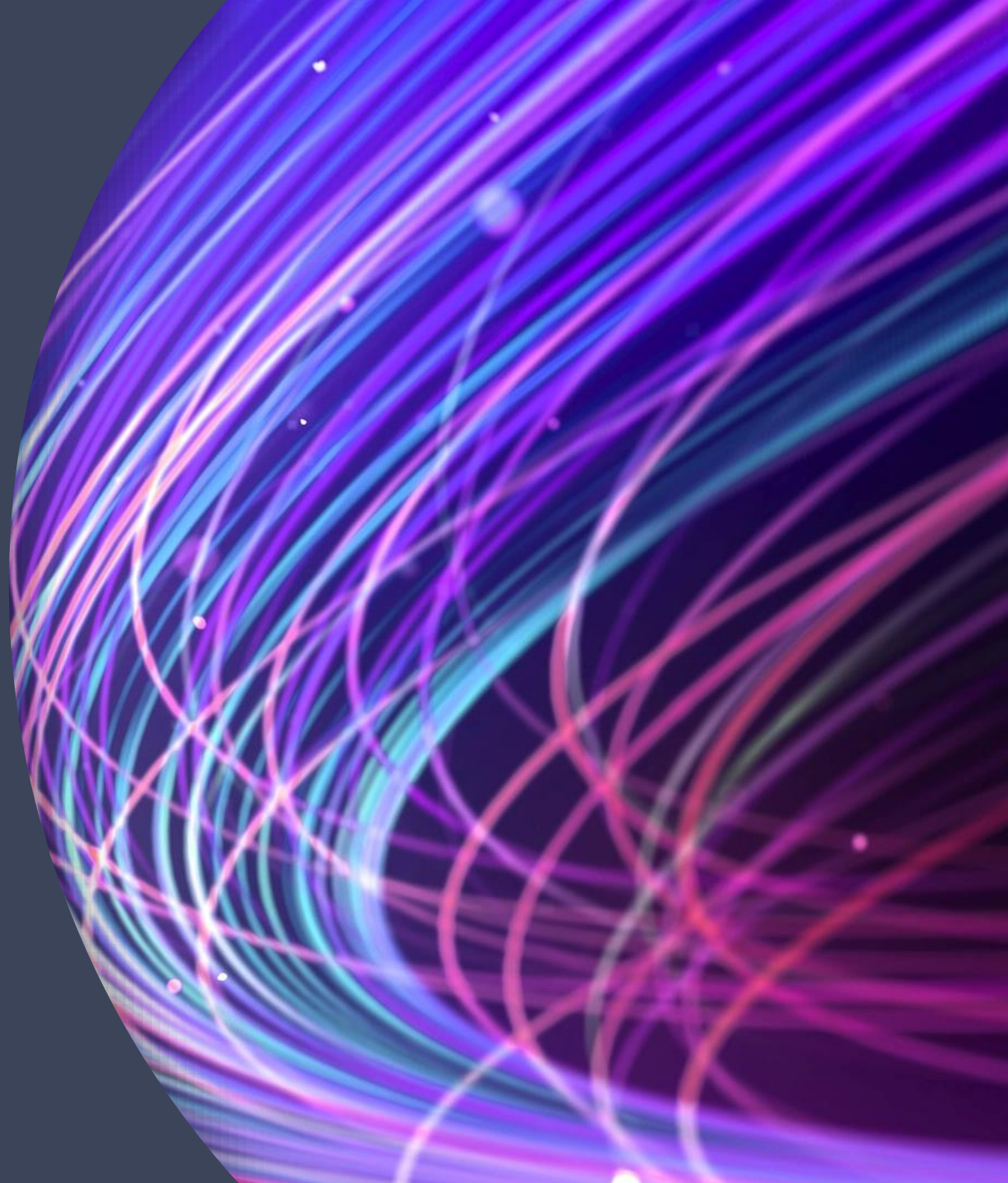




# Total Play Telecomunicaciones

Q2 2021 Presentation

July 2021





## Quarter Highlights & Financial Results

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This Presentation makes reference to certain non IFRS measures. These non IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are provided as additional information to complement IFRS measures by providing further understanding of Total Play's results of operations from a management perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of Total Play's financial information reported under IFRS.

## Forward Looking Statements.

This Presentation contains "forward looking statements" within the meaning of the safe harbor provisions of the U S Private Securities Litigation Reform Act of 1995 Forward looking statements can be identified by words such as: "anticipate," "plan," "believe," "estimate," "expect," "strategy," "should," "will," "seek," "forecast," and similar references to future periods. Examples of forward-looking statements include, among others, statements concerning the Company's business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, market share, market growth rates, market demand, product or services growth. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of Total Play's management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of its control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. All forward-looking statements are based on information available to Total Play on the date of this Presentation and Total Play assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise, except as required by law.



- 1** Strong growth in Q2 2021 revenue (+53% YoY) and EBITDA (+97% YoY)
- 2** 11.2 million homes passed (+10% YoY)
- 3** 26% HP penetration (+42% YoY)
- 4** Q2 2021 ARPU: Ps. \$615 – same as Q2 2020
- 5** Q2 2021 avg. monthly churn: 1.1% – vs. 1.4% in Q2 2020
- 6** 2.9 million residential subscribers (+56% YoY)





- Expand and improve Mexico's only 100%-Fiber network offering broadband, entertainment, and productivity services
- Deploy most advanced infrastructure to offer faster speeds, greater capacity, and better reliability to residential and enterprise customers
- Leverage state-of-the-art network design to adapt rapidly to new technological developments and keep pace with growing bandwidth demand

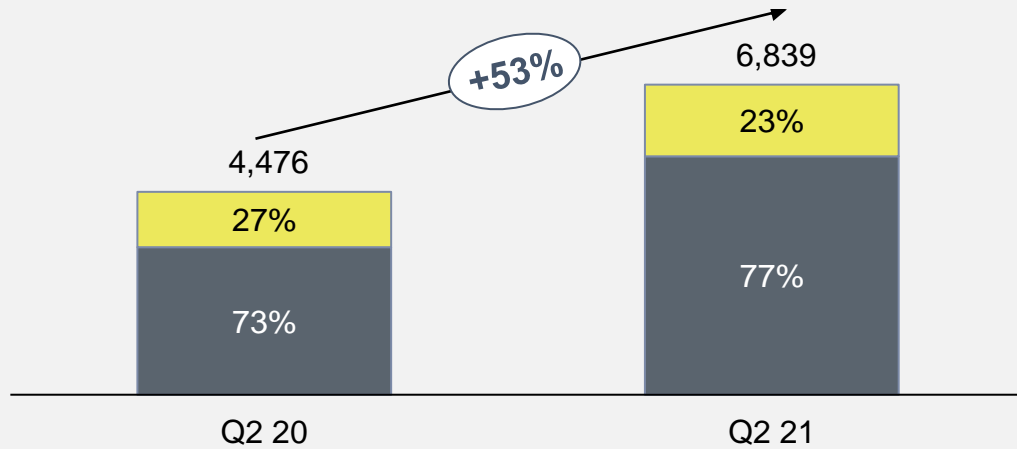
- Improve user experience with differentiated customer service and superior products that meet customers' evolving demands
- Grow new business opportunities such as Hogar Seguro, cloud-based services, and next generation WiFi
- Introduce new products and services like Addressable Advertising, Anytime TV, and TotalPlay Mobile App

- Provide superior product offerings, bandwidth capabilities, and compelling value to increase market share while simultaneously commanding premium prices
- Deliver exceptional customer service with fast response times tailored to customers' needs
- Retain subscribers with focus on customer satisfaction and programs to enhance customer loyalty

- Increase market penetration of existing network coverage while growing lifetime value of each customer
- Control operating expenses
- Focus on cash flow generation and ROIC
- Lower cost of debt, extend debt maturities and maintain target leverage ratios

## Revenue

YoY Quarter

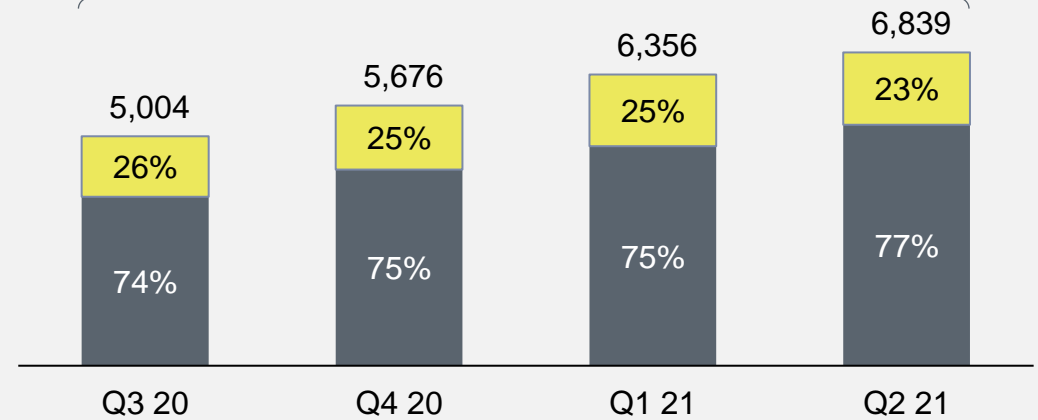


## Revenue

(Ps. in millions)

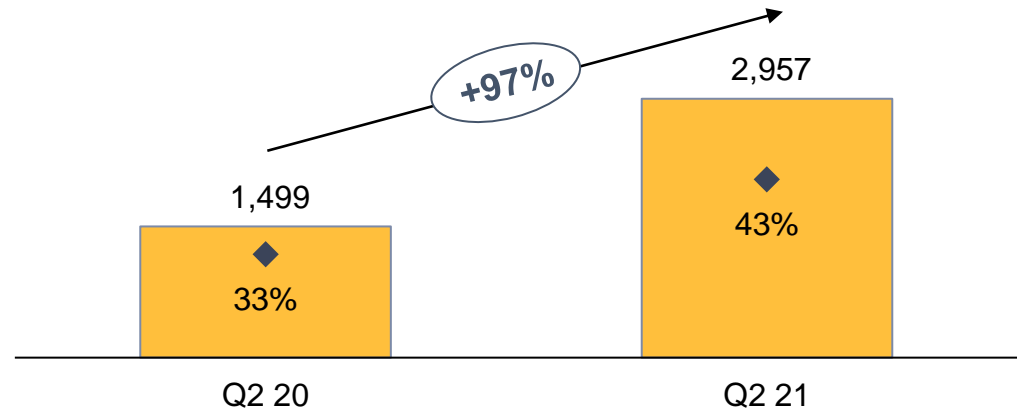
TTM

23,875 (+43% vs. 2020)



## EBITDA & Margin

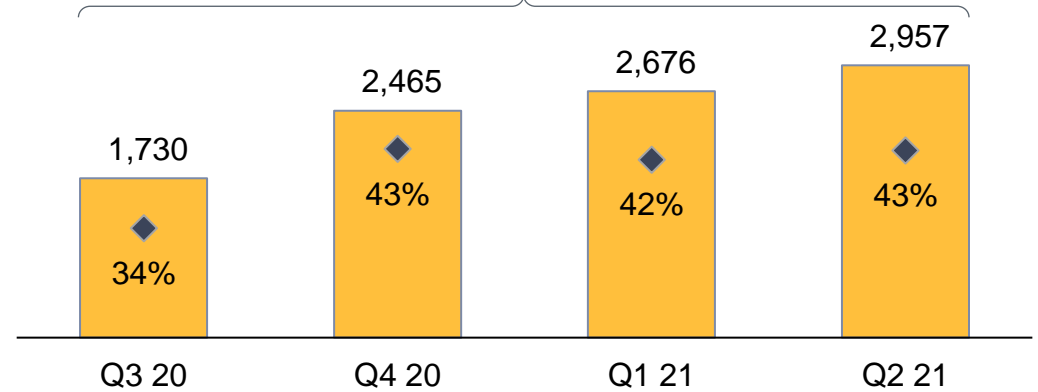
YoY Quarter

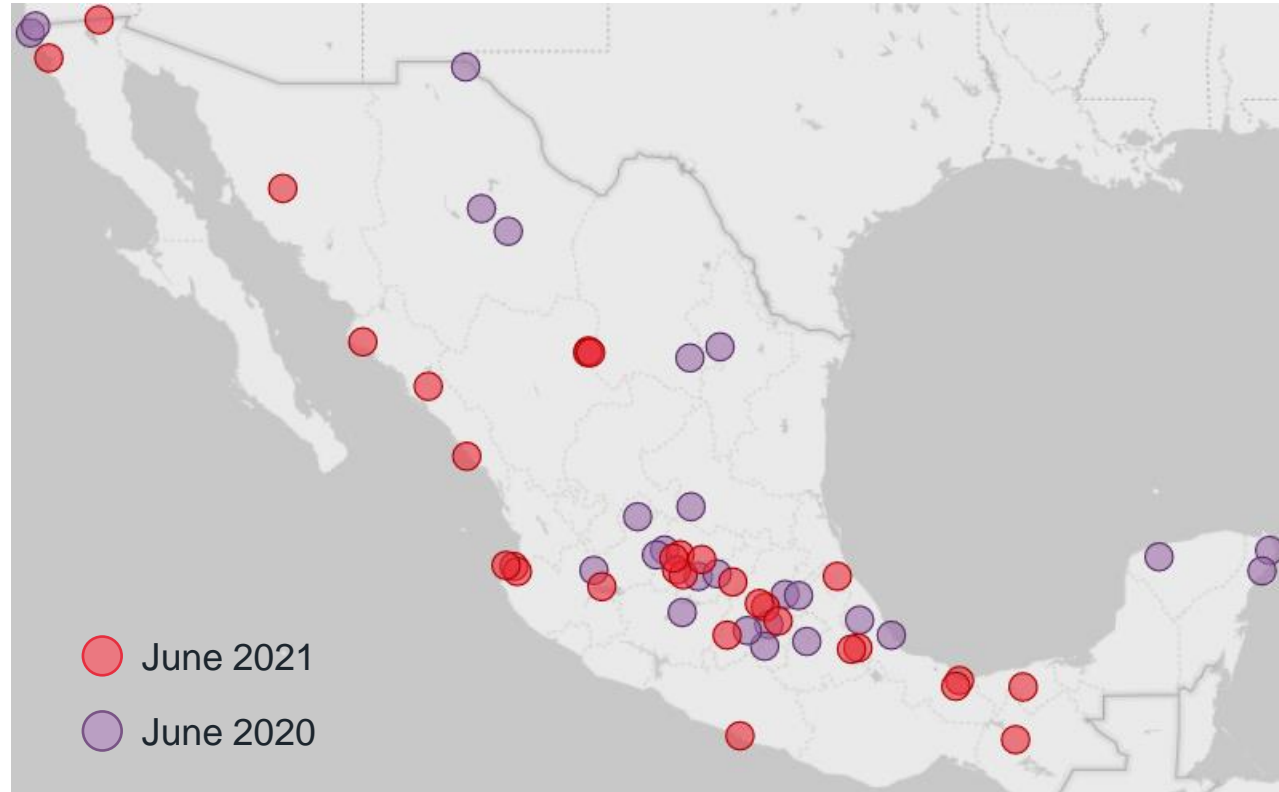


## EBITDA & Margin

TTM

9,828 (+58% vs. 2020)





**95,633 km** fiber optic network vs **84,794 km** in Q2 20

**723** GPON access **nodes** vs **550** in Q2 20



**HP: 11.2M** in June 2021  
vs. **10.2M** prior year

**Penetration: 26%** in June 2021  
vs. **18%** prior year

**Cities: 57** in June 2021  
vs. **27** prior year

**States: 23** in June 2021  
vs. **18** prior year



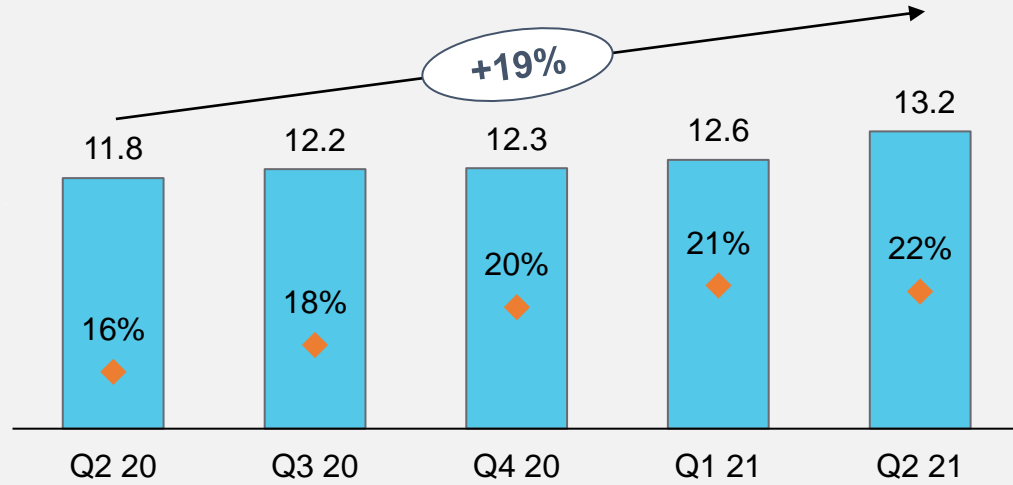
**+2 Tbps.** Internet Tier 1

**100 Gbps.** Interface

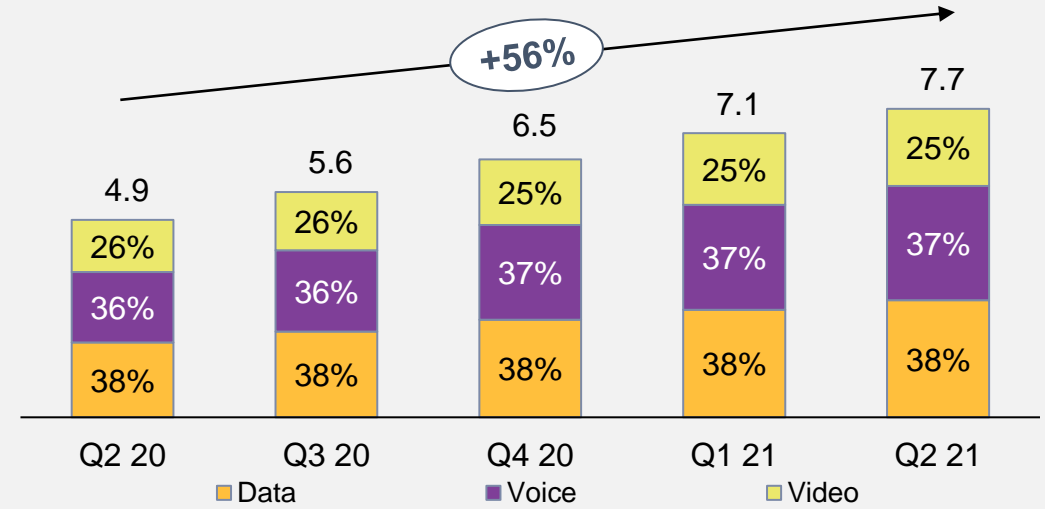
**+120** Cities

**100%** redundancy

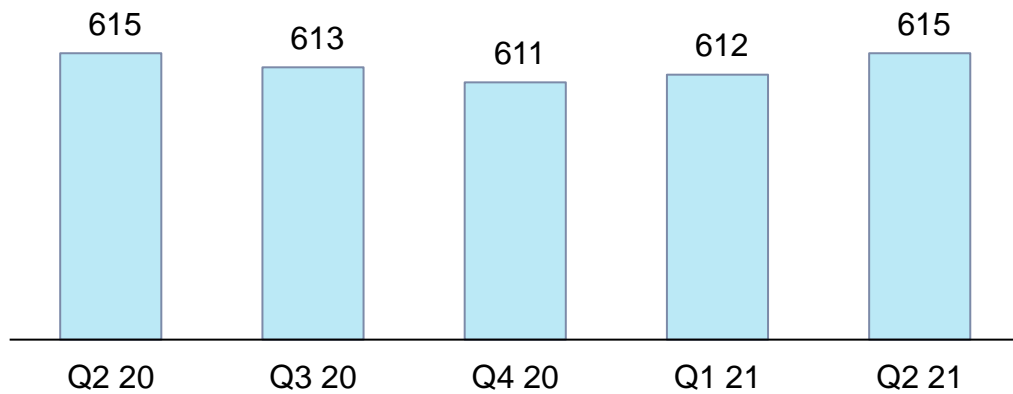
## Homes Passed & Penetration (Units in millions)



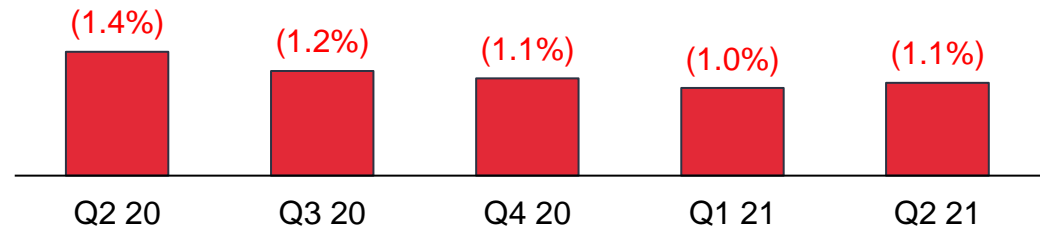
## RGU's (Units in millions)



## ARPU (Ps.)



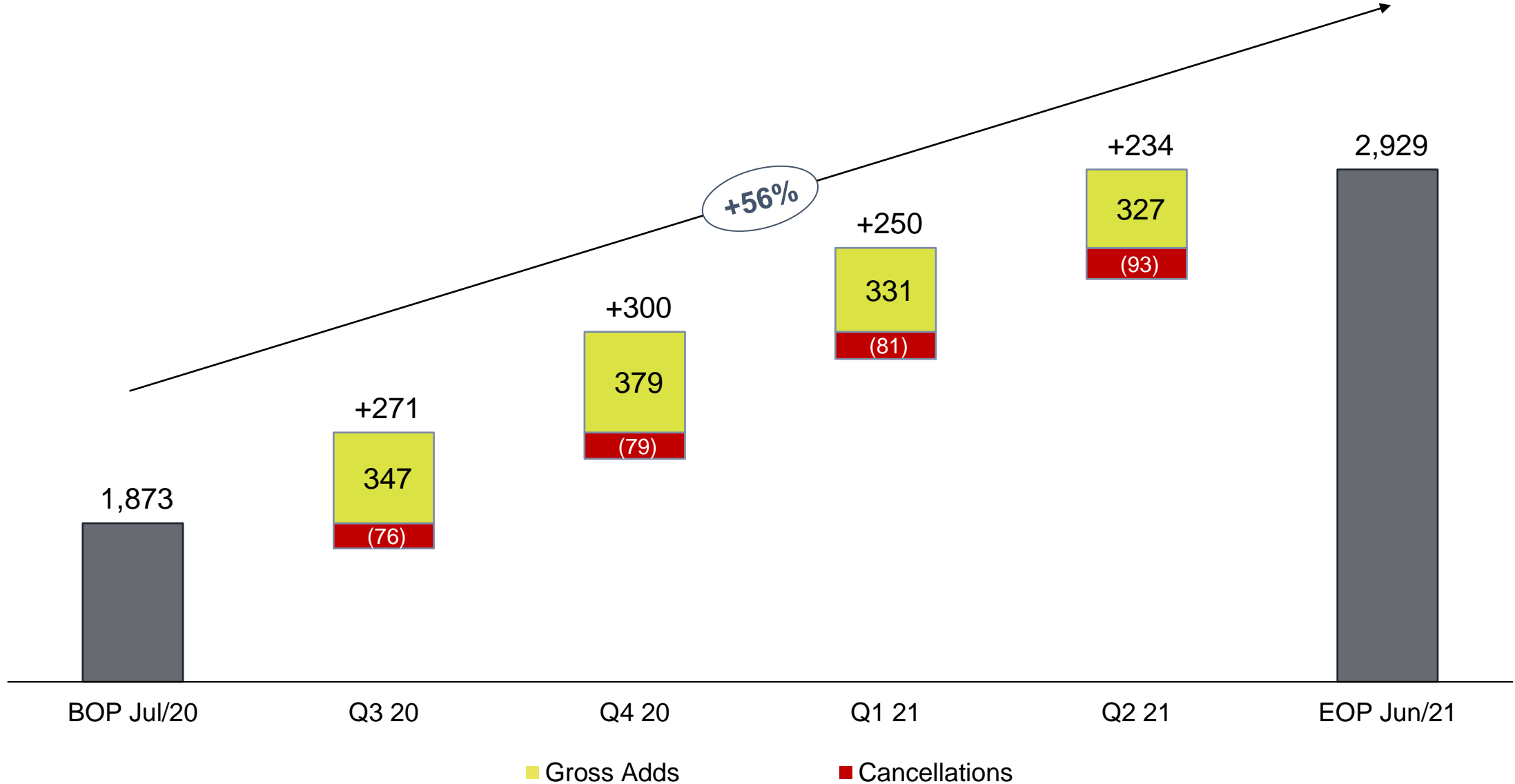
## Churn Rate (%)





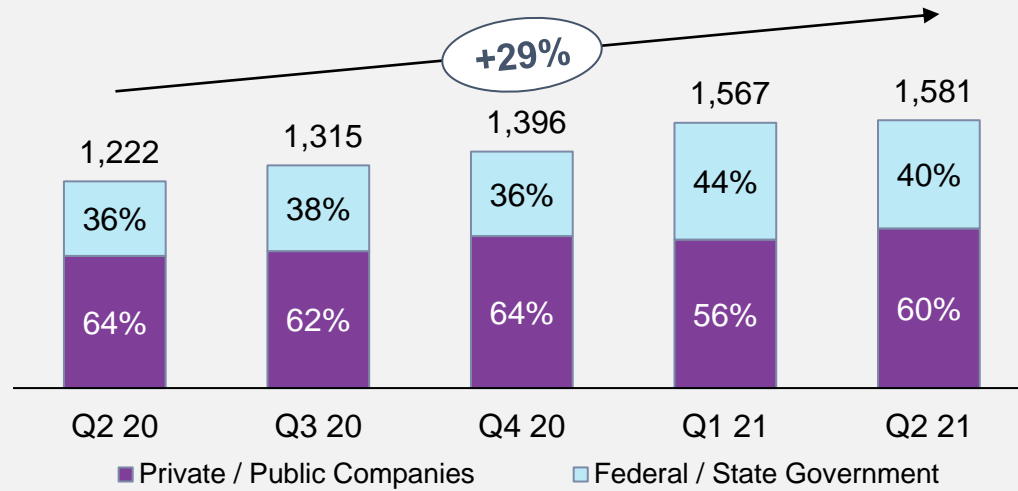
(Units in thousands)

## RESIDENTIAL SUBSCRIBERS



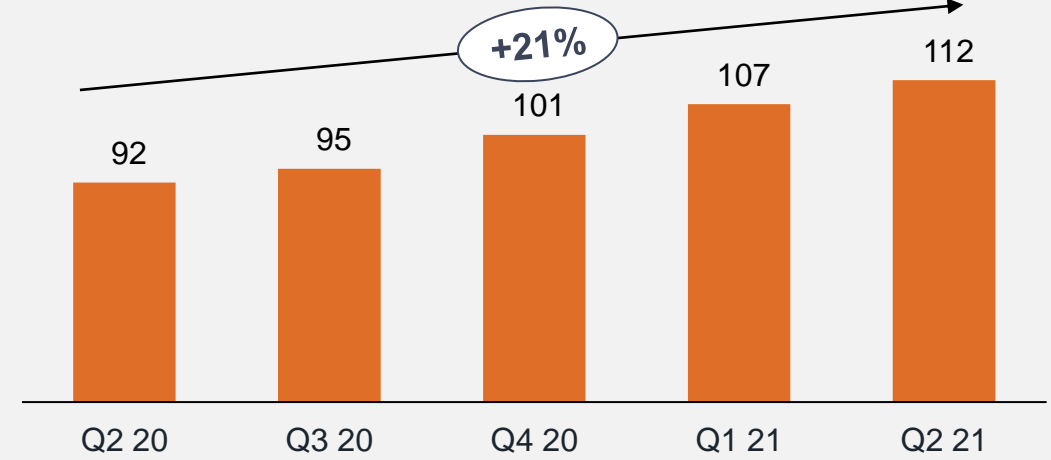
## Revenue by Segment

(Ps. in millions)



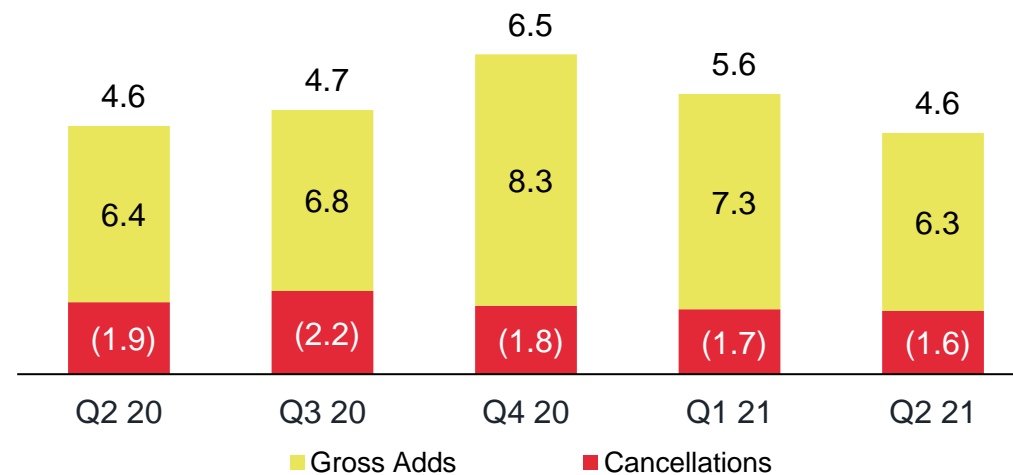
## EOP Customer Services

(Units in thousands)



## Customer Services Growth

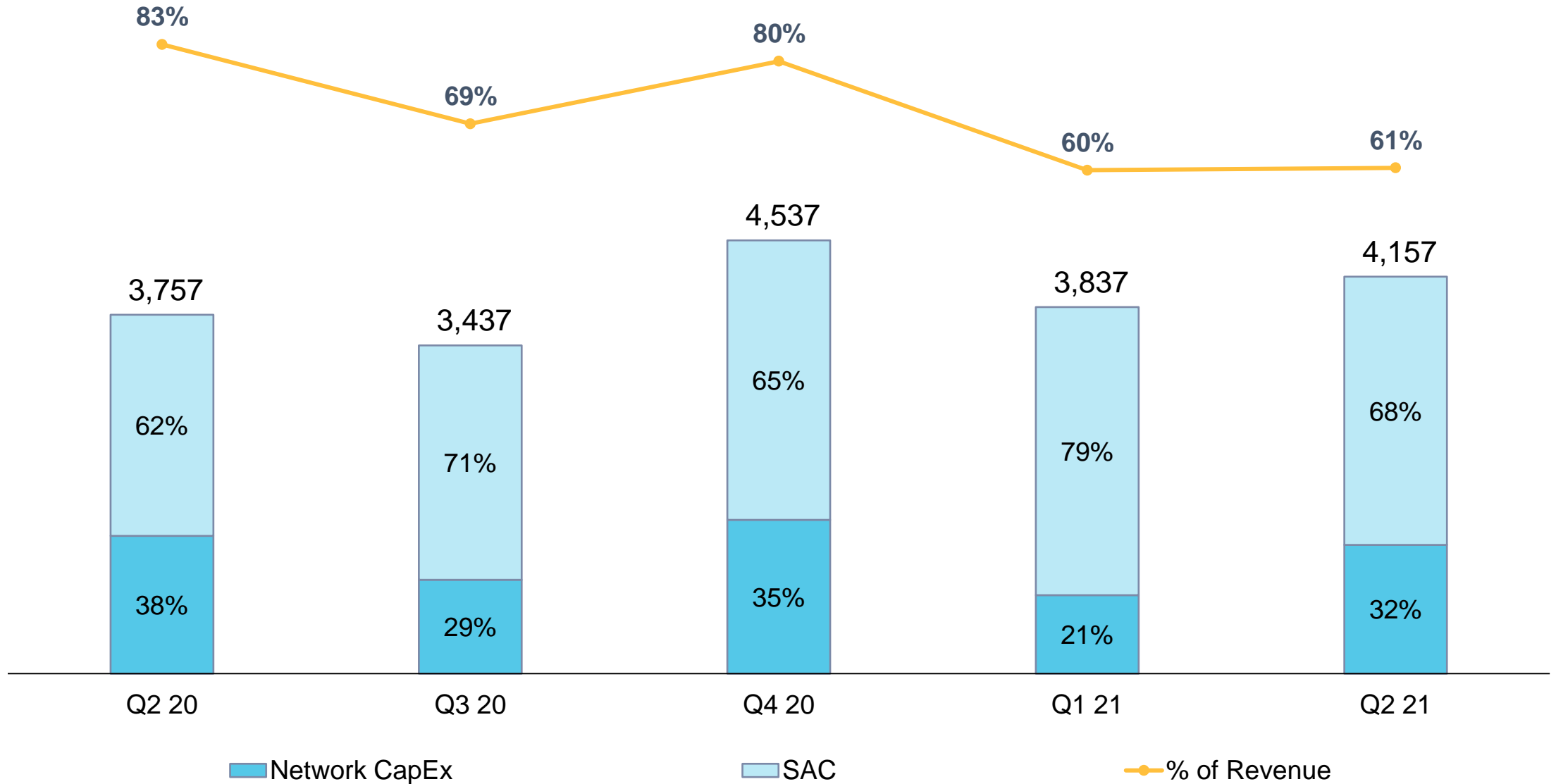
(Units in thousands)



# Capital Expenditure

(Ps. in millions)

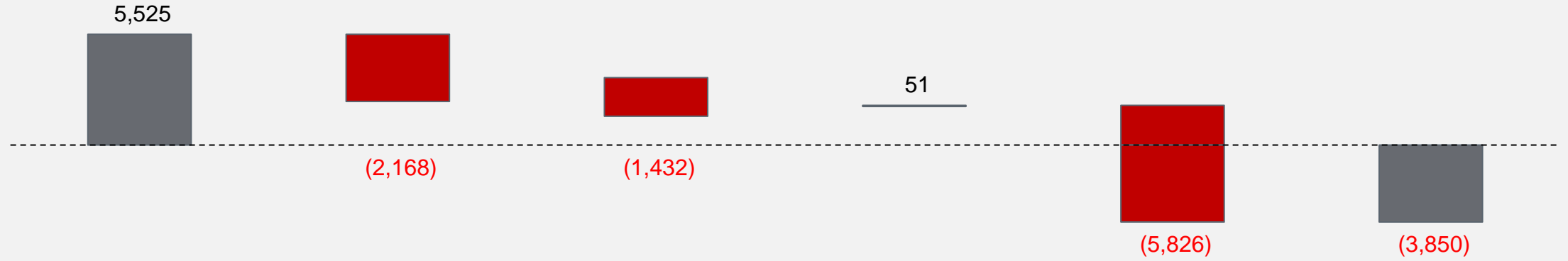
## CAPEX



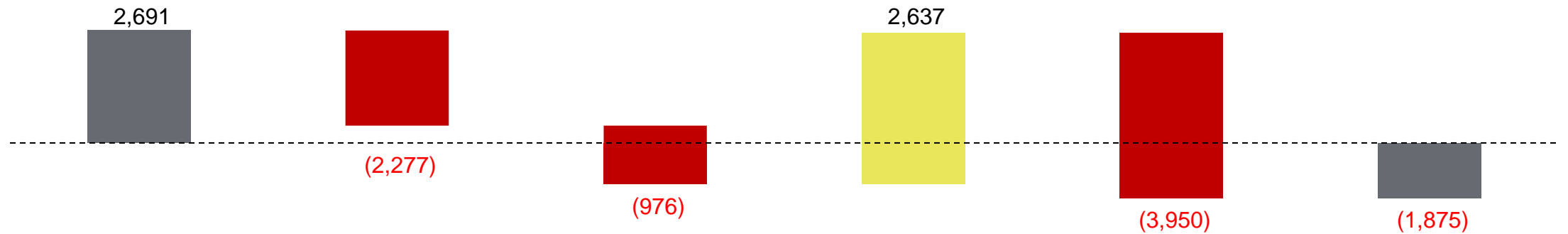
# Levered Free Cash Flow

1H 2021

(Ps. in millions)



1H 2020



OCF

Network CapEx

Adj. Interest Expense

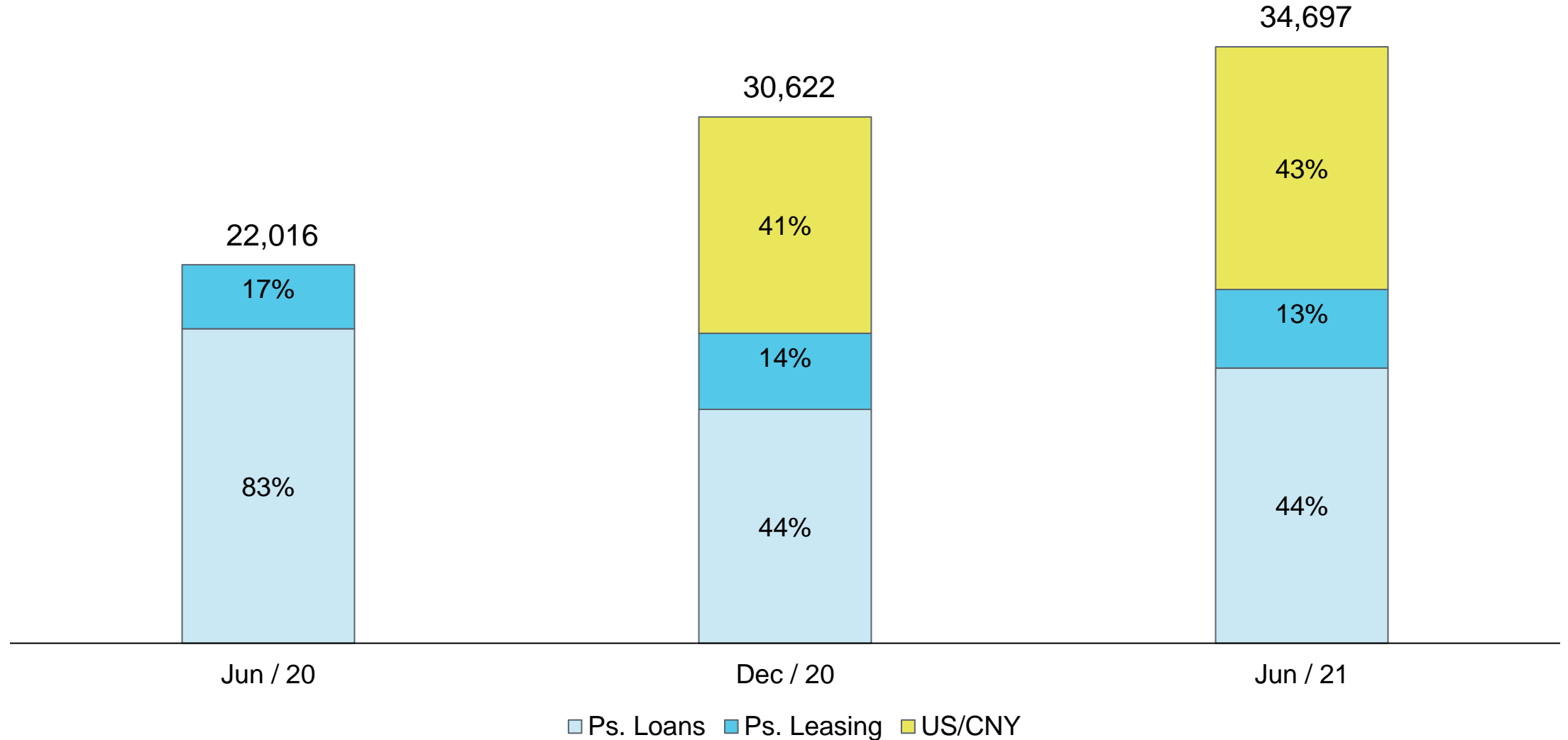
Changes in NWC

SAC

Levered FCF

Note: Definitions included in appendix

## TOTAL DEBT

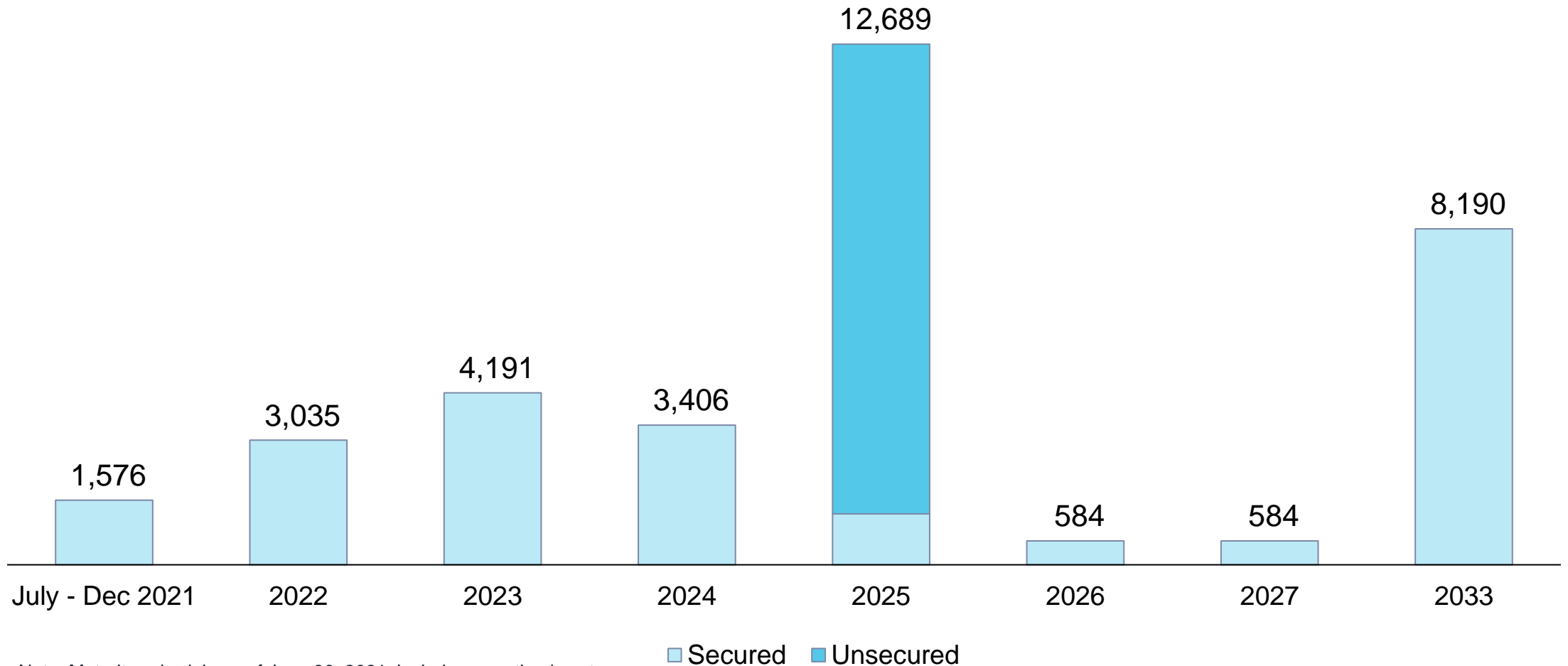


Note: Total debt excludes \$127 million pesos of accrued and unpaid interest expense.

(Ps. in millions as of June 30, 2021)

## DEBT MATURITY

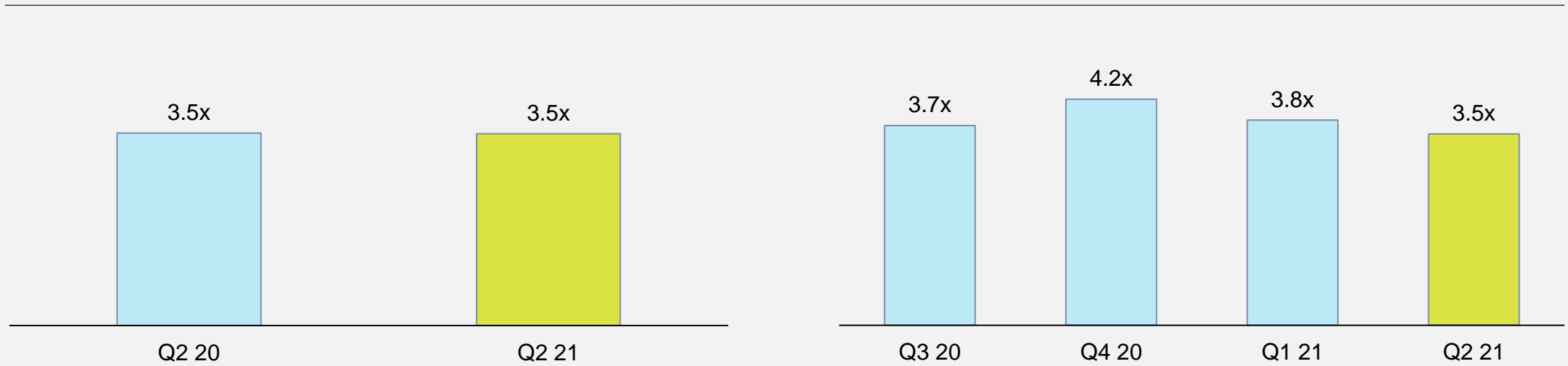
Weighted Avg. Life: 5.7 yr



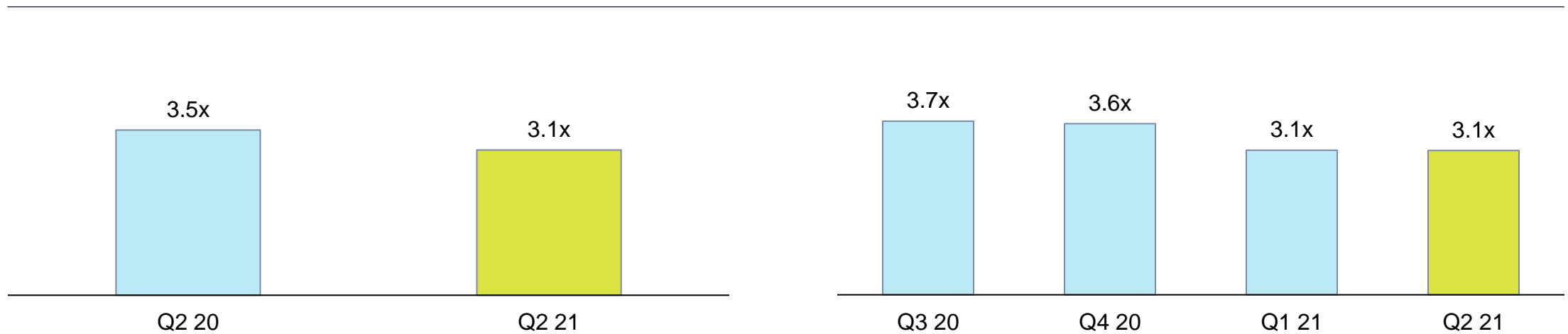
Note: Maturity schedule as of June 30, 2021, includes amortized costs, but excludes building leases. Assumes FX rate of 19.91 MXN\$/US.



## Debt <sup>(1)</sup> / TTM <sup>(2)</sup> EBITDA



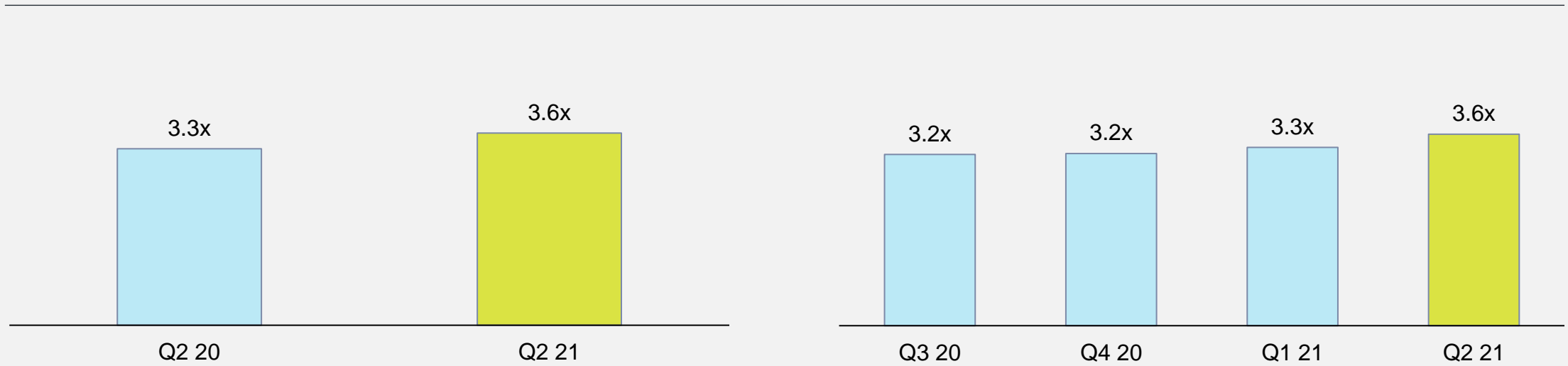
## Debt <sup>(1)</sup> / LQ2A EBITDA



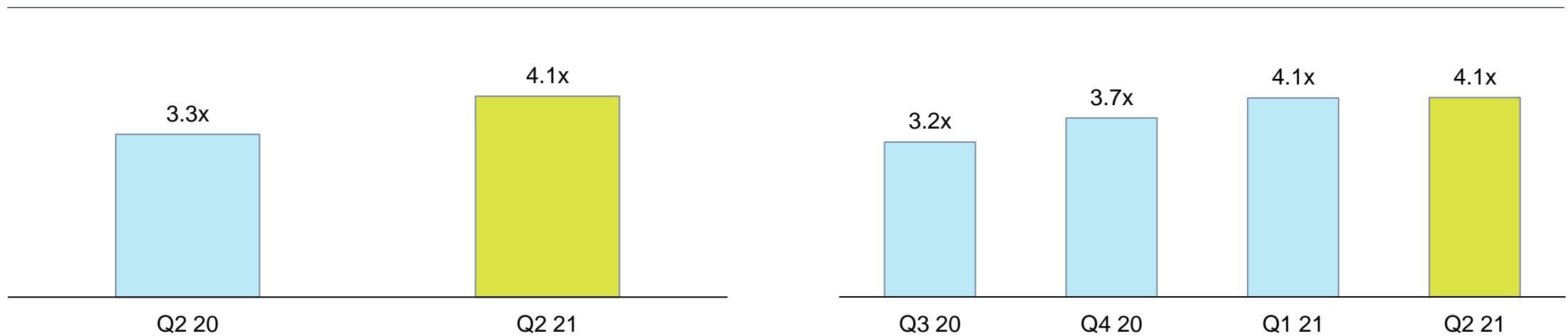
1) Debt = Total Debt plus Leases (including building leases).

2) 12 months prior to June 30, 2021.

## TTM <sup>(1)</sup> EBITDA / TTM <sup>(1)</sup> Interest Expense

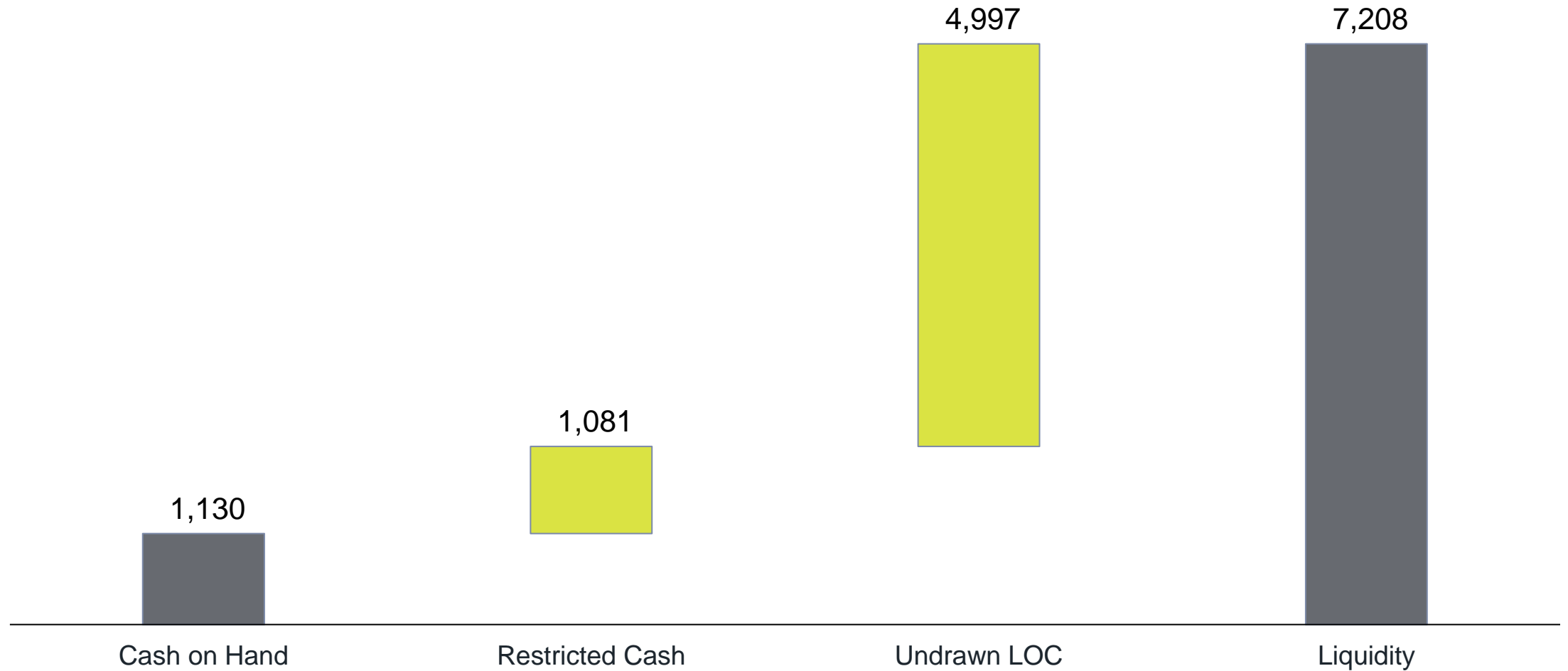


## LQ2A EBITDA / TTM <sup>(1)</sup> Interest Expense



1) 12 months prior to June 30, 2021.

## LIQUIDITY (1)

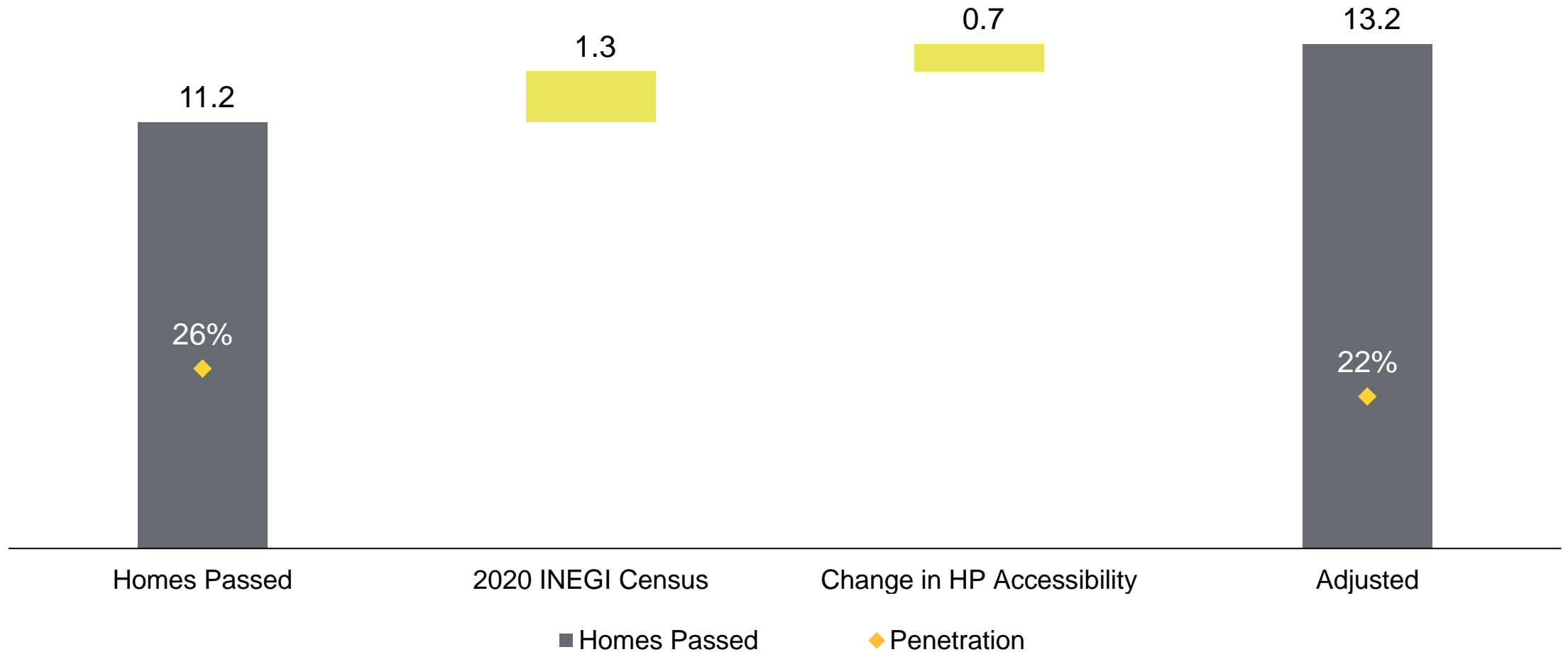


1) As of 06.30.21.

# Homes Passed / Penetration Adjustment

(Units in millions as of June 30, 2021)

## HOMES PASSED / PENETRATION ADJUSTMENT



# Appendix

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- **Adj. Interest Expense:**
  - Interest payments plus collected interest.
- **Changes in NWC:**
  - Networking capital plus changes in Fiduciary Rights and Reverse Factoring (found in financing activities).
- **Network CapEx:**
  - Includes maintenance CapEx plus expansion CapEx to expand Total Play's network coverage.
- **Net Working Capital ("NWC"):**
  - Includes customers and unearned revenue, other receivables, related parties, inventories, trade payables, and other payables.
- **Operating Cash Flow ("OCF"):**
  - Net income plus depreciation/amortization, interest expense, and other non-cash items in P&L.



# Income Statement Quarterly

(Ps. in millions)

	2Q21		2Q20		Change	
	\$	%	\$	%	\$	%
<b>Revenue from services</b>	<b>6,839</b>	<b>100 %</b>	<b>4,476</b>	<b>100 %</b>	<b>2,363</b>	<b>53 %</b>
Cost of services	(1,646)	(24)	(1,131)	(25)	(515)	(46)
<b>Gross profit</b>	<b>5,193</b>	<b>76 %</b>	<b>3,345</b>	<b>75 %</b>	<b>1,848</b>	<b>55 %</b>
General expenses	(2,236)	(33)	(1,846)	(41)	(390)	(21)
<b>EBITDA</b>	<b>2,957</b>	<b>43 %</b>	<b>1,499</b>	<b>33 %</b>	<b>1,458</b>	<b>97 %</b>
Depreciation and amortization	(2,073)	(30)	(1,543)	(34)	(530)	(34)
<b>Operating profit (loss)</b>	<b>884</b>	<b>13 %</b>	<b>(44)</b>	<b>(1) %</b>	<b>928</b>	<b>(2,109) %</b>
Financial cost:						
Interest revenue	7	0	8	0	(1)	(13)
Accrued interest expense	(610)	(9)	(321)	(7)	(289)	(90)
Other financial (expenses) income - Net	(81)	(1)	(14)	(0)	(67)	479
Foreign exchange (loss) gain - Net	368	5	39	1	329	(844)
<b>Profit (loss) before income tax provision</b>	<b>568</b>	<b>8 %</b>	<b>(332)</b>	<b>(7) %</b>	<b>900</b>	<b>(271) %</b>
Income tax provision	(8)	(0)	(7)	(0)	(1)	(14)
<b>Net income (loss) for the period</b>	<b>560</b>	<b>8 %</b>	<b>(339)</b>	<b>(8) %</b>	<b>899</b>	<b>(265) %</b>

# Balance Sheet

(Ps. in millions)

	As of June 30,					
	2021		2020		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
<b>CURRENT ASSETS</b>						
Cash and cash	1,130	2 %	130	0 %	1,000	769 %
Customers - net	2,840	5	2,318	6	522	23
Other receivables and recoverable taxes	3,925	7	2,531	6	1,394	55
Restricted Cash	1,081	2	1,623	4	(542)	(33)
Inventories	1,518	3	1,396	3	122	9
Prepaid expenses	372	1	524	1	(152)	(29)
<b>Total current assets</b>	<b>10,866</b>	<b>20 %</b>	<b>8,522</b>	<b>21 %</b>	<b>2,344</b>	<b>28 %</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment - Net	37,797	70 %	27,122	67 %	10,675	39 %
Rights-of-use assets -Net	4,174	8	3,619	9	555	15
Other non-current assets	1,504	3	1,411	3	93	7
<b>Total non-current assets</b>	<b>43,475</b>	<b>80</b>	<b>32,152</b>	<b>79</b>	<b>11,323</b>	<b>35</b>
<b>Total assets</b>	<b>54,341</b>	<b>100 %</b>	<b>40,674</b>	<b>100 %</b>	<b>13,667</b>	<b>34 %</b>
<u>Liabilities and Stockholders' Equity</u>						
<b>SHORT-TERM LIABILITIES</b>						
Short-term financial debt	1,358	2 %	1,727	4 %	(369)	(21) %
Trade payables	8,456	16	8,440	21	16	0
Other payables and taxes	2,392	4	1,907	5	485	25
Derivative financial instruments	137	0	-	-	137	n.m.
Lease liabilities	1,515	3	1,367	3	148	11
<b>Total short-term liabilities</b>	<b>13,858</b>	<b>26 %</b>	<b>13,441</b>	<b>33 %</b>	<b>417</b>	<b>3 %</b>
<b>LONG-TERM LIABILITIES</b>						
Long-term financial debt	28,891	53 %	16,570	41 %	12,321	74 %
Trade payables	20	0	69	0	(49)	(71)
Other long-term payables	81	0	215	1	(134)	(62)
Lease liabilities	3,060	6	2,353	6	707	30
<b>Total long-term liabilities</b>	<b>32,052</b>	<b>59</b>	<b>19,207</b>	<b>47</b>	<b>12,845</b>	<b>67</b>
<b>Total liabilities</b>	<b>45,910</b>	<b>84 %</b>	<b>32,648</b>	<b>80 %</b>	<b>13,262</b>	<b>41 %</b>
<b>STOCKHOLDERS' EQUITY</b>						
	8,431	16	8,026	20	405	5
<b>Total stockholders' equity and liabilities</b>	<b>54,341</b>	<b>100 %</b>	<b>40,674</b>	<b>100 %</b>	<b>13,667</b>	<b>34 %</b>

# Statement of Cash Flow

(Ps. in millions)

	As of June 30,	
	2021	2020
<u>Operating activities:</u>		
(Loss) income before income tax provision	344	(709)
Depreciation and amortization	4,092	2,921
Employee benefits	15	7
Items related to investing or financing activities:		
Accrued interest income	(21)	(18)
Accrued interest expense and other financial transactions	1,172	514
Valuation of financial derivative instruments	(77)	(24)
	<b>5,525</b>	<b>2,691</b>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(464)	(162)
Other receivables	(551)	(828)
Related parties, net	172	208
Inventories	104	(136)
Trade payables	245	3,766
Other payables	480	308
<b>Cash flows generated by operating activities</b>	<b>5,511</b>	<b>5,847</b>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(7,994)	(6,229)
Other assets	(7)	(25)
Collected interest	21	18
<b>Cash flows (used in) investing activities</b>	<b>(7,980)</b>	<b>(6,236)</b>
<u>Financing activities:</u>		
Loans received	3,928	3,175
Reverse factoring	(119)	156
Interest payment	(1,453)	(994)
Leasing cash flows	(735)	(1,395)
Fiduciary rights	191	(650)
<b>Net cash flows generated by financing activities</b>	<b>1,812</b>	<b>292</b>
Increase in cash and cash equivalents	(657)	(97)
Cash and cash equivalents at the beginning of the year	1,787	227
<b>Cash and cash equivalents at the end of the year</b>	<b>1,130</b>	<b>130</b>



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**Thank You**