

Entravision Communications Corporation (EVC)

Expect 4Q Meet/Beat, With Positives Now Facing Fuller Valuation; Maintain Buy and \$7.50 PT

James Dix, CFA

(1) 917 292 4293

james.dix@industrycapitalresearch.com

With results set for March 9 AMC, 4Q should meet/beat our above-consensus EBITDA estimate. The call will be at 5:00 pm ET, with dial-in 844 836-8739 (U.S.) or 412 317-5440 (int'l).

For 4Q, we expect EVC to meet/beat our estimates of revenue of \$279.7m and adjusted EBITDA of \$37.8m (13.5% margin) vs. consensus of \$261.6m/\$33.9m/13.0%. Our 4Q pro forma digital revenue growth estimate of +15% (excluding Adsmurai, which closed in 3Q) is above EVC's +13% prior pacing. We assume deceleration in Entravision Latam's revenue growth, to +8% in 4Q (+21% 2-year CAGR) from +11% in 3Q (+56% 2-year CAGR). This 2-year CAGR slowdown would be larger than what META—Entravision Latam's dominant partner—saw in rest-of-world (ROW) ad revenue growth, to 16% in 4Q from 24% in 3Q. We assume MediaDonuts revenue growth was +38%, vs. +75% pro forma in 3Q. Our TV revenue estimate assumes core ad growth of -7%, below -4% prior pacing given on the 3Q call (in 1Q TV laps the loss of 3 Univision affiliates at YE2021). Our core radio ad revenue growth estimate is -9%, below -5% prior pacing.

With political's surge in the rearview mirror, focus in 2023 sharpens on EVC's digital business, recession or no. At digital, we assume OCF margin is unchanged in 2023 at 6.7%, as media platform partners fine-tune and tighten targets for their sales partners. We see some potential for near-term margin expansion at Smadex, within the legacy business, given its strong growth. With new META representations in Iceland and Mongolia, EVC now represents META in 14 countries, and could pick up more if, as EVC management has suggested, META continues to increase its reliance on outside partners. Our base case model assumes no recession, resulting in 2023E EBITDA of \$96m in 2023, above consensus. See Fig. 3. Although ad budgets appear more flexible this year given the inflation-recession echo chamber, budgets could firm if storm clouds lift. Thus, we continue to address recession uncertainty with a separate scenario producing ~\$82m in 2023E EBITDA. Our valuation range of \$6-8 assumes a 50% chance of a recession and scenario-weighted average of ~\$89m in 2023 EBITDA. See Fig. 6-7.

Stock's strong start may leave less near-term upside. EVC is up 40% YTD, closing the gap with our price target; since our January valuation update, higher Treasury rates have offset a lower equity risk premium, leaving our valuation range unchanged. EVC is not alone in its strong start—see Fig. 8—which might help encourage competitor Aleph Group to push its IPO. Unless and until Aleph goes public, EVC remains the only publicly traded acquirer of digital media rep businesses, with the option to use stock in deals. After February's dividend boost, EVC yields ~3%. We estimate over \$300m in acquisition capacity, highlighting the importance of capital allocation as a catalyst, as we saw, for example in 4Q20. We still expect some smaller digital acquisitions (\$10-20m each) in the near term. A decision on a permanent CEO should come in 1H23.

Price target of \$7.50 reflects updated macro assumptions (see Fig. 5); risks on page 3. Our 12-month PT is supported by a DCF valuation based on explicit financial forecasts through 2028.

BUY

Price at 3/7/23 (USD)	6.72
Price Target	7.50
52-week range	3.96 - 7.33

Performance (%)	1m	3m	12m
Absolute	-4	28	14
S&P 500	-4	1	-5

Market Cap (USDm)	590.0
Shares outstanding (m)	87.8
Float (%)	73
Average volume	255,862
S&P 500	3,986.4

Forecasts and ratios

Year ended 12/31	2021A	2022E	2023E
1Q EPS (USD)	0.06	0.02	0.05
2Q EPS (USD)	0.09	0.10	0.09
3Q EPS (USD)	0.14	0.11	0.08
4Q EPS (USD)	0.04	0.23	0.16
FY EPS (USD)	0.33	0.45	0.38
% Change	NM	35%	-16%
P/E (x)	20.1	14.9	17.8
EV/EBITDA (x)	7.7	6.6	7.2
Revenue (USDm)	760.2	939.5	1,063.7
% Change	121%	24%	13%

ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE LOCATED IN THE APPENDIX.

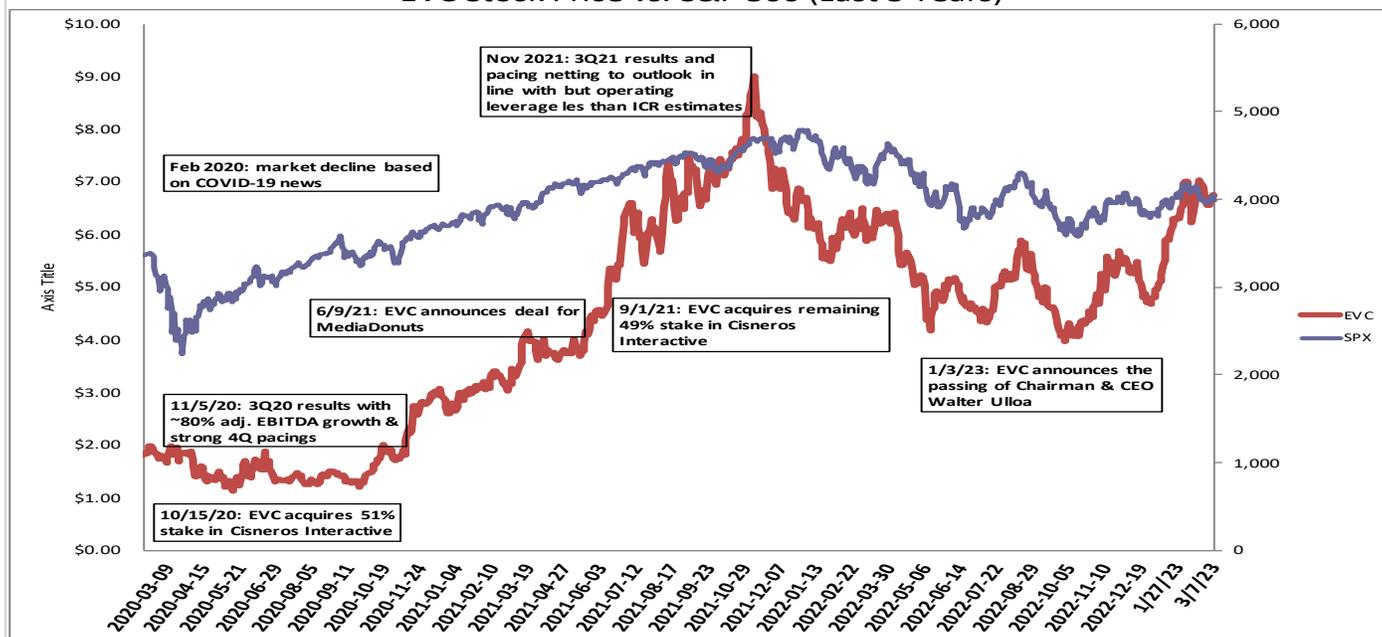
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Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)
12-month price target: \$7.50

ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$6.72	Company description	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 16 of the top-50 U.S. Hispanic markets, and 46 radio stations (37 FM and 9 AM) as well as a radio network with distribution to over 100 U.S. markets. The company's 2021 revenue by segment was 73% from digital, 19% from TV, and 8% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	87.8	Strategy	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.
Equity market capitalization	590	Est. acquisition capacity	\$342
+Pro forma net debt	119	Management	Since the untimely death of Walter Ulloa in December, Christopher Young is Interim CEO, as well as CFO (as which he has served since 2008, having been with EVC since 2000). Paul Zevnik is Interim Chairman. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000, with recently extended contract to 2024).
-Hidden value	16	Positives	<ul style="list-style-type: none"> * 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 affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending
=Pro forma EV	\$693	Risks	<ul style="list-style-type: none"> * Management succession, 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
OPERATING PROJECTIONS		Valuation	Attributing almost 80% of firm value to digital media business
Pro forma net revenue		Recent events	December 2022 - death of co-founder, CEO & Chairman. 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.
2023	\$1,064	Upcoming potential catalysts	Recession risk to advertising-based revenue , both in U.S. and internationally - Additional digital media M&A - Changes in capital return/allocation with new senior management
2022	1,064		
% Chg	0.0%		
Pro forma EBITDA			
2023	\$96		
2022	104		
% Chg	-7.6%		
Pro forma EBITDA margin			
2023	9.1%		
2022	9.8%		
Free cash flow per share			
2023	\$0.66		
2022	\$0.81		
% Chg	-18.5%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2023	7.2x		
2022	6.6x		
Price / Free cash flow per share			
2023	10.2x		
2022	8.3x		
Pro forma net debt / EBITDA			
2023	1.2x		
2022	1.1x		
Dividend yield			
2023	3.0%		
2022	1.5%		

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



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

Investment Thesis and Valuation: Buy With \$7.50 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions because their higher growth and different business models 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) substantially reduce the operating risk profile of overall business; 3) pro forma net debt leverage under 2x and double-digit free cash flow yield will give new senior management flexibility to increase returns of capital and continue accretive digital acquisitions; and 4) our DCF valuation supports substantial stock price upside over the next 12 months, particularly if there is no recession.

Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2023 and 2024; our updated PT assumes a 50% chance of a recession in 2023, resulting in a target valuation range of \$6-\$8. 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 until 2025. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods set the range for our valuation, with the EVC-specific method incorporating market data on EVC shares' actual volatility setting the upper bound, and the sector method relying on measures of risk of comparables setting the lower bound. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

Risks to our investment thesis include: 1) impact of upcoming management succession 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) 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) 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: We expect 4Q to meet/beat our above-consensus estimates, and introduce our below-consensus 1Q23 EBITDA estimate

Entravision Communications							
Summary of Quarterly Estimates							
In millions, except per share data							
	Last Yr	Prior	Estimates Chg	Current	YoY %CHG Current	Consensus	ICR vs Consensus
4Q22E							
As Reported							
Revenue	\$233.9	\$279.7	\$0.0	\$279.7	19.6%	261.6	6.9%
Op Expense	201.0	241.9	0.0	241.9	20.3%		
Adjusted EBITDA	32.9	37.8	0.0	37.8	14.9%	33.9	11.4%
Margin	14.0%	13.5%	0.0%	13.5%		13.0%	0.5%
Pro Forma EPS	\$0.15	\$0.21	+\$0.00	\$0.21	40.0%	\$0.19	10.5%
FCF/sh (core)	\$0.35	\$0.31	+\$0.00	\$0.31	-11.4%		
	Last Yr	Prior	Estimates Chg	Current	YoY %CHG Current	Consensus	ICR vs Consensus
1Q23E							
As Reported							
Revenue	197.2	234.8	0.0	234.8	19.1%	213.5	10.0%
Op Expense	179.1	218.5	0.0	218.5	22.0%		
Adjusted EBITDA	18.1	16.3	0.0	16.3	-9.9%	19.4	-15.9%
Margin	9.2%	6.9%	0.0%	6.9%		9.1%	-2.1%
Pro Forma EPS	\$0.08	\$0.05	+\$0.00	\$0.05	-37.5%	\$0.08	-37.5%
FCF/sh (core)	\$0.16	\$0.08	+\$0.00	\$0.08	-50.0%		

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 3: Unsurprisingly, because our 2023 and 2024 EBITDA estimates assume no recession impact, they are above consensus

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates							
In millions, except per share data							
	Last Yr	Prior	Estimates Chg	Current	YoY %CHG Current	Consensus	ICR vs Consensus
2022E							
As Reported							
Revenue	760.2	939.6	0.0	939.6 ▲	23.6%	921 ▲	2.0%
Op expense	672.0	835.2	0.0	835.2	24.3%		
Adjusted EBITDA	88.2	104.3	(0.0)	104.3 ▲	18.3%	98.4 ▲	6.0%
Margin	11.6%	11.1%	0.0%	11.1%		10.7%	0.4%
EPS	\$0.33	\$0.45	\$0.00	\$0.45 ▲	35.1%	\$0.41 ▲	10.2%
Cash FCF/sh	\$0.90	\$0.81	\$0.00	\$0.81	-10.0%		
2023E							
As Reported							
Revenue	939.6	1,063.7	0.0	1,063.7	13.2%	978	8.8%
Op expense	835.2	967.3	(0.0)	967.3	15.8%		
Adjusted EBITDA	104.3	96.4	0.000	96.4	-7.6%	94.6	1.9%
Margin	11.1%	9.1%	0.0%	9.1%		9.7%	-0.6%
EPS	\$0.45	\$0.38	(\$0.00)	\$0.38	-16.3%	\$0.42	-9.9%
Cash FCF/sh	\$0.81	\$0.66	\$0.00	\$0.66	-18.5%		
2024E							
As Reported							
Revenue	1,063.7	1,183.4	24.8	1,208.2	13.6%	1,095	10.3%
Op expense	967.3	1,056.4	24.7	1,081.1	11.8%		
Adjusted EBITDA	96.4	127.0	0.1	127.1	31.8%	118.8	7.0%
Margin	9.1%	10.7%	-0.2%	10.5%		10.9%	-0.3%
EPS	\$0.38	\$0.58	(\$0.01)	\$0.57	50.2%	\$0.60	-5.3%
Cash FCF/sh	\$0.66	\$0.95	\$0.02	\$0.97	47.0%		
* reflects announced acquisitions and dispositions							
Source: Company reports, FactSet, Industry Capital Research estimates							

Figure 4: Our digital segment estimates call for double-digit revenue growth in 2023 and 2024

Entravision Communications (NYSE: EVC)					
Summary of Digital Segment Annual Estimates					
In millions, except per share data					
	Estimates		YoY %CHG	ICR vs	
	Last Yr	Current	Current	Consensus	Consensus
2023E					
As Reported					
Legacy Digital Revenue	106.2	140.0	31.8%		
Legacy Digital Opex	93.9	127.0	35.2%		
Legacy Digital OCF	12.3	13.0	5.8%		
Margin	11.6%	9.3%			
Cisneros Interactive Revenue	510.4	562.4	10.2%		
Cisneros Interactive Opex	480.5	527.4	9.8%		
Cisneros Interactive OCF	29.9	34.9	17.0%		
Margin	5.9%	6.2%			
MediaDonuts Revenue	83.1	91.2	9.7%		
MediaDonuts Opex	77.2	84.2	9.1%		
MediaDonuts OCF	5.9	7.0	18.3%		
Margin	7.1%	7.7%			
365 Digital Revenue	11.7	13.5	15.4%		
365 Digital Opex	11.5	13.0	12.7%		
365 Digital OCF	0.2	0.6	139.6%		
Margin	2.1%	4.4%			
Digital Segment Revenue	732.1	882.1	20.5%	756.7	16.6%
Digital Segment Opex	683.3	822.6	20.4%		
Digital Segment OCF	48.7	59.5	22.2%		
Margin	6.7%	6.7%			
2024E					
As Reported					
Legacy Digital Revenue	140.0	161.0	15.0%		
Legacy Digital Opex	127.0	143.7	13.1%		
Legacy Digital OCF	13.0	17.3	33.2%		
Margin	9.3%	10.7%			
Cisneros Interactive Revenue	562.4	632.0	12.4%		
Cisneros Interactive Opex	527.4	589.9	11.8%		
Cisneros Interactive OCF	34.9	42.1	20.5%		
Margin	6.2%	6.7%			
MediaDonuts Revenue	91.2	109.5	20.0%		
MediaDonuts Opex	84.2	100.3	19.1%		
MediaDonuts OCF	7.0	9.2	31.3%		
Margin	7.7%	8.4%			
365 Digital Revenue	13.5	16.3	20.0%		
365 Digital Opex	13.0	14.7	13.1%		
365 Digital OCF	0.6	1.6	170.1%		
Margin	4.4%	9.9%			
Digital Segment Revenue	882.1	1,008.7	14.3%		
Digital Segment Opex	822.6	932.6	13.4%		
Digital Segment OCF	59.5	76.1	27.9%		
Margin	6.7%	7.5%			

* reflects announced acquisitions and dispositions
Source: Company reports, FactSet, Industry Capital Research estimates

Figure 5: Base valuation range assuming no 2023 recession is unchanged, as higher interest rates offset lower equity risk premium

Entravision Communications														
Summary of Changes to Forecast and Valuation														
(in \$ million except unit data)														
CAGRs	2022		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-ID	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Prior	939.6	104.3	\$7.00	\$8.50	24%	8%	9%	8%	8%	3.5%	5.1%	8.5%	11.8%	7.1%
Current	939.6	104.3	\$7.00	\$8.50	24%	8%	9%	8%	8%	4.0%	4.8%	8.6%	11.8%	7.3%
Delta	0.0	0.0	\$0.00	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	-0.3%	0.1%	0.0%	0.2%

Source: Company data and Industry Capital Research estimates

Figure 6: We estimate that a 2023 recession would reduce our 12-month target valuation range to \$5-\$6.50

Entravision Communications														
Summary of Changes to Forecast and Valuation														
(in \$ million except unit data)														
CAGRs	2022		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Current	939.5	104.3	\$7.00	\$8.50	24%	8%	9%	8%	8%	4.0%	4.8%	8.6%	11.8%	7.3%
Current	939.5	104.3	\$5.00	\$6.50	19%	5%	6%	7%	7%	4.0%	4.8%	8.6%	11.8%	7.3%
Delta	0.0	0.0	(\$2.00)	(\$2.00)	-4.8%	-3.4%	-3.2%	-0.9%	-0.9%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Figure 7: Our recession assumptions would cut our 2023 EBITDA estimate to ~13% below consensus

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates							
In millions, except per share data							
	Last Yr	Prior	Estimates		YoY %CHG		ICR vs
			Chg	Current	Current	Consensus	Consensus
2023E							
As Reported							
Revenue	939.5	1,063.7	(60.3)	1,003.4	6.8%	978	2.6%
Op expense	835.2	967.3	(46.2)	921.1	10.3%		
Adjusted EBITDA	104.3	96.4	(14.1)	82.3	-21.1%	94.6	-13.0%
Margin	11.1%	9.1%	-0.9%	8.2%		9.7%	-1.5%
EPS	\$0.45	\$0.38	(\$0.09)	\$0.29	-36.7%	\$0.42	-31.8%
Cash FCF/sh	\$0.81	\$0.66	(\$0.12)	\$0.54	-33.3%		
2024E							
As Reported							
Revenue	1,003.4	1,208.2	(67.3)	1,140.8	13.7%	1,095	4.2%
Op expense	921.1	1,081.1	(51.5)	1,029.6	11.8%		
Adjusted EBITDA	82.3	127.1	(15.8)	111.2	35.2%	118.8	-6.4%
Margin	8.2%	10.5%	-0.8%	9.8%		10.9%	-1.1%
EPS	\$0.29	\$0.57	(\$0.10)	\$0.47	62.8%	\$0.60	-22.3%
Cash FCF/sh	\$0.54	\$0.97	(\$0.13)	\$0.84	55.6%		

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Entravision Communications (NYSE: EVC)			
Operating Estimate Changes: Recession Case			
In millions, except per share data			
	Estimates		
	Current	Chg	Recession
2023E			
Revenue Growth:			
Digital	20%	-6%	14%
Core TV Advertising	-3%	-10%	-13%
Core Radio Advertising	1%	-10%	-9%
Operating Expense Growth:			
Digital (Ex-Cost of Revenue)	35%	-2%	34%
TV	-8%	-4%	-12%
Radio	-7%	-4%	-11%
OCF Margin:			
Digital	6.7%	-0.1%	6.6%
TV	40.9%	-2.0%	38.8%
Radio	32.9%	-4.2%	28.7%

Source: Industry Capital Research estimates

Figure 8: Comparables we reference to measure risk for EVC's digital business performed poorly in 2022

Selected Digital Media Comparables	
Stock Price Performance 2022	
Ticker	
PERI	5.2%
EVC	-28.2%
MELI	-37.2%
Median	-49.8%
PUBM	-62.4%
META	-64.2%
SFOR.L	-70.2%
S&P 500	-19.4%

Source: Yahoo! Finance and Industry Capital Research

Figure 9: These comparables have bounced high year-to-date, with their median in line with EVC's own surge

Selected Digital Media Comparables	
Stock Price Performance YTD 3/7/23	
Ticker	
META	53.3%
MELI	49.5%
PERI	43.7%
Median	41.8%
EVC	40.0%
PUBM	9.1%
SFOR.L	5.9%
S&P 500	3.8%

Source: Yahoo! Finance and Industry Capital Research

Figure 10: Putting the bounce in context, since 1/1/22, the comparables are still down substantially more than the S&P 500

Selected Digital Media Comparables	
Stock Price Performance 1/1/22-3/7/23	
Ticker	
PERI	51.1%
EVC	0.6%
MELI	-6.2%
Median	-25.7%
META	-45.1%
PUBM	-59.0%
SFOR.L	-68.4%
S&P 500	-16.4%

Source: Yahoo! Finance and Industry Capital Research

Figure 11: At Digital segment, we see MediaDonuts and Legacy leading in growth, offsetting some lag at Entravision Latam

In millions, except unit data	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy														
Revenue	\$68.9	\$54.1	\$68.7	\$21.9	\$27.8	\$27.8	\$28.7	\$106.2	\$28.2	\$36.9	\$36.2	\$38.6	\$140.0	\$161.0
Cost of Revenue	36.8	30.6	39.2	12.4	15.8	15.9	16.5	60.5	16.0	20.9	20.7	22.2	79.8	91.7
Opex ex-cost of revenue	32.3	24.5	23.8	7.9	8.3	8.0	9.3	33.4	10.9	10.7	13.2	12.4	47.2	51.9
OCF	(0.1)	(1.0)	5.7	1.6	3.8	3.9	3.0	12.3	1.4	5.3	2.3	4.0	13.0	17.3
OCF Margin	-0.2%	-1.9%	8.3%	7.4%	13.6%	14.0%	10.4%	11.6%	4.8%	14.4%	6.4%	10.4%	9.3%	10.7%
Acquisitions-Stand Alone														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.8	144.2	510.4	127.2	135.7	141.0	158.5	562.4	632.0
Entravision Latam cost of revenue	136.2	201.7	401.7	99.2	109.7	116.4	129.0	454.4	111.0	117.8	126.0	140.2	495.0	556.7
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	7.6	8.3	5.1	5.2	26.2	9.6	9.9	6.2	6.7	32.4	33.1
Entravision Latam OCF	9.9	14.2	29.1	5.7	6.9	7.3	10.0	29.9	6.7	8.0	8.7	11.5	34.9	42.1
EL OCF Margin	6.2%	6.1%	6.4%	5.1%	5.5%	5.7%	6.9%	5.9%	5.3%	5.9%	6.2%	7.3%	6.2%	6.7%
MediaDonuts revenue	0.0	28.5	52.5	17.2	18.9	21.2	25.9	83.1	18.3	22.1	23.1	27.8	91.2	109.5
MediaDonuts cost of revenue	0.0	20.9	40.0	12.9	14.1	15.9	19.4	62.4	13.8	16.6	17.3	20.8	68.4	82.1
MediaDonuts opex ex-cost of revenue	0.0	2.5	7.2	3.1	3.4	3.9	4.4	14.9	2.9	4.2	4.1	4.7	15.8	18.2
MediaDonuts OCF	0.0	5.0	5.3	1.2	1.3	1.4	2.1	5.9	1.7	1.3	1.7	2.3	7.0	9.2
MD OCF Margin		17.7%	10.0%	6.7%	6.8%	6.6%	8.0%	7.1%	9.0%	6.1%	7.4%	8.2%	7.7%	8.4%
365 Digital revenue	0.0	0.0	1.9	2.1	2.8	2.9	3.9	11.7	5.8	4.2	2.4	1.2	13.5	16.3
365 Digital cost of revenue	0.0	0.0	1.5	1.7	2.2	2.3	3.1	9.4	4.6	3.4	1.9	1.0	10.8	13.0
365 Digital opex ex-cost of revenue	0.0	0.0	0.2	0.3	0.4	0.5	0.9	2.1	0.7	0.3	0.6	0.5	2.1	1.6
365 Digital OCF	0.0	0.0	0.2	0.1	0.2	0.1	(0.1)	0.2	0.5	0.5	(0.1)	(0.3)	0.6	1.6
365 Digital OCF Margin		10.0%	11.5%	4.3%	7.1%	2.8%	-3.2%	2.1%	8.5%	12.5%	-5.1%	-24.4%	4.4%	9.9%
Jack of Digital revenue	0.0	0.0	0.0	0.0	0.0	0.3	1.4	1.7	1.4	1.7	1.9	2.1	7.0	8.4
Jack of Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	1.1	1.4	1.1	1.3	1.5	1.6	5.6	6.7
Jack of Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Jack of Digital OCF	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	0.0	0.3	0.3	0.4	0.4	1.4	1.7
Jack of Digital OCF Margin		10.0%	21.6%	11.9%	6.9%	19.7%	-1.4%	2.3%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Adsmurai revenue	0.0	0.0	0.0	0.0	0.0	7.9	11.0	18.9	11.0	15.0	19.0	23.0	68.0	81.6
Adsmurai cost of revenue	0.0	0.0	0.0	0.0	0.0	6.3	8.8	15.1	8.8	12.0	15.2	18.4	54.4	65.3
Adsmurai opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	1.6	1.8	3.4	2.8	2.8	2.8	2.8	11.0	12.1
Adsmurai OCF	0.0	0.0	0.0	0.0	0.0	(0.0)	0.4	0.4	(0.5)	0.3	1.0	1.9	2.6	4.2
Adsmurai OCF Margin		10.0%	21.6%	11.9%	6.9%	-0.3%	3.6%	2.0%	-5.0%	1.7%	5.5%	8.0%	3.8%	5.2%
Acquisitions-As Reported														
Entravision Latam revenue	0.0	89.2	453.9	112.5	124.9	128.8	144.2	510.4	127.2	135.7	141.0	158.5	562.4	632.0
Entravision Latam cost of revenue	0.0	76.3	401.7	99.2	109.7	116.4	129.0	454.4	111.0	117.8	126.0	140.2	495.0	556.7
Entravision Latam opex	0.0	6.1	23.6	7.6	8.3	5.1	5.2	26.2	9.6	9.9	6.2	6.7	32.4	33.1
Entravision Latam OCF	0.0	6.8	28.6	5.7	6.9	7.3	10.0	29.9	6.7	8.0	8.7	11.5	34.9	42.1
MediaDonuts revenue	0.0	30.9	52.5	17.2	18.9	21.2	25.9	83.1	18.3	22.1	23.1	27.8	91.2	109.5
MediaDonuts cost of revenue	0.0	24.4	40.0	12.9	14.1	15.9	19.4	62.4	13.8	16.6	17.3	20.8	68.4	82.1
MediaDonuts opex	0.0	3.7	7.2	3.1	3.4	3.9	4.4	14.9	2.9	4.2	4.1	4.7	15.8	18.2
MediaDonuts OCF	0.0	2.8	1.2	1.3	1.4	2.1	5.9	1.7	1.3	1.7	2.3	7.0	9.2	
365 Digital revenue	0.0	1.9	2.1	2.8	2.9	3.9	3.9	11.7	5.8	4.2	2.4	1.2	13.5	16.3
365 Digital cost of revenue	0.0	1.5	1.7	2.2	2.3	3.1	3.1	9.4	4.6	3.4	1.9	1.0	10.8	13.0
365 Digital opex	0.0	0.2	0.3	0.4	0.5	0.9	2.1	0.7	0.3	0.6	0.5	0.5	2.1	1.6
365 Digital OCF	0.0	0.2	0.1	0.2	0.1	(0.1)	0.2	0.5	0.5	(0.1)	(0.3)	0.6	1.6	
EBITDA to red non-con interests	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
365 Digital EBITDA	0.0	0.2	0.1	0.2	0.1	(0.1)	0.2	0.5	0.5	(0.1)	(0.3)	0.6	1.6	
Jack of Digital revenue	0.0	0.0	0.0	0.0	0.0	0.3	1.4	1.7	1.4	1.7	1.9	2.1	7.0	8.4
Jack of Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	1.1	1.4	1.1	1.3	1.5	1.6	5.6	6.7
Jack of Digital opex	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Jack of Digital OCF	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	0.0	0.3	0.3	0.4	0.4	1.4	1.7
EBITDA to red non-con interests	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
Jack of Digital EBITDA	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	0.0	0.3	0.3	0.4	0.4	1.4	1.7
Adsmurai revenue	0.0	0.0	0.0	0.0	0.0	7.9	11.0	18.9	11.0	15.0	19.0	23.0	68.0	81.6
Adsmurai cost of revenue	0.0	0.0	0.0	0.0	0.0	6.3	8.8	15.1	8.8	12.0	15.2	18.4	54.4	65.3
Adsmurai opex	0.0	144.1	0.0	0.0	0.0	1.6	1.8	3.4	2.8	2.8	2.8	2.8	11.0	12.1
Adsmurai OCF	0.0	125.4	0.0	0.0	0.0	(0.0)	0.4	0.4	(0.5)	0.3	1.0	1.9	2.6	4.2
EBITDA to red non-con interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	0.1	0.5	0.9	1.3	2.2
Adsmurai EBITDA	0.0	0.0	0.0	0.0	0.0	(0.0)	0.4	0.4	(0.3)	0.1	0.5	0.9	1.3	2.1
Digital segment standalone														
Digital revenue	228.3	315.9	577.0	153.7	174.4	188.9	215.1	732.1	192.0	215.5	223.5	251.2	882.1	1,008.7
Digital cost of revenue	173.0	253.2	482.3	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Digital opex ex-cost of revenue	45.5	44.4	54.3	18.9	20.4	19.1	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Digital OCF	9.8	18.3	40.3	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1
Digital segment pro forma														
Digital revenue	228.3	315.9	577.0	153.7	174.4	188.9	215.1	732.1	192.0	215.5	223.5	251.2	882.1	1,008.7
Digital cost of revenue	173.0	253.2	482.3	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Digital opex ex-cost of revenue	45.5	45.4	54.9	18.9	20.4	19.1	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Digital OCF	9.8	17.3	39.7	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1
Digital segment as reported														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	215.1	732.1	192.0	215.5	223.5	251.2	882.1	1,008.7
Digital cost of revenue	36.8	106.9	466.7	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Digital opex	32.3	174.7	51.3	18.9	20.4	19.080	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Digital OCF	(0.1)	(138.4)	37.3	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1

Metrics	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy growth														
Legacy digital revenue growth		-21.4%	26.9%	68.7%	81.8%	59.8%	24.8%	54.6%	28.9%	32.9%	30.1%	34.7%	31.8%	15.0%
2-yr CAGR		-18.2%	-0.2%	28.2%	56.3%	42.7%	34.9%	40.1%	47.5%	55.4%	44.2%	29.6%	42.8%	23.1%
Legacy digital opex growth		-24.1%	-2.8%	34.0%	47.6%	22.3%	59.6%	40.2%	38.3%	29.5%	64.8%	34.3%	41.4%	10.0%
Legacy digital cost of revenue growth		-16.6%	27.8%	68.7%	81.8%	59.8%	24.8%	54.5%	28.9%	32.9%	30.1%	34.7%	31.8%	15.0%
Legacy digital OCF growth		822.5%	-661.1%	-757.3%	266.3%	329.5%	-25.7%	115.7%	-16.7%	40.2%	-41.1%	35.7%	5.8%	33.2%
Entravision Latam growth														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.4%	7.8%	12.5%	13.1%	8.6%	9.4%	9.9%	10.2%	12.4%
2-yr CAGR				68.7%	67.2%	72.4%	55.5%	21.4%	47.9%	19.9%	8.6%	9.9%	8.8%	11.3%
Entravision Latam opex ex-COR growth		31.5%	32.5%	63.4%	32.4%	0.7%	-26.6%	13.6%	26.6%	18.9%	22.7%	29.7%	24.0%	2.2%
Entravision Latam cost of revenue growth		48.0%	99.2%	27.8%	9.3%	11.2%	8.4%	13.1%	11.8%	7.4%	8.2%	8.7%	8.9%	12.5%
Entravision Latam OCF		43%	105%	-9%	-17%	5%	30%	3%	18%	16%	20%	16%	17%	21%
MediaDonuts growth														
MediaDonuts revenue growth y/y				79.1%	57.1%	75.2%	37.8%	58.4%	6.8%	17.0%	8.7%	7.2%	9.7%	20.0%
2-yr CAGR				133.7%	113.9%	64.0%	39.5%	70.9%	38.3%	35.6%	38.0%	21.5%	31.8%	14.7%
MediaDonuts opex ex-COR growth y/y				166.6%	43.2%	188.1%	90.1%	105.4%	-6.9%	21.6%	4.1%	5.8%	6.3%	15.0%
MediaDonuts cost of revenue growth y/y				79%	68%	64%	32%	56%	7%	17%	9%	7%	10%	20%
MediaDonuts OCF growth y/y			5%	-6%	6%	36%	14%	12%	44%	5%	22%	10%	18%	31%
365 Digital growth														
365 Digital revenue growth y/y				84059.2%	116566.7%	188777.7%	105.3%	515.8%	168.9%	49.9%	-17.5%	-69.1%	15.4%	20.0%
365 Digital opex ex-COR growth y/y				162576.9%	114187.7%	58220.9%	351.2%	941.0%	97.4%	-12.1%	20.2%	-40.9%	0.7%	-22.2%
365 Digital cost of revenue growth y/y								532%	169%	50%	-18%	-69%	15%	20%
365 Digital OCF growth y/y								13%	430%	162%	-254%	137%	140%	170%
Jack of Digital growth														
Jack of Digital revenue growth y/y													311.0%	20.0%
Jack of Digital opex ex-COR growth y/y													-99.5%	10.0%
Jack of Digital cost of revenue growth y/y													311%	20%
Jack of Digital OCF growth y/y													3443%	20%
Adsmurai growth														
Adsmurai revenue growth y/y													260.2%	20.0%
2-yr CAGR														107.9%
Adsmurai opex ex-COR growth y/y													223.4%	10.0%
Adsmurai cost of revenue growth y/y													260%	20%
Adsmurai OCF growth y/y													593%	62%
Adsmurai revenue growth q/q														
Adsmurai cost of revenue growth q/q														
Adsmurai opex ex-COR growth q/q														
Adsmurai OCF growth q/q														
Digital segment pro forma growth														
Digital revenue		38%	83%	38%	23%	29%	21%	27%	25%	24%	18%	17%	20%	14%
Digital revenue, PF, pro rated for 4Q by days EVC owned Entravision Latam in 4Q20														
Digital cost of revenue		46%	90%	37%	21%	26%	20%	25%	23%	21%	16%	15%	18%	14%
Digital opex ex-cost of revenue		0%	21%	60%	41%	46%	41%	46%	42%	37%	41%	24%	35%	8%
Digital OCF		76%	130%	21%	17%	46%	13%	23%	16%	29%	10%	30%	22%	28%
Digital Segment reported revenue mix:														
Digital as % of company revenue	25%	42%	73%	78%	79%	78%	77%	78%	82%	83%	84%	83%	83%	83%
Entravision Latam Interactive as % of digital segment		62%	82%	73%	72%	68%	67%	70%	66%	63%	63%	63%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	13%	15%	15%	17%	16%	15%	16%	16%
MediaDonuts as % of digital segment revenue		0%	6%	11%	11%	11%	12%	11%	10%	10%	10%	11%	10%	11%
365 Digital as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	3%	2%	1%	0%	2%	2%
Jack of Digital as % of digital segment revenue		0%	0%	0%	0%	0%	1%	0%	1%	1%	1%	1%	1%	1%
Adsmurai as % of digital segment revenue		0%	0%	0%	0%	4%	5%	3%	6%	7%	9%	9%	8%	8%
Digital Segment reported OCF mix:														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	67%	57%	57%	65%	61%	68%	51%	62%	58%	59%	55%
Legacy digital as % of digital segment OCF		-18%	15%	19%	31%	31%	19%	25%	14%	34%	16%	20%	22%	23%
MediaDonuts as % of digital segment OCF		0%	8%	13%	11%	11%	14%	12%	17%	9%	12%	12%	12%	12%
365 Digital as % of digital segment OCF		0%	1%	1%	2%	1%	-1%	1%	5%	3%	-1%	-1%	1%	2%
Jack of Digital as % of digital segment OCF		0%	0%	0%	0%	0%	0%	0%	3%	2%	3%	2%	2%	2%
Adsmurai as % of digital segment OCF		0%	0%	0%	0%	0%	3%	1%	-6%	2%	7%	9%	4%	6%

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

Figure 12: Broadcast revenue drivers—in 2023, TV segment laps the loss of Univision affiliates

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
TELEVISION SEGMENT																	
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-1.0%	-9.0%	-20.0%	-21.6%	-14.0%	10.700%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$46.2	\$145.1	\$30.6	\$29.5	\$28.5	\$36.2	\$124.8	\$138.1
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	14.7%	-1.2%	-1.0%	-9.0%	-20.0%	-21.6%	-14.0%	10.7%
TV non-recurring items:																	
TV Political/Census	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	6.4	15.2	25.6	0.0	0.0	0.0	0.1	-0.2	22.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	70.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.8	1.3	2.8	6.4	7.6	18.1	0.0	0.0	0.0	0.1	0.2	22.6
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	146.1	29.6	29.6	29.3	38.6	127.0	30.6	29.4	28.5	36.1	124.6	115.5
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.2%	-13.0%	3.4%	-0.5%	-2.5%	-6.5%	-1.9%	-7.3%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	8.9	36.1	9.4	9.0	8.9	8.7	36.0	36.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	37.0	9.2	9.0	8.9	8.9	36.1	9.4	9.0	8.9	8.7	36.0	36.0
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	109.9	21.7	23.3	26.8	37.2	109.0	21.2	20.4	19.6	27.5	88.7	102.1
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.9%	-0.8%	-2.3%	-12.4%	-26.6%	-26.2%	-18.6%	15.1%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3	0.0	2.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3	0.0	2.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	144.8	30.9	32.4	35.7	46.2	145.1	30.6	28.8	27.2	36.2	122.8	138.1
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-6.2%	-14.5%	-3.5%	2.1%	14.7%	0.2%	-1.0%	-11.1%	-23.7%	-21.6%	-15.4%	12.5%
TV Acquisitions/Dispositions (inc. Affiliations)	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(8.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.8)	(5.8)	(6.3)	(7.5)	(26.4)	(25.0)
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.8)	(5.8)	(6.3)	(7.5)	(26.4)	(25.0)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	156.6	37.4	38.5	42.8	54.3	173.0	37.3	35.3	34.9	43.7	151.2	163.1
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-4.4%	-2.0%	7.9%	9.2%	24.5%	10.5%	-0.2%	-8.3%	-18.6%	-19.5%	-12.6%	7.9%
Spectrum usage/auction	1.5	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.6	1.8	6.6	1.7	1.7	1.7	1.7	6.8	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%	100.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	6.2	1.5	1.7	1.6	1.8	6.6	1.7	1.7	1.7	1.7	6.8	5.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	140.7	29.3	30.7	34.1	44.4	138.5	28.9	27.8	26.8	34.5	118.0	133.1
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	13.3%	-1.6%	-1.6%	-9.6%	-21.3%	-22.2%	-14.8%	12.8%
PF TV revenue ex-all non-recurring	120.7	122.9	114.2	111.6	99.2	110.7	25.4	25.0	25.9	36.0	112.3	26.2	23.9	22.9	33.1	106.2	99.6
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	11.7%	-1.3%	1.0%	-4.4%	8.5%	1.4%	3.4%	-4.5%	-11.6%	-7.9%	-5.4%	-6.2%
TV rev grth ex all non-rec 2-yr CAGR	1.7%	-2.7%	-4.7%	-6.8%	-0.4%	0.7%	22.8%	1.9%	5.1%	6.4%	1.0%	-1.8%	-8.1%	0.0%	-2.1%	-5.8%	-5.8%
PF TV advertising growth ex-political	-3.8%	-11.3%	-2.2%	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-6.6%	-18.1%	3.4%	-0.9%	-4.5%	-7.9%	-3.0%	-8.8%	-8.8%
TV ad rev grth ex political 2-yr CAGR	-1.9%	-7.6%	-6.9%	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-2.5%	-3.0%	-9.2%	-11.1%	-16.7%	-7.2%	-10.9%	-6.0%	-6.0%
PF TV revenue growth ex-political	-2.0%	-4.0%	5.3%	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.2%	-13.0%	3.4%	-0.5%	-2.5%	-6.5%	-1.9%	-7.3%	-7.3%
TV rev grth ex political 2-yr CAGR	-0.1%	-3.0%	0.5%	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-1.1%	-1.9%	-0.8%	-0.7%	-11.1%	-4.9%	-7.6%	-4.6%	-4.6%
PF TV advertising growth	-10.0%	-3.0%	-10.5%	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	17.3%	-1.3%	-3.3%	-13.5%	-28.8%	-27.2%	-20.0%	18.6%	18.6%

Source: Company reports; Industry Capital Research estimates

Figure 13: Broadcast revenue drivers—at radio segment, we assume relatively flat core advertising growth

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
RADIO SEGMENT																	
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-3.0%	-5.0%	-11.0%	-14.6%	-9.0%	8.0%
Pro Forma radio:																	
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$18.4	\$62.4	\$12.2	\$14.2	\$14.6	\$15.7	\$56.8	\$61.3
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	14.1%	7.6%	-3.0%	-5.0%	-11.0%	-14.6%	-9.0%	8.0%
Radio non-recurring items:																	
Political/Census	2.1	0.1	2.2	0.1	5.9	0.8	0.3	0.6	1.5	4.0	6.4	0.0	0.0	0.0	0.1	0.1	6.1
Assm: % Incremental to Core	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	2.1	0.1	1.1	0.1	5.9	0.8	0.3	0.6	1.5	4.0	6.4	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	73.8	66.9	62.8	54.9	40.4	57.2	12.3	14.3	15.0	14.4	56.0	12.2	14.2	14.6	15.7	56.7	55.2
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	41.6%	8.7%	1.6%	-5.8%	-9.3%	-2.1%	-0.6%	-0.9%	-2.3%	8.5%	1.2%	-2.6%
NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	39.5	12.6	14.9	16.5	18.4	39.5	12.2	14.2	14.6	15.7	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	0.0%	11.4%	5.8%	0.1%	14.1%	0.0%	-3.0%	-5.0%	-11.0%	-14.6%	0.0%	0.0%
World Cup/Other Soccer	1.9	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
Assm: % Incremental to Core	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	18.4	62.4	12.2	14.2	14.6	15.7	56.8	61.3
Growth ex WC	-11.8%	-4.5%	-13.9%	-15.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	14.1%	7.6%	-3.0%	-5.0%	-11.0%	-14.6%	-9.0%	8.0%
Revenue	73.8	66.9	61.8	54.9	40.4	57.2	12.3	14.3	15.0	14.4	56.0	12.2	14.2	14.6	15.7	56.7	55.2
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	41.6%	8.7%	1.6%	-5.8%	-9.3%	-2.1%	-0.6%	-0.9%	-2.3%	8.5%	1.2%	-2.6%
Radio rev grth ex all non-rec 2-yr CAGR	-5.9%	-8.4%	-9.4%	-19.2%	2.0%	7.1%	52.3%	20.5%	4.5%	17.7%	3.9%	0.3%	-4.0%	-0.8%	-0.4%	-0.7%	-0.7%

Source: Company reports; Industry Capital Research estimates

Figure 14: Broadcast opex drivers

In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
OPERATING EXPENSE																	
Television PF Opex Growth				0.1%	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	-2.0%	-6.0%	-17.0%	-6.8%	-8.0%	3,500%
Radio PF Opex Growth				-4.5%	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	-4.0%	-6.0%	-9.0%	-8.6%	-7.0%	9.0%
Pro forma consolidated:																	
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$153.3	\$172.9	\$47.5	\$50.5	\$49.3	\$54.1	\$201.4	\$54.7	\$56.1	\$52.7	\$56.9	\$220.5	\$234.9
Growth	4.6%	5.1%	5.0%	-1.9%	-11.6%	12.8%	17.6%	21.8%	14.7%	12.5%	16.5%	15.0%	11.2%	7.0%	5.3%	9.5%	6.6%
Non-recurring opex items:																	
M&A (acquisitions since 2020)	0.0	0.0	0.0	0.0	5.7	27.5	11.0	12.1	9.5	10.5	43.1	13.2	14.4	10.9	11.9	50.4	53.0
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	0.0	0.0	0.0	0.0	5.7	27.5	11.0	12.1	9.5	10.5	43.1	13.2	14.4	10.9	11.9	50.4	53.0
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	147.6	145.5	36.5	38.4	39.8	43.6	158.3	41.5	41.7	41.8	45.0	170.1	181.9
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-14.9%	-1.5%	2.4%	9.6%	9.2%	13.7%	8.8%	13.7%	8.8%	5.1%	3.3%	7.5%	7.0%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(5.7)	(6.6)	(11.1)	(10.7)	(34.0)	(36.2)
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%	100.0%
Incremental cost reductions	0.0	0.0	0.0	0.0	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(5.7)	(6.6)	(11.1)	(10.7)	(34.0)	(36.2)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	180.5	205.7	53.4	57.5	62.1	65.7	238.6	5.7	6.6	11.1	10.7	34.0	36.2
Growth ex cost reductions	-27.8%	5.0%	5.0%	-1.9%	4.1%	14.0%	17.5%	21.6%	14.1%	12.0%	16.0%	-89.4%	-88.5%	-82.1%	-83.7%	-85.7%	6.5%
Salary true-up	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.8	0.7	0.7	2.3	0.0	0.8	0.8	0.8	2.4	2.6
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%	100.0%
Incremental salary true-up	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.8	0.7	0.7	2.3	0.0	0.8	0.8	0.8	2.4	2.6
Opex ex salary true-up	0.0	168.4	176.8	173.4	151.3	170.9	47.5	49.7	48.5	53.3	199.1	0.0	(0.8)	(0.8)	(0.8)	(2.4)	(2.6)
Growth ex salary true-up			5.0%	-1.9%	-12.7%	13.0%	17.6%	21.9%	14.7%	12.5%	16.5%	-100.0%	-101.7%	-101.6%	-101.5%	-101.2%	6.1%
Opex ex-non-recurring	160.2	168.4	176.8	173.4	172.8	176.3	42.3	44.6	51.8	54.4	193.2	47.2	47.5	52.1	54.9	201.7	215.6
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-0.3%	2.0%	4.2%	11.0%	9.8%	12.8%	9.6%	11.4%	6.5%	0.6%	0.9%	4.4%	6.9%
Opex grth ex all non-rec 2-yr CAGR																	
Revenue-driven variable expense	41.1	36.7	35.4	31.2	31.7	32.3	6.5	7.3	8.3	10.8	33.0	6.3	6.6	6.5	8.3	27.7	31.7
Non-sales opex ex-non-recurring	119.1	131.7	141.4	142.1	141.1	143.9	35.8	37.3	43.5	43.6	160.2	40.8	40.9	45.6	46.6	174.0	183.9
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-0.7%	2.0%	6.4%	14.3%	12.5%	12.0%	11.3%	14.1%	9.7%	4.9%	6.8%	8.6%	5.7%
Non-sales opex grth ex all non-rec 2-yr CAGR																	
				3.9%	-0.1%	0.6%	5.3%	3.8%	8.0%	8.7%	6.6%	10.1%	12.0%	8.6%	9.4%	9.9%	7.1%

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 15: Financial statement forecasts supporting our valuation

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AS REPORTED																	
Net revenue:																	
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$46.2	\$145.1	30.6	29.5	28.5	36.2	124.8	138.1
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	18.4	62.4	12.2	14.2	14.6	15.7	56.8	61.3
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	204.9	43.5	47.3	52.2	64.6	207.5	42.8	43.7	43.2	51.9	181.6	199.4
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.7	188.9	215.7	732.1	192.0	215.5	223.5	251.2	882.7	1,008.7
Total net revenue (core)	258.5	272.1	296.6	273.6	344.0	760.2	197.2	221.7	241.0	279.7	939.5	234.8	259.2	266.7	303.1	1,063.7	1,208.2
Revenue from spectrum usage rights		263.9	1.2	0.0	0.0	0.0					0.0					0.0	0.0
Total net revenue	258.5	536.0	297.8	273.6	344.0	760.2	197.2	221.7	241.0	279.7	939.5	234.8	259.2	266.7	303.1	1,063.7	1,208.2
Cost of Revenue																	
Television		0.0															
Radio		0.0															
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	84.0%	82.1%	81.3%	83.2%	82.7%	82.4%	80.9%	79.8%	81.7%	81.3%	80.9%	80.9%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Cost of revenue from spectrum usage rights (television)		12.340															
Total cost of revenue	9.5	45.3	45.1	36.8	106.9	466.5	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Opex																	
Television opex	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	18.9	18.5	16.6	19.8	73.8	76.4
Radio opex	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.2	11.0	41.0	9.0	9.8	9.3	10.0	38.1	41.5
Digital opex	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	19.1	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Total opex (core)	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.294	54.1	201.4	54.7	56.1	52.7	56.9	220.5	234.9
Spectrum usage rights																	
Total Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.3	54.1	201.4	54.7	56.1	52.7	56.9	220.5	234.9
OCF																	
Television OCF	75.9	66.3	67.4	65.2	73.6	65.4	\$11.6	\$12.6	\$15.7	\$24.9	64.9	\$11.7	\$10.9	\$11.9	\$16.4	51.0	61.7
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.6%	37.7%	39.1%	43.9%	54.0%	44.7%	38.3%	37.1%	41.8%	45.3%	40.9%	44.7%
Incremental Margin	-56.3%	83.6%	30.3%	105.6%	173.4%	106.6%					32.5%					68.4%	80.7%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	7.4	21.4	3.2	4.4	5.4	5.7	18.7	19.8
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	31.0%	25.5%	30.5%	38.0%	40.3%	34.3%	26.2%	31.3%	36.6%	36.2%	32.9%	32.3%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%	114.9%					0.6%	16.6%	49.2%	64.5%	48.9%	48.9%	24.5%
Digital OCF	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	6.7%	5.6%	7.0%	6.7%	7.1%	6.7%	5.2%	7.3%	6.3%	7.9%	6.7%	7.5%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%	7.7%					6.4%	3.6%	8.7%	3.8%	12.6%	7.2%	13.1%
Total OCF (core)	88.7	70.7	74.8	63.4	83.8	120.8	23.4	29.4	34.6	47.6	135.0	24.9	31.1	31.3	41.9	129.2	157.7
Margin	34.3%	25.0%	25.2%	23.2%	24.4%	15.9%	11.9%	13.2%	14.4%	17.0%	14.4%	10.6%	12.0%	11.7%	13.8%	12.1%	13.0%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%			-0.6%	3.3%	7.0%	22.3%		3.8%	4.6%	-12.9%	-24.3%		
Spectrum sales	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	88.7	322.3	75.9	63.4	83.8	120.8	23.4	29.4	34.6	47.6	135.0	24.9	31.1	31.3	41.9	129.2	157.7
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	11.9%	13.2%	14.4%	17.0%	14.4%	10.6%	12.0%	11.7%	13.8%	12.1%	13.0%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%			-0.6%	3.3%	7.0%	22.3%		3.8%	4.6%	-12.9%	-24.3%		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	33.0	8.7	8.5	9.5	10.4	37.2	9.8	9.6	10.7	8.3	38.5	39.2
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	87.8	14.7	20.8	25.1	37.2	97.8	15.0	21.5	20.6	33.6	90.7	118.4
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	6.4	1.6	1.7	1.8	1.4	6.5	1.6	1.7	1.8	1.4	6.6	6.8
Opex adjustments to cash:																	
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	3.2	1.0	0.9	1.0	1.0	3.9	1.2	1.1	1.2	0.5	4.0	4.1
Non-recurring cash severance			0.8	2.3	1.7	0.4											
EBITDA attributable to redeemable noncontrolling interest				3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	0.1	0.5	0.9	1.3	2.2
EBITDA attributable to noncontrolling interest											(0.0)					0.0	0.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	0.5	5.5	(1.0)	(0.9)	(1.0)	(1.0)	(3.9)	(1.4)	(1.0)	(0.7)	0.5	(2.7)	(1.9)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	(1.1)	0.5	(0.8)	1.0	1.966	1.8	3.9	1.8	1.8	0.0	0.0	3.6	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	88.2	18.1	22.5	26.0	37.8	104.3	16.3	22.4	23.1	34.5	96.4	127.1
Other opex for spectrum (in corporate)		2.1	1.2														
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	26.0	37.8	104.3	16.3	22.4	23.1	34.5	96.4	127.1
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	60.4	88.0	18.1	22.5	26.0	37.8	104.3	16.3	22.4	23.1	34.5	96.4	127.1
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.1%	17.6%	11.6%	9.2%	10.1%	10.8%	13.5%	11.1%	6.9%	8.6%	8.7%	11.4%	9.1%	10.5%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	6.7%	8.1%	10.8%	6.3%	10.7%	9.0%	-4.8%	-0.2%	-11.1%	-13.7%	-6.4%	21.2%

Source: Industry Capital Research estimates and company data

Figure 16: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$178.4	\$46.6	\$49.5	\$48.3	\$53.1	\$197.5	\$3.2	\$5.1	\$2.0	\$7.4	\$217.8	233.0
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.7	9.0	30.7	8.2	7.9	8.9	6.9	31.9	32.5
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	9.6	2.6	2.6	2.8	2.4	10.4	2.8	2.9	3.0	1.9	10.6	10.8
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	(0.9)	(0.8)	(0.0)	(0.4)	(0.8)	0.7	(0.5)	(0.9)	1.9
Memo: PF EBITDA attributable to redeemable noncontrolling interest																	
D&A	15.3	16.4	16.3	16.6	17.3	22.4	6.4	6.3	6.6	6.6	25.8	6.4	7.0	7.2	8.2	28.8	36.2
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	2.9%	3.2%	2.8%	2.7%	2.3%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	3.0%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	8.2	5.1	1.0	0.7	(1.7)	5.1	0.0	0.0	0.0	0.0	0.0	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(0.1)	(0.3)	(1.2)	(6.0)	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	(0.1)	(1.1)	(0.1)	(0.8)	(0.1)	(0.1)	(1.1)	(3.1)
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	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	0.0
Operating Income (EBIT Inc. Impairments)	48.9	277.9	33.6	(1.7)	6.6	60.6	4.2	13.4	15.9	30.7	64.2	7.0	13.5	13.4	25.5	59.4	85.2
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	8.0%	2.1%	6.1%	6.6%	11.0%	6.8%	3.0%	5.2%	5.0%	8.4%	5.6%	7.1%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(1.5)	(7.6)	(2.1)	(2.1)	(2.1)	(2.1)	(8.4)	(8.6)
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	0.0
Interest income	0.3	0.8	2.0	3.4	1.7	0.2	0.0	0.7	0.0	(0.7)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.3)	(7.6)	(2.1)	(2.1)	(2.1)	(2.1)	(8.4)	(8.6)
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	0.0
Other income, net	0.0	0.0	0.2	0.9	0.0	0.2	0.0	0.0	(0.5)	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	33.5	258.6	21.4	(11.3)	0.1	54.0	2.7	11.8	13.2	28.9	56.6	4.9	11.4	11.3	23.4	51.0	76.6
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	7.1%	1.4%	5.3%	5.5%	10.3%	6.0%	2.1%	4.4%	4.2%	7.7%	4.8%	6.3%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(8.7)	(17.0)	(0.9)	(3.4)	(4.1)	(9.6)	(17.9)	(26.8)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	34.6%	31.1%	28.5%	31.0%	30.1%	30.0%	17.3%	29.6%	36.1%	40.9%	35.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	7.6%	44.2%	52.6%	30.5%	19.1%	30.0%	87.8%	37.9%	38.3%	18.5%	33.9%	30.0%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	35.4	1.9	8.5	9.1	20.2	39.6	4.1	8.0	7.2	13.8	33.2	49.8
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	0.0	0.0	0.0	0.0	0.3	(0.3)	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)	35.4	1.9	8.5	9.4	19.9	39.6	4.1	8.0	7.1	14.0	33.2	49.8
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	11.6%	9.2%	10.1%	10.8%	13.5%	11.1%	6.9%	8.6%	8.7%	11.4%	9.1%	10.5%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	20.4	175.7	12.2	(19.7)	(3.9)	29.4	1.9	8.5	9.4	19.9	39.6	4.1	8.0	7.1	14.0	33.2	49.8
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	\$0.23	\$0.46	\$0.05	\$0.09	\$0.08	\$0.16	\$0.39	\$0.58
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	0.0
Net income to common	20.4	175.7	12.2	(19.7)	(3.9)	29.4	1.9	8.5	9.4	19.9	39.6	4.1	8.0	7.1	14.0	33.2	49.8
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	\$0.23	\$0.46	\$0.05	\$0.09	\$0.08	\$0.16	\$0.39	\$0.58
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	\$0.23	\$0.45	\$0.05	\$0.09	\$0.08	\$0.16	\$0.38	\$0.57
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	\$0.23	\$0.45	\$0.05	\$0.09	\$0.08	\$0.16	\$0.38	\$0.57
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	9.6	5.1	1.0	0.7	(1.7)	5.1	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	39.1	7.0	9.4	10.1	18.2	44.7	4.1	8.0	7.1	14.0	33.2	49.8
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.21	\$0.52	\$0.05	\$0.09	\$0.08	\$0.16	\$0.39	\$0.58
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.43	\$0.44	\$0.08	\$0.11	\$0.12	\$0.21	\$0.51	\$0.05	\$0.09	\$0.08	\$0.16	\$0.38	\$0.57
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.3	86.5	85.0	84.9	85.2	85.4	85.2	85.2	85.2	85.2	85.2	85.2
EPS shares - Diluted	91.3	91.9	90.3	85.1	84.2	87.9	88.6	87.0	87.4	87.6	87.7	87.6	87.6	87.6	87.6	87.6	87.6
Free Cash Flow:																	
EBITDA	69.2	50.6	54.0	41.2	60.4	88.2	18.1	22.5	26.0	37.8	104.3	16.3	22.4	23.1	34.5	96.4	127.1
Cash net interest	(14.4)	(12.7)	(10.6)	(9.4)	(5.9)	(6.2)	(1.2)	(1.2)	(1.9)	(3.3)	(7.6)	(2.1)	(2.1)	(2.1)	(2.1)	(8.4)	(8.6)
Other adjustments to cash		250.0	1.9	4.7	5.3	6.8	0.1	0.8	0.1		1.0						
- Cash taxes	(0.6)	(0.8)	(3.3)	(2.8)	(7.7)	(4.1)	(1.2)	(6.2)	(4.0)	(5.5)	(17.0)	(4.3)	(4.3)	(4.3)	(4.3)	(17.3)	(23.0)
Cash taxes / EBITDA	1%	2%	6%	7%	13%	5%	7%	28%	15%	15%	16%	27%	19%	19%	13%	18%	18%
Minus: capex	(9.1)	(12.1)	(17.0)	(25.3)	(9.5)	(5.6)	(1.5)	(1.7)	(4.7)	(2.1)	(10.0)	(3.3)	(3.3)	(3.3)	(3.3)	(13.0)	(10.5)
Capex / D&A	59%	74%	105%	152%	55%	25%	24%	27%	71%	32%	39%	51%	46%	45%	40%	45%	29%
Capex / EBITDA	13%	24%	31%	61%	16%	6%	9%	7%	18%	6%	10%	20%	15%	14%	9%	13%	8%
Plus: cost of revenue for spectrum usage rights		12.1															
= Free Cash Flow	45.2	287.1	25.0	8.3	42.6	79.0	14.3	14.3	15.4	26.8	70.8	6.7	12.7	13.4	24.8	57.7	85.0
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	79.0	14.3	14.3	15.4	26.8	70.8	6.7	12.7	13.4	24.8	57.7	85.0
Free Cash Flow (core)	45.2	37.6	25.0	8.3	42.6	79.0	14.3	14.3	15.4	26.8	70.8	6.7	12.7	13.4	24.8	57.7	85.0
FCF per share (core)	\$0.50	\$0.41	\$0.28	\$0.10	\$0.51	\$0.90	\$0.16	\$0.16	\$0.18	\$0.31	\$0.81	\$0.08	\$0.15	\$0.15	\$0.28	\$0.66	\$0.97
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	89.7%	79.1%	63.4%	59.5%	70.9%	67.9%	40.9%	56.9%	58.1%	71.9%	59.9%	66.9%
Dividends per basic share	\$0.13	\$0.16	\$0.20	\$0.20	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.050	\$0.050	\$0.050	\$0.050	\$0.20	\$0.20
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.3)	(4.3)	(4.3)	(4.3)	(17.0)	(17.0)
Dividends as % of FCF	24.7%	39.0%	71.1%	204.6%	24.7%	10.8%	15.1%	14.9%	13.8%	8.0%	12.1%	63.8%	33.4%	31.7%	17.1%	29.5%	20.0%

Source: Industry Capital Research estimates and company data

Figure 17: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	121.0%	32.4%	24.3%	21.1%	19.6%	23.6%	19.1%	16.9%	10.6%	8.4%	13.2%	13.6%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	25.8%	121.0%	32.4%	24.3%	21.1%	19.6%	23.6%	19.1%	16.9%	10.6%	8.4%	13.2%	13.6%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	14.7%	-1.2%	-1.0%	-9.0%	-20.0%	-21.6%	-14.0%	10.7%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	25.4%	11.4%	5.8%	0.1%	14.1%	7.6%	-3.0%	-5.0%	-11.0%	-14.6%	-9.0%	8.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	287.5%	51.5%	33.9%	29.3%	21.2%	31.8%	24.9%	23.6%	18.3%	16.8%	20.5%	14.3%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	48.9%	30.1%	26.4%	19.9%	29.3%	23.0%	21.2%	16.2%	14.8%	18.4%	14.2%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	-2.8%	-1.5%	-2.0%	-6.0%	-17.0%	-6.8%	-8.0%	3.5%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	NM	-3.0%	4.9%	4.4%	29.9%	25.8%	-4.0%	-6.0%	-9.0%	19.2%	16.2%	12.4%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	38.8%	27.8%	23.3%	18.1%	25.8%	20.8%	18.6%	14.0%	12.6%	16.2%	12.4%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-11.6%	12.8%	17.6%	21.8%	14.7%	12.5%	16.5%	15.0%	11.2%	7.0%	5.3%	9.5%	6.6%
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	0.6%	-3.2%	1.1%	-0.7%	-2.8%	-1.5%	-2.0%	-6.0%	-17.0%	-6.8%	-8.0%	3.5%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-4.2%	-3.0%	4.9%	4.4%	2.9%	2.3%	-4.0%	-6.0%	-9.0%	-8.6%	-7.0%	9.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	68.1%	74.3%	69.4%	46.0%	40.7%	55.8%	41.7%	36.6%	40.6%	24.0%	35.3%	7.8%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	32.1%	44.1%	-1.2%	5.1%	9.3%	27.3%	11.8%	6.2%	5.9%	-9.6%	-12.0%	-4.3%	22.0%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	35.5%	-0.9%	0.7%	-13.7%	-23.8%	-34.1%	-21.4%	21.1%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	97.1%	7.8%	-6.2%	35.8%	19.2%	-0.1%	-2.7%	-14.3%	-23.3%	-12.8%	6.0%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	46.1%	32.5%	45.6%	12.6%	30.5%	16.0%	29.4%	10.4%	29.7%	22.2%	27.9%
Corporate expense	9.0%	12.1%	1.0%	3.0%	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%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	46.6%	45.9%	27.6%	26.4%	11.4%	14.9%	18.3%	-9.9%	-0.3%	-11.0%	-8.5%	-7.6%	31.8%
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	29.7%	23.4%	23.4%	11.1%	4.7%	14.9%	-0.5%	12.1%	10.3%	25.3%	11.9%	25.7%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	47.7%	15.2%	17.3%	1.9%	42.0%	21.4%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	-72.0%	-18.2%	-31.1%	NM	4.8%	80.0%	-3.7%	-14.1%	-19.0%	-9.9%	50.2%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	-65.2%	7.6%	-23.3%	NM	34.7%	NM	-6.0%	-24.2%	-29.5%	-16.3%	50.2%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	-66.7%	11.1%	-21.4%	NM	35.3%	NM	-10.0%	-27.3%	-30.4%	-15.2%	48.7%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	-65.9%	8.6%	-22.5%	NM	35.1%	NM	-6.7%	-24.4%	-29.5%	-16.3%	50.2%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	76.5%	6.7%	14.3%	-28.0%	-11.4%	-10.0%	-50.0%	-6.3%	-16.7%	-9.7%	-18.5%	47.0%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-5.8%	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-1.0%	-0.3%	-1.1%	0.7%	0.2%	0.0%	0.0%	0.0%

Source: Industry Capital Research estimates and company data

Figure 18: Financial statement forecasts supporting our valuation (cont.)

Segments																	
In millions	2016A	2017A	2018A	2019A	2020A	2021A	1Q22A	2Q22A	3Q22A	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AS REPORTED																	
Revenue:																	
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$46.2	\$145.1	\$30.6	\$29.5	\$28.5	\$36.2	\$124.8	\$138.1
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	18.4	62.4	12.2	14.2	14.6	15.7	56.8	61.3
Digital	23.1	57.1	81.0	68.9	143.3	555.3	153.7	174.4	188.9	215.1	732.1	192.0	215.5	223.5	251.2	882.1	1,008.7
Revenue	258.5	272.1	296.6	273.6	344.0	760.2	197.2	221.7	241.0	279.7	939.5	234.8	259.2	266.7	303.1	1,063.7	1,208.2
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	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	0.0
Digital	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Cost of revenue	9.5	33.0	45.1	36.8	106.9	466.5	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Opex:																	
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.003	21.2	80.2	18.9	18.5	16.6	19.8	73.8	76.4
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.211	11.0	41.0	9.0	9.8	9.3	10.0	38.1	41.5
Digital	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	19.080	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Opex	160.2	168.4	176.8	173.4	153.3	172.9	47.5	50.5	49.3	54.1	201.4	54.7	56.1	52.7	56.9	220.5	234.9
OCF:																	
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.7	24.9	64.9	11.7	10.9	11.9	16.4	51.0	61.7
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	7.4	21.4	3.2	4.4	5.4	5.7	18.7	19.8
Digital	2.4	0.7	2.8	(0.1)	5.7	37.3	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1
OCF	88.7	70.7	74.8	63.4	83.8	120.8	23.4	29.4	34.6	47.6	135.0	24.9	31.1	31.3	41.9	129.2	157.7
PRO FORMA																	
Revenue:																	
Television	159.5	148.1	151.7	149.7	154.5	146.8	30.9	32.4	35.7	46.2	145.1	30.6	29.5	28.5	36.2	124.8	138.1
Radio	75.8	66.9	63.9	55.0	46.3	58.0	12.6	14.9	16.5	18.4	62.4	12.2	14.2	14.6	15.7	56.8	61.3
Digital	92.1	228.3	315.9	577.0	153.7	174.4	188.9	215.1	732.1	192.0	215.5	223.5	251.2	882.1	1,008.7	1,008.7	
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	241.0	279.7	939.6	234.8	259.2	266.7	303.1	1,063.7	1,208.2
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	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	0.0
Digital	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Cost of revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Opex:																	
Television	83.6	81.7	84.3	84.4	80.9	81.4	19.2	19.7	20.0	21.2	80.2	18.9	18.5	16.6	19.8	73.8	76.4
Radio	65.4	63.3	59.4	56.7	41.8	40.0	9.4	10.4	10.2	11.0	41.0	9.0	9.8	9.3	10.0	38.1	41.5
Digital	11.2	23.4	33.1	32.3	30.6	51.5	18.9	20.4	19.1	21.9	80.2	26.8	27.8	26.8	27.1	108.6	117.0
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	49.3	54.1	201.4	54.7	56.1	52.7	56.9	220.5	234.9
OCF:																	
Television	75.9	66.3	67.4	65.2	73.6	65.4	11.6	12.6	15.7	24.9	64.9	11.7	10.9	11.9	16.4	51.0	61.7
Radio	10.5	3.6	4.6	(1.7)	4.5	18.0	3.2	4.6	6.2	7.4	21.4	3.2	4.4	5.4	5.7	18.7	19.8
Digital	17.5	10.4	3.2	9.8	17.3	39.7	8.6	12.2	12.7	15.3	48.7	10.0	15.7	14.0	19.8	59.5	76.1
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	34.6	47.6	135.0	24.9	31.1	31.3	41.9	129.2	157.7
CONSOLIDATED PRO FORMA																	
Revenue	273.7	281.7	307.8	433.0	516.6	781.8	197.2	221.7	241.0	279.7	939.6	234.8	259.2	266.7	303.1	1,063.7	1,208.2
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	51.3%	24.4%	16.4%	21.1%	19.6%	20.2%	19.1%	16.9%	10.6%	8.4%	13.2%	13.6%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	482.3	126.2	141.9	157.1	178.0	603.1	155.2	172.0	182.6	204.2	714.0	815.6
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	90.5%	36.9%	20.8%	26.4%	19.9%	25.0%	23.0%	21.2%	16.2%	14.8%	18.4%	14.2%
Opex	160.2	168.4	187.6	186.6	168.1	176.3	47.5	50.5	49.3	54.1	201.4	54.7	56.1	52.7	56.9	220.5	234.9
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	4.9%	14.8%	15.1%	14.7%	12.5%	14.2%	15.0%	11.2%	7.0%	5.3%	9.5%	6.6%
OCF	103.9	80.3	75.2	73.4	95.3	123.2	23.4	29.4	34.6	47.6	135.0	24.9	31.1	31.3	41.9	129.2	157.7
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	29.2%	-6.0%	0.8%	9.3%	27.3%	9.6%	6.2%	5.9%	-9.6%	-12.0%	-4.3%	22.0%
Corporate	20.8	23.1	21.8	24.4	23.9	26.6	7.1	6.8	7.7	9.0	30.7	8.2	7.9	8.9	6.9	31.9	32.5
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	11.3%	11.0%	4.3%	19.1%	25.5%	15.3%	15.1%	15.4%	15.2%	-23.7%	3.8%	2.0%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(6.0)	1.8	(0.1)	(0.9)	(0.8)	(0.0)	(0.4)	(0.8)	0.7	(0.5)	(0.9)	1.9
EBITDA	84.4	60.2	54.4	51.2	71.9	90.6	18.1	22.5	26.0	37.8	104.3	16.3	22.4	23.1	34.5	96.4	127.1
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	25.9%	17.6%	18.4%	11.4%	14.9%	15.2%	-10.0%	-0.3%	-11.0%	-8.5%	-7.6%	31.8%

Source: Industry Capital Research estimates and company data

Figure 19: DCF analysis supports \$7.50 12-month price target within \$6-8 range

	Current	YE 2021	YE 2023	YE 2024	2018-22	2020-24	2022-26	2024-28	2027-28
Entravision DCF analysis									
\$ in millions except per share amounts									
Firm Value	743	845	747	726	4,013	4,783	4,783	4,783	4,783
(-) Total Net Debt	119	119	16	(52)	0%	0%	0%	0%	0%
(+) NOLs/Tax Assets	15	15	15	15	18%	20%	9%	4%	14%
(-) Options (Claims on Entravision)	(4.1)	(4.1)	(4.1)	(4.1)	43%	16%	9%	4%	14%
Common Equity Value	634.1	736.7	741.1	788.7	\$6.72	87.8	87.8	87.8	87.8
Shares Outstanding	87.8	87.8	87.8	87.8	590.0	590.0	590.0	590.0	590.0
Current Share Price	\$6.72	\$6.72	\$6.72	\$6.72	FCF to Firm				
Value Per Share	\$7.22	\$8.39	\$8.44	\$8.98	6.9	6.9	6.9	6.9	6.9
12-month	\$8.50				6.0%	6.0%	6.0%	6.0%	6.0%
12-month (SOTP)	\$7.00				119.2	119.2	119.2	119.2	119.2
Discounted Cash Flow									
EBITDA	54.0	41.2	60.4	88.2	104.3	96.4	120.6	145.6	148.2
EBIT	37.8	24.6	43.1	65.7	78.6	67.6	90.8	103.4	103.3
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(23.6)	(20.3)	(27.2)	(24.5)	(26.0)
Plus D&A	16.3	16.6	17.3	22.4	25.8	28.8	36.2	38.8	42.2
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(10.0)	(13.0)	(10.5)	(11.0)	(12.8)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.6)	(4.9)	(5.9)	(6.4)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	68.1	59.5	84.4	80.0	97.1
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Net Debt	119								
Leverage Mult.	2.0x								
D/Equity	20%								
D/EV	17%								
E/EV	83%								
Unlevered Beta	1.0								
Levered Beta	1.26								
D/Equity (long-term target)	33%								
Cost of Debt (AT)	4.2%								
Cost of Equity	10.0%								
WACC	8.6%								
CF in DCF	9%	9%	9%	9%	9%	9%	9%	9%	9%
Time Period (CF in DCF)	1	1	1	1	1	1	1	1	1
Multiplier	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PV of CF	68.1	54.8	54.8	54.8	71.6	62.6	69.9	57.1	59.9
					77.7	67.9	75.9	62.0	65.0
					73.7	82.4	67.3	70.6	
Sum of PV	375.8	375.8	348.5	293.9	652.1	652.1	652.1	652.1	652.1
PV of Terminal Value	366.7	469.4	398.2	432.3	4x EBITDA				
NPV of all CF	742.5	845.1	746.6	726.3					

Source: Industry Capital Research estimates and company data

Figure 20: DCF analysis allocates ~80% of firm value to digital media business

Entravision DCF analysis - Digital		YE 2021	YE 2023	YE 2024
\$ in millions except per share amounts				
Firm Value	Current	494	483	489
(-) Total Net Debt		-	-	-
(+) NOLs		-	-	-
(-) Options (Claims on Entravision)		-	-	-
Common Equity Value		556.1	482.8	489.1
Shares Outstanding		87.8	87.8	87.8
Current Share Price		\$6.72	\$6.72	\$6.72
Value Per Share		\$5.63	\$5.50	\$5.57
12-month		\$5.50		
Minority Interest		1		

ASSUMPTIONS	2018-22	2020-24	2021-25	2023-27	2024-28	2027-28
Risk Free Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Equity Premium	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Assumed LT Growth Rate (g)	1%	1%	1%	1%	1%	1%
EBITDA	105%	138%	19%	19%	11%	5%
FCF to Firm	105%	137%	19%	19%	11%	4%
Share Price	\$6.72					
Outstanding Shares	87.8					
MV of Equity	590.0					
Estimate MV of Debt Calculation						
Interest Expense	6.9					
Current Cost of Debt	6.0%					
Wghtd Avg. Maturity of Debt						
Bv of Debt						
Estimate MV of Debt						

Discouraged Cash Flow	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
EBITDA	2.8	(0.1)	2.3	28.2	48.7	58.2	74.0	87.3	98.8	105.7	111.4	88.7
EBIT	2.8	(0.1)	2.3	23.1	39.9	47.6	60.5	71.4	80.8	86.5	91.1	(31.4)
Less Cash Taxes	(0.8)	0.0	(0.7)	(6.9)	(12.0)	(14.3)	(18.1)	(21.4)	(24.3)	(25.9)	(27.3)	(20.3)
Plus D&A				5.1	8.9	10.6	13.5	15.9	18.0	19.3	20.3	(20.3)
Less Cap Ex				(15.5)	(2.7)	(3.6)	(4.9)	(4.9)	(5.9)	(5.3)	(6.4)	(5.9)
Less Increase in WC												
Free Cash Flow to Firm	1.9	(0.1)	1.6	5.7	34.1	40.3	50.9	60.9	68.7	74.5	77.6	52.4
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	0											
Leverage Mult.	0.0x											
D/Equity	0%											
D/EV	0%											
E/EV	100%											
Unlevered Beta	1.64											
Levered Beta	1.6											
D/Equity (projected long term)	0.0%											
Cost of Debt (AT)	4.2%											
Cost of Equity	11.8%											
WACC	11.8%											
CF in DCF												
Time Period (CF in DCF)												
Multiplier												
PV of CF												

	Current	YE 2023	YE 2024
Sum of PV	246.3	246.3	212.2
PV of Terminal Value	247.6	309.7	276.9
NPV of all CF	493.9	556.1	489.1

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	Current	YE 2023	YE 2024
Sum of PV	246.3	246.3	212.2
PV of Terminal Value	247.6	309.7	276.9
NPV of all CF	493.9	556.1	48

Figure 21: DCF analysis allocates ~20% of firm value to broadcasting business

Entravision DCF analysis - Broadcasting			
\$ in millions except per share amounts			
	Current	YE 2023	YE 2024
Firm Value	137	126	101
(-) Total Net Debt	119	16	(52)
(+) INOLs	15	15	15
(-) Options (Claims on Entravision)	(4.1)	(4.1)	(4.1)
Common Equity Value	28.6	120.0	163.6
Shares Outstanding	87.8	87.8	87.8
Current Share Price	\$6.72	\$6.72	\$6.72
Value Per Share	\$0.33	\$1.37	\$1.86
12-month			

ASSUMPTIONS											
Risk Free Rate	4.0%										
Equity Premium	4.8%										
Assumed LT Growth Rate (g)	-1%										
MV of Equity Calculation	\$6.72										
Share Price	87.8										
Outstanding Shares	590.0										
MV of Equity	FCF to Firm	NM	-18%	-11%	-12%						
Estimate MV of Debt Calculation	6.9										
Interest Expense	6.0%										
Current Cost of Debt	119.2										
Wgtd Avg Maturity of Debt	119.2										
BV of Debt	119.2										
Estimate MV of Debt	119.2										

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
Discounted Cash Flow												
EBITDA	51.3	41.3	58.1	59.9	55.6	38.2	53.1	33.3	46.8	23.8	36.8	6.1
EBIT	35.0	24.7	40.8	42.7	38.7	20.0	30.3	10.4	22.6	0.2	12.2	(2.1)
Less Cash Taxes	(10.5)	(7.4)	(12.2)	(12.8)	(11.6)	(6.0)	(9.1)	(3.1)	(6.8)	(0.1)	(3.7)	(2.1)
Plus D&A	16.3	16.6	17.3	17.3	16.9	18.2	22.8	22.9	24.2	23.6	24.7	24.7
Less CapEx	(17.0)	(25.3)	(9.5)	(5.6)	(10.0)	(13.0)	(10.5)	(11.0)	(11.6)	(12.2)	(12.8)	(24.7)
Less Increase in WC	(9.4)	(8.7)	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow to Firm	14.3	(0.0)	45.0	41.5	34.0	19.2	33.5	19.1	28.4	11.6	20.4	4.0
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	119											
Leverage Mult.	2.1x											
D/Equity	20%											
D/EV	17%											
E/EV	83%											
Unlevered Beta	0.75											
Levered Beta	0.9											
D/Equity (long-term target)	33%											
Cost of Debt (AT)	4.2%											
Cost of Equity	8.3%											
WACC	7.3%											
CF in DCF			7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Time Period (CF in DCF)			1	1	1	1	1	1	1	1	1	1
Multiplier			0	0	0	1	2	3	4	5	6	6
PV of CF			1.00	1.00	1.00	1.07	1.15	1.23	1.32	1.42	1.53	1.53
			34.0	34.0	17.9	29.1	29.1	15.5	21.5	8.2	13.4	0.0
			17.9	17.9	29.1	29.1	15.5	21.5	8.2	13.4	0.0	0.0
			31.2	31.2	17.8	24.7	15.4	8.8	14.4	0.0	0.0	0.0
			48.1	48.1	15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			1x EBITDA									

	Current	YE 2023	YE 2024
Sum of PV	105.5	94.0	67.3
PV of Terminal Value	31.5	31.5	33.8
NPV of all CF	137.1	125.5	101.2

Source: Industry Capital Research estimates and company data

APPENDIX

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

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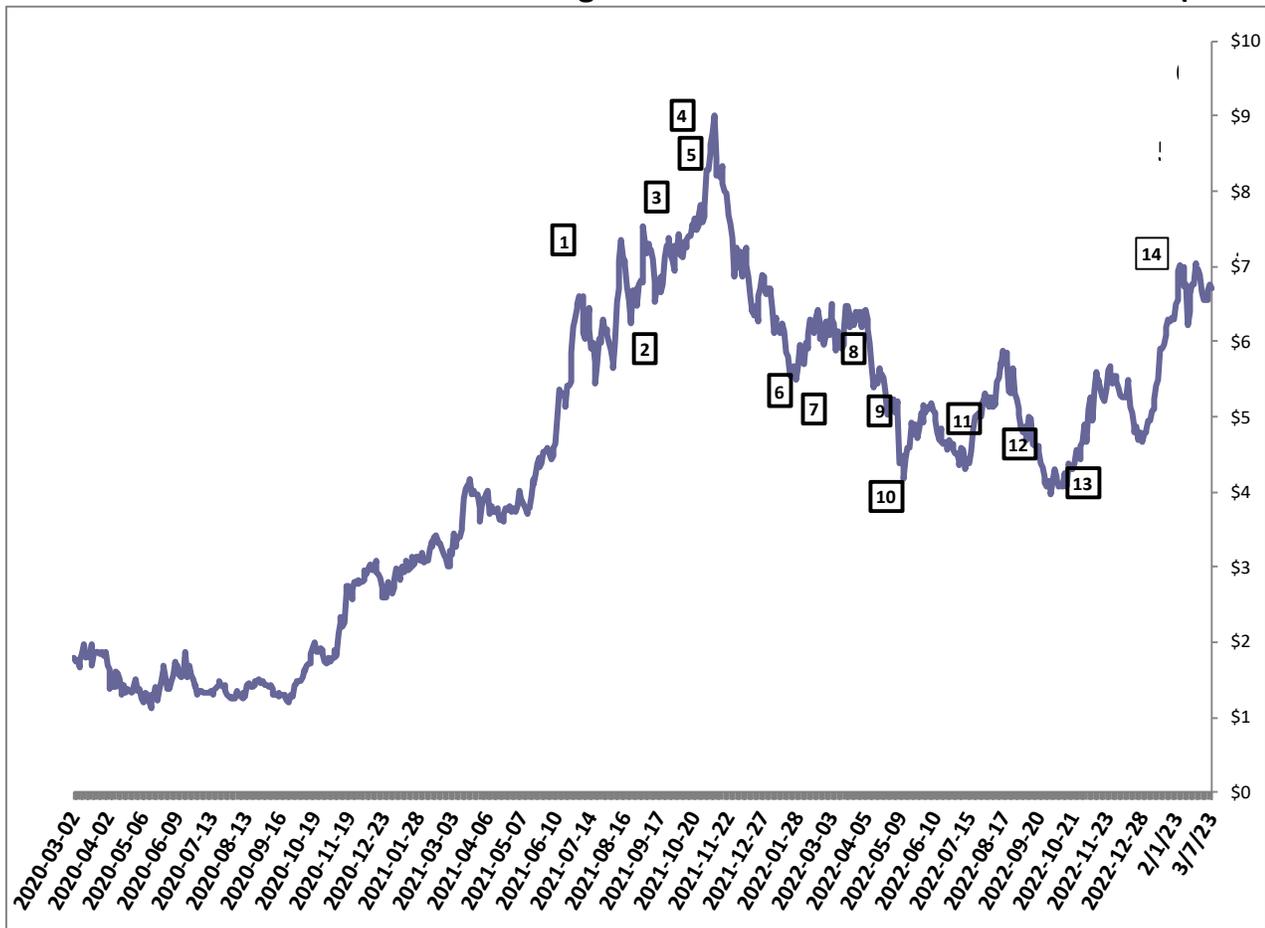
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters,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

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



1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
6	12/20/21	Reaffirmed Buy @ \$6.40, Target Price \$10.00
7	2/2/22	Reaffirmed Buy @ \$5.87, Target Price \$8.00
8	3/4/22	Reaffirmed Buy @ \$6.42, Target Price \$8.50
9	4/15/22	Reaffirmed Buy @ \$5.53, Target Price \$8.50
10	5/6/22	Reaffirmed Buy @ \$5.14, Target Price \$8.00
11	6/9/22	Reaffirmed Buy @ \$5.16, Target Price \$8.00
12	8/25/22	Reaffirmed Buy @ \$5.52, Target Price \$7.50
13	11/3/22	Reaffirmed Buy @ \$4.69, Target Price \$7.00
14	1/27/23	Reaffirmed Buy @ \$6.33, Target Price \$7.50

Ratings Definitions

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

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

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

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

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