

Entravision Communications Corporation (EVC)

Still Looking for a Bottom on Digital Margins; Reducing Estimates and Price Target; Buy

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2Q miss and 3Q outlook below our estimates cut our 2023/24 EBITDA estimates and price target, but reduced upside still supports our Buy rating. Growth continues to beat, but digital margins missed and our 2H digital operating cash flow estimates come down. Our outlook for digital segment profitability still seeks a bottom. As detailed in our 7/7/23 report on valuation scenarios, digital segment margins are one of EVC's key swing factors, one that is cutting against the shares at the moment. Nevertheless, EVC's expanding global footprint, both in digital representation as well as its legacy business (chiefly, Smadex) gives it strategic options for growth and value creation, and new CEO Mike Christenson said on the call that he was particularly focusing on organic growth, rather than M&A. EVC is looking to more than offset lower OCF margins on its business with META through representation expansions. In the meantime, to improve profitability, EVC is reducing headcount at the digital segment (by ~60 over the past two quarters).

For 2023/24, our revenue estimates rise, but EBITDA estimates fall, owing to lower digital operating cash flow margin assumptions and national advertising weakness at broadcast. 3Q core advertising (ex-political) is pacing +25% for digital, -10% for TV, and -12% for radio vs. our prior comparable estimates of +18/-8%/0%. EVC Latam and EVC Asia are once again pacing above our forward quarter estimates. The legacy digital business is tracking slightly below our 3Q estimates, although Smadex appears to be turning a corner to solid double-digit growth. Our 2023 revenue/EBITDA/EPS estimates go to \$1,111m/\$75.3m/\$0.11 from \$1,086m/\$89.3m/\$0.29. For 2023, 1) we again raise our estimate for digital revenue growth, on 2Q results and 3Q pacing above our estimates, 2) our digital gross margin assumption drops to 14.9% from 15.9%, primarily on lower commission rates in effect from META as of July 1 (7% vs. 10% previously, per EVC on the call), and 3) our broadcast segment OCF estimate drops to \$57.0m from \$64.1m, reflecting lower broadcast advertising estimates. See Fig. 3-4 for a summary of our annual estimate changes.

2Q recap: EBITDA of \$14.2m (5.2% margin) missed our \$17.0m (6.5% margin) estimate. See Fig. 2. Revenue growth was +32% for digital vs. prior pacing of +25% (+18% pro forma vs. +14% prior pro forma pacing), +1% for core TV advertising vs. prior pacing of -1%, and -6% for core radio advertising vs. prior pacing of -1%. As we suspected in our preview given META's strong results, EVC Latam's revenue growth of +20% beat our +14% estimate, while EVC Asia's +50% growth beat our +39% estimate. At the legacy digital business, Smadex revenue growth was -12%, similar to the -11% posted in 1Q, on continuing weakness in the fintech and crypto ad verticals. At TV, auto advertising (27% of total) continued its strong growth, +14% (vs. +15% in 1Q). OCF margin for digital was 3.9% vs. our 5.3% estimate, for TV was 33.6% vs. our 33.8% estimate, and for radio was 13.5% vs. our 15.8% estimate. EPS was a loss of \$0.02, below our \$0.03 estimate.

Our price target drops to \$5.50 from \$7; risks on page 3. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2028.

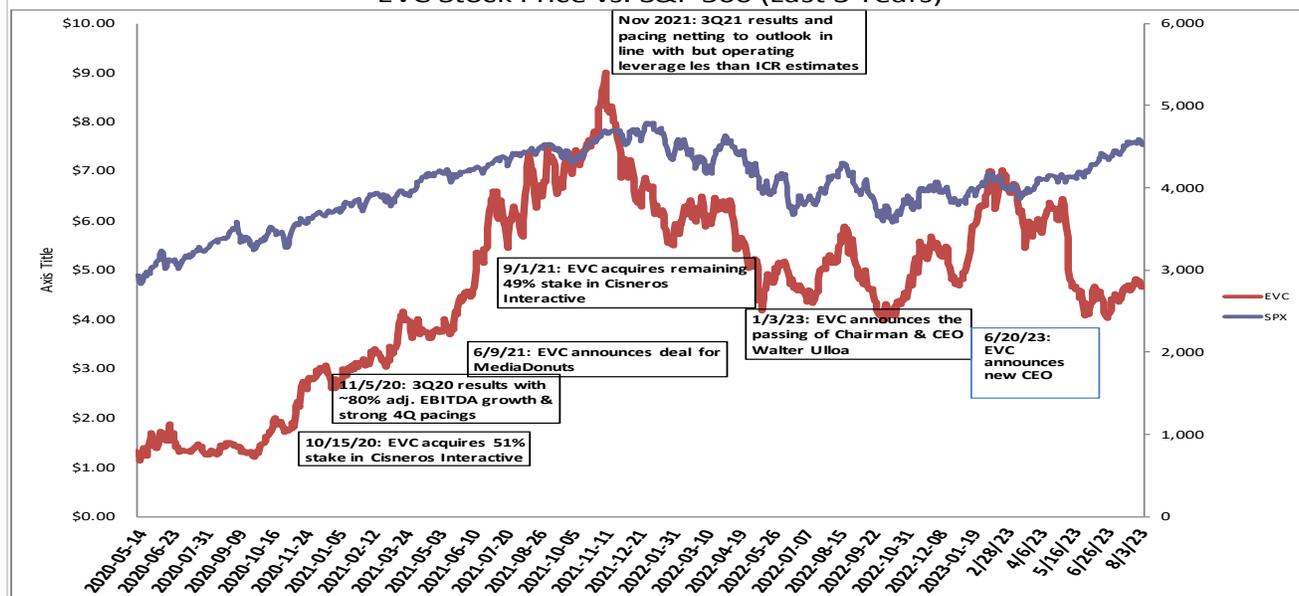
BUY			
Price at 8/3/23 (USD)			4.49
Price Target			5.50
52-week range			3.96 - 7.33
Performance (%)	1m	3m	12m
Absolute	-1	-27	-15
S&P 500	1	10	8
Market Cap (USDm)			403.1
Shares outstanding (m)			89.8
Float (%)			89
Average volume			442,532
S&P 500			4,501.9
Forecasts and ratios			
Year ended 12/31	2022A	2023E	2024E
1Q EPS (USD)	0.02	0.02	0.08
2Q EPS (USD)	0.10	-0.02	0.02
3Q EPS (USD)	0.11	-0.02	0.09
4Q EPS (USD)	-0.02	0.13	0.13
FY EPS (USD)	0.21	0.11	0.31
% Change	-38%	-45%	178%
P/E (x)	21.8	39.9	14.3
EV/EBITDA (x)	4.7	6.7	4.6
Revenue (USDm)	956.2	1,111.3	1,262.4
% Change	26%	16%	14%

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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data)	
		12-month price target: \$5.50	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$4.49	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 14 of the top-50 U.S. Hispanic markets, and 45 radio stations (37 FM and 8 AM) as well as a radio network with distribution to over 100 U.S. markets together covering 31% of the U.S. Hispanic population. The company's 2022 revenue by segment was 78% from digital, 15% from TV, and 7% 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.
Diluted shares outstanding	89.8		
Equity market capitalization	403		
+Pro forma net debt	117		
-Hidden value	13		
=Pro forma EV	\$508	Management After the untimely death of former Chairman and CEO Walter Ulloa last December, Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (as which he has served since 2008, having been with EVC since 2000).	
OPERATING PROJECTIONS			Est. acquisition capacity \$324
Pro forma net revenue			
2023	\$1,112		
2022	984		
% Chg	12.9%		
Pro forma EBITDA			Positives * 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 are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending
2023	\$76		
2022	108		
% Chg	-29.8%		
Pro forma EBITDA margin			
2023	6.8%	Risks * Management succession and corporate control, 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	
2022	10.9%		
Free cash flow per share			
2023	\$0.44		
2022	\$0.72		
% Chg	-38.9%	Valuation Attributing most of firm value to digital media business	
Est. 3-5 yr FCF Growth rate			
7%			
VALUATION AND LEVERAGE			Recent events 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. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations. Recession risk to advertising-based revenue , both in U.S. and internationally - Digital growth initiatives - Advertising in upcoming U.S. election cycle - Changes in capital return/allocation with new senior management
Pro forma EV/EBITDA			
2023	6.7x		
2022	4.7x		
Price / Free cash flow per share			
2023	10.2x	Upcoming potential catalysts	
2022	6.2x		
Pro forma net debt / EBITDA			
2023	1.5x		
2022	1.1x		
Dividend yield			
2023	4.5%		
2022	2.2%		

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 \$5.50 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of its digital media assets because their higher growth, different business models and strategic options 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) reduce the operating risk profile of overall business; 3) pro forma net debt leverage under 2x and close to 10% free cash flow yield give new senior management strategic flexibility; and 4) our DCF valuation supports sufficient stock price upside over the next 12 months.

Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2023 and 2024. 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 to be generated by each valuation date. 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. 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 new incoming CEO 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) volatility and profitability 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: Our estimates were below consensus EBITDA for both 2Q and 3Q, but not by enough

Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Last Yr	E	Results		YoY %CHG			A vs	
			Beat/Miss	A	E	Beat/Miss	A	Consensus	Consensus
2Q23A									
As Reported									
Revenue	\$221.7	\$263.6	\$9.7	\$273.4	18.9%	4.4%	23.3%	259.0	5.6%
Op Expense	199.2	246.6	12.6	259.2	23.8%	6.3%	30.1%		
Adjusted EBITDA	22.5	17.0	(2.8)	14.2	-24.2%	-12.6%	-36.8%	18.0	-21.0%
Margin	10.1%	6.5%	-1.3%	5.2%				6.9%	-1.8%
Pro Forma EPS	\$0.11	\$0.03	(\$-0.05)	(\$0.02)	-72.7%	-45.5%	-118.2%	\$0.07	-128.6%
FCF/sh (core)	\$0.16	\$0.10	(\$-0.08)	\$0.02	-37.5%	-50.0%	-87.5%		
	Last Yr	Prior	Estimates		YoY %CHG			ICR vs	
			Chg	Current	Prior	Chg	Current	Consensus	Consensus
3Q23E									
As Reported									
Revenue	241.0	266.0	9.3	275.3	10.4%	3.9%	14.2%	267.0	3.1%
Op Expense	215.1	243.9	13.5	257.4	13.4%	6.3%	19.7%		
Adjusted EBITDA	25.9	22.1	(4.2)	17.9	-14.8%	-16.2%	-31.0%	23.0	-22.2%
Margin	10.8%	8.3%	-1.8%	6.5%				8.6%	-2.1%
Pro Forma EPS	\$0.12	\$0.05	(\$-0.07)	(\$0.02)	-58.3%	-58.3%	-116.7%	\$0.12	-116.7%
FCF/sh (core)	\$0.18	\$0.13	(\$-0.02)	\$0.11	-27.8%	-11.1%	-38.9%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 3: Once again, for 2023 and 2024, we reduce our EBITDA estimates while raising our revenue estimates

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
	Last Yr	Estimates		YoY %CHG			Consensus	ICR vs Consensus	
		Prior	Chg	Current	Prior	Chg			Current
2023E									
As Reported									
Revenue	956.2	1,085.9	25.4	1,111.3	13.6%	2.7%	16.2%	1,070	3.9%
Op expense	853.2	996.6	39.4	1,036.0	16.8%	4.6%	21.4%		
Adjusted EBITDA	103.0	89.3	(14.0)	75.3	-13.3%	-13.6%	-26.9%	84.0	-10.3%
Margin	10.8%	8.2%	-1.4%	6.8%				7.9%	-1.1%
EPS	\$0.21	\$0.29	(\$0.18)	\$0.11	39.9%	-85.3%	-45.4%	\$0.38	-70.4%
Cash FCF/sh	\$0.72	\$0.57	(\$0.13)	\$0.44	-20.8%	-18.1%	-38.9%		
2024E									
As Reported									
Revenue	1,111.3	1,234.3	28.0	1,262.4	11.1%	2.5%	13.6%	1,161	8.7%
Op expense	1,036.0	1,111.5	39.8	1,151.3	7.3%	3.8%	11.1%		
Adjusted EBITDA	75.3	122.9	(11.8)	111.1	63.1%	-15.6%	47.5%	112.0	-0.8%
Margin	6.8%	10.0%	-1.2%	8.8%				9.6%	-0.8%
EPS	\$0.11	\$0.44	(\$0.13)	\$0.31	294.1%	-115.8%	178.4%	\$0.55	-43.0%
Cash FCF/sh	\$0.44	\$0.88	\$0.07	\$0.95	100.0%	15.9%	115.9%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 4: Main driver of lower digital segment OCF estimates is EVC Latam; Legacy Digital OCF is helped by 2Q23 acquisition of BCNMonetize

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	103.7	131.7	(6.0)	125.7	27.0%	-5.8%	21.2%		
Legacy Digital Opex	89.4	121.0	(6.1)	114.8	35.3%	-6.9%	28.5%		
Legacy Digital OCF	14.3	10.7	0.1	10.9	-24.9%	0.8%	-24.1%		
Margin	13.8%	8.2%	0.5%	8.6%					
EVC Latam Revenue	508.8	576.1	19.5	595.6	13.2%	3.8%	17.0%		
EVC Latam Opex	480.2	545.0	24.4	569.4	13.5%	5.1%	18.6%		
EVC Latam OCF	28.6	31.1	(4.9)	26.2	8.7%	-17.1%	-8.4%		
Margin	5.6%	5.4%	-1.0%	4.4%					
EVC Asia Revenue	89.5	103.3	17.7	120.9	15.3%	19.7%	35.0%		
EVC Asia Opex	84.2	95.9	17.8	113.7	13.9%	21.2%	35.1%		
EVC Asia OCF	5.3	7.4	(0.2)	7.2	38.0%	-3.2%	34.8%		
Margin	6.0%	7.1%	-1.2%	6.0%					
EVC Africa Revenue	11.4	10.1	(1.0)	9.0	-11.9%	-9.2%	-21.1%		
EVC Africa Opex	10.7	11.0	(0.5)	10.5	2.4%	-4.6%	-2.3%		
EVC Africa OCF	0.7	(0.9)	(0.6)	(1.4)	-221.3%	NM	NM		
Margin	6.4%	-8.8%	-7.1%	-16.0%					
Jack of Digital Revenue	1.7	4.5	1.2	5.7	165.1%	NM	NM		
Jack of Digital Opex	1.6	4.0	1.5	5.5	146.2%	NM	NM		
Jack of Digital OCF	0.1	0.5	(0.3)	0.2	NM	NM	NM		
Margin	3.5%	10.4%	-7.2%	3.2%					
Adsmurai Revenue	31.7	76.4	0.8	77.1	141.0%	2.4%	143.3%		
Adsmurai Opex	28.4	72.4	1.9	74.3	154.7%	6.7%	161.4%		
Adsmurai OCF	3.3	4.0	(1.2)	2.8	21.2%	-35.3%	-14.1%		
Margin	10.3%	5.2%	-1.5%	3.6%					
Digital Segment Revenue	747.1	902.0	32.1	934.1	20.7%	4.3%	25.0%	880	6.1%
Digital Segment Opex	698.1	849.3	39.0	888.3	21.7%	5.6%	27.2%		
Digital Segment OCF	49.0	52.8	(6.9)	45.8	7.7%	-14.1%	-6.5%		
Margin	6.6%	5.8%	-0.9%	4.9%					
2024E									
As Reported									
Legacy Digital Revenue	125.7	154.8	(6.9)	147.9	23.2%	-5.5%	17.7%		
Legacy Digital Opex	114.8	141.5	(7.1)	134.4	23.2%	-6.2%	17.0%		
Legacy Digital OCF	10.9	13.3	0.2	13.5	22.8%	1.7%	24.5%		
Margin	8.6%	8.6%	0.5%	9.1%					
EVC Latam Revenue	595.6	647.4	21.9	669.3	8.7%	3.7%	12.4%		
EVC Latam Opex	569.4	605.2	27.2	632.4	6.3%	4.8%	11.1%		
EVC Latam OCF	26.2	42.2	(5.3)	36.9	60.9%	-20.2%	40.7%		
Margin	4.4%	6.5%	-1.0%	5.5%					
EVC Asia Revenue	120.9	114.4	20.1	134.5	-5.4%	16.6%	11.2%		
EVC Asia Opex	113.7	104.8	19.8	124.7	-7.8%	17.4%	9.6%		
EVC Asia OCF	7.2	9.6	0.2	9.8	32.9%	3.4%	36.3%		
Margin	6.0%	8.4%	-1.1%	7.3%					
EVC Africa Revenue	9.0	14.8	0.0	14.8	63.4%	0.0%	63.4%		
EVC Africa Opex	10.5	14.3	0.0	14.3	36.6%	0.0%	36.6%		
EVC Africa OCF	(1.4)	0.5	0.0	0.5	-131.3%	NM	NM		
Margin	-16.0%	3.1%	0.0%	3.1%					
Jack of Digital Revenue	5.7	9.0	0.0	9.0	58.0%	0.0%	58.0%		
Jack of Digital Opex	5.5	7.6	0.0	7.6	38.2%	0.0%	38.2%		
Jack of Digital OCF	0.2	1.4	0.0	1.4	NM	NM	NM		
Margin	3.2%	15.4%	0.0%	15.4%					
Adsmurai Revenue	77.1	88.9	0.0	88.9	15.2%	0.0%	15.2%		
Adsmurai Opex	74.3	83.3	0.0	83.3	12.1%	0.0%	12.1%		
Adsmurai OCF	2.8	5.6	0.0	5.6	98.7%	0.0%	98.7%		
Margin	3.6%	6.3%	0.0%	6.3%					
Digital Segment Revenue	934.1	1,029.3	35.1	1,064.3	10.2%	3.8%	13.9%		
Digital Segment Opex	888.3	956.8	39.9	996.7	7.7%	4.5%	12.2%		
Digital Segment OCF	45.8	72.5	(4.9)	67.6	58.2%	-10.6%	47.6%		
Margin	4.9%	7.0%	-0.7%	6.4%					

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 5: Our discounted cash flow valuation range drops to \$5-\$5.50 per share

Entravision Communications														
Summary of Changes to Forecast and Valuation														
CAGRs	2023		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					
Prior	1,085.9	89.3	\$7.00	\$7.00	21%	7%	8%	8%	8%	3.9%	4.6%	9.2%	10.2%	7.3%
Current	1,111.3	75.3	\$5.00	\$5.50	16%	5%	6%	9%	9%	4.1%	4.6%	9.4%	10.4%	7.4%
Delta	25.4	-14.0	(\$2.00)	(\$1.50)	-5.1%	-2.2%	-1.9%	1.2%	1.2%	0.2%	0.0%	0.1%	0.2%	0.1%

Source: Company data and Industry Capital Research estimates

Figure 6: Digital segment forecast assumes OCF margin improvement in 4Q23, reflecting seasonal revenue growth and impact of cost controls

In millions, except unit data	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
Legacy														
Revenue	\$68.9	\$54.1	\$68.7	\$22.0	\$27.9	\$27.8	\$26.0	\$103.7	\$23.2	\$28.7	\$33.1	\$40.6	\$125.7	\$147.9
Cost of Revenue	36.8	30.6	39.2	13.0	15.9	16.1	15.4	60.4	13.5	17.0	19.3	23.7	73.4	86.4
Opex ex-cost of revenue	32.3	24.5	23.8	6.9	7.5	6.7	7.9	29.0	8.9	9.8	9.8	13.0	41.4	48.0
OCF	(0.1)	(1.0)	5.7	2.1	4.5	5.0	2.7	14.3	0.8	2.0	4.1	4.0	10.9	13.5
<i>OCF Margin</i>	-0.2%	-1.9%	8.3%	9.5%	16.1%	18.0%	10.4%	13.8%	3.5%	6.9%	12.3%	9.8%	8.6%	9.1%
Acquisitions Since 2020-Stand Alone														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.3	143.1	508.8	129.0	150.5	150.6	165.5	595.6	669.3
Entravision Latam cost of revenue	136.2	201.7	401.7	101.2	111.0	114.4	126.8	453.4	118.6	137.4	141.0	150.3	547.4	609.8
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	5.4	6.9	7.5	7.0	26.8	4.6	7.1	5.2	5.1	22.0	22.6
Entravision Latam OCF	9.9	14.2	29.1	5.9	7.0	6.4	9.3	28.6	5.7	5.9	4.4	10.1	26.2	36.9
<i>Entravision Latam OCF Margin</i>	6.2%	6.1%	6.4%	5.2%	5.6%	5.0%	6.5%	5.6%	4.5%	3.9%	2.9%	6.1%	4.4%	5.5%
Entravision Asia revenue		28.5	52.5	17.2	18.9	21.2	32.3	89.5	23.2	28.2	29.1	40.5	120.9	134.5
Entravision Asia cost of revenue		20.9	40.0	14.1	15.7	17.7	27.4	74.9	19.4	23.6	24.6	34.2	101.8	112.5
Entravision Asia opex ex-cost of revenue		2.5	7.2	2.2	2.0	2.3	2.8	9.3	3.0	3.9	3.4	1.6	11.9	12.2
Entravision Asia OCF		5.0	5.3	0.9	1.2	1.2	2.1	5.3	0.8	0.7	1.1	4.7	7.2	9.8
<i>Entravision Asia OCF Margin</i>		17.7%	10.0%	5.2%	6.2%	5.7%	6.5%	6.0%	3.3%	2.6%	3.6%	11.5%	6.0%	7.3%
Entravision Africa revenue			1.9	2.1	2.8	2.9	3.6	11.4	2.1	1.9	1.8	3.2	9.0	14.8
Entravision Africa cost of revenue			1.5	1.7	2.3	2.4	2.5	8.9	1.7	1.6	1.4	2.5	7.2	11.8
Entravision Africa opex ex-cost of revenue			0.2	0.3	0.4	0.4	0.7	1.8	0.8	0.8	1.1	0.7	3.3	2.5
Entravision Africa OCF			0.2	0.1	0.1	0.1	0.4	0.7	(0.4)	(0.4)	(0.7)	0.0	(1.4)	0.5
<i>Entravision Africa OCF Margin</i>			11.5%	4.3%	5.0%	3.4%	11.1%	6.4%	-17.5%	-23.3%	-36.2%	1.1%	-16.0%	3.1%
Jack of Digital revenue			0.0	0.0	0.0	0.3	1.4	1.7	0.7	1.6	1.4	2.1	5.7	9.0
Jack of Digital cost of revenue			0.0	0.0	0.0	0.2	1.0	1.2	0.6	1.3	1.0	1.5	4.3	6.9
Jack of Digital opex ex-cost of revenue			0.0	0.0	0.0	0.1	0.3	0.4	0.2	0.4	0.4	0.2	1.2	0.8
Jack of Digital OCF			0.0	0.0	0.0	(0.0)	0.1	0.1	(0.1)	(0.0)	(0.0)	0.4	0.2	1.4
<i>Jack of Digital OCF Margin</i>			21.6%	11.9%	6.9%	-13.3%	7.1%	3.5%	-14.3%	-2.8%	-2.0%	17.3%	3.2%	15.4%
Adsmurai revenue				10.4	15.7	11.8	23.7	61.6	18.4	19.0	16.8	23.0	77.1	88.9
Adsmurai cost of revenue				8.3	12.5	9.4	18.8	48.9	14.6	15.0	13.3	18.2	61.1	70.4
Adsmurai opex ex-cost of revenue				2.5	2.5	2.5	1.6	9.1	3.5	3.1	2.8	3.9	13.3	12.9
Adsmurai OCF				(0.3)	0.7	(0.1)	3.3	3.6	0.3	0.9	0.7	0.9	2.8	5.6
<i>Adsmurai OCF Margin</i>				-3.4%	4.8%	-0.5%	13.9%	5.9%	1.8%	4.6%	4.0%	4.1%	3.6%	6.3%
Digital segment as reported														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.5	229.9	232.9	274.9	934.1	1,064.3
Digital cost of revenue	36.8	106.9	466.7	129.9	145.0	157.1	192.0	624.0	168.3	195.8	200.6	230.4	795.2	897.7
Digital opex	32.3	30.6	51.3	15.2	17.3	19.1	22.6	74.1	21.0	25.0	22.7	24.4	93.1	99.0
Digital OCF	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.2	9.0	9.5	20.1	45.8	67.6

Metrics	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
Legacy growth														
Legacy digital revenue growth		-21.4%	26.9%	69.5%	82.4%	59.8%	13.0%	51.0%	5.4%	3.0%	19.2%	56.3%	21.2%	17.7%
2-yr CAGR		-18.2%	-0.2%	28.5%	56.6%	42.7%	28.4%	38.4%	33.6%	37.1%	38.0%	32.9%	35.3%	19.4%
Legacy digital opex growth		-24.1%	-2.8%	17.4%	34.2%	2.4%	36.0%	21.7%	28.4%	30.5%	45.9%	64.4%	42.8%	15.9%
Legacy digital cost of revenue growth		-16.6%	27.8%	76.9%	83.4%	61.8%	16.7%	54.2%	3.9%	6.6%	19.9%	53.7%	21.6%	17.7%
Legacy digital OCF growth		822.5%	-661.1%	-948.4%	335.2%	450.7%	-32.5%	151.1%	-61.0%	-55.8%	-18.8%	47.5%	-24.1%	24.5%
Entravision Latam growth														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.0%	7.0%	12.1%	14.7%	20.5%	17.4%	15.6%	17.0%	12.4%
2-yr CAGR				68.7%	67.2%	72.4%	55.2%	21.0%	47.7%	20.7%	14.4%	13.7%	11.2%	14.6%
Entravision Latam opex ex-COR growth		31.5%	32.5%	16.8%	9.7%	48.9%	-1.0%	16.4%	-15.3%	3.6%	-30.8%	-27.4%	-18.0%	2.8%
Entravision Latam cost of revenue growth		48.0%	99.2%	30.4%	10.6%	9.3%	6.5%	12.9%	17.2%	23.8%	23.3%	18.5%	20.7%	11.4%
Entravision Latam OCF		43%	105%	-6%	-15%	-8%	22%	-2%	-2%	-16%	-31%	9%	-8%	41%
Entravision Asia growth														
Entravision Asia revenue growth y/y				79.1%	57.1%	75.2%	71.8%	70.6%	34.9%	49.6%	37.2%	25.2%	35.0%	11.2%
2-yr CAGR				133.7%	113.9%	64.0%	55.8%	77.4%	55.4%	53.3%	55.0%	46.7%	51.8%	22.5%
Entravision Asia opex ex-COR growth y/y				86.4%	-16.5%	69.9%	21.0%	28.4%	37.7%	94.1%	48.0%	-44.2%	27.7%	2.5%
Entravision Asia cost of revenue growth y/y				96%	87%	82%	87%	87%	38%	50%	39%	25%	36%	10%
Entravision Asia OCF growth y/y				-27%	-4%	17%	15%	1%	-14%	-37%	-12%	121%	35%	36%
Entravision Africa growth														
Entravision Africa revenue growth y/y									-2.8%	-32.4%	-36.2%	-11.0%	-21.1%	63.4%
Entravision Africa opex ex-COR growth y/y									132.1%	116.8%	169.6%	-3.6%	84.5%	-23.6%
Entravision Africa cost of revenue growth y/y									-3%	-33%	-40%	0%	-20%	65%
Entravision Africa OCF growth y/y									-496%	-414%	-770%	-92%	-297%	-131%
Jack of Digital growth														
Jack of Digital revenue growth y/y													234.7%	58.0%
Jack of Digital opex ex-COR growth y/y													199.4%	-37.3%
Jack of Digital cost of revenue growth y/y													248%	59%
Jack of Digital OCF growth y/y													204%	653%
Adsmurai growth														
Adsmurai revenue growth y/y													25.2%	15.2%
Adsmurai opex ex-COR growth y/y													45.7%	-2.4%
Adsmurai cost of revenue growth y/y													25%	15%
Adsmurai OCF growth y/y													-23%	99%
Digital segment growth														
Digital revenue, PF, excluding Adsmurai									16%	21%	20%	22%	20%	14%
Digital revenue, PF									20%	21%	21%	19%	20%	14%
Digital revenue									28%	32%	23%	19%	25%	14%
Digital cost of revenue									30%	35%	28%	20%	27%	13%
Digital opex ex-cost of revenue									38%	45%	19%	8%	26%	6%
Digital OCF									-16%	-26%	-25%	29%	-6%	48%
Digital Segment reported revenue mix:														
Digital as % of company revenue	25%	42%	73%	78%	79%	78%	78%	78%	82%	84%	85%	85%	84%	84%
Entravision Latam Interactive as % of digital segment		62%	82%	73%	72%	68%	62%	68%	66%	65%	65%	60%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	11%	14%	12%	12%	14%	15%	13%	14%
Entravision Asia as % of digital segment revenue		0%	6%	11%	11%	11%	14%	12%	12%	12%	12%	15%	13%	13%
Entravision Africa as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%
Jack of Digital as % of digital segment revenue		0%	0%	0%	0%	0%	1%	0%	0%	1%	1%	1%	1%	1%
Adsmurai as % of digital segment revenue		0%	0%	7%	9%	6%	10%	8%	9%	8%	7%	8%	8%	8%
Digital Segment reported OCF mix:														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	68%	58%	51%	60%	58%	80%	65%	47%	50%	57%	55%
Legacy digital as % of digital segment OCF		-18%	15%	24%	37%	39%	17%	29%	11%	22%	43%	20%	24%	20%
Entravision Asia as % of digital segment OCF		0%	8%	10%	10%	9%	13%	11%	11%	8%	11%	23%	16%	15%
Entravision Africa as % of digital segment OCF		0%	1%	1%	1%	1%	3%	1%	-5%	-5%	-7%	0%	-3%	1%
Jack of Digital as % of digital segment OCF		0%	0%	0%	0%	0%	1%	0%	-1%	0%	0%	2%	0%	2%
Adsmurai as % of digital segment OCF		0%	0%	0%	0%	0%	21%	7%	5%	10%	7%	5%	6%	8%

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

Figure 7: Broadcast revenue drivers—Television segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
TELEVISION SEGMENT													
Television PF Rev Growth	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-1.8%	-8.7%	-17.9%	-28.0%	-15.6%	-13.2%
Reported TV revenue	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.3	\$29.9	\$29.3	\$33.3	\$122.8	\$138.6
Growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.9%	-27.4%	-15.2%	12.8%
TV non-recurring items:													
TV Political/Census	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	22.6
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%
Incremental political	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	22.6
TV revenue ex political	131.9	146.1	29.6	29.6	29.3	31.1	119.5	30.3	29.9	29.3	33.0	122.5	116.0
Growth ex Political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.0%	6.3%	2.5%	-5.3%
Retransmission Consent	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	9.1	8.7	36.7	37.4
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%
Incremental Retrans	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	9.1	8.7	36.7	37.4
TV revenue ex Retrans	117.7	109.9	21.7	23.3	26.8	36.9	108.7	20.7	20.6	20.2	24.6	86.1	101.1
Growth ex Retrans	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.0%	-1.1%	-4.5%	-11.5%	-24.5%	-33.5%	-20.8%	17.5%
TV World Cup/Other Soccer	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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%
Incremental World Cup	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	154.5	144.8	30.9	32.4	35.7	45.8	144.7	30.3	29.9	29.3	33.3	122.8	138.6
Growth ex WC	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-1.8%	-7.5%	-17.9%	-27.4%	-15.2%	12.8%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.3)	(27.1)	(6.4)	(6.0)	(6.9)	(7.9)	(27.2)	(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%
Incremental M&A	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.3)	(27.1)	(6.4)	(6.0)	(6.9)	(7.9)	(27.2)	(24.6)
TV revenue ex M&A	163.9	156.6	37.4	38.5	42.8	53.1	171.8	36.7	35.9	36.2	41.2	150.0	163.2
Growth ex M&A	2.3%	-4.4%	-2.0%	7.9%	9.2%	21.8%	9.7%	-1.8%	-6.7%	-15.6%	-22.5%	-12.7%	8.8%
Spectrum usage/auktion	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.6	8.6
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%
Incremental Spectrum Usage	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.6	8.6
TV revenue ex Spectrum Usage	149.0	140.7	29.3	30.7	34.1	44.0	138.1	28.2	27.8	27.1	31.1	114.2	130.0
Growth ex Spectrum Usage	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	12.5%	-1.8%	-4.0%	-9.5%	-20.4%	-29.3%	-17.3%	13.8%
PF TV revenue ex-all non-recurring	99.2	110.7	25.4	25.0	25.9	27.7	104.0	25.0	24.4	24.9	30.1	104.4	94.6
PF TV revenue growth ex all non-recurring	-11.2%	11.7%	-1.3%	1.0%	-4.4%	-16.5%	-6.1%	-1.6%	-2.2%	-3.9%	8.7%	0.5%	-9.4%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.4%	0.7%	22.8%	1.9%	-7.8%	2.4%	-1.4%	-0.6%	-4.2%	-4.7%	-2.9%	-4.6%
PF TV advertising growth ex-political	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-31.6%	-25.3%	-1.6%	-2.2%	-3.9%	8.7%	0.5%	-9.4%
TV ad rev grth ex political 2-yr CAGR	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-16.6%	-7.4%	-11.4%	-11.6%	-16.5%	-13.8%	-13.4%	-4.6%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.0%	6.3%	2.5%	-5.3%
TV rev grth ex political 2-yr CAGR	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-11.2%	-4.8%	-8.4%	-6.3%	-9.9%	-9.0%	-8.4%	-1.5%
PF TV advertising growth	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	16.4%	-1.6%	-7.9%	-14.6%	-28.3%	-36.2%	-24.1%	19.4%

Source: Industry Capital Research estimates and company data.

Figure 8: Broadcast revenue drivers—Radio segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
RADIO SEGMENT													
Radio PF Rev Growth	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-1.5%	-5.1%	-20.0%	-15.6%	-11.7%	8.0%
Pro forma radio:													
Revenue	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$20.4	\$64.4	\$12.2	\$13.5	\$13.2	\$15.5	\$54.5	\$59.5
Growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-20.0%	-23.8%	-15.4%	9.3%
Radio non-recurring items:													
Political/Census	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
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%
Incremental political	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.1	15.5	54.4	53.4
Growth ex Political	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-12.2%	-3.3%	-5.6%	-1.8%
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
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%
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
Radio revenue ex NTR	39.5	39.5	12.6	14.9	16.5	20.4	39.5	12.2	13.5	13.2	15.5	39.5	39.5
Growth ex NTR	3.0%	0.0%	11.4%	5.8%	0.1%	26.3%	0.0%	-3.0%	-9.4%	-20.0%	-23.8%	0.0%	0.0%
World Cup/Other Soccer													
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%
Incremental World Cup	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	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.2	15.5	54.5	59.5
Growth ex WC	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-20.0%	-23.8%	-15.4%	9.3%
Revenue	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.1	15.5	54.4	53.4
Radio revenue growth ex all non-recurring	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-12.2%	-3.3%	-5.6%	-1.8%
Radio rev grth ex all non-rec 2-yr CAGR	-19.2%	2.0%	7.1%	52.3%	20.5%	10.0%	19.4%	3.9%	-2.0%	-9.0%	-1.4%	-2.5%	-3.7%

Source: Industry Capital Research estimates and company data.

Figure 9: Broadcast opex drivers

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
OPERATING EXPENSE													
Television PF Opex Growth	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	4.5%	-0.8%	-4.8%	-11.6%	-3.4%	3.5%
Radio PF Opex Growth	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	17.1%	15.0%	-3.0%	-10.0%	4.3%	7.8%
Pro forma consolidated:													
Opex ex-cost of revenue	\$153.3	\$172.9	\$43.9	\$47.4	\$49.3	\$57.2	\$197.8	\$52.1	\$56.6	\$51.6	\$52.9	\$213.3	\$225.3
Growth	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	18.7%	19.5%	4.7%	-7.5%	7.8%	5.6%
Non-recurring opex items:													
M&A (acquisitions since 2020)	5.7	27.5	7.9	9.3	10.2	10.5	37.9	8.4	11.8	9.7	7.3	37.2	37.3
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%
Incremental Cisneros	5.7	27.5	7.9	9.3	10.2	10.5	37.9	8.4	11.8	9.7	7.3	37.2	37.3
Opex ex Cisneros adjustment	147.6	145.5	35.9	38.1	39.1	46.7	159.9	43.7	44.8	41.9	45.6	176.1	188.0
Growth ex Cisneros	-14.9%	-1.5%	0.8%	8.9%	7.2%	22.0%	9.9%	21.6%	17.6%	7.3%	-2.4%	10.1%	6.7%
Fixed & variable cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.5)	(7.5)	(12.3)	(10.3)	(36.6)	(38.6)
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%
Incremental cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.5)	(7.5)	(12.3)	(10.3)	(36.6)	(38.6)
Opex ex cost reductions adjustment	180.5	205.7	49.7	54.4	62.0	68.8	235.0	6.5	7.5	12.3	10.3	36.6	38.6
Growth ex cost reductions	4.1%	14.0%	9.4%	15.0%	14.1%	17.4%	14.2%	-87.0%	-86.2%	-80.2%	-85.0%	-84.4%	5.7%
Salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.8	0.8	2.5	2.7
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%
Incremental salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.8	0.8	2.5	2.7
Opex ex salary true-up	151.3	170.9	43.9	46.6	48.6	56.5	195.5	0.0	(0.9)	(0.8)	(0.8)	(2.5)	(2.7)
Growth ex salary true-up	-12.7%	13.0%	8.5%	14.3%	14.7%	19.1%	14.4%	-100.0%	-102.0%	-101.7%	-101.4%	-101.3%	4.9%
Opex ex-non-recurring	172.8	176.3	41.8	44.4	51.1	57.5	194.8	50.2	51.4	53.4	55.1	210.1	223.9
Opex growth ex all non-recurring	-0.3%	2.0%	2.7%	10.4%	8.3%	19.3%	10.5%	20.1%	15.9%	4.5%	-4.2%	7.9%	6.6%
Opex grth ex all non-rec 2-yr CAGR	-1.1%	0.8%	1.8%	6.3%	6.5%	9.2%	6.2%	11.1%	13.1%	6.3%	6.9%	9.2%	7.2%
Revenue-driven variable expense	31.7	32.3	6.5	7.3	8.3	11.1	33.3	6.2	6.4	6.2	7.6	26.4	30.4
Non-sales opex ex-non-recurring	141.1	143.9	35.2	37.0	42.8	46.4	161.5	44.0	45.0	47.2	47.5	183.7	193.5
Non-sales opex growth ex all non-recurring	-0.7%	2.0%	4.6%	13.6%	10.6%	19.1%	12.2%	25.0%	21.5%	10.2%	2.4%	13.8%	5.3%
Non-sales opex grth ex all non-rec 2-yr CAGR	-0.1%	0.6%	4.5%	3.4%	7.1%	12.1%	7.0%	14.3%	17.5%	10.4%	10.5%	13.0%	9.5%

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. Source: Industry Capital Research estimates and company data.

Figure 10: Financial statement forecasts supporting our valuation

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
AS REPORTED													
Net revenue:													
Television	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.3	29.9	29.3	33.3	122.8	138.6
Radio	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.2	15.5	54.5	59.5
Net broadcast revenue	200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.5	43.5	42.5	48.8	177.2	198.1
Digital	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.5	229.9	232.9	274.9	934.1	1,064.3
Total net revenue (core)	344.0	760.2	197.2	221.7	241.0	296.3	956.2	239.0	273.4	275.3	323.6	1,111.3	1,262.4
Revenue from spectrum usage rights	0.0	0.0					0.0					0.0	0.0
Total net revenue	344.0	760.2	197.2	221.7	241.0	296.3	956.2	239.0	273.4	275.3	323.6	1,111.3	1,262.4
Cost of Revenue													
Television													
Radio													
Digital	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	195.8	200.6	230.4	795.2	897.7
Digital cost of revenue as % of revenue	74.6%	84.0%	84.5%	83.1%	83.2%	83.4%	83.5%	85.7%	85.2%	86.2%	83.8%	85.1%	84.3%
Total cost of revenue (core)	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	195.8	200.6	230.4	795.2	897.7
Cost of revenue from spectrum usage rights (television)													
Total cost of revenue	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	195.8	200.6	230.4	795.2	897.7
Opex													
Television opex	80.9	81.4	19.2	19.7	20.0	23.0	82.0	20.1	19.9	19.0	18.5	77.5	80.2
Radio opex	41.8	40.0	9.4	10.4	10.2	11.7	41.7	11.0	11.7	9.9	10.1	42.7	46.1
Digital opex	30.6	51.5	15.2	17.3	19.1	22.6	74.1	21.0	25.0	22.7	24.4	93.1	99.0
Total opex (core)	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	56.6	51.6	52.9	213.3	225.3
Spectrum usage rights													
Total Opex	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	56.6	51.6	52.9	213.3	225.3
OCF													
Television OCF	73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.2	\$10.1	\$10.2	\$14.8	45.3	58.4
TV OCF Margin	47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	33.7%	33.6%	35.0%	44.5%	36.9%	42.1%
Incremental Margin	173.4%	106.6%					126.6%					79.6%	82.8%
Radio OCF	4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.2	1.8	3.3	5.4	11.7	13.4
Radio OCF margin	9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	10.0%	13.5%	24.8%	34.9%	21.5%	22.6%
Incremental Margin	-70.4%	114.9%					74.0%	520.2%	195.3%	90.7%	67.2%	110.5%	33.7%
Digital OCF	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.2	9.0	9.5	20.1	45.8	67.6
Digital OCF margin	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.6%	3.7%	3.9%	4.1%	7.3%	4.9%	6.4%
Incremental Margin	7.9%	7.7%					6.1%	-3.3%	-5.6%	-7.1%	10.0%	-1.7%	16.7%
Total OCF (core)	83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	20.9	23.0	40.3	102.9	139.4
Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	7.8%	7.7%	8.4%	12.5%	9.3%	11.0%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.5%	-16.3%	-33.7%	-24.9%		
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
Total OCF	83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	20.9	23.0	40.3	102.9	139.4
Total OCF Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	7.8%	7.7%	8.4%	12.5%	9.3%	11.0%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.5%	-16.3%	-33.7%	-24.9%		
Corporate Expense	27.8	33.0	8.7	8.5	9.5	22.6	49.4	10.5	12.0	11.5	12.0	46.0	46.9
GAAP EBITDA	56.0	87.8	14.7	20.8	25.1	24.5	85.1	8.1	8.9	11.6	28.3	56.9	92.5
Corporate non-cash comp	3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.2	3.2	3.4	3.5	12.4	12.7
Opex adjustments to cash:													
Amortization of syndication contracts	(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	(0.5)	(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	1.2	3.2	1.0	0.9	1.0	2.8	5.7	1.9	2.7	2.8	(1.6)	5.8	5.9
Non-recurring cash severance	1.7	0.4				4.3	4.3	0.1	0.5			0.6	
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.2	0.4			0.6	0.0
EBITDA attributable to noncontrolling interest						3.4	3.4					0.0	0.0
Total opex (positive) adjustments to cash	0.5	5.5	(1.0)	(0.9)	(1.0)	(3.7)	(6.6)	(1.8)	(2.8)	(2.9)	1.7	(5.8)	(5.9)
Foreign currency (gain) loss	(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	(1.0)	0.7	0.0	0.0	(0.3)	0.0
Total Adjusted EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	14.2	17.9	30.2	75.3	111.1
Other opex for spectrum (in corporate)													
Adjusted EBITDA (core)	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	14.2	17.9	30.2	75.3	111.1
Memo: adj. EBITDA (core) reported	60.4	88.0	18.1	22.5	25.0	36.5	103.1						
Model variance: adj. EBITDA	(0.0)	0.1	0.0	0.0	(0.0)	0.0							
Adj. EBITDA core margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	6.5%	9.3%	6.8%	8.8%
Incremental Margin	27.3%	6.7%	8.1%	10.8%	6.2%	5.9%	7.6%	-12.2%	-16.0%	-23.4%	-23.2%	-17.9%	23.7%

Source: Industry Capital Research estimates and company data

Figure 11: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
Memo: cash opex (core)	\$153.8	\$178.4	\$42.9	\$46.4	\$48.3	\$53.6	\$191.2	50.3	53.8	48.7	54.6	\$207.5	219.3
Memo: cash corporate expense	23.9	26.6	7.1	6.8	7.7	13.4	35.1	8.3	8.8	8.0	8.4	33.6	34.2
Memo: total non-cash comp	5.1	9.6	2.6	2.6	2.8	12.0	20.0	4.1	6.0	6.3	1.9	18.2	18.6
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	2.7	2.1	2.9	(1.7)	6.0	5.9
Memo: PF EBITDA attributable to redeemable noncontrolling interest													
D&A	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.5	6.5	6.8	6.7	26.5	37.9
D&A % of Revenue	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.4%	2.5%	2.1%	2.4%	3.0%
Change in fair value contingent consideration	0.000	8.224	5.1	1.0	0.7	7.4	14.2	(4.1)	1.1	0.0	0.0	(2.9)	0.0
Impairments	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	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	1.4	0.4	0.0	0.0	(0.1)	1.4	1.3	(1.8)
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
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
Operating Income (EBIT Inc. Impairments)	6.6	60.6	4.2	13.4	15.9	6.7	40.2	6.7	0.5	4.8	20.2	32.2	56.4
Operating Margin %	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	2.8%	0.2%	1.7%	6.2%	2.9%	4.5%
Interest expense	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(3.2)	(4.3)	(2.2)	(2.3)	(12.0)	(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
Interest income	1.7	0.2	0.0	0.7	0.0	0.0	0.7	0.0	1.0	0.0	(1.0)	0.0	0.0
Net interest expense	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.7)	(8.0)	(3.2)	(3.3)	(2.2)	(3.3)	(12.0)	(9.3)
Loss on debt extinguishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	0.0
Other income, net	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	0.1	54.0	2.7	11.8	13.1	4.0	31.7	1.9	(2.7)	2.6	16.9	18.6	47.0
Pretax margin	0.0%	7.1%	1.4%	5.3%	5.4%	1.3%	3.3%	0.8%	NM	0.9%	5.2%	1.7%	3.7%
Income (taxes) benefit	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.2)	0.7	(4.1)	(3.0)	(6.5)	(16.5)
Effective tax rate	1276.3%	34.6%	31.1%	28.5%	31.1%	81.8%	36.5%	12.0%	27.0%	158.8%	17.5%	35.0%	35.0%
Cash tax rate	6552.5%	7.6%	44.2%	52.6%	30.6%	137.3%	53.4%	3.7%	-128.1%	37.0%	37.0%	57.8%	7.0%
Net Income (Before Equity Investments)	(1.4)	35.4	1.9	8.5	9.0	0.7	20.1	1.7	(2.0)	(1.5)	13.9	12.1	30.6
Equity in net of noncon. affils.	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.3	0.0	(0.1)	(2.3)	(2.1)	(2.1)
Reported Net Income	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	(1.6)	11.6	10.1	28.5
Net margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	6.5%	9.3%	6.8%	8.8%
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
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
Net inc. to common pre-1-time	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	(1.6)	11.6	10.1	28.5
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.32
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
Net income to common	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	(1.6)	11.6	10.1	28.5
EPS - basic	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.32
EPS - diluted	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.31
EPS reported by company	(\$0.05)	\$0.11	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.02	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.31
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.13	\$0.11	\$0.32
Pro forma adjustments	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	35.9	39.1	7.0	9.4	10.1	17.1	43.6	2.0	(2.0)	(1.6)	11.6	10.1	28.5
Pro forma EPS - basic	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.32
Pro forma EPS	\$0.43	\$0.44	\$0.08	\$0.11	\$0.12	\$0.19	\$0.50	\$0.02	(\$0.02)	(\$0.02)	\$0.13	\$0.11	\$0.31
EPS shares - Basic	84.2	85.3	86.5	85.0	84.9	85.2	85.4	87.6	87.8	88.1	88.3	88.0	90.2
EPS shares - Diluted	84.2	87.9	88.6	87.0	87.4	88.0	87.8	89.8	87.8	89.9	88.3	89.4	91.1
Free Cash Flow:													
EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	14.213	17.9	30.2	75.3	111.1
Cash net interest	-5.9	-6.2	-1.2	-1.2	-1.9	-2.5	-6.7	-3.0	-3.223	-2.2	-3.3	-11.9	-9.3
Other adjustments to cash	5.3	6.8	0.1	0.8	0.1	-5.7	-4.7	0.7	2.2	0.0	0.0	2.9	-3.3
- Cash taxes	-7.7	-4.1	-1.2	-6.2	-4.0	-5.5	-16.9	-0.1	-3.5	-1.0	-6.2	-10.8	-3.3
Cash taxes / EBITDA	13%	5%	7%	28%	15%	15%	16%	1%	25%	5%	21%	14%	3%
Minus: capex	-9.5	-5.6	-1.5	-1.7	-4.7	-3.6	-11.5	-6.8	-8.1	-4.7	3.5	-16.0	-12.0
Capex / D&A	55%	25%	24%	27%	71%	55%	45%	104%	125%	69%	-52%	61%	32%
Capex / EBITDA	16%	6%	9%	7%	18%	10%	11%	52%	57%	26%	-12%	21%	11%
Plus: cost of revenue for spectrum usage rights													
= Free Cash Flow	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.9	1.6	10.0	24.1	39.6	86.4
Free cash flow (reported by company)	43.0	79.0	14.3	14.3	15.4	19.3	63.3	3.9	1.6	10.0	24.1	39.6	86.4
Free Cash Flow (core)	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.9	1.6	10.0	24.1	39.6	86.4
FCF per share (core)	\$0.51	\$0.90	\$0.16	\$0.16	\$0.18	\$0.22	\$0.72	\$0.04	\$0.02	\$0.11	\$0.27	\$0.44	\$0.95
Memo: FCF/Adjusted EBITDA (core)	70.5%	89.7%	79.1%	63.4%	59.4%	52.8%	61.4%	30.0%	11.0%	55.9%	79.9%	52.5%	77.8%
Dividends per basic share	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(18.0)
Dividends as % of FCF	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	112.1%	281.7%	44.0%	18.3%	44.4%	20.9%

Source: Industry Capital Research estimates and company data

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

ANNUAL PERCENTAGE CHANGE	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E
Net revenue growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	23.3%	14.2%	9.2%	16.2%	13.6%
Net revenue (core) growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	23.3%	14.2%	9.2%	16.2%	13.6%
TV revenue growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.9%	-27.4%	-15.2%	12.8%
Radio revenue growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-20.0%	-23.8%	-15.4%	9.3%
Digital revenue growth	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	27.8%	31.8%	23.3%	19.4%	25.0%	13.9%
Cost of revenue	NM	NM	53.3%	33.0%	26.4%	29.4%	33.7%	29.6%	35.1%	27.7%	20.0%	27.4%	12.9%
Direct expense	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-4.8%	-19.7%	-5.5%	3.5%
SG&A	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.5%	17.1%	12.9%	-3.0%	24.6%	22.7%	11.4%
Opex	23.8%	NM	38.8%	27.8%	23.4%	26.8%	28.5%	26.8%	31.3%	22.2%	13.7%	22.7%	11.4%
Opex (core)	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	18.7%	19.5%	4.7%	-7.5%	7.8%	5.6%
TV opex	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-4.8%	-19.7%	-5.5%	3.5%
Radio opex	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	17.1%	12.9%	-3.0%	-13.6%	2.5%	7.8%
Digital opex	-5.0%	68.1%	40.4%	43.5%	46.0%	45.1%	44.0%	37.7%	45.1%	18.9%	8.0%	25.5%	6.4%
Total OCF (core)	32.1%	44.1%	-1.2%	5.1%	9.2%	25.9%	11.4%	-20.5%	-28.8%	-33.4%	-14.5%	-23.5%	35.5%
TV OCF	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-12.2%	-20.3%	-34.7%	-35.2%	-27.8%	28.8%
Radio OCF	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-62.0%	-60.0%	-47.8%	-37.5%	-48.3%	14.5%
Digital OCF	NM	NM	46.1%	32.5%	45.2%	15.1%	31.3%	-16.3%	-25.8%	-24.7%	28.7%	-6.5%	47.6%
Corporate expense	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)	46.6%	45.9%	27.6%	26.4%	11.2%	11.2%	16.9%	-28.1%	-36.8%	-31.0%	-17.3%	-26.9%	47.5%
D & A	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	1.2%	3.9%	3.8%	3.8%	3.2%	42.9%
Operating income	88.3%	47.7%	15.2%	17.3%	1.7%	-11.3%	2.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	NM	NM	-72.0%	-18.2%	-31.3%	-62.6%	-41.4%	-29.5%	NM	-80.4%	NM	-41.2%	NM
Net income pre-extra.	NM	NM	-65.2%	7.6%	-23.7%	NM	-38.5%	8.2%	NM	NM	NM	-44.3%	NM
EPS, Continuing Operations	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	0.0%	NM	NM	NM	-47.6%	NM
EPS - diluted	NM	NM	-65.9%	8.6%	-22.9%	NM	-38.4%	6.8%	NM	NM	NM	-45.4%	NM
FCF/share	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-87.5%	-38.9%	22.7%	-38.9%	NM
EPS shares - Diluted	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.2%	1.3%	0.9%	2.8%	0.4%	1.9%	1.8%

Source: Industry Capital Research estimates and company data

Figure 13: DCF analysis supports \$5.50 12-month price target within \$5-\$5.50 per share range

Entravision DCF analysis			
<i>\$ in millions except per share amounts</i>			
	Current	YE 2023	YE 2024
Firm Value	525	533	511
(-) Total Net Debt	107	85	16
(+) NOLs/Tax Assets	8	8	8
(-) Options (Claims on Entravision)	(0.5)	(0.5)	(0.5)
Common Equity Value	425.5	456.2	502.6
Shares Outstanding	89.8	89.8	89.8
Current Share Price	\$4.49	\$4.49	\$4.49
Value Per Share	\$4.74	\$5.08	\$5.60
12-month	\$5.50		
12-month (SoTP)	\$5.00		

ASSUMPTIONS		CAGRs				
		2018-22	2020-24	2022-26	2024-28	2027-28
Risk Free Rate	4.05%					
Equity Premium	4.59%					
Assumed LT Growth Rate (g)	0%					
MV of Equity Calculation		CAGRs				
Share Price	\$4.49					
Outstanding Shares	89.8	2019-23	2021-25	2023-27		
MV of Equity	403.1	16%	5%	9%		
Estimate MV of Debt Calculation		CAGRs				
Interest Expense	6.9	FCF to Firm	NM	10%	15%	
Current Cost of Debt	6.0%					
Wgt'd Avg Maturity of Debt						
BV of Debt	106.8					
Estimate MV of Debt	106.8					

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
Discounted Cash Flow												
EBITDA	54.0	41.2	60.4	88.2	103.0	75.3	111.1	107.8	132.0	107.3	122.5	
EBIT	37.8	24.6	43.1	65.7	77.4	48.8	73.2	67.2	87.7	62.3	75.3	68.8
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(23.2)	(14.6)	(22.0)	(20.1)	(26.3)	(18.7)	(22.6)	(24.1)
Plus D&A	16.3	16.6	17.3	22.4	25.7	26.5	37.9	40.6	44.3	45.0	47.2	47.2
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(11.5)	(16.0)	(12.0)	(12.6)	(13.3)	(13.9)	(14.6)	(47.2)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(0.3)	(4.3)	(5.1)	(5.1)	(6.2)	(5.0)	(6.4)	(5.7)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	68.1	40.4	72.0	69.9	86.2	69.7	78.9	39.1
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt		107										
Leverage Mult.		1.8x										
D/Equity		26%										
D/EV		21%										
E/EV		79%										
Unlevered Beta		1.24										
Levered Beta		1.53										
D/Equity (long-term target)		33%										
Cost of Debt (AT)		4.2%										
Cost of Equity		11.1%										
WACC		9.4%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
PV of CF					68.1	36.9	60.2	53.4	60.3	44.6	46.1	
						36.9	60.2	53.4	60.3	44.6	46.1	
							65.8	58.4	65.9	48.7	50.4	
								63.9	72.1	53.3	55.2	
Sum of PV	301.5	289.3	244.4									417.5
PV of Terminal Value	223.2	244.1	267.0									3x EBITDA
NPV of all CF	524.7	533.4	511.4									

Source: Industry Capital Research estimates and company data

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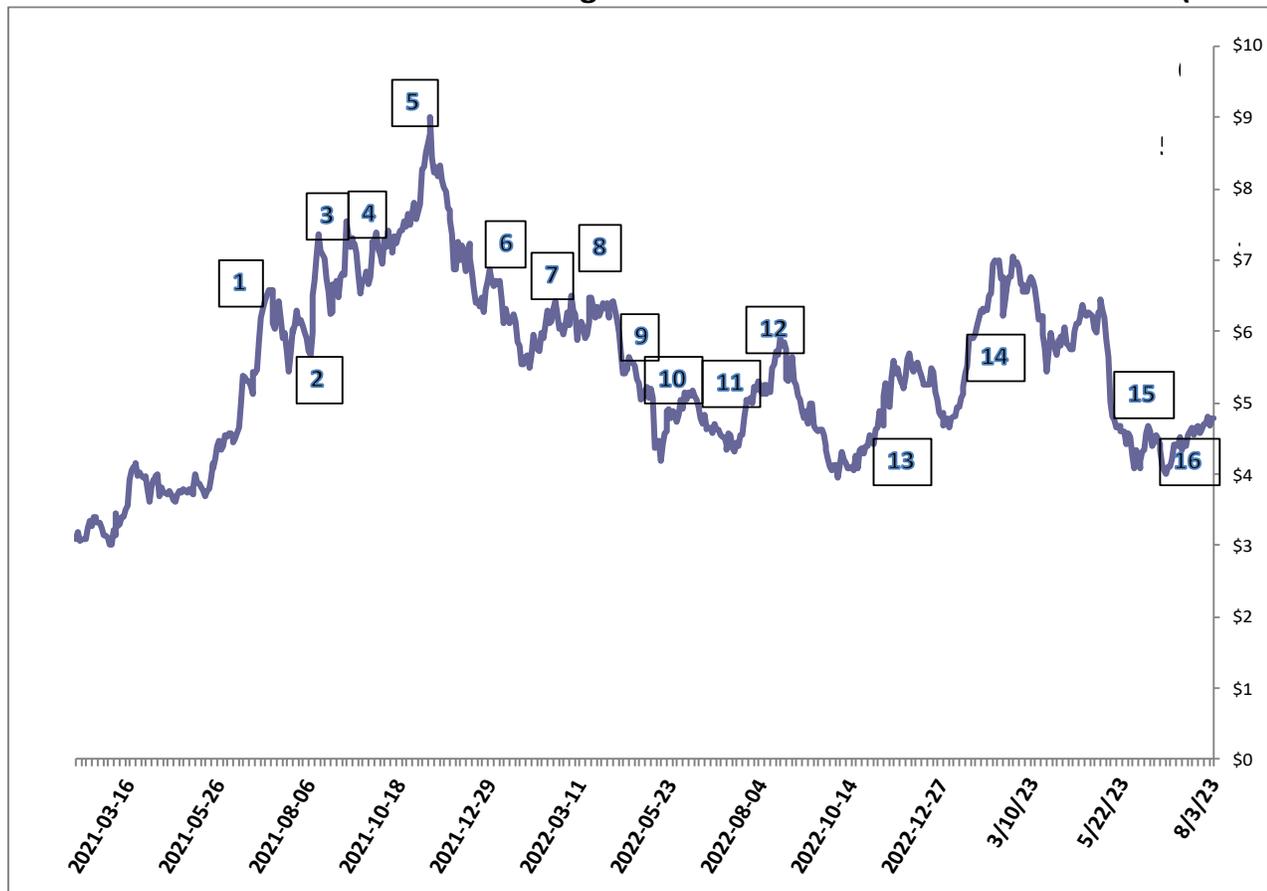
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters,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

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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
15	5/5/23	Reaffirmed Buy @ \$5.87, Target Price \$7.00
16	8/4/23	Reaffirmed Buy @ \$4.49, Target Price \$5.50

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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