

TLEVISA (Buy, PT \$61.00)

Flash: Sale of OCESA goes forward

Televisa announced today that it has reached an agreement with Live Nation Entertainment to sell its 40% stake in Ocesa Entretenimiento. With this, the company expects to receive MXN 5.206 billion. The agreement and the closing of the transaction are subject to the fulfillment of certain obligations and other conditions, including obtaining regulatory approvals, certain notifications, and the closing of the sale by Corporación Interamericana de Entretenimiento of a portion of its equity position in Ocesa to Live Nation.

Positive implication: As will be recalled, Ocesa's sale was originally announced as of July 24, 2019; however, Live Nation Entertainment informed in 2020 that, based on a series of arguments, and mainly due to the uncertainty caused by the pandemic, they were under no obligation to complete this acquisition. Today the parties announced their intention to move forward with the operation, adding additional terms which we consider to be minor, the retention of 7% of the total amount for a period after closing, to cover possible operating losses of Ocesa. In essence, we believe this is a positive transaction and should be well received by the market, as an uncertainty factor is closed with the potential sale of a non-core business for the company, which has been one of the most vulnerable to the pandemic. In addition, there will be no impact on the operating figures as it is a non-controlling interest. While it is important to mention that the full amount represents approximately 20% of the company's cash and could marginally reduce the ND/EBITDA ratio from 2.6x to 2.5x. We remain positive on the company's outlook and especially attentive to [Televisa-Univision](#) transaction that could be completed before the end of the year.

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Analyst Certification

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Alik Daniel García Álvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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History of PT and ratings

Stock	Date	Rating	PT
Tlevisa CPO	22/04/2021	Buy	\$61.00
Tlevisa CPO	21/12/2020	Buy	\$47.00
Tlevisa CPO	07/07/2020	Buy	\$30.00
Tlevisa CPO	22/01/2019	Hold	\$57.00

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