Net income for the quarter was Ps. 942 million, representing a 12% increase, while accumulated net income was Ps. 4,382 million, which means a 2% increase.
- ⊗ CAPEX for the quarter stood at Ps. 3,714 million, pushing the annual figure to Ps. 8,081 million, in line with our guidance for the FY2020, mainly related to the progress attained at the network evolution project.

Guadalajara, Jalisco, Mexico, February 25, 2021 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the fourth quarter of 2020 (4Q20) and full year 2020. 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 and Operational Results

	4Q20	4Q19	% Var
Income	5,780,864	5,635,482	2.6%
Mass Segment Income	4,791,823	4,467,786	7.3%
EBITDA	2,767,257	2,532,002	9.3%
EBITDA Margin	47.9%	44.9%	
Net Profit	941,713	840,824	12.0%
Cash and short-term investments	4,257,931	2,210,065	92.7%
Net Debt	3,571,760	4,697,320	(24.0%)
CAPEX	3,713,641	1,997,608	85.9%
Mkt. Cap (Ps. Millions)	62,554	66,651	(6.1%)
Subscribers			
Unique	3,932,609	3,628,105	8.4%
Internet	3,510,324	3,097,628	13.3%
Video	3,412,627	3,224,798	5.8%
Telephony	2,626,798	2,130,538	23.3%
Mobile services	174,463	5,649	NA
Total RGUs	9,549,748	8,452,963	13.0%
Other Data			
Home Passed	8,955,457	8,836,675	1.3%
Network Kilometers	63,248	62,210	1.7%
Employees	22,798	21,262	7.2%

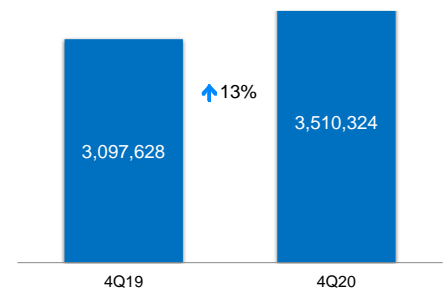
General Remarks

During the final quarter of the year, the demand for the Company's services in the mass segment remained strong, recording increases in the RGU of all three services, which follows our competitive service offering and the ongoing deployment of lockdown measures that favor work, study, and entertainment at home. In the corporate market, especially noteworthy was the recovery posted by the connectivity segment, primarily MetroCarrier, which attained a double-digit growth rate in quarterly revenue.

Internet Subscribers

As of the end of the 4Q20, the Internet segment rose to 3'510,324 subscribers, growing 13.3%, or 413 thousand net additions, compared to 4Q19. In this quarter, 96 thousand new subscribers were added, a 2.8% hike compared to 3Q20.

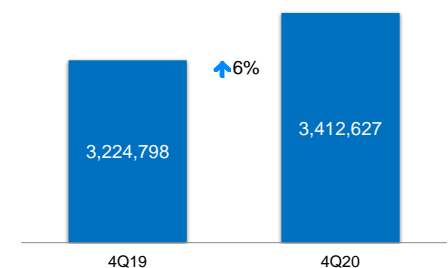
The Company has continued delivering a reliable and uninterrupted service through its state-of-the-art infrastructure, in spite of the higher network traffic observed since the beginning of last year, ensuring our subscribers' broadband connectivity at affordable prices.



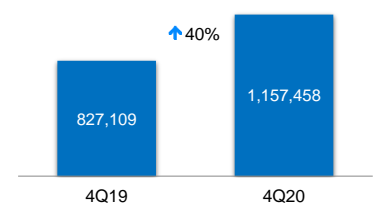
Video Subscribers

At the end of 4Q20, the Video segment totaled 3'412,627 subscribers, registering a 5.8% increase, or 188 thousand net additions, compared to 4Q19; with regards to 3Q20, 51 thousand new subscribers were recorded.

Xview reported an increase of 39.9%, or 330 thousand net adds, compared to 4Q19, rising to more than 1.16 million subscribers, while compared to last quarter 104 net additions were posted. Likewise, HD service registered 270 thousand net additions compared to 4Q19, to reach more than 1.3 million subscribers. 83% of our subscriber base is digitalized by means of 5 million set top boxes (STB).

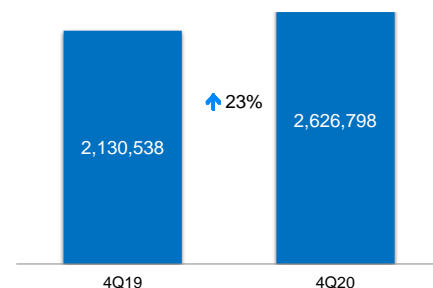


Xview



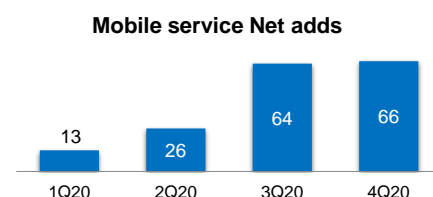
Telephony Subscribers

The Telephony segment stood at 2'626,798 subscribers as of quarter-end, registering 496 thousand net additions compared to 4Q19, which implies a 23.3% climb. During the period, the Company recorded 115 thousand new subscribers, a quarter-over-quarter hike of 4.6% when compared to 3Q20. Growth in this segment is largely driven by the Company's bundling strategy.



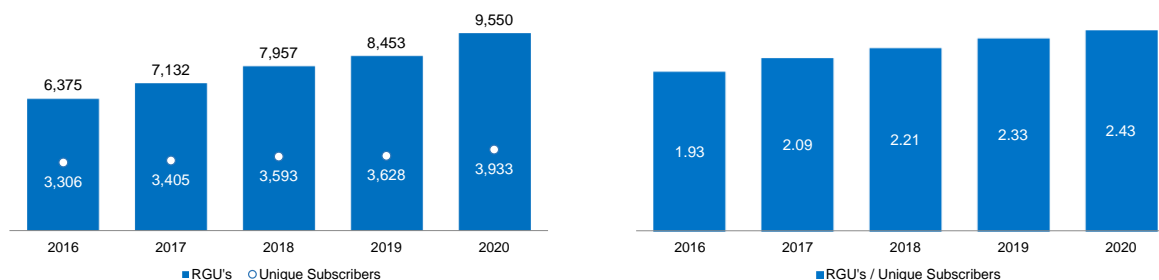
Mobile Services Subscribers

At the end of the quarter, 174 thousand subscribers of Mobile Services were recorded, which is equal to 66 thousand net additions during the period, thus maintaining its growth trend.



Unique Subscribers and Revenue Generating Units (RGUs)

As of quarter-end, unique subscribers reached 3'932,609, an increase of 8.4% compared to the fourth quarter of 2019. RGUs amounted to 9'549,748 which represents a growth rate of 13.0% compared to the same quarter last year, attributable to a higher number of subscribers in the three mass segment services. Consequently, revenue-generating units per unique subscriber continued with its growth trend, standing at 2.43.



Note: As of this quarter, Mobile Services subscribers are not included in total RGUs.

Churn Rate

The churn rate at all three mass market services was virtually flat on a sequential basis, and recorded an important contraction compared to the same quarter 2019. Demand in the three services of the mass segment has contributed to the decrease of this rate.

	4Q20	4Q19	3Q20
Internet	1.6%	2.3%	1.5%
Video	1.7%	2.4%	1.7%
Telephony	2.1%	3.1%	2.1%

Revenue

In the fourth quarter, total revenues amounted to Ps. 5,781 million, posting a 2.6% climb compared to 4Q19. The mass market increased 7.3%, fueled by a higher number of subscribers and additional service revenues. During the same period, the Corporate segment revenues went down 15.3%.

	4Q20	4Q19	%Var	12M20	12M19	%Var
Internet	1,900,984	1,711,770	11%	7,205,950	6,622,493	9%
Video	2,332,501	2,298,674	1%	9,255,286	8,962,186	3%
Telephony	500,222	427,072	17%	1,845,857	1,599,141	15%
Others	58,116	30,270	92%	159,920	95,958	67%
Total Mass Market	4,791,823	4,467,786	7%	18,467,013	17,279,779	7%
Corporate	989,041	1,167,696	-15%	3,905,972	4,256,023	-8%
Total excluding non-recurrent	5,780,864	5,635,482	3%	22,372,985	21,535,802	4%
Non-recurrent	-	-		9,880	79,408	-88%
Total	5,780,864	5,635,482	3%	22,382,865	21,615,210	4%

ARPU

ARPU per unique subscriber was Ps. 405.2, decreasing in its comparison with 4Q19 and practically unchanged vs. 3Q20. This result is explained by the accelerated growth in unique subscribers, and a higher demand of entry-level packages. Furthermore, for the sake of transparency, as of this quarter, revenues from mobile services are not considered in the calculation of this metric. Individually, ARPU for all three services decreased in its annual comparison, given a higher number of subscribers with promotional fares.

	4Q20	4Q19	% Var	3Q20	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable (new calculation) 2	405.2	410.2	-1%	404.5	0%
Internet	182.1	185.0	-2%	181.0	1%
Video	229.0	237.4	-4%	231.6	-1%
Telephony	64.4	67.5	-5%	64.3	0%
Unique subscribers of cable (previous scheme)	408.8	410.3	0%	406.5	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) Beginning this quarter, Mobile Services revenue is not included in the ARPU per unique subscriber calculation.

Corporate Telecom Segment Revenues

Corporate Telecom segment revenues decreased 16.2% compared to fourth quarter 2019. The growth from the connectivity segment, meaning MetroCarrier with 18.8% and MCM with 2.7%, reflect the recovery in this market observed during the second half of the year, which was not able to offset the contraction in ho1a revenues, and a high comparison base due to the outstanding government related revenues of 4Q19. The participation of this segment in the Company's total revenue was 15.7%, compared to 19.2% in 4Q19.

	4Q20	4Q19	%Var	12M20	12M19	%Var
Metrocarrier	476,126	400,666	19%	1,878,445	1,838,387	2%
HO1A	162,821	421,253	-61%	623,682	1,049,105	-41%
MCM	268,353	261,205	3%	1,099,975	1,046,827	5%
Corporate Telecom	907,300	1,083,124	-16%	3,602,102	3,934,318	-8%
PCTV	81,741	84,573	-3%	303,870	321,705	-6%
Total	989,041	1,167,696	-15%	3,905,972	4,256,023	-8%

Cost & Expenses

During the quarter, service costs went down by 7.1% year-over-year, primarily due to the lower operating volume at ho1a in the corporate segment, coupled with the inherent benefits of our infrastructure investments in the mass segment. On the other hand, operating expenses went up only by 2.0%, trailing revenue growth.

EBITDA

Quarterly consolidated EBITDA totaled Ps. 2,767 million, growing 9.3% with respect to same period last year, and posting a consolidated margin of 47.9%. Similarly, adjusted EBITDA for cable operations rose to Ps. 2,602 million, a 10.8% hike compared to 4Q19, with a margin of 49.4%.

	4Q20	4Q19	%Var	12M20	12M19	%Var
CONSOLIDATED						
Consolidated operating profit	1,530,058	1,380,723	11%	6,328,574	6,119,799	3%
Plus consolidated depreciation and amortization	1,237,199	1,151,280	7%	4,707,697	4,136,705	14%
Consolidated EBITDA (1)	2,767,257	2,532,002	9%	11,036,270	10,256,504	8%
Consolidated EBITDA Margin	47.9%	44.9%		49.3%	47.5%	
CABLE OPERATIONS						
Non Cable Operations	165,688	183,816	-10%	689,847	721,870	-4%
Cable Adjusted EBITDA (2)	2,601,570	2,348,186	11%	10,346,423	9,534,635	9%
EBITDA Margin of Cable	49.4%	48.2%		50.8%	49.7%	

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 reported a net financing expense of Ps. 264.4 million, comprised of Ps. 128.6 million in net interest expense and an FX loss of Ps. 135.8 million, resulting from the Mexican peso's fluctuations throughout the period.

	4Q20	4Q19
Net Exchange Loss	135,852	32,733
Interest Income	43,926	61,850
Interest Expense	172,508	183,741
Net Comprehensive Financial Result	(264,434)	(154,625)

Net Income

Net income for the quarter closed at Ps. 942 million, which is equal to a 12.0% year-over-year increase. This growth is largely explained by a lower tax rate and a favorable comparison base in non-controlling interest, which offset the negative FX result.

Net Debt

Megacable's Net Debt as of the end of the quarter stood at Ps. 3,572 million, decreasing both on an annual and sequential basis. These contractions are primarily attributable to the cash flow generation during the quarter, despite the subscription of additional debt.

	4Q20	4Q19	3Q20
Short Term Debt	1,282,832	212,574	722,850
One year maturity of long-term bank loans	1,166,854	79,922	673,251
Short-term leases	115,978	132,652	49,600
Long-Term Debt	6,546,860	6,694,811	6,628,241
Bank Loans	6,358,954	6,427,847	6,371,678
Long-term leases	187,906	266,963	256,563
Total Debt	7,829,691	6,907,384	7,351,091
Cash and Short-Term Investments	4,257,931	2,210,065	2,442,237
Net Debt	3,571,760	4,697,320	4,908,854

CAPEX

Megacable invested Ps. 3,714 million in 4Q20, thus reaching an accumulated figure of Ps. 8,081 million for the full year, in line with our budget and representing 36.1% of 2020 revenues. This line attests the progress made on the network evolution project as of year-end.

Stock Information

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Shares in treasury (thousands)	640	1,280
2 "A" Series Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 62,554
Closing price (Ps) *		\$ 72.68
Free float		52%
As of December 31, 2020		

* Source: Infosei

4Q20 Earnings Conference Call

Megacable will hold its 4Q20 Earnings Conference Call on Friday, February 26, 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.viaavid.com/index.php?id=143530>

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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 December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	4,257,931	2,210,065
Accounts receivable from customers and advances to suppliers, net	3,650,248	2,067,248
Recoverable taxes	762,588	755,212
Inventories	435,239	643,311
Total Current Assets	9,106,007	5,675,835
NON-CURRENT ASSETS		
Property, systems and equipment, net	33,804,395	30,797,377
Goodwill, net	4,378,397	4,378,397
Intangible assets by right-of-use assets	275,031	378,147
Other assets	1,287,637	861,468
Affiliated and associated companies	978,473	1,151,542
Total Assets	49,829,941	43,242,767
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	1,166,854	79,922
Suppliers	3,198,860	1,436,412
Short-term affiliated and associated companies	93,934	275,534
Accounts payable and accrued expenses payable	1,716,972	916,058
Short-term leases payable	115,978	132,652
Total Current Liabilities	6,292,598	2,840,578
LONG TERM LIABILITIES		
Bank loans	6,358,954	6,427,847
Labor obligations	300,181	277,707
Deferred taxes	2,070,395	1,744,334
Affiliated and associated companies	735,400	735,400
Long-term leases payable	187,906	266,963
Total Long-Term Liabilities	9,652,836	9,452,252
Total Liabilities	15,945,433	12,292,830
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	28,306,022	26,092,427
Minority Interest	1,370,173	1,337,293
Legal Reserve	1,180,508	492,412
Total Stockholders' Equity	33,884,507	30,949,937
Total Liabilities & Stockholders' Equity	49,829,941	43,242,767

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

Income Statement

Fourth Quarter 2020 and 2019

	4Q20	4Q19	% Var
Income	\$ 5,780,864	\$ 5,635,482	3%
Cost of Services	1,557,245	1,676,172	(7%)
Gross Profit	\$ 4,223,619	\$ 3,959,310	7%
Operating and General Expenses	1,456,361	1,427,308	2%
EBITDA	\$ 2,767,257	\$ 2,532,002	9%
Depreciation and amortization	1,237,199	1,151,280	7%
Operating Profit	\$ 1,530,058	\$ 1,380,723	11%
Other income (expenses), net	28,264	17,676	60%
Comprehensive Financing Income, Net	264,434	154,625	71%
Income Before Income Tax and Minority Interest	\$ 1,293,889	\$ 1,243,774	4%
Income Tax	310,464	323,939	(4%)
Net Profit	\$ 983,425	\$ 919,836	7%
Net income attribute to:			
Non-Controlling interest	41,712	79,011	(47%)
Controlling interest	941,713	840,824	12%
	\$ 983,425	\$ 919,836	7%

	12M20	12M19	% Var
Income	\$ 22,382,865	\$ 21,615,210	4%
Cost of Services	5,840,505	5,894,736	(1%)
Gross Profit	\$ 16,542,360	\$ 15,720,474	5%
Operating and General Expenses	5,506,090	5,463,970	1%
EBITDA	\$ 11,036,270	\$ 10,256,504	8%
Depreciation and amortization	4,707,697	4,136,705	14%
Operating Profit	\$ 6,328,574	\$ 6,119,799	3%
Other income (expenses), net	88,348	43,260	104%
Comprehensive Financing Income, Net	456,742	389,852	17%
Income Before Income Tax and Minority Interest	\$ 5,960,180	\$ 5,773,207	3%
Income Tax	1,430,374	1,320,611	8%
Net Profit	\$ 4,529,806	\$ 4,452,596	2%
Net income attribute to:			
Non-Controlling interest	148,118	162,384	(9%)
Controlling interest	4,381,688	4,290,211	2%
	\$ 4,529,806	\$ 4,452,596	2%

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

 Income Statement by Segment
 Fourth Quarter 2020 and 2019

	4Q20	4Q19	% Var
CABLE OPERATIONS			
Income	\$ 5,267,949	\$ 4,868,451	8%
Cost of Services	1,376,767	1,273,277	8%
Gross Profit	3,891,182	3,595,174	8%
Operating and General Expenses	1,289,613	1,246,988	3%
EBITDA	\$ 2,601,570	\$ 2,348,186	11%
	49.4%	48.2%	
OTHER			
Income	512,915	767,031	(33%)
MCM	268,353	261,205	3%
HO1A	162,821	421,253	(61%)
PCTV	81,741	84,573	(3%)
Cost of Services	180,479	402,895	(55%)
MCM	24,612	26,817	(8%)
HO1A	112,933	330,017	(66%)
PCTV	42,934	46,061	(7%)
Gross Profit	332,437	364,136	(9%)
Operating and General Expenses	166,749	180,320	(8%)
MCM	98,763	95,554	3%
HO1A	34,420	44,724	(23%)
PCTV	33,566	40,042	(16%)
EBITDA			
MCM	144,978	138,834	4%
HO1A	15,469	46,512	(67%)
PCTV	5,242	1,530	NA
EBITDA	\$ 165,688	\$ 183,816	(10%)
	32.3%	24.0%	
TOTAL OPERATION			
Income	5,780,864	5,635,482	3%
Cost of Services	1,557,245	1,676,172	(7%)
Gross Profit	4,223,619	3,959,310	7%
Operating and General Expenses	1,456,361	1,427,308	2%
EBITDA	\$ 2,767,257	\$ 2,532,002	9%
	47.9%	44.9%	

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

Income Statement by Segment

Accrued as of Fourth Quarter 2020 and 2019

	12M20	12M19	% Var
CABLE OPERATIONS			
Income	\$ 20,355,338	\$ 19,197,573	6%
Cost of Services	5,173,506	4,891,440	6%
Gross Profit	15,181,832	14,306,134	6%
Operating and General Expenses	4,835,409	4,771,499	1%
EBITDA	\$ 10,346,423	\$ 9,534,635	9%
	50.8%	49.7%	
OTHER			
Income	2,027,527	2,417,637	(16%)
MCM	1,099,975	1,046,827	5%
HO1A	623,682	1,049,105	(41%)
PCTV	303,870	321,705	(6%)
Cost of Services	666,999	1,003,296	(34%)
MCM	111,376	109,063	2%
HO1A	378,234	739,436	(49%)
PCTV	177,390	154,798	15%
Gross Profit	1,360,528	1,414,340	(4%)
Operating and General Expenses	670,681	692,471	(3%)
MCM	401,871	382,855	5%
HO1A	134,639	164,105	(18%)
PCTV	134,172	145,511	(8%)
EBITDA			
MCM	586,729	554,909	6%
HO1A	110,810	145,564	(24%)
PCTV	- 7,691	21,397	NA
EBITDA	\$ 689,847	\$ 721,870	(4%)
	34.0%	29.9%	
TOTAL OPERATION			
Income	22,382,865	21,615,210	4%
Cost of Services	5,840,505	5,894,736	(1%)
Gross Profit	16,542,360	15,720,474	5%
Operating and General Expenses	5,506,090	5,463,970	1%
EBITDA	\$ 11,036,270	\$ 10,256,504	8%
	49.3%	47.5%	