

## Entravision Communications Corporation (EVC)

Barely a Buy--Estimates and PT Drop Again, Primarily on Continued Margin Pressures; Buy

James Dix, CFA

(1) 917 292 4293

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

**Shares are still in search of a catalyst.** EVC shares, down 21% YTD and down 19% over the past three months, may nevertheless struggle to clear the relatively low bar for a catalyst given falling estimates. Management's somewhat cautious tone on advertising fundamentals, noting a likely challenging environment, belies receding recession expectations more broadly (with U.S. GDP +4.9% in 3Q, for example). There were no new updates on digital organic growth initiatives, although we believe EVC continues to pursue for example new relationships with various partners and in various geographies. Our 2023/24 digital OCF margin estimates come down again, to 4.2%/6.1% from 4.9%/6.4%. There are some positives: 1) 3Q digital gross margin met expectations (at 13.9% vs. our 14.0% estimate) after the impact of higher META commissions took effect 7/1, lending support to our view that 3Q was the bottom for digital OCF margins, although the pace of margin recovery is unclear; and 2) there could be upside to our lower 2024 EBITDA estimate, given management's focus on driving 2024 political advertising (e.g., by adding local TV news in Las Vegas), which it has previously soft-circled for ~\$40m in total vs. our \$34m estimate, although the stock market's reward for political ad revenue can be fickle.

**Lower margins weigh on our 2023/24 adjusted EBITDA estimates.** For 4Q, revenue is pacing +4% and +5% pro forma vs. our prior estimates of +9% and +8% pro forma. 4Q core advertising (ex-political) is pacing +15% reported/+13% pro forma for digital, +1% for TV, and -11% for radio vs. our prior comparable estimates of +19% (reported)/+18% PF/-4%/+1%. EVC Latam and EVC Asia are pacing below our prior 4Q estimates, as is the legacy digital business, where Smadex's 2H turn positive--led by the gaming vertical--appears a bit weaker than expected. Our 2023 revenue/EBITDA/EPS estimates go to \$1,098m/\$62.2m/\$0.03 from \$1,111m/\$75.3m/\$0.11. For 2023, 1) one driver of our lower EBITDA estimate is reducing our broadcast segment OCF estimate to \$50.7m from \$57.0m, 2) the other main EBITDA drag is reducing our digital OCF margin estimate to 4.2% from 4.9%, and 3) we trim our estimate for digital revenue growth to 23.5% from 25.0%. See Fig. 3-4 for a summary of our annual estimate changes.

**3Q recap: adjusted EBITDA of \$14.2m (5.2% margin) missed our \$17.9m (6.5% margin) estimate.** See Fig. 2. Revenue growth was basically in line for digital, at +23% reported/+18% pro forma vs. prior pacing of +25% reported/ +17% prior pro forma, with TV revenue -17% vs. prior pacing of -17%, and radio revenue -19% vs. prior pacing of -15%. Reflecting META's strong results, EVC Latam's revenue growth of +18% beat our +17% estimate, but EVC Asia's +24% growth missed our +37% estimate. The legacy digital business returned to growth, with revenue +6% in line with our estimate. TV auto advertising was +14%, on tier 2 and tier 3 strength, matching its growth in 2Q. Core TV advertising was +7% local but -14% national. OCF margins missed across the board, with digital/TV/radio margins at 3.9%/32.7%/19.7% vs. our 4.1%/35.0%/24.8% estimates. EPS was \$0.03, above our \$0.02 loss estimate.

**Our price target goes to \$4.50 from \$5; risks on page 3.** Our PT is supported by a DCF valuation based on explicit financial forecasts through 2028. See Fig. 13.

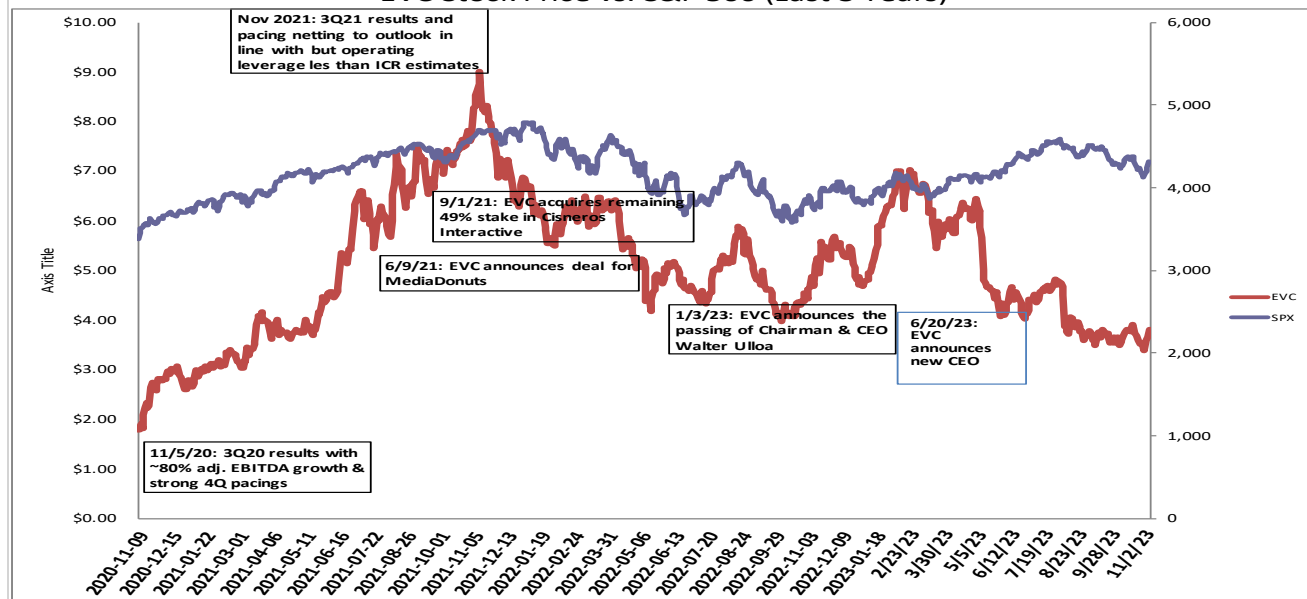
BUY			
Price at 11/2/23 (USD)			3.81
Price Target			4.50
52-week range			3.35 - 7.33
Performance (%)	1m	3m	12m
Absolute	7	-19	-19
S&P 500	1	-4	15
Market Cap (USDm)			343.9
Shares outstanding (m)			90.3
Float (%)			89
Average volume			321,510
S&P 500			4,317.8
Forecasts and ratios			
Year ended 12/31	2022A	2023E	2024E
1Q EPS (USD)	0.02	0.02	0.10
2Q EPS (USD)	0.10	-0.02	0.05
3Q EPS (USD)	0.11	0.03	0.19
4Q EPS (USD)	-0.02	0.00	-0.05
FY EPS (USD)	0.21	0.03	0.29
% Change	-38%	-86%	927%
P/E (x)	18.5	136.3	13.3
EV/EBITDA (x)	4.3	6.8	4.7
Revenue (USDm)	956.2	1,097.2	1,252.9
% Change	26%	15%	14%

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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data)	
		12-month price target: \$4.50	
<b>ENTERPRISE VALUE</b>		<b>COMPANY CHARACTERISTICS AND INVESTMENT THESIS</b>	
Price per share	\$3.81	<b>Company description</b> Entravision operates a digital media business serving the U.S. and roughly 40 international markets, and 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. The company's 2022 revenue by segment was 78% from digital, 15% from TV, and 7% 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."	<b>Strategy</b> Expand digital media operations into fast-growing markets outside the U.S. and manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets. <b>\$280</b>
Diluted shares outstanding	90.3		
Equity market capitalization	344		
+Pro forma net debt	155		
-Hidden value	9		
=Pro forma EV	\$490	<b>Management</b> After the untimely death of former Chairman and CEO Walter Ulloa last December, <b>Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023.</b> Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (as which he has served since 2008, having been with EVC since 2000). <b>Positives</b> * Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Low debt leverage and high free cash flow yield support returns of capital and digital-focused acquisitions * Higher post-pandemic broadcast margins * Most of its TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending <b>Risks</b> * <b>Management succession and corporate control</b> , especially given loss of management voting control triggered by death of prior CEO * Volatility of international media business, reflecting early stage and potential competition * 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 through TV network affiliations and ownership stake may limit strategic flexibility <b>Valuation</b> Attributing most of firm value to digital media business <b>Recent events</b> 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. May 2020 - announced substantial expense costs targeting broadcast operations. <b>Upcoming potential catalysts</b> <b>Recession risk to advertising-based revenue</b> , both in U.S. and internationally - Digital growth initiatives - Advertising in upcoming U.S. election cycle - Changes in capital return/allocation with new senior management	
<b>OPERATING PROJECTIONS</b>			
<b>Pro forma net revenue</b>			
2023	\$1,109		
2022	1,000		
% Chg	10.9%		
<b>Pro forma EBITDA</b>			
2023	\$72		
2022	114		
% Chg	-37.1%		
<b>Pro forma EBITDA margin</b>			
2023	6.5%		
2022	11.4%		
<b>Free cash flow per share</b>			
2023	\$0.29		
2022	\$0.72		
% Chg	-59.7%		
<b>Est. 3-5 yr FCF Growth rate</b>		7%	
<b>VALUATION AND LEVERAGE</b>		<b>Valuation</b>	
<b>Pro forma EV/EBITDA</b>		<b>Recent events</b>	
2023	6.8x	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. May 2020 - announced substantial expense costs targeting broadcast operations.	
2022	4.3x	<b>Upcoming potential catalysts</b>	
<b>Price / Free cash flow per share</b>		<b>Recession risk to advertising-based revenue</b> , both in U.S. and internationally - Digital growth initiatives - Advertising in upcoming U.S. election cycle - Changes in capital return/allocation with new senior management	
2023	13.1x		
2022	5.3x		
<b>Pro forma net debt / EBITDA</b>			
2023	2.2x		
2022	1.4x		
<b>Dividend yield</b>			
2023	5.2%		
2022	2.6%		

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 \$4.50 Price Target

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**Positives supporting our Buy rating include:** 1) EVC's share price is not fully capturing the potential of its digital media assets because their higher growth, different business models and strategic options are more difficult for investors to assess; 2) higher post-pandemic broadcast margins, stability of TV retransmission revenue (35% of 2022E EBITDA) and secular growth of political advertising revenue (31% of 2022E EBITDA), and potential monetization from future spectrum auction (as in 2017) reduce the operating risk profile of overall business; 3) pro forma net debt leverage under 2x and close to 10% free cash flow yield give senior management strategic flexibility; and 4) 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 2023 and 2024.** 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 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) impact of new incoming CEO and change in voting control on company's strategy and pursuit of potential longer-term options, including sale of all or a portion of the company, 2) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, such as a recession, 3) volatility and profitability 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, 4) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business, and 5) risk-off market sentiment as an overhang for valuation of EVC's fast-growing, less mature digital advertising businesses.

Figure 2: 3Q EBITDA missed on margin as revenue was in line, while our 4Q estimates come down for both revenue and EBITDA

Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Results				YoY %CHG			A vs	
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A	Consensus	Consensus
<b>3Q23A</b>									
As Reported									
Revenue	241.0	275.3	(\$0.9)	274.4	14.2%	-0.4%	13.8%	274.0	0.2%
Op Expense	215.1	257.4	2.8	260.2	19.7%	1.3%	21.0%		
Adjusted EBITDA	25.9	17.9	(3.7)	14.2	-31.0%	-14.3%	-45.3%	19.0	-25.3%
Margin	10.8%	6.5%	-1.3%	5.2%				6.9%	-1.8%
Pro Forma EPS	\$0.12	(\$0.02)	+\$0.05	\$0.03	-116.7%	41.7%	-75.0%	\$0.04	-25.0%
FCF/sh (core)	\$0.18	\$0.11	(\$-0.07)	\$0.04	-38.9%	-38.9%	-77.8%		
	Estimates				YoY %CHG			ICR vs	
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
<b>4Q23E</b>									
As Reported									
Revenue	\$221.7	\$323.7	(\$13.2)	\$310.5	46.0%	-6.0%	40.1%	312.0	-0.5%
Op Expense	199.2	293.6	(3.8)	289.7	47.4%	-1.9%	45.4%		
Adjusted EBITDA	22.5	30.2	(9.4)	20.8	34.3%	-41.8%	-7.5%	26.0	-20.0%
Margin	10.1%	9.3%	-2.6%	6.7%				8.3%	-1.6%
Pro Forma EPS	\$0.11	\$0.13	(\$-0.13)	\$0.00	18.2%	-118.2%	-100.0%	\$0.13	-100.0%
FCF/sh (core)	\$0.16	\$0.27	(\$-0.08)	\$0.19	68.8%	-50.0%	18.8%		
* pro forma reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 3: Our 2023 EBITDA estimate drops below consensus, while our lower 2024 EBITDA estimate remains slightly above consensus

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
	Last Yr	Estimates			YoY %CHG			Consensus	ICR vs Consensus
		Prior	Chg	Current	Prior	Chg	Current		
<b>2023E</b>									
As Reported									
Revenue	956.2	1,111.3	(14.1)	1,097.2	16.2%	-1.5%	14.7%	1,094	0.3%
Op expense	853.2	1,036.0	(1.0)	1,035.0	21.4%	-0.1%	21.3%		
Adjusted EBITDA	103.1	75.3	(13.1)	62.2	-26.9%	-12.7%	-39.7%	73.0	-14.8%
EPS	\$0.21	\$0.11	(\$0.08)	\$0.03	-45.5%	-40.9%	-86.4%	\$0.17	-83.6%
Cash FCF/sh	\$0.72	\$0.44	(\$0.15)	\$0.29	-38.9%	-20.8%	-59.7%		
<b>2024E</b>									
As Reported									
Revenue	1,097.2	1,262.4	(9.5)	1,252.9	15.1%	-0.9%	14.2%	1,259	-0.5%
Op expense	1,035.0	1,151.3	(2.6)	1,148.7	11.2%	-0.3%	11.0%		
Adjusted EBITDA	62.2	111.1	(6.9)	104.2	78.7%	-11.1%	67.6%	102.0	2.2%
EPS	\$0.03	\$0.31	(\$0.03)	\$0.29	1020.8%	NM	NM	\$0.41	-30.0%
Cash FCF/sh	\$0.29	\$0.95	(\$0.23)	\$0.72	227.6%	-79.3%	148.3%		
* pro forma reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 4: Main drivers of lower digital segment OCF estimates are EVC Latam and EVC Asia

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	Consensus	ICR vs Consensus
<b>2023E</b>									
As Reported									
Legacy Digital Revenue	103.7	115.1	(4.5)	110.7	11.0%	-4.3%	6.7%		
Legacy Digital Opex	89.4	107.0	(5.2)	101.8	19.7%	-5.8%	13.9%		
Legacy Digital OCF	14.3	8.1	0.7	8.9	-43.0%	5.2%	-37.9%		
Margin	13.8%	7.1%	1.0%	8.0%					
EVC Latam Revenue	508.8	595.6	(2.4)	593.2	17.0%	-0.5%	16.6%		
EVC Latam Opex	480.2	569.4	4.1	573.4	18.6%	0.8%	19.4%		
EVC Latam OCF	28.6	26.2	(6.5)	19.8	-8.4%	-22.6%	-31.0%		
Margin	5.6%	4.4%	-1.1%	3.3%					
EVC Asia Revenue	89.5	120.9	(6.9)	114.0	35.0%	-7.7%	27.3%		
EVC Asia Opex	84.2	113.7	(4.4)	109.3	35.1%	-5.2%	29.9%		
EVC Asia OCF	5.3	7.2	(2.5)	4.7	34.8%	-47.2%	-12.4%		
Margin	6.0%	6.0%	-1.9%	4.1%					
EVC Africa Revenue	11.4	9.0	(1.5)	7.5	-21.1%	-13.1%	-34.2%		
EVC Africa Opex	10.7	10.5	(1.0)	9.5	-2.3%	-9.0%	-11.3%		
EVC Africa OCF	0.7	(1.4)	(0.5)	(2.0)	-296.8%	NM	NM		
Margin	6.4%	-16.0%	-10.3%	-26.2%					
Jack of Digital Revenue	1.7	5.7	0.0	5.7	NM	NM	NM		
Jack of Digital Opex	1.6	5.5	0.0	5.5	NM	NM	NM		
Jack of Digital OCF	0.1	0.2	0.0	0.2	NM	NM	NM		
Margin	3.5%	3.2%	0.0%	3.2%					
Adsmurai Revenue	31.7	77.1	4.7	81.8	143.1%	14.8%	157.9%		
Adsmurai Opex	28.5	74.3	3.5	77.8	161.1%	12.1%	173.3%		
Adsmurai OCF	3.3	2.8	1.2	4.0	-14.2%	38.1%	23.9%		
Margin	10.3%	3.6%	1.3%	4.9%					
BCNMonetize Revenue	0.0	10.6	(0.8)	9.8	NM	NM	NM		
BCNMonetize Opex	0.0	7.9	(1.1)	6.8	NM	NM	NM		
BCNMonetize OCF	0.0	2.7	0.3	2.9	NM	NM	NM		
Margin	NM	25.2%	4.7%	29.9%					
Digital Segment Revenue	747.1	934.1	(11.4)	922.7	25.0%	-1.5%	23.5%	916	0.7%
Digital Segment Opex	698.1	888.3	(4.1)	884.2	27.2%	-0.6%	26.7%		
Digital Segment OCF	49.0	45.8	(7.3)	38.5	-6.6%	-14.9%	-21.5%		
Margin	6.6%	4.9%	-0.7%	4.2%					
<b>2024E</b>									
As Reported									
Legacy Digital Revenue	110.7	131.1	(4.9)	126.2	18.4%	-4.4%	14.0%		
Legacy Digital Opex	101.8	122.4	(6.0)	116.4	20.3%	-5.9%	14.4%		
Legacy Digital OCF	8.9	8.7	1.1	9.8	-2.5%	12.6%	10.1%		
Margin	8.0%	6.6%	1.1%	7.7%					
EVC Latam Revenue	593.2	669.3	(2.7)	666.6	12.8%	-0.5%	12.4%		
EVC Latam Opex	573.4	632.4	0.6	633.0	10.3%	0.1%	10.4%		
EVC Latam OCF	19.8	36.9	(3.3)	33.6	86.7%	-16.7%	70.1%		
Margin	3.3%	5.5%	-0.5%	5.0%					
EVC Asia Revenue	114.0	134.5	(3.1)	131.4	17.9%	-2.7%	15.2%		
EVC Asia Opex	109.3	124.7	(1.1)	123.6	14.0%	-1.0%	13.0%		
EVC Asia OCF	4.7	9.8	(2.0)	7.8	109.7%	-43.0%	66.8%		
Margin	4.1%	7.3%	-1.4%	5.9%					
EVC Africa Revenue	7.5	14.8	0.0	14.8	96.0%	0.0%	96.0%		
EVC Africa Opex	9.5	14.3	0.0	14.3	50.5%	0.0%	50.5%		
EVC Africa OCF	(2.0)	0.5	0.0	0.5	-122.9%	NM	NM		
Margin	-26.2%	3.1%	0.0%	3.1%					
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	38.2%	0.0%	38.2%		
Jack of Digital OCF	0.2	1.4	0.0	1.4	NM	NM	NM		
Margin	3.2%	15.4%	0.0%	15.4%					
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	9.8	16.8	0.0	16.8	72.0%	0.0%	72.0%		
BCNMonetize Opex	6.8	12.0	0.0	12.0	74.6%	0.0%	74.6%		
BCNMonetize OCF	2.9	4.8	0.0	4.8	65.7%	0.0%	65.7%		
Margin	29.9%	28.8%	0.0%	28.8%					
Digital Segment Revenue	922.7	1,064.3	(10.7)	1,053.6	15.3%	-1.2%	14.2%	1,014	3.9%
Digital Segment Opex	884.2	996.7	(6.5)	990.2	12.7%	-0.7%	12.0%		
Digital Segment OCF	38.5	67.6	(4.2)	63.4	75.6%	-10.9%	64.8%		
Margin	4.2%	6.4%	-0.3%	6.0%					

\* pro forma reflects announced acquisitions and dispositions  
 Note: Digital segment estimates did not include EVC Africa at beginning of 2022.  
 Source: Company reports, FactSet, Industry Capital Research estimates

Figure 5: Our discounted cash flow valuation range remains \$4.50-\$5.00 per share, assuming that lower 2023 EBITDA base will feed rebound

Entravision Communications														
Summary of Changes to Forecast and Valuation														
CAGRs	2023		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	2022-26	2023-27	2024-28					
Prior	1,111.3	75.3	\$4.50	\$5.00	16%	5%	6%	11%	11%	4.7%	4.5%	9.7%	11.5%	7.8%
Current	1,097.2	62.2	\$4.50	\$5.00	11%	4%	5%	15%	15%	4.8%	4.4%	9.7%	11.4%	7.8%
Delta	-14.1	-13.1	\$0.00	\$0.00	-5.4%	-1.3%	-1.1%	4.1%	4.1%	0.1%	-0.1%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Figure 6: Digital segment forecast assumes that 4Q revenue seasonality will help spark OCF margin recovery that will continue into 2024

In millions, except unit data	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>Legacy</b>														
Revenue	\$68.9	\$54.1	\$68.7	\$22.0	\$27.9	\$27.8	\$26.0	\$103.7	\$23.1	\$27.9	\$29.3	\$30.4	\$110.7	\$126.2
Cost of Revenue	36.8	30.6	39.2	13.0	15.9	16.1	15.4	60.4	13.4	16.5	17.1	17.7	64.7	73.8
Opex ex-cost of revenue	32.3	24.5	23.8	6.9	7.5	6.7	7.9	29.0	8.9	9.6	9.3	9.4	37.1	42.7
OCF	(0.1)	(1.0)	5.7	2.1	4.5	5.0	2.7	14.3	0.8	1.8	3.0	3.3	8.9	9.8
<i>Legacy Digital OCF Margin</i>	-0.2%	-1.9%	8.3%	9.5%	16.1%	18.0%	10.4%	13.8%	3.4%	6.5%	10.2%	10.9%	8.0%	7.7%
<b>Acquisitions Since 2020-Stand Alone</b>														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.3	143.1	508.8	129.0	150.5	151.8	161.9	593.2	666.6
Entravision Latam cost of revenue	136.2	201.7	401.7	101.2	111.0	114.4	126.8	453.4	118.6	137.4	142.4	149.4	547.9	610.5
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	5.4	6.9	7.5	7.0	26.8	4.6	7.1	5.2	8.6	25.5	22.5
Entravision Latam OCF	9.9	14.2	29.1	5.9	7.0	6.4	9.3	28.6	5.7	5.9	4.2	3.9	19.8	33.6
<i>Entravision Latam OCF Margin</i>	6.2%	6.1%	6.4%	5.2%	5.6%	5.0%	6.5%	5.6%	4.5%	3.9%	2.8%	2.4%	3.3%	5.0%
Entravision Asia revenue		28.5	52.5	17.2	18.9	21.2	32.3	89.5	23.2	28.2	26.2	36.5	114.0	131.4
Entravision Asia cost of revenue		20.9	40.0	14.1	15.7	17.7	27.4	74.9	19.4	23.6	22.2	30.9	96.0	109.9
Entravision Asia opex ex-cost of revenue		2.5	7.2	2.2	2.0	2.3	2.8	9.3	3.0	3.9	3.4	3.1	13.3	13.7
Entravision Asia OCF		5.0	5.3	0.9	1.2	1.2	2.1	5.3	0.8	0.7	0.650	2.5	4.7	7.8
<i>Entravision Asia OCF Margin</i>		17.7%	10.0%	5.2%	6.2%	5.7%	6.5%	6.0%	3.3%	2.6%	2.5%	7.0%	4.1%	5.9%
Entravision Africa revenue			1.9	2.1	2.8	2.9	3.6	11.4	2.1	1.9	2.0	1.5	7.5	14.8
Entravision Africa cost of revenue			1.5	1.7	2.3	2.4	2.5	8.9	1.7	1.6	1.6	1.2	6.0	11.8
Entravision Africa opex ex-cost of revenue			0.2	0.3	0.4	0.4	0.7	1.8	0.8	0.8	1.0	1.0	3.5	2.5
Entravision Africa OCF			0.2	0.1	0.1	0.1	0.4	0.7	(0.4)	(0.4)	(0.528)	(0.6)	(2.0)	0.5
<i>Entravision Africa OCF Margin</i>			11.5%	4.3%	5.0%	3.4%	11.1%	6.4%	-17.5%	-23.3%	-25.8%	-42.6%	-26.2%	3.1%
Jack of Digital revenue			0.0	0.6	0.8	0.3	1.4	3.1	0.7	1.6	1.7	1.8	5.7	9.0
Jack of Digital cost of revenue			0.0	0.4	0.6	0.2	1.0	2.3	0.6	1.3	1.2	1.3	4.3	6.9
Jack of Digital opex ex-cost of revenue			0.0	0.1	0.1	0.1	0.3	0.6	0.2	0.4	0.4	0.2	1.2	0.8
Jack of Digital OCF			0.0	0.1	0.1	(0.0)	0.1	0.2	(0.1)	(0.0)	0.1	0.3	0.2	1.4
<i>Jack of Digital OCF Margin</i>			21.6%	12.3%	10.4%	-13.3%	7.1%	6.9%	-14.3%	-2.8%	3.2%	15.6%	3.2%	15.4%
Adsmurai revenue				9.4	15.7	11.9	23.7	60.7	18.4	19.0	16.5	28.0	81.8	88.9
Adsmurai cost of revenue				7.6	12.5	9.4	18.8	48.3	14.6	15.0	13.0	22.2	64.8	70.4
Adsmurai opex ex-cost of revenue				1.8	2.5	2.5	1.6	8.4	3.5	3.1	3.0	3.5	13.0	12.9
Adsmurai OCF				0.0	0.7	(0.1)	3.3	4.0	0.3	0.9	0.469	2.4	4.0	5.6
<i>Adsmurai OCF Margin</i>				0.1%	4.8%	-0.4%	13.9%	6.6%	1.8%	4.6%	2.8%	8.5%	4.9%	6.3%
BCNMonetize revenue		0.0		4.0	4.1	3.2	3.8	15.1	3.3	1.8	4.0	5.0	14.0	16.8
BCNMonetize cost of revenue		0.0		1.8	1.8	1.4	1.7	6.8	1.5	0.8	1.8	2.2	6.3	7.6
BCNMonetize opex ex-cost of revenue		0.0		0.2	0.6	1.0	0.6	2.5	0.2	0.6	1.0	1.1	3.0	4.4
BCNMonetize OCF		0.0		1.9	1.7	0.8	1.5	5.8	1.6	0.4	1.2	1.6	4.7	4.8
<i>BCNMonetize OCF Margin</i>				48.8%	40.4%	23.8%	38.7%	38.6%	47.5%	20.5%	29.3%	32.0%	33.4%	28.8%
<b>Digital segment pro forma, ex-foreign exchange</b>														
Digital revenue	228.3	315.9	577.0	167.8	195.1	195.6	233.9	792.3	199.7	230.9	231.5	265.0	927.0	1,053.6
Digital cost of revenue	173.0	253.2	482.3	139.8	159.8	161.7	193.6	655.0	169.7	196.2	199.3	224.8	790.0	890.7
Digital opex ex-cost of revenue	45.5	45.4	54.9	17.0	19.9	20.5	20.9	78.3	21.2	25.5	23.2	26.8	96.7	99.5
Digital OCF	9.8	17.3	39.7	11.0	15.3	13.4	19.4	59.1	8.7	9.2	9.0	13.3	40.3	63.4
<b>Digital segment as reported</b>														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.4	229.9	231.5	265.0	922.7	1,053.6
Digital cost of revenue	36.8	106.9	466.7	129.9	145.0	157.2	192.0	624.0	168.3	195.7	199.3	224.8	788.1	890.7
Digital opex	32.3	30.6	51.3	15.2	17.3	19.1	22.6	74.1	21.0	25.2	23.2	26.8	96.1	99.5
Digital OCF	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.1	9.0	9.0	13.3	38.5	63.4
<i>Digital OCF Margin</i>	-0.2%	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.6%	3.6%	3.9%	3.9%	5.0%	4.2%	6.0%



Metrics	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>Legacy growth</b>														
Legacy digital revenue growth		-21.4%	26.9%	69.5%	82.4%	59.8%	13.0%	51.0%	4.9%	0.0%	5.5%	16.8%	6.7%	14.0%
2-yr CAGR		-18.2%	-0.2%	28.5%	56.6%	42.7%	28.4%	38.4%	33.3%	35.1%	29.8%	14.9%	26.9%	10.3%
Legacy digital opex growth		-24.1%	-2.8%	17.4%	34.2%	2.4%	36.0%	21.7%	28.4%	28.3%	38.2%	18.7%	28.0%	15.0%
Legacy digital cost of revenue growth		-16.6%	27.8%	76.9%	83.4%	61.8%	16.7%	54.2%	3.4%	3.6%	6.1%	14.8%	7.1%	14.0%
Legacy digital OCF growth		822.5%	-661.1%	-948.4%	335.2%	450.7%	-32.5%	151.1%	-63.0%	-59.5%	-40.2%	22.2%	-37.9%	10.1%
<b>Entravision Latam growth</b>														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.0%	7.0%	12.1%	14.7%	20.5%	18.3%	13.1%	16.6%	12.4%
2-yr CAGR			68.7%	67.2%	72.4%	55.2%	21.0%	47.7%	20.7%	14.4%	14.1%	10.0%	14.3%	14.5%
Entravision Latam opex ex-COR growth		31.5%	32.5%	16.8%	9.7%	48.9%	-1.0%	16.4%	-15.3%	3.6%	-30.8%	22.6%	-4.9%	-11.6%
Entravision Latam cost of revenue growth		48.0%	99.2%	30.4%	10.6%	9.3%	6.5%	12.9%	17.2%	23.8%	24.5%	17.9%	20.8%	11.4%
Entravision Latam OCF		43%	105%	-6%	-15%	-8%	22%	-2%	-2%	-16%	-34%	-58%	-31%	70%
<b>Entravision Asia growth</b>														
Entravision Asia revenue growth y/y				79.1%	57.1%	75.2%	71.8%	70.6%	34.9%	49.6%	23.5%	12.9%	27.3%	15.2%
2-yr CAGR				133.7%	113.9%	64.0%	55.8%	77.4%	55.4%	53.3%	47.1%	39.2%	47.4%	21.1%
Entravision Asia opex ex-COR growth y/y				86.4%	-16.5%	69.9%	21.0%	28.4%	37.7%	94.1%	46.6%	9.4%	43.5%	2.5%
Entravision Asia cost of revenue growth y/y				96%	87%	82%	87%	87%	38%	50%	25%	13%	28%	14%
Entravision Asia OCF growth y/y				-27%	-4%	17%	15%	1%	-14%	-37%	-46%	21%	-12%	67%
<b>Entravision Africa growth</b>														
Entravision Africa revenue growth y/y									-2.8%	-32.4%	-29.3%	-58.2%	-34.2%	96.0%
Entravision Africa opex ex-COR growth y/y									132.1%	116.8%	145.1%	39.2%	95.8%	-28.0%
Entravision Africa cost of revenue growth y/y									-3%	-33%	-33%	-53%	-33%	97%
Entravision Africa OCF growth y/y									-496%	-414%	-628%	-260%	-370%	-123%
<b>Jack of Digital growth</b>														
Jack of Digital revenue growth y/y													86.2%	58.0%
Jack of Digital opex ex-COR growth y/y													116.4%	-37.3%
Jack of Digital cost of revenue growth y/y													88%	59%
Jack of Digital OCF growth y/y													-13%	653%
<b>Adsmurai growth</b>														
Adsmurai revenue growth y/y									95.1%	21.0%	38.9%	18.1%	34.9%	8.6%
Adsmurai opex ex-COR growth y/y													54.7%	-0.5%
Adsmurai cost of revenue growth y/y													34%	9%
Adsmurai OCF growth y/y													1%	38%
<b>BCNMonetize growth</b>														
BCNMonetize revenue growth y/y									-17.4%	-56.3%	23.5%	32.4%	-6.8%	19.7%
BCNMonetize opex ex-COR growth y/y									0.0%	3.3%	1.6%	86.8%	23.1%	45.1%
BCNMonetize cost of revenue growth y/y									-18%	-56%	23%	32%	-7%	20%
BCNMonetize OCF growth y/y									-20%	-78%	52%	9%	-19%	3%
<b>Digital segment growth</b>														
Digital revenue, PF, excluding Adsmurai									14%	18%	17%	13%	16%	14%
Digital revenue, SS									15%	20%	16%	12%	16%	
Digital revenue, PF									19%	18%	18%	13%	17%	14%
Digital revenue									28%	32%	23%	15%	24%	14%
Digital cost of revenue									30%	35%	27%	17%	26%	13%
Digital opex ex-cost of revenue									38%	46%	21%	19%	30%	4%
Digital OCF									-17%	-26%	-29%	-15%	-21%	65%
<b>Digital Segment reported revenue mix:</b>														
Digital as % of company revenue	25%	42%	73%	78%	79%	78%	78%	78%	82%	84%	84%	85%	84%	84%
Entravision Latam Interactive as % of digital segment		62%	82%	73%	72%	68%	62%	68%	66%	65%	66%	61%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	11%	14%	12%	12%	13%	11%	12%	12%
Entravision Asia as % of digital segment revenue		0%	6%	11%	11%	11%	14%	12%	12%	12%	11%	14%	12%	12%
Entravision Africa as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%
Jack of Digital as % of digital segment revenue		0%	0%	0%	0%	0%	1%	0%	0%	1%	1%	1%	1%	1%
Adsmurai as % of digital segment revenue		0%	0%	6%	6%	6%	10%	8%	9%	8%	7%	11%	9%	8%
BCNMonetize as % of digital segment revenue		0%	0%	6%	9%	6%	10%	8%	9%	8%	7%	11%	9%	8%
<b>Digital Segment reported OCF mix:</b>														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	68%	58%	51%	60%	58%	80%	65%	47%	29%	51%	53%
Legacy digital as % of digital segment OCF		-18%	15%	24%	37%	39%	17%	29%	11%	20%	33%	25%	23%	15%
Entravision Asia as % of digital segment OCF		0%	8%	10%	10%	9%	13%	11%	11%	8%	7%	19%	12%	12%
Entravision Africa as % of digital segment OCF		0%	1%	1%	1%	1%	3%	1%	-5%	-5%	-6%	-5%	-5%	1%
Jack of Digital as % of digital segment OCF		0%	0%	1%	1%	0%	1%	0%	-1%	0%	1%	2%	0%	2%
Adsmurai as % of digital segment OCF		0%	0%	0%	0%	0%	21%	7%	5%	10%	5%	18%	11%	9%
BCNMonetize as % of digital segment OCF		0%	0%	0%	0%	0%	0%	0%	0%	2%	13%	12%	8%	8%

Note: Legacy digital is EVC's digital segment excluding acquisitions since 2020. Source: Industry Capital Research estimates and company data

Figure 7: Broadcast revenue drivers—Television segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>TELEVISION SEGMENT</b>													
Television PF Rev Growth	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-1.8%	-1.8%	-1.8%	-32.2%	-11.5%	9.9%
Reported TV revenue	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.3	\$29.9	\$29.6	\$31.3	\$121.1	\$141.1
Growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
TV non-recurring items:													
TV Political/Census	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	27.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	27.6
TV revenue ex political	131.9	146.1	29.6	29.6	29.3	31.1	119.5	30.3	29.9	29.6	31.0	120.8	113.6
Growth ex Political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.9%	-0.1%	1.1%	-6.0%
Retransmission Consent	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	8.9	8.9	36.7	37.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	8.9	8.9	36.7	37.4
TV revenue ex Retrans	117.7	109.9	21.7	23.3	26.8	36.9	108.7	20.7	20.6	20.7	22.4	84.4	103.7
Growth ex Retrans	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.0%	-1.1%	-4.5%	-11.6%	-22.8%	-39.4%	-22.4%	22.9%
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
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%
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
TV revenue ex WC	154.5	144.8	30.9	32.4	35.7	45.8	144.7	30.3	29.9	29.6	31.3	121.1	141.1
Growth ex WC	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.3)	(27.1)	(6.4)	(6.0)	(7.1)	(7.2)	(26.7)	(23.9)
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%
Incremental M&A	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.3)	(27.1)	(6.4)	(6.0)	(7.1)	(7.2)	(26.7)	(23.9)
TV revenue ex M&A	163.9	156.6	37.4	38.5	42.8	53.1	171.8	36.7	35.9	36.6	38.5	147.7	165.0
Growth ex M&A	2.3%	-4.4%	-2.0%	7.9%	9.2%	21.8%	9.7%	-1.8%	-6.7%	-14.5%	-27.6%	-14.0%	11.7%
Spectrum usage/auktion	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.5	8.3
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%
Incremental Spectrum Usage	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.5	8.3
TV revenue ex Spectrum Usage	149.0	140.7	29.3	30.7	34.1	44.0	138.1	28.2	27.8	27.5	29.2	112.6	132.8
Growth ex Spectrum Usage	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	12.5%	-1.8%	-4.0%	-9.5%	-19.4%	-33.7%	-18.5%	17.9%
PF TV revenue ex-all non-recurring	99.2	110.7	25.4	25.0	25.9	27.7	104.0	25.0	24.4	25.6	27.3	102.3	91.7
PF TV revenue growth ex all non-recurring	-11.2%	11.7%	-1.3%	1.0%	-4.4%	-16.5%	-6.1%	-1.6%	-2.3%	-1.1%	-1.5%	-1.6%	-10.4%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.4%	0.7%	22.8%	1.9%	-7.8%	2.4%	-1.4%	-0.7%	-2.8%	-9.3%	-3.9%	-6.1%
PF TV advertising growth ex-political	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-31.6%	-25.3%	-1.6%	-2.3%	-1.1%	-1.5%	-1.6%	-10.4%
TV ad rev grth ex political 2-yr CAGR	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-16.6%	-7.4%	-11.4%	-11.7%	-15.3%	-17.9%	-14.3%	-6.1%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.9%	-0.1%	1.1%	-6.0%
TV rev grth ex political 2-yr CAGR	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-11.2%	-4.8%	-8.4%	-6.3%	-9.5%	-11.8%	-9.1%	-2.5%
PF TV advertising growth	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	16.4%	-1.6%	-7.9%	-14.7%	-26.2%	-42.2%	-25.7%	25.6%

Source: Industry Capital Research estimates and company data.

Figure 8: Broadcast revenue drivers—Radio segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>RADIO SEGMENT</b>													
Radio PF Rev Growth	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-1.5%	-5.1%	-20.0%	-22.5%	-13.7%	8.0%
Pro forma radio:													
Revenue	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$20.4	\$64.4	\$12.2	\$13.5	\$13.4	\$14.3	\$53.4	\$58.1
Growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Radio non-recurring items:													
Political/Census	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
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%
Incremental political	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.4	14.2	53.3	52.0
Growth ex Political	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-10.7%	-11.2%	-7.4%	-2.4%
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
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%
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
Radio revenue ex NTR	39.5	39.5	12.6	14.9	16.5	20.4	39.5	12.2	13.5	13.4	14.3	39.5	39.5
Growth ex NTR	3.0%	0.0%	11.4%	5.8%	0.1%	26.3%	0.0%	-3.0%	-9.4%	-18.7%	-29.9%	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%
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
Radio revenue ex WC	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.4	14.3	53.4	58.1
Growth ex WC	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Revenue	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.4	14.2	53.3	52.0
Radio revenue growth ex all non-recurring	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-10.7%	-11.2%	-7.4%	-2.4%
Radio rev grth ex all non-rec 2-yr CAGR	-19.2%	2.0%	7.1%	52.3%	20.5%	10.0%	19.4%	3.9%	-2.0%	-8.3%	-5.5%	-3.4%	-4.9%

Source: Industry Capital Research estimates and company data.

Figure 9: Broadcast opex drivers

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>OPERATING EXPENSE</b>													
Television PF Opex Growth	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	4.5%	4.5%	4.5%	-12.8%	-0.1%	3.5%
Radio PF Opex Growth	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	17.1%	15.0%	-3.0%	-1.0%	6.7%	7.9%
Pro forma consolidated:													
<b>Opex ex-cost of revenue</b>	<b>\$153.3</b>	<b>\$172.9</b>	<b>\$43.9</b>	<b>\$47.4</b>	<b>\$49.3</b>	<b>\$57.2</b>	<b>\$197.8</b>	<b>\$52.1</b>	<b>\$56.7</b>	<b>\$53.8</b>	<b>\$57.3</b>	<b>\$219.9</b>	<b>\$229.6</b>
Growth	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	18.7%	19.8%	9.2%	0.1%	11.2%	4.4%
Non-recurring opex items:													
M&A (acquisitions since 2020)	5.7	27.5	7.9	9.3	10.2	10.5	37.9	8.4	11.8	9.5	12.6	42.3	38.7
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%
Incremental Cisneros	5.7	27.5	7.9	9.3	10.2	10.5	37.9	8.4	11.8	9.5	12.6	42.3	38.7
Opex ex Cisneros adjustment	147.6	145.5	35.9	38.1	39.1	46.7	159.9	43.7	44.9	44.3	44.7	177.6	190.8
Growth ex Cisneros	-14.9%	-1.5%	0.8%	8.9%	7.2%	22.0%	9.9%	21.6%	17.9%	13.3%	-4.4%	11.1%	7.5%
<b>Fixed &amp; variable cost reductions</b>	<b>(27.2)</b>	<b>(32.8)</b>	<b>(5.8)</b>	<b>(7.0)</b>	<b>(12.8)</b>	<b>(11.6)</b>	<b>(37.2)</b>	<b>(6.5)</b>	<b>(7.7)</b>	<b>(12.9)</b>	<b>(10.8)</b>	<b>(37.8)</b>	<b>(39.9)</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%
Incremental cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.5)	(7.7)	(12.9)	(10.8)	(37.8)	(39.9)
Opex ex cost reductions adjustment	180.5	205.7	49.7	54.4	62.0	68.8	235.0	6.5	7.7	12.9	10.8	37.8	39.9
Growth ex cost reductions	4.1%	14.0%	9.4%	15.0%	14.1%	17.4%	14.2%	-87.0%	-85.8%	-79.3%	-84.3%	-83.9%	5.7%
<b>Salary true-up</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>2.3</b>	<b>0.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>2.6</b>	<b>2.7</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%
Incremental salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.6	2.7
Opex ex salary true-up	151.3	170.9	43.9	46.6	48.6	56.5	195.5	0.0	(0.9)	(0.9)	(0.8)	(2.6)	(2.7)
Growth ex salary true-up	-12.7%	13.0%	8.5%	14.3%	14.7%	19.1%	14.4%	-100.0%	-102.0%	-101.8%	-101.4%	-101.3%	5.3%
<b>Opex ex-non-recurring</b>	<b>172.8</b>	<b>176.3</b>	<b>41.8</b>	<b>44.4</b>	<b>51.1</b>	<b>57.5</b>	<b>194.8</b>	<b>50.2</b>	<b>51.7</b>	<b>56.3</b>	<b>54.7</b>	<b>212.8</b>	<b>228.0</b>
Opex growth ex all non-recurring	-0.3%	2.0%	2.7%	10.4%	8.3%	19.3%	10.5%	20.1%	16.5%	10.1%	-5.0%	9.2%	7.2%
<b>Opex grth ex all non-rec 2-yr CAGR</b>	<b>-1.1%</b>	<b>0.8%</b>	<b>1.8%</b>	<b>6.3%</b>	<b>6.5%</b>	<b>9.2%</b>	<b>6.2%</b>	<b>11.1%</b>	<b>13.4%</b>	<b>9.2%</b>	<b>6.4%</b>	<b>9.9%</b>	<b>8.2%</b>
<b>Revenue-driven variable expense</b>	<b>31.7</b>	<b>32.3</b>	<b>6.5</b>	<b>7.3</b>	<b>8.3</b>	<b>11.1</b>	<b>33.3</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>	<b>6.9</b>	<b>25.9</b>	<b>30.7</b>
Non-sales opex ex-non-recurring	141.1	143.9	35.2	37.0	42.8	46.4	161.5	44.0	45.3	49.9	47.7	186.9	197.3
Non-sales opex growth ex all non-recurring	-0.7%	2.0%	4.6%	13.6%	10.6%	19.1%	12.2%	25.0%	22.3%	16.6%	2.8%	15.8%	5.6%
<b>Non-sales opex grth ex all non-rec 2-yr CAGR</b>	<b>-0.1%</b>	<b>0.6%</b>	<b>4.5%</b>	<b>3.4%</b>	<b>7.1%</b>	<b>12.1%</b>	<b>7.0%</b>	<b>14.3%</b>	<b>17.8%</b>	<b>13.5%</b>	<b>10.7%</b>	<b>14.0%</b>	<b>10.6%</b>

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. Source: Industry Capital Research estimates and company data.

Figure 10: Financial statement forecasts supporting our valuation

In millions, except per share data		2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>AS REPORTED</b>														
Net revenue:														
Television		\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.3	29.9	29.552	31.3	121.1	141.1
Radio		46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.378	14.3	53.4	58.1
Net broadcast revenue		200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.5	43.5	42.9	45.5	174.5	199.3
Digital		143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.4	229.9	231.487	265.0	922.7	1,053.6
<b>Total net revenue (core)</b>		<b>344.0</b>	<b>760.2</b>	<b>197.2</b>	<b>221.7</b>	<b>241.0</b>	<b>296.3</b>	<b>956.2</b>	<b>238.9</b>	<b>273.4</b>	<b>274.4</b>	<b>310.5</b>	<b>1,097.2</b>	<b>1,252.9</b>
Revenue from spectrum usage rights		0.0	0.0					0.0					0.0	0.0
Total net revenue		344.0	760.2	197.2	221.7	241.0	296.3	956.2	238.9	273.4	274.4	310.5	1,097.2	1,252.9
Cost of Revenue														
Television														
Radio														
Digital		106.9	466.5	129.9	145.0	157.2	192.0	624.0	168.3	195.7	199.3	224.8	788.1	890.7
Digital cost of revenue as % of revenue		74.6%	84.0%	84.5%	83.1%	83.2%	83.4%	83.5%	85.7%	85.1%	86.1%	84.9%	85.4%	84.5%
<b>Total cost of revenue (core)</b>		<b>106.9</b>	<b>466.5</b>	<b>129.9</b>	<b>145.0</b>	<b>157.2</b>	<b>192.0</b>	<b>624.0</b>	<b>168.3</b>	<b>195.7</b>	<b>199.3</b>	<b>224.8</b>	<b>788.1</b>	<b>890.7</b>
Cost of revenue from spectrum usage rights (television)														
Total cost of revenue		106.9	466.5	129.9	145.0	157.2	192.0	624.0	168.3	195.7	199.3	224.8	788.1	890.7
Opex														
Television opex		80.9	81.4	19.2	19.7	20.0	23.0	82.0	20.1	19.9	19.9	20.3	80.1	82.9
Radio opex		41.8	40.0	9.4	10.4	10.2	11.7	41.7	11.0	11.7	10.7	10.3	43.7	47.1
Digital opex		30.6	51.5	15.2	17.3	19.1	22.6	74.1	21.0	25.2	23.2	26.8	96.1	99.5
<b>Total opex (core)</b>		<b>153.3</b>	<b>172.9</b>	<b>43.9</b>	<b>47.4</b>	<b>49.3</b>	<b>57.2</b>	<b>197.8</b>	<b>52.1</b>	<b>56.7</b>	<b>53.8</b>	<b>57.3</b>	<b>219.9</b>	<b>229.6</b>
Spectrum usage rights														
Total Opex		153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	56.7	53.8	57.3	219.9	229.6
OCF														
Television OCF		73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.2	\$10.1	\$9.7	\$11.0	41.0	58.2
TV OCF Margin		47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	33.7%	33.6%	32.7%	35.2%	33.8%	41.2%
Incremental Margin		173.4%	106.6%					126.6%					92.2%	86.0%
Radio OCF		4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.2	1.8	2.6	4.0	9.7	11.0
Radio OCF margin		9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	10.0%	13.5%	19.7%	28.1%	18.1%	18.9%
Incremental Margin		-70.4%	114.9%					74.0%	520.2%	195.3%	117.3%	76.3%	118.5%	27.4%
Digital OCF		5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.1	9.0	9.0	13.3	38.5	63.4
Digital OCF margin		4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.0%	3.0%	3.9%	3.9%	5.0%	4.2%	6.0%
Incremental Margin		7.9%	7.7%					6.1%	-3.4%	-5.6%	-8.6%	-6.6%	-6.0%	19.1%
<b>Total OCF (core)</b>		<b>83.8</b>	<b>120.8</b>	<b>23.4</b>	<b>29.4</b>	<b>34.6</b>	<b>47.1</b>	<b>134.5</b>	<b>18.6</b>	<b>20.9</b>	<b>21.3</b>	<b>28.3</b>	<b>89.2</b>	<b>132.6</b>
Margin		24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	7.8%	7.7%	7.8%	9.1%	8.1%	10.6%
Incremental Margin				-0.6%	3.3%	6.9%	15.5%		-11.6%	-16.3%	-39.8%	-132.4%		
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
Total OCF		83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	20.9	21.3	28.3	89.2	132.6
Total OCF Margin		24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	7.8%	7.7%	7.8%	9.1%	8.1%	10.6%
Incremental Margin				-0.6%	3.3%	6.9%	15.5%		-11.6%	-16.3%	-39.8%	-132.4%		
Corporate Expense		27.8	33.0	8.7	8.5	9.5	22.6	49.4	10.5	12.0	13.3	13.0	48.8	49.8
GAAP EBITDA		56.0	87.8	14.7	20.8	25.1	24.5	85.1	8.1	8.9	8.0	15.4	40.3	82.8
Corporate non-cash comp		3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.2	3.2	4.4	4.2	14.0	14.3
Opex adjustments to cash:														
Amortization of syndication contracts		(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)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex		1.2	3.2	1.0	0.9	1.0	2.8	5.7	1.9	2.7	2.6	2.4	9.6	9.8
Non-recurring cash severance		1.7	0.4				4.3	0.1	0.1	0.5			0.6	
EBITDA attributable to redeemable noncontrolling interest		3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.3	1.2	2.1	2.7
EBITDA attributable to noncontrolling interest							3.4	3.4					0.0	0.0
Total opex (positive) adjustments to cash		0.5	5.5	(1.0)	(0.9)	(1.0)	(3.7)	(6.6)	(1.8)	(2.8)	(2.3)	(1.2)	(8.1)	(7.1)
Foreign currency (gain) loss		(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	(1.0)	0.7	0.5		0.3	0.0
Total Adjusted EBITDA		60.4	88.2	18.1	22.5	25.9	36.5	103.1	13.0	14.2	14.2	20.8	62.2	104.2
Other opex for spectrum (in corporate)														
<b>Adjusted EBITDA (core)</b>		<b>60.4</b>	<b>88.2</b>	<b>18.1</b>	<b>22.5</b>	<b>25.9</b>	<b>36.5</b>	<b>103.1</b>	<b>13.0</b>	<b>14.2</b>	<b>14.2</b>	<b>20.8</b>	<b>62.2</b>	<b>104.2</b>
Memo: adj. EBITDA (core) reported		60.4	88.0	18.1	22.5	25.0	36.5	103.1	13.0	14.2	14.2	20.8	62.2	104.2
Model variance: adj. EBITDA		(0.0)	0.1	0.0	0.0	(0.0)	0.0		(0.0)	(0.0)	0.0			
Adj. EBITDA core margin		17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	5.2%	6.7%	5.7%	8.3%
Incremental Margin		27.3%	6.7%	8.1%	10.8%	6.2%	5.9%	7.6%	-12.3%	-16.0%	-35.2%	-111.0%	-29.0%	27.0%

Source: Industry Capital Research estimates and company data

Figure 11: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
Memo: cash opex (core)	\$153.8	\$178.4	\$42.9	\$46.4	\$48.3	\$53.6	\$191.2	50.3	54.0	51.5	56.1	\$211.8	222.5
Memo: cash corporate expense	23.9	26.6	7.1	6.8	7.7	13.4	35.1	8.3	8.8	8.9	8.8	34.8	35.5
Memo: total non-cash comp	5.1	9.6	2.6	2.6	2.8	12.0	20.0	4.1	6.0	7.0	6.6	23.7	24.1
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	2.7	2.1	1.8	1.2	7.8	7.1
Memo: PF EBITDA attributable to redeemable noncontrolling interest													
D&A	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.5	6.5	7.4	7.3	27.6	31.3
D&A % of Revenue	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.4%	2.7%	2.3%	2.5%	2.5%
Change in fair value contingent consideration	0.000	8.224	5.1	1.0	0.734	7.4	14.2	(4.1)	1.1	(6.0)	0.0	(8.9)	0.0
Impairments	40.0	3.0	0.0	0.0	0.0	1.6	1.6	0.0	0.0	1.0	(1.0)	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	1.4	0.4	0.0	0.0	0.0	0.0	0.0	(2.2)
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
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
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>6.6</b>	<b>60.6</b>	<b>4.2</b>	<b>13.4</b>	<b>15.9</b>	<b>6.7</b>	<b>40.2</b>	<b>6.6</b>	<b>0.5</b>	<b>5.1</b>	<b>9.1</b>	<b>21.4</b>	<b>53.7</b>
Operating Margin %	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	2.8%	0.2%	1.9%	2.9%	1.9%	4.3%
Interest expense	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(3.2)	(4.3)	(2.9)	(2.4)	(12.8)	(10.4)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	1.7	0.2	0.0	0.7	0.0	0.0	0.7	0.0	1.0	0.0	(1.0)	0.0	0.0
Net interest expense	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.7)	(8.0)	(3.2)	(3.3)	(2.9)	(3.5)	(12.8)	(10.4)
Loss on debt extinguishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	0.0
Other income, net	0.0	0.2	0.0	0.0	(0.5)	(0.1)	(0.5)	(0.0)	(0.0)	(0.0)	0.1	0.0	0.0
<b>Pretax income</b>	<b>0.1</b>	<b>54.0</b>	<b>2.7</b>	<b>11.8</b>	<b>13.1</b>	<b>4.0</b>	<b>31.7</b>	<b>1.9</b>	<b>(2.7)</b>	<b>2.2</b>	<b>5.6</b>	<b>7.0</b>	<b>43.4</b>
Pretax margin	0.0%	7.1%	1.4%	5.3%	5.4%	1.3%	3.3%	0.8%	NM	0.8%	1.8%	0.6%	3.5%
Income (taxes) benefit	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.2)	0.7	0.5	(3.5)	(2.4)	(15.2)
Effective tax rate	1276.3%	34.6%	31.1%	28.5%	31.1%	81.8%	36.5%	12.2%	27.0%	-24.1%	61.7%	35.0%	35.0%
Cash tax rate	6552.5%	7.6%	44.2%	52.6%	30.6%	137.3%	53.4%	3.8%	-128.1%	106.6%	54.7%	128.8%	37.0%
Net Income (Before Equity Investments)	(1.4)	35.4	1.9	8.5	9.1	0.7	20.1	1.7	(2.0)	2.7	2.2	4.5	28.2
Equity in net of noncon. affils.	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.3	0.0	(0.0)	(2.4)	(2.1)	(2.1)
Reported Net Income	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	2.7	(0.2)	2.5	26.1
Net margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	5.2%	6.7%	5.7%	8.3%
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
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	2.7	(0.2)	2.5	26.1
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
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
<b>Net income to common</b>	<b>(3.9)</b>	<b>29.4</b>	<b>1.9</b>	<b>8.5</b>	<b>9.4</b>	<b>(1.6)</b>	<b>18.1</b>	<b>2.0</b>	<b>(2.0)</b>	<b>2.7</b>	<b>(0.2)</b>	<b>2.5</b>	<b>26.1</b>
EPS - basic	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
<b>EPS - diluted</b>	<b>(\$0.05)</b>	<b>\$0.33</b>	<b>\$0.02</b>	<b>\$0.10</b>	<b>\$0.11</b>	<b>(\$0.02)</b>	<b>\$0.21</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.03</b>	<b>(\$0.00)</b>	<b>\$0.03</b>	<b>\$0.29</b>
EPS reported by company	(\$0.05)	\$0.11	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.02	\$0.02	(\$0.02)	\$0.03	\$0.03	\$0.03	\$0.29
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00
Pro forma adjustments	39.8	9.6	5.1	1.0	0.7	18.8	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	35.9	39.1	7.0	9.4	10.1	17.1	43.6	2.0	(2.0)	2.7	(0.2)	2.5	26.1
Pro forma EPS - basic	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
<b>Pro forma EPS</b>	<b>\$0.43</b>	<b>\$0.44</b>	<b>\$0.08</b>	<b>\$0.11</b>	<b>\$0.12</b>	<b>\$0.19</b>	<b>\$0.50</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.03</b>	<b>\$0.00</b>	<b>\$0.03</b>	<b>\$0.29</b>
EPS shares - Basic	84.2	85.3	86.5	85.0	84.9	85.2	85.4	87.6	87.8	88.0	88.3	88.0	90.2
EPS shares - Diluted	84.2	87.9	88.6	87.0	87.4	88.0	87.8	89.8	87.8	89.9	88.3	89.4	91.1
<b>Free Cash Flow:</b>													
EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.1	13.0	14.213	14.185	20.8	62.2	104.2
Cash net interest	(5.9)	(6.2)	(1.2)	(1.2)	(1.9)	(2.5)	(6.7)	(3.0)	(3.223)	(2.811)	(3.5)	(12.5)	(10.4)
Other adjustments to cash	5.3	6.8	0.1	0.8	0.1	(5.7)	(4.7)	0.7	2.2	0.0	0.0	2.9	
- Cash taxes	(7.7)	(4.1)	(1.2)	(6.2)	(4.0)	(5.5)	(16.9)	(0.1)	(3.5)	(2.3)	(3.1)	(9.0)	(16.0)
Cash taxes / EBITDA	13%	5%	7%	28%	15%	15%	16%	1%	25%	17%	15%	15%	15%
Minus: capex	(9.5)	(5.6)	(1.5)	(1.7)	(4.7)	(3.6)	(11.5)	(6.8)	(8.1)	(5.0)	2.3	(17.5)	(12.0)
Capex / D&A	55%	25%	24%	27%	71%	55%	45%	104%	125%	68%	(32)%	64%	38%
Capex / EBITDA	16%	6%	9%	7%	18%	10%	11%	52%	57%	35%	(11)%	28%	12%
Plus: cost of revenue for spectrum usage rights													
= <b>Free Cash Flow</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>15.4</b>	<b>19.3</b>	<b>63.3</b>	<b>3.9</b>	<b>1.6</b>	<b>4.0</b>	<b>16.6</b>	<b>26.0</b>	<b>65.8</b>
Free cash flow (reported by company)	43.0												
<b>Free Cash Flow (core)</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>15.4</b>	<b>19.3</b>	<b>63.3</b>	<b>3.9</b>	<b>1.6</b>	<b>4.0</b>	<b>16.6</b>	<b>26.0</b>	<b>65.8</b>
<b>FCF per share (core)</b>	<b>\$0.51</b>	<b>\$0.90</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.18</b>	<b>\$0.22</b>	<b>\$0.72</b>	<b>\$0.04</b>	<b>\$0.02</b>	<b>\$0.04</b>	<b>\$0.19</b>	<b>\$0.29</b>	<b>\$0.72</b>
Memo: FCF/Adjusted EBITDA (core)	70.5%	89.7%	79.1%	63.4%	59.4%	52.8%	61.4%	29.8%	11.0%	28.2%	79.7%	41.8%	63.1%
<b>Dividends per basic share</b>	<b>\$0.13</b>	<b>\$0.10</b>	<b>\$0.025</b>	<b>\$0.025</b>	<b>\$0.025</b>	<b>\$0.025</b>	<b>\$0.10</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.20</b>	<b>\$0.20</b>
- Dividends	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(18.0)
Dividends as % of FCF	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	113.3%	281.8%	109.9%	26.6%	67.6%	27.4%

Source: Industry Capital Research estimates and company data

Figure 12: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
Net revenue growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	23.3%	13.8%	4.8%	14.7%	14.2%
<b>Net revenue (core) growth</b>	<b>25.8%</b>	<b>121.0%</b>	<b>32.4%</b>	<b>24.3%</b>	<b>21.1%</b>	<b>26.7%</b>	<b>25.8%</b>	<b>21.2%</b>	<b>23.3%</b>	<b>13.8%</b>	<b>4.8%</b>	<b>14.7%</b>	<b>14.2%</b>
TV revenue growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
Radio revenue growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Digital revenue growth	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	27.8%	31.8%	22.5%	15.1%	23.5%	14.2%
Cost of revenue	NM	NM	53.3%	33.0%	26.4%	29.4%	33.8%	29.5%	35.0%	26.8%	17.1%	26.3%	13.0%
Direct expense	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-0.6%	-11.9%	-2.2%	3.5%
SG&A	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.5%	17.1%	12.9%	5.2%	24.1%	22.7%	11.1%
Opex	23.8%	NM	38.8%	27.8%	23.4%	26.8%	28.5%	26.8%	31.3%	22.6%	13.2%	22.7%	11.1%
<b>Opex (core)</b>	<b>-11.6%</b>	<b>12.8%</b>	<b>8.5%</b>	<b>14.3%</b>	<b>14.6%</b>	<b>19.1%</b>	<b>14.4%</b>	<b>18.7%</b>	<b>19.8%</b>	<b>9.2%</b>	<b>0.1%</b>	<b>11.2%</b>	<b>4.4%</b>
TV opex	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-0.6%	-11.9%	-2.2%	3.5%
Radio opex	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	17.1%	12.9%	5.2%	-12.4%	4.9%	7.9%
Digital opex	-5.0%	68.1%	40.4%	43.5%	46.0%	45.1%	44.0%	37.7%	45.7%	21.5%	18.8%	29.7%	3.5%
<b>Total OCF (core)</b>	<b>32.1%</b>	<b>44.1%</b>	<b>-1.2%</b>	<b>5.1%</b>	<b>9.2%</b>	<b>25.9%</b>	<b>11.4%</b>	<b>-20.7%</b>	<b>-28.8%</b>	<b>-38.4%</b>	<b>-39.8%</b>	<b>-33.7%</b>	<b>48.8%</b>
TV OCF	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-12.2%	-20.3%	-38.4%	-51.8%	-34.8%	42.1%
Radio OCF	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-62.0%	-60.0%	-57.8%	-53.7%	-57.3%	13.4%
Digital OCF	NM	NM	46.1%	32.5%	45.2%	15.1%	31.3%	-16.8%	-25.8%	-28.8%	-14.7%	-21.5%	64.8%
Corporate expense	3.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	0.0%	0.0%	0.0%	9.2%	3.0%	3.0%
Cash corporate expense	-2.0%	11.3%	11.0%	4.3%	19.1%	86.1%	31.7%	16.8%	29.0%	15.2%	-34.4%	-0.7%	2.0%
<b>Adjusted EBITDA (core)</b>	<b>46.6%</b>	<b>45.9%</b>	<b>27.6%</b>	<b>26.4%</b>	<b>11.2%</b>	<b>11.2%</b>	<b>16.9%</b>	<b>-28.3%</b>	<b>-36.8%</b>	<b>-45.3%</b>	<b>-43.1%</b>	<b>-39.7%</b>	<b>67.6%</b>
D & A	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	1.2%	3.9%	12.2%	12.4%	7.5%	13.4%
Operating income	88.3%	47.7%	15.2%	17.3%	1.7%	-11.3%	2.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	NM	NM	-72.0%	-18.2%	-31.3%	-62.6%	-41.3%	-31.1%	NM	-83.2%	42.0%	-77.9%	NM
Net income pre-extra.	NM	NM	-65.2%	7.6%	-23.6%	NM	-38.5%	6.0%	NM	-70.9%	NM	-86.2%	NM
EPS, Continuing Operations	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	0.0%	NM	-72.7%	NM	-85.7%	NM
<b>EPS - diluted</b>	<b>NM</b>	<b>NM</b>	<b>-65.9%</b>	<b>8.6%</b>	<b>-22.8%</b>	<b>NM</b>	<b>-38.4%</b>	<b>4.6%</b>	<b>NM</b>	<b>-71.7%</b>	<b>NM</b>	<b>-86.4%</b>	<b>NM</b>
FCF/share	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-87.5%	-77.8%	-13.6%	-59.7%	NM
EPS shares - Diluted	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.2%	1.3%	0.9%	2.8%	0.4%	1.9%	1.8%

Source: Industry Capital Research estimates and company data

Figure 13: DCF analysis supports \$4.50 12-month price target within \$4.50-\$5.00 per share range

Entravision DCF analysis		YE 2023		YE 2024		
\$ in millions except per share amounts		Current	YE 2023	YE 2024	Current	YE 2024
Firm Value		523	544	531		
(-) Total Net Debt		155	146	99		
(+) Hidden Value (Inc. NOLs)		9	9	9		
(-) Options (Claims on Entravision)		0.0	0.0	0.0		
Common Equity Value		377.2	406.1	441.2		
Shares Outstanding		90.3	90.3	90.3		
Current Share Price		\$3.85	\$3.85	\$3.85		
Value Per Share		\$4.18	\$4.50	\$4.89		
12-month		\$5.00				
12-month (50TP)		\$4.50				

ASSUMPTIONS		2018-22	2020-24	2022-26	2024-28	2072-28
Risk Free Rate		4.77%				
Equity Premium		4.39%				
Assumed LT Growth Rate (g)		0%				
MV of Equity Calculation		\$3.85				
Share Price		90.3				
Outstanding Shares		347.5				
MV of Equity		347.5				
Estimate MV of Debt Calculation		6.9				
Interest Expense		6.0%				
Current Cost of Debt		154.7				
Wgtd Avg Maturity of Debt		154.7				
BV of Debt		154.7				
Estimate MV of Debt		154.7				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
<b>Discounted Cash Flow</b>												
EBITDA	54.0	41.2	60.4	88.2	103.1	62.2	104.2	102.7	106.5	107.1	128.8	79.5
EBIT	37.8	24.6	43.1	65.7	77.4	34.5	72.9	69.0	89.7	69.6	89.4	78.5
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(23.2)	(10.4)	(21.9)	(20.7)	(26.9)	(20.9)	(26.8)	(27.8)
Plus D&A	16.3	16.6	17.3	22.4	25.7	27.6	31.3	33.7	36.7	37.5	39.4	39.4
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(11.5)	(17.5)	(12.0)	(12.6)	(13.3)	(13.9)	(14.6)	(39.4)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(0.3)	(4.1)	(5.1)	(5.1)	(6.2)	(5.2)	(6.4)	(5.8)
<b>Free Cash Flow to Firm</b>	<b>16.3</b>	<b>(0.1)</b>	<b>46.6</b>	<b>47.3</b>	<b>68.1</b>	<b>30.1</b>	<b>65.2</b>	<b>64.2</b>	<b>80.1</b>	<b>67.1</b>	<b>80.9</b>	<b>45.9</b>
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	155											
Leverage Mult.	2.6x											
D/Equity	45%											
D/EV	31%											
E/EV	69%											
Unlevered Beta	1.24											
Levered Beta	1.53											
D/Equity (long-term target)	33%											
Cost of Debt (AT)	4.2%											
Cost of Equity	11.5%											
<b>WACC</b>	<b>9.7%</b>											
PV of CF			10%	10%	10%	10%	10%	10%	10%	10%	10%	
			68.1	68.1	68.1	27.5	54.2	48.7	55.3	42.3	46.5	
			27.5	27.5	27.5	54.2	54.2	48.7	55.3	42.3	46.5	
			59.4	59.4	59.4	59.4	59.4	53.4	60.7	46.4	51.0	
			58.5	58.5	58.5	58.5	58.5	66.6	50.9	55.9	55.9	
			474.6	474.6	474.6	474.6	474.6	474.6	474.6	474.6	474.6	4x EBITDA

	Current	YE 2023	YE 2024
Sum of PV	274.5	270.9	232.0
PV of Terminal Value	248.8	272.8	299.2
<b>NPV of all CF</b>	<b>523.3</b>	<b>543.8</b>	<b>531.2</b>

Source: Industry Capital Research estimates and company data

## APPENDIX

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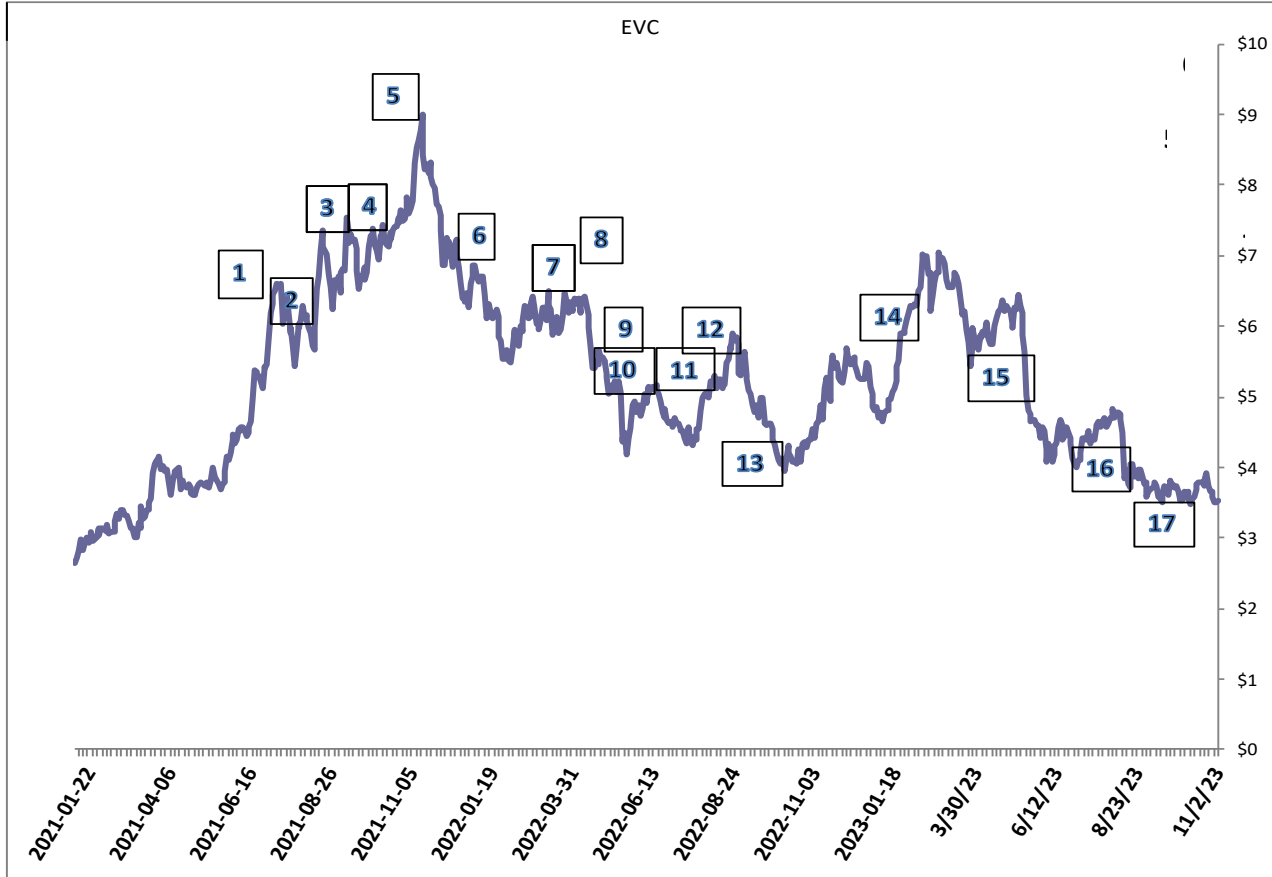
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1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	11/5/21	Reaffirmed Buy @ \$8.83, 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
13	11/3/22	Reaffirmed Buy @ \$4.69, Target Price \$7.00
14	1/27/23	Reaffirmed Buy @ \$6.33, Target Price \$7.50
15	5/5/23	Reaffirmed Buy @ \$5.87, Target Price \$7.00
16	8/4/23	Reaffirmed Buy @ \$4.49, Target Price \$5.50
17	10/4/23	Reaffirmed Buy @ \$3.56, Target Price \$5.00

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

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

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

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

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