

## Entravision Communications Corporation (EVC)

Timing Is Everything: Valuation Trumping Execution Despite Good Reward/Risk; Reaffirm Buy

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**Our call is that, even if you believe that equity risk premiums will remain elevated for a while (on persistent inflation, recession risk, etc.), thus foreshadowing an extended market malaise, the risk profile of EVC's assets does not warrant their high drop in relative valuation.** First, EVC's digital businesses are profitable, unlike earlier stage ventures whose valuations have been hit the hardest. Second, EVC's digital segment has outperformed forecasts over the past year. Moreover, in recent conferences management has indicated that its outlook at the beginning of the year remains intact. Third, EVC as a whole is not only substantially free cash flow positive, but its FCF generation is tracking well above our original estimates. Fourth, in 1H22, EVC's market cap declined over 30%, which would put it near the very bottom tier of performance of high-growth/money-losing companies (even though EVC is substantially profitable). See Figure 4.

**While acknowledging continuing macro market input headwinds, we stand by our \$8 PT.** Our DCF now allocates ~70% of total value to the digital segment, up from ~55% at initiation on 7/6/21. The shift to digital has boosted our 2022 EBITDA estimate and our 2022-26E EBITDA CAGR to ~10% from ~4% at initiation. However, the flight of risk capital, seen in higher discount rates on higher equity risk premiums and interest rates, has more than offset our more favorable fundamental outlook, reducing our target valuation range to \$7-8.50 from \$9-10 at initiation. See Figure 5.

**In the year after our initiation of coverage, with the S&P500 dropping 12%, rather than delivering the then-expected ~6% return (based on prevailing interest rates and equity risk premium), EVC's share price crumbled by 35%, rather than delivering the 33% return implied by our \$9 PT.** Looking back at the party, we could say we arrived late, had a few pops for four months, and then overstayed our welcome. From July to November, as the market rose another 8%, EVC shares surged another 34%. On the day the S&P500 closed at its peak for the past year, 11/8/21, EVC's price edged past that original PT, closing at \$9.09. The story in the following 8 months was grim, however, with the S&P500 down 19% and EVC shares down 52% from their peaks by the beginning of this month. See Figures 2-3.

**Looking at the most fundamental fundamental, EVC's digital segment is in fact tracking ahead of our forecasts for 3Q21-2Q22 at initiation.** Cisneros Interactive, EVC's primary digital acquisition, is tracking to ~12% higher revenue than forecast at initiation, although its OCF is tracking to miss forecast OCF by a similar percentage, reflecting some challenges meeting partner targets. By contrast, MediaDonuts is tracking to beat solidly both on revenue (by ~25%) and OCF (by ~5%). Perhaps the biggest surprise—a positive—has been Smadex driving EVC's legacy digital business to track to revenue ~40% higher than forecast and OCF over 4x forecast.

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

BUY				
Price at 7/14/22 (USD)	4.43			
Price Target	8.00			
52-week range	4.21 - 9.34			
Performance (%)	1m	3m	12m	
Absolute	-7	-20	-30	
S&P 500	1	-14	-13	
Market Cap (USDm)	387.1			
Shares outstanding (m)	87.4			
Float (%)	73			
Average volume	298,055			
S&P 500	3,790.4			
Forecasts and ratios				
Year ended 12/31	2021A	2022E	2023E	
1Q EPS (USD)	0.06	0.02	0.14	
2Q EPS (USD)	0.09	0.08	0.11	
3Q EPS (USD)	0.14	0.12	0.12	
4Q EPS (USD)	0.04	0.15	0.06	
FY EPS (USD)	0.33	0.37	0.43	
% Change	NM	10%	18%	
P/E (x)	13.3	12.0	10.2	
EV/EBITDA (x)	5.2	4.8	4.6	
Revenue (USDm)	760.2	942.9	1,008.5	
% Change	121%	24%	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) relative stability of net retransmission fee revenue (42% of 2021 EBITDA) and pro forma net debt leverage under 3x enhance management's longer-term options; and 5) our DCF valuation supports substantial stock price upside over the next 12 months.

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

**Risks to our investment thesis include:** 1) sensitivity of EVC's advertising-based businesses to macroeconomic shocks, such as a recession, 2) potential volatility of EVC's digital media business, given its increasing focus on emerging markets, its dependence on a small number of commercial relationships with media tech platforms, and increasing competition, 3) secular challenges and potentially increasing competition from TelevisaUnivision for EVC's broadcast media business, 4) potential barriers to sale of all or a portion of the company, and 5) risk-off market sentiment as an overhang for valuation of EVC's fast-growing, less mature digital advertising businesses.

## In A Nutshell: Risk Capital Chill Still Leaves EVC With Plenty of Acorns

**Our view is that EVC has created more value through its digital acquisitions than its more mature broadcast peers, and that its risk profile—given the profitability of its digital segment and its higher overall FCF generation—is much more favorable than the batch of stocks that have fallen a similar amount thus far this year.** Over the past two years, EVC shares have handily outperformed the broadcasting sector, reflecting the value being created through its digital acquisitions. See Figure 2. However, over the past year, EVC's shares have declined generally in line with the broadcasting sector. See Figure 3. Moreover, EVC's market cap decline in 1H22 would put it alongside the performance of the riskiest tier of the S&P. See Figure 4. This is despite EVC's digital business being profitable, EVC's FCF yield being in the teens, and the company having 0x net EBITDA leverage. Indeed, even after the resumption of share buybacks this year, very low net leverage leaves EVC with substantial strategic flexibility and over \$300 million in acquisition capacity, by our estimates.

**The cash cow broadcast business is tracking to 39.4% OCF margin for 3Q21-2Q22, above our original 36.9% forecast.** TV's ice cube has melted about as expected, but radio has had a surprisingly strong year, tracking to beat by almost 30% on revenue and to convert almost 90% of that revenue into OCF.

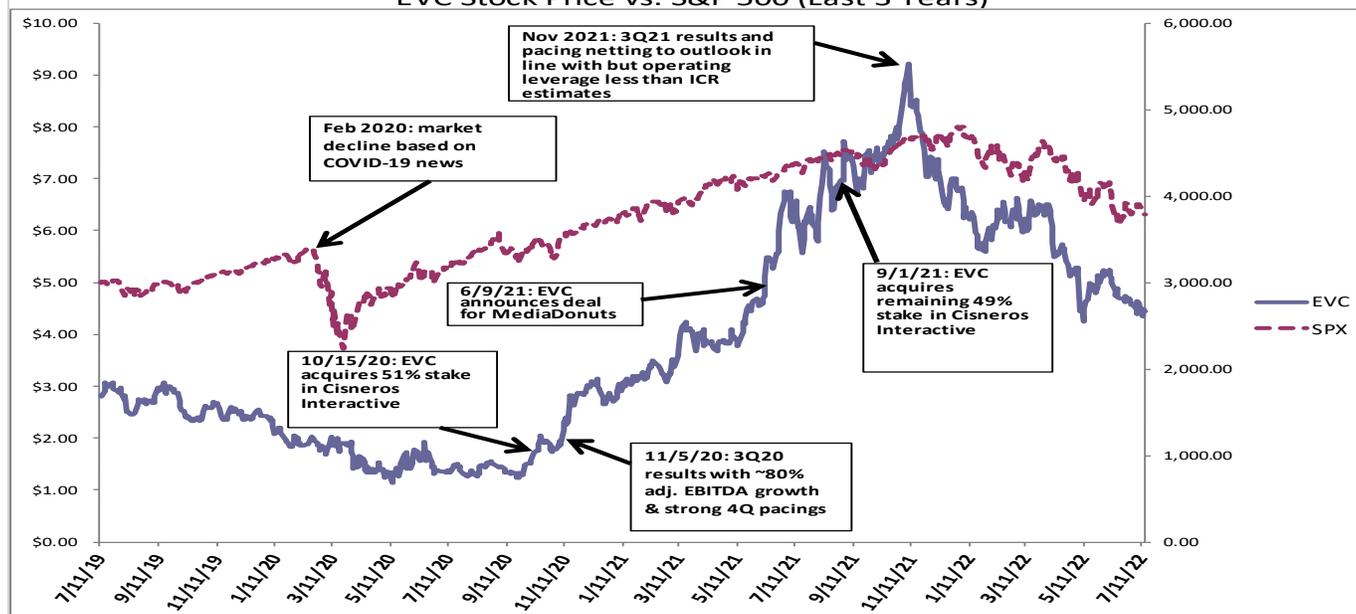
**FCF conversion of EBITDA is tracking to beat bigly, at ~85% over the past year vs. our 66% forecast at initiation.** Thus, while EBITDA is tracking to be \$26m higher than forecast for 3Q21-2Q22, FCF is tracking to be \$36m higher than forecast.

**Note that the top-10 holders own roughly 54.4% of Class A shares, down from roughly 55.2% a year ago.** New top-10 holders this year are Goldman Sachs (~4.3%), Royce (~3.3%) and Nuveen (~2%), replacing Credit Suisse (exited), D.E. Shaw (~0.6%, down from ~2%), and Foundry Partners (~0.8%, down from ~1.5%). See Figure 6.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

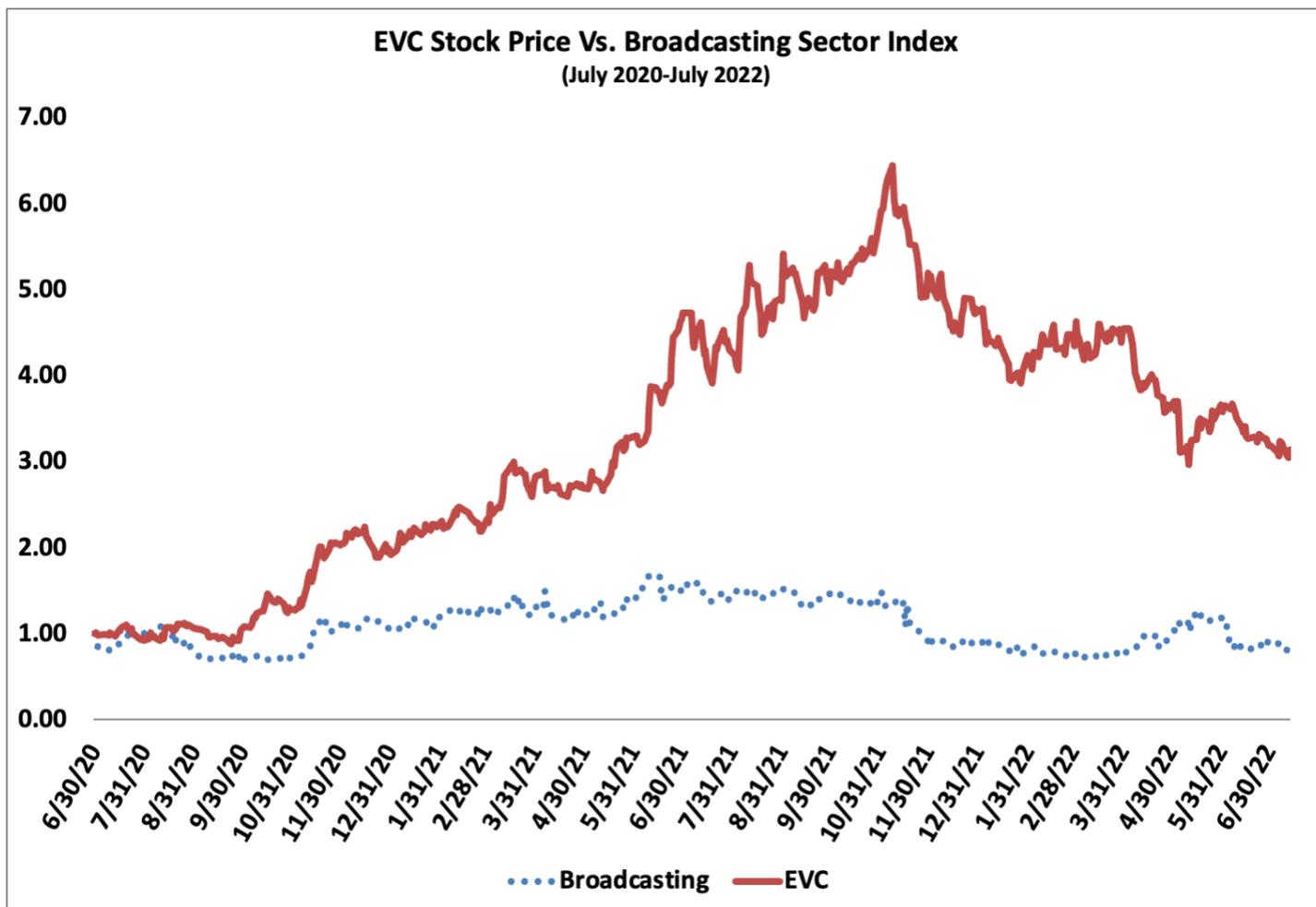
		(in millions, except unit data)	
		12-month price target: \$8.00	
<b>ENTERPRISE VALUE</b>		<b>COMPANY CHARACTERISTICS AND INVESTMENT THESIS</b>	
Price per share	\$4.43	<b>Company description</b>	<b>Entravision</b> is a multimedia company focused primarily on Spanish-language markets globally. The company operates a digital media segment serving the U.S. and roughly 30 international markets, 49 TV stations (mostly Univision network affiliates) in 16 of the top-50 U.S. Hispanic markets, and 46 radio stations (37 FM and 9 AM) as well as a radio network with distribution to over 100 U.S. markets. The company's 2021 revenue by segment was 73% from digital, 19% from TV, and 8% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	87.4	<b>Strategy</b>	Expand digital media operations into fast-growing markets outside the United States and manage for free cash flow and asset value TV-driven broadcast local platforms in U.S. Hispanic markets.
Equity market capitalization	387	<b>Est. acquisition capacity</b>	<b>\$339</b>
+Pro forma net debt	107	<b>Management</b>	<b>Walter Ulloa</b> is Chairman and CEO (since 1996). <b>Jeffrey Liberman</b> is President and COO (since 2017 and with EVC since 2000). <b>Christopher Young</b> is CFO (since 2008 and with EVC since 2000).
-Hidden value	31	<b>Positives</b>	<ul style="list-style-type: none"> <li>* <b>Experience</b> in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally</li> <li>* Reduced expense base during and after the pandemic</li> <li>* Strong balance sheet</li> <li>* Most of its TV stations affiliated with leading U.S. Spanish language network Univision</li> <li>* U.S. Hispanic buying power growing faster than general market</li> <li>* Secular growth in U.S. political advertising spending</li> <li>* Loss of broadcast audience and advertising share to digital alternatives</li> <li>* Volatility of international media business, reflecting early stage and potential competition</li> <li>* Competition with TelevisaUnivision's expanding direct to consumer business</li> <li>* TelevisaUnivision relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility</li> <li>* Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020)</li> <li>* Management succession plan (CEO has majority voting power)</li> </ul>
=Pro forma EV	\$464	<b>Risks</b>	<ul style="list-style-type: none"> <li>* <b>Experience</b> in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally</li> <li>* Reduced expense base during and after the pandemic</li> <li>* Strong balance sheet</li> <li>* Most of its TV stations affiliated with leading U.S. Spanish language network Univision</li> <li>* U.S. Hispanic buying power growing faster than general market</li> <li>* Secular growth in U.S. political advertising spending</li> <li>* Loss of broadcast audience and advertising share to digital alternatives</li> <li>* Volatility of international media business, reflecting early stage and potential competition</li> <li>* Competition with TelevisaUnivision's expanding direct to consumer business</li> <li>* TelevisaUnivision relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility</li> <li>* Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020)</li> <li>* Management succession plan (CEO has majority voting power)</li> </ul>
<b>OPERATING PROJECTIONS</b>		<b>Valuation</b>	Attributing ~70% of firm value to digital media business
<b>Pro forma net revenue</b>		<b>Recent events</b>	September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations.
2022	\$943	<b>Upcoming potential catalysts</b>	2022/23 Recession risk to advertising-based revenue, both in U.S. and internationally - Additional digital media M&A - 2022 U.S. midterm election political ad spending
2021	778		
% Chg	21.2%		
<b>Pro forma EBITDA</b>			
2022	\$96		
2021	89		
% Chg	8.4%		
<b>Pro forma EBITDA margin</b>			
2022	10.2%		
2021	11.4%		
<b>Free cash flow per share</b>			
2022	\$0.78		
2021	\$0.90		
% Chg	-13.3%		
<b>Est. 3-5 yr FCF Growth rate</b>	7%		
<b>VALUATION AND LEVERAGE</b>			
<b>Pro forma EV/EBITDA</b>			
2022	4.8x		
2021	5.2x		
<b>Price / Free cash flow per share</b>			
2022	5.7x		
2021	4.9x		
<b>Pro forma net debt / EBITDA</b>			
2022	1.1x		
2021	1.2x		
<b>Dividend yield</b>			
2022	2.3%		
2021	2.3%		

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



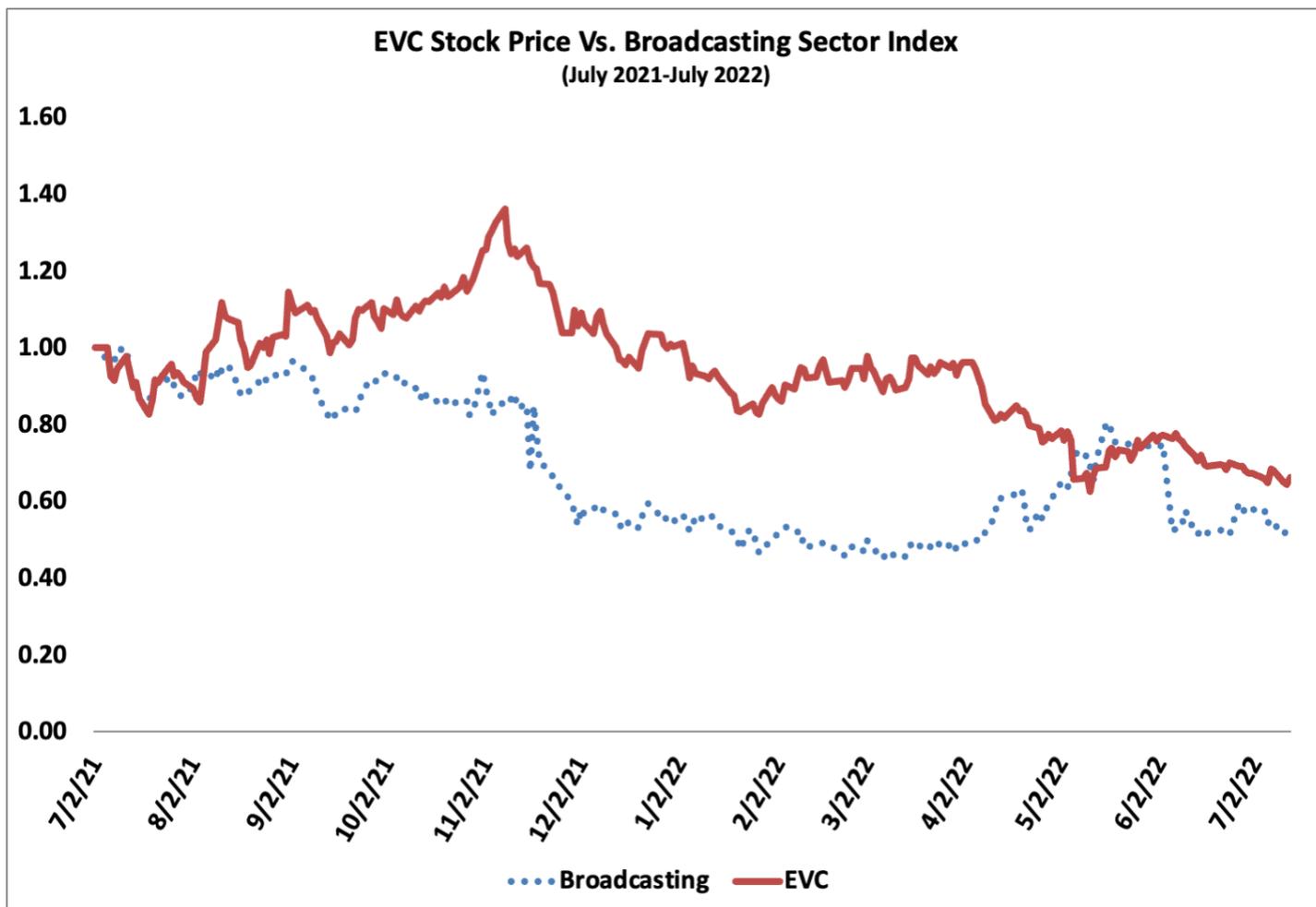
Source: Yahoo Finance, NASDAQ, company data and Industry Capital Research estimates

Figure 2: Over the past two years, EVC shares have handily outperformed the broadcasting sector



Note: Prices indexed to 1.00 based on closing price at 6/30/20. Broadcasting Sector Index is equal-weighted median of stocks in Broadcasting sub-sector of Communications Services sector. Source: Yahoo Finance, MSCI, S&P Global and Industry Capital Research

Figure 3: Over the past year, EVC's shares have declined generally in line with the broadcasting sector



Note: Prices indexed to 1.00 based on closing price at 7/1/21. Broadcasting Sector Index is equal-weighted median of stocks in Broadcasting sub-sector of Communications Services sector. Source: Yahoo Finance, MSCI, S&P Global and Industry Capital Research

Figure 4: EVC's market cap decline in 1H, over 30%, would put it alongside the declines of the highest growing but least profitable companies

		Net Margin Quintiles				
		Bottom	4	3	2	Top
Revenue CAGR (2019-21) Quintiles	Bottom	-19.93%	-14.22%	-16.80%	-12.25%	-13.76%
	4	-23.73%	-17.49%	-17.04%	-16.99%	-14.42%
	3	-20.50%	-13.66%	-14.87%	-15.52%	-15.07%
	2	-29.04%	-30.31%	-17.93%	-22.11%	-17.96%
	Top	-42.32%	-22.47%	-27.13%	-20.86%	-23.73%

Source: Damodaran, Musings on Markets (7/1/22); S&P Cap IQ; Industry Capital Research

Figure 5: Market risk inputs are still the prevailing headwind, and squeeze our valuation range down a bit again with updated mid-year data

Entravision Communications													
Summary of Changes to Forecast and Valuation													
(in \$ million except unit data)													
CAGRs	2022		DCF Valuation		EBITDA CAGRs				Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2023-27	2022-26					
Jul-21	789.5	79.1	\$9.00	\$10.00				4%	1.5%	4.2%	6.4%	8.0%	6.4%
Delta	153.4	16.9	(\$2.00)	(\$1.00)				6%	1.4%	0.9%	1.9%	3.3%	1.8%
Prior	942.9	96.0	\$7.00	\$9.00	25%	9%	7%	10%	2.9%	5.2%	8.3%	11.3%	8.2%
Current	942.9	96.0	\$7.00	\$8.50	25%	9%	7%	10%	2.9%	5.7%	8.8%	12.1%	8.7%
Delta	0.0	0.0	\$0.00	(\$0.50)	0.0%	0.0%	0.0%	0.0%	-0.1%	0.6%	0.5%	0.8%	0.5%
Delta attribution (prior vs. current):													
Updated financial forecasts			\$0.00	\$0.00									
Updated balance sheet (e.g., earn-outs)			\$0.00	\$0.00									
Updated market risk inputs			\$0.00	(\$0.50)									
Subtotal			\$0.00	(\$0.50)									

Source: Company data and Industry Capital Research estimates

Figure 6: Since initiation, EVC has three new top-10 institutional holders, with the top-10 owning over half EVC's Class A shares

Entravision Institutional Ownership - 2Q22													
Institution	City	State	Holdings	<=Rank % O/S (Class A)	^ 2Q22 <=Rank % O/S (Class A)	Prior Holdings	<=Rank % O/S (Class A)	% ^ 2Q22	<=Rank				
American Century Investments	KANSAS CITY	MO	9,972,624	1	15.78%	858,481	1	1.36%	9,114,143	1	14.42%	9.4%	21
BlackRock	NEW YORK	NY	6,305,395	2	9.98%	-25,065	98	-0.04%	6,330,460	2	10.02%	-0.4%	54
Dimensional Fund Advisors	SANTA MONICA	CA	4,081,335	3	6.46%	-20,018	96	-0.03%	4,101,353	3	6.49%	-0.5%	55
Renaissance Technologies LLC	NEW YORK	NY	2,919,095	4	4.62%	-122,700	105	-0.19%	3,041,795	4	4.81%	-4.0%	62
The Vanguard Group, Inc.	VALLEY FORGE	PA	2,903,418	5	4.59%	-105,241	104	-0.17%	3,008,659	5	4.76%	-3.5%	60
The Goldman Sachs Group, Inc.	NEW YORK	NY	2,703,744	6	4.28%	119,493	7	0.19%	2,584,251	6	4.09%	4.6%	27
Royce & Associates	NEW YORK	NY	2,076,193	7	3.29%	165,849	4	0.26%	1,910,344	7	3.02%	8.7%	22
Nuveen Asset Management, LLC	CHICAGO	IL	1,264,704	8	2.00%	2,189	42	0.00%	1,262,515	8	2.00%	0.2%	37
State Street Corporation	BOSTON	MA	1,176,592	9	1.86%	-2,728	71	0.00%	1,179,320	9	1.87%	-0.2%	53
Geode Capital Management	BOSTON	MA	996,127	10	1.58%	44,338	12	0.07%	951,789	11	1.51%	4.7%	26
SEI Investments Company	OAKS	PA	962,296	11	1.52%	170,935	3	0.27%	791,361	13	1.25%	21.6%	16
Acadian Asset Management LLC	BOSTON	MA	903,233	12	1.43%	-197,671	109	-0.31%	1,100,904	10	1.74%	-18.0%	79
RBF Capital, LLC	SAN FRANCISCO	CA	791,429	13	1.25%	0	52	0.00%	791,429	12	1.25%	0.0%	40
Jacobs Levy Equity Management	FLORHAM PARK	NJ	775,359	14	1.23%	240,723	2	0.38%	534,636	16	0.85%	45.0%	7
Hotchkis & Wiley Capital Management	LOS ANGELES	CA	593,629	15	0.94%	145,018	5	0.23%	448,611	20	0.71%	32.3%	11
Prescott Holdings, Inc.	TULSA	OK	574,129	16	0.91%	0	52	0.00%	574,129	14	0.91%	0.0%	40
The Bank of New York Mellon Corporation	NEW YORK	NY	542,797	17	0.86%	16,303	28	0.03%	526,494	18	0.83%	3.1%	29
Foundry Partners, LLC	MINNEAPOLIS	MN	536,110	18	0.85%	-10,825	86	-0.02%	546,935	15	0.87%	-2.0%	59
Northern Trust Corporation	CHICAGO	IL	507,289	19	0.80%	-19,990	95	-0.03%	527,279	17	0.83%	-3.8%	61
Wellington Management Group LLP	BOSTON	MA	489,530	20	0.77%	37,185	14	0.06%	452,345	19	0.72%	8.2%	23
Monarch Partners Asset Management	BOSTON	MA	441,951	21	0.70%	122,405	6	0.19%	319,546	28	0.51%	38.3%	10
Bridgeway Capital Management	HOUSTON	TX	439,200	22	0.69%	0	52	0.00%	439,200	21	0.69%	0.0%	40
Boston Partners	BOSTON	MA	407,551	23	0.64%	98,217	8	0.16%	309,334	29	0.49%	31.8%	12
Massachusetts Financial Services Company	BOSTON	MA	386,412	24	0.61%	29,238	19	0.05%	357,174	24	0.57%	8.2%	24
Charles Schwab Investment Management, Inc.	SAN FRANCISCO	CA	386,098	25	0.61%	5,026	37	0.01%	381,072	23	0.60%	1.3%	33
D. E. Shaw & Company	NEW YORK	NY	371,003	26	0.59%	-28,106	100	-0.04%	399,109	22	0.63%	-7.0%	67
PanAgora Asset Management, Inc.	BOSTON	MA	316,735	27	0.50%	28,370	20	0.04%	288,365	31	0.46%	9.8%	20
State Board Of Administration Of Florida Retirement System	TALLAHASSEE	FL	307,431	28	0.49%	0	52	0.00%	307,431	30	0.49%	0.0%	40
Oberweis Asset Management, Inc.	NORTH AURORA	IL	270,100	29	0.43%	0	52	0.00%	270,100	32	0.43%	0.0%	40
Prudential Financial, Inc.	NEWARK	NJ	266,854	30	0.42%	-77,600	103	-0.12%	344,454	25	0.55%	-22.5%	83
Allspring Global Investments	SAN FRANCISCO	CA	233,705	31	0.37%	5,927	35	0.01%	227,778	34	0.36%	2.6%	31
JPMorgan Chase & Co.	NEW YORK	NY	183,317	32	0.29%	-147,106	106	-0.23%	330,423	26	0.52%	-44.5%	91
Wells Fargo & Company	SAN FRANCISCO	CA	162,330	33	0.26%	-25,839	99	-0.04%	188,169	35	0.30%	-13.7%	76
AQR Capital Management	GREENWICH	CT	149,936	34	0.24%	-8,230	82	-0.01%	158,166	36	0.25%	-5.2%	63
EAM Investors	SOLANA BEACH	CA	149,861	35	0.24%	-179,707	108	-0.28%	329,568	27	0.52%	-54.5%	93
GSA Capital Partners LLP	LONDON	XO	142,762	36	0.23%	41,745	13	0.07%	101,017	43	0.16%	41.3%	9
Martingale Asset Management L P	BOSTON	MA	138,522	37	0.22%	-12,898	89	-0.02%	151,420	37	0.24%	-8.5%	68
Morgan Stanley	NEW YORK	NY	129,895	38	0.21%	53,314	11	0.08%	76,581	52	0.12%	69.6%	6
Clarivest Asset Management	SAN DIEGO	CA	128,362	39	0.20%	-18,600	92	-0.03%	146,962	38	0.23%	-12.7%	74
Harvest Investment Services	OAKBROOK TERRACE	IL	127,974	40	0.20%	-2,244	70	0.00%	130,218	39	0.21%	-1.7%	56
Invesco Ltd.	ATLANTA	GA	122,821	41	0.19%	27,316	21	0.04%	95,505	46	0.15%	28.6%	13
leq capital llc	FOSTER CITY	CA	119,004	42	0.19%	0	52	0.00%	119,004	40	0.19%	0.0%	40
The State Teachers Retirement System of Ohio	COLUMBUS	OH	113,400	44	0.18%	-2,200	69	0.00%	115,600	42	0.18%	-1.9%	58
First Trust Advisors	WHEATON	IL	94,667	45	0.15%	-5,496	77	-0.01%	100,163	44	0.16%	-5.5%	64
Putnam Investments	BOSTON	MA	90,304	46	0.14%	-6,754	80	-0.01%	97,058	45	0.15%	-7.0%	66
Ancora Advisors	CLEVELAND	OH	90,210	47	0.14%	90,210	9	0.14%	0	98	0.00%	NM	New
LSV Asset Management	CHICAGO	IL	84,100	48	0.13%	-8,535	83	-0.01%	92,635	47	0.15%	-9.2%	69
Unison Advisors LLC	WASHINGTON	DC	118,337	43	0.19%	452	47	0.00%	117,885	41	0.19%	0.4%	35
RhumbLine Advisers	BOSTON	MA	82,607	49	0.13%	-9,722	85	-0.02%	92,329	48	0.15%	-10.5%	72
Voya Investment Management LLC.	ATLANTA	GA	77,165	50	0.12%	11,528	32	0.02%	65,637	57	0.10%	17.6%	18
Ameriprise Financial, Inc.	MINNEAPOLIS	MN	73,803	51	0.12%	5,293	36	0.01%	68,510	55	0.11%	7.7%	25
Two Sigma Investments LP	NEW YORK	NY	73,100	52	0.12%	-19,100	94	-0.03%	92,200	49	0.15%	-20.7%	81
Parametric Portfolio Associates LLC	SEATTLE	WA	70,545	53	0.11%	456	46	0.00%	70,089	54	0.11%	0.7%	34
Campbell & Company Investment Adviser	BALTIMORE	MD	63,530	54	0.10%	34,530	15	0.05%	29,000	74	0.05%	119.1%	5
Campbell & Company Investment Adviser	CHICAGO	IL	61,037	55	0.10%	173	49	0.00%	60,864	58	0.10%	0.3%	36
The Ohio Public Employee Retirement System	COLUMBUS	OH	57,217	56	0.09%	0	52	0.00%	57,217	59	0.09%	0.0%	40
Alps Advisors	DENVER	CO	56,080	57	0.09%	56,080	10	0.09%	0	98	0.00%	NM	New
Susquehanna International Group, LLP	BALA CYNWYD	PA	51,964	58	0.08%	-22,809	97	-0.04%	74,773	53	0.12%	-30.5%	88
Millennium Management, LLC	NEW YORK	NY	50,396	59	0.08%	-178,893	107	-0.28%	229,289	33	0.36%	-78.0%	97
Ocudo Quantitative Strategies LP	WHITE PLAINS	NY	48,384	60	0.08%	-18,871	93	-0.03%	67,255	56	0.11%	-28.1%	86

Entravision Institutional Ownership - 2Q22													
Institution	City	State	Holdings	<=Rank % O/S (Class A)	^ 2Q22	<=Rank % O/S (Class A)	Prior Holdings	<=Rank % O/S (Class A)	% ^ 2Q22	<=Rank			
Globeflex Capital L P	SAN DIEGO	CA	46,604	61	0.07%	0	52	0.00%	46,604	61	0.07%	0.0%	40
AllianceBernstein L.P.	NEW YORK	NY	45,100	62	0.07%	-4,700	75	-0.01%	49,800	60	0.08%	-9.4%	70
Caxton Associates LP	PRINCETON	NJ	43,191	63	0.07%	0	52	0.00%	43,191	63	0.07%	0.0%	40
Connors Investor Services, Inc.	WYOMISSING	PA	37,000	64	0.06%	0	52	0.00%	37,000	67	0.06%	0.0%	40
Equitable Holdings	NEW YORK	NY	36,750	65	0.06%	1,000	44	0.00%	35,750	68	0.06%	2.8%	30
Schonfeld Strategic Advisors	NEW YORK	NY	36,300	66	0.06%	24,361	23	0.04%	11,939	92	0.02%	204.0%	4
Schonfeld Strategic Advisors	EL SEGUNDO	CA	34,628	67	0.05%	4,722	38	0.01%	29,906	73	0.05%	15.8%	19
MAN Group PLC	LONDON	X0	34,300	68	0.05%	34,300	16	0.05%	0	98	0.00%	NM	New
Deutsche Bank AG	FRANKFURT AM MAIN GE	I8	34,019	69	0.05%	-3,876	73	-0.01%	37,895	66	0.06%	-10.2%	71
The New York State Common Retirement Fund	ALBANY	NY	32,127	70	0.05%	46	50	0.00%	32,081	70	0.05%	0.1%	38
Royal Bank of Canada	TORONTO	A6	31,927	71	0.05%	-9,556	84	-0.02%	41,483	64	0.07%	-23.0%	84
Susquehanna Fundamental Investments	BALA CYNWYD	PA	31,762	72	0.05%	31,762	17	0.05%	0	98	0.00%	NM	New
Bank of America Corp.	CHARLOTTE	NC	30,995	73	0.05%	-50,801	101	-0.08%	81,796	51	0.13%	-62.1%	95
Principal Financial Group	DES MOINES	IA	30,056	74	0.05%	-15,212	90	-0.02%	45,268	62	0.07%	-33.6%	90
American International Group, Inc.	NEW YORK	NY	29,788	76	0.05%	-2,102	68	0.00%	31,890	71	0.05%	-6.6%	65
Eidelman Virant Capital	SAINT LOUIS	MO	30,000	75	0.05%	30,000	18	0.05%	0	98	0.00%	NM	New
Simplex Trading, LLC	CHICAGO	IL	29,600	77	0.05%	27,300	22	0.04%	2,300	96	0.00%	1187.0%	1
Susquehanna International Group, LLP	BALA CYNWYD	PA	27,000	78	0.04%	-500	65	0.00%	27,500	75	0.04%	-1.8%	57
Group One Trading, LP	CHICAGO	IL	26,853	79	0.04%	-12,519	88	-0.02%	39,372	65	0.06%	-31.8%	89
The Manufacturers Life Insurance Company	CANADA	A6	26,473	80	0.04%	-7,012	81	-0.01%	33,485	69	0.05%	-20.9%	82
The California State Teachers' Retirement System	SACRAMENTO	CA	25,978	81	0.04%	-5,892	79	-0.01%	31,870	72	0.05%	-18.5%	80
Tower Research Capital LLC	NEW YORK	NY	24,168	82	0.04%	22,144	24	0.04%	2,024	97	0.00%	1094.1%	2
Barclays plc	LONDON	X0	23,530	83	0.04%	-63,275	102	-0.10%	86,805	50	0.14%	-72.9%	96
Alberta Investment Management Corp	EDMONTON	A0	23,049	84	0.04%	0	52	0.00%	23,049	81	0.04%	0.0%	40
SG Americas Securities, LLC	NEW YORK	NY	23,043	85	0.04%	-4,314	74	-0.01%	27,357	76	0.04%	-15.8%	78
Metlife Investment Management	WHIPPANY	NJ	22,423	86	0.04%	753	45	0.00%	21,670	83	0.03%	3.5%	28
New Jersey State Employees Deferred Compensation Plan	TRENTON	NJ	22,000	87	0.03%	0	52	0.00%	22,000	82	0.03%	0.0%	40
Wolverine Trading, LLC	CHICAGO	IL	21,900	88	0.03%	21,900	25	0.03%	0	98	0.00%	NM	New
Group One Trading, LP	CHICAGO	IL	21,400	89	0.03%	-3,300	72	-0.01%	24,700	78	0.04%	-13.4%	75
Group One Trading, LP	CHICAGO	IL	21,200	90	0.03%	14,300	29	0.02%	6,900	95	0.01%	207.2%	3
Russell Investments Group, Ltd.	LONDON	X0	21,142	91	0.03%	4,478	39	0.01%	16,664	87	0.03%	26.9%	14
Lazard Asset Management LLC	NEW YORK	NY	20,962	92	0.03%	1	51	0.00%	20,961	84	0.03%	0.0%	39
KBC Group NV	BRUSSELS	C9	19,863	93	0.03%	0	52	0.00%	19,863	85	0.03%	0.0%	40
Mirabella Financial Services LLP	LONDON	X0	18,800	94	0.03%	18,800	26	0.03%	0	98	0.00%	NM	New
O'Shaughnessy Asset Management, LLC	STAMFORD	CT	18,650	95	0.03%	18,650	27	0.03%	0	98	0.00%	NM	New
Mutual Advisors	CASPER	WY	18,000	96	0.03%	-5,576	78	-0.01%	23,576	80	0.04%	-23.7%	85
Bokf, NA	TULSA	OK	17,063	97	0.03%	386	48	0.00%	16,677	86	0.03%	2.3%	32
Citadel Advisors LLC	CHICAGO	IL	15,600	98	0.02%	3,300	40	0.01%	12,300	91	0.02%	26.8%	15
UBS Group AG	ZURICH	V8	13,659	99	0.02%	-11,019	87	-0.02%	24,678	79	0.04%	-44.7%	92
FMR	BOSTON	MA	13,441	100	0.02%	13,441	30	0.02%	0	98	0.00%	NM	New
Mackenzie Financial Corp	MSS 3B5	A6	12,073	101	0.02%	12,073	31	0.02%	0	98	0.00%	NM	New
Steward Partners Investment Advisory	NEW YORK	NY	12,000	102	0.02%	2,000	43	0.00%	10,000	93	0.02%	20.0%	17
Advisor Group Holdings, Inc.	PHOENIX	AZ	11,442	103	0.02%	-4,758	76	-0.01%	16,200	88	0.03%	-29.4%	87
Dorsey Wright & Associates	PASADENA	CA	11,346	104	0.02%	-1,526	66	0.00%	12,872	90	0.02%	-11.9%	73
ProShare Advisors LLC	BETHESDA	MD	11,283	105	0.02%	-1,866	67	0.00%	13,149	89	0.02%	-14.2%	77
Samalin Investment Counsel	CHAPPAQUA	NY	10,634	107	0.02%	3,240	41	0.01%	7,394	94	0.01%	43.8%	8
Wolverine Trading, LLC	CHICAGO	IL	10,891	106	0.02%	10,891	33	0.02%	0	98	0.00%	NM	New
Hussman Strategic Advisors	ELLCOTT CITY	MD	10,400	108	0.02%	10,400	34	0.02%	0	98	0.00%	NM	New
BNP Paribas Arbitrage SA	NEW YORK	NY	9,935	109	0.02%	-15,638	91	-0.02%	25,573	77	0.04%	-61.2%	94
<b>Subtotal</b>			<b>48,994,136</b>		<b>77.53%</b>	<b>1,220,652</b>		<b>1.93%</b>	<b>47,773,484</b>		<b>75.60%</b>	<b>2.6%</b>	
<b>Subtotal Top-10</b>			<b>34,399,227</b>		<b>54.43%</b>	<b>914,598</b>		<b>1.45%</b>	<b>33,484,629</b>		<b>52.99%</b>	<b>2.7%</b>	
Number of new positions													12
Number of exits													0

Note: Ownership percentage is based on 63,195,798 shares of EVC Class A common stock outstanding as of 3/9/2022.

Source: Company data; whalewisdom.com; Industry Capital Research estimates

Figure 7: Financial Statement Forecasts supporting our valuation

Fiscal Year Ends December 31																
In millions, except per share data																
AS REPORTED	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Net revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.0	\$34.2	\$35.6	\$132.7	120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Net broadcast revenue	235.4	215.0	215.7	204.7	200.7	47.4	48.2	52.9	56.4	204.9	43.5	46.7	49.7	52.7	192.5	173.4
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.9	188.5	233.2	750.3	835.1
<b>Total net revenue (core)</b>	<b>258.5</b>	<b>272.1</b>	<b>296.6</b>	<b>273.6</b>	<b>344.0</b>	<b>148.9</b>	<b>178.4</b>	<b>199.0</b>	<b>233.9</b>	<b>760.2</b>	<b>197.2</b>	<b>221.6</b>	<b>238.2</b>	<b>285.9</b>	<b>942.9</b>	<b>1,008.5</b>
Revenue from spectrum usage rights		263.9	1.2	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	233.9	760.2	197.2	221.6	238.2	285.9	942.9	1,008.5
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	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Digital cost of revenue as % of revenue	41.2%	57.8%	55.7%	53.3%	74.6%	83.5%	83.7%	85.1%	83.6%	84.0%	84.5%	82.2%	85.1%	84.7%	84.2%	83.1%
<b>Total cost of revenue (core)</b>	<b>9.5</b>	<b>33.0</b>	<b>45.1</b>	<b>36.8</b>	<b>106.9</b>	<b>84.8</b>	<b>109.0</b>	<b>124.3</b>	<b>148.4</b>	<b>466.5</b>	<b>129.9</b>	<b>143.8</b>	<b>160.4</b>	<b>197.6</b>	<b>631.7</b>	<b>694.3</b>
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	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Opex																
Television opex	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio opex	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital opex	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	15.2	20.0	15.5	19.8	70.5	77.0
<b>Total opex (core)</b>	<b>160.2</b>	<b>168.4</b>	<b>176.8</b>	<b>173.4</b>	<b>153.3</b>	<b>40.4</b>	<b>41.4</b>	<b>43.1</b>	<b>48.1</b>	<b>173.0</b>	<b>43.9</b>	<b>49.7</b>	<b>45.8</b>	<b>51.5</b>	<b>190.9</b>	<b>188.1</b>
Spectrum usage rights																
Total Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	43.9	49.7	45.8	51.5	190.9	188.1
OCF																
Television OCF	75.9	66.3	67.4	65.2	73.6	\$16.2	\$14.5	\$16.3	\$18.4	65.4	\$11.6	\$12.5	\$14.4	\$14.3	52.8	47.3
TV OCF Margin	47.6%	44.8%	44.4%	43.6%	47.6%	44.9%	42.7%	44.7%	45.7%	44.6%	37.7%	39.2%	42.0%	40.1%	39.8%	39.1%
Incremental Margin	-566.3%	83.6%	30.3%	105.6%	173.4%					106.6%					89.3%	46.5%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Radio OCF margin	13.8%	5.4%	7.1%	-3.1%	9.7%	14.4%	29.9%	40.5%	33.9%	31.0%	25.5%	30.0%	32.6%	39.4%	32.4%	28.5%
Incremental Margin	1189.2%	76.7%	-31.0%	70.1%	-70.4%					114.9%						60.6%
Digital OCF	2.4	0.7	2.8	(0.1)	5.7	5.9	9.167	8.6	13.6	37.2	8.6	11.1	12.6	15.9	48.1	63.8
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	5.8%	7.0%	5.9%	7.6%	6.7%	5.6%	6.3%	6.7%	6.8%	6.4%	7.6%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%					7.6%					5.6%	18.5%
<b>Total OCF (core)</b>	<b>88.7</b>	<b>70.7</b>	<b>74.8</b>	<b>63.4</b>	<b>83.8</b>	<b>23.7</b>	<b>27.9</b>	<b>31.6</b>	<b>37.4</b>	<b>120.6</b>	<b>23.4</b>	<b>28.0</b>	<b>32.0</b>	<b>36.9</b>	<b>120.3</b>	<b>126.1</b>
Margin	34.3%	26.0%	25.2%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.9%	12.7%	13.4%	12.9%	12.8%	12.5%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%		8.4%	16.7%	7.7%	-4.8%		-0.6%	0.2%	1.0%	-1.1%		
Spectrum sales	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	88.7	322.3	75.9	63.4	83.8	23.7	27.9	31.6	37.4	120.6	23.4	28.0	32.0	36.9	120.3	126.1
Total OCF Margin	34.3%	60.1%	25.5%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.9%	12.7%	13.4%	12.9%	12.8%	12.5%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%		8.4%	16.7%	7.7%	-4.8%		-0.6%	0.2%	1.0%	-1.1%		
Corporate Expense	24.5	27.9	26.9	28.1	27.8	7.2	7.3	7.3	11.2	33.0	8.7	8.8	8.5	8.6	34.7	35.7
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	16.6	20.6	24.3	26.2	87.6	14.7	19.2	23.5	28.2	85.6	90.4
Corporate non-cash comp	3.7	4.9	5.1	3.6	3.9	0.8	0.8	0.8	4.0	6.4	1.6	1.7	1.7	1.5	6.5	6.6
Opex adjustments to cash:																
Amortization of syndication contracts	(0.4)	(0.5)	(0.7)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.4)	(0.4)	(0.6)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Non-cash comp in direct opex	1.3	1.2	0.7	0.7	1.2	0.3	0.3	0.3	2.3	3.2	1.0	1.0	1.0	1.0	3.9	4.0
Non-recurring cash severance			0.8	2.3	1.7	0.0	0.0	0.0	0.4	0.4						
EBITDA attributable to redeemable noncontrolling interest				3.4	2.8	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	(2.7)	5.5	(1.0)	(1.0)	(1.0)	(0.9)	(3.9)	(4.0)
Foreign currency (gain) loss	0.0	0.4	1.6	0.8	(1.1)	0.6	(0.3)	0.2	0.1	0.5	(0.8)	0.2	0.3	0.3	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Other opex for spectrum (in corporate)		2.1	1.2													
<b>Adjusted EBITDA (core)</b>	<b>69.2</b>	<b>50.6</b>	<b>54.0</b>	<b>41.2</b>	<b>60.4</b>	<b>14.2</b>	<b>17.8</b>	<b>23.2</b>	<b>32.9</b>	<b>88.0</b>	<b>18.1</b>	<b>21.7</b>	<b>25.8</b>	<b>30.3</b>	<b>96.0</b>	<b>101.0</b>
Memo: adj. EBITDA (core) reported	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
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)					
Adj. EBITDA core margin	26.8%	18.6%	18.2%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	9.2%	9.8%	10.8%	10.6%	10.2%	10.0%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	5.3%	12.1%	5.0%	0.3%	6.6%	8.1%	9.2%	6.7%	-4.9%	4.4%	7.6%

Source: Industry Capital Research estimates and company data

Figure 8: Financial Statement Forecasts supporting our valuation (cont.)

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	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	\$45.4	\$178.5	\$42.9	\$48.7	\$44.8	\$50.5	\$187.0	\$184.1
Memo: cash corporate expense	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	7.1	7.1	6.8	7.1	28.2	29.1
Memo: total non-cash comp	5.0	6.1	5.8	4.4	5.1	1.1	1.1	1.1	6.3	9.6	2.6	2.7	2.6	2.5	10.4	10.6
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	1.8	0.8	0.7	0.6	3.9	4.0
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	6.3	22.4	6.4	6.4	6.4	6.4	25.6	26.2
D&A % of Revenue	5.9%	6.0%	5.5%	6.1%	5.0%	3.5%	2.8%	3.0%	2.7%	2.9%	3.2%	2.9%	2.7%	2.2%	2.7%	2.6%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	0.0	0.0	0.0	8.2	8.2	5.1	0.0	0.0	0.0	5.1	0.0
Impairments	0.0	0.0	0.0	32.1	40.0	1.3	0.1	0.2	1.4	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(0.3)	(1.2)	(6.0)	(6.9)	(6.9)	(1.9)	(0.5)	(2.4)	(2.1)	(7.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Gain (Loss) on Sale	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Income (EBIT Inc. Impairments)</b>	<b>48.9</b>	<b>277.9</b>	<b>33.6</b>	<b>(1.7)</b>	<b>6.6</b>	<b>11.4</b>	<b>16.2</b>	<b>20.5</b>	<b>12.4</b>	<b>60.5</b>	<b>4.2</b>	<b>12.7</b>	<b>16.9</b>	<b>21.6</b>	<b>55.3</b>	<b>64.6</b>
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	7.6%	9.1%	10.3%	5.3%	8.0%	2.1%	5.7%	7.1%	7.5%	5.9%	6.4%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(1.7)	(1.8)	(1.7)	(1.7)	(6.9)	(1.4)	(1.5)	(1.5)	(1.5)	(6.0)	(8.4)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.3	0.8	2.0	3.4	1.7	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net interest expense	(15.2)	(15.9)	(11.8)	(10.3)	(6.5)	(1.6)	(1.8)	(1.7)	(1.7)	(6.8)	(1.4)	(1.5)	(1.5)	(1.5)	(6.0)	(8.4)
Loss on debt extinguishment	(0.2)	(3.3)	(0.6)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income, net	0.0	0.0	0.2	0.9	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	(0.0)	0.0	0.0
<b>Pretax income</b>	<b>33.5</b>	<b>258.6</b>	<b>21.4</b>	<b>(11.3)</b>	<b>0.1</b>	<b>9.8</b>	<b>14.5</b>	<b>19.0</b>	<b>10.6</b>	<b>53.9</b>	<b>2.7</b>	<b>11.2</b>	<b>15.4</b>	<b>20.0</b>	<b>49.4</b>	<b>56.2</b>
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	6.6%	8.1%	9.5%	4.6%	7.1%	1.4%	5.1%	6.4%	7.0%	5.2%	5.6%
Income (taxes) benefit	(13.1)	(82.6)	(7.9)	(8.2)	(1.5)	(2.8)	(4.0)	(5.1)	(6.8)	(18.7)	(0.9)	(4.0)	(5.1)	(7.3)	(17.3)	(19.7)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	28.5%	27.6%	26.9%	63.7%	34.6%	31.1%	35.5%	33.3%	36.5%	35.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	-2.0%	22.7%	2.5%	5.4%	7.7%	44.2%	23.1%	16.9%	19.8%	21.0%	24.6%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	7.0	10.5	13.9	3.9	35.2	1.9	7.2	10.2	12.7	32.1	36.5
Equity in net of noncon. affils.	0.0	(0.3)	(1.4)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	0.2	0.0	0.0
Reported Net income	20.4	175.7	12.2	(19.7)	(1.4)	7.0	10.5	13.9	3.9	35.2	1.9	7.2	10.1	12.9	32.1	36.5
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	9.2%	9.8%	10.8%	10.6%	10.2%	10.0%
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	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	5.4	7.9	12.1	3.9	29.3	1.9	7.2	10.1	12.9	32.1	36.5
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	\$0.04	\$0.34	\$0.02	\$0.08	\$0.12	\$0.15	\$0.38	\$0.44
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
<b>Net income to common</b>	<b>20.4</b>	<b>175.7</b>	<b>12.2</b>	<b>(19.7)</b>	<b>(3.9)</b>	<b>5.4</b>	<b>7.9</b>	<b>12.1</b>	<b>3.9</b>	<b>29.3</b>	<b>1.9</b>	<b>7.2</b>	<b>10.1</b>	<b>12.9</b>	<b>32.1</b>	<b>36.5</b>
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.05	\$0.34	\$0.02	\$0.08	\$0.12	\$0.15	\$0.38	\$0.44
<b>EPS - diluted</b>	<b>\$0.22</b>	<b>\$1.91</b>	<b>\$0.13</b>	<b>(\$0.23)</b>	<b>(\$0.05)</b>	<b>\$0.06</b>	<b>\$0.09</b>	<b>\$0.14</b>	<b>\$0.04</b>	<b>\$0.33</b>	<b>\$0.02</b>	<b>\$0.08</b>	<b>\$0.12</b>	<b>\$0.15</b>	<b>\$0.37</b>	<b>\$0.43</b>
EPS reported by company	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.33	\$0.02	\$0.08	\$0.12	\$0.15	\$0.37	\$0.43
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pro forma adjustments	0.0	0.0	0.0	0.0	39.8	0.0	0.0	0.0	9.6	9.6	5.1	0.0	0.0	0.0	5.1	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	5.4	7.9	12.1	13.5	38.9	7.0	7.2	10.1	12.9	37.2	36.5
Pro forma EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.16	\$0.46	\$0.08	\$0.08	\$0.12	\$0.15	\$0.44	\$0.44
<b>Pro forma EPS</b>	<b>\$0.22</b>	<b>\$1.91</b>	<b>\$0.13</b>	<b>(\$0.23)</b>	<b>\$0.43</b>	<b>\$0.06</b>	<b>\$0.09</b>	<b>\$0.14</b>	<b>\$0.15</b>	<b>\$0.44</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.12</b>	<b>\$0.15</b>	<b>\$0.43</b>	<b>\$0.43</b>
EPS shares - Basic	89.3	90.3	89.1	85.1	84.2	85.0	85.2	85.4	85.6	85.3	86.5	86.0	84.7	83.3	85.1	82.1
EPS shares - Diluted	91.3	91.9	90.3	85.1	84.2	87.0	87.8	88.3	88.6	87.9	88.6	88.2	86.8	85.4	87.3	84.2
Free Cash Flow:																
EBITDA	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.2	32.9	88.0	18.1	21.7	25.8	30.3	96.0	101.0
Cash net interest	-14.4	-12.7	-10.6	-9.4	-5.9	-1.4	-1.6	-1.5	-1.6	-6.2	-1.2	-1.5	-1.5	-1.8	-6.0	-8.4
Other adjustments to cash		250.0	1.9	4.7	5.3	1.9	0.5	2.6	1.7	6.8	0.1				0.1	
- Cash taxes	-0.6	-0.8	-3.3	-2.8	-7.7	0.2	-3.3	-0.5	-0.6	-4.1	-1.2	-2.6	-2.6	-4.0	-10.4	-13.8
Cash taxes / EBITDA	1%	2%	6%	7%	13%	0.0	18%	2%	2%	5%	7%	12%	10%	13%	11%	14%
Minus: capex	-9.1	-12.1	-17.0	-25.3	-9.3	-1.8	-1.0	-1.4	-1.3	-5.6	-1.5	-3.5	-3.5	-3.5	-12.0	-10.6
Capex / D&A	59%	74%	105%	152%	55%	35%	20%	24%	21%	25%	24%	54%	54%	54%	47%	40%
Capex / EBITDA	13%	24%	31%	61%	16%	13%	6%	6%	4%	6%	9%	16%	14%	11%	13%	10%
Plus: cost of revenue for spectrum usage rights		12.1														
<b>= Free Cash Flow</b>	<b>45.2</b>	<b>287.1</b>	<b>25.0</b>	<b>8.3</b>	<b>42.6</b>	<b>13.0</b>	<b>12.4</b>	<b>22.4</b>	<b>31.1</b>	<b>78.9</b>	<b>14.3</b>	<b>14.2</b>	<b>18.2</b>	<b>21.0</b>	<b>67.8</b>	<b>68.2</b>
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	13.0	12.4	22.4	31.1	78.9	14.3	14.2	18.2	21.0	67.8	68.2
<b>Free Cash Flow (core)</b>	<b>45.2</b>	<b>37.6</b>	<b>25.0</b>	<b>8.3</b>	<b>42.6</b>	<b>13.0</b>	<b>12.4</b>	<b>22.4</b>	<b>31.1</b>	<b>78.9</b>	<b>14.3</b>	<b>14.2</b>	<b>18.2</b>	<b>21.0</b>	<b>67.8</b>	<b>68.2</b>
<b>FCF per share (core)</b>	<b>\$0.50</b>	<b>\$0.41</b>	<b>\$0.28</b>	<b>\$0.10</b>	<b>\$0.51</b>	<b>\$0.15</b>	<b>\$0.14</b>	<b>\$0.25</b>	<b>\$0.35</b>	<b>\$0.90</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.21</b>	<b>\$0.25</b>	<b>\$0.78</b>	<b>\$0.81</b>
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	91.8%	69.8%	96.5%	94.6%	89.6%	79.1%	65.3%	70.6%	69.4%	70.6%	67.5%
<b>Dividends per basic share</b>	<b>\$0.13</b>	<b>\$0.16</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.13</b>	<b>\$0.02</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>\$0.02</b>	<b>\$0.10</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>\$0.10</b>	<b>\$0.10</b>
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(2.1)	(2.1)	(2.1)	(2.1)	(8.5)	(2.2)	(2.2)	(2.1)	(2.1)	(8.5)	(8.2)
Dividends as % of FCF	24.7%	39.0%	71.1%	204.6%	24.7%	16.3%	17.2%	9.5%	6.9%	10.8%	15.1%	15.2%	11.6%	9.9%	12.6%	12.0%

Source: Industry Capital Research estimates and company data

Figure 9: Financial Statement Forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
Net revenue growth	1.7%	107.4%	-44.4%	-8.1%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	32.4%	24.2%	19.7%	22.2%	24.0%	7.0%
<b>Net revenue (core) growth</b>	<b>1.7%</b>	<b>5.3%</b>	<b>9.0%</b>	<b>-7.8%</b>	<b>25.8%</b>	<b>131.7%</b>	<b>295.5%</b>	<b>216.0%</b>	<b>36.2%</b>	<b>121.0%</b>	<b>32.4%</b>	<b>24.2%</b>	<b>19.7%</b>	<b>22.2%</b>	<b>24.0%</b>	<b>7.0%</b>
TV revenue growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-14.5%	-6.0%	-6.2%	-11.4%	-9.6%	-9.0%
Radio revenue growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	NM	42.5%	-0.5%	25.4%	11.4%	4.0%	-5.7%	5.5%	3.1%	-12.0%
Digital revenue growth	22.5%	146.7%	41.8%	-14.9%	108.0%	661.2%	1045.0%	970.1%	69.1%	287.5%	51.5%	34.3%	29.0%	31.4%	35.1%	11.3%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	NM	NM	73.9%	NM	53.3%	31.9%	29.0%	33.1%	35.4%	9.9%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-25.5%	-11.9%	-16.7%	-31.5%	-22.4%	-3.2%	-0.3%	-1.5%	-2.3%	-1.9%	-8.0%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	-28.8%	-9.2%	-1.1%	NM	NM	-3.0%	4.0%	6.9%	33.1%	28.6%	7.3%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	NM	NM	49.7%	NM	38.8%	28.6%	23.2%	26.8%	28.6%	7.3%
<b>Opex (core)</b>	<b>4.6%</b>	<b>5.1%</b>	<b>5.0%</b>	<b>-1.9%</b>	<b>-11.6%</b>	<b>0.4%</b>	<b>25.4%</b>	<b>26.6%</b>	<b>4.6%</b>	<b>12.9%</b>	<b>8.5%</b>	<b>20.0%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>10.3%</b>	<b>-1.4%</b>
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	0.6%	-3.2%	-0.3%	-1.5%	-2.3%	-1.9%	-8.0%
Radio opex	5.5%	-3.2%	-6.2%	-4.5%	-26.3%	-16.9%	8.2%	0.8%	-5.5%	-4.2%	-3.0%	4.0%	6.9%	-3.4%	1.0%	-7.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	58.1%	95.3%	145.0%	27.1%	68.5%	40.4%	66.2%	17.8%	27.4%	36.7%	9.2%
<b>Total OCF (core)</b>	<b>-5.3%</b>	<b>-20.3%</b>	<b>5.8%</b>	<b>-15.2%</b>	<b>32.1%</b>	<b>42.6%</b>	<b>NM</b>	<b>49.5%</b>	<b>-7.4%</b>	<b>44.0%</b>	<b>-1.2%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>-1.5%</b>	<b>-0.3%</b>	<b>4.8%</b>
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-7.1%	57.7%	-13.3%	-34.5%	-11.0%	-28.3%	-13.8%	-11.9%	-22.3%	-19.3%	-10.5%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	11.0%	NM	97.1%	4.2%	-24.2%	22.9%	7.8%	-22.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	83.5%	NM	46.1%	21.0%	46.0%	16.8%	29.2%	32.7%
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%
<b>Adjusted EBITDA (core)</b>	<b>-9.3%</b>	<b>-26.9%</b>	<b>6.8%</b>	<b>-23.7%</b>	<b>46.6%</b>	<b>46.7%</b>	<b>NM</b>	<b>41.7%</b>	<b>0.6%</b>	<b>45.7%</b>	<b>27.6%</b>	<b>22.3%</b>	<b>11.2%</b>	<b>-7.7%</b>	<b>9.0%</b>	<b>5.2%</b>
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	14.9%	31.0%	50.0%	26.2%	29.7%	23.4%	26.0%	8.4%	2.1%	14.1%	2.5%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	81.4%	NM	39.4%	-18.7%	47.4%	15.2%	9.1%	3.6%	5.8%	7.2%	-100.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	49.0%	-61.4%	NM	-72.0%	-22.3%	-19.2%	88.2%	-8.4%	13.8%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	34.5%	-81.0%	NM	-65.2%	-8.7%	-16.4%	NM	9.6%	13.8%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	27.3%	-83.3%	NM	-66.7%	-11.1%	-14.3%	NM	11.8%	15.8%
<b>EPS - diluted</b>	<b>-21.4%</b>	<b>NM</b>	<b>-93.0%</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>29.3%</b>	<b>-81.5%</b>	<b>NM</b>	<b>-65.9%</b>	<b>-9.1%</b>	<b>-15.0%</b>	<b>NM</b>	<b>10.4%</b>	<b>17.9%</b>
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	6.1%	76.5%	6.7%	14.3%	-16.0%	-28.6%	-13.3%	3.8%
EPS shares - Diluted	1.1%	0.6%	-1.7%	-5.8%	-1.0%	3.2%	3.7%	4.1%	3.0%	4.4%	1.9%	0.4%	-1.7%	-3.5%	-0.7%	-3.5%

Source: Industry Capital Research estimates and company data

Figure 10: Financial Statement Forecasts supporting our valuation (cont.)

Segments																
In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E
<b>AS REPORTED</b>																
Revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.0	\$34.2	\$35.6	\$132.7	\$120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.9	188.5	233.2	750.3	835.1
Revenue	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.6	238.2	285.9	942.9	1,008.5
Cost of revenue:																
Television	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Cost of revenue	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	129.9	143.8	160.4	197.6	631.7	694.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.2	15.5	51.6	15.2	20.0	15.5	19.8	70.5	77.0
Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.1	48.1	173.0	43.9	49.7	45.8	51.5	190.9	188.1
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.5	14.4	14.3	52.8	47.3
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Digital	2.4	0.7	2.8	(0.1)	5.7	5.9	9.2	8.6	13.6	37.2	8.6	11.1	12.6	15.9	48.1	63.8
OCF	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.6	37.4	120.6	23.4	28.0	32.0	36.9	120.3	126.1
<b>PRO FORMA</b>																
Revenue:																
Television	159.5	148.1	151.7	149.7	154.5	36.1	34.1	36.5	40.2	146.8	30.9	32.0	34.2	35.6	132.7	120.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.7	15.5	17.0	59.8	52.6
Digital			92.1	228.3	315.9	109.5	140.1	146.1	177.5	573.2	153.7	174.9	188.5	233.2	750.3	835.1
Revenue	273.7	281.7	307.8	433.0	516.6	156.9	188.3	199.0	233.9	778.1	197.2	221.6	238.2	285.9	942.9	1,008.5
Cost of revenue:																
Television	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Cost of revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.5	19.8	21.3	79.9	73.5
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.3	10.5	10.3	40.4	37.6
Digital			43.9	45.5	45.4	12.4	14.7	13.2	15.5	55.8	15.2	20.0	15.5	19.8	70.5	77.0
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	48.1	177.3	43.9	49.7	45.8	51.5	190.9	188.1
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.5	14.4	14.3	52.8	47.3
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.4	5.0	6.7	19.4	15.0
Digital	17.5	10.4	3.2	9.8	17.3	6.1	9.5	8.6	13.6	37.7	8.6	11.1	12.6	15.9	48.1	63.8
OCF	103.9	80.3	75.2	73.4	95.3	23.9	28.2	31.6	37.4	121.2	23.4	28.0	32.0	36.9	120.3	126.1
<b>CONSOLIDATED PRO FORMA</b>																
Revenue	273.7	281.7	307.8	433.0	516.6	156.9	188.3	199.0	233.9	778.1	197.2	221.6	238.2	285.9	942.9	1,008.5
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	45.8%	106.3%	60.3%	20.8%	50.6%	25.7%	17.7%	19.7%	22.2%	21.2%	7.0%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	91.0	116.0	124.3	148.4	479.7	129.9	143.8	160.4	197.6	631.7	694.3
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	101.6%	152.8%	106.6%	45.4%	89.4%	42.8%	24.0%	29.0%	33.1%	31.7%	9.9%
Opex	160.2	168.4	187.6	186.6	168.1	42.0	44.1	43.1	48.1	177.3	43.9	49.7	45.8	51.5	190.9	188.1
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	-5.3%	18.5%	11.0%	0.8%	5.5%	4.5%	12.8%	6.3%	7.1%	7.7%	-1.4%
OCF	103.9	80.3	75.2	73.4	95.3	23.9	28.2	31.6	37.4	121.2	23.4	28.0	32.0	36.9	120.3	126.1
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	31.8%	244.8%	25.7%	-14.6%	27.1%	-2.2%	-0.7%	1.3%	-1.5%	-0.7%	4.8%
Corporate	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	7.1	7.1	6.8	7.1	28.2	29.1
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	3.6%	39.7%	15.3%	-3.2%	11.3%	11.0%	8.6%	5.7%	-1.0%	5.9%	3.2%
Memo: adj. EBITDA - (OCF - cash corporate)	1.3	3.0	1.1	2.2	0.6	(3.1)	(3.6)	(1.9)	2.6	(6.0)	1.8	0.8	0.7	0.6	3.9	4.0
EBITDA	84.4	60.2	54.4	51.2	71.9	14.4	18.1	23.2	32.9	88.6	18.1	21.7	25.8	30.3	96.0	101.0
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	39.0%	322.5%	13.9%	-8.9%	23.1%	25.6%	20.3%	11.2%	-7.7%	8.4%	5.2%

Source: Industry Capital Research estimates and company data

Figure 11: DCF analysis supports \$8.00 per share 12-month price target, within \$7.00-8.50 range

Entravision DCF analysis		Current	YE 2022	YE 2023
\$ in millions except per share amounts				
Firm Value	708	710	707	
(-) Total Net Debt	107	40	(29)	
(+) NOLs/Tax Assets	30	30	30	
(-) Options (Claims on Entravision)	(2.3)	(2.3)	(2.3)	
Common Equity Value	627.7	697.4	763.4	
Shares Outstanding	87.4	87.4	87.4	
Current Share Price	\$4.43	\$4.43	\$4.43	
Value Per Share	\$7.18	\$7.98	\$8.74	
12-month	\$8.50			
12-month (\$0P)	\$7.00			

ASSUMPTIONS		2018-22	2020-24	2022-26	2025-26
Risk Free Rate		2.88%			
Equity Premium		5.73%			
Assumed LT Growth Rate (g)		0%			
EBITDA		15%	21%	10%	13%
FCF to Firm		39%	16%	11%	13%
CAGR's					
Outstanding Shares		25%	9%	7%	-6%
MV of Equity		NM	14%	7%	-6%
Estimate MV of Debt Calculation					
Interest Expense		6.9			
Current Cost of Debt		6.0%			
Wgtd Avg Maturity of Debt					
BY of Debt					
Estimate MV of Debt		107.4			

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
<b>Discounted Cash Flow</b>											
EBITDA	54.0	41.2	60.4	88.0	96.0	101.0	128.8	123.3	138.8	130.7	
EBIT	37.8	24.6	43.1	65.6	70.4	74.7	95.1	87.5	100.5	91.7	96.1
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(21.1)	(22.4)	(28.5)	(26.2)	(30.2)	(27.5)	(33.6)
Plus D&A	16.3	16.6	17.3	22.4	25.6	26.2	33.7	35.8	38.3	39.1	39.1
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.0)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)	(39.1)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.4)	(4.5)	(4.5)	(5.2)	(4.9)	(5.1)
<b>Free Cash Flow to Firm</b>	<b>16.3</b>	<b>(0.1)</b>	<b>46.6</b>	<b>47.2</b>	<b>60.2</b>	<b>64.5</b>	<b>84.7</b>	<b>80.8</b>	<b>91.2</b>	<b>85.4</b>	<b>57.4</b>
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	107										
Leverage Mult.	1.8x										
D/Equity	28%										
D/EV	22%										
E/EV	78%										
Unlevered Beta	1.05										
Levered Beta	1.29										
D/Equity (long-term target)	33%										
Cost of Debt (AT)	4.2%										
Cost of Equity	10.3%										
<b>WACC</b>	<b>8.8%</b>										
PV of CF											
			9%	9%	9%	9%	9%	9%	9%	9%	5x EBITDA
					55.3	54.6	65.8	57.7	59.9	51.6	
					59.3	71.6	62.8	65.1	56.1		
					77.8	68.3	70.8	61.0			
											653.9
<b>Sum of PV</b>	<b>344.8</b>	<b>314.9</b>	<b>278.0</b>								
<b>PV of Terminal Value</b>	<b>362.9</b>	<b>394.8</b>	<b>429.4</b>								
<b>NPV of all CF</b>	<b>707.7</b>	<b>709.7</b>	<b>707.4</b>								

Source: Industry Capital Research estimates and company data



Figure 13: DCF analysis allocates ~30% of firm value to broadcasting business

Entravision DCF analysis - Broadcasting			
\$ in millions except per share amounts			
	Current	YE 2022	YE 2023
Firm Value	162	149	142
(-) Total Net Debt	107	40	(29)
(+) NOLs	30	30	30
(-) Options (Claims on Entravision)	(2.3)	(2.3)	(2.3)
Common Equity Value	81.7	137.0	198.3
Shares Outstanding	87.4	87.4	87.4
Current Share Price	\$4.43	\$4.43	\$4.43
Value Per Share	\$0.94	\$1.57	\$2.27
12-month	\$2.00		

ASSUMPTIONS		2018-22	2020-24	2022-26	2025-26
Risk Free Rate		2.9%			
Equity Premium		5.7%			
Assumed LT Growth Rate (g)		-1%	-3%	-5%	15%
MV of Equity Calculation		FCF to Firm	-9%	-6%	17%
Share Price		\$4.43			
Outstanding Shares		87.4			
MV of Equity		387.1			
Estimate MV of Debt Calculation		6.9			
Interest Expense		6.0%			
Current Cost of Debt					
Wgtd Avg Maturity of Debt					
BV of Debt		107.4			
Estimate MV of Debt		107.4			

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
<b>Discounted Cash Flow</b>											
EBITDA	51.3	41.3	58.1	59.9	47.9	37.2	52.1	34.1	39.1	25.7	16.7
EBIT	35.0	24.7	40.8	42.7	31.1	22.6	32.4	14.6	19.0	5.8	(5.8)
Less Cash Taxes	(10.5)	(7.4)	(12.2)	(12.8)	(9.3)	(6.8)	(9.7)	(4.4)	(5.7)	(1.7)	(19.5)
Plus D&A	16.3	16.6	17.3	17.3	16.8	14.6	19.7	19.5	20.1	19.9	(19.5)
Less CapEx	(17.0)	(25.3)	(9.5)	(5.6)	(12.0)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)	0.0
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
<b>Free Cash Flow to Firm</b>	<b>14.3</b>	<b>(0.0)</b>	<b>45.0</b>	<b>41.5</b>	<b>26.6</b>	<b>19.8</b>	<b>31.2</b>	<b>18.0</b>	<b>21.1</b>	<b>11.0</b>	<b>10.8</b>
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	107										
Leverage Mult.	1.8x										
D/Equity	28%										
D/EV	22%										
E/EV	78%										
Unlevered Beta	1.03										
Levered Beta	1.3										
D/Equity (long-term target)	33%										
Cost of Debt (A1)	4.2%										
Cost of Equity	10.1%										
<b>WACC</b>	<b>8.7%</b>										
PV of CF											
					24.4	16.8	24.3	12.9	13.9	6.7	
					18.2	18.2	26.4	14.1	15.1	7.3	
							28.7	15.3	16.5	7.9	
											112.1
											3x EBITDA

	Current	YE 2022	YE 2023
Sum of PV	99.1	81.1	68.4
PV of Terminal Value	62.6	68.1	74.0
<b>NPV of all CF</b>	<b>161.7</b>	<b>149.2</b>	<b>142.3</b>

Source: Industry Capital Research estimates and company data

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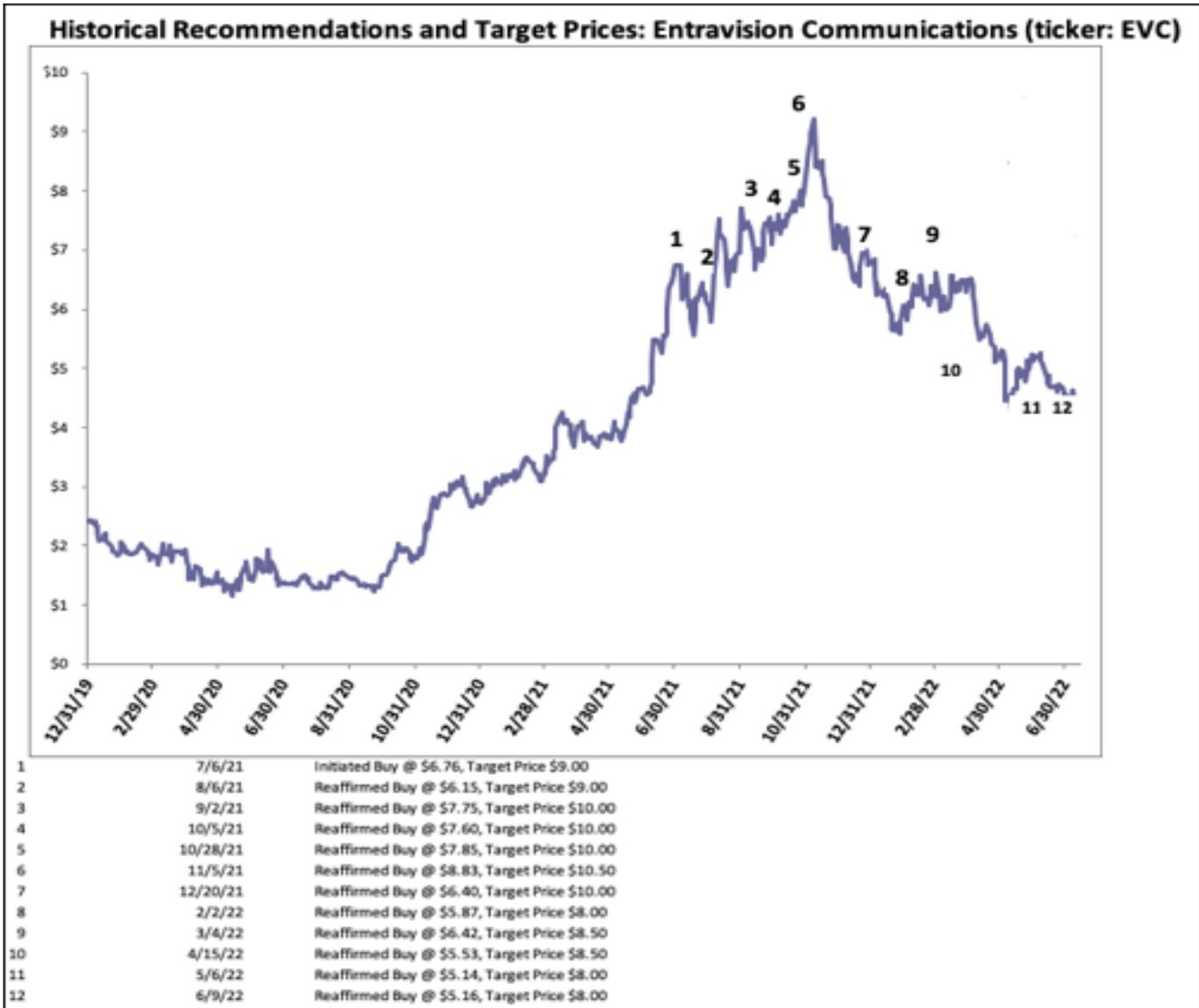
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