

Entravision Communications Corporation (EVC)

Virtual Presentation Signals Bases for Confidence, Which Our Model Supports; Buy

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We hit the highlights of EVC's comments on November 18 at Noble Capital Markets' Virtual Road Show Series. CFO Chris Young presented for the company.

Tone was upbeat, reflecting excitement about 4Q business trends. Of course, we are only two weeks removed from the company's 4Q outlook given on November 4.

EVC sees broadcast business, 73% of 3Q21 operating cash flow (OCF), as more than a cash cow, given the superior growth potential of the U.S. Spanish language market. U.S. Hispanic demographic growth attracts core advertisers, including potential new categories like gambling. EVC expects political advertising to be in the neighborhood of 2018's \$12 million, increasing our comfort with our \$11 million estimate. EVC's strong presence in California benefits from the state's regular ballot initiatives, which next year include sports betting. TV's over-the-air distribution is more important for the U.S. Hispanic population, reinforcing the strategic value of EVC's station group, which supplies ~25% of Univision's audience. Univision pays EVC ~\$0.27 per subscriber per month in net retransmission fee revenue.

Radio could deliver OCF upside. EVC has cut radio's expense base by ~\$16m over the past two years. Revenue growth has beaten budgets, driven by network and national spot advertising. EVC seems comfortable in OCF margins in the 30-40% range— we assume 31.5% for 2022.

A final plug for broadcast is its high free cash flow conversion. The interest rate on EVC's \$213m in debt, pegged to LIBOR, remains a low 2.84%, although it could float upward. Domestic taxes will likely remain under \$5m per year, reflecting EVC's over \$50m in federal NOLs. The company has good visibility on capex, which is usually \$8-9m per year.

One fly in the ointment, which we have noted before, is the loss of Univision affiliations in certain markets. The impact on 2022 will be ~\$20m in revenue and ~\$10m in OCF, offset by results under EVC's as yet unannounced plans for the stations (two in Florida and one in Washington, DC). Although Univision affiliations could lapse in other markets, these are in place through 2025, and the cash flow impact would not be nearly as large in any event.

Spectrum upside stays in the picture. Our valuation includes no specific value for EVC's broadcast spectrum, some of which could be put into auction years down the road. EVC netted \$264m in proceeds from the 2017 auction, as compared to the over \$1 billion in commitments that were on the table after the auction's first round. Management noted that it pulled from the 2017 auction a signal in the Boston market that alone had an indicated value of ~\$300m at the time. Current spectrum auction activity indicates that values have moved up substantially since then.

Our 12-month price target for EVC is \$10.50; risks on page 2. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2026, included in this report.

BUY

Price at 11/4/21 (USD) 8.15

Price Target 10.50

52-week range 2.50 - 9.34

Performance (%)	1m	3m	12m
Absolute	5	22	189
S&P 500	5	7	32

Market Cap (USDm) 703.4

Shares outstanding (m) 86.3

Float (%) 72

Average volume 683,112

S&P 500 4,704.5

Forecasts and ratios

Year ended 12/31	2020A	2021E	2022E
1Q EPS (USD)	-0.42	0.06	0.02
2Q EPS (USD)	0.03	0.09	0.04
3Q EPS (USD)	0.11	0.14	0.10
4Q EPS (USD)	0.24	0.15	0.26
FY EPS (USD)	-0.05	0.44	0.42
% Change	NE	NM	-3%
P/E (x)	NM	18.7	19.4
EV/EBITDA (x)	11.3	9.6	8.8
Revenue (USDm)	344.0	751.8	845.8
% Change	NE	119%	13%

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Investment Thesis and Valuation: Buy With \$10.50 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions over the past year because the higher growth with a different business model is more difficult for investors to assess; 2) EVC's lower post-pandemic expense base looks sustainable; 3) apart from the industry-wide pressure on auto advertising because of supply shortages, operating risk at the core U.S. media business should be ebbing based on the cyclical rebound in the U.S. Hispanic economy and secular growth of political advertising; 4) stability of net retransmission fee revenue (61% of 2020 EBITDA) and pro forma net debt leverage under 3x enhance management's longer-term options; and 5) our DCF valuation supports substantial stock price upside over the next 12 months.

Our DCF-based PT is a weighted average of projected equity valuations at year-end 2021 and 2022. 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 on the acquisitions prior to the respective valuation dates. Finally, for each target valuation date, we discount the free cash flow generated by the digital media and broadcast media businesses separately, while deducting any additional forecast payments on acquisitions, which are currently scheduled to occur from early 2022 to 2025. We value EVC both using its own weighted average cost of capital (WACC) and using separate WACCs for its broadcast and digital media business based on sector comparables, giving more weight to the latter as sector measures of risk tend to be more stable. Despite some signs of slowing economic growth and persistent inflation, a lower equity risk premium estimate based on October data, partially offset by a higher risk-free rate estimate, contributed to our higher price target coming out of 3Q21 results.

Risks to our investment thesis include: 1) secular challenges and potentially increasing competition from Univision for EVC's broadcast media business, 2) potential volatility of EVC's digital media business, given its increasing focus on emerging markets and its dependence on a small number of relationships with digital ad platforms, 3) potential barriers to sale of all or a portion of the company; and 4) risk of regression to mean in share price performance given shares' substantial appreciation relative to the overall market and sector peers over the past year.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)
12-month price target: \$10.50

ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$8.15	Company description	Entravision is a multimedia company focused primarily on the Spanish-language markets. The company owns or operates 48 TV stations (mostly Univision network affiliates) in 16 U.S. cities, 48 radio stations (38 FM and 10 AM) and a radio network with national distribution, and a digital media segment primarily focused on roughly 20 international markets. We estimate that the company's pro forma 2020 revenue was 30% from TV, 9% from radio, and 61% from digital media. Univision Communications 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	86.3	Strategy	Manage TV-driven broadcast local platforms in fast-growing U.S. Hispanic markets and expand digital media operations into fast-growing markets outside the United States.
Equity market capitalization	703	Est. acquisition capacity	\$190
+Pro forma net debt	183	Management	Walter Ulloa is Chairman and CEO (since 1996). Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (since 2008 and with EVC since 2000).
-Hidden value	62	Positives	<ul style="list-style-type: none"> * Experience in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally * Reduced expense base during and after the pandemic * Strong balance sheet * Most of its TV stations affiliated with leading U.S. Spanish language network * U.S. Hispanic buying power growing faster than general market * Secular growth in U.S. political advertising spending
=Pro forma EV	\$824	Risks	<ul style="list-style-type: none"> * Loss of broadcast audience and advertising share to digital alternatives * Volatility of international media business * Competition with Univision's expanding direct to consumer business * Univision relationship through TV network affiliations and Univision's ownership stake may limit strategic flexibility * Impact of sudden advertising declines on cash flow (e.g., 2009, 2020) * Management succession plan (CEO has majority voting power)
OPERATING PROJECTIONS		Valuation	Attributing roughly 3/4 of firm value to digital media business
Pro forma net revenue		Recent events	August 2021 - acquired remaining 49% interest in Cisneros Interactive. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$17 million plus earnouts. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations.
2021	\$770	Upcoming potential catalysts	2021 rebound in U.S. Hispanic employment and spending as pandemic recedes - Additional digital media M&A - 2022 U.S. midterm election ad spending
2020	517		
% Chg	48.8%		
Pro forma EBITDA			
2021	\$86		
2020	73		
% Chg	17.5%		
Pro forma EBITDA margin			
2021	11.1%		
2020	14.1%		
Free cash flow per share			
2021	\$0.83		
2020	\$0.51		
% Chg	62.7%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2021	9.6x		
2020	11.3x		
Price / Free cash flow per share			
2021	9.8x		
2020	16.0x		
Pro forma net debt / EBITDA			
2021	2.1x		
2020	2.5x		
Dividend yield			
2021	1.2%		
2020	1.5%		

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

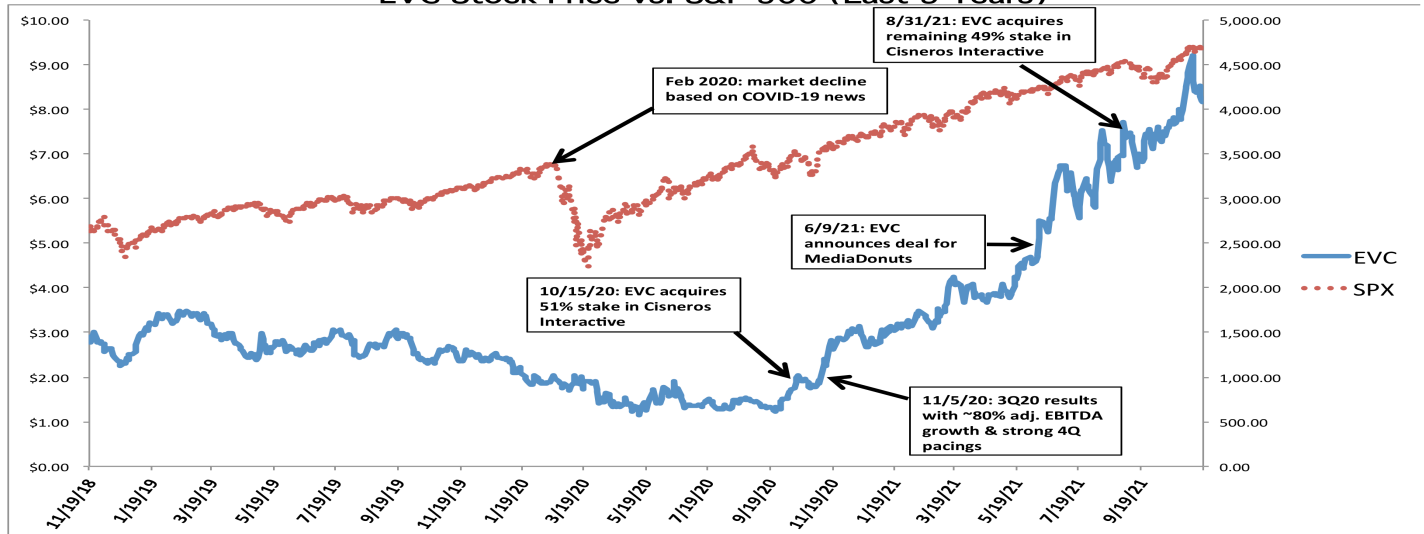


Figure 2: Digital Segment Forecast Separates Legacy Digital From Cisneros and MediaDonuts Businesses

In millions, except unit data	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21A	4Q21E	2021E	2022E
Legacy												
Revenue	\$68.9	\$13.3	\$11.4	\$13.7	\$15.8	\$54.1	\$13.0	\$15.3	\$17.4	\$18.3	\$64.0	\$65.8
Cost of Revenue	36.8	7.3	6.4	7.8	9.0	30.6	7.4	8.7	9.9	10.5	36.5	37.5
Opex ex-cost of revenue	32.3	6.9	6.2	5.4	6.1	24.5	5.9	5.6	6.5	6.4	24.4	29.3
OCF	(0.1)	(0.9)	(1.2)	0.5	0.6	(1.0)	(0.2)	1.0	0.908	1.4	3.1	(1.0)
OCF Margin	-0.2%	-6.6%	-10.8%	3.4%	4.0%	-1.9%	-1.9%	6.8%	5.2%	7.5%	4.8%	-1.6%
Acquisitions-Stand Alone												
Cisneros revenue	159.4	40.2	42.0	53.3	97.8	233.3	88.5	114.9	116.6	136.8	456.8	524.6
Cisneros cost of revenue	136.2	35.3	36.7	46.0	83.6	201.7	77.6	100.4	104.7	120.0	402.6	462.3
Cisneros opex ex-cost of revenue	13.2	3.2	3.3	4.1	6.7	17.4	4.6	6.3	5.0	6.8	22.8	26.5
Cisneros OCF	9.9	1.7	2.0	3.1	7.4	14.2	6.3	8.3	6.920	9.9	31.4	35.9
OCF Margin	6.2%	4.2%	4.8%	5.9%	7.6%	6.1%	7.1%	7.2%	5.9%	7.2%	6.9%	6.8%
MediaDonuts revenue	0.0	3.1	4.1	7.9	13.3	28.5	8.0	9.9	12.1	17.2	47.2	66.1
MediaDonuts cost of revenue	0.0	2.5	2.7	6.3	9.4	20.9	6.0	6.9	9.7	13.4	36.1	49.5
MediaDonuts opex ex-cost of revenue	0.0	0.9	0.8	0.2	0.6	2.5	1.8	2.7	1.5	2.2	8.1	10.2
MediaDonuts OCF	0.0	-0.2	0.6	1.4	3.3	5.0	0.2	0.3	0.9	1.6	3.0	6.3
OCF Margin		-5.5%	13.6%	17.5%	24.7%	17.7%	3.0%	3.1%	7.5%	9.1%	6.4%	9.6%
Acquisitions-PF Adjustments												
Cisneros revenue												
Cisneros cost of revenue												
Cisneros opex ex-cost of revenue							0.1	0.1	0.1	0.1	0.5	
Cisneros OCF							(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	
MediaDonuts revenue												
MediaDonuts cost of revenue												
MediaDonuts opex ex-cost of revenue				0.5	0.5	1.0	0.0	0.0	0.0	0.0	0.1	
MediaDonuts OCF		0.0	0.0	(0.5)	(0.5)	(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	
Acquisitions-Pro Forma												
Cisneros revenue	159.4	40.2	42.0	53.3	97.8	233.3	88.5	114.9	116.6	136.8	456.8	524.6
Cisneros cost of revenue	136.2	35.3	36.7	46.0	83.6	201.7	77.6	100.4	104.7	120.0	402.6	462.3
Cisneros opex ex-cost of revenue	13.2	3.2	3.3	4.1	6.7	17.4	4.8	6.4	5.2	7.0	23.3	26.5
Cisneros OCF	9.9	1.7	2.0	3.1	7.4	14.2	6.1	8.1	6.799	9.8	30.8	35.9
OCF Margin	6.2%	4.2%	4.8%	5.9%	7.6%	6.1%	6.9%	7.1%	5.8%	7.2%	6.8%	6.8%
MediaDonuts revenue		3.1	4.1	7.9	13.3	28.5	8.0	9.9	12.1	17.2	47.2	66.1
MediaDonuts cost of revenue		2.5	2.7	6.3	9.4	20.9	6.0	6.9	9.7	13.4	36.1	49.5
MediaDonuts opex ex-cost of revenue		0.9	0.8	0.7	1.1	3.5	1.8	2.7	1.5	2.2	8.2	10.2
MediaDonuts OCF		(0.2)	0.6	0.879	2.8	4.0	0.2	0.3	0.9	1.6	3.0	6.3
OCF Margin												
Acquisitions-Adjustments to Reported												
Cisneros revenue	(159.4)	(40.2)	(42.0)	(53.3)	(8.6)	(144.1)	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros cost of revenue	(136.2)	(35.3)	(36.7)	(46.0)	(7.3)	(125.4)	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros opex ex-cost of revenue	(13.2)	(3.2)	(3.3)	(4.1)	(0.6)	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros OCF pre-minority interest	(9.9)	(1.7)	(2.0)	(3.1)	(0.7)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts revenue	0.0	-3.1	-4.1	-7.9	-13.3	(28.5)	-8.0	-9.9	0.0	0.0	(17.9)	0.0
MediaDonuts cost of revenue	0.0	-2.5	-2.7	-6.3	-9.4	(20.9)	-6.0	-6.9	0.0	0.0	(12.9)	0.0
MediaDonuts opex ex-cost of revenue	0.0	-0.9	-0.8	-0.7	-1.1	(3.5)	-1.8	-2.7	0.0	0.0	(4.4)	0.0
MediaDonuts OCF pre-minority interest	0.0	0.2	-0.6	-0.9	-2.8	(4.0)	-0.2	-0.3	0.0	0.0	(0.5)	0.0
Memo: MediaDonuts minority interest	0.0					0.0					0.0	0.0
Acquisitions-As Reported												
Cisneros revenue	0.0	0.0	0.0	0.0	89.2	89.2	88.5	114.9	116.6	136.8	456.8	524.6
Cisneros cost of revenue	0.0	0.0	0.0	0.0	76.3	76.3	77.6	100.4	104.7	120.0	402.6	462.3
Cisneros opex	0.0	0.0	0.0	0.0	6.1	6.1	4.8	6.4	5.2	7.0	23.3	26.5
Cisneros OCF	0.0	0.0	0.0	0.0	6.8	6.8	6.1	8.1	6.8	9.8	30.8	35.9
MediaDonuts revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.1	17.2	29.3	66.1
MediaDonuts cost of revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.7	13.4	23.1	49.5
MediaDonuts opex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	2.2	3.7	10.2
MediaDonuts OCF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.6	2.4	6.3
EBITDA to red non-con interests						0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital segment standalone												
Digital revenue	228.3	56.7	57.5	74.8	126.8	315.9	109.5	140.1	146.1	172.3	568.0	656.4
Digital cost of revenue	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	124.3	143.9	475.2	549.3
Digital opex ex-cost of revenue	45.5	10.9	10.3	9.7	13.5	44.4	12.3	14.5	13.1	15.5	55.3	66.0
Digital OCF	9.8	0.7	1.3	5.0	11.3	18.3	6.3	9.6	8.7	12.9	37.5	41.2
Digital segment pro forma												
Digital revenue	228.3	56.7	57.5	74.8	126.8	315.9	109.5	140.1	146.1	172.3	568.0	656.4
Digital cost of revenue	173.0	45.1	45.9	60.2	102.1	253.2	91.0	116.0	124.3	143.9	475.2	549.3
Digital opex ex-cost of revenue	45.5	10.9	10.3	10.2	14.0	45.4	12.4	14.7	13.2	15.6	55.9	66.0
Digital OCF	9.8	0.7	1.3	4.5	10.8	17.3	6.1	9.5	8.6	12.7	36.9	41.2
Digital segment as reported												
Digital revenue	68.9	13.3	11.4	13.7	105.0	143.3	101.5	130.2	146.1	172.3	550.1	656.4
Digital cost of revenue	36.8	7.3	6.4	7.8	85.3	106.9	85.0	109.0	124.3	143.9	462.3	549.3
Digital opex	32.3	6.9	6.2	5.4	12.2	30.6	10.6	12.0	13.187	15.6	51.5	66.0
Digital OCF	(0.1)	(0.9)	(1.2)	0.5	7.4	5.7	5.9	9.2	8.602	12.7	36.4	41.2
Digital Adj. EBITDA	(0.1)	-0.9	-1.2	0.5	7.4	5.7	5.9	9.2	8.6	12.7	36.4	41.2

Source: Company reports; Industry Capital Research estimates

Metrics	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21A	4Q21E	2021E	2022E
Legacy growth												
Reported digital revenue growth					424%	108%	661%	1045%	970%	64%	284%	19%
Legacy digital revenue growth	-14.9%	-7.9%	-32.3%	-22.5%	-21.2%	-21.4%	-2.6%	34.5%	27.4%	16.2%	18.2%	2.8%
2-yr CAGR		-14.5%	-25.6%	-22.0%	-10.6%	-18.2%	-5.3%	-4.6%	-0.6%	-4.3%	-3.6%	10.2%
Legacy digital opex growth		-11.1%	-27.4%	-32.4%	-24.7%	-24.1%	-14.4%	-9.2%	21.5%	5.6%	-0.2%	19.9%
Legacy digital OCF		-1.1%	128.0%	-257.3%	-60.9%	822.5%	-71.9%	-184.0%	95.7%	118.4%	-403.0%	-133.5%
Cisneros growth												
Cisneros revenue growth		31.0%	10.2%	27.8%	100.1%	46.4%	120.0%	173.4%	118.9%	39.9%	95.8%	14.8%
2-yr CAGR							69.8%	73.6%	67.3%	67.3%	69.3%	50.0%
Cisneros opex ex-COR growth		14.2%	5.5%	28.0%	66.7%	31.5%	44.3%	88.2%	22.7%	1.8%	31.2%	16.1%
Cisneros OCF		10%	-13%	8%	132%	43%	266%	314%	122%	34%	120%	14%
Cisneros revenue growth q/q		-17.7%	4.5%	26.7%	83.5%		-9.5%	29.9%	1.5%	17.3%		
Cisneros cost of revenue growth q/q		-15.2%	3.9%	25.5%	81.6%		-7.2%	29.3%	4.3%	14.7%		
Cisneros opex ex-COR growth q/q		-20.5%	4.3%	22.8%	63.8%		-31.2%	36.1%	-20.0%	35.9%		
Cisneros OCF growth q/q		-82.8%	16.9%	56.2%	137.7%		-56.0%	32.2%	-16.4%	43.2%		
MediaDonuts growth												
MediaDonuts revenue growth y/y							154.3%	140.0%	53.5%	29.2%	65.8%	40.0%
2-yr CAGR												52.4%
MediaDonuts opex ex-COR growth y/y							106.5%	215.0%	757.3%	248.6%	223.9%	25.7%
MediaDonuts cost of revenue growth y/y							143%	155%	54%	43%	72%	37%
MediaDonuts OCF growth y/y							-240%	-45%	-34%	-52%	-40%	109%
MediaDonuts revenue growth q/q			31.0%	91.2%	68.9%		-39.9%	23.7%	22.3%	42.1%		
MediaDonuts cost of revenue growth q/q			10.1%	132.8%	48.4%		-36.1%	15.4%	40.3%	38.0%		
MediaDonuts opex ex-COR growth q/q			-0.8%	-79.6%	269.2%		176.8%	51.3%	-44.5%	50.1%		
MediaDonuts OCF growth q/q			NM	146.5%	138.0%		-95.2%	27.5%	193.6%	72.9%		
Digital segment pro forma growth												
Digital revenue					84%	38%	93%	144%	95%	36%	80%	16%
Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20					67%		83%					
Digital cost of revenue					96%	46%	102%	153%	107%	41%	88%	16%
Digital opex ex-cost of revenue					15%	0%	14%	42%	30%	12%	23%	18%
Digital OCF					125%	76%	831%	613%	93%	17%	114%	12%
Legacy margins												
Legacy cost of revenue/revenue	53.3%	55.1%	56.7%	57.2%	57.4%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		2.3%	4.0%	0.7%	5.8%	3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%
Legacy opex ex-COR/revenue	46.8%	51.5%	54.1%	39.4%	38.6%	45.3%	45.3%	36.6%	37.6%	35.1%	38.2%	44.6%
Legacy OCF margin	-0.2%	-6.6%	-10.8%	3.4%	4.0%	-1.9%	-1.9%	6.8%	5.2%	7.5%	4.8%	-1.6%
Legacy OCF margin ^ y/y		-0.5%	-7.6%	5.1%	-4.1%	-1.7%	4.7%	17.6%	1.8%	3.5%	6.7%	-6.4%
Cisneros margins												
Cisneros cost of revenue/revenue	85.5%	87.8%	87.3%	86.4%	85.5%	86.4%	87.7%	87.3%	89.7%	87.7%	88.1%	88.1%
Cisneros COR margin ^ y/y		2.0%	1.6%	1.1%	0.3%	1.0%	-0.1%	0.0%	3.3%	2.2%	1.7%	0.0%
Cisneros OCF margin ^ y/y		-0.8%	-1.3%	-1.1%	1.0%	-0.1%	2.8%	2.4%	0.1%	-0.3%	0.8%	0.0%
Cisneros EBITDA margin ^ y/y		-0.8%	-1.3%	-1.1%	1.0%	-0.1%	2.8%	2.4%	0.1%	-0.3%	0.8%	0.0%
MediaDonuts margins												
MediaDonuts cost of revenue/revenue		78.5%	65.9%	80.3%	70.6%	73.5%	75.0%	70.0%	80.3%	78.0%	76.4%	75.0%
MediaDonuts COR margin ^ y/y							-3.5%	4.1%	0.0%	7.4%	2.9%	-1.4%
MediaDonuts OCF margin ^ y/y							8.5%	-10.5%	-10.0%	-15.5%	-11.3%	3.2%
MediaDonuts EBITDA margin ^ y/y							8.5%	-10.5%	-10.0%	-15.5%	-11.3%	3.2%
Digital Segment margins												
Digital Segment cost of revenue/revenue		55.1%	56.7%	57.2%	81.3%	74.6%	83.7%	83.7%	85.1%	83.5%	84.0%	83.7%
MediaDonuts COR margin ^ y/y							28.6%	27.0%	27.9%	2.2%	9.4%	-0.4%
MediaDonuts OCF margin ^ y/y							-83.7%	-97.9%	-152.9%	-363.3%	-697.9%	0.0%
MediaDonuts EBITDA margin ^ y/y							-83.7%	-97.9%	-152.9%	-363.3%	-697.9%	0.0%
Revenue mix:												
Digital as % of company revenue	25%	21%	25%	22%	61%	42%	68%	73%	73%	76%	73%	78%
Minority interest												
					2.5	2.5	1.6	2.6	1.8	0.0	5.9	0.0

Source: Company reports; Industry Capital Research estimates

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

Figure 3: Financial Statement Forecasts Supporting Our Valuation

In millions, except per share data	2016A	2017A	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21A	4Q21E	2021E	2022E
AS REPORTED															
Net revenue:															
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$39.2	\$27.0	\$37.8	\$50.5	\$154.5	\$36.1	\$34.1	\$36.5	\$38.0	\$144.6	\$128.3
Radio	75.8	66.9	63.9	55.0	11.7	6.8	11.5	16.2	46.3	11.3	14.1	16.4	15.2	57.1	61.1
Net broadcast revenue	235.4	215.0	215.7	204.7	50.9	33.7	49.3	66.7	200.7	47.4	48.2	52.9	53.2	201.7	189.4
Digital	23.1	57.1	81.0	68.9	13.3	11.4	13.7	105.0	143.3	101.5	130.2	146.121	172.3	550.1	656.4
Total net revenue (core)	258.5	272.1	296.6	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	199.0	225.5	751.8	845.8
Revenue from spectrum usage rights		263.9	1.2	0.0					0.0					0.0	0.0
Total net revenue	258.5	536.0	297.8	273.6	64.2	45.1	63.0	171.7	344.0	148.9	178.4	199.0	225.5	751.8	845.8
Cost of Revenue															
Television		0.0													
Radio		0.0													
Digital	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	124.3	143.9	462.0	549.3
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	55.1%	56.7%	57.2%	81.3%	74.6%	83.5%	83.7%	85.1%	83.5%	84.0%	83.7%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	124.3	143.9	462.0	549.3
Cost of revenue from spectrum usage rights (television)		12,340													
Total cost of revenue	9.5	45.3	45.1	36.8	7.3	6.4	7.8	85.3	106.9	84.8	109.0	124.3	143.9	462.0	549.3
Opex															
Television opex	83.6	81.7	84.3	84.4	21.8	17.7	19.0	22.4	80.9	19.9	19.5	20.1	21.1	80.6	71.0
Radio opex	65.4	63.3	59.4	56.7	11.6	9.1	9.7	11.3	41.8	9.7	9.9	9.8	10.2	39.5	41.8
Digital opex	11.2	23.4	33.1	32.3	6.9	6.2	5.4	12.2	30.6	10.9	12.0	13.2	15.6	51.7	66.0
Total opex (core)	160.2	168.4	176.8	173.4	40.3	33.0	34.1	45.9	153.3	40.4	41.4	43.1	46.9	171.9	178.8
Spectrum usage rights															
Total Opex	160.2	168.4	176.8	173.4	40.3	33.0	34.1	45.9	153.3	40.4	41.4	43.1	46.9	171.9	178.8
OCF															
Television OCF	75.9	66.3	67.4	65.2	\$17.4	\$9.2	\$18.8	\$28.1	73.6	\$16.2	\$14.5	\$16.3	\$17.0	64.0	57.3
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	44.5%	34.2%	49.8%	55.6%	47.6%	44.9%	42.7%	44.7%	44.6%	44.3%	44.7%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%	0.1	(2.4)	1.8	4.9	173.4%	1.6	4.2	6.7	5.0	97.3%	40.8%
Radio OCF	10.5	3.6	4.6	(1.7)	0.0	0.0	0.0	0.0	4.5	0.0	0.0	0.0	0.0	17.6	19.3
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	0.6%	-34.7%	15.9%	30.4%	9.7%	14.4%	29.9%	40.5%	33.1%	30.7%	31.5%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	(0.1)	(0.9)	0.5	7.4	-70.4%	5.9	9.167	8.6	12.7	120.8%	42.6%
Digital OCF	2.4	0.7	2.8	(0.1)	(0.9)	(1.2)	0.5	7.4	5.7	5.9	9.167	8.6	12.7	36.4	41.2
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	-6.6%	-10.8%	3.4%	7.0%	4.0%	5.8%	7.0%	5.9%	7.4%	6.6%	6.3%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	-6.6%	-10.8%	3.4%	7.0%	7.9%	8.4%	16.7%	7.7%	-10.6%	0.0	0.000
Total OCF (core)	88.7	70.7	74.8	63.4	16.6	5.6	21.1	40.4	83.8	23.7	27.9	31.6	34.7	117.9	117.7
Margin	34.3%	26.0%	25.2%	23.2%	25.9%	12.5%	33.5%	23.5%	24.4%	15.9%	15.7%	15.9%	15.4%	15.7%	13.9%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%	-542.9%	47.9%	-94.2%	23.9%	0.0	0.0	0.0	0.0	0.0	0.0	0.000
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	0.000
Total OCF	88.7	322.3	75.9	63.4	16.6	5.6	21.1	40.4	83.8	23.7	27.9	31.6	34.7	117.9	117.7
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	25.9%	12.5%	33.5%	23.5%	24.4%	15.9%	15.7%	15.9%	15.4%	15.7%	13.9%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%	-542.5%	47.9%	-94.2%	23.9%	0.0	8.4%	16.7%	7.7%	-10.6%	0.0	0.000
Corporate Expense	24.5	27.9	26.9	28.1	6.8	5.4	6.3	9.3	27.8	7.2	7.3	7.3	7.3	29.1	29.8
GAAP EBITDA	64.2	294.4	49.1	35.4	9.8	0.2	14.8	31.1	56.0	16.6	20.6	24.3	27.4	88.8	88.0
Corporate non-cash comp	3.7	4.9	5.1	3.6	0.7	0.7	0.7	1.9	3.9	0.8	0.8	0.8	1.6	4.0	4.0
Opex adjustments to cash:															
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	0.1	0.1	0.1	0.9	1.2	0.3	0.3	0.3	0.3	1.3	1.3
Non-recurring cash severance			0.8	2.3	0.6	0.5	0.5	0.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA attributable to redeemable noncontrolling interest										2.8	-4.3	2.0	0.0	9.1	0.0
Total opex (positive) adjustments to cash	(1.3)	(1.2)	(1.5)	(2.9)	(0.7)	(0.6)	(0.2)	2.0	0.5	2.5	3.9	1.7	(0.3)	7.8	(1.3)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	1.5	(0.2)	(0.7)	(1.7)	(1.1)	0.6	(0.3)	0.2	(0.5)	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	23.2	29.8	85.0	93.4
Other opex for spectrum (in corporate)		2.1	1.2												
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	23.2	29.8	85.0	93.4
Nemo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	9.7	1.7	16.4	32.6	60.4	14.2	17.8	23.2	29.8	85.0	93.4
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	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%	15.1%	3.8%	26.0%	19.0%	17.6%	9.5%	10.0%	11.7%	13.2%	11.3%	11.0%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	-376.3%	45.0%	-123.8%	21.4%	27.3%	5.3%	12.1%	5.0%	-5.3%	6.0%	8.9%

Source: Industry Capital Research estimates and company data

Figure 5: Financial Statement Forecasts Supporting Our Valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	1Q20	2Q20	3Q20	4Q20	2020A	1Q21A	2Q21A	3Q21A	4Q21E	2021E	2022E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	-0.7%	-34.8%	-8.5%	142.4%	25.8%	131.7%	295.5%	216.0%	31.4%	118.5%	12.5%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	-0.7%	-34.8%	-8.5%	142.4%	25.8%	131.7%	295.5%	216.0%	31.4%	118.5%	12.5%
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	2.5%	-29.2%	3.7%	36.9%	3.2%	-7.9%	26.3%	-3.5%	-24.7%	-6.4%	-11.3%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-2.0%	-52.7%	-22.0%	16.6%	-15.9%	-3.5%	NM	42.5%	-6.2%	23.4%	7.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	-7.9%	-32.3%	-22.5%	424.2%	108.0%	661.2%	1045.0%	970.1%	64.2%	283.9%	19.3%
Cost of revenue	31.7%	NM	36.7%	-18.5%	-3.9%	-27.2%	-21.5%	NM	NM	NM	NM	NM	68.7%	NM	18.9%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-7.8%	-25.3%	-21.5%	6.3%	-12.1%	-25.5%	-11.9%	-16.7%	-33.9%	-23.1%	-12.0%
SG&A	5.9%	NM	NM	-21.1%	-1.6%	-19.5%	-20.7%	-0.8%	-10.3%	-28.8%	-9.2%	-1.1%	NM	NM	14.9%
Opex	5.9%	NM	NM	-4.8%	-5.5%	-24.2%	-21.3%	NM	23.8%	NM	NM	NM	45.4%	NM	14.9%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-5.8%	-23.5%	-21.3%	4.0%	-11.6%	0.4%	25.4%	26.6%	2.1%	12.1%	4.0%
TV opex	3.7%	-2.2%	3.1%	0.1%	4.9%	-14.7%	-10.3%	3.2%	-4.2%	-8.6%	10.0%	6.2%	-6.0%	-0.3%	-12.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-18.4%	-34.3%	-31.4%	-21.3%	-26.3%	-16.9%	8.2%	0.8%	-9.9%	-5.4%	5.8%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-11.1%	-27.4%	-32.4%	51.1%	-5.0%	58.1%	95.3%	145.0%	27.9%	68.8%	27.6%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	16.4%	-67.2%	35.2%	NM	32.1%	42.6%	NM	49.5%	-14.1%	40.7%	-0.1%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	-0.4%	-46.6%	23.2%	85.0%	12.8%	-7.1%	57.7%	-13.3%	-39.7%	-13.0%	-10.4%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	NM	NM	NM	NM	2.3%	NM	9.7%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	71.9%	NM	13.2%
Corporate expense	9.0%	12.1%	1.0%	3.0%	0.0%	0.0%	0.0%	11.3%	3.0%	2.0%	15.0%	-4.0%	-18.0%	3.0%	3.0%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	20.1%	-86.3%	79.1%	NM	46.6%	46.7%	NM	41.7%	-8.7%	40.6%	9.9%
D & A	-4.0%	7.0%	-0.8%	2.3%	15.2%	-10.1%	-6.1%	17.2%	3.8%	14.9%	31.0%	50.0%	18.9%	27.6%	8.8%
Operating income	-11.5%	NM	-88.5%	-36.9%	31.0%	NM	NM	NM	88.3%	81.4%	NM	39.4%	-12.0%	51.8%	11.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	NM	NM	NM	NM	49.0%	-28.6%	NM	-9.8%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	NM	NM	NM	NM	34.5%	-37.1%	NM	-3.4%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	NM	NM	NM	NM	27.3%	-37.5%	NM	-2.2%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	NM	NM	NM	NM	NM	29.3%	-38.6%	NM	-3.4%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	NM	NM	NM	NM	-15.2%	62.7%	-1.2%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-4.5%	-3.3%	-0.8%	0.1%	0.6%	-2.3%	3.2%	3.7%	4.1%	2.4%	4.2%	0.0%

Source: Company reports; Industry Capital Research estimates

Figure 6: DCF analysis supports \$10.50 12-month price target

Entravision DCF analysis			
	Current	YE 2021	YE 2022
Firm Value	1,539	1,392	1,615
(-) Total Net Debt	183	183	183
(+) NOLs/Tax Assets	62	62	62
(-) Options (Claims on Entravision)	(2.9)	(2.9)	(2.9)
Common Equity Value	1,435.4	1,468.5	1,491.7
Shares Outstanding	88.3	88.3	88.3
Current Share Price	\$8.15	\$8.15	\$8.15
Value Per Share	\$16.25	\$16.63	\$16.89
12-month	\$17.00		
12-month (507P)	\$9.50		

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal
EBITDA	54.0	41.2	60.4	85.0	93.4	98.7	127.5	111.9	120.4	88.2
EBIT	37.8	24.6	43.1	62.9	69.4	70.3	95.8	79.6	86.7	88.2
Less Cash Taxes	(15.1)	(9.8)	(17.3)	(25.2)	(27.7)	(28.1)	(38.3)	(31.8)	(34.7)	0.0
Plus DDA	16.3	16.6	17.3	22.1	24.0	28.5	31.8	32.3	33.7	32.3
Less Cap Ex	(17.0)	(25.3)	(9.1)	(6.5)	(8.8)	(9.2)	(9.7)	(10.2)	(10.7)	(32.3)
Less Increase in WC	(9.4)	(8.7)	8.7	(12.7)	(4.8)	(5.3)	(0.9)	(0.9)	(2.4)	(1.6)
Free Cash Flow to Firm	12.5	(2.6)	42.8	40.6	52.0	56.1	78.6	69.0	72.6	81.5
Tax Rate	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	0.0%
Net Debt	183									
Leverage Mult.	3.0x									
D/Equity	25%									
D/EV	20%									
E/EV	80%									
Unlevered Beta	0.77									
Levered Beta	0.87									
D/Equity (projected long term)	38%									
Cost of Debt (AT)	2.4%									
Cost of Equity	5.6%									
WACC	4.7%									
PV of CF			5%	5%	5%	5%	5%	5%	5%	
			38.8	47.4	48.8	65.4	54.8	55.0	57.6	
			51.1	49.6	53.6	71.7	60.0	60.4	60.4	
										1,725.2
										14x EBITDA

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal
Free Cash Flow to Firm	12.5	(2.6)	42.8	40.6	52.0	56.1	78.6	69.0	72.6	81.5
WACC	4.7%									
PV of CF			5%	5%	5%	5%	5%	5%	5%	
			38.8	47.4	48.8	65.4	54.8	55.0	57.6	
			51.1	49.6	53.6	71.7	60.0	60.4	60.4	
										1,725.2
										14x EBITDA

	Current	YE 2021	YE 2022
Sum of PV	310.2	284.2	245.7
PV of Terminal Value	1,246.8	1,307.8	1,369.6
NPV of all CF	1,559.0	1,592.0	1,615.3

Source: Industry Capital Research estimates and company data

Figure 7: DCF Analysis allocates ~20% of firm value to broadcast media business

Entravision DCF analysis - Broadcasting			
	Current	YE 2021	YE 2022
Firm Value	339	324	313
(-) Total Net Debt	183	183	183
(+) NOLs	62	62	62
(-) Options (Claims on Entravision)	(2.9)	(2.9)	(2.9)
Common Equity Value	215.5	200.1	189.6
Shares Outstanding	87.0	87.0	87.0
Current Share Price	\$8.15	\$8.15	\$8.15
Value Per Share	\$2.48	\$2.30	\$2.18
12-month	\$2.00		

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal
Risk Free Rate	1.6%									
Equity Premium	4.6%									
Assumed LT Growth Rate (g)	-1%									
MV of Equity Calculation	\$8.15									
Share Price	87.0									
Outstanding Shares	708.9									
MV of Equity	7.1									
Estimate MV of Debt Calculation	4.00%									
Interest Expense	182.7									
Current Cost of Debt	182.7									
Wgtd Avg Maturity of Debt	182.7									
BV of Debt	182.7									
Estimate MV of Debt	182.7									

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal
EBITDA	51.3	41.3	58.1	57.7	52.2	39.3	58.6	37.4	43.4	
EBIT	35.0	24.7	40.8	40.5	35.4	21.2	38.9	18.2	23.2	20.5
Less Cash Taxes	(14.0)	(9.9)	(16.3)	(16.2)	(14.2)	(8.5)	(15.6)	(7.3)	(9.3)	0.0
Plus DDA	16.3	16.6	17.3	17.3	16.8	18.0	19.7	19.2	20.2	19.2
Less Cap Ex	(17.0)	(23.3)	(9.1)	(6.5)	(6.8)	(9.2)	(9.7)	(10.2)	(10.7)	(19.2)
Less Increase in VC	(9.4)	(8.7)	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow to Firm	10.8	(2.5)	41.4	35.1	28.2	21.5	33.3	19.9	23.4	20.5
Tax Rate	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	0.0%
Net Debt	183									
Leverage Mult.	3.1x									
D/Equity	26%									
D/EV	20%									
E/EV	80%									
Unlevered Beta	1.0									
Levered Beta	1.2									
D/Equity (long term)	38%									
Cost of Debt (AT)	2.4%									
Cost of Equity	7.1%									
WACC	5.8%									
PV of CF			6%	6%	6%	6%	6%	6%	6%	
				33.1	26.1	18.2	26.6	15.0	16.7	
					27.6	19.2	28.1	15.9	17.7	
						20.4	29.8	16.8	18.7	
										301.6
										7x EBITDA

Sum of PV	135.8	108.6	85.6
PV of Terminal Value	203.3	215.1	227.6
NPV of all CF	339.1	323.7	313.2

Source: Industry Capital Research estimates and company data

Figure 8: DCF Analysis Allocates ~80% of firm value to digital media business

Entravision DCF analysis - Digital		Current	YE 2021	YE 2022	CAGR																																																																																																																																																																																																																																																																																																																																			
					2018-22	2020-24	2022-26	2025-26	2025-26																																																																																																																																																																																																																																																																																																																															
Firm Value		585	631	664	96%	134%	17%	3%	0%																																																																																																																																																																																																																																																																																																																															
(-) Total Net Debt		-	-	-																																																																																																																																																																																																																																																																																																																																				
(+) NOLs		-	-	-																																																																																																																																																																																																																																																																																																																																				
(-) Options (Claims on Entravision)		-	-	-																																																																																																																																																																																																																																																																																																																																				
Common Equity Value		585.2	631.1	663.8	92%	139%	21%	0%																																																																																																																																																																																																																																																																																																																																
Shares Outstanding		87.0	87.0	87.0																																																																																																																																																																																																																																																																																																																																				
Current Share Price		\$8.15	\$8.15	\$8.15																																																																																																																																																																																																																																																																																																																																				
Value Per Share		\$6.73	\$7.26	\$7.63																																																																																																																																																																																																																																																																																																																																				
12-month		\$7.50																																																																																																																																																																																																																																																																																																																																						
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<td>(0.9)</td> <td>(0.9)</td> <td>(2.4)</td> <td>(13.1)</td> </tr> <tr> <td>Less Cap Ex</td> <td></td> <td></td> <td></td> <td>5.5</td> <td>22.8</td> <td>34.6</td> <td>43.3</td> <td>49.1</td> <td>49.2</td> <td>(1.7)</td> </tr> <tr> <td>Less Increase in WC</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Free Cash Flow to Firm</td> <td>1.7</td> <td>(0.1)</td> <td>1.4</td> <td>5.5</td> <td>22.8</td> <td>34.6</td> <td>43.3</td> <td>49.1</td> <td>49.2</td> <td>61.4</td> </tr> <tr> <td>Tax Rate</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> <td>40.0%</td> </tr> <tr> <td>Net Debt</td> <td>0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Leverage Mult.</td> <td>0.0x</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>D/Equity</td> <td>0%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>D/EV</td> <td>0%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>E/EV</td> <td>100%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Unlevered Beta</td> <td>1.6</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Levered Beta</td> <td>1.6</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>D/Equity (projected long term)</td> <td>0.0%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of Debt (AT)</td> <td>2.4%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of Equity</td> <td>8.8%</td> 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Mult.	0.0x										D/Equity	0%										D/EV	0%										E/EV	100%										Unlevered Beta	1.6										Levered Beta	1.6										D/Equity (projected long term)	0.0%										Cost of Debt (AT)	2.4%										Cost of Equity	8.8%										WEIGHT OF DEBT	0.0%										WEIGHT OF EQUITY	8.8%										WACC	8.8%										PV of CF			9%	9%	9%	9%	9%	9%	9%					5.1	19.2	26.8	32.4	32.2	29.7	29.7					20.9	20.9	29.2	35.2	35.0	32.3	32.3					31.8	31.8	38.3	38.1	35.1	35.1	35.1												793.2											10x EBITDA
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Source: Industry Capital Research estimates and company data

APPENDIX

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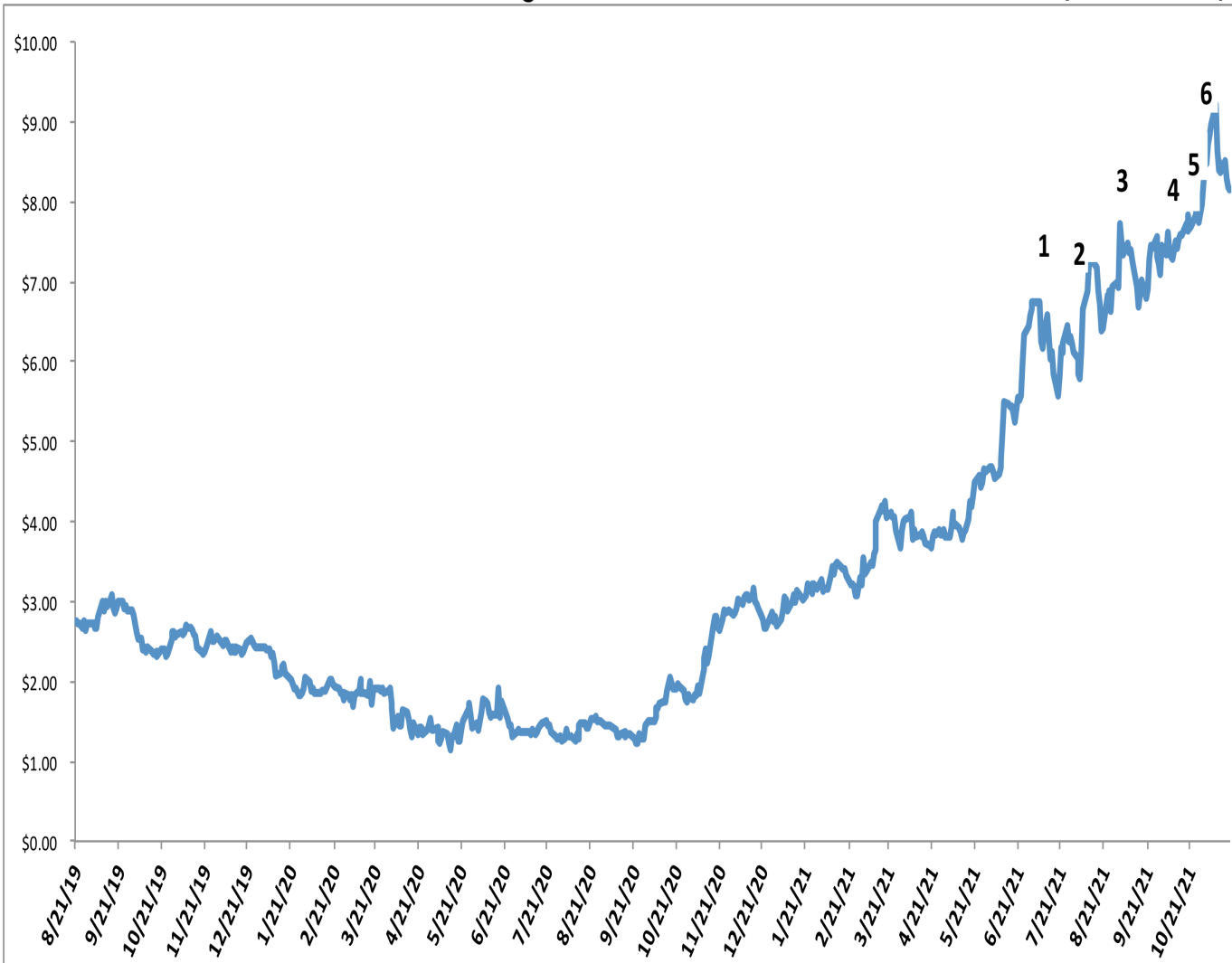
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, 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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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	10/28/21	Reaffirmed Buy @ \$7.85, Target Price \$10.00
6	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50

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