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Dolomiti's Insight / Televisa

The Best Telenovela in the Mexican Bond Market / August 2026

TLDR: Dolomiti Capital is buying the **TELVIS 2037 MXN bond** that pays **13.50% YTM**, roughly **+450bp over Mbonos** of similar duration and some **+150bp more than the identical, pari-passu USD bonds** on an asset-swapped basis. The credit behind it has cut leverage to 1.8x, suspended its dividend and just raised MXN 6.9bn of new capital junior to every bond outstanding, subscribed by the controlling family and the most successful distressed investor in Latam. **These bonds are the safest seat in the theater.**

Telenovelas have been in Televisa's bloodstream since its inception. The company taught Spanish speakers how to tell a gripping story: **the dynasty in decline, the return nobody saw coming, the final episode that resolves everything at once,** but the plot unfolding inside the company today is better than anything you will find in your classic 8pm Soap-Opera.

1. The Fall, and the Plot Twist

The media empire that produced what Mexicans watched on TV for seventy years spun its crown-jewel content into a US joint venture, watched its satellite business enter terminal decline, **lost its investment grade from two of the three rating companies** and saw its share price fall by roughly 80% in five years.

In June the plot turned. Televisa placed **MXN 6.9bn of one-year, zero-coupon debentures that mandatorily convert into ~19.5% of the company's equity.** No coupon, no maturity claim, no cash servicing, booked directly in equity. The placement was private, subscribed by a handful of investors led by the cast below.

2. The Cast

Emilio Azcárraga Jean. He inherited the throne before he was thirty and brought his two closest friends to help him run it. His passion was never telecom or fiber optics. It was fútbol, and in 2024 he made it official, swapping his seat and shares at the parent for Ollamani, the sports-and-entertainment spin-off. Yet when the company his grandfather built needed capital at the bottom, **he wrote a personal check into the convertible instrument.**

Bernardo Gómez and Alfonso de Angoitia. Sharp, skilled operators, and honest enough to admit that streaming ate their lunch. Sky's satellite dishes are on a path toward zero and the legacy coaxial plant was aging into obsolescence. Their answer over the last three years has been unglamorous: cut, integrate, convert to fiber, stop pretending the old empire still exists. They also subscribed to the convertible, instruments junior to the bonds.

David Martínez (Fintech). If you are a bondholder, this is the character whose entrance usually means things are about to get messy. Low-profile, extremely successful, the sharpest distressed-credit investor in the region. Here is the catch: **he did not buy Televisa's discounted bonds.** He invested his capital into the mandatory convertible, an instrument that converts into equity, subordinated to every bond on the run. Once converted, Fintech will hold **22.3% of the company's capital**, locked up for a year and governed by an agreement that keeps the stake passive. **When Martínez subordinates himself to your claim and locks the door behind him, your bonds are good money.**

3. Read It as a Creditor

The people with the most information and the most to lose, converted cash into the most junior instrument in the capital structure, permanently behind the bonds. The stated use of proceeds, the dividend suspension and press reports all point the same direction: **AT&T México**, the asset that would make Televisa the country's converged #2 and the consolidator of a saturating broadband market.

The math in the deal, per Wall Street analysts' work, we find directionally credible: a ~US$3.1bn headline at 3.5x EBITDA, but an effective entry near 1.7x after netting the network investment the asset still requires, potentially with deferred payments, potentially in partnership. At anything near that level the entire acquisition fits inside existing cash plus the convertible, with no new bond issuance. Pro-forma leverage stays at ~1.8x, flat versus today. Televisa would take on roughly MXN 27bn of net debt and gain roughly MXN 16bn of EBITDA, leaving the ratio where it started against a base 70% larger. One structural detail says a lot: Izzi is a fixed operator, but its relaunched mobile offering already serves 820k subscribers as a virtual operator (MVNO) riding AT&T México's network, **so the acquisition would be buying the network under its own customers' feet.**

4. The Turnaround, in Numbers

We are not putting money into this on insider behavior alone. The operating turnaround has to stand on its own numbers and we believe it does. The latest results describe a company being run like a business school case and not a Telenovela:

- **Operating expenses down 18.4%** (MXN 42.2bn to 34.5bn)
- **Headcount cut from ~34,000 to ~25,000**. Programming costs down ~20%. Corporate overhead down ~65%
- **Segment margin of 41.8%** in 2Q26, up 310bp year over year, the most profitable quarter in three years.
- **Leverage of 1.8x,** down from 2.4x three years ago. No debt maturities in the current window.
- **MXN 41.8bn of cash** and short-term investments, plus MXN 4.1bn of non-current financial instruments.
- **Fiber conversion 60% complete**. Capex steps down from MXN 12bn this year toward 9bn as the build rolls off.
- **The 2026 dividend suspended.** Cash conservation ranked ahead of shareholders.

5. The Trade

What Dolomiti is buying: TELVIS 8.49% 2037 MXN. (ISIN XS0316989523) Trading at 70 cents, **13.50% YTM, +450bp over the 6yr duration-matched Mbono 2034**. On an asset-swapped basis it pays around 150bp more than the long-end USD TELVIS bonds, for the same issuer and the same unsecured pari-passu claim. **Nothing else in the MXN corporate space offers this spread against this balance sheet.**

What remains is a split-rated paper: AAA/AA on the local scale (BBB-/BB+ global) **that trades at the spread of a single-B credit.** When Moody's and Fitch cut the ratings, Afores and insurance companies rushed to sell, but with Mexico lacking a deep pool of high-yield peso players, the yields in Televisa's MXN curve ballooned and haven´t recovered. Meanwhile the dollar bonds have already rallied ~8 points from the early April lows.

6. The Finale

Every telenovela ends the same predictable way. In Televisa's case we do not know which script airs: the AT&T consolidation, the standalone deleveraging or a season of regulatory delay. What we know is that **bondholders get paid in every ending**, and in pesos they get paid more than the dollar audience for the identical seat, with the region's best distressed investor, the operating management, and the founding family all sitting in the rows behind them.

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Sources

Grupo Televisa 2Q26 results release (July 23, 2026) and unaudited condensed consolidated financial statements. Grupo Televisa press release dated June 3, 2026 on the issuance of mandatory convertible debentures (subscribers, amount, conversion terms and use of proceeds). Bloomberg: BVAL pricing, yield and spread analytics for TELVIS 8.49 05/11/37 (XS0316989523) and the TELVIS USD curve, and dividend history for TLEVISA CPO, as of August 2026. Ratings: Moody's, S&P Global (global and local scales) and Fitch, as of August 2026. Sell-side research. Press reports on the AT&T México sale process. Illustrative deal figures are third-party estimates, not company guidance.

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