

## Entravision Communications Corporation (EVC)

'22E EBITDA Likely Up Post-3Q; Macro Inputs Trim PT Again, But Recession Looks Priced In; Buy

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**With results set for November 3 AMC, we expect 3Q beat and 4Q pacing to boost our 2022E EBITDA.** The call will be at 4:30 pm ET, with dial-in 844 836-8739 (U.S.) or 412 317-5440 (int'l).

**For 3Q, we expect EVC to beat our estimates of revenue of \$231.3m and adjusted EBITDA of \$27.0m (11.7% margin) vs. consensus of \$231.0m and \$26.1m (11.3% margin), respectively.** Our 3Q pro forma digital revenue growth estimate of +23% is in line with EVC's +24% prior pacing. We assume some acceleration in Cisneros Interactive's revenue growth, to +11% in 3Q from +9% in 2Q, although the 2-year CAGR would be +56%, down from +72% in 2Q. This 2-year CAGR slowdown is similar to what FB—Cisneros' dominant media rep partner—saw in rest-of-world (ROW) ad revenue growth, to 24% in 3Q from 43% in 2Q. For 3Q, we assume MediaDonuts revenue was up 63%, vs. up 57% pro forma in 2Q. Our TV revenue estimate assumes core ad growth of -17%, a bit below the -14% prior pacing given on the 2Q call (or +6% pacing adjusted for the loss of 3 Univision affiliates at YE2021), reflecting political displacement. Our core radio ad revenue growth estimate is +1%, in line with prior +1% pacing.

**For 4Q, although political looks great, we assume some core ad deceleration.** For 4Q, we model 14% digital pro forma revenue growth, -35% core TV ad growth, and -9% core radio ad growth, on continuing political ad displacement. We assume Cisneros' pro forma growth and 2-year revenue CAGR step down in 4Q, to 9% and 22%, respectively, which would be similar to FB's overall 4Q revenue guide. For political, we forecast for TV \$7.3m in 4Q and \$14.6m for 2022, and in total \$18.2m for 2022 (EVC seems on track to hit \$20m+, per conference commentary). Our 2022E EBITDA of \$98.0m has the slack of 1) this potential beat in political advertising, 2) little digital operating leverage assumed, despite 20%+ 2022E PF revenue growth, and 3) EBITDA from geographic expansions (e.g., adding FB representation in Ghana in 3Q).

**Although core broadcast advertising may get choppy, FB's travails pose some risk for Cisneros Interactive, and tough timing could mute Aleph's potential IPO as valuation catalyst, digital diversity, balance sheet upside, and recession scenario analysis imply good reward/risk.** We model Cisneros at just ~6% OCF margin for 2022, easing the OCF impact of any Cisneros revenue shortfall. A 4Q Aleph IPO might mean less to EVC near-term given the Aleph comps we reference are down 42% this year vs. the S&P 500 down 18% (see Fig. 7), and in 1H22 Aleph still generated ~25% of its revenue from three Eastern European countries—Slovenia, Latvia and Estonia—a geopolitical risk EVC does not have. EVC stated at a 3Q conference that it had ~\$60m in additional digital deal earn-out payments, below the \$77.4m in contingent consideration at 6/30, which could provide some valuation cushion. Our recession scenario implies a \$1.00-\$2.00 cut to our 12-month valuation for EVC, to \$5.50-\$6.50. See Figs. 5, 6 & 19.

**Price target to \$7.00 from \$7.50 on higher interest and thus discount rates (see Fig. 4); risks on page 3.** Our 12-month PT is supported by a DCF valuation based on explicit financial forecasts through 2027.

BUY

Price at 10/28/22 (USD)	4.65		
Price Target	7.00		
52-week range	3.96 - 9.34		
Performance (%)	1m	3m	12m
Absolute	12	-11	-41
S&P 500	5	-4	-15
Market Cap (USDm)	406.4		
Shares outstanding (m)	87.4		
Float (%)	73		
Average volume	199,084		
S&P 500	3,901.1		
<b>Forecasts and ratios</b>			
Year ended 12/31	2021A	2022E	2023E
1Q EPS (USD)	0.06	0.02	0.12
2Q EPS (USD)	0.09	0.10	0.16
3Q EPS (USD)	0.14	0.14	0.14
4Q EPS (USD)	0.04	0.16	0.03
FY EPS (USD)	0.33	0.41	0.44
% Change	NM	24%	7%
P/E (x)	13.9	11.2	10.5
EV/EBITDA (x)	5.3	4.9	4.7
Revenue (USDm)	760.2	906.2	965.4
% Change	121%	19%	7%

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

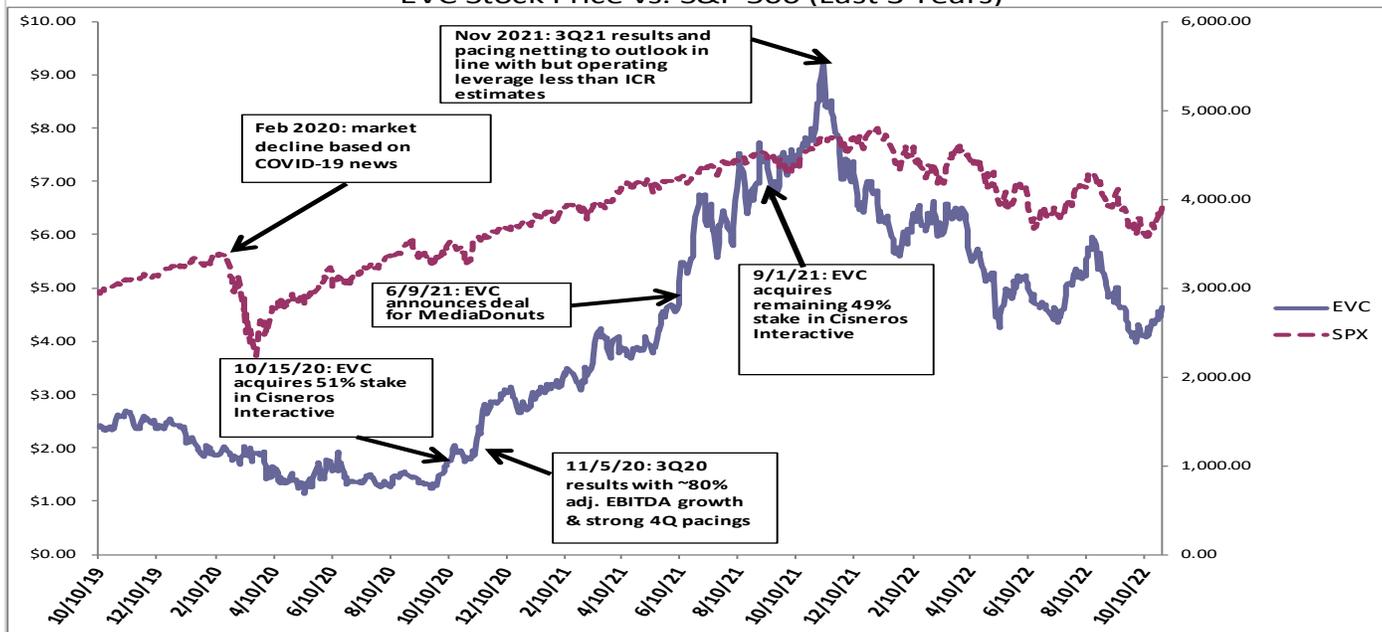
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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)  
12-month price target: \$7.00

ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$4.65	<b>Company description</b>	<b>Entravision</b> is a multimedia company focused primarily on Spanish-language markets globally. The company operates a digital media segment serving the U.S. and roughly 30 international markets, 49 TV stations (mostly Univision network affiliates) in 16 of the top-50 U.S. Hispanic markets, and 46 radio stations (37 FM and 9 AM) as well as a radio network with distribution to over 100 U.S. markets. The company's 2021 revenue by segment was 73% from digital, 19% from TV, and 8% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	87.4	<b>Strategy</b>	Expand digital media operations into fast-growing markets outside the United States and manage for free cash flow and asset value TV-driven broadcast local platforms in U.S. Hispanic markets.
Equity market capitalization	406	<b>Est. acquisition capacity</b>	<b>\$369</b>
+Pro forma net debt	106	<b>Management</b>	<b>Walter Ulloa</b> is Chairman and CEO (since 1996). <b>Jeffrey Liberman</b> is President and COO (since 2017 and with EVC since 2000). <b>Christopher Young</b> is CFO (since 2008 and with EVC since 2000).
-Hidden value	31	<b>Positives</b>	<ul style="list-style-type: none"> <li>* <b>Experience</b> in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally</li> <li>* Reduced expense base during and after the pandemic</li> <li>* Low leverage and high cash balances</li> <li>* Most of its TV stations affiliated with leading U.S. Spanish language network Univision</li> <li>* U.S. Hispanic buying power growing faster than general market</li> <li>* Secular growth in U.S. political advertising spending</li> <li>* <b>Loss</b> of broadcast audience and advertising share to digital alternatives</li> <li>* Volatility of international media business, reflecting early stage and potential competition</li> <li>* Competition with TelevisaUnivision's expanding direct to consumer business</li> <li>* TelevisaUnivision relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility</li> <li>* Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020)</li> <li>* Management succession plan (CEO has majority voting power)</li> </ul>
=Pro forma EV	\$482	<b>Risks</b>	<ul style="list-style-type: none"> <li>* <b>U.S. Hispanic buying power</b> growing faster than general market</li> <li>* <b>Secular growth</b> in U.S. political advertising spending</li> <li>* <b>Loss</b> of broadcast audience and advertising share to digital alternatives</li> <li>* <b>Volatility</b> of international media business, reflecting early stage and potential competition</li> <li>* <b>Competition</b> with TelevisaUnivision's expanding direct to consumer business</li> <li>* <b>TelevisaUnivision</b> relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility</li> <li>* <b>Impact</b> of sudden advertising declines on cash flow (e.g., in 2009 and 2020)</li> <li>* <b>Management</b> succession plan (CEO has majority voting power)</li> </ul>
<b>OPERATING PROJECTIONS</b>		<b>Valuation</b>	Attributing ~70% of firm value to digital media business
<b>Pro forma net revenue</b>		<b>Recent events</b>	September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations.
2022	\$906	<b>Upcoming potential catalysts</b>	2022 U.S. midterm election political ad spending - 2022/23 Recession risk to advertising-based revenue, both in U.S. and internationally - Additional digital media M&A
2021	782		
% Chg	15.9%		
<b>Pro forma EBITDA</b>			
2022	\$98		
2021	91		
% Chg	8.2%		
<b>Pro forma EBITDA margin</b>			
2022	10.8%		
2021	11.6%		
<b>Free cash flow per share</b>			
2022	\$0.74		
2021	\$0.90		
% Chg	-17.8%		
<b>Est. 3-5 yr FCF Growth rate</b>	7%		
<b>VALUATION AND LEVERAGE</b>			
<b>Pro forma EV/EBITDA</b>			
2022	4.9x		
2021	5.3x		
<b>Price / Free cash flow per share</b>			
2022	6.3x		
2021	5.2x		
<b>Pro forma net debt / EBITDA</b>			
2022	1.1x		
2021	1.2x		
<b>Dividend yield</b>			
2022	2.1%		
2021	2.2%		

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



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

## Investment Thesis and Valuation: Buy With \$7.00 Price Target

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**Positives supporting our Buy rating include:** 1) EVC's share price is not fully capturing the potential of digital media acquisitions in 2020-21 because their higher growth and different business models are more difficult for investors to assess; 2) EVC's lower post-pandemic expense base looks sustainable; 3) apart from the industry-wide pressure on auto advertising because of supply shortages, and any transitional risks introduced by measures to mitigate Covid-19 variants, operating risk at the core U.S. media business should be ebbing based on the cyclical rebound in the U.S. Hispanic economy and secular growth of political advertising; 4) relative stability of net retransmission fee revenue (42% of 2021 EBITDA) and pro forma net debt leverage under 3x enhance management's longer-term options; and 5) our DCF valuation supports substantial stock price upside over the next 12 months.

**Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2022 and 2023; our updated PT assumes a 50% chance of a recession in 2023, resulting in a target valuation range of \$6.25-\$7.50.** First, we adjust the current net debt with the estimated free cash flow to be generated by each valuation date. Second, we adjust the current net debt for any estimated payments remaining on the acquisitions (e.g., earnouts), which are currently scheduled to occur from early 2022 to 2025. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods set the range for our valuation, with the EVC-specific method incorporating market data on EVC shares' actual volatility setting the upper bound, and the sector method relying on measures of risk of comparables setting the lower bound. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

**Risks to our investment thesis include:** 1) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, such as a recession, 2) potential volatility of EVC's digital media business, given its increasing focus on emerging markets, its dependence on a small number of commercial relationships with media tech platforms, and increasing competition, 3) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business, 4) potential barriers to sale of all or a portion of the company, and 5) risk-off market sentiment as an overhang for valuation of EVC's fast-growing, less mature digital advertising businesses.

Figure 2: We expect 3Q to beat our estimates and our 4QE EBITDA could rise on higher political advertising

<b>Entravision Communications</b>					
<b>Summary of Quarterly Estimates</b>					
In millions, except per share data					
	Last Yr	Estimates Current	YoY %CHG Current	Consensus	ICR vs Consensus
<b>3Q22E</b>					
Pro Forma *					
Revenue	\$199.0	<b>\$231.3</b>	<b>16.2%</b>		
Op Expense	175.7	<b>204.3</b>	<b>16.3%</b>		
Adjusted EBITDA	23.3	<b>27.0</b>	<b>15.9%</b>		
As Reported					
Revenue	199.0	<b>231.3</b>	<b>16.2%</b>	231.0	0.1%
Op Expense	175.7	<b>204.3</b>	<b>16.3%</b>		
Adjusted EBITDA	23.3	<b>27.0</b>	<b>15.9%</b>	26.1	3.5%
Margin	11.7%	<b>11.7%</b>		11.3%	0.4%
Pro Forma EPS	\$0.14	<b>\$0.14</b>	<b>0.0%</b>	\$0.14	0.0%
FCF/sh (core)	\$0.25	<b>\$0.23</b>	<b>-8.0%</b>		
<b>4Q22E</b>					
Pro Forma *					
Revenue	\$233.9	<b>\$256.0</b>	<b>9.5%</b>		
Op Expense	201.0	<b>225.6</b>	<b>12.2%</b>		
Adjusted EBITDA	32.9	<b>30.4</b>	<b>-7.5%</b>		
As Reported					
Revenue	233.9	<b>256.0</b>	<b>9.5%</b>	255.3	0.3%
Op Expense	201.0	<b>225.6</b>	<b>12.2%</b>		
Adjusted EBITDA	32.9	<b>30.4</b>	<b>-7.5%</b>	31.7	-4.1%
Margin	14.0%	<b>11.9%</b>		12.4%	-0.5%
Pro Forma EPS	\$0.15	<b>\$0.15</b>	<b>0.0%</b>	\$0.17	-11.8%
FCF/sh (core)	\$0.35	<b>\$0.18</b>	<b>-48.6%</b>		

\* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 3: Our 2022 and 2023 EBITDA estimates are close to consensus, although we assume lower 2023 revenue growth

<b>Entravision Communications (NYSE: EVC)</b>					
<b>Summary of Annual Estimates</b>					
In millions, except per share data					
	Last Yr	Estimates Current	YoY %CHG Current	Consensus	ICR vs Consensus
<b>2022E</b>					
Pro Forma *					
Revenue	781.8	906.2	15.9%		
Op expense	691.3	808.2	16.9%		
Adjusted EBITDA	90.6	98.0	8.2%		
As Reported					
Revenue	760.2	906.2 ▼	19.2%	903 ▼	0.3%
Op expense	672.0	808.2	20.3%		
Adjusted EBITDA	88.2	98.0 ▼	11.2%	98.0 ▼	0.0%
Margin	11.6%	10.8%		10.9%	0.0%
EPS	\$0.33	\$0.41 ▼	23.9%	\$0.42 ▼	-1.3%
Cash FCF/sh	\$0.90	\$0.74	-17.8%		
<b>2023E</b>					
Pro Forma *					
Revenue	906.2	965.4	6.5%		
Op expense	808.2	863.7	6.9%		
Adjusted EBITDA	98.0	101.6	3.7%		
As Reported					
Revenue	906.2	965.4	6.5%	1,002	-3.7%
Op expense	808.2	863.7	6.9%		
Adjusted EBITDA	98.0	101.6	3.7%	101.6	0.0%
Margin	10.8%	10.5%		10.1%	0.4%
EPS	\$0.41	\$0.44	7.3%	\$0.50	-11.0%
Cash FCF/sh	\$0.74	\$0.75	1.4%		
* reflects announced acquisitions and dispositions					
Source: Company reports, FactSet, Industry Capital Research estimates					

Figure 4: Higher interest rates flowing through to higher discount rates push down our base case valuation range to \$6.50-\$8.50 per share

Entravision Communications													
Summary of Changes to Forecast and Valuation													
CAGRs	2022		DCF Valuation		EBITDA CAGRs				Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2023-27	2022-26					
Prior	906.2	98.0	\$7.50	\$9.00	25%	8%	6%	9%	2.6%	5.3%	8.1%	11.1%	8.0%
Current	906.2	98.0	\$6.50	\$8.50	25%	8%	6%	9%	4.0%	5.3%	9.2%	12.5%	9.1%
Delta	0.0	0.0	(\$1.00)	(\$0.50)	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	1.1%	1.4%	1.1%

Source: Company data and Industry Capital Research estimates

Figure 5: We estimate that a 2023 recession would reduce our 12-month target valuation range further, to \$5.50-\$6.50, still above current levels

Entravision Communications													
Summary of Changes to Forecast and Valuation													
CAGRs	2022		DCF Valuation		EBITDA CAGRs				Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2023-27	2022-26					
Base Case	906.2	98.0	\$6.50	\$8.50	25%	8%	6%	9%	4.0%	5.3%	9.2%	12.5%	9.1%
Recession Case	906.2	98.0	\$5.50	\$6.50	20%	4%	5%	5%	4.0%	5.3%	9.2%	12.5%	9.1%
Delta	0.0	0.0	(\$1.00)	(\$2.00)	-5.8%	-4.3%	-1.5%	-4.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Figure 6: Our recession assumptions would cut our 2023 EBITDA estimate to ~17% below consensus

Entravision Communications (NYSE: EVC)										
Summary of Annual Estimates										
In millions, except per share data										
	Last Yr	Prior	Estimates		Current	YoY %CHG		Current	Consensus	ICR vs Consensus
			Chg	Current		Prior	Chg			
<b>2023E</b>										
Pro Forma *										
Revenue	906.2	965.4	(63.7)	901.7	6.5%	-7.0%	-0.5%			
Op expense	808.2	863.7	(46.3)	817.5	6.9%	-5.7%	1.1%			
Adjusted EBITDA	98.0	101.6	(17.4)	84.2	3.7%	-17.8%	-14.1%			
As Reported										
Revenue	906.2	965.4	(63.7)	901.6	6.5%	-7.0%	-0.5%	1,002	-10.0%	
Op expense	808.2	863.7	(46.3)	817.4	6.9%	-5.7%	1.1%			
Adjusted EBITDA	98.0	101.6	(17.4)	84.2	3.7%	-17.8%	-14.1%	101.6	-17.1%	
Margin	10.8%	10.5%	-1.2%	9.3%				10.1%	-0.8%	
EPS	\$0.41	\$0.44	(\$0.12)	\$0.32	7.3%	-29.2%	-21.9%	\$0.50	-35.3%	
Cash FCF/sh	\$0.74	\$0.75	(\$0.16)	\$0.59	1.4%	-21.6%	-20.3%			

\* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

<b>Entravision Communications (NYSE: EVC)</b>			
<b>Operating Estimate Changes: Recession Case</b>			
In millions, except per share data			
	Estimates		
	Current	Chg	Recession
<b>2023E</b>			
Revenue Growth:			
Digital	11%	-7%	5%
Core TV Advertising	6%	-14%	-8%
Core Radio Advertising	-7%	-12%	-18%
Operating Expense Growth:			
Digital (Ex-Cost of Revenue)	4%	-2%	3%
TV	-8%	-4%	-12%
Radio	-7%	-4%	-11%
OCF Margin:			
Digital	8.0%	-0.1%	7.9%
TV	40.4%	-3.3%	37.2%
Radio	28.7%	-6.7%	22.0%

Source: Industry Capital Research estimates

Figure 7: After Aleph’s updated SEC filings in August and October, an IPO could come, but valuation declines could dim its spark as a catalyst

<b>Selected Digital Media Comparables</b>	
<b>Stock Price Performance YTD 10/28/22</b>	
Ticker	
PERI	-2.3%
EVC	-30.6%
MELI	-34.6%
<b>Median</b>	<b>-41.9%</b>
PUBM	-49.2%
FB	-70.5%
SFOR.L	-72.0%
S&P 500	-18.2%

Source: Yahoo! Finance and Industry Capital Research

Figure 8: At Digital segment, we see MediaDonuts and Legacy outperforming, offsetting some lag at Cisneros Interactive and 365 Digital

In millions, except unit data	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
<b>Legacy</b>													
Revenue	\$68.9	\$54.1	\$13.0	\$15.3	\$17.4	\$23.0	\$68.7	\$21.9	\$27.8	\$27.1	\$26.2	\$102.9	\$109.0
Cost of Revenue	36.8	30.6	7.4	8.7	9.9	13.2	39.2	12.4	15.8	15.5	15.0	58.6	62.1
Opex ex-cost of revenue	32.3	24.5	5.9	5.6	6.5	5.8	23.8	7.9	8.3	9.6	9.3	35.0	36.7
OCF	(0.1)	(1.0)	(0.2)	1.0	0.9	4.0	5.7	1.6	3.8	2.0	1.9	9.3	10.2
OCF Margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	13.6%	7.4%	7.2%	9.0%	9.3%
<b>Acquisitions-Stand Alone</b>													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.6	6.3	5.0	7.1	23.0	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	9.9	14.2	6.3	8.3	6.9	7.7	29.1	5.7	6.9	8.4	10.6	31.7	43.2
CI OCF Margin	6.2%	6.1%	7.1%	7.2%	5.9%	5.7%	6.4%	5.1%	5.5%	6.5%	7.3%	6.2%	7.6%
MediaDonuts revenue	0.0	28.5	9.6	12.0	12.1	18.8	52.5	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue	0.0	20.9	7.2	8.4	9.7	14.7	40.0	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex ex-cost of revenue	0.0	2.5	1.2	2.4	1.4	2.3	7.2	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF	0.0	5.0	1.2	1.2	1.0	1.8	5.3	1.2	1.3	1.6	2.7	6.7	8.8
MD OCF Margin		17.7%	12.7%	10.0%	8.5%	9.7%	10.0%	6.7%	6.8%	8.1%	9.4%	8.0%	9.6%
365 Digital revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
365 Digital OCF Margin		10.0%	16.9%	16.9%	44.2%	11.5%	11.5%	4.3%	7.1%	0.8%	1.3%	3.5%	3.2%
<b>Acquisitions-PF Adjustments</b>													
Cisneros revenue													
Cisneros cost of revenue													
Cisneros opex ex-cost of revenue													
Cisneros OCF			0.1	0.1	0.1	0.1	0.5						
MediaDonuts revenue													
MediaDonuts cost of revenue													
MediaDonuts opex ex-cost of revenue		1.0	0.0	0.0	0.0	0.0	0.1						
MediaDonuts OCF		(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)						
365 Digital revenue													
365 Digital cost of revenue													
365 Digital opex ex-cost of revenue													
365 Digital OCF													
<b>Acquisitions-Pro Forma</b>													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.8	6.4	5.2	7.2	23.6	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	9.9	14.2	6.1	8.1	6.799	7.5	28.6	5.7	6.9	8.4	10.6	31.7	43.2
OCF Margin	6.2%	6.1%	6.9%	7.1%	5.8%	5.6%	6.3%	5.1%	5.5%	6.5%	7.3%	6.2%	7.6%
MediaDonuts revenue		28.5	9.6	12.0	12.1	18.8	52.5	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue		20.9	7.2	8.4	9.7	14.7	40.0	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex ex-cost of revenue		3.5	1.2	2.4	1.4	2.3	7.3	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF		4.0	1.2	1.2	1.0	1.8	5.2	1.2	1.3	1.6	2.7	6.7	8.8
OCF Margin													
365 Digital revenue		0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue		0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex ex-cost of revenue		0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF		0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
365 Digital OCF Margin													
<b>Acquisitions-Adjustments to Reported</b>													
Cisneros revenue	(159.4)	(144.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros cost of revenue	(136.2)	(125.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros opex ex-cost of revenue	(13.2)	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros OCF pre-minority interest	(9.9)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts revenue	0.0	(28.5)	-9.6	-12.0	0.0	0.0	(21.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts cost of revenue	0.0	(20.9)	-7.2	-8.4	0.0	0.0	(15.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts opex ex-cost of revenue	0.0	(3.5)	-1.2	-2.4	0.0	0.0	(3.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts OCF pre-minority interest	0.0	(4.0)	-1.2	-1.2	0.0	0.0	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: MediaDonuts minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital opex ex-cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital OCF pre-minority interest	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: 365 Digital minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Acquisitions-As Reported</b>													
Cisneros revenue	0.0	89.2	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	0.0	76.3	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex	0.0	6.1	4.8	6.4	5.2	7.2	23.6	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	0.0	6.8	6.1	8.1	6.8	7.5	28.6	5.7	6.9	8.4	10.6	31.7	43.2
MediaDonuts revenue		0.0	0.0	0.0	12.1	18.8	30.9	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue		0.0	0.0	0.0	9.7	14.7	24.4	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex		0.0	0.0	0.0	1.4	2.3	3.7	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF		0.0	0.0	0.0	1.0	1.8	2.8	1.2	1.3	1.6	2.7	6.7	8.8
365 Digital revenue		0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue		0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex		0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF		0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
<b>Digital segment as reported</b>													
Digital revenue	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.4	179.1	202.2	709.4	788.1
Digital cost of revenue	36.8	106.9	85.0	109.0	124.3	148.399	466.7	126.2	141.9	149.4	168.2	585.7	646.3
Digital opex	32.3	30.6	10.6	12.0	13.1	15.5	51.3	18.9	20.4	17.6	18.8	75.7	79.1
Digital OCF	(0.1)	5.7	5.9	9.2	8.7	13.6	37.3	8.6	12.2	12.0	15.2	48.0	62.7

Metrics	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
<b>Legacy growth</b>													
Reported digital revenue growth		108%	661%	1045%	970%	69%	288%	51%	34%	23%	14%	28%	11%
Legacy digital revenue growth		-21.4%	-2.6%	34.5%	27.4%	45.8%	26.9%	68.7%	81.8%	55.5%	13.8%	49.9%	5.9%
2-yr CAGR		-18.2%	-5.3%	-4.6%	-0.6%	7.2%	-0.2%	28.2%	56.3%	40.8%	28.8%	37.9%	26.0%
Legacy digital opex growth		-24.1%	-14.4%	-9.2%	21.5%	-4.7%	-2.8%	34.0%	47.6%	46.7%	59.6%	46.9%	4.9%
Legacy digital OCF		822.5%	-71.9%	-184.0%	95.7%	532.7%	-661.1%	-757.3%	266.3%	119.3%	-52.6%	63.3%	9.2%
<b>Cisneros growth</b>													
Cisneros revenue growth		46.4%	120.0%	173.4%	118.9%	36.9%	94.5%	27.1%	8.7%	11.2%	8.9%	13.0%	11.0%
2-yr CAGR		69.8%	73.6%	67.3%	65.5%	68.7%	68.7%	67.2%	72.4%	56.1%	22.1%	48.3%	12.0%
Cisneros opex ex-COR growth		31.5%	44.3%	88.2%	22.7%	5.1%	32.5%	63.4%	32.4%	-16.2%	-33.7%	7.7%	1.8%
Cisneros OCF		43%	266%	314%	122%	4%	105%	-9%	-17%	22%	39%	9%	36%
<b>MediaDonuts growth</b>													
MediaDonuts revenue growth y/y			205.0%	191.2%	53.5%	41.3%		79.1%	57.1%	62.8%	50.0%	59.9%	8.7%
2-yr CAGR								133.7%	113.9%	58.1%	45.6%	71.8%	31.8%
MediaDonuts opex ex-COR growth y/y			38.7%	183.8%	687.2%	264.3%		166.6%	43.2%	145.6%	90.1%	97.5%	-2.0%
MediaDonuts cost of revenue growth y/y			192%	209%	54%	56%		79%	68%	52%	44%	57%	9%
MediaDonuts OCF growth y/y			-803%	116%	-25%	-44%	5%	-6%	6%	56%	46%	27%	31%
<b>365 Digital growth</b>													
365 Digital revenue growth y/y												408.8%	91.2%
365 Digital opex ex-COR growth y/y												693.1%	94.7%
365 Digital cost of revenue growth y/y												422%	91%
365 Digital OCF growth y/y												55%	75%
<b>Digital segment pro forma growth</b>													
Digital revenue		38%	96%	147%	95%	40%	83%	38%	23%	23%	14%	23%	11%
Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20			83%										
Digital cost of revenue		46%	104%	156%	107%	45%	90%	37%	21%	20%	13%	21%	10%
Digital opex ex-cost of revenue		0%	8%	40%	29%	11%	21%	60%	41%	35%	21%	38%	4%
Digital OCF		76%	980%	681%	95%	25%	130%	21%	17%	38%	12%	21%	31%
<b>Legacy margins</b>													
Legacy cost of revenue/revenue	53.3%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Legacy opex ex-COR/revenue	46.8%	45.3%	45.3%	36.6%	37.6%	25.3%	34.7%	36.0%	29.7%	35.5%	35.4%	34.0%	33.7%
Legacy OCF margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	13.6%	7.4%	7.2%	9.0%	9.3%
Legacy OCF margin ^ y/y		-1.7%	4.7%	17.6%	1.8%	13.4%	10.2%	9.3%	6.9%	2.1%	-10.2%	0.7%	0.3%
<b>Cisneros margins</b>													
Cisneros cost of revenue/revenue	85.5%	86.4%	87.7%	87.3%	89.7%	89.0%	88.5%	88.2%	87.8%	90.2%	89.5%	89.0%	88.0%
Cisneros COR margin ^ y/y		1.0%	-0.1%	0.0%	3.3%	3.4%	2.1%	0.5%	0.5%	0.5%	0.5%	0.5%	-1.0%
Cisneros OCF margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-1.7%	0.6%	1.6%	-0.2%	1.4%
Cisneros EBITDA margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-1.7%	0.6%	1.6%	-0.2%	1.4%
<b>MediaDonuts margins</b>													
MediaDonuts cost of revenue/revenue		73.5%	75.0%	70.0%	80.3%	78.0%	76.2%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
MediaDonuts COR margin ^ y/y			-3.5%	4.1%	0.0%	7.4%		0.0%	5.0%	-5.3%	-3.0%	-1.2%	0.0%
MediaDonuts OCF margin ^ y/y			18.2%	-3.5%	-9.0%	-15.0%		-6.0%	-3.2%	-0.4%	-0.3%	-2.1%	1.7%
MediaDonuts EBITDA margin ^ y/y			18.2%	-3.5%	-9.0%	-15.0%		-6.0%	-3.2%	-0.4%	-0.3%	-2.1%	1.7%
<b>365 Digital margins</b>													
365 Digital cost of revenue/revenue		80.0%	75.0%	70.0%	0.0%	78.0%	77.9%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
365 Digital COR margin ^ y/y			-5.0%	-10.0%	-80.0%	-2.0%		5.0%	10.0%	80.0%	2.0%	2.1%	0.0%
365 Digital OCF margin ^ y/y			6.9%	6.9%	34.2%	1.5%		-12.6%	-9.7%	-43.4%	-10.2%	-8.0%	-0.3%
<b>Digital Segment margins</b>													
Digital Segment cost of revenue/revenue		74.6%	83.7%	83.7%	85.1%	83.6%	84.0%	82.1%	81.3%	83.4%	83.2%	82.6%	82.0%
Digital segment OCF margin as % of revenue-COR			35.6%	43.3%	40.0%	46.6%	42.1%						
MediaDonuts COR margin ^ y/y			28.6%	27.0%	27.9%	2.3%		-1.6%	-2.4%	-1.7%	-0.4%	-1.5%	-0.6%
MediaDonuts OCF margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MediaDonuts EBITDA margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Digital Segment reported revenue mix:</b>													
Digital as % of company revenue	25%	42%	68%	73%	73%	76%	73%	78%	79%	77%	79%	78%	82%
Cisneros Interactive as % of digital segment revenue		62%	87%	88%	80%	75%	82%	73%	72%	72%	72%	72%	72%
MediaDonuts as % of digital segment revenue		0%	0%	0%	8%	11%	6%	11%	11%	11%	14%	12%	12%
Legacy digital as % of digital segment revenue		38%	13%	12%	12%	13%	12%	14%	16%	15%	13%	15%	14%
365 Digital as % of digital segment revenue		0%	0%	0%	0%	1%	0%	1%	2%	1%	1%	1%	2%
<b>Digital Segment reported OCF mix:</b>													
Cisneros Interactive as % of digital segment OCF		118%	104%	89%	78%	56%	77%	67%	57%	70%	70%	66%	69%
MediaDonuts as % of digital segment OCF		0%	0%	0%	12%	13%	8%	13%	11%	13%	17%	14%	14%
Legacy digital as % of digital segment OCF		-18%	-4%	11%	10%	29%	15%	19%	31%	17%	12%	19%	16%
365 Digital as % of digital segment OCF		0%	0%	0%	0%	2%	1%	1%	2%	0%	0%	1%	1%
Minority interest		2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0

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

Figure 9: Broadcast revenue drivers—higher political estimates more than offsetting weaker core ad growth, reflecting lost Univision affiliates

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
<b>TELEVISION SEGMENT</b>												
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	-6.5%	-7.3%	-9.0%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.2	\$37.6	\$136.1	\$123.8
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-3.4%	-6.5%	-7.3%	-9.0%
TV non-recurring items:												
TV Political/Census	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	3.2	7.3	14.6	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%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	3.2	7.3	14.6	0.2
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	146.0	29.6	29.6	32.0	30.3	121.4	123.7
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-11.3%	-24.0%	-16.9%	1.8%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	9.0	36.2	35.4
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%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	9.0	36.2	35.4
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	109.9	21.7	23.4	26.3	28.6	99.9	88.5
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-6.6%	-18.2%	-5.6%	-3.8%	-8.6%	-9.1%	-11.5%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	144.8	30.9	32.4	35.2	37.6	136.1	123.8
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-6.2%	-14.5%	-3.5%	0.7%	-6.5%	-6.1%	-9.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(6.5)	(6.1)	(7.5)	(7.2)	(27.3)	(28.6)	(28.6)
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(6.5)	(6.1)	(7.5)	(7.2)	(27.3)	(28.6)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	156.6	37.4	38.5	42.7	44.8	163.4	152.4
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-4.4%	-2.0%	8.0%	8.7%	2.9%	4.3%	-6.7%
Spectrum usage/auction	1.5	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.7	1.8	6.6	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%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.7	1.8	6.6	5.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	140.7	29.3	30.7	33.6	35.9	129.5	118.8
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-5.6%	-11.8%	-6.9%	-5.1%	-8.3%	-8.0%	-8.2%
<b>PF TV revenue ex-all non-recurring</b>	<b>120.7</b>	<b>122.9</b>	<b>114.2</b>	<b>111.6</b>	<b>99.2</b>	<b>110.7</b>	<b>25.4</b>	<b>25.0</b>	<b>28.8</b>	<b>26.7</b>	<b>106.0</b>	<b>111.9</b>
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	11.6%	-1.3%	1.2%	6.5%	-19.4%	-4.3%	5.6%
TV rev grth ex all non-rec 2-yr CAGR		1.7%	-2.7%	-4.7%	-6.8%	-0.4%	0.7%	22.9%	7.4%	-9.5%	3.4%	0.6%
PF TV advertising growth ex-political		-3.8%	-11.3%	-2.2%	-11.2%	14.7%	-20.3%	-20.0%	-17.2%	-34.5%	-23.6%	5.9%
TV ad rev grth ex political 2-yr CAGR		-1.9%	-7.6%	-6.9%	-6.8%	1.0%	-9.5%	12.4%	-2.3%	-18.4%	-6.4%	-10.0%
PF TV revenue growth ex-political		-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-11.3%	-24.0%	-16.9%	1.8%
TV rev grth ex political 2-yr CAGR		-0.1%	-3.0%	0.5%	-3.6%	-1.1%	-6.6%	7.3%	-1.4%	-12.3%	-4.1%	-8.0%
PF TV advertising growth		-10.0%	-3.0%	-10.5%	10.9%	-7.6%	-14.8%	-8.3%	-6.1%	-11.1%	-10.0%	-10.6%

Source: Company reports; Industry Capital Research estimates

Figure 10: Broadcast revenue drivers—radio estimates rising on similar dynamic of strong political advertising

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
<b>RADIO SEGMENT</b>												
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	23.4%	9.7%	5.8%	3.4%	0.2%	4.6%	-12.0%
Pro forma radio:												
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$58.0	\$12.6	\$14.9	\$17.0	\$16.2	\$60.7	\$53.4
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	3.4%	0.2%	4.6%	-12.0%
Radio non-recurring items:												
Political/Census	2.1	0.1	2.2	0.1	5.9	0.8	0.3	0.6	1.0	1.7	3.6	0.1
Assm: % Incremental to Core	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	2.1	0.1	1.1	0.1	5.9	0.8	0.3	0.6	1.0	1.7	3.6	0.1
Radio revenue ex political	73.8	66.9	62.8	54.9	40.4	57.2	12.3	14.3	16.0	14.5	57.1	53.3
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	41.6%	8.7%	1.6%	0.8%	-8.9%	-0.1%	-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
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%
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
Radio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	39.5	12.6	14.9	17.0	16.2	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	0.0%	11.4%	5.8%	3.4%	0.2%	0.0%	0.0%
World Cup/Other Soccer			1.9			0.0						
Assm: % Incremental to Core	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup			1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Growth ex WC		-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	3.4%	0.2%	4.6%	-12.0%
Revenue	73.8	66.9	61.8	54.9	40.4	57.2	12.3	14.3	16.0	14.5	57.1	53.3
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	41.6%	8.7%	1.6%	0.8%	-8.9%	-0.1%	-6.6%
Radio rev grth ex all non-rec 2-yr CAGR		-5.9%	-8.4%	-9.4%	-19.2%	2.0%	7.1%	52.3%	24.7%	4.7%	18.9%	-3.4%

Source: Company reports; Industry Capital Research estimates



Figure 12: Financial statement forecasts supporting our valuation

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
<b>AS REPORTED</b>												
Net revenue:												
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.2	\$37.6	\$136.1	123.8
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	204.9	43.5	47.3	52.2	53.8	196.8	177.2
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.4	179.1	202.2	709.4	788.1
<b>Total net revenue (core)</b>	<b>258.5</b>	<b>272.1</b>	<b>296.6</b>	<b>273.6</b>	<b>344.0</b>	<b>760.2</b>	<b>197.2</b>	<b>221.7</b>	<b>231.3</b>	<b>256.0</b>	<b>906.2</b>	<b>965.4</b>
Revenue from spectrum usage rights		263.9	1.2	0.0	0.0	0.0					0.0	0.0
Total net revenue	258.5	536.0	297.8	273.6	344.0	760.2	197.2	221.7	231.3	256.0	906.2	965.4
Cost of Revenue												
Television		0.0										
Radio		0.0										
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	149.4	168.2	585.7	646.3
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	84.0%	82.1%	81.3%	83.4%	83.2%	82.6%	82.0%
<b>Total cost of revenue (core)</b>	<b>9.5</b>	<b>33.0</b>	<b>45.1</b>	<b>36.8</b>	<b>106.9</b>	<b>466.5</b>	<b>126.2</b>	<b>141.9</b>	<b>149.4</b>	<b>168.2</b>	<b>585.7</b>	<b>646.3</b>
Cost of revenue from spectrum usage rights (television)		12.340										
Total cost of revenue	9.5	45.3	45.1	36.8	106.9	466.5	126.2	141.9	149.4	168.2	585.7	646.3
Opex												
Television opex	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	73.8
Radio opex	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital opex	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	17.6	18.8	75.7	79.1
<b>Total opex (core)</b>	<b>160.2</b>	<b>168.4</b>	<b>176.8</b>	<b>173.4</b>	<b>153.3</b>	<b>172.9</b>	<b>47.5</b>	<b>50.5</b>	<b>48.1</b>	<b>50.7</b>	<b>196.9</b>	<b>191.0</b>
Spectrum usage rights												
Total Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	48.1	50.7	196.9	191.0
OCF												
Television OCF	75.9	66.3	67.4	65.2	73.6	65.4	\$11.6	\$12.6	\$15.2	\$16.4	55.9	50.0
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.6%	37.7%	39.1%	43.1%	43.6%	41.1%	40.4%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%	173.4%	106.6%					88.9%	47.6%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	31.0%	25.5%	30.5%	38.6%	33.4%	32.5%	28.7%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%	114.9%						60.6%
Digital OCF	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.2	12.0	15.2	48.0	62.7
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	6.7%	5.6%	7.0%	6.7%	7.5%	6.8%	8.0%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%	7.7%					6.9%	18.7%
<b>Total OCF (core)</b>	<b>88.7</b>	<b>70.7</b>	<b>74.8</b>	<b>63.4</b>	<b>83.8</b>	<b>120.8</b>	<b>23.4</b>	<b>29.4</b>	<b>33.8</b>	<b>37.0</b>	<b>123.6</b>	<b>128.1</b>
Margin	34.3%	26.0%	25.2%	23.2%	24.4%	15.9%	11.9%	13.2%	14.6%	14.5%	13.6%	13.3%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%	0.0	0.0	-0.6%	3.3%	6.5%	-1.8%	0.0	0.0
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
Total OCF	88.7	322.3	75.9	63.4	83.8	120.8	23.4	29.4	33.8	37.0	123.6	128.1
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	11.9%	13.2%	14.6%	14.5%	13.6%	13.3%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%			-0.6%	3.3%	6.5%	-1.8%		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	33.0	8.7	8.5	9.0	9.7	36.0	37.1
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	87.8	14.7	20.8	24.8	27.3	87.6	91.0
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	6.4	1.6	1.7	1.6	1.5	6.5	6.6
Opex adjustments to cash:												
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	3.2	1.0	0.9	0.9	1.1	3.9	4.0
Non-recurring cash severance			0.8	2.3	1.7	0.4						
EBITDA attributable to redeemable noncontrolling interest				3.4	9.1	9.1	0.0	0.0	0.0	0.0	0.0	0.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	0.5	5.5	(1.0)	(0.9)	(0.9)	(1.1)	(3.9)	(4.0)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	(1.1)	0.5	(0.8)	1.0	0.3	(0.4)	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	88.2	18.1	22.5	27.0	30.4	98.0	101.6
Other opex for spectrum (in corporate)		2.1	1.2									
<b>Adjusted EBITDA (core)</b>	<b>69.2</b>	<b>50.6</b>	<b>54.0</b>	<b>41.2</b>	<b>60.4</b>	<b>88.2</b>	<b>18.1</b>	<b>22.5</b>	<b>27.0</b>	<b>30.4</b>	<b>98.0</b>	<b>101.6</b>
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	60.4	88.0	18.1	22.5	27.0	30.4	98.0	101.6
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	(0.0)				
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.3%	17.6%	11.6%	9.2%	10.1%	11.7%	11.9%	10.8%	10.5%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	6.7%	8.1%	10.8%	11.5%	-11.1%	6.7%	6.1%

Source: Industry Capital Research estimates and company data

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

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$178.4	\$46.6	\$49.5	\$47.2	\$49.6	\$193.0	\$187.0
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.4	8.2	29.5	30.4
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	9.6	2.6	2.6	2.5	2.6	10.4	10.6
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	0.6	1.6	3.9	4.0
Memo: PF EBITDA attributable to redeemable noncontrolling interest												
D&A	15.3	16.4	16.3	16.6	17.3	22.4	6.4	6.3	6.3	6.3	25.2	26.2
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	2.9%	3.2%	2.8%	2.7%	2.4%	2.8%	2.7%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	8.2	5.1	1.0	0.0	(0.98)	5.1	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss		(0.3)	(1.2)	(6.0)	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	(0.1)	(1.2)	(1.2)
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
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
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>48.9</b>	<b>277.9</b>	<b>33.6</b>	<b>(1.7)</b>	<b>6.6</b>	<b>60.6</b>	<b>4.2</b>	<b>13.4</b>	<b>18.3</b>	<b>22.6</b>	<b>58.5</b>	<b>66.0</b>
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	8.0%	2.1%	6.1%	7.9%	8.8%	6.5%	6.8%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(6.9)	(1.4)	(2.3)	(1.5)	(1.5)	(6.8)	(8.4)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.3	0.8	2.0	3.4	1.7	0.2	0.0	0.7	0.0	(0.7)	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(6.8)	(1.4)	(1.6)	(1.5)	(2.3)	(6.8)	(8.4)
Loss on debt extinguishment	(0.2)	(3.3)	(0.6)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.0	0.2	0.9	0.0	0.2	0.0	0.0	0.0	(0.0)	0.0	0.0
<b>Pretax income</b>	<b>33.5</b>	<b>258.6</b>	<b>21.4</b>	<b>(11.3)</b>	<b>0.1</b>	<b>54.0</b>	<b>2.7</b>	<b>11.8</b>	<b>16.8</b>	<b>20.3</b>	<b>51.7</b>	<b>57.6</b>
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	7.1%	1.4%	5.3%	7.3%	7.9%	5.7%	6.0%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(18.7)	(0.9)	(3.4)	(4.7)	(6.6)	(15.5)	(20.2)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	34.6%	31.1%	28.5%	28.0%	32.4%	30.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	7.6%	44.2%	52.6%	23.1%	20.6%	30.0%	33.5%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	35.4	1.9	8.5	12.1	13.7	36.2	37.5
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	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)	(1.4)	35.4	1.9	8.5	12.0	13.8	36.2	37.5
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	11.6%	9.2%	10.1%	11.7%	11.9%	10.8%	10.5%
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
Minority interest				2.5	5.9		0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	29.4	1.9	8.5	12.0	13.8	36.2	37.5
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.14	\$0.16	\$0.42	\$0.46
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
<b>Net income to common</b>	<b>20.4</b>	<b>175.7</b>	<b>12.2</b>	<b>(19.7)</b>	<b>(3.9)</b>	<b>29.4</b>	<b>1.9</b>	<b>8.5</b>	<b>12.0</b>	<b>13.8</b>	<b>36.2</b>	<b>37.5</b>
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.14	\$0.17	\$0.42	\$0.46
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.14	\$0.16	\$0.41	\$0.44
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.14	\$0.16	\$0.41	\$0.44
Model variance: EPS	\$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	9.6	5.1	1.0	0.0	(1.0)	5.1	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	39.1	7.0	9.4	12.0	12.8	41.3	37.5
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.46	\$0.08	\$0.11	\$0.14	\$0.15	\$0.48	\$0.46
<b>Pro forma EPS</b>	<b>\$0.22</b>	<b>\$1.91</b>	<b>\$0.13</b>	<b>(\$0.23)</b>	<b>\$0.43</b>	<b>\$0.44</b>	<b>\$0.08</b>	<b>\$0.11</b>	<b>\$0.14</b>	<b>\$0.15</b>	<b>\$0.47</b>	<b>\$0.44</b>
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.3	86.5	85.0	84.7	83.3	85.1	82.1
EPS shares - Diluted	91.3	91.9	90.3	85.1	84.2	87.9	88.6	87.0	86.8	85.4	87.3	84.2
Free Cash Flow:												
EBITDA	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	27.0	30.4	98.0	101.6
Cash net interest	(14.4)	(12.7)	(10.6)	(9.4)	(5.9)	(6.2)	(1.2)	(1.2)	(1.5)	(3.0)	(6.8)	(8.4)
Other adjustments to cash		250.0	1.9	4.7	5.3	6.8	0.1	0.8			1.0	
- Cash taxes	(0.6)	(0.8)	(3.3)	(2.8)	(7.7)	(4.1)	(1.2)	(6.2)	(3.9)	(4.2)	(15.5)	(19.3)
Cash taxes / EBITDA	1%	2%	6%	7%	13%	5%	7%	28%	14%	14%	16%	19%
Minus: capex	(9.1)	(12.1)	(17.0)	(25.3)	(9.5)	(5.6)	(1.5)	(1.7)	(1.7)	(7.6)	(12.5)	(11.1)
Capex / D&A	59%	74%	105%	152%	55%	25%	24%	27%	27%	122%	50%	43%
Capex / EBITDA	13%	24%	31%	61%	16%	6%	9%	7%	6%	25%	13%	11%
Plus: cost of revenue for spectrum usage rights		12.1										
<b>= Free Cash Flow</b>	<b>45.2</b>	<b>287.1</b>	<b>25.0</b>	<b>8.3</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>20.0</b>	<b>15.6</b>	<b>64.1</b>	<b>62.8</b>
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	79.0	14.3	14.3	20.0	15.6	64.1	62.8
<b>Free Cash Flow (core)</b>	<b>45.2</b>	<b>37.6</b>	<b>25.0</b>	<b>8.3</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>20.0</b>	<b>15.6</b>	<b>64.1</b>	<b>62.8</b>
<b>FCF per share (core)</b>	<b>\$0.50</b>	<b>\$0.41</b>	<b>\$0.28</b>	<b>\$0.10</b>	<b>\$0.51</b>	<b>\$0.90</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.23</b>	<b>\$0.18</b>	<b>\$0.74</b>	<b>\$0.75</b>
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	89.7%	79.1%	63.4%	73.9%	51.3%	65.5%	61.8%
Dividends per basic share	\$0.13	\$0.16	\$0.20	\$0.20	\$0.13	\$0.10	\$0.03	\$0.03	\$0.03	\$0.03	\$0.10	\$0.10
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(8.2)
Dividends as % of FCF	24.7%	39.0%	71.1%	204.6%	24.7%	10.8%	15.1%	14.9%	10.6%	13.4%	13.2%	13.1%

Source: Industry Capital Research estimates and company data

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

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	121.0%	32.4%	24.3%	16.2%	9.5%	19.2%	6.5%
<b>Net revenue (core) growth</b>	<b>1.7%</b>	<b>5.3%</b>	<b>9.0%</b>	<b>-7.8%</b>	<b>25.8%</b>	<b>121.0%</b>	<b>32.4%</b>	<b>24.3%</b>	<b>16.2%</b>	<b>9.5%</b>	<b>19.2%</b>	<b>6.5%</b>
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-3.4%	-6.5%	-7.3%	-9.0%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	3.4%	0.2%	4.6%	-12.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	287.5%	51.5%	33.9%	22.6%	13.9%	27.7%	11.1%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	48.9%	30.1%	20.2%	13.4%	25.6%	10.3%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-22.4%	-3.2%	1.1%	-0.6%	-2.9%	-1.5%	-8.0%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	NM	-3.0%	4.9%	6.7%	25.8%	22.4%	7.0%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	38.8%	27.8%	18.0%	11.5%	22.4%	7.0%
<b>Opex (core)</b>	<b>4.6%</b>	<b>5.1%</b>	<b>5.0%</b>	<b>-1.9%</b>	<b>-11.6%</b>	<b>12.8%</b>	<b>17.6%</b>	<b>21.8%</b>	<b>11.9%</b>	<b>5.6%</b>	<b>13.9%</b>	<b>-3.0%</b>
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	0.6%	-3.2%	1.1%	-0.6%	-2.9%	-1.5%	-8.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-4.2%	-3.0%	4.9%	6.7%	0.9%	2.3%	-7.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	68.1%	74.3%	69.4%	35.0%	20.7%	47.0%	4.5%
<b>Total OCF (core)</b>	<b>-5.3%</b>	<b>-20.3%</b>	<b>5.8%</b>	<b>-15.2%</b>	<b>32.1%</b>	<b>44.1%</b>	<b>-1.2%</b>	<b>5.1%</b>	<b>6.6%</b>	<b>-1.0%</b>	<b>2.3%</b>	<b>3.6%</b>
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-11.0%	-28.3%	-13.0%	-6.9%	-10.7%	-14.6%	-10.4%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	97.1%	7.8%	-1.4%	-1.2%	9.8%	-22.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	46.1%	32.5%	38.1%	12.1%	28.5%	30.7%
Corporate expense	9.0%	12.1%	1.0%	3.0%	3.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	3.0%
<b>Adjusted EBITDA (core)</b>	<b>-9.3%</b>	<b>-26.9%</b>	<b>6.8%</b>	<b>-23.7%</b>	<b>46.6%</b>	<b>45.9%</b>	<b>27.6%</b>	<b>26.4%</b>	<b>15.9%</b>	<b>-7.5%</b>	<b>11.2%</b>	<b>3.7%</b>
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	29.7%	23.4%	23.4%	6.1%	0.0%	12.3%	3.9%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	47.7%	15.2%	17.3%	11.6%	5.9%	11.2%	-100.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	-72.0%	-18.2%	-12.1%	90.5%	-4.4%	11.6%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	-65.2%	7.6%	-2.1%	NM	22.9%	3.6%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	-66.7%	11.1%	0.0%	NM	23.5%	9.5%
<b>EPS - diluted</b>	<b>-21.4%</b>	<b>NM</b>	<b>-93.0%</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>-65.9%</b>	<b>8.6%</b>	<b>-0.4%</b>	<b>NM</b>	<b>23.9%</b>	<b>7.3%</b>
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	76.5%	6.7%	14.3%	-8.0%	-48.6%	-17.8%	1.4%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-5.8%	-1.0%	4.4%	1.9%	-0.9%	-1.7%	-3.5%	-0.7%	-3.5%

Source: Industry Capital Research estimates and company data

Figure 15: Financial statement forecasts supporting our valuation (cont.)

Segments												
In millions												
AS REPORTED	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Revenue:												
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.2	\$37.6	\$136.1	\$123.8
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.4	179.1	202.2	709.4	788.1
Revenue	258.5	272.1	296.6	273.6	344.0	760.2	197.2	221.7	231.3	256.0	906.2	965.4
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
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
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	149.4	168.2	585.7	646.3
Cost of revenue	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	149.4	168.2	585.7	646.3
Opex:												
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	73.8
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	17.6	18.8	75.7	79.1
Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	48.1	50.7	196.9	191.0
OCF:												
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.2	16.4	55.9	50.0
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
Digital	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.2	12.0	15.2	48.0	62.7
OCF	88.7	70.7	74.8	63.4	83.8	120.8	23.4	29.4	33.8	37.0	123.6	128.1
<b>PRO FORMA</b>	<b>2016A</b>	<b>2017A</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>1Q22A</b>	<b>2Q22A</b>	<b>3Q22E</b>	<b>4Q22E</b>	<b>2022E</b>	<b>2023E</b>
Revenue:												
Television	159.5	148.1	151.7	149.7	154.5	146.8	30.9	32.4	35.2	37.6	136.1	123.8
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Digital			92.1	228.3	315.9	577.0	153.7	174.4	179.1	202.2	709.4	788.1
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	231.3	256.0	906.2	965.4
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
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
Digital	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Cost of revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Opex:												
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	73.8
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital			43.9	45.5	45.4	54.9	18.9	20.4	17.6	18.8	75.7	79.1
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	48.1	50.7	196.9	191.0
OCF:												
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.2	16.4	55.9	50.0
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
Digital	17.5	10.4	3.2	9.8	17.3	39.7	8.6	12.2	12.0	15.2	48.0	62.7
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	33.8	37.0	123.6	128.1
<b>CONSOLIDATED PRO FORMA</b>	<b>2016A</b>	<b>2017A</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>1Q22A</b>	<b>2Q22A</b>	<b>3Q22E</b>	<b>4Q22E</b>	<b>2022E</b>	<b>2023E</b>
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	231.3	256.0	906.2	965.4
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	51.3%	24.4%	16.4%	16.2%	9.5%	15.9%	6.5%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	90.5%	36.9%	20.8%	20.2%	13.4%	21.4%	10.3%
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	48.1	50.7	196.9	191.0
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	4.9%	14.8%	15.1%	11.9%	5.6%	11.7%	-3.0%
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	33.8	37.0	123.6	128.1
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	29.2%	-6.0%	0.8%	6.6%	-1.0%	0.4%	3.6%
Corporate	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.4	8.2	29.5	30.4
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	11.3%	11.0%	4.3%	13.6%	13.9%	10.8%	3.2%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	0.6	1.6	3.9	4.0
EBITDA	84.4	60.2	54.4	51.2	71.9	90.6	18.1	22.5	27.0	30.4	98.0	101.6
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	25.9%	17.6%	18.4%	15.9%	-7.5%	8.2%	3.7%

Source: Industry Capital Research estimates and company data

Figure 16: DCF analysis supports \$7.00 12-month price target within \$6.50-8.50 range

Entravision DCF analysis		YE 2022		YE 2023	
\$ in millions except per share amounts					
Firm Value	685	687	686		
(-) Total Net Debt	106	42	(21)		
(+) NOLs/Tax Assets	30	30	30		
(-) Options (Claims on Entravision)	(2.5)	(2.5)	(2.5)		
Common Equity Value	606.9	672.9	734.1		
Shares Outstanding	87.4	87.4	87.4		
Current Share Price	\$4.65	\$4.65	\$4.65		
Value Per Share	\$6.94	\$7.70	\$8.40		
12-month	\$8.50				
12-month (50P)	\$6.50				

ASSUMPTIONS		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Risk Free Rate	3.96%											
Equity Premium	5.30%											
Assumed LT Growth Rate (g)	0%											
MV of Equity Calculation	\$4.65											
Share Price	87.4											
Outstanding Shares	406.4											
MV of Equity	6.9											
Estimate MV of Debt Calculation	6.0%											
Interest Expense	105.9											
Current Cost of Debt	105.9											
Wghtd Avg Maturity of Debt	105.9											
BV of Debt	105.9											
Estimate MV of Debt	105.9											

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
EBITDA	54.0	41.2	60.4	88.2	98.0	101.6	129.1	121.9	139.4	130.3
EBIT	37.8	24.6	43.1	65.7	72.8	75.5	96.7	87.7	102.8	93.0
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(21.8)	(22.6)	(29.0)	(26.3)	(30.8)	(27.9)
Plus D&A	16.3	16.6	17.3	22.4	25.2	26.2	32.3	34.2	36.6	37.3
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.5)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.3)	(4.3)	(4.3)	(5.0)	(4.7)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	61.0	64.6	84.1	79.0	90.7	84.3
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Net Debt	106									
Leverage Mult.	1.8x									
D/Equity	26%									
D/EV	21%									
E/EV	79%									
Unlevered Beta	1.05									
Levered Beta	1.29									
D/Equity (long-term target)	33%									
Cost of Debt (AT)	4.2%									
Cost of Equity	10.8%									
WACC	9.2%									
PV of CF			9%	9%	9%	9%	9%	9%	9%	9%
					55.9	54.2	64.6	55.6	58.5	49.8
					59.2	70.5	60.7	63.8	54.3	
					77.0	66.3	69.7	59.3		
										640.9
										5x EBITDA

	Current	YE 2022	YE 2023
Sum of PV	338.6	308.6	272.3
PV of Terminal Value	346.8	378.6	413.3
NPV of all CF	685.3	687.2	685.6

Source: Industry Capital Research estimates and company data



Figure 18: DCF analysis allocates ~30% of firm value to broadcasting business

Entravision DCF analysis - Broadcasting			
\$ in millions except per share amounts			
	Current	YE 2022	YE 2023
Firm Value	175	163	157
(-) Total Net Debt	106	42	(21)
(+) NOLs	30	30	30
(-) Options (Claims on Entravision)	(2.5)	(2.5)	(2.5)
Common Equity Value	96.2	148.8	205.9
Shares Outstanding	87.4	87.4	87.4
Current Share Price	\$4.65	\$4.65	\$4.65
Value Per Share	\$1.10	\$1.70	\$2.36
12-month	\$2.00		

ASSUMPTIONS		2018-22	2020-24	2022-26	2025-26
Risk-Free Rate		4.0%			
Equity Premium		5.3%			
Assumed LT Growth Rate (g)		-1%	-2%	-3%	22%
MV of Equity Calculation		18%	-8%	-4%	28%
Share Price	\$4.65				
Outstanding Shares	87.4				
MV of Equity	406.4				
Estimate MV of Debt Calculation					
Interest Expense	6.9				
Current Cost of Debt	6.0%				
Wght Avg Maturity of Debt					
BV of Debt	105.9				
Estimate MV of Debt	105.9				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
<b>Discounted Cash Flow</b>											
EBITDA	51.3	41.3	58.1	59.9	50.0	38.9	54.2	35.7	43.5	29.4	20.5
EBIT	35.0	24.7	40.8	42.7	33.6	24.2	35.5	17.2	24.3	10.4	(7.2)
Less Cash Taxes	(10.5)	(7.4)	(12.2)	(12.8)	(10.1)	(7.2)	(10.6)	(5.2)	(7.3)	(3.1)	(18.5)
Plus D&A	16.3	16.6	17.3	17.3	16.4	14.7	18.7	18.5	19.2	18.9	(18.5)
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.5)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)	(18.5)
Less Increase in WC	(9.4)	(8.7)	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow to Firm</b>	<b>14.3</b>	<b>(0.0)</b>	<b>45.0</b>	<b>41.5</b>	<b>27.4</b>	<b>20.5</b>	<b>31.9</b>	<b>18.2</b>	<b>23.3</b>	<b>12.7</b>	<b>13.4</b>
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	106										
Leverage Mult.	1.8x										
D/Equity	26%										
D/EV	21%										
E/EV	79%										
Unlevered Beta	1.03										
Levered Beta	1.3										
D/Equity (long-term target)	33%										
Cost of Debt (AT)	4.2%										
Cost of Equity	10.7%										
<b>WACC</b>	<b>9.1%</b>										
PV of CF											
			9%	9%	9%	9%	9%	9%	9%	9%	
					25.2	17.2	24.5	12.9	15.1	7.6	
						18.8	26.8	14.1	16.5	8.2	
							29.2	15.3	18.0	9.0	
											132.6
											3x EBITDA
<b>Sum of PV</b>	<b>102.5</b>	<b>84.4</b>	<b>71.5</b>								
<b>PV of Terminal Value</b>	<b>72.2</b>	<b>76.7</b>	<b>85.9</b>								
<b>NPV of all CF</b>	<b>174.7</b>	<b>163.1</b>	<b>157.4</b>								

Source: Industry Capital Research estimates and company data



## APPENDIX

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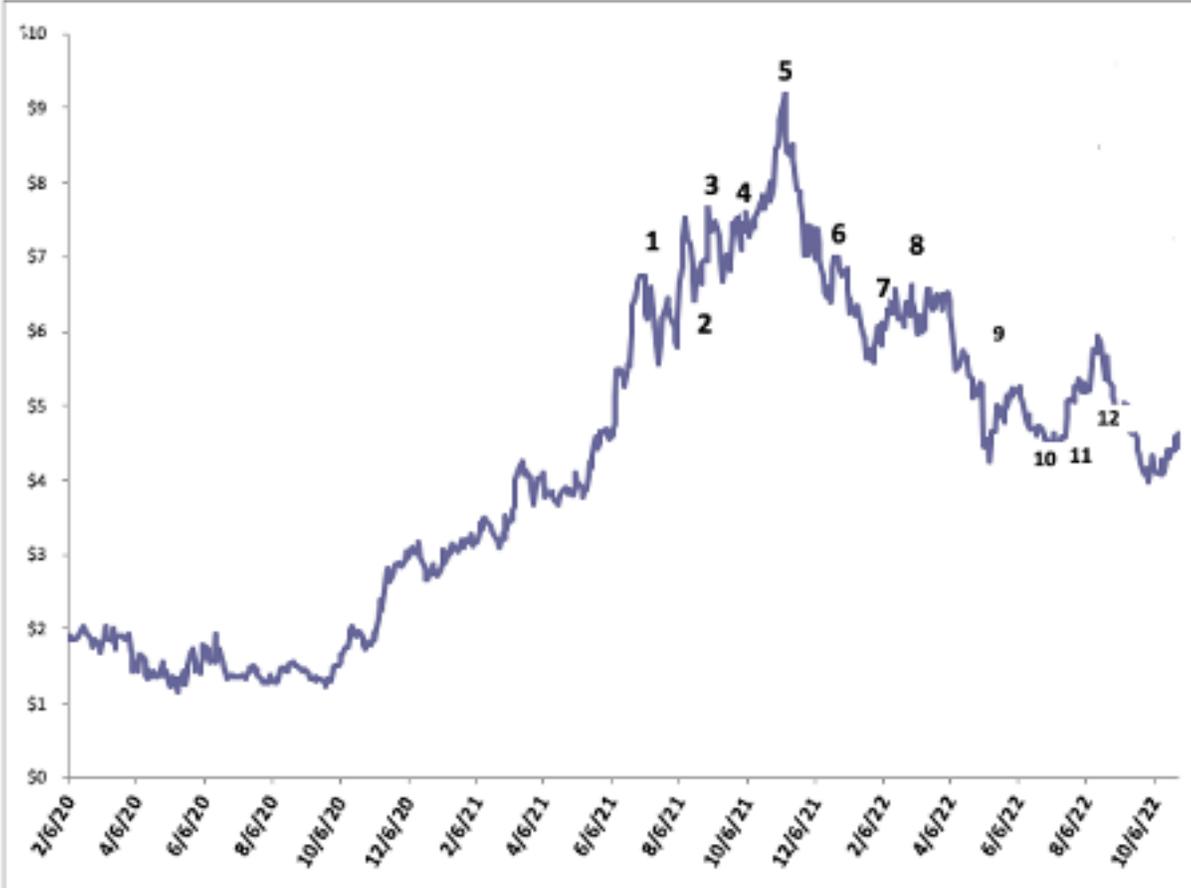
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## Historical Recommendations and Target Prices: Entravision Communications (ticker: EVC)



1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
6	12/20/21	Reaffirmed Buy @ \$6.40, Target Price \$10.00
7	2/2/22	Reaffirmed Buy @ \$5.87, Target Price \$8.00
8	3/4/22	Reaffirmed Buy @ \$6.42, Target Price \$8.50
9	4/15/22	Reaffirmed Buy @ \$5.53, Target Price \$8.50
10	5/6/22	Reaffirmed Buy @ \$5.14, Target Price \$8.00
11	6/9/22	Reaffirmed Buy @ \$5.16, Target Price \$8.00
12	8/25/22	Reaffirmed Buy @ \$5.52, Target Price \$7.50

### 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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