

Entravision Communications Corporation (EVC)

2Q Beat And Raise Driven By Digital Surge; Reaffirm Buy and \$9 Price Target

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Results and digital revenue growth beat; we reaffirm our Buy rating and PT. The focus of the story remains on integration and growth of the digital media businesses acquired over the past year, which drove the digital media segment to beat handily on both revenue and cash flow in the quarter, leading to a higher 2021 digital segment forecast as well. Management noted that it was considering other potential digital media transactions, we believe that geographic expansion of both the Cisneros and MediaDonuts businesses is a possibility, and the estimated digital contribution to our valuation has ticked up.

Raising our 2021/22 estimates a bit across the board. 3Q core advertising (ex-political) is pacing up 13% for TV, 40% for radio, and 89% for digital, vs. our prior comparable estimates of 36%/18%/68%. Cisneros continues to expand credit support to its customer base, as it benefits from strong Facebook growth in Latin America, as we noted in our preview. MediaDonuts' largest ad platform partnerships are with Twitter and TikTok, respectively. Within broadcast media, TV revenue growth is being hampered by the impact of the industry-wide auto shortage, leading auto advertising—TV's largest category—to be pacing down 4% for 3Q. Conversely, radio/audio is outperforming, driven in particular by strong network advertising growth. Our 2021 revenue/EBITDA/EPS estimates go to \$725m/\$79.2m/\$0.40 from \$691m/\$78.1m/\$0.39. See Figure 3. Our 2021 digital segment estimates (pro forma for MediaDonuts, which closed on July 1) for revenue/operating cash flow go to \$524m/\$39.0m from \$491m/\$33.9m, as our 2021 pro forma growth estimates for digital revenue/OCF go to 71%/129% from 61%/99%.

2Q recap: EBITDA beat, driven by digital and radio. 2Q results were revenue/EBITDA/EPS of \$178m/\$17.8m/\$0.09, above our estimates of \$162m/\$16.5m/\$0.07 and consensus of \$162m/\$16.0m/\$0.08. See Figure 2. Core advertising growth was 57% for TV (local up 79%, national up 36%), 129% for radio (local up 92%, national up 141%), and 144% for digital, vs. prior pacing of 55% for TV, 84% for radio and 115% for digital. Within the digital media segment, revenue growth was 173% at Cisneros vs. our 139% estimate and 35% at the legacy digital business vs. our 27% estimate. Operating expenses were held in check, at \$41.4m vs. our \$41.9m estimate.

Our 12-month price target for EVC is \$9; risks on p. 3. Our PT is supported by a discounted cash flow valuation. On explicit financial forecasts through 2026, we assume weighted average cost of capital (WACC) and stable FCF growth rates, respectively, of roughly 6% and -1% for broadcast business and 8% and 1% for digital media business. Our view could change based on 1) outlook for emerging markets digital media, 2) core growth or profitability of U.S. broadcast media, and 3) capital allocation.

BUY

Price at 8/5/21 (USD)	6.15
Price Target	9.00
52-week range	1.25 - 7.10

Performance (%)	1m	3m	12m
Absolute	-2	55	346
S&P 500	2	5	33

Market Cap (USDm)	529.1
Shares outstanding (m)	86.0
Float (%)	71
Average volume	708,553
S&P 500	4,429.1

Forecasts and ratios

Year ended 12/31	2020A	2021E	2022E
1Q EPS (USD)	-0.42	0.06	0.00
2Q EPS (USD)	0.03	0.09	0.02
3Q EPS (USD)	0.11	0.10	0.07
4Q EPS (USD)	0.24	0.15	0.27
FY EPS (USD)	-0.05	0.40	0.36
% Change	NE	NM	-9%
P/E (x)	NM	15.4	17.0
EV/EBITDA (x)	7.6	6.9	6.9
Revenue (USDm)	344.0	724.6	803.1
% Change	NE	111%	11%

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(in millions, except unit data)

12-month price target:	\$9.00
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EVC Stock Price vs. S&P 500 (Last 3 Years)



Investment Thesis: Buy With \$9 12-Month Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions over the past year because the higher growth with a different business model is more difficult for investors to assess; 2) EVC's lower post-pandemic expense base looks sustainable; 3) 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) stability of net retransmission fee revenue (61% of 2020 EBITDA) and pro forma net debt leverage under 2x enhance management's longer-term options; and 5) our DCF valuation supports substantial stock price upside over the next 12 months.

Risks to our investment thesis include: 1) secular challenges and potentially increasing competition from Univision for EVC's broadcast media business, 2) potential volatility of EVC's digital media business, given its increasing focus on emerging markets and its dependence on a small number of relationships with digital ad platforms, 3) potential barriers to sale of all or a portion of the company; and 4) 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.

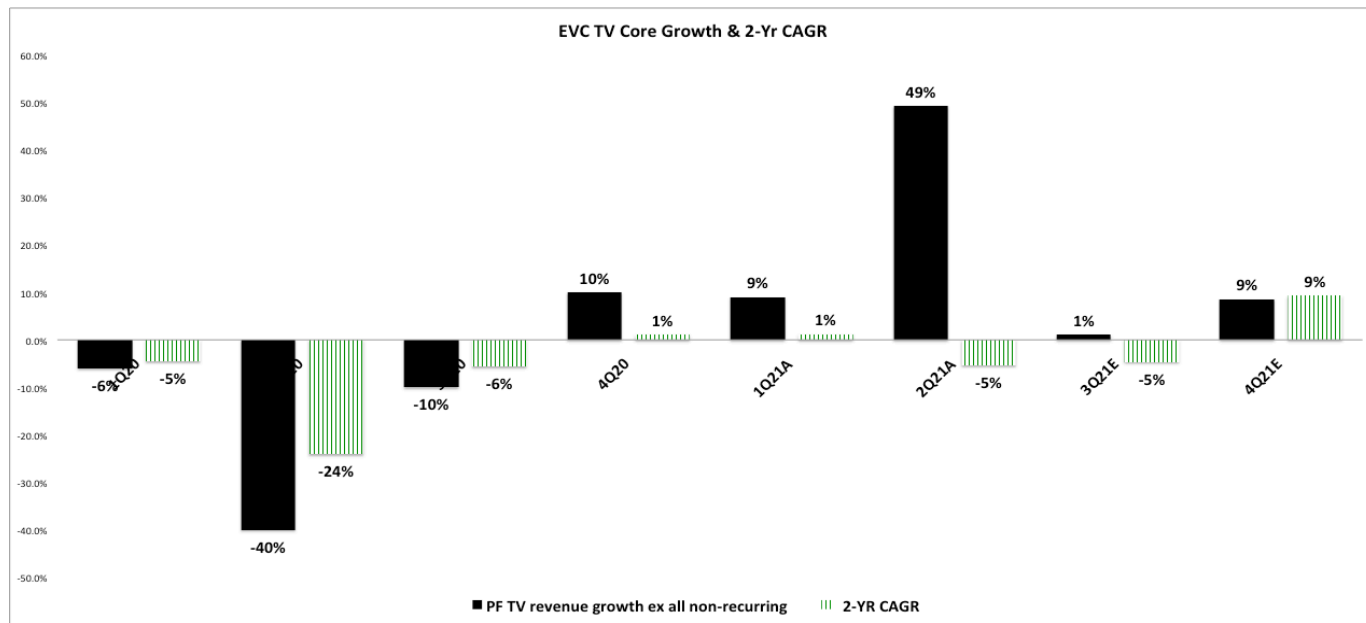
Figure 2: 2Q Beat on Revenue, EBITDA and EPS; Higher 3Q Revenue Estimates Are Offset by Lower TV Revenue and OCF Assumptions

Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Last Yr	E	Results		E	YoY %CHG		Consensus	A vs
			Beat/Miss	A		Beat/Miss	A		Consensus
2Q21A									
Pro Forma *									
Revenue	\$91.3	\$172.1	\$16.2	\$188.3	88.6%	17.7%	106.3%		
Op Expense	87.0	155.3	14.9	170.2	78.5%	17.1%	95.7%		
Adjusted EBITDA	4.3	16.8	1.3	18.1	293.0%	NM	NM		
As Reported									
Revenue	45.1	162.3	16.2	178.4	259.6%	NM	NM	162.2	10.0%
Op Expense	43.4	145.7	14.9	160.6	235.8%	NM	NM		
Adjusted EBITDA	1.7	16.5	1.3	17.8	859.1%	NM	NM	16.0	11.0%
Margin	3.8%	10.2%	-0.2%	10.0%					
Pro Forma EPS	\$0.03	\$0.07	\$+0.02	\$0.09	133.3%	66.7%	200.0%	\$0.08	12.5%
FCF/sh (core)	(\$0.02)	\$0.15	(\$-0.01)	\$0.14	-850.0%	NM	NM		
	Last Yr	Prior	Estimates		Prior	YoY %CHG		Consensus	ICR vs
			Chg	Current		Chg	Current		Consensus
3Q21E									
Pro Forma *									
Revenue	\$124.1	\$179.3	\$19.6	\$198.9	44.4%	15.8%	60.2%		
Op Expense	103.8	154.9	23.6	178.6	49.3%	22.8%	72.1%		
Adjusted EBITDA	20.4	24.3	(4.0)	20.3	19.4%	-19.8%	-0.3%		
As Reported									
Revenue	63.0	179.3	19.6	198.9	184.6%	NM	NM	170.7	16.5%
Op Expense	46.6	154.9	23.6	178.6	232.4%	NM	NM		
Adjusted EBITDA	16.4	24.3	(4.0)	20.3	48.6%	-24.6%	24.0%	17.8	14.2%
Margin	26.0%	13.6%	-3.4%	10.2%					
Pro Forma EPS	\$0.11	\$0.13	(\$-0.03)	\$0.10	18.2%	-27.3%	-9.1%	\$0.08	25.0%
FCF/sh (core)	\$0.12	\$0.20	(\$-0.01)	\$0.19	66.7%	-8.3%	58.3%		
* reflects announced acquisitions and dispositions									
Source: Company reports, Industry Capital Research estimates									

Figure 3: Our 2021 and 2022 Revenue, EBITDA and EPS Estimates Go Higher, On Higher Digital Revenue and Radio Margins

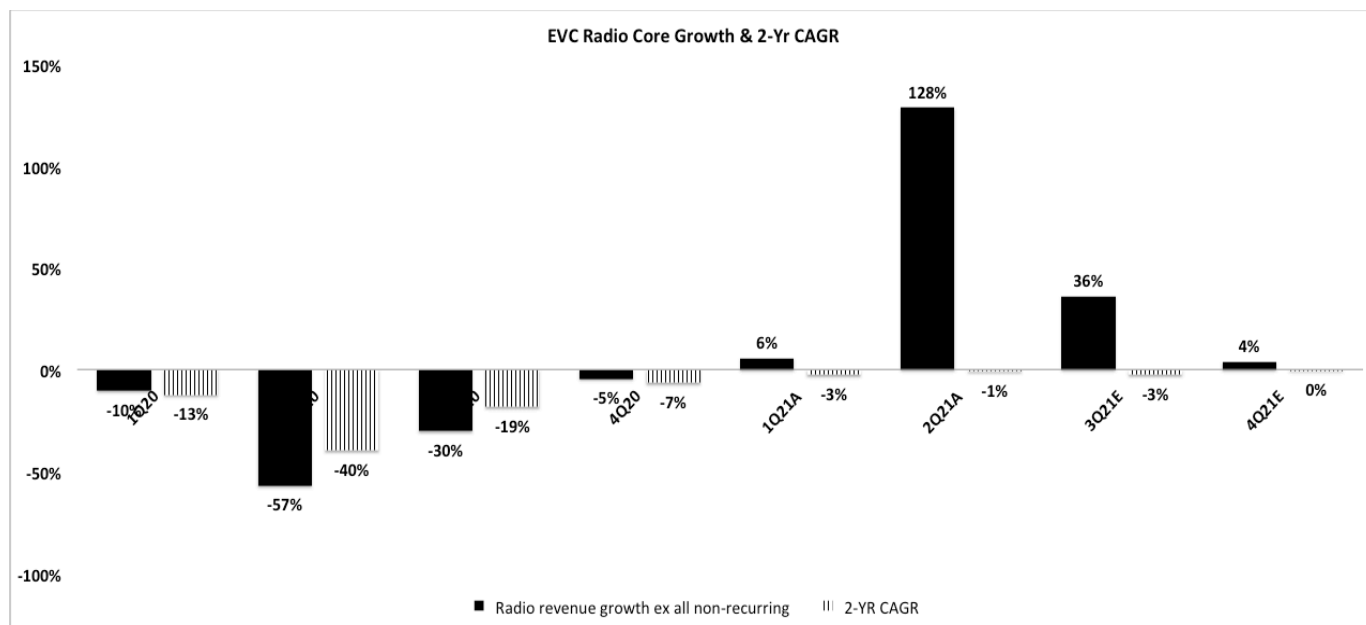
Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
		Estimates			YoY %CHG			ICR vs	
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
2021E									
Pro Forma *									
Revenue	\$517.4	\$708.8	\$33.7	\$742.5	37.0%	6.5%	43.5%		
Op expense	444.7	630.2	32.5	662.7	41.7%	7.3%	49.0%		
Adjusted EBITDA	72.7	78.6	1.1	79.8	8.1%	1.5%	9.6%		
As Reported									
Revenue	344.0	690.9	33.7	724.6	100.8%	9.8%	110.6%	672	7.8%
Op expense	283.6	612.8	32.5	645.4	116.1%	11.5%	127.6%		
Adjusted EBITDA	60.4	78.1	1.1	79.2	29.3%	1.9%	31.1%	73	8.1%
Margin	17.6%	11.3%	-0.4%	10.9%					
EPS	(\$0.05)	\$0.39	\$0.01	\$0.40	-946.6%	NM	NM	\$0.38	6.6%
Cash FCF/sh	\$0.51	\$0.69	\$0.02	\$0.71	35.3%	3.9%	39.2%		
2022E									
Pro Forma *									
Revenue	742.5	789.5	13.6	803.1	6.3%	1.8%	8.2%		
Op expense	662.7	710.4	12.6	723.0	7.2%	1.9%	9.1%		
Adjusted EBITDA	79.8	79.1	1.1	80.1	-0.9%	1.3%	0.5%		
As Reported									
Revenue	724.6	789.5	13.6	803.1	9.0%	1.9%	10.8%	777	3.3%
Op expense	645.4	710.4	12.6	723.0	10.1%	1.9%	12.0%		
Adjusted EBITDA	79.2	79.1	1.1	80.1	-0.2%	1.3%	1.1%	78	2.4%
Margin	10.9%	10.0%	0.0%	10.0%					
EPS	\$0.40	\$0.35	\$0.01	\$0.36	-12.3%	3.0%	-9.3%	\$0.42	-13.6%
Cash FCF/sh	\$0.71	\$0.67	\$0.01	\$0.68	-5.6%	1.4%	-4.2%		
* reflects announced acquisitions and dispositions									
Source: Company reports, Industry Capital Research estimates									

Figure 4: TV Core Growth To Slow In 2H On Auto Ad Deceleration



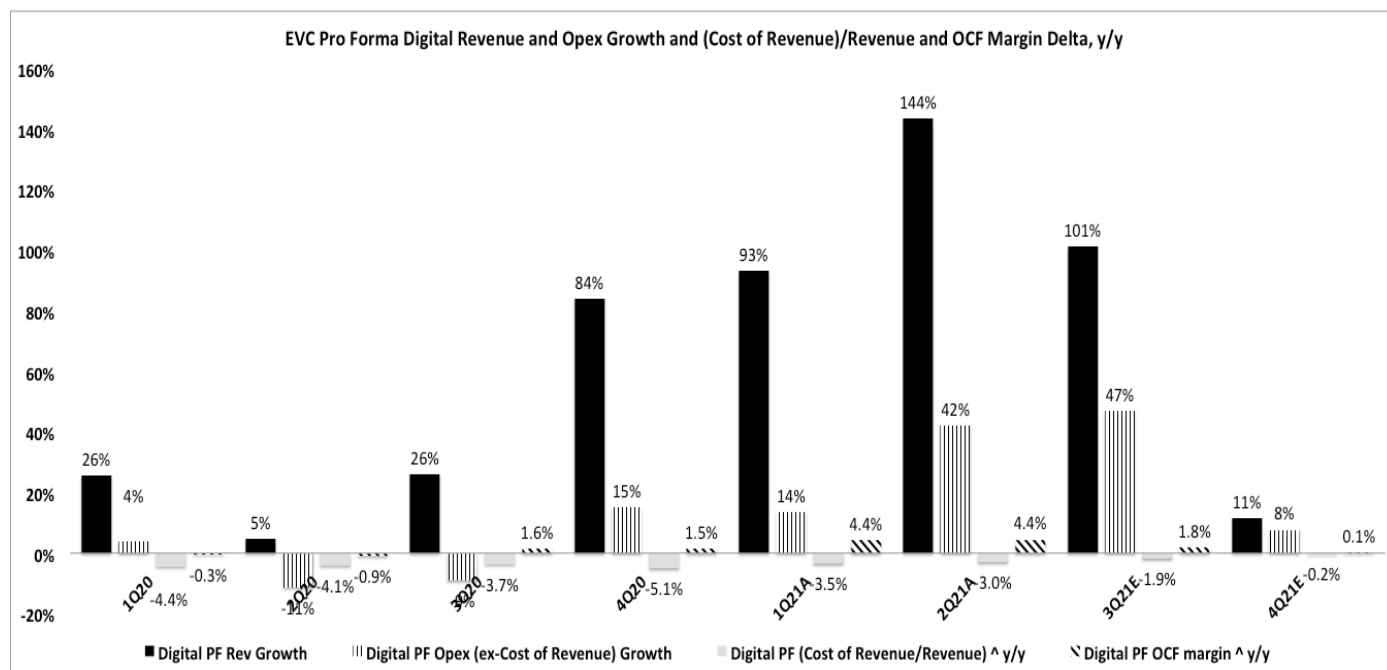
Source: Industry Capital Research estimates and company data

Figure 5: Radio Core Growth Estimates Go Higher For 2H, While Still Assuming Deceleration



Source: Industry Capital Research estimates and company data

Figure 6: Arc of Cisneros Growth Surge Remains The Story of 2021 For EVC's Digital Segment



Source: Industry Capital Research estimates and company data

Figure 7: Forecast Drivers—Television Segment

In millions	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
TELEVISION SEGMENT															
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	2.5%	-29.2%	3.7%	39.1%	3.7%	-7.9%	26.3%	-9.0%	-16.7%	-5.2%	-9.00%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$39.2	\$27.0	\$37.8	\$50.5	\$154.5	\$36.1	\$34.1	\$34.4	\$42.7	\$147.3	\$134.0
Growth	7.4%	-7.2%	2.5%	-1.4%	2.5%	-29.2%	3.7%	36.9%	3.2%	-7.9%	26.3%	-9.0%	-15.4%	-4.7%	-9.0%
TV non-recurring items:															
TV Political/Census	8.6	0.2	9.8	0.2	5.3	1.3	4.9	11.1	22.6	0.0	0.0	0.0	3.1	3.1	12.4
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%
Incremental political	8.6	0.2	9.8	0.2	5.3	1.3	4.9	11.1	22.6	0.0	0.0	0.0	3.1	3.1	12.4
TV revenue ex political	151.0	147.9	141.9	149.4	33.9	25.7	32.9	39.4	131.9	36.1	34.1	34.4	39.6	144.2	121.6
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.4%	-32.4%	-9.7%	7.4%	-11.7%	6.4%	32.5%	4.5%	0.6%	9.3%	-15.7%
Retransmission Consent	29.6	31.4	35.1	35.4	9.6	9.4	9.1	8.8	36.8	9.6	9.3	9.1	8.8	36.8	36.8
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	29.6	31.4	35.1	35.4	9.6	9.4	9.1	8.8	36.8	9.6	9.3	9.1	8.8	36.8	36.8
TV revenue ex Retrans	130.0	116.6	116.7	114.3	29.6	17.6	28.7	41.7	117.7	26.5	24.8	25.3	34.0	110.5	97.2
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	0.5%	-39.2%	3.8%	48.1%	3.0%	-10.7%	40.6%	-11.9%	-18.6%	-6.1%	-12.0%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	39.2	27.0	37.8	50.5	154.5	36.1	33.6	32.9	42.7	145.3	134.0
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	2.5%	-29.2%	3.7%	36.9%	3.2%	-7.9%	24.5%	-13.0%	-15.4%	-5.9%	-7.7%
TV Acquisitions/Dispositions (Inc. Affiliations)	(6.4)	(11.0)	(10.7)	(2.0)	(1.6)	(2.6)	(3.3)	(10.2)	(2.1)	(1.6)	(2.6)	(3.6)	(10.8)	(26.3)	(26.3)
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 M&A	0.0	(6.4)	(11.0)	(10.7)	(2.0)	(1.6)	(2.6)	(3.3)	(9.4)	(2.1)	(1.6)	(2.6)	(3.6)	(10.8)	(26.3)
TV revenue ex M&A	159.5	154.5	162.8	160.4	41.2	28.5	40.3	53.8	163.9	38.2	35.6	37.0	46.3	158.0	160.3
Growth ex M&A	7.4%	-3.2%	5.4%	-1.5%	2.0%	-29.9%	2.7%	34.9%	2.2%	-7.4%	24.9%	-8.4%	-13.9%	-3.6%	1.4%
Spectrum usage/auction	1.5	0.0	3.6	13.1	1.4	1.4	1.4	1.4	5.4	2.8	1.1	1.1	1.1	6.1	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%	67.0%	67.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	1.4	1.4	1.4	1.4	5.4	2.8	1.1	1.1	(0.9)	4.1	3.4
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	37.8	25.6	36.4	49.2	149.0	33.2	33.0	33.3	43.7	143.2	130.7
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	14.1%	-25.0%	7.9%	38.3%	9.1%	-12.1%	28.7%	-8.6%	-11.2%	-3.9%	-8.7%
PF TV revenue ex-all non-recurring	120.7	122.9	114.3	111.7	25.0	16.6	25.0	32.6	99.2	25.7	24.7	25.3	35.4	112.1	107.8
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.0%	-2.3%	-5.8%	-40.0%	-10.1%	10.0%	-11.3%	2.8%	49.3%	1.1%	8.6%	13.0%	-3.8%
TV rev grth ex all non-rec 2-yr CAGR		1.7%	-2.7%	-4.6%	-4.4%	-24.8%	-5.7%	4.3%	-6.9%	-1.6%	-5.4%	-4.7%	9.3%	0.1%	4.3%
PF TV advertising growth ex-political		-3.8%	-11.3%	-2.2%	-5.8%	-40.0%	-10.1%	10.0%	-11.2%	2.8%	57.8%	7.8%	8.6%	15.1%	-21.1%
TV ad rev grth ex political 2-yr CAGR		-1.9%	-7.6%	-6.9%	-4.4%	-24.8%	-5.7%	4.3%	-6.8%	-1.6%	-2.7%	-1.6%	9.3%	1.1%	-4.7%
PF TV revenue growth ex-political		-2.0%	-4.0%	5.3%	-11.4%	-32.4%	-9.7%	7.4%	-11.7%	6.4%	32.5%	4.5%	0.6%	9.3%	-15.7%
TV rev grth ex political 2-yr CAGR		-0.1%	-3.0%	0.5%	-0.3%	-15.0%	-2.9%	2.7%	-3.6%	-2.9%	-5.4%	-2.8%	3.9%	-1.8%	-4.0%
PF TV advertising growth		-10.0%	-3.0%	-10.5%	15.9%	-35.1%	9.5%	50.5%	10.9%	-16.4%	45.6%	-11.5%	-13.6%	-5.2%	-11.7%

Source: Company reports; Industry Capital Research estimates

Figure 8: Forecast Drivers—Radio Segment

In millions	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
RADIO SEGMENT															
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-2.0%	-52.7%	-22.0%	16.6%	-15.9%	-3.5%	108.2%	21.6%	-11.5%	16.4%	-3.0%
Pro forma radio:															
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$11.7	\$6.8	\$11.5	\$16.2	\$46.3	\$11.3	\$14.1	\$14.0	\$14.4	\$53.8	\$52.2
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-2.0%	-52.7%	-22.0%	16.6%	-15.9%	-3.5%	108.2%	21.6%	-11.5%	16.4%	-3.0%
Radio non-recurring items:															
Political/Census	2.1	0.1	2.2	0.1	1.0	0.6	1.2	3.0	5.9	0.0	0.0	0.0	0.6	0.7	2.6
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%
Incremental political	2.1	0.1	1.1	0.1	1.0	0.6	1.2	3.0	5.9	0.0	0.0	0.0	0.6	0.7	2.6
Radio revenue ex political	73.8	66.9	62.8	54.9	10.7	6.2	10.3	13.2	40.4	11.3	14.1	14.0	13.7	53.1	49.6
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-10.4%	-57.0%	-30.2%	-4.5%	-26.4%	5.5%	128.5%	36.0%	3.8%	31.5%	-6.6%
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
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 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
Radio revenue ex NTR	35.1	36.2	36.2	38.4	11.7	6.8	11.5	16.2	39.5	11.3	14.1	14.0	14.4	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	-2.0%	-52.7%	-22.0%	16.6%	3.0%	-3.5%	108.2%	21.6%	-11.5%	0.0%	0.0%
World Cup/Other Soccer			1.9											0.0	2.5
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%
Incremental World Cup			1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
Radio revenue ex WC	75.8	66.9	63.9	55.0	11.7	6.8	11.5	16.2	46.3	11.3	14.1	14.0	14.4	53.8	49.7
Growth ex WC		-11.8%	-4.5%	-13.9%	-2.0%	-52.7%	-22.0%	16.6%	-15.9%	-3.5%	108.2%	21.6%	-11.5%	16.4%	-7.6%
Revenue	73.8	66.9	61.8	54.9	10.7	6.2	10.3	13.2	40.4	11.3	14.1	14.0	13.7	53.1	47.1
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-10.4%	-57.0%	-30.2%	-4.5%	-26.4%	5.5%	128.5%	36.0%	3.8%	31.5%	-11.3%
Radio rev grth ex all non-rec 2-yr CAGR		-5.9%	-8.4%	-9.4%	-12.5%	-39.9%	-18.5%	-6.7%	-19.2%	-2.7%	-0.9%	-2.6%	-0.4%	-1.6%	8.0%

Source: Company reports; Industry Capital Research estimates

Figure 9: Forecast Drivers—Operating Expense

In millions	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
OPERATING EXPENSE															
Television PF Opex Growth				0.1%	4.9%	-14.7%	-10.3%	3.2%	-4.2%	-8.6%	10.0%	6.0%	-2.1%	0.7%	-10.0%
Radio PF Opex Growth				-4.5%	-18.4%	-34.3%	-31.4%	-21.3%	-26.3%	-16.9%	8.2%	2.4%	-9.4%	-4.9%	-3.2%
Pro forma consolidated:															
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$40.3	\$33.0	\$34.1	\$45.9	\$153.3	\$40.4	\$41.4	\$45.0	\$47.2	\$174.0	\$172.4
Growth	4.6%	5.1%	5.0%	-1.9%	-5.8%	-23.5%	-21.3%	4.0%	-11.6%	0.4%	25.4%	32.1%	2.7%	13.5%	-0.9%
Non-recurring opex items:															
M&A (Cisneros, MediaDonuts acquisitions)	0.0	0.0	0.0	0.0				5.7	5.7	4.8	6.4	9.2	8.5	28.9	35.4
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%
Incremental Cisneros	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.7	5.7	4.8	6.4	9.2	8.5	28.9	35.4
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	40.3	33.0	34.1	40.2	147.6	35.7	35.0	35.8	38.7	145.1	137.0
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-5.8%	-23.5%	-21.3%	-8.9%	-14.9%	-11.5%	6.0%	5.1%	-3.9%	-1.7%	-5.6%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0		(6.2)	(11.0)	(10.0)	(27.2)	(5.0)	(5.8)	(11.5)	(10.5)	(32.8)	(42.8)
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%
Incremental cost reductions	0.0	0.0	0.0	0.0	0.0	(6.2)	(11.0)	(10.0)	(27.2)	(5.0)	(5.8)	(11.5)	(10.5)	(32.8)	(42.8)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	40.3	39.2	45.1	56.0	180.5	45.4	47.3	56.5	57.7	206.9	215.2
Growth ex cost reductions	-27.8%		5.0%	-1.9%	-5.8%	-9.2%	4.2%	26.7%	4.1%	12.8%	20.5%	25.3%	3.1%	14.6%	4.0%
Salary true-up	0.0	0.0	0.0	0.0				2.0	2.0	0.0	0.7	0.7	0.7	2.0	2.0
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%
Incremental salary true-up	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.7	0.7	0.7	2.0	2.0
Opex ex salary true-up	0.0	168.4	176.8	173.4	40.3	33.0	34.1	43.9	151.3	40.4	40.8	44.3	46.5	172.0	170.3
Growth ex salary true-up			5.0%	-1.9%	-5.8%	-23.5%	-21.3%	-0.5%	-12.7%	0.4%	23.4%	30.1%	5.9%	13.7%	-1.0%
Opex ex-non-recurring	160.2	168.4	176.8	173.4	40.3	39.2	45.1	48.3	172.8	40.7	40.2	46.6	48.5	175.9	177.7
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-5.8%	-9.2%	4.2%	9.3%	-0.3%	1.0%	2.4%	3.4%	0.5%	1.8%	1.0%
Opex grth ex all non-rec 2-yr CAGR		6.5%	5.0%	1.5%	-4.7%	-5.3%	1.1%	4.1%	-1.1%	-2.5%	-3.6%	3.8%	4.8%	0.7%	1.4%
Revenue-driven variable expense	41.1	36.7	35.4	31.2	8.0	4.6	7.8	11.3	31.7	7.0	7.6	7.6	9.9	32.0	29.2
Non-sales opex ex-non-recurring	119.1	131.7	141.4	142.1	32.3	34.6	37.3	36.9	141.1	33.7	32.6	39.0	38.7	143.9	148.5
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-9.0%	-2.0%	5.6%	2.5%	-0.7%	4.3%	-5.8%	4.5%	4.6%	2.0%	3.2%
Non-sales opex grth ex all non-rec 2-yr CAGR		9.9%	8.9%	3.9%	-5.8%	-0.3%	2.4%	3.6%	-0.1%	-2.6%	-3.9%	5.0%	3.6%	0.6%	2.6%

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 10: Digital Segment Forecast Separates Legacy Digital From Cisneros and MediaDonuts Businesses

In millions, except unit data	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Legacy												
Revenue	\$68.9	\$13.3	\$11.4	\$13.7	\$15.8	\$54.1	\$13.0	\$15.3	\$15.7	\$17.3	\$61.3	\$64.1
Cost of Revenue	36.8	7.3	6.4	7.8	9.0	30.6	7.4	8.7	9.0	9.9	34.9	36.5
Opex ex-cost of revenue	32.3	6.9	6.2	5.4	6.1	24.5	5.9	5.6	5.7	6.5	23.7	25.2
OCF	(0.1)	(0.9)	(1.2)	0.5	0.6	(1.0)	(0.2)	1.0	1.0	0.9	2.7	2.4
OCF Margin	-0.2%	-6.6%	-10.8%	3.4%	4.0%	-1.9%	-1.9%	6.8%	6.3%	5.1%	4.3%	3.7%
Acquisitions-Pro Forma												
Cisneros revenue	159.4	40.2	42.0	53.3	97.8	233.3	88.5	114.9	121.0	105.4	429.8	489.9
Cisneros cost of revenue	136.2	35.3	36.7	46.0	83.6	201.7	77.6	100.4	104.6	90.1	372.7	424.6
Cisneros opex ex-cost of revenue	13.2	3.2	3.3	4.1	6.7	17.4	4.8	6.4	7.2	6.7	25.1	26.5
Cisneros OCF	9.9	1.7	2.0	3.1	7.4	14.2	6.1	8.1	9.2	8.5	32.0	38.8
OCF Margin	6.2%	4.2%	4.8%	5.9%	7.6%	6.1%	6.9%	7.1%	7.6%	8.1%	7.5%	7.9%
Check:	0.0	0.0	0.0	0.0	0.0	0.0						
Cisneros EBITDA--EVC 51% share	5.1	0.9	1.0	1.6	3.8	7.3	3.1	4.1	4.7	4.4	16.3	19.8
MediaDonuts revenue	0.0	3.1	4.1	7.9	13.3	28.5	8.0	9.9	13.8	18.6	50.3	62.9
MediaDonuts cost of revenue	0.0	2.5	2.7	6.3	9.4	20.9	6.0	6.9	10.3	14.0	37.2	47.1
MediaDonuts opex ex-cost of revenue	0.0	0.9	0.8	0.7	1.1	3.5	1.8	2.7	2.0	1.8	8.3	8.9
MediaDonuts OCF	0.0	-0.2	0.6	0.9	2.8	4.0	0.2	0.3	1.4	2.8	4.8	6.8
OCF Margin		-5.5%	13.6%	11.2%	20.9%	14.2%	2.9%	3.0%	10.3%	15.2%	9.5%	10.8%
Check:	-9.9	0.0	0.0	0.0	0.0	0.0						
Acquisitions-As Reported												
Cisneros revenue					89.2	89.2	88.5	114.9	121.0	105.4	429.8	489.9
Cisneros cost of revenue					76.3	76.3	77.6	100.4	104.6	90.1	372.7	424.6
Cisneros opex					5.9	5.9	4.8	6.4	7.2	6.7	25.1	26.5
Cisneros OCF					7.0	7.0	6.1	8.1	9.2	8.5	32.0	38.8
EBITDA to red non-con interests					3.4	3.4	3.0	4.0	4.5	4.2	15.7	19.0
Cisneros EBITDA					3.6	3.6	3.1	4.1	4.7	4.4	16.3	19.8
MediaDonuts revenue					0.0	0.0	0.0	0.0	13.8	18.6	32.4	62.9
MediaDonuts cost of revenue					0.0	0.0	0.0	0.0	10.3	14.0	24.3	47.1
MediaDonuts opex					0.0	0.0	0.0	0.0	2.0	1.8	3.8	8.9
MediaDonuts OCF					0.0	0.0	0.0	0.0	1.4	2.8	4.3	6.8
EBITDA to red non-con interests					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts EBITDA					0.0	0.0	0.0	0.0	1.4	2.8	4.3	6.8
Digital segment pro forma												
Digital revenue	228.3	56.7	57.5	74.8	126.8	315.9	109.5	140.1	150.5	141.3	541.4	616.9
Digital cost of revenue	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	123.9	114.0	444.8	508.3
Digital opex ex-cost of revenue	45.5	10.9	10.3	10.2	14.0	45.4	12.4	14.7	14.9	15.0	57.1	60.6
Digital OCF	9.8	0.7	1.3	4.5	10.8	17.3	6.1	9.5	11.6	12.3	39.5	48.0
Digital segment as reported												
Digital revenue	68.9	13.3	11.4	13.7	105.0	143.3	101.5	130.2	150.5	141.3	523.5	616.9
Digital cost of revenue	36.8	7.3	6.4	7.8	85.3	106.9	85.0	109.0	123.9	114.0	431.9	508.3
Digital opex	32.3	6.9	6.2	5.4	12.0	30.4	10.6	12.0	14.9	15.0	52.6	60.6
Digital OCF	(0.1)	(0.9)	(1.2)	0.5	7.6	5.9	5.9	9.2	11.6	12.3	39.0	48.0
Digital Adj. EBITDA	(0.1)	-0.9	-1.2	0.5	4.2	2.5	2.9	5.2	7.1	8.1	23.3	29.0

Source: Company reports; Industry Capital Research estimates

Metrics	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Legacy growth												
Reported digital revenue growth					424%	108%	661%	1045%	1002%	35%	265%	18%
Legacy digital revenue growth	-14.9%	-7.9%	-32.3%	-22.5%	-21.2%	-21.4%	-2.6%	34.5%	15.0%	10.0%	13.3%	4.5%
2-yr CAGR		-14.5%	-25.6%	-22.0%	-10.6%	-18.2%	-5.3%	-4.6%	-5.6%	-6.9%	-5.7%	8.8%
Legacy digital cost of revenue		-3.9%	-27.2%	-21.5%	-12.3%	-16.6%	0.0%	34.5%	15.0%	10.0%	14.0%	4.6%
Legacy digital opex growth		-11.1%	-27.4%	-32.4%	-24.7%	-24.1%	-14.4%	-9.2%	6.5%	7.0%	-3.2%	6.1%
Legacy digital OCF		-1.1%	128.0%	-257.3%	-60.9%	822.5%	-71.9%	-184.0%	113.6%	38.9%	-361.7%	-9.7%
Cisneros growth												
Cisneros revenue growth		31.0%	10.2%	27.8%	100.1%	46.4%	120.0%	173.4%	127.1%	7.8%	84.2%	14.0%
2-yr CAGR							69.8%	73.6%	70.3%	46.8%	64.2%	44.9%
Cisneros opex ex-COR growth		14.2%	5.5%	28.0%	66.7%	31.5%	48.56%	92.5%	74.9%	-0.5%	44.2%	5.8%
Cisneros OCF		10%	-13%	8%	132%	43%	258%	307%	196%	15%	125%	21%
Cisneros revenue growth q/q		-17.7%	4.5%	26.7%	83.5%		-9.5%	29.9%	5.2%	-12.9%		
Cisneros cost of revenue growth q/q		-15.2%	3.9%	25.5%	81.6%		-7.2%	29.3%	4.2%	-13.8%		
Cisneros opex ex-COR growth q/q		-20.5%	4.3%	22.8%	63.8%		-29.2%	35.2%	11.5%	-6.8%		
Cisneros OCF growth q/q		-82.8%	16.9%	56.2%	137.7%		-57.0%	32.8%	13.4%	-7.3%		
MediaDonuts growth												
MediaDonuts revenue growth y/y							154.3%	140.0%	75.0%	40.0%	76.8%	24.9%
2-yr CAGR												48.6%
MediaDonuts opex ex-COR growth y/y							108.00%	216.5%	201.2%	60.2%	136.5%	7.6%
MediaDonuts cost of revenue growth y/y							143%	155%	63%	49%	78%	27%
MediaDonuts OCF growth y/y							-233%	-47%	62%	2%	18%	42%
MediaDonuts revenue growth q/q			31.0%	91.2%	68.9%		-39.9%	23.7%	39.4%	35.1%		
MediaDonuts cost of revenue growth q/q			10.1%	132.8%	48.4%		-36.1%	15.4%	49.4%	35.1%		
MediaDonuts opex ex-COR growth q/q			-0.8%	-20.4%	68.9%		55.9%	50.9%	-24.2%	-10.2%		
MediaDonuts OCF growth q/q			NM	57.2%	216.2%		-94.3%	28.9%	380.1%	99.5%		
Digital segment pro forma growth												
Digital revenue less cost of revenue (\$)	32.2	6.0	4.9	5.8	19.6	36.4	16.5	21.2	26.6	27.3	91.6	108.6
Digital revenue					84%	38%	93%	144%	101%	11%	71%	14%
Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20					67%		83%					
Digital cost of revenue					96%	46%	102%	153%	106%	12%	76%	14%
Digital opex ex-cost of revenue					15%	0%	14%	42%	47%	8%	26%	6%
Digital OCF					125%	76%	831%	613%	161%	13%	129%	21%
Legacy margins												
Legacy cost of revenue/revenue	53.3%	55.1%	56.7%	57.2%	57.4%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		2.3%	4.0%	0.7%	5.8%	3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%
Legacy opex ex-COR/revenue	46.8%	51.5%	54.1%	39.4%	38.6%	45.3%	45.3%	36.6%	36.5%	37.6%	38.7%	39.3%
Legacy OCF margin	-0.2%	-6.6%	-10.8%	3.4%	4.0%	-1.9%	-1.9%	6.8%	6.3%	5.1%	4.3%	3.7%
Legacy OCF margin ^ y/y		-0.5%	-7.6%	5.1%	-4.1%	-1.7%	4.7%	17.6%	2.9%	1.1%	6.2%	-0.6%
Cisneros margins												
Cisneros cost of revenue/revenue	85.5%	87.8%	87.3%	86.4%	85.5%	86.4%	87.7%	87.3%	86.4%	85.5%	86.7%	86.7%
Cisneros COR margin ^ y/y		2.0%	1.6%	1.1%	0.3%	1.0%	-0.1%	0.0%	0.0%	0.0%	0.3%	0.0%
Cisneros OCF margin ^ y/y		-0.8%	-1.3%	-1.1%	1.0%	-0.1%	2.7%	2.3%	1.8%	0.5%	1.3%	0.5%
Cisneros EBITDA margin ^ y/y		-0.8%	-1.3%	-1.1%	1.0%	-0.1%	2.7%	2.3%	1.8%	0.5%	1.3%	0.5%
MediaDonuts margins												
MediaDonuts cost of revenue/revenue		78.5%	65.9%	80.3%	70.6%	73.5%	75.0%	70.0%	75.0%	75.0%	74.0%	75.0%
MediaDonuts COR margin ^ y/y							-3.5%	4.1%	-5.3%	4.4%	0.5%	1.0%
MediaDonuts OCF margin ^ y/y							8.4%	-10.6%	-0.8%	-5.6%	-4.7%	1.3%
MediaDonuts EBITDA margin ^ y/y							8.4%	-10.6%	-0.8%	-5.6%	-4.7%	1.3%
Digital Segment margins												
Digital Segment cost of revenue/revenue		55.1%	56.7%	57.2%	81.3%	74.6%	83.7%	83.7%	82.3%	80.7%	82.5%	82.4%
MediaDonuts COR margin ^ y/y							28.6%	27.0%	25.2%	-0.6%	7.9%	-0.1%
MediaDonuts OCF margin ^ y/y							300.0%	398.5%	452.1%	75.3%	1226.0%	330.1%
MediaDonuts EBITDA margin ^ y/y							300.0%	398.5%	452.1%	75.3%	1226.0%	330.1%
Revenue mix:												
Total company revenue	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	198.9	198.4	724.6	803.1
Digital as % of company revenue	25%	21%	25%	22%	61%	42%	68%	73%	76%	71%	72%	77%
Minority interest							1.6	2.4	2.7	2.5	9.2	11.4

Source: Company reports; Industry Capital Research estimates

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

Figure 11: Financial Statement Forecasts Supporting Our Valuation

Consolidated Income Statement

Fiscal Year Ends December 31
In millions, except per share data

AS REPORTED	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Net revenue:															
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$39.2	\$27.0	\$37.8	\$50.5	\$154.5	\$36.1	\$34.1	\$34.4	\$42.7	\$147.3	\$134.0
Radio	75.8	66.9	63.9	55.0	11.7	6.8	11.5	16.2	46.3	11.3	14.1	14.0	14.4	53.8	52.2
Net broadcast revenue	235.4	215.0	215.7	204.7	50.9	33.7	49.3	66.7	200.7	47.4	48.2	48.4	57.1	201.1	186.2
Digital	23.1	57.1	81.0	68.9	13.3	11.4	13.7	105.0	143.3	101.5	130.2	150.5	141.3	523.5	616.9
Total net revenue (core)	258.5	272.1	296.6	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	198.9	198.4	724.6	803.1
Revenue from spectrum usage rights	263.9	536.0	297.8	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	198.9	198.4	724.6	803.1
Total net revenue	258.5	272.1	296.6	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	198.9	198.4	724.6	803.1
Cost of Revenue															
Television		0.0													
Radio		0.0													
Digital	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	55.1%	56.7%	57.2%	81.3%	74.6%	83.5%	83.7%	82.3%	80.7%	82.5%	82.4%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Cost of revenue from spectrum usage rights (television)	9.5	12.340	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Total cost of revenue	9.5	45.3	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Opex															
Television opex	83.6	81.7	84.3	84.4	21.8	17.7	19.0	22.4	80.9	19.9	19.5	20.1	21.9	81.5	73.3
Radio opex	65.4	63.3	59.4	56.7	11.6	9.1	9.7	11.3	41.8	9.7	9.9	9.9	10.2	39.7	38.5
Digital opex	11.2	23.4	33.1	32.3	6.9	6.2	5.4	12.2	30.6	10.9	12.0	14.9	15.0	52.8	60.6
Total opex (core)	160.2	168.4	176.8	173.4	40.3	33.0	34.1	45.9	153.3	40.4	41.4	45.0	47.2	174.0	172.4
Spectrum usage rights															
Total Opex	160.2	168.4	176.8	173.4	40.3	33.0	34.1	45.9	153.3	40.4	41.4	45.0	47.2	174.0	172.4
OCF															
Television OCF	75.9	66.3	67.4	65.2	\$17.4	\$9.2	\$18.8	\$28.1	73.6	\$16.2	\$14.5	\$14.3	\$20.8	65.8	60.7
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	44.5%	34.2%	49.8%	55.6%	47.6%	44.9%	42.7%	41.5%	48.7%	44.7%	45.3%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%					173.4%					107.9%	38.5%
Radio OCF	10.5	3.6	4.6	(1.7)	0.1	(2.4)	1.8	4.9	4.5	1.6	4.2	4.1	4.1	14.1	13.7
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	0.6%	-34.7%	15.9%	30.4%	9.7%	14.4%	29.9%	29.2%	28.8%	26.2%	26.3%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	(0.9)	(1.2)	0.5	7.4	-70.4%	5.9	9.2	11.6	12.3	127.1%	21.2%
Digital OCF	2.4	0.7	2.8	(0.1)	(0.9)	(1.2)	0.5	7.4	5.7	5.9	9.2	11.6	12.3	39.0	48.0
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	-6.6%	-10.8%	3.4%	7.0%	4.0%	5.8%	7.0%	7.7%	8.7%	7.4%	7.8%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	-6.6%	-10.8%	3.4%	7.0%	7.9%	5.8%	7.0%	7.7%	8.7%	8.7%	9.7%
Total OCF (core)	88.7	70.7	74.8	63.4	16.6	5.6	21.1	40.4	83.8	23.7	27.9	30.0	37.2	118.8	122.4
Margin	34.3%	26.0%	25.2%	23.2%	25.9%	12.5%	33.5%	23.5%	24.4%	15.9%	15.7%	15.1%	16.7%	16.4%	15.2%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%	-542.5%	47.9%	-94.2%	23.9%	24.4%	8.4%	16.7%	6.5%	-12.1%	16.4%	15.2%
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	0.000
Total OCF	88.7	322.3	75.9	63.4	16.6	5.6	21.1	40.4	83.8	23.7	27.9	30.0	37.2	118.8	122.4
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	25.9%	12.5%	33.5%	23.5%	24.4%	15.9%	15.7%	15.1%	16.7%	16.4%	15.2%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%	-542.5%	47.9%	-94.2%	23.9%	24.4%	8.4%	16.7%	6.5%	-12.1%	16.4%	15.2%
Corporate Expense	24.5	27.9	26.9	28.1	6.8	5.4	6.3	9.3	27.8	7.2	7.3	6.5	8.1	29.1	28.7
GAAP EBITDA	64.2	294.4	49.1	35.4	9.8	0.2	14.8	31.1	56.0	16.6	20.6	23.5	29.1	89.8	93.7
Corporate non-cash comp	3.7	4.9	5.1	3.6	0.7	0.7	0.7	1.9	3.9	0.8	0.8	0.8	1.6	4.0	4.0
Opex adjustments to cash:															
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.130)	(0.1)	(0.1)	(0.1)	(0.5)	(0.119)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.130)	(0.1)	(0.1)	(0.1)	(0.5)	(0.124)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	0.131	0.1	0.1	0.9	1.2	0.316	0.3	0.5	0.1	1.3	1.3
Non-recurring cash severance			0.8	2.3	0.606	0.5		0.5	1.7	0.000					
EBITDA attributable to redeemable noncontrolling interest								3.4	3.4	2.837	4.3	4.5	4.2	15.8	19.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	(0.737)	(0.6)	(0.2)	2.0	0.5	2.526	3.9	4.0	4.0	14.5	17.6
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	1.5	(0.2)	(0.7)	(1.7)	(1.1)	0.6	(0.3)	0.0	(0.3)	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	20.3	26.9	79.2	80.1
Other opex for spectrum (in corporate)		2.1	1.2												
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	20.3	26.9	79.2	80.1
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	20.3	26.9	79.2	80.1
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	0.0	0.0	0.0	0.0
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.1%	15.1%	3.8%	26.0%	19.0%	17.6%	9.5%	10.0%	10.2%	13.6%	10.9%	10.0%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	-376.3%	45.0%	-123.8%	21.4%	27.3%	5.3%	12.1%	2.9%	-21.3%	4.9%	1.1%

Source: Industry Capital Research estimates and company data

Figure 12: Financial Statement Forecasts Supporting Our Valuation (cont.)

In millions, except per share data	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$39.5	\$32.4	\$33.9	\$48.0	\$153.8	\$42.9	\$45.4	\$49.0	\$51.2	\$188.5	\$190.0
Memo: cash corporate expense	20.8	23.1	21.8	24.4	6.2	4.7	5.6	7.4	23.9	6.4	6.5	5.7	6.5	25.1	\$24.6
Memo: total non-cash comp	5.0	6.1	5.8	4.4	0.8	0.8	0.8	2.7	5.1	1.1	1.1	1.2	1.8	5.2	\$5.3
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	(0.8)	0.8	0.9	(0.3)	0.6	(3.1)	(3.6)	(4.0)	(3.8)	(14.5)	(\$17.6)
Memo: PF EBITDA attributable to redeemable noncontrolling interest					0.8										
D&A	15.3	16.4	16.3	16.6	4.5	3.9	3.9	5.0	17.3	5.2	5.1	5.1	5.1	20.4	20.7
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	7.0%	8.6%	6.2%	2.9%	5.0%	3.5%	2.8%	2.6%	2.6%	2.8%	0.0
Change in fair value contingent consideration			(1.2)	(6.478)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairments	0.0	0.0	0.0	32.1	39.8	0.0	0.0	0.2	40.0	1.3	0.1	0.0	(1.4)	0.0	0.0
Other operating (gain) loss		(0.3)	(1.2)	(6.0)	(0.8)	(2.0)	(2.7)	(1.3)	(6.9)	(1.9)	(0.5)	(0.5)	(0.5)	(3.5)	(0.8)
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
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)	48.9	277.9	33.6	(1.7)	(35.2)	(1.4)	14.3	29.0	6.6	11.4	16.2	19.0	26.2	72.8	73.8
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	-54.8%	-3.2%	22.6%	16.9%	1.9%	7.6%	9.1%	9.5%	13.2%	10.1%	9.2%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(2.7)	(2.0)	(2.0)	(1.6)	(8.3)	(1.7)	(1.8)	(1.8)	(1.9)	(7.2)	(8.0)
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	0.3	0.8	2.0	3.4	0.6	0.5	0.5	0.1	1.7	0.1	0.0	0.0	(0.1)	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(2.1)	(1.5)	(1.5)	(1.5)	(6.5)	(1.6)	(1.8)	(1.8)	(2.0)	(7.2)	(8.0)
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
Other income, net	0.0	0.0	0.2	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
Pretax income	33.5	258.6	21.4	(11.3)	(37.3)	(2.9)	12.8	27.6	0.1	9.8	14.5	17.2	24.2	65.6	65.8
Pretax margin	13.0%	48.2%	7.2%	NM	NM	NM	20.2%	16.0%	0.0%	6.6%	8.1%	8.6%	12.2%	9.1%	8.2%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	1.7	5.3	(3.7)	(4.7)	(1.5)	(2.8)	(4.0)	(6.0)	(8.5)	(21.3)	(23.0)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	4.5%	179.9%	29.3%	17.1%	1276.3%	28.5%	27.6%	35.0%	35.0%	32.4%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	-0.4%	-11.0%	39.9%	7.9%	6552.5%	-2.0%	22.7%	4.4%	3.1%	7.0%	7.0%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(35.6)	2.3	9.0	22.9	(1.4)	7.0	10.5	11.2	15.7	44.4	42.8
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	0.0	0.0
Reported Net income	20.4	175.7	12.2	(19.7)	(35.6)	2.3	9.0	22.9	(1.4)	7.0	10.5	11.1	15.8	44.4	42.8
Net margin	26.8%	9.4%	18.1%	15.1%	15.1%	3.8%	26.0%	19.0%	17.6%	9.5%	10.0%	10.2%	13.6%	10.9%	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
Minority Interest								2.5	2.5	1.6	2.6	2.7	2.5	9.4	11.4
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(35.6)	2.3	9.0	20.3	(3.9)	5.4	7.9	8.3	13.3	35.0	31.4
Net margin	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)	(\$0.42)	\$0.03	\$0.11	\$0.24	(\$0.05)	\$0.06	\$0.09	\$0.10	\$0.15	\$0.41	\$0.37
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
Net income to common	20.4	175.7	12.2	(19.712)	(35.592)	2.337	9.016	20.328	(3.911)	5.4	7.9	8.3	13.3	35.0	31.4
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.42)	\$0.03	\$0.11	\$0.24	(\$0.05)	\$0.06	\$0.09	\$0.10	\$0.16	\$0.41	\$0.37
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.42)	\$0.03	\$0.11	\$0.24	(\$0.05)	\$0.06	\$0.09	\$0.10	\$0.15	\$0.40	\$0.36
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.42)	\$0.03	\$0.11	\$0.24	(\$0.05)	\$0.06	\$0.09	\$0.10	\$0.15	\$0.40	\$0.36
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
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	0.0	0.0	0.0	39.8	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	4.2	2.3	9.0	20.3	35.9	5.4	7.9	8.3	13.3	35.0	31.4
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.05	\$0.03	\$0.11	\$0.24	\$0.43	\$0.06	\$0.09	\$0.10	\$0.16	\$0.41	\$0.37
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.05	\$0.03	\$0.11	\$0.24	\$0.43	\$0.06	\$0.09	\$0.10	\$0.15	\$0.40	\$0.36
EPS shares - Basic	89.3	90.3	89.1	85.1	84.3	84.1	84.2	84.3	84.2	85.0	85.2	85.1	84.8	85.0	83.9
EPS shares - Diluted	91.3	91.9	90.3	86.2	84.3	84.7	84.9	86.0	84.2	87.0	87.8	87.6	87.4	87.4	86.5
Free Cash Flow:															
EBITDA	69.2	50.6	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	20.3	26.9	79.2	80.1
Cash net interest	-14.4	-12.7	-10.6	-9.4	-1.9	-1.3	-1.3	-1.3	-5.9	-1.4	-1.6	-1.8	-2.0	-6.9	-8.0
Other adjustments to cash		250.0	1.9	4.7	0.3	1.5	2.7	0.8	5.3	1.9	0.5			2.4	0.0
- Cash taxes	-0.6	-0.8	-3.3	-2.8	-0.1	-0.3	-5.1	-2.2	-7.7	0.2	-3.3	-0.8	-0.8	-4.6	-4.6
Cash taxes / EBITDA	1%	2%	6%	7%	1%	19%	31%	7%	13%	0.0	18%	4%	3%	6%	6%
Minus: capex	-9.1	-12.1	-17.0	-25.3	-2.7	-3.0	-2.1	-1.3	-9.1	-1.8	-1.0	-1.0	-4.6	-8.4	-8.8
Capex / D&A	59%	74%	105%	152%	59%	78%	52%	27%	52%	35%	20%	20%	90%	41%	43%
Capex / EBITDA	13%	24%	31%	61%	28%	174%	13%	4%	15%	13%	6%	5%	17%	11%	11%
Plus: cost of revenue for spectrum usage rights		12.1													
= Free Cash Flow	45.2	287.1	25.0	8.3	5.2	(1.4)	10.6	28.6	43.0	13.0	12.4	16.8	19.6	61.8	58.7
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	5.2	(1.4)	10.6	28.6	43.0	13.0					
Model variance: free cash flow	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0					
Free Cash Flow (core)	45.2	37.6	25.0	8.3	5.2	(1.4)	10.6	28.6	43.0	13.0	12.4	16.8	19.6	61.8	58.7
FCF per share (core)	\$0.50	\$0.41	\$0.28	\$0.10	\$0.06	(\$0.02)	\$0.12	\$0.33	\$0.51	\$0.15	\$0.14	\$0.19	\$0.22	\$0.71	\$0.68
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	54.0%	-81.8%	64.5%	87.7%	71.2%	91.8%	69.8%	82.5%	72.7%	78.0%	73.2%
Dividends per share	\$0.12	\$0.16	\$0.20	\$0.20	\$0.05	\$0.02	\$0.02	\$0.02	\$0.13	\$0.02	\$0.03	\$0.03	\$0.05	\$0.12	\$0.20
Dividends as % of FCF	24%	39%	70%	197%	83%	-124%	21%	7%	25%	16%	18%	13%	23%	18%	29%
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(4.2)	(2.1)	(2.1)	(2.1)	(10.5)	(2.1)	(2.2)	(2.2)	(4.4)	(10.9)	(17.2)

Source: Industry Capital Research estimates and company data

Figure 13: Financial Statement Forecasts Supporting Our Valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	-0.7%	-34.8%	-8.5%	142.4%	25.8%	131.7%	295.5%	215.8%	15.6%	110.6%	10.8%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	-0.7%	-34.8%	-8.5%	142.4%	25.8%	131.7%	295.5%	215.8%	15.6%	110.6%	10.8%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	2.5%	-29.2%	3.7%	36.9%	3.2%	-7.9%	26.3%	-9.0%	-15.4%	-4.7%	-9.0%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-2.0%	-52.7%	-22.0%	16.6%	-15.9%	-3.5%	NM	21.6%	-11.5%	16.4%	-3.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	-7.9%	-32.3%	-22.5%	424.2%	108.0%	661.2%	1045.0%	1001.8%	34.7%	265.3%	17.8%
Cost of revenue	31.7%	NM	36.7%	-18.5%	-3.9%	-27.2%	-21.5%	NM	NM	NM	NM	NM	33.7%	NM	17.7%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-7.8%	-25.3%	-21.5%	6.3%	-12.1%	-25.5%	-11.9%	-16.8%	-31.2%	-22.4%	-10.0%
SG&A	5.9%	NM	NM	-21.1%	-1.6%	-19.5%	-20.7%	-0.8%	-10.3%	-28.8%	-9.2%	0.5%	NM	NM	12.4%
Opex	5.9%	NM	NM	-4.8%	-5.5%	-24.2%	-21.3%	NM	23.8%	NM	NM	NM	22.8%	NM	12.4%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-5.8%	-23.5%	-21.3%	4.0%	-11.6%	0.4%	25.4%	32.1%	2.7%	13.5%	-0.9%
TV opex	3.7%	-2.2%	3.1%	0.1%	4.9%	-14.7%	-10.3%	3.2%	-4.2%	-8.6%	10.0%	6.0%	-2.1%	0.7%	-10.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-18.4%	-34.3%	-31.4%	-21.3%	-26.3%	-16.9%	8.2%	2.4%	-9.4%	-4.9%	-3.2%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-11.1%	-27.4%	-32.4%	51.1%	-5.0%	58.1%	95.3%	177.5%	22.9%	72.5%	14.7%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	16.4%	-67.2%	35.2%	NM	32.1%	42.6%	NM	42.2%	-8.0%	41.8%	3.0%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	-0.4%	-46.6%	23.2%	85.0%	12.8%	-7.1%	57.7%	-24.1%	-26.0%	-10.5%	-7.8%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-16.1%	NM	-2.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	65.9%	NM	23.1%
Corporate expense	9.0%	12.1%	1.0%	3.0%	0.0%	0.0%	0.0%	11.3%	3.0%	2.0%	15.0%	-4.0%	-18.0%	3.0%	3.0%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	20.1%	-86.3%	79.1%	NM	46.6%	46.7%	NM	24.0%	-17.5%	31.1%	1.1%
D & A	-4.0%	7.0%	-0.8%	2.3%	15.2%	-10.1%	-6.1%	17.2%	3.8%	14.9%	31.0%	29.0%	2.2%	18.1%	1.4%
Operating income	-11.5%	NM	-88.5%	-36.9%	31.0%	NM	NM	NM	88.3%	81.4%	NM	20.3%	-19.5%	41.0%	0.9%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	NM	NM	NM	NM	34.7%	-12.2%	NM	0.2%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	NM	NM	NM	NM	-7.4%	-34.4%	NM	-10.3%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	NM	NM	NM	NM	-9.1%	-37.5%	NM	-9.8%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	NM	NM	NM	NM	NM	-10.4%	-35.5%	NM	-9.3%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	NM	NM	NM	58.3%	-33.3%	39.2%	-4.2%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-4.5%	-3.3%	-0.8%	0.1%	0.6%	-2.3%	3.2%	3.7%	3.3%	1.6%	3.8%	-1.1%

Source: Industry Capital Research estimates and company data

Figure 14: Financial Statement Forecasts Supporting Our Valuation (cont.)

Segments

In millions															
AS REPORTED	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Revenue:															
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$39.2	\$27.0	\$37.8	\$50.5	\$154.5	\$36.1	\$34.1	\$34.4	\$42.7	\$147.3	\$134.0
Radio	75.8	66.9	63.9	55.0	11.7	6.8	11.5	16.2	46.3	11.3	14.1	14.0	14.4	53.8	52.2
Digital	23.1	57.1	81.0	68.9	13.3	11.4	13.7	105.0	143.3	101.5	130.2	150.5	141.3	523.5	616.9
Revenue	258.5	272.1	296.6	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	198.9	198.4	724.6	803.1
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
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
Digital	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Cost of revenue	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	123.9	114.0	431.7	508.3
Opex:															
Television	83.6	81.7	84.3	84.4	21.8	17.7	19.0	22.4	80.9	19.9	19.5	20.1	21.9	81.5	73.3
Radio	65.4	63.3	59.4	56.7	11.6	9.1	9.7	11.3	41.8	9.7	9.9	9.9	10.2	39.7	38.5
Digital	11.2	23.4	33.1	32.3	6.9	6.2	5.4	12.2	30.6	10.9	12.0	14.9	15.0	52.8	60.6
Opex	160.2	168.4	176.8	173.4	40.3	33.0	34.1	45.9	153.3	40.4	41.4	45.0	47.2	174.0	172.4
OCF:															
Television	75.9	66.3	67.4	65.2	17.4	9.2	18.8	28.1	73.6	16.2	14.5	14.3	20.8	65.8	60.7
Radio	10.5	3.6	4.6	(1.7)	0.1	(2.4)	1.8	4.9	4.5	1.6	4.2	4.1	4.1	14.1	13.7
Digital	2.4	0.7	2.8	(0.1)	(0.9)	(1.2)	0.5	7.4	5.7	5.9	9.2	11.6	12.3	39.0	48.0
OCF	88.7	70.7	74.8	63.4	16.6	5.6	21.1	40.4	83.8	23.7	27.9	30.0	37.2	118.8	122.4
PRO FORMA	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Revenue:															
Television	159.5	148.1	151.7	149.7	39.2	27.0	37.8	51.3	155.3	36.1	34.1	34.4	42.7	147.3	134.0
Radio	75.8	66.9	63.9	55.0	11.7	6.8	11.5	16.2	46.3	11.3	14.1	14.0	14.4	53.8	52.2
Digital			92.1	228.3	56.7	57.5	74.8	126.8	315.9	109.5	140.1	150.5	141.3	541.4	616.9
Revenue	273.7	281.7	307.8	433.0	107.6	91.3	124.1	194.4	517.4	156.9	188.3	198.9	198.4	742.5	803.1
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
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
Digital	9.5	33.0	45.1	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	123.9	114.0	444.8	508.3
Cost of revenue	9.5	33.0	45.1	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	123.9	114.0	444.8	508.3
Opex:															
Television	83.6	81.7	84.3	84.4	21.8	17.7	19.0	22.4	80.9	19.9	19.5	20.1	21.9	81.5	73.3
Radio	65.4	63.3	59.4	56.7	11.6	9.1	9.7	11.3	41.8	9.7	9.9	9.9	10.2	39.7	38.5
Digital			43.9	45.5	10.9	10.3	10.2	14.0	45.4	12.4	14.7	14.9	15.0	57.1	60.6
Opex	160.2	168.4	187.6	186.6	44.3	37.2	38.8	47.7	168.1	42.0	44.1	45.0	47.2	178.3	172.4
OCF:															
Television	75.9	66.3	67.4	65.2	17.4	9.2	18.8	28.9	74.4	16.2	14.5	14.3	20.8	65.8	60.7
Radio	10.5	3.6	4.6	(1.7)	0.1	(2.4)	1.8	4.9	4.5	1.6	4.2	4.1	4.1	14.1	13.7
Digital	17.5	10.4	3.2	9.8	0.7	1.3	4.5	10.8	17.3	6.1	9.5	11.6	12.3	39.5	48.0
OCF	103.9	80.3	75.2	73.4	18.2	8.2	25.1	44.7	96.1	23.9	28.2	30.0	37.2	119.4	122.4
CONSOLIDATED PRO FORMA	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	2022E
Revenue	273.7	281.7	307.8	433.0	107.6	91.3	124.1	194.4	517.4	156.9	188.3	198.9	198.4	742.5	803.1
Growth	7.7%	2.9%	9.3%	40.7%	12.8%	-15.0%	12.3%	62.4%	19.5%	45.8%	106.3%	60.2%	2.1%	43.5%	8.2%
Cost of Revenue	9.5	33.0	45.1	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	123.9	114.0	444.8	508.3
Growth	31.7%	246.0%	36.7%	283.6%	32.8%	10.5%	32.2%	96.5%	46.4%	101.6%	152.8%	105.8%	11.7%	75.7%	14.3%
Opex	160.2	168.4	187.6	186.6	44.3	37.2	38.8	47.7	168.1	42.0	44.1	45.0	47.2	178.3	172.4
Growth	4.6%	5.1%	11.4%	-0.5%	-2.7%	-19.7%	-16.4%	-1.1%	-9.9%	-5.3%	18.5%	15.8%	-1.0%	6.1%	-3.3%
OCF	103.9	80.3	75.2	73.4	18.2	8.2	25.1	44.7	96.1	23.9	28.2	30.0	37.2	119.4	122.4
Growth	2.9%	-22.7%	-6.4%	-2.4%	14.6%	-58.0%	35.7%	128.3%	31.0%	31.8%	244.8%	19.5%	-16.7%	24.2%	2.5%
Corporate	20.8	23.1	21.8	24.4	6.2	4.7	5.6	7.4	23.9	6.4	6.5	5.7	6.5	25.1	24.6
Growth	8.5%	10.8%	-5.5%	12.0%	-0.7%	-19.0%	-7.0%	16.8%	-2.0%	3.6%	39.7%	1.6%	-13.0%	5.0%	-2.0%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	(1.6)	0.8	0.9	(0.3)	0.6	(3.1)	(3.6)	(4.0)	(3.8)	(14.5)	(17.6)
EBITDA	84.4	60.2	54.4	51.2	10.4	4.3	20.4	36.9	72.7	14.4	18.1	20.3	26.9	79.8	80.1
Growth	3.2%	-28.7%	-9.6%	-6.0%	7.9%	-71.2%	69.3%	158.7%	42.2%	39.0%	322.5%	-0.3%	-26.9%	9.6%	0.5%

Source: Industry Capital Research estimates and company data

Figure 15: DCF Analysis Supports \$9.00 12-Month Price Target

Source: Industry Capital Research estimates and company data

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Entravision Communications Corporation (EVC)

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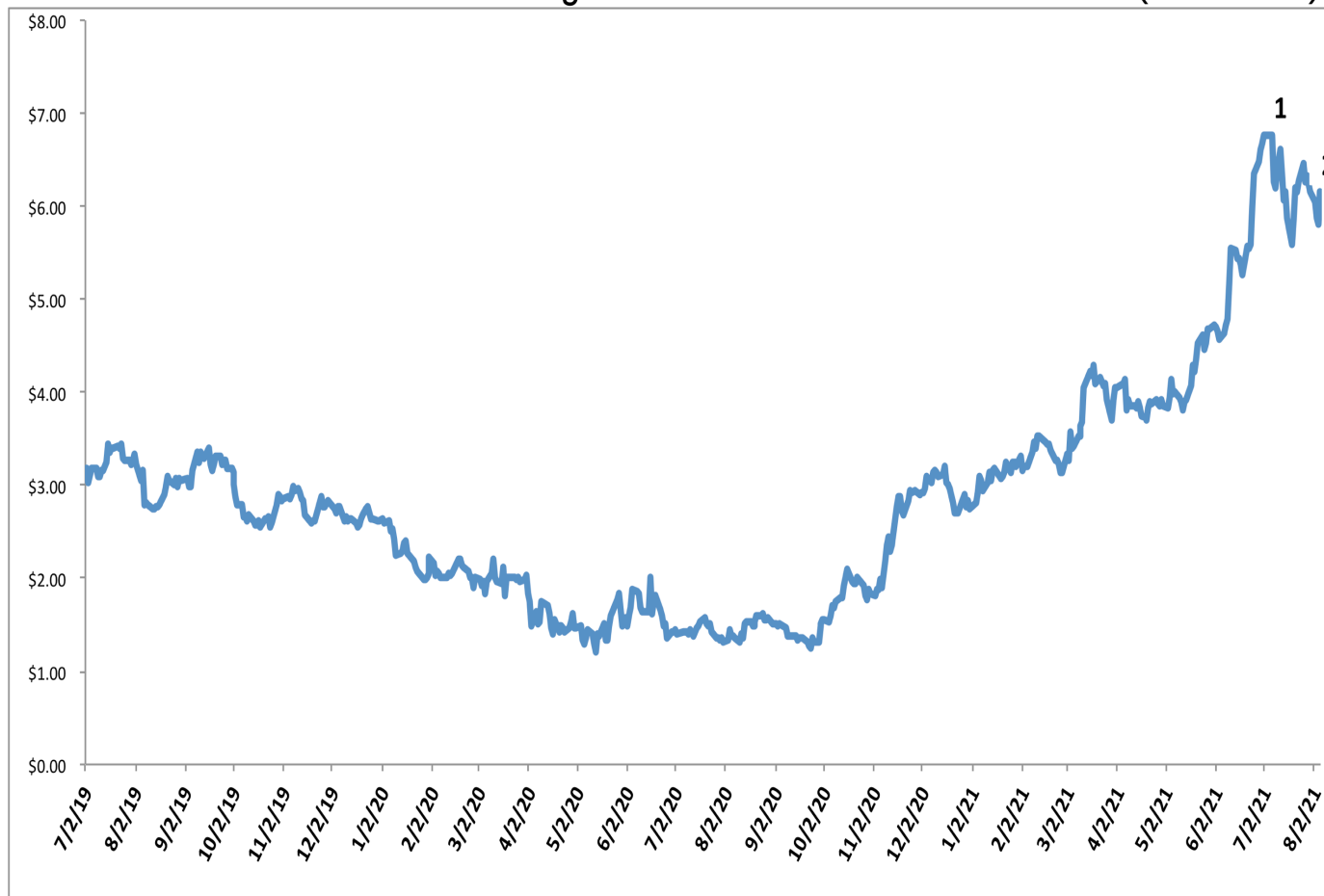
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1	7/6/21	Initiated Buy, Target Price \$9.00
2	8/6/21	Reaffirmed Buy, Target Price \$9.00

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HOLD: total return expected is between 15% and -15% over a 12-month period	0%	0%
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