

Entravision Communications Corporation (EVC)

Misty Macro Tilts Digital Opportunity to Growth Over Margins; Maintain \$7.50 PT and Buy

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4Q results and 1Q outlook leave our estimates marginally lower, but valuation unchanged.

We still base our price target on a 50% chance of a recession scenario that would cut our 2023E EBITDA to ~\$86m from our updated \$94m estimate. See Fig. 6. Near-term macro uncertainty looks to take digital margin expansion off the table, and we now model slight digital OCF margin compression in 2023. See Fig. 4. Although EVC Asia is delivering, EVC Latam's solid revenue growth may not expand its margins, and crypto advertising fallout is clipping Smadex's growth and margin contributions at the legacy business. Over the longer term, EVC's digital strategy appears to be to push for growth, reflecting 1) key partners could be ready to do more outsourcing, 2) newer international digital ad players like Amazon and Netflix may follow suit, and 3) EVC has over \$300m in acquisition capacity to tackle the roughly 1/3 of the international digital media representation industry that is still not consolidated. We believe EVC's focus on international markets substantially reduces its risks from any U.S. regulatory crackdown on TikTok.

1Q pacing is below our estimates—reflecting weaker national TV advertising, higher radio opex, and lower digital margin assumptions as EVC's platform partners batten down the hatches—and we flow through 1Q changes to full-year. See Fig. 2-3. 1Q core advertising (ex-political) is pacing +21% (+11% pro forma) for digital, +2% for TV, and -1% for radio, vs. our prior comparable estimates of +25% (including Adsmurai)/+3%/-1%. Auto advertising is pacing up 13% for TV and down 1% for radio. For 2023, 1) at digital, we raise our estimate for revenue but build in a bit more cushion to our margin assumption, 2) our slightly lower TV ad growth assumption is balanced by higher estimates for retransmission and spectrum use fees, which should be more recession resistant, and 3) radio revenue is on track, but opex is going to be hit by 1-time expenses for moving the Los Angeles headquarters. See Fig. 3-4 for a summary of our annual estimate changes.

4Q recap: EBITDA of \$36.5m (12.3% margin) missed our \$37.8m (13.5% margin) estimate. See Fig. 2. Drag from foreign currency loss moderated to \$0.9m from \$2.0m in 3Q, and was below our \$1.8m estimate. Core advertising growth was -9% for TV vs. prior pacing of -4%, +2% for radio vs. prior pacing of -5%, and +20% pro forma (+30% reported) for digital, vs. prior pacing of +13%. At TV, auto advertising (16% of ad revenue) was up 23%. Revenue growth at EVC Latin America of +7% was in line with our +8% estimate. Smadex revenue was +29%, a sharp deceleration from +141% in 3Q. EVC Asia revenue growth was +72%, vs. our +38% estimate and +75% pro forma in 3Q. OCF margin for digital was 7.4% vs. our 7.1% estimate, for TV was 49.8% vs. our 54.0% estimate, and for radio was 42.6% vs. our 40.3% estimate. EPS pro forma for \$18.8m in one-time charges, primarily related to the passing of CEO Walter Ulloa, was \$0.19, vs. our \$0.21 estimate.

Reaffirm our \$7.50 price target; risks on page 3. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2028.

BUY

Price at 3/9/23 (USD)	6.39
Price Target	7.50
52-week range	3.96 - 7.33

Performance (%)	1m	3m	12m
Absolute	-6	22	4
S&P 500	-4	0	-8

Market Cap (USDm)	560.4
Shares outstanding (m)	87.7
Float (%)	73
Average volume	260,100
S&P 500	3,918.3

Forecasts and ratios

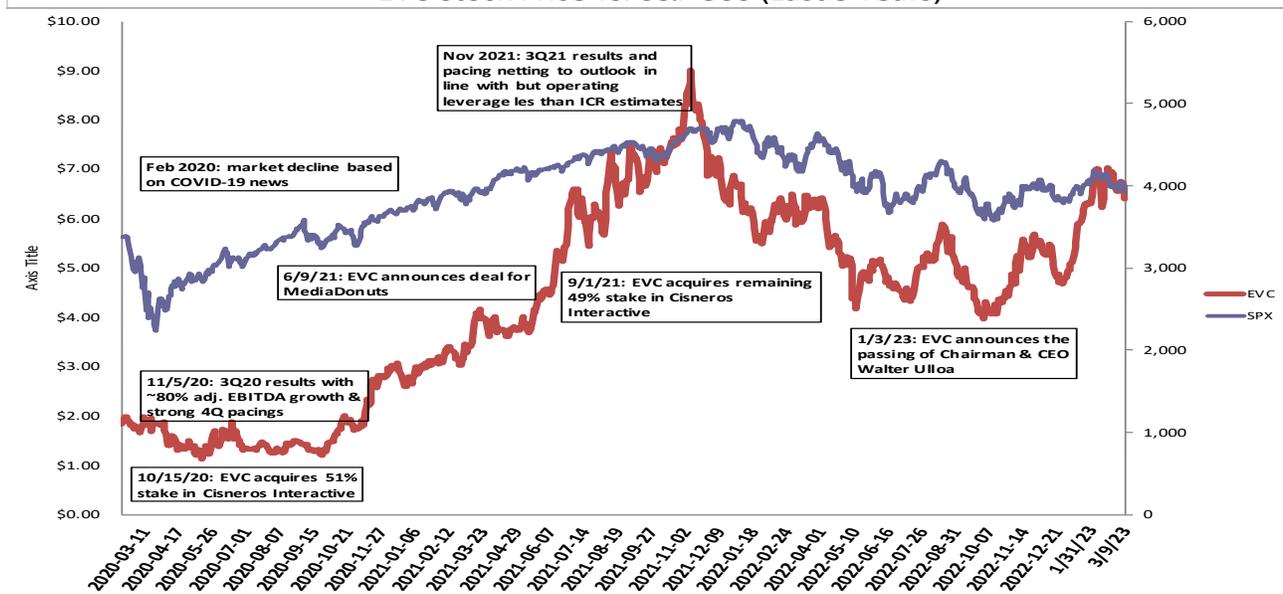
Year ended 12/31	2021A	2022A	2023E
1Q EPS (USD)	0.06	0.02	0.01
2Q EPS (USD)	0.09	0.10	0.07
3Q EPS (USD)	0.14	0.11	0.04
4Q EPS (USD)	0.04	-0.02	0.17
FY EPS (USD)	0.33	0.21	0.29
% Change	NM	-38%	41%
P/E (x)	19.1	30.9	22.0
EV/EBITDA (x)	7.4	6.4	7.2
Revenue (USDm)	760.2	956.2	1,074.2
% Change	121%	26%	12%

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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data) 12-month price target: \$7.50	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$6.39	Company description Entravision operates a digital media business serving the U.S. and roughly 40 international markets, and a broadcast business targeting U.S. Hispanics with 49 TV stations (mostly Univision network affiliates) in 16 of the top-50 U.S. Hispanic markets, and 46 radio stations (37 FM and 9 AM) as well as a radio network with distribution to over 100 U.S. markets. The company's 2021 revenue by segment was 73% from digital, 19% from TV, and 8% from audio. 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 Expand digital media operations into fast-growing markets outside the U.S. and manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets. \$324
Diluted shares outstanding	87.7		
Equity market capitalization	560		
+Pro forma net debt	128		
-Hidden value	16		
=Pro forma EV	\$673	Management Since the untimely death of Walter Ulloa in December, Christopher Young is Interim CEO, as well as CFO (as which he has served since 2008, having been with EVC since 2000). Paul Zevnik is Interim Chairman. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000, with recently extended contract to 2024). * Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Low debt leverage and high free cash flow yield support returns of capital and digital-focused acquisitions * Higher post-pandemic broadcast margins * Most of its TV stations affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending * Management succession, especially given loss of management voting control triggered by death of prior CEO * Volatility of international media business, reflecting early stage and potential competition * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship through TV network affiliations and ownership stake may limit strategic flexibility	
OPERATING PROJECTIONS			Valuation Attributing almost 80% of firm value to digital media business Recent events December 2022 - death of co-founder, CEO & Chairman. 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. May 2020 - announced substantial expense costs targeting broadcast operations. Upcoming potential catalysts Recession risk to advertising-based revenue, both in U.S. and internationally - Additional digital media M&A - Changes in capital return/allocation with new senior management
Pro forma net revenue			
2023	\$1,074		
2022	955		
% Chg	12.5%		
Pro forma EBITDA			
2023	\$94		
2022	105		
% Chg	-10.8%		
Pro forma EBITDA margin			
2023	8.8%		
2022	11.0%		
Free cash flow per share			
2023	\$0.61		
2022	\$0.72		
% Chg	-15.3%		
Est. 3-5 yr FCF Growth rate			
		7%	
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2023	7.2x		
2022	6.4x		
Price / Free cash flow per share			
2023	10.5x		
2022	8.9x		
Pro forma net debt / EBITDA			
2023	1.4x		
2022	1.2x		
Dividend yield			
2023	3.1%		
2022	1.6%		

EVC Stock Price vs. S&P 500 (Last 3 Years)



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

Investment Thesis and Valuation: Buy With \$7.50 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions because their higher growth and different business models are more difficult for investors to assess; 2) higher post-pandemic broadcast margins, stability of TV retransmission revenue (35% of 2022E EBITDA) and secular growth of political advertising revenue (~31% of 2022E EBITDA), and potential monetization from future spectrum auction (as in 2017) substantially reduce the operating risk profile of overall business; 3) pro forma net debt leverage under 2x and double-digit free cash flow yield will give new senior management flexibility to increase returns of capital and continue accretive digital acquisitions; and 4) our DCF valuation supports substantial stock price upside over the next 12 months, particularly if there is no recession.

Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2023 and 2024; our updated PT assumes a 50% chance of a recession in 2023, resulting in a target valuation range of \$6-\$8. First, we adjust the current net debt with the estimated free cash flow to be generated by each valuation date. Second, we adjust the current net debt for any estimated payments remaining on the acquisitions (e.g., earnouts), which are currently scheduled to occur until 2025. 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 set the range for our valuation, with the EVC-specific method incorporating market data on EVC shares' actual volatility setting the upper bound, and the sector method relying on measures of risk of comparables setting the lower bound. 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 like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

Risks to our investment thesis include: 1) impact of upcoming management succession and change in voting control on company's strategy and pursuit of potential longer-term options, including sale of all or a portion of the company, 2) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, such as a recession, 3) potential volatility of EVC's digital media business, given its increasing focus on emerging markets, its dependence on a small number of commercial relationships with media tech platforms, and increasing competition, 4) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business, and 5) risk-off market sentiment as an overhang for valuation of EVC's fast-growing, less mature digital advertising businesses.

Figure 2: 4Q beat on revenue but missed slightly on EBITDA and pro forma EPS; 1Q pacing is below our estimates

Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Last Yr	Actual			YoY %CHG			A vs	
		E	Beat/Miss	A	E	Beat/Miss	A	Consensus	Consensus
4Q22									
As Reported									
Revenue	\$233.9	\$279.7	\$16.7	\$296.3	19.6%	7.1%	26.7%	261.6	13.3%
Op Expense	201.0	241.9	16.4	259.8	20.3%	8.2%	29.2%		
Adjusted EBITDA	32.9	37.8	(1.2)	36.5	14.9%	-3.8%	11.2%	33.9	7.7%
Margin	14.0%	13.5%	-1.2%	12.3%				13.0%	-0.6%
Pro Forma EPS	\$0.15	\$0.21	(\$-0.02)	\$0.19	40.0%	-13.3%	26.7%	\$0.19	0.0%
FCF/sh (core)	\$0.35	\$0.31	(\$-0.09)	\$0.22	-11.4%	-25.7%	-37.1%		
	Last Yr	Estimates			YoY %CHG			ICR vs	
		Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
1Q23E									
As Reported									
Revenue	197.2	234.8	(2.3)	232.5	19.1%	-1.1%	17.9%	213.5	8.9%
Op Expense	179.1	218.5	0.6	219.1	22.0%	0.4%	22.4%		
Adjusted EBITDA	18.1	16.3	(2.9)	13.4	-9.9%	-16.0%	-26.0%	19.4	-30.9%
Margin	9.2%	6.9%	-1.2%	5.8%				9.1%	-3.3%
Pro Forma EPS	\$0.08	\$0.05	(\$-0.04)	\$0.01	-37.5%	-50.0%	-87.5%	\$0.08	-87.5%
FCF/sh (core)	\$0.16	\$0.08	(\$-0.04)	\$0.04	-50.0%	-25.0%	-75.0%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 3: We fine-tune down our 2023 and 2024 EBITDA estimates, largely to reflect the 1Q23 pacing

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
	Last Yr	Prior	Estimates		YoY %CHG			ICR vs	
			Chg	Current	Prior	Chg	Current	Consensus	Consensus
2022E									
As Reported									
Revenue	760.2	939.5	16.7	956.2 ▼	23.6%	2.2%	25.8%	921 ▼	3.8%
Op expense	672.0	835.2	16.4	853.1	24.3%	2.4%	26.9%		
Adjusted EBITDA	88.2	104.3	(1.2)	103.1 ▼	18.3%	-1.4%	16.9%	98.4 ▼	4.8%
Margin	11.6%	11.1%	-0.3%	10.8%				10.7%	0.1%
EPS	\$0.33	\$0.45	(\$0.25)	\$0.21 ▼	35.1%	-73.3%	-38.2%	\$0.41 ▼	-49.6%
Cash FCF/sh	\$0.90	\$0.81	(\$0.09)	\$0.72	-10.0%	-10.0%	-20.0%		
2023E									
As Reported									
Revenue	956.2	1,063.7	10.5	1,074.2	11.2%	1.1%	12.3%	978	9.9%
Op expense	853.1	967.3	12.9	980.2	13.4%	1.7%	14.9%		
Adjusted EBITDA	103.1	96.4	(2.4)	94.0	-6.5%	-2.3%	-8.8%	94.6	-0.6%
Margin	10.8%	9.1%	-0.3%	8.8%				9.7%	-0.9%
EPS	\$0.21	\$0.38	(\$0.09)	\$0.29	83.1%	-42.4%	40.8%	\$0.42	-30.7%
Cash FCF/sh	\$0.72	\$0.66	(\$0.05)	\$0.61	-8.3%	-6.9%	-15.3%		
2024E									
As Reported									
Revenue	1,074.2	1,208.2	12.5	1,220.7	12.5%	1.2%	13.6%	1,095	11.5%
Op expense	980.2	1,081.1	14.0	1,095.1	10.3%	1.4%	11.7%		
Adjusted EBITDA	94.0	127.1	(1.5)	125.6	35.2%	-1.6%	33.6%	118.8	5.7%
Margin	8.8%	10.5%	-0.2%	10.3%				10.9%	-0.6%
EPS	\$0.29	\$0.57	(\$0.08)	\$0.49	95.4%	-27.2%	68.2%	\$0.60	-18.4%
Cash FCF/sh	\$0.61	\$0.97	(\$0.02)	\$0.95	59.0%	-3.3%	55.7%		

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 4: Primary changes to our digital estimates are higher revenue for EVC Asia (aka MediaDonuts) and lower OCF margins for EVC Latam

Entravision Communications (NYSE: EVC)									
Summary of Digital Segment Annual Estimates									
In millions, except per share data									
	Last Yr	Estimates			YoY %CHG			ICR vs	
		Old	Chg	Current	Old	Chg	Current	Consensus	Consensus
2023E									
As Reported									
Legacy Digital Revenue	103.5	140.0	(2.9)	137.0	35.2%	-2.8%	32.4%		
Legacy Digital Opex	91.5	127.0	(4.1)	122.9	38.8%	-4.5%	34.3%		
Legacy Digital OCF	12.0	13.0	1.2	14.2	8.2%	10.0%	18.1%		
Margin	11.6%	9.3%	1.1%	10.4%					
EVC Latam Revenue	509.3	562.4	6.2	568.5	10.4%	1.2%	11.6%		
EVC Latam Opex	480.2	527.4	7.9	535.4	9.8%	1.7%	11.5%		
EVC Latam OCF	29.1	34.9	(1.8)	33.1	20.1%	-6.2%	13.9%		
Margin	5.7%	6.2%	-0.4%	5.8%					
EVC Asia Revenue	89.5	91.2	8.0	99.2	1.9%	8.9%	10.8%		
EVC Asia Opex	82.0	84.2	8.0	92.2	2.7%	7.7%	12.4%		
EVC Asia OCF	7.5	7.0	(0.0)	7.0	-6.9%	-0.2%	-7.0%		
Margin	8.4%	7.7%	-0.6%	7.0%					
365 Digital Revenue	11.4	13.5	(1.9)	11.7	18.4%	-16.2%	2.2%		
365 Digital Opex	10.7	13.0	(1.5)	11.5	21.4%	-13.7%	7.7%		
365 Digital OCF	0.8	0.6	(0.4)	0.2	-23.0%	-50.2%	-73.2%		
Margin	6.7%	4.4%	-2.6%	1.8%					
Digital Segment Revenue	747.1	882.1	8.2	890.3	18.1%	1.1%	19.2%	756.7	17.7%
Digital Segment Opex	696.6	822.6	10.3	832.9	18.1%	1.2%	19.6%		
Digital Segment OCF	50.5	59.5	(2.1)	57.4	17.8%	-4.2%	13.6%		
Margin	6.8%	6.7%	-0.3%	6.4%					
2024E									
As Reported									
Legacy Digital Revenue	137.0	161.0	0.0	161.0	17.5%	0.0%	17.5%		
Legacy Digital Opex	122.9	143.7	0.0	143.7	16.9%	0.0%	16.9%		
Legacy Digital OCF	14.2	17.3	0.0	17.3	21.9%	0.0%	21.9%		
Margin	10.4%	10.7%	0.0%	10.7%					
EVC Latam Revenue	568.5	632.0	6.9	638.9	11.2%	1.2%	12.4%		
EVC Latam Opex	535.4	589.9	8.9	598.8	10.2%	1.7%	11.8%		
EVC Latam OCF	33.1	42.1	(2.0)	40.1	27.1%	-6.0%	21.1%		
Margin	5.8%	6.7%	-0.4%	6.3%					
EVC Asia Revenue	99.2	109.5	0.0	109.5	10.4%	0.0%	10.4%		
EVC Asia Opex	92.2	100.3	0.0	100.3	8.8%	0.0%	8.8%		
EVC Asia OCF	7.0	9.2	0.0	9.2	31.5%	0.0%	31.5%		
Margin	7.0%	8.4%	0.0%	8.4%					
365 Digital Revenue	11.7	16.3	0.0	16.3	39.0%	0.0%	39.0%		
365 Digital Opex	11.5	14.7	0.0	14.7	27.6%	0.0%	27.6%		
365 Digital OCF	0.2	1.6	0.0	1.6	NM	NM	NM		
Margin	1.8%	9.9%	0.0%	9.9%					
Digital Segment Revenue	890.3	1,008.7	6.9	1,015.6	13.3%	0.8%	14.1%		
Digital Segment Opex	832.9	932.6	8.9	941.5	12.0%	1.1%	13.0%		
Digital Segment OCF	57.4	76.1	(2.0)	74.1	32.6%	-3.5%	29.1%		
Margin	6.4%	7.5%	-0.2%	7.3%					
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 5: Base case valuation range drops by \$0.50 to \$6.50-8 per share

Entravision Communications													
Summary of Changes to Forecast and Valuation													
CAGRs	2022		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-ID
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28				
Prior	939.5	104.3	\$7.00	\$8.50	24%	8%	9%	8%	8%	4.0%	4.8%	8.6%	11.8%
Current	956.2	103.1	\$6.50	\$8.00	23%	8%	9%	7%	7%	4.0%	4.8%	8.6%	11.8%
Delta	16.7	-1.2	(\$0.50)	(\$0.50)	-0.8%	0.0%	0.6%	-0.4%	-0.4%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Figure 6: Recession case would reduce 2023E EBITDA to ~\$86m and valuation range by ~\$1 per share

Entravision Communications (NYSE: EVC)			
Operating Estimate Changes: Recession Case			
In millions, except per share data			
	Estimates		
	Current	Chg	Recession
2023E			
Revenue Growth:			
Digital	19%	-4%	15%
Core TV Advertising	-5%	-7%	-12%
Core Radio Advertising	2%	-10%	-8%
Operating Expense Growth:			
Digital (Ex-Cost of Revenue)	35%	-2%	34%
TV	-4%	-4%	-8%
Radio	5%	-8%	-3%
OCF Margin:			
Digital	6.4%	0.0%	6.4%
TV	38.5%	-0.6%	37.9%
Radio	27.0%	-1.5%	25.5%

Source: Industry Capital Research estimates

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates: Recession Case									
In millions, except per share data									
	Last Yr	Estimates			YoY %CHG			ICR vs	
		Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
2023E									
As Reported									
Revenue	956.2	1,074.2	(42.0)	1,032.2	12.3%	-4.4%	7.9%	978	5.6%
Op expense	853.1	980.2	(34.5)	945.8	14.9%	-4.0%	10.9%		
Adjusted EBITDA	104.6	94.0	(7.6)	86.4	-10.1%	-6.1%	-17.4%	94.6	-8.6%
Margin	10.9%	8.8%	-0.4%	8.4%				9.7%	-1.3%
EPS	\$0.22	\$0.29	(\$0.05)	\$0.24	30.2%	-12.5%	8.8%	\$0.42	-42.1%
Cash FCF/sh	\$0.74	\$0.61	(\$0.06)	\$0.55	-17.6%	-6.0%	-25.7%		
2024E									
As Reported									
Revenue	1,032.2	1,220.7	(47.1)	1,173.6	18.3%	-4.6%	13.7%	1,095	7.2%
Op expense	945.8	1,095.1	(38.3)	1,056.9	15.8%	-4.0%	11.7%		
Adjusted EBITDA	86.4	125.6	(8.8)	116.8	45.3%	-10.2%	35.1%	118.8	-1.7%
Margin	8.4%	10.3%	-0.3%	10.0%				10.9%	-0.9%
EPS	\$0.24	\$0.49	(\$0.05)	\$0.43	101.3%	-22.5%	78.8%	\$0.60	-27.6%
Cash FCF/sh	\$0.55	\$0.95	(\$0.07)	\$0.88	72.7%	-12.7%	60.0%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Entravision Communications														
Summary of Changes to Forecast and Valuation: Recession Case														
(in \$ million except unit data)														
CAGRs	2022		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Current	956.2	103.1	\$5.50	\$7.00	20%	6%	8%	7%	7%	4.0%	4.8%	8.6%	11.8%	5.3%
Source: Company data and Industry Capital Research estimates														

Figure 7: Digital segment forecast assumes solid revenue growth but is cautious across the board on margin expansion

In millions, except unit data	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy														
Revenue	\$68.9	\$54.1	\$68.7	\$21.9	\$27.8	\$27.8	\$26.0	\$103.5	\$23.3	\$36.9	\$36.2	\$40.6	\$137.0	\$161.0
Cost of Revenue	36.8	30.6	39.2	12.4	15.8	15.9	14.9	59.0	13.2	20.9	20.7	23.3	78.1	91.7
Opex ex-cost of revenue	32.3	24.5	23.8	7.9	8.3	8.0	8.4	32.5	9.4	10.2	12.7	12.4	44.7	51.9
OCF	(0.1)	(1.0)	5.7	1.6	3.8	3.9	2.7	12.0	0.7	5.8	2.8	4.9	14.2	17.3
OCF Margin	-0.2%	-1.9%	8.3%	7.4%	13.6%	14.0%	10.4%	11.6%	3.0%	15.7%	7.7%	12.0%	10.4%	10.7%
Acquisitions Since 2020-Stand Alone														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.8	143.1	509.3	128.4	135.7	141.0	163.5	568.5	638.9
Entravision Latam cost of revenue	136.2	201.7	401.7	99.2	109.7	116.4	129.9	455.2	112.0	117.8	126.0	146.7	502.5	565.1
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	7.6	8.3	5.1	4.1	25.0	9.3	9.9	6.2	7.4	32.9	33.6
Entravision Latam OCF	9.9	14.2	29.1	5.7	6.9	7.3	9.2	29.1	7.1	8.0	8.7	9.4	33.1	40.1
EL OCF Margin	6.2%	6.1%	6.4%	5.1%	5.5%	5.7%	6.4%	5.7%	5.5%	5.9%	6.2%	5.7%	5.8%	6.3%
Entravision Asia revenue	0.0	28.5	52.5	17.2	18.9	21.2	32.3	89.5	23.3	22.1	23.1	30.8	99.2	109.5
Entravision Asia cost of revenue	0.0	20.9	40.0	12.9	14.1	15.9	24.2	67.2	17.5	16.6	17.3	23.1	74.4	82.1
Entravision Asia opex ex-cost of revenue	0.0	2.5	7.2	3.1	3.4	3.9	5.9	16.4	4.9	4.2	4.1	4.7	17.8	18.2
Entravision Asia OCF	0.0	5.0	5.3	1.2	1.3	1.4	2.2	6.0	0.9	1.3	1.7	3.0	7.0	9.2
Entravision Asia OCF Margin		17.7%	10.0%	6.7%	6.8%	6.6%	6.8%	6.7%	3.8%	6.1%	7.4%	9.9%	7.0%	8.4%
365 Digital revenue	0.0	0.0	1.9	2.1	2.8	2.9	3.6	11.4	1.9	4.2	2.4	3.2	11.7	16.3
365 Digital cost of revenue	0.0	0.0	1.5	1.7	2.2	2.3	2.9	9.2	1.5	3.4	1.9	2.6	9.4	13.0
365 Digital opex ex-cost of revenue	0.0	0.0	0.2	0.3	0.4	0.5	0.3	1.5	0.7	0.3	0.6	0.5	2.1	1.6
365 Digital OCF	0.0	0.0	0.2	0.1	0.2	0.1	0.4	0.8	(0.3)	0.5	(0.1)	0.1	0.2	1.6
365 Digital OCF Margin		10.0%	11.5%	4.3%	7.1%	2.8%	11.1%	6.7%	-15.8%	12.5%	-5.1%	3.3%	1.8%	9.9%
Jack of Digital revenue	0.0	0.0	0.0	0.0	0.0	0.3	1.4	1.7	0.7	0.7	0.9	2.1	4.3	8.4
Jack of Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	1.1	1.4	0.6	0.5	0.7	1.6	3.4	6.7
Jack of Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.0
Jack of Digital OCF	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	(0.1)	0.1	0.2	0.4	0.6	1.7
Jack of Digital OCF Margin		10.0%	21.6%	11.9%	6.9%	19.7%	5.7%	8.2%	-14.3%	20.0%	19.9%	20.0%	14.4%	20.0%
Adsmurai revenue	0.0	0.0	0.0	0.0	0.0	7.9	23.7	31.6	12.6	15.0	19.0	23.0	69.6	81.6
Adsmurai cost of revenue	0.0	0.0	0.0	0.0	0.0	6.3	19.0	25.3	10.1	12.0	15.2	18.4	55.7	65.3
Adsmurai opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	1.6	3.7	5.3	2.4	3.3	3.3	2.8	11.7	12.1
Adsmurai OCF	0.0	0.0	0.0	0.0	0.0	(0.0)	1.0	1.0	0.1	(0.2)	0.5	1.9	2.3	4.2
Adsmurai OCF Margin		10.0%	21.6%	11.9%	6.9%	-0.3%	4.3%	3.2%	0.9%	-1.7%	2.9%	8.0%	3.3%	5.2%
Acquisitions Since 2020-As Reported														
Entravision Latam revenue	0.0	89.2	453.9	112.5	124.9	128.8	143.1	509.3	128.4	135.7	141.0	163.5	568.5	638.9
Entravision Latam cost of revenue	0.0	76.3	401.7	99.2	109.7	116.4	129.9	455.2	112.0	117.8	126.0	146.7	502.5	565.1
Entravision Latam opex	0.0	6.1	23.6	7.6	8.3	5.1	4.1	25.0	9.3	9.9	6.2	7.4	32.9	33.6
Entravision Latam OCF	0.0	6.8	28.6	5.7	6.9	7.3	9.2	29.1	7.1	8.0	8.7	9.4	33.1	40.1
Entravision Asia revenue	0.0	30.9	52.5	17.2	18.9	21.2	32.3	89.5	23.3	22.1	23.1	30.8	99.2	109.5
Entravision Asia cost of revenue	0.0	24.4	40.0	12.9	14.1	15.9	24.2	67.2	17.5	16.6	17.3	23.1	74.4	82.1
Entravision Asia opex	0.0	3.7	7.2	3.1	3.4	3.9	5.9	16.4	4.9	4.2	4.1	4.7	17.8	18.2
Entravision Asia OCF	0.0	2.8	1.2	1.3	1.4	2.2	2.2	6.0	0.9	1.3	1.7	3.0	7.0	9.2
365 Digital revenue	0.0	1.9	2.1	2.1	2.8	2.9	3.6	11.4	1.9	4.2	2.4	3.2	11.7	16.3
365 Digital cost of revenue	0.0	1.5	1.7	2.2	2.3	2.9	2.9	9.2	1.5	3.4	1.9	2.6	9.4	13.0
365 Digital opex	0.0	0.2	0.3	0.4	0.5	0.3	0.3	1.5	0.7	0.3	0.6	0.5	2.1	1.6
365 Digital OCF	0.0	0.2	0.1	0.2	0.1	0.4	0.8	0.8	(0.3)	0.5	(0.1)	0.1	0.2	1.6
EBITDA to red non-con interests	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
365 Digital EBITDA	0.0	0.2	0.1	0.2	0.1	0.4	0.8	0.8	(0.3)	0.5	(0.1)	0.1	0.2	1.6
Jack of Digital revenue	0.0	0.0	0.0	0.0	0.0	0.3	1.4	1.7	0.7	0.7	0.9	2.1	4.3	8.4
Jack of Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	1.1	1.4	0.6	0.5	0.7	1.6	3.4	6.7
Jack of Digital opex	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.0
Jack of Digital OCF	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	(0.1)	0.1	0.2	0.4	0.6	1.7
EBITDA to red non-con interests	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
Jack of Digital EBITDA	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	(0.1)	0.1	0.2	0.4	0.6	1.7
Adsmurai revenue	0.0	0.0	0.0	0.0	0.0	7.9	23.7	31.6	12.6	15.0	19.0	23.0	69.6	81.6
Adsmurai cost of revenue	0.0	0.0	0.0	0.0	0.0	6.3	19.0	25.3	10.1	12.0	15.2	18.4	55.7	65.3
Adsmurai opex	0.0	0.0	0.0	0.0	0.0	1.6	3.7	5.3	2.4	3.3	3.3	2.8	11.7	12.1
Adsmurai OCF	0.0	0.0	0.0	0.0	0.0	(0.0)	1.0	1.0	0.1	(0.2)	0.5	1.9	2.3	4.2
EBITDA to red non-con interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	0.3	0.9	1.2	2.2
Adsmurai EBITDA	0.0	0.0	0.0	0.0	0.0	(0.0)	1.0	1.0	0.1	(0.1)	0.3	0.9	1.1	2.1
Digital segment standalone														
Digital revenue	228.3	315.9	577.0	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Digital cost of revenue	173.0	253.2	482.3	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Digital opex ex-cost of revenue	45.5	44.4	54.3	18.9	20.4	19.1	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Digital OCF	9.8	18.3	40.3	8.6	12.2	12.7	15.6	49.1	8.4	15.5	13.8	19.7	57.4	74.1
Digital segment pro forma														
Digital revenue	228.3	315.9	577.0	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Digital cost of revenue	173.0	253.2	482.3	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Digital opex ex-cost of revenue	45.5	45.4	54.9	18.9	20.4	19.1	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Digital OCF	9.8	17.3	39.7	8.6	12.2	12.7	15.6	49.1	8.4	15.5	13.8	19.7	57.4	74.1
Digital segment as reported														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Digital cost of revenue	36.8	106.9	466.7	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Digital opex	32.3	30.6	51.3	18.9	20.4	19.1	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Digital OCF	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.1	8.4	15.5	13.8	19.7	57.4	74.1

Metrics	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy growth														
Legacy digital revenue growth		-21.4%	26.9%	68.7%	81.8%	59.8%	13.0%	50.7%	6.4%	32.9%	30.1%	56.3%	32.4%	17.5%
2-yr CAGR		-18.2%	-0.2%	28.2%	56.3%	42.7%	28.4%	38.3%	34.0%	55.4%	44.2%	32.9%	41.3%	24.7%
Legacy digital opex growth		-24.1%	-2.8%	34.0%	47.6%	22.3%	44.4%	36.5%	19.4%	23.5%	58.5%	48.4%	37.6%	16.1%
Legacy digital cost of revenue growth		-16.6%	27.8%	68.7%	81.8%	59.8%	13.0%	50.6%	6.4%	32.9%	30.1%	56.3%	32.5%	17.4%
Legacy digital OCF growth		822.5%	-661.1%	-757.3%	266.3%	329.5%	-32.5%	111.0%	-57.0%	53.4%	-28.3%	80.9%	18.1%	21.9%
Entravision Latam growth														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.4%	7.0%	12.2%	14.2%	8.6%	9.4%	14.2%	11.6%	12.4%
2-yr CAGR				68.7%	67.2%	72.4%	55.5%	21.0%	47.8%	20.5%	8.6%	9.9%	10.5%	11.9%
Entravision Latam opex ex-COR growth		31.5%	32.5%	63.4%	32.4%	0.7%	-42.6%	8.7%	23.5%	18.9%	22.7%	83.2%	31.5%	2.3%
Entravision Latam cost of revenue growth		48.0%	99.2%	27.8%	9.3%	11.2%	9.1%	13.3%	12.9%	7.4%	8.2%	13.0%	10.4%	12.5%
Entravision Latam OCF		43%	105%	-9%	-17%	5%	20%	0%	24%	16%	20%	2%	14%	21%
Entravision Asia growth														
Entravision Asia revenue growth y/y				79.1%	57.1%	75.2%	71.8%		35.6%	17.0%	8.7%	-4.8%	10.8%	10.4%
2-yr CAGR				133.7%	113.9%	64.0%	55.8%		55.8%	35.6%	38.0%	27.9%	37.4%	10.6%
Entravision Asia opex ex-COR growth y/y				166.6%	43.2%	188.1%	154.0%		56.7%	21.6%	4.1%	-20.8%	8.9%	2.1%
Entravision Asia cost of revenue growth y/y				79%	68%	64%	65%		36%	17%	9%	-5%	11%	10%
Entravision Asia OCF growth y/y			5%	-6%	6%	36%	21%	14%	-22%	5%	22%	38%	16%	32%
365 Digital growth														
365 Digital revenue growth y/y				84059.2%	116566.7%	188777.7%	89.5%		-11.2%	49.9%	-17.5%	-11.0%	2.2%	39.0%
365 Digital opex ex-COR growth y/y				162576.9%	114187.7%	58220.9%	59.7%		102.4%	-12.1%	20.2%	67.0%	40.6%	-22.8%
365 Digital cost of revenue growth y/y									-11%	50%	-18%	-11%	2%	39%
365 Digital OCF growth y/y			54691%						-426%	162%	-254%	-73%	-73%	677%
Jack of Digital growth														
Jack of Digital revenue growth y/y													152.6%	95.3%
Jack of Digital opex ex-COR growth y/y													19.8%	-99.3%
Jack of Digital cost of revenue growth y/y													153%	95%
Jack of Digital OCF growth y/y			303%										344%	171%
Adsmurai growth														
Adsmurai revenue growth y/y													120.4%	17.2%
Adsmurai opex ex-COR growth y/y													119.2%	3.9%
Adsmurai cost of revenue growth y/y													120%	17%
Adsmurai OCF growth y/y			303%										127%	86%
Adsmurai revenue growth q/q														
Adsmurai cost of revenue growth q/q														
Adsmurai opex ex-COR growth q/q														
Adsmurai OCF growth q/q														
Digital segment pro forma growth														
Digital revenue		38%	83%	38%	23%	29%	30%	29%	24%	23%	18%	14%	19%	14%
Digital revenue, PF, pro rated for 4Q by days EVC owned Entravision Latam in 4Q20														
Digital cost of revenue		46%	90%	37%	21%	26%	29%	28%	23%	21%	16%	12%	17%	14%
Digital opex ex-cost of revenue		0%	21%	60%	41%	46%	45%	47%	43%	37%	41%	23%	35%	7%
Digital OCF		76%	130%	21%	17%	46%	15%	23%	-2%	28%	9%	26%	17%	29%
Digital Segment reported revenue mix:														
Digital as % of company revenue	25%	42%	73%	78%	79%	78%	78%	78%	82%	83%	84%	83%	83%	83%
Entravision Latam Interactive as % of digital segment		62%	82%	73%	72%	68%	62%	68%	68%	63%	63%	62%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	11%	14%	12%	17%	16%	15%	15%	16%
Entravision Asia as % of digital segment revenue		0%	6%	11%	11%	11%	14%	12%	12%	10%	10%	12%	11%	11%
365 Digital as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	1%	2%	1%	1%	1%	2%
Jack of Digital as % of digital segment revenue		0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%	0%	1%
Adsmurai as % of digital segment revenue		0%	0%	0%	0%	4%	10%	4%	7%	7%	9%	9%	8%	8%
Digital Segment reported OCF mix:														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	67%	57%	57%	59%	59%	84%	51%	63%	48%	58%	54%
Legacy digital as % of digital segment OCF		-18%	15%	19%	31%	31%	17%	24%	8%	37%	20%	25%	25%	23%
Entravision Asia as % of digital segment OCF		0%	8%	13%	11%	11%	14%	12%	11%	9%	12%	15%	12%	12%
365 Digital as % of digital segment OCF		0%	1%	1%	2%	1%	3%	2%	-4%	3%	-1%	1%	0%	2%
Jack of Digital as % of digital segment OCF		0%	0%	0%	0%	0%	1%	0%	-1%	1%	1%	2%	1%	2%
Adsmurai as % of digital segment OCF		0%	0%	0%	0%	0%	7%	2%	1%	-2%	4%	9%	4%	6%

Note: Legacy digital is EVC's digital segment excluding acquisitions since 2020. Source: Industry Capital Research estimates and company data

Figure 8: Broadcast revenue drivers—at Television segment, chop in national advertising could be offset by higher retrans and spectrum fees

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
TELEVISION SEGMENT																	
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-2.5%	-9.0%	-20.0%	-20.6%	-14.0%	13.200%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.1	\$29.5	\$28.5	\$36.7	\$124.8	\$141.2
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-2.5%	-9.0%	-20.0%	-20.0%	-13.8%	13.2%
TV non-recurring items:																	
TV Political/Census	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	6.4	15.2	25.6	0.0	0.0	0.0	0.1	-0.2	22.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	70.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	6.4	7.6	18.1	0.0	0.0	0.0	0.1	0.2	22.6
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	146.1	29.6	29.6	29.3	38.2	126.7	30.1	29.4	28.5	36.5	124.6	118.7
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-4.1%	-13.3%	1.8%	-0.5%	-2.5%	-4.4%	-1.6%	-4.8%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	8.9	36.1	9.3	9.2	9.0	9.0	36.5	37.0
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%	100.0%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	8.9	36.1	9.3	9.2	9.0	9.0	36.5	37.0
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	109.9	21.7	23.3	26.8	36.9	108.6	20.8	20.3	19.5	27.6	88.2	104.2
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	17.8%	-1.1%	-4.1%	-13.0%	-27.1%	-25.1%	-18.8%	18.2%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	2.0	0.0
Assm: % Incremental to Core	25.0%	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%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3	0.0	2.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	144.8	30.9	32.4	35.7	45.8	144.7	30.1	28.8	27.2	36.7	122.8	141.2
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-2.5%	-11.1%	-23.7%	-20.0%	-15.2%	15.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.5)	(5.7)	(6.2)	(7.5)	(25.9)	(24.6)	(24.6)
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%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.5)	(5.7)	(6.2)	(7.5)	(25.9)	(24.6)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	156.6	37.4	38.5	42.8	53.9	172.6	36.6	35.2	34.7	44.2	150.6	165.8
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-4.4%	-2.0%	7.9%	9.2%	23.7%	10.2%	-2.1%	-8.6%	-19.0%	-18.1%	-12.7%	10.1%
Spectrum usage/auktion	1.5	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.0	2.0	2.0	2.0	8.0	8.0
Assm: % Incremental to Core	25.0%	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%	100.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.0	2.0	2.0	2.0	8.0	8.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	140.7	29.3	30.7	34.1	44.0	138.1	28.1	27.5	26.5	34.7	116.8	133.2
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	12.5%	-1.8%	-4.2%	-10.6%	-22.1%	-21.2%	-15.5%	14.1%
PF TV revenue ex-all non-recurring	120.7	122.9	114.2	111.6	99.2	110.7	25.4	25.0	25.9	35.6	111.9	25.3	23.3	22.3	33.0	103.9	98.3
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	11.7%	-1.3%	1.0%	-4.4%	7.3%	1.0%	-0.3%	-6.7%	-13.8%	-7.3%	-7.1%	-5.5%
TV rev grth ex all non-rec 2-yr CAGR	1.7%	-2.7%	-4.7%	-6.8%	-0.4%	0.7%	22.8%	1.9%	4.5%	6.2%	-0.8%	-2.9%	-9.3%	-0.3%	-3.1%	-6.3%	-6.3%
PF TV advertising growth ex-political	-3.8%	-11.3%	-2.2%	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-7.7%	-18.4%	-0.3%	-3.2%	-6.7%	-7.3%	-4.7%	-8.0%	-8.0%
TV ad rev grth ex political 2-yr CAGR	-1.9%	-7.6%	-6.9%	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-3.1%	-3.2%	-10.9%	-12.1%	-17.7%	-7.5%	-11.8%	-6.3%	-6.3%
PF TV revenue growth ex-political	-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-4.1%	-13.3%	1.8%	-0.5%	-2.5%	-4.4%	-1.6%	-4.8%	-4.8%
TV rev grth ex political 2-yr CAGR	-0.1%	-3.0%	0.5%	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-1.5%	-2.0%	-8.7%	-7.0%	-11.1%	-4.3%	-7.6%	-3.2%	-3.2%
PF TV advertising growth	-10.0%	-3.0%	-10.5%	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	16.2%	-1.6%	-6.7%	-15.5%	-30.4%	-27.0%	-21.4%	20.0%	20.0%

Source: Company reports; Industry Capital Research estimates

Figure 9: Broadcast revenue drivers—at Radio segment, we still assume relatively flat core advertising revenue growth for 2023 and 2024

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
RADIO SEGMENT																	
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-3.0%	-2.3%	-9.0%	-5.9%	-5.3%	8.0%
Pro Forma radio:																	
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$20.4	\$64.4	\$12.2	\$14.6	\$15.0	\$17.3	\$59.1	\$63.8
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Radio non-recurring items:																	
Political/Census	2.1	0.1	2.2	0.1	5.9	0.8	0.3	0.6	1.5	4.0	6.4	0.0	0.0	0.0	0.1	0.1	6.1
Assm: % Incremental to Core	50.0%	50.0%	50.0%	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	2.1	0.1	1.1	0.1	5.9	0.8	0.3	0.6	1.5	4.0	6.4	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	73.8	66.9	62.8	54.9	40.4	57.2	12.3	14.3	15.0	16.4	58.0	12.2	14.6	15.0	17.3	59.0	57.7
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	41.6%	8.7%	1.6%	-5.8%	3.1%	1.4%	-0.6%	1.9%	-0.1%	5.2%	1.8%	-2.2%
NTR	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
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%	100.0%
Incremental NTR	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
Radio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	39.5	12.6	14.9	16.5	20.4	39.5	12.2	14.6	15.0	17.3	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	0.0%	11.4%	5.8%	0.1%	26.3%	0.0%	-3.0%	-2.3%	-9.0%	-15.0%	0.0%	0.0%
World Cup/Other Soccer	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	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	66.7%	66.7%	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 World Cup	0.4	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
Radio revenue ex WC	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.6	15.0	17.3	59.1	63.8
Growth ex WC	-11.8%	-4.5%	-13.9%	-15.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Revenue	73.8	66.9	61.8	54.9	40.4	57.2	12.3	14.3	15.0	16.4	58.0	12.2	14.6	15.0	17.3	59.0	57.7
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	41.6%	8.7%	1.6%	-5.8%	3.1%	1.4%	-0.6%	1.9%	-0.1%	5.2%	1.8%	-2.2%
Radio rev grth ex all non-rec 2-yr CAGR	-5.9%	-8.4%	-9.4%	-19.2%	2.0%	7.1%	52.3%	20.5%	11.4%	19.8%	3.9%	1.7%	-3.0%	4.2%	1.6%	-0.2%	-0.2%

Source: Company reports; Industry Capital Research estimates

Figure 10: Broadcast opex drivers

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
OPERATING EXPENSE																	
Television PF Opex Growth				0.1%	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	3.0%	-1.3%	-4.2%	-14.2%	-4.4%	3.500%
Radio PF Opex Growth				-4.5%	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	13.6%	15.0%	2.0%	-7.9%	5.3%	9.0%
Pro forma consolidated:																	
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$153.3	\$172.9	\$47.5	\$50.5	\$49.3	\$57.2	\$204.6	\$57.5	\$59.2	\$56.4	\$56.2	\$229.3	\$243.9
Growth	4.6%	5.1%	5.0%	-1.9%	-11.6%	12.8%	17.6%	21.8%	14.7%	19.1%	18.3%	20.9%	17.4%	14.4%	-1.9%	12.1%	6.4%
Non-recurring opex items:																	
M&A (acquisitions since 2020)	0.0	0.0	0.0	0.0	5.7	27.5	11.0	12.1	9.5	8.8	41.4	14.9	14.4	10.9	12.6	52.8	53.5
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	103.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	0.0	0.0	0.0	0.0	5.7	27.5	11.0	12.1	9.5	8.8	41.4	14.9	14.4	10.9	12.6	52.8	53.5
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	147.6	145.5	36.5	38.4	39.8	48.5	163.2	42.5	44.9	45.5	43.5	176.4	190.4
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-14.9%	-1.5%	2.4%	9.6%	9.2%	26.5%	12.2%	16.5%	16.9%	14.3%	-10.2%	8.1%	7.9%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.3)	(7.5)	(12.6)	(10.3)	(36.7)	(39.1)
Assm: % Incremental	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%	100.0%
Incremental cost reductions	0.0	0.0	0.0	0.0	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.3)	(7.5)	(12.6)	(10.3)	(36.7)	(39.1)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	180.5	205.7	53.4	57.5	62.1	68.8	241.8	6.3	7.5	12.6	10.3	36.7	39.1
Growth ex cost reductions	-27.8%		5.0%	-1.9%	4.1%	14.0%	17.5%	21.6%	14.1%	17.4%	17.5%	-88.1%	-87.0%	-79.7%	-85.0%	-84.8%	6.4%
Salary true-up	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.6	2.7
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental salary true-up	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.6	2.7
Opex ex salary true-up	0.0	168.4	176.8	173.4	151.3	170.9	47.5	49.7	48.5	56.5	202.3	0.0	(0.9)	(0.9)	(0.8)	(2.6)	(2.7)
Growth ex salary true-up			5.0%	-1.9%	-12.7%	13.0%	17.6%	21.9%	14.7%	19.1%	18.3%	-100.0%	-101.8%	-101.8%	-101.3%	-101.3%	6.0%
Opex ex non-recurring	160.2	168.4	176.8	173.4	172.8	176.3	42.3	44.6	51.8	59.2	198.0	48.9	51.4	57.3	53.1	210.6	226.8
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-0.3%	2.0%	4.2%	11.0%	9.8%	22.8%	12.3%	15.4%	15.3%	10.5%	-10.4%	6.4%	7.7%
Opex grth ex all non-rec 2-yr CAGR		6.5%	5.0%	1.5%	-1.1%	0.8%	2.5%	6.6%	7.2%	10.8%	7.0%	9.6%	13.1%	10.1%	4.9%	9.3%	7.0%
Revenue-driven variable expense	41.1	36.7	35.4	31.2	31.7	32.3	6.5	7.3	8.3	11.1	33.3	6.2	6.6	6.5	8.6	27.9	32.0
Non-sales opex ex non-recurring	119.1	131.7	141.4	142.1	141.1	143.9	35.8	37.3	43.5	48.2	164.7	42.7	44.8	50.8	44.5	182.8	194.8
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-0.7%	2.0%	6.4%	14.3%	12.5%	23.6%	14.5%	19.2%	20.3%	16.7%	-7.6%	10.9%	6.6%
Non-sales opex grth ex all non-rec 2-yr CAGR		9.9%	8.9%	3.9%	-0.1%	0.6%	5.3%	3.8%	8.0%	14.2%	8.0%	12.6%	17.3%	14.6%	6.9%	12.7%	8.7%

Source: Company reports; Industry Capital Research estimates

Note: The above figure attempts to estimate core opex growth excluding the impact of variable sales expense by deducting 20% of estimated broadcast advertising revenue in all periods.

Figure 11: Financial statement forecasts supporting our valuation

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AS REPORTED																	
Net revenue:																	
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.1	29.5	28.5	36.7	124.8	141.2
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.6	15.0	17.3	59.1	63.8
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.3	44.1	43.5	54.0	183.9	205.1
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Total net revenue (core)	258.5	272.1	296.6	273.6	344.0	760.2	197.2	221.7	241.0	296.3	956.2	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Revenue from spectrum usage rights		263.9	1.2	0.0	0.0	0.0					0.0					0.0	0.0
Total net revenue	258.5	536.0	297.8	273.6	344.0	760.2	197.2	221.7	241.0	296.3	956.2	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Cost of Revenue																	
Television		0.0															
Radio		0.0															
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	84.0%	82.1%	81.3%	83.2%	83.4%	82.6%	81.4%	79.8%	81.7%	82.0%	81.3%	81.1%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Cost of revenue from spectrum usage rights (television)		12.340															
Total cost of revenue	9.5	45.3	45.1	36.8	106.9	466.5	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Opex																	
Television opex	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	23.0	82.0	19.8	19.5	19.2	18.2	76.7	79.4
Radio opex	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.2	11.7	41.7	10.7	11.9	10.4	10.1	43.1	47.0
Digital opex	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	19.1	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Total opex (core)	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.294	57.2	204.6	57.5	59.2	56.4	56.2	229.3	243.9
Spectrum usage rights																	
Total Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.3	57.2	204.6	57.5	59.2	56.4	56.2	229.3	243.9
OCF																	
Television OCF	75.9	66.3	67.4	65.2	73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.3	\$10.0	\$9.4	\$18.4	48.1	61.9
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	34.2%	33.9%	32.9%	50.3%	38.5%	43.8%
Incremental Margin	-56.3%	83.6%	30.3%	105.6%	173.4%	106.6%					126.6%					73.5%	83.7%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.6	2.7	4.6	7.2	16.0	16.8
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	12.7%	18.2%	30.5%	41.6%	27.0%	26.3%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%	114.9%	8.6	12.2	12.7	15.6	74.0%	437.9%	548.6%	113.8%	48.1%	127.6%	17.9%
Digital OCF	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.0	6.7	6.8	49.1	8.4	15.5	13.8	19.7	57.4	74.1
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.1%	-0.5%	8.4%	3.3%	12.2%	5.8%	13.3%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%	7.7%					14.1%	8.7%	10.9%	10.4%	14.3%	11.3%	12.5%
Total OCF (core)	88.7	70.7	74.8	63.4	88.8	120.8	23.4	29.4	34.6	47.1	134.5	20.2	28.2	27.8	45.3	121.5	152.8
Margin	34.3%	25.0%	25.2%	23.2%	24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	8.7%	10.9%	10.4%	14.3%	11.3%	12.5%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%	0.0	0.0	-0.6%	3.3%	7.0%	15.5%		-9.0%	-3.2%	-27.5%	-8.7%		
Spectrum sales	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	88.7	322.3	75.9	63.4	88.8	120.8	23.4	29.4	34.6	47.1	134.5	20.2	28.2	27.8	45.3	121.5	152.8
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	8.7%	10.9%	10.4%	14.3%	11.3%	12.5%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%			-0.6%	3.3%	7.0%	15.5%		-9.0%	-3.2%	-27.5%	-8.7%		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	33.0	8.7	8.5	9.5	22.6	49.4	9.6	9.4	10.5	9.6	39.0	39.8
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	87.8	14.7	20.8	25.1	24.5	85.1	10.6	18.8	17.3	35.7	82.5	113.0
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.0	2.1	2.2	2.3	8.6	8.8
Opex adjustments to cash:																	
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	3.2	1.0	0.9	1.0	2.8	5.7	1.7	1.7	1.7	0.7	5.8	5.9
Non-recurring cash severance			0.8	2.3	1.7	0.4				4.3	4.3						
EBITDA attributable to redeemable noncontrolling interest				3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	0.3	0.9	1.2	2.2
EBITDA attributable to noncontrolling interest											3.4	3.4				0.0	0.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	0.5	5.5	(1.0)	(0.9)	(1.0)	(3.7)	(6.6)	(1.6)	(1.8)	(1.5)	0.2	(4.0)	(3.8)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	0.9	0.9	0.0	0.0	1.7	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	88.2	18.1	22.5	26.0	36.5	103.1	13.4	21.8	21.0	37.8	94.0	125.6
Other opex for spectrum (in corporate)		2.1	1.2														
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	26.0	36.5	103.1	13.4	21.8	21.0	37.8	94.0	125.6
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	26.0	36.5	103.1						
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	(0.0)							
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.1%	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.8%	8.4%	7.9%	11.9%	8.8%	10.3%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	6.7%	8.1%	10.8%	6.3%	5.9%	7.6%	-13.3%	-1.8%	-19.9%	6.0%	-7.7%	21.6%

Source: Industry Capital Research estimates and company data

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

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$178.4	\$46.6	\$49.5	\$48.3	\$53.6	\$198.0	\$5.8	\$7.5	\$4.9	\$6.4	\$224.6	240.1
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.7	13.4	35.1	7.6	7.3	8.2	7.3	30.4	31.0
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	9.6	2.6	2.6	2.8	12.0	20.0	3.7	3.8	4.0	3.0	14.4	14.7
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	0.8	0.9	1.5	(0.2)	2.9	3.8
Memo: PF EBITDA attributable to redeemable noncontrolling interest																	
D&A	15.3	16.4	16.3	16.6	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.3	7.0	7.2	8.6	29.1	36.6
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	3.0%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	8.224	5.1	1.0	0.7	7.4	14.2	0.0	0.0	0.0	0.0	0.0	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	3.0	0.0	0.0	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(0.3)	(1.2)	(6.0)	(6.9)	(7.0)	(0.1)	(0.1)	(0.8)	(0.1)	1.4	0.4	(0.1)	(0.8)	(0.1)	1.4	0.4	(2.1)
Gain (Loss) on Sale	(0.1)	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (EBIT Inc. Impairments)	48.9	277.9	33.6	(1.7)	6.6	60.6	4.2	13.4	15.9	6.7	40.3	3.6	11.8	10.1	25.7	51.2	78.5
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	1.6%	4.6%	3.8%	8.1%	4.8%	6.4%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(2.1)	(2.2)	(2.2)	(2.3)	(8.9)	(9.3)
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	0.0
Interest income	0.3	0.8	2.0	3.4	1.7	0.2	0.0	0.7	0.0	0.0	0.7	0.0	0.0	0.0	(0.0)	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.7)	(8.0)	(2.1)	(2.2)	(2.2)	(2.3)	(8.9)	(9.3)
Loss on debt extinguishment	(0.2)	(3.3)	(0.6)	(0.3)	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
Other income, net	0.0	0.0	0.2	0.9	0.0	0.2	0.0	0.0	(0.5)	(0.1)	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	33.5	258.6	21.4	(11.3)	0.1	54.0	2.7	11.8	13.2	4.0	31.7	1.5	9.6	7.9	23.4	42.4	69.1
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	7.1%	1.4%	5.3%	5.5%	1.3%	3.3%	0.6%	3.7%	3.0%	7.4%	3.9%	5.7%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.9)	(3.4)	(4.1)	(6.5)	(14.8)	(24.2)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	34.6%	31.1%	28.5%	31.0%	81.8%	36.4%	56.9%	35.2%	51.8%	27.9%	35.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	7.6%	44.2%	52.6%	30.5%	137.4%	53.3%	280.8%	43.9%	53.4%	18.0%	39.7%	30.0%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	35.4	1.9	8.5	9.1	0.7	20.2	0.6	6.2	3.8	16.9	27.5	44.9
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.0	(0.1)	(0.1)	(1.9)	(2.1)	(2.1)
Reported Net Income	20.4	175.7	12.2	(19.7)	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	0.6	6.1	3.7	15.0	25.5	42.9
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.8%	8.4%	7.9%	11.9%	8.8%	10.3%
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	0.0
Minority Interest				2.5	5.9												
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	0.6	6.1	3.7	15.0	25.5	42.9
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.30	\$0.50
Extraordinary items/discontinued items	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
Net income to common	20.4	175.7	12.2	(19.7)	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	0.6	6.1	3.7	15.0	25.5	42.9
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.18	\$0.30	\$0.50
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00		\$0.00	(\$0.00)	(\$0.00)	\$0.00							
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	9.6	5.1	1.0	0.7	18.8	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	39.1	7.0	9.4	10.1	17.1	43.7	0.6	6.1	3.7	15.0	25.5	42.9
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.01	\$0.07	\$0.04	\$0.18	\$0.30	\$0.50
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.43	\$0.44	\$0.08	\$0.11	\$0.12	\$0.19	\$0.50	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.3	86.5	85.0	84.9	85.2	85.4	85.2	85.2	85.2	85.2	85.2	85.2
EPS shares - Diluted	91.3	91.9	90.3	85.1	84.2	87.9	88.6	87.0	87.4	88.0	87.7	87.6	87.6	87.6	87.6	87.6	87.6
Free Cash Flow:																	
EBITDA	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	26.0	36.5	103.1	13.4	21.8	21.0	37.8	94.0	125.6
Cash net interest	-14.4	-12.7	-10.6	-9.4	-5.9	-6.2	-1.2	-1.2	-1.9	-2.5	-6.7	-2.1	-2.2	-2.2	-2.3	-8.9	-9.3
Other adjustments to cash		250.0	1.9	4.7	5.3	6.8	0.1	0.8	0.1	-5.7	-4.7						
- Cash taxes	-0.6	-0.8	-3.3	-2.8	-7.7	-4.1	-1.2	-6.2	-4.0	-5.5	-16.9	-4.2	-4.2	-4.2	-4.2	-16.8	-20.7
Cash taxes / EBITDA	1%	2%	6%	7%	13%	5%	7%	28%	15%	15%	16%	31%	19%	20%	11%	18%	17%
Minus: capex	-9.1	-12.1	-17.0	-25.3	-9.5	-5.6	-1.5	-1.7	-4.7	-3.6	-11.5	-4.0	-4.0	-4.7	-2.3	-15.0	-12.0
Capex / D&A	59%	74%	105%	152%	55%	25%	24%	27%	71%	55%	45%	63%	57%	65%	27%	52%	33%
Capex / EBITDA	13%	24%	31%	61%	16%	6%	9%	7%	18%	10%	11%	30%	18%	22%	6%	16%	10%
Plus: cost of revenue for spectrum usage rights		12.1															
= Free Cash Flow	45.2	287.1	25.0	8.3	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.1	11.4	9.9	28.9	53.3	83.5
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	79.0	14.3	14.3	15.4	19.3	63.3	3.1	11.4	9.9	28.9	53.3	83.5
Free Cash Flow (core)	45.2	37.6	25.0	8.3	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.1	11.4	9.9	28.9	53.3	83.5
FCF per share (core)	\$0.50	\$0.41	\$0.28	\$0.10	\$0.51	\$0.90	\$0.16	\$0.16	\$0.18	\$0.22	\$0.72	\$0.04	\$0.13	\$0.11	\$0.33	\$0.61	\$0.95
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	89.7%	79.1%	63.4%	59.5%	52.8%	61.4%	23.1%	52.4%	46.9%	76.5%	56.7%	66.5%
Dividends per basic share	\$0.13	\$0.16	\$0.20	\$0.20	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.050	\$0.050	\$0.050	\$0.050	\$0.20	\$0.20
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.3)	(4.3)	(4.3)	(4.3)	(17.0)	(17.0)
Dividends as % of FCF	24.7%	39.0%	71.1%	204.6%	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	137.6%	37.3%	43.2%	14.7%	32.0%	20.4%

Source: Industry Capital Research estimates and company data

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

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	17.9%	16.6%	10.4%	7.0%	12.3%	13.6%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	17.9%	16.6%	10.4%	7.0%	12.3%	13.6%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-2.5%	-9.0%	-20.0%	-20.0%	-13.8%	13.2%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	23.7%	23.0%	17.8%	14.4%	19.2%	14.1%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	48.9%	30.1%	26.4%	29.4%	32.3%	22.6%	20.7%	15.7%	12.4%	17.2%	13.9%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.2%	3.0%	-1.3%	-4.2%	-20.7%	-6.0%	3.5%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.3%	13.6%	15.0%	2.0%	16.7%	16.2%	12.1%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	38.8%	27.8%	23.3%	26.1%	28.3%	22.2%	19.8%	15.4%	9.7%	16.2%	12.1%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-11.6%	12.8%	17.6%	21.8%	14.7%	19.1%	18.3%	20.9%	17.4%	14.4%	-1.9%	12.1%	6.4%
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	3.0%	-1.3%	-4.2%	-20.7%	-6.4%	3.5%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	13.6%	15.0%	2.0%	-13.5%	3.5%	9.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	68.1%	74.3%	69.4%	46.0%	45.1%	57.2%	42.7%	36.6%	40.6%	23.3%	35.3%	7.4%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	32.1%	44.1%	-1.2%	5.1%	9.3%	25.9%	11.4%	-13.6%	-4.0%	-19.8%	-3.9%	-9.7%	25.8%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-11.6%	-21.0%	-40.2%	-19.2%	-23.4%	28.7%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-51.6%	-41.8%	-27.0%	-16.9%	-29.6%	5.3%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	46.1%	32.5%	45.6%	15.1%	31.4%	-2.0%	27.8%	8.8%	25.8%	17.0%	29.1%
Corporate expense	9.0%	12.1%	1.0%	3.0%	3.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	0.0%	0.0%	0.0%	9.2%	3.0%	3.0%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	46.6%	45.9%	27.6%	26.4%	11.4%	11.2%	16.9%	-26.0%	-2.9%	-19.1%	3.4%	-8.8%	33.6%
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	-1.5%	11.9%	10.0%	32.5%	13.3%	25.8%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	47.7%	15.2%	17.3%	1.9%	-11.3%	2.2%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	-72.0%	-18.2%	-31.1%	-62.6%	-41.3%	-45.3%	-27.5%	-40.1%	NM	33.6%	63.1%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	-65.2%	7.6%	-23.3%	NM	-38.4%	-65.7%	-27.5%	-60.7%	NM	40.7%	68.2%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	-50.0%	-30.0%	-63.6%	NM	42.9%	66.7%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	-65.9%	8.6%	-22.5%	NM	-38.2%	-65.4%	-28.0%	-60.7%	NM	40.8%	68.2%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-18.8%	-38.9%	50.0%	-15.3%	55.7%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-5.8%	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.3%	-1.1%	0.7%	0.2%	-0.4%	0.0%	0.0%

Source: Industry Capital Research estimates and company data

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

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AS REPORTED																	
Revenue:																	
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.1	\$29.5	\$28.5	\$36.7	\$124.8	\$141.2
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.6	15.0	17.3	59.1	63.8
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Revenue	258.5	272.1	296.6	273.6	344.0	760.2	197.2	221.7	241.0	296.3	956.2	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Cost of revenue:																	
Television	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
Radio	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
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Cost of revenue	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Opex:																	
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.003	23.0	82.0	19.8	19.5	19.2	18.2	76.7	79.4
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.211	11.7	41.7	10.7	11.9	10.4	10.1	43.1	47.0
Digital	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	19.080	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.3	57.2	204.6	57.5	59.2	56.4	56.2	229.3	243.9
OCF:																	
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.7	22.8	62.8	10.3	10.0	9.4	18.4	48.1	61.9
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.6	2.7	4.6	7.2	16.0	16.8
Digital	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.1	8.4	15.5	13.8	19.7	57.4	74.1
OCF	88.7	70.7	74.8	63.4	83.8	120.8	23.4	29.4	34.6	47.1	134.5	20.2	28.2	27.8	45.3	121.5	152.8
PRO FORMA																	
Revenue:																	
Television	159.5	148.1	151.7	149.7	154.5	146.8	30.9	32.4	35.7	46.2	145.1	30.1	29.5	28.5	36.7	124.8	141.2
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	18.4	62.4	12.2	14.6	15.0	17.3	59.1	63.8
Digital			92.1	228.3	315.9	577.0	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	241.0	294.7	954.6	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Cost of revenue:																	
Television	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
Radio	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
Digital	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Cost of revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Opex:																	
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	19.8	19.5	19.2	18.2	76.7	79.4
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.2	11.0	41.0	10.7	11.9	10.4	10.1	43.1	47.0
Digital			43.9	45.5	45.4	54.9	18.9	20.4	19.1	22.6	80.9	27.0	27.8	26.8	27.8	109.5	117.5
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	49.3	54.8	202.1	57.5	59.2	56.4	56.2	229.3	243.9
OCF:																	
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.7	24.9	64.9	10.3	10.0	9.4	18.4	48.1	61.9
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	7.4	21.4	1.6	2.7	4.6	7.2	16.0	16.8
Digital	17.5	10.4	3.2	9.8	17.3	39.7	8.6	12.2	12.7	15.6	49.1	8.4	15.5	13.8	19.7	57.4	74.1
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	34.6	48.0	135.4	20.2	28.2	27.8	45.3	121.5	152.8
CONSOLIDATED PRO FORMA																	
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	241.0	294.7	954.6	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	51.3%	24.4%	16.4%	21.1%	26.0%	22.1%	17.9%	16.6%	10.4%	7.6%	12.5%	13.6%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	192.0	617.1	154.8	171.2	181.8	215.7	723.5	824.0
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	90.5%	36.9%	20.8%	26.4%	29.4%	27.9%	22.6%	20.7%	15.7%	12.4%	17.2%	13.9%
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	49.3	53.3	200.6	57.5	59.2	56.4	56.2	229.3	243.9
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	4.9%	14.8%	15.1%	14.7%	10.9%	13.8%	20.9%	17.4%	14.4%	5.4%	14.3%	6.4%
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	34.6	49.4	136.8	20.2	28.2	27.8	45.3	121.5	152.8
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	29.2%	-6.0%	0.8%	9.3%	32.1%	11.1%	-13.6%	-4.0%	-19.8%	-8.4%	-11.2%	25.8%
Corporate	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.7	13.4	35.1	7.6	7.3	8.2	7.3	30.4	31.0
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	11.3%	11.0%	4.3%	19.1%	86.1%	31.7%	6.9%	6.6%	6.8%	-45.7%	-13.3%	2.0%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	0.8	0.9	1.5	(0.2)	2.9	3.8
EBITDA	84.4	60.2	54.4	51.2	71.9	90.6	18.1	22.5	26.0	38.8	105.4	13.4	21.8	21.0	37.8	94.0	125.6
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	25.9%	17.6%	18.4%	11.4%	18.2%	16.4%	-26.0%	-2.9%	-19.1%	-2.8%	-10.8%	33.6%

Source: Industry Capital Research estimates and company data

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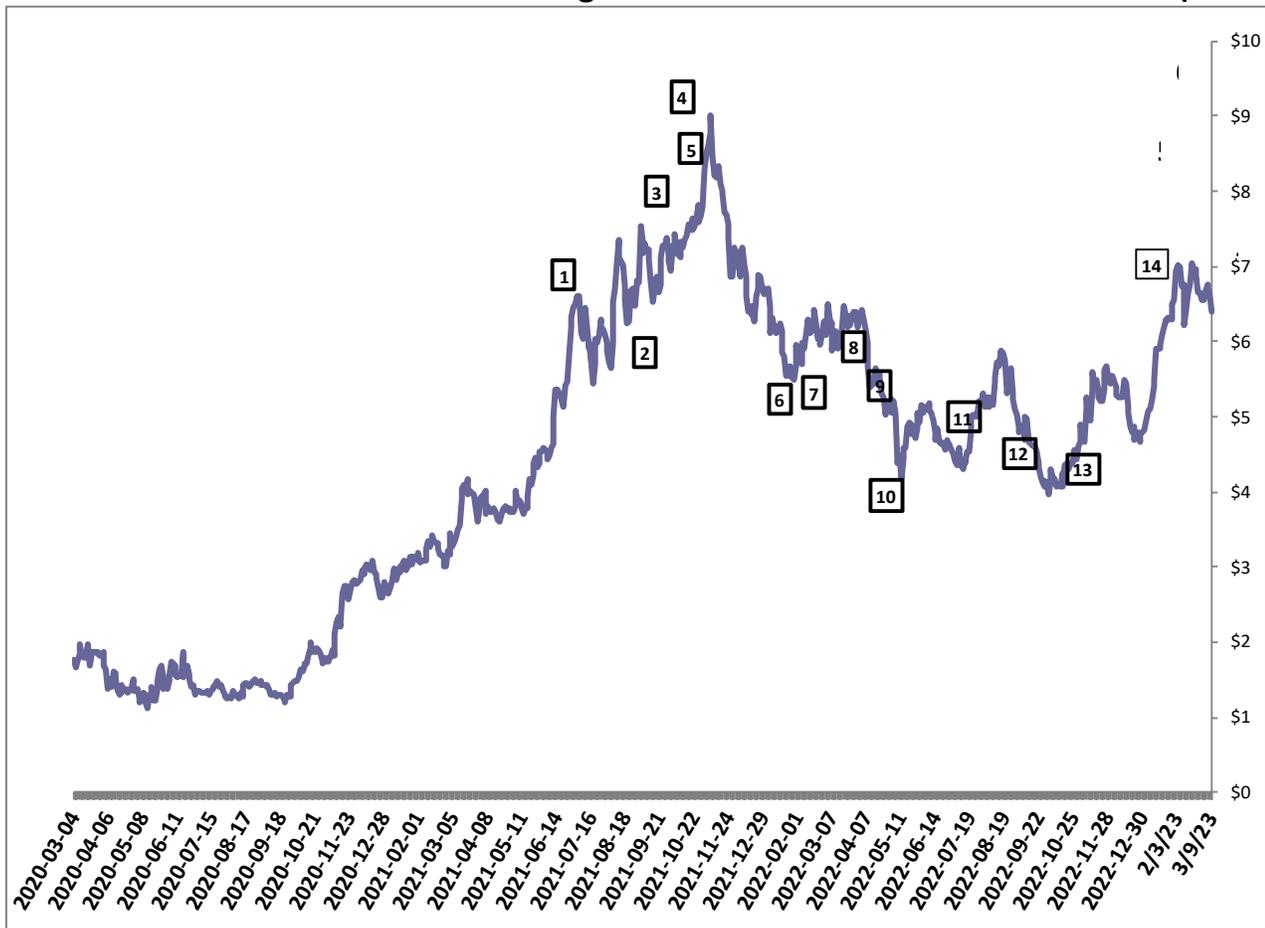
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1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
6	12/20/21	Reaffirmed Buy @ \$6.40, Target Price \$10.00
7	2/2/22	Reaffirmed Buy @ \$5.87, Target Price \$8.00
8	3/4/22	Reaffirmed Buy @ \$6.42, Target Price \$8.50
9	4/15/22	Reaffirmed Buy @ \$5.53, Target Price \$8.50
10	5/6/22	Reaffirmed Buy @ \$5.14, Target Price \$8.00
11	6/9/22	Reaffirmed Buy @ \$5.16, Target Price \$8.00
12	8/25/22	Reaffirmed Buy @ \$5.52, Target Price \$7.50
13	11/3/22	Reaffirmed Buy @ \$4.69, Target Price \$7.00
14	1/27/23	Reaffirmed Buy @ \$6.33, Target Price \$7.50

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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

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