



# Investor Presentation

September 2021



**CUMULUS**  
M E D I A

# SAFE HARBOR STATEMENTS



**Forward-Looking Statements:** Certain statements in this presentation may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Such statements are statements other than historical fact and relate to our intent, belief or current expectations, primarily with respect to our future operating, financial and strategic performance. These statements generally are accompanied by words such as “intend,” “anticipate,” “believe,” “estimate,” “project,” “target,” “plan,” “expect,” “will,” “should,” “would” or similar statements. Any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those contained in or implied by the forward-looking statements as a result of various factors including, but not limited to, risks and uncertainties relating to the impact of the COVID-19 global pandemic and related measures taken by governmental or regulatory authorities to combat the global pandemic, including the impact of the global pandemic on our results of operations, financial condition and liquidity; our achievement of certain expected revenue results, including as a result of factors or events that are unexpected or otherwise outside of our control; our ability to generate sufficient cash flows to service our debt and other obligations and our ability to access capital, including debt or equity; general economic or business conditions affecting the radio broadcasting industry which may be less favorable than expected, decreasing spending by advertisers; changes in market conditions which could impair our intangible assets and the effects of any material impairment of our intangible assets; our ability to execute our business plan and strategy; our ability to attract, motivate and/or retain key executives and associates; increased competition in the radio broadcasting industry and our ability to respond to changes in technology in order to remain competitive; shift in population, demographics, audience tastes and listening preferences; disruptions or security breaches of our information technology infrastructure; the impact of current, pending or future legislation and regulations, antitrust considerations, and pending or future litigation or claims; changes in regulatory or legislative policies or actions or in regulatory bodies; changes in uncertain tax positions and tax rates; changes in the financial markets; changes in capital expenditure requirements; changes in interest rates; the possibility that we may be unable to achieve any expected cost-saving or operational synergies in connection with any acquisitions or business improvement initiatives, or achieve them within the expected time periods or other risks identified from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Quarterly Reports on Form 10-Q. Many of these risks and uncertainties are beyond our control, and the unexpected occurrence or failure to occur of any such events or matter could significantly alter our actual results or our operations or financial condition. Cumulus Media Inc. assumes no responsibility to update any forward-looking statement as a result of new information, future events or otherwise.

**Non-GAAP Measures:** In addition to U.S. GAAP financial measures, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and may differ from non-GAAP measures used by other companies in our industry. The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the Company, exclusive of unusual events, as well as factors that do not directly affect what we consider to be our core operating performance. Non-GAAP results are presented for supplemental informational purposes only for understanding the Company’s operating results and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP and may differ from similar measures presented by other companies. With respect to our forward-looking guidance, no reconciliation between a non-GAAP measure to the closest corresponding GAAP measure is included because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, a reconciliation of forward-looking EBITDA to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the amounts required to reconcile such measure. The unavailable information could have a significant impact on the company’s future financial results. All reconciliations of non-GAAP financial measures to the most directly comparable GAAP measure are set forth in the Appendix to this presentation.

**Third-Party Data:** This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data and accordingly we cannot guarantee their accuracy or completeness. Please refer to the list of sources beginning on page 33 for all referenced numbers.



## **COMPANY OVERVIEW**

**STRATEGIC POSITIONING**

**HISTORY AND RESULTS**

**VALUE CREATION MODEL**

**INVESTMENT HIGHLIGHTS**



# AN **AUDIO-FIRST** MEDIA COMPANY



Captivating **LISTENERS** with engaging, multi-platform audio content in every community in the U.S....

and delivering highly efficient **TRADITIONAL + DIGITAL** advertising & marketing **SOLUTIONS...**



connecting tens of thousands of **BUSINESSES...**



with 250+ million potential **CUSTOMERS**

# CUMULUS MEDIA INVESTMENT HIGHLIGHTS



AUDIO-FIRST MEDIA STRATEGY SUPPORTING SUSTAINABLE,  
LONG-TERM SHAREHOLDER RETURNS



BALANCED BUSINESS MODEL:  
FAST GROWING DIGITAL BUSINESS LINES AND HIGH FREE CASH FLOW GENERATED BY RADIO



PROVEN MANAGEMENT TEAM WITH TRACK RECORD OF STRONG  
OPERATING PERFORMANCE



SIGNIFICANT FLEXIBILITY TO OPTIMIZE CAPITAL ALLOCATION,  
INCLUDING DEBT PAYDOWN & RETURN OF CAPITAL



CONTINUED VALUE CREATION THROUGH PORTFOLIO OPTIMIZATION AND ACCRETIVE M&A



DIVERSE, EXPERIENCED BOARD FOCUSED ON LONG-TERM VALUE CREATION AND ESG

# CUMULUS MEDIA AT A GLANCE



**413** Stations in **86** Markets



**#1** Network with **~7,300** Affiliates



**1.2B+** Annual Podcast Downloads



**5.0B+** Annualized Streaming Impressions



**~3K** Digital Marketing Services Clients

## LEADING TALENT & BRANDS

### News/Talk

### Sports

### Music & Entertainment



## Attractive Financial Profile

**+54%**  
Total Revenue  
Growth  
in Q2 '21

Digital Comprised  
**14%**  
of Q2 '21 Revenue

**\$175-200M**  
2022 EBITDA  
Guidance

**>\$70M**  
Permanent Fixed Cost  
Reductions  
(vs. 2019)

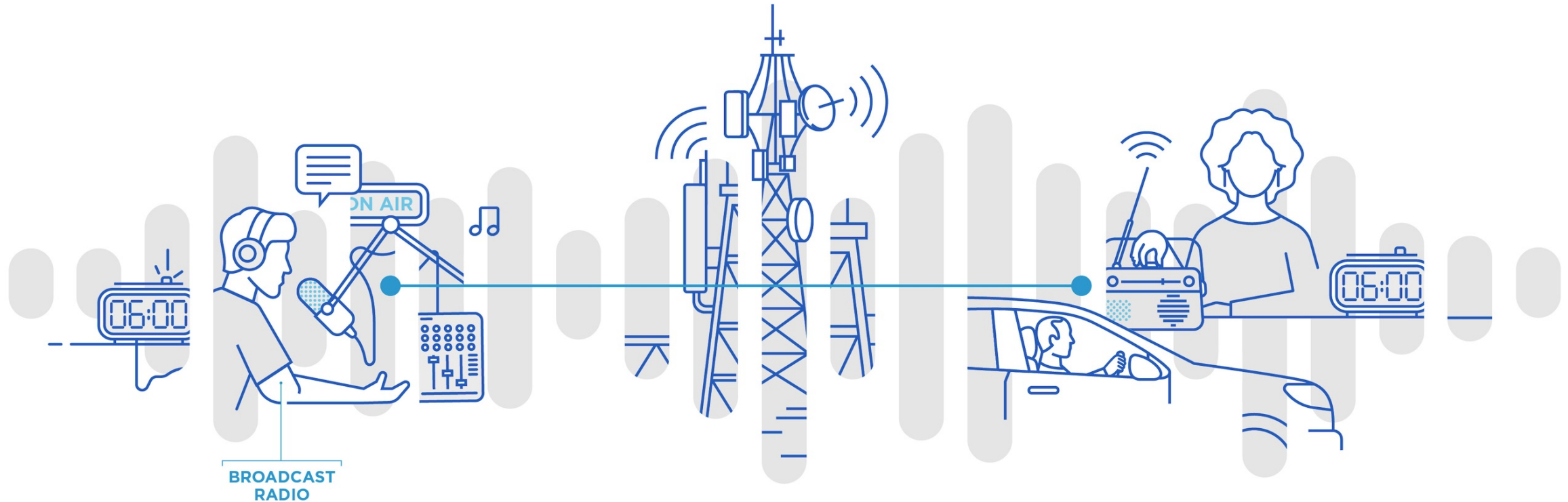
**>\$100M**  
Cash Flow From  
Operations  
(2019 pre-pandemic run rate)

**~\$600M | ~45%**  
Net Debt Reduction  
(since emergence from  
Chapter 11 in June 2018)





# HISTORICAL AUDIENCE ACQUISITION: ONE-DIMENSIONAL RADIO-FIRST MODEL



BROADCAST  
RADIO

## THE CONTENT WE CREATED

One Product

## HOW IT WAS DISTRIBUTED

One Way

## HOW IT WAS CONSUMED

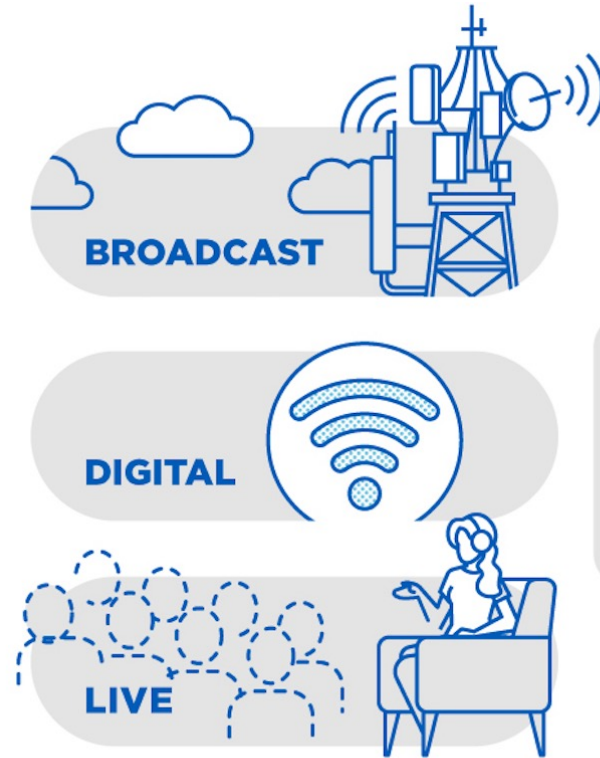
Radio Device | Set Schedule

# CURRENT AUDIENCE ACQUISITION: MULTI-DIMENSIONAL AUDIO-FIRST MODEL



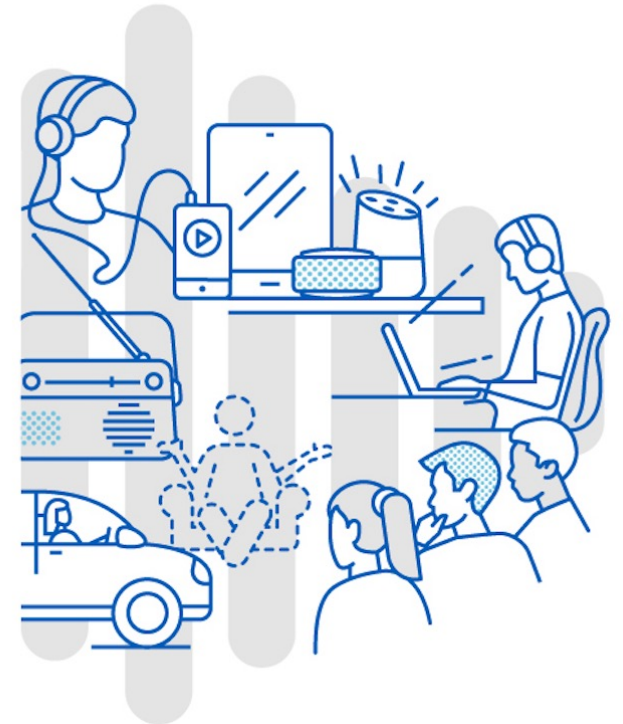
## THE CONTENT WE CREATE

Multiple Products



## HOW IT'S DISTRIBUTED

Multiple Ways



## HOW IT'S CONSUMED

Multiple Devices | On-Demand

# AUDIO-FIRST MODEL LEVERAGING TALENT ACROSS PLATFORMS TO GROW AUDIENCES AND SELLABLE IMPRESSIONS



## Bert Weiss



Highly popular CHR morning show host in Atlanta on Q99.7



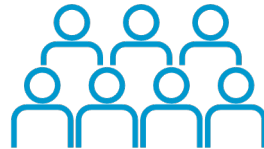
Began exclusively as local radio show host



Expanded into syndication to 25+ radio stations



Created initial podcasting and streaming platform



Began distributing 20 different daily podcasts using repurposed show content

Now with a monthly **reach** of more than **1 mm** streaming & broadcast listeners plus more than **6 mm podcast downloads** per month

## Ben Shapiro



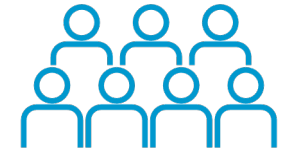
Leading millennial conservative political news/talk voice



Began on podcast platform



Launched 1-hour broadcast syndicated show repurposing podcast content



Expanded to 3-hour syndicated show, including two hours of live content

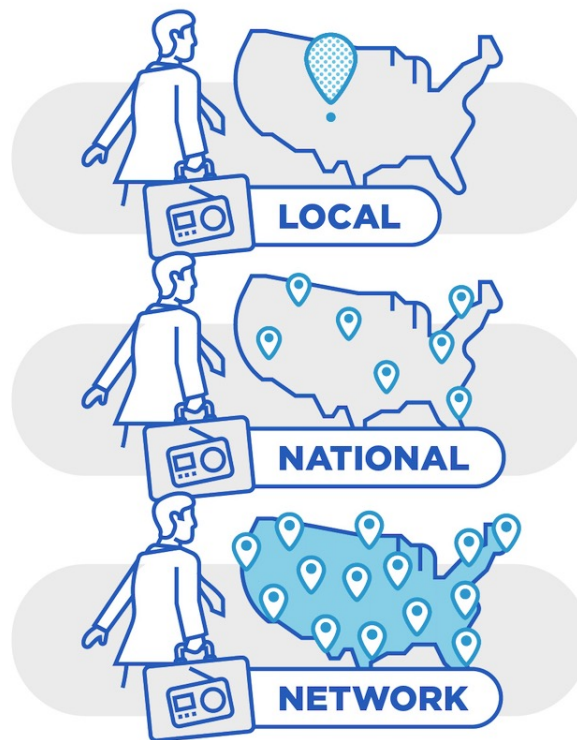
Now with over **375 radio affiliates** with a total monthly broadcast **reach** of **1.6 mm** listeners on top of over **25 mm podcast downloads** per month

# HISTORICAL MONETIZATION: ONE-DIMENSIONAL RADIO-FIRST MODEL



BROADCAST  
RADIO

THE PRODUCT  
WE SOLD



~800 SELLERS  
ACROSS 90+  
LOCATIONS

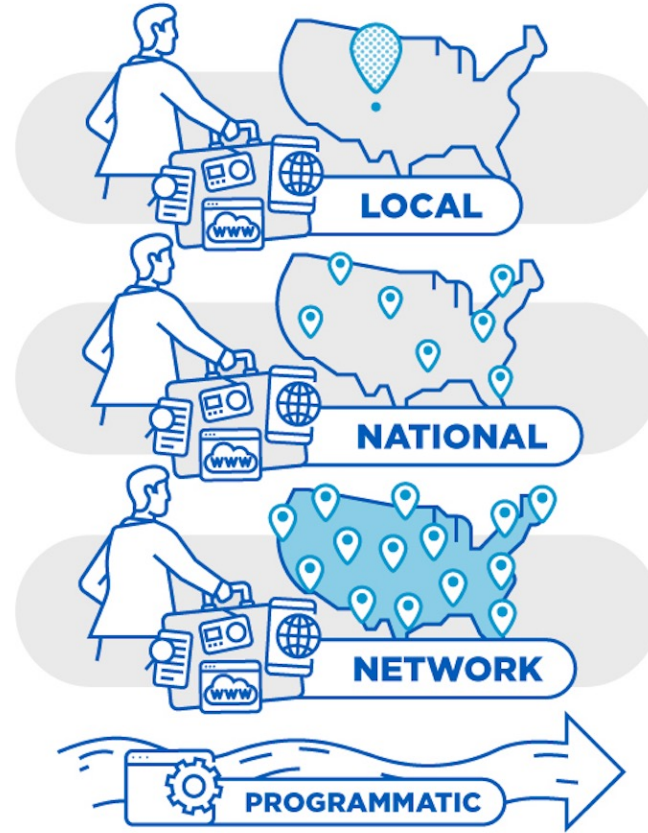
~\$14B<sup>(1)</sup>

ADDRESSABLE  
AD MARKET

# CURRENT MONETIZATION: MULTI-DIMENSIONAL AUDIO-FIRST MODEL



THE PRODUCTS  
WE SELL



~800 SELLERS ACROSS  
90+ LOCATIONS &  
PROGRAMMATIC

**\$30B+**<sup>(2)</sup>

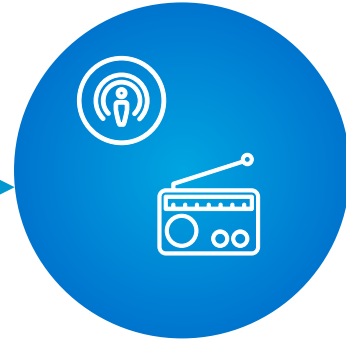
ADDRESSABLE  
AD MARKET

# MONETIZATION STRATEGY RESULTING IN INCREASED REVENUE FROM EXISTING AND NEW CLIENTS



## National Auto Aftermarket Company

100% podcast client in 2020

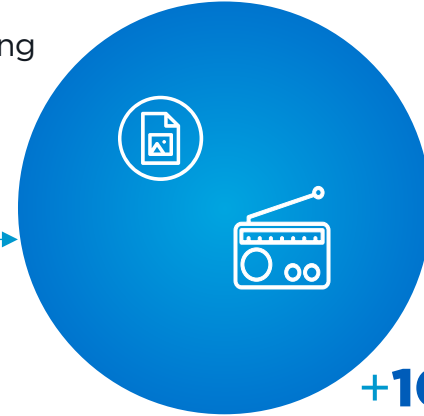


Added network radio in 2021 with total spend up **+58% YoY**



## Local Financial Services Company

100% digital marketing services client for three years



Added radio in 2021 with total spend up **+100% YoY**



## National Insurance Company

100% network radio client in 2020



Added podcast in 2021 with total spend up **+45% YoY**



## National Sports-Betting Company

New business with very little marketing spend

Developed a multi-year advertising and content relationship utilizing the full audio platform



**New Client**  
**Multi-Million \$ Spend**



**COMPANY OVERVIEW**

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**VALUE CREATION MODEL**

**INVESTMENT HIGHLIGHTS**



# HISTORICAL TURNAROUND STRATEGY FOCUSED ON SUSTAINABLE REVENUE GROWTH, OPERATIONAL EFFICIENCY & ASSET OPTIMIZATION



## Successful Turnaround

2016 – 6/2018 (Ch. 11 Exit)

- ✓ Established strong leadership team under CEO Mary Berner
- ✓ Reversed three-year ratings decline and delivered EBITDA growth for first time in five years
- ✓ Reduced debt by \$1 bn through Chapter 11 completed in 6 months
- ✓ Executed cultural overhaul leading to substantially increased employee engagement and reduction of crippling levels of turnover

## Strategic Realignment

6/2018-2019

- ✓ Expanded revenue focus to audio-first audience acquisition and monetization, increasing digital to 8% of revenue from 3% in 2016
- ✓ In 2019, delivered 2<sup>nd</sup> straight year of same station revenue growth, and 3<sup>rd</sup> straight year of same station EBITDA growth (ex-political)
- ✓ Initiated ongoing asset optimization effort with highly accretive divestitures and swaps/acquisitions
- ✓ Reduced debt by \$275 mm through aggressive paydown and FCF generation

## Pandemic Triage/ Recovery

2020-Mid 2021

- ✓ Generated \$33 mm of cash from operations for full year 2020 by strong working capital management
- ✓ Realized ~\$320 mm of gross proceeds from non-core M&A
- ✓ Permanently reduced fixed costs by \$50 mm and lowered net debt by ~\$300 mm
- ✓ Launched unique, cross-platform partnerships and accelerated digital growth
- ✓ Maintained high levels of employee confidence and engagement despite pandemic

## Growth Acceleration

Mid 2021+

- ✓ Intensifying efforts to build audiences and revenue through multiple digital paths
- ✓ Executing additional fixed cost reductions (now anticipating \$70+ mm vs. 2019)
- ✓ Exploring M&A opportunities and partnerships that bolster growth, profitability and/or competitive position
- ✓ Considering multiple options for capital allocation among M&A, debt paydown and return of capital to shareholders

# RESULTS

## COMPANY TRANSITION TO AUDIO-FIRST MEDIA STRATEGY WITH EXPANDED MONETIZATION OPPORTUNITIES



### Broadcast Revenue (78% of Q2 2021 Total Revenue)

#### Spot Revenue:

Monetization of local station listeners via local and national advertisers

Highly engaged fan base with significant ROI and brand loyalty

413 stations across 86 markets

#### Network Revenue:

Monetization of owned and third-party radio advertising inventory, acquired primarily through content and services syndication and bundled for nation-wide scale, via national advertisers

Highest efficiency medium for achieving national radio exposure

#1 network with ~7,300 affiliated stations

\* Q2 2021 compared to Q2 2020

Note: Other revenue (including trade, barter, event & non-traditional revenue) represented 8% of Q2 2021 revenue



### Digital Revenue (14% of Q2 2021 Total Revenue)

#### Streaming:

Simultaneous & on-demand broadcasts of radio programming through digital distribution outlets

Enhanced targeting capabilities for advertisers with comparable contribution margin to broadcast radio

Highest average time spent listening of major peers <sup>(3)</sup>

#### Podcasting:

Monetization of pre-roll and in-stream (including host-read) ads on podcasts distributed on all major platforms

Highly effective brand endorsements in high-growth market

Over 1.2 bn annual downloads; 30%+ YoY\* revenue growth

#### Digital Marketing Services & Campaigns:

Full suite of digital marketing solutions – from websites to reputation management to targeted digital ads

Leverages relationships with tens of thousands of clients

ROI increases 19% when bundled with core radio buy <sup>(4)</sup>

# RESULTS

## ENHANCEMENT OF OPERATING LEVERAGE AND FINANCIAL EFFICIENCY THROUGH COST ACTIONS AND DEBT PAYDOWN



### Cost Structure Rationalization



More than \$10 mm of permanent fixed cost reductions YoY realized in Q2 2021  
Total permanent fixed cost reductions to top \$70 mm in 2022 versus 2019

### Margin Improvement



Pre-pandemic, EBITDA margins expanded by 100+ bps from 2016 to 2019

### Free Cash Flow Conversion



2019 cash flow from operations of >\$100 mm, with even better run-rate given debt paydown activity during the year

Capital expenditures reduced by 50% to <\$15 mm during 2020 to mitigate pandemic's impact

Tax benefits from operating losses generated during 2020 efficiently utilized through gain on tower sale-leaseback transaction in same year

### De-Leveraging



Net debt reduced by ~\$600 mm or ~45% since emerging from bankruptcy, improving capital allocation flexibility

Targeting reduction in net leverage to below 4.0x

# RESULTS

## GROWTH PROFILE IMPROVEMENT THROUGH PLATFORM-WIDE STRATEGIC PARTNERSHIPS AND ACCRETIVE M&A



### Summary

### Impact

#### WynnBET

Multi-Platform, Multi-Year Marketing Partnership

Secured WynnBET as one of company's largest clients via multi-platform relationship utilizing entire portfolio of assets

Anticipating incremental revenue generation from sports-betting legalization in more states

Establishes strong beachhead in area of high listener, advertiser interest

Upside through creative and strategically-aligned equity consideration, providing exposure to sports-betting growth outside partnership

#### The Dan Bongino Show

Multi-Platform Content, Distribution & Monetization Partnership

Expanded partnership with podcast host (whose podcast delivered #1 or #2 in Apple podcast rankings during 4Q 2020 and achieved 117 mm downloads for year) into radio

Surpassed 300-station milestone in syndication of show within two months on air

Increases audience and revenue opportunities from existing talent relationship

Demonstrates benefits from successful execution of cross-platform talent/content repurposing

#### Acquisitions & Swaps

Acquired WKQX-FM in Chicago for \$18 mm during bankruptcy

Completed two immediately accretive swaps in 2019, resulting in market-leading positions in Indianapolis and Allentown

Consistent with portfolio optimization strategy to grow in markets where there is a path to leadership

Accretive acquisitions with limited integration risk

#### Non-Core Asset Monetization

Divested nearly \$480 mm of non-core assets (land, towers and certain stations) from 2018 to 2021

Collectively, non-core asset sales had virtually no impact on EBITDA or business operations

Consistent with focus on generating liquidity through divestiture of non-core assets

Strengthened balance sheet to increase financial flexibility and capital allocation optionality for execution of growth-oriented opportunities

# RESULTS

## ROBUST Q2 2021 FINANCIAL PERFORMANCE WITH STRONG BALANCE SHEET & LIQUIDITY PROFILE



### Positive Revenue Trajectory

Increased total revenue by 54% year-over-year  
Increased digital revenue by 55% year-over-year

### Reduced Fixed Costs

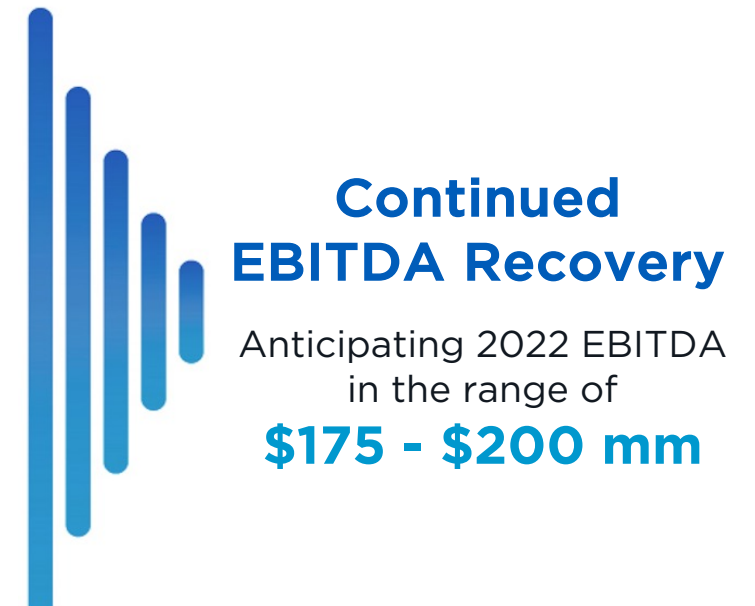
Realized >\$10 mm of year-over-year permanent cost reductions in the quarter  
Announced an additional \$20 mm of permanent fixed cost reductions expected to be realized in 2022

### Strengthened Balance Sheet

Finished quarter with \$125 mm of cash on hand and \$221 mm of total available liquidity  
Paid down \$175 mm of debt, finishing the quarter with net debt of \$701 mm  
Bolstered cash further through \$34 mm sale of Nashville real estate, completed on August 2, 2021

### New Multi-Platform Partnerships

Launched The Dan Bongino Show (an extension of our successful podcast relationship), which now has 300+ affiliates, a record-breaking start  
Established strong beachhead in the sports-betting sector through unique multi-year partnership with WynnBET, the sports-betting app from Wynn Resorts





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# MULTIPLE DRIVERS FOR SHAREHOLDER VALUE CREATION



Top Line  
Stability  
and Growth

1



Tailwinds from  
Ongoing Radio  
Recovery

2



Digital Revenue  
Growth  
Leveraging  
Cumulus Media's  
Competitive  
Strengths

Improved  
Operating  
Leverage

3



Continued Cost  
Optimization

Capital  
Allocation  
Flexibility

4



Accretive M&A  
Opportunities and  
Portfolio  
Optimization

5



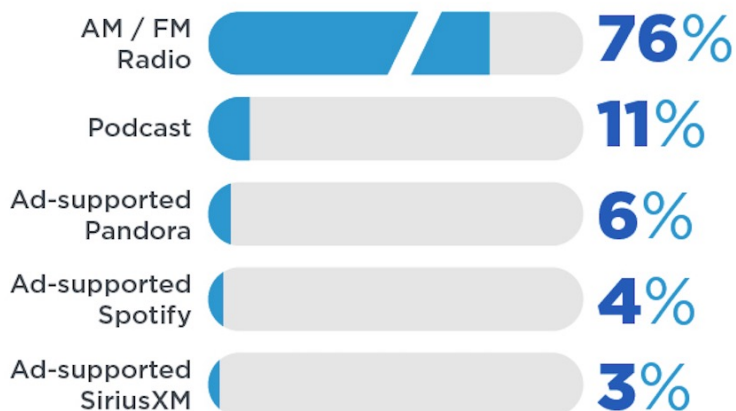
Further  
Strengthening of  
Balance Sheet  
Through  
Rapid De-  
Leveraging

# 1 TAILWINDS FROM ONGOING RADIO INDUSTRY RECOVERY



Radio remains a large and attractive market...

Share of ad-supported audio time spent (persons 18+) <sup>(5)</sup>



**93%**

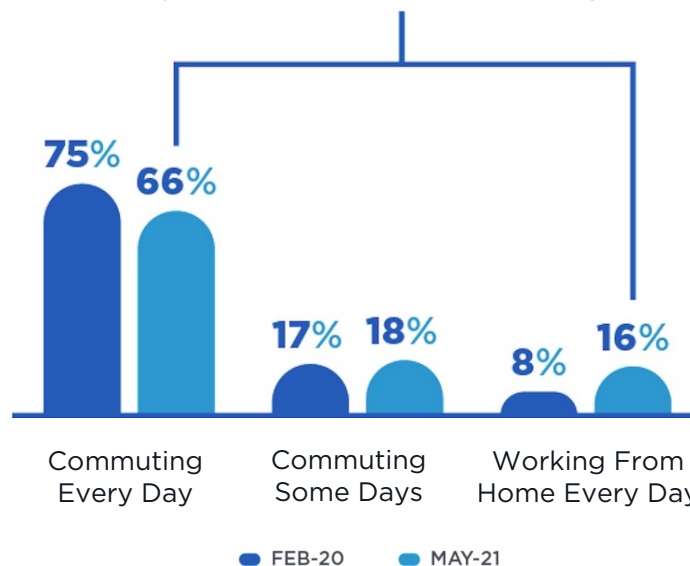
Americans aged 18+ reached monthly by AM / FM radio <sup>(6)</sup>

... with additional audience recovery as return-to-work increases...

**66%**

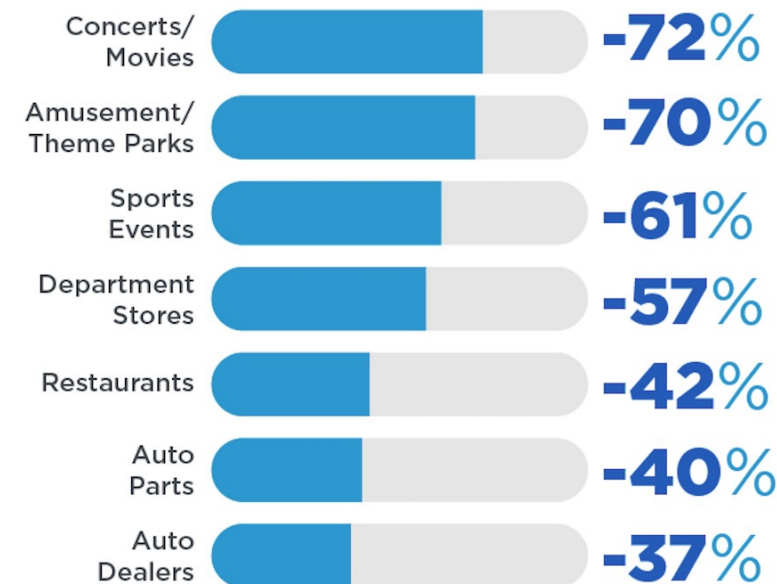
Employers who continue to delay a full return-to-work <sup>(7)</sup>

Represents opportunity for recapture of drive-time listening <sup>(8)</sup>



... and upside from rebound of key advertising categories

Key advertising categories remain well below pre-pandemic levels largely as a result of exogenous factors that are expected to resolve over time



Local radio industry revenue selected categories (1H 2021 vs. 1H 2019) <sup>(9)</sup>

# 2

## SIGNIFICANT DIGITAL REVENUE GROWTH FROM MULTIPLE DRIVERS



### Streaming



### Podcasting



### Digital Marketing Services



#### Robust Market Dynamics

~\$1.2 bn

Estimated 2022 broadcast streaming market revenue <sup>(10)</sup>

94+ mm

Estimated households with a smart speaker <sup>(11)</sup>

~\$1.8 bn

Estimated 2022 podcast market revenue <sup>(12)</sup>

41%

Projected 2018 to 2021 revenue CAGR <sup>(13)</sup>

~\$15 bn

Estimated market revenue opportunity <sup>(14)</sup>

+5-10%

Estimated '17-'20 market revenue CAGR <sup>(15)</sup>



#### Cumulus Media Competitive Positioning

Content distributed anywhere and everywhere, through all major listening outlets (owned + 3<sup>rd</sup> party)

Favorable economics and exclusivity of inventory control regardless of distribution channel

Best-in-class promotional & monetization partner for podcast content creators

Focused on personality-driven content with audio-first extension potential and commercial appeal

Full suite of digital marketing solutions, including presence and campaign-oriented products delivered through white-label partners

Leveraging high-touch sales force relationships with SMBs seeking “Do-It-For-Me” solutions



#### Cumulus Media Performance Highlights

30%

% of streams consumed through a smart speaker

59 mins

Average time spent listening, which leads all major peers

1.2 bn

Downloads in 2020 from 250+ represented podcasts

+25%

Q3 2021 year-over-year pacing at time of Q2 2021 earnings call

+57%

Q2 2021 year-over-year revenue growth

11%

Q2 2021 attachment rate to local orders, representing significant upside potential

# 3

## ENHANCED OPERATING LEVERAGE FROM ADDITIONAL COST REDUCTIONS



# \$50M

Permanent improvement in  
fixed expense run-rate vs. 2019  
(Q1 2021 guidance)



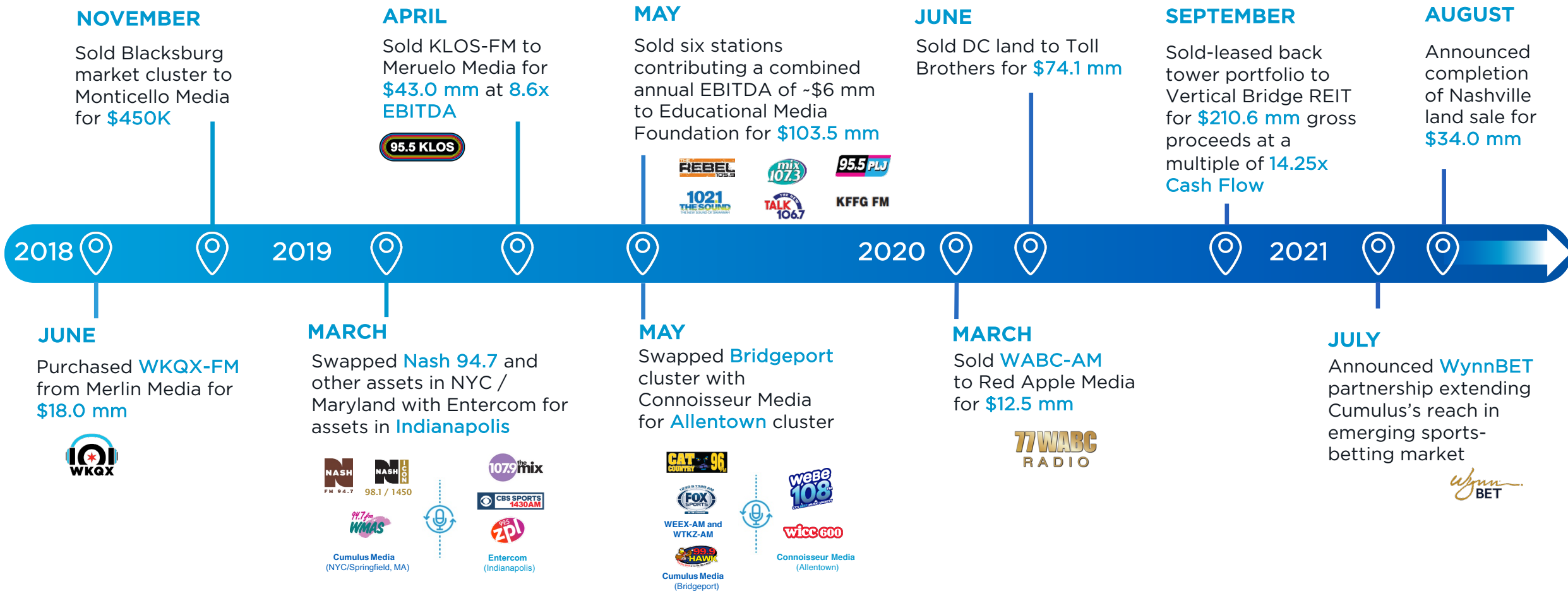
# \$70M

Total permanent fixed expense  
improvement by 2022  
(Q2 2021 guidance)

- ✓ Business process improvements enabled by technology
- ✓ Major contract renegotiations
- ✓ Facility consolidations and reductions
- ✓ Reductions in travel, entertainment and supplies
- ✓ Headcount reductions and improved employee efficiency

# 4

## CONTINUED VALUE CREATION FROM FUTURE M&A AND INVESTMENTS

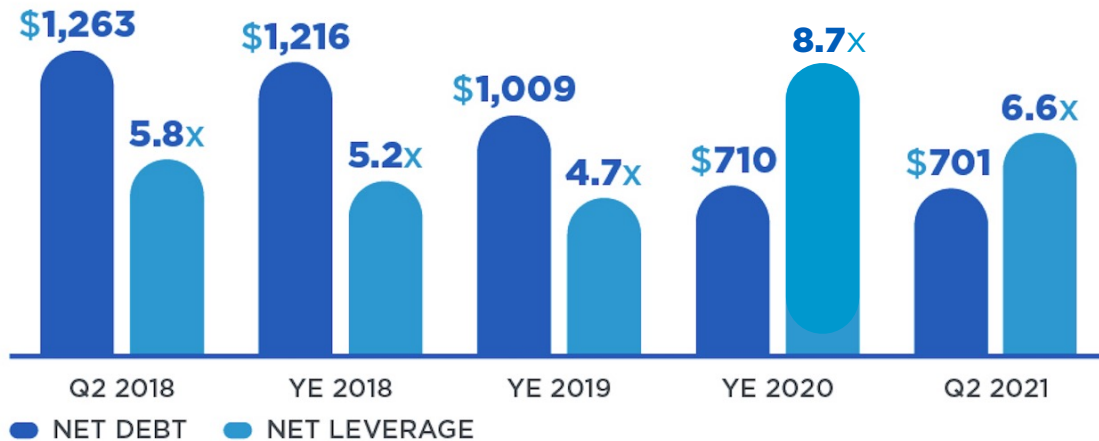


# 5

## STRONG BALANCE SHEET & SIGNIFICANT LIQUIDITY WITH CAPITAL ALLOCATION FLEXIBILITY



### Net Debt (\$ mm) and Net Leverage



Covenant-lite capital structure with long-dated (2026) maturities for Term Loan and Senior Notes



Continuation of debt paydown (\$175 mm in Q2 2021)



Substantial available liquidity including cash of \$125 mm as of Q2 2021 plus \$96 mm of availability under ABL Revolver and cash from Nashville land sale

### Disciplined Growth

Organic and inorganic (M&A / partnerships) actions to achieve and/or expand leadership positions

### De-Leveraging

Focus on de-risking balance sheet through rapid de-leveraging to below 4.0x net leverage

### Capital Return

Potential to return capital to shareholders as part of capital allocation strategy



# CUMULUS MEDIA INVESTMENT HIGHLIGHTS



AUDIO-FIRST MEDIA STRATEGY SUPPORTING SUSTAINABLE,  
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BALANCED BUSINESS MODEL:  
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DIVERSE, EXPERIENCED BOARD FOCUSED ON LONG-TERM VALUE CREATION AND ESG



# Appendix



# EXPERIENCED LEADERSHIP TEAM EXECUTING OUR VISION



**Mary Berner**  
President & CEO

Former CEO, The Association of Magazine Media

Former CEO, Reader's Digest

Former President & CEO, Fairchild Publications



**Francisco J. Lopez-Balboa**  
EVP, CFO

Former EVP & CFO, Univision

Former MD, Goldman, Sachs-Investment Banking, TMT



**Richard Denning**  
EVP, General Counsel & Secretary

Former Attorney, Dow, Lohnes & Albertson

Member, Pennsylvania Bar, District of Columbia Bar & Georgia Bar



**Suzanne Grimes**  
President, Westwood One  
EVP, Corporate Marketing

Former President & COO, Clear Channel Outdoor NA

Former President, U.S. Lifestyle Communities, Canada & India, Reader's Digest



**Dave Milner**  
President, Cumulus  
Operations

Former President & Market Manager, iHeart (Sacramento)

Former VP of Sales, Entercom (San Francisco)



**Bob Walker**  
President, Cumulus  
Operations

Co-Head, Office of Programming, Cumulus Media

Former EVP & General Manager, The Weather Channel

Former President & General Manager, Gannett (Atlanta)

**50% of Executive Officers are Female or from Diverse Backgrounds**

# OUR ESG PRIORITIES



## Promoting Journalistic Integrity and Protecting Intellectual Property

- ✓ Developed Programming Principles that describe our commitment to accuracy and respect for cultural rights and diversity
- ✓ Constantly monitor our content to ensure compliance with programming guidelines
- ✓ Enforce our Payola-Plugola Policy which strictly prohibits every employee from improperly profiting personally from the use of public airwaves
- ✓ Codify our approach to intellectual property protections in our employee handbook

## Attracting and Retaining Our Human Capital

- ✓ Conduct bi-annual company-wide anonymous culture survey to gauge employee sentiment and engage our workforce
- ✓ Monitor employee turnover and present detailed data to our Board as part of their oversight of our human capital strategy
- ✓ Driven by FORCE – our guiding principles and commitment to be Focused, Responsible, Collaborative and Empowered that guides our work and the decisions that we make every day

## Prioritizing Diversity, Equity and Inclusion

- ✓ Established hiring and promotion diversity goals for women and black, indigenous, people of color (BIPOC)
- ✓ Created a DEI Steering Committee, led by the CEO, composed of six leadership team members to lead our ongoing our DEI strategy
- ✓ Joined CEO Action for Diversity & Inclusion, and committed to promote DEI in the workplace
- ✓ Senior leaders completed an intensive 28-day anti-racism program in addition to ongoing trainings on race, allyship and managing unconscious biases for business leaders
- ✓ Rolled out Programming Principles to memorialize how the FORCE CUMULUS values should be expressed in programming

## Managing Cybersecurity and Data Privacy

- ✓ Utilize industry best practices to protect consumer privacy and personally identifiable information, and to secure all information assets
- ✓ Conduct bi-annual mandatory company-wide information security training
- ✓ Adopted both proactive and reactive data breach measures and operational plans to address any potential disaster recovery-related issues

**Our Board and management continue to oversee our ESG strategy and enhance our disclosures to align with the SASB standard**



- 1) BIA (2019); Over-the-air revenues plus Company estimate for total network radio market revenue
- 2) Calculated as the sum of over-the-air radio market revenues (BIA, 2019), online revenues (BIA, 2019), network radio market revenues (Company estimate), podcasting market revenues (IAB, PwC, May 2021), and local digital marketing services revenues (Company estimate, see note 14 below for methodology)
- 3) Triton Webcast Metrics Rankers (June 2021); Daypart: Monday-Sunday, 6am-Midnight
- 4) Analytic Partners (2016); Analysis based on over 3,200 ad campaigns from 2010-2015
- 5) Edison Research (Q3-Q4 2020, Q1-Q2 2021); “Share of Ear” study
- 6) Nielsen (Spring 2021); Nationwide Survey; Adults 18+
- 7) Gartner, Inc. (August 2021); Poll of 238 executive leaders
- 8) Real-Time Population Survey (May 2021); Alexander Bick, Adam Blandin, and Karel Mertens; “Work From Home After COVID-19 Outbreak”; Federal Reserve Bank of Dallas
- 9) Miller Kaplan Arase LLP (September 2021); Ad hoc analysis
- 10) BIA (March 2021); 2021 U.S. Local Advertising Forecast; “Online Revenues”
- 11) Edison Research, Triton Digital (March 2021); The Infinite Dial 2021 Report
- 12) IAB, PwC (May 2021); U.S. Podcast Advertising Revenue Study
- 13) IAB, PwC (May 2021); U.S. Podcast Advertising Revenue Study
- 14) Company estimate (2021); Assumes ~3.7 mm addressable market of U.S. small-and-mid-sized businesses with 1-50 employees in verticals that generally have digital marketing services needs with average annual spend of \$4,000; LSA/Mono Small Business Survey (2018); U.S. Census Bureau (2017 County Business Patterns)
- 15) Company estimate (2021); Based on publicly available comparable analysis and interviews with market participants

# GLOSSARY OF NON-GAAP TERMS



The non-GAAP terms referenced below may be provided on an As-Reported Basis as well as a Same Station Basis.

## “EBITDA” or “Adjusted EBITDA”



Net income or loss excluding: interest, taxes, depreciation, amortization, stock-based compensation expense, gain or loss on the exchange, sale, or disposal of any assets or stations, local marketing agreement fees, restructuring costs, expenses relating to acquisitions and divestitures, non-routine legal expenses incurred in connection with certain litigation matters, and non-cash impairments of assets, if any.

## “EBITDA (ex political)” or “Adjusted EBITDA (ex political)”



EBITDA excluding the impact of political advertising.

## “Net debt”



Total debt less cash and cash equivalents.

## “Net leverage”



Net debt divided by trailing twelve month Adjusted EBITDA

These non-GAAP terms are not defined in GAAP and our definitions may differ from, and therefore not be comparable to, similarly titled measures used by other companies, thereby limiting their usefulness. Such terms are used by management in addition to and in conjunction with results presented in accordance with GAAP and should be considered as supplements to, and not as substitutes for, net income and cash flows reported in accordance with GAAP.

# RECONCILIATIONS TO NON-GAAP TERMS

## NET INCOME TO ADJUSTED EBITDA (AS REPORTED BASIS, 2016-2020, EX. POLITICAL)



(\$ in '000s)	2016	2017	2018	2019	2020
Net (loss) income	\$ (510,720)	\$ (206,565)	\$ 757,581	\$ 61,257	\$ (59,719)
Income tax (benefit) expense	(26,154)	(163,726)	(189,212)	22,263	(19,249)
Non-operating expense, including net interest expense	136,102	127,179	54,260	83,068	68,366
Local marketing agreement fees	12,824	10,884	4,280	3,500	3,149
Depreciation and amortization	87,267	62,239	56,106	52,554	52,290
Stock-based compensation expense	2,948	1,614	3,635	5,301	3,337
Impairment of assets held for sale	-	-	-	6,165	-
Impairment of intangible assets and goodwill	604,965	335,909	-	15,563	4,509
Impairment of capitalized software development costs	-	-	-	-	4,139
(Gain) loss on sale of assets or stations	(95,695)	(2,499)	261	(55,403)	8,761
Reorganization items, net	-	31,603	(466,201)	-	-
Restructuring costs	1,817	19,492	13,649	18,315	14,859
Franchise taxes	530	558	189	786	815
(Gain) loss on early extinguishment of debt	(8,017)	1,063	(201)	(381)	-
<b>As reported Adjusted EBITDA</b>	<b>\$ 205,867</b>	<b>\$ 217,751</b>	<b>\$ 234,347</b>	<b>\$ 212,988</b>	<b>\$ 81,257</b>
Political EBITDA	(15,086)	(5,303)	(18,501)	(5,850)	(23,630)
<b>As reported Adjusted EBITDA, excluding impact of political EBITDA</b>	<b>\$ 190,781</b>	<b>\$ 212,448</b>	<b>\$ 215,846</b>	<b>\$ 207,138</b>	<b>\$ 57,627</b>

# RECONCILIATIONS TO NON-GAAP TERMS

## NET INCOME TO ADJUSTED EBITDA (SAME STATION BASIS, 2018-2019, EX. POLITICAL)



(\$ in '000s)	Same Station	
	2018	2019
Net income	\$ 747,055	\$ 60,892
Income tax expense (benefit)	(189,212)	22,263
Non-operating expense, including net interest expense	54,260	83,068
Local marketing agreement fees	4,280	3,500
Depreciation and amortization	56,106	52,554
Stock-based compensation expense	3,635	5,301
Impairment of assets held for sale	-	6,165
Impairment of intangible assets	-	15,563
(Gain) loss on sale of assets or stations	261	(55,403)
Reorganization items, net	(466,201)	-
Restructuring costs	13,649	18,315
Franchise taxes	189	786
Gain on early extinguishment of debt	(201)	(381)
<b>Same Station Adjusted EBITDA</b>	<b>\$ 223,821</b>	<b>\$ 212,623</b>
Political EBITDA	(18,009)	(5,850)
<b>Same Station Adjusted EBITDA, excluding impact of political EBITDA</b>	<b>\$ 205,812</b>	<b>\$ 206,773</b>

# RECONCILIATIONS TO NON-GAAP TERMS

## NET INCOME TO ADJUSTED EBITDA (SAME STATION BASIS, 2019-2020, EX. POLITICAL)



(\$ in '000s)	Same Station	
	2019	2020
Net (loss) income	\$ 62,705	\$ (57,160)
Income tax (benefit) expense	22,263	(19,249)
Non-operating expense, including net interest expense	83,068	68,366
Local marketing agreement fees	3,500	3,149
Depreciation and amortization	52,522	52,232
Stock-based compensation expense	5,301	3,337
Impairment of assets held for sale	6,165	-
Impairment of intangible assets	15,563	4,509
Impairment of capitalized software development costs	-	4,139
(Gain) loss on sale of assets or stations	(55,427)	7,270
Restructuring costs	18,293	14,839
Franchise taxes	786	815
Gain on early extinguishment of debt	(381)	-
<b>Same Station Adjusted EBITDA</b>	<b>\$ 214,358</b>	<b>\$ 82,247</b>
Political EBITDA	(5,738)	(23,630)
<b>Same Station Adjusted EBITDA, excluding impact of political EBITDA</b>	<b>\$ 208,620</b>	<b>\$ 58,617</b>

# RECONCILIATIONS TO NON-GAAP TERMS

## NET INCOME TO ADJUSTED EBITDA (SELECTED PERIODS)



(\$ in '000s)	Q2 2018 LTM	Q1 2021 LTM	Q2 2021 LTM
Net income (loss)	\$ 496,294	\$ (74,285)	\$ (43,861)
Income tax benefit	(339,187)	(22,049)	(9,338)
Non-operating expense, including net interest expense	65,451	68,894	70,725
Local marketing agreement fees	7,631	2,598	1,785
Depreciation and amortization	56,262	52,910	52,951
Stock-based compensation expense	1,429	3,675	4,048
Impairment of intangible assets and goodwill	335,909	4,509	-
Impairment of capitalized software development costs	-	4,139	4,139
Loss on sale of assets or stations	161	6,662	2,716
Reorganization items, net	(434,598)	-	-
Restructuring costs	27,270	13,518	14,069
Franchise taxes	560	865	835
Loss on early extinguishment of debt	1,063	-	-
Non-routine legal expenses	-	1,028	7,627
<b>As reported Adjusted EBITDA</b>	<b>\$ 218,245</b>	<b>\$ 62,464</b>	<b>\$ 105,696</b>
Political EBITDA	(7,709)	(20,399)	(20,222)
<b>As reported Adjusted EBITDA, excluding impact of political EBITDA</b>	<b>\$ 210,536</b>	<b>\$ 42,065</b>	<b>\$ 85,474</b>

# RECONCILIATIONS TO NON-GAAP TERMS

## TOTAL DEBT TO NET DEBT & NET LEVERAGE RATIO (SELECTED PERIODS)



(\$ in '000s)	Q2 2018	2018	2019	2020	Q1 2021	Q2 2021
Total debt	\$ 1,300,000	\$ 1,243,299	\$ 1,023,688	\$ 982,247	\$ 982,635	\$ 825,935
Cash and cash equivalents	37,444	27,584	15,142	271,761	293,806	124,978
<b>Net debt</b>	<b>\$ 1,262,556</b>	<b>\$ 1,215,715</b>	<b>\$ 1,008,546</b>	<b>\$ 710,486</b>	<b>\$ 688,829</b>	<b>\$ 700,957</b>
LTM EBITDA	218,245	234,347	212,988	81,257	62,464	105,696
<b>Net leverage Ratio</b>	<b>5.8x</b>	<b>5.2x</b>	<b>4.7x</b>	<b>8.7x</b>	<b>11.0x</b>	<b>6.6x</b>