

## Entravision Communications Corporation (EVC)

Expect In-Line 4Q, With Valuation Offering Improved Reward For Risk; Hold

James Dix, CFA

(1) 917 292 4293

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

With results set for March 5 AMC, we look for an in-line 4Q, and some updates on key 2024 drivers like the political ad outlook and digital OCF margins. 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 our estimates of revenue/adjusted EBITDA of \$310.5m/\$20.8m (6.7% margin) vs. consensus of \$309.0m/\$26.0m (8.4%). Versus prior pacing, our 4Q digital revenue growth estimates of +15% (reported)/+13% (pro forma) are in line with EVC's +15%/+13%. Given META's strong 4Q growth, discussed more below, we look for upside to our estimate for EVC Latam revenue growth of +13%, vs. +18% in 3Q, which slightly beat our estimate despite the drag from the META commission cut starting 7/1. We assume EVC Asia revenue growth was +13%, a decel from +23% in 3Q, on some caution about TikTok growth. Our revenue growth estimates for TV and radio are -32%/-23%, vs. -32%/-30% prior pacing, on tough political comps.

Since our downgrade to Hold shortly after 3Q results, EVC shares have lagged the S&P 500 by ~20 percentage points, setting up potential for positive reversion. Read-through from META suggests revenue upside at EVC Latam, whose low margins could mute the OCF impact. META's rest-of-world segment 4Q revenue growth, 33% in total vs. 37% in 3Q and 32% in advertising vs. 36% in 3Q, represented a steady 2-year CAGR, while our EVC Latam 4Q revenue growth estimate would be a 2-yr CAGR decel to 10% from 14%. We assume that EVC digital gross margin bottomed in 3Q and improved by roughly a point in 4Q, helped by a seasonal uptick in revenue, and further margin upside from low levels could be a spark. While management forswears big M&A, a surprise in capital allocation could also be a spark, as EVC has a large cash balance of over \$100m, 2024E FCF of over \$60m, of which the dividend uses less than 30%, and a dormant share buyback.

The closely watched train of U.S. political advertising takes center stage, but we actually expect the digital segment to contribute a greater OCF increase in 2024. Digital's disappointing 2023 margins set a low bar for improvement, and we forecast an OCF increase of ~\$25m at digital, vs. \$17m at TV, which will receive the bulk of the political. December conference comments referenced a goal of 1-2 points of improvement in digital OCF margin over the next 12 months; our digital OCF margin estimate for 2024 is 6.0%, up from 3.9% in 3Q23 (after non-cash comp). One swing factor could be increasing EVC's scope of business with META, which EVC has suggested previously was in the works. Others could be incremental revenue and OCF from newer digital partnerships (e.g., Pinterest and Snap) and a slew of recent TV news launches. Although our base case 2024E EBITDA of \$104m is well above consensus (see Fig. 3), our valuation reflects probability-weighted risk scenarios, which reduce our price target by \$0.50 per share. See Fig. 6. As to the risks, ad agency forecasts call for a deceleration in global ad growth excluding political, and in the U.S., household saving is actually lower than it was heading into the 2020 election cycle.

Our price target is \$4; risks on page 2. Our PT is supported by a DCF valuation based on financial forecasts through 2029, using probability-weighted scenarios. See Fig. 5, 6 & 13.

HOLD			
Price at 2/28/24 (USD)	3.74		
Price Target	4.00		
52-week range	3.35 - 6.86		
Performance (%)	1m	3m	12m
Absolute	-14	-12	-43
S&P 500	3	11	28
Market Cap (USDm)	339.2		
Shares outstanding (m)	90.7		
Float (%)	89		
Average volume	251,159		
S&P 500	5,069.8		
Forecasts and ratios			
Year ended 12/31	2022A	2023E	2024E
1Q EPS (USD)	0.02	0.02	0.03
2Q EPS (USD)	0.10	-0.02	-0.01
3Q EPS (USD)	0.11	0.03	0.15
4Q EPS (USD)	-0.02	0.00	0.12
FY EPS (USD)	0.21	0.03	0.29
% Change	-38%	-87%	953%
P/E (x)	18.2	136.9	13.0
EV/EBITDA (x)	4.2	6.7	4.6
Revenue (USDm)	956.2	1,097.2	1,252.9
% Change	26%	15%	14%

**ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE LOCATED IN THE APPENDIX.** Industry Capital Research does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm might have a conflict of interest that could affect the objectivity of this report.

## Investment Thesis and Valuation: Hold With \$4.00 Price Target

**We rate Hold the shares of EVC.** Despite 1) the higher growth of EVC's digital media assets, whose mix of businesses and extensive international presence provide EVC with a range of potential partners and advertisers as well as strategic options, and 2) a reduced operating risk profile for EVC's overall business because of the stability of TV retransmission revenue (35% of 2022E EBITDA), secular growth of political advertising revenue (31% of 2022E EBITDA), pro forma net debt leverage under 2x, and potential monetization from future spectrum auctions (as in 2017), EVC shares nevertheless face 4) challenges from EVC's digital businesses' being more difficult for investors to assess, given their dependence on a small number of commercial relationships with media tech platforms, increasing focus on emerging markets, and changes in competition, 5) pressure on operating cash flow margins, and 6) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business. Our DCF valuation supports stock price performance over the next 12 months consistent with a Hold rating.

**Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2024 and 2025; our PT assumes a base case forecast with 2024/25 adjusted EBITDA of \$104m/\$96m, with a 50% chance of a scenario with slower 2024 growth, 25% chance of a scenario with less long-term digital OCF margin expansion, and 25% chance of a scenario where political advertising will be only ~50% incremental to core TV advertising, resulting in a target valuation of ~\$4.00.** In structuring our DCF, first we adjust the current net debt for the value of any estimated payments remaining on the acquisitions (e.g., earnouts) and noncontrolling interest. Second, we adjust the current net debt by the estimated free cash flow to be generated by each valuation date. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods set the range for our valuation. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

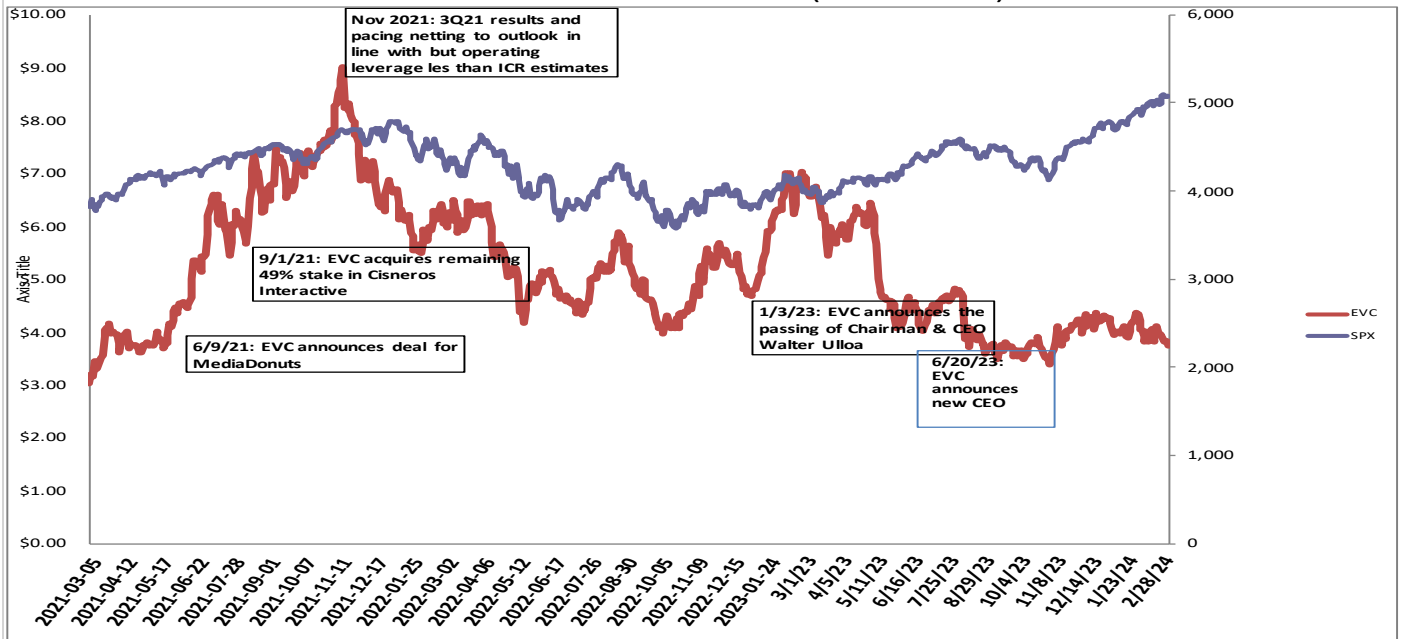
**Risks to our investment thesis include:** 1) impact of new CEO and change in voting control on company's strategy and pursuit of potential longer-term options, including sale of all or a portion of the company, 2) sensitivity of EVC's advertising-based businesses to macroeconomic flux, 3) volatility of EVC's digital media business, and 4) impact of changes in overall market sentiment on the valuation of EVC's fast-growing, less mature digital advertising businesses.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)  
12-month price target: \$4.00

ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$3.74	<b>Company description</b>	Entravision operates a digital media business serving the U.S. and roughly 40 international markets, and a broadcast business targeting U.S. Hispanics with 49 TV stations (mostly Univision network affiliates) in 14 of the top-50 U.S. Hispanic markets, and 45 radio stations (37 FM and 8 AM) as well as a radio network with distribution to over 100 U.S. markets together covering 31% of the U.S. Hispanic population. The company's 2022 revenue by segment was 78% from digital, 15% from TV, and 7% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	90.7	<b>Strategy</b>	Expand digital media operations into fast-growing markets outside the U.S. and manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets.
Equity market capitalization	339	<b>Est. acquisition capacity</b>	<b>\$287</b>
+Pro forma net debt	151	<b>Management</b>	After the untimely death of former Chairman and CEO Walter Ulloa last December, <b>Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023.</b> Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (as which he has served since 2008, having been with EVC since 2000).
-Hidden value	9	<b>Positives</b>	* Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Low debt leverage and high free cash flow yield support returns of capital and digital-focused acquisitions * Higher post-pandemic broadcast margins * Most of its TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending
=Pro forma EV	\$482	<b>Risks</b>	* <b>Management succession and corporate control</b> , especially given loss of management voting control triggered by death of prior CEO * Volatility of international media business, reflecting early stage and potential competition * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship through TV network affiliations and ownership stake may limit strategic flexibility
<b>OPERATING PROJECTIONS</b>		<b>Valuation</b>	Attributing most of firm value to digital media business
<b>Pro forma net revenue</b>		<b>Recent events</b>	<b>June 2023 - appointment of new CEO effective July 1.</b> December 2022 - death of co-founder, CEO & Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations.
2023	\$1,109	<b>Upcoming potential catalysts</b>	<b>Risk from macroeconomic slowdown to advertising-based revenue</b> , both in U.S. and internationally - Advertising in upcoming U.S. election cycle - Digital growth initiatives - Changes in capital return/allocation with new senior management
2022	1,000		
% Chg	10.9%		
<b>Pro forma EBITDA</b>			
2023	\$72		
2022	114		
% Chg	-37.1%		
<b>Pro forma EBITDA margin</b>			
2023	6.5%		
2022	11.4%		
<b>Free cash flow per share</b>			
2023	\$0.29		
2022	\$0.72		
% Chg	-59.7%		
<b>Est. 3-5 yr FCF Growth rate</b>	7%		
<b>VALUATION AND LEVERAGE</b>			
<b>Pro forma EV/EBITDA</b>			
2023	6.7x		
2022	4.2x		
<b>Price / Free cash flow per share</b>			
2023	12.9x		
2022	5.2x		
<b>Pro forma net debt / EBITDA</b>			
2023	2.1x		
2022	1.3x		
<b>Dividend yield</b>			
2023	5.3%		
2022	2.7%		

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



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

Figure 2: We are meaningfully below consensus for 4QE adjusted EBITDA on lower margins

## Entravision Communications Summary of Quarterly Estimates

In millions, except per share data

	Estimates				YoY %CHG			ICR vs	
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
<b>4Q23E</b>									
As Reported									
Revenue	\$238.9	\$310.5	\$0.0	\$310.5	30.0%	0.0%	30.0%	309.0	0.5%
Op Expense	225.9	289.7	0.0	289.7	28.2%	0.0%	28.2%		
Adjusted EBITDA	13.0	20.8	0.0	20.8	60.2%	0.0%	60.2%	26.0	-20.0%
Margin	5.4%	6.7%	0.0%	6.7%				8.4%	-1.7%
Pro Forma EPS	\$0.02	\$0.00	+\$0.00	\$0.00	-100.0%	0.0%	-100.0%	\$0.07	-100.0%
FCF/sh (core)	\$0.04	\$0.19	+\$0.00	\$0.19	375.0%	NM	NM		
<b>1Q24E</b>									
As Reported									
Revenue	238.9	265.4	\$0.0	265.4	11.1%	0.0%	11.1%	262.0	1.3%
Op Expense	225.9	248.6	0.0	248.6	10.1%	0.0%	10.1%		
Adjusted EBITDA	13.0	16.7	0.0	16.7	28.9%	0.0%	28.9%	16.0	4.5%
Margin	5.4%	6.3%	0.0%	6.3%				6.1%	0.2%
Pro Forma EPS	\$0.02	\$0.03	+\$0.00	\$0.03	50.0%	0.0%	50.0%	\$0.01	200.0%
FCF/sh (core)	\$0.04	\$0.11	+\$0.00	\$0.11	175.0%	0.0%	175.0%		

\* pro forma reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 3: Our 2024E adjusted EBITDA is above consensus, driven by ~\$34m in incremental political ad revenue and digital OCF margin bounce

<b>Entravision Communications (NYSE: EVC)</b>									
<b>Summary of Annual Estimates</b>									
In millions, except per share data									
	Last Yr	Prior	Estimates		YoY %CHG			ICR vs	
			Chg	Current	Prior	Chg	Current	Consensus	Consensus
<b>2023E</b>									
As Reported									
Revenue	956.2	1,097.2	0.0	1,097.2	14.7%	0.0%	14.7%	1,095	0.2%
Op expense	853.2	1,035.0	0.0	1,035.0	21.3%	0.0%	21.3%		
Adjusted EBITDA	103.1	62.2	0.0	62.2	-39.7%	0.0%	-39.7%	65.0	-4.4%
Margin	10.8%	5.7%	0.0%	5.7%				5.9%	-0.3%
EPS	\$0.21	\$0.03	\$0.00	\$0.03	-86.7%	0.0%	-86.7%	\$0.10	-72.7%
Cash FCF/sh	\$0.72	\$0.29	\$0.00	\$0.29	-59.7%	0.0%	-59.7%		
<b>2024E</b>									
As Reported									
Revenue	1,097.2	1,252.9	0.0	1,252.9	14.2%	0.0%	14.2%	1,242	0.9%
Op expense	1,035.0	1,148.7	(0.0)	1,148.7	11.0%	0.0%	11.0%		
Adjusted EBITDA	62.2	104.2	0.0	104.2	67.6%	0.0%	67.6%	91.0	14.5%
Margin	5.7%	8.3%	0.0%	8.3%				7.3%	1.0%
EPS	\$0.03	\$0.29	\$0.00	\$0.29	952.4%	NM	NM	\$0.30	-4.2%
Cash FCF/sh	\$0.29	\$0.72	\$0.00	\$0.72	148.3%		148.3%		

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 4: Our digital revenue estimates remain above 2023/24 consensus

Entravision Communications (NYSE: EVC)									
Summary of Digital Segment Annual Estimates									
In millions, except per share data									
	Last Yr	Estimates			YoY %CHG			ICR vs	
		Old	Chg	Current	Old	Chg	Current	Consensus	Consensus
<b>2023E</b>									
As Reported									
Legacy Digital Revenue	103.7	110.7	0.0	110.7	6.7%	0.0%	6.7%		
Legacy Digital Opex	89.4	101.8	0.0	101.8	13.9%	0.0%	13.9%		
Legacy Digital OCF	14.3	8.9	0.0	8.9	-37.9%	0.0%	-37.9%		
Margin	13.8%	8.0%	0.0%	8.0%					
EVC Latam Revenue	508.8	593.2	0.0	593.2	16.6%	0.0%	16.6%		
EVC Latam Opex	480.2	573.4	0.0	573.4	19.4%	0.0%	19.4%		
EVC Latam OCF	28.6	19.8	0.0	19.8	-31.0%	0.0%	-31.0%		
Margin	5.6%	3.3%	0.0%	3.3%					
EVC Asia Revenue	89.5	114.0	0.0	114.0	27.3%	0.0%	27.3%		
EVC Asia Opex	84.2	109.3	0.0	109.3	29.9%	0.0%	29.9%		
EVC Asia OCF	5.3	4.7	0.0	4.7	-12.4%	0.0%	-12.4%		
Margin	6.0%	4.1%	0.0%	4.1%					
EVC Africa Revenue	11.4	7.5	0.0	7.5	-34.2%	0.0%	-34.2%		
EVC Africa Opex	10.7	9.5	0.0	9.5	-11.3%	0.0%	-11.3%		
EVC Africa OCF	0.7	(2.0)	0.0	(2.0)	-369.6%	NM	NM		
Margin	6.4%	-26.2%	0.0%	-26.2%					
Jack of Digital Revenue	1.7	5.7	0.0	5.7	NM	NM	NM		
Jack of Digital Opex	1.6	5.5	0.0	5.5	NM	NM	NM		
Jack of Digital OCF	0.1	0.2	0.0	0.2	NM	NM	NM		
Margin	3.5%	3.2%	0.0%	3.2%					
Adsmurai Revenue	31.7	81.8	0.0	81.8	157.9%	0.0%	157.9%		
Adsmurai Opex	28.5	77.8	0.0	77.8	173.3%	0.0%	173.3%		
Adsmurai OCF	3.3	4.0	0.0	4.0	23.9%	0.0%	23.9%		
Margin	10.3%	4.9%	0.0%	4.9%					
BCNMonetize Revenue	0.0	9.8	0.0	9.8	NM	NM	NM		
BCNMonetize Opex	0.0	6.8	0.0	6.8	NM	NM	NM		
BCNMonetize OCF	0.0	2.9	0.0	2.9	NM	NM	NM		
Margin	NM	29.9%	0.0%	29.9%					
Digital Segment Revenue	747.1	922.7	0.0	922.7	23.5%	0.0%	23.5%	911	1.3%
Digital Segment Opex	698.1	884.2	0.0	884.2	26.7%	0.0%	26.7%		
Digital Segment OCF	49.0	38.5	0.0	38.5	-21.5%	0.0%	-21.5%		
Margin	6.6%	4.2%	0.0%	4.2%					
<b>2024E</b>									
As Reported									
Legacy Digital Revenue	110.7	126.2	0.0	126.2	14.0%	0.0%	14.0%		
Legacy Digital Opex	101.8	116.4	0.1	116.5	14.4%	0.1%	14.5%		
Legacy Digital OCF	8.9	9.8	(0.1)	9.7	10.1%	-1.1%	8.9%		
Margin	8.0%	7.7%	-0.1%	7.7%					
EVC Latam Revenue	593.2	666.6	0.0	666.6	12.4%	0.0%	12.4%		
EVC Latam Opex	573.4	633.0	0.0	633.0	10.4%	0.0%	10.4%		
EVC Latam OCF	19.8	33.6	0.0	33.6	70.1%	0.0%	70.1%		
Margin	3.3%	5.0%	0.0%	5.0%					
EVC Asia Revenue	114.0	131.4	0.0	131.4	15.2%	0.0%	15.2%		
EVC Asia Opex	109.3	123.6	0.0	123.6	13.0%	0.0%	13.0%		
EVC Asia OCF	4.7	7.8	0.0	7.8	66.8%	0.0%	66.8%		
Margin	4.1%	5.9%	0.0%	5.9%					
EVC Africa Revenue	7.5	14.8	0.0	14.8	96.0%	0.0%	96.0%		
EVC Africa Opex	9.5	14.3	(0.1)	14.2	50.5%	-0.7%	49.9%		
EVC Africa OCF	(2.0)	0.5	0.1	0.5	-122.9%	NM	NM		
Margin	-26.2%	3.1%	0.4%	3.5%					
Jack of Digital Revenue	5.7	9.0	0.0	9.0	58.0%	0.0%	58.0%		
Jack of Digital Opex	5.5	7.6	(0.0)	7.6	38.2%	-0.8%	37.4%		
Jack of Digital OCF	0.2	1.4	0.0	1.4	NM	NM	NM		
Margin	3.2%	15.4%	0.5%	15.8%					
Adsmurai Revenue	81.8	88.9	0.0	88.9	8.6%	0.0%	8.6%		
Adsmurai Opex	77.8	83.3	0.0	83.3	7.1%	0.0%	7.1%		
Adsmurai OCF	4.0	5.6	0.0	5.6	37.6%	0.0%	37.6%		
Margin	4.9%	6.3%	0.0%	6.3%					
BCNMonetize Revenue	9.8	16.8	0.0	16.8	72.0%	0.0%	72.0%		
BCNMonetize Opex	6.8	12.0	0.0	12.0	74.6%	0.0%	74.6%		
BCNMonetize OCF	2.9	4.8	0.0	4.8	65.7%	0.0%	65.7%		
Margin	29.9%	28.8%	0.0%	28.8%					
Digital Segment Revenue	922.7	1,053.6	0.0	1,053.6	14.2%	0.0%	14.2%	1,002	5.2%
Digital Segment Opex	884.2	990.2	(0.0)	990.2	12.0%	0.0%	12.0%		
Digital Segment OCF	38.5	63.4	0.0	63.5	64.8%	0.0%	64.8%		
Margin	4.2%	6.0%	0.0%	6.0%					

\* pro forma reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 5: No change to our base case DCF, last updated earlier this month; we will look to update our macro inputs post-quarter

Entravision Communications															
Summary of Changes to Forecast and Valuation															
(in \$ million except unit data)															
CAGRs	2023		DCF Valuation		EBITDA CAGRs						Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28	2025-29					
Prior	1,097.2	62.2	\$4.50	\$4.50	12%	3%	5%	13%	13%	2%	3.9%	4.5%	9.1%	10.6%	7.2%
Current	1,097.2	62.2	\$4.50	\$4.50	12%	3%	5%	13%	13%	2%	3.9%	4.5%	9.1%	10.6%	7.2%
Delta	0.0	0.0	\$0.00	\$0.00	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Memo:															
Digital OCF					NM	20%	16%	25%	12%	7%					

Source: Company data and Industry Capital Research estimates

Figure 6: Aggregate impact of all three risk scenarios would almost ~\$2.00 per share, but probability-weighted would be ~\$0.50 per share

Estimated Impact on EVC Valuation				
Scenarios	Probability	Per Share Valuation Impact	Enterprise Value Impact (\$m)	(Chg in EV) / (Chg in 2024E OCF)
Slowdown impact on 2024	50%	(\$0.25)	(52.9)	6.4x
Digital margins +150bps 2023-29	25%	(\$1.25)	(123.7)	7.1x
TV broadcast core advertising/political incrementality	25%	(\$0.25)	(76.2)	8.0x
<b>Total</b>		<b>(\$1.75)</b>	<b>(252.8)</b>	

Source: Industry Capital Research estimates and company data

Figure 7: Broadcast revenue drivers—TV segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>TELEVISION SEGMENT</b>													
Television PF Rev Growth	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-1.8%	-1.8%	-1.8%	-32.2%	-11.5%	9.9%
Reported TV revenue	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.3	\$29.9	\$29.6	\$31.3	\$121.1	\$141.1
Growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
TV non-recurring items:													
Political/Census	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	27.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.2	0.3	27.6
TV revenue ex political	131.9	146.1	29.6	29.6	29.3	31.1	119.5	30.3	29.9	29.6	31.0	120.8	113.6
Growth ex Political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.9%	0.0%	1.1%	-6.0%
Retransmission Consent	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	8.9	8.9	36.7	37.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.3	8.9	8.9	36.7	37.4
TV revenue ex Retrans	117.7	109.9	21.7	23.3	26.8	36.9	108.7	20.7	20.6	20.7	22.4	84.4	103.7
Growth ex Retrans	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.0%	-1.1%	-4.5%	-11.6%	-22.8%	-39.4%	-22.4%	22.9%
TV World Cup/Other Soccer	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	154.5	144.8	30.9	32.4	35.7	45.8	144.7	30.3	29.9	29.6	31.3	121.1	141.1
Growth ex WC	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.4)	(27.1)	(6.4)	(6.0)	(7.1)	(7.1)	(26.5)	(23.8)
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental M&A	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(7.4)	(27.1)	(6.4)	(6.0)	(7.1)	(7.1)	(26.5)	(23.8)
TV revenue ex M&A	163.9	156.6	37.4	38.5	42.8	53.2	171.9	36.7	35.9	36.6	38.3	147.6	164.9
Growth ex M&A	2.3%	-4.4%	-2.0%	7.9%	9.2%	22.0%	9.8%	-1.8%	-6.6%	-14.5%	-27.9%	-14.1%	11.7%
Spectrum usage/auction	5.4	6.2	1.5	1.7	1.6	1.2	6.0	2.1	2.1	2.1	2.1	8.4	8.3
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	5.4	6.2	1.5	1.7	1.6	1.2	6.0	2.1	2.1	2.1	2.1	8.4	8.3
TV revenue ex Spectrum Usage	149.0	140.6	29.3	30.7	34.1	44.6	138.7	28.2	27.9	27.5	29.2	112.7	132.8
Growth ex Spectrum Usage	9.1%	-5.6%	-11.8%	-6.8%	-3.5%	14.0%	-1.4%	-4.0%	-9.2%	-19.4%	-34.5%	-18.8%	17.8%
PF TV revenue ex-all non-recurring	99.2	110.7	25.4	25.0	25.9	28.3	104.6	25.0	24.5	25.6	27.1	102.3	91.6
PF TV revenue growth ex all non-recurring	-11.2%	11.6%	-1.3%	1.0%	-4.4%	-14.5%	-5.5%	-1.6%	-1.9%	-1.1%	-4.1%	-2.2%	-10.5%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.4%	0.7%	22.8%	1.9%	-6.8%	2.7%	-1.5%	-0.5%	-2.8%	-9.5%	-3.9%	-6.4%
PF TV advertising growth ex-political	-11.2%	14.7%	-20.3%	-20.1%	-27.4%	-29.6%	-24.8%	-1.6%	-1.9%	-1.1%	-4.1%	-2.2%	-10.4%
TV ad rev grth ex political 2-yr CAGR	-6.8%	0.9%	-9.5%	12.2%	-8.5%	-15.4%	-7.1%	-11.5%	-11.5%	-15.3%	-17.9%	-14.2%	-6.4%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-22.1%	-18.2%	2.5%	1.1%	0.9%	0.0%	1.1%	-6.0%
TV rev grth ex political 2-yr CAGR	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-11.2%	-4.8%	-8.4%	-6.3%	-9.5%	-11.7%	-9.1%	-2.5%
PF TV advertising growth	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	18.3%	-1.0%	-7.9%	-14.4%	-26.2%	-43.1%	-26.0%	25.5%

Source: Company reports; Industry Capital Research estimates

Figure 8: Broadcast revenue drivers—radio segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>RADIO SEGMENT</b>													
Radio PF Rev Growth	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-1.5%	-5.1%	-20.0%	-22.5%	-13.7%	8.0%
Pro forma radio:													
Revenue	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$20.4	\$64.4	\$12.2	\$13.5	\$13.4	\$14.3	\$53.4	\$58.1
Growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Radio non-recurring items:													
Political/Census	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.4	14.2	53.3	52.0
Growth ex Political	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-10.7%	-11.2%	-7.4%	-2.4%
NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex NTR	39.5	39.5	12.6	14.9	16.5	20.4	39.5	12.2	13.5	13.4	14.3	39.5	39.5
Growth ex NTR	3.0%	0.0%	11.4%	5.8%	0.1%	26.3%	0.0%	-3.0%	-9.4%	-18.7%	-29.9%	0.0%	0.0%
World Cup/Other Soccer													
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.4	14.3	53.4	58.1
Growth ex WC	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Revenue	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	13.5	13.4	14.2	53.3	52.0
Radio revenue growth ex all non-recurring	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.7%	-5.5%	-10.7%	-11.2%	-7.4%	-2.4%
Radio rev grth ex all non-rec 2-yr CAGR	-19.2%	2.0%	7.1%	52.3%	20.5%	10.0%	19.4%	3.9%	-2.0%	-8.3%	-5.5%	-3.4%	-4.9%

Source: Company reports; Industry Capital Research estimates



Figure 9: Broadcast opex drivers

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>OPERATING EXPENSE</b>													
Television PF Opex Growth	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	4.5%	4.5%	4.5%	-12.8%	-0.1%	3.5%
Radio PF Opex Growth	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	17.1%	15.0%	-3.0%	-1.0%	6.7%	7.9%
Pro forma consolidated:													
<b>Opex ex-cost of revenue</b>	<b>\$153.3</b>	<b>\$172.9</b>	<b>\$43.9</b>	<b>\$47.4</b>	<b>\$49.3</b>	<b>\$57.2</b>	<b>\$197.8</b>	<b>\$52.1</b>	<b>\$56.7</b>	<b>\$53.8</b>	<b>\$57.3</b>	<b>\$219.9</b>	<b>\$229.7</b>
Growth	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	18.7%	19.8%	9.2%	0.1%	11.2%	4.4%
Non-recurring opex items:													
<b>M&amp;A (acquisitions since 2020)</b>	<b>5.7</b>	<b>27.5</b>	<b>7.9</b>	<b>9.3</b>	<b>10.2</b>	<b>10.5</b>	<b>37.9</b>	<b>8.4</b>	<b>11.8</b>	<b>9.5</b>	<b>12.6</b>	<b>42.3</b>	<b>38.7</b>
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	5.7	27.5	7.9	9.3	10.2	10.5	37.9	8.4	11.8	9.5	12.6	42.3	38.7
Opex ex Cisneros adjustment	147.6	145.5	35.9	38.1	39.1	46.7	159.9	43.7	44.9	44.3	44.7	177.6	190.9
Growth ex Cisneros	-14.9%	-1.5%	0.8%	8.9%	7.2%	22.0%	9.9%	21.6%	17.9%	13.3%	-4.4%	11.1%	7.5%
<b>Fixed &amp; variable cost reductions</b>	<b>(27.2)</b>	<b>(32.8)</b>	<b>(5.8)</b>	<b>(7.0)</b>	<b>(12.8)</b>	<b>(11.6)</b>	<b>(37.2)</b>	<b>(6.5)</b>	<b>(7.7)</b>	<b>(12.9)</b>	<b>(10.8)</b>	<b>(37.8)</b>	<b>(39.9)</b>
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.5)	(7.7)	(12.9)	(10.8)	(37.8)	(39.9)
Opex ex cost reductions adjustment	180.5	205.7	49.7	54.4	62.0	68.8	235.0	6.5	7.7	12.9	10.8	37.8	39.9
Growth ex cost reductions	4.1%	14.0%	9.4%	15.0%	14.1%	17.4%	14.2%	-87.0%	-85.8%	-79.3%	-84.3%	-83.9%	5.7%
<b>Salary true-up</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>2.3</b>	<b>0.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>2.6</b>	<b>2.8</b>
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.6	2.8
Opex ex salary true-up	151.3	170.9	43.9	46.6	48.6	56.5	195.5	(0.0)	(0.9)	(0.9)	(0.8)	(2.6)	(2.8)
Growth ex salary true-up	-12.7%	13.0%	8.5%	14.3%	14.7%	19.1%	14.4%	-100.0%	-102.0%	-101.8%	-101.4%	-101.3%	7.3%
<b>Opex ex-non-recurring</b>	<b>172.8</b>	<b>176.3</b>	<b>41.8</b>	<b>44.4</b>	<b>51.1</b>	<b>57.5</b>	<b>194.8</b>	<b>50.2</b>	<b>51.7</b>	<b>56.3</b>	<b>54.7</b>	<b>212.8</b>	<b>228.1</b>
Opex growth ex all non-recurring	-0.3%	2.0%	2.7%	10.4%	8.3%	19.3%	10.5%	20.1%	16.5%	10.1%	-5.0%	9.2%	7.2%
Opex grth ex all non-rec 2-yr CAGR	-1.1%	0.8%	1.8%	6.3%	6.5%	9.2%	6.2%	11.1%	13.4%	9.2%	6.4%	14.0%	10.6%
<b>Revenue-driven variable expense</b>	<b>31.7</b>	<b>32.3</b>	<b>6.5</b>	<b>7.3</b>	<b>8.3</b>	<b>11.2</b>	<b>33.4</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>	<b>6.9</b>	<b>25.9</b>	<b>30.7</b>
Non-sales opex ex-non-recurring	141.1	143.9	35.2	37.0	42.8	46.3	161.4	44.0	45.3	49.9	47.7	186.9	197.4
Non-sales opex growth ex all non-recurring	-0.7%	2.0%	4.6%	13.6%	10.6%	18.8%	12.1%	25.0%	22.3%	16.6%	3.1%	15.8%	5.6%
Non-sales opex grth ex all non-rec 2-yr CAGR	-0.1%	0.6%	4.5%	3.4%	7.1%	12.0%	6.9%	14.3%	17.8%	13.5%	10.7%	14.0%	10.6%

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 10: Financial statement forecasts supporting our valuation

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
<b>AS REPORTED</b>													
Net revenue:													
Television	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.3	29.9	29.552	31.3	121.1	141.1
Radio	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	13.5	13.378	14.3	53.4	58.1
Net broadcast revenue	200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.5	43.5	42.9	45.5	174.5	199.3
Digital	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.4	229.9	231.487	265.0	922.7	1,053.6
<b>Total net revenue (core)</b>	<b>344.0</b>	<b>760.2</b>	<b>197.2</b>	<b>221.7</b>	<b>241.0</b>	<b>296.3</b>	<b>956.2</b>	<b>238.9</b>	<b>273.4</b>	<b>274.4</b>	<b>310.5</b>	<b>1,097.2</b>	<b>1,252.9</b>
Revenue from spectrum usage rights	0.0	0.0					0.0					0.0	0.0
Total net revenue	344.0	760.2	197.2	221.7	241.0	296.3	956.2	238.9	273.4	274.4	310.5	1,097.2	1,252.9
Cost of Revenue													
Television													
Radio													
Digital	106.9	466.5	129.9	145.0	157.2	192.0	624.0	168.3	195.7	199.3	224.8	788.1	890.6
Digital cost of revenue as % of revenue	74.6%	84.0%	84.5%	83.1%	83.2%	83.4%	83.5%	85.7%	85.1%	86.1%	84.9%	85.4%	84.5%
<b>Total cost of revenue (core)</b>	<b>106.9</b>	<b>466.5</b>	<b>129.9</b>	<b>145.0</b>	<b>157.2</b>	<b>192.0</b>	<b>624.0</b>	<b>168.3</b>	<b>195.7</b>	<b>199.3</b>	<b>224.8</b>	<b>788.1</b>	<b>890.6</b>
Cost of revenue from spectrum usage rights (television)													
Total cost of revenue	106.9	466.5	129.9	145.0	157.2	192.0	624.0	168.3	195.7	199.3	224.8	788.1	890.6
Opex													
Television opex	80.9	81.4	19.2	19.7	20.0	23.0	82.0	20.1	19.9	19.9	20.3	80.1	82.9
Radio opex	41.8	40.0	9.4	10.4	10.2	11.7	41.7	11.0	11.7	10.7	10.3	43.7	47.1
Digital opex	30.6	51.5	15.2	17.3	19.1	22.6	74.1	21.0	25.2	23.2	26.8	96.1	99.6
<b>Total opex (core)</b>	<b>153.3</b>	<b>172.9</b>	<b>43.9</b>	<b>47.4</b>	<b>49.3</b>	<b>57.2</b>	<b>197.8</b>	<b>52.1</b>	<b>56.7</b>	<b>53.8</b>	<b>57.3</b>	<b>219.9</b>	<b>229.7</b>
Spectrum usage rights													
Total Opex	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	56.7	53.8	57.3	219.9	229.7
OCF													
Television OCF	73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.2	\$10.1	\$9.7	\$11.0	41.0	58.2
TV OCF Margin	47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	33.7%	33.6%	32.7%	35.2%	33.8%	41.2%
Incremental Margin	173.4%	106.6%					126.6%					92.2%	86.0%
Radio OCF	4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.2	1.8	2.6	4.0	9.7	11.0
Radio OCF margin	9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	10.0%	13.5%	19.7%	28.1%	18.1%	18.9%
Incremental Margin	-70.4%	114.9%					74.0%	520.2%	195.3%	117.3%	76.3%	118.5%	27.4%
Digital OCF	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.1	9.0	9.0	13.3	38.5	63.5
Digital OCF margin	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.0%	3.0%	3.9%	3.9%	5.0%	4.2%	6.0%
Incremental Margin	7.9%	7.7%					6.1%	-3.4%	-5.6%	-8.6%	-6.6%	-6.0%	19.1%
<b>Total OCF (core)</b>	<b>83.8</b>	<b>120.8</b>	<b>23.4</b>	<b>29.4</b>	<b>34.6</b>	<b>47.1</b>	<b>134.5</b>	<b>18.6</b>	<b>20.9</b>	<b>21.3</b>	<b>28.3</b>	<b>89.2</b>	<b>132.6</b>
Margin	24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	7.8%	7.7%	7.8%	9.1%	8.1%	10.6%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.6%	-16.3%	-39.8%	-132.4%		
Spectrum sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	20.9	21.3	28.3	89.2	132.6
Total OCF Margin	24.4%	15.9%	11.9%	13.2%	14.4%	15.9%	14.1%	7.8%	7.7%	7.8%	9.1%	8.1%	10.6%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.6%	-16.3%	-39.8%	-132.4%		
Corporate Expense	27.8	33.0	8.7	8.5	9.5	22.6	49.4	10.5	12.0	13.3	13.0	48.8	49.8
GAAP EBITDA	56.0	87.8	14.7	20.8	25.1	24.5	85.1	8.1	8.9	8.0	15.4	40.3	82.8
Corporate non-cash comp	3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.2	3.2	4.4	4.2	14.0	14.3
Opex adjustments to cash:													
Amortization of syndication contracts	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.2	3.2	1.0	0.9	1.0	2.8	5.7	1.9	2.7	2.6	2.4	9.6	9.8
Non-recurring cash severance	1.7	0.4					4.3	0.1	0.5			0.6	
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.3	1.2	2.1	2.7
EBITDA attributable to noncontrolling interest							3.4	3.4				0.0	0.0
Total opex (positive) adjustments to cash	0.5	5.5	(1.0)	(0.9)	(1.0)	(3.7)	(6.6)	(1.8)	(2.8)	(2.3)	(1.2)	(8.1)	(7.1)
Foreign currency (gain) loss	(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	(1.0)	0.7	0.5		0.3	0.0
Total Adjusted EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.1	13.0	14.2	14.2	20.8	62.2	104.2
Other opex for spectrum (in corporate)													
<b>Adjusted EBITDA (core)</b>	<b>60.4</b>	<b>88.2</b>	<b>18.1</b>	<b>22.5</b>	<b>25.9</b>	<b>36.5</b>	<b>103.1</b>	<b>13.0</b>	<b>14.2</b>	<b>14.2</b>	<b>20.8</b>	<b>62.2</b>	<b>104.2</b>
Memo: adj. EBITDA (core) reported	60.4	88.0	18.1	22.5	25.0	36.5	103.1	13.0	14.2	14.2	20.8	62.2	104.2
Model variance: adj. EBITDA	(0.0)	0.1	0.0	0.0	(0.0)	0.0		(0.0)	(0.0)	0.0			
Adj. EBITDA core margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	5.2%	6.7%	5.7%	8.3%
Incremental Margin	27.3%	6.7%	8.1%	10.8%	6.2%	5.9%	7.6%	-12.3%	-16.0%	-35.2%	-111.0%	-29.0%	27.0%

Source: Industry Capital Research estimates and company data

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

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
Memo: cash opex (core)	\$153.8	\$178.4	\$42.9	\$46.4	\$48.3	\$53.6	\$191.2	\$0.3	\$4.0	\$1.5	\$6.1	\$211.8	222.6
Memo: cash corporate expense	23.9	26.6	7.1	6.8	7.7	13.4	35.1	8.3	8.8	8.9	8.8	34.8	35.5
Memo: total non-cash comp	5.1	9.6	2.6	2.6	2.8	12.0	20.0	4.1	6.0	7.0	6.6	23.7	24.1
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	2.7	2.1	1.8	1.2	7.8	7.1
Memo: PF EBITDA attributable to redeemable noncontrolling interest													
D&A	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.5	6.5	7.4	7.3	27.6	31.3
D&A % of Revenue	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.4%	2.7%	2.3%	2.5%	2.5%
Change in fair value contingent consideration	0.000	8.224	5.1	1.0	0.734	7.4	14.2	(4.1)	1.1	(6.0)	0.0	(8.9)	0.0
Impairments	40.0	3.0	0.0	0.0	0.0	1.6	1.6	0.0	0.0	1.0	(1.0)	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	1.4	0.4	0.0	0.0	0.0	0.0	0.0	(2.2)
Gain (Loss) on Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>6.6</b>	<b>60.6</b>	<b>4.2</b>	<b>13.4</b>	<b>15.9</b>	<b>6.7</b>	<b>40.2</b>	<b>6.6</b>	<b>0.5</b>	<b>5.1</b>	<b>9.1</b>	<b>21.4</b>	<b>53.7</b>
Operating Margin %	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	2.8%	0.2%	1.9%	2.9%	1.9%	4.3%
Interest expense	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(3.2)	(4.3)	(2.9)	(2.5)	(12.9)	(10.3)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	1.7	0.2	0.0	0.7	0.0	0.0	0.7	0.0	1.0	0.0	(1.0)	0.0	0.0
Net interest expense	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.7)	(8.0)	(3.2)	(3.3)	(2.9)	(3.6)	(12.9)	(10.3)
Loss on debt extinguishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	0.0
Other income, net	0.0	0.2	0.0	0.0	(0.5)	(0.1)	(0.5)	(0.0)	(0.0)	(0.0)	0.1	0.0	0.0
<b>Pretax income</b>	<b>0.1</b>	<b>54.0</b>	<b>2.7</b>	<b>11.8</b>	<b>13.1</b>	<b>4.0</b>	<b>31.7</b>	<b>1.9</b>	<b>(2.7)</b>	<b>2.2</b>	<b>5.6</b>	<b>6.9</b>	<b>43.4</b>
Pretax margin	0.0%	7.1%	1.4%	5.3%	5.4%	1.3%	3.3%	0.8%	NM	0.8%	1.8%	0.6%	3.5%
Income (taxes) benefit	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.2)	0.7	0.5	(3.5)	(2.4)	(15.2)
Effective tax rate	1276.3%	34.6%	31.1%	28.5%	31.1%	81.8%	36.5%	12.2%	27.0%	-24.1%	62.2%	35.0%	35.0%
Cash tax rate	6552.5%	7.6%	44.2%	52.6%	30.6%	137.3%	53.4%	3.8%	-128.1%	106.6%	55.0%	130.0%	37.0%
Net Income (Before Equity Investments)	(1.4)	35.4	1.9	8.5	9.1	0.7	20.1	1.7	(2.0)	2.7	2.1	4.5	28.2
Equity in net of noncon. affils.	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.3	0.0	(0.0)	(2.4)	(2.1)	(2.1)
Reported Net Income	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	2.7	(0.3)	2.4	26.2
Net margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	5.2%	5.2%	6.7%	5.7%	8.3%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	(2.0)	2.7	(0.3)	2.4	26.2
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income to common</b>	<b>(3.9)</b>	<b>29.4</b>	<b>1.9</b>	<b>8.5</b>	<b>9.4</b>	<b>(1.6)</b>	<b>18.1</b>	<b>2.0</b>	<b>(2.0)</b>	<b>2.7</b>	<b>(0.3)</b>	<b>2.4</b>	<b>26.2</b>
EPS - basic	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
<b>EPS - diluted</b>	<b>(\$0.05)</b>	<b>\$0.33</b>	<b>\$0.02</b>	<b>\$0.10</b>	<b>\$0.11</b>	<b>(\$0.02)</b>	<b>\$0.21</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.03</b>	<b>(\$0.00)</b>	<b>\$0.03</b>	<b>\$0.29</b>
EPS reported by company	(\$0.05)	\$0.11	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00
Pro forma adjustments	39.8	9.6	5.1	1.0	0.7	18.8	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	35.9	39.1	7.0	9.4	10.1	17.1	43.6	2.0	(2.0)	2.7	(0.3)	2.4	26.2
Pro forma EPS - basic	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.02	(\$0.02)	\$0.03	\$0.00	\$0.03	\$0.29
<b>Pro forma EPS</b>	<b>\$0.43</b>	<b>\$0.44</b>	<b>\$0.08</b>	<b>\$0.11</b>	<b>\$0.12</b>	<b>\$0.19</b>	<b>\$0.50</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.03</b>	<b>\$0.00</b>	<b>\$0.03</b>	<b>\$0.29</b>
EPS shares - Basic	84.2	85.3	86.5	85.0	84.9	85.2	85.4	87.6	87.8	88.0	88.3	88.0	90.2
EPS shares - Diluted	84.2	87.9	88.6	87.0	87.4	88.0	87.8	89.8	87.8	89.9	88.3	89.4	91.1
Free Cash Flow:													
EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.1	13.0	14.213	14.185	20.8	62.2	104.2
Cash net interest	-5.9	-6.2	-1.2	-1.2	-1.9	-2.5	-6.7	-3.0	-3.223	-2.811	-3.6	-12.6	-10.3
Other adjustments to cash	5.3	6.8	0.1	0.8	0.1	-5.7	-4.7	0.7	2.2	0.0	0.0	2.9	-10.3
- Cash taxes	-7.7	-4.1	-1.2	-6.2	-4.0	-5.5	-16.9	-0.1	-3.5	-2.3	-3.1	-9.0	-16.1
Cash taxes / EBITDA	13%	5%	7%	28%	15%	15%	16%	1%	25%	17%	15%	14%	15%
Minus: capex	-9.5	-5.6	-1.5	-1.7	-4.7	-3.6	-11.5	-6.8	-8.1	-5.0	2.3	-17.5	-12.0
Capex / D&A	55%	25%	24%	27%	71%	55%	45%	104%	125%	68%	-32%	64%	38%
Capex / EBITDA	16%	6%	9%	7%	18%	10%	11%	52%	57%	35%	-11%	28%	12%
Plus: cost of revenue for spectrum usage rights													
= <b>Free Cash Flow</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>15.4</b>	<b>19.3</b>	<b>63.3</b>	<b>3.9</b>	<b>1.6</b>	<b>4.0</b>	<b>16.5</b>	<b>25.9</b>	<b>65.8</b>
Free cash flow (reported by company)	43.0	79.0	14.3	14.3	15.4	19.3	63.3	3.9	1.6	4.0	16.5	25.9	65.8
<b>Free Cash Flow (core)</b>	<b>42.6</b>	<b>79.0</b>	<b>14.3</b>	<b>14.3</b>	<b>15.4</b>	<b>19.3</b>	<b>63.3</b>	<b>3.9</b>	<b>1.6</b>	<b>4.0</b>	<b>16.5</b>	<b>25.9</b>	<b>65.8</b>
<b>FCF per share (core)</b>	<b>\$0.51</b>	<b>\$0.90</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.18</b>	<b>\$0.22</b>	<b>\$0.72</b>	<b>\$0.04</b>	<b>\$0.02</b>	<b>\$0.04</b>	<b>\$0.19</b>	<b>\$0.29</b>	<b>\$0.72</b>
Memo: FCF/Adjusted EBITDA (core)	70.5%	89.7%	79.1%	63.4%	59.4%	52.8%	61.4%	29.8%	11.0%	28.2%	79.4%	41.7%	63.2%
Dividends per basic share	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(18.0)
Dividends as % of FCF	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	113.3%	281.8%	109.9%	26.7%	67.8%	27.4%

Source: Industry Capital Research estimates and company data

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

ANNUAL PERCENTAGE CHANGE	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E
Net revenue growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	23.3%	13.8%	4.8%	14.7%	14.2%
<b>Net revenue (core) growth</b>	<b>25.8%</b>	<b>121.0%</b>	<b>32.4%</b>	<b>24.3%</b>	<b>21.1%</b>	<b>26.7%</b>	<b>25.8%</b>	<b>21.2%</b>	<b>23.3%</b>	<b>13.8%</b>	<b>4.8%</b>	<b>14.7%</b>	<b>14.2%</b>
TV revenue growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-7.5%	-17.2%	-31.7%	-16.3%	16.6%
Radio revenue growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-9.4%	-18.7%	-29.9%	-17.0%	8.9%
Digital revenue growth	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	27.8%	31.8%	22.5%	15.1%	23.5%	14.2%
Cost of revenue	NM	NM	53.3%	33.0%	26.4%	29.4%	33.8%	29.5%	35.0%	26.8%	17.1%	26.3%	13.0%
Direct expense	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-0.6%	-11.9%	-2.2%	3.5%
SG&A	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.5%	17.1%	12.9%	5.2%	24.1%	22.7%	11.1%
Opex	23.8%	NM	38.8%	27.8%	23.4%	26.8%	28.5%	26.8%	31.3%	22.6%	13.2%	22.7%	11.1%
<b>Opex (core)</b>	<b>-11.6%</b>	<b>12.8%</b>	<b>8.5%</b>	<b>14.3%</b>	<b>14.6%</b>	<b>19.1%</b>	<b>14.4%</b>	<b>18.7%</b>	<b>19.8%</b>	<b>9.2%</b>	<b>0.1%</b>	<b>11.2%</b>	<b>4.4%</b>
TV opex	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	0.7%	-0.6%	-11.9%	-2.2%	3.5%
Radio opex	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	17.1%	12.9%	5.2%	-12.4%	4.9%	7.9%
Digital opex	-5.0%	68.1%	40.4%	43.5%	46.0%	45.1%	44.0%	37.7%	45.7%	21.5%	18.8%	29.7%	3.6%
<b>Total OCF (core)</b>	<b>32.1%</b>	<b>44.1%</b>	<b>-1.2%</b>	<b>5.1%</b>	<b>9.2%</b>	<b>25.9%</b>	<b>11.4%</b>	<b>-20.7%</b>	<b>-28.8%</b>	<b>-38.4%</b>	<b>-39.8%</b>	<b>-33.7%</b>	<b>48.8%</b>
TV OCF	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-12.2%	-20.3%	-38.4%	-51.8%	-34.8%	42.1%
Radio OCF	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-62.0%	-60.0%	-57.8%	-53.7%	-57.3%	13.4%
Digital OCF	NM	NM	46.1%	32.5%	45.2%	15.1%	31.3%	-16.8%	-25.8%	-28.8%	-14.7%	-21.5%	64.8%
Corporate expense	3.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	0.0%	0.0%	0.0%	9.2%	3.0%	3.0%
Cash corporate expense	-2.0%	11.3%	11.0%	4.3%	19.1%	86.1%	31.7%	16.8%	29.0%	15.2%	-34.4%	-0.7%	2.0%
<b>Adjusted EBITDA (core)</b>	<b>46.6%</b>	<b>45.9%</b>	<b>27.6%</b>	<b>26.4%</b>	<b>11.2%</b>	<b>11.2%</b>	<b>16.9%</b>	<b>-28.3%</b>	<b>-36.8%</b>	<b>-45.3%</b>	<b>-43.1%</b>	<b>-39.7%</b>	<b>67.6%</b>
D & A	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	1.2%	3.9%	12.2%	12.4%	7.5%	13.4%
Operating income	88.3%	47.7%	15.2%	17.3%	1.7%	-11.3%	2.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	NM	NM	-72.0%	-18.2%	-31.3%	-62.6%	-41.3%	-31.1%	NM	-83.2%	39.8%	-78.2%	NM
Net income pre-extra.	NM	NM	-65.2%	7.6%	-23.6%	NM	-38.5%	6.0%	NM	-70.9%	NM	-86.5%	NM
EPS, Continuing Operations	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	0.0%	NM	-72.7%	NM	-85.7%	NM
<b>EPS - diluted</b>	<b>NM</b>	<b>NM</b>	<b>-65.9%</b>	<b>8.6%</b>	<b>-22.8%</b>	<b>NM</b>	<b>-38.4%</b>	<b>4.6%</b>	<b>NM</b>	<b>-71.7%</b>	<b>NM</b>	<b>-86.7%</b>	<b>NM</b>
FCF/share	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-87.5%	-77.8%	-13.6%	-59.7%	NM
EPS shares - Diluted	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.2%	1.3%	0.9%	2.8%	0.4%	1.9%	1.8%

Source: Industry Capital Research estimates and company data

Figure 13: Base DCF analysis supports \$4.50 12-month price target

Entravision DCF analysis		CAGR				
\$ in millions except per share amounts		2018-22	2019-23	2020-24	2021-25	2022-27
Firm Value	Current: 584	3.97%	4.45%	0%	3.76	90.7
(-) Total Net Debt	YE 2024: 143					
(+) Hidden Value (inc. NOLs)	YE 2025: 95					
(-) Options (Claims on Entravision)	9					
Value Per Share	0.0					
Common Equity Value	440.9					
Shares Outstanding	90.7					
Current Share Price	\$3.76					
12-month	\$4.86					
12-month (SOTP)	\$4.50					

ASSUMPTIONS		2023	2024	2025	2026	2027	2028	2029	Terminal
Risk-Free Rate		3.97%							
Equity Premium		4.45%							
Assumed LT Growth Rate (g)		0%							
MV of Equity Calculation		\$3.76							
Share Price		90.7							
Outstanding Shares		34.0							
Estimate MV of Debt Calculation		6.9							
Interest Expense		6.0%							
Current Cost of Debt		151.3							
Wgt'd Avg. Maturity of Debt		151.3							
BV of Debt		151.3							
Estimate MV of Debt		151.3							

Discounted Cash Flow		2023	2024	2025	2026	2027	2028	2029	Terminal
EBITDA		64.3	107.0	100.1	123.5	106.0	127.4	108.9	78.4
EBIT		36.7	75.6	66.4	86.8	68.5	88.0	68.8	78.4
Less Cash Taxes		(11.0)	(22.7)	(19.9)	(26.1)	(20.5)	(26.4)	(20.7)	(27.4)
Plus D&A		27.6	31.3	33.6	36.6	37.5	39.4	40.0	40.0
Less Cap Ex		(17.5)	(12.0)	(12.6)	(13.3)	(13.9)	(14.6)	(15.4)	(40.0)
Less Increase in WC		(4.1)	(5.1)	(5.1)	(6.2)	(5.2)	(6.4)	(6.4)	(6.4)
Free Cash Flow to Firm		31.6	67.1	62.4	78.0	66.3	79.9	66.5	44.6
Tax Rate		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt		151							
Leverage Mult.		2.5x							
D/Equity		44%							
D/EV		31%							
E/EV		69%							
Unlevered Beta		1.24							
Levered Beta		1.53							
D/Equity (long-term target)		33%							
Cost of Debt (AT)		4.2%							
Cost of Equity		10.7%							
WACC		9.1%							
PV of CF									
Sum of PV	Current: 315.4								
PV of Terminal Value	YE 2024: 273.5								
NPV of all CF	YE 2025: 583.6								
									4x EBITDA

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.

### COMPANY-SPECIFIC DISCLOSURES

The following disclosures relate to relationships between Industry Capital Research and the company covered by Industry Capital Research and referred to in the research report (the “Company”).

The Company in this report is a participant in an issuer-paid research program by which Industry Capital Research receives compensation from the Company. Additional details of this program, including compensation rate information, are available at [www.industrycapitalresearch.com](http://www.industrycapitalresearch.com). No part of the Industry Capital Research compensation was, is, or will be directly or indirectly related to any specific recommendation or views expressed by the analyst in this research report.

Industry Capital Research and/or its affiliate(s) does not make a market in securities issued by the Company.

### RESEARCH ANALYST CERTIFICATION

The analyses and recommendations expressed in this research report accurately reflect my personal views and true opinions about the subject securities or issuers. No part of my compensation was, is, or will be directly or indirectly related to any specific recommendations or views expressed in the research report and/or any public appearance.

The author of this report (or a member of his/her household) has a direct ownership position in securities issued by the Company or derivatives thereof. No order that would have the effect of changing this position will be executed until five days after the release of this report.

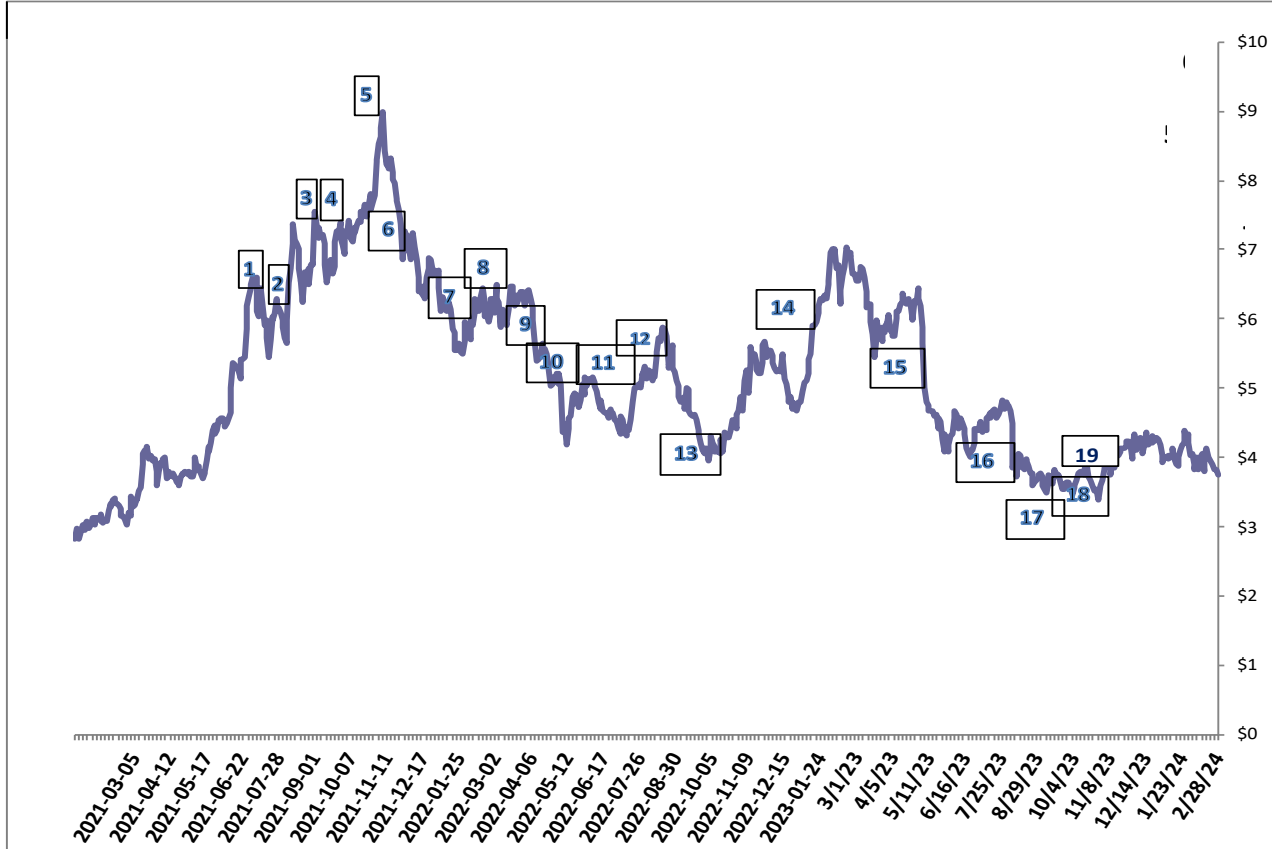
### ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

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.

### CONTINUING COVERAGE

Unless otherwise noted through the termination of coverage or change in analyst, the analyst who is the author of this report will provide continuing coverage of the Company through the publishing of research available through the Company and Industry Capital Research’s distribution lists, website, and third-party distribution partners.

## 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
15	5/5/23	Reaffirmed Buy @ \$5.87, Target Price \$7.00
16	8/4/23	Reaffirmed Buy @ \$4.49, Target Price \$5.50
17	10/4/23	Reaffirmed Buy @ \$3.56, Target Price \$5.00
18	11/3/23	Reaffirmed Buy @ \$3.81, Target Price \$4.50
19	11/8/23	Downgraded to Hold @ \$3.97, Target Price \$4.00

### 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.

## Global Disclaimer

The information and opinions in this report were prepared by Dix Consulting, LLC, a New York Limited Liability Company doing business as "Industry Capital Research" or one of its affiliates (collectively "Industry Capital Research"). The information herein is believed by Industry Capital Research to be reliable and has been obtained from public and non-public sources believed to be accurate and reliable, but Industry Capital Research does not represent that the information herein is accurate or complete, and it should not be relied on as such.

All statements or opinions contained herein that include the words "we", "us", or "our" are solely the responsibility of Industry Capital Research and do not necessarily reflect statements or opinions expressed by any person or party affiliated with the Company mentioned in this report.

Industry Capital Research may have published, and may in the future publish, other research reports that are inconsistent with, and reach different conclusions from, the information provided in this report. Industry Capital Research is under no obligation to bring to the attention of any recipient of this report any past or future reports.

Industry Capital Research, its officers, employees, and members of their households, or any one or more of them, and their discretionary and advisory accounts, may have a position in any security discussed herein or in related securities and may make, from time to time, purchases or sales thereof in the open market or otherwise. The author of this report will not cause to be executed any order that would change a position in a security of the Company discussed herein in a manner that is contrary to, or inconsistent with, the most recent published recommendations or ratings of Industry Capital Research. Without limitation of the foregoing, the author will not cause to be executed: 1) when said recommendation is BUY, any order that would reduce or liquidate a long position or initiate or increase a short position in said security, 2) when said recommendation is HOLD, any order that would initiate or liquidate any long or short position in said security, or 3) when said recommendation is SELL, any order that would initiate or increase a long position or reduce or liquidate a short position in said security.

Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Industry Capital Research and are subject to change without notice. Industry Capital Research has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, except if research on the subject Company is withdrawn.

This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

**Investors should consider this report as only a single factor in making their investment decision.** The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Investors should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. This report is not to be relied upon as a substitute for the exercise of independent judgment. No judgment is hereby expressed or should be implied as to the suitability of any security described herein for any specific investor or any specific investment portfolio.

Prices and availability of financial instruments are subject to change without notice. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such an investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Past performance is not necessarily indicative of future results, and a loss of capital may occur.

This report may not be reproduced, distributed or published by any person for any purpose without Industry Capital Research's prior written consent. Please cite source when quoting.