

## Entravision Communications Corporation (EVC)

With 2024 In the Books, Investors Face Lower Estimates and Clouds For 2025; Hold

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**We reduce our price target to \$2.00 from \$2.50, on lower estimates and higher macro risks.**  
Our rating stays Hold.

**Stock sank 17% after 4Q results, perhaps a side effect of fading transparency.** It took us some work and a few non-trivial assumptions to arrive at our pre-release expectations for 4Q results, in part because of the reduced transparency of the company's operations. With 4Q earnings, we have the evident discontinuance of management calls to discuss results. The new (as of 3Q) Media segment consolidates old TV and radio, as well as the relatively small U.S. digital advertising operation, now shifted out of the legacy Digital segment. In place of the old Digital segment is the new Advertising Technology & Services ("AT&S") segment, which contains the Smadex DSP and Adwake mobile growth solutions. Gone is separate reporting of results of the TV and radio operations, which EVC had disclosed ever since it acquired radio in 2000. In neither 4Q nor 3Q did EVC offer any numbers on its political ad revenue, despite EVC's professed focus on monetization from political advertising, one of the few meaningful secular growth drivers the company has left. Nor is EVC any longer offering color on core growth, excluding political advertising, either for reported results or pacing information. On its 3Q call, EVC said that its political advertising did not meet its internal objectives, but did come in above the 2022 level. This suggests that our \$35.7m estimate for 2024, above \$32.1m in 2022, but below the \$40m figure referenced in prior EVC conference presentations, is likely fairly accurate.

**Our 2025 adjusted EBITDA estimate goes to \$28.4m from \$31.7m, primarily on a shift in revenue mix to lower margin AT&S from higher margin Media, which faces a tough political comp.** See Fig. 5. Aside from updating for 4Q results and outlook, our principal forecast changes are: 1) raising our 2025E revenue for higher expected AT&S growth, while trimming our 2025E EBITDA on lower margins, 2) slightly raising our out-year EBITDA growth estimates, primarily to reflect higher forecast AT&S growth, and 3) our usual WACC estimate updates for beta and macro inputs to our DCF. See Fig. 6. At 12/31, total and net leverage were 2.8x and 1.8x, vs. 3.0x and 2.0x at 9/30, respectively.

**Surprise 4Q earnings release revealed ... predictable results.** 4Q slightly beat our EBITDA expectations, the publication of which was awaiting an announcement of the date for the earnings release and conference call, which never came. Our 4Q expectations had dropped in the wake of EVC's 3Q results and outlook, but others' expectations may not have dropped as much. See Fig. 2. Adj. EBITDA of \$19.4m (18.2% margin) beat our \$18.5m (18.7% margin) expectation. See Fig. 3. Reported revenue growth was +30% for Media and +49% for AT&S, vs. prior pacing of +28% and +30%, respectively. Reported Media/AT&S OCF margins at 32.2%/7.1% were below our 34.1%/10.9% expectations. EPS was a loss of \$0.62, vs. our \$0.25 profit expectations, reflecting a \$61.2m impairment charge (EPS was \$0.05 ex-impairment).

**Our 12-month price target is \$2.00; risks on page 2.** Our PT is supported by a spectrum value estimate and a DCF valuation based on explicit financial forecasts through 2030. See Fig. 14.

**HOLD**

Price at 3/10/25 (USD) 1.80  
Price Target 2.00  
52-week range 1.33 - 2.73

Performance (%)	1m	3m	12m
Absolute	-16	-29	25
S&P 500	-7	-7	10

Market Cap (USDm) 163.8  
Shares outstanding (m) 91.0  
Float (%) 90  
Average volume 437,724  
S&P 500 5,614.6

### Forecasts and ratios

Year ended 12/31	2023A	2024A	2025E
1Q EPS (USD)	0.02	-0.55	0.01
2Q EPS (USD)	-0.02	-0.35	0.10
3Q EPS (USD)	0.03	-0.13	-0.15
4Q EPS (USD)	-0.21	-0.62	-0.03
FY EPS (USD)	-0.18	-1.66	-0.08
% Change	-185%	NM	NM
P/E (x)	NM	NM	NM
EV/EBITDA (x)	5.4	3.7	5.6
Revenue (USDm)	297.0	364.9	357.3
% Change	-9%	23%	-2%

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## Investment Thesis and Valuation: Hold With \$2.00 Price Target

**We rate Hold the shares of EVC.** Despite 1) a reduced operating risk profile for EVC's overall business because of the stability of TV retransmission revenue (68% of 2024 EBITDA), secular growth of political advertising revenue, modest pro forma net debt leverage of ~2x EBITDA, and potential monetization from future spectrum auctions (as in 2017), EVC shares nevertheless face 2) audience declines at its U.S. broadcast business, and 3) dependence on and potentially increasing competition with its primary network programming supplier TelevisaUnivision. Our valuation supports stock price performance over the next 12 months consistent with a Hold rating.

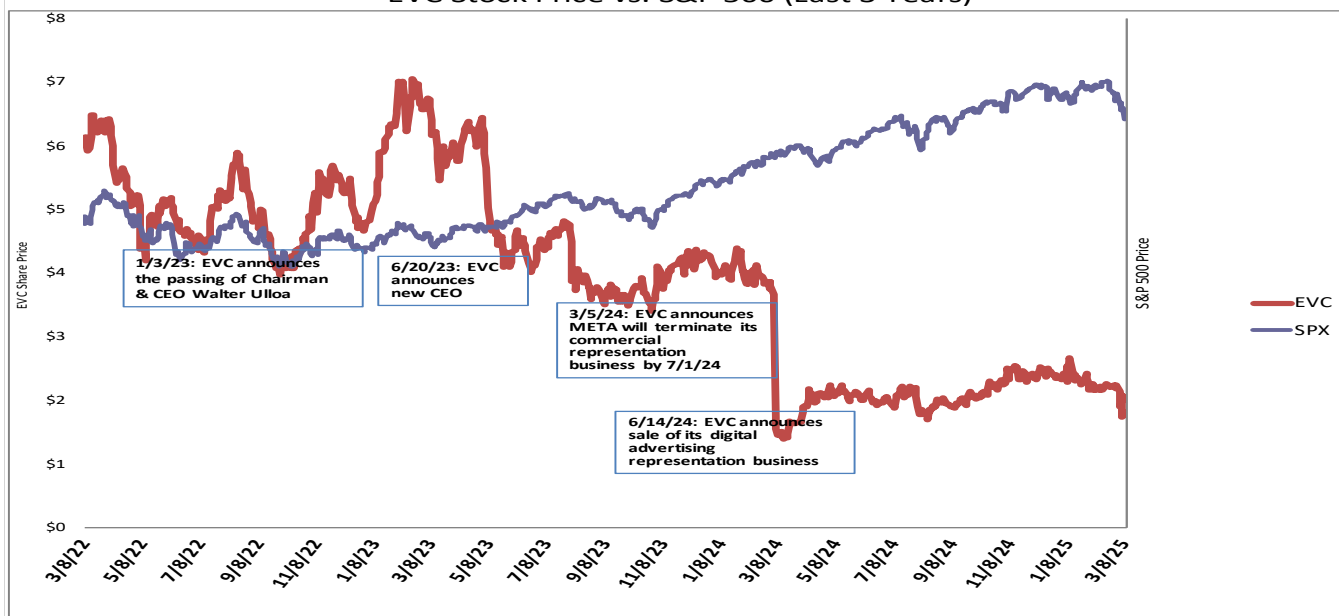
**Our 12-month price target is a weighted average of projected equity valuations using a discounted cash flow (DCF) analysis at year-end 2025 and 2026, plus an estimated value for spectrum assets the sale of which would be immaterial to continuing EVC's broadcast operations.** Our PT assumes a base case forecast with 2025/26 adjusted EBITDA pro forma for asset sales of \$29m/\$45m, and \$85m for spectrum asset value, resulting in a target valuation of \$2.00. 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, plus the estimated spectrum value, set the range for our valuation. Note that in our DCF, for our terminal value estimates, we assume that capex equals D&A, which results in a substantially higher capex estimate than in our financial statement forecasts because capex should be similar to D&A for a terminal value forecast, to support the need for an asset base in perpetuity.

**Risks to our investment thesis include:** 1) sensitivity of EVC's advertising-based businesses to macroeconomic flux, and 2) the impact of 2023 change in voting control and 2024 asset sales on company's strategy and pursuit of potential longer-term options, including capital allocation and sale of all or a portion of the company.

Figure 1: EVC Investment Thesis, Metrics and Valuation Summary

		(in millions, except unit data) 12-month price target:		\$2.00	
ENTERPRISE VALUE		COMPANY CHARACTERISTICS AND INVESTMENT THESIS			
Price per share	\$1.80	Company description	Entravision operates 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, and a digital media business serving the U.S. and a number of international markets. 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	91.0				
Equity market capitalization	164				
+Pro forma net debt	86				
-Hidden value	85				
=Pro forma EV	\$165				
OPERATING PROJECTIONS					
Pro forma net revenue		Strategy	Manage for free cash flow and asset value its TV-driven broadcast platforms in U.S. Hispanic markets, while pursuing incremental growth from digital media operations		
2025	\$357				
2024	365				
% Chg	-2.1%	Est. acquisition capacity Management	After the untimely death of former Chairman and CEO Walter Ulloa in December 2022, Michael Christenson joined EVC from outside the company to become CEO effective July 1, 2023. Jeffrey Liberman is President and COO (since 2017 and with EVC since 2000). * Experience in expanding distribution in smaller, faster-growing ad markets, both in U.S. and internationally		
Pro forma EBITDA					
2025	\$29				
2024	45	Positives	* Modest debt leverage and high free cash flow generation from broadcast business * Most of EVC’s TV stations are affiliated with leading U.S. Spanish language network Univision * Secular growth in U.S. political advertising spending * Long-term potential for monetizing spectrum assets (as occurred, e.g., in 2017 FCC auction)		
% Chg	-34.5%				
Pro forma EBITDA margin					
2025	8.2%	Risks	* Management succession, capital allocation, and corporate control, especially given loss of management voting control triggered by death of prior CEO * Impact of sudden advertising declines on cash flow (e.g., in 2009 and 2020) * TelevisaUnivision relationship, including affiliation agreement expiring in 2026, may limit strategic flexibility * Competition with TelevisaUnivision's expanding direct to consumer business * Loss of broadcast audience and advertising share to digital competitors Attributing firm value primarily to U.S. broadcast operations and spectrum assets		
2024	12.3%				
Free cash flow per share					
2025	\$0.19				
2024	\$0.38				
% Chg	-50.0%	Valuation Recent events	June 2024 - sale of digital media representation business. March 2024 - META informed the company that it would wind down the company’s representation of META business by July 1. June 2023 - appointment of new CEO effective July 1. December 2022 - death of co-founder, CEO & Chairman Walter Ulloa. September 2021 - acquired remaining 49% interest in Cisneros Interactive for \$84 million. July 2021 – announced acquisition of MediaDonuts AsiaPac digital media business for \$36 million. October 2020 – acquired 51% stake in Cisneros Interactive for \$29 million.		
Est. 3-5 yr FCF Growth rate					
2025	0%				
VALUATION AND LEVERAGE					
Pro forma EV/EBITDA					
2025	5.6x	Upcoming potential catalysts	Exposure of advertising business to changes in macroeconomic growth, both in U.S. and internationally - Changes in capital return/allocation		
2024	3.7x				
Price / Free cash flow per share					
2025	9.5x				
2024	4.7x				
Pro forma net debt / EBITDA					
2025	2.9x				
2024	1.9x				
Dividend yield					
2025	11.1%				
2024	11.1%				

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



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

## More on 4Q Results and Our Revised Outlook

Figure 2: 4Q pacings given with in-line 3Q results left us cutting our 4Q expectations

Entravision Communications							
Summary of Quarterly Estimates							
In millions, except per share data							
	Results				YoY %CHG		
	Last Yr	E	Beat/Miss	A	E	Beat/Miss	A
<b>3Q24</b>							
Pro Forma *							
Revenue	\$77.4	\$87.9	\$9.3	\$97.2	13.5%	12.0%	25.5%
Op Expense	69.2	73.1	7.9	80.9	5.6%	11.4%	17.0%
Adjusted EBITDA	8.2	14.8	1.4	16.2	79.6%	17.3%	96.9%
As Reported							
Revenue	274.4	87.9	\$9.3	97.2	-68.0%	3.4%	-64.6%
Op Expense	260.2	72.6	9.5	82.1	-72.1%	3.6%	-68.5%
Adjusted EBITDA	14.2	15.3	(0.2)	15.1	7.9%	-1.5%	6.4%
Margin	5.2%	17.4%	-1.9%	15.5%			
EPS - Continuing Operations	\$0.03	\$0.05	(\$-0.17)	(\$0.12)	66.7%	NM	NM
FCF/sh (core)	\$0.04	\$0.11	(\$-0.02)	\$0.09	175.0%	-50.0%	125.0%
	Estimates				YoY %CHG		
	Last Yr	Prior	Chg	Post	Prior	Chg	Post
<b>4Q24</b>							
Pro Forma *							
Revenue	\$78.3	\$114.7	(\$15.3)	\$99.3	46.5%	-19.6%	26.9%
Op Expense	69.7	84.9	(4.1)	80.8	21.9%	-5.9%	15.9%
Adjusted EBITDA	8.6	29.7	(11.2)	18.5	246.8%	-130.8%	116.1%
As Reported							
Revenue	\$320.1	\$114.7	(\$15.3)	\$99.3	-64.2%	-4.8%	-69.0%
Op Expense	303.8	85.4	(4.6)	80.8	-71.9%	-1.5%	-73.4%
Adjusted EBITDA	16.2	29.3	(10.8)	18.5	80.4%	-66.2%	14.2%
Margin	5.1%	25.6%	-6.9%	18.7%			
EPS - Continuing Operations	(\$0.21)	\$0.15	\$+0.10	\$0.25	-171.4%	NM	NM
FCF/sh (core)	(\$0.02)	\$0.08	\$+0.22	\$0.30	-500.0%	NM	NM
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

**3Q recap: adj. EBITDA of \$15.1m marginally missed our \$15.3m estimate.** See Fig. 2. Total revenue beat our estimate by ~\$9m, primarily because of the AT&S segment. Political advertising and Smadex drove the revenue growth. Reported revenue growth was +23% for Media and +30% for AT&S. OCF missed by \$3.7m, offset by a beat on lower corporate expense, reflecting reclassification of ~\$2.5m to operating segments. The 3Q24 decline in corporate expense was substantial enough—a \$6.9m y/y decrease from \$13.3m in 3Q23—to warrant detail here from the 10-Q on declines of \$2.0m in salaries and bonus expense, \$2.0m in non-cash stock-based compensation, \$2.5m in corporate expense reallocation, and \$0.4m in professional services expense, partially offset by an increase of \$0.6m in audit fees. Media OCF margin was 24.9%, down from 26.9% the year before, despite strong Media revenue growth of 22.7%. The 3Q Media opex increase was almost \$5m y/y, and over 3x the estimated y/y increase in 3Q22, the prior election year, although part of the increase reflected the mid-year reclassification of some corporate expense to the operating segments. AT&S OCF margin was 7.4%, down from 7.9% the year before, despite AT&S revenue growth of 30%. EPS was a loss of \$0.12, vs. our \$0.05 profit estimate, on higher tax expense, although FCF of \$9.3m was in line.

**After 3Q results, we cut our 4Q adjusted EBITDA expectations, primarily on reducing our revenue growth forecast for the Media segment.** See Fig. 2. Net-net, our 4Q total revenue expectations came down roughly \$15m, more for Media than AT&S. Total opex expectations came down ~\$2m, assuming moderation in spending post-election, resulting in reducing our adj. EBITDA expectation by ~\$11m.

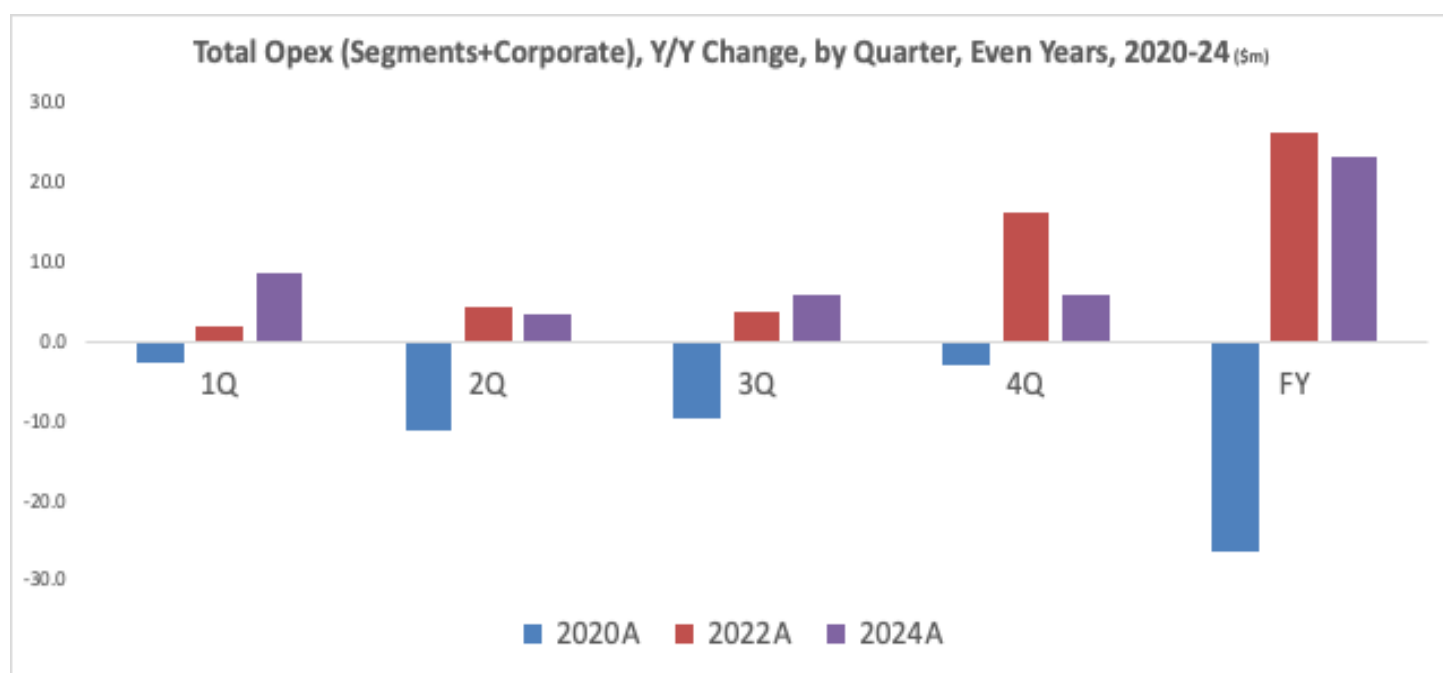
Figure 3: 4Q results were slightly above our reduced expectations

<b>Entravision Communications</b> <b>Summary of Quarterly Estimates</b> In millions, except per share data							
	Last Yr	E	Results Beat/Miss	A		YoY %CHG Beat/Miss	A
<b>4Q24</b>							
Pro Forma *							
Revenue	\$78.3	\$99.3	\$7.6	\$107.0	26.9%	9.8%	36.7%
Op Expense	69.7	80.8	8.3	89.1	15.9%	11.9%	27.9%
Adjusted EBITDA	8.6	18.5	(0.7)	17.8	116.1%	-7.7%	108.3%
As Reported							
Revenue	\$78.3	\$99.3	\$7.6	\$107.0	26.9%	9.8%	36.7%
Op Expense	62.0	80.8	6.8	87.5	30.2%	10.9%	41.1%
Adjusted EBITDA	16.2	18.5	0.9	19.4	14.2%	5.5%	19.7%
Margin	20.8%	18.7%	-0.5%	18.2%			
EPS - Continuing Operations	(\$0.21)	\$0.25	(\$-0.87)	(\$0.62)	-219.0%	414.3%	195.2%
FCF/sh (core)	(\$0.02)	\$0.30	\$+0.00	\$0.30	-1600.0%	NM	NM
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

In the event, 4Q results slightly beat our EBITDA expectations, the publication of which was awaiting an announcement of the date for the earnings release and conference call, which never came. Although our 4Q expectations had dropped in the wake of

EVC's 3Q results and outlook, others' expectations may not have dropped as much. See Fig. 2. Adj. EBITDA of \$19.4m (18.2% margin) beat our \$18.5m (18.7% margin) expectation. See Fig. 3. Reported revenue growth was +30% for Media and +49% for AT&S, vs. prior pacing of +28% and +30%, respectively. The 4Q results suggest substantial displacement of core Media advertising by EVC's political ad windfall. 4Q GDP growth of 2.3% came in slightly below consensus expectations of ~2.5% (per the WSJ Economist Survey). On the other hand, auto sales finished with a solid 4Q to be up 2.2% in units sold for the year. With inventories rising, reported promotional activity picked up, which could have bolstered auto ad spending as well. Reported Media/AT&S OCF margins at 32.2%/7.1% were below our 34.1%/10.9% expectations. EPS was a loss of \$0.62, vs. our \$0.25 profit expectations, reflecting a \$61.2m impairment charge (EPS was \$0.05 ex-impairment).

Figure 4: For 2024, quarterly pattern of total operating expense growth ended up somewhat similar to prior election year in 2022



Source: Industry Capital Research estimates and company data

**Whatever EVC's final 2024 political ad haul was (we estimate \$22.9m for 4Q and \$35.7m for 2024), EVC's efforts seemed to have had the wind at their back.** TelevisaUnivision positioned its flagship network well for 2024 political ad spending through having a more centrist editorial slant, a better relationship with the Trump campaign, and a number of highly rated telecasts with Trump. Polls indicating rising Hispanic support for Trump and other Republican candidates—including, for example, in border regions where EVC has a strong TV station footprint—likely encouraged more ad spending from both parties up and down the ballot. And in the event, Trump increased his share of the U.S. Hispanic vote to 42% from 35% in 2020, per estimates reported in the Wall Street Journal.

Figure 5: Our 2025 estimates go higher on revenue but not on EBITDA, which we expect to decline over 30% pro forma against political comp

<b>Entravision Communications (NYSE: EVC)</b>							
<b>Summary of Annual Estimates</b>							
In millions, except per share data							
	<b>Estimates</b>			<b>YoY %CHG</b>			
	Last Yr	Prior	Chg	Current	Prior	Chg	Current
<b>2025E</b>							
Pro Forma *							
Revenue	364.9	323.4	34.0	357.3	-11.4%	9.3%	-2.1%
Op expense	320.2	290.5	37.5	328.1	-9.3%	11.7%	2.4%
Adjusted EBITDA	44.7	32.8	(3.6)	29.3	-26.6%	-8.0%	-34.5%
Margin	12.3%	8.5%	-0.3%	8.2%			
<b>As Reported</b>							
Revenue	364.9	323.4	34.0	357.3	-11.4%	9.3%	-2.1%
Op expense	315.4	291.7	36.7	328.4	-7.5%	11.6%	4.1%
Adjusted EBITDA	49.5	31.7	(2.7)	28.9	-36.1%	-5.5%	-41.6%
Margin	13.6%	9.8%	-1.7%	8.1%			
Pro forma EPS	(\$0.05)	(\$0.09)	\$0.01	(\$0.08)	80.0%	-20.0%	60.0%
Cash FCF/sh	\$0.38	\$0.22	(\$0.03)	\$0.19	-42.1%	-7.9%	-50.0%
* pro forma reflects announced acquisitions and dispositions							
Source: Company reports, Industry Capital Research estimates							

Our 2025 adjusted EBITDA estimate goes to \$28.4m from \$31.7m, primarily on a shift in revenue mix to lower margin AT&S from higher margin Media, which faces a tough political comp. See Fig. 5. Aside from updating for 4Q results and outlook, our principal forecast changes are: 1) raising our 2025E revenue for higher expected AT&S growth, while trimming our 2025E EBITDA on lower margins (we estimate that pro forma EBITDA margins decline y/y by ~400bps), 2) slightly raising our out-year EBITDA growth estimates, primarily to reflect higher forecast AT&S growth, and 3) our usual WACC estimate updates for beta and macro inputs to our DCF. See Fig. 6. At 12/31, total and net leverage were 2.8x and 1.8x, vs. 3.0x and 2.0x at 9/30, respectively.



Figure 6: Model and DCF updates leave our valuation range unchanged

Entravision Communications															
Summary of Changes to Forecast and Valuation Since Last Published Report															
(in \$ million except unit data)															
CAGRs	2024		DCF Valuation		EBITDA CAGRs						Risk-Free Rate	Equity Premium	WACC-EVC	WACC-EVC-D	WACC-EVC-B
	Rev	EBITDA	SoTP	Firm	2021-25	2022-26	2023-27	2024-28	2025-29	2026-30					
Pre-Changes	347.0	57.7	\$2.00	\$2.50	-23%	-18%	-18%	-18%	-4%		4.3%	4.0%	8.2%	10.8%	8.3%
Post-Changes	364.9	49.5	\$2.00	\$2.50	-24%	-19%	-16%	-16%	0%	-2%	4.2%	4.1%	8.3%	10.8%	8.4%
Delta	17.9	-8.1	\$0.00	\$0.00	-1.7%	-1.4%	2.5%	2.5%	4.0%	2.0%	-0.1%	0.2%	0.1%	0.0%	0.1%
Memo:															
Digital OCF					-15%	-18%	-10%	6%	7%	5%					

Source: Company data and Industry Capital Research estimates

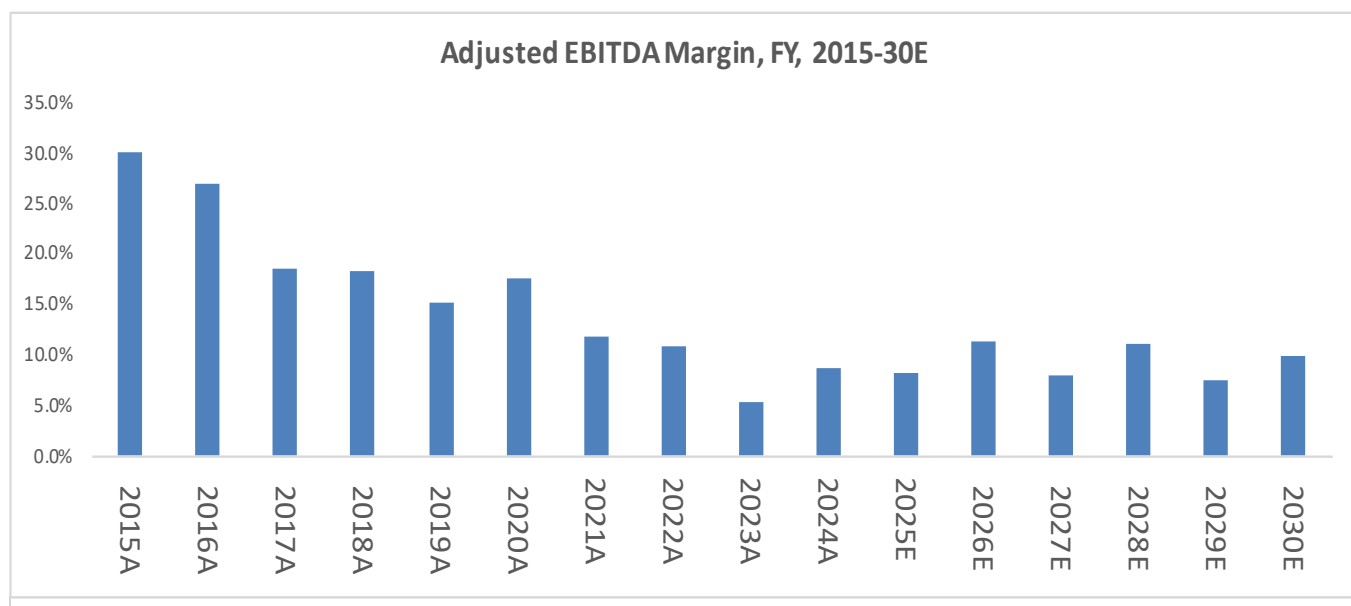
**We reduce our price target within an unchanged valuation estimate range on reduced 2025 estimates and increased near-term macro risks.** Consensus calls for a slight slowdown in U.S. GDP growth in 2025, with a slowdown in growth in 1Q vs. 4Q. One risk for the U.S. Hispanic market that drives EVC's Media ad spending is that consumer spending trends appear to be weaker for younger and lower-income than older and higher-income demographics. For auto, EVC's largest ad category, the 2025 outlook is for a slight increase in sales, but one risk here is the potential impact of tariffs, which could have a disproportionate impact on the prices of less expensive vehicles.

**Our valuation range is unchanged after our 2025 estimate changes, slight increase of our out-year EBITDA growth estimates to reflect higher forecast AT&S growth, and usual WACC estimate revisions to reflect updated beta and macro inputs.** See Fig. 6. Estimated pro forma net debt has decreased to \$86.4m from \$93.1m prior to 3Q results.

**Note that our valuation includes \$85m for spectrum asset value, and we believe that EVC's potential to sell more spectrum remains a long-term catalyst.** The new head of the FCC has indicated support for another spectrum auction. The FCC's authority to conduct another spectrum auction has expired, and thus it is quite possible that Congress would need to act to kick start another auction process in which EVC might participate. It took four years from the passage of the Spectrum Act in 2012 to the beginning of the last FCC spectrum auction in which EVC participated in 2016.



Figure 7: Long-term forecast assumes adjusted EBITDA margins hold in 2025, and then are higher in election years



Source: Industry Capital Research estimates and company data

**Our longer-term forecast assumes adjusted EBITDA margins basically hold in 2025 and then are higher in election years.** For 2025-2030E, Media revenue growth is up double-digits in political (i.e., even) years and down double-digits in non-political (i.e., odd) years. Within the Media segment, we expect the main revenue drivers to be political advertising and the U.S. digital business. See Fig. 8. We assume that, within Media, political ad revenue is over \$30m in political years and a couple million dollars at most in off-years, and that retransmission consent revenue declines gradually from over \$30m annually now to roughly \$20m annually in several years. Also, within Media, we assume that core TV revenue growth is down roughly 10% in political years, reflecting displacement of commercial advertisers, and up mid-single digits in off-years, and that core radio revenue growth is down upper single digits in political years and up low single digits in off-years.

**The main driver of our forecast even-odd year margin pattern is the Media segment, reflecting the political ad cycle.** We estimate Media OCF margins in the low-to-mid-20s in election years (vs. 23% in 2024), and roughly 15-20% in off-years. We assume that, within Media, reflecting a reallocation of some corporate expense, TV OCF margins will be roughly 25-30% in election years and in the 20% range in off-years, radio OCF margins will be roughly in the mid-to-upper teens in election years, and 10-15% in off-years, and US Digital OCF margins will move to the mid-teens over the longer term.

**We forecast that, over the next couple of years, AT&S revenue growth will be strong double digits in percent.** We assume that AT&S OCF margins gradually move to over 10% over this period (vs. 8.4% in 2024).

**For 2025 on, our forecast corporate expense drops by \$12-13m/yr, of which ~\$10m/yr is due to reallocation to direct and SG&A expense.** Recall that corporate expense increased to \$50m in 2023 from \$28m in 2020, primarily because of higher salaries, bonuses and non-cash compensation.

Finally, we have noted the dimming light on EVC's results, stemming from the elimination of separate reporting of results for the TV and radio operations, as well as less disclosure regarding political and other advertising revenue; this could contribute to a valuation discount. With 4Q earnings, we have the evident disappearance of management calls to discuss results, in which the company traditionally provided pacing information, among other things. In addition, disclosure of results no longer includes estimated core growth, whether for Media revenue or advertising revenue. We note that, whereas the 3Q23 10-Q gave color on the changes in direct opex and SG&A expense (e.g., for stock-based compensation, salaries, music license fees, and rent expense), the 3Q24 10-Q provided no such detail, simply breaking down the change in direct and S&GA expense across the two new segments.

Figure 8: Within Media Segment, we expect the main revenue drivers to be political advertising and U.S. digital business

In millions	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
<b>MEDIA SEGMENT</b>															
Reported Media revenue	\$213.6	\$225.2	\$230.7	\$46.4	\$49.4	\$48.7	\$52.1	\$196.7	\$45.2	\$49.8	\$59.8	\$67.3	\$222.1	\$194.2	\$214.2
Growth	0.4%	5.4%	2.4%	-1.8%	-6.4%	-15.7%	-28.4%	-14.7%	-2.6%	0.7%	22.7%	29.1%	12.9%	-12.5%	10.3%
Media non-recurring items:															
<b>Broadcast advertising</b>	152.7	154.3	161.7	29.6	31.0	30.8	33.3	124.7	27.8	29.9	40.0	46.4	144.1	116.8	139.4
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental advertising	152.7	154.3	161.7	29.6	31.0	30.8	33.3	124.7	27.8	29.9	40.0	46.4	144.1	116.8	139.4
Media revenue ex advertising	61.0	70.9	69.0	16.8	18.5	18.0	18.8	72.0	17.4	19.9	19.8	20.9	78.0	77.4	74.8
Growth ex Advertising	-5.9%	16.3%	-2.7%	6.3%	5.7%	0.5%	5.2%	4.3%	3.5%	7.9%	10.3%	11.1%	8.3%	-0.7%	-3.4%
<b>Retransmission Consent</b>	36.8	37.0	36.0	9.6	9.3	8.9	8.7	36.6	9.2	8.8	8.0	7.9	33.9	31.1	27.8
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%	100.0%	100.0%
Incremental Retrans	36.8	37.0	36.0	9.6	9.3	8.9	8.7	36.6	9.2	8.8	8.0	7.9	33.9	31.1	27.8
Media revenue ex Retrans	176.9	188.2	194.7	36.8	40.1	39.8	43.4	160.2	36.1	41.0	51.8	59.4	188.2	163.1	186.5
Growth ex Retrans	-0.4%	6.4%	3.5%	-3.3%	-8.4%	-18.6%	-32.1%	-17.7%	-2.0%	2.1%	30.0%	36.8%	17.5%	-13.3%	14.3%
<b>Spectrum usage/auction</b>	5.4	6.2	6.0	2.1	2.1	2.1	1.8	8.2	1.8	1.6	1.7	1.7	6.8	7.2	6.5
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental Spectrum Usage	5.4	6.2	6.0	2.1	2.1	2.1	1.8	8.2	1.8	1.6	1.7	1.7	6.8	7.2	6.5
Media revenue ex Spectrum Usage	208.2	219.0	224.7	44.3	47.4	46.7	50.2	188.6	43.5	48.2	58.1	65.6	215.3	187.0	207.7
Growth ex Spectrum Usage	4.2%	5.2%	2.6%	-3.2%	-7.4%	-17.1%	-29.8%	-16.1%	-1.8%	1.7%	24.5%	30.5%	14.2%	-13.1%	11.1%
<b>Other</b>	5.8	7.3	5.3	1.1	1.1	1.1	1.3	4.7	1.2	1.3	1.5	1.6	5.6	5.9	5.6
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%
Incremental Other	5.8	7.3	5.3	1.1	1.1	1.1	1.3	4.7	1.2	1.3	1.5	1.6	5.6	5.9	5.6
Media revenue ex Other	207.8	217.9	225.4	45.3	48.3	47.6	50.7	192.0	44.0	48.5	58.3	65.6	216.4	188.3	208.6
Growth ex Other	1.5%	4.9%	3.4%	-1.5%	-6.2%	-15.2%	-29.2%	-14.8%	-2.8%	0.3%	22.3%	29.3%	12.7%	-13.0%	10.8%
<b>Media Acquisitions/Dispositions (inc. Affiliations)</b>															
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%
Incremental M&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Media revenue ex M&A	213.6	225.2	230.7	46.4	49.4	48.7	52.1	196.7	45.2	49.8	59.8	67.3	222.1	194.2	214.2
Growth ex M&A	0.4%	5.4%	2.4%	-1.8%	-6.4%	-15.7%	-28.4%	-14.7%	-2.6%	0.7%	22.7%	29.1%	12.9%	-12.5%	10.3%
<b>PF U.S. Digital revenue</b>	12.9	20.4	21.6	3.9	6.0	5.8	6.9	22.6	5.3	8.2	8.5	9.7	31.6	33.2	34.9

## Core Advertising Growth

In millions	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
<b>BROADCAST ADVERTISING</b>															
Broadcast Advertising PF Rev Growth	3.1%	-6.9%	4.8%	-5.8%	-12.3%	-23.0%	-39.4%	-22.9%	-6.0%	-3.6%	29.9%	39.2%	15.5%	-19.0%	19.4%
Reported Broadcast Advertising Revenue	\$152.7	\$154.3	\$161.7	\$29.6	\$31.0	\$30.8	\$33.3	\$124.7	\$27.8	\$29.9	\$40.0	\$46.4	\$144.1	\$116.8	\$139.4
Growth	3.1%	1.1%	4.8%	-5.8%	-12.3%	-23.0%	-39.4%	-22.9%	-6.0%	-3.6%	29.9%	39.2%	15.5%	-19.0%	19.4%
Non-recurring items:															
<b>Political/Census</b>	28.8	1.6	32.1	0.0	0.0	0.0	0.2	0.2	0.6	1.5	10.7	22.9	35.7	1.0	32.3
Assm: % Incremental to Core	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Incremental political	28.8	1.6	32.1	0.0	0.0	0.0	0.2	0.2	0.6	1.5	10.7	22.9	35.7	1.0	32.3
Broadcast ad revenue ex political	123.9	152.7	129.6	29.6	31.0	30.8	33.2	124.5	27.3	28.3	29.3	23.5	108.4	115.8	107.1
Growth ex Political	-16.2%	23.2%	-15.1%	-0.7%	-3.1%	-4.1%	-7.4%	-4.0%	-7.9%	-8.5%	-4.8%	-29.0%	-12.9%	6.8%	-7.5%
<b>Broadcast advertising revenue ex-all non-recurring</b>	123.9	152.7	129.6	29.6	31.0	30.8	33.2	124.5	27.3	28.3	29.3	23.5	108.4	115.8	107.1
Broadcast ad revenue growth ex all non-recurring	-16.2%	23.2%	-15.1%	-0.7%	-3.1%	-4.1%	-7.4%	-4.0%	-7.9%	-8.5%	-4.8%	-29.0%	-12.9%	6.8%	-7.5%
<b>Broadcast ad rev grth ex all non-rec 2-yr CAGR</b>		1.6%	2.3%	-6.2%	-7.8%	-11.8%	-12.2%	-9.7%	-4.3%	-5.8%	-4.4%	-18.9%	-8.5%	-3.6%	-0.6%

Source: Company reports; Industry Capital Research estimates

Figure 9: Advertising Technology & Services segment model

	2019A	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
<b>Legacy</b>																
Revenue	\$68.9	\$54.1	\$70.6	\$103.7	\$25.1	\$29.4	\$30.5	\$28.1	\$113.1	\$34.3	\$38.9	\$41.3	\$44.3	\$158.7	\$177.9	\$195.7
Cost of Revenue	36.8	30.6	40.2	60.4	16.9	17.4	17.997	17.1	69.3	20.9	23.4	24.7	25.6	94.6	105.3	115.9
Opex ex-cost of revenue	32.3	24.5	23.8	29.0	8.3	11.5	10.6	9.0	39.4	11.7	12.1	14.5	14.5	52.8	59.2	64.2
OCF	(0.1)	(1.0)	6.5	14.3	(0.1)	0.5	1.9	2.1	4.4	1.7	3.4	2.1	4.2	11.3	13.3	15.6
Legacy Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	-0.2%	1.8%	6.3%	7.3%	3.9%	5.0%	8.7%	5.0%	9.4%	7.1%	7.5%	8.0%
<b>Acquisitions Since 2020-Stand Alone</b>																
BCN Monetize revenue	0.0	0.0	15.1	3.3	3.5	4.0	5.0	15.8	4.0	2.2	4.6	6.0	16.8	18.5	19.4	
BCN Monetize cost of revenue	0.0	0.0	6.8	1.5	1.6	1.8	2.2	7.1	1.8	1.0	2.1	2.7	7.6	8.3	8.7	
BCN Monetize opex ex-cost of revenue	0.0	0.0	2.5	0.8	0.9	1.0	1.1	3.9	0.3	0.7	1.1	1.3	3.4	3.6	3.7	
BCN Monetize OCF	0.0	0.0	5.8	1.0	1.0	1.2	1.6	4.8	1.9	0.5	1.4	2.0	5.8	6.5	7.0	
BCN Monetize OCF Margin			38.6%	31.2%	28.4%	29.3%	32.0%	30.3%	48.0%	22.9%	30.4%	33.7%	34.8%	35.4%	35.8%	
<b>Acquisitions Since 2020-Pro Forma</b>																
BCN Monetize revenue	0.0	0.0	15.1	3.3	3.5	4.0	5.0	15.8	4.0	2.2	4.6	6.0	16.8	18.5	19.4	
BCN Monetize cost of revenue	0.0	0.0	6.8	1.5	1.6	1.8	2.2	7.1	1.8	1.0	2.1	2.7	7.6	8.3	8.7	
BCN Monetize opex ex-cost of revenue	0.0	0.0	2.5	0.8	0.9	1.0	1.1	3.9	0.3	0.7	1.1	1.3	3.4	3.6	3.7	
BCN Monetize OCF	0.0	0.0	5.8	1.0	1.0	1.2	1.6	4.8	1.9	0.5	1.4	2.0	5.8	6.5	7.0	
BCN Monetize OCF Margin																
<b>Acquisitions Since 2020-Adjustments to Reported</b>																
BCN Monetize revenue	0.0	(0.0)	(0.0)	(15.1)	-3.3	-2.7	0.0	0.0	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCN Monetize cost of revenue	0.0	(0.0)	(0.0)	(6.8)	-1.5	-1.2	0.0	0.0	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCN Monetize opex ex-cost of revenue	0.0	(0.0)	(0.0)	(2.5)	-0.8	-0.7	0.0	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCN Monetize OCF pre-minority interest	0.0	(0.0)	(0.0)	(5.8)	-1.0	-0.8	0.0	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo: BCN Monetize minority interest	0.0	0.0	0.0	0.0					0.0					0.0		
<b>Acquisitions Since 2020-As Reported</b>																
BCN Monetize revenue	0.0	0.0	0.0	0.0	0.0	0.8	4.0	5.0	9.8	4.0	2.2	4.6	6.0	16.8	18.5	19.4
BCN Monetize cost of revenue	0.0	0.0	0.0	0.0	0.0	0.4	1.8	2.2	4.4	1.8	1.0	2.1	2.7	7.6	8.3	8.7
BCN Monetize opex	0.0	0.0	0.0	0.0	0.0	0.3	1.0	1.1	2.4	0.3	0.7	1.1	1.3	3.4	3.6	3.7
BCN Monetize OCF	0.0	0.0	0.0	0.0	0.0	0.2	1.2	1.6	2.9	1.9	0.5	1.4	2.0	5.8	6.5	7.0
BCN Monetize OCF Margin						21.7%	29.3%	32.0%	30.0%	48.0%	22.9%	30.4%	33.7%	34.8%	35.4%	35.8%
EBITDA to red non-con interests	0.0	0.0	0.0	0.0	0.0	0.1	0.6	0.8	1.5	1.0	0.3	0.7	1.0	3.0	3.3	3.5
BCN Monetize EBITDA	0.0	0.0	0.0	0.0	0.0	0.1	0.6	0.8	1.4	0.9	0.2	0.7	1.0	2.9	3.2	3.4
Digital non-cash comp adjustment					1.1	1.7	1.4	4.2	8.4	1.1	0.0			1.1	0.0	0.0
<b>Digital segment pro forma, ex-foreign exchange</b>																
Digital revenue	228.3	315.9	70.6	118.8	28.5	32.9	34.991	33.1	128.9	38.2	41.1	45.9	50.3	175.5	196.4	215.1
Digital cost of revenue	173.0	253.2	40.3	67.2	18.4	18.9	19.776	19.3	76.4	22.7	24.4	26.8	28.3	102.2	113.7	124.6
Digital opex ex-cost of revenue	45.5	45.4	24.4	31.5	9.1	12.5	11.630	10.1	43.3	11.9	12.8	15.6	15.8	56.2	62.9	67.9
Digital OCF	9.8	17.3	5.9	20.1	1.0	1.5	3.085	3.7	9.2	3.6	3.9	3.5	6.2	17.1	19.8	22.6
<b>Digital segment as reported</b>																
Digital revenue	68.9	143.3	557.2	747.1	196.5	229.9	231.5	274.9	932.7	237.5	41.1	45.9	50.3	374.8	196.4	215.1
Digital cost of revenue	36.8	106.9	467.8	624.0	170.0	195.8	199.3	236.0	801.2	204.2	24.4	26.8	28.3	283.7	113.7	124.6
Digital opex	32.3	30.6	51.3	74.1	19.3	25.0	23.2	27.5	95.0	27.2	12.8	15.6	15.8	71.4	62.9	67.9
Digital OCF	(0.1)	5.7	38.2	49.0	7.2	9.0	9.0	11.3	36.6	6.2	3.9	3.5	6.2	19.7	19.8	22.6
Digital OCF Margin	-0.2%	4.0%	6.8%	6.6%	3.7%	3.9%	3.9%	4.1%	3.9%	2.6%	9.4%	7.6%	12.3%	5.3%	10.1%	10.5%
<b>Digital segment as reported, ex-divestitures</b>																
Digital revenue	68.9	54.1	70.6	103.7	25.1	30.2	34.5	33.1	122.9	38.2	41.1	45.9	50.3	175.5	196.4	215.1
Digital cost of revenue	36.8	30.6	40.2	60.4	16.9	17.7	19.8	19.3	73.7	22.7	24.4	26.8	28.3	102.2	113.7	124.6
Digital opex	32.3	24.5	23.8	29.0	8.3	11.8	11.6	10.1	41.9	11.9	12.8	15.6	15.8	56.2	62.9	67.9
Digital OCF	(0.1)	(1.0)	6.5	14.3	-0.1	0.7	3.1	3.7	7.4	3.6	3.9	3.5	6.2	17.1	19.8	22.6
Digital OCF Margin	-0.2%	-1.9%	9.2%	13.8%	-0.2%	2.3%	8.9%	11.0%	6.0%	9.5%	9.4%	7.6%	12.3%	9.8%	10.1%	10.5%
<b>U.S. Digital</b>																
U.S. Digital revenue	8.2	12.9	20.4	21.6	3.9	6.0	5.8	6.9	22.6	5.3	8.2	8.5	9.7	31.6	33.2	34.9
U.S. Digital cost of revenue	3.5	5.6	8.8	9.3	1.9	2.9	2.8	3.4	11.0	2.6	4.4	4.9	5.2	17.1	16.6	17.4
U.S. Digital opex ex-cost of revenue	3.9	6.1	9.5	7.2	1.8	1.8	2.2	2.4	8.1	2.6	2.8	2.9	3.4	11.8	12.3	12.8
U.S. Digital OCF	0.7	1.2	2.1	5.1	0.2	1.3	0.8	1.2	3.5	0.1	0.9	0.7	1.0	2.7	4.4	4.7
U.S. Digital OCF Margin	8.9%	9.5%	10.2%	23.6%	5.1%	21.1%	14.2%	16.9%	15.3%	1.7%	11.5%	8.3%	10.3%	8.6%	13.1%	13.4%
<b>AT&amp;S segment, pro forma</b>																
AT&S revenue	60.7	41.2	50.2	97.2	24.6	27.0	28.7	26.2	106.3	33.0	32.9	37.4	40.7	143.9	163.1	180.2
AT&S cost of revenue	33.2	25.1	31.5	57.9	16.5	16.0	16.9	15.9	65.3	20.1	20.0	21.9	23.1	85.1	97.1	107.2
AT&S opex	28.3	18.4	14.3	24.3	7.3	10.7	9.5	7.7	35.2	9.3	10.0	12.7	12.4	44.4	50.6	55.2
AT&S OCF	(0.8)	(2.2)	4.4	15.0	0.8	0.3	2.3	2.5	5.8	3.5	2.9	2.8	5.2	14.4	15.5	17.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	15.5%	3.2%	1.0%	7.9%	9.5%	5.4%	10.7%	8.9%	7.4%	12.8%	10.0%	9.5%	9.9%
<b>AT&amp;S segment as reported</b>																
AT&S revenue	60.7	41.2	50.2	82.1	21.2	24.3	28.7	26.2	100.3	33.0	32.9	37.4	40.7	143.9	163.1	180.2
AT&S cost of revenue	33.2	25.1	31.5	51.1	15.0	14.8	16.9	15.9	62.6	20.1	20.0	21.9	23.1	85.1	97.1	107.2
AT&S opex	28.3	18.4	14.3	21.8	6.5	10.0	9.5	7.7	33.8	9.3	10.0	12.7	12.4	44.4	50.6	55.2
AT&S OCF	(0.8)	(2.2)	4.4	9.2	-0.3	-0.6	2.3	2.5	3.9	3.5	2.9	2.8	5.2	14.4	15.5	17.9
AT&S OCF Margin	-1.4%	-5.5%	8.8%	11.2%	-1.2%	-2.3%	7.9%	9.5%	3.9%	10.7%	8.9%	7.4%	12.8%	10.0%	9.5%	9.9%

Source: Company reports; Industry Capital Research estimates

Figure 10: Financial statement forecasts supporting our valuation

in millions, except per share data															
AS REPORTED	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
<b>NEW SEGMENTS</b>															
Net revenue:															
Media	\$213.6	\$225.2	\$230.7	46.4	49.4	48.7	52.1	196.7	45.2	49.8	59.8	67.3	222.1	194.2	214.2
Seasonality				23.6%	25.1%	24.8%	26.5%		20.4%	22.4%	26.9%	30.3%			
AT&S	41.2	50.2	97.2	21.2	24.3	28.7	26.2	100.3	33.0	32.9	37.4	39.7	142.9	163.1	180.2
Seasonality				21.2%	24.2%	28.6%	26.1%		23.1%	23.0%	26.1%	27.8%			
<b>Total net revenue (core)</b>	<b>254.8</b>	<b>275.4</b>	<b>327.9</b>	<b>67.6</b>	<b>73.7</b>	<b>77.4</b>	<b>78.3</b>	<b>297.0</b>	<b>78.2</b>	<b>82.7</b>	<b>97.2</b>	<b>107.0</b>	<b>364.9</b>	<b>357.3</b>	<b>394.4</b>
Revenue from spectrum usage rights	0.0	0.0	0.0					0.0					0.0	0.0	0.0
Total net revenue	254.8	275.4	327.9	67.6	73.7	77.4	78.3	297.0	78.2	82.7	97.2	107.0	364.9	357.3	394.4
Cost of Revenue															
Media	5.6	8.8	9.3	1.9	2.9	2.8	3.4	11.0	2.6	4.4	4.9	4.8	16.7	16.6	17.4
Media cost of revenue as % of revenue	2.6%	3.9%	4.0%	4.1%	5.9%	5.8%	6.5%	5.6%	5.7%	8.9%	8.2%	7.2%	7.5%	8.6%	8.1%
AT&S	25.1	31.5	57.9	15.0	16.7	18.6	15.9	66.2	20.1	20.0	21.9	23.5	85.5	97.1	107.2
AT&S cost of revenue as % of revenue	60.9%	62.7%	59.6%	70.5%	68.9%	64.7%	60.9%	66.0%	61.0%	60.8%	58.7%	59.1%	59.8%	59.5%	59.5%
<b>Total cost of revenue (core)</b>	<b>30.7</b>	<b>40.2</b>	<b>67.2</b>	<b>16.9</b>	<b>19.7</b>	<b>21.4</b>	<b>19.3</b>	<b>77.2</b>	<b>22.7</b>	<b>24.4</b>	<b>26.8</b>	<b>28.3</b>	<b>102.2</b>	<b>113.7</b>	<b>124.6</b>
Cost of revenue from spectrum usage rights (Media)															
Total cost of revenue	30.7	40.2	67.2	16.9	19.7	21.4	19.3	77.2	22.7	24.4	26.8	28.3	102.2	113.7	124.6
Opex															
Media opex	128.8	131.0	130.8	32.9	33.4	32.8	33.7	132.8	36.8	36.2	40.1	40.7	153.7	146.5	152.1
AT&S opex	18.4	14.3	24.3	6.5	8.1	7.9	7.7	30.2	9.3	10.0	12.7	13.4	45.4	50.6	55.2
<b>Total opex (core)</b>	<b>147.2</b>	<b>145.3</b>	<b>155.1</b>	<b>39.4</b>	<b>41.5</b>	<b>40.6</b>	<b>41.5</b>	<b>163.0</b>	<b>46.1</b>	<b>46.1</b>	<b>52.7</b>	<b>54.1</b>	<b>199.1</b>	<b>197.1</b>	<b>207.3</b>
Spectrum usage rights															
Total Opex	147.2	145.3	155.1	39.4	41.5	40.6	41.5	163.0	46.1	46.1	52.7	54.1	199.1	197.1	207.3
OCF															
Media OCF	79.3	85.5	90.6	\$11.6	\$13.2	\$13.1	\$15.0	52.9	\$5.9	\$9.2	\$14.9	\$21.7	51.6	31.1	44.7
Media OCF Margin	37.1%	38.0%	39.3%	25.1%	26.6%	26.9%	28.8%	26.9%	12.9%	18.5%	24.9%	32.2%	23.2%	16.0%	20.9%
Incremental Margin	1944.0%	53.8%	92.2%	430.2%	164.5%	115.5%	87.0%	110.8%	479.5%	-1182.3%	15.8%	44.1%	-5.2%	73.4%	67.6%
AT&S OCF	(2.3)	4.4	15.0	(0.3)	(0.6)	2.3	2.5	3.9	3.5	2.9	2.8	2.8	12.0	15.5	17.9
AT&S OCF margin	-5.5%	8.8%	15.5%	-1.2%	-2.3%	7.9%	9.5%	3.9%	10.7%	8.9%	7.4%	7.1%	8.4%	9.5%	9.9%
Incremental Margin	7.2%	74.2%	22.5%	401.7%	234.1%	-53.4%	-5.7%	-350.1%	32.3%	40.5%	5.7%	2.5%	19.0%	17.0%	13.9%
<b>Total OCF (core)</b>	<b>77.0</b>	<b>89.9</b>	<b>105.6</b>	<b>11.4</b>	<b>12.6</b>	<b>15.379</b>	<b>17.5</b>	<b>56.8</b>	<b>9.4</b>	<b>12.1</b>	<b>17.6</b>	<b>24.5</b>	<b>63.6</b>	<b>46.6</b>	<b>62.5</b>
Margin	30.2%	32.7%	32.2%	16.8%	17.1%	19.9%	22.3%	19.1%	12.0%	14.7%	18.1%	22.9%	17.4%	13.0%	15.9%
Incremental Margin				414.9%	192.2%	215.2%	102.6%		-18.9%	-5.5%	11.4%	24.5%			
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	0.0	0.0
Total OCF	77.0	89.9	105.6	11.4	12.6	15.4	17.5	56.8	9.4	12.1	17.6	24.5	63.6	46.6	62.5
Total OCF Margin	30.2%	32.7%	32.2%	16.8%	17.1%	19.9%	22.3%	19.1%	12.0%	14.7%	18.1%	22.9%	17.4%	13.0%	15.9%
Incremental Margin				414.9%	192.2%	215.2%	102.6%		-18.9%	-5.5%	11.4%	24.5%			

Source: Industry Capital Research estimates and company data

Figure 11: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
Corporate Expense	27.8	33.0	49.4	10.5	12.0	13.3	14.5	50.294	12.2	10.8	6.9	7.509	37.5	30.9	31.9
GAAP EBITDA	56.0	88.7	85.1	8.1	8.9	8.0	10.7	35.7	(0.3)	1.3	10.7	17.0	28.7	15.7	30.7
Corporate non-cash comp	3.9	6.4	14.3	2.2	3.2	4.4	4.4	14.2	3.7	2.7	2.2	1.4	10.0	8.7	8.9
Opex adjustments to cash:															
Amortization of syndication contracts	(0.5)	(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)	(0.5)
Payments on syndication contracts	(0.5)	(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)	(0.5)
Non-cash comp in direct opex	1.2	3.2	5.7	1.9	2.7	2.6	2.3	9.5	1.8	1.5	1.5	0.0	4.7	4.8	4.9
Non-recurring cash severance	1.7	0.4	4.3	0.1	0.5	0.3	0.3	0.9	0.0	3.1	1.7	0.0	4.8	0.0	0.0
EBITDA attributable to redeemable noncontrolling interest	3.4	9.1	0.0	0.2	0.4	0.3	0.8	1.7	0.2	0.0	0.0	0.0	0.2	0.0	0.0
EBITDA attributable to noncontrolling interest			3.4					0.0					0.0	0.0	0.0
Total opex (positive) adjustments to cash	0.5	5.5	(6.6)	(1.8)	(2.8)	(2.3)	(1.8)	(8.6)	(1.6)	(4.6)	(3.2)	(0.0)	(9.4)	(4.8)	(4.9)
Foreign currency (gain) loss	(1.1)	0.5	3.0	(1.0)	0.7	0.5	0.6	0.9	0.4	(0.0)	(0.1)	0.6	0.9	0.0	0.0
Memo: cash opex (core)	\$153.8	\$178.4	\$191.2	\$48.6	\$53.8	\$51.5	\$57.1	\$211.1	59.7	41.5	49.6	54.1	\$204.9	192.2	202.3
Memo: cash corporate expense	23.9	26.6	35.1	8.3	8.8	8.9	10.1	36.1	8.6	8.1	4.7	6.1	27.4	22.2	22.9
Memo: total non-cash comp	5.1	9.6	20.0	4.1	6.0	7.0	6.6	23.7	5.4	4.2	3.7	1.4	14.8	13.6	13.9
Memo: adj. EBITDA - (OCF - cash corporate)	0.6	(5.7)	3.6	2.7	2.1	1.8	1.2	7.7	1.2	4.6	3.3	(0.6)	8.5	4.8	4.9
Memo: PF EBITDA attributable to redeemable noncontrolling interest															
D&A	17.3	22.4	25.7	6.5	6.5	7.4	7.7	28.0	7.1	4.4	3.9	3.8	19.2	15.6	17.4
D&A % of Revenue	5.0%	2.9%	2.7%	2.7%	2.4%	2.7%	2.4%	2.5%	2.6%	5.4%	4.0%	3.5%	3.4%	4.4%	4.4%
Change in fair value contingent consideration	0.000	8.2	14.2	(4.1)	1.1	(6.0)	6.4	(2.5)	(1.4)	0.2	(0.7)	0.0	(1.8)	0.0	0.0
Impairments	40.0	3.0	1.6	0.0	0.0	1.0	12.3	13.3	49.4	0.0	0.0	61.2	110.7	0.0	0.0
Other operating (gain) loss	(6.9)	(7.0)	0.4	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.3	0.3
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	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
<b>Operating income (EBIT inc. impairments)</b>	<b>6.6</b>	<b>61.5</b>	<b>40.2</b>	<b>6.7</b>	<b>0.5</b>	<b>5.1</b>	<b>(16.9)</b>	<b>(4.5)</b>	<b>(55.9)</b>	<b>(3.3)</b>	<b>7.6</b>	<b>(48.6)</b>	<b>(100.2)</b>	<b>(0.3)</b>	<b>12.9</b>
Operating Margin %	1.9%	8.1%	4.2%	2.8%	0.2%	1.9%	-5.3%	-0.4%	-20.1%	-4.0%	7.8%	-45.4%	-17.8%	-0.1%	3.3%
Interest expense	(8.3)	(6.9)	(8.7)	(4.0)	(4.3)	(4.5)	(2.9)	(15.7)	(4.6)	(4.1)	(4.1)	(3.8)	(16.6)	(10.5)	(10.7)
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
Interest income	1.7	0.2	0.7	0.9	1.0	1.6	0.0	3.5	1.1	0.6	0.6	0.7	3.0	0.0	0.0
Dividend income	0.0	0.0	0.0	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 interest expense	(6.5)	(6.8)	(8.0)	(3.2)	(3.3)	(2.9)	(2.9)	(12.2)	(3.4)	(3.5)	(3.4)	(3.2)	(13.6)	(10.5)	(10.7)
Loss on debt extinguishment	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.6)	(0.0)	(0.1)	0.0	0.0	(0.1)	0.0	0.0
Other income, net	0.0	0.2	(0.5)	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0	(0.0)	0.0	(0.1)	0.0	0.0
<b>Pretax income</b>	<b>0.1</b>	<b>54.9</b>	<b>31.7</b>	<b>1.9</b>	<b>(2.7)</b>	<b>2.2</b>	<b>(19.8)</b>	<b>(18.4)</b>	<b>(59.5)</b>	<b>(6.9)</b>	<b>4.1</b>	<b>(51.7)</b>	<b>(114.0)</b>	<b>(10.8)</b>	<b>2.2</b>
Pretax margin	0.0%	7.2%	3.3%	0.8%	NM	0.8%	NM	NM	NM	NM	4.3%	NM	NM	NM	0.6%
Income (taxes) benefit	(1.5)	(18.7)	(11.6)	(0.231)	0.739	0.5	1.7	2.8	7.8	10.7	(15.0)	(3.9)	(0.4)	3.8	(0.8)
Effective tax rate	1276.3%	34.0%	36.5%	12.0%	27.0%	-24.1%	8.7%	15.0%	13.1%	153.8%	361.7%	-7.6%	-0.4%	35.0%	35.0%
Cash tax rate	6552.5%	7.5%	53.4%	3.7%	-128.1%	106.6%	-36.3%	-71.3%	-2.2%	-55.6%	37.0%	37.0%	10.9%	0.0%	7.0%
Net Income (Before Equity Investments)	(1.4)	36.2	20.1	1.7	(2.0)	2.7	(18.1)	(15.6)	(51.7)	3.7	(10.8)	(55.7)	(114.5)	(7.0)	1.4
Equity in net of noncon. affils.	0.0	0.0	(2.1)	0.3	0.0	(0.0)	(0.2)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported Net income	(1.4)	36.2	18.1	2.0	(2.0)	2.7	(18.2)	(15.4)	(51.7)	3.7	(10.8)	(55.7)	(114.5)	(7.0)	1.4
Net margin	17.6%	11.7%	10.8%	5.4%	5.2%	5.2%	5.1%	0.1	1.6%	12.7%	15.5%	18.2%	0.1	8.1%	11.2%
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
Minority Interest	2.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	0.0	0.0	0.0	(2.8)	0.0	0.0
Net inc. to common pre-1-time	(3.9)	30.3	18.1	2.0	(2.0)	2.7	(18.2)	(15.4)	(48.9)	3.7	(10.8)	(55.7)	(111.7)	(7.0)	1.4
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	14.9%	NM	NM	NM
EPS - Continuing Operations	(\$0.05)	\$0.36	\$0.21	\$0.02	(\$0.02)	\$0.03	(\$0.21)	(\$0.18)	(\$0.55)	\$0.04	(\$0.12)	(\$0.62)	(\$1.24)	(\$0.08)	\$0.02
Extraordinary items/discontinued items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(35.4)	(1.1)	(0.7)	(37.2)	0.0	0.0
<b>Net income to common</b>	<b>(3.9)</b>	<b>30.3</b>	<b>18.1</b>	<b>2.0</b>	<b>(2.0)</b>	<b>2.7</b>	<b>(18.2)</b>	<b>(15.4)</b>	<b>(48.9)</b>	<b>(31.7)</b>	<b>(12.0)</b>	<b>(56.4)</b>	<b>(148.9)</b>	<b>(7.0)</b>	<b>1.4</b>
EPS - basic	(\$0.05)	\$0.36	\$0.21	\$0.02	(\$0.02)	\$0.03	(\$0.21)	(\$0.18)	(\$0.55)	(\$0.35)	(\$0.13)	(\$0.62)	(\$1.66)	(\$0.08)	\$0.02
<b>EPS - diluted</b>	<b>(\$0.05)</b>	<b>\$0.34</b>	<b>\$0.21</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.03</b>	<b>(\$0.21)</b>	<b>(\$0.18)</b>	<b>(\$0.55)</b>	<b>(\$0.35)</b>	<b>(\$0.13)</b>	<b>(\$0.62)</b>	<b>(\$1.66)</b>	<b>(\$0.08)</b>	<b>\$0.02</b>
EPS reported by company	(\$0.05)	\$0.21	\$0.02	(\$0.02)	\$0.03	(\$0.21)	(\$0.18)	(\$0.55)	(\$0.35)	(\$0.13)	(\$0.62)	(\$1.66)			
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		
Pro forma adjustments	38.1	9.6	(25.0)	0.0	(0.0)	1.2	11.2	12.4	48.0	35.4	0.0	61.2	144.7	0.0	0.0
Pro forma net income	34.1	39.9	43.6	2.0	(2.0)	3.9	(7.0)	(3.0)	(0.9)	3.7	(12.0)	4.9	(4.3)	(7.0)	1.4
Pro forma EPS - basic	\$0.41	\$0.47	\$0.51	\$0.02	(\$0.02)	\$0.04	(\$0.08)	(\$0.03)	(\$0.01)	\$0.04	(\$0.13)	\$0.05	(\$0.05)	(\$0.08)	\$0.02
<b>Pro forma EPS</b>	<b>\$0.41</b>	<b>\$0.45</b>	<b>\$0.50</b>	<b>\$0.02</b>	<b>(\$0.02)</b>	<b>\$0.04</b>	<b>(\$0.08)</b>	<b>(\$0.03)</b>	<b>(\$0.01)</b>	<b>\$0.04</b>	<b>(\$0.13)</b>	<b>\$0.05</b>	<b>(\$0.05)</b>	<b>(\$0.08)</b>	<b>\$0.02</b>
EPS shares - Basic	84.2	85.3	85.4	87.6	87.8	88.0	88.2	87.9	89.5	89.8	90.0	90.2	89.9	91.5	93.0
EPS shares - Diluted	84.2	87.9	87.8	89.8	87.8	89.9	88.2	87.9	89.5	90.7	90.0	90.2	89.9	91.5	93.2

Source: Industry Capital Research estimates and company data

Figure 12: Financial statement forecasts supporting our valuation (cont.)

In millions, except per share data	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
EBITDA:															
Net income (loss) attributable to common stockholders				2.0	-2.0	2.7	-18.2	-15.4	-48.9	-31.7	-12.0	-56.4	-148.9	-7.0	1.4
Net income (loss) attributable to redeemable noncontrolling interest - discontinued operations				0.0	0.0	0.0	0.0	0.0	-2.8				-2.8		
Net income (loss) attributable to noncontrolling interest - discontinued operations				-0.3		0.0	0.3	0.0					0.0		
Interest expense				3.9	4.2	4.3	4.0	16.5	4.4	4.1	4.1	3.8	16.5	10.5	10.7
Interest expense - discontinued operations				0.1	0.1	0.1	0.0	0.3	0.1	0.1			0.2		
Interest income				-0.6	-0.7	-1.1	0.5	-1.9	-0.6	-0.6	-0.6	-0.7	-2.5	0.0	0.0
Interest income - discontinued operations				-0.3	-0.3	-0.5	-0.5	-1.5	-0.6	-0.2			-0.7		
Dividend income				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realized gain (loss) on marketable securities				0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0
(Gain) loss on debt extinguishment				1.6	0.0	0.0	0.0	1.6	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Income tax expense				-0.4	-1.6	-1.0	-7.8	-10.9	-4.1	-10.7	15.0	3.9	4.1	-3.8	0.8
Income tax expense - discontinued operations				0.6	0.9	0.5	0.5	2.5	-3.7	3.0	-0.1	-0.2	-1.0		
Amortization of syndication contracts				0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5	0.5	0.5
Payments on syndication contracts				-0.1	-0.1	-0.1	-0.1	-0.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.5	-0.5
Non-cash comp				4.1	6.0	7.0	6.6	23.7	5.4	3.3	3.7	1.4	13.8	13.6	13.9
D&A				3.5	3.7	4.7	5.0	17.0	4.7	4.4	3.9	3.8	16.8	15.6	17.4
D&A - discontinued operations				3.0	2.8	2.6	2.6	11.0	2.4	1.6	0.0		4.0		
Change in fair value contingent consideration				-0.4	0.0	-0.1	12.3	11.8	-0.2	0.2	-0.7	0.0	-0.6	0.0	0.0
Change in fair value contingent consideration - disc ops				-3.7	1.1	-5.9	-5.9	-14.4	-1.2	-11.4	0.0		-12.6		
Impairment - discontinued operations				0.0	0.0	1.0	12.3	13.3	49.4	0.0	0.0	61.2	110.7	0.0	0.0
Non-recurring cash severance				0.1	0.5	0.0	0.3	0.9	0.0	3.1	1.7	2.5	7.3	0.0	0.0
Other operating loss - discontinued operations							4.9	4.9	0.0	45.0	0.1	0.0	45.2		
EBITDA attributable to redeemable noncontrolling interest - disc ops				0.0	-0.4	-0.3	-0.8	-1.5	-0.2	0.0			-0.2		
EBITDA attributable to noncontrolling interest - disc ops				-0.2		0.0	0.0	-0.2					0.0		
<b>= Adjusted EBITDA</b>				<b>13.0</b>	<b>14.2</b>	<b>14.2</b>	<b>16.2</b>	<b>57.7</b>	<b>4.5</b>	<b>10.5</b>	<b>15.1</b>	<b>19.4</b>	<b>49.5</b>	<b>28.9</b>	<b>44.2</b>
Memo: adj. EBITDA (core) reported				13.0	14.2	14.2	16.2	57.7	4.5	10.5	15.1	19.4	49.5		
Model variance: adj. EBITDA				(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)		
Adj. EBITDA core margin				18.3%	18.6%	18.3%	20.8%	19.0%	5.8%	12.7%	15.5%	18.2%	13.6%	8.1%	11.2%
Incremental Margin									-80.7%	-41.9%	4.6%	11.1%	-12.0%	270.5%	41.2%
<b>Free Cash Flow to Firm</b>									<b>(2.8)</b>	<b>1.1</b>	<b>8.1</b>	<b>27.4</b>	<b>33.8</b>	<b>17.2</b>	<b>26.3</b>
<b>FCF per share</b>	<b>\$0.51</b>	<b>\$0.91</b>	<b>\$0.72</b>	<b>\$0.04</b>	<b>\$0.02</b>	<b>\$0.04</b>	<b>(\$0.02)</b>	<b>\$0.08</b>	<b>(\$0.03)</b>	<b>\$0.01</b>	<b>\$0.09</b>	<b>\$0.30</b>	<b>\$0.38</b>	<b>\$0.19</b>	<b>\$0.28</b>
Memo: FCF/Adjusted EBITDA	70.5%	89.8%	61.4%					12.8%					87.7%	35.5%	56.0%
Free cash flow (reported by company, 2Q24-on method)				29.9	2.3	17.0	(1.4)	47.9	30.6	15.7	9.3	10.6	66.2		
<b>Dividends per basic share</b>	<b>\$0.13</b>	<b>\$0.10</b>	<b>\$0.10</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.20</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.20</b>
- Dividends	(10.5)	(8.5)	(8.5)	(4.4)	(4.4)	(4.4)	(4.4)	(17.6)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(18.3)	(18.6)
Dividends as % of FCF	24.7%	10.7%	13.5%	112.1%	281.8%	109.9%	-212.4%	237.8%					53.2%	106.4%	70.7%

Source: Industry Capital Research estimates and company data



Figure 13: Financial statement forecasts supporting our valuation (cont.)

ANNUAL PERCENTAGE CHANGE	2020A	2021A	2022A	1Q23	2Q23	3Q23	4Q23	2023A	1Q24	2Q24	3Q24	4Q24	2024A	2025E	2026E
Net revenue (core) growth	-6.8%	8.1%	19.0%	-2.6%	-7.1%	-6.9%	-18.4%	-9.4%	15.6%	12.1%	25.5%	36.7%	22.9%	-2.1%	10.4%
Media revenue growth	0.4%	5.4%	2.4%	-1.8%	-6.4%	-15.7%	-28.4%	-14.7%	-2.6%	0.7%	22.7%	30.0%	12.9%	-12.5%	10.3%
AT&S revenue growth	-32.1%	21.9%	93.5%	-4.4%	-8.4%	13.3%	12.9%	3.3%	55.3%	35.4%	30.3%	50.0%	42.4%	14.2%	10.5%
Cost of revenue	-16.6%	31.3%	66.9%	14.0%	10.7%	22.0%	12.9%	14.9%	34.3%	24.3%	25.3%	46.7%	32.4%	11.2%	9.6%
Opex (core)	-15.1%	-1.3%	6.8%	10.2%	8.5%	7.2%	-4.0%	5.1%	17.1%	11.2%	29.7%	30.6%	22.2%	-1.0%	5.2%
Media opex growth	-11.2%	1.7%	-0.1%	8.4%	4.6%	3.1%	-8.3%	1.5%	11.9%	8.4%	22.2%	20.8%	15.8%	-4.7%	3.9%
AT&S opex growth	-35.1%	-22.2%	69.8%	19.8%	28.5%	28.9%	20.7%	24.6%	43.2%	23.0%	61.3%	73.2%	50.2%	11.5%	9.0%
Total OCF (core)	21.4%	16.8%	17.4%	-39.8%	-46.1%	-44.4%	-51.0%	-46.2%	-17.5%	-3.9%	14.6%	40.1%	11.9%	-26.7%	34.2%
Media OCF growth	23.3%	7.9%	5.9%	-23.6%	-29.7%	-44.5%	-54.5%	-41.6%	-49.7%	-30.2%	13.3%	44.6%	-2.5%	-39.7%	43.6%
AT&S OCF growth	NM	NM	NM	NM	NM	-44.3%	-6.4%	-73.8%	NM	NM	22.0%	13.5%	NM	28.7%	15.4%
Corporate expense	-0.9%	18.6%	49.7%	20.4%	41.3%	39.5%	-36.1%	1.8%	16.6%	-10.2%	-47.9%	-48.1%	-25.4%	-17.5%	3.0%
Cash corporate expense	-2.0%	11.3%	31.7%	16.8%	29.0%	15.2%	-24.9%	2.9%	3.4%	-8.2%	-47.3%	-39.5%	-23.9%	-19.2%	3.4%
Adjusted EBITDA (core)	46.6%	47.4%	15.7%	-28.1%	-36.8%	-45.3%	-55.5%	-44.0%	-65.2%	-26.3%	6.4%	19.7%	-14.1%	-41.6%	52.8%
Pro forma adjusted EBITDA	46.6%	45.7%	17.1%	-28.1%	-36.8%	-45.4%	-55.5%	-44.1%	-66.0%	47.1%	96.9%	108.3%	57.0%	-34.5%	52.2%
Non-cash compensation expense	17.1%	87.2%	108.8%	57.5%	126.4%	152.4%	-44.8%	18.3%	34.4%	-29.1%	-47.6%	-78.6%	-37.6%	-8.1%	2.0%
D & A	3.8%	29.7%	14.6%	1.2%	3.9%	12.2%	18.3%	9.0%	10.2%	-32.0%	-47.2%	-50.8%	-31.4%	-18.6%	11.5%
Operating income	88.3%	50.0%	0.5%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	NM	NM	NM	NM	NM	NM	NM
Pretax income	NM	NM	-42.3%	-29.5%	NM	-83.2%	NM	NM	NM	NM	88.1%	NM	NM	NM	NM
Net income pre-extra.	NM	NM	-40.3%	8.1%	NM	-70.9%	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS, Continuing Operations	NM	NM	-41.7%	0.0%	NM	-72.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM
EPS - diluted	NM	NM	-40.2%	6.8%	NM	-71.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM
FCF/share	NM	78.4%	-20.9%	-75.0%	-87.5%	-77.8%	NM	-88.9%	NM	-50.0%	NM	NM	NM	-50.0%	47.4%
EPS shares - Diluted	-1.0%	4.4%	-0.2%	1.3%	0.9%	2.8%	3.6%	0.2%	-0.3%	3.3%	0.1%	2.2%	2.2%	1.8%	1.9%

Source: Company reports; Industry Capital Research estimates

Entravision DCF analysis				
\$ in millions except per share amounts				
	Current	YE 2025	YE 2026	
Firm Value	258	188	177	
(-) Total Net Debt	86	65	57	
(+) Hidden Value (Inc. NOLs)	85	85	85	
(-) Options (Claims on Entravision)	0.0	0.0	0.0	
Common Equity Value	256.7	208.1	205.0	
Shares Outstanding	91.0	93.5	96.0	
Projected Dividends		\$0.25	\$0.45	
Current Share Price	\$1.80	\$1.80	\$1.80	
Value Per Share	\$2.82	\$2.48	\$2.59	
12-month	\$2.50			
12-month (SOTP)	\$2.00			

Discounted Cash Flow				
EBITDA	59.4	48.7	45.3	40.5
EBIT	31.4	30.5	26.8	21.4
Less Cash Taxes	(9.4)	(9.1)	(8.0)	(6.4)
Plus D&A	28.0	19.2	17.4	18.5
Less Cap Ex	(27.3)	(7.0)	(8.4)	(10.2)
Less Increase in WC	36.6	0.2	(1.5)	0.9
Free Cash Flow to Firm	59.3	33.8	26.3	13.0
Tax Rate	30.0%	30.0%	30.0%	30.0%
Net Debt	86			
Leverage Mult.	1.4x			
D/Equity	53%			
D/EV	35%			
E/EV	65%			
Unlevered Beta	1.03			
Levered Beta	1.39			
D/Equity (long-term target)	35%			
Cost of Debt (AT)	4.2%			
Cost of Equity	9.9%			
WACC	8.3%			
PV of CF	8%	8%	8%	8%
		15.9	22.4	13.1
			24.3	14.1
				15.3
				19.2
				20.8
				11.1
				12.1
				21.8
				156.7

ASSUMPTIONS				
Risk Free Rate	4.2%			
Equity Premium	4.1%			
Assumed LT Growth Rate (g)	0%			
MV of Equity Calculation				
Share Price	\$1.80			
Outstanding Shares	91.0			
MV of Equity	163.8			
Estimate MV of Debt Calculation				
Interest Expense	6.9			
Current Cost of Debt	6.0%			
Wghtd Avg Maturity of Debt	86.4			
BV of Debt	86.4			
Estimate MV of Debt				

	2018-22	2020-24	2022-26	2024-28	2026-30	2029-30
EBITDA	18%	-5%	-19%	-2%	-2%	41%
FCF to Firm	43%	-8%	-21%	-6%	3%	95%
CAGR						
EBITDA	2019-23	2021-25	2023-27	2025-29		
FCF to Firm	10%	-24%	-16%	0%		
	NM	-23%	-27%	-3%		
CAGR						

17

## APPENDIX

Additional information relative to securities, other financial products or issuers discussed in this report is available upon request.

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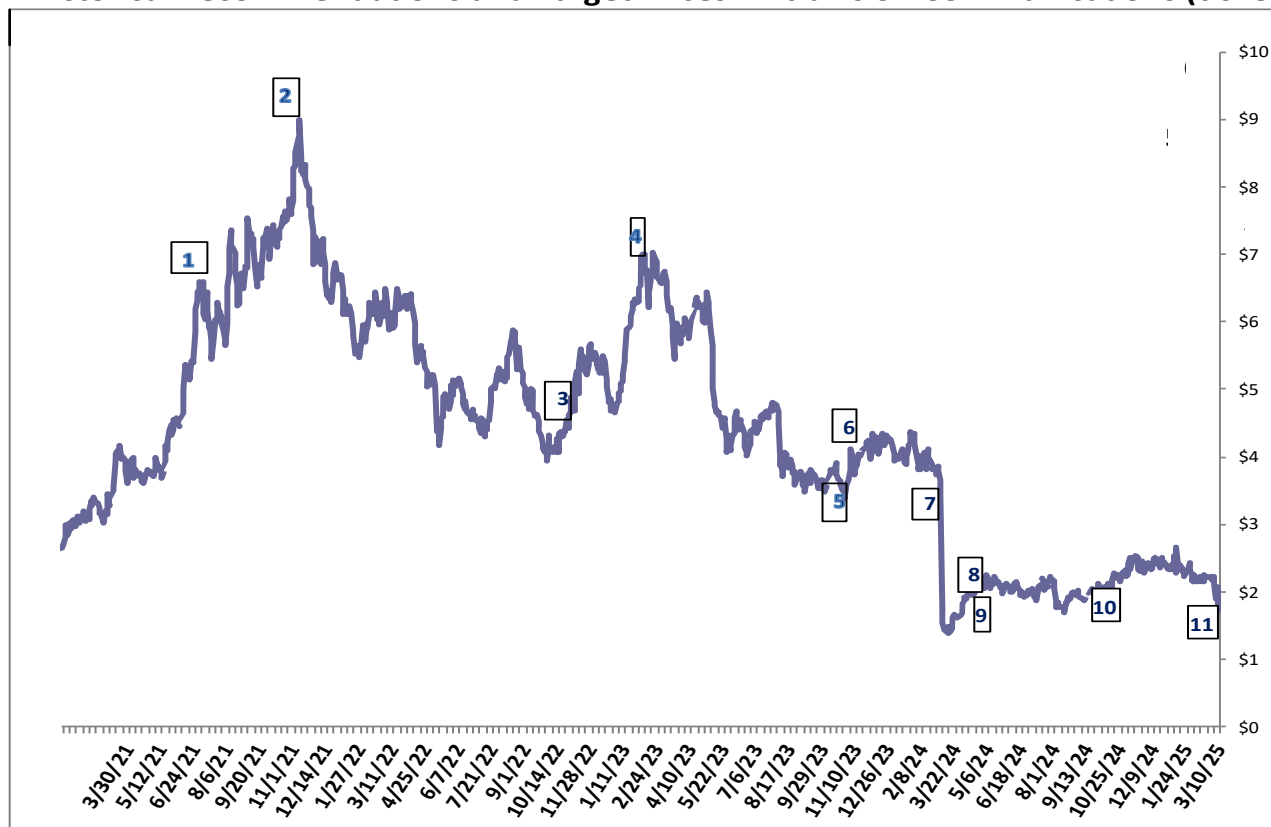
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The author, Director of Research at Industry Capital Research, is a CFA® charterholder who has 18 years of experience as an analyst at U.S. broker-dealers covering the media sector, was rated #2 Stock Picker in U.S. Media for 2016 by Thomson Reuters, 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.

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



1	7/6/21	Initiated Buy @ \$6.76, Target Price \$9.00
2	11/5/21	Reaffirmed Buy @ \$8.83, Target Price \$10.50
3	11/3/22	Reaffirmed Buy @ \$4.69, Target Price \$7.00
4	1/27/23	Reaffirmed Buy @ \$6.33, Target Price \$7.50
5	11/3/23	Reaffirmed Buy @ \$3.81, Target Price \$4.50
6	11/8/23	Downgraded to Hold @ \$3.97, Target Price \$4.00
7	3/6/24	Reaffirmed Hold @ \$3.57, Target Price \$1.50
8	4/11/24	Coverage Suspended @ \$2.18
9	4/26/24	Coverage Resumed with Hold @ \$2.10, Target Price \$2.00
10	11/1/24	Reaffirmed Hold @ \$2.32, Target Price \$2.50
11	3/11/25	Reaffirmed Hold @ \$1.80, Target Price \$2.00

### Ratings Definitions

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

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

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

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

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