

## Entravision Communications Corporation (EVC)

1Q Preview: PT Up to \$3.50 on 4Q Beat and Raise, but China Dependence a Risk; HOLD

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**With 1Q results set for May 5 AMC, we raise our 2026 estimates and our PT to \$3.50 from \$3, on new digital business upside partially offset by its increased risk profile.** The webinar will be at 4:30pm ET, at [investor.entravision.com](http://investor.entravision.com). Our rating stays Hold.

**Our 2026 adjusted EBITDA estimate goes to \$56m from \$45m.** See Fig. 2. After the 4Q beat at both the Advertising Technology & Services (“AT&S”) and Media segments, our revenue and OCF estimates for both rise. See Fig. 3 and 7. Aside from updating for 4Q, our primary forecast changes are: 1) raising our 2027 revenue and OCF segment and consolidated estimates (see Fig. 3), 2) raising our out-year EBITDA growth estimates on lift from AT&S growth (see Fig. 8), and 3) updating the WACC estimates in our DCF for macro inputs (see Fig. 8). Pro forma net debt has been steady, at \$104m at 12/31, but estimated leverage kept ticking up to ~4.4x on falling LTM EBITDA, and short-term maturities remained \$20m at 12/31/25.

**Higher estimates come with higher risks at AT&S segment and continuing challenges at Media segment leave our Hold rating unchanged.** EVC’s big new customer suggests a big competitive win for Smadex’s technology and service, but also the risk of a large reduction or outright loss of this spending, such as from the customer’s campaign’s running its course or a competitor’s regaining some or all of the business from EVC in the highly competitive DSP sector. As we discuss in the report, we surmise from the 10-K disclosure that EVC’s new customer, accounting for 9% of annual revenue, is likely a Hong Kong game publisher. Although we model a continued surge in revenue and OCF from the new budget, we trim our valuation for a downside scenario where the spending rolls off substantially. At the Media segment, the deterioration in OCF margin runs in parallel with the \$26m FCC license write-down EVC took in 4Q. Compared to the same point in the last political cycle, 2021, Media OCF margins were down 35 percentage points for 4Q and the full year. In addition, time for renewal of EVC’s TV network affiliation agreement with TelevisaUnivision, which expires at year-end, is growing shorter, although management said on the 4Q call that renewal is still the plan.

**4Q recap—EBITDA beat at both segments.** See Fig. 4 and 7. Adj. EBITDA was \$10.6m (7.9% margin) vs. our \$5.8m (5.0% margin) estimate. Revenue growth was -32% for Media (local +4%, national -5%) and +123% for AT&S vs. our -37% and +91% estimates, respectively. See Fig. 7. OCF margins beat at Media (4.9% vs. 2.6%), and again at AT&S (14.0% vs. 12.6%). Corporate expense was \$6.5m vs. our \$7.5m estimate, on lower rent and professional fees. EPS loss of \$0.20 missed our \$0.33 estimate, largely on the license impairment charge. Reported free cash flow of \$8.6m was down from \$10.6m the year before, and in 2025 was \$3.4m vs. \$65.6m in 2024.

**Our 12-month price target is \$3.50; risks on page 2.** Our PT is supported by a spectrum value estimate and a DCF valuation based on explicit financial forecasts through 2031. See Fig. 15.

HOLD			
Price at 4/28/26 (USD)			3.84
Price Target			3.50
52-week range			1.76 - 4.00
Performance (%)	1m	3m	12m
Absolute	28	24	104
S&P 500	12	2	29
Market Cap (USDm)			349.3
Shares outstanding (m)			91.0
Float (%)			90
Average volume			324,162
S&P 500			7,138.8
<b>Forecasts and ratios</b>			
Year ended 12/31	2025A	2026E	2027E
1Q EPS (USD)	-0.53	-0.02	-0.07
2Q EPS (USD)	-0.04	0.00	-0.02
3Q EPS (USD)	-0.11	0.05	-0.01
4Q EPS (USD)	-0.20	0.10	0.18
FY EPS (USD)	-0.86	0.14	0.08
% Change	NM	NM	-45%
P/E (x)	NM	26.9	48.5
EV/EBITDA (x)	15.8	6.6	8.0
Revenue (USDm)	447.6	557.2	553.8
% Change	23%	24%	-1%

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## Investment Thesis and Valuation: Hold With \$3.50 Price Target

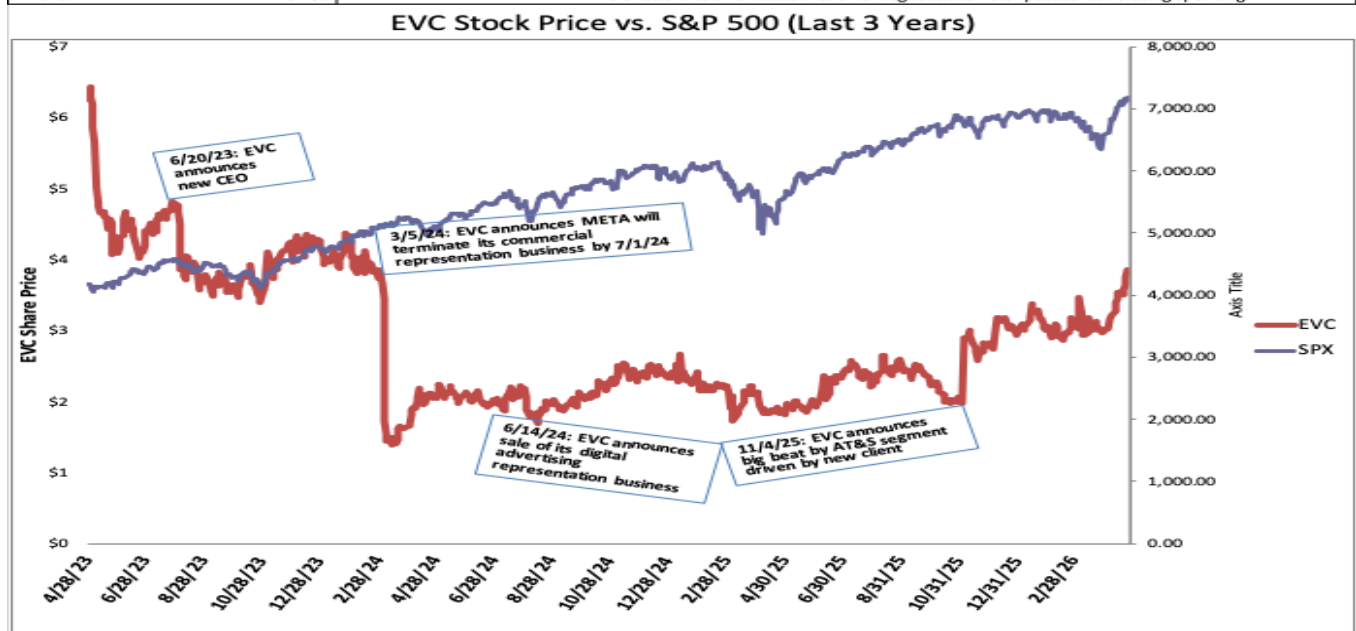
**We rate Hold the shares of EVC.** Despite 1) a digital advertising business posting impressive growth, 2) a reduced operating risk profile for EVC's overall business because of the relative stability of TV retransmission revenue (68% of 2024 EBITDA and over 100% of 2025 EBITDA), secular growth of political advertising revenue, and reasonable pro forma net debt leverage of EBITDA over the course of a 2-year political ad cycle, and 3) potential monetization from future spectrum auctions (as in 2017), EVC shares nevertheless face 4) rising risk of digital business volatility, 5) audience declines at its U.S. broadcast businesses, and 6) dependence on and potentially increasing competition with its primary network programming supplier TelevisaUnivision, whose network affiliation agreement expires at the end of 2026. Our valuation supports stock price performance over the next 12 months consistent with a Hold rating.

**Our 12-month price target is a weighted average of projected equity valuations using a discounted cash flow (DCF) analysis at year-end 2026 and 2027, plus an estimated value for spectrum assets the sale of which would be immaterial to continuing EVC's broadcast operations.** See Fig. 15. Our PT assumes a base case forecast with 2026/27 adjusted EBITDA pro forma for asset sales of \$56m/\$46m, and \$85m for spectrum asset value, resulting in a target valuation of \$3.50. In structuring our DCF, first we adjust the current net debt for the value of any estimated payments remaining on the acquisitions (e.g., earnouts) and noncontrolling interest. Second, we adjust the current net debt by the estimated free cash flow after dividends to be generated by each valuation date. Third, we include in the forecast return any dividends projected through the year-end valuation dates. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods, plus the estimated spectrum value, set the range for our base case valuation. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be similar to D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

**Risks to our investment thesis include:** 1) sensitivity of EVC's advertising-based businesses to customer concentration and macroeconomic flux, and 2) the impact of the 2023 change in voting control and 2024 asset sales on company's strategy and pursuit of potential longer-term options, including capital allocation and sale of all or a portion of the company.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data) 12-month price target: \$3.50	
<b>ENTERPRISE VALUE</b>		<b>COMPANY CHARACTERISTICS AND INVESTMENT THESIS</b>	
Price per share	\$3.84	<b>Company description</b>	<b>Entravision operates a digital media business including a demand side platform serving the U.S. and a number of international markets and a broadcast business targeting U.S. Hispanics with 49 TV stations (mostly Univision network affiliates) in 14 of the top-50 U.S. Hispanic markets, 44 radio stations (37 FM and 7 AM), and a radio network together covering markets with ~30% of the U.S. Hispanic population. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."</b>
Diluted shares outstanding	91.0	<b>Strategy</b>	<b>Pursue growth from digital media operations, while managing for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets</b>
Equity market capitalization	349	<b>Est. acquisition capacity</b>	<b>\$0</b>
+Pro forma net debt	104	<b>Management</b>	<b>After the untimely death of former Chairman and CEO Walter Ulloa in December 2022, Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023. Mark Boelke is CFO (since 2024) and COO (since 2026).</b>
-Hidden value	85	<b>Positives</b>	<ul style="list-style-type: none"> <li>* <b>High growth of its demand side platform (DSP) business, both in U.S. and internationally</b></li> <li>* Long-term potential for monetizing spectrum assets (as occurred, e.g., in 2017 FCC auction)</li> <li>* Secular growth in U.S. political advertising spending</li> <li>* Free cash flow generation from broadcast business</li> <li>* Most of EVC's TV stations are affiliated with leading U.S. Spanish language network Univision</li> </ul>
=Pro forma EV	\$368	<b>Risks</b>	<ul style="list-style-type: none"> <li>* <b>Impact of advertising declines on cash flow</b> (e.g., in 2009 and 2020)</li> <li>* Customer concentration risk, volatility and international competition of DSP business</li> <li>* TelevisaUnivision relationship, including affiliation agreement expiring in 2026, may limit strategic flexibility</li> <li>* Deteriorating broadcast economics given loss of audience and advertising share</li> <li>* Capital allocation and corporate control after loss of management voting control triggered by death of prior CEO</li> </ul>
<b>OPERATING PROJECTIONS</b>		<b>Valuation</b>	<b>Attributing firm value primarily to digital business and U.S. broadcast spectrum assets</b>
<b>Pro forma net revenue</b>		<b>Recent events</b>	<b>November 2025 - big AT&amp;S segment beat driven by new Smadex customer. July 2025 - amended credit agreement. June 2024 - sale of digital media representation business. March 2024 - META informed EVC that it would wind down EVC's representation of META by July 1. June 2023 - appointment of new CEO effective July 1. December 2022 - death of co-founder, CEO &amp; Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million.</b>
2026	\$557	<b>Upcoming potential catalysts</b>	<b>Continued onboarding of large new digital ad platform customer added in 2025 - TelevisaUnivision affiliation renewal negotiations - U.S. political advertising spending</b>
2025	448		
% Chg	24.5%		
<b>Pro forma EBITDA</b>			
2026	\$56		
2025	23		
% Chg	139.7%		
<b>Pro forma EBITDA margin</b>			
2026	10.0%		
2025	5.2%		
<b>Free cash flow per share</b>			
2026	\$0.33		
2025	\$0.24		
% Chg	37.5%		
<b>Est. 3-5 yr FCF Growth rate</b>	0%		
<b>VALUATION AND LEVERAGE</b>			
<b>Pro forma EV/EBITDA</b>			
2026	6.6x		
2025	15.8x		
<b>Price / Free cash flow per share</b>			
2026	11.6x		
2025	16.0x		
<b>Pro forma net debt / EBITDA</b>			
2026	1.9x		
2025	4.5x		
<b>Dividend yield</b>			
2026	5.2%		
2025	5.2%		



Source: Yahoo Finance, NASDAQ, company data and Industry Capital Research estimates

## More on Our Outlook and Valuation

Figure 2: We raise our 2026/2027 estimates

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates							
In millions, except per share data							
	Last Yr	Estimates			YoY %CHG		
		Prior	Chg	Current	Prior	Chg	Current
<b>2026E</b>							
Pro Forma *							
Revenue	447.6	515.7	41.5	557.2	15.2%	9.3%	24.5%
Op expense	424.3	470.3	31.1	501.4	10.8%	7.3%	18.2%
Adjusted EBITDA	23.3	45.3	10.4	55.8	94.9%	44.9%	139.7%
Margin	5.2%	8.8%	1.2%	10.0%			
As Reported							
Revenue	447.6	515.7	41.5	557.2	15.2%	9.3%	24.5%
Op expense	424.2	470.3	31.1	501.4	10.9%	7.3%	18.2%
Adjusted EBITDA	23.4	45.3	10.4	55.8	94.0%	44.7%	138.6%
Margin	5.2%	8.8%	1.2%	10.0%			
Pro forma EPS	(\$0.86)	\$0.06	\$0.08	\$0.14	-107.0%	-9.3%	-116.3%
Cash FCF/sh	\$0.24	\$0.29	\$0.04	\$0.33	20.8%	16.7%	37.5%
<b>2027E</b>							
Pro Forma *							
Revenue	557.2	506.3	47.5	553.8	-9.1%	8.5%	-0.6%
Op expense	501.4	476.0	31.8	507.8	-5.1%	6.4%	1.3%
Adjusted EBITDA	55.8	30.4	15.6	46.0	-45.6%	28.0%	-17.6%
Margin	10.0%	6.0%	2.3%	8.3%			
As Reported							
Revenue	557.2	506.3	47.5	553.8	-9.1%	8.5%	-0.6%
Op expense	501.4	476.0	31.8	507.8	-5.1%	6.4%	1.3%
Adjusted EBITDA	55.8	30.4	15.6	46.0	-45.6%	28.0%	-17.6%
Margin	10.0%	6.0%	2.3%	8.3%			
Pro forma EPS	\$0.14	(\$0.04)	\$0.12	\$0.08	-128.6%	85.7%	-42.9%
Cash FCF/sh	\$0.33	\$0.18	\$0.10	\$0.28	-45.5%	30.3%	-15.2%

\* pro forma reflects announced acquisitions and dispositions  
Source: Company reports, Industry Capital Research estimates

**Our 2026 adjusted EBITDA estimate rises to \$56m from \$45m, driven primarily by higher AT&S OCF.** See Fig. 2 and 3. At the Media segment, we estimate \$32m in political advertising revenue, along with ~\$25m in retransmission revenue (down from \$29m in 2025), and ~\$5m in spectrum usage revenue (versus \$6m in 2025). We assume that the surge in political advertising will leave core broadcast advertising down 8% for 2026, as regular commercial advertisers are displaced. See Fig. 9. We assume that Media OCF margin expands to 11.9% from 2.7% in 2025, reflecting the impact of cost cuts and high-margin political advertising.

**Relative to the time of our last EVC forecast at the end of February, macro trends have worsened and political ad trends (discussed more below) have improved.** The 2026 real GDP growth forecast in the Wall Street Journal survey of economists dropped to 2.0% in April from 2.2% in January, and U.S. Hispanics face continuing headwinds from reduced immigration and job

growth. Even prior to the U.S.-Iran war, U.S. auto sales—relevant to the important auto ad category—were down 5% in 1Q. And the war only adds to inflation’s pressure on consumer spending, and the WSJ survey raised its 2026 PCE growth forecast to 2.9% in April from 2.6% in January. One offsetting positive could be the stimulus of AI-related and other infrastructure spending.

**We currently assume political advertising will be similar in 2026 to the 2022 level of \$32m.** This is shaping up to be a strong political advertising year, given the prospects for the Democrats to take control of the House and even the Senate, and the emergence of the U.S. Hispanic vote—which shifted perceptibly toward the Republicans in 2024—as an important potential swing factor. The Democrat-supporting House Majority PAC has reportedly reserved \$272m for TV and digital spots, mostly targeting seats held by Republicans, up slightly from ~\$260m at this point in the 2022 cycle, although the boost seems related to timing as much as anything else. EVC’s broadcast footprint could benefit in particular from spending in Arizona (especially Phoenix), Colorado (especially Denver) and Texas (Rio Grande Valley). On the 4Q conference call, management said that it was very optimistic about the outlook for its political ad spending this year, noting that EVC had a broadcast footprint in 11 of the 35 markets rated the most competitive by the Cook Political Report. We currently see the following key drivers of EVC’s 2026 political ad spending:

- In 2022, there were a couple of toss-up House races that overlapped with EVC stations in Las Vegas and Reno, and these races at present do not look to be as competitive (per Cook, for example). We estimate that EVC generated in 2022 over \$13m in total political ad revenue from Nevada alone, but this year Nevada is not tracking to as many toss-up House races.
- On the positive side, the Texas Senate race is shaping up to be a major national race with well-funded candidates, and could become more competitive if the Republicans nominate Ken Paxton to face James Talarico, the Democrat nominee.
- Another, more general positive is that campaigns may often spend on Hispanic media as if a race were a toss-up, even if is not rated as such, in particular to drive turnout among a demographic that has had more fluid recent voting patterns (e.g., in the New Jersey and Virginia governors’ races in 2024).

**We estimate that if EVC’s political advertising in 2026 surged to 20% above our estimate (thus, to ~\$39m), it would boost our valuation by ~\$0.25 per share.** This assumes that such a surge would little affect our political ad estimates beyond 2026. An upside scenario would likely involve one or more of: strong spending in Nevada statewide races, Arizona having at least two House toss-ups, California expanding to multiple House toss-ups in EVC markets, and/or the Texas U.S. Senate race moving to the top-tier of national spending.

Figure 3: Our 2026/27 revenue and OCF estimates increase for both Media and AT&S segments

Entravision Communications (NYSE: EVC)							
Summary of New Segment Annual Estimates							
In millions, except per share data							
	Last Yr	Estimates			YoY %CHG		
		Old	Chg	Current	Old	Chg	Current
<b>2026E</b>							
Media Revenue	176.7	192.7	4.0 <span style="color:red">▲</span>	196.7	9.1%	2.3%	11.3%
Media Opex	171.9	171.6	1.7 <span style="color:red">▲</span>	173.3	-0.1%	1.0%	0.8%
Media OCF	4.8	21.1	2.3 <span style="color:red">▲</span>	23.4	NM	NM	NM
Margin	2.7%	10.9% <span style="color:green">▲</span>	0.9%	11.9%			
AT&S Revenue	270.9	323.0	37.5 <span style="color:red">▲</span>	360.5	19.2%	13.8%	33.0%
AT&S Opex	235.9	280.8	30.6 <span style="color:red">▲</span>	311.4	19.1%	13.0%	32.0%
AT&S OCF	35.1	42.2	6.9 <span style="color:red">▲</span>	49.1	20.2%	19.7%	39.9%
Margin	12.9%	13.1% <span style="color:green">▲</span>	0.6%	13.6%			
Total Revenue	447.6	515.7	41.5	557.2	15.2%	9.3%	24.5%
Total Opex	407.8	452.5	32.3	484.7	11.0%	7.9%	18.9%
Total OCF	39.8	63.2	9.2	72.4	58.7%	23.1%	81.8%
Margin	8.9%	12.3% <span style="color:green">▲</span>	0.7%	13.0%			
<b>2027E</b>							
Media Revenue	196.7	157.8	2.9	160.6	-19.8%	1.5%	-18.3%
Media Opex	173.3	147.7	1.3	149.0	-14.8%	0.8%	-14.0%
Media OCF	23.4	10.1	1.5	11.6	-56.8%	6.6%	-50.2%
Margin	11.9%	6.4% <span style="color:green">▲</span>	0.8%	7.2%			
AT&S Revenue	360.5	348.6	44.6	393.2	-3.3%	12.4%	9.1%
AT&S Opex	311.4	309.5	31.8	341.3	-0.6%	10.2%	9.6%
AT&S OCF	49.1	39.1	12.8	51.9	-20.4%	26.1%	5.7%
Margin	13.6%	11.2% <span style="color:green">▲</span>	2.0%	13.2%			
Total Revenue	557.2	506.3	47.5	553.8	-9.1%	8.5%	-0.6%
Total Opex	484.7	457.2	33.1	490.3	-5.7%	6.8%	1.1%
Total OCF	72.4	49.2	14.4	63.5	-32.1%	19.8%	-12.3%
Margin	13.0%	9.7% <span style="color:green">▲</span>	1.8%	11.5%			

\* pro forma reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

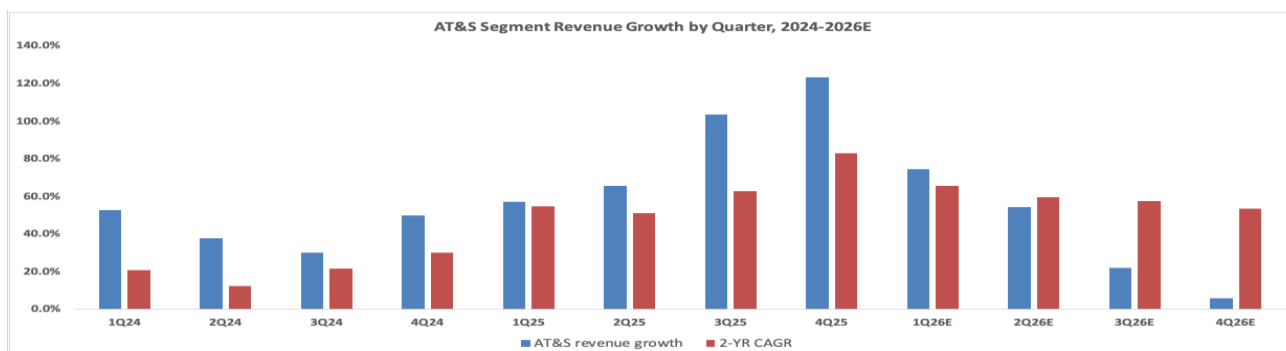
At the AT&S segment, we assume that the impact of onboarding Smadex’s large new customer continues, driving outsized year over year revenue and OCF increases in 1H26, before moderating as the onboarding cycles in 2H. See Fig. 5, 6, 10 and 14. Reflecting the revenue step-up from this customer, we raise our full-year AT&S OCF margin estimate to 13.6% from 13.1%, an expansion from 12.9% in 2025. See Fig. 3.

Figure 4: 4Q operating estimates beat solidly, and we raise our 1Q operating estimates

Entravision Communications Summary of Quarterly Estimates							
In millions, except per share data							
	Last Yr	E	Results		E	YoY %CHG	
			Beat/Miss	A		Beat/Miss	A
<b>4Q25</b>							
As Reported							
Revenue	\$107.0	\$118.0	\$16.4 <span style="color:red">▲</span>	\$134.4	10.3%	15.4%	25.6%
Op Expense	87.5	112.1	11.7	123.8	28.1%	13.4%	41.5%
Adjusted EBITDA	19.4	5.8	4.7	10.6	-69.9%	24.2%	-45.7%
Margin	18.2%	5.0%	2.9%	7.9%			
EPS - Continuing Operations	(\$0.62)	\$0.33	(\$-0.52)	(\$0.19)	-153.2%	83.9%	-69.4%
<b>Estimates</b>							
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
<b>1Q26E</b>							
As Reported							
Revenue	91.9	117.9	\$10.1 <span style="color:red">▲</span>	128.0	28.4%	11.0%	39.4%
Op Expense	89.7	111.5	6.5	118.1	24.4%	7.3%	31.7%
Adjusted EBITDA	2.2	6.4	3.6	10.0	192.4%	NM	NM
Margin	2.4%	5.4%	2.4%	7.8%			
EPS - Continuing Operations	(\$0.53)	\$0.07	(\$-0.09)	(\$0.02)	-113.2%	17.0%	-96.2%

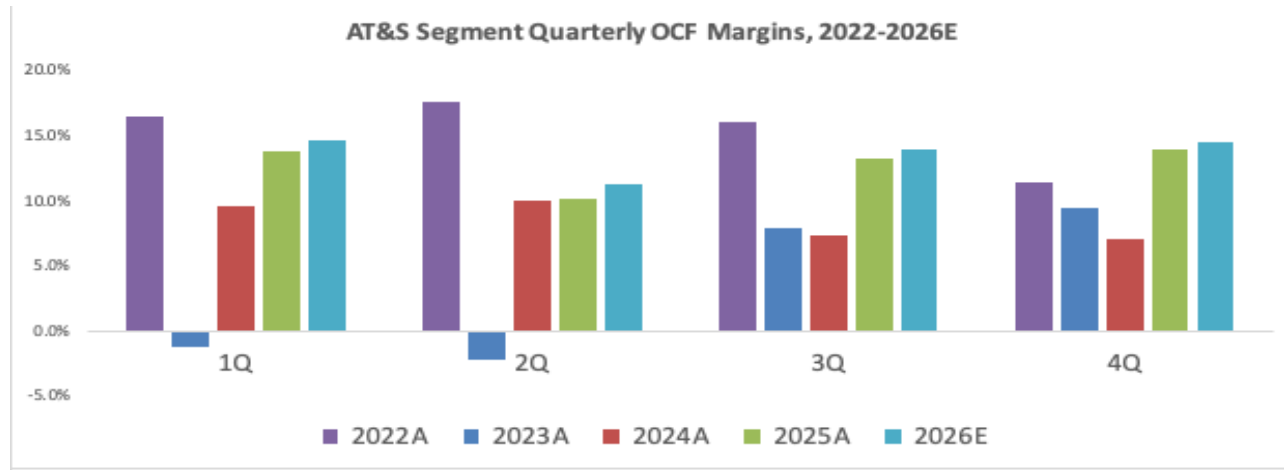
\* pro forma reflects announced acquisitions and dispositions  
Source: Company reports, Industry Capital Research estimates

Figure 5: We assume that AT&S revenue growth peaked in 4Q25



Source: Industry Capital Research estimates and company data

Figure 6: We continue to assume that AT&S margins expand throughout 2026 with onboarding of large new customer



Source: Industry Capital Research estimates and company data

Figure 7: After both segments beat in 4Q, for 1Q we fine-tune Media and raise AT&S estimates

Entravision Communications (NYSE: EVC)							
Summary of Segment Quarterly Estimates							
In millions, except per share data							
	Last Yr	E	Results		E	YoY %CHG	
			Beat/Miss	A		Beat/Miss	A
<b>4Q25E</b>							
Media Revenue	67.3	42.3	3.5	45.8	-37.1%	5.2%	-32.0%
Media Opex	45.6	41.2	2.4	43.5	-9.7%	5.2%	-4.5%
Media OCF	21.7	1.1	1.1	2.2	-94.9%	5.2%	-89.7%
Margin	32.2%	2.6%	2.3%	4.9%			
AT&S Revenue	39.7	75.7	13.0	88.6	90.6%	32.6%	123.2%
AT&S Opex	36.9	66.2	10.1	76.2	79.4%	27.3%	106.7%
AT&S OCF	2.8	9.5	2.9	12.4	NM	NM	NM
Margin	7.1%	12.6%	1.4%	14.0%			
Total Revenue	107.0	118.0	16.4	134.4	10.3%	15.4%	25.6%
Total Opex	82.5	107.3	12.4	119.8	30.2%	15.1%	45.2%
Total OCF	24.5	10.6	4.0	14.6	-56.7%	16.3%	-40.4%
Margin	22.9%	9.0%	1.9%	10.9%			
	Last Yr	Estimates			Old	YoY %CHG	
		Old	Chg	Current		Chg	Current
<b>1Q26E</b>							
Media Revenue	41.0	41.2	(1.9)	39.3	0.5%	-4.5%	-4.0%
Media Opex	40.6	39.8	(1.9)	37.8	-2.1%	-4.8%	-6.9%
Media OCF	0.4	1.4	0.1	1.5	NM	NM	NM
Margin	0.9%	3.5%	0.4%	3.8%			
AT&S Revenue	50.9	76.7	12.0	88.7	50.8%	23.6%	74.4%
AT&S Opex	43.9	65.7	10.0	75.8	49.9%	22.8%	72.7%
AT&S OCF	7.0	11.0	2.0	13.0	56.5%	28.3%	84.8%
Margin	13.8%	14.3%	0.3%	14.6%			
Total Revenue	91.9	117.9	10.1	128.0	28.4%	11.0%	39.4%
Total Opex	84.5	105.5	8.1	113.6	24.9%	9.6%	34.4%
Total OCF	7.4	12.4	2.1	14.5	68.3%	28.1%	96.4%
Margin	8.0%	10.5%	0.8%	11.3%			

\* pro forma reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

**We summarize our long-term forecast assumptions in Fig. 8.** For the Media segment, we assume that retransmission revenue continues to decline in 2026, but that EVC completes its plan to renew its TelevisaUnivision affiliation agreement that expires at the end of the year.

**Given the impact of the political advertising cycle, we track Media segment revenue and OCF margins separately by odd years and even years.**

- Media revenue growth sequence by odd year is now -20% for 2025, -18% for 2027, -19% for 2029, and -20% for 2031.
- Broadcast ad core growth sequence by odd year is now -5% for 2025, -1% for 2027, 3% for 2029, and 7% for 2031.
- Media OCF margin sequence by odd year is now 3% for 2025, 7% for 2027, 5% for 2029, and 5% for 2031, a reset down from 20s-30s in 2023 and prior.
- Media revenue growth sequence by even year is now 13% for 2024, 11% for 2026, 11% for 2028 and 12% for 2030.
- Broadcast ad core growth sequence by even year is now -13% for 2024, -8% for 2026, -17% for 2028, and -20% for 2030.
- Media OCF margin sequence by even year is now 12% for 2026, 12% for 2028, and 13% for 2030, a reset down from 20s-30s in 2024 and prior.

**For the AT&S segment, we assume that AT&S OCF margins peak in 2026, and then compress ~200bps in the out years to reflect the negotiating leverage of a concentrated customer base amid the high competition in the DSP space.**

**Assessing the impact on EVC's valuation from its large new customer requires some sleuthing and assumptions.** In its 2025 10-K, EVC disclosed that its largest ad customer accounted for 9% of total EVC revenue in 2025. We estimate the new business at roughly \$80m in annualized spending, which kicked in during 3Q25 and will thus likely cycle in 3Q26. The 10-K disclosure suggests that Smadex's big new customer is a mobile gaming company, likely in the strategy games space, possibly Hong Kong-based IGG. Adwake's Offerwall initiative discussed in the 10-K and EVC's Playback Rewards acquisition announced with 4Q25 results also lend support to EVC's new customer's being a mobile strategy game company.

**IGG in particular is known for large user acquisition ad campaigns run through external DSPs like Smadex.** Smadex's performance in Android markets may have made it more attractive to a Chinese strategy game publisher. The higher lifetime value of users can justify the economics of large ad budgets for user acquisition by such game companies. The spending on Smadex could have been associated with either a new game launch or a global scale phase for an existing game. Campaigns in support of IGG games like Lords Mobile or Doomsday: Last Survivors could have supported the scale of spending that Smadex saw in 2025. For example, during 2H25, IGG was heavily scaling global marketing for Doomsday: Last Survivors. User acquisition campaigns typically scale aggressively for 12-24 months.

**EVC's new customer, whether it is IGG or not, suggests a big competitive win for Smadex's technology and service, but also the risk of a large reduction or outright loss of this spending, such as from the campaign's running its course or a competitor's regaining some or all of the business in the highly competitive DSP sector.** DSPs compete for the business of mobile game companies on factors such as global scale, algorithmic optimization, and continuous bid adjustments; for their part, game publishers optimize for cost per install, player lifetime value and targeting performance. Even over the next year or so, there is probably as

much chance of the spending with EVC declining sharply or shifting in part to a competitor as the spending maintaining the levels that Smadex has seen during onboarding. The new spending with EVC may depend heavily on one game title’s growth phase rather than a permanent marketing commitment. Moreover, the spending with Smadex could well have resulted from shifting budgets from another DSP like Moloco or Liftoff, or perhaps a whale like AppLovin, all of which remain competitors for that spending.

Figure 8: DCF-based valuation range for base case rises after changes to forecast and macro inputs

Entravision Communications																
Summary of Changes to Forecast and Valuation Since Last Published Report																
(in \$ million except unit data)																
CAGRs	2025		DCF Valuation		EBITDA CAGRs						Risk-Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B	
	Rev	EBITDA	SoTP	Firm	2021-25	2022-26	2023-27	2024-28	2025-29	2026-30						2027-31
Pre-Changes	431.2	18.7	\$2.00	\$3.00	-32%	-19%	-15%	-15%	10%	-3%		4.0%	4.2%	5.6%	8.8%	6.5%
Post-Changes	447.6	23.4	\$3.00	\$4.00	-28%	-15%	-6%	-6%	14%	-2%	-6%	4.4%	4.7%	6.1%	9.7%	7.0%
Delta	16.4	4.7	\$1.00	\$1.00	3.9%	4.3%	9.3%	9.3%	3.9%	0.7%		0.3%	0.5%	0.4%	0.9%	0.5%
Memo:																
Digital OCF					-2%	2%	11%	38%	11%	2%	0%					

Source: Company data and Industry Capital Research estimates

We conducted scenario analyses using our DCF model, the upshot of which is a reduction in our valuation of ~\$0.50 per share from our base case. We looked at 1) a bull case where AT&S continues to scale as a differentiated global mobile DSP with another 20% revenue upside on increased wallet share of large new customers and an OCF margin lift of 300-400bps, and 2) a bear case where Smadex’s big new customer rolls off after a year, reversing the estimated AT&S revenue and margin step-up seen in 2H25. We assume a base case probability of roughly 30%, and believe that the bear case is slightly more probable than not, with the bull case being relatively unlikely (i.e., ~10% chance). Our approach allows us to present as a base case financial forecast reflecting the onboarding of the new AT&S customer, which is probably what most investors assume, while tempering our valuation with an assumption of longer-term regression to the mean for large share shifts from a concentrated customer base. Relative to our base case, the valuation upside in our bull case would be roughly \$2.00 per share, slightly more than the roughly \$1.50 per share downside in our bear case.

For our valuation, our updates for interest rates and equity risk premium slightly increase the WACC estimates in our DCF analysis. See Fig. 8. Over the past quarter, interest rates and the equity risk premium have increased, creating a small headwind for valuation.

Figure 9: Media Segment revenue drivers

In millions																
MEDIA SEGMENT	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
Reported Media revenue	\$213.6	\$225.2	\$230.7	\$196.7	\$222.1	\$41.0	\$45.4	\$44.5	\$45.8	\$176.7	\$39.3	\$46.0	\$51.0	\$60.4	\$196.7	\$160.6
Media revenue growth	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	-4.0%	1.2%	14.5%	32.1%	11.3%	-18.3%
Media non-recurring items:																
<b>Broadcast advertising</b>	<b>152.7</b>	<b>154.3</b>	<b>161.7</b>	<b>124.7</b>	<b>143.5</b>	<b>24.1</b>	<b>26.6</b>	<b>25.5</b>	<b>27.4</b>	<b>103.7</b>	<b>24.0</b>	<b>27.7</b>	<b>32.6</b>	<b>42.5</b>	<b>126.7</b>	<b>93.8</b>
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental advertising	152.7	154.3	161.7	124.7	143.5	24.1	26.6	25.5	27.4	103.7	24.0	27.7	32.6	42.5	126.7	93.8
Media revenue ex advertising	61.0	70.9	69.0	72.0	78.5	16.9	18.8	19.0	18.3	73.0	15.4	18.3	18.4	18.0	70.0	66.8
Growth ex Advertising	-5.9%	16.3%	-2.7%	4.3%	9.1%	-5.9%	-3.1%	-4.0%	-14.6%	-7.1%	-8.9%	-2.7%	-3.3%	-1.9%	-4.1%	-4.6%
<b>Retransmission Consent</b>	<b>36.8</b>	<b>37.0</b>	<b>36.0</b>	<b>36.6</b>	<b>33.9</b>	<b>8.1</b>	<b>7.7</b>	<b>7.4</b>	<b>6.3</b>	<b>29.5</b>	<b>6.8</b>	<b>6.5</b>	<b>6.2</b>	<b>5.3</b>	<b>24.9</b>	<b>21.1</b>
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	36.8	37.0	36.0	36.6	33.9	8.1	7.7	7.4	6.3	29.5	6.8	6.5	6.2	5.3	24.9	21.1
Media revenue ex Retrans	176.9	188.2	194.7	160.2	188.2	32.9	37.7	37.1	39.5	147.2	32.5	39.5	44.7	55.1	171.8	139.5
Growth ex Retrans	-0.4%	6.4%	3.5%	-17.7%	17.5%	-10.1%	-6.7%	-28.3%	-33.5%	-21.8%	-1.2%	4.6%	20.4%	39.6%	16.7%	-18.8%
<b>Spectrum usage/auction</b>	<b>5.4</b>	<b>6.2</b>	<b>6.0</b>	<b>8.2</b>	<b>6.9</b>	<b>1.8</b>	<b>1.8</b>	<b>1.3</b>	<b>1.5</b>	<b>6.2</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>5.5</b>	<b>5.0</b>
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	5.4	6.2	6.0	8.2	6.9	1.8	1.8	1.3	1.3	6.2	1.5	1.4	1.3	1.3	5.5	5.0
Media revenue ex Spectrum Usage	208.2	219.0	224.7	188.6	215.2	39.2	43.6	43.2	44.5	170.5	37.8	44.6	49.7	59.2	191.2	155.6
Growth ex Spectrum Usage	4.2%	5.2%	2.6%	-16.1%	14.1%	-10.9%	-8.4%	-25.6%	-32.1%	-20.8%	-3.6%	2.1%	15.0%	33.1%	12.2%	-18.6%
<b>Other</b>	<b>5.8</b>	<b>7.3</b>	<b>5.3</b>	<b>4.7</b>	<b>6.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>5.0</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.8</b>	<b>5.7</b>	<b>5.1</b>
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Other	5.8	7.3	5.3	4.7	6.9	1.1	1.3	1.2	1.3	5.0	1.2	1.3	1.5	1.8	5.7	5.1
Media revenue ex Other	207.8	217.9	225.4	192.0	215.1	39.9	44.1	43.3	44.5	171.7	38.1	44.7	49.5	58.7	191.0	155.5
Growth ex Other	1.5%	4.9%	3.4%	-14.8%	12.0%	-10.5%	-8.1%	-25.7%	-30.8%	-20.2%	-4.4%	1.4%	14.4%	31.8%	11.2%	-18.6%
<b>Media Acquisitions/Dispositions (inc. Affiliations)</b>																
Assm: % Incremental to Core		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Media revenue ex M&A	213.6	225.2	230.7	196.7	222.1	41.0	45.4	44.5	45.8	176.7	39.3	46.0	51.0	60.4	196.7	160.6
Growth ex M&A	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	-4.0%	1.2%	14.5%	32.1%	11.3%	-18.3%
<b>PF U.S. Digital revenue</b>	<b>12.9</b>	<b>20.4</b>	<b>21.6</b>	<b>22.6</b>	<b>30.8</b>	<b>5.9</b>	<b>7.9</b>	<b>9.1</b>	<b>9.3</b>	<b>32.4</b>	<b>5.8</b>	<b>9.0</b>	<b>9.4</b>	<b>9.6</b>	<b>33.8</b>	<b>35.5</b>

Core Advertising Growth																
In millions																
BROADCAST ADVERTISING	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
Broadcast Advertising PF Rev Growth	3.1%	-6.9%	4.8%	-22.9%	15.1%	-13.4%	-10.8%	-36.3%	-40.1%	-27.8%	-0.6%	4.0%	27.8%	54.8%	22.2%	-26.0%
Reported Broadcast Advertising Revenue	\$152.7	\$154.3	\$161.7	\$124.7	\$143.5	\$24.1	\$26.6	\$25.5	\$27.4	\$103.7	\$24.0	\$27.7	\$32.6	\$42.5	\$126.7	\$93.8
Growth	3.1%	1.1%	4.8%	-22.9%	15.1%	-13.4%	-10.8%	-36.3%	-40.1%	-27.8%	-0.6%	4.0%	27.8%	54.8%	22.2%	-26.0%
Non-recurring items:																
<b>Political/Census</b>	<b>28.8</b>	<b>1.6</b>	<b>32.1</b>	<b>0.2</b>	<b>35.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>0.3</b>	<b>1.0</b>	<b>2.0</b>	<b>3.3</b>	<b>8.0</b>	<b>19.1</b>	<b>32.3</b>	<b>0.8</b>
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	28.8	1.6	32.1	0.2	35.7	0.0	0.0	0.7	0.3	1.0	2.0	3.3	8.0	19.1	32.3	0.8
Broadcast ad revenue ex political	123.9	152.7	129.6	124.5	107.9	24.1	26.6	24.8	27.1	102.7	21.9	24.4	24.6	23.4	94.4	93.1
Growth ex Political	-16.2%	23.2%	-15.1%	-4.0%	-13.4%	-11.7%	-6.1%	-15.2%	18.2%	-4.8%	-9.0%	-8.2%	-0.9%	-13.7%	-8.1%	-1.4%
<b>Broadcast advertising revenue ex-all non-recurring</b>	<b>123.9</b>	<b>152.7</b>	<b>129.6</b>	<b>124.5</b>	<b>107.9</b>	<b>24.1</b>	<b>26.6</b>	<b>24.8</b>	<b>27.1</b>	<b>102.7</b>	<b>21.9</b>	<b>24.4</b>	<b>24.6</b>	<b>23.4</b>	<b>94.4</b>	<b>93.1</b>
Broadcast ad revenue growth ex all non-recurring	-16.2%	23.2%	-15.1%	-4.0%	-13.4%	-11.7%	-6.1%	-15.2%	18.2%	-4.8%	-9.0%	-8.2%	-0.9%	-13.7%	-8.1%	-1.4%
Broadcast ad rev grth ex all non-rec 2-yr CAGR		1.6%	2.3%	-9.7%	-8.8%	-9.8%	-7.3%	-10.1%	-9.6%	-9.2%	-10.3%	-7.1%	-8.3%	1.0%	-6.4%	-4.8%

Source: Industry Capital Research estimates and company data

Figure 10: Advertising Technology & Services Segment estimates

In millions, except unit data	2019A	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
<b>Legacy</b>																	
Revenue	\$68.9	\$54.1	\$70.6	\$103.7	\$113.1	\$157.9	\$52.4	\$61.1	\$80.3	\$90.6	\$284.4	\$89.9	\$92.0	\$97.2	\$95.7	\$374.9	\$408.7
Cost of Revenue	36.8	30.6	40.2	60.4	69.3	95.1	31.5	37.0	48.8	58.4	175.8	54.5	55.1	58.5	57.9	225.9	247.1
Opex ex-cost of revenue	32.3	24.5	23.8	29.0	39.4	52.8	15.7	19.2	22.4	22.1	79.4	23.6	27.1	26.1	25.6	102.4	112.2
OCF	(0.1)	(1.0)	6.5	14.3	4.4	10.1	5.3	4.8	9.1	10.1	29.2	11.9	9.9	12.7	12.2	46.6	49.5
Legacy Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	3.9%	6.4%	10.0%	7.9%	11.3%	11.1%	10.3%	13.2%	10.7%	13.0%	12.8%	12.4%	12.1%
<b>Acquisitions Since 2020-Stand Alone</b>																	
BCNMonetize revenue	0.0	0.0	0.0	15.1	15.8	15.8	4.4	2.2	4.7	7.2	18.5	4.6	2.3	5.0	7.5	19.4	20.0
BCNMonetize cost of revenue	0.0	0.0	0.0	6.8	7.1	7.1	2.0	1.0	2.1	3.2	8.3	2.1	1.0	2.2	3.4	8.7	9.0
BCNMonetize opex ex-cost of revenue	0.0	0.0	0.0	2.5	3.9	3.5	0.2	0.8	1.2	1.4	3.5	0.7	1.1	1.5	1.7	5.0	5.1
BCNMonetize OCF	0.0	0.0	0.0	5.8	4.8	5.2	2.2	0.5	1.4	2.6	6.6	1.8	0.2	1.2	2.4	5.7	5.9
BCNMonetize OCF Margin				38.6%	30.3%	32.8%	50.5%	20.8%	29.5%	35.9%	35.9%	39.6%	8.5%	24.1%	32.4%	29.1%	29.4%
<b>Acquisitions Since 2020-Pro Forma</b>																	
BCNMonetize revenue	0.0	0.0	0.0	15.1	15.8	15.8	4.4	2.2	4.7	7.2	18.5	4.6	2.3	5.0	7.5	19.4	20.0
BCNMonetize cost of revenue	0.0	0.0	0.0	6.8	7.1	7.1	2.0	1.0	2.1	3.2	8.3	2.1	1.0	2.2	3.4	8.7	9.0
BCNMonetize opex ex-cost of revenue	0.0	0.0	0.0	2.5	3.9	3.5	0.2	0.8	1.2	1.4	3.5	0.7	1.1	1.5	1.7	5.0	5.1
BCNMonetize OCF	0.0	0.0	0.0	5.8	4.8	5.2	2.2	0.5	1.4	2.6	6.6	1.8	0.2	1.2	2.4	5.7	5.9
BCNMonetize OCF Margin				38.6%	30.3%	32.8%	50.5%	20.8%	29.5%	35.9%	35.9%	39.6%	8.5%	24.1%	32.4%	29.1%	29.4%
<b>Acquisitions Since 2020-Adjustments to Reported</b>																	
BCNMonetize revenue	0.0	(0.0)	(0.0)	(15.1)	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize cost of revenue	0.0	(0.0)	(0.0)	(6.8)	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize opex ex-cost of revenue	0.0	(0.0)	(0.0)	(2.5)	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize OCF pre-minority interest	0.0	(0.0)	(0.0)	(5.8)	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo: BCNMonetize minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Acquisitions Since 2020-As Reported</b>																	
BCNMonetize revenue	0.0	0.0	0.0	0.0	9.8	15.8	4.4	2.2	4.7	7.2	18.5	4.6	2.3	5.0	7.5	19.4	20.0
BCNMonetize cost of revenue	0.0	0.0	0.0	0.0	4.4	7.1	2.0	1.0	2.1	3.2	8.3	2.1	1.0	2.2	3.4	8.7	9.0
BCNMonetize opex	0.0	0.0	0.0	0.0	2.4	3.5	0.2	0.8	1.2	1.4	3.5	0.7	1.1	1.5	1.7	5.0	5.1
BCNMonetize OCF	0.0	0.0	0.0	0.0	2.9	5.2	2.2	0.5	1.4	2.6	6.6	1.8	0.2	1.2	2.4	5.7	5.9
BCNMonetize OCF Margin					30.0%	32.8%	50.5%	20.8%	29.5%	35.9%	35.9%	39.6%	8.5%	24.1%	32.4%	29.1%	29.4%
EBITDA to red non-con interests	0.0	0.0	0.0	0.0	1.5	2.6	1.1	0.2	0.7	1.3	3.4	0.9	0.1	0.6	1.2	2.9	3.0
BCNMonetize EBITDA	0.0	0.0	0.0	0.0	1.4	2.5	1.1	0.2	0.7	1.3	3.3	0.9	0.1	0.6	1.2	2.8	2.9
Digital non-cash comp adjustment					8.4												0.0
<b>Digital segment pro forma, ex-foreign exchange</b>																	
Digital revenue	228.3	315.9	70.6	118.8	128.9	173.7	56.8	63.3	85.1	97.8	302.9	94.5	94.4	102.2	103.3	394.3	428.7
Digital cost of revenue	173.0	253.2	40.3	67.2	76.4	102.2	33.5	38.0	51.0	61.6	184.1	56.5	56.2	60.7	61.3	234.6	256.1
Digital opex ex-cost of revenue	45.5	45.4	24.4	31.5	43.3	56.275	15.9	20.0	23.6	23.5	83.0	24.3	28.1	27.6	27.3	107.4	117.3
Digital OCF	9.8	17.3	5.9	20.1	9.2	15.2	7.5	5.3	10.5	12.7	35.8	13.7	10.1	13.9	14.7	52.3	55.3
<b>Digital segment as reported</b>																	
Digital revenue	68.9	143.3	557.2	747.1	932.7	173.7	56.8	63.3	85.1	97.8	302.9	94.5	94.4	102.2	103.3	394.3	428.7
Digital cost of revenue	36.8	106.9	467.8	624.0	801.2	102.2	33.5	38.0	51.0	61.6	184.1	56.5	56.2	60.7	61.3	234.6	256.1
Digital opex	32.3	30.6	51.3	74.1	95.0	56.275	15.9	20.0	23.6	23.5	83.0	24.3	28.1	27.6	27.3	107.4	117.3
Digital OCF	(0.1)	5.7	38.2	49.0	36.6	15.2	7.5	5.3	10.5	12.7	35.8	13.7	10.1	13.9	14.7	52.3	55.3
Digital OCF Margin	-0.2%	4.0%	6.8%	6.6%	3.9%	8.8%	13.1%	8.3%	12.3%	12.9%	11.8%	14.5%	10.7%	13.6%	14.2%	13.3%	12.9%
<b>Digital segment as reported, ex-divestitures</b>																	
Digital revenue	68.9	54.1	70.6	103.7	122.9	173.7	56.8	63.3	85.1	97.8	302.9	94.5	94.3	102.2	103.3	394.3	428.7
Digital cost of revenue	36.8	30.6	40.2	60.4	73.7	102.2	33.5	38.0	51.0	61.6	184.1	56.5	56.2	60.7	61.2	234.6	256.1
Digital opex	32.3	24.5	23.8	29.0	41.9	56.3	15.9	20.0	23.6	23.5	83.0	24.3	28.1	27.6	27.3	107.4	117.3
Digital OCF	(0.1)	(1.0)	6.5	14.3	7.4	15.2	7.5	5.2	10.5	12.7	35.8	13.7	10.1	13.9	14.7	52.3	55.3
Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	6.0%	8.8%	13.1%	8.3%	12.3%	12.9%	11.8%	14.5%	10.7%	13.6%	14.2%	13.3%	12.9%
<b>U.S. Digital</b>																	
U.S. Digital revenue	8.2	12.9	20.4	21.6	22.6	30.8	5.9	7.9	8.9	9.2	31.9	5.8	9.0	9.4	9.6	33.8	35.5
U.S. Digital cost of revenue	3.5	5.6	8.8	9.3	11.0	16.7	3.3	4.7	5.0	5.3	18.2	2.9	4.5	4.7	4.8	16.9	17.8
U.S. Digital opex ex-cost of revenue	3.9	6.1	9.5	7.2	8.1	10.9	2.2	3.6	3.5	3.6	13.0	2.2	4.1	3.7	3.7	13.7	14.3
U.S. Digital OCF	0.7	1.2	2.1	5.1	3.5	3.2	0.4	(0.3)	0.4	0.3	0.7	0.7	0.4	1.0	1.1	3.2	3.5
U.S. Digital OCF Margin	8.9%	9.5%	10.2%	23.6%	15.3%	10.4%	7.5%	-4.4%	4.3%	2.9%	2.3%	12.6%	4.8%	10.5%	11.1%	9.5%	9.7%
<b>AT&amp;S segment, pro forma</b>																	
AT&S revenue	60.7	41.2	50.2	97.2	106.3	142.9	50.9	55.3	76.1	88.6	270.9	88.7	85.3	92.8	93.6	360.5	393.2
AT&S cost of revenue	33.2	25.1	31.5	57.9	65.3	85.5	30.2	33.4	46.0	56.3	165.9	53.6	51.6	56.0	56.4	217.7	238.3
AT&S opex	28.3	18.4	14.3	24.3	35.2	45.4	13.7	16.4	20.1	19.9	70.0	22.1	24.0	23.9	23.6	93.7	103.0
AT&S OCF	(0.8)	(2.2)	4.4	15.0	5.8	12.0	7.0	5.6	10.1	12.4	35.1	13.0	9.6	12.9	13.6	49.1	51.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	15.5%	5.4%	8.4%	13.8%	10.1%	13.2%	14.0%	12.9%	14.6%	11.3%	13.9%	14.5%	13.6%	13.2%
<b>AT&amp;S segment as reported</b>																	
AT&S revenue	60.7	41.2	50.2	82.1	100.3	142.9	50.9	55.3	76.1	88.614	270.9	88.7	85.3	92.8	93.6	360.5	393.2
AT&S cost of revenue	33.2	25.1	31.5	51.1	62.6	85.5	30.2	33.4	46.0	56.336	165.9	53.6	51.6	56.0	56.4	217.7	238.3
AT&S opex	28.3	18.4	14.3	21.8	33.8	45.4	13.7	16.4	20.1	19.896	70.0	22.1	24.0	23.9	23.6	93.7	103.0
AT&S OCF	(0.8)	(2.2)	4.4	9.2	3.9	12.0	7.0	5.6	10.1	12.382	35.1	13.0	9.6	12.9	13.6	49.1	51.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	11.2%	3.9%	8.4%	13.8%	10.1%	13.2%	14.0%	12.9%	14.6%	11.3%	13.9%	14.5%	13.6%	13.2%

Source: Company reports, Industry Capital Research estimates

Figure 11: Financial statement forecasts supporting our valuation

In millions, except per share data	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
<b>AS REPORTED</b>																
<b>NEW SEGMENTS</b>																
Net revenue:																
Media revenue	\$213.6	\$225.2	\$230.7	196.7	222.1	41.0	45.4	44.5	45.8	176.7	39.3	46.0	51.0	60.4	196.7	160.6
Seasonality						23.2%	25.7%	25.2%	25.9%		20.0%	23.4%	25.9%	30.7%		
AT&S revenue	41.2	50.2	97.2	100.3	142.9	50.9	55.3	76.1	88.6	270.9	88.7	85.3	92.8	93.6	360.5	393.2
Seasonality						18.8%	20.4%	28.1%	32.7%		24.6%	23.7%	25.7%	26.0%		
<b>Total net revenue (core)</b>	<b>254.8</b>	<b>275.4</b>	<b>327.9</b>	<b>297.0</b>	<b>364.9</b>	<b>91.9</b>	<b>100.7</b>	<b>120.6</b>	<b>134.4</b>	<b>447.6</b>	<b>128.0</b>	<b>131.3</b>	<b>143.7</b>	<b>154.1</b>	<b>557.2</b>	<b>553.8</b>
Revenue from spectrum usage rights	0.0	0.0	0.0	0.0	0.0					0.0					0.0	0.0
Total net revenue	254.8	275.4	327.9	297.0	364.9	91.9	100.7	120.6	134.4	447.6	128.0	131.3	143.7	154.1	557.2	553.8
Cost of Revenue																
Media	5.6	8.8	9.3	11.0	16.7	3.3	4.7	5.0	5.3	18.2	2.9	4.5	4.7	4.8	16.9	17.8
Media cost of revenue as % of revenue	2.6%	3.9%	4.0%	5.6%	7.5%	8.0%	10.2%	11.3%	11.6%	10.3%	7.4%	9.8%	9.2%	8.0%	8.6%	11.1%
AT&S	25.1	31.5	57.9	66.2	85.5	30.2	33.4	46.0	56.3	165.9	53.6	51.6	56.0	56.4	217.7	238.3
AT&S cost of revenue as % of revenue	60.9%	62.7%	59.6%	66.0%	59.8%	59.4%	60.3%	60.4%	63.6%	61.2%	60.4%	60.5%	60.4%	60.3%	60.4%	60.6%
<b>Total cost of revenue (core)</b>	<b>30.7</b>	<b>40.2</b>	<b>67.2</b>	<b>77.2</b>	<b>102.2</b>	<b>33.5</b>	<b>38.0</b>	<b>51.0</b>	<b>61.6</b>	<b>184.1</b>	<b>56.5</b>	<b>56.2</b>	<b>60.7</b>	<b>61.2</b>	<b>234.6</b>	<b>256.1</b>
Cost of revenue from spectrum usage rights (Media)																
Total cost of revenue	30.7	40.2	67.2	77.2	102.2	33.5	38.0	51.0	61.6	184.1	56.5	56.2	60.7	61.2	234.6	256.1
Opex																
Media opex	128.8	131.0	130.8	132.8	153.7	37.4	37.8	40.2	38.2	153.6	34.9	38.3	40.0	43.1	156.4	131.2
AT&S opex	18.4	14.3	24.3	30.2	45.4	13.7	16.4	20.1	19.9	70.0	22.1	24.0	23.9	23.6	93.7	103.0
<b>Total opex (core)</b>	<b>147.2</b>	<b>145.3</b>	<b>155.1</b>	<b>163.0</b>	<b>199.1</b>	<b>51.0</b>	<b>54.2</b>	<b>60.3</b>	<b>58.1</b>	<b>223.6</b>	<b>57.1</b>	<b>62.4</b>	<b>64.0</b>	<b>66.7</b>	<b>250.1</b>	<b>234.2</b>
Spectrum usage rights																
Total Opex	147.2	145.3	155.1	163.0	199.1	51.0	54.2	60.3	58.1	223.6	57.1	62.4	64.0	66.7	250.1	234.2
OCF																
Media OCF	79.3	85.5	90.6	52.9	51.6	\$0.356	\$2.961	(\$0.7)	\$2.2	4.771	\$1.5	\$3.1	\$6.2	\$12.5	23.4	11.6
Media OCF Margin	37.1%	38.0%	39.3%	26.9%	23.2%	0.9%	6.5%	-1.6%	4.9%	2.7%	3.8%	6.8%	12.2%	20.7%	11.9%	7.2%
Incremental Margin	1944.0%	53.8%	92.2%	110.8%	-5.2%	123.9%	151.6%	101.8%	90.5%	103.1%	-70.1%	29.3%	107.3%	70.0%	92.7%	32.5%
AT&S OCF	(2.3)	4.4	15.0	3.9	12.0	7.0	5.6	10.1	12.38	35.1	13.0	9.6	12.9	13.6	49.1	51.9
AT&S OCF margin	-5.5%	8.8%	15.5%	3.9%	8.4%	13.8%	10.1%	13.2%	14.0%	12.9%	14.6%	11.3%	13.9%	14.5%	13.6%	13.2%
Incremental Margin	7.2%	74.2%	22.5%	-350.1%	19.0%	21.2%	10.2%	18.9%	19.5%	18.0%	15.7%	13.4%	16.8%	24.2%	15.6%	8.6%
<b>Total OCF (core)</b>	<b>77.0</b>	<b>89.9</b>	<b>105.6</b>	<b>56.8</b>	<b>63.6</b>	<b>7.4</b>	<b>8.560</b>	<b>9.4</b>	<b>14.6</b>	<b>39.8</b>	<b>14.5</b>	<b>12.8</b>	<b>19.1</b>	<b>26.1</b>	<b>72.4</b>	<b>63.5</b>
Margin	30.2%	32.7%	32.2%	19.1%	17.4%	8.0%	8.5%	7.8%	10.9%	8.9%	11.3%	9.7%	13.3%	16.9%	13.0%	11.5%
Incremental Margin						-14.7%	-19.6%	-35.2%	-36.1%		19.6%	13.7%	42.1%	58.3%		
Spectrum sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	77.0	89.9	105.6	56.8	63.6	7.4	8.6	9.4	14.6	39.8	14.5	12.8	19.1	26.1	72.4	63.5
Total OCF Margin	30.2%	32.7%	32.2%	19.1%	17.4%	8.0%	8.5%	7.8%	10.9%	8.9%	11.3%	9.7%	13.3%	16.9%	13.0%	11.5%
Incremental Margin						-14.7%	-19.6%	-35.2%	-36.1%		19.6%	13.7%	42.1%	58.3%		
Corporate Expense	27.8	33.0	49.4	50.3	37.5	7.8	6.4	6.3	6.5	27.0	7.0	6.6	6.8	7.5	27.8	29.0
GAAP EBITDA	56.0	88.7	85.1	35.7	26.1	(0.4)	2.2	3.0	8.1	12.9	7.5	6.2	12.3	18.6	44.6	34.6
Corporate non-cash comp	3.9	6.4	14.3	14.2	10.0	1.5	1.7	1.7	1.2	6.1	1.4	1.6	1.6	1.6	6.3	6.4
Opex adjustments to cash:																
Amortization of syndication contracts	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Payments on syndication contracts	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Non-cash comp in direct opex	1.2	3.2	5.7	9.5	4.7	1.1	1.0	1.1	1.7	4.8	1.1	1.0	1.1	1.7	4.9	5.0
Non-recurring cash severance	1.7	0.4	4.3	0.9	4.8											
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	1.7	0.2					0.0					0.0	0.0
EBITDA attributable to noncontrolling interest			3.4	0.0	0.0					0.0					0.0	0.0
Other adjustments to cash					(4.6)											
Total opex (positive) adjustments to cash	0.5	5.5	(10.0)	(8.6)	(14.1)	(1.1)	(1.0)	(1.1)	(1.7)	(4.9)	(1.1)	(1.0)	(1.1)	(1.7)	(5.0)	(5.1)
Foreign currency (gain) loss	(1.1)	0.5	3.0	0.9	0.7	0.0	0.0	0.1	0.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Total Adjusted EBITDA	60.4	89.0	106.5	57.7	49.5	2.2	4.9	5.8	10.6	23.4	10.0	8.8	15.1	22.0	55.8	46.0
Other opex for spectrum (in corporate)																
<b>Adjusted EBITDA (core)</b>	<b>60.419</b>	<b>89.0</b>	<b>106.5</b>	<b>57.7</b>	<b>49.5</b>	<b>2.2</b>	<b>4.9</b>	<b>5.8</b>	<b>10.6</b>	<b>23.4</b>	<b>10.0</b>	<b>8.8</b>	<b>15.1</b>	<b>22.0</b>	<b>55.8</b>	<b>46.0</b>
Memo: adj. EBITDA (core) reported	60.4	88.0	103.1	57.7	49.5											
Model variance: adj. EBITDA	0.0	1.0	(0.0)	(0.0)	(0.0)											
Adj. EBITDA core margin	17.6%	11.7%	11.1%	5.2%	13.6%											
Incremental Margin	27.3%	6.9%	8.9%	-32.4%	1.1%											

Source: Industry Capital Research estimates and company data

Figure 12: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
Memo: cash opex (core)	153.8	178.4	187.8	211.1	185.1	49.9	53.2	59.2	56.5	218.8	55.9	61.3	62.8	65.1	245.1	229.1
Memo: cash corporate expense	23.9	26.6	35.1	36.1	27.4	6.3	4.7	4.6	5.3	20.9	5.6	5.0	5.2	5.8	21.6	22.6
Memo: total non-cash comp	5.1	9.6	20.0	23.7	14.8	2.6	2.7	2.8	2.9	11.0	2.5	2.6	2.7	3.3	11.2	11.4
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(5.7)	7.0	7.7	13.4	1.1	1.1	1.0	1.3	4.4	1.1	1.0	1.1	1.7	5.0	5.1
Memo: PF EBITDA attributable to redeemable noncontrolling interest																
D&A	17.3	22.4	25.7	28.0	16.8	3.5	3.0	3.1	2.7	12.3	3.2	3.3	3.6	3.9	13.9	13.8
D&A % of Revenue	5.0%	2.9%	2.7%	2.5%	4.6%	3.8%	3.0%	2.6%	2.0%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Change in fair value contingent consideration	0.000	8.2	14.2	(2.5)	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairments	40.0	3.0	1.6	13.3	61.2	23.7	0.0	5.7	26.0	55.4	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	0.4	0.6	0.0	25.2	0.0	0.0	0.0	25.2	0.0	0.0	0.0	0.0	0.0	0.0
Gain (Loss) on Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.2)	0.4	(2.8)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>6.6</b>	<b>61.5</b>	<b>40.2</b>	<b>(4.5)</b>	<b>(52.0)</b>	<b>(52.8)</b>	<b>(0.8)</b>	<b>(9.1)</b>	<b>(20.7)</b>	<b>(83.4)</b>	<b>4.3</b>	<b>2.9</b>	<b>8.7</b>	<b>14.8</b>	<b>30.7</b>	<b>20.7</b>
Operating Margin %	1.9%	8.1%	4.2%	-0.4%	-14.2%	-57.5%	-0.8%	-7.5%	-15.4%	-18.6%	3.3%	2.2%	6.1%	9.6%	5.5%	3.7%
Interest expense	(8.3)	(6.9)	(8.7)	(15.7)	(16.5)	(3.7)	(4.0)	(3.8)	(3.6)	(15.1)	(3.1)	(3.0)	(2.9)	(2.8)	(11.8)	(10.3)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	1.7	0.2	0.7	3.5	2.5	0.6	0.6	0.6	0.5	2.3	0.4	0.4	0.4	0.4	1.6	1.1
Dividend income				0.0	0.010			0.0	0.0	0.0						
Net interest expense	(6.5)	(6.8)	(8.0)	(12.2)	(14.0)	(3.1)	(3.4)	(3.2)	(3.1)	(12.8)	(2.6)	(2.6)	(2.5)	(2.4)	(10.2)	(9.2)
Loss on debt extinguishment	0.0	0.0	0.0	(1.6)	(0.1)	0.0	(0.0)	(0.2)	0.0	(0.214)	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.2	(0.5)	(0.1)	(0.110)	0.0	0.0	0.0	0.0	0.007	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pretax income</b>	<b>0.1</b>	<b>54.9</b>	<b>31.7</b>	<b>(18.4)</b>	<b>(66.2)</b>	<b>(55.8)</b>	<b>(4.3)</b>	<b>(12.5)</b>	<b>(23.8)</b>	<b>(96.4)</b>	<b>1.6</b>	<b>0.3</b>	<b>6.2</b>	<b>12.4</b>	<b>20.5</b>	<b>11.5</b>
Pretax margin	0.0%	7.2%	3.3%	NM	NM	NM	NM	NM	NM	NM	1.3%	0.2%	4.3%	8.0%	3.7%	2.1%
Income (taxes) benefit	(1.5)	(18.7)	(11.6)	2.8	(4.1)	8.1	0.8	2.8	6.3	18.0	(3.2)	(0.3)	(1.1)	(2.5)	(7.2)	(4.0)
Effective tax rate	2276.3%	34.0%	36.5%	15.0%	-6.2%	14.4%	18.6%	22.7%	26.6%	18.7%	198.1%	103.8%	18.2%	20.3%	35.0%	35.0%
Cash tax rate	6552.5%	7.5%	53.4%	-71.3%	-14.2%	-0.3%	-29.2%	-0.4%	-19.0%	-6.2%	94.9%	500.6%	24.8%	12.4%	30.0%	30.0%
<b>Net Income (Before Equity Investments)</b>	<b>(1.4)</b>	<b>36.2</b>	<b>20.1</b>	<b>(15.6)</b>	<b>(70.3)</b>	<b>(47.8)</b>	<b>(3.5)</b>	<b>(9.7)</b>	<b>(17.5)</b>	<b>(78.4)</b>	<b>(1.6)</b>	<b>(0.0)</b>	<b>5.1</b>	<b>9.8</b>	<b>13.3</b>	<b>7.5</b>
Equity in net of noncon. affils.	0.0	0.0	(2.1)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Reported Net Income</b>	<b>(1.4)</b>	<b>36.2</b>	<b>18.1</b>	<b>(15.4)</b>	<b>(70.3)</b>	<b>(47.8)</b>	<b>(3.5)</b>	<b>(9.7)</b>	<b>(17.5)</b>	<b>(78.4)</b>	<b>(1.6)</b>	<b>(0.0)</b>	<b>5.1</b>	<b>9.8</b>	<b>13.3</b>	<b>7.5</b>
Net margin	17.6%	11.7%	11.1%	5.2%	13.6%	2.4%	4.8%	4.8%	7.9%	5.2%	7.8%	6.7%	10.5%	14.2%	10.0%	8.3%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	(3.9)	30.3	18.1	(15.4)	(70.3)	(47.775)	(3.500)	(9.659)	(17.464)	(78.398)	(1.6)	(0.0)	5.1	9.8	13.3	7.5
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>EPS - Continuing Operations</b>	<b>(\$0.05)</b>	<b>\$0.36</b>	<b>\$0.21</b>	<b>(\$0.18)</b>	<b>(\$0.78)</b>	<b>(\$0.53)</b>	<b>(\$0.04)</b>	<b>(\$0.11)</b>	<b>(\$0.19)</b>	<b>(\$0.86)</b>	<b>(\$0.02)</b>	<b>\$0.00</b>	<b>\$0.05</b>	<b>\$0.10</b>	<b>\$0.14</b>	<b>\$0.08</b>
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	(78.6)	(0.2)	0.2	0.0	(0.7)	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income to common</b>	<b>(3.9)</b>	<b>30.3</b>	<b>18.1</b>	<b>(15.4)</b>	<b>(148.9)</b>	<b>(48.0)</b>	<b>(3.3)</b>	<b>(9.7)</b>	<b>(18.2)</b>	<b>(79.2)</b>	<b>(1.6)</b>	<b>(0.0)</b>	<b>5.1</b>	<b>9.8</b>	<b>13.3</b>	<b>7.5</b>
EPS - basic	(\$0.05)	\$0.36	\$0.21	(\$0.18)	(1.7)	(0.5)	(0.0)	(0.1)	(0.2)	(0.86)	(\$0.02)	\$0.00	\$0.05	\$0.11	\$0.14	\$0.08
<b>EPS - diluted</b>	<b>(\$0.05)</b>	<b>\$0.34</b>	<b>\$0.21</b>	<b>(\$0.18)</b>	<b>(\$1.66)</b>	<b>(\$0.53)</b>	<b>(\$0.04)</b>	<b>(\$0.11)</b>	<b>(\$0.20)</b>	<b>(\$0.86)</b>	<b>(\$0.02)</b>	<b>(\$0.00)</b>	<b>\$0.05</b>	<b>\$0.10</b>	<b>\$0.14</b>	<b>\$0.08</b>
EPS reported by company	(\$0.05)		\$0.21	(\$0.18)	(\$1.66)	(\$0.53)	(\$0.04)	(\$0.11)	(\$0.20)							
Model variance: EPS	\$0.00		(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
Pro forma adjustments	38.1	9.6	25.6	12.4	96.4	0.2	0.2	8.9	25.3	34.5	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	34.1	39.9	43.6	(3.0)	(52.5)	(47.8)	(3.2)	(0.8)	7.1	(44.7)	(1.6)	(0.0)	5.1	9.8	13.3	7.5
Pro forma EPS - basic	\$0.41	\$0.47	\$0.51	(\$0.03)	(\$0.58)	(\$0.53)	(\$0.03)	(\$0.01)	\$0.08	(\$0.49)	(\$0.02)	\$0.00	\$0.05	\$0.11	\$0.14	\$0.08
<b>Pro forma EPS</b>	<b>\$0.41</b>	<b>\$0.45</b>	<b>\$0.50</b>	<b>(\$0.03)</b>	<b>(\$0.58)</b>	<b>(\$0.53)</b>	<b>(\$0.03)</b>	<b>(\$0.01)</b>	<b>\$0.08</b>	<b>(\$0.49)</b>	<b>(\$0.02)</b>	<b>\$0.00</b>	<b>\$0.05</b>	<b>\$0.10</b>	<b>\$0.14</b>	<b>\$0.08</b>
EPS shares - Basic	84.2	85.3	85.4	87.9	89.9	91.0	91.0	91.0	91.1	91.5	92.7	92.7	93.0	93.6	93.0	94.5
EPS shares - Diluted	84.2	87.9	87.8	87.9	89.9	91.0	91.0	91.0	91.1	91.5	92.7	92.7	93.2	93.8	93.2	94.7

Source: Industry Capital Research estimates and company data

Figure 13: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
<b>EBITDA:</b>																
Net income (loss) attributable to common stockholders				-15.4	-148.9	-48.0	-3.3	-9.7	-18.2	-79.2	-1.6	0.0	5.1	9.8	13.3	7.5
Net income (loss) attributable to redeemable noncontrolling interest - discontinued operations				0.0	-2.8											
Net income (loss) attributable to noncontrolling interest - discontinued operations				0.0	0.0											
Interest expense				16.5	16.5	3.7	4.0	3.8	3.6	15.1	3.1	3.0	2.9	2.8	11.8	10.3
Interest expense - discontinued operations				0.3	0.2											
Interest income				-1.9	-2.5	-0.6	-0.6	-0.6	-0.5	-2.3	-0.4	-0.4	-0.4	-0.4	-1.6	-1.1
Interest income - discontinued operations				-1.5	-0.7											
Dividend income				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realized gain (loss) on marketable securities				0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain) loss on debt extinguishment				1.6	0.1	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Income tax expense				-10.9	4.1	-8.1	-0.8	-2.8	-6.3	-18.0	3.2	0.3	1.1	2.5	7.2	4.0
Income tax expense - discontinued operations				2.5	-1.0											
Amortization of syndication contracts				0.5	0.5	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.4
Payments on syndication contracts				-0.5	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4
Non-cash comp				23.7	13.8	2.6	2.7	2.8	2.9	11.0	2.5	2.6	2.7	3.3	11.2	11.4
D&A				17.0	16.8	3.5	3.0	3.1	2.7	12.3	3.2	3.3	3.6	3.9	13.9	13.8
D&A - discontinued operations				11.0	4.0											
Change in fair value contingent consideration				11.8	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value contingent consideration - disc ops				-14.4	-12.6											
Impairment - discontinued operations				13.3	110.7	23.7	0.0	5.7	26.0	55.4	0.0	0.0	0.0	0.0	0.0	0.0
Loss on lease abandonment						25.2	0.0	0.0	0.0	25.2	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurring cash severance				0.9	7.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring charge				0.0	0.0	0.0	0.0	3.2	-0.4	2.8						
Other operating loss - discontinued operations				4.9	45.2	0.2	-0.2	0.0	0.7	0.8	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA attributable to redeemable noncontrolling interest - disc ops				-1.5	-0.2											
EBITDA attributable to noncontrolling interest - disc ops				-0.2	0.0											
<b>= Adjusted EBITDA</b>				<b>57.7</b>	<b>49.5</b>	<b>2.2</b>	<b>4.9</b>	<b>5.8</b>	<b>10.6</b>	<b>23.4</b>	<b>10.0</b>	<b>8.8</b>	<b>15.1</b>	<b>22.0</b>	<b>55.8</b>	<b>46.0</b>
Memo: adj. EBITDA (core) reported			103.1	57.7	49.5											
Model variance: adj. EBITDA				(0.0)	(0.0)											
Adj. EBITDA core margin				19.0%	13.6%	2.4%	4.8%	4.8%	7.9%	5.2%	7.8%	6.7%	10.5%	14.2%	10.0%	8.3%
Incremental Margin					-12.0%	-17.1%	-31.0%	-39.7%	-32.4%	-31.6%	21.6%	12.9%	40.2%	57.8%	29.6%	291.6%
<b>Free Cash Flow:</b>																
EBITDA	60.4	89.0	106.5	57.7	49.5	2.2	4.9	5.8	10.6	23.4	10.0	8.8	15.1	22.0	55.8	46.0
Cash net interest	-5.9	-6.2	-6.7	-11.9	-13.5	-3.5	-3.6	-3.4	-3.1	-13.6	-2.6	-2.6	-2.5	-2.4	-10.2	-9.2
Other adjustments to cash	5.3	6.8	4.7	2.0												
- Cash taxes	-7.7	-4.1	-16.9	-13.1	-9.4	-0.2	-1.3	0.0	-4.5	-6.0	-1.5	-1.5	-1.5	-1.5	-6.1	-3.5
Cash taxes / EBITDA	13%	5%	16%	23%	19%	8%	26%	1%	43%	26%	15%	17%	10%	7%	11%	8%
Minus: capex	-9.5	-5.6	-11.5	-27.3	-8.5	-2.6	-2.2	-1.2	-1.1	-7.1	-2.0	-2.0	-2.0	-2.0	-8.0	-8.4
Capex / D&A	55%	25%	45%	98%	50%	76%	71%	39%	41%	58%	62%	61%	56%	52%	57%	61%
Capex / EBITDA	16%	6%	11%	47%	17%	121%	44%	21%	11%	31%	20%	23%	13%	9%	14%	18%
<b>= Free Cash Flow</b>	<b>42.6</b>	<b>79.9</b>	<b>66.7</b>	<b>7.4</b>	<b>18.2</b>	<b>(4.1)</b>	<b>(2.2)</b>	<b>1.1</b>	<b>1.8</b>	<b>(3.4)</b>	<b>3.8</b>	<b>2.7</b>	<b>9.0</b>	<b>16.0</b>	<b>31.5</b>	<b>25.0</b>
<b>Free Cash Flow to Firm</b>					<b>40.5</b>	<b>(4.1)</b>	<b>(2.2)</b>	<b>1.1</b>	<b>27.3</b>	<b>22.1</b>	<b>3.8</b>	<b>2.7</b>	<b>9.0</b>	<b>15.5</b>	<b>31.0</b>	<b>26.6</b>
<b>FCF per share</b>	<b>\$0.51</b>	<b>\$0.91</b>	<b>\$0.76</b>	<b>\$0.08</b>	<b>\$0.45</b>	<b>(\$0.05)</b>	<b>(\$0.02)</b>	<b>\$0.01</b>	<b>\$0.30</b>	<b>\$0.24</b>	<b>\$0.04</b>	<b>\$0.03</b>	<b>\$0.10</b>	<b>\$0.17</b>	<b>\$0.33</b>	<b>\$0.28</b>
Memo: FCF/Adjusted EBITDA	70.5%	89.8%	62.6%	12.8%	36.7%	(15.2)	7.8	8.3	9.8	10.6					56.4%	54.3%
Cash flow from operations			78.9	75.2	74.7											
Cash for capital expenditures			11.5	27.3	9.1											
Free cash flow (reported by company, 2Q24-on method)				47.9	65.6											
<b>Dividends per basic share</b>	<b>\$0.13</b>	<b>\$0.10</b>	<b>\$0.10</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.20</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.20</b>	<b>\$0.20</b>
- Dividends	(10.5)	(8.5)	(8.5)	(17.6)	(18.0)	(4.5)	(4.5)	(4.5)	(4.6)	(18.2)	(4.6)	(4.6)	(4.7)	(4.7)	(18.6)	(18.9)
Dividends as % of FCF	24.7%	10.7%	12.8%	237.8%	44.4%					82.4%					59.9%	71.1%

Source: Industry Capital Research estimates and company data

Figure 14: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
<b>Net revenue (core) growth</b>	<b>-6.8%</b>	<b>8.1%</b>	<b>19.0%</b>	<b>-9.4%</b>	<b>22.9%</b>	<b>17.5%</b>	<b>21.9%</b>	<b>24.2%</b>	<b>25.6%</b>	<b>22.6%</b>	<b>39.4%</b>	<b>30.3%</b>	<b>19.2%</b>	<b>14.7%</b>	<b>24.5%</b>	<b>-0.6%</b>
Media revenue growth	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	-4.0%	1.2%	14.5%	32.1%	11.3%	-18.3%
AT&S revenue growth	-32.1%	21.9%	93.5%	3.3%	42.4%	57.0%	65.5%	103.8%	123.2%	89.6%	74.4%	54.2%	21.9%	5.7%	33.0%	9.1%
Cost of revenue	-16.6%	31.3%	66.9%	14.9%	32.4%	47.7%	55.6%	90.2%	NM	80.2%	68.9%	47.8%	19.0%	-0.6%	27.4%	9.1%
<b>Opex (core)</b>	<b>-15.1%</b>	<b>-1.3%</b>	<b>6.8%</b>	<b>5.1%</b>	<b>22.2%</b>	<b>10.6%</b>	<b>17.4%</b>	<b>14.3%</b>	<b>7.3%</b>	<b>12.3%</b>	<b>11.8%</b>	<b>15.1%</b>	<b>6.1%</b>	<b>14.8%</b>	<b>11.8%</b>	<b>-6.4%</b>
Media opex growth	-11.2%	1.7%	-0.1%	1.5%	15.8%	2.1%	4.0%	0.4%	-6.2%	-0.1%	-6.5%	1.4%	-0.4%	12.8%	1.8%	-16.1%
AT&S opex growth	-35.1%	-22.2%	69.8%	24.6%	50.2%	43.2%	67.5%	58.4%	48.4%	54.2%	62.1%	46.9%	19.1%	18.6%	33.9%	9.9%
<b>Total OCF (core)</b>	<b>21.4%</b>	<b>16.8%</b>	<b>17.4%</b>	<b>-46.2%</b>	<b>11.9%</b>	<b>-21.4%</b>	<b>-29.3%</b>	<b>-46.8%</b>	<b>-40.4%</b>	<b>-37.4%</b>	<b>96.4%</b>	<b>49.0%</b>	<b>NM</b>	<b>78.6%</b>	<b>81.8%</b>	<b>-12.3%</b>
Media OCF growth	23.3%	7.9%	5.9%	-41.6%	-2.5%	-94.3%	-66.2%	NM	-89.7%	-90.8%	NM	5.5%	NM	NM	NM	-50.2%
AT&S OCF growth	NM	NM	NM	-73.8%	NM	NM	66.6%	NM	NM	NM	84.8%	72.0%	27.8%	9.8%	39.9%	5.7%
Corporate expense	-0.9%	18.6%	49.7%	1.8%	-25.4%	-36.4%	-41.0%	-8.5%	-13.1%	-27.9%	-9.8%	3.0%	6.9%	14.5%	3.0%	4.0%
Cash corporate expense	-2.0%	11.3%	31.7%	2.9%	-23.9%	-27.2%	-41.8%	-1.7%	-12.7%	-23.9%	-10.7%	6.3%	11.9%	9.6%	3.3%	4.6%
<b>Adjusted EBITDA (core)</b>	<b>46.6%</b>	<b>47.4%</b>	<b>19.6%</b>	<b>-45.8%</b>	<b>-14.1%</b>	<b>-51.8%</b>	<b>-53.5%</b>	<b>-61.7%</b>	<b>-45.7%</b>	<b>-52.8%</b>	<b>NM</b>	<b>80.9%</b>	<b>160.8%</b>	<b>108.1%</b>	<b>138.8%</b>	<b>-17.6%</b>
<b>Pro forma adjusted EBITDA</b>	<b>46.6%</b>	<b>45.7%</b>	<b>17.1%</b>	<b>-44.1%</b>	<b>73.9%</b>	<b>-51.8%</b>	<b>-53.5%</b>	<b>-61.7%</b>	<b>-45.7%</b>	<b>-52.8%</b>	<b>NM</b>	<b>80.9%</b>	<b>160.8%</b>	<b>108.1%</b>	<b>138.8%</b>	<b>-17.6%</b>
Non-cash compensation expense	17.1%	87.2%	108.8%	18.3%	-37.6%	-52.0%	-36.6%	-24.0%	102.0%	-25.8%	-2.9%	-3.2%	-3.1%	16.3%	2.0%	2.0%
D & A	3.8%	29.7%	14.6%	9.0%	-39.9%	-26.6%	-31.6%	-19.4%	-28.2%	-26.6%	-7.9%	8.4%	14.8%	42.3%	12.9%	-0.6%
Operating income	88.3%	50.0%	6.5%	-100.0%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Pretax income	NM	NM	-42.3%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-43.6%
Net income pre-extra.	NM	NM	-40.3%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-43.6%
EPS, Continuing Operations	NM	NM	-41.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-42.9%
<b>EPS - diluted</b>	<b>NM</b>	<b>NM</b>	<b>-40.2%</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>-44.5%</b>
FCF/share	NM	78.4%	-16.5%	-89.5%	NM	NM	NM	-88.9%	-21.1%	-46.7%	NM	NM	NM	-43.3%	37.5%	-15.2%
EPS shares - Diluted	-1.0%	4.4%	-0.2%	0.2%	2.2%	1.6%	0.3%	1.1%	1.1%	1.8%	1.9%	1.9%	2.5%	3.0%	1.9%	1.6%

Source: Industry Capital Research estimates and company data



## APPENDIX

Additional information relative to securities, other financial products or issuers discussed in this report is available upon request.

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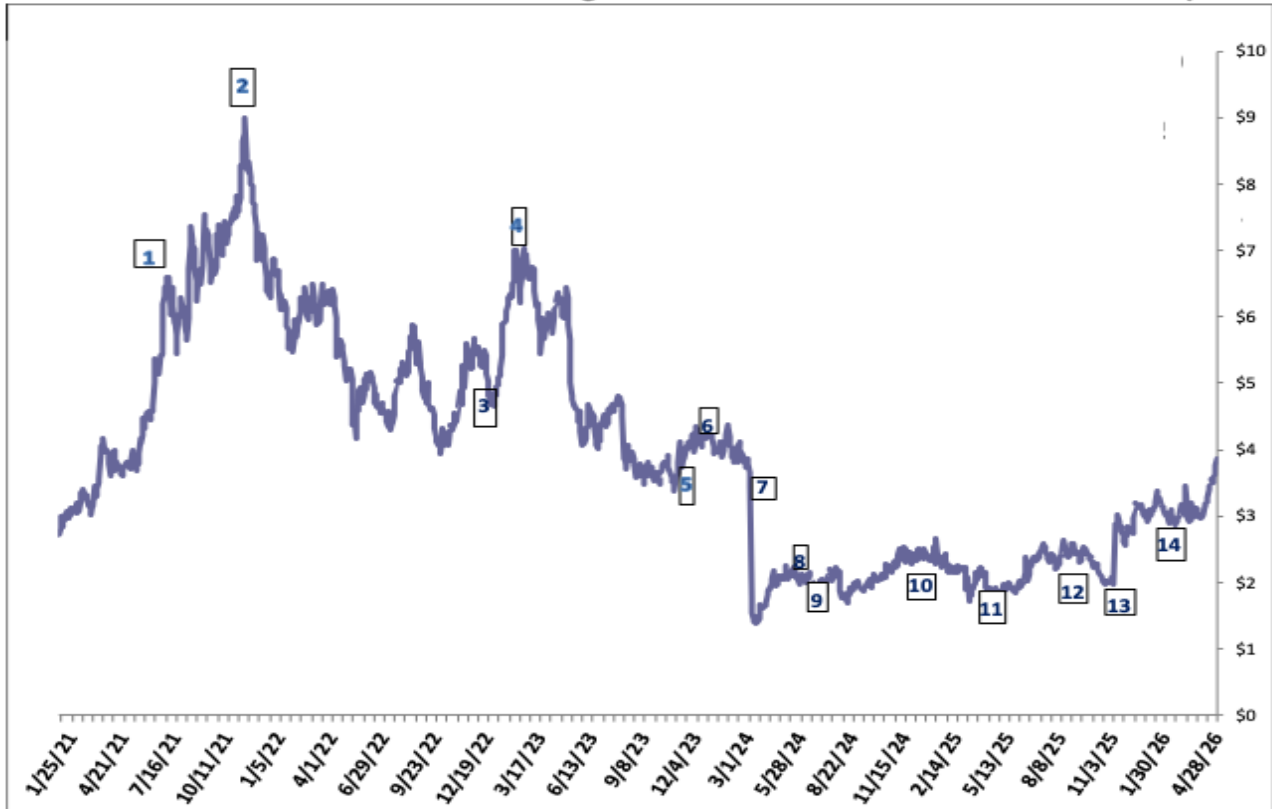
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, holds a BA (Economics) and MBA from the University of Chicago and a JD from the University of Virginia, and is a member of the Beta Gamma Sigma and Phi Beta Kappa honor societies.

## Historical Recommendations and Target Prices: Entravision Communications (ticker: EVC)



1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
3	11/3/22	Reaffirmed Buy @ \$4.69, Target Price \$7.00
4	1/27/23	Reaffirmed Buy @ \$6.33, Target Price \$7.50
5	11/3/23	Reaffirmed Buy @ \$3.81, Target Price \$4.50
6	11/8/23	Downgraded to Hold @ \$3.97, Target Price \$4.00
7	3/6/24	Reaffirmed Hold @ \$3.57, Target Price \$1.50
8	4/11/24	Coverage Suspended @ \$2.18
9	4/26/24	Coverage Resumed with Hold @ \$2.10, Target Price \$2.00
10	11/1/24	Reaffirmed Hold @ \$2.32, Target Price \$2.50
11	3/11/25	Reaffirmed Hold @ \$1.80, Target Price \$2.00
12	7/30/25	Reaffirmed Hold @ \$2.36, Target Price \$2.50
13	10/30/25	Reaffirmed Hold @ \$2.03, Target Price \$2.00
14	2/27/26	Reaffirmed Hold @ \$3.18, Target Price \$3.00

### Ratings Definitions

**BUY:** total return expected is >15% over a 12-month period

**HOLD:** total return expected is between 15% and -15% over a 12-month period

**SELL:** total return expected is <-15% over a 12-month period

The target prices of shares mentioned in the accompanying text are based on the assumed investment horizon of 12 months. If company notes are published on these shares in the future, the target prices mentioned in the subsequent notes will have priority.

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