

Entravision Communications Corporation (EVC)

De-Risking from Broadcast and Digital Diversification Boosts Reward/Risk; Reaffirm Buy

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We reviewed EVC's 2Q22 10-Q and cleaned up a few assumptions in our model; our price target does not change, however. First, we tried up our 2022 pro forma and reported estimates, with no change to the latter. Second, we reduced our revenue and opex estimates (with no change to operating cash flow) for Cisneros Interactive for 2023 on, to align with our prior 2022 changes. See Figure 2. Finally, we adjusted the long-term targets for OCF margins for EVC's major digital businesses, principally by raising the 2027 margin estimates for the legacy digital business (to 11.1% from 10.5%), while reducing them for MediaDonuts (to 13.2% from 14.0%) and 365 Digital (to 10.5% from 13.1%). The model changes do not affect the target valuation range of our discounted cash flow analysis.

Broadcast segment has ticked up to account for ~1/3 of our overall valuation of EVC shares. This is up from under 20% in 1Q22 and reflects both positive surprises at TV and radio as well as multiple compression for the higher-growth but more volatile digital segment. TV retransmission fees plus political advertising are tracking to rise to 38% from 29% of TV revenue over the 2018-22 cycle. See Figure 6. Compensation from over-the-top streaming services is helping to offset the impact of cord-cutting on TV retransmission revenue. Political advertising remains a secular growth story, highlighted by EVC's recently raised 2022 outlook. EVC's Hispanic media are benefiting in part from an increase in Republican spending in states like Arizona, California, Nevada, New Mexico and Texas.

Key digital trends over the past year that we flagged in our July valuation update continue: Cisneros is softer and legacy digital is beating by a lot. Versus our pre-2Q model, our 2022 operating cash flow estimates are for Cisneros \$31.7m, down from \$33.4m, and for legacy digital \$9.3m, up from \$5.9m.

Although the digital segment may need its geographic expansion to hit its 2022 budget, it benefits from the diversity of its businesses and, ironically, its low relative margins. Cisneros Interactive has expanded operations this year, helping to offset lower-than-expected revenue in its preexisting markets. We model Cisneros at ~6% OCF margin for 2022, the lowest of the four digital businesses, which mutes the impact of lower Cisneros revenue on the segment's OCF. On the other hand, MediaDonuts, whose business differs in its focus on TikTok as media partner through non-exclusive engagements (Cisneros' engagements with Meta are typically exclusive) and a greater mix of smaller and medium sized businesses in its advertiser base, is helping to pick up the slack. The surge in the legacy digital business, driven by mobile performance marketing rather than digital media representation, should continue in the near term and contributes to our unchanged outlook for 2022 digital OCF.

Reaffirm our \$7.50 price target; risks on page 2. Our PT is supported by a DCF valuation based on explicit financial forecasts through 2027. Assuming a 50% chance of a 2023 recession, our target valuation range would be \$6.75-\$8.00.

BUY

Price at 8/10/22 (USD)	5.53
Price Target	7.50
52-week range	4.21 - 9.34

Performance (%)	1m	3m	12m
Absolute	26	22	-24
S&P 500	9	5	-5

Market Cap (USDm)	483.3
Shares outstanding (m)	87.4
Float (%)	73
Average volume	260,158
S&P 500	4,210.2

Forecasts and ratios

Year ended 12/31	2021A	2022E	2023E
1Q EPS (USD)	0.06	0.02	0.12
2Q EPS (USD)	0.09	0.10	0.16
3Q EPS (USD)	0.14	0.14	0.14
4Q EPS (USD)	0.04	0.16	0.03
FY EPS (USD)	0.33	0.41	0.44
% Change	NM	24%	7%
P/E (x)	16.5	13.3	12.4
EV/EBITDA (x)	6.2	5.8	5.5
Revenue (USDm)	760.2	906.2	965.4
% Change	121%	19%	7%

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Investment Thesis and Valuation: Buy With \$7.50 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.

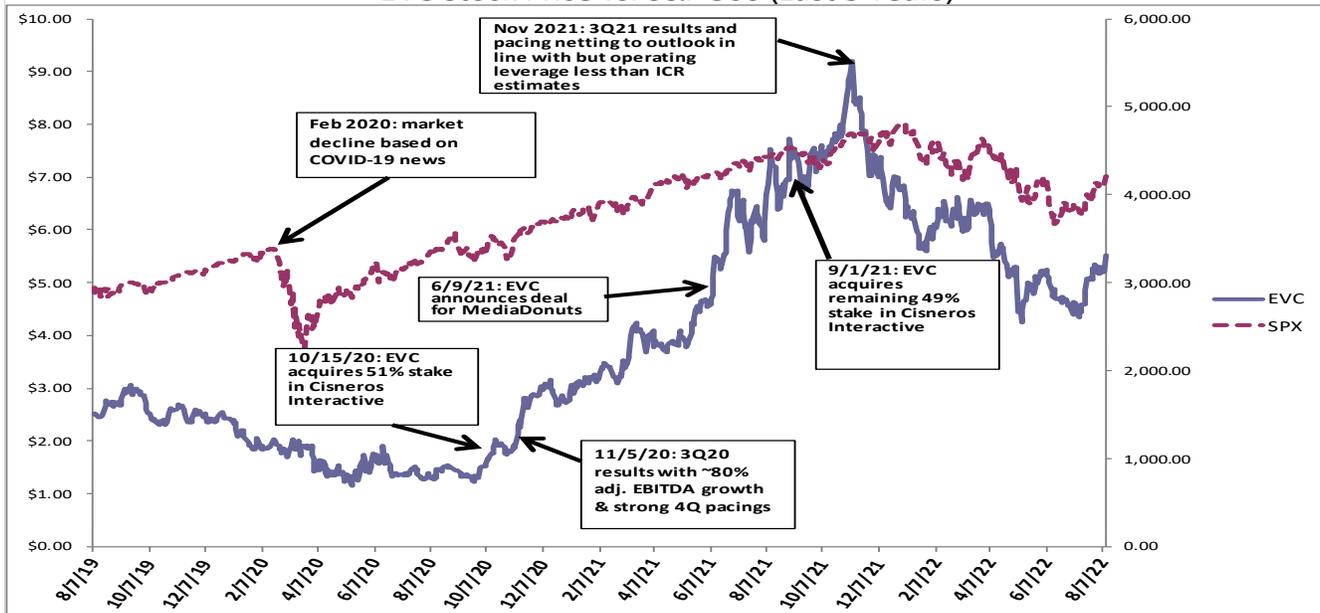
Our DCF-based 12-month price target is a weighted average of projected equity valuations at year-end 2022 and 2023; with U.S. GDP down in 1Q and 2Q, our PT assumes a 50% chance of a recession in 2023. First, we adjust the current net debt with the estimated free cash flow to be generated by each valuation 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.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

(in millions, except unit data)			
		12-month price target: \$7.50	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS	
Price per share	\$5.53	Company description	Entravision 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	Strategy	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	483	Est. acquisition capacity	\$349
+Pro forma net debt	105	Management	Walter Ulloa is Chairman and CEO (since 1996). Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). Christopher Young is CFO (since 2008 and with EVC since 2000).
-Hidden value	31	Positives	<ul style="list-style-type: none"> * Experience in expanding distribution in smaller, faster-growing markets, both in U.S. and internationally * Reduced expense base during and after the pandemic * Low leverage and high cash balances * Most of its TV stations affiliated with leading U.S. Spanish language network Univision * U.S. Hispanic buying power growing faster than general market * Secular growth in U.S. political advertising spending
=Pro forma EV	\$558	Risks	<ul style="list-style-type: none"> * Loss of broadcast audience and advertising share to digital alternatives * Volatility of international media business, reflecting early stage and potential competition * Competition with TelevisaUnivision's expanding direct to consumer business * TelevisaUnivision relationship through TV network affiliations and TelevisaUnivision's ownership stake may limit strategic flexibility * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * Management succession plan (CEO has majority voting power)
OPERATING PROJECTIONS		Valuation	Attributing ~70% of firm value to digital media business
Pro forma net revenue		Recent events	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	\$905	Upcoming potential catalysts	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	782		
% Chg	15.7%		
Pro forma EBITDA			
2022	\$97		
2021	91		
% Chg	6.8%		
Pro forma EBITDA margin			
2022	10.7%		
2021	11.6%		
Free cash flow per share			
2022	\$0.74		
2021	\$0.90		
% Chg	-17.8%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2022	5.8x		
2021	6.2x		
Price / Free cash flow per share			
2022	7.5x		
2021	6.1x		
Pro forma net debt / EBITDA			
2022	1.1x		
2021	1.2x		
Dividend yield			
2022	1.8%		
2021	1.8%		

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



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

Figure 2: We reduce our 2023 revenue and opex estimates to better align our digital segment forecast to our prior 2022 changes

Entravision Communications (NYSE: EVC)									
Summary of Annual Estimates									
In millions, except per share data									
	Last Yr	Prior	Estimates		YoY %CHG			Consensus	ICR vs Consensus
			Chg	Current	Prior	Chg	Current		
2022E									
Pro Forma *									
Revenue	781.8	904.9	1.3 ▼	906.2	15.7%	0.2%	15.9%		
Op expense	691.3	808.2	0.0	808.2	16.9%	0.0%	16.9%		
Adjusted EBITDA	90.6	96.8	1.3	98.0	6.8%	1.4%	8.2%		
As Reported									
Revenue	760.2	906.2	0.0	906.2 ▼	19.2%	0.0%	19.2%	903	0.3%
Op expense	672.0	808.2	0.0	808.2	20.3%	0.0%	20.3%		
Adjusted EBITDA	88.2	98.0	0.0	98.0 ▼	11.2%	0.0%	11.2%	98	0.0%
Margin	11.6%	10.8%	0.0%	10.8%				10.9%	0.0%
EPS	\$0.33	\$0.41	\$0.00	\$0.41 ▼	23.9%	0.0%	23.9%	\$0.42	-1.3%
Cash FCF/sh	\$0.90	\$0.74	\$0.00	\$0.74	-17.8%	0.0%	-17.8%		
2023E									
Pro Forma *									
Revenue	906.2	1,011.2	(45.9)	965.4	11.6%	-5.1%	6.5%		
Op expense	808.2	909.7	(45.9)	863.7	12.6%	-5.7%	6.9%		
Adjusted EBITDA	98.0	101.6	0.0	101.6	3.6%	0.0%	3.7%		
As Reported									
Revenue	906.2	1,011.2	(45.9)	965.4	11.6%	-5.1%	6.5%	1,002	-3.7%
Op expense	808.2	909.7	(45.9)	863.7	12.6%	-5.7%	6.9%		
Adjusted EBITDA	98.0	101.6	0.0	101.6	3.6%	0.0%	3.7%	102	0.0%
Margin	10.8%	10.0%	0.5%	10.5%				10.1%	0.4%
EPS	\$0.41	\$0.44	\$0.00	\$0.44	7.0%	0.3%	7.3%	\$0.50	-11.0%
Cash FCF/sh	\$0.74	\$0.75	\$0.00	\$0.75	1.4%	0.0%	1.4%		

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Figure 3: Our EBITDA estimates are above consensus for 3Q and below for 4Q, primarily reflecting conservative 4Q legacy digital assumptions

Entravision Communications									
Summary of Quarterly Estimates									
In millions, except per share data									
	Last Yr	Estimates			YoY %CHG			ICR vs	
		Prior	Chg	Current	Prior	Chg	Current	Consensus	Consensus
3Q22E									
Pro Forma *									
Revenue	\$199.0	\$231.3	\$0.0	\$231.3	16.2%	0.0%	16.2%		
Op Expense	175.7	204.3	0.0	204.3	16.3%	0.0%	16.3%		
Adjusted EBITDA	23.3	27.0	0.0	27.0	15.9%	0.0%	15.9%		
As Reported									
Revenue	199.0	231.3	0.0	231.3	16.2%	0.0%	16.2%	231.0	0.1%
Op Expense	175.7	204.3	0.0	204.3	16.3%	0.0%	16.3%		
Adjusted EBITDA	23.3	27.0	0.0	27.0	15.9%	0.0%	15.9%	26.1	3.5%
Margin	11.7%	11.7%	0.0%	11.7%				11.3%	0.4%
Pro Forma EPS	\$0.14	\$0.14	+\$0.00	\$0.14	0.0%	0.0%	0.0%	\$0.14	0.0%
FCF/sh (core)	\$0.25	\$0.23	+\$0.00	\$0.23	-8.0%	0.0%	-8.0%		
4Q22E									
Pro Forma *									
Revenue	\$233.9	\$256.0	\$0.0	\$256.0	9.5%	0.0%	9.5%		
Op Expense	201.0	226.0	(0.4)	225.6	12.4%	-0.2%	12.2%		
Adjusted EBITDA	32.9	30.0	0.4	30.4	-8.6%	1.1%	-7.5%		
As Reported									
Revenue	233.9	256.0	0.0	256.0	9.5%	0.0%	9.5%	255.3	0.3%
Op Expense	201.0	225.6	0.0	225.6	12.2%	0.0%	12.2%		
Adjusted EBITDA	32.9	30.4	0.0	30.4	-7.5%	0.0%	-7.5%	31.7	-4.1%
Margin	14.0%	11.9%	0.0%	11.9%				12.4%	-0.5%
Pro Forma EPS	\$0.15	\$0.15	+\$0.00	\$0.15	0.0%	0.0%	0.0%	\$0.17	-11.8%
FCF/sh (core)	\$0.35	\$0.18	+\$0.00	\$0.18	-48.6%	0.0%	-48.6%		

* reflects announced acquisitions and dispositions
Source: Company reports, FactSet, Industry Capital Research estimates

Figure 4: Our 2023 recession scenario would cut our 2023 EBITDA estimate by ~17%

Entravision Communications (NYSE: EVC)							
Summary of Annual Estimates: 2023 Recession Scenario							
In millions, except per share data							
	Last Yr	Prior	Estimates		YoY %CHG		
			Chg	Current	Prior	Chg	Current
2023E							
Pro Forma *							
Revenue	906.2	965.4	(63.7)	901.7	6.5%	-7.0%	-0.5%
Op expense	808.2	863.7	(46.3)	817.5	6.9%	-5.7%	1.1%
Adjusted EBITDA	98.0	101.6	(17.4)	84.2	3.7%	-17.8%	-14.1%
As Reported							
Revenue	906.2	965.4	(63.7)	901.6	6.5%	-7.0%	-0.5%
Op expense	808.2	863.7	(46.3)	817.4	6.9%	-5.7%	1.1%
Adjusted EBITDA	98.0	101.6	(17.4)	84.2	3.7%	-17.8%	-14.1%
Margin	10.8%	10.5%	-1.2%	9.3%			
EPS	\$0.41	\$0.44	(\$0.12)	\$0.32	7.3%	-29.2%	-21.9%
Cash FCF/sh	\$0.74	\$0.75	(\$0.16)	\$0.59	1.4%	-21.6%	-20.3%
* reflects announced acquisitions and dispositions							
Source: Company reports, FactSet, Industry Capital Research estimates							

Figure 5: Higher OTT payments may moderate TV retransmission revenue declines from pay TV subscriber losses

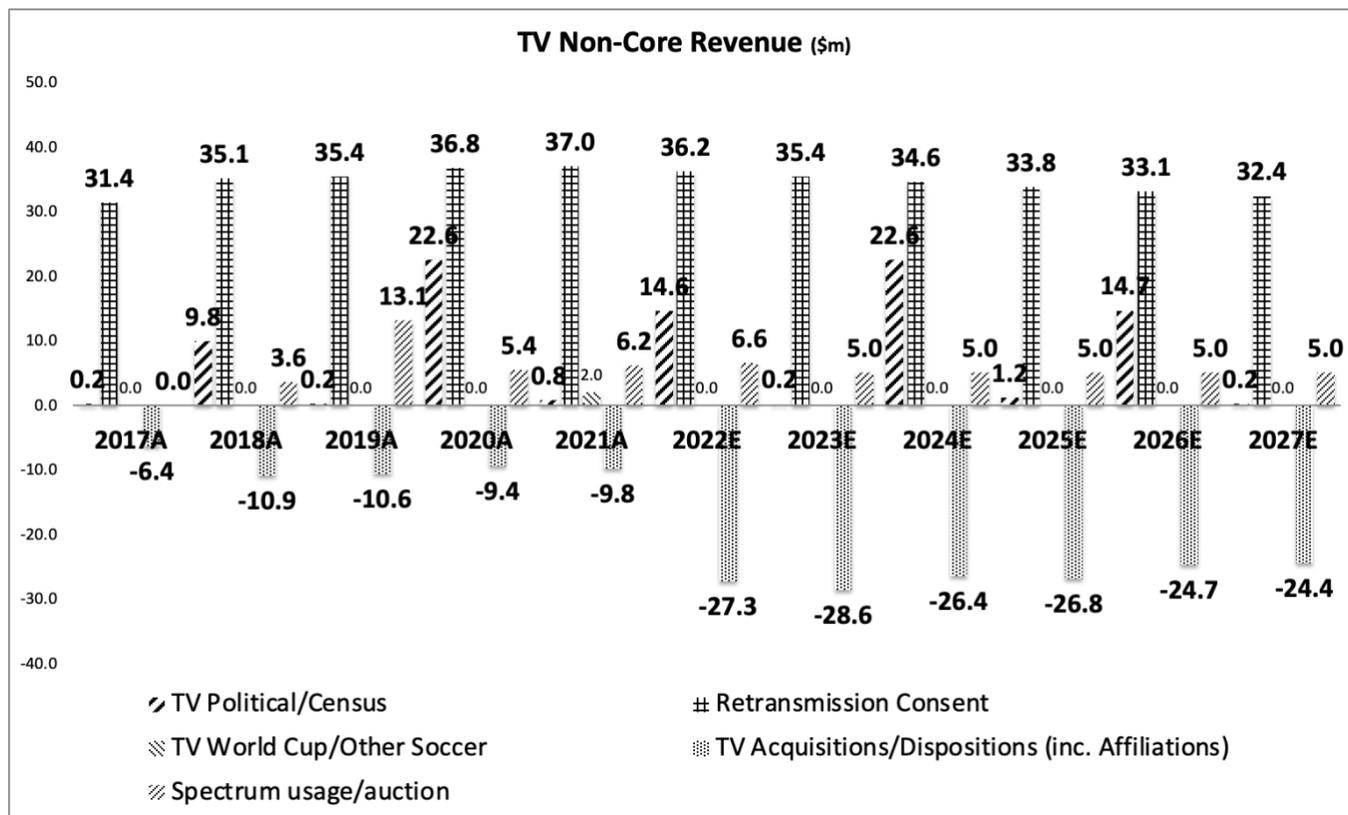
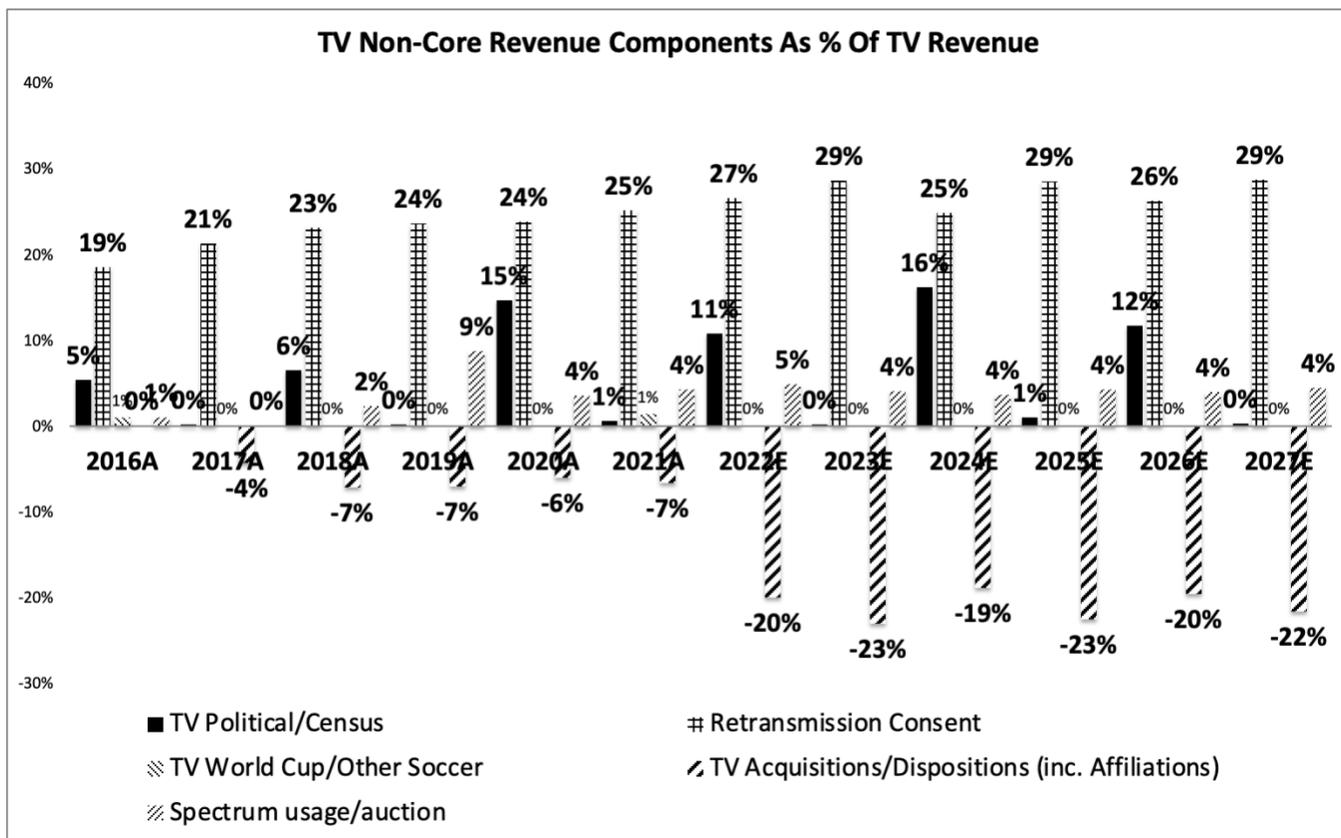
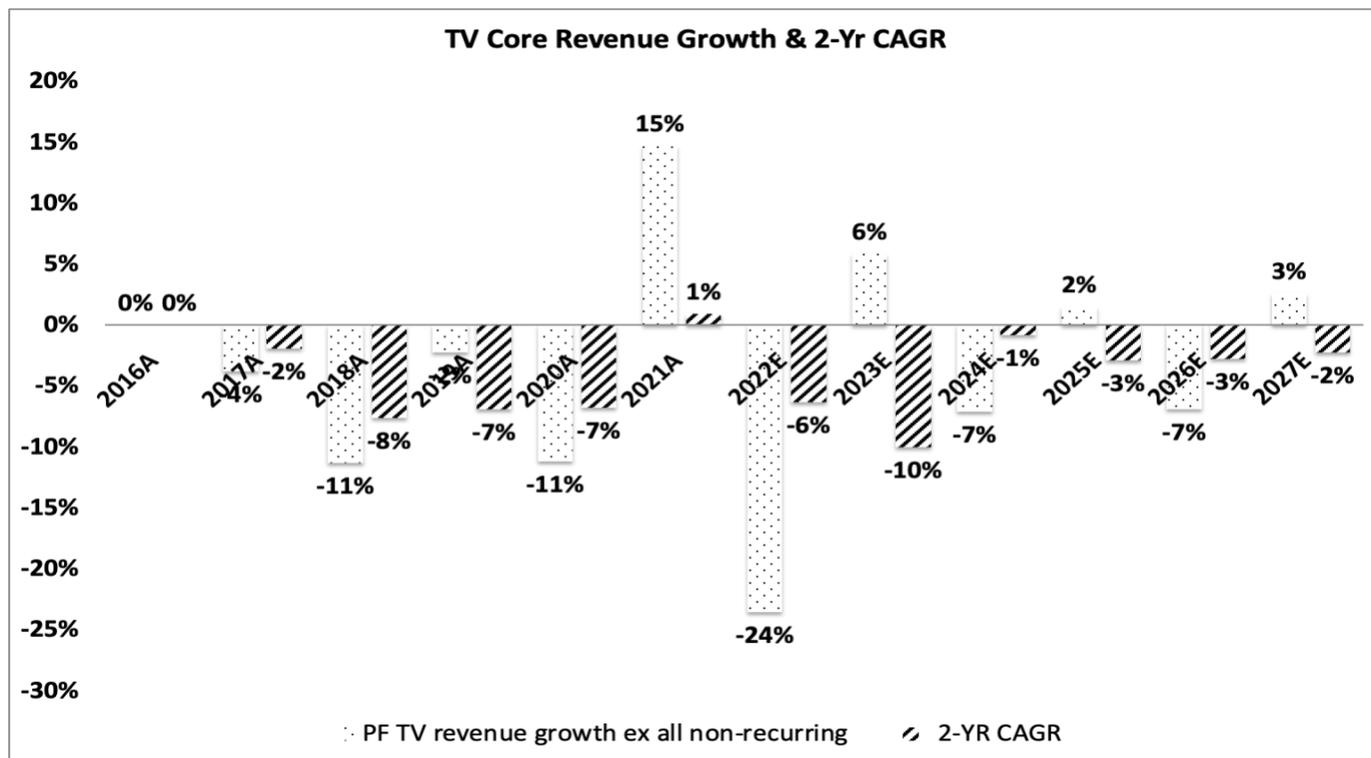


Figure 6: TV retransmission plus political advertising are tracking to rise to 38% from 29% of TV revenue over 2018-22 cycle



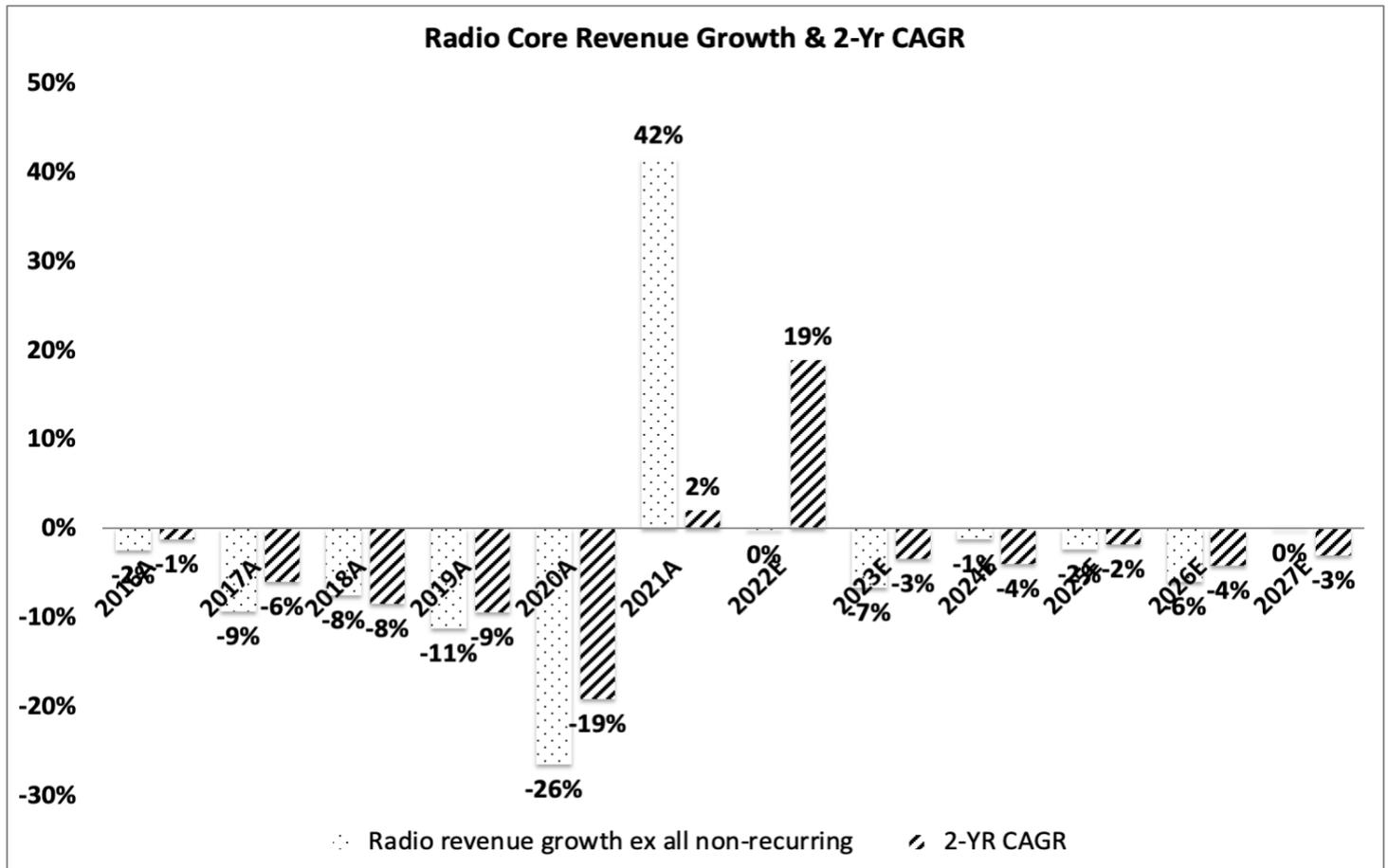
Source: Industry Capital Research estimates and company data

Figure 7: Crowdout from strong political, combined with soft auto and services ad spending, are headwind for TV core advertising in 2022



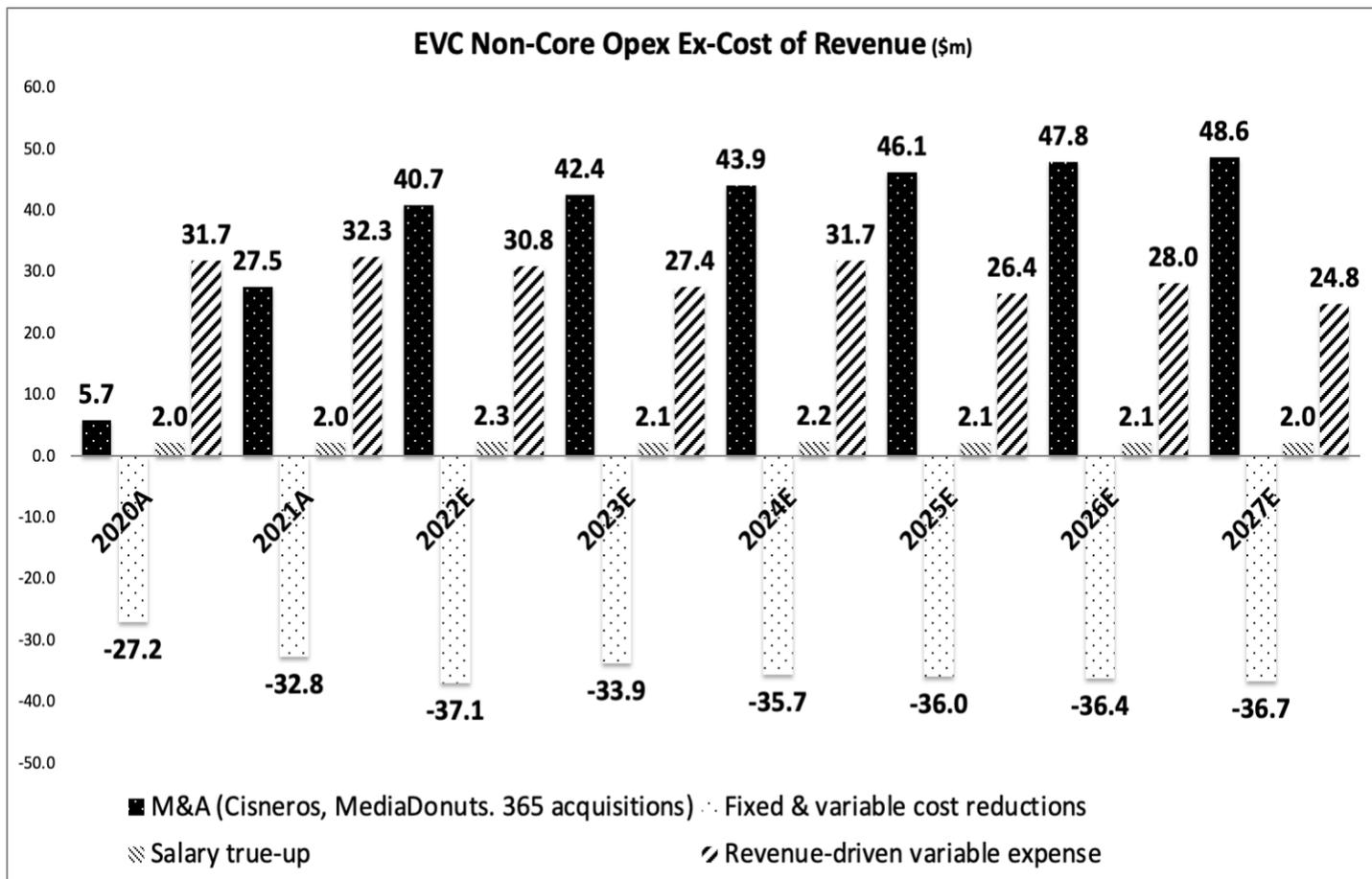
Source: Industry Capital Research estimates and company data

Figure 8: Strong radio 2-year core ad revenue CAGR in 2022 reflects its later, continuing rebound from pandemic



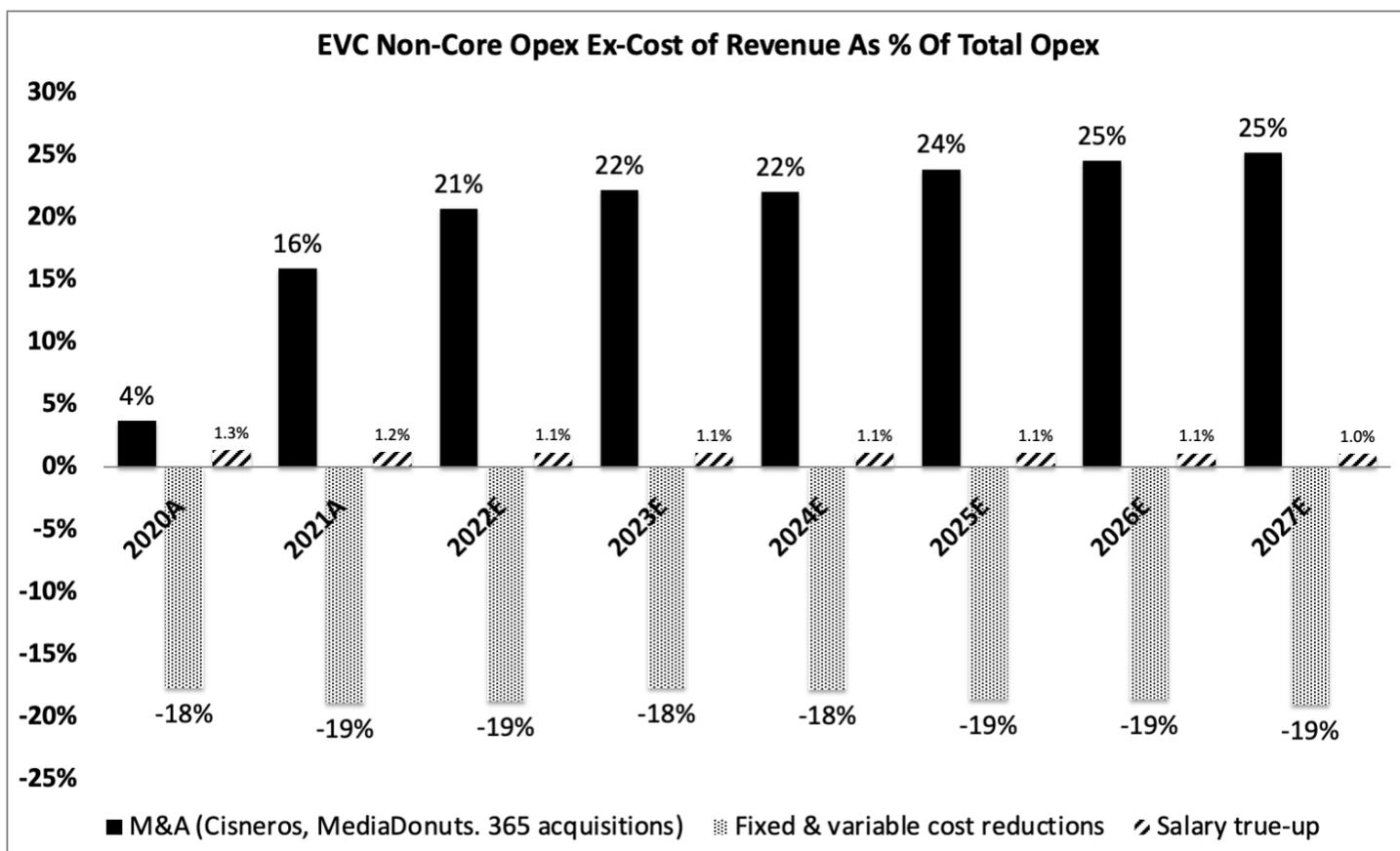
Source: Industry Capital Research estimates and company data

Figure 9: Opex base was reshaped in 2020/21 by cost cuts and digital M&A and in 2022 by TV affiliation changes



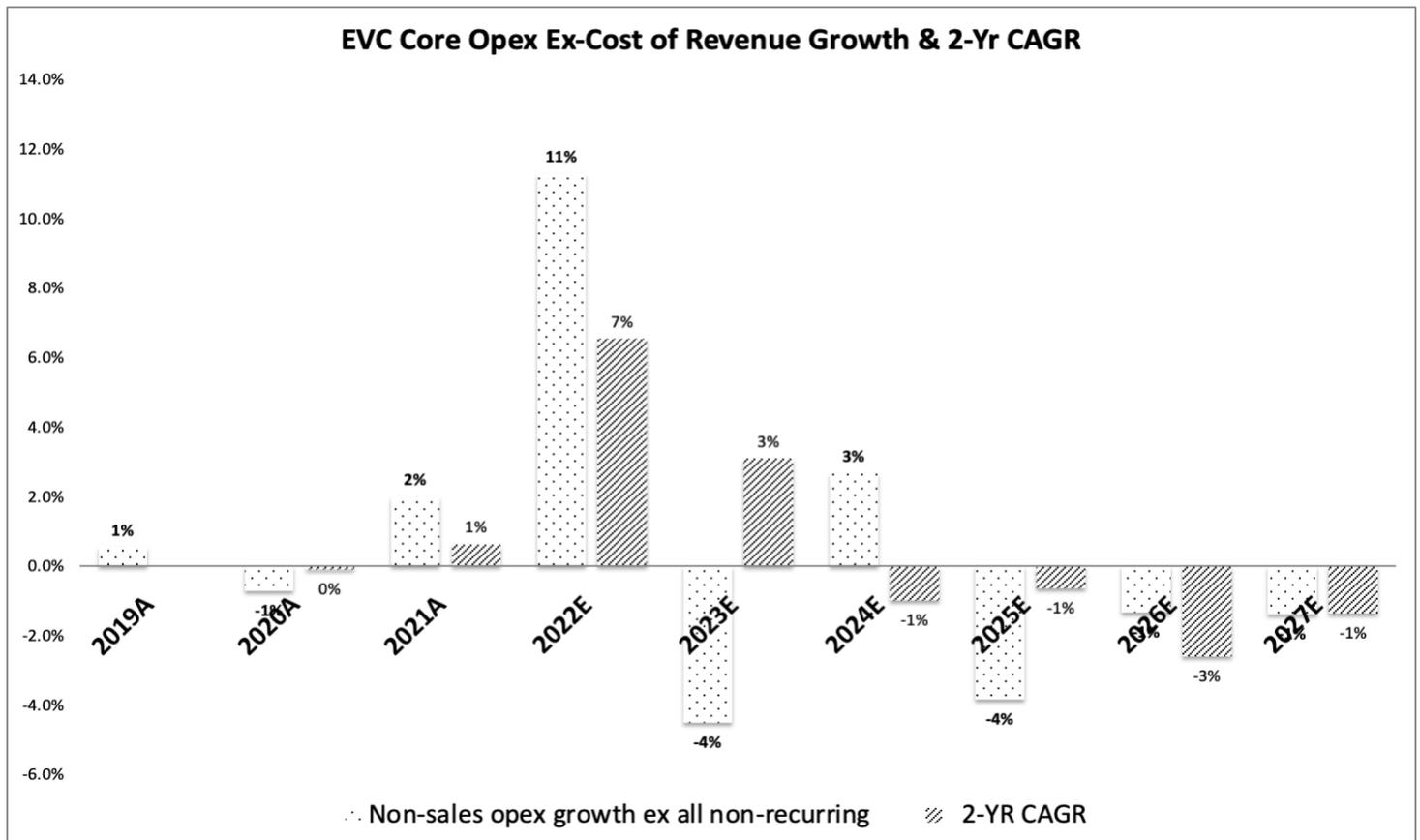
Source: Industry Capital Research estimates and company data

Figure 10: One challenge in a recession would be finding cost reductions to an expense base already reduced during pandemic



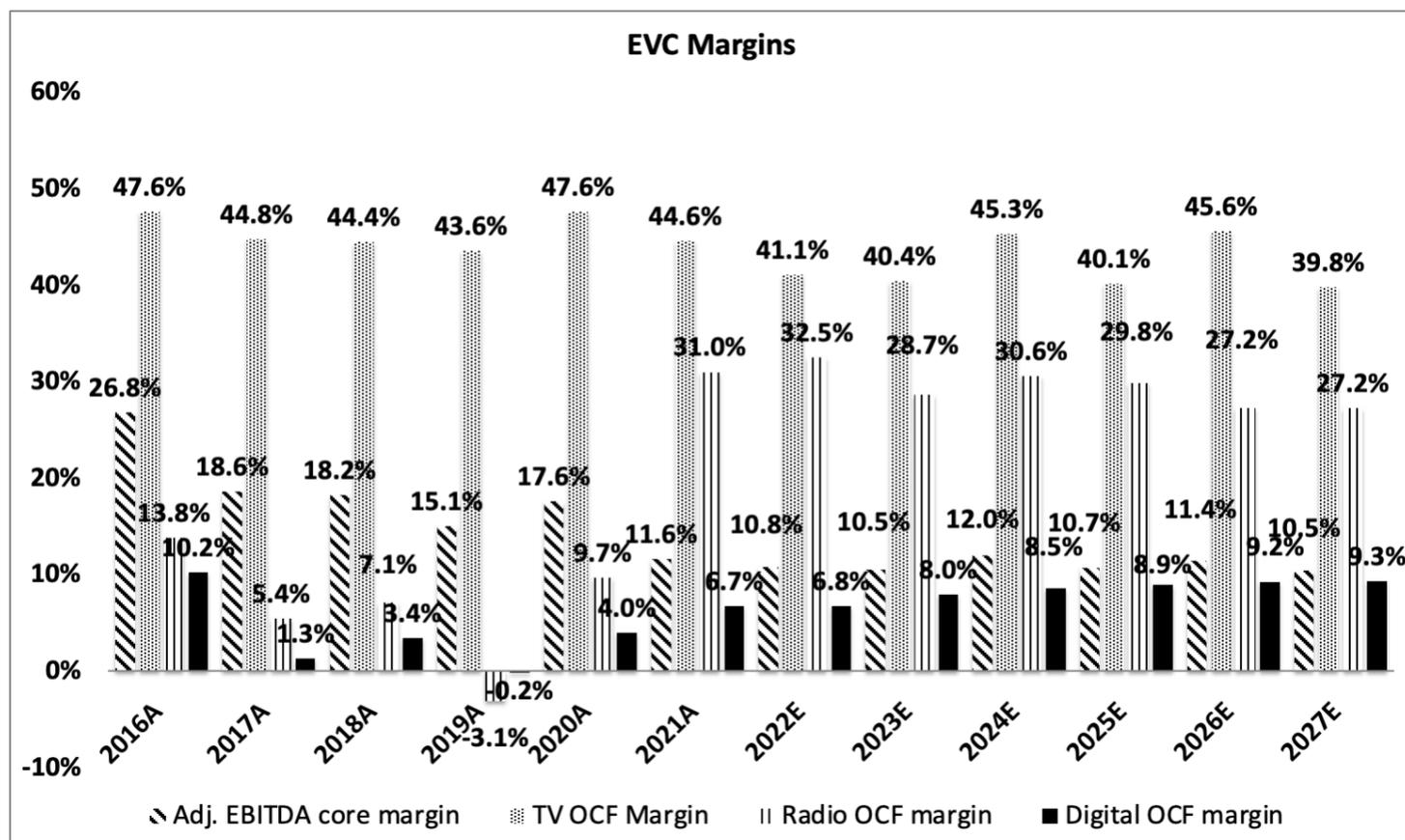
Source: Industry Capital Research estimates and company data

Figure 11: Assuming 2-year CAGR for core broadcast opex peaks in 2022



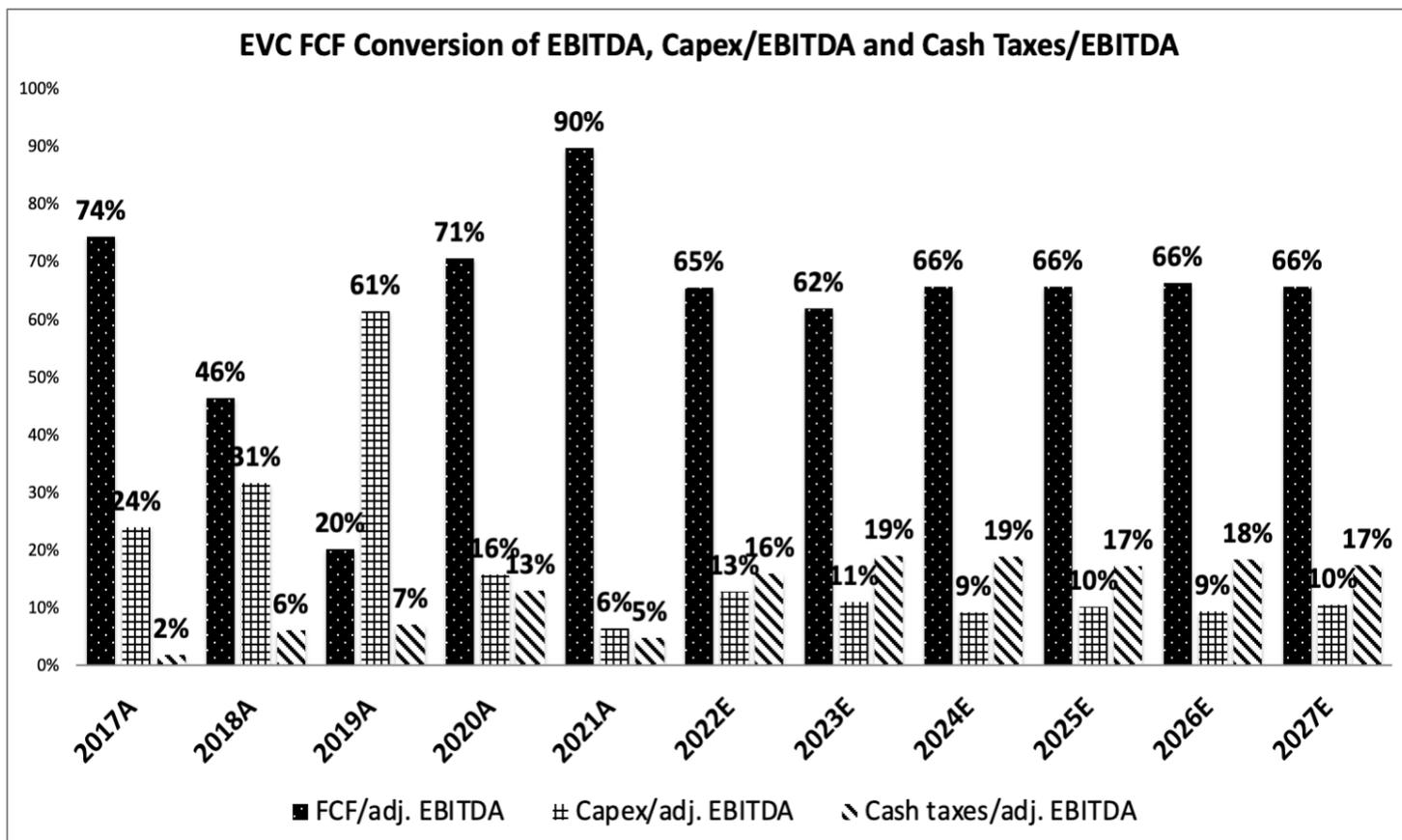
Source: Industry Capital Research estimates and company data

Figure 12: Our “new normal” margin assumptions are in 40s for TV, ~30% for radio, and increasing to high single digits for digital



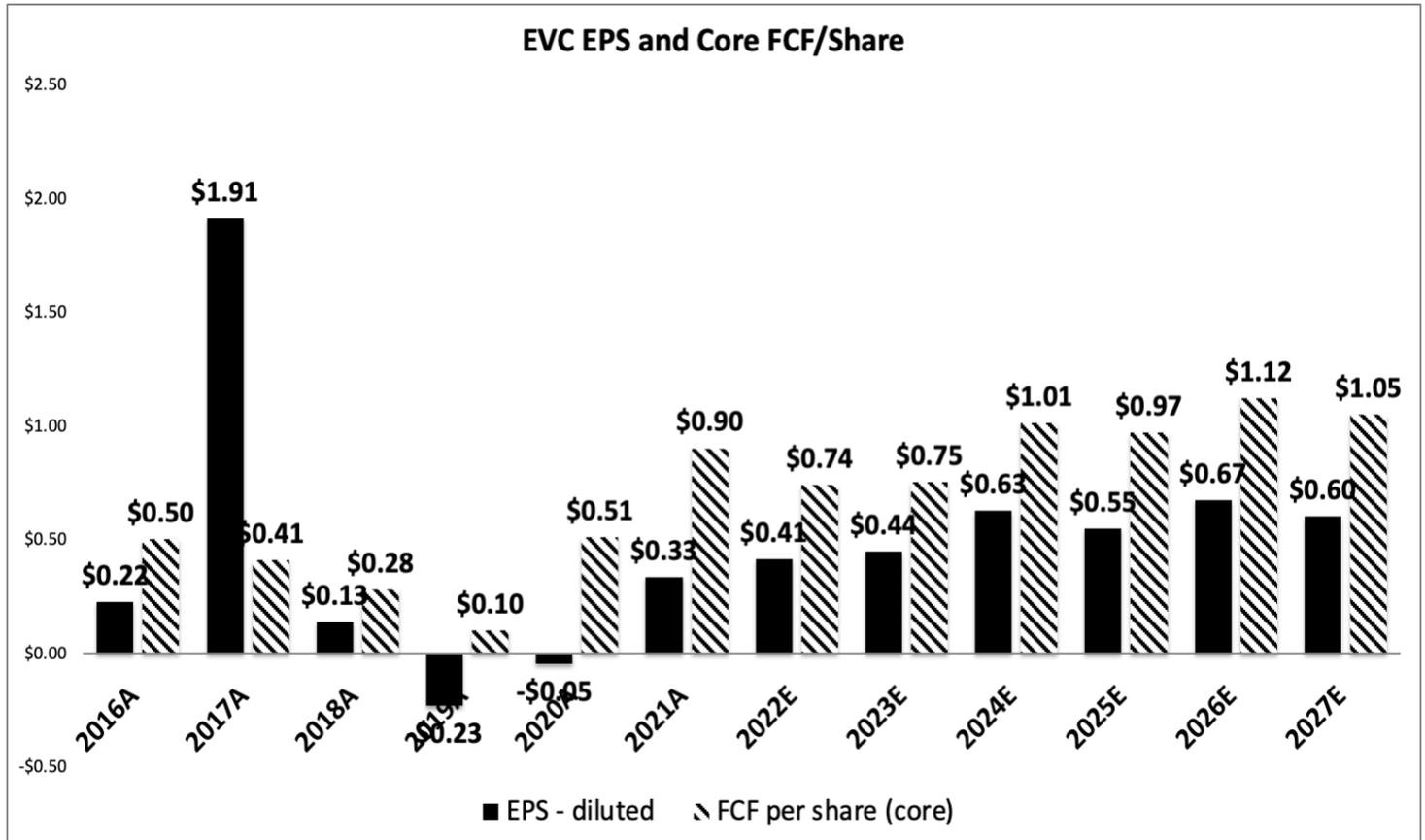
Source: Industry Capital Research estimates and company data

Figure 13: Exhaustion of federal NOLs is driving higher cash taxes and lower FCF/EBITDA conversion vs. 2021 peak



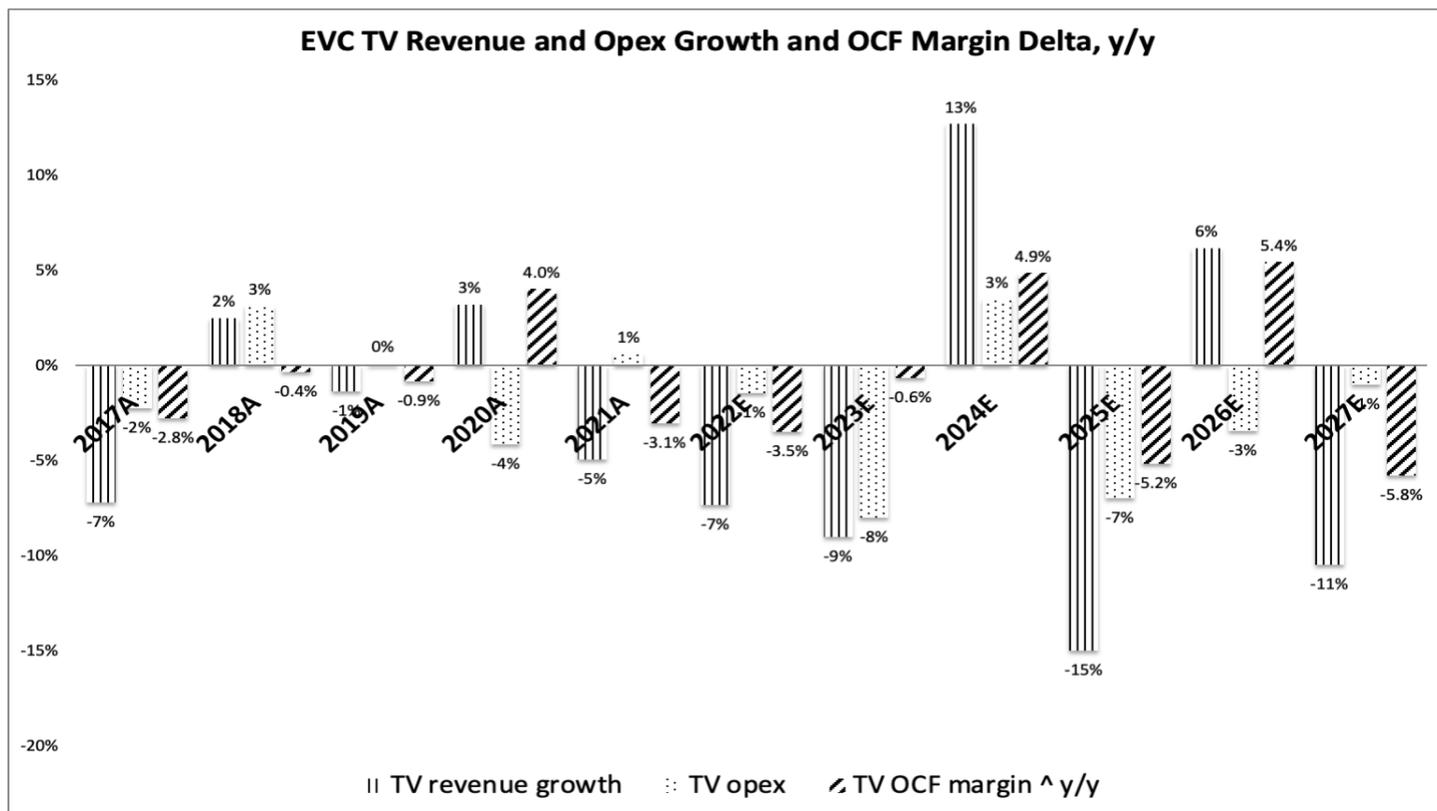
Source: Industry Capital Research estimates and company data

Figure 14: Core FCF/share should consistently exceed GAAP EPS



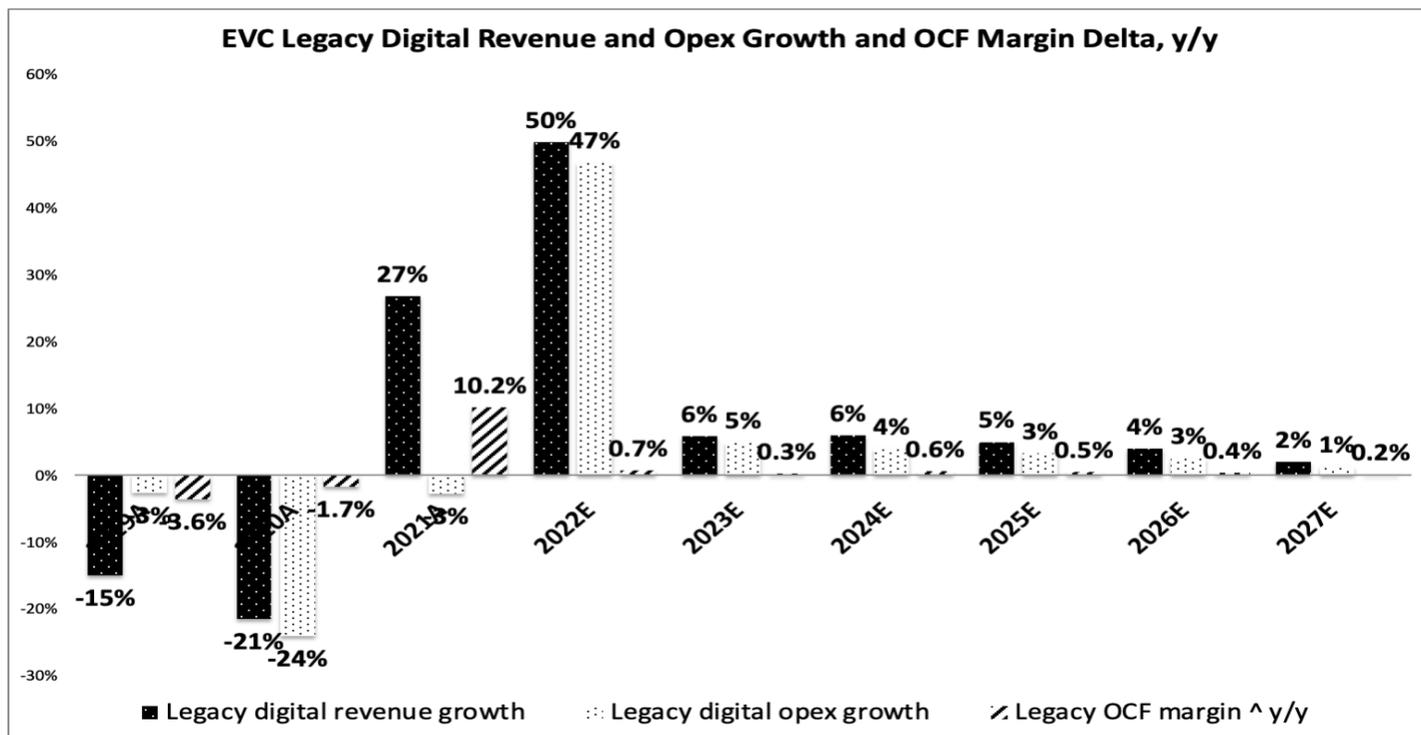
Source: Industry Capital Research estimates and company data

Figure 15: Affiliation changes for 2022 should put a hit on normal even-year TV operating leverage



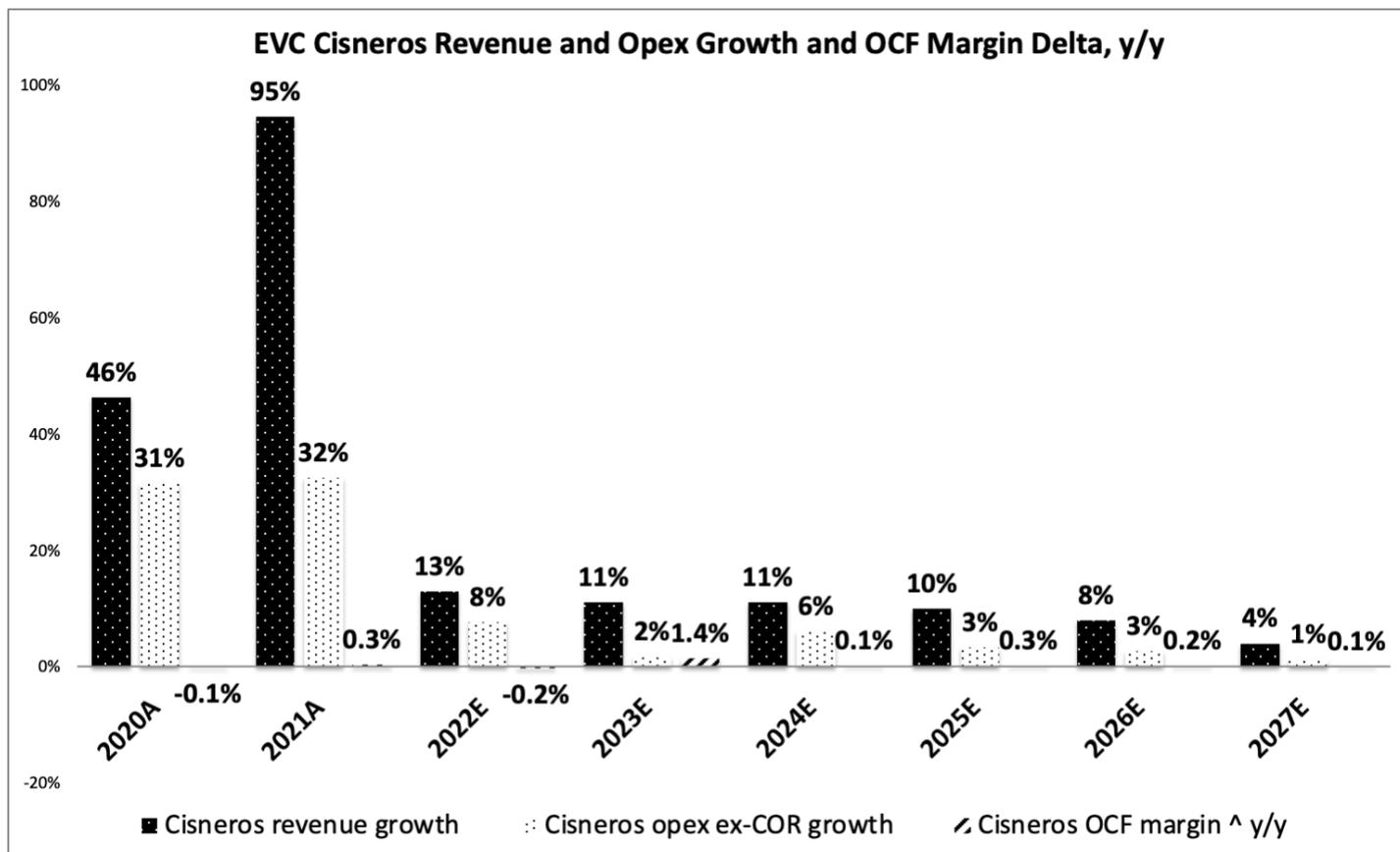
Source: Industry Capital Research estimates and company data

Figure 16: Looking for legacy digital OCF margins to reach new highs sparked by surge in 2021-22 revenue growth



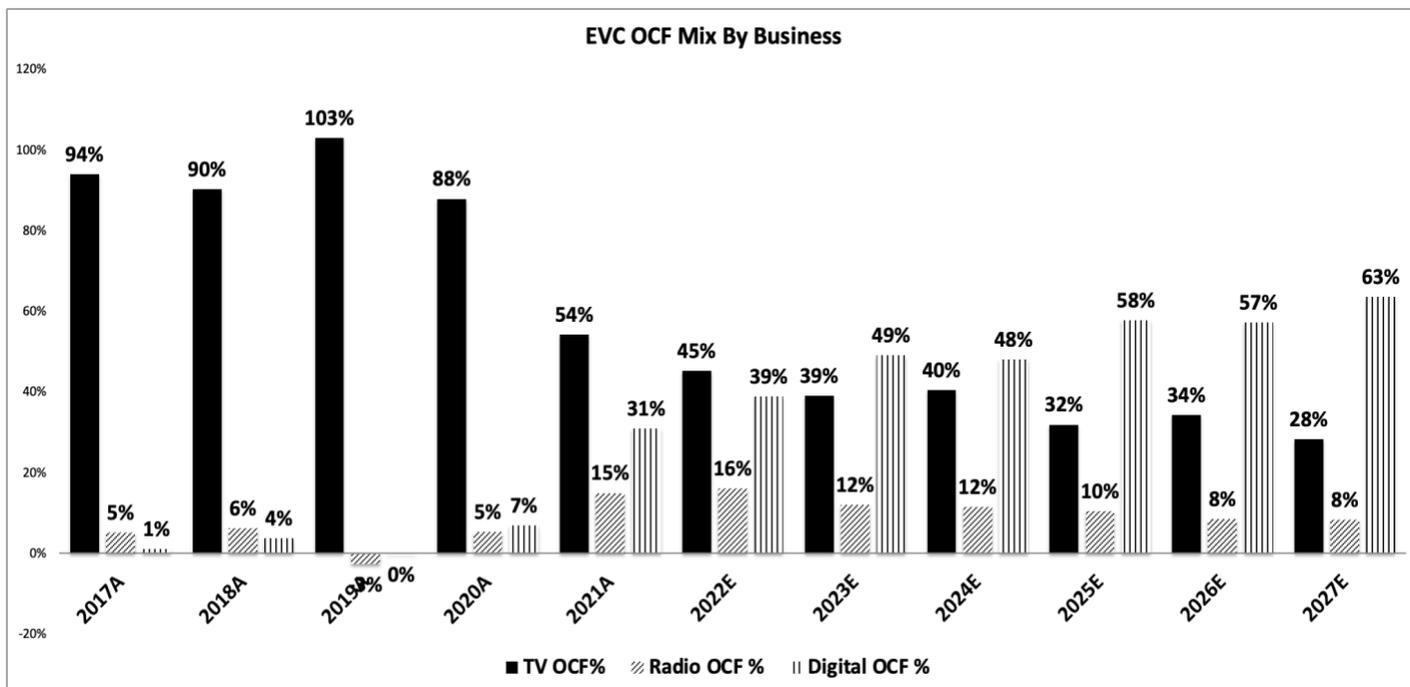
Source: Industry Capital Research estimates and company data

Figure 17: Looking for Cisneros Interactive to manage impact of partner relationship margins with operating expense control



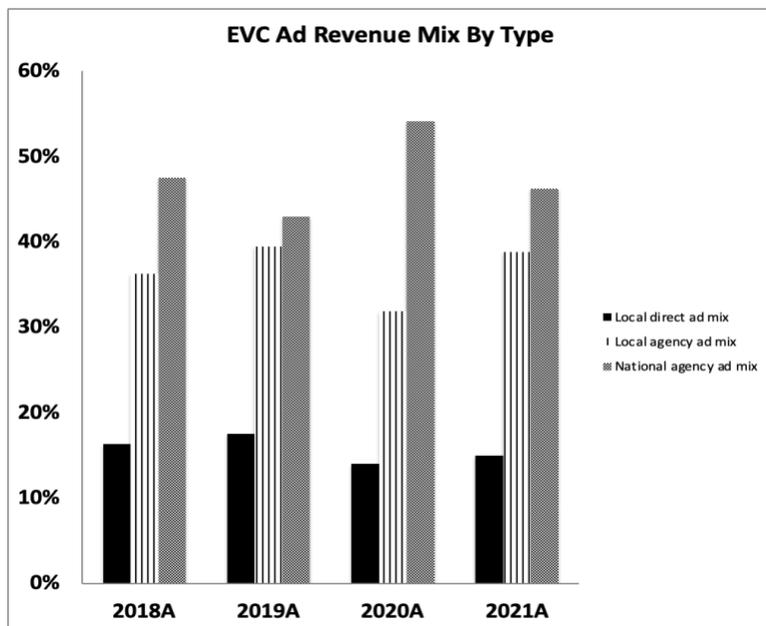
Source: Industry Capital Research estimates and company data

Figure 18: We see digital segment contributing the largest share of OCF by 2023



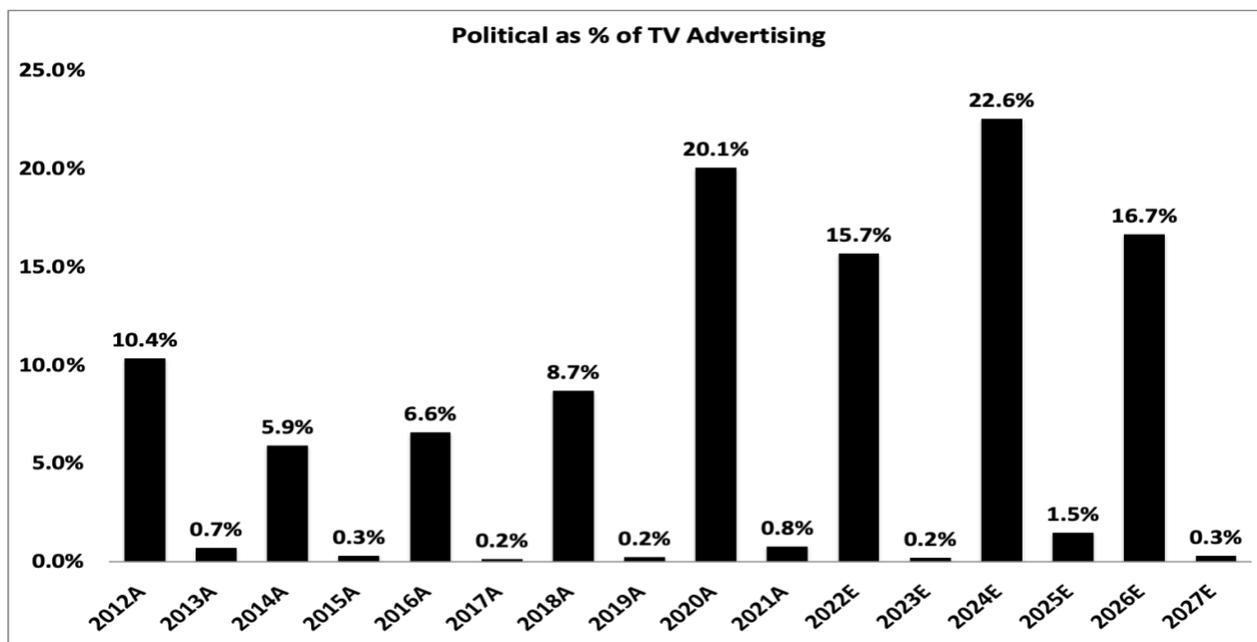
Source: Industry Capital Research estimates and company data

Figure 19: National agency business is consistently the largest share of advertising



Source: Industry Capital Research estimates and company data

Figure 20: Political advertising remains a secular growth story, highlighted by recently raised 2022 outlook



Source: Industry Capital Research estimates and company data

Figure 21: Digital Segment Forecast

In millions, except unit data	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Legacy													
Revenue	\$68.9	\$54.1	\$13.0	\$15.3	\$17.4	\$23.0	\$68.7	\$21.9	\$27.8	\$27.1	\$26.2	\$102.9	\$109.0
Cost of Revenue	36.8	30.6	7.4	8.7	9.9	13.2	39.2	12.4	15.8	15.5	15.0	58.6	62.1
Opex ex-cost of revenue	32.3	24.5	5.9	5.6	6.5	5.8	23.8	7.9	8.3	9.6	9.3	35.0	36.7
OCF	(0.1)	(1.0)	(0.2)	1.0	0.9	4.0	5.7	1.6	3.8	2.0	1.9	9.3	10.2
OCF Margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	13.6%	7.4%	7.2%	9.0%	9.3%
Acquisitions-Stand Alone													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.6	6.3	5.0	7.1	23.0	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	9.9	14.2	6.3	8.3	6.9	7.7	29.1	5.7	6.9	8.4	10.6	31.7	43.2
OCF Margin	6.2%	6.1%	7.1%	7.2%	5.9%	5.7%	6.4%	5.1%	5.5%	6.5%	7.3%	6.2%	7.6%
MediaDonuts revenue	0.0	28.5	9.6	12.0	12.1	18.8	52.5	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue	0.0	20.9	7.2	8.4	9.7	14.7	40.0	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex ex-cost of revenue	0.0	2.5	1.2	2.4	1.4	2.3	7.2	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF	0.0	5.0	1.2	1.2	1.0	1.8	5.3	1.2	1.3	1.6	2.7	6.7	8.8
MD OCF Margin		17.7%	12.7%	10.0%	8.5%	9.7%	10.0%	6.7%	6.8%	8.1%	9.4%	8.0%	9.6%
365 Digital revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
365 Digital OCF Margin		10.0%	16.9%	16.9%	44.2%	11.5%	11.5%	4.3%	7.1%	0.8%	1.3%	3.5%	3.2%
Acquisitions-PF Adjustments													
Cisneros revenue													
Cisneros cost of revenue													
Cisneros opex ex-cost of revenue			0.1	0.1	0.1	0.1	0.5						
Cisneros OCF			(0.1)	(0.1)	(0.1)	(0.1)	(0.5)						
MediaDonuts revenue													
MediaDonuts cost of revenue													
MediaDonuts opex ex-cost of revenue		1.0	0.0	0.0	0.0	0.0	0.1						
MediaDonuts OCF		(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)						
365 Digital revenue													
365 Digital cost of revenue													
365 Digital opex ex-cost of revenue													
365 Digital OCF													
Acquisitions-Pro Forma													
Cisneros revenue	159.4	233.3	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	136.2	201.7	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex ex-cost of revenue	13.2	17.4	4.8	6.4	5.2	7.2	23.6	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	9.9	14.2	6.1	8.1	6.799	7.5	28.6	5.7	6.9	8.4	10.6	31.7	43.2
OCF Margin	6.2%	6.1%	6.9%	7.1%	5.8%	5.6%	6.3%	5.1%	5.5%	6.5%	7.3%	6.2%	7.6%
MediaDonuts revenue		28.5	9.6	12.0	12.1	18.8	52.5	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue		20.9	7.2	8.4	9.7	14.7	40.0	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex ex-cost of revenue		3.5	1.2	2.4	1.4	2.3	7.3	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF		4.0	1.2	1.2	1.8	1.8	4.2	1.2	1.3	1.6	2.7	6.7	8.8
OCF Margin													
365 Digital revenue		0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue		0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex ex-cost of revenue		0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF		0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
365 Digital OCF Margin													
Acquisitions-Adjustments to Reported													
Cisneros revenue	(159.4)	(144.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros cost of revenue	(136.2)	(125.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros opex ex-cost of revenue	(13.2)	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cisneros OCF pre-minority interest	(9.9)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts revenue	0.0	(28.5)	-9.6	-12.0	0.0	0.0	(21.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts cost of revenue	0.0	(20.9)	-7.2	-8.4	0.0	0.0	(15.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts opex ex-cost of revenue	0.0	(3.5)	-1.2	-2.4	0.0	0.0	(3.6)	0.0	0.0	0.0	0.0	0.0	0.0
MediaDonuts OCF pre-minority interest	0.0	(4.0)	-1.2	-1.2	0.0	0.0	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: MediaDonuts minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital opex ex-cost of revenue	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
365 Digital OCF pre-minority interest	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Memo: 365 Digital minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions-As Reported													
Cisneros revenue	0.0	89.2	88.5	114.9	116.6	133.8	453.9	112.5	124.9	129.7	145.7	512.8	569.4
Cisneros cost of revenue	0.0	76.3	77.6	100.4	104.7	119.1	401.7	99.2	109.7	117.1	130.3	456.3	500.9
Cisneros opex	0.0	6.1	4.8	6.4	5.2	7.2	23.6	7.6	8.3	4.2	4.7	24.8	25.2
Cisneros OCF	0.0	6.8	6.1	8.1	6.8	7.5	28.6	5.7	6.9	8.4	10.6	31.7	43.2
MediaDonuts revenue	0.0	0.0	0.0	0.0	12.1	18.8	30.9	17.2	18.9	19.7	28.2	84.0	91.2
MediaDonuts cost of revenue	0.0	0.0	0.0	0.0	9.7	14.7	24.4	12.9	14.1	14.8	21.2	63.0	68.4
MediaDonuts opex	0.0	0.0	0.0	0.0	1.4	2.3	3.7	3.1	3.4	3.3	4.4	14.3	14.0
MediaDonuts OCF	0.0	0.0	0.0	0.0	0.0	1.8	1.8	1.2	1.3	1.6	2.7	6.7	8.8
365 Digital revenue	0.0	0.0	0.0	0.0	0.0	1.9	1.9	2.1	2.8	2.6	2.2	9.7	18.5
365 Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.7	2.2	2.1	1.7	7.8	14.8
365 Digital opex	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.4	1.6	3.1
365 Digital OCF	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.6
Digital segment as reported													
Digital revenue	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.4	179.1	202.2	709.4	788.1
Digital cost of revenue	36.8	106.9	85.0	109.0	124.3	148.399	466.7	126.2	141.9	149.4	168.2	585.7	646.3
Digital opex	32.3	30.6	10.6	12.0	13.1	15.5	51.3	18.9	20.4	17.6	18.8	75.7	79.1
Digital OCF	(0.1)	5.7	5.9	9.2	8.7	13.6	37.3	8.6	12.2	12.0	15.2	48.0	62.7

Metrics	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Legacy growth													
Reported digital revenue growth		108%	661%	1045%	970%	69%	288%	51%	34%	23%	14%	28%	11%
Legacy digital revenue growth	-14.9%	-21.4%	-2.6%	34.5%	27.4%	45.8%	26.9%	68.7%	81.8%	55.5%	13.8%	49.9%	5.9%
2-yr CAGR		-18.2%	-5.3%	-4.6%	-0.6%	7.2%	-0.2%	28.2%	56.3%	40.8%	28.8%	37.9%	26.0%
Legacy digital opex growth		-24.1%	-14.4%	-9.2%	21.5%	-4.7%	-2.8%	34.0%	47.6%	46.7%	59.6%	46.9%	4.9%
Legacy digital OCF		822.5%	-71.9%	-184.0%	95.7%	532.7%	-661.1%	-757.3%	266.3%	119.3%	-52.6%	63.3%	9.2%
Cisneros growth													
Cisneros revenue growth		46.4%	120.0%	173.4%	118.9%	36.9%	94.5%	27.1%	8.7%	11.2%	8.9%	13.0%	11.0%
2-yr CAGR			69.8%	73.6%	67.3%	65.5%	68.7%	67.2%	72.4%	56.1%	22.1%	48.3%	12.0%
Cisneros opex ex-COR growth		31.5%	44.3%	88.2%	22.7%	5.1%	32.5%	63.4%	32.4%	-16.2%	-33.7%	7.7%	1.8%
Cisneros OCF		43%	266%	314%	122%	4%	105%	-9%	-17%	22%	39%	9%	36%
MediaDonuts growth													
MediaDonuts revenue growth y/y			205.0%	191.2%	53.5%	41.3%		79.1%	57.1%	62.8%	50.0%	59.9%	8.7%
2-yr CAGR								133.7%	113.9%	58.1%	45.6%	71.8%	31.8%
MediaDonuts opex ex-COR growth y/y			38.7%	183.8%	687.2%	264.3%		166.6%	43.2%	145.6%	90.1%	97.5%	-2.0%
MediaDonuts cost of revenue growth y/y			192%	209%	54%	56%		79%	68%	52%	44%	57%	9%
MediaDonuts OCF growth y/y			-803%	116%	-25%	-44%	5%	-6%	6%	56%	46%	27%	31%
365 Digital growth													
365 Digital revenue growth y/y												408.8%	91.2%
365 Digital opex ex-COR growth y/y												693.1%	94.7%
365 Digital cost of revenue growth y/y												422%	91%
365 Digital OCF growth y/y												55%	75%
Digital segment pro forma growth													
Digital revenue		38%	96%	147%	95%	40%	83%	38%	23%	23%	14%	23%	11%
Digital revenue, PF, pro rated for 4Q by days EVC owned Cisneros in 4Q20			83%										
Digital cost of revenue		46%	104%	156%	107%	45%	90%	37%	21%	20%	13%	21%	10%
Digital opex ex-cost of revenue		0%	8%	40%	29%	11%	21%	60%	41%	35%	21%	38%	4%
Digital OCF		76%	980%	681%	73%	25%	124%	21%	17%	56%	12%	24%	31%
Legacy margins													
Legacy cost of revenue/revenue	53.3%	56.6%	56.6%	56.7%	57.2%	57.4%	57.0%	56.6%	56.7%	57.2%	57.4%	57.0%	57.0%
Legacy COR margin ^ y/y		3.3%	1.5%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Legacy opex ex-COR/revenue	46.8%	45.3%	45.3%	36.6%	37.6%	25.3%	34.7%	36.0%	29.7%	35.5%	35.4%	34.0%	33.7%
Legacy OCF margin	-0.2%	-1.9%	-1.9%	6.8%	5.2%	17.4%	8.3%	7.4%	13.6%	7.4%	7.2%	9.0%	9.3%
Legacy OCF margin ^ y/y		-1.7%	4.7%	17.6%	1.8%	13.4%	10.2%	9.3%	6.9%	2.1%	-10.2%	0.7%	0.3%
Cisneros margins													
Cisneros cost of revenue/revenue	85.5%	86.4%	87.7%	87.3%	89.7%	89.0%	88.5%	88.2%	87.8%	90.2%	89.5%	89.0%	88.0%
Cisneros COR margin ^ y/y		1.0%	-0.1%	0.0%	3.3%	3.4%	2.1%	0.5%	0.5%	0.5%	0.5%	0.5%	-1.0%
Cisneros OCF margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-1.7%	0.6%	1.6%	-0.2%	1.4%
Cisneros EBITDA margin ^ y/y		-0.1%	2.8%	2.4%	0.1%	-1.8%	0.3%	-2.0%	-1.7%	0.6%	1.6%	-0.2%	1.4%
MediaDonuts margins													
MediaDonuts cost of revenue/revenue		73.5%	75.0%	70.0%	80.3%	78.0%	76.2%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
MediaDonuts COR margin ^ y/y			-3.5%	4.1%	0.0%	7.4%		0.0%	5.0%	-5.3%	-3.0%	-1.2%	0.0%
MediaDonuts OCF margin ^ y/y			18.2%	-3.5%	-9.0%	-15.0%		-6.0%	-3.2%	-0.4%	-0.3%	-2.1%	1.7%
MediaDonuts EBITDA margin ^ y/y			18.2%	-3.5%	-9.0%	-15.0%		-6.0%	-3.2%	-0.4%	-0.3%	-2.1%	1.7%
365 Digital margins													
365 Digital cost of revenue/revenue		80.0%	75.0%	70.0%	0.0%	78.0%	77.9%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
365 Digital COR margin ^ y/y			-5.0%	-10.0%	-80.0%	-2.0%		5.0%	10.0%	80.0%	2.0%	2.1%	0.0%
365 Digital OCF margin ^ y/y			6.9%	6.9%	34.2%	1.5%		-12.6%	-9.7%	-43.4%	-10.2%	-8.0%	-0.3%
Digital Segment margins													
Digital Segment cost of revenue/revenue		74.6%	83.7%	83.7%	85.1%	83.6%	84.0%	82.1%	81.3%	83.4%	83.2%	82.6%	82.0%
MediaDonuts COR margin ^ y/y			28.6%	27.0%	27.9%	2.3%		-1.6%	-2.4%	-1.7%	-0.4%	-1.5%	-0.6%
MediaDonuts OCF margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MediaDonuts EBITDA margin ^ y/y			-83.7%	-97.9%	-152.9%	-363.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Digital Segment reported revenue mix:													
Digital as % of company revenue	25%	42%	68%	73%	73%	76%	73%	78%	79%	77%	79%	78%	82%
Cisneros Interactive as % of digital segment revenue		62%	87%	88%	80%	75%	82%	73%	72%	72%	72%	72%	72%
MediaDonuts as % of digital segment revenue		0%	0%	0%	8%	11%	6%	11%	11%	11%	14%	12%	12%
Legacy digital as % of digital segment revenue		38%	13%	12%	12%	13%	12%	14%	16%	15%	13%	15%	14%
365 Digital as % of digital segment revenue		0%	0%	0%	0%	1%	0%	1%	2%	1%	1%	1%	2%
Digital Segment reported OCF mix:													
Cisneros Interactive as % of digital segment OCF		118%	104%	89%	78%	56%	77%	67%	57%	70%	70%	66%	69%
MediaDonuts as % of digital segment OCF		0%	0%	0%	0%	13%	5%	13%	11%	13%	17%	14%	14%
Legacy digital as % of digital segment OCF		-18%	-4%	11%	10%	29%	15%	19%	31%	17%	12%	19%	16%
365 Digital as % of digital segment OCF		0%	0%	0%	0%	2%	1%	1%	2%	0%	0%	1%	1%
Minority interest		2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0

Note: Legacy digital is EVC's digital segment excluding Cisneros Interactive, MediaDonuts and 365 Digital. Source: Industry Capital Research estimates and company data

Figure 22: Forecast Drivers—Television Segment

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
TELEVISION SEGMENT																
Television PF Rev Growth	0.3%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-6.9%	-16.0%	-6.0%	-3.4%	-6.5%	-7.3%	-9.0%
Reported TV revenue	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.4	\$35.2	\$37.6	\$136.1	\$123.8
Growth	7.4%	-7.2%	2.5%	-1.4%	3.2%	-7.9%	26.3%	-3.5%	-20.3%	-4.9%	-14.5%	-4.9%	-3.4%	-6.5%	-7.3%	-9.0%
TV non-recurring items:																
TV Political/Census	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	1.3	2.8	3.2	7.3	14.6	0.2
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	8.6	0.2	9.8	0.2	22.6	0.0	0.0	0.4	0.4	0.8	1.3	2.8	3.2	7.3	14.6	0.2
TV revenue ex political	151.0	147.9	141.9	149.4	131.9	36.1	34.1	36.1	39.8	146.0	29.6	29.6	32.0	30.3	121.4	123.7
Growth ex Political	1.8%	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-18.1%	-13.1%	-11.3%	-24.0%	-16.9%	1.8%
Retransmission Consent	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	9.2	9.0	8.9	9.0	36.2	35.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Retrans	29.6	31.4	35.1	35.4	36.8	9.6	9.3	9.1	8.9	37.0	9.2	9.0	8.9	9.0	36.2	35.4
TV revenue ex Retrans	130.0	116.6	116.7	114.3	117.7	26.5	24.8	27.3	31.3	109.9	21.7	23.4	26.3	28.6	99.9	88.5
Growth ex Retrans	7.6%	-10.2%	0.0%	-2.0%	3.0%	-10.7%	40.6%	-4.8%	-25.0%	-6.6%	-18.2%	-5.6%	-3.8%	-8.6%	-9.1%	-11.5%
TV World Cup/Other Soccer	1.5	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup	0.4	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
TV revenue ex WC	159.1	148.1	151.7	149.7	154.5	36.1	33.6	35.0	40.2	144.8	30.9	32.4	35.2	37.6	136.1	123.8
Growth ex WC	7.1%	-7.0%	2.5%	-1.4%	3.2%	-7.9%	24.5%	-7.5%	-20.3%	-6.2%	-14.5%	-3.5%	0.7%	-6.5%	-6.1%	-9.0%
TV Acquisitions/Dispositions (inc. Affiliations)		(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(9.8)	(6.5)	(6.1)	(7.5)	(7.2)	(27.3)	(28.6)
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%	100.0%	100.0%	100.0%
Incremental M&A	0.0	(6.4)	(10.9)	(10.6)	(9.4)	(2.1)	(1.6)	(2.8)	(3.3)	(9.8)	(6.5)	(6.1)	(7.5)	(7.2)	(27.3)	(28.6)
TV revenue ex M&A	159.5	154.5	162.6	160.3	163.9	38.2	35.6	39.2	43.6	156.6	37.4	38.5	42.7	44.8	163.4	152.4
Growth ex M&A	7.4%	-3.2%	5.3%	-1.5%	2.3%	-7.4%	24.9%	-2.8%	-19.0%	-4.4%	-2.0%	8.0%	8.7%	2.9%	4.3%	-6.7%
Spectrum usage/auction	1.5	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.5	1.7	1.7	1.8	6.6	5.0
Assm: % Incremental to Core	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	0.4	0.0	3.6	13.1	5.4	2.8	1.1	1.1	1.1	6.2	1.5	1.7	1.7	1.8	6.6	5.0
TV revenue ex Spectrum Usage	159.1	148.1	148.2	136.6	149.0	33.2	33.0	35.3	39.1	140.7	29.3	30.7	33.6	35.9	129.5	118.8
Growth ex Spectrum Usage	7.1%	-7.0%	0.1%	-7.8%	9.1%	-12.1%	28.7%	-3.0%	-20.4%	-5.6%	-11.8%	-6.8%	-5.1%	-8.3%	-8.0%	-8.2%
PF TV revenue ex-all non-recurring	120.7	122.9	114.2	111.6	99.2	25.7	24.7	27.1	33.1	110.7	25.4	25.1	28.8	26.7	106.0	111.9
PF TV revenue growth ex all non-recurring	1.5%	1.8%	-7.1%	-2.3%	-11.2%	2.8%	49.3%	8.4%	1.8%	11.6%	-1.3%	1.3%	6.5%	-19.4%	-4.3%	5.6%
TV rev grth ex all non-rec 2-yr CAGR	1.7%	-2.7%	-4.7%	-6.8%	-1.6%	-5.4%	-1.3%	5.8%	-0.4%	0.7%	22.9%	7.4%	-9.5%	3.4%	0.5%	0.5%
PF TV advertising growth ex-political	-3.8%	-11.3%	-2.2%	-11.2%	2.8%	57.8%	15.1%	1.8%	14.7%	-20.3%	-19.9%	-17.2%	-34.5%	-23.6%	5.9%	5.9%
TV ad rev grth ex political 2-yr CAGR	-1.9%	-7.6%	-6.9%	-6.8%	-1.6%	-2.7%	1.7%	5.8%	1.0%	-9.5%	12.4%	-2.3%	-18.4%	-6.3%	-10.0%	-10.0%
PF TV revenue growth ex-political	-2.0%	-4.0%	5.3%	-11.7%	6.4%	32.5%	9.6%	1.1%	10.7%	-18.1%	-13.1%	-11.3%	-24.0%	-16.9%	1.8%	1.8%
TV rev grth ex political 2-yr CAGR	-0.1%	-3.0%	0.5%	-3.6%	-2.9%	-5.4%	-0.5%	4.2%	-1.1%	-6.6%	7.3%	-1.4%	-12.3%	-4.1%	-8.0%	-8.0%
PF TV advertising growth	-10.0%	-3.0%	-10.5%	10.9%	-16.4%	45.6%	-4.1%	-25.2%	-7.6%	-14.8%	-8.2%	-6.1%	-11.1%	-10.0%	-10.6%	-10.6%

Source: Company reports; Industry Capital Research estimates

Figure 23: Forecast Drivers—Radio Segment

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
RADIO SEGMENT																
Radio PF Rev Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	23.4%	9.7%	5.8%	3.4%	0.2%	4.6%	-12.0%
Pro forma radio:																
Revenue	\$75.8	\$66.9	\$63.9	\$55.0	\$46.3	\$11.3	\$14.1	\$16.4	\$16.1	\$58.0	\$12.6	\$14.9	\$17.0	\$16.2	\$60.7	\$53.4
Growth	-0.4%	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	11.4%	5.8%	3.4%	0.2%	4.6%	-12.0%
Radio non-recurring items:																
Political/Census	2.1	0.1	2.2	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.6	1.0	1.7	3.6	0.1
Assm: % Incremental to Core	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	2.1	0.1	1.1	0.1	5.9	0.0	0.0	0.6	0.2	0.8	0.3	0.6	1.0	1.7	3.6	0.1
Radio revenue ex political	73.8	66.9	62.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.3	14.3	16.0	14.5	57.1	53.3
Growth ex Political	-2.7%	-9.3%	-6.0%	-12.6%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	8.7%	1.6%	0.8%	-8.9%	-0.1%	-6.6%
NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex NTR	35.1	36.2	36.2	38.4	39.5	11.3	14.1	16.4	16.1	39.5	12.6	14.9	17.0	16.2	39.5	39.5
Growth ex NTR	3.0%	3.0%	0.0%	6.1%	3.0%	-3.5%	108.2%	42.5%	-0.5%	0.0%	11.4%	5.8%	3.4%	0.2%	0.0%	0.0%
World Cup/Other Soccer			1.9							0.0%						
Assm: % Incremental to Core	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental World Cup			1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio revenue ex WC	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Growth ex WC	-11.8%	-4.5%	-13.9%	-15.9%	-3.5%	108.2%	42.5%	-0.5%	25.4%	11.4%	5.8%	3.4%	0.2%	4.6%	-12.0%	-12.0%
Revenue	73.8	66.9	61.8	54.9	40.4	11.3	14.1	15.9	15.9	57.2	12.3	14.3	16.0	14.5	57.1	53.3
Radio revenue growth ex all non-recurring	-2.4%	-9.3%	-7.5%	-11.2%	-26.4%	5.5%	128.5%	54.2%	20.4%	41.6%	8.7%	1.6%	0.8%	-8.9%	-0.1%	-6.6%
Radio rev grth ex all non-rec 2-yr CAGR		-5.9%	-8.4%	-9.4%	-19.2%	-2.7%	-0.9%	3.7%	7.2%	2.0%	7.1%	52.3%	24.7%	4.7%	18.9%	-3.4%

Source: Company reports; Industry Capital Research estimates

Figure 24: Forecast Drivers—Operating Expense

In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
OPERATING EXPENSE																
Television PF Opex Growth				0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	-0.3%	-3.2%	1.1%	-0.6%	-2.9%	-1.5%	-8.0%
Radio PF Opex Growth				-4.5%	-26.3%	-16.9%	8.2%	0.8%	-5.5%	-5.4%	-3.0%	4.9%	6.7%	0.9%	2.3%	-7.0%
Pro forma consolidated:																
Opex ex-cost of revenue	\$160.2	\$168.4	\$176.8	\$173.4	\$153.3	\$40.4	\$41.4	\$43.0	\$48.1	\$172.9	\$47.5	\$50.5	\$48.1	\$50.7	\$196.9	\$191.0
Growth	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.2%	4.6%	12.8%	17.6%	21.8%	11.9%	5.6%	13.9%	-3.0%
Non-recurring opex items:																
M&A (Cisneros, MediaDonuts, 365 acquisitions)	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.5	9.7	27.5	11.0	12.1	8.0	9.5	40.7	42.4
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	0.0	0.0	0.0	0.0	5.7	4.8	6.4	6.5	9.7	27.5	11.0	12.1	8.0	9.5	40.7	42.4
Opex ex Cisneros adjustment	160.2	168.4	176.8	173.4	147.6	35.7	35.0	36.5	38.3	145.5	36.5	38.4	40.1	41.2	156.2	148.6
Growth ex Cisneros	4.6%	5.1%	5.0%	-1.9%	-14.9%	-11.5%	6.0%	7.1%	-4.7%	-1.5%	2.4%	9.6%	9.8%	7.6%	7.4%	-4.8%
Fixed & variable cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(5.8)	(7.0)	(12.8)	(11.5)	(37.1)	(33.9)
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental cost reductions	0.0	0.0	0.0	0.0	(27.2)	(5.0)	(5.8)	(11.4)	(10.6)	(32.8)	(5.8)	(7.0)	(12.8)	(11.5)	(37.1)	(33.9)
Opex ex cost reductions adjustment	0.0	168.4	176.8	173.4	180.5	45.4	47.3	54.4	58.6	205.7	53.4	57.5	60.9	62.2	233.9	33.9
Growth ex cost reductions	-27.8%	5.0%	5.0%	-1.9%	4.1%	12.8%	20.5%	20.7%	4.8%	14.0%	17.5%	21.6%	11.9%	6.1%	13.7%	-85.5%
Salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.7	2.3	2.1
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental salary true-up	0.0	0.0	0.0	0.0	2.0	0.0	0.7	0.7	0.7	2.0	0.0	0.8	0.8	0.7	2.3	2.1
Opex ex salary true-up	0.0	168.4	176.8	173.4	151.3	40.4	40.8	42.3	47.4	170.9	47.5	49.7	47.3	50.0	194.6	(2.1)
Growth ex salary true-up			5.0%	-1.9%	-12.7%	0.4%	23.4%	24.3%	7.9%	13.0%	17.6%	21.9%	11.9%	5.5%	13.9%	-101.1%
Opex ex-non-recurring	160.2	168.4	176.8	173.4	172.8	40.7	40.2	47.2	48.2	176.3	42.3	44.6	52.1	52.0	191.0	180.3
Opex growth ex all non-recurring	8.0%	5.1%	5.0%	-1.9%	-0.3%	1.0%	2.4%	4.8%	-0.1%	2.0%	4.2%	11.0%	10.3%	7.7%	8.3%	-5.6%
Opex grth ex all non-rec 2-yr CAGR		6.5%	5.0%	1.5%	-1.1%	-2.5%	-3.6%	4.5%	4.5%	0.8%	2.5%	6.6%	7.5%	3.8%	5.1%	1.1%
Revenue-driven variable expense	41.1	36.7	35.4	31.2	31.7	7.0	7.6	8.5	9.3	32.3	6.5	7.3	8.3	8.6	30.8	27.4
Non-sales opex ex-non-recurring	119.1	131.7	141.4	142.1	141.1	33.7	32.6	38.7	39.0	143.9	35.8	37.3	43.7	43.4	160.2	153.0
Non-sales opex growth ex all non-recurring	9.3%	10.5%	7.4%	0.5%	-0.7%	4.3%	-5.8%	3.7%	5.5%	2.0%	6.4%	14.3%	13.1%	11.3%	11.3%	-4.5%
Non-sales opex grth ex all non-rec 2-yr CAGR		9.9%	8.9%	3.9%	-0.1%	-2.6%	-3.9%	4.7%	4.0%	0.6%	5.3%	3.8%	8.3%	8.3%	6.5%	3.1%

Source: Company reports, Industry Capital Research estimates

Note: The above figure attempts to estimate core opex growth excluding the impact of variable sales expense by deducting 20% of estimated broadcast advertising revenue in all periods.

Figure 25: Financial Statement Forecasts supporting our valuation

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
AS REPORTED																
Net revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.5	\$32.4	\$35.2	\$37.6	\$136.1	123.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.9	17.0	16.2	60.7	53.4
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	47.3	52.2	53.8	196.8	177.2
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.4	179.1	202.2	709.4	788.1
Total net revenue (core)	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.7	231.3	256.0	906.2	965.4
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	221.7	231.3	256.0	906.2	965.4
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	126.2	141.9	149.4	168.2	585.7	646.3
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%	82.1%	81.3%	83.4%	83.2%	82.6%	82.0%
Total cost of revenue (core)	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	126.2	141.9	149.4	168.2	585.7	646.3
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	126.2	141.9	149.4	168.2	585.7	646.3
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	19.7	20.0	21.2	80.2	73.8
Radio opex	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital opex	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.1	15.5	51.5	18.5	20.4	17.6	18.8	75.7	79.1
Total opex (core)	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.0	48.1	172.9	47.5	50.5	48.1	50.7	196.9	191.0
Spectrum usage rights																
Total Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.0	48.1	172.9	47.5	50.5	48.1	50.7	196.9	191.0
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	\$12.6	\$15.2	\$16.4	56.9	50.0
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%	39.1%	43.1%	43.6%	41.1%	40.4%
Radio OCF	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
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%	30.5%	38.6%	33.4%	32.5%	28.7%
Digital OCF	1189.2%	76.7%	-31.0%	70.1%	-70.4%	5.9	9.167	8.7	13.6	37.3	8.6	12.2	12.0	15.2	48.0	60.6%
Digital OCF margin	10.2%	1.3%	3.4%	-0.2%	4.0%	5.8%	7.0%	6.0%	7.6%	6.7%	5.6%	7.0%	6.7%	7.5%	6.8%	8.0%
Incremental Margin	28.8%	-4.8%	8.5%	23.9%	7.9%	23.7	27.9	31.7	37.4	120.8	23.4	29.4	33.8	37.0	6.9%	18.7%
Total OCF (core)	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.7	37.4	120.8	23.4	29.4	33.8	37.0	123.6	128.1
Margin	34.3%	26.0%	25.2%	23.2%	24.4%	15.9%	15.7%	15.9%	16.0%	15.9%	11.9%	13.2%	14.6%	14.5%	13.6%	13.3%
Incremental Margin	-114.5%	-132.9%	16.6%	49.1%	16.6%	8.4%	16.7%	7.8%	-4.8%	-0.6%	3.7%	3.3%	6.5%	-1.8%	6.2%	8.0%
Spectrum sales	0.0	251.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OCF	88.7	322.3	75.9	63.4	83.8	23.7	27.9	31.7	37.4	120.8	23.4	29.4	33.8	37.0	123.6	128.1
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%	13.2%	14.6%	14.5%	13.6%	13.3%
Incremental Margin	-114.5%	84.2%	103.4%	51.6%	16.6%	8.4%	16.7%	7.8%	-4.8%	-0.6%	3.3%	3.3%	6.5%	-1.8%	6.2%	8.0%
Corporate Expense	24.5	27.9	26.9	28.1	27.8	7.2	7.3	7.3	11.2	33.0	8.7	8.5	9.0	9.7	36.0	37.1
GAAP EBITDA	64.2	294.4	49.1	35.4	56.0	16.6	20.6	24.4	26.2	87.8	14.7	20.8	24.8	27.3	87.6	91.0
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	1.6	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	0.9	0.9	1.1	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	4.3	2.0	0.0	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)	(0.9)	(0.9)	(1.1)	(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)	1.0	0.3	(0.4)	0.0	0.0
Total Adjusted EBITDA	69.2	300.1	54.0	41.2	60.4	14.2	17.8	23.3	32.9	88.2	18.1	22.5	27.0	30.4	98.0	101.6
Other opex for spectrum (in corporate)		2.1	1.2													
Adjusted EBITDA (core)	69.2	50.6	54.0	41.2	60.4	14.2	17.8	23.3	32.9	88.2	18.1	22.5	27.0	30.4	98.0	101.6
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	22.5	27.0	30.4	98.0	101.6
Model variance: adj. EBITDA	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.1	(0.0)	0.1	(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%	10.1%	11.7%	11.9%	10.8%	10.5%
Incremental Margin	-161.7%	-137.3%	14.0%	55.6%	27.3%	5.3%	12.1%	5.1%	0.3%	6.7%	8.1%	10.8%	11.5%	-11.1%	6.7%	6.1%

Source: Industry Capital Research estimates and company data

Figure 26: Financial Statement Forecasts supporting our valuation (cont.)

In millions, except per share data	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
Memo: cash opex (core)	\$158.9	\$167.2	\$175.3	\$170.4	\$153.8	\$42.9	\$45.4	\$44.7	\$45.4	\$178.4	\$46.6	\$49.5	\$47.2	\$49.6	\$193.0	\$187.0
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	6.8	7.4	8.2	29.5	30.4
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	2.6	2.5	2.6	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	(0.1)	0.6	1.6	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	6.3	6.3	6.3	25.2	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%	2.8%	2.7%	2.4%	2.8%	2.7%
Change in fair value contingent consideration			(1.2)	(6.478)	0.000	0.0	0.0	0.0	8.2	8.2	5.1	1.0	0.0	(0.98)	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)	(1.2)	(6.0)	(6.9)	(1.9)	(0.5)	(2.4)	(2.1)	(7.0)	(0.1)	(0.8)	(0.1)	(0.1)	(1.2)	(1.2)
Gain (Loss) on Sale	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves, accruals and other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (EBIT Inc. Impairments)	48.9	277.9	33.6	(1.7)	6.6	11.4	16.2	20.6	12.4	60.6	4.2	13.4	18.3	22.6	58.5	66.0
Operating Margin %	18.9%	51.8%	11.3%	-0.6%	1.9%	7.6%	9.1%	10.4%	5.3%	8.0%	2.1%	6.1%	7.9%	8.8%	6.5%	6.8%
Interest expense	(15.5)	(16.7)	(13.7)	(13.7)	(8.3)	(1.7)	(1.8)	(1.7)	(1.7)	(6.9)	(1.4)	(2.3)	(1.5)	(1.5)	(6.8)	(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	0.7	0.0	(0.7)	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)	(1.6)	(1.5)	(2.3)	(6.8)	(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
Pretax income	33.5	258.6	21.4	(11.3)	0.1	9.8	14.5	19.1	10.6	54.0	2.7	11.8	16.8	20.3	51.7	57.6
Pretax margin	13.0%	48.2%	7.2%	NM	0.0%	6.6%	8.1%	9.6%	4.6%	7.1%	1.4%	5.3%	7.3%	7.9%	5.7%	6.0%
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)	(3.4)	(4.7)	(6.6)	(15.5)	(20.2)
Effective tax rate	39.1%	31.9%	36.8%	-72.1%	1276.3%	28.5%	27.6%	26.8%	63.7%	34.6%	31.1%	28.5%	28.0%	32.4%	30.0%	35.0%
Cash tax rate	1.8%	0.3%	15.2%	-25.2%	6552.5%	-2.0%	22.7%	2.5%	5.4%	7.6%	44.2%	52.6%	23.1%	20.6%	30.0%	33.5%
Net Income (Before Equity Investments)	20.4	176.0	13.5	(19.5)	(1.4)	7.0	10.5	14.0	3.9	35.4	1.9	8.5	12.1	13.7	36.2	37.5
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	0.0	(0.1)	0.1	0.0	0.0
Reported Net income	20.4	175.7	12.2	(19.7)	(1.4)	7.0	10.5	14.0	3.9	35.4	1.9	8.5	12.0	13.8	36.2	37.5
Net margin	26.8%	9.4%	18.1%	15.1%	17.6%	9.5%	10.0%	11.7%	14.0%	11.6%	9.2%	10.1%	11.7%	11.9%	10.8%	10.5%
Accretion of Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest					2.5	1.6	2.6	1.8	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Net inc. to common pre-1-time	20.4	175.7	12.2	(19.7)	(3.9)	5.4	7.9	12.3	3.9	29.4	1.9	8.5	12.0	13.8	36.2	37.5
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	\$0.10	\$0.14	\$0.16	\$0.42	\$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	0.0	0.0	0.0
Net income to common	20.4	175.7	12.2	(19.7)	(3.9)	5.4	7.9	12.3	3.9	29.4	1.9	8.5	12.0	13.8	36.2	37.5
EPS - basic	\$0.23	\$1.95	\$0.14	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.05	\$0.34	\$0.02	\$0.10	\$0.14	\$0.17	\$0.42	\$0.46
EPS - diluted	\$0.22	\$1.91	\$0.13	(\$0.23)	(\$0.05)	\$0.06	\$0.09	\$0.14	\$0.04	\$0.33	\$0.02	\$0.10	\$0.14	\$0.16	\$0.41	\$0.44
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	\$0.10	\$0.14	\$0.16	\$0.41	\$0.44
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)		
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	1.0	0.0	(1.0)	5.1	0.0
Pro forma net income	20.4	175.7	12.2	(19.7)	35.9	5.4	7.9	12.3	13.5	39.1	7.0	9.4	12.0	12.8	41.3	37.5
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	\$0.11	\$0.14	\$0.15	\$0.48	\$0.46
Pro forma EPS	\$0.22	\$1.91	\$0.13	(\$0.23)	\$0.43	\$0.06	\$0.09	\$0.14	\$0.15	\$0.44	\$0.08	\$0.11	\$0.14	\$0.15	\$0.47	\$0.44
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	85.0	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	87.0	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	23.3	32.9	88.2	18.1	22.5	27.0	30.4	98.0	101.6
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	-1.2	-1.5	-3.0	-6.8	-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	0.8	1.7	1.0	1.0	1.0
- Cash taxes	-0.6	-0.8	-3.3	-2.8	-7.7	0.2	-3.3	-0.5	-0.6	-4.1	-1.2	-6.2	-3.9	-4.2	-15.3	-19.3
Cash taxes / EBITDA	1%	2%	6%	7%	13%	0.0	18%	2%	2%	5%	7%	28%	14%	14%	16%	19%
Minus: capex	-9.1	-12.1	-17.0	-25.3	-9.3	-1.8	-1.0	-1.4	-1.3	-5.6	-1.5	-1.7	-1.7	-7.6	-12.5	-11.1
Capex / D&A	59%	74%	105%	152%	55%	35%	20%	24%	21%	25%	24%	27%	27%	122%	50%	43%
Capex / EBITDA	13%	24%	31%	61%	16%	13%	6%	6%	4%	6%	9%	7%	6%	25%	13%	11%
Plus: cost of revenue for spectrum usage rights		12.1														
= Free Cash Flow	45.2	287.1	25.0	8.3	42.6	13.0	12.4	22.5	31.1	79.0	14.3	14.3	20.0	15.6	64.1	62.8
Free cash flow (reported by company)	45.2	287.1	25.0	8.3	43.0	13.0	12.4	22.4	31.1	79.0	14.3	14.3	20.0	15.6	64.1	62.8
Free Cash Flow (core)	45.2	37.6	25.0	8.3	42.6	13.0	12.4	22.5	31.1	79.0	14.3	14.3	20.0	15.6	64.1	62.8
FCF per share (core)	\$0.50	\$0.41	\$0.28	\$0.10	\$0.51	\$0.15	\$0.14	\$0.25	\$0.35	\$0.90	\$0.16	\$0.16	\$0.23	\$0.18	\$0.74	\$0.75
Memo: FCF/Adjusted EBITDA (core)	65.3%	74.3%	46.3%	20.1%	70.5%	91.8%	69.8%	96.5%	94.6%	89.7%	79.1%	63.4%	73.9%	51.3%	65.5%	61.8%
Dividends per basic share	\$0.13	\$0.16	\$0.20	\$0.20	\$0.13	\$0.02	\$0.03	\$0.03	\$0.02	\$0.10	\$0.03	\$0.03	\$0.03	\$0.03	\$0.10	\$0.10
- Dividends	(11.2)	(14.7)	(17.8)	(17.0)	(10.5)	(2.1)	(2.1)	(2.1)	(2.1)	(8.5)	(2.2)	(2.1)	(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%	14.9%	10.6%	13.4%	13.2%	13.1%

Source: Industry Capital Research estimates and company data

Figure 27: Financial Statement Forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2016A	2017E	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	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%	24.3%	16.2%	9.5%	19.2%	6.5%
Net revenue (core) growth	1.7%	5.3%	9.0%	-7.8%	25.8%	131.7%	295.5%	216.0%	36.2%	121.0%	32.4%	24.3%	16.2%	9.5%	19.2%	6.5%
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%	-4.9%	-3.4%	-6.5%	-7.3%	-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%	5.8%	3.4%	0.2%	4.6%	-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%	33.9%	22.6%	13.9%	27.7%	11.1%
Cost of revenue	31.7%	NM	36.7%	-18.5%	NM	NM	NM	NM	73.9%	NM	48.9%	30.1%	20.2%	13.4%	25.6%	10.3%
Direct expense	3.7%	-2.2%	3.1%	41.7%	-12.1%	-25.5%	-11.9%	-16.7%	-31.5%	-22.4%	-3.2%	1.1%	-0.6%	-2.9%	-1.5%	-8.0%
SG&A	5.9%	NM	NM	-21.1%	-10.3%	-28.8%	-9.2%	-1.1%	NM	NM	-3.0%	4.9%	6.7%	25.8%	22.4%	7.0%
Opex	5.9%	NM	NM	-4.8%	23.8%	NM	NM	NM	49.7%	NM	38.8%	27.8%	18.0%	11.5%	22.4%	7.0%
Opex (core)	4.6%	5.1%	5.0%	-1.9%	-11.6%	0.4%	25.4%	26.2%	4.6%	12.8%	17.6%	21.8%	11.9%	5.6%	13.9%	-3.0%
TV opex	3.7%	-2.2%	3.1%	0.1%	-4.2%	-8.6%	10.0%	6.2%	-2.6%	0.6%	-3.2%	1.1%	-0.6%	-2.9%	-1.5%	-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%	4.9%	6.7%	0.9%	2.3%	-7.0%
Digital opex	7.0%	107.8%	41.8%	-2.6%	-5.0%	58.1%	95.3%	142.7%	27.1%	68.1%	74.3%	69.4%	35.0%	20.7%	47.0%	4.5%
Total OCF (core)	-5.3%	-20.3%	5.8%	-15.2%	32.1%	42.6%	NM	50.1%	-7.4%	44.1%	-1.2%	5.1%	6.6%	-1.0%	2.3%	3.6%
TV OCF	-3.2%	-12.6%	1.7%	-3.3%	12.8%	-7.1%	57.7%	-13.3%	-34.5%	-11.0%	-28.3%	-13.0%	-6.9%	-10.7%	-14.6%	-10.4%
Radio OCF	-26.3%	-65.4%	25.8%	NM	NM	NM	NM	NM	11.0%	NM	97.1%	7.8%	-1.4%	-1.2%	9.8%	-22.4%
Digital OCF	NM	-68.5%	NM	NM	NM	NM	NM	NM	83.5%	NM	46.1%	32.5%	38.1%	12.1%	28.5%	30.7%
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%
Adjusted EBITDA (core)	-9.3%	-26.9%	6.8%	-23.7%	46.6%	46.7%	NM	42.4%	0.6%	45.9%	27.6%	26.4%	15.9%	-7.5%	11.2%	3.7%
D & A	-4.0%	7.0%	-0.8%	2.3%	3.8%	14.9%	31.0%	50.0%	26.2%	29.7%	23.4%	23.4%	6.1%	0.0%	12.3%	3.9%
Operating income	-11.5%	NM	-88.5%	-36.9%	88.3%	81.4%	NM	40.4%	-18.7%	47.7%	15.2%	17.3%	11.6%	5.9%	11.2%	-100.0%
Pretax income	-20.3%	NM	-91.7%	NM	NM	NM	NM	50.0%	-61.4%	NM	-72.0%	-18.2%	-12.1%	90.5%	-4.4%	11.6%
Net income pre-extra.	-20.5%	NM	-93.1%	NM	NM	NM	NM	35.9%	-81.0%	NM	-65.2%	7.6%	-2.1%	NM	22.9%	3.6%
EPS, Continuing Operations	-20.7%	NM	-92.8%	NM	NM	NM	NM	27.3%	-83.3%	NM	-66.7%	11.1%	0.0%	NM	23.5%	9.5%
EPS - diluted	-21.4%	NM	-93.0%	NM	NM	NM	NM	30.6%	-81.5%	NM	-65.9%	8.6%	-0.4%	NM	23.9%	7.3%
FCF/share	NM	-18.0%	-31.7%	-64.3%	NM	NM	NM	NM	6.1%	76.5%	6.7%	14.3%	-8.0%	-48.6%	-17.8%	1.4%
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%	-0.9%	-1.7%	-3.5%	-0.7%	-3.5%

Source: Industry Capital Research estimates and company data

Figure 28: Financial Statement Forecasts supporting our valuation (cont.)

Segments																
In millions	2016A	2017A	2018A	2019A	2020A	1Q21	2Q21	3Q21	4Q21	2021A	1Q22A	2Q22A	3Q22E	4Q22E	2022E	2023E
AS REPORTED																
Revenue:																
Television	\$159.5	\$148.1	\$151.7	\$149.7	\$154.5	\$36.1	\$34.1	\$36.5	\$40.2	\$146.8	\$30.9	\$32.4	\$35.2	\$37.6	\$136.1	\$123.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Digital	23.1	57.1	81.0	68.9	143.3	101.5	130.2	146.1	177.5	555.3	153.7	174.4	179.1	202.2	709.4	788.1
Revenue	258.5	272.1	296.6	273.6	344.0	148.9	178.4	199.0	233.9	760.2	197.2	221.7	231.3	256.0	906.2	965.4
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	126.2	141.9	149.4	168.2	585.7	646.3
Cost of revenue	9.5	33.0	45.1	36.8	106.9	84.8	109.0	124.3	148.4	466.5	126.2	141.9	149.4	168.2	585.7	646.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.7	20.0	21.2	80.2	73.8
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital	11.2	23.4	33.1	32.3	30.6	10.9	12.0	13.1	15.5	51.5	18.9	20.4	17.6	18.8	75.7	79.1
Opex	160.2	168.4	176.8	173.4	153.3	40.4	41.4	43.0	48.1	172.9	47.5	50.5	48.1	50.7	196.9	191.0
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.6	15.2	16.4	55.9	50.0
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
Digital	2.4	0.7	2.8	(0.1)	5.7	5.9	9.2	8.7	13.6	37.3	8.6	12.2	12.0	15.2	48.0	62.7
OCF	88.7	70.7	74.8	63.4	83.8	23.7	27.9	31.7	37.4	120.8	23.4	29.4	33.8	37.0	123.6	128.1
PRO FORMA																
Revenue:																
Television	159.5	148.1	151.7	149.7	154.5	36.1	34.1	36.5	40.2	146.8	30.9	32.4	35.2	37.6	136.1	123.8
Radio	75.8	66.9	63.9	55.0	46.3	11.3	14.1	16.4	16.1	58.0	12.6	14.9	17.0	16.2	60.7	53.4
Digital	23.1	57.1	81.0	68.9	143.3	111.1	142.2	146.1	177.5	577.0	153.7	174.4	179.1	202.2	709.4	788.1
Revenue	273.7	281.7	307.8	433.0	516.6	158.5	190.4	199.0	233.9	781.8	197.2	221.7	231.3	256.0	906.2	965.4
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	92.2	117.4	124.3	148.4	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Cost of revenue	9.5	33.0	45.1	173.0	253.2	92.2	117.4	124.3	148.4	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Opex:																
Television	83.6	81.7	84.3	84.4	80.9	19.9	19.5	20.1	21.8	81.4	19.2	19.7	20.0	21.2	80.2	73.8
Radio	65.4	63.3	59.4	56.7	41.8	9.7	9.9	9.8	10.7	40.0	9.4	10.4	10.4	10.8	41.0	38.1
Digital	11.2	23.4	33.1	32.3	30.6	11.8	14.4	13.1	15.5	54.9	18.9	20.4	17.6	18.8	75.7	79.1
Opex	160.2	168.4	187.6	186.6	168.1	41.4	43.9	43.0	48.1	176.3	47.5	50.5	48.1	50.7	196.9	191.0
OCF:																
Television	75.9	66.3	67.4	65.2	73.6	16.2	14.5	16.3	18.4	65.4	11.6	12.6	15.2	16.4	55.9	50.0
Radio	10.5	3.6	4.6	(1.7)	4.5	1.6	4.2	6.7	5.5	18.0	3.2	4.6	6.6	5.4	19.7	15.3
Digital	17.5	10.4	3.2	9.8	17.3	7.1	10.4	8.7	13.6	39.7	8.6	12.2	12.0	15.2	48.0	62.7
OCF	103.9	80.3	75.2	73.4	95.3	24.9	29.1	31.7	37.4	123.2	23.4	29.4	33.8	37.0	123.6	128.1
CONSOLIDATED PRO FORMA																
Revenue	273.7	281.7	307.8	433.0	516.6	158.5	190.4	199.0	233.9	781.8	197.2	221.7	231.3	256.0	906.2	965.4
Growth	7.7%	2.9%	9.3%	40.7%	19.3%	47.3%	108.6%	60.3%	20.8%	51.3%	24.4%	16.4%	16.2%	9.5%	15.9%	6.5%
Cost of Revenue	9.5	33.0	45.1	173.0	253.2	92.2	117.4	124.3	148.4	482.3	126.2	141.9	149.4	168.2	585.7	646.3
Growth	31.7%	246.0%	36.7%	283.6%	46.4%	104.3%	156.1%	106.6%	45.4%	90.5%	36.9%	20.8%	20.2%	13.4%	21.4%	10.3%
Opex	160.2	168.4	187.6	186.6	168.1	41.4	43.9	43.0	48.1	176.3	47.5	50.5	48.1	50.7	196.9	191.0
Growth	4.6%	5.1%	11.4%	-0.5%	-9.9%	-6.6%	17.8%	10.7%	0.8%	4.9%	14.8%	15.1%	11.9%	5.6%	11.7%	-3.0%
OCF	103.9	80.3	75.2	73.4	95.3	24.9	29.1	31.7	37.4	123.2	23.4	29.4	33.8	37.0	123.6	128.1
Growth	2.9%	-22.7%	-6.4%	-2.4%	29.9%	37.1%	255.8%	26.2%	-14.6%	29.2%	-6.0%	0.8%	6.6%	-1.0%	0.4%	3.6%
Corporate	20.8	23.1	21.8	24.4	23.9	6.4	6.5	6.5	7.2	26.6	7.1	6.8	7.4	8.2	29.5	30.4
Growth	8.5%	10.8%	-5.5%	12.0%	-2.0%	3.6%	39.7%	15.3%	-3.2%	11.3%	11.0%	4.3%	13.6%	13.9%	10.8%	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	(0.1)	0.6	1.6	3.9	4.0
EBITDA	84.4	60.2	54.4	51.2	71.9	15.4	19.0	23.3	32.9	90.6	18.1	22.5	27.0	30.4	98.0	101.6
Growth	3.2%	-28.7%	-9.6%	-6.0%	40.6%	48.4%	343.4%	14.5%	-8.9%	25.9%	17.6%	18.4%	15.9%	-7.5%	8.2%	3.7%

Source: Industry Capital Research estimates and company data

Figure 29: DCF Analysis supports \$7.50 12-month price target within \$7.50-9 Range

Entravision DCF analysis			
<i>\$ in millions except per share amounts</i>			
	Current	YE 2022	YE 2023
Firm Value	770	772	770
(-) Total Net Debt	105	41	(22)
(+) NOLs/Tax Assets	30	30	30
(-) Options (Claims on Entravision)	(3.1)	(3.1)	(3.1)
Common Equity Value	692.0	757.6	818.4
Shares Outstanding	87.4	87.4	87.4
Current Share Price	\$5.53	\$5.53	\$5.53
Value Per Share	\$7.92	\$8.67	\$9.36
12-month	\$9.00		
12-month (SoTP)	\$7.50		

ASSUMPTIONS				
Risk Free Rate	2.60%			
Equity Premium	5.26%			
Assumed LT Growth Rate (g)	0%			
MV of Equity Calculation				
Share Price	\$5.53			
Outstanding Shares	87.4			
MV of Equity	483.3			
Estimate MV of Debt Calculation				
Interest Expense	6.9			
Current Cost of Debt	6.0%			
Wgtd Avg Maturity of Debt				
BV of Debt	105.4			
Estimate MV of Debt	105.4			

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Discounted Cash Flow											
EBITDA	54.0	41.2	60.4	88.2	98.0	101.6	129.1	121.9	139.4	130.3	
EBIT	37.8	24.6	43.1	65.7	72.8	75.5	96.7	87.7	102.8	93.0	97.9
Less Cash Taxes	(11.3)	(7.4)	(12.9)	(19.7)	(21.8)	(22.6)	(29.0)	(26.3)	(30.8)	(27.9)	(34.3)
Plus D&A	16.3	16.6	17.3	22.4	25.2	26.2	32.3	34.2	36.6	37.3	37.3
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.5)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)	(37.3)
Less Increase in WC	(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.3)	(4.3)	(4.3)	(5.0)	(4.7)	(4.8)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	61.0	64.6	84.1	79.0	90.7	84.3	58.8
Tax Rate		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt		105									
Leverage Mult.		1.7x									
D/Equity		22%									
D/EV		18%									
E/EV		82%									
Unlevered Beta		1.05									
Levered Beta		1.29									
D/Equity (long-term target)		33%									
Cost of Debt (AT)		4.2%									
Cost of Equity		9.4%									
WACC		8.1%	8%	8%	8%	8%	8%	8%	8%	8%	
PV of CF					56.4	55.3	66.5	57.9	61.4	52.8	
						59.8	71.9	62.5	66.4	57.1	
							77.8	67.6	71.8	61.7	
Sum of PV	350.2	317.6	278.8								724.8
PV of Terminal Value	419.9	454.0	490.8								5x EBITDA
NPV of all CF	770.2	771.6	769.6								

Source: Industry Capital Research estimates and company data

Figure 30: DCF analysis allocates ~70% of firm value to digital media business

	Current	YE 2022	YE 2023	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Entravision DCF analysis - Digital														
<i>\$ in millions except per share amounts</i>														
Firm Value	433	448	453											
(-) Total Net Debt	-	-	-											
(+) NOIs	-	-	-											
(-) Options (Claims on Entravision)	-	-	-											
Common Equity Value	433.4	447.8	453.2											
Shares Outstanding	87.4	87.4	87.4											
Current Share Price	\$5.53	\$5.53	\$5.53											
Value Per Share	\$4.96	\$5.12	\$5.19											
12-month	\$5.00													
Minority Interest	1													
Discounted Cash Flow														
EBITDA	2.8	(0.1)	2.3	2.8	28.2	48.0	62.7	74.9	86.3	95.9	100.9			75.3
EBIT	2.8	(0.1)	2.3	23.1	39.3	51.3	61.3	70.5	78.5	82.6	82.6			82.6
Less Cash Taxes	(0.8)	0.0	(0.7)	(6.9)	(11.8)	(15.4)	(18.4)	(21.2)	(23.5)	(24.8)	(24.8)			(26.3)
Plus D&A				5.1	8.7	11.4	13.6	15.7	17.5	18.4	18.4			15.7
Less Cap Ex														(15.7)
Less Increase in WC							(15.5)	(2.7)	(3.3)	(4.3)	(5.0)			(4.7)
Free Cash Flow to Firm	1.9	(0.1)	1.6	5.7	33.6	44.1	33.6	44.1	52.2	60.8	67.4	71.5	71.5	44.2
Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt	0													
Leverage Mult.	0.0x													
D/Equity	0%													
D/EV	0%													
E/EV	100%													
Unlevered Beta	1.61													
Levered Beta	1.6													
D/Equity (projected long term)	0.0%													
Cost of Debt (AT)	4.2%													
Cost of Equity	11.1%													
WACC	11.1%													
PV of CF														
	Current	YE 2022	YE 2023											
Sum of PV	221.9	212.9	192.4											
PV of Terminal Value	211.4	234.8	260.8											
NPV of all CF	433.4	447.8	453.2											
														5x EBITDA
														440.8

Source: Industry Capital Research estimates and company data

Figure 31: DCF analysis allocates ~30% of firm value to broadcast media business

Entravision DCF analysis - Broadcasting				
\$ in millions except per share amounts				
	Current	YE 2022	YE 2023	
Firm Value	192	180	174	
(-) Total Net Debt	105	41	(22)	
(+) NOLs	30	30	30	
(-) Options (Claims on Entravision)	(3.1)	(3.1)	(3.1)	
Common Equity Value	113.8	165.9	222.6	
Shares Outstanding	87.4	87.4	87.4	
Current Share Price	\$5.53	\$5.53	\$5.53	
Value Per Share	\$1.30	\$1.90	\$2.55	
12-month	\$2.50			

ASSUMPTIONS		2018-22	2020-24	2022-26	2025-26
Risk Free Rate		2.6%			
Equity Premium		5.3%			
Assumed LT Growth Rate (g)		-1%	-2%	-3%	22%
MV of Equity Calculation		18%	-8%	-4%	28%
Share Price	\$5.53				
Outstanding Shares	87.4				
MV of Equity	483.3				
Estimate MV of Debt Calculation					
Interest Expense	6.9				
Current Cost of Debt	6.0%				
Wgtd Avg Maturity of Debt					
BV of Debt	105.4				
Estimate MV of Debt	105.4				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Discounted Cash Flow											
EBITDA	51.3	41.3	58.1	59.9	50.0	38.9	54.2	35.7	48.5	29.4	20.5
EBIT	35.0	24.7	40.8	42.7	33.6	24.2	35.5	17.2	24.3	10.4	(7.2)
Less Cash Taxes	(10.5)	(7.4)	(12.2)	(12.8)	(10.1)	(7.2)	(10.6)	(5.2)	(7.3)	(3.1)	(18.5)
Plus D&A	16.3	16.6	17.3	17.3	16.4	14.7	18.7	18.5	19.2	18.9	(18.5)
Less Cap Ex	(17.0)	(25.3)	(9.5)	(5.6)	(12.5)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)	(18.5)
Less Increase in WC	(9.4)	(8.7)	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow to Firm	14.3	(0.0)	45.0	41.5	27.4	20.5	31.9	18.2	23.3	12.7	13.4
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	105										
Leverage Mult.	1.8x										
D/Equity	22%										
D/EV	18%										
E/EV	82%										
Unlevered Beta	1.03										
Levered Beta	1.3										
D/Equity (long-term target)	33%										
Cost of Debt (AT)	4.2%										
Cost of Equity	9.3%										
WACC	8.0%		8%	8%	8%	8%	8%	8%	8%	8%	
PV of CF					25.4	17.6	25.3	13.4	15.9	8.0	
					19.0	19.0	27.3	14.5	17.1	8.7	
					29.5	29.5	29.5	15.6	18.5	9.4	
											148.2
											3x EBITDA

	Current	YE 2022	YE 2023
Sum of PV	105.5	86.6	73.0
PV of Terminal Value	86.4	93.3	100.8
NPV of all CF	191.9	179.9	173.8

Source: Industry Capital Research estimates and company data

Figure 32: DCF analysis of recession scenario would reduce 12-month valuation range to \$6.00-\$7.00 from \$7.50-9.00

Entravision DCF analysis			
\$ in millions except per share amounts			
	Current	YE 2022	YE 2023
Firm Value	621	610	608
(-) Total Net Debt	105	41	(9)
(+) NOLs/Tax Assets	28	28	28
(-) Options (Claims on Entravision)	(3.1)	(3.1)	(3.1)
Common Equity Value	540.3	593.8	641.3
Shares Outstanding	87.4	87.4	87.4
Current Share Price	\$5.53	\$5.53	\$5.53
Value Per Share	\$6.18	\$6.79	\$7.34
12-month	\$7.00		
12-month (SoTP)	\$6.00		

ASSUMPTIONS					
	2018-22	CAGRs			
		2020-24	2022-26	2025-26	
Risk Free Rate	2.60%				
Equity Premium	5.26%				
Assumed LT Growth Rate (g)	0%				
MV of Equity Calculation					
Share Price	\$5.53				
Outstanding Shares	87.4				
MV of Equity	483.3				
Estimate MV of Debt Calculation					
Interest Expense	6.9				
Current Cost of Debt	6.0%				
Wgtd Avg Maturity of Debt					
BV of Debt	105.4				
Estimate MV of Debt	105.4				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Terminal
Discounted Cash Flow											
EBITDA	54.0	41.2	60.4	88.2	98.0	84.2	109.3	103.9	120.2	101.9	
EBIT	37.8	24.6	43.1	65.7	72.8	59.8	79.1	71.9	85.9	67.4	76.6
Less Cash Taxes		(11.3)	(7.4)	(12.9)	(19.7)	(21.8)	(17.9)	(23.7)	(21.6)	(25.8)	(26.8)
Plus D&A		16.3	16.6	17.3	22.4	25.2	24.4	30.2	32.0	34.3	34.5
Less Cap Ex		(17.0)	(25.3)	(9.5)	(5.6)	(12.5)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)
Less Increase in WC		(9.4)	(8.7)	8.7	(15.5)	(2.7)	(3.0)	(4.1)	(4.1)	(4.7)	(4.4)
Free Cash Flow to Firm	16.3	(0.1)	46.6	47.3	61.0	52.1	69.8	66.0	76.8	64.0	45.4
Tax Rate		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%
Net Debt		105									
Leverage Mult.		1.7x									
D/Equity		22%									
D/EV		18%									
E/EV		82%									
Unlevered Beta		1.05									
Levered Beta		1.29									
D/Equity (long-term target)		33%									
Cost of Debt (AT)		4.2%									
Cost of Equity		9.4%									
WACC		8.1%	8%	8%	8%	8%	8%	8%	8%	8%	
PV of CF					56.4	44.6	55.3	48.3	52.0	40.1	
						48.2	59.8	52.2	56.2	43.3	
							64.6	56.4	60.8	46.9	
Sum of PV	296.7	259.8	228.7								559.4
PV of Terminal Value	324.1	350.4	378.8								5x EBITDA
NPV of all CF	620.8	610.2	607.5								

Source: Industry Capital Research estimates and company data

APPENDIX

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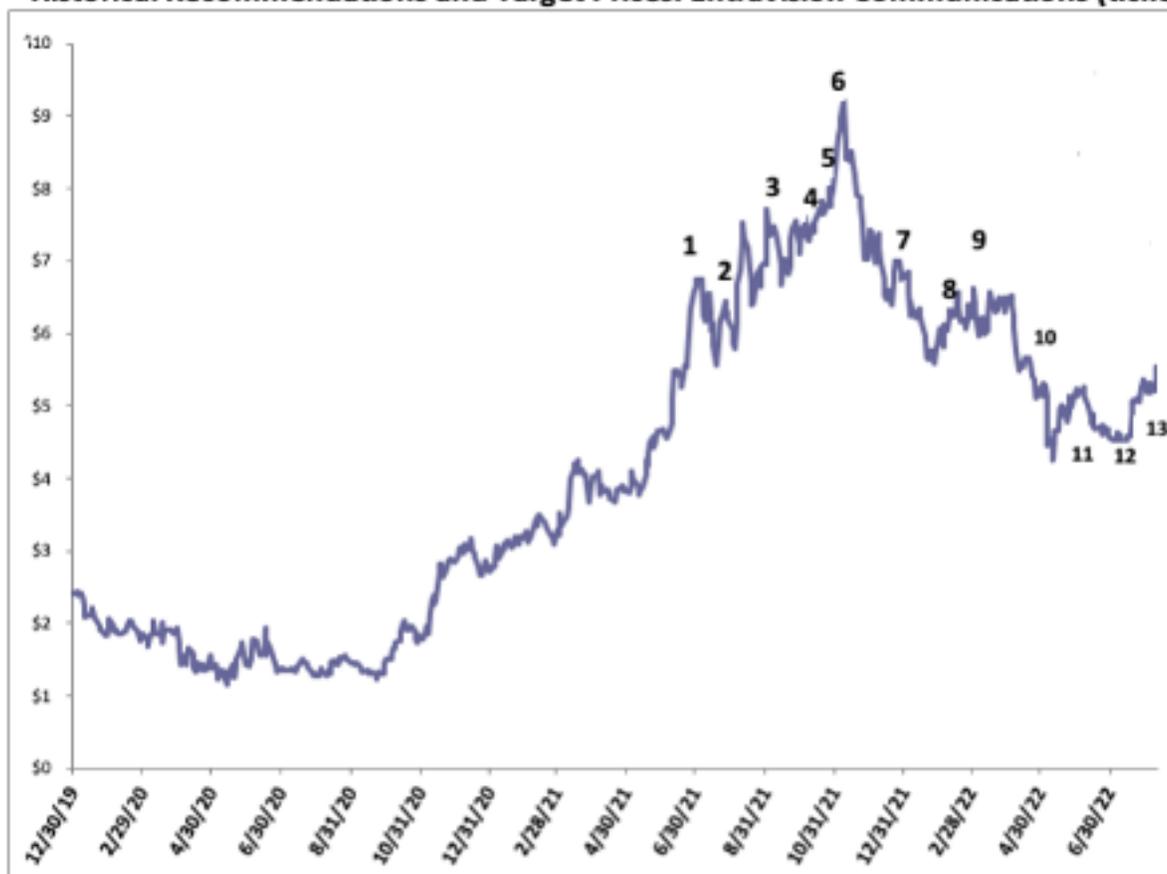
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, holds a BA (Economics) and MBA from the University of Chicago and a JD from the University of Virginia, and is a member of the Beta Gamma Sigma and Phi Beta Kappa honor societies.

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1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	10/28/21	Reaffirmed Buy @ \$7.85, Target Price \$10.00
6	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
7	12/20/21	Reaffirmed Buy @ \$6.40, Target Price \$10.00
8	2/2/22	Reaffirmed Buy @ \$5.87, Target Price \$8.00
9	3/4/22	Reaffirmed Buy @ \$6.42, Target Price \$8.50
10	4/15/22	Reaffirmed Buy @ \$5.53, Target Price \$8.50
11	5/6/22	Reaffirmed Buy @ \$5.14, Target Price \$8.00
12	6/9/22	Reaffirmed Buy @ \$5.16, Target Price \$8.00
13	7/29/22	Reaffirmed Buy @ \$5.23, Target Price \$7.50

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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