

Entravision Communications Corporation (EVC)

Valuation Update Reaffirms \$7 Price Target, While Scenarios Suggest Big Swings; Reaffirm Buy

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Midway through what was supposed to be a recession year, and may still be, with a new CEO taking the helm, we update our valuation for EVC, and double-click on a few valuation scenarios. We've long thought investors insufficiently consider extreme outlooks, good and bad, and this is an attempt to see broader horizons. To wit, if all digital scenarios we consider broke favorably, it could add over \$300m or \$4/share to EVC equity value, but if unfavorably, over \$200m or roughly \$3/share would be at risk, we estimate (see Fig. 6).

After updating our recurring valuation analysis, our price target is unchanged. In our discounted cash flow analysis, higher interest rates push up our risk free rate assumption and market conditions reduce our equity risk premium, while our updated beta assumptions are notably higher for EVC shares, but lower for its digital media comps (see Fig. 2). Although time is growing shorter for the onset of a recession in 2023, we still base our valuation on a 50% chance of a recession that would reduce our 2023/24 adjusted EBITDA estimates by ~7% (see Fig. 3-5).

Over the past two years, EVC's digital businesses, both in media representation and in its own platforms (e.g., Smadex and its demand-side platform), have seen substantial surprises in both their revenue and margin outlooks. Looking at our 2022-26 forecasts, 1) our EVC Latam revenue is roughly 6% higher but OCF margins ~160bps lower (see Fig. 8-9); 2) our EVC Asia revenue is over 40% higher but OCF margins ~350bps lower (see Fig. 11-12); and 3) our EVC legacy digital revenue has more than doubled and its OCF margins are ~350bps higher (see Fig. 14-15). The net of these changes has been to leave our OCF forecasts on balance slightly lower for EVC Latam and Asia (see Fig. 10 and 13), but notably higher for EVC's legacy digital business (see Fig. 16). Currently, our 5-year forecast OCF CAGRs of 21% for legacy digital and 17% for EVC Latam and EVC Asia remain well above our forecast EBITDA CAGR for EVC as a whole (see Fig. 2 and 17).

Our digital valuation scenarios consider sizes of revenue and margin surprises that are generally consistent with what we have seen the past two years. See Fig. 6. Specifically, we consider: 1) for EVC Latam, revenue +/- 10% and OCF margins +/- 150bps vs. our forecasts, 2) for EVC Asia, revenue +40%/-20% and OCF margins +/- 350bps vs. our forecasts, and 3) for legacy digital, revenue +100%/-50% and OCF margins +/- 350bps vs. our forecasts.

Our TV scenario focuses on risk rather than reward, in particular to the amount of retransmission revenue after the current network affiliation agreement expires at the end of 2026. We estimate EVC will receive \$37m in net retransmission revenue this year (see Fig. 18), and even though we do not see this growing much, a new affiliation agreement without it (admittedly a worst case) could put at risk ~\$100m of equity value, or ~\$1 per share (see Fig. 6), basically the value that we currently attribute to EVC's broadcast business (see Fig. 29).

Maintain \$7 per share 12-month price target and Buy rating; risks on page 2. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2028 (see Fig. 27-29).

BUY				
Price at 7/6/23 (USD)	4.35			
Price Target	7.00			
52-week range	3.96 - 7.33			
Performance (%)	1m	3m	12m	
Absolute	-5	-24	0	
S&P 500	3	7	15	
Market Cap (USDm)	390.5			
Shares outstanding (m)	89.8			
Float (%)	89			
Average volume	422,655			
S&P 500	4,411.6			
Forecasts and ratios				
Year ended 12/31	2022A	2023E	2024E	
1Q EPS (USD)	0.02	0.02	0.09	
2Q EPS (USD)	0.10	0.03	0.05	
3Q EPS (USD)	0.11	0.05	0.16	
4Q EPS (USD)	-0.02	0.19	0.14	
FY EPS (USD)	0.21	0.29	0.44	
% Change	-38%	40%	53%	
P/E (x)	21.1	15.0	9.8	
EV/EBITDA (x)	4.5	5.4	3.9	
Revenue (USDm)	956.2	1,085.9	1,234.3	
% Change	26%	14%	14%	

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Investment Thesis and Valuation: Buy With \$7.00 Price Target

Positives supporting our Buy rating include: 1) EVC's share price is not fully capturing the potential of digital media acquisitions because their higher growth and different business models are more difficult for investors to assess; 2) higher post-pandemic broadcast margins, stability of TV retransmission revenue (35% of 2022E EBITDA) and secular growth of political advertising revenue (31% of 2022E EBITDA), and potential monetization from future spectrum auction (as in 2017) reduce the operating risk profile of overall business; 3) pro forma net debt leverage under 2x and double-digit free cash flow yield will give new senior management flexibility to increase returns of capital and continue accretive digital acquisitions; and 4) our DCF valuation supports substantial stock price upside over the next 12 months, particularly if there is no recession.

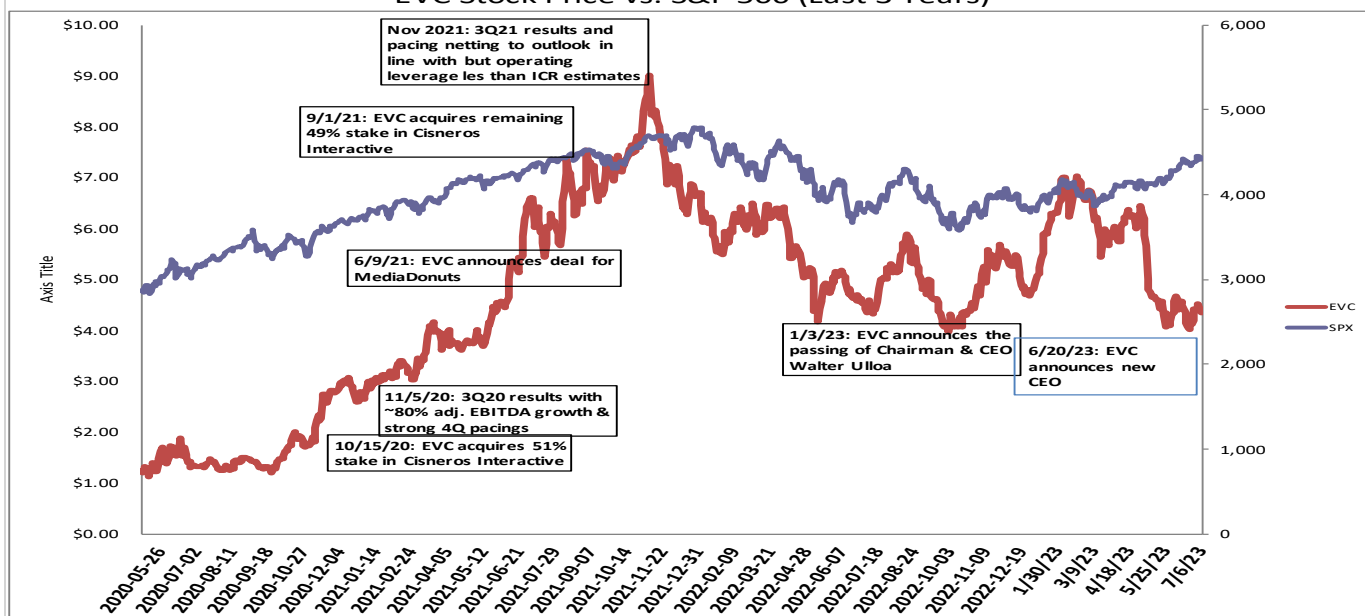
Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2023 and 2024; our PT assumes a 50% chance of a base case with ~\$89m in 2023 EBITDA and a 50% chance of a recession with ~\$83m in 2023 EBITDA, resulting in our target valuation. In structuring our DCF, first we adjust the current net debt for the value of any estimated payments remaining on the acquisitions (e.g., earnouts) and noncontrolling interest. Second, we adjust the current net debt by the estimated free cash flow to be generated by each valuation date. Finally, we value EVC both using a weighted average cost of capital (WACC) reflecting its own stock price trading and using separate WACCs for its broadcast and digital media businesses based on sector comparables, applied to separate free cash flow forecasts for each of these businesses. The results of these two methods set the range for our valuation, with the EVC-specific method incorporating market data on EVC shares' actual volatility setting the upper bound, and the sector method relying on measures of risk of comparables setting the lower bound. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be like D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

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

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data)	
		12-month price target:	\$7.00
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$4.35	Company description	Entravision operates a digital media business serving the U.S. and roughly 40 international markets, and a broadcast business targeting U.S. Hispanics with 49 TV stations (mostly Univision network affiliates) in 14 of the top-50 U.S. Hispanic markets, and 45 radio stations (37 FM and 8 AM) as well as a radio network with distribution to over 100 U.S. markets together covering 31% of the U.S. Hispanic population. The company's 2022 revenue by segment was 78% from digital, 15% from TV, and 7% from audio. TelevisaUnivision owns ~11% of Entravision's stock. On August 2, 2000, Entravision completed an initial public offering at \$16.50 per share of its Class A common stock, which is listed on the NYSE under the symbol "EVC."
Diluted shares outstanding	89.8	Strategy	Expand digital media operations into fast-growing markets outside the U.S. and manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets.
Equity market capitalization	390	Est. acquisition capacity	\$401
+Pro forma net debt	107	Management	After the untimely death of former Chairman and CEO Walter Ulloa last December, Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (as which he has served since 2008, having been with EVC since 2000).
-Hidden value	13	Positives	* Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally * Low debt leverage and high free cash flow yield support returns of capital and digital-focused acquisitions * Higher post-pandemic broadcast margins * Most of its TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending
=Pro forma EV	\$485	Risks	* Management succession and corporate control , especially given loss of management voting control triggered by death of prior CEO * Volatility of international media business, reflecting early stage and potential competition * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship through TV network affiliations and ownership stake may limit strategic flexibility
OPERATING PROJECTIONS		Valuation	Attributing over 80% of firm value to digital media business
Pro forma net revenue		Recent events	June 2023 - appointment of new CEO effective July 1. December 2022 - death of co-founder, CEO & Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 - announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 - acquired 51% stake in Cisneros Interactive for \$29 million. May 2020 - announced substantial expense costs targeting broadcast operations.
2023	\$1,086	Upcoming potential catalysts	Recession risk to advertising-based revenue , both in U.S. and internationally - Additional digital media M&A - Changes in capital return/allocation with new senior management
2022	984		
% Chg	10.3%		
Pro forma EBITDA			
2023	\$89		
2022	108		
% Chg	-17.0%		
Pro forma EBITDA margin			
2023	8.2%		
2022	10.9%		
Free cash flow per share			
2023	\$0.57		
2022	\$0.72		
% Chg	-20.8%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2023	5.4x		
2022	4.5x		
Price / Free cash flow per share			
2023	7.6x		
2022	6.0x		
Pro forma net debt / EBITDA			
2023	1.2x		
2022	1.0x		
Dividend yield			
2023	4.6%		
2022	2.3%		

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



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

No Change to Our Price Target, Reflecting Macro Input Updates

No change to price target, despite changes to macro inputs. As summarized in Fig. 2, the changes to the macro inputs to our DCF are not big and the impact of higher interest rates is offset by a lower equity risk premium. There is a meaningful increase in EVC's beta and thus the discount rate used for valuing the firm as a whole. This may reflect an increase in share price volatility as a result of the shift in EVC's asset mix to less mature digital businesses from the more mature broadcast business. However, we also do a sum-of-the-parts valuation that relies on separate sector beta estimates for the digital and broadcast businesses, and here we saw a decline in the sector beta and thus discount rate for the digital business. These changes in the betas in effect narrowed, but did not really shift, the valuation range for EVC's shares. We stick with the same recession assumptions (see Fig. 3-5), and thus our price target—based on a 50% chance of recession—remains unchanged.

Figure 2: Updated trading data boosts beta & cost of capital for EVC shares, but cuts them for its digital media comps; net-net, \$7 PT reaffirmed

Entravision Communications														
Summary of Changes to Forecast and Valuation														
CAGRs	2023		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-S
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Prior	1,085.9	89.3	\$6.00	\$7.50	21%	7%	8%	8%	8%	3.6%	4.8%	8.2%	11.4%	7.0%
Current	1,085.9	89.3	\$7.00	\$7.00	21%	7%	8%	8%	8%	3.9%	4.6%	9.2%	10.2%	7.3%
Delta	0.0	0.0	\$1.00	(\$0.50)	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	-0.2%	1.0%	-1.2%	0.3%

Source: Company data and Industry Capital Research estimates

Figure 3: We base our recession scenario assumptions on the impact on advertising and opex of prior recessions

Entravision Communications (NYSE: EVC)			
Operating Estimate Changes: Recession Case			
In millions, except per share data			
	Current	Estimates Chg	Recession
2023E			
Revenue Growth:			
Digital	21%	-2%	19%
Core TV Advertising	-6%	-7%	-13%
Core Radio Advertising	3%	-10%	-7%
Operating Expense Growth:			
Digital (Ex-Cost of Revenue)	18%	-1%	17%
TV	-4%	-4%	-8%
Radio	5%	-8%	-3%
OCF Margin:			
Digital	5.8%	0.0%	5.9%
TV	38.5%	-0.6%	37.9%
Radio	27.0%	-1.5%	25.5%

Source: Industry Capital Research estimates and company data

Figure 4: In our recession scenario, our 2023 adjusted EBITDA estimate would drop ~7% to ~\$83m

Summary of Annual Estimates: Recession Case							
In millions, except per share data							
	Last Yr	Prior	Estimates		YoY %CHG		
			Chg	Current	Prior	Chg	Current
2023E							
As Reported							
Revenue	956.2	1,085.9	(27.7)	1,058.2	13.6%	-2.9%	10.7%
Op expense	853.2	996.6	(21.6)	975.0	16.8%	-2.5%	14.3%
Adjusted EBITDA	103.0	89.3	(6.1)	83.2	-13.3%	-5.9%	-19.2%
Margin	10.8%	8.2%	-0.4%	7.9%			
2024E							
As Reported							
Revenue	1,058.2	1,234.3	(30.9)	1,203.4	16.6%	-2.9%	13.7%
Op expense	975.0	1,111.5	(23.3)	1,088.1	14.0%	-2.4%	11.6%
Adjusted EBITDA	83.2	122.9	(7.6)	115.3	47.6%	-9.1%	38.5%
Margin	7.9%	10.0%	-0.4%	9.6%			

* reflects announced acquisitions and dispositions

Source: Industry Capital Research estimates and company data

Figure 5: We estimate that the hit to revenue and EBITDA in a recession would cut roughly \$1 per share from our EVC valuation

Entravision Communications														
Summary of Changes to Forecast and Valuation: Recession Scenario														
(in \$ million except unit data)														
CAGRs	2023		DCF Valuation		EBITDA CAGRs					Risk Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Prior	1,085.9	89.3	\$7.00	\$7.00	21%	7%	8%	8%	8%	3.9%	4.6%	9.2%	10.2%	7.3%
Current	1,058.2	83.2	\$6.00	\$6.00	19%	6%	7%	8%	8%	3.9%	4.6%	9.2%	10.2%	7.3%
Delta	-27.7	-6.1	(\$1.00)	(\$1.00)	-2.1%	-1.6%	-1.5%	-0.5%	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Scenarios Are Inputs to the Possible, Based on a Look at Recent History

Figure 6: If past is prologue for digital business surprises, bigger value swings could come from EVC Latam margins and/or legacy digital revenue

Estimated Impact on EVC Valuation	Per Share Valuation Impact	Enterprise Value Impact (\$m)	(Chg in EV) / (Chg in 2024E OCF)
Scenarios			
EVC Latam revenue +10%	\$0.50	\$29.3	6.6x
EVC Latam revenue -10%	(\$0.50)	(29.3)	6.6x
EVC Latam OCF margin +150bps	\$1.00	81.1	6.3x
EVC Latam OCF margin -150ps	(\$1.00)	(81.1)	6.3x
EVC Asia revenue +40%	\$0.50	25.2	6.5x
EVC Asia revenue -20%	>(\$0.50)	(12.7)	6.5x
EVC Asia OCF margin +350bps	\$0.50	38.0	10.1x
EVC Asia OCF margin -350ps	(\$0.50)	(38.2)	10.1x
EVC legacy digital revenue +100%	\$1.00	103.2	7.8x
EVC legacy digital revenue -50%	(\$0.50)	(51.7)	7.8x
EVC legacy digital OCF margin +350bps	\$0.50	42.8	7.6x
EVC legacy digital OCF margin -350ps	(\$0.50)	(42.8)	7.6x
Loss of TV retransmission revenue post-2026	(\$1.00)	(100.2)	NE

Source: Industry Capital Research estimates and company data

With EVC shares in the doldrums, trading at less than half their peak over the past two years (see Fig. 19), we want to drill down on the value drivers in the business. Our stethoscope is our model, which has explicit assumptions for EVC's key digital and broadcasting businesses out to 2028, and feeds into our DCF valuation (see Fig. 24-29). Although most of our investor conversations about valuation center on operating estimates (usually adjusted EBITDA) and multiple assumptions, these rules of thumb are less useful—or at least precise—when analyzing what could go right or wrong with EVC's underlying business.

Our base model is grounded in our expectations; the scenarios presented here are attempts to quantify potential surprises. EVC's digital transformation has not only introduced much higher revenue growth into its business, but also a fair amount of volatility. We first describe the key digital businesses we assess in our scenarios: Entravision Latin America (EVC Latam), Entravision Asia (EVC Asia), and the legacy digital business, which consists of the operations in EVC's digital segment acquired prior to 2020. Then we provide color on the scenarios and results summarized in Fig. 6.

Figure 7: Digital segment should be a billion-dollar business by 2024

In millions, except unit data	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy														
Revenue	\$68.9	\$54.1	\$68.7	\$22.0	\$27.9	\$27.8	\$26.0	\$103.7	\$23.2	\$31.7	\$36.2	\$40.6	\$131.7	\$154.8
Cost of Revenue	36.8	30.6	39.2	13.0	15.9	16.1	15.4	60.4	13.5	18.7	21.1	23.7	77.0	90.5
Opex ex-cost of revenue	32.3	24.5	23.8	6.9	7.5	6.7	7.9	29.0	8.9	10.8	12.3	12.1	44.0	51.0
OCF	(0.1)	(1.0)	5.7	2.1	4.5	5.0	2.7	14.3	0.8	2.2	2.8	4.9	10.7	13.3
OCF Margin	-0.2%	-1.9%	8.3%	9.5%	16.1%	18.0%	10.4%	13.8%	3.5%	7.0%	7.8%	12.0%	8.2%	8.6%
Acquisitions Since 2020-Stand Alone														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.3	143.1	508.8	129.0	142.7	141.0	163.5	576.1	647.4
Entravision Latam cost of revenue	136.2	201.7	401.7	101.2	111.0	114.4	126.8	453.4	118.6	128.4	127.7	148.5	523.2	582.9
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	5.4	6.9	7.5	7.0	26.8	4.6	7.0	4.2	6.0	21.7	22.3
Entravision Latam OCF	9.9	14.2	29.1	5.9	7.0	6.4	9.3	28.6	5.7	7.3	9.1	9.1	31.1	42.2
Entravision Latam OCF Margin	6.2%	6.1%	6.4%	5.2%	5.6%	5.0%	6.5%	5.6%	4.5%	5.1%	6.4%	5.5%	5.4%	6.5%
Entravision Asia revenue		28.5	52.5	17.2	18.9	21.2	32.3	89.5	23.2	26.3	23.1	30.8	103.3	114.4
Entravision Asia cost of revenue		20.9	40.0	14.1	15.7	17.7	27.4	74.9	19.4	22.0	19.5	26.0	86.9	95.7
Entravision Asia opex ex-cost of revenue		2.5	7.2	2.2	2.0	2.3	2.8	9.3	3.0	2.8	1.6	1.6	9.0	9.1
Entravision Asia OCF		5.0	5.3	0.9	1.2	1.2	2.1	5.3	0.8	1.5	1.9	3.2	7.4	9.6
Entravision Asia OCF Margin		17.7%	10.0%	5.2%	6.2%	5.7%	6.5%	6.0%	3.3%	5.8%	8.4%	10.3%	7.1%	8.4%
365 Digital revenue			1.9	2.1	2.8	2.9	3.6	11.4	2.1	2.4	2.4	3.2	10.1	14.8
365 Digital cost of revenue			1.5	1.7	2.3	2.4	2.5	8.9	1.7	2.0	1.9	2.5	8.0	11.8
365 Digital opex ex-cost of revenue			0.2	0.3	0.4	0.4	0.7	1.8	0.8	0.9	0.6	0.7	3.0	2.5
365 Digital OCF			0.2	0.1	0.1	0.1	0.4	0.7	(0.4)	(0.5)	(0.1)	0.0	(0.9)	0.5
365 Digital OCF Margin			11.5%	4.3%	5.0%	3.4%	11.1%	6.4%	-17.5%	-20.2%	-3.0%	1.1%	-8.8%	3.1%
Jack of Digital revenue			0.0	0.0	0.0	0.3	1.4	1.7	0.7	0.9	0.9	2.1	4.5	9.0
Jack of Digital cost of revenue			0.0	0.0	0.0	0.2	1.0	1.2	0.6	0.7	0.7	1.5	3.4	6.9
Jack of Digital opex ex-cost of revenue			0.0	0.0	0.0	0.1	0.3	0.4	0.2	0.2	0.0	0.2	0.6	0.8
Jack of Digital OCF			0.0	0.0	0.0	(0.0)	0.1	0.1	(0.1)	(0.0)	0.2	0.4	0.5	1.4
Jack of Digital OCF Margin			21.6%	11.9%	6.9%	-13.3%	7.1%	3.5%	-14.3%	-3.5%	26.9%	17.3%	10.4%	15.4%
Adsmurai revenue				10.4	15.7	11.8	23.7	61.6	18.4	16.0	19.0	23.0	76.4	88.9
Adsmurai cost of revenue				8.3	12.5	9.4	18.8	48.9	14.6	12.7	15.0	18.2	60.5	70.4
Adsmurai opex ex-cost of revenue				2.5	2.5	2.5	1.6	9.1	3.5	2.2	3.5	2.9	12.0	12.9
Adsmurai OCF				(0.3)	0.7	(0.1)	3.3	3.6	0.3	1.2	0.5	1.9	4.0	5.6
Adsmurai OCF Margin				-3.4%	4.8%	-0.5%	13.9%	5.9%	1.8%	7.4%	2.7%	8.4%	5.2%	6.3%
Digital segment as reported														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.5	219.9	222.5	263.2	902.0	1,029.3
Digital cost of revenue	36.8	106.9	466.7	129.9	145.0	157.1	192.0	624.0	168.3	184.4	185.9	220.4	759.0	858.0
Digital opex	32.3	30.6	51.3	15.2	17.3	19.1	22.6	74.1	21.0	23.8	22.1	23.4	90.3	98.7
Digital OCF	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.2	11.7	14.5	19.4	52.8	72.5

Metrics	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy growth														
Legacy digital revenue growth		-21.4%	26.9%	69.5%	82.4%	59.8%	13.0%	51.0%	5.4%	13.8%	30.1%	56.3%	27.0%	17.5%
2-yr CAGR		-18.2%	-0.2%	28.5%	56.6%	42.7%	28.4%	38.4%	33.6%	44.1%	44.2%	32.9%	38.5%	22.2%
Legacy digital opex growth		-24.1%	-2.8%	17.4%	34.2%	2.4%	36.0%	21.7%	28.4%	43.9%	83.4%	53.0%	51.8%	15.9%
Legacy digital cost of revenue growth		-16.6%	27.8%	76.9%	83.4%	61.8%	16.7%	54.2%	3.9%	17.8%	30.8%	53.7%	27.4%	17.5%
Legacy digital OCF growth		822.5%	-661.1%	-948.4%	335.2%	450.7%	-32.5%	151.1%	-61.0%	-50.6%	-43.8%	80.9%	-24.9%	24.1%
Entravision Latam growth														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.0%	7.0%	12.1%	14.7%	14.2%	9.9%	14.2%	13.2%	12.4%
2-yr CAGR			68.7%	67.2%	72.4%	55.2%	21.0%	47.7%	20.7%	11.4%	9.9%	10.5%	12.7%	12.8%
Entravision Latam opex ex-COR growth		31.5%	32.5%	16.8%	9.7%	48.9%	-1.0%	16.4%	-15.3%	1.6%	-44.3%	-14.6%	-18.9%	2.7%
Entravision Latam cost of revenue growth		48.0%	99.2%	30.4%	10.6%	9.3%	6.5%	12.9%	17.2%	15.7%	11.6%	17.1%	15.4%	11.4%
Entravision Latam OCF		43%	105%	-6%	-15%	-8%	22%	-2%	-2%	3%	42%	-3%	9%	36%
Entravision Asia growth														
Entravision Asia revenue growth y/y				79.1%	57.1%	75.2%	71.8%	70.6%	34.9%	39.3%	8.7%	-4.8%	15.3%	10.8%
2-yr CAGR				133.7%	113.9%	64.0%	55.8%	77.4%	55.4%	47.9%	38.0%	27.9%	40.2%	13.0%
Entravision Asia opex ex-COR growth y/y				86.4%	-16.5%	69.9%	21.0%	28.4%	37.7%	38.7%	-30.1%	-44.2%	-3.5%	1.8%
Entravision Asia cost of revenue growth y/y				96%	87%	82%	87%	87%	38%	40%	10%	-5%	16%	10%
Entravision Asia OCF growth y/y				-27%	-4%	17%	15%	1%	-14%	31%	61%	51%	38%	30%
365 Digital growth														
365 Digital revenue growth y/y									-2.8%	-14.4%	-17.5%	-11.0%	-11.9%	46.4%
365 Digital opex ex-COR growth y/y									132.1%	154.5%	50.3%	-3.6%	65.5%	-14.8%
365 Digital cost of revenue growth y/y									-3%	-15%	-22%	0%	-10%	47%
365 Digital OCF growth y/y									-496%	-446%	-173%	-92%	-221%	-151%
Jack of Digital growth														
Jack of Digital revenue growth y/y													164.3%	100.1%
Jack of Digital opex ex-COR growth y/y													60.1%	17.2%
Jack of Digital cost of revenue growth y/y													173%	103%
Jack of Digital OCF growth y/y													674%	196%
Adsmurai growth														
Adsmurai revenue growth y/y													24.0%	16.3%
Adsmurai opex ex-COR growth y/y													31.3%	8.2%
Adsmurai cost of revenue growth y/y													24%	16%
Adsmurai OCF growth y/y													9%	41%
Digital segment growth														
Digital revenue, PF, excluding Adsmurai									16%	17%	13%	16%	15%	14%
Digital revenue, PF									20%	16%	16%	14%	16%	14%
Digital revenue									28%	26%	18%	14%	21%	14%
Digital cost of revenue									30%	27%	18%	15%	22%	13%
Digital opex ex-cost of revenue									38%	38%	16%	4%	22%	9%
Digital OCF									-16%	-4%	14%	24%	8%	37%
Digital Segment reported revenue mix:														
Digital as % of company revenue	25%	42%	73%	78%	79%	78%	78%	78%	82%	83%	84%	83%	83%	83%
Entravision Latam Interactive as % of digital segment		62%	82%	73%	72%	68%	62%	68%	66%	65%	63%	62%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	11%	14%	12%	14%	16%	15%	15%	15%
Entravision Asia as % of digital segment revenue		0%	6%	11%	11%	11%	14%	12%	12%	12%	10%	12%	11%	11%
365 Digital as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%
Jack of Digital as % of digital segment revenue		0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%	0%	1%
Adsmurai as % of digital segment revenue		0%	0%	7%	9%	6%	10%	8%	9%	7%	9%	9%	8%	9%
Digital Segment reported OCF mix:														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	68%	58%	51%	60%	58%	80%	62%	63%	47%	59%	58%
Legacy digital as % of digital segment OCF		-18%	15%	24%	37%	39%	17%	29%	11%	19%	19%	25%	20%	18%
Entravision Asia as % of digital segment OCF		0%	8%	10%	10%	9%	13%	11%	11%	13%	13%	16%	14%	13%
365 Digital as % of digital segment OCF		0%	1%	1%	1%	1%	3%	1%	-5%	-4%	-1%	0%	-2%	1%
Jack of Digital as % of digital segment OCF		0%	0%	0%	0%	0%	1%	0%	-1%	0%	2%	2%	1%	2%
Adsmurai as % of digital segment OCF		0%	0%	0%	0%	0%	21%	7%	5%	10%	3%	10%	7%	8%

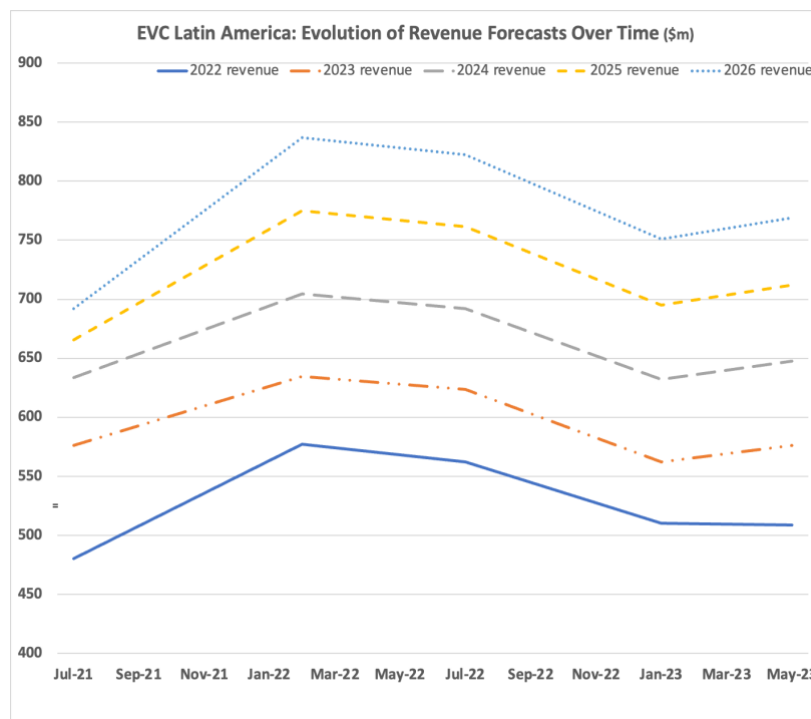
Note: Legacy digital is EVC's digital segment excluding acquisitions since 2020. Source: Industry Capital Research estimates and company data

EVC Latam: lynchpin of the digital media representation business

The crown jewel of EVC Latam’s digital representation business is its representation of Meta across much of Meta’s Latin American footprint. Not only is EVC Latam by far EVC’s largest digital business, accounting for over half of EVC’s digital segment revenue and OCF (see Fig. 7), but we infer from EVC’s SEC filings that Meta representations account for over half of EVC’s digital revenue, largely on the strength of Meta’s business with EVC Latam. A meaningful part of the value of a representation to EVC is the scale and quality of the partner, and here Meta offers key advantages through the vast global scale of its social networks, its high retention of advertisers, and the quality of the campaign data and support which Meta makes available to those advertisers. The relationships of the Cisneros family, well known in Latin America, were likely a factor in building the Cisneros Interactive business, which EVC acquired in 2020 to become EVC Latam. Relationships can be particularly valuable in winning mandates for branding campaigns.

Our initial expectations for EVC Latam (Cisneros Interactive at the time) reflected much of the surge in business that it was already seeing from the impact of expanded credit lines from Meta in the wake of EVC’s acquisition. This factor contributed to the enormous growth EVC Latam has seen, to an annual run-rate of over \$500m in revenue now from under \$200m when it was acquired in 2020.

Figure 8: Our 2022-26 revenue forecasts for EVC Latin America are roughly 6% higher than two years ago

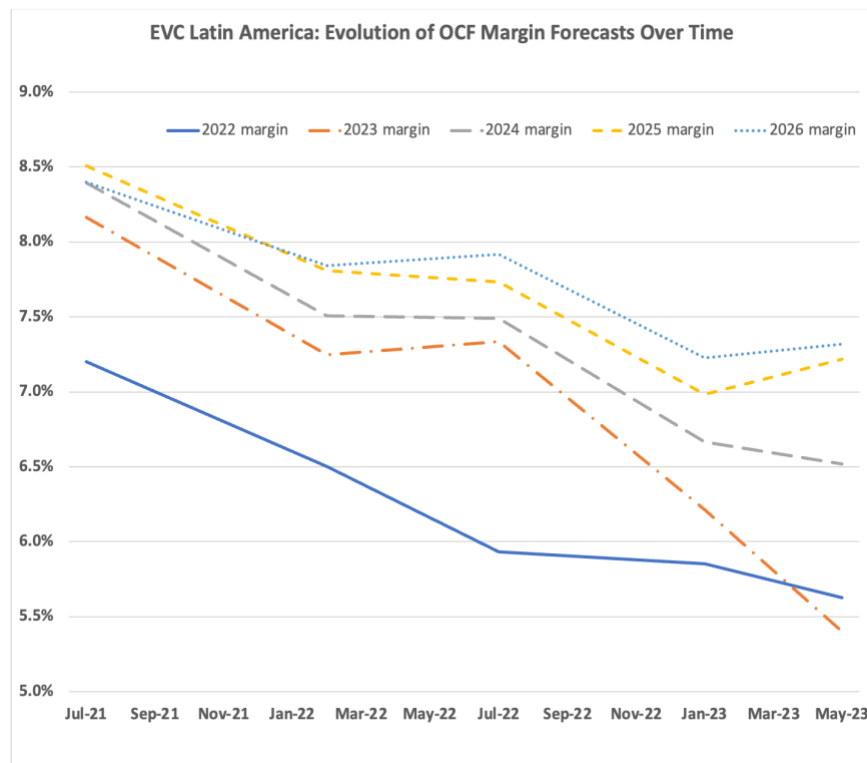


Source: Industry Capital Research estimates and company data

Our revenue forecasts for EVC Latin America have on balance moved up, so that our 2022-26 revenue forecasts for EVC Latin America are roughly 6% higher than they were two years ago (see Fig. 8). Our peak revenue forecasts for all years were in early

2022, just after the initial surge in business as EVC Latam expanded its credit lines with Meta. The upside surprise to our EVC Latam estimates over and above this surge has reflected primarily the quality of EVC Latam’s execution. Indeed, we believe that on the strength of what EVC Latam has been delivering for Meta, Meta has been opening new markets to EVC outside of Latam (e.g., the Iceland and Mongolia representations announced earlier this year).

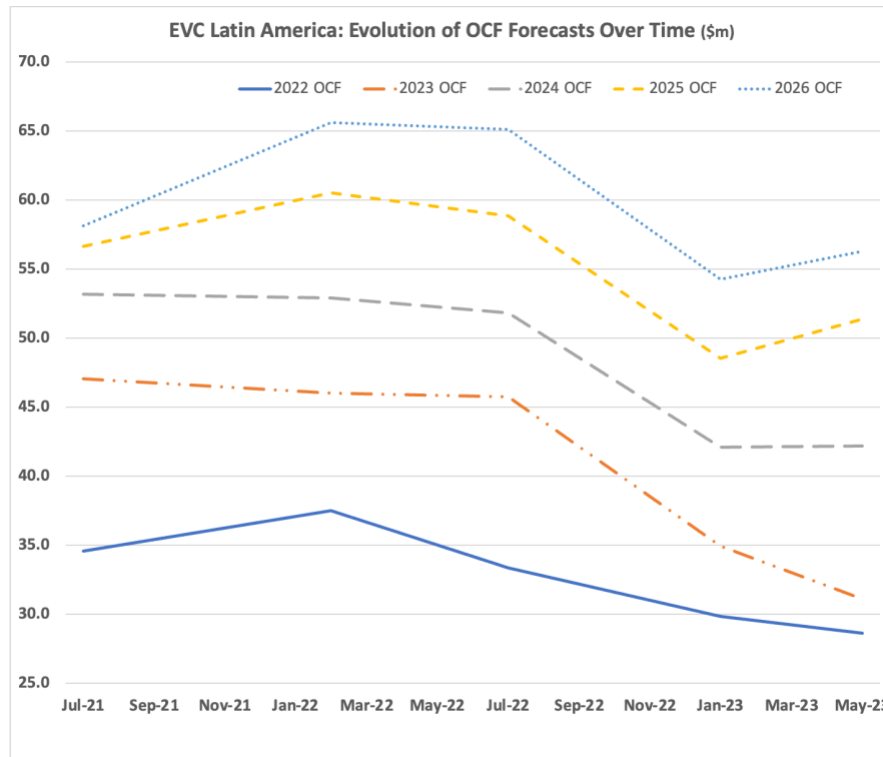
Figure 9: Our 2022-26 OCF margin forecasts for EVC Latam are roughly 160bps lower than two years ago



Source: Industry Capital Research estimates and company data

On the other hand, our operating cash flow (OCF) margin forecasts for EVC Latam have trended down for all years, and our 2022-26 OCF margin forecasts for EVC Latam are roughly 160bps lower than two years ago (see Fig. 9). Indeed, at present, we forecast slight OCF margin compression for EVC Latam in 2023 relative to 2022. The primary pressure on margins appears to be lower commissions from platform partners, as we discussed in our May 8 comment concerning disclosures in EVC’s 1st quarter 10-Q.

Figure 10: Our 2022-26 OCF forecasts for EVC Latin America are roughly 17% lower than two years ago



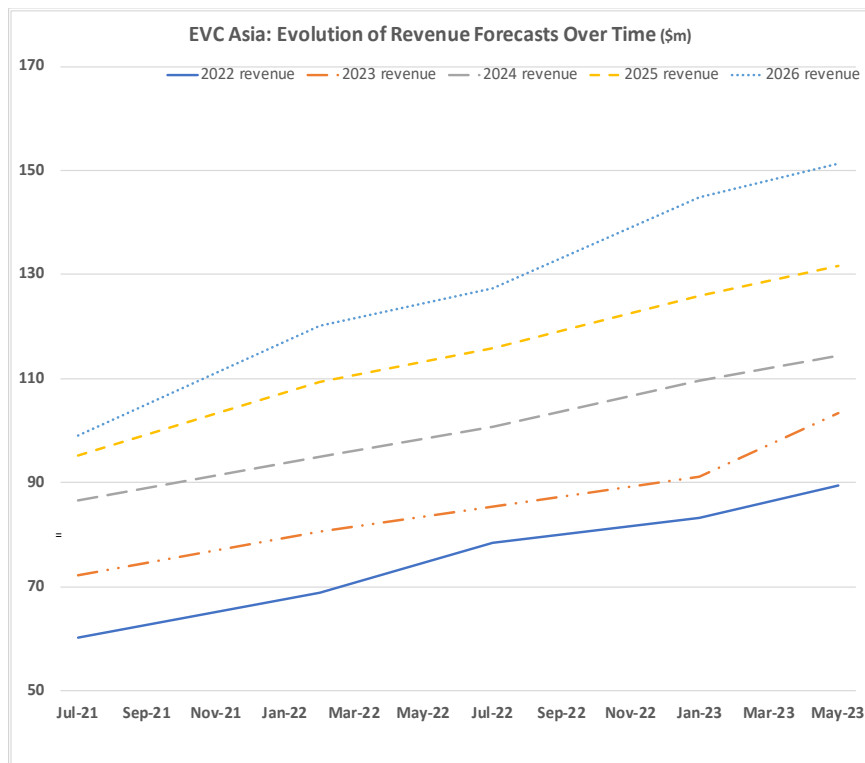
Source: Industry Capital Research estimates and company data

Finally, our OCF outlook for EVC Latam has declined, as its better-than-expected revenue growth has been more than offset by reductions in our OCF margin estimates, so that our 2022-26 OCF forecasts are roughly 17% lower than they were two years ago (see Fig. 10). Our 5-year forecast OCF CAGR for EVC Latam has also declined, to 17% from 32% two years (see Fig.17).

EVC Asia: riding the TikTok tiger

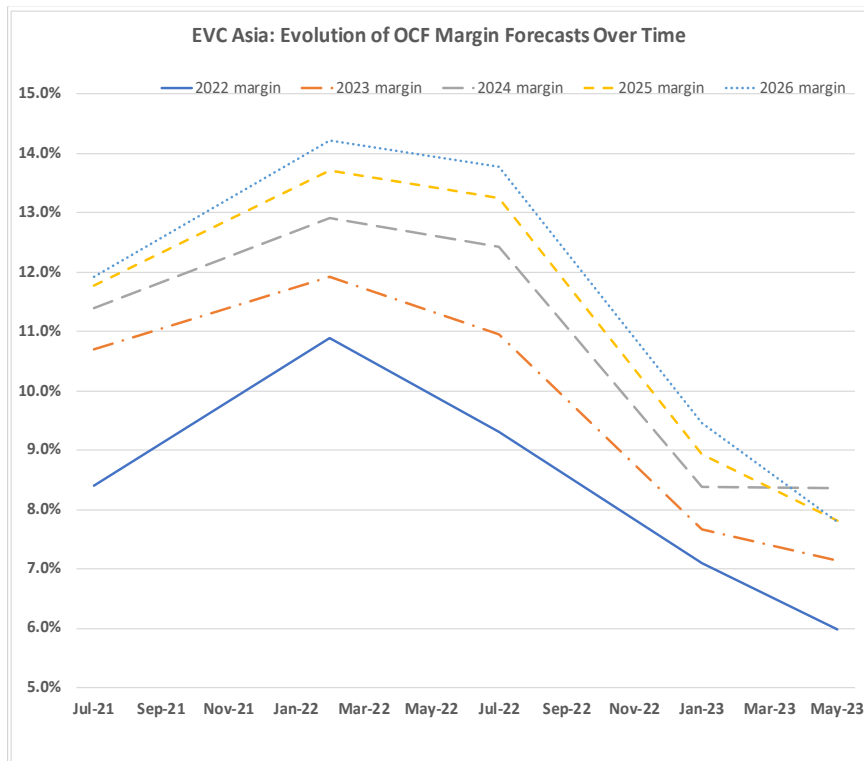
EVC Asia’s business is driven by representing TikTok and leveraging that platform’s explosive growth, as well as having a good representation relationship with Twitter. We believe that an added strength of EVC Asia is the diversification of its advertiser base. Our revenue forecasts for EVC Asia have surged upward, and our 2022-26 revenue forecasts are roughly 43% higher than at initiation (see Fig. 11). By contrast, our OCF margin forecasts for EVC Asia peaked in early 2022, and are now 400-600bps lower than that peak, and roughly 350bps lower than two years ago (see Fig. 12). The result is that our OCF forecasts for EVC Asia, while lower than they were 12-18 months ago, are only marginally (3%) lower than they were two years ago (see Fig. 13). Similarly, our 5-year forecast OCF CAGR for EVC Asia has held relatively steady, at 21% now vs. 24% two years ago (see Fig. 17).

Figure 11: Our 2022-26 revenue forecasts for EVC Asia are over 40% higher than two years ago



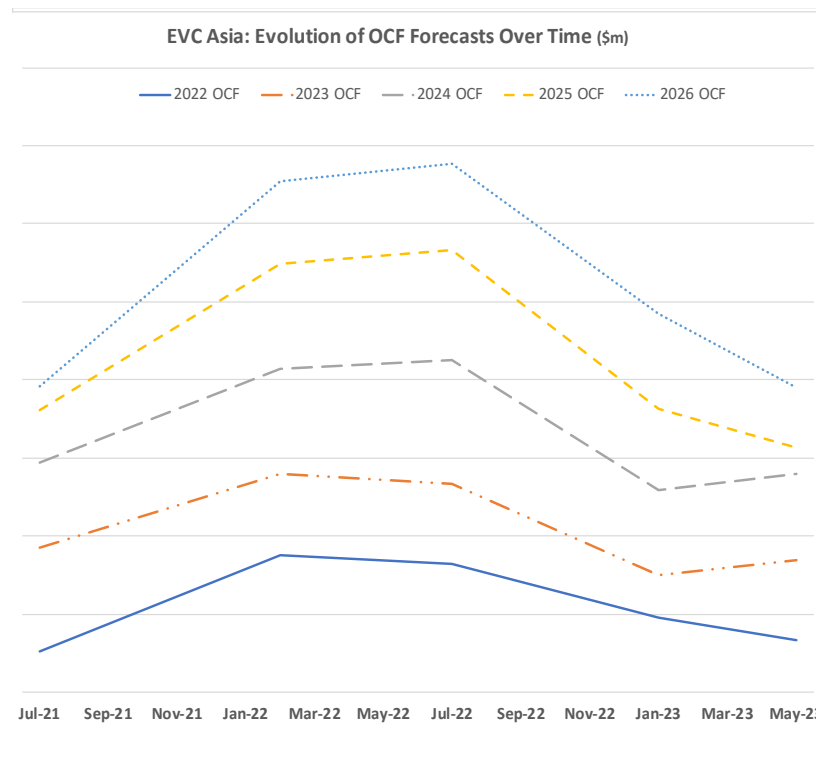
Source: Industry Capital Research estimates and company data

Figure 12: Our OCF margin forecasts for EVC Asia are roughly 350bps lower than two years ago



Source: Industry Capital Research estimates and company data

Figure 13: Our OCF forecasts for EVC Asia, while lower than they were 12-18 months ago, are only marginally (~3%) lower than two years ago



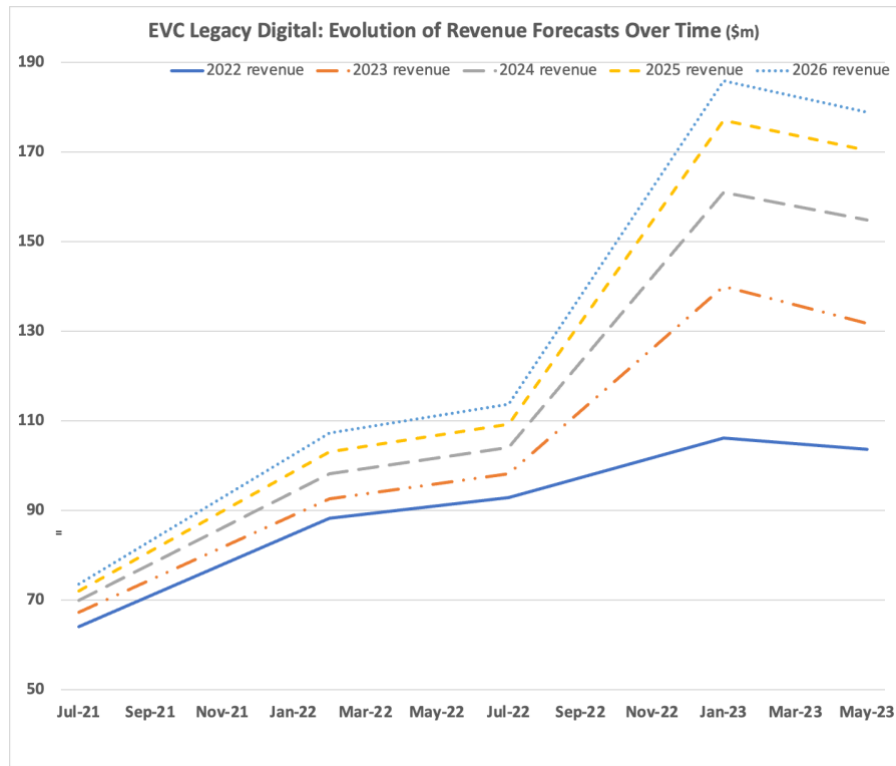
Source: Industry Capital Research estimates and company data

Legacy digital media: Smadex’s expanding global demand-side platform (DSP) could be diamond in the rough

Over the past two years, the biggest driver of upside surprises in OCF outlook has been EVC’s legacy digital business, driven by Smadex and its DSP. We estimate that Smadex accounts for well over half of the revenue of EVC’s legacy digital business. Compared to the digital representation business, Smadex skews more to larger enterprises, particularly in the gaming vertical. We believe that, by geography, Smadex’s business is roughly evenly split between developed markets, primarily Europe and the U.S., and emerging markets. While the OCF margins of the legacy digital business were higher than those of EVC Latam or EVC Asia last year, the legacy business does face some margin pressures, reflecting among other things the level of service needed by certain verticals, some of which run rather data-intensive performance ad campaigns.

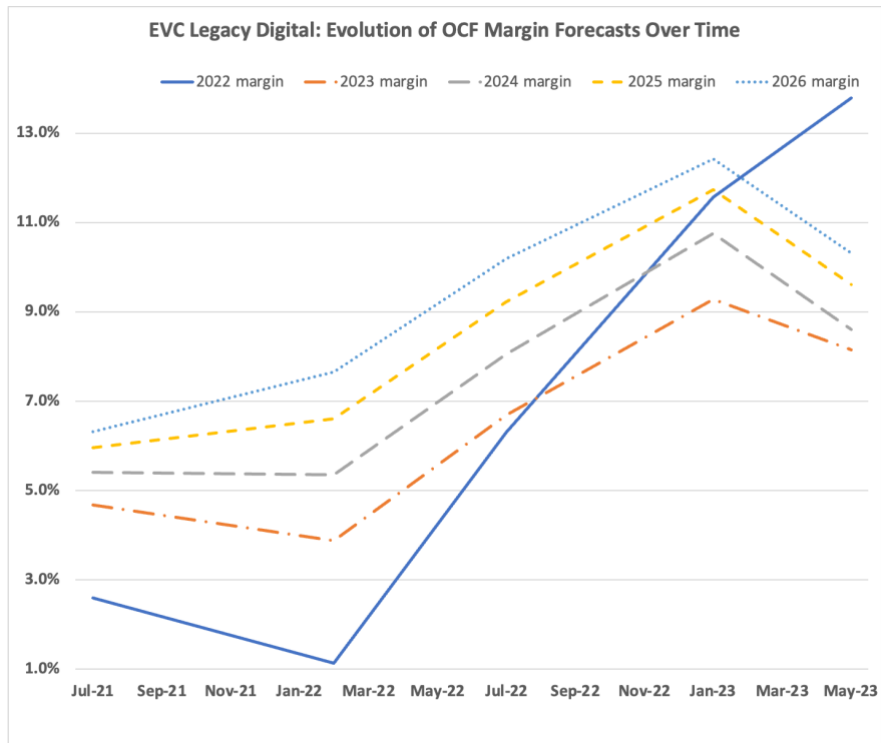
Our 2022-26 OCF forecasts for legacy digital are over 250% higher than two years ago (see Fig. 16), with legacy digital’s OCF now higher than EVC Asia’s (see Fig. 7). First, our revenue forecasts for the legacy digital business have rocketed upward until the beginning of this year, when headwinds in the fintech and crypto ad verticals slowed Smadex (see Fig. 14). Second, our OCF margin forecasts for the legacy digital business suddenly entered a new era in 2022, when what was expected to be a marginally profitable year vaulted to double digit OCF margins. As a result, our legacy digital 2022-26 OCF margin forecasts are roughly 350bps higher than two years ago (see Fig. 15). The combination of higher revenue and higher margin forecasts have driven the surging outlook for OCF at the legacy digital business.

Figure 14: Our 2022-26 revenue forecasts for EVC’s legacy digital business are over double what they were two years ago



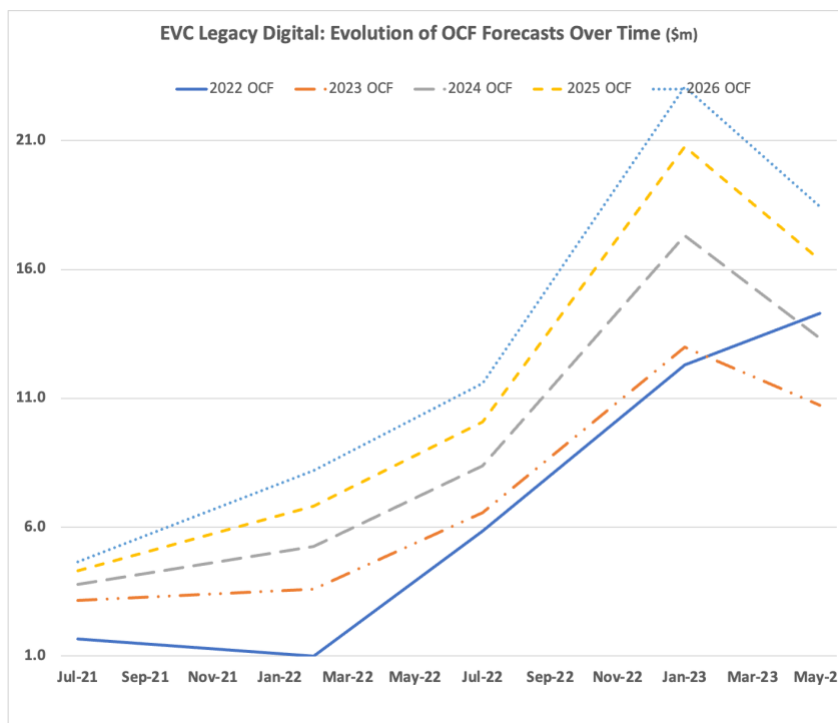
Source: Industry Capital Research estimates and company data

Figure 15: Our 2022-26 OCF margin forecasts for legacy digital are roughly 350bps higher than two years ago



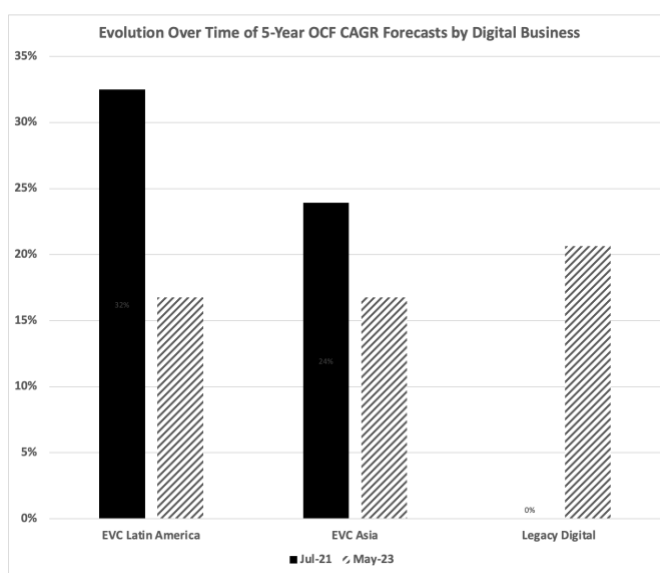
Source: Industry Capital Research estimates and company data

Figure 16: Our 2022-26 OCF forecasts for legacy digital have almost quadrupled over the past two years



Source: Industry Capital Research estimates and company data

Figure 17: Our OCF CAGR forecasts for EVC Latam, EVC Asia and legacy digital remain well above our forecast EBITDA CAGR for EVC as a whole



Source: Industry Capital Research estimates and company data

Description of scenarios

First, we give color on the digital media scenarios summarized in Fig. 6.

- The EVC Latam revenue sensitivity is the smallest by percent of the three digital businesses we analyze: even at 10%, it is a bit larger than the upside variance that we have seen of 6% over the past two years. The sheer size of the EVC Latam business makes big percentage variances in revenue less likely. There could be revenue upside in EVC's existing Meta markets from increasing the share of advertising placed through EVC as representative, rather than with Meta directly. Of course, client concentration can create risks to revenue, which EVC needs to manage.
- The EVC Latam margin sensitivity of +/- 150bps is in line with the variance that we have seen over the past two years. Although we have EVC Latam tracking to have lower margins than EVC Asia, we cannot rule out further margin compression, given the leverage Meta may have from giving EVC Latam so much business. One common dynamic for both EVC Latam and EVC Asia has been margin pressure in digital media representation, and the margin outlooks for both businesses have declined meaningfully over the past two years. Nevertheless, we believe that digital resellers like EVC could see higher margins as a result of competition among platforms in the same market or as a result of offering distinctive services, market expertise, or access to advertisers.
- For EVC Asia, our revenue sensitivity analysis of +40%/-20% skews to the upside, reflecting EVC Asia's strong growth trends, its representation of the fast-growing TikTok platform, and its potential to grow more off a smaller revenue base. The evolving structure of the digital representation business provides some stability, but also some opportunity to grow. EVC and Aleph are by far the largest digital resellers serving the global social networks and other emerging advertising platforms (e.g., Spotify). Given the rivalry between social networks, representing one in a territory may often effectively preclude serving another. In a sense, this can reduce the risk of losing a representation, even though these agreements are usually short-term in nature. However, there is no rule against representing more than one big social network in a territory, and Aleph, for example, exclusively represents both Meta and TikTok in Cambodia. This suggests that, for example, EVC Asia's representation of TikTok in certain markets might not preclude its picking up the presentation for Meta in those markets as well. On the other hand, TikTok is a less mature partner than Meta, and this could introduce downside risk as well as upside potential, leading to our -20% revenue sensitivity scenario.
- Our greater margin sensitivity range for EVC Asia—+/- 350bps—than for EVC Latam reflects the greater variance we have seen in our EVC Asia margin estimates, the fact that EVC Asia's business is at an earlier stage than EVC Latam's, and the relative immaturity of TikTok as an ad platform.
- The biggest revenue sensitivity range that we consider is +100%/-50% for the legacy digital business. This reflects our experience over the past two years, in particular the surge in growth at Smadex, and the potential for this momentum to continue, especially as Smadex further expands its distribution globally. As a platform in its own right, Smadex has fewer constraints on the partners and geographies with which it can do business than EVC's media representation business has. That said, Smadex is also more subject to competitive pressures and negative advertising trends, such as the downturn it has seen in fintech and crypto advertising over the past year, hence our consideration of a sizable 50% downside case.
- Because of the large upside surprise that the legacy digital business has seen in margin, we consider a sensitivity range that both continues the positive momentum (+350bps) as well as represents a reversal of trend (-350bps). Note also that the

legacy digital business has higher margins than EVC Latam or EVC Asia (see Fig. 7). We believe that advertiser mix may have a meaningful impact on the margins of a platform like Smadex, but not so much on the margins of EVC's media representation businesses.

We close by noting two other potential sources of growth upside for the digital representation business, sources that are not particular to any specific region per se.

First, EVC's global presence is now helping it compete for new markets, platform partners, and advertisers. In a number of markets, EVC's advertisers buy ads that run outside of the market, making EVC's advertiser relationships more global in scale than they first appear. In Vietnam, for example, over half of EVC's revenue comes from buys that run on platforms outside of Vietnam. This reflects, among other things, strong growth in Vietnam's e-commerce business, with one catalyst being the trend to dropshipping. Although other markets have less of this global advertising than Vietnam, we still believe that such advertising accounts for a meaningful share of the business of EVC Asia as well as EVC Latam. The global nature of the buys made by many of EVC's digital representation advertisers suggests potential synergies with even EVC's U.S.-based broadcast business, given that entrepreneurial advertisers in many emerging markets are already targeting potential customers in developed markets.

Second, we believe that there is still room for further consolidation of the digital resellers. One catalyst for M&A can be a perception by the seller that it needs to be part of a larger platform that can better compete for advertising from larger companies and companies outside the market. However, we believe that acquisition candidates are likely substantially smaller than the deals which EVC has done already, such as for Cisneros Interactive in 2020 and MediaDonuts in 2021.

Scenario results and implications

As summarized in Fig. 6, if all three key digital businesses—EVC Latam, EVC Asia and legacy digital (together accounting for over 90% of EVC digital segment revenue and OCF)—saw revenue and margin upside of the magnitude that they have seen in the past two years, we estimate that EVC could see incremental value of roughly \$300m, or \$4 per share. Of course, the margin upside in this case would largely be a reversal of the reductions in outlook we have seen the past two years, while the revenue upside would be in effect a repeat performance of the positive surprises that EVC Latam, EVC Asia and the legacy digital business have already delivered over the past two years.

As to downside risk, by contrast, if the digital businesses saw more negative surprises in OCF margin of the magnitude that we have seen the past two years, aggravated by reversals of fortune in revenue growth (i.e., future negative surprises of a similar magnitude as the positive surprises we have seen thus far), then EVC could see a value drain of roughly \$250m, or \$3 per share, by our estimates.

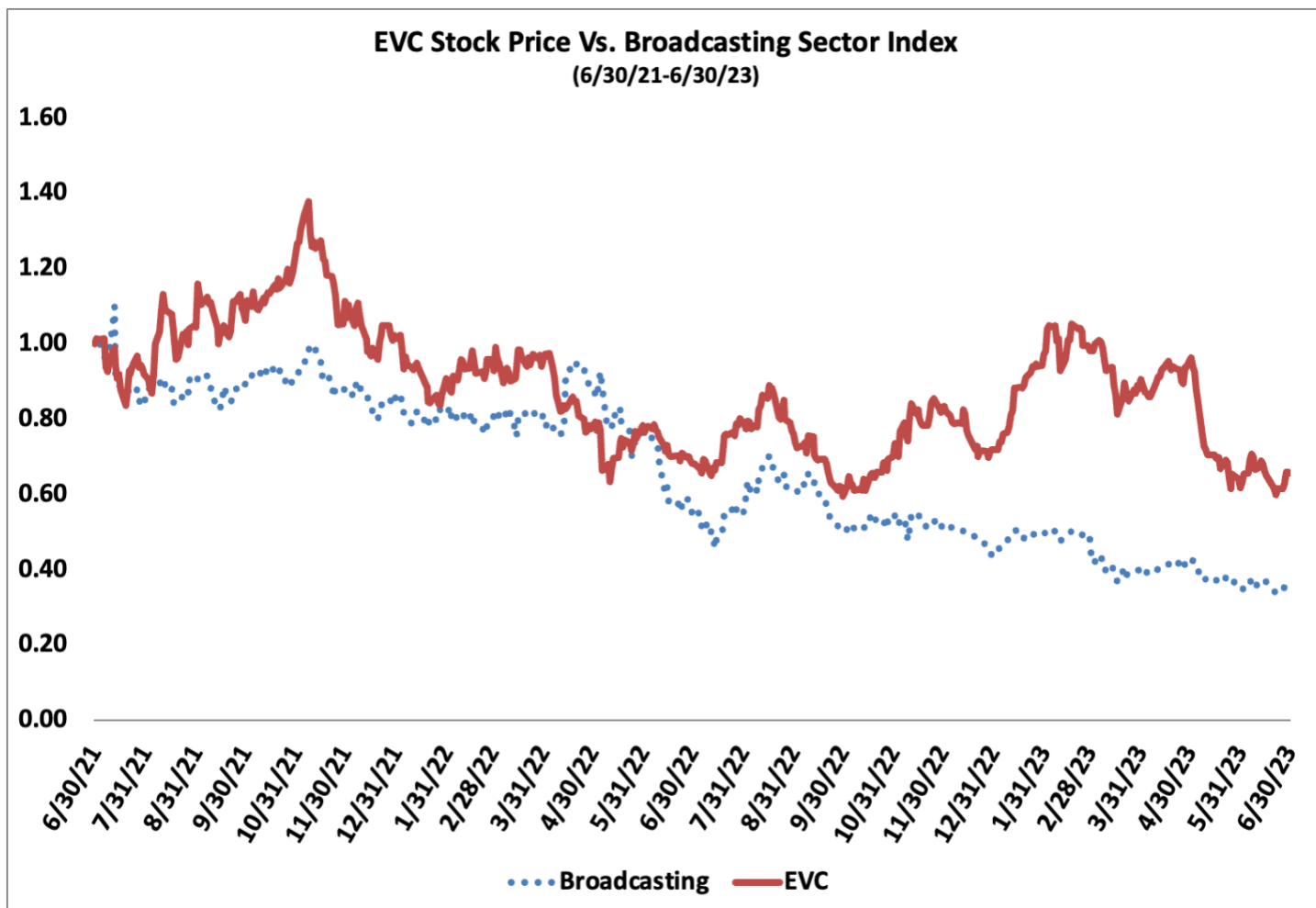
Figure 18: Broadcast revenue drivers—TV segment

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
TELEVISION SEGMENT													
Television PF Rev Growth	3.2%	-6.9%	-16.0%	-6.0%	-3.4%	14.7%	-1.2%	-1.8%	-8.7%	-20.0%	-21.2%	-14.0%	13.2%
Reported TV revenue	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.3	\$29.5	\$28.5	\$36.4	\$124.8	\$141.2
Growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-8.7%	-20.0%	-20.6%	-13.8%	13.2%
TV non-recurring items:													
TV Political/Census	22.6	0.8	1.3	2.8	6.4	14.8	25.2	0.0	0.0	0.0	0.1	0.2	22.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	70.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	22.6	0.8	1.3	2.8	6.4	7.4	17.9	0.0	0.0	0.0	0.1	0.2	22.6
TV revenue ex political	131.9	146.1	29.6	29.6	29.3	38.4	126.9	30.3	29.5	28.5	36.2	124.6	118.7
Growth ex Political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.5%	-13.1%	2.5%	-0.2%	-2.5%	-5.8%	-1.8%	-4.8%
Retransmission Consent	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.2	9.1	8.8	36.7	37.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.6	9.2	9.1	8.8	36.7	37.4
TV revenue ex Retrans	117.7	109.9	21.7	23.3	26.8	36.9	108.7	20.7	20.3	19.4	27.6	88.1	103.8
Growth ex Retrans	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.0%	-1.1%	-4.5%	-12.8%	-27.3%	-25.4%	-19.0%	17.9%
TV World Cup/Other Soccer	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3	0.0	2.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3	0.0	2.0	0.0
TV revenue ex WC	154.5	144.8	30.9	32.4	35.7	45.8	144.7	30.3	28.9	27.2	36.4	122.8	141.2
Growth ex WC	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-1.8%	-10.8%	-23.7%	-20.6%	-15.2%	15.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.4)	(5.7)	(6.1)	(7.4)	(25.6)	(24.2)
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%
Incremental M&A	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.4)	(5.7)	(6.1)	(7.4)	(25.6)	(24.2)
TV revenue ex M&A	163.9	156.6	37.4	38.5	42.8	53.9	172.6	36.7	35.2	34.6	43.8	150.3	165.4
Growth ex M&A	2.3%	-4.4%	-2.0%	7.9%	9.2%	23.7%	10.2%	-1.8%	-8.5%	-19.2%	-18.9%	-12.9%	10.0%
Spectrum usage/auktion	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.6	8.6
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.1	2.1	2.1	2.1	8.6	8.6
TV revenue ex Spectrum Usage	149.0	140.7	29.3	30.7	34.1	44.0	138.1	28.2	27.4	26.4	34.2	116.2	132.6
Growth ex Spectrum Usage	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	12.5%	-1.8%	-4.0%	-10.7%	-22.6%	-22.3%	-15.9%	14.2%
PF TV revenue ex-all non-recurring	99.2	110.7	25.4	25.0	25.9	35.9	112.2	25.0	23.2	22.1	32.7	102.9	96.9
PF TV revenue growth ex all non-recurring	-11.2%	11.7%	-1.3%	1.0%	-4.4%	8.3%	1.3%	-1.6%	-7.3%	-14.9%	-8.9%	-8.3%	-5.8%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.4%	0.7%	22.8%	1.9%	5.0%	6.4%	-1.4%	-3.3%	-9.8%	-0.7%	-3.6%	-7.1%
PF TV advertising growth ex-political	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-6.8%	-18.2%	-1.6%	-3.8%	-7.8%	-8.9%	-5.9%	-8.4%
TV ad rev grth ex political 2-yr CAGR	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-2.6%	-3.1%	-11.4%	-12.4%	-18.2%	-7.9%	-12.2%	-7.1%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.5%	-13.1%	2.5%	-0.2%	-2.5%	-5.8%	-1.8%	-4.8%
TV rev grth ex political 2-yr CAGR	-3.6%	-1.1%	-6.6%	7.3%	-5.6%	-1.3%	-1.9%	-8.4%	-6.9%	-11.1%	-4.7%	-7.6%	-3.3%
PF TV advertising growth	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	16.4%	-1.6%	-7.9%	-16.0%	-31.3%	-27.6%	-22.2%	19.8%

Source: Company reports; Industry Capital Research estimates

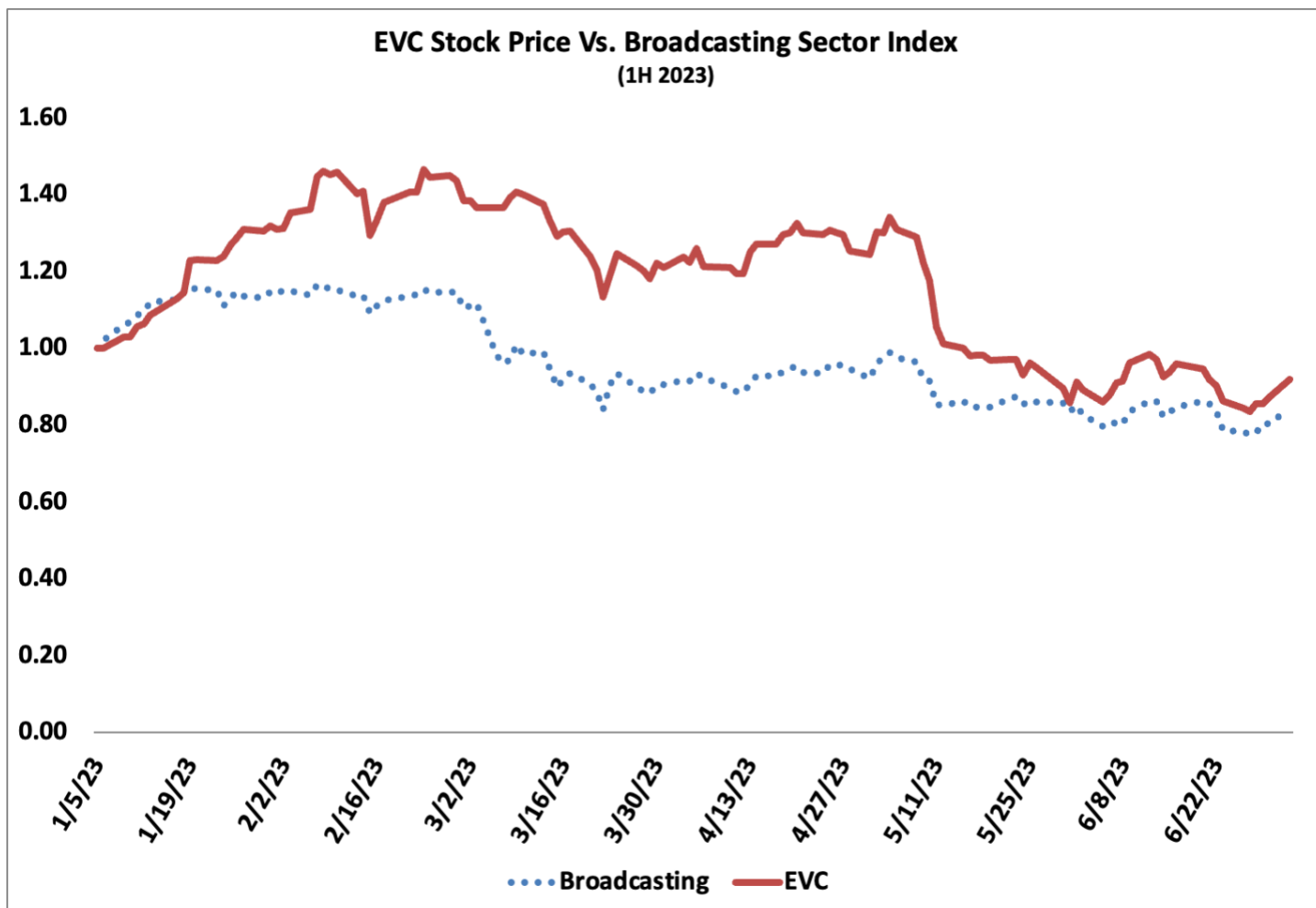
Finally, our scenario on the valuation impact of the potential loss of TV retransmission revenue after 2026 considers what would likely be a worst case, but nevertheless one whose impact on the stock is becoming more manageable as the contribution of broadcast to overall equity value (under 20% now, we estimate—see Fig. 29) continues to shrink. Less retransmission revenue could also reduce EVC’s capacity to borrow for acquisitions, digital or otherwise, and we note that the digital pure-plays we use for sector comparables (see Fig. 21) have little to no leverage.

Figure 19: Over the past two years, EVC shares have outperformed a declining broadcasting sector



Note: Prices indexed to 1.00 based on closing price at 6/30/21. 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 20: In the first half of 2023, EVC shares slightly outperformed the broadcasting sector



Note: Prices indexed to 1.00 based on closing price at 12/30/22. 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 21: Over the past two years, EVC shares and the comparables we use to measure digital media sector risk have lagged the market

Selected Digital Media Comparables	
Stock Price Performance 6/30/21-6/30/23	
Ticker	
Perion Network (PERI)	43.2%
Meta Platforms (META)	-17.5%
MercadoLibre (MELI)	-24.0%
Median	-27.6%
Entravision (EVC)	-31.2%
PubMatic (PUBM)	-53.2%
S4 Capital (SFOR.L)	-79.9%
S&P 500	3.6%

Source: Yahoo! Finance and Industry Capital Research

Figure 22: In 1H23, while EVC's digital sector comparables beat the market, EVC's shares continued to lag

Selected Digital Media Comparables	
Stock Price Performance 1H 2023	
Ticker	
Meta Platforms (META)	138.5%
PubMatic (PUBM)	42.7%
MercadoLibre (MELI)	40.0%
Median	30.6%
Perion Network (PERI)	21.2%
Entravision (EVC)	-6.8%
S4 Capital (SFOR.L)	-33.4%
S&P 500	15.9%

Source: Yahoo! Finance and Industry Capital Research

Figure 23: EVC's top-10 holders own roughly 60% of the shares, led by the Ulloa family

Entravision Institutional Ownership - 1Q23													
Institution	City	State	Holdings	<=Rank % O/S (Class A)	^ 1Q23 <=Rank % O/S (Class A)	Prior Holdings	<=Rank % O/S (Class A)	% ^ 1Q23 <=Rank					
Alexandra Seros	SANTA MONICA	CA	13,203,738	1	16.85%	13,203,738	1	16.85%	0	116	0.00%	NM	New
American Century Investments	KANSAS CITY	MO	10,240,016	2	13.07%	36,623	20	0.05%	10,203,393	1	13.02%	0.4%	36
BlackRock	NEW YORK	NY	5,846,319	3	7.46%	-118,319	126	-0.15%	5,964,638	2	7.61%	-2.0%	69
Dimensional Fund Advisors	AUSTIN	TX	4,135,496	4	5.28%	116,624	8	0.15%	4,018,872	3	5.13%	2.9%	32
The Vanguard Group, Inc.	VALLEY FORGE	PA	2,891,467	5	3.69%	-24,103	116	-0.03%	2,915,570	4	3.72%	-0.8%	68
Boston Partners	BOSTON	MA	2,758,411	6	3.52%	2,159,501	2	2.76%	598,910	18	0.76%	360.6%	4
Renaissance Technologies LLC	NEW YORK	NY	2,345,343	7	2.99%	-83,293	124	-0.11%	2,428,636	6	3.10%	-3.4%	73
Royce & Associates	NEW YORK	NY	2,263,442	8	2.89%	-481,090	133	-0.61%	2,744,532	5	3.50%	-17.5%	84
The Goldman Sachs Group, Inc.	NEW YORK	NY	2,032,642	9	2.59%	-282,276	129	-0.36%	2,314,918	7	2.95%	-12.2%	79
State Street Corporation	BOSTON	MA	1,166,045	10	1.49%	179	54	0.00%	1,165,866	8	1.49%	0.0%	39
Geode Capital Management	BOSTON	MA	1,095,450	11	1.40%	39,728	19	0.05%	1,055,722	9	1.35%	3.8%	30
SEI Investments Company	OAKS	PA	1,022,874	12	1.31%	46,263	17	0.06%	976,611	11	1.25%	4.7%	29
RBF Capital, LLC	SAN FRANCISCO	CA	791,410	13	1.01%	0	58	0.00%	791,410	12	1.01%	0.0%	40
JPMorgan Chase & Co.	NEW YORK	NY	737,905	14	0.94%	8,359	39	0.01%	729,546	14	0.93%	1.1%	34
Nuveen Asset Management, LLC	CHICAGO	IL	670,467	15	0.86%	-312,187	131	-0.40%	982,654	10	1.25%	-31.8%	91
Wellington Management Group LLP	BOSTON	MA	647,934	16	0.83%	0	58	0.00%	647,934	15	0.83%	0.0%	40
The Bank of New York Mellon Corporation	NEW YORK	NY	621,254	17	0.79%	-18,524	114	-0.02%	639,778	16	0.82%	-2.9%	72
Bridgeway Capital Management	HOUSTON	TX	588,230	18	0.75%	-13,870	110	-0.02%	602,100	17	0.77%	-2.3%	70
Invesco Ltd.	ATLANTA	GA	582,967	19	0.74%	361,121	3	0.46%	221,846	28	0.28%	162.8%	7
Franklin Resources	SAN MATEO	CA	572,122	20	0.73%	200,273	6	0.26%	371,999	24	0.47%	53.8%	12
Foundry Partners, LLC	MINNEAPOLIS	MN	540,900	21	0.69%	-2,480	96	0.00%	543,380	19	0.69%	-0.5%	66
Millennium Management, LLC	NEW YORK	NY	508,021	22	0.65%	290,924	4	0.37%	217,097	29	0.28%	134.0%	8
Northern Trust Corporation	CHICAGO	IL	496,858	23	0.63%	-3,316	98	0.00%	500,174	20	0.64%	-0.7%	67
Prescott Holdings, Inc.	TULSA	OK	434,698	24	0.55%	-350,649	132	-0.45%	785,347	13	1.00%	-44.6%	94
Charles Schwab Investment Management, Inc.	SAN FRANCISCO	CA	385,684	25	0.49%	0	58	0.00%	385,684	23	0.49%	0.0%	40
Massachusetts Financial Services Company	BOSTON	MA	382,377	26	0.49%	-10,811	108	-0.01%	393,188	22	0.50%	-2.7%	71
Fisher Asset Management	CAMAS	WA	313,782	27	0.40%	97,142	9	0.12%	216,640	30	0.28%	44.8%	14
Crown Advisors Management	LARKSPUR	CA	300,000	28	0.38%	50,000	15	0.06%	250,000	27	0.32%	20.0%	21
PanAgora Asset Management, Inc.	BOSTON	MA	292,459	29	0.37%	-131,637	127	-0.17%	424,096	21	0.54%	-31.0%	90
D. E. Shaw & Company	NEW YORK	NY	264,103	30	0.34%	-30,178	119	-0.04%	294,281	26	0.38%	-10.3%	76
Peak6 Investments, LLC	CHICAGO	IL	250,000	31	0.32%	250,000	5	0.32%	0	116	0.00%	NM	New
Morgan Stanley	NEW YORK	NY	214,097	32	0.27%	42,442	18	0.05%	171,655	31	0.22%	24.7%	20
O'Shaughnessy Asset Management, LLC	STAMFORD	CT	203,585	33	0.26%	83,500	10	0.11%	120,085	39	0.15%	69.5%	11
Prudential Financial, Inc.	NEWARK	NJ	176,099	34	0.22%	14,245	33	0.02%	161,854	33	0.21%	8.8%	24
First Trust Advisors	WHEATON	IL	163,644	35	0.21%	12,479	36	0.02%	151,165	36	0.19%	8.3%	25
Unison Advisors LLC	WASHINGTON	DC	159,897	36	0.20%	975	49	0.00%	158,922	34	0.20%	0.6%	35
Verdad Advisers L P	BOSTON	MA	158,400	37	0.20%	158,400	7	0.20%	0	116	0.00%	NM	New
Globeflex Capital L P	SAN DIEGO	CA	158,394	38	0.20%	179	54	0.00%	158,215	35	0.20%	0.1%	37
Clarivest Asset Management	SAN DIEGO	CA	126,438	39	0.16%	-124	87	0.00%	126,562	38	0.16%	-0.1%	64
IEQ Capital, LLC	FOSTER CITY	CA	119,004	40	0.15%	0	58	0.00%	119,004	40	0.15%	0.0%	40
Martingale Asset Management L P	BOSTON	MA	107,517	41	0.14%	-27,082	117	-0.03%	134,599	37	0.17%	-20.1%	85
Ameriprise Financial, Inc.	MINNEAPOLIS	MN	106,671	42	0.14%	17,048	30	0.02%	89,623	44	0.11%	19.0%	22
Jacobs Levy Equity Management	FLORHAM PARK	NJ	105,990	43	0.14%	0	58	0.00%	105,990	41	0.14%	0.0%	40
The State Teachers Retirement System of Ohio	COLUMBUS	OH	88,300	44	0.11%	-15,300	112	-0.02%	103,600	42	0.13%	-14.8%	83
LSV Asset Management	CHICAGO	IL	85,900	45	0.11%	-4,200	100	-0.01%	90,100	43	0.11%	-4.7%	74
RhumbLine Advisers	BOSTON	MA	85,289	46	0.11%	4,218	43	0.01%	81,071	46	0.10%	5.2%	28
MAN Group PLC	LONDON	XO	82,889	47	0.11%	82,889	11	0.11%	0	116	0.00%	NM	New
Voya Investment Management LLC.	ATLANTA	GA	80,855	48	0.10%	0	58	0.00%	80,855	47	0.10%	0.0%	40
Legal & General Group plc	LONDON	XO	75,439	49	0.10%	68,708	12	0.09%	6,731	92	0.01%	1020.8%	2
Peak6 Investments, LLC	CHICAGO	IL	65,086	50	0.08%	65,086	13	0.08%	0	116	0.00%	NM	New
Mesirow Financial Investment Management	CHICAGO	IL	60,874	51	0.08%	0	58	0.00%	60,874	53	0.08%	0.0%	40
Barclays plc	LONDON	XO	60,429	52	0.08%	14,099	34	0.02%	46,330	56	0.06%	30.4%	17
Engineers Gate Management L P	NEW YORK	NY	59,380	53	0.08%	14,703	32	0.02%	44,677	58	0.06%	32.9%	16
Bank of America Corp.	CHARLOTTE	NC	57,899	54	0.07%	4,060	44	0.01%	53,839	54	0.07%	7.5%	27
AllianceBernstein L.P.	NASHVILLE	TN	53,500	55	0.07%	0	58	0.00%	53,500	55	0.07%	0.0%	40
UBS Group AG	ZURICH	V8	52,248	56	0.07%	36,267	21	0.05%	15,981	79	0.02%	226.9%	6
AQR Capital Management	GREENWICH	CT	52,022	57	0.07%	11,551	37	0.01%	40,471	60	0.05%	28.5%	19
Graham Capital Management L P	ROWAYTON	CT	51,317	58	0.07%	51,317	14	0.07%	0	116	0.00%	NM	New
UBS Group AG	ZURICH	V8	50,000	59	0.06%	50,000	15	0.06%	0	116	0.00%	NM	New
Russell Investments Group, Ltd.	LONDON	XO	46,473	60	0.06%	-20,748	115	-0.03%	67,221	51	0.09%	-30.9%	89
Equitable Holdings	NEW YORK	NY	45,506	61	0.06%	0	58	0.00%	45,506	57	0.06%	0.0%	40
Allspring Global Investments	CHARLOTTE	NC	44,515	62	0.06%	-17,999	113	-0.02%	62,514	52	0.08%	-28.8%	88
Ballard	FOSTER CITY	CA	44,400	63	0.06%	15,300	31	0.02%	29,100	66	0.04%	52.6%	13
Campbell & Company Investment Adviser	BALTIMORE	MD	44,191	64	0.06%	-29,756	118	-0.04%	73,947	50	0.09%	-40.2%	92
Cubist Systematic Strategies, LLC	STAMFORD	CT	41,563	65	0.05%	-37,788	122	-0.05%	79,351	48	0.10%	-47.6%	96
Deutsche Bank AG	FRANKFURT AM MAIN GE	2M	38,896	66	0.05%	10,939	38	0.01%	27,957	68	0.04%	39.1%	15

Entravision Institutional Ownership - 1Q23													
Institution	City	State	Holdings <=Rank % O/S (Class A)			^ 1Q23 <=Rank % O/S (Class A)			Prior Holdings <=Rank % O/S (Class A)			% ^ 1Q23 <=Rank	
Occudo Quantitative Strategies LP	FORT LAUDERDALE	FL	38,708	67	0.05%	27,762	23	0.04%	10,946	84	0.01%	253.6%	5
Royal Bank of Canada	TORONTO	A6	38,184	68	0.05%	-4,475	101	-0.01%	42,659	59	0.05%	-10.5%	77
MAI Capital Management	INDEPENDENCE	OH	36,127	69	0.05%	-57	86	0.00%	36,184	63	0.05%	-0.2%	65
Connors Investor Services, Inc.	WYOMISSING	PA	33,000	70	0.04%	-4,000	99	-0.01%	37,000	62	0.05%	-10.8%	78
Metlife Investment Management	WHIPPANY	NJ	31,913	71	0.04%	7,253	40	0.01%	24,660	72	0.03%	29.4%	18
Advisor Resource Council	DALLAS	TX	29,909	72	0.04%	29,909	22	0.04%	0	116	0.00%	NM	New
American International Group, Inc.	NEW YORK	NY	28,669	73	0.04%	569	51	0.00%	28,100	67	0.04%	2.0%	33
HUSSMAN STRATEGIC ADVISORS, INC.	ELLCOTT CITY	MD	26,000	74	0.03%	0	58	0.00%	26,000	69	0.03%	0.0%	40
SG Americas Securities, LLC	NEW YORK	NY	25,145	75	0.03%	25,145	24	0.03%	0	116	0.00%	NM	New
MIRAE ASSET GLOBAL INVESTMENTS COMPANY , LTD.	SEOUL	M5	24,808	76	0.03%	0	58	0.00%	24,808	71	0.03%	0.0%	40
The Manufacturers Life Insurance Company	CANADA	A6	24,369	77	0.03%	0	58	0.00%	24,369	73	0.03%	0.0%	40
RITHOLTZ WEALTH MANAGEMENT	NEW YORK	NY	23,877	78	0.03%	23,877	25	0.03%	0	116	0.00%	NM	New
The California State Teachers' Retirement System	WEST SACRAMENTO	CA	22,085	79	0.03%	-1,629	95	0.00%	23,714	74	0.03%	-6.9%	75
NJ STATE EMPLOYEES DEFERRED COMPENSATION PLAN	TRENTON	NJ	22,000	80	0.03%	0	58	0.00%	22,000	75	0.03%	0.0%	40
Simplex Trading, LLC	CHICAGO	IL	20,700	81	0.03%	20,700	26	0.03%	0	116	0.00%	NM	New
State Board Of Administration Of Florida Retirement System	TALLAHASSEE	FL	19,140	82	0.02%	-6,356	104	-0.01%	25,496	70	0.03%	-24.9%	86
Two Sigma Investments LP	NEW YORK	NY	19,000	83	0.02%	-3,000	97	0.00%	22,000	75	0.03%	-13.6%	80
The New York State Common Retirement Fund	ALBANY	NY	18,287	84	0.02%	-13,800	109	-0.02%	32,087	65	0.04%	-43.0%	93
COUNTERPOINT MUTUAL FUNDS LLC	SAN DIEGO	CA	18,282	85	0.02%	18,282	27	0.02%	0	116	0.00%	NM	New
METIS GLOBAL PARTNERS, LLC	SAN DIEGO	CA	18,159	86	0.02%	0	58	0.00%	18,159	77	0.02%	0.0%	40
TUDOR INVESTMENT CORP ET AL	STAMFORD	CT	17,876	87	0.02%	17,876	28	0.02%	0	116	0.00%	NM	New
JANE STREET GROUP, LLC	NEW YORK	NY	17,531	88	0.02%	17,531	29	0.02%	0	116	0.00%	NM	New
FMR LLC	BOSTON	MA	15,459	89	0.02%	534	52	0.00%	14,925	80	0.02%	3.6%	31
CITADEL ADVISORS LLC(CALL)	MIAMI	FL	14,100	90	0.02%	6,700	41	0.01%	7,400	91	0.01%	90.5%	9
QUBE RESEARCH & TECHNOLOGIES LTD	LONDON	XO	13,541	91	0.02%	2,034	47	0.00%	11,507	82	0.01%	17.7%	23
DIVERSIFIED TRUST COMPANY	MEMPHIS	TN	13,214	92	0.02%	0	58	0.00%	13,214	81	0.02%	0.0%	40
Wells Fargo & Company	SAN FRANCISCO	CA	12,542	93	0.02%	12,541	35	0.02%	1	115	0.00%	1254100.0%	1
CI PRIVATE WEALTH, LLC	MIAMI	FL	11,045	94	0.01%	5	57	0.00%	11,040	83	0.01%	0.0%	38
PRICE T ROWE ASSOCIATES INC	BALTIMORE	MD	10,766	95	0.01%	0	58	0.00%	10,766	85	0.01%	0.0%	40
MUTUAL ADVISORS, LLC	CASPER	WY	10,100	96	0.01%	0	58	0.00%	10,100	86	0.01%	0.0%	40
AMALGAMATED BANK	NEW YORK	NY	7,744	97	0.01%	-1,284	94	0.00%	9,028	89	0.01%	-14.2%	82
AMERITAS INVESTMENT PARTNERS, INC.	LINCOLN	NE	5,618	98	0.01%	0	58	0.00%	5,618	95	0.01%	0.0%	40
STEWART PARTNERS INVESTMENT ADVISORY, LLC	NEW YORK	NY	5,400	99	0.01%	0	58	0.00%	5,400	96	0.01%	0.0%	40
Group One Trading, LP	CHICAGO	IL	5,000	100	0.01%	0	58	0.00%	5,000	97	0.01%	0.0%	40
Lazard Asset Management LLC	NEW YORK	NY	4,964	101	0.01%	-32,652	120	-0.04%	37,616	61	0.05%	-86.8%	97
Group One Trading, LP	CHICAGO	IL	4,900	102	0.01%	4,900	42	0.01%	0	116	0.00%	NM	New
POINT72 MIDDLE EAST FZE	DUBAI	CO	4,030	103	0.01%	4,030	45	0.01%	0	116	0.00%	NM	New
METROPOLITAN LIFE INSURANCE COMPANY	NEW YORK	NY	3,265	104	0.00%	-528	93	0.00%	3,793	98	0.00%	-13.9%	81
PARKSIDE FINANCIAL BANK & TRUST	SAINT LOUIS	MO	2,812	105	0.00%	2,812	46	0.00%	0	116	0.00%	NM	New
CITADEL ADVISORS LLC(PUT)	MIAMI	FL	2,600	106	0.00%	1,100	48	0.00%	1,500	101	0.00%	73.3%	10
GROUP ONE TRADING, L.P.	CHICAGO	IL	2,069	107	0.00%	151	56	0.00%	1,918	100	0.00%	7.9%	26
Tower Research Capital LLC	NEW YORK	NY	1,498	108	0.00%	-507	92	0.00%	2,005	99	0.00%	-25.3%	87
AQUATIC CAPITAL MANAGEMENT LLC	CHICAGO	IL	1,400	109	0.00%	-15,100	111	-0.02%	16,500	78	0.02%	-91.5%	98
TCI WEALTH ADVISORS, INC.	TUCSON	AZ	795	110	0.00%	0	58	0.00%	795	102	0.00%	0.0%	40
ADVISOR GROUP HOLDINGS, INC.	PHOENIX	AZ	567	111	0.00%	674	50	0.00%	-107	133	0.00%	NM	New
LEE FINANCIAL COMPANY	DALLAS	TX	375	112	0.00%	0	58	0.00%	375	107	0.00%	0.0%	40
CWM, LLC	OMAHA	NE	354	113	0.00%	280	53	0.00%	74	110	0.00%	378.4%	3
FIRST HORIZON ADVISORS, INC.	MEMPHIS	TN	322	114	0.00%	-263	88	0.00%	585	103	0.00%	-45.0%	95
CITADEL ADVISORS LLC	MIAMI	FL	143	115	0.00%	-165,830	128	-0.21%	165,973	32	0.21%	-99.9%	99
NISA INVESTMENT ADVISORS, LLC	ST. LOUIS	MO	133	116	0.00%	0	58	0.00%	133	108	0.00%	0.0%	40
NEWSQUARE CAPITAL LLC	NEWTOWN SQUARE	PA	90	117	0.00%	0	58	0.00%	90	109	0.00%	0.0%	40
ACADIAN ASSET MANAGEMENT LLC	BOSTON	MA	0	118	0.00%	-6,044	103	-0.01%	6,044	93	0.01%	-100.0%	Exited
CITIGROUP INC	NEW YORK	NY	0	118	0.00%	-400	89	0.00%	400	105	0.00%	-100.0%	Exited
CREDIT SUISSE AG/	ZURICH	V8	0	118	0.00%	-2	82	0.00%	2	114	0.00%	-100.0%	Exited
MEEDER ASSET MANAGEMENT INC	DUBLIN	OH	0	118	0.00%	-8,717	105	-0.01%	8,717	90	0.01%	-100.0%	Exited
SEIZERT CAPITAL PARTNERS, LLC	BIRMINGHAM	MI	0	118	0.00%	-299,545	130	-0.38%	299,545	25	0.38%	-100.0%	Exited
MONEY CONCEPTS CAPITAL CORP	PALM BEACH GARDENS	FL	0	118	0.00%	-50	85	0.00%	50	111	0.00%	-100.0%	Exited
SIMPLEX TRADING, LLC	CHICAGO	IL	0	118	0.00%	-431	91	0.00%	431	104	0.00%	-100.0%	Exited
SIMPLEX TRADING, LLC(PUT)	CHICAGO	IL	0	118	0.00%	-400	89	0.00%	400	105	0.00%	-100.0%	Exited
EXCHANGE TRADED CONCEPTS, LLC	OKLAHOMA CITY	OK	0	118	0.00%	-76,409	123	-0.10%	76,409	49	0.10%	-100.0%	Exited
Wolverine Trading, LLC	CHICAGO	IL	0	118	0.00%	-10,000	106	-0.01%	10,000	87	0.01%	-100.0%	Exited
LINDBROOK CAPITAL, LLC	CALABASAS	CA	0	118	0.00%	-33	84	0.00%	33	112	0.00%	-100.0%	Exited
JUMP FINANCIAL, LLC	CHICAGO	IL	0	118	0.00%	-32,900	121	-0.04%	32,900	64	0.04%	-100.0%	Exited
COVESTOR LTD	LONDON	XO	0	118	0.00%	-8	83	0.00%	8	113	0.00%	-100.0%	Exited
BYRNE ASSET MANAGEMENT LLC	KINGSTON	NJ	0	118	0.00%	-5,670	102	-0.01%	5,670	94	0.01%	-100.0%	Exited
ATRIA WEALTH SOLUTIONS, INC.	NEW YORK	NY	0	118	0.00%	-10,000	106	-0.01%	10,000	87	0.01%	-100.0%	Exited
MAN GROUP PLC	LONDON	XO	0	118	0.00%	-85,503	125	-0.11%	85,503	45	0.11%	-100.0%	Exited
Subtotal			62,257,886		79.45%	15,042,222		19.20%	47,215,664		60.26%	31.9%	
Subtotal Top-10			46,882,919		59.83%	14,527,584		18.54%	32,355,335		41.29%	44.9%	
Number of new positions													18
Number of exits													16

Note: Ownership percentage is based on 78,356,490 shares of EVC Class A common stock outstanding as of 4/17/2023.

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

Figure 24: Entravision financial statement forecasts

Fiscal Year Ends December 31													
In millions, except per share data													
AS REPORTED	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
Net revenue:													
Television	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.3	29.5	28.5	36.4	124.8	141.2
Radio	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.2	15.0	17.7	59.1	63.8
Net broadcast revenue	200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.5	43.7	43.5	54.1	183.9	205.1
Digital	143.3	555.3	153.7	174.4	188.9	230.1	747.1	196.5	219.9	222.5	263.2	902.0	1,029.3
Total net revenue (core)	344.0	760.2	197.2	221.7	241.0	296.3	956.2	239.0	263.6	266.0	317.3	1,085.9	1,234.3
Revenue from spectrum usage rights	0.0	0.0					0.0					0.0	0.0
Total net revenue	344.0	760.2	197.2	221.7	241.0	296.3	956.2	239.0	263.6	266.0	317.3	1,085.9	1,234.3
Cost of Revenue													
Television													
Radio													
Digital	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	184.4	185.9	220.4	759.0	858.0
Digital cost of revenue as % of revenue	74.6%	84.0%	84.5%	83.1%	83.2%	83.4%	83.5%	85.7%	83.9%	83.5%	83.7%	84.1%	83.4%
Total cost of revenue (core)	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	184.4	185.9	220.4	759.0	858.0
Cost of revenue from spectrum usage rights (television)													
Total cost of revenue	106.9	466.5	129.9	145.0	157.1	192.0	624.0	168.3	184.4	185.9	220.4	759.0	858.0
Opex													
Television opex	80.9	81.4	19.2	19.7	20.0	23.0	82.0	20.1	19.6	19.2	17.8	76.7	79.4
Radio opex	41.8	40.0	9.4	10.4	10.2	11.7	41.7	11.0	11.9	10.4	9.8	43.1	46.5
Digital opex	30.6	51.5	15.2	17.3	19.1	22.6	74.1	21.0	23.8	22.1	23.4	90.3	98.7
Total opex (core)	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	55.3	51.7	51.0	210.1	224.6
Spectrum usage rights													
Total Opex	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.1	55.3	51.7	51.0	210.1	224.6
OCF													
Television OCF	73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.2	\$10.0	\$9.4	\$18.5	48.1	61.9
TV OCF Margin	47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	33.7%	33.8%	32.9%	50.9%	38.5%	43.8%
Incremental Margin	173.4%	106.6%					126.6%					73.5%	83.7%
Radio OCF	4.5	18.0	3.2	4.6	6.2	8.7	22.7	1.2	2.2	4.6	8.0	16.0	17.3
Radio OCF margin	9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	10.0%	15.8%	30.5%	44.8%	27.0%	27.1%
Incremental Margin	-70.4%	114.9%					74.0%	520.2%	303.4%	113.8%	27.3%	127.6%	28.5%
Digital OCF	5.7	37.3	8.6	12.2	12.7	15.6	49.0	7.2	11.7	14.5	19.4	52.8	72.5
Digital OCF margin	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.6%	3.7%	5.3%	6.5%	7.4%	5.8%	7.0%
Incremental Margin	7.9%	7.7%					6.1%	-3.3%	-1.1%	5.4%	11.5%	2.4%	15.5%
Total OCF (core)	83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	23.9	28.4	45.9	116.8	151.7
Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	7.8%	9.1%	10.7%	14.5%	10.8%	12.3%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.5%	-13.0%	-24.7%	-5.8%		
Spectrum sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	83.8	120.8	23.4	29.4	34.6	47.1	134.5	18.6	23.9	28.4	45.9	116.8	151.7
Total OCF Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	7.8%	9.1%	10.7%	14.5%	10.8%	12.3%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-11.5%	-13.0%	-24.7%	-5.8%		
Corporate Expense	27.8	33.0	8.7	8.5	9.5	22.6	49.4	10.5	9.4	10.5	9.6	39.9	40.7
GAAP EBITDA	56.0	87.8	14.7	20.8	25.1	24.5	85.1	8.1	14.5	17.9	36.3	76.9	111.0
Corporate non-cash comp	3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.2	2.3	2.5	1.7	8.6	8.8
Opex adjustments to cash:													
Amortization of syndication contracts	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Payments on syndication contracts	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
Non-cash comp in direct opex	1.2	3.2	1.0	0.9	1.0	2.8	5.7	1.9	1.8	1.9	0.2	5.8	5.9
Non-recurring cash severance	1.7	0.4				4.3	4.3	0.1				0.1	
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.3	1.0	2.1	2.8
EBITDA attributable to noncontrolling interest					(0.0)	3.4	3.4					0.0	0.0
Total opex (positive) adjustments to cash	0.5	5.5	(1.0)	(0.9)	(1.0)	(3.7)	(6.6)	(1.8)	(1.2)	(1.7)	0.8	(3.9)	(3.1)
Foreign currency (gain) loss	(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	(1.0)	1.0	0.0	0.0	0.0	0.0
Total Adjusted EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	17.0	22.1	37.2	89.3	122.9
Other opex for spectrum (in corporate)													
Adjusted EBITDA (core)	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	17.0	22.1	37.2	89.3	122.9
Memo: adj. EBITDA (core) reported	60.4	88.0	18.1	22.5	26.0	36.5	103.1						
Model variance: adj. EBITDA	(0.0)	0.1	0.0	0.0	(0.0)	0.0							
Adj. EBITDA core margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	6.5%	8.3%	11.7%	8.2%	10.0%
Incremental Margin	27.3%	6.7%	8.1%	10.8%	6.2%	5.9%	7.6%	-12.2%	-12.9%	-15.4%	3.1%	-10.6%	22.6%

Source: Industry Capital Research estimates and company data

Figure 25: Entravision financial statement forecasts (cont.)

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
Memo: cash opex (core)	\$153.8	\$178.4	\$42.9	\$46.4	\$48.3	\$53.6	\$191.2	50.3	54.1	50.0	51.8	\$206.3	221.5
Memo: cash corporate expense	23.9	26.6	7.1	6.8	7.7	13.4	35.1	8.3	7.1	8.0	7.9	31.3	31.9
Memo: total non-cash comp	5.1	9.6	2.6	2.6	2.8	12.0	20.0	4.1	4.1	4.4	1.9	14.4	14.7
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	2.7	0.2	1.7	(0.8)	3.8	3.1
Memo: PF EBITDA attributable to redeemable noncontrolling interest													
D&A	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.5	6.3	6.6	6.6	26.0	37.0
D&A % of Revenue	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.4%	2.5%	2.1%	2.4%	3.0%
Change in fair value contingent consideration	0.000	8.224	5.1	1.0	0.7	7.4	14.2	(4.1)	0.0	0.0	0.0	(4.1)	0.0
Impairments	40.0	3.0	0.0	0.0	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	(0.1)	(0.8)	(0.1)	1.4	0.4	0.0	(0.8)	(0.1)	1.4	0.5	(2.0)
Gain (Loss) on Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (EBIT Inc. Impairments)	6.6	60.6	4.2	13.4	15.9	6.7	40.2	6.7	8.0	11.4	28.4	54.4	76.0
Operating Margin %	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	2.8%	3.0%	4.3%	8.9%	5.0%	6.2%
Interest expense	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(3.2)	(2.2)	(2.2)	(2.3)	(9.9)	(9.3)
Noncash interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	1.7	0.2	0.0	0.7	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Net interest expense	(6.5)	(6.8)	(1.4)	(1.6)	(2.3)	(2.7)	(8.0)	(3.2)	(2.2)	(2.2)	(2.3)	(9.9)	(9.3)
Loss on debt extinguishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	0.0
Other income, net	0.0	0.2	0.0	0.0	(0.5)	(0.1)	(0.5)	(0.0)	0.0	0.0	0.0	0.0	0.0
Pretax income	0.1	54.0	2.7	11.8	13.1	4.0	31.7	1.9	5.8	9.1	26.1	43.0	66.6
Pretax margin	0.0%	7.1%	1.4%	5.3%	5.4%	1.3%	3.3%	0.8%	2.2%	3.4%	8.2%	4.0%	5.4%
Income (taxes) benefit	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.2)	(3.4)	(4.1)	(7.4)	(15.0)	(23.3)
Effective tax rate	1276.3%	34.6%	31.1%	28.5%	31.1%	81.8%	36.5%	12.0%	57.8%	44.7%	28.2%	35.0%	35.0%
Cash tax rate	6552.5%	7.6%	44.2%	52.6%	30.6%	137.3%	53.4%	3.7%	35.0%	35.0%	35.0%	33.6%	30.0%
Net Income (Before Equity Investments)	(1.4)	35.4	1.9	8.5	9.0	0.7	20.1	1.7	2.5	5.0	18.7	27.9	43.3
Equity in net of noncon. affils.	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.3	(0.1)	(0.1)	(2.2)	(2.1)	(2.1)
Reported Net income	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	2.0	2.4	4.9	16.5	25.9	41.3
Net margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.4%	6.5%	8.3%	11.7%	8.2%	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
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	2.4	4.9	16.5	25.9	41.3
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - Basic, Continuing Operations	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	\$0.03	\$0.05	\$0.19	\$0.29	\$0.46
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
Net income to common	(3.9)	29.4	1.9	8.5	9.4	(1.6)	18.1	2.0	2.4	4.9	16.5	25.9	41.3
EPS - basic	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	\$0.03	\$0.06	\$0.19	\$0.29	\$0.46
EPS - diluted	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.02	\$0.03	\$0.05	\$0.19	\$0.29	\$0.44
EPS reported by company	(\$0.05)	\$0.00	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.00	\$0.02	0.0	0.0	0.0	0.0	0.0
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	\$0.00	0.0	0.0	0.0	0.0	0.0
Pro forma adjustments	39.8	9.6	5.1	1.0	0.7	18.8	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Pro forma net income	35.9	39.1	7.0	9.4	10.1	17.1	43.6	2.0	2.4	4.9	16.5	25.9	41.3
Pro forma EPS - basic	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.02	\$0.03	\$0.06	\$0.19	\$0.29	\$0.46
Pro forma EPS	\$0.43	\$0.44	\$0.08	\$0.11	\$0.12	\$0.19	\$0.50	\$0.02	\$0.03	\$0.05	\$0.19	\$0.29	\$0.44
EPS shares - Basic	84.2	85.3	86.5	85.0	84.9	85.2	85.4	87.6	88.1	88.1	88.3	88.0	90.2
EPS shares - Diluted	84.2	87.9	88.6	87.0	87.4	88.0	87.8	89.8	89.9	89.9	88.3	89.4	93.0
Free Cash Flow:													
EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.0	17.0	22.1	37.2	89.3	122.9
Cash net interest	-5.9	-6.2	-1.2	-1.2	-1.9	-2.5	-6.7	-3.0	-2.2	-2.2	-2.3	-9.8	-9.3
Other adjustments to cash	5.3	6.8	0.1	0.8	0.1	-5.7	-4.7	0.7	0.0	0.0	0.0	0.7	-0.7
- Cash taxes	-7.7	-4.1	-1.2	-6.2	-4.0	-5.5	-16.9	-0.1	-2.0	-3.2	-9.1	-14.4	-20.0
Cash taxes / EBITDA	13%	5%	7%	28%	15%	15%	16%	1%	12%	14%	25%	16%	16%
Minus: capex	-9.5	-5.6	-1.5	-1.7	-4.7	-3.6	-11.5	-6.8	-4.0	-4.7	0.4	-15.0	-12.0
Capex / D&A	55%	25%	24%	27%	71%	55%	45%	104%	63%	71%	-6%	58%	33%
Capex / EBITDA	16%	6%	9%	7%	18%	10%	11%	52%	23%	21%	-1%	17%	10%
Plus: cost of revenue for spectrum usage rights													
= Free Cash Flow	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.9	8.8	12.0	26.2	50.8	81.5
Free cash flow (reported by company)	43.0	79.0	14.3	14.3	15.4	19.3	63.3	3.9	8.8	12.0	26.2	50.8	81.5
Free Cash Flow (core)	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.9	8.8	12.0	26.2	50.8	81.5
FCF per share (core)	\$0.51	\$0.90	\$0.16	\$0.16	\$0.18	\$0.22	\$0.72	\$0.04	\$0.10	\$0.13	\$0.30	\$0.57	\$0.88
Memo: FCF/Adjusted EBITDA (core)	70.5%	89.7%	79.1%	63.4%	59.4%	52.8%	61.4%	30.0%	51.8%	54.1%	70.3%	56.9%	66.3%
Dividends per basic share	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(18.0)
Dividends as % of FCF	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	112.1%	49.9%	36.9%	16.9%	34.6%	22.1%

Source: Industry Capital Research estimates and company data

Figure 26: Entravision financial statement forecasts (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E
Net revenue growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	18.9%	10.4%	7.1%	13.6%	13.7%
Net revenue (core) growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	21.2%	18.9%	10.4%	7.1%	13.6%	13.7%
TV revenue growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-1.8%	-8.7%	-20.0%	-20.6%	-13.8%	13.2%
Radio revenue growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-5.1%	-9.0%	-12.9%	-8.2%	8.0%
Digital revenue growth	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	27.8%	26.1%	17.8%	14.4%	20.7%	14.1%
Cost of revenue	NM	NM	53.3%	33.0%	26.4%	29.4%	33.7%	29.6%	27.2%	18.3%	14.8%	21.6%	13.1%
Direct expense	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	-0.8%	-4.2%	-22.4%	-6.4%	3.5%
SG&A	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.5%	17.1%	15.0%	2.0%	18.8%	17.9%	11.7%
Opex	23.8%	NM	38.8%	27.8%	23.4%	26.8%	28.5%	26.8%	24.7%	15.1%	8.9%	17.9%	11.7%
Opex (core)	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	18.7%	16.8%	4.9%	-10.9%	6.2%	6.9%
TV opex	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	4.5%	-0.8%	-4.2%	-22.4%	-6.4%	3.5%
Radio opex	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	17.1%	15.0%	2.0%	-16.3%	3.5%	7.8%
Digital opex	-5.0%	68.1%	40.4%	43.5%	46.0%	45.1%	44.0%	37.7%	38.1%	16.0%	3.6%	21.8%	9.3%
Total OCF (core)	32.1%	44.1%	-1.2%	5.1%	9.2%	25.9%	11.4%	-20.5%	-18.6%	-17.8%	-2.6%	-13.1%	29.8%
TV OCF	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-12.2%	-21.1%	-40.2%	-18.9%	-23.4%	28.7%
Radio OCF	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-62.0%	-50.9%	-27.0%	-8.3%	-29.6%	8.4%
Digital OCF	NM	NM	46.1%	32.5%	45.2%	15.1%	31.3%	-16.3%	-3.9%	14.4%	24.4%	7.7%	37.4%
Corporate expense	3.0%	3.0%	-2.0%	-13.0%	4.2%	47.9%	3.0%	0.0%	0.0%	0.0%	9.2%	3.0%	3.0%
Adjusted EBITDA (core)	46.6%	45.9%	27.6%	26.4%	11.2%	11.2%	16.9%	-28.1%	-24.2%	-14.8%	1.8%	-13.3%	37.5%
D & A	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	1.2%	1.2%	1.2%	1.2%	1.2%	42.4%
Operating income	88.3%	47.7%	15.2%	17.3%	1.7%	-11.3%	2.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM
Pretax income	NM	NM	-72.0%	-18.2%	-31.3%	-62.6%	-41.4%	-29.5%	-50.7%	-30.5%	NM	35.6%	55.1%
Net income pre-extra.	NM	NM	-65.2%	7.6%	-23.7%	NM	-38.5%	8.2%	-71.7%	-47.2%	NM	43.1%	59.5%
EPS, Continuing Operations	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	0.0%	-70.0%	-54.5%	NM	38.1%	58.6%
EPS - diluted	NM	NM	-65.9%	8.6%	-22.9%	NM	-38.4%	6.8%	-72.6%	-48.6%	NM	40.4%	53.3%
FCF/share	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-37.5%	-27.8%	36.4%	-20.8%	54.4%
EPS shares - Diluted	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.2%	1.3%	3.3%	2.8%	0.4%	1.9%	4.0%

Source: Industry Capital Research estimates and company data

Figure 27: Our base case DCF analysis supports \$7.00 per share 12-month price target

Entravision DCF analysis		YE 2023		YE 2024	
\$ in millions except per share amounts					
Firm Value	Current	646	654	634	634
(-) Total Net Debt		107	74	10	10
(+) NOLs/Tax Assets		11	11	11	11
(-) Options (Claims on Entravision)		(0.5)	(0.5)	(0.5)	(0.5)
Common Equity Value		550.0	591.5	635.1	635.1
Shares Outstanding		89.8	89.8	89.8	89.8
Current Share Price		\$4.35	\$4.35	\$4.35	\$4.35
Value Per Share		\$6.13	\$6.59	\$7.07	\$7.07
12-month		\$7.00			
12-month (SOTP)		\$7.00			

ASSUMPTIONS	Risk Free Rate		Equity Premium		Assumed LT Growth Rate (g)		MW of Equity Calculation		Share Price		Outstanding Shares		MW of Equity		Estimate MW of Debt Calculation		Interest Expense		Current Cost of Debt		Wghtd Avg Maturity of Debt		BY of Debt		Estimate MW of Debt	
	2018-22	2020-24	2018-22	2020-24	2018-22	2020-24	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25	2019-23	2021-25
	3.86%	4.59%	0%	0%	18%	19%	43%	43%	\$4.35	89.8	390.5	390.5	6.9	6.0%	106.8	106.8										

Discounted Cash Flow	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
EBITDA	54.0	41.2	60.4	88.2	103.0	89.3	122.9	117.2	141.7	121.9	143.6	87.8
EBIT	37.8	24.6	43.1	65.7	77.4	63.3	85.8	77.5	98.5	78.0	97.6	87.8
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(23.2)	(19.0)	(25.7)	(23.3)	(29.6)	(23.4)	(29.3)	(30.7)
Plus D&A	16.3	16.6	17.3	22.4	25.7	26.0	37.0	39.6	43.2	43.9	46.0	46.0
Less CapEx	(17.0)	(25.3)	(9.5)	(5.6)	(11.5)	(15.0)	(12.0)	(12.6)	(13.3)	(13.9)	(14.6)	(46.0)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(0.3)	(4.0)	(5.0)	(5.0)	(6.1)	(4.9)	(6.2)	(5.6)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	68.1	51.3	80.1	76.3	92.8	79.6	93.5	51.5
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	107											
Leverage Mult.	1.8x											
D/Equity	27%											
D/EV	21%											
E/EV	79%											
Unlevered Beta	1.24											
Levered Beta	1.53											
D/Equity (long-term target)	33%											
Cost of Debt (AT)	4.2%											
Cost of Equity	10.9%											
WACC	9.2%											
PV of CF			9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
				68.1	46.9	67.2	58.6	65.2	51.3	55.1	55.1	55.1
				46.9	67.2	58.6	65.2	51.3	55.1	55.1	60.2	60.2
				73.3	64.0	71.2	56.0	61.1	65.7	65.7	65.7	65.7
				69.9	77.8	61.1	65.7	65.7	65.7	65.7	65.7	65.7
				559.0	559.0	559.0	559.0	559.0	559.0	559.0	559.0	559.0
				4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA	4x EBITDA

	Current	YE 2023	YE 2024
Sum of PV	344.2	324.7	274.5
PV of Terminal Value	301.7	329.5	359.8
NPV of all CF	645.9	654.2	634.3

Source: Industry Capital Research estimates and company data

Figure 28: Our DCF analysis allocates over 80% of equity value to digital media business

Entravision DCF analysis - Digital		Current	YE 2023	YE 2024
Firm Value		542	532	539
(-) Total Net Debt		-	-	-
(+) NGLS		-	-	-
(-) Options (Claims on Entravision)		-	-	-
Common Equity Value		541.9	532.3	538.9
Shares Outstanding		89.8	89.8	89.8
Current Share Price		\$4.35	\$4.35	\$4.35
Value Per Share		\$6.04	\$5.93	\$6.00
12-month		\$6.00		
Minority Interest		1		

ASSUMPTIONS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal
Risk Free Rate						3.9%						
Equity Premium						4.6%						
Assumed LT Growth Rate (g)						1%						
EBITDA	2.8	(0.1)	2.3	28.2	49.0	50.7	69.7	84.0	93.5	99.8	104.4	84.4
FCF to Firm	(0.8)	0.0	(0.7)	(6.9)	(12.0)	(12.4)	(17.1)	(20.6)	(22.9)	(24.5)	(25.6)	(29.5)
Plus D&A				5.1	8.9	9.2	12.7	15.3	17.0	18.2	19.0	19.0
Less Cap Ex												(19.0)
Less Increase in WC				(15.5)	(0.3)	(4.0)	(5.0)	(5.0)	(6.1)	(4.9)	(6.2)	(5.6)
Free Cash Flow to Firm	1.9	(0.1)	1.6	5.7	36.7	34.2	47.6	58.4	64.5	70.4	72.5	49.2
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	0											
Leverage Mult.	0.0x											
D/Equity	0%											
D/EV	0%											
E/EV	100%											
Unlevered Beta	1.38											
Levered Beta	1.4											
D/Equity (projected long term)	0.0%											
Cost of Debt (AT)	4.2%											
Cost of Equity	10.2%											
WACC	10.2%											
PV of CF			10%	10%	10%	10%	10%	10%	10%	10%	10%	
					36.7	31.1	39.2	43.7	43.8	43.3	40.5	
						31.1	39.2	43.7	43.8	43.3	40.5	
							43.2	48.1	48.2	47.8	44.6	
								53.0	53.1	52.6	49.2	
												537.7
												6x EBITDA

	Current	YE 2023	YE 2024
Sum of PV	241.5	231.9	208.0
PV of Terminal Value	300.3	300.3	330.9
NPV of all CF	541.9	532.3	538.9

Source: Industry Capital Research estimates and company data

APPENDIX

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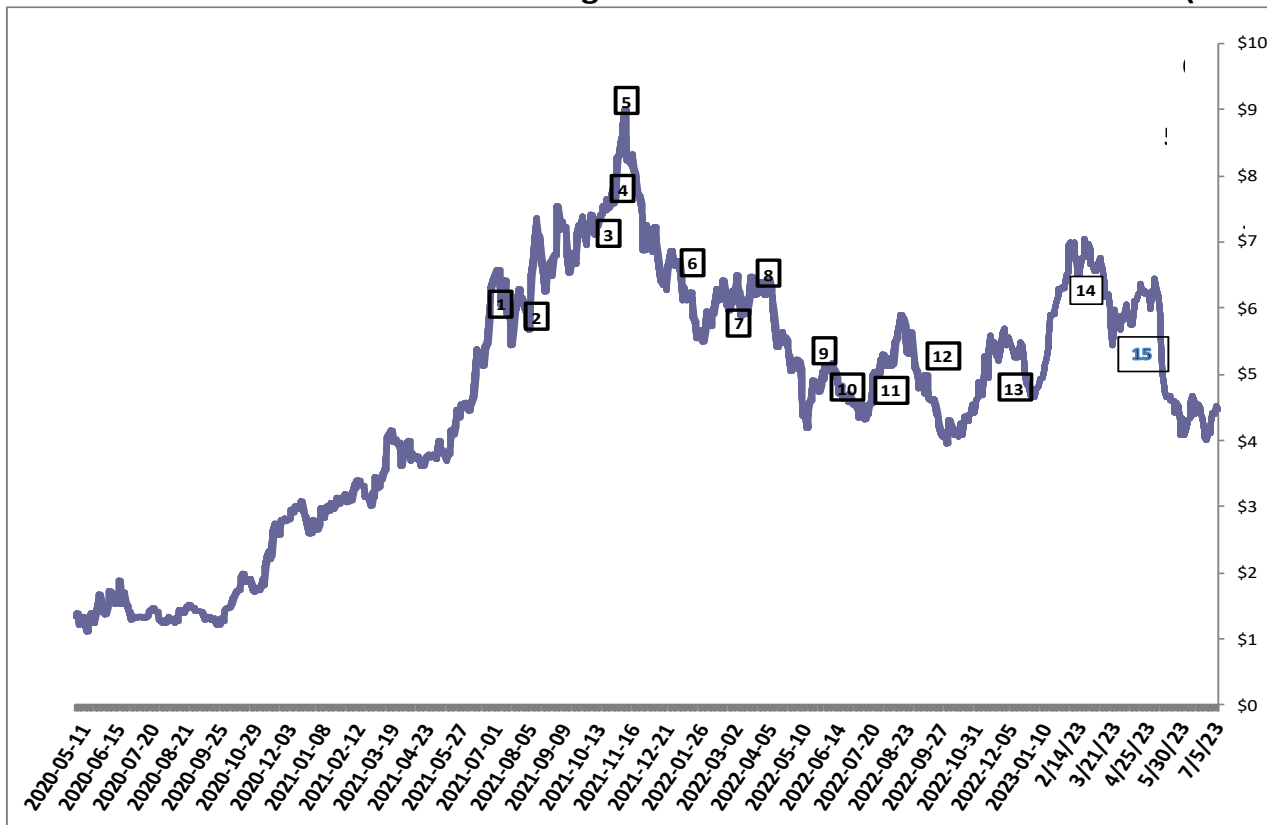
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1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	11/5/21	Reaffirmed Buy @ \$8.83,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

Ratings Definitions

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

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

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

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

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