

# **Entravision Communications Corporation (EVC)**

4Q Beat and Raise, As Share Buyback Returns While Rival's IPO Looks on Hold; PT Up To \$8.50 and Reaffirm Buy

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**4Q21** beat and raise pushes our 2022 estimates further above consensus and our PT to \$8.50 from \$8. The EBITDA beat rolled through to free cash flow, which was \$30.9m, above our \$24.8m estimate. Reflecting the consistency of free cash flow generation, EVC announced a new \$20m share repurchase program, and we initially model \$10m of repurchases for 2022. We raise our 2022 EBITDA estimate, on both the higher 2021 base and taking our 2022 EBITDA growth estimate up to 8% from 6%. We note that EVC's digital segment—despite having clients across 30 countries and campaigns across 120 countries—generates little revenue from geopolitically risky Eastern Europe, unlike rival Aleph Group, whose planned IPO may be on hold.

We raise our 1Q and full-year 2022 estimates. 1Q core advertising (ex-political) is pacing -18% for TV (although +4% excluding Univision affiliation changes in Orlando, Tampa and Washington, DC), +7% for radio, and +39% for digital, vs. our prior comparable estimates of -17%/+9%/+46%. Auto advertising is pacing down 20% for TV (adjusting for the loss of 3 Univision affiliations) and down 17% for radio. Our EVC 2022 revenue/EBITDA/EPS estimates go to \$942m/\$95.0m/\$0.40 from \$947m/\$93.4m/\$0.42. See Figure 3. Our 2022 digital segment estimates for revenue/operating cash flow go to \$752m/\$48.6m from \$754m/\$48.0m, as our 2022 pro forma growth estimates for digital revenue/OCF go to 31%/28% from 33%/30%. There is little change to our broadcast media estimates for 2022. We estimate that, pro forma for Univision affiliation changes at the end of 2021, EVC's expense base excluding cost of revenue is \$15-20m lower than prior to the pandemic.

**4Q recap: 4Q revenue and EBITDA beat across all 3 segments, with total EBITDA of \$32.9m above our \$29.8m estimate.** See Figure 2. Core advertising growth was +2% for TV vs. prior pacing of -2%, +22% for radio vs. prior pacing of +15%, and +40% for digital vs. prior pacing of +36%. Cisneros Interactive growth is holding course despite some headwinds from iOS on spending with Facebook, Cisneros' biggest commercial partner. At the legacy digital business, Smadex positively surprised, with revenue up 120%, driven by gaming and crypto advertising. TV growth, while modest, was still impressive given that its auto vertical was down 30%, as services, TV's largest vertical, was up 8%, and travel/leisure was a positive outlier, up 92%. Operating expense excluding cost of revenue was \$48.1m, slightly above our \$46.9m estimate.

**Price target up to \$8.50 from \$8; risks on page 3.** Our PT is supported by a DCF valuation based on explicit financial forecasts through 2027. Note that a higher equity risk premium estimate based on February data, partially offset by a lower risk-free rate estimate based on lower U.S. Treasury yields, clips the upper end of our valuation range by ~\$0.50 per share.

	BUY		
Price at 3/4/22 (USD)			6.42
Price Target			8.50
52-week range			3.28 - 9.34
Performance (%)	1m	3m	12m
Absolute	9	-10	82
S&P 500	-5	-4	14
Market Cap (USDm)			567.2
Shares outstanding (m)			88.4
Float (%)			72
Average volume			417,981
S&P 500			4,363.5
Forecasts and ratios			
Year ended 12/31	2021A	2022E	2023E
1Q EPS (USD)	0.06	0.04	0.07
2Q EPS (USD)	0.09	0.08	0.10
3Q EPS (USD)	0.14	0.13	0.12
4Q EPS (USD)	0.04	0.14	0.12
FY EPS (USD)	0.33	0.40	0.42
% Change	NM	20%	4%
P/E (x)	19.3	16.0	15.5
EV/EBITDA (x)	8.3	7.6	7.3
Revenue (USDm)	760.2	942.2	1,007.4
% Change	121%	24%	7%

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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data)	
		12-month price target:	\$8.50
ENTERPRISE VALUE			COMPANY CHARACTERISTICS AND INVESTMENT THESIS
Price per share	\$6.42	Company description	Entravision is a multimedia company focused primarily on the Spanish-language markets. The
Diluted shares outstanding	88.4		company owns or operates 48 TV stations (mostly Univision network affiliates) in 16 U.S. cities, 48
Equity market capitalization	567		radio stations (38 FM and 10 AM) and a radio network with national distribution, and a digital
+Pro forma net debt	205		media segment primarily focused on roughly 20 international markets. We estimate that the
-Hidden value	62		company's pro forma 2020 revenue was 30% from TV, 9% from radio, and 61% from digital media.
=Pro forma EV	\$711		Univision Communications owns ~11% of Entravision's stock. On August 2, 2000, Envtravision
		1	completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed
OPERATING PROJECTIONS			on the NYSE under the symbol "EVC."
Pro forma net revenue		Strategy	Manage TV-driven broadcast local platforms in fast-growing U.S. Hispanic markets and expand
2022	\$942		digital media operations into fast-growing markets outside the United States.
2021	775	Est. acquisition capacity	\$109
% Chg	21.6%	Management	Walter Ulloa is Chairman and CEO (since 1996). Jeffrey Liberman is President and COO (since
Pro forma EBITDA			2017 and with EVC since 2000). Christopher Young is CFO (since 2008 and with EVC since 2000).
2022	\$95		
2021	87	Positives	* Experience in expanding distribution in smaller, faster-growing markets, both in U.S. and
% Chg	9.6%		internationally
Pro forma EBITDA margin			* Reduced expense base during and after the pandemic
2022	10.1%		* Strong balance sheet
2021	11.2%		* Most of its TV stations affiliated with leading U.S. Spanish language network
Free cash flow per share			* U.S. Hispanic buying power growing faster than general market
2022	\$0.83		* Secular growth in U.S. political advertising spending
2021	\$0.90	Risks	* Loss of broadcast audience and advertising share to digital alternatives
% Chg	-7.8%		* Volatility of international media business, reflecting early stage and potential competition
Est. 3-5 yr FCF Growth rate	7%		* Competition with Univision's expanding direct to consumer business
		1	* Univision relationship through TV network affiliations and Univision's ownership stake may limit
VALUATION AND LEVERAGE			strategic flexibility
Pro forma EV/EBITDA		1	* Impact of sudden advertising declines on cash flow (e.g., 2009, 2020)
2022	7.5x		* Management succession plan (CEO has majority voting power)
2021	8.2x		
Price / Free cash flow per share		Valuation	Attributing $^{\sim}80\%$ of firm value to digital media business
2022	7.7x		-
2021	7.1x		August 2021 - acquired remaining 49% interest in Cisneros Interactive. July 2021 – announced
Pro forma net debt / EBITDA		Recent events	acquisition of MediaDonuts AsiaPac digital media business for \$17 million plus earnouts. October
2022	2.2x		2020 – acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 – announced
2021	2.4x		substantial expense costs targeting broadcast operations.
Dividend yield			2021/22 rebound in U.S. Hispanic employment and spending as pandemic recedes - Additional
2022	1.6%	Upcoming potential catalysts	digital media M&A - 2022 U.S. midterm election ad spending
2021			



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

# Investment Thesis and Valuation: Buy With \$8.50 Price Target

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

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

Risks to our investment thesis include: 1) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, 2) secular challenges and potentially increasing competition from Univision for EVC's broadcast media business, 3) 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, 4) potential barriers to sale of all or a portion of the company; and 5) risk of regression to mean in share price performance given shares' substantial appreciation relative to the overall market and sector peers over the past year.

Figure 2: 4Q beat on revenue and EBITDA; we raise our 1Q22 EBITDA and EPS estimates

			Results			YoY %CHG			A vs
	Last Yr	E	Beat/Miss	Α	E	Beat/Miss	Α	Consensus	Consensus
4Q21									
Pro Forma *									
Revenue	\$194.4	\$225.5	\$5.2	\$230.8	16.0%	2.7%	18.7%		
Op Expense	157.5	195.7	4.0	199.8	24.3%	2.6%	26.8%		
Adjusted EBITDA	36.9	29.8	1.2	31.0	-19.2%	3.2%	-16.0%		
As Reported									
Revenue	171.7	225.5	8.4	233.9	31.4%	4.9%	36.2%	226.4	3.3%
Op Expense	139.0	195.7	5.3	201.0	40.8%	3.8%	44.6%		
Adjusted EBITDA	32.6	29.8	3.1	32.9	-8.7%	9.4%	0.6%	26.1	25.9%
Margin	19.0%	13.2%	0.8%	14.0%			ļ	11.5%	2.5%
Pro Forma EPS	\$0.24	\$0.15	\$+0.00	\$0.15	-37.5%	0.0%	-37.5%	\$0.16	-6.3%
FCF/sh (core)	\$0.33	\$0.28	\$+0.07	\$0.35	-15.2%	21.2%	6.1%		
			Estimates			YoY %CHG			ICR vs
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
1Q22E									
Pro Forma *									
Revenue	\$156.9	\$202.5	(\$3.3)	\$199.2	29.1%	-2.1%	27.0%		
Op Expense	142.5	188.1	(4.9)	183.3	32.0%	-3.4%	28.6%		
Adjusted EBITDA	14.4	14.4	1.6	16.0	0.1%	10.8%	10.8%		
As Reported									
Revenue	148.9	202.5	(3.3)	199.2	36.0%	-2.2%	33.8%	169.5	17.5%
Op Expense	134.7	188.1	(4.9)	183.3	39.7%	-3.6%	36.1%		
Adjusted EBITDA	14.2	14.4	1.6	16.0	1.7%	10.9%	12.6%	19.2	-16.7%
Margin	9.5%	7.1%	0.9%	8.0%			I	11.3%	-3.3%
Pro Forma EPS	\$0.06	\$0.03	\$+0.01	\$0.04	-50.0%	16.7%	-33.3%	\$0.10	-60.0%
FCF/sh (core)	\$0.15	\$0.10	\$+0.02	\$0.12	-33.3%	13.3%	-20.0%		

Source: Company reports, FactSet, Industry Capital Research estimates

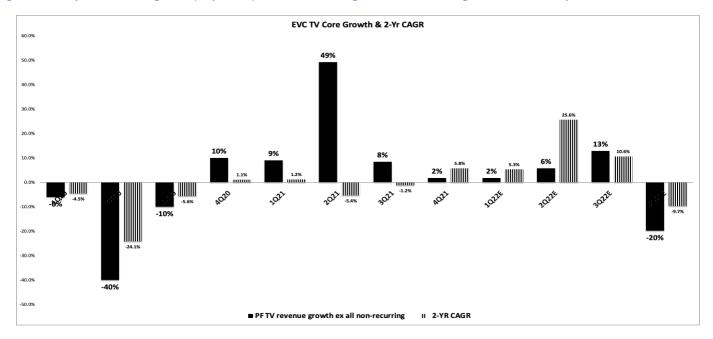
Figure 3: We raise our 2022 and 2023 EBITDA estimates

Summary of A	nnual Estii	mates	<u> </u>	<del></del>					<u> </u>
In millions, except	per share data								
			Estimates		•	YoY %CHG			ICR vs
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
2022E									
Pro Forma *									
Revenue	775.0	947.0	(4.8)	942.2	22.2%	-0.6%	21.6%		
Op expense	688.3	853.6	(6.4)	847.2	24.0%	-0.9%	23.1%		
Adjusted EBITDA	86.7	93.4	1.7	95.0	7.7%	1.9%	9.6%		
As Reported									
Revenue	760.2	947.0	(4.8)	942.2	24.6%	-0.6%	23.9%	865	9.0%
Op expense	672.2	853.6	(6.4)	847.2	27.0%	-1.0%	26.0%		
Adjusted EBITDA	88.0	93.4	1.7	95.0	6.1%	1.9%	7.9%	91	4.3%
Margin	11.6%	9.9%	0.2%	10.1%				10.5%	-0.5%
EPS	\$0.33	\$0.42	(\$0.02)	\$0.40	27.1%	-7.0%	20.1%	\$0.51	-21.5%
Cash FCF/sh	\$0.90	\$0.82	\$0.01	\$0.83	-8.9%	1.1%	-7.8%		
2023E									
Pro Forma *									
Revenue	942.2	1,009.6	(2.2)	1,007.4	7.2%	-0.2%	6.9%		
Op expense	847.2	911.9	(3.8)	908.1	7.6%	-0.4%	7.2%		
Adjusted EBITDA	95.0	97.7	1.6	99.3	2.8%	1.7%	4.5%		
As Reported									
Revenue	942.2	1,009.6	(2.2)	1,007.4	7.2%	-0.2%	6.9%		
Op expense	847.2	911.9	(3.8)	908.1	7.6%	-0.4%	7.2%		
Adjusted EBITDA	95.0	97.7	1.6	99.3	2.8%	1.7%	4.5%		
Margin	10.1%	9.7%	0.2%	9.9%					
EPS	\$0.40	\$0.43	(\$0.02)	\$0.42	7.9%	-4.2%	3.7%		
Cash FCF/sh	\$0.83	\$0.87	\$0.01	\$0.88	4.8%	1.2%	6.0%		

<sup>\*</sup> reflects announced acquisitions and dispositions

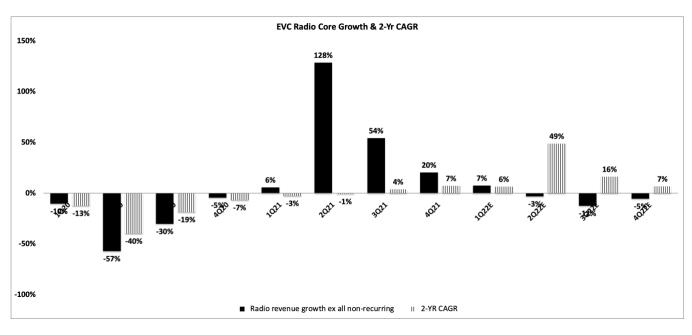
Source: Company reports, FactSet, Industry Capital Research estimates

Figure 4: We expect core TV ad growth (ex-political) to weather the drag from auto advertising over the next few quarters



Source: Industry Capital Research estimates and company data

Figure 5: We assume radio revenue stabilizes in 2022



# Industry Capital Research

Figure 6: We continue to model relatively stable Digital Segment OCF margins throughout 2022, which could be conservative

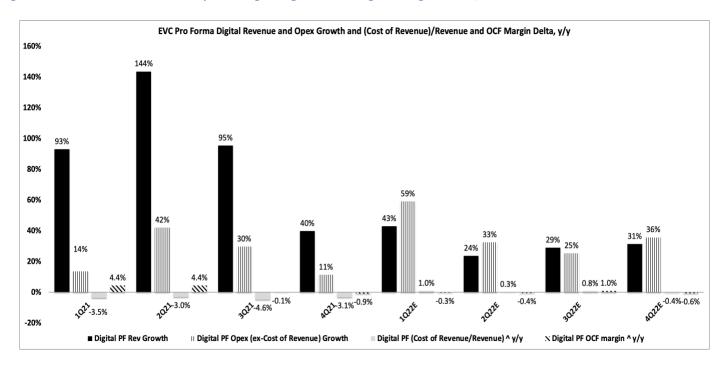


Figure 7: Expect Cisneros Interactive to power through iOS challenges to Facebook ad spending

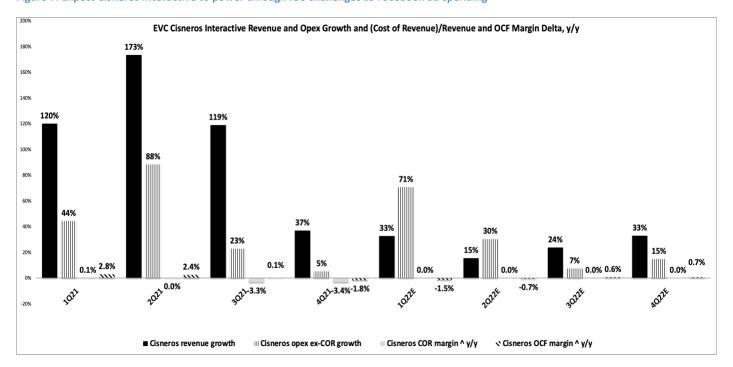




Figure 8: Forecast Drivers—Television Segment

In millions																
TELEVISION SEGMENT	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.7%	-7.9%	26.3%	-3.5%	-25.9%	-6.9%	-16.0%	-9.3%	-6.2%	-7.2%	-9.6%	-9.0%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.3	\$30.9	\$34.2	\$35.3	\$130.7	\$118.9
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-16.0%	-9.3%	-6.2%	-12.3%	-11.0%	-9.0%
TV non-recurring items:																
TV Political/Census	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	0.4	0.8	1.3	6.2	8.6	0.2
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	0.4	0.8	1.3	6.2	8.6	0.2
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	36.1	34.1	36.1	39.8	146.0	29.9	30.1	32.9	29.1	122.1	118.8
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-17.0%	-11.7%	-8.8%	-26.8%	-16.4%	-2.7%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	9.1	8.8	8.7	8.5	35.2	33.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	9.1	8.8	8.7	8.5	35.2	33.4
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	26.5	24.8	27.3	31.3	109.9	21.2	22.1	25.5	26.8	95.6	85.5
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-10.7%	40.6%	-4.8%	-25.0%	-6.6%	-20.1%	-10.9%	-6.6%	-14.4%	-13.0%	-10.5%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	36.1	33.6	35.0	40.2	144.8	30.3	30.9	34.2	35.3	130.7	118.9
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-7.9%	24.5%	-7.5%	-20.3%	-6.2%	-16.0%	-7.9%	-2.1%	-12.3%	-9.8%	-9.0%
TV Acquisitions/Dispositions (inc. Affiliations)		(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(9.8)	(6.6)	(6.2)	(7.6)	(7.2)	(27.6)	(26.7)
Assm: % Incremental to Core		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(9.8)	(6.6)	(6.2)	(7.6)	(7.2)	(27.6)	(26.7)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	38.2	35.6	39.2	43.6	156.6	36.9	37.1	41.8	42.5	158.3	145.6
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-7.4%	24.9%	-2.8%	-19.0%	-4.4%	-3.3%	4.0%	6.6%	-2.5%	1.1%	-8.0%
Spectrum usage/auction	1.5	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.3	1.3	1.3	1.3	5.0	5.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.3	1.3	1.3	1.3	5.0	5.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	33.2	33.0	35.3	39.1	140.7	29.1	29.7	33.0	34.1	125.7	113.9
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-12.1%	28.7%	-3.0%	-20.4%	-5.6%	-12.6%	-10.0%	-6.8%	-13.0%	-10.7%	-9.4%
PF TV revenue ex-all non-recurring	120.7	122.9	114.2	111.6	99.2	25.7	24.7	27.1	33.1	110.7	26.2	26.2	30.6	26.6	109.5	107.0
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	2.8%	49.3%	8.4%	1.8%	11.6%	1.8%	5.7%	12.9%	-19.8%	-1.1%	-2.2%
TV rev grth ex all non-rec 2-yr CAGR		1.7%	-2.7%	-4.7%	-6.8%	-1.6%	-5.4%	-1.3%	5.8%	-0.4%	2.3%	25.6%	10.6%	-9.7%	5.1%	-1.7%
PF TV advertising growth ex-political		-3.8%	-11.3%	-2.2%	-11.2%	2.8%	57.8%	15.1%	1.8%	14.7%	-17.3%	-15.5%	-11.1%	-34.9%	-20.4%	-1.9%
TV ad rev grth ex political 2-yr CAGR		-1.9%	-7.6%	-6.9%	-6.8%	-1.6%	-2.7%	1.7%	5.8%	1.0%	-7.8%	15.4%	1.2%	-18.6%	-4.5%	-11.7%
PF TV revenue growth ex-political	1	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-17.0%	-11.7%	-8.8%	-26.8%	-16.4%	-2.7%
TV rev grth ex political 2-yr CAGR		-0.1%	-3.0%	0.5%	-3.6%	-2.9%	-5.4%	-0.5%	4.2%	-1.1%	-6.0%	8.2%	0.0%	-14.0%	-3.8%	-9.8%
PF TV advertising growth	L	-10.0%	-3.0%	-10.5%	10.9%	-16.4%	45.6%	-4.1%	-25.2%	-7.6%	-15.8%	-12.1%	-7.4%	-15.4%	-12.7%	-11.1%

Source: Company reports; Industry Capital Research estimates

Figure 9: Forecast Drivers—Radio Segment

millions																
ADIO SEGMENT	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
adio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-6.2%	23.4%	9.7%	6.9%	-5.7%	10.6%	4.8%	-12.0%
o forma radio:																
evenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$11.3	\$14.1	\$16.4	\$16.1	\$58.0	\$12.4	\$15.1	\$15.5	\$16.8	\$59.8	\$52.6
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	9.7%	6.9%	-5.7%	4.2%	3.1%	-12.0%
dio non-recurring items:																
olitical/Census	2.1	0.1	2.2	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.2	0.3	1.8	2.6	0.1
sm: % Incremental to Core	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
cremental political	2.1	0.1	1.1	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.2	0.3	1.8	2.6	0.1
adio revenue ex political	73.8	66.9	62.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.1	14.9	15.2	15.0	57.2	52.6
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	7.4%	5.6%	-4.5%	-5.5%	0.1%	-8.2%
ΓR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
sm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
cremental NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
adio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	11.3	14.1	16.4	16.1	39.5	12.4	15.1	15.5	16.8	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	-3.5%	108.2%	42.5%	-0.5%	0.0%	9.7%	6.9%	-5.7%	4.2%	0.0%	0.0%
orld Cup/Other Soccer			1.9							0.0%		1.3	1.3		2.5	
sm: % Incremental to Core	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
cremental World Cup			1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.3	0.0	2.5	0.0
adio revenue ex WC	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.4	13.9	14.3	16.8	57.3	52.6
Growth ex WC		-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	9.7%	-2.0%	-13.3%	4.2%	-1.2%	-8.2%
evenue	73.8	66.9	61.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.1	13.6	13.9	15.0	54.7	52.6
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	7.4%	-3.3%	-12.3%	-5.5%	-4.3%	-4.0%
Radio rev grth ex all non-rec 2-yr CAGR		-5.9%	-8.4%	-9.4%	-19.2%	-2.7%	-0.9%	3.7%	7.2%	2.0%	6.4%	48.7%	16.3%	6.7%	16.4%	-4.1%



Figure 10: Forecast Drivers—Operating Expense

In millions																
OPERATING EXPENSE	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Television PF Opex Growth				0.1%	-4.2%	-8.6%	10.0%	6.2%	-6.0%	-0.3%	-2.9%	-0.3%	-1.5%	-4.5%	-2.4%	-10.0%
Radio PF Opex Growth				-4.5%	-26.3%	-16.9%	8.2%	0.8%	-9.9%	-5.4%	-0.4%	4.0%	6.9%	-1.1%	2.3%	-7.0%
Pro forma consolidated:																
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$153.3	\$40.4	\$41.4	\$43.1	\$48.1	\$173.0	\$48.7	\$49.2	\$46.8	\$51.3	\$196.0	\$191.9
Growth	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.6%	4.6%	12.9%	20.5%	18.8%	8.6%	6.7%	13.3%	-2.1%
Non-recurring opex items:																
M&A (Cisneros, MediaDonuts. 365 acquisitions)	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.6	9.7	27.6	11.2	10.9	8.3	11.8	42.2	47.2
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.6	9.7	27.6	11.2	10.9	8.3	11.8	42.2	47.2
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	147.6	35.7	35.0	36.5	38.3	145.5	37.5	38.4	38.5	39.5	153.8	144.7
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-14.9%	-11.5%	6.0%	7.1%	-4.7%	-1.5%	5.2%	9.6%	5.5%	2.9%	5.7%	-5.9%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(6.6)	(7.8)	(13.9)	(12.6)	(40.9)	(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%	100.0%	100.0%	100.0%
Incremental cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(6.6)	(7.8)	(13.9)	(12.6)	(40.9)	(38.7)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	180.5	45.4	47.3	54.5	58.6	205.8	55.3	57.1	60.7	63.9	237.0	38.7
Growth ex cost reductions	-27.8%		5.0%	-1.9%	4.1%	12.8%	20.5%	21.0%	4.8%	14.0%	21.7%	20.7%	11.3%	9.0%	15.1%	-83.7%
Salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.7	2.3	2.1
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.7	2.3	2.1
Opex ex salary true-up	0.0	168.4	176.8	173.4	151.3	40.4	40.8	42.4	47.4	171.0	48.7	48.5	46.1	50.5	193.8	(2.1)
Growth ex salary true-up			5.0%	-1.9%	-12.7%	0.4%	23.4%	24.6%	7.9%	13.0%	20.5%	18.8%	8.5%	6.6%	13.3%	-101.1%
Opex ex-non-recurring	160.2	168.4	176.8	173.4	172.8	40.7	40.2	47.2	48.2	176.3	44.1	45.4	51.6	51.3	192.5	181.3
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-0.3%	1.0%	2.4%	4.8%	-0.1%	2.0%	8.5%	13.0%	9.3%	6.5%	9.2%	-5.8%
Opex grth ex all non-rec 2-yr CAGR		6.5%	5.0%	1.5%	-1.1%	-2.5%	-3.6%	4.5%	4.5%	0.8%	4.7%	7.6%	7.0%	3.1%	5.5%	1.4%
Revenue-driven variable expense	41.1	36.7	35.4	31.2	31.7	7.0	7.6	8.5	9.3	32.3	6.5	7.2	8.0	8.5	30.1	26.6
Non-sales opex ex-non-recurring	119.1	131.7	141.4	142.1	141.1	33.7	32.6	38.7	39.0	143.9	37.6	38.2	43.7	42.9	162.4	154.6
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-0.7%	4.3%	-5.8%	3.7%	5.5%	2.0%	11.8%	17.2%	12.9%	10.0%	12.8%	-4.8%
Non-sales opex grth ex all non-rec 2-yr CAGR		9.9%	8.9%	3.9%	-0.1%	-2.6%	-3.9%	4.7%	4.0%	0.6%	8.0%	5.1%	8.2%	7.7%	7.3%	3.7%
Source: Company reports; Industry Capital Research estimates																

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

**Figure 11: Digital Segment Forecast** 

In millions, except unit data	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Legacy													
Revenue	\$68.9	\$54.1	\$13.0	\$15.3	\$17.4	\$23.0	\$68.7	\$21.0	\$20.3	\$22.1	\$24.2	\$87.5	\$92.6
Cost of Revenue	36.8	30.6	7.4	8.7	9.9	13.2	39.2	11.9	11.5	12.6	13.9	49.9	52.8
Opex ex-cost of revenue	32.3	24.5	5.9	5.6	6.5	5.8	23.8	8.6	8.6	8.2	9.3	34.6	36.3
OCF	(0.1)	(1.0)	(0.2)	1.0	0.9	4.0	5.7	0.5	0.2	1.3	1.0	3.0	3.6
OCF Margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	2.6%	0.9%	5.7%	4.3%	3.4%	3.9%
Acquisitions-Stand Alone	159.4	233.3	88.5	114.9	116.6	133.8	453.9	117.3	132.7	144.2	177.7	571.9	634.6
Cisneros revenue Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	102.9	115.9	129.4	158.1	506.3	555.4
Cisneros cost of revenue Cisneros opex ex-cost of revenue	13.2	17.4	4.6	6.3	5.0	7.1	23.0	7.9	8.2	5.4	8.1	29.6	33.2
Cisneros OCF	9.9	14.2	6.3	8.3	6.920	7.7	29.1	6.5	8.6	9.4	11.5	36.0	46.0
CI OCF Margin	6.2%	6.1%	7.1%	7.2%	5.9%	5.7%	6.4%	5.6%	6.5%	6.5%	6.5%	6.3%	7.2%
MediaDonuts revenue	0.0	28.5	8.0	9.9	12.1	18.8	48.8	16.0	15.8	17.2	25.2	74.2	80.5
MediaDonuts cost of revenue	0.0	20.9	6.0	6.9	9.7	14.7	37.3	12.0	11.9	12.9	18.9	55.7	60.4
MediaDonuts opex ex-cost of revenue	0.0	2.5	1.8	2.7	1.5	2.3	8.2	2.9	2.2	2.4	3.3	10.9	10.5
MediaDonuts OCF	0.0	5.0	0.2	0.3	0.9	1.8	3.3	1.1	1.7	1.9	3.0	7.7	9.6
MD OCF Margin		17.7%	3.0%	3.1%	7.5%	9.7%	6.7%	6.6%	10.9%	10.9%	11.9%	10.3%	11.9%
365 revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.2	4.6	5.0	6.2	18.0	28.0
365 cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.8	3.7	4.0	4.9	14.4	22.4
365 opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.5	0.5	0.4	1.7	3.4
365 OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.5	0.5	0.8	1.9	2.2
365 OCF Margin		10.0%	16.9%	16.9%	44.2%	11.5%	11.5%	-8.4%	10.0%	10.0%	13.4%	10.6%	7.8%
Acquisitions-PF Adjustments													
Cisneros revenue													
Cisneros cost of revenue													
Cisneros opex ex-cost of revenue			0.1	0.1	0.1	0.1	0.5						
Cisneros OCF			(0.1)	(0.1)	(0.1)	(0.1)	(0.5)						
MediaDonuts revenue													
MediaDonuts cost of revenue					_								
MediaDonuts opex ex-cost of revenue		1.0	0.0	0.0	0.0	0.0	0.1						
MediaDonuts OCF		(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)						
365 revenue													
365 cost of revenue													
365 opex ex-cost of revenue													
365 OCF													
Acquisitions-Pro Forma													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	117.3	132.7	144.2	177.7	571.9	634.6
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	102.9	115.9	129.4	158.1	506.3	555.4
Cisneros opex ex-cost of revenue	13.2	17.4	4.8	6.4	5.2	7.2	23.6	7.9	8.2	5.4	8.1	29.6	33.2
Cisneros OCF	9.9	14.2	6.1	8.1	6.799	7.5	28.6	6.5	8.6	9.4	11.5	36.0	46.0
OCF Margin	6.2%	6.1% 28.5	6.9% 8.0	7.1% 9.9	5.8% 12.1	5.6% 18.8	6.3% 48.8	5.6% 16.0	6.5% 15.8	6.5% 17.2	6.5% 25.2	6.3% 74.2	7.2% 80.5
MediaDonuts revenue					9.7			12.0	11.9				
MediaDonuts cost of revenue MediaDonuts opex ex-cost of revenue		20.9 3.5	6.0 1.8	6.9 2.7	1.5	14.7 2.3	37.3 8.3	2.9	2.2	12.9 2.4	18.9 3.3	55.7 10.9	60.4 10.5
MediaDonuts OCF		4.0	0.2	0.3	0.9	1.8	3.2	1.1	1.7	1.9	3.0	7.7	9.6
OCF Margin		4.0	0.2	0.5	0.5	1.0	5.2	1.1	1.7	1.5	3.0	7.7	5.0
365 revenue		0.0	0.0	0.0	0.0	1.9	1.9	2.2	4.6	5.0	6.2	18.0	28.0
365 cost of revenue		0.0	0.0	0.0	0.0	1.5	1.5	1.8	3.7	4.0	4.9	14.4	22.4
365 opex ex-cost of revenue		0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.5	0.5	0.4	1.7	3.4
865 OCF		0.0	0.0	0.0	0.0	0.2	0.2	(0.2)	0.5	0.5	0.8	1.6	2.2
365 OCF Margin		5.5			0.0	5.2	5.2	(0.2)	0.0	0.0	0.0		
Acquisitions-Adjustments to Reported													
Cisneros revenue	(159.4)	(144.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros cost of revenue	(136.2)	(125.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros opex ex-cost of revenue	(13.2)	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros OCF pre-minority interest	(9.9)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts revenue	0.0	(28.5)	-8.0	-9.9	0.0	0.0	(17.9)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts cost of revenue	0.0	(20.9)	-6.0	-6.9	0.0	0.0	(12.9)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts opex ex-cost of revenue	0.0	(3.5)	-1.8	-2.7	0.0	0.0	(4.4)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts OCF pre-minority interest	0.0	(4.0)	-0.2	-0.3	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: MediaDonuts minority interest	0.0	0.0					0.0					0.0	0.0
365 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 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 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 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 minority interest	0.0	0.0					0.0					0.0	0.0
Acquisitions-As Reported	L	.					. 1				L	L	
Cisneros revenue	0.0	89.2	88.5	114.9	116.6	133.8	453.9	117.3	132.7	144.2	177.7	571.9	634.6
Cisneros cost of revenue	0.0	76.3	77.6	100.4	104.7	119.1	401.7	102.9	115.9	129.4	158.1	506.3	555.4
Cisneros opex	0.0	6.1	4.8	6.4	5.2	7.2	23.6	7.9	8.2	5.4	8.1	29.6	33.2
Cisneros OCF	0.0	6.8	6.1	8.1	6.8	7.5	28.6	6.5	8.6	9.4	11.5	36.0	46.0
MediaDonuts revenue		0.0	0.0	0.0	12.1	18.8	30.9	16.0	15.8	17.2	25.2	74.2	80.5
MediaDonuts cost of revenue		0.0	0.0	0.0	9.7	14.7	24.4	12.0	11.9	12.9	18.9	55.7	60.4
MediaDonuts opex		0.0	0.0	0.0	1.5	2.3	3.8	2.9	2.2	2.4	3.3	10.9	10.5
MediaDonuts OCF		0.0	0.0	0.0	0.9	1.8	2.7	1.1	1.7	1.9	3.0	7.7	9.6
365 revenue		0.0	0.0	0.0	0.0	1.9	1.9	2.2	4.6	5.0	6.2	18.0	28.0
365 cost of revenue		0.0	0.0	0.0	0.0	1.5	1.5	1.8	3.7	4.0	4.9	14.4	22.4
B65 opex		0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.5	0.5	0.4	1.7	3.4
365 OCF		0.0	0.0	0.0	0.0	0.2	0.2	(0.2)	0.5	0.5	0.8	1.6	2.2
Digital segment as reported													
Digital revenue	68.9	143.3	101.5	130.2	146.1	177.5	555.3	156.5	173.4	188.5	233.2	751.7	835.8
Digital cost of revenue	36.8	106.9	85.0	109.0	124.3	148.399	466.7	128.6	142.9	159.0	195.8	626.2	691.0
Digital opex	32.3	30.6	10.6	12.0	13.2	15.5	51.4	19.8	19.5	16.5	21.1	76.9	83.4
Digital OCF	(0.1)	5.7	5.9	9.2	8.6	13.6	37.2	8.2	11.0	13.0	16.3	48.6	61.4

# Industry Capital Research

# **Entravision Communications (EVC)**

Metrics	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Legacy growth													
Reported digital revenue growth		108%	661%	1045%	970%	69%	288%	54%	33%	29%	31%	35%	11%
Legacy digital revenue growth	-14.9%	-21.4%	-2.6%	34.5%	27.4%	45.8%	26.9%	61.8%	32.7%	26.8%	5.1%	27.5%	5.8%
2-yr CAGR		-18.2%	-5.3%	-4.6%	-0.6%	7.2%	-0.2%	25.5%	33.6%	27.1%	23.8%	27.2%	16.1%
Legacy digital opex growth		-24.1%	-14.4%	-9.2%	21.5%	-4.7%	-2.8%	45.9%	53.8%	25.3%	59.6%	45.4%	4.6%
Legacy digital OCF		822.5%	-71.9%	-184.0%	95.7%	532.7%	-661.1%	-316.8%	-81.6%	37.7%	-74.0%	-47.0%	18.8%
Cisneros growth				_									
Cisneros revenue growth		46.4%	120.0%	173.4%	118.9%	36.9%	94.5%	32.6%	15.5%	23.7%	32.8%	26.0%	11.0%
2-yr CAGR			69.8%	73.6%	67.3%	65.5%	68.7%	70.8%	77.7%	64.5%	34.8%	56.6%	18.2%
Cisneros opex ex-COR growth		31.5%	44.3%	88.2%	22.7%	5.1%	32.5%	70.7%	30.3%	7.5%	14.8%	28.7%	12.2%
Cisneros OCF		43%	266%	314%	122%	4%	105%	4%	4%	35%	49%	24%	28%
MediaDonuts growth					_								
MediaDonuts revenue growth y/y			154.3%	140.0%	53.5%	41.3%		99.8%	60.0%	42.2%	34.0%	52.1%	8.5%
2-yr CAGR								125.4%	95.9%	47.7%	37.6%	61.5%	28.4%
MediaDonuts opex ex-COR growth y/y			106.5%	215.0%	757.3%	264.3%		67.6%	-16.1%	64.5%	42.6%	32.9%	-3.4%
MediaDonuts cost of revenue growth y/y			143%	155%	54%	56%		100%	71%	33%	29%	49%	8%
MediaDonuts OCF growth y/y			-240%	-45%	-34%	-44%	-35%	333%	458%	107%	65%	133%	25%
365 growth					•								
365 revenue growth y/y					•								55.6%
365 opex ex-COR growth y/y													101.8%
365 cost of revenue growth y/y													56%
365 OCF growth y/y													14%
Digital segment pro forma growth			_	_	_			_					
Digital revenue		38%	93%	144%	95%	40%	81%	43%	24%	29%	31%	31%	11%
Digital revenue, PF, pro rated for 4Q by days EVC ow	ned Cisneros	in 4Q20	83%										
Digital cost of revenue		46%	102%	153%	107%	45%	89%	41%	23%	28%	32%	31%	10%
Digital opex ex-cost of revenue		0%	14%	42%	30%	11%	23%	59%	33%	25%	36%	38%	9%
Digital OCF		76%	831%	613%	93%	25%	118%	30%	16%	51%	20%	28%	27%
Legacy margins									_				
Legacy cost of revenue/revenue	53.3%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Legacy opex ex-COR/revenue	46.8%	45.3%	45.3%	36.6%	37.6%	25.3%	34.7%	40.8%	42.4%	37.2%	38.3%	39.6%	39.1%
Legacy OCF margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	2.6%	0.9%	5.7%	4.3%	3.4%	3.9%
Legacy OCF margin ^ y/y		-1.7%	4.7%	17.6%	1.8%	13.4%	10.2%	4.5%	-5.8%	0.4%	-13.1%	-4.8%	0.4%
Cisneros margins													
Cisneros cost of revenue/revenue	85.5%	86.4%	87.7%	87.3%	89.7%	89.0%	88.5%	87.7%	87.3%	89.7%	89.0%	88.5%	87.5%
Cisneros COR margin ^ y/y		1.0%	-0.1%	0.0%	3.3%	3.4%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%
Cisneros OCF margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-1.5%	-0.7%	0.6%	0.7%	-0.1%	1.0%
Cisneros EBITDA margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-1.5%	-0.7%	0.6%	0.7%	-0.1%	1.0%
MediaDonuts margins													
MediaDonuts cost of revenue/revenue		73.5%	75.0%	70.0%	80.3%	78.0%	76.5%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
MediaDonuts COR margin ^ y/y			-3.5%	4.1%	0.0%	7.4%		0.0%	5.0%	-5.3%	-3.0%	-1.5%	0.0%
MediaDonuts OCF margin ^ y/y			8.5%	-10.5%	-10.0%	-15.0%		3.5%	7.8%	3.4%	2.2%	3.6%	1.6%
MediaDonuts EBITDA margin ^ y/y			8.5%	-10.5%	-10.0%	-15.0%		3.5%	7.8%	3.4%	2.2%	3.6%	1.6%
365 margins													
365 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 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 OCF margin ^ y/y			6.9%	6.9%	34.2%	1.5%		-25.3%	-6.9%	-34.2%	2.0%	-0.9%	-2.8%
Digital Segment margins													
Digital Segment cost of revenue/revenue		74.6%	83.7%	83.7%	85.1%	83.6%	84.0%	82.1%	82.4%	84.3%	84.0%	83.3%	82.7%
MediaDonuts COR margin ^ y/y			28.6%	27.0%	27.9%	2.3%		-1.6%	-1.3%	-0.8%	0.4%	-0.7%	-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%
Digital Segment reported revenue mix:													
Digital as % of company revenue	25%	42%	68%	73%	73%	76%	73%	79%	79%	79%	82%	80%	83%
Cisneros Interactive as % of digital segment revenue		62%	87%	88%	80%	75%	82%	75%	77%	77%	76%	76%	76%
MediaDonuts as % of digital segment revenue		0%	0%	0%	8%	11%	6%	10%	9%	9%	11%	10%	10%
Legacy digital as % of digital segment revenue		38%	13%	12%	12%	13%	12%	13%	12%	12%	10%	12%	11%
365 as % of digital segment revenue		0%	0%	0%	0%	1%	0%	1%	3%	3%	3%	2%	3%
Digital Segment reported OCF mix:													
Cisneros Interactive as % of digital segment OCF		118%	104%	89%	79%	56%	77%	79%	78%	72%	70%	74%	75%
MediaDonuts as % of digital segment OCF		0%	0%	0%	10%	13%	7%	13%	16%	14%	18%	16%	16%
Legacy digital as % of digital segment OCF		-18%	-4%	11%	11%	29%	15%	7%	2%	10%	6%	6%	6%
365 as % of digital segment OCF		0%	0%	0%	0%	2%	1%	1%	4%	4%	5%	4%	4%
				2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0		0.0

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



Figure 12: Financial Statement Forecasts Supporting Our Valuation

In millions, except per share data																
AS REPORTED	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Net revenue:	20164	2017A	2018A	2013A	2020A	1021	2021	3021	4021	2021A	IQZZE	ZQZZE	3Q22E	40222	20226	20236
			4						4		4	4	44.4		4	
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.3	\$30.9	\$34.2	\$35.3	\$130.7	118.9
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.4	15.1	15.5	16.8	59.8	52.6
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	47.4	48.2	52.9	56.4	204.9	42.7	46.0	49.7	52.1	190.5	171.6
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	156.5	173.4	188.5	233.2	751.7	835.8
Total net revenue (core)	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	199.2	219.4	238.2	285.3	942.2	1,007.4
		263.9								0.0					0.0	0.0
Revenue from spectrum usage rights			1.2	0.0	0.0											
Total net revenue	258.5	536.0	297.8	273.6	344.0	148.9	178.4	199.0	233.9	760.2	199.2	219.4	238.2	285.3	942.2	1,007.4
Cost of Revenue																
Television		0.0														
Radio		0.0													l	
Digital	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	128.6	142.9	159.0	195.8	626.2	691.0
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	83.5%	83.7%	85.1%	83.6%	84.0%	82.1%	82.4%	84.3%	84.0%	83.3%	82.7%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	128.6	142.9	159.0	195.8	626.2	691.0
Cost of revenue from spectrum usage rights (television)		12.340													l	
Total cost of revenue	9.5	45.3	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	128.6	142.9	159.0	195.8	626.2	691.0
Opex														Į.		
Television opex	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.3	19.5	19.8	20.1	78.7	70.8
			59.4					9.8		40.0		10.3	10.5			37.6
Radio opex	65.4	63.3		56.7	41.8	9.7	9.9		10.7		9.6			10.1	40.4	
Digital opex	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	19.8	19.5	16.5	21.1	76.9	83.4
Total opex (core)	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	48.7	49.2	46.8	51.3	196.0	191.9
Spectrum usage rights					l									l		
Total Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	48.7	49.2	46.8	51.3	196.0	191.9
														0 - 1.0		
OCF																
										-					4	
Television OCF	75.9	66.3	67.4	65.2	73.6	\$16.2	\$14.5	\$16.3	\$18.4	65.4	\$11.0	\$11.4	\$14.4	\$15.2	52.0	48.1
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.9%	42.7%	44.7%	45.7%	44.6%	36.3%	37.0%	42.0%	43.0%	39.8%	40.4%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%	173.4%					106.6%					83.4%	33.1%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	2.8	4.8	5.0	6.8	19.4	15.0
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	14.4%	29.9%	40.5%	33.9%	31.0%	22.2%	31.8%	32.6%	40.2%	32.4%	28.5%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%	14.470	23.370	40.570	33.370	114.9%	22.270	31.070	32.070	40.270	77.0%	60.6%
	2.4	0.7%	2.8			5.9	9.167	8.6	13.6	37.2	8.2	11.0	13.0	46.3	48.6	
Digital OCF				(0.1)	5.7									16.3		61.4
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	5.8%	7.0%	5.9%	7.6%	6.7%	5.3%	6.3%	6.9%	7.0%	6.5%	7.3%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%					7.6%					5.8%	15.2%
Total OCF (core)	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.6	37.4	120.6	22.0	27.2	32.4	38.3	119.9	124.5
Margin	34.3%	26.0%	25.2%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.0%	12.4%	13.6%	13.4%	12.7%	12.4%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%		8.4%	16.7%	7.7%	-4.8%	20.07.0	-3.4%	-1.7%	2.2%	1.6%		
	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spectrum sales																
Total OCF	88.7	322.3	75.9	63.4	83.8	23.7	27.9	31.6	37.4	120.6	22.0	27.2	32.4	38.3	119.9	124.5
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.0%	12.4%	13.6%	13.4%	12.7%	12.4%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%		8.4%	16.7%	7.7%	-4.8%		-3.4%	-1.7%	2.2%	1.6%	l	
	. 1				l									l		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	7.2	7.3	7.3	11.2	33.0	7.9	7.8	7.5	10.9	34.2	35.2
CAAD FRITRA	643	204.4	40.4	25.4	55.0	45.5	20.5	24.2	26.2	07.6		40.4	24.0	27.2	05.7	00.3
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	16.6	20.6	24.3	26.2	87.6	14.1	19.4	24.9	27.3	85.7	89.3
					l					J				l		
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	0.8	0.8	0.8	4.0	6.4	1.2	1.3	1.3	2.7	6.5	6.6
Opex adjustments to cash:																
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(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	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	0.3	0.3	0.3	2.3	3.2	0.8	0.9	0.8	0.8	3.3	3.4
Non-recurring cash severance			0.8	2.3	1.7	0.0		_	0.4	0.4				Į.		
EBITDA attributable to redeemable noncontrolling interest					3.4	2.8	4.3	2.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0	0.0
corror accrease to redeemable noncontrolling interest	(1.3)	(1.2)	(1.5)	(2.9)	0.5	2.5	3.9	1.7	(2.7)	5.5	(0.8)	(0.9)	(0.8)	(0.8)	(3.3)	(3.4)
Total opex (positive) adjustments to cash			, .,						1 1							
					44.48	0.6	(0.3)	0.2	0.1	0.5	0.1	0.1	0.1	0.1	0.5	0.0
Total opex (positive) adjustments to cash		0.4	1.6	0.8												
	0.0	0.4	1.6	0.8	(1.1)	0.0						0.1	0.1	0.1	0.5	
Total opex (positive) adjustments to cash  Foreign currency (gain) loss	0.0															
Total opex (positive) adjustments to cash		0.4 300.1	1.6 54.0	0.8 41.2	60.4	14.2	17.8	23.2	32.9	88.0	16.0	21.5	26.9	30.7	95.0	99.3
Total opex (positive) adjustments to cash  Foreign currency (gain) loss  Total Adjusted EBITDA	0.0	300.1	54.0				17.8	23.2	32.9		16.0					99.3
Total opex (positive) adjustments to cash  Foreign currency (gain) loss  Total Adjusted EBITDA  Other opex for spectrum (in corporate)	0.0 69.2		54.0 1.2	41.2		14.2			32.9	88.0		21.5	26.9	30.7	95.0	
Total opex (positive) adjustments to cash  Foreign currency (gain) loss  Total Adjusted EBITDA	0.0	300.1	54.0				17.8	23.2	32.9 <b>32.9</b>		16.0					99.3 <b>99.3</b>
Total opex (positive) adjustments to cash Foreign currency (gain) loss Total Adjusted EBITDA Other opex for spectrum (in corporate) Adjusted EBITDA (core)	0.0 69.2 <b>69.2</b>	300.1 2.1 50.6	54.0 1.2 <b>54.0</b>	41.2	60.4	14.2	17.8	23.2	32.9	88.0		21.5	26.9	30.7	95.0	
Total opex (positive) adjustments to cash  Foreign currency (gain) loss  Total Adjusted EBITDA  Other opex for spectrum (in corporate)  Adjusted EBITDA (core)  Memo: adj. EBITDA (core) reported	0.0 69.2 <b>69.2</b> 69.2	300.1 2.1 50.6 50.6	54.0 1.2 54.0 54.0	41.2 41.2 41.2	60.4 60.4	14.2 14.2	17.8 17.8	23.2	<b>32.9</b> 32.9	88.0 88.0		21.5	26.9	30.7	95.0	
Total opex (positive) adjustments to cash Foreign currency (gain) loss Total Adjusted BBITDA Other opex for spectrum (in corporate) Adjusted EBITDA (core) Memo: adj. EBITDA (core) reported Model variance: adj. EBITDA	69.2 69.2 69.2 0.0	300.1 2.1 50.6 50.6 0.0	54.0 1.2 54.0 54.0 0.0	41.2 41.2 41.2 0.0	60.4 60.4 (0.0)	14.2 14.2 14.2 0.0	17.8 17.8 0.0	23.2 23.2 0.0	32.9 32.9 (0.0)	88.0 88.0 0.0	16.0	21.5	26.9 26.9	30.7	95.0 <b>95.0</b>	99.3
Total opex (positive) adjustments to cash  Foreign currency (gain) loss  Total Adjusted EBITDA  Other opex for spectrum (in corporate)  Adjusted EBITDA (core)  Memo: adj. EBITDA (core) reported	0.0 69.2 <b>69.2</b> 69.2	300.1 2.1 50.6 50.6	54.0 1.2 54.0 54.0	41.2 41.2 41.2	60.4 60.4	14.2 14.2	17.8 17.8	23.2	<b>32.9</b> 32.9	88.0 88.0		21.5	26.9	30.7	95.0	



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

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	20238
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$42.9	\$45.4	\$44.8	\$45.4	\$178.5	\$47.9	\$48.4	\$46.0	\$50.5	\$192.7	188.5
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	6.7	6.5	6.2	8.3	\$27.7	28.6
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	1.1	1.1	1.1	6.3	9.6	2.1	2.2	2.1	3.4	\$9.8	10.0
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	0.7	0.7	0.7	0.7	\$2.8	3.4
		5.0	1.1	2.2	0.0	(5.1)	(5.0)	(1.9)	2.0	(0.0)	0.7	0.7	0.7	0.7	\$2.0	3.4
Memo: PF EBITDA attributable to redeemable noncontrolling i	nterest															
D&A	15.3	16.4	16.3	16.6	17.3	5.2	5.1	5.9	6.3	22.4	6.5	6.5	6.5	6.5	25.8	26.2
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	3.5%	2.8%	3.0%	2.7%	2.9%	3.2%	2.9%	2.7%	2.3%	2.7%	2.6%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	0.0	0.0	0.0	8.2	8.2	0.0	0.0	0.0	0.00	0.0	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	1.3	0.1	0.2	1.4	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss		(0.3)	(1.2)	(6.0)	(6.9)	(1.9)	(0.5)	(2.4)	(2.1)	(7.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Gain (Loss) on Sale	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (EBIT Inc. Impairments)	48.9	277.9	33.6	(1.7)	6.6	11.4	16.2	20.5	12.4	60.5	7.6	13.0	18.4	20.8	59.8	63.5
	18.9%	51.8%	11.3%	-0.6%	1.9%		9.1%	10.3%	5.3%	8.0%	3.8%	5.9%	7.7%		6.3%	6.3%
Operating Margin %						7.6%								7.3%		
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(1.7)	(1.8)	(1.7)	(1.7)	(6.9)	(1.4)	(1.5)	(1.5)	(1.5)	(6.0)	(8.4)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.3	8.0	2.0	3.4	1.7	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	(0.0)	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(1.6)	(1.8)	(1.7)	(1.7)	(6.8)	(1.4)	(1.5)	(1.5)	(1.6)	(6.0)	(8.4)
Loss on debt extinguishment	(0.2)	(3.3)	(0.6)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.0	0.2	0.9	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
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Pretax income	33.5	258.6	21.4	(11.3)	0.1	9.8	14.5	19.0	10.6	53.9	6.1	11.5	16.9	19.3	53.8	55.1
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	6.6%	8.1%	9.5%	4.6%	7.1%	3.1%	5.2%	7.1%	6.8%	5.7%	5.5%
	15.070	70.270	7.2/0	14141	0.070	0.070	0.170	3.370	7.0/0	7.1/0	3.1/0	3.270	7.170	0.070	3.770	3.3/
Income (toyor) honofit	(43.4)	/02 C	(7.0)	(0.3)	/4 E1	(2.0)	(4.0)	(F 4)	(0.0)	(40.7)	(2.0)	(4.0)	(F 4)	(5.0)	(40.0)	/40.2
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(2.8)	(4.0)	(5.1)	(6.8)	(18.7)	(2.8)	(4.0)	(5.1)	(6.9)	(18.8)	(19.3)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	28.5%	27.6%	26.9%	63.7%	34.6%	45.4%	34.8%	30.3%	35.9%	35.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	-2.0%	22.7%	2.5%	5.4%	7.7%	16.8%	9.0%	6.1%	5.3%	7.7%	7.0%
						_										
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	7.0	10.5	13.9	3.9	35.2	3.4	7.5	11.8	12.4	35.0	35.8
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	0.2	0.0	0.0
• •		' '	` '									, ,				
Reported Net income	20.4	175.7	12.2	(19.7)	(1.4)	7.0	10.5	13.9	3.9	35.2	3.4	7.4	11.7	12.5	35.0	35.8
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	8.0%	9.8%	11.3%	10.8%	10.1%	9.9%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest					2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	5.4	7.9	12.1	3.9	29.3	3.4	7.4	11.7	12.5	35.0	35.8
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NN
EPS - Basic, Continuing Operations	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.34	\$0.04	\$0.08	\$0.13	\$0.14	\$0.41	\$0.43
				,	, ,										·	
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common	20.4	175.7	12.2	(19.712)	(3.9)	5.4	7.9	12.1	3.9	29.3	3.4	7.4	11.7	12.5	35.0	35.8
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.05	\$0.34	\$0.04	\$0.09	\$0.14	\$0.15	\$0.41	\$0.43
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.33	\$0.04	\$0.08	\$0.13	\$0.14	\$0.40	\$0.42
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04							
Model variance: EPS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00							
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	0.0	0.0	0.0	9.6	9.6	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	5.4	7.9	12.1	13.5	38.9	3.4	7.4	11.7	12.5	35.0	35.8
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.16	\$0.46	\$0.04	\$0.09	\$0.14	\$0.15	\$0.41	\$0.43
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.15	\$0.44	\$0.04	\$0.08	\$0.13	\$0.14	\$0.40	\$0.42
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.0	85.2	85.4	85.6	85.3	85.0	84.6	84.2	83.9	84.4	83.3
EPS shares - Diluted	91.3	91.9	90.3	86.2	84.2	87.0	87.8	88.3	88.6	87.9	87.9	87.6	87.2	86.8	87.4	86.3
	71.3	31.3	50.5	00.2	04.2	37.0	57.0	55.5	30.0	07.5	37.3	57.0	J1.2	30.0	57. <del>4</del>	00.3
Free Cash Flow:																
							47.0	22.2	22.5	20.5		24.5	200	20 -	05.5	
EBITDA	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	16.0	21.5	26.9	30.7	95.0	99.3
Cash net interest	-14.4	-12.7	-10.6	-9.4	-5.9	-1.4	-1.6	-1.5	-1.6	-6.2	-1.4	-1.5	-1.5	-1.6	-6.0	-8.4
Other adjustments to cash		250.0	1.9	4.7	5.3	1.9	0.5	2.6	1.7	6.8					0.0	
- Cash taxes	-0.6	-0.8	-3.3	-2.8	-7.7	0.2	-3.3	-0.5	-0.6	-4.1	-1.0	-1.0	-1.0	-1.0	-4.1	-3.9
Cash taxes / EBITDA	1%	2%	6%	7%	13%	0.0	18%	2%	2%	5%	6%	5%	4%	3%	4%	4%
Minus: capex	-9.1	-12.1	-17.0	-25.3	-9.1	-1.8	-1.0	-1.4	-1.6	-5.8	-3.1	-3.1	-3.1	-3.1	-12.5	-11.1
Capex / D&A	59%	74%	105%	152%	52%	35%	20%	24%	25%	26%	48%	48%	48%	48%	48%	42%
Capex / EBITDA	13%	24%	31%	61%	15%	13%	6%	6%	5%	7%	20%	15%	12%	10%	13%	11%
Plus: cost of revenue for spectrum usage rights	25/0	12.1	32,0	52,0	15/0	10/0	0,0	0,0	5,3	.,,	2070	1570	12,0	20,0	20,0	11/1
	1	287.1	35.0	8.3	43.0	13.0	12.4	22.4	20.0	78.7	10.4	15.8	21.2	25.0	72.4	75.9
	45.0	/X/.1	25.0		<b>43.0</b> 43.0	13.0 13.0	12.4	22.4 22.4	30.9	/8./	10.4	15.8	21.2	25.0	/2.4	/5.9
= Free Cash Flow	45.2		25.0													
= Free Cash Flow Free cash flow (reported by company)	45.2	287.1	25.0	8.3				22.4						1		
= Free Cash Flow Free cash flow (reported by company) Model variance: free cash flow	45.2 0.0	287.1 0.0	(0.0)	0.0	(0.0)	0.0	_	_								
= Free Cash Flow Free cash flow (reported by company)	45.2 0.0 <b>45.2</b>	287.1 0.0 <b>37.6</b>	(0.0) <b>25.0</b>	0.0 <b>8.3</b>	(0.0) <b>43.0</b>	0.0 <b>13.0</b>	12.4	22.4	30.9	78.7	10.4	15.8	21.2	25.0	72.4	75.9
= Free Cash Flow Free cash flow (reported by company) Model variance: free cash flow Free Cash Flow (core) FCF per share (core)	45.2 0.0	287.1 0.0 37.6 \$0.41	(0.0) 25.0 \$0.28	0.0 8.3 \$0.10	(0.0) 43.0 \$0.51	0.0 13.0 \$0.15	\$0.14	22.4 \$0.25	30.9 \$0.35	\$0.90	10.4 \$0.12	\$0.18	21.2 \$0.24	\$0.29	\$0.83	\$0.88
= Free Cash Flow Free cash flow (reported by company) Model variance: free cash flow Free Cash Flow (core)	45.2 0.0 <b>45.2</b>	287.1 0.0 <b>37.6</b>	(0.0) <b>25.0</b>	0.0 <b>8.3</b>	(0.0) <b>43.0</b>	0.0 <b>13.0</b>		22.4								<b>75.9</b> \$0.88 76.5%

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

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	33.8%	23.0%	19.7%	22.0%	23.9%	6.9%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	33.8%	23.0%	19.7%	22.0%	23.9%	6.9%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-16.0%	-9.3%	-6.2%	-12.3%	-11.0%	-9.0%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	NM	42.5%	-0.5%	25.4%	9.7%	6.9%	-5.7%	4.2%	3.1%	-12.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	661.2%	1045.0%	970.1%	69.1%	287.5%	54.3%	33.2%	29.0%	31.4%	35.4%	11.2%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	NM	NM	73.9%	NM	51.7%	31.1%	27.8%	31.9%	34.2%	10.3%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-25.5%	-11.9%	-16.7%	-31.5%	-22.4%	-2.9%	-0.3%	-1.5%	-7.9%	-3.3%	-10.0%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	-28.8%	-9.2%	-1.1%	NM	NM	-0.4%	4.0%	6.9%	32.9%	28.6%	7.4%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	NM	NM	49.7%	NM	41.6%	27.7%	22.9%	25.8%	28.6%	7.4%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.6%	4.6%	12.9%	20.5%	18.8%	8.6%	6.7%	13.3%	-2.1%
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	0.6%	-2.9%	-0.3%	-1.5%	-7.9%	-3.3%	-10.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-16.9%	8.2%	0.8%	-5.5%	-4.2%	-0.4%	4.0%	6.9%	-5.8%	1.0%	-7.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	58.1%	95.3%	145.0%	27.1%	68.5%	82.0%	62.0%	25.4%	35.7%	49.0%	8.6%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	32.1%	42.6%	NM	49.5%	-7.4%	44.0%	-7.3%	-2.5%	2.7%	2.3%	-0.6%	3.8%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-7.1%	57.7%	-13.3%	-34.5%	-11.0%	-32.1%	-21.3%	-11.9%	-17.5%	-20.6%	-7.5%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	11.0%	NM	69.4%	13.6%	-24.2%	23.8%	7.8%	-22.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	83.5%	NM	40.1%	20.0%	51.1%	20.4%	30.5%	26.3%
Corporate expense	9.0%	12.1%	1.0%	3.0%	3.0%	2.0%	15.0%	-4.0%	-18.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	3.0%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	46.6%	46.7%	NM	41.7%	0.6%	45.7%	12.6%	20.8%	15.8%	-6.6%	7.9%	4.5%
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	14.9%	31.0%	50.0%	26.2%	29.7%	24.6%	27.3%	9.5%	3.2%	15.3%	1.3%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	81.4%	NM	39.4%	-18.7%	47.4%	-5.9%	10.9%	13.0%	2.4%	6.0%	-100.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	49.0%	-61.4%	NM	-37.2%	-20.7%	-11.1%	81.2%	-0.2%	2.4%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	34.5%	-81.0%	NM	-38.2%	-5.8%	-3.8%	NM	19.4%	2.4%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	27.3%	-83.3%	NM	-33.3%	-11.1%	-7.1%	NM	20.6%	4.9%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	NM	29.3%	-81.5%	NM	-38.9%	-5.5%	-2.5%	NM	20.1%	3.7%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	6.1%	76.5%	-20.0%	28.6%	-4.0%	-17.1%	-7.8%	6.0%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-4.5%	-2.3%	3.2%	3.7%	4.1%	3.0%	4.4%	1.1%	-0.3%	-1.3%	-2.0%	-0.6%	-1.3%



Figure 15: Financial Statement Forecasts Supporting Our Valuation (cont.)

Segments																
In millions																
AS REPORTED	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue:	1															
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.3	\$30.9	\$34.2	\$35.3	\$130.7	\$118.9
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.4	15.1	15.5	16.8	59.8	52.6
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	156.5	173.4	188.5	233.2	751.7	835.8
Revenue	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	199.2	219.4	238.2	285.3	942.2	1,007.4
Cost of revenue:	230.3	272.1	230.0	275.0	344.0	140.5	170.4	133.0	255.5	700.2	133.2	213.4	230.2	203.3	342.2	1,007.4
Television	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	128.6	142.9	159.0	195.8	626.2	691.0
Cost of revenue	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	128.6	142.9	159.0	195.8	626.2	691.0
Opex:	9.5	33.0	43.1	30.0	100.9	04.0	109.0	124.5	140.4	400.5	120.0	142.9	139.0	193.0	020.2	091.0
	02.0	01.7	04.2	04.4	90.0	10.0	10.5	20.1	21.0	01.4	10.2	10.5	10.0	20.1	70.7	70.0
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.3	19.5	19.8	20.1	78.7	70.8
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.6	10.3	10.5	10.1	40.4	37.6
Digital	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	19.8	19.5	16.5	21.1	76.9	83.4
Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	48.7	49.2	46.8	51.3	196.0	191.9
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.0	11.4	14.4	15.2	52.0	48.1
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	2.8	4.8	5.0	6.8	19.4	15.0
Digital	2.4	0.7	2.8	(0.1)	5.7	5.9	9.2	8.6	13.6	37.2	8.2	11.0	13.0	16.3	48.6	61.4
OCF	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.6	37.4	120.6	22.0	27.2	32.4	38.3	119.9	124.5
PRO FORMA	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue:																
Television	159.5	148.1	151.7	149.7	155.3	36.1	34.1	36.5	38.0	144.6	30.3	30.9	34.2	35.3	130.7	118.9
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	15.2	57.1	12.4	15.1	15.5	16.8	59.8	52.6
Digital			92.1	228.3	315.9	109.5	140.1	146.1	177.5	573.2	156.5	173.4	188.5	233.2	751.7	835.8
Revenue	273.7	281.7	307.8	433.0	517.4	156.9	188.3	199.0	230.8	775.0	199.2	219.4	238.2	285.3	942.2	1,007.4
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	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	128.6	142.9	159.0	195.8	626.2	691.0
Cost of revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	128.6	142.9	159.0	195.8	626.2	691.0
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.1	80.6	19.3	19.5	19.8	20.1	78.7	70.8
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.2	39.5	9.6	10.3	10.5	10.1	40.4	37.6
Digital			43.9	45.5	45.4	12.4	14.7	13.2	15.5	55.8	19.8	19.5	16.5	21.1	76.9	83.4
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	46.8	176.0	48.7	49.2	46.8	51.3	196.0	191.9
OCF:																
Television	75.9	66.3	67.4	65.2	74.4	16.2	14.5	16.3	17.0	64.0	11.0	11.4	14.4	15.2	52.0	48.1
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.0	17.6	2.8	4.8	5.0	6.8	19.4	15.0
Digital	17.5	10.4	3.2	9.8	17.3	6.1	9.5	8.6	13.6	37.7	8.2	11.0	13.0	16.3	48.6	61.4
OCF	103.9	80.3	75.2	73.4	96.1	23.9	28.2	31.6	35.6	119.3	22.0	27.2	32.4	38.3	119.9	124.5
CONSOLIDATED PRO FORMA	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenue	273.7	281.7	307.8	433.0	517.4	156.9	188.3	199.0	230.8	775.0	199.2	219.4	238.2	285.3	942.2	1,007.4
Growth	7.7%	2.9%	9.3%	40.7%	19.5%	45.8%	106.3%	60.3%	18.7%	49.8%	27.0%	16.5%	19.7%	23.7%	21.6%	6.9%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	128.6	142.9	159.0	195.8	626.2	691.0
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	101.6%	152.8%	106.6%	45.4%	89.4%	41.3%	23.3%	27.8%	31.9%	30.6%	10.3%
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	46.8	176.0	48.7	49.2	46.8	51.3	196.0	191.9
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	-5.3%	18.5%	11.0%	-1.8%	4.7%	16.0%	11.6%	8.6%	9.6%	11.4%	-2.1%
OCF	103.9	80.3	75.2	73.4	96.1	23.9	28.2	31.6	35.6	119.3	22.0	27.2	32.4	38.3	119.9	124.5
Growth	2.9%	-22.7%	-6.4%	-2.4%	31.0%	31.8%	244.8%	25.7%	-20.4%	24.1%	-8.2%	-3.5%	2.7%	7.6%	0.5%	3.8%
Corporate	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	6.7	6.5	6.2	8.3	27.7	28.6
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	3.6%	39.7%	15.3%	-3.2%	11.3%	4.3%	-0.7%	-3.6%	14.9%	4.0%	3.2%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	0.7	0.7	0.7	0.7	2.8	3.4
EBITDA	84.4	60.2	54.4	51.2	72.8	14.4	18.1	23.2	31.0	86.7	16.0	21.5	26.9	30.7	95.0	99.3
Growth	3.2%	-28.7%	-9.6%	-6.0%	42.2%	39.0%	322.5%	13.9%	-16.0%	19.2%	10.8%	18.8%	15.8%	-1.0%	95.0	99.3 4.5%
GIOWIII	3.2%	-28.7%	-9.0%	-0.0%	42.2%	39.0%	322.5%	15.5%	-10.0%	19.2%	10.8%	15.5%	15.6%	-1.0%	9.0%	4.5%

**Entravision DCF analysis** 

Firm Value

(-) Total Net Debt

Common Equity Value

Shares Outstanding

Current Share Price

Value Per Share

12-month (SoTP) Discounted Cash Flow

Less Cash Taxes

Plus D&A

Tax Rate

Net Debt

D/Equity D/EV

E/EV

Leverage Mult.

Unlevered Beta

Cost of Debt (AT)

Cost of Equity

WACC

PV of CF

Sum of PV

NPV of all CF

PV of Terminal Value

D/Equity (long-term target)

Levered Beta

Less Cap Ex

Less Increase in WC

Free Cash Flow to Firm

12-month

EBITDA

EBIT

(+) NOLs/Tax Assets

(-) Options (Claims on Entravision

**Entravision Communications Corporation (EVC)** 

# **Entravision Communications (EVC)**

Figure 16: DCF Analysis Supports \$8.50 12-Month Price Target Within \$7-9.50 Range

\$ in millions except per share amounts ASSUMPTIONS CAGRs Current YE 2022 YE 2023 Risk Free Rate 5.4% 897 905 904 2018-22 2020-24 2022-26 2025-26 Equity Premium 0% EBITDA 205 133 57 Assumed LT Growth Rate (g) 15% 20% 10% 12% 40 40 MV of Equity Calculation FCF to Firm 34% 40 16% 14% 12% (3.8)(3.8) (3.8) Share Price CAGRS 88.3 Outstanding Shares 2021-25 2023-27 2026-27 2019-23 726.9 808.2 MV of Equity 565.2 EBITDA 25% 7% -5% 883.1 8% Estimate MV of Debt Calculation FCF to Firm NM 13% 9% -3% 88.3 88.3 88.3 Interest Expense Current Cost of Debt 5.00% \$6.40 \$6.40 \$6.40 Wgtd Avg Maturity of Debt 205.4 BV of Debt \$8.23 \$9.15 \$10.00 Estimate MV of Debt 205.4 \$9.50 \$7.00 2024 2027 Terminal 2018 2019 2020 2021 2022 2023 2025 2026 54.0 41.2 60.4 88.0 95.0 99.3 127.1 122.0 136.8 130.2 37.8 24.6 43.1 65.6 69.2 73.1 93.4 86.2 98.5 91.1 94.8 (33.2) (11.3) (7.4)(12.9) (19.7)(20.8)(21.9)(28.0)(25.9)(29.5)(27.3)16.3 16.6 17.3 22.4 25.8 26.2 33.7 35.7 38.3 39.1 39.1 (17.0)(5.8)(12.5)(13.5)(39.1)(25.3)(9.1) (11.1)(11.7)(12.3)(12.9)(9.4)(8.7)8.7 (13.0) (9.3) (3.2)(3.3)(3.5)(3.5)(4.4)(2.0)16.3 (0.1)47.1 49.5 52.5 62.9 83.9 80.4 90.0 87.4 58.5 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 35.0% 205 3.4x 36% 27% 73% 0.94 1.16 33% 3.5% 7.9% 6.8% 7% 7% 7% 7% 7% 7% 7% 7%

49.1

YE 2023

289.8

614.6

904.4

YE 2022

330.2

575.3

905.4

Current

358.1

538.5

896.6

55.1

58.9

68.8

73.5

78.6

61.7

65.9

70.4

64.7

69.1

73.8

58.8

62.8

67.1

855.3

6x EBITDA

Entravision Communications Corporation (EVC)

# Incustry Capital Research Entravision Communications (EVC)

Figure 17: DCF Analysis Allocates ~80% of firm value to digital media business

\$ in millions except per share amounts					ASSUMPTIONS									
	Current	YE 2022	YE 2023		Risk Free Rate			1.7%			CAGRs			
Firm Value	496	517	525		Equity Premium	ı		5.4%		2018-22	2020-24	2022-26	2025-26	
(-) Total Net Debt	-	-	-		Assumed LT Gro	owth Rate (g	)	1%	EBITDA	105%	138%	19%	11%	
(+) NOLs					MV of Equity Ca	alculation			FCF to Firm	94%	139%	26%	10%	
(-) Options (Claims on Entravision)					Share Price			\$6.40			CAGRs			
					Outstanding Sh	ares		88.3		2019-23	2021-25	2023-27	2026-27	
Common Equity Value	496.0	517.4	525.3		MV of Equity			565.2	EBITDA	NM	33%	14%	6%	
					Estimate MV of	Debt Calcula	ation		FCF to Firm	NM	66%	15%	9%	
Shares Outstanding	88.3	88.3	88.3		Interest Expens	е		6.9						
					Current Cost of	Debt		5.00%						
Current Share Price	\$6.40	\$6.40	\$6.40		Wgtd Avg Matu									
	.	•	.		BV of Debt									
Value Per Share	\$5.62	\$5.86	\$5.95		Estimate MV of	Debt								
12-month	\$6.00													
Minority Interest	1													
Discounted Cash Flow			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Tern	ninal
EBITDA			2.8	(0.1)	2.3	28.1	48.6	61.4	74.5	87.2	96.4	101.9		
EBIT			2.8	(0.1)	2.3	23.0	39.7	50.1	60.8	71.2	78.8	83.2	7	75.8
Less Cash Taxes			(0.8)	0.0	(0.7)	(6.9)	(11.9)	(15.0)	(18.3)	(21.4)	(23.6)	(25.0)	(2	26.5)
Plus D&A						5.1	8.9	11.2	13.6	15.9	17.6	18.6	1	15.9
Less Cap Ex													(1	15.9)
Less Increase in WC						(13.0)	(9.3)	(3.3)	(3.5)	(3.5)	(4.4)	(2.0)		(4.0)
Free Cash Flow to Firm			1.9	(0.1)	1.6	8.2	27.4	43.0	52.7	62.3	68.4	74.9	ı	45.3
Tax Rate			30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	3.	5.0%
Net Debt			0											
Leverage Mult.			0.0x											
D/Equity			0%											
D/EV			0%											
E/EV			100%											
Unlevered Beta			1.51				1							
Levered Beta			1.5											
D/Equity (projected long term)			0.0%											
Cost of Debt (AT)			3.5%											
Cost of Equity			9.8%											
WACC			9.8%		10%	10%	10%	10%	10%	10%	10%	10%		
			J.0/0		10/0	10/0								
PV of CF							24.9	35.6	39.8	42.8	42.8	42.7		
								39.1	43.7	47.0	47.0	46.9		
	· · · · · ·	VE 2022	VE 2022						40.0	E4.7	E4.C	E4 E		
Cinna of DV	Current	YE 2022	YE 2023						48.0	51.7	51.6	51.5	-	F.4
Sum of PV PV of Terminal Value	228.7 267.4	YE 2022 223.8 293.6	YE 2023 202.8 322.5						48.0	51.7	51.6	51.5	51	15.4

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Entravision Communications (EVC)

ndustryCapitalResearch

Figure 18: DCF Analysis allocates ~20% of firm value to broadcast media business

Entravision DCF analysis - Broadcas	sting														
\$ in millions except per share amounts	•														
					ASSUMPTIONS										
	Current	YE 2022	YE 2023		Risk Free Rate			1.7%			CAGRs				
Firm Value	179	168	161		Equity Premium			5.4%		2018-22	2020-24	2022-26	2025-26		
(-) Total Net Debt	205	133	57		Assumed LT Gr		)	-1%	EBITDA	-2%	-2%	-3%	16%		
(+) NOLs	40	40	40		MV of Equity Ca	alculation			FCF to Firm	15%	-9%	-4%	20%		
(-) Options (Claims on Entravision	(3.8)	(3.8)	(3.8)		Share Price			\$6.40			CAGRs				
					Outstanding Sh	ares		88.3		<u>2019-23</u>	2021-25	2023-27	2026-27		
Common Equity Value	9.6	70.6	139.4		MV of Equity			565.2	EBITDA	-2%	-13%	-7%	-30%		
					Estimate MV of		ation		FCF to Firm	NM	-19%	-11%	-42%		
Shares Outstanding	88.3	88.3	88.3		Interest Expens			6.9							
					Current Cost of			5.00%							
Current Share Price	\$6.40	\$6.40	\$6.40		Wgtd Avg Matu	irity of Debt									
					BV of Debt			205.4							
Value Per Share	\$0.11	\$0.80	\$1.58		Estimate MV of	Debt		205.4							
12-month	\$1.00														
Discounted Cash Flow			2010	2019	2020	2021	2022	2022	2024	2025	2026	2027		Torminal	
EBITDA ESTATION			2018 51.3	41.3	58.1	2021 59.9	2022 46.5	2023 37.9	2024 52.6	2025 34.8	40.4	2027		Terminal	
EBIT			35.0	24.7	40.8	42.7	29.5	22.9	32.6	54.6 15.0	19.7	7.9		17.2	
Less Cash Taxes			(10.5)	(7.4)			(8.8)	(6.9)	(9.8)	(4.5)	(5.9)			(6.0)	
Plus D&A			16.3	16.6	(12.2) 17.3	(12.8) 17.3	17.0	15.0	20.1	19.8	20.7	(2.4) 20.5		19.8	
Less Cap Ex			(17.0)	(25.3)		(5.8)	(12.5)			(12.3)	(12.9)	(13.5)		(19.8)	
Less Cap Ex						0.0	0.0	(11.1)	0.0	0.0	0.0	0.0		0.0	
			(9.4)	(8.7)											
Free Cash Flow to Firm			14.3	(0.0)		41.3	25.1	19.9	31.2	18.0	21.6	12.5		11.2	
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			205												
Leverage Mult.			3.5x												
D/Equity			36%												
D/EV			27%												
E/EV			73%				4								
Unlevered Beta			1.1				,								
Levered Beta			1.4												
D/Equity (long-term target)			33%												
Cost of Debt (AT)			3.5%												
Cost of Equity			9.0%												
WACC			7.6%		8%	8%	8%	8%	8%	8%	8%	8%			
PV of CF							23.3	17.2	25.0	13.4	14.9	8.0			
							20.0	18.5	26.9	14.5	16.1	8.6			
	Current	YE 2022	YE 2023					10.5	29.0	15.6	17.3	9.3			
Sum of PV	101.9	84.6	71.2						25.0	13.0	17.5	3.3		129.5	
PV of Terminal Value	77.4	83.3	89.6											220.0	
			50.0												

### **APPENDIX**

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

### COMPANY-SPECIFIC DISCLOSURES

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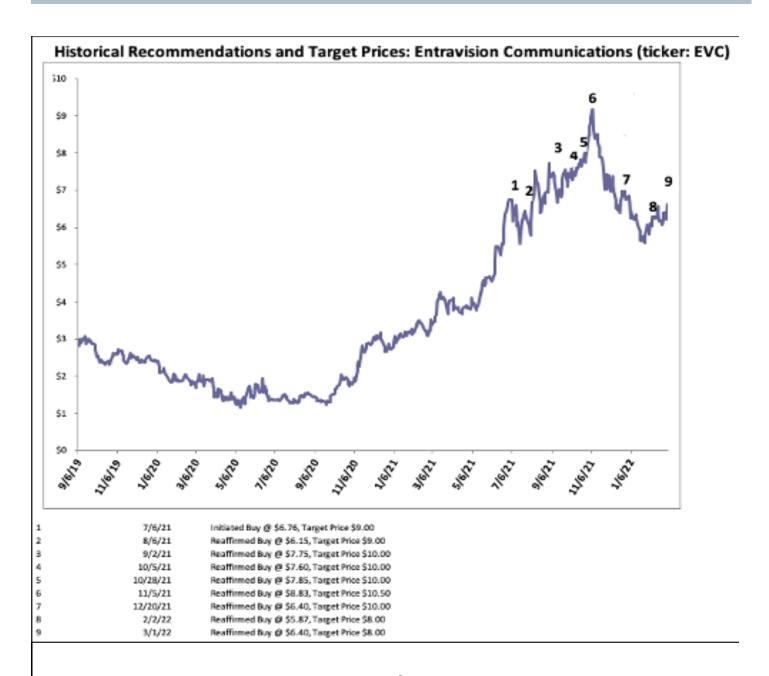
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HOLD: total return expected is between 15% and -15% over a 12-month period

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