

TLEVISA (BUY, PT2020 \$30.00)

Flash: Declared as an economic agent with substantial power in Cable by the IFT

Grupo Televisa announced that its Cable division has been declared by the Federal Telecommunications Institute (IFT) as an economic agent with substantial power in the restricted television and audio service market in certain municipalities. Said resolution derives from an investigation that the regulator initiated, after the acquisition of part of Axtel's massive segment (residential Fiber-to-the-home business or FTTH in 35 municipalities). In this regard, it is worth noting that such a statement does not imply the company has engaged in any anti-competitive practice. Meanwhile, the IFT will initiate a new procedure to determine whether some asymmetric measures will be necessary.

On the notification received, the company noted that it will evaluate the means of defense at its disposal, considering that the IFT's determination is inconsistent with previous resolutions, issued in other investigations on substantial power in the same market.

Negative implication: We believe that even though the investigation was long known and that such declaration should not surprise, considering the strong market share held by the company in the Cable segment nationwide, the possibility that the regulator might impose some asymmetric measure on the company in this segment, to encourage competition in the sector, is high. In this sense, since almost $\frac{3}{4}$ of Tlevisa's EBITDA comes from this business division, we believe the news could inject short-term volatility into the share price. Although, certainly, we will have to wait to know the outcome of the new procedure that the IFT initiates.

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www.banorte.com
@ analisis_fundam

Consumer and Telecom

Valentín Mendoza

Senior Strategist, Equity
valentin.mendoza@banorte.com

Juan Barbier, CFA

Analyst
juan.barbier@banorte.com

Marissa Garza

Director of Equity Strategy
marissa.garza@banorte.com

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Certification of Analysts.

We, Gabriel Casillas Olivera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentin III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega 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 | <i>When the share expected performance is greater than the MEXBOL estimated performance.</i> |
| HOLD | <i>When the share expected performance is similar to the MEXBOL estimated performance.</i> |
| SELL | <i>When the share expected performance is lower than the MEXBOL estimated performance.</i> |

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History of PT and ratings

| Stock | Date | Rating | PT |
|-------------|------------|--------|---------|
| Telvisa CPO | 07/07/2020 | Buy | \$30.00 |
| Telvisa CPO | 22/01/2019 | Hold | \$57.00 |
| Telvisa CPO | 26/04/2018 | Buy | \$81.00 |

| Research and Strategy | | | |
|--|--|--|-------------------------|
| Gabriel Casillas Olvera | IRO and Chief Economist | gabriel.casillas@banorte.com | (55) 4433 - 4695 |
| Raquel Vázquez Godínez | Assistant | raquel.vazquez@banorte.com | (55) 1670 - 2967 |
| Lourdes Calvo Fernández | Analyst (Edition) | lourdes.calvo@banorte.com | (55) 1103 - 4000 x 2611 |
| Economic Research and Financial Market Strategy | | | |
| Alejandro Padilla Santana | Executive Director of Economic Research and Financial Markets Strategy | alejandro.padilla@banorte.com | (55) 1103 - 4043 |
| Itzel Martínez Rojas | Analyst | itzel.martinez.rojas@banorte.com | (55) 1670 - 2251 |
| Economic Research | | | |
| Juan Carlos Alderete Macal, CFA | Director of Economic Research | juan.alderete.macal@banorte.com | (55) 1103 - 4046 |
| Francisco José Flores Serrano | Senior Economist, Mexico | francisco.flores.serrano@banorte.com | (55) 1670 - 2957 |
| Katía Celina Goya Ostos | Senior Economist, Global | katia.goya@banorte.com | (55) 1670 - 1821 |
| Luis Leopoldo López Salinas | Economist, Global | luis.lopez.salinas@banorte.com | (55) 1103 - 4000 x 2707 |
| Market Strategy | | | |
| Manuel Jiménez Zaldívar | Director of Market Strategy | manuel.jimenez@banorte.com | (55) 5268 - 1671 |
| Fixed income and FX Strategy | | | |
| Santiago Leal Singer | Senior Strategist, Fixed Income and FX | santiago.leal@banorte.com | (55) 1670 - 2144 |
| Leslie Thalía Orozco Vélez | Strategist, Fixed Income and FX | leslie.orozco.velez@banorte.com | (55) 5268 - 1698 |
| Equity Strategy | | | |
| Marissa Garza Ostos | Director of Equity Strategy | marissa.garza@banorte.com | (55) 1670 - 1719 |
| José Itzamna Espitia Hernández | Senior Strategist, Equity | jose.espitia@banorte.com | (55) 1670 - 2249 |
| Valentín III Mendoza Balderas | Senior Strategist, Equity | valentin.mendoza@banorte.com | (55) 1670 - 2250 |
| Víctor Hugo Cortes Castro | Senior Strategist, Technical | victorh.cortes@banorte.com | (55) 1670 - 1800 |
| Eridani Ruibal Ortega | Analyst | eridani.ruibal.ortega@banorte.com | (55) 1103 - 4000 x 2755 |
| Juan Barbier Arizmendi, CFA | Analyst | juan.barbier@banorte.com | (55) 1670 - 1746 |
| Corporate Debt | | | |
| Tania Abdul Massih Jacobo | Director of Corporate Debt | tania.abdul@banorte.com | (55) 5268 - 1672 |
| Hugo Armando Gómez Solís | Senior Analyst, Corporate Debt | hugo.gomez@banorte.com | (55) 1670 - 2247 |
| Gerardo Daniel Valle Trujillo | Analyst, Corporate Debt | gerardo.valle.trujillo@banorte.com | (55) 1670 - 2248 |
| Economic Studies | | | |
| Delia María Paredes Mier | Executive Director of Economic Studies | delia.paredes@banorte.com | (55) 5268 - 1694 |
| Miguel Alejandro Calvo Domínguez | Senior Analyst, Economic Studies | miguel.calvo@banorte.com | (55) 1670 - 2220 |
| Wholesale Banking | | | |
| Armando Rodal Espinosa | Head of Wholesale Banking | armando.rodal@banorte.com | (81) 8319 - 6895 |
| Alejandro Aguilar Ceballos | Head of Asset Management | alejandro.aguilar.ceballos@banorte.com | (55) 5268 - 9996 |
| Alejandro Eric Faesi Puente | Head of Global Markets and Institutional Sales | alejandro.faesi@banorte.com | (55) 5268 - 1640 |
| Alejandro Frigolet Vázquez Vela | Head of Sólida Banorte | alejandro.frigolet.vazquezvela@banorte.com | (55) 5268 - 1656 |
| Arturo Monroy Ballesteros | Head of Investment Banking and Structured Finance | arturo.monroy.ballesteros@banorte.com | (55) 5004 - 1002 |
| Carlos Alberto Arciniega Navarro | Head of Treasury Services | carlos.arciniega@banorte.com | (81) 1103 - 4091 |
| Gerardo Zamora Nanez | Head of Transactional Banking, Leasing and Factoring | gerardo.zamora@banorte.com | (81) 8318 - 5071 |
| Jorge de la Vega Grajales | Head of Government Banking | jorge.delavega@banorte.com | (55) 5004 - 5121 |
| Luis Pietrini Sheridan | Head of Private Banking | luis.pietrini@banorte.com | (55) 5004 - 1453 |
| Lizza Velarde Torres | Executive Director of Wholesale Banking | lizza.velarde@banorte.com | (55) 4433 - 4676 |
| Oswaldo Brondo Menchaca | Head of Specialized Banking Services | oswaldo.brondo@banorte.com | (55) 5004 - 1423 |
| Raúl Alejandro Arauzo Romero | Head of Transactional Banking | raul.arauzo@banorte.com | (55) 5261 - 4910 |
| René Gerardo Pimentel Ibarrola | Head of Corporate Banking | pimentelr@banorte.com | (55) 5268 - 9004 |
| Ricardo Velázquez Rodríguez | Head of International Banking | rvelazquez@banorte.com | (55) 5004 - 5279 |
| Víctor Antonio Roldan Ferrer | Head of Commercial Banking | victor.rolan.ferrer@banorte.com | (55) 5004 - 1454 |