

# Entravision Communications Corporation (EVC)

Implications of Asset Sales and Political Ad Cycle Top Agenda Heading Into 2Q Results; Hold

James Dix, CFA

(1) 917 292 4293

[james.dix@industrycapitalresearch.com](mailto:james.dix@industrycapitalresearch.com)

With 2Q results set for August 8 AMC, we look in particular for updates on political advertising, the balance sheet and possibly capital allocation. The call will be at 4:30 pm ET, with dial-in 877 407-9716 (U.S.) or 201 493-6779 (int'l).

Our estimate changes primarily reflect 1Q results and the sale of EVC's Adsmurai and digital media representation businesses announced in 2Q. See Fig. 3-6. Our 2024 adjusted EBITDA estimate pro forma for the sales of the businesses—which will be treated as discontinued operations—has gone to \$48.2m from \$70.2m. See Fig. 4 and 6. For 2Q, our pro forma estimates are revenue of \$79.7m and adjusted EBITDA of \$9.4m (11.8% margin). See Fig. 5. Our 2Q revenue growth estimates for TV and radio are -1% and -1%, respectively, and our 2Q operating cash flow margin estimates are 23.5% for TV and 10.5% for radio, vs. 33.6% and 13.5% in 2Q23.

On our current estimates, high-margin political and retransmission revenue would slightly exceed total 2024 EBITDA, suggesting downside protection even if commercial ad growth slows. The Wall Street Journal economic survey in July continued to show an expectation of a 2024 growth deceleration from 2023, although U.S. GDP growth of 2.8% in 2Q beat expectations.

We see upside to our unchanged \$34m estimate for total 2024 political ad revenue. The likely Harris-Trump matchup would inject some novelty that could spark more advertising, and should leave two presidential campaigns well-funded and competitive in Southwest states where EVC has strong local news operations, some of which have bulked up more than usual for this cycle.

We are skeptical that any political beat will be sufficient to drive the stock, however. Consider the 2022 midterm election cycle, which set another record for EVC's political advertising, coming in almost \$20m above our expectations at the beginning of the year. Nevertheless, by year-end, EVC's 2022 stock price performance was in line with the S&P 500's. It is difficult to put a valuation multiple on EVC's political advertising beats, not only because they are so cyclical, but also because political advertising may meaningfully displace regular commercial advertising. Moreover, EVC's Univision TV affiliation agreement will expire at the end of 2026, the next big political year, aggravating uncertainty about EVC's local TV station economics going forward.

Our price target reflects our revised estimates, a DCF with updated macro inputs for interest rates and equity risk premium, and an unchanged \$85m estimate for the value of excess spectrum assets. See Fig. 2, 8 and 15. We estimate cash proceeds from the sale of EVC Latam, EVC Asia and Jack of Digital are roughly \$100m less than the cash EVC paid for these businesses. This excludes the impact of the \$43.5m of cash distributed from the businesses sold, which contributed to a \$30.0m decline in cash pro forma for the dispositions, per EVC's 8-K filed on 7/5.

Our 12-month price target is \$2.00; risks on page 2. Our PT is supported by a spectrum value estimate and a DCF valuation based on explicit financial forecasts through 2029. See Fig. 15.

HOLD

Price at 8/1/24 (USD)	2.11
Price Target	2.00
52-week range	1.33 - 4.66

Performance (%)	1m	3m	12m
Absolute	6	-1	-56
S&P 500	-1	9	19

Market Cap (USDm)	190.3
Shares outstanding (m)	90.2
Float (%)	90
Average volume	493,282
S&P 500	5,446.7

## Forecasts and ratios

Year ended 12/31	2022A	2023A	2024E
1Q EPS (USD)	0.01	0.02	-0.55
2Q EPS (USD)	0.09	-0.03	-0.04
3Q EPS (USD)	0.10	0.03	0.04
4Q EPS (USD)	-0.03	-0.21	0.26
FY EPS (USD)	0.16	-0.19	-0.27
% Change	-53%	-219%	NM
P/E (x)	13.0	NM	NM
EV/EBITDA (x)	2.1	4.4	3.1
Revenue (USDm)	952.4	1,103.3	755.3
% Change	25%	16%	-32%

## ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE LOCATED IN THE APPENDIX.

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

**We rate Hold the shares of EVC.** Despite 1) a reduced operating risk profile for EVC's overall business because of the stability of TV retransmission revenue (63% of 2023E EBITDA), secular growth of political advertising revenue (24% of 2022E EBITDA), pro forma net debt leverage of ~2x EBITDA, and potential monetization from future spectrum auctions (as in 2017), EVC shares nevertheless face 2) pressure on operating cash flow margins, and 3) secular challenges to and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business. Our valuation supports stock price performance over the next 12 months consistent with a Hold rating.

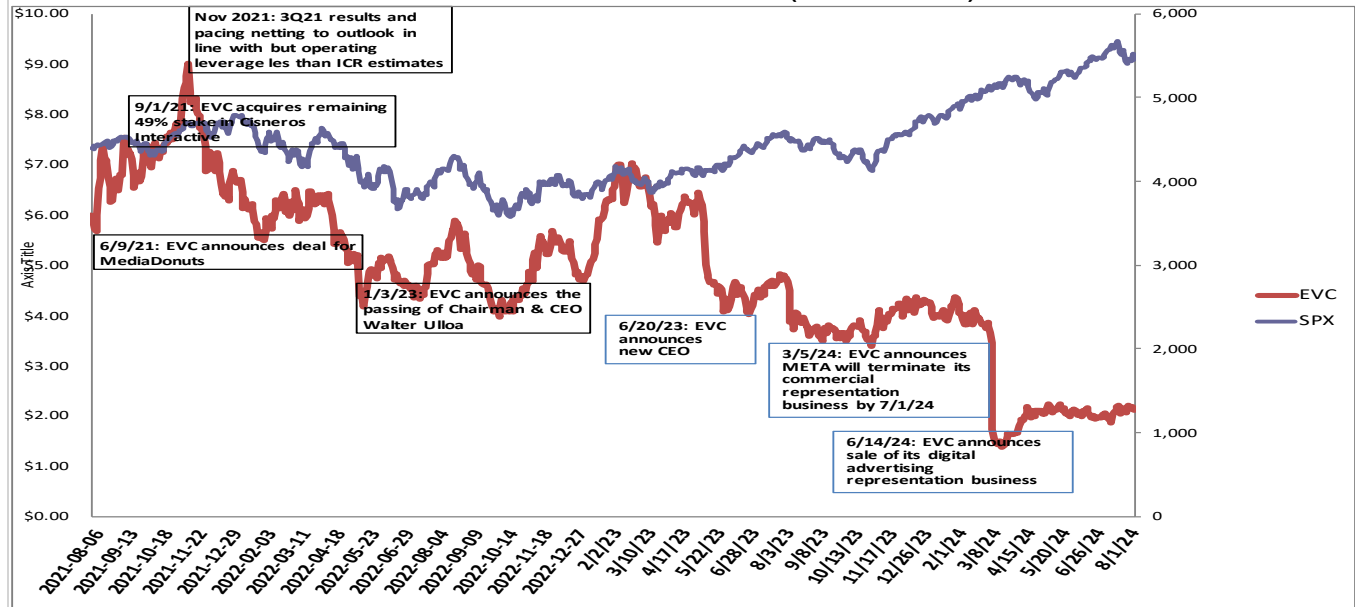
**Our 12-month price target is a weighted average of projected equity valuations using a discounted cash flow (DCF) analysis at year-end 2024 and 2025, plus an estimated value for spectrum assets the sale of which would be immaterial to continuing EVC's broadcast operations.** Our PT assumes a base case forecast with 2024/25 adjusted EBITDA pro forma for asset sales of \$48m/\$29m, and \$85m for spectrum asset value, resulting in a target valuation of \$2.00. In structuring our DCF, first we adjust the current net debt for the value of any estimated payments remaining on the acquisitions (e.g., earnouts) and noncontrolling interest. Second, we adjust the current net debt by the estimated free cash flow to be generated by each valuation date. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods, plus the estimated spectrum value, set the range for our valuation. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be 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) the impact of recent asset sales and change in voting control on company's strategy and pursuit of potential longer-term options, including capital allocation and sale of all or a portion of the company, and 2) sensitivity of EVC's advertising-based businesses to macroeconomic flux.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data) 12-month price target: \$2.00	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$2.11	Company description	Entravision operates a broadcast business targeting U.S. Hispanics with 49 TV stations (mostly Univision network affiliates) in 14 of the top-50 U.S. Hispanic markets, and 45 radio stations (37 FM and 8 AM) as well as a radio network with distribution to over 100 U.S. markets together covering 31% of the U.S. Hispanic population, and a digital media business serving the U.S. and a number of international markets. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol “EVC.”
Diluted shares outstanding	90.2		
Equity market capitalization	190		
+Pro forma net debt	42		
-Hidden value	85		
=Pro forma EV	\$147		
OPERATING PROJECTIONS			
Pro forma net revenue		Strategy	Manage for free cash flow and asset value
2024	\$339		
2023	297	Est. acquisition capacity	\$160
% Chg	14.2%		
Pro forma EBITDA		Management	After the untimely death of former Chairman and CEO Walter Ulloa in December 2022, <b>Michael Christenson joined EVC from outside the company to become CEO</b> effective July 1, 2023. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000).
2024	\$48		
2023	33		
% Chg	44.8%		
Pro forma EBITDA margin			
2024	14.2%	Positives	* Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Modest debt leverage and high free cash flow generation from broadcast business * Most of EVC's TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending * Long-term potential for monetization of spectrum assets (as occurred, e.g., in 2017 FCC auction)
2023	11.2%		
Free cash flow per share			
2024	\$0.36		
2023	\$0.07		
% Chg	414.3%	Risks	* Management succession, capital allocation, and corporate control, especially given loss of management voting control triggered by death of prior CEO * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship may limit strategic flexibility * Loss of broadcast audience and advertising share to digital alternatives
Est. 3-5 yr FCF Growth rate	0%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA		Valuation	Attributing firm value primarily to U.S. broadcast operations and spectrum assets
2024	3.1x		
2023	4.4x		
Price / Free cash flow per share		Recent events	June 2024 - sale of digital media representation business. March 2024 - META informed the company that it would wind down the company's representation of META business by July 1. June 2023 - appointment of new CEO effective July 1. December 2022 - death of co-founder, CEO & Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 – announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 – acquired 51% stake in Cisneros Interactive for \$29 million.
2024	5.9x		
2023	30.1x		
Pro forma net debt / EBITDA		Upcoming potential catalysts	Advertising in upcoming U.S. election cycle - Risk from macroeconomic slowdown to advertising-based revenue, both in U.S. and internationally - Changes in capital return/allocation
2024	0.9x		
2023	1.3x		
Dividend yield			
2024	9.5%		
2023	9.5%		

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



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

## Recapping the Set-Up from 1Q24 Results and Outlook

Our valuation did not change after 1Q results, despite a 1Q miss and 2Q pacing slightly below our estimates, and the shares actually had positive price momentum just prior to and after results. With results, management called out as 2024 priorities Smadex (but none of the other digital businesses), along with political ad revenue, including news that aids in attracting it. At 3/31, total and net leverage were 3.1x and 1.4x, respectively, and EVC had \$132.7m in cash and marketable securities.

Figure 2: Valuation changes for 1Q results and outlook

Entravision Communications														
Summary of Changes to Forecast and Valuation														
(in \$ million except unit data)														
CAGRs	2023		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	SoTP	Firm	2021-25	2022-26	2023-27	2024-28	2025-29					
Prior	1,106.9	57.7	\$2.00	\$2.00	-14%	-10%	-6%	-6%	-2%	4.3%	4.1%	9.0%	10.8%	7.3%
Current	1,106.9	57.7	\$2.00	\$2.00	-16%	-12%	-8%	-8%	-3%	4.6%	4.2%	9.3%	11.0%	7.5%
Delta	0.0	0.0	\$0.00	\$0.00	-1.8%	-1.5%	-2.0%	-2.0%	-1.3%	0.3%	0.0%	0.2%	0.3%	0.2%
Memo:														
Digital OCF					-5%	-8%	1%	5%	9%					

Source: Company data and Industry Capital Research estimates

2Q revenue pacing below our prior estimates has contributed to our lower 2Q adjusted EBITDA estimate. 2Q revenue pacing as of early May was +6% for digital (although this excluded any impact from selling Adsmurai, discussed below), -1% for TV, and -1% for radio, vs. our prior respective estimates of +12%/+2%/+3%.

1Q recap: adj. EBITDA of \$4.5m (1.6% margin) missed our \$9.1m (3.5% margin) estimate. Reported revenue growth was +21% for digital, -6% for TV and -7% for radio, vs. our respective estimates of +9%/+2%/+5%. Core revenue growth excluding political advertising of \$0.3m for TV and \$0.2m for radio was -7% for TV and -8% for radio, dragged down by national ad weakness in particular. Despite the overall revenue beat, OCF missed at all three segments, as reported digital/TV/radio OCF margins at 2.6%/19.5%/1.6% were below our respective 3.0%/22.0%/8.3% estimates. Reported EPS was a loss of \$0.55, vs. our \$0.05 loss estimate, reflecting the operating miss as well as a whopping \$49.4m impairment charge relating to the announced loss of the META business.

Figure 3: Impact on quarterly estimates from 1Q results and 2Q outlook

Entravision Communications							
Summary of Quarterly Estimates							
In millions, except per share data							
	Results				YoY %CHG		
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A
<b>1Q24A</b>							
As Reported							
Revenue	239.0	257.7	\$19.7	277.4	7.8%	8.2%	16.1%
Op Expense	226.0	248.6	24.3	272.9	10.0%	10.8%	20.8%
Adjusted EBITDA	13.0	9.1	(4.6)	4.5	-29.8%	-35.4%	-65.2%
Margin	5.4%	3.5%	-1.9%	1.6%			
Pro Forma EPS	\$0.02	(\$0.05)	+\$0.04	(\$0.01)	-350.0%	200.0%	-150.0%
FCF/sh (core)	\$0.04	\$0.08	(\$-0.11)	(\$0.03)	100.0%	-275.0%	-175.0%
	Estimates				YoY %CHG		
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
<b>2Q24E</b>							
As Reported							
Revenue	\$273.4	\$302.8	(\$15.7)	\$287.0	10.7%	-5.8%	5.0%
Op Expense	259.2	288.8	(13.4)	275.4	11.4%	-5.2%	6.2%
Adjusted EBITDA	14.2	13.9	(2.3)	11.7	-1.9%	-16.1%	-17.9%
Margin	5.2%	4.6%	-0.5%	4.1%			
Pro Forma EPS	(\$0.02)	(\$0.02)	(\$-0.01)	(\$0.03)	0.0%	50.0%	50.0%
FCF/sh (core)	\$0.02	\$0.12	(\$-0.04)	\$0.08	500.0%	NM	NM
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

Figure 4: Impact on annual estimates from 1Q results and 2Q outlook

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates							
In millions, except per share data							
	Estimates				YoY %CHG		
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
<b>2024E</b>							
Pro Forma *							
Revenue	1,112.9	887.4	4.6	892.0	-20.3%	0.4%	-19.8%
Op expense	1,053.4	817.2	10.0	827.2	-22.4%	1.0%	-21.5%
Adjusted EBITDA	59.5	70.2	(5.4)	64.8	18.0%	-9.1%	8.9%
As Reported							
Revenue	1,106.9	887.4	4.6	892.0	-19.8%	0.4%	-19.4%
Op expense	1,049.2	817.2	10.0	827.2	-22.1%	1.0%	-21.2%
Adjusted EBITDA	57.7	70.2	(5.4)	64.8	21.8%	-9.3%	12.4%
Margin	5.2%	7.9%	-0.6%	7.3%			
EPS	(\$0.18)	\$0.13	(\$0.33)	(\$0.20)	-174.3%	187.8%	13.5%
Cash FCF/sh	\$0.08	\$0.51	(\$0.11)	\$0.40	537.5%		NM
						NM	
<b>2025E</b>							
Pro Forma *							
Revenue	892.0	595.5	(3.9)	591.6	-33.2%	-0.4%	-33.7%
Op expense	827.2	551.3	0.0	551.3	-33.4%	0.0%	-33.4%
Adjusted EBITDA	64.8	44.2	(3.9)	40.3	-31.9%	-6.1%	-37.9%
As Reported							
Revenue	892.0	595.5	(3.9)	591.6	-33.2%	-0.4%	-33.7%
Op expense	827.2	551.3	0.0	551.3	-33.4%	0.0%	-33.4%
Adjusted EBITDA	64.8	44.2	(3.9)	40.3	-31.9%	-6.1%	-37.9%
Margin	7.3%	7.4%	-0.6%	6.8%			
EPS	(\$0.20)	(\$0.01)	(\$0.03)	(\$0.04)	-94.0%	14.4%	-79.6%
Cash FCF/sh	\$0.40	\$0.29	(\$0.04)	\$0.25	-27.5%	-10.0%	-37.5%
Source: Company reports, Industry Capital Research estimates							

## Assessing Asset Sales

**The Adsmurai sale announced in May could first have looked like a gift horse.** The deal promised to deliver to EVC ~\$16m in cash, while removing the ~\$40m redeemable non-controlling interest for the 49% EVC did not own, and the ~\$13m in loan forgiveness announced with the sale merely reduces “Other assets” on the balance sheet, which many investors likely did not track in their valuation anyway. All this was in exchange for a business that we estimate accounted for less than 10% of 2023 digital OCF.

**Alas, a more sober look spied in the transaction more fool’s gold than treasure trove, which is not surprising as EVC was evidently a motivated seller.** Adsmurai’s solution is focused on the fashion vertical, and in particular social commerce related to that vertical, so that the impending loss of META business likely greatly reduced Adsmurai’s strategic importance to EVC. One could see EVC’s purchase of its 51% stake in 2023 being for ~\$27.3m, including the now-forgiven loan, and the sale of this stake in 2024 being for ~\$16.2m. As noted above, EVC terminated prior loans to the buyers in the amount of \$13.3m, with no repayment specified; the related loan receivable was recorded within Other assets on the balance sheet. The 49% redeemable non-controlling interest for Adsmurai was on the books at 3/31 at \$39.8m, so that the proceeds for the 51% stake sold seem like a discount to this figure as well.

**As for the sale of the digital media representation businesses announced in June, it never looked like a gift horse.** We estimate that cash proceeds from the sale are roughly \$100m less than the cash EVC paid for these businesses. This does not even take into account the \$43.5m of cash distributed from these businesses, which contributed to a \$30.0m decline in cash pro forma for the dispositions, per EVC’s 8-K filed on 7/5.

Figure 5: Updating 2Q and 3Q estimates for asset sales

<b>Entravision Communications</b>							
<b>Summary of Quarterly Estimates</b>							
In millions, except per share data							
	<b>Estimates</b>				<b>YoY %CHG</b>		
	<b>Last Yr</b>	<b>Prior</b>	<b>Chg</b>	<b>Current</b>	<b>Prior</b>	<b>Chg</b>	<b>Current</b>
<b>2Q24E</b>							
Pro Forma *							
Revenue	\$68.1	\$320.1	(\$240.4)	\$79.7	370.3%	-353.3%	17.1%
Op Expense	60.8	303.8	(233.6)	70.2	399.9%	-384.4%	15.6%
Adjusted EBITDA	7.3	16.2	(6.8)	9.4	123.1%	-93.5%	29.6%
As Reported							
Revenue	\$272.5	\$287.0	(\$10.4)	\$276.7	5.3%	-3.8%	1.5%
Op Expense	258.6	275.4	(9.7)	265.7	6.5%	-3.7%	2.7%
Adjusted EBITDA	13.8	11.7	(0.7)	11.0	-15.8%	-4.8%	-20.6%
Margin	5.1%	4.1%	-0.1%	4.0%			
Pro Forma EPS	(\$0.03)	(\$0.03)	(\$-0.01)	(\$0.04)	0.0%	33.3%	33.3%
FCF/sh (core)	\$0.01	\$0.08	\$+0.00	\$0.08	700.0%	NM	NM
<b>3Q24E</b>							
Pro Forma *							
Revenue	\$75.3	\$139.1	(\$50.5)	\$88.5	84.6%	-67.1%	17.5%
Op Expense	66.4	120.0	(48.8)	71.2	80.8%	-73.5%	7.3%
Adjusted EBITDA	8.9	19.1	(1.7)	17.3	113.1%	-19.6%	93.6%
As Reported							
Revenue	273.5	139.1	(\$50.5)	88.5	-49.2%	-18.5%	-67.6%
Op Expense	259.7	120.0	(48.6)	71.5	-53.8%	-18.7%	-72.5%
Adjusted EBITDA	13.8	19.1	(2.0)	17.1	37.9%	-14.3%	23.6%
Margin	5.1%	13.7%	5.6%	19.3%			
Pro Forma EPS	\$0.04	\$0.06	(\$-0.02)	\$0.04	50.0%	-50.0%	0.0%
FCF/sh (core)	\$0.04	\$0.12	(\$-0.01)	\$0.11	200.0%	-25.0%	175.0%
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							



Figure 6: Annual estimate changes for asset sales

<b>Entravision Communications (NYSE: EVC)</b>							
<b>Summary of Annual Estimates</b>							
In millions, except per share data							
	<b>Estimates</b>			<b>YoY %CHG</b>			
	<b>Last Yr</b>	<b>Prior</b>	<b>Chg</b>	<b>Current</b>	<b>Prior</b>	<b>Chg</b>	<b>Current</b>
<b>2024E</b>							
Pro Forma *							
Revenue	297.0	892.0	(552.7)	339.3	200.3%	-186.1%	14.2%
Op expense	263.7	827.2	(536.1)	291.1	213.6%	-203.3%	10.4%
Adjusted EBITDA	33.3	64.8	(16.6)	48.2	94.7%	-49.9%	44.8%
As Reported							
Revenue	1,103.3	892.0	(136.8)	755.3	-19.2%	-12.4%	-31.5%
Op expense	1,047.1	827.2	(129.2)	697.9	-21.0%	-12.3%	-33.3%
Adjusted EBITDA	56.2	64.8	(7.5)	57.3	15.4%	-13.4%	2.0%
Margin	5.1%	7.3%	0.3%	7.6%			
EPS	(\$0.19)	(\$0.20)	(\$0.07)	(\$0.27)	3.6%	37.7%	41.3%
Cash FCF/sh	\$0.07	\$0.40	(\$0.04)	\$0.36	471.4%	NM	NM
<b>2025E</b>							
Pro Forma *							
Revenue	339.3	591.6	(268.2)	323.4	74.4%	-79.1%	-4.7%
Op expense	291.1	551.3	(257.4)	293.9	89.4%	-88.4%	1.0%
Adjusted EBITDA	48.2	40.3	(10.8)	29.5	-16.5%	-22.3%	-38.9%
As Reported							
Revenue	755.3	591.6	(268.2)	323.4	-21.7%	-35.5%	-57.2%
Op expense	697.9	551.3	(256.1)	295.2	-21.0%	-36.7%	-57.7%
Adjusted EBITDA	57.3	40.3	(12.1)	28.1	-29.8%	-21.1%	-50.9%
Margin	7.6%	6.8%	1.9%	8.7%			
EPS	(\$0.27)	(\$0.04)	(\$0.11)	(\$0.15)	-85.1%	41.0%	-44.0%
Cash FCF/sh	\$0.36	\$0.25	(\$0.12)	\$0.13	-30.6%	-33.3%	-63.9%
Source: Company reports, Industry Capital Research estimates							

Figure 7: We aggregate impact on digital segment estimates from dispositions of Adsmurai and the digital media representation businesses

Entravision Communications (NYSE: EVC)							
Summary of Digital Segment Annual Estimates							
In millions, except per share data							
	Last Yr	Old	Estimates Chg	Current	Old	YoY %CHG Chg	Current
<b>2024E</b>							
Pro Forma *							
Legacy Digital Revenue	107.1	126.2	0.0	126.2	17.8%	0.0%	17.8%
Legacy Digital Opex	99.7	116.5	0.0	116.5	16.9%	0.0%	16.9%
Legacy Digital OCF	7.4	9.7	0.0	9.7	30.7%	0.0%	30.7%
Margin	6.9%	7.7%	0.0%	7.7%			
EVC Latam Revenue	603.1	323.5	0.0	323.5	-46.4%	0.0%	-46.4%
EVC Latam Opex	576.9	314.1	0.0	314.1	-45.6%	0.0%	-45.6%
EVC Latam OCF	26.1	9.4	0.0	9.4	-64.1%	0.0%	-64.1%
Margin	4.3%	2.9%	0.0%	2.9%			
EVC Asia Revenue	114.0	131.4	0.0	131.4	15.2%	0.0%	15.2%
EVC Asia Opex	109.3	123.6	0.0	123.6	13.0%	0.0%	13.0%
EVC Asia OCF	4.7	7.8	0.0	7.8	66.8%	0.0%	66.8%
Margin	4.1%	5.9%	0.0%	5.9%			
EVC Africa Revenue	7.6	0.0	0.0	0.0	-100.0%	0.0%	-100.0%
EVC Africa Opex	9.6	0.0	0.0	0.0	-100.0%	0.0%	-100.0%
EVC Africa OCF	(2.0)	0.0	0.0	0.0	-100.0%	0.0%	-100.0%
Margin	-25.6%						
Jack of Digital Revenue	5.7	9.0	0.0	9.0	58.0%	0.0%	58.0%
Jack of Digital Opex	5.5	7.6	0.0	7.6	37.4%	0.0%	37.4%
Jack of Digital OCF	0.2	1.4	0.0	1.4	NM	NM	NM
Margin	3.2%	15.8%	0.0%	15.8%			
Adsmurai Revenue	81.8	88.9	0.0	88.9	8.6%	0.0%	8.6%
Adsmurai Opex	77.8	83.3	0.0	83.3	7.1%	0.0%	7.1%
Adsmurai OCF	4.0	5.6	0.0	5.6	37.6%	0.0%	37.6%
Margin	4.9%	6.3%	0.0%	6.3%			
BCNMonetize Revenue	15.8	16.8	0.0	16.8	6.4%	0.0%	6.4%
BCNMonetize Opex	11.0	12.0	0.0	12.0	8.8%	0.0%	8.8%
BCNMonetize OCF	4.8	4.8	0.0	4.8	1.1%	0.0%	1.1%
Margin	30.3%	28.8%	0.0%	28.8%			
Dispositions Revenue	(812.3)	0.0	(552.7)	(552.7)	-100.0%	68.0%	-32.0%
Dispositions Opex	(779.2)	0.0	(528.5)	(528.5)	-100.0%	67.8%	-32.2%
Dispositions OCF	(33.1)	0.0	(24.2)	(24.2)	-100.0%	73.1%	-26.9%
Margin	4.1%	15.0%	-10.6%	4.4%			
Digital Segment Revenue	122.9	695.8	(552.7)	143.0			16.4%
Digital Segment Opex	110.7	657.0	(528.5)	128.5			16.1%
Digital Segment OCF	12.2	38.7	(24.2)	14.5			19.1%
Margin	9.9%	5.6%	4.6%	10.2%			
<b>2025E</b>							
Pro Forma *							
Legacy Digital Revenue	126.2	126.2	11.9	138.1	0.0%	9.4%	9.4%
Legacy Digital Opex	116.5	116.5	10.5	127.0	0.0%	9.0%	9.0%
Legacy Digital OCF	9.7	9.7	1.4	11.1	0.0%	14.4%	14.4%
Margin	7.7%	7.7%	0.3%	8.0%			
EVC Latam Revenue	323.5	323.5	(323.5)	0.0	0.0%	-100.0%	-100.0%
EVC Latam Opex	314.1	314.1	(314.1)	0.0	0.0%	-100.0%	-100.0%
EVC Latam OCF	9.4	9.4	(9.4)	0.0	0.0%	-100.0%	-100.0%
Margin	2.9%	2.9%					
EVC Asia Revenue	131.4	131.4	24.3	155.6	0.0%	18.5%	18.5%
EVC Asia Opex	123.6	123.6	23.0	146.6	0.0%	18.6%	18.6%
EVC Asia OCF	7.8	7.8	1.3	9.1	0.0%	16.2%	16.2%
Margin	5.9%	5.9%	-0.1%	5.8%			
EVC Africa Revenue	0.0	0.0	0.0	0.0			
EVC Africa Opex	0.0	0.0	0.0	0.0			
EVC Africa OCF	0.0	0.0	0.0	0.0			
Margin							
Jack of Digital Revenue	9.0	9.0	1.4	10.4	0.0%	15.0%	15.0%
Jack of Digital Opex	7.6	7.6	1.1	8.7	0.0%	14.9%	14.9%
Jack of Digital OCF	1.4	1.4	0.2	1.7	0.0%	15.5%	15.5%
Margin	15.8%	15.8%	0.1%	15.9%			
Adsmurai Revenue	88.9	88.9	13.3	102.2	0.0%	15.0%	15.0%
Adsmurai Opex	83.3	83.3	11.5	94.8	0.0%	13.8%	13.8%
Adsmurai OCF	5.6	5.6	1.8	7.4	0.0%	32.4%	32.4%
Margin	6.3%	6.3%	0.9%	7.2%			
BCNMonetize Revenue	16.8	16.8	1.7	18.5	0.0%	10.0%	10.0%
BCNMonetize Opex	12.0	12.0	1.0	13.0	0.0%	8.8%	8.8%
BCNMonetize OCF	4.8	4.8	0.6	5.5	0.0%	13.0%	13.0%
Margin	28.8%	28.8%	0.8%	29.6%			
Dispositions Revenue	(552.7)	0.0	(268.2)	(268.2)	-100.0%	48.5%	-51.5%
Dispositions Opex	(528.5)	0.0	(250.1)	(250.1)	-100.0%	47.3%	-52.7%
Dispositions OCF	(24.2)	0.0	(18.1)	(18.1)	-100.0%	74.8%	-25.2%
Margin	4.4%	15.0%	-8.3%	6.7%			
Digital Segment Revenue	143.0	695.8	(539.2)	156.6			9.5%
Digital Segment Opex	128.5	657.0	(517.0)	140.0			9.0%
Digital Segment OCF	14.5	38.7	(22.2)	16.5			13.9%
Margin	10.2%	5.6%	5.0%	10.6%			
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, FactSet, Industry Capital Research estimates							

Figure 8: Valuation changes for asset sales and updated macro inputs

Entravision Communications														
Summary of Changes to Forecast and Valuation														
(in \$ million except unit data)														
CAGRs	2023		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	SoTP	Firm	2021-25	2022-26	2023-27	2024-28	2025-29					
Prior	1,106.9	57.7	\$2.00	\$2.00	-16%	-12%	-8%	-8%	-3%	4.6%	4.2%	9.3%	11.0%	7.5%
Current	1,103.3	56.2	\$2.00	\$2.00	-25%	-18%	-22%	-22%	-7%	4.1%	4.1%	8.8%	10.4%	7.0%
Delta	-3.6	-1.5	\$0.00	\$0.00	-9.0%	-6.6%	-13.6%	-13.6%	-4.0%	-0.5%	-0.1%	-0.5%	-0.6%	-0.5%
Memo:														
Digital OCF					-21%	-22%	-15%	-6%	6%					

Source: Company data and Industry Capital Research estimates

Figure 9: Broadcast revenue drivers—TV segment

in millions														
TELEVISION SEGMENT	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
Television PF Rev Growth	3.2%	-6.9%	-1.2%	-1.8%	-7.5%	-17.2%	-32.0%	-11.5%	-5.8%	-1.1%	20.8%	48.9%	16.0%	-17.0%
Reported TV revenue	\$154.5	\$146.8	\$144.7	\$30.3	\$29.9	\$29.6	\$31.1	\$120.9	\$28.5	\$29.6	\$35.7	\$46.4	\$140.2	\$116.4
Growth	3.2%	-4.9%	-1.4%	-1.8%	-7.5%	-17.2%	-32.0%	-16.4%	-5.8%	-1.1%	20.8%	48.9%	16.0%	-17.0%
TV non-recurring items:														
TV Political/Census	22.6	0.8	25.2	0.0	0.0	0.0	0.1	0.2	0.3	1.5	8.0	17.7	27.6	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%
Incremental political	22.6	0.8	25.2	0.0	0.0	0.0	0.1	0.2	0.3	1.5	8.0	17.7	27.6	0.2
TV revenue ex political	131.9	146.1	119.5	30.3	29.9	29.6	31.0	120.8	28.2	28.1	27.7	28.7	112.7	116.2
Growth ex Political	-11.7%	10.7%	-18.2%	2.5%	1.1%	0.9%	-0.1%	1.1%	-6.9%	-6.1%	-6.2%	-7.6%	-6.7%	3.2%
Retransmission Consent	36.8	37.0	36.0	9.6	9.3	8.9	8.7	36.6	9.2	9.4	8.9	9.3	36.7	36.5
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%
Incremental Retrans	36.8	37.0	36.0	9.6	9.3	8.9	8.7	36.6	9.2	9.4	8.9	9.3	36.7	36.5
TV revenue ex Retrans	117.7	109.8	108.7	20.7	20.6	20.7	22.4	84.4	19.4	20.3	26.8	37.1	103.5	79.9
Growth ex Retrans	3.0%	-6.7%	-1.0%	-4.5%	-11.6%	-22.8%	-39.3%	-22.4%	-6.3%	-1.8%	29.6%	65.5%	22.7%	-22.8%
TV World Cup/Other Soccer	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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%
Incremental World Cup	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	154.5	144.8	144.7	30.3	29.9	29.6	31.1	120.9	28.5	29.6	35.7	46.4	140.2	116.4
Growth ex WC	3.2%	-6.2%	-0.1%	-1.8%	-7.5%	-17.2%	-32.0%	-16.4%	-5.8%	-1.1%	20.8%	48.9%	16.0%	-17.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(27.1)	(6.4)	(6.0)	(7.1)	(7.2)	(26.7)	(4.7)	(4.2)	(5.1)	(10.2)	(24.2)	(26.1)
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	(9.4)	(9.8)	(27.1)	(6.4)	(6.0)	(7.1)	(7.2)	(26.7)	(4.7)	(4.2)	(5.1)	(10.2)	(24.2)	(26.1)
TV revenue ex M&A	163.9	156.6	171.9	36.7	35.9	36.6	38.3	147.6	33.2	33.8	40.8	56.6	164.4	142.5
Growth ex M&A	2.3%	-4.5%	9.8%	-1.8%	-6.6%	-14.5%	-27.9%	-14.1%	-9.6%	-6.0%	11.4%	47.8%	11.4%	-13.3%
Spectrum usage/auction	5.4	6.2	6.0	2.1	2.1	2.1	1.8	8.2	1.8	1.8	1.8	1.8	7.0	7.3
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%
Incremental Spectrum Usage	5.4	6.2	6.0	2.1	2.1	2.1	1.8	8.2	1.8	1.8	1.8	1.8	7.0	7.3
TV revenue ex Spectrum Usage	149.0	140.6	138.7	28.2	27.9	27.5	29.3	112.8	26.8	27.9	33.9	44.6	133.2	109.1
Growth ex Spectrum Usage	9.1%	-5.6%	-1.4%	-4.0%	-9.2%	-19.4%	-34.3%	-18.7%	-4.9%	0.0%	23.6%	52.3%	18.1%	-18.1%
PF TV revenue ex-all non-recurring	99.2	110.6	104.6	25.0	24.5	25.6	27.6	102.7	22.0	21.1	22.1	27.9	93.1	98.5
PF TV revenue growth ex all non-recurring	-11.2%	11.5%	-5.4%	-1.6%	-1.9%	-1.1%	-2.4%	-1.8%	-12.0%	-13.9%	-13.8%	0.9%	-9.4%	5.9%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.5%	2.7%	-1.5%	-0.5%	-2.8%	-8.5%	-3.6%	-7.0%	-8.1%	-7.6%	-0.8%	-5.7%	-2.1%
PF TV advertising growth ex-political	-11.2%	14.6%	-24.7%	-1.6%	-1.9%	-1.1%	-2.4%	-1.8%	-6.6%	-8.5%	-8.4%	-13.8%	-9.4%	5.1%
TV ad rev grth ex political 2-yr CAGR	-6.8%	0.9%	-7.1%	-11.5%	-11.5%	-15.3%	-17.0%	-14.0%	-4.1%	-5.3%	-4.8%	-8.3%	-5.7%	-2.4%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.2%	2.5%	1.1%	0.9%	-0.1%	1.1%	-6.9%	-6.1%	-6.2%	-7.6%	-6.7%	3.2%
TV rev grth ex political 2-yr CAGR	-3.6%	-1.1%	-4.8%	-8.4%	-6.3%	-9.5%	-11.8%	-9.1%	-2.3%	-2.6%	-2.7%	-3.9%	-2.9%	-1.9%
PF TV advertising growth	10.9%	-7.7%	-0.9%	-7.9%	-14.4%	-26.2%	-42.4%	-25.8%	-4.9%	-0.3%	34.7%	71.7%	26.6%	-24.7%

Source: Company reports, Industry Capital Research estimates

Figure 10: Broadcast revenue drivers—radio segment

in millions														
RADIO SEGMENT	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
Radio PF Rev Growth	-15.9%	23.4%	7.6%	-1.5%	-5.1%	-20.0%	-31.0%	-13.7%	5.0%	-1.4%	6.8%	20.6%	5.3%	-10.0%
Pro forma radio:														
Revenue	\$46.3	\$58.0	\$64.4	\$12.2	\$13.5	\$13.4	\$14.1	\$53.2	\$11.4	\$13.4	\$14.3	\$17.0	\$56.0	\$50.4
Growth	-15.9%	25.4%	11.0%	-3.0%	-9.4%	-18.7%	-31.0%	-17.4%	-6.6%	-1.4%	6.8%	20.6%	5.3%	-10.0%
Radio non-recurring items:														
Political/Census	5.9	0.8	6.8	0.0	0.0	0.0	0.0	0.1	0.2	0.6	1.3	3.9	6.1	0.9
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%
Incremental political	5.9	0.8	6.8	0.0	0.0	0.0	0.0	0.1	0.2	0.6	1.3	3.9	6.1	0.9
Radio revenue ex political	40.4	57.2	57.6	12.2	13.5	13.4	14.0	53.1	11.2	12.7	13.0	13.0	49.9	49.5
Growth ex Political	-26.4%	41.6%	0.7%	-0.7%	-5.5%	-10.7%	-12.3%	-7.7%	-8.5%	-6.1%	-2.7%	-7.1%	-6.1%	-0.7%
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
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%
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
Radio revenue ex NTR	39.5	39.5	39.5	12.2	13.5	13.4	14.1	39.5	11.4	13.4	14.3	17.0	39.5	39.5
Growth ex NTR	3.0%	0.0%	0.0%	-3.0%	-9.4%	-18.7%	-31.0%	0.0%	-6.6%	-1.4%	6.8%	20.6%	0.0%	0.0%
World Cup/Other Soccer														
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	46.3	58.0	64.4	12.2	13.5	13.4	14.1	53.2	11.4	13.4	14.3	17.0	56.0	50.4
Growth ex WC	-15.9%	25.4%	11.0%	-3.0%	-9.4%	-18.7%	-31.0%	-17.4%	-6.6%	-1.4%	6.8%	20.6%	5.3%	-10.0%
Revenue	40.4	57.2	57.6	12.2	13.5	13.4	14.0	53.1	11.2	12.7	13.0	13.0	49.9	49.5
Radio revenue growth ex all non-recurring	-26.4%	41.6%	0.7%	-0.7%	-5.5%	-10.7%	-12.3%	-7.7%	-8.5%	-6.1%	-2.7%	-7.1%	-6.1%	-0.7%
Radio rev grth ex all non-rec 2-yr CAGR	-19.2%	2.0%	19.4%	3.9%	-2.0%	-8.3%	-6.1%	-3.6%	-4.7%	-5.8%	-6.8%	-9.8%	-6.9%	-3.4%

Source: Company reports, Industry Capital Research estimates

Figure 11: Broadcast opex drivers

In millions	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
<b>OPERATING EXPENSE</b>														
Television PF Opex Growth	-4.2%	-0.3%	-1.5%	4.5%	0.7%	-0.6%	-8.6%	-0.1%	14.3%	14.1%	2.2%	3.5%	8.5%	-7.0%
Radio PF Opex Growth	-26.3%	-5.4%	2.3%	17.1%	12.9%	5.2%	-11.6%	6.7%	2.1%	2.0%	2.7%	25.0%	7.6%	-5.4%
Pro forma consolidated:														
<b>Opex ex-cost of revenue</b>	<b>\$153.3</b>	<b>\$172.9</b>	<b>\$197.8</b>	<b>\$52.6</b>	<b>\$56.6</b>	<b>\$53.8</b>	<b>\$57.4</b>	<b>\$220.4</b>	<b>\$62.3</b>	<b>\$61.1</b>	<b>\$44.0</b>	<b>\$51.8</b>	<b>\$219.1</b>	<b>\$178.5</b>
Growth	-11.6%	12.8%	14.4%	20.0%	19.5%	9.2%	0.2%	11.5%	18.3%	7.8%	-18.3%	-9.8%	-0.6%	-18.5%
Non-recurring opex items:														
<b>M&amp;A (acquisitions since 2020)</b>	<b>5.7</b>	<b>27.5</b>	<b>37.9</b>	<b>7.8</b>	<b>10.0</b>	<b>8.2</b>	<b>7.7</b>	<b>33.7</b>	<b>15.3</b>	<b>11.9</b>	<b>3.5</b>	<b>3.1</b>	<b>33.7</b>	<b>16.4</b>
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%
Incremental Cisneros	5.7	27.5	37.9	7.8	10.0	8.2	7.7	33.7	15.3	11.9	3.5	3.1	33.7	16.4
Opex ex Cisneros adjustment	147.6	145.5	159.9	44.8	46.6	45.6	49.7	186.8	47.0	49.2	40.5	48.6	185.3	162.2
Growth ex Cisneros	-14.9%	-1.5%	9.9%	24.7%	22.4%	16.7%	6.3%	16.8%	4.9%	5.5%	-11.2%	-2.2%	-0.8%	-12.5%
<b>Fixed &amp; variable cost reductions</b>	<b>(27.2)</b>	<b>(32.8)</b>	<b>(38.0)</b>	<b>(6.5)</b>	<b>(7.5)</b>	<b>(13.1)</b>	<b>(11.1)</b>	<b>(38.1)</b>	<b>(7.0)</b>	<b>(8.1)</b>	<b>(13.4)</b>	<b>(12.7)</b>	<b>(41.2)</b>	<b>(41.6)</b>
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%
Incremental cost reductions	(27.2)	(32.8)	(38.0)	(6.5)	(7.5)	(13.1)	(11.1)	(38.1)	(7.0)	(8.1)	(13.4)	(12.7)	(41.2)	(38.6)
Opex ex cost reductions adjustment	180.5	205.7	235.7	6.5	7.5	13.1	11.1	38.1	7.0	8.1	13.4	12.7	41.2	38.6
Growth ex cost reductions	4.1%	14.0%	14.6%	-87.0%	-86.2%	-79.0%	-84.0%	-83.8%	8.2%	8.1%	2.5%	14.3%	8.0%	-6.3%
<b>Salary true-up</b>	<b>2.0</b>	<b>2.0</b>	<b>2.3</b>	<b>0.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>2.7</b>	<b>0.0</b>	<b>1.0</b>	<b>0.8</b>	<b>0.9</b>	<b>2.7</b>	<b>2.5</b>
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%
Incremental salary true-up	2.0	2.0	2.3	0.0	1.0	0.9	0.9	2.7	0.0	1.0	0.8	0.9	2.7	2.5
Opex ex salary true-up	151.3	170.9	195.5	(0.0)	(1.0)	(0.9)	(0.9)	(2.7)	(0.0)	(1.0)	(0.8)	(0.9)	(2.7)	(2.5)
Growth ex salary true-up	-12.7%	13.0%	14.4%	-100.0%	-102.0%	-101.8%	-101.6%	-101.4%	6.8%	6.7%	-12.0%	-5.6%	-3.4%	-7.0%
<b>Opex ex-non-recurring</b>	<b>172.8</b>	<b>176.3</b>	<b>195.6</b>	<b>51.3</b>	<b>53.2</b>	<b>57.8</b>	<b>59.9</b>	<b>222.2</b>	<b>54.0</b>	<b>56.3</b>	<b>53.1</b>	<b>60.5</b>	<b>223.8</b>	<b>198.3</b>
Opex growth ex all non-recurring	-0.3%	2.0%	10.9%	22.8%	19.8%	13.1%	2.8%	13.6%	5.3%	5.8%	-8.1%	0.9%	0.8%	-11.4%
Opex grth ex all non-rec 2-yr CAGR	-1.1%	0.8%	6.4%	12.3%	15.0%	10.7%	11.4%	12.3%	13.7%	12.6%	1.9%	1.9%	7.0%	-5.5%
<b>Revenue-driven variable expense</b>	<b>31.7</b>	<b>32.3</b>	<b>33.4</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>	<b>6.9</b>	<b>25.9</b>	<b>5.8</b>	<b>6.4</b>	<b>7.9</b>	<b>10.5</b>	<b>30.5</b>	<b>24.6</b>
Non-sales opex ex-non-recurring	141.1	144.0	162.1	45.1	46.8	51.4	53.0	196.3	48.2	49.9	45.3	50.0	193.4	173.7
Non-sales opex growth ex all non-recurring	-0.7%	2.0%	12.6%	28.1%	26.2%	20.2%	12.5%	21.1%	6.8%	6.7%	-12.0%	-5.6%	-1.5%	-10.2%
Non-sales opex grth ex all non-rec 2-yr CAGR	-0.1%	0.6%	7.2%	15.8%	19.7%	15.3%	16.6%	16.8%	17.0%	16.0%	2.8%	3.1%	9.2%	-5.9%

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 12: Financial statement forecasts supporting our valuation

In millions, except per share data														
AS REPORTED	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
Net revenue:														
Television	\$154.5	\$146.8	\$144.7	30.3	29.9	29.6	31.1	120.9	28.5	29.6	35.7	46.4	140.2	116.4
Radio	46.3	58.0	64.4	12.2	13.5	13.4	14.1	53.2	11.4	13.4	14.3	17.0	56.0	50.4
Net broadcast revenue	200.7	204.9	209.1	42.5	43.5	42.9	45.2	174.1	40.0	43.0	50.0	63.3	196.2	166.8
Digital	143.3	556.8	743.3	195.6	229.0	230.6	274.0	929.2	237.5	233.7	38.5	49.3	559.0	156.6
Total net revenue (core)	344.0	761.6	952.4	238.1	272.492	273.5	319.2	1,103.3	277.4	276.7	88.5	112.6	755.3	323.4
Revenue from spectrum usage rights	0.0	0.0	0.0					0.0					0.0	0.0
Total net revenue	344.0	761.6	952.4	238.1	272.5	273.5	319.2	1,103.3	277.4	276.7	88.5	112.6	755.3	323.4
Cost of Revenue														
Television														
Radio														
Digital	106.9	467.1	624.0	167.2	195.3	198.8	237.0	798.3	203.2	198.2	21.8	27.9	451.2	89.0
Digital cost of revenue as % of revenue	74.6%	83.9%	84.0%	85.5%	85.3%	86.2%	86.5%	85.9%	85.6%	84.8%	56.7%	56.6%	80.7%	56.8%
Total cost of revenue (core)	106.9	467.1	624.0	167.2	195.3	198.8	237.0	798.3	203.2	198.2	21.8	27.9	451.2	89.0
Cost of revenue from spectrum usage rights (television)														
Total cost of revenue	106.9	467.1	624.0	167.2	195.3	198.8	237.0	798.3	203.2	198.2	21.8	27.9	451.2	89.0
Opex														
Television opex	80.9	81.4	82.0	20.1	19.9	19.9	21.0	80.9	23.0	22.7	20.3	21.8	87.7	81.6
Radio opex	41.8	40.0	41.7	11.0	11.7	10.7	10.3	43.8	11.2	12.0	11.0	12.9	47.1	44.6
Digital opex	30.6	51.5	74.1	21.539	25.0	23.2	26.0	95.8	28.1	26.4	12.6	17.1	84.2	52.3
Total opex (core)	153.3	172.9	197.8	52.6	56.6	53.8	57.4	220.4	62.3	61.1	44.0	51.8	219.1	178.5
Spectrum usage rights														
Total Opex	153.3	172.9	197.8	52.6	56.6	53.8	57.4	220.4	62.3	61.1	44.0	51.8	219.1	178.5
OCF														
Television OCF	73.6	65.4	62.8	\$10.2	\$10.1	\$9.7	\$10.1	40.1	\$5.6	\$7.0	\$15.4	\$24.6	52.5	34.8
TV OCF Margin	47.6%	44.6%	43.4%	33.7%	33.6%	32.7%	32.5%	33.1%	19.5%	23.5%	43.1%	53.1%	37.4%	29.9%
Incremental Margin	173.4%	106.6%	126.6%					95.5%	262.7%	969.7%	92.9%	95.1%	64.5%	74.2%
Radio OCF	4.5	18.0	22.7	1.2	1.8	2.6	3.7	9.4	0.2	1.4	3.3	4.0	8.9	5.8
Radio OCF margin	9.7%	31.0%	35.2%	10.0%	13.5%	19.7%	26.5%	17.7%	1.6%	10.5%	22.8%	23.8%	15.8%	11.5%
Incremental Margin	-70.4%	114.9%	74.0%	520.2%	195.3%	117.3%	78.4%	118.9%	128.5%	225.4%	67.8%	10.7%	-19.1%	54.5%
Digital OCF	5.7	38.0	45.1	6.816	8.653	8.654	11.0	35.1	6.2	9.0	4.1	4.3	23.6	15.2
Digital OCF margin	4.0%	6.8%	6.1%	3.5%	3.8%	3.8%	4.0%	3.8%	2.6%	3.9%	10.6%	8.7%	4.2%	9.7%
Incremental Margin	7.9%	7.8%	3.9%	-1.9%	-4.5%	-7.1%	-8.2%	-5.4%	-1.5%	8.2%	2.4%	3.0%	3.1%	2.1%
Total OCF (core)	83.8	121.4	130.6	18.2	20.6	20.9	24.8	84.5	11.9	17.4	22.7	32.9	85.0	55.8
Margin	24.4%	15.9%	13.7%	7.7%	7.5%	7.7%	7.8%	7.7%	4.3%	6.3%	25.7%	29.2%	11.3%	17.3%
Incremental Margin				-10.0%	-15.1%	-37.9%	-89.7%		-16.0%	-75.8%	-1.0%	-3.9%		
Spectrum sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	83.8	121.4	130.6	18.2	20.6	20.9	24.8	84.5	11.9	17.4	22.7	32.9	85.0	55.8
Total OCF Margin	24.4%	15.9%	13.7%	7.7%	7.5%	7.7%	7.8%	7.7%	4.3%	6.3%	25.7%	29.2%	11.3%	17.3%
Incremental Margin				-10.0%	-15.1%	-37.9%	-89.7%		-16.0%	-75.8%	-1.0%	-3.9%		
Corporate Expense	27.8	33.0	49.4	10.5	12.0	13.3	14.5	50.3	12.2	14.0	15.5	9.5	51.3	52.3
GAAP EBITDA	56.0	88.7	81.2	7.7	8.5	7.7	10.3	34.2	(0.3)	3.3	7.2	23.4	33.7	3.5
Corporate non-cash comp	3.9	6.4	14.3	2.2	3.2	4.4	4.4	14.2	3.7	5.4	7.3	(1.9)	14.5	14.8
Opex adjustments to cash:														
Amortization of syndication contracts	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.2	3.2	5.7	1.9	2.7	2.6	2.3	9.5	1.8	2.6	2.5	2.7	9.7	9.9
Non-recurring cash severance	1.7	0.4	4.3	0.1	0.5		0.3	0.9	0.0					
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.2	0.4	0.3	0.8	1.7	0.2	0.4	0.0	0.0	0.5	0.0
EBITDA attributable to noncontrolling interest								0.0					0.0	0.0
Total opex (positive) adjustments to cash	0.5	5.5	(6.6)	(1.8)	(2.8)	(2.3)	(1.8)	(8.6)	(1.6)	(2.3)	(2.5)	(2.7)	(9.1)	(9.9)
Foreign currency (gain) loss	(1.1)	0.5	3.0	(1.0)	0.7	0.5	0.6	0.9	0.4	0.0	0.0	(0.4)	0.0	0.0
Total Adjusted EBITDA	60.4	89.0	99.2	12.7	13.8	13.8	15.9	56.2	4.5	11.0	17.1	24.7	57.3	28.1
Other opex for spectrum (in corporate)														
Adjusted EBITDA (core)	60.4	89.0	99.2	12.7	13.8	13.8	15.9	56.2	4.5	11.0	17.1	24.7	57.3	28.1
Memo: adj. EBITDA (core) reported	60.4	88.0	103.1	13.0	14.2	14.2	16.2	57.7	4.5					
Model variance: adj. EBITDA	(0.0)	1.0		(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.0)					
Adj. EBITDA core margin	17.6%	11.7%	10.4%	5.3%	5.1%	5.1%	5.0%	5.1%	1.6%	4.0%	19.3%	21.9%	7.6%	8.7%
Incremental Margin	27.3%	6.9%	5.3%	-10.7%	-14.8%	-33.3%	-82.6%	-28.5%	-20.7%	-68.2%	-1.8%	-4.3%	-0.3%	6.8%

Source: Industry Capital Research estimates and company data

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

In millions, except per share data	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
Memo: cash opex (core)	\$153.8	\$178.4	\$191.2	\$50.9	\$53.8	\$51.5	\$55.6	\$211.8	60.7	58.8	41.4	49.0	209.9	168.7
Memo: cash corporate expense	23.9	26.6	35.1	8.3	8.8	8.9	10.1	36.1	8.6	8.6	8.2	11.4	36.8	37.5
Memo: total non-cash comp	5.1	9.6	20.0	4.1	6.0	7.0	6.6	23.7	5.4	8.0	9.9	0.8	24.2	24.7
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(5.7)	3.6	2.7	2.1	1.8	1.2	7.7	1.2	2.3	2.5	3.2	9.1	9.9
Memo: PF EBITDA attributable to redeemable noncontrolling interest														
D&A	17.3	22.4	25.7	6.5	6.5	7.4	7.7	28.0	7.1	7.2	3.5	4.7	22.5	14.8
D&A % of Revenue	5.0%	2.9%	2.7%	2.7%	2.4%	2.7%	2.4%	2.5%	2.6%	2.6%	3.9%	4.2%	3.0%	4.6%
Change in fair value contingent consideration	0.000	8.2	14.2	(4.1)	1.1	(6.0)	6.4	(2.5)	(1.4)	(1.4)	(1.4)	(1.4)	(5.7)	0.0
Impairments	40.0	3.0	1.6	0.0	0.0	1.0	12.3	13.3	49.4	0.0	0.0	0.0	49.4	0.0
Other operating (gain) loss	(6.9)	(7.0)	0.4	0.0	0.0	0.0	0.6	0.6	0.0	(0.5)	(0.8)	(0.0)	(1.3)	(0.1)
Gain (Loss) on Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>6.6</b>	<b>61.5</b>	<b>36.3</b>	<b>6.3</b>	<b>0.2</b>	<b>4.8</b>	<b>(17.2)</b>	<b>(6.0)</b>	<b>(55.9)</b>	<b>(2.0)</b>	<b>6.0</b>	<b>20.6</b>	<b>(31.2)</b>	<b>(11.2)</b>
Operating Margin %	1.9%	8.1%	3.8%	2.6%	0.1%	1.7%	-5.4%	-0.5%	-20.1%	-0.7%	6.8%	18.3%	-4.1%	-3.5%
Interest expense	(8.3)	(6.9)	(8.7)	(3.2)	(4.3)	(2.9)	(2.9)	(13.3)	(3.4)	(2.6)	(2.6)	(2.6)	(11.2)	(10.5)
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
Interest income	1.7	0.2	0.7	0.0	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest expense	(6.5)	(6.8)	(8.0)	(3.2)	(3.3)	(2.9)	(2.9)	(12.2)	(3.4)	(2.6)	(2.6)	(2.6)	(11.2)	(10.5)
Loss on debt extinguishment	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	(0.0)	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.2	(0.5)	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0	0.0	0.1	0.0	0.0
<b>Pretax income</b>	<b>0.1</b>	<b>54.9</b>	<b>27.8</b>	<b>1.559</b>	<b>(3.1)</b>	<b>1.8</b>	<b>(20.1)</b>	<b>(19.8)</b>	<b>(59.5)</b>	<b>(4.5)</b>	<b>3.4</b>	<b>18.2</b>	<b>(42.4)</b>	<b>(21.7)</b>
Pretax margin	0.0%	7.2%	2.9%	0.7%	NM	0.7%	NM	NM	NM	NM	3.9%	16.1%	NM	NM
Income (taxes) benefit	(1.5)	(18.7)	(11.6)	(0.2)	0.7	0.5	1.7	2.8	7.8	0.7	0.5	5.8	14.8	7.6
Effective tax rate	1276.3%	34.0%	41.6%	14.8%	23.8%	-28.9%	8.5%	13.9%	13.1%	16.3%	-15.5%	-31.8%	35.0%	35.0%
Cash tax rate	6552.5%	7.5%	60.8%	4.6%	-113.1%	128.2%	-35.6%	-66.0%	-2.2%	37.0%	37.0%	37.0%	-17.9%	7.0%
Net Income (Before Equity Investments)	(1.4)	36.2	16.3	1.3	(2.4)	2.4	(18.4)	(17.1)	(51.7)	(3.8)	3.9	23.9	(27.6)	(14.1)
Equity in net of noncon. affils.	0.0	0.0	(2.1)	0.3	0.0	(0.0)	(0.2)	0.2	0.0	(0.1)	(0.1)	0.4	0.2	0.2
Reported Net income	(1.4)	36.2	14.2	1.7	(2.4)	2.3	(18.6)	(16.9)	(51.7)	(3.9)	3.8	24.3	(27.4)	(13.9)
Net margin	17.6%	11.7%	10.4%	5.3%	5.1%	5.1%	5.0%	0.1	1.6%	4.0%	19.3%	21.9%	7.6%	8.7%
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
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	0.0	0.0	0.0	(2.8)	0.0
Net inc. to common pre-1-time	(3.9)	30.3	14.2	1.7	(2.4)	2.3	(18.6)	(16.9)	(48.9)	(3.9)	3.8	24.3	(24.6)	(13.9)
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	(\$0.05)	\$0.36	\$0.17	\$0.02	(\$0.03)	\$0.03	(\$0.21)	(\$0.19)	(\$0.55)	(\$0.04)	\$0.04	\$0.26	(\$0.27)	(\$0.15)
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
<b>Net income to common</b>	<b>(3.9)</b>	<b>30.3</b>	<b>14.2</b>	<b>1.7</b>	<b>(2.4)</b>	<b>2.3</b>	<b>(18.6)</b>	<b>(16.9)</b>	<b>(48.9)</b>	<b>(3.9)</b>	<b>3.8</b>	<b>24.3</b>	<b>(24.6)</b>	<b>(13.9)</b>
EPS - basic	(\$0.05)	\$0.36	\$0.17	\$0.02	(\$0.03)	\$0.03	(\$0.21)	(\$0.19)	(\$0.55)	(\$0.04)	\$0.04	\$0.26	(\$0.27)	(\$0.15)
<b>EPS - diluted</b>	<b>(\$0.05)</b>	<b>\$0.34</b>	<b>\$0.16</b>	<b>\$0.02</b>	<b>(\$0.03)</b>	<b>\$0.03</b>	<b>(\$0.21)</b>	<b>(\$0.19)</b>	<b>(\$0.55)</b>	<b>(\$0.04)</b>	<b>\$0.04</b>	<b>\$0.26</b>	<b>(\$0.27)</b>	<b>(\$0.15)</b>
EPS reported by company	(\$0.05)	\$0.21	\$0.02	\$0.02	(\$0.02)	\$0.03	(\$0.21)	(\$0.18)	(\$0.55)					
Model variance: EPS	\$0.00	(0.05)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)	\$0.00					
Pro forma adjustments	38.1	9.6	25.6	0.0	0.0	1.3	11.2	12.5	48.0	0.0	0.0	0.0	48.0	0.0
Pro forma net income	34.1	39.9	39.8	1.7	(2.4)	3.6	(7.3)	(4.4)	(0.9)	(3.9)	3.8	24.3	23.4	(13.9)
Pro forma EPS - basic	\$0.41	\$0.47	\$0.47	\$0.02	(\$0.03)	\$0.04	(\$0.08)	(\$0.05)	(\$0.01)	(\$0.04)	\$0.04	\$0.27	\$0.26	(\$0.15)
<b>Pro forma EPS</b>	<b>\$0.41</b>	<b>\$0.45</b>	<b>\$0.45</b>	<b>\$0.02</b>	<b>(\$0.03)</b>	<b>\$0.04</b>	<b>(\$0.08)</b>	<b>(\$0.05)</b>	<b>(\$0.01)</b>	<b>(\$0.04)</b>	<b>\$0.04</b>	<b>\$0.26</b>	<b>\$0.26</b>	<b>(\$0.15)</b>
EPS shares - Basic	84.2	85.3	85.4	87.6	87.8	88.0	88.2	87.9	89.5	89.7	91.4	91.4	90.5	91.6
EPS shares - Diluted	84.2	87.9	87.8	89.8	87.8	89.9	88.2	87.9	89.5	89.7	93.6	93.6	90.5	91.6
Free Cash Flow:														
EBITDA	60.4	89.0	99.2	12.7	13.8	13.8	15.9	56.2	4.5	11.0	17.1	24.7	57.3	28.1
Cash net interest	-5.9	-6.2	-6.7	-3.0	-3.2	-2.8	-2.8	-11.9	-3.3	-2.6	-2.6	-2.6	-11.1	-10.5
Other adjustments to cash	5.3	6.8	-4.7	0.7	2.2	0.0	-0.9	2.0	0.0					
- Cash taxes	-7.7	-4.1	-16.9	-0.1	-3.5	-2.3	-7.2	-13.1	-1.3	1.7	-1.3	-6.7	-7.6	1.5
Cash taxes / EBITDA	13%	5%	17%	1%	25%	17%	45%	23%	28%	-15%	7%	27%	13%	-5%
Minus: capex	-9.5	-5.6	-11.5	-6.8	-8.1	-5.0	-7.4	-27.3	-2.7	-2.7	-2.7	2.2	-6.0	-7.3
Capex / D&A	55%	25%	45%	104%	125%	68%	97%	98%	38%	38%	79%	-46%	27%	50%
Capex / EBITDA	16%	6%	12%	53%	59%	36%	47%	49%	61%	25%	16%	-9%	11%	26%
Plus: cost of revenue for spectrum usage rights														
<b>= Free Cash Flow</b>	<b>42.6</b>	<b>79.9</b>	<b>59.4</b>	<b>3.5</b>	<b>1.2</b>	<b>3.6</b>	<b>(2.4)</b>	<b>5.9</b>	<b>(2.8)</b>	<b>7.4</b>	<b>10.5</b>	<b>17.6</b>	<b>32.6</b>	<b>11.8</b>
Free cash flow (reported by company)	43.0													
<b>Free Cash Flow (core)</b>	<b>42.6</b>	<b>79.9</b>	<b>59.4</b>	<b>3.5</b>	<b>1.2</b>	<b>3.6</b>	<b>(2.4)</b>	<b>5.9</b>	<b>(2.8)</b>	<b>7.4</b>	<b>10.5</b>	<b>17.6</b>	<b>32.6</b>	<b>11.8</b>
<b>FCF per share (core)</b>	<b>\$0.51</b>	<b>\$0.91</b>	<b>\$0.68</b>	<b>\$0.04</b>	<b>\$0.01</b>	<b>\$0.04</b>	<b>(\$0.03)</b>	<b>\$0.07</b>	<b>(\$0.03)</b>	<b>\$0.08</b>	<b>\$0.11</b>	<b>\$0.19</b>	<b>\$0.36</b>	<b>\$0.13</b>
Memo: FCF / Adjusted EBITDA (core)	70.5%	89.8%	59.9%	28.0%	8.6%	26.3%	-15.4%	10.5%	-62.5%	67.0%	61.4%	71.1%	56.9%	41.8%
Dividends per basic share	\$0.13	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(4.5)	(4.5)	(4.6)	(4.6)	(18.1)	(18.3)
Dividends as % of FCF	24.7%	10.7%	14.4%	123.9%	367.6%	121.1%	-180.2%	297.1%	-158.1%	60.8%	43.6%	26.0%	55.5%	155.6%

Source: Industry Capital Research estimates and company data

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

ANNUAL PERCENTAGE CHANGE	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24A	2Q24E	3Q24E	4Q24E	2024E	2025E
Net revenue growth	25.8%	121.4%	25.0%	21.4%	23.5%	13.9%	8.1%	15.9%	16.5%	1.5%	-67.6%	-64.7%	-31.5%	-57.2%
<b>Net revenue (core) growth</b>	<b>25.8%</b>	<b>121.4%</b>	<b>25.0%</b>	<b>21.4%</b>	<b>23.5%</b>	<b>13.9%</b>	<b>8.1%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>1.5%</b>	<b>-67.6%</b>	<b>-64.7%</b>	<b>-31.5%</b>	<b>-57.2%</b>
TV revenue growth	3.2%	-4.9%	-1.4%	-1.8%	-7.5%	-17.2%	-32.0%	-16.4%	-5.8%	-1.1%	20.8%	48.9%	16.0%	-17.0%
Radio revenue growth	-15.9%	25.4%	11.0%	-3.0%	-9.4%	-18.7%	-31.0%	-17.4%	-6.6%	-1.4%	6.8%	20.6%	5.3%	-10.0%
Digital revenue growth	108.0%	288.5%	33.5%	28.1%	32.1%	22.7%	19.6%	25.0%	21.4%	2.0%	-83.3%	-82.0%	-39.8%	-72.0%
Cost of revenue	NM	NM	33.6%	28.8%	34.7%	26.5%	23.5%	27.9%	21.5%	1.5%	-89.0%	-88.2%	-43.5%	-80.3%
Direct expense	-12.1%	11.0%	5.3%	4.5%	0.7%	-0.6%	7.8%	4.8%	14.3%	14.1%	2.2%	-68.3%	-31.7%	-7.0%
SG&A	-10.3%	16.9%	32.8%	17.1%	12.9%	5.2%	25.6%	22.4%	2.1%	2.0%	2.7%	-38.5%	NM	-60.1%
Opex	23.8%	NM	28.4%	26.5%	31.0%	22.3%	18.1%	24.0%	20.8%	2.9%	-73.9%	-72.9%	-34.2%	-60.1%
<b>Opex (core)</b>	<b>-11.6%</b>	<b>12.8%</b>	<b>14.4%</b>	<b>20.0%</b>	<b>19.5%</b>	<b>9.2%</b>	<b>0.2%</b>	<b>11.5%</b>	<b>18.3%</b>	<b>7.8%</b>	<b>-18.3%</b>	<b>-9.8%</b>	<b>-0.6%</b>	<b>-18.5%</b>
TV opex	-4.2%	0.6%	0.7%	4.5%	0.7%	-0.6%	-8.6%	-1.3%	14.3%	14.1%	2.2%	3.5%	8.5%	-7.0%
Radio opex	-26.3%	-4.2%	4.1%	17.1%	12.9%	5.2%	-11.6%	5.1%	2.1%	2.0%	2.7%	25.0%	7.6%	-5.4%
Digital opex	-5.0%	68.1%	44.0%	41.4%	45.1%	21.5%	15.3%	29.2%	30.4%	5.6%	-45.6%	-34.4%	-12.1%	-37.8%
<b>Total OCF (core)</b>	<b>32.1%</b>	<b>44.9%</b>	<b>7.6%</b>	<b>-18.7%</b>	<b>-27.6%</b>	<b>-37.7%</b>	<b>-46.3%</b>	<b>-35.3%</b>	<b>-34.5%</b>	<b>-15.4%</b>	<b>8.5%</b>	<b>32.8%</b>	<b>0.5%</b>	<b>-34.3%</b>
TV OCF	12.8%	-11.0%	-4.1%	-12.2%	-20.3%	-38.4%	-55.7%	-36.2%	-45.4%	-31.0%	59.2%	NM	31.1%	-33.7%
Radio OCF	NM	NM	26.2%	-62.0%	-60.0%	-57.8%	-57.1%	-58.6%	-85.0%	-23.4%	23.4%	8.3%	-5.7%	-34.5%
Digital OCF	NM	NM	18.9%	-10.5%	-22.6%	-26.0%	-25.2%	-22.3%	-9.3%	4.4%	-52.7%	-60.7%	-32.7%	-35.6%
Corporate expense	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	9.2%	3.0%	0.0%	0.0%	0.0%	8.6%	3.0%	3.0%
Cash corporate expense	-2.0%	11.3%	31.7%	16.8%	29.0%	15.2%	-24.9%	2.9%	3.4%	-1.8%	-8.1%	13.1%	2.0%	2.0%
<b>Adjusted EBITDA (core)</b>	<b>46.6%</b>	<b>47.4%</b>	<b>11.4%</b>	<b>-26.2%</b>	<b>-35.6%</b>	<b>-44.7%</b>	<b>-55.3%</b>	<b>-43.3%</b>	<b>-64.2%</b>	<b>-20.6%</b>	<b>23.6%</b>	<b>55.7%</b>	<b>2.0%</b>	<b>-50.9%</b>
Non-cash compensation expense	17.1%	87.2%	108.8%	57.5%	126.4%	152.4%	-44.8%	18.3%	34.4%	34.5%	40.2%	-87.4%	2.0%	2.0%
D & A	3.8%	29.7%	14.6%	1.2%	3.9%	12.2%	18.3%	9.0%	10.2%	10.2%	-52.7%	-38.6%	-19.7%	-34.3%
Operating income	88.3%	50.0%	-6.3%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM	NM	NM	NM	NM	NM
Pretax income	NM	NM	-49.4%	-11.8%	NM	-84.9%	NM	NM	NM	NM	86.3%	NM	NM	NM
Net income pre-extra.	NM	NM	-53.1%	82.2%	NM	-72.0%	NM	NM	NM	NM	63.3%	NM	NM	NM
EPS, Continuing Operations	NM	NM	-52.8%	100.0%	NM	-70.0%	NM	NM	NM	NM	33.3%	NM	NM	NM
<b>EPS - diluted</b>	<b>NM</b>	<b>NM</b>	<b>-53.0%</b>	<b>79.8%</b>	<b>NM</b>	<b>-72.8%</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>56.9%</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
FCF/share	NM	78.4%	-25.3%	-73.3%	-93.3%	-76.5%	NM	-89.7%	NM	NM	NM	NM	NM	-63.9%
EPS shares - Diluted	-1.0%	4.4%	-0.2%	1.3%	0.9%	2.8%	3.6%	0.2%	-0.3%	2.2%	4.1%	6.1%	3.0%	1.2%

Source: Industry Capital Research estimates and company data

Entravision DCF analysis					\$ in millions except per share amounts				
	Current	YE 2024	YE 2025						
Firm Value	190	112	104						
(-) Total Net Debt	42	20	27						
(+) Hidden Value (Inc. NOLs)	85	85	85						
(-) Options (Claims on Entravision)	0.0	0.0	0.0						
Common Equity Value	233.3	176.6	161.9						
Shares Outstanding	90.2	91.4	93.7						
Projected Dividends		\$0.20	\$0.40						
Current Share Price	\$2.11	\$2.11	\$2.11						
Value Per Share	\$2.59	\$2.13	\$2.13						
12-month	\$2.00								
12-month (50 TP)	\$2.00								
Discounted Cash Flow									
EBITDA									
EBIT									
Less Cash Taxes									
Plus D&A									
Less Cap Ex									
Less Increase in WC									
Free Cash Flow to Firm									
Tax Rate									
Net Debt									
Leverage Mult.									
D/Equity									
D/EV									
E/EV									
Unlevered Beta									
Levered Beta									
D/Equity (long-term target)									
Cost of Debt (AT)									
Cost of Equity									
WACC									
PV of CF									
Sum of PV	146.2	69.7	57.9						
PV of Terminal Value	42.0	45.6							
NPV of all CF	190.2	111.6	103.5						

Entravision Communications Corporation (EVC)



## APPENDIX

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

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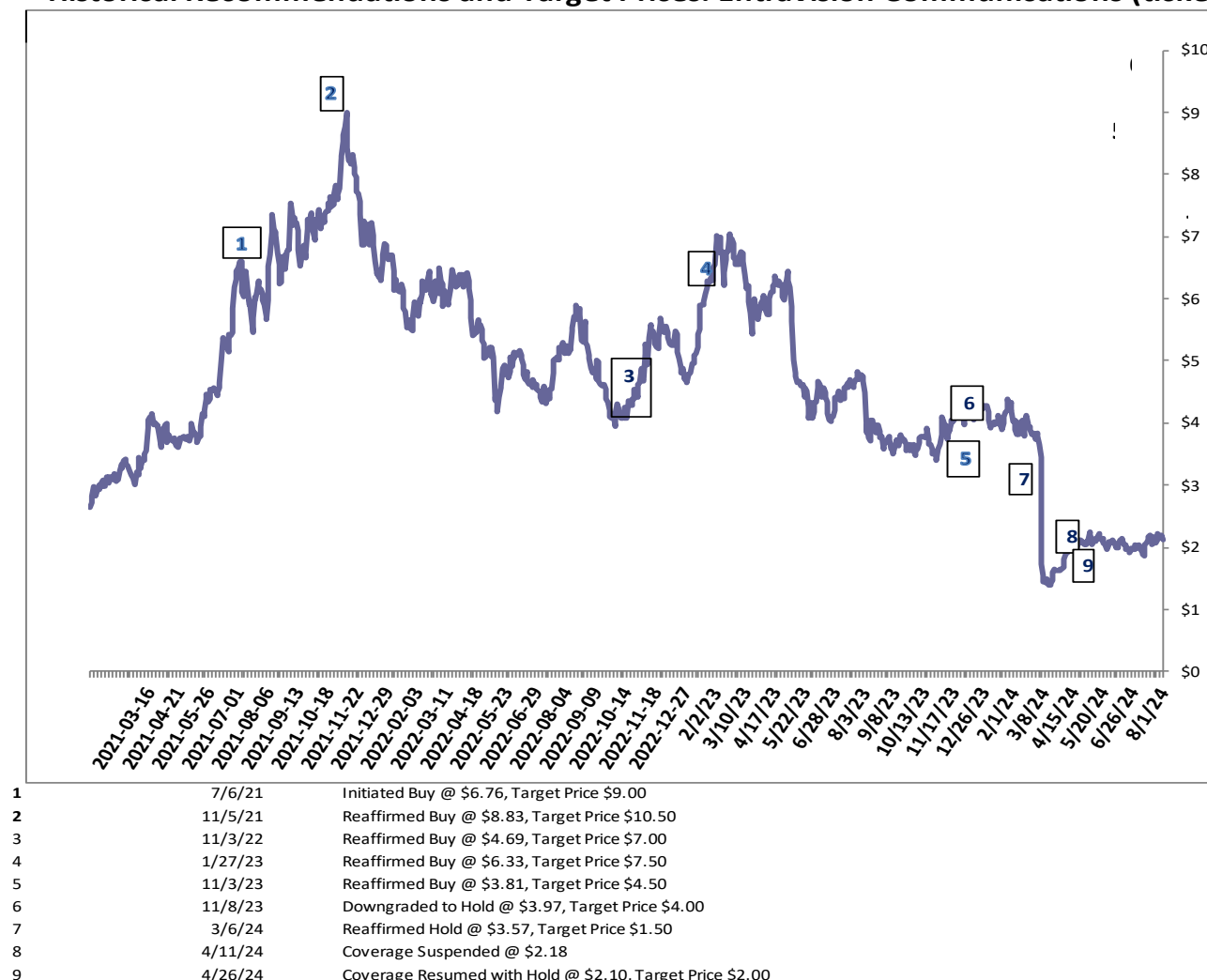
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters,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

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



### Ratings Definitions

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

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

**SELL:** total return expected is <-15% over a 12-month period

The target prices of shares mentioned in the accompanying text are based on the assumed investment horizon of 12 months. If company notes are published on these shares in the future, the target prices mentioned in the subsequent notes will have priority.

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