Entravision Communications Corporation (EVC)

2Q Preview: Market Pricing for Near Perfection, Despite Higher Risks; PT Up to $10; HOLD

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With 2Q results set for August 10 AMC, we raise our 2026 estimates and our PT to $10 from $3.50, as we assess EVC's digital new business lottery ticket. The webinar will be at 5:00pm ET, at investor.entravision.com.

Our 2026 adjusted EBITDA estimate surges to $154m from $56m, but WACC rises as well. See Fig. 2. The huge 1Q beat at the Advertising Technology & Services ("AT&S") segment boosts our EVC revenue and OCF estimates. See Fig. 3 and 7. Aside from updating for 1Q, our primary forecast changes are: 1) almost tripling our 2026 and 2027 AT&S OCF estimates (see Fig. 3), 2) trimming our 2026 and 2027 Media OCF estimates (see Fig. 3), 3) raising our out-year EBITDA growth estimates on lift from AT&S growth (see Fig. 8), and 4) updating the WACC estimates in our DCF for beta and macro inputs (see Fig. 8). Importantly, the WACC for EVC as a whole increases to ~10% from ~6%, reflecting the greater volatility of the outlook for EVC's digital—and thus overall—business, given that it now substantially depends on one, opaque client, and EVC's greater stock price volatility vs. the market this past year. Pro forma net debt has ticked down, to $91m at 3/31 from $104m at 12/31, and estimated leverage has dropped to ~2x on rebounding LTM EBITDA, while short-term maturities remained $20m at 3/31/26.

Big, opaque new client transforms EVC's stock thesis into a lottery ticket riding on its demand-side platform (DSP) business. The 1Q26 10-Q disclosed that EVC's new AT&S client accounted for 36% of EVC's 1Q revenue, up from 9% for 2025. On its 1Q earnings call, management said nothing about this client. We still believe that this client is most likely a Hong Kong game publisher, possibly IGG. The risk remains that revenue from AT&S's new customer will be volatile. Our scenario analyses suggest a wide range of possible valuations, roughly $3.50 more than our $10 PT if the campaign budgets from this new customer come in at the high end of expectations, helping to take the AT&S business to a new steady-state scale, and roughly $6 less than our PT if the bulk of this new customer's spending rolls off by year-end, because of lower campaign spending and/or spending shifts to DSP competitors. We estimate that EVC will generate ~90% of its 2026E OCF from the AT&S segment, despite the likely growth in high-margin political advertising at the Media segment, and this shift in mix should reduce EVC's downside risk from negotiating a renewal of its TV network affiliation agreement with TelevisaUnivision expiring at year-end.

1Q recap—massive EBITDA beat despite Media miss. See Fig. 4 and 7. Adj. EBITDA was $27.9m (14.2% margin) vs. our $6.4m (5.4% margin) estimate. Revenue growth was 4% for Media (local +6%, national -18%) and +204% for AT&S vs. our -4% and +74% estimates, respectively. See Fig. 7. OCF margins missed at Media (-5.7% vs. 3.8%), but beat bigly at AT&S (22.3% vs. 14.6%). Corporate expense was $7.2m vs. our $7.0m estimate. EPS of $0.13 beat our $0.07 estimate. Reported free cash flow of $18.1m was up from a loss of $17.9m the year before.

Our 12-month price target is $10; 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 8/3/26 (USD)			11.04
Price Target			10.00
52-week range			1.95 - 13.74
Performance (%)	1m	3m	12m
Absolute	-15	189	372
S&P 500	2	5	20
Market Cap (USDm)			1,065.1
Shares outstanding (m)			96.5
Float (%)			90
Average volume			3,125,433
S&P 500			7,600.5
Forecasts and ratios			
Year ended 12/31	2025A	2026E	2027E
1Q EPS (USD)	-0.53	0.13	0.13
2Q EPS (USD)	-0.04	0.19	0.17
3Q EPS (USD)	-0.11	0.30	0.12
4Q EPS (USD)	-0.20	0.10	0.16
FY EPS (USD)	-0.87	0.73	0.58
% Change	NM	NM	-20%
P/E (x)	NM	15.2	18.9
EV/EBITDA (x)	45.8	6.9	8.0
Revenue (USDm)	447.6	931.7	961.5
% Change	23%	108%	3%

Investment Thesis and Valuation: Hold With $10.00 Price Target

We rate Hold the shares of EVC. Despite
1) a digital advertising business posting impressive growth on the back of onboarding a large, new customer,
2) modest pro forma net debt leverage of EBITDA over the course of a 2-year political ad cycle,
3) potential monetization from future spectrum auctions (as in 2017), and
4) secular growth of political advertising revenue,
EVC shares nevertheless face
5) rising risk of digital business volatility, as its dependence on the competitive DSP market increases,
6) audience declines at its U.S. broadcast businesses, and
7) 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 $154m/$134m, and $85m for spectrum asset value, resulting in a target valuation of $10.00 per share. 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.

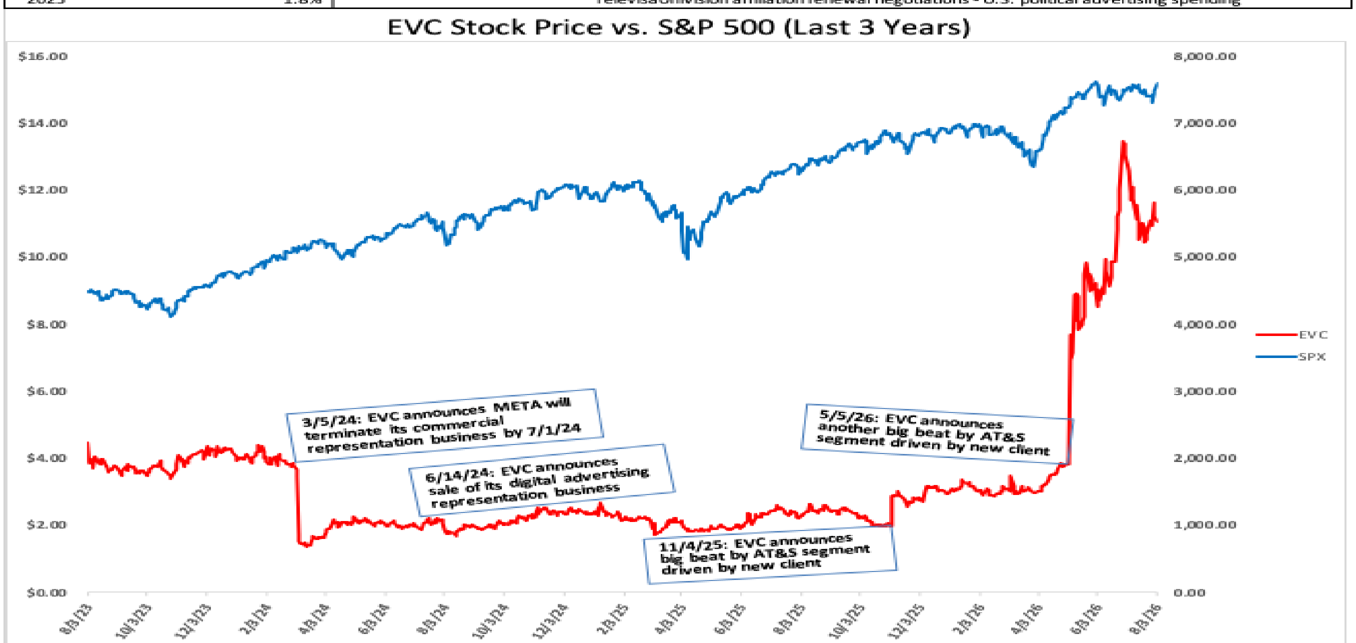
Risks to our investment thesis include: 1) sensitivity of EVC's advertising-based businesses to customer concentration and macroeconomic flux, and 2) the impact of the 2023 change in voting control on the company's strategy and pursuit of potential longer-term options, including capital allocation and 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: $10.00

ENTERPRISE VALUE	
Price per share	$11.04
Diluted shares outstanding	96.5
Equity market capitalization	1,065
+Pro forma net debt	91
-Hidden value	85
=Pro forma EV	$1,071
OPERATING PROJECTIONS	
Pro forma net revenue	
2026	$919
2025	448
% Chg	*105.4%*
Pro forma EBITDA	
2026	$154
2025	23
% Chg	*559.4%*
Pro forma EBITDA margin	
2026	*16.8%*
2025	*5.2%*
Free cash flow per share	
2026	$0.94
2025	$0.24
% Chg	*291.7%*
Est. 3-5 yr FCF Growth rate	0%
VALUATION AND LEVERAGE	
Pro forma EV/EBITDA	
2026	6.9x
2025	45.8x
Price / Free cash flow per share	
2026	11.7x
2025	46.0x
Pro forma net debt / EBITDA	
2026	0.6x
2025	3.9x
Dividend yield	
2026	1.8%
2025	1.8%

COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Company description	**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."
Strategy	**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
Est. acquisition capacity	**$620**
Management	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).
Positives	*** High growth of its demand side platform (DSP) business, both in U.S. and internationally** * Long-term potential for monetizing spectrum assets (as occurred, e.g., in 2017 FCC auction) * Secular growth in U.S. political advertising spending * Free cash flow generation from broadcast business * Most of EVC's TV stations are affiliated with leading U.S. Spanish language network Univision
Risks	*** Customer concentration risk at DSP business** * Impact of advertising declines on cash flow (e.g., in 2009 and 2020) * TelevisaUnivision relationship, including affiliation agreement expiring in 2026, may limit strategic flexibility * Deteriorating broadcast economics given loss of audience and advertising share * Capital allocation and corporate control after loss of management voting control triggered by death of prior CEO
Valuation	**Attributing firm value** primarily to digital business and U.S. broadcast spectrum assets
Recent events	**May 2026 and November 2025** - big AT&S segment beats 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 & 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.
Upcoming potential catalysts	**Continued onboarding of large new digital ad platform customer added in 2025** - TelevisaUnivision affiliation renewal negotiations - U.S. political advertising spending



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, as AT&S beat shifts EVC to a larger scale of revenue and EBITDA

Entravision Communications (NYSE: EVC)

Summary of Annual Estimates

In millions, except per share data

		Estimates				YoY %CHG	
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
2026E							
Pro Forma *							
Revenue	447.6	557.2	362.3	919.5	24.5%	80.9%	105.4%
Op expense	424.2	501.4	263.9	765.3	18.2%	62.2%	80.4%
Adjusted EBITDA	23.4	55.8	98.4	154.2	138.6%	NM	NM
Margin	*5.2%*	*10.0%*	*6.8%*	*16.8%*			
As Reported							
Revenue	447.6	557.2	374.5	931.7	24.5%	83.7%	108.2%
Op expense	424.2	501.4	276.1	777.5	18.2%	65.1%	83.3%
Adjusted EBITDA	23.4	55.8	98.4	154.2	138.6%	NM	NM
Margin	*5.2%*	*10.0%*	*6.5%*	*16.5%*			
Pro forma EPS	($0.49)	$0.14	$0.59	$0.73	-128.6%	NM	NM
Cash FCF/sh	$0.24	$0.33	$0.61	$0.94	37.5%	254.2%	291.7%
2027E							
Pro Forma *							
Revenue	919.5	553.8	407.7	961.5	-39.8%	44.3%	4.6%
Op expense	765.3	507.8	320.2	828.0	-33.6%	41.8%	8.2%
Adjusted EBITDA	154.2	46.0	87.5	133.5	-70.2%	56.7%	-13.4%
Margin	*16.8%*	*8.3%*	*5.6%*	*13.9%*			
As Reported							
Revenue	931.7	553.8	407.7	961.5	-40.6%	43.8%	3.2%
Op expense	777.5	507.8	320.2	828.0	-34.7%	41.2%	6.5%
Adjusted EBITDA	154.2	46.0	87.5	133.5	-70.2%	56.7%	-13.4%
Margin	*16.5%*	*8.3%*	*5.6%*	*13.9%*			
Pro forma EPS	$0.73	$0.08	$0.50	$0.58	-89.0%	68.5%	-20.5%
Cash FCF/sh	$0.94	$0.28	$0.59	$0.87	-70.2%	62.8%	-7.4%

* pro forma reflects announced acquisitions and dispositions

Source: Company reports, Industry Capital Research estimates

Our 2026 adjusted EBITDA estimate rises to $154m from $56m, driven entirely by higher AT&S OCF. See Fig. 2 and 3. At the Media segment, we continue to estimate $32m in political advertising revenue, while we increase our estimate of retransmission revenue to ~$29m from ~$25m (similar to $29m in 2025), reflecting 1Q's higher-than-expected retrans revenue, and ~$5m in spectrum usage revenue (versus $6m in 2025). We assume that the surge in political advertising will leave core broadcast advertising down 14% 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.

Figure 3: Our 2026/27 revenue and OCF estimates increase substantially for the AT&S segment, while being fine-tuned for the Media segment

Entravision Communications (NYSE: EVC)

Summary of New Segment Annual Estimates

In millions, except per share data

			Estimates			YoY %CHG	
	Last Yr	Old	Chg	Current	Old	Chg	Current
2026E							
Media Revenue	176.7	196.7	0.7	197.4	11.3%	0.4%	11.7%
Media Opex	171.9	173.3	8.3	181.6	0.8%	4.8%	5.7%
Media OCF	4.8	23.4	(7.6)	15.8	NM	NM	NM
Margin	*2.7%*	*11.9%*	*-3.9%*	*8.0%*			
AT&S Revenue	270.9	360.5	373.8	734.3	33.0%	138.0%	171.0%
AT&S Opex	235.9	311.4	269.7	581.1	32.0%	114.3%	146.4%
AT&S OCF	35.1	49.1	104.2	153.2	39.9%	NM	NM
Margin	*12.9%*	*13.6%*	*7.3%*	*20.9%*			
Total Revenue	447.6	557.2	374.5	931.7	24.5%	83.7%	108.2%
Total Opex	407.8	484.7	277.9	762.7	18.9%	68.2%	87.0%
Total OCF	39.8	72.4	96.6	169.0	81.8%	NM	NM
Margin	*8.9%*	*13.0%*	*5.1%*	*18.1%*			
2027E							
Media Revenue	197.4	160.6	1.6	162.3	-18.6%	0.8%	-17.8%
Media Opex	181.6	149.0	4.5	153.5	-18.0%	2.5%	-15.5%
Media OCF	15.8	11.6	(2.9)	8.7	-26.2%	-18.3%	-44.5%
Margin	*8.0%*	*7.2%*	*-1.8%*	*5.4%*			
AT&S Revenue	734.3	393.2	406.0	799.2	-46.5%	55.3%	8.8%
AT&S Opex	581.1	341.3	317.7	659.0	-41.3%	54.7%	13.4%
AT&S OCF	153.2	51.9	88.3	140.2	-66.1%	57.6%	-8.5%
Margin	*20.9%*	*13.2%*	*4.3%*	*17.5%*			
Total Revenue	931.7	553.8	407.7	961.5	-40.6%	43.8%	3.2%
Total Opex	762.7	490.3	322.3	812.5	-35.7%	42.3%	6.5%
Total OCF	169.0	63.5	85.4	148.9	-62.4%	50.5%	-11.9%
Margin	*18.1%*	*11.5%*	*4.0%*	*15.5%*			

* 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 2026, before normalizing in 2027. See Fig. 5, 6, 10 and 14. Reflecting the revenue step-up from this customer, we raise our 2026 AT&S OCF margin estimate to 20.9% from 13.6%, a big expansion from 12.9% in 2025. See Fig. 3.

Figure 4: 1Q was a blow-out, and we hike our 2Q estimates on expectations of a continuing surge from AT&S's new customer

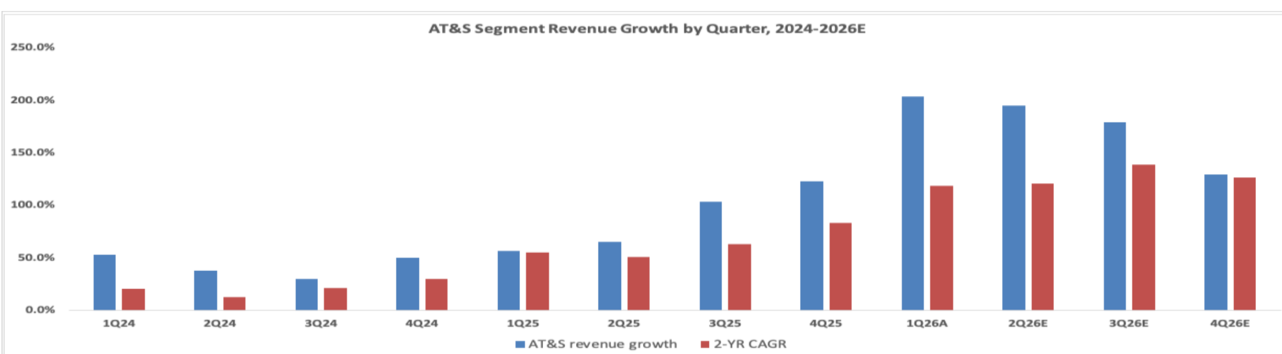
Entravision Communications
Summary of Quarterly Estimates
In millions, except per share data

	Results				YoY %CHG		
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A
1Q26A							
As Reported							
Revenue	91.9	117.9	$79.1	**197.0**	28.4%	86.1%	**114.4%**
Op Expense	89.7	111.5	57.5	**169.0**	24.4%	64.1%	**88.5%**
Adjusted EBITDA	2.2	6.4	21.6	**27.9**	192.4%	NM	**NM**
Margin	*2.4%*	*5.4%*	*8.8%*	***14.2%***			
EPS - Continuing Operations	($0.53)	$0.07	$+0.06	**$0.13**	-113.2%	-11.3%	**-124.5%**

	Estimates				YoY %CHG		
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
2Q26E							
As Reported							
Revenue	$100.7	$131.3	$77.0	**$208.3**	30.3%	76.4%	**106.7%**
Op Expense	95.9	122.6	54.0	**176.6**	27.8%	56.4%	**84.2%**
Adjusted EBITDA	4.9	8.7	22.9	**31.7**	79.3%	NM	**NM**
Margin	*4.8%*	*6.6%*	*8.6%*	***15.2%***			
EPS - Continuing Operations	($0.04)	$0.00	$+0.19	**$0.19**	-100.0%	NM	**NM**

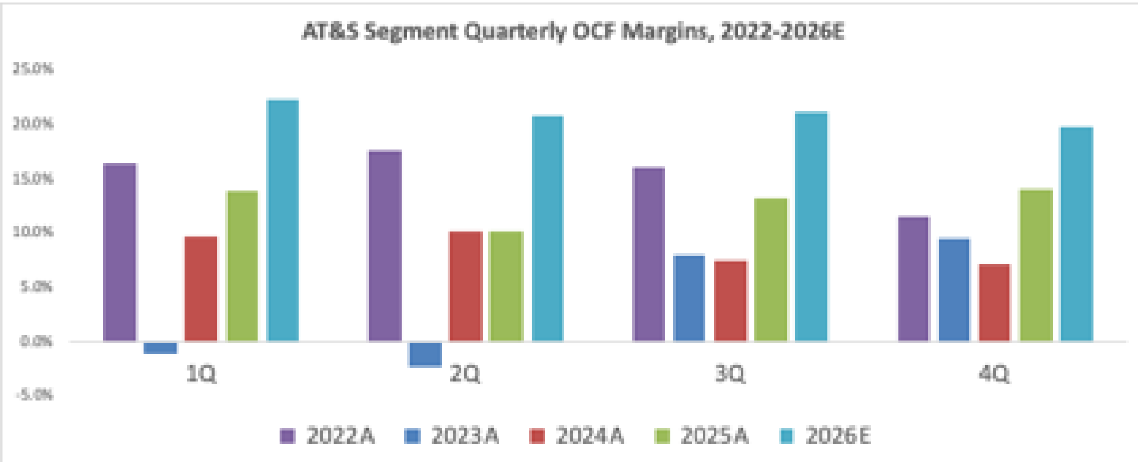
* pro forma reflects announced acquisitions and dispositions
Source: Company reports, Industry Capital Research estimates

Figure 5: We now assume that AT&S revenue growth peaked in 1Q26



Source: Industry Capital Research estimates and company data

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



Source: Industry Capital Research estimates and company data

The catalyst to EVC's business and stock from the tremendous growth from AT&S's new client is surpassing those we have seen in the past from the U.S. election and macro cycles. Nevertheless, we briefly run through the outlook for cyclic trends.

- **Relative to the time of our last EVC forecast at the end of April, macro and political ad trends have marginally improved.** The 2026 real GDP growth forecast in the Wall Street Journal survey of economists was 2.1% in July, vs. 2.0% in the April survey. Despite the U.S.-Iran war, the WSJ survey raised its 2026 PCE growth forecast to 3.2% in July from 2.9% in April.

- **We still assume political advertising will be similar in 2026 to the 2022 level of $32m, with upside more likely than downside.** This continues to track 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. On the 1Q conference call, management did not seem to change its tone much, saying that EVC was positioning itself for a strong political spending environment in 2026. The Texas U.S. Senate race is shaping up to be a major national contest with well-funded candidates, now that the Republicans have nominated Ken Paxton—rather than Republican incumbent John Cornyn—to face James Talarico, the Democrat nominee. In addition, the race between Republican Monica De La Cruz and Democrat Bobby Pulido in Texas' 15th Congressional District is likely to result in materially more political ad spending in 2026 than in 2024. 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).

Figure 7: After AT&S beat and Media segment miss in 1Q, for 2Q we raise our AT&S estimates while fine-tuning Media

Entravision Communications (NYSE: EVC)

Summary of Segment Quarterly Estimates

In millions, except per share data

		Results				YoY %CHG	
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A
1Q26A							
Media Revenue	41.0	39.3	3.1	42.4	-4.0%	7.5%	3.5%
Media Opex	40.6	37.8	7.0	44.9	-6.9%	17.3%	10.4%
Media OCF	0.4	1.5	(3.9)	(2.4)	324.7%	NM	NM
Margin	*0.9%*	*3.8%*	*-9.6%*	*-5.7%*			
AT&S Revenue	50.9	88.7	65.8	154.5	74.4%	129.4%	203.8%
AT&S Opex	43.9	75.8	44.3	120.0	72.7%	101.0%	173.7%
AT&S OCF	7.0	13.0	21.5	34.5	84.8%	307.1%	392.0%
Margin	*13.8%*	*14.6%*	*7.7%*	*22.3%*			
Total Revenue	91.9	128.0	68.9	197.0	39.4%	75.0%	114.4%
Total Opex	84.5	113.6	51.3	164.9	34.4%	60.8%	95.2%
Total OCF	7.4	14.5	17.6	32.1	96.4%	238.8%	335.2%
Margin	*8.0%*	*11.3%*	*5.0%*	*16.3%*			
		Estimates				YoY %CHG	
	Last Yr	Old	Chg	Current	Old	Chg	Current
2Q26E							
Media Revenue	45.4	46.0	(1.0)	45.0	1.2%	-2.2%	-1.0%
Media Opex	42.5	42.8	1.2	44.0	0.9%	2.8%	3.7%
Media OCF	3.0	3.1	(2.2)	0.9	5.5%	-74.2%	-68.7%
Margin	*6.5%*	*6.8%*	*-4.7%*	*2.1%*			
AT&S Revenue	55.3	85.3	78.0	163.3	54.2%	141.0%	195.2%
AT&S Opex	49.7	75.7	53.7	129.4	52.2%	108.0%	160.2%
AT&S OCF	5.6	9.6	24.3	33.9	72.0%	NM	NM
Margin	*10.1%*	*11.3%*	*9.5%*	*20.8%*			
Total Revenue	100.7	131.3	77.0	208.3	30.3%	76.4%	106.7%
Total Opex	92.2	118.5	54.9	173.4	28.6%	59.6%	88.1%
Total OCF	8.6	12.8	22.1	34.8	49.0%	258.0%	307.0%
Margin	*8.5%*	*9.7%*	*7.0%*	*16.7%*			

* 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 EVC completes its plan to renew its TelevisaUnivision affiliation agreement that expires at the end of the year, affecting retransmission revenue.

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, 0% for 2029, and 7% for 2031.
- Media OCF margin sequence by odd year is now 3% for 2025, 5% for 2027, 4% for 2029, and 4% for 2031, a reset down from 20s-30s in 2023 and prior.

- Media revenue growth sequence by even year is now 13% for 2024, 12% for 2026, 11% for 2028 and 11% for 2030.
- Broadcast ad core growth sequence by even year is now -13% for 2024, -14% for 2026, -20% for 2028, and -27% for 2030.
- Media OCF margin sequence by even year is now 8% for 2026, 10% for 2028, and 10% 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 at 20.9%. We assume these margins then compress ~450bps 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 1Q26 10-Q, EVC updated that its largest ad customer accounted for 36% of total EVC revenue in the quarter; this was up from this customer's accounting for 9% of total EVC revenue in 2025. We now estimate this new business at close to $500m in annualized spending, which started to kick in during 3Q25 . The 2025 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.

The AT&S segment has now become EVC's economic driver, and we forecast that AT&S will account for roughly 90% of EVC's 2026 OCF. Mobile gaming user acquisition ad campaigns of a single new customer are likely the driver of AT&S's growth acceleration since 3Q25. These campaigns often begin when a new game launches globally or an existing game enters a major growth phase.

1Q26 results increase the odds we place on IGG's being AT&S's big new customer, to roughly 50%. The large revenue and margin increases fit the profile of a new strategy game advertiser like IGG more than a new casual game advertiser. Strategy game advertisers can run high-value performance campaigns at favorable economics despite high margins for their DSP partners. IGG's game rollouts match well with the timing of the AT&S revenue lift. IGG launched a new strategy/simulation title, "Fate War," globally in August 2025. By year-end 2025, "Fate War" had reached HK$30 million monthly gross billings, with 4.7m registered users and 1.2m MAUs. Moreover, IGG's "Doomsday: Last Survivors" reached record monthly gross billings of HK$130m by year-end 2025, with management saying its strong performance was expected to continue. EVC may have captured a large budget tied especially to "Fate War," while also participating in other IGG campaigns.

We would add that FunPlus is another candidate for EVC's new customer, although less likely in our opinion. FunPlus runs large global user acquisition campaigns, which can scale aggressively during expansion phases. FunPlus disclosed a number of game launches in 2025, including new 4X strategy titles "DC: Dark Legion" and "Foundation: Galactic Frontier."

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, a global scale phase for an existing game, or both. For example, during 2H25, IGG was heavily scaling global marketing for "Doomsday: Last Survivors." User acquisition campaigns typically scale aggressively for 12-24 months.

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

Entravision Communications

Summary of Changes to Forecast and Valuation Since Last Published Report

(in $ million except unit data)	2025		DCF Valuation		EBITDA CAGRs											
CAGRs	**Rev**	**EBITDA**	**SoTP**	**Firm**	**2021-25**	**2022-26**	**2023-27**	**2024-28**	**2025-29**	**2026-30**	**2027-31**	Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
Pre-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%
Post-Changes	447.6	23.4	$11.50	$9.00	-28%	10%	22%	22%	54%	-2%	0%	4.8%	4.3%	10.6%	8.5%	7.0%
Delta	0.0	0.0	$8.50	$5.00	0.0%	24.6%	28.6%	28.6%	40.4%	0.0%	5.6%	0.4%	-0.4%	4.5%	-1.2%	0.0%
Memo:																
Digital OCF					-2%	34%	41%	76%	43%	-1%	1%					

Source: Company data and Industry Capital Research estimates

AT&S's growth likely represents in large part a share shift from DSP competitors. EVC's filings disclose that its business depends on "one recently-acquired customer," which supports the view that the spending was a shift another ad platform. Based on public filings, we conjecture that Moloco and Unity/ironSource could be key competitors which lost share to EVC. IGG is the kind of Hong Kong-based strategy-game publisher that would actively rotate budget among Unity/ironSource, AppLovin, Liftoff, Moloco, and smaller DSPs.

A number of factors could have contributed to Smadex's winning big mobile gaming accounts from competitors. Its pitch has emphasized strong performance in Android markets, good machine-learning optimization, and relatively low take rates.

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.

One risk is that, as a category, mobile gaming advertisers have volatile demand. User acquisition budgets in particular are notoriously volatile, and often collapse when app monetization weakens, platform policies change, and/or venture capital funding declines. Gaming advertisers are sophisticated, allocating budgets by algorithm, which can result in big shifts among competing options over time periods measured in months, not quarters. Thus, if Smadex won budgets from a competitor like Unity/ironSource, this budget could just as easily be reallocated again to another competitor. The mobile gaming ad-tech industry has a number of examples of platforms that rapidly gained scale, and then plateaued or declined, such as Chartboost, Vungle, Tapjoy, Fyber, and ironSource.

If IGG is EVC's big fish, this cuts both ways. On the positive side, IGG has a gaming portfolio that can support the huge ad budgets that EVC has been winning the past couple of quarters. On the negative side, IGG is known to frequently move spending among vendors.

A large decline in spending at AT&S would not necessarily indicate any particular competitive failing, as much as the general lack of strong competitive moats in a competitive DSP industry. As a smaller insurgent player, EVC faces, as the company itself notes in its own SEC filings, a number of larger competitors in programmatic mobile advertising, such as AppLovin, Unity, Moloco and Liftoff Mobile. Moreover, these competitors often own both demand-side and supply-side platforms and can prioritize their own demand.

Conceptually, we consider three scenarios for the AT&S business: base, bull, and bear. The base case used in our financial forecasts assumes strong but normalizing retention of gaming spend, with AT&S benefiting from one or more large game-launch/user acquisition cycles. The increased spending effectively makes EVC a strong independent gaming DSP. We put slightly less than 50% probability on this scenario.

The bull case assumes that Smadex becomes a preferred scaled DSP and retains or even grows wallet share. In this scenario, Smadex becomes a preferred DSP with structurally higher margins, broadening its relationships once the launch-cycle economics from its current large new customer normalizes. Smadex would effectively become a top-tier gaming DSP, embedded in the user acquisition workflow of large gaming companies. AT&S revenue growth would remain elevated through 2027 because Smadex would no longer be dependent on a single campaign cycle but become a preferred DSP for a broader set of mobile gaming advertisers. We see this scenario as less likely, with a roughly 25% chance, given that DSP markets are highly competitive and large mobile advertisers intentionally diversify among their suppliers.

The bear case assumes that AT&S sees a major reduction in spend from its large new customer. There is precedent for this from IGG itself, which cut its marketing expense in 2024 after prior games matured and gained traction. This scenario assumes not necessarily that IGG disappears as a customer, but that its budgets with EVC normalize, especially as its recent game launches mature. We see this scenario as at least as likely as the bull case, with perhaps a 30% chance, given the volatility of user acquisition budgets, the low costs of switching among DSPs, and the natural cycle of marketing spending for games as they mature.

We conducted scenario analyses using our DCF model, and see a wide range of potential valuations, depending on the ultimate scale of the spending from the new AT&S customer, the sustainability of this business, and the risk of loss of most or all of this spending for any number of reasons, including changing customer priorities as well as loss of share to competitors. We looked at 1) a bull case where Smadex becomes a preferred scaled DSP, resulting in strong AT&S revenue growth continuing into 2027 with minimal margin compression, and 2) a bear case where Smadex's big new customer rolls off after about a year, largely reversing the estimated AT&S revenue and margin step-up seen starting in 3Q25. We assume a probability for our base case of close to 50%, with the bear case being slightly more probable than the bull case. Relative to our base case, the valuation upside in our bull case would be roughly $3.50 per share, less than the roughly $6 per share downside in our bear case.

Our base case scenario forecast assumes modest AT&S growth in 2027, with lower margins than in 2026 as high return-on-ad-spend opportunities become more scarce. For 2026, this scenario assumes revenue growth and OCF margins for AT&S of ~195% and ~21% in 2Q26, ~180% and ~21% in 3Q26, and ~130% and ~20% in 4Q26. To put the impact into context, we estimate that the new customer contributes close to $500m in revenue in 2026 at an OCF margin of over 25%. We believe that such an annualized revenue contribution tied directly or indirectly to a single gaming advertiser is large but still plausible in the context of global mobile-game user acquisition economics. The high margins reflect improved AI/ML optimization with greater, global scale, and the higher profitability of gaming user acquisition campaigns as a category given the favorable economics of new users to these advertisers, especially in the launch phase of strategy games. The moderation in metrics during 2026 reflects increasingly difficult comps, moderation of launch-phase economics, increasing competitive pressure from other DSPs, and potentially some budget diversification by AT&S's large customer.

Our bull case scenario forecast assumes strong AT&S growth in 2027, ~25%, with margins slightly lower than in 2026, ~19%. Such high margins would still be consistent with public filings of DSP competitor Liftoff, for example. For 2026, this scenario assumes revenue growth and OCF margins for AT&S of ~220% and ~22% in 2Q26, ~180% and ~21% in 3Q26, and ~130% and ~20% in 4Q26. Key 2027 drivers in the bull case could be one or more of the launch of additional major titles by AT&S's key customer, Smadex's ability to retain or even increase wallet share, and EVC's winning additional gaming publishers as customers. In contrast to the base case, the bull case metrics moderate only slightly during 2026. The core rationale is that AT&S will still benefit from high-value gaming user acquisition campaigns, optimization leverage, and scale efficiencies. Even in this scenario, however, we assume that launch-phase economics moderate, competitive DSP pressures increase, and some diversification of budget by AT&S's main customer.

Our bear case scenario forecast assumes that AT&S revenue declines in 2027, by ~6%, with OCF margins similar to what they were in 2025, ~14%. As this scenario assumes substantial roll-off of spending from the new customer, for 2026, we forecast revenue growth and OCF margins for AT&S of ~195% and ~21% in 2Q26, ~74% and ~15% in 3Q26, and ~17% and ~7% in 4Q26.

Our final assessment of the impact of the AT&S transformation is how it increases the business risk, and thus beta, for EVC's DCF valuation. EVC's story now hinges heavily on a concentrated, internationally exposed ad-tech customer base, which is a materially riskier business model than the legacy, U.S. TV-centric media business it is largely replacing. We have updated our beta estimate to incorporate the roughly six months of trading since EVC first announced its surge in AT&S revenue and OCF. EVC's trading data indicates that its equity beta has increased materially since disclosure of its large new AT&S client last fall. Whether using daily or weekly data, EVC's beta over the past 12 months was close to 2.0. That is substantially higher than the beta estimates using the past two years of trading, ~0.7 with weekly data and ~1.1 with daily data. This strongly suggests that the higher volatility of EVC's stock price reflects a changed market assessment of the risk in its underlying business. As a result, the beta estimate that we use in our WACC for our valuation of EVC as a firm has increased to ~1.5 from ~0.4 previously.

In Fig. 8, we include updates for interest rates and equity risk premium used in our discount rates. Over the past quarter, interest rates have increased while the equity risk premium has decreased, resulting in minimal net impact from these capital market updates on our valuation.

Figure 9: Media Segment revenue drivers

In millions																
MEDIA SEGMENT	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**2025A**	**1Q26A**	**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	$42.4	$45.0	$51.0	$59.0	$197.4	$162.3
Media revenue growth	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	3.5%	-1.0%	14.5%	29.0%	11.7%	-17.8%
Media non-recurring items:																
Broadcast advertising	**152.7**	**154.3**	**161.7**	**124.7**	**143.5**	24.1	26.6	25.5	27.4	**103.7**	22.8	25.8	31.6	40.8	**121.0**	**88.6**
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	22.8	25.8	31.6	40.8	121.0	88.6
Media revenue ex advertising	61.0	70.9	69.0	72.0	78.5	16.9	18.8	19.0	18.3	73.0	19.6	19.2	19.3	18.2	76.3	73.7
Growth ex Advertising	-5.9%	16.3%	-2.7%	4.3%	9.1%	-5.9%	-3.1%	-4.0%	-14.6%	-7.1%	16.3%	2.2%	1.7%	-0.6%	4.6%	-3.5%
Retransmission Consent	36.8	37.0	36.0	36.6	33.9	8.1	7.7	7.4	6.3	29.5	8.4	7.5	7.2	5.6	28.7	28.0
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	8.4	7.5	7.2	5.6	28.7	28.0
Media revenue ex Retrans	176.9	188.2	194.7	160.2	188.2	32.9	37.7	37.1	39.5	147.2	34.1	37.4	43.8	53.4	168.7	134.3
Growth ex Retrans	-0.4%	6.4%	3.5%	-17.7%	17.5%	-10.1%	-6.7%	-28.3%	-33.5%	-21.8%	3.5%	-0.7%	17.9%	35.3%	14.6%	-20.4%
Spectrum usage/auction	5.4	6.2	6.0	8.2	**6.9**	1.8	1.8	1.3	1.5	6.2	0.8	1.3	1.3	1.2	4.6	5.0
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	0.8	1.3	1.3	1.2	4.6	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	41.6	43.6	49.7	57.9	192.8	157.3
Growth ex Spectrum Usage	4.2%	5.2%	2.6%	-16.1%	14.1%	-10.9%	-8.4%	-25.6%	-32.1%	-20.8%	6.2%	-0.1%	15.0%	30.2%	13.1%	-18.4%
Other	**5.8**	**7.3**	5.3	**4.7**	**6.9**	1.1	1.3	1.2	1.3	**5.0**	1.3	1.3	1.5	1.8	**5.8**	**5.2**
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	1.3	1.3	1.5	1.8	5.8	5.2
Media revenue ex Other	207.8	217.9	225.4	192.0	215.1	39.9	44.1	43.3	44.5	171.7	41.2	43.7	49.5	57.3	191.6	157.1
Growth ex Other	1.5%	4.9%	3.4%	-14.8%	12.0%	-10.5%	-8.1%	-25.7%	-30.8%	-20.2%	3.2%	-0.9%	14.4%	28.7%	11.6%	-18.0%
Media Acquisitions/Dispositions (inc. Affiliations)																
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	42.4	45.0	51.0	59.0	197.4	162.3
Growth ex M&A	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	3.5%	-1.0%	14.5%	29.0%	11.7%	-17.8%
PF U.S. Digital revenue	**12.9**	**20.4**	**21.6**	**22.6**	**30.8**	**5.9**	**7.9**	**9.1**	**9.3**	**32.4**	**9.2**	**9.0**	**9.4**	**9.6**	**37.2**	**35.5**

Core Advertising Growth

In millions																
BROADCAST ADVERTISING	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**2025A**	**1Q26A**	**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%	-5.4%	-3.3%	24.0%	48.8%	16.7%	-26.8%
Reported Broadcast Advertising Revenue	$152.7	$154.3	$161.7	$124.7	$143.5	$24.1	$26.6	$25.5	$27.4	$103.7	$22.8	$25.8	$31.6	$40.8	$121.0	$88.6
Growth	3.1%	1.1%	4.8%	-22.9%	15.1%	-13.4%	-10.8%	-36.3%	-40.1%	-27.8%	-5.4%	-3.3%	24.0%	48.8%	16.7%	-26.8%
Non-recurring items:																
Political/Census	**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**
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	20.8	22.5	23.7	21.8	88.7	87.8
Growth ex Political	-16.2%	23.2%	-15.1%	-4.0%	-13.4%	-11.7%	-6.1%	-15.2%	18.2%	-4.8%	-13.8%	-15.5%	-4.7%	-19.7%	-13.6%	-1.0%
Broadcast advertising revenue ex-all non-recurring	**123.9**	**152.7**	**129.6**	**124.5**	**107.9**	**24.1**	**26.6**	**24.8**	**27.1**	**102.7**	**20.8**	**22.5**	**23.7**	**21.8**	**88.7**	**87.8**
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%**	**-13.8%**	**-15.5%**	**-4.7%**	**-19.7%**	**-13.6%**	**-1.0%**
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%**	**-12.7%**	**-10.9%**	**-10.1%**	**-2.6%**	**-9.3%**	**-7.5%**

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	1Q26A	2Q26E	3Q26E	4Q26E	2026E	2027E
Legacy																	
Revenue	$68.9	$54.1	$70.6	$103.7	$113.1	$157.9	$52.4	$61.1	$80.3	$90.6	$284.4	$155.8	$170.0	$217.2	$205.7	$748.7	$814.7
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	97.4	101.8	130.6	124.3	454.2	492.5
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	24.9	34.1	42.1	42.6	143.7	184.5
OCF	(0.1)	(1.0)	6.5	14.3	4.4	10.1	5.3	4.8	9.1	10.1	29.2	33.4	34.2	44.5	38.7	150.8	137.7
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%*	*21.5%*	*20.1%*	*20.5%*	*18.8%*	*20.1%*	*16.9%*
Acquisitions Since 2020-Stand Alone																	
BCNMonetize revenue		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		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		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		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%*
Acquisitions Since 2020-Pro Forma																	
BCNMonetize revenue		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	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	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	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																	
Acquisitions Since 2020-Adjustments to Reported																	
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											
Acquisitions Since 2020-As Reported																	
BCNMonetize revenue		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	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	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	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	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	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
Digital segment pro forma, ex-foreign exchange																	
Digital revenue	228.3	315.9	70.6	118.8	128.9	173.7	56.8	63.3	85.1	97.8	302.9	160.4	172.4	222.2	213.3	768.1	834.7
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	99.5	102.9	132.9	127.7	463.0	501.5
Digital opex ex-cost of revenue	45.5	45.4	24.4	31.5	43.3	56.274	15.9	20.0	23.6	23.5	83.0	25.6	35.1	43.6	44.3	148.7	189.6
Digital OCF	9.8	17.3	5.9	20.1	9.2	15.2	7.5	5.3	10.5	12.7	35.8	35.2	34.3	45.7	41.2	156.5	143.6
Digital segment as reported																	
Digital revenue	68.9	143.3	557.2	747.1	932.7	173.7	56.8	63.3	85.1	97.8	302.9	160.4	172.4	222.2	213.3	768.1	834.7
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	99.5	102.9	132.9	127.7	463.0	501.5
Digital opex	32.3	30.6	51.3	74.1	95.0	56.275	15.9	20.0	23.6	23.5	83.0	25.6	35.1	43.6	44.3	148.7	189.6
Digital OCF	(0.1)	5.7	38.2	49.0	36.6	15.2	7.5	5.3	10.5	12.7	35.8	35.2	34.3	45.7	41.2	156.5	143.6
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%*	*22.0%*	*19.9%*	*20.6%*	*19.3%*	*20.4%*	*17.2%*
Digital segment as reported, ex-divestitures																	
Digital revenue	68.9	54.1	70.6	103.7	122.9	173.7	56.8	63.3	85.1	97.8	302.9	160.4	172.3	222.2	213.3	768.1	834.7
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	99.5	102.9	132.9	127.7	463.0	501.5
Digital opex	32.3	24.5	23.8	29.0	41.9	56.3	15.9	20.0	23.6	23.5	83.0	25.6	35.1	43.6	44.3	148.7	189.6
Digital OCF	(0.1)	(1.0)	6.5	14.3	7.4	15.2	7.5	5.2	10.5	12.7	35.8	35.2	34.3	45.7	41.2	156.5	143.6
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%*	*22.0%*	*19.9%*	*20.6%*	*19.3%*	*20.4%*	*17.2%*
U.S. Digital																	
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%*
AT&S segment, pro forma																	
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	154.5	163.3	212.8	203.6	734.3	799.2
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	96.6	98.4	128.2	122.9	446.1	483.8
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	23.5	31.0	39.9	40.6	135.0	175.3
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	34.5	33.9	44.7	40.1	153.2	140.2
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%*	*22.3%*	*20.8%*	*21.0%*	*19.7%*	*20.9%*	*17.5%*
AT&S segment as reported																	
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	154.5	163.3	212.8	203.6	734.3	799.2
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	96.6	98.4	128.2	122.9	446.1	483.8
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	23.5	31.0	39.9	40.6	135.0	175.3
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	34.5	33.9	44.7	40.1	153.2	140.2
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%*	*22.3%*	*20.8%*	*21.0%*	*19.7%*	*20.9%*	*17.5%*

Source: Industry Capital Research estimates and company data

Figure 11: Financial statement forecasts supporting our valuation

In millions, except per share data

AS REPORTED	2020A	2021A	2022A	2023A	2024A	1Q25	2Q25	3Q25	4Q25	2025A	1Q26A	2Q26E	3Q26E	4Q26E	2026E	2027E
NEW SEGMENTS																
Net revenue:																
Media revenue	$213.6	$225.2	$230.7	196.7	222.1	41.0	45.4	44.5	45.8	176.7	42.4	45.0	51.0	59.0	197.4	162.3
Seasonality						*23.2%*	*25.7%*	*25.2%*	*25.9%*		*21.5%*	*22.8%*	*25.8%*	*29.9%*		
AT&S revenue	41.2	50.2	97.2	100.3	142.9	50.9	55.3	76.1	88.6	270.9	154.5	163.3	212.8	203.6	734.3	799.2
Seasonality						*18.8%*	*20.4%*	*28.1%*	*32.7%*		*21.0%*	*22.2%*	*29.0%*	*27.7%*		
Total net revenue (core)	**254.8**	**275.4**	**327.9**	**297.0**	**364.9**	**91.9**	**100.7**	**120.6**	**134.4**	**447.6**	**197.0**	**208.3**	**263.7**	**262.7**	**931.7**	**961.5**
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	197.0	208.3	263.7	262.7	931.7	961.5
Cost of Revenue																
Media	5.6	8.8	9.3	11.0	16.7	3.3	4.7	5.0	5.3	18.2	5.4	4.5	4.7	4.8	19.4	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%	12.6%	10.0%	9.2%	8.1%	9.8%	10.9%
AT&S	25.1	31.5	57.9	66.2	85.5	30.2	33.4	46.0	56.3	165.9	96.6	98.4	128.2	122.9	446.1	483.8
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%	62.5%	60.2%	60.2%	60.4%	60.7%	60.5%
Total cost of revenue (core)	**30.7**	**40.2**	**67.2**	**77.2**	**102.2**	**33.5**	**38.0**	**51.0**	**61.6**	**184.1**	**102.0**	**102.9**	**132.9**	**127.7**	**465.4**	**501.5**
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	102.0	102.9	132.9	127.7	465.4	501.5
Opex																
Media opex	128.8	131.0	130.8	132.8	153.7	37.4	37.8	40.2	38.2	153.6	39.5	39.5	40.0	43.2	162.2	135.8
AT&S opex	18.4	14.3	24.3	30.2	45.4	13.7	16.4	20.1	19.9	70.0	23.5	31.0	39.9	40.6	135.0	175.3
Total opex (core)	**147.2**	**145.3**	**155.1**	**163.0**	**199.1**	**51.0**	**54.2**	**60.3**	**58.1**	**223.6**	**62.9**	**70.5**	**80.0**	**83.8**	**297.2**	**311.0**
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	62.9	70.5	80.0	83.8	297.2	311.0
OCF																
Media OCF	79.3	85.5	90.6	52.9	51.6	$0.4	$2.961	($0.7)	$2.2	4.771	($2.4)	$0.9	$6.2	$11.0	15.8	8.7
Media OCF Margin	37.1%	38.0%	39.3%	26.9%	23.2%	0.9%	6.5%	-1.6%	4.9%	2.7%	-5.7%	2.1%	12.2%	18.7%	8.0%	5.4%
Incremental Margin	1944.0%	53.8%	92.2%	110.8%	-5.2%	123.9%	151.6%	101.8%	90.5%	103.1%	-193.1%	442.0%	107.3%	66.3%	53.0%	20.0%
AT&S OCF	(2.3)	4.4	15.0	3.9	12.0	7.0	5.6	10.1	12.38	35.1	34.5	33.9	44.7	40.1	153.2	140.2
AT&S OCF margin	-5.5%	8.8%	15.5%	3.9%	8.4%	13.8%	10.1%	13.2%	14.0%	12.9%	22.3%	20.8%	21.0%	19.7%	20.9%	17.5%
Incremental Margin	7.2%	74.2%	22.5%	-350.1%	19.0%	21.2%	10.2%	18.9%	19.5%	18.0%	26.5%	26.2%	25.3%	24.1%	25.5%	-20.1%
Total OCF (core)	**77.0**	**89.9**	**105.6**	**56.8**	**63.6**	**7.4**	**8.560**	**9.4**	**14.6**	**39.8**	**32.1**	**34.8**	**50.9**	**51.1**	**169.0**	**148.9**
Margin	30.2%	32.7%	32.2%	19.1%	17.4%	8.0%	8.5%	7.8%	10.9%	8.9%	16.3%	16.7%	19.3%	19.5%	18.1%	15.5%
Incremental Margin						-14.7%	-19.6%	-35.2%	-36.1%		23.5%	24.4%	29.0%	28.5%		
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	32.1	34.8	50.9	51.1	169.0	148.9
Total OCF Margin	30.2%	32.7%	32.2%	19.1%	17.4%	8.0%	8.5%	7.8%	10.9%	8.9%	16.3%	16.7%	19.3%	19.5%	18.1%	15.5%
Incremental Margin						-14.7%	-19.6%	-35.2%	-36.1%		23.5%	24.4%	29.0%	28.5%		
Corporate Expense	27.8	33.0	49.4	50.3	37.5	7.8	6.4	6.3	6.5	27.0	7.2	6.6	6.8	7.3	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	24.9	28.3	44.1	43.8	141.2	120.0
Corporate non-cash comp	3.9	6.4	14.3	14.2	10.0	1.5	1.7	1.7	1.2	6.1	2.0	2.2	2.3	1.7	8.3	8.4
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)	(0.0)	(0.2)	(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	1.2	1.1	1.2	1.4	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)	(1.2)	(1.2)	(1.3)	(1.3)	(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	0.2	0.0	0.0	0.0	0.2	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	27.9	31.7	47.7	46.8	154.2	133.5
Other opex for spectrum (in corporate)																
Adjusted EBITDA (core)	**60.419**	**89.0**	**106.5**	**57.7**	**49.5**	**2.2**	**4.9**	**5.8**	**10.6**	**23.4**	**27.9**	**31.7**	**47.7**	**46.8**	**154.2**	**133.5**
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)											
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	1Q26A	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	56.3	69.4	78.7	87.9	292.3	305.9
Memo: cash corporate expense	23.9	26.6	35.1	36.1	27.4	6.3	4.7	4.6	5.3	20.9	5.1	4.3	4.5	5.6	19.6	20.5
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	3.3	3.4	3.5	3.1	13.2	13.5
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	5.3	1.2	1.3	6.7	14.5	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	3.0	5.2	6.6	6.6	21.4	24.0
D&A % of Revenue	*5.0%*	*2.9%*	*2.7%*	*2.5%*	*4.6%*	*3.8%*	*3.0%*	*2.6%*	*2.0%*	*2.8%*	*1.6%*	*2.5%*	*2.5%*	*2.5%*	*2.3%*	*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	0.000	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)	(1.0)	0.0	0.0	0.0	(1.0)	0.0
Operating Income (EBIT Inc. Impairments)	**6.6**	**61.5**	**40.2**	**(4.5)**	**(52.0)**	**(52.8)**	**(0.8)**	**(9.1)**	**(20.7)**	**(83.4)**	**20.7**	**23.1**	**37.5**	**37.3**	**118.6**	**95.9**
Operating Margin %	1.9%	8.1%	4.2%	-0.4%	-14.2%	-57.5%	-0.8%	-7.5%	-15.4%	-18.6%	11.2%	11.1%	14.2%	14.2%	12.9%	10.0%
Interest expense	(8.3)	(6.9)	(8.7)	(15.7)	(16.5)	(3.7)	(4.0)	(3.8)	(3.6)	(15.1)	(3.3)	(3.0)	(2.9)	(2.8)	(12.0)	(10.3)
Noncash interest	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.4)	(0.4)	(0.4)	(1.4)	(0.4)	(0.4)	(0.4)	(0.3)	(1.6)	(1.6)
Interest income	1.7	0.2	0.7	3.5	2.5	0.6	0.6	0.6	0.5	2.3	0.4	0.7	0.9	1.2	3.0	6.0
Dividend income				0.0	0.010		0.0	0.0	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)	(3.0)	(2.3)	(2.0)	(1.6)	(9.0)	(4.3)
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
Pretax income	**0.1**	**54.9**	**31.7**	**(18.4)**	**(66.2)**	**(55.8)**	**(4.3)**	**(12.5)**	**(23.8)**	**(96.4)**	**17.8**	**20.7**	**35.5**	**35.6**	**109.6**	**91.7**
Pretax margin	0.0%	7.2%	3.3%	NM	NM	NM	NM	NM	NM	NM	9.6%	10.0%	13.5%	13.6%	11.9%	9.5%
Income (taxes) benefit	(1.5)	(18.7)	(11.6)	2.8	(4.1)	8.1	0.8	2.8	6.3	18.0	(5.4)	(1.7)	(6.0)	(25.2)	(38.4)	(32.1)
Effective tax rate	*1276.3%*	*34.0%*	*36.5%*	*15.0%*	*-6.2%*	*14.4%*	*18.6%*	*22.7%*	*26.6%*	*18.7%*	*30.4%*	*8.2%*	*17.0%*	*70.8%*	*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%*	*-6.2%*	*6.1%*	*0.1%*	*12.7%*	*4.3%*	*30.0%*
Net Income (Before Equity Investments)	(1.4)	36.2	20.1	(15.6)	(70.3)	(47.8)	(3.5)	(9.7)	(17.5)	(78.4)	12.4	19.0	29.5	10.4	71.2	59.6
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
Reported Net income	(1.4)	36.2	18.1	(15.4)	(70.3)	(47.8)	(3.5)	(9.7)	(17.5)	(78.4)	12.4	19.0	29.5	10.4	71.2	59.6
Net margin	*17.6%*	*11.7%*	*11.1%*	*5.2%*	*13.6%*	*2.4%*	*4.8%*	*4.8%*	*7.9%*	*5.2%*	*15.1%*	*15.2%*	*18.1%*	*17.8%*	*16.8%*	*13.9%*
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)	12.4	19.0	29.5	10.4	71.2	59.6
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Continuing Operations	($0.05)	$0.36	$0.21	($0.18)	($0.78)	($0.53)	($0.04)	($0.11)	($0.19)	($0.86)	$0.13	$0.19	$0.30	$0.10	$0.77	$0.62
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
Net income to common	**(3.9)**	**30.3**	**18.1**	**(15.4)**	**(148.9)**	**(48.0)**	**(3.3)**	**(9.7)**	**(18.2)**	**(79.2)**	**12.4**	**19.0**	**29.5**	**10.4**	**71.2**	**59.6**
EPS - basic	($0.05)	$0.36	$0.21	($0.18)	(1.7)	(0.5)	(0.0)	(0.1)	(0.2)	($0.87)	$0.13	$0.21	$0.32	$0.11	$0.77	$0.62
EPS - diluted	**($0.05)**	**$0.34**	**$0.21**	**($0.18)**	**($1.66)**	**($0.53)**	**($0.04)**	**($0.11)**	**($0.20)**	**($0.87)**	**$0.13**	**$0.19**	**$0.30**	**$0.10**	**$0.73**	**$0.58**
EPS reported by company	($0.05)		$0.21	($0.18)	($1.66)	($0.53)	($0.04)	($0.11)	($0.20)		$0.13					
Model variance: EPS	$0.00		($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)	12.4	19.0	29.5	10.4	71.2	59.6
Pro forma EPS - basic	$0.41	$0.47	$0.51	($0.03)	($0.58)	($0.53)	($0.03)	($0.01)	$0.08	($0.49)	$0.13	$0.21	$0.32	$0.11	$0.77	$0.62
Pro forma EPS	**$0.41**	**$0.45**	**$0.50**	**($0.03)**	**($0.58)**	**($0.53)**	**($0.03)**	**($0.01)**	**$0.08**	**($0.49)**	**$0.13**	**$0.19**	**$0.30**	**$0.10**	**$0.73**	**$0.58**
EPS shares - Basic	84.2	85.3	85.4	87.9	89.9	91.0	91.0	91.0	91.1	91.0	92.0	92.1	93.1	94.0	92.8	96.1
EPS shares - Diluted	84.2	87.9	87.8	87.9	89.9	91.0	91.0	91.0	91.1	91.0	96.4	97.9	98.5	98.9	97.9	102.3

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	1Q26A	2Q26E	3Q26E	4Q26E	2026E	2027E
EBITDA:																
Net income (loss) attributable to common stockholders				-15.4	-148.9	-48.0	-3.3	-9.7	-18.2	-79.2	12.4	19.0	29.5	10.4	71.2	59.6
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	3.3	3.0	2.9	2.8	12.0	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	-0.7	-0.9	-1.2	-3.0	-6.0
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	5.4	1.7	6.0	25.2	38.4	32.1
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	0.0	-0.2	-0.4	-0.4
Non-cash comp				23.7	13.8	2.6	2.7	2.8	2.9	11.0	3.3	3.4	3.5	3.1	13.2	13.5
D&A				17.0	16.8	3.5	3.0	3.1	2.7	12.3	3.0	5.2	6.6	6.6	21.4	24.0
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	1.0	0.0	0.0	0.0		
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											
= Adjusted EBITDA				**57.7**	**49.5**	**2.2**	**4.9**	**5.8**	**10.6**	**23.4**	**27.9**	**31.7**	**47.7**	**46.8**	**154.2**	**133.5**
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%*	*15.1%*	*15.2%*	*18.1%*	*17.8%*	*16.8%*	*13.9%*
Incremental Margin					*-12.0%*	*-17.1%*	*-31.0%*	*-39.7%*	*-32.4%*	*-31.6%*	*24.5%*	*24.9%*	*29.3%*	*28.3%*	*27.0%*	*-69.5%*
Free Cash Flow:																
EBITDA	60.4	89.0	106.5	57.7	49.5	2.2	4.9	5.8	10.6	23.4	27.9	31.7	47.7	46.8	154.2	133.5
Cash net interest	-5.9	-6.2	-6.7	-11.9	-13.5	-3.5	-3.6	-3.4	-3.2	-13.7	-2.9	-2.3	-2.0	-1.6	-9.0	-4.3
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	1.1	-1.3	0.0	-4.5	-4.7	-27.5
Cash taxes / EBITDA	13%	5%	16%	23%	19%	8%	26%	1%	43%	26%	-4%	4%	0%	10%	3%	21%
Minus: capex	-9.5	-5.6	-11.5	-27.3	-8.5	-2.6	-2.2	-1.2	-1.1	-7.1	-3.9	-3.9	-3.9	3.7	-8.0	-8.4
Capex / D&A	*55%*	*25%*	*45%*	*98%*	*50%*	*76%*	*71%*	*39%*	*41%*	*58%*	*130%*	*75%*	*59%*	*-56%*	*37%*	*35%*
Capex / EBITDA	*16%*	*6%*	*11%*	*47%*	*17%*	*121%*	*44%*	*21%*	*11%*	*31%*	*14%*	*12%*	*8%*	*-8%*	*5%*	*6%*
= Free Cash Flow	**42.6**	**79.9**	**66.7**	**7.4**	**18.2**	**(4.1)**	**(2.2)**	**1.1**	**1.7**	**(3.5)**	**22.3**	**24.2**	**41.7**	**44.4**	**132.5**	**93.3**
Free Cash Flow to Firm					**40.5**	**(4.1)**	**(2.2)**	**1.1**	**27.3**	**22.1**	**22.3**	**24.2**	**41.7**	**3.9**	**92.0**	**88.6**
FCF per share	**$0.51**	**$0.91**	**$0.76**	**$0.08**	**$0.45**	**($0.05)**	**($0.02)**	**$0.01**	**$0.30**	**$0.24**	**$0.23**	**$0.25**	**$0.42**	**$0.04**	**$0.94**	**$0.87**
Memo: FCF/Adjusted EBITDA	*70.5%*	*89.8%*	*62.6%*	*12.8%*	*36.7%*					*-14.8%*					*85.9%*	*69.9%*
Cash flow from operations			78.9	75.2	74.7	(15.2)	7.8	8.3	9.8	10.6	21.8					
Cash for capital expenditures			11.5	27.3	9.1	2.6	2.2	1.2	1.2	7.2	3.6					
Free cash flow (reported by company, 2Q24-on method)				47.9	65.6	(17.9)	5.7	7.1	8.6	3.4	18.1					
Dividends per basic share	**$0.13**	**$0.10**	**$0.10**	**$0.20**	**$0.20**	**$0.05**	**$0.05**	**$0.05**	**$0.05**	**$0.20**	**$0.05**	**$0.05**	**$0.05**	**$0.05**	**$0.20**	**$0.20**
- 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)	(19.2)
Dividends as % of FCF	*24.7%*	*10.7%*	*12.8%*	*237.8%*	*44.4%*					*82.4%*					*20.2%*	*21.7%*

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	1Q26A	2Q26E	3Q26E	4Q26E	2026E	2027E
Net revenue (core) growth	**-6.8%**	**8.1%**	**19.0%**	**-9.4%**	**22.9%**	**17.5%**	**21.9%**	**24.2%**	**25.6%**	**22.6%**	**114.4%**	**106.7%**	**118.6%**	**95.5%**	**108.2%**	**3.2%**
Media revenue growth	0.4%	5.4%	2.4%	-14.7%	12.9%	-10.5%	-7.8%	-25.6%	-32.0%	-20.4%	3.5%	-1.0%	14.5%	29.0%	11.7%	-17.8%
AT&S revenue growth	-32.1%	21.9%	93.5%	3.3%	42.4%	57.0%	65.5%	103.8%	123.2%	89.6%	203.8%	195.2%	179.5%	129.8%	171.0%	8.8%
Cost of revenue	-16.6%	31.3%	66.9%	14.9%	32.4%	47.7%	55.6%	90.2%	NM	80.2%	NM	NM	NM	NM	NM	7.8%
Opex (core)	**-15.1%**	**-1.3%**	**6.8%**	**5.1%**	**22.2%**	**10.6%**	**17.4%**	**14.3%**	**7.3%**	**12.3%**	**23.4%**	**30.2%**	**32.6%**	**44.2%**	**32.9%**	**4.6%**
Media opex growth	-11.2%	1.7%	-0.1%	1.5%	15.8%	2.1%	4.0%	0.4%	-6.2%	-0.1%	5.7%	4.5%	-0.4%	13.0%	5.6%	-16.3%
AT&S opex growth	-35.1%	-22.2%	69.8%	24.6%	50.2%	43.2%	67.5%	58.4%	48.4%	54.2%	71.8%	89.7%	98.8%	NM	92.9%	29.8%
Total OCF (core)	**21.4%**	**16.8%**	**17.4%**	**-46.2%**	**11.9%**	**-21.4%**	**-29.3%**	**-46.8%**	**-40.4%**	**-37.4%**	**NM**	**NM**	**NM**	**NM**	**NM**	**-11.9%**
Media OCF growth	23.3%	7.9%	5.9%	-41.6%	-2.5%	-94.3%	-66.2%	NM	-89.7%	-90.8%	NM	-68.7%	NM	NM	NM	-44.5%
AT&S OCF growth	NM	NM	NM	-73.8%	NM	NM	66.6%	NM	NM	NM	NM	NM	NM	NM	NM	-8.5%
Corporate expense	-0.9%	18.6%	49.7%	1.8%	-25.4%	-36.4%	-41.0%	-8.5%	-13.1%	-27.9%	-7.9%	3.0%	6.9%	12.2%	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%	-17.9%	-7.6%	-2.7%	5.4%	-6.3%	4.8%
Adjusted EBITDA (core)	**46.6%**	**47.4%**	**19.6%**	**-45.8%**	**-14.1%**	**-51.8%**	**-53.5%**	**-61.7%**	**-45.7%**	**-52.8%**	**NM**	**NM**	**NM**	**NM**	**NM**	**-13.4%**
Pro forma adjusted EBITDA	**46.6%**	**45.7%**	**17.1%**	**-44.1%**	**73.9%**	**-51.8%**	**-53.5%**	**-61.7%**	**-45.7%**	**-52.8%**	**NM**	**NM**	**NM**	**NM**	**NM**	**-13.4%**
Non-cash compensation expense	17.1%	87.2%	108.8%	18.3%	-37.6%	-52.0%	-36.6%	-24.0%	102.0%	-25.8%	24.5%	25.2%	25.0%	7.1%	20.2%	2.0%
D & A	3.8%	29.7%	14.6%	9.0%	-39.9%	-26.6%	-31.6%	-19.4%	-28.2%	-26.6%	-14.0%	72.0%	NM	NM	73.1%	12.5%
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	-16.4%
Net income pre-extra.	NM	NM	-40.3%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-16.4%
EPS, Continuing Operations	NM	NM	-41.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-19.5%
EPS - diluted	**NM**	**NM**	**-40.2%**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**-19.9%**
FCF/share	NM	78.4%	-16.5%	-89.5%	NM	NM	NM	-88.9%	-21.1%	-46.7%	NM	NM	NM	-86.7%	NM	-7.4%
EPS shares - Diluted	-1.0%	4.4%	-0.2%	0.2%	2.2%	1.6%	0.3%	1.1%	1.1%	1.2%	6.0%	7.6%	8.3%	8.5%	7.7%	4.4%

Source: Industry Capital Research estimates and company data

Figure 15: DCF base case analysis supports our $10 price target

Entravision DCF analysis

$ in millions except per share amounts

	YE 2026	YE 2027
Firm Value	772	756
(-) Total Net Debt	(2)	(16)
(+) Hidden Value (inc. NOLs)	85	85
(-) Options (Claims on Entravision	0.0	0.0
Common Equity Value	858.8	856.7
Shares Outstanding	99.7	104.0
Projected Dividends	$0.30	$0.50
Current Share Price	$10.48	$10.48
Value Per Share	**$8.92**	**$8.74**
12-month	**$9.00**	
12-month (SoTP)	*$11.50*	

ASSUMPTIONS

Risk Free Rate	4.75%
Equity Premium	4.28%
Assumed LT Growth Rate (g)	0%
MV of Equity Calculation	
Share Price	$10.48
Outstanding Shares	96.5
MV of Equity	**1,011.0**
Estimate MV of Debt Calculation	
Interest Expense	6.9
Current Cost of Debt	6.0%
Wgtd Avg Maturity of Debt	
BV of Debt	91.1
Estimate MV of Debt	**91.1**

CAGRs	2018-22	2020-24	2022-26	2024-28	2026-30	2030-31
EBITDA	18%	-5%	10%	30%	-2%	-7%
FCF to Firm	44%	-3%	7%	23%	1%	-6%

CAGRs	2019-23	2021-25	2023-27	2025-29	2027-31
EBITDA	10%	-28%	22%	54%	0%
FCF to Firm	NM	-18%	11%	41%	0%

Discounted Cash Flow							2025	2026	2027	2028	2029	2030	2031	Terminal	
EBITDA							23.4	154.2	133.5	142.2	131.8	143.4	133.5		
EBIT							11.0	132.8	109.4	116.8	106.4	117.0	107.5	112.3	
Less Cash Taxes							(3.3)	(39.8)	(32.8)	(35.0)	(31.9)	(35.1)	(32.3)	(39.3)	
Plus D&A							12.3	21.4	24.0	25.4	25.4	26.3	26.0	26.0	
Less Cap Ex							(7.1)	(8.0)	(8.4)	(8.8)	(9.3)	(9.7)	(10.2)	(26.0)	
Less Increase in WC							9.1	(14.3)	(3.7)	(4.3)	(2.7)	(4.2)	(2.4)	(3.3)	
Free Cash Flow to Firm							**22.1**	**92.0**	**88.6**	**94.0**	**87.9**	**94.3**	**88.7**	**69.7**	
Tax Rate							30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%	
Net Debt	91														
Leverage Mult.	1.5x														
D/Equity	9%														
D/EV	8%														
E/EV	92%														
Unlevered Beta	1.53														
Levered Beta	1.95														
D/Equity (long-term target)	39%														
Cost of Debt (AT)	4.2%														
Cost of Equity	13.1%														
WACC	**10.6%**	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%		
PV of CF															
							22.1	83.2	72.4	69.5	58.8	57.0	48.5		
								92.0	80.1	76.9	65.0	63.1	53.6		
									88.6	85.0	71.9	69.7	59.3		
										94.0	79.5	77.1	65.6		
														657.8	4x EBITDA

	Current	YE 2025	YE 2026	YE 2027
Sum of PV	**391.0**	**430.7**	**374.5**	**316.2**
PV of Terminal Value	**325.1**	**359.5**	**397.6**	**439.7**
NPV of all CF	**716.0**	**790.2**	**772.1**	**755.9**

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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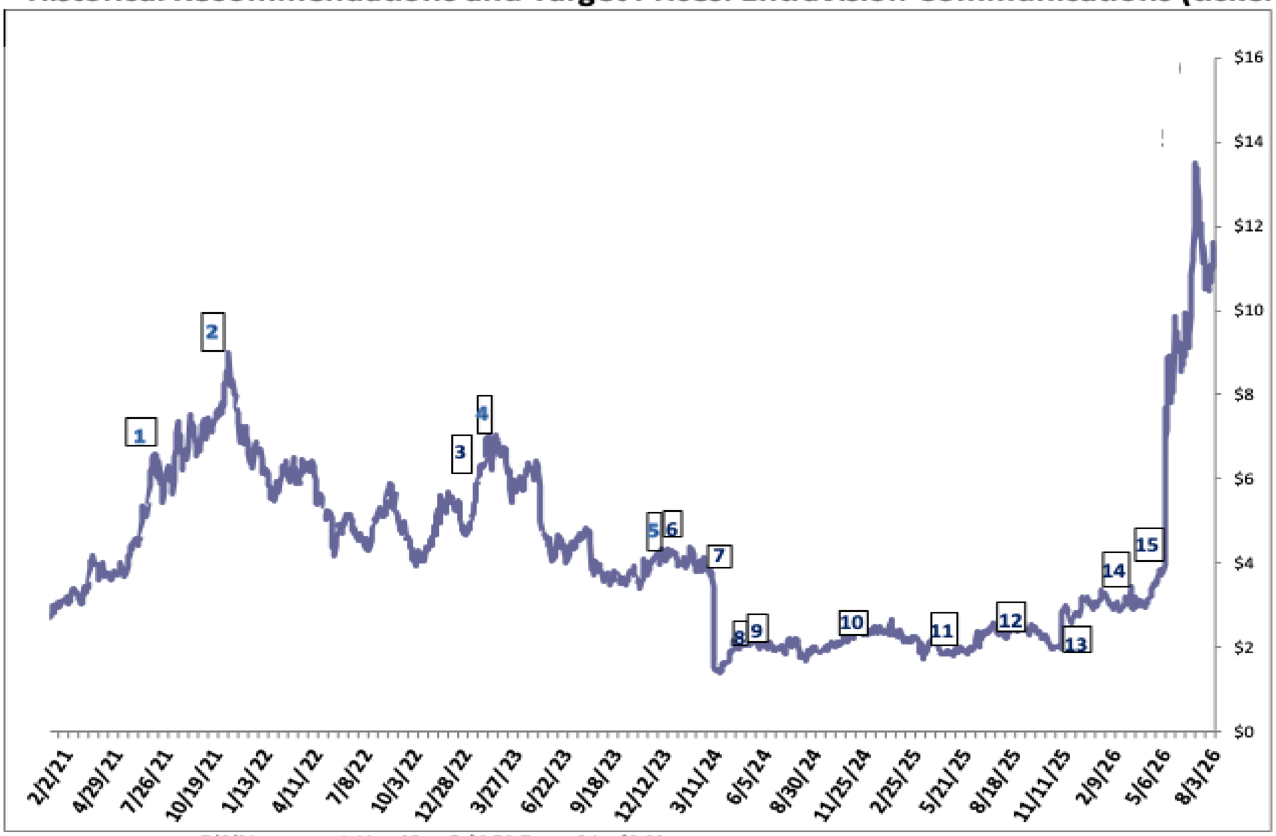
The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, holds a BA (Economics) and MBA from the University 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
15	4/29/26	Reaffirmed Hold @ $3.84, Target Price $3.50

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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