

Entravision Communications Corporation (EVC)

Price Target to \$8 From \$10 On Updated Valuation; No Change To 2021/22 Estimates; Buy

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Our valuation range comes down to \$7.00-\$9.50 from \$9.50-\$13.00, driven by revised tax assumptions for the terminal value estimate in our discounted cash flow (DCF) analysis. Applying a full marginal tax rate to estimate the free cash flow in our terminal value is the largest change in our valuation, reducing the valuation range by ~\$4.00. Secondary drivers of the valuation change are 1) updated macro assumptions for the risk-free rate and equity risk premium (~\$1.00 per share decrease), 2) updated digital segment out-year assumptions, primarily for slightly higher OCF margins (e.g., to 8.7% from 8.2% for 2026), as well as inclusion of recently acquired 365 Digital (~\$1.00 per share increase), 3) fine-tuning broadcast segment out-year growth and margin assumptions (~\$0.50 per share increase) and 4) applying revised forecast of FCF to net debt (~\$1.00 per share increase). See Figure 2 for a summary of our changes.

There are no changes to our 2021/22 estimates. Upon review, we note that our 2022 core opex growth estimate could be high, suggesting in particular that our margin estimate--under 45% despite it being a political year--is conservative. However, the Univision affiliates lost in Orlando and Tampa from 2021 likely had high OCF margins (50%+), so there is some question about what the near-term new normal margin is for the TV segment. For 2022, we note also that our assumption of no expansion in the ~6% digital segment OCF margin may also be conservative, in particular our assumption that investments in the legacy digital business result in its having just slightly more than breakeven OCF in 2022.

In our forecast, for the out years, there is an increase in our EBITDA growth assumptions. For example, the 2022-26 EBITDA CAGR goes up ~3 points to ~10%. This partly reflects inclusion in our forecast of EVC's most recent digital acquisition, 365 Digital, announced in November. As for free cash flow, our assumption of the eventual exhaustion of NOLs contributes to forecasting higher cash taxes in the out years of our forecast, which reduces estimated FCF/share growth over the longer term.

In our DCF valuation, for our unlevered free cash flow estimates, we now apply an effective tax rate of 30% in the explicit forecast period and a 35% marginal tax rate in the terminal value estimate. Our separate estimate of the value of EVC's tax shields uses the effective tax rate of 30%. Our estimate of the value of the tax assets, primarily net operating losses and differences in the book and tax bases of EVC's broadcast assets, is now under \$0.50 per share.

Our 12-month price target for EVC is now \$8.00; risks on p.2. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2027.

| BUY | | | |
|------------------------|-------------|-------|---------|
| Price at 2/2/22 (USD) | 5.87 | | |
| Price Target | 8.00 | | |
| 52-week range | 3.08 - 9.34 | | |
| Performance (%) | 1m | 3m | 12m |
| Absolute | -14 | -31 | 88 |
| S&P 500 | -4 | -1 | 20 |
| Market Cap (USDm) | 518.6 | | |
| Shares outstanding (m) | 88.4 | | |
| Float (%) | 72 | | |
| Average volume | 594,308 | | |
| S&P 500 | 4,589.4 | | |
| Forecasts and ratios | | | |
| Year ended 12/31 | 2021E | 2022E | 2023E |
| 1Q EPS (USD) | 0.06 | 0.03 | 0.05 |
| 2Q EPS (USD) | 0.09 | 0.07 | 0.08 |
| 3Q EPS (USD) | 0.14 | 0.12 | 0.10 |
| 4Q EPS (USD) | 0.15 | 0.20 | 0.20 |
| FY EPS (USD) | 0.44 | 0.42 | 0.43 |
| % Change | NM | -3% | 2% |
| P/E (x) | 13.5 | 13.9 | 13.6 |
| EV/EBITDA (x) | 7.8 | 7.1 | 6.8 |
| Revenue (USDm) | 751.8 | 947.0 | 1,009.6 |
| % Change | 119% | 26% | 7% |

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Investment Thesis and Valuation: Buy With \$8.00 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions in 2020-21 because their higher growth and different business models are more difficult for investors to assess; 2) EVC's lower post-pandemic expense base looks sustainable; 3) apart from the industry-wide pressure on auto advertising because of supply shortages, and any transitional risks introduced by measures to mitigate covid-19 variants, operating risk at the core U.S. media business should be ebbing based on the cyclical rebound in the U.S. Hispanic economy and secular growth of political advertising; 4) 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.

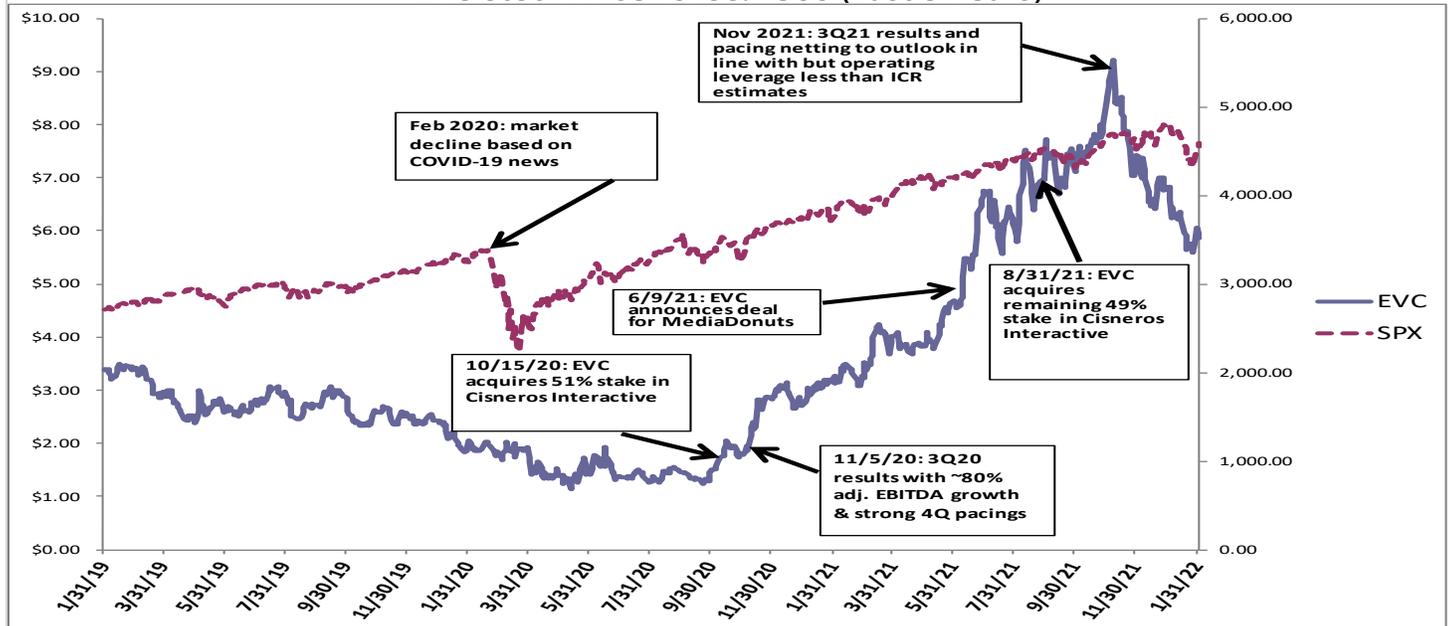
Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2022 and 2023. First, we adjust the current net debt with the estimated free cash flow to be generated by each valuation date. Second, we adjust the current net debt for any estimated payments remaining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

Risks to our investment thesis include: 1) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, such as pandemic flare-ups, 2) secular challenges and potentially increasing competition from Univision for EVC's broadcast media business, 3) potential volatility of EVC's digital media business, given its increasing focus on emerging markets, its dependence on a small number of relationships with media tech platforms, and increasing competition, 4) potential barriers to sale of all or a portion of the company; and 5) risk of regression to mean in share price performance given shares' substantial appreciation relative to the overall market and sector peers over the past year.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

| | | (in millions, except unit data) | |
|---|--------|--|--|
| | | 12-month price target: \$8.00 | |
| ENTERPRISE VALUE | | COMPANY CHARACTERISTICS AND INVESTMENT THESIS | |
| Price per share | \$5.87 | 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 | 88.4 | 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 | 519 | Est. acquisition capacity | \$141 |
| +Pro forma net debt | 207 | 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 | \$664 | Risks | <ul style="list-style-type: none"> * Loss of broadcast audience and advertising share to digital alternatives * Volatility of international media business, reflecting early stage and potential competition * 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 ~80% 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. |
| 2022 | \$846 | Upcoming potential catalysts | 2021/22 rebound in U.S. Hispanic employment and spending as pandemic recedes - Additional digital media M&A - 2022 U.S. midterm election ad spending |
| 2021 | 770 | | |
| % Chg | 9.9% | | |
| Pro forma EBITDA | | | |
| 2022 | \$93 | | |
| 2021 | 86 | | |
| % Chg | 9.2% | | |
| Pro forma EBITDA margin | | | |
| 2022 | 11.0% | | |
| 2021 | 11.1% | | |
| Free cash flow per share | | | |
| 2022 | \$0.82 | | |
| 2021 | \$0.83 | | |
| % Chg | -1.2% | | |
| Est. 3-5 yr FCF Growth rate | 7% | | |
| VALUATION AND LEVERAGE | | | |
| Pro forma EV/EBITDA | | | |
| 2022 | 7.1x | | |
| 2021 | 7.8x | | |
| Price / Free cash flow per share | | | |
| 2022 | 7.2x | | |
| 2021 | 7.1x | | |
| Pro forma net debt / EBITDA | | | |
| 2022 | 2.2x | | |
| 2021 | 2.4x | | |
| Dividend yield | | | |
| 2022 | 1.7% | | |
| 2021 | 1.7% | | |

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



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

Digital Remains The Key After A Year Of Radio Beating And TV Missing

We look for EVC's digital ad representation business to expand by geography and by media tech platform in 2022. Potential partners include those in other Spanish-speaking countries (e.g., Mexico) and in Asia, as well as other platforms including those more focused on video and other-the-top TV. The growth could be a mix of organic and acquisitions.

We look for digital growth going forward to be driven by organic demand more than balance sheet support. EVC's balance sheet was key to Facebook's extending more credit to Cisneros Interactive's customers, which led to triple digit growth the following year. At this point, we do not see credit constraints as a major gating factor for any of EVC's ad rep businesses. 365 Digital could provide upside in Africa, with TikTok a key client; for EVC's latest acquisition, we estimate \$20m in revenue for 2022, and believe this could go higher if 365 expands its representation outside of South Africa.

Legacy digital business is getting a shot in the arm from gaming and crypto ad verticals. The Smadex platform has had particular success with its performance-driven offerings for these advertisers.

IPO of competitor Aleph is still on the table, and could be a positive, in our view. Despite the market's rocky start to 2022, digital ad rep firm Aleph remains an IPO candidate for early this year, in our view. An offering at a premium to EVC digital's implied valuation (~15-16x 2023E EBITDA) could be a positive catalyst for EVC's shares. Although an IPO would give Aleph more dry powder to compete for deals in the ad representation space, Aleph's stock as a currency is unlikely to give it an advantage over EVC in M&A, as it appears that most sellers prefer all-cash deals.

Across EVC's segments for 2021, versus our expectations at the time of initiation of coverage, radio looks to finish stronger, TV weaker, and digital generally in line, boosted by some deals. The digital segment has outperformed in revenue, which is booked on a gross basis, and we update our 2021 estimates accordingly. The legacy digital segment is increasingly driven by Smadex's mobile performance DSP, whose technology is benefitting from strong demand from the mobile app sector.

Although our 2022 EBITDA estimate for EVC is unchanged, its mix from digital goes up, while its mix from TV goes down, versus our prior forecast. While our 2022 TV core revenue growth estimate looks fair or even full for a political year, our TV OCF margin assumption is at the low end. Our assumption of a slight OCF margin decline at Cisneros Interactive in 2022 could be conservative, but the industry appears to be going through a bit of a land grab phase, when spending more to gain share often makes sense, even if it hurts near-term margins.

Our valuation mix from digital pushes over 80%, reflecting shifts in our long-term forecast. Our assumption now of some decline in TV retransmission revenue puts TV segment margins on a slightly lower trajectory. This, plus the assumption of higher margins and the inclusion of 365 Digital in the digital segment, contributes to the valuation mix shift.

Figure 2: Summary Of Valuation Changes For Low (Sum-Of-The-Parts) and High (Firm) Cases

| Entravision Communications | | | | | | | | | | | | |
|---|------------|------------|-----------------|-----------------|--------------|-----------|-----------|----------------|----------------|-------------|-------------|-------------|
| Summary of Changes to Forecast and Valuation | | | | | | | | | | | | |
| (in \$m except unit data) | | | | | | | | | | | | |
| CAGRs | 2021 | | DCF Valuation | | EBITDA CAGRs | | | Risk Free Rate | Equity Premium | WACC-EVC | WACC-EVC-D | WACC-EVC-B |
| | Rev | EBITDA | Low | High | 2018-22 | 2020-24 | 2022-26 | | | | | |
| Prior | 751.8 | 85.0 | \$9.50 | \$13.00 | 15% | 21% | 7% | 1.4% | 4.9% | 5.9% | 8.8% | 6.6% |
| Current | 751.8 | 85.0 | \$7.00 | \$9.50 | 15% | 20% | 10% | 1.8% | 5.2% | 6.7% | 9.6% | 7.5% |
| Delta | 0.0 | 0.0 | (\$2.50) | (\$3.50) | 0% | 0% | 3% | 0.4% | 0.3% | 0.8% | 0.9% | 0.9% |
| Attribution: | | | | | | | | | | | | |
| Applying full marginal tax rate to terminal value | | | (\$4.00) | (\$4.50) | | | | | | | | |
| Updated macro market assumptions | | | (\$1.00) | (\$1.50) | | | | | | | | |
| Updated digital segment out-year assumptions | | | \$1.00 | \$1.00 | | | | | | | | |
| Applying updated FCF forecast to net debt | | | \$1.00 | \$1.00 | | | | | | | | |
| Updated broadcast out-year assumptions | | | \$0.50 | \$0.50 | | | | | | | | |
| Subtotal | | | (\$2.50) | (\$3.50) | | | | | | | | |

Source: Industry Capital Research estimates

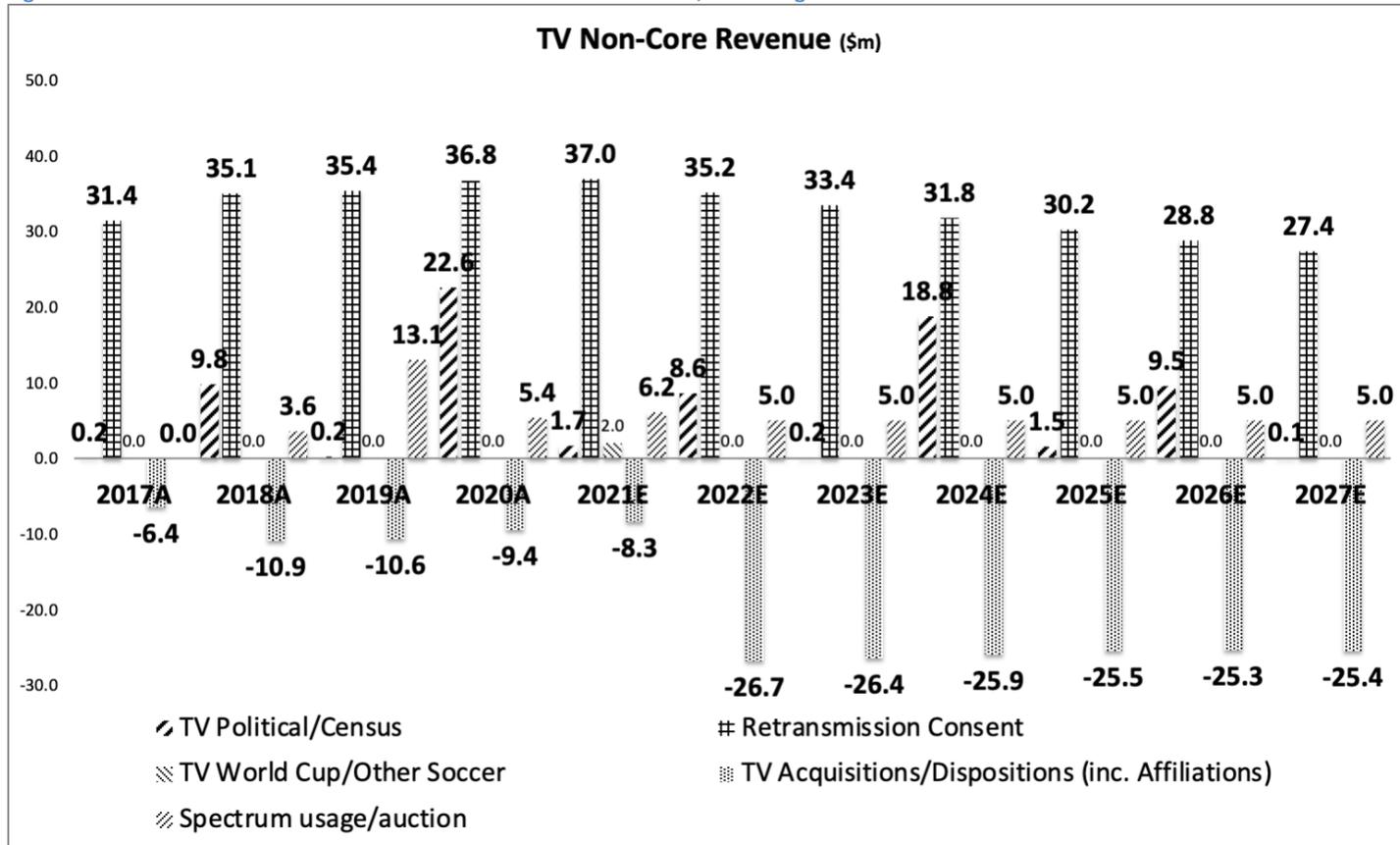
Figure 3: No Change To Our 2021/22 EBITDA Or EPS Estimates, And We Introduce Our 2023 EBITDA Estimate Showing Odd-Year Growth

| Summary of Annual Estimates | | | | | | | | | |
|------------------------------------|----------|-----------|--------|---------|----------|-------|---------|-----------|-----------|
| In millions, except per share data | | | | | | | | | |
| | Last Yr | Estimates | | | YoY %CHG | | | ICR vs | |
| | | Prior | Chg | Current | Prior | Chg | Current | Consensus | Consensus |
| 2021E | | | | | | | | | |
| Pro Forma * | | | | | | | | | |
| Revenue | \$517.4 | \$769.7 | \$0.0 | \$769.7 | 48.8% | 0.0% | 48.8% | | |
| Op expense | 444.7 | 684.2 | 0.0 | 684.2 | 53.9% | 0.0% | 53.9% | | |
| Adjusted EBITDA | 72.8 | 85.5 | 0.0 | 85.5 | 17.5% | 0.0% | 17.5% | | |
| As Reported | | | | | | | | | |
| Revenue | 344.0 | 751.8 | 0.0 | 751.8 | 118.5% | 0.0% | 118.5% | 753 | -0.1% |
| Op expense | 283.6 | 666.8 | 0.0 | 666.8 | 135.1% | 0.0% | 135.1% | | |
| Adjusted EBITDA | 60.4 | 85.0 | 0.0 | 85.0 | 40.6% | 0.0% | 40.6% | 84 | 1.5% |
| Margin | 17.6% | 11.3% | 0.0% | 11.3% | | | | 11.1% | 0.2% |
| EPS | (\$0.05) | \$0.44 | \$0.00 | \$0.44 | -1038.0% | NM | NM | \$0.45 | -3.2% |
| Cash FCF/sh | \$0.51 | \$0.83 | \$0.00 | \$0.83 | 62.7% | 0.0% | 62.7% | | |
| 2022E | | | | | | | | | |
| Pro Forma * | | | | | | | | | |
| Revenue | 769.7 | 845.8 | 101.2 | 947.0 | 9.9% | 13.1% | 23.0% | | |
| Op expense | 684.2 | 752.4 | 101.2 | 853.6 | 10.0% | 14.8% | 24.8% | | |
| Adjusted EBITDA | 85.5 | 93.4 | 0.0 | 93.4 | 9.2% | 0.0% | 9.2% | | |
| As Reported | | | | | | | | | |
| Revenue | 751.8 | 845.8 | 101.2 | 947.0 | 12.5% | 13.5% | 26.0% | 865 | 9.5% |
| Op expense | 666.8 | 752.4 | 101.2 | 853.6 | 12.8% | 15.2% | 28.0% | | |
| Adjusted EBITDA | 85.0 | 93.4 | 0.0 | 93.4 | 9.9% | 0.0% | 9.9% | 91 | 2.5% |
| Margin | 11.3% | 11.0% | -1.2% | 9.9% | | | | 10.5% | -0.7% |
| EPS | \$0.44 | \$0.42 | \$0.00 | \$0.42 | -3.4% | 0.7% | -2.7% | \$0.51 | -16.9% |
| Cash FCF/sh | \$0.83 | \$0.82 | \$0.00 | \$0.82 | -1.2% | 0.0% | -1.2% | | |
| 2023E | | | | | | | | | |
| Pro Forma * | | | | | | | | | |
| Revenue | 947.0 | | | 1,009.6 | | | 6.6% | | |
| Op expense | 853.6 | | | 911.9 | | | 6.8% | | |
| Adjusted EBITDA | 93.4 | | | 97.7 | | | 4.6% | | |
| As Reported | | | | | | | | | |
| Revenue | 947.0 | | | 1,009.6 | | | 6.6% | | |
| Op expense | 853.6 | | | 911.9 | | | 6.8% | | |
| Adjusted EBITDA | 93.4 | | | 97.7 | | | 4.6% | | |
| Margin | 9.9% | | | 9.7% | | | | | |
| EPS | \$0.42 | | | \$0.43 | | | 2.0% | | |
| Cash FCF/sh | \$0.82 | | | \$0.87 | | | 6.1% | | |

* reflects announced acquisitions and dispositions

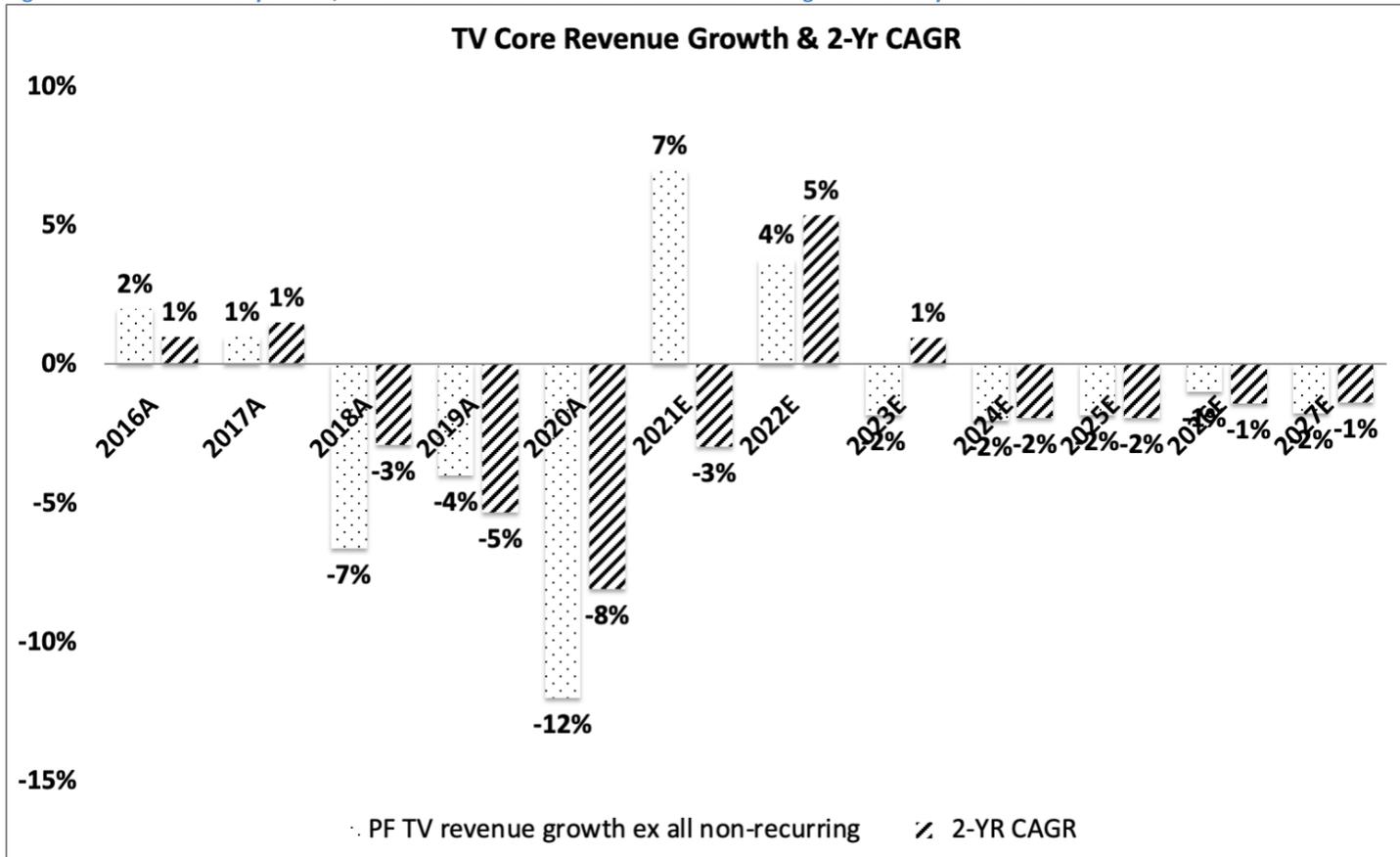
Source: Company reports, FactSet, Industry Capital Research estimates

Figure 4: We Now Assume Some Decline In TV Retransmission Revenue, Reflecting Subscriber Losses



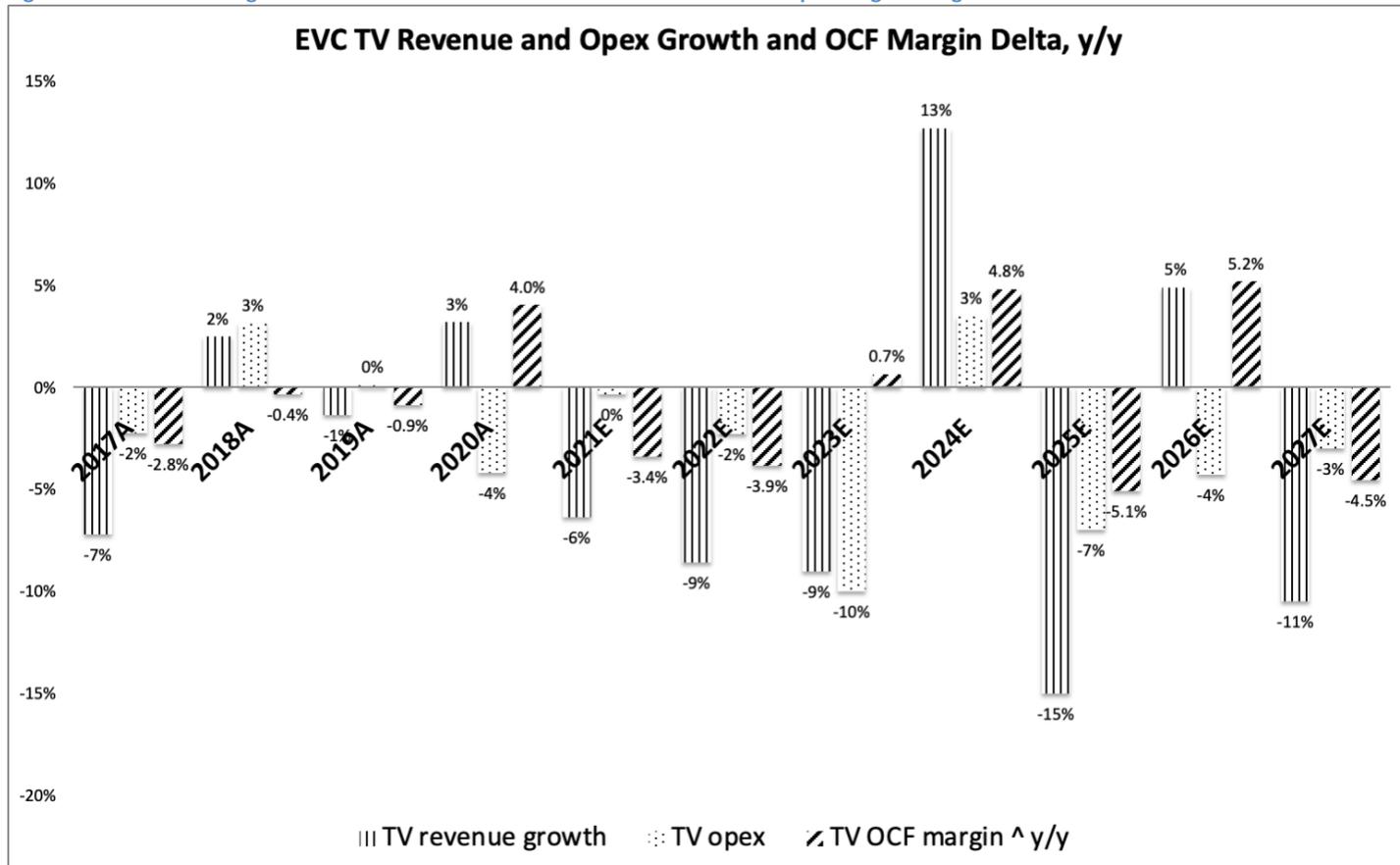
Source: Industry Capital Research estimates and company data

Figure 5: After Covid-19 Gyration, Assume TV Core Revenue Growth Reverts to Slight But Steady Declines



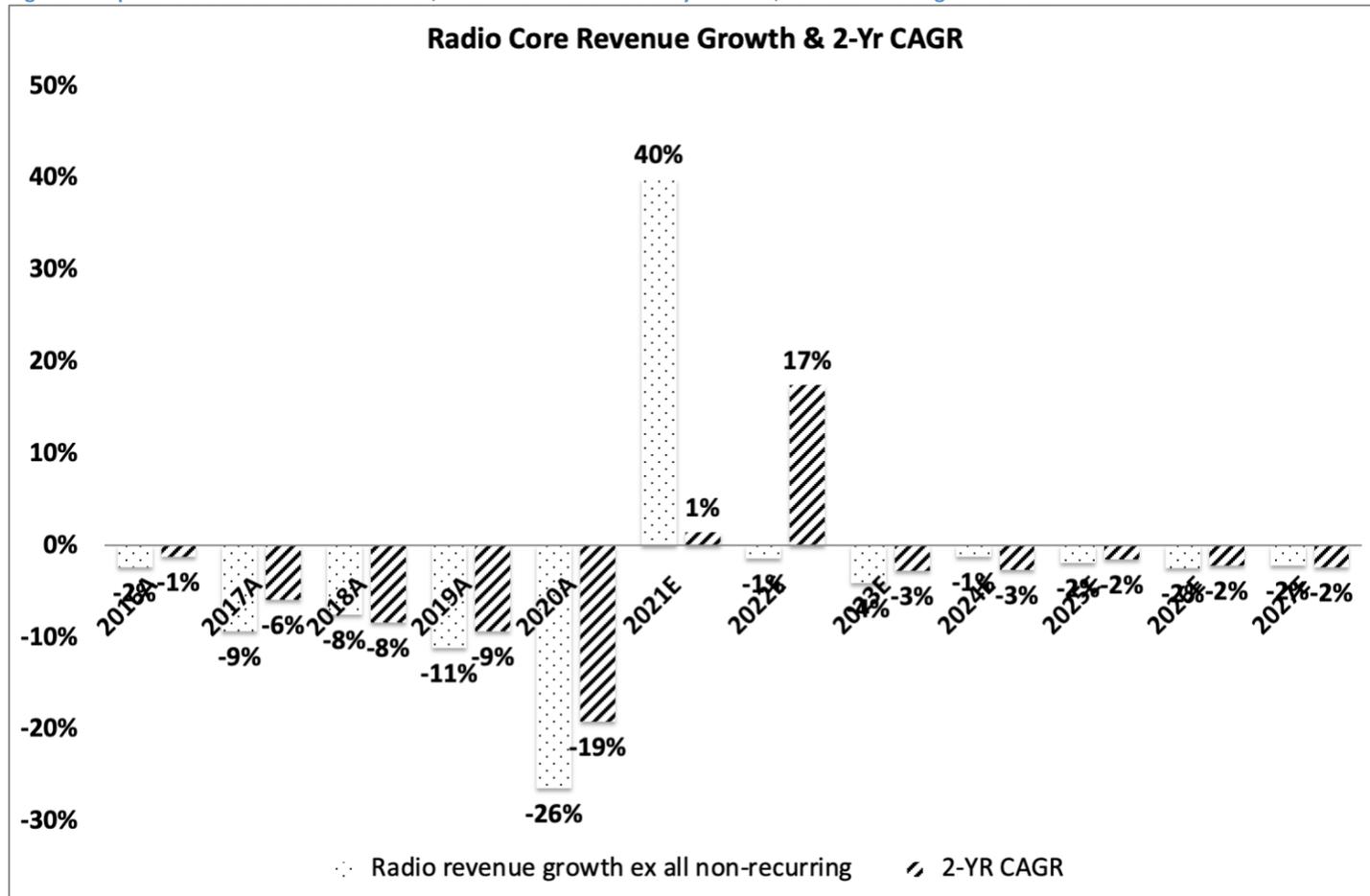
Source: Industry Capital Research estimates and company data

Figure 6: Affiliation Changes For 2022 Should Put A Hit On Normal Even-Year TV Operating Leverage



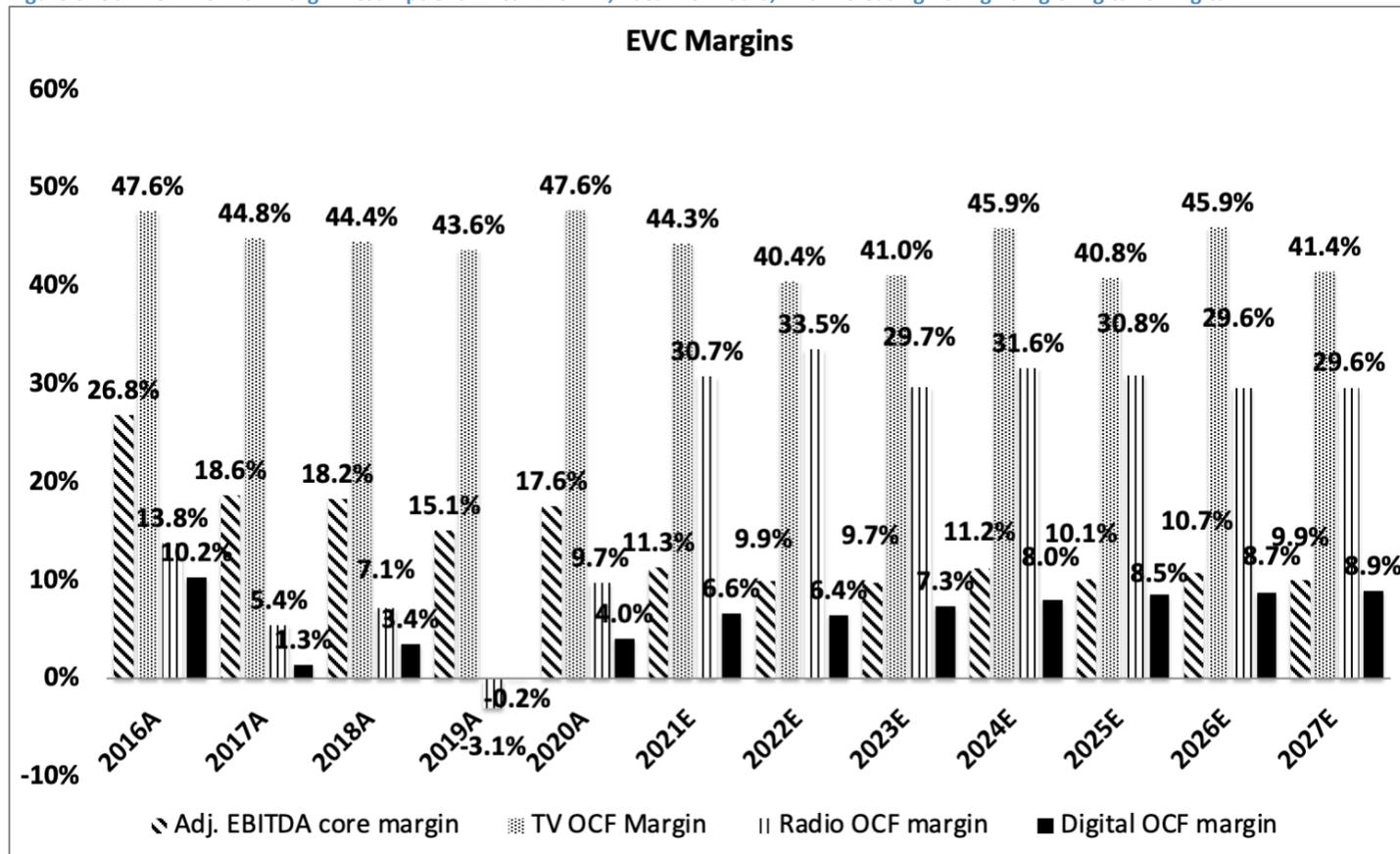
Source: Industry Capital Research estimates and company data

Figure 7: Expect Radio Core Revenue Growth, After Even More Volatility Than TV, To Return To Slight Declines



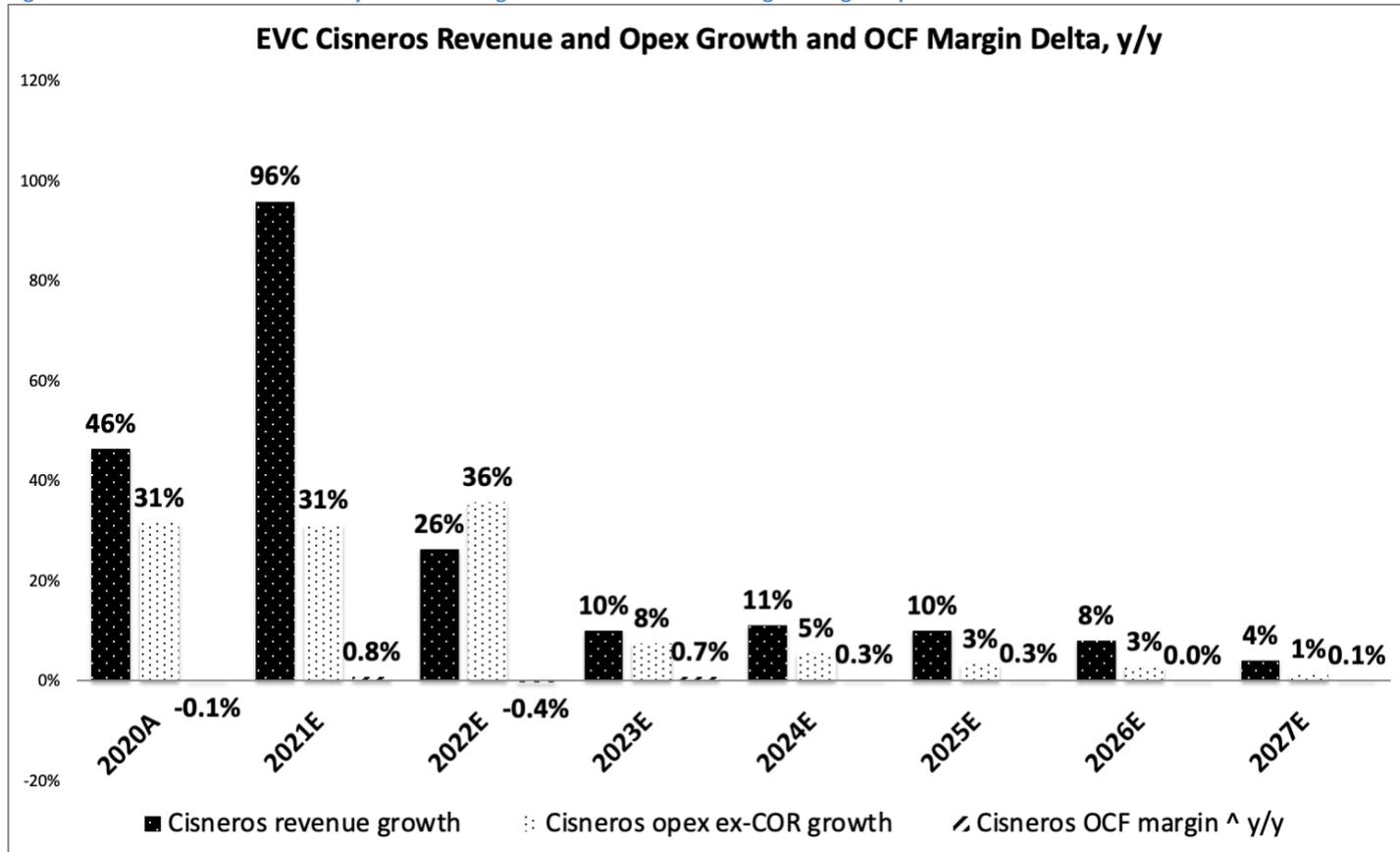
Source: Industry Capital Research estimates and company data

Figure 8: Our New Normal Margin Assumptions—40%+ For TV, ~30% For Radio, And Increasing To High Single Digits For Digital



Source: Industry Capital Research estimates and company data

Figure 9: Cisneros Interactive A Story Of Double-Digit Revenue Growth And Slight Margin Expansion



Source: Industry Capital Research estimates and company data

Figure 10: Financial Statement Forecasts Supporting Our Valuation

| Consolidated Income Statement | | | | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Fiscal Year Ends December 31 | | | | | | | | | | | | | | | | |
| In millions, except per share data | | | | | | | | | | | | | | | | |
| AS REPORTED | 2016A | 2017A | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
| Net revenue: | | | | | | | | | | | | | | | | |
| Television | \$159.5 | \$148.1 | \$151.7 | \$149.7 | \$154.5 | \$36.1 | \$34.1 | \$36.5 | \$38.0 | \$144.6 | \$30.3 | \$30.9 | \$34.2 | \$36.8 | \$132.2 | 120.3 |
| Radio | 75.8 | 66.9 | 63.9 | 55.0 | 46.3 | 11.3 | 14.1 | 16.4 | 15.2 | 57.1 | 12.4 | 15.1 | 15.5 | 17.8 | 60.8 | 53.5 |
| Net broadcast revenue | 235.4 | 215.0 | 215.7 | 204.7 | 200.7 | 47.4 | 48.2 | 52.9 | 53.2 | 201.7 | 42.7 | 46.0 | 49.7 | 54.6 | 193.0 | 173.8 |
| Digital | 23.1 | 57.1 | 81.0 | 68.9 | 143.3 | 101.5 | 130.2 | 146.121 | 172.3 | 550.1 | 159.8 | 173.4 | 188.5 | 232.2 | 754.0 | 835.8 |
| Total net revenue (core) | 258.5 | 272.1 | 296.6 | 273.6 | 344.0 | 148.9 | 178.4 | 199.0 | 225.5 | 751.8 | 202.5 | 219.4 | 238.2 | 286.8 | 947.0 | 1,009.6 |
| Revenue from spectrum usage rights | 263.9 | 1.2 | 0.0 | 0.0 | 0.0 | | | | | 0.0 | | | | | 0.0 | 0.0 |
| Total net revenue | 258.5 | 536.0 | 297.8 | 273.6 | 344.0 | 148.9 | 178.4 | 199.0 | 225.5 | 751.8 | 202.5 | 219.4 | 238.2 | 286.8 | 947.0 | 1,009.6 |
| Cost of Revenue | | | | | | | | | | | | | | | | |
| Television | | 0.0 | | | | | | | | | | | | | | |
| Radio | | 0.0 | | | | | | | | | | | | | | |
| Digital | 9.5 | 33.0 | 45.1 | 36.8 | 106.9 | 84.8 | 109.0 | 124.3 | 143.9 | 462.0 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 |
| Digital cost of revenue as % of revenue | 41.2% | 57.8% | 55.7% | 53.3% | 74.6% | 83.5% | 83.7% | 85.1% | 83.5% | 84.0% | 82.7% | 82.4% | 84.3% | 82.8% | 83.1% | 82.7% |
| Total cost of revenue (core) | 9.5 | 33.0 | 45.1 | 36.8 | 106.9 | 84.8 | 109.0 | 124.3 | 143.9 | 462.0 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 |
| Cost of revenue from spectrum usage rights (television) | | 12.340 | | | | | | | | | | | | | | |
| Total cost of revenue | 9.5 | 45.3 | 45.1 | 36.8 | 106.9 | 84.8 | 109.0 | 124.3 | 143.9 | 462.0 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 |
| Opex | | | | | | | | | | | | | | | | |
| Television opex | 83.6 | 81.7 | 84.3 | 84.4 | 80.9 | 19.9 | 19.5 | 20.1 | 21.1 | 80.6 | 19.3 | 19.5 | 19.8 | 20.2 | 78.8 | 70.9 |
| Radio opex | 65.4 | 63.3 | 59.4 | 56.7 | 41.8 | 9.7 | 9.9 | 9.8 | 10.2 | 39.5 | 9.6 | 10.3 | 10.5 | 10.1 | 40.4 | 37.6 |
| Digital opex | 11.2 | 23.4 | 33.1 | 32.3 | 30.6 | 10.9 | 12.0 | 13.2 | 15.6 | 51.7 | 19.8 | 20.0 | 17.0 | 22.8 | 79.6 | 83.4 |
| Total opex (core) | 160.2 | 168.4 | 176.8 | 173.4 | 153.3 | 40.4 | 41.4 | 43.1 | 46.9 | 171.9 | 48.7 | 49.7 | 47.3 | 53.1 | 198.8 | 192.0 |
| Spectrum usage rights | | | | | | | | | | | | | | | | |
| Total Opex | 160.2 | 168.4 | 176.8 | 173.4 | 153.3 | 40.4 | 41.4 | 43.1 | 46.9 | 171.9 | 48.7 | 49.7 | 47.3 | 53.1 | 198.8 | 192.0 |
| OCF | | | | | | | | | | | | | | | | |
| Television OCF | 75.9 | 66.3 | 67.4 | 65.2 | 73.6 | \$16.2 | \$14.5 | \$16.3 | \$17.0 | 64.0 | \$11.0 | \$11.4 | \$14.4 | \$16.6 | 53.4 | 49.4 |
| TV OCF Margin | 47.6% | 44.8% | 44.4% | 43.6% | 47.6% | 44.9% | 42.7% | 44.7% | 44.6% | 44.3% | 36.3% | 37.0% | 42.0% | 45.1% | 40.4% | 41.0% |
| Incremental Margin | -566.3% | 83.6% | 30.3% | 105.6% | 173.4% | | | | | 97.3% | | | | | 85.3% | 33.8% |
| Radio OCF | 10.5 | 3.6 | 4.6 | (1.7) | 4.5 | 1.6 | 4.2 | 6.7 | 5.0 | 17.6 | 2.8 | 4.8 | 5.0 | 7.7 | 20.4 | 15.9 |
| Radio OCF margin | 13.8% | 5.4% | 7.1% | -3.1% | 9.7% | 14.4% | 29.9% | 40.5% | 33.1% | 30.7% | 22.2% | 31.8% | 32.6% | 43.5% | 33.5% | 29.7% |
| Incremental Margin | 1189.2% | 76.7% | -31.0% | 70.1% | -70.4% | | | | | 120.8% | | | | | 75.3% | 61.2% |
| Digital OCF | 2.4 | 0.7 | 2.8 | (0.1) | 5.7 | 5.9 | 9.167 | 8.6 | 12.7 | 36.4 | 7.9 | 10.5 | 12.5 | 17.1 | 48.0 | 61.4 |
| Digital OCF margin | 10.2% | 1.3% | 3.4% | -0.2% | 4.0% | 5.8% | 7.0% | 5.9% | 7.4% | 6.6% | 4.9% | 6.1% | 6.6% | 7.4% | 6.4% | 7.3% |
| Incremental Margin | 28.8% | -4.8% | 8.5% | 23.9% | 7.9% | | | | | 7.5% | | | | | 5.7% | 16.3% |
| Total OCF (core) | 88.7 | 70.7 | 74.8 | 63.4 | 83.8 | 23.7 | 27.9 | 31.6 | 34.7 | 117.9 | 21.7 | 26.7 | 31.9 | 41.4 | 121.8 | 126.6 |
| Margin | 34.3% | 26.0% | 25.2% | 23.2% | 24.4% | 15.9% | 15.7% | 15.9% | 15.4% | 15.7% | 10.7% | 12.2% | 13.4% | 14.4% | 12.9% | 12.5% |
| Incremental Margin | -114.5% | -132.9% | 16.6% | 49.1% | | 8.4% | 16.7% | 7.7% | -10.6% | | -3.8% | -2.9% | 0.9% | 11.0% | | |
| 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 | 0.0 |
| Total OCF | 88.7 | 322.3 | 75.9 | 63.4 | 83.8 | 23.7 | 27.9 | 31.6 | 34.7 | 117.9 | 21.7 | 26.7 | 31.9 | 41.4 | 121.8 | 126.6 |
| Total OCF Margin | 34.3% | 60.1% | 25.5% | 23.2% | 24.4% | 15.9% | 15.7% | 15.9% | 15.4% | 15.7% | 10.7% | 12.2% | 13.4% | 14.4% | 12.9% | 12.5% |
| Incremental Margin | -114.5% | 84.2% | 103.4% | 51.6% | | 8.4% | 16.7% | 7.7% | -10.6% | | -3.8% | -2.9% | 0.9% | 11.0% | | |
| Corporate Expense | 24.5 | 27.9 | 26.9 | 28.1 | 27.8 | 7.2 | 7.3 | 7.3 | 7.3 | 29.1 | 8.3 | 8.5 | 8.4 | 8.5 | 33.8 | 34.4 |
| GAAP EBITDA | 64.2 | 294.4 | 49.1 | 35.4 | 56.0 | 16.6 | 20.6 | 24.3 | 27.4 | 88.8 | 13.3 | 18.2 | 23.5 | 32.9 | 88.0 | 92.2 |
| Corporate non-cash comp | 3.7 | 4.9 | 5.1 | 3.6 | 3.9 | 0.8 | 0.8 | 0.8 | 1.6 | 4.0 | 0.8 | 0.8 | 0.8 | 1.7 | 4.0 | 4.1 |
| Opex adjustments to cash: | | | | | | | | | | | | | | | | |
| Amortization of syndication contracts | (0.4) | (0.5) | (0.7) | (0.5) | (0.5) | (0.1) | (0.1) | (0.1) | (0.2) | (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) | (0.5) | (0.1) | (0.1) | (0.1) | (0.1) | (0.5) | (0.1) | (0.1) | (0.1) | (0.1) | (0.5) | (0.5) |
| Non-cash comp in direct opex | 1.3 | 1.2 | 0.7 | 0.7 | 1.2 | 0.3 | 0.3 | 0.3 | 0.3 | 1.3 | 0.3 | 0.3 | 0.3 | 0.3 | 1.3 | 1.3 |
| Non-recurring cash severance | | | 0.8 | 2.3 | 1.7 | 0.0 | | | | | | | | | | |
| EBITDA attributable to redeemable noncontrolling interest | | | | 3.4 | 3.4 | 2.8 | 4.3 | 2.0 | 0.0 | 9.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total opex (positive) adjustments to cash | (1.3) | (1.2) | (1.5) | (2.9) | 0.5 | 2.5 | 3.9 | 1.7 | (0.3) | 7.8 | (0.3) | (0.3) | (0.3) | (0.4) | (1.3) | (1.4) |
| Foreign currency (gain) loss | 0.0 | 0.4 | 1.6 | 0.8 | (1.1) | 0.6 | (0.3) | 0.2 | (0.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Adjusted EBITDA | 69.2 | 300.1 | 54.0 | 41.2 | 60.4 | 14.2 | 17.8 | 23.2 | 29.8 | 85.0 | 14.4 | 19.4 | 24.6 | 34.9 | 93.4 | 97.7 |
| Other opex for spectrum (in corporate) | | 2.1 | 1.2 | | | | | | | | | | | | | |
| Adjusted EBITDA (core) | 69.2 | 50.6 | 54.0 | 41.2 | 60.4 | 14.2 | 17.8 | 23.2 | 29.8 | 85.0 | 14.4 | 19.4 | 24.6 | 34.9 | 93.4 | 97.7 |
| Memo: adj. EBITDA (core) reported | 69.2 | 50.6 | 54.0 | 41.2 | 60.4 | 14.2 | 17.8 | 23.2 | | | | | | | | |
| Model variance: adj. EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | | | | | | | | |
| Adj. EBITDA core margin | 26.8% | 18.6% | 18.2% | 15.1% | 17.6% | 9.5% | 10.0% | 11.7% | 13.2% | 11.3% | 7.1% | 8.8% | 10.3% | 12.2% | 9.9% | 9.7% |
| Incremental Margin | -161.7% | -137.3% | 14.0% | 55.6% | 27.3% | 5.3% | 12.1% | 5.0% | -5.3% | 6.0% | 0.4% | 3.9% | 3.6% | 8.4% | 4.3% | 6.9% |

Source: Industry Capital Research estimates and company data

Figure 11: Financial Statement Forecasts Supporting Our Valuation (cont.)

| In millions, except per share data | 2016A | 2017A | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
|--|---------------|---------------|---------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Memo: cash opex (core) | \$158.9 | \$167.2 | \$175.3 | \$170.4 | \$153.8 | \$42.9 | \$45.4 | \$44.8 | \$46.5 | \$179.7 | \$48.4 | \$49.4 | \$47.0 | \$52.7 | \$197.5 | 190.6 |
| Memo: cash corporate expense | 20.8 | 23.1 | 21.8 | 24.4 | 23.9 | 6.4 | 6.5 | 6.5 | 5.7 | 25.1 | 7.5 | 7.7 | 7.6 | 6.9 | \$29.7 | 30.3 |
| Memo: total non-cash comp | 5.0 | 6.1 | 5.8 | 4.4 | 5.1 | 1.1 | 1.1 | 1.1 | 1.9 | 5.2 | 1.1 | 1.2 | 1.1 | 2.0 | \$5.3 | 5.4 |
| Memo: adj. EBITDA - (OCF - cash corporate) | 1.3 | 3.0 | 1.1 | 2.2 | 0.6 | (3.1) | (3.6) | (1.9) | 0.8 | (7.8) | 0.3 | 0.3 | 0.3 | 0.4 | \$1.3 | 1.4 |
| Memo: PF EBITDA attributable to redeemable noncontrolling interest | | | | | | | | | | | | | | | | |
| D&A | 15.3 | 16.4 | 16.3 | 16.6 | 17.3 | 5.2 | 5.1 | 5.9 | 5.9 | 22.1 | 6.1 | 6.1 | 6.1 | 6.1 | 24.4 | 26.2 |
| D&A % of Revenue | 5.9% | 6.0% | 5.5% | 6.1% | 5.0% | 3.5% | 2.8% | 3.0% | 2.6% | 2.9% | 3.0% | 2.8% | 2.6% | 2.1% | 2.6% | 2.6% |
| Change in fair value contingent consideration | | | (1.2) | (6.478) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairments | 0.0 | 0.0 | 0.0 | 32.1 | 40.0 | 1.3 | 0.1 | 0.2 | 0.0 | 1.6 | 0.2 | 0.2 | 0.2 | 0.2 | 0.8 | 0.0 |
| Other operating (gain) loss | (0.3) | (0.3) | (1.2) | (6.0) | (6.9) | (1.9) | (0.5) | (2.4) | 0.0 | (4.9) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) | (0.4) |
| Gain (Loss) on Sale | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reserves, accruals and other, net | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Income (EBIT Inc. Impairments) | 48.9 | 277.9 | 33.6 | (1.7) | 6.6 | 11.4 | 16.2 | 20.5 | 21.9 | 70.0 | 7.1 | 12.0 | 17.3 | 26.7 | 63.2 | 66.3 |
| Operating Margin % | 18.9% | 51.8% | 11.3% | -0.6% | 1.9% | 7.6% | 9.1% | 10.3% | 9.7% | 9.3% | 3.5% | 5.5% | 7.3% | 9.3% | 6.7% | 6.6% |
| Interest expense | (15.5) | (16.7) | (13.7) | (13.7) | (8.3) | (1.7) | (1.8) | (1.7) | (1.9) | (7.1) | (1.4) | (1.5) | (1.5) | (1.5) | (6.0) | (8.4) |
| Noncash interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest income | 0.3 | 0.8 | 2.0 | 3.4 | 1.7 | 0.1 | 0.0 | 0.0 | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 |
| Net interest expense | (15.2) | (15.9) | (11.8) | (10.3) | (6.5) | (1.6) | (1.8) | (1.7) | (2.1) | (7.1) | (1.4) | (1.5) | (1.5) | (1.6) | (6.0) | (8.4) |
| Loss on debt extinguishment | (0.2) | (3.3) | (0.6) | (0.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other income, net | 0.0 | 0.0 | 0.2 | 0.9 | 0.0 | 0.0 | 0.0 | 0.2 | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pretax income | 33.5 | 258.6 | 21.4 | (11.3) | 0.1 | 9.8 | 14.5 | 19.0 | 19.7 | 62.9 | 5.7 | 10.5 | 15.8 | 25.2 | 57.2 | 58.0 |
| Pretax margin | 13.0% | 48.2% | 7.2% | NM | 0.0% | 6.6% | 8.1% | 9.5% | 8.7% | 8.4% | 2.8% | 4.8% | 6.6% | 8.8% | 6.0% | 5.7% |
| Income (taxes) benefit | (13.1) | (82.6) | (7.9) | (8.2) | (1.5) | (2.8) | (4.0) | (5.1) | (6.9) | (18.8) | (2.8) | (4.0) | (5.1) | (8.1) | (20.0) | (20.3) |
| Effective tax rate | 39.1% | 31.9% | 36.8% | -72.1% | 1276.3% | 28.5% | 27.6% | 26.9% | 35.0% | 29.9% | 48.9% | 37.9% | 32.4% | 32.2% | 35.0% | 35.0% |
| Cash tax rate | 1.8% | 0.3% | 15.2% | -25.2% | 6552.5% | -2.0% | 22.7% | 2.5% | 3.8% | 6.8% | 18.8% | 10.2% | 6.8% | 4.3% | 7.5% | 7.0% |
| Net Income (Before Equity Investments) | 20.4 | 176.0 | 13.5 | (19.5) | (1.4) | 7.0 | 10.5 | 13.9 | 12.8 | 44.1 | 2.9 | 6.5 | 10.7 | 17.1 | 37.2 | 37.7 |
| Equity in net of noncon. affils. | 0.0 | (0.3) | (1.4) | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) | (0.1) | 0.2 | 0.0 | 0.0 |
| Reported Net income | 20.4 | 175.7 | 12.2 | (19.7) | (1.4) | 7.0 | 10.5 | 13.9 | 12.8 | 44.1 | 2.9 | 6.5 | 10.6 | 17.2 | 37.2 | 37.7 |
| Net margin | 26.8% | 9.4% | 18.1% | 15.1% | 17.6% | 9.5% | 10.0% | 11.7% | 13.2% | 11.3% | 7.1% | 8.8% | 10.3% | 12.2% | 9.9% | 9.7% |
| Accretion of Preferred | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minority Interest | | | | | 2.5 | 1.6 | 2.6 | 1.8 | 0.0 | 5.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net inc. to common pre-1-time | 20.4 | 175.7 | 12.2 | (19.7) | (3.9) | 5.4 | 7.9 | 12.1 | 12.8 | 38.2 | 2.9 | 6.5 | 10.6 | 17.2 | 37.2 | 37.7 |
| Net margin | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM |
| EPS - Basic, Continuing Operations | \$0.23 | \$1.95 | \$0.14 | (\$0.23) | (\$0.05) | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.45 | \$0.03 | \$0.07 | \$0.12 | \$0.20 | \$0.44 | \$0.45 |
| Extraordinary items/discontinued items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income to common | 20.4 | 175.7 | 12.2 | (19.7) | (3.9) | 5.4 | 7.9 | 12.1 | 12.8 | 38.2 | 2.9 | 6.5 | 10.6 | 17.2 | 37.2 | 37.7 |
| EPS - basic | \$0.23 | \$1.95 | \$0.14 | (\$0.23) | (\$0.05) | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.45 | \$0.03 | \$0.08 | \$0.12 | \$0.20 | \$0.44 | \$0.45 |
| EPS - diluted | \$0.22 | \$1.91 | \$0.13 | (\$0.23) | (\$0.05) | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.44 | \$0.03 | \$0.07 | \$0.12 | \$0.20 | \$0.42 | \$0.43 |
| EPS reported by company | \$0.22 | \$1.91 | \$0.13 | (\$0.23) | (\$0.05) | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.44 | \$0.03 | \$0.07 | \$0.12 | \$0.20 | \$0.42 | \$0.43 |
| Model variance: EPS | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$0.00) | (\$0.00) | | | | | | | | |
| Pro forma adjustments | 0.0 | 0.0 | 0.0 | 0.0 | 39.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro forma net income | 20.4 | 175.7 | 12.2 | (19.7) | 35.9 | 5.4 | 7.9 | 12.1 | 12.8 | 38.2 | 2.9 | 6.5 | 10.6 | 17.2 | 37.2 | 37.7 |
| Pro forma EPS - basic | \$0.23 | \$1.95 | \$0.14 | (\$0.23) | \$0.43 | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.45 | \$0.03 | \$0.08 | \$0.12 | \$0.20 | \$0.44 | \$0.45 |
| Pro forma EPS | \$0.22 | \$1.91 | \$0.13 | (\$0.23) | \$0.43 | \$0.06 | \$0.09 | \$0.14 | \$0.15 | \$0.44 | \$0.03 | \$0.07 | \$0.12 | \$0.20 | \$0.42 | \$0.43 |
| EPS shares - Basic | 89.3 | 90.3 | 89.1 | 85.1 | 84.2 | 85.0 | 85.2 | 85.4 | 85.1 | 85.1 | 85.1 | 84.9 | 84.8 | 84.6 | 84.8 | 84.3 |
| EPS shares - Diluted | 91.3 | 91.9 | 90.3 | 86.2 | 84.2 | 87.0 | 87.8 | 88.3 | 88.1 | 87.7 | 88.0 | 87.8 | 87.7 | 87.5 | 87.8 | 87.2 |
| Free Cash Flow: | | | | | | | | | | | | | | | | |
| EBITDA | 69.2 | 50.6 | 54.0 | 41.2 | 60.4 | 14.2 | 17.8 | 23.2 | 29.8 | 85.0 | 14.4 | 19.4 | 24.6 | 34.9 | 93.4 | 97.7 |
| Cash net interest | -14.4 | -12.7 | -10.6 | -9.4 | -5.9 | -1.4 | -1.6 | -1.5 | -2.1 | -6.7 | -1.4 | -1.5 | -1.5 | -1.6 | -6.0 | -8.4 |
| Other adjustments to cash | | 250.0 | 1.9 | 4.7 | 5.3 | 1.9 | 0.5 | 2.6 | | 5.1 | | | | | 0.0 | |
| - Cash taxes | -0.6 | -0.8 | -3.3 | -2.8 | -7.7 | 0.2 | -3.3 | -0.5 | -0.8 | -4.3 | -1.1 | -1.1 | -1.1 | -1.1 | -4.3 | -4.1 |
| Cash taxes / EBITDA | 1% | 2% | 6% | 7% | 13% | 0.0 | 18% | 2% | 3% | 5% | 7% | 6% | 4% | 3% | 5% | 4% |
| Minus: capex | -9.1 | -12.1 | -17.0 | -25.3 | -9.1 | -1.8 | -1.0 | -1.4 | -2.2 | -6.5 | -2.7 | -2.7 | -2.7 | -2.7 | -10.8 | -9.3 |
| Capex / D&A | 59% | 74% | 105% | 152% | 52% | 35% | 20% | 24% | 38% | 29% | 44% | 44% | 44% | 44% | 44% | 36% |
| Capex / EBITDA | 13% | 24% | 31% | 61% | 15% | 13% | 6% | 6% | 7% | 8% | 19% | 14% | 11% | 8% | 12% | 10% |
| Plus: cost of revenue for spectrum usage rights | | 12.1 | | | | | | | | | | | | | | |
| = Free Cash Flow | 45.2 | 287.1 | 25.0 | 8.3 | 43.0 | 13.0 | 12.4 | 22.4 | 24.8 | 72.6 | 9.2 | 14.1 | 19.3 | 29.6 | 72.3 | 75.9 |
| Free cash flow (reported by company) | 45.2 | 287.1 | 25.0 | 8.3 | 43.0 | 13.0 | 12.4 | 22.4 | 24.8 | 72.6 | 9.2 | 14.1 | 19.3 | 29.6 | 72.3 | 75.9 |
| Model variance: free cash flow | 0.0 | 0.0 | (0.0) | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free Cash Flow (core) | 45.2 | 37.6 | 25.0 | 8.3 | 43.0 | 13.0 | 12.4 | 22.4 | 24.8 | 72.6 | 9.2 | 14.1 | 19.3 | 29.6 | 72.3 | 75.9 |
| FCF per share (core) | \$0.50 | \$0.41 | \$0.28 | \$0.10 | \$0.51 | \$0.15 | \$0.14 | \$0.25 | \$0.28 | \$0.83 | \$0.10 | \$0.16 | \$0.22 | \$0.34 | \$0.82 | \$0.87 |
| Memo: FCF/Adjusted EBITDA (core) | 65.3% | 74.3% | 46.3% | 20.1% | 71.2% | 91.8% | 69.8% | 96.5% | 83.1% | 85.4% | 63.9% | 72.9% | 78.5% | 84.7% | 77.4% | 77.7% |
| Dividends per share | \$0.12 | \$0.16 | \$0.20 | \$0.20 | \$0.13 | \$0.02 | \$0.03 | \$0.03 | \$0.03 | \$0.10 | \$0.03 | \$0.03 | \$0.03 | \$0.03 | \$0.10 | \$0.10 |
| Dividends as % of FCF | 24% | 39% | 70% | 197% | 25% | 16% | 18% | 10% | 9% | 12% | 25% | 16% | 11% | 7% | 12% | 11% |
| - Dividends | (11.2) | (14.7) | (17.8) | (17.0) | (10.5) | (2.1) | (2.2) | (2.2) | (2.2) | (8.7) | (2.2) | (2.2) | (2.2) | (2.2) | (8.8) | (8.7) |

Source: Industry Capital Research estimates and company data

Figure 12: Financial Statement Forecasts Supporting Our Valuation (cont.)

| ANNUAL PERCENTAGE CHANGE | 2016A | 2017E | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| Net revenue growth | 1.7% | 107.4% | -44.4% | -8.1% | 25.8% | 131.7% | 295.5% | 216.0% | 31.4% | 118.5% | 36.0% | 23.0% | 19.7% | 27.2% | 26.0% | 6.6% |
| Net revenue (core) growth | 1.7% | 5.3% | 9.0% | -7.8% | 25.8% | 131.7% | 295.5% | 216.0% | 31.4% | 118.5% | 36.0% | 23.0% | 19.7% | 27.2% | 26.0% | 6.6% |
| TV revenue growth | 0.3% | -7.2% | 2.5% | -1.4% | 3.2% | -7.9% | 26.3% | -3.5% | -24.7% | -6.4% | -16.0% | -9.3% | -6.2% | -3.2% | -8.6% | -9.0% |
| Radio revenue growth | -0.4% | -11.8% | -4.5% | -13.9% | -15.9% | -3.5% | NM | 42.5% | -6.2% | 23.4% | 9.7% | 6.9% | -5.7% | 17.0% | 6.5% | -12.0% |
| Digital revenue growth | 22.5% | 146.7% | 41.8% | -14.9% | 108.0% | 661.2% | 1045.0% | 970.1% | 64.2% | 283.9% | 57.5% | 33.2% | 29.0% | 34.8% | 37.1% | 10.9% |
| Cost of revenue | 31.7% | NM | 36.7% | -18.5% | NM | NM | NM | NM | 68.7% | NM | 56.0% | 31.1% | 27.8% | 33.6% | 35.6% | 10.3% |
| Direct expense | 3.7% | -2.2% | 3.1% | 41.7% | -12.1% | -25.5% | -11.9% | -16.7% | -33.9% | -23.1% | -2.9% | -0.3% | -1.5% | -4.1% | -2.3% | -10.0% |
| SG&A | 5.9% | NM | NM | -21.1% | -10.3% | -28.8% | -9.2% | -1.1% | NM | NM | -0.4% | 4.0% | 6.9% | 34.9% | 30.2% | 7.0% |
| Opex | 5.9% | NM | NM | -4.8% | 23.8% | NM | NM | NM | 45.4% | NM | 44.5% | 28.0% | 23.2% | 28.6% | 30.2% | 7.0% |
| Opex (core) | 4.6% | 5.1% | 5.0% | -1.9% | -11.6% | 0.4% | 25.4% | 26.6% | 2.1% | 12.1% | 20.5% | 20.0% | 9.8% | 13.1% | 15.7% | -3.4% |
| TV opex | 3.7% | -2.2% | 3.1% | 0.1% | -4.2% | -8.6% | 10.0% | 6.2% | -6.0% | -0.3% | -2.9% | -0.3% | -1.5% | -4.1% | -2.3% | -10.0% |
| Radio opex | 5.5% | -3.2% | -6.2% | -4.5% | -26.3% | -16.9% | 8.2% | 0.8% | -9.9% | -5.4% | -0.4% | 4.0% | 6.9% | -1.1% | 2.3% | -7.0% |
| Digital opex | 7.0% | 107.8% | 41.8% | -2.6% | -5.0% | 58.1% | 95.3% | 145.0% | 27.9% | 68.8% | 82.0% | 66.2% | 29.2% | 45.7% | 53.9% | 4.9% |
| Total OCF (core) | -5.3% | -20.3% | 5.8% | -15.2% | 32.1% | 42.6% | NM | 49.5% | -14.1% | 40.7% | -8.7% | -4.3% | 1.1% | 19.4% | 3.3% | 4.0% |
| TV OCF | -3.2% | -12.6% | 1.7% | -3.3% | 12.8% | -7.1% | 57.7% | -13.3% | -39.7% | -13.0% | -32.1% | -21.3% | -11.9% | -2.1% | -16.6% | -7.5% |
| Radio OCF | -26.3% | -65.4% | 25.8% | NM | NM | NM | NM | NM | 2.3% | NM | 69.4% | 13.6% | -24.2% | 53.7% | 15.9% | -21.9% |
| Digital OCF | NM | -68.5% | NM | NM | NM | NM | NM | NM | 71.9% | NM | 34.5% | 14.5% | 45.3% | 34.5% | 32.0% | 27.8% |
| Corporate expense | 9.0% | 12.1% | 1.0% | 3.0% | 3.0% | 2.0% | 15.0% | -4.0% | -18.0% | 3.0% | -2.0% | -13.0% | 4.2% | 47.9% | 3.0% | 3.0% |
| Adjusted EBITDA (core) | -9.3% | -26.9% | 6.8% | -23.7% | 46.6% | 46.7% | NM | 41.7% | -8.7% | 40.6% | 1.7% | 9.0% | 6.1% | 17.2% | 9.9% | 4.6% |
| D & A | -4.0% | 7.0% | -0.8% | 2.3% | 3.8% | 14.9% | 31.0% | 50.0% | 18.9% | 27.6% | 17.7% | 20.2% | 3.4% | 3.4% | 10.6% | 7.6% |
| Operating income | -11.5% | NM | -88.5% | -36.9% | 88.3% | 81.4% | NM | 39.4% | -12.0% | 51.8% | -8.8% | 4.7% | 7.4% | 22.3% | 10.3% | -100.0% |
| Pretax income | -20.3% | NM | -91.7% | NM | NM | NM | NM | 49.0% | -28.6% | NM | -41.7% | -27.1% | -17.0% | 28.0% | -9.1% | 1.3% |
| Net income pre-extra. | -20.5% | NM | -93.1% | NM | NM | NM | NM | 34.5% | -37.1% | NM | -46.3% | -17.6% | -13.0% | 34.8% | -2.7% | 1.3% |
| EPS, Continuing Operations | -20.7% | NM | -92.8% | NM | NM | NM | NM | 27.3% | -37.5% | NM | -50.0% | -22.2% | -14.3% | 33.3% | -2.2% | 2.3% |
| EPS - diluted | -21.4% | NM | -93.0% | NM | NM | NM | NM | 29.3% | -38.6% | NM | -46.9% | -17.7% | -12.4% | 35.6% | -2.7% | 2.0% |
| FCF/share | NM | -18.0% | -31.7% | -64.3% | NM | NM | NM | NM | -15.2% | 62.7% | -33.3% | 14.3% | -12.0% | 21.4% | -1.2% | 6.1% |
| EPS shares - Diluted | 1.1% | 0.6% | -1.7% | -4.5% | -2.3% | 3.2% | 3.7% | 4.1% | 2.4% | 4.2% | 1.2% | 0.1% | -0.7% | -0.6% | 0.0% | -0.6% |

Source: Industry Capital Research estimates and company data

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

| Digital Segment | | | | | | | | | | | | | | |
|---|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| In millions, except unit data | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E | |
| Legacy | | | | | | | | | | | | | | |
| Revenue | \$68.9 | \$54.1 | \$13.0 | \$15.3 | \$17.4 | \$18.3 | \$64.0 | \$18.7 | \$20.3 | \$22.1 | \$27.2 | \$88.2 | \$92.6 | |
| Cost of Revenue | 36.8 | 7.4 | 8.7 | 9.9 | 10.5 | 36.5 | 10.6 | 11.5 | 12.6 | 15.6 | 16.6 | 50.3 | 52.8 | |
| Opex ex-cost of revenue | 32.3 | 24.5 | 5.9 | 5.6 | 6.5 | 6.4 | 24.4 | 8.7 | 9.1 | 8.7 | 10.5 | 36.9 | 36.3 | |
| OCF | (0.1) | (1.0) | (0.2) | 1.0 | 0.908 | 1.4 | 3.1 | (0.6) | (0.3) | 0.8 | 1.1 | 1.0 | 3.6 | |
| OCF Margin | -0.2% | -1.9% | -1.9% | 6.8% | 5.2% | 7.5% | 4.8% | -3.0% | -1.5% | 3.4% | 4.1% | 1.1% | 3.9% | |
| Acquisitions-Stand Alone | | | | | | | | | | | | | | |
| Cisneros revenue | 159.4 | 233.3 | 88.5 | 114.9 | 116.6 | 136.8 | 456.8 | 122.3 | 132.7 | 144.2 | 177.7 | 576.9 | 634.6 | |
| Cisneros cost of revenue | 136.2 | 201.7 | 77.6 | 100.4 | 104.7 | 120.0 | 402.6 | 107.3 | 115.9 | 129.4 | 155.9 | 508.5 | 555.4 | |
| Cisneros opex ex-cost of revenue | 13.2 | 17.4 | 4.6 | 6.3 | 5.0 | 6.8 | 22.8 | 8.2 | 8.2 | 5.4 | 9.1 | 30.9 | 33.2 | |
| Cisneros OCF | 9.9 | 14.2 | 6.3 | 8.3 | 6.920 | 9.9 | 31.4 | 6.8 | 8.6 | 9.4 | 12.7 | 37.5 | 46.0 | |
| OCF Margin | 6.2% | 6.1% | 7.1% | 7.2% | 5.9% | 7.2% | 6.9% | 5.6% | 6.5% | 6.5% | 7.1% | 6.5% | 7.2% | |
| MediaDonuts revenue | 0.0 | 28.5 | 8.0 | 9.5 | 12.1 | 17.2 | 47.2 | 14.6 | 15.8 | 17.2 | 21.2 | 68.8 | 80.5 | |
| MediaDonuts cost of revenue | 0.0 | 20.9 | 6.0 | 6.9 | 9.7 | 13.4 | 36.1 | 10.9 | 11.9 | 12.9 | 15.9 | 51.6 | 60.4 | |
| MediaDonuts opex ex-cost of revenue | 0.0 | 2.5 | 1.8 | 2.7 | 1.5 | 2.2 | 8.1 | 2.2 | 2.2 | 2.4 | 2.8 | 9.7 | 10.5 | |
| MediaDonuts OCF | 0.0 | 5.0 | 0.2 | 0.3 | 0.9 | 1.6 | 3.0 | 1.4 | 1.7 | 1.9 | 2.5 | 7.5 | 9.6 | |
| OCF Margin | | 17.7% | 3.0% | 3.1% | 7.5% | 9.1% | 6.4% | 9.6% | 10.9% | 10.9% | 11.8% | 10.9% | 11.9% | |
| 365 revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.2 | 4.6 | 5.0 | 6.2 | 20.0 | 28.0 | |
| 365 cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.4 | 3.7 | 4.0 | 4.9 | 16.0 | 22.4 | |
| 365 opex ex-cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.5 | 0.5 | 0.4 | 2.0 | 3.4 | |
| 365 OCF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.2 | 0.5 | 0.5 | 0.8 | 2.0 | 2.2 | |
| 365 OCF Margin | | 10.0% | 16.9% | 16.9% | 44.2% | -5.0% | 18.6% | 5.0% | 10.0% | 10.0% | 13.4% | 10.0% | 7.8% | |
| Acquisitions-PF Adjustments | | | | | | | | | | | | | | |
| Cisneros revenue | | | | | | | | | | | | | | |
| Cisneros cost of revenue | | | | | | | | | | | | | | |
| Cisneros opex ex-cost of revenue | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | | | | | | | |
| Cisneros OCF | | | (0.1) | (0.1) | (0.1) | (0.1) | (0.5) | | | | | | | |
| MediaDonuts revenue | | | | | | | | | | | | | | |
| MediaDonuts cost of revenue | | | | | | | | | | | | | | |
| MediaDonuts opex ex-cost of revenue | | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | | | | | | | |
| MediaDonuts OCF | | (1.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.1) | | | | | | | |
| 365 revenue | | | | | | | | | | | | | | |
| 365 cost of revenue | | | | | | | | | | | | | | |
| 365 opex ex-cost of revenue | | | | | | | | | | | | | | |
| 365 OCF | | | | | | | | | | | | | | |
| Acquisitions-Pro Forma | | | | | | | | | | | | | | |
| Cisneros revenue | 159.4 | 233.3 | 88.5 | 114.9 | 116.6 | 136.8 | 456.8 | 122.3 | 132.7 | 144.2 | 177.7 | 576.9 | 634.6 | |
| Cisneros cost of revenue | 136.2 | 201.7 | 77.6 | 100.4 | 104.7 | 120.0 | 402.6 | 107.3 | 115.9 | 129.4 | 155.9 | 508.5 | 555.4 | |
| Cisneros opex ex-cost of revenue | 13.2 | 17.4 | 4.8 | 6.4 | 5.2 | 7.0 | 23.3 | 8.2 | 8.2 | 5.4 | 9.1 | 30.9 | 33.2 | |
| Cisneros OCF | 9.9 | 14.2 | 6.1 | 8.1 | 6.799 | 9.8 | 30.8 | 6.8 | 8.6 | 9.4 | 12.7 | 37.5 | 46.0 | |
| OCF Margin | 6.2% | 6.1% | 6.9% | 7.1% | 5.8% | 7.2% | 6.8% | 5.6% | 6.5% | 6.5% | 7.1% | 6.5% | 7.2% | |
| MediaDonuts revenue | 0.0 | 28.5 | 8.0 | 9.5 | 12.1 | 17.2 | 47.2 | 14.6 | 15.8 | 17.2 | 21.2 | 68.8 | 80.5 | |
| MediaDonuts cost of revenue | 0.0 | 20.9 | 6.0 | 6.9 | 9.7 | 13.4 | 36.1 | 10.9 | 11.9 | 12.9 | 15.9 | 51.6 | 60.4 | |
| MediaDonuts opex ex-cost of revenue | 0.0 | 3.5 | 1.8 | 2.7 | 1.5 | 2.2 | 8.2 | 2.2 | 2.2 | 2.4 | 2.8 | 9.7 | 10.5 | |
| MediaDonuts OCF | 0.0 | 4.0 | 0.2 | 0.3 | 0.9 | 1.6 | 3.0 | 1.4 | 1.7 | 1.9 | 2.5 | 7.5 | 9.6 | |
| OCF Margin | | | | | | | | | | | | | | |
| 365 revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.2 | 4.6 | 5.0 | 6.2 | 20.0 | 28.0 | |
| 365 cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.4 | 3.7 | 4.0 | 4.9 | 16.0 | 22.4 | |
| 365 opex ex-cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.5 | 0.5 | 0.4 | 2.0 | 3.4 | |
| 365 OCF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.2 | 0.5 | 0.5 | 0.8 | 2.0 | 2.2 | |
| 365 OCF Margin | | | | | | | | | | | | | | |
| Acquisitions-Adjustments to Reported | | | | | | | | | | | | | | |
| Cisneros revenue | (159.4) | (144.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Cisneros cost of revenue | (136.2) | (125.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Cisneros opex ex-cost of revenue | (13.2) | (11.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Cisneros OCF pre-minority interest | (9.9) | (7.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| MediaDonuts revenue | 0.0 | (28.5) | -8.0 | -9.9 | 0.0 | 0.0 | (17.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| MediaDonuts cost of revenue | 0.0 | (20.9) | -6.0 | -6.9 | 0.0 | 0.0 | (12.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| MediaDonuts opex ex-cost of revenue | 0.0 | (3.5) | -1.8 | -2.7 | 0.0 | 0.0 | (4.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| MediaDonuts OCF pre-minority interest | 0.0 | (4.0) | -0.2 | -0.3 | 0.0 | 0.0 | (0.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Memo: MediaDonuts minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 365 revenue | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 365 cost of revenue | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 365 opex ex-cost of revenue | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 365 OCF pre-minority interest | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Memo: 365 minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Acquisitions-As Reported | | | | | | | | | | | | | | |
| Cisneros revenue | 0.0 | 89.2 | 88.5 | 114.9 | 116.6 | 136.8 | 456.8 | 122.3 | 132.7 | 144.2 | 177.7 | 576.9 | 634.6 | |
| Cisneros cost of revenue | 0.0 | 76.3 | 77.6 | 100.4 | 104.7 | 120.0 | 402.6 | 107.3 | 115.9 | 129.4 | 155.9 | 508.5 | 555.4 | |
| Cisneros opex | 0.0 | 6.1 | 4.8 | 6.4 | 5.2 | 7.0 | 23.3 | 8.2 | 8.2 | 5.4 | 9.1 | 30.9 | 33.2 | |
| Cisneros OCF | 0.0 | 6.8 | 6.1 | 8.1 | 6.8 | 9.8 | 30.8 | 6.8 | 8.6 | 9.4 | 12.7 | 37.5 | 46.0 | |
| MediaDonuts revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.4 | 3.7 | 4.0 | 4.9 | 16.0 | 22.4 | |
| MediaDonuts cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.5 | 0.5 | 0.4 | 2.0 | 3.4 | |
| MediaDonuts opex | 0.0 | 0.0 | 0.0 | 0.0 | 1.5 | 2.2 | 3.7 | 2.2 | 2.2 | 2.4 | 2.8 | 9.7 | 10.5 | |
| MediaDonuts OCF | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 | 1.6 | 2.4 | 1.4 | 1.7 | 1.9 | 2.5 | 7.5 | 9.6 | |
| 365 revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.2 | 4.6 | 5.0 | 6.2 | 20.0 | 28.0 | |
| 365 cost of revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.4 | 3.7 | 4.0 | 4.9 | 16.0 | 22.4 | |
| 365 opex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.5 | 0.5 | 0.4 | 2.0 | 3.4 | |
| 365 OCF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.5 | 0.5 | 0.8 | 2.0 | 2.2 | |
| Digital segment standalone | | | | | | | | | | | | | | |
| Digital revenue | 228.3 | 315.9 | 109.5 | 140.1 | 146.1 | 172.3 | 568.0 | 159.8 | 173.4 | 188.5 | 232.2 | 754.0 | 835.8 | |
| Digital cost of revenue | 173.0 | 253.2 | 91.0 | 116.0 | 124.3 | 143.9 | 475.2 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 | |
| Digital opex ex-cost of revenue | 45.5 | 44.4 | 12.3 | 14.5 | 13.1 | 15.5 | 55.3 | 19.8 | 20.0 | 17.0 | 22.8 | 79.6 | 83.4 | |
| Digital OCF | 9.8 | 18.3 | 6.3 | 9.6 | 8.7 | 12.9 | 37.5 | 7.9 | 10.5 | 12.5 | 17.1 | 48.0 | 61.4 | |
| Digital segment pro forma | | | | | | | | | | | | | | |
| Digital revenue | 228.3 | 315.9 | 109.5 | 140.1 | 146.1 | 172.3 | 568.0 | 159.8 | 173.4 | 188.5 | 232.2 | 754.0 | 835.8 | |
| Digital cost of revenue | 173.0 | 253.2 | 91.0 | 116.0 | 124.3 | 143.9 | 475.2 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 | |
| Digital opex ex-cost of revenue | 45.5 | 45.4 | 12.4 | 14.7 | 13.2 | 15.6 | 55.9 | 19.8 | 20.0 | 17.0 | 22.8 | 79.6 | 83.4 | |
| Digital OCF | 9.8 | 17.3 | 6.1 | 9.5 | 8.6 | 12.7 | 36.9 | 7.9 | 10.5 | 12.5 | 17.1 | 48.0 | 61.4 | |
| Digital segment as reported | | | | | | | | | | | | | | |
| Digital revenue | 68.9 | 143.3 | 101.5 | 130.2 | 146.1 | 172.3 | 550.1 | 159.8 | 173.4 | 188.5 | 232.2 | 754.0 | 835.8 | |
| Digital cost of revenue | 36.8 | 106.9 | 85.0 | 109.0 | 124.3 | 143.9 | 462.3 | 132.2 | 142.9 | 159.0 | 192.3 | 626.4 | 691.0 | |
| Digital opex | 32.3 | 30.6 | 10.6 | 12.0 | | | | | | | | | | |

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

| Metrics | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
|--|--------|--------|--------|---------|---------|---------|---------|--------|---------|--------|--------|--------|--------|
| Legacy growth | | | | | | | | | | | | | |
| Reported digital revenue growth | | 108% | 661% | 1045% | 970% | 64% | 284% | 58% | 33% | 29% | 35% | 37% | 11% |
| Legacy digital revenue growth | -14.9% | -21.4% | -2.6% | 34.5% | 27.4% | 16.2% | 18.2% | 44.1% | 32.7% | 26.8% | 48.3% | 37.9% | 5.0% |
| 2-yr CAGR | -18.2% | -5.3% | -4.6% | -0.6% | -4.3% | -3.6% | 18.5% | 33.6% | 27.1% | 31.3% | 27.7% | 20.3% | |
| Legacy digital opex growth | | -24.1% | -14.4% | -9.2% | 21.5% | 5.6% | -0.2% | 47.6% | 62.8% | 32.9% | 62.7% | 51.1% | -1.9% |
| Legacy digital OCF | | 822.5% | -71.9% | -184.0% | 95.7% | 118.4% | -403.0% | 126.7% | -130.0% | -17.4% | -18.8% | -67.5% | 258.7% |
| Cisneros growth | | | | | | | | | | | | | |
| Cisneros revenue growth | | 46.4% | 120.0% | 173.4% | 118.9% | 39.9% | 95.8% | 38.2% | 15.5% | 23.7% | 29.9% | 26.3% | 10.0% |
| 2-yr CAGR | | 69.8% | 73.6% | 67.3% | 67.3% | 69.3% | 74.4% | 77.7% | 64.5% | 34.8% | 57.3% | 17.9% | |
| Cisneros opex ex-COR growth | | 31.5% | 44.3% | 88.2% | 22.7% | 1.8% | 31.2% | 77.2% | 30.3% | 7.5% | 33.3% | 35.6% | 7.5% |
| Cisneros OCF | | 43% | 266% | 314% | 122% | 34% | 120% | 9% | 4% | 35% | 28% | 20% | 23% |
| MediaDonuts growth | | | | | | | | | | | | | |
| MediaDonuts revenue growth y/y | | | 154.3% | 140.0% | 53.5% | 29.2% | 65.8% | 82.3% | 60.0% | 42.2% | 23.3% | 45.8% | 17.0% |
| 2-yr CAGR | | | | | | | | 115.3% | 95.9% | 47.7% | 26.2% | 55.5% | 30.6% |
| MediaDonuts opex ex-COR growth y/y | | | 106.5% | 215.0% | 757.3% | 248.6% | 223.9% | 27.8% | -16.1% | 64.5% | 26.4% | 19.7% | 8.5% |
| MediaDonuts cost of revenue growth y/y | | | 143% | 155% | 54% | 43% | 72% | 82% | 71% | 33% | 19% | 43% | 17% |
| MediaDonuts OCF growth y/y | | | -240% | -45% | -34% | -52% | -40% | 478% | 458% | 107% | 59% | 148% | 28% |
| 365 growth | | | | | | | | | | | | | |
| 365 revenue growth y/y | | | | | | | | | | | | | 40.1% |
| 365 opex ex-COR growth y/y | | | | | | | | | | | | | 71.5% |
| 365 cost of revenue growth y/y | | | | | | | | | | | | | 40% |
| 365 OCF growth y/y | | | | | | | | | | | | | 9% |
| Digital segment pro forma growth | | | | | | | | | | | | | |
| Digital revenue | | 38% | 93% | 144% | 95% | 36% | 80% | 46% | 24% | 29% | 35% | 33% | 11% |
| Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20 | | | 83% | | | | | | | | | | |
| Digital cost of revenue | | 46% | 102% | 153% | 107% | 41% | 88% | 45% | 23% | 28% | 34% | 32% | 10% |
| Digital opex ex-cost of revenue | | 0% | 14% | 42% | 30% | 12% | 23% | 59% | 36% | 29% | 46% | 42% | 5% |
| Digital OCF | | 76% | 831% | 613% | 93% | 17% | 114% | 29% | 11% | 45% | 34% | 30% | 28% |
| Legacy margins | | | | | | | | | | | | | |
| Legacy cost of revenue/revenue | 53.3% | 56.6% | 56.6% | 56.7% | 57.2% | 57.4% | 57.0% | 56.6% | 56.7% | 57.2% | 57.4% | 57.0% | 57.0% |
| Legacy COR margin ^ y/y | | 3.3% | 1.5% | 0.0% | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Legacy opex ex-COR/revenue | 46.8% | 45.3% | 45.3% | 36.6% | 37.6% | 35.1% | 38.2% | 46.4% | 44.8% | 39.4% | 38.5% | 41.9% | 39.1% |
| Legacy OCF margin | -0.2% | -1.9% | -1.9% | 6.8% | 5.2% | 7.5% | 4.8% | -3.0% | -1.5% | 3.4% | 4.1% | 1.1% | 3.9% |
| Legacy OCF margin ^ y/y | | -1.7% | 4.7% | 17.6% | 1.8% | 3.5% | 6.7% | -1.1% | -8.3% | -1.8% | -3.4% | -3.7% | 2.7% |
| Cisneros margins | | | | | | | | | | | | | |
| Cisneros cost of revenue/revenue | 85.5% | 86.4% | 87.7% | 87.3% | 89.7% | 87.7% | 88.1% | 87.7% | 87.3% | 89.7% | 87.7% | 88.1% | 87.5% |
| Cisneros COR margin ^ y/y | | 1.0% | -0.1% | 0.0% | 3.3% | 2.2% | 1.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -0.6% |
| Cisneros OCF margin ^ y/y | | -0.1% | 2.8% | 2.4% | 0.1% | -0.3% | 0.8% | -1.5% | -0.7% | 0.6% | -0.1% | -0.4% | 0.7% |
| Cisneros EBITDA margin ^ y/y | | -0.1% | 2.8% | 2.4% | 0.1% | -0.3% | 0.8% | -1.5% | -0.7% | 0.6% | -0.1% | -0.4% | 0.7% |
| MediaDonuts margins | | | | | | | | | | | | | |
| MediaDonuts cost of revenue/revenue | | 73.5% | 75.0% | 70.0% | 80.3% | 78.0% | 76.4% | 75.0% | 75.0% | 75.0% | 75.0% | 75.0% | 75.0% |
| MediaDonuts COR margin ^ y/y | | | -3.5% | 4.1% | 0.0% | 7.4% | 2.9% | 0.0% | 5.0% | -5.3% | -3.0% | -1.4% | 0.0% |
| MediaDonuts OCF margin ^ y/y | | | 8.5% | -10.5% | -10.0% | -15.5% | -11.3% | 6.6% | 7.8% | 3.4% | 2.7% | 4.5% | 1.0% |
| MediaDonuts EBITDA margin ^ y/y | | | 8.5% | -10.5% | -10.0% | -15.5% | -11.3% | 6.6% | 7.8% | 3.4% | 2.7% | 4.5% | 1.0% |
| 365 margins | | | | | | | | | | | | | |
| 365 cost of revenue/revenue | | 80.0% | 75.0% | 70.0% | 0.0% | 78.0% | 59.1% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% |
| 365 COR margin ^ y/y | | | -5.0% | -10.0% | -80.0% | -2.0% | -20.9% | 5.0% | 10.0% | 80.0% | 2.0% | 20.9% | 0.0% |
| 365 OCF margin ^ y/y | | | 6.9% | 6.9% | 34.2% | -15.0% | 8.6% | -11.9% | -6.9% | -34.2% | 18.4% | -8.6% | -2.2% |
| Digital Segment margins | | | | | | | | | | | | | |
| Digital Segment cost of revenue/revenue | | 74.6% | 83.7% | 83.7% | 85.1% | 83.5% | 84.0% | 82.7% | 82.4% | 84.3% | 82.8% | 83.1% | 82.7% |
| MediaDonuts COR margin ^ y/y | | | 28.6% | 27.0% | 27.9% | 2.2% | 9.4% | -1.0% | -1.3% | -0.8% | -0.7% | -0.9% | -0.4% |
| MediaDonuts OCF margin ^ y/y | | | -83.7% | -97.9% | -152.9% | -363.3% | -697.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| MediaDonuts EBITDA margin ^ y/y | | | -83.7% | -97.9% | -152.9% | -363.3% | -697.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Digital Segment reported revenue mix: | | | | | | | | | | | | | |
| Digital as % of company revenue | 25% | 42% | 68% | 73% | 73% | 76% | 73% | 79% | 79% | 79% | 81% | 80% | 83% |
| Cisneros Interactive as % of digital segment revenue | | 62% | 87% | 88% | 80% | 79% | 83% | 77% | 77% | 77% | 77% | 77% | 76% |
| MediaDonuts as % of digital segment revenue | | 0% | 0% | 0% | 8% | 10% | 5% | 9% | 9% | 9% | 9% | 9% | 10% |
| Legacy digital as % of digital segment revenue | | 38% | 13% | 12% | 12% | 11% | 12% | 12% | 12% | 12% | 12% | 12% | 11% |
| 365 as % of digital segment revenue | | 0% | 0% | 0% | 0% | 0% | 0% | 3% | 3% | 3% | 3% | 3% | 3% |
| Digital Segment reported OCF mix: | | | | | | | | | | | | | |
| Cisneros Interactive as % of digital segment OCF | | 118% | 104% | 89% | 79% | 77% | 85% | 87% | 82% | 75% | 74% | 78% | 75% |
| MediaDonuts as % of digital segment OCF | | 0% | 0% | 0% | 10% | 12% | 7% | 18% | 16% | 15% | 15% | 16% | 16% |
| Legacy digital as % of digital segment OCF | | -18% | -4% | 11% | 11% | 11% | 8% | -7% | -3% | 6% | 7% | 2% | 6% |
| 365 as % of digital segment OCF | | 0% | 0% | 0% | 0% | 0% | 0% | 3% | 4% | 4% | 5% | 4% | 4% |
| Minority interest | | 2.5 | 1.6 | 2.6 | 1.8 | 0.0 | 5.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Industry Capital Research estimates and company data

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

| In millions | 2016A | 2017A | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
|---|---------|---------|---------|---------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|---------|
| TELEVISION SEGMENT | | | | | | | | | | | | | | | | |
| Television PF Rev Growth | 0.3% | -7.2% | 2.5% | -1.4% | 3.7% | -7.9% | 26.3% | -3.5% | -25.9% | -6.9% | -16.0% | -9.3% | -6.2% | -3.2% | -8.6% | -9.0% |
| Reported TV revenue | \$159.5 | \$148.1 | \$151.7 | \$149.7 | \$154.5 | \$36.1 | \$34.1 | \$36.5 | \$38.0 | \$144.6 | \$30.3 | \$30.9 | \$34.2 | \$36.8 | \$132.2 | \$120.3 |
| Growth | 7.4% | -7.2% | 2.5% | -1.4% | 3.2% | -7.9% | 26.3% | -3.5% | -24.7% | -6.4% | -16.0% | -9.3% | -6.2% | -3.2% | -8.6% | -9.0% |
| TV non-recurring items: | | | | | | | | | | | | | | | | |
| TV Political/Census | 8.6 | 0.2 | 9.8 | 0.2 | 22.6 | 0.0 | 0.0 | 0.4 | 1.3 | 1.7 | 0.4 | 0.8 | 1.3 | 6.2 | 8.6 | 0.2 |
| Assm: % Incremental to Core | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental political | 8.6 | 0.2 | 9.8 | 0.2 | 22.6 | 0.0 | 0.0 | 0.4 | 1.3 | 1.7 | 0.4 | 0.8 | 1.3 | 6.2 | 8.6 | 0.2 |
| TV revenue ex political | 151.0 | 147.9 | 141.9 | 149.4 | 131.9 | 36.1 | 34.1 | 36.1 | 36.7 | 142.9 | 29.9 | 30.1 | 32.9 | 30.6 | 123.6 | 120.1 |
| Growth ex Political | 1.8% | -2.0% | -4.0% | 5.3% | -11.7% | 6.4% | 32.5% | 9.6% | -6.9% | 8.3% | -17.0% | -11.7% | -8.8% | -16.5% | -13.5% | -2.8% |
| Retransmission Consent | 29.6 | 31.4 | 35.1 | 35.4 | 36.8 | 9.6 | 9.3 | 9.1 | 8.9 | 37.0 | 9.1 | 8.8 | 8.7 | 8.5 | 35.2 | 33.4 |
| Assm: % Incremental to Core | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental Retrans | 29.6 | 31.4 | 35.1 | 35.4 | 36.8 | 9.6 | 9.3 | 9.1 | 8.9 | 37.0 | 9.1 | 8.8 | 8.7 | 8.5 | 35.2 | 33.4 |
| TV revenue ex Retrans | 130.0 | 116.6 | 116.7 | 114.3 | 117.7 | 26.5 | 24.8 | 27.3 | 29.1 | 107.7 | 21.2 | 22.1 | 25.5 | 28.3 | 97.0 | 86.9 |
| Growth ex Retrans | 7.6% | -10.2% | 0.0% | -2.0% | 3.0% | -10.7% | 40.6% | -4.8% | -30.3% | -8.5% | -20.1% | -10.9% | -6.6% | -2.7% | -9.9% | -10.5% |
| TV World Cup/Other Soccer | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 1.5 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Assm: % Incremental to Core | 25.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental World Cup | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 1.5 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TV revenue ex WC | 159.1 | 148.1 | 151.7 | 149.7 | 154.5 | 36.1 | 33.6 | 35.0 | 38.0 | 142.6 | 30.3 | 30.9 | 34.2 | 36.8 | 132.2 | 120.3 |
| Growth ex WC | 7.1% | -7.0% | 2.5% | -1.4% | 3.2% | -7.9% | 24.5% | -7.5% | -24.7% | -7.7% | -16.0% | -7.9% | -2.1% | -3.2% | -7.3% | -9.0% |
| TV Acquisitions/Dispositions (inc. Affiliations) | | (6.4) | (10.9) | (10.6) | (9.4) | (2.1) | (1.6) | (2.8) | (1.9) | (8.3) | (6.6) | (6.2) | (7.6) | (6.3) | (26.7) | (26.4) |
| Assm: % Incremental to Core | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental M&A | 0.0 | (6.4) | (10.9) | (10.6) | (9.4) | (2.1) | (1.6) | (2.8) | (1.9) | (8.3) | (6.6) | (6.2) | (7.6) | (6.3) | (26.7) | (26.4) |
| TV revenue ex M&A | 159.5 | 154.5 | 162.6 | 160.3 | 163.9 | 38.2 | 35.6 | 39.2 | 39.9 | 152.9 | 36.9 | 37.1 | 41.8 | 43.1 | 158.9 | 146.7 |
| Growth ex M&A | 7.4% | -3.2% | 5.3% | -1.5% | 2.3% | -7.4% | 24.9% | -2.8% | -25.8% | -6.7% | -3.3% | 4.0% | 6.6% | 8.0% | 3.9% | -7.7% |
| Spectrum usage/auction | 1.5 | 0.0 | 3.6 | 13.1 | 5.4 | 2.8 | 1.1 | 1.1 | 1.1 | 6.2 | 1.3 | 1.3 | 1.3 | 1.3 | 5.0 | 5.0 |
| Assm: % Incremental to Core | 25.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental Spectrum Usage | 0.4 | 0.0 | 3.6 | 13.1 | 5.4 | 2.8 | 1.1 | 1.1 | 1.1 | 6.2 | 1.3 | 1.3 | 1.3 | 1.3 | 5.0 | 5.0 |
| TV revenue ex Spectrum Usage | 159.1 | 148.1 | 148.2 | 136.6 | 149.0 | 33.2 | 33.0 | 35.3 | 36.9 | 138.5 | 29.1 | 29.7 | 33.0 | 35.6 | 127.2 | 115.3 |
| Growth ex Spectrum Usage | 7.1% | -7.0% | 0.1% | -7.8% | 9.1% | -12.1% | 28.7% | -3.0% | -24.9% | -7.1% | -12.6% | -10.0% | -6.8% | -3.7% | -8.1% | -9.4% |
| PF TV revenue ex-all non-recurring | 120.7 | 122.9 | 114.2 | 111.6 | 99.2 | 25.7 | 24.7 | 27.1 | 28.5 | 106.1 | 26.2 | 26.2 | 30.6 | 27.2 | 110.1 | 108.1 |
| PF TV revenue growth ex all non-recurring | 1.5% | 1.8% | -7.1% | -2.3% | -11.2% | 2.8% | 49.3% | 8.4% | -12.4% | 7.0% | 1.8% | 5.7% | 12.9% | -4.7% | 3.8% | -1.8% |
| TV rev grth ex all non-rec 2-yr CAGR | 1.7% | -2.7% | -4.7% | -6.8% | -1.6% | -5.4% | -1.3% | -1.9% | -2.5% | 2.3% | 25.6% | 10.6% | -8.6% | 5.4% | 0.9% | 0.9% |
| PF TV advertising growth ex-political | -3.8% | -11.3% | -2.2% | -11.2% | 2.8% | 57.8% | 15.1% | -9.0% | 11.2% | -17.3% | -15.5% | -11.1% | -21.6% | -16.4% | -2.0% | -2.0% |
| TV ad rev grth ex political 2-yr CAGR | -1.9% | -7.6% | -6.9% | -6.8% | -1.6% | -2.7% | 1.7% | 0.0% | -0.6% | -7.8% | 15.4% | 1.2% | -15.5% | -3.6% | -9.5% | -9.5% |
| PF TV revenue growth ex-political | -2.0% | -4.0% | 5.3% | -11.7% | 6.4% | 32.5% | 9.6% | -6.9% | 8.3% | -17.0% | -11.7% | -8.8% | -16.5% | -13.5% | -2.8% | -2.8% |
| TV rev grth ex political 2-yr CAGR | -0.1% | -3.0% | 0.5% | -3.6% | -2.9% | -5.4% | -0.5% | 0.0% | -2.2% | -6.0% | 8.2% | 0.0% | -11.8% | -3.2% | -8.3% | -8.3% |
| PF TV advertising growth | -10.0% | -3.0% | -10.5% | 10.9% | -16.4% | 45.6% | -4.1% | -30.7% | -9.6% | -15.8% | -12.1% | -7.4% | -3.4% | -9.3% | -11.1% | -11.1% |

Source: Industry Capital Research estimates and company data

Figure 16: Financial Statement Forecasts Supporting Our Valuation (cont.)

| In millions | | | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| RADIO SEGMENT | 2016A | 2017A | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
| Radio PF Rev Growth | -0.4% | -11.8% | -4.5% | -13.9% | -15.9% | -3.5% | 108.2% | 42.5% | -6.2% | 23.4% | 9.7% | 6.9% | -5.7% | 17.0% | 6.5% | -12.0% |
| Pro forma radio: | | | | | | | | | | | | | | | | |
| Revenue | \$75.8 | \$66.9 | \$63.9 | \$55.0 | \$46.3 | \$11.3 | \$14.1 | \$16.4 | \$15.2 | \$57.1 | \$12.4 | \$15.1 | \$15.5 | \$17.8 | \$60.8 | \$53.5 |
| Growth | -0.4% | -11.8% | -4.5% | -13.9% | -15.9% | -3.5% | 108.2% | 42.5% | -6.2% | 23.4% | 9.7% | 6.9% | -5.7% | 17.0% | 6.5% | -12.0% |
| Radio non-recurring items: | | | | | | | | | | | | | | | | |
| Political/Census | 2.1 | 0.1 | 2.2 | 0.1 | 5.9 | 0.0 | 0.0 | 0.6 | 0.0 | 0.6 | 0.1 | 0.2 | 0.3 | 1.9 | 2.6 | 0.1 |
| Assm: % Incremental to Core | 50.0% | 50.0% | 50.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental Political | 2.1 | 0.1 | 1.1 | 0.1 | 5.9 | 0.0 | 0.0 | 0.6 | 0.0 | 0.6 | 0.1 | 0.2 | 0.3 | 1.9 | 2.6 | 0.1 |
| Radio revenue ex political | 73.8 | 66.9 | 62.8 | 54.9 | 40.4 | 11.3 | 14.1 | 15.9 | 15.2 | 56.5 | 12.3 | 14.9 | 15.2 | 15.9 | 58.2 | 53.4 |
| Growth ex Political | -2.7% | -9.3% | -6.0% | -12.6% | -26.4% | 5.5% | 128.5% | 54.2% | 15.1% | 39.8% | 8.6% | 5.6% | -4.5% | 4.3% | 3.0% | -8.2% |
| NTR | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Assm: % Incremental to Core | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental NTR | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Radio revenue ex NTR | 35.1 | 36.2 | 36.2 | 38.4 | 39.5 | 11.3 | 14.1 | 16.4 | 15.2 | 39.5 | 12.4 | 15.1 | 15.5 | 17.8 | 39.5 | 39.5 |
| Growth ex NTR | 3.0% | 3.0% | 0.0% | 6.1% | 3.0% | -3.5% | 108.2% | 42.5% | -6.2% | 0.0% | 9.7% | 6.9% | -5.7% | 17.0% | 0.0% | 0.0% |
| World Cup/Other Soccer | | | 1.9 | | | | | | | 0.0 | | 1.3 | 1.3 | | 2.5 | |
| Assm: % Incremental to Core | 66.7% | 66.7% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental World Cup | | | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 | 1.3 | 0.0 | 2.5 | 0.0 |
| Radio revenue ex WC | 75.8 | 66.9 | 63.9 | 55.0 | 46.3 | 11.3 | 14.1 | 16.4 | 15.2 | 57.1 | 12.4 | 13.9 | 14.3 | 17.8 | 58.3 | 53.5 |
| Growth ex WC | | -11.8% | -4.5% | -13.9% | -15.9% | -3.5% | 108.2% | 42.5% | -6.2% | 23.4% | 9.7% | -2.0% | -13.3% | 17.0% | 2.1% | -8.2% |
| Revenue | 73.8 | 66.9 | 61.8 | 54.9 | 40.4 | 11.3 | 14.1 | 15.9 | 15.2 | 56.5 | 12.3 | 13.6 | 13.9 | 15.9 | 55.7 | 53.4 |
| Radio revenue growth ex all non-recurring | -2.4% | -9.3% | -7.5% | -11.2% | -26.4% | 5.5% | 128.5% | 54.2% | 15.1% | 39.8% | 8.6% | -3.3% | -12.3% | 4.3% | -1.4% | -4.1% |
| Radio rev grth ex all non-rec 2-yr CAGR | | -5.9% | -8.4% | -9.4% | -19.2% | -2.7% | -0.9% | 3.7% | 4.8% | 1.4% | 7.0% | 48.7% | 16.3% | 9.6% | 17.4% | -2.8% |

Source: Company reports; Industry Capital Research estimates

Figure 17: Financial Statement Forecasts Supporting Our Valuation (cont.)

| In millions | | | | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|---------|
| OPERATING EXPENSE | 2016A | 2017A | 2018A | 2019A | 2020A | 1Q21A | 2Q21A | 3Q21A | 4Q21E | 2021E | 1Q22E | 2Q22E | 3Q22E | 4Q22E | 2022E | 2023E |
| Television PF Opex Growth | | | | 0.1% | -4.2% | -8.6% | 10.0% | 6.2% | -6.0% | -0.3% | -2.9% | -0.3% | -1.5% | -4.1% | -2.3% | -10.0% |
| Radio PF Opex Growth | | | | -4.5% | -26.3% | -16.9% | 8.2% | 0.8% | -9.9% | -5.4% | -0.4% | 4.0% | 6.9% | -1.1% | 2.3% | -7.0% |
| Pro forma consolidated: | | | | | | | | | | | | | | | | |
| Opex ex-cost of revenue | \$160.2 | \$168.4 | \$176.8 | \$173.4 | \$153.3 | \$40.4 | \$41.4 | \$43.1 | \$46.9 | \$171.9 | \$48.7 | \$49.7 | \$47.3 | \$53.1 | \$198.8 | \$192.0 |
| Growth | 4.6% | 5.1% | 5.0% | -1.9% | -11.6% | 0.4% | 25.4% | 26.6% | 2.1% | 12.1% | 20.5% | 20.0% | 9.8% | 13.1% | 15.7% | -3.4% |
| Non-recurring opex items: | | | | | | | | | | | | | | | | |
| M&A (Cisneros, MediaDonuts, 365 acquisitions) | 0.0 | 0.0 | 0.0 | 0.0 | 5.7 | 4.8 | 6.4 | 6.6 | 9.2 | 27.0 | 11.1 | 10.9 | 8.3 | 12.3 | 42.6 | 47.2 |
| Assm: % Incremental | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental Cisneros | 0.0 | 0.0 | 0.0 | 0.0 | 5.7 | 4.8 | 6.4 | 6.6 | 9.2 | 27.0 | 11.1 | 10.9 | 8.3 | 12.3 | 42.6 | 47.2 |
| Opex ex Cisneros adjustment | 160.2 | 168.4 | 176.8 | 173.4 | 147.6 | 35.7 | 35.0 | 36.5 | 37.7 | 144.8 | 37.6 | 38.9 | 39.0 | 40.7 | 156.2 | 144.8 |
| Growth ex Cisneros | 4.6% | 5.1% | 5.0% | -1.9% | -14.9% | -11.5% | 6.0% | 7.1% | -6.4% | -1.9% | 5.5% | 11.0% | 6.9% | 8.1% | 7.9% | -7.3% |
| Fixed & variable cost reductions | 0.0 | 0.0 | 0.0 | 0.0 | (27.2) | (5.0) | (5.8) | (11.4) | (10.6) | (32.8) | (6.6) | (8.0) | (14.1) | (12.9) | (41.6) | (38.5) |
| Assm: % Incremental | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental cost reductions | 0.0 | 0.0 | 0.0 | 0.0 | (27.2) | (5.0) | (5.8) | (11.4) | (10.6) | (32.8) | (6.6) | (8.0) | (14.1) | (12.9) | (41.6) | (38.5) |
| Opex ex cost reductions adjustment | 0.0 | 168.4 | 176.8 | 173.4 | 180.5 | 45.4 | 47.3 | 54.5 | 57.4 | 204.7 | 55.3 | 57.7 | 61.4 | 66.0 | 240.4 | 38.5 |
| Growth ex cost reductions | -27.8% | | 5.0% | -1.9% | 4.1% | 12.8% | 20.5% | 21.0% | 2.7% | 13.4% | 21.8% | 22.0% | 12.6% | 14.8% | 17.4% | -84.0% |
| Salary true-up | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 0.0 | 0.7 | 0.7 | 0.7 | 2.0 | 0.0 | 0.8 | 0.8 | 0.8 | 2.3 | 2.1 |
| Assm: % Incremental | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Incremental salary true-up | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 0.0 | 0.7 | 0.7 | 0.7 | 2.0 | 0.0 | 0.8 | 0.8 | 0.8 | 2.3 | 2.1 |
| Opex ex salary true-up | 0.0 | 168.4 | 176.8 | 173.4 | 151.3 | 40.4 | 40.8 | 42.4 | 46.2 | 169.9 | 48.7 | 48.9 | 46.6 | 52.3 | 196.5 | (2.1) |
| Growth ex salary true-up | | 5.0% | -1.9% | -12.7% | 0.4% | 23.4% | 24.6% | 5.2% | 12.3% | 20.5% | 20.0% | 9.7% | 13.2% | 15.7% | -101.1% | |
| Opex ex-non-recurring | 160.2 | 168.4 | 176.8 | 173.4 | 172.8 | 40.7 | 40.2 | 47.2 | 47.6 | 175.6 | 44.2 | 46.0 | 52.3 | 52.9 | 195.4 | 181.1 |
| Opex growth ex all non-recurring | 8.0% | 5.1% | 5.0% | -1.9% | -0.3% | 1.0% | 2.4% | 4.8% | -1.4% | 1.6% | 8.8% | 14.5% | 10.8% | 11.2% | 11.3% | -7.3% |
| Opex grth ex all non-rec 2-yr CAGR | | 6.5% | 5.0% | 1.5% | -1.1% | -2.5% | -3.6% | 4.5% | 3.8% | 0.6% | 4.8% | 8.3% | 7.7% | 4.7% | 6.3% | 1.6% |
| Revenue-driven variable expense | 41.1 | 36.7 | 35.4 | 31.2 | 31.7 | 7.0 | 7.6 | 8.5 | 8.6 | 31.7 | 6.5 | 7.2 | 8.0 | 9.0 | 30.6 | 27.1 |
| Non-sales opex ex-non-recurring | 119.1 | 131.7 | 141.4 | 142.1 | 141.1 | 33.7 | 32.6 | 38.7 | 38.9 | 143.9 | 37.8 | 38.8 | 44.3 | 43.9 | 164.9 | 154.1 |
| Non-sales opex growth ex all non-recurring | 9.3% | 10.5% | 7.4% | 0.5% | -0.7% | 4.3% | -5.8% | 3.7% | 5.4% | 2.0% | 12.2% | 19.0% | 14.6% | 12.8% | 14.6% | -6.6% |
| Non-sales opex grth ex all non-rec 2-yr CAGR | | 9.9% | 8.9% | 3.9% | -0.1% | -2.6% | -3.9% | 4.7% | 4.0% | 0.6% | 8.2% | 5.9% | 9.1% | 9.0% | 8.1% | 3.5% |

Source: Industry Capital Research estimates and company data

Figure 18: DCF Analysis Supports \$8.00 Per Share 12-Month Price Target, Within \$7.00-9.50 Range

| Entravision DCF Analysis | | | |
|---|---------|---------|---------|
| \$ in millions except per share amounts | | | |
| | Current | YE 2022 | YE 2023 |
| Firm Value | 915 | 925 | 923 |
| (-) Total Net Debt | 183 | 110 | 34 |
| (+) NOLs/Tax Assets | 40 | 40 | 40 |
| (-) Options (Claims on Entravision) | (3.4) | (3.4) | (3.4) |
| Common Equity Value | 768.9 | 850.9 | 925.3 |
| Shares Outstanding | 88.3 | 88.3 | 88.3 |
| Current Share Price | \$5.87 | \$5.87 | \$5.87 |
| Value Per Share | \$8.71 | \$9.63 | \$10.48 |
| 12-month | \$9.50 | | |
| 12-month (SoTP) | \$7.00 | | |

| ASSUMPTIONS | |
|--|--------------|
| Risk Free Rate | 1.81% |
| Equity Premium | 5.17% |
| Assumed LT Growth Rate (g) | 0% |
| MV of Equity Calculation | |
| Share Price | \$5.87 |
| Outstanding Shares | 88.3 |
| MV of Equity | 518.4 |
| Estimate MV of Debt Calculation | |
| Interest Expense | 7.1 |
| Current Cost of Debt | 5.00% |
| Wgtd Avg Maturity of Debt | |
| BV of Debt | 207.3 |
| Estimate MV of Debt | 207.3 |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Terminal |
|-------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discounted Cash Flow | | | | | | | | | | | |
| EBITDA | 54.0 | 41.2 | 60.4 | 85.0 | 93.4 | 97.7 | 125.7 | 120.2 | 137.0 | 130.0 | |
| EBIT | 37.8 | 24.6 | 43.1 | 62.9 | 69.0 | 71.4 | 91.9 | 84.4 | 98.5 | 90.8 | 94.7 |
| Less Cash Taxes | (11.3) | (7.4) | (12.9) | (18.9) | (20.7) | (21.4) | (27.6) | (25.3) | (29.6) | (27.2) | (33.1) |
| Plus D&A | 16.3 | 16.6 | 17.3 | 22.1 | 24.4 | 26.2 | 33.8 | 35.8 | 38.4 | 39.2 | 39.2 |
| Less Cap Ex | (17.0) | (25.3) | (9.1) | (6.5) | (10.8) | (9.3) | (9.8) | (10.3) | (10.8) | (11.4) | (39.2) |
| Less Increase in WC | (9.4) | (8.7) | 8.7 | (12.7) | (10.0) | (3.2) | (3.5) | (3.5) | (4.5) | (1.6) | (3.0) |
| Free Cash Flow to Firm | 16.3 | (0.1) | 47.1 | 46.9 | 51.9 | 63.7 | 84.8 | 81.1 | 92.1 | 89.8 | 58.5 |
| Tax Rate | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 35.0% |
| Net Debt | | 207 | | | | | | | | | |
| Leverage Mult. | | 3.4x | | | | | | | | | |
| D/Equity | | 40% | | | | | | | | | |
| D/EV | | 29% | | | | | | | | | |
| E/EV | | 71% | | | | | | | | | |
| Unlevered Beta | | 0.94 | | | | | | | | | |
| Levered Beta | | 1.16 | | | | | | | | | |
| D/Equity (long-term target) | | 33% | | | | | | | | | |
| Cost of Debt (AT) | | 3.5% | | | | | | | | | |
| Cost of Equity | | 7.8% | | | | | | | | | |
| WACC | | 6.7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | |
| PV of CF | | | | | 48.6 | 55.9 | 69.8 | 62.5 | 66.5 | 60.8 | |
| | | | | | | 59.7 | 74.5 | 66.7 | 71.0 | 64.8 | |
| | | | | | | | 79.5 | 71.2 | 75.8 | 69.2 | |
| | | | | | | | | | | | 869.3 |
| | | | | | | | | | | | 6x EBITDA |

| | Current | YE 2022 | YE 2023 |
|----------------------|---------|---------|---------|
| Sum of PV | 364.1 | 336.7 | 295.6 |
| PV of Terminal Value | 551.1 | 588.2 | 627.8 |
| NPV of all CF | 915.2 | 924.9 | 923.4 |

Source: Industry Capital Research estimates and company data

Figure 19: DCF Analysis Allocates ~80% Of Firm Value To Digital Media Business

| Entravision DCF analysis - Digital | | | |
|---|---------|---------|---------|
| \$ in millions except per share amounts | | | |
| | Current | YE 2022 | YE 2023 |
| Firm Value | 509 | 532 | 540 |
| (-) Total Net Debt | - | - | - |
| (+) NOLs | | | |
| (-) Options (Claims on Entravision) | | | |
| Common Equity Value | 508.9 | 531.7 | 539.9 |
| Shares Outstanding | 88.3 | 88.3 | 88.3 |
| Current Share Price | \$5.87 | \$5.87 | \$5.87 |
| Value Per Share | \$5.76 | \$6.02 | \$6.11 |
| 12-month | \$6.00 | | |
| Minority Interest | | 1 | |

| ASSUMPTIONS | | | | |
|--|--------------|--|--|-------------|
| Risk Free Rate | 1.8% | | | CAGRs |
| Equity Premium | 5.2% | | | 2018-22 |
| Assumed LT Growth Rate (g) | 1% | | | 2020-24 |
| | | | | 2022-26 |
| | | | | 2025-26 |
| MV of Equity Calculation | | | | |
| Share Price | \$5.87 | | | EBITDA |
| Outstanding Shares | 88.3 | | | FCF to Firm |
| MV of Equity | 518.4 | | | 2018-22 |
| Estimate MV of Debt Calculation | | | | 2020-24 |
| Interest Expense | 7.1 | | | 2022-26 |
| Current Cost of Debt | 5.00% | | | 2025-26 |
| Wgtd Avg Maturity of Debt | | | | 2019-23 |
| BV of Debt | - | | | 2021-25 |
| Estimate MV of Debt | - | | | 2023-27 |
| | | | | 2026-27 |
| | | | | EBITDA |
| | | | | FCF to Firm |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Terminal |
|--------------------------------|-------------|--------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discounted Cash Flow | | | | | | | | | | | |
| EBITDA | 2.8 | (0.1) | 2.3 | 27.2 | 48.0 | 61.4 | 74.5 | 87.2 | 96.4 | 101.9 | |
| EBIT | 2.8 | (0.1) | 2.3 | 22.5 | 39.6 | 50.6 | 61.4 | 71.9 | 79.5 | 84.0 | 76.5 |
| Less Cash Taxes | (0.8) | 0.0 | (0.7) | (6.7) | (11.9) | (15.2) | (18.4) | (21.6) | (23.8) | (25.2) | (26.8) |
| Plus D&A | | | | 4.8 | 8.4 | 10.8 | 13.1 | 15.3 | 16.9 | 17.9 | 15.3 |
| Less Cap Ex | | | | | | | | | | | (15.3) |
| Less Increase in WC | | | | (12.7) | (10.0) | (3.2) | (3.5) | (3.5) | (4.5) | (1.6) | (4.0) |
| Free Cash Flow to Firm | 1.9 | (0.1) | 1.6 | 7.8 | 26.1 | 43.0 | 52.6 | 62.1 | 68.1 | 75.1 | 45.7 |
| Tax Rate | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 35.0% |
| Net Debt | 0 | | | | | | | | | | |
| Leverage Mult. | 0.0x | | | | | | | | | | |
| D/Equity | 0% | | | | | | | | | | |
| D/EV | 0% | | | | | | | | | | |
| E/EV | 100% | | | | | | | | | | |
| Unlevered Beta | 1.51 | | | | | | | | | | |
| Levered Beta | 1.5 | | | | | | | | | | |
| D/Equity (projected long term) | 0.0% | | | | | | | | | | |
| Cost of Debt (AT) | 3.5% | | | | | | | | | | |
| Cost of Equity | 9.6% | | | | | | | | | | |
| WACC | 9.6% | | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | |
| PV of CF | | | | | 23.8 | 35.8 | 39.9 | 43.0 | 43.0 | 43.3 | |
| | | | | | | 39.2 | 43.7 | 47.2 | 47.1 | 47.4 | |
| | | | | | | | 48.0 | 51.7 | 51.7 | 52.0 | |
| | | | | | | | | | | | 532.6 |
| | | | | | | | | | | | 6x EBITDA |

| | Current | YE 2022 | YE 2023 |
|----------------------|--------------|--------------|--------------|
| Sum of PV | 228.8 | 224.7 | 203.3 |
| PV of Terminal Value | 280.1 | 307.0 | 336.5 |
| NPV of all CF | 508.9 | 531.7 | 539.9 |

Source: Industry Capital Research estimates and company data

Figure 20: DCF Analysis Allocates ~20% Of Firm Value To Broadcasting Business

| Entravision DCF analysis - Broadcasting | | | |
|---|---------|---------|---------|
| \$ in millions except per share amounts | | | |
| | Current | YE 2022 | YE 2023 |
| Firm Value | 180 | 168 | 160 |
| (-) Total Net Debt | 183 | 110 | 34 |
| (+) NOLs | 40 | 40 | 40 |
| (-) Options (Claims on Entravision) | (3.4) | (3.4) | (3.4) |
| Common Equity Value | 34.2 | 94.2 | 162.0 |
| Shares Outstanding | 88.3 | 88.3 | 88.3 |
| Current Share Price | \$5.87 | \$5.87 | \$5.87 |
| Value Per Share | \$0.39 | \$1.07 | \$1.83 |
| 12-month | \$1.00 | | |

| ASSUMPTIONS | | | | | |
|---------------------------------|--------|---------|---------|---------|---------|
| | | CAGRs | | | |
| | | 2018-22 | 2020-24 | 2022-26 | 2025-26 |
| Risk Free Rate | 1.8% | | | | |
| Equity Premium | 5.2% | | | | |
| Assumed LT Growth Rate (g) | -1% | | | | |
| MV of Equity Calculation | | | | | |
| Share Price | \$5.87 | | | | |
| Outstanding Shares | 88.3 | | | | |
| MV of Equity | 518.4 | | | | |
| Estimate MV of Debt Calculation | | | | | |
| Interest Expense | 7.1 | | | | |
| Current Cost of Debt | 5.00% | | | | |
| Wgtd Avg Maturity of Debt | | | | | |
| BV of Debt | 207.3 | | | | |
| Estimate MV of Debt | 207.3 | | | | |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Terminal |
|-------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discounted Cash Flow | | | | | | | | | | | |
| EBITDA | 51.3 | 41.3 | 58.1 | 57.7 | 45.4 | 36.3 | 51.2 | 33.0 | 40.6 | 28.1 | |
| EBIT | 35.0 | 24.7 | 40.8 | 40.5 | 29.4 | 20.8 | 30.5 | 12.5 | 19.0 | 6.8 | 15.6 |
| Less Cash Taxes | (10.5) | (7.4) | (12.2) | (12.1) | (8.8) | (6.2) | (9.2) | (3.7) | (5.7) | (2.0) | (5.5) |
| Plus D&A | 16.3 | 16.6 | 17.3 | 17.3 | 16.0 | 15.5 | 20.7 | 20.5 | 21.5 | 21.3 | 20.5 |
| Less Cap Ex | (17.0) | (25.3) | (9.1) | (6.5) | (10.8) | (9.3) | (9.8) | (10.3) | (10.8) | (11.4) | (20.5) |
| Less Increase in WC | (9.4) | (8.7) | 8.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free Cash Flow to Firm | 14.3 | (0.0) | 45.5 | 39.1 | 25.7 | 20.7 | 32.3 | 19.0 | 24.0 | 14.7 | 10.1 |
| Tax Rate | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 35.0% |
| Net Debt | | 207 | | | | | | | | | |
| Leverage Mult. | | 3.6x | | | | | | | | | |
| D/Equity | | 40% | | | | | | | | | |
| D/EV | | 29% | | | | | | | | | |
| E/EV | | 71% | | | | | | | | | |
| Unlevered Beta | | 1.1 | | | | | | | | | |
| Levered Beta | | 1.4 | | | | | | | | | |
| D/Equity (long-term target) | | 33% | | | | | | | | | |
| Cost of Debt (AT) | | 3.5% | | | | | | | | | |
| Cost of Equity | | 8.8% | | | | | | | | | |
| WACC | | 7.5% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | |
| PV of CF | | | | | 24.0 | 17.9 | 26.0 | 14.2 | 16.7 | 9.5 | |
| | | | | | | 19.3 | 27.9 | 15.3 | 18.0 | 10.3 | |
| | | | | | | | 30.0 | 16.4 | 19.3 | 11.0 | |
| Sum of PV | 108.4 | 90.7 | 76.8 | | | | | | | | 119.5 |
| PV of Terminal Value | 72.1 | 77.5 | 83.3 | | | | | | | | 3x EBITDA |
| NPV of all CF | 180.4 | 168.2 | 160.1 | | | | | | | | |

Source: Industry Capital Research estimates and company data

APPENDIX

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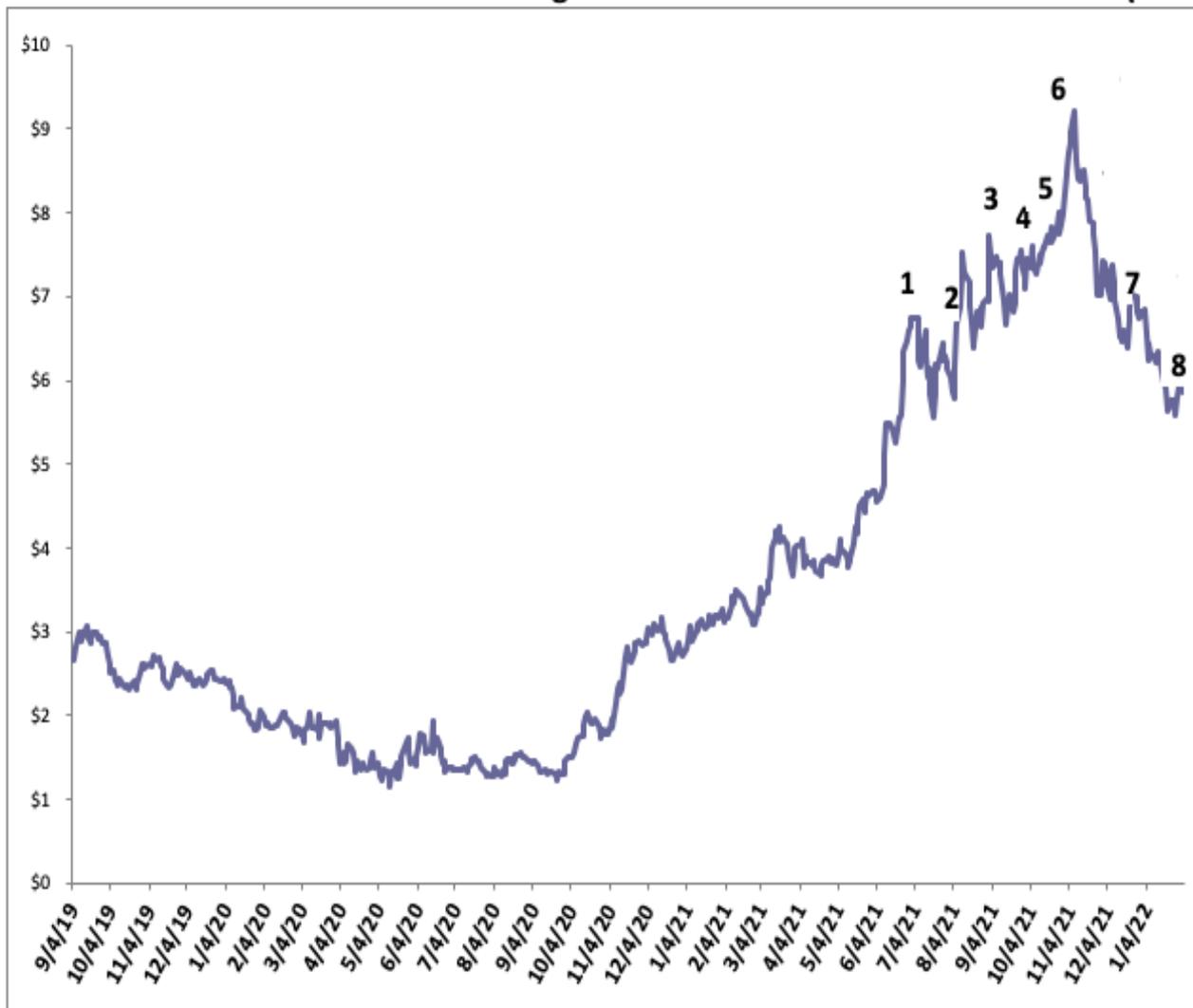
ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

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.

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



| | | |
|---|----------|---|
| 1 | 7/6/21 | Initiated Buy @ \$6.76, Target Price \$9.00 |
| 2 | 8/6/21 | Reaffirmed Buy @ \$6.15, Target Price \$9.00 |
| 3 | 9/2/21 | Reaffirmed Buy @ \$7.75, Target Price \$10.00 |
| 4 | 10/5/21 | Reaffirmed Buy @ \$7.60, Target Price \$10.00 |
| 5 | 10/28/21 | Reaffirmed Buy @ \$7.85, Target Price \$10.00 |
| 6 | 11/5/21 | Reaffirmed Buy @ \$8.83, Target Price \$10.50 |
| 7 | 12/20/21 | Reaffirmed Buy @ \$6.40, Target Price \$10.00 |
| 8 | 2/2/22 | Reaffirmed Buy @ \$5.87, Target Price \$8.00 |

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