

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS •

Set forth below are our consolidated results for the years ended December 31, 2024, and 2023. As required by regulations issued by Comisión Nacional Bancaria y de Valores, or the Mexican Bank and Securities Commission, for listed companies in Mexico, our financial information is presented in accordance with the International Financial Reporting Standards ("IFRS" Accounting Standards) as issued by the International Accounting Standards Board ("IASB") for financial reporting purposes. The financial information set forth below should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2024, and 2023 included in this annual report.

On October 27, 2022, our Board of Directors approved a proposal to spin-off the most of businesses of our former Other Businesses segment (the "Spun-off Businesses"), which was approved by our shareholders at the meeting held on April 26, 2023.

This proposal was carried out through a spin-off, which became effective on January 31, 2024, creating Ollamani, which holds the Spun-off Businesses and has the same shareholding structure as the Company. Ollamani began trading separately from the Company on the Mexican Stock Exchange on February 20, 2024. The businesses of Cable and Sky, our investment in TelevisaUnivision, broadcasting concessions and infrastructure, as well as other assets and real estate related to these businesses, remained in the Company.

Our consolidated financial statements have been prepared to reflect the discontinued operations following the Spin-off. Accordingly, our consolidated statement of income for any comparative period presented has been re-presented from that originally reported by the Company, to present in such period the results from discontinued operations of the Spun-off Businesses.

Year ended December 31,		
(Millions of Mexican Pesos) ¹	2024	2023
Revenues	Ps. 62,260.9	Ps. 66,222.8
Cost of revenues	41,117.1	43,297.4
Selling expenses	8,815.2	8,848.2
Administrative expenses	10,592.6	11,305.6
Other expense, net	(4,554.9)	(913.8)
Operating (loss) income	(2,818.9)	1,857.8
Finance expense, net	4,695.1	4,845.9
Share of loss of associates and joint ventures, net	(182.6)	(4,086.6)
Income taxes	(688.6)	(2,360.7)
Net loss from continuing operations	(8,385.2)	(9,435.4)
Income from discontinued operations, net	56.8	628.1
Net loss	(8,328.4)	(8,807.3)
Net loss attributable to non-controlling Interests	(62.9)	(384.6)
Net loss attributable to stockholders of the Company	Ps. (8,265.5)	Ps. (8,422.7)

¹ Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2024 and 2023 included in this annual report due to differences in rounding.

RESULTS OF OPERATIONS

The following table sets forth the reconciliation between our operating segment income and the consolidated operating income according to IFRS Accounting Standards, for the years ended December 31, 2024, and 2023:

(Millions of Mexican Pesos) ¹	Year ended December 31,	
	2024	2023
Revenues	Ps. 62,260.9	Ps. 66,222.8
Cost of revenues ²	24,761.5	25,781.1
Selling expenses ²	8,654.8	8,610.6
Administrative expenses ²	5,841.7	6,921.0
Intersegment operations	155.0	120.4
Operating segment income	23,157.9	25,030.5
Corporate expenses	756.0	1,031.2
Depreciation and amortization	20,510.9	21,107.3
Other expense, net	(4,554.9)	(913.8)
Intersegment operations	(155.0)	(120.4)
Operating (loss) income	Ps. (2,818.9)	Ps. 1,857.8

¹ Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2024 and 2023 included in this annual report due to differences in rounding.

² Excluding corporate expenses and depreciation and amortization.



OVERVIEW OF OPERATING SEGMENT RESULTS

The following table sets forth the revenues and operating segment income of each of our business segments, intersegment operations, corporate expenses, depreciation and amortization, and other expense, net, for the years ended December 31, 2024, and 2023:

(Millions of Mexican Pesos)	Year ended December 31,		% Contribution to 2024 total segment revenues
	2024	2023	
Segment revenues			
Cable	Ps. 47,393.1	Ps. 48,802.5	75.6%
Sky	15,337.3	17,585.2	24.4%
Segment revenues	62,730.4	66,387.7	100.0%
Intersegment operations ¹	(469.5)	(164.9)	-0.7%
Revenues	Ps. 62,260.9	Ps. 66,222.8	99.3%
Operating segment income			
Cable	Ps. 18,485.6	Ps. 19,299.1	
Sky	4,672.3	5,731.4	
Operating segment income ²	23,157.9	25,030.5	
Corporate expenses ²	(756.0)	(1,031.2)	
Depreciation and amortization ²	(20,510.9)	(21,107.3)	
Other expense, net	(4,554.9)	(913.8)	
Intersegment operations	(155.0)	(120.4)	
Operating (loss) income ³	Ps. (2,818.9)	Ps. 1,857.8	

¹ For segment reporting purposes, intersegment revenues are included in each of the segment operations.

² The operating segment income data set forth in this annual report do not reflect corporate expenses, intersegment operations, or depreciation and amortization in any year presented but are presented separately to facilitate the discussion of segment results.

³ Operating (loss) income reflects corporate expenses, depreciation and amortization, other expense, net, and intersegment operations in the years presented. See Note 26 to our consolidated year-end financial statements.





OVERVIEW OF RESULTS OF OPERATIONS

Revenues

Revenues decreased by Ps.3,961.9 million, or 6.0%, to Ps.62,260.9 million for the year ended December 31, 2024, from Ps.66,222.8 million for the year ended December 31, 2023. This decrease was mainly due to a revenue decline in the Sky and Cable segments.

Cost of Revenues

Cost of revenues decreased by Ps.1,019.6 million, or 4.0%, to Ps.24,761.5 million for the year ended December 31, 2024, from Ps.25,781.1 million for the year ended December 31, 2023. The decrease mainly reflects lower costs in our Sky segment.

Selling Expenses

Selling expenses increased by Ps.44.2 million, or 0.5%, to Ps.8,654.8 million for the year ended December 31, 2024, from Ps.8,610.6 million for the year ended December 31, 2023. This increase was primarily attributable to higher selling expenses in our Cable segment, partially offset by a decrease in selling expenses in our Sky segment.

Administrative and Corporate Expenses

Administrative and corporate expenses decreased by Ps.1,354.5 million, or 17.0%, to Ps.6,597.7 million for the year ended December 31, 2024, from Ps.7,952.2 million for the year ended December 31, 2023. The decrease mainly reflects lower administrative expenses in the Cable and Sky segments, as well as a decrease in corporate expenses.

Corporate expenses decreased by Ps.275.2 million, or 26.7%, to Ps.756.0 million in 2024, from Ps.1,031.2 million in 2023. The decrease reflected primarily a lower share-based compensation expense, as well as a decrease in other non-allocated corporate expenses.

Share-based compensation expense in 2024 and 2023 amounted to Ps.488.8 million and Ps.739.8 million, respectively, and was accounted for as corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees and is recognized over the vesting period.



Cable

Cable revenues represented 75.6% and 73.5% of our segment revenues for the years ended December 31, 2024, and 2023, respectively, and decreased by Ps.1,409.4 million, or 2.9%, to Ps.47,393.1 million for the year ended December 31, 2024, from Ps.48,802.5 million for the year ended December 31, 2023.

Total revenue generating units, or RGUs, of about 15.2 million for the year ended December 31, 2024. Total net additions for the year ended December 31, 2024, decreased 207 thousand RGUs, due to decreased in our services of video and broadband.

Cable operating segment income decreased by Ps.813.5 million, or 4.2%, to Ps.18,485.6 million for the year ended December 31, 2024, from Ps.19,299.1 million for the year ended December 31, 2023, and the margin reached 39.0%. This decrease was primarily due to lower revenues, partially offset by a decrease in personnel costs, signal costs and maintenance costs.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2024, and 2023:

	2024	2023
Video	3,846,518	4,059,494
Broadband	5,626,206	5,678,431
Voice	5,382,949	5,351,145
Mobile	333,973	307,807
RGUs	15,189,646	15,396,877

Sky

Sky revenues represented 24.4% and 26.5% of our segment revenues for the years ended December 31, 2024, and 2023, respectively. The Sky revenue decreased by Ps.2,247.9 million, or 12.8%, to Ps.15,337.3 million for the year ended December 31, 2024, from Ps.17,585.2 million for the year ended December 31, 2023. This decrease was due to the decrease in the number of video and broadband RGUs for the year ended December 31, 2024.

Total disconnections for the year ended December 31, 2024, were approximately 1,052.7 thousand RGUs. This was mainly driven by the loss of 871.4 thousand video RGUs and 181.2 thousand broadband and mobile net disconnections. In addition, Sky closed the year with 97,809 video RGUs in Central America and the Dominican Republic.

The following table sets forth the breakdown of RGUs per service type for Sky as of December 31, 2024, and 2023.

	2024	2023
Video	4,696,038	5,567,426
Broadband	350,885	515,089
Voice	197	344
Mobile	15,501	32,502
RGUs	5,062,621	6,115,361

Sky operating segment income decreased by Ps.1,059.1 million, or 18.5%, to Ps.4,672.3 million for the year ended December 31, 2024, from Ps.5,731.4 million for the year ended December 31, 2023, and the margin totaled 30.5%. This decrease in the operating segment income was due to the lower revenue, which was partially offset by a decrease in programming costs, sales promotion and personnel costs.

Depreciation and Amortization

Depreciation and amortization expense decreased by Ps.596.4 million, or 2.8%, to Ps.20,510.9 million for the year ended December 31, 2024, from Ps.21,107.3 million for the year ended December 31, 2023. This decrease was primarily due to a decrease in depreciation and amortization expense in our Sky segment.

Other Expense, Net

Other expense, net, increased by Ps.3,641.1 million, to Ps.4,554.9 million in 2024, from Ps.913.8 million in 2023. This increase reflected primarily non-cash items including (i) non-cash impairment adjustments in connection with goodwill, intangible assets and other long-lived assets in our Sky segment and the Enterprise Operations within our Cable segment; (ii) a non-cash loss on disposal of property and equipment; (iii) surcharges recognized in 2024 for income taxes from prior years; and (iv) a net write-off of unrecoverable indirect taxes in 2024. These unfavorable variances were partially offset by (i) a non-cash gain on sale of property to certain companies in our former Other Businesses segment that we recognized on January 31, 2024, in connection with the spin-off that we carried out on that date; (ii) a decrease in non-recurring severance expense in connection with headcount reductions in our Cable and Sky segments; and (iii) the absence in 2024 of other expense related to damage caused by Hurricane "Otis" in 2023 in our Cable segment.

Operating Income or Loss

Operating Income or Loss amounted to a loss of Ps.2,818.9 million for the year ended December 31, 2024, from operating income of Ps.1,857.8 million for the year ended December 31, 2023. This change reflected primarily a decrease in revenues as well as an increase in other expense, net, and was partially offset by a decrease in costs of sales and decreases in administrative and corporate expenses.

NON-OPERATING RESULTS

Finance Expense, Net

Finance expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Under IFRS Accounting Standards, finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Mexican peso to the other currencies in which our monetary assets or liabilities are denominated varies.

Finance expense, net, decreased by Ps.150.8 million, or 3.1%, to Ps.4,695.1 million in 2024, from Ps.4,845.9 million in 2023. This decrease reflected (i) a Ps.163.7 million increase in interest income, explained primarily by both a higher average amount of cash and cash equivalents in 2024, and higher interest rates for increased cash equivalents denominated in Mexican pesos in 2024; and (ii) a Ps.908.5 million favorable change in other finance income or loss, net, resulting from a net gain in fair value of our derivative contracts for the year ended December 31, 2024. These favorable variances were partially offset by (i) a Ps.233.4 million increase in interest expense, primarily in connection with the absence in 2024 of a net finance income related to the repurchase and prepayment of long-term debt in 2023, which was partially offset by lower interest expense resulting primarily from a lower average principal amount of debt in 2024; and (ii) a Ps.688.0 million increase in foreign exchange loss, net, resulting primarily from a 23.2% depreciation of the Mexican peso against the U.S. dollar on an average U.S. dollar-denominated net liability position in the year ended December 31, 2024, compared with a 13.1% appreciation of the Mexican peso against the U.S. dollar on an average U.S. dollar-denominated net asset position in the year ended December 31, 2023.

Share of Loss of Associates and Joint Ventures, Net

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when we have made guaranteed commitments in respect of obligations incurred by associates and joint ventures.

Share of loss of associates and joint ventures, net, decreased by Ps.3,904.0 million, to Ps.182.6 million in 2024, from a Ps.4,086.6 million in 2023. This decrease reflected a lower share of loss of TelevisaUnivision for the year ended December 31, 2024, primarily in connection with a lower amount of non-cash impairment adjustments for goodwill and indefinite-lived intangible assets recognized by TelevisaUnivision in the fourth quarter of 2024.

Share of loss of associates and joint ventures, net, for the year ended December 31, 2024, included primarily our share of loss of TelevisaUnivision.

Income Taxes

Income taxes decreased by Ps.1,672.1 million, to Ps.688.6 million for the year ended December 31, 2024, from Ps.2,360.7 million for the year ended December 31, 2023. This decrease reflected primarily a lower amount of income tax expense in 2024, primarily in connection with the recognition of income taxes from prior years and the write-off of deferred income tax assets.

The Mexican corporate income tax rate was 30% in each of the years 2024, 2023 and 2022.

Income from Discontinued Operations, Net

In connection with the Spin-off that we carried out on January 31, 2024, we began presenting the results of operations of the Spun-off Businesses as income from discontinued operations in our consolidated statements of income for the period of one month ended January 31, 2024, and for any comparative period presented.

We recognized income from discontinued operations in the amount of Ps.56.8 million and Ps.628.1 million for the month ended January 31, 2024 and the year ended December 31, 2023, respectively, reflecting the consolidated net income of our Spun-off Businesses for those periods.

Net Loss Attributable to Non-controlling Interests

Net loss attributable to non-controlling interests reflects that portion of operating results attributable to the interests held by third parties in the businesses, which are not wholly-owned by us, primarily in our Cable segment.

Net loss attributable to non-controlling interests decreased by Ps.321.7 million to Ps.62.9 million for the year ended December 31, 2024, compared with Ps.384.6 million for the year ended December 31, 2023. This decrease reflected primarily a lower net loss attributable to non-controlling interests in our Cable segment.

Net Loss Attributable to Stockholders of the Company

Net loss attributable to stockholders of the Company amounted to Ps.8,265.5 million for the year ended December 31, 2024, compared with Ps.8,422.7 million for the year ended December 31, 2023.

The decrease of Ps.157.2 million, reflected:

- I. a Ps.150.8 million decrease in finance expense, net;
- II. a Ps.3,904.0 million decrease in share of loss of associates and joint ventures, net; and
- III. a Ps.1,672.1 million decrease in income taxes.

These favorable variances were partially offset by:

- I. a Ps.1,035.6 million decrease in operating income before other expense;
- II. a Ps.3,641.1 million increase in other expense, net, primarily in connection with non-cash impairment adjustments of intangible assets and other long-lived assets in our Sky and Cable segments;
- III. a Ps.571.3 million decrease in income from discontinued operations; and
- IV. a Ps.321.7 million decrease in net loss attributable to non-controlling interests.

Capital Expenditures and Investments

During 2024, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$493.0 million, of which approximately U.S.\$399.2 million are for our Cable segment, U.S.\$83.3 million are for our Sky segment, and the remaining amount was for our other corporate businesses; and
- provided financing to Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. ("GTAC") in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.128.9 million (U.S.\$7.0 million).

During 2023, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$828.5 million, of which approximately U.S.\$633.0 million are for our Cable segment, U.S.\$149.2 million are for our Sky segment, and the remaining amount was for our Other Businesses segment; and
- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.155.1 million (U.S.\$8.8 million).

Indebtedness

As of December 31, 2024, our consolidated long-term portion of debt amounted to Ps.99,634.7 million, and our consolidated current portion of debt was Ps.4,579.5 million. Additionally, as of December 31, 2024, our consolidated long-term portion of capital lease liabilities amounted to Ps.4,143.7 million, and our consolidated current portion of capital lease liabilities was Ps.1,243.0 million.

The major components of our total consolidated indebtedness as of December 31, 2024, were as follows:

	Principal	Interest Rate	Maturity Date
Debt:			
Senior Notes	Ps. 6,260.7	8.50%	2032
Senior Notes	4,500.0	8.49%	2037
Senior Notes	4,579.5	6.625%	2025
Senior Notes	12,521.4	6.625%	2040
Senior Notes	6,225.7	7.25%	2043
Senior Notes	16,499.3	5.00%	2045
Senior Notes	4,328.7	4.625%	2026
Senior Notes	18,355.9	6.125%	2046
Senior Notes	13,793.0	5.25%	2049
Notes	4,500.0	8.79%	2027
Banks loans	10,000.0	11.69%	2029
Banks loans (Sky)	2,650.0	Various	2026
Total debt	Ps. 104,214.2		

Lease liabilities:			
Satellite transponder lease agreement	Ps. 1,866.7		2027
Telecommunications network lease agreement	538.4		2030
Other lease liabilities	2,981.5		2051
Total lease liabilities	Ps. 5,386.6		

The amounts of debt in our consolidated statement of financial position as of December 31, 2024, are presented net of unamortized finance costs in the aggregate amount of Ps.1,259.0 million, and do not include related accrued interest payable in the aggregate amount of Ps.1,674.5 million.

For a further description of this indebtedness, see Note 14 to the consolidated financial statements.