

Entravision Communications Corporation (EVC)

Expect In-Line 1Q, with Recession Risk More to Estimates Than Valuation; Maintain Buy and PT

James Dix, CFA

(1) 917 292 4293

james.dix@industrycapitalresearch.com

With results set for May 4 AMC, 1Q should meet our below-consensus EBITDA estimate, reflecting headwinds later in the quarter from the U.S. financial sector. The call will be at 5:00 pm ET, with dial-in 844 836-8739 (U.S.) or 412 317-5440 (int'l).

For 1Q, we expect EVC to meet our estimates of revenue of \$232.5m and adjusted EBITDA of \$13.4m (5.8% margin) vs. consensus of \$229.0m/\$17.0m/7.4%. Our 1Q digital revenue growth estimate of +24% is above EVC's +21% prior pacing. We assume Entravision Latam's revenue growth accelerates to +14% in 1Q from +7% in 4Q, representing a relatively stable 2-year CAGR. This would be consistent with the results of META, Entravision Latam's dominant partner, whose rest-of-world (ROW) ad revenue 2-year CAGR was 15% in 1Q vs. 16% in 4Q. We assume EVC Asia revenue growth was +36%, down from +72% in 4Q, again representing a stable 2-year revenue CAGR. Our TV revenue estimate assumes core ad growth excluding political was flat, below +2% prior pacing, on some caution on advertising pullbacks in the wake of U.S. financial sector troubles. Our core radio ad revenue growth estimate excluding political is -1%, in line with -1% prior pacing.

Although there is some risk to 2023 consensus estimates if a recession hits in 2H, our valuation already reflects recession risk. Our base case assumes no recession, resulting in 2023E EBITDA of \$94m in 2023, which is actually in line with consensus. See Fig. 3. We continue to address recession uncertainty with a separate scenario producing ~\$87m in 2023E EBITDA. Our valuation range of \$6-8 still assumes a 50% chance of a recession and scenario-weighted average of ~\$90m in 2023 EBITDA. See Fig. 5-7. The Wall Street Journal survey's odds of recession was the same in April as January—61%. The higher risk of tighter lending in the wake of a number of 1Q bank failures does increase our conviction in having our valuation assume a risk of a 2023 recession.

We see EVC shares as well-positioned for potential macro headwinds, as its low leverage gives it ample capacity to pursue its acquisition strategy, while supporting a more attractive dividend yield. We estimate that EVC now has over \$400m in acquisition capacity, highlighting the importance of capital allocation as a catalyst. In early April, EVC delivered one of the smaller acquisitions we have been expecting, buying a 51% stake in ad tech company Adsmurai in exchange for cancellation of a prior loan valued at \$14.2m. We estimate the value of the 49% minority stake at roughly \$15m. We expect some additional digital acquisitions of a similar size (\$10-20m each) in the near term, and note that macro headwinds could shake loose some larger deals. After February's dividend doubling, EVC shares yield ~3%. We still expect a decision on a permanent CEO by mid-year. We do not rule out some changes in board membership (and note that one director has announced she will not stand for re-election), including the possibility of adding a member of the Ulloa family, whose stake could create an overhang.

Price target of \$7.50 reflects updated macro assumptions (see Fig. 5); risks on page 3. Our 12-month PT is supported by a DCF valuation based on explicit financial forecasts through 2028.

BUY

Price at 4/30/23 (USD)				6.25
Price Target				7.50
52-week range				3.96 - 7.33
Performance (%)	1m	3m	12m	
Absolute	8	-1	23	
S&P 500	5	2	1	
Market Cap (USDm)				549.8
Shares outstanding (m)				88.0
Float (%)				89
Average volume				355,543
S&P 500				4,169.5
Forecasts and ratios				
Year ended 12/31	2022A	2023E	2024E	
1Q EPS (USD)	0.02	0.01	0.12	
2Q EPS (USD)	0.10	0.07	0.11	
3Q EPS (USD)	0.11	0.04	0.15	
4Q EPS (USD)	-0.02	0.17	0.11	
FY EPS (USD)	0.21	0.29	0.49	
% Change	-38%	41%	68%	
P/E (x)	30.3	21.5	12.8	
EV/EBITDA (x)	5.8	7.2	5.4	
Revenue (USDm)	956.2	1,074.2	1,220.7	
% Change	26%	12%	14%	

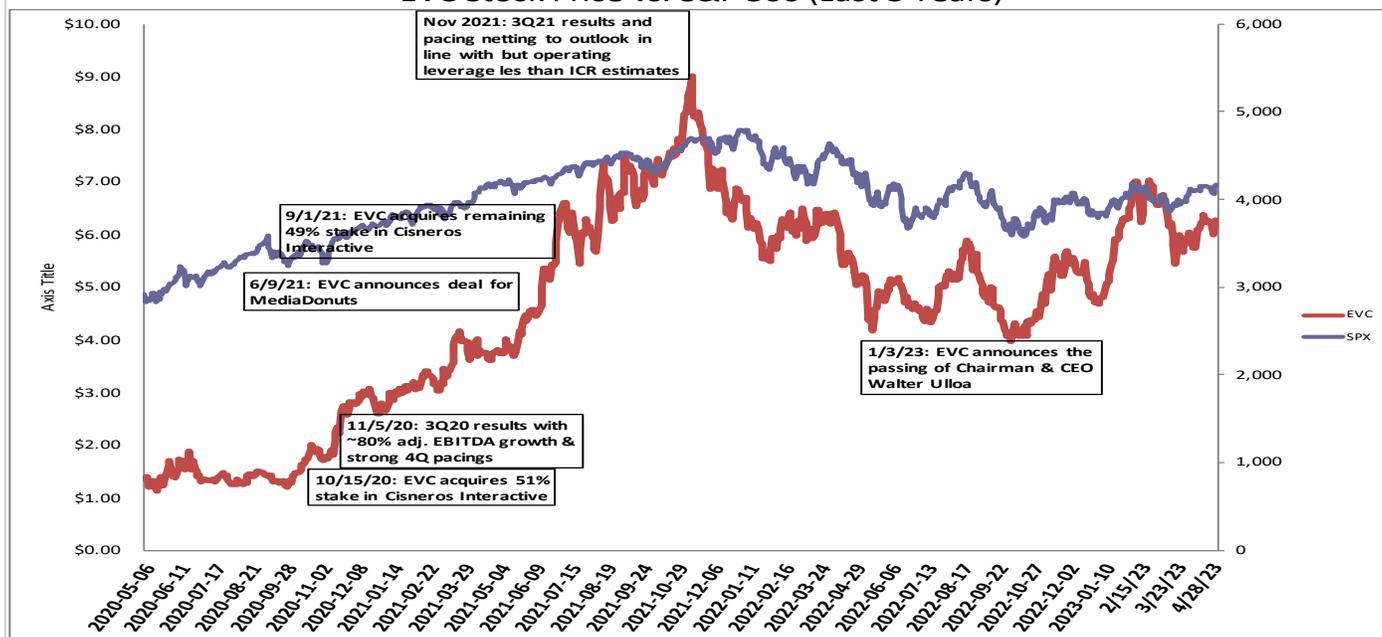
ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE LOCATED IN THE APPENDIX.

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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	\$6.25	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	88.0	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	550	Est. acquisition capacity	\$423
+Pro forma net debt	137	Management	Since the untimely death of Walter Ulloa in December, Christopher Young is Interim CEO, as well as CFO (as which he has served since 2008, having been with EVC since 2000). Paul Zevnik is Interim Chairman. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000, with recently extended contract to 2024).
-Hidden value	13	Positives	<ul style="list-style-type: none"> * 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 affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending
=Pro forma EV	\$674	Risks	<ul style="list-style-type: none"> * Management succession, 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 roughly 80% of firm value to digital media business
Pro forma net revenue		Recent events	December 2022 - death of co-founder, CEO & Chairman. 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	\$1,074	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	9.1%		
Pro forma EBITDA			
2023	\$94		
2022	116		
% Chg	-19.1%		
Pro forma EBITDA margin			
2023	8.8%		
2022	11.8%		
Free cash flow per share			
2023	\$0.61		
2022	\$0.72		
% Chg	-15.3%		
Est. 3-5 yr FCF Growth rate	7%		
VALUATION AND LEVERAGE			
Pro forma EV/EBITDA			
2023	7.2x		
2022	5.8x		
Price / Free cash flow per share			
2023	10.2x		
2022	8.7x		
Pro forma net debt / EBITDA			
2023	1.5x		
2022	1.2x		
Dividend yield			
2023	3.2%		
2022	1.6%		

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



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

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 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) substantially 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 ~\$94m in 2023 EBITDA and a 50% chance of a recession with ~\$87m in 2023 EBITDA, resulting in a target valuation range of \$6-\$8. 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 upcoming management succession 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 2: No change to our quarterly estimates, as we expect an in-line 1Q below consensus given headwinds from U.S. financial sector

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
1Q23E									
Pro Forma *									
Revenue	\$207.7	\$232.5	(\$0.0)	\$232.5	12.0%	0.0%	12.0%		
Op Expense	189.5	219.1	(0.0)	219.1	15.6%	0.0%	15.6%		
Adjusted EBITDA	18.1	13.4	0.0	13.4	-26.0%	0.0%	-26.0%		
As Reported									
Revenue	197.2	232.5	(0.0)	232.5	17.9%	0.0%	17.9%	229.0	1.5%
Op Expense	179.1	219.1	(0.0)	219.1	22.4%	0.0%	22.4%		
Adjusted EBITDA	18.1	13.4	0.0	13.4	-26.0%	0.0%	-26.0%	17.0	-21.1%
Margin	9.2%	5.8%	0.0%	5.8%				7.4%	-1.7%
Pro Forma EPS	\$0.08	\$0.01	+\$0.00	\$0.01	-87.5%	0.0%	-87.5%	\$0.04	-75.0%
FCF/sh (core)	\$0.16	\$0.04	+\$0.00	\$0.04	-75.0%	0.0%	-75.0%		
	Last Yr	Prior	Chg	Current	Prior	Chg	Current	Consensus	ICR vs Consensus
2Q23E									
Pro Forma *									
Revenue	\$237.5	\$258.6	(\$0.0)	\$258.6	8.9%	0.0%	8.9%		
Op Expense	213.6	236.8	0.0	236.8	10.8%	0.0%	10.9%		
Adjusted EBITDA	23.9	21.8	(0.0)	21.8	-8.7%	-0.1%	-8.8%		
As Reported									
Revenue	\$221.7	\$258.6	(\$0.0)	\$258.6	16.6%	0.0%	16.6%	254.0	1.8%
Op Expense	199.2	236.8	0.0	236.8	18.8%	0.0%	18.9%		
Adjusted EBITDA	22.5	21.8	(0.0)	21.8	-2.9%	-0.2%	-3.1%	23.0	-5.3%
Margin	10.1%	8.4%	0.0%	8.4%				9.1%	-0.6%
Pro Forma EPS	\$0.11	\$0.07	+\$0.00	\$0.07	-36.4%	0.0%	-36.4%	\$0.10	-30.0%
FCF/sh (core)	\$0.16	\$0.13	+\$0.00	\$0.13	-18.8%	0.0%	-18.8%		

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

Figure 3: Our unchanged annual estimates—largely in line with consensus on EBITDA—assume no recession

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		
2023E									
As Reported									
Revenue	956.2	1,074.2	(0.0)	1,074.2	12.3%	0.0%	12.3%	1,050	2.3%
Op expense	853.2	980.2	(0.0)	980.2	14.9%	0.0%	14.9%		
Adjusted EBITDA	103.0	94.0	0.0	94.0	-8.8%	0.0%	-8.8%	94.0	0.0%
Margin	10.8%	8.8%	0.0%	8.8%				9.0%	-0.2%
EPS	\$0.21	\$0.29	\$0.00	\$0.29	41.2%	0.2%	41.4%	\$0.37	-21.3%
Cash FCF/sh	\$0.72	\$0.61	\$0.00	\$0.61	-15.3%	0.0%	-15.3%		
2024E									
As Reported									
Revenue	1,074.2	1,220.7	(0.0)	1,220.7	13.6%	0.0%	13.6%	1,178	3.6%
Op expense	980.2	1,095.1	0.0	1,095.1	11.7%	0.0%	11.7%		
Adjusted EBITDA	94.0	125.6	(0.0)	125.6	33.6%	0.0%	33.6%	127.0	-1.1%
Margin	8.8%	10.3%	0.0%	10.3%				10.8%	-0.5%
EPS	\$0.29	\$0.49	(\$0.00)	\$0.49	68.0%	-0.1%	67.9%	\$0.72	-32.1%
Cash FCF/sh	\$0.61	\$0.95	\$0.00	\$0.95	55.7%	0.0%	55.7%		
* reflects announced acquisitions and dispositions									
Source: Company reports, FactSet, Industry Capital Research estimates									

Figure 4: Our digital segment estimates incorporate Adsmurai acquisition and call for double-digit revenue growth in 2023 and 2024

Entravision Communications (NYSE: EVC)					
Summary of Digital Segment Annual Estimates					
In millions, except per share data					
	Last Yr	Estimates Current	YoY %CHG Current	Consensus	ICR vs Consensus
2023E					
As Reported					
Legacy Digital Revenue	103.7	137.0	32.2%		
Legacy Digital Opex	89.4	122.8	37.4%		
Legacy Digital OCF	14.3	14.2	-0.7%		
Margin	13.8%	10.4%			
EVC Latam Revenue	508.8	568.5	11.7%		
EVC Latam Opex	480.2	535.4	11.5%		
EVC Latam OCF	28.6	33.1	15.7%		
Margin	5.6%	5.8%			
EVC Asia Revenue	89.5	99.2	10.8%		
EVC Asia Opex	84.2	92.2	9.5%		
EVC Asia OCF	5.3	7.0	30.0%		
Margin	6.0%	7.0%			
365 Digital Revenue	11.4	11.7	2.2%		
365 Digital Opex	10.7	11.5	7.2%		
365 Digital OCF	0.7	0.2	-71.0%		
Margin	6.4%	1.8%			
Digital Segment Revenue	747.1	890.3	19.2%	756.7	17.7%
Digital Segment Opex	698.1	832.9	19.3%		
Digital Segment OCF	49.0	57.5	17.2%		
Margin	6.6%	6.5%			
2024E					
As Reported					
Legacy Digital Revenue	137.0	161.0	17.5%		
Legacy Digital Opex	122.8	143.6	16.9%		
Legacy Digital OCF	14.2	17.3	22.2%		
Margin	10.4%	10.8%			
EVC Latam Revenue	568.5	638.9	12.4%		
EVC Latam Opex	535.4	597.9	11.7%		
EVC Latam OCF	33.1	41.0	23.7%		
Margin	5.8%	6.4%			
EVC Asia Revenue	99.2	109.5	10.4%		
EVC Asia Opex	92.2	101.2	9.7%		
EVC Asia OCF	7.0	8.3	19.6%		
Margin	7.0%	7.6%			
365 Digital Revenue	11.7	16.3	39.0%		
365 Digital Opex	11.5	14.7	28.0%		
365 Digital OCF	0.2	1.6	NM		
Margin	1.8%	9.6%			
Digital Segment Revenue	890.3	1,015.6	14.1%		
Digital Segment Opex	832.9	941.5	13.0%		
Digital Segment OCF	57.5	74.1	29.0%		
Margin	6.5%	7.3%			
* reflects announced acquisitions and dispositions					
Source: Company reports, FactSet, Industry Capital Research estimates					

Figure 5: Target valuation range is \$6-8 per share assuming no 2023 recession

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-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Prior	1074.2	94.0	\$6.50	\$8.00	23%	8%	9%	8%	8%	3.4%	4.8%	8.1%	11.2%	6.8%
Current	1074.2	94.0	\$6.00	\$8.00	23%	8%	9%	8%	8%	3.4%	4.8%	8.1%	11.3%	6.9%
Delta	0.0	0.0	(\$0.50)	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Industry Capital Research estimates

Figure 6: We estimate that a 2023 recession would reduce our 12-month target valuation range to \$5-\$7 per share

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-B
	Rev	EBITDA	Low	High	2019-23	2021-25	2022-26	2023-27	2024-28					
Current	1032.2	86.6	\$5.00	\$7.00	20%	7%	7%	7%	7%	3.4%	4.8%	8.1%	11.3%	6.9%

Source: Company data and Industry Capital Research estimates

Figure 7: Our recession assumptions would cut our 2023 EBITDA estimate to ~8% below consensus

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		
2023E									
As Reported									
Revenue	956.2	1,074.2	(42.0)	1,032.2	12.3%	-4.4%	8.0%	1,050	-1.7%
Op expense	853.2	980.2	(34.6)	945.6	14.9%	-4.1%	10.8%		
Adjusted EBITDA	103.0	94.0	(7.4)	86.6	-8.8%	-7.2%	-16.0%	94.0	-7.9%
Margin	10.8%	8.8%	-0.4%	8.4%				9.0%	-0.6%
EPS	\$0.21	\$0.29	(\$0.05)	\$0.24	41.2%	-22.4%	18.8%	\$0.37	-33.9%
Cash FCF/sh	\$0.72	\$0.61	(\$0.06)	\$0.55	-15.3%	-8.3%	-23.6%		
2024E									
As Reported									
Revenue	1,032.2	1,220.7	(47.0)	1,173.7	18.3%	-4.6%	13.7%	1,178	-0.4%
Op expense	945.6	1,095.1	(38.4)	1,056.7	15.8%	-4.1%	11.7%		
Adjusted EBITDA	86.6	125.6	(8.6)	117.0	45.0%	-9.9%	35.1%	127.0	-7.9%
Margin	8.4%	10.3%	-0.3%	10.0%				10.8%	-0.8%
EPS	\$0.24	\$0.49	(\$0.05)	\$0.44	100.0%	-21.8%	78.2%	\$0.72	-39.4%
Cash FCF/sh	\$0.55	\$0.95	(\$0.07)	\$0.88	72.7%	-12.7%	60.0%		

* reflects announced acquisitions and dispositions

Source: Company reports, FactSet, Industry Capital Research estimates

Entravision Communications (NYSE: EVC)			
Operating Estimate Changes: Recession Case			
In millions, except per share data			
	Estimates		
	Current	Chg	Recession
2023E			
Revenue Growth:			
Digital	19%	-4%	15%
Core TV Advertising	-5%	-7%	-12%
Core Radio Advertising	3%	-10%	-7%
Operating Expense Growth:			
Digital (Ex-Cost of Revenue)	26%	-2%	24%
TV	-4%	-4%	-8%
Radio	5%	-8%	-3%
OCF Margin:			
Digital	6.5%	0.0%	6.4%
TV	38.5%	-0.6%	37.9%
Radio	27.0%	-1.5%	25.5%

Source: Industry Capital Research estimates

Figure 8: Comparables we reference to measure risk for EVC's digital business have handily outperformed the market for the year-to-date

Selected Digital Media Comparables	
Stock Price Performance YTD 4/30/23	
Ticker	
META	99.7%
MELI	51.0%
PERI	38.5%
Median	34.3%
EVC	30.2%
PUBM	6.6%
SFOR.L	-22.7%
S&P 500	8.6%

Source: Yahoo! Finance and Industry Capital Research

Figure 9: Putting 2023's bounce in the context of 2022's decline, EVC's comparables still lag the S&P 500

Selected Digital Media Comparables	
Stock Price Performance 1/1/22-4/30/23	
Ticker	
PERI	45.7%
MELI	-5.3%
EVC	-6.5%
Median	-17.5%
META	-28.6%
PUBM	-59.9%
SFOR.L	-76.9%
S&P 500	-12.5%

Source: Yahoo! Finance and Industry Capital Research

Figure 10: At Digital segment, we see EVC Latam and EVC Asia posting double digit revenue growth in 2023

In millions, except unit data	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Legacy														
Revenue	\$68.9	\$54.1	\$68.7	\$22.0	\$27.9	\$27.8	\$26.0	\$103.7	\$23.3	\$36.9	\$36.2	\$40.6	\$137.0	\$161.0
Cost of Revenue	36.8	30.6	39.2	13.0	15.9	16.1	15.4	60.4	13.6	21.5	21.1	23.7	79.8	93.8
Opex ex-cost of revenue	32.3	24.5	23.8	6.9	7.5	6.7	7.9	29.0	9.1	9.6	12.3	12.1	43.0	49.9
OCF	(0.1)	(1.0)	5.7	2.1	4.5	5.0	2.7	14.3	0.7	5.8	2.8	4.9	14.2	17.3
OCF Margin	-0.2%	-1.9%	8.3%	9.5%	16.1%	18.0%	10.4%	13.8%	2.9%	15.8%	7.8%	12.0%	10.4%	10.8%
Acquisitions Since 2020-Stand Alone														
Entravision Latam revenue	159.4	233.3	453.9	112.5	124.9	128.3	143.1	508.8	128.4	135.7	141.0	163.5	568.5	638.9
Entravision Latam cost of revenue	136.2	201.7	401.7	101.2	111.0	114.4	126.8	453.4	114.4	120.9	125.6	145.7	506.6	569.3
Entravision Latam opex ex-cost of revenue	13.2	17.4	23.0	5.4	6.9	7.5	7.0	26.8	6.9	6.8	6.6	8.4	28.8	28.6
Entravision Latam OCF	9.9	14.2	29.1	5.9	7.0	6.4	9.3	28.6	7.1	8.0	8.7	9.4	33.1	41.0
EL OCF Margin	6.2%	6.1%	6.4%	5.2%	5.6%	5.0%	6.5%	5.6%	5.5%	5.9%	6.2%	5.7%	5.8%	6.4%
Entravision Asia revenue	0.0	28.5	52.5	17.2	18.9	21.2	32.3	89.5	23.3	22.1	23.1	30.8	99.2	109.5
Entravision Asia cost of revenue	0.0	20.9	40.0	14.1	15.7	17.7	27.4	74.9	19.5	18.5	19.3	25.7	83.0	91.6
Entravision Asia opex ex-cost of revenue	0.0	2.5	7.2	2.2	2.0	2.3	2.8	9.3	2.9	2.3	2.1	2.0	9.3	9.6
Entravision Asia OCF	0.0	5.0	5.3	0.9	1.2	1.2	2.1	5.3	0.9	1.3	1.7	3.0	7.0	8.3
Entravision Asia OCF Margin		17.7%	10.0%	5.2%	6.2%	5.7%	6.5%	6.0%	3.8%	6.1%	7.4%	9.8%	7.0%	7.6%
365 Digital revenue	0.0	0.0	1.9	2.1	2.8	2.9	3.6	11.4	1.9	4.2	2.4	3.2	11.7	16.3
365 Digital cost of revenue	0.0	0.0	1.5	1.7	2.3	2.4	2.5	8.9	1.5	3.3	1.9	2.5	9.1	12.7
365 Digital opex ex-cost of revenue	0.0	0.0	0.2	0.3	0.4	0.4	0.7	1.8	0.7	0.4	0.6	0.7	2.4	2.0
365 Digital OCF	0.0	0.0	0.2	0.1	0.1	0.1	0.4	0.7	(0.3)	0.5	(0.1)	0.0	0.2	1.6
365 Digital OCF Margin		10.0%	11.5%	4.3%	5.0%	3.4%	11.1%	6.4%	-13.7%	12.2%	-3.0%	1.1%	1.8%	9.6%
Jack of Digital revenue	0.0	0.0	0.0	0.0	0.0	0.3	1.4	1.7	0.7	0.7	0.9	2.1	4.3	8.4
Jack of Digital cost of revenue	0.0	0.0	0.0	0.0	0.0	0.2	1.0	1.2	0.5	0.5	0.7	1.5	3.1	6.1
Jack of Digital opex ex-cost of revenue	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.4	0.2	0.1	0.0	0.2	0.5	0.6
Jack of Digital OCF	0.0	0.0	0.0	0.0	(0.0)	0.1	0.1	0.1	(0.1)	0.1	0.2	0.4	0.6	1.7
Jack of Digital OCF Margin		10.0%	21.6%	11.9%	6.9%	-13.3%	7.1%	3.5%	-7.2%	11.6%	26.9%	17.3%	14.5%	19.9%
Adsmurai revenue	0.0	0.0		10.4	15.7	11.8	23.7	61.6	12.6	15.0	19.0	23.0	69.6	81.6
Adsmurai cost of revenue	0.0	0.0		8.3	12.5	9.4	18.8	48.9	10.0	11.9	15.0	18.2	55.1	64.6
Adsmurai opex ex-cost of revenue	0.0	0.0		2.5	2.5	2.5	1.6	9.1	2.5	3.4	3.5	2.9	12.2	12.8
Adsmurai OCF	0.0	0.0		(0.3)	0.7	(0.1)	3.3	3.6	0.1	(0.2)	0.5	1.9	2.3	4.2
Adsmurai OCF Margin		10.0%		-3.4%	4.8%	-0.5%	13.9%	5.9%	1.0%	-1.5%	2.7%	8.4%	3.4%	5.1%
Digital segment as reported														
Digital revenue	68.9	143.3	555.3	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Digital cost of revenue	36.8	106.9	466.7	129.9	145.0	157.1	192.0	624.0	159.4	176.5	183.5	217.3	736.7	838.0
Digital opex	32.3	30.6	51.3	15.2	17.3	19.1	22.6	74.1	22.3	22.5	25.0	26.3	96.2	103.5
Digital OCF	(0.1)	5.7	37.3	8.6	12.2	12.7	15.6	49.0	8.4	15.5	13.9	19.6	57.5	74.1

Metrics	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	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%	5.9%	32.4%	30.1%	56.3%	32.2%	17.5%
2-yr CAGR		-18.2%	-0.2%	28.5%	56.6%	42.7%	28.4%	38.4%	34.0%	55.4%	44.2%	32.9%	41.3%	24.6%
Legacy digital opex growth		-24.1%	-2.8%	17.4%	34.2%	2.4%	36.0%	21.7%	31.3%	27.9%	83.4%	53.0%	48.4%	15.9%
Legacy digital cost of revenue growth		-16.6%	27.8%	76.9%	83.4%	61.8%	16.7%	54.2%	4.4%	35.3%	30.8%	53.7%	32.2%	17.5%
Legacy digital OCF growth		822.5%	-661.1%	-948.4%	335.2%	450.7%	-32.5%	151.1%	-68.2%	29.6%	-43.8%	80.9%	-0.7%	22.2%
Entravision Latam growth														
Entravision Latam revenue growth		46.4%	94.5%	27.1%	8.7%	10.0%	7.0%	12.1%	14.2%	8.6%	9.9%	14.2%	11.7%	12.4%
2-yr CAGR				68.7%	67.2%	72.4%	55.2%	47.7%	20.5%	8.6%	9.9%	10.5%	11.9%	12.1%
Entravision Latam opex ex-COR growth		31.5%	32.5%	16.8%	9.7%	48.9%	-1.0%	16.4%	28.4%	-1.3%	-11.6%	20.4%	7.5%	-0.7%
Entravision Latam cost of revenue growth		48.0%	99.2%	30.4%	10.6%	9.3%	6.5%	12.9%	13.1%	8.9%	9.8%	14.9%	11.7%	12.4%
Entravision Latam OCF		43%	105%	-6%	-15%	-8%	22%	-2%	20%	14%	36%	0%	16%	24%
Entravision Asia growth														
Entravision Asia revenue growth y/y				79.1%	57.1%	75.2%	71.8%		35.6%	17.0%	8.7%	-4.8%	10.8%	10.4%
2-yr CAGR				133.7%	113.9%	64.0%	55.8%		55.8%	35.6%	38.0%	27.9%	37.4%	10.6%
Entravision Asia opex ex-COR growth y/y				86.4%	-16.5%	69.9%	21.0%		33.2%	13.7%	-10.5%	-28.1%	-0.3%	3.5%
Entravision Asia cost of revenue growth y/y				96%	87%	82%	87%		38%	18%	9%	-6%	11%	10%
Entravision Asia OCF growth y/y				-27%	-4%	17%	15%	1%	-1%	15%	43%	44%	30%	20%
365 Digital growth														
365 Digital revenue growth y/y									-11.2%	49.9%	-17.5%	-11.0%	2.2%	39.0%
365 Digital opex ex-COR growth y/y									102.4%	15.7%	50.3%	-3.6%	32.1%	-14.6%
365 Digital cost of revenue growth y/y									-14%	42%	-22%	0%	2%	39%
365 Digital OCF growth y/y									-383%	265%	-173%	-92%	-71%	639%
Jack of Digital growth														
Jack of Digital revenue growth y/y													152.6%	95.3%
Jack of Digital opex ex-COR growth y/y													35.1%	11.2%
Jack of Digital cost of revenue growth y/y													153%	95%
Jack of Digital OCF growth y/y													930%	168%
Adsmurai growth														
Adsmurai revenue growth y/y													13.0%	17.2%
Adsmurai opex ex-COR growth y/y													33.5%	5.3%
Adsmurai cost of revenue growth y/y													13%	17%
Adsmurai OCF growth y/y													-36%	79%
Digital segment growth														
Digital revenue, PF, excluding Adsmurai									15%	14%	13%	16%	15%	
Digital revenue, PF									16%	13%	16%	14%	15%	14%
Digital revenue									24%	23%	18%	14%	19%	14%
Digital cost of revenue									23%	22%	17%	13%	18%	14%
Digital opex ex-cost of revenue									47%	31%	31%	16%	30%	8%
Digital OCF									-2%	28%	10%	26%	17%	29%
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%	68%	63%	63%	62%	64%	63%
Legacy digital as % of digital segment revenue		38%	12%	14%	16%	15%	11%	14%	12%	17%	16%	15%	15%	16%
Entravision Asia as % of digital segment revenue		0%	6%	11%	11%	11%	14%	12%	12%	10%	10%	12%	11%	11%
365 Digital as % of digital segment revenue		0%	0%	1%	2%	2%	2%	2%	1%	2%	1%	1%	1%	2%
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%	7%	7%	9%	9%	8%	8%
Digital Segment reported OCF mix:														
Entravision Latam Interactive as % of digital segment OCF		118%	77%	68%	58%	51%	60%	58%	84%	51%	63%	48%	58%	55%
Legacy digital as % of digital segment OCF		-18%	15%	24%	37%	39%	17%	29%	8%	38%	20%	25%	25%	23%
Entravision Asia as % of digital segment OCF		0%	8%	10%	10%	9%	13%	11%	10%	9%	12%	15%	12%	11%
365 Digital as % of digital segment OCF		0%	1%	1%	1%	1%	3%	1%	-3%	3%	-1%	0%	0%	2%
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%	1%	-1%	4%	10%	4%	6%

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

Figure 11: Broadcast revenue drivers—in 2023, TV segment core advertising declines should normalize with Univision affiliate losses lapped

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	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%	-2.5%	-9.0%	-20.0%	-20.6%	-14.0%	13.2%
Reported TV revenue	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	\$30.1	\$29.5	\$28.5	\$36.7	\$124.8	\$141.2
Growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-2.5%	-9.0%	-20.0%	-20.0%	-13.8%	13.2%
TV non-recurring items:													
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	30.1	29.4	28.5	36.5	124.6	118.7
Growth ex Political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.5%	-13.1%	1.8%	-0.5%	-2.5%	-5.0%	-1.8%	-4.8%
Retransmission Consent	36.8	37.0	9.2	9.0	8.9	8.9	36.0	9.3	9.1	9.0	9.0	36.4	36.8
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	9.3	9.1	9.0	9.0	36.4	36.8
TV revenue ex Retrans	117.7	109.9	21.7	23.3	26.8	36.9	108.7	20.8	20.3	19.5	27.7	88.4	104.4
Growth ex Retrans	3.0%	-6.6%	-18.2%	-5.7%	-2.1%	18.0%	-1.1%	-4.0%	-12.9%	-27.0%	-25.0%	-18.7%	18.2%
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	30.1	28.8	27.2	36.7	122.8	141.2
Growth ex WC	3.2%	-6.2%	-14.5%	-3.5%	2.1%	13.8%	-0.1%	-2.5%	-11.1%	-23.7%	-20.0%	-15.2%	15.0%
TV Acquisitions/Dispositions (inc. Affiliations)	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.5)	(5.7)	(6.2)	(7.5)	(25.9)	(24.6)
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 M&A	(9.4)	(9.8)	(6.5)	(6.1)	(7.2)	(8.1)	(27.9)	(6.5)	(5.7)	(6.2)	(7.5)	(25.9)	(24.6)
TV revenue ex M&A	163.9	156.6	37.4	38.5	42.8	53.9	172.6	36.6	35.2	34.7	44.1	150.6	165.8
Growth ex M&A	2.3%	-4.4%	-2.0%	7.9%	9.2%	23.7%	10.2%	-2.1%	-8.6%	-19.0%	-18.2%	-12.7%	10.1%
Spectrum usage/auction	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.0	2.0	2.0	2.0	8.0	8.0
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 Spectrum Usage	5.4	6.2	1.5	1.7	1.6	1.8	6.6	2.0	2.0	2.0	2.0	8.0	8.0
TV revenue ex Spectrum Usage	149.0	140.7	29.3	30.7	34.1	44.0	138.1	28.1	27.5	26.5	34.7	116.8	133.2
Growth ex Spectrum Usage	9.1%	-5.6%	-11.8%	-6.9%	-3.5%	12.5%	-1.8%	-4.2%	-10.6%	-22.1%	-21.2%	-15.5%	14.1%
PF TV revenue ex-all non-recurring	99.2	110.7	25.4	25.0	25.9	35.9	112.2	25.3	23.3	22.4	33.0	104.1	98.5
PF TV revenue growth ex all non-recurring	-11.2%	11.7%	-1.3%	1.0%	-4.4%	8.3%	1.3%	-0.2%	-6.6%	-13.8%	-7.9%	-7.2%	-5.4%
TV rev grth ex all non-rec 2-yr CAGR	-6.8%	-0.4%	0.7%	22.8%	1.9%	5.0%	6.4%	-0.8%	-2.9%	-9.2%	-0.2%	-3.1%	-6.3%
PF TV advertising growth ex-political	-11.2%	14.8%	-20.3%	-20.2%	-27.4%	-6.8%	-18.2%	-0.2%	-3.1%	-6.7%	-7.9%	-4.8%	-7.9%
TV ad rev grth ex political 2-yr CAGR	-6.8%	1.0%	-9.5%	12.2%	-8.5%	-2.6%	-3.1%	-10.8%	-12.0%	-17.7%	-7.4%	-11.7%	-6.4%
PF TV revenue growth ex-political	-11.7%	10.7%	-18.1%	-13.1%	-18.9%	-3.5%	-13.1%	1.8%	-0.5%	-2.5%	-5.0%	-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%	-8.7%	-7.0%	-11.1%	-4.3%	-7.6%	-3.3%
PF TV advertising growth	10.9%	-7.6%	-14.8%	-8.4%	-4.0%	16.4%	-1.6%	-6.6%	-15.4%	-30.4%	-26.9%	-21.3%	20.0%

Source: Company reports; Industry Capital Research estimates

Figure 12: Broadcast revenue drivers—at radio segment, relatively flat advertising growth could receive slight boost from 2023 summer soccer

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
RADIO SEGMENT													
Radio PF Rev Growth	-15.9%	23.4%	9.7%	5.8%	0.1%	14.1%	7.6%	-3.0%	-2.3%	-9.0%	-5.9%	-5.3%	8.0%
Pro forma radio:													
Revenue	\$46.3	\$58.0	\$12.6	\$14.9	\$16.5	\$20.4	\$64.4	\$12.2	\$14.6	\$15.0	\$17.3	\$59.1	\$63.8
Growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Radio non-recurring items:													
Political/Census	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
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 political	5.9	0.8	0.3	0.6	1.5	4.4	6.8	0.0	0.0	0.0	0.1	0.1	6.1
Radio revenue ex political	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	14.6	15.0	17.3	59.0	57.7
Growth ex Political	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.6%	1.9%	-0.1%	7.9%	2.5%	-2.2%
NTR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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 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
Radio revenue ex NTR	39.5	39.5	12.6	14.9	16.5	20.4	39.5	12.2	14.6	15.0	17.3	39.5	39.5
Growth ex NTR	3.0%	0.0%	11.4%	5.8%	0.1%	26.3%	0.0%	-3.0%	-2.3%	-9.0%	-15.0%	0.0%	0.0%
World Cup/Other Soccer	0.0	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%
Incremental World Cup	0.0	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	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.6	15.0	17.3	59.1	63.8
Growth ex WC	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Revenue	40.4	57.2	12.3	14.3	15.0	16.0	57.6	12.2	14.6	15.0	17.3	59.0	57.7
Radio revenue growth ex all non-recurring	-26.4%	41.6%	8.7%	1.6%	-5.8%	0.6%	0.7%	-0.6%	1.9%	-0.1%	7.9%	2.5%	-2.2%
Radio rev grth ex all non-rec 2-yr CAGR	-19.2%	2.0%	7.1%	52.3%	20.5%	10.0%	19.4%	3.9%	1.7%	-3.0%	4.2%	1.6%	0.1%

Source: Company reports; Industry Capital Research estimates

Figure 13: Broadcast opex drivers

In millions	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
OPERATING EXPENSE													
Television PF Opex Growth	-4.2%	-0.3%	-3.2%	1.1%	-0.6%	-2.8%	-1.5%	3.0%	-1.3%	-4.2%	-14.2%	-4.4%	3.5%
Radio PF Opex Growth	-26.3%	-5.4%	-3.0%	4.9%	6.7%	2.9%	2.3%	13.6%	15.0%	2.0%	-7.9%	5.3%	9.0%
Pro forma consolidated:													
Opex ex-cost of revenue	\$153.3	\$172.9	\$43.9	\$47.4	\$49.3	\$57.2	\$197.8	\$52.8	\$53.9	\$54.6	\$54.6	\$216.0	\$229.9
Growth	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	20.4%	13.9%	10.8%	-4.6%	9.2%	6.4%
Non-recurring opex items:													
M&A (acquisitions since 2020)	5.7	27.5	7.9	9.3	10.2	10.5	37.9	10.5	9.5	9.3	11.1	40.4	40.2
Assm: % Incremental	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Cisneros	5.7	27.5	7.9	9.3	10.2	10.5	37.9	10.5	9.5	9.3	11.1	40.4	40.2
Opex ex Cisneros adjustment	147.6	145.5	35.9	38.1	39.1	46.7	159.9	42.3	44.5	45.3	43.5	175.5	189.7
Growth ex Cisneros	-14.9%	-1.5%	0.8%	8.9%	7.2%	22.0%	9.9%	17.7%	16.6%	15.9%	-7.0%	9.8%	8.0%
Fixed & variable cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.3)	(7.5)	(12.6)	(10.3)	(36.7)	(39.1)
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%
Incremental cost reductions	(27.2)	(32.8)	(5.8)	(7.0)	(12.8)	(11.6)	(37.2)	(6.3)	(7.5)	(12.6)	(10.3)	(36.7)	(39.1)
Opex ex cost reductions adjustment	180.5	205.7	49.7	54.4	62.0	68.8	235.0	6.3	7.5	12.6	10.3	36.7	39.1
Growth ex cost reductions	4.1%	14.0%	9.4%	15.0%	14.1%	17.4%	14.2%	-87.3%	-86.2%	-79.7%	-85.0%	-84.4%	6.4%
Salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.5	2.7
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%
Incremental salary true-up	2.0	2.0	0.0	0.8	0.7	0.8	2.3	0.0	0.9	0.9	0.8	2.5	2.7
Opex ex salary true-up	151.3	170.9	43.9	46.6	48.6	56.5	195.5	0.0	(0.9)	(0.9)	(0.8)	(2.5)	(2.7)
Growth ex salary true-up	-12.7%	13.0%	8.5%	14.3%	14.7%	19.1%	14.4%	-100.0%	-101.9%	-101.8%	-101.3%	-101.3%	6.8%
Opex ex-non-recurring	172.8	176.3	41.8	44.4	51.1	57.5	194.8	48.6	51.0	57.1	53.0	209.7	226.0
Opex growth ex all non-recurring	-0.3%	2.0%	2.7%	10.4%	8.3%	19.3%	10.5%	16.4%	15.0%	11.6%	-7.8%	7.7%	7.8%
Opex grth ex all non-rec 2-yr CAGR	-1.1%	0.8%	1.8%	6.3%	6.5%	9.2%	6.2%	9.4%	12.7%	9.9%	4.8%	9.1%	7.7%
Revenue-driven variable expense	31.7	32.3	6.5	7.3	8.3	11.1	33.3	6.2	6.6	6.5	8.6	27.9	32.1
Non-sales opex ex-non-recurring	141.1	143.9	35.2	37.0	42.8	46.4	161.5	42.4	44.5	50.6	44.4	181.8	194.0
Non-sales opex growth ex all non-recurring	-0.7%	2.0%	4.6%	13.6%	10.6%	19.1%	12.2%	20.4%	20.0%	18.2%	-4.3%	12.6%	6.7%
Non-sales opex grth ex all non-rec 2-yr CAGR	-0.1%	0.6%	4.5%	3.4%	7.1%	12.1%	7.0%	12.2%	16.7%	14.3%	6.8%	12.4%	9.6%

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. Source: Industry Capital Research estimates and company data

Figure 14: Financial statement forecasts supporting our valuation

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AS REPORTED													
Net revenue:													
Television	\$154.5	\$146.8	\$30.9	\$32.4	\$35.7	\$45.8	\$144.7	30.1	29.5	28.5	36.7	124.8	141.2
Radio	46.3	58.0	12.6	14.9	16.5	20.4	64.4	12.2	14.6	15.0	17.3	59.1	63.8
Net broadcast revenue	200.7	204.9	43.5	47.3	52.1	66.2	209.1	42.3	44.1	43.5	54.0	183.9	205.1
Digital	143.3	555.3	153.7	174.4	188.9	230.1	747.1	190.2	214.5	222.5	263.2	890.3	1,015.6
Total net revenue (core)	344.0	760.2	197.2	221.7	241.0	296.3	956.2	232.5	258.6	266.0	317.2	1,074.2	1,220.7
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	232.5	258.6	266.0	317.2	1,074.2	1,220.7
Cost of Revenue													
Television													
Radio													
Digital	106.9	466.5	129.9	145.0	157.1	192.0	624.0	159.4	176.5	183.5	217.3	736.7	838.0
Digital cost of revenue as % of revenue	74.6%	84.0%	84.5%	83.1%	83.2%	83.4%	83.5%	83.8%	82.3%	82.5%	82.6%	82.7%	82.5%
Total cost of revenue (core)	106.9	466.5	129.9	145.0	157.1	192.0	624.0	159.4	176.5	183.5	217.3	736.7	838.0
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	159.4	176.5	183.5	217.3	736.7	838.0
Opex													
Television opex	80.9	81.4	19.2	19.7	20.0	23.0	82.0	19.8	19.5	19.2	18.2	76.7	79.4
Radio opex	41.8	40.0	9.4	10.4	10.2	11.7	41.7	10.7	11.9	10.4	10.1	43.1	47.0
Digital opex	30.6	51.5	15.2	17.3	19.1	22.6	74.1	22.3	22.5	25.0	26.3	96.2	103.5
Total opex (core)	153.3	172.9	43.9	47.4	49.289	57.2	197.8	52.8	53.9	54.6	54.6	216.0	229.9
Spectrum usage rights													
Total Opex	153.3	172.9	43.9	47.4	49.3	57.2	197.8	52.8	53.9	54.6	54.6	216.0	229.9
OCF													
Television OCF	73.6	65.4	\$11.6	\$12.6	\$15.7	\$22.8	62.8	\$10.3	\$10.0	\$9.4	\$18.4	48.1	61.9
TV OCF Margin	47.6%	44.6%	37.7%	39.1%	43.9%	49.8%	43.4%	34.2%	33.9%	32.9%	50.3%	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	1.6	2.7	4.6	7.2	16.0	16.8
Radio OCF margin	9.7%	31.0%	25.5%	30.5%	38.0%	42.6%	35.2%	12.7%	18.2%	30.5%	41.6%	27.0%	26.3%
Incremental Margin	-70.4%	114.9%					74.0%	437.9%	548.6%	113.8%	48.1%	127.6%	17.9%
Digital OCF	5.7	37.3	8.6	12.2	12.7	15.6	49.0	8.4	15.5	13.9	19.6	57.5	74.1
Digital OCF margin	4.0%	6.7%	5.6%	7.0%	6.7%	6.8%	6.6%	4.4%	7.2%	6.3%	7.5%	6.5%	7.3%
Incremental Margin	7.9%	7.7%					6.1%	-0.5%	8.4%	3.8%	12.1%	5.9%	13.3%
Total OCF (core)	83.8	120.8	23.4	29.4	34.6	47.1	134.5	20.2	28.1	27.9	45.3	121.5	152.8
Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	8.7%	10.9%	10.5%	14.3%	11.3%	12.5%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-9.0%	-3.3%	-26.9%	-8.9%		
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	20.2	28.1	27.9	45.3	121.5	152.8
Total OCF Margin	24.4%	15.9%	11.9%	13.2%	14.3%	15.9%	14.1%	8.7%	10.9%	10.5%	14.3%	11.3%	12.5%
Incremental Margin			-0.6%	3.3%	6.9%	15.5%		-9.0%	-3.3%	-26.9%	-8.9%		
Corporate Expense	27.8	33.0	8.7	8.5	9.5	22.6	49.4	9.6	9.4	10.5	9.6	39.0	39.8
GAAP EBITDA	56.0	87.8	14.7	20.8	25.1	24.5	85.1	10.7	18.8	17.4	35.7	82.5	113.0
Corporate non-cash comp	3.9	6.4	1.6	1.7	1.8	9.2	14.3	2.0	2.1	2.2	2.3	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	1.7	1.7	1.7	0.7	5.8	5.9
Non-recurring cash severance	1.7	0.4					4.3						
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	0.3	1.0	1.2	2.1
EBITDA attributable to noncontrolling interest							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)	(1.6)	(1.8)	(1.5)	0.3	(4.6)	(3.8)
Foreign currency (gain) loss	(1.1)	0.5	(0.8)	1.0	2.0	0.9	3.0	0.9	0.9	0.0	0.0	1.7	0.0
Total Adjusted EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.4	21.8	21.1	37.7	94.0	125.6
Other opex for spectrum (in corporate)													
Adjusted EBITDA (core)	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.4	21.8	21.1	37.7	94.0	125.6
Memo: adj. EBITDA (core) reported	60.4	88.0	18.1	22.5	25.0	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%	5.8%	8.4%	7.9%	11.9%	8.8%	10.3%
Incremental Margin	27.3%	6.7%	8.1%	10.8%	6.2%	5.9%	7.6%	-13.3%	-1.9%	-19.2%	5.5%	-7.7%	21.5%

Source: Industry Capital Research estimates and company data

Figure 15: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Memo: cash opex (core)	\$153.8	\$178.4	\$42.9	\$46.4	\$48.3	\$53.6	\$191.2	51.2	52.2	53.1	54.9	\$211.4	226.1
Memo: cash corporate expense	23.9	26.6	7.1	6.8	7.7	13.4	35.1	7.6	7.3	8.2	7.3	30.4	31.0
Memo: total non-cash comp	5.1	9.6	2.6	2.6	2.8	12.0	20.0	3.7	3.8	4.0	3.0	14.4	14.7
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(6.0)	1.8	(0.1)	(0.9)	2.8	3.6	0.8	0.9	1.5	(0.3)	2.9	3.8
Memo: PF EBITDA attributable to redeemable noncontrolling interest													
D&A	17.3	22.4	6.4	6.3	6.6	6.5	25.7	6.3	7.0	7.2	8.6	29.1	36.6
D&A % of Revenue	5.0%	2.9%	3.2%	2.8%	2.7%	2.2%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	3.0%
Change in fair value contingent consideration	0.000	8.224	5.1	1.0	0.7	7.4	14.2	0.0	0.0	0.0	0.0	0.0	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	(0.1)	(0.8)	(0.1)	1.4	0.4	(2.1)
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	3.6	11.7	10.2	25.7	51.3	78.4
Operating Margin %	1.9%	8.0%	2.1%	6.1%	6.6%	2.3%	4.2%	1.6%	4.5%	3.9%	8.1%	4.8%	6.4%
Interest expense	(8.3)	(6.9)	(1.4)	(2.3)	(2.3)	(2.7)	(8.7)	(2.1)	(2.2)	(2.2)	(2.3)	(8.9)	(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)	(2.1)	(2.2)	(2.2)	(2.3)	(8.9)	(9.3)
Loss on debt extinguishment	0.0	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	0.2	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	1.5	9.6	8.0	23.4	42.4	69.1
Pretax margin	0.0%	7.1%	1.4%	5.3%	5.4%	1.3%	3.3%	0.6%	3.7%	3.0%	7.4%	3.9%	5.7%
Income (taxes) benefit	(1.5)	(18.7)	(0.9)	(3.4)	(4.1)	(3.3)	(11.6)	(0.9)	(3.4)	(4.1)	(6.5)	(14.8)	(24.2)
Effective tax rate	1276.3%	34.6%	31.1%	28.5%	31.1%	81.8%	36.5%	56.8%	35.3%	51.0%	28.0%	35.0%	35.0%
Cash tax rate	6552.5%	7.6%	44.2%	52.6%	30.6%	137.3%	53.4%	280.7%	44.1%	52.7%	18.0%	39.7%	30.0%
Net Income (Before Equity Investments)	(1.4)	35.4	1.9	8.5	9.0	0.7	20.1	0.6	6.2	3.9	16.8	27.6	44.9
Equity in net of noncon. affils.	0.0	0.0	0.0	0.0	0.3	(2.4)	(2.1)	0.0	(0.1)	(0.1)	(1.9)	(2.1)	(2.1)
Reported Net income	(1.4)	35.4	1.9	8.5	9.4	(1.6)	18.1	0.6	6.1	3.8	15.0	25.5	42.9
Net margin	17.6%	11.6%	9.2%	10.1%	10.8%	12.3%	10.8%	5.8%	8.4%	7.9%	11.9%	8.8%	10.3%
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	0.6	6.1	3.8	15.0	25.5	42.9
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	\$0.01	\$0.07	\$0.04	\$0.17	\$0.30	\$0.50
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	0.6	6.1	3.8	15.0	25.5	42.9
EPS - basic	(\$0.05)	\$0.34	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.30	\$0.50
EPS - diluted	(\$0.05)	\$0.33	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
EPS reported by company	(\$0.05)	\$0.02	\$0.02	\$0.10	\$0.11	(\$0.02)	\$0.21	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
Model variance: EPS	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	0.0	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	0.6	6.1	3.8	15.0	25.5	42.9
Pro forma EPS - basic	\$0.43	\$0.46	\$0.08	\$0.11	\$0.12	\$0.20	\$0.51	\$0.01	\$0.07	\$0.04	\$0.18	\$0.30	\$0.50
Pro forma EPS	\$0.43	\$0.44	\$0.08	\$0.11	\$0.12	\$0.19	\$0.50	\$0.01	\$0.07	\$0.04	\$0.17	\$0.29	\$0.49
EPS shares - Basic	84.2	85.3	86.5	85.0	84.9	85.2	85.4	85.2	85.2	85.2	85.2	85.2	85.2
EPS shares - Diluted	84.2	87.9	88.6	87.0	87.4	88.0	87.8	87.6	87.6	87.6	87.6	87.6	87.6
Free Cash Flow:													
EBITDA	60.4	88.2	18.1	22.5	25.9	36.5	103.0	13.4	21.8	21.1	37.7	94.0	125.6
Cash net interest	-5.9	-6.2	-1.2	-1.2	-1.9	-2.5	-6.7	-2.1	-2.2	-2.2	-2.3	-8.9	-9.3
Other adjustments to cash	5.3	6.8	0.1	0.8	0.1	-5.7	-4.7	-4.2	-4.2	-4.2	-4.2	-16.8	-20.7
- Cash taxes	-7.7	-4.1	-1.2	-6.2	-4.0	-5.5	-16.9	-4.2	-4.2	-4.2	-4.2	-16.8	-20.7
Cash taxes / EBITDA	13%	5%	7%	28%	15%	15%	16%	31%	19%	20%	11%	18%	17%
Minus: capex	-9.5	-5.6	-1.5	-1.7	-4.7	-3.6	-11.5	-4.0	-4.0	-4.7	-2.3	-15.0	-12.0
Capex / D&A	55%	25%	24%	27%	71%	55%	45%	63%	57%	65%	27%	52%	33%
Capex / EBITDA	16%	6%	9%	7%	18%	10%	11%	30%	18%	22%	6%	16%	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	3.1	11.4	10.0	28.8	53.3	83.5
Free cash flow (reported by company)	43.0	79.0	14.3	14.3	15.4	19.3	63.3	3.1	11.4	10.0	28.8	53.3	83.5
Free Cash Flow (core)	42.6	79.0	14.3	14.3	15.4	19.3	63.3	3.1	11.4	10.0	28.8	53.3	83.5
FCF per share (core)	\$0.51	\$0.90	\$0.16	\$0.16	\$0.18	\$0.22	\$0.72	\$0.04	\$0.13	\$0.11	\$0.33	\$0.61	\$0.95
Memo: FCF/Adjusted EBITDA (core)	70.5%	89.7%	79.1%	63.4%	59.4%	52.8%	61.4%	23.0%	52.3%	47.2%	76.5%	56.7%	66.5%
Dividends per basic share	\$0.13	\$0.10	\$0.025	\$0.025	\$0.025	\$0.025	\$0.10	\$0.050	\$0.050	\$0.050	\$0.050	\$0.20	\$0.20
- Dividends	(10.5)	(8.5)	(2.2)	(2.1)	(2.1)	(2.1)	(8.5)	(4.3)	(4.3)	(4.3)	(4.3)	(17.0)	(17.0)
Dividends as % of FCF	24.7%	10.8%	15.1%	14.9%	13.8%	11.0%	13.5%	137.7%	37.4%	42.7%	14.8%	32.0%	20.4%

Source: Industry Capital Research estimates and company data

Figure 16: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Net revenue growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	17.9%	16.6%	10.4%	7.0%	12.3%	13.6%
Net revenue (core) growth	25.8%	121.0%	32.4%	24.3%	21.1%	26.7%	25.8%	17.9%	16.6%	10.4%	7.0%	12.3%	13.6%
TV revenue growth	3.2%	-4.9%	-14.5%	-4.9%	-2.1%	13.8%	-1.4%	-2.5%	-9.0%	-20.0%	-20.0%	-13.8%	13.2%
Radio revenue growth	-15.9%	25.4%	11.4%	5.8%	0.1%	26.3%	11.0%	-3.0%	-2.3%	-9.0%	-15.0%	-8.2%	8.0%
Digital revenue growth	108.0%	287.5%	51.5%	33.9%	29.3%	29.6%	34.5%	23.7%	23.0%	17.8%	14.4%	19.2%	14.1%
Cost of revenue	NM	NM	53.3%	33.0%	26.4%	29.4%	33.7%	22.7%	21.7%	16.8%	13.2%	18.1%	13.8%
Direct expense	-12.1%	-22.4%	-3.2%	1.1%	-0.7%	5.2%	0.7%	3.0%	-1.3%	-4.2%	-20.7%	-6.4%	3.5%
SG&A	-10.3%	NM	-3.0%	4.9%	4.4%	33.1%	28.5%	13.6%	15.0%	2.0%	16.7%	15.9%	12.1%
Opex	23.8%	NM	38.8%	27.8%	23.4%	26.8%	28.5%	22.2%	19.8%	15.3%	9.1%	15.9%	12.1%
Opex (core)	-11.6%	12.8%	8.5%	14.3%	14.6%	19.1%	14.4%	20.4%	13.9%	10.8%	-4.6%	9.2%	6.4%
TV opex	-4.2%	0.6%	-3.2%	1.1%	-0.7%	5.2%	0.7%	3.0%	-1.3%	-4.2%	-20.7%	-6.4%	3.5%
Radio opex	-26.3%	-4.2%	-3.0%	4.9%	4.4%	9.7%	4.1%	13.6%	15.0%	2.0%	-13.5%	3.5%	9.0%
Digital opex	-5.0%	68.1%	40.4%	43.5%	46.0%	45.1%	44.0%	46.7%	30.6%	31.2%	16.4%	29.7%	7.6%
Total OCF (core)	32.1%	44.1%	-1.2%	5.1%	9.2%	25.9%	11.4%	-13.5%	-4.1%	-19.4%	-3.9%	-9.6%	25.7%
TV OCF	12.8%	-11.0%	-28.3%	-13.0%	-3.8%	24.1%	-4.1%	-11.6%	-21.0%	-40.2%	-19.2%	-23.4%	28.7%
Radio OCF	NM	NM	97.1%	7.8%	-6.2%	58.7%	26.2%	-51.6%	-41.8%	-27.0%	-16.9%	-29.6%	5.3%
Digital OCF	NM	NM	46.1%	32.5%	45.2%	15.1%	31.3%	-2.0%	27.6%	10.0%	25.6%	17.2%	29.0%
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%	-26.0%	-3.1%	-18.5%	3.2%	-8.8%	33.6%
D & A	3.8%	29.7%	23.4%	23.4%	11.1%	3.6%	14.6%	-1.5%	11.9%	10.0%	32.5%	13.3%	25.8%
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%	-45.2%	-19.3%	-39.1%	NM	33.9%	62.9%
Net income pre-extra.	NM	NM	-65.2%	7.6%	-23.7%	NM	-38.5%	-65.6%	-27.7%	-59.3%	NM	41.2%	67.9%
EPS, Continuing Operations	NM	NM	-66.7%	11.1%	-21.4%	NM	-38.2%	-50.0%	-30.0%	-63.6%	NM	42.9%	66.7%
EPS - diluted	NM	NM	-65.9%	8.6%	-22.9%	NM	-38.4%	-65.2%	-28.3%	-59.4%	NM	41.4%	67.9%
FCF/share	NM	76.5%	6.7%	14.3%	-28.0%	-37.1%	-20.0%	-75.0%	-18.8%	-38.9%	50.0%	-15.3%	55.7%
EPS shares - Diluted	-1.0%	4.4%	1.9%	-0.9%	-1.0%	-0.7%	-0.2%	-1.1%	0.7%	0.2%	-0.4%	-0.2%	0.0%

Source: Industry Capital Research estimates and company data

APPENDIX

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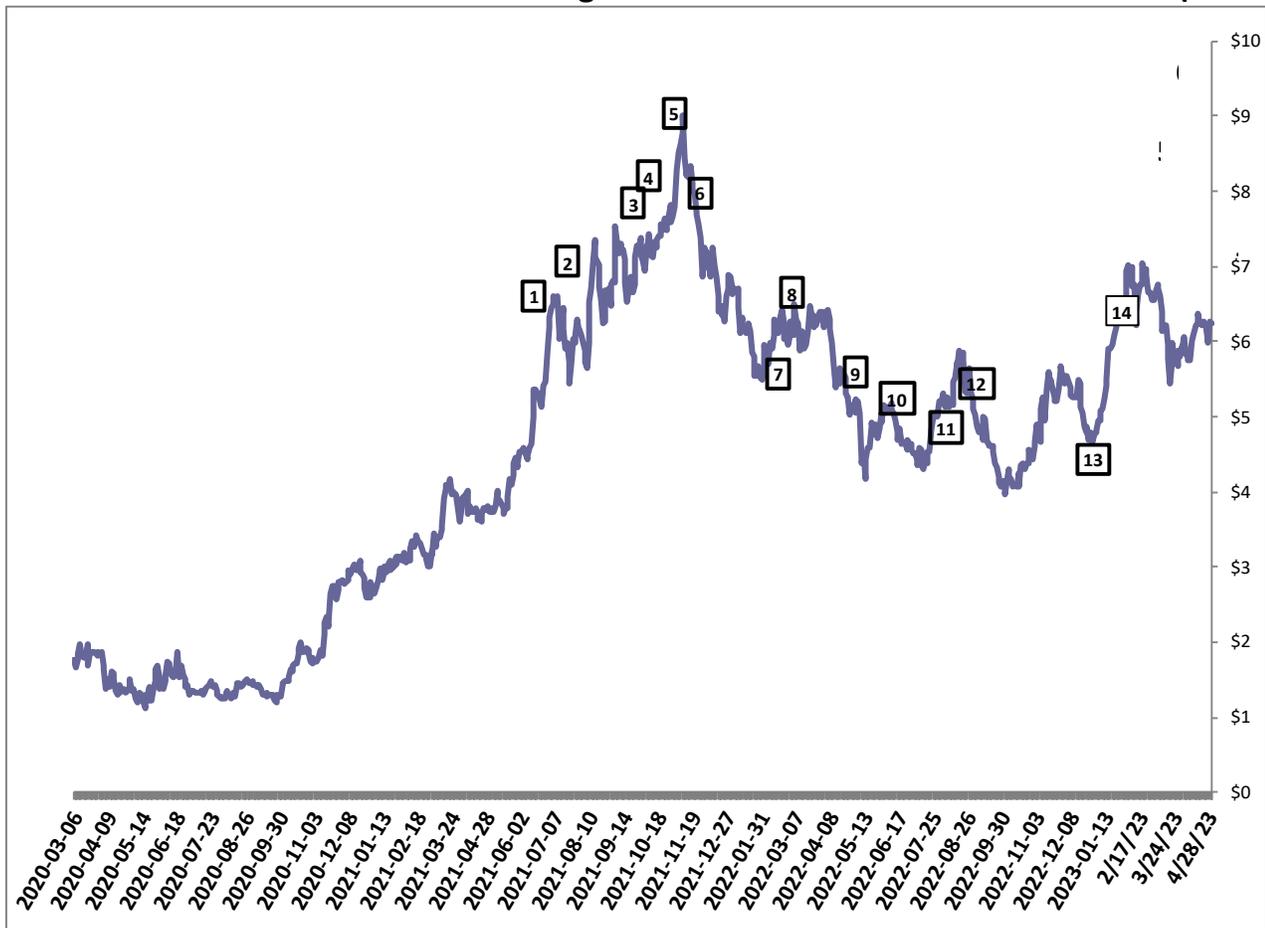
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, 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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Historical Recommendations and Target Prices: Entravision Communications (ticker: EVC)



1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	8/6/21	Reaffirmed Buy @ \$6.15, Target Price \$9.00
3	9/2/21	Reaffirmed Buy @ \$7.75, Target Price \$10.00
4	10/5/21	Reaffirmed Buy @ \$7.60, Target Price \$10.00
5	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

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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