

Entravision Communications Corporation (EVC)

Gathering Clouds: Tariffs, Immigration, and EVC's Uneasy Outlook; Hold

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Pre-1Q results expected on or about 5/1, our price target remains \$2.00. Our rating stays Hold.

We fine-tune 2025 quarterly estimates, with a nod to impact from uncertainties around tariff and immigration policies; our 2025 adjusted EBITDA estimate goes to \$28m from \$29m. See Fig. 2 and 3. At the Media segment, we expect choppy core ad growth for 1Q-3Q, and then a surge in 4Q on the return of spending displaced by political ads last year. See Fig. 5. At the AT&S segment, we expect a slowdown from the torrid pace in 4Q24, as it faces what we see as a more difficult comp. See Fig. 6 and 10. Our principal forecast changes are: 1) raising our 1Q estimates, which assume revenue is flat at Media segment and up 18% at AT&S segment, with OCF margins of 17.5% vs. 12.9% last year at Media and 8.3% vs. 10.7% last year at AT&S, 2) reducing our 2025 EBITDA estimate on slightly higher opex, and 3) our usual WACC estimate updates for beta and macro inputs for our DCF analysis. Estimated pro forma net debt is \$86.4m; total and net leverage were 2.8x and 1.8x at the end of 4Q, vs. 3.0x and 2.0x, respectively, at the end of 3Q.

The double whammy of higher tariffs and the U.S. immigration crackdown is likely to leave EVC's stock under a cloud. Since our last report in March, clouds we saw on the horizon have darkened, boosting the odds of a recession (to 45%, in the WSJ April economists' survey), and targeted turmoil in the U.S. Hispanic community from the immigration crackdown has become more apparent, and is likely to continue to be nettlesome for EVC even if tariff policies reverse. The WSJ survey now forecasts U.S. GDP growth of 0.4% in 1Q, under 1% for 2Q and 3Q, and roughly 1% for 4Q—all would be a sharp deceleration from the 2.5% posted in 4Q24. With 4Q24 results, EVC management reiterated its focus on core U.S. broadcast, political ad monetization, and scaled growth in Smadex and Adwake within the AT&S segment—against a tough political comp and U.S. macro uncertainty, AT&S is going to have to carry the burden of growth this year. As of 4/3, the U.S. imposed a 25% tariff on imported cars and light trucks, and a 25% tariff on certain imported auto parts is scheduled for 5/3. Lexus, Toyota, Honda and Subaru are likely to be among the first to face higher costs. Many lower-priced vehicles are imported. Constellation Brands beer sales to retailers fell 1% in 1Q, a sign of Hispanic spending weakness. Interest rate and equity risk premium increases weigh on our valuation, although its range is unchanged. See Fig. 4 and 11. Consumer discretionary stocks like EVC's are more directly affected by tariffs and have been weaker than average since 4/2.

4Q recap—a slight beat of our EBITDA expectations. Adj. EBITDA of \$19.4m (18.2% margin) beat our \$18.5m (18.7% margin) expectation, which had come down in the wake of EVC's 3Q results and outlook. Reported revenue growth was +30% for Media and +49% for AT&S, vs. prior pacing of +28% and +30%, respectively. Reported Media/AT&S OCF margins at 32.2%/7.1% were below our 34.1%/10.9% expectations. EPS was a loss of \$0.62, vs. our \$0.25 profit expectations, reflecting a \$61.2m impairment charge (EPS was \$0.05 ex-impairment).

Our 12-month price target is \$2.00; risks on page 2. Our PT is supported by a spectrum value estimate and a DCF valuation based on explicit financial forecasts through 2030. See Fig. 11.

HOLD

Price at 4/24/25 (USD)	1.86		
Price Target	2.00		
52-week range	1.58-2.73		
Performance (%)	1m	3m	12m
Absolute	-12	-19	-11
S&P 500	-5	-10	8

Market Cap (USDm)	168.8
Shares outstanding (m)	91.0
Float (%)	90
Average volume	323,359
S&P 500	5,484.8

Forecasts and ratios

Year ended 12/31	2023A	2024A	2025E
1Q EPS (USD)	0.02	-0.49	-0.03
2Q EPS (USD)	-0.02	-0.35	-0.02
3Q EPS (USD)	0.03	-0.13	-0.01
4Q EPS (USD)	-0.21	-0.66	-0.03
FY EPS (USD)	-0.18	-1.66	-0.09
% Change	-185%	NM	NM
P/E (x)	NM	NM	NM
EV/EBITDA (x)	5.6	3.8	5.8
Revenue (USDm)	297.0	364.9	357.3
% Change	-9%	23%	-2%

ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE LOCATED IN THE APPENDIX.

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Investment Thesis and Valuation: Hold With \$2.00 Price Target

We rate Hold the shares of EVC. Despite 1) a reduced operating risk profile for EVC's overall business because of the stability of TV retransmission revenue (68% of 2024 EBITDA), secular growth of political advertising revenue, modest pro forma net debt leverage of ~2x EBITDA, and potential monetization from future spectrum auctions (as in 2017), EVC shares nevertheless face 2) audience declines at its U.S. broadcast business, and 3) dependence on and potentially increasing competition with its primary network programming supplier TelevisaUnivision. Our valuation supports stock price performance over the next 12 months consistent with a Hold rating.

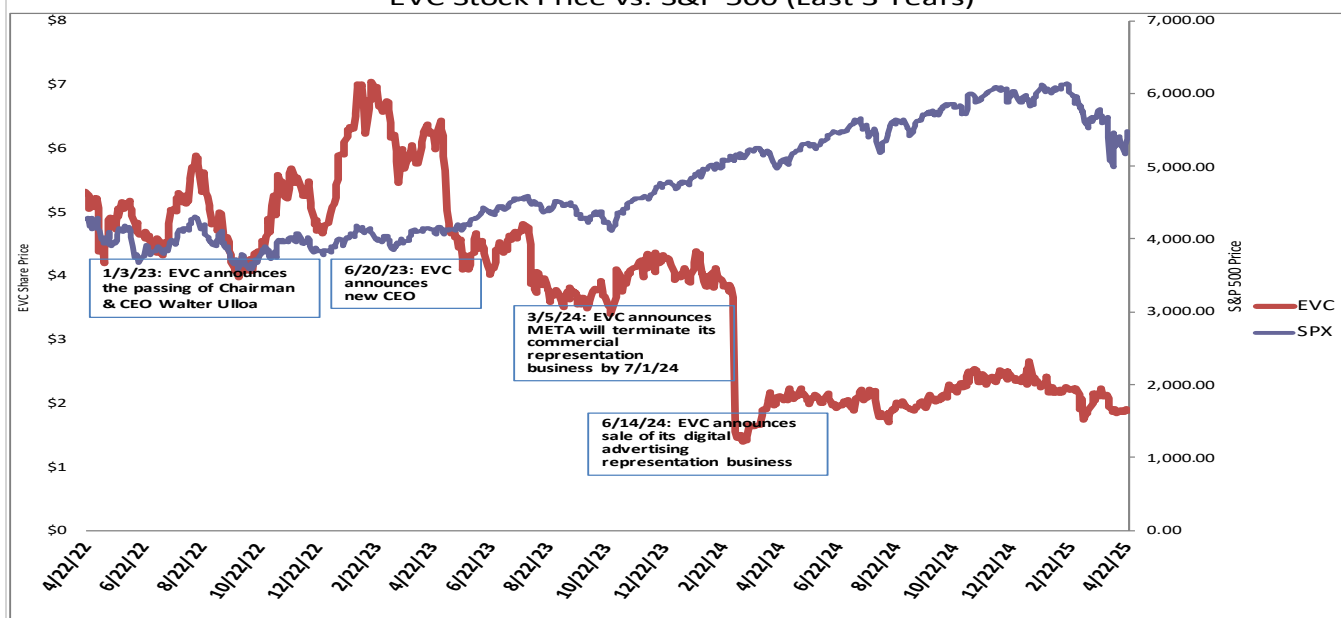
Our 12-month price target is a weighted average of projected equity valuations using a discounted cash flow (DCF) analysis at year-end 2025 and 2026, plus an estimated value for spectrum assets the sale of which would be immaterial to continuing EVC's broadcast operations. Our PT assumes a base case forecast with 2025/26 adjusted EBITDA pro forma for asset sales of \$28m/\$44m, and \$85m for spectrum asset value, resulting in a target valuation of \$2.00. 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, plus the estimated spectrum value, 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 similar to D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

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

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)		12-month price target: \$2.00	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$1.86	Company description	Entravision operates 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, and a digital media business serving the U.S. and a number of international markets. 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."
Diluted shares outstanding	91.0		
Equity market capitalization	169		
+Pro forma net debt	86		
-Hidden value	85		
=Pro forma EV	\$170		
OPERATING PROJECTIONS		Strategy	Manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets, while pursuing incremental growth from digital media operations
Pro forma net revenue			
2025	\$357		
2024	365		
% Chg	-2.1%		
Pro forma EBITDA			
2025	\$29	Est. acquisition capacity Management	\$80
2024	45		
% Chg	-34.5%		
Pro forma EBITDA margin			
2025	8.2%		
2024	12.3%		
Free cash flow per share		Positives	After the untimely death of former Chairman and CEO Walter Ulloa in December 2022, Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). * Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Modest debt leverage and high free cash flow generation from broadcast business * Most of EVC's TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending * Long-term potential for monetizing spectrum assets (as occurred, e.g., in 2017 FCC auction)
2025	\$0.19		
2024	\$0.38		
% Chg	-50.0%		
Est. 3-5 yr FCF Growth rate	0%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2025	5.8x		
2024	3.8x		
Price / Free cash flow per share			
2025	9.8x		
2024	4.9x	Valuation Recent events	June 2024 - sale of digital media representation business. March 2024 - META informed the company that it would wind down the company's representation of META business by July 1. June 2023 - appointment of new CEO effective July 1. December 2022 - death of co-founder, CEO & Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million.
Pro forma net debt / EBITDA			
2025	2.9x		
2024	1.9x		
Dividend yield			
2025	10.8%		
2024	10.8%	Upcoming potential catalysts	Exposure of advertising business to changes in macroeconomic growth, both in U.S. and internationally - Changes in capital return/allocation

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



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

More on Our Updated Outlook

Figure 2: We fine-tune 2025 quarterly estimates, with a nod to impact from uncertainties around tariff and immigration policies

Entravision Communications							
Summary of Quarterly Estimates							
In millions, except per share data							
	Estimates				YoY %CHG		
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
1Q25E							
Pro Forma *							
Revenue	\$78.2	\$79.7	\$4.2	\$83.9	1.9%	5.4%	7.3%
Op Expense	76.2	77.6	0.1	77.7	1.8%	0.2%	2.0%
Adjusted EBITDA	2.0	2.1	4.1	6.2	7.1%	NM	NM
As Reported							
Revenue	78.2	79.7	\$4.2	83.9	1.9%	5.4%	7.3%
Op Expense	73.6	77.6	0.1	77.7	5.3%	0.2%	5.5%
Adjusted EBITDA	4.5	2.1	4.1	6.2	-52.7%	90.4%	37.6%
Margin	5.8%	2.7%	4.7%	7.4%			
EPS - Continuing Operations	(\$0.02)	\$0.01	(\$-0.04)	(\$0.03)	-150.0%	200.0%	50.0%
FCF/sh (core)	(\$0.03)	(\$0.03)	\$+0.04	\$0.01	0.0%	-133.3%	-133.3%
2Q25E							
Pro Forma *							
Revenue	\$82.7	\$86.8	(\$1.5)	\$85.4	5.1%	-1.8%	3.3%
Op Expense	74.0	79.6	0.1	79.7	7.6%	0.1%	7.8%
Adjusted EBITDA	8.7	7.2	(1.6)	5.7	-16.8%	-17.9%	-34.7%
As Reported							
Revenue	\$82.7	\$86.8	(\$1.5)	\$85.4	5.1%	-1.8%	3.3%
Op Expense	72.2	79.4	0.1	79.5	10.0%	0.1%	10.1%
Adjusted EBITDA	10.5	7.4	(1.6)	5.9	-29.0%	-14.8%	-43.8%
Margin	12.7%	8.6%	-1.7%	6.9%			
EPS - Continuing Operations	\$0.04	\$0.10	(\$-0.12)	(\$0.02)	150.0%	-300.0%	-150.0%
FCF/sh (core)	\$0.01	\$0.03	(\$-0.02)	\$0.01	200.0%	-200.0%	0.0%
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

Figure 3: Given our caution going into the year, our 2025/26 estimate cuts now are minor

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates							
In millions, except per share data							
	Last Yr	Prior	Estimates Chg	Current	Prior	YoY %CHG Chg	Current
2025E							
Pro Forma *							
Revenue	364.9	357.3	0.0	357.3	-2.1%	0.0%	-2.1%
Op expense	320.5	328.1	0.5	328.6	2.3%	0.2%	2.5%
Adjusted EBITDA	44.4	29.3	(0.5)	28.8	-34.1%	-1.2%	-35.2%
Margin	12.2%	8.2%	-0.1%	8.0%			
As Reported							
Revenue	364.9	357.3	0.0	357.3	-2.1%	0.0%	-2.1%
Op expense	315.4	328.4	0.5	328.9	4.1%	0.2%	4.3%
Adjusted EBITDA	49.5	28.9	(0.5)	28.4	-41.6%	-1.0%	-42.6%
Margin	13.6%	8.1%	-0.1%	8.0%			
Pro forma EPS	(\$0.58)	(\$0.08)	(\$0.01)	(\$0.09)	-86.2%	1.7%	-84.5%
Cash FCF/sh	\$0.37	\$0.19	(\$0.01)	\$0.18	-48.6%	-2.7%	-51.4%
2026E							
Pro Forma *							
Revenue	357.3	394.4	0.0	394.4	10.4%	0.0%	10.4%
Op expense	328.6	349.9	0.5	350.4	6.5%	0.2%	6.6%
Adjusted EBITDA	28.8	44.6	(0.5)	44.0	54.9%	-1.8%	53.1%
Margin	8.0%	11.3%	-0.1%	11.2%			
As Reported							
Revenue	357.3	394.4	0.0	394.4	10.4%	0.0%	10.4%
Op expense	328.9	350.2	0.5	350.7	6.5%	0.2%	6.6%
Adjusted EBITDA	28.4	44.2	(0.5)	43.7	55.6%	-1.9%	53.8%
Margin	8.0%	11.2%	-0.1%	11.1%			
Pro forma EPS	(\$0.09)	\$0.02	(\$0.02)	\$0.00	-122.2%	22.2%	-100.0%
Cash FCF/sh	\$0.18	\$0.28	\$0.00	\$0.28	55.6%	0.0%	55.6%
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

Figure 4: DCF-based valuation range is unchanged after model and macro input changes

Entravision Communications															
Summary of Changes to Forecast and Valuation Since Last Published Report															
(in \$ million except unit data)															
CAGRs	2024		DCF Valuation		EBITDA CAGRs										
	Rev	EBITDA	SoTP	Firm	2021-25	2022-26	2023-27	2024-28	2025-29	2026-30	Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
Post-Changes	364.9	49.5	\$2.00	\$2.50	-24%	-19%	-16%	-16%	0%	-2%	4.2%	4.1%	8.3%	10.8%	8.4%
Post-Changes	364.9	49.5	\$2.00	\$2.50	-25%	-19%	-16%	-16%	0%	-2%	4.4%	4.8%	9.1%	12.0%	9.2%
Delta	0.0	0.0	\$0.00	\$0.00	-0.3%	-0.2%	-0.4%	-0.4%	0.0%	-0.1%	0.2%	0.6%	0.8%	1.2%	0.8%
Memo:															
Digital OCF					-15%	-18%	-10%	6%	7%	5%					
Source: Company data and Industry Capital Research estimates															

Figure 5: Media Segment estimates

In millions	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
MEDIA SEGMENT															
Reported Media revenue	\$213.6	\$225.2	\$230.7	\$196.7	\$45.2	\$49.8	\$59.8	\$67.3	\$222.1	\$45.0	\$46.8	\$51.4	\$50.9	\$194.2	\$214.2
Growth	0.4%	5.4%	2.4%	-14.7%	-2.6%	0.7%	22.7%	29.1%	12.9%	-0.4%	-5.9%	-14.0%	-24.3%	-12.5%	10.3%
Media non-recurring items:															
Broadcast advertising	152.7	154.3	161.7	124.7	27.8	29.9	40.0	46.4	144.1	28.2	27.4	31.7	30.0	117.2	139.8
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental advertising	152.7	154.3	161.7	124.7	27.8	29.9	40.0	46.4	144.1	28.2	27.4	31.7	30.0	117.2	139.8
Media revenue ex advertising	61.0	70.9	69.0	72.0	17.4	19.9	19.8	20.9	78.0	16.9	19.5	19.7	20.9	77.0	74.5
Growth ex Advertising	-5.9%	16.3%	-2.7%	4.3%	3.5%	7.9%	10.3%	11.1%	8.3%	-3.0%	-2.2%	-0.3%	0.1%	-1.3%	-3.3%
Retransmission Consent	36.8	37.0	36.0	36.6	9.2	8.8	8.0	7.9	33.9	8.4	8.1	7.4	7.2	31.1	27.8
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	36.8	37.0	36.0	36.6	9.2	8.8	8.0	7.9	33.9	8.4	8.1	7.4	7.2	31.1	27.8
Media revenue ex Retrans	176.9	188.2	194.7	160.2	36.1	41.0	51.8	59.4	188.2	36.6	38.7	44.1	43.7	163.1	186.5
Growth ex Retrans	-0.4%	6.4%	3.5%	-17.7%	-2.0%	2.1%	30.0%	36.8%	17.5%	1.6%	-5.4%	-14.9%	-26.4%	-13.3%	14.3%
Spectrum usage/auction	5.4	6.2	6.0	8.2	1.8	1.6	1.7	1.7	6.8	1.7	1.5	1.8	1.7	6.8	6.2
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	5.4	6.2	6.0	8.2	1.8	1.6	1.7	1.7	6.8	1.7	1.5	1.8	1.7	6.8	6.2
Media revenue ex Spectrum Usage	208.2	219.0	224.7	188.6	43.5	48.2	58.1	65.6	215.3	43.3	45.3	49.6	49.2	187.4	208.1
Growth ex Spectrum Usage	4.2%	5.2%	2.6%	-16.1%	-1.8%	1.7%	24.5%	30.5%	14.2%	-0.4%	-5.9%	-14.6%	-24.9%	-12.9%	11.0%
Other	5.8	7.3	5.3	4.7	1.2	1.3	1.5	1.6	5.6	1.2	1.2	1.6	1.8	5.9	5.6
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%
Incremental Other	5.8	7.3	5.3	4.7	1.2	1.3	1.5	1.6	5.6	1.2	1.2	1.6	1.8	5.9	5.6
Media revenue ex Other	207.8	217.9	225.4	192.0	44.0	48.5	58.3	65.6	216.4	43.8	45.6	49.8	49.1	188.3	208.6
Growth ex Other	1.5%	4.9%	3.4%	-14.8%	-2.8%	0.3%	22.3%	29.3%	12.7%	-0.4%	-6.0%	-14.5%	-25.3%	-13.0%	10.8%
Media Acquisitions/Dispositions (inc. Affiliations)															
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Media revenue ex M&A	213.6	225.2	230.7	196.7	45.2	49.8	59.8	67.3	222.1	45.0	46.8	51.4	50.9	194.2	214.2
Growth ex M&A	0.4%	5.4%	2.4%	-14.7%	-2.6%	0.7%	22.7%	29.1%	12.9%	-0.4%	-5.9%	-14.0%	-24.3%	-12.5%	10.3%
PF U.S. Digital revenue	12.9	20.4	21.6	22.6	5.3	8.2	8.5	9.7	31.6	5.5	8.6	8.9	10.2	33.2	34.9
Core Advertising Growth															
In millions	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
BROADCAST ADVERTISING															
Broadcast Advertising PF Rev Growth	3.1%	-6.9%	4.8%	-22.9%	-6.0%	-3.6%	29.9%	39.2%	15.5%	1.2%	-8.4%	-20.8%	-35.3%	-18.6%	19.3%
Reported Broadcast Advertising Revenue	\$152.7	\$154.3	\$161.7	\$124.7	\$27.8	\$29.9	\$40.0	\$46.4	\$144.1	\$28.2	\$27.4	\$31.7	\$30.0	\$117.2	\$139.8
Growth	3.1%	1.1%	4.8%	-22.9%	-6.0%	-3.6%	29.9%	39.2%	15.5%	1.2%	-8.4%	-20.8%	-35.3%	-18.6%	19.3%
Non-recurring items:															
Political/Census	28.8	1.6	32.1	0.2	0.6	1.5	10.7	22.9	35.7	0.0	0.0	0.7	0.3	1.0	32.3
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	28.8	1.6	32.1	0.2	0.6	1.5	10.7	22.9	35.7	0.0	0.0	0.7	0.3	1.0	32.3
Broadcast ad revenue ex political	123.9	152.7	129.6	124.5	27.3	28.3	29.3	23.5	108.4	28.2	27.3	31.0	29.7	116.2	107.5
Growth ex Political	-16.2%	23.2%	-15.1%	-4.0%	-7.9%	-8.5%	-4.8%	-29.0%	-12.9%	3.3%	-3.6%	5.9%	26.2%	7.2%	-7.5%
Broadcast advertising revenue ex-all non-recurring	123.9	152.7	129.6	124.5	27.3	28.3	29.3	23.5	108.4	28.2	27.3	31.0	29.7	116.2	107.5
Broadcast ad revenue growth ex all non-recurring	-16.2%	23.2%	-15.1%	-4.0%	-7.9%	-8.5%	-4.8%	-29.0%	-12.9%	3.3%	-3.6%	5.9%	26.2%	7.2%	-7.5%
Broadcast ad rev grth ex all non-rec 2-yr CAGR		1.6%	2.3%	-9.7%	-4.3%	-5.8%	-4.4%	-18.9%	-8.5%	-2.5%	-6.1%	0.4%	-5.4%	-3.4%	-0.4%

Source: Company reports; Industry Capital Research estimates

Figure 6: Advertising Technology & Services Segment estimates

In millions, except unit data																
	2019A	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
Legacy																
Revenue	\$68.9	\$54.1	\$70.6	\$103.7	\$113.1	\$34.3	\$38.9	\$41.3	\$44.3	\$158.7	\$40.1	\$45.0	\$48.7	\$44.2	\$177.9	\$195.7
Cost of Revenue	36.8	30.6	40.2	60.4	69.3	20.9	23.4	24.7	25.6	94.6	23.3	27.1	29.2	25.7	105.3	115.9
Opex ex-cost of revenue	32.3	24.5	23.8	29.0	39.4	11.7	12.1	14.5	14.5	52.8	15.5	13.4	14.6	15.7	59.2	64.2
OCF	(0.1)	(1.0)	6.5	14.3	4.4	1.7	3.4	2.1	4.2	11.3	1.2	4.5	4.9	2.8	13.3	15.6
Legacy Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	3.9%	5.0%	8.7%	5.0%	9.4%	7.1%	3.0%	9.9%	10.0%	6.3%	7.5%	8.0%
Acquisitions Since 2020-Stand Alone																
BCNMonetize revenue	0.0	0.0	0.0	15.1	15.8	4.0	2.2	4.6	6.0	16.8	4.4	2.2	4.7	7.2	18.5	19.4
BCNMonetize cost of revenue	0.0	0.0	0.0	6.8	7.1	1.8	1.0	2.1	2.7	7.6	2.0	1.0	2.1	3.2	8.3	8.7
BCNMonetize opex ex-cost of revenue	0.0	0.0	0.0	2.5	3.9	0.3	0.7	1.1	1.3	3.4	0.3	0.8	1.2	1.4	3.6	3.7
BCNMonetize OCF	0.0	0.0	0.0	5.8	4.8	1.9	0.5	1.4	2.0	5.8	2.1	0.5	1.4	2.6	6.5	7.0
BCNMonetize OCF Margin				38.6%	30.3%	48.0%	22.9%	30.4%	33.7%	34.8%	48.2%	20.8%	29.5%	35.9%	35.4%	35.8%
Acquisitions Since 2020-Pro Forma																
BCNMonetize revenue	0.0	0.0	0.0	15.1	15.8	4.0	2.2	4.6	6.0	16.8	4.4	2.2	4.7	7.2	18.5	19.4
BCNMonetize cost of revenue	0.0	0.0	0.0	6.8	7.1	1.8	1.0	2.1	2.7	7.6	2.0	1.0	2.1	3.2	8.3	8.7
BCNMonetize opex ex-cost of revenue	0.0	0.0	0.0	2.5	3.9	0.3	0.7	1.1	1.3	3.4	0.3	0.8	1.2	1.4	3.6	3.7
BCNMonetize OCF	0.0	0.0	0.0	5.8	4.8	1.9	0.5	1.4	2.0	5.8	2.1	0.5	1.4	2.6	6.5	7.0
BCNMonetize OCF Margin																
Acquisitions Since 2020-Adjustments to Reported																
BCNMonetize revenue	0.0	(0.0)	(0.0)	(15.1)	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize cost of revenue	0.0	(0.0)	(0.0)	(6.8)	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize opex ex-cost of revenue	0.0	(0.0)	(0.0)	(2.5)	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCNMonetize OCF pre-minority interest	0.0	(0.0)	(0.0)	(5.8)	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo: 'BCNMonetize minority interest	0.0	0.0	0.0	0.0	0.0					0.0						
Acquisitions Since 2020-As Reported																
BCNMonetize revenue	0.0	0.0	0.0	0.0	9.8	4.0	2.2	4.6	6.0	16.8	4.4	2.2	4.7	7.2	18.5	19.4
BCNMonetize cost of revenue	0.0	0.0	0.0	0.0	4.4	1.8	1.0	2.1	2.7	7.6	2.0	1.0	2.1	3.2	8.3	8.7
BCNMonetize opex	0.0	0.0	0.0	0.0	2.4	0.3	0.7	1.1	1.3	3.4	0.3	0.8	1.2	1.4	3.6	3.7
BCNMonetize OCF	0.0	0.0	0.0	0.0	2.9	1.9	0.5	1.4	2.0	5.8	2.1	0.5	1.4	2.6	6.5	7.0
BCNMonetize OCF Margin					30.0%	48.0%	22.9%	30.4%	33.7%	34.8%	48.2%	20.8%	29.5%	35.9%	35.4%	35.8%
EBITDA to red non-con interests	0.0	0.0	0.0	0.0	1.5	1.0	0.3	0.7	1.0	3.0	1.1	0.2	0.7	1.3	3.3	3.5
BCNMonetize EBITDA	0.0	0.0	0.0	0.0	1.4	0.9	0.2	0.7	1.0	2.9	1.0	0.2	0.7	1.3	3.2	3.4
Digital non-cash comp adjustment					8.4	1.1	0.0			1.1					0.0	0.0
Digital segment pro forma, ex-foreign exchange																
Digital revenue	228.3	315.9	70.6	118.8	128.9	38.2	41.1	45.9	50.3	175.5	44.4	47.2	53.4	51.4	196.4	215.1
Digital cost of revenue	173.0	253.2	40.3	67.2	76.4	22.7	24.4	26.8	28.3	102.2	25.3	28.1	31.3	29.0	113.7	124.6
Digital opex ex-cost of revenue	45.5	45.4	24.4	31.5	43.3	11.9	12.8	15.6	15.8	56.2	15.8	14.2	15.8	17.0	62.9	67.9
Digital OCF	9.8	17.3	5.9	20.1	9.2	3.6	3.9	3.5	6.2	17.1	3.3	4.9	6.3	5.4	19.8	22.6
Digital segment as reported																
Digital revenue	68.9	143.3	557.2	747.1	932.7	237.5	41.1	45.9	50.3	374.8	44.4	47.2	53.4	51.4	196.4	215.1
Digital cost of revenue	36.8	106.9	467.8	624.0	801.2	204.2	24.4	26.8	28.3	283.7	25.3	28.1	31.3	29.0	113.7	124.6
Digital opex	32.3	30.6	51.3	74.1	95.0	27.2	12.8	15.6	15.8	71.4	15.8	14.2	15.8	17.0	62.9	67.9
Digital OCF	(0.1)	5.7	38.2	49.0	36.6	6.2	3.9	3.5	6.2	19.7	3.3	4.9	6.3	5.4	19.8	22.6
Digital OCF Margin	-0.2%	4.0%	6.8%	6.6%	3.9%	2.6%	9.4%	7.6%	12.3%	5.3%	7.4%	10.4%	11.8%	10.4%	10.1%	10.5%
Digital segment as reported, ex-divestitures																
Digital revenue	68.9	54.1	70.6	103.7	122.9	38.2	41.1	45.9	50.3	175.5	44.4	47.2	53.4	51.4	196.4	215.1
Digital cost of revenue	36.8	30.6	40.2	60.4	73.7	22.7	24.4	26.8	28.3	102.2	25.3	28.1	31.3	29.0	113.7	124.6
Digital opex	32.3	24.5	23.8	29.0	41.9	11.9	12.8	15.6	15.8	56.2	15.8	14.2	15.8	17.0	62.9	67.9
Digital OCF	(0.1)	(1.0)	6.5	14.3	7.4	3.6	3.9	3.5	6.2	17.1	3.3	4.9	6.3	5.4	19.8	22.6
Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	6.0%	9.5%	9.4%	7.6%	12.3%	9.8%	7.4%	10.4%	11.8%	10.4%	10.1%	10.5%
U.S. Digital																
U.S. Digital revenue	8.2	12.9	20.4	21.6	22.6	5.3	8.2	8.5	9.7	31.6	5.5	8.6	8.9	10.2	33.2	34.9
U.S. Digital cost of revenue	3.5	5.6	8.8	9.3	11.0	2.6	4.4	4.9	5.2	17.1	2.8	4.3	4.5	5.1	16.6	17.4
U.S. Digital opex ex-cost of revenue	3.9	6.1	9.5	7.2	8.1	2.6	2.8	2.9	3.4	11.8	2.7	2.9	3.0	3.6	12.3	12.8
U.S. Digital OCF	0.7	1.2	2.1	5.1	3.5	0.1	0.9	0.7	1.0	2.7	0.1	1.4	1.4	1.5	4.4	4.7
U.S. Digital OCF Margin	8.9%	9.5%	10.2%	23.6%	15.3%	1.7%	11.5%	8.3%	10.3%	8.6%	1.0%	15.9%	15.9%	14.8%	13.1%	13.4%
AT&S segment, pro forma																
AT&S revenue	60.7	41.2	50.2	97.2	106.3	33.0	32.9	37.4	40.7	143.9	38.9	38.6	44.5	41.2	163.1	180.2
AT&S cost of revenue	33.2	25.1	31.5	57.9	65.3	20.1	20.0	21.9	23.1	85.1	22.5	23.8	26.8	23.9	97.1	107.2
AT&S opex	28.3	18.4	14.3	24.3	35.2	9.3	10.0	12.7	12.4	44.4	13.1	11.2	12.8	13.5	50.6	55.2
AT&S OCF	(0.8)	(2.2)	4.4	15.0	5.8	3.5	2.9	2.8	5.2	14.4	3.2	3.5	4.9	3.9	15.5	17.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	15.5%	5.4%	10.7%	8.9%	7.4%	12.8%	10.0%	8.3%	9.2%	10.9%	9.4%	9.5%	9.9%
AT&S segment as reported																
AT&S revenue	60.7	41.2	50.2	82.1	100.3	33.0	32.9	37.4	40.7	143.9	38.9	38.6	44.5	41.2	163.1	180.2
AT&S cost of revenue	33.2	25.1	31.5	51.1	62.6	20.1	20.0	21.9	23.1	85.1	22.5	23.8	26.8	23.9	97.1	107.2
AT&S opex	28.3	18.4	14.3	21.8	33.8	9.3	10.0	12.7	12.4	44.4	13.1	11.2	12.8	13.5	50.6	55.2
AT&S OCF	(0.8)	(2.2)	4.4	9.2	3.9	3.5	2.9	2.8	5.2	14.4	3.2	3.5	4.9	3.9	15.5	17.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	11.2%	3.9%	10.7%	8.9%	7.4%	12.8%	10.0%	8.3%	9.2%	10.9%	9.4%	9.5%	9.9%

Source: Company reports; Industry Capital Research estimates

Figure 7: Financial statement forecasts supporting our valuation

In millions, except per share data														
AS REPORTED	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E
NEW SEGMENTS														
Net revenue:														
Media	\$213.6	\$225.2	\$230.7	196.7	45.2	49.8	59.8	67.3	222.1	45.0	46.8	51.4	50.9	194.2
Seasonality					20.4%	22.4%	26.9%	30.3%		23.2%	24.1%	26.5%	26.2%	
AT&S	41.2	50.2	97.2	100.5	33.0	32.9	37.4	39.7	142.9	38.9	38.6	44.5	41.2	163.1
Seasonality					23.1%	23.0%	26.1%	27.8%		23.8%	23.6%	27.3%	25.3%	
Total net revenue (core)	254.8	275.4	327.9	297.0	78.2	82.7	97.2	107.0	364.9	83.9	85.4	95.9	92.1	357.3
Revenue from spectrum usage rights	0.0	0.0	0.0	0.0					0.0					0.0
Total net revenue	254.8	275.4	327.9	297.0	78.2	82.7	97.2	107.0	364.9	83.9	85.4	95.9	92.1	357.3
Cost of Revenue														
Media	5.6	8.8	9.3	11.0	2.6	4.4	4.9	4.8	16.7	2.8	4.3	4.5	5.1	16.6
Media cost of revenue as % of revenue	2.6%	3.9%	4.0%	5.6%	5.7%	8.9%	8.2%	7.2%	7.5%	6.1%	9.2%	8.7%	10.0%	8.6%
AT&S	25.1	31.5	57.9	66.5	20.1	20.0	21.9	23.5	85.5	22.5	23.8	26.8	23.9	97.1
AT&S cost of revenue as % of revenue	60.9%	62.7%	59.6%	66.0%	61.0%	60.8%	58.7%	59.1%	59.8%	57.9%	61.7%	60.3%	58.0%	59.5%
Total cost of revenue (core)	30.7	40.2	67.2	77.2	22.7	24.4	26.8	28.3	102.2	25.3	28.1	31.3	29.0	113.7
Cost of revenue from spectrum usage rights (Media)														
Total cost of revenue	30.7	40.2	67.2	77.2	22.7	24.4	26.8	28.3	102.2	25.3	28.1	31.3	29.0	113.7
Opex														
Media opex	128.8	131.0	130.8	132.8	36.8	36.2	40.1	40.7	153.7	34.4	35.2	39.0	37.9	146.5
AT&S opex	18.4	14.3	24.3	30.2	9.3	10.0	12.7	13.4	45.4	13.1	11.2	12.8	13.5	50.6
Total opex (core)	147.2	145.3	155.1	163.0	46.1	46.1	52.7	54.1	199.1	47.5	46.4	51.8	51.4	197.1
Spectrum usage rights														
Total Opex	147.2	145.3	155.1	163.0	46.1	46.1	52.7	54.1	199.1	47.5	46.4	51.8	51.4	197.1
OCF														
Media OCF	79.3	85.5	90.6	52.9	\$5.9	\$9.2	\$14.9	\$21.7	51.6	\$7.9	\$7.4	\$8.0	\$7.9	31.1
Media OCF Margin	37.1%	38.0%	39.3%	26.9%	12.9%	18.5%	24.9%	32.2%	23.2%	17.5%	15.7%	15.5%	15.6%	16.0%
Incremental Margin	1944.0%	53.8%	92.2%	110.8%	479.5%	-1182.3%	15.8%	44.1%	-5.2%	-1037.4%	62.1%	82.3%	84.1%	73.4%
AT&S OCF	(2.3)	4.4	15.0	3.9	3.5	2.9	2.8	2.8	12.0	3.2	3.5	4.9	3.9	15.5
AT&S OCF margin	-5.5%	8.8%	15.5%	3.9%	10.7%	8.9%	7.4%	7.1%	8.4%	8.3%	9.2%	10.9%	9.4%	9.5%
Incremental Margin	7.2%	74.2%	22.5%	-350.1%	32.3%	40.5%	5.7%	2.5%	19.0%	-5.0%	10.7%	29.5%	68.4%	17.0%
Total OCF (core)	77.0	89.9	105.6	56.8	9.4	12.1	17.6	24.5	63.6	11.1	10.9	12.8	11.8	46.6
Margin	30.2%	32.7%	32.2%	19.1%	12.0%	14.7%	18.1%	22.9%	17.4%	13.2%	12.8%	13.4%	12.8%	13.0%
Incremental Margin					-18.9%	-5.5%	11.4%	24.5%	29.8%	-44.5%	378.0%	85.7%		
Spectrum sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	77.0	89.9	105.6	56.8	9.4	12.1	17.6	24.5	63.6	11.1	10.9	12.8	11.8	46.6
Total OCF Margin	30.2%	32.7%	32.2%	19.1%	12.0%	14.7%	18.1%	22.9%	17.4%	13.2%	12.8%	13.4%	12.8%	13.0%
Incremental Margin					-18.9%	-5.5%	11.4%	24.5%	29.8%	-44.5%	378.0%	85.7%		
Corporate Expense	27.8	33.0	49.4	50.294	12.2	10.8	6.9	7.509	37.5	8.2	7.8	7.0	7.9	30.9
GAAP EBITDA	56.0	88.7	85.1	35.7	(0.3)	1.3	10.7	17.0	28.7	2.8	3.1	5.8	3.9	15.7
Corporate non-cash comp	3.9	6.4	14.3	14.2	3.7	2.7	2.2	0.9	9.5	2.5	1.8	1.5	2.4	8.2
Opex adjustments to cash:														
Amortization of syndication contracts	(0.5)	(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)
Payments on syndication contracts	(0.5)	(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)
Non-cash comp in direct opex	1.2	3.2	5.7	9.5	1.8	1.5	1.5	0.0	4.7	0.9	0.8	0.7	2.5	4.8
Non-recurring cash severance	1.7	0.4	4.3	0.9	0.0	3.1	1.7	4.8	4.8					4.9
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	1.7	0.2	0.0	0.0	0.0	0.2					0.0
EBITDA attributable to noncontrolling interest			3.4	0.0					0.0					0.0
Total opex (positive) adjustments to cash	0.5	5.5	(6.6)	(8.6)	(1.6)	(4.6)	(3.2)	(0.0)	(9.4)	(0.9)	(0.8)	(0.7)	(2.5)	(4.8)
Foreign currency (gain) loss	(1.1)	0.5	3.0	0.9	0.4	(0.0)	(0.1)	0.4	0.7	0.0	0.0	0.0	0.0	0.0

Source: Industry Capital Research estimates and company data

Figure 8: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
Memo: cash opex (core)	\$153.8	\$178.4	\$191.2	\$211.1	59.7	41.5	49.6	54.1	\$204.9	46.6	45.6	51.0	48.9	192.2	202.3
Memo: cash corporate expense	23.9	26.6	35.1	36.1	8.6	8.1	4.7	6.6	28.0	5.8	6.0	5.5	5.4	22.7	23.5
Memo: total non-cash comp	5.1	9.6	20.0	23.7	5.4	4.2	3.7	0.9	14.3	3.4	2.6	2.2	4.9	13.1	13.3
Memo: adj. EBITDA - (GCF - cash corporate)	0.6	(5.7)	3.6	7.7	1.2	4.6	3.3	(0.4)	8.7	0.9	0.8	0.7	2.5	4.8	4.9
Memo: PF EBITDA attributable to redeemable noncontrolling interest															
D&A	17.3	22.4	25.7	28.0	7.1	4.4	3.9	1.4	16.8	3.5	3.7	4.0	4.4	15.6	17.4
D&A % of Revenue	3.0%	2.9%	2.7%	2.5%	2.6%	5.4%	4.0%	1.3%	3.0%	4.1%	4.3%	4.2%	4.8%	4.4%	4.4%
Change in fair value contingent consideration	0.00	8.2	14.2	(2.5)	(1.4)	0.2	(0.7)	1.2	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Impairments	40.0	3.0	1.6	13.3	0.0	0.0	0.0	61.2	61.2	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	0.4	0.6	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.3)	(0.0)	0.7	0.3	0.3
Gain (Loss) on Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Operating Income (EBIT Inc. Impairments)	6.6	61.5	40.2	(4.5)	(6.5)	(3.3)	7.6	(47.2)	(52.0)	(0.6)	(0.3)	1.8	(1.2)	(0.3)	12.9
Operating Margin %	1.9%	8.1%	4.2%	-0.4%	-2.3%	-4.0%	7.8%	-44.1%	-9.2%	-0.7%	-0.4%	1.9%	-1.3%	-0.1%	3.3%
Interest expense	(8.3)	(6.9)	(8.7)	(15.7)	(4.6)	(4.1)	(4.1)	(3.7)	(16.5)	(3.5)	(3.5)	(3.5)	(3.5)	(13.9)	(13.8)
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
Interest income	1.7	0.2	0.7	3.5	1.1	0.6	0.6	0.1	2.5	0.5	0.5	0.4	0.4	1.8	1.5
Dividend income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest expense	(6.5)	(6.8)	(8.0)	(12.2)	(3.4)	(3.5)	(3.4)	(3.6)	(14.0)	(3.0)	(3.0)	(3.0)	(3.1)	(12.1)	(12.3)
Loss on debt extinguishment	0.0	0.0	0.0	(1.6)	(0.0)	(0.1)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.2	(0.5)	(0.1)	(0.1)	0.0	(0.0)	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Pretax Income	0.1	54.9	31.7	(18.4)	(10.0)	(6.9)	4.1	(50.8)	(66.2)	(3.6)	(3.3)	(1.2)	(4.2)	(12.4)	0.6
Pretax margin	0.0%	7.2%	3.3%	NM	NM	NM	4.3%	NM	NM	NM	NM	NM	NM	NM	0.2%
Income (taxes) benefit	(1.5)	(18.7)	(11.6)	2.8	7.8	10.7	(15.0)	(7.6)	(4.1)	1.3	1.2	0.4	1.5	4.3	(0.2)
Effective tax rate	1276.3%	34.0%	36.5%	15.0%	77.8%	153.8%	361.7%	-14.9%	-6.2%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Cash tax rate	6552.5%	7.5%	53.4%	-71.3%	-12.9%	-55.6%	37.0%	37.0%	18.3%	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%
Net Income (Before Equity Investments)	(1.4)	36.2	20.1	(15.6)	(2.2)	3.7	(10.8)	(58.4)	(70.3)	(2.3)	(2.2)	(0.8)	(2.8)	(8.0)	0.4
Equity in net of noncon. affils.	0.0	0.0	(2.1)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	0.2	0.0	0.0
Reported Net Income	(1.4)	36.2	18.1	(15.4)	(2.2)	3.7	(10.8)	(58.4)	(70.3)	(2.3)	(2.2)	(0.9)	(2.6)	(8.0)	0.4
Net margin	17.6%	11.7%	10.8%	0.1	1.6%	12.7%	15.5%	18.2%	8.8%	7.4%	6.9%	8.3%	9.0%	8.0%	11.1%
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
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	(3.9)	30.3	18.1	(15.4)	(2.2)	3.7	(10.8)	(58.4)	(70.3)	(2.3)	(2.2)	(0.9)	(2.6)	(8.0)	0.4
Net margin	NM	NM	NM	NM	NM	NM	NM	14.2%	NM	NM	NM	NM	NM	NM	NM
EPS - Continuing Operations	(\$0.05)	\$0.36	\$0.21	(\$0.18)	(\$0.02)	\$0.04	(\$0.12)	(\$0.65)	(\$0.78)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	(41.4)	(35.4)	(1.1)	(0.7)	(78.6)	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common	(3.9)	30.3	18.1	(15.4)	(43.6)	(31.7)	(59.1)	(59.1)	(148.9)	(2.3)	(2.2)	(0.9)	(2.6)	(8.0)	0.4
EPS - basic	(\$0.05)	\$0.36	\$0.21	(\$0.18)	(\$0.49)	(\$0.35)	(\$0.13)	(\$0.66)	(\$1.66)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
EPS - diluted	(\$0.05)	\$0.34	\$0.21	(\$0.18)	(\$0.49)	(\$0.35)	(\$0.13)	(\$0.66)	(\$1.66)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
EPS reported by company	(\$0.05)	\$0.34	\$0.21	(\$0.18)	(\$0.49)	(\$0.35)	(\$0.13)	(\$0.66)	(\$1.66)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
Model variance: EPS	\$0.00		(\$0.00)	\$0.00	\$0.06	\$0.00	(\$0.00)	(\$0.04)	\$0.00						
Pro forma adjustments	38.1	9.6	25.6	12.4	(1.4)	35.4	0.0	62.4	96.4	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	34.1	39.9	43.6	(3.0)	(45.0)	3.7	(12.0)	3.3	(52.5)	(2.3)	(2.2)	(0.9)	(2.6)	(8.0)	0.4
Pro forma EPS - basic	\$0.41	\$0.47	\$0.51	(\$0.03)	(\$0.50)	\$0.04	(\$0.13)	\$0.04	(\$0.58)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
Pro forma EPS	\$0.41	\$0.45	\$0.50	(\$0.03)	(\$0.50)	\$0.04	(\$0.13)	\$0.04	(\$0.58)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.09)	\$0.00
EPS shares - Basic	84.2	85.3	85.4	87.9	89.5	89.8	90.0	90.2	89.9	91.2	91.2	91.5	92.1	91.5	93.0
EPS shares - Diluted	84.2	87.9	87.8	87.9	89.5	90.7	90.0	90.2	89.9	91.2	91.2	91.5	92.1	91.5	93.2
EBITDA:															
Net income (loss) attributable to common stockholders				-15.4	-48.9	-31.7	-12.0	-56.4	-148.9	-2.3	-2.2	-0.9	-2.6	-8.0	0.4
Net income (loss) attributable to redeemable noncontrolling interest - discontinued operations				0.0	-2.8				-2.8						
Net income (loss) attributable to noncontrolling interest - discontinued operations				0.0					0.0						
Interest expense				16.5	4.4	4.1	4.1	3.8	16.5	3.5	3.5	3.5	3.5	13.9	13.8
Interest expense - discontinued operations				0.3	0.1	0.1			0.2						
Interest income				-1.9	-0.6	-0.6	-0.6	-0.7	-2.5	-0.5	-0.5	-0.4	-0.4	-1.8	-1.5
Interest income - discontinued operations				-1.5	-0.6	-0.2			-0.7						
Dividend income				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realized gain (loss) on marketable securities				0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
(Gain) loss on debt extinguishment				1.6	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Income tax expense				-10.9	-4.1	-10.7	15.0	3.9	4.1	-1.3	-1.2	-0.4	-1.5	-4.3	0.2
Income tax expense - discontinued operations				2.5	-3.7	3.0	-0.1	-0.2	-1.0						
Amortization of syndication contracts				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	-0.1	-0.1	-0.1	-0.1	-0.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.5
Non-cash comp				23.7	5.4	3.3	3.7	1.4	13.8	3.4	2.6	2.2	4.9	13.1	13.3
D&A				11.0	4.7	4.4	3.9	3.8	16.8	3.5	3.7	4.0	4.4	15.6	17.4
D&A - discontinued operations				11.0	2.4	1.6	0.0	0.0	4.0						
Change in fair value contingent consideration				11.8	-0.2	0.2	-0.7	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value contingent consideration - disc ops				-14.4	-1.2	-11.4	0.0		-12.6						
Impairment				13.3	0.0	49.4	0.0	0.0	61.3	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurring cash severance				0.9	0.0	3.1	1.7	2.5	7.3	0.0	0.0	0.0	0.0	0.0	0.0
Other operating loss - discontinued operations				4.9	0.0	45.0	0.1	0.0	45.2						
EBITDA attributable to redeemable noncontrolling interest - disc ops				-1.5	-0.2	0.0			-0.2						
EBITDA attributable to noncontrolling interest - disc ops				-0.2					0.0						
Adjusted EBITDA				57.7	4.3	10.2	15.1	19.4	49.5	6.2	5.9	8.0	8.3	28.4	43.7
Memo: adj. EBITDA (core) reported				57.7	4.5	10.5	15.1	19.4	49.5						
Model variance: adj. EBITDA				(0.0)	(0.0)	0.0	0.0	0.0	0.0						
Adj. EBITDA core margin				19.0%	5.8%	12.7%	15.5%	18.2%	13.6%	7.4%	6.9%	8.3%	9.0%	8.0%	11.1%
Incremental Margin					-80.7%	-41.9%	4.6%	11.1%	-12.0%	29.7%	-167.7%	559.3%	75.0%	277.4%	41.2%
Free Cash Flow to Firm					(2.8)	1.1	8.1	26.7	33.0	1.2	0.9	3.0	11.8	16.8	26.0
FCF per share	\$0.51	\$0.91	\$0.72	\$0.08	(\$0.03)	\$0.01	\$0.09	\$0.30	\$0.37	\$0.01	\$0.01	\$0.03	\$0.13	\$0.18	\$0.28
Memo: FCF/Adjusted EBITDA	70.5%	89.8%	61.4%	12.8%					86.6%					29.0%	52.1%
Free cash flow (reported by company, 2Q24-on method)				47.9	30.6	15.7	9.3	10.6	66.2						
Dividends per basic share	\$0.13	\$0.10	\$0.10	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(8.5)	(17.6)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(4.6)	(4.6)	(4.6)	(4.6)	(18.3)	(18.6)
Dividends as % of FCF	24.7%	10.7%	13.5%	237.8%					54.4%					108.7%	71.7%

Source: Industry Capital Research estimates and company data

Figure 9: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
EBITDA:															
Net income (loss) attributable to common stockholders				-15.4	-48.9	-31.7	-12.0	-56.4	-148.9	0.5	9.0	-13.5	-3.1	-7.0	1.4
Net income (loss) attributable to redeemable noncontrolling interest - discontinued operations				0.0	-2.8				-2.8						
Net income (loss) attributable to noncontrolling interest - discontinued operations				0.0					0.0						
Interest expense				16.5	4.4	4.1	4.1	3.8	16.5	2.6	2.6	2.6	2.7	10.5	10.7
Interest expense - discontinued operations				0.3	0.1	0.1			0.2						
Interest income				-1.9	-0.6	-0.6	-0.6	-0.7	-2.5	0.0	0.0	0.0	0.0	0.0	0.0
Interest income - discontinued operations				-1.5	-0.6	-0.2			-0.7						
Dividend income				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realized gain (loss) on marketable securities				0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
(Gain) loss on debt extinguishment				1.6	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Income tax expense				-10.9	-4.1	-10.7	15.0	3.9	4.1	-7.8	-10.7	15.0	-0.3	-3.8	0.8
Income tax expense - discontinued operations				2.5	-3.7	3.0	-0.1	-0.2	-1.0						
Amortization of syndication contracts				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	-0.1	-0.1	-0.1	-0.1	-0.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.5
Non-cash comp				23.7	5.4	3.3	3.7	1.4	13.8	3.5	2.7	2.3	5.1	13.6	13.9
D&A				17.0	4.7	4.4	3.9	3.8	16.8	3.4	3.7	4.1	4.4	15.6	17.4
D&A - discontinued operations				11.0	2.4	1.6	0.0		4.0						
Change in fair value contingent consideration				11.8	-0.2	0.2	-0.7	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value contingent consideration - disc ops				-14.4	-1.2	-11.4	0.0		-12.6						
Impairment - discontinued operations				13.3	49.4	0.0	0.0	61.2	110.7	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurring cash severance				0.9	0.0	3.1	1.7	2.5	7.3	0.0	0.0	0.0	0.0	0.0	0.0
Other operating loss - discontinued operations				4.9	0.0	45.0	0.1	0.0	45.2						
EBITDA attributable to redeemable noncontrolling interest - disc ops				-1.5	-0.2	0.0			-0.2						
EBITDA attributable to noncontrolling interest - disc ops				-0.2					0.0						
= Adjusted EBITDA				57.7	4.5	10.5	15.1	19.4	49.5	2.1	7.4	10.6	8.8	28.9	44.2
Memo: adj. EBITDA (core) reported				57.7	4.5	10.5	15.1	19.4	49.5						
Model variance: adj. EBITDA				(0.0)	(0.0)	0.0	0.0	0.0	(0.0)						
Adj. EBITDA core margin				19.0%	5.8%	12.7%	15.5%	18.2%	13.6%	2.7%	8.6%	10.8%	9.5%	8.1%	11.2%
Incremental Margin					-80.7%	-41.9%	4.6%	11.1%	-12.0%	-157.0%	-72.5%	-364.2%	73.1%	270.5%	41.2%
Free Cash Flow to Firm					(2.8)	1.1	8.1	27.4	33.8	(2.5)	2.8	5.9	10.9	17.2	26.3
FCF per share	\$0.51	\$0.91	\$0.72	\$0.08	(\$0.03)	\$0.01	\$0.09	\$0.30	\$0.38	(\$0.03)	\$0.03	\$0.06	\$0.12	\$0.19	\$0.28
Memo: FCF/Adjusted EBITDA	70.5%	89.8%	61.4%	12.8%					87.7%					35.5%	56.0%
Free cash flow (reported by company, 2Q24-on method)				47.9	30.6	15.7	9.3	10.6	66.2						
Dividends per basic share	\$0.13	\$0.10	\$0.10	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(8.5)	(17.6)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(4.6)	(4.6)	(4.6)	(4.6)	(18.3)	(18.6)
Dividends as % of FCF	24.7%	10.7%	13.5%	237.8%					53.2%					106.4%	70.7%

Source: Industry Capital Research estimates and company data

Figure 10: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	2022A	2023A	1Q24	2Q24	3Q24	4Q24	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
Net revenue (core) growth	-6.8%	8.1%	19.0%	-9.4%	15.6%	12.1%	25.5%	36.7%	22.9%	7.3%	3.3%	-1.3%	-13.9%	-2.1%	10.4%
Media revenue growth	0.4%	5.4%	2.4%	-14.7%	-2.6%	0.7%	22.7%	30.0%	12.9%	-0.4%	-5.9%	-14.0%	-24.3%	-12.5%	10.3%
AT&S revenue growth	-32.1%	21.9%	93.5%	3.3%	55.3%	35.4%	30.3%	50.0%	42.4%	18.0%	17.3%	19.0%	3.8%	14.2%	10.5%
Cost of revenue	-16.6%	31.3%	66.9%	14.9%	34.3%	24.3%	25.3%	46.7%	32.4%	11.6%	15.0%	16.8%	2.3%	11.2%	9.6%
Opex (core)	-15.1%	-1.3%	6.8%	5.1%	17.1%	11.2%	29.7%	30.6%	22.2%	3.0%	0.6%	-1.8%	-5.1%	-1.0%	5.2%
Media opex growth	-11.2%	1.7%	-0.1%	1.5%	11.9%	8.4%	22.2%	20.8%	15.8%	-6.5%	-2.7%	-2.7%	-7.0%	-4.7%	3.9%
AT&S opex growth	-35.1%	-22.2%	69.8%	24.6%	43.2%	23.0%	61.3%	73.2%	50.2%	40.6%	12.7%	0.8%	0.4%	11.5%	9.0%
Total OCF (core)	21.4%	16.8%	17.4%	-46.2%	-17.5%	-3.9%	14.6%	40.1%	11.9%	18.2%	-10.0%	-27.2%	-51.9%	-26.7%	34.2%
Media OCF growth	23.3%	7.9%	5.9%	-41.6%	-49.7%	-30.2%	13.3%	44.6%	-2.5%	34.3%	-19.9%	-46.4%	-63.4%	-39.7%	43.6%
AT&S OCF growth	NM	NM	NM	-73.8%	NM	NM	22.0%	13.5%	NM	-8.5%	20.8%	76.1%	36.9%	28.7%	15.4%
Corporate expense	-0.9%	18.6%	49.7%	1.8%	16.6%	-10.2%	-47.9%	-48.1%	-25.4%	-32.7%	-27.7%	0.7%	5.0%	-17.5%	3.0%
Cash corporate expense	-2.0%	11.3%	31.7%	2.9%	3.4%	-8.2%	-47.3%	-34.5%	-22.5%	-32.6%	-26.0%	16.8%	-17.5%	-18.8%	3.4%
Adjusted EBITDA (core)	46.6%	47.4%	15.7%	-44.0%	-65.2%	-26.3%	6.4%	19.7%	-14.1%	37.6%	-43.8%	-47.0%	-57.2%	-42.6%	53.8%
Pro forma adjusted EBITDA	46.6%	45.7%	17.1%	-44.1%	-66.0%	47.1%	96.9%	104.5%	55.9%	215.6%	-34.7%	-50.2%	-49.7%	-35.2%	53.1%
Non-cash compensation expense	17.1%	87.2%	108.8%	18.3%	34.4%	-29.1%	-47.6%	-86.2%	-39.7%	-38.5%	-38.9%	-39.6%	NM	-8.5%	2.0%
D & A	3.8%	29.7%	14.6%	9.0%	10.2%	-32.0%	-47.2%	-82.0%	-39.9%	-51.4%	-16.5%	3.9%	NM	-7.0%	11.5%
Operating income	88.3%	50.0%	0.5%	-100.0%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Pretax income	NM	NM	-42.3%	NM	NM	NM	88.1%	NM	NM	NM	NM	NM	NM	NM	NM
Net income pre-extra.	NM	NM	-40.3%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS, Continuing Operations	NM	NM	-41.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - diluted	NM	NM	-40.2%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
FCF/share	NM	78.4%	-20.9%	-88.9%	NM	-50.0%	NM	NM	NM	NM	0.0%	-66.7%	-56.7%	-51.4%	55.6%
EPS shares - Diluted	-1.0%	4.4%	-0.2%	0.2%	-0.3%	3.3%	0.1%	2.2%	2.2%	1.9%	0.6%	1.7%	2.2%	1.8%	1.9%

Source: Company reports; Industry Capital Research estimates

Entravision DCF analysis				
\$ in millions except per share amounts				
	Current	YE 2025	YE 2026	
ASSUMPTIONS				
Risk Free Rate	237	169	158	
Equity Premium	86	66	58	
Assumed LT Growth Rate (g)	85	85	85	
MV of Equity Calculation	0.0	0.0	0.0	
Share Price				
Outstanding Shares	235.6	188.0	184.7	
MV of Equity	91.0	93.5	96.0	
Estimate MV of Debt Calculation				
Interest Expense				
Current Cost of Debt				
Wgtd Avg Maturity of Debt				
BV of Debt				
Estimate MV of Debt				
Value Per Share	\$2.59	\$2.26	\$2.37	
12-month	\$250			
12-month (SOTP)	\$2.00			
Discounted Cash Flow				
EBITDA				
EBIT				
Less Cash Taxes				
Plus D&A				
Less Cap Ex				
Less Increase in WC				
Free Cash Flow to Firm				
Tax Rate				
Net Debt				
Leverage Mult.				
D/Equity				
D/EV				
E/EV				
Unlevered Beta				
Levered Beta				
D/Equity (long-term target)				
Cost of Debt (AT)				
Cost of Equity				
WACC				
PV of CF				
Sum of PV	162.1	87.0	68.9	
PV of Terminal Value	74.9	81.7	88.1	
NPV of all CF	237.0	168.7	158.0	

Source: Industry Capital Research estimates and company data

APPENDIX

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

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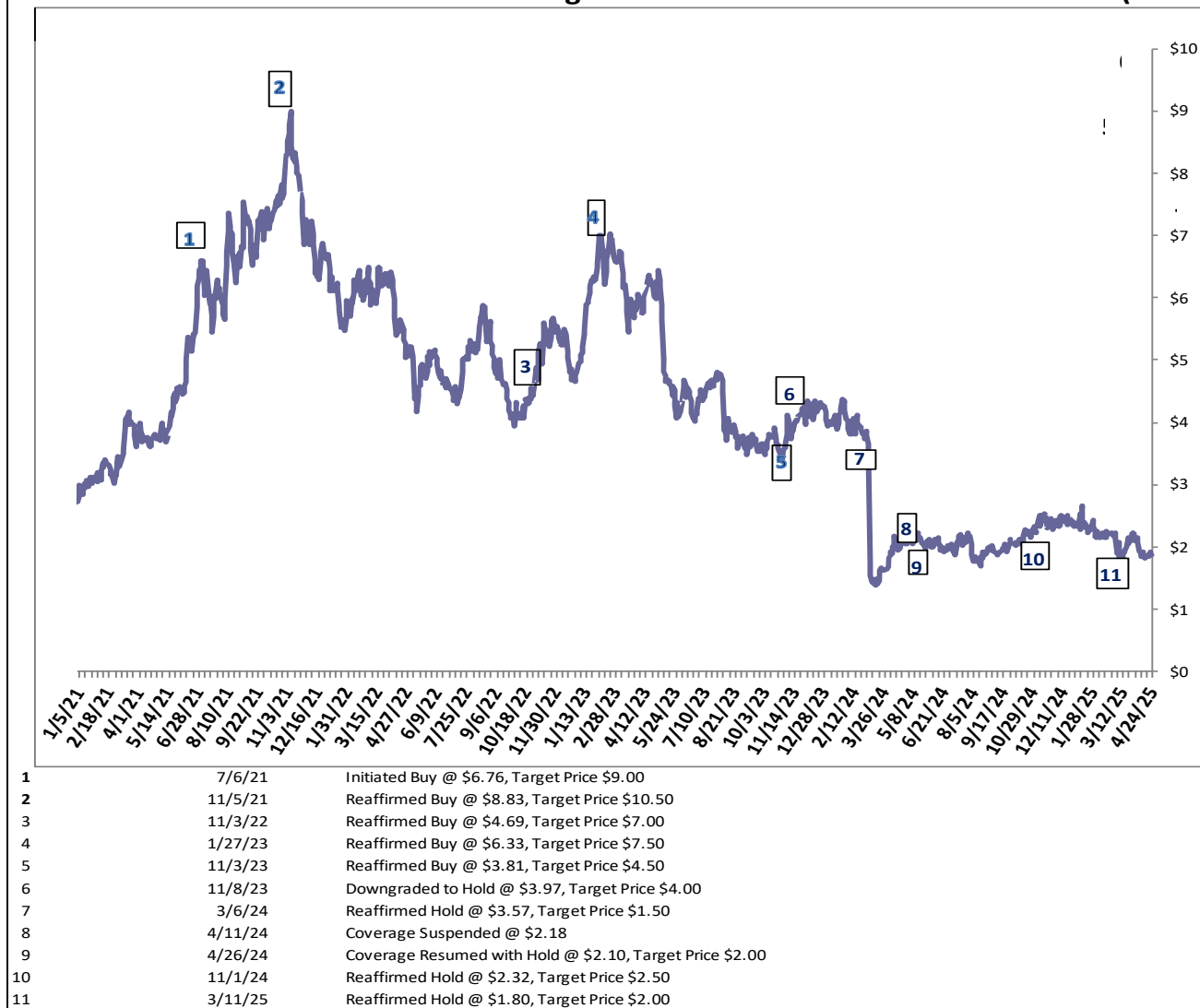
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters,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

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



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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