

Entravision Communications Corporation (EVC)

Buyback Beat Shows Us the Money; Raising Estimates; PT Tuned to \$8 For Macro Inputs; Reaffirm Buy

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Market chop is likely to leave stock drifting near-term, but big buyback beat puts wave of money behind impact of digital growth strategy. 1Q22 beat helps boost our 2022/23 estimates, partially offsetting drag on price target from market input headwinds. EVC repurchased in 1Q 1.1m shares for \$7.1m, blowing past our estimate of 0.4m shares for \$2.5m, and management said that company has repurchased another \$4m thus far in 2Q. EVC continues to weigh a number of digital M&A deals, which would add to organic growth from expanding partnerships into new markets (such as 365 Digital recently inking a deal to exclusively represent TikTok in Kenya).

We raise our full-year 2022 revenue and EBITDA estimates. 2Q core advertising (ex-political) is pacing -14% for TV (although +1% excluding Univision affiliation changes in Orlando, Tampa and Washington, DC), +2% for radio, and +23% for digital, vs. our prior comparable estimates of -16%/-3%/+25%. TV auto advertising trends are improving, pacing down 8% adjusting for the loss of 3 Univision affiliations. Our EVC 2022 revenue/EBITDA/EPS estimates go to \$943m/\$96.0m/\$0.37 from \$942m/\$95.0m/\$0.40. See Figure 3. Our 2022 digital segment estimates continue to assume ~30% pro forma operating cash flow growth. We trim our 2022 free cash flow estimate for slightly higher cash tax assumptions, given reduced NOL balances.

1Q recap: EBITDA beat across all 3 segments, with total EBITDA of \$18.1m above our \$16.0m estimate. See Figure 2. Core advertising growth was -18% for TV vs. prior pacing of -18%, +9% for radio vs. prior pacing of +6%, and +38% for digital vs. prior pacing of +39%. Revenue growth at Cisneros Interactive of 27% slightly missed our 33% estimate, while at MediaDonuts growth of 115% beat our 100% estimate. At the legacy digital business, Smadex again positively surprised, with revenue up 160%, driven by gaming and fintech verticals and by rolling out the product to more of EVC's customer base. The Smadex surge led to a margin beat at the legacy digital business, while Cisneros margin missed slightly, reflecting a slowdown in client spending and some lower payouts against partner sales targets. TV growth again fought the drag of the auto vertical, which was down 17% adjusting for the Univision affiliation changes. OCF margin for TV was 37.7%, above our 36.3% estimate, and for radio was 25.5%, above our 22.2% estimate.

Tweaking our price target to \$8.00 from \$8.50, reflecting higher discount rate; risks on page 3. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2027. Note that the valuation boost from our higher estimates and favorable balance sheet variances was more than offset by a higher equity risk premium estimate based on April market data, as well as a higher risk-free rate estimate based on higher U.S. Treasury yields.

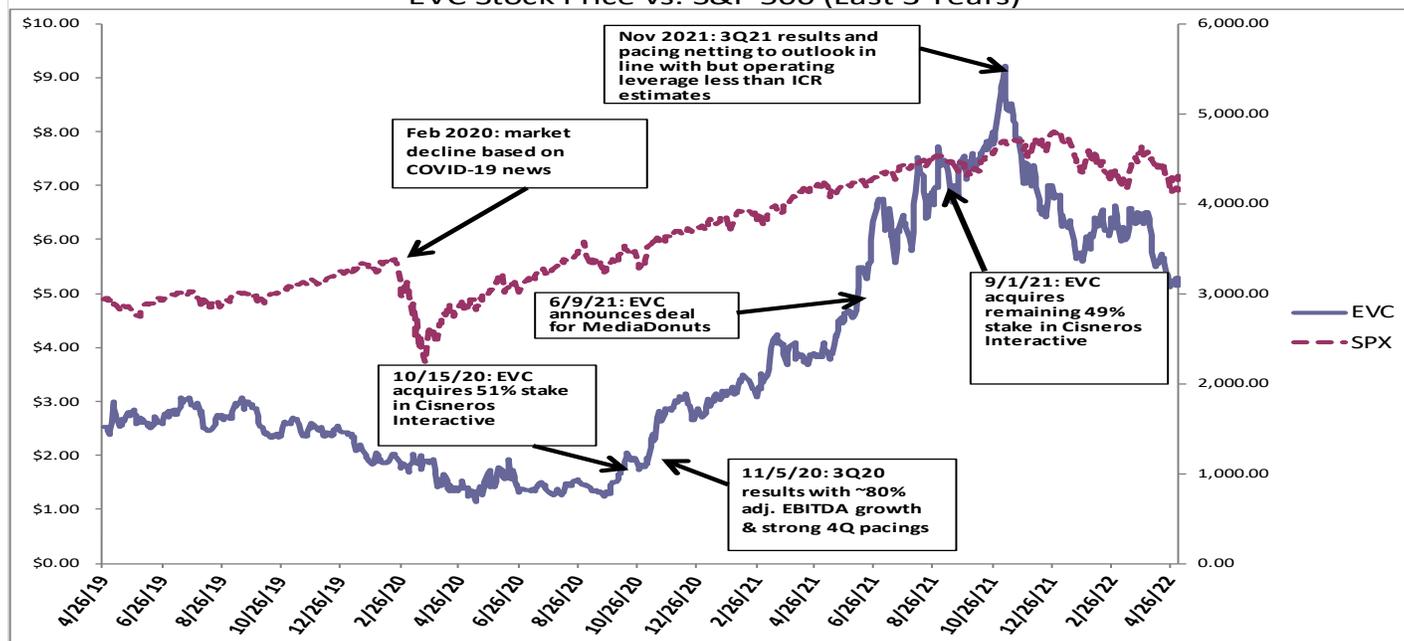
BUY			
Price at 5/5/22 (USD)	5.14		
Price Target	8.00		
52-week range	3.74 - 9.34		
Performance (%)	1m	3m	12m
Absolute	-20	-16	25
S&P 500	-8	-8	0
Market Cap (USDm)	452.4		
Shares outstanding (m)	88.0		
Float (%)	73		
Average volume	385,262		
S&P 500	4,146.9		
Forecasts and ratios			
Year ended 12/31	2021A	2022E	2023E
1Q EPS (USD)	0.06	0.02	0.14
2Q EPS (USD)	0.09	0.08	0.11
3Q EPS (USD)	0.14	0.12	0.12
4Q EPS (USD)	0.04	0.15	0.06
FY EPS (USD)	0.33	0.37	0.43
% Change	NM	10%	18%
P/E (x)	15.4	14.0	11.9
EV/EBITDA (x)	6.1	5.7	5.4
Revenue (USDm)	760.2	942.9	1,008.5
% Change	121%	24%	7%

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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)			
		12-month price target: \$8.00	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$5.14	Company description	Entravision is a multimedia company focused primarily on Spanish-language markets globally. The company operates a digital media segment serving the U.S. and roughly 30 international markets, 49 TV stations (mostly Univision network affiliates) in 16 of the top-50 U.S. Hispanic markets, and 46 radio stations (37 FM and 9 AM) as well as a radio network with distribution to over 100 U.S. markets. The company's 2021 revenue by segment was 73% from digital, 19% from TV, and 8% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	88.0	Strategy	Expand digital media operations into fast-growing markets outside the United States and manage for free cash flow and asset value TV-driven broadcast local platforms in U.S. Hispanic markets.
Equity market capitalization	452	Est. acquisition capacity	\$309
+Pro forma net debt	122	Management	Walter Ulloa is Chairman and CEO (since 1996). Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (since 2008 and with EVC since 2000).
-Hidden value	31	Positives	<ul style="list-style-type: none"> * Experience in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally * Reduced expense base during and after the pandemic * Strong balance sheet * Most of its TV stations affiliated with leading U.S. Spanish language network Univision * U.S. Hispanic buying power growing faster than general market * Secular growth in U.S. political advertising spending * Loss of broadcast audience and advertising share to digital alternatives * Volatility of international media business, reflecting early stage and potential competition * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Management succession plan (CEO has majority voting power)
=Pro forma EV	\$544	Risks	
OPERATING PROJECTIONS		Valuation	Attributing ~80% of firm value to digital media business
Pro forma net revenue		Recent events	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.
2022	\$943	Upcoming potential catalysts	2021/22 rebound in U.S. Hispanic employment and spending as pandemic recedes - Additional digital media M&A - 2022 U.S. midterm election ad spending
2021	778		
% Chg	21.2%		
Pro forma EBITDA			
2022	\$96		
2021	89		
% Chg	8.4%		
Pro forma EBITDA margin			
2022	10.2%		
2021	11.4%		
Free cash flow per share			
2022	\$0.78		
2021	\$0.90		
% Chg	-13.3%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2022	5.7x		
2021	6.1x		
Price / Free cash flow per share			
2022	6.6x		
2021	5.7x		
Pro forma net debt / EBITDA			
2022	1.3x		
2021	1.4x		
Dividend yield			
2022	1.9%		
2021	1.9%		

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 \$8.00 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions in 2020-21 because their higher growth and different business models are more difficult for investors to assess; 2) EVC's lower post-pandemic expense base looks sustainable; 3) apart from the industry-wide pressure on auto advertising because of supply shortages, and any transitional risks introduced by measures to mitigate Covid-19 variants, operating risk at the core U.S. media business should be ebbing based on the cyclical rebound in the U.S. Hispanic economy and secular growth of political advertising; 4) relative stability of net retransmission fee revenue (42% of 2021 EBITDA) and pro forma net debt leverage under 3x enhance management's longer-term options; and 5) our DCF valuation supports substantial 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 2022 and 2023. First, we adjust the current net debt with the estimated free cash flow to be generated by each valuation date. Second, we adjust the current net debt for any estimated payments remaining on the acquisitions (e.g., earnouts), which are currently scheduled to occur from early 2022 to 2025. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods set the range for our valuation, with the EVC-specific method incorporating market data on EVC shares' actual volatility setting the upper bound, and the sector method relying on measures of risk of comparables setting the lower bound. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

Risks to our investment thesis include: 1) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, 2) potential volatility of EVC's digital media business, given its increasing focus on emerging markets, its dependence on a small number of commercial relationships with media tech platforms, and increasing competition, 3) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's U.S. broadcast media business, 4) potential barriers to sale of all or a portion of the company, and 5) risk of regression to mean in share price performance given shares' substantial appreciation relative to the overall market and sector peers over the past year.

Figure 2: 1Q beat on EBITDA; we raise our 2Q22 EBITDA estimate slightly further above consensus

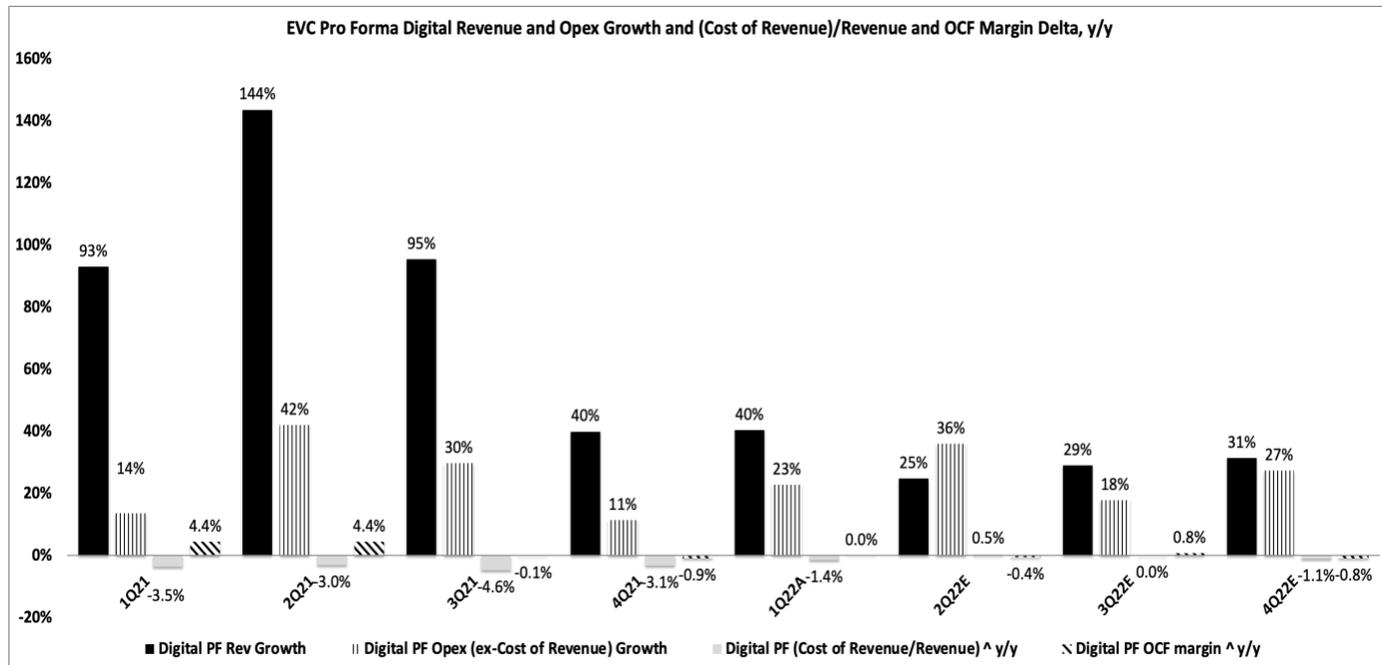
Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Results				YoY %CHG			A vs	
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A	Consensus	Consensus
1Q22A									
Pro Forma *									
Revenue	\$156.9	\$199.2	(\$2.1)	\$197.2	27.0%	-1.3%	25.7%		
Op Expense	142.5	183.3	(4.2)	179.1	28.6%	-2.9%	25.7%		
Adjusted EBITDA	14.4	16.0	2.1	18.1	10.8%	14.7%	25.6%		
As Reported									
Revenue	148.9	199.2	(2.1)	197.2	33.8%	-1.4%	32.4%	191.6	2.9%
Op Expense	134.7	183.3	(4.2)	179.1	36.1%	-3.1%	32.9%		
Adjusted EBITDA	14.2	16.0	2.1	18.1	12.6%	15.0%	27.6%	17.5	3.5%
Margin	9.5%	8.0%	1.2%	9.2%				9.1%	0.1%
Pro Forma EPS	\$0.06	\$0.04	+\$0.04	\$0.08	-33.3%	66.7%	33.3%	\$0.08	0.0%
FCF/sh (core)	\$0.15	\$0.12	+\$0.04	\$0.16	-20.0%	26.7%	6.7%		
	Estimates				YoY %CHG			ICR vs	
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
2Q22E									
Pro Forma *									
Revenue	\$188.3	\$219.4	\$2.2	\$221.6	16.5%	1.2%	17.7%		
Op Expense	173.9	197.9	1.9	199.9	13.8%	1.1%	14.9%		
Adjusted EBITDA	14.4	21.5	0.3	21.7	48.9%	1.8%	50.8%		
As Reported									
Revenue	148.9	219.4	2.2	221.6	47.4%	1.5%	48.9%	210.5	5.3%
Op Expense	134.7	197.9	1.9	199.9	47.0%	1.4%	48.4%		
Adjusted EBITDA	14.2	21.5	0.3	21.7	51.4%	1.9%	53.2%	19.9	9.3%
Margin	9.5%	9.8%	0.0%	9.8%				9.5%	0.4%
Pro Forma EPS	\$0.06	\$0.08	+\$0.00	\$0.08	33.3%	0.0%	33.3%	\$0.10	-20.0%
FCF/sh (core)	\$0.15	\$0.18	(\$-0.02)	\$0.16	20.0%	-13.3%	6.7%		

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

Figure 3: We raise our 2022 and 2023 revenue and EBITDA estimates

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
	Last Yr	Prior	Estimates		YoY %CHG			ICR vs	
			Chg	Current	Prior	Chg	Current	Consensus	Consensus
2022E									
Pro Forma *									
Revenue	778.1	942.2	0.7 ▲	942.9	21.1%	0.1%	21.2%		
Op expense	689.5	847.2	(0.3)	846.9	22.9%	0.0%	22.8%		
Adjusted EBITDA	88.6	95.0	1.0	96.0	7.3%	1.1%	8.4%		
As Reported									
Revenue	760.2	942.2	0.7	942.9	23.9%	0.1%	24.0%	909 ▲	3.7%
Op expense	672.2	847.2	(0.3)	846.9	26.0%	0.0%	26.0%		
Adjusted EBITDA	88.0	95.0	1.0	96.0 ▲	7.9%	1.1%	9.0%	92	4.1%
Margin	11.6%	10.1%	0.1%	10.2%				10.1%	0.0%
EPS	\$0.33	\$0.40	(\$0.03)	\$0.37 ▲	20.1%	-9.8%	10.4%	\$0.51 ▲	-27.9%
Cash FCF/sh	\$0.90	\$0.83	(\$0.05)	\$0.78	-7.8%	-5.6%	-13.3%		
2023E									
Pro Forma *									
Revenue	942.9	1,007.4	1.1	1,008.5	6.8%	0.1%	7.0%		
Op expense	846.9	908.1	(0.6)	907.5	7.2%	-0.1%	7.2%		
Adjusted EBITDA	96.0	99.3	1.7	101.0	3.4%	1.8%	5.2%		
As Reported									
Revenue	942.9	1,007.4	1.1	1,008.5	6.8%	0.1%	7.0%		
Op expense	846.9	908.1	(0.6)	907.5	7.2%	-0.1%	7.2%		
Adjusted EBITDA	96.0	99.3	1.7	101.0	3.4%	1.8%	5.2%	100	1.0%
Margin	10.2%	9.9%	0.2%	10.0%					
EPS	\$0.37	\$0.42	\$0.02	\$0.43	12.9%	5.0%	17.9%		
Cash FCF/sh	\$0.78	\$0.73	\$0.08	\$0.81	-6.4%	10.3%	3.8%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 4: For digital segment in 2022, we assume consistent strong growth, with periods of slight negative operating leverage



Source: Industry Capital Research estimates and company data

Figure 5: We trim our near-term Cisneros Interactive revenue growth assumptions, reflecting more aggressive partner targets

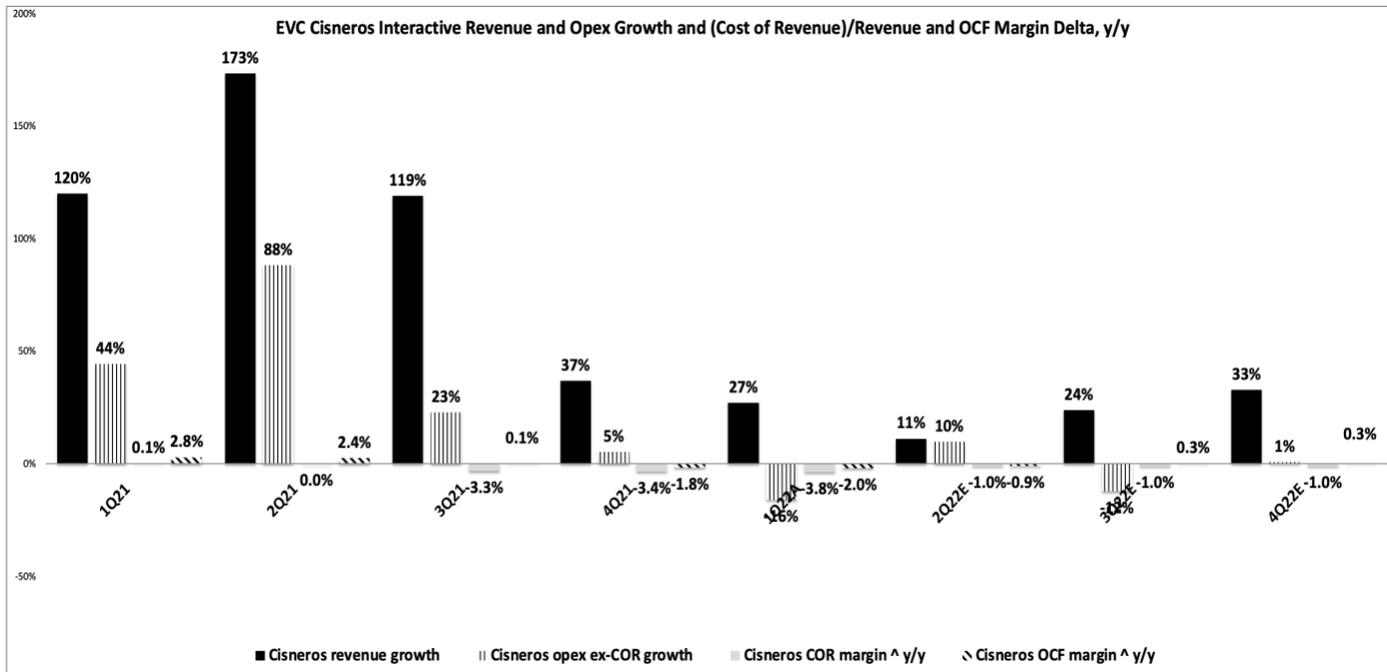
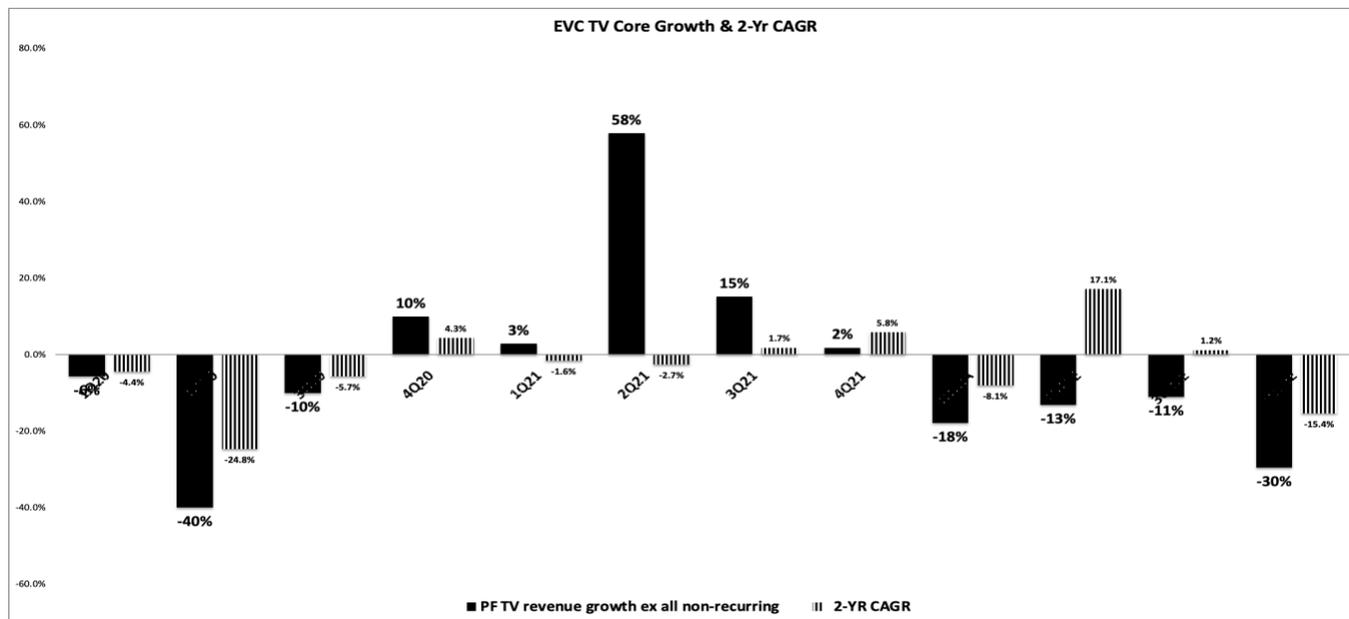
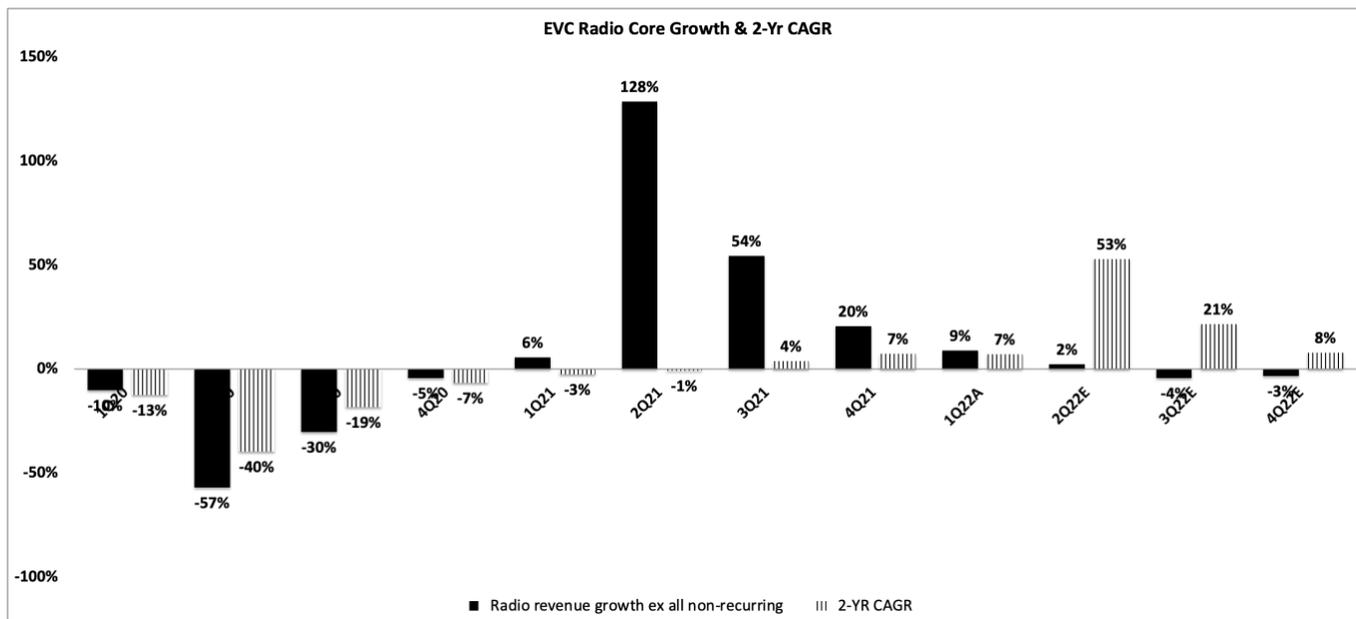


Figure 6: TV core ad growth declines in 2022 reflect loss of 3 Univision affiliations at the end of 2021



Source: Industry Capital Research estimates and company data

Figure 7: We assume radio revenue decelerates against tougher comps



Source: Industry Capital Research estimates and company data

Figure 8: Digital Segment Forecast

In millions, except unit data	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Legacy													
Revenue	\$68.9	\$54.1	\$13.0	\$15.3	\$17.4	\$23.0	\$68.7	\$21.9	\$24.8	\$22.1	\$24.2	\$92.9	\$98.2
Cost of Revenue	36.8	30.6	7.4	8.7	9.9	13.2	39.2	12.4	14.1	12.6	13.9	52.9	56.0
Opex ex-cost of revenue	32.3	24.5	5.9	5.6	6.5	5.8	23.8	7.9	9.1	8.2	9.0	34.1	35.7
OCF	(0.1)	(1.0)	(0.2)	1.0	0.9	4.0	5.7	1.6	1.6	1.3	1.3	5.9	6.6
OCF Margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	6.6%	5.7%	5.5%	6.3%	6.7%
Acquisitions-Stand Alone													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	127.7	144.2	177.7	562.1	623.6
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	102.9	112.8	130.9	159.9	506.4	551.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.6	6.3	5.0	7.1	23.0	3.9	6.9	4.4	7.1	22.3	25.9
Cisneros OCF	9.9	14.2	6.3	8.3	6.9	7.7	29.1	5.7	8.0	8.9	10.7	33.4	45.7
OCF Margin	6.2%	6.1%	7.1%	7.2%	5.9%	5.7%	6.4%	5.1%	6.3%	6.2%	6.0%	5.9%	7.3%
MediaDonuts revenue	0.0	28.5	8.0	9.9	12.1	18.8	48.8	17.2	18.8	17.2	25.2	78.4	85.3
MediaDonuts cost of revenue	0.0	20.9	6.0	6.9	9.7	14.7	37.3	12.9	14.1	12.9	18.9	58.8	64.0
MediaDonuts opex ex-cost of revenue	0.0	2.5	1.8	2.7	1.5	2.3	8.2	3.1	3.4	2.4	3.3	12.3	12.0
MediaDonuts OCF	0.0	5.0	0.2	0.3	0.9	1.8	3.3	1.2	1.3	1.9	3.0	7.3	9.3
OCF Margin	17.7%	3.0%	3.1%	3.1%	7.5%	9.7%	6.7%	6.7%	6.8%	10.9%	11.9%	9.3%	10.9%
365 Digital revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.1	3.6	5.0	6.2	16.9	28.0
365 Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.9	4.0	4.9	13.5	22.4
365 Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.6	0.5	0.4	1.8	3.4
365 Digital OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.5	0.8	1.6	2.2
365 Digital OCF Margin	10.0%	16.9%	16.9%	44.2%	11.5%	11.5%	4.3%	4.4%	10.0%	13.4%	9.3%	7.8%	
Acquisitions-PF Adjustments													
Cisneros revenue													
Cisneros cost of revenue													
Cisneros opex ex-cost of revenue			0.1	0.1	0.1	0.1	0.5						
Cisneros OCF			(0.1)	(0.1)	(0.1)	(0.1)	(0.5)						
MediaDonuts revenue													
MediaDonuts cost of revenue													
MediaDonuts opex ex-cost of revenue		1.0	0.0	0.0	0.0	0.0	0.1						
MediaDonuts OCF		(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)						
365 Digital revenue													
365 Digital cost of revenue													
365 Digital opex ex-cost of revenue													
365 Digital OCF													
Acquisitions-Pro Forma													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	127.7	144.2	177.7	562.1	623.6
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	102.9	112.8	130.9	159.9	506.4	551.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.8	6.4	5.2	7.2	23.6	3.9	6.9	4.4	7.1	22.3	25.9
Cisneros OCF	9.9	14.2	6.1	8.1	6.799	7.5	28.6	5.7	8.0	8.9	10.7	33.4	45.7
OCF Margin	6.2%	6.1%	6.9%	7.1%	5.8%	5.6%	6.3%	5.1%	6.3%	6.2%	6.0%	5.9%	7.3%
MediaDonuts revenue	0.0	28.5	8.0	9.9	12.1	18.8	48.8	17.2	18.8	17.2	25.2	78.4	85.3
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MediaDonuts OCF	0.0	4.0	0.2	0.3	0.9	1.8	2.3	1.2	1.3	1.9	3.0	7.3	9.3
OCF Margin													
365 Digital revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.1	3.6	5.0	6.2	16.9	28.0
365 Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.9	4.0	4.9	13.5	22.4
365 Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.6	0.5	0.4	1.8	3.4
365 Digital OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.5	0.8	1.6	2.2
365 Digital OCF Margin													
Acquisitions-Adjustments to Reported													
Cisneros revenue	(159.4)	(144.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros cost of revenue	(136.2)	(125.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros opex ex-cost of revenue	(13.2)	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros OCF pre-minority interest	(9.9)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts revenue	0.0	(28.5)	-8.0	-9.9	0.0	0.0	(17.9)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts cost of revenue	0.0	(20.9)	-6.0	-6.9	0.0	0.0	(12.9)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts opex ex-cost of revenue	0.0	(3.5)	-1.8	-2.7	0.0	0.0	(4.4)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts OCF pre-minority interest	0.0	(4.0)	-0.2	-0.3	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: MediaDonuts minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital opex ex-cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital OCF pre-minority interest	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: 365 Digital minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions-As Reported													
Cisneros revenue	0.0	89.2	88.5	114.9	116.6	133.8	453.9	112.5	127.7	144.2	177.7	562.1	623.6
Cisneros cost of revenue	0.0	76.3	77.6	100.4	104.7	119.1	401.7	102.9	112.8	130.9	159.9	506.4	551.9
Cisneros opex	0.0	6.1	4.8	6.4	5.2	7.2	23.6	3.9	6.9	4.4	7.1	22.3	25.9
Cisneros OCF	0.0	6.8	6.1	8.1	6.8	7.5	28.6	5.7	8.0	8.9	10.7	33.4	45.7
MediaDonuts revenue	0.0	0.0	0.0	0.0	12.1	18.8	30.9	17.2	18.8	17.2	25.2	78.4	85.3
MediaDonuts cost of revenue	0.0	0.0	0.0	0.0	9.7	14.7	24.4	12.9	14.1	12.9	18.9	58.8	64.0
MediaDonuts opex	0.0	0.0	0.0	0.0	1.5	2.3	3.8	3.1	3.4	2.4	3.3	12.3	12.0
MediaDonuts OCF	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.2	1.3	1.9	3.0	7.3	9.3
365 Digital revenue	0.0	0.0	0.0	0.0	1.9	1.9	1.9	2.1	3.6	5.0	6.2	16.9	28.0
365 Digital cost of revenue	0.0	0.0	0.0	0.0	1.5	1.5	1.5	1.7	2.9	4.0	4.9	13.5	22.4
365 Digital opex	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.3	0.6	0.5	0.4	1.8	3.4
365 Digital OCF	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.2	0.5	0.8	1.6	2.2
Digital segment as reported													
Digital revenue	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.9	188.5	233.2	750.3	835.1
Digital cost of revenue	36.8	106.9	85.0	109.0	124.3	148.399	466.7	129.9	143.8	160.4	197.6	631.7	694.3
Digital opex	32.3	30.6	10.6	12.0	13.2	15.5	51.4	15.2	20.0	15.5	19.8	70.5	77.0
Digital OCF	(0.1)	5.7	5.9	9.2	8.6	13.6	37.2	8.6	11.1	12.6	15.9	48.1	63.8

Metrics	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Legacy growth													
Reported digital revenue growth		108%	661%	1045%	970%	69%	288%	51%	34%	29%	31%	35%	11%
Legacy digital revenue growth	-14.9%	-21.4%	-2.6%	34.5%	27.4%	45.8%	26.9%	68.7%	62.1%	26.8%	5.1%	35.3%	5.7%
2-yr CAGR		-18.2%	-5.3%	-4.6%	-0.6%	7.2%	-0.2%	28.2%	47.7%	27.1%	23.8%	31.0%	19.6%
Legacy digital opex growth		-24.1%	-14.4%	-9.2%	21.5%	-4.7%	-2.8%	34.0%	62.8%	25.3%	54.4%	43.3%	4.5%
Legacy digital OCF		822.5%	-71.9%	-184.0%	95.7%	532.7%	-661.1%	-757.3%	58.5%	37.7%	-66.5%	2.9%	12.0%
Cisneros growth													
Cisneros revenue growth		46.4%	120.0%	173.4%	118.9%	36.9%	94.5%	27.1%	11.1%	23.7%	32.8%	23.8%	10.9%
2-yr CAGR		69.8%	73.6%	67.3%	65.5%	68.7%	68.7%	74.3%	64.5%	34.8%	55.2%	55.2%	17.2%
Cisneros opex ex-COR growth		31.5%	44.3%	88.2%	22.7%	5.1%	32.5%	-16.2%	9.6%	-12.4%	0.7%	-3.1%	16.1%
Cisneros OCF		43%	266%	314%	122%	4%	105%	-9%	-3%	29%	39%	14%	37%
MediaDonuts growth													
MediaDonuts revenue growth y/y			154.3%	140.0%	53.5%	41.3%		114.8%	90.3%	42.2%	34.0%	60.7%	8.8%
2-yr CAGR								133.7%	113.7%	47.7%	37.6%	66.0%	32.2%
MediaDonuts opex ex-COR growth y/y			106.5%	215.0%	757.3%	264.3%		79.0%	29.1%	64.5%	42.6%	49.9%	-2.6%
MediaDonuts cost of revenue growth y/y			143%	155%	54%	56%		115%	104%	33%	29%	58%	9%
MediaDonuts OCF growth y/y			-240%	-45%	-34%	-44%	-35%	375%	313%	107%	65%	122%	28%
365 Digital growth													
365 Digital revenue growth y/y												786.5%	65.7%
365 Digital opex ex-COR growth y/y												792.3%	90.6%
365 Digital cost of revenue growth y/y												810%	66%
365 Digital OCF growth y/y												621%	37%
Digital segment pro forma growth													
Digital revenue		38%	93%	144%	95%	40%	81%	40%	25%	29%	31%	31%	11%
Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20			83%										
Digital cost of revenue		46%	102%	153%	107%	45%	89%	43%	24%	29%	33%	32%	10%
Digital opex ex-cost of revenue		0%	14%	42%	30%	11%	23%	23%	36%	18%	27%	26%	9%
Digital OCF		76%	831%	613%	73%	25%	113%	41%	17%	63%	17%	30%	33%
Legacy margins													
Legacy cost of revenue/revenue	53.3%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Legacy opex ex-COR/revenue	46.8%	45.3%	45.3%	36.6%	37.6%	25.3%	34.7%	36.0%	36.7%	37.2%	37.1%	36.7%	36.3%
Legacy OCF margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	6.6%	5.7%	5.5%	6.3%	6.7%
Legacy OCF margin ^ y/y		-1.7%	4.7%	17.6%	1.8%	13.4%	10.2%	9.3%	-0.2%	0.4%	-11.8%	-2.0%	0.4%
Cisneros margins													
Cisneros cost of revenue/revenue	85.5%	86.4%	87.7%	87.3%	89.7%	89.0%	88.5%	91.5%	88.3%	90.7%	90.0%	90.1%	88.5%
Cisneros COR margin ^ y/y		1.0%	-0.1%	0.0%	3.3%	3.4%	2.1%	3.8%	1.0%	1.0%	1.0%	1.6%	-1.6%
Cisneros OCF margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-0.9%	0.3%	0.3%	-0.5%	1.4%
Cisneros EBITDA margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-0.9%	0.3%	0.3%	-0.5%	1.4%
MediaDonuts margins													
MediaDonuts cost of revenue/revenue		73.5%	75.0%	70.0%	80.3%	78.0%	76.5%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
MediaDonuts COR margin ^ y/y			-3.5%	4.1%	0.0%	7.4%		0.0%	5.0%	-5.3%	-3.0%	-1.5%	0.0%
MediaDonuts OCF margin ^ y/y			8.5%	-10.5%	-10.0%	-15.0%		3.7%	3.6%	3.4%	2.2%	2.6%	1.6%
MediaDonuts EBITDA margin ^ y/y			8.5%	-10.5%	-10.0%	-15.0%		3.7%	3.6%	3.4%	2.2%	2.6%	1.6%
365 Digital margins													
365 Digital cost of revenue/revenue		80.0%	75.0%	70.0%	0.0%	78.0%	77.9%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
365 Digital COR margin ^ y/y			-5.0%	-10.0%	-80.0%	-2.0%		5.0%	10.0%	80.0%	2.0%	2.1%	0.0%
365 Digital OCF margin ^ y/y			6.9%	6.9%	34.2%	1.5%		-12.6%	-12.4%	-34.2%	2.0%	-2.1%	-1.6%
Digital Segment margins													
Digital Segment cost of revenue/revenue		74.6%	83.7%	83.7%	85.1%	83.6%	84.0%	84.5%	82.2%	85.1%	84.7%	84.2%	83.1%
MediaDonuts COR margin ^ y/y			28.6%	27.0%	27.9%	2.3%		0.8%	-1.5%	0.0%	1.1%	0.1%	-1.0%
MediaDonuts OCF margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MediaDonuts EBITDA margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Digital Segment reported revenue mix:													
Digital as % of company revenue	25%	42%	68%	73%	73%	76%	73%	78%	79%	79%	82%	80%	83%
Cisneros Interactive as % of digital segment revenue		62%	87%	88%	80%	75%	82%	73%	73%	77%	76%	75%	75%
MediaDonuts as % of digital segment revenue		0%	0%	0%	8%	11%	6%	11%	11%	9%	11%	10%	10%
Legacy digital as % of digital segment revenue		38%	13%	12%	12%	13%	12%	14%	14%	12%	10%	12%	12%
365 Digital as % of digital segment revenue		0%	0%	0%	0%	1%	0%	1%	2%	3%	3%	2%	3%
Digital Segment reported OCF mix:													
Cisneros Interactive as % of digital segment OCF		118%	104%	89%	79%	56%	77%	67%	72%	71%	67%	69%	72%
MediaDonuts as % of digital segment OCF		0%	0%	0%	0%	13%	5%	13%	11%	15%	19%	15%	15%
Legacy digital as % of digital segment OCF		-18%	-4%	11%	11%	29%	15%	19%	15%	10%	8%	12%	10%
365 Digital as % of digital segment OCF		0%	0%	0%	0%	2%	1%	1%	1%	4%	5%	3%	3%
Minority interest		2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0

Note: Legacy digital is EVC's digital segment excluding Cisneros Interactive, MediaDonuts and 365 Digital. Source: Industry Capital Research estimates and company data

Figure 9: Forecast Drivers—Television Segment

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
TELEVISION SEGMENT																
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-6.9%	-16.0%	-6.0%	-6.2%	-11.4%	-9.6%	-9.0%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.0	\$34.2	\$35.6	\$132.7	\$120.8
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-14.5%	-6.0%	-6.2%	-11.4%	-9.6%	-9.0%
TV non-recurring items:																
Political/Census	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	1.3	1.5	1.3	4.5	8.6	0.2
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	1.3	1.5	1.3	4.5	8.6	0.2
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	36.1	34.1	36.1	39.8	146.0	29.6	30.5	32.9	31.1	124.1	120.6
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-18.1%	-10.4%	-8.8%	-21.9%	-15.1%	-2.8%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	8.9	8.7	8.7	8.9	35.2	33.4
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%	100.0%	100.0%	100.0%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	8.9	8.7	8.7	8.9	35.2	33.4
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	26.5	24.8	27.3	31.3	109.9	22.0	23.3	25.5	26.8	87.3	87.3
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-10.7%	40.6%	-4.8%	-25.0%	-6.6%	-17.1%	-5.9%	-6.6%	-14.5%	-11.2%	-10.5%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	36.1	33.6	35.0	40.2	144.8	30.9	32.0	34.2	35.6	132.7	120.8
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-7.9%	24.5%	-7.5%	-20.3%	-6.2%	-14.5%	-4.6%	-2.1%	-11.4%	-8.4%	-9.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(3.3)	(9.8)	(6.6)	(6.2)	(7.6)	(7.4)	(27.8)	(27.0)
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(9.8)	(6.6)	(6.2)	(7.6)	(7.4)	(27.8)	(27.0)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	38.2	35.6	39.2	43.6	156.6	37.5	38.2	41.8	43.0	160.5	147.7
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-7.4%	24.9%	-2.8%	-19.0%	-4.4%	-1.8%	7.2%	6.6%	-1.4%	2.5%	-8.0%
Spectrum usage/auction	1.5	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.3	1.3	1.3	1.3	5.0	5.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.3	1.3	1.3	1.3	5.0	5.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	33.2	33.0	35.3	39.1	140.7	29.6	30.8	33.0	34.4	127.7	115.8
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-12.1%	28.7%	-3.0%	-20.4%	-5.6%	-10.9%	-6.7%	-6.8%	-12.1%	-9.2%	-9.4%
PF TV revenue ex-all non-recurring	120.7	122.9	114.2	111.6	99.2	25.7	24.7	27.1	33.1	110.7	26.0	26.8	30.6	28.3	111.7	109.1
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	2.8%	49.3%	8.4%	1.8%	11.6%	1.1%	8.2%	12.9%	-14.5%	0.9%	-2.3%
TV rev grth ex all non-rec 2-yr CAGR	1.7%	-2.7%	-2.7%	-4.7%	-6.8%	-1.6%	-5.4%	-1.3%	5.8%	-0.4%	2.0%	27.1%	10.6%	-6.7%	6.1%	-0.7%
PF TV advertising growth ex-political	-3.8%	-11.3%	-2.2%	-11.2%	2.8%	57.8%	15.1%	1.8%	14.7%	-17.9%	-17.9%	-13.1%	-11.1%	-29.6%	-18.5%	-2.1%
TV ad rev grth ex political 2-yr CAGR	-1.9%	-7.6%	-6.9%	-6.8%	-1.6%	-2.7%	1.7%	5.8%	1.0%	-8.1%	-8.1%	17.1%	1.2%	-15.4%	-3.3%	-10.7%
PF TV revenue growth ex-political	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-18.1%	-10.4%	-8.8%	-21.9%	-15.1%	-2.8%	-2.8%
TV rev grth ex political 2-yr CAGR	-0.1%	-3.0%	0.5%	-3.6%	-2.9%	-5.4%	-0.5%	4.2%	-1.1%	-6.6%	8.9%	0.0%	-11.2%	-3.0%	-9.1%	-9.1%
PF TV advertising growth	-10.0%	-3.0%	-10.5%	10.9%	-16.4%	45.6%	-4.1%	-25.2%	-7.6%	-12.4%	-6.8%	-7.4%	-15.5%	-10.8%	-11.0%	-11.0%

Source: Company reports; Industry Capital Research estimates

Figure 10: Forecast Drivers—Radio Segment

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
RADIO SEGMENT																
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	23.4%	9.7%	4.0%	-5.7%	5.5%	3.1%	-12.0%
Pro Forma radio:																
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$11.3	\$14.1	\$16.4	\$16.1	\$58.0	\$12.6	\$14.7	\$15.5	\$17.0	\$59.8	\$52.6
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	11.4%	4.0%	-5.7%	5.5%	3.1%	-12.0%
Radio non-recurring items:																
Political/Census	2.1	0.1	2.2	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.3	0.3	1.7	2.6	0.1
Assm: % Incremental to Core	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	2.1	0.1	2.2	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.3	0.3	1.7	2.6	0.1
Radio revenue ex political	73.8	66.9	62.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.3	14.4	15.2	15.4	57.2	52.6
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	8.7%	2.2%	-4.5%	-3.4%	0.1%	-8.2%
NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	11.3	14.1	16.4	16.1	39.5	12.6	14.7	15.5	17.0	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	-3.5%	108.2%	42.5%	-0.5%	0.0%	11.4%	4.0%	-5.7%	5.5%	0.0%	0.0%
World Cup/Other Soccer	1.9									0.0%						
Assm: % Incremental to Core	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Growth ex WC	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	11.4%	4.0%	-5.7%	5.5%	3.1%	-12.0%
Revenue	73.8	66.9	61.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.3	14.4	15.2	15.4	57.2	52.6
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	8.7%	2.2%	-4.5%	-3.4%	0.1%	-8.2%
Radio rev grth ex all non-rec 2-yr CAGR	-5.9%	-8.4%	-9.4%	-19.2%	-2.7%	-0.9%	3.7%	7.2%	2.0%	7.1%	52.8%	21.4%	7.8%	19.0%	-4.1%	-4.1%

Source: Company reports; Industry Capital Research estimates

Figure 11: Forecast Drivers—Operating Expense

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
OPERATING EXPENSE																
Television PF Opex Growth				0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	-0.3%	-3.2%	-0.3%	-1.5%	-2.3%	-1.9%	-8.0%
Radio PF Opex Growth				-4.5%	-26.3%	-16.9%	8.2%	0.8%	-5.5%	-5.4%	-3.0%	4.0%	6.9%	-3.4%	1.0%	-7.0%
Pro forma consolidated:																
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$153.3	\$40.4	\$41.4	\$43.1	\$48.1	\$173.0	\$43.9	\$49.7	\$45.8	\$51.5	\$190.9	\$188.1
Growth	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.6%	4.6%	12.9%	8.5%	20.0%	6.3%	7.1%	10.3%	-1.4%
Non-recurring opex items:																
M&A (Cisneros, MediaDonuts, 365 acquisitions)	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.6	9.7	27.6	7.4	10.9	7.3	10.8	36.4	41.3
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%	100.0%	100.0%	100.0%
Incremental Cisneros	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.6	9.7	27.6	7.4	10.9	7.3	10.8	36.4	41.3
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	147.6	35.7	35.0	36.5	38.3	145.5	36.5	38.9	38.5	40.6	154.5	146.8
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-14.9%	-11.5%	6.0%	7.1%	-4.7%	-1.5%	2.4%	11.0%	5.5%	6.0%	6.2%	-5.0%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(6.4)	(7.9)	(13.9)	(13.0)	(41.2)	(39.6)
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%	100.0%	100.0%	100.0%
Incremental cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(6.4)	(7.9)	(13.9)	(13.0)	(41.2)	(39.6)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	180.5	45.4	47.3	54.5	58.6	205.8	50.2	57.7	59.7	64.5	232.1	39.6
Growth ex cost reductions	-27.8%	0.0	5.0%	-1.9%	4.1%	12.8%	20.5%	21.0%	4.8%	14.0%	10.6%	21.9%	9.5%	10.0%	12.7%	-83.0%
Salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.8	2.3	2.2
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.8	2.3	2.2
Opex ex salary true-up	0.0	168.4	176.8	173.4	151.3	40.4	40.8	42.4	47.4	171.0	43.9	48.9	45.1	50.7	188.6	184.2
Growth ex salary true-up		5.0%	-1.9%	-12.7%	0.4%	23.4%	24.6%	7.9%	13.0%	8.5%	20.0%	6.2%	7.0%	10.3%	-101.2%	
Opex ex-non-recurring	160.2	168.4	176.8	173.4	172.8	40.7	40.2	47.2	48.2	176.3	42.9	46.0	51.6	52.9	193.4	184.2
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-0.3%	1.0%	2.4%	4.8%	-0.1%	2.0%	5.5%	14.4%	9.3%	9.7%	9.7%	-4.8%
Opex grth ex all non-rec 2-yr CAGR		6.5%	5.0%	1.5%	-1.1%	-2.5%	-3.6%	4.5%	4.5%	0.8%	3.2%	8.2%	7.0%	4.7%	5.8%	2.2%
Revenue-driven variable expense	41.1	36.7	35.4	31.2	31.7	7.0	7.6	8.5	9.3	32.3	6.7	7.4	8.0	8.5	30.5	27.0
Non-sales opex ex non-recurring	119.1	131.7	141.4	142.1	141.1	33.7	32.6	38.7	39.0	143.9	36.2	38.6	43.7	44.4	162.9	157.2
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-0.7%	4.3%	-5.8%	3.7%	5.5%	2.0%	7.6%	18.4%	12.9%	14.0%	13.2%	-3.5%
Non-sales opex grth ex all non-rec 2-yr CAGR		9.9%	8.9%	3.9%	-0.1%	-2.6%	-3.9%	4.7%	4.0%	0.6%	5.9%	5.6%	8.2%	9.6%	7.4%	4.5%

Source: Company reports; Industry Capital Research estimates

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

Figure 4: Financial Statement Forecasts supporting our valuation

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
AS REPORTED																
Net revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$96.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.0	\$34.2	\$35.6	\$132.7	120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	47.4	48.2	52.9	56.4	204.9	43.5	46.7	49.7	52.7	192.5	173.4
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.9	188.5	233.2	750.3	835.1
Total net revenue (core)	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.6	238.2	285.9	942.9	1,008.5
Revenue from spectrum usage rights		263.9	1.2	0.0	0.0					0.0					0.0	0.0
Total net revenue	258.5	536.0	297.8	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.6	238.2	285.9	942.9	1,008.5
Cost of Revenue																
Television		0.0														
Radio		0.0														
Digital	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	83.5%	83.7%	85.1%	83.6%	84.0%	84.5%	82.2%	85.1%	84.7%	84.2%	83.1%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Cost of revenue from spectrum usage rights (television)		12.340														
Total cost of revenue	9.5	45.3	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Opex																
Television opex	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio opex	65.4	63.3	59.4	56.7	41.8	9.7	9.9	10.7	10.3	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital opex	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	15.2	20.0	15.5	19.8	70.5	77.0
Total opex (core)	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	43.9	49.7	45.8	51.5	190.9	188.1
Spectrum usage rights																
Total Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	43.9	49.7	45.8	51.5	190.9	188.1
OCF																
Television OCF	75.9	66.3	67.4	65.2	73.6	\$16.2	\$14.5	\$16.3	\$18.4	65.4	\$11.6	\$12.5	\$14.4	\$14.3	52.8	47.3
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.9%	42.7%	44.7%	45.7%	44.6%	37.7%	39.2%	42.0%	40.1%	39.8%	39.1%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%	173.4%					106.6%					89.3%	46.5%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	14.4%	29.9%	40.5%	33.9%	31.0%	25.5%	30.0%	32.6%	39.4%	32.4%	28.5%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%					114.9%					60.6%	63.8
Digital OCF	2.4	0.7	2.8	(0.1)	5.7	5.9	9.167	8.6	13.6	37.2	8.6	11.1	12.6	15.9	48.1	63.8
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	5.8%	7.0%	5.9%	7.6%	6.7%	5.6%	6.3%	6.7%	6.8%	6.4%	7.6%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%					7.6%					5.6%	15.5%
Total OCF (core)	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.6	37.4	120.6	23.4	28.0	32.0	36.9	120.3	126.1
Margin	34.3%	26.0%	25.2%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.9%	12.7%	13.4%	12.9%	12.8%	12.5%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%		8.4%	16.7%	7.7%	-4.8%		-0.6%	0.2%	1.0%	-1.1%		
Spectrum sales	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	88.7	322.3	75.9	63.4	83.8	23.7	27.9	31.6	37.4	120.6	23.4	28.0	32.0	36.9	120.3	126.1
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.9%	12.7%	13.4%	12.9%	12.8%	12.5%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%		8.4%	16.7%	7.7%	-4.8%		-0.6%	0.2%	1.0%	-1.1%		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	7.2	7.3	7.3	11.2	33.0	8.7	8.8	8.5	8.6	34.7	35.7
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	16.6	20.6	24.3	26.2	87.6	14.7	19.2	23.5	28.2	85.6	90.4
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	0.8	0.8	0.8	4.0	6.4	1.6	1.7	1.7	1.5	6.5	6.6
Opex adjustments to cash:																
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.9)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	0.3	0.3	0.3	2.3	3.2	1.0	1.0	1.0	3.9	4.0	
Non-recurring cash severance		0.8	2.3	1.7	0.4	0.0	0.0	0.0	0.4	0.4				0.0	0.0	
EBITDA attributable to redeemable noncontrolling interest				3.4	2.8	2.8	4.3	2.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0	0.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	0.5	2.5	3.9	1.7	(2.7)	5.5	(1.0)	(1.0)	(1.0)	(0.9)	(3.9)	(4.0)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	(1.1)	0.6	(0.3)	0.2	0.1	0.5	(0.8)	0.2	0.3	0.3	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Other opex for spectrum (in corporate)		2.1	1.2													
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)					
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	9.2%	9.8%	10.8%	10.6%	10.2%	10.0%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	5.3%	12.1%	5.0%	0.3%	6.6%	8.1%	9.2%	6.7%	-4.9%	4.4%	7.6%

Source: Industry Capital Research estimates and company data

Figure 5: Financial Statement Forecasts supporting our valuation (cont.)

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$42.9	\$45.4	\$44.8	\$45.4	\$178.5	\$42.9	\$48.7	\$44.8	\$50.5	\$187.0	\$184.1
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	7.1	7.1	6.8	7.1	28.2	29.1
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	1.1	1.1	1.1	6.3	9.6	2.6	2.7	2.6	2.5	10.4	10.6
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	1.8	0.8	0.7	0.6	3.9	4.0
Memo: PF EBITDA attributable to redeemable noncontrolling interest																
D&A	15.3	16.4	16.3	16.6	17.3	5.2	5.1	5.9	6.3	22.4	6.4	6.4	6.4	6.4	25.6	26.2
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	3.5%	2.8%	3.0%	2.7%	2.9%	3.2%	2.9%	2.7%	2.2%	2.7%	2.6%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	0.0	0.0	0.0	8.2	8.2	5.1	0.0	0.0	0.00	5.1	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	1.3	0.1	0.2	1.4	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss		(0.3)	(1.2)	(6.0)	(6.9)	(1.9)	(0.5)	(2.4)	(2.1)	(7.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Gain (Loss) on Sale	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (EBIT Inc. Impairments)	48.9	277.9	33.6	(1.7)	6.6	11.4	16.2	20.5	12.4	60.5	4.2	12.7	16.9	21.6	55.3	64.6
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	7.6%	9.1%	10.3%	5.3%	8.0%	2.1%	5.7%	7.1%	7.5%	5.9%	6.4%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(1.7)	(1.8)	(1.7)	(1.7)	(6.9)	(1.4)	(1.5)	(1.5)	(1.5)	(6.0)	(8.4)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.3	0.8	2.0	3.4	1.7	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(1.6)	(1.8)	(1.7)	(1.7)	(6.8)	(1.4)	(1.5)	(1.5)	(1.5)	(6.0)	(8.4)
Loss on debt extinguishment	(0.2)	(3.3)	(0.6)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.0	0.2	0.9	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	(0.0)	0.0	0.0
Pretax income	33.5	258.6	21.4	(11.3)	0.1	9.8	14.5	19.0	10.6	53.9	2.7	11.2	15.4	20.0	49.4	56.2
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	6.6%	8.1%	9.5%	4.6%	7.1%	1.4%	5.1%	6.4%	7.0%	5.2%	5.6%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(2.8)	(4.0)	(5.1)	(6.8)	(18.7)	(0.9)	(4.0)	(5.1)	(7.3)	(17.3)	(19.7)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	28.5%	27.6%	26.9%	63.7%	34.6%	31.1%	35.5%	33.3%	36.5%	35.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	-2.0%	22.7%	2.5%	5.4%	7.7%	44.2%	23.1%	16.9%	19.8%	21.0%	24.6%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	7.0	10.5	13.9	3.9	35.2	1.9	7.2	10.2	12.7	32.1	36.5
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	0.0	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	20.4	175.7	12.2	(19.7)	(1.4)	7.0	10.5	13.9	3.9	35.2	1.9	7.2	10.1	12.9	32.1	36.5
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	9.2%	9.8%	10.8%	10.6%	10.2%	10.0%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest					2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	5.4	7.9	12.1	3.9	29.3	1.9	7.2	10.1	12.9	32.1	36.5
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.34	\$0.02	\$0.08	\$0.12	\$0.15	\$0.38	\$0.44
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common	20.4	175.7	12.2	(19.712)	(3.9)	5.4	7.9	12.1	3.9	29.3	1.9	7.2	10.1	12.9	32.1	36.5
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.05	\$0.34	\$0.02	\$0.08	\$0.12	\$0.15	\$0.38	\$0.44
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.33	\$0.02	\$0.08	\$0.12	\$0.15	\$0.37	\$0.43
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.33	\$0.02	\$0.08	\$0.12	\$0.15	\$0.37	\$0.43
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	0.0	0.0	0.0	9.6	9.6	5.1	0.0	0.0	0.0	5.1	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	5.4	7.9	12.1	13.5	38.9	7.0	7.2	10.1	12.9	37.2	36.5
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.16	\$0.46	\$0.08	\$0.08	\$0.12	\$0.15	\$0.44	\$0.44
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.15	\$0.44	\$0.08	\$0.08	\$0.12	\$0.15	\$0.43	\$0.43
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.0	85.2	85.4	85.6	85.3	86.5	86.0	84.7	83.4	85.2	82.2
EPS shares - Diluted	91.3	91.9	90.3	85.1	84.2	87.0	87.8	88.3	88.6	87.9	88.6	88.2	86.8	85.5	87.3	84.3
Free Cash Flow:																
EBITDA	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Cash net interest	(14.4)	(12.7)	(10.6)	(9.4)	(5.9)	(1.4)	(1.6)	(1.5)	(1.6)	(6.2)	(1.2)	(1.5)	(1.5)	(1.8)	(6.0)	(8.4)
Other adjustments to cash		250.0	1.9	4.7	5.3	1.9	0.5	2.6	1.7	6.8	0.1	0.1	0.1	0.1	0.1	0.1
- Cash taxes	(0.6)	(0.8)	(3.3)	(2.8)	(7.7)	0.2	(3.3)	(0.5)	(0.6)	(4.1)	(1.2)	(2.6)	(2.6)	(4.0)	(10.4)	(13.8)
Cash taxes / EBITDA	1%	2%	6%	7%	13%	0.0	18%	2%	2%	5%	7%	12%	10%	13%	11%	14%
Minus: capex	(9.1)	(12.1)	(17.0)	(25.3)	(9.5)	(1.8)	(1.0)	(1.4)	(1.3)	(5.6)	(1.5)	(3.5)	(3.5)	(3.5)	(12.0)	(10.6)
Capex / D&A	59%	74%	105%	152%	55%	35%	20%	24%	21%	25%	24%	54%	54%	54%	47%	40%
Capex / EBITDA	13%	24%	31%	61%	16%	13%	6%	6%	4%	6%	9%	16%	14%	11%	13%	10%
Plus: cost of revenue for spectrum usage rights		12.1														
= Free Cash Flow	45.2	287.1	25.0	8.3	42.6	13.0	12.4	22.4	31.1	78.9	14.3	14.2	18.2	21.0	67.8	68.2
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	13.0	12.4	22.4	31.1	78.9	14.3	14.2	18.2	21.0	67.8	68.2
Free Cash Flow (core)	45.2	287.1	25.0	8.3	42.6	13.0	12.4	22.4	31.1	78.9	14.3	14.2	18.2	21.0	67.8	68.2
FCF per share (core)	\$0.50	\$0.41	\$0.28	\$0.10	\$0.51	\$0.15	\$0.14	\$0.25	\$0.35	\$0.90	\$0.16	\$0.16	\$0.21	\$0.25	\$0.78	\$0.81
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	91.8%	69.8%	96.5%	94.6%	89.6%	79.1%	65.3%	70.6%	69.4%	70.6%	67.5%
Dividends per basic share	\$0.13	\$0.16	\$0.20	\$0.20	\$0.13	\$0.02	\$0.03	\$0.03	\$0.02	\$0.10	\$0.03	\$0.03	\$0.03	\$0.03	\$0.10	\$0.10
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(2.1)	(2.1)	(2.1)	(2.1)	(8.5)	(2.2)	(2.2)	(2.1)	(2.1)	(8.5)	(8.2)
Dividends as % of FCF	24.7%	39.0%	71.1%	204.6%	24.7%	16.3%	17.2%	9.5%	6.9%	10.8%	15.1%	15.2%	11.6%	9.9%	12.6%	12.0%

Source: Industry Capital Research estimates and company data

Figure 6: Financial Statement Forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	32.4%	24.2%	19.7%	22.2%	24.0%	7.0%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	32.4%	24.2%	19.7%	22.2%	24.0%	7.0%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-14.5%	-6.0%	-6.2%	-11.4%	-9.6%	-9.0%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	NM	42.5%	-0.5%	25.4%	11.4%	4.0%	-5.7%	5.5%	3.1%	-12.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	661.2%	1045.0%	970.1%	69.1%	287.5%	51.5%	34.3%	29.0%	31.4%	35.1%	11.3%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	NM	NM	73.9%	NM	53.3%	31.9%	29.0%	33.1%	35.4%	9.9%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-25.5%	-11.9%	-16.7%	-31.5%	-22.4%	-3.2%	-0.3%	-1.5%	-2.3%	-1.9%	-8.0%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	-28.8%	-9.2%	-1.1%	NM	NM	-3.0%	4.0%	6.9%	33.1%	28.6%	7.3%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	NM	NM	49.7%	NM	38.8%	28.6%	23.2%	26.8%	28.6%	7.3%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.6%	4.6%	12.9%	8.5%	20.0%	6.3%	7.1%	10.3%	-1.4%
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	0.6%	-3.2%	-0.3%	-1.5%	-2.3%	-1.9%	-8.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-16.9%	8.2%	0.8%	-5.5%	-4.2%	-3.0%	4.0%	6.9%	-3.4%	1.0%	-7.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	58.1%	95.3%	145.0%	27.1%	68.5%	40.4%	66.2%	17.8%	27.4%	36.7%	9.2%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	32.1%	42.6%	NM	49.5%	-7.4%	44.0%	-1.2%	0.4%	1.3%	-1.5%	-0.3%	4.8%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-7.1%	57.7%	-13.3%	-34.5%	-11.0%	-28.3%	-13.8%	-11.9%	-22.3%	-19.3%	-10.5%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	11.0%	NM	97.1%	4.2%	-24.2%	22.9%	7.8%	-22.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	83.5%	NM	46.1%	21.0%	46.0%	16.8%	29.2%	32.7%
Corporate expense	9.0%	12.1%	1.0%	3.0%	3.0%	2.0%	15.0%	-4.0%	-18.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	3.0%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	46.6%	46.7%	NM	41.7%	0.6%	45.7%	27.6%	22.3%	11.2%	-7.7%	9.0%	5.2%
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	14.9%	31.0%	50.0%	26.2%	29.7%	23.4%	26.0%	8.4%	2.1%	14.1%	2.5%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	81.4%	NM	39.4%	-18.7%	47.4%	15.2%	9.1%	3.6%	5.8%	7.2%	-100.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	49.0%	-61.4%	NM	-72.0%	-22.3%	-19.2%	88.2%	-8.4%	13.8%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	34.5%	-81.0%	NM	-65.2%	-8.7%	-16.4%	NM	9.6%	13.8%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	27.3%	-83.3%	NM	-66.7%	-11.1%	-14.3%	NM	11.8%	15.8%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	NM	29.3%	-81.5%	NM	-65.9%	-9.1%	-15.0%	NM	10.4%	17.9%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	6.1%	76.5%	6.7%	14.3%	-16.0%	-28.6%	-13.3%	3.8%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-5.8%	-1.0%	3.2%	3.7%	4.1%	3.0%	4.4%	1.9%	0.4%	-1.7%	-3.5%	-0.7%	-3.4%

Source: Industry Capital Research estimates and company data

Figure 7: Financial Statement Forecasts supporting our valuation (cont.)

Segments																
In millions																
AS REPORTED	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.0	\$34.2	\$35.6	\$132.7	\$120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.9	188.5	233.2	750.3	835.1
Revenue	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.6	238.2	285.9	942.9	1,008.5
Cost of revenue:																
Television	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Cost of revenue	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	15.2	20.0	15.5	19.8	70.5	77.0
Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	43.9	49.7	45.8	51.5	190.9	188.1
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.5	14.4	14.3	52.8	47.3
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Digital	2.4	0.7	2.8	(0.1)	5.7	5.9	9.2	8.6	13.6	37.2	8.6	11.1	12.6	15.9	48.1	63.8
OCF	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.6	37.4	120.6	23.4	28.0	32.0	36.9	120.3	126.1
PRO FORMA	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue:																
Television	159.5	148.1	151.7	149.7	154.5	36.1	34.1	36.5	40.2	146.8	30.9	32.0	34.2	35.6	132.7	120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Digital			92.1	228.3	315.9	109.5	140.1	146.1	177.5	573.2	153.7	174.9	188.5	233.2	750.3	835.1
Revenue	273.7	281.7	307.8	433.0	516.6	156.9	188.3	199.0	233.9	778.1	197.2	221.6	238.2	285.9	942.9	1,008.5
Cost of revenue:																
Television	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Cost of revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital			43.9	45.5	45.4	12.4	14.7	13.2	15.5	55.8	15.2	20.0	15.5	19.8	70.5	77.0
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	48.1	177.3	43.9	49.7	45.8	51.5	190.9	188.1
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.5	14.4	14.3	52.8	47.3
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Digital	17.5	10.4	3.2	9.8	17.3	6.1	9.5	8.6	13.6	37.7	8.6	11.1	12.6	15.9	48.1	63.8
OCF	103.9	80.3	75.2	73.4	95.3	23.9	28.2	31.6	37.4	121.2	23.4	28.0	32.0	36.9	120.3	126.1
CONSOLIDATED PRO FORMA	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue	273.7	281.7	307.8	433.0	516.6	156.9	188.3	199.0	233.9	778.1	197.2	221.6	238.2	285.9	942.9	1,008.5
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	45.8%	106.3%	60.3%	20.8%	50.6%	25.7%	17.7%	19.7%	22.2%	21.2%	7.0%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	101.6%	152.8%	106.6%	45.4%	89.4%	42.8%	24.0%	29.0%	33.1%	31.7%	9.9%
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	48.1	177.3	43.9	49.7	45.8	51.5	190.9	188.1
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	-5.3%	18.5%	11.0%	0.8%	5.5%	4.5%	12.8%	6.3%	7.1%	7.7%	-1.4%
OCF	103.9	80.3	75.2	73.4	95.3	23.9	28.2	31.6	37.4	121.2	23.4	28.0	32.0	36.9	120.3	126.1
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	31.8%	244.8%	25.7%	-14.6%	27.1%	-2.2%	-0.7%	1.3%	-1.5%	-0.7%	4.8%
Corporate	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	7.1	7.1	6.8	7.1	28.2	29.1
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	3.6%	39.7%	15.3%	-3.2%	11.3%	11.0%	8.6%	5.7%	-1.0%	5.9%	3.2%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	1.8	0.8	0.7	0.6	3.9	4.0
EBITDA	84.4	60.2	54.4	51.2	71.9	14.4	18.1	23.2	32.9	88.6	18.1	21.7	25.8	30.3	96.0	101.0
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	39.0%	322.5%	13.9%	-8.9%	23.1%	25.6%	20.3%	11.2%	-7.7%	8.4%	5.2%

Source: Industry Capital Research estimates and company data

Figure 8: DCF Analysis supports \$8.00 12-month price target within \$7-9 Range

Entravision DCF analysis				ASSUMPTIONS														
\$ in millions except per share amounts																		
	Current	YE 2022	YE 2023															
Firm Value	804	805	802	Risk Free Rate	3.0%													
(-) Total Net Debt	122	54	(14)	Equity Premium	5.2%													
(+) NOLs/Tax Assets	30	30	30	Assumed LT Growth Rate (g)	0%													
(-) Options (Claims on Entravision	(2.8)	(2.8)	(2.8)	MV of Equity Calculation														
Common Equity Value	709.0	778.2	843.6	Share Price	\$5.14													
Shares Outstanding	88.0	88.0	88.0	Outstanding Shares	88.0													
Current Share Price	\$5.14	\$5.14	\$5.14	MV of Equity	452.4													
Value Per Share	\$8.05	\$8.84	\$9.58	Estimate MV of Debt Calculation														
12-month	\$9.00			Interest Expense	6.9													
12-month (SoTP)	\$7.00			Current Cost of Debt	5.00%													
				Wgtd Avg Maturity of Debt														
				BV of Debt	122.1													
				Estimate MV of Debt	122.1													
Discounted Cash Flow																		
EBITDA		54.0	41.2	60.4	88.0	96.0	101.0	128.8	123.3	138.8	130.7							
EBIT		37.8	24.6	43.1	65.6	70.4	74.7	95.1	87.5	100.5	91.7							96.1
Less Cash Taxes		(11.3)	(7.4)	(12.9)	(19.7)	(21.1)	(22.4)	(28.5)	(26.2)	(30.2)	(27.5)							(33.6)
Plus D&A		16.3	16.6	17.3	22.4	25.6	26.2	33.7	35.8	38.3	39.1							39.1
Less Cap Ex		(17.0)	(25.3)	(9.5)	(5.6)	(12.0)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)							(39.1)
Less Increase in WC		(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.4)	(4.5)	(4.5)	(5.2)	(4.9)							(5.1)
Free Cash Flow to Firm		16.3	(0.1)	46.6	47.2	60.2	64.5	84.7	80.8	91.2	85.4							57.4
Tax Rate		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%							35.0%
Net Debt		122																
Leverage Mult.		2.0x																
D/Equity		27%																
D/EV		21%																
E/EV		79%																
Unlevered Beta		0.94																
Levered Beta		1.16																
D/Equity (long-term target)		33%																
Cost of Debt (AT)		3.5%																
Cost of Equity		9.0%																
WACC		7.7%		8%	8%	8%	8%	8%	8%	8%	8%							
PV of CF						55.9	55.7	67.8	60.1	63.0	54.9							
							60.0	73.0	64.7	67.8	59.1							
								78.6	69.7	73.0	63.6							
Sum of PV	357.4	324.6	285.0															748.6
PV of Terminal Value	446.3	480.5	517.4															5x EBITDA
NPV of all CF	803.7	805.2	802.4															

Source: Industry Capital Research estimates and company data

Figure 9: DCF analysis allocates ~80% of firm value to digital media business

Entravision DCF analysis - Digital			
\$ in millions except per share amounts			
	Current	YE 2022	YE 2023
Firm Value	455	471	477
(-) Total Net Debt	-	-	-
(+) NOLs			
(-) Options (Claims on Entravision)			
Common Equity Value	454.6	470.5	477.0
Shares Outstanding	88.0	88.0	88.0
Current Share Price	\$5.14	\$5.14	\$5.14
Value Per Share	\$5.16	\$5.35	\$5.42
12-month	\$5.50		
Minority Interest		1	

ASSUMPTIONS												
Risk Free Rate	3.0%											
Equity Premium	5.2%											
Assumed LT Growth Rate (g)	1%											
MV of Equity Calculation												
Share Price	\$5.14											
Outstanding Shares	88.0											
MV of Equity	452.4											
Estimate MV of Debt Calculation												
Interest Expense	6.9											
Current Cost of Debt	5.00%											
Wgtd Avg Maturity of Debt	-											
BV of Debt	-											
Estimate MV of Debt	-											

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Discounted Cash Flow											
EBITDA	2.8	(0.1)	2.3	28.1	48.1	63.8	76.8	89.1	99.7	105.1	
EBIT	2.8	(0.1)	2.3	23.0	39.3	52.1	62.7	72.8	81.5	85.8	78.0
Less Cash Taxes	(0.8)	0.0	(0.7)	(6.9)	(11.8)	(15.6)	(18.8)	(21.9)	(24.4)	(25.8)	(27.3)
Plus D&A				5.1	8.8	11.7	14.0	16.3	18.2	19.2	16.3
Less Cap Ex											(16.3)
Less Increase in WC				(15.5)	(2.7)	(3.4)	(4.5)	(4.5)	(5.2)	(4.9)	(4.9)
Free Cash Flow to Firm	1.9	(0.1)	1.6	5.7	33.6	44.8	53.4	62.8	70.1	74.4	45.8
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	0										
Leverage Mult.	0.0x										
D/Equity	0%										
D/EV	0%										
E/EV	100%										
Unlevered Beta	1.51										
Levered Beta	1.5										
D/Equity (projected long term)	0.0%										
Cost of Debt (AT)	3.5%										
Cost of Equity	10.9%										
WACC	10.9%		11%	11%	11%	11%	11%	11%	11%	11%	
PV of CF					30.3	36.4	39.2	41.5	41.8	40.0	
						40.4	43.5	46.0	46.3	44.4	
							48.2	51.1	51.4	49.2	
Sum of PV	229.2	220.6	199.8								464.6
PV of Terminal Value	225.4	249.9	277.1								5x EBITDA
NPV of all CF	454.6	470.5	477.0								

Source: Industry Capital Research estimates and company data

Figure 10: DCF analysis allocates ~20% of firm value to broadcast media business

Entravision DCF analysis - Broadcasting			
\$ in millions except per share amounts			
	Current	YE 2022	YE 2023
Firm Value	165	152	145
(-) Total Net Debt	122	54	(14)
(+) NOLs	30	30	30
(-) Options (Claims on Entravision)	(2.8)	(2.8)	(2.8)
Common Equity Value	70.1	125.2	186.5
Shares Outstanding	88.0	88.0	88.0
Current Share Price	\$5.14	\$5.14	\$5.14
Value Per Share	\$0.80	\$1.42	\$2.12
12-month	\$1.50		

ASSUMPTIONS					
		CAGRs			
		2018-22	2020-24	2022-26	2025-26
Risk Free Rate	3.0%				
Equity Premium	5.2%				
Assumed LT Growth Rate (g)	-1%				
MV of Equity Calculation					
Share Price	\$5.14				
Outstanding Shares	88.0				
MV of Equity	452.4				
Estimate MV of Debt Calculation					
Interest Expense	6.9				
Current Cost of Debt	5.00%				
Wgtd Avg Maturity of Debt					
BV of Debt	122.1				
Estimate MV of Debt	122.1				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Discounted Cash Flow											
EBITDA	51.3	41.3	58.1	59.9	47.9	37.2	52.1	34.1	39.1	25.7	
EBIT	35.0	24.7	40.8	42.7	31.1	22.6	32.4	14.6	19.0	5.8	16.7
Less Cash Taxes	(10.5)	(7.4)	(12.2)	(12.8)	(9.3)	(6.8)	(9.7)	(4.4)	(5.7)	(1.7)	(5.8)
Plus D&A	16.3	16.6	17.3	17.3	16.8	14.6	19.7	19.5	20.1	19.9	19.5
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.0)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)	(19.5)
Less Increase in WC	(9.4)	(8.7)	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow to Firm	14.3	(0.0)	45.0	41.5	26.6	19.8	31.2	18.0	21.1	11.0	10.8
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt		122									
Leverage Mult.		2.1x									
D/Equity		27%									
D/EV		21%									
E/EV		79%									
Unlevered Beta		1.1									
Levered Beta		1.4									
D/Equity (long-term target)		33%									
Cost of Debt (AT)		3.5%									
Cost of Equity		10.1%									
WACC		8.4%	8%	8%	8%	8%	8%	8%	8%	8%	
PV of CF					24.5	16.8	24.5	13.0	14.1	6.8	
						18.2	26.5	14.1	15.3	7.4	
							28.8	15.3	16.6	8.0	
Sum of PV	99.7	81.6	68.7								114.8
PV of Terminal Value	65.1	70.6	76.6								3x EBITDA
NPV of all CF	164.8	152.2	145.2								

Source: Industry Capital Research estimates and company data

Entravision Communications Corporation (EVC)

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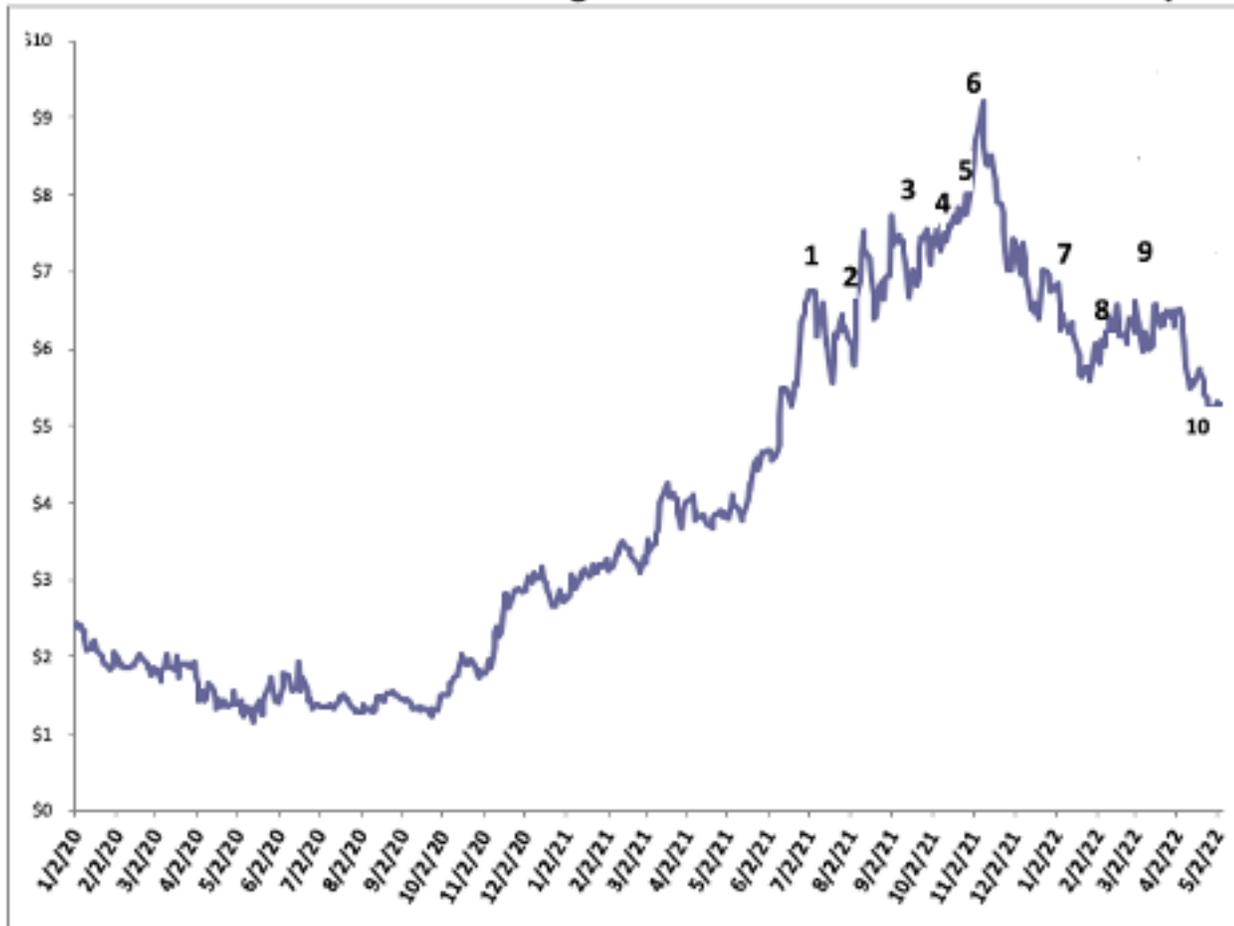
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, 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	10/28/21	Reaffirmed Buy @ \$7.85, Target Price \$10.00
6	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
7	12/20/21	Reaffirmed Buy @ \$6.40, Target Price \$10.00
8	2/2/22	Reaffirmed Buy @ \$5.87, Target Price \$8.00
9	3/4/22	Reaffirmed Buy @ \$6.42, Target Price \$8.50
10	4/15/22	Reaffirmed Buy @ \$5.53, Target Price \$8.50

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

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

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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